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Consolidated Financial Summary for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

May 11, 2026

Company name: Morinaga & Co., Ltd. Stock listing: Tokyo Stock Exchange
 Stock code: 2201 URL: <https://www.morinaga.co.jp/company/english/>
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Scheduled date for general meeting of shareholders: June 26, 2026
 Scheduled date for commencement of dividend payments: June 29, 2026
 Scheduled date to submit the Annual Securities Report: June 25, 2026
 Supplementary documents for financial results: Yes
 Financial results briefing: Yes (for institutional investors and analysts)

(The figures are rounded down to the nearest million yen.)

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

(1) Consolidated operating results

(The percentages are year-on-year percentage changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 31, 2026	236,672	3.4	22,394	5.3	22,659	1.6	17,765	0.3
Year ended Mar. 31, 2025	228,957	7.3	21,266	4.9	22,304	6.0	17,710	16.9

(Note) Comprehensive income: Year ended March 31, 2026: 23,919 million yen (39.1%)
 Year ended March 31, 2025: 17,201 million yen (-15.5%)

	Net income per share	Diluted net income per share	ROE	Ordinary income to total asset ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
Year ended Mar. 31, 2026	211.07	—	13.0	10.4	9.5
Year ended Mar. 31, 2025	200.85	—	13.5	10.3	9.3

(Reference) Equity in net gain (loss) of affiliated companies: Year ended March 31, 2026: -216 million yen
 Year ended March 31, 2025: -184 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Mar. 31, 2026	225,921	143,696	62.8	1,690.58
Year ended Mar. 31, 2025	209,986	132,393	62.3	1,523.09

(Reference) Equity: Year ended March 31, 2026: 141,956 million yen
 Year ended March 31, 2025: 130,865 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
	Million yen	Million yen	Million yen	Million yen
Year ended Mar. 31, 2026	23,637	(14,289)	(13,236)	25,726
Year ended Mar. 31, 2025	10,763	(9,837)	(18,008)	30,845

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Mar. 31, 2025	–	0.00	–	60.00	60.00	5,160	29.9	4.0
Year ended Mar. 31, 2026	–	32.50	–	32.50	65.00	5,464	30.8	4.0
Year ending Mar. 31, 2027 (forecast)	–	35.00	–	35.00	70.00		35.7	

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(The percentages are year-on-year percentage changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	131,000	7.5	12,100	(9.4)	11,900	(11.5)	9,200	(16.6)	109.30
Full year	257,000	8.6	22,800	1.8	22,200	(2.0)	16,500	(7.1)	196.03

* Notes

(1) Important changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes of accounting estimates, and restatement

(i) Changes in accounting policies associated with revisions to accounting standards: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of shares issued (common shares)

(i) Number of shares issued at end of period (including treasury stock)

Year ended March 31, 2026: 86,111,638 Year ended March 31, 2025: 88,011,638

(ii) Number of shares of treasury stock at end of period

Year ended March 31, 2026: 2,142,176 Year ended March 31, 2025: 2,090,656

(iii) Average number of shares during the period

Year ended March 31, 2026: 84,171,889 Year ended March 31, 2025: 88,177,236

* The number of shares of treasury stock at end of period includes the Company's shares held by the officer compensation Board Incentive Plan (BIP) trust (80,784 shares in the fiscal year ended March 31, 2026 and 80,784 shares in the fiscal year ended March 31, 2025). The Company's shares held by the officer compensation BIP trust are included in shares of treasury stock that are deducted in the calculation of the average number of shares during the period.

(Reference) Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(The percentages are year-on-year percentage changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 31, 2026	190,606	4.1	13,868	40.4	16,768	25.9	15,093	28.1
Year ended Mar. 31, 2025	183,019	5.6	9,881	(6.0)	13,319	16.3	11,779	40.1

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Mar. 31, 2026	179.32	–
Year ended Mar. 31, 2025	133.59	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Mar. 31, 2026	185,015	97,564	52.7	1,161.90
Year ended Mar. 31, 2025	176,289	94,717	53.7	1,102.38

(Reference) Equity: Year ended March 31, 2026: 97,564 million yen
Year ended March 31, 2025: 94,717 million yen

* This consolidated financial summary is not subject to audits by certified public accountants or audit corporations.

* Explanation about the proper use of results forecasts, and additional information

(Notes regarding forward-looking statements, etc.)

The results forecasts given in this document are based on assumptions, prospects, and future business plans, currently available on the date this document was published. Actual results may differ from these forecasts for a variety of reasons.

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* Reference Materials: Supplementary Materials for the Consolidated Financial Summary for the Fiscal Year Ended March 31, 2026

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2026

During the fiscal year under review, the Japanese economy followed a trend of moderate recovery centered on domestic demand, supported by an improvement in the employment and income environment and steady growth in inbound demand. On the other hand, due to the impact of continued price increases throughout the period, consumer sentiment remained cautious, and although personal consumption remained firm, it lacked upward momentum. Furthermore, amid ongoing uncertainty about the future of the global economy due to the trade policies of various countries and global instability, the environment surrounding business activities continues to be characterized by uncertainty.

Under these circumstances, the Group, in the second year of its 2024 Medium-Term Business Plan (MTBP)—which serves as the second stage of laying a path toward achieving the 2030 Business Plan—continued to work on strengthening each business to generate a virtuous cycle of growth potential and capital efficiency with the aim of establishing a trajectory for dramatic growth.

Consequently, net sales increased by ¥7,715 million (+3.4%) year on year to ¥236,672 million, led chiefly by strong performance in the Confectionery & Foodstuffs Business and Frozen Desserts Business.

In terms of profit, despite the impact of soaring raw material prices, an increase in logistics costs, and investments in DX and human capital to strengthen business foundations, operating income increased to ¥22,394 million, up ¥1,128 million (+5.3%) year on year, due to growth in sales and countermeasures centered on price revisions and cost reductions. Ordinary income also increased by ¥355 million (+1.6%) year on year, to ¥22,659 million. Profit attributable to owners of parent was ¥17,765 million, up ¥55 million (+0.3%) year on year.

Starting from the fiscal year under review, the fiscal year-ends of consolidated subsidiaries have been unified to March 31. For details, please refer to “3. Consolidated Financial Statements and Major Notes, (5) Notes to Consolidated Financial Statements (Basis for preparing consolidated financial statements) 3.Fiscal years of consolidated subsidiaries” on page 17.

The following is a summary of consolidated results by business segment.

Food Manufacturing

Confectionery & Foodstuffs Business

In the biscuit category, although sales of *Morinaga Biscuits* were temporarily affected by price revisions implemented in September, demand recovered steadily and sales increased year on year.

In the sugar confectionery category, measures were implemented to stimulate demand for *HI-CHEW* through promotions leveraging its 50th anniversary. While *HI-CHEW Mini* continued to perform well due to increased emphasis on the appeal to texture, sales of *HI-CHEW Premium* were sluggish, and the brand as a whole was down slightly from the same period of the previous year. Regarding *Morinaga Ramune*, promotions targeting the entrance exam season and in-store exposure were strengthened, and as a result, both the pouch form *L-size Ramune* and bottled form continued to perform well, while strong performance by *Fresh Ramune Soft Candy* also contributed, and sales increased significantly year on year.

In the chocolate category, sales of *Carré de chocolat* increased year on year, supported by strong sales of *Cacao 70* as demand for high-cacao-content chocolate continued to grow even after the price revisions in June, while shipments of limited-time products in January also contributed. Sales of *DARS* were flat year on year. While high-priced products were sluggish, sales of core products *DARS Milk* and *Shiroi DARS* remained firm even after price revisions were implemented in September. Sales of *Chocoball* increased year on year, as core products continued to perform well due to intermittent efforts to generate consumer interest, including an update to the “*Can of Toys*” promotion.

In the foodstuffs category, sales of *Morinaga Cocoa* increased significantly year on year as a result of ongoing efforts to stimulate demand as a health brand, supported by strong performance, particularly of *Pure Cocoa Powder*, even after price revisions were implemented in September. Sales of *Morinaga Amazake* decreased year on year.

In response to rising costs for raw materials and other inputs, price revisions and volume reductions were implemented in February and March 2025 for some chocolate category and cacao products, in June for *Carré de chocolat*, and in September for some products in the chocolate and biscuit categories and for some food products including cacao. In addition, measures such as reviewing product specifications for some products were also implemented. As a result, profitability is steadily improving. As a result, total net sales for the Confectionery & Foodstuffs Business increased by ¥4,521 million (+5.4%) year on year to ¥88,957 million.

In terms of profit, segment operating income increased by ¥4,246 million (+108.4%) year on year to ¥8,163 million as a result of countering soaring raw material prices through higher sales and effects of price revisions.

Frozen Desserts Business

In the *Jumbo Group*, sales remained strong even after the price revision in September, as efforts to expand recognition of *Vanilla Monaka Jumbo* through TV commercials and pop-up shops also proved successful. As a result, sales of the group as a whole increased year on year. Sales of *Ita Choco Ice* also increased year on year thanks to the strong performance of core products, while the launch of the new product *Ita Choco Ice Macadamia* also contributed. Sales of *The Crepe* were up significantly year on year due to efforts to expand customer touchpoints through initiatives including launching limited-time products and consumer campaigns, with strong performance continuing even after the September price revisions. As for *ICEBOX*, sales remained strong as a result of efforts to increase demand during autumn and winter and expand stocking of the product on store shelves through measures such as promotions highlighting the product as a mixer.

As a measure to improve profitability in response to rising raw material and other costs, price revisions and reductions of content were implemented in September.

As a result, total net sales for the Frozen Desserts Business increased by ¥4,168 million (+8.4%) year on year to ¥53,528 million.

In terms of profit, segment operating income increased by ¥705 million year on year (+16.5%) to ¥4,963 million, as increased sales and price revisions offset the increases in raw material prices and higher distribution expenses.

“in-” Business

Sales of the *in Jelly* brand were down year on year. While *Energy: Glucose Boost* performed steadily amid efforts to highlight consumption situations in day-to-day life, core products, primarily *Energy*, struggled. In the *in Bar* category, in addition to the recent strong performance of mainstay flavors, efforts have been made to expand the target customer base through new product launches that expanded the brand's domain from protein bars to nutritionally balanced foods. Full-year sales, however, were down year on year.

As a result, total net sales for the “in-” Business decreased by ¥1,384 million (-4.4%) year on year to ¥29,955 million.

