Morinaga Milk Industry Co., Ltd.
Presentation on Financial Results for the Fiscal Year Ended March 31, 2025, and Medium-Term Business Plan 2025–2028

May 14, 2025

1. Morinaga Milk Group Medium-Term Business Plan 2025–2028
   (FYE March 2026–FYE March 2029)
2. Overview of FYE March 2025 Financial Results
3. Outlook of Financial Results for the Year Ending March 2026

Summary of Today's Presentation

◆ **FYE March 2025: net sales ¥561.2 billion (+2.6% YoY), operating profit ¥29.7 billion (+¥1.8 billion YoY)**

・4Q saw profits increase in a continuation of 3Q, driven by contribution of Global Business and more efficient use of sales promotion expenses, and leading to profit growth for full year also

◆ **FYE March 2026 forecast: net sales ¥580.0 billion (+3.4% YoY), operating profit ¥32.0 billion (+¥2.3 billion YoY)**

・As first year of new MTBP, expansion will be centered on growth areas, with profit increases planned for Global Business

◆ **Medium-Term Business Plan 2025–2028**

・Our vision, one step into the future: a clearly differentiated and highly profitable company
・Points prioritized during formulation: *Merihari* (focus and prioritization)
・Basic Policy: (1) growth strategy (2) structural reforms (3) Organizational Culture Reforms
・Numerical targets for FYE March 2029:
net sales ¥630.0 billion (+¥68.8 billion vs. FYE Mar. 2025), operating profit ¥44.0 billion (+¥14.3 billion vs. FYE Mar. 2025)
operating profit margin: 7%, Global Business sales ratio: 15%, ROE 10% (applied 10-year Vision target)
ROIC target: 7% (newly set), employee engagement rating: BBB (newly set)
・Payout ratio target: 40%, ¥10 billion in acquisitions of treasury shares scheduled for FYE Mar. 2026

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Following the announcement on April 15, 2025, of the recording of impairment losses, etc. on overseas subsidiaries

■Medium term: Propel business growth through active investments in probiotics and formula milk
■Long term: Explore next-generation growth drivers while working to rebuild structures in the U.S. (PBF) and Vietnam (ASEAN/B-to-C)

	Growth areas	Core areas	Strategic transformation areas	Nurturing areas
Global Business	・Probiotics ・Formula milk	・Milk derivatives (MILEI)	・PBF	・Vietnam
Medium- to long-term role/positioning	Establish/strengthen Morinaga brand based on health value	Generate stable profits	Search for value with focus on future plant-based food dairy alternatives	Build foundation for Morinaga brand in growing Asian market

Invest actively to reflect positioning as growth driver

Explore future possibilities while working to improve profitability

[Streamlining/Profitability improvements] PBF/Vietnam

[Streamlining/Profitability improvements] PBF/Vietnam

[Growth drivers] Probiotics/formula milk

[Profit base] MILEI

Medium-term Business Plan 2025-2028 → Next Medium-term Business Plan and beyond

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Review

Medium-Term Business Plan 2022–2024 in Review (Management Indicators)

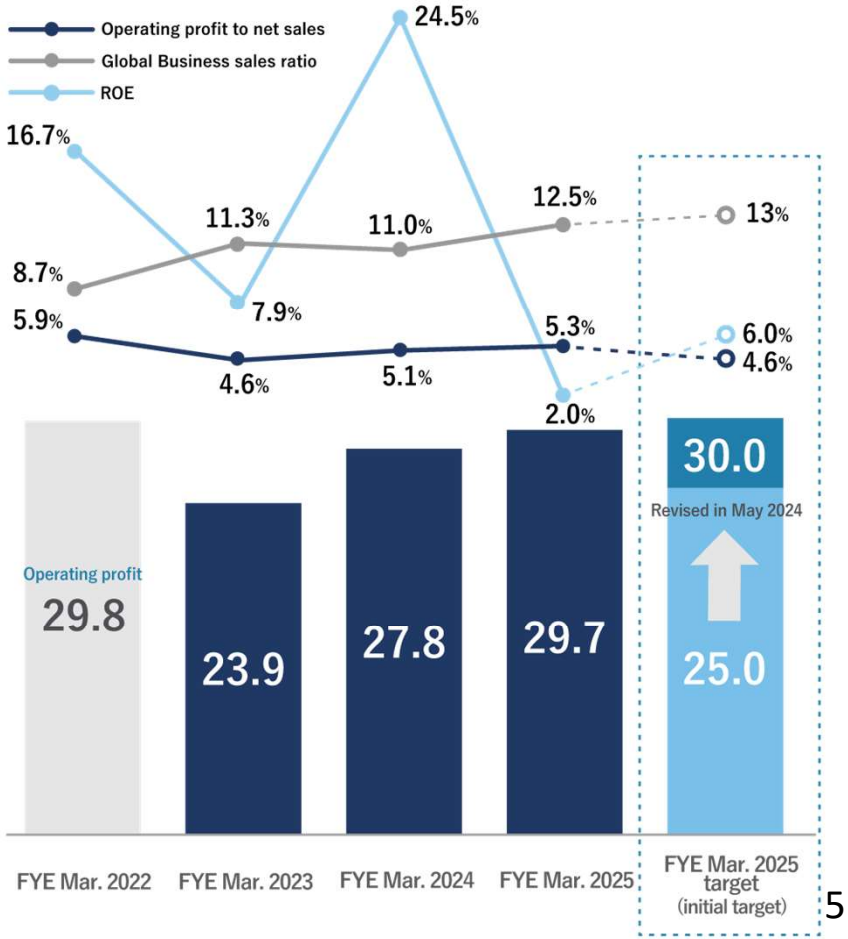
- Despite falling short of revised forecast, initial forecasts for net sales and operating profit were achieved, and overseas sales ratio target was also more or less accomplished
- ROE improved due to sales of idle assets and acquisition of treasury shares, but fell significantly short due to impairment losses in final fiscal year

Companywide financial indicators

(Unit: billion yen)

	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024	FYE Mar. 2025	(Initial target) FYE Mar. 2025 (Published Nov. 2022)	(Revised target) FYE Mar. 2025 (Published May 2024)
Net sales	503.4	525.6	547.1	**561.2**	540.0	570.0
Operating profit	29.8	23.9	27.8	**29.7**	25.0	30.0
Operating profit to net sales	5.9%	4.6%	5.1%	**5.3%**	4.6%	5.3%
Global Business sales ratio	8.7%	11.3%	11.0%	**12.5%**	13.0%	12.3%
ROE (profit / equity capital)	16.7% *1	7.9%	24.5% *2	**2.0%** *3	6.0%	7.0%

*1 Includes impact of profit from sale of the former Kinki Plant site and Konan Building
*2 Includes impact of sale of the former Tokyo Plant site
*3 Includes impact of impairment losses and profit from sale of cross-shareholdings



Review

Medium-Term Business Plan 2022–2024 in Review (Main Theme)

	Assessment	Review (assessment of figures vs. FYE Mar. 2022)
Basic Policy 1 Achieving sustainable growth by increasing the added value of our business	○	**Expand five domains of wellness** (Net sales increase of 1.3x)
	△	**Expand the probiotics business** (Despite 1.2x increase in external sales, fell short of initial plan)
	△	**Expansion of Global Business** (Despite 1.6x increase in net sales, impairment losses for 4 acquisitions)
Basic Policy 2 Further strengthening of our business base with an eye on the future	×	**Growth investments with an eye on the future** (Despite investments made, supply capacity for "PARM", "PARTHENO", etc. remains insufficient.)
	○	**Strengthening of R&D functions** (20% increase in R&D expenditure, 10% increase in personnel)
	△	**Reinforced resistance to changes in the external environment** (Despite recovery in profitability through price revisions, lower volumes led to lower efficiency)
Basic Policy 3 Financial strategies focused on efficiency	×	**Maximize asset-creating sales** (Increase in inventory levels, insufficient post-investment monitoring)
	○	**Preserving financial soundness and returns to shareholders** (Updated approach to balance sheet, dividend increases, share buyback totaling ¥20.0 billion)

Issues that need to be addressed going forward

- Rebuilding of Global Business strategy
- Developing/nurturing products that contribute to increases in volume
- Address companywide aging of facilities
- Optimize production capacity in response to changing demand
- Reduce various fixed costs undergoing increases
- Make effective use of invested capital
- Attract personnel to support sustainable growth

Medium-Term Business Plan 2025–2028 - Basic Policies

Our vision for next stage

A Clearly Differentiated and Highly Profitable Company

Morinaga Milk Group 10-year Vision

- A company that balances “delicious and pleasurable food” with “health and nutrition”
- A global company that exerts a unique presence worldwide
- A company that persistently helps make social sustainability a reality

Numerical targets for FYE Mar. 2029

- Operating profit margin: at least 7%
- Global Business sales ratio: at least 15%
- ROE: maintain at least 10%

Medium-term Business Plan 2019–2021

Strengthening our defenses

1) Performing business with an ESG-focus
2) Further enhancing our eight main brands
   Accelerating development of bifidobacteria and proprietary seeds
3) Developing overseas business
4) Improving profitability
5) Further strengthening our business base

Medium-term Business Plan 2022–2024

Rebuilding our systems

1) Expansion of nutrition and healthcare foods business, Global Business, five domains of wellness
2) Resumption of progress in functional ingredients and probiotics
3) Reinforcing resistance to changes in the external environment (Cost structure reform)
4) Made growth investments/environment-related investments focused on the 10-year Vision
5) Strategically executed growth investments and utilized funds with a focus that included shareholder returns and our financial standing
6) Improved ROE with a focus on capital efficiency

Medium-term Business Plan 2025–2028

Toughening ourselves up for the push forward

Basic policies

Growth strategy	・Focus our resources in areas where we can leverage our strengths
Structural reforms	・Rebuild the organization to enhance product development/sales capabilities ・Enhance production efficiency by restructuring production systems
Culture reforms	・Strengthen initiatives to improve return on capital ・Build an energetic team with professional skills and diversity

Merihari

To become a highly profitable company by creating products and brands that will serve as pillars of revenue

Merihari is a Japanese word that means focus and prioritization.
We use this word to express the desire of all members of the Group to drive the evolution of Morinaga Milk into the future by promoting even more finely differentiated resource allocation than ever before.

