



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

February 12, 2026

Announced information on February 12, 2026.

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

Summary of Today's Presentation

◆ FYE March 2026 3Q results: Net sales ¥437.8 billion (+1.6% YoY),

OP ¥30.7 billion (+¥5.2 billion YoY), **record high (3Q and 9 months)**

- **Global Business:** **Progress outstripping forecasts.** Contribution from MILEI driven by whey prices remaining high. Probiotics and formula milk also saw revenue increases
- **Domestic business:** **Progress in line with forecasts.** Sales environment remains challenging but continuing with price revisions, product mix improvements, other initiatives. Conversely, negative impact from lower volumes, higher raw material / operational costs also continuing. Some one-off expenses also occurring in relation to acquired assets / inventory disposals aimed at normalization of balance sheet, etc.

◆ Forecasts for FYE March 2026: No revision

- Profit and other forecasts unchanged after factoring in challenging domestic sales trends, continued impact of higher costs, commitment of costs for the future, and normalization of balance sheet and other one-off factors, which offset the first nine months being slightly ahead of forecast, and Global Business expected to perform well in 4Q

1. Overview of the Third Quarter of the FYE March 2026 Financial Results

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

Financial Results for 3Q of FYE March 2026: Summary



	(Unit: billion yen)			
	FYE Mar. 2025 3Q	FYE Mar. 2026 3Q	Year-on- year change	Year on year
	3Q of FYE Mar. 2026 (Oct.-Dec. 2025)		Year-on- year change	
Net sales	430.7	437.8	+7.1	+1.6%
Operating profit	25.5	30.7	+5.2	+20.4%
Ordinary profit	26.0	32.8	+6.7	+25.8%
Profit attributable to owners of parent	14.7	21.9	+7.2	+48.8%
Operating profit to net sales	5.9%	7.0%		

■ **FYE March 2026 3Q results: Highest ever operating profit of ¥30.7 billion Global Business, centered on MILEI, was again main driver in Oct-Dec**

Significant increase in profit at Global Business, mainly MILEI, progress ahead of forecasts.

Negative impacts in domestic business continue, but in line with plans.

For Group as a whole, results for first nine months slightly ahead of forecasts

- Domestic business (OP* -¥2.6 billion YoY, of which -¥1.1 billion in Oct-Dec) **Continued negative environment for volumes** caused by soaring food prices since summer 2024, but executing price revisions / product mix improvements, etc. to address higher raw material / operational /other costs. **Domestic operating profit in line with forecasts overall**. Some one-off expenses also occurring in relation to acquired assets / inventory disposals aimed at normalization of balance sheet, etc.

Increase in sales promotion/advertising expenses and amortization caused by concentration of resources in Growth areas for the future, but yogurt sales have returned to growth, due mainly to "Bifidus" and "PARTHENO," and revenue expansion continues for ice cream, where manufacturing capacity has been increased.

Strong performance of commercial dairy products (B-to-B), nutritional food products, etc., and own subsidiaries

- Global Business (OP +¥7.8 billion YoY, of which +¥2.9 billion in Oct-Dec) **Strong performance continued at MILEI** against background of strong whey market conditions, resulting in profit growth. Growth areas of probiotics (for formula milk/supplements) also saw expansion in sales revenue. Formula milk in Pakistan also expanded, driven mainly by locally manufactured products. Strategic transformation areas in the U.S. business recorded smaller losses. **Overall progress is ahead of plans**

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

* Supplementary information on ordinary profit

- Non-operating income: Foreign exchange gains and losses approx. +¥2.2 billion YoY, etc.

* Supplementary information on profit attributable to owners of parent

- Extraordinary income: Gain on abolition of retirement benefit plan ¥2.2 billion, etc.
- Extraordinary loss: Impairment loss of approximately ¥1.0 billion following cessation of production at Toyama Plant of Morinaga-Hokuriku Milk Industry Co., Ltd., etc.

