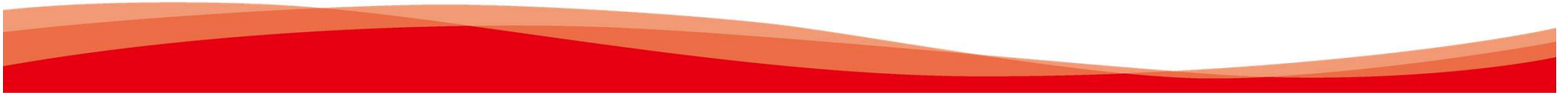


MEITO CO.,LTD.

Medium-Term Management Plan

MEITO CHALLENGE 2026



1. Review of MEITO CHALLENGE 2023

The growth strategy centered on brand enhancement proved effective, and net sales increased by 24.8% compared to FY2019 to ¥24.4 billion. For reference, if the sales of Oimoya Co., Ltd. (¥2.1 billion for FYE9/2023), which became a subsidiary in the final fiscal year of the medium-term management plan, are included, consolidated net sales exceed the plan target of ¥26.0 billion.

However, profits fell short of the target due to the impact of higher-than-anticipated soaring raw material and energy costs, among other factors.



CHALLENGE 2023 Plan

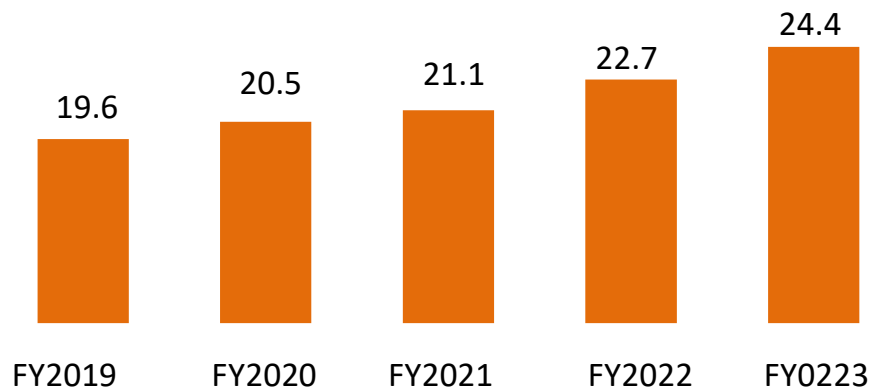
- Consolidated net sales for FY2023: ¥26.0 billion
- Consolidated operating profit for FY2023: ¥0.8 billion
- Consolidated ordinary profit for FY2023: ¥1.6 billion



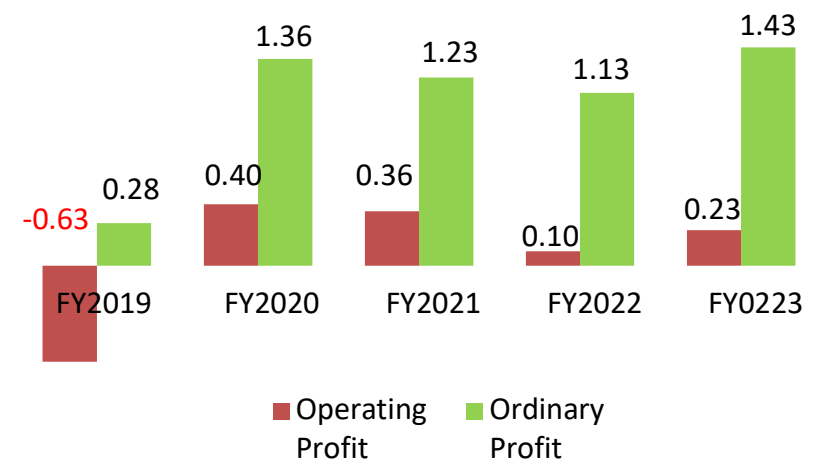
CHALLENGE 2023 Actual

- Consolidated net sales for FY2023: ¥24.4 billion
- Consolidated operating profit for FY2023: ¥0.23 billion
- Consolidated ordinary profit for FY2023: ¥1.43 billion

Consolidated Net Sales



Consolidated Operating Profit/Ordinary Profit (billions of yen)



1. Review of MEITO CHALLENGE 2023

Brand Enhancement

[Food Business]



The strategic allocation of management resources to core brands in order to expand sales progressed smoothly, primarily for the *Alphabet Chocolate* and *Stick Mate* brands.



