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Consolidated Financial Summary for the Six Months Ended September 30, 2022 (2Q) (Japanese Accounting Standards)

November 10, 2022

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 to submit the Quarterly Securities Report: November 11, 2022
 Scheduled date for commencement of dividend payments: —
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the First Half Ended September 30, 2022 (Apr. 1, 2022 – September 30, 2022)

(1) Consolidated operating results (Accumulated total) (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	%
2Q ended September 30, 2022	98,434	5.4	10,231	(22.4)	10,498	(23.4)	6,584	(31.0)
2Q ended September 30, 2021	93,422	10.0	13,188	14.2	13,700	14.4	9,544	14.7

(Note) Comprehensive income: 2Q ended September 30, 2022: 7,085 million yen (-51.6%);
 2Q ended September 30, 2021: 14,653 million yen (9.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q ended September 30, 2022	134.83	—
2Q ended September 30, 2021	189.75	—

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
2Q ended September 30, 2022	204,256	126,372	61.3
Year ended Mar. 31, 2022	214,300	131,174	60.7

(Reference) Shareholders' equity: 2Q ended September 30, 2022: 125,137 million yen;
 Year ended March 31, 2022: 130,035 million yen

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2022	—	0.00	—	90.00	90.00
Year ending Mar. 31, 2023	—	0.00			
Year ending Mar. 31, 2023 (forecast)			—	90.00	90.00

(Note) Revisions to dividend forecasts published most recently: None

3. Consolidated Results Forecasts for the Fiscal Year Ending March 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)

(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
Full year	194,300	7.2	13,500	(23.7)	14,050	(23.0)	8,500	(69.4)	176.01

(Note) Revisions to results forecasts published most recently: Yes

* Notes

(1) Important changes in subsidiaries during the quarter (changes in specified subsidiaries accompanied by changes in the scope of consolidation): None

(2) Application of accounting treatment unique to the preparation of quarterly consolidated financial statements: None

(3) 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): Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) Please see "2. Quarterly Consolidated Financial Statements and Major Notes: (4) Notes to the Quarterly Consolidated Financial Statements (Changes in accounting policies)" on page 11 of the accompanying materials for details.

(4) Number of shares issued (common shares)

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

2Q ended September 30, 2022:	54,189,769	Year ended March 31, 2022:	54,189,769
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(ii) Number of shares of treasury stock at end of period

2Q ended September 30, 2022:	6,080,447	Year ended March 31, 2022:	4,252,091
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(iii) Average number of shares during the period

2Q ended September 30, 2022:	48,838,446	2Q ended September 30, 2021:	50,297,670
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* 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 (34,181 shares in the second quarter of the fiscal year ending March 31, 2023 and 38,764 shares in the fiscal year ended March 31, 2022). 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.

* This financial summary is not subject to statutory quarterly review by certified public accountants or audit corporations.

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

The results forecasts are prepared based on adequate information, but actual results might be different from them, depending on a range of factors. For details, please refer to "1. Qualitative Information on Consolidated Results for the First Half (3) Qualitative information on future forecasts, including consolidated results forecasts " on page 5 of the accompanying materials.

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* Reference Materials: Supplementary Materials for the Consolidated Financial Summary for the Six Months Ended September 30, 2022

1. Qualitative Information on Consolidated Results for the First Half

The information categories used to break down revenue generated from contracts with customers in the Food Manufacturing segment have been changed, effective from the first quarter of the fiscal year under review. Accordingly, the Food Manufacturing segment categories were changed for the comparative analyses discussed below and the year-on-year comparisons and analyses are based on figures after the category changes were made.

(1) Qualitative information on consolidated results

During the first half of the current fiscal year, the outlook for the Japanese economy remained uncertain and the business environment was subject to dramatic changes due to soaring raw material and energy prices caused primarily by the Russia-Ukraine conflict and the sharp depreciation of the yen.

In this environment, net sales in the first half increased ¥5,012 million (+5.4%) year on year to ¥98,434 million. Despite the boost from higher sales and product price increases, operating income decreased ¥2,957 million (-22.4%) year on year to ¥10,231 million and ordinary income decreased ¥3,202 million (-23.4%) year on year to ¥10,498 million, mainly reflecting rising raw material and energy prices and strategic investments in advertising targeting longer term growth. Profit attributable to owners of the parent decreased ¥2,960 million (-31.0%) year on year to ¥6,584 million.

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

Food Manufacturing

Confectionery & Foodstuffs Business

In the biscuits category, demand for *Morinaga Biscuits* as a tea time snack has taken hold owing to the increase in teleworking and other lifestyle changes. Although *Morinaga Biscuits* performed well in the second quarter with the successful launch of new products, first-half sales were down year on year due to the significant impact of temporary supply constraints stemming from a halt in production to allow production line expansion work to be carried out in the first quarter. This supply issue has now been resolved.

In the sugar confectionery category, on “*HI-CHEW Day*” (August 12) the Company engaged in sales promotions and added new products to the *HI-CHEW* lineup, which already features products with a diverse range of mouthfeel textures. As a result, *HI-CHEW* sales remained brisk across all product formats (sticks, pouches, and packets), and the lineup continues to meet a broad range of consumer needs even after the price increases in July. *Baribori Ramune*, a new *Morinaga Ramune* product with a fun, novel mouthfeel was also launched, and overall sales of the *Morinaga Ramune* lineup were up year on year.

In the chocolate category, sales of *Carré de chocolat* struggled due to the impact of product price increases in July, despite efforts to enhance its value as a fine-quality chocolate brand. Meanwhile *DARS* performed strongly with a successful sales promotion coinciding with a recipe revision in September. *Chocoball* sales also remained at the same level as last year partly due to the *Odama Chocoball* revamp.

In the foodstuffs category, sales of both *Morinaga Amazake* and *Morinaga Cocoa* declined year on year, despite ongoing efforts to capture demand by bolstering their respective health brand images.

As a result, total net sales for the Confectionery & Foodstuffs business decreased ¥389 million (-1.2%) year on year to ¥33,214 million.

Segment operating income decreased by ¥1,491 million (-96.2%) year on year to ¥58 million due to the significant impact of soaring raw material and energy prices despite efforts to improve profitability through product price increases.

Frozen Desserts Business

Jumbo Group sales were up year on year, remaining solid even after product price increases in June. This largely owed to aggressive sales promotions for *Vanilla Monaka Jumbo*, and for *Choco Monaka Jumbo*, which marks its 50th anniversary this year. Sales of *Ita Choco Ice*, now in its third year of year-round sales, were down compared with last year when there was sharp sales growth, despite efforts to further extend sales including the product's very first TV commercial. *ICEBOX* performed strongly, however, as the promotion of new consumption scenarios to specific target demographics captured additional demand.

As a result, total net sales for the Frozen Desserts business decreased ¥338 million (−1.3%) year on year to ¥24,942 million.

