

May 15, 2023

Notice on Changes to Prices of Consumer Dairy Foods, Milk Beverages & Desserts and Commercial Products

MEGMILK SNOW BRAND Co., Ltd. (headquarters: Shinjuku, Tokyo; President: Masatoshi Sato, hereinafter the “Company”), announced that it will revise prices for some of its consumer dairy foods, milk beverages & desserts starting Saturday, July 1, 2023, as well as for some of its consumer milk, yogurt, and other products and commercial products, starting Tuesday, August 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, it has reached an agreement with producer associations to increase milk purchasing prices for some applications (hereafter “milk prices”) beginning from August 2023. These pricing revisions will protect dairy farming production and will help stabilize dairy supply in Japan.

Costs are also still increasing for 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) Consumer products

1) Dairy products

Natural cheese, pizza crust, pizza sauce, condensed milk, skim milk 20 products

2) Milk beverages & desserts products

• Storefront products milk, milk beverages, juices, yogurt, desserts, etc. 65 products

• Home delivery products milk 3 products

(2) Commercial products milk and yogurt 6 products

2. Details of revision

(1) Consumer products

1) Dairy products - MSRP Revision 4.8% to 14.0%

2) Milk beverages & desserts products

• Storefront products - MSRP Revision 4.3% to 17.4%

• Home delivery products - Manufacturer shipping price Revision rate: 7.0% to 17.7%

(2) Commercial products - Manufacturer shipping price Revision rate: 6.7% to 11.2%

3. Date of revisions

(1) Consumer products

1) Dairy products For arrivals at dealerships starting Saturday, July 1, 2023

2) Milk beverages & desserts products

For shipments starting Tuesday, August 1, 2023

(2) Commercial products For shipments starting Tuesday, August 1, 2023

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