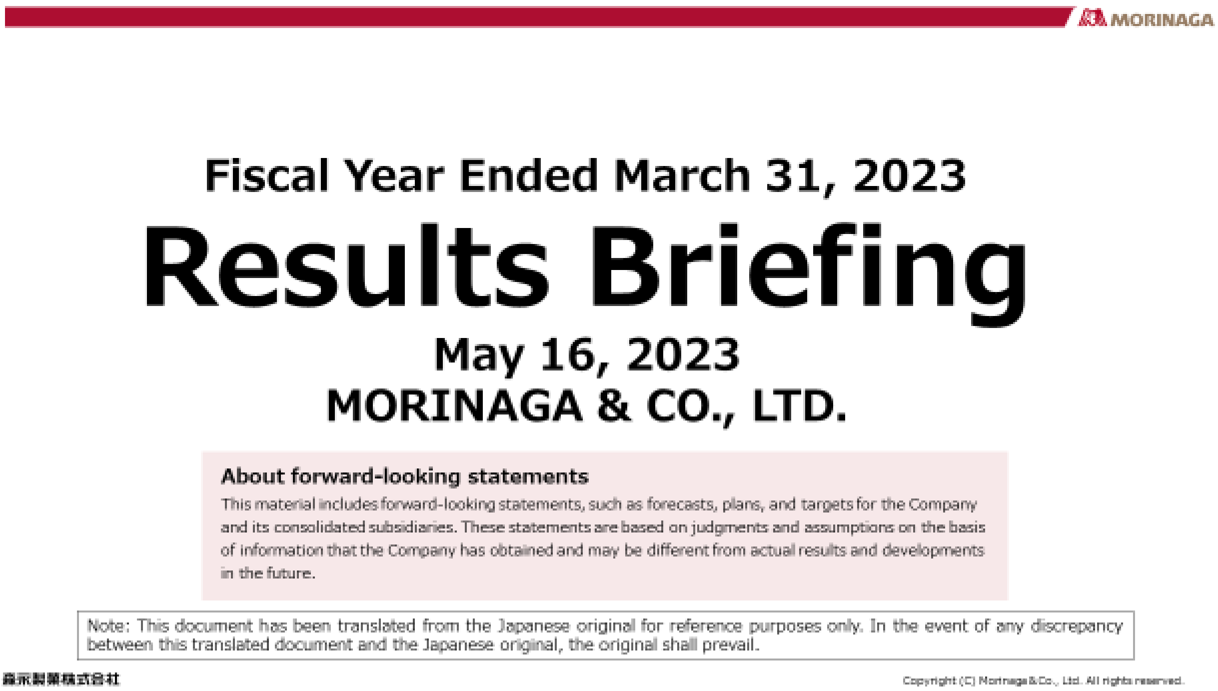

Ota: Hello, everyone. I am Ota. Thank you all for taking time out of your busy schedules today to attend our financial results briefing for the fiscal year ended March 31, 2023.

As I explained a year ago in May, we were affected by a sharp increase in raw material prices and energy costs that were higher than expected during the fiscal year, as well as the significant impact of foreign exchange rates. In terms of earnings, this was lower than the initial forecast and the previous fiscal year.

However, in terms of sales, we were able to steadily increase the top line, mainly in focus domains, and exceeded our forecast at the beginning of the period, achieving record-high sales for the second consecutive fiscal year. As we will explain later, the effect of the price revision was more than planned, and we believe that the results were generally in line with our expectations.

Today, I would like to explain the details of the previous year's results, the forecast for this fiscal year, and the progress and outlook of the 2021 Medium-Term Business Plan, as this is the final year.

Consolidated Results

Net sales hit a record high for the second straight year, driven by sustained brisk results in the focus domains of the "in-" Business and the United States Business. Operating income decreased on the impacts of soaring costs for raw materials and energy, along with strategic investments in advertising.The decrease in net income includes the impact (roughly ¥15.0 billion)*1 of the sale of cross-shareholdings booked a year earlier.

(Billion yen)	FY2023/3	Y/Y change		vs. forecast*3	
Net sales	194.3	+13.1	107.2%	+0.8	100.5%
Gross profit 〔gross profit margin〕	76.6 〔39.4%〕	+0.8 〔(2.4ppt)〕	101.1%	+0.6	100.7%
Operating income 〔Operating income margin〕	15.2 〔7.8%〕	(2.4) 〔(2.0ppt)〕	86.1%	+1.2	108.8%
Ordinary income	15.7	(2.5)	86.4%	+1.1	107.9%
Profit attributable to owners of parent	10.0	(17.7)	36.2%	+1.1	113.0%
EBITDA*2	25.3	(2.4)	91.4%	+1.0	104.6%

*1 Net total of extraordinary income and income taxes
*2 Simple calculation method used for EBITDA: operating income + depreciation and amortization
*3 Figures announced February 2023
*4 The yen conversion rate at overseas subsidiaries that underpins our forecasts is ¥131=$1USD

First, here are the full-year results for the previous fiscal year.

Net sales were JPY194.3 billion, an increase of JPY13.1 billion over the previous year, or 107.2% on a percentage basis. As commented above, the "in-" business, the US business, and Direct Marketing business, all of which are focus domains, continued to perform well, recording record sales for the second consecutive year and achieving the sales plan of JPY190 billion for the current fiscal year, the final year of the 2021 Medium-Term Business Plan, one year ahead of schedule.

The contribution of this revenue increase was so large that the 2.4 percentage point deterioration in gross profit due to the soaring cost of sales was offset by a JPY13.1 billion increase in revenue, resulting in an JPY0.8 billion increase in the gross profit level. However, operating income decreased by JPY2.4 billion due to a strategic increase in intangible investments such as advertising and R&D in order to achieve the 2030 Vision.

Since operating income at the beginning of the period was JPY16.5 billion, it was about JPY1.3 billion less than the forecast at the beginning of the period.

And the first right, the forecast comparison, this is a comparison of the figures announced in February when Q3 was disclosed, and the figures were higher than expected, but Q4 results were better than expected.

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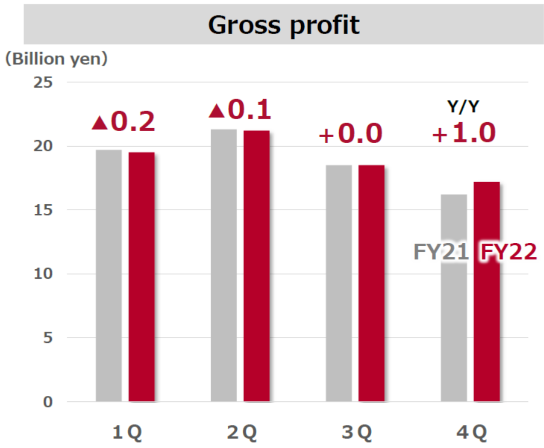
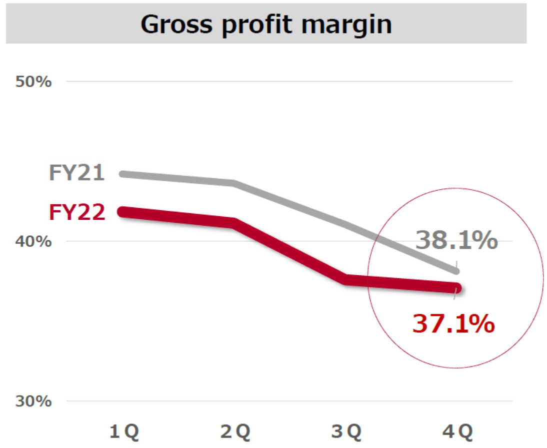
Quarterly Profit Trend

Gross profit turned positive in 4Q, boosted by higher sales in the Confectionery & Foodstuffs and Frozen Desserts businesses. The year-on-year difference in the gross profit margin narrowed in 4Q.





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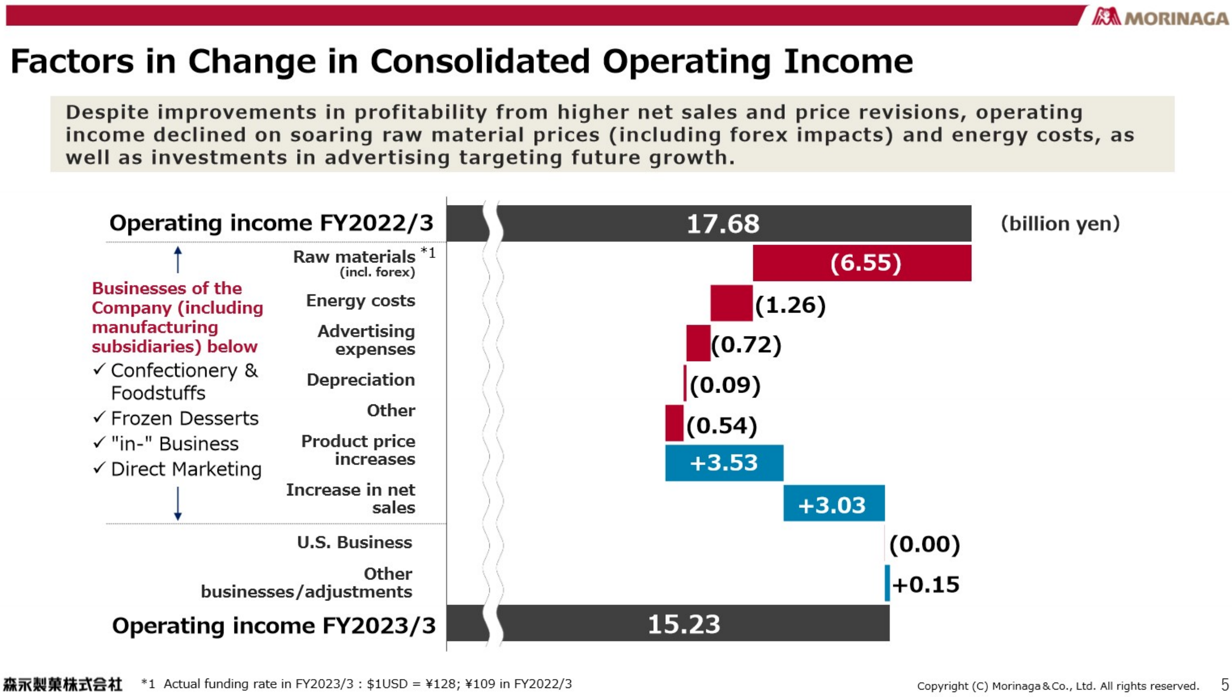
These are the numbers for that Q4, and I have graphed the trend in quarterly earnings.

In Q4, overall sales were up 109% from the previous year, with particularly large increases in Confectionery & Foodstuffs and Frozen Desserts sales, resulting in a JPY1 billion increase in gross profit for the entire company.

The gross profit margin on the right was also minus 1% from the previous year, and since it was minus 2.4% for the year just ended, you can see that the scope of the cost increase is also becoming smaller, although it is partly due to the effect of price revisions.



The next factor is the change in operating income during the year. Factors contributing to the decrease in profit are shown in red and factors contributing to the increase in profit are shown in blue.

Even with the inclusion of cost reduction efforts, the top two items, raw material prices and energy cost, increased by approximately JPY7.8 billion, and advertising expenses increased by JPY0.72 billion in Japan. Including the overseas expenses, total advertising expenses increased by about JPY1 billion.

As for the increase of JPY0.54 billion in other, it includes R&D, personnel expenses, etc. Including this, the red-colored portion is approximately JPY9.2 billion. The effect of price revisions is JPY3.53 billion, which is an increase of JPY0.66 billion from the JPY2.87 billion forecast at the beginning of the period.

There was additional revision, the sales increase below that was more than planned at the beginning of the fiscal year, but even with all these could not cover the negative factors, resulting in a decrease of approximately JPY2.4 billion in profit from the previous year. As I have included in the bottom column, the actual exchange rate for procurement in FY2022 was JPY128 per US dollar, compared to JPY109 in the previous year, which means a significant depreciation of JPY19 per US dollar.

