



Delicious, Fun, and Healthy



Second Quarter, Fiscal Year Ending March 31, 2026 Results Briefing

November 13, 2025
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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Delicious, Fun, and Healthy



Results for FY2025 Q2



Results Forecast for FY2025



Progress of the 2024 MTBP



Delicious, Fun, and Healthy



Results for FY2025 Q2



Results Forecast for FY2025



Progress of the 2024 MTBP

Consolidated Results for FY2025 Q2



Net sales were generally in line with forecasts. While operating income exceeded the initial forecast, it did not reach the level of the same period in the previous fiscal year. Profit attributable to owners of the parent increased year-on-year due to extraordinary income from the sale of cross-shareholdings.

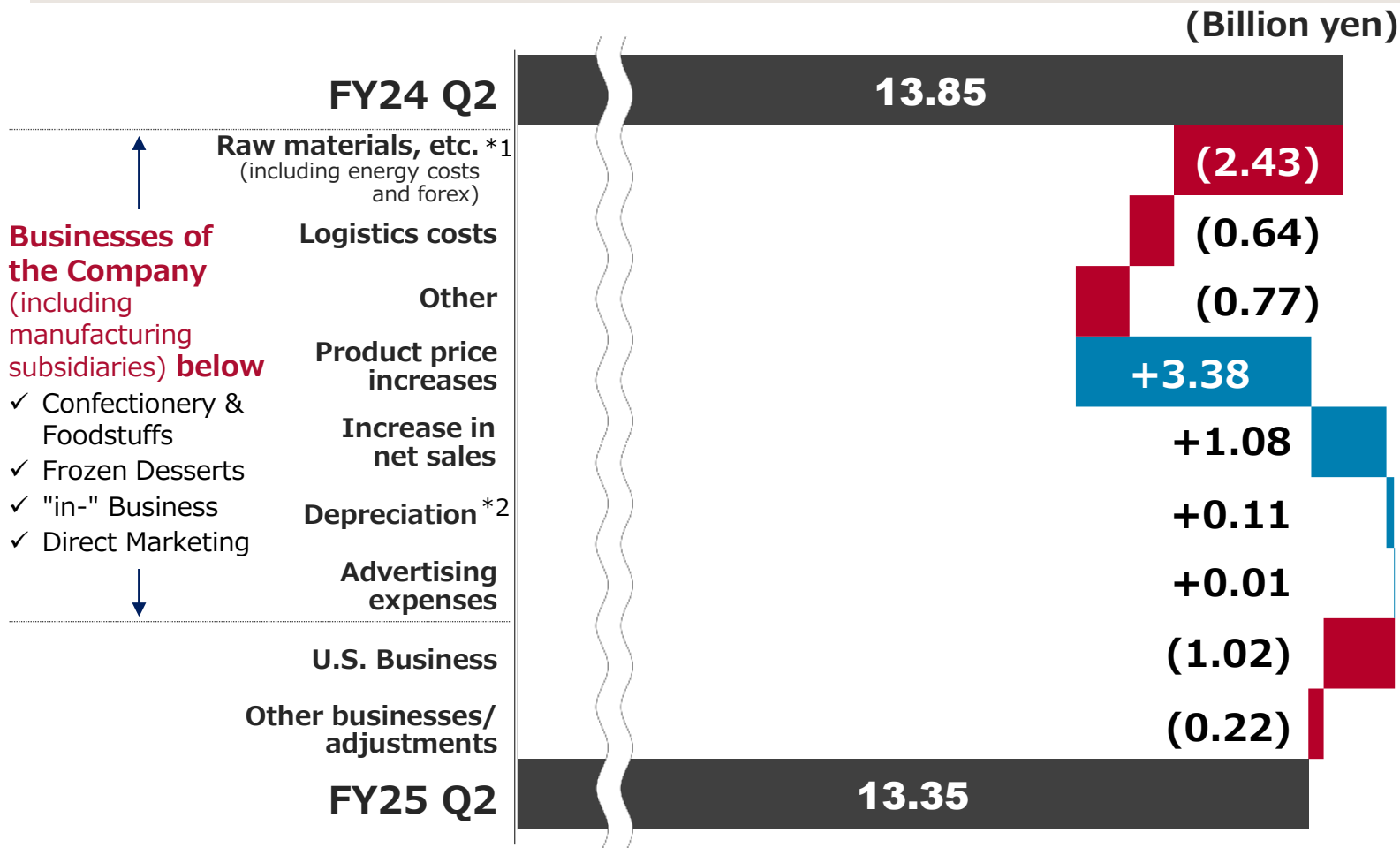
(Billion yen)	FY25 Q2	Y/Y change		vs. forecast*2	
Net sales	121.8	+3.0	102.5%	(1.7)	98.7%
Gross profit 〔gross profit margin〕	49.9 〔41.0%〕	+1.3 〔+0.0pt〕	102.6%	-	-
Operating income 〔Operating income margin〕	13.3 〔11.0%〕	(0.5) 〔(0.7pt)〕	96.3%	+0.9	107.7%
Ordinary income	13.4	(0.6)	95.4%	+0.9	107.6%
Profit attributable to owners of parent	11.0	+0.4	103.8%	+0.3	103.1%
EBITDA*1	18.3	(0.3)	98.3%	-	-

*1 Simple calculation method used for EBITDA: operating income + depreciation and amortization *2 Figures announced May 2025

FY2025 Q2 Results: Factors in Change in Consolidated Operating Income



In domestic business, although increases in the cost of raw materials and other products were offset by price revisions and increased sales, mainly in Confectionery & Foodstuffs and Frozen Desserts Business, profit declined due higher costs for responses to the fierce competitive environment in U.S. business and the effects of tariffs.



Raw materials, etc.

- Soaring raw material costs: Cacao-related, fats and oils (ice cream coating), overseas dairy products, packaging overall (makers are passing on costs such as labor costs)
- Impact of energy costs: +¥0.05 billion
- Exchange rate sensitivity: ¥1 depreciation = Slightly less than ¥0.1 billion decrease in annual profit

Product price increases

- September 2024: Confectionery & Foodstuffs Business (biscuits, chocolate, coca/Amazake (some products)), Frozen Desserts Business
- December 2024: "in-" Business (*in Bar*)
- February & March 2025: Confectionery & Foodstuffs Business (chocolate, biscuits (some products) snacks (some products), cocoa, etc.), "in-" Business (protein powder)
- June 2025: Confectionery & Foodstuffs Business (chocolate (some products))
- September 2025: Confectionery & Foodstuffs Business (biscuits, chocolate, cocoa, gelatin, etc.), Frozen Desserts Business

Other (main factors)

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

Main factors in U.S. Business

- +) Increase in net sales
-) Increases in selling expenses, tariffs, advertising expenses

Ref.: Advertising expenses (consolidated total)

FY24 Q2 ¥5.45 billion	}	Profit/loss impact ¥(0.2) Billion
FY25 Q2 ¥5.65 billion		

FY2025 Q2 Results: Summary by Business



Increase in net sales driven by Confectionery & Foodstuffs and Frozen Desserts Businesses

Profitability in the Confectionery & Foodstuffs Business improved significantly due to price revisions, cost reductions, and other factors

Sales and profit were down in the “in-” Business and U.S. Business

	(Billion yen)	Net sales			Operating income			Operating income margin	
		FY2025 Q2	Y/Y change		FY2025 Q2	Y/Y change		FY2025 Q2	Y/Y change
Food Manufacturing	Confectionery & Foodstuffs*1	41.1	+2.5	106.5%	3.3	+1.6	190.0%	8.2%	+3.6pt
	Frozen Desserts	32.7	+2.2	107.2%	4.2	+0.1	102.8%	13.0%	(0.5pt)
	“in-” Business*1	16.7	(0.8)	95.2%	3.8	(1.0)	80.0%	23.2%	(4.4pt)
	Direct Marketing	5.3	(0.4)	93.8%	0.0	(0.0)	69.2%	1.0%	(0.4pt)
	Operating Subsidiaries, etc.	4.9	(0.4)	93.4%	0.1	+0.1	217.3%	3.2%	+1.8pt
	Domestic Total	101.0	+3.2	103.3%	11.7	+0.8	107.4%	11.6%	+0.5pt
	U.S. Business*2*3	10.6	(0.3)	96.6%	0.8	(1.0)	46.0%	8.1%	(9.0pt)
	China, Taiwan, exports, etc.	5.0	+0.0	100.3%	0.3	(0.3)	45.3%	6.2%	(7.5pt)
	Overseas Total	15.6	(0.4)	97.8%	1.1	(1.4)	45.8%	7.5%	(8.5pt)
	Subtotal	116.7	+2.9	102.5%	12.8	(0.6)	95.6%	11.0%	(0.8pt)
Food Merchandise	3.8	+0.2	106.0%	0.5	+0.1	128.7%	14.1%	+2.5pt	
Real Estate and Services	0.9	(0.0)	98.0%	0.3	(0.1)	92.9%	42.6%	(2.3pt)	
Other	0.3	(0.1)	98.5%	0.0	(0.0)	85.9%	16.8%	(2.4pt)	
Adjustments, etc.				(0.5)	+0.0	—			
Total	121.8	+3.0	102.5%	13.3	(0.5)	96.3%	11.0%	(0.7pt)	

* In conjunction with the unification of fiscal year-ends of consolidated subsidiaries, there is a difference in months in the comparisons with previous fiscal years, as indicated below. Aunt Stella Inc., which is included in Operating Subsidiaries, etc. (FY2024 Q2: March – August; FY2025 Q2: April – September); overseas subsidiaries (FY2024 Q2: January - June; FY2025 Q2: April – September)

