



Delicious, Fun, and Healthy



Second Quarter, Fiscal Year Ending March 31, 2025 Results Briefing

November 13, 2024
MORINAGA & CO., LTD.

About forward-looking statements

This material includes forward-looking statements, such as forecasts, plans, and targets for the Company and its consolidated subsidiaries. These statements are based on judgments and assumptions on the basis of information that the Company has obtained and may be different from actual results and developments in the future.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Delicious, Fun, and Healthy



Results for FY2024 Q2



Results Forecast for FY2024



Progress of the 2024 MTBP



Delicious, Fun, and Healthy



Results for FY2024 Q2



Results Forecast for FY2024



Progress of the 2024 MTBP

Consolidated Results for FY2024 Q2



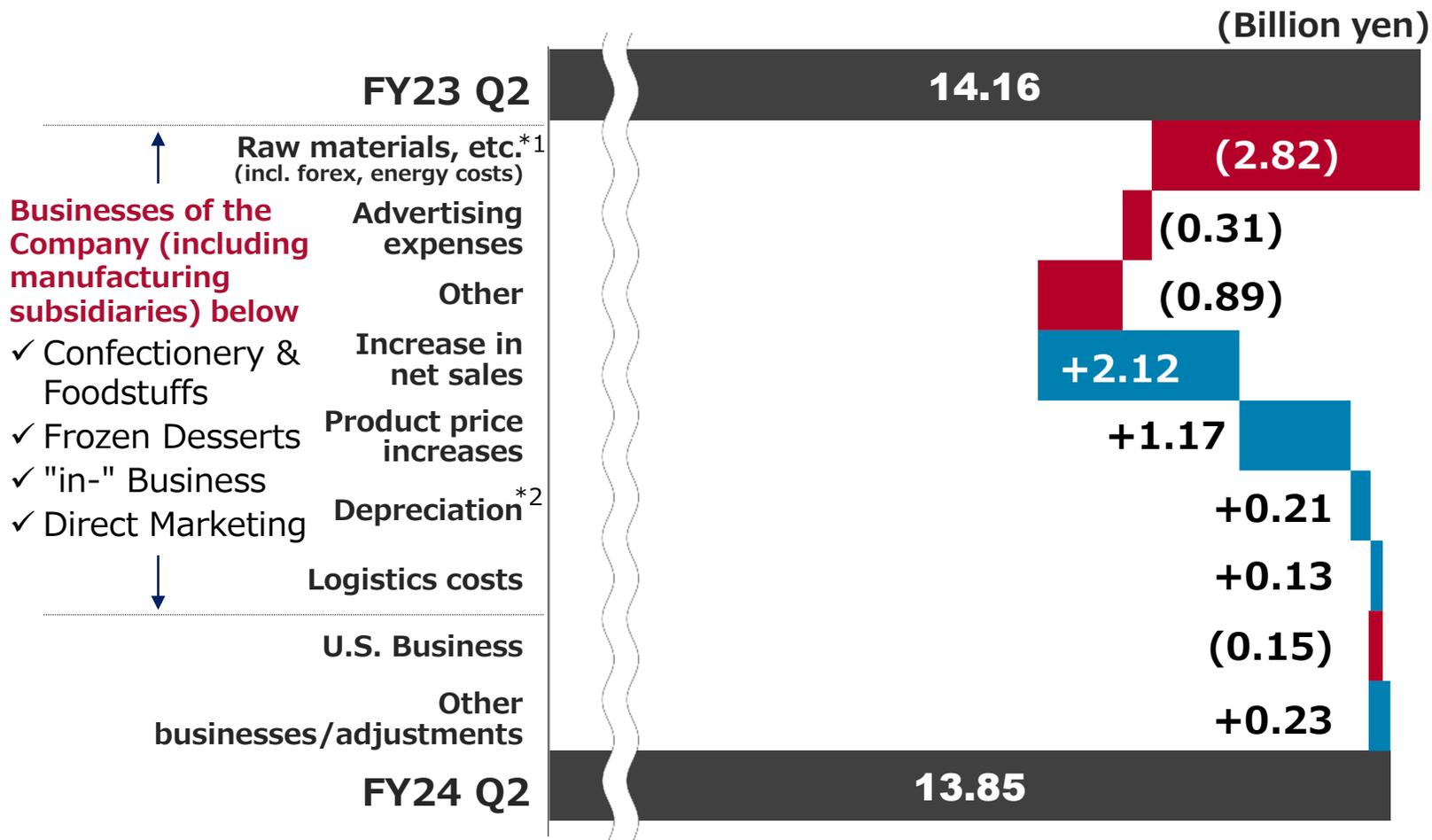
Record high 1H net sales. Operating income higher than initial forecast, but fell short of FY2023 1H. Profit attributable to owners of parent higher than FY2023 1H due to extraordinary income from the sale of cross-shareholdings

(Billion yen)	FY24 Q2	Y/Y change		vs. forecast* ²	
Net sales	118.8	+9.2	108.4%	+4.8	104.3%
Gross profit 〔gross profit margin〕	48.6 〔41.0%〕	+2.5 〔(1.1pt)〕	105.5%	-	-
Operating income 〔Operating income margin〕	13.8 〔11.7%〕	(0.3) 〔(1.2pt)〕	97.8%	+0.4	103.4%
Ordinary income	14.0	(0.3)	97.9%	+0.4	103.7%
Profit attributable to owners of parent	10.6	+0.4	103.6%	+0.5	105.3%
EBITDA* ¹	18.6	(0.1)	99.0%	-	-

FY2024 Q2 Results: Factors in Change in Consolidated Operating Income



In domestic businesses, although increases in the cost of raw materials and other products were offset by increased sales and price revisions, mainly in Confectionery & Foodstuffs and Frozen Desserts Business, profit declined due to advertising investment and DX investment for strengthening business foundations



Raw materials, etc.

- Soaring raw material costs: Cacao-related, fats and oils (ice cream coating)
- Impact of energy costs: +¥0.14 billion
- Exchange rate sensitivity: ¥1 depreciation = Slightly less than ¥0.1 billion decrease in annual profit

Product price increases

- September 2023: Confectionery & Foodstuffs Business (Hotcake Mix, Amazake, etc.)
- April 2024: Confectionery & Foodstuffs Business (sugar confectionery, chocolate (some products), snacks)
- September 2024: Confectionery & Foodstuffs Business (biscuits, chocolate, cocoa/Amazake (some products))
- Frozen Desserts Business

Other (main factors)

-) Increase in cost of sales (labor and other fixed costs), HR costs, DX investment

Main factors in U.S. Business

- +) Net sales, foreign exchange
-) Increases in advertising expenses, selling expenses, logistics costs, soaring raw material prices

Reference: Advertising costs (consolidated, total)

FY23 Q2 ¥4.80 billion	} Profit/loss impact
FY24 Q2 ¥5.45 billion	

FY2024 Q2 Results: Summary by Business



Increase in net sales driven by Confectionery & Foodstuffs and Frozen Desserts Business
Profitability improved in Confectionery & Foodstuffs Business and Food Merchandise as the top line remained firm even after the price revisions

(Billion yen)		Net sales			Operating income			Operating income margin	
		FY2024 Q2	Y/Y change		FY2024 Q2	Y/Y change		FY2024 Q2	Y/Y change
Food Manufacturing	Confectionery & Foodstuffs* ¹	38.6	+2.7	107.6%	1.7	+0.1	110.3%	4.6%	+0.1pt
	Frozen Desserts	30.5	+2.6	109.2%	4.1	(0.4)	91.2%	13.5%	(2.7pt)
	“in-” Business* ¹	17.5	(0.3)	98.3%	4.8	+0.2	104.2%	27.6%	+1.6pt
	Direct Marketing	5.7	+0.4	107.3%	0.0	(0.4)	19.1%	1.4%	(6.5pt)
	Operating Subsidiaries, etc.	5.3	+0.7	114.7%	0.0	(0.3)	23.2%	1.4%	(5.4pt)
	Domestic Total	97.8	+6.1	106.6%	10.9	(0.6)	94.6%	11.1%	(1.5pt)
	U.S. Business* ^{2*3}	10.9	+1.5	116.4%	1.8	(0.2)	92.4%	17.1%	(4.4pt)
	China, Taiwan, exports, etc.	5.0	+1.0	123.9%	0.6	+0.2	149.8%	13.7%	+2.3pt
	Overseas Total	16.0	+2.6	118.7%	2.5	+0.1	103.0%	16.0%	(2.5pt)
	Subtotal	113.8	+8.6	108.2%	13.4	(0.6)	96.1%	11.8%	(1.5pt)
Food Merchandise		3.6	+0.6	119.8%	0.4	+0.3	403.4%	11.6%	+8.2pt
Real Estate and Services		0.9	(0.0)	97.7%	0.4	+0.0	101.3%	44.9%	+1.6pt
Other		0.4	+0.1	112.6%	0.0	(0.0)	96.9%	19.2%	(3.1pt)
adjustments, etc.					▲0.5	(0.1)	—		
Total		118.8	+9.2	108.4%	13.8	(0.3)	97.8%	11.7%	(1.2pt)

* In order to clearly show the actual status of the Group's business management, the classification and aggregation methods have been changed from the fiscal year ending March 31, 2025.

The figures for FY2023 Q2 have had the changes retroactively applied and are based on the new method.

*¹ Sugar confectionery, chocolates, and other products under the “in” brand are included in Confectionery & Foodstuffs

*² Includes income resulting from exports from China and Taiwan to the U.S. Business

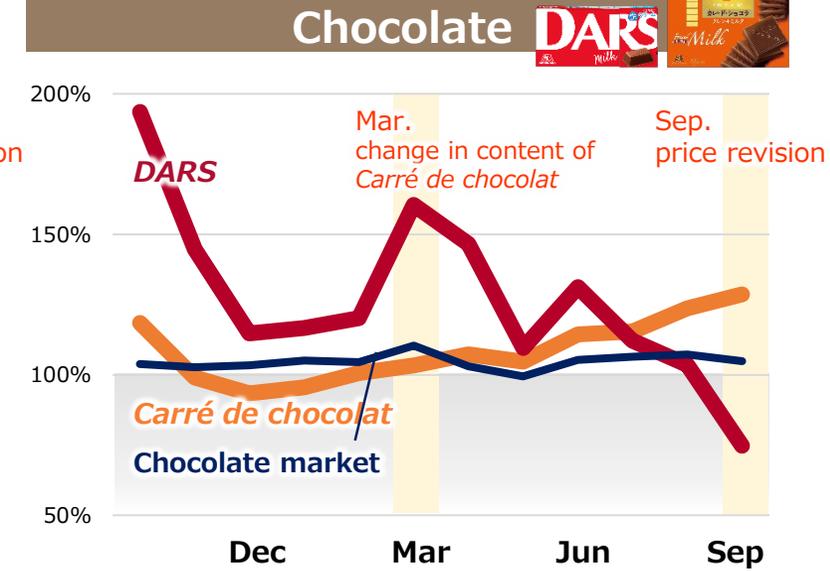
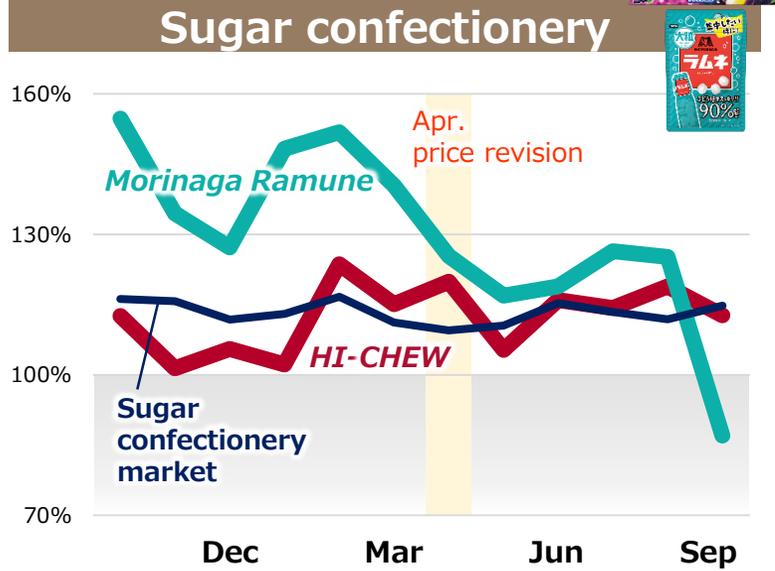
*³ Year-on-year net sales on a local currency basis is 103.1%

