

June 6, 2022

Company name: MORINAGA & CO., LTD.
Name of representative: Eijiro Ota, Representative Director,
President

Notice Regarding Cross-shareholdings
(Supplementary explanation for the notice of convocation of
the 174th annual general meeting of shareholder)

MORINAGA & CO., LTD. (“the Company”) today announced that there has been a significant change in the status of the Company’s cross-shareholdings from that disclosed in the securities report it submitted on June 29, 2021.

1. Trends in the Company’s Cross-shareholdings

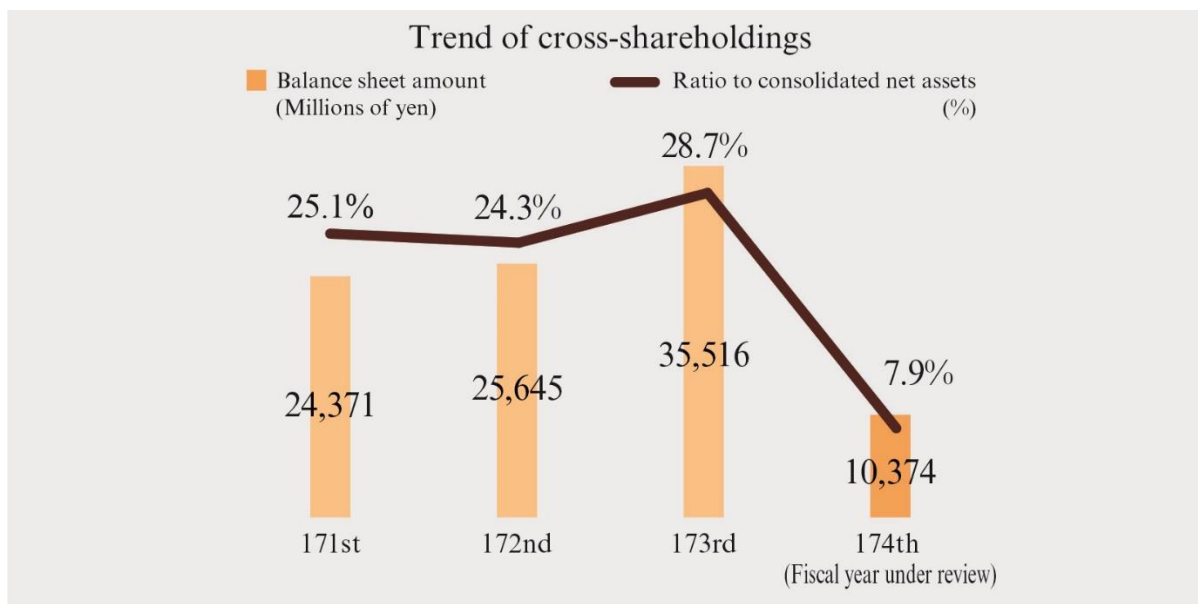
As announced in the “Notice Regarding Sale of Investment Securities, Booking of Extraordinary Income, and Revision of Full-Year Forecast” released on February 28, 2022, the Company tendered and sold a portion (4,300,000 shares) of the ordinary shares of Morinaga Milk Industry Co., Ltd. (“Morinaga Milk”) it held when Morinaga Milk acquired its own shares on March 1, 2022 via the Tokyo Stock Exchange off-auction own share repurchase trading system (ToSTNeT-3).

As a result, the ratio of cross-shareholdings to consolidated net sales of the Company as of March 31, 2022 is 7.9%.

Number of issues of cross-shareholdings, total amount of cross-held shares on the balance sheet, ratio to consolidated net assets, as of March 31

		The 171st fiscal year ended	The 171st fiscal year ended	The 171st fiscal year ended	The 171st fiscal year ended
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
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2. 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.