



November 11, 2025

Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2026 <Japanese GAAP>

Listed company: Morinaga Milk Industry Co., Ltd.
Listed stock exchange: Tokyo
Securities code: 2264
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Scheduled date to file semi-annual securities report: November 12, 2025
Dividend payment commencement date: December 5, 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 Cumulative First Half of the Fiscal Year Ending March 31, 2026 (April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (Cumulative)

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	293,330	0.9	20,805	18.9	21,949	27.3	14,637	50.8
Six months ended September 30, 2024	290,599	1.4	17,499	(16.0)	17,247	(20.8)	9,709	(83.6)

(Note) Comprehensive income: Six months ended September 30, 2025: ¥12,518 million / (32.0)%

Six months ended September 30, 2024: ¥18,415 million / (71.2)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	176.97	176.81
Six months ended September 30, 2024	113.56	113.42

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	553,384	274,046	48.7
As of March 31, 2025	520,423	271,103	51.2

(Reference) Shareholders' equity: As of September 30, 2025: ¥269,329 million

As of March 31, 2025: ¥266,217 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	45.00	—	45.00	90.00
Fiscal year ending March 31, 2026	—	45.00			
Fiscal year ending March 31, 2026 (Forecast)			—	48.00	93.00

(Note) Amendment to forecasts of dividends recently announced: None

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
Full year	570,000	1.6	33,000	11.3	33,900	13.5	19,000	248.0	231.26

(Note) Amendment to forecasts of consolidated financial results recently announced: Yes

*** Notes**

- (1) Changes in significant subsidiaries during the Six months ended September 30, 2025: None
(changes in specified subsidiaries affecting the scope of consolidation)

New: - (Company name:) Excluded: - (Company name:)

- (2) Application of special accounting for preparing semi-annual consolidated financial statements: Yes

For details, refer to page 12 of the attached materials, “2. Semi-annual Consolidated Financial Statements and Notes (3) Notes regarding the semi-annual consolidated financial statements (Application of special accounting for preparing Semi-annual consolidated financial statements).”

- (3) Changes in accounting policies and estimates, and retrospective restatements

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

- (4) Number of shares issued (common stock)

- (i) Number of shares outstanding at end of period (including treasury shares)

As of September 30, 2025	89,045,086 shares
As of March 31, 2025	89,045,086 shares

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

As of September 30, 2025	7,255,868 shares
As of March 31, 2025	5,523,456 shares

- (iii) Average number of shares during period

For the six months ended September 30, 2025	82,710,946 shares
For the six months ended September 30, 2024	85,500,303 shares

(Note) The number of treasury shares at the end of the period and the number of treasury shares excluded from the calculation of the number of average number of shares during the 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 September 30, 2025: 364,500 shares)

Average number of shares during period (For the six months ended September 30, 2025: 364,500 shares)

* Semi-annual financial results reports are exempt from review conducted by certified public accountants 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 on the above forecasts of consolidated financial results, refer to page 6 of the attached materials, “1. Qualitative Information on Semi-annual Results (3) Explanation of forward-looking information including consolidated earnings forecasts.”

[Attached Materials]

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1. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results

In accordance with the Medium-Term Business Plan 2025–2028, the Morinaga Milk Group is seeking to grow its earnings by concentrating management resources in areas where it can leverage the strengths of the Group to the greatest possible extent, such as yogurt, ice cream, bifidobacteria and other probiotics, and formula milk for overseas market. We are also working to improve productivity by rebuilding the organization with a focus on optimizing the value chain as a whole, and reorganizing production structures to increase production efficiency.

