



Delicious, Fun, and Healthy



**Third Quarter,
Fiscal Year Ending March 31, 2025**

Results Briefing

**February 10, 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.

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

- **Record-high net sales for 1Q-3Q, operating income remains steady from the previous fiscal year**
 - [Net sales] 3Q: up 6.6% YoY; 1Q-3Q: up 7.8% YoY
Confectionary & Foodstuffs and Frozen Desserts Businesses continue to drive sales growth.
 - [Operating income] 3Q: up 0.9% YoY; 1Q-3Q: down 1.3% YoY
Even as impacts of soaring prices for raw materials, etc. became more apparent, recovery has been achieved in the 3Q as a result of higher net sales and effects of price revisions.
- **Developments after price revisions were generally in line with expectations; additional countermeasures will be implemented**
 - Impact of revisions implemented in September on sales volume of each brand was within expectations.
 - Additional price revisions, mainly for chocolate, will be implemented in February and March and measures will be taken to offset soaring cacao prices.
- **Record-high net sales and operating income forecast for the year (no change from previous forecast*1)**
 - [Net sales] 227.0 billion yen (up 6.4% YoY)
[Operating income] 21.3 billion yen (up 5.1% YoY)
 - In light of the results through the third quarter and other factors, change factors in operating income and forecasts for each business have been revised.



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Fiscal Year Ending March 31, 2025
Third Quarter
Financial Results
(April 1 through December 31, 2024)

Consolidated Results for FY2024 Q3



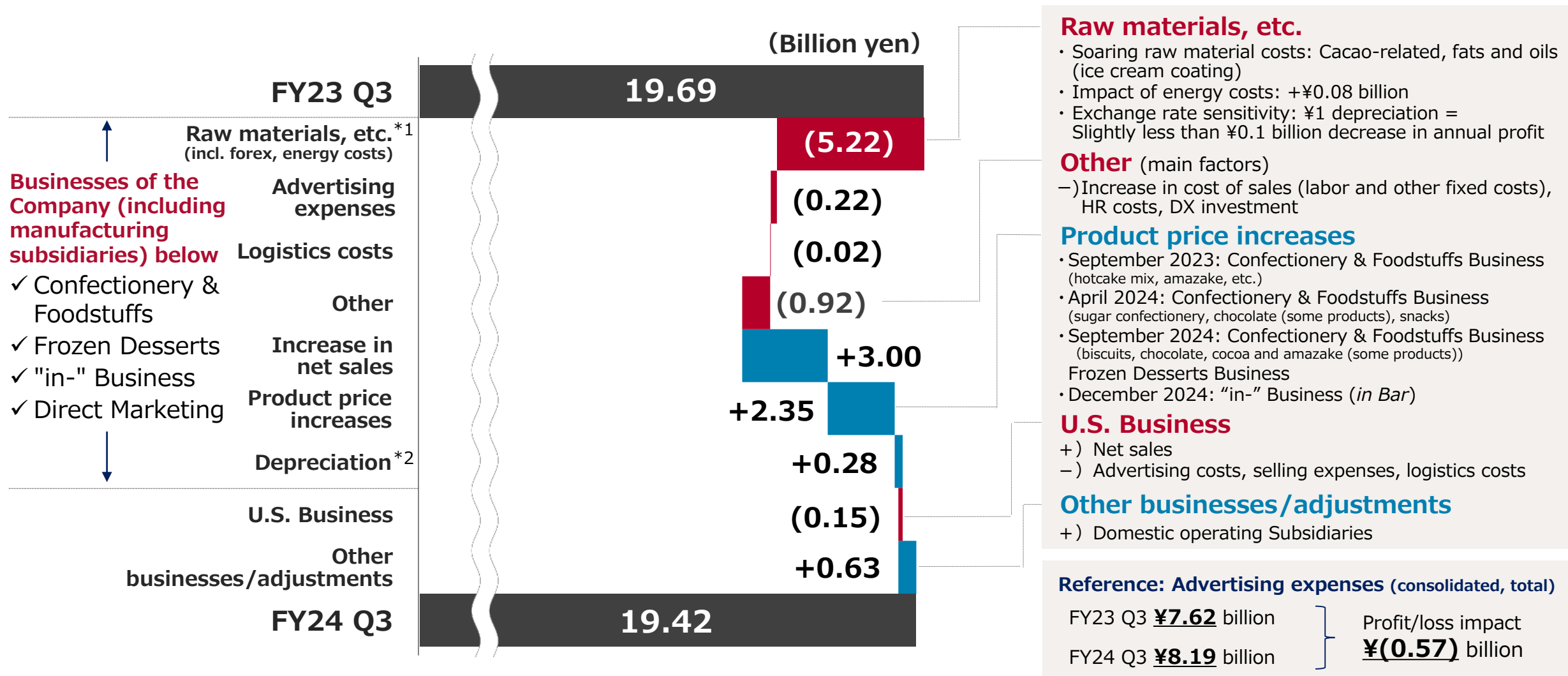
Record-high net sales for 1Q – 3Q; profit remained steady from the previous fiscal year despite soaring prices for raw materials, etc.

| (Billion yen) | FY24 Q3 | Y/Y change | |
|---|-----------------|--------------------|--------|
| Net sales | 176.5 | +12.8 | 107.8% |
| Gross profit 〔gross profit margin〕 | 70.8 〔40.1%〕 | +2.9 〔(1.4pt)〕 | 104.4% |
| Operating income 〔operating income margin〕 | 19.4 〔11.0%〕 | (0.2) 〔(1.0pt)〕 | 98.7% |
| Ordinary income | 19.8 | (0.3) | 98.4% |
| Profit attributable to owners of parent | 13.6 | (0.3) | 97.3% |
| EBITDA*1 | 26.6 | (0.1) | 99.8% |