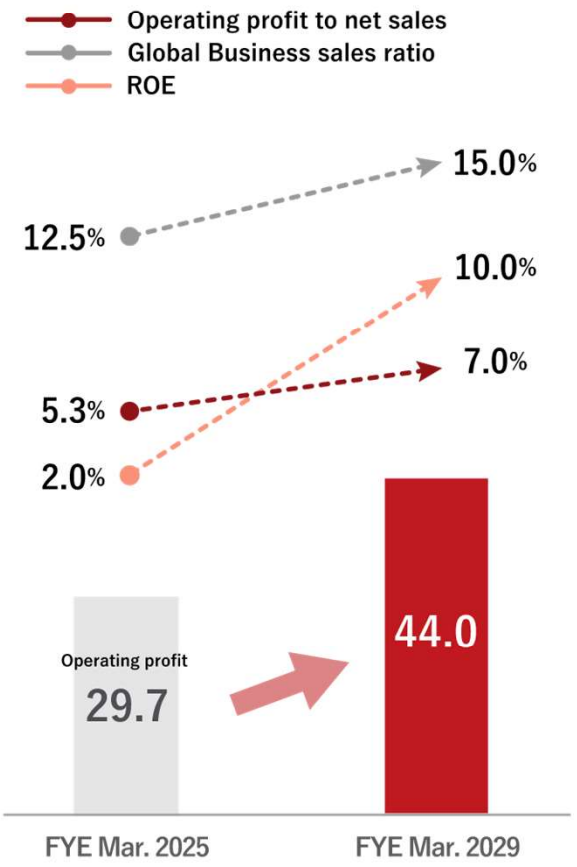
Medium-Term Business Plan 2025–2028 - Management Indicators

- Aim to hit all numerical targets, using the plan as a period to put finishing touches to the 10-year Vision
- Add new management indicators in the form of return on capital and pre-financial indicators that lead to future financial value

(Unit: billion yen)

		FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025
Financial	Net sales	561.2	630.0	+68.8	+12.3%
	Operating profit	29.7	44.0	+14.3	+48.4%
	Operating profit to net sales	5.3%	7.0%		
	Global Business sales ratio	12.5%	15.0%		
	ROE (profit / equity capital)	2.0%	10.0%		
	New ROIC (NOPAT / invested capital)	5.7%	7.0%		
Pre-financial	New Employee engagement rating	B	BBB		

*Targeting “A” by FYE Mar. 2031



Growth Strategy (Positioning by Category/Clarification of Role)

- Revise management categories in accordance with role, based on the unchanging value we provide of "Health value/Tastiness and delightfulness"
- Free ourselves from an omnidirectional approach in Japan and overseas, and make concentrated commitments of resources in growth areas where we can leverage our strengths

Categories corresponding to four pillars of earnings [Medium-Term Business Plan 2022–2024]	Nutrition and Healthcare Foods Business	Core Dairy Foods Business	B-to-B Business	Global Business
	Yogurt, commercial milk (home deliveries, etc.), nutritional food products, CLINICO products, health foods, etc.	Beverages, ice cream, cheese, milk, chilled desserts	Probiotics, functional ingredients, food service and institutional food products	Probiotics, formula milk, milk derivatives, plant-based food, Vietnam Business

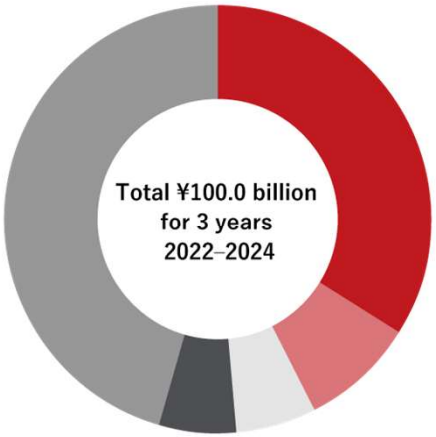
Clarify categories on which we should focus

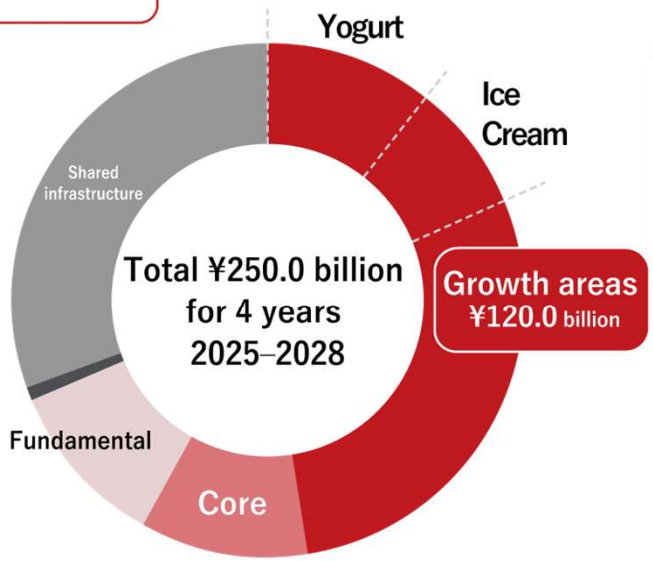
	Growth areas	Core areas	Fundamental areas	Strategic Transformation areas	Nurturing areas
Domestic Business	・Yogurt ・Ice Cream ・Probiotics	・Beverages ・Cheese ・Nutritional food products (Formula milk, etc.) ・CLINICO ・Functional ingredients (Lactoferrin, etc.)	・Milk ・Food service and institutional food products (Dairy products)	・Chilled dessert ・Commercial milk (Home deliveries, etc.)	・Health foods (Supplements)
Global Business	・Probiotics ・Formula milk	・Milk derivatives (MILEI)		・PBF	・Vietnam Business
Role	Areas of tightest focus for becoming a highly profitable company	Areas that are core generators of funds for the growth of the Company as a whole	Areas that underpin the Company as a whole for the purpose of overall optimization	Areas that prioritize structural reform and profitability improvement	Areas oriented towards increases in scale, with the aim of becoming a next-generation pillar of earnings

Growth Strategy (Concentrate Resources in Growth Areas)

■ In growth areas, create pillars of earnings by taking a proactive approach to investments, including R&D-related and M&A
■ Change the allocation of human resources across the company, including the R&D and sales departments

Investment (Cash-out basis)





Plans for 2025–2028

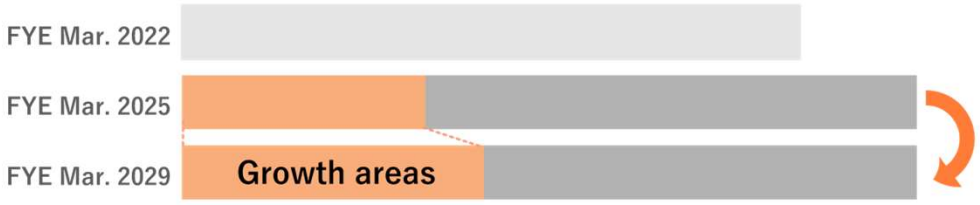
Growth areas

- **Business investment**
  - Kobe Plant: new building, ice cream production line (¥18.0 billion)
  - Kobe/Tone Plants: yogurt production line ··· (¥7.0 billion)
- **Strategic investments**
  - R&D-related ····· (¥40.0 billion)
  - M&A ····· (¥30.0 billion)

Core/Fundamental (business investment)

- **Hokkaido Eniwa Plant** ····· (¥15.0 billion)
- **Beverage production line** ····· (¥5.0 billion)
- **MILEI energy-saving/quality improvements** (37.5 million €)
- **Capital investment to improve productivity and in areas related to the environment, such as water resource initiatives, etc.** (¥10.0 billion)

R&D headcount (number of persons basis)



Allocation of human resources to growth areas

to increase at least **30%** over 4 years

Breakdown

- Yogurt/ice cream: at least a 25% increase
- Probiotics: at least a 45% increase
- Formula milk overseas: at least a 50% increase

Growth Strategy (Quantitative Targets for Growth Areas)

	Growth areas	Core areas	Fundamental areas	Strategic Transformation areas	Nurturing areas
Domestic Business	・Yogurt ・Ice cream ・Probiotics	・Beverages ・Cheese ・Nutritional food products (Formula milk, etc.) ・CLINICO ・Functional ingredients (Lactoferrin, etc.)	・Milk ・Food service and institutional food products (Dairy products)	・Chilled desserts ・Commercial milk (Home deliveries, etc.)	・Health foods (Supplements)
Global Business	・Probiotics ・Formula milk	・Milk derivatives (MILEI)		・PBF	・Vietnam Business

(Unit: billion yen)

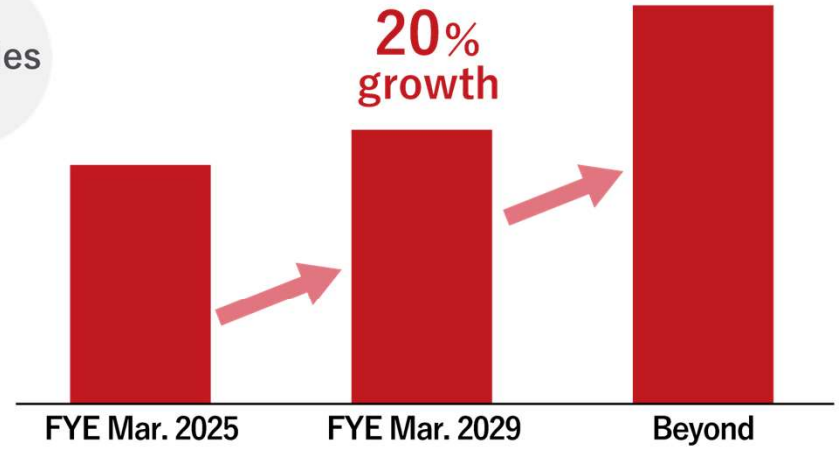
	Net sales				Operating profit			
	FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025	FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025
Growth segments (Growth)	118.3	155.0	+36.7	+31.0%	13.8	20.0	+6.2	+45.1%
Mainstay segments (Core/Fundamental /Strategic Transformation)	353.0	375.0	+22.0	+ 6.2%	13.7	20.0	+6.3	+46.1%
Nurturing/ Other segments (Nurturing/Unique & other /Eliminations, etc.)	89.9	100.0	+10.1	+11.3%	2.2	4.0	+1.8	+82.9%
Total	561.2	630.0	+68.8	+12.3%	29.7	44.0	+14.3	+48.4%

Growth Strategy (Yogurt)

■ To establish positions where we can aim for top share, concentrate resources on "Bifidus" and "PARTHENO" brands

■ While basing this around the distinctiveness of such brands, we will actively invest in launching and nurturing new products endowed with enhanced value

Net sales



FYE Mar. 2029 (compared to FYE Mar. 2025)



+20%*

*"Bifidus" + functional yogurt

+50%

Point 1 Strengthening "Bifidus" brand

- Bolster PR for bifidobacteria (strengthen information sharing, beginning with the World Expo 2025)
- Pursue new functional claims

Point 2 Growing "PARTHENO" brand

- Increase production capacity
- Pursue new properties/tastes using new technology
- Promote expansion into a variety of sales channels

Point 3 Responding proactively to changes in the social environment

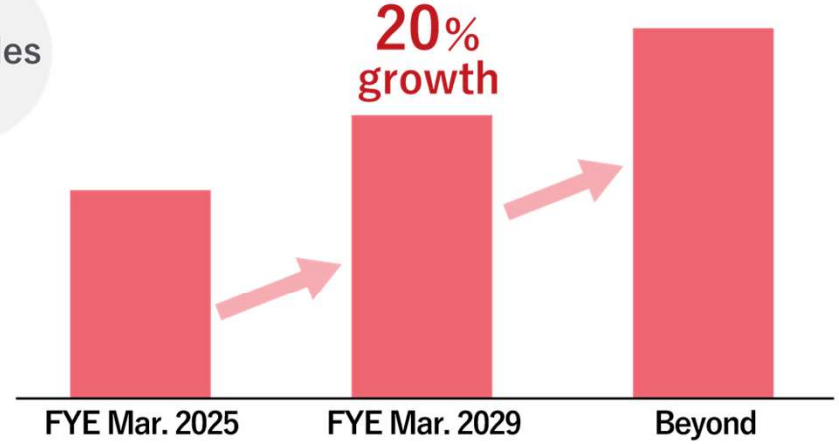
- Design environmentally friendly products (containers and packaging/up cycling)
- Address supply chain risks by extending expiration dates

Growth Strategy (Ice Cream)

■ Proactively invest in launching products with new value and strengthening supply capabilities with a view to winning top share in Japan

■ Expand exports to ASEAN countries and establish positions in local markets in preparation for taking on the challenge of expanding local business locations going forward

Net sales



FYE Mar. 2029 (compared to FYE Mar. 2025)



+10%



+20%



+20%



Nurturing

Point 1 Strengthening initiatives aimed at winning top share in Japan and expanding exports to Asia

- Integrate marketing functions for B-to-B/B-to-C in Japan and overseas
- Strengthen lineups for "Pino", "PARM", "MOW" brands

Point 2 The challenge of new manufacturing technology

- Nurture new brands that will be a future source of earnings
- Pursue new properties/tastes that confer competitive advantages