In terms of profit, segment operating income decreased by ¥1,412 million (-19.3%) year on year to ¥5,888 million.

Direct Marketing Business

Regarding *Morinaga Collagen Drink*, amid lingering effects of higher consumer awareness of the need to economize, cancellations in response to price revisions implemented in April 2025, and other factors, efforts were made to expand the customer base through advertising investment taking into consideration customer acquisition efficiency, but overall brand performance was down from the same period of the previous year. Sales of *Morinaga Aojiru* were also down year on year.

As a result, total net sales for the Direct Marketing Business decreased by ¥436 million (-3.9%) year on year to ¥10,748 million.

In terms of profit, segment operating income increased by ¥236 million (+49.4%) year on year to ¥714 million, due to the effects of price revisions as well as curtailed investment in advertising according to

the status of customer acquisition efficiency.

Operating Subsidiaries ,etc.

Aunt Stella Inc. implemented price revisions in October as a measure to improve profitability in response to rising raw material costs and personnel and other expenses. Despite efforts being made to expand sales outlets at major mass retailers, sales were down year on year. Net sales at Morinaga Market Development Co., Ltd. increased year on year due to steady sales at amusement parks as well as continued steady performance at antenna shops.

As a result, total net sales for operating subsidiaries increased by ¥35 million (+0.3%) year on year to ¥11,276 million.

In terms of profit, segment operating income increased by ¥371 million (+106.9%) year on year to ¥718 million.

[Year-on-year changes (%) in sales of mainstay brands]

Confectionery & Foodstuffs Business		Frozen Desserts Business	
<i>Morinaga Biscuits</i>	101	<i>Jumbo Group</i>	105
<i>HI-CHEW</i>	99	<i>Ita Choco Ice</i>	104
<i>Morinaga Ramune</i>	126	<i>The Crepe</i>	121
<i>Carré de chocolat</i>	113	<i>ICEBOX</i>	113
<i>DARS</i>	100	“in-” Business	
<i>Chocoball</i>	111	<i>in Jelly</i>	95
<i>Morinaga Amazake</i>	93	<i>in Bar</i>	99
<i>Morinaga Cocoa</i>	119	Direct Marketing Business	
		<i>Morinaga Collagen Drink</i>	95

* The figures in the table are year-on-year changes in gross domestic sales results.

U.S. Business

Regarding *HI-CHEW*, efforts were made to increase the number of SKUs handled in the supermarket channel, tap into new sales channels, and implement sales promotions at seasonal events. However, sales for the brand as a whole decreased year on year due to continued slumping sales in the convenience store channel resulting from sluggish consumption in response to inflation as well as intensified competition as major confectionery manufacturers strengthen their focus on the candy category against the backdrop of soaring cacao prices. As for *Chargel* jelly drink, efforts were made to increase product understanding and capture demand in daily sports settings through sampling activities, renewal of the tagline, and other measures.

Price revisions were implemented for some products in November as a measure to improve profitability in response to higher raw material, personnel, logistics, and other costs.

As a result, total net sales for the U.S. Business decreased by ¥742 million (-3.5%) year on year to ¥20,214 million.

In terms of profit, in addition to lower sales and soaring raw material prices, the impact of U.S. tariff policies and an increase in sales promotion expenses associated with the strengthening of in-store sales promotions in response to the intensifying competitive environment resulted in a decrease in segment operating income of ¥1,754 million (-57.3%) year-on-year to ¥1,310 million.

China, Taiwan, Exports, etc.

In China, *HI-CHEW* performed strongly, with sales growing in both in-store and online channels. In Taiwan, sales of *in Jelly* remained strong and sales of *HI-CHEW* were firm. In East Asia, Southeast Asia, Oceania and Europe, which are domains of exploration and research, measures are being implemented to further expand sales of *HI-CHEW* as a global brand.

As a result, total net sales for China, Taiwan, Exports, and other regions, increased by ¥1,426 million

(+15.7%) year on year to ¥10,486 million.

Segment operating income decreased by ¥73 million (+14.7) year on year to ¥569 million.

As a result of the above, net sales for the Food Manufacturing segment increased by ¥7,589 million (+3.5%) year on year to ¥225,167 million. Segment operating income increased by ¥2,465 million (+12.4%) year on year to ¥22,327 million.

Food Merchandise

Net sales for the segment increased by ¥108 million (+1.2%) year on year to ¥8,798 million. Segment operating income decreased by ¥751 million (-52.1%) to ¥690 million.

Real Estate and Services

Net sales for the segment increased by ¥27 million (+1.4%) year on year to ¥1,897 million. Segment operating income increased by ¥79 million (+9.8%) year on year to ¥880 million.

Other Services

Net sales amounted to ¥809 million, while segment operating income was ¥145 million.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2026

Total assets at the end of the fiscal year under review increased by ¥15,935 million from the end of the previous fiscal year to ¥225,921 million. This was primarily driven by an increase in construction in progress and an increase in net defined benefit asset due to actuarial differences. These factors were partially offset by a decrease in cash and deposits due to expenditures associated with the construction of a second factory in the U.S., dividend payments, and the purchase of treasury stock.

Liabilities totaled ¥82,225 million, an increase of ¥4,633 million from the end of the previous fiscal year. This was primarily due to increases in accounts payable - other, income taxes payable, and deferred tax liabilities.

Net assets stood at ¥143,696 million, up ¥11,303 million from the end of the previous fiscal year. The increase was primarily due to the recording of profit attributable to owners of parent and an increase in remeasurements of defined benefit plans due to actuarial differences.

As a result of the above, the equity ratio was 62.8%, up 0.5 points from the end of the previous fiscal year.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2026

In the fiscal year under review, cash and cash equivalents (hereinafter "cash") decreased by ¥5,119 million year on year to ¥25,726 million.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥23,637 million. The main components were a decrease in funds, such as ¥2,229 million due to an increase in inventories and ¥5,049 million in income taxes paid, while there was an increase in funds of ¥25,327 million in income before income taxes and ¥10,160 million in depreciation.

(Cash flows from investing activities)

Net cash used in investing activities came to ¥14,289 million. The main components were ¥16,986 million for purchase of property, plant and equipment and ¥3,658 million for proceeds from sales of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities was ¥13,236 million. The main components were ¥4,754 million for purchase of treasury stock, and ¥7,893 million in cash dividends paid.

The following table shows trends in cash flow indicators.

	FY2022/3	FY2023/3	FY2024/3	FY2025/3	FY2026/3
Equity ratio (%)	60.7	60.7	58.7	62.3	62.8
Equity ratio at market value (%)	88.8	86.2	106.4	102.5	100.4
Debt-to-cash flows ratio (year)	0.4	—	0.6	1.8	0.8
Interest coverage ratio (times)	739.8	—	288.5	99.5	203.8

Notes: Equity ratio = Equity / Total assets
 Equity ratio at market value = Value of shares / Total assets
 Debt-to-cash flows ratio = Interest-bearing liabilities / Cash flows
 Interest coverage ratio = Cash flows / Interest expenses

- * All indicators are based on consolidated financial data.
- * Value of shares is calculated by multiplying the closing stock price at the end of the fiscal year by the number of shares outstanding (after subtracting treasury stock) at the end of the fiscal year.
- * Cash flows are operating cash flows, as shown in the consolidated statements of cash flows. Interest-bearing liabilities are the sum of all liabilities on which interest is paid that are shown in the consolidated balance sheets, except for lease obligations. Interest expenses are the interest expenses paid, as shown in the consolidated statements of cash flows.
- * The debt-to-cash flows ratio and interest coverage ratio for the fiscal year ended March 31, 2023 are not recorded as the cash flows from operating activities were negative.

(4) Future Outlook

In the business environment surrounding the Group, while costs remain high and concerns over supplies have emerged due to geopolitical risks from the unstable international situation, and as consumers become even more conscious of the need to economize as they grow increasingly wary of further price hikes, the outlook is expected to remain uncertain. In addition, regarding the medium- to long-term business environment, the Group expects structural population decline in Japan and global population growth, changes in business models due to the development of digital technology, and a further increase in health consciousness globally. In light of this operating environment, the Group aims to achieve medium- to long-term growth on the way to achieving the targets of its 2030 Business Plan, while contributing to the realization of a sustainable society. The Group intends to achieve this by transforming its business portfolio through concentrating management resources in highly profitable businesses with strong growth potential that will support expansion of the Group's business scale and enhance profitability. In addition, to ensure the stable generation of investment resources, the Group will further enhance management efficiency and secure stable financing in line with its financial strategy. This will enable the Group to increase its investment in R&D and digital transformation to continue building a foundation that will contribute to its growth over the medium- to long-term.

To address the soaring costs of energy, logistics, and materials—particularly naphtha-derived materials—arising from current developments in the Middle East, the Group will work on market penetration of products following price revisions and on reducing costs, while flexibly considering future price revisions as required.

In light of such efforts, the Group forecasts operating results for the next consolidated fiscal year as shown below. Furthermore, the impact on business performance from MyMo Holdco, Inc., which became a subsidiary following the acquisition of its shares on April 1, 2026, incorporates preliminary estimates prior to the completion of procedures for purchase price allocation.

Net sales	¥257.0 billion	(up 8.6% year on year)
Operating income	¥22.8 billion	(up 1.8% year on year)
Ordinary income	¥22.2 billion	(down 2.0% year on year)
Profit attributable to owners of parent	¥16.5 billion	(down 7.1% year on year)

Note: These forecast figures have been calculated assuming an exchange rate of ¥153 to the U.S. dollar.

(5) Capital Policy and Shareholder Return Policy

By practicing management with consideration for capital costs and stock price and by maintaining a solid financial foundation, the Morinaga Group will achieve sustainable growth in corporate value and

stable shareholder returns.

Increasing corporate value requires achieving ROE in excess of the cost of equity over the medium to long term. To this end, the Group works to improve operating profitability by implementing ROIC management and to reduce the cost of capital, including by utilizing financial leverage.

Improving growth potential and return on capital using ROIC management

To enhance corporate value over the medium to long term, the Group practices ROIC management and implements business strategies aimed at forming an optimal portfolio. Medium- to long-term strategies and measures are determined for each business based on an analysis of its growth potential and return on capital. Businesses that will accelerate growth and businesses that will improve return on capital are identified, and management resources are optimally allocated to these businesses after also considering the investment target and investment scale.