FY2025 Q2 Results: Y/Y Change of U.S. Business on Local Currency Basis



Fiscal year-ends of overseas subsidiaries

Until FY2024

December 31



Starting in FY2025

Unified to March 31

Q2 Y/Y Change on Local Currency Basis

	Net Sales		Operating Income	
	FY2025 Apr-Sep compared to FY2024 Jan-Jun	FY2025 Apr-Sep compared to FY2024 Apr-Sep	FY2025 Apr-Sep compared to FY2024 Jan-Jun	FY2025 Apr-Sep compared to FY2024 Apr-Sep
U.S. Business*1	100.8%	98.7%	47.9%	54.9%

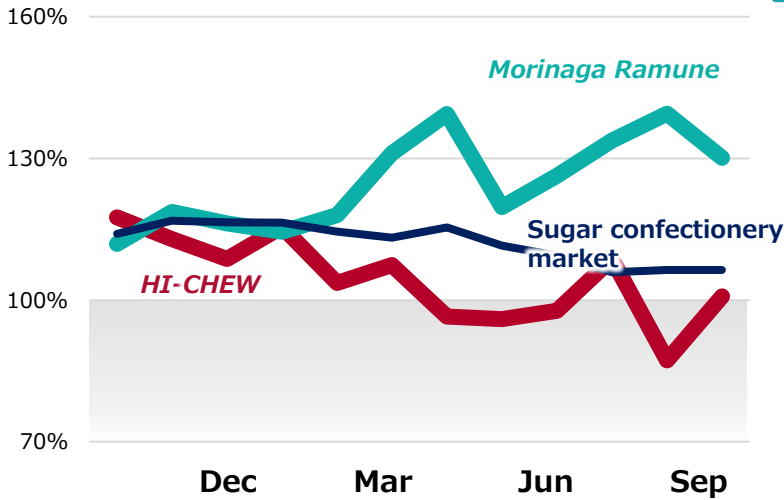
Key Topics in Domestic Market: Confectionery

Y/Y Change in Sales Value*1



* Most recent price revisions
 February 2025: Chocolate (DARS, Carré de chocolat), etc.); June 2025: Chocolate (Carré de chocolat), September 2025: Biscuits, chocolate (DARS, etc.)

Sugar confectionery



Apr-Sep cumulative sales value (Y/Y)*2	
HI-CHEW	97.0%
Morinaga Ramune	131.4%
Market	109.2%

- **HI-CHEW:** The effects of price revisions implemented in March have run their course 12-piece and premium underperformed the market
- **Morinaga Ramune:** L-size Ramune performed well, and Fresh Ramune Balls, which was re-launched in the spring, continued to perform well Measures targeting students preparing for entrance exams also contributed

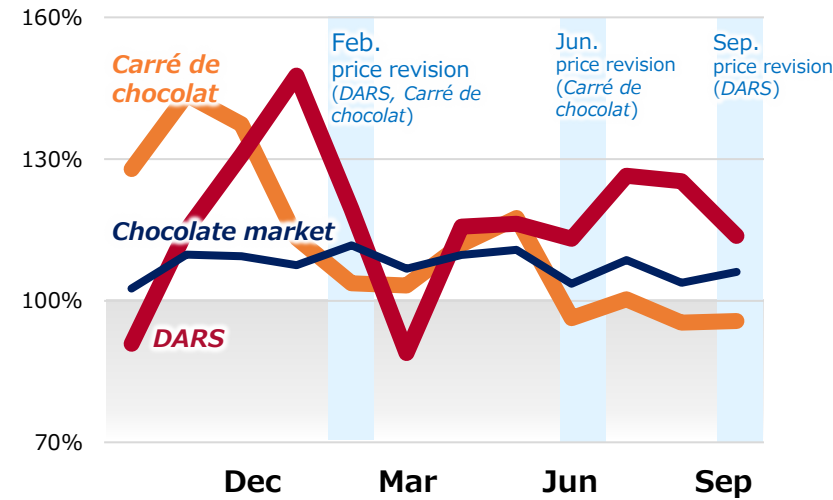
Biscuits



Apr-Sep cumulative sales value (Y/Y)*2	
Morinaga Biscuits	101.7%
Market	109.8%

- The downturn in August was due to a temporary increase in demand caused by natural disasters (earthquakes and heavy rain from typhoons) in the previous year
- Prices were revised in September, and there were effects from reduced sale promotions

Chocolate



Apr-Sep cumulative sales value (Y/Y)*2	
DARS	117.4%
Carré de chocolat	104.0%
Market	107.3%

- **Dars:** Despite price revisions in February and September, core Milk and White products performed well
- **Carré de chocolat:** Price revisions were implemented in February and June with larger increases than usual Strong performance on a monetary basis

Key Topics in Domestic Market: Frozen Desserts

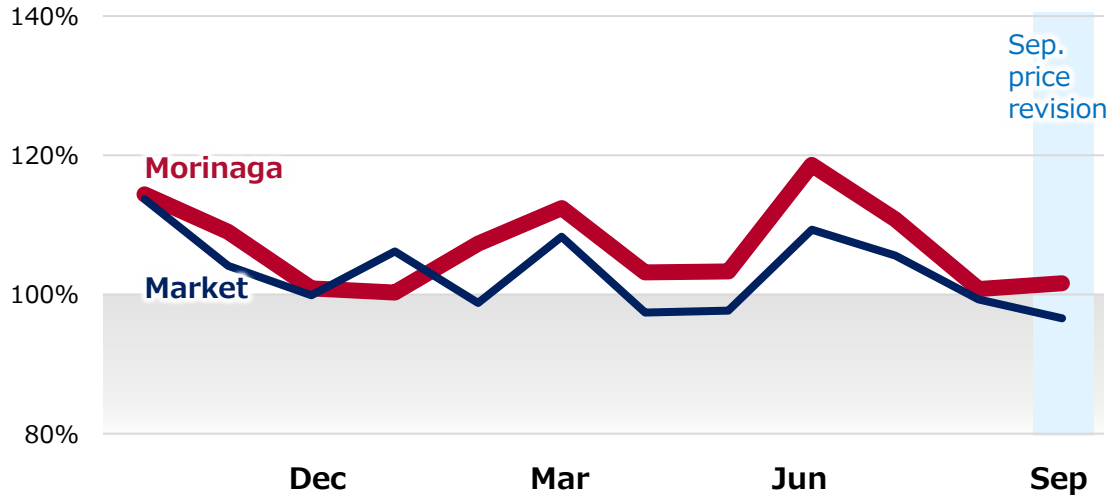
* Most recent price revisions

Mainstay products: September 2025

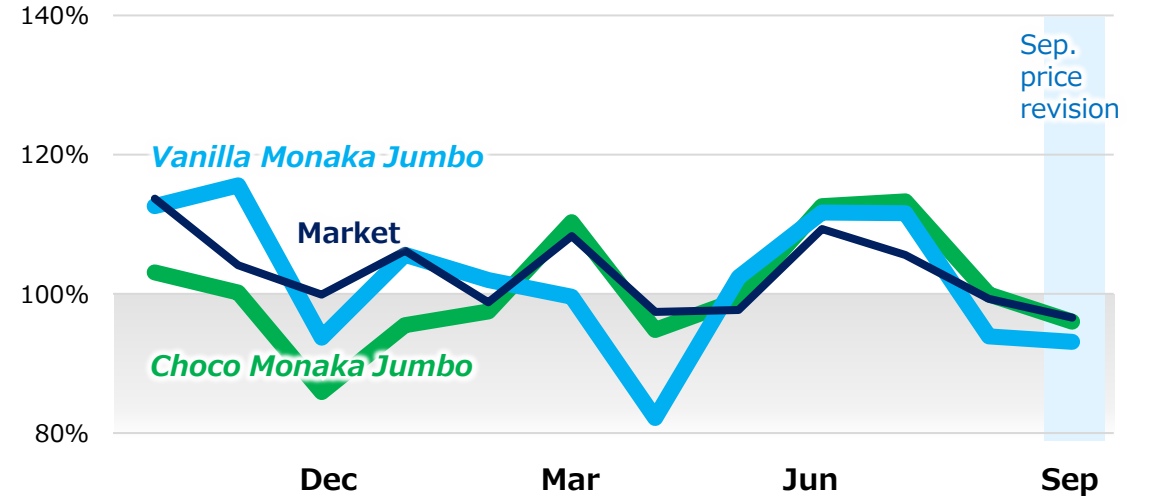


Y/Y Change in Sales Value*1

Frozen desserts market



Jumbo Group



Apr-Sep cumulative sales value (Y/Y)*2

Morinaga	106.4%
Market	101.3%



- **Ita Choco Ice: Shiroi Ita Choco Ice** launched in September of the previous year was not released this period, resulting in a year-on-year decrease for Q2, but core product continue to perform well
- **The Crepe:** Store stocking ratio and store turnover both improved and sales revenue expanded
- **ICEBOX:** In addition to capturing demand as a heat countermeasure and use as a mixer, sales periods at CVS were secured during the peak demand period, contributing to sales

Apr-Sep cumulative sales value (Y/Y)*2

Choco Monaka Jumbo	103.1%
Vanilla Monaka Jumbo	99.2%
Market	101.3%

- **Choco Monaka Jumbo:** Although the September price revisions resulted in a year-on-year decline for the month, acquisition of media exposure contributed, leading to an expansion of purchase rates in 1H.
- **Vanilla Monaka:** The downturn in August and September was due to the effects of increased demand from media exposure in the previous year

