



Morinaga Milk Industry Co., Ltd.
Financial Results Presentation for
the First Quarter of the Fiscal Year
Ending March 31, 2026

August 8, 2025

1. Overview of the First Quarter of the FYE March 2026 Financial Results
2. Outlook of Financial Results for FYE March 2026

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Financial Results for 1Q of FYE March 2026: Summary



(Unit: billion yen)

	FYE Mar. 2025 1Q	FYE Mar. 2026 1Q	Year-on- year change	Year on year
Net sales	140.6	143.7	+3.0	+2.2%
Operating profit	8.5	8.8	+0.4	+4.3%
Ordinary profit	9.6	9.5	-0.0	-0.3%
Profit attributable to owners of parent	5.3	6.9	+1.6	+30.1%
Operating profit to net sales	6.0%	6.1%		

- Supplementary information on ordinary profit
 - Non-operating income: Foreign exchange gains -¥0.6 billion YoY, etc.
- * Supplementary information on profit attributable to owners of parent
 - Extraordinary income: Gain on abolishment of retirement benefit plan ¥2.2 billion, etc.

■ 1Q of FYE March 2026 results: Operating profit ¥8.8 billion (+¥0.4 billion YoY) Steady progress consistent with first-half operating profit target

Lower profit in domestic business due to impact of volume for some categories, but managed to control costs
Strong performance by Global Business, driven primarily by MILEI, leading to higher profit

• Domestic business

Food demand environment has been challenging since summer 2024 due to soaring prices for rice, fresh food. Despite price revisions to combat increases in raw material, energy, and operational costs, results were below forecasts for yogurt, beverages, cheese, milk and others. Negative impact of lower volumes resulted in lower profit and undershoot of forecasts. Conversely, cost control, contribution from record heat in June, strong performance by ice cream and commercial dairy products led to overall results being in line with forecasts.

• Global Business (+¥2.0 billion YoY in 1Q, 1H forecast assumes +¥3.1 billion YoY)

Solid progress at MILEI, which generated significant profit growth in continuation of strong performance since 2H of previous fiscal year. Growth Segments of overseas probiotics for formula milk and supplements, and formula milk for Pakistan grew steadily, with overall progress ahead of forecasts.

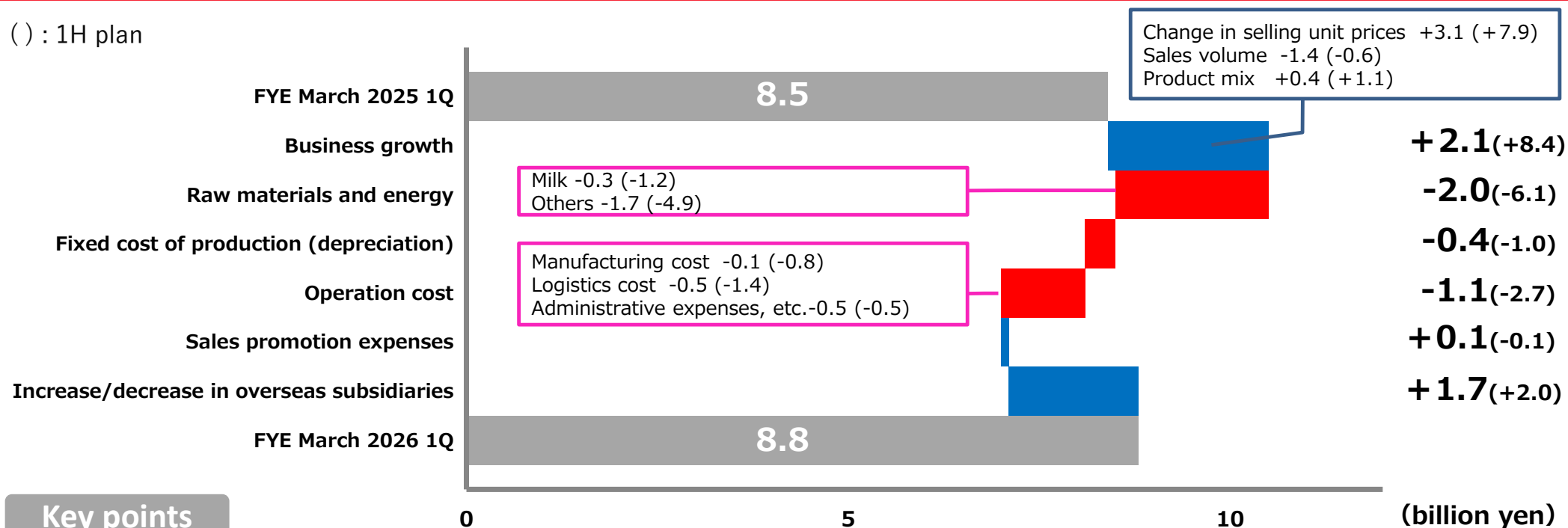
■ FYE March 2026 forecast: Forecasts for both first half and full year unchanged

