Financial Results Briefing for the Fiscal Year Ended March 31, 2014

May 21, 2014

MORINAGA & CO., LTD

Regarding results forecasts and earnings forecasts

This document contains results forecasts concerning matters such as the Group's future outlook, plans, and targets. These statements are based on the Group's judgments and assumptions based on information that was currently available at the time this document was prepared and may differ to the Group's actual results and outcomes in the future.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2014

(April 1, 2013 – March 31, 2014)

Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Unit: millions of yen)

	Fiscal year ended March 31, 2014	Results for the previous fiscal year	Compared to previous year (Year-on-year)
Net sales	164,603	152,885	11,718 107.7%
Operating income	3,858	2,695	1,163
Ordinary income	4,446	2,973	1,473
Net income	8,090	1,419	6,671

■ Net sales

- Sales growth in the mainstay food manufacturing business
  Large sales growth for confectionery, frozen desserts, and business overseas

■ Profits

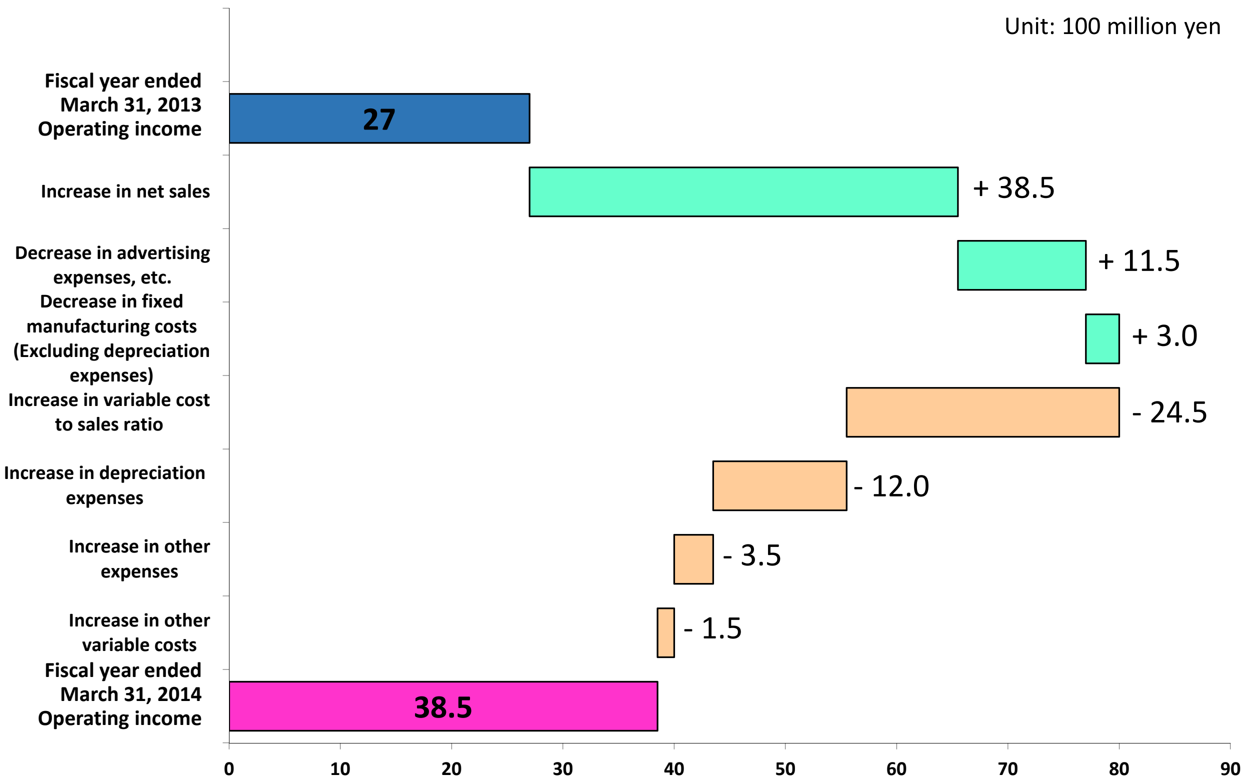
[Factors causing profits to increase]

- Increase in net sales
- Decrease in advertising expenses

[Factor causing profits to decrease]

- Increase in cost to sales ratio

Factors leading to changes in operating income (full-year, consolidated basis)



Segment information (full-year: April 1, 2013 – March 31, 2014)

(Unit: millions of yen)

Business (Sales composition ratio)	Net sales Year on year	Segment profit Compared to previous year
Food manufacturing 93.4%	153,765 108.5%	3,085 1,175
Food merchandise 4.5%	7,416 97.4%	542 58
Real estate and services 1.7%	2,839 95.7%	795 - 53
Others 0.4%	582 101.8%	202 27

■ Food manufacturing
Large increase in sales and profits for MORINAGA & CO., LTD. in Japan

