Fiscal Year Ended March 31, 2021

Results Briefing

May 20, 2021
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.

New Corporate Philosophy

Delicious, Fun, and Healthy

The Morinaga Group will continue to create healthy foods that can be enjoyed beyond generations, thereby bringing smiles to the faces of people around the world now and in the future.

Good quality
Pursue quality with integrity

Only-one value
Create new value and inspiration

Act globally
Expand the scope and possibilities of activities

Link together
Strengthen relations of trust with stakeholders

Sustainable society
Contribute to a sustainable society

Altruism

Give first priority to customers
Be a pioneer
Have an indomitable spirit
Value ties between people
Align our business imperatives with social challenges

Fiscal Year Ended March 31, 2021

Financial Results

(April 1, 2020 through March 31, 2021)

Consolidated Results for FY2021/3

■Net sales: Declined on the impact of COVID-19 and the end of the *Pringles* distributorship agreement
■Income: Declined on the impact of lower sales, higher variable selling expenses, and higher storage fees and other distribution expenses

(Million yen)	FY2021/3*	Y/Y change	vs. forecast
Net sales	199,990	−8,888 (95.7%)	+1,990 (101.0%)
Operating income (operating income margin)	19,162 〔9.6%〕	−2,068 (90.3%)	+1,162 (106.5%)
Ordinary income	19,767	−2,182 (90.1%)	+1,467 (108.0%)
Profit attributable to owners of parent	13,405	2,581 (123.9%)	+1,105 (109.0%)

*FY2021/3 refers to the fiscal year ended March 31, 2021. This notation method is used throughout this presentation.

FY2021/3 Results: Food Manufacturing Business

(Million yen)	Net sales FY2021/3	Net sales Y/Y change		Operating income FY2021/3	Operating income Y/Y change		Margin FY2021/3
Consolidated	199,990	−8,888	95.7%	19,162	−2,068	90.3%	9.6%
Food Manufacturing	191,878	−8,239	95.9%	18,795	−2,041	90.2%	9.8%
Confectionery & Foodstuffs	108,840	−12,037	90.0%	6,392	−1,855	77.5%	5.9%
Frozen Desserts	47,091	+6,338	115.6%	7,089	+1,531	127.5%	15.1%
Health Products	35,947	−2,539	93.4%	5,313	−1,717	75.6%	14.8%

Overseas sales	12,215	+1,090	109.8%
United States	7,215	+808	112.6%
China, Taiwan, exports, etc.	5,000	+283	106.0%
Overseas sales ratio*1	6.1%	+0.8pt	-

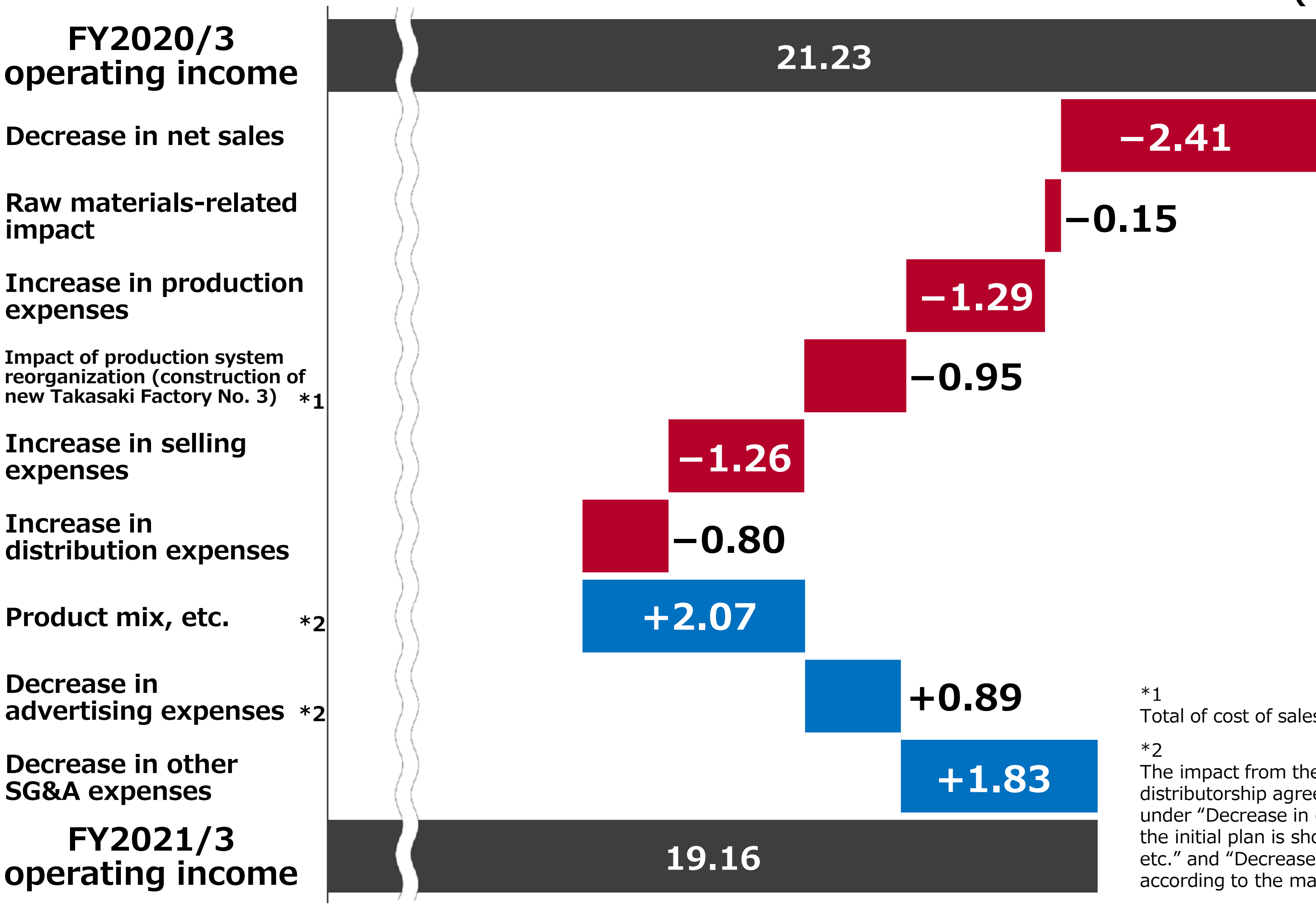
Reference: COVID-19 impact

(Billion yen)	FY2021/3	Initial assumption
Net sales	8.8	8.0
Operating income	2.4	2.5

*1 As a percentage of consolidated net sales

FY2021/3 Results: Factors in Change in Consolidated Operating Income

(Billion yen)



*1
Total of cost of sales and SG&A expenses.

*2
The impact from the end of the Pringles distributorship agreement that was included under "Decrease in other SG&A expenses" in the initial plan is shown in both "Product mix, etc." and "Decrease in other SG&A expenses" according to the makeup of expenses.

Fiscal Year Ending March 31, 2022
Results Forecast
(April 1, 2021 through March 31, 2022)

*In conjunction with the application of “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year ending March 31, 2022, the figures in the Results forecast have been calculated based on said accounting standard.

Consolidated Results Forecast for FY2022/3

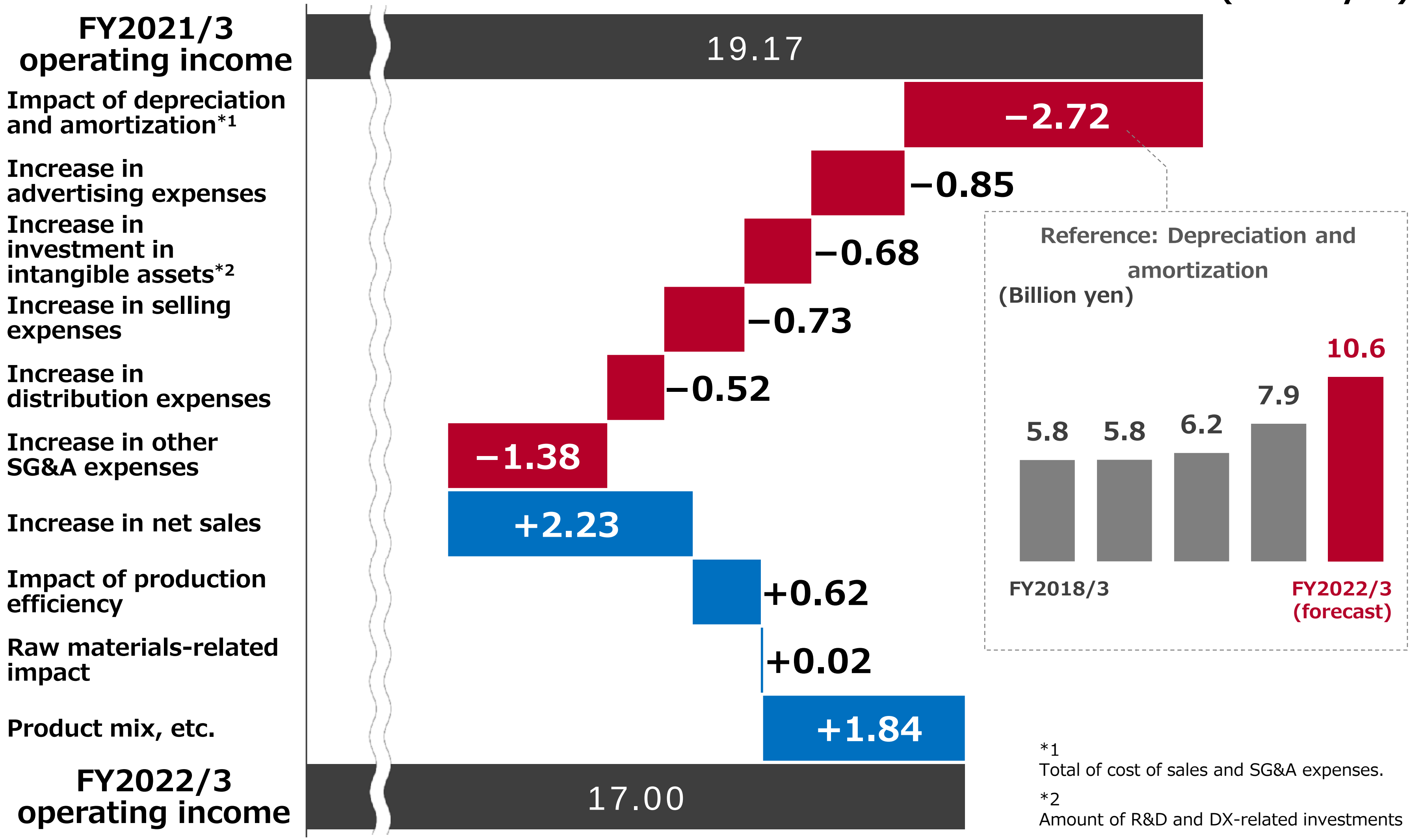
- Net sales: Core brands strengthening/recovering; expanding in US market; lingering impact of COVID-19 at domestic subsidiaries (operating companies)
- Income: Boost from higher sales and product mix to be offset by higher depreciation and amortization and greater investment in intangible assets (advertising, R&D, DX)