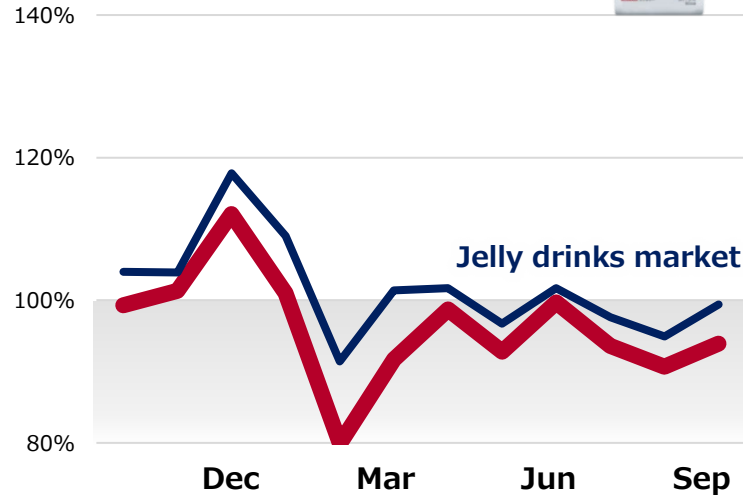
Key Topics in Domestic and U.S. Markets

* Most recent price revisions
Direct marketing: April 2025



Y/Y Change in Sales Value

*in Jelly**1



Apr-Sep cumulative sales value (Y/Y)*2	
<i>in Jelly</i>	94.6%
Market	98.4%

- Although TV commercials were run in July to capture peak summer demand, anticipated results were not achieved due to consumer behavioral shifts caused by extreme heat
- Private brand and concept-focused national brands products that specialize on concept products are steadily becoming established in the market

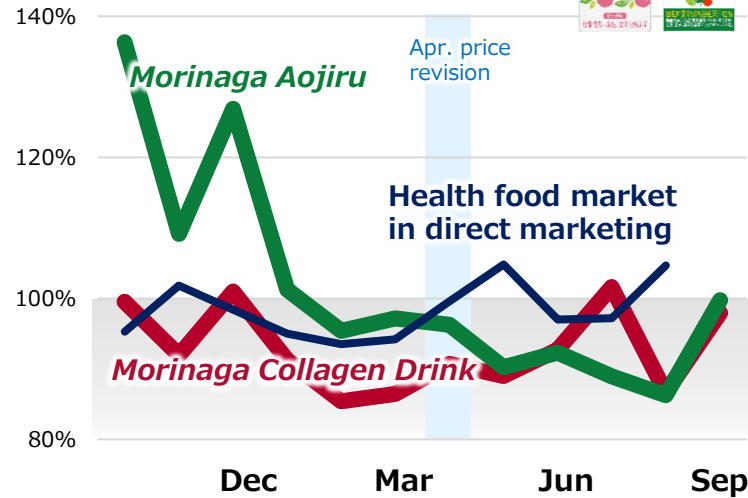
*1 Intage SRI+ jelly drinks market estimated sales values, year-on-year comparison, Oct. 2024 – Sep. 2025

*2 Same as above, Apr. – Sep. 2025

*3 Morinaga's shipment value; "Kenshoku Net Tsuhan" Shishutsu(Expenditure on Health Food Sold on the Internet) household survey, Statistics Bureau, Ministry of Internal Affairs and Communications (Until Aug due to data released) *3 Apr-Aug 2025 cumulative sales value

Y/Y Change in Net sales

Direct marketing*3

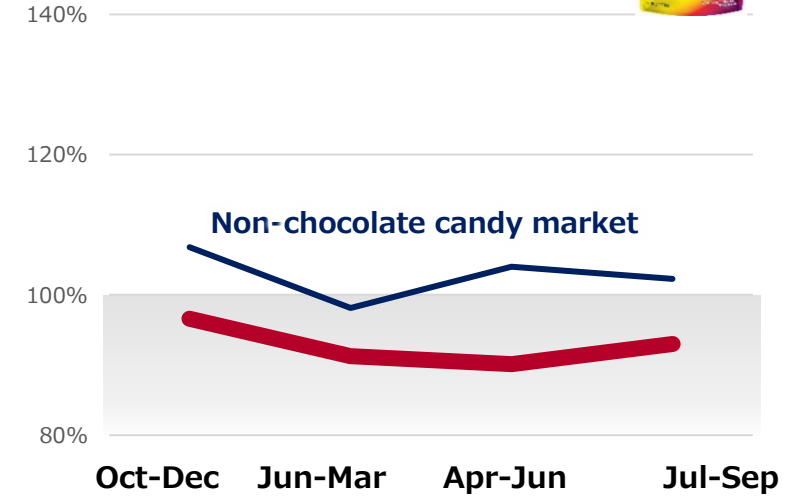


Apr-Sep cumulative sales value (Y/Y)	
<i>Morinaga Collagen Drink</i>	93.0%
<i>Morinaga Aojiru</i>	92.2%
Market	100.4%*4

- Struggled as consumers became more conscious of the need to economize and cancellations were increased after April price revisions
- Due to strong performance by offline advertising, the number of subscription customers increased since May

Y/Y Change in Sales Value

HI-CHEW in U.S.*5



Apr-Sep cumulative sales value (Y/Y)	
<i>HI-CHEW</i>	91.6%
Market	103.2%

- While market sales growth continued due to a focus on candy by major confectionary manufacturers and sales continued to grow in the market, CVS continued to struggle due to a slump in consumption caused by inflation
- *HI-CHEW* sales continued to increase in the food channel, overall results were down year-on-year as the CVS and Mass channels struggled

* Coverage of Circana (formerly IRI) data
Coverage in HI-CHEW sales is approximately 60% (internal estimate)



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Results for FY2025 Q2



Results Forecast for FY2025



Progress of the 2024 MTBP

Results Forecast for FY2025



Although net sales were below the initial forecast, a record high is expected for the fifth consecutive year; the operating income forecast was revised upward, and operating income is expected to reach a record high despite the challenging business environment

(Billion yen)	FY2025 Forecast	Y/Y change		vs. initial forecast	
Net sales	236.0	+7.1	103.1%	(4.0)	98.3%
Gross profit 〔gross profit margin〕	95.4 〔40.4%〕	+5.4 〔+1.1pt〕	105.9%	(0.6)	99.3%
Operating income 〔Operating income margin〕	22.3 〔9.4%〕	+1.1 〔+0.1pt〕	104.9%	+0.9	104.2%
Ordinary income	22.5	+0.2	100.9%	+0.8	103.7%
Profit attributable to owners of parent	18.2	+0.5	102.8%	+0.4	102.2%
EBITDA*1	32.5	+1.4	104.3%	+0.8	102.3%

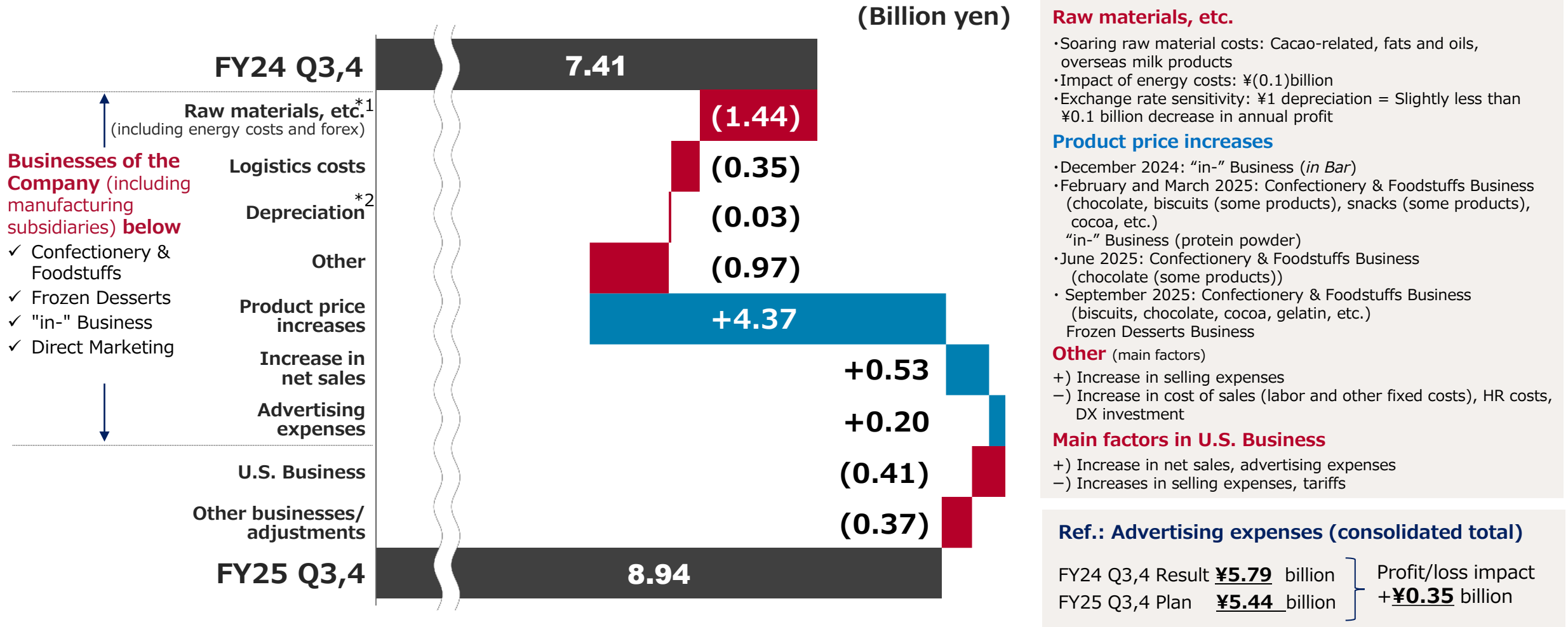
*1 Simple calculation method used for EBITDA: operating income + depreciation and amortization

