

Now ideas for wellness

meiji

Financial Results for the H1 of FYE March 2022 (FY2021)

(From April 1, 2021 to September 30, 2021)

November 11, 2021

Meiji Holdings Co., Ltd.

* Revenue recognition accounting standards are applied from the beginning of Q1 of FY2021. In this material, the figures for FY2020 is shown as before the standards, and the figures for FY2021 as after applying the standards unless otherwise described.



1. Financial Summary for the H1 of FY2021

Summary for H1 FY2021 Consolidated Results

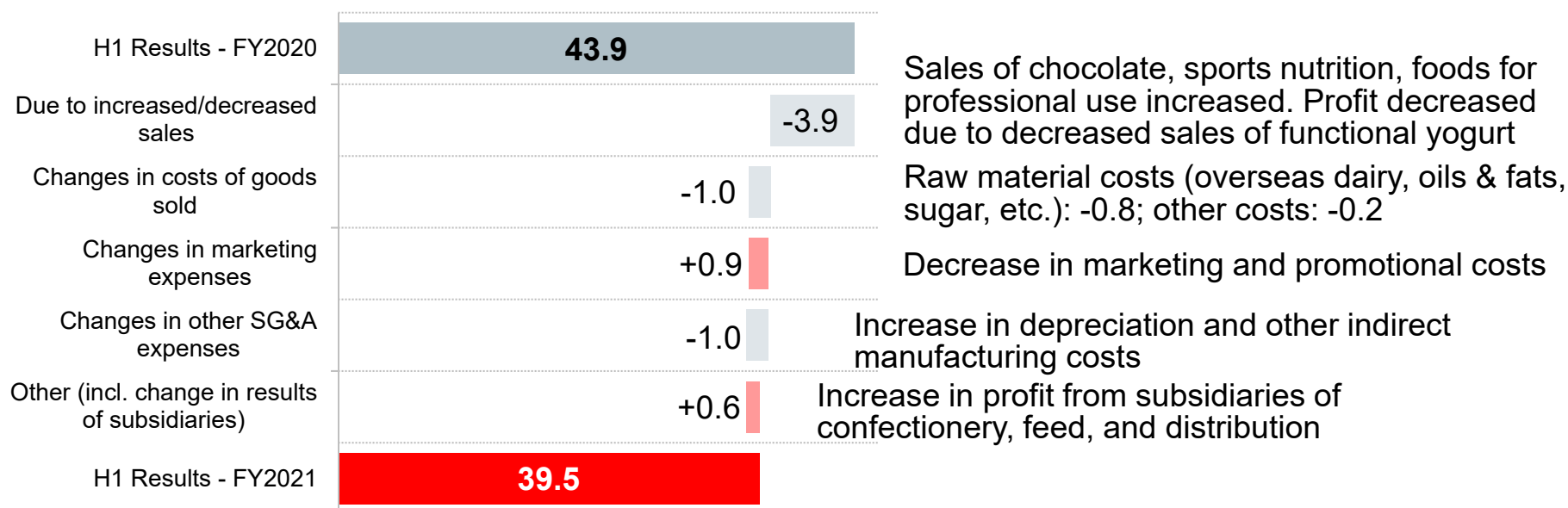
(JPY bn)	FY2020 H1 Results	FY2021 H1 Results	YoY Change	vs. H1 Plan	FY2021 H1 Plan (as of Sep. 10)
Net sales	584.9	500.7	-14.4% -84.2	-0.8% -4.2	505.0
(Reference: Net sales)	493.3*	500.7	+1.5% +7.3	—	—
Operating profit	50.4	50.3	-0.1% -0.0	-1.3% -0.6	51.0
Op. profit margin	8.6%	10.1%	+1.4pt	-0.0pt	10.1%
Profit attributable to owners of parent	28.7	36.6	+27.5% +7.9	+7.8% +2.6	34.0
EPS (JPY)	198.05	252.54	+54.49	+18.22	234.32

- Net sales increased when excluding the impact of applying the Revenue Recognition Accounting Standard. Net sales of Food segment was largely unchanged, while increased in Pharmaceutical segment
- Overall operating profit was largely unchanged; decreased in Food segment while increased in Pharmaceutical segment
- Profit attributable to owners of parent increased significantly. Extraordinary income increased on the sales of affiliate stock and investment securities. Extraordinary losses and tax expenses decreased