Growth in sales for Morinaga America, Inc. overseas

PT Morinaga Kino Indonesia was included in the scope of consolidation from the current fiscal year (two months subject to consolidation)

■ Real estate and services
Decrease in sales and profits due largely to closings in golf business caused by heavy snowfalls

Net sales (full-year: April 1, 2013 – March 31, 2014)

(Unit: millions of yen)

	Net sales	Compared to previous year	Year on year
Consolidated net sales	164,603	11,718	107.7%
Food manufacturing	153,765	12,036	108.5%
Confectionery	86,725	7,043	108.8%
Foodstuffs	14,745	1,263	109.4%
Frozen desserts	28,827	2,369	109.0%
Health products	22,129	1,001	104.7%
Others	1,337	358	136.6%
(Overseas)	6,139	2,970	193.7%

Comments on net sales (full-year)

■ Confectionery *108.8%*

The total sales for the seven core brands was on level with the previous year, and performance for Carre de Chocolat was strong. In addition, Pringles, for which sales were launched in January 2013, made a significant contribution to the sales increase. Sales also grew overseas.

■ Foodstuffs *109.4%*

Business performance improved year on year for Milk Cocoa, and results were also strong for Amazake, for which sales have grown even in summer.

PT Morinaga Kino Indonesia was included in the scope of consolidation.

■ Frozen desserts *109.0%*

Results were strong for Choco Monaca Jumbo and Vanilla Monaca Jumbo.

In particular, sales have grown for 13 consecutive years for Choco Monaca Jumbo.

■ Health products *104.7%*

Weider in Jelly is recovering.

Sales continued to be strong for mail-order line products, particularly Delicious Collagen Drink.

[Overseas performance for breakdown above] *193.7%*

Sales grew for both Taiwan Morinaga Co., Ltd. and Morinaga America, Inc.,

while PT Morinaga Kino Indonesia was included in the scope of consolidation from the current fiscal year (two months, subject to consolidation).

Performance by category (April 1, 2013 – March 31, 2014)

Unit: %

Category	Market data *1			The Group's core brands	Year-on-year comparison for the Group's shipments
	Year-on-year comparison for the market	Year-on-year comparison for the Group	Share (Year-on-year comparison)		
Caramel, candy	102	104	9.1 + 0.2	Milk Caramel HI-CHEW	95 107
Biscuits	99	99	10.0 0.0	Morinaga Biscuits	98
Chocolate	108	101	7.1 - 0.4	Chocoball Koeda DARS [Carre de Chocolat]	94 86 107 [127]
Snacks	102	151	4.2 + 1.4	Ottotto	98
Cocoa	97	96	38.6 - 0.5	Milk Cocoa	107
Ice cream	104	113	7.7 + 0.6	Jumbo Group	118
Pouches with bungs	105	102	44.2 - 1.0	Weider in Jelly	102

*1 Source for category data: Intage Inc. SRI data; nationwide, data based on categories defined by the Group and sales amounts

Year-on-year comparison of sales portfolio (Morinaga, non-consolidated basis)

Unit: %

The Group's core brands		2Q cumulative	3Q and 4Q	Annual	Confectionery composition ratio
Confectionery	Milk Caramel	92	98	95	
	HI-CHEW	106	108	107	
	Morinaga Biscuits	93	102	98	
	Chocoball	93	95	94	
	Koeda	75	96	86	
	DARS	101	108	106	
	Ottotto	93	104	98	
	Confectionery total	96	103	100	28.4 - 2.1
Foodstuffs	Milk Cocoa	105	107	107	2.0 ±0.0
Frozen desserts	Jumbo Group	123	108	118	8.7 + 0.8
Health products	Weider in Jelly	103	102	102	11.1 - 0.5
Core brand total		103	104	103	50.2 - 1.7

Consolidated Results Forecasts for the Fiscal Year Ending March 31, 2015

(April 1, 2014 – March 31, 2015)

Full-year consolidated results forecasts for the fiscal year ending March 31, 2015

(Unit: millions of yen)

	Forecasts for the fiscal year ending March 31, 2015	Results for the fiscal year ended March 31, 2014	Compared to previous year (Year on year)
Net sales	178,700	164,603	14,097 108.6%
Operating income	3,550	3,858	- 308
Ordinary income	4,000	4,446	- 446
Net income	2,450	8,090	- 5,640

