



April 5, 2018

Notice on Changes to Consumer Cheese Prices and Product Volumes

MEGMILK SNOW BRAND Co., Ltd.

MEGMILK SNOW BRAND Co., Ltd. (headquarters: Shinjuku, Tokyo; President: Keiji Nishio), announces that we will implement changes to our consumer product line resulting in revised pricing for 35 processed cheese products and 24 natural cheese products as well as package volume changes for three natural cheese products.

Due to an ongoing decline trend in the population of dairy farmers and the number of dairy cattle being raised, milk production volumes in Japan are forecast to experience a continued year-on-year decline in FY2018.

Amid such conditions, the domestic price of raw milk for cheese has increased since April 2018 due to domestic dairy product demand trends and due to an ongoing policy of promoting sustainable dairy farm operations and strengthening domestic milk production infrastructure.

Other factors such as energy, distribution costs, and personnel costs are also impacting cost increases.

At MEGMILK SNOW BRAND, we have worked to absorb these costs increases but we have reached a point that exceeds what can be absorbed through corporate efforts. As such, we have decided to implement revisions to the pricing and/or product volumes for some of our consumer products.

MEGMILK SNOW BRAND is committed to providing consumers with satisfying products and we ask for your understanding and continued support.

Details

1. Applicable products

(1) Pricing revisions

- 1) 35 products in processed cheese product line (revision rate: 4.8% – 17.2%)
- 2) 24 products in natural cheese product line (revision rate: 4.3% – 6.4%)

(2) Volume revisions

3 natural cheese products (revision rate: -14.3%)

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

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

2. Date of revisions

(1) Pricing revisions

From Tuesday, May 1, 2018 shipments onward

(2) Volume revisions

Gradual implementation from Tuesday, May 1, 2018