



August 6, 2015

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2016
<Japanese GAAP>

Listed company: Morinaga Milk Industry Co., Ltd.
 Listed stock exchange: Tokyo
 Securities code: 2264
 URL: <http://www.morinagamilk.co.jp/>
 Representative: Michio Miyahara, President & Representative Director
 Contact: Hidekazu Takano, Executive Officer & General Manager, PR Dept.
 TEL: +81-3-3798-0126

Submission of quarterly report: August 7, 2015
 Dividend payment commencement date: –
 Preparation of explanatory materials for quarterly financial results: None
 Holding of a briefing on quarterly financial results: None

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Cumulative First Quarter of the Fiscal Year Ending March 31, 2016
(April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (Cumulative)

(% figures show year-on-year change)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to parent company shareholders | |
|----------------------------------|-----------------|-------|------------------|--------|-----------------|--------|--|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2015 | 156,804 | 2.0 | 4,447 | 111.9 | 4,860 | 105.6 | 2,985 | 230.5 |
| Three months ended June 30, 2014 | 153,717 | (0.0) | 2,098 | (52.5) | 2,364 | (49.7) | 903 | (68.9) |

(Note) Comprehensive income: Three months ended June 30, 2015: ¥2,378 million / 59.9 %
 Three months ended June 30, 2014: ¥1,487 million / (54.7 %)

| | Net income per share | Fully diluted net income per share |
|----------------------------------|----------------------|------------------------------------|
| | Yen | Yen |
| Three months ended June 30, 2015 | 12.08 | 12.05 |
| Three months ended June 30, 2014 | 3.66 | 3.65 |

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio |
|----------------------|-----------------|-----------------|----------------------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2015 | 388,383 | 125,916 | 32.1 |
| As of March 31, 2015 | 383,357 | 125,286 | 32.4 |

(Reference) Shareholders' equity:

As of June 30, 2015: ¥124,762 million

As of March 31, 2015: ¥124,124 million

2. Dividends

| | Annual dividends | | | | |
|---|-------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2015 | – | – | – | 7.00 | 7.00 |
| Fiscal year ending March 31, 2016 | – | | | | |
| Fiscal year ending March 31, 2016 (Forecast) | | – | – | 7.00 | 7.00 |

(Note) Amendment to forecasts of dividends recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% figures show year-on-year change for the full year and quarter)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to parent company shareholders | | Net income per share |
|------------------------------------|-----------------|-----|------------------|------|-----------------|------|--|------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Second quarter-end (Cumulative) | 318,000 | 0.7 | 7,600 | 47.5 | 8,000 | 43.1 | 3,900 | 18.9 | 15.78 |
| Full year | 600,000 | 0.9 | 10,300 | 51.3 | 11,000 | 33.6 | 5,000 | 20.1 | 20.24 |

(Note) Amendment to forecasts of consolidated financial results recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the three months ended June 30, 2015 (changes in specified subsidiaries affecting the scope of consolidation): None

New: - (Company name:) Excluded: - (Company name:)

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

(Note) For details, refer to page 2 of the attached materials, "2. Summary Information (notes) (1) Application of special accounting for preparing quarterly consolidated financial statements."

(3) Changes in accounting policies and estimates, and retrospective restatements

(i) Changes in accounting policies in accordance with revision of accounting standards: Yes

(ii) Changes in accounting policies other than item (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(Note) For details, refer to page 2 of the attached materials, "2. Summary Information (notes) (2) Changes in accounting policies and estimates, and retrospective restatements."