Key Topics in Domestic Market: Confectionery

* Most recent price revisions
 • Sugar confectionery, chocolates (some): March and April 2024
 • Biscuits, *DARS*, *Carré de chocolat*: September 2024



Y/Y Change in Sales Value*1



Apr-Sep cumulative sales value (Y/Y)	
<i>HI-CHEW</i>	114.5%
<i>Morinaga Ramune</i>	115.2%
Market	112.5%

- ***HI-CHEW***: Changed brand logo to English in February. Sales remained strong after price revision in April.
- ***Morinaga Ramune***: Ran promotion in summer targeting students preparing for entrance exams and strengthened in-store exposure. Promoted "Ramune = Concentration = Entrance Examination"

* Decline in September is due to no launch this year of new products that were launched the previous year

Apr-Sep cumulative sales value (Y/Y)	
<i>Morinaga Biscuits</i>	104.1%
Market	106.1%

- Maintained strong trend from the previous year
- Lower than previous year due to less opportunity for special sales in supermarkets (the main battleground for sales) in September, the month of the price revision

Apr-Sep cumulative sales value (Y/Y)	
<i>DARS</i>	111.1%
<i>Carré de chocolat</i>	114.0%
Market	104.1%

- ***DARS***: Strong performance, mainly in core Milk and White products
 * Decline in September was influenced by the high hurdle set by new products in the previous year
- ***Carré de chocolat***: Maintained strong performance, mainly in core products, due to increased demand for chocolate with high cacao content

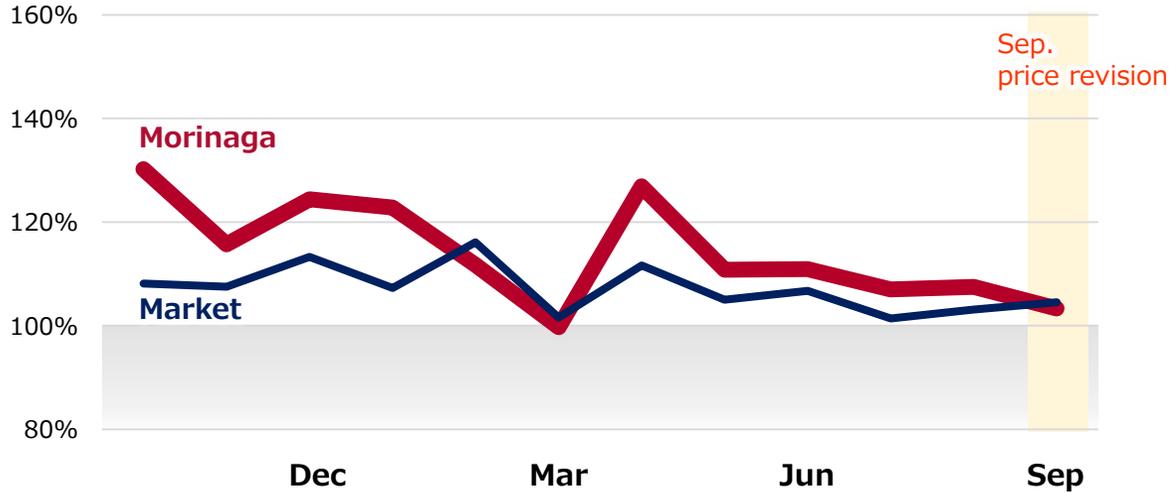
Key Topics in Domestic Market: Frozen Desserts

* Most recent price revisions
Mainstay products: September 2024



Y/Y Change in Sales Value*1

Frozen desserts market



Apr-Sep cumulative sales value (Y/Y)

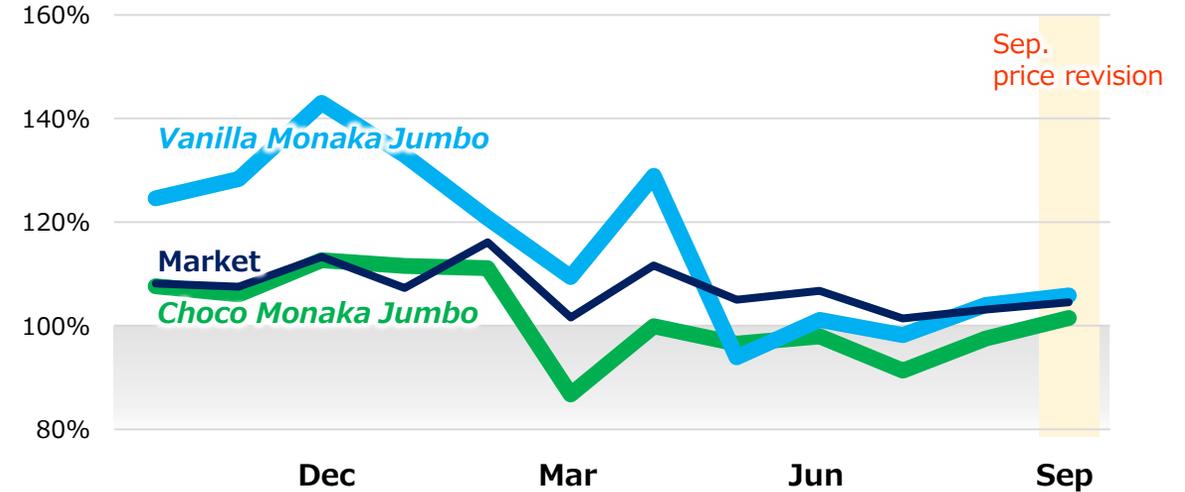
Morinaga	109.8%
Market	104.7%



- **Ita Choco Ice:** Sales have remained strong due to the launch of a "summer only" quality of the core product and the launch of Shiroi Ita Choco Ice in September
- **The Crepe:** Purchase rate steadily increased since revamping the quality in September
- **ICEBOX:** Both store stocking ratio and purchase rate increased thanks to spurred demand for measures for heat at the height of summer



Jumbo Group



Apr-Sep cumulative sales value (Y/Y)

Choco Monaka Jumbo	97.1%
Vanilla Monaka Jumbo	104.1%
Market	104.7%

- **Choco Monaka Jumbo:** High hurdle set in the previous year due to promotion and media exposure after revamping the quality last spring
- **Vanilla Monaka:** Sales were solid, growing year on year, due in part to media exposure during summer

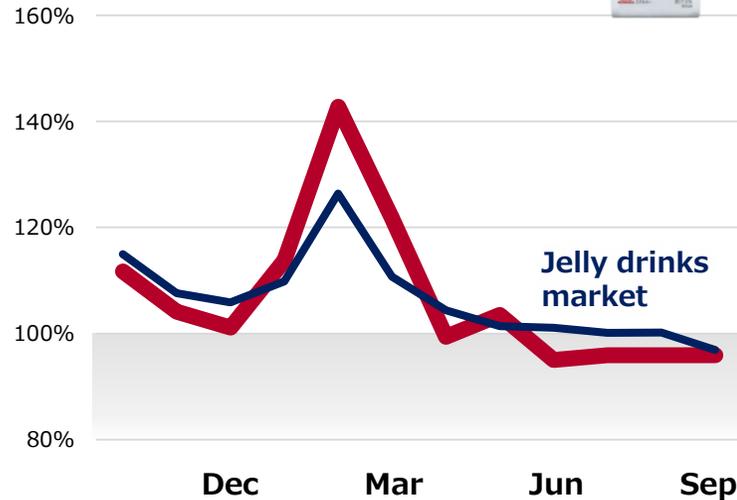
Key Topics in Domestic and U.S. Markets

* Most recent price revisions
in Jelly: December 2022, direct marketing: February 2023,
HI-CHEW in U.S.: November 2022



Y/Y Change in Sales Value

*in Jelly**1



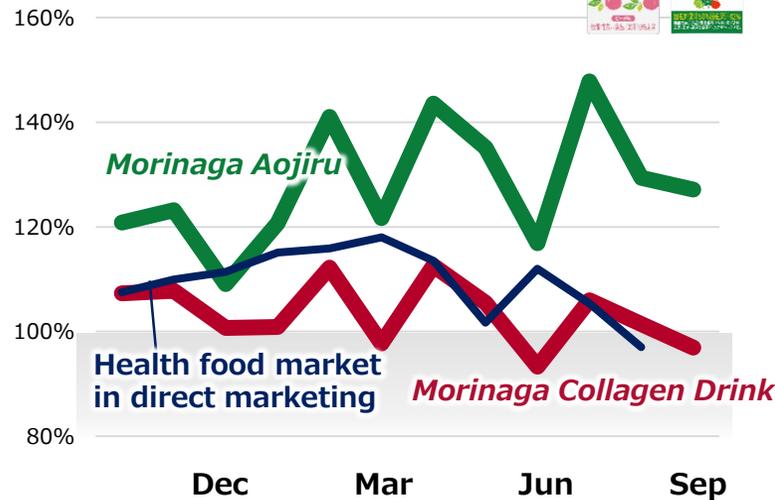
Apr-Sep cumulative sales value (Y/Y)

<i>in Jelly</i>	97.2%
Market	100.5%

- Strengthened promotions in Q2 using higher demand for sports as a marketing hook
- Meanwhile, a decrease in the sports scene due to the fierce heat, combined with the impact of natural disasters, affected the store turnover of mainstay *Energy* products

Y/Y Change in Net sales

Direct marketing*2



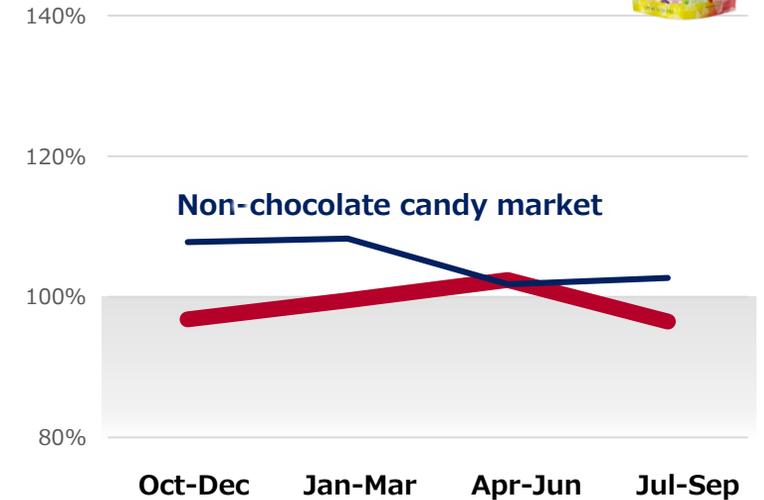
Apr-Sep cumulative sales value (Y/Y)

<i>Morinaga Collagen Drink</i>	102.4%
<i>Morinaga Aojiru</i>	132.7%
Market*3	105.6%

- Although sales of *Collagen* and *Aojiru* both increased from the previous year, the capture of new customers was sluggish, and the number of subscription customers remained flat

Y/Y Change in Sales Value

HI-CHEW in U.S.*4



Jan-Jun cumulative sales value (Y/Y)

<i>HI-CHEW</i>	101.0%
Market	104.9%

- Sales of sugar confectionery at convenience stores struggled due to a slump in consumption caused by inflation
- HI-CHEW* fell behind the market in Jul-Sep, as convenience store sales account for a high proportion of overall *HI-CHEW* sales

* Coverage of Circana (formerly IRI) data
 Coverage in *HI-CHEW* sales is approximately 50% (internal estimate)

*1 INTAGE Inc. SRI+ estimated sales value

*2 Morinaga's shipment value; "Kenshoku Net Tsuhan" Shishutsu (Expenditure on Health Food Sold on the Internet) household survey, Statistics Bureau, Ministry of Internal Affairs and Communications (Until Aug due to data released)

*3 Apr-Aug 2024 cumulative sales value

*4 Circana (formerly IRI)



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Results for FY2024 Q2



Results Forecast for FY2024



Progress of the 2024 MTBP

Awareness of Business Environment and Morinaga's Response



Steadily executed strategies based on the initial plan, despite ongoing uncertainty in the external environment
Revise results forecast in line with current progress