* The yen conversion rate at overseas subsidiaries that underpins our forecasts is ¥147.00=\$1USD

FY2025 Results Forecast: 2H Factors in Change in Consolidated Operating Income



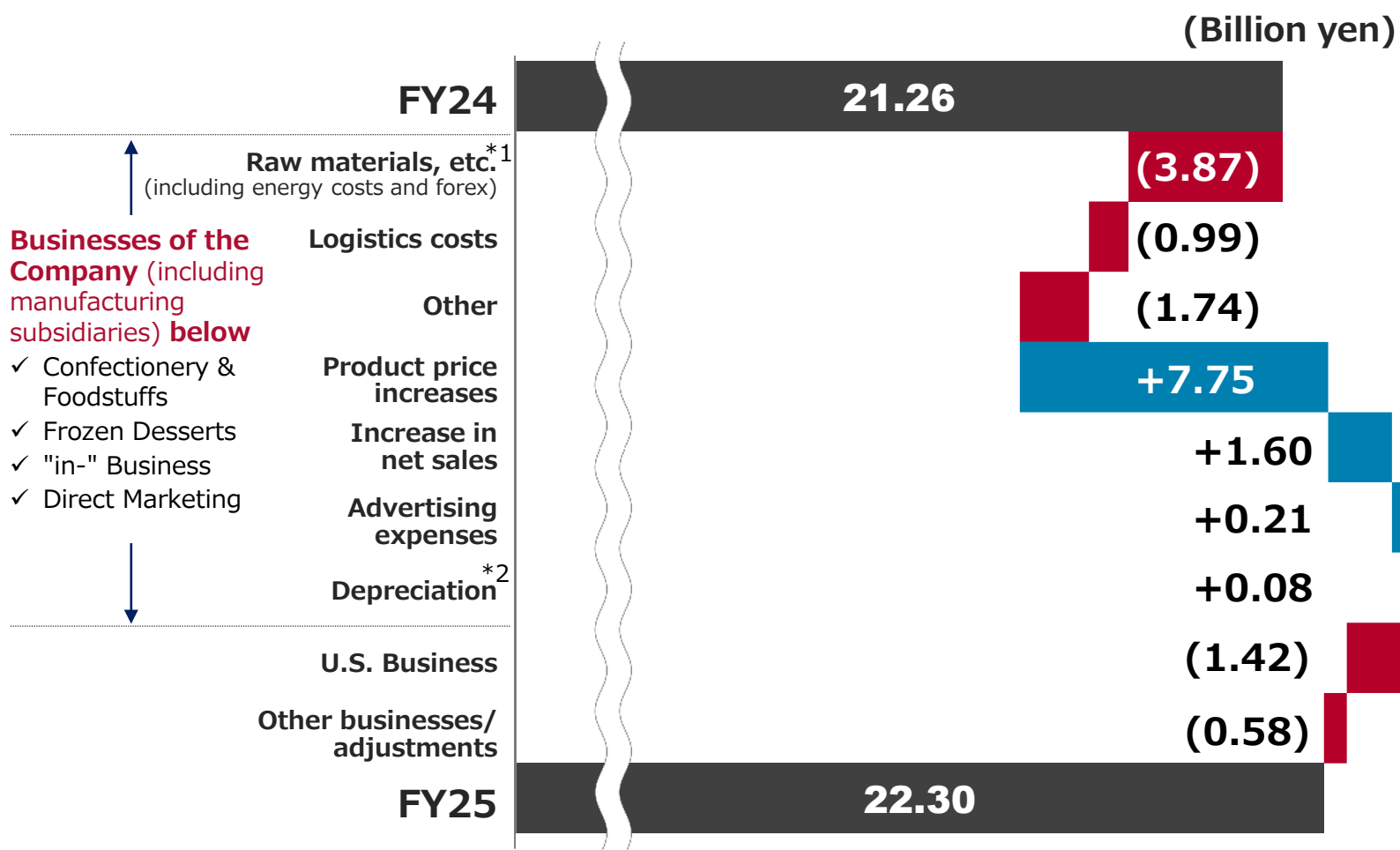
Although the effects of raw materials and related factors moderated compared to 1H, higher intangible investment including DX and HR costs as well as effects from U.S. tariff policies will continue; increased price revision effects including the September revisions will offset cost increases



FY2025 Results Forecast: Factors in Change in Consolidated Operating Income



Higher costs for raw materials, etc. and effects from U.S. Business will be offset by price revision effects and higher sales



Raw materials, etc.

- Soaring raw material costs: Cacao-related, fats and oils, overseas milk products
- Impact of energy costs: ¥(0.05)billion
- Exchange rate sensitivity: ¥1 depreciation = Slightly less than ¥0.1 billion decrease in annual profit

Product price increases

- September 2024: Confectionery & Foodstuffs Business (biscuits, chocolate, coca/Amazake (some products))
Frozen Desserts Business
- December 2024: "in-" Business (*in Bar*)
- February and March 2025: Confectionery & Foodstuffs Business (chocolate, biscuits (some products), snacks (some products), cocoa, etc.)
"in-" Business (protein powder)
- June 2025: Confectionery & Foodstuffs Business (chocolate (some products))
- September 2025: Confectionery & Foodstuffs Business (biscuits, chocolate, cocoa, gelatin, etc.), Frozen Desserts Business

Other (main factors)

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

Main factors in U.S. Business

- + Increase in net sales
- Increases in selling expenses and tariffs

Ref.: Advertising expenses (consolidated total)

FY24 Result	¥11.24 billion	} Profit/loss impact + ¥0.15 billion
FY25 Plan	¥11.09 billion	

FY2025 Results Forecast: Factors in Change in Consolidated Operating Income – Key Topics



Factors in Change in Consolidated Operating Income

(Billion yen)	New forecast (as of Nov.)	Previous Forecast (as of May)	Difference	Main factors
Raw Materials (incl. energy costs, forex)	(3.87)	(4.94)	+1.07	<ul style="list-style-type: none"> ✓ Effects from market trends for major raw materials are moderating
Product price increases	+7.75	+6.77	+0.98	<ul style="list-style-type: none"> ✓ In 1H, the Confectionary & Foodstuff Business was the driver ✓ In 2H, the Frozen Desserts Business is expected to be the driver
U.S. Business	(1.42)	+0.21	(1.63)	<ul style="list-style-type: none"> ✓ Lower sales and higher selling expenses in conjunction with intensifying competitive environment ✓ Impacts of tariff policies

Results Forecast for FY2025: Summary by Business



The Confectionery & Foodstuffs Business and Frozen Desserts Business will drive higher sales and profit for the year, while improvement in profitability in the Confectionery & Foodstuffs Business will make progress
The “in-” Business and U.S. Business will report lower profit for the year

(Billion yen)		Net sales			Operating income			Operating income margin	
		FY2025 Forecast	Y/Y change		FY2025 Forecast	Y/Y change		FY2025 Forecast	Y/Y change
Food Manufacturing	Confectionery & Foodstuffs* ¹	87.5	+3.1	103.6%	6.8	+2.9	173.7%	7.8%	+3.2pt
	Frozen Desserts	53.0	+3.7	107.4%	5.2	+1.0	122.4%	9.8%	+1.2pt
	“in-” Business* ¹	30.6	(0.7)	97.6%	6.2	(1.1)	85.0%	20.3%	(3.0pt)
	Direct Marketing	10.9	(0.2)	97.5%	0.7	+0.3	159.2%	7.0%	+2.7pt
	Operating Subsidiaries, etc.	11.6	+0.4	103.5%	0.7	+0.4	230.0%	6.9%	+3.8pt
	Domestic Total	193.6	+6.1	103.2%	19.7	+3.4	121.3%	10.2%	+1.5pt
	United States* ^{2*3}	20.9	(0.0)	99.7%	1.6	(1.4)	53.7%	7.9%	(6.7pt)
	China, Taiwan, exports, etc.	10.4	+1.4	115.6%	0.2	(0.2)	47.1%	2.2%	(3.3pt)
	Overseas Total	31.3	+1.3	104.5%	1.8	(1.7)	52.7%	6.0%	(5.9pt)
	Subtotal	225.0	+7.5	103.4%	21.6	+1.8	109.0%	9.6%	+0.5pt
Food Merchandise		8.2	(0.4)	94.8%	1.0	(0.4)	70.3%	12.3%	(4.3pt)
Real Estate and Services		1.9	+0.1	102.6%	0.8	+0.0	106.4%	44.4%	+1.5pt
Other		0.8	+0.0	102.8%	0.1	(0.0)	76.7%	15.2%	(5.1pt)
adjustments, etc.					(1.3)	(0.3)	—		
Total		236.0	+7.1	103.1%	22.3	+1.1	104.9%	9.4%	+0.1pt