FY2024 Q3 Results: Factors in Change in Consolidated Operating Income



Even as impacts of soaring prices for raw materials, etc. became more apparent, offsets were achieved as a result of higher sales and effects of price revisions



FY2024 Q3 Results: Summary by Business



Confectionery & Foodstuffs and Frozen Desserts Businesses drove sales growth, while Food Merchandise contributed significantly to profits

| (Billion yen) | | Net sales | | | Operating income | | | Operating income margin | |
|--------------------------|--|--------------|---------------|-------------|------------------|--------------|--------------|-------------------------|------------|
| | | FY24 Q3 | Y/Y change | | FY24 Q3 | Y/Y change | | FY24 Q3 | Y/Y change |
| Food Manufacturing | Confectionery & Foodstuffs* ¹ | 62.2 | +4.1 | 107.2% | 3.2 | (0.4) | 89.2% | 5.3% | (1.0pt) |
| | Frozen Desserts* ¹ | 40.4 | +3.2 | 108.6% | 4.6 | (0.5) | 88.9% | 11.4% | (2.6pt) |
| | “in-” Business* ¹ | 25.2 | (0.1) | 99.6% | 6.5 | +0.4 | 106.5% | 25.8% | +1.7pt |
| | Direct Marketing | 8.6 | +0.5 | 105.8% | 0.3 | (0.2) | 69.2% | 4.2% | (2.3pt) |
| | Operating Subsidiaries, etc. | 7.8 | +0.8 | 111.5% | 0.2 | (0.0) | 91.9% | 3.2% | (0.7pt) |
| | Domestic Total | 144.5 | +8.6 | 106.3% | 15.0 | (0.7) | 95.2% | 10.4% | (1.2pt) |
| | U.S. Business* ^{2*3} | 16.4 | +1.6 | 110.7% | 2.6 | (0.2) | 94.6% | 16.4% | (2.8pt) |
| | China, Taiwan, exports, etc. | 7.0 | +1.2 | 120.2% | 0.6 | (0.0) | 94.4% | 9.0% | (2.5pt) |
| | Overseas Total | 23.5 | +2.8 | 113.4% | 3.3 | (0.2) | 94.6% | 14.2% | (2.8pt) |
| | Subtotal | 168.0 | +11.3 | 107.2% | 18.3 | (1.0) | 95.1% | 10.9% | (1.4pt) |
| Food Merchandise | 6.4 | +1.4 | 127.8% | 1.0 | +0.8 | 366.9% | 16.1% | +10.5pt | |
| Real Estate and Services | 1.4 | (0.0) | 97.2% | 0.6 | (0.0) | 96.1% | 44.9% | (0.5pt) | |
| Other | 0.6 | +0.1 | 112.7% | 0.1 | +0.0 | 102.7% | 22.0% | (2.2pt) | |
| adjustments, etc. | | | | (0.7) | (0.0) | — | | | |
| Total | 176.5 | +12.8 | 107.8% | 19.4 | (0.2) | 98.7% | 11.0% | (1.0pt) | |

* 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 Q3 have had the changes retroactively applied and are based on the new method.

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

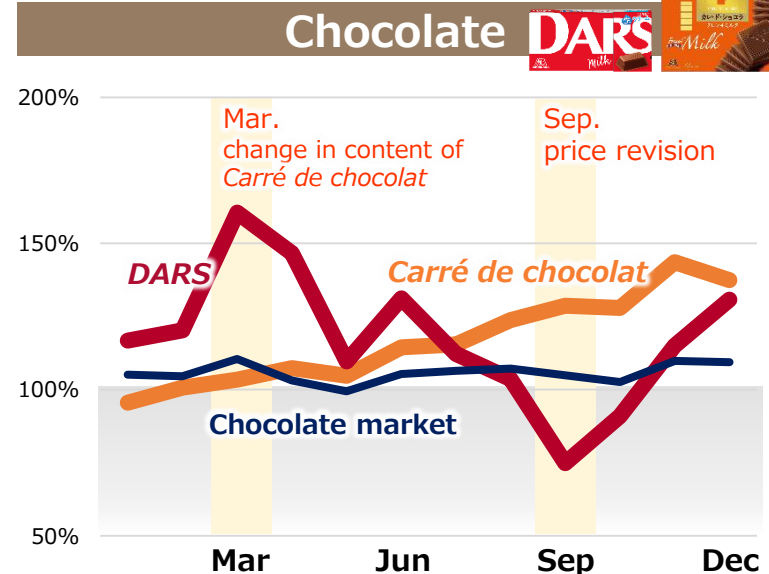
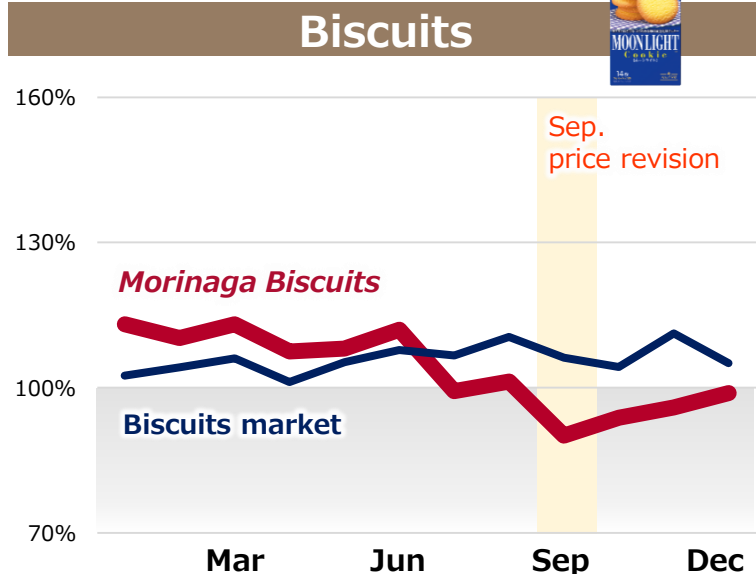
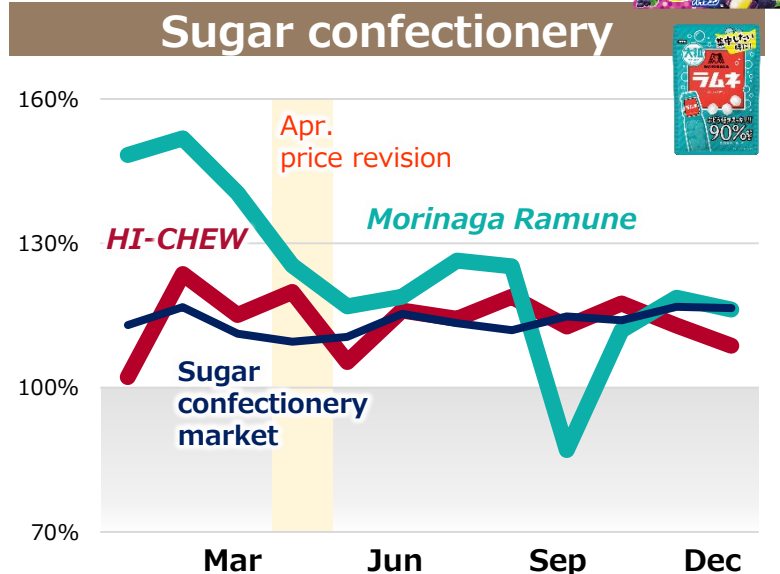
*² Includes income resulting from exports from China and Taiwan to the U.S. Business. *³ Year-on-year net sales on a local currency basis is 101.0%