Executing price revisions in Japan following milk price hikes in June/August as we work to achieve full-year operating profit forecast of ¥32.0 billion (+¥2.3 billion YoY) and respond to higher costs. Expanding in overseas growth areas (probiotics, formula milk), generating stable profit from continued strength in market conditions for MILEI.

Financial Results for 1Q of FYE March 2026: Factors Attributable to Increases and Decreases in Operating Profit



() : 1H plan



Key points

- Change in selling unit prices: Price revisions for beverages, yogurt, cheese, desserts, nutritional food products, etc. Contribution also from unexpired months for which price revisions were implemented in previous year.
- Sales volume: With exception of ice cream, commercial dairy products, and nutritional food products, etc., general domestic categories saw significant decline in volume versus forecasts.
- Raw material prices: Raw material milk costs increasing due to impact of milk price revisions in June, but in line with expectations. Costs under control despite increase in raw material/energy costs, due in part to impact of lower volumes.
- Fixed cost of production (depreciation): New production lines for ice cream started operation at Kobe Plant.
- Operation cost: Costs, mainly in production and logistics, under control relative to expectations despite increases.
- Increase/decrease in overseas subsidiaries: Significant profit growth driven primarily by MILEI, where performance has been strong since second half of previous fiscal year.

Financial Results for 1Q of FYE March 2026: Summary by Segment



(Unit: billion yen)

	Net sales			Operating profit (operating profit to net sales)		
	FYE Mar. 2025 1Q	FYE Mar. 2026 1Q	YoY	FYE Mar. 2025 1Q	FYE Mar. 2026 1Q	Year-on- year change
Growth Segments	30.6	32.1	+5.0%	4.5 (14.8%)	4.0 (12.6%)	-0.5
Mainstay Segments (Core, Fundamental, Strategic Transformation)	89.6	90.2	+0.7%	3.8 (4.2%)	4.5 (5.0%)	+0.7
Nurturing/Other Segments (Development/Unique & other/Eliminations, etc.)	20.5	21.4	+4.3%	0.1 (0.7%)	0.3 (1.5%)	+0.2
(Breakdown) Global Business	16.3	19.6	+19.8%	0.9 (5.6%)	2.9 (14.9%)	+2.0
Total	140.6	143.7	+2.2%	8.5 (6.0%)	8.8 (6.1%)	+0.4

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

	Growth areas	Core areas	Fundamental areas	Strategic Transformation areas	Nurturing areas
Domestic business	•Yogurt •Ice cream •Probiotics	•Beverages •Cheese •Nutritional food products •CLINICO •Functional ingredients	•Milk •Food service and institutional food products (dairy products)	•Chilled desserts •Commercial milk (home deliveries, etc.)	•Health food
Global Business	•Probiotics •Formula milk	•Milk ingredients (MILEI)		•PBF	•Vietnam

Most growth areas are in line with expectations, but yogurt is struggling. In mainstay segments, costs under control in Japan despite lower revenue, with MILEI acting as driver

■ Growth Segments

- Ice cream: Strong performance centered on “Pino,” “MOW,” for which new production lines have started operation. High temperatures in June provided additional tailwind. Increase in depreciation burden.
- Yogurt: Despite increase in revenue for “PARTHENO,” price revisions centered on “Bifidus” implemented in April. Struggling due partly to differences in price that have arisen relative to competitors.
- Probiotics: Strong performance overseas centered on shipments for formula milk, supplements. Despite delayed recovery in Japan, in line with expectations overall.
- NutriCo Morinaga (Pakistan): Formula milk performing steadily after business environment bottomed in second half of 2024.