Segment operating income decreased by ¥1,315 million (−27.4%) year on year to ¥3,486 million due to skyrocketing prices of raw materials and energy and higher depreciation and amortization, despite efforts to improve profitability by revising product prices.

“in-” Business

Sales of *in Jelly* were strong due to continued capturing of increased demand for drinks or snacks when working or studying and for nourishment and health-boosting products during times of poor health, as a consequence of lifestyle changes brought about by COVID-19. Through aggressive sales promotions and product rollouts, the Company has continued to develop new consumption scenarios and expand the target market. Sales of *in Bar* were down year on year due to continued intensification of competition with the diversification of protein intake means.

As a result, total net sales for the “in-” business increased ¥1,758 million (+11.0%) year on year to ¥17,790 million.

Segment operating income increased by ¥213 million (+4.4%) year on year to ¥5,043 million owing to strong net sales, which outweighed aggressive investments in advertising and surging raw material prices.

Direct Marketing Business

Morinaga Collagen Drink sales were up year on year due to ongoing steady progress in increasing the number of subscription customers. Sales also expanded for *Morinaga Aojiru*, the second pillar candidate product in the Direct Marketing business, due to a steady increase in the number of subscription customers.

As a result, total net sales for the Direct Marketing business grew ¥796 million (+18.5%) year on year to ¥5,102 million.

Segment operating income decreased by ¥43 million (−11.5%) year on year to ¥326 million owing to soaring raw material prices and the continuation of aggressive investments in advertising to steadily gain subscription customers.

Operating Subsidiaries

Net sales at Aunt Stella Inc. were up year on year, and were also up compared with pre-pandemic 2019. This was driven by brisk sales through outlets at major mass retailers, selling by weight at directly operated stores nationwide, and collaborative promotion campaigns. Morinaga Market Development Co., Ltd.’s retail sales were strong at amusement parks and antenna shops, with sales up significantly year on year as restrictions on the movement of people were eased.

As a result, total net sales for Operating Subsidiaries increased ¥719 million (+25.5%) year on year to ¥3,538 million.

Segment operating income increased by ¥155 million (+489.6%) year on year to ¥186 million.

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

Confectionery & Foodstuffs Business		Frozen Desserts Business	
<i>Morinaga Biscuits</i>	97	<i>Jumbo Group</i>	102
<i>HI-CHEW</i>	111	<i>Ita Choco Ice</i>	78
<i>Morinaga Ramune</i>	108	<i>The Crepe</i>	—
<i>Carré de chocolat</i>	88	<i>ICEBOX</i>	111
<i>DARS</i>	111	“in-” Business	
<i>Chocoball</i>	100	<i>in Jelly</i>	117
<i>Morinaga Amazake</i>	92	<i>in Bar</i>	85
<i>Morinaga Cocoa</i>	94	Direct Marketing Business	
		<i>Morinaga Collagen Drink</i>	117

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

U.S. Business

HI-CHEW sales were up year on year. Growth in the number of stores selling *HI-CHEW* continued across the United States even after price revisions in December 2021, and store turnover has also remained strong for all packaging types, including sticks, stand up pouches, and packets. In addition, the effort to build the *Charge!* jelly drink into a second pillar of earnings for the U.S. business is fully underway. Efforts are being aggressively pursued to increase the number of touch points and raise brand recognition rates in the U.S. market, including promotional activities, online advertising, and product sampling at sports events.

As a result, total net sales for the U.S. business rose ¥1,896 million (+40.0%) year on year to ¥6,631 million. Segment operating income decreased by ¥128 million (-13.9%) year on year to ¥793 million as soaring raw material prices and shipping costs, increased personnel costs, and upfront investments in *Charge!* advertising, outweighed sales growth and the boost from price hikes.

China, Taiwan, Exports, etc.

In China, lockdowns had a significant negative impact on sales of *HI-CHEW* and imported goods. In Taiwan, *HI-CHEW* sales were up significantly year on year, partly due to a rebound from the impact of COVID-19 on sales last year.

As a result, total net sales for China, Taiwan, Exports, etc. increased ¥326 million (+11.0%) year on year to ¥3,277 million.

Segment operating income increased by ¥35 million (+11.4%) year on year to ¥336 million.

Overall, sales in Food Manufacturing increased 5.3% year on year to ¥94,497 million. Segment operating income decreased ¥3,033 million year on year to ¥10,058 million.

Food Merchandise

Sales for the segment increased 9.0% year on year to ¥2,658 million. Segment operating income decreased ¥11 million year on year to ¥56 million.

Real Estate and Services

Sales for the segment increased 0.5% year on year to ¥956 million. Segment operating income decreased ¥22 million year on year to ¥418 million.

Other Services

Sales totaled ¥321 million. Segment operating income was ¥99 million.

(2) Qualitative information on consolidated financial position

Total assets at the end of the second quarter under review decreased ¥10,044 million from the end of the previous fiscal year to ¥204,256 million. This was chiefly due to decreases in cash and deposits, and investment securities, which offset increases in notes and accounts receivable-trade, merchandise and finished goods, and raw materials and supplies.

Liabilities decreased by ¥5,242 million from the end of the previous fiscal year to ¥77,884 million. This was mainly attributable to a decrease in income taxes payable, which offset an increase in notes and accounts payable-trade.

Net assets stood at ¥126,372 million, down ¥4,802 million from the end of the previous fiscal year. This primarily owed to an increase in treasury stock deducted from net assets, which offset an increase in retained earnings.

As a result of the above, the shareholders' equity ratio is 61.3%, a 0.6 percentage point increase from the end of the previous fiscal year.

(3) Qualitative information on future forecasts, including consolidated results forecasts

The Company has revised the consolidated results forecasts for the fiscal year ending March 31, 2023, as outlined below. Although solid sales growth is expected both overseas and domestically, the Company expects conditions to remain difficult on the profit front. Despite efforts to expand net sales and raise product prices, profit is expected to be impacted by the yen's rapid depreciation, and raw material and energy price increases that have exceeded initial assumptions.

There is no change to the year-end dividend forecast of ¥90 per share for the fiscal year ending March 31, 2023.

Note that this forecast revision has been also announced separately today, November 10, 2022, in the "Notice Regarding Revision of Consolidated Results Forecasts for the Fiscal Year Ending March 31, 2023".

Revision of Consolidated Results Forecasts for the Fiscal Year Ending March 31, 2023

(April 1, 2022 through March 31, 2023)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Previously announced forecast (A)	190,000	16,500	16,900	10,700
Revised forecast (B)	194,300	13,500	14,050	8,500
Change (B – A)	4,300	(3,000)	(2,850)	(2,200)
Percentage change	2.3%	(18.2%)	(16.9%)	(20.6%)
(Ref.) Consolidated results of the previous fiscal year (ended March 31, 2022)	181,251	17,685	18,247	27,773

* The assumed conversion rate used in our forecasts for overseas subsidiaries is ¥132/\$1.