(Million yen)	FY2022/3 forecast	Previous FY	Y/Y change
Net sales	175,000	168,240	+6,760 (104.0%)
Operating income (operating income margin)	17,000 〔9.7%〕	19,176 〔11.4%〕	−2,176 (88.6%)
Ordinary income	17,400	19,782	−2,382 (88.0%)
Profit attributable to owners of parent	11,700	13,415	−1,715 (87.2%)
EBITDA*	27,637	27,086	+551 (102.0%)

*Simple calculation method used for EBITDA: Operating income + depreciation

FY2022/3 Results Forecast: Factors in Change in Consolidated Operating Income

(Billion yen)



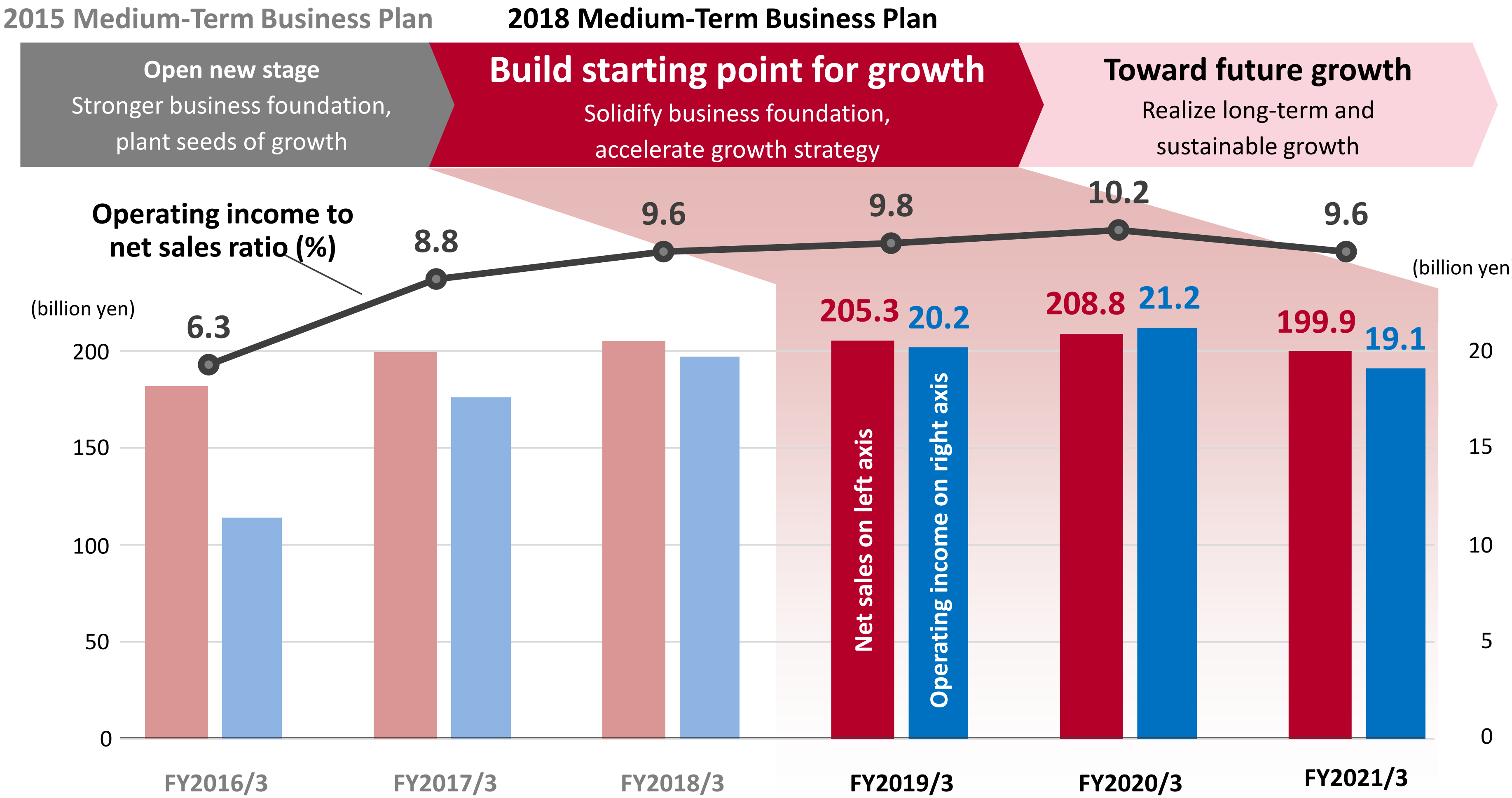
*1
Total of cost of sales and SG&A expenses.

*2
Amount of R&D and DX-related investments

Look Back on 2018 Medium-Term Business Plan

Look Back on 2018 Medium-Term Business Plan

- **Improved profitability mostly in existing domains establishes operating income margin foundation of 10% level**



Look Back on 2018 Medium-Term Business Plan – Results of Individual Domains

- **Profitability improved mostly in the existing domains, and the component ratio of the wellness domain also improved. The component ratio of the global domain declined but the domain went into the black.**

	Policies of 2018 Medium-Term Business Plan	Results	Key Business Indicators
Existing domains	Establishment of more stable revenue base	• Concentration of management resources on major brands for higher profitability	Operating income to net sales ratio FY2018/3 9.6% ➡ FY2021/3 9.6%
Wellness domain	Combine Morinaga's technology and materials to meet rising health needs	• Purchase rate of in-Jelly business grew until 2019 but has declined due to COVID-19 in 2020 • No. of mail-order subscription customers, the mainstay for Morinaga Collagen Drink, increased	Wellness sales ratio FY2018/3 42% ➡ FY2021/3 45.7% Global sales ratio FY2018/3 6.5% ➡ FY2021/3 6.1%
Global domain	Accelerate growth of the U.S. market and raise awareness of Morinaga brands in China & Asia markets	• Sales in the United States increased 1.8 times (from FY2018/3) • Withdrew from Indonesia • Overseas businesses as a whole went into the black	ROE FY2018/3 11.0% ➡ FY2021/3 11.8%

Recognition of Issues to Solve for Further Growth

At Morinaga

Further Improve Profitability

- Stable generation of funds for growth
- Generate cash ready for a variety of business management risks

Evolve Growth Strategy

- Wellness and Global domains of businesses continue to be the core part of growth strategy
- Meanwhile, execute balanced strategies precisely tailored to individual businesses' true growth potential and profitability

Upgrade Business Foundation

- In addition to the basis for management style and human resources development in 2018 Plan, build business management foundation in a broader sense, including R&D, finance, digital and corporate governance

Changes in society/market

Macro perspective

- Full-fledged population decrease, lower birthrate, and aging population of Japan leading to shrinking markets and labor shortage
- Changes in business models due to advance in digital technologies, leading to greater application of AI and IoT to the industry

Further rise in health awareness

- Worldwide rise in health awareness through food from viewpoints of population aging and cutting healthcare spending
- Rise in interest in the stability and health of the mind due to drastic changes in everyday lives caused by COVID-19

Realization of sustainable society

- Companies have responsibility to deal with world-scale social issues such as climate change and environmental destruction

2030 Business Plan

2030 Vision

The Morinaga Group

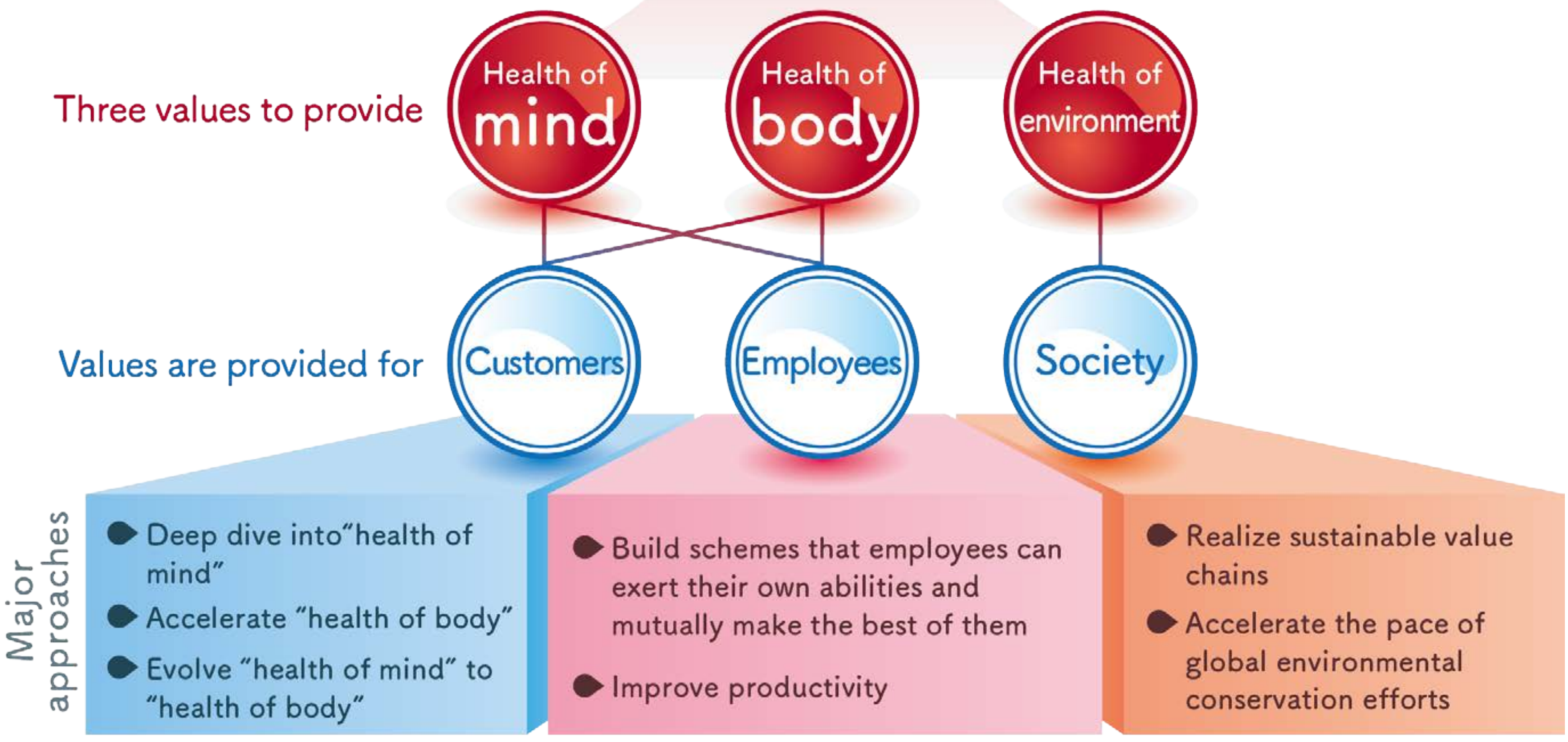
will Change into a Wellness Company in 2030.