Financial Results for 3Q of FYE March 2026:

Factors Attributable to Increases and Decreases in Operating Profit



(): 1H results



Key points

- Change in selling unit prices: Price revisions for yogurt, ice cream, beverages, commercial dairy products (B-to-B), etc.
- Sales volume: With exception of certain category, general domestic categories saw decline in volume.
- Raw material prices: Raw material milk costs increased due to impact of milk price revisions in June and August, coffee, chocolate, packaging material and other costs increasing.
- Fixed cost of production (depreciation): New production lines for ice cream started operation at Kobe Plant new manufacturing building.
- Operation cost: **Deterioration primarily in administrative expenses, etc. vs. plan**, including asset acquisition costs and disposal of inventory for balance sheet normalization.
- Sales promotion expenses: Seeking to concentrate resources mainly in Yogurt on growth areas from 2H.
- Increase/decrease in overseas subsidiaries: Profit increased, centered on continued favorable performance of MILEI against backdrop of rise in whey market. **Progress ahead of plan.**

Financial Results for 3Q of FYE March 2026: Summary by Segments



	(Unit: billion yen)						(Unit: billion yen)			
	Net sales			Operating profit (operating profit to net sales)			Net sales		Operating profit (operating profit to net sales)	
	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025	Year on year	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025	Year-on-year Change	3Q of FYE Mar. 2026 (Oct.-Dec. 2025)	Year on year	3Q of FYE Mar. 2026 (Oct.-Dec. 2025)	Year-on- year Change
Growth Segments	91.7	95.8	+4.6%	12.1 (13.2%)	11.6 (12.1%)	-0.5	30.4	+9.0%	2.9 (9.5%)	+0.2
Mainstay Segments (Core, Fundamental, Strategic Transformation)	207.5	277.7	+2.7%	11.8 (4.4%)	17.4 (6.3%)	+5.6	97.7	+9.9%	6.7 (6.9%)	+2.6
Nurturing/Other Segments (Development/Unique & other/Eliminations, etc.)	68.6	64.3	-6.3%	1.6 (2.4%)	1.7 (2.7%)	+0.1	16.4	-29.8%	0.3 (1.7%)	-0.9
(Breakdown) Global Business	50.0	61.9	+23.8%	4.5 (9.1%)	12.4 (20.0%)	+7.8	22.5	+49.9%	5.5 (24.5%)	+2.9
Total	430.7	437.8	+1.6%	25.5 (5.9%)	30.7 (7.0%)	+5.2	144.5	+3.1%	9.9 (6.8%)	+1.9

Increases in profit in Mainstay segments and Global Business both driven by MILEI. Impact from one-off costs in Nurturing/Other segments

■ Growth segments

- Rate of growth in probiotics expanded, mainly in Global Business. Formula milk in Pakistan also recorded continued growth in sales, driven mainly by locally manufactured products

■ Mainstay segments

- Ice cream: despite revenue growth in line with forecasts following start of operation for new production lines, larger increases in raw material costs and rise in depreciation were factors in lower profit