Point 3 Winning annual demand and build stable system of supply

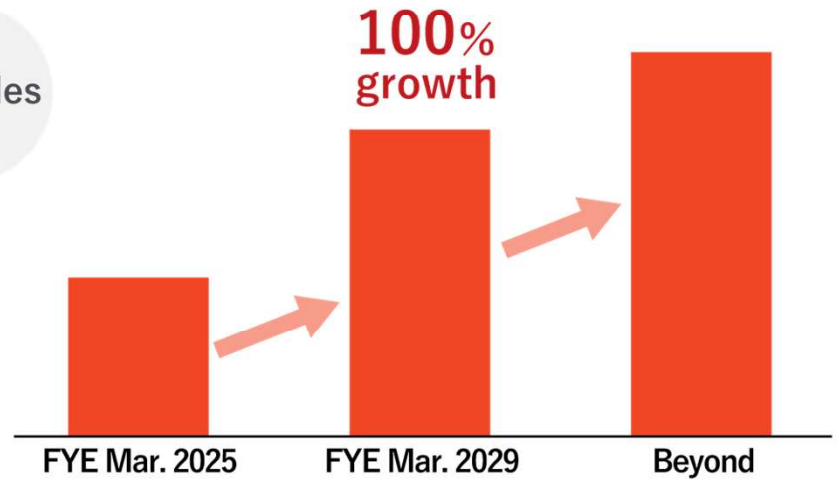
- Strengthen SCM, which includes starting operation of new facilities at the Kobe Plant
- Promote use of AI
  (enhance new product demand forecasts/accuracy of supply-demand balance)

Growth Strategy (Probiotics)

■ Aim to double sales, focus on promoting customers for formula milk and supplements in highly potential areas

■ Obtain evidence that further strengthens the competitive advantage of bifidobacteria, and invest actively in the development of new probiotics

Net sales



Focus areas

	China	Japan, South Korea, etc.	U.S.
Market size (USD)	120M	150M	250M
CAGR 2023–2028	11.3%	6.8%	2.7%

Source：Giract's Global Probiotic Cultures 2023-2028 Report

Point 1 Promoting formula milk business in China and supplements business globally

- Conclude agreements with strategic partners
- Promote support for existing customers expanding overseas by leveraging global sales network

Point 2 Broadening evidence and accelerate probiotics development

- Obtain multifaceted evidence (region, function, format)
- Develop postbiotics, research methods to enhance survivability of probiotics, etc.

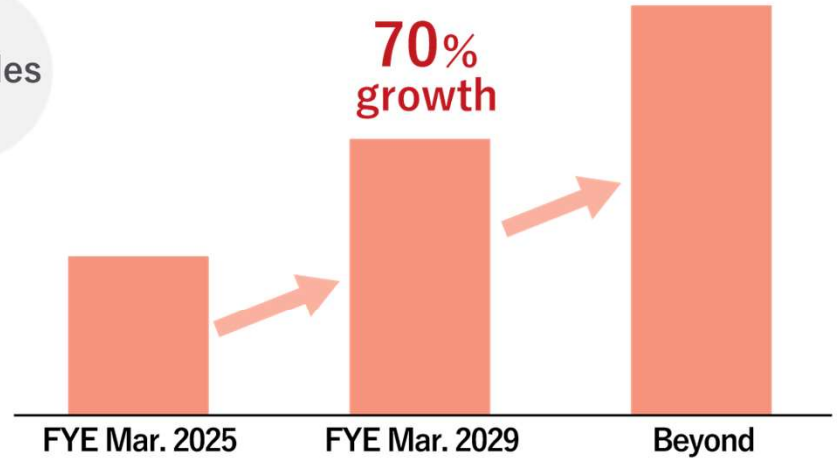
Point 3 Exploring markets in preparation for future progress

- Consider expansion in emerging countries
- Explore format development and new applications

Growth Strategy (Formula Milk for Overseas Markets)

- Expand product lineup in markets where we can leverage first-mover advantage, with the objective of entering global top10
- Roll out a variety of initiatives to enhance cost competitiveness and grow the Morinaga brand

Net sales



Focus areas

	Pakistan	Vietnam	Indonesia
Year of market entry	1978	2010	1979
CAGR 2023–2028	12.1%	0.8%	1.1%

Source：Euromonitor International

Point 1 Expand product lineup to reach broader target customer

- Increase speed of product development by committing more resources to R&D
- Strengthen communication initiatives, beginning with mothers

Point 2 Enhancing cost competitiveness to flexibly execute marketing strategy

- Raise production efficiency through further expansion of local manufacturing
- Enhance procurement function

Point 3 Seeding for future progress

- Expand sales channels in emerging countries
- Research and develop value added products using bifidobacteria

Structural Reforms (Rebuild the Organization to Enhance Product Development/Sales Capabilities)

■ A Marketing Division and Functional Food Ingredients Division have been established as control towers for the business, improving efficiency and accelerating growth
■ By establishing the Biotics Institute and making the Finance & Accounting Division independent, we seek to strengthen probiotics business development capabilities and improve the effectiveness of investment, respectively

Newly established **Marketing Division**

- Strengthens functions by acting as a control tower for the business as a whole, covering everything from allocation of dairy resources to optimization of production systems
- Expand marketing domain to include such areas as product development from a global perspective, including overseas exports

Newly established **Functional Food Ingredients Division**

- Transcends boundaries both in Japan and overseas to enhance probiotics sales capabilities at a global level
- Strengthens cooperation between research, production, and sales functions, enhancing business efficiency through effective use of resources

Implements checks on optimization of value chain as a whole

R&D Product development	Raw material procurement	Manufacturing and distribution	Sales

General administration/infrastructure

Structural changes **R&D Division**

- Probiotics business development capabilities are being strengthened by establishing a Biotics Institute within the R&D Division, which will be solely responsible for not only basic research but also research aimed at commercial use of probiotics

Newly established **Financial & Accounting division**

- Will practice various kinds of management aimed at capital efficiency
- Strengthens checks in the investment (M&A) decision-making process by playing a “braking” role

Structural Reforms (Enhance Production Efficiency by Restructuring Production Systems)

■ Improve profitability by responding to market changes, such as focusing on growth areas, adapting to volume reductions, and shifting to long-life products at room temperature.
■ Although global raw milk production is increasing, the supply and demand for imported dairy ingredients is unclear. We will accelerate the restructuring of our bases with a view to securing a stable supply of domestic dairy ingredients.

Hokkaido Eniwa Plant



Concept

A sustainable factory that is friendly to both people and the environment

Planning to improve productivity and reduce environmental impacts through the introduction of advanced technology

1 Accelerating restructuring production system

- Renew aging facilities at an appropriate scale to meet demand
- Promote the consolidation of production sites in preparation for building a more efficient production/supply system
- Expand yogurt and ice cream facilities, which had lost opportunities due to capacity limitations

	FYE Mar. 2025	FYE Mar. 2029	By FYE Mar. 2033
No. of paper pack lines	Halved		
No. of production sites	Reduced by 20%		

2 Improving profitability by taking advantage of the characteristics of long-life products at room temperature

- Expand sales channels by taking advantage of the characteristics of long-life products at room temperature, such as through e-commerce and overseas exports (utilizing the Hokkaido brand)
- Improve energy conservation and delivery efficiency by transporting and storing at room temperature
- Promote labor saving through planned manufacturing

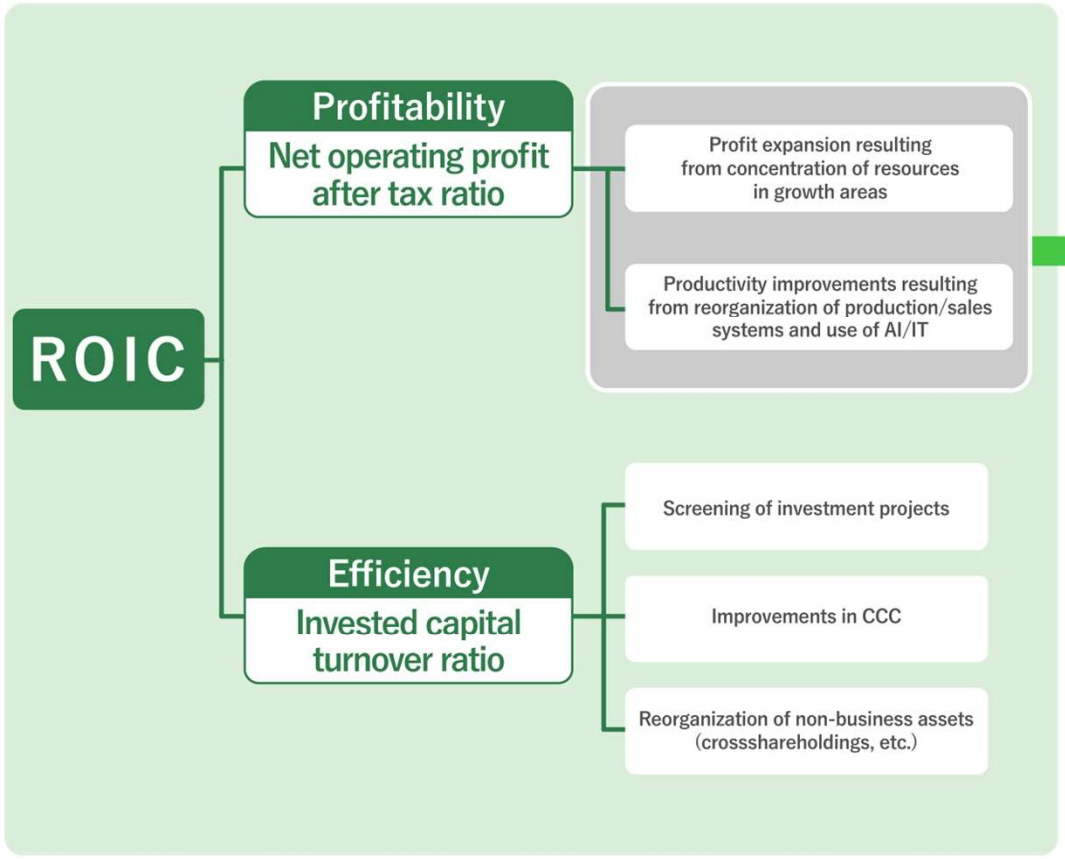
3 Ensuring a stable supply of dairy ingredients

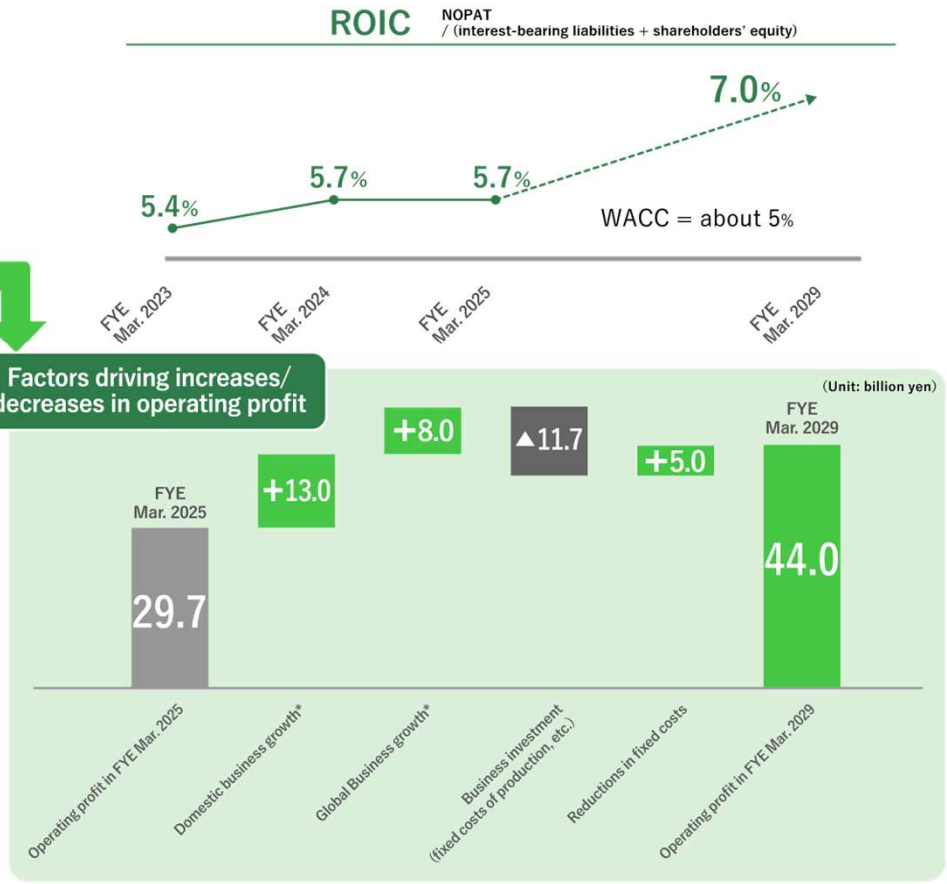
- Hokkaido's share of domestic raw milk production is on the rise, and we will secure a base in the Hokkaido region for medium- to long-term procurement of milk resources

*International raw milk production is expected to grow at an annual rate of around 1-3%, but supply and demand are expected to become tight as demand increases due to population growth.