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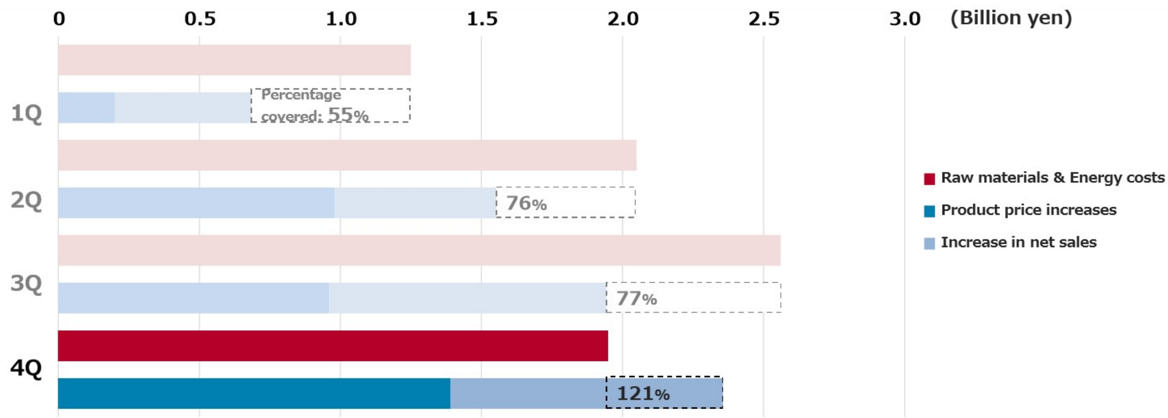
Percentage of cost increases covered by higher net sales and price revisions

In 4Q, we were able to cover soaring costs with price revisions and higher sales.



*Total for Confectionery & Foodstuffs, Frozen Desserts, “in-” Business, and Direct Marketing businesses of Morinaga & Co. (parent and manufacturing subsidiaries). Impact (effect) calculated on a year on year basis.

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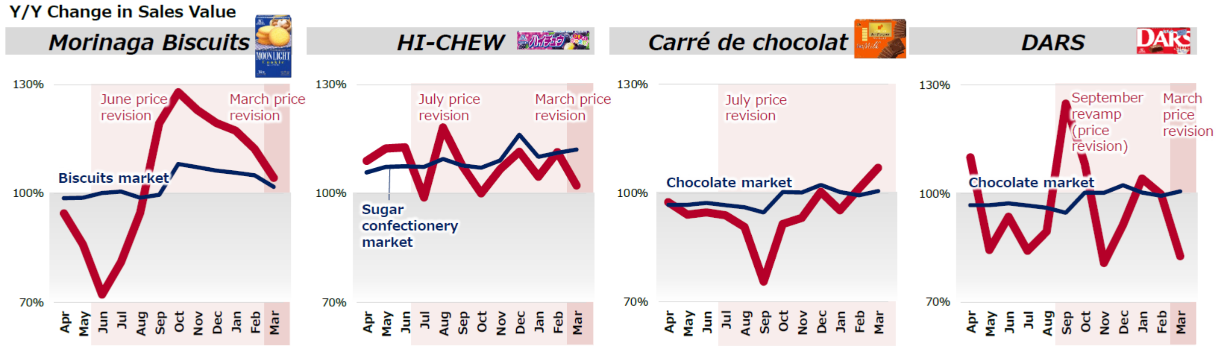
Next, we produced quarterly coverage rates based on the effects of price revisions and revenue increases. This is an updated version of the material that was released at the time of Q3 earnings disclosure in February.

Looking at Q4 alone, we were able to offset cost increases with price revisions and revenue increases, and as you can see, we have been able to beat back against cost increases as the quarter progresses.

Market Conditions : Confectionery



	Morinaga Biscuits	HI-CHEW	Carré de chocolat	DARS
Market	• Pandemic-driven demand remained firm	• Buoyed by a recovery in the movement of people, the market recovered and was up year on year	• The chocolate market overall was flat year on year in 2H • The pure chocolate market continued to struggle	
Morinaga	• Sales were brisk after supply-demand constraints in 1H eased • Sales greatly outpaced the market in 2H due to promotions mainly of *Moonlight*, and the success of new products • Sales remained above the year-earlier level even after the price revisions in March	• Sales remained strong owing to the launch of products and promotions focusing on mouthfeel texture • Sales remained above the year-earlier level even after the price revisions in March	• September sales faced the high hurdle of a year-earlier new product launch • Even though sales struggled due to the price gap with competitors after 1H price revisions, we further promoted the product's value as a top brand of high-quality chocolate from 2H onwards	• We raised prices in September in line with product quality improvements • We ran "*DARS* Day" promotions in 3Q; sales were brisk for core products, but weak for high-priced items • The trend in sales after the March price revisions bears watching

 (Source: intage SRI+ estimated sales value)

The errors in graphs and comments were corrected on May 24, 2023.

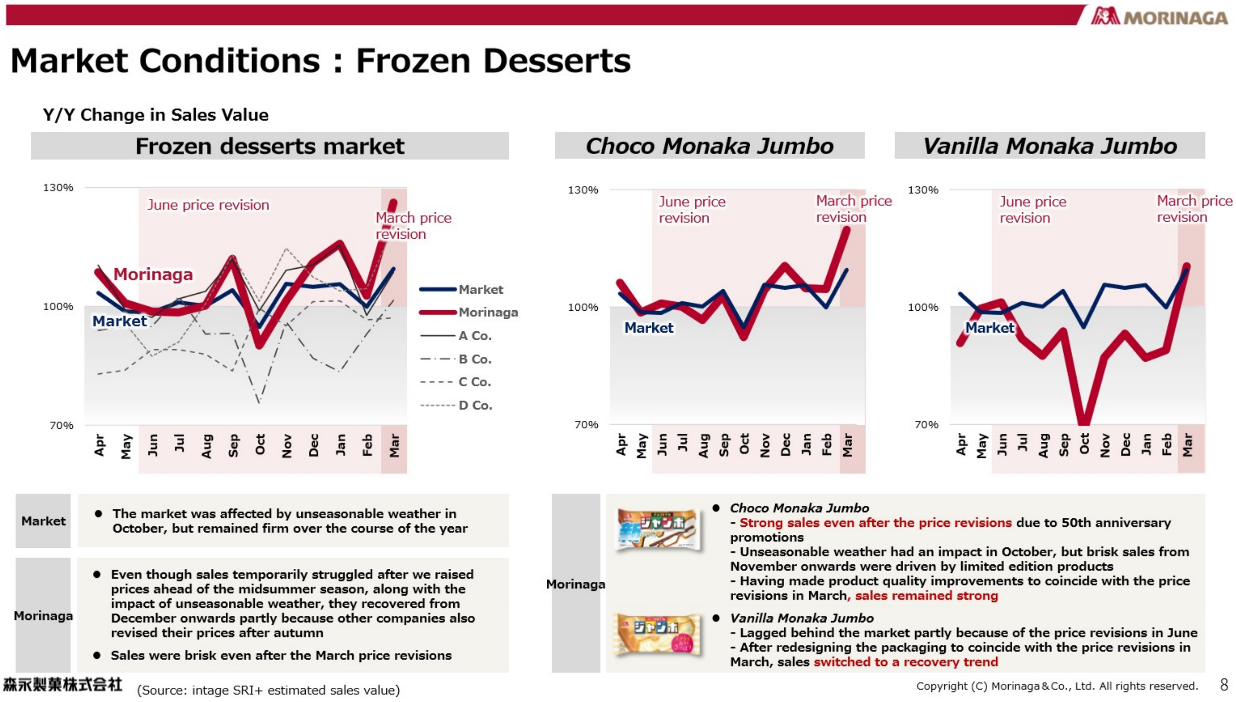
Next, we summarize the topics of the domestic and US markets over the past year, including the post-price revision situation from here. For Japan, SRI data and over-the-counter YoY comparisons are graphed by month.

First, in the domestic confectionery and *Morinaga Biscuits*, the overall biscuits market continues to maintain the large expansion achieved by the pandemic. The red line shows that in Q1, there was a supply-demand adjustment due to the expansion of production lines, and the price revision in June caused a large drop, but the market has recovered since August and has greatly exceeded the market growth since September due to the launch of new products and advertising investments. On an annual basis, the market as a whole was 102.6% and the Company's performance was 103.9%.

Next is *HI-CHEW*. The candy market as a whole was depressed by COVID-19, but has been recovering, with overall market growth of 109.3% for the year, nearly double-digit growth. *HI-CHEW* has also continued to do well since the year before last, with two price revisions in July and March, and the various tricks have also been effective.

Next are *Carré de chocolat* and *DARS*. H2 was on par with the previous year, but the chocolate market as a whole was at 98% of the previous year's level, and the year included a particularly challenging trend for pure chocolate. In this context, we implemented price revisions during the year to improve the profitability of both *Carré de chocolat* and *DARS*.

While the month-to-month variation in sales is significant, the annual results show that we have struggled in both cases, and less than 95% YoY in SRI for the year. In terms of shipments, a *DARS* was 100% of the previous year's level and 94% of the previous year's level for *Carré de chocolat*.

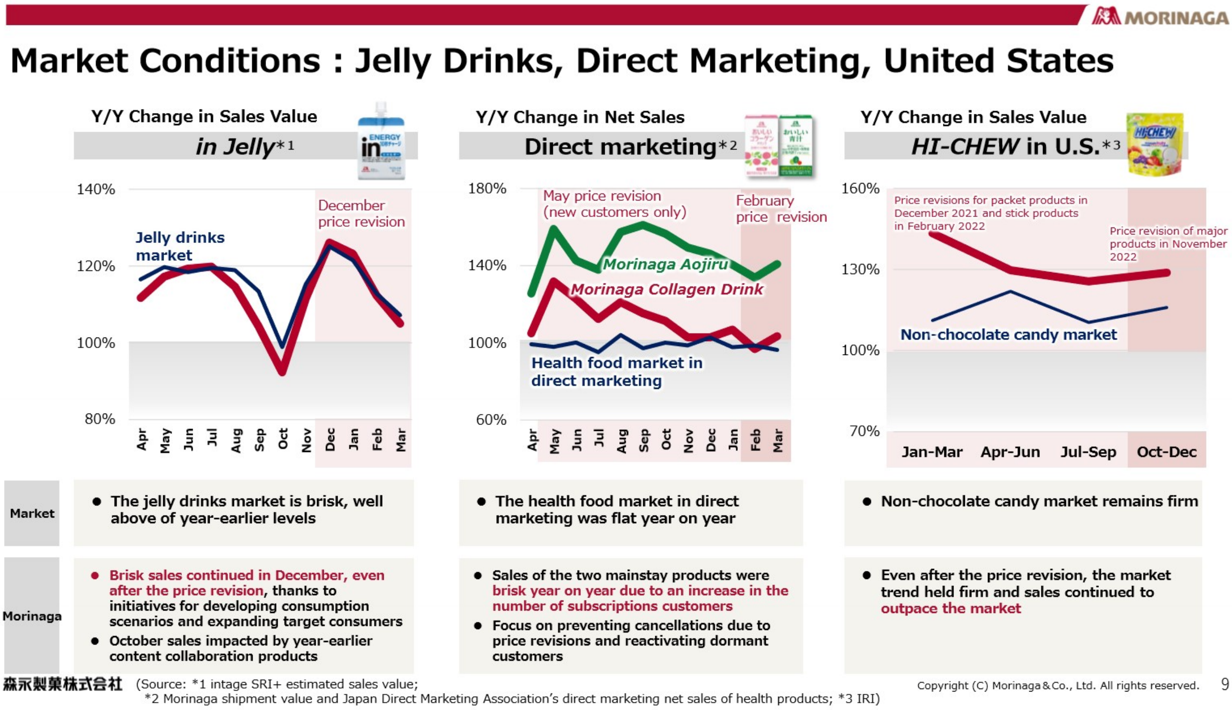


Next, Frozen Desserts.

The market as a whole was strong, with the overall market at 101.6% YoY, and our company, marked by red line, was 104% YoY. We have also revised our prices of frozen desserts twice, in June and March, and they have remained steady without being significantly affected, outpacing the growth of the market as a whole.