Primarily in businesses positioned in the focused domains, Group investments will prioritize strategic growth investments capable of generating dramatic growth, including inorganic growth through business tie-ups and M&A and the creation of new business opportunities by addressing the Group's materiality. In businesses positioned in basic domains where ROIC is low and return on capital needs to be improved, the Group will work on improving return on capital mainly by improving profitability and the efficiency of invested capital.

Specifically, the Group will promote gradual asset-light management by selecting domains and concentrating maintenance and renewal investments on these domains, while aiming to increase net sales by making the most of its portfolio assets. At the same time, it will deploy profitability improvement initiatives through cost reduction and flexible price revisions.

In implementing individual investments, projects are evaluated strictly based on investment decision-making criteria, and investments are managed with consideration for capital costs, while continuously monitoring the return on investments.

Capital procurement policy and securing financial stability

The Morinaga Group's basic policy is to secure a level of financial security and investment capacity in preparation for sudden changes in the external business environment or the emergence of large strategic investment projects (M&A, etc.).

As a general rule, the Group strives to maintain a long-term issuer rating by the Japan Credit Rating Agency of "A" or above as a benchmark for financial security. The Group will also ensure financial security by monitoring financial indicators such as cash on hand, net debt-to-equity ratio, and interest-bearing-debt-to-EBITDA ratio.

In addition, in procuring funds to meet investment financing needs, decisions are made after comprehensively considering financing conditions, such as the appropriate level of cash on hand and the level of fundraising costs, as well as the impact on financial security indicators and financial indicators such as ROE and ROIC.

Efforts to reduce capital costs

The Morinaga Group is committed to reducing the cost of capital with the aim of enhancing corporate value. The Group will carefully assess financial security and investment capital needs against the current net cash situation, and then raise the composition of interest-bearing debt and use financial leverage to reduce the weighted average cost of capital (WACC), which is currently estimated to be approximately 6–7%.

The cost of shareholders' equity is estimated to be about 7–8%. In reducing this cost, the Group recognizes the importance of reducing long-term business risks by building a business portfolio that is resilient to environmental changes and by promoting thorough sustainable business management. To this end, it will also enhance its capacity for sustainable business growth by strengthening intangible investments (advertising investment, R&D investment, DX investment, HR investment, etc.), while addressing the Group's materiality.

In addition, the Group will reduce invested capital and secure funds for growth investments by adopting an asset-light approach—such as further reducing cross-shareholdings and promoting the sale and disposal of non-business real estate—while reducing the risk of asset value fluctuations. Regarding cross-shareholdings, the Group aims to halve its holdings from the end of FY2024 by the end of the 2024 Medium-Term Business Plan period.

In addition, the Group will strengthen its disclosure of financial and non-financial information and its

dialogue with shareholders and investors to gain understanding for its initiatives for medium- to long-term business growth and its response to business risks, and will control stock price volatility through appropriate stock price formation.

Shareholder return policy

The Morinaga Group's basic policy on returning profits to shareholders is to fundamentally prioritize strategic and important business investments, while providing consistent and stable returns to shareholders based on a solid management foundation.

Shareholder returns are premised on our ability to maintain a sound balance sheet. While giving due consideration to the dividend payout ratio and free cash flow, we aim to raise the dividend on equity ratio (DOE), an indicator of the Group's capital policy, over the medium to long term. With an awareness of total shareholder returns, we also will consider flexible implementation of share buybacks as needed. Regarding dividends paid at the end of the fiscal year, based on careful consideration of the operating results for the fiscal year under review and the outlook for future business operations, the Company will pay a dividend of ¥32.5 per share, as per the Consolidated Financial Summary for the Fiscal Year Ended March 31, 2025 announced on May 9, 2025 (this proposal will be submitted to the general meeting of shareholders scheduled to be held on June 26, 2026).

The Company also plans to pay a dividend of ¥70 per share for the fiscal year ending March 31, 2027 (including an interim dividend of ¥35 per share), an increase of ¥5 from the dividend of ¥65 per share for the fiscal year under review. Further details are provided in the "Notice Regarding Dividend of Surplus" released today (May 11, 2026).

2. Basic Policy for the Selection of Accounting Standards

The Group will continue, for the time being, to prepare consolidated financial statements based on Japanese accounting standards, taking into account comparability between reporting periods.

The Group is currently conducting gap analysis between the Japanese and international accounting standards (IFRS) in preparation for potential future adoption of IFRS, as well as evaluation of the impact of IFRS adoption, and consideration of the timing of potential adoption.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

	(Million yen)	
	FY2025/3 (March 31, 2025)	FY2026/3 (March 31, 2026)
Assets		
Current assets		
Cash and deposits	31,062	26,419
Notes and accounts receivable–trade	27,340	28,448
Merchandise and finished goods	21,391	22,000
Work in progress	592	536
Raw materials and supplies	15,969	17,411
Income taxes refund receivable	-	414
Other	8,380	10,639
Allowance for doubtful accounts	(69)	(42)
Total current assets	104,667	105,827
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	67,419	67,533
Accumulated depreciation	(32,958)	(34,554)
Buildings and structures–net	34,461	32,979
Machinery, equipment and vehicles	105,716	107,884
Accumulated depreciation	(78,919)	(84,040)
Machinery, equipment and vehicles–net	26,797	23,843
Tools, furniture and fixtures	6,621	6,783
Accumulated depreciation	(5,029)	(5,485)
Tools, furniture and fixtures–net	1,592	1,298
Land	12,099	11,451
Lease assets	2,339	2,331
Accumulated depreciation	(1,265)	(1,386)
Lease assets–net	1,074	945
Construction in progress	3,957	18,790
Total property, plant and equipment	79,982	89,309
Intangible assets		
Software	2,835	3,128
Other	1,239	582
Total intangible assets	4,075	3,710
Investments and other assets		
Investment securities	10,251	10,030
Net defined benefit asset	7,150	13,478
Deferred tax assets	1,957	1,662
Other	1,937	1,943
Allowance for doubtful accounts	(34)	(41)
Total investments and other assets	21,261	27,074
Total noncurrent assets	105,319	120,094
Total assets	209,986	225,921

(Million yen)

	FY2025/3 (March 31, 2025)	FY2026/3 (March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	21,608	20,588
Short-term borrowings	-	3,000
Lease obligations	492	468
Accounts payable—other	10,877	12,461
Income taxes payable	1,974	4,560
Refund liabilities	5,643	5,440
Allowance for bonuses	3,308	3,346
Other	7,984	7,720
Total current liabilities	51,889	57,585
Long-term liabilities		
Bonds payable	9,000	9,000
Long-term borrowings	10,000	7,000
Lease obligations	696	579
Deferred tax liabilities	-	2,125
Provision for directors' stock benefits	102	134
Provision for environmental measures	3	-
Net defined benefit liability	2,082	1,742
Asset retirement obligations	67	68
Deposits received	3,668	3,625
Other	81	364
Total long-term liabilities	25,703	24,640
Total liabilities	77,592	82,225
Net assets		
Shareholders' equity		
Common stock	18,612	18,612
Capital surplus	17,186	17,186
Retained earnings	87,076	92,377
Treasury stock	(5,252)	(5,370)
Total shareholders' equity	117,623	122,806
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,761	6,138
Deferred gains or losses on hedges	(124)	37
Foreign currency translation adjustments	4,864	6,098
Remeasurements of defined benefit plans	2,741	6,876
Total accumulated other comprehensive income	13,242	19,150
Non-controlling interests	1,527	1,739
Total net assets	132,393	143,696
Total liabilities and net assets	209,986	225,921

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Operations

(Million yen)

	FY2025/3 (April 1, 2024 – March 31, 2025)	FY2026/3 (April 1, 2025 – March 31, 2026)
Net sales	228,957	236,672
Cost of sales	138,911	141,713
Gross profit	90,046	94,959
Selling, general and administrative expenses	68,779	72,565
Operating income	21,266	22,394
Non-operating income		
Interest income	116	156
Dividends income	409	274
Subsidy income	732	105
Other	171	226
Total non-operating income	1,429	763
Non-operating expenses		
Interest expenses	113	134
Equity in losses of affiliates	184	216
Other	93	146
Total non-operating expenses	392	497
Ordinary income	22,304	22,659
Extraordinary income		
Gain on sales of noncurrent assets	247	344
Gain on sales of investment securities	3,306	2,923
Total extraordinary income	3,553	3,268
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	371	410
Impairment losses	1,003	37
Commission expenses	-	151
Loss on withdrawal from business	198	0
Other	-	0
Total extraordinary loss	1,573	600
Income before income taxes	24,284	25,327
Income taxes—current	6,035	7,235
Income taxes—deferred	403	158
Total income taxes	6,438	7,393
Net income	17,846	17,933
Profit attributable to non-controlling interests	136	167
Profit attributable to owners of parent	17,710	17,765

Consolidated Statements of Comprehensive Income

(Million yen)

	FY2025/3 (April 1, 2024 – March 31, 2025)	FY2026/3 (April 1, 2025 – March 31, 2026)
Net income	17,846	17,933
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,849)	376
Deferred gains or losses on hedges	(128)	166
Foreign currency translation adjustments	1,914	1,298
Remeasurements of defined benefit plans, net of tax	(582)	4,144
Total other comprehensive income	(644)	5,986
Net comprehensive income	17,201	23,919
(Breakdown)		
Comprehensive income attributable to owners of parent	16,988	23,674
Comprehensive income attributable to non-controlling interests	212	245

(3) Consolidated Statements of Changes in Net Assets

FY2025/3 (Apr. 1, 2024 – Mar. 31, 2025)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the fiscal year	18,612	17,186	86,305	(4,865)	117,239
Changes of items during the period					
Dividends from surplus			(4,987)		(4,987)
Profit attributable to owners of parent			17,710		17,710
Purchase of treasury stock				(12,460)	(12,460)
Disposal of treasury stock		-	(233)	355	121
Cancellation of treasury stock			(11,717)	11,717	-
Net changes of items other than shareholders' equity					
Total changes of items during the period		-	771	(386)	384
Balance at end of the fiscal year	18,612	17,186	87,076	(5,252)	117,623