Key Topics in Domestic Market: Confectionery

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



Y/Y Change in Sales Value*1



| Apr-Dec cumulative sales value (Y/Y) | |
|--------------------------------------|--------|
| <i>HI-CHEW</i> | 114.0% |
| <i>Morinaga Ramune</i> | 115.2% |
| Market | 113.6% |

- ***HI-CHEW***: Sales remained strong even after price revisions
Capture of inbound demand also made a contribution
- ***Morinaga Ramune***: Spread well due to measures to support test-takers
Purchase rates continued to increase

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

| Apr-Dec cumulative sales value (Y/Y) | |
|--------------------------------------|--------|
| <i>Morinaga Biscuits</i> | 100.3% |
| Market | 106.3% |

- After the price revisions, sales fell behind the pace of the previous fiscal year due to a temporary decrease in in-store exposure opportunities, but store turnover steadily improved

| Apr-Dec cumulative sales value (Y/Y) | |
|--------------------------------------|--------|
| <i>DARS</i> | 111.6% |
| <i>Carré de chocolat</i> | 122.8% |
| Market | 105.4% |

- ***DARS***: Store turnover was good even after price revisions
Sales were strong, particularly of core Milk and White products

* The declines in September and October were due to effects from high hurdles caused by the release of new products in the previous year

- ***Carré de chocolat***: Sales remained strong even after price revisions due to growing demand for high-cacao content

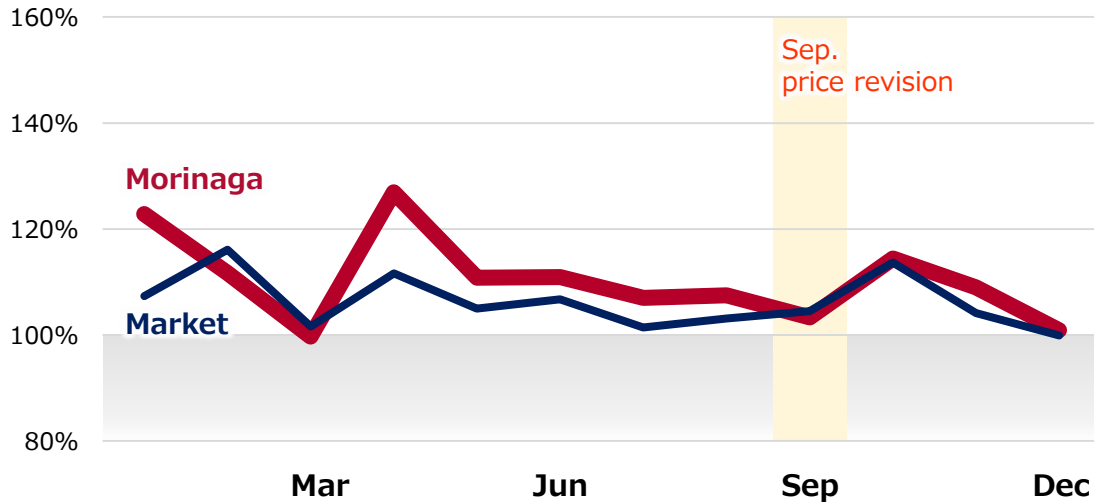
Key Topics in Domestic Market: Frozen Desserts



