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

August 7, 2026

(Materials published August 7, 2026)

1. Overview of the First Quarter of the FYE March 2027 Financial Results
2. Outlook of Financial Results for FYE March 2027

Preamble: Summary of Today’s Presentation (Key Points From 1Q Results, Future Outlook)

1. Overview of FYE March 2027 1Q results: net sales ¥147.1 billion (+2.4% YoY), operating profit ¥10.0 billion (+12.9% YoY)

   Higher net sales and profits (record high for profit), expansion of Global Business

   ・Operating profit ¥10.0 billion (+¥1.1 billion YoY). Steady progress in 1Q. Significant contribution of Global Business (+¥2.3 billion YoY), profit composition ratio 52%

   Domestic business:

   ¥4.8 billion (-¥1.2 billion YoY). Sales situation varies by category, but overall volume decreased. Unable to fully offset higher costs through business growth. Impact of higher costs arising from Middle East situation around ¥0.7 billion (will increase in 2Q and beyond), mainly due to packaging materials, etc.

   Global Business:

   ¥5.2 billion (+¥2.3 billion YoY). At MILEI, year-on-year increases, higher selling unit prices drove higher revenue and profit against background of rising market price for whey protein. Probiotics, formula milk, etc. also contributed to higher sales and profits, profit contribution from depreciation of the yen.

2. Outlook for Financial Results for FYE March 2027:

   Global Business strong, operating profit revised up

   1H: ¥20.0 billion (+¥2.1 billion vs. target); full year; ¥34.0 billion (+¥2.0 billion vs. target)

   ・Approach to revising earnings forecasts: upward revision of Global Business, downward revision of domestic business

   Global Business (+¥4.2 billion vs. full-year target):

   Whey protein market prices have risen sharply, and MILEI has made steady progress in raising selling unit prices. Targets hiked significantly (lower revenue and profit to higher revenue and profit). Subsidiaries other than MILEI, and probiotics, are also projected to do well, so expect overshoot of initial forecasts.

   Domestic business (-¥2.2 billion vs. full-year target):

   Major impact from lower revenue in categories where we made price revisions, etc. last fiscal year, so have cut outlook for volume after price revisions in August/September. Despite strong sales for yogurt and some other categories, overall sales are behind forecasts. Costs remain high (continuation of Middle East situation, yen depreciation), and many elements for which estimates/impact are uncertain, including weather, logistics difficulties, etc.

   ・Impact from the Middle East situation: Had factored negative impact of ¥4.0 billion up to September into initial forecasts. Although impact of cost increases expected to materialize in October and beyond, have already announced price revisions to address this (beverages, yogurt, chilled desserts, etc. in August; ice cream, cheese, infant formula, etc. in September).

*The details of the shareholder benefit program for shareholders as of September 30, 2026, will be decided and disclosed by the end of August 2026.

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

Financial Results for 1Q of FYE March 2027: Summary

(Unit: billion yen)

	FYE Mar. 2026 1Q	FYE Mar. 2027 1Q	Year-on year change	Year on year
Net sales	143.7	**147.1**	+3.4	+2.4%
Operating profit	8.8	**10.0**	+1.1	+12.9%
Ordinary profit	9.5	**10.6**	+1.1	+11.3%
Profit attributable to owners of parent	6.9	**6.7**	-0.2	-3.4%
Operating profit to net sales	6.1%	**6.8%**		
Global Business sales ratio	13.6%	**16.7%**		

*Supplementary information on profit attributable to owners of parent

- Extraordinary income (FYE March 2026 1Q): Gain on abolishment of retirement benefit plan +¥2.2 billion, etc.
- Extraordinary income (FYE March 2027 1Q): Gain on sale of businesses +¥0.7 billion (transfer of MORINAGA MILK INDUSTRY BUSINESS SERVICE CO., LTD. insurance agency business), etc.

■ Operating profit ¥10.0 billion (+¥1.1 billion YoY), record high for profit Expansion of Global Business (+¥2.3 billion YoY), lower sales and profit in Domestic Business

Global Business saw higher profit, centered on MILEI. Other Global Business of Growth Areas (probiotics, formula milk) also contributed to profit increase and solid progress in 1Q including the positive impact of yen depreciation. Sales situation in domestic business varies by category but overall volume to fall. While revenue rose for yogurt, beverages, and others, revenue has fallen more than expected for ice cream, milk, and other categories where price revisions were implemented and package volumes changed at end of previous fiscal year. Effects of growth for domestic business as a whole outweighed by higher costs, including increases associated with Middle East situation, raw materials, operational, depreciation, and other costs. Impact of higher costs arising from Middle East situation materialized at around ¥0.7 billion (will increase in 2Q and beyond), mainly due to packaging materials, etc.

■ Implementation status of structural reforms in Japan

- In terms of implementation status of structural reforms in Japan, announced or implemented the following in this 1Q
  - ・Announced discontinuation of production at HIROSHIMA MORINAGA MILK INDUSTRY CO., LTD. (scheduled for end of fiscal year ending March 31, 2027) in June
  - ・Implemented transfer of MORINAGA MILK INDUSTRY BUSINESS SERVICE CO., LTD. insurance agency business

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

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(Unit: billion yen)

	Net sales			Operating profit (operating profit to net sales)		
	FYE Mar. 2026 1Q	FYE Mar. 2027 1Q	Year on year	FYE Mar. 2026 1Q	FYE Mar. 2027 1Q	Year-on year change
Domestic business*	124.1	**122.6**	-1.2%	5.9 (4.8%)	**4.8** (3.9%)	-1.2
Global Business	19.6	**24.5**	+25.4%	2.9 (14.9%)	**5.2** (21.2%)	+2.3
Total	143.7	**147.1**	+2.4%	8.8 (6.1%)	**10.0** (6.8%)	+1.1

(Unit: billion yen)

	Net sales		Operating profit (operating profit to net sales)	
	FYE Mar. 2027 1H target before revision	Year on year	FYE Mar. 2027 1H target before revision	Year-on year change
Domestic business*	256.5	+1.0%	11.1 (4.3%)	-2.9
Global Business	43.5	+10.3%	6.8 (15.8%)	±0.0
Total	300.0	+2.3%	17.9 (6.0%)	-2.9

