May 13, 2025

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2025
<Japanese GAAP>

Listed company: Morinaga Milk Industry Co., Ltd.
Listed stock exchange: Tokyo
Securities code: 2264
URL: https://www.morinagamilk.co.jp/english/
Representative: Yohichi Ohnuki, President & Representative Director
Contact: Shigetoshi Mouri, General Manager, Corporate Communication Dept.
Telephone number: +81-3-6281-4682
Scheduled date of annual general meeting of shareholders: June 26, 2025
Scheduled date to commence dividend payments: June 27, 2025
Scheduled date to file annual securities report: June 25, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For Institutional Investors, Analysts)

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
For the fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	561,173	2.6	29,658	6.5	29,864	6.3	5,459	(91.1)
March 31, 2024	547,059	4.1	27,839	16.3	28,104	11.4	61,307	263.3

(Note) Comprehensive income: the fiscal year ended March 31, 2025: ¥9,116 million / (86.6)%
the fiscal year ended March 31, 2024: ¥67,790 million / 235.3%

	Basic earnings per share	Diluted earnings per share	Profit to shareholders' equity	Ordinary profit to assets	Operating profit to net sales
For the fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	64.60	64.53	2.0	5.5	5.3
March 31, 2024	696.92	696.09	24.5	5.3	5.1

(Reference) Equity method investment gain (loss): the fiscal year ended March 31, 2025: ¥(386) million
the fiscal year ended March 31, 2024: ¥(175) million

(Note) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	520,423	271,103	51.2	3,187.41
As of March 31, 2024	565,998	282,135	49.0	3,192.33

(Reference) Shareholders' equity: As of March 31, 2025: ¥266,217 million
As of March 31, 2024: ¥277,067 million

(Note) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Net assets per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at End of Fiscal Year
For the fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	(12,456)	(18,786)	(5,028)	28,559
March 31, 2024	56,583	25,223	(38,624)	64,528

2. Dividends

	Annual dividends					Total Amount of Cash Dividends (annual)	Dividend Payout Ratio (consolidated)	Ratio of Total Amount of Dividends to Shareholders' Equity (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
For the fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	–	–	–	60.00	60.00	5,207	8.6	2.1
March 31, 2025	–	45.0	–	45.00	90.00	7,579	139.3	2.8
For the fiscal year ending March 31, 2026 (Forecast)	–	45.0	–	48.00	93.00		40.0	

(Note) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter-end (Cumulative)	303,000	4.3	18,000	2.9	18,100	4.9	13,300	37.0	159.24
Full year	580,000	3.4	32,000	7.9	31,900	6.8	19,000	248.0	232.50

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: – companies (Company name:)
Excluded: 1 company (Company name: MM Property Funding Corp.)

(2) Changes in accounting policies and estimates, and retrospective restatements
(i) Changes in accounting policies in accordance with revision of accounting standards: Yes
(ii) Changes in accounting policies other than item (i) above: None
(iii) Changes in accounting estimates: None
(iv) Retrospective restatements: None

(3) Number of shares issued (common stock)
(i) Number of shares outstanding at end of the period (including treasury shares)

As of March 31, 2025	89,045,086 shares
As of March 31, 2024	91,977,886 shares

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

As of March 31, 2025	5,523,456 shares
As of March 31, 2024	5,186,470 shares

(iii) Average number of shares during period

Fiscal year ended March 31, 2025	84,512,232 shares
Fiscal year ended March 31, 2024	87,970,040 shares

(Note 1) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Number of shares issued (common stock) is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Note 2) The number of treasury shares at end of the period and the number of treasury shares excluded from the calculation of the average number of shares during period includes shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the employee stock benefit trust (J-ESOP).

Number of treasury shares at end of period (As of March 31, 2025: 364,500 shares)
Average number of shares during period (Fiscal year ended March 31, 2025: 304,116 shares)

(Reference) Outline of non-consolidated business results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit (loss)	
For the fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	397,298	2.1	12,945	33.5	13,871	(16.2)	(1,641)	–
March 31, 2024	389,041	4.6	9,698	124.2	16,546	75.4	55,120	754.1

	Basic earnings per share	Diluted earnings per share
For the fiscal year ended	Yen	Yen
March 31, 2025	(19.42)	–
March 31, 2024	626.58	625.84

(Note) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Profit per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	415,380	157,448	37.9	1,883.82
As of March 31, 2024	466,169	182,674	39.2	2,103.40

(Reference) Shareholders' equity: As of March 31, 2025: ¥157,340 million
As of March 31, 2024: ¥182,557 million

(Note) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Net assets per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

* The financial results are not subject to auditing by a certified public accountant or an audit firm.

* Proper use of earnings forecasts, and other special matters

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions on market trends, etc. deemed to be reasonable, and are subject to uncertainties. Consequently, actual business and other results may differ substantially due to various factors. For details of the above forecasts of consolidated financial results, refer to pages 8 of the attached materials, "1. Overview of Operating Results (4) Outlook for the next fiscal year."

[Attached Materials]

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1. Overview of Operating Results

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

In the fiscal year under review, protracted international conflicts, changes in policy centered on Europe and the United States, and other factors had various impacts on international society, posing downside risks to the global economy. In Japan, a moderate recovery in business conditions was expected to continue owing to an improvement in the employment and income environment. But the negative impact of higher prices on household finances and companies is expected to continue. Given such developments, the trends in the domestic and global situation will continue to require close monitoring.

Under these circumstances, based on the Medium-term Business Plan 2022–2024, the Morinaga Milk Group endeavored to provide health value and tastiness and delightfulness that are unique to it. In particular, against the backdrop of increasing health needs in and outside Japan, the Group continued to work on expanding products in the "five domains of wellness," including yogurt and functional ingredients, that took into consideration various health issues, and promoting the value of the Company's own bifidobacteria.

We also implemented measures aimed at growing the Global Business over the medium to long term, with a focus on generating stable profit contributions from the core MILEI GmbH operations and expanding the probiotics business. Although recently acquired subsidiaries in Pakistan, the United States, and Vietnam recorded impairment losses driven mainly by significant changes in their business environments, we are moving ahead with initiatives to promote the optimal business development for each, in preparation for growth going forward.

On the other hand, we were affected by higher costs in all aspects of operations, such as raw material prices, logistics costs, and personnel expenses, as in the previous fiscal year. To counter this situation, the Group continued its efforts to absorb costs through such initiatives as price revisions, improving product mix through the expansion of high profit-margin businesses and products, and reviewing Group-wide costs.

