



# An Introduction to Megmilk Snow Brand Group



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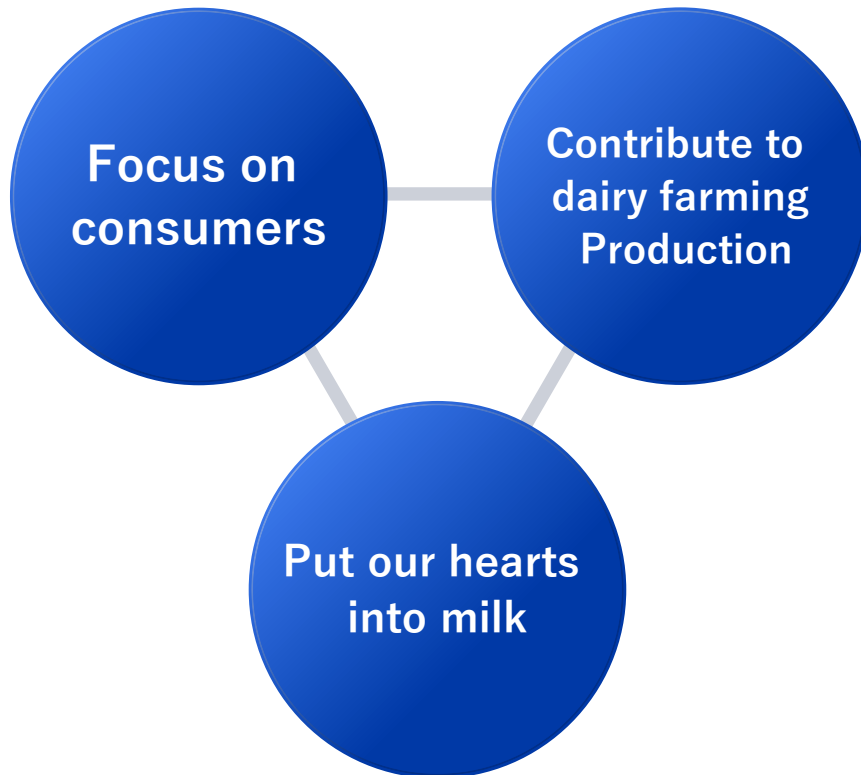
# Group Corporate Philosophy

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The Megmilk Snow Brand Group strives to fulfill our three missions and create new value for milk in order to exist as a company that contributes to society.

## Our Mission

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## Corporate Slogan

**Make the Future with Milk**



# Company Profile

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## Company Profile

Trade name	MEGMILK SNOW BRAND Co., Ltd.
Establishment date	October 1, 2009
Head office location (Registered head office)	5-1 Yotsuya-Honshio-cho, Shinjuku-ku, Tokyo (1-1, Naebocho 6-chome, Higashi-ku, Sapporo City, Hokkaido)
Capital	20 billion yen
Representative Director and President	Masatoshi Sato
Number of employees (consolidated)	5,731 (as of March 31, 2024)
Stock exchange listing	Tokyo Stock Exchange, Sapporo Securities Exchange

# Founders

## “*Kendo Kenmin*”

Our founders spirit to challenge to resolve the social issues.

Our founders poured their commitment to resolving the social issues of their time into the phrase, “*Kendo Kenmin*”. This is the spirit we take over and to drive to resolve today's social issues.

### Founders



Sentaro Utsunomiya



Torizo Kurosawa



Zenshichi Sato

### “*Kendo Kenmin*”

A healthy earth ensures a healthy nutrition,  
a healthy nutrition ensures human health



The calligraphy “*Kendo Kenmin*” written by Kurosawa Torizo, one of the founders of the company. (owned by Megmilk Snow Brand.)



# History

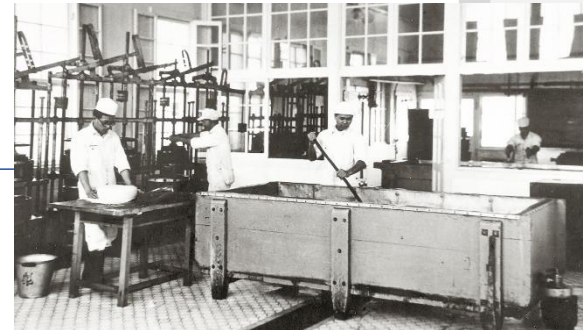
## Our history began with Hokkaido butter

We began manufacturing butter as soon as we were founded. We launched a modernized factory in 1926 and sold only the best quality product as “Snow Brand Hokkaido Butter”, gaining the trust of our customers.



## First in Japan to begin mass production of cheese

From around 1928, we began research, trial manufacturing and trial sales of cheese, and in 1932 we built a cheese plant and began production. As soon as the product went on sale in 1934, it became so popular that it was regularly out of stock, and in no time at all the plant became the first large-scale cheese production facility in Japan.



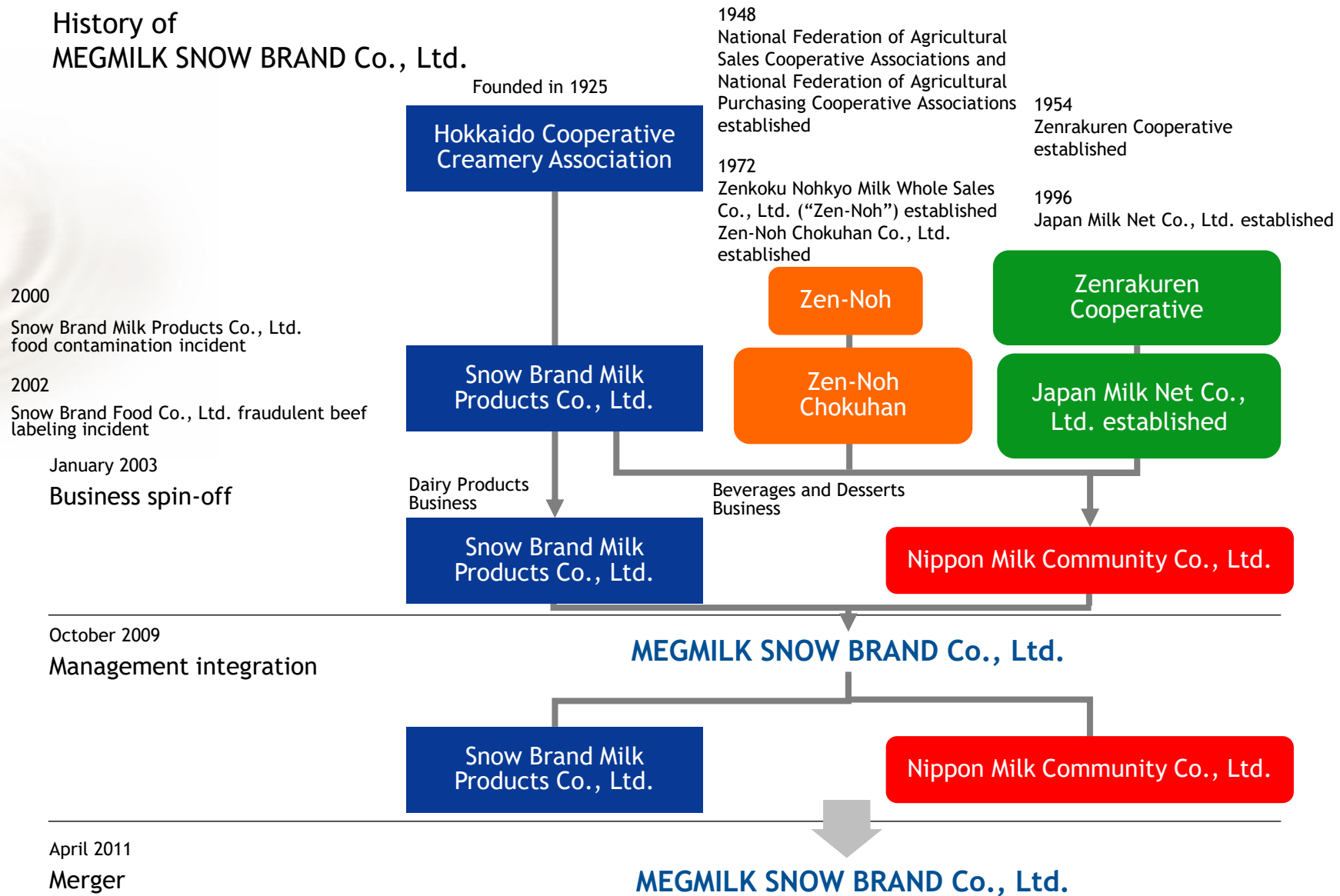
## Opening up the future of milk through our research

