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Consolidated Financial Results for the Year Ended March 31, 2026 (Prepared pursuant to Japanese GAAP)

May 14, 2026

Company name: MEGMILK SNOW BRAND Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange (Prime Market), Sapporo Securities Exchange
 Stock code: 2270
 URL: <https://www.meg-snow.com/english>
 Representative: Masatoshi Sato, Representative Director and President
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 Scheduled dates Annual general meeting of shareholders: June 24, 2026
 Scheduled date to commence dividend payments: June 4, 2026
 Scheduled date to file Quarterly securities report: June 16, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

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

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Year ended March 31, 2026	615,761	(0.0)	18,266	(4.5)	20,486	1.1	32,897	136.6
Year ended March 31, 2025	615,819	1.7	19,125	3.6	20,262	1.9	13,904	(28.4)

Note: Comprehensive income: Year ended March 31, 2026 : 19,497 million yen (5.6%)
 Year ended March 31, 2025 : 18,457 million yen [-21.3%]

	Profit per share – basic	Profit per share – diluted	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Total yen	Total yen	%	%	%
Year ended March 31, 2026	524.82	—	13.6	4.8	3.0
Year ended March 31, 2025	205.93	—	5.8	4.7	3.1

For reference: Equity in earnings of affiliates: Year ended March 31, 2026 : 1,210 million yen
 Year ended March 31, 2025 : 662 million yen

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity ratio	Net asset per share
	millions of yen	millions of yen	%	Total yen
March 31, 2026	426,820	240,741	55.7	3,923.36
March 31, 2025	431,073	248,037	56.8	3,626.93

For reference: Equity: March 31, 2026 : 237,666 million yen
 March 31, 2025 : 244,680 million yen

(3) Consolidated Cash Flow Position

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	millions of yen	millions of yen	millions of yen	millions of yen
Year ended March 31, 2026	22,897	7,067	(37,348)	13,998
Year ended March 31, 2025	21,100	(18,512)	(10,375)	21,319

2. Dividends

	Cash dividends per share					Total dividends paid	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End-Q1	End-Q2	End-Q3	Year-end	Total			
Year ended March 31, 2025	Total yen	Total yen	Total yen	Total yen	Total yen	millions of yen	%	%
Year ended March 31, 2026	—	—	—	100.00	100.00	6,767	48.6	2.8
Year ending March 31, 2027 (forecast)	—	—	—	100.00	100.00		24.1	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share Total yen
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	
Second quarter- end (Cumulative)	323,000	4.5	9,700	5.7	10,100	(4.7)	17,400	54.2	290.03
Full year	645,000	4.7	21,000	15.0	21,800	6.4	24,500	(25.5)	414.53

Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Three excluded companies (company names): Royal Farm Co., Ltd. and two others

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement

1) Changes in accordance with amendments to accounting standards, etc.: None

2) Changes other than noted in 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Common stock issued

1) Issued shares as of period-end (including treasury stock)

March 31, 2026	63,835,455 shares	March 31, 2025	70,751,855 shares
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2) Treasury stock as of period-end

March 31, 2026	3,258,094 shares	March 31, 2025	3,289,559 shares
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3) Average number of shares (during the respective period)

Year ended March 31, 2026	62,682,412 shares	Year ended March 31, 2025	67,519,628 shares
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(Reference)

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

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Year ended March 31, 2026	325,535	(0.6)	10,643	(16.7)	13,056	(7.6)	28,628	193.9
Year ended March 31, 2025	327,426	3.7	12,774	6.7	14,134	2.4	9,741	(44.8)
	Profit per share		Profit per share – diluted					
	Total yen		Total yen					
Year ended March 31, 2026	456.72		—					
Year ended March 31, 2025	144.27		—					

(2) Non-consolidated Financial Position

	Total assets		Net Assets		Equity ratio		Net asset per share	
	millions of yen	%	millions of yen	%	millions of yen	%	Total yen	
March 31, 2026	349,035	49.9	174,173	53.1			2,875.23	
March 31, 2025	350,112		185,979				2,756.79	

For reference: Equity: March 31, 2026 : 174,173 million yen

March 31, 2025 : 185,979 million yen

*This summary of financial statements is not subject to audit by certified public accountant and auditing firm.

*Appropriate Use of Earnings Forecasts and Other Important Information

(Earnings Forecasts)

MEGMILK SNOW BRAND Co., Ltd. (the "Company") has decided at the meeting of Board of Directors held on May 14, 2026 to repurchase its own shares in accordance with Article 156 of the Companies Act of Japan, Article 165 of the Companies Act of Japan. Consequently, the Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2027 includes the "Earnings Per Share (EPS)" factor, taking into account the impact of this share repurchase.

Business forecasts contained in this report are based on the assumptions of management in the light of information available as of the release of this report. MEGMILK SNOW BRAND makes no assurances as to the actual results, which may differ from forecasts due to various factors such as changes in the business environment.

(Supplementary materials and presentation handouts)

Supplementary materials are attached to this report.

