

Notice on Changes to Prices and Net Volumes of Consumer Dairy Food, Beverages and Desserts Products

MEGMILK SNOW BRAND Co., Ltd. (headquarters: Shinjuku, Tokyo; President: Masatoshi Sato), announced that it will revise prices and change net volumes for some of its Consumer Dairy Food, Beverages and Desserts starting Saturday April 1, 2023.

The environment surrounding domestic dairy farming is under tough conditions as milk production costs have risen dramatically due to a global rise in the cost of grains, energy, and others as well as the increasing weakness of the yen.

In light of this operating environment, we have reached an agreement with raw milk producer organizations to increase milk purchasing prices (hereafter "milk prices") beginning from April 2023. These pricing revisions will protect dairy farming production and will help stabilize dairy supply in Japan.

In addition, demand for imported raw cheese has been increasing worldwide due to the recovery of the restaurant industry and other factors. On the other hand, international dairy product market prices are soaring due to weak milk production, especially in Oceania, and rising milk production costs caused by soaring feed, energy, and other costs.

Costs are also increasing for major raw materials, packaging materials, energy, logistics, and more. In addition to higher milk prices, we expect significant cost increases to continue.

The Company has been working to internally absorb the cost increases through a range of cost reduction measures; however, these cost increases are beyond the scope within which the increases can be absorbed through corporate efforts. The Company has therefore decided to implement the following price revisions.

MEGMILK SNOW BRAND is committed to providing consumers with safe and reliable products on a stable basis and asks for your understanding and continued support.

Details

1. Applicable Products

(1) Dairy products

Butter, Margarine, Cheese, Skimmed milk, etc. 83 products

(2) Beverages and Desserts Products

- Storefront products Yogurt, Beverages, Desserts, Cream 51 products
- Home delivery products Milk, Milk based beverages 3 products

2. Details of Revision

(1) Dairy products

- Price revision MSRP Revision 3.1% to 19.0%
- Net volume revision Rate of reduction -5.9% to -10.0%

(2) Beverages and Desserts Products

- Storefront products MSRP Revision 3.8% to 18.2%
- Home delivery products Shipping Price Revision 7.9% to 17.9%

3. Revision date

(1) Dairy products

Starting with items delivered to whole sale dealers on Saturday April 1, 2023.

(2) Beverages and Desserts Products

For shipments starting Saturday April 1, 2023.

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