

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



June 17, 2022

Company name: MORINAGA & CO., LTD.
Name of representative: Eijiro Ota, Representative Director,
President
(Securities code: 2201; Prime Market
of the Tokyo Stock Exchange)
Inquiries: Natsuko Okamoto, General Manager,
Corporate Communication Division
(Telephone: +81-03-3456-0150)

Notice Concerning Acquisition of Fixed Assets (Construction of New Office Building)

MORINAGA & CO., LTD. hereby announces that our Board of Directors has resolved, at a meeting held on June 17, 2022, to acquire fixed assets (construction of a new office building) as follows.

1. Reason for acquisition

The Company formulated a new corporate philosophy in 2021 with the aim of achieving sustained growth. It also established a 2030 vision in order to realize the purpose set out in the corporate philosophy and declared its commitment to change into a wellness company to help bring about a sustainable and prosperous society by continuously providing the three stakeholders of customers, employees, and society with the three values of a “health of mind”, “health of body”, and “health of environment”.

Having been completed in 1972, the Morinaga Shibaura Building is now 50 years old and its functionality as an office building has deteriorated significantly. The Company has long considered replacing the building, and has now made the decision to construct a new building on the same site.

In taking CO2 emissions and other environmental factors into consideration, the Company plans to construct a new environmentally-friendly, co-creation-oriented office building with the potential to be certified as “ZEB Ready”. With this new building, the Company will also aspire to encapsulate the Company’s corporate philosophy and 2030 vision by creating a comfortable workplace environment in which a diverse workforce can thrive.

After the reconstruction of the Shibaura Building is completed, the Company will move its head office functions to the Shibaura Building.

2. Details of acquisition

- | | |
|-----------------------------|--|
| (1) Location | 1-58 Shibaura, Minato-ku, Tokyo |
| (2) Site area | 3,328.78 m ² (Proprietary land) |
| (3) Structure, composition | Reinforced steel concrete construction / 7 stories & 1 basement |
| (4) Total investment amount | ¥9.7 billion (Buildings, etc.) |
| (5) Financing plan | Currently examining financing through sustainable finance as an option |

3. Acquisition Schedule

- | | |
|---------------------------|------------------------|
| (1) Start of construction | August 2022 (planned) |
| (2) Completion | January 2024 (planned) |
| (3) Utilization | April 2024 (planned) |

4. Future outlook

The acquisition of the relevant fixed assets is expected to have a negligible impact on the Company's business results for the current fiscal year. Going forward, any matters arising that require disclosure will be disclosed promptly.

*ZEB stands for "Net-Zero Energy Building". ZEBs seek to realize a comfortable indoor environment whilst balancing out the amount of primary energy used annually to zero. ZEB Ready buildings are buildings that use advanced architectural designs that aim to be ZEBs, with an exterior capable of high thermal insulation and highly efficient, energy-saving equipment. They must be capable of reducing primary energy consumption by more than 50%, not including the use of sustainable energy.