<Key initiatives for the fiscal year under review>

The fiscal year under review was the final year of the Medium-Term Business Plan 2022‐2024. While responding to dramatic changes in the environment, we forged ahead with various initiatives and endeavoring to further strengthen our corporate structure and business.

- ■ Deal with higher raw material milk, raw materials and energy prices and operational cost increases.
  - ➢ Minimize the impact of cost increases through price revisions, product mix improvement, rationalization, and other measures
- ■ Promote initiatives in line with the policies of Medium-Term Business Plan 2022–2024 and Sustainability Medium- to Long-Term Plan 2030.
  - ➢ Provide products that meet the needs of customers, offer high-value-added products, and promote the value of products by pursuing "health value" and "tastiness and delightfulness" that are unique to the Morinaga Milk Group
  - ➢ Expand products in the "five domains of wellness," including yogurt and functional ingredients, that take into account various health issues, mainly in the Nutrition and Healthcare Foods Business and promote the value of bifidobacteria
  - ➢ Promote initiatives for medium- to long-term expansion of the Global Business
  - ➢ Strengthen the profit base of the Core Dairy Foods Products that constitute the Group's business foundation and expand the B-to-B Business
  - ➢ Invest in growth areas to further strengthen the business base
    - • Started operation in April 2025: Expanded manufacturing building at the Kobe Plant
    - • Started operation in sequence from April 2025: Ice cream production lines in Kobe Plant, and other initiatives

- Action to implement management that is conscious of cost of capital and stock price
  - Announced in May 2024: Work on the three aspects of “improving profitability and efficiency,” “updating balance sheet policy,” and “strengthening IR and corporate governance” in order to increase the corporate value
  - In particular, we will strengthen shareholder returns based on our updated balance sheet policy
- Efforts to promote sustainability management
  - Contribution to wellness through our main business, measures to address environmental issues such as climate change and the problem of plastics, giving due consideration to human rights and diversity, promotion of sustainability awareness throughout the Group, etc.

As a result of these initiatives, consolidated net sales increased. In the Nutrition and Healthcare Foods Business and the Core Dairy Foods Business, price revisions of beverages and ice cream had an effect, and we made efforts to provide high-value-added products such as functional yogurt and “Mt. RAINIER CAFFÈ LATTE.” Overall revenue recorded an increase due partly to higher revenue in the B-to-B business reflecting solid demand and the effects of price revisions.

In terms of consolidated operating profit, we continued to be affected by higher costs in all aspects of operations, such as raw material prices, logistics costs, and personnel expenses. In response, we promoted price revisions, improved product mix through expansion of high-profit-margin businesses and products, conducted Group-wide cost reviews. The Global Business recorded a year-on-year increase in profit for the full year, helped by a turnaround at MILEI in the second half and the contribution from probiotics and other areas, and the Group as a whole also recorded profit growth.

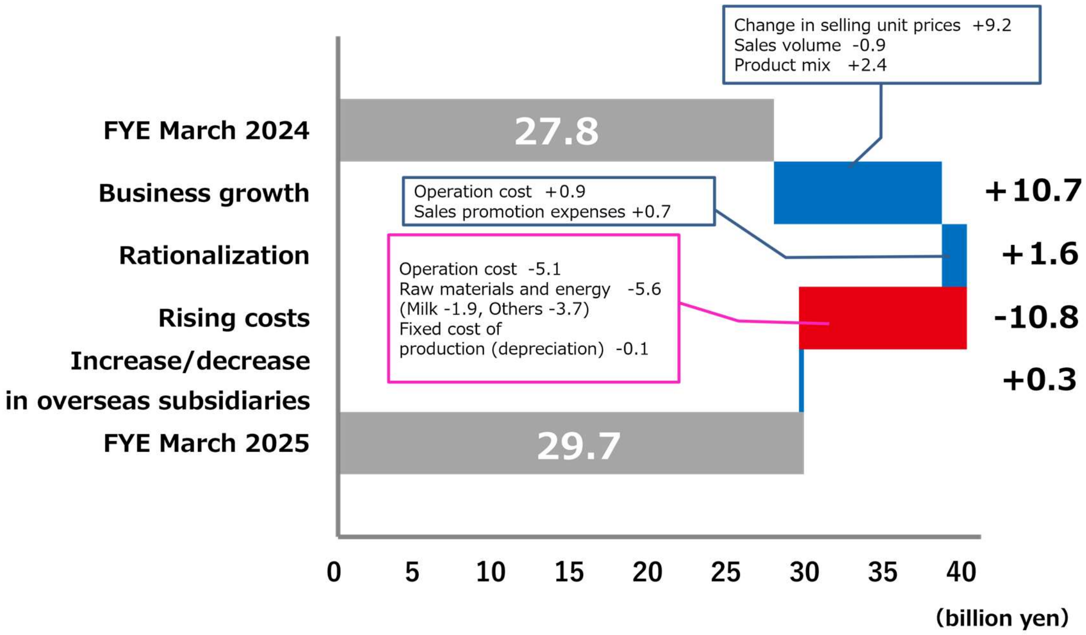
Profit attributable to owners of parent posted a significant year-on-year decline, despite the recording of extraordinary income derived from sales of investment securities (cross-shareholdings) and non-current assets (land). This was due to the ¥65.7 billion in extraordinary income recorded in the first quarter of the previous fiscal year resulting from the sale of the site of the former Tokyo Plant, the recording of impairment losses at overseas subsidiaries, and other factors. In the fiscal year under review, payment of approximately ¥1.7 billion was made as contribution to Hikari Kyokai, a public interest incorporated foundation.

Consolidated net sales	¥561,173 million	(+2.6% YoY)
Consolidated operating profit	¥29,658 million	(+6.5% YoY)
Consolidated ordinary profit	¥29,864 million	(+6.3% YoY)
Profit attributable to owners of parent	¥5,459 million	(-91.1% YoY)

(Other important operating indicators)

Operating profit to net sales	5.3%
ROE	2.0%
Global Business sales ratio	12.5%

Factors attributable to increases and decreases in operating profit for FYE March 2025



Business conditions by segment are as follows.

(Millions of yen)

	Net sales	Year on year	Operating profit	Year on year
Food industry	537,723	+3.2%	39,811	+4.4%
Other industries	32,326	+1.8%	2,895	+46.2%
Eliminated or group-wide	(8,875)		(13,048)	
Total	561,173	+2.6%	29,658	+6.5%

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

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

<Morinaga Milk Group’s 10-year vision and Medium-term Business Plan 2022–2024>

The Group established the Morinaga Milk Group 10-year Vision in April 2019, setting out its vision for the next 10 years. Under the vision, the Morinaga Milk Group sees itself one decade ahead in terms of becoming “a company that balances ‘delicious and pleasurable food’ with ‘health and nutrition’,” “a global company that exerts a unique presence worldwide,” and “a company that persistently helps make social sustainability a reality,” based on which we have established targets for the fiscal year ending March 31, 2029, aiming to achieve an “operating profit margin of at least 7%,” an “ROE of at least 10%,” and a “Global Business sales ratio of at least 15%.”