External environment

Morinaga initiatives

Initial situation

- Rising cacao prices since the beginning of the year caused **prices of cacao-related raw materials to soar**
➔ Assumed impact of soaring prices would strengthen over the quarter
- Unstable international situation continued, yen depreciated

- Planned to **increase sales and profit** by using impact of price revisions and sales growth to offset raw material and other cost increases
- Planned **DX investment and human capital investment** to strengthen management foundation

Current situation

- **Rising cacao prices and depreciating yen** have caused **unit prices of cacao-related raw materials to remain high**
➔ Forecast to be **higher than initially expected**

- Net sales **have grown more than initially planned**, mainly in the **Confectionery & Foodstuffs and Frozen Desserts Businesses**
- Implemented **price revisions** in Apr. and Sep.*
Will continue to respond with agility according to the situation

Outlook remains uncertain

Steady execution of strategies. Positive response to sales growth and profit improvement

Results Forecast for FY2024



Revise net sales and operating income upward from initial forecast by overcoming tough management environment

Expect to achieve record high net sales for 4th consecutive year and record high operating income

(Billion yen)	FY2024 Forecast	Y/Y change		vs. initial forecast	
Net sales	227.0	+13.7	106.4%	+5.0	102.3%
Gross profit 〔gross profit margin〕	91.0 〔40.1%〕	+4.4 〔(0.5pt)〕	105.0%	(0.4)	99.6%
Operating income 〔Operating income margin〕	21.3 〔9.4%〕	+1.1 〔(0.1pt)〕	105.1%	+0.8	103.9%
Ordinary income	21.7	+0.7	103.1%	+0.8	103.8%
Profit attributable to owners of parent	16.7	+1.6	110.2%	+0.9	105.7%
EBITDA ^{*1}	31.3	+1.6	105.4%	+0.3	101.0%

FY2024 Results Forecast: 1H·2H and Full year Summary



Net sales		1H			2H			Full year				
(Billion yen)		Results	Y/Y change		Forecast	Y/Y change		Forecast	Y/Y change		vs. initial forecast	
Food Manufacturing	Domestic Total	97.8	+6.1	106.6%	88.6	+3.3	103.8%	186.5	+9.4	105.3%	+3.7	102.0%
	Overseas Total	16.0	+2.6	118.7%	13.3	+0.2	101.5%	29.4	+2.8	110.2%	(0.4)	98.6%
Food Merchandise		3.6	+0.6	119.8%	4.7	+0.9	122.9%	8.4	+1.5	121.6%	+1.5	121.7%
Real Estate and Services		0.9	(0.0)	97.7%	0.9	+0.0	101.0%	1.9	(0.0)	99.4%	+0.3	118.8%
Other		0.4	+0.1	112.6%	0.3	+0.0	104.5%	0.8	+0.1	108.4%	+0.0	100.0%
Total		118.8	+9.2	108.4%	108.1	+4.4	104.2%	227.0	+13.7	106.4%	+5.0	102.3%

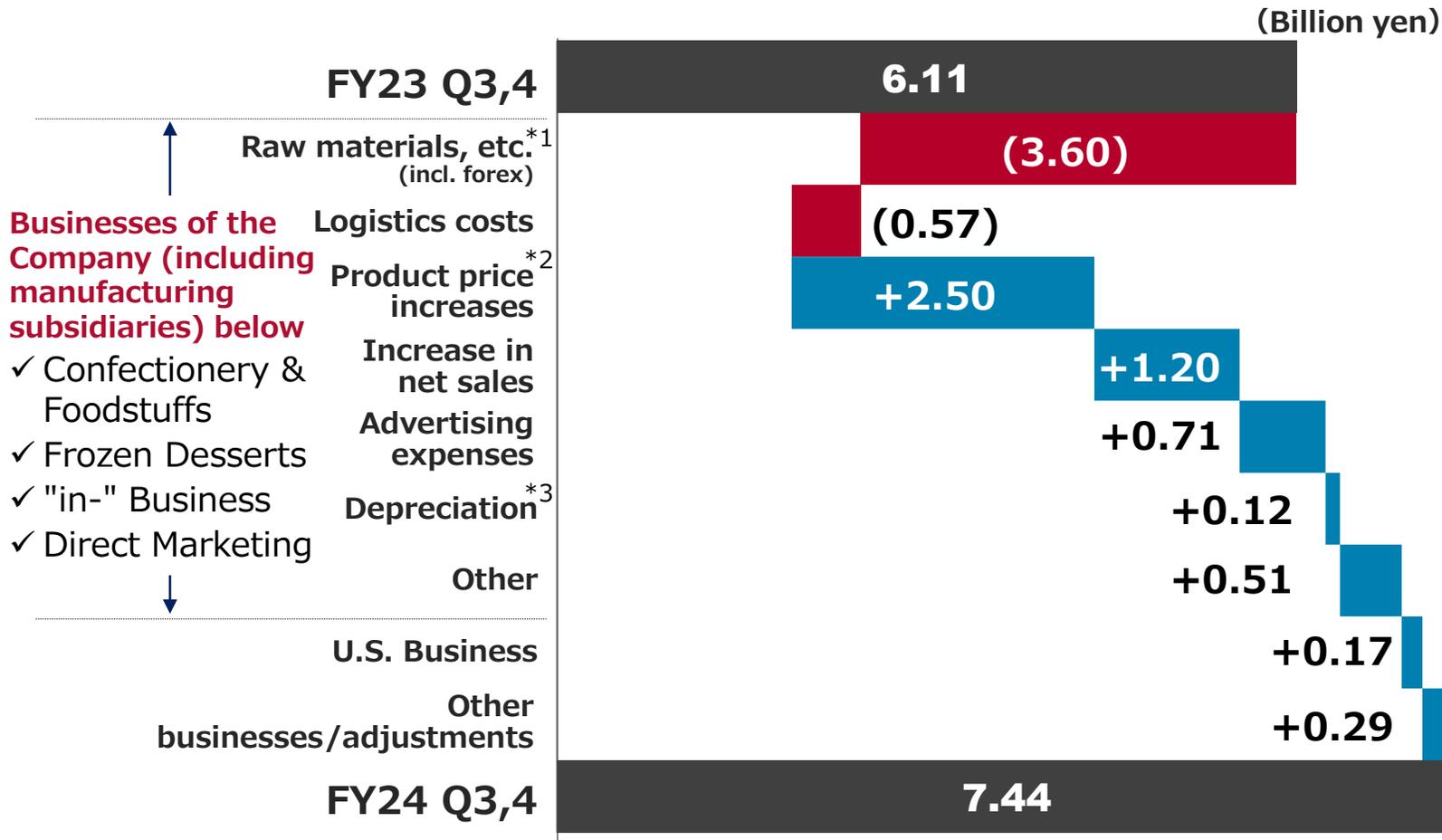
Operating income		1H			2H			Full year				
(Billion yen)		Results	Y/Y change		Forecast	Y/Y change		Forecast	Y/Y change		vs. initial forecast	
Food Manufacturing	Domestic Total	10.9	(0.6)	94.6%	6.1	+1.5	131.6%	17.0	+0.8	105.2%	+0.9	105.3%
	Overseas Total	2.5	+0.1	103.0%	0.9	(0.3)	82.0%	3.5	(0.2)	96.1%	(0.2)	93.9%
Food Merchandise		0.4	+0.3	403.4%	0.4	+0.2	149.1%	0.8	+0.5	219.1%	+0.4	204.0%
Real Estate and Services		0.4	+0.0	101.3%	0.4	+0.0	100.2%	0.8	+0.0	100.7%	+0.0	101.7%
Other		0.0	(0.0)	96.9%	0.0	(0.0)	88.5%	0.1	(0.0)	93.2%	+0.0	111.0%
Total		13.8	(0.3)	97.8%	7.4	+1.3	121.9%	21.3	+1.1	105.1%	+0.8	103.9%

FY2024 Results Forecast: 2H Factors in Change in Consolidated Operating Income



Although the impact of raw material and other cost increases will be greater than 1H, the impact will be offset by flexible price revisions and sales growth

Strategic advertising investment in the "in-" and Direct Marketing Businesses in 2H of previous year will work to increase profit this fiscal year



Raw materials, etc.

- Soaring raw material costs: Cacao-related, overseas dairy products, fats and oils
- Impact of energy costs: -0.16 billion
- Exchange rate sensitivity: ¥1 depreciation = Slightly less than ¥0.1 billion decrease in annual profit

Product price increases^{*2}

- April 2024: Confectionery & Foodstuffs Business (sugar confectionery, chocolate (some products), snacks)
- September 2024: Confectionery & Foodstuffs Business (biscuits, chocolate, cocoa and amazake (some products))
Frozen Desserts Business
- December 2024: "in-" Business (*in Bar*)

Other (Main factors)

- +) Product mix, head office relocation expenses in previous period
-) Labor costs, HR costs

Main factors in U.S. Business

- +) Advertising costs, net sales
-) Selling expenses, shipping costs

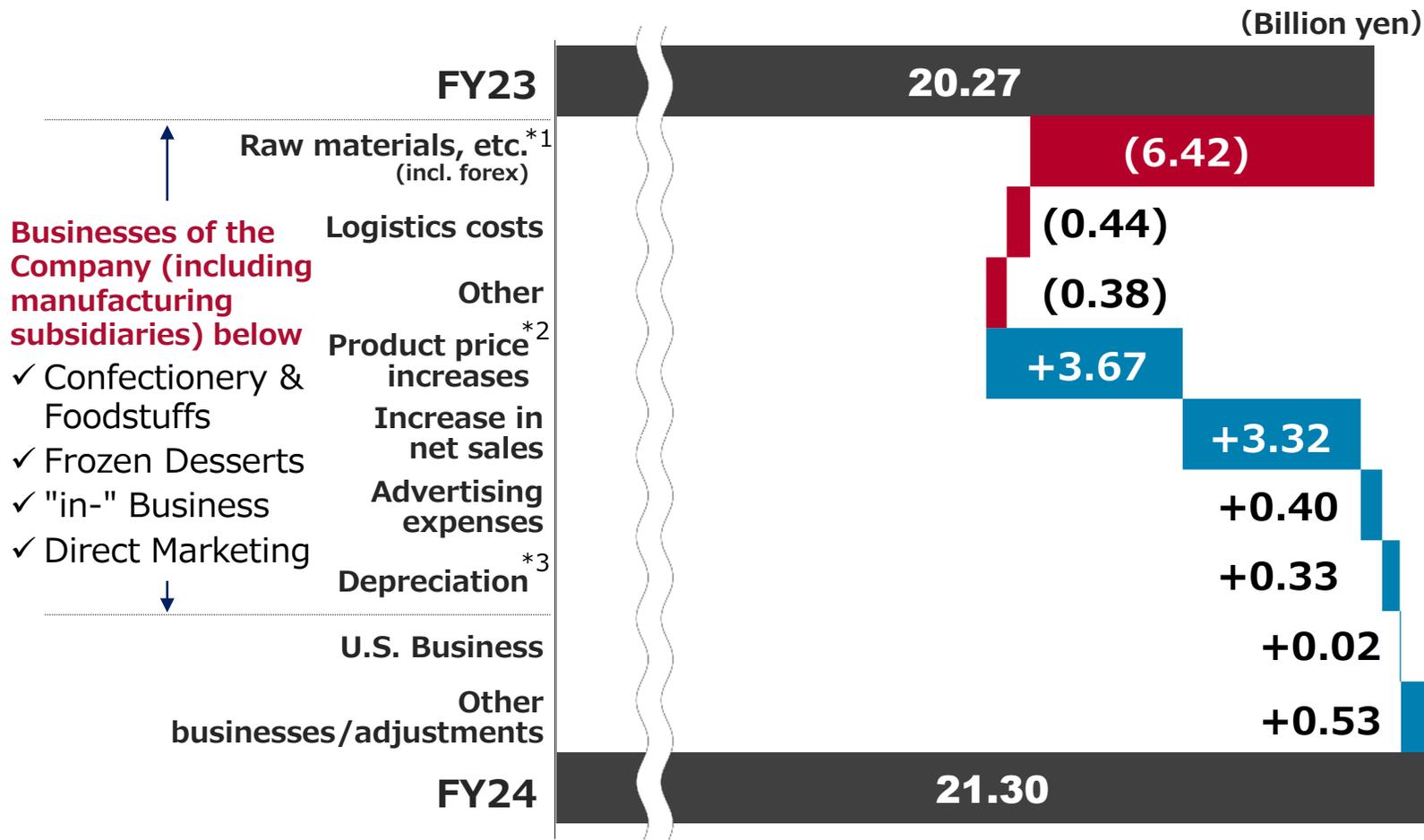
Reference: Advertising costs (consolidated, total)

FY23 Q3,4 **¥6.93** billion
 FY24 Q3,4 **¥5.91** billion (planned) } Profit/loss impact **+¥1.02** billion

FY2024 Results Forecast: Factors in Change in Consolidated Operating Income



Sales growth and price revisions will offset higher than initially expected raw material and other cost increases. Group companies will also contribute to profit increase



Raw materials, etc.

