November 9, 2026

Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2027 <Japanese GAAP>

Company name: Morinaga Milk Industry Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 2264
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Scheduled date to file semi-annual securities report: November 10, 2026
Scheduled date to commence dividend payments: December 7, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors, analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	300,821	2.6	21,107	1.5	21,205	(3.4)	13,675	(6.6)
September 30, 2025	293,330	0.9	20,805	18.9	21,949	27.3	14,637	50.8

Note: Comprehensive income For the six months ended September 30, 2026: ¥14,287 million [14.1%]
For the six months ended September 30, 2025: ¥12,518 million [(32.0)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	42.36	42.33
September 30, 2025	44.24	44.20

Note: The Company implemented a stock split of 4 shares for every common share, with an effective date of July 1, 2026. Basic earnings per share and diluted earnings per share have been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended March 31, 2026.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	577,302	289,304	49.2
March 31, 2026	547,116	279,749	50.2

Reference: Equity As of September 30, 2026: ¥283,853 million As of March 31, 2026: ¥274,663 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	45.00	–	55.00	100.00
Fiscal year ending March 31, 2027	–	12.00			
Fiscal year ending March 31, 2027 (Forecast)			–	16.00	28.00

Notes: 1. Revisions to the forecast of cash dividends most recently announced: Yes

2. The Company implemented a stock split of 4 shares for every common share, with an effective date of July 1, 2026. Amounts presented for dividends in the fiscal year ended March 31, 2026 are the actual dividend amounts from before the stock split.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	590,000	3.2	39,000	13.1	39,300	5.9	23,000	1.8	71.24

Notes: 1. Amendment to forecasts of consolidated financial results recently announced: Yes

2. The Company implemented a stock split of 4 shares for every common share, with an effective date of July 1, 2026. Basic earnings per share for the fiscal year ending March 31, 2027 has been calculated taking into account the impact of the stock split.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: – companies (Company name:)
Excluded: – companies (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes
For details, refer to page 10 of the attached materials, "2. Semi-annual Consolidated Financial Statements and Notes (3) Notes regarding the semi-annual consolidated financial statements (Application of special accounting for preparing semi-annual consolidated financial statements)."

(3) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)
(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	344,719,144 shares
As of March 31, 2026	344,719,144 shares

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

As of September 30, 2026	21,848,241 shares
As of March 31, 2026	21,944,616 shares

(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	322,812,282 shares
Six months ended September 30, 2025	330,843,786 shares

Notes: 1. The number of treasury shares at end of the period and the number of treasury shares excluded from the calculation of the average number of shares during 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 end of period (as of September 30, 2026: 1,451,200 shares)
Average number of shares during period (six months ended September 30, 2026: 1,456,666 shares)
2. The Company implemented a stock split of 4 shares for every common share, with an effective date of July 1, 2026. The number of issued shares (common shares) has been calculated assuming that the stock split was effected at the beginning of the fiscal year ended March 31, 2026.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 5 of the attached materials, "1. Overview of the Business Results (3) Explanation of forward-looking information including consolidated earnings forecasts."

[Attached Materials]

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1. Overview of the Business Results

(1) Overview of the semi-annual business results

In accordance with the Medium-Term Business Plan 2025–2028, the Morinaga Milk Group is seeking to grow its earnings by concentrating management resources in areas where it can leverage the strengths of the Group to the greatest possible extent, such as yogurt, ice cream, bifidobacteria and other probiotics, and formula milk for overseas market. We are also working to improve productivity by rebuilding the organization with a focus on optimizing the value chain as a whole, and reorganizing production structures to increase production efficiency. FYE March 2027 is the second year of the four-year Medium-term Business Plan 2025–2028.

