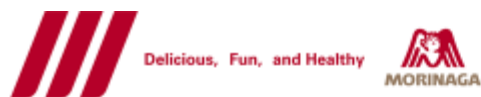


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# Second Quarter, Fiscal Year Ending March 31, 2025 Results Briefing

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.

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Hello, everyone. I am Ota. Thank you very much for taking time out of your busy schedule today to participate in our financial results briefing for Q2 of the fiscal year ending March 31, 2025.

Six months ago, at the financial results meeting in May, I presented and explained the newly formulated 2024 MTBP, and the 2030 Business Plan, which has been significantly updated. This fiscal year marks the start of the 2024 MTBP, and in H1 of the current fiscal year, net sales, operating income, and profit attributable to owners of parent all exceeded the forecasts made at the beginning of the fiscal year. Although raw material price hikes are expected to be larger than the forecast at the beginning of the fiscal year, in H2 we plan to beat them back and increase net sales and profits, which are expected to exceed the forecasts at the beginning of the fiscal year. As a result, we have revised our annual forecasts upward and now expect record highs both in net sales and operating income.

## 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	
<b>Net sales</b>	<b>118.8</b>	<b>+9.2</b>	<b>108.4%</b>	<b>+4.8</b>	<b>104.3%</b>
<b>Gross profit</b> [gross profit margin]	<b>48.6</b> <b>[41.0%]</b>	<b>+2.5</b> <b>[(-1.1pt)]</b>	<b>105.5%</b>	-	-
<b>Operating income</b> [Operating income margin]	<b>13.8</b> <b>[11.7%]</b>	<b>(0.3)</b> <b>[(-1.2pt)]</b>	<b>97.8%</b>	<b>+0.4</b>	<b>103.4%</b>
<b>Ordinary income</b>	<b>14.0</b>	<b>(0.3)</b>	<b>97.9%</b>	<b>+0.4</b>	<b>103.7%</b>
<b>Profit attributable to owners of parent</b>	<b>10.6</b>	<b>+0.4</b>	<b>103.6%</b>	<b>+0.5</b>	<b>105.3%</b>
<b>EBITDA*1</b>	<b>18.6</b>	<b>(0.1)</b>	<b>99.0%</b>	-	-

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\*1 Simple calculation method used for EBITDA: operating income + depreciation and amortization \*2 Figures announced May 2024

\* The yen conversion rate at overseas subsidiaries in FY2024 Q2: ¥152.25=\$1USD; ¥134.85 in FY2023 Q2. Our initial assumption in FY2024 was ¥146.

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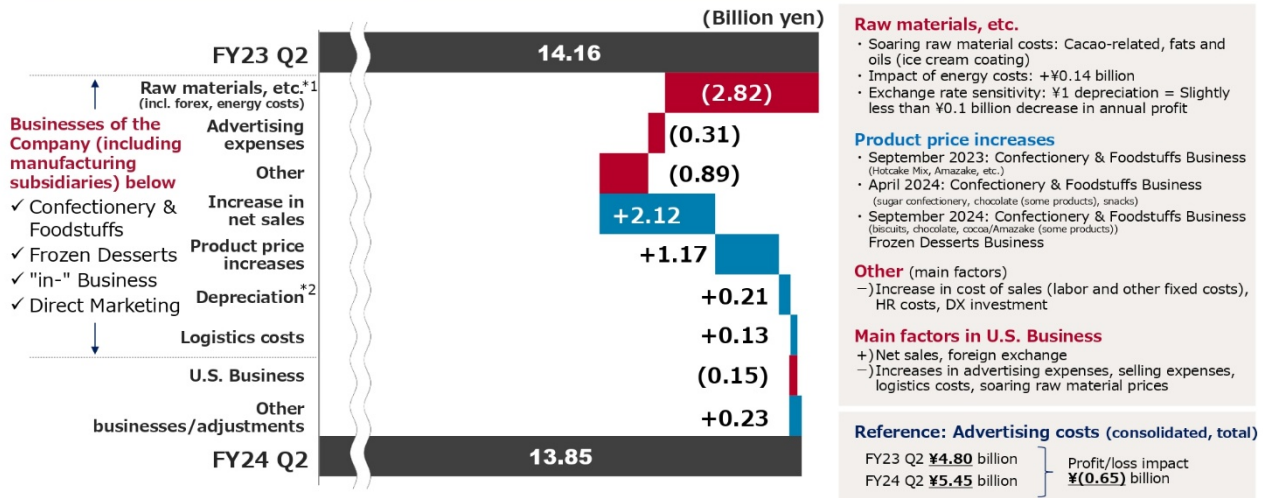
First, here are the results for Q2.

Net sales were JPY118.8 billion, an increase of JPY9.2 billion YoY. This was a record high for H1 of a fiscal year. It was also JPY4.8 billion more than the forecast announced in May. Operating income was JPY13.8 billion, a decrease of JPY0.3 billion YoY. However, it was JPY0.4 billion more than the earnings forecast. Profit attributable to owners of parent also increased due to an extraordinary gain from the sale of cross-shareholdings and was the highest ever for H1 of a fiscal year.

## 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



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\*1 Actual funding rate in FY2023 Q2 : \$1USD = ¥134.84; ¥147.59 in FY2024 Q2

\*2 Cost of sales recorded only

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Next are factors behind the increase or decrease in operating income. Factors contributing to the decrease in income are in red and factors contributing to the increase in income are in blue.

First, in the nonconsolidated four businesses of the Company, there were an increase of approximately JPY2.8 billion in raw materials, etc., and an increase of approximately JPY0.3 billion in advertising expenses. The consolidated total for advertising expenses increased by JPY0.65 billion. And then, Other was up about JPY0.9 billion. The main elements here are labor costs, HR costs, and DX investments. Factors contributing to the decrease in income amounted to about JPY4.0 billion, which was covered by increase in net sales and price revisions, but profit declined slightly.

## 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 <sup>*1</sup>	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 <sup>*1</sup>	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 <sup>*2*</sup>	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)	—			
<b>Total</b>	<b>118.8</b>	<b>+9.2</b>	<b>108.4%</b>	<b>13.8</b>	<b>(0.3)</b>	<b>97.8%</b>	<b>11.7%</b>	<b>(1.2pt)</b>	

\* 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.

