Meiji Holdings Co., Ltd.

Annual Report 2012

Year ended March 31, 2012

During the three years since its April 2009 management integration, the Meiji Group has reorganized to initiate its next phase of growth. Our new medium-term management plan, TAKE OFF 14, which was announced in May 2012, will launch us on a steep trajectory toward the realization of our long-term business management strategy—the Meiji Group 2020 Vision.

Contents

Meiji Holdings Co., Ltd. Annual Report 2012

Using This Annual Report

Meiji Holdings publishes annual reports to inform stakeholders of its business management strategies and measures. The content of this annual report is based on the business results for the fiscal year ended March 31, 2012, and includes details of some activities in the fiscal year ending March 31, 2013.

Forward-Looking Statements

Statements in this annual report with respect to plans, strategies, and future business results that are not historical facts are forward-looking statements. Meiji Holdings Co., Ltd., therefore wishes to caution that various factors could cause actual results to differ materially from those presented in forward-looking statements. Further, unless specifically stated otherwise, information is as of August 2012.

Business Management Policy

The Meiji Group aims to enhance corporate value continually for customers, shareholders, and other stakeholders. To this end, we will do our utmost to enrich the lifestyles of customers of all ages while growing into a global corporate group in the Food and Health fields.

Meiji Group's System of Principles

Group Philosophy

Our mission is to widen the world of "Tastiness and Enjoyment" and meet all expectations regarding "Health and Reassurance."

Our wish is to be closely in tune with our customers' feelings and to always be there to brighten their daily lives.

Our responsibility as "Food and Health" professionals is to continue finding innovative ways to meet our customers' needs, today and tomorrow.

Management Attitude

Five Fundamentals

1. Commit ourselves to customer-based ideas and behaviors
2. Provide safe and reassuring high-quality products
3. Strive to always produce new value
4. Foster the development of the synergies and capabilities of the organization and each individual
5. Be a transparent, wholesome company trusted by the society

Action Guidelines

meiji way

In order to be an essential part of our customers, partners, and colleagues' daily lives, we must:

1. Listen to and learn from our customers
2. Find ways to identify tomorrow's trends and be prepared to lead the way
3. Make our work exciting, and create exciting work
4. Have the strength and courage to confront any issues, rather than to avoid them
5. Always believe in our team's potential, and make the most of its abilities

Meiji Group Overview

Meiji Holdings comprises two operating companies: Meiji Co., Ltd., responsible for such businesses as the dairy, confectionery, and healthcare and nutritionals businesses; and Meiji Seika Pharma Co., Ltd., responsible for the ethical pharmaceuticals, agricultural chemicals, and veterinary drugs businesses.

Meiji Co., Ltd. (Food Segment)

Business Characteristics

- Offers extensive product lineup that satisfies all ages: from infants to seniors
- Features technology and infrastructure enabling the use of virtually all types of distribution channels and distribution temperatures to market a wide range of products
- Integrates and strengthens R&D that facilitates value creation unique to the Meiji Group

No. 1 in industry
Market share: 25%*

Sales of Products with Market Shares in the Top Three of Their Respective Markets as a Percentage of the Food Segment's Net Sales

Approx. 65%

No. 1 in industry
Market share: 42%*

* Sources for market shares: Chocolate: INTAGE Inc., SRI chocolate market April 2011–March 2012, market shares (money amount)
Yogurt: Meiji Holdings' research, fiscal 2011

Dairy Business

Using the wonderful ingredient of milk, this business contributes to the healthy diets of customers by launching innovative products steadily that satisfy the need for quality, tastiness, and health. Our innovative products include probiotic yogurt and drinking milk, which is produced using our original "Natural Taste Manufacturing Process."

Confectionery Business

In the area of confectioneries and desserts, which enrich and add color to everyday life, we take advantage of our technologies, ideas, and marketing power to provide customers with new value that further enhances the enjoyment of selecting and consuming confectioneries.

Healthcare and Nutritionals Business

As customers' values and lifestyles diversify and their health consciousness increases, we bring to bear our accumulated expertise to provide an extensive array of value in the area of healthcare and nutritionals, thereby helping customers of all ages to improve their health.

International and Other Businesses

Giving priority to operations in China, Asia, and the United States, the international business offers tastiness, enjoyment, health, and reassurance to the world.

Also, we operate a distribution business and an animal feed business.

* International and other businesses are classified and presented as the "Other" business segment.

Meiji Seika Pharma Co., Ltd. (Pharmaceuticals Segment)

Business Characteristics

- Develops business focused on infectious diseases, central nervous system (CNS) disorders, and generic drugs as a "Speciality and Generic Pharmaceuticals Company"
- Maintains a solid position as Japan's leading company in rice blast preventatives and insecticides field and livestock and fishery fields in the agricultural chemicals and veterinary drugs area
- Realizes high quality, a stable supply, and low-cost operations by optimal use of domestic and overseas production sites

Ethical Pharmaceuticals Business

Since the commencement of producing penicillin in 1946, as a leading manufacturer of antibacterial drugs we have established original production and development technologies, and marketed outstanding products in Japan and overseas. In recent years, based on expertise garnered in the new drugs business, we are supplying high-quality generic drugs of the same quality as brand-name drugs.

Systemic Antibacterial Drugs

No. 4 in industry

Market share: 11.6%

Antidepressant Drugs

No. 3 in industry

Market share: 14.4%

Generic Drugs

No. 1

manufacturer of generic drugs by volume among brand-name drug companies

Source: Meiji Holdings' research, fiscal 2011

Agricultural Chemicals and Veterinary Drugs Business

In addition to marketing agricultural chemicals, such as the "ORYZEMATE" series, which is our best-selling rice blast preventative, we have a business that licenses the in-house compounds. By applying technology and achievements in R&D to human ethical pharmaceuticals, we have created a diverse lineup of products in the veterinary drugs area.

Rice Blast Preventatives (Agricultural Chemicals)

No. 1 in industry

Market share: 31.1%

Source: Japan Crop Protection Association, 2011 agricultural chemical year (October 2010–September 2011)

Industrial Veterinary Drugs

No. 4 in industry

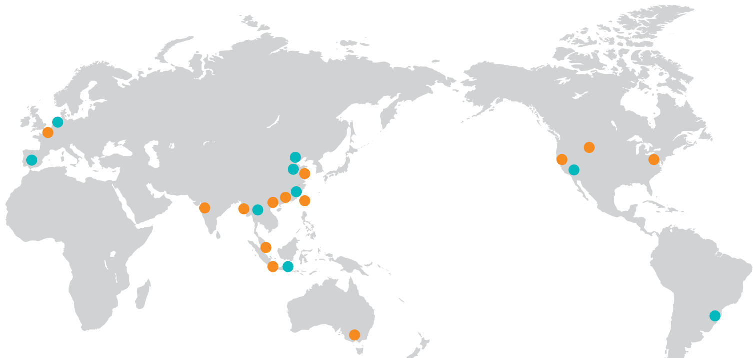
Market share: 9.5%

Source: Fuji-Keizai, fiscal 2011

Global Strategy

In the dairy, confectionery, and healthcare and nutritionals fields, Meiji has designated China, Asia, and the United States as first-priority areas. We will increase the brand awareness of *meiji* as a trusted brand while expanding businesses and improving and strengthening their earning power.

Focusing on developing businesses in markets for low-priced pharmaceuticals, primarily in Asia and emerging countries, Meiji Seika Pharma will bring to market product lineups centered on antibacterial drugs, generic drugs, and agricultural chemicals. Further, while establishing a high-quality stable production system on a global basis, the company will enhance cost-competitiveness.



● Meiji's overseas bases ● Meiji Seika Pharma's overseas bases

Overseas product lineups

Food

Pharmaceuticals

Meiji Group Highlights

Fiscal 2011 (Fiscal Year Ended March 31, 2012) Business Results

For financial highlights, please see page 21.

Net Sales

¥1,109.2 billion

Down 0.2% year on year

Food segment ....¥986.3 billion

Pharmaceuticals segment..... ¥125.2 billion

Operating Income

¥20.1 billion

Down 32.6% year on year

Food segment ....¥11.4 billion

Pharmaceuticals segment...........¥8.1 billion

When preparing plans for fiscal 2011, ended March 31, 2012, we were compelled to anticipate lower revenues and earnings for the fiscal year given the damage resulting from the Great East Japan Earthquake and its subsequent severe effects. In response to these conditions, we launched an all-out effort to ensure a recovery. In the first half of the year, we worked to recover lost market share and solidify our performance, while in the second half we restored our performance to normal levels. In conjunction with these efforts, the Meiji Group developed and strengthened its organization.

In the Food segment, overall net sales and operating income declined year on year. Sales of confectioneries and functional healthcare products picked up rapidly. However, the recovery of the drinking milk and yogurt categories and the enteral formula category's favorable reclaiming of market share from the second half were unable to compensate for first-half losses completely.

Overall, the Pharmaceuticals segment posted year-on-year increases in net sales and operating income, despite the extensive damage certain operations sustained. The ethical pharmaceuticals business posted solid results from mainstay antibacterial drugs and antidepressant drugs. In addition, generic drugs performed well thanks to higher sales resulting from the marketing of new products. Regarding the agricultural chemicals and veterinary drugs business, new agricultural chemicals contributed positively to sales.

Ordinary Income

¥21.8 billion

Down 28.1% year on year

Net Income

¥6.8 billion

Down 28.8% year on year

Return on Equity (ROE)

2.3%

Dividends per Share

¥80.0

Research and Development (R&D)

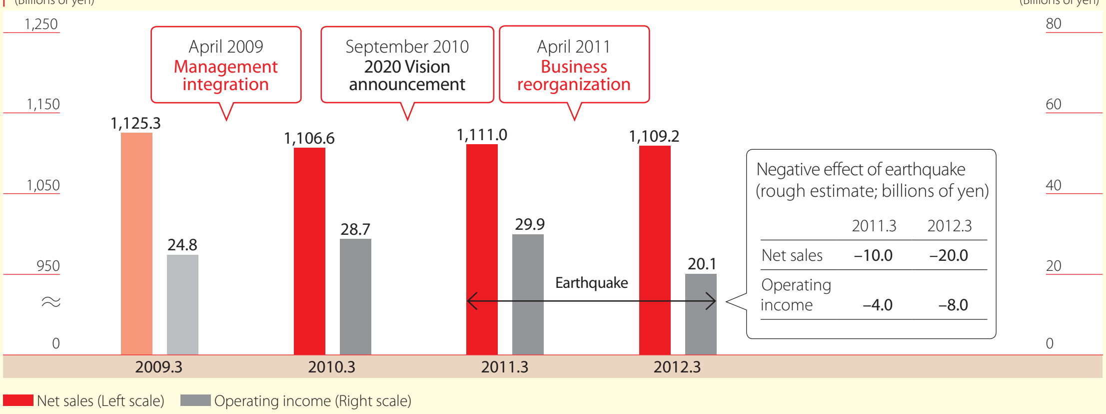
¥23.8 billion

Dividend Payout Ratio

86.6%

Including the above business results for fiscal 2011, the Meiji Group's business results since management integration are as follows.

Business Results



Negative effect of earthquake (rough estimate; billions of yen)

	2011.3	2012.3
Net sales	–10.0	–20.0
Operating income	–4.0	–8.0

* Figures for fiscal 2008, the year ended March 31, 2009, are the simple totals of the former Meiji Seika and the former Meiji Dairies before management integration.
* From fiscal 2011, the year ended March 31, 2012, the presentation of the income and expenses of real estate rentals has been changed. This change in presentation has been applied retroactively to figures for fiscal 2010, the year ended March 31, 2011.

Three Years of Progress since Management Integration

Fiscal 2009

Management Integration	This integration sought to increase competitiveness even further by exploiting the strengths of the former Meiji Seika and the former Meiji Dairies to respond to changing market conditions resulting from increasingly diverse and complex consumer needs and Japan's aging society. Also, the management integration aimed to advance the Meiji Group to become a leading global company providing new customer value in the Food and Health fields.
Meiji Group's System of Principles Established	As the Group's standard of value and model, the Meiji Group's System of Principles comprises the Group Philosophy, the Management Attitude, and Action Guidelines. For details about the Meiji Group's System of Principles, please see page 02.
New Brand Logo Established	The use of soft, rounded lowercase lettering expresses cheerfulness befitting a corporate group in the Food and Health business and the warm connection it has with each customer. The shape of the letters "iji" represents the outline of a group of people supporting each other, while the "e" suggests a face smiling at them. Reflecting a desire to be a constant, beloved presence in the lives of people of all ages, the *meiji* logo symbolizes our commitment to putting our Group Philosophy into practice.
FY2009–2011 Medium-Term Business Plan Announced	Based on the goals of management integration, in addition to initiatives to strengthen existing businesses, we included measures to enhance our ability to generate synergies.

Fiscal 2010

The Meiji Group 2020 Vision Announced	This vision sets out the Group's direction for the decade through to fiscal 2020 based on an appraisal of business conditions in light of the Meiji Group's rebirth and a realization that the Group must build structures to further accelerate synergy creation and business growth.

Fiscal 2011

Business Reorganization	Meiji Holdings reorganized its operating companies into Meiji and Meiji Seika Pharma. These changes enabled the Group to create a business management structure able to not only strengthen existing businesses but also create new value rapidly and dynamically in response to the competitive environment, business cycles, and various regulations.

In the three years since its April 2009 management integration, the Group has built a business management structure—laying foundations that will enable it to advance toward and realize the 2020 Vision. Having readied for growth, we will begin ascending toward advances based on a new medium-term management plan, TAKE OFF 14.

Growth Trajectory

Launched in fiscal 2012, ending March 31, 2013, the new medium-term management plan, TAKE OFF 14, sets out *Higher profitability and strategic investments for future growth* as its overriding theme. Based on this plan, the Group will embark on a concerted effort to progress toward the realization of the 2020 Vision.

March 2015

April 2012

2012–2014 Medium-Term Management Plan

(Fiscal 2012–Fiscal 2014)

TAKE OFF 14

Higher profitability and strategic investments for future growth

TAKE OFF 14 Basic Policies

- Strengthen and expand existing businesses (growth and priority businesses)
- Foster growth businesses (new and international businesses)
- Improve profitability

Management Targets

	Fiscal 2011 Business Results	TAKE OFF 14 Targets (Fiscal 2014)
Net sales	¥1.10 trillion	¥1.19 trillion
Operating income	¥20.1 billion	¥40.0 billion
ROE	2.3%	7%

2015–2017 Medium-Term Management Plan
(Fiscal 2015–Fiscal 2017)
Acceleration of growth

March 2018

2018–2020 Medium-Term Management Plan
(Fiscal 2018–Fiscal 2020)
Development into a global company

March 2021

Meiji Group 2020 **Vision**

Realizing the Meiji Group 2020 Vision

We aim to become a corporate group that enriches daily lives by providing customers of all ages—from infants to seniors—with tastiness and enjoyment as well as products that contribute to their physical and emotional well-being.

	Targets (Fiscal 2020)
Net sales	¥1.5 trillion
Operating income margin	more than 5 %
ROE	10 %

Growth Targets by Business Segment

		Fiscal 2011 Business Results	TAKE OFF 14 Targets (Fiscal 2014)
Food segment	Net sales	¥986.3 billion	¥1,050.0 billion
	Operating income	¥11.4 billion	¥30.0 billion
Pharmaceuticals segment	Net sales	¥125.2 billion	¥140.0 billion
	Operating income	¥8.1 billion	¥10.0 billion

For details on the new medium-term management plan, TAKE OFF 14, please see the pages below.

For a summary of strategies in the Food segment, please see page 17.
For a summary of strategies in the Pharmaceuticals segment, please see page 19.

To Our Stakeholders

To realize the 2020 Vision, the Meiji Group has launched a new medium-term management plan, TAKE OFF 14.
With our product portfolio of powerful brands, we will strengthen and foster operations, making full use of our expertise and technology, and take a new step toward becoming a global corporate group in the Food and Health fields.

Looking Back on the Three Years since Management Integration

Meiji Holdings, established in April 2009, united the Meiji Group's competitive advantages, expertise, and technology under the mutual *meiji* brand and head for becoming a Food and Health corporate group that widens the world of *Tastiness, Enjoyment, Health, and Reassurance* and enriches the lifestyles of customers of all ages. Further, in April 2011 we reorganized our operating companies into the Food segment, comprising Meiji Co., Ltd., and the Pharmaceuticals segment, comprising Meiji Seika Pharma Co., Ltd.

Because the damage due to the Great East Japan Earthquake and its aftermath severely affected our operations, the road we have followed in the three years since management integration has been far from smooth. Nevertheless, we announced the Meiji Group 2020 Vision, which clearly sets out a direction and strategies for the Group going forward. Also, we reorganized our business for further growth.

The efforts we made in the past three years, have brought out the true underlying strength of a reborn Meiji Group—which will enable it to meet the expectations of stakeholders and realize its mission going forward.

Inaugurating a New Plan and Senior Management Team

Based on the 2020 Vision, we have launched a new medium-term management plan, TAKE OFF 14. The plan's title reflects the strong conviction and ambition underpinning our efforts to grow further now that we have established foundations for growth and development. Based on this plan, we will continuously and stably deliver the powerful brands and products through each business while developing strengths even more solidly. At the same time, we will foster such growth businesses as new businesses and overseas businesses. Further, the Group will embark upon forward-looking strategic investment and endeavor to improve profitability. Through these efforts, we will take positive steps to realize the 2020 Vision.

Moreover, with this appropriate timing for a company, we reorganized our senior management team at the end of June 2012. Consequently, the former president and representative director of Meiji Holdings, Naotada Sato, has become the Company's chairman and representative director, while Shigetaro Asano has become the president and representative director.

Returning Profits to Shareholders and Investors

With respect to returning profits to shareholders and investors, while securing stable business management foundations over the medium-to-long term, we view paying stable and continuous dividends as of primary importance. Further, we hope to earn the endorsement of all our stakeholders by increasing corporate value through the realization of the 2020 Vision and TAKE OFF 14.

The Meiji Group will sustain concerted initiatives aimed at becoming even closer to everyone. In closing, we would like to thank our stakeholders sincerely for their continued support and understanding.

N. Sato

Naotada Sato
Chairman and Representative Director (Left)

S. Asano

Shigetaro Asano
President and Representative Director (Right)

An Interview with the President

Greetings from the Newly Inaugurated President

Recently, I became the president and representative director of Meiji Holdings Co., Ltd.

Following the 2009 management integration, I served as a representative director of Meiji Holdings and the president and representative director of Meiji Co., Ltd. (a food company). In these roles, I sought to develop and strengthen our business management structure to enable our evolution into a corporate group that can compete not only in Japan but also around the world. Going forward, through overall control of operational implementation in my capacity as president of Meiji Holdings, together with Chairman and Representative Director Naotada Sato, I am committed to evolving the Meiji Group.

In addition, Kazuo Kawamura has been appointed as Meiji's new president and representative director, while Masahiko Matsuo remains the president and representative director of Meiji Seika Pharma. This new senior management team will continue actively advancing the Group's business management.

Shigetaro Asano
President and Representative Director
Meiji Holdings Co., Ltd.

Q You launched a new medium-term management plan, TAKE OFF 14, in May 2012. What role will it play as you endeavor to realize the Meiji Group 2020 Vision?

A The main theme of TAKE OFF 14 is *Higher profitability and strategic investments for future growth*. This plan will create a lean corporate structure to accelerate growth even further under our next medium-term management plan.

During the term of the Meiji Group 2020 Vision, we will implement three medium-term management plans ending in fiscal 2014, fiscal 2017, and fiscal 2020. We announced TAKE OFF 14 as the first phase of this process.

TAKE OFF 14's overriding theme calls on the Group to focus even more intensely on the issue of higher profitability while implementing strategic investments for future growth. To these ends, the plan's three basic policies are to strengthen and expand existing businesses, foster growth businesses, and improve profitability. Under these basic policies, we will implement strategies in the Food segment and the Pharmaceuticals segment with a view to achieving net sales of ¥1,190 billion, operating income of ¥40 billion, and ROE of 7% by the fiscal year ending March 31, 2015.

Our scenario for realizing the 2020 Vision involves first of all achieving the targets set out in TAKE OFF 14, followed by accelerating growth based on the next medium-term management plan, evolving into a global company, and finally reaching our ultimate goal.

Therefore, for the next plan, it is critical to further build up our strengths and solid business foundation. During the coming three years, strategic investments will bolster the strength and durability of the Group for the future while evolving it into a more profitable, leaner organization. Further, I will pursue business management in conjunction with a financial strategy that will underpin this growth strategy by improving asset efficiency and maintaining our financial soundness.

Q What growth strategies and concrete measures will you take to improve profitability, which is one of the basic policies of TAKE OFF 14?

A We will utilize all our knowledge, expertise, and technology to enhance our product portfolio of powerful brands even further. Also, each business will steadily take steps to reform and lower operational cost.

The Meiji Group boasts numerous leading brands and products in a range of areas, such as dairy, confectionery, healthcare and nutritionals, and pharmaceuticals. Based on an approach of further enhancing strengths, we will increase the Group's core strengths by fortifying and expanding existing businesses that are growth businesses or priority businesses.

In the Food segment, we expect yogurt, confectioneries such as chocolate and ice cream, and enteral formula to drive sales growth. In the yogurt and chocolate categories, we have already established leading market shares. Also, in the enteral formula category, we are capitalizing on our strengths as a company that handles milk ingredients to realize continued growth. Supporting these successes are knowledge, expertise, and various types of technology fostered over many years—in other words, intangible management resources that we cannot readily express in figures. By taking advantage of these R&D capabilities to create a lineup of appealing products while expanding sales channels and implementing effective sales strategies, we will establish unassailable positions in each market.

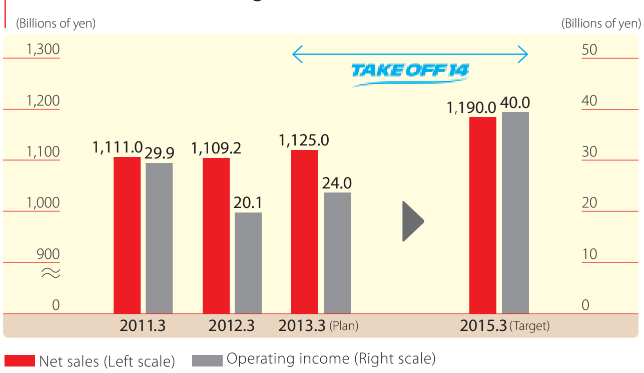
Further, we will redouble efforts to reform cost structures in each business. For example, plans call for reforming sales policies and improving the profitability of sales subsidiaries in the dairy business. In the confectionery business, we will revamp product policies comprehensively, including such areas as product formulations and product quantities, as we continue to raise the efficiency of production, supply-demand, and distribution.

Regarding the Pharmaceuticals segment, we will strengthen our areas of particular competence as a "Speciality and Generic Pharmaceuticals Company." Specifically, this segment will further consolidate its positions in the fields of infectious diseases and central nervous system (CNS) disorders. Also, it will continue to expand the generic drugs business, which is meeting the needs of a growing market. To enable these initiatives, we will increase the number of medical representatives (MRs) and take other measures to fortify our sales capabilities. Further, in the agricultural chemicals and veterinary drugs business, we will foster the liquid formula foliage herbicide "ZAXA" as a mainstay product alongside rice blast preventative "ORYZEMATE." Moreover, we will expand the veterinary drugs business by strengthening our capabilities in the companion animal (pet) drugs area, which is expected to grow.

During the term of TAKE OFF 14, National Health Insurance (NHI) drug price revisions are scheduled for fiscal 2012 and fiscal 2014. These revisions are likely to have a challenging financial impact. However, to absorb this effect, we will steadily implement strategies and measures to grow sales while realizing low-cost operations by building optimal production systems for each product that exploit manufacturing bases in Japan and overseas. Also, aiming to control total R&D expenses, we will reform development processes.

Further, the capabilities of personnel are pivotal to the implementation of growth strategies and measures. Bearing this in mind, we will create workplace environments and strengthen personnel training so the vast number of employees involved in the Group's business are able to realize their capabilities to the utmost.

Business Results and Targets



* From fiscal 2011, the presentation of the income and expenses of real estate rentals has been changed. This change in presentation has been applied retroactively to figures for fiscal 2010.

Q TAKE OFF 14 calls for strategic investment. What will your approach be for such investment, and what type of financial strategy will you adopt to support it?

A We will invest in areas that promise growth or merit expansion. Meanwhile, to maintain financial soundness, we have set a benchmark for the debt-to-equity ratio.

Given the need for strategic investment during the term of TAKE OFF 14 commensurate with the objective of realizing the 2020 Vision, we have earmarked approximately ¥140 billion for capital expenditures (property, plants and equipment only, cash base) over three years. Breaking this down, we will allocate approximately ¥120 billion to the Food segment and ¥20 billion to the Pharmaceuticals segment.

In the Food segment, a new plant and production lines for yogurt, enteral formula, and so on will be the main focus of investments. As I mentioned, yogurt and enteral formula are areas that promise growth. Therefore, to ensure we do not incur opportunity losses, we will ramp up production capacity. The new plant will begin contributing to earnings during the next medium-term management plan, and we aim to realize the full benefit of this initiative as early as possible. Also, from the viewpoint of fostering growth businesses, we will increase investment in overseas businesses. At this stage, these businesses are contributing positively to consolidated business results; however, given the outlook for the Group's growth, fostering overseas businesses is an important theme.

As for the Pharmaceuticals segment, investment will focus on R&D and maintaining and renewing existing facilities and equipment. Although two NHI drug price revisions are scheduled during the term of TAKE OFF 14, we will take a range of measures including low-cost operations to absorb the effect of the revisions while implementing necessary investments.