* Most recent price revisions
Mainstay products: September 2024

Y/Y Change in Sales Value*1

Frozen desserts market



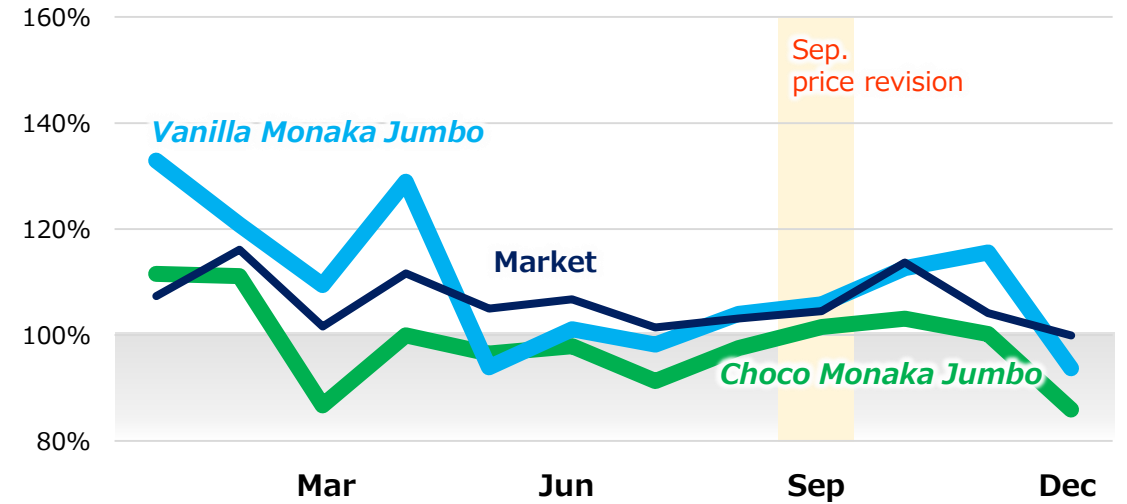
Apr-Dec cumulative sales value (Y/Y)

| | |
|----------|--------|
| Morinaga | 109.5% |
| Market | 105.1% |



- **Ita Choco Ice:** Television commercial emphasizing unique value aired
Purchase rates continued to increase
- **The Crepe:** Store stocking ratio increased due to strong performance in spring and summer
Customer contact points increased due to the release of collaborative products and limited-time products
- **ICEBOX:** Stimulated demand by emphasizing use as a mixer
store stocking ratio increased substantially in the autumn and winter

Jumbo Group



Apr-Dec cumulative sales value (Y/Y)

| | |
|----------------------|--------|
| Choco Monaka Jumbo | 96.9% |
| Vanilla Monaka Jumbo | 104.8% |
| Market | 105.1% |



- **Choco Monaka Jumbo:** Intermittantly stimulated purchasing through release of winter-only products and consumer campaigns, etc.
- **Vanilla Monaka Jumbo:** Winter-only products were well received and sales remained firm even after price revisions

* The decline in December was due to high hurdles caused by media exposure in the previous year

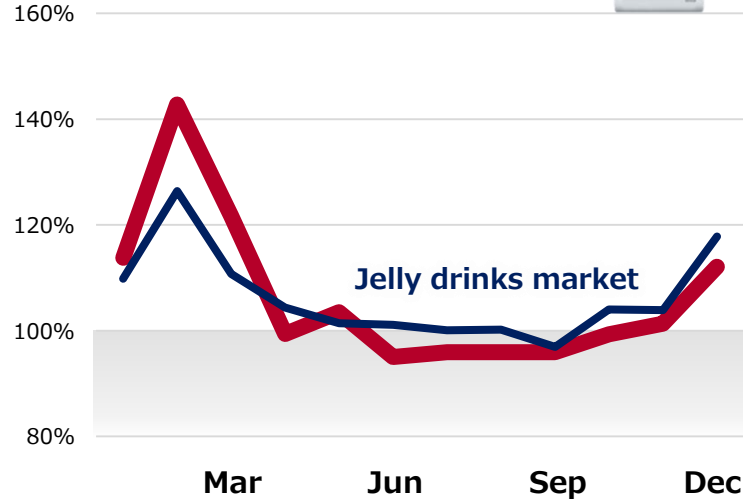
Key Topics in Domestic and U.S. Markets

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



Y/Y Change in Sales Value

*in Jelly**1



Apr-Dec cumulative sales value (Y/Y)

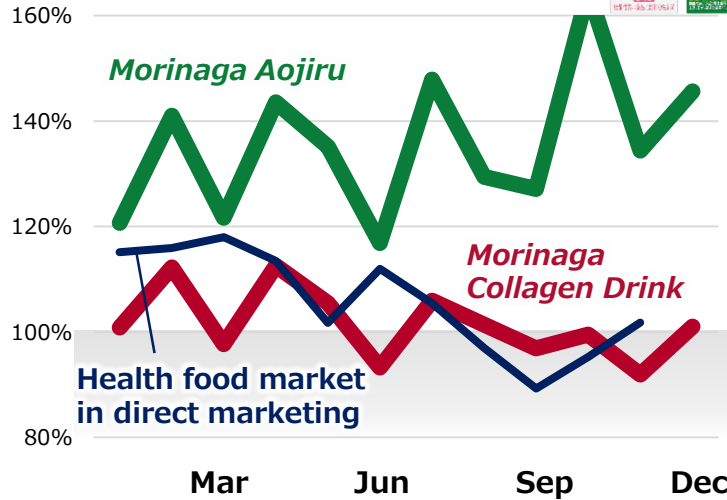
| | |
|-----------------|--------|
| <i>in Jelly</i> | 99.0% |
| Market | 102.6% |

- Used release of limited products as a hook to reinforce store exposure in exam season
- The spread of influenza infections starting in mid-December also contributed to improved store turnover



Y/Y Change in Net sales

Direct marketing*2



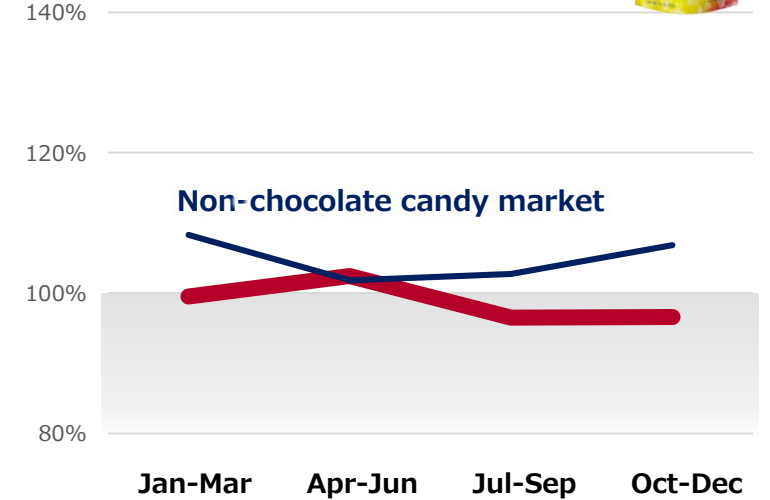
Apr-Dec cumulative sales value (Y/Y)

| | |
|--------------------------------|--------|
| <i>Morinaga Collagen Drink</i> | 100.7% |
| <i>Morinaga Aojiru</i> | 129.7% |
| Market*3 | 101.6% |