The same view, right, is of *Choco Monaka Jumbo* and *Vanilla Monaka Jumbo*. *Choco Monaka Jumbo* has been sold steadily since the price revision, thanks to the promotion of the 50th anniversary of the product's launch. In this SRI, 102.3% and shipments exceeded those of the previous year.

However, *Vanilla Monaka Jumbo* has been struggling, with the SRI annual total at 91% of the previous year's level, but it has been on a recovery trend since the March price revision.



Next are *in Jelly*, Direct Marketing, and *HI-CHEW* in the US in the area of focus.

This graph shows that the jelly beverage market and *in Jelly* continue to be strong, with roughly the same transition. During the year, the overall market was 115% and *in Jelly* was 113%.

Next is Direct Marketing, which continues to grow much faster than the mail order health food market, with the number of regular customers steadily increasing for both *Morinaga Collagen Drink* and *Morinaga Aojiru*, and strategic advertising investments are also paying off.

Finally, there is the US *HI-CHEW*. Although the second price revision was implemented in the previous fiscal year in last November, it has remained above the overall market average, which is strong.

As mentioned above, price revisions vary from product to product, but the total progress is favorable. Although additional revisions were made in March, looking at the SRI data for April, it can be said that at this point the trend is in line with our expectations.

Summary by Business

In Japan, net sales grew in all businesses, mainly in the "in-" Business and the Confectionery & Foodstuffs Business. Operating income was impacted by weaker profit in the Confectionery & Foodstuffs and Frozen Desserts businesses. Overseas, sales growth continued in the United States Business. Operating income absorbed rising costs as we continued to invest in growth.

(billion yen)	Net sales			Operating income		
	FY2023/3	Y/Y change		FY2023/3	Y/Y change	
Confectionery & Foodstuffs*1	74.3	+1.9	102.6%	1.5	(1.7)	47.2%
Frozen Desserts	40.5	+0.4	100.8%	3.4	(1.4)	71.0%
"in-" Business*1	30.6	+2.6	109.2%	7.0	+0.2	103.1%
Direct Marketing	10.2	+1.1	112.6%	0.6	+0.3	193.4%
Operating Subsidiaries	15.6	+1.8	113.2%	0.9	+0.2	126.4%
Other	1.2	+0.0	100.8%	(0.2)	(0.0)	—
Domestic Total	172.6	+7.7	104.7%	13.3	(2.5)	84.6%
United States*2*3	14.6	+4.1	138.9%	1.4	(0.0)	99.8%
China, Taiwan, Exports, etc.	7.0	+1.3	121.8%	0.5	+0.2	169.3%
Overseas Total	21.7	+5.4	132.8%	2.0	+0.2	112.7%
Consolidated Total	194.3	+13.1	107.2%	15.2	(2.4)	86.1%

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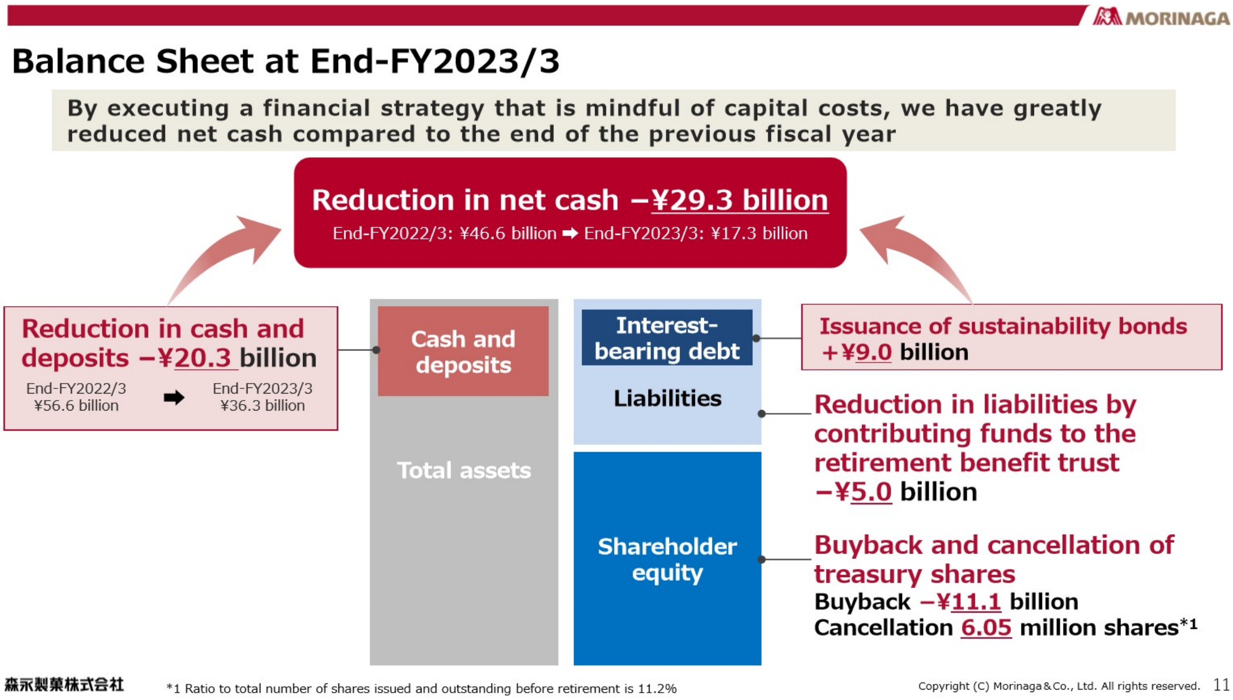
*1 Sugar confectionery, chocolates, and other products under the "*in*" brand are included in Confectionery & Foodstuffs
*2 Includes income from exports to the US from China and Taiwan
*3 Year-on-year net sales on a local currency basis is 121.5%

Next is a summary of the full-year results by business segment.

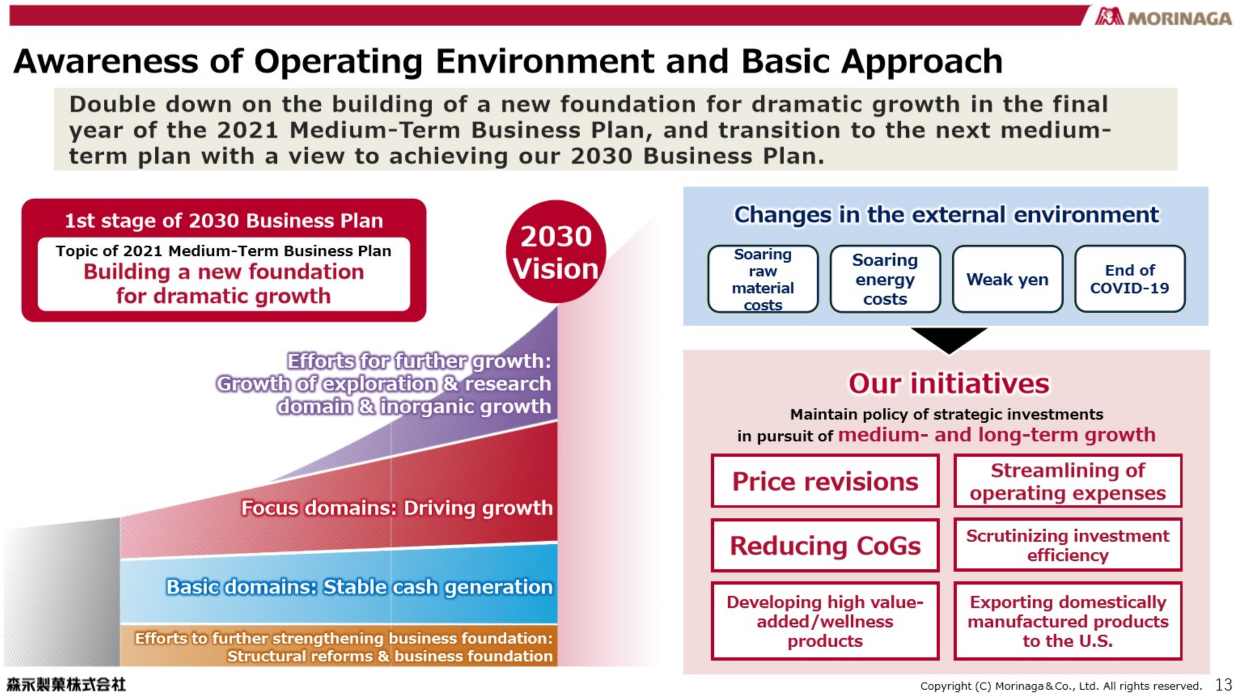
In terms of sales, all divisions achieved an increase in revenue. The colored figures show that the focus domains of "in-", Direct Marketing, and the US business stand out, but the business subsidiaries that were greatly affected by the pandemic, which is shown under Direct Marketing, such as Aunt Stella Inc., Morinaga Shoji Co., Ltd., Morinaga Market Development Co., Ltd., and others, are also making a comeback.

In terms of profit, Confectionery & Foodstuffs and Frozen Desserts saw a significant decrease in profit, which was largely affected by the sharp rise in raw material prices.



Next, the last part of the explanation of the previous year's results, the topic of the balance sheet at the end of the period is the reduction of net cash.

The implementation of a cost-of-capital-conscious financing strategy has resulted in a significant reduction in net cash, minus JPY29.3 billion. As I explained six months ago, we issued a Sustainability Bond, contributed funds to the retirement benefit trust, and repurchased and redeemed shares to enhance shareholder returns.



Forecasts for the fiscal year ending March 31, 2024.

It states the recognition of the business environment and our basic approach. This fiscal year is the final year of the 2021 Medium-Term Business Plan, the first stage toward the realization of the 2030 Business Plan. The changes in the external environment shown to the right, especially the sharp rise in raw material prices and the increase in energy costs, have greatly exceeded the assumptions made when the 2021 Medium-Term Business Plan was formulated. We would like to counteract that through various six initiatives, as described below.

Results Forecast for FY2024/3

As we respond strongly to the adverse operating environment, we are targeting growth in net sales and income. We are forecasting record-high net sales for the third year in a row.

(billion yen)	FY2024/3 forecast	Y/Y change	
Net sales	204.0	+9.7	105.0%
Gross profit 〔gross profit margin〕	81.9 〔40.2%〕	+5.3 〔+0.8ppt〕	106.9%
Operating income 〔operating income margin〕	17.3 〔8.5%〕	+2.1 〔+0.7ppt〕	113.5%
Ordinary income	17.8	+2.1	113.0%
Profit attributable to owners of parent	12.2	+2.2	121.3%
EBITDA*1	26.9	+1.6	106.6%

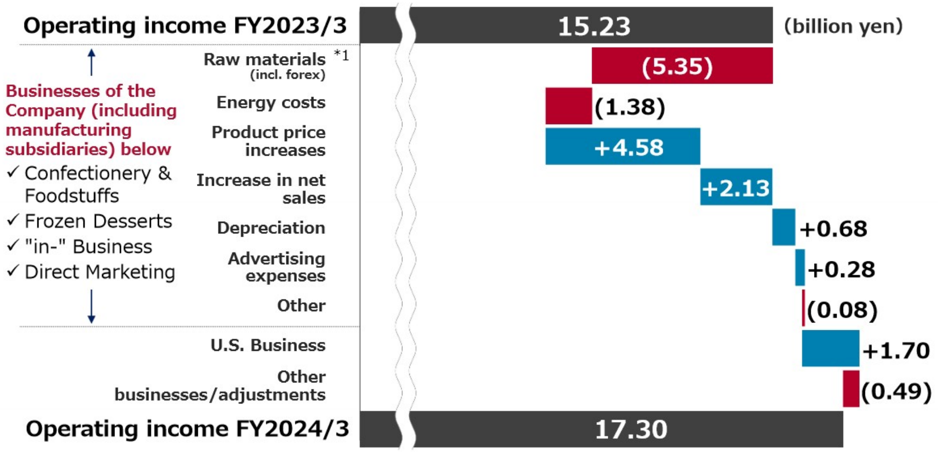
*1 Simple calculation method used for EBITDA: operating income + depreciation and amortization
*2 Assuming 1USD=¥133

The outlook for the harshness of the external environment is quite uncertain, and we are making plans based on the expectation that headwinds will continue in the current fiscal year, but we intend to continue strategic investments for the medium to long term, and it is in this context that we make our forecast for the current fiscal year.