Taking into account the rise in net assets that will accompany active capital expenditures, total assets are likely to increase slightly by the end of fiscal 2014. In principle, we will source investment funds from equity and debt financing. Using a debt-to-equity ratio of 0.8 times as a benchmark, we will maintain financial soundness.

As a result, free cash flow is likely to be lower than that of the three years through fiscal 2011. On the other hand, strategic investment under TAKE OFF 14 will drive growth toward the realization of the 2020 Vision.

Q Corporate social responsibility (CSR) has increasingly become a focus of interest recently. How does the Meiji Group approach CSR?

A Bearing our responsibility as a corporate group in the Food and Health fields in mind, we will constantly fulfill our social responsibility through sound development.

For the Group to fulfill its responsibilities to society continuously, I think it is important that our business remains necessary to society.

Therefore, we will enrich the lifestyles of customers of all ages by delivering the Meiji Group's unique *Tastiness, Enjoyment, Health, and Reassurance* through all our businesses—dairy, confectionery, healthcare and nutritionals, and pharmaceuticals—and by consistently providing progressive value as Food and Health professionals.

To put this mission into practice, meet our social obligations, and remain close to everyone, strengthening relationships of trust with stakeholders and developing soundly as a company is important. Therefore, as the facilitators of our business, each employee must ensure that in the course of business activities they listen to stakeholders and respond to their expectations. In addition, the Company will contribute to the happiness of all by meeting its responsibilities to employees, who are also stakeholders.

Based on this philosophy, the Meiji Group's CSR Committee, comprising senior executives, leads an array of initiatives in light of the consideration of the diverse needs of stakeholders and the appropriate themes and tasks to pursue. Further, we pursue these initiatives with an emphasis on communication with stakeholders through customer service help-desks, websites, and a range of publications.

Q Under TAKE OFF 14, you aim to reach ROE of 7%. What is the significance of this target, and what is your policy on returns to shareholders?

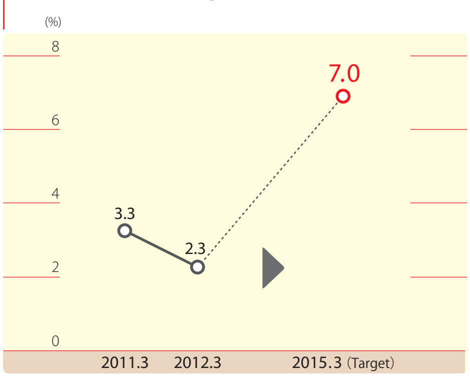
A To evolve into a global corporate group in the Food and Health fields, we will focus on capital efficiency in addition to profitability. Our basic approach is to improve ROE by enhancing profitability.

As we evolve into a lean corporate organization, it is critical to incorporate the consideration of capital efficiency into our business management while balancing growth and financial strategies and showing stakeholders the progress and results of our efforts. Accordingly, we used the launch of TAKE OFF 14 as an opportunity to include ROE as a management indicator of business efficiency.

Due to the significant effects of the earthquake, ROE fell to the 2% level in fiscal 2011. However, we aim to reach ROE of 7% in the final year of TAKE OFF 14, fiscal 2014, by increasing the profitability of the entire Group. We will achieve this by steadily implementing the plan's strategies. In the Food segment, we will achieve steady growth in profits, while in the Pharmaceuticals segment we aim to realize solid growth despite alternate-year NHI drug price revisions.

At this juncture, it is imperative that we give full play to our power, further enhancing our strengths, and advance business management forcefully on a Groupwide basis in both domestic and overseas operations. Through such efforts, I expect to heighten corporate value and thereby meet the expectations of all our stakeholders. Further, in realizing stable and continuous returns to shareholders, for fiscal 2011 we have kept dividends at the same level as that of the previous fiscal year, paying a full-year dividend of ¥80.0 per share, which included an interim dividend of ¥40.0 per share.

ROE Results and Targets



SPECIAL FEATURE:
New Medium-Term Management Plan TAKE OFF 14

In May 2012, the Meiji Group announced its new medium-term management plan: TAKE OFF 14. Focusing on *Higher profitability and strategic investments for future growth*, TAKE OFF 14 calls for a range of measures to advance the Group closer to its realization of the 2020 Vision. This special feature summarizes our strategies in each business segment based on this plan.

Food Segment (the operations of Meiji Co., Ltd.)

Key Points of Strategies

For details, please see page 17.

The strengths of Meiji Co., Ltd. are a rich product lineup that satisfies all ages and technology and infrastructure that enable the use of virtually all types of distribution channels and distribution temperatures to market this range of products. By further integrating and strengthening R&D, we will continue to provide progressive value as Food and Health professionals.

Strengthen and Expand Existing Businesses (growth and priority businesses)

○ Dairy
Establish an overwhelming dominance in the area of yogurt and probiotic yogurt

○ Confectionery
Enhance product appeal and stimulate market demand, focusing on chocolate

○ Healthcare and Nutritionals
Implement new investment in the fast-growing enteral formula area

Foster Growth Businesses (new and international businesses)

○ New
Foster businesses that enable the provision of new value

Build healthy bodies: Roll out food products for active seniors
Spread enjoyment: Expand and strengthen the desserts category

○ International
Emphasize China, Asia, and the United States
Foster businesses swiftly and reach profitability quickly

Improve Profitability

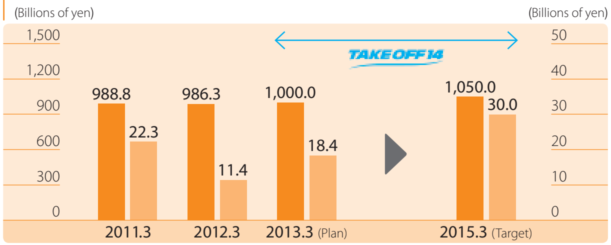
○ Dairy
Reform sales policies and speed up the reform of sales subsidiaries

○ Confectionery
Reform revenue-and-expenditure structure (reform product strategy; reform sales; increase efficiency of production, supply-demand, and distribution)

○ Healthcare and Nutritionals
Rebuild business foundations of infant formula business

Kazuo Kawamura
President and Representative Director
Meiji Co., Ltd.
Appointed June 2012

Business Results and Targets



Net sales (Left scale) Operating income (Right scale)

* From fiscal 2011, the Company changed its business segments. The figures for fiscal 2010 are for reference and result from the retroactive application of the new business segmentation.

Pharmaceuticals Segment (the operations of Meiji Seika Pharma Co., Ltd.)

Key Points of Strategies

For details, please see page 19.

Strengthen and Expand Existing Businesses (growth and priority businesses)

- Strengthen fields in which Meiji Seika Pharma has an advantage as a "Speciality and Generic Pharmaceuticals Company"
  - Establish a stronger presence in the fields of infectious diseases and central nervous system (CNS) disorders
  - Expand generic drugs business further
- Fortify marketing capabilities

Foster Growth Businesses (new and international businesses)

- New

Ethical pharmaceuticals: Take on challenges in new fields (anticancer drugs, biomedicines, etc.)
Veterinary drugs: Roll out actively in Japan's companion animal (pet) market

- International

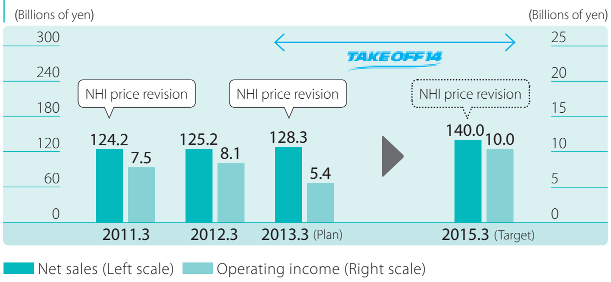
Ethical pharmaceuticals: Increase sales with a focus on emerging markets
Agricultural chemicals and veterinary drugs: Accelerate roll-outs in Asia

Improve Profitability

- Achieve a highly profitable global production structure
- Invest in R&D effectively and promote development
- **Agricultural chemicals:** Promote licensing of in-house drug discovery products to maximize earnings

Meiji Seika Pharma Co., Ltd. operates businesses globally as a "Speciality and Generic Pharmaceuticals Company." In the Pharmaceuticals segment, we are committed to contributing to the health and well-being of people worldwide through the R&D of ethical pharmaceuticals, agricultural chemicals, and veterinary drugs and by providing high-quality generic drugs at low prices.

Business Results and Targets



* From fiscal 2011, the Company changed its business segments. The figures for fiscal 2010 are for reference and result from the retroactive application of the new business segmentation.

Masahiko Matsuo
President and Representative Director
Meiji Seika Pharma Co., Ltd.

Food Segment —Key Points of Strategies

Basic Strategy 1 Strengthen and Expand Existing Businesses

Dairy Business

Establish an Overwhelming Dominance in Area of Yogurt and Probiotic Yogurt

Our mainstay yogurts have claimed the leading share of the yogurt market—approximately 40%—thanks to a comprehensive lineup that is particularly strong in *traditional mainstream* products, such as plain-type yogurts; *functional* products, including probiotic yogurts; and products themed on *joy and fun*, such as yogurts in tube packaging. Under TAKE OFF 14, we will concentrate particular efforts on expanding in the area of highly functional probiotic yogurts. This area has considerable remaining growth potential given that health awareness is likely to increase further as the aging of Japanese society advances. Therefore, we intend to increase production capacity and pursue additional R&D.

Probiotics Net Sales

Fiscal 2011 results	Fiscal 2014 target
¥37.0 billion	30% up

"Meiji Yogurt R-1" "Meiji Probio Yogurt LG21"

Confectionery Business

Enhance Product Appeal and Stimulate Market Demand, Focusing on Chocolate

The competitive advantages of the confectionery business are its numerous long-selling brands and an extensive product lineup realized through original technology. Accordingly, in the confectionery area we intend to revitalize long-selling brands, centered on chocolate, while further strengthening products that enjoy competitive superiority. Also, we will take on the challenge of continuing to create and bring to market new value unique to the Meiji Group. For example, from April 2011 we included ice cream in the confectionery business category with a view to combining our expertise and technology in confectionery and ice cream to realize synergies. Based on this new format, we have begun stimulating new demand by rolling out common brands that transcend product categories.

- **Strengthen chocolate snacks**
- **Revitalize long-selling brands**

"Meiji Milk Chocolate"

"Meiji Almond Chocolate"

- **Combine technologies to develop new products**
- **Roll out common brands transcending product categories**

New brand "Meiji Crispy's"

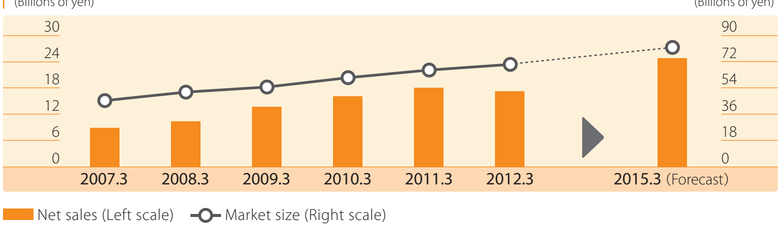
(Ice cream) (Chocolate)

Healthcare and Nutritionals Business

Implement New Investment in Fast-Growing Enteral Formula

An aging society is driving stable growth in the enteral formula market. By 2020, we estimate this market will account for sales of approximately ¥100 billion. Moreover, this is a market in which Meiji can bring to bear such strengths as its competence in milk ingredients research, nutrition engineering, and manufacturing technology, which are essential for enteral formula. Guided by TAKE OFF 14, we will advance the growth of this business by extending sales channels from existing hospitals and healthcare facilities to encompass drugstores, thereby strengthening our marketing capabilities and acquiring new customers. At the same time, we will establish foundations to support growth by building a new plant as part of efforts to raise production capacity.

Enteral Formula Net Sales and Market Size



Enteral Formula Business Net Sales

Fiscal 2011 results	Fiscal 2014 target
¥17.0 billion	¥25.0 billion

Summary of the new enteral formula plant

Planned construction site	Kaizuka, Osaka (within premises of the Kansai Plant)
Production capacity	36,000 kiloliters per year maximum
Investment	¥9.0 billion
Planned start-up	Fiscal 2014

"Meiji Mei Balance" "Meiji Mei Balance R"

Basic Strategy 2 Foster Growth Businesses

Build Healthy Bodies: Roll Out Food Products for Active Seniors

In Japan's aging society, the market serving active seniors is set to continue expanding. To meet the needs of a wide range of age groups, we already have a track record of marketing befitting products in such areas as health and beauty needs, body foundation building, and comprehensive nutrition support. We have leading brands in the areas of basic food for beauty and sports nutrition. The Group will enrich the value it provides to this growing market by exploiting its R&D capabilities, wide range of ingredients, marketing power, and diverse distribution channels.


"SAVAS"


"Amino Collagen"

Spread Enjoyment: Expand and Strengthen the Desserts Category

Desserts is another area in which we can realize synergies through integration and reorganization. We intend to combine brand power and strengths in planning and development, manufacturing technology, and distribution and sales channels to foster this area as a growth business. To give an example of such initiatives, in the ice cream area, while further strengthening our existing mainstay "Essel" brand, we will create new brands as second and third mainstays to expand this category. Moreover, the Group will step up its ability to develop and market frozen and chilled desserts, such as "Meiji Dorea," which features different textures in one dessert.


"Meiji Essel Super Cup"

International Business: Foster Operations Swiftly and Reach Profitability Quickly

We are developing our international business with a focus on China, Asia, and the United States as priority regions. This business will play a crucial role in future growth and the realization of the 2020 Vision. With this in mind, we will market product lineups optimized to suit the characteristics of each region. In accordance with TAKE OFF 14, this business will achieve further market penetration for the *meiji* brand while expanding and fostering operations steadily.

In China, plans call for the continued expansion of businesses and fortifying their foundations. For dairy products, in Suzhou we have established a drinking milk and yogurt business slated to begin the manufacture and sales of *meiji* brand products in East China from spring 2013. Further, in the confectionery area we will reform our business structure to achieve profitability, while in the healthcare and nutritionals business we will step up our promotional activities as well as distribution capabilities. In other parts of Asia, in Thailand we will strengthen the drinking milk and yogurt area and expand operations. As for the United States, we aim to advance operations further with a focus on sales of *meiji* brand chocolate snacks.

Overseas Net Sales

Fiscal 2011 results		Fiscal 2014 target
¥39.0 billion	▶	¥59.0 billion

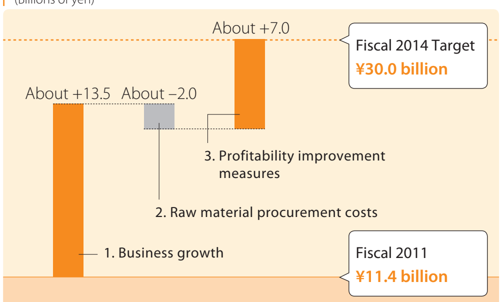
* Total of net sales of overseas subsidiaries and affiliates, including nonconsolidated subsidiaries, and value of exports (internal sales eliminated)

Basic Strategy 3 Improve Profitability

Aiming to achieve operating income of ¥30 billion by fiscal 2014, we will enhance the profitability of all our businesses. In the dairy business, we intend to revise sales policies and at the same time speed up the reform of sales subsidiaries. Meanwhile, in the confectionery business, plans call for revamping sales while increasing the efficiency of production, supply-demand, and distribution and reforming product strategy. Moreover, the healthcare and nutritionals business will give priority to rebuilding the business foundations of the infant formula business. These initiatives will counteract rising raw material procurement costs for the entire Food segment, enabling us to target operating income of ¥30 billion.

Breakdown of Operating Income Growth

(Billions of yen)



Pharmaceuticals Segment —Key Points of Strategies

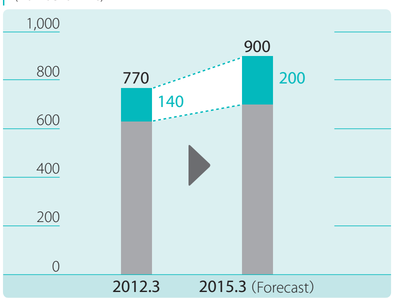
Basic Strategy 1 Strengthen and Expand Existing Businesses   Basic Strategy 3 Improve Profitability

Fortify Marketing Capabilities and Join Leaders in Areas of Strength

The ethical pharmaceuticals business will strengthen its presence in the infectious diseases and central nervous system (CNS) disorders fields, where it enjoys competitive advantages—aiming to become the third-ranked company or higher in the antibacterial drug market and the second-ranked company or higher in the antidepressant drug market. Further, by leveraging the trust associated with the *meiji* brand, strict quality control, and our ability to provide a wealth of information, we will strive to maintain our position as the No. 1 manufacturer of generic drugs among brand-name drug companies and realize net sales of at least ¥30 billion.

As part of initiatives to reach these targets, we will fortify marketing capabilities by hiring more medical representatives (MRs). In addition, we will improve the ability of each MR to provide comprehensive proposals, thereby increasing customer satisfaction. In conjunction with these efforts, we intend to exploit IT to expedite the provision of high-value-added information.

Number of MRs



MRs specializing in CNS disorders

Main Measures Aimed at Strengthening Sales Capabilities

Increase the number of MRs

- Build a network of 900 MRs (including 200 specializing in CNS disorders)
- Deploy personnel effectively to fields requiring strengthening, such as CNS disorders and anticancer drugs

Bolster our ability to provide information by speciality and disease

- Satisfy priority customers by using our original "fusion strategy" as the basis for strengthening the skills of each MR proposing comprehensive treatment that includes new and generic drugs appropriate for each disease
- Enhance the trust of priority customers in the *meiji* brand

Priority customers
Internal medicine, psychosomatic medicine, pediatrics, otorhinolaryngology, psychiatry, acute care hospitals, psychiatric hospitals

Strengthen Information Deployment

- Maximize the value of information provided using tablet PCs, videos, and other IT and media

Basic Strategy 1 Strengthen and Expand Existing Businesses   Basic Strategy 2 Foster Growth Businesses

Strengthen R&D Pipeline

During the term of TAKE OFF 14, we expect to advance the products under development in the ethical pharmaceuticals business pipeline to their next phases. At the same time, the business will reform its R&D process and invest effectively to accelerate the advancement of products under development and minimize lead times. Furthermore, with our sights set on fostering businesses for the future, we will take on the challenge of such new fields as biosimilars and generic anticancer drugs.

		Fiscal 2012 / Fiscal 2013 / Fiscal 2014
Infectious Diseases	**"MEIACT MS® FINE GRANULES 10%" for pediatric use (Cefditoren pivoxil)** Expanded indication of high dose for children	Approved
CNS Disorders	**ME2080 (Stiripentol):** Biocodex SA (France) Antiepileptic drug, unapproved drug	Filed
CNS Disorders	**Expanded indication of "REFLEX®" (Mirtazapine):** MSD K.K. Fibromyalgia treatment	Phase II
CNS Disorders	**ME2112 (Ziprasidone):** RaQualia Pharma Inc. Antipsychotic drug	Phase II → Phase III
CNS Disorders	**Safinamide:** Newron Pharmaceuticals S.p.A. (Italy) Therapeutic drug for Parkinson's disease	
	ME3113 (Udenafil): Dong-A Pharmaceutical Co., Ltd. (South Korea) Benign prostatic hyperplasia treatment	Phase I • II
	Trastuzumab (biosimilar): Dong-A Pharmaceutical Co., Ltd. (South Korea) Anticancer drug	
	Generic anticancer drug: Development by Fresenius Kabi Japan K.K.	

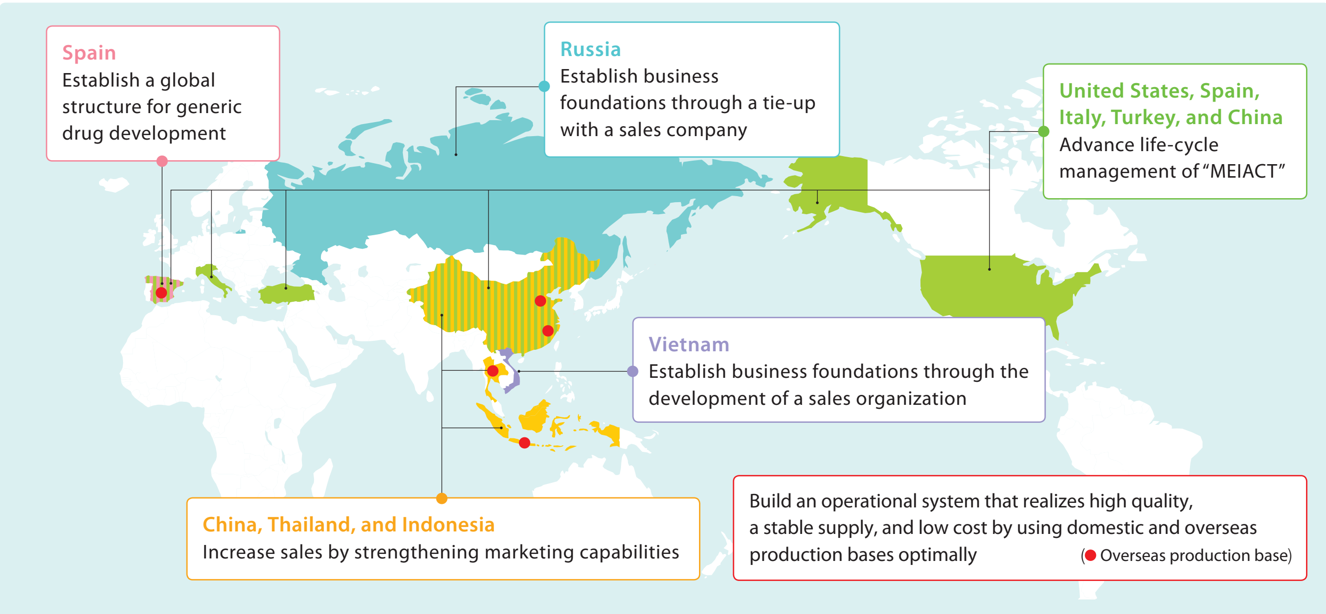
Take on the challenge of new fields

Basic Strategy 2 Foster Growth Businesses Basic Strategy 3 Improve Profitability

Increase Overseas Sales by Focusing on Emerging Markets

Overseas bases play an important role in enabling Meiji Seika Pharma to realize a highly profitable manufacturing structure. In this area, we will continue building a high-quality, low-cost system that provides stable supplies.

Also, while heightening the presence of the *meiji* brand in countries where we already market products, we will increase net sales overseas centered on emerging markets. For example, the antibiotics market, where we have competitive advantages, is contracting in Japan but continuing to expand in emerging countries. In such overseas markets, our broad product lineup, which includes generic drugs, will give us a significant advantage.



Basic Strategy 2 Foster Growth Businesses Basic Strategy 3 Improve Profitability

Expand Agricultural Chemicals and Veterinary Drugs Business

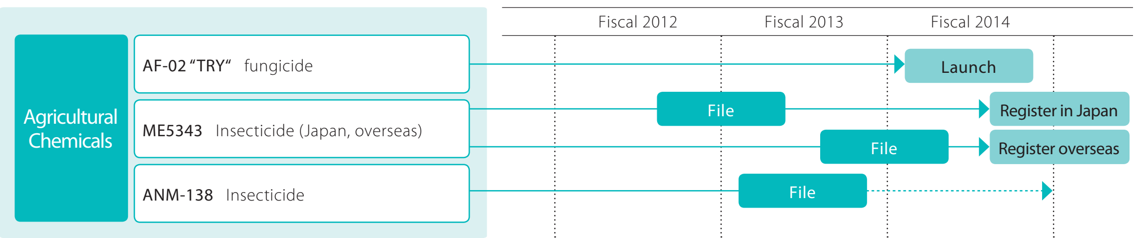
In the agricultural chemicals business, we intend to foster a liquid formula foliage herbicide launched in 2011, "ZAXA," as a mainstay product alongside mainstay rice blast preventative "ORYZEMATE" and step up the roll-out of "ORYZEMATE" and "ZAXA" in South Korea, Taiwan, and other overseas markets. At the same time, we will maximize earnings by marketing in-house drug discovery products in accordance with plans and promoting licensing.

Regarding the veterinary drugs business, anticipating the expansion of Japan's companion animal (pet) market, we will establish a dedicated organization to fortify marketing capabilities and develop this area aggressively. Further, in Japan's animal husbandry industry we will collaborate with Group company Meiji Feed Co., Ltd., to strengthen relationships with dairy farmers and grow sales in the cattle market. Moreover, as part of initiatives to develop business overseas, we plan to enter Asian market in earnest.

"ORYZEMATE"

"ZAXA"

"PANAMECTIN CHEWABLE P"



Financial Highlights

Fiscal 2011 (Fiscal Year Ended March 31, 2012) Summary

- Sales of confectioneries and functional healthcare products recovered promptly following the Great East Japan Earthquake to achieve results comparable with those of average years. Meanwhile, reflecting the significant effects of the Great East Japan Earthquake, sales of fresh dairy, such as drinking milk and yogurt, and enteral formula picked up from the second half of the year.
- In the ethical pharmaceuticals business, mainstay antibiotics and antidepressant drugs performed steadily, and generic drugs sold favorably. In the agricultural chemicals and veterinary drugs business, new agricultural chemicals contributed favorably to sales.
- As a result, net sales edged down 0.2%, to ¥1,109.2 billion, while operating income declined 32.6%, to ¥20.1 billion.