- New customer acquisition was sluggish due to economizing by consumers and rising CPO*4 for offline advertising
- Reinforced online advertising

Y/Y Change in Sales Value

HI-CHEW in U.S.*5



Jan-Sep cumulative sales value (Y/Y)

| | |
|----------------|--------|
| <i>HI-CHEW</i> | 99.5% |
| Market | 104.2% |

- Sales continued to struggle in the convenience store channel. The impact was substantial, as the channel accounts for a high proportion of our sales
- Efforts to increase SKUs handled and cultivate new sales channels made steady progress

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



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Fiscal Year Ending March 31, 2025 Result Forecast

Results Forecast for FY2024



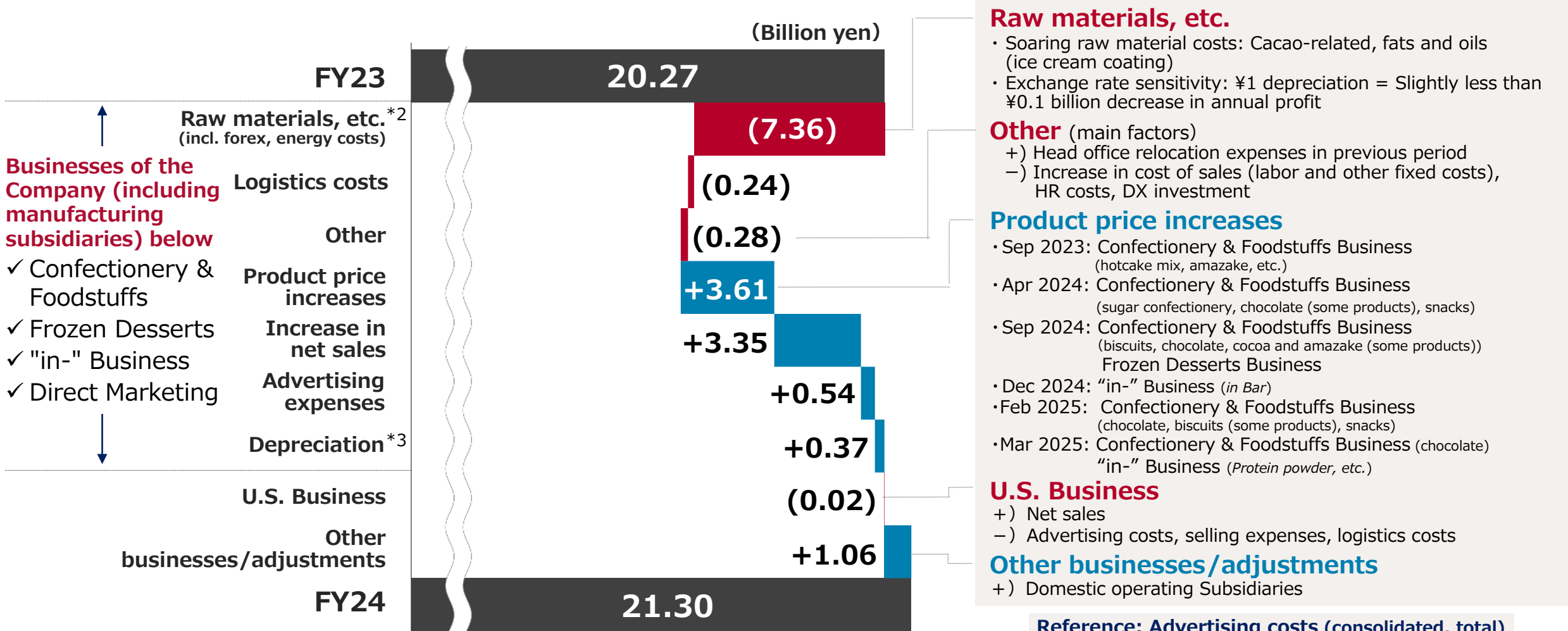
No revision to the previous forecasts*¹ for net sales, operating income and below
 Net sales will reach a record high for the 4th consecutive year, and operating profit is also expected to reach a record high

| (Billion yen) | FY2024 Forecast | Y/Y change | |
|--|------------------------|--------------------------|---------------|
| Net sales | 227.0 | +13.7 | 106.4% |
| Gross profit 〔gross profit margin〕 | 89.5 〔39.4%〕 | +2.9 〔(1.2pt)〕 | 103.2% |
| Operating income 〔operating income margin〕 | 21.3 〔9.4%〕 | +1.1 〔(0.1pt)〕 | 105.1% |
| Ordinary income | 21.7 | +0.7 | 103.1% |
| Profit attributable to owners of parent | 16.7 | +1.6 | 110.2% |
| EBITDA*² | 31.3 | +1.6 | 105.4% |

FY2024 Results Forecast: Factors in Change in Consolidated Operating Income



Although effects of soaring prices for raw materials, etc. are expected to expand beyond the previous forecast*¹, we will offset the increases through higher sales, effects from price revisions, and contributions to profit by Group companies



*1 Figures announced November 2024
 *2 Forecast funding rate in FY2024: \$1USD = ¥150.55; ¥137.12 in FY2023 actual
 *3 Cost of sales recorded only