We hope to achieve JPY204 billion in net sales, an increase of JPY9.7 billion YoY, a rate of 105%, and a record-high net sales for the third consecutive year. Operating income is projected at JPY17.3 billion, up JPY2.1 billion YoY, and net income at JPY12.2 billion, up JPY2.2 billion.

Factors in Change in Consolidated Operating Income

We will pivot to profit growth across all of our domestic mainstay businesses combined by leveraging price revisions and higher net sales growth to overcome headwinds from soaring raw material and energy costs. Combined with profit growth in the United States Business, we are targeting an increase in consolidated operating income.



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Next are the factors that contribute to the increase or decrease in operating income in the annual forecast.

For the year, we assume that raw material price hikes will still continue, including exchange rates, and these two factors, including increased energy costs, will increase by approximately JPY6.7 billion, compared to JPY7.8 billion in the previous fiscal year. What has gone up significantly is expected to go up even more, and it is not yet settled.

The effect of the price revision and the increase in sales will almost cancel this out, amounting to JPY6.6 billion, and in addition, the effect of the increase in profit from the US business, the second item from the bottom, will amount to JPY1.7 billion, resulting in a total projected increase of JPY2.1 billion. Advertising investment in the four domestic businesses alone is minus JPY0.28 billion per year, but if we add the overseas businesses, advertising expenditures for the entire company will be plus JPY0.3 billion.

The exchange rate was JPY133 to the US dollar in the current period and JPY128 in the previous period. We expect a JPY5 depreciation.

Summary by Business

In Japan, we forecast growth in net sales and operating income in each mainstay business and at our operating subsidiaries. Overseas, we forecast sustained growth in sales and year-on-year profit growth of more than double in the United States Business.

(billion yen)	Net sales FY2024/3 forecast	Net sales Y/Y change		Operating income FY2024/3 forecast	Operating income Y/Y change	
Confectionery & Foodstuffs*1	74.9	+0.6	100.9%	1.6	+0.1	109.1%
Frozen Desserts	42.5	+2.0	104.9%	3.7	+0.3	110.1%
"in-" Business*1	32.4	+1.8	106.0%	7.1	+0.1	102.5%
Direct Marketing	10.7	+0.5	104.8%	0.8	+0.2	128.8%
Operating Subsidiaries	16.1	+0.5	103.3%	1.0	+0.1	106.2%
Other	1.1	(0.1)	92.4%	(0.3)	(0.1)	—
Domestic Total	178.1	+5.5	103.1%	14.1	+0.8	105.9%
United States*2*3	18.7	+4.1	128.2%	3.1	+1.7	215.1%
China, Taiwan, Exports, etc.	7.1	+0.1	101.0%	0.1	(0.4)	18.3%
Overseas Total	25.9	+4.2	119.3%	3.2	+1.2	160.4%
Consolidated Total	204.0	+9.7	105.0%	17.3	+2.1	113.5%

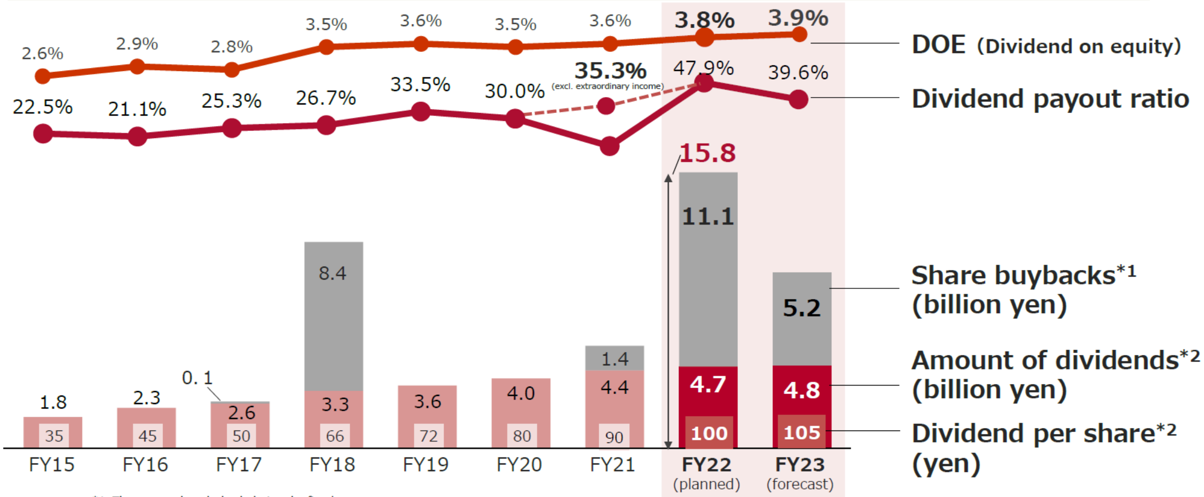
*1 Sugar confectionery, chocolates, and other products under the "*in*" brand are included in Confectionery & Foodstuffs
*2 Includes income from exports to the US from China and Taiwan
*3 Year-on-year net sales on a local currency basis is 126.6%

Next is an annual forecast summary by business segment.

We plan to increase sales and profits in each of our mainstay businesses and operating subsidiaries, with particularly large gains in our US business. As for the US, advertising expenses will increase, but the effect of the substantial increase in sales and the two price revisions in the previous fiscal year will be significant.

Shareholder Returns

For FY2023/3, we plan to raise our dividend by ¥10 to ¥100 per share. Returns to shareholders, including share buybacks, have never been higher. For FY2024/3, we plan to raise the dividend by an additional ¥5 to ¥105 per share and flexibly consider carrying out share buybacks as needed.



*1 The amount bought back during the fiscal year (for FY2023, the amount purchased up until May 16, 2023)
*2 The appropriation of surplus amount for the fiscal year

The following errors were corrected on May 24, 2023.
FY18 dividend payout ratio: 25.9%→26.7%; FY18 DOE: 3.4%→3.5

Next, I would like to discuss shareholder returns.

For FY2022, we plan to increase the dividend by JPY10 to JPY100 per share, which will mark the eighth consecutive year of planned dividend increases.

Also, as you can see there, the total of JPY15.8 billion, including JPY11.1 billion for share buybacks, is the largest shareholder return ever. And now, at the time of our earnings forecast, we also announced, perhaps for the first time for our company, an increase in the dividend for FY2023. Our policy is to raise the level of DOE over the medium to long term, and this is a statement of management's intention to achieve this goal.

At the same time, the Company also announced a JPY5.2 billion share buyback. The Company will continue to consider acquiring treasury stock as necessary and in a flexible manner, keeping in mind the total return ratio.

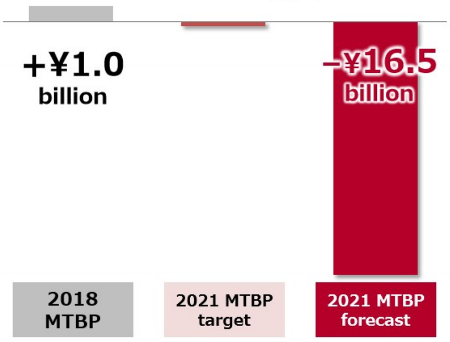
Progress on Business Targets: Net Sales and Operating Income

We forecast net sales to exceed our 2021 Medium-Term Business Plan target by ¥14.0 billion one year ahead of schedule. We forecast operating income will fall short of target by ¥4.2 billion due to significantly higher increases in raw material prices, etc. since the time the plan was formulated.

2021 Medium-Term Business Plan (FY2024/3)	Target	Forecast
Net sales	¥190.0 billion	¥204.0 billion
Operating income	¥21.5 billion	¥17.3 billion

Three-year period of 2021 Medium-Term Business Plan

Impact of soaring raw material costs and energy prices

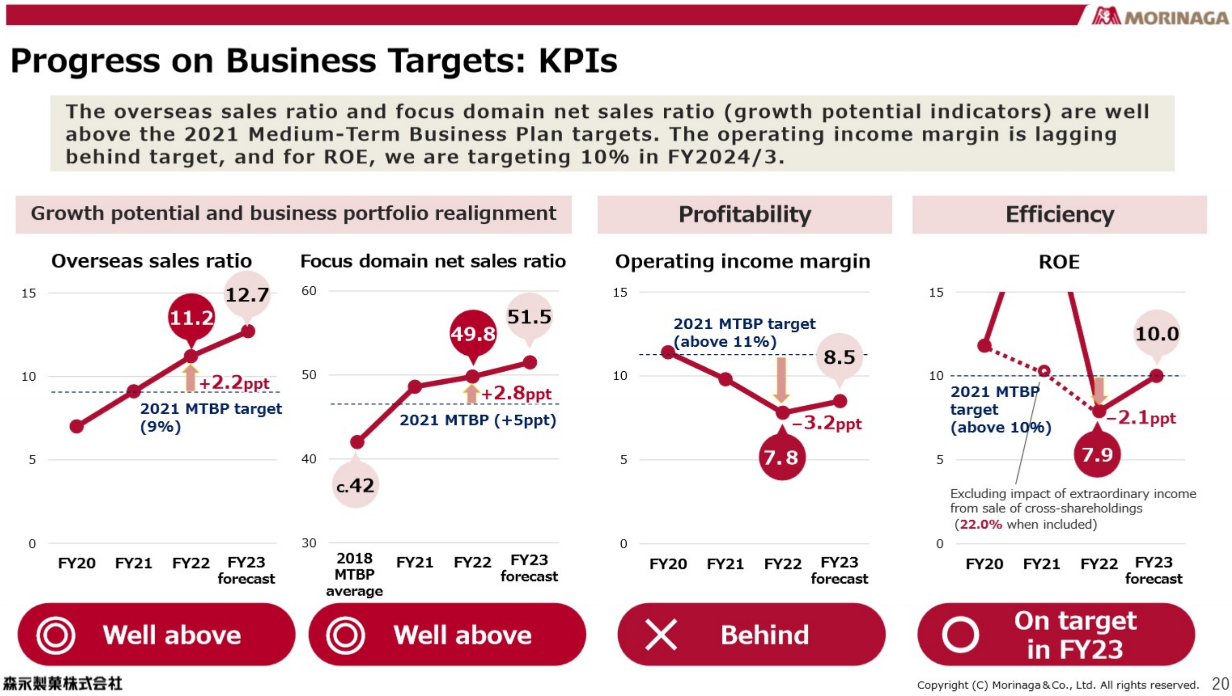


Next, we will review the 2021 Medium-Term Business Plan, the final year this fiscal year, and its future.

These are the sales and operating income figures projected for the current fiscal year, the final year of the 2021 Medium-Term Business Plan, and a comparison with the Medium-Term Business Plan. We forecast net sales to reach JPY204 billion, an increase of JPY14 billion and well above the mid-term target, but we forecast operating income of JPY17.3 billion, a shortfall of JPY4.2 billion, due to soaring raw material and energy cost increases that were far above expectations.

As shown on the right, the results for the three years of the 2018 Medium-Term Business plan showed that although market prices rose, cost reduction effects were also significant, resulting in a total of minus JPY1 billion for the three years, which was a positive for profits. When we formulated the 2021 Medium-Term Business Plan in response to this, we assumed that the market would rise about JPY0.5 billion annually, which we thought was within our ability to beat back.

However, we were going to secure a certain amount of up-front capital to promote sustainable raw material procurement, and in fact, although we did not announce it outwardly at the time, we assumed a level of several hundred million over a three-year period. If this is the case over the next three years as projected for the current fiscal year, the increase would be JPY16.5 billion.



Next, here are the figures for the main KPIs of the 2021 Medium-Term Business Plan.

Both overseas sales ratio and focus domain net sales ratio greatly exceeded the target of the 2021 Medium-Term Business Plan in the previous fiscal year's results. Overseas sales ratio was 9%, while the previous year's result was 11.2%. Focus domain net sales ratio was plus 5 points, while the previous year's result was plus 7.8 points.