	Millions of yen			Thousands of U.S. dollars*1
(Fiscal years ended March 31)	2010	2011	2012	2012
For the fiscal year				
Net sales	¥1,106,645	¥1,111,000	**¥1,109,275**	**$13,496,474**
Food segment	—	988,854	**986,319**	**12,000,480**
Pharmaceuticals segment	—	124,202	**125,274**	**1,524,200**
Cost of sales	734,665	732,931	**738,500**	**8,985,284**
Selling, general and administrative (SG&A) expenses	343,194	348,109	**350,584**	**4,265,540**
Operating income	28,786	29,959	**20,189**	**245,649**
Ordinary income	28,316	30,451	**21,882**	**266,237**
Net income	13,088	9,552	**6,805**	**82,805**
Capital expenditures*2	30,546	38,512	**35,994**	**437,945**
Research and development costs	22,693	23,418	**23,823**	**289,856**
Depreciation and amortization*3	39,087	41,345	**40,871**	**497,283**
Net cash provided by operating activities	47,707	57,995	**30,597**	**372,283**
At fiscal year-end				
Total assets	¥730,044	¥716,368	**¥749,985**	**$9,125,021**
Total net assets	297,771	293,530	**298,491**	**3,631,719**

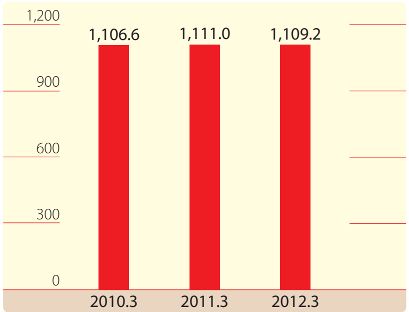
	Yen			U.S. dollars*1
Per share data				
Net income	¥ 177.73	¥ 129.63	**¥ 92.38**	**$ 1.124**
Net assets*4	3,933.05	3,906.36	**3,958.24**	**48.159**
Cash dividends	80.0	80.0	**80.0**	**0.973**
Ratios (%)				
ROE	4.6	3.3	**2.3**	
ROA	1.8	1.3	**0.9**	
Other information				
Number of employees	14,168	14,861	**15,338**	

*1. U.S. dollar amounts are provided solely for the convenience of readers based on an exchange rate of US$1 = ¥82.19, the exchange rate on March 31, 2012.
*2. Figures for capital expenditures only represent property, plants and equipment based on consolidated statements of cash flows.
*3. Depreciation and amortization represent property, plants and equipment and intangible fixed assets based on consolidated statements of cash flows.
*4. Net assets per share = (Total net assets – Minority interests) ÷ (Number of shares of common stock issued – Number of shares of treasury stock)
*5. When establishing Meiji Holdings Co., Ltd., on April 1, 2009, the Company issued 0.1 share of Meiji Holdings common stock to Meiji Seika Kaisha, Ltd., for each share of Meiji Seika common stock and 0.117 share to Meiji Dairies Corporation for each share of Meiji Dairies common stock.
*6. As of the year ended March 31, 2012, the presentation method for the income and expenses of real estate rentals has changed due to a change in the management structure of the real estate business accompanying the reorganization of the Group. After retroactive application of this new presentation method, operating income for the year ended March 31, 2011, is ¥29,959 million, a difference of ¥1,086 million compared with the previous figure.
*7. From the year ended March 31, 2012, the Company changed its business segments. Net sales by business segment for the year ended March 31, 2011, have been recalculated retroactively by applying the new business segmentation.

Business Scale

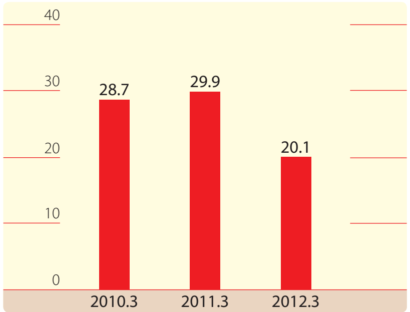
Net Sales

(Billions of yen)



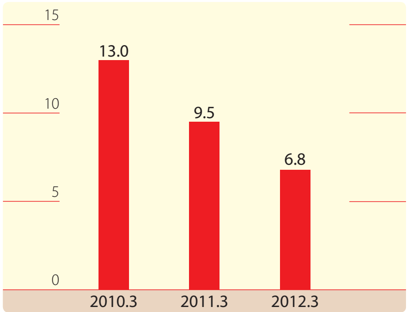
Operating Income

(Billions of yen)



Net Income

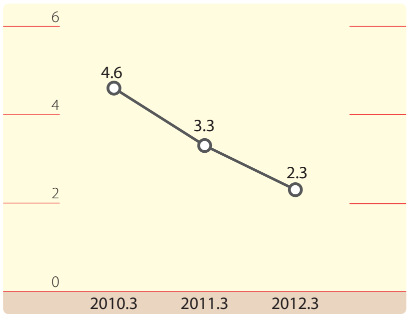
(Billions of yen)



Profitability

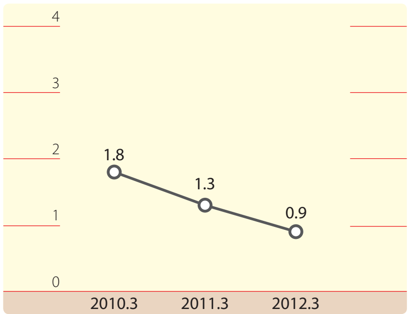
ROE

(%)



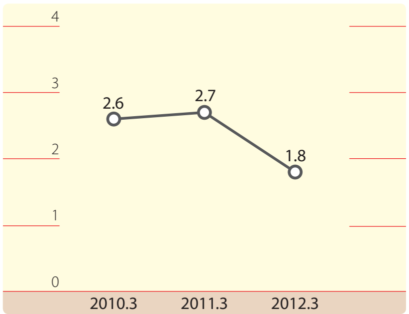
ROA

(%)



Operating Income to Net Sales

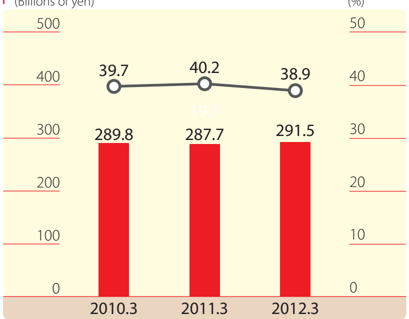
(%)



Stability

Shareholders' Equity*/ Shareholders' Equity Ratio

(Billions of yen) (%)

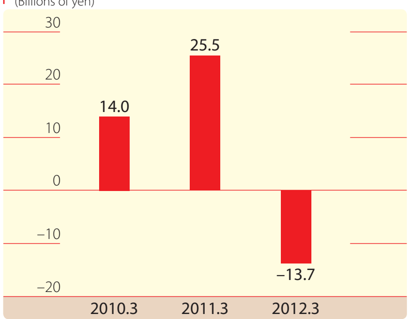


Shareholders' equity (Left scale)
Shareholders' equity ratio (Right scale)

* Total net assets – Minority interests

Free Cash Flow*

(Billions of yen)

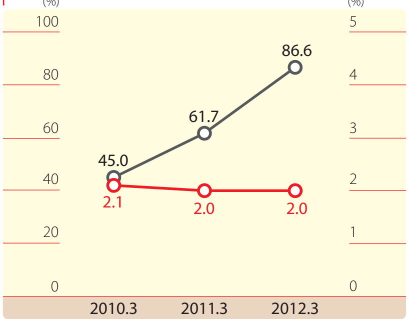


* Net cash provided by operating activities + Net cash used in investing activities

Returns to Shareholders

Dividend Payout Ratio/ Dividends on Equity (DOE)

(%) (%)



Dividend payout ratio (Left scale)
Dividends on equity (DOE) (Right scale)

Business Segments at a Glance

For the review of operations for the Food segment, please see page 25.

Food Segment

Fiscal 2011 Summary

Dairy Business

- Struggled in the first half due to the suspension of mainstay product sales after the Great East Japan Earthquake
- Recovered during the second half, including sales of yogurt, to post full-year sales on par with those in the previous fiscal year

Confectionery Business

- Performed favorably centered on chocolate products and ice cream products
- Launched the new brand "Meiji Crispy's" both for chocolate products and ice cream products and began capturing new demand

Healthcare and Nutritionals Business

- Posted favorable "Amino Collagen" and "SAVAS" sales, which were up year on year
- Moved enteral formula onto a recovery track from the second half in the wake of the Great East Japan Earthquake. Registered significant year-on-year downturn in infant formula

Fiscal 2012 Initiative Summary

- Prepare plan reflecting changes in the market after the earthquake and the industry's structure
- Build up existing businesses even further, foster growth businesses, and advance strategies and measures intensively to realize TAKE OFF 14

Business Overview

Dairy Business

Fresh dairy: Drinking milk, yogurt, beverages, etc.
Processed dairy food products: Cheese, butter, margarine, etc.
Dairy products for professional use: Fresh cream, butter, cheese, etc.

Confectionery Business

Confectioneries: Chocolate, gum, candy, imported confectioneries, etc.
Desserts: Ice cream, sweets, etc.
Institutional food products: Institutional foodstuffs, such as confectioneries and other food products

Healthcare and Nutritionals Business

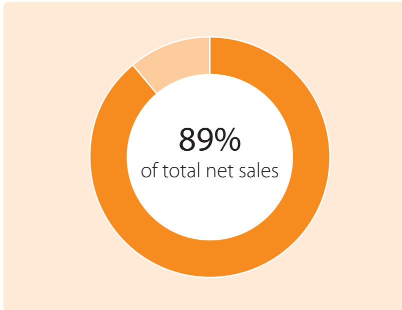
Healthcare: Sports nutrition products, functional healthcare products, food products, over-the-counter (OTC) drugs, etc.
Nutritionals: Infant formula, enteral formula, nursing care foods, etc.

International and Other Businesses*

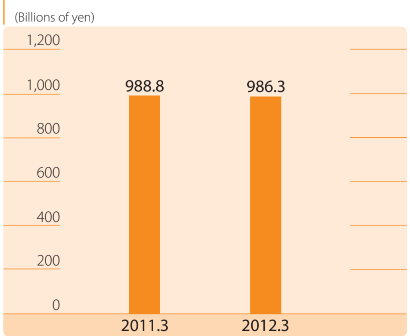
International: Mainly businesses in China, Asia, and the United States
Other: Logistics, feedstuffs, etc.

* International and other businesses are classified and presented as the "Other" business segment.

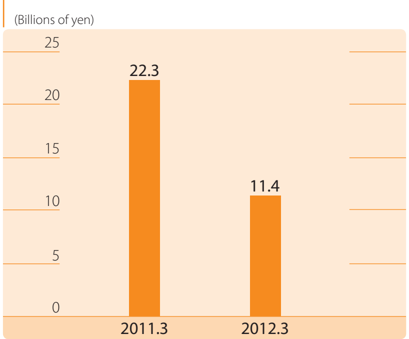
Net Sales Breakdown Fiscal 2011



Net Sales



Operating Income



* From fiscal 2011, the Company changed its business segments. The figures for fiscal 2010 are for reference and result from the retroactive application of the new business segmentation.

For the review of operations for the Pharmaceuticals segment, please see page 27.

Pharmaceuticals Segment

Fiscal 2011 Summary

Ethical Pharmaceuticals Business

- Achieved solid sales of mainstay antibiotics and antidepressant drugs and robust sales of generic drugs
- Concluded an agreement on strategic collaboration partnership for biosimilars with Dong-A Pharmaceutical, with a view to strengthening the business further

Agricultural Chemicals and Veterinary Drugs Business

- Posted favorable sales of mainstay rice blast preventative and new liquid formula foliage herbicide "ZAXA"
- Maintained sales of veterinary drugs at the same level as in the previous year as higher sales of companion animal (pet) drugs compensated for decreases in livestock drugs and fishery veterinary drugs

Fiscal 2012 Initiative Summary

- Implement key measures to realize TAKE OFF 14 based on three pillars: infectious diseases field, central nervous system (CNS) disorders field, and generic drugs
- In ethical pharmaceuticals, improve scientific and academic promotion activities for mainstay products, expand sales of generic drugs, and realize low-cost global operations
- Foster "ZAXA" in agricultural chemicals, strengthen its cost-competitiveness, and accelerate development of overseas markets
- In veterinary drugs, keep promoting companion animal (pet) drugs in the growing market and step up efforts to establish a position in the cattle market

Business Overview

Ethical Pharmaceuticals Business

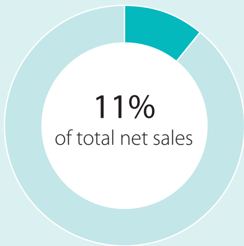
Infectious diseases and disorders, CNS disorders, generic drugs

Agricultural Chemicals and Veterinary Drugs Business

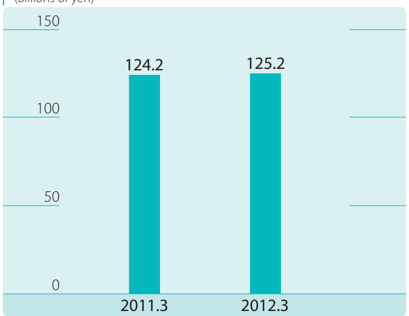
Agricultural chemicals

Veterinary drugs

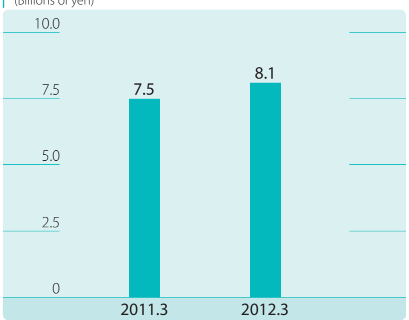
Net Sales Breakdown Fiscal 2011



Net Sales



Operating Income

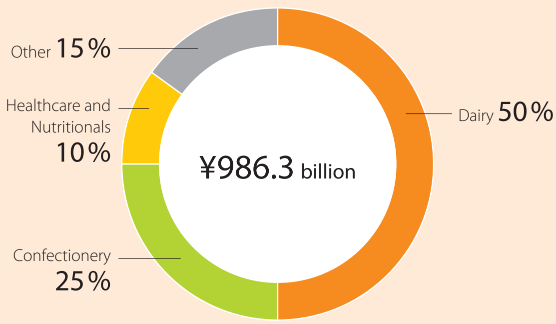


* From fiscal 2011, the Company changed its business segments. The figures for fiscal 2010 are for reference and result from the retroactive application of the new business segmentation.

Review of Operations

Food Segment

Net Sales Breakdown Fiscal 2011



Net Sales by Business

Dairy
¥584.5 billion Down 1% year on year

Confectionery
¥299.2 billion Up 3% year on year

Healthcare and Nutritionals
¥117.7 billion Down 10% year on year

Other
¥179.2 billion Up 7% year on year

* The figures for each business are before eliminations and adjustments.
* Business segments changed from fiscal 2011. Year-on-year changes are comparisons with reference figures for fiscal 2010, which resulted from the retroactive application of the new business segmentation.

For research and development initiatives, please see page 29.

Fiscal 2011 Initiatives and Business Results

Dairy Business

Drinking milk faced challenging conditions in the first half of the year due to the suspension of mainstay product sales directly after the earthquake. However, the category picked up in the second half of the year. Similarly, yogurt recovered in the second half to record full-year sales comparable with those in the previous fiscal year. Also contributing was an upturn in sales of "Meiji Yogurt R-1," thanks to extensive media coverage of yogurt.

In natural cheese for the fresh dairy market, sales of mainstay "Meiji Hokkaido Tokachi Camembert Cheese" recovered steadily during the second half, while we grew sales of "Meiji Buono Cheese" by expanding its sales territory. Sales of margarine were up year on year due to favorable sales of the new margarine "Meiji Healthy Soft *Offstyle*," which was launched in March 2011.

Confectionery Business

In chocolate products, sales of "Galbo" and "Meltykiss" and long-selling product "Meiji Almond Chocolate" surpassed the previous fiscal year's sales significantly. Meanwhile, a sluggish chewing gum market led to a year-on-year decrease in "Xylish" sales.

In desserts, sales of mainstay ice cream "Meiji Essel Super Cup" were up year on year. Also, we actively promoted new products such as "Meiji Chocolate Ice Cream Bar" and "Meiji Dorea" in the market. Since the March 2012 launch of "Meiji Crispy's" as a new joint brand for ice cream products and chocolate products, we have been capturing new demand.

Regarding institutional food products, we conducted extensive business activities—overcoming a slump in the food service producers' market following the earthquake to post solid results.

Healthcare and Nutritionals Business

Sales were favorable and up year on year for the food for beauty "Amino Collagen" and "SAVAS," which benefited from the increased popularity of jogging.

Although production and supply were disrupted by the earthquake severely in the first half of the year, enteral formula operations recovered from the second half, with full-year sales reaching the previous fiscal year's levels. Sales of infant formula decreased significantly year on year due to lower demand. This was because of a promotional campaign for breast-feeding, a decline as a reaction to the bulk buying that occurred in the aftermath of the earthquake, and the voluntary replacement of "Meiji Step" in December 2011.

Fiscal 2012 Outlook and Priority Themes

Dairy Business

We will continue strengthening our mainstay brand lineup, including "Meiji Oishii Gyunyu," which will celebrate its 10th anniversary; "Meiji Bulgaria Yogurt"; and "Meiji Probio Yogurt LG21." Meanwhile, we will focus on establishing the market positions and expanding the market shares of our new product lineup such as "Meiji Yogurt R-1," "Meiji Buono Cheese," and "Meiji Healthy Soft *Offstyle*." Also, we will enhance profitability by revising sales policies and improving the profitability of sales subsidiaries.

Confectionery Business

Plans call for bolstering such perennial favorites as "Meiji Almond Chocolate," which is approaching the 50th anniversary of its launch, and "Meiji Milk Chocolate," while regaining market share in the gum category through mainstay product "Xylish." At the same time, the business will take on the challenge of providing new value in ice cream and sweets. Further, we will make efforts to keep fixed costs down and improve efficiency for manufacturing, supply and demand, and distribution.

Healthcare and Nutritionals Business

We will promote growth strategies and build up the profitability of this business. While further fortifying such mainstay brands as "Amino Collagen," which is about to mark a decade since its launch, we will strengthen operations for "SAVAS," "VAAM," and other sports nutrition products and enteral formula. In infant formula, the Company will strive to achieve a recovery in sales, rebuild the category's profit structure, and reinforce and expand the "Raku Raku Cube" series.

Other Businesses

In the international business, focusing on China, Asia, and the United States as priority areas, the Company intends to expand operations and step up earning power by strengthening brands, technological capabilities, and marketing. In addition, our milk and yogurt business, based in Suzhou, China, will begin providing high-quality delicious products in Suzhou and other areas under the *meiji* brand by spring 2013.

TOPIC 1 **Unveiling a New Joint Brand for Ice Cream Products and Chocolate Products—"Meiji Crispy's"**

We have married our chocolate and ice cream technologies to create and launch "Meiji Crispy's Choco & Vanilla," which is mainly an ice cream product with chocolate but eaten in the manner of a chocolate confectionery, as well as "Meiji Crispy's Chocolate," which is entirely chocolate but with the texture and appearance of an ice cream confectionery. By introducing such groundbreaking products, we aim to energize the market and win new customers.

"Meiji Crispy's Choco & Vanilla" (Ice cream)

"Meiji Crispy's Chocolate" (Chocolate)

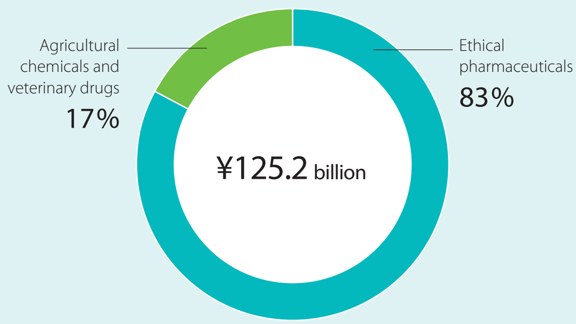
TOPIC 2 **Attracting Interest with Probiotic Yogurt "Meiji Yogurt R-1"**

In 2010, we launched "Meiji Yogurt R-1" nationwide as a functional probiotic yogurt that features our original lactobacillus 1073R-1. We followed up on this launch with the January 2012 debut of "Meiji Yogurt R-1 Blueberry Fat 0." Among foods, yogurt is receiving particular attention. Going forward, we will continue strengthening the category of probiotics that offer rich functionality to maintain superiority in this sector.

"Meiji Yogurt R-1"

Pharmaceuticals Segment

Net Sales Breakdown Fiscal 2011



Net Sales by Business

Ethical Pharmaceuticals

¥104.0 billion Up 1% year on year

Agricultural Chemicals and Veterinary Drugs

¥21.1 billion Up 7% year on year

* Business segments changed from fiscal 2011. Year-on-year changes are comparisons with reference figures for fiscal 2010, which resulted from the retroactive application of the new business segmentation.

For research and development initiatives, please see page 30.

Fiscal 2011 Initiatives and Business Results

Ethical Pharmaceuticals Business

In antibacterial drugs, "MEIACT" maintained sales levels comparable with the previous fiscal year, while "ORAPENEM" performed well and its sales grew. Regarding antidepressant drugs, while "DEPROMEL" sales were lower year on year due to other companies' marketing of generic drugs, "REFLEX" sales rose steeply year on year thanks to active promotion in scientific and academic fields.

As for generic drugs, calcium channel blocker "AMLODIPINE MEIJI" grew sales significantly. Other contributions to sales stemmed from "PIOGLITAZONE MEEK," an insulin-sensitizing agent launched in June 2011, and "DONEPEZIL MEIJI," a remedy for Alzheimer-type dementia launched in November 2011.

During the year, we actively developed alliances aimed at strengthening the business going forward. In one such initiative, we concluded an agreement on a strategic collaboration partnership for biosimilars with Dong-A Pharmaceutical Co., Ltd., of South Korea, in September 2011.

Agricultural Chemicals and Veterinary Drugs Business

Agricultural chemicals sales were up year on year, as sales of mainstay rice blast preventative "ORYZEMATE" outperformed those for the previous fiscal year, while a liquid formula foliage herbicide launched in April 2011, "ZAXA," contributed positively to results.

Meanwhile, veterinary drugs sales were flat overall because decreases in livestock drugs and fishery veterinary drugs offset higher sales of companion animal (pet) drugs.

Fiscal 2012 Outlook and Priority Themes

Ethical Pharmaceuticals Business

We will endeavor to increase sales of "MEIACT," "REFLEX," and "ORAPENEM" by appropriately promoting them in scientific and academic fields while expanding our generic drugs lineup. Also, we will strengthen efforts to realize low-cost global operations to enhance profitability and thereby absorb National Health Insurance (NHI) drug price revisions.

Aiming to strengthen the foundations of this business, we intend to advance research and development and alliances actively. Furthermore, we will boldly develop the anticancer drugs field and such new fields as biosimilars. Other initiatives will include bolstering our reliability and quality assurance system and actively expanding overseas operations centered on emerging countries in Asia and other regions.

Agricultural Chemicals and Veterinary Drugs Business

In agricultural chemicals, we will foster the liquid formula foliage herbicide launched in April 2011, "ZAXA," while enhancing its cost-competitiveness. At the same time, for the rice blast preventative "ORYZEMATE" we will expand overseas operations through rollouts in Korea, Taiwan, and other countries.

Regarding veterinary drugs, the Company will increase the scale of operations for livestock drugs and fishery veterinary drugs while actively promoting companion animal (pet) drugs.

TOPIC 1 Collaborating on Biosimilars with a Korean Partner

Meiji Seika Pharma and Dong-A Pharmaceutical, of South Korea, concluded an agreement on a long-term, comprehensive strategic collaboration partnership for biosimilars in September 2011. Based on this tie-up, both companies will research, develop, and market biosimilars collaboratively.

Already, the companies have begun the joint development of a Trastuzumab biosimilar, which is an antibody drug used in the surgical adjuvant treatment of breast cancer. To expand and enrich their development pipelines, the companies will select and eliminate candidates for next-phase development from among the biosimilars each is currently researching.

This strategic collaboration partnership with Dong-A Pharmaceutical is expected to enable both companies to share the development of biopharmaceuticals technologies, take advantage of each other's strengths to heighten competitiveness, and develop the biosimilars business globally. Through such initiatives, Meiji Seika Pharma aims to enhance its biosimilars business as a "Speciality and Generic Pharmaceuticals Company."

Dong-A Pharmaceutical

Established in 1932, Dong-A Pharmaceutical is South Korea's largest pharmaceutical manufacturer. Covering a wide range of diseases, the company's products include treatments for cardiovascular and digestive system diseases. Further, it is researching, developing, and commercializing multiple biosimilars and other biotechnology-enabled pharmaceuticals.

TOPIC 2 Launching New Liquid Formula Foliage Herbicide "ZAXA"

Having acquired pesticide registration, we launched the amino acid-based liquid formula foliage herbicide "ZAXA" nationwide in April 2011.

"ZAXA" is highly effective for a broad variety of weeds, takes effect rapidly, and remains potent for long periods. Moreover, because it degrades readily in nature, the product lightens the environmental burden.

"ZAXA" is suited a wide range of applications, such as fruit trees, lowland crops, and trees. As a next-generation herbicide that is highly effective against perennial weeds and various other weeds, this product is expected to play a major role in the market.

With a view to popularizing "ZAXA" rapidly and contributing to domestic agricultural production, we plan to offer the product as a new option in Japan's foliage-applied herbicide market.

Research and Development (R&D)

We aim to provide *Tastiness, Enjoyment, Health, and Reassurance* as well as progressive value. To this end, we are furthering the diverse Food and Health technologies and expertise we have accumulated in each of our businesses over many years.

Meiji Co., Ltd.

This company creates new value by combining the research capabilities of its dairy, confectionery, and healthcare and nutritionals businesses.

Research System

As the Group's food company, Meiji has built a research system centered on its Research Headquarters, which controls the Research Planning Department and four research centers: Confectionery R&D Laboratories, Research & Development Laboratories, Food Science Research Laboratories, and Food Technology Research Laboratories.