(4) Number of shares issued (common stock)

(i) Number of shares outstanding at end of period (including treasury stock)

| | |
|----------------------|--------------------|
| As of June 30, 2015 | 248,977,218 shares |
| As of March 31, 2015 | 248,977,218 shares |

(ii) Number of treasury stock at end of period

| | |
|----------------------|------------------|
| As of June 30, 2015 | 1,902,153 shares |
| As of March 31, 2015 | 1,895,573 shares |

(iii) Average number of shares during period

| | |
|--|--------------------|
| For the three months ended June 30, 2015 | 247,076,980 shares |
| For the three months ended June 30, 2014 | 246,985,337 shares |

*** Indication regarding execution of quarterly review procedures**

At the time of disclosure of this quarterly earnings report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

*** Proper use of earnings forecasts, and other special matters**

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions on market trends, etc. deemed to be reasonable, and are subject to uncertainties. Consequently, actual business and other results may differ substantially due to various factors. For details of the above forecasts of consolidated financial results, refer to page 2 of the attached materials, "1. Qualitative Information on Quarterly Results (3) Explanation of forward-looking information including consolidated earnings forecasts."

[Attached Materials]

Index

| | |
|---|---|
| 1. Qualitative Information on Quarterly Results..... | 2 |
| (1)Explanation of consolidated operating results | 2 |
| (2)Explanation of consolidated financial position..... | 2 |
| (3)Explanation of forward-looking information including consolidated earnings forecasts | 2 |
| 2. Summary Information (notes)..... | 2 |
| (1) Application of special accounting for preparing quarterly consolidated financial statements..... | 2 |
| (2) Changes in accounting policies and estimates, and retrospective restatements | 2 |
| (3) Additional information | 3 |
| 3. Quarterly Consolidated Financial Statements..... | 4 |
| (1) Quarterly consolidated balance sheets | 4 |
| (2) Quarterly consolidated statements of income and consolidated statements of comprehensive income | 6 |
| Consolidated statements of income | |
| April 1, 2015 – June 30, 2015..... | 6 |
| Consolidated statements of comprehensive income | |
| April 1, 2015 – June 30, 2015 | 7 |
| (3) Note regarding the quarterly consolidated financial statements | 8 |
| (Notes on premise of going concern)..... | 8 |
| (Notes on significant changes in the amount of shareholders' equity)..... | 8 |
| 4. Supplementary Information | 9 |

1. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results

In the consolidated cumulative first quarter, the Japanese economy on the whole continued on its gradual path to recovery, with ongoing signs of improvement in corporate results and the employment situation, partly also due to the government and Bank of Japan's (BOJ) emergency economic and monetary policies. However, in addition to sluggish domestic consumption, there were concerns over a slowdown in overseas economies arising from uncertainty in the international situation and the impact of this on Japan's economy. As a result, business conditions remained unclear.

In the food industry, conditions remained difficult even though there were increasing signs of a tendency towards high-value-added products in some sectors, as factors such as price revisions in a wide range of fields due to skyrocketing raw material prices and the growing thriftiness of consumers continued to impact business conditions.

In this business environment, the Group has continued to develop and improve its products to meet the needs of customers, while also revising the price of some products in order to absorb the substantial rise in raw material prices and making efforts to gain the customers understanding regarding that. We are also working on measures for dealing with rising costs, such as ensuring that sales promotion expenses are effectively used, devising creative ways for profitably procuring raw materials and achieving their correct combination in products, and rationalizing production and distribution activities.

As a result of these activities, non-consolidated net sales of the Company were ¥118,012 million (up 2.3% year on year), due mainly to a year-on-year increase in the sales of such products as powdered milk, milk and yogurt, that surpassed a year-on-year decline in the sales of such products as milk-based drinks.

Meanwhile, net sales for consolidated subsidiaries increased from the results of the same period in the previous fiscal year, resulting in a 2.0% increase of net sales for the Company of ¥156,804 million.

On a consolidated basis, operating income increased to ¥4,447 million (up 111.9% year on year) and ordinary income also increased to ¥4,860 million (up 105.6% year on year), while net income attributable to parent company shareholders rose to ¥2,985 million (up 230.5% year on year).

(2) Explanation of consolidated financial position

Total assets at the end of the first quarter under review increased by ¥5,026 million to ¥388,383 million. This is mainly due to an increase in notes and accounts receivable–trade as well as merchandise and finished goods from seasonal factors.

Total liabilities increased by ¥4,397 million to ¥262,467 million. This was mainly due to an increase in operating debts such as notes and accounts payable–trade due primarily to seasonal factors.

