Morinaga Milk Industry Co., Ltd.
Financial Results Presentation for the First Half of the Fiscal Year Ending March 31, 2027

November 9, 2026

(Announced information on November 9, 2026)

1. Overview of the First Half of the FYE March 2027 Financial Results
2. Outlook of Financial Results for FYE March 2027
3. Progress report and update on Medium-term Business Plan 2025–2028
4. Dialogue with Capital Market, Toward Further Increases in Corporate Value

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Today's Agenda

- Record high profit for 1H results (overseas exceeded plans, domestic profit decreased)
- Full-year outlook revised up (overseas ↑↑ to record high profit, dividend forecast increased)
- Domestic business:
  Issues recognized, measures to improve recent performance, winning revenue in growth markets
  Streamlining and additional steps over medium to long term
- Global Business:
  Markets for whey protein, probiotics, other raw materials expanding, have expectations for future contribution
  Preconditions for earnings forecasts set out
- Update to Medium-term Business Plan 2025–2028 → plan to announce in May 2027
- Dialogue with capital markets, approach to increasing corporate value

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Preamble: Summary of Today's Presentation (Key Points of 1H results, Future Outlook)

1. Overview of FYE March 2027 1H results: Net sales ¥300.8 billion (+2.6% YoY), OP ¥21.1 billion (+1.5% YoY)
   Higher revenue and profit (record high profit), growth in Global Business (MILEI, probiotics, etc.), profit decline in domestic business (impact of weather, etc.)
   - OP ¥21.1 billion (+¥0.3 billion YoY, +¥1.1 billion vs. target), record high. Global business contributed significantly (+¥4.5 billion YoY), accounted for 54% of Group profit
     Domestic business: ¥9.8 billion (-¥4.2 billion YoY, ±¥0.0 billion vs. target). Profit significantly declined. Significant impact from higher costs arising from Middle East situation. While volume of some products exceeded those of the same period last year, impact of unseasonable weather reduced sales volume and efficiency. Nevertheless, in line with targets thanks to ongoing initiatives such as controlling manufacturing costs and administrative expenses, etc., product mix improvements, and price revisions
     Global Business: ¥11.3 billion (+¥4.5 billion YoY, +¥1.1 billion vs. target). Significant profit increase, overshot targets. Significant contribution from MILEI GmbH driven by whey prices remaining high. Probiotics and formula milk revenue increases continued, overshot targets. Improvements at the US subsidiary, etc. Weaker yen had an effect.
2. Forecasts for FYE March 2027: Net sales ¥590.0 billion (+3.2% YoY), OP ¥39.0 billion (+13.1% YoY)
   Upward revision (forecasting record high profit), Global Business revised up, domestic revised down, dividend forecast revised up
   - Net sales ¥590.0 billion (+3.2% YoY, ¥10.0 billion vs. target), OP ¥39.0 billion (+¥4.5 billion YoY, +¥5.0 billion vs. target)
     Dividend forecast ¥25 → ¥28 (Plan increase in year-end dividend of 3 yen)
     Domestic business: ¥13.0 billion (-¥4.5 billion YoY, -¥0.8 billion vs. target). Higher costs due to the increased impact of the Middle East situation and other factors, and continued decline of volume in 1H, resulted in cut to 2H targets despite efforts to improve product mix, control costs, and implement price revisions, etc. Concentrating sales promotions on Growth Segments
     Global Business: ¥26.0 billion (+¥9.0 billion YoY, +¥5.8 billion vs. target). For MILEI, have factored in sustained strength in whey market, progress in price revisions. Although some Whey Protein Concentrates (WPCs) trending downward recently, expected to remain high until start of next fiscal year. Probiotics sales expanding, contributions from other subsidiaries projected to be larger than previously thought. Will account for about 70% of Group profit
   - Net profit forecast to rise (¥21.0 billion → ¥23.0 billion) → Dividend forecast revised up (¥25 → ¥28)
3. Progress report and update on Medium-term Business Plan 2025–2028 (p.17–p.19)
   - Progressing growth strategy, structural reforms; additional status being taken
4. Dialogue with Capital Market, Toward Further Increases in Corporate Value (p.20–p.22)
   - Dialogue with capital markets, IR activities
   - Shareholder returns, expansion of shareholder benefits

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Overview of the First Half of the FYE March 2027 Financial Results

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Financial Results for 1H of FYE March 2027: Summary

(Unit: billion yen)

	FYE Mar. 2026 1H	FYE Mar. 2027 1H	Year-on-year change	Year on year	Change from target
Net sales	293.3	**300.8**	+7.5	+2.6%	+0.8
Operating profit	20.8	**21.1**	+0.3	+1.5%	+1.1
Ordinary profit	21.9	**21.2**	-0.7	-3.4%	+0.7
Profit attributable to owners of parent	14.6	**13.7**	-1.0	-6.6%	-0.3
Operating profit to net sales	7.1%	**7.0%**			
Global Business sales ratio	13.4%	**17.3%**			

(Unit: yen)

Exchange rate at the end of quarter* (applied to results of overseas subsidiaries)	FYE Mar. 2026 2Q	FYE Mar. 2026 full year	FYE Mar. 2027 1Q	FYE Mar. 2027 2Q
USD	144.6	156.2	159.7	**161.9**
EUR	169.5	183.8	183.3	**184.6**

*Cumulative results for overseas subsidiaries from the start of the fiscal year are converted into yen at the exchange rates obtaining at the end of their respective quarters. (The above "FYE Mar. 2027 2Q" refers to the end of June 2026.)

■ **OP ¥21.1 billion (+¥1.1 billion vs. target), overshot target, record high**
Global Business expanded (+¥1.1 billion vs. target), domestic business profit declined (±¥0.0 billion vs. target)

Global Business saw profit increase of ¥4.5 billion (+¥1.1 billion vs. target), driven mainly by rising whey protein demand and higher unit prices at MILEI. Steady performance at other overseas subsidiaries and probiotics and formula milk exports. Improvements at U.S. subsidiaries also contributed. Weaker yen also had an effect.

On the other hand, domestic business suffered larger impact from higher raw material costs, including impact of Middle East situation. While volume of some products exceeded those of the same period last year, ice cream and other products undershot targets due to unseasonable weather. But despite lower sales volume and worsening logistics efficiency, price revisions, product mix improvements, control of expenses, and other initiatives kept profit decrease to planned level of -¥4.2 billion (±¥0.0 billion vs. target). Despite volume decline taking place directly after price revisions, categories other than ice cream came in more or less in line with plans, with sales situation in line with 1Q trend.

Supplementary information regarding ordinary profit
- Non-operating expenses (income):
  YoY change in foreign exchange gains and losses of -¥1.3 billion, etc.

Supplementary information regarding profit attributable to owners of parent
- Extraordinary losses: Increase in structural reform expenses, such as loss on disposal of non-current assets and loss on business restructuring (-¥1.0 billion in total)

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Financial Results for 1H of FYE March 2027: Summary (Domestic/Global)

(Unit: billion yen)

	Net sales				Operating profit (operating profit to net sales)			
	FYE Mar. 2026 1H	FYE Mar. 2027 1H	Year on year	Change from target (%)	FYE Mar. 2026 1H	FYE Mar. 2027 1H	Year-on-year change	Change from target
Domestic business*	253.9	**248.9**	-2.0%	+0.4%	14.0 (5.5%)	**9.8** (3.9%)	-4.2	±0.0
Global Business	39.4	**52.0**	+31.9%	-0.5%	6.8 (17.4%)	**11.3** (21.8%)	+4.5	+1.1
Total	293.3	**300.8**	+2.6%	+0.3%	20.8 (7.1%)	**21.1** (7.0%)	+0.3	+1.1

(Unit: billion yen)

	Net sales		Operating profit (operating profit to net sales)	
	FYE Mar. 2027 2Q (July–Sept.)	Year on year	FYE Mar. 2027 2Q (July–Sept.)	Year-on-year change
Domestic business*	**126.3**	-2.7%	**5.0** (4.0%)	-3.0
Global Business	**27.4**	+38.3%	**6.1** (22.3%)	+2.2
Total	**153.7**	+2.7%	**11.1** (7.2%)	-0.8

*Domestic business calculated as total for whole company, minus Global Business

- Domestic business (OP ¥9.8 billion, -¥4.2 billion YoY, ±¥0.0 billion vs. target)

  Higher raw material, operational, and other costs, including effects of Middle East situation, together with decrease in sales volume, led to significant profit decline. Despite larger than expected negative factors, such as impact of unseasonable summer weather on ice cream and other products, higher raw material costs, and worsening logistics efficiency, initiatives for product mix improvements in such Core Areas as beverages, as well as initiatives for streamlining and control of manufacturing costs and administrative expenses, etc., brought results in on plan (±¥0 billion vs. target)
  In Growth Areas, “Bifidus yogurt” and “PARTHENO” maintained double-digit growth, which together with other factors led to yogurt expanding (+11%), but despite this there was a greater impact from higher costs, and ice cream volumes fell considerably. In Mainstay Segments, Core Areas where price revisions were implemented (beverages, cheese, etc.) saw revenue growth in line with plans, but milk and other products recorded significant decrease in revenue in continuation of 1Q. Nurturing areas posted higher revenue and profit

- Global Business (OP ¥11.3 billion, +¥4.5 billion YoY, +¥1.1 billion vs. target)

  At MILEI, selling unit prices increased against the background of whey protein prices that rose and remained high, resulting in higher revenue and profit and driving the increase in profit for the Global Business as a whole. Other overseas subsidiaries also contributed. Formula milk in Pakistan also expanded, driven mainly by locally manufactured products. Driven mainly by overseas demand, probiotics recorded a revenue increase of 39% for Japan and overseas combined. Strategic Transformation Areas in the U.S. business went into the black in 1H. Weaker yen also had an effect (impact of conversion to yen).