*Domestic Business = Total − Global Business

■ Domestic business (operating profit ¥4.8 billion, -¥1.2 billion)

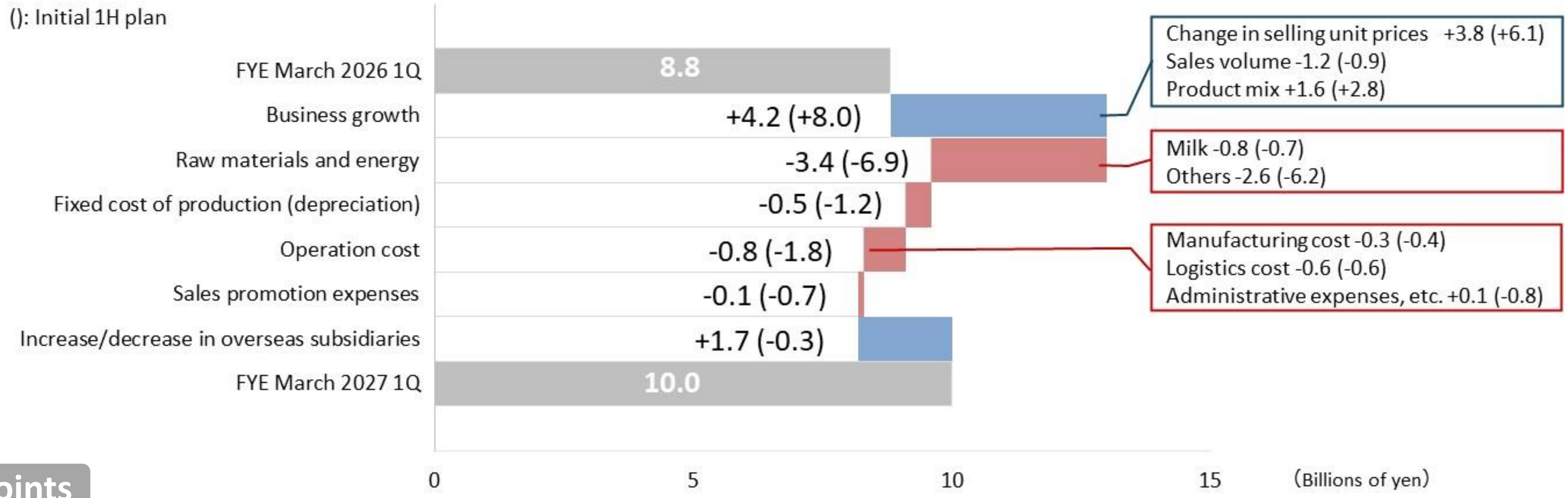
While revenue rose for yogurt, beverages and other highly profitable categories, revenue fell more than expected for ice cream, milk, and other categories where price revisions were implemented and package volumes changed at end of previous fiscal year. Unable to fully offset higher costs, including increases associated with Middle East situation, raw materials, operational, and other costs and profit declined. Of -¥3.0 billion in forecast domestic cost impacts from Middle East situation (up to end September), effects in 1Q came to around -¥0.7 billion

In Growth Areas, despite burden of depreciation on production line caused by concentrating resources for the future, “Bifidus yogurt” and “PARTHENO” recorded double-digit growth. In addition to above effects, ice cream recorded decrease in revenue due to temperatures in June and fewer number of limited edition seasonal products being lower than previous year. Mainstay segments recorded significantly lower revenue of milk as a result of production line reorganizations and changes in package volume, and other factors. Nurturing Areas and own subsidiaries saw higher sales and profit.

■ Global Business (operating profit ¥5.2 billion, +¥2.3 billion YoY)

At MILEI, higher selling unit prices drove higher revenue and profit against background of rising market price for whey protein. Growth Area of probiotics (for formula milk and supplements) saw revenue continue to grow at double-digit rate in continuation of previous fiscal year. Formula milk in Pakistan also expanded, driven mainly by locally manufactured products. Strategic transformation Areas in U.S. business went into the black in 1Q. Profit contribution from depreciation of the yen. Good progress versus initial forecasts.

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



Key Points

- Change in selling unit prices: Effects of unexpired months from price revisions in previous fiscal year (yogurt, ice cream, milk, B-to-B commercial dairy products, etc.)
- Sales volume: Larger negative impact, centered on milk and ice cream (price revisions and package volume changes at the end of previous fiscal year)
- Product mix: Expanded high value-added products, including yogurt, probiotics, beverages, etc. Effects from volume changes, etc.
- Raw materials / Energy: 1Q impact on domestic business of Middle East situation approx. -¥0.7 billion. Cost increases in packaging materials, etc. Also cost increases mainly in imported dairy ingredients, coffee, chocolate, and others
- Operation cost: Greater than expected increases in costs, driven by logistics and manufacturing costs. Controlled some cost increases through impact of rationalization
- Increase/decrease in overseas subsidiaries: In addition to impact of profit increase at MILEI, overseas subsidiaries in Pakistan, U.S., and Vietnam all contributed to higher profit. Profit contribution from depreciation of the yen.

Outlook of Financial Results for FYE March 2027

Outlook for Financial Results for FYE March 2027

Revised forecasts

(Unit: billion yen)

	FYE Mar. 2026 full year	FYE Mar. 2027 full year target	Year-on-year change	Year on year	vs. initial target
Net sales	571.5	**580.0**	+8.5	+1.5%	-
Operating profit	34.5	**34.0**	-0.5	-1.4%	**+2.0**
Ordinary profit	37.1	**35.0**	-2.1	-5.7%	**+2.3**
Profit attributable to owners of parent	22.6	**21.0**	-1.6	-7.1%	**+1.0**
Operating profit to net sales	6.0%	**5.9%**			
Global Business sales ratio	15.3%	**17.4%**			
ROE (profit / equity capital)	8.4%	**7.5%**			
ROIC (NOPAT / invested capital)	6.3%	**6.0%**			
Annual dividend per share / Payout ratio	25 yen* 36.2%	**25 yen* 38.4%**			

(Unit: billion yen)