We plan to hold a briefing for analysts and institutional investors on Thursday, May 14, 2026.

The materials used in this briefing are scheduled to be posted on our website on the same day.

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(Supplementary Information)

Supplementary Information for the Year Ended March 31, 2026

1. Overview of operating results, etc.

Forward-looking statements included in the following text are based on the judgments of the Group's management as of March 31, 2026.

(1) Overview of Operating Results

During the fiscal year under review, the Japanese economy was on a moderate recovery. As for the outlook, although improvements in employment and income conditions and the effects of various policy measures are expected to support a moderate recovery, attention should also be paid to the impact of the situation in the Middle East and developments regarding U.S. trade policy. In addition, it is necessary to continue paying attention to the effects of fluctuations in financial and capital markets and other factors.

In these circumstances, the MEGMILK SNOW BRAND Group has formulated "Next Design 2030" as a new management plan. Under the theme of "Drastically transforming Megmilk Snow Brand's assets," "Next Design 2030" sets out the four pillars of our business strategy: "Cultivating and harvesting the fruits of growth," "Transforming the structure to increase the value of the dairy industry," "Developing regenerative dairy farming," and "The evolution of our connections with society." In FY2025, the first year of the plan, we set our management policy as "Brand-NEW" and promoted various measures based on two priority initiatives: strengthening of brand power (Brand-NEW "BRAND") through activities to disseminate brand-new CI and transform into a new management foundation to reform our business portfolio (Brand-NEW "BASIS").

As a result, consolidated operating results for the fiscal year ended March 31, 2026 were as follows.

Consolidated net sales were ¥615,761 million (down 0.0% YoY) due to a decline in sales of Beverages & Desserts segment and other factors, despite an increase in sales of Dairy Products segment, and were on par with the previous year. Operating profit was 18,266 million (down 4.5% YoY), with positive effects from price revisions implemented to address various cost increases, offset by increased expenses due to various brand promotion measures and the 100th anniversary commemorative events, the disappearance of temporary volume increase owing to system failures at another company that occurred in the previous fiscal year, and a larger decrease in volume than expected in the categories in which the Company took the lead in implementing price revisions. Ordinary profit was ¥20,486 million (up 1.1% YoY). Profit attributable to owners of parent was ¥32,897 million (up 136.6% YoY) mainly due to the recording of gain on sale of strategic shareholdings.

Operating results by business segment for the fiscal year ended March 31, 2026 were as follows. Net sales by segment are sales to outside customers.

1) Dairy Products

This segment comprises the manufacture and sale of dairy products (cheese, butter, powdered milk, etc.), margarine, functional food products and infant formula

Net sales were 268,428 million (up 1.9% YoY), and operating profit was 10,515 million (up 1.1% YoY).

(Net sales)

Sales volume for butter was maintained thanks to solid demand, in addition to having implemented price revisions. It remained strong throughout the year and increased year on year.

Sales of margarine remained firm due to strong sales of reasonably priced medium-sized butter products.

Sales of cheese fell below the previous year as sales volume declined due to the impact of price revisions and other factors, despite various promotional activities and efforts to increase exposure at stores, with our core "Sakeru Cheese" recording its highest-ever sales.

(Operating profit)

In order to cope with rising costs, we implemented price revisions despite concerns about temporary effects on sales volume. We also actively implemented various promotional activities, and results exceeded the previous year.

2) Beverages & Desserts

This segment comprises the manufacture and sale of beverages (milk, fruit juice, etc.), yogurt, desserts.

Net sales were 260,271 million (down 1.5% YoY), and operating profit was 3,905 million (down 30.9% YoY).

(Net sales)

In beverages, while the “MBP Drink” series, a Foods with Function Claims product, exceeded the previous year and a new product, “Yukijirushi Megmilk Oishii Gyunyu 750 ml,” which allows consumers to choose a volume to fit their lifestyle, was launched, due to a decline in volume caused by the impact of price revisions and other factors, as well as the impact of discontinuing “Nokyo Yasai Days 1000 ml” in March 2025, overall beverage results fell below the previous year.

Overall yogurt sales increased year on year, supported by various promotional activities for the “Megumi Lactobacillus gasseri SBT2055” yogurt series. Household-use products such as “Makiba no Asa Yogurt” and small-volume-type products such as “Prune One-Day Fe Drink Yogurt” also performed steadily, and overall yogurt sales increased year on year.

Sales of desserts and fresh cream increased year on year, as the mainstay “CREAM &” dessert series and commercial-use fresh cream performed firmly.

(Operating profit)

Although we also actively implemented price revisions to address cost increases and various promotional activities, results fell below the previous year partly due to the impact of a decline in sales volume and other factors.

3) Feedstuffs and Seed

This segment comprises the manufacture and sale of cattle feed, pasture forage/crop and vegetable seeds, and landscaping business.

Net sales were 47,942 million (down 1.1% YoY), and operating profit was 710 million (up 95.3% YoY).

(Net sales)

Overall segment sales decreased year on year, mainly due to a revenue decline caused by lower compound feed sales prices.