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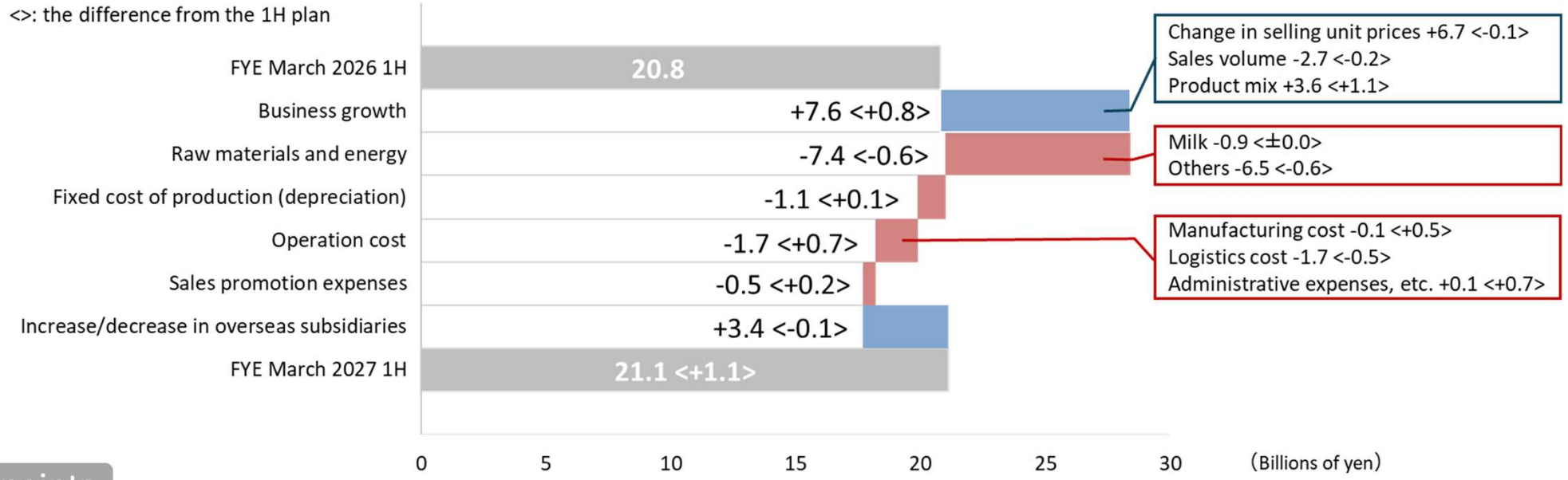
Financial Results for 1H of FYE March 2027: Factors Attributable to Increases and Decreases in Operating Profit



Key points

- Change in selling unit prices: Effect of unexpired months from price revisions in previous year, price revisions implemented in August and September (yogurt, ice cream, milk, beverages, B-to-B commercial dairy products, etc.)
- Sales volume: Negative impact, centered on milk, ice cream, etc.
- Product mix: Growth in high value-added products, such as probiotics. Product mix improvements mainly in beverages, cheese, and other Core Area products. Impact of package volume changes, etc.
- Raw materials / Energy: Higher costs for packaging materials and energy arising from Middle East situation. Other costs such as coffee, chocolate, imported dairy ingredients also rising
- Operation cost: Despite worsening logistics cost efficiency, initiatives for streamlining and control of manufacturing costs and administrative expenses, etc. contributed relative to plan
- Increase/decrease in overseas subsidiaries: In addition to impact of profit increase at MILEI, overseas subsidiaries in Pakistan, U.S., and Vietnam contributed to higher profit. Effect of weak yen

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Domestic 1H Sales Situation: Impacted by High Costs and Unseasonable Weather, Despite Growth in Yogurt and Beverages

(Unit: billion yen)

Domestic 1H net sales by category		FYE Mar. 2027 1H	Year on year	Change from target (%)
Growth Segments				
Growth Areas	**Yogurt**	**31.9**	**+11%**	**+1%**
	Ice cream	**27.3**	**-10%**	**-5%**
Mainstay Segments(Core, Fundamental, Strategic Transformation)				
Core Areas	**Beverages**	**30.2**	**+4%**	**+1%**
	Cheese	13.0	+1%	+1%
	Nutritional food products	7.4	+7%	+6%
	CLINICO	13.8	+3%	+1%
Fundamental Areas	**Milk**	**17.2**	**-20%**	**-1%**
	B-to-B (excluding domestic probiotics)	43.1	+1%	±0%
Strategic Transformation Areas	**Chilled desserts**	3.8	-2%	+1%
	Commercial milk (Home deliveries, etc.)	6.7	-16%	-1%

■ Key points

Growth Areas

- "Bifidus yogurt," "PARTHENO" production capacity expanded, recorded double-digit revenue growth. "MOW" performed well. Volume rose
- Ice cream heavily affected by unseasonable weather, restricted number of products to prioritize maintaining stable operating rates on new production line
- Middle East situation drove increases in plastic packaging and other raw material costs that hit yogurt early on, reducing profits even as sales grew
- Profitability improved after implementing price revisions in August and September

Core Areas

- Revenue growth in line with forecasts. In the beverage category, "Mt. RAINIER CAFFÈ LATTE" expanded, decrease in volume following price revision was in line with plan
- Early increases in raw materials costs

Fundamental Areas

- Although consolidation or paper pack lines and reduction in PB milk were in line with plans, decline caused by package volume changes was greater than expected

Strategic Transformation Areas

- Shifted resources to Growth Areas (20% reduction in commercial milk sales headcount, integration of chilled dessert R&D organization into that of yogurt, etc.)

■ Looking ahead

Expect easing of significant 1H effects of unseasonable weather and early impact of higher costs, etc.
Striving to maintain and raise volumes after price revisions. On the other hand, costs still increasing, so considering additional price revisions.

Continue to efficiently commit costs, control expenses, and improve product mix, etc.

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Outlook of Financial Results for FYE March 2027

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Outlook for Financial Results for FYE March 2027

Revised forecasts

(Unit: billion yen)

	FYE Mar. 2026 full year	FYE Mar. 2027 full year target	Year-on-year change	Year on year	Vs. previous forecast
Net sales	571.5	**590.0**	+18.5	+3.2%	**+10.0**
Operating profit	34.5	**39.0**	+4.5	+13.1%	**+5.0**
Ordinary profit	37.1	**39.3**	+2.2	+5.9%	**+4.3**
Profit attributable to owners of parent	22.6	**23.0**	+0.4	+1.8%	**+2.0**
Operating profit to net sales	6.0%	**6.6%**			
Global Business sales ratio	15.3%	**19.6%**			
ROE (profit / equity capital)	8.4%	**8.2%**			
ROIC (NOPAT / invested capital)	6.3%	**6.6%**			
Annual dividend per share / Payout ratio	25 yen* 36.2%	**28 yen*** **39.3%**			

(Unit: billion yen)

	FYE Mar. 2026 2H	FYE Mar. 2027 2H target	Year-on-year change	Year on year	Vs. previous forecast
Net sales	278.1	**289.2**	+11.1	+4.0%	**+9.2**
Operating profit	13.7	**17.9**	+4.2	+30.9%	**+3.9**
Ordinary profit	15.2	**18.1**	+2.9	+19.3%	**+3.6**
Profit attributable to owners of parent	8.0	**9.3**	+1.4	+17.1%	**+2.3**

(Unit: yen)

Exchange rate at the end of quarter** (applied to results of overseas subsidiaries)	FYE Mar. 2027 2Q	FYE Mar. 2027 full year (previous forecast)	FYE Mar. 2027 full year (revised target)
USD	161.9	160.0	**160.0**
EUR	184.6	185.0	**180.0**

■ **Revised upwards. OP ¥39.0 billion (vs. previous targets: +¥1.1 billion in 1H, +¥3.9 billion in 2H). Growth in Global Business to result in record high profit**

– Global Business: Sustained high prices for MILEI's whey protein in association with market conditions and progress in price revisions already factored in. Based on market conditions and sales contract prices as of end September, earnings forecasts now reflect assumption that significant year-on-year increase in selling unit prices will continue until the end of the fiscal year (December for overseas subsidiaries). Although some whey protein prices have been trending downward recently, MILEI's performance expected to remain strong until the beginning of the next fiscal year. Forecasts sales growth for probiotics, anticipate exceeding the previous forecast in results of other subsidiaries. Operating profit forecast revised up by ¥5.8 billion. Yen exchange rate applied to earnings of overseas subsidiaries assumed to be higher at end of fiscal year than in 2Q

– Domestic business: Raw material, energy, and logistics costs increased, which together with lower sales volume drove decrease in operating profit forecast of ¥0.8 billion. Working on product mix improvements, controlling and improving efficiency of various expenses, maintaining and growing sales volumes after price revisions. Considering additional price revisions

* Figures reflect 1:4 stock split implemented on July 1, 2026. Annual dividend per share for FYE March 2026 is calculated on assumption that the stock split had already taken place.

