May 10, 2018

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018
<Japanese GAAP>

Listed company: Morinaga Milk Industry Co., Ltd.
Listed stock exchange: Tokyo
Securities code: 2264
URL: http://www.morinagamilk.co.jp/
Representative: Michio Miyahara, President & Representative Director
Contact: Toshihisa Tomizawa, General Manager, PR Dept.
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Planned Date of General Shareholders' Meeting: June 28, 2018
Planned Commencement Date of Dividend Payments: June 29, 2018
Planned Filing Date of Securities Report: June 29, 2018
Preparation of explanatory materials for financial results: Yes
Holding of a briefing on financial results: Yes (For Institutional Investors, Analysts)

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated operating results

(% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
For the fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	592,087	(0.1)	21,684	2.8	22,355	1.8	15,781	19.5
March 31, 2017	592,617	(1.5)	21,099	47.4	21,960	46.8	13,202	24.8

(Note) Comprehensive income: the fiscal year ended March 31, 2018: ¥17,788 million / 16.7%
the fiscal year ended March 31, 2017: ¥15,240 million / 163.0%

	Net income per share	Net income per share–diluted	Net income to shareholders' equity	Ordinary income to assets	Operating income to net sales
For the fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	319.01	318.27	10.5	5.6	3.7
March 31, 2017	267.02	266.27	9.8	5.7	3.6

(Reference) Equity method investment gain (loss): the fiscal year ended March 31, 2018: (¥370 million)
the fiscal year ended March 31, 2017: ¥236 million

(Note) A reverse stock split with a ratio of 1 share for every 5 shares of common stock was carried out on October 1, 2017. The net income per share and net income per share–diluted have been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	416,463	159,102	37.8	3,184.08
As of March 31, 2017	385,366	142,846	36.9	2,870.80

(Reference) Shareholders' equity: As of March 31, 2018: ¥157,508 million
As of March 31, 2017: ¥142,035 million

(Note) A reverse stock split with a ratio of 1 share for every 5 shares of common stock was carried out on October 1, 2017. The net assets per share has been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at End of Fiscal Year
For the fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2018	25,110	(16,921)	(5,774)	9,838
March 31, 2017	37,350	(21,233)	(15,243)	7,077

2. Dividends

	Annual dividends					Total Amount of Cash Dividends (annual)	Dividend Payout Ratio (consolidated)	Ratio of Total Amount of Dividends to Shareholders' Equity (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
For the fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2017	–	–	–	9.00	9.00	2,226	16.9	1.6
March 31, 2018	–	–	–	50.00	50.00	2,473	15.7	1.7
For the fiscal year ending March 31, 2019 (Forecast)	–	–	–	50.00	50.00		18.3	

Breakdown of dividend for the fiscal year ending March 31, 2018: Ordinary dividend - 45.00 yen,
100th anniversary commemorative dividend - 5.00 yen

The Company intends to conduct a reverse stock split with a ratio of 1 share for every 5 shares of common stock, with an effective date of October 1, 2017. Dividends for the fiscal year ended in March 2017 are the actual dividend before the reverse stock split.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% figures show year-on-year change for the full year and quarter)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter-end (Cumulative)	320,000	1.0	17,000	0.7	17,600	(1.4)	10,900	(20.9)	220.35
Full year	600,000	1.3	22,500	3.8	23,200	3.8	13,500	(14.5)	272.91

* **Notes**

(1) Change in significant subsidiaries during the period (changes in specified subsidiaries affecting the scope of consolidation): None

New: - (Company name:) Excluded: - (Company name:)

(2) Changes in accounting policies and estimates, and retrospective restatements

(i) Changes in accounting policies in accordance with revision of accounting standards: None

(ii) Changes in accounting policies other than item (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(3) Number of shares issued (common stock)

(i) Number of shares outstanding at end of period (including treasury shares)

As of March 31, 2018	49,795,443 shares
As of March 31, 2017	49,795,443 shares

(ii) Number of treasury shares at end of period

As of March 31, 2018	328,141 shares
As of March 31, 2017	319,376 shares

(iii) Average number of shares during period

Fiscal year ended March 31, 2018	49,469,963 shares
Fiscal year ended March 31, 2017	49,442,939 shares

(Note) A reverse stock split with a ratio of 1 share for every 5 shares of common stock was carried out on October 1, 2017. The number of shares outstanding at end of period, number of treasury stocks at end of period, and average number of shares during period have been calculated on the assumption that the stock split was implemented at the beginning of the previous consolidated fiscal year.

(Reference) Outline of non-consolidated business results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Non-consolidated financial results (% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
For the fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	440,554	(0.8)	14,353	25.5	18,678	25.9	13,583	48.7
March 31, 2017	444,311	(2.1)	11,440	71.9	14,836	52.6	9,134	16.6

	Net income per share	Net income per share–diluted
For the fiscal year ended	Yen	Yen
March 31, 2018	274.57	273.93
March 31, 2017	184.74	184.22

(Note) A reverse stock split with a ratio of 1 share for every 5 shares of common stock was carried out on October 1, 2017. The net income per share and net income per share–diluted have been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	355,059	110,389	31.0	2,226.34
As of March 31, 2017	330,436	98,092	29.6	1,978.58

(Reference) Shareholders' equity: As of March 31, 2018: ¥110,142 million
As of March 31, 2017: ¥97,892 million

(Note) A reverse stock split with a ratio of 1 share for every 5 shares of common stock was carried out on October 1, 2017. The net assets per share has been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

* The consolidated financial results are not subject to auditing by a certified public accountant or an audit firm.

* Proper use of earnings forecasts, and other special matters

1. The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions on market trends, etc. deemed to be reasonable, and are subject to uncertainties. Consequently, actual business and other results may differ substantially due to various factors.
2. Based on the resolution at the Company's 94th general shareholders' meeting held on June 29, 2017, a reverse stock split with a ratio of 1 share for every 5 shares of common stock was carried out with an effective date of October 1, 2017.