February 12, 2025

# Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 <Japanese GAAP>


Listed company: Morinaga Milk Industry Co., Ltd.
Listed stock exchange: Tokyo
Securities code: 2264
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Dividend payment commencement date: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Amounts of less than one million yen are truncated)

## 1. Consolidated Financial Results for the Cumulative Third Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to December 31, 2024)

### (1) Consolidated operating results (Cumulative)

(% figures show year-on-year change)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended December 31, 2024 | 430,721 | 1.8 | 25,489 | (8.9) | 26,043 | (8.7) | 14,740 | (76.5) |
| Nine months ended December 31, 2023 | 423,256 | 4.4 | 27,993 | 36.8 | 28,517 | 32.5 | 62,699 | 417.0 |

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥17,202 million / (74.8)%
Nine months ended December 31, 2023: ¥68,367 million / 317.9%

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| | Yen | Yen |
| Nine months ended December 31, 2024 | 173.74 | 173.54 |
| Nine months ended December 31, 2023 | 709.56 | 708.72 |

(Note 1) During the previous consolidated fiscal year, the accounting treatment for business combinations that had been applied provisionally was finalized, and this is reflected in the figures relating to the first nine months of the previous consolidated fiscal year.
(Note 2) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

### (2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio |
|---|---|---|---|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2024 | 544,216 | 279,196 | 50.4 |
| As of March 31, 2024 | 565,998 | 282,135 | 49.0 |

(Reference) Shareholders' equity: As of December 31, 2024: ¥274,088 million As of March 31, 2024: ¥277,067 million

## 2. Dividends

| | Annual dividends | | | | |
|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | – | – | – | 60.00 | 60.00 |
| Fiscal year ending March 31, 2025 | – | 45.00 | – | | |
| Fiscal year ending March 31, 2025 (Forecast) | | | | 45.00 | 90.00 |

(Note 1) Amendment to forecasts of dividends recently announced: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

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

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Profit per share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 560,000 | 2.4 | 28,500 | 2.4 | 28,200 | 0.3 | 18,000 | (70.6) | 212.99 |

(Note) Amendment to forecasts of consolidated financial results recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: − companies (Company name: )
Excluded: 1 company (Company name: MM Property Funding Corp.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
For details, refer to page 13 of the attached materials, "2. Quarterly Consolidated Financial Statements and Notes (3) Notes regarding the quarterly consolidated financial statements (Application of special accounting for preparing quarterly consolidated financial statements)."

(3) Changes in accounting policies and estimates, and retrospective restatements
(i) Changes in accounting policies in accordance with revision of accounting standards: Yes
(ii) Changes in accounting policies other than item (i) above: None
(iii) Changes in accounting estimates: None
(iv) Retrospective restatements: None

(4) Number of shares issued (common stock)
(i) Number of shares outstanding at the end of the period (including treasury shares)

| | |
|---|---|
| As of December 31, 2024 | 89,045,086 shares |
| As of March 31, 2024 | 91,977,886 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---|---|
| As of December 31, 2024 | 5,521,068 shares |
| As of March 31, 2024 | 5,186,470 shares |

(iii) Average number of shares during period

| | |
|---|---|
| For the nine months ended December 31, 2024 | 84,842,251 shares |
| For the nine months ended December 31, 2023 | 88,362,941 shares |

(Note 1) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Average number of shares during period) is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Note 2) The number of treasury shares at the end of the period and the number of treasury shares excluded from the calculation of the number of average number of shares during the period includes shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the employee stock benefit trust (J-ESOP).
Number of treasury shares at the end of the period (As of December 31, 2024: 364,500 shares)
Average number of shares during period (For the nine months ended December 31, 2024: 283,988 shares)

* Review of the attached quarterly financial results conducted by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters
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. For details on the above forecasts of consolidated financial results, refer to page 7 of the attached materials, "1. Qualitative Information on Quarterly Results (3) Explanation of forward-looking information including consolidated earnings forecasts."

**[Attached Materials]**

## Index


1. Qualitative Information on Quarterly Results....2
(1) Explanation of consolidated operating results....2
(2) Explanation of consolidated financial position....7
(3) Explanation of forward-looking information, including consolidated earnings forecasts....7
2. Quarterly Consolidated Financial Statements and Notes....9
(1) Quarterly consolidated balance sheets....9
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income....11
Consolidated statements of income
April 1, 2024 – December 31, 2024....11
Consolidated statements of comprehensive income
April 1, 2024 – December 31, 2024....12
(3) Notes regarding the quarterly consolidated financial statements....13
(Notes on premise of going concern)....13
(Notes on significant changes in the amount of shareholders' equity)....13
(Application of special accounting for preparing quarterly consolidated financial statements)....13
(Notes on changes in accounting policies)....13
(Notes on segment information, etc.)....14
(Notes to the statement of cash flows)....15