	FYE Mar. 2026 1H	FYE Mar. 2027 1H target	Year-on-year change	Year on year	vs. initial target
Net sales	293.3	**300.0**	+6.7	+2.3%	-
Operating profit	20.8	**20.0**	-0.8	-3.9%	**+2.1**
Ordinary profit	21.9	**20.5**	-1.4	-6.6%	**+2.1**
Profit attributable to owners of parent	14.6	**14.0**	-0.6	-4.4%	**+1.0**
Operating profit to net sales	7.1%	**6.7%**			
Global Business sales ratio	13.4%	**17.4%**			

Exchange Rate Assumptions (FYE2027) Average exchange rate during the period	Initial (Yen)	Revised (Yen)
USD/Yen	155.0	**160.0**
EUR/Yen	180.0	**185.0**
Australian dollar/Yen	105.0	**105.0**

■ **In response to positive outlook for Global Business, have revised for both first half and full year. Operating profit ¥34.0 billion (vs. initial target: +¥2.1 billion in 1H, -¥0.1 billion in 2H)**

– Global Business: Whey protein market prices have risen sharply in 2026. Although MILEI initially forecast lower revenue and profit due to a year-on-year reduction in volumes and the impact of high costs, it has made steady progress in raising selling unit prices, leading to the forecast of higher revenue and profit. Subsidiaries other than MILEI, and probiotics, are also projected to do well, so expect significant overshoot of initial forecasts

– Domestic business: Post-price revision outlook worse than initially expected; forecasts revised down. Additional cost impacts from Middle East situation expected to emerge in October and beyond, and price revisions to address higher costs have already been announced. Despite strong sales for yogurt and some other categories, overall sales are behind forecasts, while costs remain high (ongoing Middle East situation, yen depreciation), and there are many uncertain such as sales trends after price revisions, weather, logistics difficulties, etc.

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

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

Revised forecasts

(Unit: billion yen)

1H target

	Net sales				Operating profit (operating profit to net sales)			
	FYE Mar. 2026	FYE Mar. 2027	Year on year	vs. initial target	FYE Mar. 2026	FYE Mar. 2027	Year-on-year change	vs. initial target
Domestic business*	253.9	247.8	-2.4%	-8.7	14.0 (5.5%)	9.8 (4.0%)	-4.2	-1.3
Global Business	39.4	52.2	+32.5%	+8.7	6.8 (17.4%)	10.2 (19.5%)	+3.4	+3.4
Total	293.3	300.0	+2.3%	±0.0	20.8 (7.1%)	20.0 (6.7%)	-0.8	+2.1

Full-year target

	Net sales				Operating profit (operating profit to net sales)			
	FYE Mar. 2026	FYE Mar. 2027	Year on year	vs. initial target	FYE Mar. 2026	FYE Mar. 2027	Year-on-year change	vs. initial target
Domestic business*	484.0	479.1	-1.0%	-14.0	17.5 (3.6%)	13.8 (2.9%)	-3.7	-2.2
Global Business	87.5	100.9	+15.3%	+14.0	17.0 (19.4%)	20.2 (20.0%)	+3.2	+4.2
Total	571.5	580.0	+1.5%	±0.0	34.5 (6.0%)	34.0 (5.9%)	-0.5	+2.0

*Domestic Business = Total − Global Business

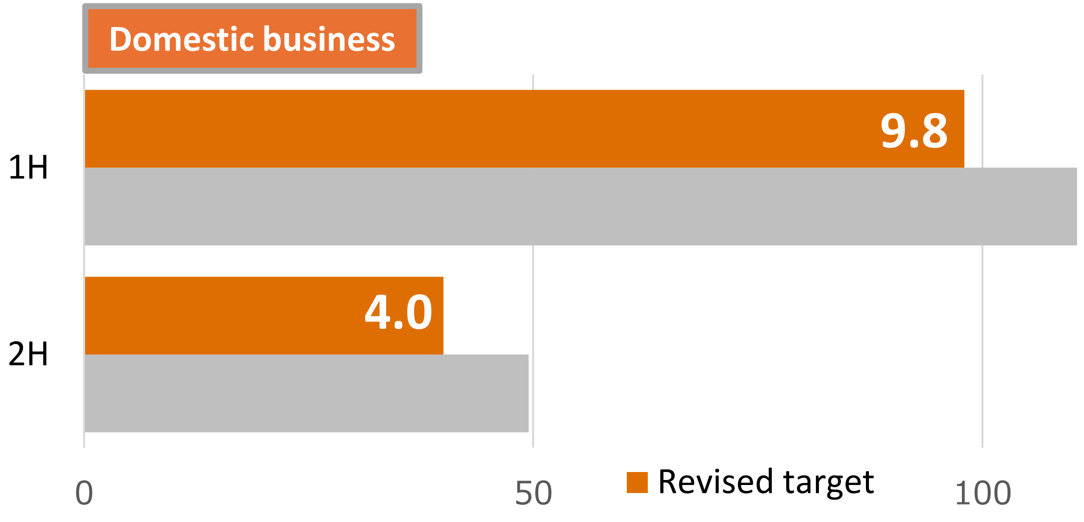
- Domestic business (Full-year forecast: Revised operating profit downward from ¥16.0 billion to ¥13.8 billion, -¥2.2 billion vs. target)
  Revised down due to reflect sales volume, post-price revision outlook, high costs, etc. Raw material, operational, fixed manufacturing costs and other costs not associated with Middle East situation are in line with initial forecasts, have already announced price revisions to address cost increases driven by Middle East situation (beverages, yogurt, chilled desserts, etc. in August; ice cream, cheese, infant formula, etc. in September). Will continue to work for product mix improvements, etc. achieved through high value-added products, by appealing on basis of new value, and by streamlining through structural reforms.