- Soaring raw material costs: Cacao-related, fats and oils (ice cream coating), overseas dairy products
- Impact of energy costs: -0.02 billion
- Exchange rate sensitivity: ¥1 depreciation = Slightly less than ¥0.1 billion decrease in annual profit

Product price increases*2

- September 2023: Confectionery & Foodstuffs Business (hotcake mix, amazake, etc.)
- April 2024: Confectionery & Foodstuffs Business (sugar confectionery, chocolate (some products), snacks)
- September 2024: Confectionery & Foodstuffs Business (biscuits, chocolate, cocoa and amazake (some products))
- Frozen Desserts Business
- December 2024: "in-" Business (*in Bar*)

Other (Main factors)

- +) Product mix, head office relocation expenses in previous period
-) Labor costs, HR costs, DX investment

Main factors in U.S. Business

- +) Net sales, advertising costs
-) Selling expenses, shipping costs, raw material costs

Reference: Advertising costs (consolidated, total)

FY23 **¥11.73** billion
 FY24 **¥11.36** billion (planned) } Profit/loss impact **+¥0.37** billion

FY2024 Results Forecast: Factors in Change in Consolidated Operating Income – Key Topics

Factors in Change in Consolidated Operating Income

(Billion yen)	New forecast (as of Nov.)	Previous forecast (as of May)	Difference	Main factors
Raw materials (incl. energy costs, forex)	(6.42)	(4.82)	(1.60)	<ul style="list-style-type: none"> ✓ Continuing high unit prices of cacao-related raw materials ✓ Soaring unit prices of overseas dairy products due to soaring butter prices
Product price increases	+3.67	+2.50	+1.17	<ul style="list-style-type: none"> ✓ Price revisions in the Confectionery & Foodstuffs, Frozen Desserts, and “in-” Businesses * including the effect of price revisions currently under consideration
Increase in net sales	+3.32	+2.54	+0.78	<ul style="list-style-type: none"> ✓ Continuing strong sales, mainly in the Confectionery & Foodstuffs and Frozen Desserts Businesses where price revisions were implemented
Other businesses/ Adjustments	+0.53	(0.00)	+0.53	<ul style="list-style-type: none"> ✓ Contribution to profit increase by Morinaga Shoji and other Group companies

Results Forecast for FY2024: Summary by Business



Confectionery & Foodstuffs and Frozen Desserts Businesses to drive full-year sales growth
Increased sales and profit of Group companies to contribute to overall performance

(Billion yen)		Net sales			Operating income			Operating income margin	
		FY2024 Forecast	Y/Y change		FY2024 Forecast	Y/Y change		FY2024 Forecast	Y/Y change
Food Manufacturing	Confectionery & Foodstuffs* ¹	83.0	+3.9	104.8%	3.9	(0.1)	96.7%	4.7%	(0.4pt)
	Frozen Desserts* ¹	49.0	+3.7	107.9%	3.9	(0.9)	80.9%	8.0%	(2.6pt)
	"in-" Business* ¹	32.1	+0.6	101.6%	8.0	+1.4	120.8%	25.0%	+4.0pt
	Direct Marketing	11.5	+0.6	104.8%	0.3	+0.1	181.3%	3.3%	+1.4pt
	Operating Subsidiaries, etc.	10.9	+1.0	109.1%	0.8	+0.4	171.4%	7.8%	+2.9pt
	Domestic Total	186.5	+9.4	105.3%	17.0	+0.8	105.2%	9.1%	(0.0pt)
	U.S. Business* ^{2*3}	20.8	+1.7	108.4%	3.2	+0.0	100.4%	15.6%	(1.3pt)
	China, Taiwan, exports, etc.	8.6	+1.2	114.8%	0.3	(0.1)	66.6%	3.6%	(2.6pt)
	Overseas Total	29.4	+2.8	110.2%	3.5	(0.2)	96.1%	12.1%	(1.8pt)
	Subtotal	215.9	+12.1	105.9%	20.6	+0.7	103.5%	9.5%	(0.3pt)
Food Merchandise	8.4	+1.5	121.6%	0.8	+0.5	219.1%	9.8%	+4.3pt	
Real Estate and Services	1.9	(0.0)	99.4%	0.8	+0.0	100.7%	44.2%	+0.5pt	
Other	0.8	+0.1	108.4%	0.1	(0.0)	93.2%	16.6%	(2.8pt)	
adjustments, etc.				(1.1)	(0.2)	—			
Total	227.0	+13.7	106.4%	21.3	+1.1	105.1%	9.4%	(0.1pt)	

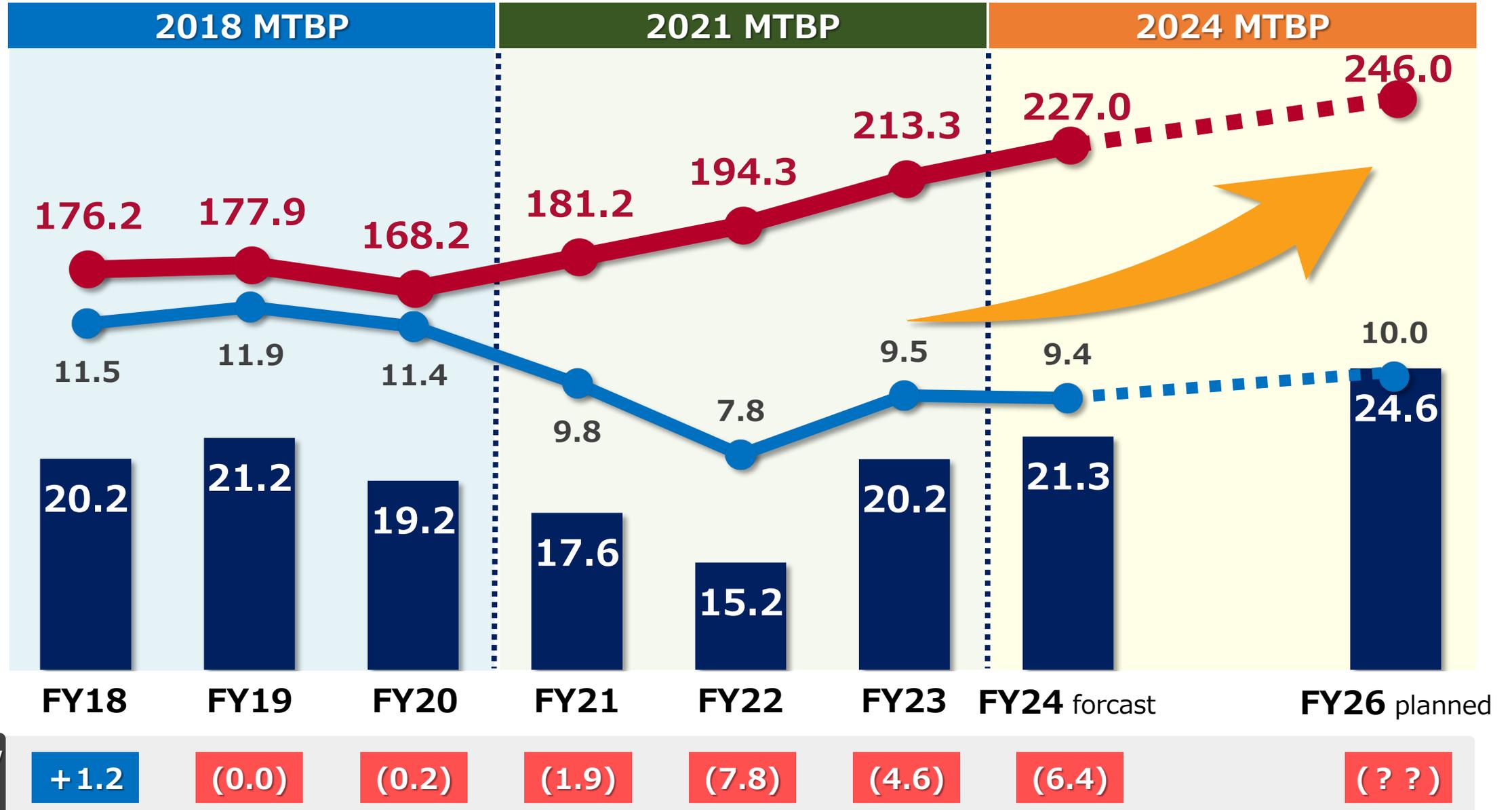
*1. The Confectionery & Foodstuffs Business includes "in-" brand sugar confectionery, chocolate and other products, and the Frozen Desserts Business includes "in-" brand frozen dessert products.

*2. Includes income resulting from exports from China/Taiwan to the United States.

*3. The year-on-year change in net sales on a local currency basis is 103.7%.

Morinaga Group Earnings*1

● Net sales (¥ bn)
 ● Operating income margin (%)
 ■ Operating income (¥ bn)



Impact of raw materials*2 (billion yen)

*1 The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) was applied from the beginning of the fiscal year ended March 31, 2022. Net sales for the fiscal year ended March 31, 2021 and earlier have been estimated by retrospectively applying the said accounting standard.

*2 The impact of raw materials includes not only the prices of raw materials, but efforts to reduce costs and fluctuations in foreign exchange rates/Morinaga and manufacturing subsidiaries