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\*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%

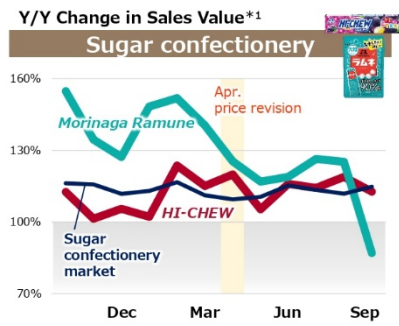
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Next is a summary by business.

In terms of net sales, we were able to achieve growth of more than 8%, driven by the Confectionery and Foodstuffs, Frozen Desserts business. However, operating income were impacted by the sharp rise in raw material prices, as well as increased investment in advertising, human resources, and DX, resulting in a decrease of approximately JPY0.3 billion.

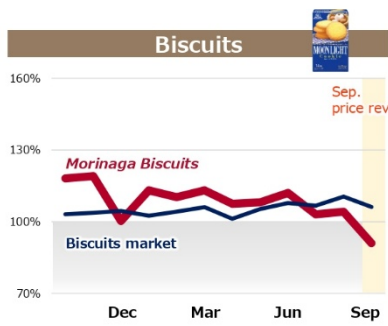
# Key Topics in Domestic Market: Confectionery

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



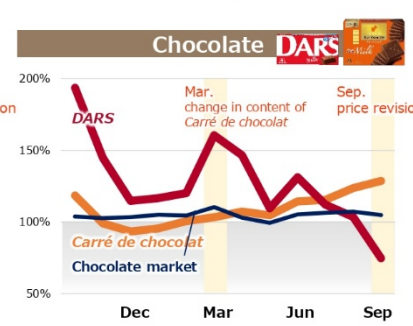
Apr-Sep cumulative sales value (Y/Y)	
HI-CHEW	114.5%
Morinaga Ramune	115.2%
Market	112.5%

- **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)	
Morinaga Biscuits	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)	
DARS	111.1%
Carré de chocolat	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

Next, here are the topics for the domestic and U.S. markets. SRI data at stores on a YoY basis are graphed. Although there are considerable monthly fluctuations due to the past launches of new products and the timing of price revisions, we hope you can see the trends throughout the year.


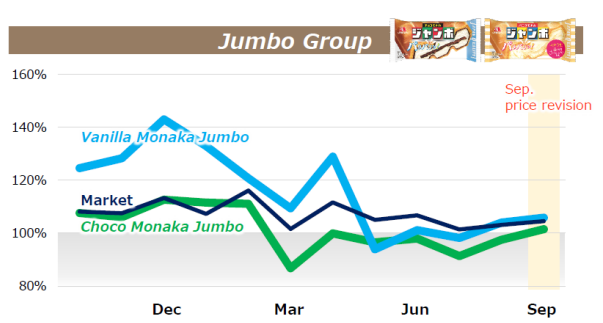
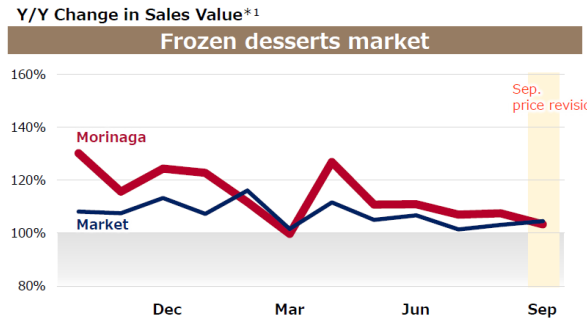
First is domestic sugar confectionery. The market as a whole performed well at 112.5% over the previous fiscal year. In such an environment, both *HI-CHEW* and *Morinaga Ramune* have been outpacing the market growth thanks to a variety of initiatives. As for *HI-CHEW*, the brand logo was changed to English letters in February of this year, which created quite a stir and boosted sales. It performed well even after the price revision in April. In addition, *Morinaga Ramune* has been able to continue its strong performance YoY, thanks to stronger promotions and solid in-store exposure for students preparing for exams. Although in the single month of September, the figure was significantly below the previous fiscal year's level due to last year's product launches, the SRI for October has recovered to 111% of the previous fiscal year's level.

Next is biscuits, where the market as a whole grew 106% over the previous fiscal year and *Morinaga Biscuits* grew 104%, which was very strong. If you compare it with the fiscal year before last, the market as a whole grew 110%, and *Morinaga Biscuits* grew 129%. The strong trend of the past few years continues. In addition, the price revision month of September saw a decline over the previous fiscal year due to a decrease in special sales opportunities, but we plan to take various measures to achieve a recovery in the future.


Next is chocolate. As for *DARS*, sales dropped sharply YoY in September due to last year's product launches, the total sales for H1 increased by double digits, exceeding the growth of the market. Milk and White products, our core products, have been performing well. *Carré de chocolat* also performed well, especially for core products, due to increased demand for chocolate with high cacao content, with a 114% YoY increase in H1.

# Key Topics in Domestic Market: Frozen Desserts

\* Most recent price revisions  
Mainstay products: September 2024

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

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

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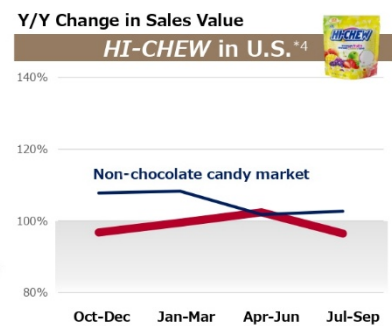
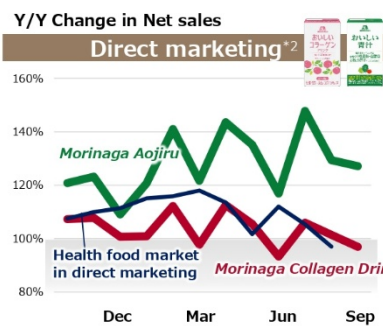
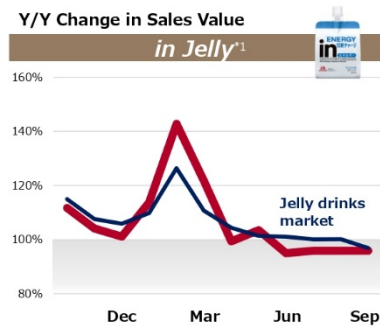
Next is frozen desserts.