• Morinaga Milk Group’s 10-year Vision

Vision 1 A company that balances “delicious and pleasurable food” with “health and nutrition”

Vision 2 A global company that exerts a unique presence worldwide

Vision 3 A company that persistently helps make social sustainability a reality

10-year Targets (for the fiscal year ending March 31, 2029)

Operating profit margin	3.8%*	At least 7%
ROE	8.6%*	At least 10%
Ratio of overseas sales	5.0%*	At least 15%

* The figures are for the fiscal year ended March 2019.

Underpinned by this vision, we established three basic policies for the three-year Medium-term Business Plan 2022–2024 that extends through the fiscal year ended March 31, 2025, which were “achieving sustainable growth by increasing the added value of our business,” “further strengthening our business base with an eye on the future,” and “financial strategies focused on efficiency,” and aimed to balance resolution of social issues and improvement of profitability as we pursued the plan. Additionally, we formulated the “Sustainability Medium- to Long-Term Plan 2030,” in which 2030 targets and KPIs was set for the three themes of “Food and Wellness,” “Resources and the Environment,” and “People and Society.” It was placed at the core of management and was carried out in conjunction with the Medium-term Business Plan.

The first basic policy of the Medium-term Business Plan was “Achieving sustainable growth by increasing the added value of our business.” We worked on expanding the four pillars of our business, (1) the Nutrition and Healthcare Foods Business and (2) the Core Dairy Foods Business, which together with (3) the B-to-B Business and (4) the Global Business, individually and also sought in particular to accelerate the provision of health value laterally across the four pillars by expanding products in the “five domains of wellness,” as well as strove for renewed growth of our proprietary functional ingredients and probiotics and portfolio transformation of the Global Business. Through our business activities, we have been working to contribute to the “wellness” and “happiness” of consumers by providing “health value” and “tastiness and delightfulness.”

The second basic policy was “Further strengthening our business base with an eye on the future,” which was pursued from the perspectives of structural reform, strategic investments, and asset utilization. Structural reform was carried out by strengthening resilience to changes in the external environment and other measures. As strategic investments, we strengthened R&D functions and growth investments and environment-related investments that were in line with our 10-year vision. In terms of asset utilization, we strengthened our intellectual property base and promoting utilization of domestic milk resources.

The third basic policy of "Financial strategies focused on efficiency" aimed to carry out strategic investments for growth and make use of funds by paying attention to shareholder returns and financial position, to be pursued in tandem with improvement of ROE focusing on capital efficiency. With respect to shareholder returns, we maintained our basic policy of paying stable and long-term dividends while taking into account the importance of financial soundness and internal reserves, which specifically means that we set the target payout ratio to 30% (excluding one-off factors). Additionally, we took measures that give due consideration to total payout ratio. Furthermore, although the basic policy is to cancel treasury shares held, our approach allows for some to be held to enable flexible capital policies in the future.

In addition, in May 2024, we announced "Action to Implement Management That is Conscious of Cost of Capital and Stock Price." In order to respond to the expectations of stakeholders and realize sustainable growth and improvements in corporate value over the medium to long term, we will seek further improvements ROE and PBR by implementing the three initiatives of Improve profitability/efficiency, Update balance sheet policy, and Strengthen IR/corporate governance. In terms of measures to strengthen returns to shareholders based on updating balance sheet policy in accordance with these initiatives, we implemented acquisitions and cancellations of treasury shares (acquired from May to October 2024, a total of 2.93 million shares and a total acquisition cost of ¥10.0 billion), raise the annual dividend per share (planned dividend for the fiscal year ended March 2025 is 90 yen, up 30 yen year on year), and implement an interim dividend system.

Overview of the results by business field (four pillars of business) in the Medium-term Business Plan 2022–2024

1. Nutrition and Healthcare Foods Business: "Bifidus Yogurt" performed well against the background of a rise in health awareness, and we continued to focus on expanding sales of functional yogurt and "PARTHENO." Net sales increased for the business as a whole, due in part to the contribution of nutritional infant formula and MORINAGA MILK INDUSTRY CLINICO Co., Ltd., which sells liquid foods and other items. We also worked continuously to strengthen sales promotions for such products as bifidobacteria, with a focus on medium- to long-term growth.

   In terms of profits, we were affected by the rise in raw material prices and increased operational costs, but endeavored to improve the product mix and cut costs. The business as a whole recorded higher revenue due partly to streamlining of promotion cost and other expenses in the fourth quarter.

Nutrition and Healthcare Foods Business net sales	¥129,967 million	(+2.1% YoY)
Nutrition and Healthcare Foods Business operating profit	¥5,496 million	(+¥241 million YoY)

2. Core Dairy Foods Business: Although we were affected by the rise in prices for raw materials and increased operational costs, we achieved higher net sales and profits for the business as a whole by revising selling prices for beverages, ice cream, and other products, working to improve the product mix by expanding sales of high-value-added products such as "Mt. RAINIER CAFFÈ LATTE," and cutting costs.

Core Dairy Foods Business net sales	¥176,429 million	(+0.7% YoY)
Core Dairy Foods Business operating profit	¥9,591 million	(+¥567 million YoY)

3. B-to-B Business: Commercial dairy products grew against a backdrop of resilient demand and the effects of price revisions, so that the business as a whole recorded higher revenue. We are also working continuously to expand the sales of Company's functional materials, including probiotics.

   In terms of profits, the business as a whole posted lower profits mainly due to the rise in raw material price and increased operational costs.

B-to-B Business net sales	¥99,045 million	(+2.7% YoY)
B-to-B Business operating profit	¥3,814 million	(-¥647 million YoY)

4. Global Business: Germany-based MILEI GmbH and U.S.-based Morinaga Nutritional Foods Inc. (MNF) recorded higher revenue and exports of probiotics performed solidly, so that the business as a whole recorded higher revenue. In terms of profit, the business recorded a year-on-year increase for the full year, helped by a turnaround at MILEI in the second half and the contribution from probiotics and other areas, although there were impact at MILEI of reaction to growth in 1Q of previous fiscal year and slow recovery at other overseas subsidiaries.