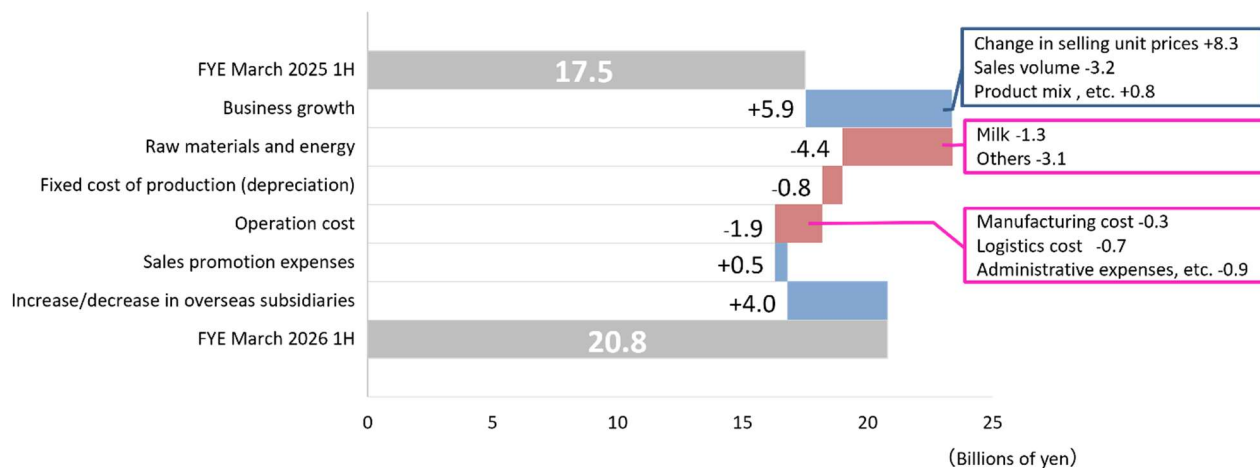
In the first six months of the fiscal year under review, the Company was affected by increases in various operational costs, including raw materials and logistics, with domestic raw milk trade prices for dairy products being hiked in June 2025, and raw milk trade prices for beverages and fermented milk products seeing an increase in August 2025. As well as continuing to work on price revisions to address this, we are striving to expand high value-added products, mainly in Growth Areas, and promoting cost reviews for the Group as a whole, despite larger-than-expected declines in sales volume and other issues associated with the challenging demand environment for food in general.

As a result of these initiatives the Group succeeded in growing consolidated net sales. In the domestic business, although we implemented price revisions in areas such as yogurt, ice cream, and beverages, a decrease in overall sales volume led to lower revenue for the domestic business as a whole. Product lines contributing to higher revenue included ice cream, for which new production lines started operation, and commercial dairy products, where demand remains resilient. In the Global Business, MILEI GmbH took advantage of continued strength in whey market conditions to post a significant increase in revenue. Together with the steady expansion of sales and revenue in the Growth Areas of probiotics and formula milk for overseas markets, this led to growth in revenue overall.

Consolidated operating profit recorded an increase. The domestic business continued to be affected by higher costs, centered on operational costs, including raw material costs, logistics costs, and personnel expenses. In response to this we continued to work on initiatives to revise prices, but the demand environment remained challenging, and the decline in sales volume resulted in a decline in profit. On the other hand, the Group as a whole was buoyed by an increase in profit at MILEI, as well as profit growth in other areas of the Global Business, leading to higher profit for the business as a whole.

Consolidated net sales	¥293,330 million	(+0.9% YoY)
Consolidated operating profit	¥20,805 million	(+18.9% YoY)
Consolidated ordinary profit	¥21,949 million	(+27.3% YoY)
Profit attributable to owners of parent	¥14,637 million	(+50.8% YoY)

Factors attributable to increases and decreases in operating profit for 1H of FYE March 2026



Overview of the results by segments in the Medium-term Business Plan 2025–2028

1) Growth Segments (Growth Areas): Strong sales of ice cream, and of probiotics and formula milk overseas.

Yogurt as a whole saw a decline in revenues despite growth in "PARTHENO," but the segments as a whole recorded higher revenue.

In terms of profits, although we made progress with price revisions, improved the product mix through the expansion of high value-added products, including probiotics, and cut costs, the segments as a whole recorded lower profit due to the impact of declines in sales volume primarily in yogurt, increases in raw material and other operational costs, and of increases in depreciation following the start of operations at the new ice cream production lines.

Growth Segments net sales	¥65,463 million	(+2.6% YoY)
Growth Segments operating profit	¥8,684 million	(-690 million YoY)

2) Mainstay Segments (Core, Fundamental, and Strategic Transformation Areas): The Mainstay Segments as a whole recorded lower revenue and higher profit. In the Core Area, the sustained strength of the whey market was the backdrop for higher revenue and profit at MILEI, which made a significant contribution. Moreover, although increases in raw material prices and operational costs and declines in sales volume in beverages, cheese, milk, and other products pushed down profit, further contributions were made by price revisions and our efforts to control costs throughout the business, as well as growth in the B-to-B business.