The market as a whole and our YoY comparisons continue to be strong. Last year, especially the period from July to September in Q2, was extremely hot and we had a large increase in sales during the summer season, when the denominator is the largest. Therefore, we expected to have a tough time this fiscal year, but this SRI revealed that we were able to further grow on the previous year's significant growth during this July-September period. The market as a whole showed 102.9% growth and our company 106% growth, and also in comparison with the fiscal year before last, the market as a whole showed 119% growth and our company 131% growth. *Ita Choco Ice* and *The Crepe* performed particularly well in H1. Looking at H1 shipments, *Ita Choco Ice* and *The Crepe* achieved 133% and 127% over the previous fiscal year's level, respectively.

The sales of *Choco Monaka Jumbo* were slightly affected by the large increase in sales last fiscal year due to quality renewal, but *Vanilla Monaka Jumbo* performed well, and *Jumbo Group* shipment for H1 exceeded the previous fiscal year's level. In addition, we revised the price of frozen desserts in September, but there was no decline in the month of revision, and the SRI for the most recent month of October shows that our sales exceeded 114% of the previous fiscal year's level. While there were positive factors such as a hot climate, we are able to maintain good performance.

# 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



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

Apr-Sep cumulative sales value (Y/Y)	
<i>Morinaga Collagen Drink</i>	102.4%
<i>Morinaga Aojiru</i>	132.7%
Market <sup>3</sup>	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

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)

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<sup>1</sup> INTAGE Inc. SRI+ estimated sales value  
<sup>2</sup> 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)  
<sup>3</sup> Apr-Aug 2024 cumulative sales value  
<sup>4</sup> Circana (formerly IRI)

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

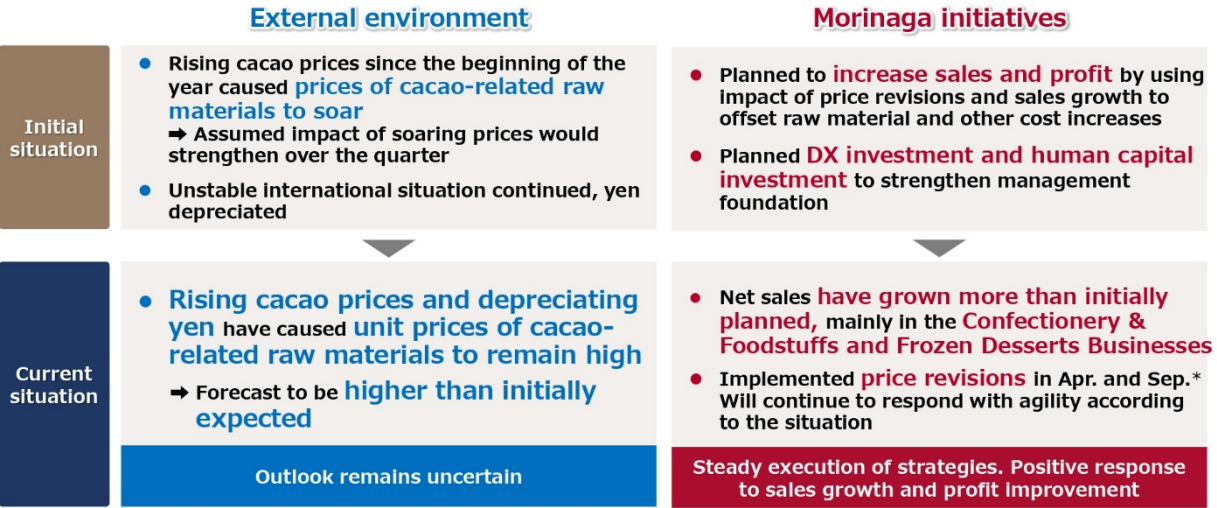
As for *in Jelly*, our sales growth was lower than the market growth and was lower than the previous fiscal year's level. However, the shipments in H1 achieved 101% YoY.

Next is Direct Marketing, and this section shows a comparison with the growth of the health food market in direct marketing. *Morinaga Collagen drink* achieved 102.4% and *Morinaga Aojiru* 132.7% YoY.

Lastly, I will talk about *HI-CHEW* in the US. Since last October, *HI-CHEW* has been underperforming the market growth, with our market data for the period from January to June this year showing 101% YoY, compared to 105% for the market as a whole. *HI-CHEW* has been growing at a much faster rate than the market growth for the past few years but underperformed this fiscal year. While the market, as a whole, has slowed slightly over the past year, *HI-CHEW* has continued to perform below the market, due to the high composition of the convenience store channel, combined with the struggles of the channel itself. Regarding *in Jelly* and *HI-CHEW* in the US, I think everyone is concerned about a slowdown. I will explain later with a more detailed analysis of the current status and future initiatives of each.

# 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



MORINAGA & CO., LTD. \* April: Some products in the Confectionery & Foodstuffs Business. September: Some products in the Confectionery & Foodstuffs and Frozen Desserts Businesses 11

Next is the forecast for the fiscal year ending March 2025.

This page entitled "Awareness of Business Environment and Morinaga's Response" describes changes in the external environment and our initiatives in this environment.

In the external environment, above all, the price of cacao-related raw materials is expected to rise more than the initial forecast at the beginning of the fiscal year, coupled with the depreciation of the yen. In this context, the Company has been actively and speedily implementing various measures to increase sales, and price revisions, each of which has been functioning well. As a result, we are seeing a positive response to the improvement in earnings in the face of this major headwind, but the outlook for the external environment is still uncertain.



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

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<sup>\*1</sup> Simple calculation method used for EBITDA: operating income + depreciation and amortization  
<sup>\*</sup> The yen conversion rate at overseas subsidiaries that underpins our forecasts is ¥147=\$1USD

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Our forecast for the current fiscal year has been revised upward from the forecast announced in May, beating back the severe business environment and headwinds.

Net sales are expected to be JPY227.0 billion, up JPY13.7 billion YoY and up JPY5.0 billion from the initial forecast. This is the fourth consecutive record high for net sales. Operating income is expected to be JPY21.3 billion, up JPY1.1 billion YoY and up JPY0.8 billion from the initial forecast. Profit attributable to owners of parent is expected to be JPY16.7 billion, an increase of JPY1.6 billion YoY and an increase of JPY0.9 billion from the initial forecast. This operating income is a record high, and EBITDA at the bottom is also expected to exceed JPY30.0 billion for the first time ever.