Further evolve reliability and technology built on in its 120-year history to support people's wellness lifestyles in all generations worldwide.

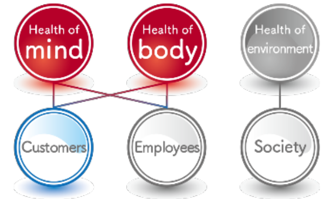
What is Wellness all about that the Morinaga Group thinks about?
The state of realizing or pursuing enriched, glorious life on the basis of healthy mind, body and environment.

Change into a Wellness Company

We will continue to provide for the customers, employees, and society the health of the mind, the body and the environment.



Efforts for Becoming a Wellness Company

three values to provide


Values are provided for

1

Deep dive into "health of mind"

- Today when we are flooded with things, people feel happy only when they are fulfilled mentally in addition to material contentment.
- The importance of mental stability is drawing attention as the COVID-19 pandemic causes drastic changes in everyday routines and an acute rise in people's stress level.

→We will better understand scientifically emotional values (sense of happiness) of products that lead to better health of the mind, thereby improving customer satisfaction.

Example: Understand why a crisp texture gives the eating person a pleasant sensation by knowing what the texture does to the brain and so forth.

2

Accelerate "health of body"

- The trend toward improving health through food will grow even more globally, after the pandemic have forced people to stay home more, leading to lack of exercise and nutritional imbalance.

→ We will further accelerate the growth of the "in-" products, which best embody the health of the body, as the symbol of a wellness company.

3

Evolve "health of mind" to "health of body"

- Consumers' attitudes of going for healthy articles of taste, if they eat them anyway, will grow more widespread.

→ By developing the product benefit from the health of the mind to the health of the body, while protecting the product value, improve the added value of the product.

Example: **Addition of positive elements** (e.g., increased protein content, acquisition of a Food with Functional Claim designation)
Reduction of negative elements (e.g., cut in sugar used)

Basic Approach to Attainment of 2030 Business Plan

- **Concentrate management resources on businesses expected to have high growth potential and create markets from the viewpoint of the health of the mind and body**
- **Carry out in-depth structural reforms so as to stably generate investment resources for growth**
- **Solidify the business foundation in order to execute business strategies in a powerful manner**
- **Make mechanisms to allow employees to perform vibrantly for the realization of all of the above**

We have formulated three basic policies and business plan based on the backcasting approach

Basic Policies

Policy 1.

Improve profitability via business portfolio optimization and structural reforms

Policy 2.

Build business foundation linked with business strategies

Policy 3.

Promote diversity

Focused on domain category

- **Businesses which are expected to show high growth potential and profitability have been defined as focused on domains**

Current disclosure categories | **Determination of profitability & growth potential ➡ Selection of focus domains**

Food manufacturing business

Health business → "in-" business, Direct marketing business

Frozen desserts business → Frozen desserts business

U.S. business

Confectionery and foodstuffs business → U.S. business, Confectionery business, Foodstuffs business, Overseas business, Operating subsidiaries in Japan + Taiwan

Food Merchandise business → Operating subsidiaries in Japan + Taiwan

Other business → Operating subsidiaries in Japan + Taiwan

"in-" business

Direct marketing business

Frozen desserts business

U.S. business

Confectionery business

* Excluding business subsidiaries

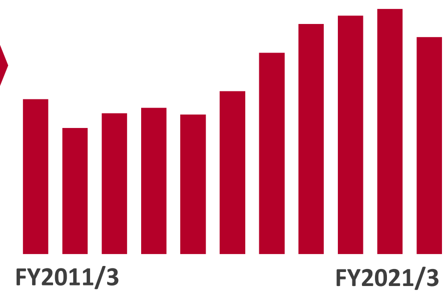
Foodstuffs business

Overseas business (Excluding U.S and Taiwan)

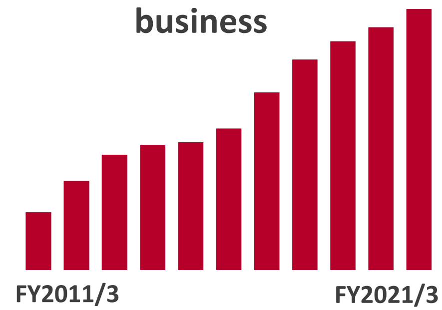
Operating subsidiaries in Japan + Taiwan

Sales growth

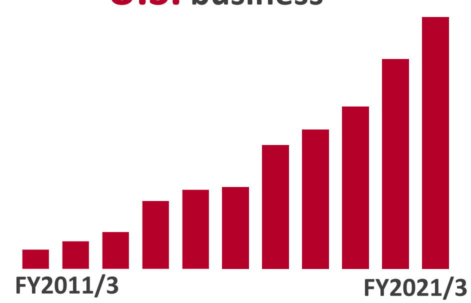
"in-" business



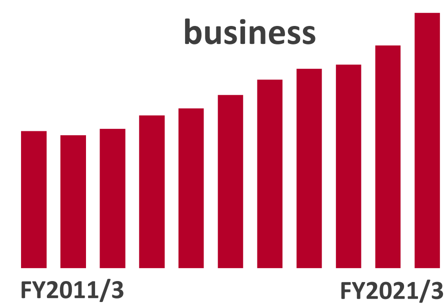
Direct marketing business



U.S. business



Frozen desserts business



Business Portfolio Optimization

- **Reshuffle the business portfolio by intensive investment of management resources on the focused on domains**

Business Portfolio Optimization | **Component Ratio**

Growth potential — High

Focused domain category
~ driving growth ~

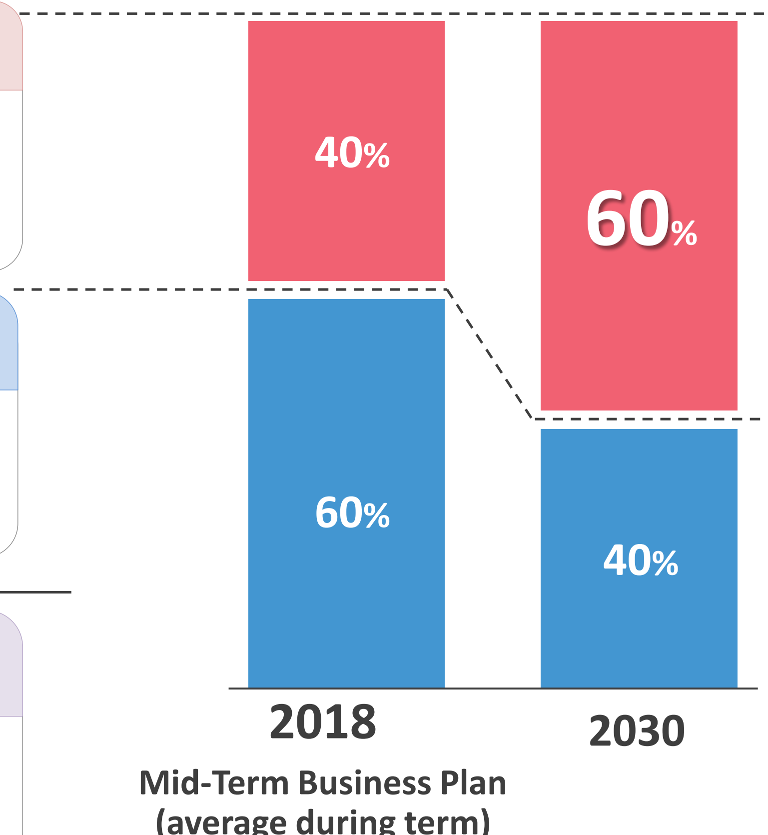
"in-" business | Direct Marketing business | U.S. business | Frozen desserts business

Basic domain category
~ cash generation ~

Domestic confectionery & foodstuffs business,
Operating subsidiaries in Japan + Taiwan