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Results for FY2024 Q2

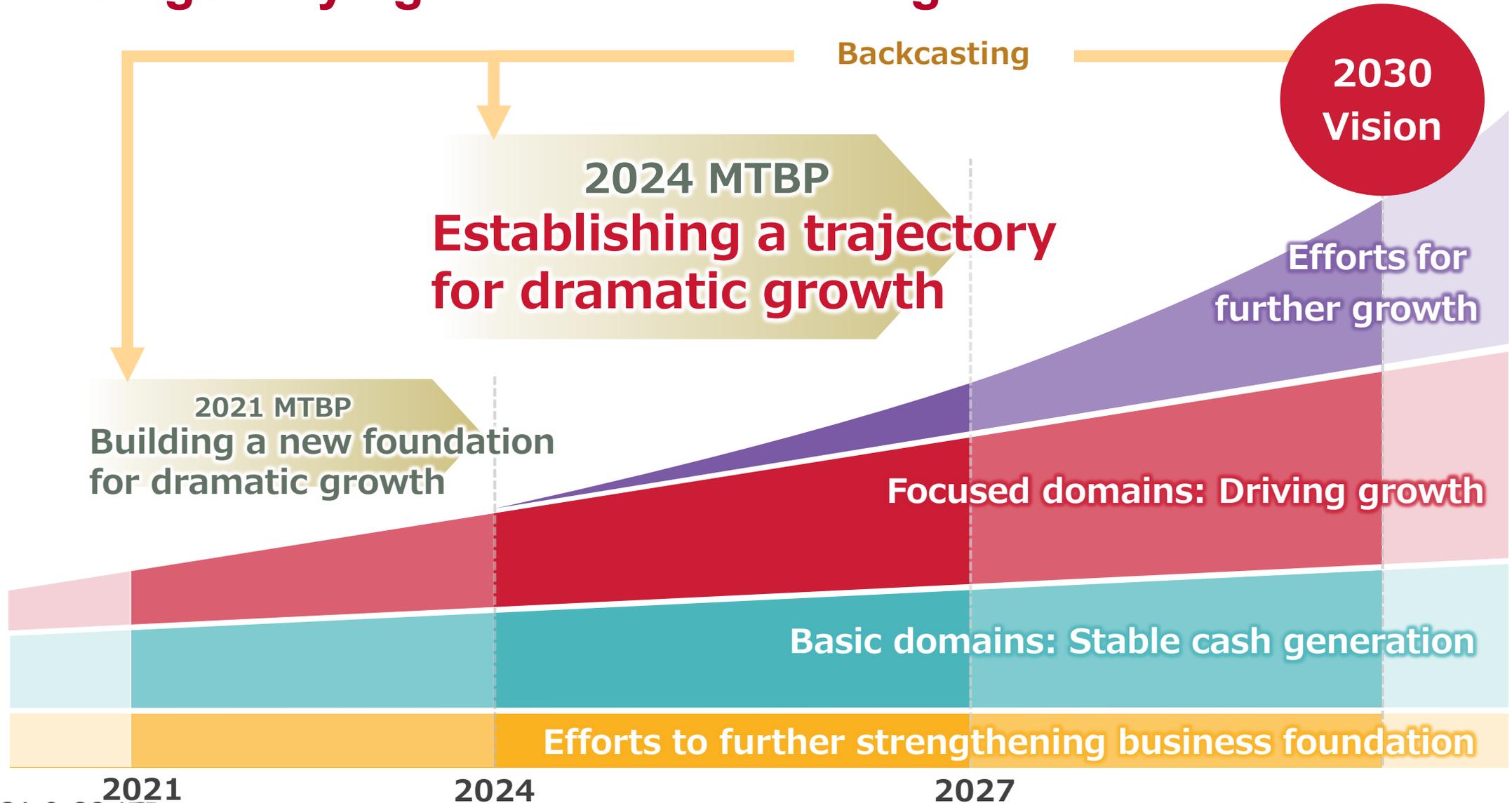


Results Forecast for FY2024



Progress of the 2024 MTBP

2nd Stage: Laying a Path for Achieving the 2030 Business Plan



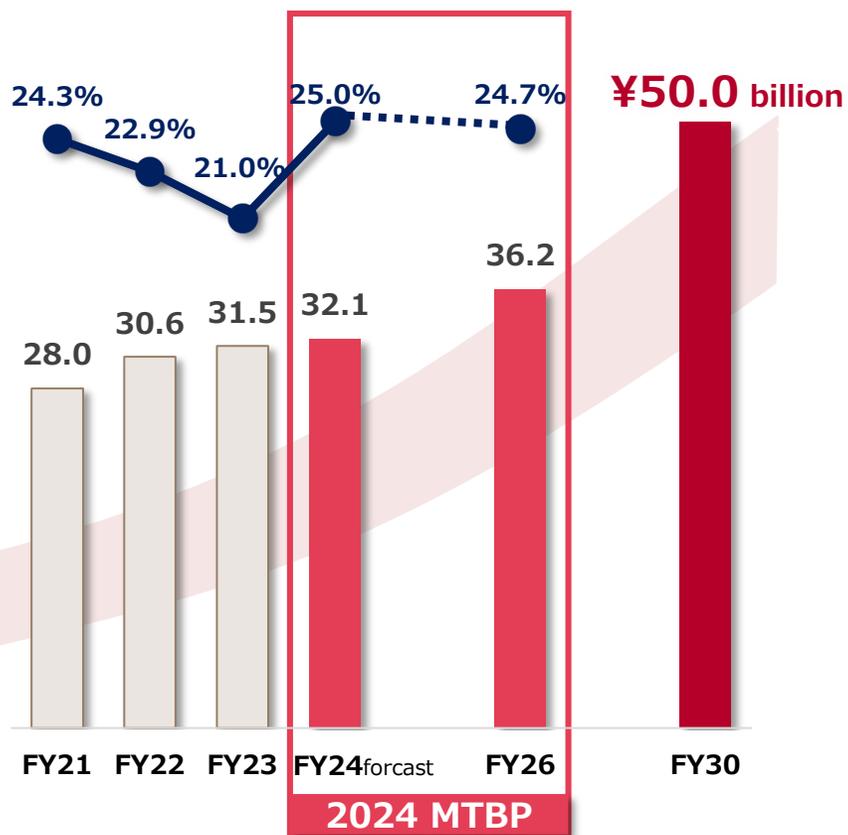
Focused Domain: “in-” Business

in Jelly: continued working on cultivating a wide range of consumption situations and expanding customer base for further business growth

Progress toward the 2030 Target and 2024 MTBP

1 Expansion of *in Jelly*

Bar: Net sales (Billion yen)
Line: Operating income margin



Promoted lifetime value (LTV) strategy

- Cultivate a wide range of consumption situations for standard line (active and non-active)

Energy: Glucose Boost
Cultivate **everyday occasions** with a focus on sports

Vitamin/Mineral
Strengthen the appeal of health management

Further instill *in Jelly* for entrance examinations
Stimulate demand through new devices

- Launched and cultivated target-specific products
 - *Full-o-Fruit*: Steadily capturing snacking demand among women, and developing product for establishment in market
 - *in Jelly Growth Support*: Given the potential for increases in store stocking ratios, strengthened in-store sales promotions



Focused Domain: “in-” Business

Continued to expand the “in-” brand to support the wellness of everyone who positively engages in activities centered around sports

2 Expansion of “in-” brand

Grew *in Bar* products, improved profit structure

External environment

- Protein bar market is sluggish due to increase in protein-related products and diversification of protein intake methods

Morinaga initiatives

- Launched TV commercials promoting product value and eating situations
Promoted the brand to retailers in conjunction with advertising, and strengthened in-store exposure



- Currently proceeding to develop new products capable of capturing new demand

Developed and established new “in-” brands

- Creating a new norm in nutritional intake and creating advanced future foods



in Tansan

Carbonated beverage turns into jelly and expands to provide a sense of satisfaction, even though it is a drink
Aimed at meeting the needs of those who want to manage excessive snacking at work

- Trial launch on Amazon
- Buzz on social media led to sales exceeding expectations
- ➔ Proceeding to expand EC retailers

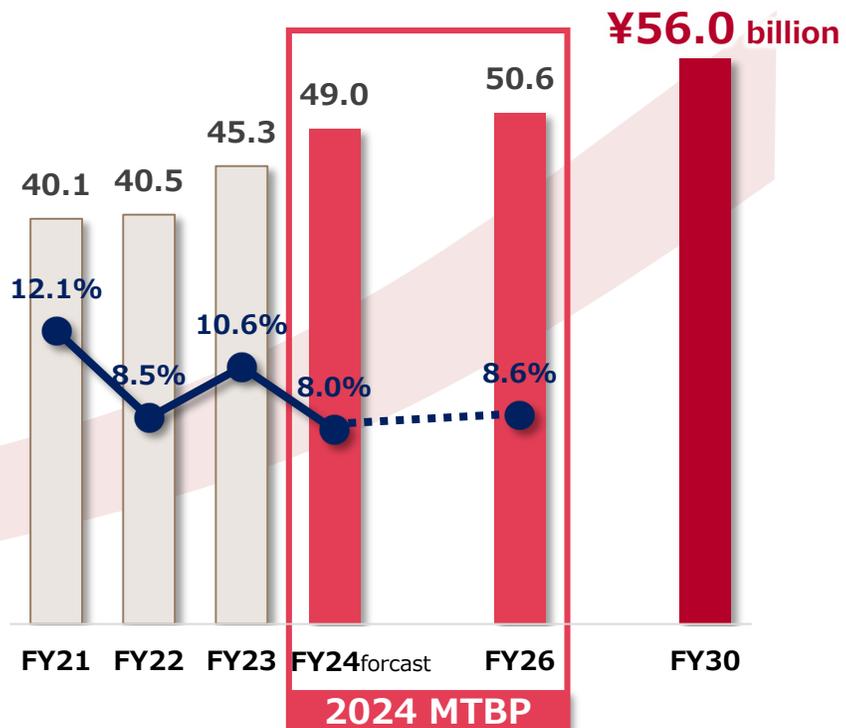
Focused Domain: Frozen Desserts Business



Steady growth of product lines following the *Jumbo Group* contributing to business growth
 Captured further demand with differentiated products

Progress toward the 2030 Target and 2024 MTBP

Bar: Net sales (Billion yen)
 Line: Operating income margin



1 Developmental evolution of "freshness marketing"

- Strengthened the appeal of the crispy quality, increased the purchase rate across all generations, and cultivated inbound demand



2 Capturing customers from adjacent markets

- Captured demand for desserts among adults**
 - Ita Choco Ice, The Crepe*: Continued to increase purchase rates through the occasional development of products and promotional measures
 - Taking on the challenge of launching high-value-added products designed to meet the demand for treats
- Form new segments**
 - Frozen hotcakes**
 - Launched to certain retailers, aiming to expand product while verifying acceptance

3 Creation of new markets with technological advantages

- Expanded flavored ice applications**
 - ICEBOX*: Continued to increase purchase rates and self-consumption by adults through expansion of eating occasions
 - Measure for extreme heat, use as a mixer
- Cultivated wellness products**
 - Functional multipack**
 - Launched in limited area, aiming to expand product while verifying acceptance

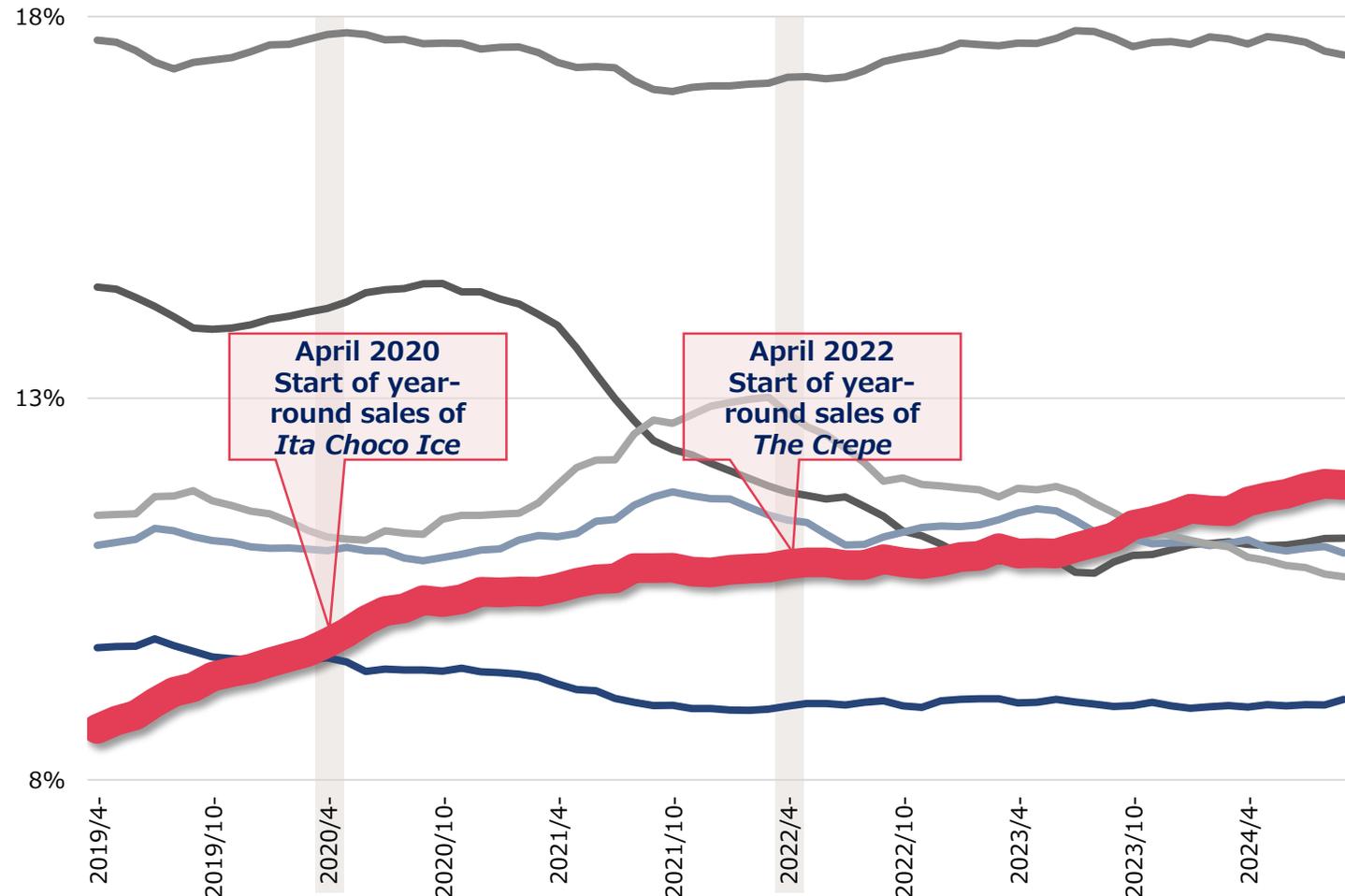
Expand test launch area

Focused Domain: Frozen Desserts Business



Rose from 6th to 2nd in market share in last 5 years
 Continued growth of *Jumbo Group* and sales of *Ita Choco Ice* and *The Crepe* contributed to rise