## 1. Qualitative Information on Quarterly Results

### (1) Explanation of consolidated operating results

In the first nine months of the consolidated fiscal year under review, the prolonged international conflicts, continuing high interest rates in Europe and the United States, and other factors had various impacts on international society and posed downside risks to the global economy. In Japan, a moderate recovery in business conditions is expected to continue owing to an improvement in the employment and income environment, but the negative impact of higher prices on household finances and companies could also continue. Given such developments, the trends in the domestic and global situation will continue to require close monitoring.
Under these circumstances, based on the Medium-term Business Plan 2022–2024, the Morinaga Milk Group is striving to provide health value and tastiness and delightfulness that are unique to it. In particular, against the backdrop of increasing health needs in and outside Japan, the Group has been expanding products in the "five domains of wellness," including yogurt and functional ingredients, that take into consideration various health issues, and has been promoting the value of the Company's own bifidobacteria.
In the Global Business, we are aiming at achieving growth over the medium- to long term. In addition to generating stable contributions to profits from the core MILEI GmbH operations, we are implementing initiatives to promote optimal approaches to business expansion in the Pakistan, U.S., and Vietnam regions.
On the other hand, we continue to be affected by higher costs in all aspects of operations, such as raw material prices, logistics costs, and personnel expenses. To counter this situation, the Group has continued its efforts to absorb costs through such initiatives as price revisions, improving product mix through the expansion of high-profit-margin businesses and products, and reviewing Group-wide costs.

<Key initiatives for the fiscal year under review>
The fiscal year under review is the final year of the Medium-Term Business Plan 2022‐2024. While responding to dramatic changes in the environment, we are forging ahead with various initiatives and endeavoring to further strengthen our corporate structure and business.

- Deal with higher raw material milk, raw materials and energy prices and operational cost increases.
  - Minimize the impact of cost increases through price revisions, product mix improvement, rationalization, and other measures
- Promote initiatives in line with the policies of Medium-Term Business Plan 2022–2024 and Sustainability Medium- to Long-Term Plan 2030.
  - Provide products that meet the needs of customers, offer high-value-added products, and promote the value of products by pursuing "health value" and "tastiness and delightfulness" that are unique to the Morinaga Milk Group
  - Expand products in the "five domains of wellness," including yogurt and functional ingredients, that take into account various health issues, mainly in the Nutrition and Healthcare Foods Business and promote the value of bifidobacteria
  - Promote initiatives for medium- to long-term expansion of the Global Business
  - Strengthen the profit base of the Core Dairy Foods Products that constitute the Group's business foundation and expand the B-to-B Business
  - Invest in growth areas to further strengthen the business base
    - Planned start of operation in April 2025: Expanded manufacturing building at the Kobe Plant
    - Operation to start in sequence from April 2025: Ice cream production lines in Kobe Plant, and other initiatives
  - Action to implement management that is conscious of cost of capital and stock price
    - Announced in May 2024: Work on the three aspects of "improving profitability and efficiency," "updating balance sheet policy," and "strengthening IR and corporate governance" in order to increase the corporate value
    - In particular, we will strengthen shareholder returns based on our updated balance sheet policy
  - Efforts to promote sustainability management
    - Contribution to wellness through our main business, measures to address environmental issues such as climate change and the problem of plastics, giving due consideration to human rights and diversity, promotion of sustainability awareness throughout the Group, etc.

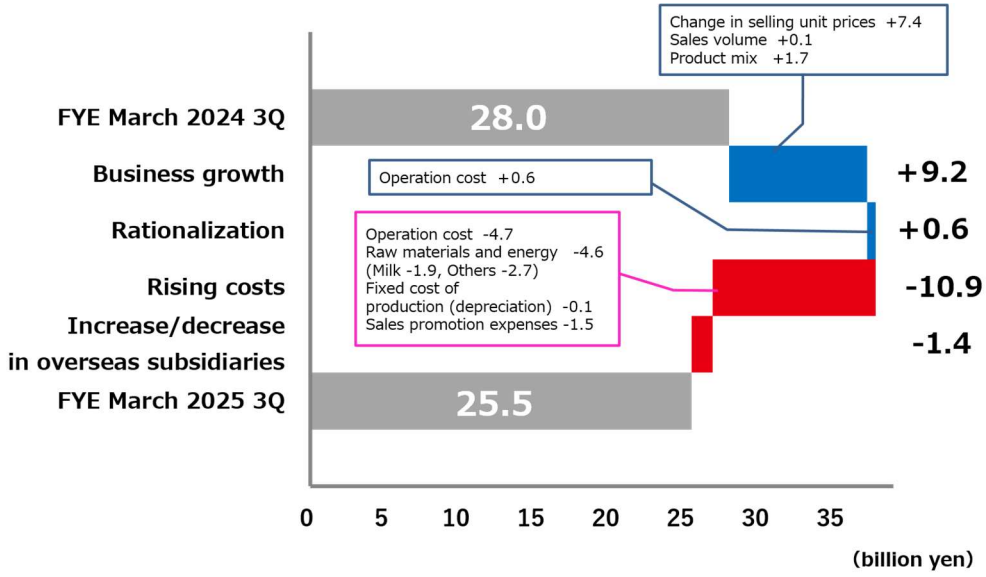
As a result of these initiatives, consolidated net sales increased. In the Nutrition and Healthcare Foods Business and the Core Dairy Foods Business, price revisions of beverages and ice cream had an effect, and we made efforts to provide high-value-added products such as functional yogurt and “Mt. RAINIER CAFFÈ LATTE.” Overall revenue recorded an increase due partly to higher revenue in the B-to-B business reflecting solid demand and the effects of price revisions.