Delicious, Fun, and Healthy



Results for FY2025 Q2

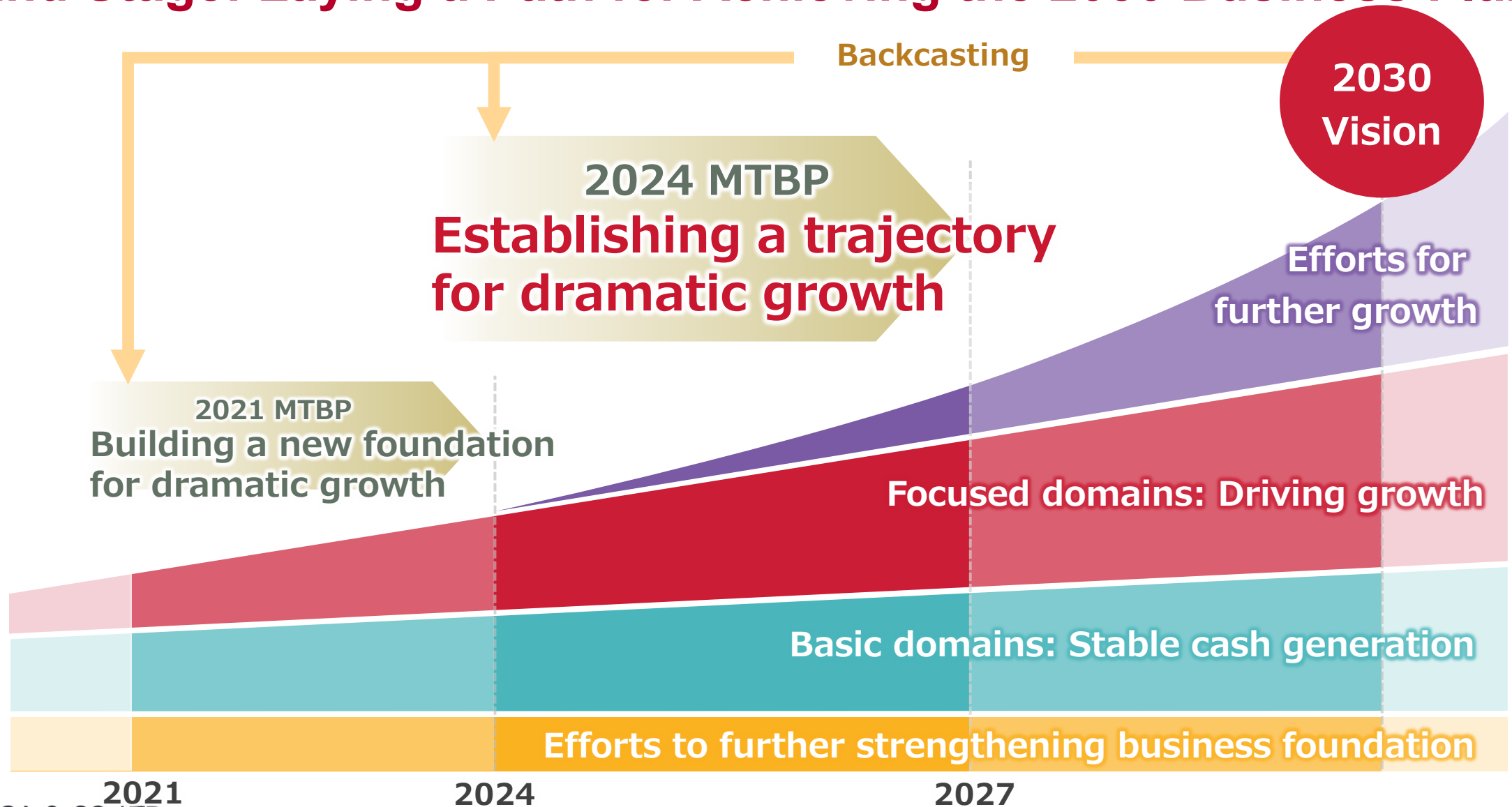


Results Forecast for FY2025



Progress of the 2024 MTBP

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



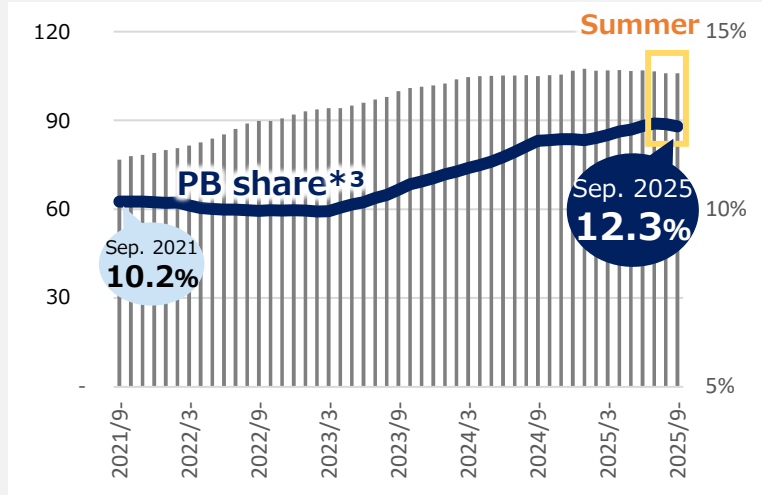
Focused Domain: “in-” Business: *in Jelly*



Business continues to struggle due to effects from the external environment; as a top jelly drink brand*1, we will develop demand to achieve a recovery in the next fiscal year

Market Environment

Jelly drink market estimated sale volume moving annual total*2 (billion yen)



- Summer demand declined due to extreme heat (purchasing frequency decreased)
- Private brand (PB) shares increased
- National brands have introduced new concept-specific products and become established

Progress/Future Measures

Current Status (Progress in 1H)

Measures

- To capture demand during the peak summer season Reinforce advertising and sales promotions with a focus on core energy (TV commercials: Highlight daily summer scenes/World Athletics Championships)



Results

- Due to effects from PBs and extreme heat, Sales of standard lines have struggled (particularly the SM channel) Limited summer only products performed well but inadequately
- Decline in purchase rates Sep. 2025 (annual total) 15.2% (1.1 pt YoY)*4



Issue Distinguish from price competition by conveying brand value and developing demand

Future Measures

- 2H: Early launch of measures targeting test takers
- Next spring: Reinforce branding

*1 Intage SRI+ jelly drink market estimated sales amount Oct. 2024 – Sep. 2025 *2 Intage SRI+ jelly drink market estimated sales amount Oct. 2024 – Sep. 2025
 *3 Intage SRI+ jelly drink market estimated sales amount composition ratios Oct. 2020 – Sep. 2025
 *4 Intage SCI jelly drink market purchase rates Oct. 2023 – Sep. 2024, Oct. 2024 – Sep. 2025

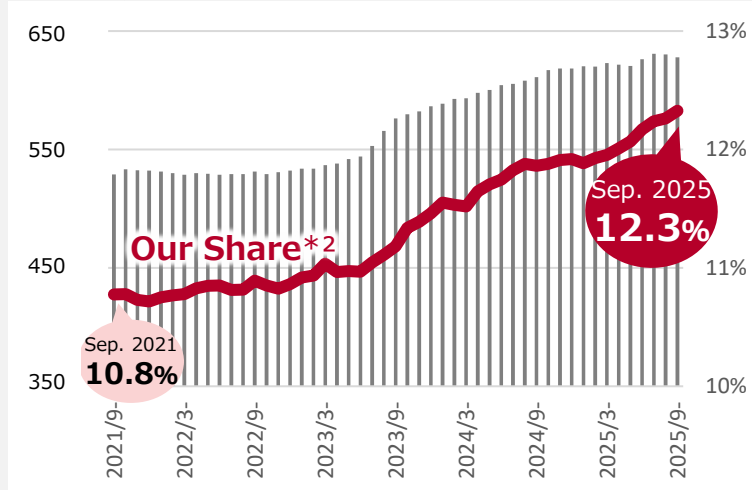
Focused Domain: Frozen Desserts Business



Strategies for major brands including *Jumbo* have been successful, achieving overall business growth; improving profitability remains an issue

Market Environment

Frozen Desserts Market: Estimated annual moving total sales volume*1 (billion yen)



- **Continued market growth**
Each company has implemented price revisions since 2022
- **Our growth exceeds that of the market**
CAGR for Sep. 2021 – Sep. 2025
Market **4.4%**
Morinaga **8.0%**

Jumbo Group

- **Initiatives to increase the purchase rate across all generations**
 - Expanded brand contact points through media exposure
 - Stimulated purchasing by highlighting the value of *Vanilla Monaka*
 - Stimulated demand throughout the year
Release winter-only products from Nov.
- ➔ Purchase rates have tended to increase even after the September price revisions



Ita Choco Ice / The Crepe

- Emphasized quality and value and launched limited-time products to continue enhancing presence as dessert ice cream
- Prepared measures to stimulate demand in conjunction with September price revisions (higher revisions than other products)
 - *Ita Choco Ice*: Ran TV commercials
 - *The Crepe*: Enhanced quality and value (increased dough chewiness)
- ➔ Has remained strong even after price revisions

ICEBOX

- Expand demand throughout the year by highlighting various uses
 - Countermeasure against heat: Spring & summer
 - Use as a mixer: Year-round



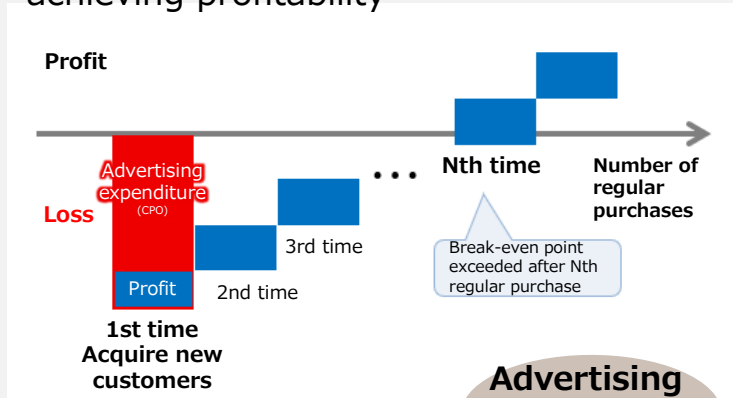
Focused Domain: Direct Marketing Business: *Morinaga Collagen Drink*



Sales expected to decline this FY due to a decline in subscription customers at the beginning of the year; recovery is expected in the next FY as a result of various countermeasures to acquire new customers