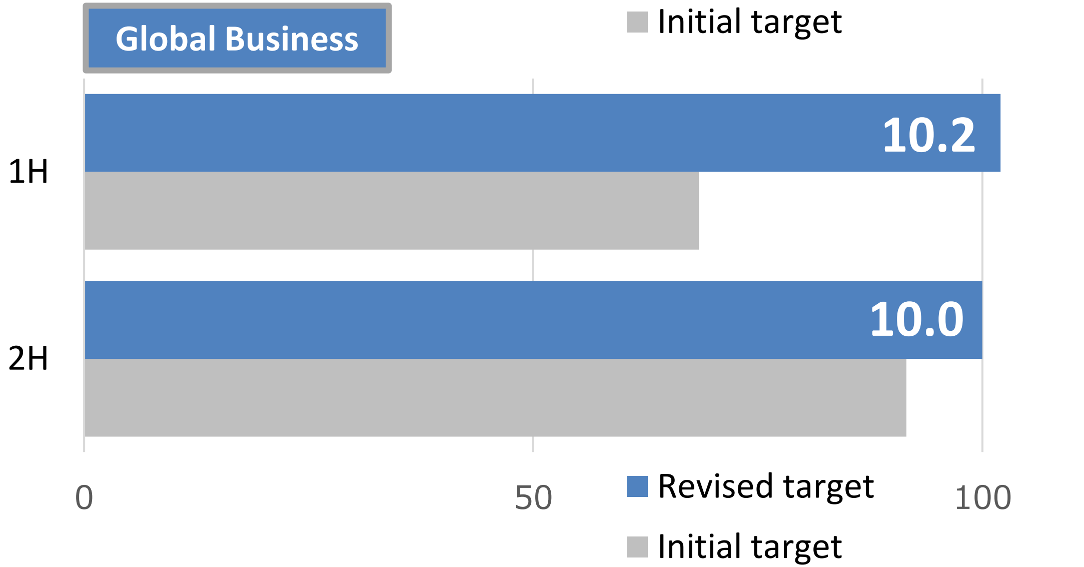
- Global Business (Full-year forecast: Revised operating profit upward from ¥16.0 billion to ¥20.2 billion, +¥4.2 billion vs. target)
  Upward revision due to progress at subsidiaries, probiotics, etc. outstripping forecasts. MILEI expected to raise trade prices in 2Q and beyond in response to strength of whey protein market conditions. Despite initial forecast of lower revenue and profit, have revised to higher revenue and profit, with sales volume front-loaded in 1H due to strong demand. Global Business other than MILEI turned in solid performance in 1Q, have revised up 1H based on outlook for 2Q. Positive impact of yen depreciation (YoY) expected to emerge mostly in 1H (as of end June, yen was weakening against EUR, USD, PKR, etc.). Forecasting probiotics growth against background of rising numbers of recipe registrations in the Chinese market, while formula milk to expand in Pakistan due mainly to broader lineup of locally manufactured products. Effects of structural reform emerging in the U.S., a Strategic Transformation Area. High year-on-year hurdle in 2H.
  Profit composition ratio of the Global Business: 49% in FYE March 2026 → 59% in FYE March 2027

Revisions to Operating Profit Forecasts by Global/Domestic Business

Revised forecasts

Operating profit forecasts for domestic business and Global Business (Unit: billion yen)





Key Points

-1.3 vs. target

- Reflect trends in sales volume, cost increases, etc. Sales trend post-price revisions in August/September likely to be more challenging than initially expected due to temperature and other factors

-0.9 vs. target

- Revised due to outlook for sales trend post-price revisions in August/September, etc. Will continue to work for product mix improvements, etc. achieved through high value-added products, by appealing on basis of new value, and by streamlining through structural reforms

+3.4 vs. target

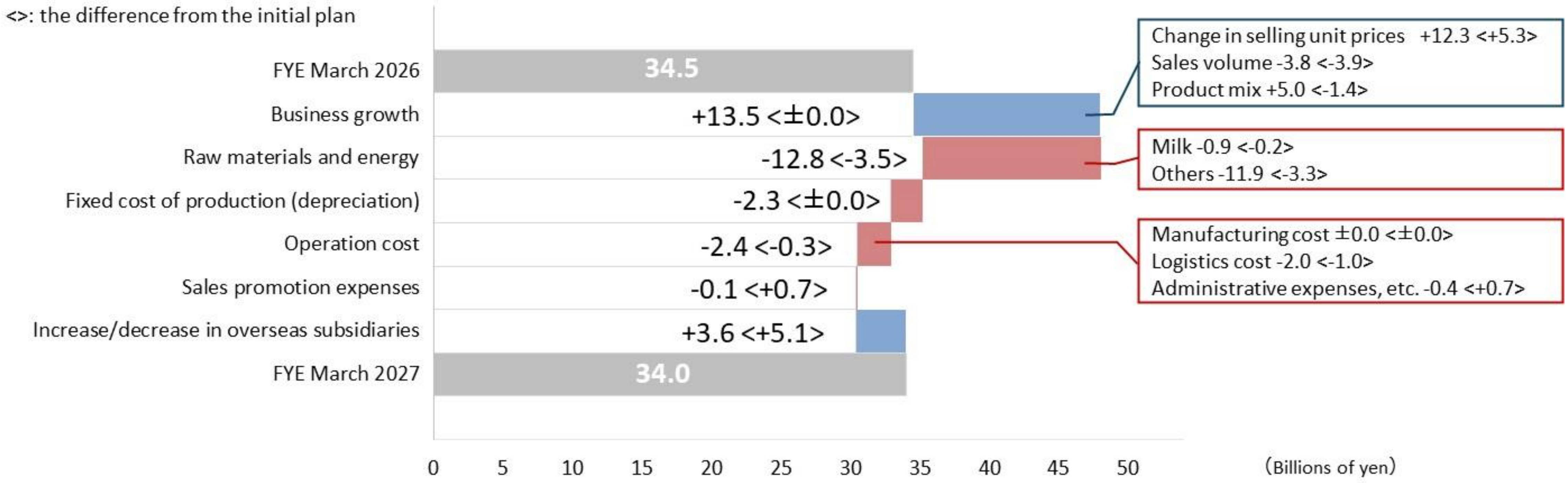
- Upward revision due to progress at subsidiaries, probiotics, etc. outstripping initial forecasts. MILEI expected to raise trade prices in response to strength of whey protein market conditions. Sales volume to be front-loaded in 1H. 1H outlook for Global Business other than MILEI strong, hence upward revision. Effect of weak yen also contributing.