Culture Reforms (Strengthen Initiatives to Improve Return on Capital)

■ By introducing an ROIC target of 7% as a new management indicator, we will further raise awareness of the cost of capital
■ We aim to enhance corporate value over the medium to long term through screening of investment projects and improvements in CCC, etc., in addition to growing profits





*Business growth is the amount of profit growth after cost increases driven by such external factors as rising raw material expenses have been absorbed

Culture Reforms (Build an Energetic Team with Professional Skills and Diversity)

■ Elevate employee engagement by developing specialist personnel, promoting the participation of women, and diversifying work styles
■ Forming the kind of teams to which we aspire will facilitate improvements in business performance and enhancements to corporate value

Energetic team with professional skills and diversity

Human capital development

- Self-direction
- Demonstration of specialized skills

Organizational development

- Integration of diverse values
- A culture that celebrates challenges

Elevated employee engegement

Priority measures

Normalization of headcount and remuneration

・Drawing-up and execution of headcount plans to achieve management strategy
・Reviewing the compensation system to suit work styles

Course of action for education

・Development of highly specialized human resources and human resources with global perspectives
・Nurture a strong managerial class, promote self-directed study

Diversity, equity, and inclusion

・Promote active participation by older employees, women, and persons with disabilities
・Ensure age diversity in organization chiefs

Diversification of work styles

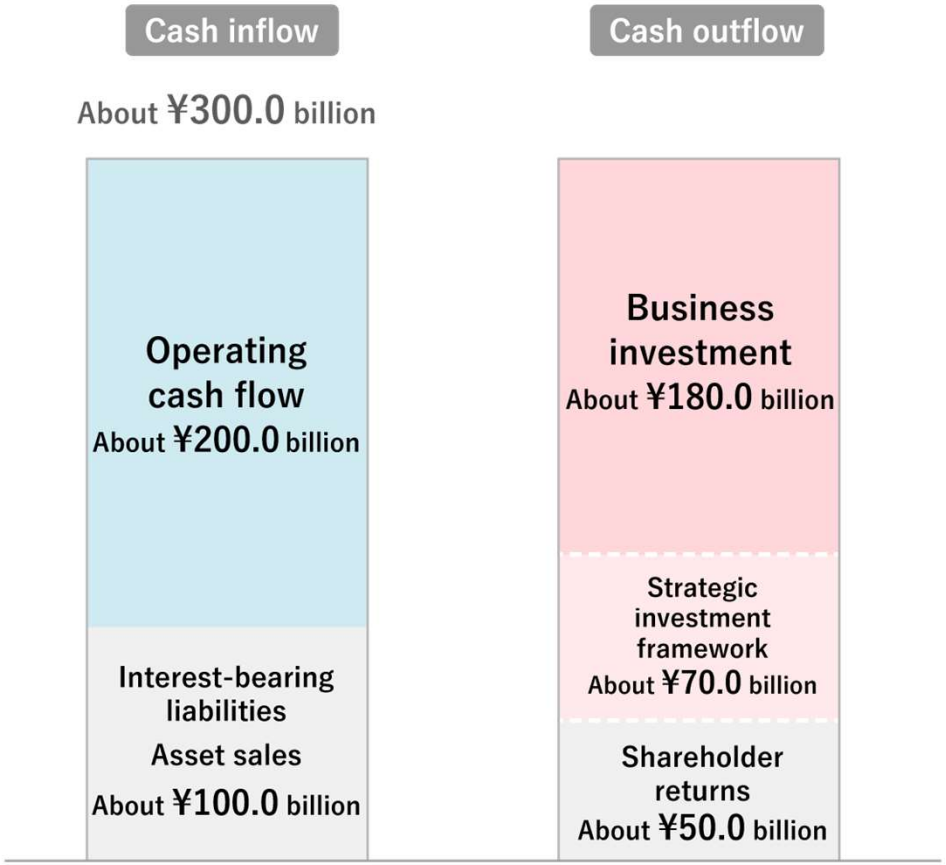
・Support for career autonomy
(Systems for internal recruitment and side jobs)
・Work style improvements and promotion of health management

Nurturing of executive candidates

・Management of succession plans
・Special promotion for young employees with ability

Allocation of Cash and Shareholder Returns Policies

- Allocation of cash to achieve concentration of resources in growth areas
- Use interest-bearing liabilities to optimize capital structure and enhance shareholder returns to reduce the cost of capital



Concentrate resources in growth areas

- Seek to concentrate resources in growth areas focused on yogurt and ice cream
- Establish strategic investment framework that includes M&A and R&D, etc., and make timely and appropriate investments
- Make investment decisions with an awareness of capital cost (WACC) and after assigning priorities based on investments that contribute to business growth

Use interest-bearing liabilities to achieve optimal capital structure

- Also use interest-bearing liabilities to target a net DER of 0.4–0.5

Shareholder returns policy

- Raise the payout ratio target from 30% to **40%**
- Acquire treasury stock flexibly according to circumstances
- **¥10.0 billion in acquisitions of treasury shares scheduled for FYE Mar. 2026** (cancellation planned after acquisition)

Revision of Sustainability Medium- to Long-Term Plan

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Revision of Sustainability Medium- to Long-Term Plan 2030

Three years have passed since plan was formulated. Strengthened governance structure, revised targets to reflect changes in internal/external environment

Philosophy-activity system diagram



1) Strengthened sustainability/governance structures
   - Changed positioning of current Sustainability Committee and strengthened structure
     → Split into Sustainability Committee (managing body, consideration of medium- to long-term direction) and Sustainability Promotion Council (executive body, formulation and promotion of specific measures)
   - Established Dairy Subcommittee (Promote GHG reduction study in Scope 3)

2) Revised scope, KPIs, levels
   - Expanded from previous focus on domestic business to global consolidated subsidiaries
   - Revised KPIs/KPI levels to reflect changes in global trends and in required levels
   - Creation of roadmap to carbon neutrality

3) Some themes and names of material issues changed to match that of new MTBP
   - Food and Wellness → Food and Well-being
   - Respect for human rights and diversity
   → Respect for human rights and enhancement of well-being

2. Overview of FYE March 2025 Financial Results

1. Morinaga Milk Group Medium-Term Business Plan 2025–2028
(FYE March 2026–FYE March 2029)

2. Overview of FYE March 2025 Financial Results

3. Outlook of Financial Results for the Year Ending March 2026

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Financial Results for FYE March 2025: Summary

Higher net sales and operating profits: 4Q saw profits increase in continuation of 3Q, leading to profit growth for full year also

➢ Operating profit: ¥29.7 billion (+¥1.8 billion YoY, +¥1.2 billion vs. target *1)
Three months of 4Q (Jan.–Mar.): ¥4.2 billion (+¥4.3 billion YoY)

- Domestic business
  - Impact from higher raw material, energy, operational, and other costs
  - Implemented price revisions and strived to expand high-value-added products and improve product mix
  - Despite higher net sales from yogurt overall, primarily from “Bifidus,” sales of new yogurt products and functional yogurt were insufficient
  - Use of sales promotion expenses more efficient in 4Q (+¥2.2 billion YoY), and we worked to cut other costs
- Global Business
  - Despite impact of decline at MILEI in reaction to growth in 1Q of previous fiscal year, turnaround from 2H onward resulted in profit increase for full year
  - Probiotics were strong throughout year, with shipments for formula milk in China beginning toward the end of the fiscal year
  - Impairment losses posted for subsidiaries in Pakistan, U.S., and Vietnam in the end of the fiscal year

*1 Revised plan announced on November 8, 2024

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Financial Results for FYE March 2025

(Unit: billion yen)

	FYE Mar. 2024	FYE Mar. 2025 target*1	FYE Mar. 2025	Year-on-year change	Year on year	Change from target*1	Rate of change vs target*1	FYE Mar. 2025 4Q (Jan.–Mar.)	Year-on-year change	Year on year
Net sales	547.1	560.0	**561.2**	+14.1	+2.6%	+1.2	+0.2%	**130.5**	+6.6	+5.4%
Operating profit	27.8	28.5	**29.7**	+1.8	+6.5%	+1.2	+4.1%	**4.2**	+4.3	-.-%
Ordinary profit	28.1	28.2	**29.9**	+1.8	+6.3%	+1.7	+5.9%	**3.8**	+4.2	-.-%
Profit attributable to owners of parent	61.3	18.0	**5.5**	-55.8	-91.1%	-12.5	-69.7%	**-9.3**	-7.9	-.-%
Operating profit to net sales	5.1%	5.1%	**5.3%**					**3.2%**		
ROE profit / equity capital	24.5%	6.6%	**2.0%**							
Global Business sales ratio	11.0%	12.7%	**12.5%**							
Annual dividend per share / Payout ratio	60 yen 33.4%*2	90 yen 42.3%	**90 yen 139.3%**							

*1 Revised plan announced on November 8, 2024
*2 Figures exclude the impact from the transfer of the site of the former Tokyo Plant

Key points

- Higher net sales and operating profit
- Profit
  - Extraordinary income: gains from sale of cross-shareholdings +¥6.7 billion, gains from sale of non-current assets +¥4.6 billion
  - Extraordinary losses: impairment losses, etc. for overseas subsidiaries -¥20.1 billion
  - 1Q FYE March 2024 – Extraordinary income from sale of the former Tokyo Plant site: ¥65.7 billion

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FYE March 2025 Financial Results: Summary by Business Segment

4Q：Contribution from Nutrition and Healthcare Foods Business, Global Business, drove increase in full-year operating profit

Key points		Operating profit: Full-year YoY	Operating profit: 4Q (Jan.–Mar.) YoY
1.	**Nutrition and Healthcare Foods Business**	**+¥0.2 billion**	**+¥1.7 billion**
➢ Yogurt: Despite increase in sales centered on “Bifidus,” insufficient sales for new products and functional yogurt limited profit contribution Took proactive approach to sales promotion expenses for bifidobacteria/focused products, but 4Q OP grew YoY due to greater efficiency			
2.	**Core Dairy Foods Business**	**+¥0.6 billion**	**+¥0.5 billion**
➢ Implemented price revisions and strived to expand “Mt. RAINIER CAFFÈ LATTE,” ice cream, and other high-value-added products			
3.	**B-to-B Business**	**-¥0.6 billion**	**-¥0.3 billion**
➢ Commercial dairy products: Demand solid but volumes still constrained by impact of imbalance between supply and demand for dairy products　Probiotics for domestic market: Despite lower sales, trend toward recovery in 2H			
4.	**Global Business**	**+¥1.3 billion**	**+¥1.6 billion**
➢ Despite impact of decline at MILEI in reaction to significant growth in 1Q of previous fiscal year, turned around in 2H to achieve full-year growth in profit Probiotics for overseas market: Strong throughout year, with shipments for formula milk in China beginning at end of period			
5.	**Other/Eliminated**	**+¥0.3 billion**	**+¥0.9 billion**
➢ Although 1H was lower profits primarily at major domestic subsidiaries, etc., that effect diminished in 2H and YOY difference in consolidated eliminations increased, resulting in an increase in profit for the full year.			
	Total	**+¥1.8 billion**	**+¥4.3 billion**