■ Nurturing/Other segments

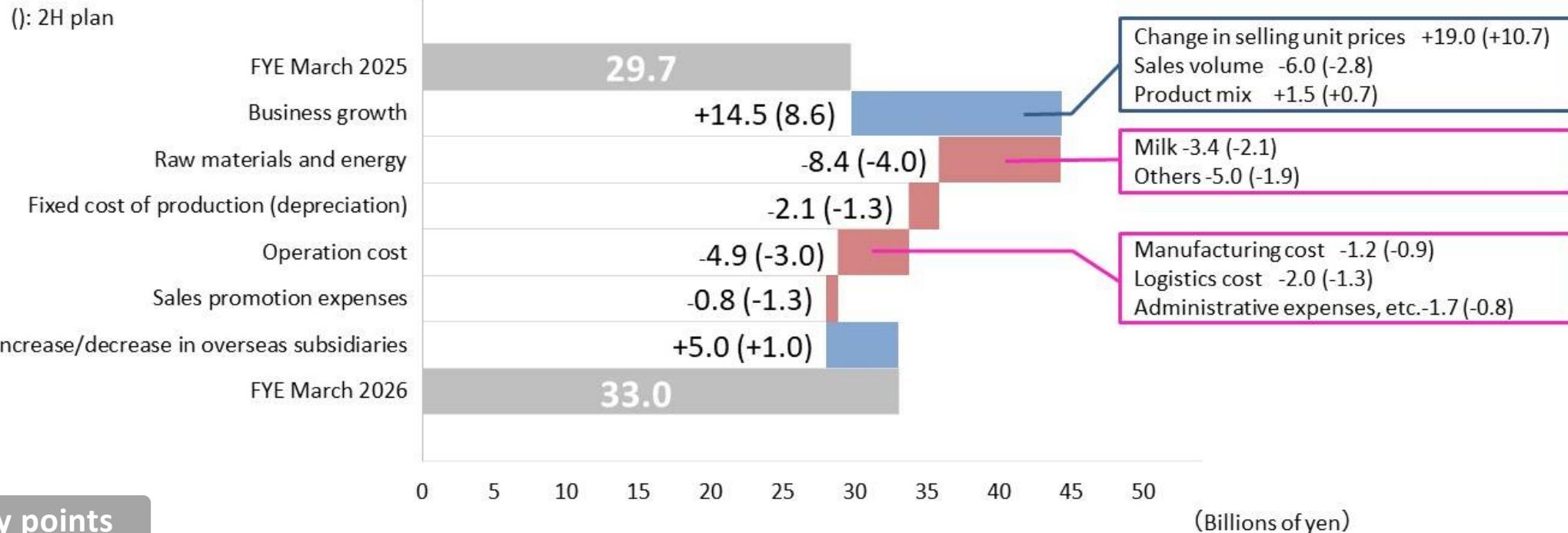
- Yogurt: returned to growth thanks to continued strength in “PARTHENO” and higher sales for “Bifidus,” which had change in container
- MILEI continues to perform well against backdrop of rising market conditions for whey, making significant contribution to profit. Good performance by commercial dairy products (B-to-B) also contributed to profit increase
- Profit rose in Nurturing segments and own business subsidiaries in 3Q (Oct-Dec). Segment as a whole saw lower profit due to one-off expenses occurring in relation to acquired assets / inventory disposals aimed at normalization of balance sheet, etc.

2. Outlook of Financial Results for FYE March 2026

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

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

No revision to forecasts



Key points

- Change in selling unit prices: Price revisions for yogurt, ice cream, beverages, commercial dairy products (B-to-B), etc. **The effect of unit price is expected to be suppressed** due to lower volumes.
- Sales volume: Volumes in domestic market negatively affected by challenging sales situation
- Raw material prices: Raw milk trade prices rising, coffee, chocolate, packaging material and other costs increasing. **Cost increases tending to be slightly higher than forecast**
- Fixed cost of production (depreciation): New production lines for ice cream started operation at Kobe Plant new manufacturing building
- Operation cost: **Expenses higher than expected in areas such as asset acquisition, inventory disposals, and R&D expenses**
- Sales promotion expenses: Seeking to concentrate resources mainly in growth areas
- Increase/decrease in overseas subsidiaries: **Progress ahead of plan, due mainly to MILEI**. Impact of factory consolidation at U.S. subsidiaries, expansion of formula milk in Pakistan, etc.

Outlook of Financial Results for FYE March 2026



	(Unit: billion yen)			
	FYE Mar. 2025	FYE Mar. 2026 full-year target	Year-on-year Change	Year on year
Net sales	561.2	570.0	+8.8	+1.6%
Operating profit	29.7	33.0	+3.3	+11.3%
Ordinary profit	29.9	33.9	+4.0	+13.5%
Profit attributable to owners of parent	5.5	19.0	+13.5	+248.0%
Operating profit to net sales	5.3%	5.8%		
Global Business sales ratio	12.5%	14.4%		
ROE profit / equity capital	2.0%	7.1%		
ROIC NOPAT / invested capital	5.7%	6.2%		
Annual dividend per share / Payout ratio	90 yen 139.3%	93 yen 40.0%		