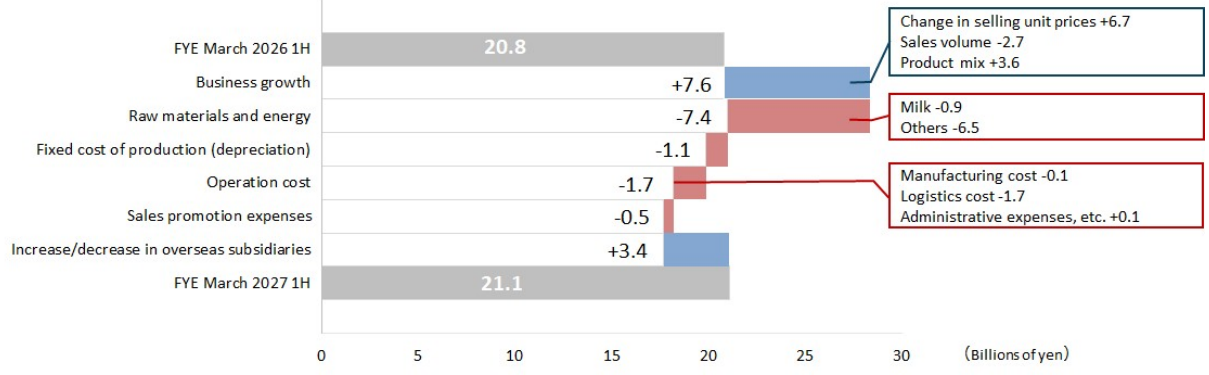
In the first six months of the consolidated fiscal year under review, the Company operated in an environment of rising costs driven by increases in raw material prices, including packaging material prices affected by the Middle East situation, while logistics costs, personnel expenses, and other operational costs also increased. Unseasonable summer weather in Japan also had an impact on sales of ice cream and other products. To meet these challenges, in addition to price revisions to address rising cost, product mix improvements, etc. achieved through expansion of high value-added products, mainly in Growth Areas, and through appeals based on new value, we cut fixed costs by implementing structural reforms across the whole Group, in accordance with the Medium-term Business Plan, as well as taking other measures. In addition, business environment of our overseas subsidiary MILEI GmbH, which is a Core Area, remained strong due to rising market prices for whey protein.

As a result of these initiatives the Group succeeded in growing consolidated net sales. In the domestic business, although sales of yogurt, beverages, and other items grew steadily, and the impact of price revisions also made a contribution, the decrease in sales volume, caused mainly by ice cream and milk that were affected by unseasonable weather, resulted in lower revenue for the business as a whole. In addition to higher revenue at MILEI, which was driven by higher selling prices against the background of strong whey protein market conditions, the Global Business as a whole recorded an increase in revenue thanks to overseas sales of probiotics and formula milk, and steady growth in the U.S. business.

Consolidated operating profit increased. In the domestic business, the effects of price revisions and product mix improvements, control of administrative costs and other expenses, and control of operational costs resulting from production structure reorganizations, etc. had a positive impact on operating profit. On the other hand, we were also affected by lower sales volume, higher packaging and other raw material costs, and energy costs, and by the continuation of increases in various operational costs, such as logistics costs and personnel expenses, which resulted in lower profit for the domestic business as a whole. In addition to higher profits at MILEI driven by revenue increase, profits rose in all overseas businesses, including those selling probiotics and formula milk, resulting in higher profit for the Global Business as a whole.

Consolidated net sales	¥300,821 million	(+2.6% YoY)
Consolidated operating profit	¥21,107 million	(+1.5% YoY)
Consolidated ordinary profit	¥21,205 million	(-3.4% YoY)
Profit attributable to owners of parent	¥13,675 million	(-6.6% YoY)

Factors attributable to increases and decreases in operating profit for 1H of FYE March 2027



<Overview of the results by segment in the Medium-term Business Plan 2025–2028>

1) Growth Segments (Growth Areas): Although ice cream saw a decline in revenues due to unseasonable weather, sales of yogurt, probiotics, and formula milk overseas were strong. As a result, the segment as a whole recorded higher revenue.
Operating profit decreased. While there was a contribution from the effects of higher sales of probiotics and formula milk for overseas market, domestic categories saw higher raw material prices, as well as increases in operational costs, higher depreciation resulting from the start of operations at manufacturing facilities, and lower sales of ice cream, leading to a decline in profits.

Growth Segment net sales	¥71,442 million	(+9.1% YoY)
Growth Segment operating profit	¥8,646 million	(-¥37 million YoY)

2) Mainstay Segments (Core, Fundamental, and Strategic Transformation Areas): A significant contribution was made by higher revenue and profit at the Core Area of MILEI, where selling unit prices increased against the backdrop of the rise in the whey protein market price. In Japan, although sales of the core category products including beverages were strong, the business was affected by a significant decline in revenue for milk and other products, as well as by the impact of higher raw material prices and increases in operational costs. As a result, the segment as a whole recorded higher revenue and profit.