(Operating profit)

Although sales decreased, profits increased due to an increase in gross profit resulting from cost reductions.

4) Other

This segment comprises joint distribution center services, real estate rental, and other businesses.

Net sales were 39,118 million (down 1.4% YoY), and operating profit was 3,346 million (up 25.0% YoY).

(2) Analysis of Financial Condition

1) Assets, liabilities, and net assets

(Millions of yen)

Category	End of March 2025	End of March 2026	Change	Primary reason for change
Assets	431,073	426,820	(4,252)	Cash and deposits (7,332) Notes and accounts receivable-trade 2,620 Merchandise and finished goods 2,870 Raw materials and supplies 4,257 Buildings and structures, net 5,586 Machinery, equipment and vehicles, net 3,879 Investment securities (21,072)
Liabilities	183,035	186,078	3,042	Income taxes payable +11,048 Deferred tax liabilities (7,300)
Net Assets	248,037	240,741	(7,295)	Capital surplus (17,029) Retained earnings +25,860 Valuation difference on available-for-sale securities (13,722)

2) Cash flows

(Millions of yen)

Category	Year ended March 31, 2025	Year ended March 31, 2026	Change	Primary reason for change
Net cash provided by (used in) operating activities	21,100	22,897	1,797	Profit before income taxes: 27,220 Loss (gain) on sale of investment securities (30,039) Income taxes paid 8,748
Net cash provided by (used in) investing activities	(18,512)	7,067	25,579	Purchase of property, plant and equipment and intangible assets (6,357) Proceeds from sale of investment securities 31,333
Net cash provided by (used in) financing activities	(10,375)	(37,348)	(26,973)	Repayment of long-term loans payable (6,407) Purchase of treasury stock (19,739)
Cash and cash equivalents at end of period	21,319	13,998	(7,320)	—

The following is a summary of changes in the MEGMILK SNOW BRAND Group's cash flow-related indicators.

For the fiscal years ended March 31	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026
Equity ratio (%)	53.8	56.8	55.7
Equity ratio based on market value (%)	42.7	40.1	46.0
Ratio of interest-bearing debt to cash flow (years)	1.9	2.6	2.0
Interest coverage ratio (×)	82.6	57.1	57.2

Equity ratio: equity / total assets

Equity ratio based on market value: market capitalization / total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt / cash flow

Interest coverage ratio : cash flow / interest payments

Notes: 1. Each indicator is calculated using financial data on consolidated basis.

2. Total market value of shares is calculated based on the number of shares outstanding at the end of the period (less treasury stock).

3. Cash flow is cash flow from operating activities in the Consolidated Statements of Cash Flows. Interest-bearing debt includes all liabilities listed on the Consolidated Balance Sheets that bear interest.

(3) Future Outlook

With regard to the outlook for the Japanese economy in the future, it is necessary to pay close attention to the impact of factors such as the situation in the Middle East and developments surrounding the U.S. trade policy. In addition, it is necessary to pay close attention to the effects on the domestic economy of fluctuations in financial and capital markets and other factors.

In the food industry, concerns remain that consumer sentiment will decline due to uncertainty in the global economy and rising crude oil prices; however, strong market growth is projected in anticipation of the effects of expanding inbound tourism on demand for eating out and development of products that can add high value resulting from higher health consciousness. In addition, with rising raw material prices and logistics costs, the business environment is expected to remain challenging.

In the dairy industry, due to the impact of price revisions and other factors, consumption of milk and milk beverages continues to fall below the previous year's level. On the other hand, in fiscal 2026, raw milk production is expected to decline, and although skimmed milk production is expected to fall below the previous year's level, inventories are expected to increase due to weak demand.

Under these circumstances, the Group, based on the management plan Next Design 2030 announced in May 2025, has set "Major transformation of SNOW BRAND MEGMILK assets" as its theme and will pursue "Cultivating and harvesting the fruits of growth," "Transforming structures to enhance the industrial value of raw milk," "Realizing regenerative dairy" and "Evolving connections with society" as the four pillars of its business strategy. For the fiscal year ending March 31, 2027, in addition to the effect of the price revisions implemented last year, we will work to expand sales of high-margin products through various sales promotions and the strengthening of marketing activities.

As a result of the foregoing, the Group forecasts consolidated net sales of ¥645,000 million (up 4.7% YoY), operating profit of ¥21,000 million (up 15.0% YoY), ordinary profit of ¥21,800 million (up 6.4% YoY) and profit attributable to owners of parent of ¥24,500 million (down 25.5% YoY) for the fiscal year ending March 31, 2027.

¥282,000 million for Dairy Products (up 5.1% YoY), ¥277,500 million for Beverages & Desserts (up 6.6% YoY), ¥49,000 million for Foodstuffs and Seed (up 2.2% YoY), and ¥36,500 million for Other (down 6.7% YoY).