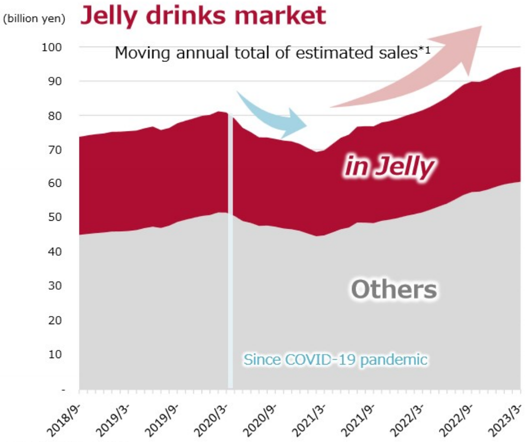
However, operating income is unfortunately behind schedule and is expected to fall short of this year's plan. In addition, although we have not yet achieved ROE at present, we intend to achieve our target level of 10% in the current fiscal year of FY2023 with the will to do so.

Focus Domains: "in-" Business

Having tapped new demand to counteract changes in the operating environment during the COVID-19 pandemic, sales remain brisk.

1 Expansion of jelly drinks

Jelly drinks market



Current status of *in Jelly*

- **FY2023/3 net sales: 114% Y/Y**
  Record-high net sales
- **Purchase rate:** March 2023 moving annual total of **14.3%** **(+0.2ppt from last year)***2
- **Promoting consumption settings, expanding target consumers, and tapping new demand**
  - During work/study, snacking for women
- **Changes in people's needs as COVID-19 case numbers fall**
  - Brisk sales at convenience stores

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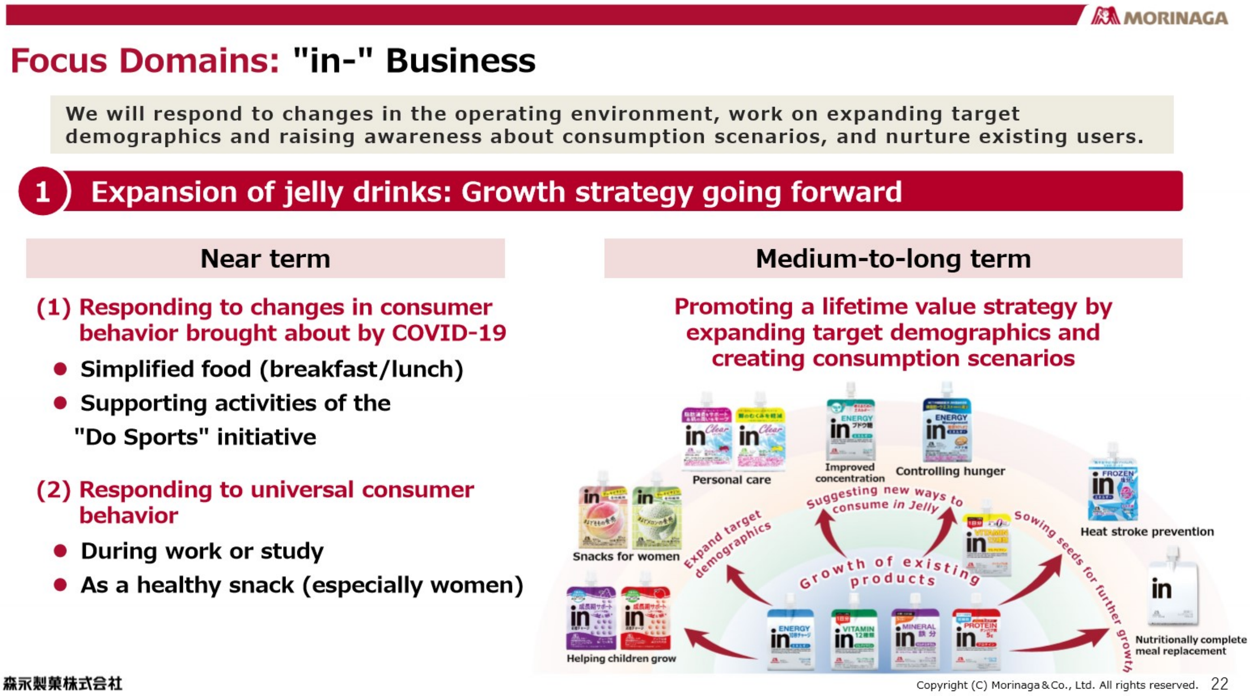
Next, I will now review and explain the future of each of our businesses, focusing on our focus domains.

First, the "in-" Business.

in Jelly, sales during the pandemic in FY2020 declined sharply to the 80% level for the year, but in FY2021 and FY2022, a V-shaped recovery was achieved, and in FY2022, sales reached a record high of 114% compared to the previous year. Purchase rates are increasing and efforts to expand consumption scenarios and targets are working, resulting in new demand.

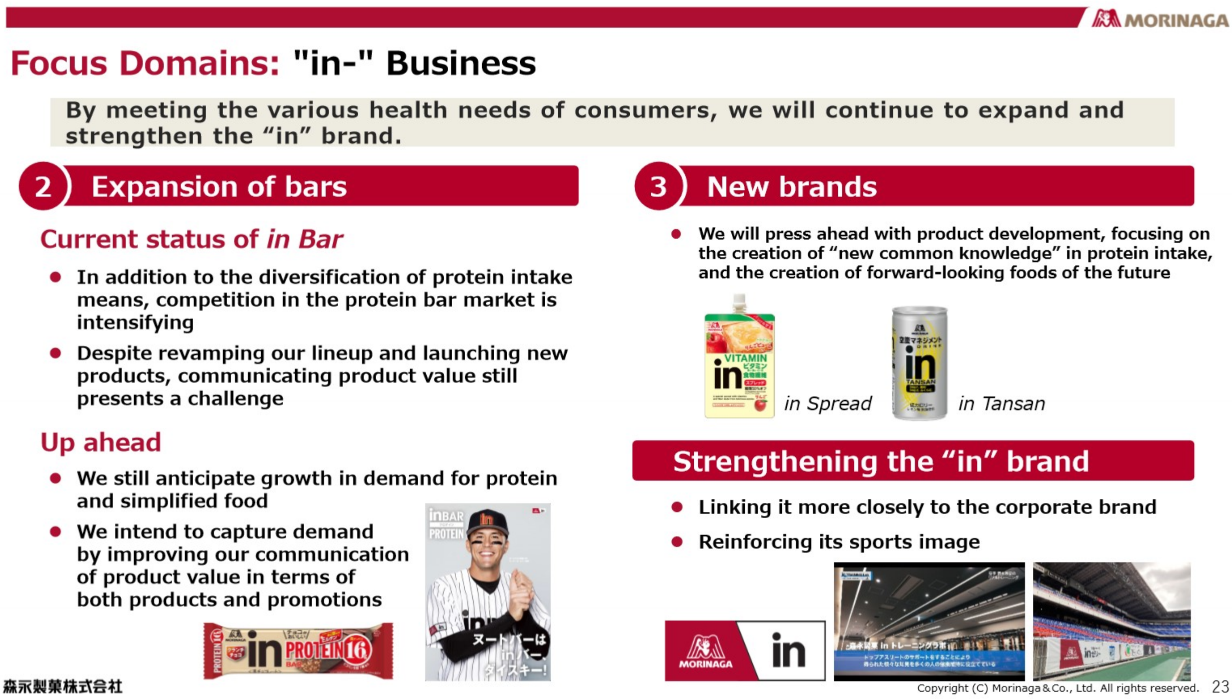
In addition, in the previous fiscal year, special demand from COVID-19 and vaccines was added, and we expect the current fiscal year to be affected by this, but sales at convenience stores have been strong, probably due to the recent recovery in human flow. Although special demand is disappearing, I believe that the number of active situations is increasing, and there is a resurgence of human activity, including commuting to work, school, and leisure activities, so I have high expectations for this area as well.



Next is *in Jelly*'s future growth strategy.

We will continue to work on expanding consumption scenarios and targets in response to changes in the environment. As I explained earlier, in the short term, the special demand from the pandemic is disappearing, but I believe that there will be more scenes of revival.

Also, in the medium to long term, there are various mechanisms to the right of that, which I explained to you six months ago. We will continue to do various things, although some of them are still in the testing period.



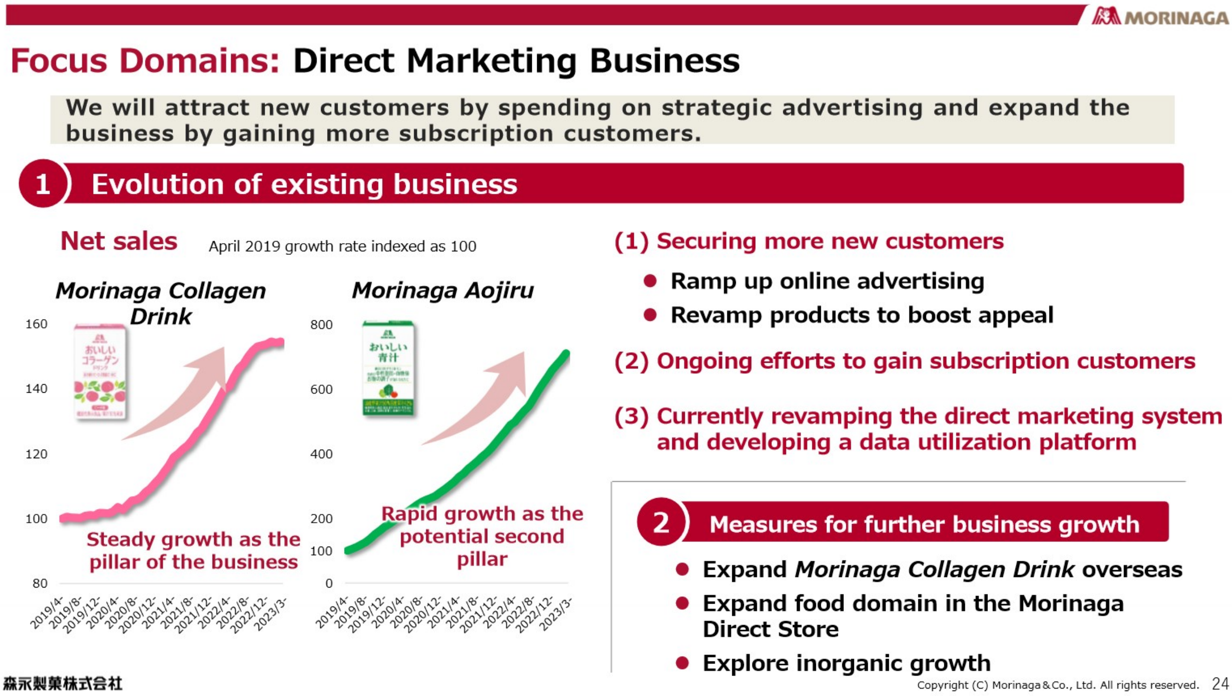
Next is the development of the "in" brand outside of *in Jelly*.

First of all, the *in Bar* business struggled in the last fiscal year amid intensifying competition, and as you will see in the reference material that follows, annual shipments were 93% of the previous year's level.

We believe that the need for protein and simplified food will continue to grow in the future, and we will aggressively develop both products and promotions with the aim of making a comeback in the current fiscal year.

As you can see a photo there, there is a great deal of talk about the use of Nootbaar, an MLB player, in the commercial. We will use that as an opportunity to re-expand this bar as well. We are also working on the creation of new foods, as you can see on the right side. We have released two products, which are still in testing, and we are working on other themes.

