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Securities Code 2201
June 6, 2022

To Shareholders with Voting Rights:

Eijiro Ota
Representative Director, President
MORINAGA & CO., LTD
5-33-1 Shiba, Minato-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 174TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially notified of the 174th Annual General Meeting of Shareholders of MORINAGA & CO., LTD. (the “Company”). The meeting will be held for the purposes as described below.

In response to the situation with the spread of the novel coronavirus infection, as for this meeting, we strongly request that you exercise your voting rights in advance in writing or via the Internet, if possible, and refrain from visiting the venue on the day of the meeting. Please review the Reference Documents for the General Meeting of Shareholders described hereinafter and exercise your voting rights by no later than 5:30 p.m. on Tuesday, June 28, 2022.

- 1. Date and Time:** Wednesday, June 29, 2022, at 10:00 a.m. Japan time (reception opens at 9:00 a.m.)
- 2. Place:** “Prince Hall” 5th floor of Annex Tower, Shinagawa Prince Hotel
10-30, Takanawa 4-chome, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 174th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors
 2. Non-consolidated Financial Statements for the Company’s 174th Fiscal Year (April 1, 2021 - March 31, 2022)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of 11 Directors
 - Proposal 4:** Election of 1 Statutory Auditor
 - Proposal 5:** Election of 1 Substitute Statutory Auditor

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

As a result of careful consideration of factors such as business results for the fiscal year under review and future business expansion, the Company proposes year-end dividends for the fiscal year under review of ¥90 per share, an increase of ¥10 compared to the per share dividends for the previous fiscal year.

1. Type of dividend property
Cash
2. Matters concerning the allotment of dividend property to shareholders and the total amount thereof
¥90 per share of common stock of the Company
Total amount: ¥4,497,879,780
3. Effective date of distribution of surplus
June 30, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

The Company proposes partial amendments to its current Articles of Incorporation as follows.

1. Reasons for the proposal

(1) Amendments made to provisions in the proviso of Article 1 of the Supplementary Provisions of the “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022. In response, the Company is looking to make the following amendments to its Articles of Incorporation in preparation for the introduction of a system for the electronic provision of materials for general meetings of shareholders.

i) “Disclosure of Reference Documents for General Meeting of Shareholders, etc. via the Internet”, stipulated in the current Article 16 of the Articles of Incorporation, shall be deleted as this provision will become unnecessary once the system for electronic provision of materials is introduced.

ii) Following the proposed amendments, Paragraph 1 of Article 16 shall stipulate the electronic provision of information that is contained in the reference documents for general meetings of shareholders, etc.

iii) Following the proposed amendments, Paragraph 2 of Article 16 shall establish a provision to limit the scope of matters to be included in the written documents to be delivered to shareholders who have requested document delivery.

iv) Supplementary provisions regarding effective dates, etc. shall be added in accordance with the new additions and deletions mentioned above.

(2) To enable the use of electronic methods to provide notice to the Company of the “diverse exercise of voting rights” at general meetings of shareholders, the Company proposes to delete Article 19 (Diverse Exercise of Voting Rights) of the current Articles of Incorporation, which stipulates that such notification be given in writing.

(3) Subsequent article numbers shall be shifted forward in accordance with the deletion of Article 19 in (2) above.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter III. General Meetings of Shareholders <u>(Disclosure of Reference Documents for General Meeting of Shareholders, etc. via the Internet)</u> Article 16. <u>In convening a general meeting of shareholders, the Company may provide, through disclosure via the Internet, information regarding matters that should be described or indicated in the reference document for the general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements, in accordance with the provisions of the Ordinance of the Ministry of Justice.</u></p>	<p>Chapter III. General Meetings of Shareholders <Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="376 208 619 239"><Newly established></p> <p data-bbox="204 748 608 779"><u>(Diverse Exercise of Voting Rights)</u></p> <p data-bbox="204 781 788 904"><u>Article 19. The notice provided for in Article 313, Paragraph 2 of the Companies Act (notice regarding diverse exercise of voting rights) shall be given in writing.</u></p> <p data-bbox="204 940 644 972">Article <u>20</u> through Article <u>45</u> (omitted)</p> <p data-bbox="376 1003 619 1034"><Newly established></p>	<p data-bbox="820 208 1401 266"><u>(Measures for Electronic Provision of Information, etc.)</u></p> <p data-bbox="820 268 1401 427"><u>Article 16. 1. In convening a general meeting of shareholders, the Company shall take measures for the electronic provision of information contained in reference documents for general meetings of shareholders, etc.</u></p> <p data-bbox="820 430 1401 714"><u>2. With respect to all or parts of the matters for which measures for electronic provision of information are to be taken as stipulated by ordinance of the Ministry of Justice, the Company shall not be required to include such matters in the written documents to be delivered to shareholders who have made a request for document delivery by the record date for voting rights.</u></p> <p data-bbox="820 748 938 779"><Deleted></p> <p data-bbox="820 940 1295 972">Article <u>19</u> through Article <u>44</u> (unchanged)</p> <p data-bbox="820 1003 1401 1099"><u>Supplementary provisions (Transitional Measures Concerning the Electronic Provision of Information, etc.)</u></p> <p data-bbox="820 1102 1401 1352"><u>Article 1. 1. The deletion of Article 16 (Disclosure of Reference Documents for General Meeting of Shareholders, etc. via the Internet) and the addition of Article 16 (Measures for Electronic Provision of Information, etc.) of the Articles of Incorporation shall become effective on September 1, 2022.</u></p> <p data-bbox="820 1355 1401 1606"><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 (Disclosure of Reference Documents for General Meeting of Shareholders, etc. via the Internet) of the Articles of Incorporation shall remain in effect for any general meeting of shareholders held on a date within six months from September 1, 2022.</u></p> <p data-bbox="820 1608 1401 1800"><u>3. The provisions of this Article shall be deleted after six months have elapsed from September 1, 2022, or three months have elapsed from the date of a general meeting of shareholders as specified in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of 11 Directors

The terms of office of all 10 Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of 11 Directors is proposed. The candidates are as follows:

No.		Name	Current positions at the Company	Attendance at Board of Directors Meetings
1	<u>Reappointment</u>	Eijiro Ota	Representative Director, President	100% (16/16)
2	<u>Reappointment</u>	Machiko Miyai	Director, Managing Operating Officer	100% (16/16)
3	<u>Reappointment</u>	Takashi Hirakue	Director, Senior Operating Officer	100% (16/16)
4	<u>Reappointment</u>	Shinya Mori	Director, Senior Operating Officer	100% (16/16)
5	<u>Reappointment</u>	Daisuke Fujii	Director, Senior Operating Officer	100% (16/16)
6	<u>New appointment</u>	Hideki Matsunaga	Senior Operating Officer	
7	<u>New appointment</u>	Tetsuya Takagi	Senior Operating Officer	
8	<u>Reappointment</u>	Naomi Eto	<u>Outside Director</u> <u>Independent Officer</u> Director	100% (16/16)
9	<u>Reappointment</u>	Shuichi Hoshi	<u>Outside Director</u> <u>Independent Officer</u> Director	100% (16/16)
10	<u>Reappointment</u>	Kuniko Urano	<u>Outside Director</u> <u>Independent Officer</u> Director	100% (12/12)
11	<u>New appointment</u>	Shinji Sakaki	<u>Outside Director</u> <u>Independent Officer</u>	

Reappointment: Candidate for Director who is reappointed

New appointment: Candidate for Director who is newly appointed

Outside Director: Candidate for Outside Director

Independent Officer: Candidate for Independent Director/Auditor as prescribed by the regulations of the Tokyo Stock Exchange

