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(Securities code: 2201; Prime Market
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(Updated) Notice Regarding Correction to the Consolidated Financial Summary for the Fiscal Year Ended March 31, 2022

MORINAGA & CO., LTD. (the “Company”) today announced that it has corrected an error in the Company’s Consolidated Financial Summary for the Fiscal Year Ended March 31, 2022, published on May 13, 2022. The parts of the Summary affected by the correction are underlined below.

1. Reason for correction

Following the release of the Consolidated Financial Summary for the Fiscal Year Ended March 31, 2022, it was ascertained that an error was made in the process of preparing the Company’s securities report.

2. Correction details

In Notes to Consolidated Financial statements (Changes in accounting policies) (Application of Accounting Standard for Revenue Recognition, etc.), an error in the explanation of increases and decreases in certain current liabilities in the consolidated balance sheets for the fiscal year ended March 31, 2021, owing to the retroactive application of the said accounting standard, has been corrected.

- Consolidated Financial Summary for the Fiscal Year Ended March 31, 2022 Attachment Page 16

3. Consolidated Financial Statements and Major Notes

(5) Notes to Consolidated Financial Statements

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

Prior to correction

(excerpt)

As a result of the application of the Accounting Standard for Revenue Recognition, etc., for consideration payable to customers, which was conventionally recorded as promotion expenses, etc. under selling, general and administrative expenses, the Company changed the accounting method to deduction from net sales. In addition, because the Company is required to repurchase certain finished products produced from raw materials supplied for value by the Company that were previously recognized as extinguished when paid for, the Company has changed to an accounting method that recognizes such raw materials supplied for value.

Due to these changes in accounting policies, in accordance with the retroactive application of the Accounting Standard for Revenue Recognition, etc., the figures for the consolidated financial statements for the fiscal year ended March 31, 2021, are those after the retroactive application of the said accounting standard.

As a result, raw materials and supplies and “other” under the current liabilities for the fiscal year ended March 31, 2021, increased by ¥975 million and ¥1,305 million, respectively, compared to the figures before the retroactive application of the Accounting Standard for Revenue Recognition, etc.
(end of excerpt)

After correction

(excerpt)

As a result of the application of the Accounting Standard for Revenue Recognition, etc., for consideration payable to customers, which was conventionally recorded as promotion expenses, etc. under selling, general and administrative expenses, the Company changed the accounting method to deduction from net sales. In addition, because the Company is required to repurchase certain finished products produced from raw materials supplied for value by the Company that were previously recognized as extinguished when paid for, the Company has changed to an accounting method that recognizes such raw materials supplied for value.

Due to these changes in accounting policies, in accordance with the retroactive application of the Accounting Standard for Revenue Recognition, etc., the figures for the consolidated financial statements for the fiscal year ended March 31, 2021, are those after the retroactive application of the said accounting standard.

In addition, the amount included in "Other" under "Current liabilities" in the consolidated balance sheets for the fiscal year ended March 31, 2021, is now included under "Refund liabilities" and "Other" in the consolidated balance sheets from the fiscal year ended March 31, 2022.

As a result of these changes, in the retroactively revised consolidated balance sheets for the fiscal year ended March 31, 2021, “Raw materials and supplies” included in “Current assets” increased by ¥975 million, “Refund liabilities” included in “Current liabilities” increased by ¥3,303 million, and “Other” included in “Current liabilities” decreased by ¥1,998 million, compared to the figures before the retroactive application of the Accounting Standard for Revenue Recognition, etc.

(end of excerpt)