

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, and some of commercial products starting Friday, December 1, 2023.

The environment surrounding domestic dairy farming is facing challenging conditions as production costs, which have risen dramatically due to a global rise in the cost of grains, energy, etc., remained high, while the yen has increasingly weakened.

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 December 2023. These pricing revisions will protect dairy farming production and will help stabilize dairy supply in Japan.

In addition, packaging materials, logistics, and labor costs are rising, and energy costs remain high.

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.

Going forward, the Company 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

Butter 5 products

2) Milk beverages & desserts products (Storefront products)

Milk, milk based beverages, cream 6 products

(2) Commercial products

Butter, whipped cream products, etc. 106 products

2. Details of revision

(1) Consumer products

- 1) Dairy products - MSRP Revision rate: 4.8% to 7.0%
- 2) Milk beverages & desserts products (Storefront products)
- MSRP Revision rate: 1.7% to 4.7%

(2) Commercial products

- 1) Butter, etc. - Manufacturer shipping price Revision rate: 2.5% to 11.8%
- 2) Whipping cream products, etc. - Manufacturer shipping price Revision rate: 0.8% to 5.5%

3. Date of revisions

(1) Consumer products

- 1) Dairy products For arrivals at dealerships starting Friday, December 1, 2023
- 2) Milk beverages & desserts products

For shipments starting Friday, December 1, 2023

(2) Commercial products

- 1) Butter, etc. For arrivals at dealerships starting Friday, December 1, 2023
- 2) Whipping cream products, etc. For shipments starting Friday, December 1, 2023

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.