Key points

- There is **no amendment to consolidated earnings forecasts** for the fiscal year ending March 31, 2026, disclosed on November 11, 2025.
- Profit: No target revision. Reorganization of production structures. Reorganizing production structures with the Medium-Term Business Plan 2025–2028, expect extraordinary loss, including impairment loss following cessation of production at Toyama Plant. 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
- Dividend per share: FYE Mar. 2026 forecast of 93 yen (of which year-end dividend of 48 yen)
Dividend to in line with 40% payout ratio targeted in Medium-term Business Plan 2025–2028.

Appendix

(Reference) Financial Results for 3Q of FYE March 2026: Net Sales by Category



(Unit: billion yen)	FYE Mar. 2025 3Q	FYE Mar. 2026 3Q	Year on year
Growth Segments			
Yogurt	43.0	43.0	± 0%
Ice cream	38.6	40.2	+4%
(Global) NutriCo Morinaga (Pakistan)	5.2	6.2	+18%
Nurturing/Other Segments			
(Global) Morinaga Nutritional Foods Vietnam (Vietnam)	2.9	3.1	+5%

Key points

- Implementation status of price revisions:
Beverages (March); yogurt, cheese, chilled desserts, etc. (April); nutritional food products (May); cheese (July); milk, yogurt, chilled desserts, etc. (August); ice cream (September); food service and institutional food products (B-to-B)
- Ice cream: New lines at Kobe Plant started operation, putting in place structure for production increases

(Unit: billion yen)	FYE Mar. 2025 3H	FYE Mar. 2026 3Q	Year on year
Mainstay Segments (Core, Fundamental, Strategic transformation)			
Beverages	43.1	41.9	-3%
Cheese	20.3	19.9	-2%
Nutritional food Products	10.5	10.7	+2%
CLINICO Co., Ltd.	21.4	21.1	-1%
(Global) MILEI (Germany)	29.5	40.2	+36%
Milk	34.1	31.7	-7%
B to B (excluding domestic probiotics)	62.8	65.9	+5%
Chilled desserts	6.1	5.7	-6%
Commercial milk (Home deliveries, etc.)	12.3	12.2	-1%
(Global) Morinaga Nutritional Foods (U.S., including TIF)	6.7	6.3	-5%

(Reference) Financial Results for 3Q of FYE March 2026: Net Sales by Category (Shown Quarterly)



(Unit: billion yen)	Three months ended June 30, 2024	Three months ended June 30, 2025	Year on year	Three months ended September 30, 2024	Three months ended September 30, 2025	Year on year	Three months ended December 31, 2024	Three months ended December 31, 2025	Year on year
Growth Segments									
Yogurt	14.6	14.3	-2%	14.5	14.4	±0%	13.9	14.3	+3%
Ice cream	12.9	13.4	+4%	15.9	16.8	+5%	9.7	10.0	+3%
Mainstay Segments (Core, Fundamental, Strategic transformation)									
Beverages	14.7	13.8	-6%	15.7	15.3	-3%	12.7	12.8	±0%
Cheese	6.7	6.4	-5%	6.7	6.5	-3%	6.9	7.1	+2%
Nutritional food Products	3.3	3.5	+5%	3.5	3.4	-4%	3.7	3.8	+4%
CLINICO Co., Ltd.	6.7	6.6	-1%	6.9	6.9	-1%	7.8	7.6	-2%
Milk	11.3	10.4	-8%	11.9	11.2	-6%	10.8	10.1	-7%
B-to-B (excluding domestic probiotics)	20.2	21.4	+6%	20.5	21.5	+5%	22.1	23.0	+4%
Chilled desserts	2.0	2.0	-4%	2.0	1.9	-6%	2.0	1.9	-7%
Commercial milk (Home deliveries, etc.)	4.1	4.1	-1%	4.0	3.9	-1%	4.2	4.2	-2%