Our Research Department was established in 1933. It was engaged in research into processing technology, milk components and lactic acid bacteria. Later, we opened our Sapporo Research Laboratory, Technical Research Laboratory (now the Milk Science Research Institute in Saitama Prefecture) and Cheese Research Laboratory (Yamanashi Prefecture), allowing us to engage in full-scale research projects.



# History

## History of MEGMILK SNOW BRAND Co., Ltd.



# Ideal Position for the Megmilk Snow Brand Group

In May 2025, the Megmilk Snow Brand Group will celebrate the **100th anniversary\*** of its founding.

\* The Hokkaido Cooperative Creamery Association was founded in May 1925.

With our founding spirit's driving to solve social issues



Founding

Achieving a stable and abundant food lifestyle



Today

Contributing to food sustainability

The food people take for granted now will not be readily available in the future.

## To achieve food sustainability



# Business Domains

## Business Sectors and Profile



Dairy  
Products



Beverages  
and Desserts



Nutrition



Feedstuffs and  
Seed Products

### Business

Butter, margarine, cheese (domestic and overseas), other dairy products, etc.

Milk and milk beverages, yogurt, fruit juice and vegetable juice, soft drinks, desserts, etc.

Infant formula (domestic and overseas), functional foods, supplements, functional ingredients, etc.

Feedstuffs, seeds (forage grass and crops, vegetables), landscape gardening, cattle fattening, etc.

### Group Companies

MEGMILK SNOW BRAND Co., Ltd.  
KOHANAN OILS AND FATS MFG CO., LTD.  
Yatsugatake Milk Co., Ltd.  
SI SYSTEM Corporation  
CHESCO LTD.  
Snow Brand Australia Pty. Ltd.  
Udder Delights Australia Pty Ltd  
PT. Megmilk Snow Brand  
Indonesia  
CRESCO Corporation  
Nichiraku Machinery Co. Ltd.,  
and others

MEGMILK SNOW BRAND Co., Ltd.  
Michinoku Milk Co., Ltd.  
Yatsugatake Milk Co., Ltd.  
Ibaraku Co., Ltd.  
SI SYSTEM Corporation  
Mitsuwa Distribution Industry  
Co., Ltd.  
Chokuhan Haisou Co., Ltd.  
Greenservice Co., Ltd.  
CRESCO Corporation,  
and others

Bean Stalk Snow Co., Ltd.  
MEGMILK SNOW BRAND Co., Ltd.  
Snow Brand Taiwan Co., Ltd.  
Snow Brand Hong Kong Co., Ltd.  
Snow Brand Trading (Shanghai) Co., Ltd.  
Snow Brand Australia Pty. Ltd.  
EN Otsuka Pharmaceutical Co., Ltd.  
Amino Up Co., Ltd.  
Belle Neige Direct Co., LTD., and  
others

Snow Brand Seed Co., Ltd.  
Snow Brand Seed USA, Inc.  
Doto Feed Corporation  
Royal Farm, Ltd.  
RF Penkel Farm Co., Ltd.  
RF Aomori Farm Co., Ltd.,  
and others

MEGMILK SNOW BRAND Business Solution Co., Ltd., Snow Brand Parlor Co., Ltd., Snow Brand KODOMO-NO-KUNI Ranch

# Dairy Products Business



## Butter

We began manufacturing and selling butter in 1925, and deliver unchanging flavor and new value in our butter products.



## Margarine

We sell rich-tasting, melt-in-the-mouth margarine products that leverage our expertise in manufacturing dairy products, including in Southeast Asia.



## Processed Cheese

We began manufacturing and selling cheese in 1934, and have also been manufacturing and selling cheese in Indonesia since 2013.



## Natural Cheese

Our mainstay natural cheese products are the YUKIJIRUSHI HOKKAIDO 100 series of camembert cheese, and Sakeru Cheese (string cheese) made from 100% fresh milk produced in Hokkaido.