- (Notes) 1. Mr. Eijiro Ota, the candidate for Director, concurrently serves as the President of the Morinaga Angel Foundation. The Company donates investment assets to the Morinaga Angel Foundation and has other transactions with it. There are transactions related to food products between The Nisshin OilliO Group, Ltd. where Ms. Naomi Eto, the candidate for Outside Director, is scheduled to assume the office of Outside Director, and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). Mr. Shuichi Hoshi, the candidate for Director, executed business of ITOCHU-SHOKUHIN Co., Ltd. from April 2011 to June 2016 as President and Representative Director or in other positions. Subsequently, he was Director and Advisor or Executive Advisor of ITOCHU-SHOKUHIN Co., Ltd. until June 2021 but currently he has no relationships with ITOCHU-SHOKUHIN Co., Ltd. There are transactions related to food products between ITOCHU-SHOKUHIN Co., Ltd. and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). There are transactions related to food products between SAN-A CO., LTD., where Mr. Shinji Sakaki, the candidate for Director, concurrently serves as an Outside Director (Audit and Supervisory Committee Member), and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). Mr. Shinji Sakaki executed business of Tokyu Hands Inc. from June 2007 to March 2016 as President, CEO or in other positions, but currently he has no relationships with Tokyu Hands Inc. There are transactions related to food products between Tokyu Hands Inc. and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). There are no special interests between any of the other candidates for Directors and the Company.
2. If Ms. Naomi Eto, Mr. Shuichi Hoshi, and Ms. Kuniko Urano, the candidates for Directors, are reelected as Director, the Company plans to continue to register them with the Tokyo Stock Exchange as Independent Officers. If Mr. Shinji Sakaki, the candidate for Director, is elected as Director, the Company plans to register him with the Tokyo Stock Exchange as an Independent Officer.
 3. Pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into agreements with Ms. Naomi Eto, Mr. Shuichi Hoshi, and Ms. Kuniko Urano to limit their liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the agreements shall be limited to the amount stipulated by laws and regulations. If they are reelected, the Company plans to continue such agreement with them. If Mr. Shinji Sakaki is elected, pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company plans to enter into an agreement with him to limit his liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the agreement shall be limited to the amount stipulated by laws and regulations.
 4. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, under which all Directors of the Company are designated as the insured and which covers damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a Director of the Company. Of the candidates for Directors, those who are to be reelected are already the insured under the said insurance contract and if they are reelected, they will remain the insured. If Mr. Hideki Matsunaga, Mr. Tetsuya Takagi, and Mr. Shinji Sakaki, the new candidates for Director, are elected, they will also be the insured under the said insurance contract. The Company plans to renew the said insurance contract with the same content when it is due for the next renewal.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
1	<p style="text-align: center;">Eijiro Ota (June 30, 1959)</p> <p style="text-align: center;"><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 16,059 [5,759]</p> <p>Attendance at Board of Directors Meetings: 100% (16/16)</p> <p>Term of office as Director: 11 years</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2011 Assumed the office of Director Commissioned General Manager of Frozen Dessert Business Headquarters</p> <p>Apr. 2014 Commissioned General Manager of Sales Division</p> <p>Jun. 2014 Assumed the office of Director, Senior Operating Officer</p> <p>Jun. 2015 Assumed the office of Director, Managing Operating Officer</p> <p>Jun. 2017 Assumed the office of Director, Senior Managing Operating Officer</p> <p>Jun. 2019 Assumed the office of Representative Director, President (current position)</p> <p>Jun. 2020 Assumed the office of President of the Morinaga Angel Foundation (current position)</p> <p>Jun. 2021 Assumed the office of Chairman of ALL NIPPON KASHI ASSOCIATION (current position)</p> <p>[Responsibilities] Audit Division Sales Division</p> <hr/> <p>Significant concurrent positions</p> <p>President of the Morinaga Angel Foundation Chairman of ALL NIPPON KASHI ASSOCIATION</p> <p>Reason for nomination as a candidate for Director</p> <p>Mr. Eijiro Ota served in a managerial position at the sales division and the marketing division of the Company. Since June 2011, he has been involved in the Company's management as Director of the Company. Since June 2019, he has been exercising strong leadership in an effort to improve corporate value of the Group as Representative Director, President of the Company. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
2	<p>Machiko Miyai (September 29, 1960)</p> <p><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 4,619 [2,819]</p> <p>Attendance at Board of Directors Meetings: 100% (16/16)</p> <p>Term of office as Director: 8 years</p>	<p>Apr. 1983 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>Apr. 2005 Executive Director of Matsushita Electric Industrial Co., Ltd.</p> <p>Apr. 2011 Officer, General Manager of Environment Headquarters and Power Saving Headquarters of Panasonic Corporation</p> <p>Oct. 2012 Officer, in charge of Future Life Research, R&D Headquarters of Panasonic Corporation</p> <p>Apr. 2014 Advisor of Panasonic Corporation</p> <p>Jun. 2014 Assumed the office of Director (Outside Director) of the Company</p> <p>Dec. 2014 Assumed the office of Outside Director of Kato Sangyo Co. Ltd.</p> <p>May 2015 Assumed the office of Outside Director of YOSHINOYA HOLDINGS CO., LTD.</p> <p>Jun. 2018 Assumed the office of Director, Managing Operating Officer of the Company (current position) Commissioned Head of Marketing Division</p> <p>Feb. 2019 Assumed the office of Chairman of Sustainability Forum Japan (current position)</p> <p>Apr. 2022 Assumed the office of Auditor of Ochanomizu University (current position)</p> <p>Jun. 2022 Scheduled to assume the office of Outside Director of SEKISUI CHEMICAL CO., LTD.</p> <p>[Responsibilities] Sustainable Management Promotion Division, Quality Assurance Division, Customer Service Center</p> <p>Significant concurrent positions Chairman of Sustainability Forum Japan Outside Director of SEKISUI CHEMICAL CO., LTD. (scheduled)</p> <p>Reason for nomination as a candidate for Director Ms. Machiko Miyai has a wealth of experience through serving in manager roles in the electronics industry, as well as in a managerial position in the marketing division of the Company. She provided objective and neutral advice as Outside Director of the Company from 2014, and she has been involved in the Company's management as Director from 2018 onward. With a wealth of experience and broad knowledge regarding corporate management, she has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests her reelection as Director.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
3	<p>Takashi Hirakue (November 24, 1961)</p> <p><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 11,235 [2,535]</p> <p>Attendance at Board of Directors Meetings: 100% (16/16)</p> <p>Term of office as Director: 12 years</p>	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2006 Operating Officer, General Manager of Frozen Dessert Business Headquarters</p> <p>Jun. 2008 Senior Operating Officer, General Manager of Frozen Dessert Business Headquarters</p> <p>Apr. 2009 Senior Operating Officer, General Manager of Confectionery Business Headquarters</p> <p>Jun. 2010 Assumed the office of Director Commissioned General Manager of Confectionery Business Headquarters</p> <p>Jun. 2013 Commissioned General Manager of Food Business Headquarters</p> <p>Apr. 2014 Commissioned Head of Marketing Division</p> <p>Jun. 2014 Assumed the office of Director, Senior Operating Officer (current position)</p> <p>Jun. 2018 Commissioned General Manager of Production Division [Responsibilities] Logistics Department, Digital Transformation Promotion Division</p> <p>Reason for nomination as a candidate for Director</p> <p>Through experience primarily in the sales division and marketing division of the Company, Mr. Takashi Hirakue has served in a managerial position in the marketing division and production division, while being involved in the Company's management as Director from 2010 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.</p>
4	<p>Shinya Mori (March 14, 1962)</p> <p><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 3,735 [1,735]</p> <p>Attendance at Board of Directors Meetings: 100% (16/16)</p> <p>Term of office as Director: 3 years</p>	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2013 General Manager of Health Care Business Headquarters</p> <p>Apr. 2016 Operating Officer, General Manager of Health Business Headquarters</p> <p>Apr. 2018 Operating Officer, Deputy General Manager of R&D Center</p> <p>Jan. 2019 Operating Officer, General Manager of R&D Center</p> <p>Jun. 2019 Assumed the office of Director, Senior Operating Officer (current position) Commissioned General Manager of R&D Center (current position)</p> <p>[Responsibilities] R&D Center, New Business Development Division</p> <p>Reason for nomination as a candidate for Director</p> <p>Mr. Shinya Mori has experience primarily in the health business division and R&D division of the Company. While serving in a managerial position in the R&D division of the Company, he has been involved in the Company's management as Director from 2019 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
5	<p>Daisuke Fujii (October 18, 1964)</p> <p><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 3,053 [1,753]</p> <p>Attendance at Board of Directors Meetings: 100% (16/16)</p> <p>Term of office as Director: 3 years</p>	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2018 General Manager of General Affairs Division</p> <p>Apr. 2019 Operating Officer, General Manager of General Affairs Division</p> <p>Jun. 2019 Assumed the office of Director, Senior Operating Officer (current position)</p> <p>Aug. 2019 Commissioned General Manager of Corporate Strategy Division [Responsibilities] Corporate Strategy Division, General Affairs Division, Strategic Investment Division</p> <p>Reason for nomination as a candidate for Director</p> <p>Mr. Daisuke Fujii has experience primarily in the IR division, corporate strategy division and human resources division of the Company. While serving in a managerial position in the general affairs division and the corporate strategy division of the Company, he has been involved in the Company's management as Director from 2019 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.</p>
6	<p>Hideki Matsunaga (February 16, 1967)</p> <p><u>New appointment</u></p> <p>Number of shares of the Company held: 5,500</p>	<p>Apr. 1990 Joined the Company</p> <p>Oct. 2010 General Manager of Area Sales Department, Confectionery and Foodstuff Sales Division</p> <p>Apr. 2014 General Manager of Sales Strategy Division, Sales Division</p> <p>Apr. 2018 Operating Officer, General Manager of Sales Strategy Division, Sales Division</p> <p>Apr. 2019 Operating Officer, General Manager of Confectionery and Foodstuff Sales Division, Sales Division</p> <p>Oct. 2019 Operating Officer, General Manager of Sales Division</p> <p>Apr. 2021 Senior Operating Officer, General Manager of Sales Division</p> <p>Apr. 2022 Senior Operating Officer, Head of Marketing Division (current position)</p> <p>[Responsibilities] Marketing Division, Direct Marketing Division</p> <p>Reason for nomination as a candidate for Director</p> <p>Mr. Hideki Matsunaga has served in a managerial position in the sales division and the marketing division of the Company. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his election as Director.</p>
7	<p>Tetsuya Takagi (August 16, 1963)</p> <p><u>New appointment</u></p> <p>Number of shares of the Company held: 0</p>	<p>Apr. 1986 Joined Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.)</p> <p>Jul. 2015 Executive Officer, General Manager of Corporate Planning Division of Fuji Xerox Co., Ltd.</p> <p>Jul. 2017 Executive Counselor of Fuji Xerox Co., Ltd.</p> <p>Apr. 2018 Managing Executive Officer, responsible (deputy) for Corporate Planning Division of UNIZO Holdings Company, Limited</p> <p>Jul. 2019 Chief Financial Officer, Executive Officer, Director of Administration Division, Twinbird Corporation</p> <p>Nov. 2021 Joined the Company</p> <p>Apr. 2022 Senior Operating Officer (current position)</p> <p>[Responsibilities] Accounting Division, Corporate Communications Division</p> <p>Reason for nomination as a candidate for Director</p> <p>Mr. Tetsuya Takagi served as an Executive Officer and a Chief Financial Officer in the electrical equipment industry and the real estate industry. With a wealth of experience and broad knowledge regarding corporate management and finance & accounting, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his election as Director.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
8	<p style="text-align: center;">Naomi Eto (May 2, 1956)</p> <p style="text-align: center;"><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 1,000</p> <p>Attendance at Board of Directors Meetings: 100% (16/16)</p> <p>Term of office as Director: 2 years</p>	<p>Apr. 1979 Joined Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)</p> <p>Mar. 2009 Executive Officer responsible for General Affairs and Corporate Communications of Bridgestone Corporation</p> <p>Feb. 2014 Executive Officer and General Manager of Group CC Headquarters of Zensho Holdings Co., Ltd.</p> <p>Jun. 2014 Assumed the office of Director, General Manager of Group CC Headquarters of Zensho Holdings Co., Ltd.</p> <p>Jan. 2015 Director, General Manager of Group General Affairs Headquarters of Zensho Holdings Co., Ltd.</p> <p>May 2020 Director of Zensho Holdings Co., Ltd.</p> <p>Jun. 2020 Assumed the office of Director (Outside Director) of the Company (current position)</p> <p>Jun. 2022 Scheduled to assume the office of Outside Director of The Nisshin OilliO Group, Ltd.</p> <p>Jun. 2022 Scheduled to assume the office of Outside Director of Nippon Yakin Kogyo Co., Ltd.</p> <p>Significant concurrent positions</p> <p>Outside Director of The Nisshin OilliO Group, Ltd. (scheduled)</p> <p>Outside Director of Nippon Yakin Kogyo Co., Ltd. (scheduled)</p> <p>Reason for nomination as a candidate for Outside Director and expected role</p> <p>Ms. Naomi Eto has business experience accumulated in the manufacturing industry and a wealth of experience as an executive in the retail industry, and based on the above experience, she has provided objective and neutral advice on overall management coming from a broad perspective that extends beyond the Company's industry. In the expectation that she will continue to contribute to the strengthening of corporate governance, the Company requests her reelection as Director (Outside Director).</p>
9	<p style="text-align: center;">Shuichi Hoshi (September 6, 1955)</p> <p style="text-align: center;"><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 1,600</p> <p>Attendance at Board of Directors Meetings: 100% (16/16)</p> <p>Term of office as Director: 2 years</p>	<p>Apr. 1979 Joined ITOCHU Corporation</p> <p>Sep. 1998 Assumed the office of Director of Family Corporation Co., LTD. (Currently NIPPON ACCESS, INC.)</p> <p>Dec. 2002 Assumed the office of Director of Yukijirushi Access Co., Ltd. (Currently NIPPON ACCESS, INC.)</p> <p>Apr. 2010 Executive Officer of ITOCHU Corporation</p> <p>Apr. 2011 Assumed the office of Deputy President and Representative Director of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>Jun. 2013 Assumed the office of President and Representative Director of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>Jun. 2016 Assumed the office of Director and Advisor of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>Jun. 2017 Executive Advisor of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>Mar. 2019 Assumed the office of Outside Director of SBS Holdings Inc. (current position)</p> <p>Jun. 2020 Assumed the office of Director (Outside Director) of the Company (current position)</p> <p>Significant concurrent positions</p> <p>Outside Director of SBS Holdings Inc.</p> <p>Reason for nomination as a candidate for Outside Director and expected role</p> <p>Mr. Shuichi Hoshi has a wealth of experience as an executive in the wholesale industry, and based on the above experience, he has provided objective and neutral advice on overall management coming from a broad perspective that extends beyond the Company's industry. In the expectation that he will continue to contribute to the strengthening of corporate governance, the Company requests his reelection as Director (Outside Director).</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
10	<p style="text-align: center;">Kuniko Urano (October 19, 1956)</p> <p style="text-align: center;"><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 0</p> <p>Attendance at Board of Directors Meetings: 100% (12/12)</p> <p>Term of office as Director: 1 year</p>	<p>Apr. 1979 Joined Komatsu Ltd.</p> <p>Apr. 2011 Executive Officer, General Manager of Corporate Communications Department of Komatsu Ltd.</p> <p>Apr. 2014 Executive Officer, General Manager of Human Resources Department of Komatsu Ltd.</p> <p>Apr. 2016 Senior Executive Officer, General Manager of Human Resources Department of Komatsu Ltd.</p> <p>Jun. 2018 Assumed the office of Director and Senior Executive Officer of Komatsu Ltd.</p> <p>Apr. 2021 Director of Komatsu Ltd.</p> <p>Jun. 2021 Advisor of Komatsu Ltd. (current position)</p> <p>Jun. 2021 Assumed the office of Outside Director of Yokogawa Electric Corporation (current position)</p> <p>Jun. 2021 Assumed the office of Director (Outside Director) of the Company (current position)</p> <p>Jun. 2022 Scheduled to assume the office of Outside Director of NIPPON STEEL CORPORATION</p> <hr/> <p>Significant concurrent positions</p> <p>Outside Director of Yokogawa Electric Corporation Outside Director of NIPPON STEEL CORPORATION (scheduled)</p> <hr/> <p>Reason for nomination as a candidate for Outside Director and expected role</p> <p>Ms. Kuniko Urano has a wealth of experience as an executive in the machine industry, and based on the above experience, she has provided objective and neutral advice on overall management coming from a broad perspective that extends beyond the Company's industry. In the expectation that she will continue to contribute to the strengthening of corporate governance, the Company requests her reelection as Director (Outside Director).</p>
11	<p style="text-align: center;">Shinji Sakaki (January 23, 1957)</p> <p style="text-align: center;"><u>New appointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 0</p>	<p>Apr. 1980 Joined Tokyu Land Corporation</p> <p>Apr. 2006 Managing Officer and General Manager of Corporate Planning Department of Tokyu Land Corporation</p> <p>Jun. 2007 Assumed the office of Director and Executive Managing Officer of Tokyu Hands, Inc.</p> <p>Apr. 2011 Assumed the office of President & CEO of Tokyu Hands, Inc.</p> <p>Jun. 2014 Assumed the office of Director of Tokyu Fudosan Holdings Corporation</p> <p>Apr. 2015 Assumed the office of President & CEO of Tokyu Livable, Inc.</p> <p>Apr. 2019 Assumed the office of Chairman of Tokyu Livable, Inc.</p> <p>Mar. 2022 Advisor of Tokyu Livable, Inc. (current position)</p> <p>May 2022 Assumed the office of Outside Director (Audit and Supervisory Committee Member) of SAN-A CO., LTD. (current position)</p> <hr/> <p>Significant concurrent positions</p> <p>Outside Director (Audit and Supervisory Committee Member) of SAN-A CO., LTD.</p> <hr/> <p>Reason for nomination as a candidate for Outside Director and expected role</p> <p>Mr. Shinji Sakaki has a wealth of experience as an executive in the retail industry and the real estate industry, and based on the above experience, he is expected to provide objective and neutral advice on overall management coming from a broad perspective that extends beyond the Company's industry to contribute to the strengthening of corporate governance. The Company therefore requests his election as Director (Outside Director).</p>