Profit Structure in Direct Marketing Business

Image of advertising expenditure and achieving profitability



Advertising expenditure is necessary

To increase sales:

- Increase subscription customers
New customers > Existing customers who cancel

To increase profit:

- Increase customer acquisition rate (control CPO*)
Consider optimal advertising media and operation
- Raise continuation rate of repeat customers (improve LTV)
Acquiring customer likely to continue is important

Progress/Future Measures

Current Status (Progress in 1H)

- Number of subscription customers: Shifting downward YoY due to price revisions and heightened price sensitivity

New customer acquisition (recognition, purchase)

- Increase new customers through efficient acquisition using online advertising
- Mass advertising conducted in Tokyo metropolitan area on test basis in July
→ Ad targets: Certain effects were achieved including higher brand recognition among women in their 40s and 50s as advertising targets and expanded search and purchase ratios

Maintenance of existing customers

- Cancellations increased in Q1 due to April price revisions
- Early loss of new customers increased (due to the factor that online advertising also reached those with low purchase intent)

Issue Continue business growth by expanding the base of stable customers

Future Measures

- Explore new customer approaches to expand brand recognition and contact points
- Examine customer acquisition efficiency of offline and online advertising to reduce costs for acquiring repeat customers

Progress on strategies is promising despite effects from the external environment

Market Environment

1. Non-chocolate candy market: intensifying competition

- Major manufacturers focusing on candy as cacao ingredient prices rise
 - Expansion of SKUs for candy brands
 - Active investment in sales to acquire sales and promotional space
- New U.S. and foreign brands entering the U.S candy market

2. Status of consumption behavior & sales channels

- Sluggish consumption due to inflation
 - EC channels rising in prominence
- ▼
- Sales in the CVS channel itself continuing to struggle
 - Drugstore channel sluggish
 - Reinforced products lineups with reduced volume and lower prices in Food and Mass channels

Progress/Future Measures

Marketing

- **Renewal for core products** (flipping inner layer out) September
 - ➔ **Strong initial weekly sales** at converted stores
- **Seasonal products: Halloween-exclusive products sold**
 - ➔ - **Introduction & sales strong**
 - Contributed to fostering a “fun” brand image



Mystery flavor Halloween-exclusive product



Brand mascot Chewbie

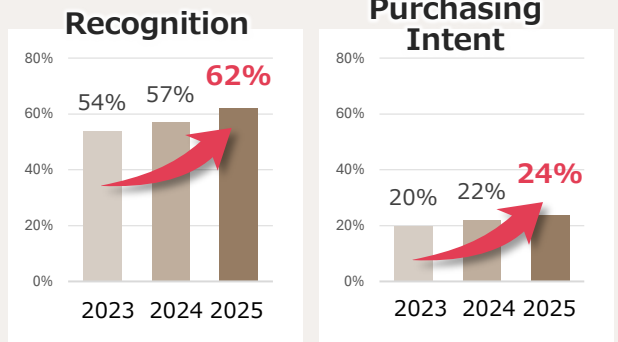
Sales

- Sales expenses increasing to maintain sale spaces and secure sales promotion slots due to intensifying competitive environment
- Development of and promotion of introduction at dollar stores and specialty markets (movie theaters, etc.)

Issue

- Reinforce foundations to expand brands
- Offence and defense adapted to environmental changes: Cost investment and appropriate profit management

HI-CHEW Brand Survey*



- ✓ Both recognition & purchasing intent improved
- ✓ Drive by youth segment (Gen Z & Millennials)

Advance responses to issues to leap forward after new plant starts operations in 2027

Future Measures

Reinforce foundations to expand brands

Marketing

- **Core products: Use updates as a hook to reinforce sales and expand introduction**
Stimulate purchasing intent while improving brand recognition
- **Seasonal products: Focus on proposals year-round** Easter Halloween, etc.
Respond with the scope of possible supply to lead to further expansion with the start of operation of new plant

Sales

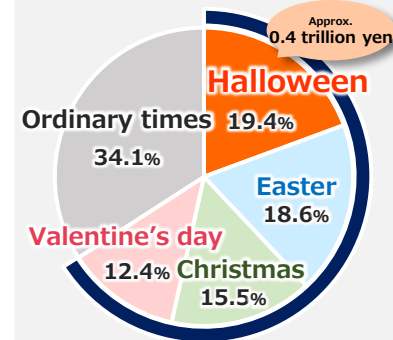
- **Use performance data for core products & Halloween products to expand introduction**
- **Promote sales tailored to conditions in each channel**
 - Reinforce in-store sales with a focus on FOOD channel

Sales departments organized by channel respond

Appropriate profit management

- **Price revisions implemented in November 2025** (some products excluded)
 - Since November 2022
 - Responses to higher costs including tariffs in the past three years
- **Optimize sales expenses and operate efficiently**
Focus on the effectiveness of each sales promotion and implement effective sales promotion measures

U.S.: Seasonal Demand in Non-chocolate candy Market



Four main holiday periods (32 weeks)

- ✓ Each company actively rolls out and promotes products
- ✓ Higher demand for consumer gifts, events, & parties

Confectionary sales during 4 holiday periods*
Approx. 66% of annual sales

➔ **Approx. 1.2 times the sales power of ordinary times**

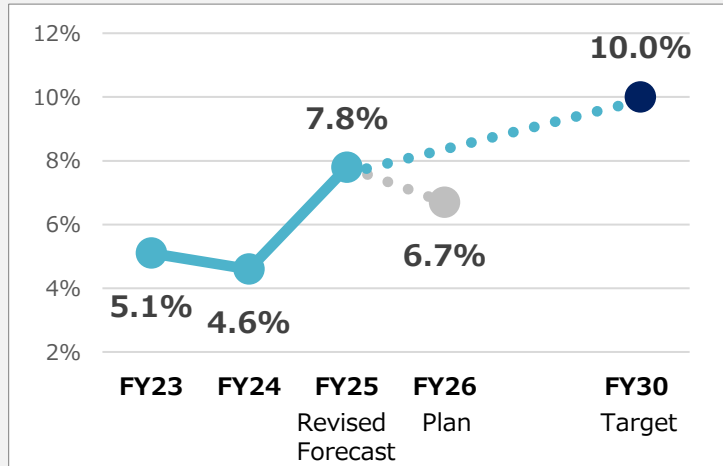
Basic Domain: Confectionery & Foodstuffs Business



Steadily implementing strategies: improving profitability with a focus on chocolate while achieving steady growth in the candy category

Progress improving profitability

Change in Operating Profit Margin



Steady implementation of measures to improve profit

- ✓ Ongoing price revisions
- ✓ Category mix (shift to candy)
- ✓ Cost reduction (replacement of ingredients)
- ✓ Control of selling expenses

Sugar confectionery

HI-CHEW

- Effects of price revisions in March of this year have run their course
- 12-tablet and premium products are struggling, and sales were down YoY

Issue: Highlight value for each product

- Next spring: Reinforce promotions to effect a recovery in sales

Morinaga Ramune

- L-size Ramune and Fresh Ramune Balls continue to perform well
- Purchase rates are steadily increasing
Sep. 2025 (annual total) 17.8% (+2.9 pt YoY)*



- Expand product deployment to further increase sales and expand share in the candy market

Biscuit

- Price revision implemented in September 2025
- Morinaga Biscuits struggled in August and September
- Cut costs of products that use chocolate
- Expand sales by reminding customers about main brands through limited product releases and other means while prioritizing profitability

Chocolate

- Price revisions implemented in February, June, and September 2025, improving profitability of each brand
- The September renewal of DARS reduced costs while enhancing product value and performance remains strong even after price revisions
- Consider flexible measures to improve profit while closely monitoring the status of sales and profit after price revisions

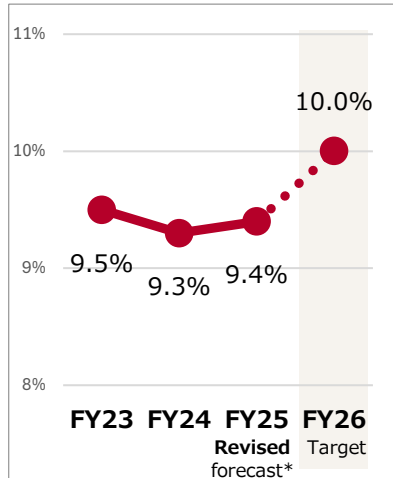


2024 Medium-Term Management Plan: Progress and Outlook of Management Targets and Key Management Indicators



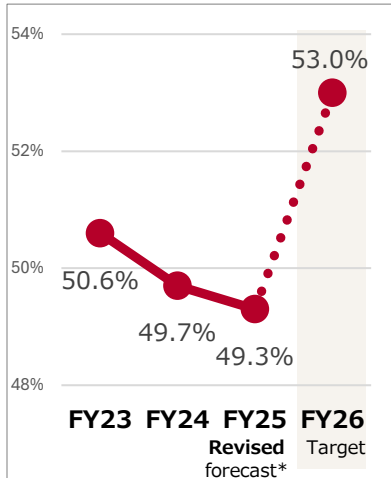
	2026 Target	2025 Forecast	Measures to Achieve Targets
Net sales	246.0 billion yen	236.0 billion yen	Reestablish a growth trajectory from the next fiscal period onward, centered on highly profitable “in-” Business and U.S. Business, which are crucial to the global strategy
Operating income	24.6 billion yen	22.3 billion yen	Further enhance profit generating capabilities through stable growth in core domestic business, price revisions and cost reductions, and improvements in return on invested capital