(4) Basic Policy on Profit Distribution and Cash Dividends for the Fiscal Year Ended March 31, 2026 and the Fiscal Year Ending March 31, 2027

At the Company, we will implement growth investments while strengthening shareholder returns by utilizing interest-bearing debt within the scope that allows us to maintain operating cash flow, balance sheet management, and an external credit rating of A. We will optimize our capital structure in stages in line with the investment situation, using a net debt-to-equity ratio of 0.5 as a benchmark.

Our shareholder return policy will continue to aim for a consolidated dividend payout ratio of 40% or higher, excluding gains on asset sales, and will also set a new minimum dividend of ¥100 per share, striving to maintain stable dividends.

Additionally, the Company conducted share buybacks and cancellations totaling ¥20,000 million in the fiscal year under review, with a view to improving capital efficiency, taking into consideration stock prices, capital structure, and fund requirements for growth investments.

Based on this policy, we have set the dividend for the current fiscal year at ¥100 per share. The payment of dividends will commence on June 4, 2026.

For the next fiscal year, we have set a dividend forecast of ¥100 per share. We have also set a share buyback of ¥10 billion.

2. Basic Policy on the Selection of Accounting Standards

The Group's policy is to prepare consolidated financial statements in accordance with Japanese accounting standards for the time being, taking into consideration comparability of consolidated financial statements over time and comparability between companies.

With regard to application of International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately, taking into account circumstances in Japan and abroad.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	21,374	14,041
Notes and accounts receivable-trade	81,443	84,063
Contract assets	21	6
Merchandise and finished goods	43,827	46,698
Work in process	1,168	1,131
Raw materials and supplies	19,696	23,954
Accounts receivable-other	3,453	3,205
Other	3,080	3,066
Allowance for doubtful accounts	(358)	(327)
Total current assets	173,706	175,841
Non-current assets		
Property, plant and equipment		
Buildings and structures	130,212	140,333
Accumulated depreciation	(67,648)	(71,263)
Accumulated impairment loss	(2,256)	(3,176)
Buildings and structures, net	60,307	65,894
Machinery, equipment and vehicles	218,879	230,535
Accumulated depreciation	(162,299)	(169,171)
Accumulated impairment loss	(3,656)	(4,560)
Machinery, equipment and vehicles, net	52,923	56,802
Tools, furniture and fixtures	21,246	22,779
Accumulated depreciation	(16,650)	(17,021)
Accumulated impairment loss	(692)	(763)
Tools, furniture and fixtures, net	3,903	4,994
Land	47,227	47,141
Lease assets	9,012	9,270
Accumulated depreciation	(5,927)	(6,164)
Accumulated impairment loss	(450)	(447)
Lease assets, net	2,635	2,658
Construction in progress	8,834	10,738
Total property, plant and equipment	175,831	188,229
Intangible assets		
Lease assets	16	410
Software	6,001	6,754
Right of using facilities	368	305
Goodwill	328	222
Other	93	91
Total intangible assets	6,807	7,785
Investments and other assets		
Investment securities	56,370	35,297
Long-term prepaid expenses	654	576
Nets defined benefit asset	10,086	11,221
Deferred tax assets	2,843	3,290
Other	4,936	4,706
Allowance for doubtful accounts	(164)	(128)
Total investments and other assets	74,726	54,963
Total non-current assets	257,366	250,979
Total assets	431,073	426,820

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable-trade	60,222	59,965
Electronically recorded obligations-operating	4,621	3,672
Short-term loans payable	7,385	6,691
Current portion of long-term loans payable	9,559	554
Lease obligations	665	833
Accounts payable-other	8,020	10,883
Income taxes payable	1,780	12,828
Accrued expenses	3,937	4,357
Contract liabilities	232	52
Deposits received	791	539
Provision for bonuses	5,583	5,780
Other	16,462	22,295
Total current liabilities	119,263	128,455
Non-current liabilities		
Bonds payable	15,030	15,021
Long-term loans payable	19,650	19,446
Long-term deposits received	4,764	4,767
Lease obligations	3,568	3,770
Deferred tax liabilities	8,314	1,014
Deferred tax liabilities for land revaluation	3,938	3,929
Provision for directors' retirement benefits	6	1
Net defined benefit liabilities	7,138	6,736
Asset retirement obligations	1,287	2,776
Other	74	160
Total non-current liabilities	63,772	57,622
Total liabilities	183,035	186,078
Net assets		
Shareholders' equity		
Capital stock	20,000	20,000
Capital surplus	17,029	-
Retained earnings	175,746	201,607
Treasury stock	(5,553)	(8,167)
Total shareholders' equity	207,222	213,440
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,415	9,693
Deferred gains or losses on hedges	22	25
Revaluation reserve for land	8,448	8,425
Foreign currency translation adjustment	1,180	1,321
Remeasurements of defined benefit plans	4,391	4,760
Total accumulated other comprehensive income	37,458	24,226
Non-controlling interests	3,356	3,075
Total net assets	248,037	240,741
Total liabilities and net assets	431,073	426,820