■ Mainstay Segments

- MILEI: Continues to perform well against backdrop of improving market conditions for whey, making significant contribution to profit.
- Substantial declines in volume for some categories in Japan, but also seeing positive effect from price revision initiatives and cost control, profit more or less in line with expectations.

■ Nurturing/Other Segments

- Nurturing Areas performing in line with expectations
- Subsidiaries in other/Unique businesses contributing to profit

Financial Results for 1Q of FYE March 2026: Net Sales by Category



(Unit: billion yen)		FYE Mar. 2025 1Q	FYE Mar. 2026 1Q	YoY
Growth Segments				
	Yogurt	14.6	14.3	-2%
	Ice cream	12.9	13.4	+4%
(Global)	NutriCo Morinaga (Pakistan)	1.8	2.0	+8%
Nurturing/Other Segments				
(Global)	Morinaga Nutritional Foods Vietnam (Vietnam)	0.9	1.1	+33%

Key points

- Implementation status of price revisions
Beverages (March), yogurt, cheese, chilled desserts, etc. (April), nutritional food products (May)
- Ice cream: New lines at Kobe Plant started operation this fiscal year, putting in place structure for production increases

(Unit: billion yen)		FYE Mar. 2025 1Q	FYE Mar. 2026 1Q	YoY
Mainstay Segments (Core, Fundamental, Strategic transformation)				
	Beverages	14.7	13.8	-6%
	Cheese	6.7	6.4	-5%
	Nutritional food Products	3.3	3.5	+5%
	CLINICO Co., Ltd.	6.7	6.6	-1%
(Global)	MILEI (Germany)	9.8	12.4	+26%
	Milk	11.3	10.4	-8%
	B to B (excluding domestic probiotics)	20.2	21.4	+6%
	Chilled desserts	2.0	2.0	-4%
	Commercial milk (Home deliveries, etc.)	4.1	4.1	-1%
(Global)	Morinaga Nutritional Foods (U.S., including TIF)	2.2	2.1	-7%

2. Outlook of Financial Results for FYE March 2026

1. Overview of the First Quarter of the FYE March 2026 Financial Results
2. **Outlook of Financial Results for FYE March 2026**

Outlook of Financial Results for FYE March 2026: Key points



No change in initial forecast for first half, full year

- 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:
Impact of higher costs continuing. Implementing price revisions following milk price revisions from July onward.
Ice cream prices to be revised in September (announced in July).
While remaining concerned about volume declines, will work to expand high value-added products in the growth areas and strive to control costs to minimize negative impact.
- Global Business:
Expand growth areas 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.

Outlook of Financial Results for FYE March 2026

No plan revision



(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%	<div>Key points</div> <ul style="list-style-type: none"> ➤ 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 					
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%						

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

No plan revision



(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 segments	68.1	+6.8%	127.5	+7.7%	9.6 (14.1%)	+0.2	15.1 (11.8%)	+1.3
Mainstay segments (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)

