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Notice regarding Capital Investments for Cheese Production Expansion

MEGMILK SNOW BRAND Co., Ltd. (the “Company”) announces that at a meeting held on May 14, 2025, its Board of Directors passed a resolution detailed below to make capital investments aimed at increasing cheese production.

1. Purpose of the investments

Under our new management plan "Next Design 2030" , which begins this fiscal year, the Company aim to revolutionize the production system based on new ideas and transform the value and supply-demand structure of milk.

As the first, the Company have decided to produce a new cheese at the Nakashibetsu plant and update equipment for the conversion of whey to powder. Additionally, at the Ami plant, the Company will also invest in equipment for the production expansion of new cheese using Hokkaido cheese as the raw material.

Marking our 100th anniversary, through these investments in dairy plants, which will serve as a new innovation, the Company will contribute to resolving the issue of the Fat and SNF imbalance in the domestic supply and demand of raw milk, and aim to achieve both " food sustainability", and "enhance corporate value" through business growth.

* Fat (fat content: such as butter), SNF (Solid Not Fat: such as skim milk powder and cheese)

2. Investment Overview

(1) Introduction of New Technology Enabling Production of High-Value-Added Cheese

To further strengthen our presence in the cheese market, which is our area of expertise, the Company will introduce production facilities for new high-value-added cheese, combining accumulated manufacturing know-how and new technologies.

(2) Enhancement of Powder Milk Facility Capacity

To flexibly respond to future milk supply and demand, the Company will expand the capacity of the powder milk facilities by approximately three times the existing

capacity. In addition, the Company will utilize digitization and labor-saving equipment to significantly improve production efficiency.

(3) Reduction of Environmental Impact

The Company aims to significantly reduce environmental impact through the energy efficiency made possible by the latest technologies.

【Nakashibetsu Plant】

Item	Details
Address	2-9 Maruyama, Nakashibetsu-cho, Shibetsu-gun, Hokkaido
Investment Amount	Approximately 46 billion yen
Content of Capital Investment	Cheese production equipment, powder milk equipment, wastewater treatment equipment, office and welfare facilities, etc.
Maximum Raw Milk Processing Capacity	About 300,000 tons/year
Production Items	Cheese, whey powder, etc.
Construction Start	May 2026
Planned Start of Operation	Sequentially from the first half of fiscal year 2028

【Ami Plant】

Item	Details
Address	22 Hoshino Sato, Ami-cho, Inashiki-gun, Ibaraki
Investment Amount	Approximately 1.5 billion yen
Content of Capital Investment	Cheese production equipment, etc.
Cheese Production Increase	About 1,000 tons/year
Construction Start	April 2027
Planned Start of Operation	First half of fiscal year 2028

3. Impact on Forecast of Consolidated Results

The impact of these investments plan decision on the current fiscal year's forecast of consolidated results is minor.

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