Proposal 4: Election of 1 Statutory Auditor

The term of office of Statutory Auditor Tadashi Nishimiya will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 1 Statutory Auditor is proposed.

The Board of Statutory Auditors has given its consent to this proposal.

The candidate is as follows:

Name (Date of birth)	Career summary, positions, and significant concurrent positions
<p>Toshiaki Fukunaga (February 4, 1960)</p> <p><u>New appointment</u></p> <p>Number of shares of the Company held: 2,000</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2006 Operating Officer, General Manager of Development Planning Office of R&D Center</p> <p>Jun. 2011 Operating Officer, General Manager of Chukyo Factory</p> <p>Jan. 2014 Assumed the office of Representative Director, President of Morinaga America Foods, Inc.</p> <p>Apr. 2017 Operating Officer, General Manager of R&D Center of the Company</p> <p>Jun. 2017 Assumed the office of Director, Senior Operating Officer Commissioned General Manager of R&D Center</p> <p>Jan. 2019 Assumed the office of Representative Director, President of Morinaga America Foods, Inc</p> <p>Apr. 2022 Assistant to President (current position)</p>
	<p>Reason for nomination as a candidate for Statutory Auditor</p>
	<p>Mr. Toshiaki Fukunaga has experience primarily in the research and development division and is well versed in the Company's overall operations and has a wealth of management experience. The Company believes that he will utilize his knowledge and experience in auditing the Company, and therefore requests his election as Statutory Auditor.</p>

(Notes) 1. No special interest exists between Mr. Toshiaki Fukunaga and the Company.

2. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, under which all Statutory Auditors of the Company are designated as the insured and which covers damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a Statutory Auditor of the Company. If Mr. Toshiaki Fukunaga is elected, he will also be the insured under the said insurance contract. The Company plans to renew the said insurance contract with the same content when it is due for the next renewal.

New appointment: Candidate for Statutory Auditor who is newly appointed

Proposal 5: Election of 1 Substitute Statutory Auditor

Validity of the election of Mr. Osamu Sudoh as Substitute Statutory Auditor at the 170th Annual General Meeting of Shareholders held on June 28, 2018 will expire at the conclusion of this Annual General Meeting of Shareholders. In order to prepare for cases where a vacancy results in a shortfall in the number of Statutory Auditors prescribed by laws and regulations, the election of 1 Substitute Statutory Auditor is proposed.

The Board of Statutory Auditors has given its consent to this proposal.

The candidate is as follows:

Name (Date of birth)	Career summary, positions, and significant concurrent positions
<p style="text-align: center;">Osamu Sudoh (January 24, 1952)</p> <p>Number of shares of the Company held: 0</p>	<p>Apr. 1980 Registered as an attorney at law and joined Tokyo Yaesu Law Offices</p> <p>Apr. 1993 Established Asahi Law Offices (currently Asahi Law Offices and Nishimura & Asahi), Partner</p> <p>Jun. 1999 Established Sudoh & Takai Law Offices, Partner</p> <p>Sep. 2005 Assumed the office of Outside Audit & Supervisory Board Member of BANDAI NAMCO Holdings Inc. (current position) (Scheduled to retire in June 2022)</p> <p>Jun. 2011 Assumed the office of Outside Auditor of Mitsui-Soko Co., Ltd. (currently MITSUI-SOKO HOLDINGS Co., Ltd.) (current position)</p> <p>May 2016 Established SUDOH & PARTNERS, Partner (current position)</p> <p>Jun. 2016 Assumed the office of Outside Corporate Auditor of PRONEXUS INC. (current position)</p> <p>Jun. 2016 Assumed the office of Statutory Auditor of Keikyu Corporation (current position)</p> <p>Jun. 2022 Scheduled to assume the office of Outside Audit & Supervisory Board Member of Bandai Namco Amusement Inc.</p>
	<p>Significant concurrent positions</p>
	<p>Partner of SUDOH & PARTNERS Outside Auditor of MITSUI-SOKO HOLDINGS Co., Ltd. Outside Corporate Auditor of PRONEXUS INC. Statutory Auditor of Keikyu Corporation Outside Audit & Supervisory Board Member of Bandai Namco Amusement Inc. (scheduled)</p>
	<p>Reason for nomination as a candidate for Substitute Statutory Auditor</p>
	<p>Although Mr. Osamu Sudoh has not been directly involved in corporate management, he has a wealth of experience and knowledge as an attorney at law well-versed in the field of corporate legal affairs. The Company believes that he will provide objective and neutral audits from a broad perspective that extends beyond Company's industry based on his experience and knowledge, and therefore requests his election as Substitute Statutory Auditor.</p>

- (Notes)
1. No special interest exists between Mr. Osamu Sudoh and the Company.
 2. Mr. Osamu Sudoh is a candidate for Substitute Outside Statutory Auditor.
 3. If Mr. Osamu Sudoh is elected as Outside Statutory Auditor, the Company plans to register him with the Tokyo Stock Exchange as an Independent Officer.
 4. If Mr. Osamu Sudoh is elected as Outside Statutory Auditor, pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company plans to enter into an agreement with him to limit his liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the agreement shall be limited to the amount stipulated by laws and regulations.
 5. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, under which all Statutory Auditors of the Company are designated as the insured and which covers damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a Statutory Auditor of the Company. If Mr. Osamu Sudoh assumes the office of Outside Statutory Auditor, he will also be the insured under the said insurance contract. The Company plans to renew the said insurance contract with the same content when it is due for the next renewal.

(Reference) Director Candidates' Specialties and Experience (Skills Matrix) and Independence Standards for Independent Outside Directors

Name and Position	Specialty and Experience							
	Corporate management / management strategy	ESG / sustainability	Finance / accounting	Human resources / labor affairs	Legal affairs / compliance / risk management	Marketing / sales	Global	R&D / production / logistics
Eijiro Ota Representative Director, President	●	●		●	●	●	●	●
Machiko Miyai Director, Managing Operating Officer	●	●				●		●
Takashi Hirakue Director, Senior Operating Officer	●	●		●	●	●		●
Shinya Mori Director, Senior Operating Officer	●					●		●
Daisuke Fujii Director, Senior Operating Officer	●	●		●	●			
Hideki Matsunaga Senior Operating Officer	●					●		
Tetsuya Takagi Senior Operating Officer	●		●	●	●		●	
Naomi Eto Director	●	●			●			
Shuichi Hoshi Director	●					●	●	
Kuniko Urano Director	●	●		●				●
Shinji Sakaki	●	●			●	●	●	

The Company's Independence Standards for Independent Outside Directors

The Company's policy is to nominate candidates for Independent Outside Directors who satisfy all the requirements below in addition to the independence standards stipulated by the financial instruments exchanges and who are expected to provide appropriate opinions and raise questions about the Company's management issues, etc. from an independent and objective standpoint.

- a. If the candidate or the corporation where the candidate serves as an executive holds shares of the Company, the holding of the candidate or the corporation does not exceed 10% of the voting rights.
- b. Regarding transactions in the most recent fiscal year, the Company's sales to the candidate or the corporation to which the candidate belongs account for less than 2% of the consolidated net sales of the Company.
- c. Regarding transactions in the most recent fiscal year, sales to the Company of the candidate or the corporation to which the candidate belongs account for less than 2% of the consolidated net sales of the said corporation.

(Reference) The Company's Policy on Cross-shareholdings

Investment stocks held by the Company include stocks held for purposes other than pure investment, so-called cross-shareholdings. Regarding cross-shareholdings, the Company's policy is to reduce holdings of cross-held shares if there is little significance in holding them, in light of judgment as to the rationality of holding based on evaluation of capital efficiency, trading relationships in business activities, and other factors.

At the Board of Directors, the Company quantitatively evaluates once every year capital efficiency, such as the dividend level, and assesses whether such holdings are rational, by taking into account the qualitative evaluations including the medium- to long-term prospect of trading relationships. Based on these evaluations, it is the Company's policy to reduce holdings of cross-held shares if there is little significance in holding them.

With respect to exercising voting rights related to shares held as cross-holdings, the Company determines approval or disapproval for proposals by each individual stock after considering from the viewpoints of whether the proposal in question will impose a negative impact on the relationship and trading with the Morinaga Group, or whether significant concerns have arisen on corporate governance.

(Number of issues of cross-shareholdings, total amount of cross-held shares on the balance sheet, ratio to consolidated net assets at the end of each fiscal year)

		The 171st fiscal year ended March 31, 2019	The 172nd fiscal year ended March 31, 2020	The 173rd fiscal year ended March 31, 2021	The 174th fiscal year ended March 31, 2022 (Fiscal year under review)
Number of issues	Unlisted stocks	23	20	20	20
	Stocks other than unlisted stocks	36	36	31	28
Balance sheet amount (Millions of yen)	Unlisted stocks	81	77	77	77
	Stocks other than unlisted stocks	24,290	25,568	35,439	10,297
Ratio to consolidated net assets (%)		25.1	24.3	28.7	7.9



(Appendix)

Business Report

(April 1, 2021 - March 31, 2022)

I. Overview of the Morinaga Group

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ending March 31, 2022. Year-on-year comparisons and analyses are based on figures to which the same accounting standard was retroactively applied.

1. Business Progress and Results

During the fiscal year under review, the Japanese economy continued to be affected by the spread of COVID-19 infections stifling economic activity in various ways. However, economic activity showed signs of gradually returning to normal, mainly owing to the increased movement of people as the vaccination rollout gained further momentum. Nevertheless, the outlook remains clouded by concerns about resurgences in COVID-19 infections caused by the spread of new variants and other uncertainties. In Europe and the United States, progress with the balancing of measures to control the pandemic with economic requirements has contributed to economic recoveries despite increasing inflationary pressures. The global economy, however, continues to face uncertainties and considerable downside risks, including geopolitical risks caused by the Russia-Ukraine conflict, supply chain turmoil, and inflationary pressures coming from rising prices of raw materials and crude oil.

In the foodstuffs industry surrounding the Group, as needs for convenience and health increase due to insistence on the safety and reassurance of food and lifestyle changes, it has become necessary to create even higher value-added products that grasp changes in purchasing behavior, as well as indications of such changes. This is causing the competitive environment to become increasingly intense.

In this business environment, the Morinaga Group formulated its 2030 Business Plan, a new long-term management plan to guide the Group over the longer term through 2030, and the 2021 Medium-term Business Plan to guide the Group over the initial stage of the longer-term plan. In the fiscal year ended March 31, 2022, these first year covered by the two plans, we sought to lay the foundation for the dramatic growth, with efforts focused on improving profitability via business portfolio optimization and structural reforms, business foundation building linked to our business strategies, and promoting greater diversity in our workforce.