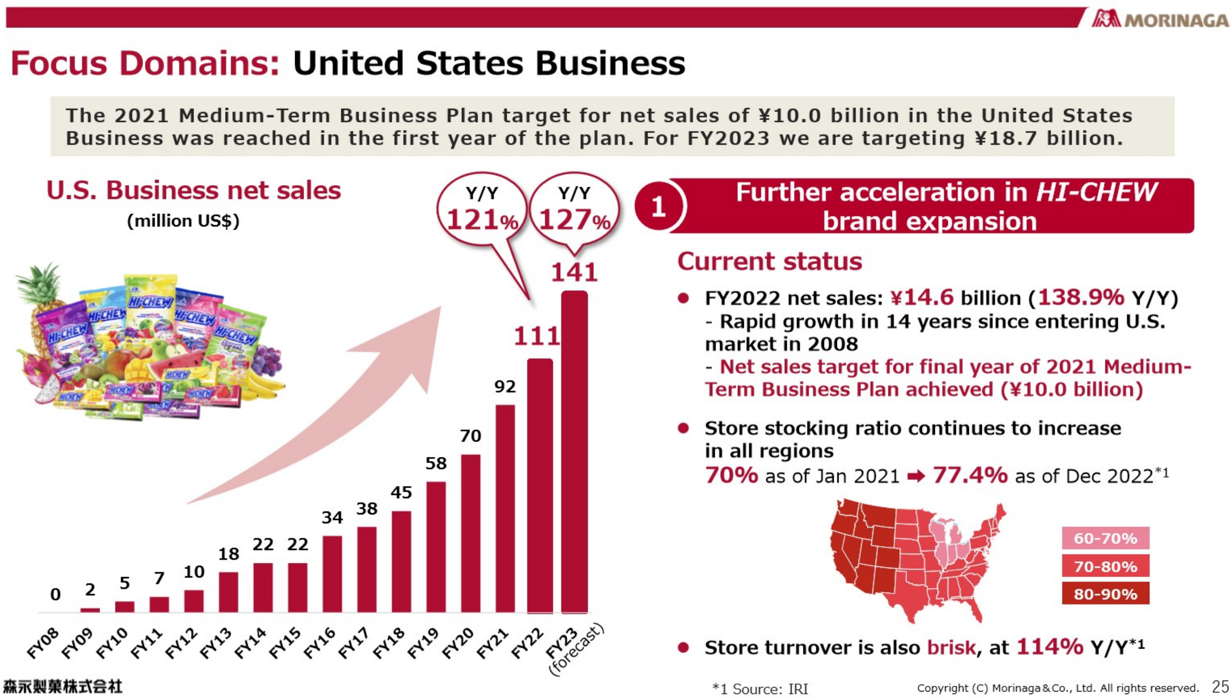
As you can see below, in order to strengthen the relationship between Morinaga and the "in" brand, we have strategically increased advertising since the previous fiscal year and have been promoting the product through TV commercials and other means.



Next is Direct Marketing Business.

Here, too, we have been strategically increasing advertising input in the last quarter in an effort to acquire subscription customers. As a result, sales growth of both *Morinaga Collagen Drink* and *Morinaga Aojiru* have exceeded plans. Direct Marketing business is directly connected to our customers, and in a sense is a very important business. In the previous fiscal year, we revamped our direct marketing system to strengthen our ability to respond to each individual customer, and we are currently developing a data utilization platform for this purpose.

The lower right-hand corner shows initiatives for further business expansion, which include overseas expansion of collagen drinks, mainly in China and Thailand at the moment. We are also working on expanding into areas other than *Morinaga Collagen Drink* and *Morinaga Aojiru* in the Morinaga Direct Store. We will also consider alliances and M&A in the search for inorganic growth.

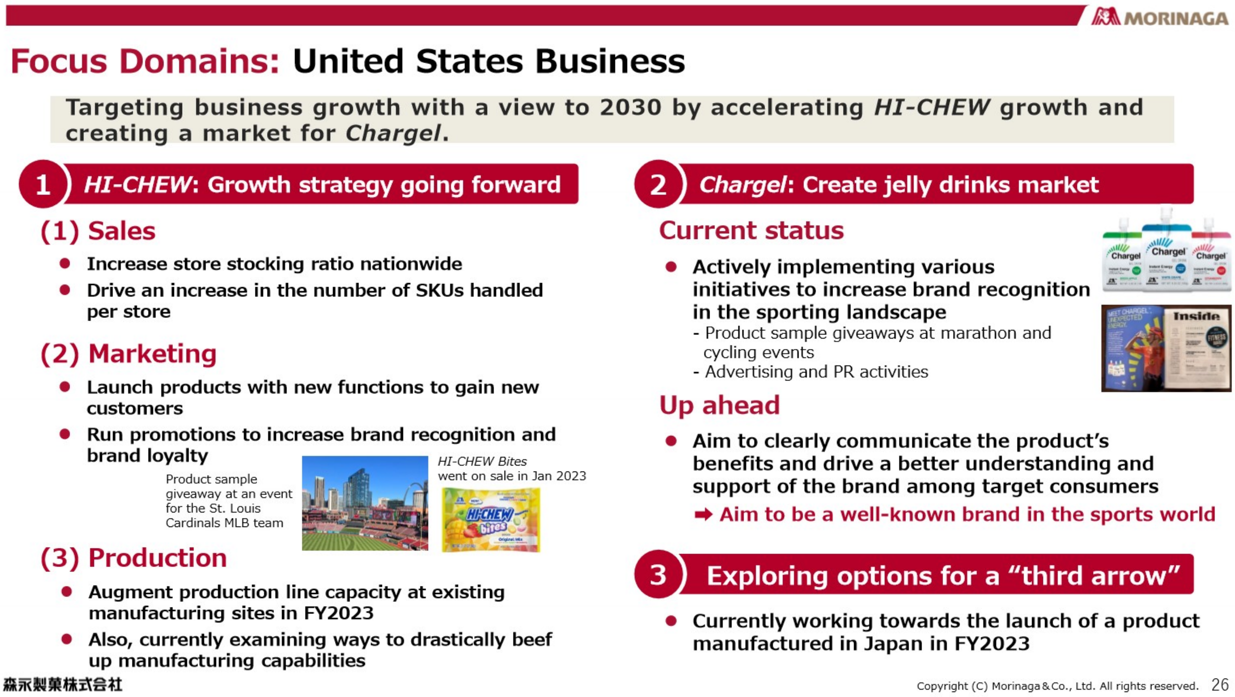


Next is the United States business, which continues to perform well.

In the 2030 Business Plan, we set the US as a focus domain and concentrated investment in the US to aggressively develop the business, and sales in FY2022 reached JPY14.6 billion. The original target for the current fiscal year, the final year of the 2021 Medium-Term Business Plan, was JPY10 billion in sales, so I think it is fair to say that sales have grown much faster than expected, in part due to the exchange rate.

Because of the recent large fluctuations in exchange rates, the graphs here are sales trends in local currency and US dollar terms. In the previous fiscal year, in yen terms, we achieved 138.9% compared to the previous year as shown on the right. In US dollar terms, we achieved 121%, and we plan to achieve 127% this fiscal year as well.

With a current market share of only 1.24% and an awareness rate of only 51%, we believe we can continue to grow significantly in terms of various indicators. In addition, as you can see there, the store stocking ratio has expanded, and store turnover continues to be strong.

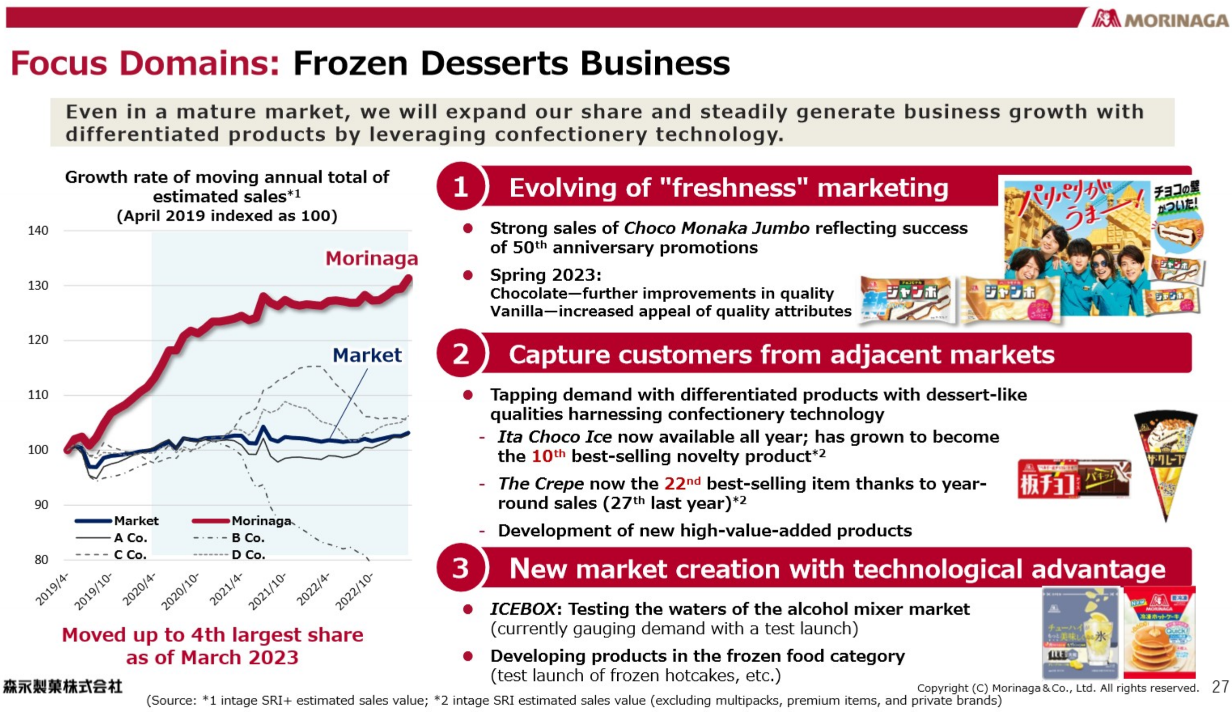


For the United States, we will continue to accelerate the growth of *HI-CHEW* and create a market for *Chargel* toward 2030.

For *HI-CHEW*, we will further strengthen sales and marketing, strategically implement advertising, etc., and increase advertising expenses. We will also increase production lines in Taiwan and export products from plants in Japan. In April of this year, we established the *HI-CHEW* Global Promotion Office at the head office, and we are now examining the production system from a global perspective.

As for *Chargel*, we are not at the stage of presenting numbers or results yet, but we are getting a good response from the sampling and other activities. Japanese supermarkets, mainly on the West Coast, are beginning to carry the product, and we have high expectations for the future. *HI-CHEW* also started out from Japanese supermarkets and over time has come this far. We will continue to make various efforts to steadily penetrate *Chargel* as well.

Also, as for exploration of a "third arrow", we are not at the stage of being able to announce it yet, but we hope to make a start on this by the end of this fiscal year.



Next is Frozen Desserts business.

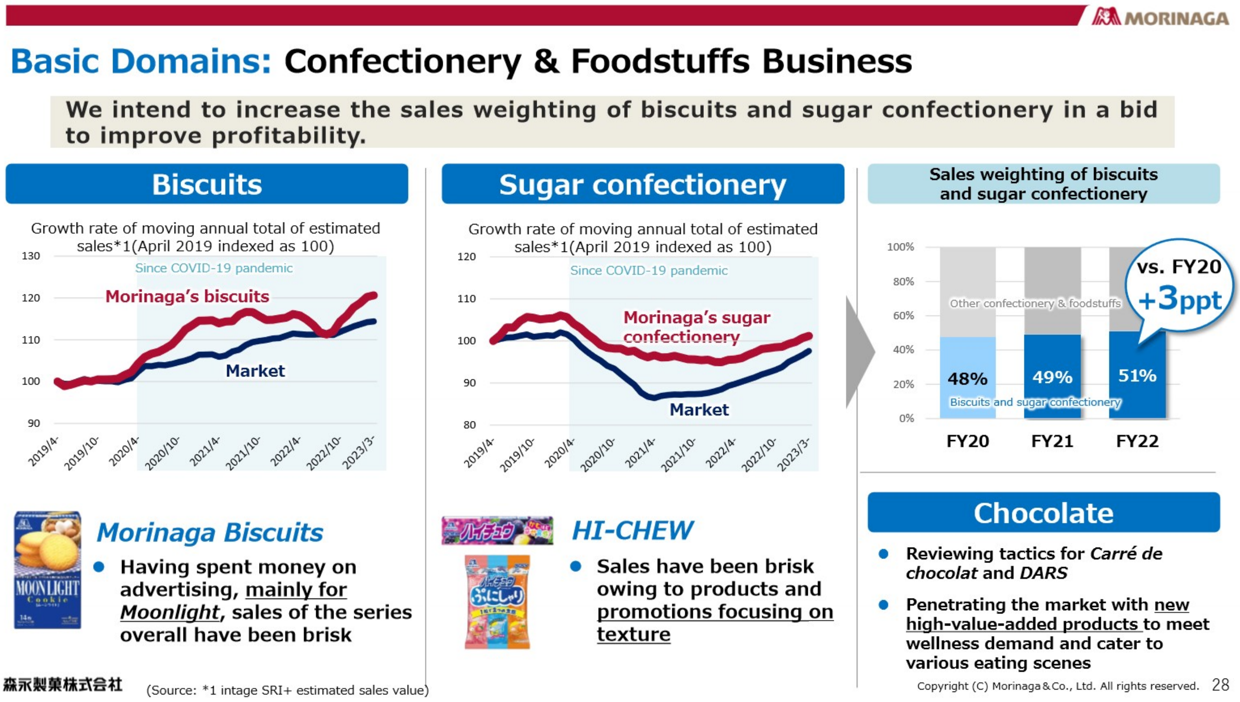
This graph shows the growth rate of the moving annual total when April 2019 is set as 100 in the SRI data, and we are well above the market average, rising to fourth place in market share this past March. More than a decade ago, we were the seventh largest manufacturer, so the leaps we have made in the past few years have been remarkable.