+0.8 vs. target

- MILEI forecasts hiked after taking into account progress in raising trade prices. Despite Global Business other than MILEI outperforming initial expectations in first half, growth in profit in second half already factored in, no major impact in terms of deviation from forecasts

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

Revised forecasts



Key Points

- Change in selling unit prices: Deviation from initial forecasts to be driven mainly by August/September price revisions (yogurt, beverages, chilled desserts, ice cream, cheese, infant formula, etc.)
- Sales volume: Forecasts revised due to 1Q sales volume, outlook for sales after price revisions. Despite strength in yogurt and "Mt. RAINIER CAFFÈ LATTE," sales of ice cream and milk, etc. falling short of initial plans.
- Raw materials / Energy: Forecast revision focused mainly on second half due to impact of Middle East situation. However, price revisions to address this reflected in selling unit price change, so there is essentially no change in the factors contributing to the decline in profits due to Middle East situation.
- Operation cost: Costs exceeding initial expectations as a result of higher unit price for logistics expenses and lower sales volume leading to lower loading efficiency, etc. Succeeded in controlling some costs due to impact of temporary expenses in previous fiscal year, and effects of streamlining initiatives.
- Sales promotion expenses: Focus and prioritization of resources exceeding initial expectations, seeking to commit expenses to further improve efficiency.
- Increase/decrease in overseas subsidiaries: Upward revision focused mainly on first half. MILEI expected to hike trade prices in 2Q and beyond in response to strong whey protein market conditions, so have revised up profit forecasts. Upward revisions also for subsidiaries in Pakistan, U.S., Vietnam.

Others, topics

■ Probiotics (1Q net sales: +38% YoY (domestic and overseas))

- R&D news releases (New clinical trial study on *Bifidobacterium longum* BB536, etc.)

- Plain Yogurt Containing *Bifidobacterium longum* BB536, Combined with Lifestyle Improvements, May Slow the Pace of Aging — Published in the Scientific Journal *Aging* (July 27)
- A Study of Human Immune Cell Responsiveness, One of the Factors Associated with Aging Bifidobacteria May Help Suppress Excessive Inflammatory Responses — Published in the Scientific Journal *iScience* (July 27)
- Morinaga Milk Achieves Self-Affirmed GRAS Status for LAC-Living+™, Expanding U.S. Opportunities for Its Postbiotic Ingredient Clinical evidence–backed postbiotic supports mood and well-being with formulation flexibility for diverse applications (July 7)
- *Bifidobacterium infantis* M-63 May Support Bowel Habits and the Gut Environment in Infants and Toddlers During the Weaning Period Joint Research with Matsumoto City Hospital — Published in Scientific Journal *Pediatric Research* (May 11)
- Human-Residential *Bifidobacterium longum* BB536 May Improve Diarrhea-Related QOL Scores and Reduce Body-Odor-Related Metabolites in Male Athletes Consuming a High-Protein Diet — Published in the Scientific Journal *Journal of the International Society of Sports Nutrition* (May 8)

■ Structural reforms, *merihari*

- Reorganization of production structures continuing
  - ➢ Suspension of Production of HIROSHIMA MORINAGA MILK INDUSTRY CO., LTD. (due at the end of March 2027) (Published June 2)
- Structural reforms to concentrate resources in Growth Areas
  - ➢ Transfer of MORINAGA MILK INDUSTRY BUSINESS SERVICE CO., LTD. insurance agency business (Recorded +¥0.7 billion gain on sale of businesses)

Appendix

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

(Unit: billion yen)

	Net sales			Operating profit (operating profit to net sales)		
	FYE Mar. 2026 1Q	FYE Mar. 2027 1Q	Year on year	FYE Mar. 2026 1Q	FYE Mar. 2027 1Q	Year-on-year change
Growth Segments	32.1	**34.4**	+7.2%	4.0 (12.6%)	**4.3** (12.4%)	+0.2
Mainstay Segments (Core, Fundamental, Strategic transformation)	90.2	**91.1**	+1.0%	4.5 (5.0%)	**5.0** (5.5%)	+0.5
Nurturing/Other Segments	21.4	**21.6**	+1.0%	0.3 (1.5%)	**0.7** (3.2%)	+0.4
Total	143.7	**147.1**	+2.4%	8.8 (6.1%)	**10.0** (6.8%)	+1.1

(Unit: billion yen)

	Net sales		Operating profit (operating profit to net sales)	
	FYE Mar. 2027 1H target before revision	Year on year	FYE Mar. 2027 1H target before revision	Year-on-year change
Growth Segments	73.0	+11.5%	8.7 (11.9%)	±0.0
Mainstay Segments (Core, Fundamental, Strategic transformation)	181.2	+0.7%	7.8 (4.3%)	-2.9
Nurturing/Other Segments	45.8	-4.3%	1.4 (3.1%)	±0.0
Total	300.0	+2.3%	17.9 (6.0%)	-2.9

- **Growth Segments (operating profit ¥4.3 billion, +¥0.2 billion YoY)**
  In Growth Areas, significant increase in revenue in overseas categories, such as probiotics, and formula milk mainly in NutriCo Morinaga (Pakistan), drove substantial contribution to profit. In Japan, yogurt revenue grew 11%, mostly due to "Bifidus" and "PARTHENO," but negative sales impact of ice cream (changes in package volume, decrease in June temperatures and limited edition seasonal products), effects of higher raw material and operational costs, as well as impact of increases in depreciation caused by concentration of resources on manufacturing lines for the future was considerable, so that Growth Segments as a whole came in only slightly higher than previous year.
- **Mainstay Segments (operating profit ¥5.0 billion, +¥0.5 billion YoY)**
  At MILEI, higher selling unit prices drove higher revenue and profit against background of rising market price for whey protein. Despite satisfactory progress in sales for some domestic categories, such as beverages, production line reorganizations and changes in package volume for milk, etc. led to significant decrease in revenue. Unable to fully offset increases in raw material and operational costs through growth in the domestic business, so Mainstay Segments as a whole came in higher than previous year.
- **Nurturing/Other Segments (operating profit ¥0.7 billion, +¥0.4billion YoY)**
  Nurturing Areas had positive impact on profit through supplement sales made via e-commerce channels, and own subsidiaries also recorded higher revenue and profit.