Consolidated net sales for the fiscal year under review came to ¥181,251 million, a year-on-year increase of ¥13,011 million (+7.7%), supported by recoveries from the COVID-19 downturn in all segments and strong growth in businesses designated as focus domains in the 2030 Business Plan.

Despite the growth in sales, profits were suppressed by the soaring prices of raw materials and crude oil as well as the increased burden from depreciation related to capital investments targeting future growth. As a result, operating income came to ¥17,685 million, down ¥1,491 million (-7.8%) year on year, and ordinary income was ¥18,247 million, down ¥1,535 million (-7.8%). Profit attributable to owners of parent, however, was increasing ¥14,357 million (+107.0%) to ¥27,773 million, mainly due to the booking of extraordinary income on the sale of cross-shareholdings.

The following is a summary of consolidated results by business segment.

Food Manufacturing Sales: ¥172,750 million (+7.8% year on year)

Sales for the Food Manufacturing business segment increased by 7.8% year on year to ¥172,750 million. Operating income for the segment decreased by ¥1,370 million year on year to ¥17,439 million.

Confectionery & Foodstuffs Sales: ¥93,414 million (+4.8% year on year)

Principal business: Manufacturing and sale of caramel, candy, chocolate, biscuits, beverages, cocoa, cake mixes, etc.

Regarding sales of major brands in Japan, sales of seasonal products and staple products such as Morinaga Biscuits were brisk. *HI-CHEW* sales increased year on year, supported by the favorable response to *Suppai HI-CHEW* and *Umai HI-CHEW*, new offerings providing different takes on the characteristic mouthfeel of *HI-CHEW* products. Sales of the *Carré de chocolat* series also increased year on year, but overall sales of core brands decreased year on year owing to weak sales of *Chocoball*, *DARS*, *Morinaga Amazake*, and *Morinaga Milk Cocoa*. Overall sales of other brands in Japan declined year on year, mainly reflecting weaker sales of *Morinaga Hotcake Mix* as a result of the leveling off of stay-at-home demand. Sales of the *Koeda Chocolate* series, however, increased sharply in the series' 50th anniversary year. As a result of the above, total sales in Japan increased year on year.

In overseas markets, *HI-CHEW* sales in the United States increased sharply year on year, as we steadily expanded sales outlets offering *HI-CHEW* products and the in-store turnover rate was favorable. In China, *HI-CHEW* sales increased significantly over the previous year's level, largely thanks to successful sales promotions at convenience stores. In Taiwan, *Milk Caramel* enjoyed strong sales in its 60th year in the local market, contributing to a year-on-year increase in total overseas Confectionery & Foodstuff sales.

As a result, total net sales for Confectionery & Foodstuffs totaled ¥93,414 million, an increase of ¥4,248 million (+4.8%) from the previous year's result.

Segment operating income of ¥5,461 million, however, was ¥954 million (-14.9%) less than a year earlier, as rising raw material prices and the weight of increased depreciation outweighed the positive impact of our efforts to reduce costs, including lowering the cost of sales and curbing selling, general and administrative expenses.

Frozen Desserts Sales: ¥40,731 million (+4.8% year on year)

Principal business: Manufacturing and sale of ice cream, etc.

Sales of the core brands *Jumbo Group* and *ICEBOX* were down year on year despite aggressive sales promotions, partly because of the dropout of the strong sales growth recorded in the previous year. Among other brands, *Ita Choco Ice* enjoyed a record high purchase rate in its second year of year-round availability. Sales of *PAXIEL* also increased, supported by collaborative marketing campaigns featuring a popular anime series.

As a result, Frozen Desserts segment sales totaled ¥40,731 million, up ¥1,874 million (+4.8%) year on year. Segment operating income of ¥4,649 million, however, was ¥2,440 million (-34.4%) less than a year earlier, as rising raw material prices and an increase in depreciation on Takasaki Factory No. 3 outweighed the positive impact of our efforts to reduce costs, including lowering the cost of sales and curbing selling, general and administrative expenses.

Health Products Sales: ¥38,604 million (+19.9% year on year)

Principal business: Manufacturing and sale of jelly drinks, etc.

Sales of the core brand *in Jelly* rebounded to above the level in the fiscal year ended March 31, 2020, before COVID-19 began to affect personal consumption. The strong sales reflected successful efforts to suggest various ways to consume the products, such as nourishment after working out at home or as an energy boost to enhance mental faculties while working at home. The sales growth also reflected increased demand for meal replacements when feeling unwell and the launch of new products that meet new consumer needs, including demand for products with fruit-like textures. Sales of *in Bar* also exceeded the previous year's level, reflecting efforts to promote the product as a quick and easy way to consume protein and to meet demand for snacking when working at home.

The Direct Marketing business achieved strong sales growth, led by *Morinaga Collagen Drink*, and aggressive promotions increased the number of new subscription customers.

As a result, the Health Product segment posted record high sales of ¥38,604 million, an

increase of ¥6,397 million (+19.9%) from the previous year.

Segment operating income also increased, rising to ¥7,329 million, a year-on-year gain of ¥2,024 million (+38.2%) supported by the strong performance of core brands.

Food Merchandise Sales: ¥5,935 million (+7.0% year on year)

Principal business: Wholesale of foodstuffs for commercial use

Sales for the segment increased by 7.0% year on year to ¥5,935 million. Operating income for the segment increased by ¥66 million year on year to ¥346 million.

Real Estate and Services Sales: ¥1,915 million (+4.9% year on year)

Principal business: Real estate trading, real estate leasing, golf course management

Sales for the segment increased by 4.9% year on year to ¥1,915 million. Operating income for the segment increased by ¥83 million year on year to ¥873 million.

Other Services Sales: ¥649 million (+2.3% year on year)

Sales for the segment totaled ¥649 million. Operating income was ¥179 million.

2. Capital Investment

Capital investment during the fiscal year under review totaled ¥20,411 million, which is mainly investment for installation of new facilities and renewal of existing facilities for the Food Manufacturing business.

3. Financing

The funds required for the fiscal year under review were covered by the Company's funds and loans payable, and the Company did not issue new shares or corporate bonds for financing.

4. Issues to Be Addressed

Positioning the 2021 Medium-Term Business Plan launched in fiscal 2021 as the first stage for achieving the 2030 Business Plan, the Group is promoting business activities with the theme of "a new foundation building for dramatic growth." Although a challenging business environment is expected to continue, such as rising raw materials prices and increasing labor costs, the Group will promote sustainability management in both financial and non-financial aspects and swiftly implement the management strategies described below with the aim of realizing sustainable growth.

(1) Concentrate Resources on the Key Domain to Drive Growth

We will concentrate our business resources on the key domain and promote initiatives to achieve dramatic growth, including the revamping of *in Jelly* and development of new products that will contribute to physical health of customers in the *in* business, increase of sales of the mail-order business centering on *Morinaga Collagen Drink*, enrichment of the *HI-CHEW* brand in the United States, and establishment of a highly profitable structure of the frozen desserts business to achieve growth.

(2) Enhance Earnings Power of the Core Domain

In the confectionery business and the foodstuffs business, with the aim of establishing a strong revenue base, we will work to expand sales and enhance efficiency and earnings power by focusing on the mainstay brands, such as *HI-CHEW*, *Morinaga Biscuits*, and *Morinaga Amazake*, so as to stably generate funds for investment in the key domain. We will establish a highly profitable business base by promoting development of new products that will contribute to mental health of customers and promoting sales centering on the mainstay brands and by improving product supply systems.

(3) Promote Structural Reform Centering on Functional Departments

While pursuing enhancement of productivity by introducing the smart factory in the manufacturing operations and optimizing the organizations of the sales operations, we will work to improve efficiency throughout the Company by utilizing digital technology to enhance earnings power.

(4) Establish a Robust Business Base

We will newly establish a research center, which will underpin the business strategy across the Group by creating new value. Moreover, we will promote initiatives for enhancing productivity to transform business activities by utilizing digital technology. Furthermore, we will promote consideration of the next core network system for the purpose of establishing a robust business base. To counter the risk of leakage of important information due to unauthorized access, etc., we will further strengthen security measures and establish a strict information management system, etc.

(5) Resolve Social Issues through Food

We consider our key tasks as a food manufacturer to be not only delivery of safe, reliable products to customers but also business activities considerate to the global environment and society. We will continue coordinating and collaborating with our business partners to pursue protection of the global environment and sustainable raw materials procurement throughout our supply chains.

(6) Promote Diversity & Inclusion

Based on the policy of “leveraging each person’s individuality,” we are drawing on the talents of each and every employee in our diverse workforce and pooling their knowledge and capabilities to create new value and spark innovation that will lead to improvement of internal processes and resolution of issues of customers and society. In this regard, we will improve frameworks, systems, and the environment.

In these endeavors, we request further support of shareholders.

5. Trends in Assets and Income

(1) Trends in Assets and Income of the Morinaga Group

(In millions of yen, unless otherwise specified.)