By the way, this graph, comparing April 2019 to March of this year, shows that our company grew 131% compared to 103% for the market as a whole. However, in the past two years, Frozen Desserts business has been greatly affected by the sharp rise in raw material prices, and in percentage terms, the impact has been the highest among the businesses. In this context, we implemented two price revisions in the previous fiscal year and have been working to improve profitability.

Next is the “freshness” marketing of the *Jumbo group*. Last year, our 50th anniversary efforts were effective in increasing revenue, and this year we have a new quality improvement.

Under this, we hope to revive the *Vanilla Monaka Jumbo*, which struggled last year, by running TV ads for the *Vanilla Monaka Jumbo* product alone this year.

Below that, we describe the acquisition of customers in peripheral markets and the creation of new markets. The initiatives for *Ita Choco Ice* and *The Crepe*, and the challenge for *ICEBOX* liquor splitting material. As you can see a photo of a pancake, we will also take on the challenge of developing frozen food products.



Next is the Confectionery & Foodstuffs business, which is a basic domains.

The Confectionery & Foodstuffs business has set a profit margin target for 2030, and this time, it has been most affected by the soaring raw material prices in terms of amount. In the previous fiscal year, we tried to recover by revising the prices of some products twice, but we were not able to cover the cost, and the profit margin was in the 2% range, which is a very difficult situation.

There, I explained that we will increase the sales weighting of biscuits and candies to improve the profitability of the confectionery business in the 2021 Medium-Term Business Plan, and this three-year comparison shows that, as a result, FY2022 is up three points compared to FY2020.

There is also a graph of the change in SRI data with April 2019 as 100, which shows that both categories have outpaced the growth of the market and increased their market share.

As for chocolates, both *DARS* and *Carré de chocolat* have been working to improve profitability through price revisions in the previous fiscal year, but sales are still struggling to break out of this difficult situation. We will be making a drastic strategic and tactical review this fall in order to re-expand.

Under this, wellness products, we are planning to develop new high-value-added products, which we believe are also very important initiatives for 2030.

The following is a description of the wellness product development in its Confectionery & Foodstuffs business.

I will not explain each one individually, but all of these will also contribute to improving the profitability of the Confectionery & Foodstuffs business as high value-added products. We hope to make it bigger toward 2030.

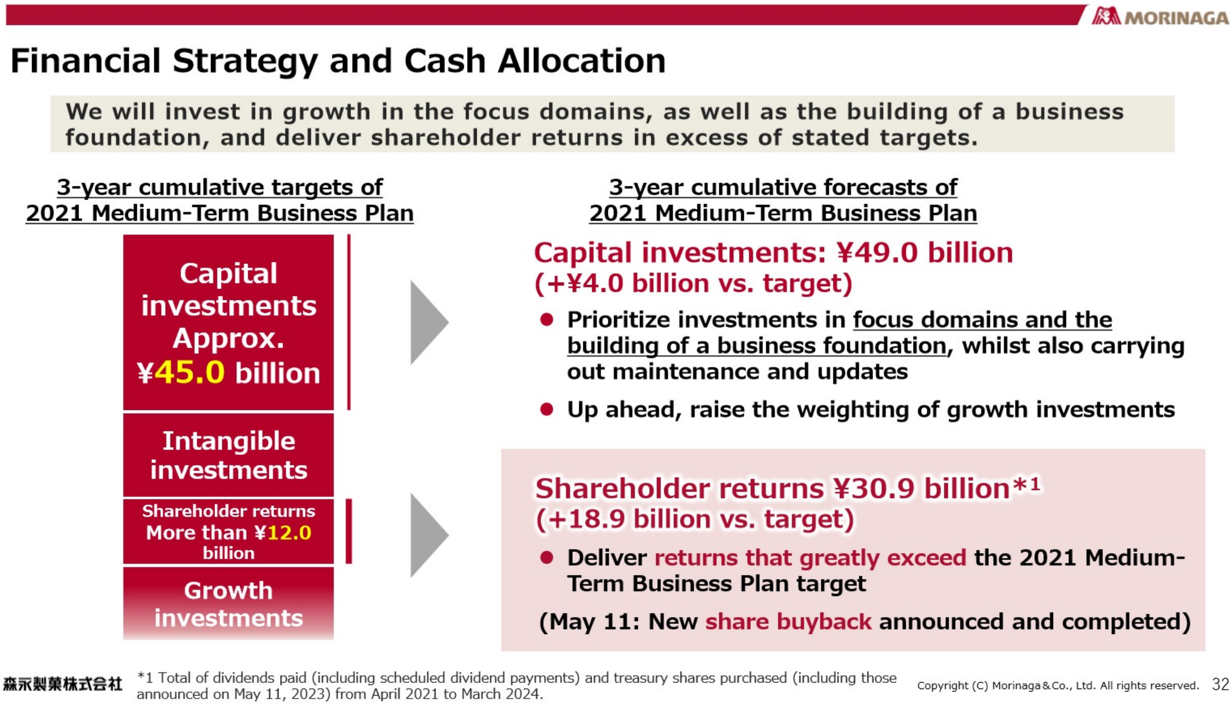
I included two slides, a handout on "Health of Mind".

We have explained several times about the 2030 Vision there, which is to change into a Wellness Company, and some have pointed out that definition of "Health of Mind" is difficult to understand.

We have defined the definition of "Health of Mind", "Kokoroku", and are conducting seminars to disseminate it throughout the Company, and have started efforts to improve employee engagement. First, it is important to understand, empathize, and personalize within the Company.

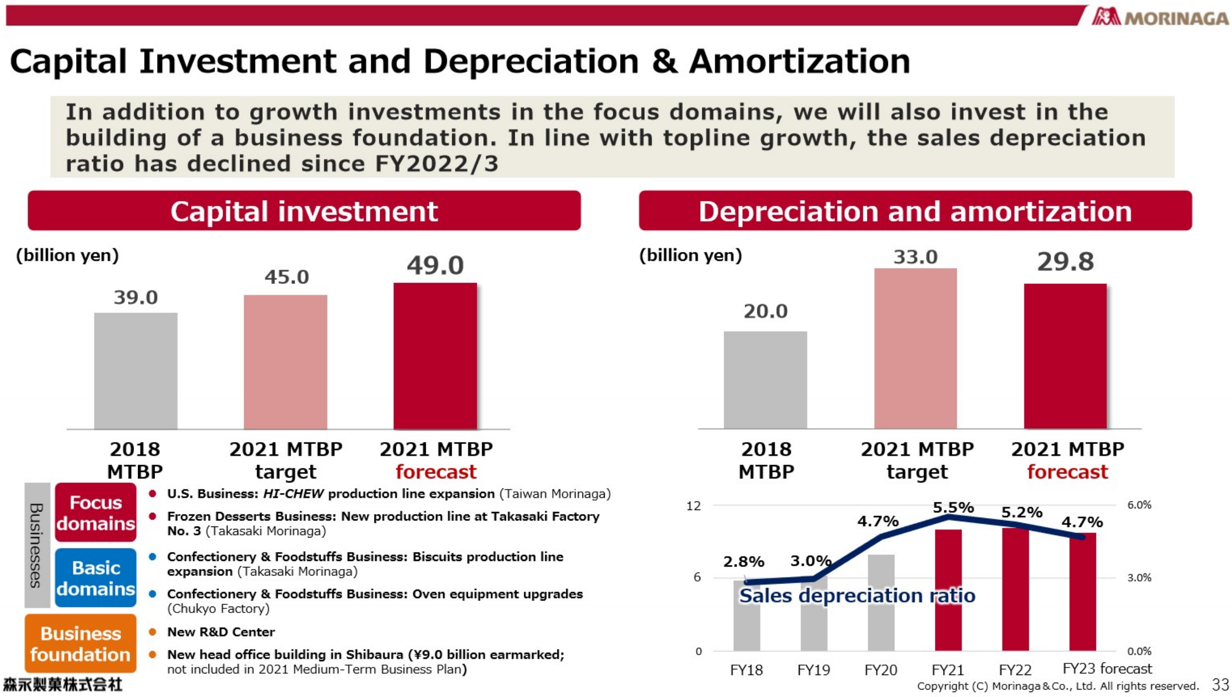
We have also started contributing to businesses, one example of which is the start of "Jumbo Smile Project".

We will promote this to our customers by communicating information about our affective research on crisp textures, and will develop other activities aimed at creating ice cream that brings smiles to everyone's faces.



Next is the financial strategy and cash allocation.

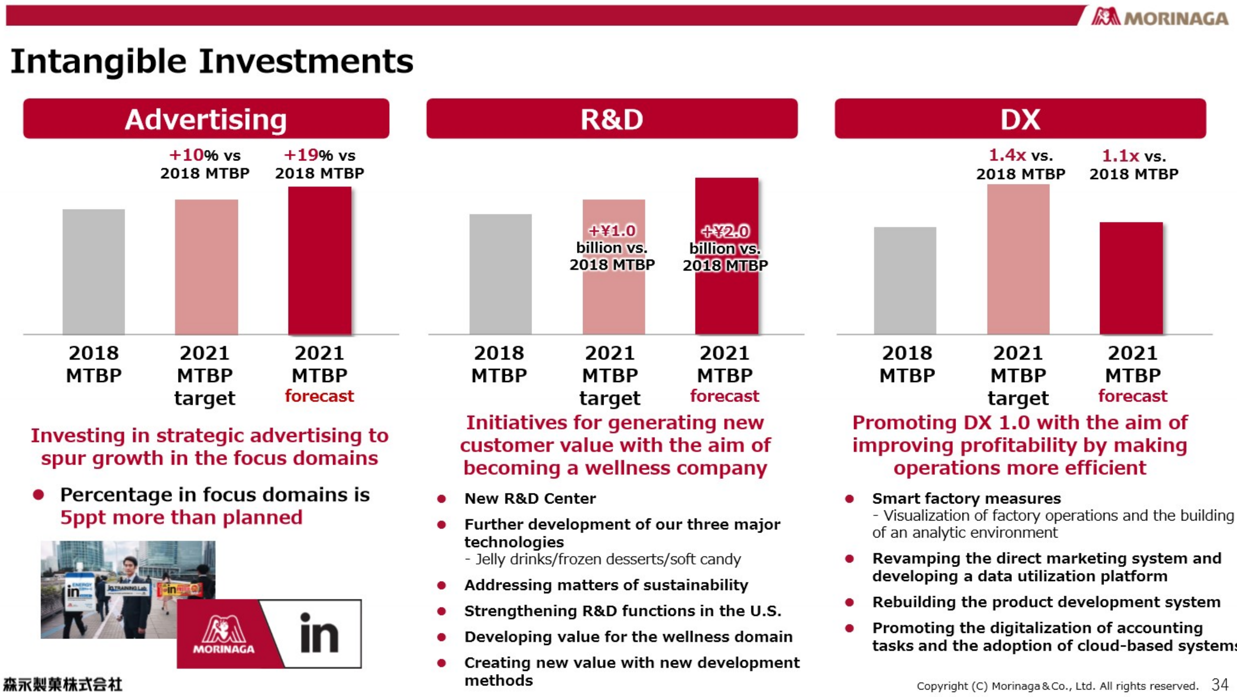
The left graph shows the three-year plan of the 2021 Medium-Term Business Plan, while the right graph shows the forecast with the current fiscal year's estimates. As for capital investment, this is discussed on the next page. We plan to return JPY30.9 billion to shareholders over the three-year period, an increase of JPY18.9 billion over the plan and far exceeding the Medium-Term Business Plan.