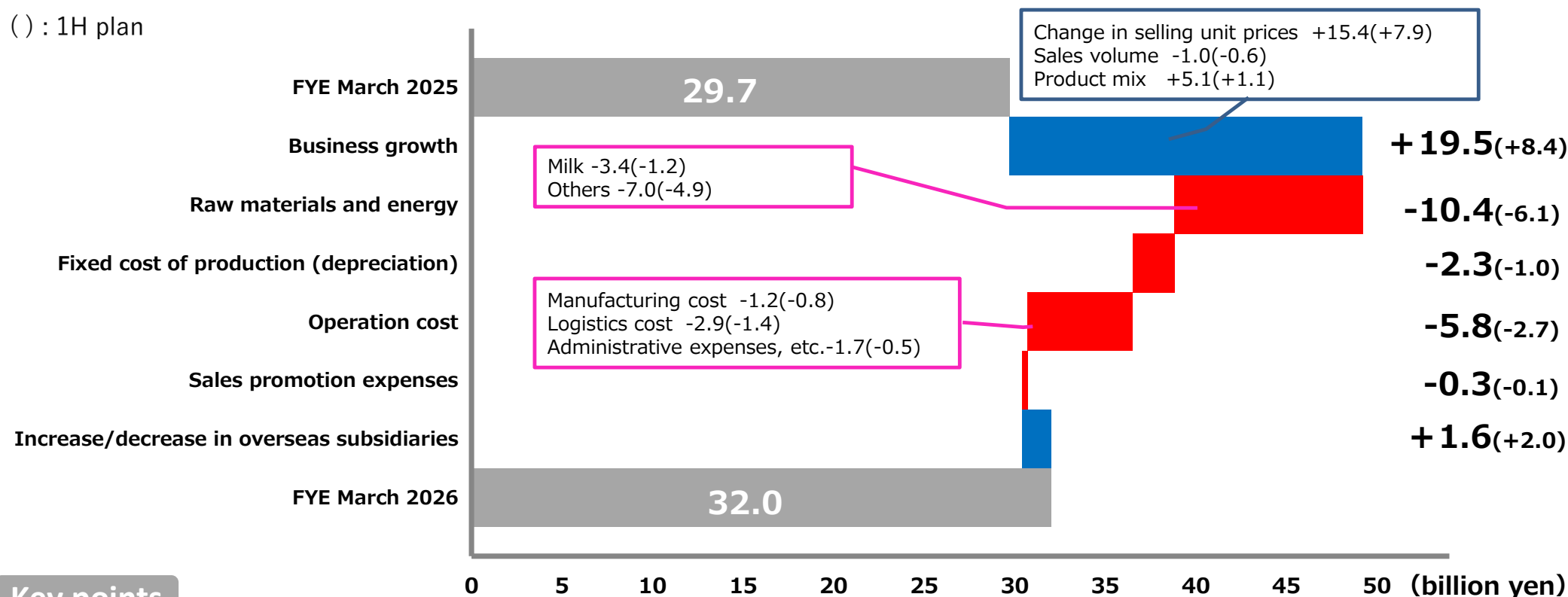
	Growth areas	Core areas	Dairy business foundation areas	Transitional areas	Nurturing areas
Domestic business	•Yogurt •Ice cream •Probiotics	•Beverages •Cheese •Nutritional food products (Infant formula, etc.) •CLINICO •Functional ingredients (lactoferrin, etc.)	•Milk •Food service and institutional food 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

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

No plan revision



() : 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.

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

No plan revision



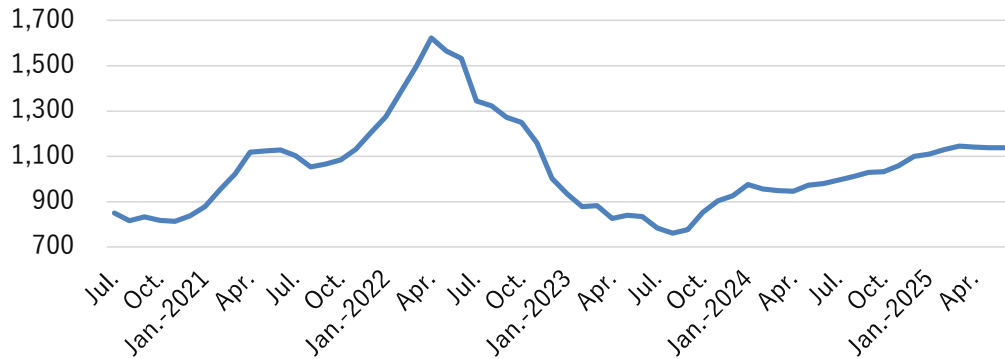
(Unit: billion yen)

FYE Mar. 2026 target		1H target		Full-year target	
		Net sales	Year on year	Net sales	Year on year
Growth Segments					
(Global Business)	Yogurt	31.0	+7%	61.1	+7%
	Ice cream	30.4	+6%	49.6	+7%
	NutriCo Morinaga (Pakistan)	3.5	-7%	7.5	-5%
Mainstay Segments (Core/Dairy business foundation)					
(Global Business)	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%
	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%