In terms of consolidated profit, we continued to be affected by higher costs in all aspects of operations, such as raw material prices, logistics costs, and personnel expenses. In response, we promoted price revisions, improved product mix through expansion of high-profit-margin businesses and products, conducted Group-wide cost reviews. While we are moving forward with measures aimed at achieving growth over the medium to long term in the Global Business, the first quarter of the fiscal year was seriously affected by the decline in profit at MILEI in reaction to the significant expansion in its profits in the previous fiscal year, delays in recoveries at other subsidiaries, and other factors. Additionally, factors such as proactive sales promotion expenses aimed at expanding sales and the impact of lower profits at major domestic subsidiaries resulted in lower profits for the Group as a whole. However, for the three months of the third quarter (October to December), both the domestic business and the Global Business achieved growth in profit as a result of promoting initiatives in accordance with their respective plans.

In addition, profit attributable to owners of parent decreased significantly, partly in reaction to the ¥65.7 billion in extraordinary income in the first quarter of the previous fiscal year derived from the sale of the site of the former Tokyo Plant.

| | | |
|---|---|---|
| Consolidated net sales | ¥430,721 million | (+1.8% YoY) |
| Consolidated operating profit | ¥25,489 million | (-8.9% YoY) |
| Consolidated ordinary profit | ¥26,043 million | (-8.7% YoY) |
| Profit attributable to owners of parent | ¥14,740 million | (-76.5% YoY) |

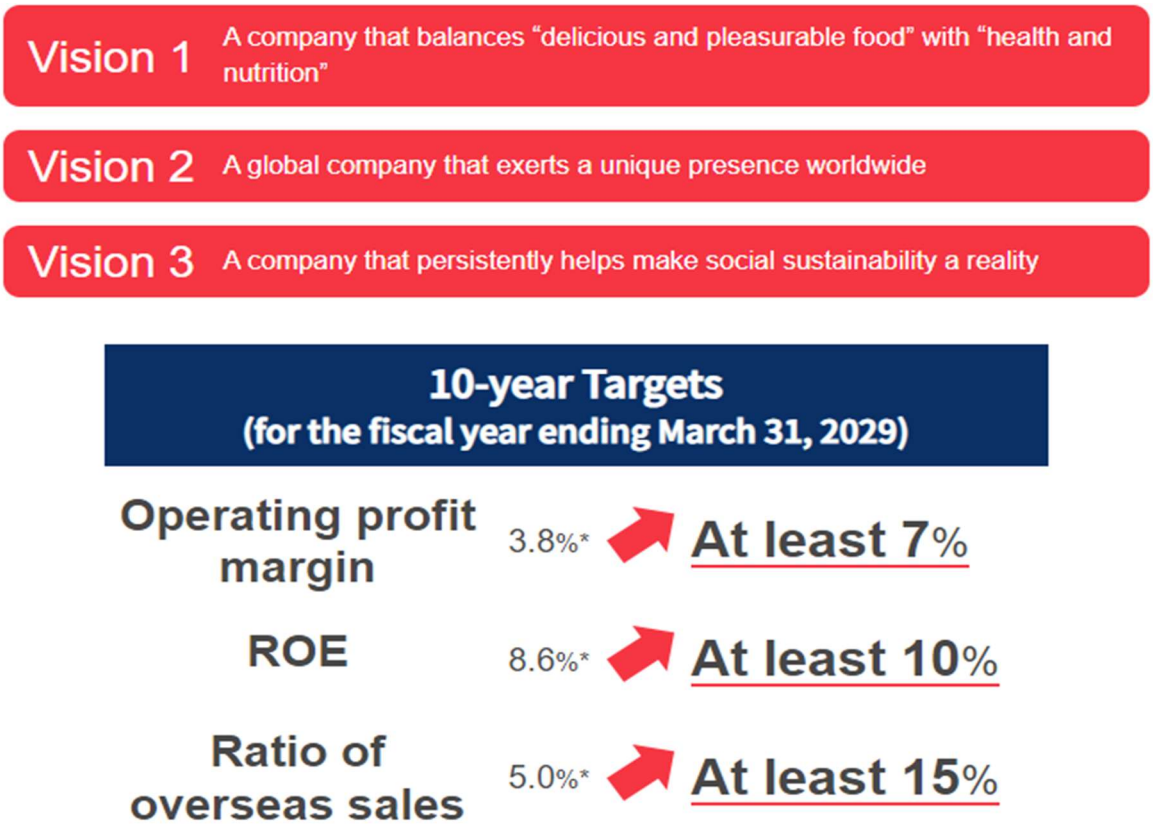
Factors attributable to increases and decreases in operating profit for Q3 of the fiscal year ending March 2025



<Morinaga Milk Group's 10-year Vision and Medium-term Business Plan 2022–2024>

The Group established the Morinaga Milk Group 10-year Vision in April 2019, setting out its vision for the next 10 years. Under the vision, the Morinaga Milk Group sees itself one decade ahead in terms of becoming "a company that balances 'delicious and pleasurable food' with 'health and nutrition'," "a global company that exerts a unique presence worldwide," and "a company that persistently helps make social sustainability a reality," based on which we have established targets for the fiscal year ending March 31, 2029, aiming to achieve an "operating profit margin of at least 7%," an "ROE of at least 10%," and a "Global Business sales ratio of at least 15%."