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the fiscal year	7,610	(2)	3,027	3,327	13,963	1,450	132,653
Changes of items during the period							
Dividends from surplus							(4,987)
Profit attributable to owners of parent							17,710
Purchase of treasury stock							(12,460)
Disposal of treasury stock							121
Cancellation of treasury stock							-
Net changes of items other than shareholders' equity	(1,849)	(121)	1,836	(586)	(721)	77	(643)
Total changes of items during the period	(1,849)	(121)	1,836	(586)	(721)	77	(259)
Balance at end of the fiscal year	5,761	(124)	4,864	2,741	13,242	1,527	132,393

FY2026/3 (Apr. 1, 2025 – Mar. 31, 2026)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the fiscal year	18,612	17,186	87,076	(5,252)	117,623
Increase (decrease) due to change in fiscal year of consolidated subsidiaries			196		196
Balance at beginning of period reflecting increase (decrease) due to change in fiscal year of consolidated subsidiaries	18,612	17,186	87,273	(5,252)	117,820
Changes of items during the period					
Dividends from surplus			(7,893)		(7,893)
Profit attributable to owners of parent			17,765		17,765
Purchase of treasury stock				(4,886)	(4,886)
Disposal of treasury stock		0		0	0
Cancellation of treasury stock		(0)	(4,768)	4,768	-
Net changes of items other than shareholders' equity					
Total changes of items during the period		0	5,103	(117)	4,986
Balance at end of the fiscal year	18,612	17,186	92,377	(5,370)	122,806

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the fiscal year	5,761	(124)	4,864	2,741	13,242	1,527	132,393
Increase (decrease) due to change in fiscal year of consolidated subsidiaries						34	231
Balance at beginning of period reflecting increase (decrease) due to change in fiscal year of consolidated subsidiaries	5,761	(124)	4,864	2,741	13,242	1,562	132,624
Changes of items during the period							
Dividends from surplus							(7,893)
Profit attributable to owners of parent							17,765
Purchase of treasury stock							(4,886)
Disposal of treasury stock							0
Cancellation of treasury stock							-
Net changes of items other than shareholders' equity	376	161	1,234	4,135	5,908	176	6,085
Total changes of items during the period	376	161	1,234	4,135	5,908	176	11,071
Balance at end of the fiscal year	6,138	37	6,098	6,876	19,150	1,739	143,696

(4) Consolidated Statements of Cash Flows

	(Million yen)	
	FY2025/3 (Apr. 1, 2024 – Mar. 31, 2025)	FY2026/3 (Apr. 1, 2025 – Mar. 31, 2026)
Operating activities		
Income before income taxes	24,284	25,327
Depreciation	9,918	10,160
Impairment loss	1,003	37
Increase (decrease) in provision for directors' stock benefits	27	32
Increase (decrease) in net defined benefit liability	(1,054)	(130)
(Increase) decrease in net defined benefit asset	(724)	(489)
Increase (decrease) in allowance for bonuses	209	150
Increase (decrease) in allowance for doubtful accounts	20	(17)
Increase (decrease) in provision for environmental measures	(146)	(3)
Interest and dividends income	(525)	(431)
Subsidy income	(732)	(105)
Interest expenses	113	134
Equity in losses (earnings) of affiliates	184	216
Loss (gain) on sales of investment securities	(3,306)	(2,923)
(Gain) loss on sales of noncurrent assets	(173)	(198)
Loss on retirement of noncurrent assets	297	265
Loss on withdrawal from business	198	0
(Increase) decrease in notes and accounts receivable–trade	3,706	(653)
(Increase) decrease in inventories	(8,534)	(2,229)
Increase (decrease) in notes and accounts payable–trade	(1,636)	(963)
Other	(2,652)	(118)
Subtotal	20,478	28,059
Interest and dividends income received	531	426
Interest expenses paid	(108)	(115)
Income taxes (paid) refund	(10,123)	(5,049)
Proceeds from subsidy income	168	332
Payments due to withdrawal from business	(182)	(15)
Net cash provided by (used in) operating activities	10,763	23,637

	(Million yen)	
	FY2025/3 (Apr. 1, 2024 – Mar. 31, 2025)	FY2026/3 (Apr. 1, 2025 – Mar. 31, 2026)
Investing activities		
Net decrease (increase) in time deposits	105	(425)
Proceeds from redemption of securities	2,500	-
Purchase of property, plant and equipment	(13,579)	(16,986)
Proceeds from sales of property, plant and equipment	480	1,050
Purchase of intangible assets	(2,318)	(714)
Purchase of investment securities	(2)	(1)
Proceeds from sales of investment securities	4,298	3,658
Purchase of shares of subsidiaries and associates	(598)	-
Payments of loans receivable	(125)	(120)
Proceeds from collection of loans receivable		5
Other	(597)	(754)
Net cash provided by (used in) investing activities	(9,837)	(14,289)
Financing activities		
Proceeds from short-term borrowings	-	3,000
Proceeds from long-term borrowings	-	500
Repayments of long-term borrowings	-	(3,500)
Purchase of treasury stock	(12,460)	(4,754)
Cash dividends paid	(4,987)	(7,893)
Dividends paid to non-controlling interests	(134)	(68)
Other	(425)	(519)
Net cash provided by (used in) financing activities	(18,008)	(13,236)
Effect of exchange rate change on cash and cash equivalents	826	1,100
Net increase (decrease) in cash and cash equivalents	(16,256)	(2,787)
Cash and cash equivalents at beginning of period	47,101	30,845
Increase (decrease) in balance of cash and cash equivalents at beginning of period due to change in fiscal year of consolidated subsidiaries	-	(2,331)
Cash and cash equivalents at end of period	30,845	25,726

(5) Notes to Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable.

(Notes if there is a significant change in the amount of shareholders' equity)

(Purchase of treasury stock)

Pursuant to a resolution passed by the Board of Directors at its meeting on May 9, 2025, the Company acquired 1,900,000 shares as treasury stock during the fiscal year under review. As a result, treasury stock increased by ¥4,749 million.

(Cancellation of treasury stock)

Based on a resolution of the Board of Directors meeting held on May 9, 2025, the Company canceled 1,900,000 shares of its treasury stock on June 13, 2025. As a result, retained earnings and treasury stock decreased by ¥4,768 million during the fiscal year under review.

As a result of the foregoing, retained earnings were ¥92,377 million, and treasury stock was ¥5,370 million during the fiscal year under review.

(Basis for preparing consolidated financial statements)

1. Scope of consolidation

Consolidated subsidiaries: 15 (Name of major company: Takasaki Morinaga Co., Ltd.)

Non-consolidated subsidiaries: 2 (Name of major company: BAQTEX Co., Ltd.)

(Reason for exclusion from the scope of consolidation)

The scale of non-consolidated subsidiaries is small, and the combined figures, including the total assets, net sales, net income (proportional to equity), and retained earnings (proportional to equity), have no significant impact on the consolidated financial statements.

2. Application of equity method

Non-consolidated subsidiaries: 2 (Name of major company: BAQTEX Co., Ltd.)

3. Fiscal years of consolidated subsidiaries

(Changes relating to the fiscal years of consolidated subsidiaries)

Previously, among the Company's consolidated subsidiaries, the fiscal year-ends were February 28 for Aunt Stella Inc. and December 31 for Taiwan Morinaga Co., Ltd., Morinaga America, Inc., Morinaga America Foods, Inc., and Morinaga Asia Pacific Co., Ltd. To prepare the consolidated financial statements, the Company used the financial statements of these subsidiaries as of their respective fiscal year-ends and made necessary adjustments for material transactions that occurred between those dates and the consolidated book closing date. Starting from the current consolidated fiscal year, however, the Company changed the fiscal year-ends of these subsidiaries to March 31 to achieve more appropriate disclosure of consolidated financial statements.

In addition, the fiscal year-end is December 31 for Shanghai Morinaga Co., Ltd. and Morinaga Food (Zhejiang) Co., Ltd. To prepare the consolidated financial statements, the Company previously used the financial statements of these subsidiaries as of their respective fiscal year-ends and made necessary adjustments for material transactions that occurred between those dates and the consolidated book closing date. However, as of the current consolidated fiscal year, to achieve more appropriate disclosure of consolidated financial statements, the Company has changed to a method of performing a provisional settlement of accounts as of March 31, the consolidated fiscal year-end.

Following these changes, the current consolidated fiscal year covers the 12-month period from April 1, 2025 to March 31, 2026.

Among these consolidated subsidiaries, the profit and loss for Aunt Stella Inc. from March 1, 2025 to March 31, 2025, and for other consolidated subsidiaries from January 1, 2025 to March 31, 2025, have been adjusted as changes in retained earnings. The change in cash and cash equivalents is presented as "Increase (decrease) in balance of cash and cash equivalents at beginning of period due to change in fiscal year of consolidated subsidiaries" in the Consolidated Statements of Cash Flows.

(Consolidated statements of operations)

Impairment loss

The Group recorded impairment losses on the following assets.

FY2025/3 (April 1, 2024 – March 31, 2025)

Location	Use	Type and impairment loss (million yen)				
		Buildings and structures	Machinery, equipment and vehicles	Land	Other	Total
Kokubunji City, Tokyo	Assets for business (assets planned for sale)	17	—	787	0	806
Hiroshima City, Hiroshima	Assets for business and assets for lease (assets planned for sale)	105	—	5	0	110
Takamatsu City, Kagawa	Assets for business (assets planned for sale)	24	—	46	0	71
Kagoshima City, Kagoshima	Store	0	—	—	4	5
Saga City, Saga	Store	2	—	—	2	4
Sagamihara City, Kanagawa	Store	0	—	—	3	4
Mito City, Ibaraki	Store	—	—	—	0	0

(Classification method of assets)

The Group classifies assets for business by identifying the minimum unit that generates independent cash flows based on the business segment by type. The Group classifies golf courses, assets for lease, stores, and idle assets by property, and assets which show no definite association with any particular business as shared assets.

(Background of recognition of impairment loss)

Regarding the assets planned for sale, because a decision to relocate was made, the assets were scheduled for sale, and their book values have been reduced to their recoverable amounts.

For stores, the Company has reduced the book value to their recoverable amount because the recovery of investment is considered to be impossible.

(Calculation method of recoverable amount)

Regarding the assets planned for sale, their recoverable amounts are measured at net cash value based on estimated sales prices.

Stores are measured by utility value.

FY2026/3 (April 1, 2025 – March 31, 2026)

This information is omitted due to lack of materiality.