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

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Net sales	615,819	615,761
Cost of sales	514,319	511,396
Gross profit	101,500	104,364
Selling, general and administrative expenses		
Selling expenses	60,018	60,185
General and administrative expenses	22,355	25,912
Total selling, general and administrative expenses	82,374	86,098
Operating profit	19,125	18,266
Non-operating income		
Interest income	69	87
Dividend income	952	944
Equity in earnings of affiliates	662	1,210
Other	1,010	1,068
Total non-operating income	2,694	3,310
Non-operating expenses		
Interest expenses	363	394
Contribution	579	118
Special milk formula supply business expenses	131	152
Other	482	424
Total non-operating expenses	1,557	1,090
Ordinary profit	20,262	20,486
Extraordinary income		
Gain on sale of non-current assets	1,213	29
Gain on sale of investment securities	329	29,992
Other	180	581
Total extraordinary income	1,723	30,603
Extraordinary loss		
Loss on sale of non-current assets	7	16
Loss on retirement of non-current assets	1,842	1,492
Impairment loss	1,319	2,501
Loss on liquidation of subsidiaries and associates	-	844
Other	300	497
Total extraordinary loss	3,469	5,352
Profit before income taxes	18,516	45,737
Income taxes	5,699	14,655
Deferred	(1,260)	(1,616)
Total income taxes	4,439	13,038
Profit	14,077	32,698
Profit (Loss) attributable to non-controlling interests for the year	173	(198)
Profit attributable to owners of parent	13,904	32,897

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Profit	14,077	32,698
Other comprehensive income		
Valuation difference on available-for-sale securities	1,417	(13,718)
Deferred gains or losses on hedges	(18)	3
Revaluation reserve for land	(123)	(22)
Foreign currency translation adjustment	184	121
Remeasurements of defined benefit plans	2,857	331
Share of other comprehensive income of entities accounted for using the equity method	61	83
Total other comprehensive income	4,379	(13,201)
Comprehensive income	18,457	19,497
(Breakdown)		
Comprehensive income attributable to owners of parent	18,259	19,664
Comprehensive income attributable to non-controlling interests	197	(167)

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of term	20,000	17,027	167,278	(5,322)	198,983	21,958	40
Changes during term							
Cash dividends			(5,414)		(5,414)		
Profit attributable to owners of parent			13,904		13,904		
Purchase of treasury stock				(293)	(293)		
Cancellation of treasury stock					-		
Disposal of treasury stock				62	62		
Change in ownership interest of parent due to transactions with non-controlling interests		1			1		
Decrease in retained earnings due to increase in consolidated subsidiaries			(20)		(20)		
Reversal of revaluation reserve for land					-		
Transfer from retained earnings to capital surplus					-		
Net changes other than shareholders' equity						1,457	(18)
Total changes during term	-	1	8,468	(231)	8,238	1,457	(18)
Balance at end of term	20,000	17,029	175,746	(5,553)	207,222	23,415	22

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of term	8,571	1,033	1,499	33,102	3,214	235,300
Changes during term						
Cash dividends						(5,414)
Profit attributable to owners of parent						13,904
Purchase of treasury stock						(293)
Cancellation of treasury stock						-
Disposal of treasury stock						62
Change in ownership interest of parent due to transactions with non-controlling interests						1
Decrease in retained earnings due to increase in consolidated subsidiaries						(20)
Reversal of revaluation reserve for land						-
Transfer from retained earnings to capital surplus						-
Net changes other than shareholders' equity	(123)	147	2,892	4,355	142	4,497
Total changes during term	(123)	147	2,892	4,355	142	12,736
Balance at end of term	8,448	1,180	4,391	37,458	3,356	248,037

Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of term	20,000	17,029	175,746	(5,553)	207,222	23,415	22
Changes during term							
Cash dividends			(6,767)		(6,767)		
Profit attributable to owners of parent			32,897		32,897		
Purchase of treasury stock				(20,007)	(20,007)		
Cancellation of treasury stock		(17,305)		17,305	-		
Disposal of treasury stock		0		88	88		
Change in ownership interest of parent due to transactions with non-controlling interests		(14)			(14)		
Decrease in retained earnings due to increase in consolidated subsidiaries					-		
Reversal of revaluation reserve for land			22		22		
Transfer from retained earnings to capital surplus		291	(291)		-		
Net changes other than shareholders' equity						(13,722)	3
Total changes during term	-	(17,029)	25,860	(2,613)	6,217	(13,722)	3
Balance at end of term	20,000	-	201,607	(8,167)	213,440	9,693	25

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of term	8,448	1,180	4,391	37,458	3,356	248,037
Changes during term						
Cash dividends						(6,767)
Profit attributable to owners of parent						32,897
Purchase of treasury stock						(20,007)
Cancellation of treasury stock						-
Disposal of treasury stock						88
Change in ownership interest of parent due to transactions with non-controlling interests						(14)
Decrease in retained earnings due to increase in consolidated subsidiaries						-
Reversal of revaluation reserve for land						22
Transfer from retained earnings to capital surplus						-
Net changes other than shareholders' equity	(22)	140	368	(13,231)	(281)	(13,513)
Total changes during term	(22)	140	368	(13,231)	(281)	(7,295)
Balance at end of term	8,425	1,321	4,760	24,226	3,075	240,741