2. Quarterly Consolidated Financial Statements and Major Notes**(1) Quarterly Consolidated Balance Sheets**

	FY2022/3 (Mar. 31, 2022)	2Q 2023 (Sept. 30, 2022)
(Million yen)		
Assets		
Current assets		
Cash and deposits	56,652	42,214
Notes and accounts receivable–trade	22,313	25,025
Merchandise and finished goods	13,645	15,905
Work in process	374	449
Raw materials and supplies	9,736	12,841
Income taxes receivable	157	2
Other	9,236	7,411
Allowance for doubtful accounts	(48)	(50)
Total current assets	112,067	103,800
Noncurrent assets		
Property, plant and equipment		
Buildings and structures–net	30,011	29,456
Machinery, equipment and vehicles–net	29,375	29,114
Land	21,318	20,785
Other–net	4,347	5,344
Total property, plant and equipment	85,053	84,701
Intangible assets		
Goodwill	98	49
Other	211	202
Total intangible assets	309	251
Investments and other assets		
Investment securities	10,447	8,833
Net defined benefit asset	4,232	4,231
Deferred tax assets	1,191	1,464
Other	1,034	1,010
Allowance for doubtful accounts	(36)	(35)
Total investments and other assets	16,869	15,503
Total noncurrent assets	102,233	100,455
Total assets	214,300	204,256

	(Million yen)	
	FY2022/3 (Mar. 31, 2022)	2Q 2023 (Sept. 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	20,392	23,142
Current portion of long-term loans	10,000	10,000
Accounts payable–other	10,538	10,431
Income taxes payable	9,974	2,730
Refund liabilities	3,611	4,106
Allowance for bonuses	2,697	2,714
Asset retirement obligations	453	344
Other	12,479	10,967
Total current liabilities	70,147	64,438
Long-term liabilities		
Provision for directors' stock benefits	82	74
Provision for environmental measures	274	273
Net defined benefit liability	8,231	8,387
Deposits received	3,642	3,621
Other	748	1,087
Total long-term liabilities	12,978	13,445
Total liabilities	83,126	77,884
Net assets		
Shareholders' equity		
Common stock	18,612	18,612
Capital surplus	17,292	17,292
Retained earnings	97,886	99,973
Treasury stock	(12,717)	(19,956)
Total shareholders' equity	121,074	115,922
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,396	4,189
Deferred gains or losses on hedges	(1)	68
Foreign currency translation adjustments	1,304	2,817
Remeasurements of defined benefit plans	2,261	2,139
Total accumulated other comprehensive income	8,960	9,214
Non-controlling interests	1,139	1,234
Total net assets	131,174	126,372
Total liabilities and net assets	214,300	204,256

(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated Statements of Comprehensive Income
 (Quarterly Consolidated Statements of Operations)
 (First half ended September 30, 2022)

	(Million yen)	
	2Q 2022 (Apr. 1, 2021 – Sept. 30, 2021)	2Q 2023 (Apr. 1, 2022 – Sept. 30, 2022)
Net sales	93,422	98,434
Cost of sales	52,403	57,611
Gross profit	41,018	40,822
Selling, general and administrative expenses	27,830	30,591
Operating income	13,188	10,231
Non-operating income		
Interest income	12	7
Dividends income	459	174
Other	157	176
Total non-operating income	629	358
Non-operating expenses		
Interest expenses	17	17
Equity in losses of affiliates	20	1
Depreciation	58	41
Other	22	31
Total non-operating expenses	117	91
Ordinary income	13,700	10,498
Extraordinary income		
Gain on sales of noncurrent assets	1	3
Gain on sales of investment securities	0	273
Insurance income	—	100
Total extraordinary income	2	377
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	190	791
Impairment loss	—	630
Total extraordinary loss	190	1,422
Income before income taxes	13,511	9,453
Income taxes—current	4,368	2,594
Income taxes—deferred	(522)	182
Total income taxes	3,846	2,777
Net income	9,665	6,676
Profit attributable to non-controlling interests	121	91
Profit attributable to owners of parent	9,544	6,584

(Quarterly Consolidated Statements of Comprehensive Income)
(First half ended September 30, 2022)

	(Million yen)	
	2Q 2022 (Apr. 1, 2021 – Sept. 30, 2021)	2Q 2023 (Apr. 1, 2022 – Sept. 30, 2022)
Net income	9,665	6,676
Other comprehensive income		
Valuation difference on available-for-sale securities	4,515	(1,207)
Deferred gains or losses on hedges	(15)	68
Foreign currency translation adjustments	576	1,661
Remeasurements of defined benefit plans, net of tax	(89)	(120)
Share of other comprehensive income of associates accounted for using equity method	—	6
Total other comprehensive income	4,987	409
Net comprehensive income	14,653	7,085
(Breakdown)		
Comprehensive income attributable to owners of parent	14,436	6,838
Comprehensive income attributable to non-controlling interests	217	246

(3) Quarterly Consolidated Statements of Cash Flows

	(Million yen)	
	2Q 2022 (Apr. 1, 2021 – Sept. 30, 2021)	2Q 2023 (Apr. 1, 2022 – Sept. 30, 2022)
Operating activities		
Income before income taxes	13,511	9,453
Depreciation	4,815	4,920
Impairment loss	—	630
Amortization of goodwill	49	49
Increase (decrease) in provision for directors' stock benefits	12	(7)
Increase (decrease) in net defined benefit liability	114	117
(Increase) decrease in net defined benefit asset	(78)	(135)
Increase (decrease) in allowance for bonuses	(10)	(1)
Increase (decrease) in allowance for doubtful accounts	(5)	(0)
Interest and dividends income	(472)	(182)
Interest expenses	17	17
Equity in losses (earnings) of affiliates	20	1
Loss (gain) on sale of investment securities	(0)	(273)
(Gain) loss on sales of noncurrent assets	42	53
Loss on retirement of noncurrent assets	146	734
Insurance income	—	(100)
(Increase) decrease in notes and accounts receivable–trade	(3,328)	(2,284)
(Increase) decrease in inventories	(1,641)	(4,697)
Increase (decrease) in notes and accounts payable–trade	2,919	2,447
Other	1,062	(405)
Subtotal	<u>17,174</u>	<u>10,335</u>
Interest and dividends income received	469	183
Interest expenses paid	(16)	(16)
Income taxes (paid) refund	(516)	(9,474)
Proceeds from insurance income	—	100
Net cash provided by (used in) operating activities	<u>17,110</u>	<u>1,127</u>
Investing activities		
Payments into time deposits	(34)	(94)
Purchase of property, plant and equipment	(10,713)	(6,641)
Proceeds from sales of property, plant and equipment	2	165
Purchase of intangible assets	(5)	(0)
Purchase of investment securities	(1)	(1)
Proceeds from sales of investment securities	0	283
Other	(110)	(179)
Net cash provided by (used in) investing activities	<u>(10,862)</u>	<u>(6,468)</u>
Financing activities		
Purchase of treasury stock	(58)	(7,239)
Proceeds from sales of treasury stock	51	—
Cash dividends paid	(4,025)	(4,497)
Dividends paid to non-controlling interests	(128)	(151)
Other	(181)	(201)
Net cash provided by (used in) financing activities	<u>(4,343)</u>	<u>(12,090)</u>

	(Million yen)	
	2Q 2022 (Apr. 1, 2021 – Sept. 30, 2021)	2Q 2023 (Apr. 1, 2022 – Sept. 30, 2022)
Effect of exchange rate change on cash and cash equivalents	235	611
Net increase (decrease) in cash and cash equivalents	2,141	(16,819)
Cash and cash equivalents at beginning of period	31,568	60,146
Cash and cash equivalents at end of period	33,709	43,327

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable.

