



February 10, 2023

Company name: Morinaga Milk Industry Co., Ltd.  
5-33-1 Shiba, Minato-ku, Tokyo  
Representative: Yohichi Ohnuki,  
President & Representative Director  
(Code: 2264, Prime Market of the Tokyo Stock Exchange)

## Notice Regarding Acquisition of Shares in Vietnam (Acquisition of a Subsidiary)

The Company's Board of Directors resolved at a meeting held today to conclude a share transfer/acceptance agreement and an agreement between shareholders for the purpose of making Morinaga Le May Vietnam Joint Stock Company (hereinafter, "Morinaga Le May") a subsidiary. Morinaga Le May is engaged in the import and sales of infant and toddler milk in Vietnam.

### 1. Purpose of considering the acquisition of shares (acquisition of a subsidiary)

As part of the Morinaga Milk Group 10-year Vision, the Company aims to become a global company that exerts a unique presence worldwide, and has set the goal of achieving a global business sales ratio of at least 15% by the fiscal year ending March 31, 2029. In addition, one of the Company's global business policies is to contribute to the construction of nutritional infrastructure, mainly in Asia, by strengthening our business base of infant and toddler milk.

The Company began exporting infant and toddler milk to Vietnam through its local agent Le May Production, Trading and Service Company Limited (hereinafter, "Le May") in 2010. Sales volumes have increased steadily ever since, at an average annual growth rate of 33%\*<sup>1</sup>.

Vietnam's market for infant and toddler milk is growing rapidly amid the country's strong economic growth, with an average annual growth rate of approximately 8%\*<sup>2</sup> from 2010 to 2021. The market scale has more than doubled\*<sup>3</sup> to approximately 110,000 tons during the same period. Vietnam's infant and toddler milk market is expected to maintain its stable expansion with the continuation of high economic growth.

By ensuring the timely introduction of safe and high-quality products to meet customer needs in the Vietnam infant and toddler milk market, the Company considers that it will be able to achieve the further development of the Morinaga Milk Industry brand infant and toddler milk business in the Vietnam market, which is expected to grow in the future, and contribute to the robust growth and health of infants and toddlers. It has therefore resolved to conclude these agreements for the acquisition of shares.

Under these agreements, the Company will acquire shares of Morinaga Le May, a company established by Le May, for the purpose of establishing a joint stock company and engaging in business jointly with Le May. After purchasing 20% of the shares of Morinaga Le May from two individual shareholders, the Company will increase the capital of Morinaga Le May until the Morinaga Milk Group holds 51% of its shares, making it a consolidated subsidiary.

\*1 Volume shipped by the Company from April 2012 to March 2022 (total for the Hagukumi, Chil-mil, and KODOMIL series)

\*2 Source: Based on the volumes in Euromonitor International "Passport Baby Food in Vietnam," September 2022

### 2. Profile of subsidiary undergoing change (As of February 10, 2023)

(1) Company name	Morinaga Le May Vietnam Joint Stock Company
(2) Head office address	9-9A No Trang Long Street, Ward 7, Binh Thanh District, Ho Chi Minh City, Vietnam
(3) Representative	Le Van May, President
(4) Business	Import and sales of infant and toddler milk
(5) Capital	VND 12.0 billion (Approximately JPY 63 million)* <sup>1</sup>
(6) Establishment	November 3, 2022

(7) Major shareholders and shareholding ratios	1) Le May: 80.00% 2) Ms. Le Van May: 18.00% 3) Mr. Do Thanh Tuan: 2.00%	
(8) Relationship between the listed company and the company undergoing change	Capital	None
	Personnel	None
	Trading	None
(9) Latest financial status and business results of the company undergoing change	There is no relevant information, as the company undergoing change was established on November 3, 2022, and will begin business operations in June 2023.	

\*1 Amounts are converted to JPY using the exchange rate of VND 1 = JPY 0.0053.

### 3. Profile of counterparty to the acquisition of shares

The Company plans to acquire shares from two individual shareholders. None have any capital, personnel, or trading relationship with the Company, or any other significant relationship with the Company.

### 4. Number of shares to be acquired, acquisition cost, and status of shareholding before and after the acquisition

#### (1) Share acquisition

(1) Number of shares owned by the Company before the change	0 share
(2) Number of shares to be acquired	80,000 shares (Number of voting rights: 80,000)
(3) Acquisition cost	Total share acquisition cost: VND 97,981,958,360 (JPY 519,304 thousand) *2, *3
(4) Number of shares owned by the Company after the change	80,000 shares (Number of voting rights: 80,000, percentage of voting rights: 20.00%)

#### (2) Increase in capital

(1) Number of shares owned by the Company before the change	80,000 shares
(2) Number of shares to be acquired	253,061 shares (Number of voting rights: 253,061)
(3) Acquisition cost	Total share acquisition cost: VND 8,000,017,393 (JPY 42,400 thousand) *2, *3
(4) Number of shares owned by the Company after the change	333,061 shares (Number of voting rights: 333,061, percentage of voting rights: 51.00%)

\*2 The Company treats the process of share acquisition and share subscription through the increase in capital as a single transaction, and has determined the total acquisition cost so that it is commensurate with the corresponding corporate value.

\*3 Amounts are converted to JPY using the exchange rate of VND 1 = JPY 0.0053.

### 5. Change schedule

(1) Date of resolution of the Company's Board of Directors	February 10, 2023
(2) Date of conclusion of share transfer agreement	February 10, 2023
(3) Date of change in subsidiary / Effective date of transfer of shares	May 31, 2023 (planned)

### 6. Future outlook

This change will have an immaterial effect on the Company's consolidated results for the current fiscal year.

Disclaimer: This English translation is provided for the benefit of readers. In the case that discrepancies exist between the original Japanese version and the English translation, precedence goes to the original Japanese version.