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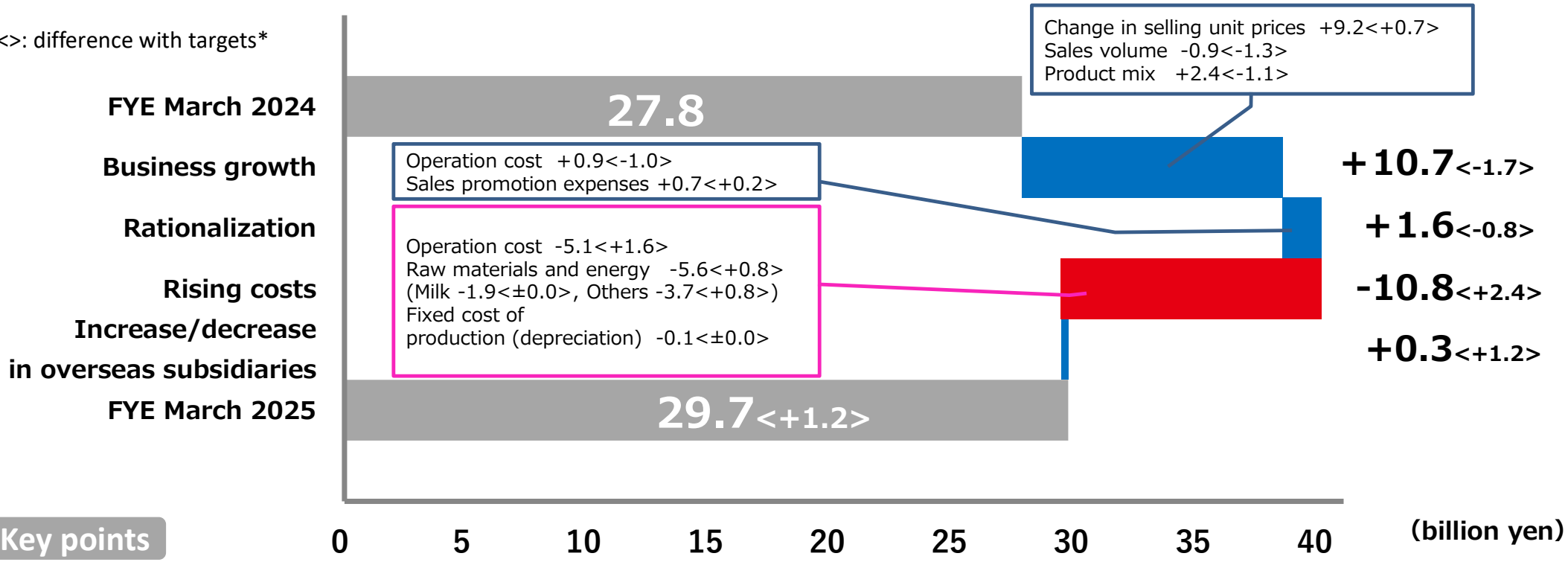
Factors Attributable to Increases and Decreases in Operating Profit for FYE March 2025

<>: difference with targets*



Key points

- Change in selling unit prices: Contribution of “Aloe Yogurt,” ice cream, beverages such as “Mt. RAINIER CAFFÈ LATTE,” and unexpired months for which price revisions were implemented in the previous year
- Product mix, etc.: Contribution from ice cream, probiotics (Global Business), etc. Sales decrease in functional yogurt.
- Sales promotion expenses: Bifidobacteria promotion and proactive expenditures on new products. Promoted improved efficiency in 4Q, which had seen significant expenditures in previous year, and improved efficiency for full year as well.
- Operation cost: Increase in logistics costs and personnel expenses
- Raw materials and energy prices: Impact mainly from increases in coffee, packaging materials, energy, and sugar prices
- Increase/decrease in overseas subsidiaries: Despite reaction to growth in the previous fiscal year (mainly 1Q) at MILEI, 2H turnaround led to profit growth for full year

*1 Revised plan announced on November 8, 2024

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3. Outlook of Financial Results for the Year Ending March 2026

1. Morinaga Milk Group Medium-Term Business Plan 2025–2028
(FYE March 2026–FYE March 2029)

2. Overview of FYE March 2025 Financial Results

3. Outlook of Financial Results for the Year Ending March 2026

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Outlook of Financial Results for FYE March 2026: Summary

Plan for increasing operating profit: expand growth areas, continue price revisions, hike profits in Global Business

- Net sales: ¥580.0 billion (+3.4% YoY) Operating Profit: ¥32.0 billion (+¥2.3 billion YoY)
- In new MTBP, seeking profit increases centered on growth areas and overseas

- Domestic Business:
  Expand growth areas (yogurt, ice cream) and high-value-added products centered on "Mt. RAINIER CAFFÈ LATTE."
  Ice cream production line to begin operation at Kobe Plant (amortization expenses increased)
  Impact of higher costs for milk/other raw materials to continue. Will execute price revisions as appropriate this fiscal year also.
- Global Business:
  Expand growth area of probiotics, accelerate overseas expansion of formula milk
  Contribution of MILEI and decline of goodwill amortization are expected, and profit increase is forecast for business as a whole

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Outlook of Financial Results for FYE March 2026

(Unit: billion yen)

	FYE Mar. 2025	FYE Mar. 2026 full-year target	Year-on-year change	Year on year	FYE Mar. 2025 1H	FYE Mar. 2026 1H target	Year-on-year change	Year on year
Net sales	561.2	**580.0**	+18.8	+3.4%	290.6	**303.0**	+12.4	+4.3%
Operating profit	29.7	**32.0**	+2.3	+7.9%	17.5	**18.0**	+0.5	+2.9%
Ordinary profit	29.9	**31.9**	+2.0	+6.8%	17.2	**18.1**	+0.9	+4.9%
Profit attributable to owners of parent	5.5	**19.0**	+13.5	+248.0%	9.7	**13.3**	+3.6	+37.0%
Operating profit to net sales	5.3%	**5.5%**						
Global Business sales ratio	12.5%	**12.5%**						
ROE profit / equity capital	2.0%	**7.1%**						
ROIC profit after tax / invested capital	5.7%	**6.0%**						
Annual dividend per share / Payout ratio	90 yen 139.3%	**93 yen** **40.0%**						

Key points

- Operating profit target: ¥32.0 billion (+¥2.3 billion YoY)
  Expansion in both Japan and overseas centered on growth areas
- Profit: Recorded extraordinary losses (¥20.1 billion) in FYE March 2025 due to impairment losses, etc. for overseas subsidiaries
- ROIC：New indicator introduced for new MTBP, 6.0% target for first fiscal year
- Dividend per share: 90 yen in FYE Mar. 2025 → FYE Mar. 2026 forecast 93 yen
  Dividend to increase in line with 40% payout ratio targeted in Medium-term Business Plan 2025–2028

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Outlook of Financial Results for FYE March 2026: Target Sales and Operating Profit for Each Category

(Unit: billion yen)

FYE Mar. 2026 target	1H target		Full-year target		1H target		Full-year target	
	Net sales	Year on year	Net sales	Year on year	Operating profit (operating profit to net sales)	Year-on-year change	Operating profit (operating profit to net sales)	Year-on-year change
Growth segment	68.1	+6.8%	127.5	+7.7%	9.6 (14.1%)	+0.2	15.1 (11.8%)	+1.3
Mainstay segment (Core/Dairy business foundation/Transitional)	186.5	+2.7%	367.0	+4.0%	8.0 (4.3%)	+0.3	14.7 (4.0%)	+1.0
Nurturing/Other segments (Development/Unique & other/Eliminations, etc.)	48.4	+7.0%	85.5	-4.8%	0.4 (0.8%)	±0.0	2.2 (2.6%)	±0.0
(Breakdown) Global Business	36.2	+3.4%	72.6	+3.8%	5.0 (13.9%)	+3.1	11.3 (15.5%)	+3.8
Total	303.0	+4.3%	580.0	+3.4%	18.0 (5.9%)	+0.5	32.0 (5.5%)	+2.3

(Reference: Medium-term Business Plan 2025-2028 categories)

	Growth areas	Core areas	Dairy business foundation areas	Transitional areas	Nurturing areas
Domestic business	・Yogurt ・Ice cream ・Probiotics	・Beverages ・Cheese ・Nutritional food products (Infant formula, etc.) ・CLINICO ・Functional ingredients (lactoferrin, etc.)	・Milk ・Food service and institutional food products (dairy products)	・Chilled desserts ・Commercial milk (home deliveries, etc.)	・Health food (supplements)
Global Business	・Probiotics ・Formula milk	・Milk ingredients (MILEI)		・ PBF (U.S.)	・ Vietnam

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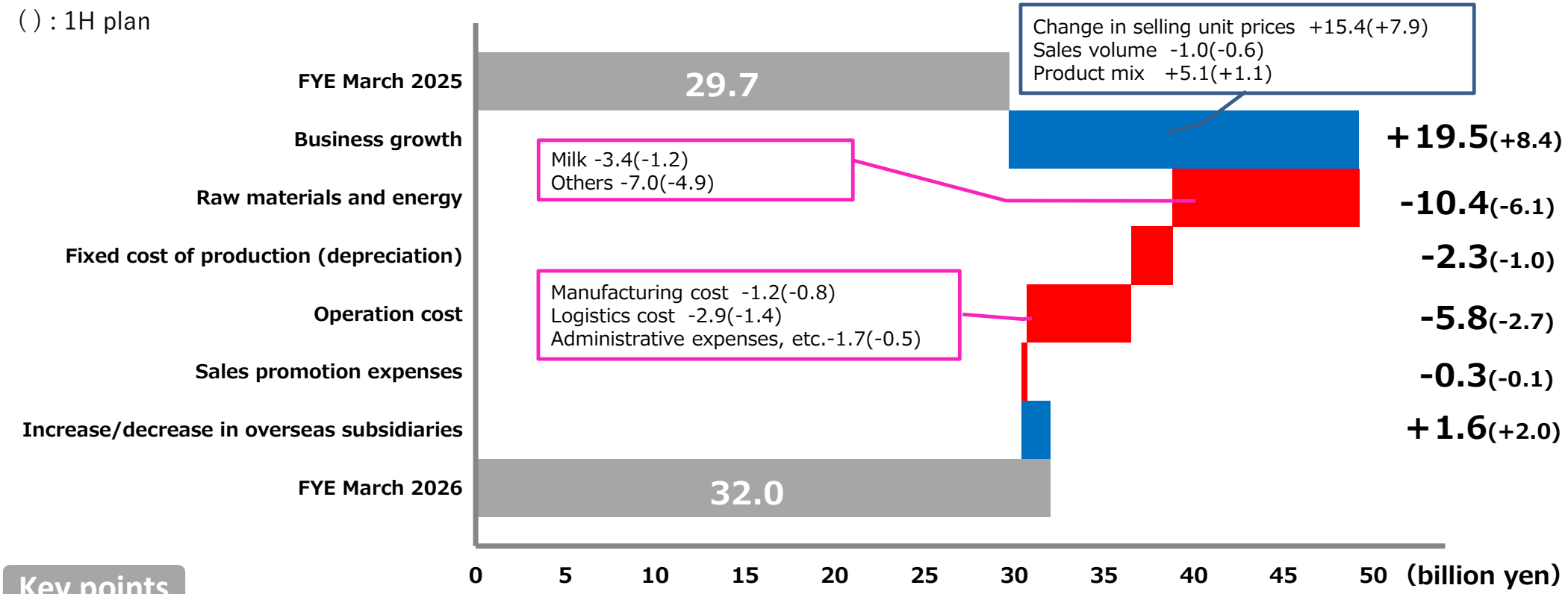
Outlook of Financial Results for FYE March 2026: Forecasts of Fluctuations to Operating Profit

( ) : 1H plan



Key points

- Change in selling unit prices: Contribution from portion implemented in previous fiscal year for “Mt. RAINIER CAFFÈ LATTE,” other beverages (mostly in 1H), includes some scheduled
- Product mix, etc.: Expand yogurt, ice cream, probiotics and other high value-added products
- Raw materials and energy prices: Raw milk trade prices rising, imported dairy ingredient/coffee/packaging material/other costs increasing, energy costs climbing
- Fixed cost of production (depreciation): Kobe Plant new manufacturing building, ice cream production line begin operation
- Increase/decrease in overseas subsidiaries: Assume growth of MILEI, improvement in U.S. subsidiaries, etc.