Next, we look at capital expenditures and depreciation.

The construction of the new head office building in Shibaura was not included in the plan of the 2021 Medium-Term Business Plan, but other capital expenditures were carefully scrutinized and reviewed, and excluding the construction of the head office building, capital expenditures decreased compared to the plan.

On the lower right-hand corner, this is the first time we have produced the depreciation to sales ratio. The rate is declining as the top line of sales is rising.



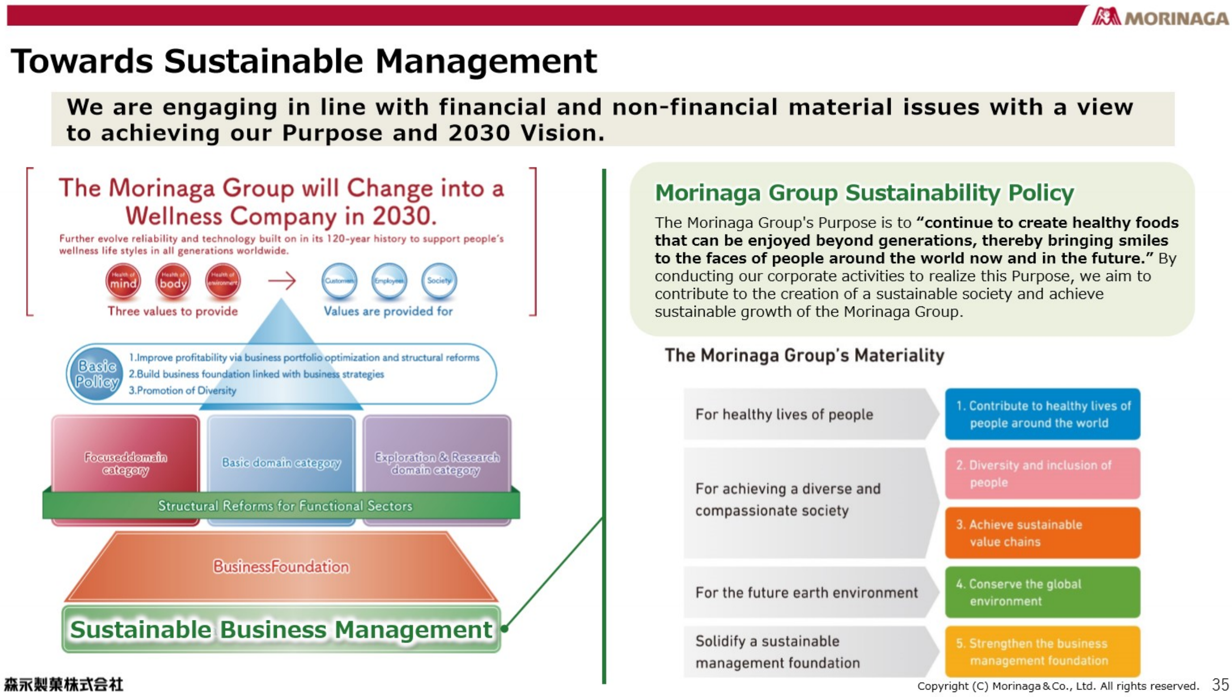
Next is the progress of and outlook for intangible investments.

First of all, advertising expenses were planned to be 10% higher than in the 2018 Medium-Term Business Plan, but we now expect to increase this by 19%, accelerating growth in focus domains and strategically investing in these areas.

Also, for R&D, we expect an increase of JPY2 billion from the 2018 Medium-Term Business Plan instead of JPY1 billion, double the amount of the plan. We have also established a new R&D Center, and as described there, we will make various efforts toward the realization of a wellness company as well as a global company.

Then there is DX. This was 1.4 times the plan compared to the 2018 Medium-Term Business Plan, which is expected to be 1.1 times the plan. We are promoting a variety of initiatives to improve operational efficiency to improve profitability, including the Smart Factory initiative.

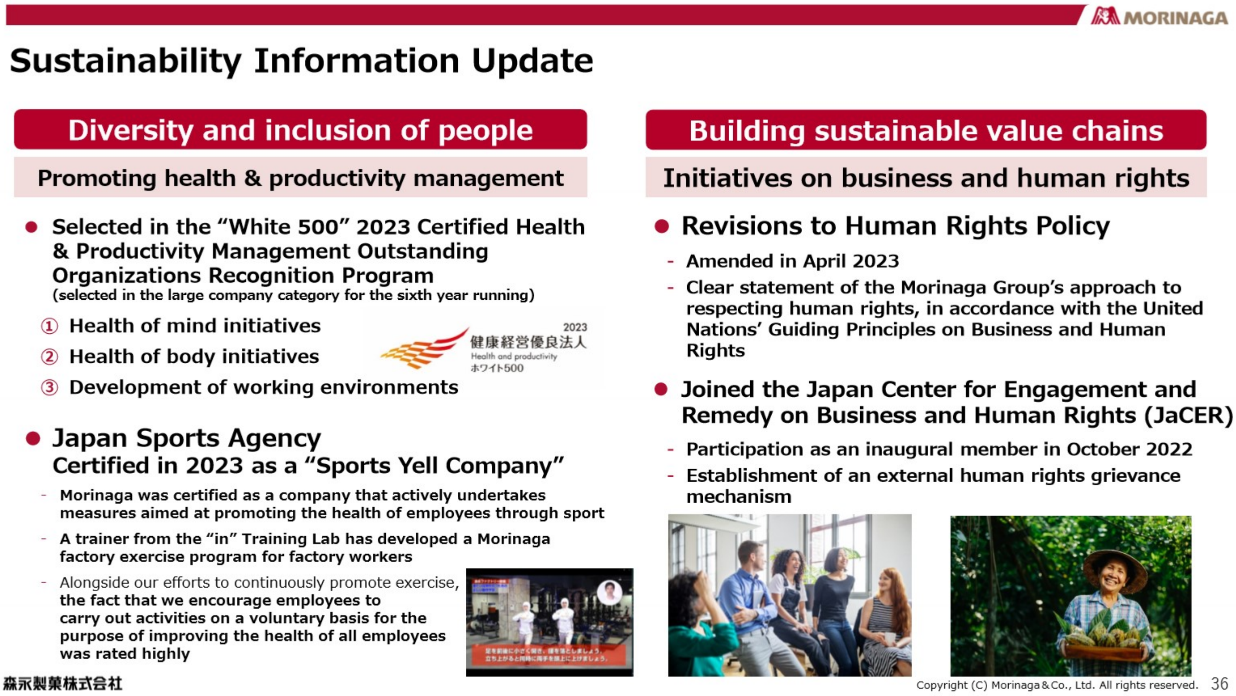
I think it is fair to say that we were not able to invest in DX as planned, but as a whole, we invested strategically and with will in a very difficult environment to realize the 2030 Business Plan.



Next, we included two slides related to sustainability.

Left, I explained that sustainable management is at the bottom and foundation of the 2030 Business Plan. We have identified both purpose and financial and non-financial materialities to realize the 2030 Vision and are implementing various initiatives based on them.

We plan to disclose our performance against materiality in the integrated report to be issued in September, but today I have included two updates on sustainability information on the next page: “Promoting health & productivity management” and “Initiatives on business and human rights”.

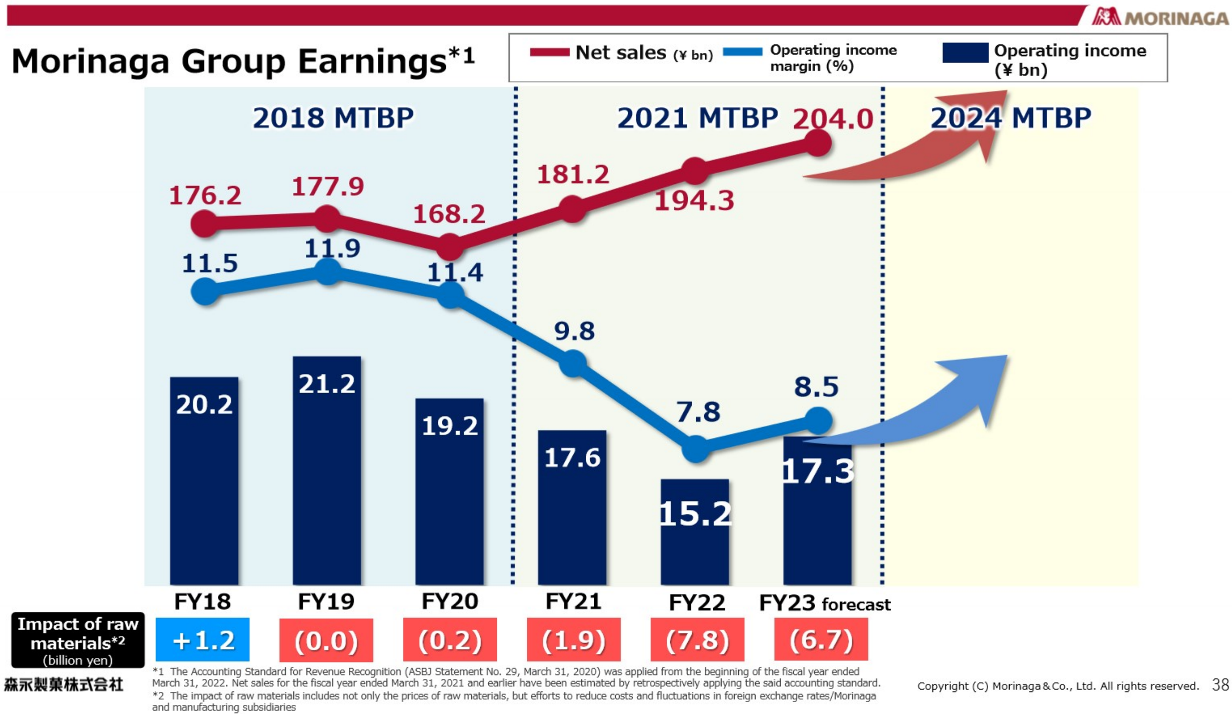


The Company has also been awarded the ""White 500" 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program" and "Sport Yell Company 2023" certifications. We also revised human rights policy. Please look at it later.

This is a summary of what we have talked about so far, the outlook and future of the 2021 Medium-Term Business Plan.

As a result of our willingness to increase investments toward 2030 in the midst of major external changes and headwinds, profits are expected to fall short, but in terms of sales, we achieved a record high for the second consecutive fiscal year, far exceeding our plan. In addition, both focus domains and overseas sales are exceeding the plan.

ROE fell to 7.9% in the previous fiscal year, but we intend to recover to our target of 10% in the current fiscal year based on the details I have just explained.



Finally, we have graphed the changes in net sales and operating income over the six years of the 2018 Medium-Term Business Plan and the 2021 Medium-Term Business Plan.

The red broken line above is sales. The bar graph below shows the amount of operating income and the blue line in the middle shows the operating margin. Below we have included the amount of raw material and energy cost increases by year.

As you can see, in terms of sales, the impact of the pandemic in FY2020. FY2020, was a decrease of approximately JPY10 billion in value from the previous year, but for two consecutive years since FY2021, sales have grown by more than 7% and increased by JPY26.1 billion in value over the two years, achieving a V-shaped recovery and reaching a record high exceeding the pre-COVID-19 level.

Although, as I explained today, profits have fallen sharply, we would like to make this FY2023 the starting year for a V-shaped recovery in profits, which will lead us to the next 2024 Medium-Term Business Plan.

We are already in discussions regarding the next 2024 Medium-Term Business Plan, and we plan to announce it by next spring, including an update of the 2030 Business Plan.

That's all from me. Thank you very much for your attention.