Item	The 171st fiscal year ended March 31, 2019	The 172nd fiscal year ended March 31, 2020	The 173rd fiscal year ended March 31, 2021	The 174th fiscal year ended March 31, 2022 (Fiscal year under review)
Net sales	205,368	208,878	168,240	181,251
Food Manufacturing	196,216	200,117	160,231	172,750
Food Merchandise	6,664	6,234	5,548	5,935
Real Estate and Services	1,909	1,901	1,825	1,915
Other Services	578	624	634	649
Operating income	20,217	21,230	19,176	17,685
Operating income to net sales (%)	9.8	10.2	11.4	9.8
Ordinary income	20,767	21,950	19,782	18,247
Profit attributable to owners of parent	12,816	10,824	13,416	27,773
Net income per share (yen)	247.15	215.18	266.73	552.59
Total assets	175,837	188,060	202,910	214,300
Net assets	97,193	105,487	123,706	131,174
Net assets per share (yen)	1,917.22	2,080.77	2,441.25	2,603.95

- Notes: 1. In the 171st fiscal year, an impairment loss of approx. ¥3.5 billion was recorded as an extraordinary loss.
2. In the 172nd fiscal year, a gain on sales of noncurrent assets of approx. ¥1.7 billion was recorded as an extraordinary income and an impairment loss of approx. ¥2.5 billion and a contract cancellation fee of approx. ¥4.8 billion were recorded as extraordinary losses.
3. In the 173rd fiscal year, a loss on sales and retirement of noncurrent assets of approx. ¥0.7 billion was recorded as an extraordinary loss.
4. In the 174th fiscal year, a gain on sales of investment securities of approx. ¥21.9 billion was recorded as an extraordinary income.
5. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the 174th fiscal year. The figures presented for the 173rd fiscal year are the figures after retroactive application of the said accounting standard.

(2) Trends in Assets and Income of MORINAGA & CO., LTD.

(In millions of yen, unless otherwise specified.)

Item	The 171st fiscal year ended March 31, 2019	The 172nd fiscal year ended March 31, 2020	The 173rd fiscal year ended March 31, 2021	The 174th fiscal year ended March 31, 2022 (Fiscal year under review)
Net sales	183,061	187,159	147,081	155,425
Ordinary income	18,398	17,777	15,520	13,714
Net income	11,624	9,434	11,750	24,717
Net income per share (yen)	224.16	187.55	233.62	491.79
Total assets	164,770	177,521	190,298	197,405
Net assets	87,040	93,887	108,851	112,783
Net assets per share (yen)	1,730.37	1,866.49	2,164.10	2,258.48

- Notes: 1. In the 171st fiscal year, an impairment loss of approx. ¥1.6 billion and a loss on valuation of shares of subsidiaries and associates of approx. ¥1.4 billion were recorded as extraordinary losses.
2. In the 172nd fiscal year, a gain on sales of noncurrent assets of approx. ¥1.7 billion and a gain on extinguishment of tie-in shares of approx. ¥1.0 billion were recorded as extraordinary income and an impairment loss of approx. ¥2.5 billion and a contract cancellation fee of approx. ¥4.8 billion were recorded as extraordinary losses.
3. In the 173rd fiscal year, a loss on sales and retirement of noncurrent assets of approx. ¥0.7 billion was recorded as an extraordinary loss.
4. In the 174th fiscal year, a gain on sales of investment securities of approx. ¥21.9 billion was recorded as an extraordinary income.
5. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020)”, etc. from the 174th fiscal year. The figures presented for the 173rd fiscal year are the figures after retroactive application of the said accounting standard.

6. Significant Parent Company and Subsidiaries

(1) Relationship with the Parent Company

Not applicable

(2) Significant Subsidiaries

Company name	Capital stock	The Company's ownership	Principal business
Morinaga Angel Dessert Co., Ltd.	450 million yen	100.0%	Manufacturing and sale of frozen desserts, etc.
Morinaga Dessert Co., Ltd.	450 million yen	100.0%	Manufacturing and sale of frozen desserts, etc.
Takasaki Morinaga Co., Ltd.	100 million yen	100.0%	Manufacturing and sale of confectioneries and frozen desserts
Aunt Stella Inc.	100 million yen	100.0%	Manufacturing and sale of confectioneries
Morinaga Shoji Co., Ltd.	300 million yen	100.0%	Sale of confectioneries and foodstuffs
Taiwan Morinaga Co., Ltd.	354 million New Taiwan dollars	55.2%	Manufacturing and sale of confectioneries, foodstuffs, and frozen desserts
Shanghai Morinaga Co., Ltd.	187 million Chinese yuan	100.0%	Sale of confectioneries and frozen desserts
Morinaga (Zhejiang) Co., Ltd.	126 million Chinese yuan	100.0%	Manufacturing and sale of confectioneries
Morinaga America, Inc.	28 million US dollars	100.0%	Sale of confectioneries
Morinaga America Foods, Inc.	47 million US dollars	100.0%	Manufacturing and sale of confectioneries

(3) Significant Business Combination, etc.

The Company has 16 consolidated subsidiaries including the 10 significant subsidiaries listed above. It also has 2 affiliated companies accounted for by the equity method.

(4) Specified Wholly Owned Subsidiaries at the end of the fiscal year

Not applicable

(5) Other

The Company has entered into a business alliance contract with Barry Callebaut concerning supply of chocolate solution.

7. Employees

(1) Employees of the Morinaga Group

Segment	Number of employees	Change from the previous fiscal year-end
Food Manufacturing	2,749	+118
Food Merchandise	52	+1
Real Estate and Services	39	-1
Other Services	97	-6
Total	2,937	+112

- Notes: 1. The number of employees is that of people working for the Group (excluding the number of people seconded from the Group to outside the Group and including the number of people seconded from outside the Group to the Group.)
2. The yearly average number of temporary workers (including part-time workers and contracted employees), which is 1,658, has been excluded from the number of employees.

(2) Employees of MORINAGA & CO., LTD.

Number of employees	Change from the previous fiscal year-end	Average age	Average years of service
1,453	+14	42.7 years old	18.6 years

- Notes: 1. The number of employees is that of people working for the Company (excluding the number of people seconded from the Company to outside the Company and including the number of people seconded from outside the Company to the Company.)
2. The yearly average number of temporary workers (including part-time workers and contracted employees), which is 687, has been excluded from the number of employees.

8. Principal Business Offices and Factories

Food Manufacturing MORINAGA & CO., LTD.

Head Office	5-33-1 Shiba, Minato-ku, Tokyo	
Branch Offices	East Japan Branch Office	Minato-ku, Tokyo
	Hokkaido Branch Office	Sapporo-shi
	Tohoku Branch Office	Sendai-shi
	Kanto Shinetsu Branch Office	Takasaki-shi
	West Japan Branch Office	Amagasaki-shi
	Chubu Branch Office	Nagoya-shi
	Chugoku Shikoku Branch Office	Hiroshima-shi
	Kyushu Branch Office	Fukuoka-shi
Factories	Oyama Factory	Oyama-shi
	Tsurumi Factory	Yokohama-shi
	Mishima Factory	Mishima-shi
	Chukyo Factory	Anjo-shi
R&D Center	R&D Center	Yokohama City

Subsidiaries, etc.

Japan	Takasaki Morinaga Co., Ltd.	Takasaki-shi
	Aunt Stella Inc.	Minato-ku, Tokyo
	Morinaga Angel Dessert Co., Ltd.	Yamato-shi
	Morinaga Dessert Co., Ltd.	Tosu-shi
Overseas	Taiwan Morinaga Co., Ltd.	Taipei, Taiwan
	Shanghai Morinaga Co., Ltd.	Shanghai, China
	Morinaga (Zhejiang) Co., Ltd.	Zhejiang, China
	Morinaga America, Inc.	California, USA
	Morinaga America Foods, Inc.	North Carolina, USA

9. Principal Lenders

(1) Principal Lenders to the Morinaga Group

Lender	Outstanding borrowings (Millions of yen)
MUFG Bank, Ltd.	5,600
Mizuho Bank, Ltd.	3,000

(2) Principal Lenders to MORINAGA & CO., LTD.

Lender	Outstanding borrowings (Millions of yen)
MUFG Bank, Ltd.	5,600
Mizuho Bank, Ltd.	3,000

II. Status of Shares

- 1. Total Number of Shares Authorized to Be Issued** 200,000,000 shares
- 2. Total Number of Issued Shares** 49,976,442 shares
(excluding 4,213,327 shares of treasury stock)
- 3. Number of Shareholders** 23,817 persons
(A decrease of 269 shareholders from the previous fiscal year-end)

4. Major Shareholders (Top Ten Shareholders)

Shareholder name	Number of shares held (thousand shares)	Ratio of voting rights (%)
The Master Trust Bank of Japan, Ltd. (trust account)	6,860	13.7%
MORINAGA Business Partner Shareholding Association	3,280	6.5%
Custody Bank of Japan, Ltd. (trust account)	2,249	4.5%
MUFG Bank, Ltd.	1,704	3.4%
Mizuho Bank, Ltd.	1,289	2.5%
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	1,248	2.4%
Meiji Yasuda Life Insurance Company	1,246	2.4%
SSBTC CLIENT OMNIBUS ACCOUNT	890	1.7%
JP MORGAN CHASE BANK 385632	879	1.7%
NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	711	1.4%

- Notes: 1. The Company holds 4,213,327 shares of treasury stock but is excluded from the list of major shareholders above.
2. The ratio of voting rights is calculated excluding treasury stock.