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

Not applicable.

(Changes in accounting policies)

(Changes in the method of converting revenues and expenses of foreign subsidiaries, etc.)

Previously, revenues and expenses of foreign subsidiaries, etc. were converted into Japanese yen at the spot exchange rate on the closing date of the foreign subsidiaries, etc. However, effective from the first quarter of the fiscal year under review, the Group has changed to a method of converting to yen at the average exchange rate of the applicable period. Amid the recent economic climate of extreme fluctuations in exchange rates, this change was made to mitigate the impact of temporary fluctuations in exchange rates on profit/loss during the period and to more appropriately reflect the business results of foreign subsidiaries, etc. in the Group's consolidated financial statements, given that the importance of sales and profit/loss at foreign subsidiaries, etc. is expected to further increase going forward due to the expansion of the Group's overseas businesses focused on the United States.

The impact of this change is minor.

(Additional information)

(Impact of COVID-19 on accounting estimates)

With regard to the impact of COVID-19, the Group has not made any material changes to the assumptions in the (Impact of COVID-19 on accounting estimates) section under (Additional information) in the annual securities report for the fiscal year ended March 31, 2022. The Group has made accounting estimates relating to impairment loss on noncurrent assets and recoverability of deferred tax assets, etc. based on said assumptions.

There continues to be a high degree of uncertainty concerning these assumptions, and the Company's future financial position and operating results may be materially impacted by the further spread or the economic effects of COVID-19.

(Quarterly consolidated statements of operations)

Impairment loss

The Group recorded an impairment loss on the following assets.

First half of FY2023/3 (Apr. 1, 2022 – Sept. 30, 2022)

Location	Use	Type and impairment loss (million yen)				
		Buildings and structures	Machinery, equipment and vehicles	Land	Other	Total
Yokohama, Kanagawa	Morinaga Institute of Biological Science, Inc. (assets planned for sale)	91	–	538	–	630

(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 goodwill by company. The Group classifies assets which shows no association with any particular business as shared assets.

(Background of recognition of impairment loss)

The Company has decided on a policy to sell the assets, so their book value has been reduced to their recoverable amount.

(Calculation method of recoverable amount)

The recoverable amount of the relevant assets is valued by net cash value, which is rationally calculated based indicators, etc. that are considered to appropriately reflect market prices.

(Segment information)

1. Information on net sales and profits or losses by reportable segment

First half of Fiscal 2022 (Apr. 1, 2021 – Sept. 30, 2021)

	Reportable segment				Other Services (Note 1)	Total	Adjustment (Note 2)	Amount posted in consolidated statements of operations (Note 3)
	Food Manufacturing	Food Merchandise	Real Estate and Services	Total				
Net sales								
Outside customers	89,715	2,438	952	93,106	315	93,422	—	93,422
Intersegment sales or transfers	68	121	0	189	455	645	(645)	—
Total	89,783	2,560	952	93,296	771	94,067	(645)	93,422
Segment operating income	13,091	67	440	13,599	98	13,697	(508)	13,188

(Million yen)

(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) The minus 508 million yen adjustment to segment operating income includes inter-segment elimination of 8 million yen, and corporate expenses that are not allocated to any reportable segment of minus 518 million yen. Corporate expenses mainly include general and administrative expenses and new business development expenses that do not belong to any particular reportable segment.

(Note 3) Segment operating income is adjusted to be consistent with operating income shown in the Quarterly Consolidated Statements of Operations.

First half of Fiscal 2023 (Apr. 1, 2022 – Sept. 30, 2022)

	Reportable segment				Other Services (Note 1)	Total	Adjustment (Note 2)	Amount posted in consolidated statements of operations (Note 3)
	Food Manufacturing	Food Merchandise	Real Estate and Services	Total				
Net sales								
Outside customers	94,497	2,658	956	98,112	321	98,434	—	98,434
Intersegment sales or transfers	38	182	0	221	464	686	(686)	—
Total	94,535	2,840	957	98,333	786	99,120	(686)	98,434
Segment operating income	10,058	56	418	10,532	99	10,632	(400)	10,231

(Million yen)

(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) The minus 400 million yen adjustment to segment operating income includes inter-segment elimination of 8 million yen, and corporate expenses that are not allocated to any reportable segment of minus 409 million yen. Corporate expenses mainly include general and administrative expenses and new business development expenses that do not belong to any particular reportable segment.

(Note 3) Segment operating income is adjusted to be consistent with operating income shown in the Quarterly Consolidated Statements of Operations.

(Changes in the method of presentation)

The Company has changed its method of presenting the information on the breakdown of revenue generated from contracts with customers in (Revenue Recognition) from the first quarter of the fiscal year under review. In addition, the information on the breakdown of revenue generated from contracts with customers for the first half of the fiscal year ended on March 31, 2022 is also presented in (Revenue Recognition).

2. Information on impairment loss on noncurrent assets and goodwill by reportable segment

(Material impairment loss on noncurrent assets)

First half of Fiscal 2022 (Apr. 1, 2021 – Sept. 30, 2021)

Not applicable.

First half of Fiscal 2023 (Apr. 1, 2022 – Sept. 30, 2022)

(Million yen)

	Food Manufacturing	Food Merchandise	Real Estate and Services	Other	Adjustment	Total
Impairment loss	–	–	–	630	–	630

(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	2Q 2022 (Apr. 1, 2021 – Sept. 30, 2021)	2Q 2023 (Apr. 1, 2022 – Sept. 30, 2022)
Food Manufacturing	Confectionery & Foodstuffs business	33,603	33,214
	Frozen Desserts business	25,280	24,942
	"in-" business	16,032	17,790
	Direct Marketing business	4,306	5,102
	Operating subsidiaries, etc.	2,806	3,537
	Domestic total	82,028	84,588
	U.S. business	4,735	6,631
	China, Taiwan, exports, etc.	2,951	3,277
	Overseas total	7,686	9,908
	Subtotal	89,715	94,497
Food Merchandise	Wholesale food service and food products	2,438	2,658
Real Estate and Services	Management of golf courses	356	372
Other Services (Note)		315	321
Revenue generated from contracts with customers total		92,827	97,849
Real Estate and Services	Real estate transactions	595	584
Other revenue total		595	584
Net sales to outside customers total		93,422	98,434

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

(Changes in the method of presentation)

The information on the breakdown of revenue generated from contracts with customers in the Food Manufacturing segment was previously classified into Confectionery & Foodstuffs, Frozen Desserts and Health Products, but the Company has changed its classification of business to Confectionery & Foodstuffs business, Frozen Desserts business, "in-" business, Direct Marketing business, Operating subsidiaries, etc., U.S. business and China, Taiwan, exports, etc. from the first quarter of the fiscal year under review, in order to present clearly the actual condition of the business management in line with the 2030 Business Plan and the 2021 Medium-term Business Plan.