• Morinaga Milk Group's 10-year Vision




* The figures are for the fiscal year ended March 2019.

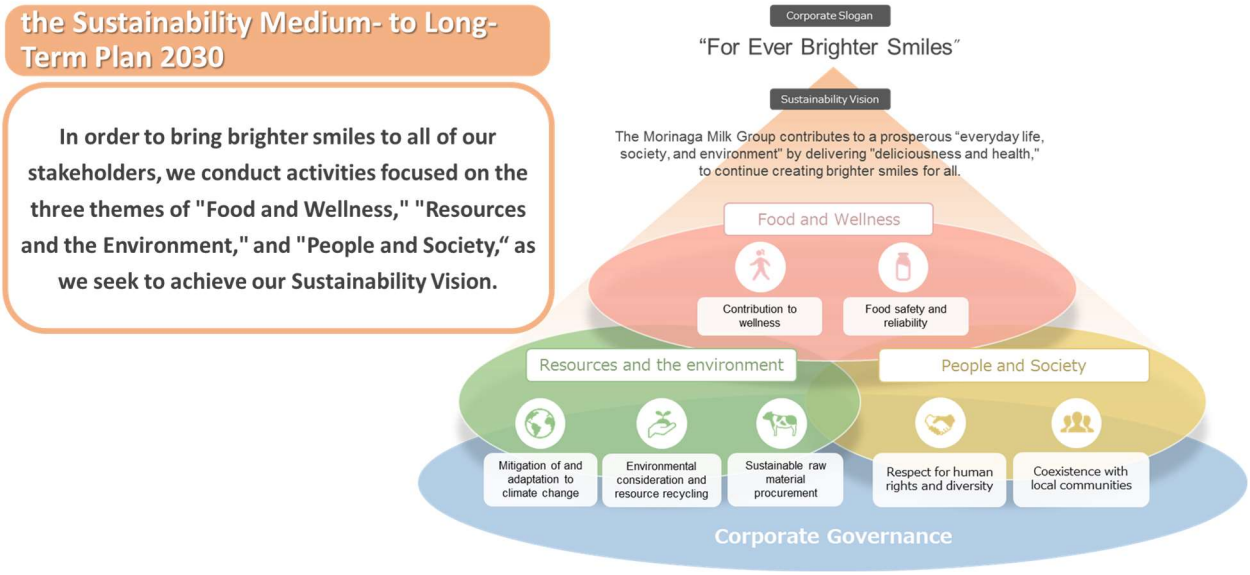
Underpinned by this vision, we have established three basic policies for the three-year Medium-term Business Plan 2022–2024 that extends through the fiscal year ending March 31, 2025, which are "achieving sustainable growth by increasing the added value of our business," "further strengthening our business base with an eye on the future," and "financial strategies focused on efficiency," and aim to balance resolution of social issues and improvement of profitability as we pursue the plan. Additionally, we have formulated the "Sustainability Medium- to Long-Term Plan 2030," in which 2030 targets and KPIs have been set for the three themes of "Food and Wellness," "Resources and the Environment," and "People and Society." It is placed at the core of management and is carried out in conjunction with the Medium-term Business Plan.

With respect to numerical targets for the final fiscal year of the Medium-Term Business Plan (ending March 31, 2025), we are aiming for net sales of ¥570 billion, operating profit of ¥30 billion, profit attributable to owners of parent of ¥19 billion, operating profit to net sales ratio of 5.3%, ROE of 7.0%, and global business sales ratio of 12.3% (As of May 14, 2024).

• Overview of the new Medium-term Business Plan 2022–2024




• Sustainability Medium- to Long-Term Plan 2030




The first basic policy of the Medium-term Business Plan is "Achieving sustainable growth by increasing the added value of our business." We are working on expanding the four pillars of our business, (1) the Nutrition and Healthcare Foods Business and (2) the Core Dairy Foods Business, which together with (3) the B-to-B Business and (4) the Global Business, individually and are also seeking in particular to accelerate the provision of health value laterally across the four pillars by expanding products in the "five domains of wellness," as well as striving for renewed growth of our proprietary functional ingredients and probiotics and portfolio transformation of the Global Business. Through our business activities, we will contribute to the "wellness" and "happiness" of

consumers by providing “health value” and “tastiness and delightfulness.”

The second basic policy is “Further strengthening our business base with an eye on the future,” which is being pursued from the perspectives of structural reform, strategic investments, and asset utilization. Structural reform is being carried out by strengthening resilience to changes in the external environment, promoting group management, and other measures. As strategic investments, our plan includes strengthening of R&D functions and growth investments and environment-related investments that are in line with our 10-year vision. In terms of asset utilization, we are strengthening our intellectual property base and promoting utilization of domestic milk resources.

