



President and Representative Director

Eijiro Ota

“We aspire to deliver happiness to everybody we engage with”

Aiming to be a company that hands its pioneering spirit down to successive generations and pursues enduring progress

Dealing with COVID-19

The ongoing spread of COVID-19 has placed the world in an unpredictable and intensely challenging situation. I sincerely hope that the virus will come to an end as soon as possible, and extend my heartfelt sympathies to all those who have been infected.

During the state of emergency declared by the Japanese government from April to May this year, the Morinaga Group continued to pursue its mission as a food manufacturer by working to maintain consistent production and supply of its products. At the same time, we took action to prevent infection from spreading and ensure the safety of our employees through measures such as wider implementation of the teleworking system we had been promoting for the previous three years. We also provided a total of 360 thousand pouches of in Jelly nutri-

Morinaga Group's Actions in Response to COVID-19

- At production sites, we have continued to supply products and have enforced measures to prevent infection (checking employees' temperatures, ensuring mask wearing and hand washing, and disinfecting with alcohol)
- We have extended our work-from-home (teleworking) system to cover more employees in job types for which teleworking is possible
- We donated in Jelly to health professionals (April to June 2020)

tional jelly drink to medical institutions across Japan to support health professionals working on the front line to save people's lives.

While the impact of COVID-19 has been undeniably devastating, it has provided an opportunity for countries around the world to ask themselves what form their societies should take from now on. I believe that, as a member of society, the Morinaga Group must also take this opportunity to review how it operates. We will continue to be guided by our mission of operating a food business indispensable to people's lives as we strive to fulfill our responsibilities to society and to the future, always putting safety and reliability first.

Staying True to Our Founding Spirit and Redefining Our Vision and Mission

Having marked the 120th anniversary of its founding in 2019, the Morinaga Group has been responding to society's needs not only in the Confectionary & Foodstuffs and the Frozen Desserts businesses that comprise its existing domains, but also in the Health Products business, which is a growth domain. Currently, we provide customer-approved quality products of value in both domestic and overseas markets.

Looking back, Morinaga's history started in the Meiji period (1868–1912), when nutritional food was still scarce in Japan. Our founder, Taichiro Morinaga, travelled to the United States and encountered the confectionery business that would become his vocation. For 11 years, Taichiro trained himself in this foreign land, then took the techniques he had learned back to Japan, where he launched his business in 1899, inspired by the dream of delivering delicious and highly nutritious Western confectionery to its people. Japanese citizens at that time

were unfamiliar with Western confectionery, and the process of winning them over and commencing commercial production turned out to be a steep uphill climb. It was a massive challenge that entailed breaking the established mold. Ever since then, the Morinaga Group has inherited that pioneering spirit from one generation to the next, generating a succession of products that deliver new value and excitement to customers.

We regard this founding spirit as the keystone of all we do. It is crucial to always keep the founding spirit at the heart of our business and align ourselves flexibly with social change, thinking carefully about our reason for being as a company both now and for the future.

In line with this belief, we are currently holding discussions within the Morinaga Group to redefine our Vision and Mission and reexamine our Purpose, which equates to the company's reason for being within society. When we asked our employees some questions about what kind of company they want us to be, we received almost a thousand responses. As a result of this and other feedback, I was pleased to find that our employees are also increasingly interested in this topic. We will leverage the trust and brand power we have built up over more than 120 years as we further clarify our future direction, remaining true to the essence of Morinaga.

Developing Our CSR Initiatives under Strong Leadership

The world as a whole is beset by a great many problems relating to society and the environment, including climate change, economic disparities, and poverty. The entire international community is still striving to find solutions to these challenges. The adoption of the sustainable development goals (SDGs) by the United Nations in 2015 increased the momentum, and companies in the various countries are now also expected to play their part.

Here in the Morinaga Group, we formulated our CSR Basic Policy during the fiscal year ended in March 2019, and have implemented this policy since then with the aim of reflecting society's requirements and expectations in our business management and fulfilling our responsibilities to society. The three priority tasks set out in the policy are providing value through food, nurturing

the next generation, and considering the global environment and society.

To provide value through food, we will use food as the means to contribute to the health of people's minds and bodies. Technologies for mixing and processing healthy ingredients that are attracting public attention such as lactic acid bacteria and proteins, bringing out the best of their flavors, is a major strength of ours. We will further enhance the Wellness domain, whose core products include the in Jelly brand, while offering unique added value in our existing domains as well, to provide our customers with satisfaction and happiness.

Nurturing the next generation is important too, as the means to support healthy growth among the children who will be the leaders of the future. We will continue to invest effort in organizing experiential programs addressing dietary education, nature, and sport, among other activities.

With regard to consideration of the global environment and society, measures to address climate change are indispensable now that the threat posed by global warming is increasingly making itself felt within our daily lives. It is also imperative to develop more environmentally friendly manufacturing processes, including packaging and disposal, to cope with such issues as marine plastic pollution. Morinaga was ahead of its peers in adopting "cartocan" packaging (cylindrical containers made of a paper-based material), but we regard it as important to pursue these activities not just on our own, but with the involvement of our stakeholders. In order to ensure steady progress in driving such initiatives forward, therefore, Morinaga's management will join forces and dedicate themselves to engaging with CSR as a management challenge. We will instill an awareness throughout the Group that CSR can generate significant value over the long term and strive to bolster related initiatives on a Group-wide basis.

Morinaga is currently deliberating on the formulation of its new Medium-term Business Plan to start from the fiscal year ending in March 2022, as well as its long-term vision targeting 2030. Having timed these deliberations to coincide with the redefinition of our Purpose, we are aiming to develop sustainable business management from a longer-term perspective.

"Going Concern" Conceptual Diagram



Aiming to Be a Company that Can Deliver Happiness to Its Stakeholders

I believe that the most important thing for a company is its ability to continue as a going concern and that companies should contribute to the enduring development of society. This is because companies are part of society.

The food industry, which is closely connected to people's lives, is not the sort of industry in which a single technological innovation will transform things overnight. Business is built up over time, as indicated by the large number of long-seller products that are familiar to multiple generations of customers.

We believe that there are three elements essential to fulfilling our responsibilities as part of society and achieving enduring development together with society: our founding spirit, the customers' perspective, and diversity. We will hand down our founding spirit, which constitutes our reason for being as a company, and value our customers' perspective to fully address the needs of customers as times change. In addition, we will maintain diversity in order to continue meeting a wide range of expectations. Taking these three elements as pillars, it is important to pursue business activities by joining forces through the concept of management by everyone.

In the Morinaga Group, diversity is defined as "leveraging each person's individuality," and could include both visible attributes such as gender, nationality, and physical ability, and invisible attributes such as values, experience, and culture. I am convinced that respecting each other and making efforts to interact leads to diversity of knowledge, which produces innovation, and creates new value.

To make societies sustainable, companies must think not only about what makes their stakeholders happy, but also what makes society as a whole happy. I believe that the Morinaga Group's employees who have inherited our founding spirit are equipped with the strength to think of society as a whole. Furthermore, I believe that increasing their resilience to adjust to the changing times and continuing to take on challenges that draw on their pioneering spirit will enable them to overcome the obstacles on the path to a sustainable society. The Morinaga Group will join forces with each and every one of its employees as they dedicate their energies to their work, and meet the expectations of our stakeholders as a company pursuing enduring progress.