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Outlook of Financial Results for FYE March 2026: Domestic Business

Domestic business: Revise prices and maintain/expand mainstay segments while expanding growth areas

Domestic business

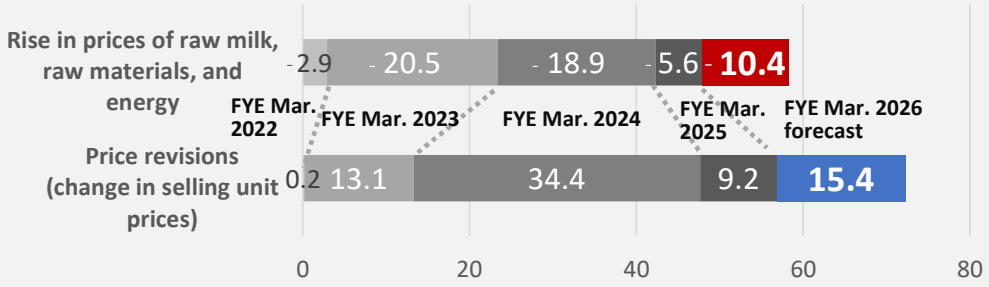
◆ Price revisions

- Raw material, energy, operational costs to continue to rise
- Milk price hikes for dairy products (June) and beverages (August)
- Price revisions: Hikes for beverages (March), yogurt and cheese (April), and infant formula (May), etc. already announced. Will continue to consider going forward

◆ Mainstay segment: beverages

- ”Mt. RAINIER CAFFÈ LATTE”: As profit base, will strive to maintain and expand. Will drive chilled coffee market with new products and product refreshes

Impact of rise in prices of raw milk, raw materials, and energy, and effect of price revisions (YoY, billion yen)



Growth areas

◆ Yogurt

- Bifidobacteria promotion, “Bifidus” brand: use exhibition at World Expo 2025 in Osaka, Kansai
  Strong performance in previous fiscal year centered on high-volume plain, will continue to expand
- Functional yogurt : Expand product lineup, strengthen evidence
- ”PARTHENO”: Recover opportunity losses from previous fiscal year, strengthen supply capabilities

◆ Ice cream

- Strengthen and reform manufacturing structure:
  (1) Production line begins operation at Kobe Plant (April 2025)
  Increasing production capacity for “Pino,” “MOW”; will gradually expand going forward.
  (2) Morinaga-Hokuriku Milk Industry Co., Ltd. Toyama Plant to cease production (September 2025)
- Continue to concentrate resources on high value-added brands
- Take on challenges of new growth areas

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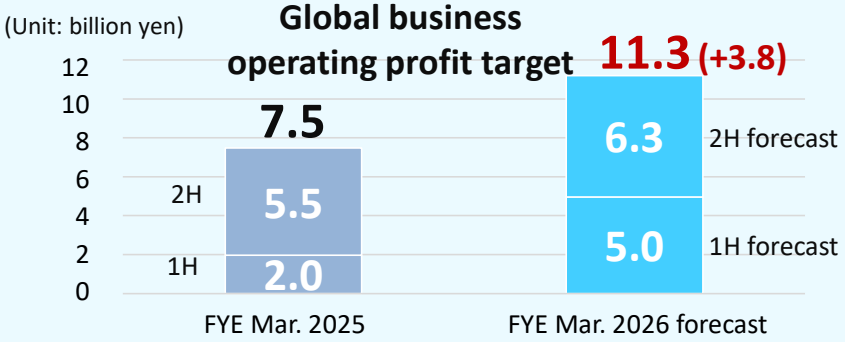
Outlook of Financial Results for FYE March 2026: Global Business

Global Business: Forecast profit increases centered on growth areas and MILEI, decreases in goodwill amortization

Global Business

◆ Operating profit: full-time profit target (+¥3.8 billion YoY)
- Will expand growth areas of probiotics and formula milk for overseas market
- MILEI contribution to be concentrated in 1H
- Impairment losses in previous fiscal year, decreases in goodwill amortization, etc. (approx. ¥1.5 billion/year)

◆ MILEI
- Expansion to be concentrated in 1H against backdrop of rising demand for protein, higher market prices for whey
- Continue to improve quality for lactose and whey products, etc.
- Expect steady growth in this core area during period of current MTBP



Growth areas

◆ Probiotics
- Strengthen marketing and R&D capabilities through organizational reform
- Expansion centered on China and United States
  China: Cultivate customers for formula milk, develop customers through local subsidiaries
  U.S.: Cultivate customers for supplements, develop new customers
  Expand formula milk in Asia/Oceania, etc.
  *Japan: Continue to cultivate major customers for supplement applications, and strengthen support for overseas expansion by unifying sales organization

(Figures for domestic probiotics do not include Global Business.)

◆ NutriCo Morinaga (Pakistan)
- Net sales target for FYE March 2026: +10% YoY (local currency basis)
- Births continue at a high level, and expectations for future growth are unchanged
- Business track record of over 40 years, strengths are brand recognition, safety, and quality
- Strengthen development of locally manufactured products that are highly profitable and not easily affected by exchange rates

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Outlook of Financial Results for FYE March 2026: Shareholder Returns

Raising dividend payout ratio target, will acquire treasury shares in the market for third consecutive year

Medium-term Business Plan 2025–2028 shareholder return policy

- Raising dividend payout ratio target: 30% → 40%
- **Flexible acquisition of treasury shares**, depending on the situation
- **¥10 billion in acquisitions of treasury shares** scheduled for FYE March 2026 (cancellation planned after acquisition)

Notice Concerning Decision on Matters Relating to Acquisition of Treasury Shares

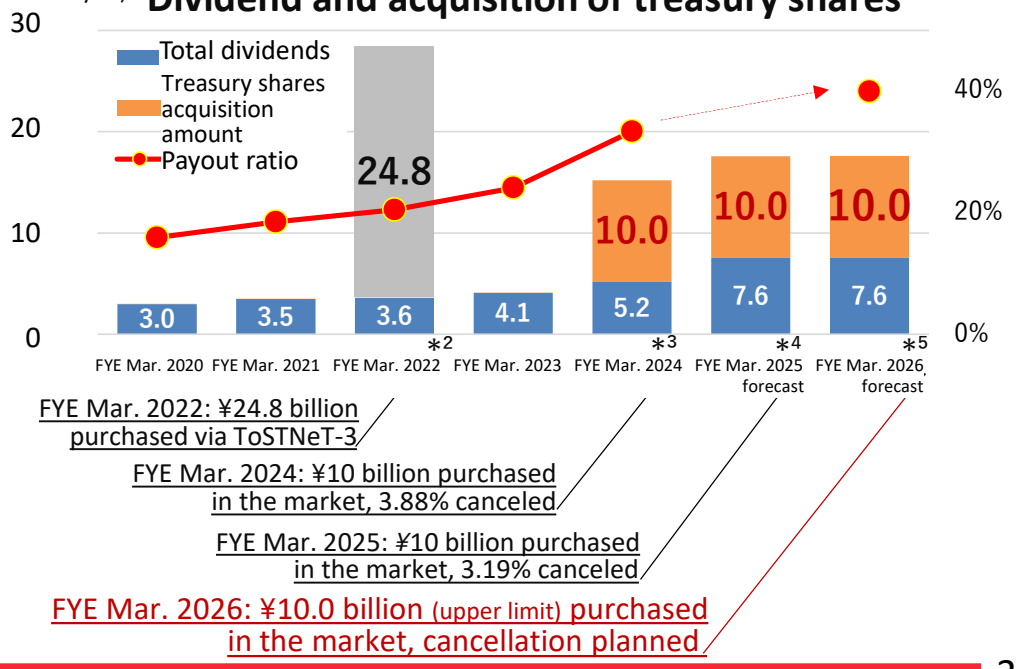
(Announced on May 13, 2025)

Period of acquisition: May 14, 2025 to March 31, 2026
Method of acquisition: Market purchase on the Tokyo Stock Exchange
Details of acquisition:3,800,000 shares (upper limit)/¥10 billion (upper limit)/4.55％*1
*All treasury stock acquired in accordance with the above will be cancelled.

Annual dividend per share (yen)

FYE 2020/3	FYE 2021/3	FYE 2022/3	FYE 2023/3	FYE 2024/3	FYE 2025/3	FYE 2026/3 forecast
30	35	40	45	60	90	**93**

Dividend and acquisition of treasury shares



*1 Ratio to the total number of outstanding shares (excluding treasury shares)
*2 FYE Mar. 2022 payout ratio: Figures exclude the impact from the transfer of the Kinki Plant and Morinaga Milk Konan Building. If this impact were not excluded the figure would be 11.6%
*3 FYE Mar. 2024 payout ratio: Figures exclude the impact from the transfer of the site of the former Tokyo Plant. If this impact were not excluded the figure would be 8.6%
*4 FYE Mar. 2025 payout ratio: 139.3％
*5 Total dividend amount for FYE Mar. 2026 is calculated by multiplying the forecast dividend payout ratio (40.0%) by the forecast net income attributable to owners of parent. Excludes the decision on treasury stock acquisition announced on May 13, 2025.