Mainstay Segment net sales	¥186,191 million	(+3.4% YoY)
Mainstay Segment operating profit	¥10,904 million	(+¥218 million YoY)

3) Nurturing/Other Segments (Nurturing Areas): Nurturing/Other Segments as a whole recorded lower revenue and higher profit. Sales of health foods and others through e-commerce channels, which is in the Nurturing Areas, saw higher revenue and higher profit.

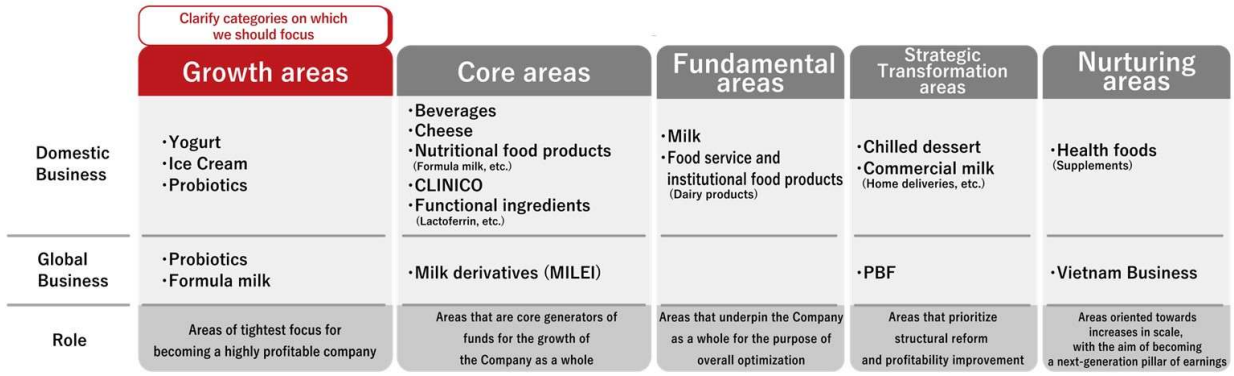
Nurturing/Other Segments net sales	¥43,188 million	(-9.8% YoY)
Nurturing/Other Segments operating profit	¥1,557 million	(+¥121 million YoY)

(Breakdown) Domestic business: Our domestic business experienced a decrease in both revenue and profit. While yogurt and beverages recorded strong sales in addition to the positive effects of price revisions, revenue for ice cream, milk, and other products decreased due to sales volume decrease, leading to lower net sales for the domestic business as a whole. In addition to the impact of lower revenue, the positive effects of improvements in the product mix, cost reduction, and other efforts, were outweighed by increases in raw material costs partly due to the impact of the Middle East situation, as well as the effects of higher operational costs and of an increase in the burden of depreciation, so that the domestic business as a whole recorded lower profit.

(Breakdown) Domestic business net sales	¥248,869 million	(-2.0% YoY)
(Breakdown) Domestic business operating profit	¥9,788 million	(-¥4,172 million YoY)

(Breakdown) Global Business: Global Business experienced an increase in both revenue and profit. At MILEI, selling unit prices increased against the background of whey protein prices that rose and remained high, resulting in higher revenue and profit. A significant increase in sales of the Growth Area products, including formula milk at NutriCo Morinaga in Pakistan and probiotics also contributed to higher profit, as did the Strategic Transformation Area of the U.S. business, mainly due to streamlining effect.

(Breakdown) Global Business net sales	¥51,952 million	(+31.9% YoY)
(Breakdown) Global Business operating profit	¥11,319 million	(+¥4,474 million YoY)



<Morinaga Milk Group's 10-year vision and Medium-term Business Plan 2025–2028>

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%."
The goal of the Medium-term Business Plan 2025–2028 for the four years to the fiscal year ending March 2029 is to realize the Morinaga Milk Group 10-year Vision, and to move forward with initiatives aimed one step into the future, at transforming itself into "A Clearly Differentiated and Highly Profitable Company."

During the formulation of the Medium-term Business Plan 2025–2028, we placed great importance on the concept of *Merihari*. As well as creating a base for sustainable growth for the Morinaga Milk Group by clarifying positioning and roles by category, assigning strengths and weaknesses in terms of resource allocation, and reorganizing systems, we aim to increase productivity and engagement as a result of each and every individual executing operations with an awareness of priorities and of the need to move quickly, and creating a culture of taking on new challenges.