(Reference) Outlook of Financial Results for FYE March 2026: Target Sales and Operating Profit for Each Segments

No revision
to forecasts



FYE Mar. 2026 target	Net sales				Operating profit (operating profit to net sales)				(Unit: billion yen)
	FYE Mar. 2026 2H target	Year on year	FYE Mar. 2026 full-year target	Year on year	FYE Mar. 2026 2H target	Year-on-year Change	FYE Mar. 2026 full-year target	Year-on-year Change	
Growth Segments	58.4	+7.2%	123.9	+4.7%	3.6 (6.2%)	-0.8	12.3 (9.9%)	-1.5	
Mainstay Segments (Core, Fundamental, Strategic Transformation)	174.2	+1.6%	354.2	+0.3%	6.8 (3.9%)	+0.8	17.5 (4.9%)	+3.8	
Nurturing/Other Segments (Development/Unique & other/Eliminations, etc.)	44.0	-1.3%	91.9	+2.3%	1.8 (4.0%)	±0.0	3.2 (3.5%)	+1.0	
(Breakdown) Global Business	42.8	+22.5%	82.2	+17.6%	7.2 (16.7%)	+1.6	14.0 (17.0%)	+6.5	
Total	276.7	+2.3%	570.0	+1.6%	12.2 (4.4%)	±0.0	33.0 (5.8%)	+3.3	

(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	

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

No revision
to forecasts



(Unit: billion yen)

	FYE Mar. 2026 target	Net sales			
		FYE Mar. 2026 2H target	Year on year	FYE Mar. 2026 full-year target	Year on year
Growth Segments					
	Yogurt	29.6	+7%	58.4	+3%
	Ice cream	17.9	+2%	48.2	+4%
(Global Business)	NutriCo Morinaga (Pakistan)	4.0	-4%	7.8	-1%
Mainstay Segments (Core/Dairy business foundation)					
	Beverages	24.4	+2%	53.6	-2%
	Cheese	13.3	±0%	26.2	-2%
	Nutritional food products	7.0	+2%	13.9	+2%
	CLINICO	13.4	-1%	26.9	-1%
(Global Business)	MILEI (Germany)	27.7	+40%	53.3	+31%
	Milk	20.1	-4%	41.7	-6%
	B-to-B (excluding domestic probiotics)	41.9	+1%	84.7	+3%

(Reference) Notice Regarding Changes to Volume and Repricing of Certain Products Announced on January 30, 2026



Perform changes to volume and repricing of certain products such as household ice cream products (“PARM” etc.) starting with shipments from February to April 2026.

January 30, 2026

Notice Regarding Changes to Volume and Repricing of Certain Products

Morinaga Milk Industry Co., Ltd. (hereinafter “the Company”) hereby announces that it will perform changes to volume and repricing of certain household ice cream products, milk, beverages, household cheeses, starting with shipments from February to April 2026.

The prices of ingredients, packaging materials have risen, furthermore labor, energy and distribution costs have also grown, and these trends are expected to continue.

Although the Company has made its best efforts to reduce costs, they have reached a level beyond the scope of corporate efforts alone. Accordingly, the company will implement repricing as follows.

Going forward, the Company will continue to put safety and reliability first, and strive to stably provide products with value to customers.

Key points

- The main products are the “PARM” series of household ice cream.
- Other products are certain household ice cream products, milk, beverages, household cheeses.