(Consolidated statements of cash flows)

Relationship between the ending balance of cash and cash equivalents and the amount of accounts on the Consolidated Balance Sheets (Million yen)

	FY2025/3 (Apr. 1, 2024 – Mar. 31, 2025)	FY2026/3 (Apr. 1, 2025 – Mar. 31, 2026)
Cash and deposits	31,062	26,419
Time deposits with maturity of more than three months	(216)	(693)
Cash and cash equivalents	30,845	25,726

(Segment information)

[Segment information]

1. Overview of reportable segments

(1) Method to determine reportable segments

The reportable segments of the Group are its constituents for which separate financial information is available and which the Board of Directors, etc., regularly reviews to determine the allocation of management resources and to evaluate performance.

The Group operates business activities centering on food manufacturing. The reportable segments are Food Manufacturing, Food Merchandise, and Real Estate and Services.

(2) Products and services that belong to the reportable segments

The Food Manufacturing segment manufactures confectioneries, foodstuffs, frozen desserts, health products (jelly drinks, etc.), and other products.

The Food Merchandise segment engages in wholesale food service and food products.

The Real Estate and Services segment engages in real estate transactions and the management of golf courses.

2. Method to calculate net sales, profits or losses, assets, and other items by reportable segment

The accounting methods for the reportable segments are essentially the same as the accounting methods listed in "Basis for Preparing Consolidated Financial Statements."

Intersegment sales and transfers are based on prevailing market prices, etc.

3. Information on net sales, profits or losses, assets, and other items by reportable segment

FY2025/3 (April 1, 2024 – March 31, 2025)

(Million yen)

	Reportable segment				Other Services (Note 1)	Total	Adjustment (Note 2)	Amount Posted in Consolidated Financial Statements (Note 3)
	Food Manufacturing	Food Merchandise	Real Estate and Services	Total				
Net sales								
Outside customers	217,578	8,690	1,870	228,140	817	228,957	—	228,957
Intersegment sales or transfers	14	289	2	306	824	1,131	(1,131)	—
Total	217,593	8,980	1,873	228,447	1,641	230,088	(1,131)	228,957
Segment operating income	19,862	1,441	801	22,105	165	22,271	(1,005)	21,266
Segment assets	163,705	4,619	4,960	173,285	1,900	175,186	34,800	209,986
Other items								
Depreciation and amortization	9,667	5	152	9,825	93	9,918	—	9,918
Increase in property, plant and equipment and intangible assets	10,526	6	44	10,578	111	10,689	—	10,689

(Note 1) "Other Services" category is a business segment comprising services not included in the reportable segments, including the manufacture and sale of research reagents.

(Note 2) Adjustments are as follows:

- (1) The minus 1,005 million yen adjustment to segment operating income includes corporate expenses that are not allocated to any reportable segment of minus 1,026 million yen. Corporate expenses mainly include general and administrative expenses and new business development expenses that do not belong to any particular reportable segment.
- (2) The adjustment of segment assets of 34,800 million yen includes corporate assets of 35,618 million yen and an offset of intersegment receivables of minus 818 million yen. Corporate assets represent cash and deposits, and long-term investments (shares in financial institutions) of the Group.

(Note 3) The segment operating income has been adjusted to the operating income stated in the consolidated financial statements.

FY2026/3 (April 1, 2025 – March 31, 2026)

(Million yen)

	Reportable segment				Other Services (Note 1)	Total	Adjustment (Note 2)	Amount Posted in Consolidated Financial Statements (Note 3)
	Food Manufacturing	Food Merchandise	Real Estate and Services	Total				
Net sales								
Outside customers	225,167	8,798	1,897	235,863	809	236,672	—	236,672
Intersegment sales or transfers	14	407	2	424	871	1,296	(1,296)	—
Total	225,182	9,205	1,899	236,287	1,681	237,969	(1,296)	236,672
Segment operating income	22,327	690	880	23,898	145	24,043	(1,649)	22,394
Segment assets	188,993	5,032	4,571	198,597	1,985	200,582	25,338	225,921
Other items								
Depreciation and amortization	9,924	3	150	10,078	82	10,160	—	10,160
Increase in property, plant and equipment and intangible assets	5,776	0	49	5,826	109	5,936	—	5,936

(Note 1) "Other Services" category is a business segment comprising services not included in the reportable segments, including the manufacture and sale of research reagents.

(Note 2) Adjustments are as follows:

- (1) The minus 1,649 million yen adjustment to segment operating income includes corporate expenses that are not allocated to any reportable segment of minus 1,655 million yen. Corporate expenses mainly include general and administrative expenses and new business development expenses that do not belong to any particular reportable segment.
- (2) The adjustment of segment assets of 25,338 million yen includes corporate assets of 26,502 million yen and an offset of intersegment receivables of minus 1,163 million yen. Corporate assets represent cash and deposits, and long-term investments (shares in financial institutions) of the Group.

(Note 3) The segment operating income has been adjusted to the operating income stated in the consolidated financial statements.

[Related information]

FY2025/3 (April 1, 2024 – March 31, 2025)

1. Information on each product and service

This information is omitted because the same information is disclosed in the section on segment information.

2. Information on each geographic area

(1) Sales

(Million yen)			
Japan	U.S.	Other	Total
198,567	19,672	10,718	228,957

(Note) Sales are based on the location of customers and are classified by country or region.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information on major customers

There is no description because there are no parties to which sales account for 10% or more of the net sales to external customers on the consolidated statements of operations.

FY2026/3 (April 1, 2025 – March 31, 2026)

1. Information on each product and service

This information is omitted because the same information is disclosed in the section on segment information.

2. Information on each geographic area

(1) Sales

(Million yen)			
Japan	U.S.	Other	Total
205,642	19,089	11,940	236,672

(Note) Sales are based on the location of customers and are classified by country or region.

(2) Property, plant and equipment

(Million yen)			
Japan	U.S.	Other	Total
67,305	18,694	3,309	89,309

3. Information on major customers

(Million yen)		
Name of customer	Net sales	Name of related segment
Mitsubishi Shokuhin Co., Ltd.	24,900	Food manufacturing

[Information on impairment loss on noncurrent assets by reportable segment]

FY2025/3 (April 1, 2024 – March 31, 2025) (Million yen)

	Food Manufacturing	Food Merchandise	Real Estate and Services	Other	Adjustment	Total
Impairment loss	972	–	30	–	–	1,003

FY2026/3 (April 1, 2025 – March 31, 2026) (Million yen)

	Food Manufacturing	Food Merchandise	Real Estate and Services	Other	Adjustment	Total
Impairment loss	37	–	–	–	–	37

[Information on amortization of goodwill and unamortized balance by reportable segment]

FY2025/3 (April 1, 2024 – March 31, 2025)

Not applicable.

FY2026/3 (April 1, 2025 – March 31, 2026)

Not applicable.

(Revenue recognition)

Information on the breakdown of revenue generated from contracts with customers

The Group presents the revenue generated from contracts with customers by breaking each segment down into main sales management classification based on the contracts with customers.

(Million yen)

Reportable segment	Main product/area classification	FY2025/3 (Apr. 1, 2024 – Mar. 31, 2025)	FY2026/3 (Apr. 1, 2025 – Mar. 31, 2026)
Food Manufacturing	Confectionery & Foodstuffs Business	84,436	88,957
	Frozen Desserts Business	49,360	53,528
	“in-” Business	31,339	29,955
	Direct Marketing Business	11,184	10,748
	Operating subsidiaries, etc.	11,241	11,276
	Domestic total	187,562	194,466
	U.S. Business	20,956	20,214
	China, Taiwan, exports, etc.	9,060	10,486
	Overseas total	30,016	30,700
	Subtotal	217,578	225,167
Food Merchandise	Wholesale food service and food products	8,690	8,798
Real Estate and Services	Management of golf courses	791	758
Other Services (Note)		817	809
Revenue generated from contracts with customers total		227,878	235,533
Real Estate and Services	Real estate transactions	1,079	1,139
Other revenue total		1,079	1,139
Net sales to outside customers total		228,957	236,672

(Note)“Other Services” category is a business segment comprising services not included in the reportable segments, including the manufacture and sale of research reagents.

(Per-share information)

	FY2025/3 (Apr. 1, 2024 – Mar. 31, 2025)	FY2026/3 (Apr. 1, 2025 – Mar. 31, 2026)
Net assets per share	1,523.09 yen	1,690.58 yen
Net income per share	200.85 yen	211.07 yen

(Note 1) Diluted net income per share is not stated, as there are no dilutive shares.

(Note 2) Shares of the Company held by the officer compensation BIP trust are included in the number of shares of treasury stock deducted from the total number of shares issued at the end of the period in calculating the net assets per share. Furthermore, shares of the Company held by the trust are included in the number of shares of treasury stock deducted to calculate the average number of shares during the period in calculating the net income per share. In the previous fiscal year, the number of shares of treasury stock held by the trust at the end of the period was 80 thousand and the average number of shares of treasury stock during the period was 75 thousand. In the fiscal year under review, the number of shares of treasury stock held by the trust at the end of the period was 80 thousand and the average number of shares of treasury stock during the period was 80 thousand.

(Note 3) The calculation basis for net assets per share is as follows:

	FY2025/3 (As of Mar. 31, 2025)	FY2026/3 (As of Mar. 31, 2026)
Total net assets on consolidated balance sheets (million yen)	132,393	143,696
Amount not included in total net assets (million yen)	1,527	1,739
(Non-controlling interests) (million yen)	(1,527)	(1,739)
Net assets related to common stock (million yen)	130,865	141,956
Number of common stock included in the calculation of net assets per share (1,000 shares)	85,920	83,969

(Note 4) The calculation basis for net income per share is as follows:

	FY2025/3 (Apr. 1, 2024 – Mar. 31, 2025)	FY2026/3 (Apr. 1, 2025 – Mar. 31, 2026)
Profit attributable to owners of parent (million yen)	17,710	17,765
Amount not attributable to common stock shareholders (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	17,710	17,765
Average number of common stock outstanding in fiscal year (1,000 shares)	88,177	84,171

(Significant subsequent events)

(Business combination through acquisition)

At its Board of Directors meeting held on March 6, 2026, the Company resolved to acquire all shares of MyMo Holdco, Inc., which indirectly holds all equity interests in The Mochi Ice Cream Company, LLC, the largest mochi ice cream manufacturer in the U.S., thereby making it a subsidiary of the Company, and entered into a share transfer agreement on the same date. On April 1, 2026, the Company acquired the shares and made the company a subsidiary.