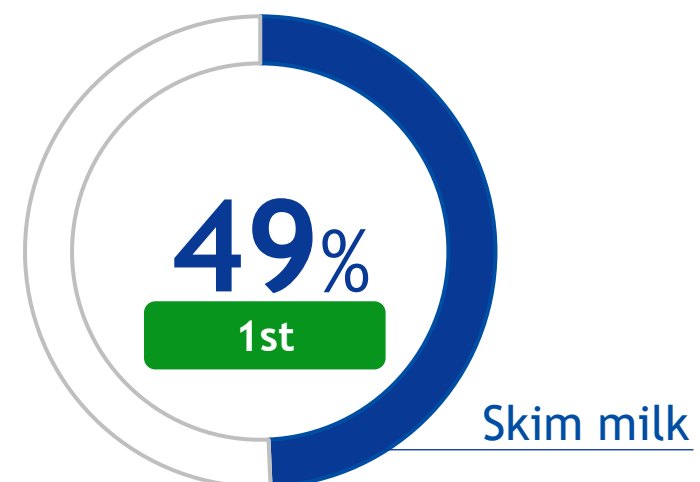
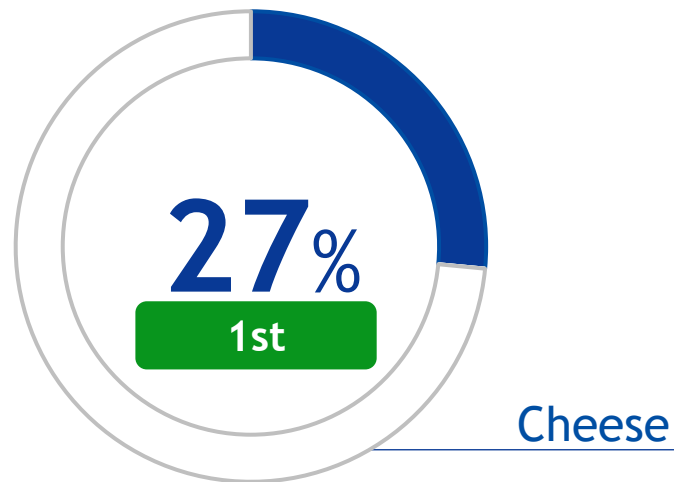
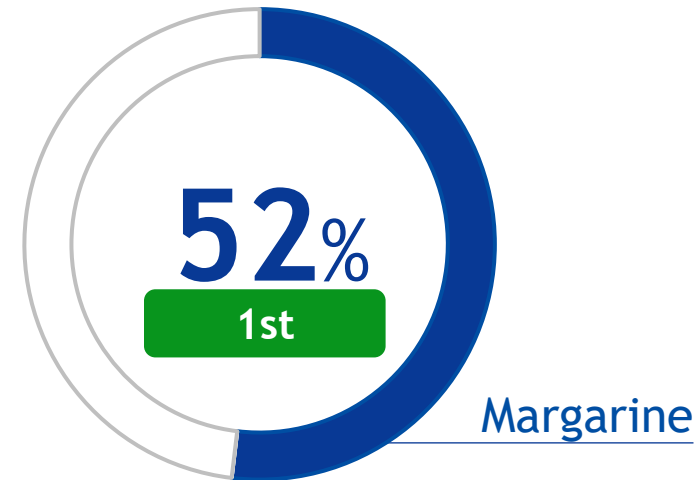
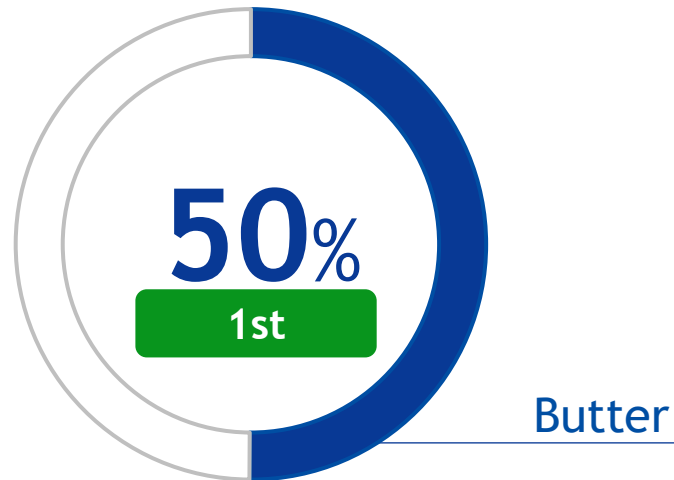
# Dairy Products Business



Market Share (FYE3/2024)

Household consumption based on nationwide monetary value

Source: Intage SRI+



# Dairy Products Business



## Business Locations and Group Companies





# Dairy Products Business



## Research and Development

### Megmilk Snow Brand Milk Science Research Institute Sapporo Research Laboratory Cheese Research Laboratory

These research laboratories play core roles in all of our research and development work as a comprehensive manufacturer of dairy products. We are engaged in a wide range of research projects across multiple areas relating to dairy products, including the taste and texture of dairy products, research into cheese and butter, and traditional methods of producing natural cheese. The results of our research are practically used to produce new and exciting products.





# Dairy Products Business



## TV Advertisements

Sakeru Cheese



6P cheese



# Beverages and Desserts Business



## Milk and Milk Beverages

Megmilk Snow Brand milk, which is made using a method that retains the delicious flavor, functional milk beverages with fortified calcium, and more.



## Fruit Juice and Other Beverages

Dole® fruit juice beverages, NOKYO vegetable juice beverages, and more.



## Yogurt

megumi series, featuring Lactobacillus gasseri SP strain which remains live in human intestines for extended periods of time, and more.



## Desserts

Puddings, jelly, and other products that show our dedication to texture, flavor of milk, and more.



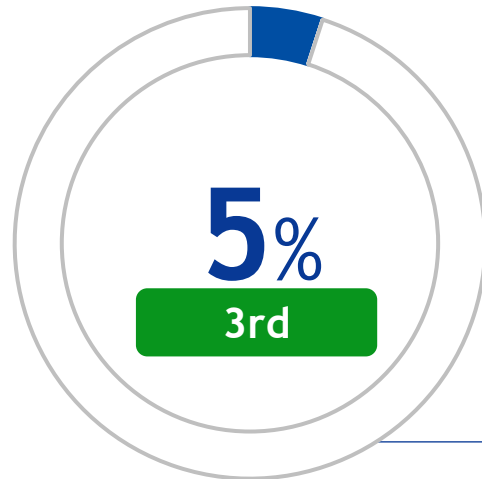


# Beverages and Desserts Business

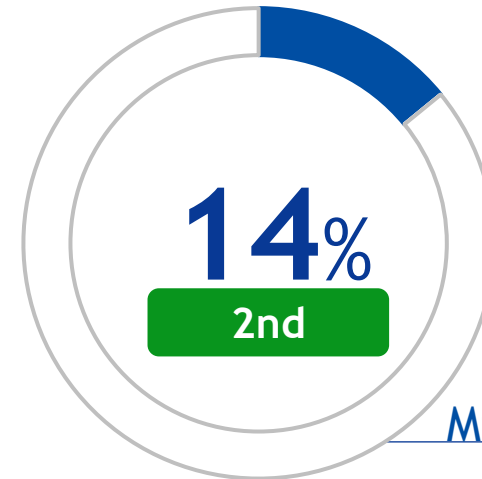
Market Share (FYE3/2024)

Household consumption based on nationwide monetary value

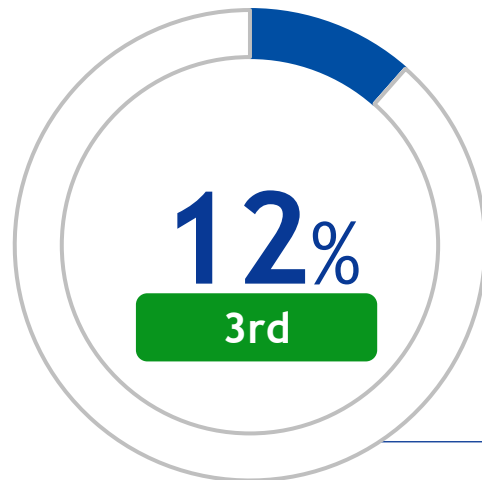
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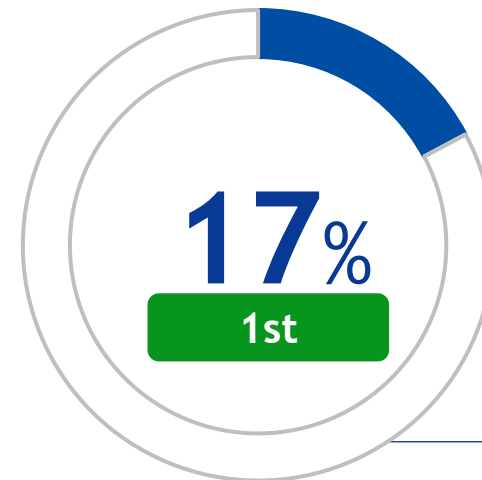
Milk