In the dairy business, we develop new applications for our core fermentation technology as well as for probiotics technology, nutrition engineering technology, and emulsification technology. In conjunction with these activities, we participate in collaborations with domestic and overseas research institutions. For the confectionery business, we are engaged in a wide range of R&D, including the development of new products and manufacturing technologies, the advancement of cocoa research, and the development of quality assurance technologies. At the same time, for the healthcare and nutritionals business, we conduct extensive research on tastiness, nutrition, functionality, quality, safety, and manufacturing technology while advancing R&D for new products.

In each of these areas, for more than 90 years we have continued R&D in the pursuit of *Tastiness, Enjoyment, Health, and Reassurance*. The information and expertise garnered through these efforts have created numerous leading brands.

Fiscal 2011 Initiatives

For fiscal 2011, we recorded R&D expenses of ¥10.6 billion, arising from R&D for new products—based on extensive fundamental technology research—and an increase in R&D division personnel to strengthen the *Tastiness, Enjoyment, Health, and Reassurance* of the *meiji* brand even further.

Also, we concluded an agreement with the Institut Pasteur, of France, on joint research to determine the health and longevity benefits of yogurt, using "Meiji Bulgaria Yogurt LB81," in November 2011. This is the first time the institute has embarked upon large-scale joint research in earnest with a Japanese company alone as a counterpart. We expect this two-year joint research project to determine scientifically the health and longevity benefits of yogurt, thereby lending considerable impetus to market growth and our contribution to customers' well-being.

The Institut Pasteur

Located in Paris, France, the Institut Pasteur is a nonprofit research institution conducting research into the areas of biology and medicine. Established in 1888 through the advocacy of Louis Pasteur—the founding father of modern bacteriology—the institution has a long and impressive track record of achievements in basic and applied research on microorganisms, infectious diseases, and vaccines and has produced numerous Nobel laureates. Moreover, it boasts some of the world's best researchers, facilities, and equipment.

A signing ceremony

The Institut Pasteur

Meiji Seika Pharma Co., Ltd.

In addition to R&D in the fields of infectious diseases and central nervous system (CNS) disorders, Meiji Seika Pharma develops generic drugs. Furthermore, the company conducts R&D in agricultural chemicals and veterinary drugs.

Research System

As the Group's pharmaceuticals company, Meiji Seika Pharma has four research centers: the Pharmaceuticals Research Center, CMC Laboratory, Bioscience Laboratory and Agricultural & Veterinary Research Laboratory. These laboratories conduct a wide range of R&D. We focus our R&D on the speciality fields of infectious diseases and CNS disorders. At the same time, by applying our technology and experience in these speciality fields, we also advance our R&D in generic drugs, agricultural chemicals, and veterinary drugs.

Fiscal 2011 Initiatives

Ethical Pharmaceuticals Business

In CNS disorders, one of our priority fields, in December 2011 we filed a New Drug Application (NDA) for the antiepileptic drug "ME2080" (Stiripentol), an antiepileptic treatment for severe myoclonic epilepsy in infancy (Dravet's syndrome), which is licensed from the French pharmaceutical company Biocodex SA. Because an effective treatment for the disorder has not been available in Japan, "ME2080" is listed as a drug that qualifies for a governmental project aimed at accelerating the clinical development of drugs to address Japan's "drug lag" problem. In response, we have conducted clinical trials for this drug in Japan through close collaboration with Biocodex.

Also, having obtained exclusive rights to develop and market a second-generation antipsychotic drug, "ME2112" (Ziprasidone), in Japan, based on a March 2011 licensing agreement with RaQualia Pharma Inc., we began a phase II clinical trial in Japan in February 2012.

Further, in December 2011 we concluded a licensing agreement for the development and marketing of "Udenafil" in Japan with Dong-A Pharmaceutical Co., Ltd., which discovered the drug. Subsequently, in August 2012, we initiated a phase II clinical trial for the drug as a benign prostatic hyperplasia treatment in Japan.

Agricultural Chemicals and Veterinary Drugs Business

In the agricultural chemicals business, we acquired pesticide registration for a new non-selective foliage-applied herbicide, "ZAXA," and began marketing it in April 2011. Regarding our new paddy fungicide, "AF-02 (TRY)," the Food Safety Commission has completed its review, and we are working to acquire pesticide registration. In addition, for new pesticides "ME5343" and "ANM-138" we have begun preparations for filing pesticide registrations. Moreover, we concluded a licensing agreement for "ME5343" with BASF SE, of Germany, in May 2010 and have been jointly developing it with that company in Japan and overseas since that time.

In the veterinary drugs business, we launched an anti-fever oral solution, "ARRENGER 30," in June 2011. Also, we received approval for the production and sale of a nonsteroidal anti-inflammatory drug, "FULLNIXYN MEIJI," in December 2011. As for companion animal (pet) drugs, we received approval for the production and sale of a veterinary sedative drug, "MEDETOMIDINE MEIJI," in October 2011 and a veterinary anti-sedative drug, "ATIPAMEZOLE MEIJI," in March 2012.

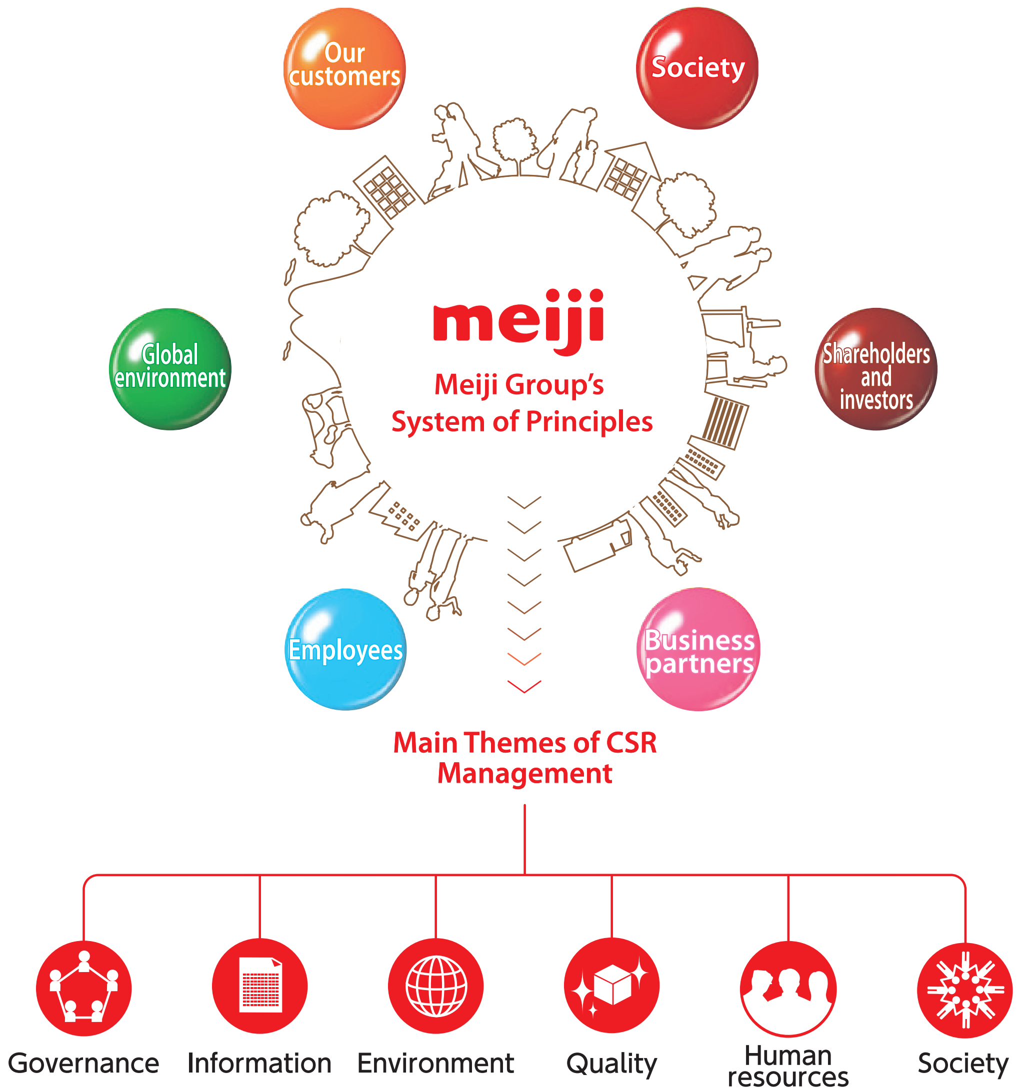
These activities in the Pharmaceuticals segment gave rise to R&D expenses of ¥13.2 billion in fiscal 2011.

Drug Development Pipeline (As of August 2012)

Phase	Name	Type	Efficacy classification	Notes
Approved	"MEIACT MS® FINE GRANULES 10%" for pediatric use (Cefditoren pivoxil)	Oral	Antibacterial drug	In-house (new dosage)
Filing	ME2080 (Stiripentol)	Oral	Antiepileptic drug	In-license: Biocodex SA (France)
Phase II clinical trial	ME3113 (Udenafil)	Oral	Benign prostatic hyperplasia treatment	In-license: Dong-A Pharmaceutical Co., Ltd. (South Korea)
	"REFLEX®" (Mirtazapine)	Oral	Fibromyalgia treatment (additional indication)	In-license: MSD K.K.
	ME2112 (Ziprasidone)	Oral	Antipsychotic drug	In-license: RaQualia Pharma Inc.

The Meiji Group's CSR

Our target profile — a company essential to and trusted by our stakeholders



The Meiji Group's CSR

The basis of "the Meiji Group's Approach to CSR" is to fulfill corporate social responsibility (CSR) by putting the Company's Group Philosophy into practice on a day-to-day basis in mainstay operations and by remaining a company society needs.

The Meiji Group's System of Principles sets out the social missions, roles, responsibilities, and conduct we should realize in a variety of areas, including compliance, quality, the environment, information, and risk management.

System for the Advancement of CSR Management

Comprising senior executives, the Group CSR Committee leads the advancement of a variety of initiatives in the Meiji Group. The members of the committee include the president of Meiji Holdings Co., Ltd., and presidents of both operating companies, Meiji Co., Ltd., and Meiji Seika Pharma Co., Ltd.

As shown in the chart on the left, we pursue initiatives based on a system that breaks down stakeholder groups and areas into six categories, including our customers, society, shareholders and investors, business partners, employees, and the global environment, and categorizes CSR initiatives under six key themes: governance, information, environment, quality, human resources, and society. Through this system, we advance CSR management.

The CSR Page of the Meiji Group's Website

On its website, the Meiji Group provides stakeholders with details of its CSR initiatives. In addition to a message from senior executives, the CSR page includes information on specific initiatives grouped under key themes.

Please access our CSR page here.

http://www.meiji.com/english/csr/index.html

The corporate website of Meiji Holdings

Six Key Themes

Governance

We are ever mindful of the weight of our responsibilities as a company engaged in businesses in the Food and Health fields. Therefore, we will continue meeting our responsibilities to society by developing soundly as a company. The Meiji Group abides by statutory laws and regulations, international agreements, social norms, and the regulations of respective Group companies and behaves equitably and honestly based on high ethical standards.

For details about corporate governance, please see page 35.


Risk and compliance training

Information

Based on a variety of policies and rules appropriate to respective information management goals, such as those relating to the bolstering of information security for the management of personal and confidential information and the protection of intellectual properties, the Group is constantly implementing and strengthening information management. In conjunction with these efforts, we educate employees thoroughly and upgrade information technology in step with the continuing advances in this area.

Regarding stakeholders, we provide appropriate information to customers through the help-desks and websites of each of our businesses as well as shareholders and investors through investor relations activities and the investor relations pages of the websites.

The corporate website of Meiji Holdings

http://www.meiji.com/english/investor/indicator/disclosure/

Environment

Fully aware we are a company that exists thanks to the bounty of nature, we strive to preserve natural resources and coexist with nature.

In this area, we are upgrading environmental management through the introduction of environmental management systems. Also, a dedicated committee spearheads our efforts to reduce the environmental burden by curbing CO_2 emissions, pursuing zero emissions, and saving energy. Meanwhile, each operating base independently takes steps to conserve the environment in its local community.


Activities in the Nemuro Nature Conservation Area

Quality

Based on the Meiji Group's System of Principles, we take measures to enhance quality on a day-to-day basis.

Meiji Co., Ltd. (Food segment)

Through the construction and operation of an original quality assurance system, the company conducts strict quality checks at all stages, from development and design through to procurement, production, logistics, and sales. In addition, following a plan-do-check-act (PDCA) cycle, we work to enhance and evolve quality-related systems and thereby further heighten trust in the *meiji* brand.

Meiji Seika Pharma Co., Ltd. (Pharmaceuticals segment)

Japan's government stipulates strict standards for pharmaceuticals in relation to a wide range of areas, from R&D and manufacturing through to shipment and the collection of information on harmfulness and the provision of information on correct usage after sales.

In our ethical pharmaceuticals business, we are building a reliability and quality assurance system in rigorous compliance with these standards and working to enhance the reliability of our products even further.

Human resources

The Group aims to be a creative, dynamic organization that respects the diversity and individuality of personnel while providing safe workplace environments.

We believe that the growth of each individual contributes to the vitality of the organization and enables the creation of progressive value and the Company's continuous development. Based on this belief, we are developing our personnel system and conducting various training programs to develop employees' capabilities. In addition, with a view to developing the next generation, promoting health, and advancing other initiatives, we have established a range of support systems and pursue health and safety in workplaces.

Society

As well as providing *Tastiness, Enjoyment, Health, and Reassurance,* we emphasize communication with stakeholders in our engagement with society.

The Group provides various services regarding consultation and inquiries for customers. Meiji has established the Customer Service Center and a counseling office for mothers with infants, while Meiji Seika Pharma operates the Medicine Support Center. Also, through its business activities, the Group makes wide-ranging social contributions, including support for dietary education and partnerships with dairy farmers and cacao-producing countries.

Children have fun cooking at the Meiji Cooking Salon's "Parent-Child Cooking Course"

Corporate Governance

Fundamental Policy

Reflecting the Meiji Group's System of Principles, the Meiji Group ensures highly transparent management for its customers, society, shareholders and investors, suppliers, employees, and all other stakeholders as well as for matters relating to the global environment through prompt, effective decision making and the timely disclosure of appropriate corporate information. Through this proactive stance, the Meiji Group aims to grow corporate value continuously.

Operational Structure (As of June 29, 2012)

In the Meiji Group, the holding company Meiji Holdings Co., Ltd., controls two operating companies.

A company with auditors, Meiji Holdings has a two-tier checking system comprising auditing and the Board of Directors' oversight of operational implementation.

Moreover, the Company is strengthening its corporate governance structure through the following initiatives.

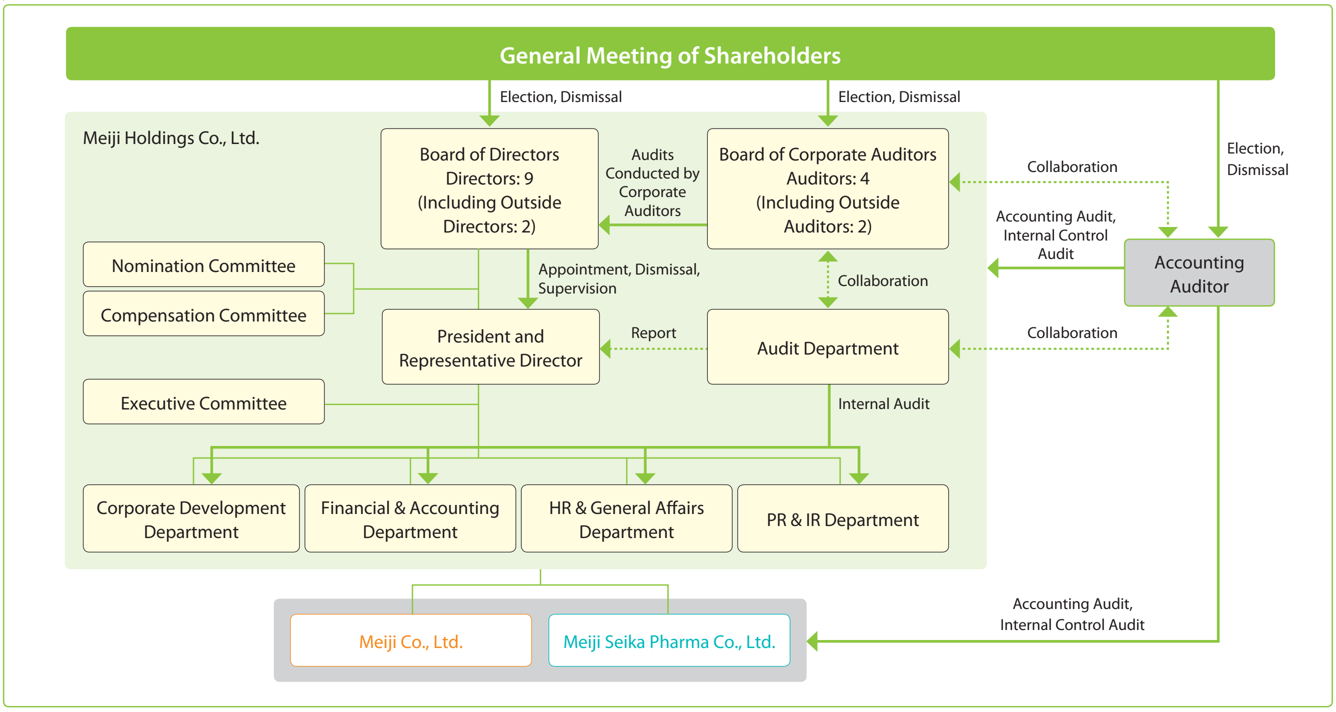
① Appointment of outside directors
② Limitation of the term of service for directors to one year
③ Appointment of an independent director
④ Establishment of a streamlined Board of Directors comprising only nine members to expedite business management decision making
⑤ Introduction of an executive officer system to separate implementation and oversight functions and clarify operational responsibility

Reasons for the Adoption of the Above Structure

The Company has adopted an auditor system, which it is strengthening and enhancing by appointing two outside auditors among its four auditors. Further, the inclusion of independent outside directors with diverse professional experience assists the Board of Directors in arriving at appropriate operational decisions based on extensive knowledge and expertise. In addition, the Board of Directors utilizes the operational auditing of auditors to ensure its business management is highly transparent, objective, and appropriate. In the Company's view, the above-mentioned structure is the most rational manner in which to realize effective corporate governance.

Organizational Structure	Company with Auditors
Chairman of the Board of Directors	President and representative director
Directors	9 (including 2 outside directors)
Auditors	4 (including 2 outside auditors)
Appointment of an independent director	1 outside director
Number of times the Board of Directors convened in fiscal 2011	13
Number of times the Board of Corporate Auditors convened in fiscal 2011	14

Corporate Governance System



Functions and Roles of Respective Committees

Executive Committee (convenes twice a month in principle)

Members: Internal directors and executive officers

Role: Advisory body to the president and representative director

Function: Deliberating general important matters concerning operational implementation

Nomination Committee

Members: 2 outside directors, 2 internal directors

Role: Recommending candidates for the positions of directors or executive officers to the Board of Directors

Compensation Committee

Members: 2 outside directors, 2 internal directors

Role: Evaluating the performances and considering the compensation of directors and executive officers

Compensation of Directors and Auditors

Method of Determination

Directors	Calculated based on the Company's business results and the individual's performance, in light of peer compensation levels as shown by the data of external research companies, and maintained within the total amount approved by a resolution of the General Meeting of Shareholders. After consulting with the Compensation Committee, the Board of Directors approves the calculated amounts of compensation.
Auditors	Determined based on mutual consultation with auditors and maintained within the total amount approved by a resolution of the General Meeting of Shareholders.

Details of the Compensation of Directors and Auditors

(Fiscal 2011)

Position	Number of persons provided with compensation	Compensation (¥ million)
Directors (number of outside directors included)	12 (2)	266 (28)
Auditors (number of outside auditors included)	4 (2)	71 (20)
Total (number of outside directors and auditors included)	16 (4)	338 (49)

*1. The above includes the compensation of 4 directors that retired on June 29, 2011.

*2. The Supplementary Provisions of the Company's Articles of Incorporation set a limit of ¥1 billion on the compensation of directors for one year.

*3. The Supplementary Provisions of the Company's Articles of Incorporation set a limit of ¥300 million on the compensation of auditors for one year.

Auditing Structure

Independent auditor	Ernst & Young ShinNihon LLC
Audit department (internal auditing)	Audit department
Principal meetings auditors attend	Board of Directors, Executive Committee, Audit Department Liaison Meeting, Board of Corporate Auditors, etc.

Attendance of Outside Directors and Outside Auditors at Meetings of the Board of Directors and Board of Corporate Auditors

(Fiscal 2011)

	Board of Directors	Board of Corporate Auditors
Outside directors	Approximately 92%	—
Outside auditors	Approximately 96%	Approximately 96%

Internal Control System

The Meiji Group provides products and services to a large number of customers through its food and pharmaceuticals business operations. In accordance with the Corporate Behavior Charter adopted in April 2009, the Meiji Group has established an internal control system to ensure fair and sound business activities firmly rooted in compliance.

Compliance

Regarding compliance as the cornerstone of its operations, the Meiji Group abides by statutory laws and regulations, international agreements, social norms, and the regulations of respective Group companies. The Group advances concerted initiatives aimed at inculcating and entrenching compliance awareness to ensure that employees carry out their duties equitably and honestly and based on a well-developed awareness of compliance and high ethical standards. Such efforts include improving and expanding educational and training programs, disseminating information through an in-house intranet, and making hotlines available.

Disclosure Policy

- Include Basic Principles of Disclosure on the "Investor Relations" section of the Company's website
  http://www.meiji.com/english/investor/indicator/disclosure/
- Post disclosure information, other important information, and documents of financial results briefings, in principle, in both Japanese and English on the "Investor Relations" section of the Company's website as quickly as possible

Risk Management System

- Establish risk management rules, construct an appropriate risk management system
- Conduct risk management systemically, carry out precise risk management for the Company and the Group while establishing systems to minimize damage in the event of an emergency

Board of Directors and Corporate Auditors

As of June 29, 2012

Chairman and Representative Director

Naotada Sato

Apr. 1964 Joined Meiji Seika
Jun. 1995 Director, Meiji Seika
Jun. 1999 Managing Director, Meiji Seika
Jun. 2001 Director, Meiji Seika
Jun. 2001 Representative Director, Meiji Seika
Jun. 2001 Executive Vice President, Meiji Seika
Jun. 2003 President and Director, Meiji Seika
Apr. 2009 President and Representative Director, Meiji Holdings
Apr. 2011 Director, Meiji
Apr. 2011 Director, Meiji Seika Pharma
Jun. 2012 Chairman and Representative Director, Meiji Holdings (incumbent)

Significant concurrent positions

Chairman, Chocolate & Cocoa Association of Japan
Chairman, Japan Chocolate Industry Fair Trade Conference

President and Representative Director

Shigetaro Asano

Apr. 1966 Joined Meiji Dairies
Apr. 1994 General Manager, Marketing Planning Department, Meiji Dairies
Jun. 1995 Director, Meiji Dairies
Jun. 1995 General Manager, Personnel Department, Meiji Dairies
Jun. 1999 Senior Managing Director, Meiji Dairies
Jun. 2001 Executive Vice President and Representative Director, Meiji Dairies
Apr. 2003 President and Representative Director, Meiji Dairies
Apr. 2009 Executive Vice President and Representative Director, Meiji Holdings
Apr. 2011 Representative Director, Meiji Holdings
Apr. 2011 President and Representative Director, Meiji
Jun. 2012 President and Representative Director, Meiji Holdings (incumbent)
Jun. 2012 Director, Meiji (incumbent)
Jun. 2012 Director, Meiji Seika Pharma (incumbent)

Significant concurrent positions

Director, Meiji
Director, Meiji Seika Pharma
President and Representative Director, Japan Dairy Industry Association
Chairman, Japan Milk Fair Trade Conference
Chairman, Japan Dairy Association

Member of the Board and Managing Executive Officer

Hidesada Kaneko

Apr. 1972 Joined Meiji Dairies
Apr. 2005 General Manager, Personnel Department, Meiji Dairies
Jun. 2005 Director, Meiji Dairies
Jun. 2009 Executive Officer, Meiji Dairies
Apr. 2011 Director and Managing Executive Officer, Meiji
Jun. 2012 Member of the Board and Managing Executive Officer, Meiji Holdings (incumbent)
Jun. 2012 General Manager, HR & General Affairs Department, Meiji Holdings (incumbent)

Member of the Board and Managing Executive Officer

Takashi Hirahara

Apr. 1974 Joined Meiji Dairies
Apr. 2007 General Manager, Administration Department, Meiji Dairies
Jun. 2007 Director, Meiji Dairies
Apr. 2009 Executive Officer, Meiji Holdings
Apr. 2009 General Manager, Financial & Accounting Department, Meiji Holdings (incumbent)
Jun. 2009 Executive Officer, Meiji Dairies
Apr. 2011 Managing Executive Officer, Meiji Holdings
Jun. 2011 Member of the Board and Managing Executive Officer, Meiji Holdings (incumbent)

Member of the Board and Executive Officer

Michiro Saza

Jun. 1978 Joined Meiji Seika
Jun. 2007 General Manager, Corporate Strategy Department, Meiji Seika
Jun. 2008 Executive Officer, Meiji Seika
Apr. 2009 Executive Officer, Meiji Holdings
Apr. 2009 General Manager, Corporate Development Department, Meiji Holdings (incumbent)
Jun. 2012 Member of the Board and Executive Officer (incumbent)

Member of the Board

Masahiko Matsuo

Apr. 1969 Joined Meiji Seika
Jul. 1999 General Manager, Pharmaceutical International Division, Meiji Seika
Jun. 2001 Executive Officer, Meiji Seika
Jun. 2002 Director, Meiji Seika
Jun. 2003 Managing Executive Officer, Meiji Seika
Jun. 2007 Senior Managing Executive Officer, Meiji Seika
Jul. 2007 Executive Vice President and Representative Director, Sanofi-Aventis-Meiji Pharmaceuticals Co., Ltd. (incumbent)
Apr. 2009 Member of the Board, Meiji Holdings (incumbent)
Apr. 2011 President and Representative Director, Meiji Seika Pharma (incumbent)

Significant concurrent positions

President and Representative Director, Meiji Seika Pharma
Executive Vice President and Representative Director, Sanofi-Aventis-Meiji Pharmaceuticals

Member of the Board
Kazuo Kawamura

Apr. 1976 Joined Meiji Dairies
Apr. 2007 General Manager, Nutritionals Consolidated Marketing Division, Meiji Dairies
Jun. 2007 Director, Meiji Dairies
Jun. 2009 Executive Officer, Meiji Dairies
Jun. 2010 Director and Managing Executive Officer, Meiji Dairies
Apr. 2011 Director and Senior Managing Executive Officer, Meiji
Jun. 2012 President and Representative Director, Meiji (incumbent)
Jun. 2012 Member of the Board, Meiji Holdings

Significant concurrent positions
President and Representative Director, Meiji
Chairman, Japan Ice Cream Association
Chairman, Ice Cream and Ice Confectionery Fair Trade Conference

Standing Auditor
Koichiro Kawashima

Apr. 1969 Joined Meiji Dairies
Jun. 2004 President, Fresh Network Systems Co., Ltd.
Jun. 2005 Director, Meiji Dairies
Jun. 2007 Standing Auditor, Meiji Dairies
Apr. 2009 Senior Standing Auditor, Meiji Holdings
Jun. 2011 Auditor, Meiji Holdings (incumbent)

Standing Auditor
Chikao Morishima

Apr. 1970 Joined Meiji Trading
Jul. 2006 General Manager, Audit Department, Meiji Seika
Jun. 2007 Auditor, Meiji Seika
Apr. 2009 Auditor, Meiji Holdings (incumbent)

Board of Directors and Corporate Auditors (Outside)

Member of the Board (Outside Director)
Hidetoshi Yajima

Dec. 1959 Joined Nihon Aeroplane Manufacturing Company
Jun. 1977 Joined Shimadzu Corporation
Jun. 1990 Director, Shimadzu
Jun. 1994 Managing Director, Shimadzu
Jun. 1996 Senior Managing Director, Shimadzu
Jun. 1998 President and Director, Shimadzu
Jun. 2003 Chairman and Director, Shimadzu
Jun. 2006 Director, Meiji Seika
Apr. 2009 Member of the Board, Meiji Holdings (incumbent)

Significant concurrent positions
Outside Director, Mitsubishi Motors Corporation
Outside Director, Tsubakimoto Chain Corporation

Member of the Board (Outside Director)
Yoko Sanuki

Apr. 1981 Registered as Attorney at Law
Nov. 2001 Opened NS Law Office
Jun. 2003 Alternate Auditor, Meiji Dairies
Jun. 2007 Auditor, Meiji Dairies
Apr. 2009 Member of the Board, Meiji Holdings (incumbent)

Significant concurrent positions
Attorney at Law
Outside Director, Resona Holdings, Inc.