** Cumulative results for overseas subsidiaries from the start of the fiscal year are converted into yen at the exchange rates obtaining at the end of their respective quarters.

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Outlook for Financial Results for FYE March 2027

Revised forecasts

(Unit: billion yen)

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(Unit: yen)

Exchange rate at the end of quarter** (applied to results of overseas subsidiaries)	FYE Mar. 2027 2Q	FYE Mar. 2027 full year (previous forecast)	FYE Mar. 2027 full year (revised target)
USD	161.9	160.0	**160.0**
EUR	184.6	185.0	**180.0**

■ **Ordinary profit, profit: Expect foreign exchange loss to be posted and additional items to be recorded, such as extraordinary losses associated with streamlining**

– Non-operating expenses (income): Revised year-end foreign exchange rate outlook towards stronger yen, foreign exchange loss of approx. ¥0.8 billion vs. target factored in (FYE Mar. 2026: foreign exchange gains ¥2.4 billion)

– Profit: Expect impact of approx. ¥5 billion reflecting extraordinary loss, etc. from consolidation of manufacturing and sales locations as part of domestic structural reforms, such as additional loss on disposal of facilities (impact of approx. -¥0.5 billion vs. 2H plan) in preparation for stopping production at HIROSHIMA MORINAGA MILK INDUSTRY CO., LTD. at end March 2027

■ **Dividend forecast revised up by ¥3 per share (annual dividend ¥28, year-end dividend ¥16), which would be 11th consecutive term of dividend increases**

– Interim dividend: ¥12 vs. previous forecast of ¥12 (unchanged)

– Year-end dividend: ¥16 vs. previous forecast of ¥13 (upward revision of ¥3)

*Figures reflect 1:4 stock split implemented on July 1, 2026. Annual dividend per share for FYE March 2026 is calculated on assumption that the stock split had already taken place.

** Cumulative results for overseas subsidiaries from the start of the fiscal year are converted into yen at the exchange rates obtaining at the end of their respective quarters.

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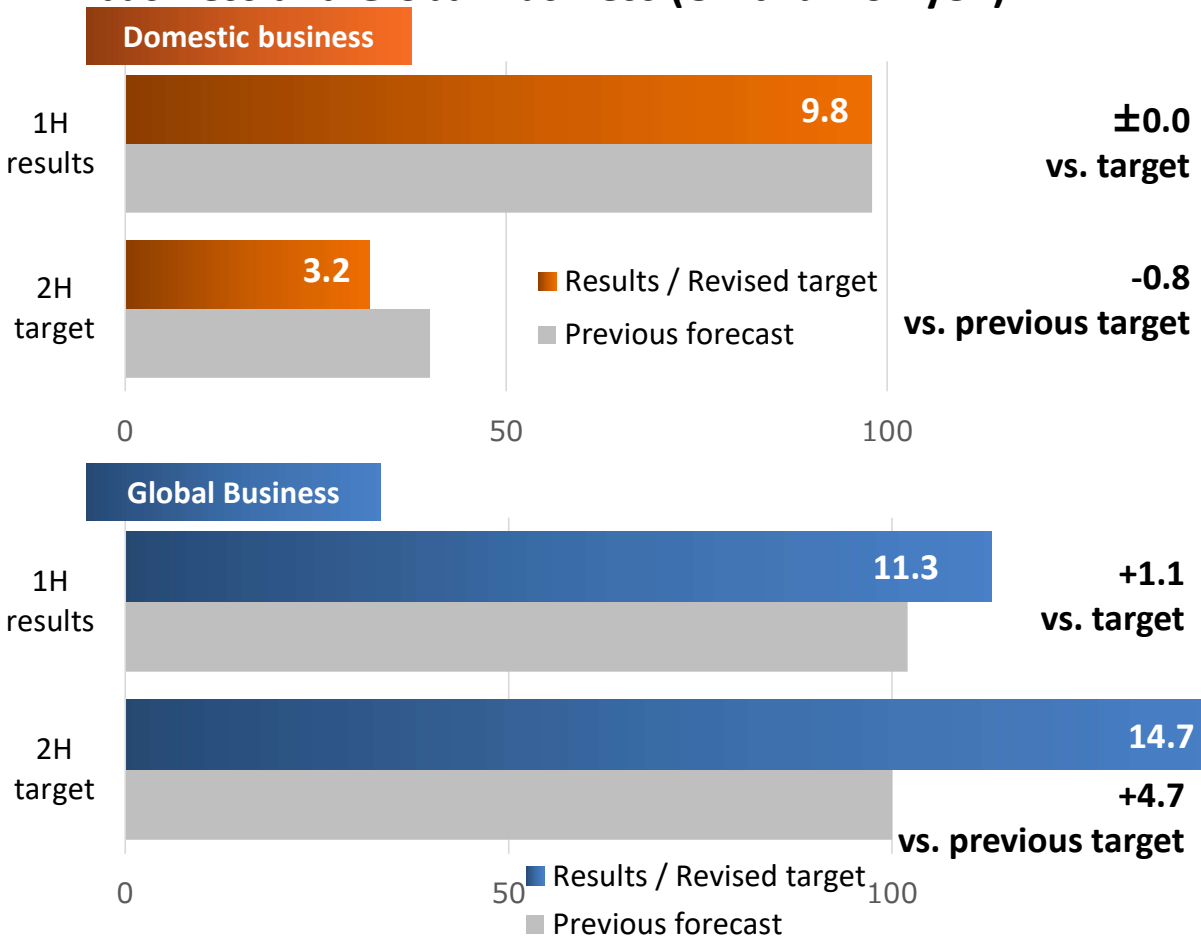
Revised forecasts

Details of Revision to Operating Profit Target: Significant Hike to Global Business in 2H

Results and forecasts of operating profit for domestic business and Global Business (Unit: billion yen)



Key points

- Rising costs for raw material and energy, lower sales volumes caused by unseasonable summer weather. Nevertheless, came in at planned level thanks to ongoing initiatives to product mix improvements and control sales promotion expenses and other costs following decline in volumes
- Expect increases in packaging and other raw material and energy costs, as well as logistics costs, and revised down outlook for sales volume following price revisions in August and September. In continuation of 1H, intend to improve product mix, control sales promotion expenses and other costs, and implement streamlining. Additional price revisions under consideration

- Steady performance relative to targets, centered on probiotics and formula milk. Significant contribution to earnings from MILEI, driven by whey market conditions improving and rising selling prices. Steady progress also being made by U.S. and Vietnam businesses

- Progress in price revisions at MILEI already factored in, leading to upward revision. Based on market conditions and sales contract prices as of end September, assume that significant year-on-year increase in selling unit prices will continue until the end of its fiscal year (December). Although some whey protein markets have been trending downward recently, MILEI's performance expected to be strong until the beginning of the next fiscal year. Foreign exchange shifting more toward stronger yen than previously assumed (e.g. ¥185/€→¥180/€), will be negative factor for 2H targets, including impact of 1H results substitution