Net assets increased by ¥629 million to ¥125,916 million. This was attributable to an increase in retained earnings and valuation difference on available-for-sale securities, despite a decrease in foreign currency translation adjustment.

As a result, the shareholders' equity ratio declined from 32.4% year on year to 32.1%.

(3) Explanation of forward-looking information including consolidated earnings forecasts

There is no amendment to consolidated earnings forecasts for the fiscal year ending March 31, 2016 disclosed on May 14, 2015.

2. Summary Information (notes)

(1) Application of special accounting for preparing quarterly consolidated financial statements

Assessment of tax expenses

The Company applies the method that reasonably estimates an effective tax rate to be assessed on income before income taxes for the fiscal year ending March 31, 2016 including this first quarter of the fiscal year under review after accounting for the tax effects and multiplies income before income taxes during the first quarter of the fiscal year ending March 31, 2016 by said estimated effective tax rate.

(2) Changes in accounting policies and estimates, and retrospective restatements

Application of accounting standards for business combinations

Effective from the first quarter of the current fiscal year, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), and other accounting standards. As a result, the method of recording differences caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which such amounts are recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which such amounts are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the first quarter of the current fiscal year, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the quarterly consolidated financial statements for the fiscal quarter in which the business combination occurs. In addition, changes have also been made in the presentation of quarterly net income, etc. and also in nomenclature from “minority interests” to “noncontrolling interests.” The consolidated financial statements for the first quarter of the previous fiscal year and those for the entire previous fiscal year have been reclassified to reflect these changes in presentation.

The Accounting Standard for Business Combinations, etc. is applied in accordance with the transitional treatment set forth in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, and will be applied from the beginning of the first quarter of the current fiscal year and on into the future.

As a result, quarterly net income before taxes and other adjustments in the consolidated cumulative first quarter fell by 1 million yen, while the capital surplus at the end of the first quarter of the consolidated accounting period rose by 1 million yen.

(3) Additional information

Application of the consolidated taxation system

The Company and some of its consolidated subsidiaries have adopted the consolidated taxation system as of the first quarter of the consolidated accounting period.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

| | As of March 31, 2015 | As of June 30, 2015 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 11,409 | 6,918 |
| Notes and accounts receivable–trade | 52,357 | 59,635 |
| Merchandise and finished goods | 36,577 | 38,027 |
| Work in process | 982 | 1,386 |
| Raw materials and supplies | 13,457 | 14,533 |
| Other | 14,498 | 15,027 |
| Allowance for doubtful accounts | (503) | (539) |
| Total current assets | 128,779 | 134,990 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 69,459 | 69,409 |
| Machinery, equipment and vehicles, net | 57,694 | 57,786 |
| Land | 72,485 | 72,457 |
| Other, net | 21,306 | 19,245 |
| Total property, plant and equipment | 220,946 | 218,899 |
| Intangible assets | 6,829 | 6,720 |
| Investments and other assets | | |
| Investment securities | 17,136 | 18,235 |
| Other | 9,823 | 9,693 |
| Allowance for doubtful accounts | (157) | (155) |
| Total investments and other assets | 26,801 | 27,773 |
| Total noncurrent assets | 254,578 | 253,393 |
| Total assets | 383,357 | 388,383 |

(Millions of yen)

