



May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 <Japanese GAAP>

Listed company: Morinaga Milk Industry Co., Ltd.
 Listed stock exchange: Tokyo
 Securities code: 2264
 URL: <https://www.morinagamilk.co.jp/english/>
 Representative: Yohichi Ohnuki, Representative Director & President
 Contact: Shunichiro Nakao, General Manager, Corporate Strategic Planning Dept.
 Telephone number: +81-3-6281-4683
 Planned Date of General Shareholders' Meeting: June 25, 2026
 Planned Commencement Date of Dividend Payments: June 26, 2026
 Planned Filing Date of Securities Report: June 24, 2026
 Preparation of explanatory materials for financial results: Yes
 Holding of a briefing on financial results: Yes (For Institutional Investors, Analysts)

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the fiscal year ended								
March 31, 2026	571,458	1.8	34,479	16.3	37,121	24.3	22,599	313.9
March 31, 2025	561,173	2.6	29,658	6.5	25,218	6.3	5,459	(91.1)

(Note) Comprehensive income: the fiscal year ended March 31, 2026: ¥26,064 million / 185.9%
 the fiscal year ended March 31, 2025: ¥9,116 million / (86.6) %

	Basic earnings per share	Diluted earnings per share	Profit to shareholders' equity	Ordinary profit to assets	Operating profit to net sales
For the fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	276.02	275.77	8.4	7.0	6.0
March 31, 2025	64.60	64.53	2.0	5.5	5.3

(Reference) Equity method investment gain (loss): the fiscal year ended March 31, 2026: ¥212 million
 the fiscal year ended March 31, 2025: ¥(386) million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	547,116	279,749	50.2	3,403.79
As of March 31, 2025	520,423	271,103	51.2	3,187.41

(Reference) Shareholders' equity: As of March 31, 2026: ¥274,663 million
 As of March 31, 2025: ¥266,217 million

(3) Consolidated cash flows

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at End of Fiscal Year
For the fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	35,716	(38,870)	(503)	26,059
March 31, 2025	(12,456)	(18,786)	(5,028)	28,559

2. Dividends

	Annual dividends					Total Amount of Cash Dividends (annual)	Dividend Payout Ratio (consolidated)	Ratio of Total Amount of Dividends to Shareholders' Equity (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
For the fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	–	45.00	–	45.00	90.00	7,579	139.3	2.8
March 31, 2026	–	45.00	–	55.00	100.00	8,155	36.2	3.0
For the fiscal year ending March 31, 2027 (Forecast)	–	12.00	–	13.00	25.00		40.3	

* The Company plans to execute a stock split at a ratio of four shares for every share of common stock with an effective date of July 1, 2026. Accordingly, the forecast dividend per share for the fiscal year ending March 31, 2027 has been calculated taking into account the impact of the stock split. Without considering the stock split, the forecast dividend per share for the fiscal year ending March 31, 2027 would be ¥48.00 at the end of the second quarter and ¥52.00 at year-end. For details of the stock split, please refer to “Proper use of earnings forecasts, and other special matters.”

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% figures show year-on-year change for the full year and quarter)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter-end (Cumulative)	300,000	2.3	17,900	(14.0)	18,400	(16.2)	13,000	(11.2)	40.28
Full year	580,000	1.5	32,000	(7.2)	32,700	(11.9)	20,000	(11.5)	61.96

* The Company plans to execute a stock split at a ratio of four shares for every share of common stock with an effective date of July 1, 2026. Accordingly, earnings per share in the consolidated earnings forecast for the fiscal year ending March 31, 2027 have been calculated taking into account the impact of the stock split. Without considering the stock split, earnings per share in the consolidated earnings forecast would be ¥161.10 for the first half (cumulative) and ¥247.85 for the full year. For details of the stock split, please refer to “Proper use of earnings forecasts, and other special matters.”

*** Notes**

(1) Change in significant subsidiaries during the period (changes in specified subsidiaries affecting the scope of consolidation): None

New: - (Company name:)

Excluded: - (Company name:)

(2) Changes in accounting policies and estimates, and retrospective restatements

(i) Changes in accounting policies in accordance with revision of accounting standards: None

(ii) Changes in accounting policies other than item (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(3) Number of shares issued (common stock)

(i) Number of shares outstanding at end of period (including treasury shares)

As of March 31, 2026	86,179,786 shares
As of March 31, 2025	89,045,086 shares

(ii) Number of treasury shares at end of period

As of March 31, 2026	5,486,154 shares
As of March 31, 2025	5,523,456 shares

(iii) Average number of shares during period

Fiscal year ended March 31, 2026	81,873,515 shares
Fiscal year ended March 31, 2025	84,512,232 shares

(Note) 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 March 31, 2026: 364,500 shares)

Average number of shares during period (Fiscal year ended March 31, 2026: 364,500 shares)

(Reference) Outline of non-consolidated business results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated financial results (% figures show year-on-year change)

For the fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	402,571	1.3	9,775	(24.5)	16,284	17.4	9,831	-
March 31, 2025	397,298	2.1	12,945	33.5	13,871	(16.2)	(1,641)	-

For the fiscal year ended	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
March 31, 2026	120.08		119.97	
March 31, 2025	(19.42)		-	

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Profit per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	430,633	150,660	35.0	1,865.94
As of March 31, 2025	415,380	157,448	37.9	1,883.82

(Reference) Shareholders' equity: As of March 31, 2026: ¥150,569 million

As of March 31, 2025: ¥157,340 million

* The financial results are not subject to auditing by a certified public accountant 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 of the above forecasts of consolidated financial results, refer to pages 7 of the attached materials, "1. Overview of Operating Results (4) Outlook for the next fiscal year."

Upon the resolution at the Board of Directors meeting held on May 13, 2026, the Company executed a 4-for-1 stock split of its common stock on the effective date July 1, 2026.