The information on the breakdown of revenue generated from contracts with customers for the first half of the fiscal year ended on March 31, 2022 has been presented based on the new classification after this change.

(Significant subsequent events)

1. Issuance of bonds

The Company resolved at its Board of Directors meeting held on November 10, 2022 to issue its unsecured straight bonds (sustainability bonds) as detailed below.

15th Series of Unsecured Straight Bonds (with inter-bond pari passu covenants) (sustainability bonds)

- (1) Total issue amount: 9 billion yen or less
- (2) Issue price: 100 yen per face value of 100 yen
- (3) Coupon rate: 1.0% or less per year
- (4) Issue date: From November 10, 2022 to March 31, 2023
- (5) Maturity period: 5 years
- (6) Redemption method: Lump-sum redemption upon maturity
- (7) Use of proceeds: To fund for the reconstruction of the Morinaga Shibaura Building (provisional name)

2. Cancellation of treasury stock

The Company resolved at its Board of Directors meeting held on November 10, 2022 to cancel its treasury stock in accordance with Article 178 of the Companies Act, as detailed below.

- (1) Type of shares to be cancelled: Common shares
- (2) Number of shares to be cancelled: 5,400,000 shares
(Ratio to the total number of shares issued before cancellation: 9.96%)
- (3) Scheduled date of cancellation: November 30, 2022
- (4) Total number of shares issued after the cancellation: 48,789,769 shares

Supplementary Materials for the Consolidated Financial Summary
for the Six Months Ended September 30, 2022

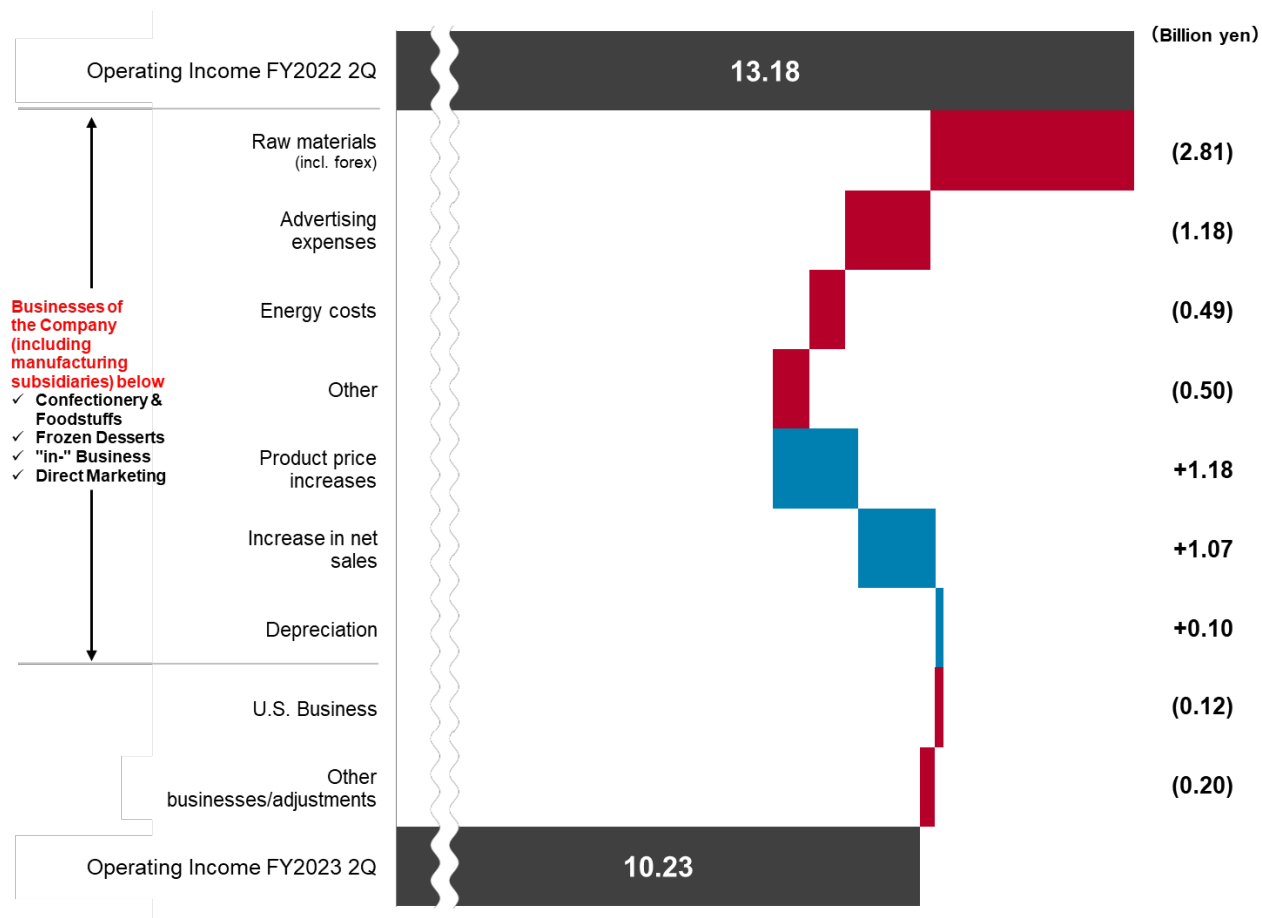
[Six Months Ended September 30, 2022]

1. Financial results

(Million yen)

	Year ended March 31, 2022 2Q ended September 30, 2021		Year ending March 31, 2023 2Q ended September 30, 2022		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	93,422		98,434		5,012		+5.4
Cost of sales	52,403	56.1	57,611	58.5	5,208	+2.4	+9.9
Gross profit	41,018	43.9	40,822	41.5	(196)	(2.4)	(0.5)
Selling, general and administrative expenses	27,830	29.8	30,591	31.1	2,761	+1.3	+9.9
Promotion expenses	2,328	2.5	2,715	2.8	387	+0.3	+16.6
Advertising expenses	3,820	4.1	5,030	5.1	1,210	+1.0	+31.7
Freightage and storage fees	8,297	8.9	8,772	8.9	475	+0.0	+5.7
Salaries and allowances	4,406	4.7	4,633	4.7	227	(0.0)	+5.2
Provision for bonuses	1,382	1.5	1,437	1.5	55	(0.0)	+4.0
Other	7,595	8.1	8,002	8.1	407	(0.0)	+5.4
Operating income	13,188	14.1	10,231	10.4	(2,957)	(3.7)	(22.4)
Non-operating income	629	0.7	358	0.4	(271)	(0.3)	(43.0)
Non-operating expenses	117	0.1	91	0.1	(26)	(0.0)	(22.2)
Ordinary income	13,700	14.7	10,498	10.7	(3,202)	(4.0)	(23.4)
Extraordinary income	2	0.0	377	0.4	375	+0.4	—
Extraordinary loss	190	0.2	1,422	1.4	1,232	+1.2	+647.5
Income before income taxes	13,511	14.5	9,453	9.6	(4,058)	(4.9)	(30.0)
Income taxes	3,846	4.1	2,777	2.8	(1,069)	(1.3)	(27.8)
Net income	9,665	10.3	6,676	6.8	(2,989)	(3.5)	(30.9)
Profit attributable to non-controlling interests	121	0.1	91	0.1	(30)	(0.0)	(24.5)
Profit attributable to owners of parent	9,544	10.2	6,584	6.7	(2,960)	(3.5)	(31.0)