1. Overview of business combination

(1) Name and business description of the acquired company

Name of the acquired company: MyMo Holdco, Inc.

Business description: Management and operation of group companies

(2) Main reason for business combination

Since 2021, the Group has been advancing initiatives for the sustained enhancement of its corporate value under the long-term business plan, the 2030 Business Plan. Toward FY2030, the Group aims to grow into a global company that brings smiles to customers around the world by realizing its Purpose and leveraging the strengths it has cultivated over many years.

The purpose of this transaction is to acquire a value chain in the U.S. with an eye toward achieving the 2030 Business Plan and sustainable growth beyond that target. The U.S. ice cream market is on a stable medium- to long-term growth trend, and continued growth is expected going forward, supported by factors such as growth in single-serve novelty products, increasing preference for clean-label products, and the shift toward premium offerings.

By leveraging the value chain of the U.S. Frozen Desserts Business acquired through this transaction, the Group will promote the transformation of its business portfolio and ensure the achievement of the 2030 Business Plan.

Furthermore, looking even further ahead, it will gradually move toward the concrete development of growth strategies.

(3) Date of business combination

April 1, 2026

(4) Legal form of business combination

Acquisition of shares

(5) Name of company following business combination

The is no change in the name.

(6) Percentage of voting rights acquired

100%

(7) Main basis for deciding on the acquiring company

Acquisition of shares for cash consideration

2. Acquisition cost of the acquired company and breakdown by type of consideration

Price of acquisition	Cash	130 million U.S. dollar (20,849 million yen)
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Cost of acquisition		130 million U.S. dollar (20,849 million yen)
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* General adjustments considering net working capital and net interest-bearing debt, as of the completion date of this share acquisition, have not been finalized.

* The yen equivalent amounts in the brackets are calculated based on the exchange rate used for payment on April 1, 2026, the date the shares were acquired.

3. Details and amounts of major acquisition-related costs

Advisory fees: 5 million U.S. dollars (894 million yen)

* The yen equivalent amounts in the brackets are calculated based on the exchange rate used for payment.

4. Amount of goodwill generated, the reason for its occurrence, and the fair value of acquired assets and assumed liabilities as of the date of acquisition

Not finalized at this time.

(Significant borrowing of funds)

For the purpose of acquiring the shares of MyMo Holdco, Inc. as described in "(Business combination through acquisition)," the Company borrowed funds from a financial institution on April 1, 2026.

Lender: MUFG Bank, Ltd.

Borrowing amount: 23,937 million yen

Borrowing interest rate: Base interest rate + spread

Date of borrowing: April 1, 2026

Borrowing period: April 1, 2026 – March 31, 2027

Repayment method: Cash and deposits on hand and funds from planned refinancing

Collateral and guarantees: None

**Supplementary Materials for the Consolidated Financial Summary
for the Fiscal Year Ended March 31, 2026**

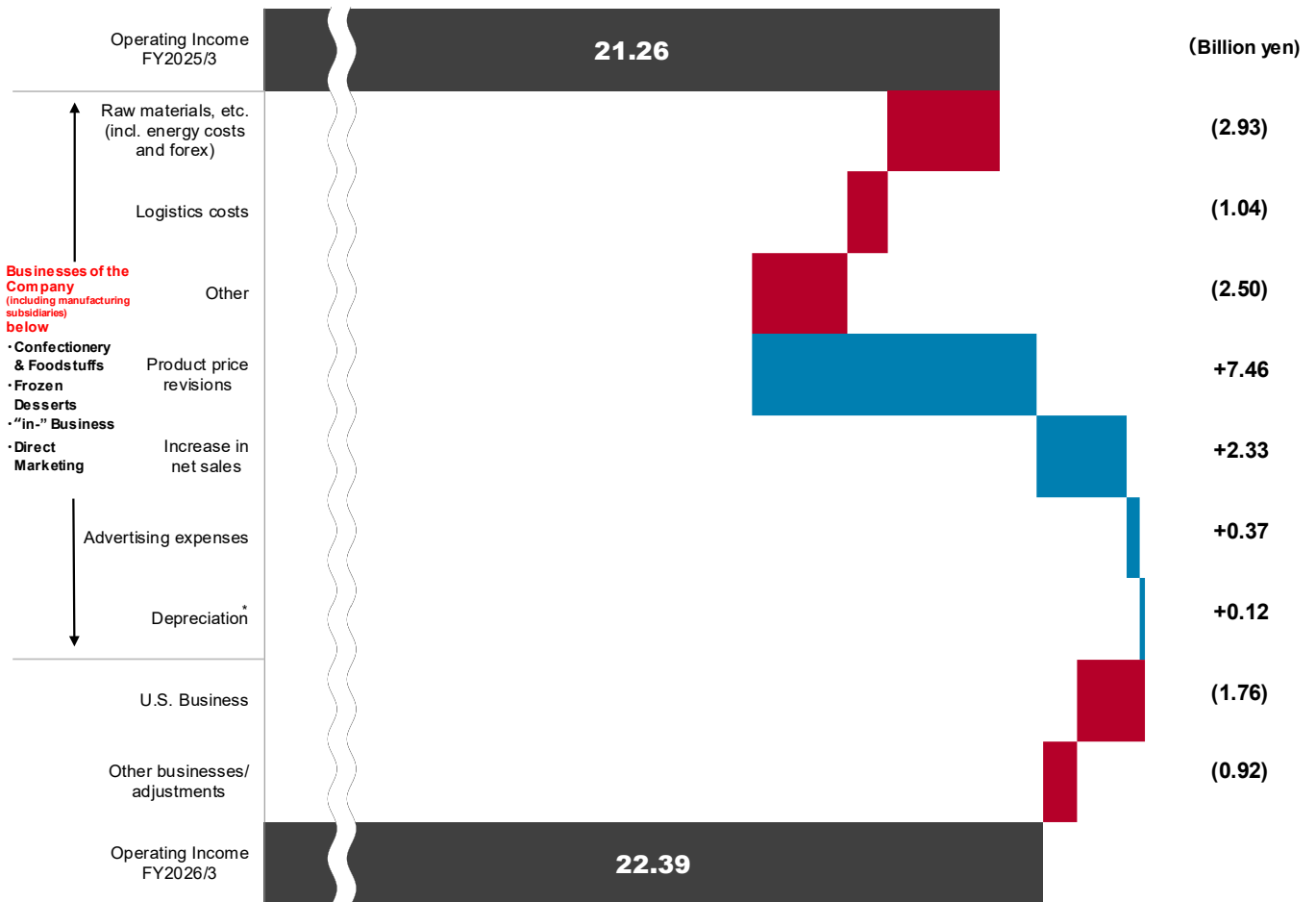
[The fiscal year under review]

1. Financial results

(Million yen)

	Year ended March 31, 2025		Year ended March 31, 2026		Year-on-year comparisons		
	Amount	Ratio to net sales (%)	Amount	Ratio to net sales (%)	Amount	Ratio to net sales (%)	Year-on-year change (%)
Net sales	228,957		236,672		7,715		3.4
Cost of sales	138,911	60.7	141,713	59.9	2,802	(0.8)	2.0
Gross profit	90,046	39.3	94,959	40.1	4,913	0.8	5.5
Selling, general and administrative expenses	68,779	30.0	72,565	30.7	3,786	0.7	5.5
Promotion expenses	6,464	2.8	6,790	2.9	326	0.1	5.0
Advertising expenses	11,246	4.9	10,819	4.6	(427)	(0.3)	(3.8)
Freightage and storage fees	18,312	8.0	19,242	8.1	930	0.1	5.1
Salaries and allowances	10,529	4.6	11,300	4.8	771	0.2	7.3
Provision for bonuses	1,776	0.8	1,912	0.8	136	0.0	7.7
Other	20,451	8.9	22,499	9.5	2,048	0.6	10.0
Operating income	21,266	9.3	22,394	9.5	1,128	0.2	5.3
Non-operating income	1,429	0.6	763	0.3	(666)	(0.3)	(46.6)
Non-operating expenses	392	0.2	497	0.2	105	0.0	27.0
Ordinary income	22,304	9.7	22,659	9.6	355	(0.1)	1.6
Extraordinary income	3,553	1.6	3,268	1.4	(285)	(0.2)	(8.0)
Extraordinary loss	1,573	0.7	600	0.3	(973)	(0.4)	(61.9)
Income before income taxes	24,284	10.6	25,327	10.7	1,043	0.1	4.3
Income taxes	6,438	2.8	7,393	3.1	955	0.3	14.8
Net income	17,846	7.8	17,933	7.6	87	(0.2)	0.5
Profit attributable to non-controlling interests	136	0.1	167	0.1	31	0.0	23.1
Profit attributable to owners of parent	17,710	7.7	17,765	7.5	55	(0.2)	0.3

2. Analysis of changes in operating income



* Only that portion recorded in cost of sales

3. Domestic/overseas net sales

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026	Year-on-year comparisons	Year-on-year change (%)
Domestic	198,567	205,642	7,075	3.6
Overseas	30,390	31,030	640	2.1
Consolidated	228,957	236,672	7,715	3.4

(Note) Net sales are sales to external customers.

Ratio of overseas sales to consolidated net sales	13.3%	13.1%
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4. Net sales and operating income by business

(Billion yen)

Reportable segment	Main product/area classification	Net sales				Operating income			
		Year ended March 31, 2025	Year ended March 31, 2026	Year-on-year comparisons	Year-on- year change (%)	Year ended March 31, 2025	Year ended March 31, 2026	Year-on-year comparisons	Year-on- year change (%)
Food Manufacturing	Confectionery & Foodstuffs Business	84.4	88.9	4.5	5.4	3.9	8.1	4.2	108.4
	Frozen Desserts Business	49.3	53.5	4.2	8.4	4.2	4.9	0.7	16.5
	"in-" Business	31.3	29.9	(1.4)	(4.4)	7.3	5.8	(1.5)	(19.3)
	Direct Marketing Business	11.1	10.7	(0.4)	(3.9)	0.4	0.7	0.3	49.4
	Operating subsidiaries, etc.	11.2	11.2	0.0	0.3	0.3	0.7	0.4	106.9
	Domestic total	187.5	194.4	6.9	3.7	16.3	20.4	4.1	25.4
	U.S. Business	20.9	20.2	(0.7)	(3.5)	3.0	1.3	(1.7)	(57.3)
	China, Taiwan, exports, etc.	9.0	10.4	1.4	15.7	0.4	0.5	0.1	14.7
	Overseas total	30.0	30.7	0.7	2.3	3.5	1.8	(1.7)	(47.2)
	Subtotal	217.5	225.1	7.6	3.5	19.8	22.3	2.5	12.4
Food Merchandise		8.6	8.7	0.1	1.2	1.4	0.6	(0.8)	(52.1)
Real Estate and Services		1.8	1.8	0.0	1.4	0.8	0.8	0.0	9.8
Other Services		0.8	0.8	(0.0)	(0.9)	0.1	0.1	(0.0)	(12.3)
Adjustment, etc.					(1.0)	(1.6)	(0.6)	—	
Total		228.9	236.6	7.7	3.4	21.2	22.3	1.1	5.3

(Note 1) Net sales are sales to external customers.