[Attached Materials]

Index

1. Overview of Operating Results	2
(1) Overview of operating results for the fiscal year under review	2
(2) Overview of financial position for the fiscal year under review	6
(3) Overview of cash flows for the fiscal year under review	6
(4) Outlook for the next fiscal year	7
2. Basic Policy on the Selection of Accounting Standards	9
3. Consolidated Financial Statements and Notes	10
(1) Consolidated balance sheets	10
(2) Consolidated statements of income and consolidated statements of comprehensive income	12
(Consolidated statements of income)	12
(Consolidated statements of comprehensive income)	13
(3) Consolidated statement of changes in shareholders' equity	14
(4) Consolidated statement of cash flows	16
(5) Note regarding the consolidated financial statements	18
(Notes on premise of going concern)	18
(Segment information)	18
(Information per share)	20
(Significant subsequent events)	21
(Notice Regarding Determination of Basic Policy and Beginning of Preparations for Absorption-Type Merger of Wholly Owned Subsidiary Morinaga Milk Industry Sales Co., Ltd.)	23

1. Overview of Operating Results

(1) Overview of operating results for the fiscal year under review

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.

In the fiscal year under review, the Company was affected by increases in various operational costs, including raw materials and logistics, with domestic raw milk trade prices for dairy products being hiked in June 2025, and raw milk trade prices for beverages and fermented milk products seeing an increase in August 2025. As well as continuing to work on price revisions to address this, we were striving to expand high value-added products, mainly in Growth Areas, and promoting cost reviews for the Group as a whole, despite decline in sales volume versus initial targets and other issues associated with the challenging demand environment for food in general.

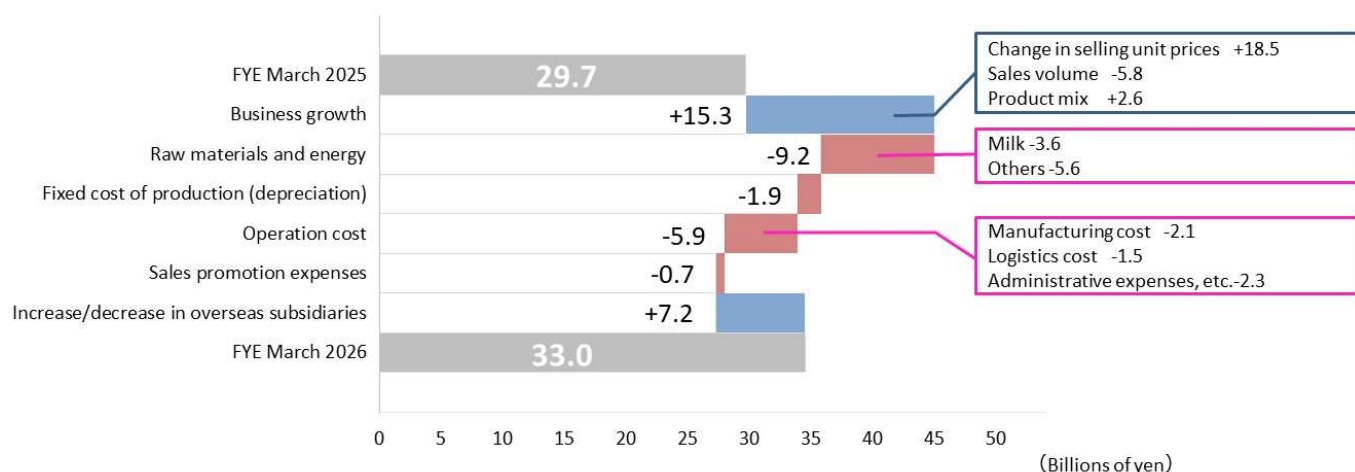
As a result of these initiatives the Group succeeded in growing consolidated net sales. In the domestic business, although we implemented price revisions in areas such as yogurt, ice cream, and beverages, etc. a decrease in overall sales volume led to lower revenue for the domestic business as a whole. Product lines contributing to higher revenue included ice cream, for which new production lines started operation, yogurt, with sales performance improving each quarter and commercial dairy products, where demand remains resilient. In the Global Business, MILEI GmbH took advantage of continued strength in whey market conditions to post a significant increase in revenue. Together with the steady expansion of sales and revenue in the Growth Areas of probiotics and formula milk for overseas markets, this led to growth in revenue overall.

Consolidated operating profit recorded an increase. The domestic business continued to be affected by higher costs, centered on operational costs, including raw material costs, logistics costs, and personnel expenses. We continued to implement price revisions to address higher costs and strove to expand high value-added products, but the demand environment remains challenging, and profits declined against the background of a decrease in sales volume. On the other hand, the Group as a whole recorded an increase in profit due to growth in the Global Business, driven primarily by MILEI GmbH.

In the fiscal year under review, payment of approximately ¥1.7 billion was made as contribution to Hikari Kyokai, a public interest incorporated foundation.

Consolidated net sales	¥571,458 million	(+1.8% YoY)
Consolidated operating profit	¥34,479 million	(+16.3% YoY)
Consolidated ordinary profit	¥37,121 million	(+24.3% YoY)
Profit attributable to owners of parent	¥22,599 million	(+313.9% YoY)

Factors attributable to increases and decreases in operating profit for the fiscal year ended March 2026



Business conditions by segment are as follows.

	Net sales	Year on year	Operating profit	Year on year
Food industry	547,661	+1.8%	45,807	+15.1%
Other industries	33,959	+5.1%	3,582	+23.7%
Eliminated or group-wide	(10,162)		(14,910)	
Total	571,458	+1.8%	34,479	+16.3%

Food industry: Commercial milk, dairy products, ice cream, drinks, etc.

Other industries: Feed, design and construction of plant equipment, etc.

Overview of the results by segments in the Medium-term Business Plan 2025–2028

1) Growth Segments (Growth Areas): Strong sales of yogurt, ice cream, and of probiotics and formula milk overseas. In addition, the yogurt recorded lower revenues for the first half, but the sales situation subsequently improved quarter by quarter, and it flipped to sales growth for the full year. This resulted in all four Growth areas categories recording revenue growth.

In terms of profits, although we made progress with price revisions, improved the product mix through the expansion of high value-added products, including probiotics, and cut costs, the segments as a whole recorded lower profit due to the impact of increases in raw material and other operational costs, and of increases in depreciation following the start of operations at the new ice cream production lines.

