

Value Creation Process

Impacts
on society

Smiles for the Future

Purpose

The Morinaga Group will continue to create healthy foods that can be enjoyed beyond generations, thereby bringing smiles to the faces of people around the world now and in the future.

Five Materialities

- 1 **Contribute to the Healthy Lives of People around the World**
- 2 **Diversity and Inclusion of People**
- 3 **Achieve Sustainable Value Chains**
- 4 **Conserve the Global Environment**
- 5 **Strengthen Governance in Sustainability**

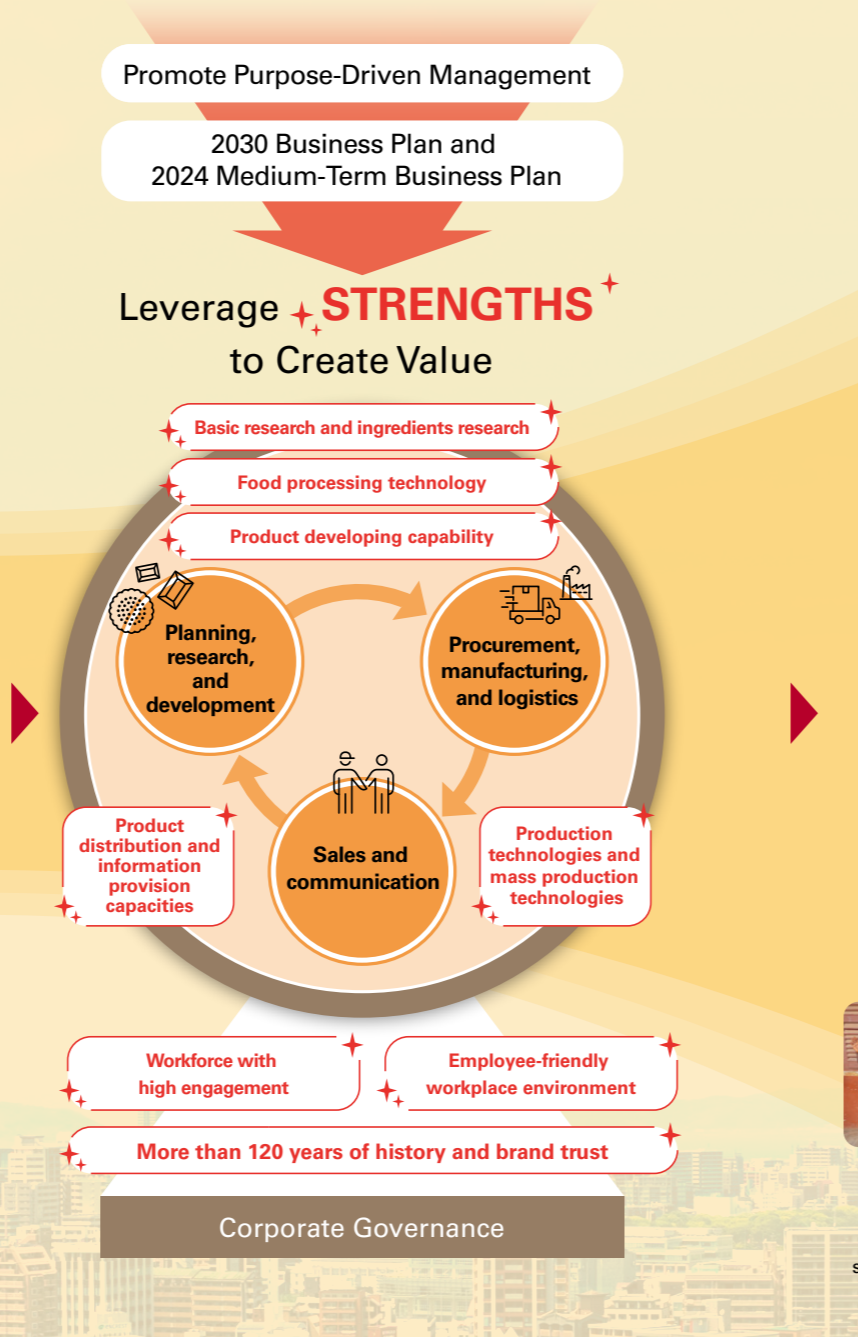
External Environment

- Increasing health consciousness (health of mind and body)
- Diversifying lifestyles and values
- Advancements in digital technology
- Japan's declining birth rate, aging population, and labor shortages
- Rising world population
- Climate change and global environmental issues becoming more serious
- Rising need to disclose information on sustainability



Input: Six Forms of Capital (FY2023)

- Human capital**
 - Group employees: 3,093*1
 - Employee loyalty: 84%*2
 - Health management: Certified Health & Productivity Management Outstanding Organization
- Social capital**
 - Relationships of trust with various stakeholders built over more than 120 years in the business
 - Many long-seller brands
- Financial capital**
 - Invested capital: 136.2 billion yen
 - Net assets: 132.6 billion yen
 - Equity ratio: 58.7%
 - Long-term credit rating: A stable (JCR)
- Intellectual capital**
 - Patents owned: 143 in Japan and 62 overseas
 - Trademarks owned: 621 in Japan and 674 overseas*3
 - R&D expenses: 3.2 billion yen
- Production capital**
 - Production sites: 8 factories in Japan and 3 overseas
 - R&D center: 1
- Natural capital**
 - Diverse raw materials with consideration for sustainability and quality control



Three Values to Provide

- Health of mind
- Health of body
- Health of environment

Values Are Provided for

- Customers
- Employees
- Society

Products that contribute to health of mind and body

- Initiatives under One Chocolate for increasing the sustainability of cacao
- New head office designed with employees' health and the environment in mind
- Takasaki Morinaga Co., Ltd., begins receiving electricity generated from solar power

2030 Vision

We Will Change into a Wellness Company.

2030 Non-Financial Targets

- Customers**: Provide value of health to **more than 70%** of Japan's population through new initiatives aimed at becoming a wellness company*4
- Customers**: "Health of mind": Ratio of positive responses to "the company makes me happy," according to a corporate image survey*5 **90%**
- Employees**: Ratio of employees who find their job meaningful and who are in good mental and physical health at work*6 **80%**
- Society**: Procurement ratio of sustainable raw materials (cacao beans, palm oil, and paper)*7 **100%**
- Society**: CO₂ emissions reduction rate*8 **30%**
- Shareholders**: ROE **15% or higher**
- Shareholders**: DOE **4.5% or higher**

*1 As of March 31, 2024 *2 Rate of positive responses to "I feel proud as a member of this company" on the employee awareness survey *3 Number held as of the end of FY2023 *4 Scope: Products the Company defines as "Deep dive into health of mind," "Accelerate health of body," and "Evolve health of mind to health of body." Population percentage calculated based on the INTAGE Inc. SCI annual purchase rate (scope: consumers nationwide ages 15-79). The Company will explore the establishment of a vision on a global basis. *5 Survey by Morinaga & Co., Ltd. *6 Ratio of positive responses on the employee awareness survey *7 Group consolidated basis. Paper covers product packaging packaging only. *8 Scope 1 + 2 (domestic Group consolidated basis; compared with FY2018)