(Note 2) Confectionery & Foodstuffs Business includes "in" brand confectioneries and foodstuffs.

(Note 3) Direct Marketing Business and Operating subsidiaries, etc. include overseas sales.

(Note 4) U.S. Business includes income resulting from exports from China/Taiwan to the United States.

(Note 5) Adjustments, etc. mainly include general and administrative expenses and new business development expenses that do not belong to any business.

5. Capital investment, depreciation expenses, and research and development expenses

(Million yen)

	Year ended March 31, 2025	Year ended March 31, 2026	Year-on-year comparisons
Capital investment	10,689	5,936	(4,753)
Depreciation expenses	9,918	10,160	242
Research and development expenses	3,045	3,213	168

6. Net sales in focus domains prioritized in the 2030 Business Plan

(Billion yen)

Focus domain	Year ended March 31, 2025	Year ended March 31, 2026	Year-on-year comparisons	Year-on-year change (%)
"in-" Business	32.2	30.9	(1.3)	(4.0)
Frozen Desserts Business	49.3	53.5	4.2	8.4
Direct Marketing Business	11.1	10.7	(0.4)	(3.9)
U.S. Business	20.9	20.2	(0.7)	(3.5)
Total	113.7	115.4	1.7	1.5
Ratio of focus domain sales to consolidated net sales	49.7%	48.8%		

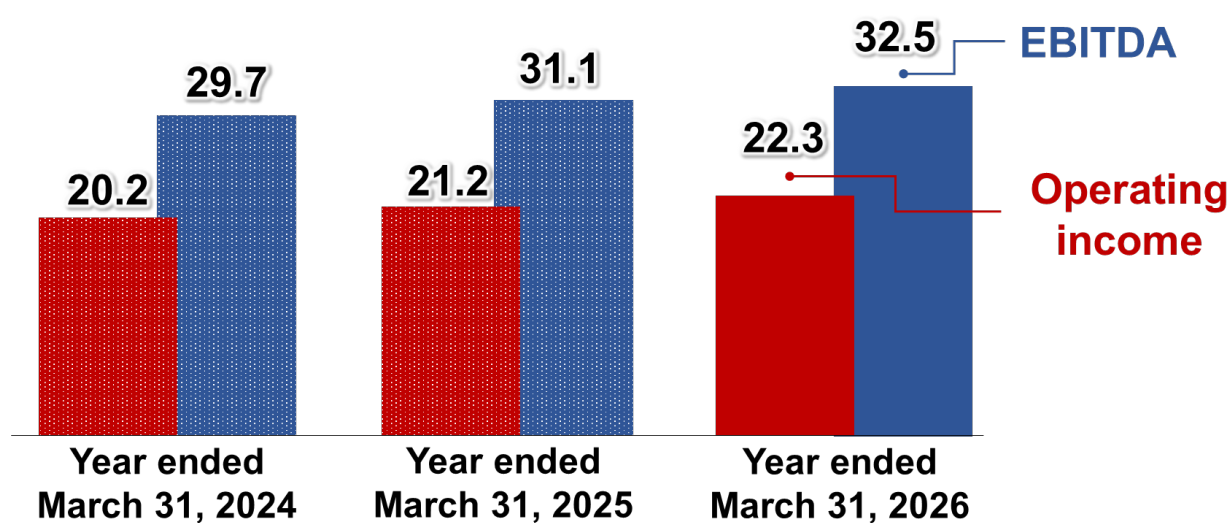
(Note 1) Net sales are sales to external customers.

(Note 2) "in-" Business includes "in" brand confectioneries and foodstuffs.

(Note 3) Direct Marketing Business includes overseas sales.

7. Operating income and EBITDA trends

(Billion yen)



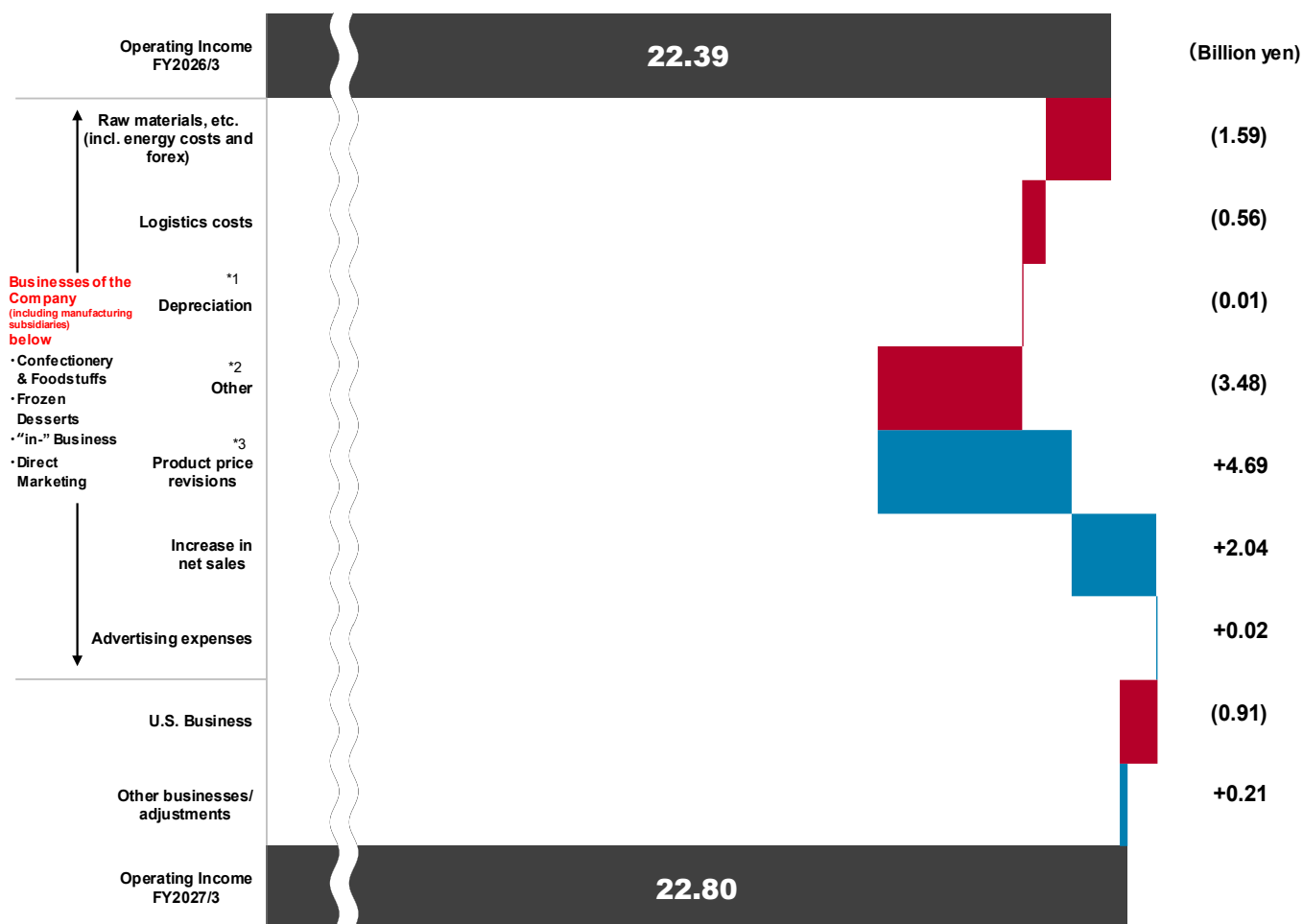
(Note) Simplified EBITDA: operating income + depreciation and amortization

[Full-year forecast]

1. Financial forecasts

	(Million yen)			
	Year ended March 31, 2026	Year ending March 31, 2027 forecasts	Year-on-year comparisons	Year-on-year change (%)
Net sales	236,672	257,000	20,328	8.6
Operating income	22,394	22,800	406	1.8
Ordinary income	22,659	22,200	(459)	(2.0)
Profit attributable to owners of parent	17,765	16,500	(1,265)	(7.1)

2. Analysis of changes in operating income



*1 Only that portion recorded in cost of sales

*2 Main factors behind decrease: DX investment, human resource investment, etc.

*3 Including the effect of price revisions currently under consideration

3 Domestic/overseas net sales

(Million yen)

	Year ended March 31, 2026 results	Year ending March 31, 2027 forecasts	Year-on-year comparisons	Year-on-year change (%)
Domestic	205,642	212,300	6,658	3.2
Overseas	31,030	44,700	13,670	44.1
Consolidated	236,672	257,000	20,328	8.6

(Note 1) Net sales are sales to external customers.

(Note 2) Overseas sales for the year ending March 31, 2027 forecasts include sales from MyMo Holdco, Inc.