Reference: Advertising costs (consolidated, total)
 FY23 **¥11.73** billion
 FY24 **¥11.37** billion (planned) } Profit/loss impact **+¥0.36** billion

Results Forecast for FY2024: Summary by Business



Confectionery & Foodstuffs and Frozen Desserts Businesses will drive sales growth for the year; higher sales and profit of Group companies will contribute to results

| (Billion yen) | | Net sales | | | Operating income | | | Operating income margin | |
|--------------------------|------------------------------|-----------------|------------|--------|------------------|------------|--------|-------------------------|------------|
| | | FY2024 Forecast | Y/Y change | | FY2024 Forecast | Y/Y change | | FY2024 Forecast | Y/Y change |
| Food Manufacturing | Confectionery & Foodstuffs*1 | 83.5 | +4.4 | 105.4% | 3.8 | (0.2) | 94.1% | 4.6% | (0.5pt) |
| | Frozen Desserts*1 | 48.8 | +3.5 | 107.5% | 3.9 | (0.9) | 82.7% | 8.2% | (2.4pt) |
| | “in-” Business*1 | 31.7 | +0.2 | 100.4% | 7.5 | +0.9 | 113.3% | 23.7% | +2.7pt |
| | Direct Marketing | 10.9 | (0.0) | 99.4% | 0.3 | +0.1 | 188.6% | 3.6% | +1.7pt |
| | Operating Subsidiaries, etc. | 10.8 | +0.9 | 108.1% | 0.8 | +0.4 | 182.0% | 8.3% | +3.4pt |
| | Domestic Total | 185.7 | +8.6 | 104.8% | 16.5 | +0.3 | 102.4% | 8.9% | (0.2pt) |
| | U.S. Business*2*3 | 21.1 | +2.0 | 110.2% | 3.2 | (0.0) | 99.5% | 15.3% | (1.6pt) |
| | China, Taiwan, exports, etc. | 9.1 | +1.7 | 121.4% | 0.3 | (0.1) | 72.2% | 3.7% | (2.5pt) |
| | Overseas Total | 30.2 | +3.6 | 113.3% | 3.5 | (0.2) | 96.1% | 11.8% | (2.1pt) |
| | Subtotal | 215.9 | +12.1 | 106.0% | 20.1 | +0.2 | 101.3% | 9.3% | (0.5pt) |
| Food Merchandise | | 8.5 | +1.6 | 123.0% | 1.3 | +1.0 | 347.0% | 15.4% | +9.9pt |
| Real Estate and Services | | 1.8 | (0.1) | 95.2% | 0.8 | (0.0) | 95.9% | 44.0% | +0.3pt |
| Other | | 0.7 | +0.0 | 100.3% | 0.1 | (0.0) | 99.9% | 19.3% | (0.1pt) |
| adjustments, etc. | | | | | (1.1) | (0.2) | — | | |
| Total | | 227.0 | +13.7 | 106.4% | 21.3 | +1.1 | 105.1% | 9.4% | (0.1pt) |

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

*2 Includes income resulting from exports from China/Taiwan to the United States. *3 The year-on-year change in net sales on a local currency basis is 102.2%



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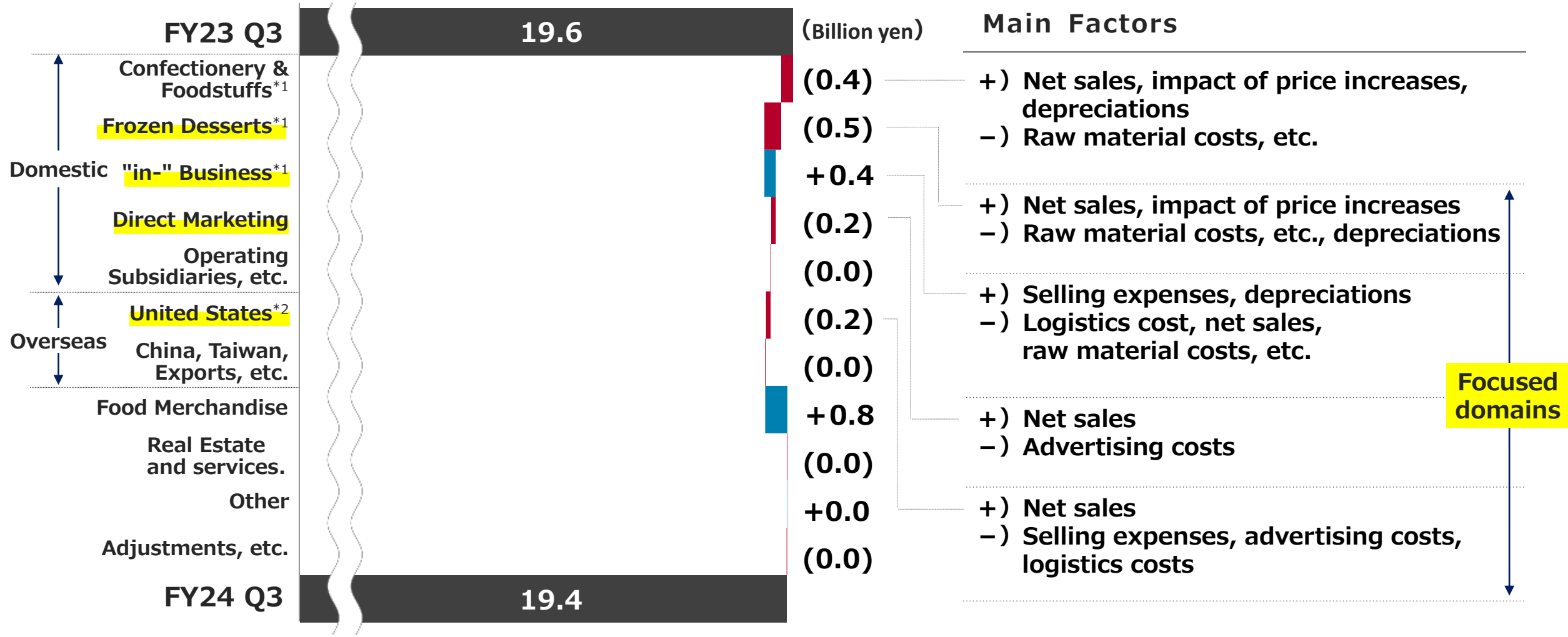
Reference Data