With regard to generating sales for new brands manufactured at the new factory, pocket-sized products contributed to sales, but challenges remained in brand development.

[Fine Chemicals Business]



Efforts to strengthen sales of high-value-added products, including the development of new applications, successfully captured market needs and contributed to a significant increase in sales and profit.

Improvement of Factory Productivity and Quality

[Food Business]



We reduced the cost of sales ratio by optimizing equipment operation and process systems, although there were some delays in introducing the process system to all factories.

[Fine Chemicals Business]



Improving productivity through the optimization of manufacturing technology and responding to diversifying quality and performance requirements enhanced productivity for various products, met customer demand, and contributed to increased sales and profit.

Revitalization of the Organization and Personnel



Toward establishing systems to improve employee satisfaction and motivation, training systems were expanded, and telework and flextime systems were introduced to support employee growth and flexible work styles.



To promote utilization of diverse talent, although challenges remain regarding the ratio of female managers, the company appointed female officers and actively promoted mid-career hires. Additionally, diversity forums were held to reform internal awareness.

Business Expansion through M&A, etc.



Taking on the challenge of M&A that aims to expand the scale of business and generate profits, we made Oimoya Co., Ltd. (*) a subsidiary, enabling business development that leverages the strengths of both companies.
(* A manufacturing and sales company primarily engaged in e-commerce related to confectionery and sweets, with sweet potatoes as its main product category.)



Efforts to strengthen synergies among Group companies involved initiatives such as employee dispatch, raw material supply, and joint delivery, which led to know-how sharing and cost reductions.

2. MEITO CHALLENGE 2026

Slogan

Challenge for the future
Taking on challenges that create the future

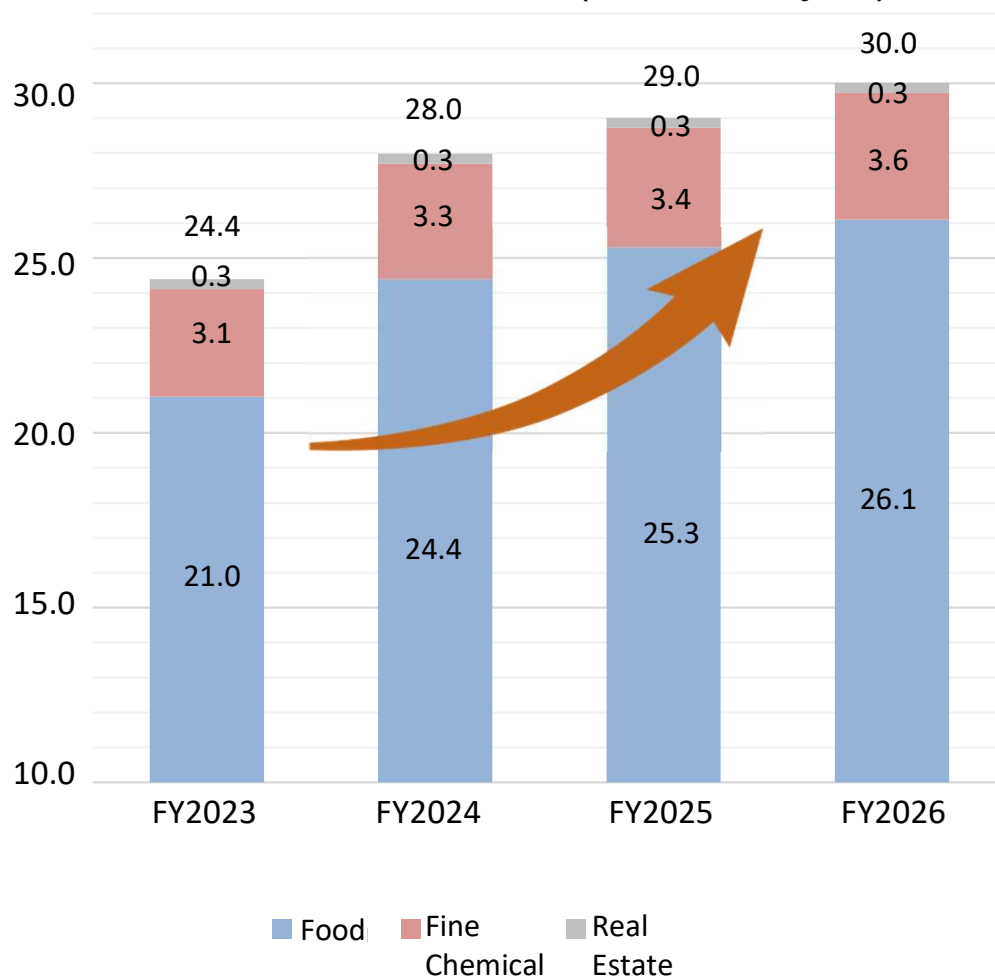
Concept of the Medium-Term Management Plan