## 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%

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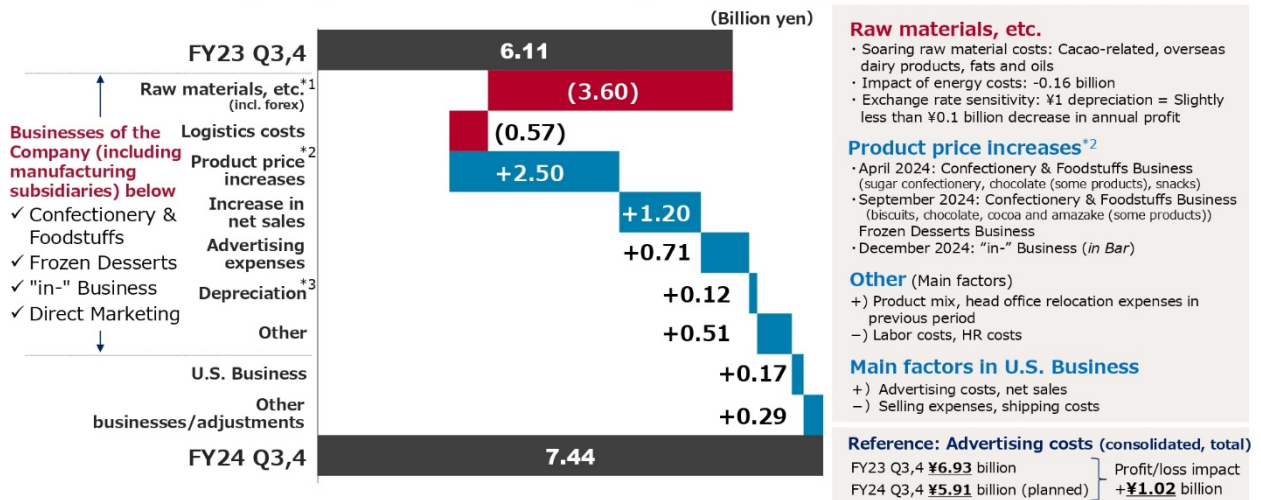
Next, we include YoY comparisons of H1 actual results and H2 and full year forecast figures by segment.

We would like you to check H1 and H2 trends for each segment, as well as for Domestic and Overseas.

# 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



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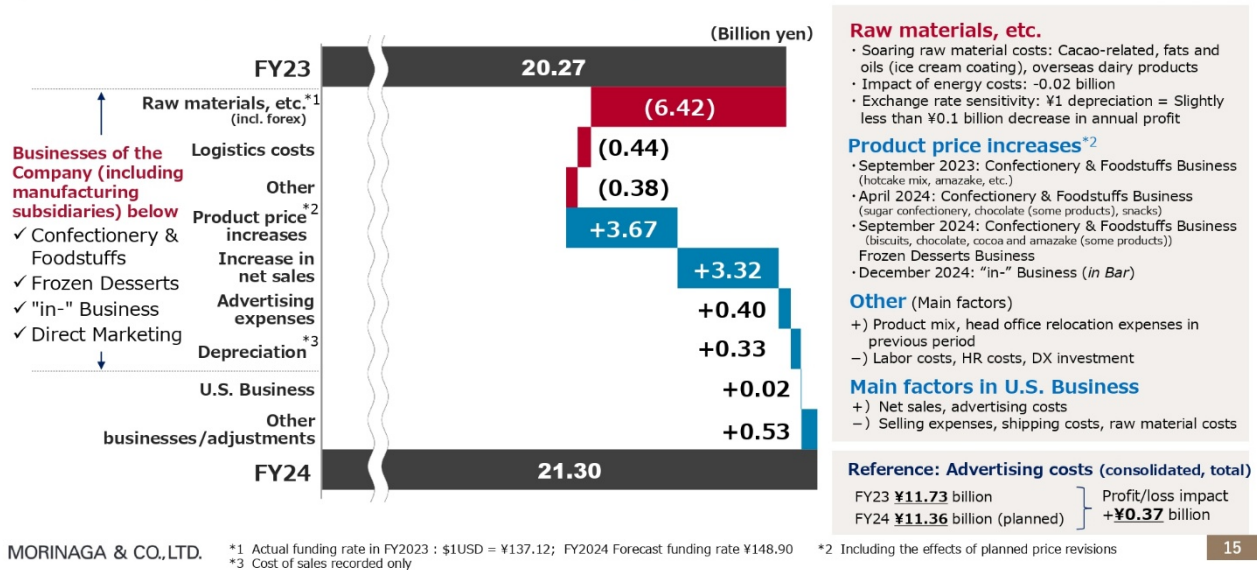
\*1 Actual funding rate in FY2023 Q3,4 : \$1USD = ¥140.98; FY2024 Q3,4 Forecast funding rate ¥147.00  
 \*2 Including the effects of planned price revisions  
 \*3 Cost of sales recorded only

Next, I will talk about factors in change in operating income in H2.

The increase in raw material costs is expected to be JPY3.6 billion in H2, including the effect of foreign exchange rates, and logistics costs are expected to increase by approximately JPY0.6 billion. This impact will be offset by price revisions and sales growth. Advertising expenses, which were significantly increased from a strategic perspective last fiscal year, are expected to decrease, contributing to the increase in operating income. However, that amount is still up about JPY0.6 billion in H2 from the fiscal year before last. We expect Other to contribute to the increase since we incurred the head office relocation expenses in the previous fiscal year, and also the U.S. business will see an increase in H2. As a result, the total increase of operating income will be approximately JPY1.3 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



These are the projected factors in change in operating income for the full year.

For the year, we expect an increase of approximately JPY6.4 billion in raw materials, etc., and in total, factors for the decrease will be approximately JPY7.2 billion, including logistics costs and Other. This will be offset by price revisions and increased sales, resulting in an increase of approximately JPY1.1 billion in operating income.

The following page will explain each of these items that differ significantly from the assumptions at the beginning of the fiscal year. The exchange rate for procurement is set at JPY148.9 to the dollar, which is approximately JPY11 weaker than the previous fiscal year's actual rate of JPY137.12 to the dollar. Incidentally, the projected rate at the beginning of the fiscal year was JPY146.

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

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Next, I have listed four items that have significant changes in amount from the initial forecast announced in May.