Food : Summary for the H1 of FY2021

(JPY bn)	FY2020 H1 Results	FY2021		FY2021 H1 Plan	
		H1 Results	YoY Change vs. H1 Plan		
Net sales	496.5	409.0	-17.6% -87.5	-0.2% -0.7	409.8
(Reference: Net sales)	409.7*	409.0	-0.2% -0.6	—	—
Operating profit	43.9	39.5	-9.9% -4.3	-7.7% -3.3	42.9

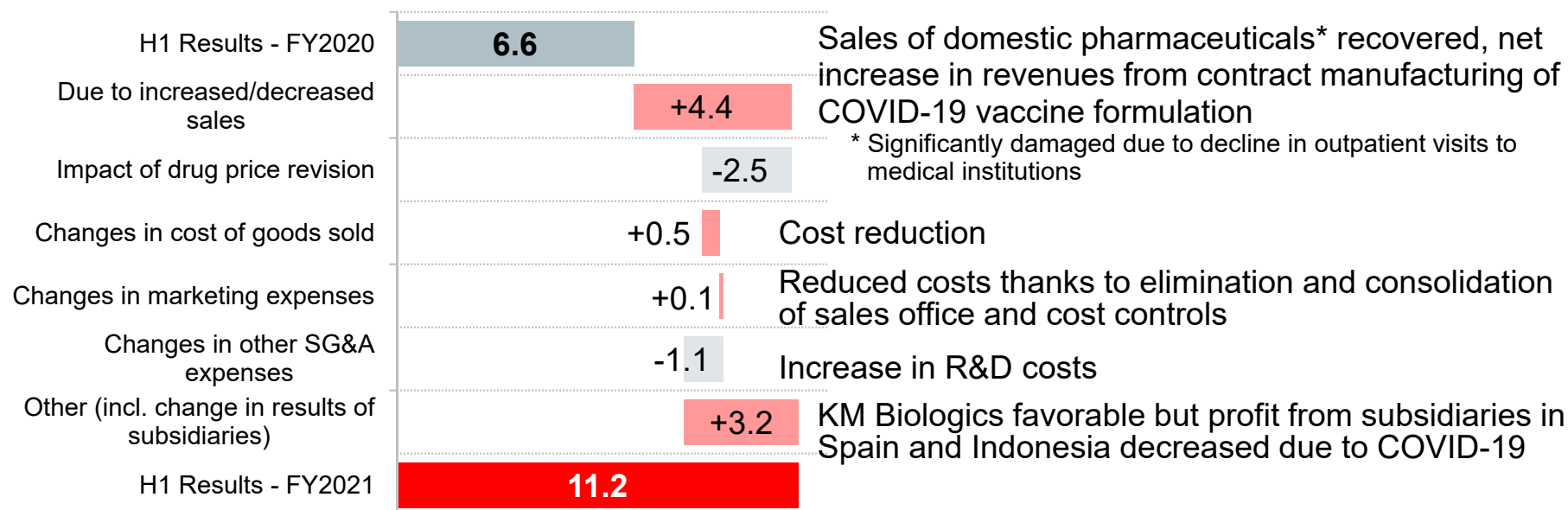
YoY Change in Operating Profit (JPY bn)



Pharmaceutical: Summary for the H1 of FY2021

(JPY bn)	FY2020 H1 Results	FY2021		FY2021 H1 Plan	
		H1 Results	YoY Change vs. H1 Plan		
Net sales	89.1	92.1	+3.3% +2.9	-3.6% -3.3	95.5
(Reference: Net sales)	84.3*	92.1	+9.2% +7.7	—	—
Operating profit	6.6	11.2	+70.6% +4.6	+32.7% +2.7	8.5

YoY Change in Operating Profit (JPY bn)



2. Outlook for the H2 of FY2021 and Business-specific Overview

Outlook for the H2 of FY2021

(JPY bn)