Growth Segments net sales	¥124,529 million	(+5.2% YoY)
Growth Segments operating profit	¥12,591 million	(-¥1,183 million YoY)

2) Mainstay Segments (Core, Fundamental, and Strategic Transformation Areas): The Mainstay Segments as a whole recorded higher net sales and profits. In the Core areas, the sustained strength of the whey protein market and increases in sales volume was the backdrop for higher revenue and profit at MILEI GmbH, which made a significant contribution. Moreover, although operating profit was pushed down by decreases in sales volumes following the price revisions for beverages, cheese, milk, and other products that were implemented to address increases in raw materials and operational costs, the B-to-B Business and the effects of factory consolidation at the U.S. subsidiary made a contribution to higher profits.

Mainstay Segments net sales	¥364,964 million	(+3.4% YoY)
Mainstay Segments operating profit	¥20,033 million	(+¥6,335 YoY)

3) Nurturing/Other Segments (Nurturing Areas): Nurturing/Other Segments posted recorded a decrease in net sales and profit. As well as a solid performance from health foods sold through Nurturing area e-commerce channels, there was also an impact from profit increases at operating companies in the Unique & Other areas, but profit declined due to the impact of eliminations associated with consolidation.

Nurturing/Other Segments net sales	¥81,965 million	(-8.8% YoY)
Nurturing/Other Segments operating profit	¥1,855 million	(-¥332 million YoY)

(Breakdown) Global Business: In addition to the continued strong performance of MILEI GmbH in Germany, probiotics and NutriCo Morinaga in Pakistan also performed well, leading to higher revenue for the business as a whole. Operating profit also grew. This was affected by not only by the continued strength of the whey protein market and higher sales volumes, which pushed up profit at MILEI GmbH, together with probiotics sales and profit increases at other overseas subsidiaries but also a decrease in goodwill amortization.

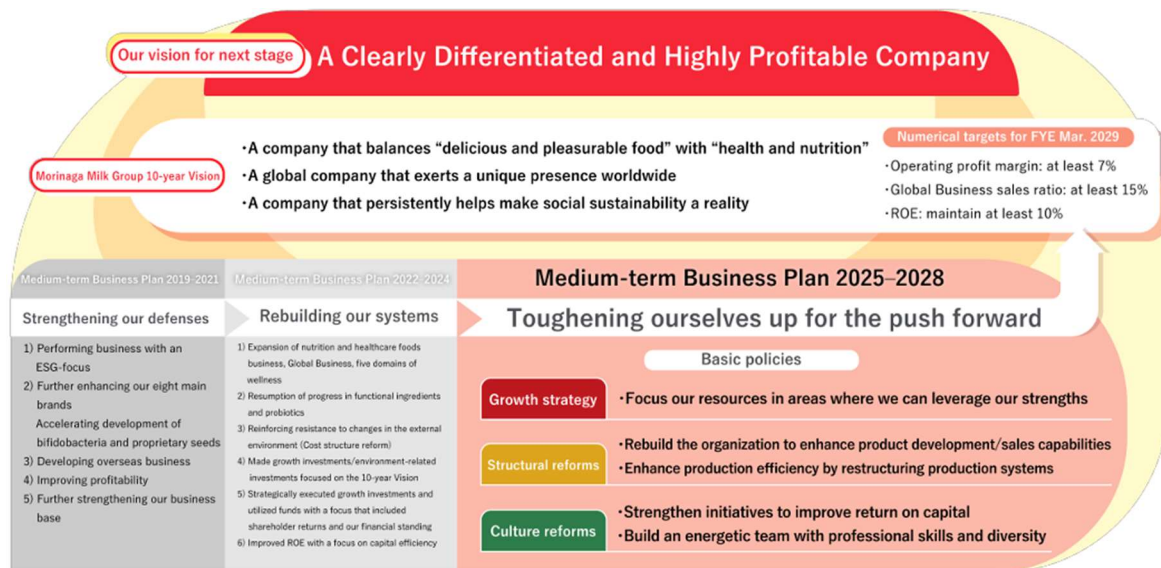
(Breakdown) Global Business net sales	¥87,474 million	(+25.1% YoY)
(Breakdown) Global Business operating profit	¥16,997 million	(+¥9,521 million YoY)

	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 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 will free 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 seek 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 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 from 30% to 40% and conduct flexible acquisitions of treasury shares, depending on the situation. ¥10 billion in acquisitions and cancellations of treasury shares were executed during the fiscal year ended March 2026.

Based on the above vision and plan, we have designated the fiscal year ended March 2026 as an important 12-month period, as we prepare for a new stage of development and work to increase corporate value.

* 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 capital)	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 financial position for the fiscal year under review

Consolidated total assets at the end of the fiscal year under review increased by ¥26,693 million to ¥547,116 million compared with the end of the previous fiscal year, mainly as a result of increases in Buildings and structures, net and Machinery, equipment and vehicles, despite a decrease in construction in progress.

Consolidated total liabilities were ¥267,367 million, up ¥18,047 million from the end of the previous fiscal year. This was mainly due to increases in long-term borrowings.

Net assets were ¥279,749 million, up ¥8,646 million from the end of the previous fiscal year. This was mainly due to an increase in retained earnings.

As a result, the shareholders' equity ratio was 50.2%, compared with 51.2%, net assets per share was ¥3,403.79, compared with ¥3,187.41 at the end of the previous fiscal year.

As a result, the shareholders' equity ratio was 50.2%, compared with 51.2% at the end of the previous fiscal year, and net assets per share was ¥3,403.79, compared with ¥3,187.41.

(3) Overview of cash flows for the fiscal year under review

The status of each type of cash flow for the consolidated fiscal year under review is as follows.

Net cash provided by (used in) operating activities increased by ¥48,172 million year on year to an inflow of ¥35,716 million. This mainly reflected an inflow of ¥32,238 million in profit before income taxes and an outflow of ¥3,991 million in income taxes paid.

Net cash used in investing activities increased by ¥20,084 million year on year to an outflow of ¥38,870 million. This mainly reflected proceeds from collection of loans receivable of ¥2,928 million, while the outflow from purchase of non-current assets was ¥39,999 million.

The total free cash flow of these activities increased by ¥28,088 million year on year to negative ¥3,154 million. Net cash used in financing activities decreased by ¥4,525 million to an outflow of ¥503 million. This mainly reflected an inflow from proceeds from issuance of bonds of ¥19,893 million, and outflows from redemption of bonds of ¥15,000 million.