Raw materials have increased significantly from the initial forecast, mainly due to foreign exchange and cacao-related raw materials, resulting in a JPY1.6 billion increase. However, the effect of price revisions and sales increases that will counteract these changes are expected to be greater than the initial forecast, contributing significantly to profit growth. These figures also include the effect of price revisions that are under consideration for implementation in the future.

In Other businesses / Adjustments, Morinaga Shoji and other group companies will contribute to the increase in profits.

## 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 <sup>*1</sup>	83.0	+3.9	104.8%	3.9	(0.1)	96.7%	4.7%	(0.4pt)
	Frozen Desserts <sup>*1</sup>	49.0	+3.7	107.9%	3.9	(0.9)	80.9%	8.0%	(2.6pt)
	"in-" Business <sup>*1</sup>	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 <sup>*2*3</sup>	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)	—		
	<b>Total</b>	<b>227.0</b>	<b>+13.7</b>	<b>106.4%</b>	<b>21.3</b>	<b>+1.1</b>	<b>105.1%</b>	<b>9.4%</b>	<b>(0.1pt)</b>

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\*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.

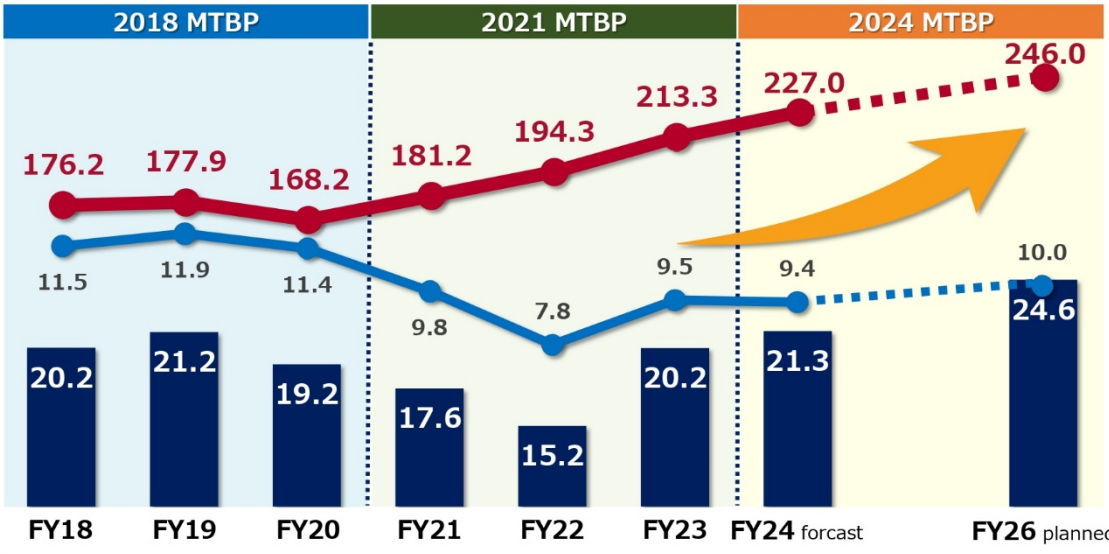
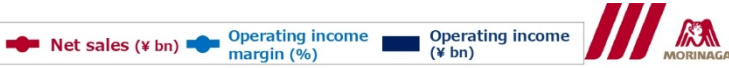
\*3. The year-on-year change in net sales on a local currency basis is 103.7%.

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Next is a summary of the annual forecast by business.

Net sales are expected to increase in almost all businesses compared to the previous fiscal year, with particularly large contributions from the Confectionery and Foodstuffs, Frozen Desserts Business, Operating Subsidiaries, etc., Overseas, and Food Merchandise segment, which includes Morinaga Shoji. In terms of operating income, this fiscal year is expected to see a significant contribution from group companies which includes the Operating subsidiaries, etc., and Food Merchandise, resulting in an estimated increase of approximately JPY0.9 billion.

# Morinaga Group Earnings\*1



Impact of raw materials*2 (billion yen)	FY18	FY19	FY20	FY21	FY22	FY23	FY24 forecast	FY26 planned
	+1.2	(0.0)	(0.2)	(1.9)	(7.8)	(4.6)	(6.4)	(??)

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\*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

Next, I have included a graph showing the consolidated financial results for the last seven years, from the 2018 MTBP to the 2021 MTBP, and to the current fiscal year.

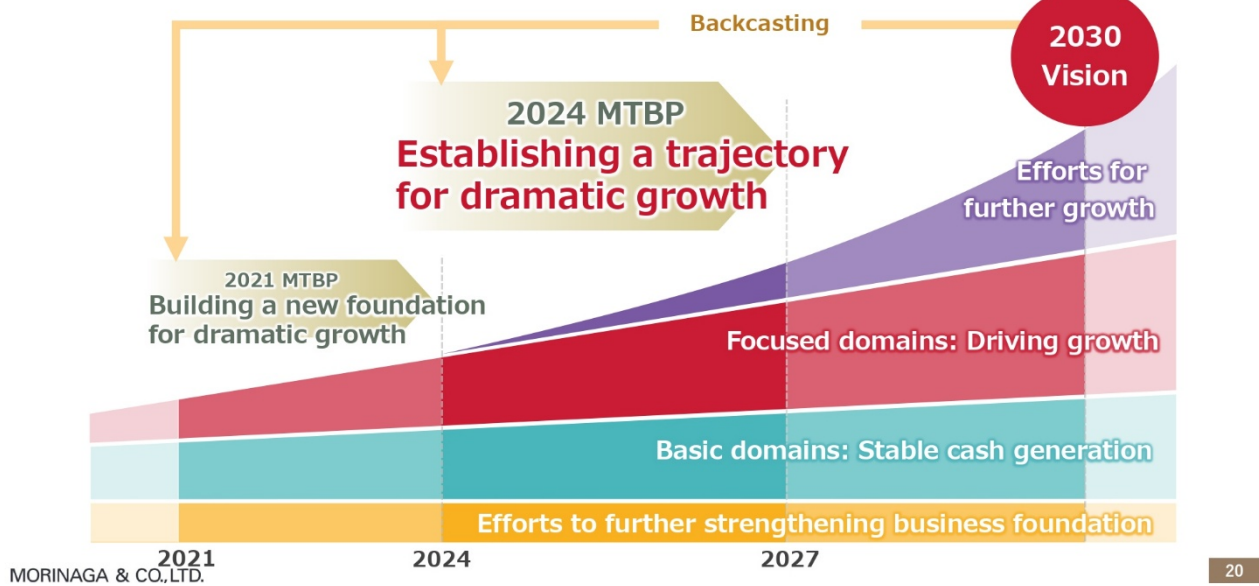
This graph shows net sales and operating income, operating income margin and the impact of raw materials. In FY2018, for the first time since our founding, we surpassed JPY20.0 billion in operating income, and the following year, FY2019, which was the year I was appointed president, we broke a record with JPY21.2 billion. We got off to a good start. The environment changed drastically from the following FY2020 due to the COVID-19 disaster, and also in FY2021 due to a significant rise in raw material prices and the depreciation of the yen. Even if we implement various cost reduction efforts over the three years of the 2021 MTBP and the current fiscal year, we expect to see a decrease in profits of approximately JPY20.7 billion. In response, we have implemented a variety of measures to beat back the situation, and with record-high sales for four consecutive fiscal years, we are now on track to exceed our highest profit record of JPY21.2 billion in FY2019.