	FY2020 H2 Results	FY2021 H2 Plan (as of Nov. 9)	YoY Change	FY2021 H2 Plan (as of Sep. 10)
Consolidated	Net sales	606.7	-15.4% -93.5	514.0
	Ref: Net sales*	513.7*	-0.1% -0.4	—
	Operating profit	55.6	-10.8% -5.9	55.0
	Profit attributable to owners of parent	36.9	+44.5% +16.4	61.0
Food	Net sales	503.0	-16.9% -85.1	421.3
	Ref: Net sales*	416.7*	+0.3% +1.1	—
	Operating profit	43.5	-0.1% -0.0	45.1
Pharma	Net sales	104.5	-7.6% -7.9	94.0
	Ref: Net sales*	97.7*	-1.3% -1.2	—
	Operating profit	12.4	-42.2% -5.2	10.0

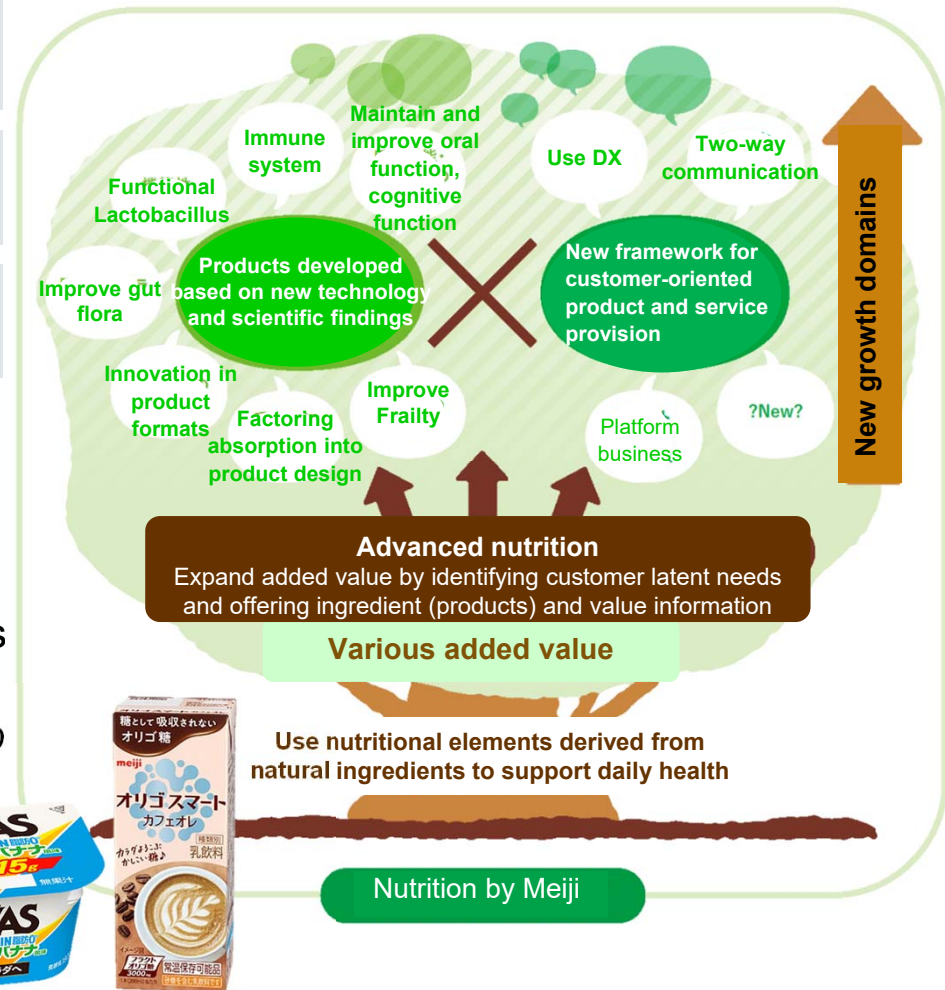
Food: Under the banner of Meiji Nutrition Statement, create the value unique to Meiji using our competitive advantage in technology



Meiji continuously evaluates the potential of Nutrition. We always have. We always will.

- Mind 01** Providing Nutrition that supports daily health through natural ingredients such as milk and cocoa.
- Mind 02** Providing heartwarming Nutrition through various forms of +1 (Plus One) value.
- Mind 03** Using nutrition to help enrich the lives of people in various countries and regions.