1. Targeted Products and Date

(1) Changes to volume

Starting with shipments on Thursday, February 12, 2026

- Household ice cream: 3 products

Starting with shipments on Thursday, February 26, 2026

- Household ice cream: 1 product

Starting with shipments on Monday, March 23, 2026

- Milk : 2 products

Starting with shipments on Thursday, March 26, 2026

- Household ice cream: 1 product

(2) Repricing

Starting with shipments on Wednesday, April 1, 2026

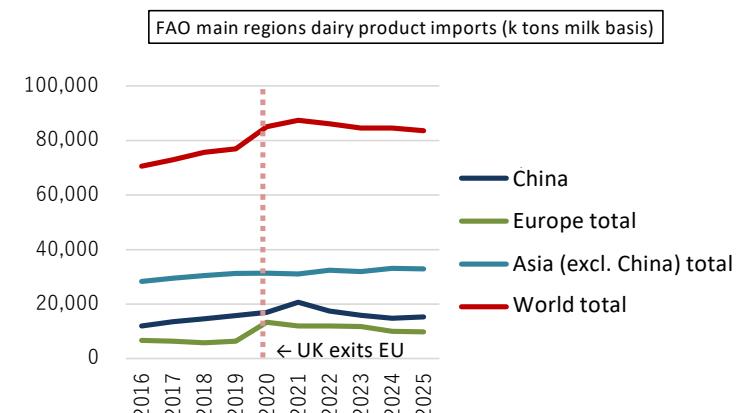
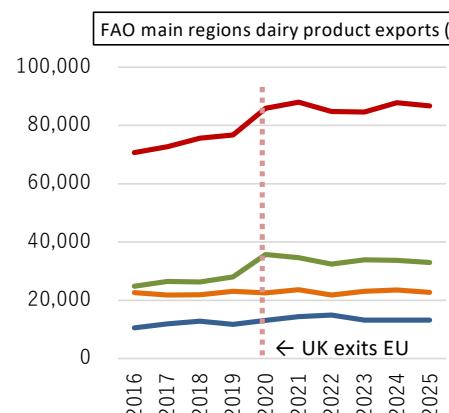
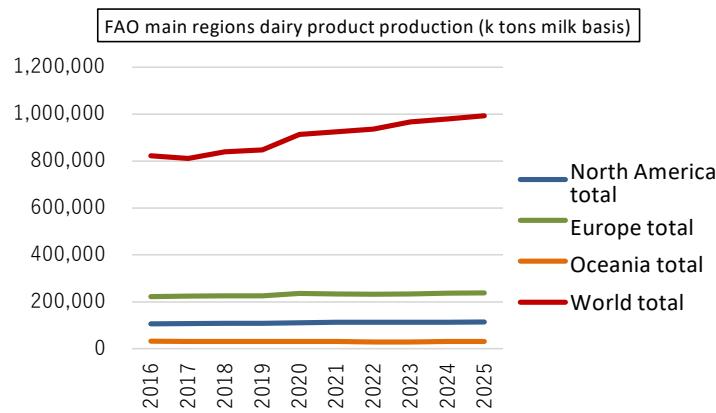
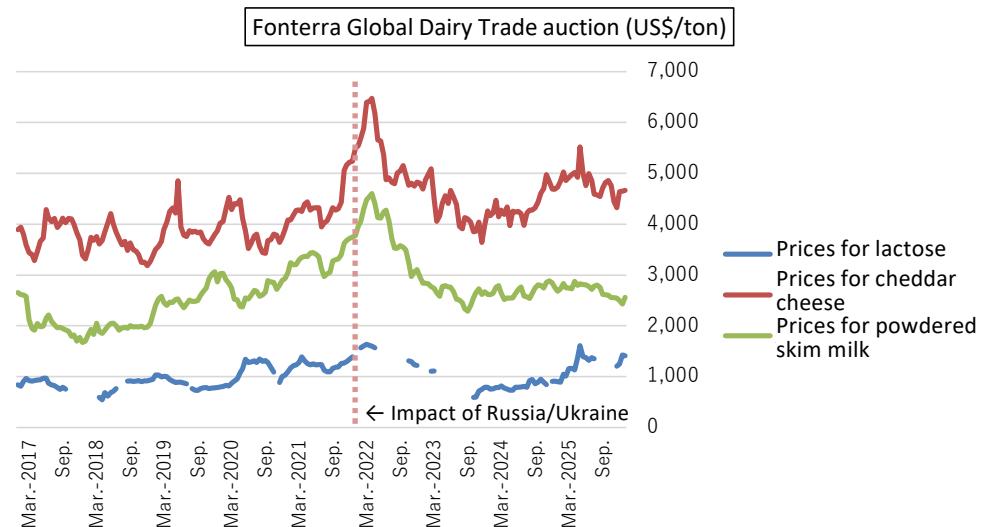
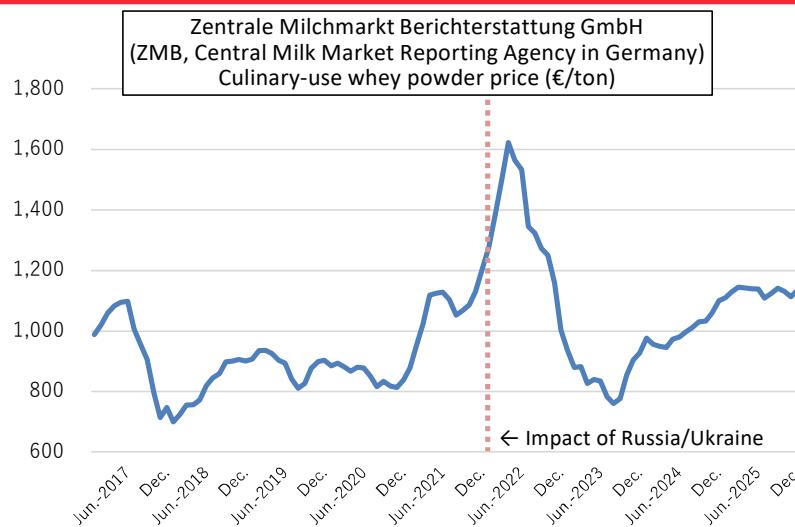
- Beverages: 2 products
- Household ice cream: 1 product
- Household cheeses: 3 products