Mainstay Segments net sales	¥179,985 million	(-0.9% YoY)
Mainstay Segments operating profit	¥10,686 million	(+3,007 million YoY)

3) Nurturing/Other Segments (Nurturing Areas): Nurturing/Other Segments posted both higher revenue and profit. In addition to strong performance from health foods sold through Nurturing Area e-commerce channels, there was also an impact from profit increases at operating companies in the Unique & Other.

Nurturing/Other Segments net sales	¥47,882 million	(+5.8% YoY)
Nurturing/Other Segments operating profit	¥1,436 million	(+989 million YoY)

(Breakdown) Global Business: In addition to the continued strong performance of MILEI GmbH in Germany since the second half of the previous fiscal year, probiotics and NutriCo Morinaga (NM) in Pakistan also performed well, leading to higher revenue for the business as a whole. Operating profit also grew. This was affected not only by the strength of the whey market, which pushed up profit at MILEI, and profit increases at other overseas subsidiaries but also a decrease in goodwill amortization.

(Breakdown) Global Business net sales	¥39,398 million	(+12.6% YoY)
(Breakdown) Global Business operating profit	¥6,845 million	(+¥4,884 million YoY)

	Clarify categories on which we should focus				
	Growth areas	Core areas	Fundamental areas	Strategic Transformation areas	Nurturing areas
Domestic Business	•Yogurt •Ice Cream •Probiotics	•Beverages •Cheese •Nutritional food products (Formula milk, etc.) •CLINICO •Functional ingredients (Lactoferrin, etc.)	•Milk •Food service and institutional food products (Dairy products)	•Chilled dessert •Commercial milk (Home deliveries, etc.)	•Health foods (Supplements)
Global Business	•Probiotics •Formula milk	•Milk derivatives (MILEI)		•PBF	•Vietnam Business
Role	Areas of tightest focus for becoming a highly profitable company	Areas that are core generators of funds for the growth of the Company as a whole	Areas that underpin the Company as a whole for the purpose of overall optimization	Areas that prioritize structural reform and profitability improvement	Areas oriented towards increases in scale, with the aim of becoming a next-generation pillar of earnings

<Morinaga Milk 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 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 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.

* Optimal capital structure

- For the time being, we will aim for a “net interest-bearing liabilities / shareholders’ equity” ratio of approximately 0.4 to 0.5 times (to be reviewed annually in line with the domestic and international environment).
- Optimize in stages over a medium- to long-term timeframe, taking into account future investment plans

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	¥630,000 million	¥68,800 million	+12.3%	¥561,200 million
Consolidated operating profit	¥44,000 million	¥14,300 million	+48.4%	¥29,700 million
Operating profit to net sales	7%	-		5.3%
Global Business sales ratio	15%	-		12.5%
ROE (profit / equity capital)	10%	-		2.0%
ROIC (profit after tax / invested capital)	7%	-		5.7%
Employee engagement rating	BBB	-		B

(2) Explanation of consolidated financial position

Consolidated total assets at the end of the first half of the fiscal year under review increased by ¥32,961 million to ¥553,384 million compared with the end of the previous fiscal year, mainly as a result of an increase in cash and deposits.

Consolidated total liabilities were ¥279,337 million, up ¥30,017 million from the end of the previous fiscal year, with a decline in commercial paper being outweighed by increases in bonds payable and long-term borrowings.

Net assets were ¥274,046 million, up ¥2,943 million from the end of the previous fiscal year. This was mainly attributable to increases in treasury shares and retained earnings.

As a result, the shareholders’ equity ratio was 48.7%, compared with 51.2% at the end of the previous fiscal year.

(3) Explanation of forward-looking information including consolidated earnings forecasts

With regard to consolidated earnings forecasts for the fiscal year ending March 31, 2026, having taken into account results for the first six months of the fiscal year and the outlook for market conditions going forward, we have revised up operating profit to ¥33.0 billion, and ordinary profit to ¥33.9 billion. In addition to revising down net sales to ¥570.0 billion, we have left profit attributable to owners of parent unchanged.