The third basic policy of “Financial strategies focused on efficiency” aims to carry out strategic investments for growth and make use of funds by paying attention to shareholder returns and financial position, to be pursued in tandem with improvement of ROE focusing on capital efficiency. With respect to shareholder returns, we maintain our basic policy of paying stable and long-term dividends while taking into account the importance of financial soundness and internal reserves, which specifically means that we will raise the target payout ratio to 30% (excluding one-off factors). Additionally, we will take measures that give due consideration to total payout ratio. Treasury shares that we hold will, in principle, be canceled, except for a certain portion that will be retained to allow for a flexible capital policy in the future.

In addition, in May 2024, we announced “Action to Implement Management That is Conscious of Cost of Capital and Stock Price.” In order to respond to the expectations of stakeholders and realize sustainable growth and improvements in corporate value over the medium to long term, we will seek further improvements ROE and PBR by implementing the three initiatives of Improve profitability/efficiency, Update balance sheet policy, and Strengthen IR/corporate governance. In terms of measures to strengthen returns to shareholders based on updating balance sheet policy in accordance with these initiatives, we implemented acquisitions and cancellations of treasury shares (acquired from May to October 2024, a total of 2.93 million shares and a total acquisition cost of ¥10.0 billion), raise the annual dividend per share (planned dividend for FYE March 2025 is 90 yen, up 30 yen year on year), and implement an interim dividend system.

Overview of the results by business field (four pillars of business) in the Medium-term Business Plan 2022–2024

1. Nutrition and Healthcare Foods Business: “Bifidus Yogurt” performed well against the background of a rise in health awareness, and we continued to focus on expanding sales of functional yogurt and “PARTHENO.” Net sales increased for the business as a whole, due in part to the contribution of nutritional food products such as infant formula and MORINAGA MILK INDUSTRY CLINICO Co., Ltd., which sells liquid foods and other items. We are also working continuously to strengthen sales promotions for such products as bifidobacteria, with a focus on medium- to long-term growth.

   In terms of profits, we were affected by the rise in raw material prices and increased operational costs. Although we endeavored to improve the product mix and cut costs, the business as a whole recorded lower revenue due partly to an increase in promotion cost.

| | | |
|---|---|---|
| Nutrition and Healthcare Foods Business net sales | ¥99,126 million | (+2.4% YoY) |
| Nutrition and Healthcare Foods Business operating | ¥4,759 million | (-¥1,425 million YoY) |

2. Core Dairy Foods Business: Although we were affected by the rise in prices for raw materials and increased operational costs, we achieved higher net sales and profits for the business as a whole by revising selling prices for beverages, ice cream, and other products, working to improve the product mix by expanding sales of high-value-added products such as “Mt. RAINIER CAFFÈ LATTE,” and cutting costs.

| | | |
|---|---|---|
| Core Dairy Foods Business net sales | ¥139,219 million | (+1.3% YoY) |
| Core Dairy Foods Business operating profit | ¥10,121 million | (+¥44 million YoY) |

3. B-to-B Business: Commercial dairy products grew against a backdrop of resilient demand and the effects of price revisions, so that the business as a whole recorded higher revenue. We are also working continuously to

expand the sales of Company's functional materials, including probiotics.

In terms of profits, the business as a whole posted lower profits mainly due to the rise in raw material prices and increased operational costs.

| | | |
|---|---|---|
| B-to-B Business net sales | ¥76,323 million | (+3.6% YoY) |
| B-to-B Business operating profit | ¥3,596 million | (-¥321 million YoY) |

4. Global Business: Despite the impact of the decline in reaction to the significant expansion in 1Q of the previous fiscal year at MILEI GmbH, U.S.-based Morinaga Nutritional Foods (MNF) recorded higher revenue and exports of probiotics performed strongly, so that the business as a whole recorded higher revenue.

   In terms of profit, the business as a whole recorded higher profit for the three months of the third quarter (October to December) due to contributions from MILEI, probiotics, and other operations, but profit declined for the nine months ended December 31, 2024. This was due to the first quarter of the current fiscal year having been significantly affected by the decline at MILEI in reaction to the expansion of the previous fiscal year, delays in recoveries at other subsidiaries, and other factors.

| | | |
|---|---|---|
| Global Business net sales | ¥49,984 million | (+3.3% YoY) |
| Global Business operating profit | ¥4,530 million | (-¥262 million YoY) |

### (2) Explanation of consolidated financial position

Total assets at the end of the third quarter of the consolidated fiscal year under review decreased by ¥21,781 million to ¥544,216 million compared to the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits.

Total liabilities were ¥265,020 million, down ¥18,841 million from the end of the previous fiscal year. This was mainly due to a decrease in income taxes payable and retirement benefit liability, despite an increase in commercial papers.

Total net assets were ¥279,196 million, down ¥2,939 million from the end of the previous fiscal year. This was mainly attributable to a decrease in retained earnings.

As a result, the shareholders' equity ratio was 50.4%, compared with 49.0% at the end of the previous fiscal year.