- Backcasting mindset contributing to sustainable growth
- Promotion of strategies for optimizing the business portfolio
- Strengthening management that is conscious of human capital, cost of capital, and stock price

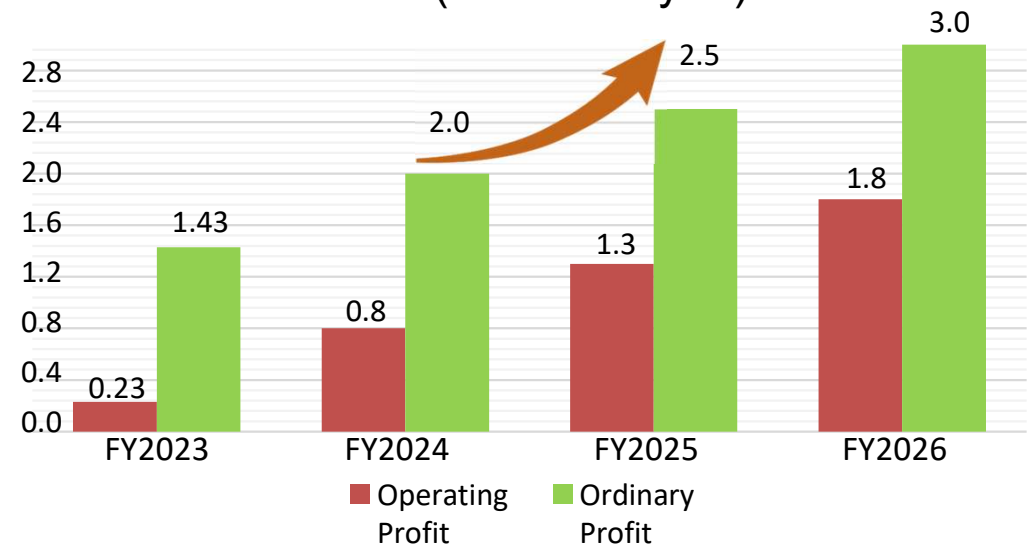
2. MEITO CHALLENGE 2026

Management Targets (Management Indicators)

Consolidated Net Sales (billions of yen)



Consolidated Operating Profit/Ordinary Profit (billions of yen)



ROE and PBR

<Targets for FY2026>

ROE

5% or more

PBR

1x

(Net sales are based on current accounting standards.)

2. MEITO CHALLENGE 2026

(1) Sales Strategy

- [Food Business] • Expand sales by strategically allocating management resources to core brands.
- [Food Business] • Create new demand, including strengthening synergies across Group companies.
- [Fine Chemicals Business] • Strengthen promotion of high-value-added products in the global market. (Maintain the top position in global niches.)
- [Fine Chemicals Business] • Acquire new customers by developing new applications.

(2) Production Strategy

- [Food Business] • Implement DX directly linked to improving safety, quality, and production. (Transition to smart factories.)
- [Food Business] • Establish a system for increased production through capital investment, personnel reinforcement, and predictive/preventive maintenance.
- [Fine Chemicals Business] • Address stricter quality requirements and improve productivity by optimizing manufacturing technology and processes, enhancing facilities, and reinforcing personnel.

2. MEITO CHALLENGE 2026

(3) Organizational and Personnel Strategy

- Carry out an organizational restructuring and promote communication to enhance organizational capabilities (launching of problem-solving projects, inter-Group company exchanges).
- Enhance (expand) education and reskilling to strengthen human capital, and promote diversity.