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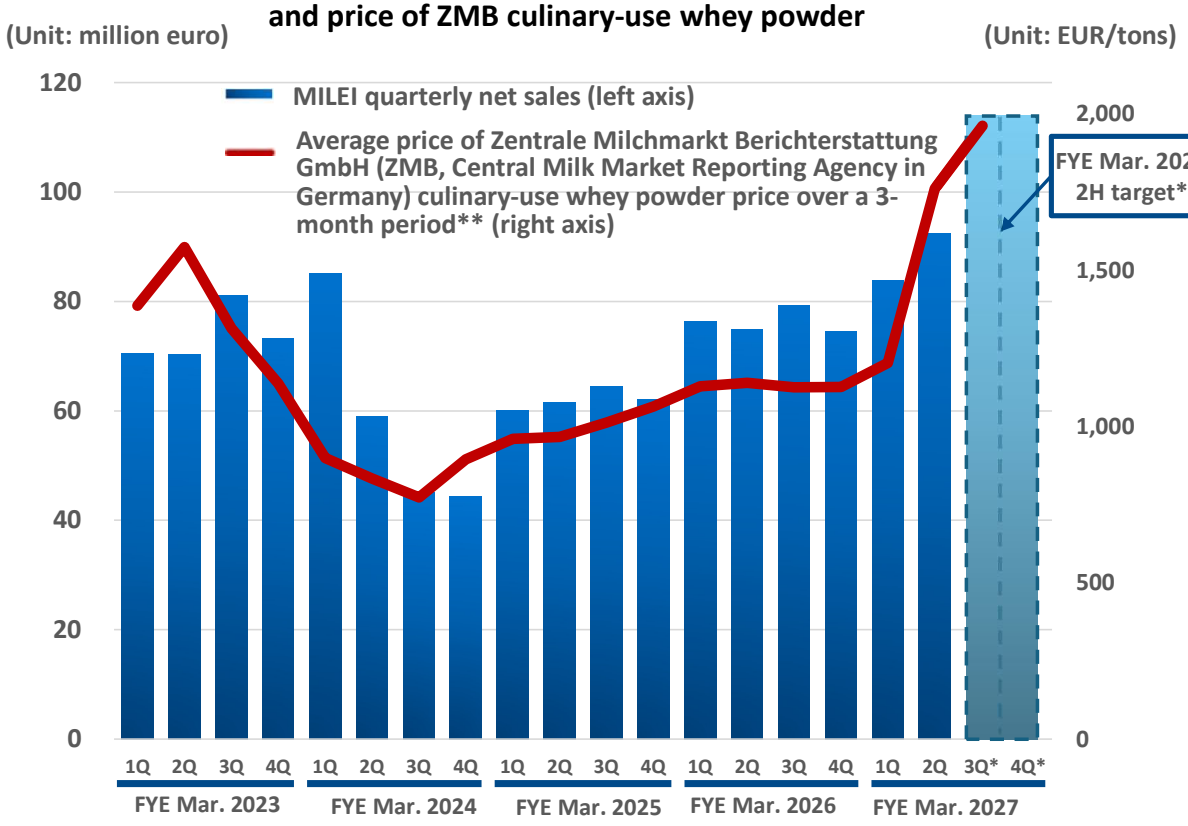
MILEI: Effect of Rising Whey Prices to Increase in 2H FYE March 2027

Comparison of change in MILEI quarterly net sales and price of ZMB culinary-use whey powder



*3Q and 4Q FYE March 2027 represent the splitting into quarters of the total figure for the company's 2H month forecast

**Source: Zentrale Milchmarkt Berichterstattung GmbH (ZMB, Central Milk Market Reporting Agency in Germany) culinary-use whey powder. Average prices over a three-month period calculated by Morinaga Milk

Situation until now

- Prices for German culinary-use whey powder (Indicators of raw whey material procurement price at MILEI) moves in response to raw milk production and changing demand for whey protein. In recent years, rising health awareness and interest in protein intake has pushed up demand for protein products. Due to demand driven by growth in the market for GLP-1 receptor agonists and other factors, since the start of 2026 in particular the whey protein market has soared and remains at historically high levels
- MILEI has also implemented price revisions in response to changes in demand for the protein products that constitute its mainstay lines. While prices lag slightly behind price changes for culinary-use whey powder, they move in the same direction

Outlook and action plan going forward

- **MILEI earnings**: Based on market conditions and sales contract prices as of end September, we have **revised up the outlook for selling unit prices until the end of its fiscal year (December). Selling prices in 3Q and beyond have risen, and we expect earnings to remain at a high level until the beginning of the next fiscal year**
- **Whey protein market price**: Some prices have fallen recently due to expanded production in the U.S. and other factors, and outlook remains uncertain, including the possibility of a sharp reaction. **Over the medium to long term, market to move in the direction of steady expansion**
- **PM improvements: Capturing demand for whey protein substitutes, such as milk protein.** Increasing the value-add component of each product
- **Plans to increase production**: Intend to raise procurement volume of whey raw material **from the end of 2027 onwards**. **Moving to increase whey product production by approximately 30%**

MILEI's competitive advantages

- Entering into long-term partnerships with local cheese manufacturers and other suppliers of raw materials primarily in the south of Germany, securing stable sources of high-quality ingredients. Achieving shift to high value-added products through the manufacture and sale of mainly raw materials for formula milk, which requires stable supply of high-quality products. A stable business base constructed through partnerships with a history spanning more than fifty years, and product expansion into more than sixty countries

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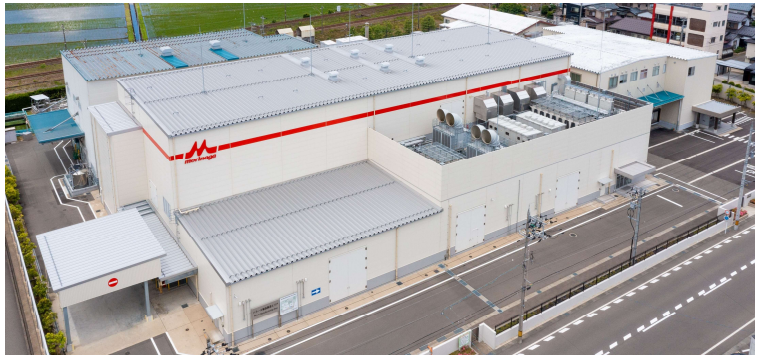
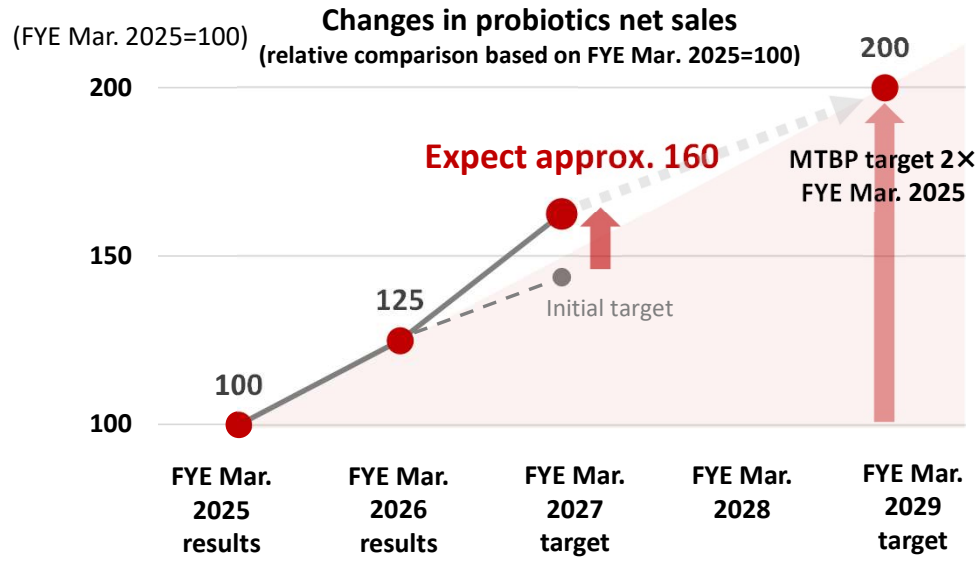
Probiotics Business: Expanding More Rapidly Than Forecast This Fiscal Year

■ Probiotics Business: 1H sales grew 39%, mainly to overseas destinations. Expecting 30% growth in revenue for full year
Steady progress towards MTBP target of doubling sales relative to those of FYE March 2025 (Increase of around 60% in FYE Mar. 2027 vs. FYE Mar. 2025)

- Steady growth in shipments to manufacturers in Europe, the U.S., China, and elsewhere. Continued expansion of raw materials used for both formula milk and supplement
- Looking ahead to continued expansion, have made decision to invest in facilities at Fukui Plant of MORINAGA-HOKURIKU MILK INDUSTRY CO., LTD. (see release of October 1, 2026)
  - Planned investment amount: Approx. ¥2.0 billion
  - Planned start of operation: January 2029
  - **Production capacity: Approximately 250 tons per year for the Morinaga Milk Group as a whole (approximately 1.3 times the current production capacity)**



↑Fukui Plant of MORINAGA-HOKURIKU MILK INDUSTRY CO., LTD.