Global Business net sales	¥69,914 million	(+15.7% YoY)
Global Business operating profit	¥7,476 million	(+¥1,308 million)

(2) Overview of financial position for the fiscal year under review

Total assets at the end of the consolidated fiscal year under review were ¥520,423 million, down ¥45,574 million from the end of the previous fiscal year. This was mainly due to decreases in cash and deposits and goodwill.

Total liabilities were ¥249,319 million, down ¥34,542 million from the end of the previous fiscal year. This was mainly due to decrease in income taxes payable and retirement benefit liability.

Net assets were ¥271,103 million, down ¥11,032 million from the end of the previous fiscal year. This was mainly attributable to a decrease in retained earnings.

As a result, the shareholders' equity ratio rose from 49.0% in the previous fiscal year to 51.2%, and net assets per share rose from ¥3,192.33 in the previous fiscal year to ¥3,187.41.

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

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

Net cash provided by (used in) operating activities decreased by ¥69,039 million year on year to an outflow of ¥12,456 million. This mainly reflected an inflow of ¥15,286 million in profit before income taxes and an outflow of ¥36,486 million in income taxes paid.

Net cash used in investing activities increased by ¥44,009 million year on year to an outflow of ¥18,786 million. This mainly reflected proceeds from sales of investment securities of ¥8,552 million, while the outflow from purchase of non-current assets was ¥32,224 million.

The total free cash flow of these activities decreased by ¥113,049 million year on year to negative ¥31,243 million.

Net cash used in financing activities decreased by ¥33,596 million to an outflow of ¥5,028 million. This mainly reflected an inflow from proceeds from issuance of bonds of ¥19,890 million, and outflows from redemption of bonds of ¥10,000 million and from purchase of treasury shares of ¥11,214 million.

As a result of these activities, cash and cash equivalents at the end of the consolidated fiscal year under review decreased by ¥35,969 million year on year to ¥28,559 million.

The trend of cash flow indicators is as follows.

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Shareholders’ equity ratio (%)	43.9	44.9	45.7	49.0	51.2
Shareholders’ equity ratio at market value (%)	63.5	51.5	44.3	47.9	50.0
Ratio of cash flows to interest-bearing debt (times)	3.0	2.5	5.7	1.7	(9.2)
Interest coverage ratio (times)	54.6	53.4	27.3	45.9	(6.1)

Shareholders’ equity ratio: (Total net assets - Subscription rights to shares - Minority interests) ÷ Total assets
Shareholders’ equity ratio at market value: Market capitalization ÷ Total assets
Ratio of cash flows to interest-bearing debt: Interest-bearing debt ÷ Cash flow from operating activities
Interest coverage ratio: Cash flow from operating activities ÷ Payment of interest

* All indicators are calculated on the basis of consolidated financial values.
* Market capitalization is calculated by multiplying the closing price of the Company’s shares at the fiscal year-end by the number of shares outstanding at end of period.
* The term “cash flow from operating activities” refers to cash flow from operating activities used in the consolidated statements of cash flows. The term “interest-bearing debt” refers to those liabilities posted in the consolidated balance sheets on which interest is paid. Payment of interest equates with the interest paid recorded in the consolidated statements of cash flows.
* In the consolidated fiscal year ended March 31, 2022 and the consolidated fiscal year ended March 31, 2024, the accounting treatment for business combinations that had been applied provisionally was finalized, and this is reflected in the figures relating to the consolidated fiscal year ended March 31, 2021 and the consolidated fiscal year ended March 31, 2023.

(4) Outlook for the next fiscal year

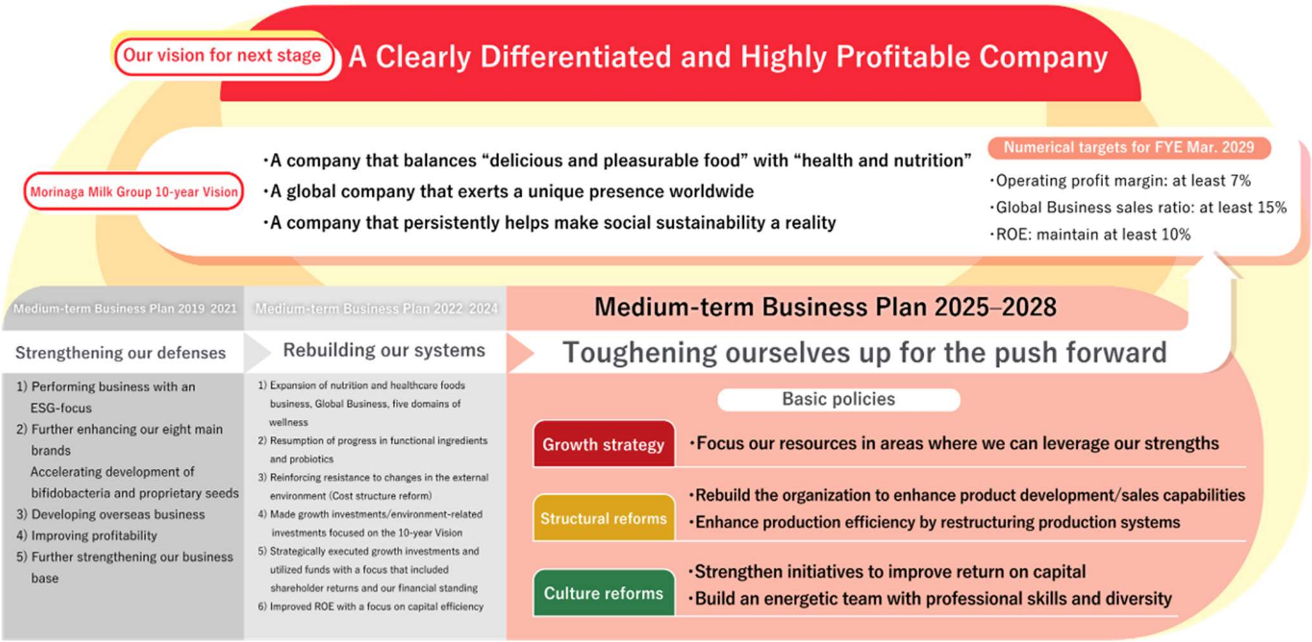
During the three years leading up to the fiscal year ended March 2025, the Group implemented initiatives in accordance with the Medium-Term Business Plan 2022–2024. In parallel with its response to various changes in the environment over this period, including the spread and subsequent containment of COVID-19, prolonged international disputes, and the impact on household finances and corporate earnings of rising prices in Japan, the Group executed initiatives aimed at future growth. Accordingly, although consolidated results for the final year of the Medium-term Business Plan (fiscal year ended March 2025) fell slightly short of the numerical targets of ¥570 billion in consolidated net sales and ¥30 billion in operating profit, we made steady progress in strengthening the business foundation and putting in place the pieces needed for future growth in Japan and overseas.