We are feeling good about our response toward achieving net sales of JPY246.0 billion and operating income of JPY24.6 billion in the final year of the 2024 MTBP.

# Positioning of the 2024 MTBP in the 2030 Business Plan



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



From here, I would like to explain our progress toward achieving the 2024 MTBP.

First, here is the positioning of the 2024 MTBP. This figure was explained six months ago in May. The 2024 MTBP is positioned as the second stage for achieving the 2030 Business Plan, which has been significantly updated. The key message is "Establishing a trajectory for dramatic growth."

I would like to explain the current analysis and future initiatives, taking into account the earnings forecast for the current fiscal year.



# Focused Domain: “in-” Business

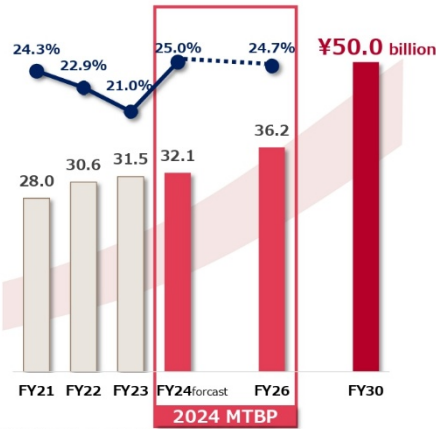


*in Jelly*: continued working on cultivating a wide range of consumption situations and expanding customer base for further business growth

Progress toward the 2030 Target and 2024 MTBP

## 1 Expansion of *in Jelly*

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



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### Promoted lifetime value (LTV) strategy

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

**Energy**  
Cultivate **everyday occasions** with a focus on sports

**Energy: Glucose Boost**  
Further instill *in Jelly* for entrance examinations  
Stimulate demand through new devices

**Vitamin/Mineral**  
Strengthen the appeal of health management

- 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



First is the “in-” Business.

The initiatives for *in Jelly* are all about expanding drinking scenes and targets, and we are planning to develop a variety of efforts. Over the past year, *glucose* has become a hot topic for enhancing concentration, especially among students preparing for exams, and sales have increased significantly. We are planning a new initiative to further stimulate demand starting in December. And below that, products aimed at expanding the target, such as *Full-o-Fruit* for women and *in Jelly Growth Support* for children, have been launched as part of steady expansion efforts, and I expect a lot from them in the future.

## 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

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#### 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 led to sales exceeding expectations

➔ Proceeding to expand EC retailers

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Next is the development of the *in Bar* and new “in-” brands.

As for *in Bar*, in fact, both the market as a whole and our company are currently struggling very hard, but we will introduce TV commercials using Mr. Nootbaar to gain exposure in stores, as well as develop new products that can capture new demand. We cannot announce details yet, but some of the products are scheduled to go on sale by the end of this year, and we will continue to challenge ourselves to expand the range of our products beyond protein.

And as a new brand, we have developed *in Tansan*. Here we have described this as a product for creating advanced future foods, and we launched it on Amazon in June of this year. The product was a big hit and sold much faster than expected, resulting in an early termination of the sale. We have re-launched the product through the EC channels again this month, in November, and we have high hopes for this product in the future.

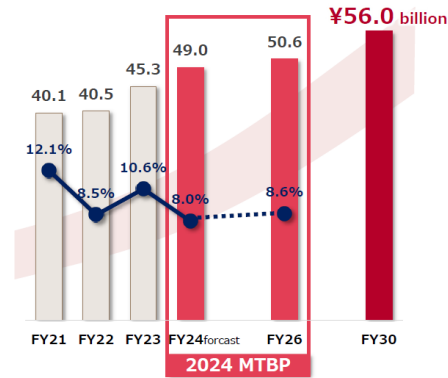
# Focused Domain: Frozen Desserts Business



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



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### 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



Expand test launch area

**Cultivated wellness products**

- Functional multipack**
  - Launched in limited area, aiming to expand product while verifying acceptance



Next is the Frozen Desserts Business.

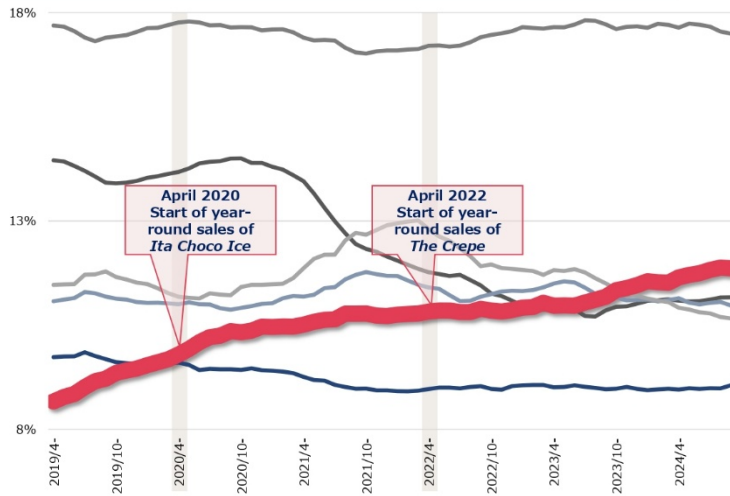
Each brand is proceeding with the initiatives explained in May. In the area of frozen desserts, the *Jumbo group*, whose denominator has become very large, is performing well, and the following product categories, such as *Ita Choco Ice*, *The Crepe*, and *ICEBOX*, are steadily growing, contributing to the continued strong performance of the overall Frozen Desserts Business.