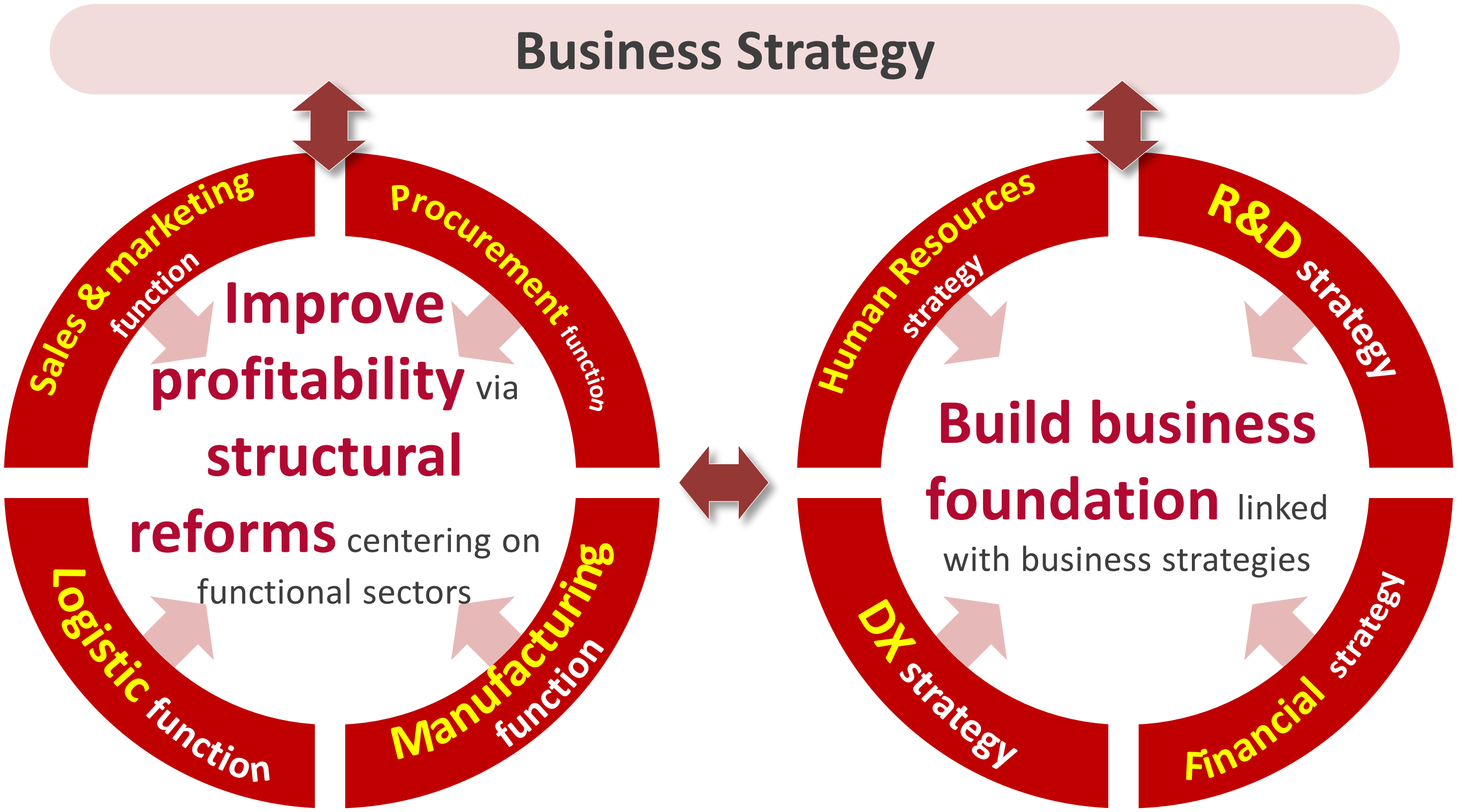
Exploration & Research domain category
~ business creation ~

- Global (China, Southeast Asia, Oceania, Europe, etc.)
- Digital and Others



Structural Reforms for Functional Sectors and Building of Business Foundations Linked to Business Strategies

- **Invest cash generated through structural reforms for mostly functional sectors in focused on domains and the management foundations concerned with those business strategies**

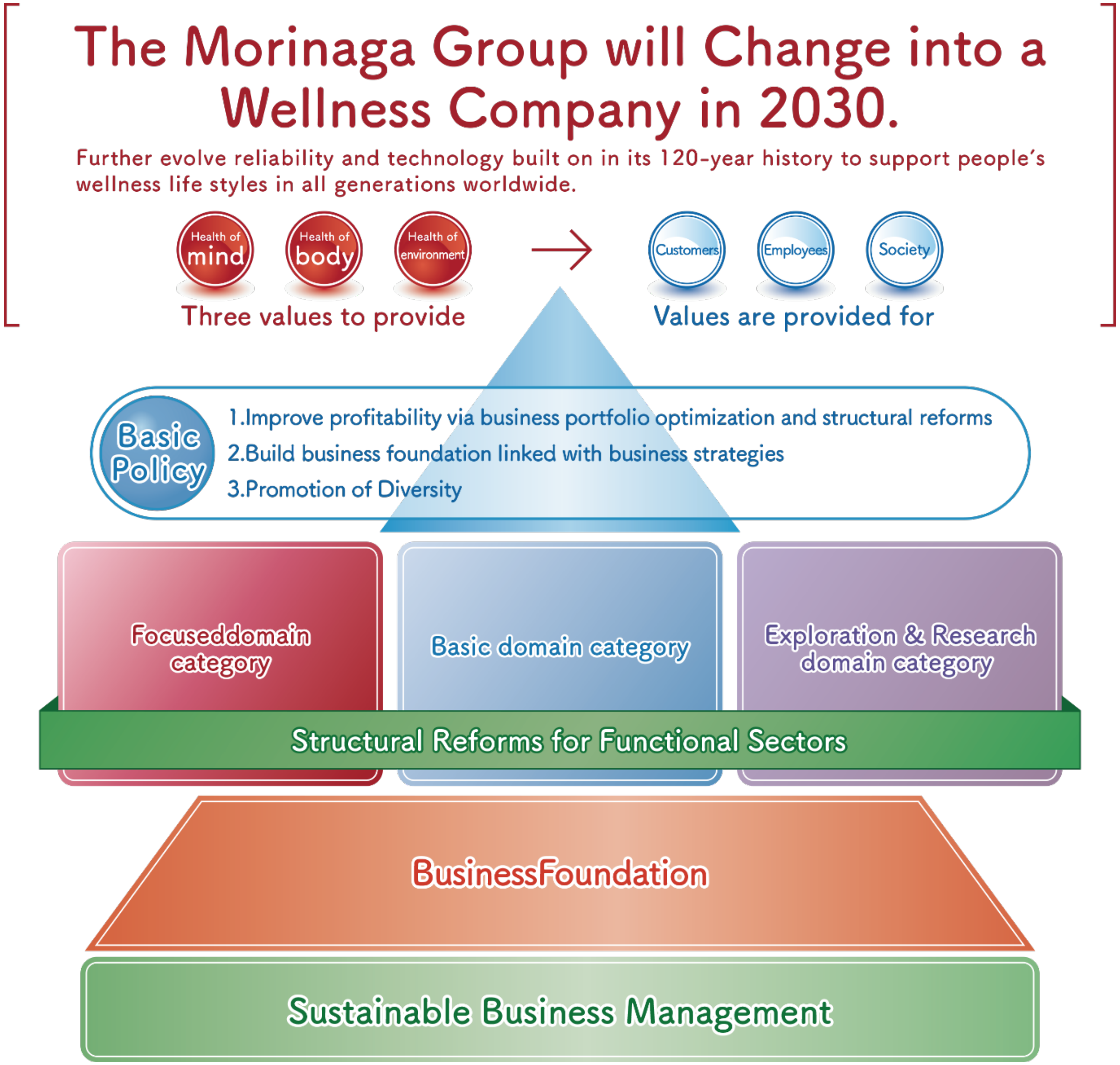


Promote diversity

- **Formulated Diversity and Inclusion Policy:**
  “Leveraging Each Person’s Individuality” and “Five Guidelines for Implementing the Policy”

Continue to create innovation through diversity and inclusion

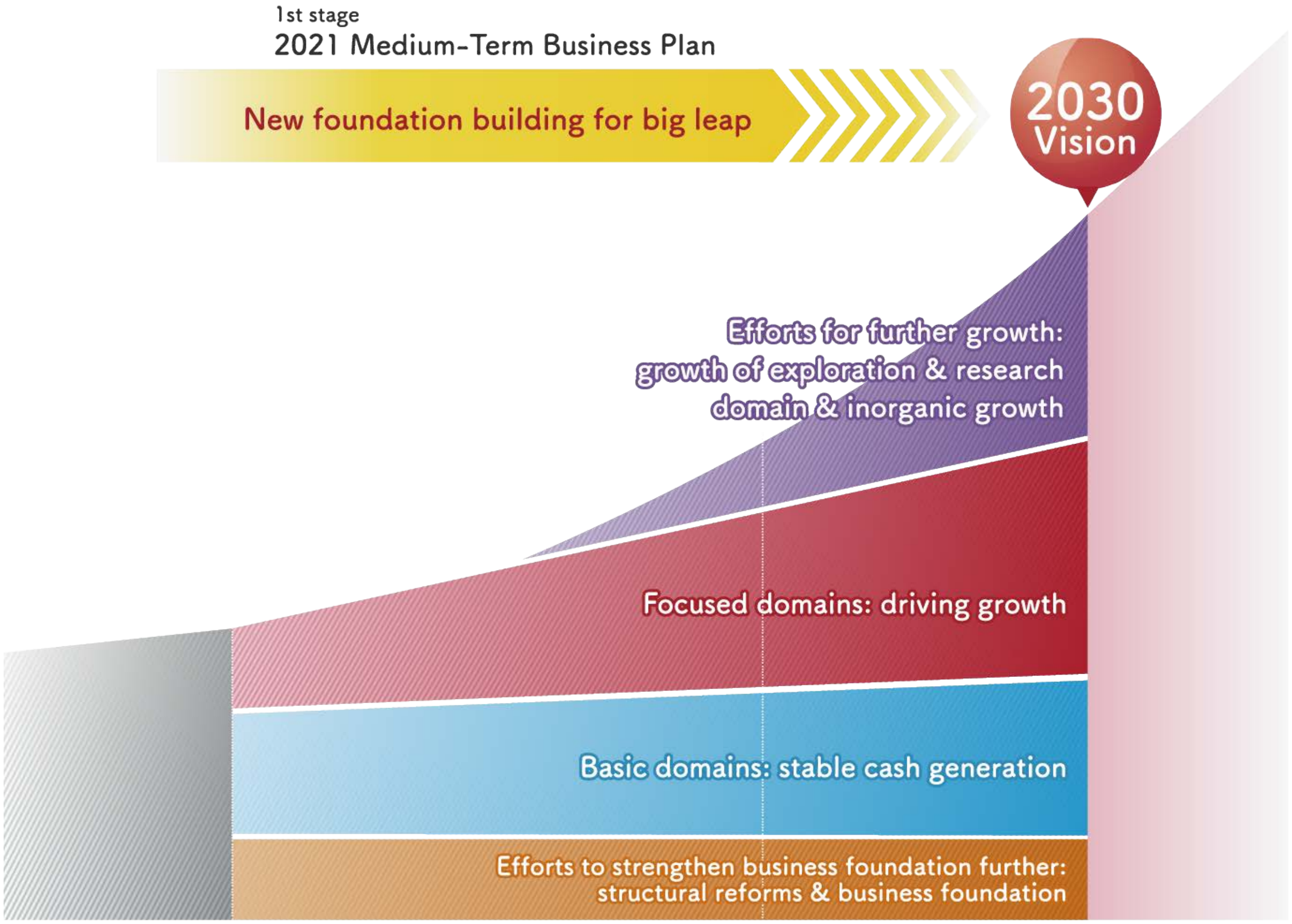
Entire Picture of 2030 Business Plan



2021
Medium-Term Business Plan

We will apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and the like from the beginning of the fiscal year ending in March 2022.
The numbers herein are based on the said accounting standard, etc.