It is in this context that we start the new four-year “Medium-term Business Plan 2025–2028” in the fiscal year ending March 2026.

<Morinaga Milk Group’s 10-year vision and Medium-term Business Plan 2025–2028>

The Group established the Morinaga Milk Group 10-year Vision in April 2019, setting out its vision for the next 10 years. Under the vision, the Morinaga Milk Group sees itself one decade ahead in terms of becoming “a company that balances ‘delicious and pleasurable food’ with ‘health and nutrition’,” “a global company that exerts a unique presence worldwide,” and “a company that persistently helps make social sustainability a reality,” based on which we have established targets for the fiscal year ending March 31, 2029, aiming to achieve an “operating profit margin of at least 7%,” an “ROE of at least 10%,” and a “Global Business sales ratio of at least 15%.”

The goal of the Medium-term Business Plan 2025–2028 for the four years to the fiscal year ending March 2029 is to realize the Morinaga Milk Group 10-year Vision, and to move forward with initiatives aimed one step into the future, at transforming itself into “A Clearly Differentiated and Highly Profitable Company.”



During the formulation of the Medium-term Business Plan 2025–2028, we placed great importance on the concept of *Merihari*. As well as creating a base for sustainable growth for the Morinaga Milk Group by clarifying positioning and roles by category, assigning strengths and weaknesses in terms of resource allocation, and reorganizing systems, we aim to increase productivity and engagement as a result of each and every individual executing operations with an awareness of priorities and of the need to move quickly, and creating a culture of taking on new challenges.

In the current Medium-term Business Plan, we have set out three basic policies of growth strategy, structural reform, and organizational culture reforms.

In terms of growth strategy, we will free ourselves from the previous omnidirectional approach, and instead grow earnings by concentrating management resources in areas where we can leverage the strengths of the Group to the greatest possible extent, such as yogurt, ice cream, probiotics, and formula milk for overseas market.

In terms of structural reforms, we seek to rebuild the organization with a focus on optimizing the value chain as a whole to improve product development and sales capabilities, as well as expanding facilities for yogurt and ice cream categories where production capacity constraints are causing opportunity losses, and increasing production efficiency through reorganization of production structures.

In terms of organizational culture reforms, we will further raise awareness of the cost of capital by introducing ROIC as a new target, and strengthen initiatives to enhance return on capital. As well as promoting initiatives to build an energetic team with professional skills and diversity, we have set new targets for employee engagement ratings as a financial indicator that leads to future financial value.

With regard to cash allocation and shareholder returns, in addition to concentrating resources in growth areas, we will use interest-bearing liabilities to optimize capital structure and enhance shareholder returns to reduce the cost of capital. We will raise the dividend payout ratio target from 30% to 40% and conduct flexible acquisitions of treasury shares, depending on the situation. ¥10 billion (upper limit) in acquisitions and cancellations of treasury shares are scheduled for the fiscal year ending March 2026.

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

Targets for the final fiscal year (FYE March 2029) of Medium-term Business Plan 2025–2028

	FYE March 2029 target	Amount change vs. FYE Mar. 2025	Percentage change vs. FYE Mar. 2025	FYE Mar. 2025 actual results
Consolidated net sales	¥630.0 billion	¥68.8 billion	12.3%	¥561.2 billion
Consolidated operating profit	¥44.0 billion	¥14.3 billion	48.4%	¥29.7 billion
Operating profit to net sales	7%	-		5.3%
Global Business sales ratio	15%	-		12.5%
ROE (profit / equity capital)	10%	-		2.0%
ROIC (net operating profit after tax / invested capital)	7%	-		5.7%
Employee engagement rating	BBB	-		B

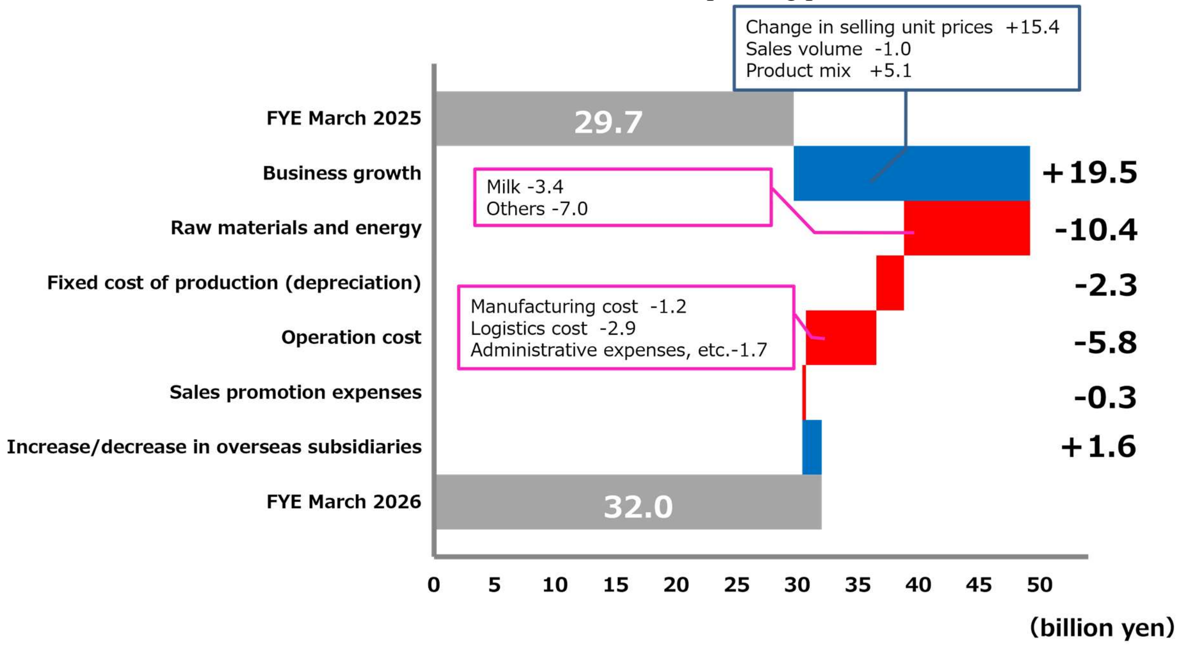
Earnings forecast for the first half of the fiscal year ending March 2026