2. Details of Revision

(1) Products with Volume Change: 7 products

(2) Repriced Products: 6 products, Repricing percentage: +4.8-15.8%, Price revision amount: +10-50 yen

(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 "FoodOutlook" (main regions dairy product production, exports, and imports) *Trade between EU member countries excluded, 2025 figures are forecasts, "Asia (excluding China)" calculated by the Company

Growth Strategy (Positioning by Category/Clarification of Role)

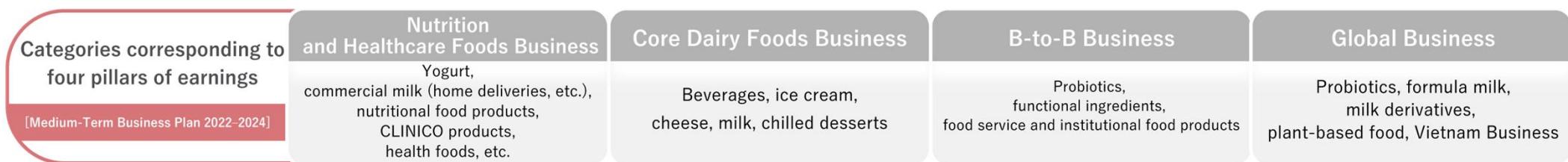
Growth strategy

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



Clarify categories on which we should focus					
	Growth areas	Core areas	Fundamental areas	Strategic Transformation areas	Nurturing areas
Domestic Business	<ul style="list-style-type: none"> •Yogurt •Ice Cream •Probiotics 	<ul style="list-style-type: none"> •Beverages •Cheese •Nutritional food products (Formula milk, etc.) •CLINICO •Functional ingredients (Lactoferrin, etc.) 	<ul style="list-style-type: none"> •Milk •Food service and institutional food products (Dairy products) 	<ul style="list-style-type: none"> •Chilled dessert •Commercial milk (Home deliveries, etc.) 	<ul style="list-style-type: none"> •Health foods (Supplements)
Global Business	<ul style="list-style-type: none"> •Probiotics •Formula milk 	<ul style="list-style-type: none"> •Milk derivatives (MILEI) 		<ul style="list-style-type: none"> •PBF 	<ul style="list-style-type: none"> •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				



MORINAGA MILK INDUSTRY CO., LTD.

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.