As a result of these activities, cash and cash equivalents at the end of the consolidated fiscal year under review decreased by ¥2,500 million year on year to ¥26,059 million.

The trend of cash flow indicators is as follows.

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Shareholders' equity ratio (%)	44.9	45.7	49.0	51.2	50.2
Shareholders' equity ratio at market value (%)	51.5	44.3	47.9	50.0	70.3
Ratio of cash flows to interest-bearing debt (times)	2.5	5.7	1.7	(9.2)	3.7
Interest coverage ratio (times)	53.4	27.3	45.9	(6.1)	24.6

Shareholders' equity ratio: $(\text{Total net assets} - \text{Subscription rights to shares} - \text{Minority interests}) \div \text{Total assets}$

Shareholders' equity ratio at market value: $\text{Market capitalization} \div \text{Total assets}$

Ratio of cash flows to interest-bearing debt: $\text{Interest-bearing debt} \div \text{Cash flow from operating activities}$

Interest coverage ratio: $\text{Cash flow from operating activities} \div \text{Payment of interest}$

* All indicators are calculated on the basis of consolidated financial values.

* Market capitalization is calculated by multiplying the closing price of the Company's shares at the fiscal year-end by the number of shares outstanding at end of period.

* The term "cash flow from operating activities" refers to cash flow from operating activities used in the consolidated statements of cash flows. The term "interest-bearing debt" refers to those liabilities posted in the consolidated balance sheets on which interest is paid. Payment of interest equates with the interest paid recorded in the consolidated statements of cash flows.

* In the consolidated fiscal year ended March 31, 2024, the accounting treatment for business combinations that had been applied provisionally was finalized, and this is reflected in the figures relating to the consolidated fiscal year ended March 31, 2023.

(4) Outlook for the next fiscal year

In Japan, improvements in the environment for employment and income are expected to support a continuation of a moderate recovery in business conditions but close attention needs to be paid to the impact of the situation in the Middle East.

At the Group level, in addition to continued increases in raw material prices and operational cost such as logistics costs and personnel expenses, we expect an impact from further cost increases against the backdrop of the situation in the Middle East. To meet these challenges, in addition to product mix improvements, etc. achieved through expansion of high value-added products, mainly in Growth areas, and by appealing on basis of new value, we are working to expand sales volumes in categories that continue to experience strong demand, and making further revisions to costs by implementing structural reforms across the whole Group in accordance with the Medium-term Business Plan, as well as other measures. For the fiscal year ended March 31, 2026, the Global Business recorded a significant increase in profit centered on MILEI GmbH, which increased sales volume by selling from inventory. For the fiscal year ending March 31, 2027, in addition to sales volumes falling in reaction to the strength of the previous fiscal year, we expect raw material and other costs to increase. On the other hand, we seek to continue the expansion in probiotics and formula milk that constitute the Growth areas of the Global Business.

As full-year consolidated earnings forecasts for the fiscal year ending March 31, 2027, we are projecting net sales of ¥580.0 billion (up 1.5% year on year), operating profit of ¥32.0 billion (down 7.2% year on year), and ordinary profit of ¥32.7 billion (down 11.9% year on year). For profit attributable to owners of parent, we expect a 11.5% decline year on year, to ¥20.0 billion. The impact of the situation in the Middle East has been reflected in the earnings forecast. Based on conditions as of early April 2026, the negative impact on operating profit through the end of September has been estimated at ¥4 billion and incorporated into the forecast. The annual dividend per share will be 25 yen. As described in "Notification Regarding a Stock Split and a Partial Amendments to the Articles of

Incorporation and the Shareholder Incentive Program to the Stock Split” of May 13, 2026, a stock split of 4 shares for 1 share of common stock is planned. Prior to the stock split the dividend per share will be 100 yen, for a payout ratio of 40.3%. We forecast lower profit for the fiscal year ending March 31, 2027, but in line with our basic policy of providing stable dividends over the long term, the dividend is planned to be the same as in the fiscal year under review.

The Morinaga Milk Group 10-year Vision that sets out the vision of the Group for the next ten years was formulated in April 2019. The goal of the Medium-term Business Plan 2025–2028 for the four years to the fiscal year ending March 2029 is for the Company 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.” In the Sustainability Medium- to Long-Term Plan 2030, KPIs have been set for the three themes of “Food and Wellness,” “Resources and the Environment,” and “People and Society,” and we aim to realize sustainable growth by linking this to the Medium-term Business Plan. Based on the vision and plan set out above, we will work to enhance corporate value further.

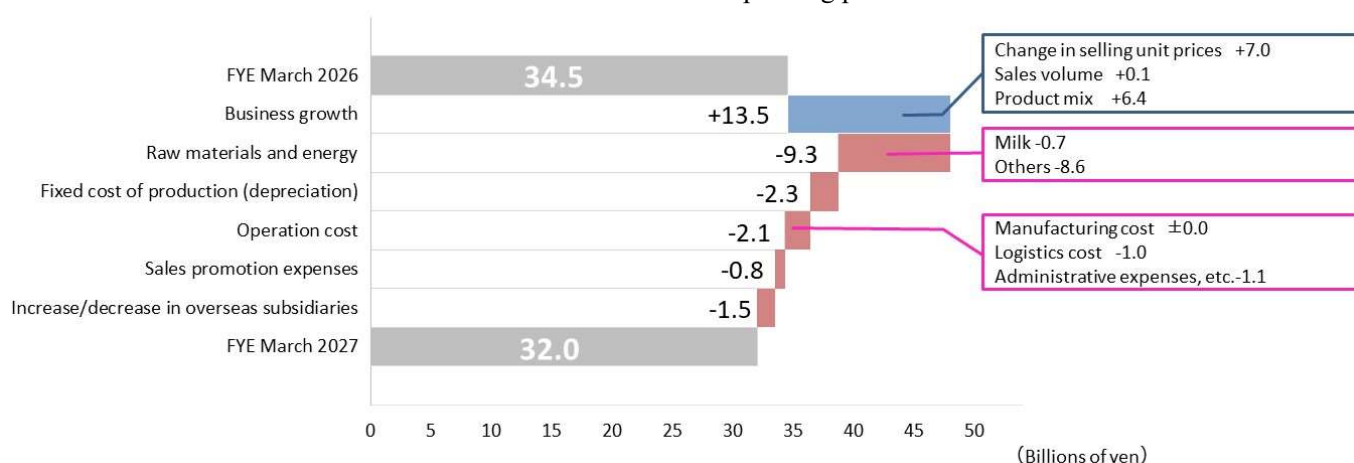
Earnings forecast for the first half of the fiscal year ending March 2027