	FYE March 2026 forecast	YoY percentage change	FYE Mar. 2025 actual results
Consolidated net sales	¥303,000 million	+4.3%	¥290,599 million
Consolidated operating profit	¥18,000 million	+2.9%	¥17,499 million
Consolidated ordinary profit	¥18,100 million	+4.9%	¥17,247 million
Profit attributable to owners of parent	¥13,300 million	+37.0%	¥9,709 million

Full-year earnings forecast for the fiscal year ending March 2026

	FYE Mar. 2026 forecast	YoY percentage change	FYE Mar. 2025 actual results
Consolidated net sales	580,000 million	+3.4%	561,173 million
Consolidated operating profit	32,000 million	+7.9%	29,658 million
Consolidated ordinary profit	31,900 million	+6.8%	29,864 million
Profit attributable to owners of parent	19,000 million	+248.0%	5,459 million
(Other important operating indicators)			
Operating profit to net sales	5.5%	-	5.3%
Global Business sales ratio	12.5%	-	12.5%
ROE (profit / equity capital)	7.1%	-	2.0%
ROIC (profit after tax / invested capital)	6.0%	-	5.7%

Forecasts of factors attributable to increases and decreases in operating profit for FYE March 2026



Overview of the results by segments in the Medium-term Business Plan 2025–2028 (FYE March 2026)

	FYE Mar. 2026 forecast	YoY change (difference)
Growth segments net sales	¥127,500 million	+7.7%
Growth segments operating profit	¥15,100 million	¥1,326 million

	FYE Mar. 2026 forecast	YoY change (difference)
Mainstay segments net sales	¥367,000 million	+4.0%
Mainstay segments operating profit	¥14,700 million	¥1,002 million

	FYE Mar. 2026 forecast	YoY change (difference)
Nurturing/Other segments net sales	¥85,500 million	-4.8%
Nurturing/Other segments operating profit	¥2,200 million	¥14 million

	FYE Mar. 2026 forecast	YoY change (difference)
(Breakdown) Global Business net sales	¥72,590 million	+3.8%
(Breakdown) Global Business operating profit	¥11,283 million	¥3,807 million

2. Basic Policy on the Selection of Accounting Standards

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

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

3. Consolidated Financial Statements and Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	64,528	28,559
Notes and accounts receivable–trade and contract assets	75,174	68,197
Merchandise and finished goods	55,014	60,435
Work in process	1,603	2,135
Raw materials and supplies	23,571	23,337
Other	9,677	15,755
Allowance for doubtful accounts	(531)	(351)
Total current assets	229,039	198,069
Non-current assets		
Property, plant and equipment		
Buildings and structures	196,916	199,667
Accumulated depreciation	(111,225)	(116,093)
Buildings and structures, net	85,691	83,573
Machinery, equipment and vehicles	326,912	331,158
Accumulated depreciation	(230,921)	(240,503)
Machinery, equipment and vehicles, net	95,991	90,654
Land	53,012	52,228
Leased assets	4,273	3,484
Accumulated depreciation	(2,617)	(2,030)
Leased assets, net	1,655	1,454
Construction in progress	28,305	41,798
Other	17,289	17,975
Accumulated depreciation	(12,986)	(13,691)
Other, net	4,303	4,284
Total property, plant and equipment	268,960	273,993
Intangible assets		
Goodwill	10,214	417
Other	17,107	11,624
Total intangible assets	27,321	12,042
Investments and other assets		
Investment securities	26,405	19,703
Investments in capital	78	78
Long-term loans receivable	189	240
Net defined benefit asset	5,700	7,804
Deferred tax assets	1,925	2,074
Other	6,434	6,456
Allowance for doubtful accounts	(56)	(40)
Total investments and other assets	40,677	36,317
Total non-current assets	336,958	322,353
Total assets	565,998	520,423

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	57,240	53,543
Electronically recorded obligations–operating	5,367	3,205
Short-term borrowings	4,519	3,553
Current portion of long-term borrowings	7,593	9,642
Commercial papers	–	10,000
Current portion of bonds payable	10,000	15,000
Lease obligations	1,033	1,068
Income taxes payable	24,455	3,140
Accrued expenses	42,096	38,896
Deposits received	19,560	14,965
Other	20,816	17,096
Total current liabilities	192,682	170,112
Non-current liabilities		
Bonds payable	45,000	50,000
Long-term borrowings	14,199	10,511
Lease obligations	4,474	4,957
Net defined benefit liability	21,664	7,576
Asset retirement obligations	837	971
Other	5,003	5,190
Total non-current liabilities	91,179	79,207
Total liabilities	283,862	249,319
Net assets		
Shareholders’ equity		
Capital stock	21,821	21,821
Capital surplus	19,998	19,664
Retained earnings	233,741	220,181
Treasury stock	(14,241)	(15,351)
Total shareholders’ equity	261,320	246,316
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,940	8,636
Deferred gains or losses on hedges	46	(33)
Foreign currency translation adjustment	2,936	7,717
Remeasurements of defined benefit plans	822	3,580
Total accumulated other comprehensive income	15,746	19,901
Subscription rights to shares	116	108
Non-controlling interests	4,951	4,777
Total net assets	282,135	271,103
Total liabilities and net assets	565,998	520,423

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

(Consolidated statements of income)

(Millions of yen)

	For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Net sales	547,059	561,173
Cost of sales	415,100	426,120
Gross profit	131,958	135,053
Selling, general and administrative expenses	104,119	105,395
Operating profit	27,839	29,658
Non-operating income		
Interest income	100	179
Dividends income	913	1,316
House rent income	281	354
Foreign exchange gains	1,411	–
Other	1,009	1,400
Total non-operating income	3,717	3,251
Non-operating expenses		
Interest expenses	1,291	1,509
Share of loss of entities accounted for using equity method	175	386
Loss on valuation of derivatives	740	–
Foreign exchange losses	–	575
Other	1,243	573
Total non-operating expenses	3,452	3,045
Ordinary profit	28,104	29,864
Extraordinary income		
Gain on sales of non-current assets	65,763	4,551
Gain on sale of investment securities	22	6,696
Other	193	–
Total extraordinary income	65,979	11,248
Extraordinary loss		
Reconstruction-related losses	262	1,833
Loss on disposal of non-current assets	1,404	965
Contributions to the public interest incorporated foundation Hikari Kyokai	1,649	1,684
Impairment losses	1,517	20,483
Plant reorganization expenses	338	266
Other	340	592
Total extraordinary losses	5,512	25,826
Profit before income taxes	88,571	15,286
Income taxes - current	26,680	10,411
Income taxes - deferred	544	222
Total income taxes	27,224	10,633
Profit	61,347	4,652
Profit attributable to non-controlling interests	39	(807)
Profit attributable to owners of parent	61,307	5,459