Auditor (Outside)
Shoji Miyamoto

Jul. 1971 Joined Ministry of Agriculture and Forestry
Apr. 2000 Resigned from Ministry of Agriculture, Forestry and Fisheries
May 2000 Executive Director, Association of Compensation Fund for Consigned Liabilities in Commodity Futures
Jun. 2004 Vice President, above Association
Apr. 2005 Vice President, National Futures Protection Fund
Jun. 2008 Auditor, Meiji Dairies
Apr. 2009 Auditor, Meiji Holdings (incumbent)

Auditor (Outside)
Kenichi Yamaguchi

Apr. 1982 Registered as Attorney at Law
Apr. 1991 Opened Yamaguchi Law Office
Jun. 2007 Auditor, Meiji Seika
Apr. 2009 Auditor, Meiji Holdings (incumbent)

Significant concurrent position
Attorney at Law

Review and Analysis of Fiscal 2011 Results

Meiji Holdings Co., Ltd.

Overall Operating Results

Business Overview

In fiscal 2011, ended March 31, 2012, although the Japanese economy recovered modestly as restoration progressed steadily after the Great East Japan Earthquake, uncertainty persisted due to the effect of deflation, the prolonged strength of the yen, and concern over downturns in economies overseas as a result of Europe's debt crisis.

Revenue and Earnings

Through a corporate reorganization, on April 1, 2011, the Meiji Group transferred to a new business management structure in which Meiji Co., Ltd., and Meiji Seika Pharma Co., Ltd., are the Group's operating subsidiaries.

In light of the damage resulting from the Great East Japan Earthquake and its subsequent effects, the Group's plan for the full fiscal year anticipated declines in revenue and earnings. Against this backdrop, the Group launched an all-out effort to ensure a recovery. In the first half of the year, the Group worked to recover lost market share and solidify its performance, while in the second half the Group restored its performance to normal levels. In conjunction with these efforts, the Group developed and strengthened its structures following a corporate reorganization.

As a result, for fiscal 2011 the Company recorded year-on-year decreases of 0.2% in net sales, to ¥1,109,275 million; 32.6% in operating income, to ¥20,189 million; and 28.1% in ordinary income, to ¥21,882 million. Due to the earthquake and incurring an extraordinary loss, net income declined 28.8% year on year, to ¥6,805 million.

	Millions of yen			
	Net sales	Operating income	Ordinary income	Net income
Fiscal 2011	**¥1,109,275**	**¥20,189**	**¥21,882**	**¥6,805**
Fiscal 2010	1,111,000	29,959	30,451	9,552
Year-on-year change (%)	(0.2)	(32.6)	(28.1)	(28.8)

Segment Results

Food Segment

Sales of confectioneries and functional healthcare products recovered rapidly during the year, achieving results almost on a par with those of the previous fiscal year. In the second half, fresh dairy, such as drinking milk and yogurt, and enteral formula steadily reclaimed market share, recovering on the whole according to the Group's plan. However, this progress did not fully compensate for the extensive damage these categories suffered in the first half. As a result, the segment recorded year-on-year decreases of 0.3% in net sales, to ¥986,319 million, and 48.5% in operating income, to ¥11,491 million.

Dairy Business

Sales of drinking milk recovered in the second half of the year despite challenging conditions in the first half, which resulted from the suspension of mainstay product sales after the earthquake. Similarly, yogurt saw a second-half recovery, with results for the category reaching the same level as those of the previous fiscal year. Another positive factor for the results of this category was higher sales of "Meiji Yogurt R-1" from January 2012 as a consequence of various types of media reporting on yogurt. In natural cheese for the fresh dairy market, mainstay "Meiji Hokkaido Tokachi Camembert Cheese" recovered steadily in the second half, while sales of "Meiji Buono Cheese" grew thanks to an expansion of sales regions. Sales of margarine were up year on year due to contributions from robust sales of the new margarine "Meiji Healthy Soft *Offstyle*," launched in March 2011, and other products.

Confectionery Business

Chocolate products registered significant year-on-year increases in sales of "Galbo" and "Meltykiss"—reflecting the success of

	Millions of yen	
	Food Segment	Pharmaceuticals Segment
Net sales		
Fiscal 2011	**¥986,319**	**¥125,274**
Fiscal 2010	988,854	124,202
Year-on-year change (%)	(0.3)	0.9
Operating income		
Fiscal 2011	**¥11,491**	**¥8,186**
Fiscal 2010	22,322	7,522
Year-on-year change (%)	(48.5)	8.8

aggressive brand development efforts—and long-selling product "Meiji Almond Chocolate." Meanwhile, "Xylish" sales decreased sharply from the previous fiscal year, partly as a result of a lackluster chewing gum market.

In ice cream, sales of mainstay "Meiji Essel Super Cup" rose year on year. Also, the segment actively brought new products to market, such as "Meiji Chocolate Ice Cream Bar" and "Meiji Dorea." In March 2012, the segment launched "Meiji Crispy's" as a new common brand for ice cream and chocolate. Based on this brand, the segment is supporting new demand through simultaneous product rollouts and other initiatives.

Institutional food products overcame a slump in the food service producers' market following the earthquake and performed steadily thanks to aggressive business development for confectioneries and other food products.

Healthcare and Nutritionals Business

Year-on-year sales rose for "SAVAS," with a jogging boom providing a tailwind, and the food for beauty "Amino Collagen."

Regarding enteral formula, although the earthquake severely inhibited operations in the first half, the category's sales recovered to the previous fiscal year's level with the restoration of production and supply capabilities. Infant formula sales decreased significantly year on year due to lower demand, reflecting the promotional campaign for breast feeding, the disappearance of the bulk buying that occurred directly after the earthquake, and the December 2011 replacement of "Meiji Step."

Pharmaceuticals Segment

Mainstay antibacterial and antidepressant drugs posted solid results. In addition, generic drugs sold well based on an expanded lineup resulting from the marketing of new products. Further, new agricultural chemicals supported the performance of the agricultural chemicals and veterinary drugs business. As a result, the segment achieved year-on-year inclines of 0.9% in net sales, to ¥125,274 million, and 8.8% in operating income, to ¥8,186 million.

Ethical Pharmaceuticals Business

In antibacterial drugs, "MEIACT" sales levels were similar to those in fiscal 2010, while "ORAPENEM" sales were up from the previous fiscal year. As for antidepressant drugs, while "DEPROMEL" sales were lower year on year due to generic drugs launched by other companies, "REFLEX" sales rose steeply from those of the previous fiscal year thanks to active promotion in scientific and academic fields. Regarding generic drugs, calcium channel blocker "AMLODIPINE MEIJI" experienced substantial sales gains. Other contributions to sales came from "PIOGLITAZONE MEEK," an insulin-sensitizing agent launched in June 2011, and "DONEPEZIL MEIJI," a remedy for Alzheimer-type dementia launched in November 2011.

Agricultural Chemicals and Veterinary Drugs Business

Agricultural chemicals sales surpassed those of the previous fiscal year due to a year-on-year upturn in sales of mainstay rice blast preventative "ORYZEMATE" as well as a rise in sales of "ZAXA," a liquid formula foliage herbicide launched in April 2011. Veterinary drugs maintained sales levels compared with the previous fiscal year because decreases in livestock drugs and fishery veterinary drugs counteracted higher sales of companion animal (pet) drugs.

Financial Position

Assets

Total assets at the end of the consolidated fiscal year under review amounted to ¥749,985 million, up ¥33,616 million from the previous fiscal year-end. This hike was mainly attributable to increases of ¥22,321 million in notes and accounts receivable, ¥7,285 million in investment securities, and ¥5,940 million in other in investments and other fixed assets.

Liabilities

Total liabilities at the end of the consolidated fiscal year under review stood at ¥451,494 million, up ¥28,656 million from the previous fiscal year-end. This gain principally reflected increases of ¥16,979 million in notes and accounts payable, ¥26,000 million in commercial paper, and ¥35,000 million in bonds and the current portion of bonds, which offset decreases of ¥26,129 million in short-term bank loans and ¥22,420 million in long-term debt.

Net Assets

Total net assets at the end of the consolidated fiscal year under review registered ¥298,491 million, a rise of ¥4,960 million from the previous fiscal year-end. This increase primarily reflected increases of ¥2,366 million in retained earnings, ¥2,055 million in net unrealized holding gains or losses on securities, and ¥1,153 million in minority interests, which absorbed a ¥1,197 million decrease in foreign currency translation adjustments.

Further, the equity ratio was 38.9%, and net assets per share were ¥3,958.24.

Cash Flows

Net cash provided by operating activities was down ¥27,397 million, to ¥30,597 million, because a decrease in income before income taxes and minority interests, an increase in trade receivables, and higher inventories counteracted an increase in trade payables.

Net cash used in investing activities rose ¥11,874 million, to ¥44,314 million, as a result of a decrease in proceeds from sales of investment securities, an increase in payments for purchases of investment securities, and a rise in payments for purchases of property, plants and equipment.

Free cash flow (net cash provided by operating activities minus net cash used in investing activities) was a negative ¥13,716 million, compared with the previous fiscal year's positive free cash flow of ¥25,555 million.

Net cash provided by financing activities was ¥4,861 million, compared with the previous fiscal year's net cash used in financing activities of ¥19,570 million, due to higher financial debt.

As a result, cash and cash equivalents at end of the year stood at ¥14,363 million.

Basic Policy on Appropriation of Profit and Dividends Paid

As a group with close ties to the daily lives of its customers through its mainstay businesses in food, health, and pharmaceuticals, we believe it is essential to secure a solid business base in the medium and long terms.

Our basic policy is to provide the steady and sustainable distribution of profit to shareholders while securing ample internal reserves to provide the funds required for sustaining business performance each term as well as for future capital demands, including capital expenditures, investment and credit, R&D spending, and other investments.

For fiscal 2011, we paid interim and year-end dividends of ¥40.00 per share, thereby maintaining the full-year dividend at ¥80.00 per share.

Business Risks

Outlined below are the major risks identified by the Meiji Group that could have an impact on the Group's business results and financial position and which may materially influence investors' decisions.

Forward-looking statements included in the outline below are the views held by the Group as of the submission date of the securities report (June 29, 2012) and include uncertainties related to future developments.

(1) High Prices for Raw Materials

Prices of the Meiji Group's key raw materials (milk, dairy products, cacao beans, nuts, etc.) and energy commodities may be affected by supply and demand conditions and speculative influences, etc., in Japan and abroad. Such high prices have the potential to greatly impact procurement and production costs.

(2) Foreign Currency Exchange Fluctuation

The Meiji Group purchases some of its raw materials and goods from overseas. It also operates businesses overseas. Therefore, sudden foreign currency fluctuations beyond the forecasted range have the potential to impact the Group's business results and financial position.

(3) Weather

The Meiji Group's dairy business and confectionery business may be affected by the weather. For example, a cool summer can decrease sales of ice cream and dairy products. Extreme heat can decrease sales of chocolate and other confectionery goods. These have the potential to impact the Group's business results and financial position.

(4) Changes in the Business Environment Faced by the Dairy Products Industry

In the Meiji Group's dairy business, sudden changes in the international trade system, such as customs duties, in the dairy farming system, such as the "Act on Temporary Measures concerning Compensation Price for Producers of Milk for Manufacturing Use," or in practices have the potential to impact the Group's business results and financial position.

(5) Food Product Safety

The Meiji Group takes various actions to ensure product safety and preventative measures against risks foreseen to occur throughout production. However, if there is a large-scale product recall, or even if there is not any direct problem with the Group's products, rumors in the food industry might affect the Group's products, which could result in a drop in sales, huge costs, etc. These have the potential to impact the Group's business results and financial position.

(6) Side Effects in Pharmaceuticals

The Meiji Group conducts product development, manufacturing, and marketing for the pharmaceuticals business in compliance with various laws and standards enforced by regulatory authorities. Nevertheless, unforeseen side effects have the potential to occur during development and after product release. The Group prepares for such incidents by carrying appropriate insurance coverage for various types of liabilities, including product liability. However, there is no guarantee that insurance will be sufficient to cover all damages associated with such liabilities. Unforeseen side effects therefore have the potential to impact the Group's business results and financial position.

(7) Government Trends in Medical Care

In the Meiji Group's pharmaceuticals business, prices of medical care pharmaceuticals are affected by government medical policies, including drug price revisions and the healthcare insurance system. These have the potential to impact the Group's business results and financial position.

(8) Research and Development in the Pharmaceuticals Business

New product development for the Meiji Group's pharmaceuticals business implements extended periods of product testing, which requires significant expenses. Instances occur in which safety or efficacy issues compel the Group to extend, suspend, or discontinue research and development projects. The progress status of research and development has the potential to impact the Meiji Group's business results and financial position. Moreover, launches of products developed by the Group may be delayed if research and development does not proceed as planned, which could require the Group to utilize products of other companies. Such cases have the potential to increase outlays for intellectual property rights and licensing.

(9) Lawsuits

In research and development and other business activities, the Meiji Group takes care to avoid infringing on intellectual property rights of third parties. However, the outcomes of unexpected litigation by third parties who claim infringement on their intellectual property rights have the potential to impact the Group's business results and financial position.

(10) Information Leaks

The Meiji Group has large amounts of confidential information that is required in business operations, including such personal information as that of customers, and important information concerning its management. For the management of this information, the Group takes appropriate actions, including system controls: it established an Information Management Committee, provides training to employees, etc. However, there is the risk that currently unforeseeable unauthorized access or computer virus infection will cause leaks, falsification, or the loss of confidential information, or that the computer system could become temporarily unusable, etc. If such a situation occurs, it has the potential to impact the Group's business results and financial position.

(11) Natural Disasters

The Meiji Group maintains a proper risk management system to prevent human injury and damage to its facilities, including production plants, resulting from natural disasters, such as earthquakes. However, in the event of a large earthquake or other disaster that exceeds expectations or the large-scale destruction of social infrastructure, this could have a negative impact on our business results because of a loss of assets, the destruction of facilities, and disruptions in product supply.

Further, the above list does not include all of the risks the Group faces.

Consolidated Balance Sheets

Meiji Holdings Co., Ltd. / As of March 31, 2012 and 2011

Assets

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Current assets:			
Cash and deposits (Note 18)	**¥ 14,662**	¥ 21,759	**$ 178,397**
Notes and accounts receivable	**175,114**	153,697	**2,130,609**
Inventories (Note 9)	**112,013**	105,151	**1,362,861**
Deferred tax assets (Note 11)	**13,051**	15,138	**158,791**
Other current assets	**7,972**	6,262	**97,000**
Allowance for doubtful accounts	**(282)**	(333)	**(3,439)**
Total current assets	**322,531**	301,676	**3,924,220**
Fixed assets:			
Property, plants and equipment (Note 10)			
Land	**65,255**	65,214	**793,959**
Buildings and structures	**270,604**	259,986	**3,292,425**
Machinery, equipment, vehicles and fixtures	**480,556**	469,011	**5,846,897**
Lease assets	**7,041**	5,796	**85,675**
Construction in progress	**8,966**	18,950	**109,090**
Accumulated depreciation	**(521,239)**	(505,209)	**(6,341,886)**
Total property, plants and equipment (net)	**311,184**	313,750	**3,786,160**
Investments and other fixed assets:			
Investment securities (Notes 7,10)	**36,340**	29,301	**442,151**
Investment securities (Unconsolidated subsidiaries and affiliates)	**5,872**	5,625	**71,445**
Intangible fixed assets (Note 14)	**8,040**	9,726	**97,832**
Deferred tax assets (Note 11)	**4,668**	1,182	**56,797**
Other	**61,816**	55,876	**752,118**
Allowance for doubtful accounts	**(469)**	(770)	**(5,706)**
Total investments and other fixed assets	**116,269**	100,942	**1,414,639**
Total fixed assets	**427,453**	414,692	**5,200,800**
Total assets	**¥ 749,985**	¥ 716,368	**$ 9,125,021**

See accompanying notes to consolidated financial statements.

Liabilities and Net Assets

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Current liabilities:			
Short-term loans payable (including current portion of long-term loans payable) (Notes 8, 10)	**¥148,860**	¥108,989	**$1,811,169**
Notes and accounts payable	**109,136**	92,157	**1,327,853**
Income taxes payable	**2,888**	3,902	**35,149**
Accrued expenses	**42,729**	40,421	**519,890**
Accrued bonuses for employees	**9,286**	9,585	**112,990**
Allowance for sales returns	**212**	241	**2,583**
Allowance for sales rebates	**5,772**	6,092	**70,239**
Other current liabilities (Note 10)	**33,612**	39,944	**408,966**
Total current liabilities	**352,500**	301,333	**4,288,842**
Long-term liabilities:			
Long-term loans payable, less current portion (Notes 8, 10)	**56,401**	83,821	**686,232**
Deferred tax liabilities (Note 11)	**17,040**	13,661	**207,325**
Accrued employees' retirement benefits (Note 12)	**18,590**	17,125	**226,185**
Reserve for directors' retirement benefits	**417**	390	**5,084**
Other long-term liabilities	**6,544**	6,505	**79,630**
Total long-term liabilities	**98,994**	121,504	**1,204,458**
Total liabilities	**451,494**	422,838	**5,493,301**
Contingent liabilities (Note 13)			
Net assets (Note 17)**:**			
Shareholders' equity			
Common stock			
Authorized—280,000,000 shares, at March 31, 2011 and 2012			
Issued — 76,341,700 shares, at March 31, 2011 and 2012	**30,000**	30,000	**365,007**
Capital surplus	**98,852**	98,852	**1,202,726**
Retained earnings	**174,494**	172,128	**2,123,058**
Treasury stock, at cost—2,671,400 shares, at March 31, 2011	**(9,268)**	(9,255)	**(112,765)**
2,675,300 shares, at March 31, 2012			
Total shareholders' equity	**294,078**	291,724	**3,578,026**
Accumulated other comprehensive income:			
Net unrealized holding gains or losses on securities	**5,127**	3,072	**62,391**
Deferred gains or losses on hedges	**(2,303)**	(2,899)	**(28,021)**
Foreign currency translation adjustments	**(5,313)**	(4,115)	**(64,651)**
Minority interests	**6,901**	5,748	**83,974**
Total net assets	**298,491**	293,530	**3,631,719**
Total liabilities and net assets	**¥749,985**	¥716,368	**$9,125,021**

Consolidated Statements of Income

Meiji Holdings Co., Ltd. / For the years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Net sales	¥1,109,275	¥1,111,000	$13,496,474
Cost of sales (Note 20)	738,500	732,931	8,985,284
Gross profit	370,774	378,068	4,511,189
Selling, general and administrative expenses (Notes 19, 20)	350,584	348,109	4,265,540
Operating income	20,189	29,959	245,649
Other income (expenses):			
Interest and dividend income	957	895	11,653
Interest expenses	(1,979)	(2,209)	(24,083)
Equity in income of affiliates	353	251	4,301
Rent income on real estate	2,619	2,944	31,869
Rent cost of real estate	(1,963)	(2,626)	(23,895)
Other	1,704	1,236	20,741
Extraordinary gains (Note 21)	685	1,799	8,337
Extraordinary losses (Notes 21, 22)	(7,978)	(14,325)	(97,073)
Income before income taxes and minority interests	14,588	17,925	177,501
Income taxes—current (Note 11)	6,902	9,727	83,976
Income taxes—deferred (Note 11)	635	(1,388)	7,728
Net income before minority interests	7,051	9,586	85,796
Minority interests	245	34	2,991
Net income	¥ 6,805	¥ 9,552	$ 82,805

	Yen		U.S. dollars
Amounts per share of common stock:			
Net income	¥92.38	¥129.63	$1.124
Cash dividends	80.00	80.00	0.973

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Meiji Holdings Co., Ltd. / For the years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Net income before minority interests (Note 23)	**¥7,051**	¥ 9,586	**$ 85,796**
Other comprehensive income:			
Net unrealized holding gains or losses on securities	**2,070**	(2,765)	**25,186**
Deferred gains or losses on hedges	**596**	(37)	**7,254**
Foreign currency translation adjustments	**(905)**	(2,073)	**(11,023)**
Equity in affiliates accounted for by the equity method	**(56)**	118	**(689)**
Total other comprehensive income	**1,703**	(4,757)	**20,728**
Comprehensive income	**¥8,755**	¥ 4,828	**$106,524**
(Breakdown)			
Comprehensive income attributable to shareholders of the parent company	**¥8,567**	¥ 5,068	**$104,243**
Comprehensive income attributable to minority shareholders	**187**	(239)	**2,281**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Meiji Holdings Co., Ltd. / For the years ended March 31, 2012 and 2011

		Millions of yen										
		Shareholders' equity					Accumulated other comprehensive income					
	Numbers of shares of common stock (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains or losses on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2010	76,341	¥30,000	¥98,852	¥169,618	¥(9,125)	¥289,345	¥5,851	¥(2,862)	¥(2,448)	¥ 540	¥ 7,885	¥297,771
Changes during the fiscal period												
Cash dividends				(8,844)		(8,844)						(8,844)
Net income				9,552		9,552						9,552
Acquisition of treasury stock					(139)	(139)						(139)
Disposal of treasury stock			0		9	9						9
Change in scope of consolidation				1,801		1,801						1,801
Net changes in items other than those in shareholders' equity							(2,779)	(37)	(1,667)	(4,483)	(2,137)	(6,620)
Total changes during the fiscal period			0	2,509	(130)	2,379	(2,779)	(37)	(1,667)	(4,483)	(2,137)	(4,241)
Balance at March 31, 2011	76,341	¥30,000	¥98,852	¥172,128	¥(9,255)	¥291,724	¥3,072	¥(2,899)	¥(4,115)	¥(3,942)	¥ 5,748	¥293,530
Changes during the fiscal period												
Cash dividends				**(5,893)**		**(5,893)**						**(5,893)**
Net income				**6,805**		**6,805**						**6,805**
Acquisition of treasury stock					**(16)**	**(16)**						**(16)**
Disposal of treasury stock			**(0)**		**3**	**3**						**3**
Change in scope of consolidation				**1,037**		**1,037**						**1,037**
Change in scope of the application of the equity method				**241**		**241**						**241**
Increase in retained earnings resulting from mergers with non-consolidated subsidiaries				**175**		**175**						**175**
Net changes in items other than those in shareholders' equity							**2,055**	**596**	**(1,197)**	**1,454**	**1,153**	**2,607**
Total changes during the fiscal period			**(0)**	**2,366**	**(12)**	**2,353**	**2,055**	**596**	**(1,197)**	**1,454**	**1,153**	**4,960**
Balance at March 31, 2012	**76,341**	**¥30,000**	**¥98,852**	**¥174,494**	**¥(9,268)**	**¥294,078**	**¥5,127**	**¥(2,303)**	**¥(5,313)**	**¥(2,488)**	**¥ 6,901**	**¥298,491**