2. Analysis of changes in operating income



3. Segment information

(Million yen)

Business	Year ended March 31, 2022 2Q ended September 30, 2021	Year ending March 31, 2023 2Q ended September 30, 2022	Year-on-year comparisons	Year-on-year change (%)
Food Manufacturing				
Net sales	89,715	94,497	4,782	+5.3
(Composition ratio to total net sales)	(96.0%)	(96.0%)		
Segment operating income	13,091	10,058	(3,033)	(23.2)
Food Merchandise				
Net sales	2,438	2,658	220	+9.0
(Composition ratio to total net sales)	(2.6%)	(2.7%)		
Segment operating income	67	56	(11)	(17.4)
Real Estate and Services				
Net sales	952	956	4	+0.5
(Composition ratio to total net sales)	(1.0%)	(1.0%)		
Segment operating income	440	418	(22)	(5.0)
Others Services				
Net sales	315	321	6	+1.9
(Composition ratio to total net sales)	(0.4%)	(0.3%)		
Segment operating income	98	99	1	+1.2

(Note) Net sales are sales to external customers.

4. Domestic/overseas net sales

(Million yen)

	Year ended March 31, 2022 2Q ended September 30, 2021	Year ending March 31, 2023 2Q ended September 30, 2022	Year-on-year comparisons	Year-on-year change (%)
Domestic	85,707	88,409	2,702	+3.2
Overseas	7,714	10,024	2,310	+29.9
Consolidated	93,422	98,434	5,012	+5.4

(Note) Net sales are sales to external customers.

Ratio of overseas sales to consolidated net sales	8.3%	10.2%
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5. Capital investment, depreciation expenses, and research and development expenses

(Million yen)

	Year ended March 31, 2022 2Q ended September 30, 2021	Year ending March 31, 2023 2Q ended September 30, 2022	Year-on-year comparisons
Capital investment	7,355	4,369	(2,986)
Depreciation expenses	4,815	4,920	105
Research and development expenses	1,099	1,401	302

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

(Billion yen)

Focus domain	Year ended March 31, 2022 2Q ended September 30, 2021	Year ending March 31, 2023 2Q ended September 30, 2022	Year-on-year comparisons	Year-on-year change (%)
"in-" business	16.4	18.3	1.9	+11.2
Direct Marketing business	4.3	5.1	0.8	+19.4
U.S. business	4.7	6.6	1.9	+40.0
Frozen Desserts business	25.2	24.9	(0.3)	(1.3)
Total	50.7	55.0	4.3	+8.3
Ratio of focus domain sales to consolidated net sales	54.4%	55.9%		

(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. Net sales and operating income by business

(Billion yen)

	Net sales				Operating income			
	Year ended March 31, 2022 2Q ended September 30, 2021	Year ending March 31, 2023 2Q ended September 30, 2022	Year-on-year comparisons	Year-on- year change (%)	Year ended March 31, 2022 2Q ended September 30, 2021	Year ending March 31, 2023 2Q ended September 30, 2022	Year-on-year comparisons	Year-on- year change (%)
Confectionery & Foodstuffs business	33.6	33.2	(0.4)	(1.2)	1.5	0.0	(1.5)	(96.2)
Frozen Desserts business	25.2	24.9	(0.3)	(1.3)	4.8	3.4	(1.4)	(27.4)
"in-" business	16.0	17.7	1.7	+11.0	4.8	5.0	0.2	+4.4
Direct Marketing business	4.3	5.1	0.8	+18.5	0.3	0.3	(0.0)	(11.5)
Operating subsidiaries	5.9	6.7	0.8	+14.3	0.1	0.3	0.2	+72.8
Other businesses	0.5	0.5	0.0	+0.1	0.0	0.0	(0.0)	(18.5)
Domestic total	85.7	88.4	2.7	+3.1	11.7	9.2	(2.5)	(21.4)
U.S. business	4.7	6.6	1.9	+40.0	0.9	0.7	(0.2)	(13.9)
China, Taiwan, exports, etc.	2.9	3.3	0.4	+15.0	0.3	0.3	0.0	+11.4
Overseas total	7.6	10.0	2.4	+30.4	1.2	1.1	(0.1)	(7.7)
Adjustments, etc.					(0.1)	(0.1)	(0.2)	—
Total	93.4	98.4	5.0	+5.4	13.1	10.2	(2.9)	(22.4)

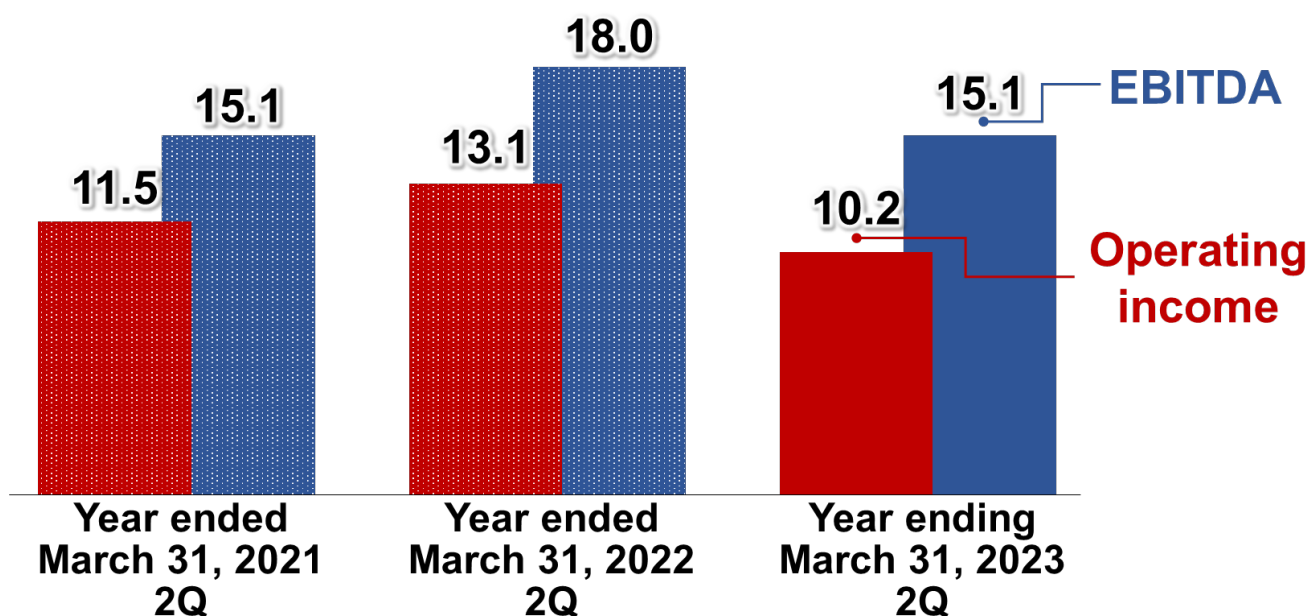
(Note)1. Net sales are sales to external customers.