For Acheving 2030 Business Plan



Focused domain category: “in-” business

<State desired to be in 2030>

Become No. 1 Brand Among Foods Supporting Health of Mind and Body Pivoting Around Sports

Sales Target

¥50 billion

2021 Medium-Term Business Plan as the 1st stage

Point 1

Growth of in-Jelly products

- Encourage people to play sports to stay healthy, and respond to health x convenience needs
- Cultivate needs in non-active scenes by taking increased stay-at-home hours as opportunity
- Expansion of target consumers and drinking scenes (children, seniors, etc.)

Point 2

Growth of in-Bar products

- Meet diversified and growing needs for protein
- Meet needs in two directions for better sports performance and bodybuilding (high content protein) and for health maintenance (protein + carbohydrate restriction)

Point 3

New Brands

- As a symbol of Morinaga changing into a wellness company, begin efforts to “create future foods” by taking advantage of the “in-” brand
- Expand products into varied categories

Investment of management resources

- HR investment: Improve marketers & strengthen the organization by introducing the group approach
- R&D investment: Evolution of jelly drink-related technologies that are source of our competitive edge
- Advertising investment: Increase investment the entire “in-” brands

Focused domain category: Direct marketing business

<State desired to be in 2030>

Evolving Into Healthcare Business Supporting Customers' Wellness Realization

Sales Target

¥20 billion

2021 Medium-Term Business Plan as the 1st stage

Point 1

Evolution of existing business

- Grow business with regular subscription service, centering on Morinaga Collagen Drinks
- Develop a new collagen product that has functionality
- Maximize the customer experience value by providing services tailored to individual customers through digital technology

Point 2

Creation of new business

- By using the customer base cultivated in the Direct marketing business, explore possibilities of combining wellness and digital technology

Investment of management resources

- Digital transformation (DX) investment: Build a foundation of exploiting customer data; research into business creation
- R&D investment: Obtain the "Food with Functional Claim" designation
- Advertising investment: Continue with aggressive investments in increasing subscription customers, which is the key success factor (KSF) of the direct marketing business

Focused Domain Category: U.S. Business

<State desired to be in 2030>

Growth of the U.S. business through expanding the Hi-Chew brand and creating a jelly drinks market

Sales Target
¥30 billion

2021 Medium-Term Business Plan as the 1st stage

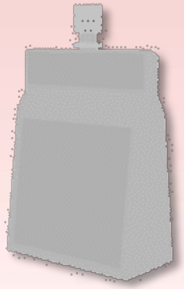
Point 1
Further acceleration of Hi-Chew

- Improve the product lineup including brand-extention products.
- Formulate a plan to reinforce production capacity to match sales increase

Sales Target for FY2024/3
¥10 billion

Point 2
Creation of jelly drinks market

- Begin efforts to create a market with the jelly drink product developed for the U.S.
- Construct a marketing strategy at an early date.



Point 3
Execution of the "third arrow"

- Explore possibilities of differentiated products and products in the wellness domain.

NEW

Investment of management resources

- Advertising investment: Raise awareness of and loyalty to the HI-CHEW brand.
- R&D investment: Develop brand-extension products tailored to U.S. consumers' needs; expand the scopes of explorations of jelly drinks and the "third arrow."

Focused domain category: Frozen desserts business

<State desired to be in 2030>

Stably expand the frozen desserts business by concentrating on differentiated products that exploit the confectionery technologies

Sales Target
¥50 billion

2021 Medium-Term Business Plan as the 1st stage

Point 1
Evolving of "freshness" marketing

- Further evolve the Jumbo group's unique value "crisp texture"
- Expand the target consumers demograpic and scenes of eating the product.

Point 2
Capture customers from adjacent markets

- Acquire customers from adjacent markets with such differentiated products as Ita Choco Ice and The Crepe that are more like desserts.
- Develop new products tailored to customer needs.
- Try high-value added products.

Point 3
New market creation with technological advantage

- Expand applications of flavored iced products for new market entry

Investment of management resources

- Investment in production: Start of operation of the Takasaki Factory No. 3 to solidify the foundation for growth.
- R&D investment: Establish moisture absorption delay technology to improve the crisp texture even further; and advance confectionery technologies in sub-zero temperatures to increase added value.
- Advertising investment: Determine the best efficiency and growth potential balance and make additional investment accordingly.

Basic domain category: confectionery and foodstuffs business

<State desired to be in 2030>

Change the category portfolio so as to build a high revenue base

Target operating income margin
10%

2021 Medium-Term Business Plan as the 1st stage

Point 1
Overall

- **Efforts to improve operating income**
  - Increase the composition ratio of high-profitability categories (e.g., candy and biscuits) in sales.
  - Improve profit rates via by-SKU profit and loss management (mostly in the chocolate category).
- **Efforts at points of contact with customers common to all businesses: Strengthen efforts on the drugstore channel.**

Point 2
Chocolates

- **Improve profits and secure a sufficient sales scale by rethinking the product, sales channel, and communications strategies**
  - Employ new packaging formats (Carré de chocolat and DARS) to better meet diversifying consumption scenes; restructure the sales channel strategy
  - Restructure the communications strategy so as to be better tailored to the target audience; invest in truly effective ads

Point 3
Biscuits
Sugar confectionery

- **Maintain and build up demand that has grown due to the COVID-19 pandemic.**
  - Increase production capacity for Morinaga Biscuits (such as Moonlight); and give the chocolate and biscuit combinations a stronger appeal.
- **Strive to revitalize the candy market; generate demand by developing new products and new consumption scenes.**
  - Strengthen sales promotion efforts for Hi-Chew and Ramune; and develop new quality and packaging formats to better meet diversified lifestyles.

Point 4
Cocoa
Amazake

- **Shift from article-of-taste brands to health brands**

Cocoa: Make it a brand that is good for health and that adults also drink; strengthen The Power of Cacao.

Amazake: Make it a brand that is good for health and that is high in quality; emphasize the double-fermented materials.

Structural Reforms Mostly on Functional Sectors

<State desired to be in 2030 >

Beat the labor shortage, as well as establishing a powerful profit structure to enable us to compete around the world.

2021 Medium-Term Business Plan as the 1st stage

Point 1 — Procurement

- Premised on a sustainable procurement of raw materials, we will cap the rises in percentages of raw materials costs by replacing the sources, changing product specifications (or packaging designs), and improving the work efficiency through digitalization.

Point 2 — Manufacturing

- We will launch turning our factories into smart factories by applying the digital technology and the Internet of Things (IoT) technology.
- \- Build a centralized system for monitoring and analyzing operations at factories.
- \- In the future, we will go on to network all our factories and equipment, creating a "factory that never stops."

Point 3 — Logistics

- We will suppress logistics cost rises, with a view to optimizing our Logistics Centers.

Point 4 — Sales & Marketing

- We will raise productivity through the optimization of sales offices within Japan in response to changes in the market, as well as through higher productivity resulting from strengthened sales capabilities.

Management Foundation

<State desired to be in 2030 >

Establish Powerful Management Foundation to Support the Business Strategies to Increase the Morinaga Group's Corporate Value Over a Medium to Long Term.

2021 Medium-Term Business Plan as the 1st stage

Point 1
HR strategy

- **Formulate and execute a variety of plans to maximize our human resources.**
  - We will formulate the succession plan, acquire highly professional talents, and consider the introduction of personnel saving.

Point 2
R&D strategy

- **New research center (slated for opening in 2022)**
  - It will have a wide area designed for effective interaction and possible alliances with external research institutes, which may lead to the creation of new values.
  - The mass-production technology will be sophisticated by using intermediate plants.

New research center

- **Strengthening of basic research and updating of important existing technologies**
  - We will strengthen our basic research in the areas of health science, food processing technologies, and such, which will be the source of the powers of our products.
  - We will gain deeper knowledge on jelly drinks, confectionery technologies for frozen materials (frozen desserts), and the soft candy technology.
- **Wellness R&D**
  - Research into the health-of-the-body benefit that provides additional positive effect; and into how health-of-the-mind benefit that provides emotional value.
- **Global R&D**
  - R&D to tailor to local consumers' needs around the world; and promote providing wellness value.

Point 3
DX strategy

- **DX1.0 endeavors will have been made**
  - We will improve work efficiency and productivity by using the IoT and robotic process automation (RPA).
  - The building of a foundation of customer data use, as well as research into new business creation, will begin.

Financial Strategy/Cash Allocation

Intensively invest cash generated by the growth of focused domains and the improved profitability of basic domains in the focused domains, the business foundation, and inorganic growth

<Cumulative totals of 3 years>

Operating cash flow Approx. ¥72.0 billion

<For reference>
Cumulative total of depreciation costs Approx. ¥33.0 billion

Funding as needed

Capital spending Approx. ¥45.0 billion

- While giving priority to investments in the focused domains and business foundation, carry out measures for equipment aging.

<Examples>
- Frozen desserts (Takasaki Factory No.3, etc.)
- New research center
- “in-” (in-Bar, etc.)
- Confectionary (biscuits, etc.)

Shareholder return Over ¥12.0 billion

- Stable shareholder return with a dividend payout ratio of 30% as a guide
- Stay conscious of total shareholder return ratio as well

Growth investment

- Invest in inorganic growth such as tie-ups and M&As.