Operating income margin



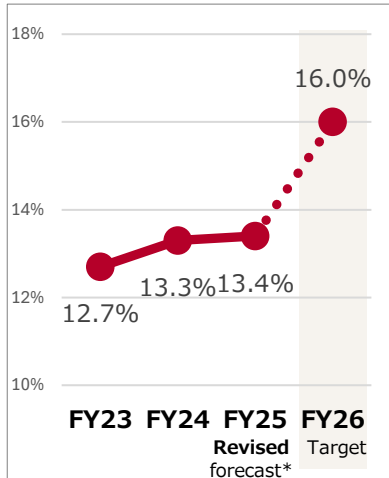
Improvement from previous year

Key business segment revenue ratio



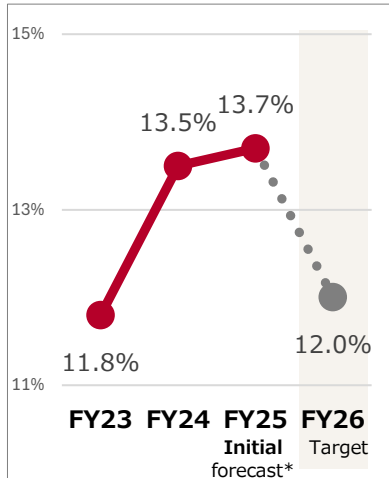
Gap from ratio reduction target

Overseas sales ratio



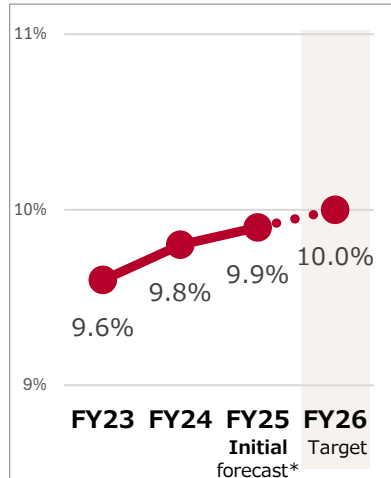
Steady growth but gap from target

ROE



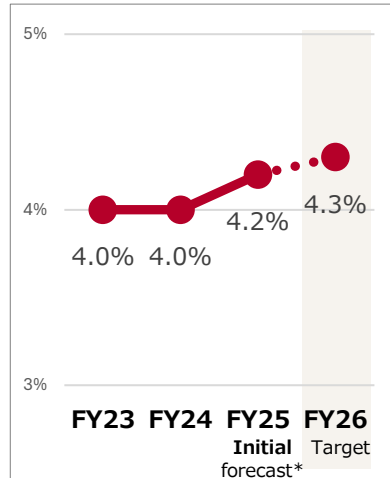
Pursue steady growth

ROIC



Pursue steady growth

DOE



Pursue steady growth



Delicious, Fun, and Healthy



Fin.



Delicious, Fun, and Healthy



appendix

End Q2 FY2025 Results: Balance Sheet



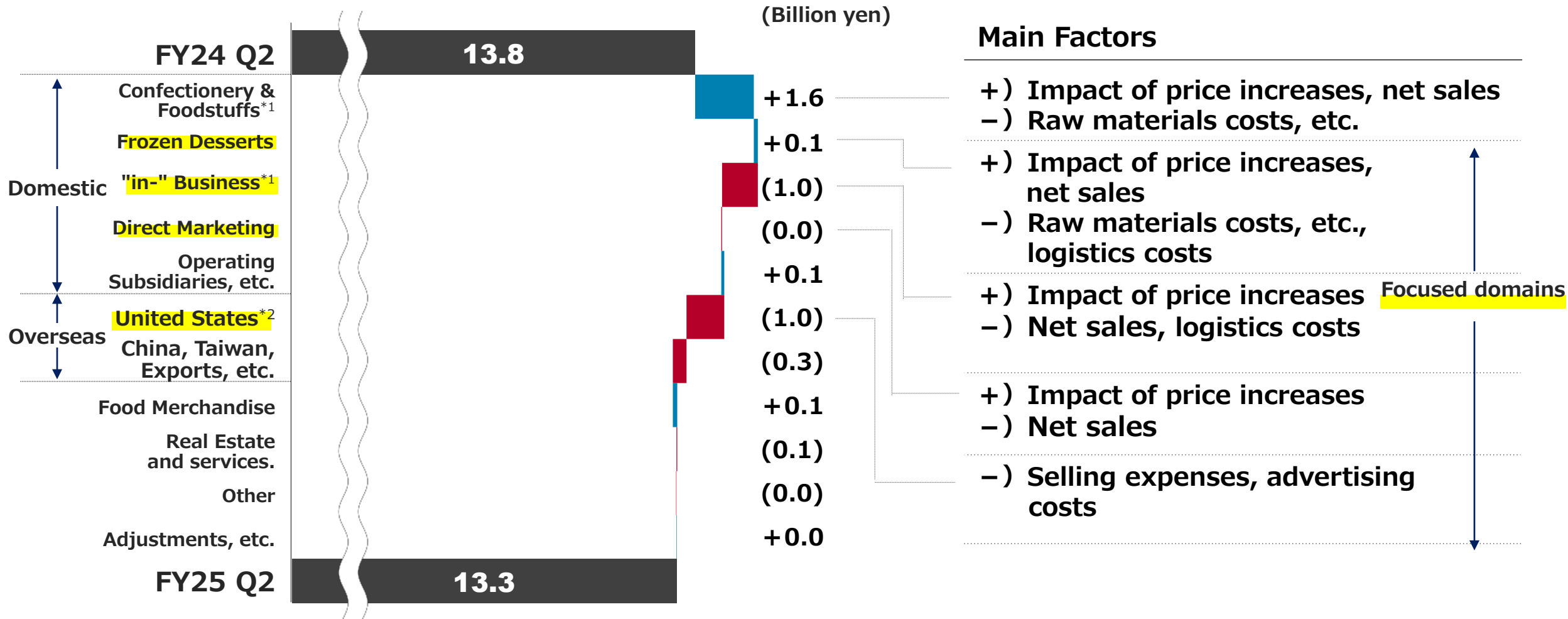
(Billion yen)	End-Q2 FY2025	vs. end- FY2024	Main Factors
Current assets	105.7	+1.1	<ul style="list-style-type: none"> • Merchandise and finished goods +1.2 • Notes and accounts receivable-trade +1.0 • Raw materials and supplies +0.6 • Cash and deposits (2.8)
Noncurrent assets	107.1	+1.8	<ul style="list-style-type: none"> • Deferred tax assets +0.4 • Software +0.1 • Machinery, equipment and vehicles (2.0) • Investment securities (1.2)
Total assets	212.8	+2.9	—
Current liabilities	58.0	+6.2	<ul style="list-style-type: none"> • Short-term borrowings +3.0 • Income taxes payable +2.6 • Notes and accounts payable-trade +1.5
Long-term liabilities	22.9	(2.8)	<ul style="list-style-type: none"> • Long-term borrowings (3.0) • Asset retirement obligations +0.3
Total liabilities	81.0	+3.5	—
Shareholders' equity	118.9	+1.3	<ul style="list-style-type: none"> • Retained earnings +1.3
Accumulated other comprehensive income	11.2	(2.0)	<ul style="list-style-type: none"> • Foreign currency translation adjustments (1.4) • Valuation difference on available-for-sale securities (0.5)
Non-controlling interests	16	+0.1	—
Total net assets	131.8	(0.5)	—
Total liabilities and net assets	212.8	+2.9	—
Shareholders' equity ratio	61.2%	(1.1pt)	—

End Q2 FY2025 Results: Statement of Cash Flows



(Billion yen)	FY2025 Q2	Y/Y Change	Main Factors
Operating cash flow	14.9	+4.2	<ul style="list-style-type: none"> • Income taxes paid +4.2 • Increase (decrease) in notes and accounts payable–trade +1.2 • Profits before income taxes +0.3 • Increase in inventories +0.2 • (Increase) decrease in notes and accounts receivable–trade (3.1)
Investment cash flow	(5.2)	+2.0	<ul style="list-style-type: none"> • Proceeds from sales of investment securities +2.5 • Purchase of intangible assets +0.6 • Purchase of property, plant and equipment +0.5 • Purchase of shares of subsidiaries and associates +0.5 • Proceeds from redemption of securities (2.5)
Free cash flow*1	9.7	+6.1	—
Financial cash flow	(10.2)	(2.5)	<ul style="list-style-type: none"> • Repayment of long-term borrowings (3.5) • Purchase of treasury stock (2.3) • Proceeds from short-term borrowings +3.0