In the current Medium-term Business Plan, we have set out three basic policies of growth strategy, structural reform, and organizational culture reforms.

In terms of growth strategy, we have freed ourselves from the previous omnidirectional approach, and instead grow earnings by concentrating management resources in areas where we can leverage the strengths of the Group to the greatest possible extent, such as yogurt, ice cream, probiotics, and formula milk for overseas market.

In terms of structural reforms, we are seeking to rebuild the organization with a focus on optimizing the value chain as a whole to improve product development and sales capabilities, as well as expanding facilities for yogurt and ice cream categories where production capacity constraints are causing opportunity losses, and increasing production efficiency through reorganization of production structures.

In terms of organizational culture reforms, we will further raise awareness of the cost of capital by introducing ROIC as a new target, and strengthen initiatives to enhance return on capital. As well as promoting initiatives to build an energetic team with professional skills and diversity, we have set new targets for employee engagement ratings as a pre-financial (non-financial) indicator that leads to future financial value.

With regard to cash allocation and shareholder returns, in addition to concentrating resources in Growth Areas, we will use interest-bearing liabilities to optimize capital structure* and enhance shareholder returns to reduce the cost of capital. We will raise the dividend payout ratio target to 40% and conduct flexible acquisitions of treasury shares, depending on the situation. ¥10 billion in acquisitions and cancellations of treasury shares were executed in the fiscal year ended March 2026.

* Optimal capital structure
- For the time being, we will aim for a "net interest-bearing liabilities / shareholders' equity" ratio of approximately 0.4 to 0.5 times (to be reviewed annually in line with the domestic and international environment)
- Optimize in stages over a medium- to long-term timeframe, taking into account future investment plans

Targets for the final fiscal year (FYE March 2029) of Medium-term Business Plan 2025–2028

	FYE Mar. 2025 actual results	FYE Mar. 2026 actual results	FYE March 2029 target
Consolidated net sales	¥561.2 billion	¥571.5 billion	¥630.0 billion
Consolidated operating profit	¥29.7 billion	¥34.5 billion	¥44.0 billion
Operating profit to net sales	5.3%	6.0%	7%
Global Business sales ratio	12.5%	15.3%	15%
ROE (profit / equity)	2.0%	8.4%	10%
ROIC (profit after tax / invested capital)	5.7%	6.3%	7%
Employee engagement rating	B	B	BBB

(2) Overview of the semi-annual financial position

Total assets at the end of the second quarter of the consolidated fiscal year under review increased by ¥30,185 million to ¥577,302 million compared to the end of the previous fiscal year. This was mainly due to an increase in cash and deposits.

Total liabilities were ¥287,997 million, up ¥20,630 million from the end of the previous fiscal year. This was mainly due to increases in commercial papers and long-term borrowings.

Net assets were ¥289,304 million, up ¥9,555 million from the end of the previous fiscal year. This was mainly attributable to an increase in retained earnings.

As a result, the equity-to-asset ratio was 49.2%, compared with 50.2% at the end of the previous fiscal year.

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

We have revised earnings forecasts and dividend forecasts for the fiscal year ended March 31, 2027. For details, refer to “Notice Regarding Revision to Earnings Forecasts and Dividend Forecasts” and “Financial Results Presentation for the First Half of the Fiscal Year Ending March 31, 2027,” which were released today (November 9, 2026).

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	26,059	40,034
Notes and accounts receivable–trade and contract assets	72,351	78,794
Merchandise and finished goods	65,372	65,567
Work in process	3,251	2,142
Raw materials and supplies	25,563	26,143
Other	13,066	15,100
Allowance for doubtful accounts	(360)	(403)
Total current assets	205,303	227,380
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	100,477	101,031
Machinery, equipment and vehicles, net	106,548	113,520
Land	51,231	51,232
Other, net	32,295	32,601
Total property, plant and equipment	290,553	298,386
Intangible assets		
Goodwill	383	380
Other	11,183	11,093
Total intangible assets	11,567	11,473
Investments and other assets		
Investment securities	21,419	20,930
Other	18,311	19,170
Allowance for doubtful accounts	(38)	(39)
Total investments and other assets	39,692	40,061
Total non-current assets	341,813	349,922
Total assets	547,116	577,302