* Premised on securing of a certain amount of cash in preparation for management risks

Management decision-making in consideration of cost of capital

Intangible investment (foundation building)

- Increase advertising expenses by 10%
- Increase R&D investments by ¥1.0 billion
- Increase DX investments by 1.4 times

Compared to 2018 Medium-Term Business Plan

Business Targets

Business Targets

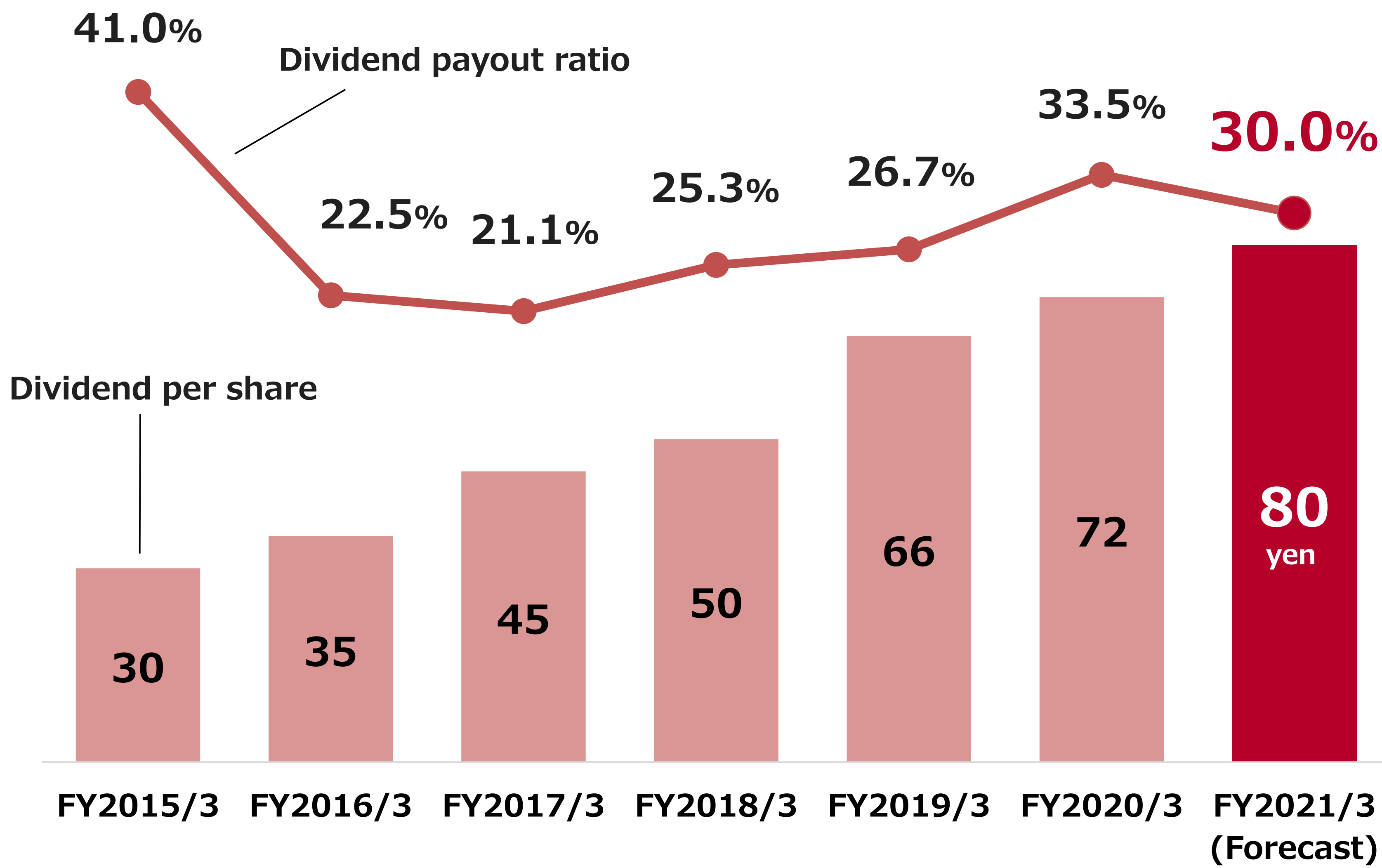
2021 Medium-Term Business Plan Year ending March,31 2024	
Net sales	¥190.0 billion
Operating income	¥21.5 billion
<KPIs>	
Operating income to net sales ratio	11 % or higher
Overseas sales ratio	9 % or higher
Focused domains' sales ratio	+5 points or higher※
ROE	10 % or higher
Dividend payout ratio	30 %

※Compared to the average value during the 2018 Medium-Term Business Plan

2030 Business Plan Year ending March,31 2031	
Net sales	¥300.0 billion
<KPIs>	
Operating income to net sales ratio	12 % or higher
Overseas sales ratio	15 % or higher
Focus domains' sales ratio	60 %

We will apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ending March,31 2022, these amounts and indicators are based on the said accounting standard, etc.

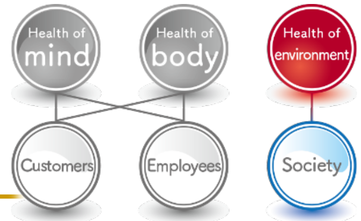
Return to Shareholders



Sustainable Management

Efforts to ESG Issues

three values to provide



Values are provided for

- **We will accelerate our group-wide efforts to realize sustainable value chain and deal with the environment and social issues**

Medium-term targets for sustainable raw materials sourcing

(Targets are for Morinaga & Co., Ltd. products in Japan)

Cacao beans: 100% sustainable raw materials by FY2025

Palm oils: 100% sustainable raw materials by FY2023

Paper: 100% sustainable materials for product packaging paper by FY2022

Plastics: 25% reduction* of plastic use for in-Jelly by FY2030

(* Compared to FY2019; in base unit; and including natural volume reduction and replacements with biomass plastic)

Medium- to long-term targets for CO_2 emission reduction

By FY2030, 30% cut (compared to FY2018) of Scope 1 and 2 emissions by consolidated Morinaga Group companies in Japan

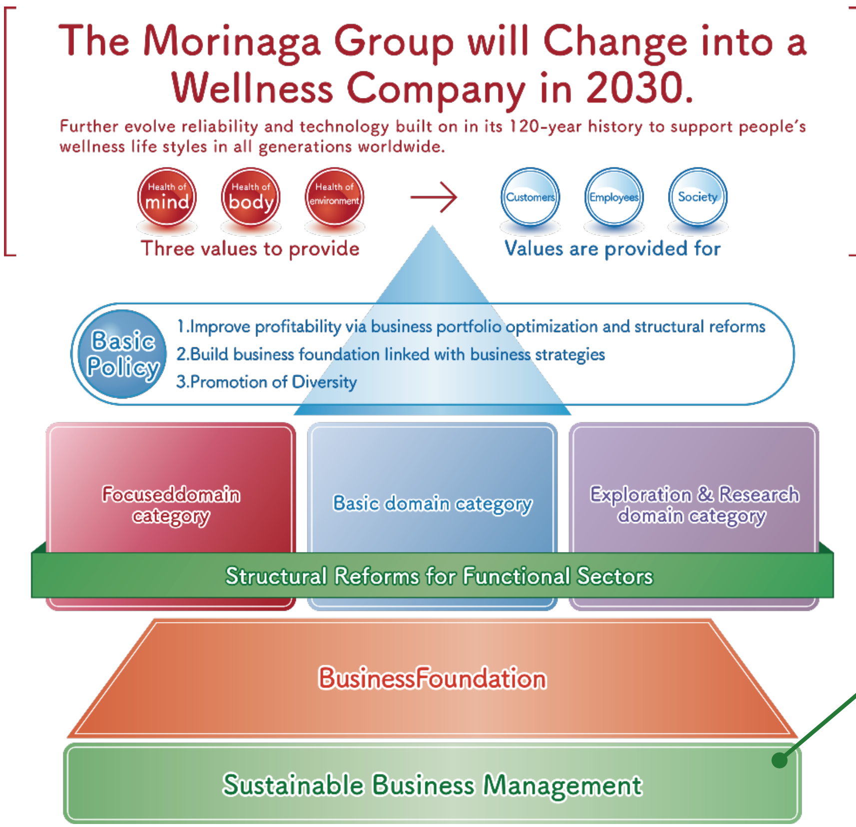
By FY2050, zero emissions of CO_2 and other greenhouse gases by all Morinaga Group companies globally

Strengthening of internal organizations

1. In April 2021, Sustainable Management Department was launched.
2. Morinaga Sustainable—Project to Connect Smiles to the Future was launched.
   - ESG awareness activities and introduction of our efforts toward sustainable related issues, etc., by in-store promotion and Morinaga website.

For Sustainable Management

- **Facing environmental changes and social issues, we will contribute to the realization of a sustainable society through our business activities, while creating new "values," and growing and raising our corporate value on an ongoing basis.**



We have specified our **materialities (vitally important issues)**, which integrates management challenges from both financial and non-financial standpoint for the achievement of the Purposes and the 2030 Vision.

1. **Contribute to healthy lives of people around the world**
2. **Diversity and inclusion of people**
3. **Achieve sustainable value chains**
4. **Conserve the global environment**
5. **Strengthen the business management foundation**

September 2021
Morinaga Group's Integrated Report
is slated for publication

Reference Data

*Figures in the Reference Data have been calculated based on previous accounting standard.