Revision of the consolidated financial results forecast for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

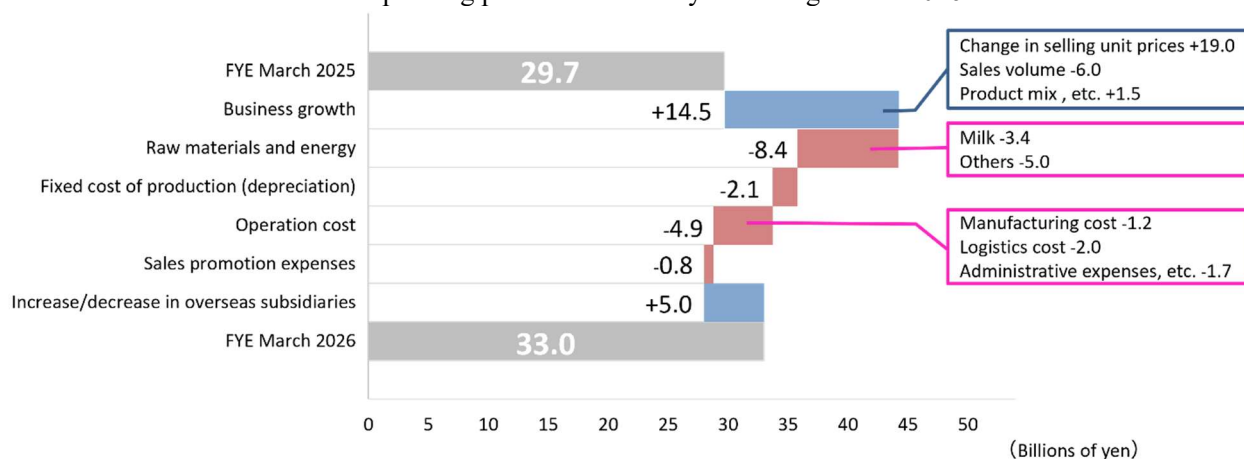
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	580,000	32,000	31,900	19,000	229.12
Revised forecast (B)	570,000	33,000	33,900	19,000	231.26
Change (B-A)	-10,000	1,000	2,000	-	-
Change (%)	-1.7%	+3.1%	+6.3%	-	-
(Reference) Results for the previous fiscal year (fiscal year ended March 31, 2026)	561,173	29,658	29,864	5,459	64.60

*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.

Earnings forecast for the fiscal year ending March 2026

	Forecast for fiscal year ending March 31, 2026	YoY percentage change
Consolidated net sales	¥570,000 million	+1.6%
Consolidated operating profit	¥33,000 million	+11.3%
Consolidated ordinary profit	¥33,900 million	+13.5%
Profit attributable to owners of parent	¥19,000 million	+248.0%
(Other important operating indicators)		
Global Business sales ratio	5.8%	-
Operating profit margin	14.4%	-
ROE	7.1%	-
ROIC	6.2%	-

Forecasts of fluctuations to operating profit in the fiscal year ending March 2026



Forecasts by segments in the Medium-term Business Plan 2025–2028 (fiscal year ending March 2026)

	Forecast for fiscal year ending March 31, 2026	YoY change (percentage/amount)
Growth Segments net sales	¥123,900 million	+4.7%
Growth Segments operating profit	¥12,300 million	-¥1,474 million

	Forecast for fiscal year ending March 31, 2026	YoY change (percentage/amount)
Mainstay Segments net sales	¥354,200 million	+0.3%
Mainstay Segments operating profit	¥17,500 million	+¥3,803 million

	Forecast for fiscal year ending March 31, 2026	YoY change (percentage/amount)
Nurturing/Other Segments net sales	¥91,900 million	+2.3%
Nurturing/Other Segments operating profit	¥3,200 million	+¥1,014 million

	Forecast for fiscal year ending March 31, 2026	YoY change (percentage/amount)
(Breakdown) Global Business net sales	¥82,192 million	+17.6%
(Breakdown) Global Business operating profit	¥14,000 million	+¥6,524 million

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	28,559	51,500
Notes and accounts receivable - trade, and contract assets	68,197	74,800
Merchandise and finished goods	60,435	56,838
Work in process	2,135	1,615
Raw materials and supplies	23,337	24,162
Other	15,755	16,165
Allowance for doubtful accounts	(351)	(327)
Total current assets	198,069	224,755
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	83,573	97,266
Machinery, equipment and vehicles, net	90,654	98,708
Land	52,228	52,091
Other, net	47,537	32,263
Total property, plant and equipment	273,993	280,329
Intangible assets		
Goodwill	417	364
Other	11,624	10,952
Total intangible assets	12,042	11,317
Investments and other assets		
Investment securities	19,703	20,544
Other	16,654	16,478
Allowance for doubtful accounts	(40)	(40)
Total investments and other assets	36,317	36,982
Total non-current assets	322,353	328,629
Total assets	520,423	553,384