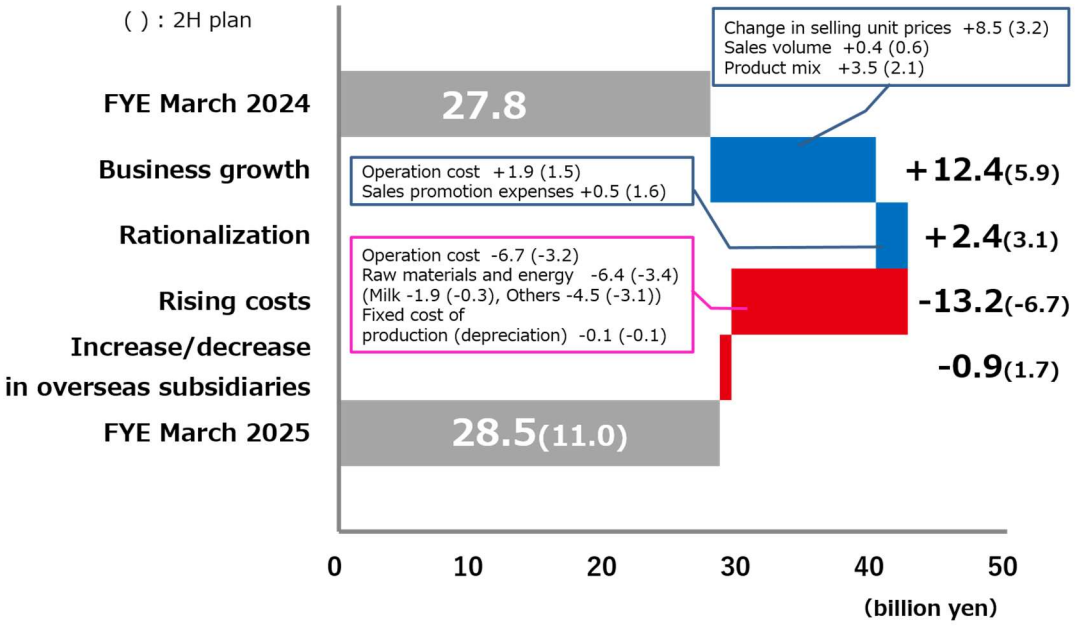
### (3) Explanation of forward-looking information including consolidated earnings forecasts

There is no amendment to consolidated earnings forecasts for the fiscal year ending March 31, 2025, disclosed on November 8, 2024.

Earnings forecast for the fiscal year ending March 2025

| | Forecast for fiscal year ending March 31, 2025 | YoY percentage change |
|---|---|---|
| Consolidated net sales | ¥560,000 million | +2.4% |
| Consolidated operating profit | ¥28,500 million | +2.4% |
| Consolidated ordinary profit | ¥28,200 million | +0.3% |
| Profit attributable to owners of parent | ¥18,000 million | -70.6% |
| (Other important operating indicators) | | |
| Operating profit margin | 5.1% | - |
| ROE | 6.6% | - |
| Global Business sales ratio | 12.7% | - |

Forecasts of fluctuations to operating profit in the fiscal year ending March 2025 (Figures in brackets indicate 2H targets)




Forecasts by business field in the Medium-term Business Plan 2022–2024 (fiscal year ending March 2025)

| | Forecast for fiscal year ending March 31, 2025 | YoY change (percentage/amount) |
|---|---|---|
| Nutrition and Healthcare Foods Business net sales | ¥130,000 million | +2.1% |
| Nutrition and Healthcare Foods Business operating profit | ¥6,000 million | +¥745 million |

| | Forecast for fiscal year ending March 31, 2025 | YoY change (percentage/amount) |
|---|---|---|
| Core Dairy Foods Business net sales | ¥178,000 million | +1.9% |
| Core Dairy Foods Business operating profit | ¥10,500 million | +¥1,476 million |

| | Forecast for fiscal year ending March 31, 2025 | YoY change (percentage/amount) |
|---|---|---|
| B-to-B Business net sales | ¥98,100 million | +1.8% |
| B-to-B Business operating profit | ¥4,700 million | +¥239 million |

| | Forecast for fiscal year ending March 31, 2025 | YoY change (percentage/amount) |
|---|---|---|
| Global Business net sales | ¥71,000 million | +17.5% |
| Global Business operating profit | ¥6,300 million | +¥132 million |

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly consolidated balance sheets

(Millions of yen)

| | As of March 31, 2024 | As of December 31, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 64,528 | 23,315 |
| Notes and accounts receivable–trade and contract assets | 75,174 | 82,494 |
| Merchandise and finished goods | 55,014 | 52,923 |
| Work in process | 1,603 | 1,746 |
| Raw materials and supplies | 23,571 | 22,900 |
| Other | 9,677 | 18,143 |
| Allowance for doubtful accounts | (531) | (428) |
| Total current assets | 229,039 | 201,095 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 85,691 | 84,312 |
| Machinery, equipment and vehicles, net | 95,991 | 94,114 |
| Land | 53,012 | 52,975 |
| Other, net | 34,264 | 42,021 |
| Total property, plant and equipment | 268,960 | 273,423 |
| Intangible assets | | |
| Goodwill | 10,214 | 9,565 |
| Other | 17,107 | 16,929 |
| Total intangible assets | 27,321 | 26,494 |
| Investments and other assets | | |
| Investment securities | 26,405 | 28,602 |
| Other | 14,327 | 14,642 |
| Allowance for doubtful accounts | (56) | (42) |
| Total investments and other assets | 40,677 | 43,203 |
| Total non-current assets | 336,958 | 343,121 |
| Total assets | 565,998 | 544,216 |