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Net cash provided by (used in) operating activities		
Profit before income taxes	18,516	45,737
Depreciation and amortization	17,295	17,482
Impairment loss	1,319	2,501
Loss on liquidation of subsidiaries and associates	-	844
Equity in (earnings) losses of affiliates	(662)	(1,210)
Amortization of goodwill	135	117
Increase (decrease) in allowance for doubtful accounts	(4)	(67)
Increase (decrease) in provision for bonuses	(350)	201
Decrease (increase) in nets defined benefit asset	(272)	(597)
Increase (decrease) in nets defined benefit liability	(65)	(428)
Loss (gain) on sale and retirement of non-current assets	636	1,479
Loss (gain) on sale of investment securities	(326)	(30,366)
Interest and dividend income received	(1,022)	(1,031)
Interest expenses	363	394
Decrease (increase) in accounts receivable-other	397	(51)
Decrease (increase) in trade receivables	7,303	(2,600)
Decrease (increase) in inventories	(4,929)	(9,145)
Increase (decrease) in trade payables	(3,292)	(1,189)
Other	(2,383)	3,622
Sub total	32,657	25,693
Interest and dividend income	1,360	1,403
Interest expenses paid	(369)	(400)
Income taxes paid	(12,547)	(3,798)
Net cash provided by (used in) operating activities	21,100	22,897
Net cash provided by (used in) investing activities		
Payments into time deposits	(9)	(6)
Proceeds from withdrawal of time deposits	42	19
Payments of loans receivable	(17)	(73)
Collection of loans receivable	29	24
Purchase of property, plant and equipment and intangible assets	(20,933)	(27,291)
Proceeds from sale of property, plant and equipment and intangible assets	3,163	2,387
Purchase of investment securities	(687)	(114)
Proceeds from sale of investment securities	852	32,186
Payments of leasehold and guarantee deposits	(1,327)	(76)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	244	-
Proceeds from sale of shares of subsidiaries and other resulting in change in scope of consolidation	-	789
Other	130	(776)
Net cash provided by (used in) investing activities	(18,512)	7,067

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(746)	(689)
Proceeds from long-term loans payable	-	430
Repayment of long-term loans payable	(3,231)	(9,639)
Redemption of bonds	(4)	(9)
Purchase of treasury stock	(268)	(20,007)
Cash dividends paid	(5,399)	(6,746)
Cash dividends paid to non-controlling interests	(2)	(2)
Proceeds from share issuance to non-controlling shareholders	-	108
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(12)	(421)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	192
Other	(709)	(562)
Net cash provided by (used in) financing activities	(10,375)	(37,348)
Effect of exchange rate on cash and cash equivalents	118	62
Net increase (decrease) in cash and cash equivalents	(7,668)	(7,320)
Cash and cash equivalents at beginning of period	28,988	21,319
Cash and cash equivalents at end of period	21,319	13,998

(5) Notes to the Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

Not applicable.

(Change in presentation)

(Consolidated statements of income)

“Special milk formula supply business expenses”, which was included in “Other” under “Non-operating expenses” in the fiscal year ended March 31, 2025, is separately presented under “Non-operating expenses” in the fiscal year ended March 31, 2026, due to its increased materiality.”

In order to reflect these changes in presentation methods, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated statements of income for the previous fiscal year, “Other” of ¥614 million, presented under “Non-operating expenses,” has been reclassified as “Special milk formula supply business expenses” of ¥131 million and “Other” of ¥482 million.

(Segment and Other Information)

【Segment information】

1. Overview of reportable segments

The Company's reportable segments are components of the MEGMILK SNOW BRAND Group about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The Group is engaged mainly in manufacturing and selling of products made from milk, etc., manufacturing and selling of cattle feed, pasture forage and crop seed, and other related products. Dairy products such as cheese and butter, and beverages and desserts such as milk and yogurt are mainly handled by the Company, while feedstuffs and seed are mainly handled by Snow Brand Seed Co., Ltd.

The Group's operations are therefore classified based on products into three reportable segments, namely, dairy products business, beverage and dessert business, and feedstuffs and seed business.

2. Calculation method for net sales, profit/loss, assets, liabilities and other amounts by reportable segment

Accounting methods applied in the reportable segments are in compliance with accounting policies applied for the preparation of consolidated financial statements.

Segment profit represents operating profit.

Intersegment sales and transfers are based on market price.