## 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)



MORINAGA & CO.,LTD. \* INTAGE Inc. SRI + estimated sales value, moving annual total

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%**

This is the SRI trend for the last five years of the Frozen Desserts Business.

Five years ago, in FY2019, we were sixth in market share at stores, but we have grown steadily, outpacing the market growth each year. Then, in November of last year, we were second in market share, and we have increased our market share even more since then. As a result, our number two position is becoming a solid one. The year-round availability of *Ita Choco Ice* and *The Crepe* has helped, and *ICEBOX* is also doing well, and most importantly, the *Jumbo group*, which has the largest denominator, has grown over 125% in the past five years. I think it is safe to say that almost all of our core products are doing well and a continuing to do well.

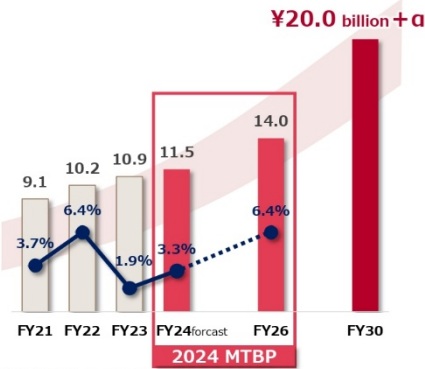
# Focused Domain: Direct Marketing Business



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



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## 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



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Next is the Direct Marketing Business.

We continue to deepen the information explained in May. The Direct Marketing Business saw its profit margin drop to 1.9% last fiscal year. We will strengthen various initiatives to achieve the 6.4% target for FY2026, while the current fiscal year's forecast is 3.3%.

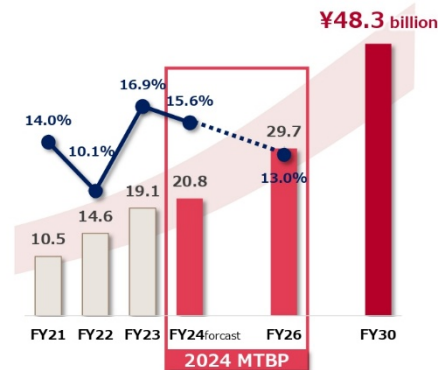
# Focused Domain: U.S. Business



**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



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\*The assumed exchange rate for overseas subsidiaries is ¥147 = \$1 USD in FY2024, and ¥138 in FY2026 and FY 2030

\*1 Circana (formerly IRI)

## 1 Further sales expansion of HI-CHEW

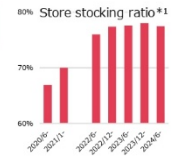
External environment

- 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.



Introduce stick, peg bag

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Next is the U.S. Business.

In the 2030 Business Plan, we have designated the US as a Focused Domain since FY2021 and have concentrated our investments in the US to aggressively expand our business. In the graph on the lower left, the leftmost bar shows JPY10.5 billion in FY2021, while in FY2020, the previous fiscal year, sales were JPY7.2 billion. Compared with that, it was JPY19.1 billion in the previous FY2023. Of course, there are foreign exchange factors, but the scale has quickly grown by 2.6 times over the past three years. On the other hand, this fiscal year, the growth rate is slowing down. As explained earlier, the main reason for the slowdown in the growth rate this fiscal year is that the convenience store channel, which accounts for a high percentage of HI-CHEW sales, has been struggling. However, the Food channel, which mainly includes US-based supermarkets, has shown a significant YoY growth in Q2, exceeding the growth of the overall market. We can assume that the increase in the number of SKUs has worked for the Food channel.

Here you will find a store stocking ratio of 77.5%, while the ratio of the top competing brands is over 95%. In order to further increase the volume handled, we will work on expanding SKUs tailored to each channel, and at the same time, expand the number of SKUs handled at stores where we have introduced the product. In addition, we are also strengthening our expansion into airport retailers, dollar shops, and other stores. We believe that this is an area with high expectations for the future.

# Focused Domain: U.S. Business



**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

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## 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

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The recognition rate is steadily increasing, but it is still only 57%. We urgently need to raise this rate further. The top competing brands have the recognition rate of the low 80% range, and along with the store stocking ratio mentioned earlier, we believe there is still much room for expansion.

We are working to expand our brand contact points in stores to increase awareness, and as you can see here, we are utilizing promotional display stands and conducting a campaign at Halloween events. HI-CHEW gummies have gradually begun to be introduced in stores. We plan to further accelerate in-store introduction next fiscal year by preparing products with different capacities. We are also considering introducing the product to major chains in the convenience store channel, where we have been struggling. As for HI-CHEW gummies, they have been well received by our distributors, and we believe that they are a commercial product with great promise for the next fiscal year and beyond.

HI-CHEW's promotional mascot Chewbie was unveiled in September of this year and will be exposed in various situations to appeal to customers with a sense of fun and excitement. This is truly a brand contact point and an initiative to raise awareness.

As for Chargel on the right, the sales are strong in the EC channels. The denominator is still small, but the number of repeat customers nearly doubles from the previous fiscal year. In addition, the product has been introduced to almost all Japanese supermarkets on the West Coast, and that has led to the development of display stands. We will work to promote the introduction of the product onto the US channel in the future.

As described below that, the marketing aspect has been reviewed and a new tagline has been established. We will be more aware of the general public as we move toward general consumers.

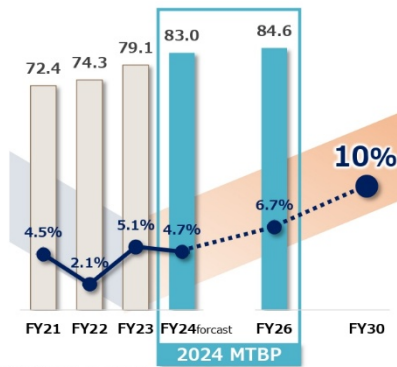
# Basic Domain: Confectionery & Foodstuffs Business



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



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### 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

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Next is the Confectionery and Foodstuffs Business, which is our Basic Domain.

In the current fiscal year, we have worked to improve profitability by implementing price revisions in April and September and further focusing on the sugar confectionery. In H2, we will continue our efforts to grow the sugar confectionery and biscuit businesses and improve the return on capital of chocolate.