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

(Unit: billion yen)		FYE Mar. 2026 1Q	FYE Mar. 2027 1Q	Year on year
Growth Segments				
	Yogurt	14.3	**15.9**	+11%
	Ice cream	13.4	**12.6**	-6%
(Global)	NutriCo Morinaga (Pakistan)	2.0 PKR 3.8 billion	**2.5** **PKR 4.4 billion**	+27% +18%
Nurturing/Other Segments				
(Global)	Morinaga Nutritional Foods Vietnam (Vietnam)	1.1 VND 191.4 billion	**1.1** **VND 183.2 billion**	-1% -4%

Key Points

- Implementation status of main price revisions/package volume changes up to end 1Q Nutritional food products (May 2025); cheese (July 2025); milk, yogurt, chilled desserts, etc. (August 2025); ice cream (September 2025, February–March 2026); B-to-B commercial dairy products
- Ice cream: Environment in 1Q characterized by June temperatures, number of limited edition seasonal products being lower than previous year
- Milk, commercial milk (home deliveries, etc.): Implemented production line reorganizations, changes in package volume (March 2026)

(Unit: billion yen)		FYE Mar. 2026 1Q	FYE Mar. 2027 1Q	Year on year
Mainstay Segments (Core, Fundamental, Strategic Transformation)				
	Beverages	13.8	**14.7**	+6%
	Cheese	6.4	**6.5**	+1%
	Nutritional food products	3.5	**3.6**	+3%
	CLINICO Co., Ltd.	6.6	**6.7**	+1%
(Global)	MILEI (Germany)	12.4 EUR 76 million	**15.4** **EUR 84 million**	+24% +10%
	Milk	10.4	**8.4**	-19%
	B-to-B (excluding domestic probiotics)	21.4	**21.2**	-1%
	Chilled desserts	2.0	**1.9**	-3%
	commercial milk (Home deliveries, etc.)	4.1	**3.4**	-16%
(Global)	Morinaga Nutritional Foods (U.S., including TIF)	2.1 USD 14 million	**2.4** **USD 15 million**	+17% +9%

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

Revised forecasts

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(Unit: billion yen)

	1H target								Full-year target							
	Net sales				Operating profit (operating profit to net sales)				Net sales				Operating profit (operating profit to net sales)			
	FYE Mar. 2026	FYE Mar. 2027	Year on year	vs. initial target	FYE Mar. 2026	FYE Mar. 2027	Year-on-year Change	vs. initial target	FYE Mar. 2026	FYE Mar. 2027	Year on year	vs. initial target	FYE Mar. 2026	FYE Mar. 2027	Year-on-year change	vs. initial target
Growth Segments	65.5	**73.3**	+12.0%	+0.3	8.7 (13.3%)	**9.2** (12.5%)	+0.5	**+0.5**	124.5	**136.6**	+9.7%	+0.8	12.6 (10.1%)	**14.5** (10.6%)	+2.0	**+0.6**
Mainstay Segments (Core, Fundamental, Strategic transformation)	180.0	**189.3**	+5.2%	+8.1	10.7 (5.9%)	**8.9** (4.7%)	-1.8	**+1.1**	365.0	**375.5**	+2.9%	+15.2	20.0 (5.5%)	**16.8** (4.5%)	-3.2	**+0.4**
Nurturing/Other Segments	47.9	**37.4**	-21.8%	-8.4	1.4 (3.0%)	**1.9** (5.0%)	+0.5	**+0.5**	82.0	**67.9**	-17.2%	-16.0	1.9 (2.3%)	**2.7** (3.9%)	+0.8	**+1.0**
Total	293.3	**300.0**	+2.3%	±0.0	20..8 (7.1%)	**20.0** (6.7%)	-0.8	**+2.1**	571.5	**580.0**	+1.5%	±0.0	34.5 (6.0%)	**34.0** (5.9%)	-0.5	**+2.0**

■ Growth Segments

Have raised 1H profit forecasts, mainly for favorable overseas categories (probiotics, formula milk). Domestic forecasts reflect higher costs and sales trend for ice cream, etc.

Probiotics: Forecast continuation of growth; previous fiscal year's revenue (FYE March. 2026): +25%

Formula milk for overseas market: Seeking growth driven mostly by broader lineup of locally manufactured products in Pakistan.

Yogurt , ice cream: As well as increases in costs, including those associated with Middle East situation, and depreciation burden arising from start of operation at new facilities, forecasts reflect sales trends up to this point and uncertain outlook after price revisions.

■ Mainstay Segments

MILEI: Initially forecast lower revenue and profit due to factoring in impact of disappearance of shipments from inventory in previous fiscal year, and higher costs, but expected to raise trade prices in 2Q and beyond in response to strength of whey protein market, and made significant contribution to upward revision for Mainstay segments.

Revised down almost every category in domestic business against backdrop of uncertain outlook for sales, etc. after price revisions. Forecasts assume negative impact on profit of higher costs, including Middle East situation, will be concentrated in the first half.

■ Nurturing/Other Segments

Revised due to steady contribution from Nurturing Areas and outlook for own subsidiaries.

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

Revised forecasts

(Unit: billion yen)