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Overseas B-to-C Subsidiaries: Steady Growth and Improvement

■ Pakistan (NutriCo Morinaga): Formula milk sales expanding, driven mainly by locally manufactured products

- 1H revenue up 30% (local currency basis). Expanding sales, driven mostly by locally manufactured new products (launched in September 2025)
- Strong sales of locally manufactured products have expanded the customer base. Continued purchases are progressing in line with the growth stage, and further expansion is expected

■ U.S. Turtle Island Foods (TIF): Consolidation of plants and continuous cost improvements resulted in consecutive monthly profits, showing steady recovery

- Reduced number of plants from 2 to 1, controlling fixed costs through reductions, improving profit through price revisions TIF improved profitability through headcount reductions and fixed cost control resulting from the integration of its two factories, old and new, as well as through price revisions.
- “Tofurky” has maintained a strong customer base and leveraged its brand strength to expand its market share (10.5% in 2023 → 16.0% in 2026). *Research by Morinaga Milk
- Thanks to TIF's improved performance, the U.S. business is expected to achieve a full-year profit this fiscal year

■ Improving business structure of Vietnam business, which is the Nurturing Area, through enhanced brand awareness and strengthened organizational structure

- Morinaga Nutritional Foods Vietnam (MNFV): “M” brand logo adopted for all products, strengthening corporate branding initiatives
- Implemented reforms to our sales organization, and sales of own brand products are progressing steadily. 1H revenue up 11% (local currency basis)



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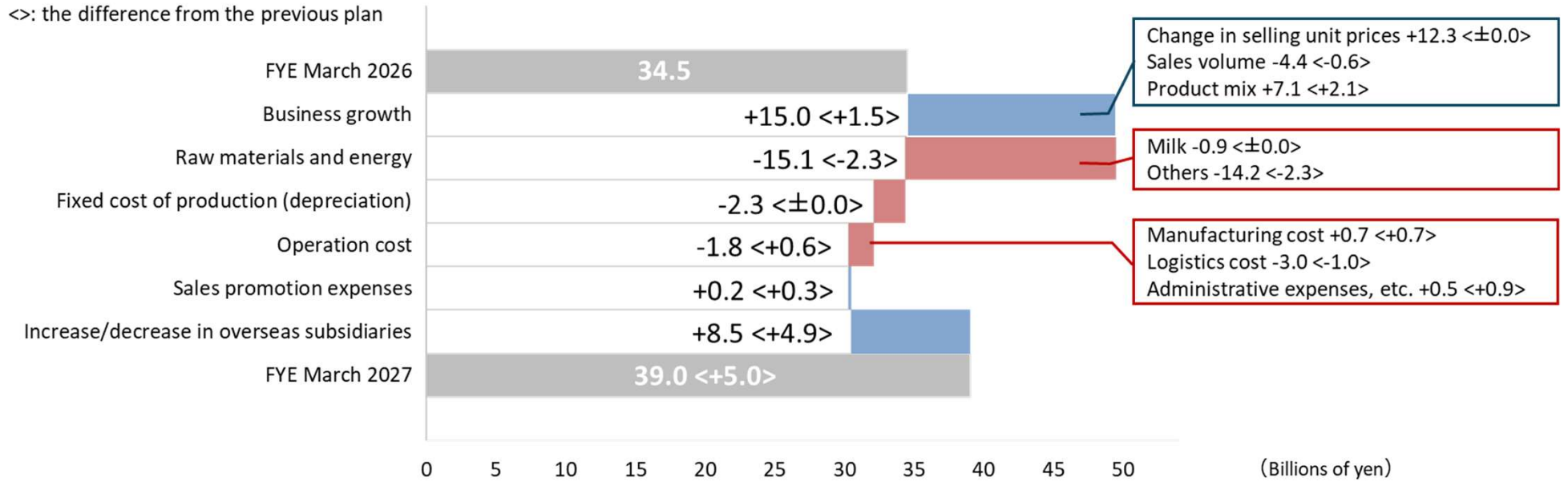
Outlook for Financial Results for FYE March 2027: Factors Attributable to Increases and Decreases in Operating Profit

Revised forecasts



Key points

- Sales volume: Significant impact from 1H decline in volumes. Despite impact of price revisions and assumption of continued negative movement in volumes for milk, etc. in 2H, ice cream to flip to volume growth
- Product mix: Growth in high value-added products, such as probiotics. Product mix improvements to continue in domestic business. Impact of package volume changes, etc.
- Raw materials / Energy: Impact of higher costs, centered on packaging and energy, expected to be greater than initially assumed
- Operation cost: Seek to control manufacturing, administrative, and other costs and implement streamlining in continuation of 1H. Logistics costs worsened due to factors such as rising unit prices and decreased loading efficiency resulting from reduced sales volume, etc.
- Sales promotion expenses: Working to further improve efficiency by committing costs and concentrating assets through focus and prioritization
- Increase/decrease in overseas subsidiaries: Progress in price revisions at MILEI already factored in, leading to significant upward revision of 2H. Other overseas subsidiaries performing steadily. Negative contribution from impact of stronger yen

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Progress report and update on Medium-term Business Plan 2025–2028

1. Overview of the First Half of the FYE March 2027 Financial Results
2. Outlook of Financial Results for FYE March 2027
3. Progress report and update on Medium-term Business Plan 2025–2028
4. Dialogue with Capital Market, Toward Further Increases in Corporate Value

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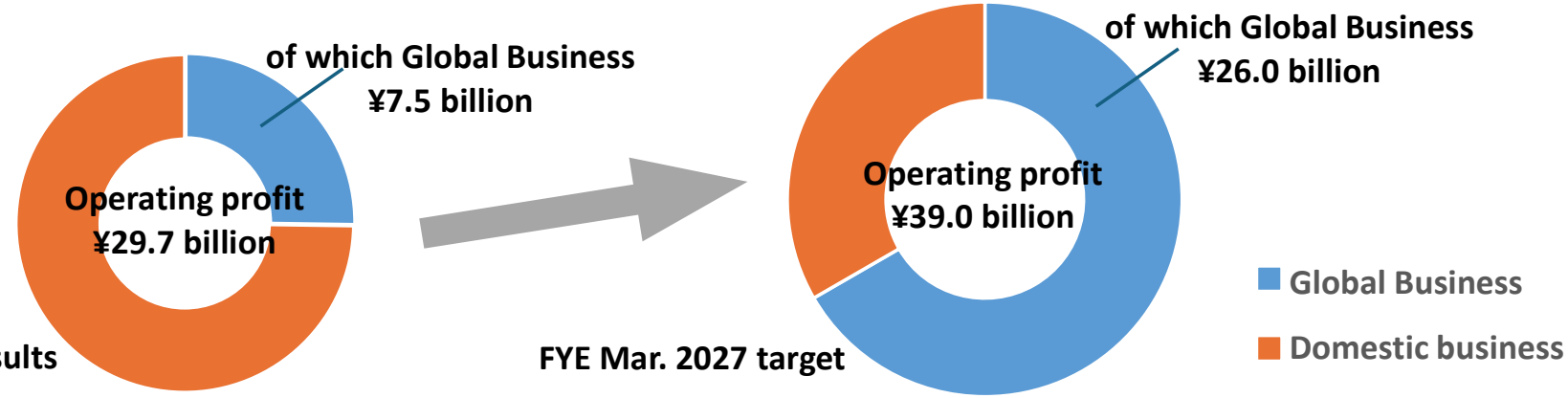
Progress report and update on Medium-term Business Plan 2025–2028

■ Intend to update Medium-term Business Plan (May 2027)

Details are currently under consideration in preparation for announcement at full-year results (May 2027). Plan to make revisions, including numerical targets, based on the following points, etc.

- Growth in whey protein demand, which have significantly exceeded assumptions at the time the MTBP was formulated, and MILEI's contribution to results
- Steady progress made in other parts of the Global Business, such as probiotics and formula milk in Pakistan
- Addressing the impact of increased costs due to the Middle East situation on the domestic business environment, as well as the decline in sales volume, are pressing issues.
- Accelerating structural reform measures. In addition to ¥5-billion streamlining in the initial plan, executing additional initiatives
- Updating cash allocation through such measures as revisions to investment plans and reconsideration of uses

Profit composition of Global Business has changed considerably since MTBP was formulated



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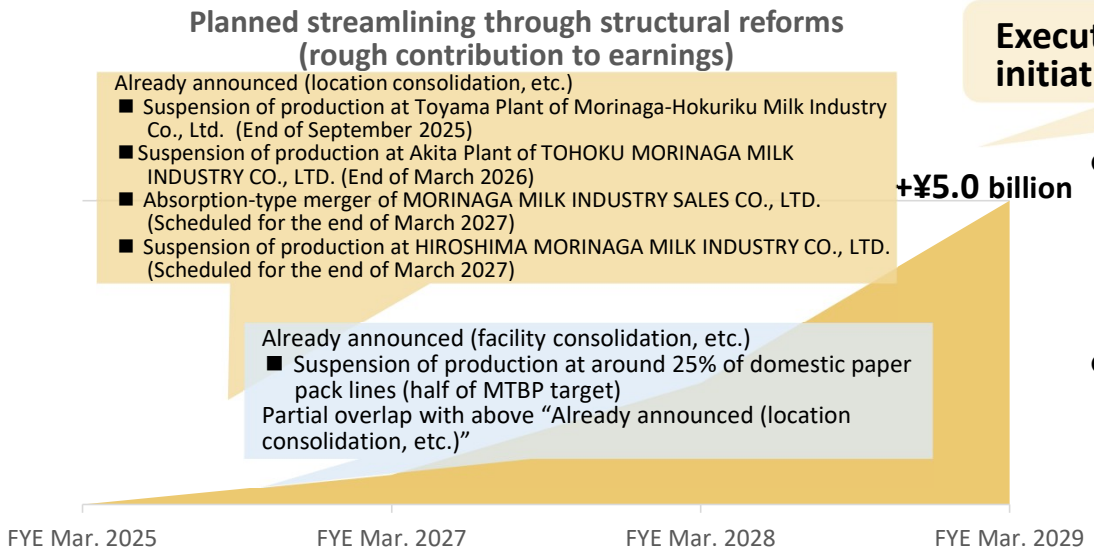
Progress report and update on Medium-term Business Plan 2025–2028