(Consolidated statements of comprehensive income)

(Millions of yen)

	For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Profit	61,347	4,652
Other comprehensive income		
Valuation difference on available-for-sale securities	3,369	(3,291)
Deferred gains or losses on hedges	98	(105)
Foreign currency translation adjustment	940	5,089
Remeasurements of defined benefit plans	2,021	2,757
Share of other comprehensive income of associates accounted for using equity method	13	14
Total other comprehensive income	6,443	4,464
Comprehensive income	67,790	9,116
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	68,161	9,614
Comprehensive income attributable to non-controlling interests	(370)	(497)

(3) Consolidated statement of changes in shareholders' equity

For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Millions of Yen)

	Shareholders' equity				
	Capital Stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	21,821	19,985	186,518	(14,316)	214,009
Changes of items during period					
Dividends of surplus			(4,071)		(4,071)
Profit attributable to owners of parent			61,307		61,307
Purchase of treasury shares				(10,012)	(10,012)
Disposal of treasury shares		(14)		88	74
Cancellation of treasury shares		(9,999)		9,999	–
Transfer from retained earnings to capital surplus		10,013	(10,013)		–
Change in ownership interest of parent due to transactions with non-controlling interests		13			13
Net changes of items other than shareholders' equity					
Total changes of items during period	–	13	47,222	74	47,311
Balance at end of current period	21,821	19,998	233,741	(14,241)	261,320

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	8,591	(49)	1,549	(1,198)	8,893	124	5,222	228,249
Changes of items during period								
Dividends of surplus								(4,071)
Profit attributable to owners of parent								61,307
Purchase of treasury shares								(10,012)
Disposal of treasury shares								74
Cancellation of treasury shares								–
Transfer from retained earnings to capital surplus								–
Change in ownership interest of parent due to transactions with non-controlling interests								13
Net changes of items other than shareholders' equity	3,349	95	1,386	2,021	6,853	(7)	(270)	6,575
Total changes of items during period	3,349	95	1,386	2,021	6,853	(7)	(270)	53,886
Balance at end of current period	11,940	46	2,936	822	15,746	116	4,951	282,135

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

(Millions of Yen)

	Shareholders' equity				
	Capital Stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	21,821	19,998	233,741	(14,241)	261,320
Changes of items during period					
Dividends of surplus			(9,011)		(9,011)
Profit attributable to owners of parent			5,459		5,459
Purchase of treasury shares				(11,209)	(11,209)
Disposal of treasury shares		(8)		100	92
Cancellation of treasury shares		(9,999)		9,999	–
Transfer from retained earnings to capital surplus		10,008	(10,008)		–
Change in ownership interest of parent due to transactions with non-controlling interests		(334)			(334)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(334)	(13,560)	(1,109)	(15,004)
Balance at end of current period	21,821	19,664	220,181	(15,351)	246,316

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

(4) Consolidated statement of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	88,571	15,286
Depreciation	22,665	23,514
Impairment losses	1,517	20,483
Amortization of goodwill	999	1,152
Amortization of negative goodwill	(63)	(58)
Increase (decrease) in retirement benefit liability	164	(14,103)
Increase (decrease) in allowance for doubtful accounts	113	(222)
Loss (gain) on valuation of investment securities	14	145
Interest and dividend income	(1,014)	(1,496)
Interest expenses	1,291	1,509
Foreign exchange losses (gains)	(1,042)	369
Share of loss (profit) of entities accounted for using equity	175	386
Loss (gain) on sale of non-current assets	(65,763)	(4,551)
Loss (gain) on disposal of non-current assets	1,404	965
Loss (gain) on sales of investment securities	(22)	(6,696)
Decrease (increase) in trade receivables	(8,639)	7,491
Decrease (increase) in inventories	(4,150)	(4,662)
Increase (decrease) in trade payables	2,988	(6,271)
Increase (decrease) in accrued expenses	6,088	(3,229)
Increase (decrease) in deposits received	3,803	(4,592)
Other, net	8,916	(1,317)
Subtotal	58,020	24,098
Interest and dividend income received	1,014	1,491
Interest expenses paid	(1,231)	(1,559)
Income taxes refund (paid)	(1,220)	(36,486)
Net cash provided by (used in) operating activities	56,583	(12,456)
Cash flows from investing activities		
Purchase of non-current assets	(33,146)	(32,224)
Proceeds from sale of non-current assets	60,310	5,253
Purchase of investment securities	(24)	(399)
Proceeds from sales of investment securities	77	8,552
Loan advances	(2,367)	(5,847)
Proceeds from collection of loans receivable	2,425	5,877
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,726)	–
Other, net	(326)	0
Net cash provided by (used in) investing activities	25,223	(18,786)

(Millions of yen)

	For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(818)	(1,649)
Net increase (decrease) in commercial papers	(10,000)	10,000
Proceeds from long-term borrowings	1,073	5,538
Repayments of long-term borrowings	(13,715)	(7,804)
Proceeds from issuance of bonds	–	19,890
Redemption of bonds	–	(10,000)
Proceeds from sales of treasury shares	12	73
Purchase of treasury shares	(10,012)	(11,214)
Dividends paid	(4,071)	(9,011)
Dividends paid to non-controlling interests	(19)	(10)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3)	(0)
Repayments of finance lease obligations	(1,068)	(839)
Net cash provided by (used in) financing activities	(38,624)	(5,028)
Effect of exchange rate change on cash and cash equivalents	371	301
Net increase (decrease) in cash and cash equivalents	43,552	(35,969)
Cash and cash equivalents at beginning of period	20,976	64,528
Cash and cash equivalents at end of period	64,528	28,559

(5) Note regarding the consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, the "Revised Accounting Standard of 2022") and related accounting guidance from the beginning of the consolidated fiscal year.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, "Revised Guidance 2022"). The change in accounting policies had no impact on the consolidated financial statements for the consolidated fiscal year under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the consolidated fiscal year under review. The change in accounting policies was applied retrospectively to the consolidated financial statements for the previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

1. Overview of reportable segments

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

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

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

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

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

Income in the reportable segments is based on operating profit.