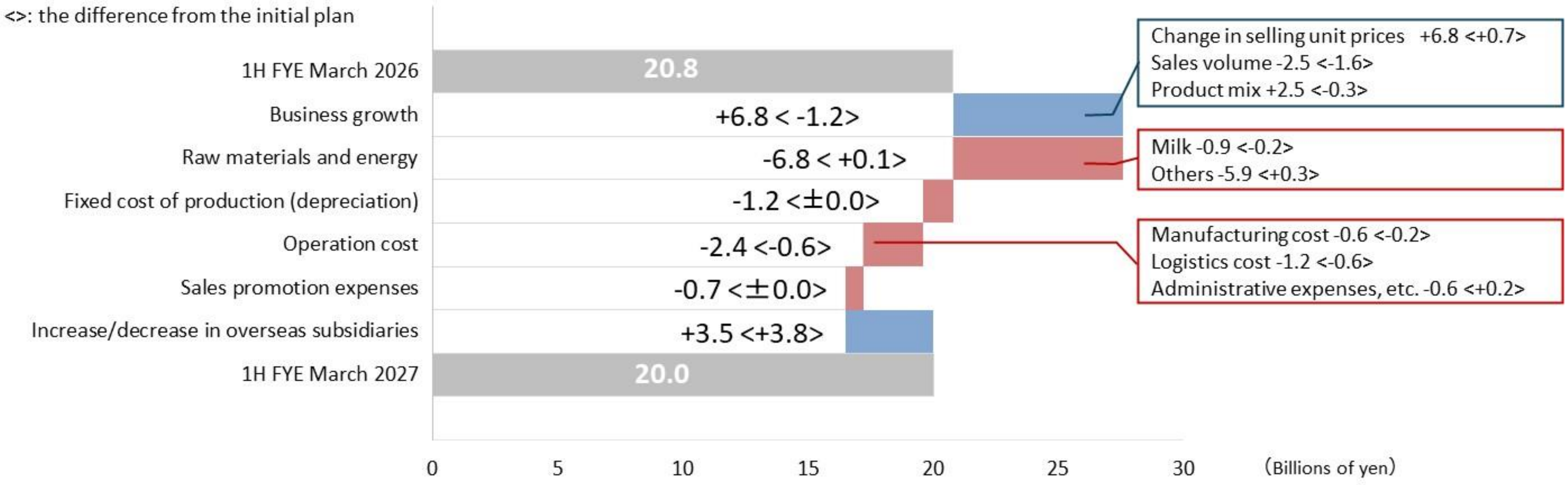
FYE March 2027 target		Net sales					
		FYE Mar. 2027 1H target	Year on year	vs. initial target	FYE Mar. 2027 full-year target	Year on year	vs. initial target
Growth Segments							
	Yogurt	31.5	+10%	+0.3	62.3	+8%	+1.0
	Ice cream	28.8	-5%	-2.6	46.7	-3%	-3.8
(Global)	NutriCo Morinaga (Pakistan)	5.6	+45%	+1.0	11.1	+26%	+1.5
Mainstay Segments (Core, Fundamental)							
	Beverages	29.9	+3%	-0.5	54.5	+2%	-0.7
	Cheese	12.9	+1%	-0.7	26.1	-1%	-1.3
	Nutritional food products	6.9	+1%	-0.1	14.2	+3%	-0.1
	CLINICO Co., Ltd.	13.8	+2%	-0.5	27.9	+4%	-1.9
(Global)	MILEI (Germany)	32.3	+26%	+6.5	62.1	+11%	+10.4
	Milk	17.4	-19%	-2.2	33.3	-19%	-4.8
	B-to-B (excluding domestic probiotics)	43.1	±0%	+0.1	86.9	+1%	+0.1

Key Points

- Implementation status of price revisions and volume changes: cheese (July 2025); milk, yogurt, chilled desserts, etc. (August 2025); ice cream (September 2025 and February–March 2026); beverages, yogurt, chilled desserts (August); ice cream, cheese, infant formula (September); B-to-B commercial dairy products
- Ice cream: New lines at Kobe Plant (FYE March 2027: “PARM” and “Pino”)
- MILEI: whey protein market price continues to exceed initial expectations