■ Executing domestic structural reform and streamlining initiatives one after the other. Also implementing additional measures

Newly executed initiatives, decision-making

- **Decision taken to expand consolidation of number of production sites from 20% to 30% by FYE March 2033.** Continue to consider additional measures
- Sales offices consolidated (closing Chiba, Kyoto, etc. offices in FYE March 2027) *Closed Minami Kinki, Matsuyama, others in FYE March 2026
- Shifted resources from strategic Transformation Areas to Growth Areas (Examples of executed initiatives: 20% reduction in commercial milk sales headcount, integration of chilled dessert R&D organization into that of yogurt)



Executing structural reform and streamlining initiatives in accordance with initial plans

- Investigating and implementing additional streamlining initiatives, including structural reforms such as slimming down the head office organization in the domestic business, and will announce them together with the update to the Medium-term Business Plan
- Tackling improvements to the domestic business from both sides of business growth, centered on Growth Areas (yogurt, ice cream) where manufacturing capacity increases against a background of strong demand have driven progress in resolving opportunity losses

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Dialogue with Capital Market, Toward Further Increases in Corporate Value

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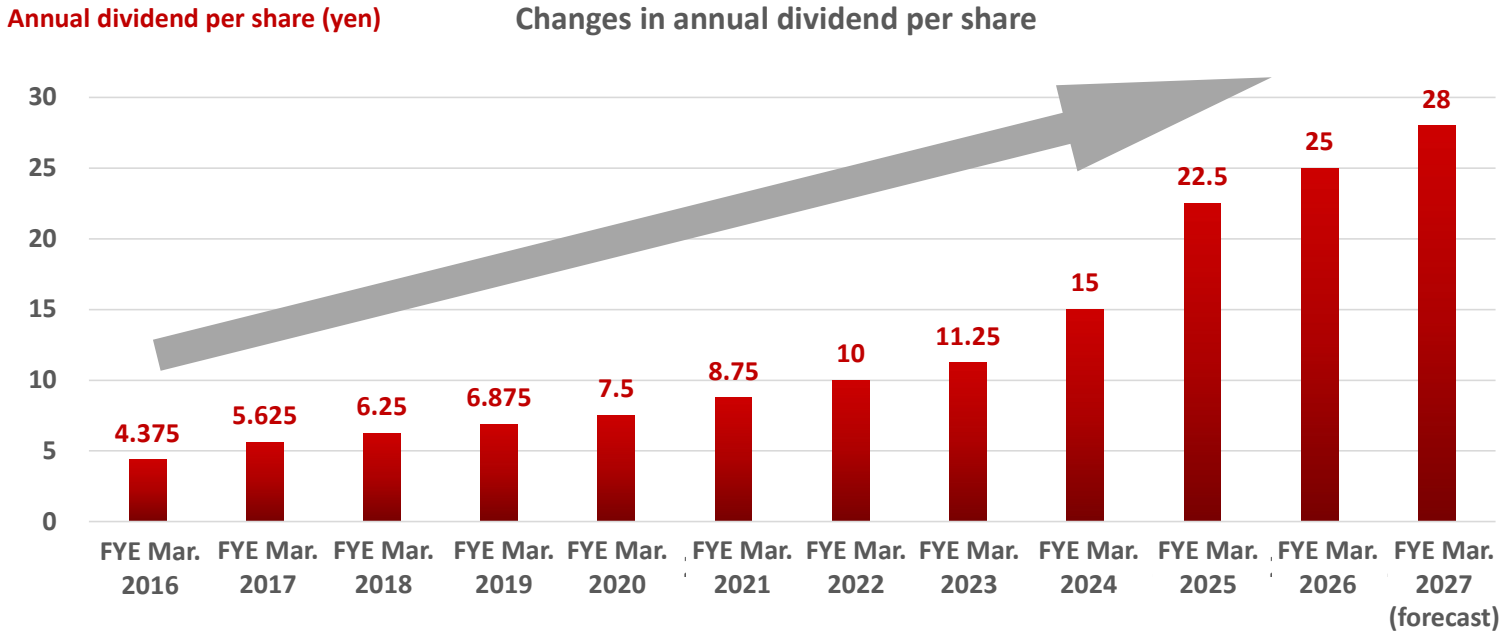
Dialogue with Capital Market, Toward Further Increases in Corporate Value

■ Raised dividend forecast, which would be 11th consecutive year of increases (3-yen increase → annual 28 yen, Fiscal year-end 16 yen)



Dividend payout ratio target in Medium-term Business Plan 2025–2028: 40%
(Basic policy on dividends: achieve stable dividends over the long term)

* The Company conducted one-for-five common share consolidation as of October 1, 2017. Executed stock split at ratio of 2 shares for every 1 share of common stock on December 1, 2023. Executed stock split at ratio of 4 shares for every 1 share of common stock on July 1, 2026.
Annual dividend per share calculated on assumption that above-mentioned adjustments were made at beginning of fiscal year ended March 31, 2016.

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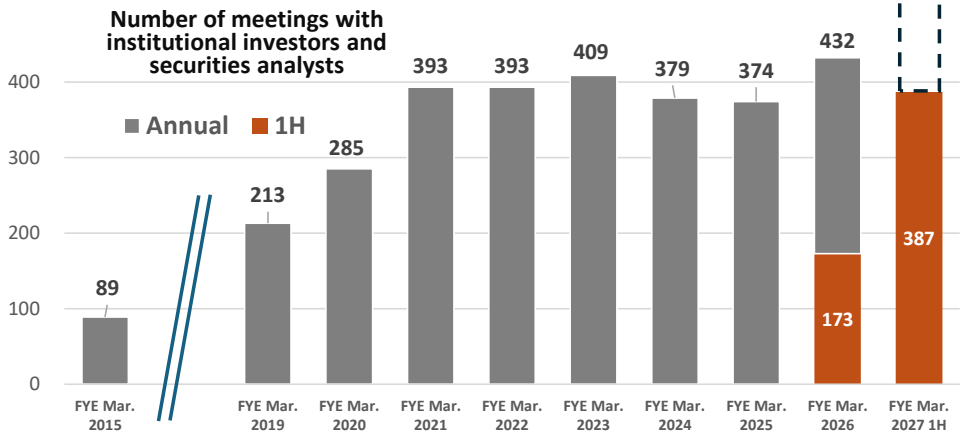
Dialogue with Capital Market, Toward Further Increases in Corporate Value

■ Significant increase in frequency of IR dialogue with capital markets from previous 2H onward
(FYE March 2026 1H: 173 ⇒ **FYE March 2027 1H: 387**)

Key themes of dialogue, opinions received, etc.

- MILEI, growth in demand for whey protein, impact on earnings
  Lack of clarity on assumptions about market conditions factored into company forecasts → P.12, 13
- Outlook for production increases at MILEI, etc. → P.13
- Enhanced disclosure for Global Business (especially MILEI)
- Features of probiotics and their growth potential → P.14
- Impact from higher costs arising from Middle East situation, status of price revision implementation
- Challenging sales situation in Japan, fixed-cost reductions, structural reforms → P.19



■ Stock split implemented (1:4) in July 2026. Enhanced shareholder incentive program announced in August 2026

Roughly 80% increase in number of shareholders

(from 28,575 on March 31, 2026, to **51,849 as of September 30, 2026**)

Even more shareholders and investors than previously have shown interest in the Company

- We will continue proactive communication with capital markets
- Strengthening activities aimed at individual shareholders and investors



Representative illustration of incentives for those holding at least 1,000 shares
*Contents of shareholder incentive goods are subject to change

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Appendix

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(Reference) Financial Results for 1H of FYE March 2027: Summary by Segment

(Unit: billion yen)

	Net sales				Operating profit (operating profit to net sales)			
	FYE Mar. 2026 1H	FYE Mar. 2027 1H	Year on year	Change from target (%)	FYE Mar. 2026 1H	FYE Mar. 2027 1H	Year-on-year change	Change from target
Growth Segments	65.5	**71.4**	+9.1%	-2.5%	8.7 (13.3%)	**8.6** (12.1%)	±0.0	-0.5
Mainstay Segments (Core, Fundamental, Strategic transformation)	180.0	**186.2**	+3.4%	-1.6%	10.7 (5.9%)	**10.9** (5.9%)	+0.2	+2.0
Nurturing/Other Segments	47.9	**43.2**	-9.8%	+15.3%	1.4 (3.0%)	**1.6** (3.6%)	+0.1	-0.3
Total	293.3	**300.8**	+2.6%	+0.3%	20.8 (7.1%)	**21.1** (7.0%)	+0.3	+1.1