		Thousands of U.S. dollars										
		Shareholders' equity					Accumulated other comprehensive income					
	Numbers of shares of common stock (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains or losses on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2011	76,341	$365,007	$1,202,731	$2,094,271	$(112,613)	$ 3,549,397	$37,380	$(35,276)	$ (50,076)	$(47,973)	$69,942	$3,571,366
Changes during the fiscal period												
Cash dividends				**(71,706)**		**(71,706)**						**(71,706)**
Net income				**82,805**		**82,805**						**82,805**
Acquisition of treasury stock					**(199)**	**(199)**						**(199)**
Disposal of treasury stock			**(5)**		**46**	**40**						**40**
Change in scope of consolidation				**12,621**		**12,621**						**12,621**
Change in scope of the application of the equity method				**2,937**		**2,937**						**2,937**
Increase in retained earnings resulting from mergers with non-consolidated subsidiaries				**2,129**		**2,129**						**2,129**
Net changes in items other than those in shareholders' equity							**25,011**	**7,254**	**(14,575)**	**17,690**	**14,032**	**31,723**
Total changes during the fiscal period			**(5)**	**28,787**	**(152)**	**28,629**	**25,011**	**7,254**	**(14,575)**	**17,690**	**14,032**	**60,352**
Balance at March 31, 2012	**76,341**	**$365,007**	**$1,202,726**	**$2,123,058**	**$(112,765)**	**$3,578,026**	**$62,391**	**$(28,021)**	**$(64,651)**	**$(30,282)**	**$83,974**	**$3,631,719**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Meiji Holdings Co., Ltd. / For the years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Cash flows from operating activities:			
Income before income taxes and minority interests	**¥ 14,588**	¥ 17,925	**$ 177,501**
Depreciation and amortization	**40,871**	41,345	**497,283**
Impairment loss	**1,509**	1,992	**18,362**
Amortization of goodwill	**248**	337	**3,019**
Gain on negative goodwill	**—**	(530)	**—**
Loss on disposal of property, plants and equipment	**2,088**	1,836	**25,415**
Loss (gain) on valuation of investment securities	**227**	709	**2,766**
Increase (decrease) in allowance for doubtful accounts	**(350)**	(733)	**(4,264)**
Increase (decrease) in accrued bonuses for employees	**(299)**	(1,531)	**(3,645)**
Increase (decrease) in accrued employees' retirement benefits	**(3,855)**	(4,830)	**(46,911)**
Interest and dividend income	**(957)**	(895)	**(11,653)**
Interest expenses	**1,979**	2,209	**24,083**
Equity in loss (income) of affiliates	**(353)**	(251)	**(4,301)**
Loss (gain) on sale of property, plants and equipment	**(305)**	(668)	**(3,719)**
Loss (gain) on sale of investment securities	**(15)**	807	**(186)**
Decrease (increase) in trade receivables	**(22,605)**	8,898	**(275,034)**
Decrease (increase) in inventories	**(7,234)**	5,699	**(88,016)**
Increase (decrease) in notes and accounts payable	**16,721**	(3,097)	**203,445**
Other	**(1,758)**	4,541	**(21,399)**
Subtotal	**40,498**	73,765	**492,741**
Interest and dividends received	**977**	989	**11,897**
Interest paid	**(2,034)**	(2,416)	**(24,753)**
Income taxes paid	**(8,843)**	(14,342)	**(107,601)**
Net cash provided by operating activities	**30,597**	57,995	**372,283**
Cash flows from investing activities:			
Payments for purchases of property, plants and equipment	**(35,994)**	(38,512)	**(437,945)**
Payments for purchases of intangible fixed assets	**(2,338)**	(1,999)	**(28,449)**
Proceeds from sales of property, plants and equipment and intangible fixed assets	**325**	1,833	**3,964**
Purchases of investments in real estate	**(35)**	(38)	**(427)**
Proceeds from sales of investments in real estate	**520**	—	**6,336**
Payments for purchases of investment securities	**(4,351)**	(359)	**(52,940)**
Proceeds from sales of investment securities	**48**	7,478	**588**
Other	**(2,490)**	(842)	**(30,303)**
Net cash used in investing activities	**(44,314)**	(32,440)	**(539,176)**
Cash flows from financing activities:			
Increase (decrease) in short-term loans payable	**(37,490)**	8,072	**(456,143)**
Increase (decrease) in commercial paper	**26,000**	(7,000)	**316,340**
Proceeds from long-term loans payable	**519**	899	**6,326**
Repayment of long-term loans payable	**(11,440)**	(10,974)	**(139,190)**
Proceeds from issurance of bonds	**34,838**	—	**423,872**
Proceeds from stock issuance to minority shareholders	**—**	65	**—**
Expenditure for purchase of shares from minority shareholders	**—**	(425)	**—**
Decrease (increase) in treasury stock	**(13)**	(130)	**(158)**
Cash dividends paid	**(5,863)**	(8,774)	**(71,341)**
Cash dividends paid to minority shareholders	**(119)**	(136)	**(1,456)**
Other	**(1,569)**	(1,168)	**(19,094)**
Net cash provided by (used in) financing activities	**4,861**	(19,570)	**59,153**
Effect of exchange rate changes on cash and cash equivalents	**(61)**	(325)	**(743)**
Net increase (decrease) in cash and cash equivalents	**(8,916)**	5,658	**(108,482)**
Cash and cash equivalents at beginning of the year	**21,741**	16,061	**264,530**
Increase in cash and cash equivalents from newly consolidated subsidiaries	**1,281**	21	**15,592**
Increase in cash and cash equivalents resulting from mergers with unconsolidated subsidiaries	**256**	—	**3,123**
Cash and cash equivalents at end of the year (Note 18)	**¥ 14,363**	¥ 21,741	**$ 174,763**

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Meiji Holdings Co., Ltd.

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Meiji Holdings Co., Ltd. (the "Company") and its consolidated subsidiaries have been prepared from the consolidated financial statements in Japanese filed with the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Law. The statements conform to generally accepted accounting principles and practices in Japan, which are different in certain respects regarding the application and disclosure requirements of International Financial Reporting Standards. The consolidated financial statements are not intended to present the financial position, results of operations or cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to present the information in a form familiar to readers outside Japan. The accounts and the financial statements of the Company and its subsidiaries are maintained in Japanese yen. For the convenience of the reader, the accompanying consolidated financial statements are also presented in U.S. dollars by converting Japanese yen amounts at the exchange rate of ¥82.19 to $1 prevailing on March 31, 2012. This translation should not be construed as a representation that all amounts shown could be converted into U.S. dollars at such rate.

Amounts less than one million yen and one thousand U.S. dollars have been rounded down. The total Japanese yen and U.S. dollars amounts shown in the financial statements and notes do not necessarily agree with the sum of the individual amounts.

Certain amounts in prior years' financial statements have been reclassified to conform to the current year's presentation.

2. Significant Accounting Policies

a) Consolidation Policy

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries, over which the Company has power of control through majority voting rights or existence of certain conditions evidencing control by the Company. Investments in affiliates over which the Company has the ability to exercise significant influence over operating and financial policies of the investees, are accounted for by the equity method. The consolidated financial statements consist of the Company and its 53 significant subsidiaries. All significant intercompany transactions and accounts have been eliminated. Accounts of subsidiaries whose business year-ends are December 31 have been included using financial information at that date with appropriate adjustment where necessary. Investments in six affiliates are accounted for by the equity method. The difference between the cost and underlying net equity at acquisition of investments in consolidated subsidiaries and affiliates is allocated to identifiable assets based on fair value at the date of acquisition. The unallocated portion is recognized as goodwill and amortized over a period of 5 years to 15 years on a straight-line basis. Amortization of negative goodwill which occurred on or before March 31, 2010 is on a straight-line basis over 5 years.

b) Translation of Foreign Currency

Short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the consolidated balance sheet date. The difference arising from the translation is accounted for as a gain or loss.

The assets and liabilities of overseas subsidiaries are translated into Japanese yen at the year-end rate, whereas the income and expenses of overseas subsidiaries are translated into Japanese yen using the average exchange rate during the fiscal year. The translation adjustments are included in minority interests in consolidated subsidiaries and in the foreign currency translation adjustments account in the net assets section of the consolidated balance sheets.

c) Investment Securities

Investment securities are valued using the following methods.

Held-to-maturity securities

By the amortized cost method (straight-line method)

Other securities

Securities that have market prices:

By the market value method based on market prices at the fiscal year-end.

Unrealized holding gains or losses, net of the applicable income taxes, are included directly in net assets, and cost of security sold is calculated using the moving-average method.

Securities that have no market prices:

Primarily by the cost method based on the moving-average method.

d) Derivatives

Derivatives are valued by the market value method.

e) Inventories

Inventories are stated at cost determined mainly based on the average method (cost is written down to reflect the decline in their profitability).

f) Property, Plants and Equipment

The Company and its domestic consolidated subsidiaries

In the Food Segment, the straight-line method is primarily used for depreciation (the declining balance method is used for the property, plants and equipment of headquarters (excluding the headquarters building), branches, and research laboratories, and confectionery plants and others.) For the Pharmaceuticals Segment and assets owned by the Company, the declining balance method is used for depreciation.

Depreciation of buildings (excluding attached fixtures) acquired on or after April 1, 1998 is calculated by the straight-line method.

Overseas consolidated subsidiaries
The straight-line method is primarily used for depreciation.

The estimated useful lives of the assets are as follows:

Buildings and structures	2-60 years
Machinery, equipment and vehicles	2-18 years
Tools, furniture and fixtures	2-20 years

g) Intangible Fixed Assets

Amortization of intangible fixed assets is calculated primarily by the straight-line method. Amortization of internal-use software is calculated by the straight-line method based on their estimated useful lives of five years.

h) Lease Assets

Finance lease assets whose ownership does not transfer to the lessee
For the depreciation of lease assets, the straight-line method is applied over the useful life of the asset being the lease term and the residual value of zero.

For those transactions that commenced on or before March 31, 2008, the lease payments are charged to income as incurred.

i) Investments in Real Estate

The straight-line method is primarily used for depreciation.

j) Allowance for Doubtful Accounts

To provide for losses on doubtful accounts such as notes and accounts receivable, the Company and a number of its consolidated subsidiaries record allowances based on actual loss experience for normal accounts, and an amount estimated to be unrecoverable for individual companies in financial difficulty.

k) Accrued Bonuses for Employees

To provide for payment of bonuses to employees existing on the consolidated balance sheet date, the amount expected to be paid for the subject period is recorded.

l) Allowance for Sales Returns

At some of the Company's consolidated subsidiaries, in order to provide for losses due to returns of goods and products sold, an allowance is recorded by multiplying the accounts receivable balance, the actual return ratio and gross margin.

m) Allowance for Sales Rebates

At some of the Company's consolidated subsidiaries, in order to provide for sales discounts on goods and products sold, an allowance is recorded at the estimated amount in consideration of the discount ratio.

n) Accrued Employees' Retirement Benefits

Some of the Company's consolidated subsidiaries provide for employees' retirement benefits by accruing the amount based upon the projected amounts of the retirement benefit obligation and pension plan assets at the end of the consolidated balance sheet date.

The unrecognized net retirement benefit obligation at transition (¥10,939 million) is amortized mainly on a straight-line basis over a period of 15 years.

Prior service costs are amortized using the straight-line method over a specified number of years (4-15 years) that is less than the average remaining period of service of the employees at the time the liability arose.

The actuarial gain or loss is charged to income from the following fiscal year, in which the gain or loss is recognized using the straight-line method over a specified number of years (7-15 years) that is less than the average remaining period of service of the employees at the time the gain or loss arose.

o) Reserve for Directors' Retirement Benefits

Some of the Company's consolidated subsidiaries provide for retirement benefits for directors and corporate auditors based on the amount required to be paid at the end of the fiscal year under the Company bylaws.

p) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits available for withdrawal on demand and short term investments with original maturity of three months or less, which have minor risk of fluctuations in value.

q) Income Taxes

The tax effect of temporary differences between the financial statements and income tax basis of assets and liabilities is recognized as deferred income taxes, using enacted tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is provided for any portion of the deferred tax assets where they would not be realized.

r) Derivative Financial Instruments

(1) Method of hedge accounting

The deferral hedge accounting method is applied under which the unrealized gain or loss is deferred as a component of net assets when certain criteria are met.

For forward foreign exchange contracts, etc., the allocation method is applied when the relevant criteria are met. For interest rate swaps, the shortcut method is applied when the relevant criteria are met.

(2) Hedge instruments and hedged items

Hedge instruments:

Forward foreign exchange contracts and other instruments

Interest rate swap contracts

Hedged items:

Trade payables and receivables denominated in foreign currencies and forecasted transactions denominated in foreign currencies

Interest on loans payable

(3) Hedge policy

Some of the Company's consolidated subsidiaries use forward foreign exchange contracts and other instruments to mitigate the currency exchange rate risk associated with import and export transactions conducted in the normal course of business. The Company uses interest rate swaps to mitigate the interest rate risk involved in procuring funds. The Company and its consolidated subsidiaries do not use derivatives for speculative purposes.

(4) Method of evaluating the effectiveness of the hedge

As forward foreign exchange contracts, etc., are used as a hedge against trade payables and receivables denominated in foreign currencies to fix the yen-denominated future cash flows, the allocation method is applied, and the requirements of assessing the effectiveness of the hedge on a periodic basis are satisfied. For forecasted transactions denominated in foreign currencies, suitability for hedging is investigated with consideration of whether the transaction is highly likely to be executed.

The assessment of the hedge effectiveness is omitted for interest rate swaps that are accounted for under the shortcut method.

s) Net Income per Share

Net income per share is computed using the weighted average number of shares of common stock outstanding during the respective fiscal year.

t) Other Important Matters for the Preparation and Presentation of Consolidated Financial Statements

Bond issuance cost is recognized in income as incurred.

Consumption taxes and local consumption taxes are accounted for using the tax exclusion method.

3. Changes in Presentation

(Changes in presentation for real estate rentals)

Formerly, rental income of the real estate leasing business was recognized in net sales. However, from the fiscal year ended March 31, 2012, this is recognized in rent income on real estate in other income, and the related cost is recognized in rent cost of real estate in other expenses, and fixed assets related to the real estate leasing business that were formerly recorded in property, plants and equipment are recorded in other in investments and other fixed assets. The changes were made due to the decreased importance of the real estate business for the Group after the management organization of the real estate business was changed under the new business organization resulting from the corporate reorganization within the Group.

Further, rental income arising from the portion of Company-housing expenses burdened by the employees and rent income from leasing portions of the headquarters building and others to third parties were formerly recognized in rent income on fixed assets in other income, and related depreciation was recognized in cost of sales or selling, general and administrative expenses. However, from the fiscal year ended March 31, 2012, such rental income is deducted from cost of sales or selling, general and administrative expenses. In connection with the changes in presentation of the real estate business, the presentation of Company-housing expenses and other expenses were reconsidered. This change aims to clarify the actual expense burden and present the operating income and expenses more appropriately.

To reflect the aforementioned changes in presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, in the consolidated statement of income of the previous fiscal year, net sales have decreased by ¥3,094 million, and operating income has increased by ¥1,086 million. Income before income taxes and minority interests remained unchanged. Similarly, in the consolidated balance sheet of the previous fiscal year, fixed assets of ¥21,118 million related to rental property (buildings and structures, ¥19,767 million; land, ¥1,237 million; and other, ¥114 million), which was included in property, plants and equipment, is presented in other in investments and other fixed assets. Further, in the consolidated statement of cash flows of the previous fiscal year, purchases of investments in real estate of ¥38 million included in payments for purchases of property, plants and equipment in cash flows from investing activities are presented in purchases of investments in real estate.

4. Additional Information

(Adoption of the Accounting Standard for Accounting Changes and Error Corrections)

Effective April 1, 2011, for accounting changes and corrections of previous errors, the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009) were adopted.

5. Notes Regarding Lease Transactions

1) Finance lease transactions (lessee side)

(As of March 31, 2012 and 2011)

Finance lease transactions whose ownership does not transfer

(1) Content of lease assets

Property, plants and equipment

Mainly sales equipments (equipment and fixtures), production facilities in manufacturing plant (machinery and vehicles) and testing and research equipments (machinery, equipment and fixtures).

(2) Method of depreciation of lease assets

As described in "2. Significant Accounting Policies, h) Lease Assets."

6. Notes Regarding Financial Instruments

1) Overview of financial instruments

(As of March 31, 2012 and 2011)

(1) Policy for financial instruments

The Group raises necessary funds (primarily through bank loans and bond issuance) based on its capital investment and working capital plans, mainly to engage in the business of manufacturing and selling dairy products, confectioneries, food products and pharmaceuticals. The Company manages temporary surplus funds through highly secured financial instruments and raises short-term operating funds by issuing commercial paper, etc. Derivatives are used to mitigate the risks described below. Consequently, the Company does not enter into any speculative dealings.

(2) Content and risks of financial instruments

Notes and accounts receivable that are trade receivables; these are exposed to the credit risk of customers. Also, foreign currency denominated trade receivables arise from operating businesses globally; these are exposed to currency fluctuation risk, but some consolidated subsidiaries hedge such risk using forward foreign exchange contracts, etc. Investment securities are mainly shares held in relation to business with partner companies, capital alliances, etc.; these are exposed to fluctuation risk of market prices.

Notes and accounts payable that are trade payables; almost all of these are payable within one year. Also, some of these are foreign currency denominated, resulting from the import of raw materials; these are exposed to currency fluctuation risk, but some consolidated subsidiaries use forward foreign exchange contracts, etc. to hedge such currency fluctuation risk.

Loans, commercial paper and bonds are mainly used to raise funds for capital investment and working capital. Their redemption dates are at maximum eight years and one month after the balance sheet date. Some of these have variable interest rates, thus they are exposed to interest rate fluctuation risk. However, the Group uses derivative transactions (interest rate swap transactions) to hedge such interest rate fluctuation risk.

Derivative transactions are transactions such as forward foreign exchange contracts, etc. used to hedge currency fluctuation risk related to foreign currency denominated trade receivables and payables, and interest rate swap transactions used to hedge interest rate fluctuation risk related to variable interest rate payments on loans payable.

(3) Risk management for financial instruments

[1] Management of credit risk (risk such as default of contract by customers)

In accordance with receivables management rules, etc., each management department in each business unit of the Group periodically monitors the status of major customers, and due dates and balances are managed for each customer. The Group makes efforts for early detection and reduction of collection concerns due to deterioration in financial conditions, etc. of customers.

Derivative transactions are only executed with highly rated financial institutions, to reduce counterparty risk.

[2] Management of market risk (the risk of fluctuation in exchange rates, interest rates, etc.)

For foreign currency denominated trade receivables and payables, some consolidated subsidiaries use forward foreign exchange contracts, etc., to hedge the currency fluctuation risk identified by currency and by month. Also, the Company uses interest rate swap transactions to reduce the risk of interest rate fluctuations on the variable interest payments on loans.

For investment securities, the Group monitors fair value, the financial conditions of issuers (business partners) and other factors on a periodic basis, and continually reviews its portfolio, taking into account the relations with those business partners.

At some consolidated subsidiaries, each related department engages in derivative transactions based on derivative transaction management rules which establish the transaction authority and amount limitations.

[3] Management of liquidity risk regarding fund procurement (the risk of becoming unable to make payment on the payment date)

Based on reports from each business unit, the Group creates and updates cash flow plans in a timely manner, and manages liquidity risk.

(4) Supplemental explanation of matters related to the fair value, etc., of financial instruments

Fair value of financial instruments includes prices based on market prices, and prices rationally calculated in cases where there are no market prices. Variable factors are incorporated into the calculation of such prices, therefore, different assumptions could result in different prices.

2) Matters related to the fair value, etc., of financial instruments

The carrying value, fair value and their difference as of March 31, 2012 (last day of the fiscal period) are presented below.

The table does not include financial instruments for which it is extremely difficult to determine the fair value (see Note 2).

	Millions of yen			Thousands of U.S. dollars		
As of March 31, 2012	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
(1) Cash and deposits	**¥ 14,662**	**¥ 14,662**	**¥ —**	**$ 178,397**	**$ 178,397**	**$ —**
(2) Notes and accounts receivable	**168,699**	**168,699**	**—**	**2,052,558**	**2,052,558**	**—**
(3) Investment securities						
Held-to-maturity securities	**3,500**	**3,463**	**(36)**	**42,584**	**42,141**	**(442)**
Other securities	**30,470**	**30,470**	**—**	**370,735**	**370,735**	**—**
Total assets	**217,333**	**217,296**	**(36)**	**2,644,276**	**2,643,833**	**(442)**
(4) Notes and accounts payable	**109,136**	**109,136**	**—**	**1,327,853**	**1,327,853**	**—**
(5) Short-term loans payable	**39,189**	**39,189**	**—**	**476,818**	**476,818**	**—**
(6) Commercial paper	**47,000**	**47,000**	**—**	**571,845**	**571,845**	**—**
(7) Accrued expenses	**42,729**	**42,729**	**—**	**519,890**	**519,890**	**—**
(8) Bonds	**90,000**	**90,518**	**518**	**1,095,023**	**1,101,326**	**6,302**
(9) Long-term loans payable	**29,071**	**29,154**	**82**	**353,714**	**354,719**	**1,005**
Total liabilities	**¥357,127**	**¥357,728**	**¥600**	**$4,345,146**	**$4,352,454**	**$7,308**

(Note 1) Method of calculating the fair value of financial instruments and matters related to securities

(1) Cash and deposits and (2) Notes and accounts receivable
These are valued at the carrying value as they are to be settled within a short period and their fair values are almost equal to the carrying values.

(3) Investment securities
Equity securities are valued at a price quoted in the stock exchange.
Debt securities are calculated based on the present value, which is the total of the principal and interest discounted by an interest rate that takes into account the credit risk.

(4) Notes and accounts payable, (5) Short-term loans payable, (6) Commercial paper, and (7) Accrued expenses
These are valued at the carrying value as they are to be settled within a short period and their fair values are almost equal to the carrying values.

(8) Bonds
The fair value of bonds issued by the Group is calculated based on the market price.

(9) Long-term loans payable
The fair value of long-term loans payable is calculated based on the total of the principal and interest discounted by the interest rate that is assumed if new borrowings were made on similar terms.

(Note 2) Unlisted stocks (carrying value on the consolidated balance sheet: ¥8,241 million ($100,277 thousand)) are not included in other securities under "(3) Investment securities" above as their market prices are not available and it is extremely difficult to determine the fair value.

	Millions of yen		
As of March 31, 2011	Carrying value	Fair value	Difference
(1) Cash and deposits	¥ 21,759	¥ 21,759	¥ —
(2) Notes and accounts receivable	146,377	146,377	—
(3) Investment securities			
Other securities	26,797	26,797	—
Total assets	194,934	194,934	—
(4) Notes and accounts payable	92,157	92,157	—
(5) Short-term loans payable	76,790	76,790	—
(6) Commercial paper	21,000	21,000	—
(7) Accrued expenses	40,421	40,421	—
(8) Bonds	55,000	56,016	1,016
(9) Long-term loans payable	40,020	40,336	315
Total liabilities	¥325,390	¥326,722	¥1,332

7. Investment Securities

Information regarding securities held by the Company and its consolidated subsidiaries are as follows:

1) Held-to-maturity securities

		Millions of yen			Thousands of U.S. dollars		
As of March 31, 2012		Carrying value	Fair value	Unrealized gain (loss)	Carrying value	Fair value	Unrealized gain (loss)
Securities whose carrying value exceeds their fair value	Bonds	**¥3,500**	**¥3,463**	**¥(36)**	**$42,584**	**$42,141**	**$(442)**

2) Other securities with market prices as of March 31, 2012 and 2011

	Millions of yen			Thousands of U.S. dollars		
As of March 31, 2012	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost						
Stocks	**¥22,773**	**¥12,879**	**¥ 9,894**	**$277,086**	**$156,705**	**$120,381**
Other	**—**	**—**	**—**	**—**	**—**	**—**
Subtotal	**22,773**	**12,879**	**9,894**	**277,086**	**156,705**	**120,381**
Securities whose acquisition cost exceeds their carrying value						
Stocks	**7,697**	**9,655**	**(1,958)**	**93,649**	**117,476**	**(23,827)**
Other	**—**	**—**	**—**	**—**	**—**	**—**
Subtotal	**7,697**	**9,655**	**(1,958)**	**93,649**	**117,476**	**(23,827)**
Total	**¥30,470**	**¥22,534**	**¥ 7,935**	**$370,735**	**$274,181**	**$ 96,554**

(Note) Unlisted stocks (carrying value on the consolidated balance sheet: ¥2,369 million ($28,831 thousand)) are not included in the table above as their market prices are not available and it is extremely difficult to determine the fair value.

	Millions of yen		
As of March 31, 2011	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost			
Stocks	¥19,622	¥11,790	¥7,832
Other	—	—	—
Subtotal	19,622	11,790	7,832
Securities whose acquisition cost exceeds their carrying value			
Stocks	7,174	9,849	(2,674)
Other	—	—	—
Subtotal	7,174	9,849	(2,674)
Total	¥26,797	¥21,639	¥5,157

(Note) Unlisted stocks (carrying value on the consolidated balance sheet: ¥2,504 million ($30,114 thousand)) are not included in the table above as their market prices are not available and it is extremely difficult to determine the fair value.