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable–trade	54,792	56,557
Electronically recorded obligations–operating	1,667	1,881
Short-term borrowings	3,035	4,074
Current portion of long-term borrowings	4,346	5,683
Commercial papers	10,000	18,000
Current portion of bonds payable	—	10,000
Income taxes payable	4,156	7,672
Accrued expenses	38,732	38,605
Deposits received	15,216	15,749
Other	16,640	17,410
Total current liabilities	148,588	175,636
Non-current liabilities		
Bonds payable	70,000	60,000
Long-term borrowings	29,889	33,839
Retirement benefit liability	8,079	7,616
Other	10,810	10,905
Total non-current liabilities	118,778	112,360
Total liabilities	267,367	287,997
Net assets		
Shareholders' equity		
Share capital	21,821	21,821
Capital surplus	19,677	19,723
Retained earnings	225,292	234,189
Treasury shares	(15,248)	(15,183)
Total shareholders' equity	251,542	260,551
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,816	9,346
Deferred gains or losses on hedges	(0)	4
Foreign currency translation adjustment	12,073	12,741
Remeasurements of defined benefit plans	1,231	1,208
Total accumulated other comprehensive income	23,120	23,301
Share acquisition rights	91	82
Non-controlling interests	4,994	5,369
Total net assets	279,749	289,304
Total liabilities and net assets	547,116	577,302

(2) Semi-annual consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)
(April 1, 2026 – September 30, 2026)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	293,330	300,821
Cost of sales	219,460	225,969
Gross profit	73,869	74,852
Selling, general and administrative expenses	53,064	53,744
Operating profit	20,805	21,107
Non-operating income		
Interest income	98	256
Dividends income	879	726
Rental income from buildings	179	183
Share of profit of entities accounted for using equity method	92	256
Foreign exchange gains	849	—
Other	361	529
Total non-operating income	2,461	1,952
Non-operating expenses		
Interest expenses	636	810
Loss on valuation of derivatives	325	—
Foreign exchange losses	—	449
Other	354	594
Total non-operating expenses	1,316	1,854
Ordinary profit	21,949	21,205
Extraordinary income		
Gain on sales of non-current assets	76	124
Gain on sale of investment securities	224	293
Gain on termination of retirement benefit plan	2,215	—
Gain on sale of businesses	—	700
Gain on change in equity	—	320
Other	—	28
Total extraordinary income	2,516	1,468
Extraordinary losses		
Loss on disposal of non-current assets	175	327
Contributions to the public interest incorporated foundation Hikari Kyokai	860	820
Impairment losses	977	—
Rebuilding-related losses	509	—
Loss on business restructuring	—	695
Other	610	566
Total extraordinary losses	3,132	2,409
Profit before income taxes	21,333	20,264
Income taxes	6,649	6,265
Profit	14,683	13,998
Profit attributable to non-controlling interests	46	322
Profit attributable to owners of parent	14,637	13,675

(Consolidated statements of comprehensive income)
(April 1, 2026 – September 30, 2026)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	14,683	13,998
Other comprehensive income		
Valuation difference on available-for-sale securities	545	(466)
Deferred gains or losses on hedges	116	21
Foreign currency translation adjustment	247	792
Remeasurements of defined benefit plans, net of tax	(3,072)	(22)
Share of other comprehensive income of entities accounted for using equity method	(1)	(35)
Total other comprehensive income	(2,165)	289
Comprehensive income	12,518	14,287
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,655	13,856
Comprehensive income attributable to non-controlling interests	(137)	431

(3) Notes regarding the semi-annual consolidated financial statements

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

(Notes on significant changes in the amount of shareholders' equity)
Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
In accordance with a resolution of the Board of Directors taken on May 13, 2025, the Company acquired 1,771,000 treasury shares. As a result of this and other factors, treasury shares increased by ¥5,753 million during the first six months of the fiscal year, leading to treasury shares of ¥21,104 million as of September 30, 2025.

Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
No items to report.

(Application of special accounting for preparing semi-annual 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, 2027, including this first six months of the fiscal year under review after accounting for the tax effects, and multiplies profit before income taxes during the first six months of the fiscal year ending March 31, 2027 by said estimated effective tax rate.