Milk Beverages



Yogurt

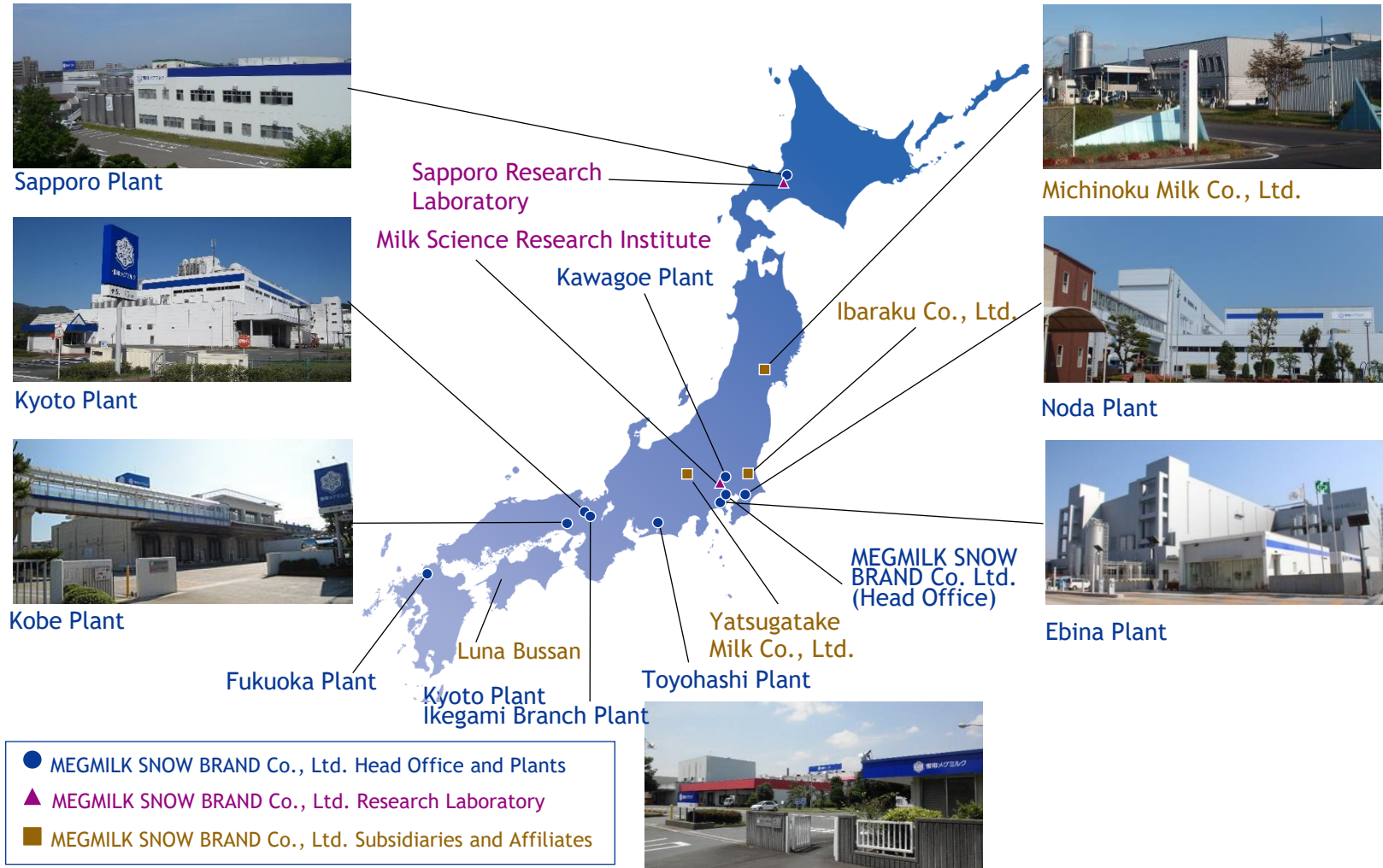


Desserts



# Beverages and Desserts Business

## Business Locations and Group Companies





# Beverages and Desserts Business



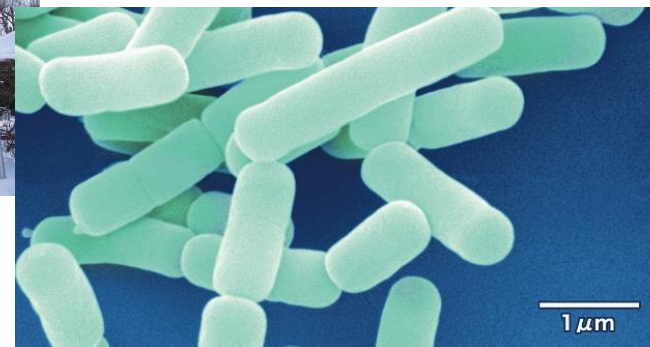
## Research and Development

### Megmilk Snow Brand

### Milk Science Research Institute

### Sapporo Research Laboratory

These research laboratories play core roles in all of our research and development work as a comprehensive manufacturer of dairy products. We are engaged in a wide range of research projects across multiple areas relating to beverages and desserts, including health-related functions of lactic acid bacteria and trace components of milk, processing technology, and packaging and containers. The results of our research are practically used to produce new and exciting products.





# Beverages and Desserts Business



## TV Advertisements

Nature Megumi Plant-Based



Gasseri SP Strain Drink Yogurt





## Powdered Milk

Taking advantage of our research into breast milk for over fifty years, we provide mainly powdered milk giving you confidence in child raising.



## Functional Foods

We offer a lineup of supplements and functional foods made from functional materials such as MBP, which is found in milk.



# Nutrition Business



## Business Locations and Group Companies



Amino Up Co., Ltd.



EN Otsuka Pharmaceutical Co., Ltd. (Head Office, Hanamaki Plant, Research & Development Laboratory)



EN Otsuka Pharmaceutical Co., Ltd. (Kitakami Plant)

- Bean Stalk Snow Co., Ltd. Head Office and Plants
- ▲ EN Otsuka Pharmaceutical Co., Ltd. Head Office and Plants
- Megmilk Snow Brand Research Laboratory
- ★ Megmilk Snow Brand Group Subsidiaries and Affiliates

Sapporo Research Laboratory

Milk Science Research Institute

EN Otsuka Pharmaceutical Co., Ltd. (Tokyo Head Office)

Belle Neige Direct Co., Ltd.

Bean Stalk Snow Co., Ltd. (Head Office)



Bean Stalk Snow Co., Ltd. (Gunma Plant)



Snow Brand Australia Pty. Ltd.



Snow Brand Trading (Shanghai) Co., Ltd.



Snow Brand Taiwan Co., Ltd.



Snow Brand Hong Kong Co., Ltd.



Snow Marketing Sdn. Bhd.



MEGMILK SNOW BRAND SINGAPORE





## Research and Development

### Bean Stalk Snow Co., Ltd.

#### Product Development Department

Promoting mainly research into the components found in breast milk and their actions, and development of infant formula close to breast milk.



Bean Stalk Snow's Product Development Department  
Megmilk Snow Brand's Milk Science Research Institute

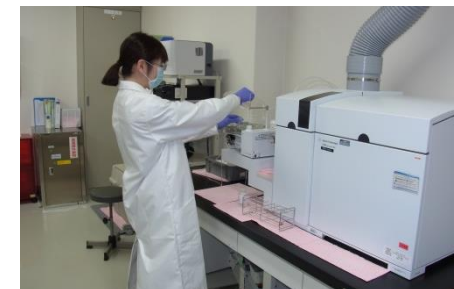
### Megmilk Snow Brand Co., Ltd.

#### Milk Science Research Institute Sapporo Research Laboratory

As core players in all of our research and development work as a comprehensive manufacturer of dairy products, these institutes are engaged in a wide range of research projects across multiple areas relating to health-related functions of lactic acid bacteria and trace components of milk, as well as powdered milk. The results of our research are practically used to produce new and exciting products.