5. Other Significant Matters concerning Stock

In accordance with the resolution adopted at the 170th Annual General Meeting of Shareholders held on June 28, 2018 and the Board of Directors' resolution based on it, the Company introduced a board incentive plan (BIP) for which the Company's Directors (excluding Outside Directors and Directors who are non-residents of Japan) are eligible. In accordance with the Board of Directors' resolution on August 11, 2021, the Company decided to continue the said plan and to extend the trust period. As of March 31, 2022, the number of shares of the Company owned by the trust account for the BIP is 38,764.

III. Share Options

Not applicable

IV. Company Officers

1. Directors and Statutory Auditors (as of March 31, 2022)

Position	Name	Responsibilities and significant concurrent positions
Representative Director, President	Eijiro Ota	Responsible for Audit Division, Overseas Business Headquarters President of the Morinaga Angel Foundation Chairman of ALL NIPPON KASHI ASSOCIATION
Director, Managing Operating Officer	Machiko Miyai	Responsible for Marketing Division, Direct Marketing Division, Corporate Communications Division, Sustainable Management Promotion Division Chairman of Sustainability Forum Japan
Director, Senior Operating Officer	Takashi Hirakue	General Manager of Production Division Responsible for Production Division, Logistics Department, Quality Assurance Division, Customer Service Center
Director, Senior Operating Officer	Shinichi Uchiyama	Responsible for Accounting Division Representative Director, President of Morinaga Finance Co., Ltd.
Director, Senior Operating Officer	Shinya Mori	General Manager of R&D Center Responsible for R&D Center, New Business Development Division
Director, Senior Operating Officer	Daisuke Fujii	Responsible for Corporate Strategy Division, General Affairs Division, Strategic Investment Division, Digital Transformation Promotion Division
Director	Shiho Takano	Representative Director of Etowa Co., Ltd. Outside Director of FUJITA KANKO INC. Outside Director of TOKIWA Corporation
Director	Naomi Eto	
Director	Shuichi Hoshi	Outside Director of SBS Holdings Inc.
Director	Kuniko Urano	Outside Director of Yokogawa Electric Corporation

Position	Name	Responsibilities and significant concurrent positions
Standing Statutory Auditor	Tadashi Nishimiya	
Standing Statutory Auditor	Akiyuki Igarashi	
Statutory Auditor	Koichi Sakaguchi	Attorney at law (GINGA LAW OFFICE)
Statutory Auditor	Hiroshi Iwamoto	Outside Director of MEDIPAL HOLDINGS CORPORATION

- Notes:
1. Directors Ms. Shiho Takano, Ms. Naomi Eto, Mr. Shuichi Hoshi, and Ms. Kuniko Urano are Outside Directors.
They are Independent Officers as prescribed by the regulations of the Tokyo Stock Exchange.
 2. Standing Statutory Auditor Mr. Akiyuki Igarashi and Statutory Auditors Mr. Koichi Sakaguchi and Mr. Hiroshi Iwamoto are Outside Statutory Auditors.
They are Independent Officers as prescribed by the regulations of the Tokyo Stock Exchange.
 3. Director Ms. Kuniko Urano was newly elected at the 173rd Annual General Meeting of Shareholders held on June 29, 2021 and assumed office.
 4. The Company has no important transactions or other relationships with other corporations at which Directors Ms. Shiho Takano, Mr. Shuichi Hoshi, and Ms. Kuniko Urano and Statutory Auditors Mr. Koichi Sakaguchi and Mr. Hiroshi Iwamoto have concurrent positions.
 5. Mr. Toshiyuki Sakai resigned from his position as Director on December 31, 2021. He was General Manager of Overseas Business Headquarters and responsible for Overseas Business Headquarters at the time of his retirement.

Reference: Positions, names, and responsibilities of Operating Officers as of March 31, 2022 are as follows:

Position	Name	Responsibilities and significant concurrent positions
Senior Operating Officer	Keita Tsukui	Head of Marketing Division
Senior Operating Officer	Hideki Matsunaga	General Manager of Sales Division
Operating Officer	Yuichi Sano	General Manager of Digital Transformation Promotion Division
Operating Officer	Keisuke Ohashi	General Manager of Strategy Planning Division, Marketing Division
Operating Officer	Masaaki Takahashi	General Manager of Human Resources Division
Operating Officer	Terushi Hyodo	General Manager of Sustainable Management Promotion Division
Operating Officer	Fumiko Kunichika	General Manager of Corporate Communications Division
Operating Officer	Hidehiro Saho	General Manager of Production Technology Development Department, Production Division
Operating Officer	Masaki Matsumoto	General Manager of Overseas Business Headquarters
Operating Officer	Isao Matsuzaki	General Manager of New Business Development Division
Operating Officer	Kazuo Shinagawa	General Manager of East Japan Branch Office, Sales Division
Operating Officer	Jyunji Tsuchiya	General Manager of Sales Strategy Division, Sales Division

2. Summary of Agreement on Limitation of Liability

Pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and Articles 31 and 41 of the Company's Articles of Incorporation, the Company has entered into agreements with all Outside Directors and Outside Statutory Auditors to limit their liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the said agreements shall be limited to the amount stipulated by laws and regulations.

3. Summary of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company under which the Company's and its subsidiaries' directors (including those who have already retired from their position as director), statutory auditors, operating officers, important employees and officers assigned to organizations outside the Group are designated as the insured. The insurance premiums are fully borne by the Company.

The said insurance contract covers damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company or its subsidiaries. However, damages caused as a result of any criminal act, such as bribery, or willful misconduct committed by a director or officer and imposed on the director or officer are outside the scope of the insurance coverage so as not to compromise the appropriateness of execution of duties by directors and officers.

4. Basic Policy and Structure of Executive Remuneration System

(1) Total Amount of Remuneration for Directors and Statutory Auditors for the Fiscal Year under Review

Category	Total amount of remuneration (Millions of yen)	Total amount by type of remuneration (Millions of yen)			Number of persons
		Monetary remuneration		Non-monetary remuneration	
		Fixed remuneration	Performance-linked remuneration	Compensation based on the board incentive plan (BIP) (performance-linked)	
Directors (Outside Directors' portion)	246 (39)	167 (39)	55 (-)	24 (-)	11 (4)
Statutory Auditors (Outside Statutory Auditors' portion)	54 (32)	54 (32)	- (-)	- (-)	4 (3)

- Notes:
1. The amounts paid to Directors do not include employee salaries payable to Directors who concurrently serve as employees.
 2. The maximum amount of remuneration for Directors resolved at the 169th Annual General Meeting of Shareholders held on June 29, 2017 is 500 million yen per annum (excluding the employee salaries of Directors who concurrently serve as employees).
 3. The maximum amount of remuneration for Statutory Auditors resolved at the 169th Annual General Meeting of Shareholders held on June 29, 2017 is 80 million yen per annum.

(2) Executive Remuneration Basic Policy

The Company's Executive Remuneration Basic Policy stipulates that the Company shall establish and operate a system that prioritizes the strengthening of executives' motivation for contributing to the enhancement of corporate value over the medium- to long-term and the achievement of sustainable growth, while discouraging excessive risk-taking. We are determined to continue pursuing a better remuneration system, ensuring the objectivity and transparency of the remuneration determination process and taking into account regulatory revisions and social trends in the future.

(3) Content of Executive Remuneration System

a. Level of executive remuneration and structure

The Company's executive remuneration is determined in accordance with the Executive Remuneration Basic Policy stated in (2) above, referring to the levels of executive remuneration paid by leading companies that are similar in size to the Company.

Remuneration for Directors (excluding Outside Directors and non-residents of Japan) consists of basic compensation, which is paid monthly, executive bonuses (monetary remuneration), and stock compensation. Basic compensation consists of fixed remuneration according to job title (70%) and performance-based remuneration according to the business performance for the previous fiscal year (30%). Executive bonuses are paid at a specified time following the approval and resolution by the General Meeting of Shareholders. 10% of the amount of basic compensation for Directors (excluding Outside Directors and non-residents of Japan) is provided as stock compensation, which is non-monetary remuneration, for the purpose of motivating them to make contributions to an improvement of medium- to long-term performance and corporate value.

b. Matters concerning performance-linked remuneration

Performance-linked remuneration consists of monetary remuneration in the amount equivalent to 30% of basic compensation, executive bonuses to be paid when the performance is at a certain level, and stock compensation, which is non-monetary remuneration.

The amount of performance-linked remuneration is calculated based on financial performance indicators, including the Group's consolidated operating income, as well as individuals' performance evaluation.

The table below presents the target figure and the actual figure of the performance indicator used for calculation of the amount of performance-linked remuneration for the fiscal year ended March 31, 2022 and the reason for selecting that performance indicator.