(Millions of yen)

| | As of March 31, 2024 | As of December 31, 2024 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable–trade | 57,240 | 57,801 |
| Electronically recorded obligations–operating | 5,367 | 4,236 |
| Short-term borrowings | 4,519 | 9,331 |
| Current portion of long-term borrowings | 7,593 | 10,430 |
| Commercial papers | – | 10,000 |
| Current portion of bonds payable | 10,000 | 15,000 |
| Income taxes payable | 24,455 | 2,790 |
| Accrued expenses | 42,096 | 37,046 |
| Deposits received | 19,560 | 20,816 |
| Other | 21,850 | 17,238 |
| Total current liabilities | 192,682 | 184,693 |
| Non-current liabilities | | |
| Bonds payable | 45,000 | 50,000 |
| Long-term borrowings | 14,199 | 10,109 |
| Retirement benefit liability | 21,664 | 9,674 |
| Other | 10,315 | 10,543 |
| Total non-current liabilities | 91,179 | 80,326 |
| Total liabilities | 283,862 | 265,020 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 21,821 | 21,821 |
| Capital surplus | 19,998 | 19,999 |
| Retained earnings | 233,741 | 229,462 |
| Treasury stock | (14,241) | (15,344) |
| Total shareholders' equity | 261,320 | 255,938 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 11,940 | 13,495 |
| Deferred gains or losses on hedges | 46 | 97 |
| Foreign currency translation adjustment | 2,936 | 3,653 |
| Remeasurements of defined benefit plans | 822 | 902 |
| Total accumulated other comprehensive income | 15,746 | 18,149 |
| Subscription rights to shares | 116 | 108 |
| Non-controlling interests | 4,951 | 5,000 |
| Total net assets | 282,135 | 279,196 |
| Total liabilities and net assets | 565,998 | 544,216 |

## (2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(April 1, 2024 – December 31, 2024)

(Millions of yen)

| | Nine months ended December 31, 2023 | Nine months ended December 31, 2024 |
|---|---|---|
| Net sales | 423,256 | 430,721 |
| Cost of sales | 319,562 | 326,530 |
| Gross profit | 103,693 | 104,190 |
| Selling, general and administrative expenses | 75,700 | 78,701 |
| Operating profit | 27,993 | 25,489 |
| Non-operating income | | |
| Interest income | 23 | 89 |
| Dividends income | 886 | 1,290 |
| Rental income from buildings | 212 | 257 |
| Foreign exchange gains | 698 | – |
| Other | 643 | 853 |
| Total non-operating income | 2,464 | 2,490 |
| Non-operating expenses | | |
| Interest expenses | 908 | 1,077 |
| Share of loss of entities accounted for using equity method | 101 | 259 |
| Loss on valuation of derivatives | 518 | – |
| Foreign exchange losses | – | 183 |
| Other | 412 | 415 |
| Total non-operating expenses | 1,940 | 1,935 |
| Ordinary profit | 28,517 | 26,043 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 65,761 | 49 |
| Gain on sale of investment securities | 19 | 95 |
| Other | 146 | – |
| Total extraordinary income | 65,927 | 145 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 445 | 586 |
| Contributions to the public interest incorporated foundation Hikari Kyokai | 1,380 | 1,380 |
| Rebuilding-related losses | 252 | 1,654 |
| Other | 412 | 218 |
| Total extraordinary losses | 2,491 | 3,839 |
| Profit before income taxes | 91,952 | 22,349 |
| Income taxes | 29,193 | 7,614 |
| Profit | 62,759 | 14,735 |
| Profit attributable to non-controlling interests | 60 | (4) |
| Profit attributable to owners of parent | 62,699 | 14,740 |

(Consolidated statements of comprehensive income)
(April 1, 2024 – December 31, 2024)

(Millions of yen)

| | Nine months ended December 31, 2023 | Nine months ended December 31, 2024 |
|---|---|---|
| Profit | 62,759 | 14,735 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,964 | 1,560 |
| Deferred gains or losses on hedges | 45 | 58 |
| Foreign currency translation adjustment | 3,383 | 764 |
| Remeasurements of defined benefit plans | 191 | 80 |
| Share of other comprehensive income of entities accounted for using equity method | 22 | 3 |
| Total other comprehensive income | 5,607 | 2,467 |
| Comprehensive income | 68,367 | 17,202 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 68,600 | 17,143 |
| Comprehensive income attributable to non-controlling interests | (233) | 59 |

## (3) Notes regarding the quarterly consolidated financial statements

(Notes on premise of going concern)
No items to report.

(Notes on significant changes in the amount of shareholders' equity)

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

In accordance with the resolution made at the meeting of the Board of Directors held on May 15, 2023, the Company acquired 1,856,400 treasury shares. As a result of the acquisition, treasury shares increased by ¥9,999 million.

The Company cancelled 1,856,400 shares of its treasury stock effective November 17, 2023. As a result of the cancellation, retained earnings decreased by ¥9,999 million and treasury shares decreased by ¥9,999 million.