- In June, formulated Meiji Nutrition Statement that incorporates the concept of “Now ideas for wellness” into the Food business
- Continuously release added value products unique to the Meiji Group such as the *TANPACT* series, *SAVAS yogurt*, and *Oligo Smart drinks*
- Use Accelerator Program and DX to start creating new businesses that will drive future growth

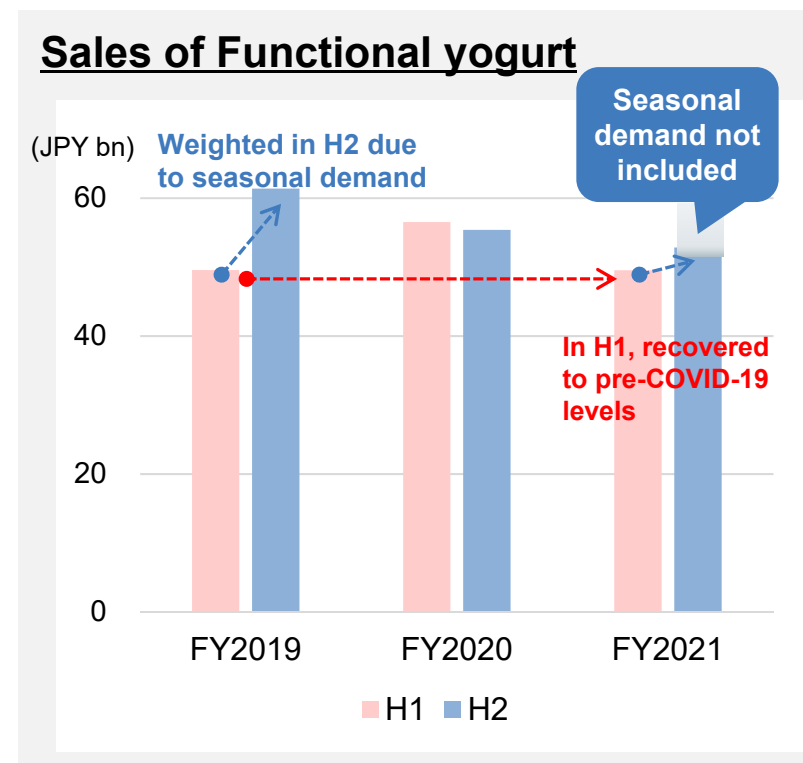


Overview for Yogurt and Cheese

(JPY bn)

	FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year Plan (as of Nov. 9)	
		YoY Change		YoY Change		YoY Change
Net sales	123.2	-8.2% -11.0	126.2	-0.2% -0.2	249.4	-4.3% -11.2
Operating profit	18.7	-28.6% -7.4	20.2	-5.6% -1.2	38.9	-18.2% -8.6

- Net sales
 - **H1**: Decreased due to significant growth in H1 FY2020 driven by stay-at-home demand. However, less decrease in Q2 compare to Q1
 - **H2**: Will return to stable growth trajectory because growth driven by stay-at-home demand will diminish gradually
- Operating profit
 - **H1**: Decreased due to significant impacted by decreased sales
 - **H2**: Will decrease due to worsened product mix and increased logistics and depreciation costs

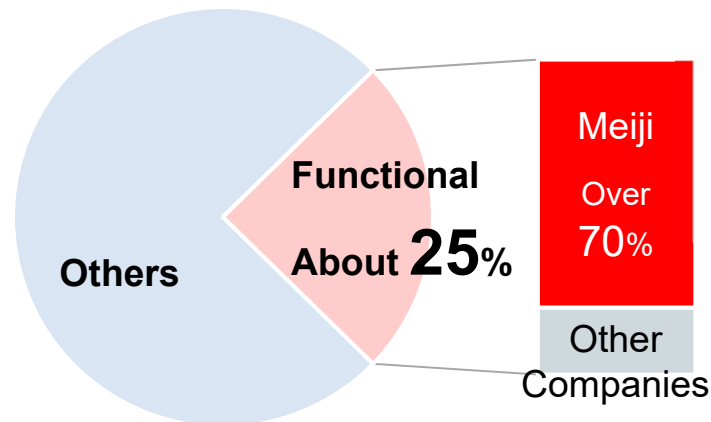


Sales Recovery and Further Growth for Functional Yogurt and Yogurt

Applying R&D strengths, achieve stable growth by stimulating existing products and developing and promoting new products