Reference: FY2021/3 Consolidated Segment Information

(Million yen)

Segment (net sales weighting)	FY2021/3 net sales (Y/Y change)	Segment income (Y/Y change)
Food Manufacturing (95.9%)	191,878 (−4.1%)	18,795 (−9.8%)
Food Merchandise (2.8%)	5,649 (−9.4%)	280 (−39.1%)
Real Estate and Services (0.9%)	1,825 (−4.0%)	790 (−4.0%)
Other Services (0.3%)	636 (+2.0%)	190 (+50.3%)

Reference: FY2021/3 Confectionery & Foodstuffs Segment Results

(Million yen)

	Net sales			Operating income			
	FY2021/3	Y/Y change	Y/Y change (%)	FY2021/3	Y/Y change	Margin	Y/Y change
Confectionery & Foodstuffs	108,840	−12,037	−10.0%	6,392	−1,855	5.9%	−0.9pt

Net sales: factors behind change

Domestic Sales of *Morinaga Biscuits* and cake mix were brisk, but net sales declined on struggling chocolate and sugar confectionery sales, as well as the *Pringles* impact

Morinaga Biscuits 119%

145%

HI-CHEW group 85%

82%

Overseas Overseas sales growth driven by growth in US market

Overseas total: 109.8%, USA: 112.6%

Operating income: factors behind change

Positive

- Product mix impact
- Controlling of advertising expenses

Negative

- Impact of lower net sales
- Increase in variable selling expenses
- Increase in distribution expenses
- Increase in depreciation

Reference: FY2021/3 Frozen Desserts Segment Results

(Million yen)

	Net sales			Operating income			
	FY2021/3	Y/Y change	Y/Y change (%)	FY2021/3	Y/Y change	Margin	Y/Y change
Frozen Desserts	47,091	+6,338	+15.6%	7,089	+1,531	15.1%	+1.4pt

Net sales: factors behind change

Strong sales across all categories, including novelty and multipack products
Growth for individual brands too

Jumbo Group
111%

*Full-year sales commenced this year

ICEBOX Group
116%

Operating income: factors behind change

Positive

- Boost from higher net sales
- Controlling of advertising expenses
- Boost from lower selling expenses

Reference: FY2021/3 Health Products Segment Results

(Million yen)

	Net sales			Operating income			
	FY2021/3	Y/Y change	Y/Y change (%)	FY2021/3	Y/Y change	Margin	Y/Y change
Health Products	35,947	−2,539	−6.6%	5,313	−1,717	14.8%	−3.5pt

Net sales: factors behind change

in Jelly: Struggling due to fewer consumption opportunities
in Bar: Continued strong performance following temporary halt to sales due to increased demand
Direct marketing: Sustained growth due to increase in number of regular customers

in Bar overall
105%

in Jelly overall: 84%

114%

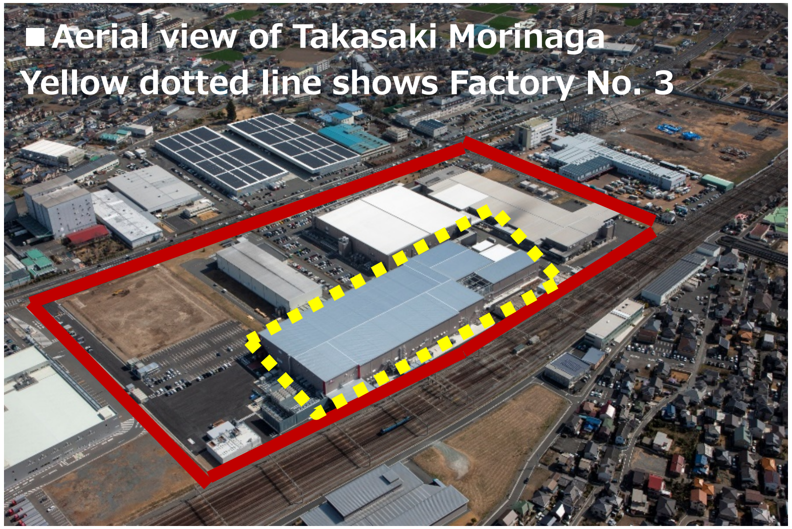
Operating income: factors behind change

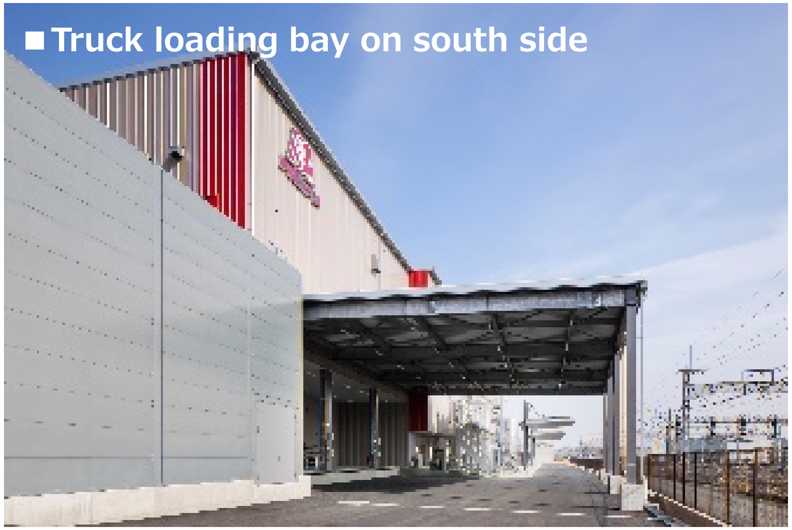
Negative

- Impact of lower net sales
- Impact of product mix deterioration
(decrease in mainstay product weighting)
- Increase in distribution expenses

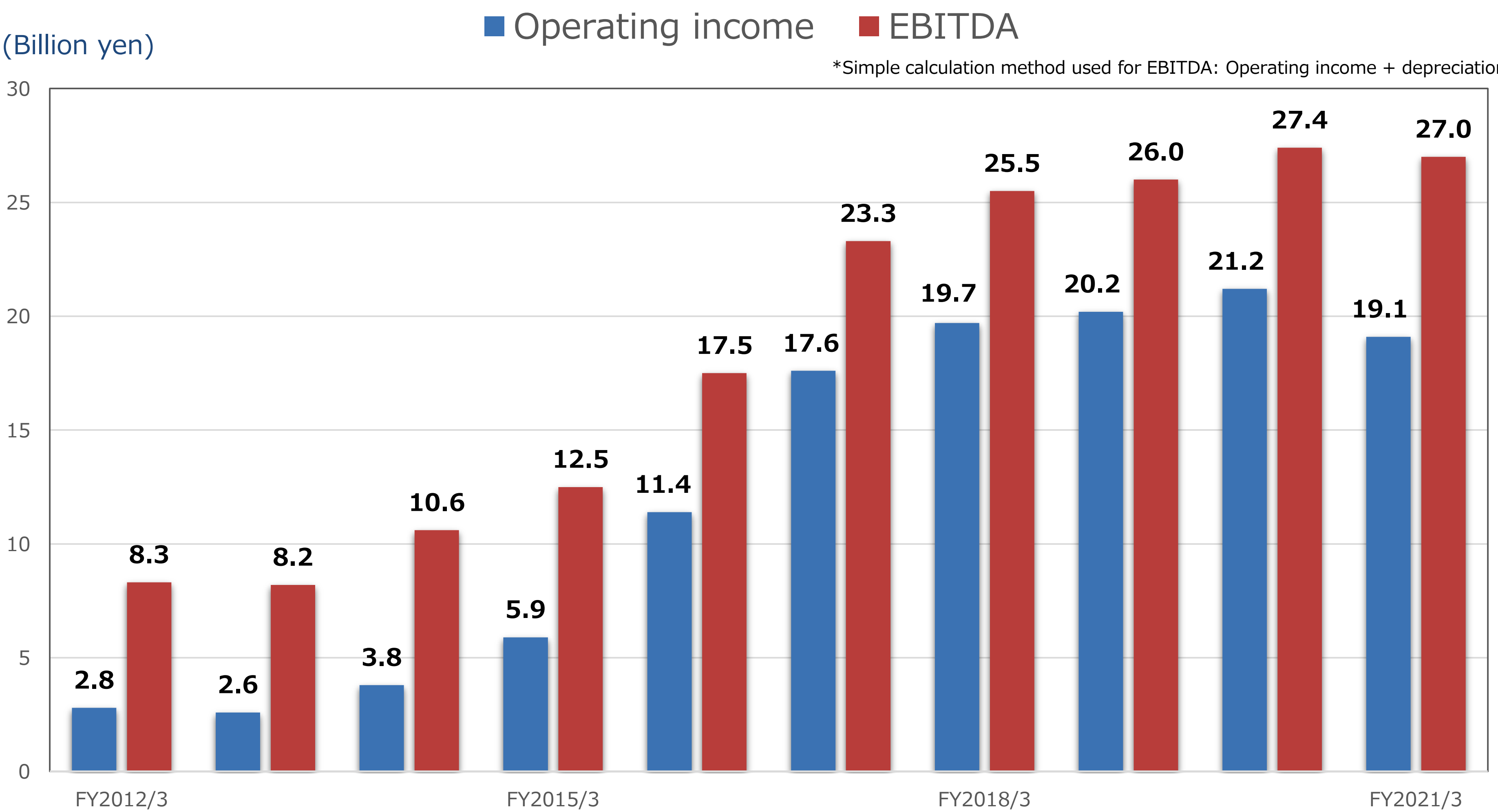
Reference: Takasaki Factory No. 3

- **To address issue of aging facilities and improve production efficiency, we constructed a third factory for the production of chocolate and frozen desserts**