Performance indicator selected	Target	Actual	Reason for selection
Consolidated operating income	¥18.0 billion	¥19.1 billion	In order to enhance awareness about an improvement of performance for each fiscal year

c. Content of non-monetary remuneration

As non-monetary remuneration, stock compensation equivalent to 10% of the amount of basic compensation for Directors (excluding Outside Directors and non-residents of Japan) is provided for the purpose of motivating them to make contributions to an improvement of medium- to long-term performance and corporate value.

Regarding stock compensation, during the trust period, the Company awards a certain number of points to Directors (excluding Outside Directors and non-residents of Japan) each year according to job title, the degree of achievement of the financial performance targets (consolidated operating income, etc.), etc. in each fiscal year, and the points will be accumulated. When a Director satisfies the beneficiary requirements, according to cumulative points, the Director will receive delivery of shares of the Company and money equivalent to the amount obtained through the conversion of such shares into cash

through the trust for the board incentive plan (BIP). In principle, delivery will be after retirement.

(4) Matters concerning Resolution by the General Meeting of Shareholders about Remuneration for Directors and Statutory Auditors

At the 169th Annual General Meeting of Shareholders held on June 29, 2017, the maximum amount of remuneration for Directors was resolved to be 500 million yen per annum (including the maximum 40 million yen per annum for Outside Directors and excluding the employee salaries of Directors who concurrently serve as employees). The number of Directors immediately following the conclusion of the said Annual General Meeting of Shareholders was 11 (including 2 Outside Directors). Moreover, separately from the said monetary remuneration, at the 170th Annual General Meeting of Shareholders held on June 28, 2018, the introduction of a performance-linked stock compensation plan using a trust for Directors (excluding Outside Directors and non-residents of Japan) was approved. The maximum amount of cash to be contributed by the Company for each target period covering 3 fiscal years is 180 million yen in total.

The maximum amount of remuneration for Statutory Auditors was resolved at the 169th Annual General Meeting of Shareholders held on June 29, 2017 to be 80 million yen per annum. The number of Statutory Auditors at the conclusion of the said Annual General Meeting of Shareholders was 4.

(5) Policy on Determination of Remuneration for Individual Directors

a. Method of determination of the policy on determination of remuneration for individual Directors

The Board of Directors drafted the policy on determination of remuneration for individual Directors (hereinafter referred to as the “Determination Policy”) based on the Executive Remuneration Basic Policy stated in (2) above, consulted the Officer Appointment and Remuneration Committee, and resolved the Determination Policy at the meeting of the Board of Directors held on February 10, 2021, according respect to the report of the Officer Appointment and Remuneration Committee.

b. Summary of the Determination Policy

(i) Basic compensation

Basic compensation is fixed remuneration paid monthly and is determined according to job title, responsibilities, and the number of years in office, taking into consideration the remuneration level of other companies, the Company’s financial performance, the level of employee salaries, etc., in a comprehensive manner. The amount equivalent to 30% of the basic compensation is determined, taking into consideration the financial performance in the previous fiscal year, etc.

(ii) Executive bonuses

Executive bonuses are monetary remuneration according to job title, responsibilities, performance, etc. and their payment will be determined following the resolution by the General Meeting of Shareholders.

(iii) Stock compensation

Stock compensation equivalent to 10% of the amount of basic compensation is provided as non-monetary remuneration for the purpose of motivating Directors to make contributions to an improvement of medium- to long-term performance and corporate value.

c. Reasons that the Board of Directors judged that the content of remuneration for individual Directors for the fiscal year under review is in accordance with the Determination Policy

In determining the content of remuneration for individual Directors, the Officer Appointment and Remuneration Committee examined the draft from multifaceted perspectives. The Board of Directors respects the report of the Committee, in principle, and judges that the content of remuneration for individual Directors is in accordance with the Determination Policy.

(6) Matters concerning Delegation of Authority concerning Determination of Remuneration for Individual Directors

For the fiscal year under review, at the meeting of the Board of Directors held on June 29, 2021, it was resolved to delegate President and Representative Director Ejiro Ota (responsible for the Audit Division) to determine details of the amounts of remuneration for individual Directors. The authority pertains to determination of the amount of basic compensation for each Director and evaluation of the performance-linked portion of each Director. Such authority was delegated to him because he is the most suitable person to evaluate each Director from a broad perspective, considering the Company's overall financial performance. In order to ensure that the authority is appropriately exercised, the Board of Directors consults the Officer Appointment and Remuneration Committee, which consists of Directors including Outside Directors and Outside Statutory Auditors, about the proposal and the President and Representative Director determines the individual amounts of remuneration based on the report of the Officer Appointment and Remuneration Committee.

Of monetary remuneration, payment of executive bonuses is determined by the resolution of the General Meeting of Shareholders and determination of the individual amounts of bonuses shall be delegated to the President and Representative Director, based on the resolution of the Board of Directors. The Board of Directors consults the Officer Appointment and Remuneration Committee about the proposal and the President and Representative Director determines the individual amounts of bonuses based on the report of the Officer Appointment and Remuneration Committee.

Regarding stock compensation, which is non-monetary compensation, its maximum amount is the amount resolved at the General Meeting of Shareholders, separately from monetary remuneration. The Company awards a certain number of points to Directors (excluding Outside Directors and non-residents of Japan) in accordance with the provision of the "Share Delivery Rules" following consultation with the Officer Appointment and Remuneration Committee and receiving its report.

5. Outside Officers

(1) Significant concurrent positions and relationships with the Company

As stated in “1. Directors and Statutory Auditors” above.

(2) Outside Directors

Name	Attendance at Board of Directors Meetings	Principal activities and role
Shiho Takano	15/16	Utilizing her business experience accumulated in the food industry and her experience as an executive in the cosmetics industry, Ms. Takano stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company’s industry. Moreover, serving as a member of the Officer Appointment and Remuneration Committee, she attended all 7 meetings of the committee held in the fiscal year under review. She has been serving as the chairperson of the Officer Appointment and Remuneration Committee since June 2021 and fulfilled an important role in deliberation on nomination of Directors and other officers and their remuneration and reporting to the Board of Directors.
Naomi Eto	16/16	Utilizing her business experience accumulated in manufacturing industry and her experience as an executive in the retail industry, Ms. Eto stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company’s industry. Moreover, serving as a member of the Officer Appointment and Remuneration Committee since June 2021, she attended all 5 meetings of the committee held following her assumption of office, and fulfilled an important role in deliberation on nomination of Directors and other officers and their remuneration and reporting to the Board of Directors.
Shuichi Hoshi	16/16	Utilizing his wealth of experience as an executive in the wholesale industry, Mr. Hoshi stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company’s industry. Moreover, serving as a member of the Officer Appointment and Remuneration Committee since June 2021, he attended all 5 meetings of the committee held following his assumption of office, and fulfilled an important role in deliberation on nomination of Directors and other officers and their remuneration and reporting to the Board of Directors.
Kuniko Urano	12/12 following assumption of office	Utilizing her business experience as an executive in the machine industry, Ms. Urano stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company’s industry. Moreover, serving as a member of the Officer Appointment and Remuneration Committee since June 2021, she attended all 5 meetings of the committee held

		following her assumption of office, and fulfilled an important role in deliberation on nomination of Directors and other officers and their remuneration and reporting to the Board of Directors.
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(3) Outside Statutory Auditors

Name	Attendance at Board of Directors Meetings	Attendance at Board of Statutory Auditors Meetings	Principal activities
Akiyuki Igarashi	16/16	16/16	Utilizing his wealth of experience as an executive in the wholesale industry and in-depth knowledge of finance and accounting, Mr. Igarashi stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company's industry.
Koichi Sakaguchi	16/16	16/16	Utilizing his high level of expertise and experience as a judge and attorney, Mr. Sakaguchi stated necessary and useful opinions for deliberation on proposals. Moreover, he served as a member of the Officer Appointment and Remuneration Committee until June 2021 and attended all 2 meetings of the committee held while he was a member in the fiscal year under review and stated necessary and useful opinions for deliberation on nomination of Directors and other officers and their remuneration as well as reporting to the Board of Directors.
Hiroshi Iwamoto	16/16	16/16	Utilizing his experience in financial operations accumulated in the financial industry, followed by a wealth of management experience in the information and communication industry, Mr. Iwamoto stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company's industry.

V. Corporate Governance Basic Policy

(1) Basic Policy

The Morinaga Group will enhance its corporate governance with the aim of maximizing corporate value and achieving enduring corporate growth based on the basic policies of improving the soundness and efficiency of management, ensuring the reliability of its financial position, providing timely and appropriate disclosure of information, complying with laws and regulations, and strengthening the trust and relationships with all stakeholders.

1) Positioning of Stakeholders

To enable us to fulfill our social responsibility in all areas of our business activities, we are committed to maintaining and further developing strong relationships with all stakeholders, who sustain our company, and achieving coexistence with society and sustainable growth in accordance with corporate principles and the code of conduct.

2) Management Monitoring Functions

We are committed to building an effective internal control system by strengthening the management monitoring functions of the Board of Directors, appointing Outside Directors and Outside Statutory Auditors, requiring attendance by Standing Statutory Auditors at important meetings, and placing the Audit Division under the direct control of the President.

3) Consistent Approach throughout the Group

While respecting the independence of our subsidiaries, we endeavor to maintain close ties amongst the Group's member companies.

(2) Corporate Governance System

(as of March 31, 2022)