| | As of March 31, 2015 | As of June 30, 2015 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable–trade | 54,317 | 60,500 |
| Electronically recorded obligations–operating | 5,063 | 7,162 |
| Short-term loans payable | 5,049 | 3,907 |
| Current portion of long-term loans payable | 5,056 | 4,937 |
| Commercial papers | 15,800 | 15,000 |
| Current portion of bonds | 10,000 | 10,000 |
| Income taxes payable | 186 | 389 |
| Accrued expenses | 29,578 | 30,310 |
| Deposits received | 19,315 | 23,616 |
| Other | 18,595 | 11,767 |
| Total current liabilities | 162,962 | 167,591 |
| Noncurrent liabilities | | |
| Bonds payable | 35,000 | 35,000 |
| Long-term loans payable | 36,425 | 36,149 |
| Net defined benefit liability | 15,541 | 15,699 |
| Other | 8,141 | 8,027 |
| Total noncurrent liabilities | 95,108 | 94,875 |
| Total liabilities | 258,070 | 262,467 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 21,704 | 21,704 |
| Capital surplus | 19,442 | 19,443 |
| Retained earnings | 76,442 | 77,699 |
| Treasury stock | (621) | (624) |
| Total shareholders' equity | 116,967 | 118,222 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,936 | 6,661 |
| Deferred gains or losses on hedges | (8) | 13 |
| Foreign currency translation adjustment | 767 | (607) |
| Remeasurements of defined benefit plans | 461 | 472 |
| Total accumulated other comprehensive income | 7,157 | 6,539 |
| Subscription rights to shares | 196 | 196 |
| Noncontrolling interests | 965 | 958 |
| Total net assets | 125,286 | 125,916 |
| Total liabilities and net assets | 383,357 | 388,383 |

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(April 1, 2015 – June 30, 2015)

(Millions of yen)

| | Three months ended June 30, 2014 | Three months ended June 30, 2015 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 153,717 | 156,804 |
| Cost of sales | 108,365 | 109,624 |
| Gross profit | 45,351 | 47,180 |
| Selling, general and administrative expenses | 43,252 | 42,733 |
| Operating income | 2,098 | 4,447 |
| Non-operating income | | |
| Interest income | 13 | 9 |
| Dividends income | 232 | 354 |
| House rent income | 119 | 108 |
| Equity in earnings of affiliates | 79 | 47 |
| Other | 324 | 321 |
| Total non-operating income | 770 | 842 |
| Non-operating expenses | | |
| Interest expenses | 312 | 245 |
| Other | 192 | 183 |
| Total non-operating expenses | 504 | 429 |
| Ordinary income | 2,364 | 4,860 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 0 | 0 |
| Gain on bargain purchase | 1 | - |
| Other | 0 | - |
| Total extraordinary income | 2 | 0 |
| Extraordinary losses | | |
| Loss on disposal of noncurrent assets | 243 | 46 |
| Contributions to the public interest incorporated foundation Hikari Kyokai | 450 | 430 |
| Factory reorganization expenses | 199 | - |
| Other | 1 | 0 |
| Total extraordinary losses | 894 | 477 |
| Net income before taxes and other adjustments | 1,472 | 4,383 |
| Income taxes | 566 | 1,390 |
| Net income | 905 | 2,992 |
| Net income attributable to noncontrolling interests | 2 | 6 |
| Net income attributable to parent company shareholders | 903 | 2,985 |

(Consolidated statements of comprehensive income)
 (April 1, 2015 – June 30, 2015)

(Millions of yen)

| | Three months ended June 30, 2014 | Three months ended June 30, 2015 |
|--|-------------------------------------|-------------------------------------|
| Net income | 905 | 2,992 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 682 | 725 |
| Deferred gains or losses on hedges | (46) | 23 |
| Foreign currency translation adjustment | (117) | (1,374) |
| Remeasurements of defined benefit plans | 63 | 11 |
| Share of other comprehensive income of entities accounted for using equity method | 0 | 1 |
| Total other comprehensive income | 582 | (613) |
| Comprehensive income | 1,487 | 2,378 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to parent company shareholders | 1,485 | 2,368 |
| Comprehensive income attributable to noncontrolling interests | 2 | 10 |