Reflecting the foregoing and other factors, retained earnings stood at ¥235,234 million and treasury shares at ¥14,243 million as of the end of the third quarter of the fiscal year ended March 31, 2024.

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

In accordance with the resolution made at the meeting of the Board of Directors held on May 14, 2024, the Company acquired 2,932,800 treasury shares. As a result of the acquisition, treasury shares increased by ¥9,999 million.

The Company cancelled 2,932,800 shares of its treasury stock effective November 15, 2024. As a result of the cancellation, retained earnings decreased by ¥9,999 million and treasury shares decreased by ¥9,999 million.

Reflecting the foregoing and other factors, retained earnings stood at ¥229,462 million and treasury shares at ¥15,344 million as of the end of the third quarter of the fiscal year ending March 31, 2025.

(Application of special accounting for preparing quarterly consolidated financial statements)
(Assessment of tax expenses)
The Company and its consolidated subsidiaries apply the method that reasonably estimates an effective tax rate to be assessed on profit before income taxes for the fiscal year ending March 31, 2025, including this third quarter of the fiscal year under review after accounting for the tax effects, and multiplies profit before income taxes during the third quarter of the fiscal year ending March 31, 2025 by said estimated effective tax rate.

(Notes on changes in accounting policies)
(Application of Accounting Standard for Current Income Taxes, etc.)
The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, the "Revised Accounting Standard of 2022") and related accounting guidance from the beginning of the first quarter of the fiscal year ending March 31, 2025.
Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, "Revised Guidance 2022"). The change in accounting policies had no impact on the quarterly consolidated financial statements.
With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. The change in accounting policies was applied retrospectively to the consolidated financial statements for the quarter of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on the quarterly consolidated financial statements and the full-year consolidated financial statements of the previous fiscal year.

(Notes on segment information, etc.)

[Segment information]

I. Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

1. Information on net sales and the amount of profits (losses) by reportable segment

(Millions of yen)

| | Reportable segment | Other*1 | Total | Adjustments*2 | Amount recorded in the consolidated quarterly income statement*3 |
|---|---|---|---|---|---|
| | Foods | | | | |
| Net sales | | | | | |
| Sales to external customers | 404,591 | 18,665 | 423,256 | — | 423,256 |
| Intra-segment internal sales and transfer amount | 162 | 3,763 | 3,926 | (3,926) | — |
| Total | 404,754 | 22,428 | 427,183 | (3,926) | 423,256 |
| Segment profit | 35,621 | 1,402 | 37,024 | (9,031) | 27,993 |

(Notes) 1. The category of "other" refers to the business segments not included in the reportable segments, such as feed, design and construction of plant equipment, and real estate leases.

2. Adjustments to segment profit of -¥9,031 million include company-wide costs that are not allocated to business segments of -¥8,617 million, as well as elimination of intra-segment transactions of -¥413 million.

3. Segment profit has been adjusted to operating profit recorded in the consolidated quarterly statement of income.

4. During the previous consolidated fiscal year, the accounting treatment for business combinations that had been applied provisionally was finalized, and this is reflected in the segment information of the first quarter of the previous consolidated fiscal year.

2. Disclosure of impairment losses on non-current assets or goodwill, etc. for each reportable segment

Omitted as the items have little significance.

II. Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

1. Information on net sales and the amount of profits (losses) by reportable segment

(Millions of yen)

| | Reportable segment | Other*1 | Total | Adjustments*2 | Amount recorded in the consolidated quarterly income statement*3 |
|---|---|---|---|---|---|
| | Foods | | | | |
| Net sales | | | | | |
| Sales to external customers | 412,708 | 18,012 | 430,721 | — | 430,721 |
| Intra-segment internal sales and transfer amount | 195 | 5,720 | 5,916 | (5,916) | — |
| Total | 412,903 | 23,733 | 436,637 | (5,916) | 430,721 |
| Segment profit | 32,876 | 2,007 | 34,883 | (9,394) | 25,489 |

(Notes) 1. The category of "other" refers to the business segments not included in the reportable segments, such as feed, design and construction of plant equipment, and real estate leases.

2. Adjustments to segment profit of -¥9,394 million include company-wide costs that are not allocated to business segments of -¥8,555 million, as well as elimination of intra-segment transactions of -¥839 million.

3. Segment profit has been adjusted to operating profit recorded in the consolidated quarterly statement of income.

(Notes to the statement of cash flows)

A quarterly statement of cash flows has not been prepared in relation to the first nine months of fiscal year ending March 2025. Amounts of depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill associated with the first nine months of fiscal year ending March 2025, are as follows.

(Millions of yen)

| | Nine months ended December 31, 2023 | Nine months ended December 31, 2024 |
|---|---|---|
| Depreciation | 16,859 | 18,037 |
| Amortization of goodwill | 771 | 793 |
| Amortization of negative goodwill | 47 | 45 |

(Note) In the previous fiscal year, the Company finalized provisional accounting treatment for the business combination, and the consolidated figures for depreciation and amortization of goodwill for the first quarter of the previous fiscal year reflect the details of the finalization of the provisional accounting treatment.