Share of frozen desserts market (moving annual total of estimated sales value)



Major Morinaga brands: Growth rate of sales*

Jumbo Group
 Sep. 2024 annual total (compared to Sep. 2019)
+25.8%

Ita Choco Ice
 Sep. 2024 annual total (compared to Sep. 2019)
+306.3%

The Crepe
 Sep. 2024 annual total (compared to Sep. 2019)
+154.2%

ICEBOX
 Sep. 2024 annual total (compared to Sep. 2019)
+61.6%

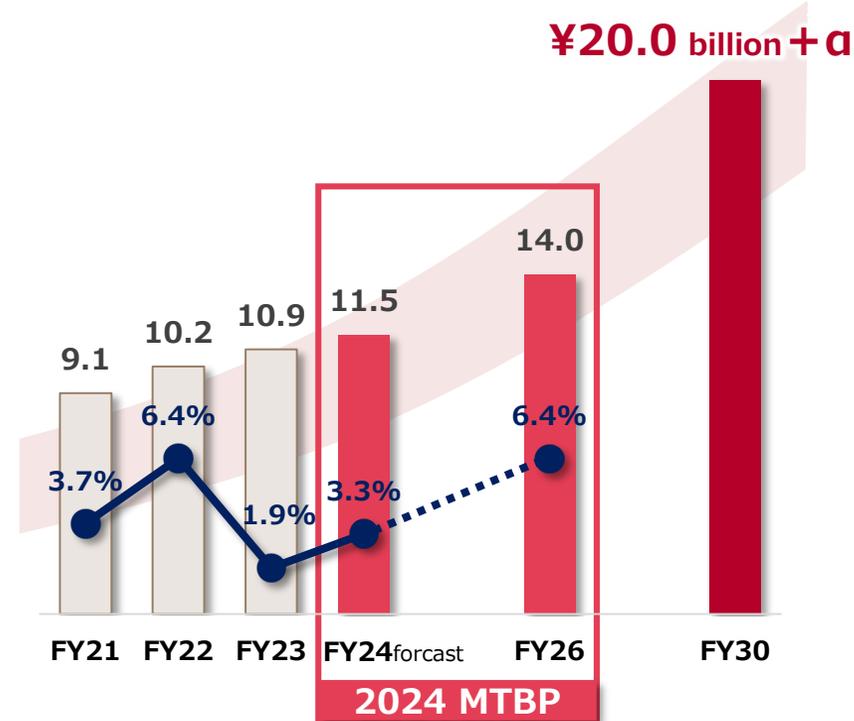
Focused Domain: Direct Marketing Business



Striving to capture new customers and improve the LTV of existing customers in order to nurture subscription customers and achieve further business growth

Progress toward the 2030 Target and 2024 MTBP

Bar: Net sales (Billion yen)
Line: Operating income margin



1 Strengthening of existing Direct Marketing business

Expanded sales of *Morinaga Collagen Drink*

- Expanded number of subscription customers by capturing new customers
 - Strengthened online advertising in response to changes in how consumers connect with media
 - Improving advertising efficiency and improving brand recognition pose challenges
- Improve LTV of existing customers
 - Strengthened promotions of “One-year Subscription Course” and switch to premium lines (to increase per-customer spending)



Morinaga Collagen Drink Premio

Developing a second pillar

- Maintained growth of *Morinaga Aojiru*

2 Efforts for further business expansion

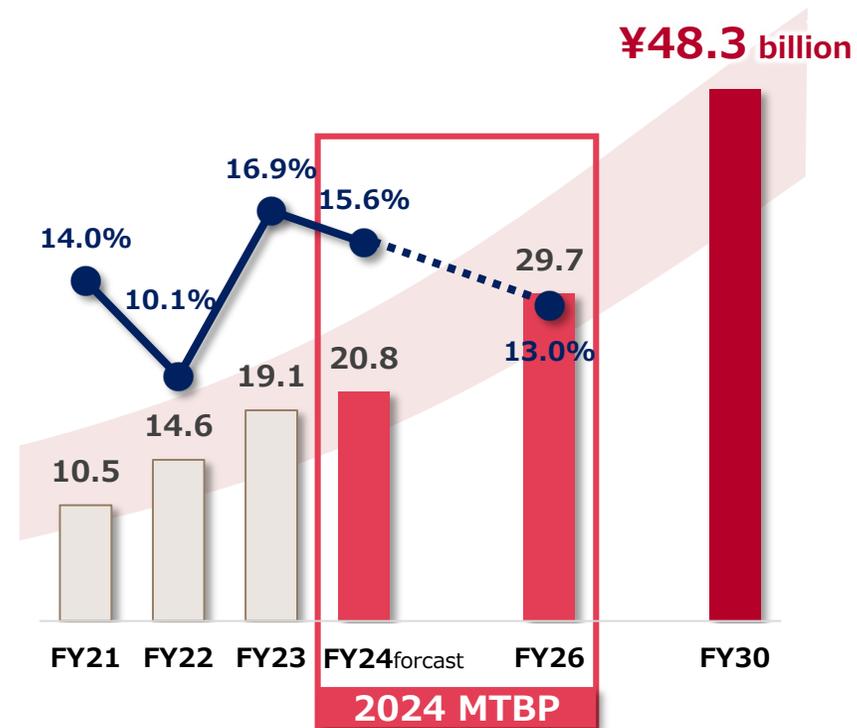
- Expanded the range of foods offered through limited sales of high-value-added luxury items
- *Okashi Print*: Maintained growth by strengthening new acquisitions



HI-CHEW: Continued efforts to increase stocking and expand brand contact points in order to further increase sales

Progress toward the 2030 Target and 2024 MTBP

Bar: Net sales (Billion yen)
Line: Operating income margin



1 Further sales expansion of HI-CHEW

External environment

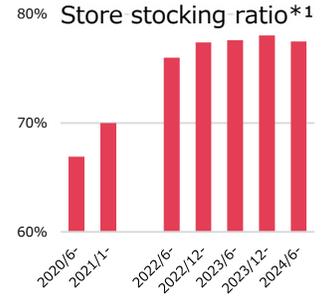
- Consumption remains sluggish due to stagnant U.S. economy and inflation
- Sugar confectionery market is particularly affected by sales through convenience store channel

Morinaga initiatives

Greater take-up and stocking of products

Store stocking ratio*1 | Jun. 2023 **77.6%** ▶ Jun. 2024 **77.5%**

- Increase in SKUs handled in existing channels
 - Expansion of SKUs and launch of new products tailored to the channel
 - Expansion of SKUs introduced to Food channel
- Development of new channels
 - Increase in product introduction to airport retailers and dollar shops, etc.



Chargel: Continue to expand business base leading up to 2030 and strive to create a jelly drinks market

1 Further expansion of sales of *HI-CHEW*

Expanded brand contact points/recognition

Brand recognition rate* | Sep. 2023 **54%** ▶ Sep. 2024 **57%**

● Expansion of in-store brand contact points

- Strengthening in-store exposure using promotional display stands
- Event: Halloween-inspired cartons
- *HI-CHEW gummies*: Gradually expanding to stores



● Acquisition of brand fans through use of promotional mascot

- Evoke an image of fun and provide a sense of excitement to customers
- Gaining brand exposure on SNS, sports events and TV programs, etc.



● Increase in brand recognition among Gen Z (main target)

- Collab with brands that have affinity with the target demographic

Morinaga initiatives

2 Breakthrough of *Chargel*

Sales

● EC channels

- Strong sales on Amazon, repeat customers increasing

● Real channels

- Utilization of in-store display stands and demonstrations
- Continued negotiations for test sales and introduction of products in U.S. channels

Marketing

- Ongoing approaches to athletes has also led to gradual penetration of product into the sports scene among general consumers
Revised tagline to promote product understanding, and began promoting it as a "*thirst-quenching snack*"

- ➔ Currently promoting introduction of product to stores based on EC results
Expanding approach to snacking retail spaces

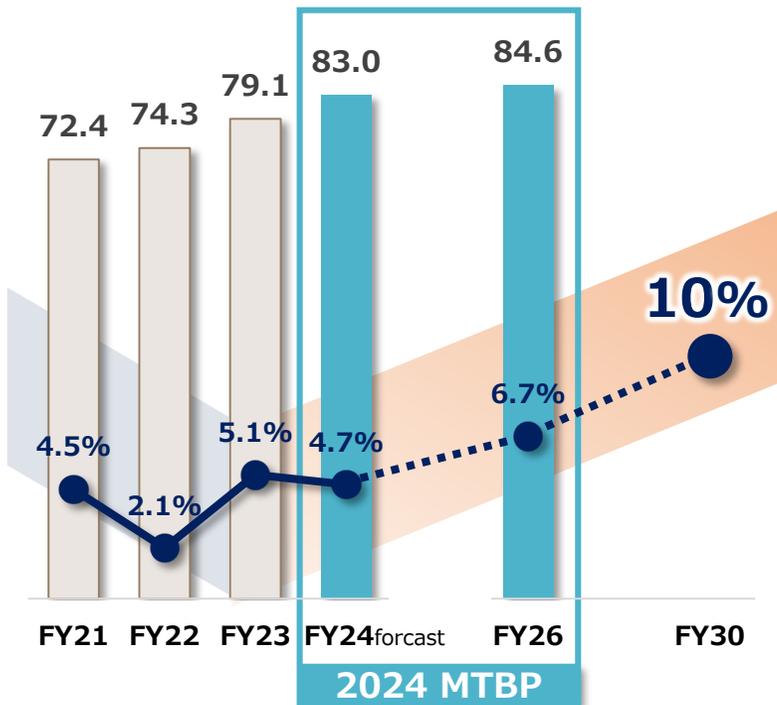
Basic Domain: Confectionery & Foodstuffs Business



Top line remained strong during the current period, mainly in the sugar confectionery category, following price revisions in April and September

Progress toward the 2030 Target and 2024 MTBP

Bar: Net sales (Billion yen)
Line: Operating income margin



1 Business growth in sugar confectionery

- Sugar confectionery category driving improved profitability in this business; maintaining top-line growth
- **HI-CHEW:** Sales have remained strong after logo change Aiming for consumer inflow from gummies and hard candies, and strengthening demand stimulation
- **Morinaga Ramune:** Further increases in purchase rates through a strategy to expand the diverse values of "taste, fun, and functionality"



2 Business growth in biscuits

- **Morinaga Biscuits:** Maintained purchase rates despite price revision in September Continued to stimulate demand through product development and advertising focused on **MOON LIGHT**