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

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

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments	Other*1	Total	Adjustments*2	Amount recorded in the Consolidated Financial Statements*3
	Food				
Net sales					
Sales to external customers	520,715	26,343	547,059	—	547,059
Intra-segment internal sales and transfer amount	218	5,411	5,629	(5,629)	—
Total	520,934	31,754	552,688	(5,629)	547,059
Segment income	38,119	1,980	40,099	(12,260)	27,839
Segment assets	446,141	27,108	473,250	92,747	565,998
Other items					
Depreciation	21,870	507	22,378	287	22,665
Amortization of goodwill	999	—	999	—	999
Increases in property, plant and equipment, and intangible assets	27,634	151	27,786	13,909	41,696

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

(Millions of yen)

	Reportable segments	Other*1	Total	Adjustments*2	Amount recorded in the Consolidated Financial Statements*3
	Food				
Net sales					
Sales to external customers	537,473	23,700	561,173	—	561,173
Intra-segment internal sales and transfer amount	249	8,626	8,875	(8,875)	—
Total	537,723	32,326	570,049	(8,875)	561,173
Segment income	39,811	2,895	42,707	(13,048)	29,658
Segment assets	444,713	27,808	472,521	47,688	520,210
Other items					
Depreciation	23,127	152	23,280	234	23,514
Amortization of goodwill	1,152	—	1,152	—	1,152
Increases in property, plant and equipment, and intangible assets	29,470	75	29,545	1,962	31,508

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

2. Details of the adjustments are as follows.

(1) Segment income

(Millions of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Elimination of inter-segment transactions	(591)	(1,227)
Company-wide costs*	(11,668)	(11,820)
Total	(12,260)	(13,048)

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

(2) Segment assets

(Millions of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Elimination of inter-segment transactions	(4,692)	(5,610)
Company-wide costs*	97,440	53,299
Total	92,747	47,688

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

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

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

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

(Information per share)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Net assets per share	¥3,192.33	¥3,187.41
Basic earnings per share	¥696.92	¥64.60
Diluted earnings per share	¥696.09	¥64.53

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

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Basic earnings per share		
Profit attributable to the parent company (millions of yen)	61,307	5,459
Profit attributable to the parent company and available to common shareholders (millions of yen)	61,307	5,459
Average number of shares in period (thousands of shares)	87,970	84,512
Diluted earnings per share		
Adjustment on profit attributable to owners of parent (millions of yen)	—	—
Increase in common stock (thousands of shares)	104	94
Overview of potential stock not included in calculations of diluted earnings per share because the stocks have no dilutive effect	---------------------	

(Note) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Significant subsequent events)

No items to report.

4. Other

(Acquisition and cancellation of treasury shares)

The Company, at the meeting of its Board of Directors held on May 13, 2025, made a resolution on establishment of limit for acquisition of treasury stock, pursuant to the provisions of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the Companies Act of Japan.

1. Reasons for establishment of limit for acquisition of treasury stock

   In its Medium-term Business Plan, which concludes in the fiscal year ending March 31, 2029, the Group has raised the payout ratio target (from 30% to 40%) and set forth a shareholder return policy that focuses on the total payout ratio.

   In addition, aiming to reduce the cost of capital, and maximize corporate value, the Company will implement the utilization interest-bearing debt, and the strengthening shareholder returns to pursue an optimal capital structure. Through an increase in the annual dividend (FYE Mar. 2024: 60 yen/share, FYE Mar. 2025: 90 yen/share, FYE Mar. 2026 (forecast): 93 yen/share) and acquisition of treasury stock, the Company will increase the total payout ratio and capital efficiency by returning profits to shareholders.

2. Details of acquisition

(1) Class of shares to be acquired	Common shares of the Company
(2) Total number of shares to be acquired	3,800,000 shares (upper limit) Ratio to the total number of outstanding shares stated below (excluding treasury shares) 4.55% (upper limit)
(3) Total acquisition cost	10,000 million yen (upper limit)
(4) Period of acquisition	May 14, 2025 to March 31, 2026
(5) Method of acquisition	Market purchase on the Tokyo Stock Exchange

(Reference) Treasury shares holding as of April 30, 2025

Total number of outstanding shares (excluding treasury shares)	83,533,300 shares
Number of treasury shares	5,511,786 shares

(Note) “Number of treasury shares” includes 364,500 shares of the Company's stock held by the stock provision trust (J-ESOP).

3. Other

   All treasury stock acquired in accordance with the above will be cancelled. The Company will announce the date of the cancellation as soon as it is determined.

(Changes to officers (scheduled for June 26, 2025))

The following changes to officers were tentatively decided upon at the Board of Directors held on May 13, 2025. Note that the changes to officers will be determined at the General Meeting of Shareholders scheduled for June 26, 2025, and the changes to titles of officers will be determined at the Board of Directors following the General Meeting of Shareholders.

1. Changes to the representative

・Appointment of Representative Director

Not applicable

2. Changes to other officers

(1) New candidate for Director

・Director, Executive Managing Officer, General Manager of Corporate Strategic Planning Division (Currently Executive Managing Officer and General Manager of Corporate Strategic Planning Division)	Hiroko Kuno
・External Director	Yukiko Takatori

She is plans to notify the Tokyo Stock Exchange, Inc. of their appointments as an Independent Director if said appointments are approved at the General Meeting of Shareholders on June 26.

(2) Scheduled for resignation as Director

・Currently Director, Executive Managing Officer	Tsuyoshi Minato	(Scheduled to be appointed as Senior Executive Managing Officer)
・Currently Director	Takahiro Yanagida	

[Reference]

1. Career history of new candidate for Director

Name (Date of birth)	Career summary	
Hiroko Kuno (July 25, 1962)	April 1985	Joined TORAY INDUSTRIES, INC
	May 1996	Joined Morgan Stanley Japan Securities (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd)
	June 2002	Joined Taisho Pharmaceutical Co., Ltd
	August 2016	Joined the Company
	April 2019	General Manager of IR&PR Department of Corporate Communication Divisions
	June 2020	Managing Officer and General Manager of IR&PR Department of Corporate Divisions
	June 2021	Executive Managing Officer and General Manager of Sustainability Division
	April 2025	Executive Managing Officer and General Manager of Corporate Strategic Planning Division and General Manager of Legal & Intellectual Property Department
	May 2025	Executive Managing Officer and General Manager of Corporate Strategic Planning Division (present) to present

Name (Date of birth)	Career summary	
Yukiko Takatori (August 19, 1965)	April 1988	Joined Ajinomoto Co., Inc
	July 2014	General Manager, Shanghai Ajinomoto Food Research and Development Center Co., Ltd (until June 2017)
	July 2020	General Manager, Sustainability Development Dept of Ajinomoto Co., Inc
	April 2023	Corporate Executive General Manager, Sustainability Development Dept of Ajinomoto Co., Inc
	April 2024	Group Executive Specialist（Sustainability） of Ajinomoto Co., Inc (until March 2025) to present