Ratio of overseas sales to consolidated net sales	13.1%	17.4%
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4. Net sales and operating income by business

(Billion yen)

Reportable segment	Main product/area classification	Net sales				Operating income			
		Year ended March 31, 2026	Year ending March 31, 2027 forecasts	Year-on- year comparisons	Year-on- year change (%)	Year ended March 31, 2026	Year ending March 31, 2027 forecasts	Year-on- year comparisons	Year-on- year change (%)
Food Manufacturing	Confectionery & Foodstuffs Business	88.9	90.0	1.1	1.2	8.1	8.2	0.1	1.0
	Frozen Desserts Business	53.5	56.2	2.7	5.0	4.9	5.4	0.5	10.7
	"in-" Business	29.9	32.4	2.5	8.2	5.8	6.3	0.5	8.7
	Direct Marketing Business	10.7	10.9	0.2	1.4	0.7	0.7	0.0	2.0
	Operating subsidiaries	11.2	11.9	0.7	6.1	0.7	1.1	0.4	56.4
	Domestic total	194.4	201.4	7.0	3.6	20.4	21.9	1.5	7.5
	U.S. Business	20.2	32.8	12.6	62.3	1.3	0.4	(0.9)	(69.5)
	China, Taiwan, exports, etc.	10.4	11.5	1.1	10.1	0.5	0.1	(0.4)	(65.3)
	Overseas total	30.7	44.3	13.6	44.4	1.8	0.5	(1.3)	(68.2)
Subtotal	225.1	245.8	20.7	9.2	22.3	22.5	0.2	1.2	
Food Merchandise		8.7	8.4	(0.3)	(4.5)	0.6	0.4	(0.2)	(33.5)
Real Estate and Services		1.8	2.0	0.2	5.4	0.8	0.8	0.0	1.4
Other		0.8	0.8	(0.0)	(1.2)	0.1	0.1	(0.0)	(14.4)
Adjustments, etc.						(1.6)	(1.2)	0.4	—
Total		236.6	257.0	20.4	8.6	22.3	22.8	0.5	1.8

(Note 1) Net sales are sales to external customers.

(Note 2) The Confectionery & Foodstuffs Business includes "in" brand confectioneries and foodstuffs.

(Note 3) Direct Marketing Business and operating subsidiaries, etc. include overseas sales.

(Note 4) U.S. Business includes income resulting from exports from China/Taiwan to the United States.

(Note 5) Adjustments, etc. mainly include general and administrative expenses and new business development expenses that do not belong to any business.

(Note 6) The net sales and operating income for the U.S. Business for the year ending March 31, 2027 forecasts include sales and operating income from MyMo Holdco, Inc.

5. Capital investment, depreciation expenses, and research and development expenses

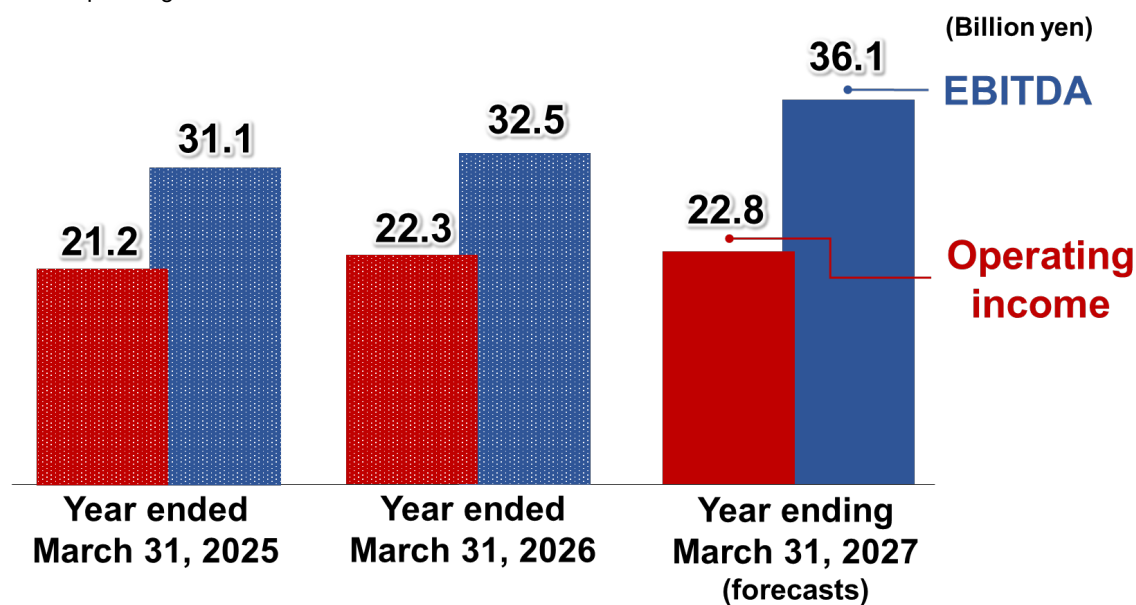
(Million yen)

	Year ended March 31, 2026 results	Year ending March 31, 2027 forecasts	Year-on-year comparisons
Capital investment	5,936	27,120	21,184
Depreciation expenses	10,160	12,186	2,026
Research and development expenses	3,213	3,681	468

(Note 1) The capital investment figures for the year ending March 31, 2027 forecasts include investments related to our second factory in the United States.









(Note 2) Depreciation expenses in the year ending March 31, 2027 forecasts include those related to our second factory in the United States and MyMo Holdco, Inc.

6. Operating income and EBITDA











(Note) Simplified EBITDA: operating income + depreciation and amortization + amortization of goodwill

Main domestic products

Products	Visual	Category	Year released	Description
<i>Morinaga Biscuits</i>		Biscuits	1923	The <i>Morinaga Biscuits</i> series was launched in 1923. Continual enhancements to taste and texture since then have ensured that the brand enjoys high recognition levels and market share in Japan. There are a number of different <i>Morinaga Biscuits</i> brands each with their own unique tastes, including <i>Marie</i> , <i>Moonlight</i> , and <i>Choice</i> .
<i>HI-CHEW</i>		Soft candy	1975	Characterized by a soft, chewy texture and brimming with a juicy deliciousness that increases with every bite. <i>HI-CHEW</i> enjoys high recognition levels and market share as the top soft candy brand in Japan.
<i>Morinaga Ramune</i>		Candy	1973	A confectionery product packaged in a bottle modeled after Japan's traditional carbonated drink, ramune. It offers a light sweetness with a fizzy texture as it dissolves. The term "ramune" is derived from "lemonade," and the flavor is similar to carbonated lemonade. In recent years, the launch of larger-sized products in small pouches targeted at adults has driven significant sales growth.
<i>Carré de chocolat</i>		Chocolate	2003	<i>Carré de chocolat</i> is a brand of thin chocolate squares. They were developed with the express aim of creating Japan's most delicious chocolate, and painstaking attention was paid to ingredients, production methods, and packaging design. The diverse product range includes milk, white, and high-cacao-content chocolate (<i>Cacao 70</i> and <i>Cacao 88</i>), as well as variations with special fillings.
<i>DARS</i>		Chocolate	1993	Bite-sized chocolates with a satisfyingly rich milk flavor. In addition to the standard milk chocolate version, the white chocolate version is also highly popular and boasts the top market share in the white chocolate category. <i>DARS</i> chocolates are sold in resealable boxes that are compact and easily portable, making it easy to enjoy them anytime, anywhere.
<i>Chocoball</i>		Chocolate	1967	<i>Chocoball</i> is a brand of spherical chocolate-covered peanuts (versions with caramel centers and other fillings are also available). Each one of these bite-sized chocolate treats is packed with different flavors and textures. The packages feature the popular bird-like mascot called "Kyoro-chan" and a unique beak-like opening to dispense the treats one at a time. Marks printed on the "beaks" can be collected and exchanged for a small can filled with toys. The "can of toys" campaign is well-known in Japan as it has continued for more than 50 years, ever since the product's launch.
<i>Amazake</i>		Soft drinks	1974	Amazake is a traditional Japanese beverage made from fermented rice. The <i>Morinaga Amazake</i> brand has the top market share in Japan, and features a diverse lineup including products using saké lees and komé koji, and those made using only komé koji. Even the types made using saké lees have an alcohol content of less than 1%, but caution needs to be exercised when the product is consumed by children, pregnant and breastfeeding women, and people who are sensitive to alcohol.
<i>Morinaga Milk Cocoa</i>		Cocoa	1919	<i>Morinaga Milk Cocoa</i> is an instant chocolate drink powder. Morinaga helped establish Japan's cocoa industry, being the first company in the country to produce and sell cocoa powder. <i>Morinaga Milk Cocoa</i> continues to enjoy the top market share in Japan.

Main domestic products

Products	Visual	Category	Year released	Description
<i>Choco Monaka Jumbo</i>		Ice cream	1972	<i>Choco Monaka Jumbo</i> is Japan's top domestic ice cream brand. Based on a traditional Japanese wafer-based sweet called " <i>monaka</i> ", <i>Choco Monaka Jumbo</i> features a sheet of chocolate covered in ice cream all enclosed in a thin and crispy chocolate and wafer covering. This treat is characterized by the rich sweetness of the ice cream and the crackly texture of the chocolate.
<i>Vanilla Monaka Jumbo</i>		Ice cream	2011	A secondary flavor of <i>Choco Monaka Jumbo</i> featuring ice cream with a full-bodied vanilla flavor enclosed in a wafer with a cake-like taste due to the addition of almond powder.
<i>ICEBOX</i>		Ice cream	1989	A crisply refreshing and crunchy frozen dessert made from crushed ice. Pour juice or other beverages into the cup to create a super cold drink.
<i>Ita Choco Ice</i>		Ice cream	1995	Vanilla ice cream coated in an extra-thick chocolate shell shaped like a bar of chocolate. Enjoy the snapping of the chocolate shell as the creamy ice cream melts in your mouth. Distinguished by the delectable taste of quality chocolate with a rich cacao aroma.
<i>THE Creap</i>		Ice cream	1988	Crepe-style ice cream featuring crunchy chocolate and vanilla ice cream wrapped in a crepe sheet. Characterized by its triangular shape and a unique mouthfeel. The crepe sheet is produced using a patented method that delivers a uniquely chewy texture that Japanese consumers love.
<i>in Jelly</i>		Jelly drinks	1994	With <i>in Jelly</i> , the first drinkable jelly in a pouch with a built-in spout, Morinaga created a new product category and the brand continues to enjoy the top market share. The product provides an easy way for people to boost their nutrient intake. Clear labelling of the nutrients each product contains, such as "energy", "vitamins", and "protein", allows quick selection of the drink that best suits one's needs. As drinkable jelly not only quenches thirst but is also filling, they can also be used as a time-saving meal replacement.
<i>in Bar</i>		Nutritional supplements	2009	A range of snack bars providing 8 to 20 grams of protein. Morinaga made full use of its snack development knowhow to create bars that are not only protein-rich, but taste great too.
<i>Morinaga Collagen Drink</i>		Soft drinks	2006	A collagen drink containing 10g of easily digested and absorbed low-molecular-weight collagen peptides. This brand is sold exclusively through e-commerce channels. The product, which is now fat-free while retaining the great original taste, is only 72Kcal per 125ml pack.