Megmilk Snow Brand's Sapporo Research Laboratory



### En Otsuka Pharmaceutical Co., Ltd.

#### Research and Development Laboratory

EN Otsuka Pharmaceutical's Research and Development Laboratory, which was jointly established with the Otsuka Group, is pursuing scientific investigation and verification of nutrition and advancing with the development of reliable and superior products in order to contribute to medical and nursing care.



### Amino Up Co., Ltd.

#### R&D Division

Engaged in research that includes searching for new biologically active substances, determining the structure of active ingredients, and clarifying the mechanism of action.





## Feedstuffs

Supplying compound feed for dairy and beef cattle to match conditions in each region from dedicated production lines for cattle feed.



## Seeds

Seeds for pasture, forage crops, vegetables, and green manure crops, and flower seedlings, etc.



## Landscaping

Construction and maintenance of parks, trees along streets, and gardens, rooftop gardening, and turf works at sports facilities.



## Livestock Fattening

Integrated service from the introduction of calves to be raised as beef cattle to fattening, shipping of fattened cattle, and sale of carcasses.

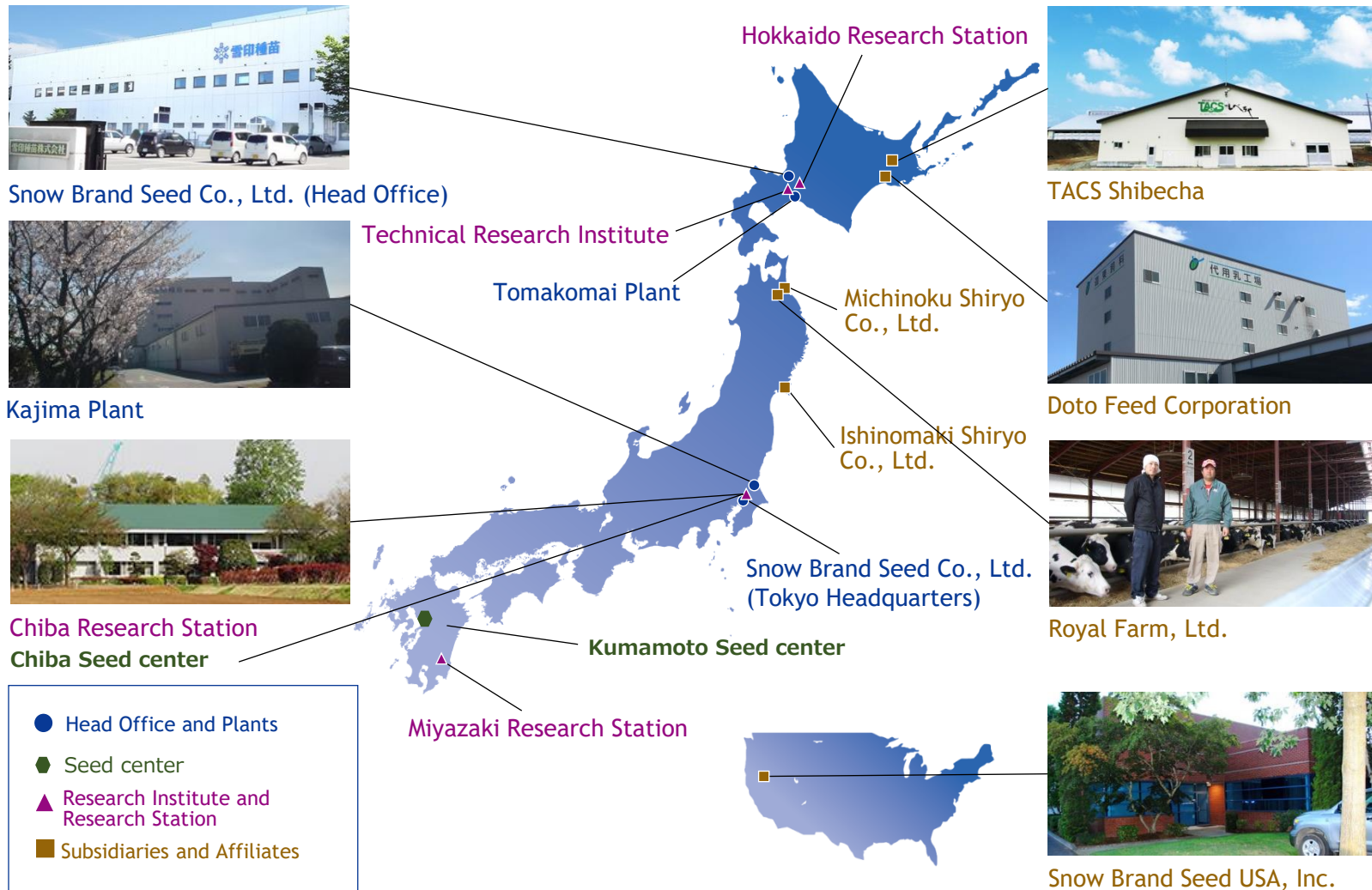






# Feedstuffs and Seed Products Business

## Business Locations and Group Companies



# Feedstuffs and Seed Products Business



## Research and Development

### Snow Brand Seed Co., Ltd Research Stations (Hokkaido, Chiba, Miyazaki)

Promoting the production of original varieties and improved varieties of pasture and forage crops, vegetables, green manure crops, flowers, and turf and plants.