3) Other securities sold during the fiscal years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Sales amounts	**¥48**	¥366	**$588**
Total gains on sales	**15**	74	**187**
Total losses on sales	**0**	429	**0**

4) Securities that were subject to impairment in the fiscal years ended March 31, 2012 and 2011

Impairment loss recorded in the fiscal year ended March 31, 2012 was ¥168 million (other securities ¥168 million ($2,054 thousand)).

Impairment loss recorded in the fiscal year ended March 31, 2011 was ¥709 million (other securities ¥709 million).

Impairment is taken for all securities when the year-end market value has declined by 50% or more below the acquisition cost. For securities with the year-end market value that has declined by 30-50% below the acquisition cost, impairment is taken at an amount necessary in consideration of the potential for recovery and other factors.

8. Short-Term Loans Payable and Long-Term Loans Payable

As of March 31, 2012 and 2011, short-term loans payable and long-term loans payable are as follows:

1) Short-term loans payable

	Weighted-average interest rate	Millions of yen		Thousands of U.S. dollars
		2012	2011	**2012**
Short-term loans payable	0.69%	**¥ 39,189**	¥ 76,790	**$ 476,818**
Commercial paper	0.11%	**47,000**	21,000	**571,845**
Current portion of long-term loans payable	1.54%	**22,670**	11,198	**275,827**
Current portion of long-term loans payable (Bonds)	1.55%	**40,000**	—	**486,677**
Total		**¥148,860**	¥108,989	**$1,811,169**

2) Long-term loans payable

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Unsecured bonds due 2012 1.70%	**¥ 20,000**	¥ 20,000	**$ 243,338**
Unsecured bonds due 2014 1.28%	**15,000**	15,000	**182,503**
Unsecured bonds due 2012 1.40%	**20,000**	20,000	**243,338**
Unsecured bonds due 2016 0.49%	**20,000**	—	**243,338**
Unsecured bonds due 2018 0.76%	**15,000**	—	**182,503**
Loans from domestic banks, insurance companies, government agencies and others, due 2012 to 2020	**29,071**	40,020	**353,714**
Subtotal	**119,071**	95,020	**1,448,737**
Current portion of long-term loans payable	**(22,670)**	(11,198)	**(275,827)**
Current portion of long-term loans payable (Bonds)	**(40,000)**	—	**(486,677)**
Total	**¥ 56,401**	¥ 83,821	**$ 686,232**

As of March 31, 2012, the aggregate annual maturities of long-term loans payable are as follows (other than bonds):

	Millions of yen	Thousands of U.S. dollars
Years ending March 31	**2012**	**2012**
More than one year up to two years	**¥3,160**	**$38,458**
More than two years up to three years	**1,643**	**19,998**
More than three years up to four years	**459**	**5,591**
More than four years up to five years	**418**	**5,097**
More than five years	**718**	**8,740**
Total	**¥6,401**	**$77,886**

9. Inventories

Inventories as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Products	**¥ 77,292**	¥ 72,654	**$ 940,411**
Work in progress	**2,240**	1,895	**27,258**
Raw materials and supplies	**32,480**	30,601	**395,191**
Total	**¥112,013**	¥105,151	**$1,362,861**

10. Collateral and Secured Liabilities

A summary of assets pledged as collateral for liabilities as of March 31, 2012 and 2011, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Buildings and structures	**¥ 2,717**	¥ 5,158	**$ 33,061**
Machinery, equipment, vehicles and fixtures	**1,083**	2,209	**13,185**
Land	**3,025**	5,903	**36,813**
Investment securities	**—**	2,888	**—**
Other	**17,680**	18,530	**215,114**
Total	**¥24,506**	¥34,690	**$298,174**

(Note) In accordance with changes in presentation for real estate leases (as stated in "3. Changes in Presentation"), amounts for the fiscal year ended March 31, 2011, have been reclassified.

A summary of secured liability as of March 31, 2012 and 2011, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Short-term loans payable	**¥1,321**	¥1,409	**$16,079**
Long-term loans payable	**2,780**	4,611	**33,826**
Other current liabilities (employees' saving deposits)	**—**	2,500	**—**
Total	**¥4,101**	¥8,521	**$49,906**

11. Deferred Tax Assets and Liabilities

1) The significant components of deferred tax assets and liabilities as of March 31, 2012 and 2011, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Deferred tax assets			
Accrued employees' retirement benefits	**¥ 10,235**	¥ 8,110	**$ 124,538**
Accrued expenses	**4,620**	6,296	**56,213**
Investment securities	**956**	1,489	**11,640**
Accrued bonuses for employees	**3,555**	3,903	**43,264**
Depreciation of fixed assets	**2,922**	3,625	**35,560**
Deferred gains or losses on hedges	**1,382**	2,015	**16,824**
Unrealized gain	**582**	719	**7,087**
Other	**8,713**	8,304	**106,021**
Subtotal	**32,970**	34,465	**401,150**
Valuation allowance	**(4,622)**	(6,315)	**(56,241)**
Total deferred tax assets	**¥ 28,348**	¥ 28,149	**$ 344,908**
Deferred tax liabilities			
Advanced depreciation reserve for fixed assets	**¥(13,077)**	¥(15,402)	**$(159,111)**
Unrealized holding gains or losses on securities	**(2,856)**	(2,048)	**(34,752)**
Prepaid pension cost	**(11,164)**	(7,682)	**(135,835)**
Other	**(576)**	(358)	**(7,008)**
Total deferred tax liabilities	**¥(27,674)**	¥(25,492)	**$(336,708)**
Net deferred tax assets (liabilities)	**¥ 673**	¥ 2,657	**$ 8,200**

2) An analysis of the significant differences between the statutory tax rate and the Company's effective tax rate for the years ended March 31, 2012 and 2011, is as follows:

	2012	2011
Statutory tax rate	**40.7%**	40.7%
Entertainment and other permanently non-deductible expenses	**11.5**	8.5
Dividend and other permanently non-taxable income	**(6.6)**	(7.6)
Per capita inhabitant's tax	**2.8**	2.1
Amortization of goodwill	**3.3**	(2.0)
Tax credit for experimentation and research expenses	**(4.3)**	(7.9)
Increase/Decrease in valuation allowance	**(1.0)**	4.6
Tax effect adjustment accompanying change in tax rate	**(2.1)**	—
Other	**7.4**	8.1
Effective tax rates	**51.7%**	46.5%

3) Adjustments to Deferred Tax Assets and Deferred Tax Liabilities Due to Change in Income Tax Rates

The "Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act for Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011) were promulgated on December 2, 2011, and the staged reduction of the national corporate tax rate and a special reconstruction corporate tax will apply to corporate taxes effective for fiscal years beginning on or after April 1, 2012.

As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 40.7% to 38.0% for the temporary differences expected to be realized or settled in the period from April 1, 2012, to March 31, 2015, and from 40.7% to 35.6% for temporary differences expected to be realized or settled from fiscal years beginning April 1, 2015. The effect of the announced reduction of the effective statutory tax rate was to decrease deferred tax liabilities (after deduction of deferred tax assets) by ¥617 million, decrease deferred income taxes by ¥326 million, increase net unrealized holding gains or losses on securities by ¥414 million, and decrease deferred gains or losses on hedges by ¥125 million as of and for the year ended March 31, 2012.

12. Accrued Employees' Retirement Benefits

Liability for employees' retirement benefits (as of March 31, 2012 and 2011)

The Group adopts employees' retirement benefits plans, a lump-sum severance payment plan based on retirement benefits rules, a market interest linked type (cash balance type) of defined benefit plans, an employees' pension fund, and a tax-qualified retirement pension plan.

There are also cases in which additional retirement benefits are paid when employees leave the Company before retirement age.

Some consolidated subsidiaries have established a defined contribution plan, and some domestic consolidated subsidiaries have joined the Smaller Enterprise Retirement Allowance Mutual Aid system. Some consolidated subsidiaries have established a retirement benefit trust.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Retirement benefit obligation	**¥(117,932)**	¥(113,985)	**$(1,434,880)**
Fair value of pension plan assets	**83,820**	74,623	**1,019,844**
Unfunded retirement benefit obligation	**(34,111)**	(39,362)	**(415,036)**
Unrecognized net retirement benefit obligation at transition	**2,157**	2,878	**26,247**
Unrecognized actuarial loss	**43,391**	44,135	**527,939**
Unrecognized prior service cost	**(53)**	(83)	**(649)**
Net retirement benefit obligation	**11,383**	7,568	**138,501**
Prepaid pension cost	**29,973**	24,693	**364,686**
Accrued employees' retirement benefits	**¥ (18,590)**	¥ (17,125)	**$ (226,185)**

The components of net periodic retirement benefits costs for the years ended March 31, 2012 and 2011, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Service cost	**¥ 4,195**	¥ 3,965	**$ 51,051**
Interest cost	**2,772**	2,792	**33,729**
Expected return on plan assets	**(1,983)**	(1,775)	**(24,135)**
Amortization of net retirement benefit obligation at transition	**713**	711	**8,677**
Amortization of actuarial loss	**6,200**	5,617	**75,438**
Amortization of prior service cost	**(29)**	(680)	**(364)**
Contribution to welfare pension fund	**196**	219	**2,390**
Additional retirement benefits paid on a temporary basis	**32**	46	**398**
Net periodic retirement benefits costs	**¥12,097**	¥10,894	**$147,186**

Assumptions used in accounting for the above plans for the years ended March 31, 2012 and 2011, are set forth as follows:

	2012	2011
Periodic recognition of retirement benefit obligation	**Principally by the straight-line method**	Principally by the straight-line method
Discount rate	**Principally 1.5% or 2.5%**	Principally 2.5%
Expected rate of return on plan assets	**3.0%**	3.0%
Amortization period of actuarial gain/loss	**7 to 15 years**	—
Amortization period of transitional retirement benefit obligation	**Principally 15 years**	—
Amortization period of prior service cost	**Principally 4 to 15 years**	—

13. Contingent Liabilities

As of March 31, 2012 and 2011, contingent liabilities are as follows:

1) Guaranteed obligations

The Group is contingently liable as guarantor of loans from financial institutions to the following non-consolidated subsidiaries and employees:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
P.T. Ceres Meiji Indotama	**¥ 164**	¥ 203	**$ 2,000**
Sendai Feed Co., Ltd.	**508**	589	**6,189**
Employees	**415**	506	**5,051**
Total	**¥1,088**	¥1,300	**$13,241**

2) Notes receivables discounted and endorsed

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Notes receivables discounted	**¥164**	¥267	**$2,000**
Notes receivables endorsed	**187**	126	**2,276**

14. Goodwill and Negative Goodwill

The Company presents the net amount after offsetting goodwill against negative goodwill included in other long-term liabilities. The amounts before offset as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Goodwill	**¥270**	¥1,584	**$3,290**
Negative goodwill	**—**	1	**—**
Net amount	**¥270**	¥1,582	**$3,290**

15. Commitment Line Agreements

The Company enters into commitment line agreements with eight financial institutions for the purpose of securing a flexible measure for raising funds and improving capital efficiency.

The unused portion of the commitment line based on these agreements as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Maximum loan amount	**¥40,000**	¥40,000	**$486,677**
Used portion of the commitment line	**—**	—	**—**
Balance	**¥40,000**	¥40,000	**$486,677**

16. Notes Maturing on the Closing Date of the Fiscal Year

Notes maturing on the closing date of the consolidated fiscal year are treated as settled on the date of clearance. Because the closing date of the fiscal year ended March 31, 2012, was a holiday for financial institutions, the following notes maturing on the closing date of the consolidated fiscal year ended March 31, 2012, are included in the outstanding balance.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Notes receivable	**¥408**	¥—	**$4,973**
Notes payable	**157**	—	**1,913**

17. Net Assets

1) Matters related to types and total numbers of outstanding shares and treasury stock

	2012			
Type of shares	Number of shares as of March 31, 2011 (thousands)	Increase (thousands)	Decrease (thousands)	Number of shares as of March 31, 2012 (thousands)
Outstanding shares				
Common stock	**76,341**	**—**	**—**	**76,341**
Treasury stock				
Common stock (Notes 1, 2)	**2,671**	**4**	**1**	**2,675**

(Note 1) Treasury common stock increased by 4,000 shares due to the purchase of shares that are less than one unit.
(Note 2) Treasury common stock decreased by 1,000 shares due to the sale of shares that are less than one unit.

	2011			
Type of shares	Number of shares as of March 31, 2010 (thousands)	Increase (thousands)	Decrease (thousands)	Number of shares as of March 31, 2011 (thousands)
Outstanding shares				
Common stock	76,341	—	—	76,341
Treasury stock				
Common stock (Notes 1, 2)	2,636	37	2	2,671

(Note 1) Treasury common stock increased by 37,000 shares. Of these, 22,000 were due to the purchase of shares that are less than one unit, and 15,000 were treasury stock acquired based on a Board of Directors' resolution.
(Note 2) Treasury common stock decreased by 2,000 shares. These were due to the sale of 2,000 shares that are less than one unit.

2) Matters related to dividends

(1) Cash dividends paid

		2012					
		Total amount of dividends		Dividends per share			
Resolution	Type of shares	Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars	Cut-off date	Effective date
Board of Directors' Meeting held on May 12, 2011	Common stock	**¥2,946**	**$35,853**	**¥40.00**	**$0.49**	**March 31, 2011**	**June 9, 2011**
Board of Directors' Meeting held on November 10, 2011	Common stock	**2,946**	**35,852**	**40.00**	**0.49**	**September 30, 2011**	**December 6, 2011**

		2011					
		Total amount of dividends		Dividends per share			
Resolution	Type of shares	Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars	Cut-off date	Effective date
Board of Directors' Meeting held on May 13, 2010	Common stock	¥6,100	$73,371	¥80.00	$0.96	March 31, 2010	June 9, 2010
Board of Directors' Meeting held on November 11, 2010	Common stock	3,049	36,679	40.00	0.48	September 30, 2010	December 9, 2010

(2) Dividends with the cut-off date in the fiscal year ended March 31, 2012, and with the effective date in the fiscal year ending March 31, 2013

		2012						
		Total amount of dividends			Dividends per share			
Resolution	Type of shares	Millions of yen	Thousands of U.S. dollars	Source of dividends	Yen	U.S. dollars	Cut-off date	Effective date
Board of Directors' Meeting held on May 14, 2012	Common stock	**¥2,946**	**$35,851**	**Retained earnings**	**¥40.00**	**$0.49**	**March 31, 2012**	**June 8, 2012**

Dividends with the cut-off date in the fiscal year ended March 31, 2011, and with the effective date in the fiscal year ending March 31, 2012

		2011						
		Total amount of dividends			Dividends per share			
Resolution	Type of shares	Millions of yen	Thousands of U.S. dollars	Source of dividends	Yen	U.S. dollars	Cut-off date	Effective date
Board of Directors' Meeting held on May 12, 2011	Common stock	¥2,946	$35,439	Retained earnings	¥40.00	$0.48	March 31, 2011	June 9, 2011

3) Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

18. Supplemental Cash Flow Information

The following table represents a reconciliation of cash and cash equivalents as of March 31, 2012 and 2011:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Cash and deposits	**¥14,662**	¥21,759	**$178,397**
Time deposits with maturities of more than three months	**298**	18	**3,633**
Cash and cash equivalents	**¥14,363**	¥21,741	**$174,763**

19. Selling, General and Administrative Expenses

The major elements of selling, general and administrative expenses during the fiscal years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Carriage and storage charges	**¥ 44,672**	¥ 45,129	**$ 543,529**
Sales promotion expenses	**112,018**	115,180	**1,362,922**
Labor cost	**66,756**	63,944	**812,226**
Provision for accrued bonuses for employees	**5,766**	6,088	**70,160**
Employees' retirement benefits cost	**8,308**	7,430	**101,090**
Allowance for sales rebates	**5,772**	6,092	**70,239**

20. Research and Development Costs

The R&D costs that were included in general and administrative expenses and manufacturing expenses during the fiscal years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Research and development costs	**¥ 23,823**	¥23,418	**$ 289,856**

21. Extraordinary Gains and Losses

The major elements of extraordinary gains and losses during the fiscal years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Extraordinary gains			
Gain on sale of fixed assets	**¥ 361**	¥ 719	**$ 4,393**
Gain on negative goodwill	**—**	530	**—**
Gain on transfer from business divestitures	**200**	—	**2,433**
Extraordinary losses			
Loss on disposal of fixed assets	**2,102**	1,782	**25,585**
Corporate reorganization expense	**1,951**	1,318	**23,744**
Loss on disaster	**1,709**	4,980	**20,797**
Impairment loss	**1,509**	1,992	**18,362**

22. Impairment Losses

Impairment losses for the fiscal year ended March 31, 2012 are as follows:

Application	Type	Location or name of company
—	Goodwill	Français Co., Ltd., consolidated subsidiary
Research laboratory	Buildings, etc.	Sakado-shi, Saitama Prefecture

The asset groupings in the Group are in principle based on the type of business. Rental assets and idle assets are grouped by individual asset.

For the fiscal year ended March 31, 2012, impairment loss of ¥1,509 million ($18,362 thousand) was recognized in extraordinary losses. Regarding the goodwill of Français Co., Ltd., because business results for the fiscal year did not reach the forecasts due to the effect of market deterioration, the medium-term business targets of Français were revised. As a result, the excess earning power could no longer be expected in accordance with the original schedule determined at the time of the stock acquisition, and an impairment loss on goodwill of ¥1,052 million ($12,804 thousand) was recognized. Regarding the research laboratory, as a result of a resolution by the Board of Directors to transfer the Company's research laboratory, the carrying value was written down to the recoverable amount, and the reduction for the fiscal year ended March 31, 2012 (buildings of ¥440 million ($5,361 thousand) and other of ¥16 million ($196 thousand)) was recognized as impairment loss on fixed assets in extraordinary losses.

Further, the recoverable amount of goodwill was measured based on value in use, and, because future cash flows could not be expected, the total amount of goodwill was recognized as impairment loss. The recoverable amount of buildings and others was measured using net selling values, and, because disposal is planned, the carrying value was recognized as impairment loss.

Impairment losses for the fiscal year ended March 31, 2011 are as follows:

Application	Type	Location
Sales offices, etc.	Land, etc.	Kawagoe-shi, Saitama Prefecture, etc.
Idle assets	Land	Mito-shi, Ibaraki Prefecture
Idle assets	Land	Sano-shi, Tochigi Prefecture

The asset groupings in the Group are in principle based on the type of business. Rental assets and idle assets are grouped by individual asset. With respect to asset groups incurring continual losses from operating activities and idle assets, their carrying values were reduced to recoverable amounts, and those reductions were recorded in extraordinary losses as impairment loss (¥1,992 million). Of the total amount, ¥1,912 million was land, and ¥79 million was other.

These recoverable amounts were measured based on the net selling values, and land was evaluated based on the valuation by a real estate appraiser, etc.

23. Comprehensive Income

Reclassification adjustments and tax effects relating to other comprehensive income

	Millions of yen	Thousands of U.S. dollars
	2012	**2012**
Net unrealized holding gains or losses on securities:		
Amount arising during the year	**¥2,804**	**$ 34,123**
Reclassification adjustments for gains and losses included in net income	**45**	**551**
Amount before tax effect	**2,849**	**34,674**
Tax effect	**(779)**	**(9,488)**
Net unrealized holding gains or losses on securities	**2,070**	**25,186**
Deferred gains or losses on hedges:		
Amount arising during the year	**190**	**2,313**
Reclassification adjustments for gains and losses included in net income	**3**	**47**
Asset acquisition costs adjustments	**1,044**	**12,711**
Amount before tax effect	**1,238**	**15,073**
Tax effect	**(642)**	**(7,819)**
Deferred gains or losses on hedges	**596**	**7,254**
Foreign currency translation adjustments:		
Amount arising during the year	**(905)**	**(11,023)**
Equity in affiliates accounted for by the equity method:		
Amount arising during the year	**(56)**	**(689)**
Total other comprehensive income	**¥1,703**	**$ 20,728**

24. Derivative Financial Instruments

Matters related to derivative transactions in the fiscal year ended March 31, 2012

1) Derivative transactions for which hedge accounting is not applied

(1) Currency-related transactions

	Millions of yen				Thousands of U.S. dollars			
	2012				2012			
	Contract amount, etc.	Portion with maturity over one year	Fair value	Revaluation gain (loss)	Contract amount, etc.	Portion with maturity over one year	Fair value	Revaluation gain (loss)
Transactions other than market transactions								
Forward foreign exchange contracts								
Buy								
U.S. dollar	¥ 127	¥ —	¥ 1	¥ 1	$ 1,555	$ —	$ 20	$ 20
Australian dollar	158	—	1	1	1,929	—	12	12
Euro	441	—	2	2	5,368	—	26	26
Sell								
U.S. dollar	122	—	(3)	(3)	1,495	—	(45)	(45)
Currency swap contracts								
Buy								
U.S. dollar	3,402	3,106	(635)	(635)	41,400	37,800	(7,733)	(7,733)
Option contracts								
Sell								
Put option								
U.S. dollar	1,439	362	(125)	(125)	17,516	4,414	(1,524)	(1,524)
Option contracts								
Buy								
Call option								
U.S. dollar	366	183	(1)	(1)	4,456	2,228	(15)	(15)
Total	¥6,059	¥3,652	¥(761)	¥(761)	$73,721	$44,442	$(9,259)	$(9,259)

(Note) Fair value is based on the statements received from the counterparty financial institutions.

(2) Interest rate-related transactions

	Millions of yen				Thousands of U.S. dollars			
	2012				2012			
	Contract amount, etc.	Portion with maturity over one year	Fair value	Revaluation gain (loss)	Contract amount, etc.	Portion with maturity over one year	Fair value	Revaluation gain (loss)
Transactions other than market transactions								
Interest rate swap contracts								
Fixed rate payments/ Variable rate receipts	¥3,150	¥—	¥(23)	¥(23)	$38,325	$—	$(285)	$(285)
Total	¥3,150	¥—	¥(23)	¥(23)	$38,325	$—	$(285)	$(285)

(Note) Fair value is based on the statements received from the counterparty financial institutions.

2) Derivative transactions for which hedge accounting is applied

(1) Currency-related transactions

		Millions of yen			Thousands of U.S. dollars		
		2012			2012		
Type of transactions	Primary hedged items	Contract amount, etc.	Portion with maturity over one year	Fair value	Contract amount, etc.	Portion with maturity over one year	Fair value
Hedge accounting method:							
Principle method							
Forward foreign exchange contracts							
Buy							
U.S. dollar	Accounts payable	¥ 6,492	¥ 2,444	¥ (343)	$ 78,996	$ 29,742	$ (4,178)
Euro	Accounts payable	69	—	0	839	—	6
Pound	Accounts payable	301	111	(51)	3,668	1,360	(629)
Australian dollar	Accounts payable	36	—	19	438	—	239
New Zealand dollar	Accounts payable	5	—	(0)	62	—	(1)
Sell							
U.S. dollar	Accounts receivable	37	—	0	453	—	3
Currency swap contracts							
Buy							
U.S. dollar	Accounts payable	2,974	2,358	(455)	36,186	28,695	(5,539)
Pound	Accounts payable	10,375	8,482	(2,772)	126,236	103,206	(33,727)
Australian dollar	Accounts payable	2,013	1,509	(73)	24,493	18,370	(888)
Hedge accounting method:							
Allocation method							
Forward foreign exchange contracts							
Buy							
U.S. dollar	Accounts payable	820	—	(Note)	9,977	—	(Note)
Euro	Accounts payable	76	—	(Note)	930	—	(Note)
Pound	Accounts payable	123	—	(Note)	1,497	—	(Note)
Australian dollar	Accounts payable	51	—	(Note)	628	—	(Note)
Sell							
U.S. dollar	Accounts receivable	92	—	(Note)	1,120	—	(Note)
Currency swap contracts							
Buy							
U.S. dollar	Accounts payable	51	—	(Note)	627	—	(Note)
Pound	Accounts payable	172	—	(Note)	2,093	—	(Note)
Total		¥23,691	¥14,907	¥(3,675)	$288,252	$181,375	$(44,716)

(Note) 1. Fair value is based on the statements received from the counterparty financial institutions.
2. For forward foreign exchange contracts, etc., subject to the allocation method, because they are treated together with the hedged accounts payable and accounts receivable, their fair values are included in the respective accounts payable and accounts receivable.

(2) Interest rate-related transactions

Type of transactions	Primary hedged items	Millions of yen 2012 Contract amount, etc.	Portion with maturity over one year	Fair value	Thousands of U.S. dollars 2012 Contract amount, etc.	Portion with maturity over one year	Fair value
Hedge accounting method:							
Shortcut method							
Interest rate swap contracts							
Fixed rate payments/							
Variable rate receipts	Long-term loans payable	**¥6,470**	**¥—**	(Note)	**$78,720**	**$—**	(Note)
Total		**¥6,470**	**¥—**	(Note)	**$78,720**	**$—**	(Note)

(Note) For interest rate swap contracts subject to the shortcut method, as they are treated together with the hedged loans payable, their fair values are included in the respective loans payable.

Matters related to derivative transactions in the fiscal year ended March 31, 2011

1) Derivative transactions for which hedge accounting is not applied

(1) Currency-related transactions

	Millions of yen 2011 Contract amount, etc.	Portion with maturity over one year	Fair value	Revaluation gain (loss)
Transactions other than market transactions				
Forward foreign exchange contracts				
Buy				
U.S. dollar	¥1,860	¥ —	¥ (113)	¥ (113)
Euro	114	—	4	4
Currency swap contracts				
Buy				
U.S. dollar	3,741	3,442	(780)	(780)
Option contracts				
Sell				
Put option				
U.S. dollar	2,250	1,439	(182)	(182)
Option contracts				
Buy				
Call option				
U.S. dollar	385	366	(1)	(1)
Total	¥8,352	¥5,248	¥(1,073)	¥(1,073)

(Note) Fair value is based on the statements received from the counterparty financial institutions.

