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Concerning the Drafting of the Megmilk Snow Brand Group
Medium-Term Management Plan 2025

The Megmilk Snow Brand Group announces that the Board of Directors voted today to adopt the Megmilk Snow Brand Group Medium-Term Management Plan 2025. Details are as indicated below.

Details

1. Megmilk Snow Brand Group Medium-Term Management Plan 2025 (FY2023 to FY2025)

Thus far, our Group has been engaged in initiatives based on the Megmilk Snow Brand Group Long-term Vision 2026 (FY2017 to FY2026). However, due to major changes in our external environment, we decided to reevaluate our Long-term Vision 2026 and draft a new Megmilk Snow Brand Group Medium-Term Management Plan 2025. Furthermore, we plan to draft and announce a new long-term vision in FY2025.

We position the Medium-Term Management Plan 2025 as a preparatory period for the next 100 years. During this period, we will advance efforts to create a resilient business structure and establish solid foundation that will be essential to future growth. During the Medium-Term Management Plan 2025, we will respond to declines in demand triggered by COVID-19 and global cost increases caused by the Ukraine conflict, and aim for operating profit of 20 billion yen, which is on par with profit levels prior to COVID-19. After the period of the Medium-Term Management Plan 2025, we will aim to achieve an ROE of 8% as soon as possible.

Medium-Term Management Plan 2025 is based on the main theme of gaining resilience and is comprised of three core business strategies and basic strategies.

(1) Business strategy and basic strategy

Theme	Gain Resilience	
Business strategy	1. Creating seeds for new growth	Engage in plant-based foods Foster function-added foods Enhance overseas development
	2. Expanding quantity by utilizing platform	Expand cheeses Expand milk and milk-based beverages
	3. Strengthening and supporting domestic dairy farming production platform	Contribute to dairy farming through value creation and increased volume Expand self-sufficient feedstuffs
Basic strategy	Innovation (transformation) Communication (resonating) DX promotion Human resource utilization and growth	

(2) Management metrics

Metrics	FY2025 targets
Consolidated net sales	665 billion yen
Consolidated operating profit	20 billion yen
Consolidated EBITDA	38.5 billion yen
Consolidated ROE	6% or higher
Consolidated equity ratio	50%
D/E ratio	0.5 or lower
Capital expenditures (3yr total)	70 billion yen or more
Consolidated dividend payout ratio	30% or higher

2. Notes

Materials explaining the Megmilk Snow Brand Group Medium-Term Management Plan 2025 can be viewed on our corporate website.

<https://www.meg-snow.com/english/investors/>

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