(4) Financial Strategy

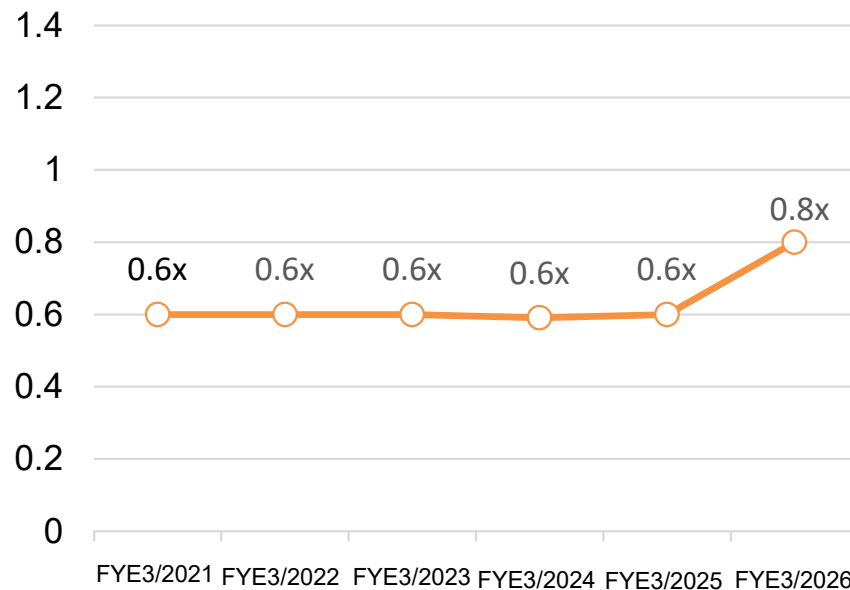
- Optimize the business portfolio by reallocating management resources. (Improve ROE.)
- Improve capital efficiency and enhance shareholder returns through the acquisition and cancellation of own shares, progressive dividends, etc. (See page 9)

3. (Reference) Management Conscious of Cost of Capital and Stock Price

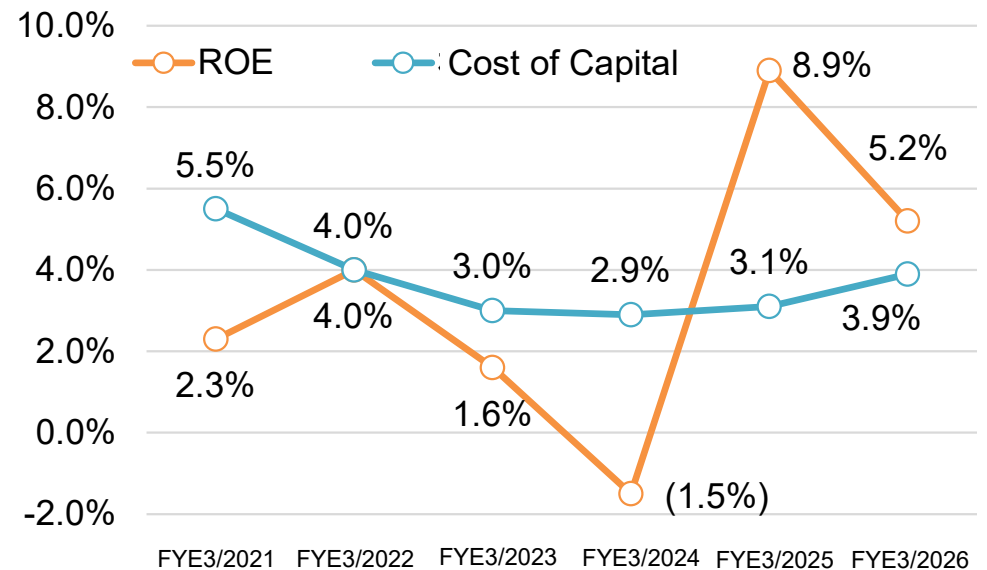


Current Analysis: Awareness of PBR and Cost of Capital

PBR Trend



Comparison of ROE and Cost of Capital



- **The challenges are: (1) improving earning power and capital efficiency, and (2) ensuring continuous and stable shareholder returns.**

3. (Reference) Management Conscious of Cost of Capital and Stock Price

Review of [Financial Strategy] Initiatives in Medium-Term Management Plan

■ Enhancement of shareholder returns and sale of shareholdings in FYE3/2027

* Planned shareholder returns totaling approx. ¥3.3 billion



Further improvement of capital efficiency and shareholder value

Dividend policy (management indicator (KPI) for dividends)

- Increase the annual dividend per share for FYE3/2027 by ¥20, from ¥60 planned prior to the review to ¥80.

Acquisition and cancellation of own shares

- Increase the total amount to ¥3.5 billion from the previous plan (¥2.0 billion under the medium-term management plan).
- As approx. ¥1.5 billion had been spent by FYE3/2026, the remaining approx. ¥2.0 billion will be used for the acquisition and cancellation of own shares in FYE3/2027.