(Unit: billion yen)

Net sales		Operating profit (operating profit to net sales)	
FYE Mar. 2027 2Q (July–Sept.)	Year on year	FYE Mar. 2027 2Q (July–Sept.)	Year-on-year change
37.0	+11.0%	**4.4** (11.9%)	-0.3
95.1	+5.9%	**5.9** (6.2%)	-0.3
21.6	-18.5%	**0.9** (4.0%)	-0.3
153.7	+2.7%	**11.1** (7.2%)	-0.8

- **Growth Segments (operating profit ¥8.6 billion, ±¥0.0 billion YoY, -¥0.5 billion vs. target)**
  In Growth Areas, overseas categories, such as probiotics, and formula milk mainly in NutriCo Morinaga (Pakistan), drove significant increase in revenue and substantial contribution to profit. Conversely, although yogurt recorded an 11% increase in revenue, centered on “Bifidus” and “PARTHENO,” increases in plastic packaging costs and other factors pushed down profit, with ice cream also recording lower revenue and profit due to the considerable impact of unseasonable summer weather, leading to domestic categories suffering a major decline in profit, but profit for Growth Segments as a whole was at the same level as the previous year. Raw material and operational costs rose, with higher depreciation on manufacturing lines caused by consolidation of resources for the future also becoming a negative profit factor
- **Mainstay Segments (operating profit ¥10.9 billion, +¥0.2 billion YoY, +¥2.0 billion vs. target)**
  At MILEI, higher selling unit prices drove significantly higher revenue and profit against background of soaring market for whey protein. On the other hand, ongoing major declines in milk and other products that have continued from start of fiscal year in Japan, together with impact of rising raw material and energy costs arising from the Middle East situation that gathered pace in 2Q, led to significant reduction in profit. However, relative to plan, beverages, cheese, nutritional food products, etc. overshot targets, with positive effects from product mix improvements, etc. Initiatives to control manufacturing, administrative and other costs also contributed (difference from target due to large budget allocation ratio). Differences in target due to elimination for Global business, etc.
- **Nurturing/Other Segments (operating profit ¥1.6 billion, +¥0.1 billion YoY, -¥0.3 billion vs. target)**
  Nurturing Areas had positive impact on profit through supplement sales made via e-commerce channels. Own subsidiaries recorded higher revenue and lower profit.

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(Reference) Financial Results for 1H of FYE March 2027: Net Sales by Category

(Unit: billion yen)		FYE Mar. 2026 1H	FYE Mar. 2027 1H	Year on year
Growth Segment				
(Global)	Yogurt	28.7	**31.9**	+11%
	Ice cream	30.2	**27.3**	-10%
	NutriCo Morinaga (Pakistan)	3.9 PKR 7.6 billion	**5.7** PKR **9.8** billion	+47% +30%
Nurturing/Other Segments				
(Global)	Morinaga Nutritional Foods Vietnam (Vietnam)	2.1 VND 374.6 billion	**2.6** VND **417.6** billion	+26% +11%

(Unit: billion yen)		FYE Mar. 2026 1H	FYE Mar. 2027 1H	Year on year
Mainstay Segment (Core, Fundamental, Strategic Transformation)				
(Global)	Beverages	29.1	**30.2**	+4%
	Cheese	12.8	**13.0**	+1%
	Nutritional food products	6.9	**7.4**	+7%
	CLINICO	13.5	**13.8**	+3%
	MILEI (Germany)	25.6 EUR 151 million	**32.6** EUR **176** million	+27% +17%
	Milk	21.6	**17.2**	-20%
	B-to-B (excluding domestic probiotics)	42.9	**43.1**	+1%
	Chilled desserts	3.9	**3.8**	-2%
	Commercial milk (Home deliveries, etc.)	8.0	**6.7**	-16%
(Global)	Morinaga Nutritional Foods (U.S., including TIF)	3.8 USD 26 million	**4.9** USD **30** million	+27% +13%

Key points

- Implementation status of main price revisions/package volume changes Nutritional food products (May 2025); cheese (July 2025); milk, yogurt, chilled desserts, etc. (August 2025); ice cream (September 2025, February–March 2026); yogurt, beverages, chilled desserts, etc. (August 2026); ice cream, cheese, nutritional food products, etc. (September 2026); B-to-B commercial dairy products
- Ice cream, etc.: Significant impact of unseasonable weather
- Milk, commercial milk (home deliveries, etc.): Implemented production line reorganizations, changes in package volume (March 2026)

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(Reference) Outlook for Financial Results for FYE March 2027: Target Sales and Operating Profit (Domestic/Global)

Revised forecasts

(Unit: billion yen)

	2H target							
	Net sales				Operating profit (operating profit to net sales)			
	FYE Mar. 2026	FYE Mar. 2027	Year on year	Vs. previous forecast	FYE Mar. 2026	FYE Mar. 2027	Year-on-year change	Vs. previous forecast
Domestic business*	230.1	**225.7**	-1.9%	-5.7	3.5 (1.5%)	**3.2** (1.4%)	-0.3	**-0.8**
Global Business	48.1	**63.5**	+32.1%	+14.8	10.2 (21.1%)	**14.7** (23.1%)	+4.5	**+4.7**
Total	278.1	**289.2**	+4.0%	+9.2	13.7 (4.9%)	**17.9** (6.2%)	+4.2	**+3.9**

(Unit: billion yen)

	Full-year target							
	Net sales				Operating profit (operating profit to net sales)			
	FYE Mar. 2026	FYE Mar. 2027	Year on year	Vs. previous forecast	FYE Mar. 2026	FYE Mar. 2027	Year-on-year change	Vs. previous forecast
Domestic business*	484.0	**474.6**	-1.9%	-4.6	17.5 (3.6%)	**13.0** (2.7%)	-4.5	**-0.8**
Global Business	87.5	**115.4**	+32.0%	+14.6	17.0 (19.4%)	**26.0** (22.5%)	+9.0	**+5.8**
Total	571.5	**590.0**	+3.2%	+10.0	34.5 (6.0%)	**39.0** (6.6%)	+4.5	**+5.0**

*Domestic business calculated as total for whole company, minus Global Business

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(Reference) Outlook for Financial Results for FYE March 2027: Target Sales and Operating Profit for Each Segments

Revised forecasts

(Unit: billion yen)

	2H target								Full-year target							
	Net sales				Operating profit (operating profit to net sales)				Net sales				Operating profit (operating profit to net sales)			
	FYE Mar. 2026	FYE Mar. 2027	Year on year	Vs. previous forecast	FYE Mar. 2026	FYE Mar. 2027	Year-on-year change	Vs. previous forecast	FYE Mar. 2026	FYE Mar. 2027	Year on year	Vs. previous forecast	FYE Mar. 2026	FYE Mar. 2027	Year-on-year change	Vs. previous forecast
Growth Segments	59.1	**67.0**	+13.5%	+3.7	3.9 (6.6%)	**4.2** (6.3%)	+0.3	**-1.2**	124.5	**138.5**	+11.2%	+1.9	12.6 (10.1%)	**12.9** (9.3%)	+0.3	**-1.7**
Mainstay Segments (Core, Fundamental, Strategic transformation)	185.0	**188.9**	+2.1%	+2.7	9.3 (5.1%)	**13.3** (7.1%)	+4.0	**+5.5**	365.0	**375.1**	+2.8%	-0.4	20.0 (5.5%)	**24.2** (6.5%)	+4.2	**+7.4**
Nurturing/Other Segments	34.1	**33.2**	-2.5%	+2.8	0.4 (1.2%)	**0.4** (1.1%)	-0.1	**-0.4**	82.0	**76.4**	-6.8%	+8.5	1.9 (2.3%)	**1.9** (2.5%)	+0.1	**-0.7**
Total	278.1	**289.2**	+4.0%	+9.2	13.7 (4.9%)	**17.9** (6.2%)	+4.2	**+3.9**	571.5	**590.0**	+3.2%	+10.0	34.5 (6.0%)	**39.0** (6.6%)	+4.5	**+5.0**

■ Growth Segments

Forecasting increase in 2H/full-year profit, mainly for overseas categories where performance has been strong (probiotics, formula milk). Main factors driving variance from previous operating profit forecasts are domestic yogurt and ice cream. Packaging and other raw material and energy costs are expected to rise more than initially assumed. Although working to improve efficiency of sales promotion expenses, etc., for domestic business as a whole, will concentrate resources in Growth Areas. Start of facilities operation caused increase in depreciation burden

■ Mainstay Segments

Progress in price revisions at MILEI already factored in, leading to significant upward revision to 2H operating profit forecast. Despite assumption that domestic categories in 2H will see lower profit caused by higher raw material, energy, and logistics costs, as well as volume decline in milk and other products, expect to see positive effects of price revisions implemented in 1H, cost control initiatives, and product mix improvements, etc.