### Snow Brand Seed Co., Ltd Research Institute (Hokkaido)

Built in June 2017



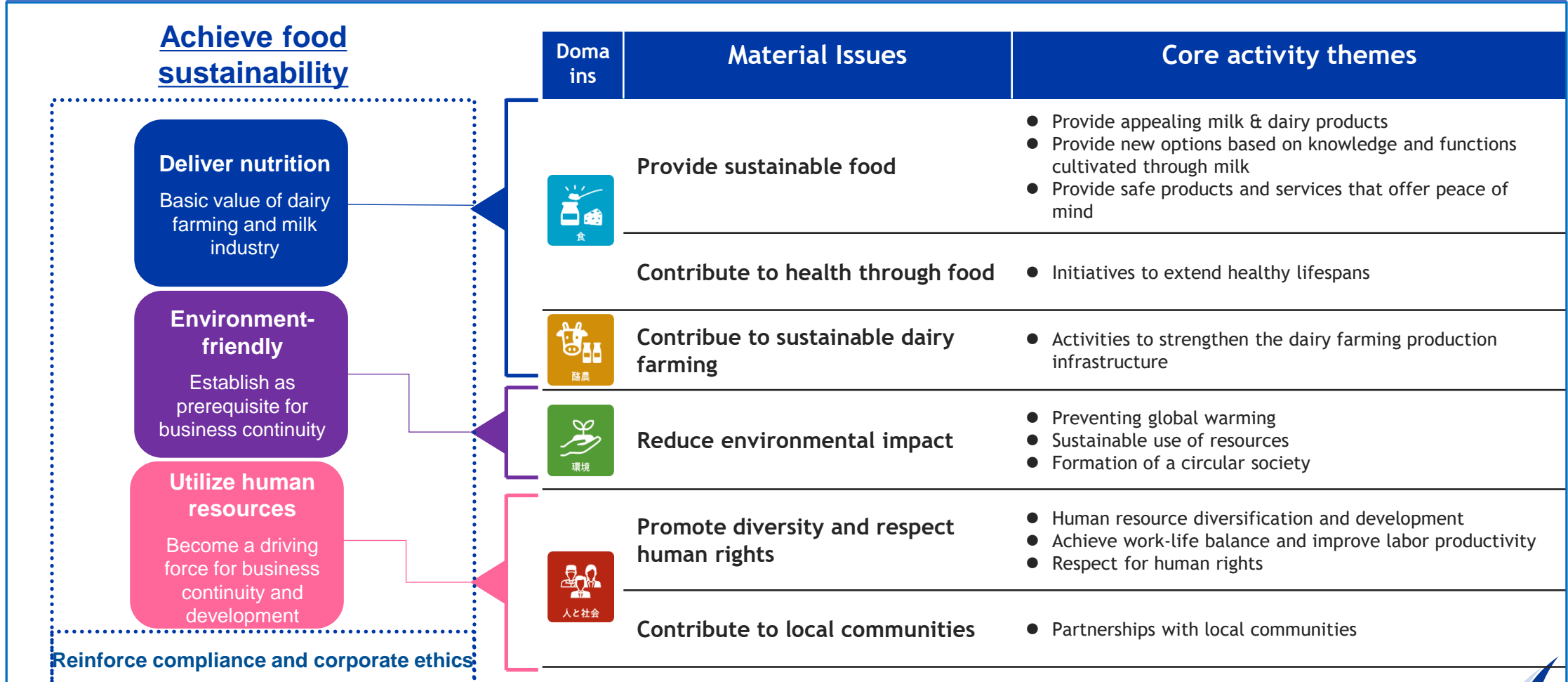
# Megmilk Snow Brand Group Sustainability Management

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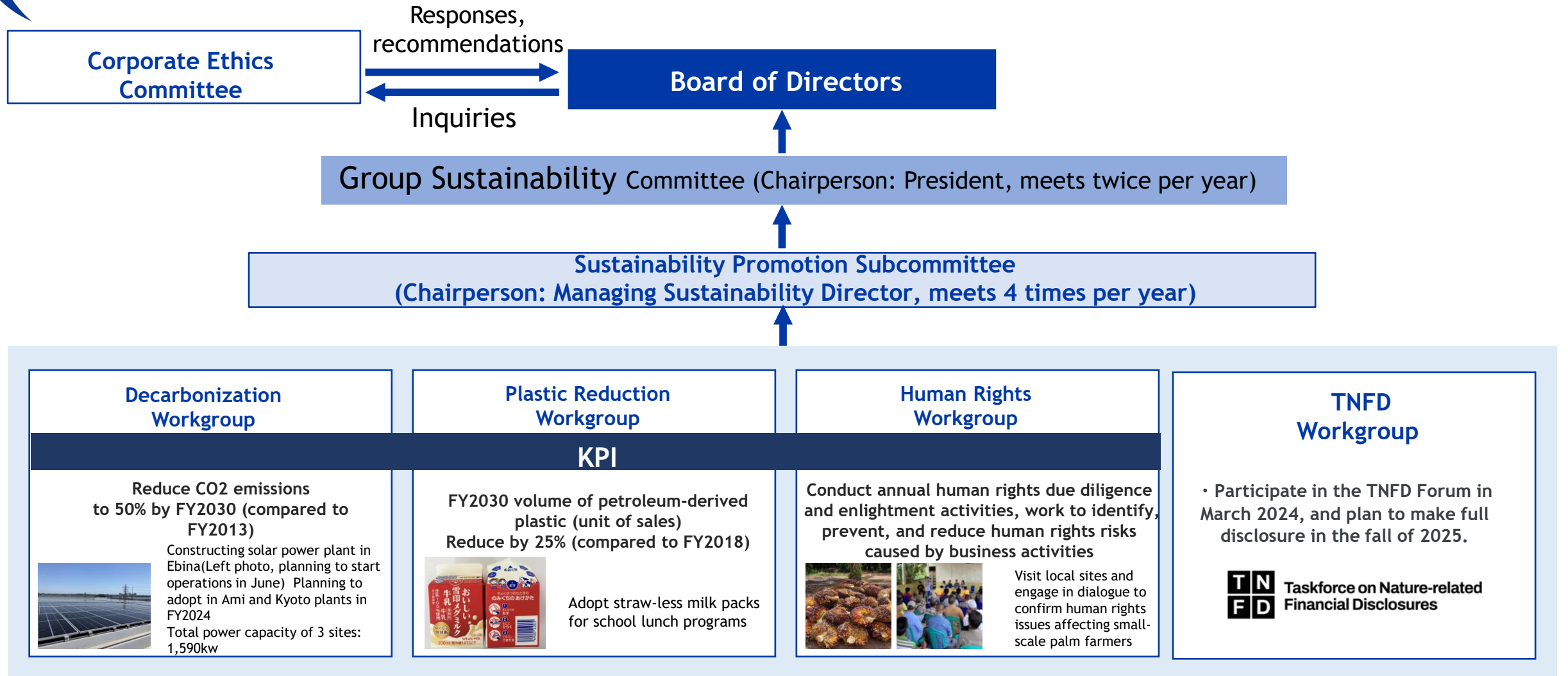