End Q2 FY2025 Results: Change in Operation Income by Business



Major Domestic Brands — Net Sales Year on Year

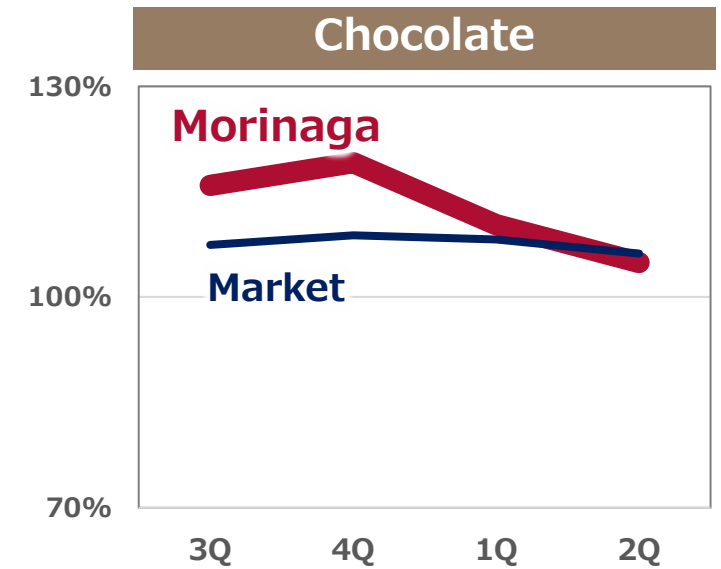
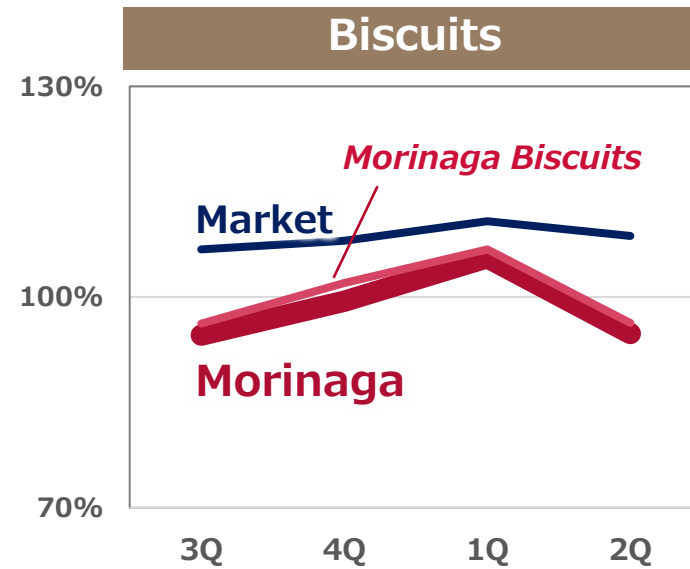
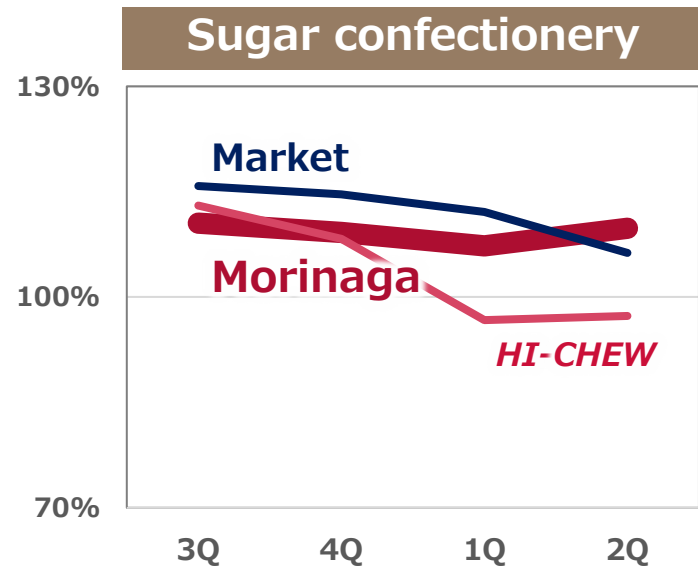
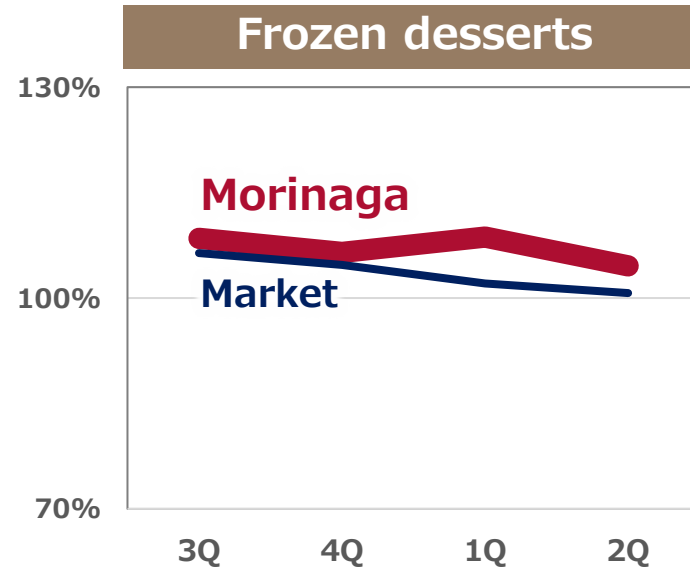
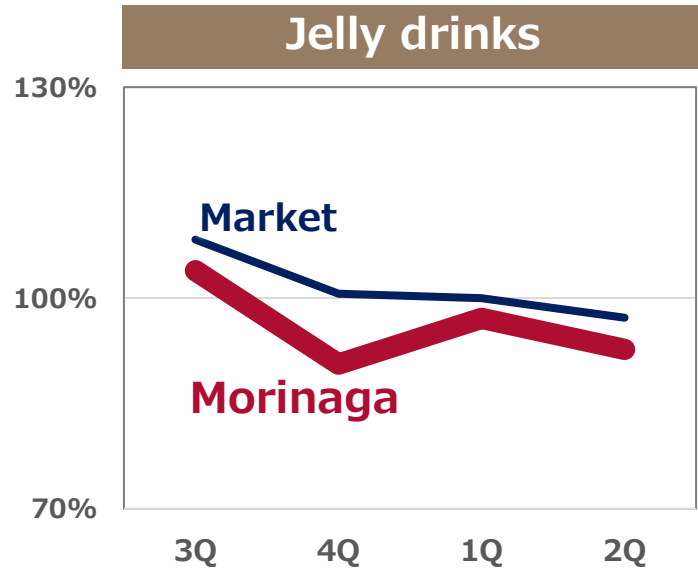


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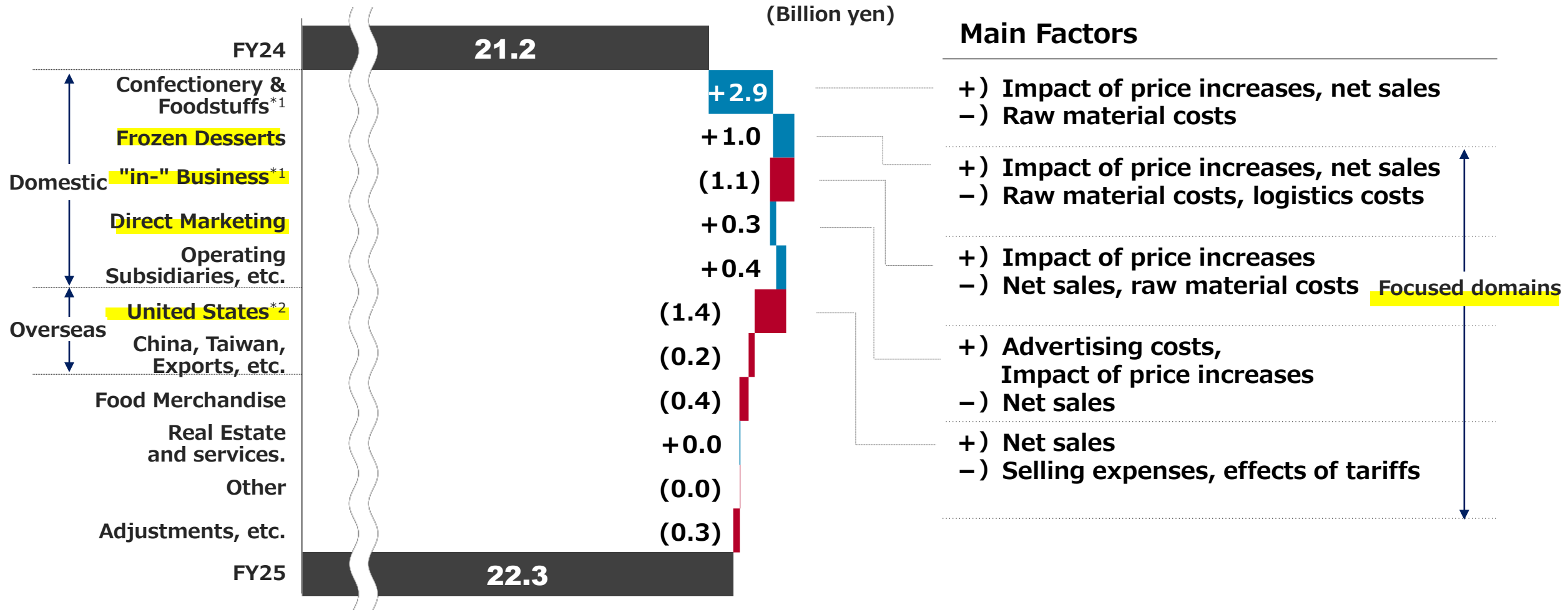
Business	Brand	Q1	Q2	1H
"in-" Business	<i>in Jelly</i>	97	92	94
	<i>in Bar</i>	92	127	107
Direct Marketing	<i>Morinaga Collagen Drink</i>	91	95	93
Frozen Desserts	<i>Jumbo Group</i>	105	104	104
	<i>Ita Choco Ice</i>	155	79	108
	<i>The Crepe</i>	146	130	138
	<i>ICEBOX</i>	120	108	113

Business	Brand	Q1	Q2	1H
Confectionery & Foodstuff	<i>Morinaga Biscuits</i>	103	94	99
	<i>HI-CHEW</i>	100	98	99
	<i>Morinaga Ramune</i>	125	141	133
	<i>Carré de chocolat</i>	125	89	107
	<i>DARS</i>	117	105	111
	<i>Chocoball</i>	126	117	121
	<i>Morinaga Amazake</i>	97	96	96
	<i>Morinaga Cocoa</i>	151	122	136

Domestic Market Y/Y Change in Sales Value



FY2025 Results Forecast : Change in Operation Income by Business



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

*2 Includes income from exports to the US from China and Taiwan