3 Improved return on capital in chocolate

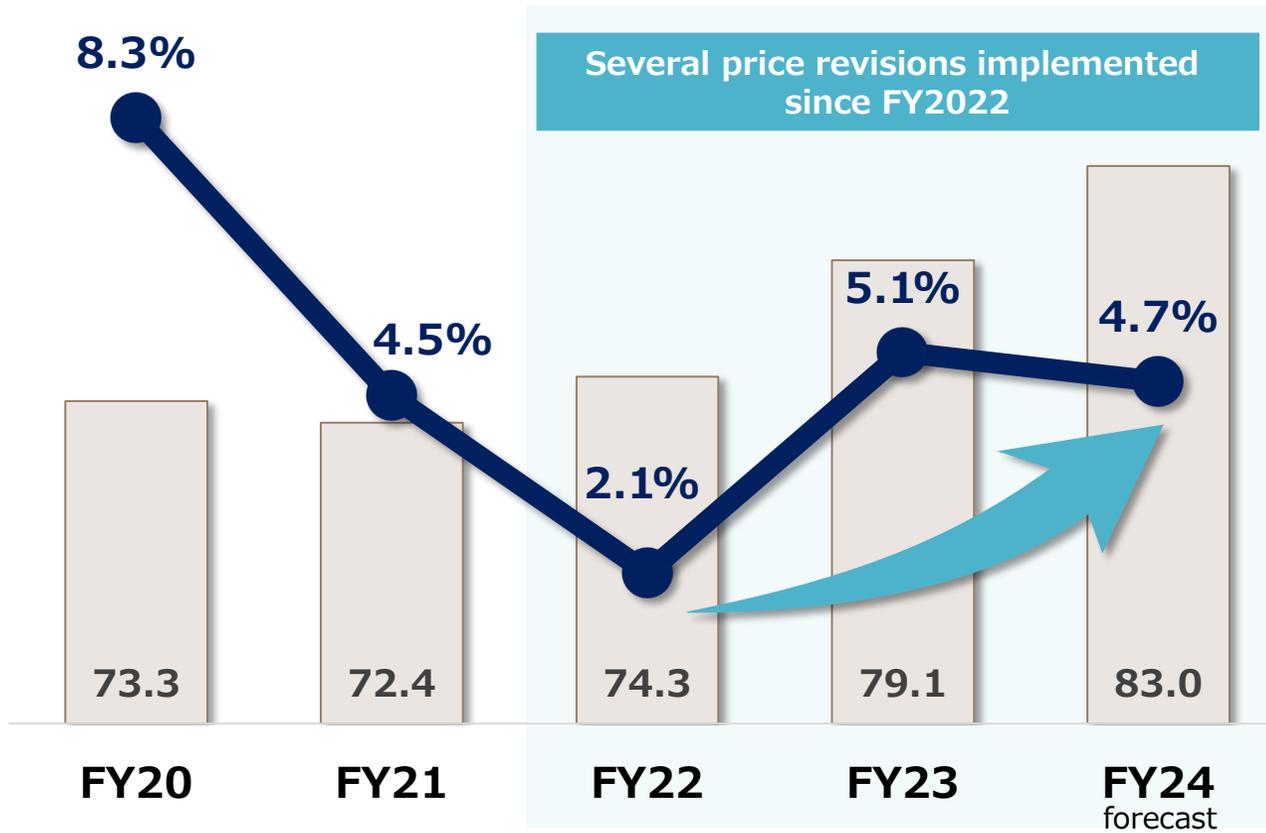
- Implemented price revision in September is response to soaring cacao prices; will continue flexibly consider future revisions In addition, will also gradually reduce costs of mainstay products

Basic Domain: Confectionery & Foodstuffs Business



Achieved top line growth while undertaking several price revisions in response to significant cost increase
 Also worked on improving the category mix and steadily reducing costs, resulting in the ongoing improvement of profitability after bottoming out in FY2022

Changes in net sales and operating income margin



Several price revisions implemented since FY2022

Price revisions

2022	June/July: Sugar confectionery / biscuits / chocolate September: Hotcake mix, etc.
2023	March: Sugar confectionery / biscuits / chocolate / snacks / cocoa September: Hotcake mix, amazake, etc.
2024	April: Sugar confectionery / chocolate / snacks September: Biscuits / chocolate / cocoa, amazake, etc.

Sales growth rate of sugar confectionery brands

HI-CHEW

FY2023 (compared to FY2020) **+25.7%**

Morinaga Ramune

FY2023 (compared to FY2020) **+55.1%**

Impact of soaring raw material prices (billion yen)^{*1}

(0.2)

(1.9)

(7.8)

(4.6)

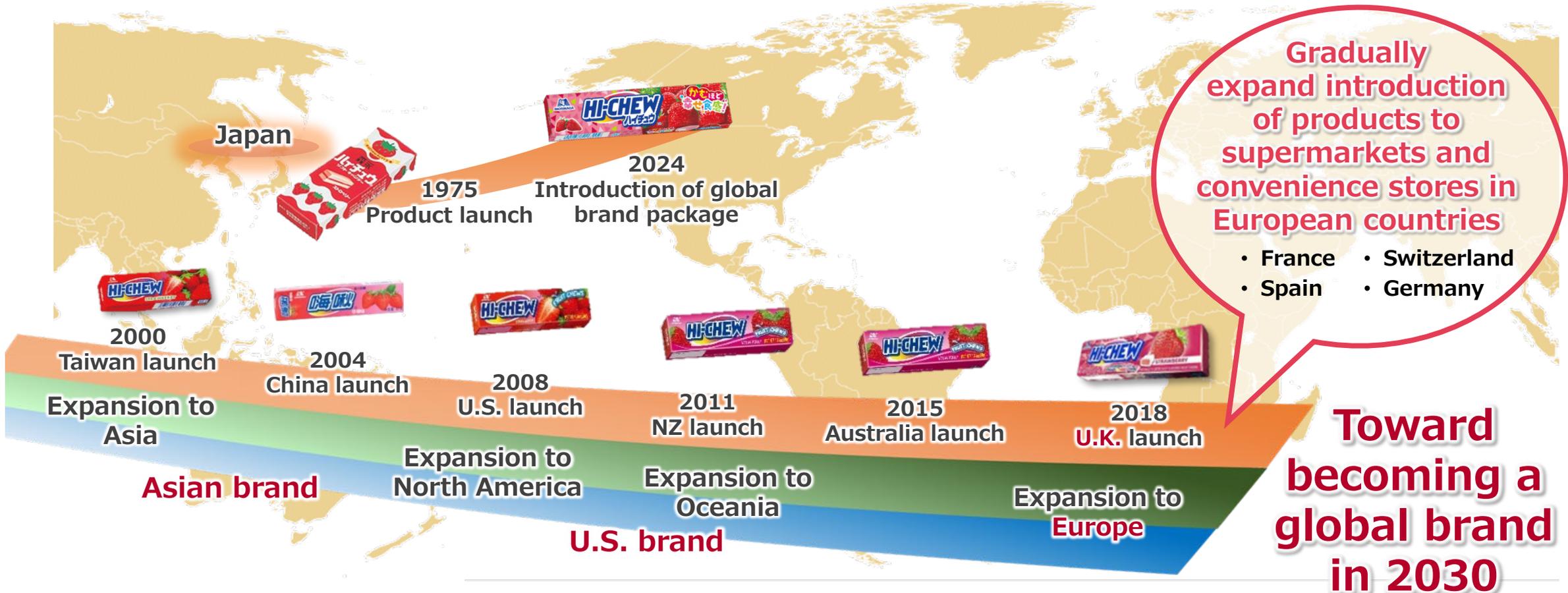
(6.4)

Further Efforts for 2030: Further Growth of Overseas Business



HI-CHEW entering a new stage toward becoming a global brand

History of *HI-CHEW*, from launch in Japan to present



Further Efforts for 2030: Further Growth of Overseas Business



Groundbreaking ceremony for the second factory of Morinaga America Foods held in early October



Image of second factory when complete

**Scheduled to begin operations in January 2027
with the aim of accelerating global strategies centered on HI-CHEW**

New Head Office: Morinaga Shibaura Building



Newly constructed in March 2024, the Morinaga Shibaura Building received a 2024 Good Design Award for being an environmental, co-creation office building that embodies Morinaga's Corporate Philosophy and community co-creation



Morinaga Shibaura Building: MORINAGA KAKUHAN BASE

- **“Kakuhan” concept**
A base that “continues to create, nurture, and disseminate seeds of value by mixing the power of individuals and organizations”
- **ZEB Ready certified and environmentally friendly design**
- **First floor is designed as an evacuation site in the event of a disaster, and as a space to accommodate people who have difficulty returning home**, including local businesses and residents
- **Engages in community co-creation and promotes “kakahan” inside and outside the Group**
First floor space can be utilized for events



Community exchange events



Evaluation points

- An environmental, co-creation office that embodies Morinaga's Corporate Philosophy and community co-creation. The building is in harmony with the surrounding environment and provides a new landscape to the neighborhood.
- Cedar sourced from a place noted in connection with Morinaga's founder has been used in both the exterior and interior. This creates a warm space with an awareness of spiritual health and connects the company's history with a sustainable future.
- The architecture reflects Morinaga's vision as a wellness company that aims to improve the health of people and society through its efforts to address local ecological and social issues.



Delicious, Fun, and Healthy



Fin.



Delicious, Fun, and Healthy



appendix

End-Q2 FY2024 Results: Balance Sheet



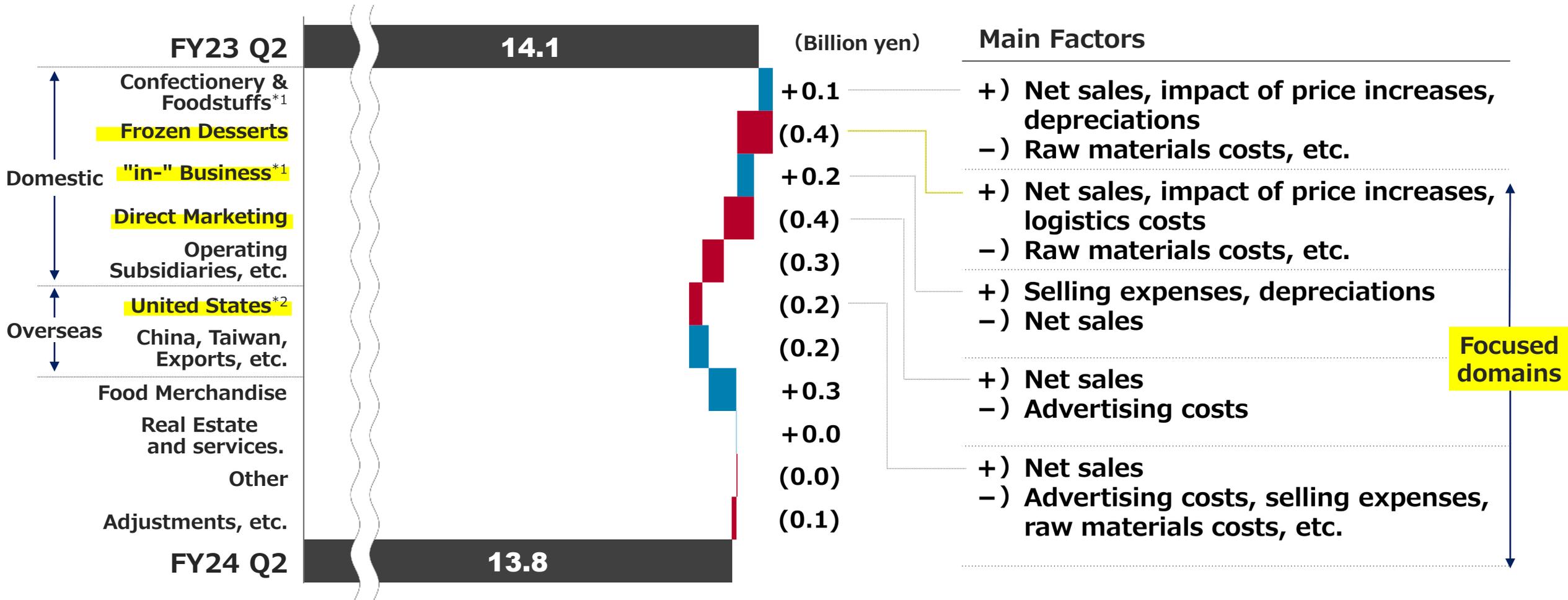
(Billion yen)	End-Q2 FY2024	vs. end-FY2023	Main Factors
Current assets	114.1	(3.9)	<ul style="list-style-type: none"> • Cash and deposits (5.7) • Notes and accounts receivable-trade (1.8) • Merchandise and finished goods +2.3 • Raw materials and supplies +1.2
Noncurrent assets	105.9	+0.4	<ul style="list-style-type: none"> • Buildings and structures (0.6) • Investment securities (0.5) • Intangible assets +1.3
Total assets	220.1	(3.5)	—
Current liabilities	56.4	(8.0)	<ul style="list-style-type: none"> • Accounts payable–other (2.0) • Income taxes payable (2.0)
Long-term liabilities	26.4	(0.1)	<ul style="list-style-type: none"> • Net defined benefit liability +0.2
Total liabilities	82.9	(8.0)	—
Shareholders' equity	120.5	+3.3	<ul style="list-style-type: none"> • Retained earnings +3.4 • Treasury stock (0.1)
Accumulated other comprehensive income	15.1	+1.2	<ul style="list-style-type: none"> • Foreign currency translation adjustments +2.0 • Valuation difference on available-for-sale securities (0.4)
Non-controlling interests	1.5	+0.1	—
Total net assets	137.2	+4.6	—
Total liabilities and net assets	220.1	(3.5)	—
Shareholders' equity ratio	61.6%	+2.9pt	—