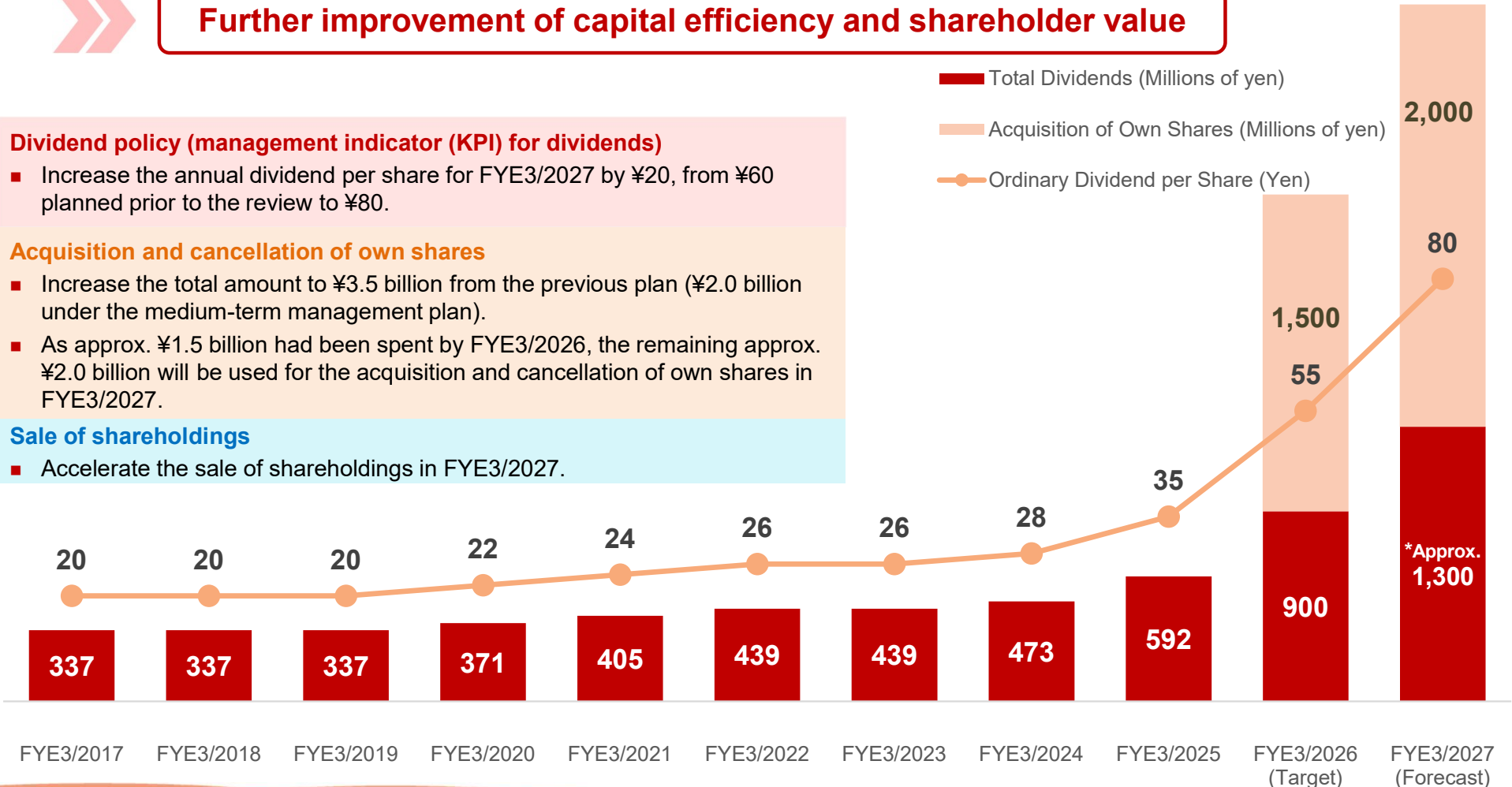
Sale of shareholdings

- Accelerate the sale of shareholdings in FYE3/2027.

■ Total Dividends (Millions of yen)

■ Acquisition of Own Shares (Millions of yen)

● Ordinary Dividend per Share (Yen)



*This may change depending on the progress of the acquisition of own shares.

*** The content of this document is based on currently available information and certain assumptions made at the time of its creation. It does not constitute a promise or guarantee that the stated numerical targets, measures, and so forth will be achieved. Future business results and other outcomes may differ from the content of this document due to various factors.**