■ Forecasts for the fiscal year ending March 31, 2015

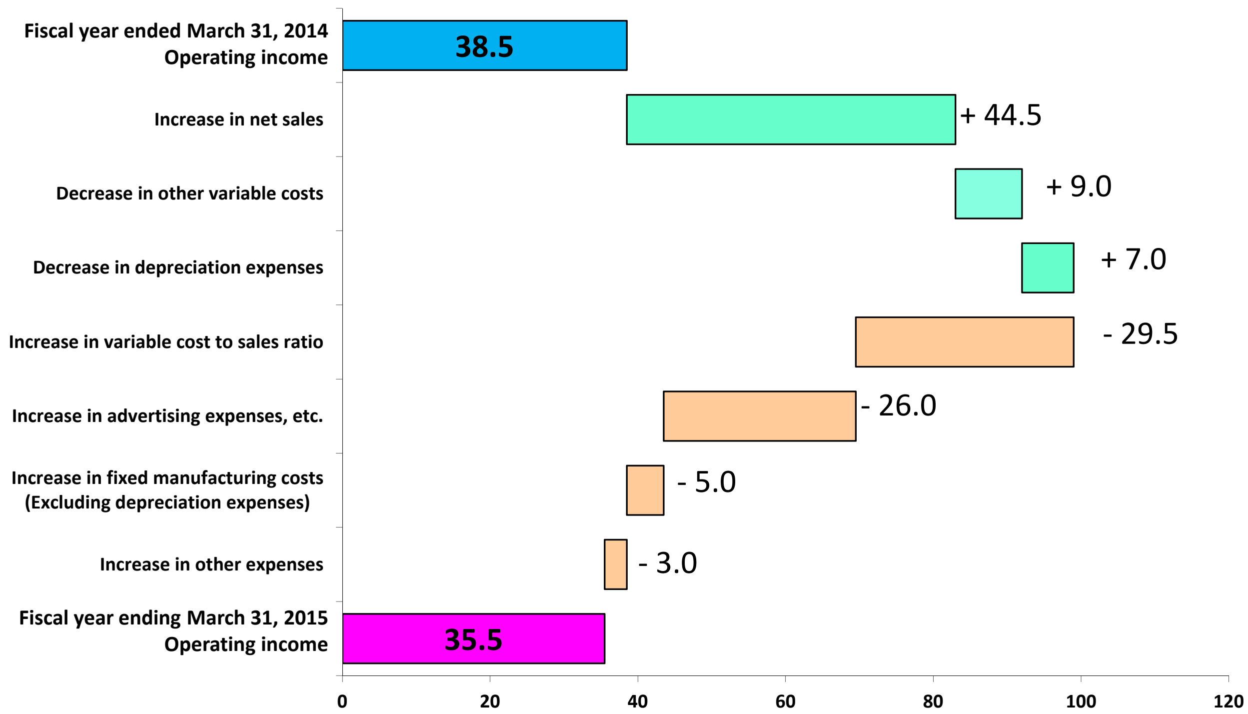
[Net sales]
- Domestic: Slight increase in sales for confectionery, foodstuffs, and frozen desserts
- Increase in earnings expected for health products and overseas business

[Profits]
- Deterioration in cost to sales ratio due to soaring prices of raw materials
- Aggressive investments in advertising expenses in aim to increase sales

⇒ Increase in sales and decrease in profits expected for the full year

Factors leading to changes in operating income (full-year forecasts, consolidated basis)

Unit: 100 million yen



Segment information (full-year forecast: April 1, 2014 – March 31, 2015)

(Unit: millions of yen)

Business (Sales composition ratio)	Net sales Year on year	Segment profit (Compared to previous year)
Food manufacturing 93.9%	167,800 109.1%	2,400 - 685
Food merchandise 4.3%	7,600 102.5%	550 8
Real estate and services 1.5%	2,750 96.9%	800 5
Others 0.3%	550 94.5%	200 - 2

Food manufacturing
■ Net sales
• Domestic 102.8%
• Overseas sales increase plan 260.6%
Growth in sales for Morinaga America, Inc.
PT Morinaga Kino Indonesia was included in the scope of consolidation.

■ Profits
[Factors causing profits to increase]
• Increase in net sales
• Decrease in SG&A expenses and other variable costs
[Factors causing profits to decrease]
• Increase in variable cost to sales ratio due to factors such as soaring costs of raw materials
• Increase in advertising expenses and other marketing costs

Food manufacturing	Forecast	Year-on-year comparison
Domestic	151,800	4,174 102.8%
Overseas	16,000	9,861 260.6%

Sales portfolio forecast (Morinaga, non-consolidated basis)

Unit: %

The Group's core brands		2Q cumulative	3Q and 4Q	Annual	Confectionery composition ratio
Confectionery	Milk Caramel	95	101	98	
	HI-CHEW	107	105	106	
	Morinaga Biscuits	99	89	93	
	Chocoball	104	109	107	
	DARS	101	93	96	
	Ottotto	102	102	102	
	Confectionery total	102	98	100	25.7 - 1.1
Foodstuffs	Milk Cocoa	97	106	104	2.0 ±0.0
Frozen desserts	Jumbo Group	101	104	102	8.5 - 0.2
Health products	Weider in Jelly	103	118	109	11.6 + 0.5
Core brand total		102	103	102	47.8 - 0.8