(2) Interest rate-related transactions

	Millions of yen 2011 Contract amount, etc.	Portion with maturity over one year	Fair value	Revaluation gain (loss)
Transactions other than market transactions				
Interest rate swap contracts				
Fixed rate payments/				
Variable rate receipts	¥3,950	¥3,150	¥(81)	¥(81)
Total	¥3,950	¥3,150	¥(81)	¥(81)

(Note) Fair value is based on the statements received from the counterparty financial institutions.

2) Derivative transactions for which hedge accounting is applied

(1) Currency-related transactions

		Millions of yen		
		2011		
Type of transactions	Primary hedged items	Contract amount, etc.	Portion with maturity over one year	Fair value
Hedge accounting method:				
Principle method				
Forward foreign exchange contracts				
Buy				
U.S. dollar	Accounts payable	¥ 8,783	¥ 3,399	¥ (820)
Euro	Accounts payable	334	—	33
Pound	Accounts payable	1,058	303	(23)
Australian dollar	Accounts payable	453	101	201
Sell				
U.S. dollar	Accounts receivable	291	—	(1)
Euro	Accounts receivable	284	—	(4)
Currency swap contracts				
Buy				
U.S. dollar	Accounts payable	3,593	3,180	(596)
Pound	Accounts payable	12,440	11,063	(3,531)
Australian dollar	Accounts payable	2,516	2,264	(172)
Hedge accounting method:				
Allocation method				
Forward foreign exchange contracts				
Buy				
U.S. dollar	Accounts payable	433	—	(Note)
Euro	Accounts payable	31	—	(Note)
Pound	Accounts payable	151	—	(Note)
Australian dollar	Accounts payable	8	—	(Note)
Currency swap contracts				
Buy				
U.S. dollar	Accounts payable	51	—	(Note)
Pound	Accounts payable	172	—	(Note)
Total		¥30,603	¥20,313	¥(4,914)

(Note) 1. Fair value is based on the statements received from the counterparty financial institutions.
2. For forward foreign exchange contracts, etc., subject to the allocation method, because they are treated together with the hedged accounts payable, their fair values are included in the respective accounts payable.

(2) Interest rate-related transactions

		Millions of yen		
		2011		
Type of transactions	Primary hedged items	Contract amount, etc.	Portion with maturity over one year	Fair value
Hedge accounting method:				
Shortcut method				
Interest rate swap contracts				
Fixed rate payments/ Variable rate receipts	Long-term loans payable	¥6,470	¥6,470	(Note)
Total		¥6,470	¥6,470	(Note)

(Note) For interest rate swap contracts subject to the shortcut method, as they are treated together with the hedged loans payable, their fair values are included in the respective loans payable.

25. Matters Related to Business Combination, Etc.

(Fiscal year ended March 31, 2012)

Omitted as there were no significant business combinations.

26. Segment Information

In the fiscal year ended March 31, 2012, the Group reorganized companies within the Group based on an absorption-type company split agreement and began a new business management structure in which Meiji Co., Ltd., (food operating company) and Meiji Seika Pharma Co., Ltd., (pharmaceuticals operating company) are the operating companies of Meiji Holdings Co., Ltd. As a result, the reporting segments have changed from the previous Dairy Products segment, the Confectionery and Healthcare segment and the Pharmaceuticals segment to the Food segment and the Pharmaceuticals segment.

Reporting segments of the Group are components of the Group by which separate financial information is available and evaluated regularly by the Board of Directors in deciding how to allocate resources and assessing performance.

The Group has operational subsidiaries organized based on products/services. Operational subsidiaries develop their business activities by formulating comprehensive strategies for Japan and overseas with respect to their products and services.

Accordingly, the Group comprises segments based on operational subsidiaries and has two reporting segments: the Food segment and the Pharmaceuticals segment.

	Millions of yen				
	2012				
	Reporting segments				
	Food	Pharmaceuticals	Total	Adjustments	Amount presented in consolidated statements of income
Sales, operating income (loss) and assets					
Sales					
(1) Sales to third parties	**¥985,134**	**¥124,140**	**¥1,109,275**	**¥ —**	**¥1,109,275**
(2) Inter-segment sales and transfers	**1,185**	**1,133**	**2,318**	**(2,318)**	**—**
Total	**986,319**	**125,274**	**1,111,593**	**(2,318)**	**1,109,275**
Segment income (loss)	**11,491**	**8,186**	**19,678**	**511**	**20,189**
Segment assets	**¥565,233**	**¥131,990**	**¥ 697,223**	**¥52,761**	**¥ 749,985**
Other items					
Depreciation	**¥ 34,476**	**¥ 5,169**	**¥ 39,645**	**¥ 1,226**	**¥ 40,871**
Equity in income of affiliates	**2,722**	**103**	**2,825**	**—**	**2,825**
Increase in property, plants and equipment / intangible fixed assets	**34,070**	**5,793**	**39,863**	**84**	**39,948**

	Thousands of U.S. dollars				
	2012				
	Reporting segments				
	Food	Pharmaceuticals	Total	Adjustments	Amount presented in consolidated statements of income
Sales, operating income (loss) and assets					
Sales					
(1) Sales to third parties	**$11,986,060**	**$1,510,413**	**$13,496,474**	**$ —**	**$13,496,474**
(2) Inter-segment sales and transfers	**14,420**	**13,786**	**28,206**	**(28,206)**	**—**
Total	**12,000,480**	**1,524,200**	**13,524,681**	**(28,206)**	**13,496,474**
Segment income (loss)	**139,820**	**99,604**	**239,425**	**6,223**	**245,649**
Segment assets	**$ 6,877,153**	**$1,605,922**	**$ 8,483,075**	**$641,945**	**$ 9,125,021**
Other items					
Depreciation	**$ 419,471**	**$ 62,896**	**$ 482,365**	**$ 14,918**	**$ 497,283**
Equity in income of affiliates	**33,121**	**1,261**	**34,382**	**—**	**34,382**
Increase in property, plants and equipment / intangible fixed assets	**414,530**	**70,490**	**485,021**	**1,030**	**486,052**

	Millions of yen				
	2011				
	Reporting segments				Amount presented in consolidated statements of income
	Food	Pharmaceuticals	Total	Adjustments	
Sales, operating income (loss) and assets					
Sales					
(1) Sales to third parties	¥988,037	¥122,963	¥1,111,000	¥ —	¥1,111,000
(2) Inter-segment sales and transfers	817	1,238	2,056	(2,056)	—
Total	988,854	124,202	1,113,057	(2,056)	1,111,000
Segment income (loss)	22,322	7,522	29,844	115	29,959
Segment assets	¥542,986	¥129,118	¥ 672,105	¥44,263	¥ 716,368
Other items					
Depreciation	¥ 33,797	¥ 5,639	¥ 39,436	¥ 1,900	¥ 41,337
Equity in income of affiliates	1,781	23	1,804	—	1,804
Increase in property, plants and equipment / intangible fixed assets	39,114	5,738	44,853	44	44,897

27. Significant Subsequent Events

The meeting of the Board of Directors convened on June 12, 2012, approved a comprehensive resolution concerning the domestic issuance of unsecured straight bonds as follows.

(1) Issuing amount: Not more than ¥60 billion
However, there is no restriction on multiple issuances of bonds within this amount.

(2) Issuing price: ¥100 for ¥100 par value of each bond

(3) Interest rate: Up to 1.0% above the swap rates maturing the same year as the bonds

(4) Payment period: From June 2012 to March 2013
However, if bonds are offered during the said period, the payment date is deemed to be within the payment period even if it is after the said period.

(5) Redemption period: Within 7 years

(6) Redemption method: Lump-sum redemption upon maturity

(7) Purpose of the funds: Working capital, capital investment funds, investment and loan funds, loan repayment funds, bond redemption funds, commercial paper redemption funds

(8) Special conditions: The said bonds will have a negative pledge clause.

(9) Other: Decisions on the items of Article 676 of the Companies Act and all other matters required in the bond issuances are delegated to the president and representative director, within the scope described above. After the decisions are made, they shall be reported to the first meeting of the Board of Directors convened thereafter.

Independent Auditor's Report

Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100
Fax: +81 3 3503 1197

Independent Auditor's Report

The Board of Directors
MEIJI Holdings Co., Ltd.

We have audited the accompanying consolidated financial statements of MEIJI Holdings Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MEIJI Holdings Co., Ltd. and its consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 28, 2012
Tokyo, Japan

A member firm of Ernst & Young Global Limited

Major Group Companies

DOMESTIC

Meiji Co., Ltd.

Head Office

Research Laboratories

Research & Development Labs / Food Science Research Labs / Food Technology Research Labs / Confectionery R&D Labs

Plants

Sapporo / Asahikawa / Wakkanai / Nishi Shunbetsu / Nemuro / Tokachi / Tokachi Obihiro / Honbetsu / Tohoku / Ibaraki / Moriya / Gunma / Gunma Nutritionals / Gunma Pharmaceuticals / Saitama / Toda / Sakado / Kanagawa / Hokuriku / Karuizawa / Tokai / Aichi / Kyoto / Kansai / Kansai Ice Cream / Osaka / Okayama / Hiroshima / Kyushu

Sales Headquarters

Hokkaido / Tohoku / Kanto / Chubu / Kansai / Chugoku & Shikoku / Kyushu

Group Companies

Confectionery Business Unit

Donan Shokuhin Co., Ltd. / Zao Shokuhin Kaisha, Ltd. / Ronde Corporation / Français Co., Ltd. / Meiji Sangyo Co., Ltd. / Shikoku Meiji Co., Ltd. / Meiji Chewing Gum Co., Ltd. / Tokai Nuts Co., Ltd. / Meiji Food Materia Co., Ltd. / Multifood International Ltd.

Dairy Business Unit

Tokai Meiji Co., Ltd. / Meiji Oils and Fats Co., Ltd. / Chiba Meiji Milk Products Co., Ltd. / Pampy Foods Incorporation / Kantou Seiraku Co., Ltd. / Tochigi Meiji Milk Products Co., Ltd. / Fresh Network Systems Co., Ltd. / Hokkaido Meihan Co., Ltd. / Tohoku Meihan Co., Ltd. / Tokyo Meihan Co., Ltd. / Chubu Meihan Co., Ltd. / Kanazawa Meihan Co., Ltd. / Kinki Meihan Co., Ltd. / Chugoku Meihan Co., Ltd. / Kyushu Meinyu Hanbai Co., Ltd. / Tokyo Meiji Foods Co., Ltd. / Meiji Logitech Co., Ltd. / Shikoku Meiji Dairy Products Co., Ltd. / Okinawa Meiji Milk Products Co., Ltd.

Healthcare and Nutritionals Business Unit

Okayamaken Shokuhin Co., Ltd. / Taiyo Shokuhin Co., Ltd. / Nihon Kanzume, Co., Ltd. / Meiji Shokuhin Kaisha, Ltd. / Meiji Sports Plaza, Ltd.

Others

Meiji Feed Co., Ltd. / Asahi Broiler Co., Ltd. / KCS Co., Ltd. / Fresh Logistic Co., Ltd. / Meiji Kenko Ham Co., Ltd. / Meiji Rice Delica Corporation / Meito Warehouse Co., Ltd. / Meiji Techno-Service Inc. / Nice Day Co., Ltd. / Meiji Business Support Co., Ltd. / Nitto Co., Ltd.

Meiji Seika Pharma Co., Ltd.

Head Office

Research Laboratories

Pharmaceuticals Research Center / CMC Laboratory / Bioscience Laboratory / Agricultural & Veterinary Research Laboratory

Plants

Kitakami / Odawara / Gifu

Branches

Pharmaceuticals

Sapporo / Sendai / Tokyo / Chiba & Saitama / Yokohama / Kanto / Nagoya / Kyoto / Osaka / Chugoku / Shikoku / Fukuoka

Agricultural Chemicals

Sapporo / Sendai / Tokyo / Nagoya / Osaka / Kumamoto

Veterinary Drugs

North Japan / Tokyo / Nagoya / Osaka / Kumamoto

Group Companies

Kitasato Pharmaceutical Industry Co., Ltd. / Ohkura Pharmaceutical Co., Ltd. / Sanofi-Aventis-Meiji Pharmaceuticals Co., Ltd. / Tamura Seiyaku K.K. / Miyako Yuso Transportation Co., Ltd.

OVERSEAS

Meiji Co., Ltd.

Offices

① Bangkok Office
② Melbourne Office
③ Taipei Office
④ Ho Chi Minh City Office
⑤ Hanoi Office
⑥ Shanghai Office

Group Companies

⑦ Meiji Seika (Shanghai) Co., Ltd.
⑧ Meiji Seika Food Industry (Shanghai) Co., Ltd.
⑨ Meiji-Dairy Trading Shanghai Co., Ltd.
⑩ Meiji Dairies (Suzhou) Co., Ltd.
⑪ Guangdong M&F-Yantang Dairy Products Co., Ltd.
⑫ Guangzhou Meiji Confectionary Co., Ltd.
⑬ Shanghai Meiji Health Science and Technology Corp., Ltd.
⑭ Meiji Seika (Singapore) Pte. Ltd.
⑮ Meiji India Private Limited
⑯ Meiji Dairy Australasia Pty. Ltd.
⑰ P.T. Ceres Meiji Indotama
⑱ CP-Meiji Co., Ltd.
⑲ Thai Meiji Food Co., Ltd.
⑳ Meiji America Inc.
㉑ D. F. Stauffer Biscuit Co., Inc.
㉒ Laguna Cookie Co., Inc.
㉓ Mecor, Inc.
㉔ Beghin Meiji

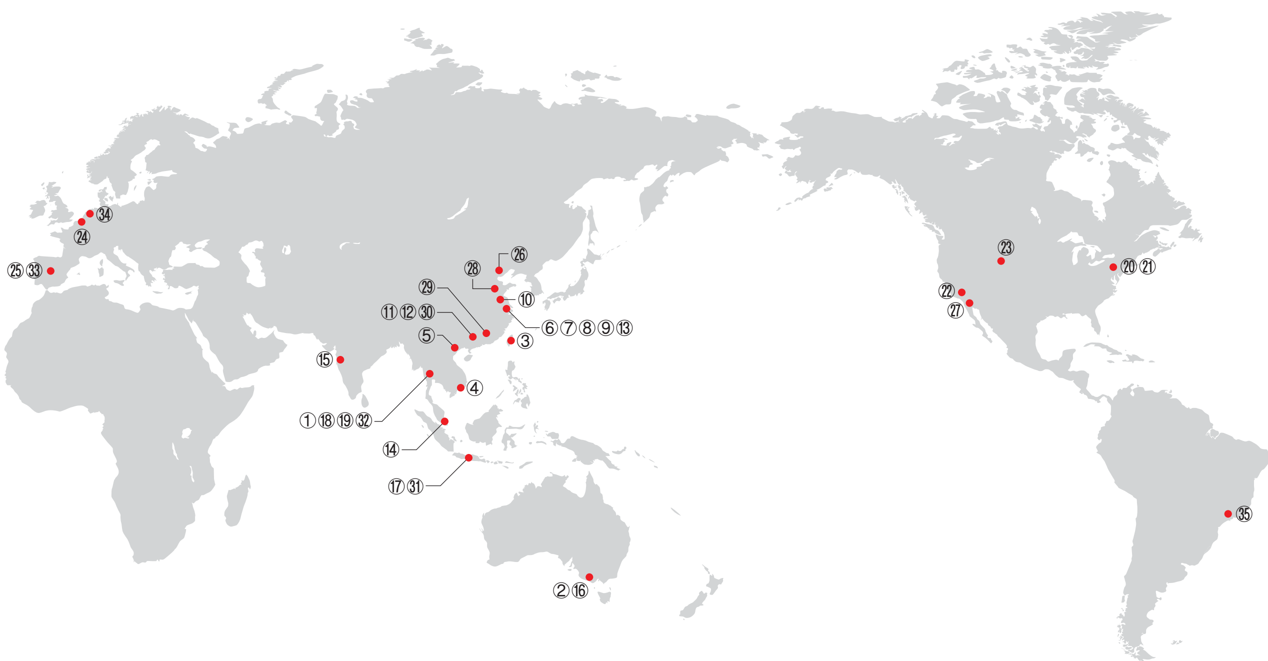
Meiji Seika Pharma Co., Ltd.

Offices

㉕ Madrid Office
㉖ Beijing Office
㉗ U.S. Office

Group Companies

㉘ Meiji Pharma (Shandong) Co., Ltd.
㉙ Shantou Meiji Pharmaceuticals Co., Ltd.
㉚ Guangdong Meiji Pharmaceutials Co., Ltd.
㉛ P.T. Meiji Indonesian Pharmaceutical Industries
㉜ Thai Meiji Pharmaceuticals Co., Ltd.
㉝ Tedec-Meiji Farma, S.A. / Mabo Farma, S.A.
㉞ Meiji Seika Europe B.V.
㉟ Comercio e Industria Uniquimica Ltda.



Corporate Data / Stock Information

As of March 31, 2012

Corporate Data

Company Name Meiji Holdings Co., Ltd. (Securities code: 2269)

Head Office 2-4-16, Kyobashi, Chuo-ku, Tokyo 104-0031, Japan

Incorporated April 1, 2009

Paid-in Capital ¥30 billion

Common Stock Issued 76,341,700

Stock Listing Tokyo

Fiscal Year-End March 31

Ordinary General Meeting of Shareholders Late in June

Transfer Agent of Common Stock Mitsubishi UFJ Trust and Banking Corporation

Public Notices Public notices given by the Company are issued electronically. (URL: http://www.meiji.com/)

However, in the event that public notices cannot be issued electronically due to an accident or some other unavoidable circumstances, public notices given by the Company shall be carried in the *Nihon Keizai Shimbun*.

It should be noted that pursuant to Article 440, Paragraph 4 of the Companies Act, public notices of financial statements are not given.

Number of Employees 15,338

For further information, please contact:

Meiji Holdings Co., Ltd.

Tel: +81-3-3273-4001 (Business hours: 9:00-17:00 / except Saturdays, Sundays, and holidays)

Meiji Holdings Co., Ltd., provides information on its website:

http://www.meiji.com/english/

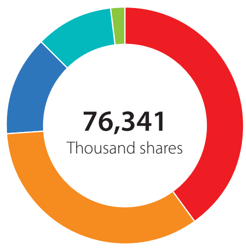
Stock Information

Major Shareholders

Name	Number of shares held (Thousands)	Percentage of total shares issued (%)
Mizuho Bank, Ltd.	3,582	4.69
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,155	4.13
Japan Trustee Services Bank, Ltd. (Trust Account)	2,900	3.80
Nippon Life Insurance Company	2,642	3.46
Meiji Holdings Employee Shareholding Association	1,841	2.41
The Dai-ichi Life Insurance Company, Limited	1,616	2.12
Resona Bank, Limited	1,523	2.00
The Norinchukin Bank	1,446	1.89
Meiji Holdings Trading-Partner Shareholding Association	1,303	1.71
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,184	1.55
Total of Top 10 Shareholders	**21,195**	**27.76**

(Note) In addition to the above-mentioned shares, the Company owns 2,675,000 shares of treasury stock (a 3.50% shareholding).

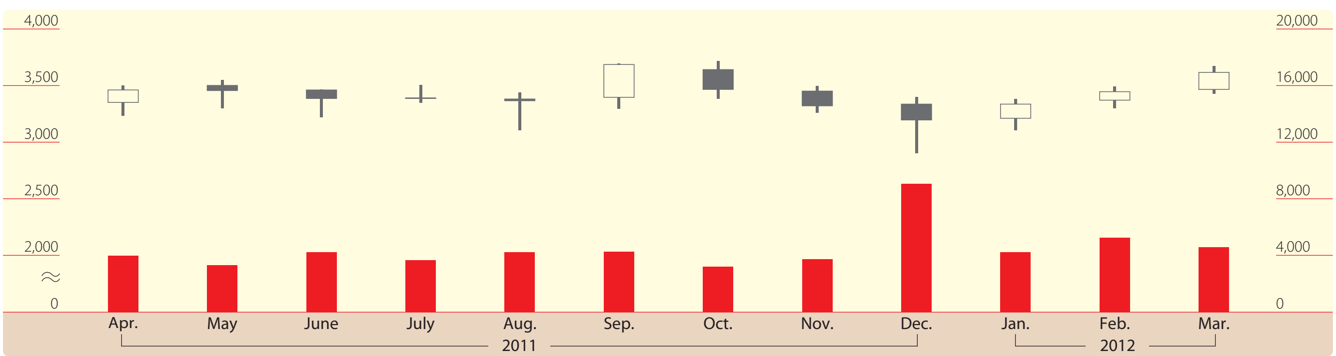
Shareholding by Type of Shareholder



Financial Institutions	40.09%
Individuals and Others	33.82%
Foreign Companies, etc.	13.63%
Other Companies	10.77%
Financial Instruments Dealers	1.69%
Government and Public Bodies	0.00%

(Note) "Individuals and Others" includes treasury stock.

Stock Price and Trading Volume



History

1900s – 1940s

1906	The former Meiji Sugar Co., Ltd. (hereinafter "Meiji Sugar"), the forerunner of both Meiji Seika Kaisha, Ltd. (hereinafter "Meiji Seika"), and Meiji Dairies Corporation (hereinafter "Meiji Dairies"), is established.
1916	Tokyo Confectionery Co., Ltd. (hereinafter "Tokyo Confectionery," the predecessor of Meiji Seika), is established.
1917	Tokyo Confectionery merges with Taisho Seika, a subsidiary of Meiji Sugar.
	Tokyo Confectionery starts manufacturing caramels and biscuits at its Okubo Plant.
	Kyokuto Condensed Milk Co., Ltd. (hereinafter "Kyokuto Condensed Milk"), the predecessor of Meiji Dairies, is established by Meiji Sugar.
	Kyokuto Condensed Milk starts manufacturing condensed milk and other products.
1920	Meiji Sugar establishes Meiji Shoten (later Meiji Shoji).
1924	Tokyo Confectionery changes its name to Meiji Seika Kaisha, Ltd.
1926	Meiji Seika launches "Meiji Milk Chocolate."
	Meiji Seika launches a cocoa powder drink mix.
1928	"Meiji Milk" is introduced.
1940	Kyokuto Condensed Milk changes its name to Meiji Dairies Corporation.
1946	The pharmaceuticals business is launched with the commencement of penicillin production.

1950s – 1960s

1950	The antibacterial drug "STREPTOMYCIN" is introduced.
1951	Meiji Dairies launches "Soft Curd Meiji Infant Formula."
1953	Meiji Dairies launches "Meiji Fresh Cream."
1958	Japan's first world-class antibacterial drug "KANAMYCIN" is introduced.
1961	Meiji Seika launches "Marble Chocolate."
1968	Meiji Seika launches Japan's first savory snack, "Karl." Meiji Dairies launches baby food products "Meiji Baby Rice Gruel" and "Meiji Infant Kaju Orange Juice."

1970s

1971	Meiji Dairies launches "Meiji Plain Yogurt."
1972	Meiji Shoji, Meiji Seika's sales arm, transfers its dairy products business to Meiji Dairies.
	Meiji Seika merges with Meiji Shoji.
1973	Meiji Dairies launches "Meiji Bulgaria Yogurt."
1974	Meiji Seika (Singapore) Pte. Ltd. is established.
	The joint venture P.T. Meiji Indonesian Pharmaceutical Industries is established.
1975	Meiji Seika launches the chocolate-snack "Kinoko no Yama."
	The agricultural chemical product "ORYZEMATE" is introduced.
1976	Meiji Dairies launches the frozen food "Pizza & Pizza."

1980s

1980	Meiji Seika launches the "SAVAS" series of protein foods for athletes.
1983	Meiji Seika launches an OTC drug, "ISODINE UGAIGUSURI."
1986	Meiji Dairies launches enteral formula "YH-80."
1988	Meiji Seika launches "Kaju Gummy."
1989	Meiji Dairies establishes CP-Meiji Co., Ltd., in Thailand.
	The antianxiety drug "MEILAX" is introduced.

1990s

1990	Meiji Dairies launches the "Aya" series of super premium ice cream.
	Meiji Dairies launches a soft margarine, "Meiji Corn 100."
1991	Meiji Seika opens a fitness club, "Sports Plaza Osaka."
1992	Meiji Dairies launches "Meiji Hokkaido Tokachi Cheese."
1994	Meiji Dairies launches "Meiji Essel Super Cup Ultra Vanilla."
	The antibacterial drug "MEIACT" is introduced.
1995	Meiji Dairies launches the sports nutrition beverage "VAAM."
	Meiji Dairies launches the enteral formula "Meiji Mei Balance."
1997	Meiji Seika launches "Xylish."
1999	The antidepressant "DEPROMEL" is introduced.

2000s

2000	Meiji Dairies launches "Meiji Probio Yogurt LG21."
2002	Meiji Dairies expands the distribution of "Meiji Oishii Gyunyu" nationwide.
	Meiji Seika launches "Amino Collagen."
2007	Meiji Dairies launches an infant formula, "Meiji Hohoemi Raku Raku Cube."
2008	Meiji Dairies launches "Meiji Fresh Cream Ajiwai."
2009	Meiji Seika and Meiji Dairies establish a joint holding company Meiji Holdings Co., Ltd., and integrate their management.
	The antibacterial drug "ORAPENEM" is introduced.
	The antidepressant drug "REFLEX" is introduced.

2010s

2010	Prepared the Meiji Group 2020 Vision as a long-term business management strategy.
2011	In April, Meiji Holdings reorganizes Meiji Seika and Meiji Dairies; Meiji Co., Ltd., a food company, and Meiji Seika Pharma Co., Ltd., a pharmaceuticals company, begin operation.

Meiji Holdings Co., Ltd.

2-4-16, Kyobashi, Chuo-ku, Tokyo 104-0031, Japan

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