3. Net sales, profit/loss, assets, liabilities and other amounts by reportable segment and breakdown of revenue

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment (note 1)				Other (note 2)	Total	Adjustments (note 3)	Amount recorded on consolidated financial statements (note 4)
	Dairy Products	Beverages and Desserts	Feedstuffs and Seed	Total				
Net sales								
Revenue from contracts with customers	263,324	264,326	48,485	576,135	39,331	615,467	—	615,467
Other revenue	—	—	—	—	352	352	—	352
Sales to outside customers	263,324	264,326	48,485	576,135	39,683	615,819	—	615,819
Inter-segment sales and transfers	14,261	83	1,178	15,523	13,528	29,052	(29,052)	—
Total	277,586	264,409	49,663	591,659	53,212	644,872	(29,052)	615,819
Segment profit	10,405	5,653	363	16,422	2,676	19,099	25	19,125
Segment assets	231,874	147,345	33,470	412,690	39,577	452,267	(21,194)	431,073
Other items								
Depreciation/ amortization (note 5)	9,267	6,221	674	16,163	1,264	17,428	(132)	17,295
Amortization of goodwill	135	—	—	135	—	135	—	135
Impairment loss	1,039	—	37	1,076	3	1,079	239	1,319
Increase in PP&E and intangible assets (note 6)	14,228	5,496	951	20,676	871	21,547	(494)	21,052

Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment (note 1)				Other (note 2)	Total	Adjustments (note 3)	Amount recorded on consolidated financial statements (note 4)
	Dairy Products	Beverages and Desserts	Feedstuffs and Seed	Total				
Net sales								
Revenue from contracts with customers	268,428	260,271	47,942	576,642	38,772	615,414	—	615,414
Other revenue	—	—	—	—	346	346	—	346
Sales to outside customers	268,428	260,271	47,942	576,642	39,118	615,761	—	615,761
Inter-segment sales and transfers	15,019	76	627	15,722	15,035	30,758	(30,758)	—
Total	283,447	260,348	48,570	592,365	54,154	646,520	(30,758)	615,761
Segment profit	10,515	3,905	710	15,131	3,346	18,478	(211)	18,266
Segment assets	225,231	147,622	33,991	406,845	35,666	442,511	(15,691)	426,820
Other items								
Depreciation/ amortization (note 5)	8,942	6,879	684	16,506	1,144	17,650	(167)	17,482
Amortization of goodwill	117	—	—	117	—	117	—	117
Impairment loss	2,189	—	114	2,303	—	2,303	197	2,501
Increase in PP&E and intangible assets (note 6)	17,180	15,557	1,765	34,503	1,308	35,812	(367)	35,444

Notes: 1. Net sales for reportable segments are mainly revenue from sales of merchandise and finished goods.

2. "Other" comprises businesses, such as joint distribution center services and real estate rental that are not included in reportable segments. Net sales of "Other" are mainly revenue from distribution services.

3. Adjustments are as follows:

Net sales

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Intersegment transactions elimination	(29,052)	(30,758)
Total	(29,052)	(30,758)

Segment profit

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Intersegment transactions elimination	25	(211)
Total	25	(211)

Segment assets

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Intersegment transactions elimination and other factors	(25,260)	(25,739)
Corporate assets*	4,065	10,047
Total	(21,194)	(15,691)

*Corporate assets comprise mainly of surplus working funds and idle assets held by the parent company.

4. Segment profit adjustments are based on operating profit reported on the consolidated statements of income for the corresponding period.
5. Depreciation/amortization includes amortization of long-term prepaid expenses.
6. Increase in PP&E and intangible assets includes an increase in long-term prepaid expenses.

3. Impairment loss on non-current assets or goodwill by reportable segment

(Significant impairment loss on non-current assets)

In the Dairy Products segment, the Company judged that there was an indication of impairment due to the decision to discontinue production at its Okoppe Plant (Okoppe-cho, Monbetsu-gun, Hokkaido) on November 14, 2025.

As a result of the impairment judgment, the book value was reduced to the recoverable amount, and the reduced amount was recorded as an impairment loss (2,154 million yen) under extraordinary loss.

(Revenue Recognition)

The breakdown of revenue from contracts with customers is presented in "(5) Notes to the Quarterly Consolidated Financial Statements (Segment and Other Information)".

("Per Share" Data)

Item	Year ended March 31, 2025	Year ended March 31, 2026
Net assets per share	3,626.93yen	3,923.36yen
Profit per share - basic	205.93yen	524.82yen
Profit per share after adjustment for dilutive stock	As there is no dilutive stock, we have not recorded anything for "Profit per share after adjustment for dilutive stock."	As there is no dilutive stock, we have not recorded anything for "Profit per share after adjustment for dilutive stock."