Yogurt Market

About **JPY 480 billion**



Competitors are entering into functional yogurt market, still Meiji has dominant market share



- **H1:** Outperformed H1 FY2019. Stable growth due to increase in royal customers
- **H2:** Demand due to flu outbreak is Not included in the plan. Continue with TV commercials promoting importance of health management Enhance informative promotion in-store



- New evidence for LG21 lactobacillus released on October 11
- Enhance informative promotion for new products, such as *Suhada no Mikata*, to penetrate market
- Develop new products

Overview for Nutrition Business

(JPY bn)

	FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year Plan (as of Nov. 9)	
		YoY Change		YoY Change		YoY Change
Net sales	62.9	+5.7% +3.3	59.4	+5.3% +2.9	122.4	+5.5% +6.3
Operating profit	10.6	+13.6% +1.2	7.7	-8.0% -0.6	18.3	+3.4% +0.6

● Net sales

- **H1:** Sales growth of SAVAS, SAVAS Milk, and enteral formulas drove overall sales though sales of infant formula decreased
- **H2:** Further increase sale of mainstay products including infant formula. Its sales in H2 FY2020 was stagnant.

● Operating profit

- **H1:** Increased due to increased sales
- **H2:** Will decrease due to cost increase and increase in depreciation and investments in restarted plant construction postponed due to COVID-19 pandemic

Sports Protein

- Many new competitors enter into the market. Both the market and our share are growing
- Continue aggressive sales promotion to expand sales based on strength of SAVAS brand; functionality and variation of product lines



Overview for Chocolate and Gummy Business

(JPY bn)

	FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year Plan (as of Nov. 9)	
		YoY Change		YoY Change		YoY Change
Net sales	50.1	+5.8% +2.7	70.7	+4.5% +3.0	120.8	+5.1% +5.8
Operating profit	3.7	+62.5% +1.4	10.4	+11.1% +1.0	14.2	+21.2% +2.4

- Net sales

- **H1:** Health-conscious chocolate, including family size package, drove sales growth. Gummy products also on recovery trend
- **H2:** Peak season for chocolate demand. Continue informative promotion on health to stimulate sales. For gummy products, promote the benefits of “chewing” to return sales to pre-COVID-19 levels

- Operating profit

H2: Forecasting increase in profit due to increased sales, as seen in H1. Enhance marketing but appropriately control costs

Chocolate

- Firm growth of health-conscious chocolate market
- Meiji *Chocolate Koka* and *Oligo Smart* drove market with double-digit growth for both products
- Enhance informative promotion on benefits of cacao polyphenols and oligosaccharides to further expand sales



Overview for Overseas Business

(JPY bn)

	FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year Plan (as of Nov. 9)	
		YoY Change		YoY Change		YoY Change
Net sales	26.8	+16.2% +3.7	28.7	+11.4% +2.9	55.5	+13.7% +6.6
Operating profit	0.2	-51.0% -0.3	0.5	-13.4% -0.0	0.8	-30.9% -0.3

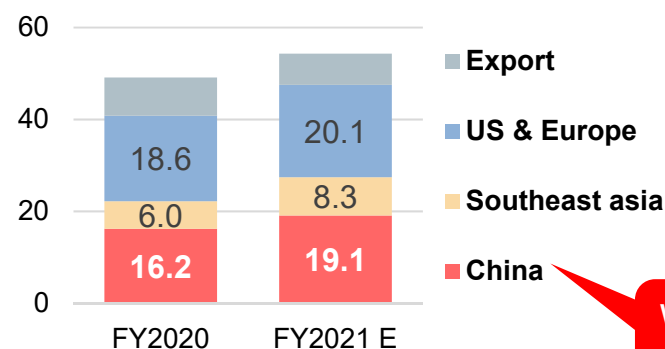
● Net Sales

- **H1:** China business grew significantly. Recovering from the impact of COVID-19. Strong demand also drove the growth
- **H2:** Remain favorable overall
- Invest in China business as planned. Launched new line in Suzhou. New plants construction also on schedule

● Operating profit

- **H1:** Profits decreased due to increased costs to improve organizational structure.
- **H2:** Will decrease in profits. Increase in raw material costs in the US business also contribute

Sales by Region (JPY bn)