# Sustainability management

## Identify core issues (materiality) linking social value and economic value



# Sustainability management: promotion structure





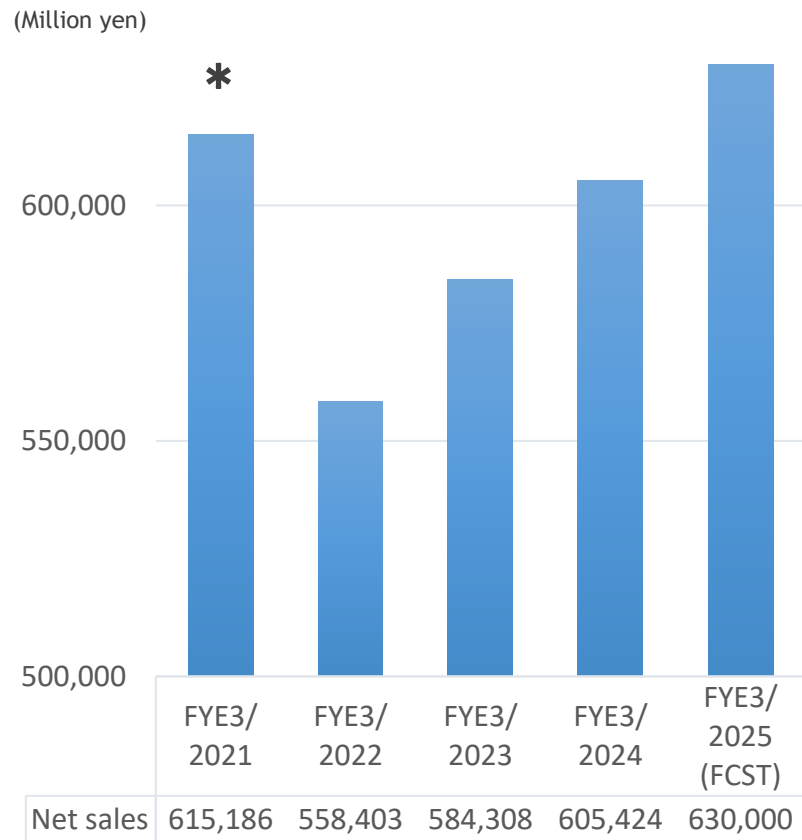
# Financial Data

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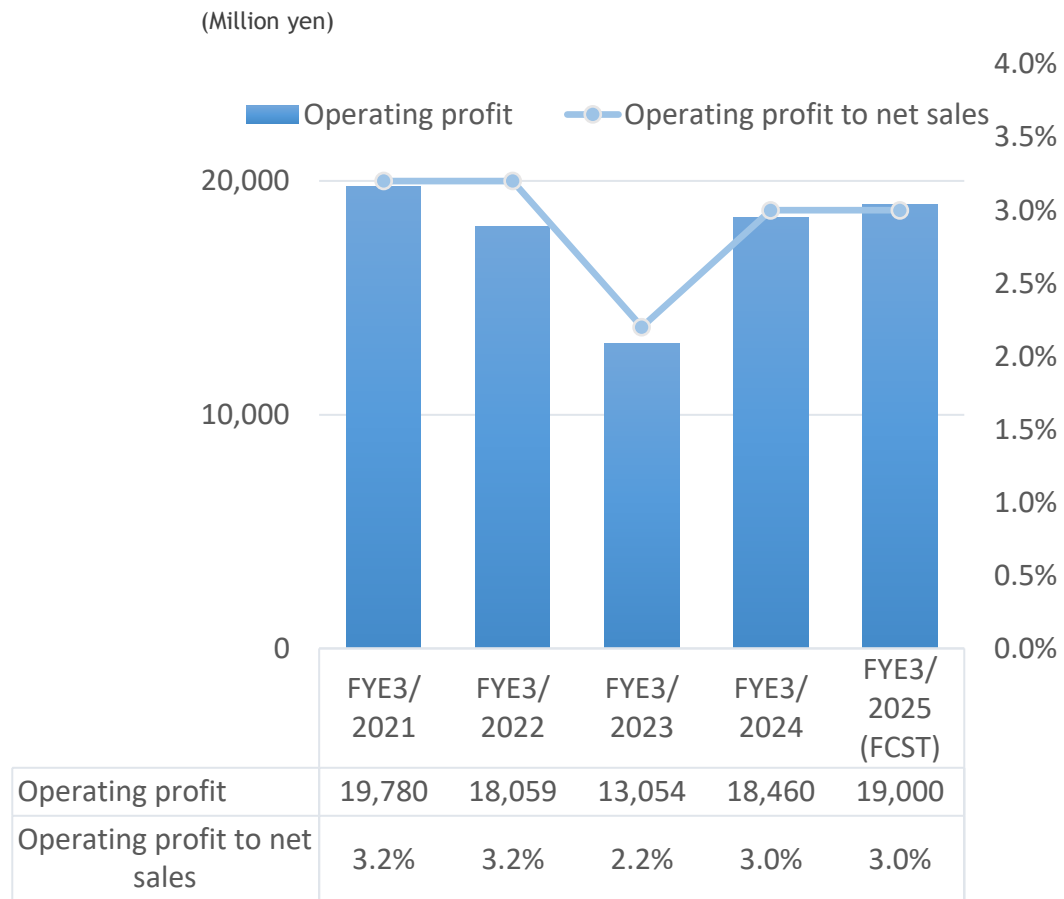
# Financial Data

## Net sales



\* Net sales for the year ending March 31, 2022 (FY2021) and beyond are not comparable to those in the year ended March 31, 2021 (FY2020) and earlier due to a significant decrease revenue resulting from a change accounting standards (revenue recognition standards).

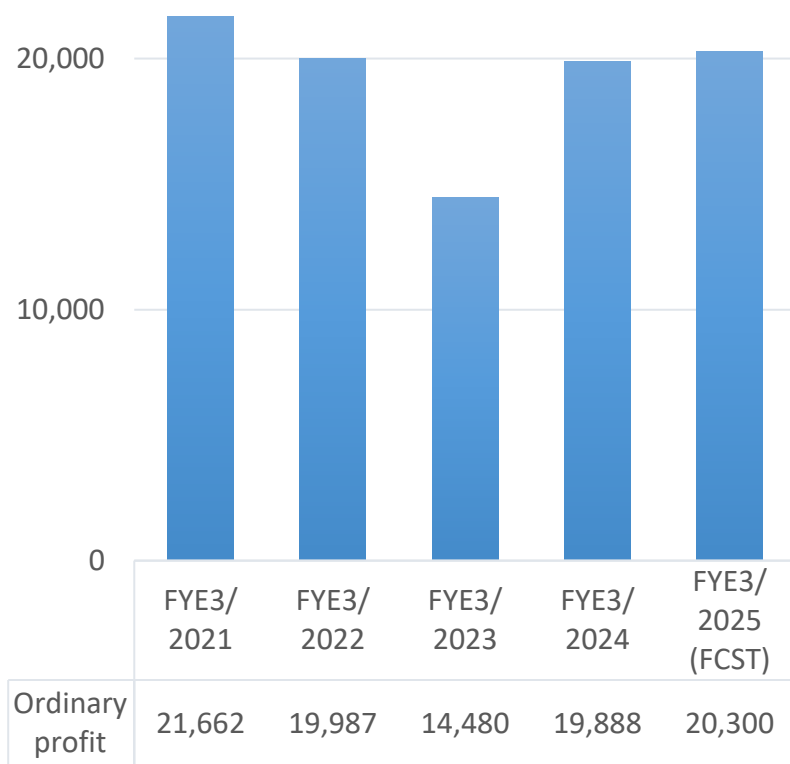
## Operating profit/ Operating profit to net sales