(3) Note regarding the quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

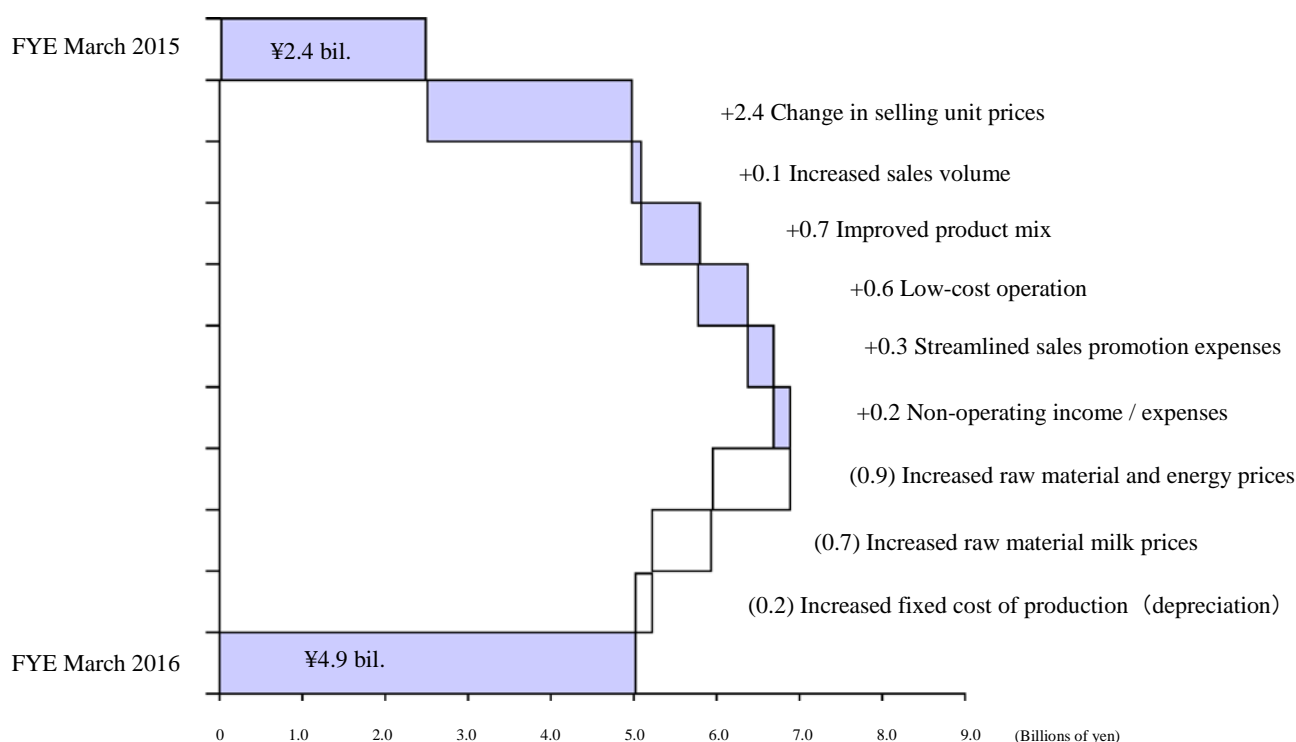
(Notes on significant changes in the amount of shareholders' equity)

No items to report.

4. Supplementary Information

(1) Factors of changes in consolidated ordinary income

Factors of changes in consolidated ordinary income (First quarter comparison)



(2) Sales Results (non-consolidated)

Sales results for the first quarter

(Unit: Millions of yen)

| Product Category | Amount | Change (YoY) | YoY (%) |
|----------------------|-----------------------|--------------|---------|
| | Total commercial milk | 53,962 | 717 |
| Milk | 19,518 | 959 | 105.2 |
| Milk-based drinks | 16,048 | (1,021) | 94.0 |
| Yogurt | 14,571 | 900 | 106.6 |
| Pudding | 3,823 | (120) | 97.0 |
| Total dairy products | 24,498 | 1,644 | 107.2 |
| Condensed milk | 1,148 | (30) | 97.4 |
| Powdered milk | 8,441 | 1,024 | 113.8 |
| Butter | 3,701 | 543 | 117.2 |
| Cheese | 11,207 | 106 | 101.0 |
| Ice cream | 14,717 | (37) | 99.7 |
| Total other | 24,833 | 320 | 101.3 |
| Drinks | 6,180 | (171) | 97.3 |
| Other | 18,653 | 492 | 102.7 |
| Total | 118,012 | 2,644 | 102.3 |

Notes) Other in Total other includes jelly, cream, liquid diet, etc.