End Q3 FY2024 Results: Balance Sheet



| (Billion yen) | End-Q3 FY24 | vs. end- FY23 | Main Factors |
|---|----------------|------------------|---|
| Current assets | 105.7 | (12.3) | <ul style="list-style-type: none"> ·Cash and deposits (17.0) ·Securities (4.9) ·Notes and accounts receivable – trade +4.8 ·Merchandise and finished goods +2.8 |
| Noncurrent assets | 103.6 | (1.9) | <ul style="list-style-type: none"> ·Machinery, equipment and vehicles (1.4) ·Buildings and structures (1.2) ·Intangible assets +1.8 |
| Total assets | 209.3 | (14.3) | — |
| Current liabilities | 54.4 | (10.0) | <ul style="list-style-type: none"> ·Income taxes payable (5.1) ·Accounts payable-order (2.6) ·Notes and accounts payable-trade +3.5 |
| Long-term liabilities | 27.0 | +0.5 | <ul style="list-style-type: none"> ·Net defined benefit liability +0.4 |
| Total liabilities | 81.5 | (9.4) | — |
| Shareholders' equity | 113.5 | (3.7) | <ul style="list-style-type: none"> ·Treasury stock (10.1) ·Retained earnings +6.3 |
| Accumulated other comprehensive income | 12.9 | (1.0) | <ul style="list-style-type: none"> ·Valuation difference on available-for-sale securities (0.5) ·Foreign currency translation adjustments (0.4) |
| Non-controlling interests | 1.3 | (0.1) | — |
| Total net assets | 127.8 | (4.8) | — |
| Total liabilities and net assets | 209.3 | (14.3) | — |
| Shareholders' equity ratio | 60.4% | +1.7pt | — |

FY2024 Q3 Results: Change in Operation Income by Business



Major Domestic Brands — Net Sales Year on Year

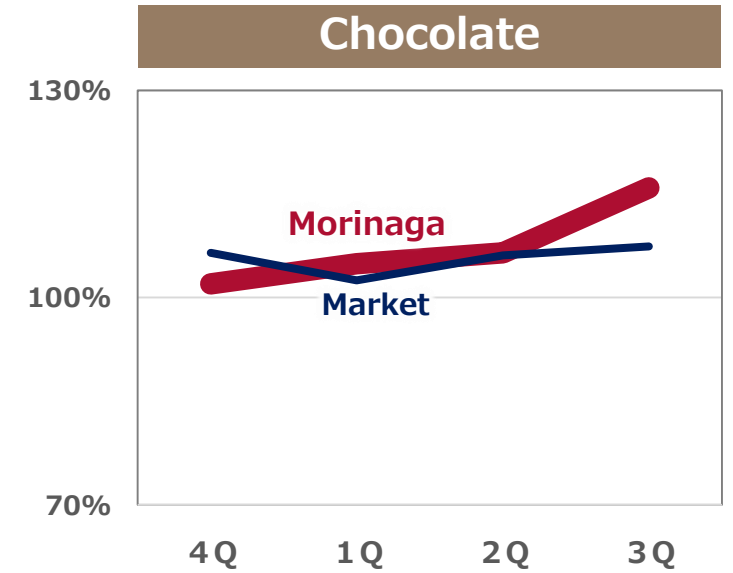
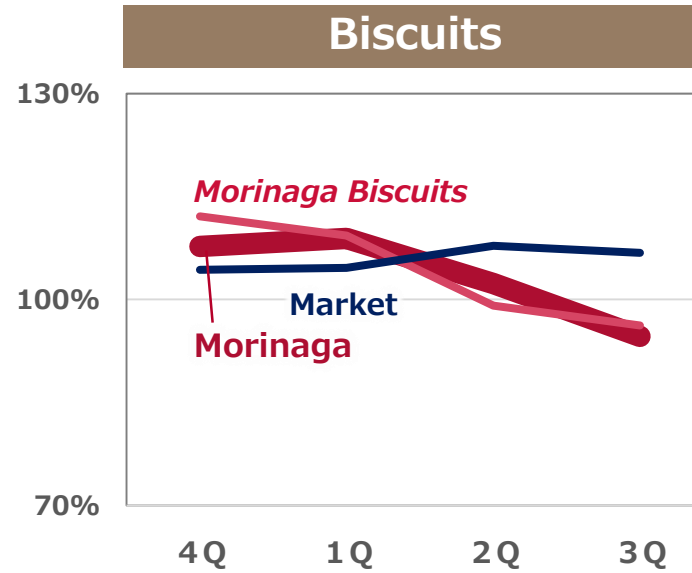
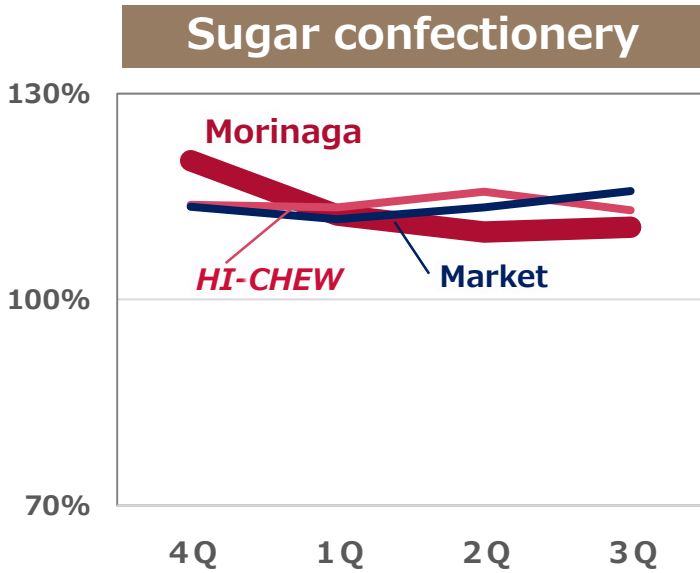
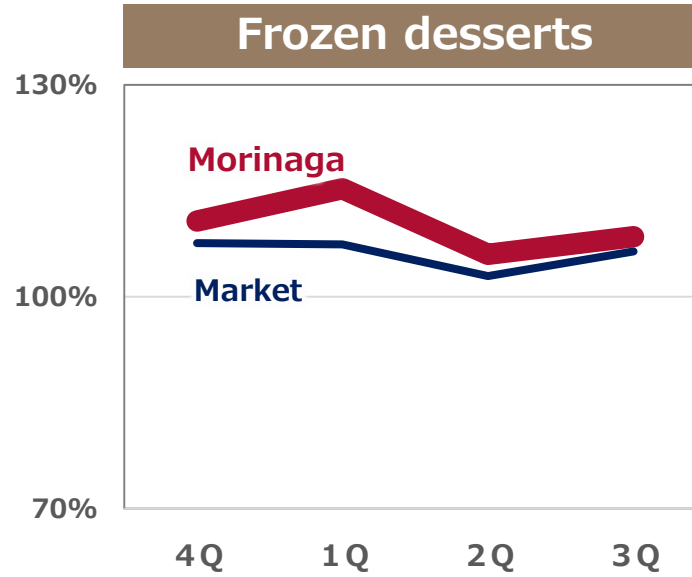
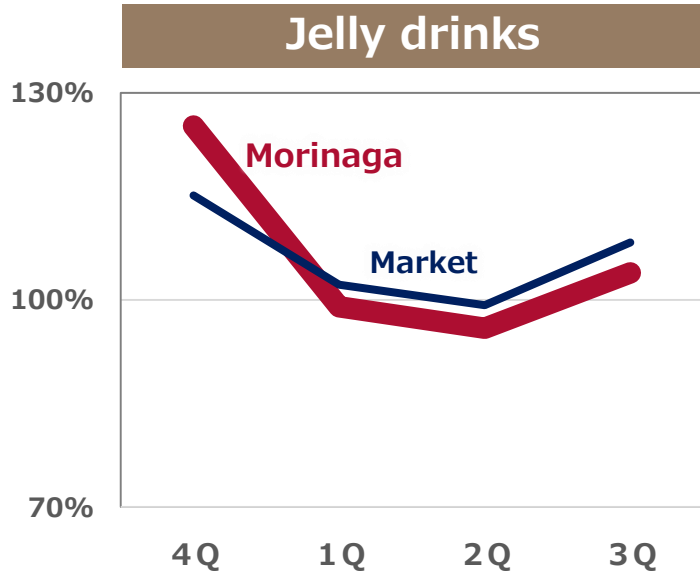