	FYE March 2027 forecast	YoY percentage change	FYE Mar. 2026 actual results
Consolidated net sales	¥300,000 million	+2.3%	¥293,330 million
Consolidated operating profit	¥17,900 million	-14.0%	¥20,805 million
Consolidated ordinary profit	¥18,400 million	-16.2%	¥21,949 million
Profit attributable to owners of parent	¥13,000 million	-11.2%	¥14,637 million

Full-year earnings forecast for the fiscal year ending March 2027

	FYE Mar. 2027 forecast	YoY percentage change	FYE Mar. 2026 actual results
Consolidated net sales	580,000 million	+1.5%	571,458 million
Consolidated operating profit	32,000 million	-7.2%	34,479 million
Consolidated ordinary profit	32,700 million	-11.9%	37,121 million
Profit attributable to owners of parent	20,000 million	-11.5%	22,599 million
(Other important operating indicators)			
Operating profit to net sales	5.5%	-	6.0%
Global Business sales ratio	15.0%	-	15.3%
ROE (profit / equity capital)	7.1%	-	8.4%
ROIC (net operating profit after tax / invested capital)	5.5%	-	6.3%

Forecasts of factors attributable to increases and decreases in operating profit for FYE March 2027



Overview of the results by segments in the Medium-term Business Plan 2025–2028 (FYE March 2027)

	FYE Mar. 2027 forecast	YoY change (difference)
Growth segments net sales	¥135,800 million	+9.1%
Growth segments operating profit	¥13,900 million	¥1,309 million

	FYE Mar. 2027 forecast	YoY change (difference)
Mainstay segments net sales	¥360,300 million	-1.3%
Mainstay segments operating profit	¥16,400 million	-¥3,632 million

	FYE Mar. 2027 forecast	YoY change (difference)
Nurturing/Other segments net sales	¥83,900 million	+2.4%
Nurturing/Other segments operating profit	¥1,700 million	-¥155 million

	FYE Mar. 2027 forecast	YoY change (difference)
(Breakdown) Global Business net sales	¥86,834 million	-0.7%
(Breakdown) Global Business operating profit	¥16,000 million	-¥998 million

2. Basic Policy on the Selection of Accounting Standards

From the perspective of ensuring comparability with prior fiscal years, the Morinaga Milk Group has adopted the Japanese standards for its accounting standards.

We are investigating the voluntary adoption of International Financial Reporting Standards (IFRS), with the objective of enhancing international comparability of financial information in the capital markets, improving the quality of Group management, and strengthening governance.

3. Consolidated Financial Statements and Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	28,559	26,059
Notes and accounts receivable–trade and contract assets	68,197	72,351
Merchandise and finished goods	60,435	65,372
Work in process	2,135	3,251
Raw materials and supplies	23,337	25,563
Other	15,755	13,066
Allowance for doubtful accounts	(351)	(360)
Total current assets	198,069	205,303
Non-current assets		
Property, plant and equipment		
Buildings and structures	199,667	220,299
Accumulated depreciation	(116,093)	(119,822)
Buildings and structures, net	83,573	100,477
Machinery, equipment and vehicles	331,158	355,338
Accumulated depreciation	(240,503)	(248,790)
Machinery, equipment and vehicles, net	90,654	106,548
Land	52,228	51,231
Leased assets	3,484	3,613
Accumulated depreciation	(2,030)	(2,288)
Leased assets, net	1,454	1,324
Construction in progress	41,798	26,267
Other	17,975	18,609
Accumulated depreciation	(13,691)	(13,905)
Other, net	4,284	4,703
Total property, plant and equipment	273,993	290,553
Intangible assets		
Goodwill	417	383
Other	11,624	11,183
Total intangible assets	12,042	11,567
Investments and other assets		
Investment securities	19,703	21,419
Investments in capital	78	69
Long-term loans receivable	240	206
Net defined benefit asset	7,804	9,109
Deferred tax assets	2,074	2,332
Other	6,456	6,592
Allowance for doubtful accounts	(40)	(38)
Total investments and other assets	36,317	39,692
Total non-current assets	322,353	341,813
Total assets	520,423	547,116

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	53,543	54,792
Electronically recorded obligations—operating	3,205	1,667
Short-term borrowings	3,553	3,035
Current portion of long-term borrowings	9,642	4,346
Commercial papers	10,000	10,000
Current portion of bonds payable	15,000	—
Lease obligations	1,068	1,062
Income taxes payable	3,140	4,156
Accrued expenses	38,896	38,732
Deposits received	14,965	15,216
Other	17,096	15,578
Total current liabilities	170,112	148,588
Non-current liabilities		
Bonds payable	50,000	70,000
Long-term borrowings	10,511	29,889
Lease obligations	4,957	4,337
Net defined benefit liability	7,576	8,079
Asset retirement obligations	971	968
Other	5,190	5,503
Total non-current liabilities	79,207	118,778
Total liabilities	249,319	267,367
Net assets		
Shareholders' equity		
Capital stock	21,821	21,821
Capital surplus	19,664	19,677
Retained earnings	220,181	225,292
Treasury stock	(15,351)	(15,248)
Total shareholders' equity	246,316	251,542
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,636	9,816
Deferred gains or losses on hedges	(33)	(0)
Foreign currency translation adjustment	7,717	12,073
Remeasurements of defined benefit plans	3,580	1,231
Total accumulated other comprehensive income	19,901	23,120
Subscription rights to shares	108	91
Non-controlling interests	4,777	4,994
Total net assets	271,103	279,749
Total liabilities and net assets	520,423	547,116

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

(Millions of yen)