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Appendix

Medium-Term Business Plan 2025–2028
- Management Indicators (by Segment)

(Unit: billion yen)

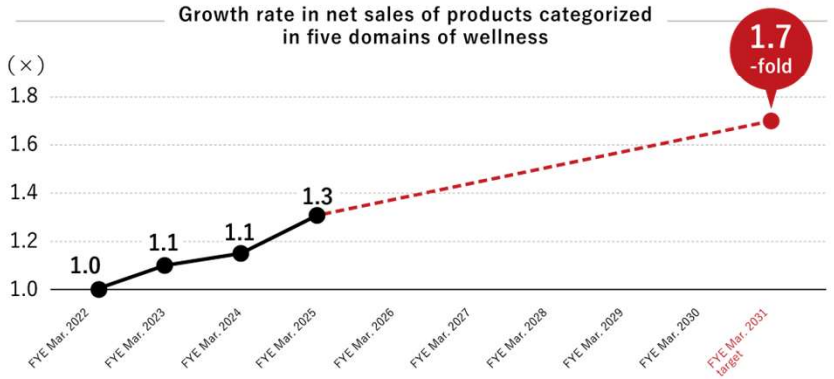
	Net sales				Operating profit			
	FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025	FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025
Growth segments (Growth)	118.3	155.0	+36.7	+31.0%	13.8	20.0	+6.2	+45.1%
Mainstay segments (Core/Fundamental/Strategic Transformation)	353.0	375.0	+22.0	+ 6.2%	13.7	20.0	+6.3	+46.1%
Nurturing/Other segments (Nurturing/Unique & other/Eliminations, etc.)	89.9	100.0	+10.1	+11.3%	2.2	4.0	+1.8	+82.9%
(Breakdown) Global Business	69.9	95.0	+25.1	+35.9%	7.5	15.0	+7.5	+100.6%
Total	561.2	630.0	+68.8	+12.3%	29.7	44.0	+14.3	+48.4%

Revision of Sustainability Medium- to Long-Term Plan 2030

	As of May 2022 (target for FYE Mar. 2031) KPIs	Targets	Details of revision
Contribution to well-being *1	Net sales of products with consideration for health issues (compared to FYE Mar. 2022)	1.7-fold	—
	Participants in health promotion and nutrition education activities (from FYE Mar.2022～Mar.2031)	Total 1,000,000	Scope Expand to domestic consolidated subsidiaries
	Increase in the number of published research papers on health and nutrition (including patent applications)	Not set	KPI Promote research and development that safely and reliably leads to the creation of high-quality products that contribute to the health and nutrition of consumers
	Increase our image as a company that contribute to health (Corporate brand image survey)	25%	—
	—	—	New Improve our image as a supplier of products that provide tastiness and delightfulness (Corporate brand image survey) Target 30%
Food safety and reliability	Acquisition of FSSC 22000 and other GFSI certification standards at all Group manufacturing sites	Acquisition at all Group manufacturing sites	Footnotes to KPIs GFSI certification standards
	Continuation of zero quality-related incidents and initiatives to ensure compliance with laws and regulations	Not set	KPI Number of serious quality-related incidents Target 0

*1 Changed the name from "Materiality: Contribution to wellness"





Revision of Sustainability Medium- to Long-Term Plan 2030

	As of May 2022 (target for FYE Mar. 2031)		Details of revision
	KPIs	Targets	
Mitigation of and adaptation to climate change	Scope 1+2 CO_2 emissions reduction rate (compared to FYE Mar. 2014)	38% or higher	Scope Expand to global consolidated subsidiaries Target 38% or higher →50% or higher
	Scope 3 GHG emissions reduction rate (compared to FYE Mar. 2021)	10% or higher	Scope Domestic consolidated subsidiaries (from FYE Mar. 2026) Global consolidated subsidiaries (from FYE Mar. 2027)
	Percentage of sites formulating BCPs to address climate change	100%	—
Environmental consideration and resource recycling	ISO 14001 certification maintenance rate at domestic manufacturing sites	100%	—
	Petroleum-derived virgin plastic usage reduction rate (compared to FYE Mar. 2014)	25% or higher	Scope Expand to global consolidated subsidiaries
	Industrial waste recycling rate	Achieving zero emissions	Scope Expand to global consolidated subsidiaries
	Water resource usage reduction rate (compared to FYE Mar. 2014)	15% or higher	Scope Expand to global consolidated subsidiaries
	Rate of accommodation of environmentally friendly design in major brands	100%	—
Sustainable raw material procurement	Rate of transition to RSPO mass balance certification	100% *FYE Mar. 2029	—
	Usage ratio of FSC-certified or other environmentally friendly paper	100% *FYE Mar. 2025	Scope Expand to global consolidated subsidiaries Target 100%
	Expansion of support for raw material suppliers	Not set	Scope Expand to domestic consolidated subsidiaries Target 100% deployment of supplier support tools
	—	—	New Increase the number of initiatives aimed at enhancing the value of dairy industry Target 500

	As of May 2022 (target for FYE Mar. 2031)		Details of revision
	KPIs	Targets	
Respect for human rights and enhanced well-being *2	Continuous compliance with human rights policy throughout supply chain	Ongoing compliance	KPI Continuous compliance with human rights policy → ongoing implementation of initiatives to raise respect for human rights
	Ratio of female managers	10% or higher	Target 20% or higher *3
	Childcare leave usage ratio (men)	100%	—
	—	—	New Strengthen health management initiatives aimed at achieving "White 500 certification" status Target Morinaga Milk Industry: maintain certification as Health & Productivity Management Outstanding Organization Domestic consolidated subsidiaries: promote certification of Health & Productivity Management Outstanding Organization
	Number of major work-related accidents	0	—
	Employee engagement ratings	A	Target Additional interim target: "BBB" by FYE Mar. 2029
	Amount of investment in human resource development	40,000 yen/person/year	Target 40,000 yen/person/year →50,000 yen/person/year
Coexistence with local communities	Total number of participants in community activities at business sites (FYE Mar. 2022– FYE Mar. 2031)	100,000	—
	Ratio of Group business sites carrying out community activities	100%	—

*2 Changed the name from "materiality: respect for human rights and diversity"

*3 The target for the ratio of female managers for FYE Mar. 2031 changed to at least 20% in March 2024

Revision of Sustainability Medium- to Long-Term Plan 2030

Three themes, seven material issues (Points of change)

Food and Wellness	Food and Well-being
1. Contribution to Wellness	1. Contribution to Well-being
2. Food Safety and Reliability	2. Food Safety and Reliability

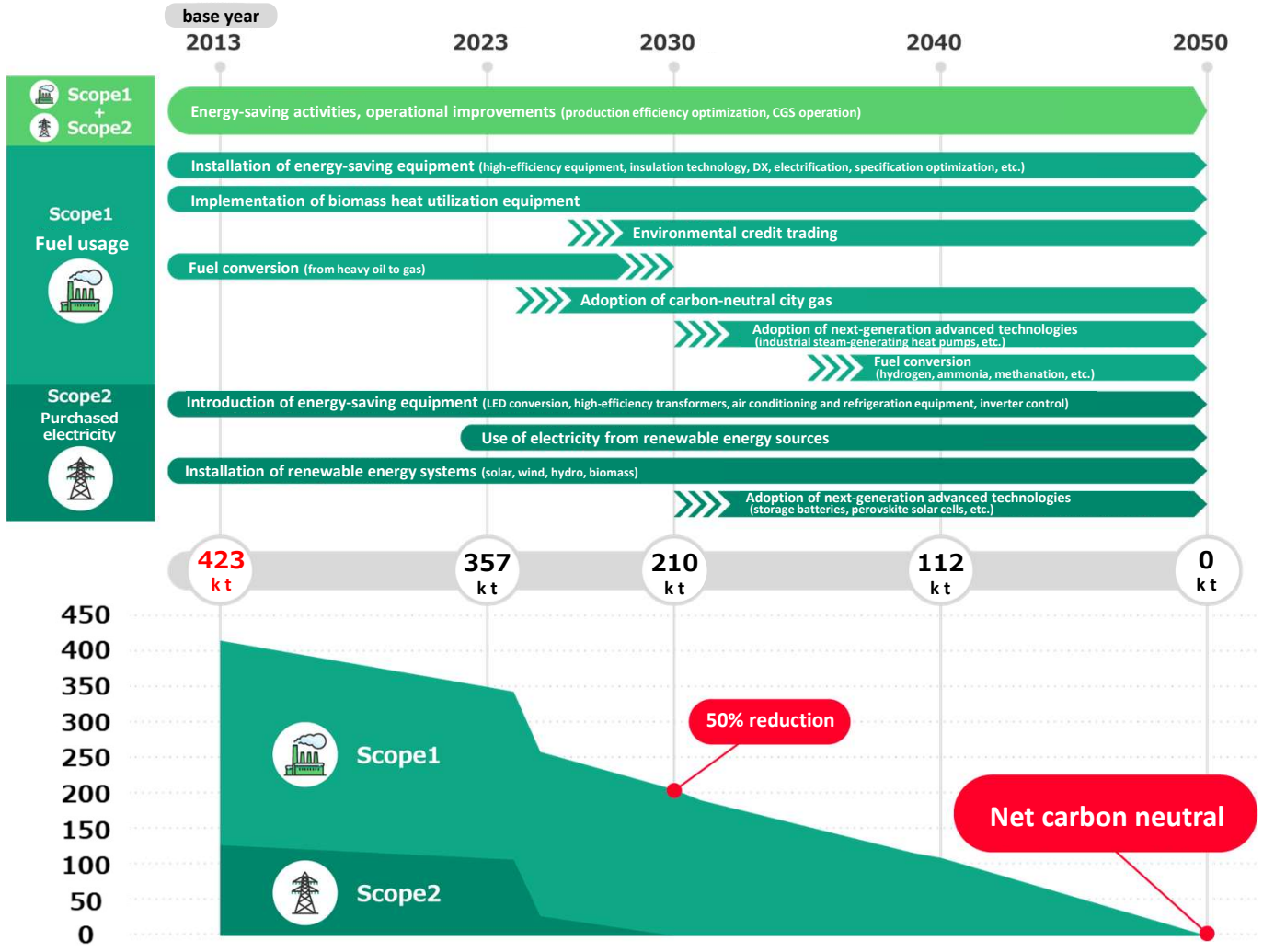
◇ Based on course of action set out in Medium-term Business Plan 2025–2028, which incorporates selection and concentration of businesses that include not only “health” but also “deliciousness” and “pleasure,” we have renamed themes and materialities and will work to enhance people’s well-being.

People and Society	People and Society
6. Respect for Human Rights and Diversity	6. Respect for human rights and enhancement of well-being
7. Coexistence with Local Communities	7. Coexistence with Local Communities

◇ Based on plan of action for expanding human capital, such as setting new employee engagement rating KPI, we have renamed materialities and have broadened scope to include enhancing our own well-being.

Revision of Sustainability Medium- to Long-Term Plan 2030

Formulated the Roadmap(Scope1 and Scope2) to Carbon Neutrality by 2050



(Reference) Financial Results for FYE March 2025: Net Sales & Operating Profit by Business Segment

(Unit: billion yen)

	Net sales				Operating profit (operating profit to net sales)				Net sales		Operating profit (operating profit to net sales)	
	FYE Mar. 2024	FYE Mar. 2025	Year on year	Rate of change vs target*1	FYE Mar. 2024	FYE Mar. 2025	Year-on-year change	Change from target*1	FYE Mar. 2025 4Q (Jan.–Mar.)	Year on year	FYE Mar. 2025 4Q (Jan.–Mar.)	Year-on-year change
Nutrition and Healthcare Foods Business	127.3	**130.0**	+2.1%	±0.0%	5.3 (4.1%)	**5.5** (4.2%)	+0.2	-0.5	**30.8**	+1.2%	**0.7** (2.4%)	+1.7
Core Dairy Foods Business	175.3	**176.4**	+0.7%	-1.2%	9.0 (5.1%)	**9.6** (5.4%)	+0.6	-0.9	**37.2**	-1.6%	**-0.5** (-.-%)	+0.5
B-to-B Business	96.4	**99.0**	+2.7%	+1.0%	4.5 (4.6%)	**3.8** (3.9%)	-0.6	-0.9	**22.7**	-0.2%	**0.2** (1.0%)	-0.3
Global Business	60.4	**69.9**	+15.7%	-1.5%	6.2 (10.2%)	**7.5** (10.7%)	+1.3	+1.2	**19.9**	+65.4%	**2.9** (14.8%)	+1.6
Other/ Eliminated	87.7	**85.8**	-2.1%	+4.3%	2.9 (3.3%)	**3.3** (3.8%)	+0.3	+2.3	**19.7**	-4.7%	**0.8** (4.0%)	+0.9
Total	547.1	**561.2**	+2.6%	+0.2%	27.8 (5.1%)	**29.7** (5.3%)	+1.8	+1.2	**130.5**	+5.4%	**4.2** (3.2%)	+4.3

Key points

- Nutrition and Healthcare Foods Business: Despite increase in yogurt revenue, sales of new products and functional yogurts were insufficient, proactively used sales promotion expenses (efficiency improved in 4Q YoY)Core Dairy Foods Business: Implemented price revisions and strived to expand “Mt. RAINIER CAFFÈ LATTE,” ice cream, and other high-value-added products
- B-to-B Business: Commercial dairy product demand solid, but volumes still constrained by impact of imbalance between supply and demand for dairy products. Despite lower sales of probiotics for domestic market, trend toward recovery in 2H
- Global Business: Despite impact of decline at MILEI in reaction to significant growth in 1Q of previous fiscal year, turned around in 2H to achieve full-year growth in profit. Probiotics strong throughout year, with shipments for formula milk in China beginning at end of period