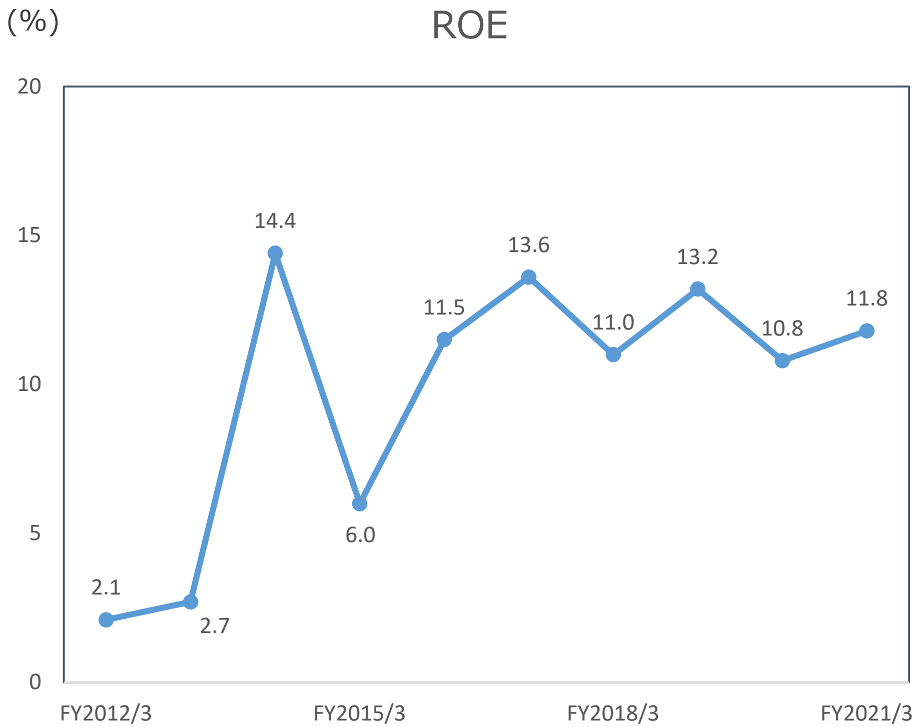




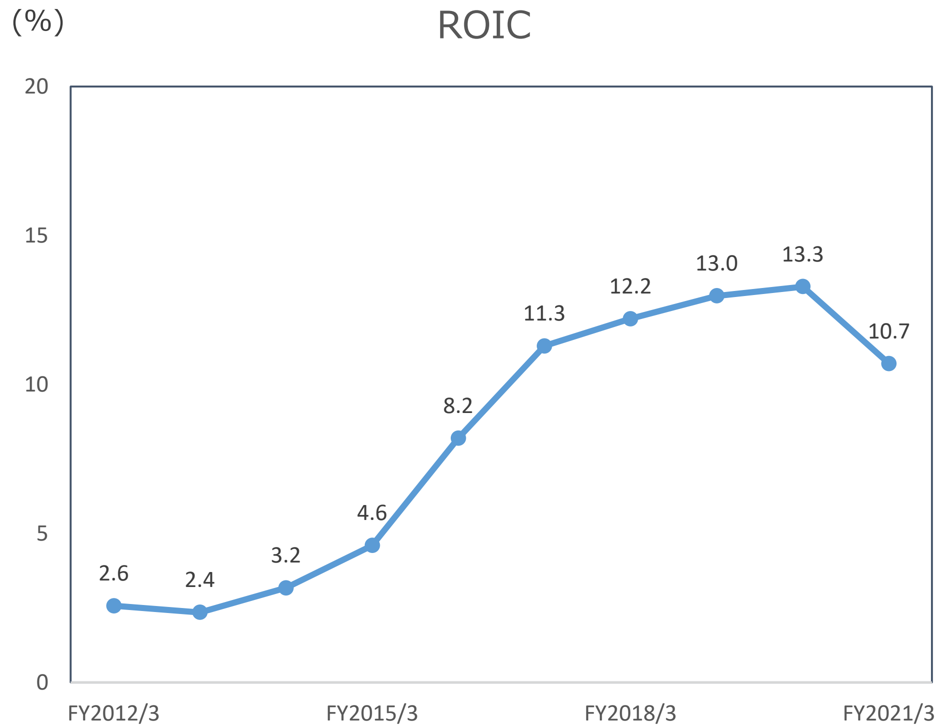
Reference: Operating Income and EBITDA



Reference: Financial Indicators



*Buyback of shares worth ¥8.3bn carried out in March 2019

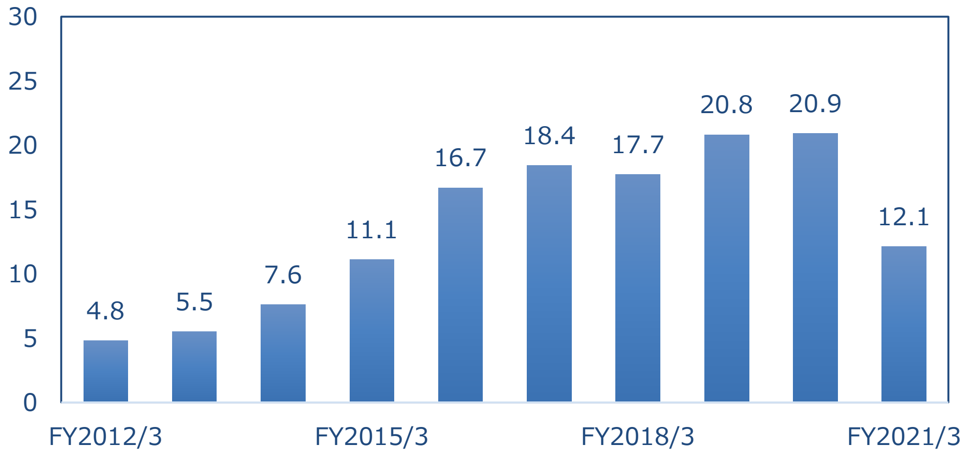


*Calculated as the two-period average of operating income after tax ÷ investment capital (interest bearing debt + shareholder equity)

Reference: Financial Indicators

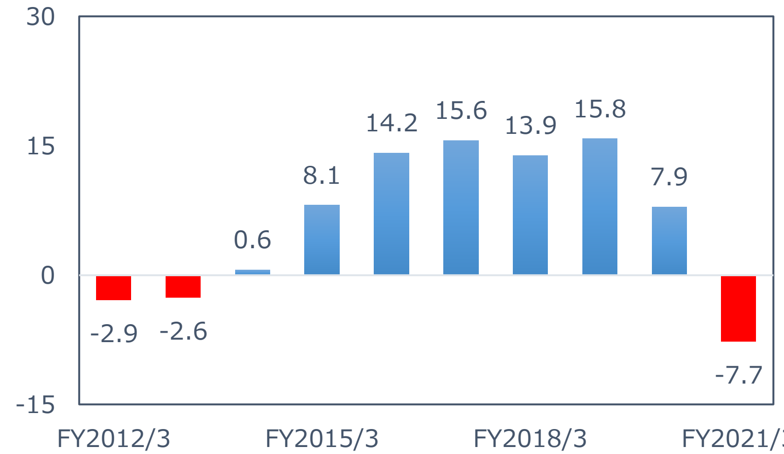
Operating cash flow

(Billion yen)



Free cash flow*

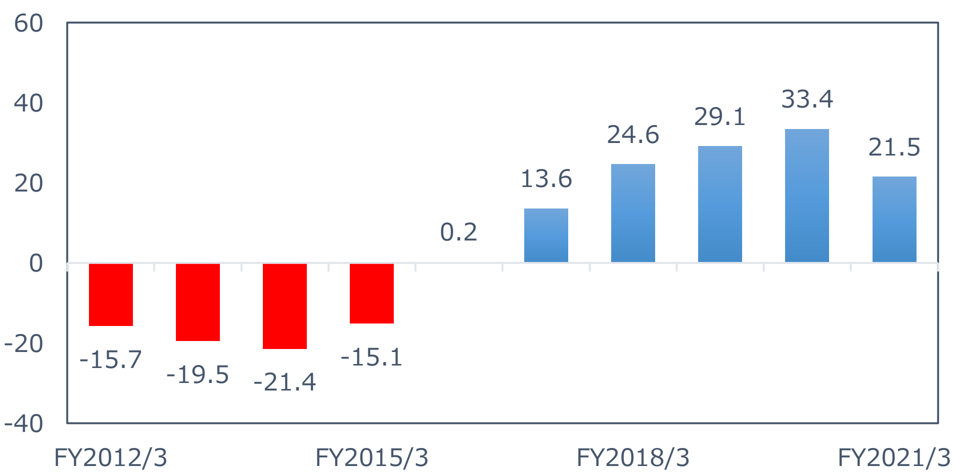
(Billion yen)



*Payments into time deposits and Proceeds from withdrawal of time deposits are excluded from the calculation.

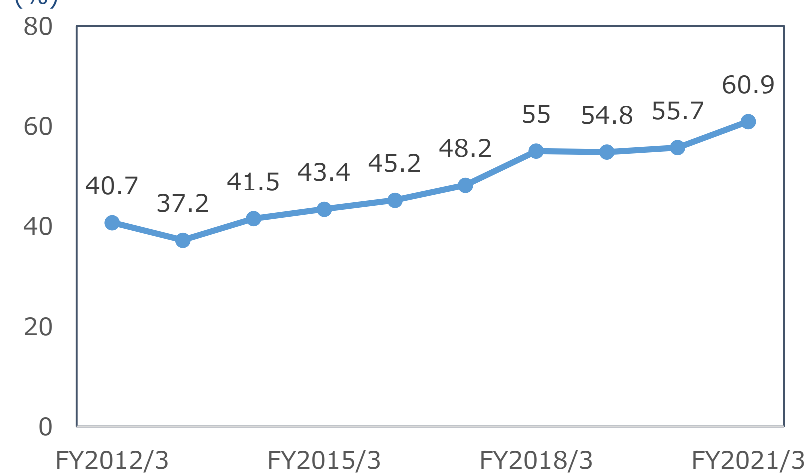
Net cash

(Billion yen)



Shareholders' equity ratio

(%)



Reference: FY2021/3 Net Sales by Category

(Billion yen)

Category	Consolidated net sales			Market Y/Y change (domestic) (%)	Morinaga's main brands (domestic only)	Sales (Y/Y change) (%)
	Current FY	Previous FY	Y/Y change			
Confectionery & Foodstuffs	108.8	120.8	−12.0 (90%)			
Sugar confectionery	27.3	28.8	−1.5 (95%)	85	*HI-CHEW*	85
Biscuits	25.9	23.7	+2.2 (109%)	106	*Morinaga Biscuits*	119
Chocolate	23.1	26.7	−3.6 (87%)	100	*Chocoball* *DARS* *Carré de chocolat*	95 82 93
Amazake	6.2	6.7	−0.5 (93%)	87	*Morinaga Amazake*	93
Other	26.3	34.9	−8.6 (75%)			
Frozen Desserts	47.0	40.7	+6.3 (116%)	103	*Jumbo Group*	111
Health Products	35.9	38.4	−2.5 (93%)		*in Jelly*	84

Reference: Impact of Application of Accounting Standard for Revenue Recognition

*New accounting standard applied from beginning of FY2022/3

■Impact Assuming Application from FY2021/3

(Million yen)	New standard	Former standard	Impact
Net sales	168,240	199,990	-31,750
Cost of sales	95,664	94,343	+1,321
Gross profit	72,575	105,646	-33,071
SG&A expenses	53,398	86,484	-33,086
Operating income	19,176	19,162	+14