	For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)	For the fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026)
Net sales	561,173	571,458
Cost of sales	426,120	428,198
Gross profit	135,053	143,260
Selling, general and administrative expenses	105,395	108,780
Operating profit	29,658	34,479
Non-operating income		
Interest income	179	283
Dividends income	1,316	1,175
House rent income	354	357
Share of profit of entities accounted for using equity method	—	212
Foreign exchange gains	—	2,403
Other	1,400	917
Total non-operating income	3,251	5,350
Non-operating expenses		
Interest expenses	1,509	1,560
Share of loss of entities accounted for using equity method	386	—
Loss on valuation of derivatives	—	542
Foreign exchange losses	575	—
Other	573	605
Total non-operating expenses	3,045	2,708
Ordinary profit	29,864	37,121
Extraordinary income		
Gain on sales of non-current assets	4,551	251
Gain on sale of investment securities	6,696	455
Gain on abolishment of retirement benefit plan	—	2,215
Total extraordinary income	11,248	2,922
Extraordinary loss		
Loss on disposal of non-current assets	965	645
Contributions to the public interest incorporated foundation Hikari Kyokai	1,684	1,667
Impairment loss	20,483	3,553
Plant reorganization expenses	266	572
Rebuilding-related losses	1,833	509
Other	592	857
Total extraordinary losses	25,826	7,805
Profit before income taxes	15,286	32,238
Income taxes – current	10,411	9,862
Income taxes – deferred	222	(408)
Total income taxes	10,633	9,454
Profit	4,652	22,784
Profit attributable to non-controlling interests	(807)	185
Profit attributable to owners of parent	5,459	22,599

(Consolidated statements of comprehensive income)

(Millions of yen)

	For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)	For the fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026)
Profit	4,652	22,784
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,291)	1,211
Deferred gains or losses on hedges	(105)	65
Foreign currency translation adjustment	5,089	4,352
Remeasurements of defined benefit plans	2,757	(2,349)
Share of other comprehensive income of associates accounted for using equity method	14	1
Total other comprehensive income	4,464	3,280
Comprehensive income	9,116	26,064
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,614	25,818
Comprehensive income attributable to non-controlling interests	(497)	245

(3) Consolidated statement of changes in shareholders' equity

For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(Millions of Yen)

	Shareholders' equity				
	Capital Stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	21,821	19,998	233,741	(14,241)	261,320
Changes of items during period					
Dividends of surplus			(9,011)		(9,011)
Profit attributable to owners of parent			5,459		5,459
Purchase of treasury shares				(11,209)	(11,209)
Disposal of treasury shares		(8)		100	92
Cancellation of treasury shares		(9,999)		9,999	—
Transfer from retained earnings to capital surplus		10,008	(10,008)		—
Change in ownership interest of parent due to transactions with non-controlling interests		(334)			(334)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(334)	(13,560)	(1,109)	(15,004)
Balance at end of current period	21,821	19,998	233,741	(14,241)	261,320

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	11,940	46	2,936	822	15,746	116	4,951	282,135
Changes of items during period								
Dividends of surplus								(9,011)
Profit attributable to owners of parent								5,459
Purchase of treasury shares								(11,209)
Disposal of treasury shares								92
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								(334)
Net changes of items other than shareholders' equity	(3,304)	(80)	4,781	2,757	4,154	(8)	(174)	3,971
Total changes of items during period	(3,304)	(80)	4,781	2,757	4,154	(8)	(174)	(11,032)
Balance at end of current period	8,636	(33)	7,717	3,580	19,901	108	4,777	271,103

For the fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(Millions of Yen)

	Shareholders' equity				
	Capital Stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	21,821	19,664	220,181	(15,351)	246,316
Changes of items during period					
Dividends of surplus			(7,471)		(7,471)
Profit attributable to owners of parent			22,599		22,599
Purchase of treasury shares				(10,010)	(10,010)
Disposal of treasury shares		(16)		113	96
Cancellation of treasury shares		(9,999)		9,999	—
Transfer from retained earnings to capital surplus		10,016	(10,016)		—
Change in ownership interest of parent due to transactions with non-		13			13
Net changes of items other than shareholders' equity					
Total changes of items during period	—	13	5,111	102	5,226
Balance at end of current period	21,821	19,677	225,292	(15,248)	251,542

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	8,636	(33)	7,717	3,580	19,901	108	4,777	271,103
Changes of items during period								
Dividends of surplus								(7,471)
Profit attributable to owners of parent								22,599
Purchase of treasury shares								(10,010)
Disposal of treasury shares								96
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								13
Net changes of items other than shareholders' equity	1,179	33	4,355	(2,349)	3,219	(16)	217	3,419
Total changes of items during period	1,179	33	4,355	(2,349)	3,219	(16)	217	8,646
Balance at end of current period	9,816	(0)	12,073	1,231	23,120	91	4,994	279,749

(4) Consolidated statement of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)	For the fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	15,286	32,238
Depreciation	23,514	23,884
Impairment loss	20,483	3,553
Amortization of goodwill	1,152	33
Amortization of negative goodwill	(58)	(34)
Increase (decrease) in retirement benefit liability	(14,103)	478
Increase (decrease) in allowance for doubtful accounts	(222)	(2)
Loss (gain) on valuation of investment securities	145	191
Interest and dividend income	(1,496)	(1,458)
Interest expenses	1,509	1,560
Foreign exchange losses (gains)	369	(1,968)
Share of loss (profit) of entities accounted for using equity	386	(212)
Loss (gain) on sales of non-current assets	(4,551)	(251)
Loss (gain) on disposal of non-current assets	965	645
Loss (gain) on sales of investment securities	(6,696)	(455)
Decrease (increase) in trade receivables	7,491	(3,368)
Decrease (increase) in inventories	(4,662)	(6,826)
Increase (decrease) in trade payables	(6,271)	(516)
Increase (decrease) in accrued expenses	(3,229)	(267)
Increase (decrease) in deposits received	(4,596)	250
Other, net	(1,317)	(7,774)
Subtotal	24,098	39,698
Interest and dividend income received	1,491	1,458
Interest expenses paid	(1,559)	(1,449)
Income taxes refund (paid)	(36,486)	(3,991)
Net cash provided by (used in) operating activities	(12,456)	35,716
Cash flows from investing activities		
Purchase of non-current assets	(32,224)	(39,999)
Proceeds from sale of non-current assets	5,253	756
Purchase of investment securities	(399)	(23)
Proceeds from sales of investment securities	8,552	553
Loan advances	(5,847)	(3,094)
Proceeds from collection of loans receivable	5,877	2,928
Other, net	0	8
Net cash provided by (used in) investing activities	(18,786)	(38,870)