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

(Note)3. U.S. business includes income resulting from exports from China/Taiwan to the United States.

8. Operating income and EBITDA

(Billion yen)



(Note)1. Simplified EBITDA: operating income + depreciation and amortization

(Note)2. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2022. The figures for the first half of the fiscal year ended March 31, 2021 are the figures after retroactive application of said accounting standard.

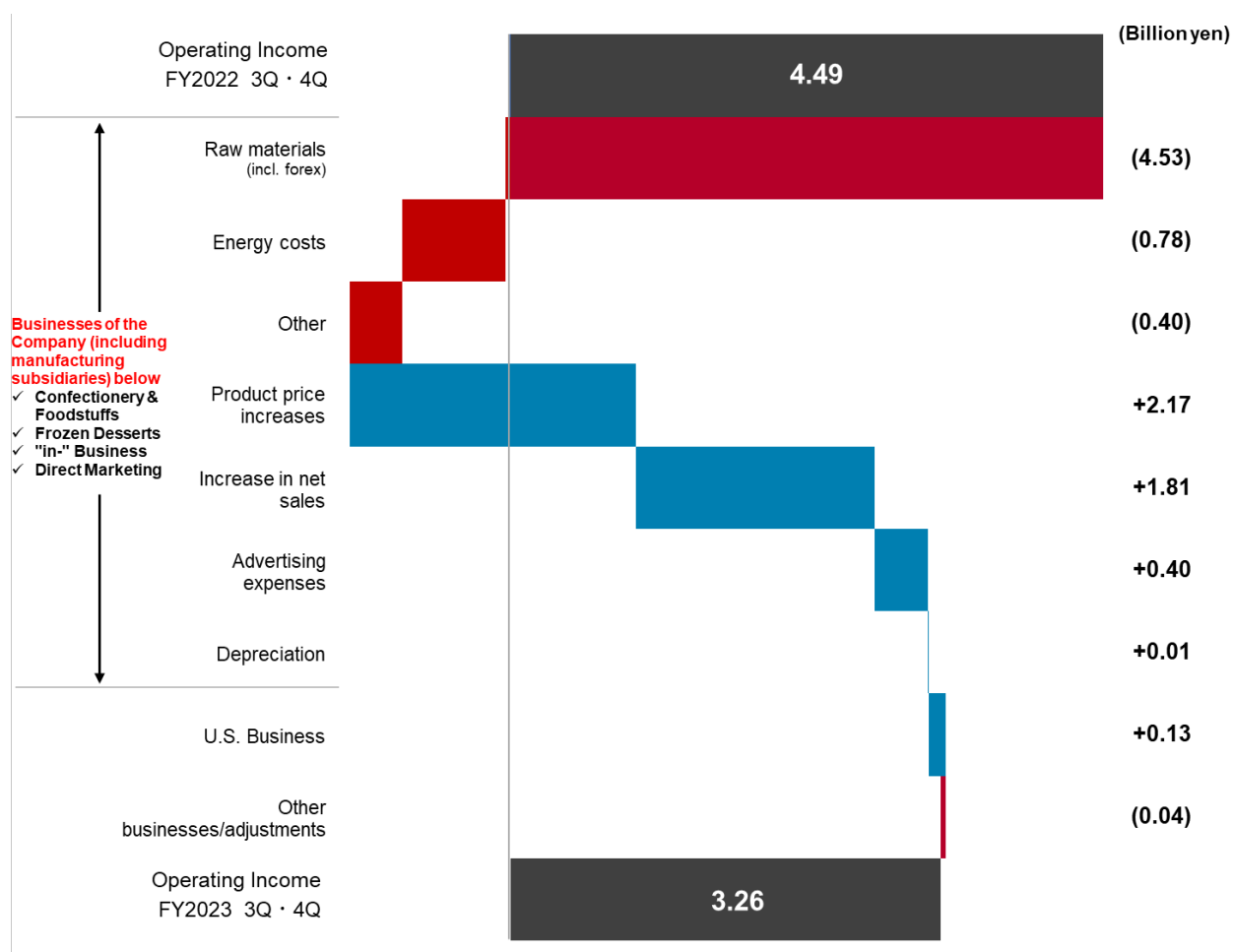
[Forecast for the second half]

1. Financial results

(Million yen)

	Year ended March 31, 2022 3Q & 4Q	Year ending March 31, 2023 3Q & 4Q forecasts	Year-on-year comparisons	Year-on-year change (%)
Net sales	87,829	95,865	8,036	9.2
Operating income	4,497	3,268	(1,229)	(27.3)
Ordinary income	4,547	3,551	(996)	(21.9)
Profit attributable to owners of parent	18,229	1,915	(16,314)	(89.5)

2. Analysis of changes in operating income



3. Segment information

(Million yen)

Business	Year ended March 31, 2022 3Q & 4Q	Year ending March 31, 2023 3Q & 4Q forecasts	Year-on-year comparisons	Year-on-year change (%)
Food Manufacturing				
Net sales	83,035	91,002	7,967	+9.6
(Composition ratio to total net sales)	(94.5%)	(94.9%)		
Segment operating income	4,348	3,270	(1,078)	(24.8)
Food Merchandise				
Net sales	3,496	3,541	45	+1.3
(Composition ratio to total net sales)	(4.0%)	(3.7%)		
Segment operating income	278	263	(15)	(5.3)
Real Estate and Services				
Net sales	963	1,043	80	+8.2
(Composition ratio to total net sales)	(1.1%)	(1.1%)		
Segment operating income	433	375	(58)	(13.3)
Others Services				
Net sales	333	278	(55)	(16.5)
(Composition ratio to total net sales)	(0.4%)	(0.3%)		
Segment operating income	81	(27)	(108)	—

(Note) Net sales are sales to external customers.