■ Nurturing/Other Segments

Operating profit is projected to be flat year on year. Revisions to forecasts centered on outlook for own subsidiaries

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Revised forecasts

(Reference) Outlook for Financial Results for FYE March 2027:Target Sales by Category

(Unit: billion yen)

FYE March 2027 target		Net sales					
		FYE Mar. 2027 full-year target	Year on year	Vs. previous forecast	FYE Mar. 2027 full-year target	Year on year	Vs. previous forecast
Growth Segment							
	Yogurt	**30.9**	+6%	**+0.1**	**62.8**	+9%	**+0.5**
	Ice cream	**19.4**	+10%	**+1.5**	**46.7**	-3%	**-0.1**
(Global)	NutriCo Morinaga (Pakistan)	**5.9**	+19%	**+0.4**	**11.6**	+31%	**+0.5**
Mainstay Segment (Core, Fundamental)							
	Beverages	**25.0**	+2%	**+0.4**	**55.3**	+3%	**+0.7**
	Cheese	**13.3**	±0%	**+0.2**	**26.3**	+1%	**+0.3**
	Nutritional food products	**7.3**	+7%	**+0.1**	**14.7**	+7%	**+0.5**
	CLINICO	**14.3**	+6%	**+0.1**	**28.1**	+4%	**+0.2**
(Global)	MILEI (Germany)	**40.0**	+31%	**+10.2**	**72.5**	+29%	**+10.5**
	Milk	**15.8**	-19%	**-0.1**	**33.0**	-20%	**-0.3**
	B-to-B (excluding domestic probiotics)	**43.4**	+1%	**-0.4**	**86.5**	+1%	**-0.4**

Key points

- Implementation status of price revisions and volume changes: ice cream (February–March 2026); beverages, yogurt, chilled desserts (August); Ice cream, cheese, infant formula (September); B-to-B commercial dairy products
- Ice cream: New lines at Kobe Plant (FYE March 2027: “PARM” and “Pino”)
- MILEI: Whey protein market price continues to exceed initial expectations

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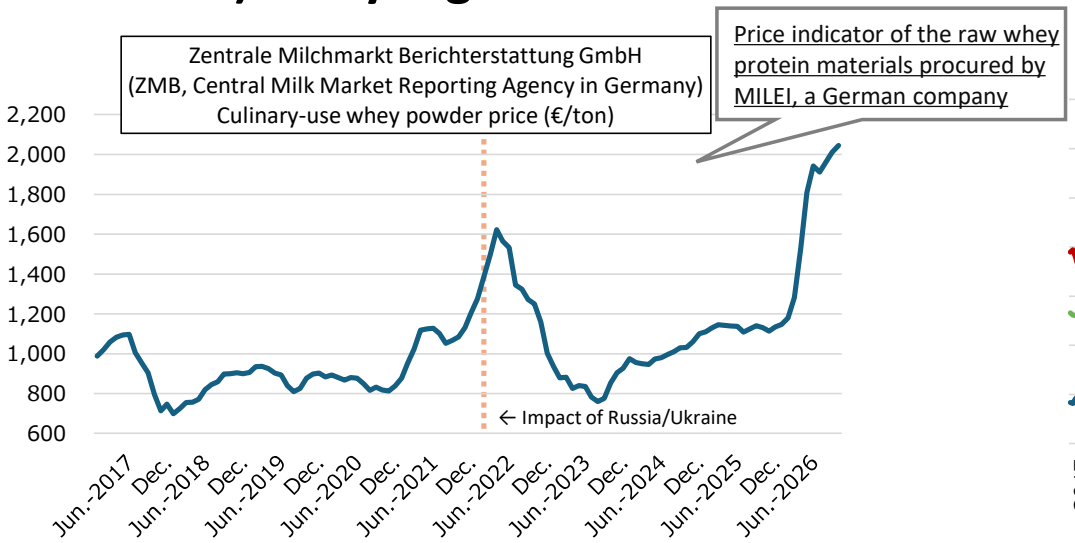
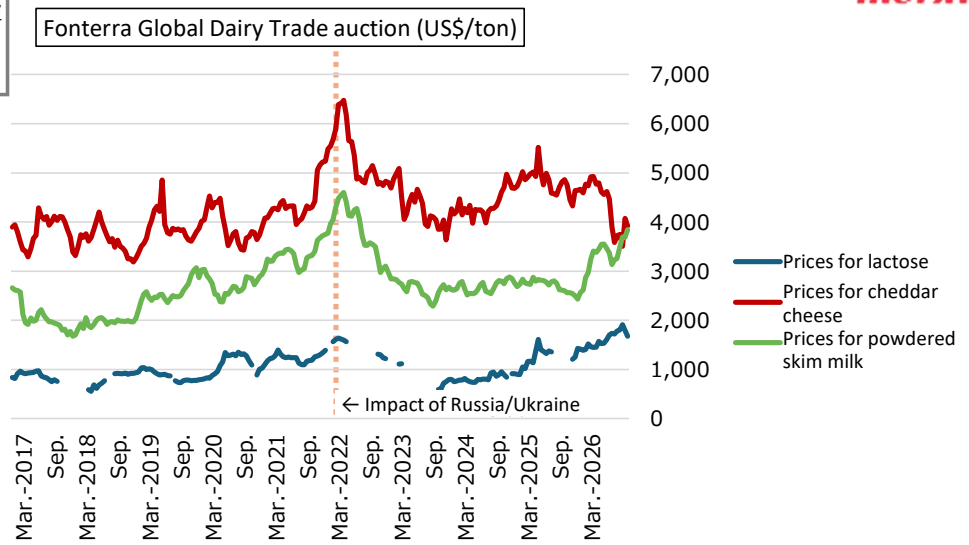
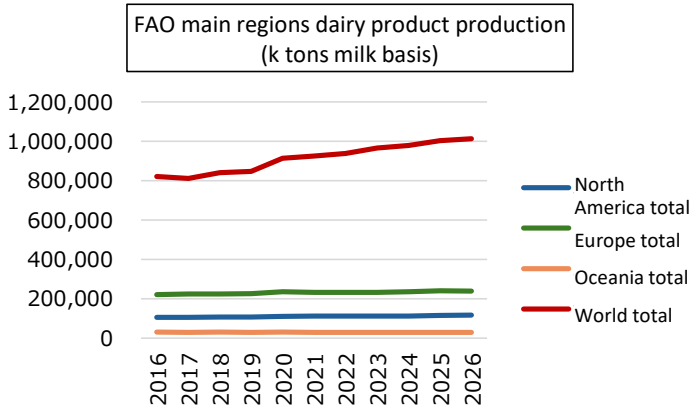
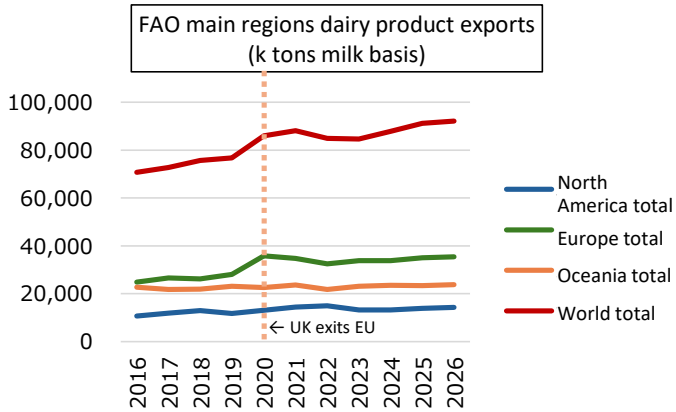
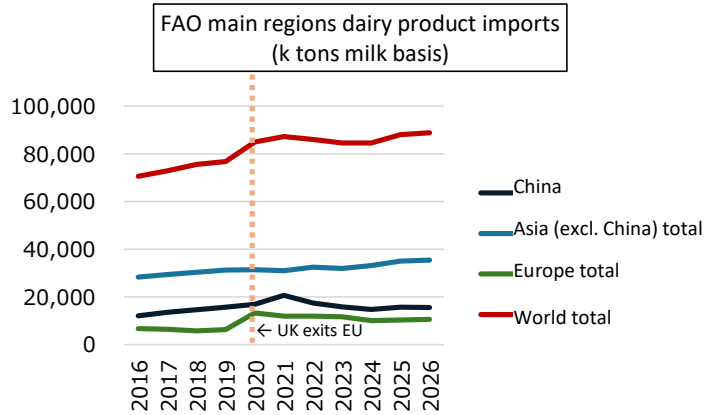
(Reference) Dairy Ingredient Market Data











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, FAO “Food Outlook” (main regions dairy product production, exports, and imports) *Trade between EU member countries excluded, 2025 figures are forecasts, “Asia (excluding China)” calculated by Morinaga Milk

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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

Medium-term Business Plan 2025–2028

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

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Cautionary Note Regarding Business Forecasts

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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