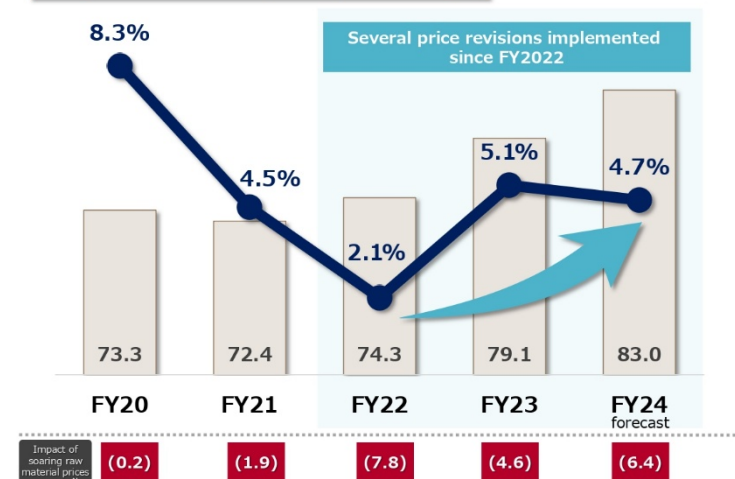


## Basic Domain: Confectionery & Foodstuffs Business



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



Impact of rising raw material prices on net sales  
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(0.2) (1.9) (7.8) (4.6) (6.4)

\*1 The impact of raw materials includes not only the prices of raw materials, but efforts to reduce costs and fluctuations in exchange rates. Morinaga (including businesses other than the Confectionery & Foodstuffs Business) and manufacturing subsidiaries

### 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%**

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Next is the performance trend of the Confectionery and Foodstuffs Business over the past five years.

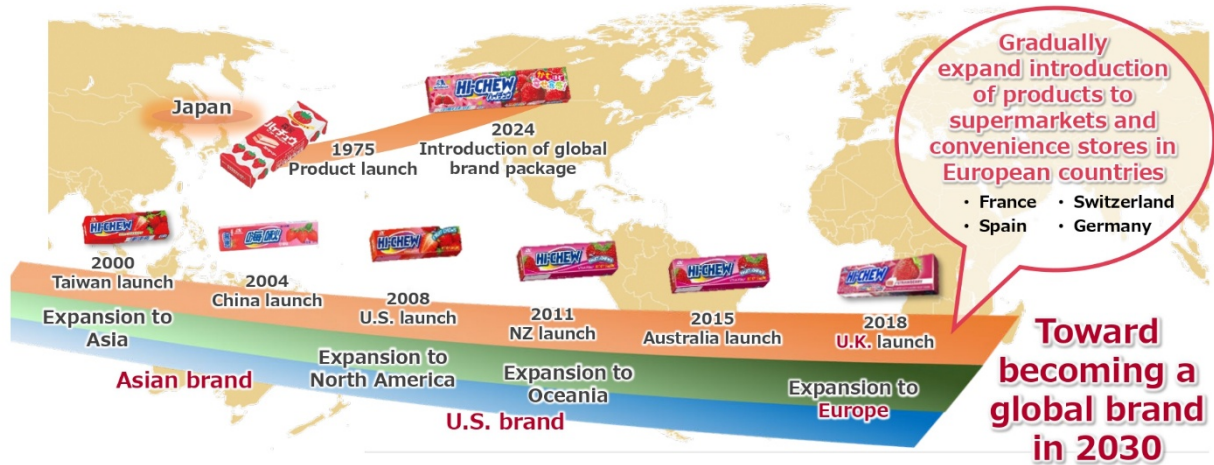
We were able to implement multiple price revisions in response to significant cost increases, and at the same time, we were able to grow our top line. In addition, we have been working to improve the category mix and reduce costs in various ways to improve profitability after bottoming out at 2.1% in FY2022.

The figures at the bottom show the impact of raw material price hikes on a nonconsolidated basis. The Confectionery and Foodstuffs Business has been most affected, and in the forecast for this fiscal year, the Confectionery and Foodstuffs Business accounts for about 70% of the JPY6.4 billion impact here. The effect of the price revisions will emerge later in some areas, and I believe the effect will be even larger for the next fiscal year. We will further strengthen various initiatives to achieve the 6.7% profit margin planned for FY2026, as the profit margin is expected to be 4.7% for this fiscal year.

The lower right-hand corner shows the figures for *HI-CHEW* and *Morinaga Ramune* compared to three years ago, and what we have done has certainly led to results.

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

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



MORINAGA & CO.,LTD. \*1. Selection of countries in which main HI-CHEW products have been launched. The launch year is the year when local manufacturing and sales or full-scale direct trade began.

Next is the further growth of our Overseas Business.

We revised our overseas sales composition target for 2030 upward significantly from 15% to 25%. In this context, I feel that HI-CHEW has finally entered a new stage toward becoming a global brand. We are now accelerating our expansion in Europe. I visited London the other day, and the product is beginning to be displayed in major stores. Also in France, it began to be displayed this year at the largest retailer in France, in front of the cash registers. The product has been installed in more than 90% of the largest retailer, and we have high expectations for the future, depending on the turnover of their stores. In Europe, we have not invested marketing costs, but we are beginning to establish a presence in stores, so to speak, as with the early days of the US. We have a successful experience in the United States. We will use this as a reference while seeking a European-style approach to further accelerate our market development. In addition, we will further strengthen and promote various initiatives in each area, including China, Asia, and Oceania, to make HI-CHEW a truly global brand by 2030.

## 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**

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We have included recent topics.

First, I went to the groundbreaking ceremony for the second factory in the US this past October. In the US, rapid growth caused supply concerns, and this made it difficult for us to expand our business in some areas. However, our manufacturing capacity will be more than doubled, we will have the foundation to expand boldly, including through a variety of channels. This is a very large investment, but we will achieve growth commensurate with the investment.

## 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



Community exchange events

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### 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



#### 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.

As another thing, our new head office, the Morinaga Shibaura Building, completed in March of this year, received a 2024 Good Design Award. I am very happy to see that the office was highly evaluated for its environmentally friendly design that embodies our corporate philosophy and community co-creation, and for reflecting our vision as a wellness company in its architecture. I believe it will also contribute to improving the engagement of all employees.

That is all from me. Thank you for your attention.

**Cautionary statement regarding 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.