# Financial Data

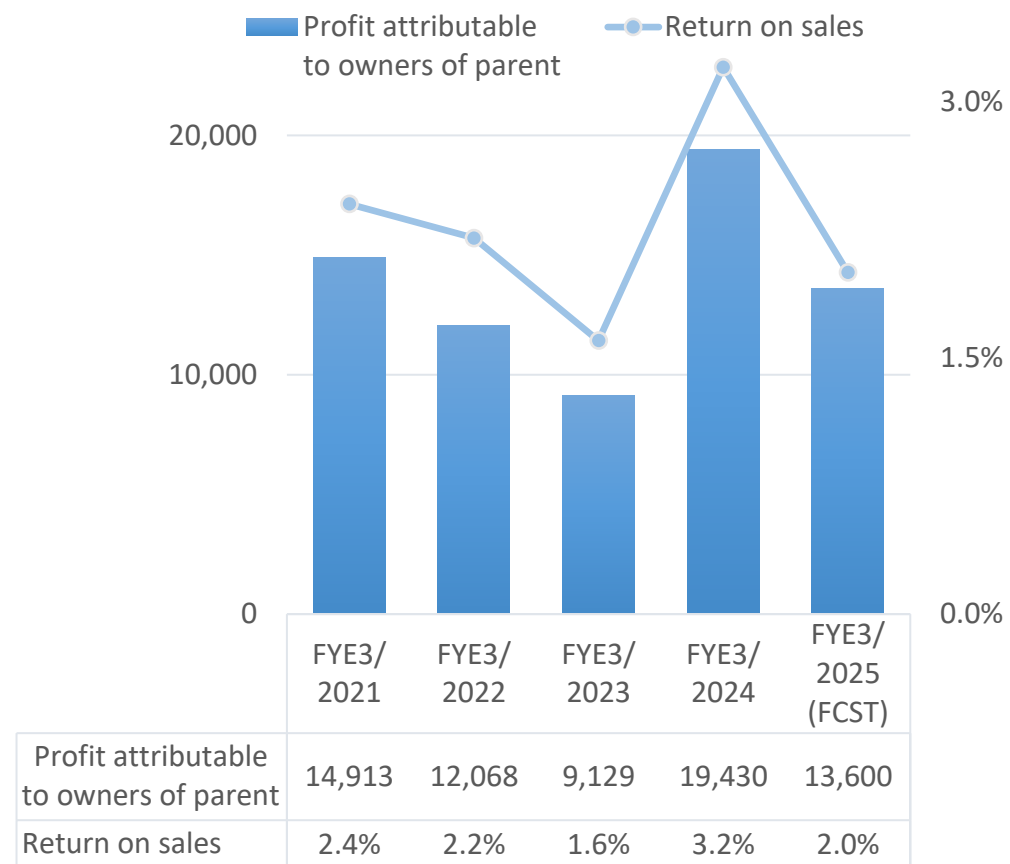
## Ordinary profit

(Million yen)



## Profit attributable to owners of parent/Return on sales

(Million yen)

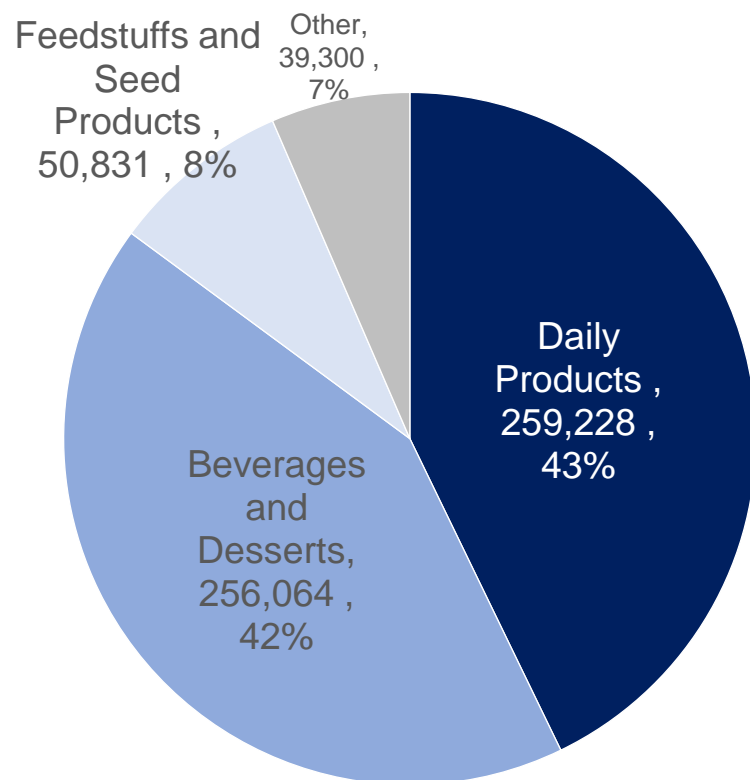


# Financial Data

FYE3/2024

Sales by segment

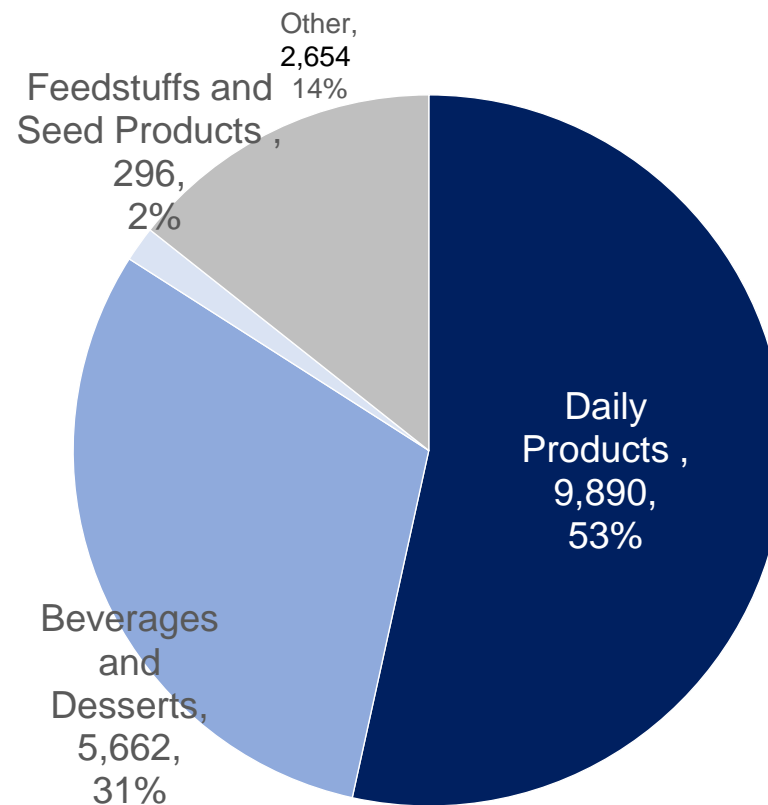
(Million yen)



FYE3/2024

Operating profit by segment

(Million yen)





# Financial Data

	FYE3/2021	FYE3/2022	FYE3/2023	FYE3/2024
Total assets (million yen)	398,654	401,890	410,130	431,222
Equity (million yen)	195,213	206,777	212,879	232,086
Equity ratio	49.0%	51.5%	51.9%	53.8%
Return on equity (ROE)	8.1%	6.0%	4.4%	8.7%
Return on assets (ROA)	5.0%	4.5%	3.2%	4.4%
Profit per share-basic (yen)	220.64	178.70	135.18	287.67
Net asset per share (yen)	2,890.65	3,061.75	3,151.74	3,436.02
Cash flows from operating activities (million yen)	26,567	29,421	26,807	30,465
Cash flows from investing activities (million yen)	(27,076)	(20,206)	(19,624)	(6,308)
Cash flows from financing activities (million yen)	6,771	(11,262)	(7,286)	(15,645)

# Financial Data

	FYE3/2021	FYE3/2022	FYE3/2023	FYE3/2024
Capital expenditures (million yen)	26,631	18,798	19,582	17,129
Depreciation and amortization (million yen)	15,917	16,957	17,190	17,590
R&D expenses (million yen)	4,255	4,348	4,548	5,030
Dividend per share (yen)	40	60	60	80
Payout ratio	18.1%	33.6%	44.4%	27.8%

## Market Share by Product Category (Household-use Products)

	FYE3/2023	FYE3/2024
Butter	49.2%	50.2%
Margarine	52.0%	51.9%
Cheese	26.7%	26.5%

	FYE3/2023	FYE3/2024
Milk	4.8%	5.0%
Milk beverages	14.0%	14.1%
Yogurt	11.5%	11.5%
Desserts	16.3%	17.2%

• Intage SRI+, based on nationwide monetary volume

\*Intage SRI+, based on nationwide monetary value

# Make the Future with Milk



Forward-looking statements such as performance forecasts contained in this document are based on management's expectations and assumptions in light of information currently available and are not the commitment by the Company. Actual results may differ from the forecasts in this document due to change in the business environment and other factors.

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