(Millions of yen)

	For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)	For the fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,649)	(443)
Net increase (decrease) in commercial papers	10,000	—
Proceeds from long-term borrowings	5,538	24,262
Repayments of long-term borrowings	(7,804)	(10,640)
Proceeds from issuance of bonds	19,890	19,893
Redemption of bonds	(10,000)	(15,000)
Proceeds from sales of treasury shares	73	67
Purchase of treasury shares	(11,214)	(10,010)
Dividends paid	(9,011)	(7,471)
Dividends paid to non-controlling interests	(10)	(13)
Purchase of shares of subsidiaries not resulting in change in	(0)	(2)
Repayments of finance lease obligations	(839)	(1,145)
Net cash provided by (used in) financing activities	(5,028)	(503)
Effect of exchange rate change on cash and cash equivalents	301	1,157
Net increase (decrease) in cash and cash equivalents	(35,969)	(2,500)
Cash and cash equivalents at beginning of period	64,528	28,559
Cash and cash equivalents at end of period	28,559	26,059

(5) Note regarding the consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Segment information)

1. Overview of reportable segments

The Group's reportable segments are those units of independent financial information that the Board of Directors regularly conducts a review of, for the purpose of making decisions about management resources to be allocated to the segments and to assess the segments' performance.

The Group is comprised of business segments based on its products and services, including the food industry as a reportable segment.

The food industry is centered on the manufacture and sale of commercial milk, dairy products, ice cream and beverages.

2. Methods for calculating the monetary amount of sales, income (loss), assets, liabilities and other items of each reportable segment

The accounting standards and methods for reportable segments are generally identical to the description in the "Significant Accounting Policies for the Consolidated Financial Statements."

Income in the reportable segments is based on operating profit.

Intra-segment internal income and transfer amounts are based on actual market prices.

3. Information on the monetary amount of sales, income (loss), assets, liabilities and other items of each reportable segment

Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments	Other*1	Total	Adjustments*2	Amount recorded in the Consolidated Financial Statements*3
	Food				
Net sales					
Sales to external customers	537,473	23,700	561,173	—	561,173
Intra-segment internal sales and transfer amount	249	8,626	8,875	(8,875)	—
Total	537,723	32,326	570,049	(8,875)	561,173
Segment income (loss)	39,811	2,895	42,707	(13,048)	29,658
Segment assets	444,925	27,808	472,734	47,688	520,423
Other items					
Depreciation	23,127	152	23,280	234	23,514
Amortization of goodwill	1,152	—	1,152	—	1,152
Increases in property, plant and equipment, and intangible assets	29,470	75	29,545	1,962	31,508

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments	Other*1	Total	Adjustments*2	Amount recorded in the Consolidated Financial Statements*3
	Food				
Net sales					
Sales to external customers	547,418	24,039	571,458	—	571,458
Intra-segment internal sales and transfer amount	242	9,919	10,162	(10,162)	—
Total	547,661	33,959	581,620	(10,162)	571,458
Segment income (loss)	45,807	3,582	49,389	(14,910)	34,479
Segment assets	473,936	27,420	501,357	45,759	547,116
Other items					
Depreciation	23,490	208	23,698	186	23,884
Amortization of goodwill	33	—	33	—	33
Increases in property, plant and equipment, and intangible assets	34,968	73	35,042	5,760	40,803

(Note 1) The category of “other” refers to the business segments not included in the reportable segments, such as feed, design and construction of plant equipment, and real estate leases.

(Note 2) Details of the adjustments are as follows.

(1) Segment income (loss)

(Millions of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Elimination of inter-segment transactions	(1,227)	(1,886)
Company-wide costs*	(11,820)	(13,023)
Total	(13,048)	(14,910)

* Company-wide costs are primarily general and administrative expenses that are not allocated to the business segments.

(2) Segment assets

(Millions of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Elimination of inter-segment transactions	(5,610)	(6,043)
Company-wide costs*	53,299	51,803
Total	47,688	45,759

* Company-wide assets are primarily assets in the administrative division that do not belong to the business segments.

(3) The adjustment of depreciation costs is primarily the amortization expenses related to corporate equipment.

(4) The adjustments of increases in property, plant and equipment, and intangible assets are primarily the investment amount related to corporate equipment.

(Note 3) Segment income is adjusted to operating profit in the consolidated financial statements.

(Information per share)

	Previous consolidated fiscal year (April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (April 1, 2025 to March 31, 2026)
Net assets per share	¥3,187.41	¥3,403.79
Basic earnings per share	¥64.60	¥276.02
Diluted earnings per share	¥64.53	¥275.77

(Note 1) The Company has introduced a stock provision trust (J-ESOP) for employees at the beginning of the previous consolidated fiscal year, under which shares of the Company are held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets. Shares of the Company remaining in the trust and recognized as treasury stock under shareholders' equity are included in treasury shares to be deducted in the calculation of the average number of shares during the period for the purpose of calculating earnings per share, and are also included in treasury shares to be deducted from the total number of shares issued at the end of the period for the purpose of calculating net assets per share. The average number of such treasury shares deducted in the calculation of earnings per share was 304,116 shares for the previous consolidated fiscal year and 364,500 shares for the current consolidated fiscal year. The number of such treasury shares deducted from the total number of shares issued at the end of the period for the purpose of calculating net assets per share was 364,500 shares for both the previous and current consolidated fiscal years.

(Note 2) The basis for calculating profit per share and profit per share–diluted is as follows.

	Previous consolidated fiscal year (April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to the parent company (millions of yen)	5,459	22,599
Profit attributable to the parent company and available to common shareholders (millions of yen)	5,459	22,599
Average number of shares in period (thousands of shares)	84,512	81,873
Diluted earnings per share		
Adjustment on profit attributable to owners of parent (millions of yen)	—	—
Increase in common stock (thousands of shares)	94	74
Overview of potential stock not included in calculations of diluted earnings per share because the stocks have no dilutive effect	-----	

(Significant subsequent events)

The Company hereby announces that at the meeting held on May 13, 2026, the Board of Directors resolved to execute a stock split and a partial amendment to the Articles of Incorporation in connection with the stock split, as outlined below. In addition, the Company hereby announces the Shareholder Incentive Program in connection with the stock split.