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

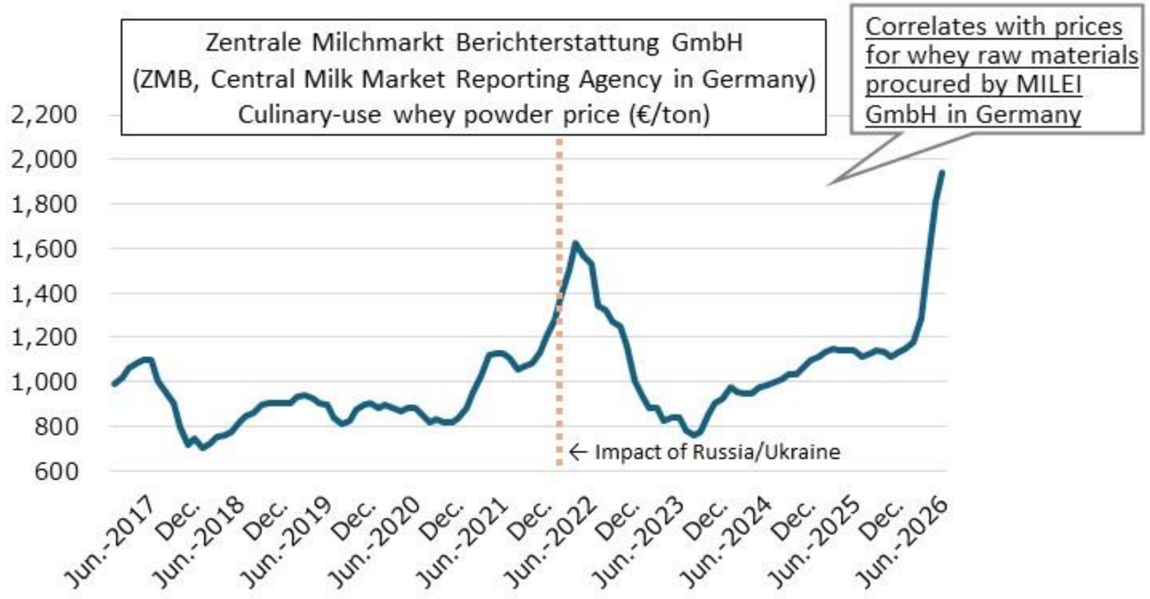
Revised forecasts

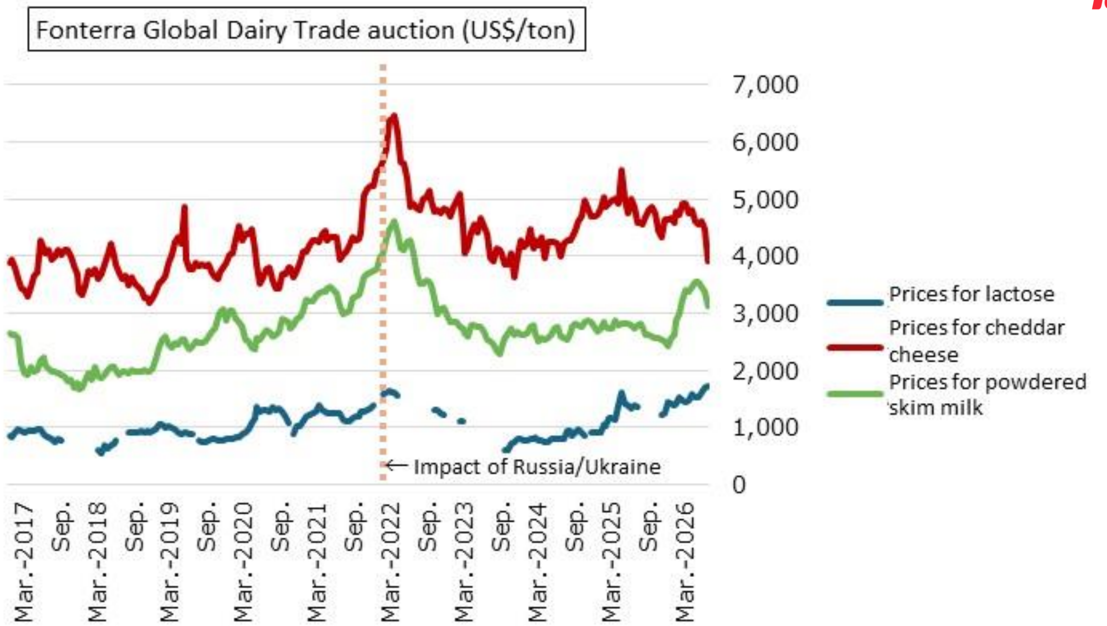


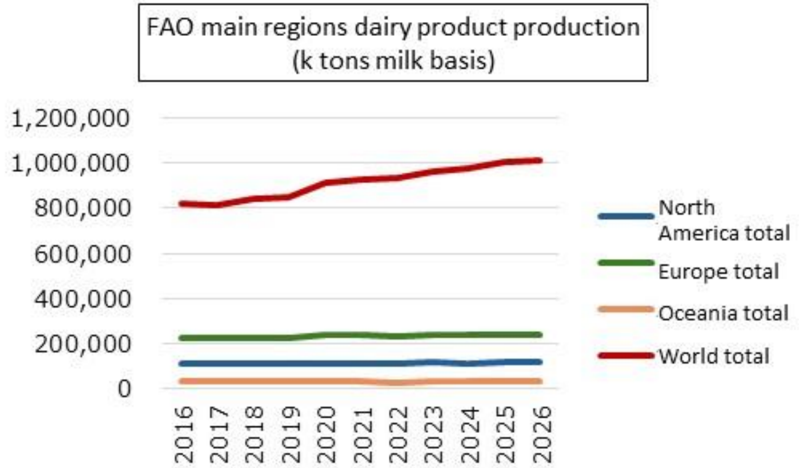
Key Points

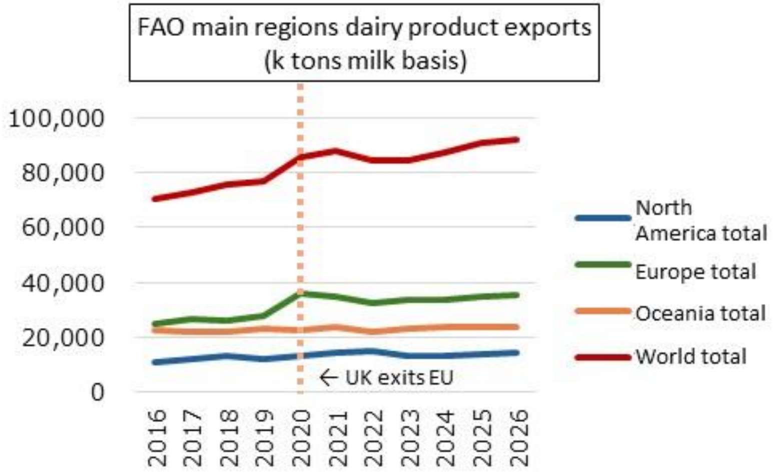
- Change in selling unit prices: Revised initial forecast mainly for price revisions to be implemented in August/September.
- Sales volume: Reflects 1Q sales trend for ice cream, milk, etc. and outlook for sales trend after 2Q price revisions.
- Raw materials / Energy: Impact of Middle East situation on domestic business in first half already factored in at around ¥3.0 billion at time of initial forecast, higher packaging materials and other costs
- Operation cost: Logistics costs expected to rise more than initially assumed due to higher unit prices and lower sales volume resulting in lower loading efficiency, etc.
- Increase/decrease in overseas subsidiaries: Revised outlook for MILEI, also revised up outlook for other subsidiaries in Pakistan, U.S., Vietnam, etc.

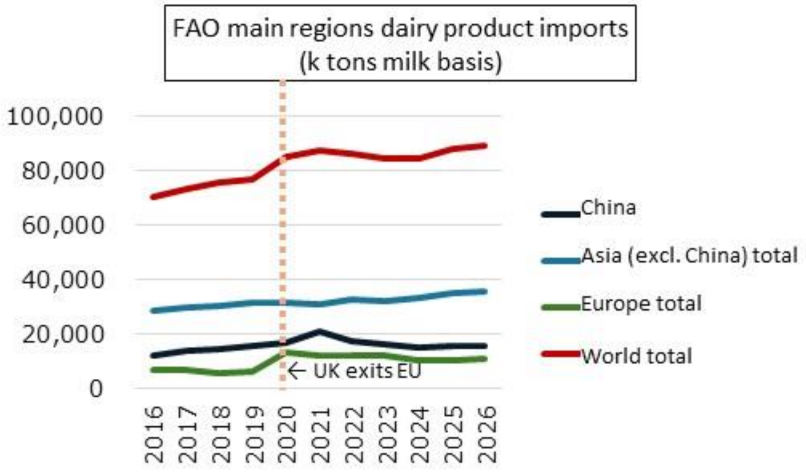
(Reference) Dairy Ingredient Market Data











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)

- Revise management categories in accordance with role, based on the unchanging value we provide of "Health value/Tastiness and delightfulness"
- Free ourselves from an omnidirectional approach in Japan and overseas, and make concentrated commitments of resources in growth areas where we can leverage our strengths

Categories corresponding to four pillars of earnings [Medium-Term Business Plan 2022-2024]	Nutrition and Healthcare Foods Business	Core Dairy Foods Business	B-to-B Business	Global Business
	Yogurt, commercial milk (home deliveries, etc.), nutritional food products, CLINICO products, health foods, etc.	Beverages, ice cream, cheese, milk, chilled desserts	Probiotics, functional ingredients, food service and institutional food products	Probiotics, formula milk, milk derivatives, plant-based food, Vietnam Business

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

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.