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable–trade	53,543	55,321
Electronically recorded obligations–operating	3,205	3,895
Short-term borrowings	3,553	2,177
Current portion of long-term borrowings	9,642	6,094
Commercial papers	10,000	-
Current portion of bonds payable	15,000	15,000
Income taxes payable	3,140	8,493
Accrued expenses	38,896	37,504
Deposits received	14,965	15,538
Other	18,164	18,052
Total current liabilities	170,112	162,077
Non-current liabilities		
Bonds payable	50,000	70,000
Long-term borrowings	10,511	28,517
Retirement benefit liability	7,576	7,421
Other	11,119	11,321
Total liabilities	79,207	117,260
Total liabilities	249,319	279,337
Net assets		
Shareholders' equity		
Share capital	21,821	21,821
Capital surplus	19,664	19,664
Retained earnings	220,181	231,027
Treasury shares	(15,351)	(21,104)
Total shareholders' equity	246,316	251,409
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,636	9,193
Deferred gains or losses on hedges	(33)	34
Foreign currency translation adjustment	7,717	8,184
Remeasurements of defined benefit plans	3,580	507
Total accumulated other comprehensive income	19,901	17,919
Share acquisition rights	108	91
Non-controlling interests	4,777	4,626
Total net assets	271,103	274,046
Total liabilities and net assets	520,423	553,384

(2) Semi-annual consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(April 1, 2025 – September 30, 2025)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	290,599	293,330
Cost of sales	219,988	219,460
Gross profit	70,611	73,869
Selling, general and administrative expenses	53,111	53,064
Operating profit	17,499	20,805
Non-operating income		
Interest income	56	98
Dividends income	1,036	879
Rental income from buildings	171	179
Share of profit of entities accounted for using equity method	-	92
Foreign exchange gains	-	849
Other	473	361
Total non-operating income	1,739	2,461
Non-operating expenses		
Interest expenses	762	636
Share of loss of entities accounted for using equity method	189	-
Loss on valuation of derivatives	-	325
Foreign exchange losses	736	-
Other	302	354
Total non-operating expenses	1,990	1,316
Ordinary profit	17,247	21,949
Extraordinary income		
Gain on sale of non-current assets	0	76
Gain on sale of investment securities	6	224
Gain on abolishment of retirement benefit plan	-	2,215
Total extraordinary income	6	2,516
Extraordinary losses		
Loss on disposal of non-current assets	466	175
Contributions to the public interest incorporated foundation Hikari Kyokai	860	860
Impairment losses	-	977
Rebuilding-related losses	929	509
Other	151	610
Total extraordinary losses	2,407	3,132
Profit before income taxes	14,847	21,233
Income taxes	5,219	6,649
Profit	9,628	14,683
Profit (loss) attributable to non-controlling interests	(80)	46
Profit attributable to owners of parent	9,709	14,637

(Consolidated statements of comprehensive income)
(April 1, 2025 – September 30, 2025)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	9,628	14,683
Other comprehensive income		
Valuation difference on available-for-sale securities	296	545
Deferred gains or losses on hedges	(30)	116
Foreign currency translation adjustment	8,448	247
Remeasurements of defined benefit plans	53	(3,072)
Share of other comprehensive income of entities accounted for using equity method	19	(1)
Total other comprehensive income	8,786	(2,165)
Comprehensive income	18,415	12,518
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,063	12,655
Comprehensive income attributable to non-controlling interests	351	(137)

(3) Note regarding the semi-annual consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

In accordance with a resolution of the Board of Directors taken on May 14, 2024, the Company acquired 2,286,800 treasury shares. As a result of this and other factors, treasury shares increased by ¥8,815 million during the first half of the fiscal year, leading to treasury shares of ¥23,057 million as of September 30, 2024.

Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

In accordance with a resolution of the Board of Directors taken on May 13, 2025, the Company acquired 1,771,000 treasury shares. As a result of this and other factors, treasury shares increased by ¥5,753 million during the first half of the fiscal year, leading to treasury shares of ¥21,104 million as of September 30, 2025.

(Application of special accounting for preparing quarterly consolidated financial statements)

(Assessment of tax expenses)

The Company and its consolidated subsidiaries apply the method that reasonably estimates an effective tax rate to be assessed on profit before income taxes for the fiscal year ending March 31, 2025, including this first half of the fiscal year under review after accounting for the tax effects, and multiplies profit before income taxes during the first half of the fiscal year ending March 31, 2025 by said estimated effective tax rate.