(%)

| Business | Brand | 1H | Q3 | <u>1Q-3Q</u> |
|---------------------|------------------------------------|-----|-----|--------------|
| "in-" Business | <i>in Jelly</i> | 101 | 103 | 101 |
| | <i>in Bar</i> | 88 | 111 | 96 |
| Direct Marketing | <i>Morinaga Collagen Drink</i> | 102 | 98 | 101 |
| Frozen Desserts | <i>Jumbo Group</i> | 101 | 100 | 101 |
| | <i>Ita Choco Ice</i> | 133 | 135 | 134 |
| | <i>The Crepe</i> | 127 | 108 | 119 |
| | <i>ICEBOX</i> | 109 | 117 | 110 |

| Business | Brand | 1H | Q3 | <u>1Q-3Q</u> |
|-------------------------------|------------------------------|-----|-----|--------------|
| Confectionery & Foodstuffs | <i>Morinaga Biscuits</i> | 105 | 97 | 102 |
| | <i>HI-CHEW</i> | 112 | 114 | 112 |
| | <i>Morinaga Ramune</i> | 128 | 128 | 128 |
| | <i>Carré de chocolat</i> | 118 | 125 | 121 |
| | <i>DARS</i> | 109 | 121 | 115 |
| | <i>Chocoball</i> | 101 | 108 | 104 |
| | <i>Morinaga Amazake</i> | 85 | 93 | 89 |
| | <i>Morinaga Cocoa</i> | 118 | 128 | 124 |

Domestic Market Y/Y Change in Sales Value



Price Revision Schedule



Price revisions will be implemented to offset soaring prices for cacao and other raw materials and higher logistics and other expenses
 We will continue to monitor market conditions and consider responding with agility

| Business | Start date | Number of Products | Percentage of revision | Target products |
|----------------------------|---------------------------------|--------------------|---------------------------------|--|
| Confectionery & Foodstuffs | Shipments from February 1, 2025 | 35 | Approx. <u>5</u> ~ <u>45</u> % | Chocolate, biscuits(with some exceptions), snacks, cocoa, etc. |
| | Shipments from March 1, 2025 | 3 | | <i>Chocoball</i> |
| "in-" Business | Shipments from March 1, 2025 | 24 | Approx. <u>13</u> ~ <u>17</u> % | Protein powder, etc. |

Progress of Financial Strategy: Shareholder Returns



In accordance with our medium- to long-term financial strategy, we implement share buybacks with agility.

- Share buyback

Repurchase Date: **November 19, 2024**

Total number of shares repurchased: **3,858,700 shares**

Total amount for repurchase of shares: **9,999,821,050 yen**

Acquisition method: Repurchase through Tokyo Stock Exchange off-auction own share repurchase trading (ToSTNeT-3) system*1