Appendix

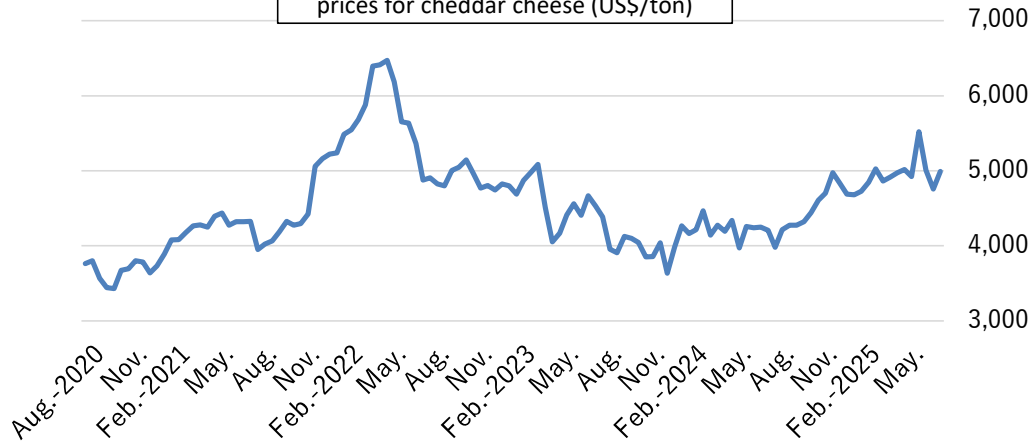
(Reference) Dairy Ingredient Market Data (Last 5 Years)

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

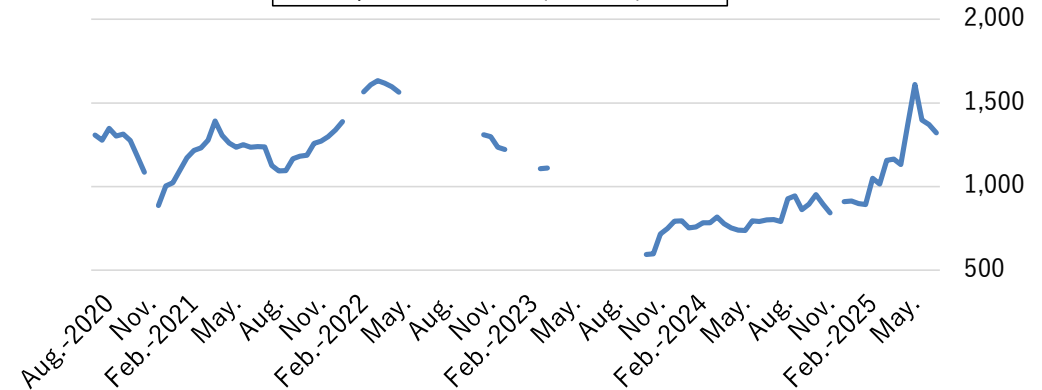


➤ Correlates with price for whey raw materials procured by MILEI GmbH.

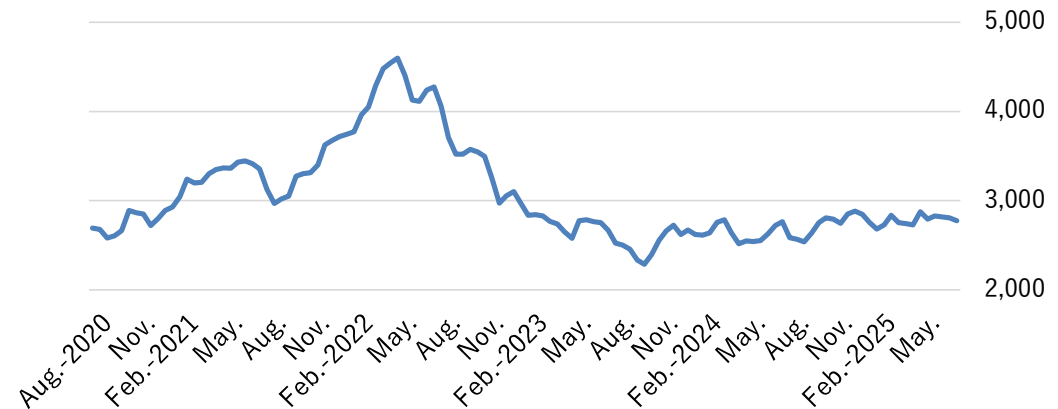
Fonterra Global Dairy Trade (GDT) auction prices for cheddar cheese (US\$/ton)



Fonterra Global Dairy Trade (GDT) auction prices for lactose (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

Growth Strategy (Positioning by Category/Clarification of Role)

Growth
strategy

Structural
reforms

Culture
reforms



- 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

Yogurt,
commercial milk (home deliveries, etc.),
nutritional food products,
CLINICO products,
health foods, etc.

Core Dairy Foods Business

Beverages, ice cream,
cheese, milk, chilled desserts

B-to-B Business

Probiotics,
functional ingredients,
food service and institutional food products

Global Business

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



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.