1. Stock split

(1) Purpose of the stock split

By lowering the amount required per investment unit through a stock split, we aim to create an environment that further facilitates investment, improving the liquidity of the Company's shares and expanding the range of potential investors. At the same time, we will strive to strengthen our relationships with shareholders from a medium- to long-term perspective through shareholder return initiatives and ongoing dialogue.

(2) Overview of the stock split

1) Method of stock split

Each share of the Company's common stock held by shareholders listed or recorded in the final shareholders' registry on the record date, June 30, 2026, will be split into four shares (4-for-1 stock split).

2) Increase in shares due to the stock split

Total number of issued shares before the stock split	86,179,786 shares
Increase in shares due to the stock split	258,539,358 shares
Total number of issued shares after the stock split	344,719,144 shares
Total number of authorized shares after the stock split	1,152,000,000 shares

3) Schedule of the stock split

Date of public notice of the record date	Monday, June 15, 2026
Record date	Tuesday, June 30, 2026
Effective date	Wednesday, July 1, 2026

4) Schedule of the stock split

The per share information presented below is based on the assumption that the stock split had been carried out at the beginning of the previous consolidated fiscal year.

	Previous consolidated fiscal year (April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (April 1, 2025 to March 31, 2026)
Basic earnings per share	¥16.15	¥69.01
Diluted earnings per share	¥16.13	¥68.94

(3) Other matters

1) Change in the amount of share capital

The share capital amount will remain unchanged at the time of the stock split.

2) Adjustment to the total number of shares of restricted stock allotted to the Company's Directors (excluding External Directors)

The allotment of a total of up to 15,000 shares of restricted stock each fiscal year to the Company's Directors (excluding External Directors) and the reasonable adjustment of this number in the case of a stock splits were approved by the 95th Annual General Meeting of Shareholders held on June 28, 2018. Based on this approval, the maximum total number of shares of restricted stock was adjusted to 30,000 shares, effective December 1, 2023, and will be adjusted to 120,000 shares, effective July 1, 2026.

2. Partial amendment to the Articles of Incorporation pursuant to the stock split

(1) Reasons for the amendment

The total number of authorized shares prescribed under Article 5 of the Company’s Articles of Association will be amended pursuant to the stock split, effective July 1, 2026, based on the provisions of Article 184, Paragraph 2 of the Companies Act.

(2) Details of the amendment

Details of the amendment are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Amended Articles of Incorporation
(Total number of authorized shares) Article 5. The total number of authorized shares of the Company shall be <u>288,000,000</u> shares.	(Total number of authorized shares) Article 5. The total number of authorized shares of the Company shall be <u>1,152,000,000</u> shares.

(3) Schedule of the amendment to the Articles of Incorporation

Effective date	Wednesday, July 1, 2026
----------------	-------------------------

3. Shareholder Incentive Program

The Company offers a shareholder incentive program with the aim of deepening understanding of the products we sell as well as showing appreciation to those shareholders who always support the Company. Shareholders listed in the shareholders’ registry as of September 30 each year who hold 100 or more shares (1 or more trading units) are eligible to receive either a selection of the Company's products or a donation of an equivalent value, depending on the number of shares held.

The details of the shareholder incentive program for shareholders as of September 30, 2026, will be decided and announced by the end of August 2026. Additionally, for existing shareholders prior to the stock split, we are considering this change in a way that ensures the value of shareholder incentives and other incentives will not fall below the level of the current Program.

(Notice Regarding Determination of Basic Policy and Beginning of Preparations for Absorption-Type Merger of Wholly Owned Subsidiary Morinaga Milk Industry Sales Co., Ltd.)

At a meeting held on March 13, 2026, the Board of Directors resolved to adopt a basic policy of implementing at some point in the future an absorption-type merger of Morinaga Milk Industry Sales Co., Ltd. (hereinafter, “the subsidiary subject to the merger”), a wholly owned subsidiary of Morinaga Milk Industry Co., Ltd. (hereinafter, “the Company”), and to begin preparations for the implementation of the same, as follows.

Furthermore, as of today, the situation has not progressed to the point of a merger agreement being concluded, but the Board of Directors is scheduled to pass a resolution approving the merger agreement based on the completion of system integration, contractual procedures with customers, and other matters going forward.

1. Purpose of the organizational reform

The subsidiary subject to the merger has played a role in the sales activities of the Morinaga Milk Group over the years, and the decision to implement the merger was taken with the objective of consolidating management resources, strengthening, speeding up, and improving the efficiency of sales activities, and enhancing group governance. Through this initiative we seek to improve the corporate value of the Group as a whole.

2. Overview of the policy at this point in time

(1) Method of reorganization envisaged

The Company envisages an absorption-type merger (simplified/short-form merger) in which the Company itself is the surviving company and the subsidiary subject in the merger is the disappearing company.

(2) Matters pertaining to preparations

The Company will proceed mainly with the following matters in preparation for the merger.

- Integration/migration of course systems, sales management systems, and order entry systems, etc.
- Procedures related to the change in the entity with which customers contract
- Rebuilding of business processes and internal controls

(3) Schedule envisaged*

Resolution by the Board of Directors concerning approval of merger agreement: March 2027 (scheduled)

Conclusion of merger agreement: March 2027 (scheduled)

Effective date of the merger: April 2027 (scheduled)

*The schedule given above is our estimate at this point in time, and may change depending on the state of preparations and other matters.

(4) Details of allotments pertaining to the organizational reform

This is an absorption-type merger of a wholly owned subsidiary of the Company, and thus there will be no issuance of new shares or allotments of money, etc. pertaining to the merger.

(5) Details of share acquisition rights and bonds with share acquisition rights pertaining to the organizational reform

Not applicable.

3. Procedure going forward

The Company will make further appropriate disclosures at the point at which specific details of the merger agreement are finalized and approved by a resolution of the Board of Directors.

4. Outlook for the future

The impact on the consolidated performance of the Company has not been determined will be immaterial. If matters that should be disclosed come to light going forward, the Company will provide prompt notification of the same.