FY2024 Q2 Results: Consolidated Statement of Cash Flows



(Billion yen)	FY2024 Q2	Y/Y change	Main factors
Operating cash flow	10.7	(7.1)	<ul style="list-style-type: none"> • Income taxes (paid) refund (8.8) • Increase (decrease) in notes and accounts payable – trade (4.1) • (Increase) decrease in inventories (3.3) • Loss (gain) on sales of investment securities (0.7) • (Increase) decrease in notes and accounts receivable–trade +13.7 • Income before income taxes +0.6
Investment cash flow	(7.2)	+ 1.2	<ul style="list-style-type: none"> • Purchase of securities +2.5 • Proceeds from sale of securities +2.5 • Purchase of property, plant and equipment (3.7) • Purchase of shares of subsidiaries and associates (0.5)
Free cash flow* ¹	3.6	(5.8)	—
Financial cash flow	(7.7)	+ 2.6	<ul style="list-style-type: none"> • Purchase of treasury stock +2.8

FY2024 Q2 Results: Change in Operating Income by Business



*1 Sugar confectionery, chocolates, and other products under the "in" brand are included in Confectionery & Foodstuffs

*2 Includes income from exports to the U.S. from China and Taiwan

Major Domestic Brands — Net Sales Year on Year

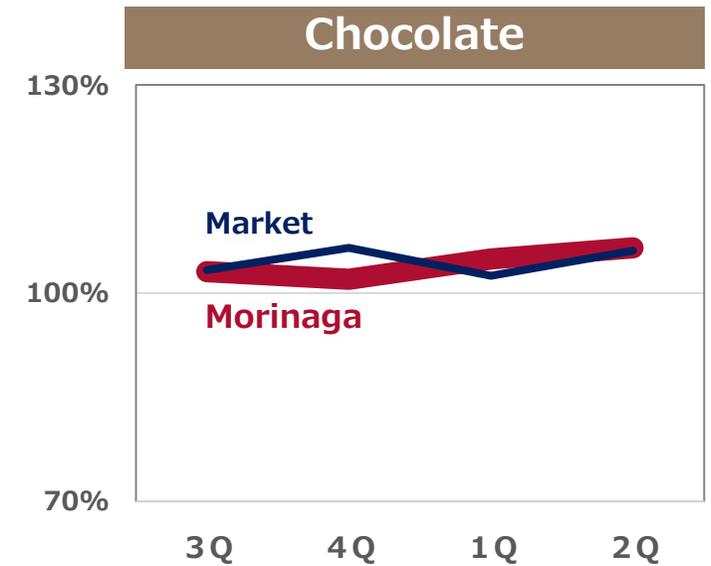
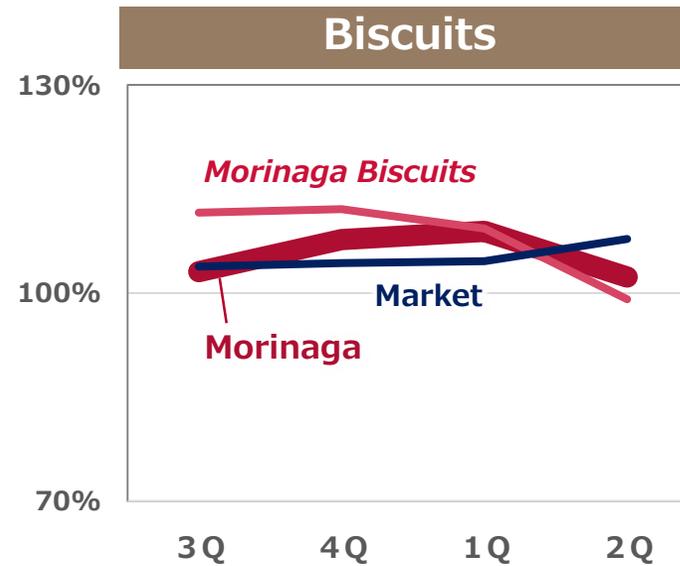
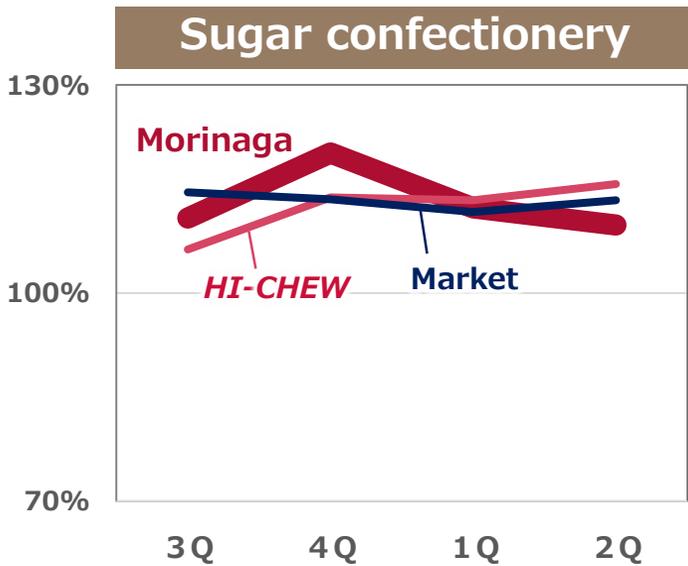
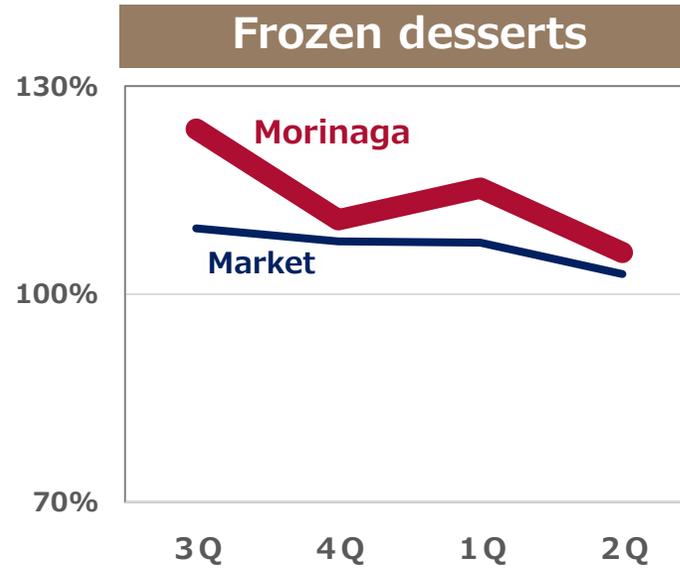
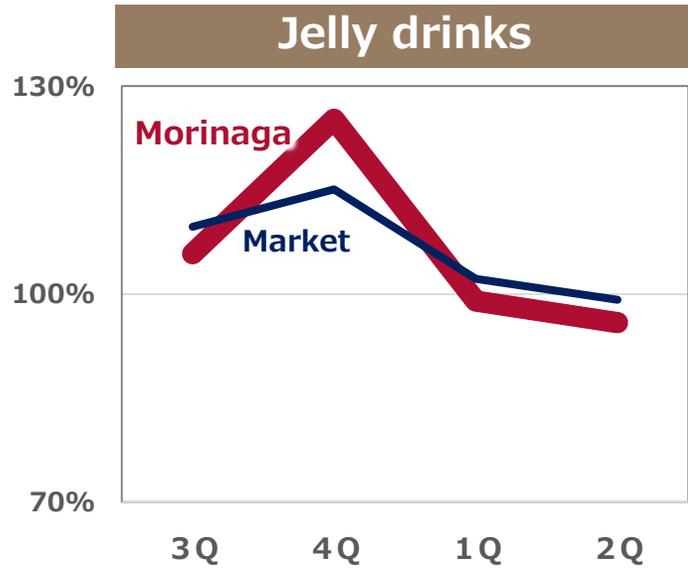


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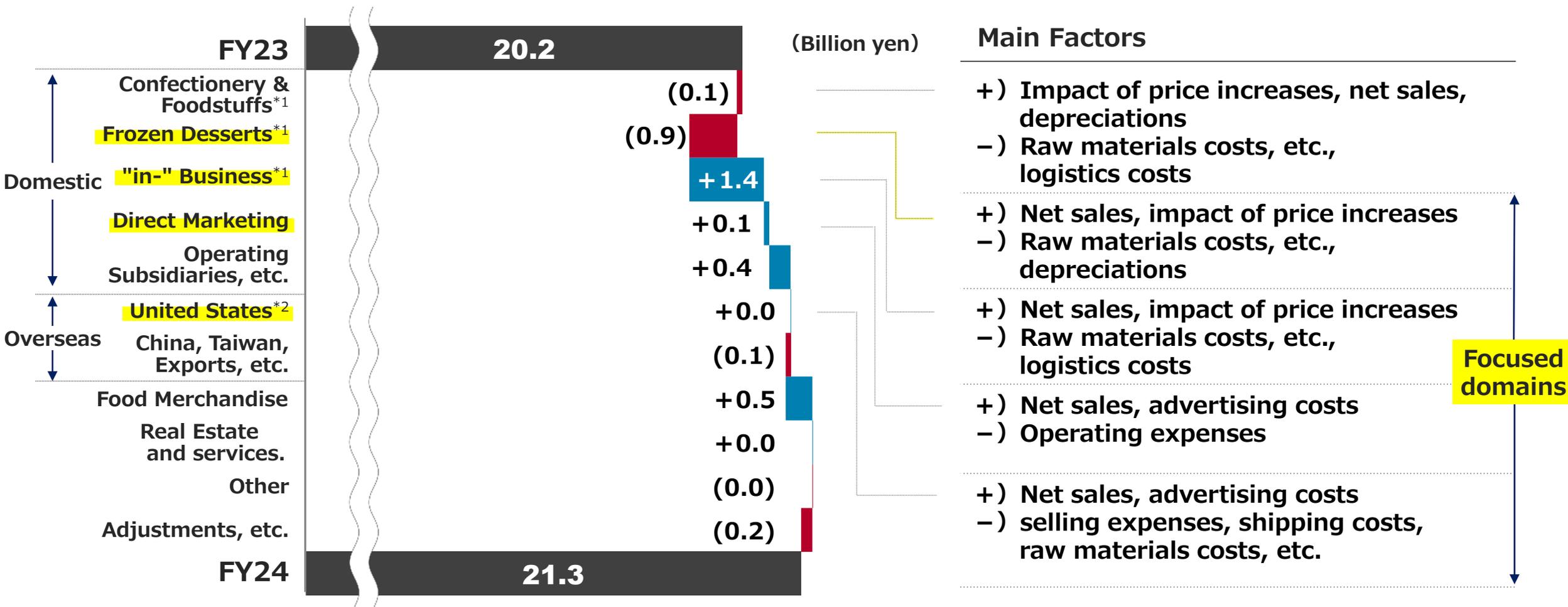
Business	Brand	Q1 Result (Y/Y)	Q2 Result (Y/Y)	1H Result (Y/Y)
"in-" Business	<i>in Jelly</i>	103	99	101
	<i>in Bar</i>	97	78	88
Direct Marketing	<i>Morinaga Collagen Drink</i>	103	101	102
Frozen Desserts	<i>Jumbo Group</i>	102	100	101
	<i>Ita Choco Ice</i>	140	129	133
	<i>The Crepe</i>	162	104	127
	<i>ICEBOX</i>	121	104	109

Business	Brand	Q1 Result (Y/Y)	Q2 Result (Y/Y)	1H Result (Y/Y)
Confectionery & Foodstuffs	<i>Morinaga Biscuits</i>	113	97	105
	<i>HI-CHEW</i>	107	116	112
	<i>Morinaga Ramune</i>	132	125	128
	<i>Carré de chocolat</i>	106	132	118
	<i>DARS</i>	133	92	109
	<i>Chocoball</i>	104	99	101
	<i>Morinaga Amazake</i>	86	85	85
	<i>Morinaga Cocoa</i>	122	115	118

Domestic Market Y/Y Change in Sales Value



FY2024 Results Forecast : Change in Operation Income by Business



*1 Sugar confectionery, chocolates, and other products under the "in-" brand are included in Confectionery & Foodstuffs, Frozen desserts under the "in-" brand are included in Frozen desserts *2 Includes income from exports to the U.S. from China and Taiwan