*1 Revised plan announced on November 8, 2024

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(Reference) Financial Results for FYE March 2025: Subsegment Net Sales

(Unit: billion yen)

	FYE Mar. 2024	FYE Mar. 2025	Year on year	Rate of change vs target*1	FYE Mar. 2025 4Q (Jan.–Mar.)	Year on year	Key points
Nutrition and Healthcare Foods Business							
Yogurt	54.1	**56.9**	+5%	±0%	**13.9**	+5%	➢ Sales increase of “Bifidus.” Sales increase and price revision of “Aloe yogurt” (Jan.). Sales decrease of functional yogurt. Sales decrease of “PARTHENO” (Sales increased in 4Q).
Commercial milk (Home deliveries, etc.)	18.3	**16.1**	-12%	-1%	**3.8**	-11%	➢ Revamp of delivery services, sales of bottled products ended.
Nutritional food products	13.3	**13.7**	+3%	+2%	**3.2**	+6%	➢ Infant formula performed solidly.
CLINICO	26.7	**27.2**	+2%	±0%	**5.8**	-2%	➢ Liquid foods and nursing care products performed solidly.
Core Dairy Foods Business							
Beverages	54.8	**54.4**	-1%	-1%	**11.3**	-4%	➢ Sales increase (decrease in 4Q) and price revision (Mar.) of “Mt. RAINIER CAFFÈ LATTE.”
Ice cream	44.3	**46.4**	+5%	±0%	**7.8**	+6%	➢ Continued sales growth centered on “Pino,” “PARM,” and “MOW.”
Cheese	26.5	**26.7**	+1%	-2%	**6.3**	±0%	➢ Solid sales of “Mozzarella,” butter, etc.
Milk	45.2	**44.3**	-2%	±0%	**10.2**	-6%	➢ Sales decreased after the effect of the price revision in the previous year (Aug. 2023) had run its course.
Chilled desserts	7.2	**8.0**	+11%	+1%	**1.9**	+9%	➢ Sales increase of “Yaki pudding”

*1 Revised plan announced on November 8, 2024

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(Reference) Financial Results for FYE March 2025: Subsegment Net Sales

	FYE Mar. 2024	FYE Mar. 2025	Year on year	Rate of change vs target*1
Global Business				
MILEI (Germany)	JPY 36.4 billion EUR 234 million	JPY **40.7** billion EUR **248** million	+12% +6%	-1% -
NutriCo Morinaga (Pakistan)	JPY 6.8 billion PKR 13.6 billion	JPY **7.9** billion PKR **14.2** billion	+16% +4%	+16% -
Morinaga Nutritional Foods (U.S., including Turtle Island Foods)	JPY 7.4 billion USD 53 million	JPY **9.8** billion USD **62** million	+32% +18%	-4% -
Morinaga Nutritional Foods Vietnam*2 (Vietnam, former Elovi)	JPY 4.3 billion VND 742.6 billion	JPY **4.3** billion VND **690.1** billion	-1% -7%	+9% -

Key points

- Decline in reaction to significant growth in revenue driven by impact of whey market conditions (1Q). Effects disappeared in 2Q, and recovery and expansion trend emerging against backdrop of turnaround in whey market conditions, resilient demand for protein, etc.
- Launched new, locally manufactured products in Pakistan (1Q). Sales are recovering. Local economy has hit bottom, tone of recovery from 2H 2024 onward
- Despite generating sales synergies between MNF's tofu and TIF plant-sourced meat substitutes, struggling due to contraction of PBF market. Prioritizing initiatives to improve profitability. Recently have been focusing exports on expanding tofu.
- Despite promoting initiatives to expand sales of Morinaga Milk brand products (drinking yogurt, etc.) and capture OEM orders, revenues fell, mainly for local brand products.

*1 Revised plan announced on November 8, 2024
*2 Morinaga Nutritional Foods Vietnam Joint Stock Company: Changed the company name from Elovi Vietnam Joint Stock Company on March 25, 2024.

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(Reference) Outlook of Financial Results for FYE March 2026: Subsegment Net Sales Targets

(Unit: billion yen)

FYE Mar. 2026 target		1H target		Full-year target	
		Net sales	Year on year	Net sales	Year on year
Growth Segments					
	Yogurt	**31.0**	+7%	**61.1**	+7%
	Ice cream	**30.4**	+6%	**49.6**	+7%
(Global Business)	NutriCo Morinaga (Pakistan)	**3.5**	-7%	**7.5**	-5%
Mainstay Segments (Core/Dairy business foundation)					
	Beverages	**32.8**	+8%	**59.7**	+10%
	Cheese	**14.0**	+5%	**28.1**	+5%
	Nutritional food products	**7.1**	+3%	**14.3**	+5%
	CLINICO	**14.2**	+4%	**28.8**	+6%
(Global Business)	MILEI (Germany)	**21.7**	+4%	**41.9**	+3%
	Milk	**22.6**	-3%	**42.8**	-3%
	B-to-B (excluding domestic probiotics)	**41.0**	+1%	**85.4**	+4%

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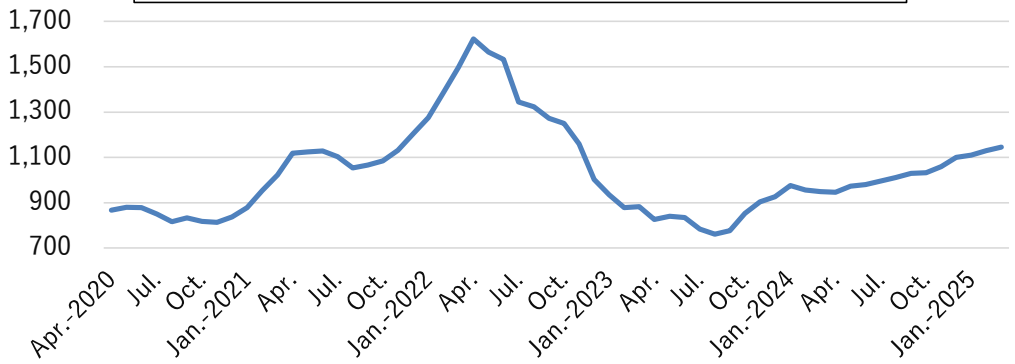
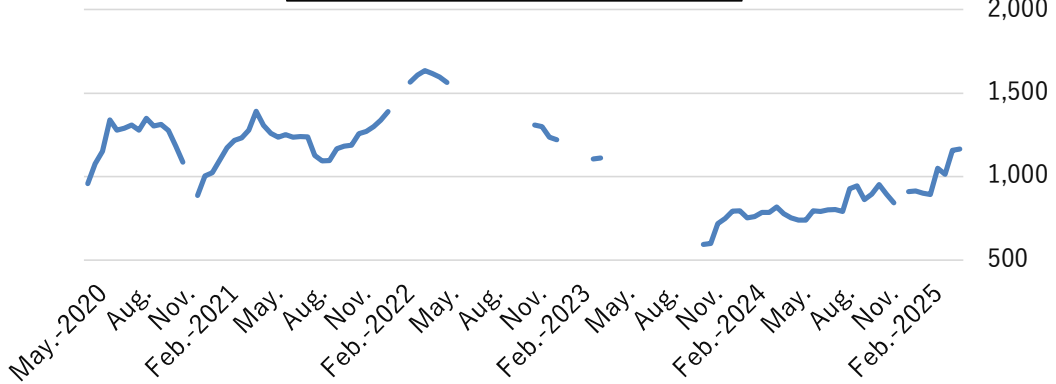
(Reference) Dairy Ingredient Market Data (Last 5 Years)

Zentrale Milchmarkt Berichterstattung GmbH (ZMB, Central Milk Market Reporting Agency in Germany) Culinary-use whey powder price (€/ton)

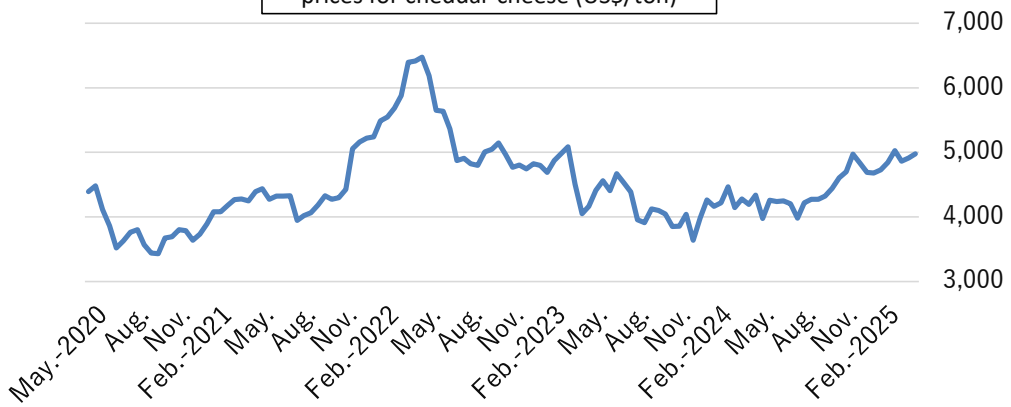


➢ Correlates with price for whey raw materials procured by MILEI GmbH.

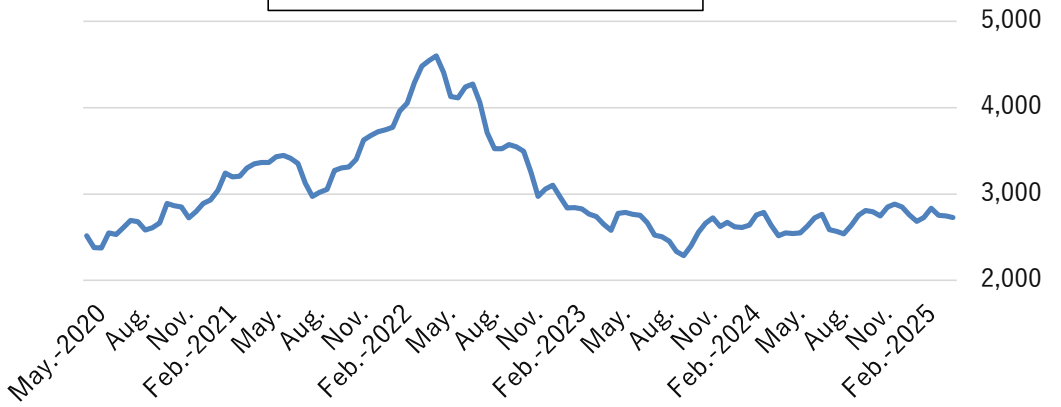
Fonterra Global Dairy Trade (GDT) auction prices for lactose (US$/ton)



Fonterra Global Dairy Trade (GDT) auction prices for cheddar cheese (US$/ton)



Fonterra Global Dairy Trade (GDT) auction prices for powdered skim milk (US$/ton)



Source: ZMB (culinary-use whey powder), Fonterra Global Dairy Trade auctions (lactose, cheddar cheese, powdered skim milk) *Areas without lines are those where no trades took place

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Figures for plans, policies, and other figures included in this report other than actual past results are forecasts of future business performance, and are calculated based on management's estimates and understanding of the information available to the Company at the time this presentation was prepared.
Accordingly, these forward-looking figures contain elements of risk and uncertainty, and actual results may differ from these forecasts for a variety of reasons. These elements of potential risk and uncertainty include economic conditions in the Company's major markets, trends in demand for the Company's products, exchange rate movements, and regulatory changes and changes in accounting standards and business practices in Japan and other countries.
Monetary amounts in this presentation are shown in billions of yen, with amounts of less than 0.1 billion yen rounded to the nearest 0.1 billion yen, and as a result, total figures may differ from the sum of the corresponding breakdown figures.

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