4. Domestic and overseas sales in Food Manufacturing

(Million yen)

	Year ended March 31, 2022 3Q & 4Q	Year ending March 31, 2023 3Q & 4Q forecasts	Year-on-year comparisons	Year-on-year change (%)
Domestic	79,122	83,690	4,568	5.8
Overseas	8,707	12,175	3,468	39.8
Consolidated	87,829	95,865	8,036	9.2

(Note) Net sales are sales to external customers.

Ratio of overseas sales to consolidated net sales	9.9%	12.7%
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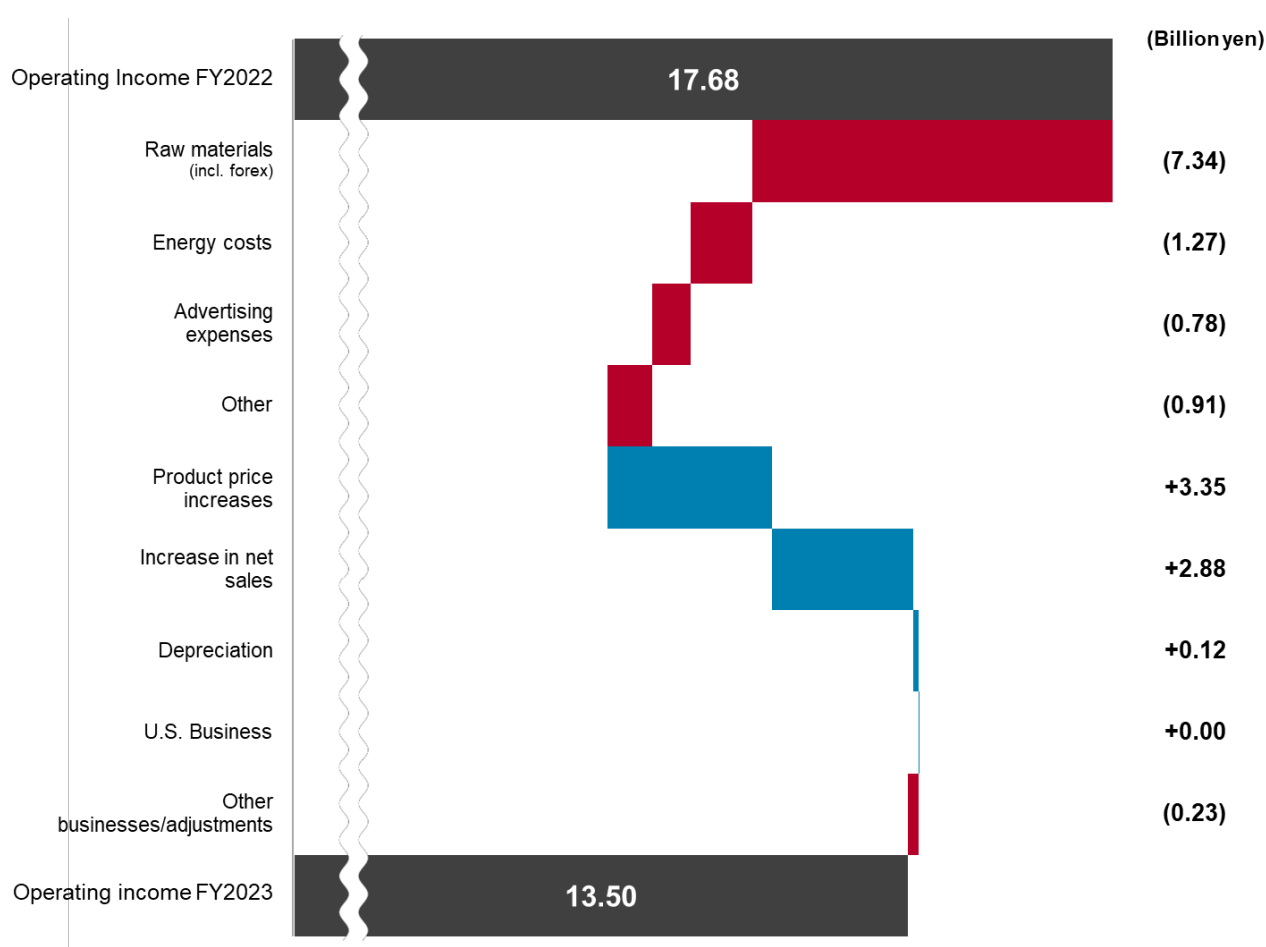
[Full-year forecast]

1. Financial results

(Million yen)

	Year ended March 31, 2022	Year ending March 31, 2023 forecasts	Year-on-year comparisons	Year-on-year change (%)
Net sales	181,251	194,300	13,049	7.2
Operating income	17,685	13,500	(4,185)	(23.7)
Ordinary income	18,247	14,050	(4,197)	(23.0)
Profit attributable to owners of parent	27,773	8,500	(19,273)	(69.4)

2. Analysis of changes in operating income



3. Net sales and operating income by business

(Billion yen)









	Net sales				Operating income			
	Year ended March 31, 2022	Year ending March 31, 2023 forecasts	Year-on-year comparisons	Year-on- year change (%)	Year ended March 31, 2022	Year ending March 31, 2023 forecasts	Year-on-year comparisons	Year-on- year change (%)
Confectionery & Foodstuffs business	72.4	74.2	1.8	+2.5	3.2	0.8	(2.4)	(73.4)
Frozen Desserts business	40.1	40.4	0.3	+0.5	4.8	3.2	(1.6)	(33.3)
"in-" business	28.0	30.6	2.6	+9.4	6.8	6.6	(0.2)	(1.8)
Direct Marketing business	9.1	10.2	1.1	+12.4	0.3	0.5	0.2	+52.8
Operating subsidiaries	13.8	15.1	1.3	+9.3	0.7	0.8	0.1	+7.3
Other businesses	1.2	1.3	0.1	+7.5	(0.2)	(0.4)	(0.2)	—
Domestic total	164.9	172.1	7.2	+4.4	15.8	11.6	(4.2)	(26.1)
U.S. business	10.5	15.3	4.8	+45.2	1.4	1.4	0.0	+0.0
China, Taiwan, exports, etc.	5.7	6.8	1.1	+18.7	0.3	0.3	0.0	+14.2
Overseas total	16.3	22.2	5.9	+35.9	1.8	1.8	0.0	+2.6
Adjustments, etc.					0.0	(0.0)	(0.0)	—
Total	181.2	194.3	13.1	+7.2	17.6	13.5	(4.1)	(23.7)

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










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

(Note)3. U.S. business includes income resulting from exports from China/Taiwan to the United States.

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	Refreshing ramune-flavored candy in packaging shaped like old-fashioned carbonated drink bottles. Japanese ramune beverages taste similar to carbonated lemonade ("ramune" is a Japanese approximation of the word "lemonade"). Sales have grown rapidly in recent years following the launch of larger-sized <i>Morinaga Ramune</i> candy products, which are sold in small pouches and targeted at adult consumers.
<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 are 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 vanilla version 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 scrunchy 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. The product, which is now fat-free while retaining the great original taste, is only 65Kcal per 125ml pack.