Notes: 1. The fundamentals used to calculate "Net assets per share" are as follows:

Item		As of March 31, 2025	As of March 31, 2026
Total for net assets	(millions of yen)	248,037	240,741
Amounts deducted from the total for net assets	(millions of yen)	3,356	3,075
(of which, Non-controlling interests)	(millions of yen)	(3,356)	(3,075)
Net assets as of fiscal year-end pertaining to common stock	(millions of yen)	244,680	237,666
Number of common stock as of fiscal year-end used to calculate net assets per share	(shares)	67,462,296	60,577,361

2. The fundamentals used to calculate "Profit per share – basic" are as follows:

Item		Year ended March 31, 2025	Year ended March 31, 2026
Profit attributable to owners of parent	(millions of yen)	13,904	32,897
Amount not attributable to owners of common stock	(millions of yen)	—	—
Profit attributable to owners of parent pertaining to common stock	(millions of yen)	13,904	32,897
Average number of shares during the year	(shares)	67,519,628	62,682,412

3. The Company's shares held by a trust for the performance-linked stock compensation plan are included in the number of treasury stock deducted from the total number of issued shares as of period-end for the calculation of net assets per share. In addition, these shares are included in the number of treasury stock deducted in calculation of the average number of shares during the year for the calculation of profit per share-basic. The number of shares of treasury stock held by the trust as of the end of the fiscal years ended March 31, 2025 and 2026 was 216 thousand shares and 182 thousand shares, respectively. The average number of shares during the fiscal years ended March 31, 2025 and 2026 was 161 thousand shares and 193 thousand shares, respectively.

(Key Subsequent Events)

(Repurchase of Own Shares)

MEGMILK SNOW BRAND Co., Ltd. (the "Company") has decided at the meeting of Board of Directors held on May 14, 2026 to repurchase its own shares in accordance with Article 156 of the Companies Act of Japan, Article 165 of the Companies Act of Japan.

1. Reason for Repurchasing Shares

Based on the capital policy outlined in our management plan "Next Design 2030" for fiscal year 2030, announced in May 2025, the Company has decided to acquire our own shares with the aim of improving capital efficiency. This decision considers the comprehensive factors of stock price, capital structure, and funding needs for growth investments.

2. Details of the Repurchase

(1)Class of shares to be repurchased	Common stock of the Company
(2)Total number of shares to be repurchased	4,000,000 shares (upper limit) (Percentage to the total number of shares in issue (excluding treasury stock) 6.6 %)
(3)Total amount of repurchase	Up to ¥10,000 million
(4)Repurchase period	From May 15, 2026 to March 12, 2027
(5)Repurchase method	Market purchase on the Tokyo Stock Exchange
(6)Others	The Company plans to cancel all shares repurchased under this program by resolution of the Board of Directors, pursuant to the provisions of Article 178 of the Companies Act.

(Reference)

Status of shares in issue and treasury stock as of April 30, 2026

Total number of shares in issue (excluding treasury stock) 60,759,970 shares

Number of treasury stock 3,075,485 shares

※Treasury stock does not include shares owned by the officer compensation trust account.

(Significant capital investment)

MEGMILK SNOW BRAND Co., Ltd. (the "Company") announces that at a meeting held on May 14, 2026, its Board of Directors passed a resolution detailed below to implement the "Kanto Area Production System Enhancement" as part of the evolution of the production system under its management plan "Next Design 2030."

1. Purpose of the investments

Under our management plan "Next Design 2030", the Company aims to revolutionize the production system based on new ideas and evolve toward a sustainable value chain.

As part of this initiative, at this time, in order to build an efficient production structure in the Kanto area, the Company have decided to terminate production at the Kawagoe plant, concentrate management resources in the Ebina plant and the Noda plant, and to consolidate the production functions for fermented milk and chilled desserts, including the utilization of Luna Bussan Co., Ltd., a group company.

By decisively implementing asset transformation, the Company will aim to achieve both "food sustainability", and "enhance corporate value" through business growth.

2. Investment Overview

The Company will consolidate the production functions of the Kawagoe plant by utilizing the existing vacant space at the Ebina and Noda plants and the Group company Luna Bussan Co., Ltd.

MEGMILK SNOW BRAND will, in implementing this initiative, aim to achieve labor savings and improve productivity through the evolution and acceleration of the manufacturing technologies it has accumulated to date.

The investment amount, schedule, and other details of this investment plan are as follows.

Content of Investment Plan

Item	Overview
Applicable Plant	Ebina Plant (Ebina City, Kanagawa Prefecture) Noda Plant (Noda City, Chiba Prefecture) Luna Bussan Co., Ltd. (Matsuyama City, Ehime Prefecture)
Investment Amount	About ¥10,900 million

Investment Overview	Consolidation of Fermented Milk and Chilled Dessert Production Functions at the Kawagoe Plant
Construction Start	Second half of fiscal year 2027
Planned Start of Operation	Sequentially from the first half of fiscal year 2028

3. Discontinuation of Production at the Kawagoe Plant

In conjunction with the consolidation of production functions, the Company will discontinue production at the Kawagoe Plant.

Content of Kawagoe Plant

Item	Overview
Address	1535 Matoba, Kawagoe-shi, Saitama
Site Area	7,069 m ²
Operations commencement year:	1989
Number of employees (note)	151 persons
Primary production items	Fermented Milk and Chilled Desserts
End of production timing (planned)	Targeting within the first half of fiscal year 2028.

Number of employees as of April 1, 2026

4. Impact on Forecast of Consolidated Results

The impact of these investments plan decision on the fiscal year ending March 2027 forecast of consolidated results is minor.