

Notice on Changes to Consumer Milk, Yogurt, and other Product Prices

MEGMILK SNOW BRAND Co., Ltd.

Megmilk Snow Brand Co., Ltd. (headquarters: Shinjuku, Tokyo; President: Keiji Nishio) announces partial changes to certain consumer dairy products.

Domestic milk production volume continues to decline due to a shrinking dairy farmer population and declining numbers of dairy cattle. These changes have created an increasingly difficult environment for dairy farming operations.

In light of such an operating environment, we have reached an agreement with producer associations to increase milk purchasing prices beginning from April 2019. These pricing revisions will support production enhancements for dairy farmers and help stabilize dairy production in Japan. Costs are also increasing for major raw materials, packaging materials, energy, logistics, and human resources. In addition to higher milk prices, we expect significant cost increases to continue.

We have worked to absorb cost increases but these conditions exceed our ability as a corporation to absorb costs. As a result, we have reached the decision to implement pricing revisions for certain consumer milk products.

We will continue to provide our customers with satisfying products and we ask for your understanding and support.

Details

1. Applicable products

- | | |
|------------------------------------------------------------------|-------------|
| (1) Storefront products – Milk, milk beverages, yogurt, desserts | 64 products |
| (2) Home delivery products – Milk, milk beverages | 15 products |

2. Scope of revisions

- | | |
|----------------------------------------------------------|--------------|
| (1) Storefront products – MSRP Revision | 2.2% to 6.1% |
| (2) Home delivery products – Manufacturer shipping price | 1.7% to 4.0% |

*For more details, refer to our Japanese language press release.

<http://www.meg-snow.com/news/>

3. Revision date

From April 1, 2019 (Monday) shipments onward

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