Will grow significantly

Topics

- Launched *R-1* and *LG21* in China in April
- Delivered to mainstay vendors as planned
- Building evidence on health steadily. Will focus on informative promotion on product value

Pharmaceutical: Drive Structural Reform

Concentrate management resources in infectious disease domain
Start rebuilding business portfolio

✓ Transfer some businesses

- Transferred stock of DM Bio, equity method affiliate, to Dong-A Socio Group (announced on July 27)
- Transferring agricultural chemicals business to Mitsui Chemicals Agro, Inc. (announced on Sep. 10)
→ [Impact on full-year earnings] Will record approx. JPY 39.5 billion in extraordinary income

✓ Integrate management of KM Biologics with Meiji Seika Pharma

- Strengthen R&D
 - Established R&D steering committee
 - Focus resources of both companies on high productivity and high growth potential themes
- Strengthen vaccine business (Inactivated COVID-19 vaccine)
 - Joint development to drive late-stage clinical trials by both companies
 - Expected to establish production system for vaccine active substance in FY2021
 - Aiming for getting approval of safe and effective vaccine without delay
- Consolidation of veterinary drugs business
 - Will establish Meiji Animal Health in April 2022
 - Aim for domestic top share using strengths to provide comprehensive solutions for veterinary drugs business; from prevention to treatment

Overview for Human Vaccine Business

(JPY bn)

	FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year Plan (as of Nov. 9)	
		YoY Change		YoY Change		YoY Change
Net sales	24.0	+15.6% +3.2	19.6	-21.7% -5.4	43.7	-4.8% -2.2
Operating profit	8.6	+70.2% +3.5	1.5	-66.9% -3.0	10.2	+5.2% +0.5

● Net sales

- **Both H1 and H2:** Net increase in revenues from contract manufacturing of COVID-19 vaccine formulation. Decrease in revenues from contract manufacturing of pre-pandemic influenza vaccine
- **H1:** Net sales increased. Sales declined for hepatitis B vaccine *Bimmugen*. Sales also declined for DTaP-IPV Vaccine *Quattrovac* due to market shrink as a result of decline in birth rate. Sales benefitted from the shipment of influenza vaccine ahead-of-schedule
- Supply volume for influenza vaccine largely unchanged from the previous year. While shipment volume in H1 increased, net sales in H2 may decrease

● Operating profit

Increase in operating profit in FY2021
Decrease in inventory asset valuation losses and an increase in productivity

Influenza vaccine

- Forecasted total domestic supply volume -20% compared to previous season (based on MHLW Health Sciences Council materials)
- Herd immunity may not be achieved because no major outbreak last season
- As the leading manufacturer, we will promote the importance of vaccination amid the COVID-19 pandemic

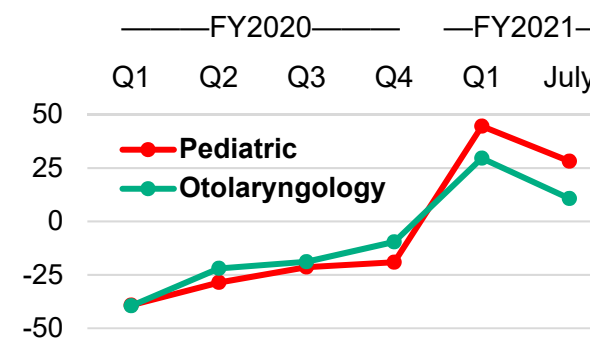
Overview for Domestic Ethical Pharmaceuticals Business

(JPY bn)

	FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year Plan (as of Nov. 9)	
		YoY Change		YoY Change		YoY Change
Net sales	45.2	+9.6% +3.9	52.7	+5.3% +2.6	98.0	+7.2% +6.6
Operating profit	1.7	— +2.1	3.4	-42.8% -2.5	5.2	-7.1% -0.4

- Net sales
 - **H1**: Net sales increased. Offset the impact of NHI price revisions
Mainstay antibiotics increased significantly on a market correction from the previous year
Favorable sales of *SYCREST* and *BILANOVA*.
 - **H2**: Focus on expanding sales of mainstay products. Will enhance promotional activities for the newly launched *HIYASTA*, leukemia/lymphoma treatment
 - **Both H1 and H2**: Net increase in contract revenues from domestic distribution of COVID-19 vaccine. Higher revenue is expected in H2
- Operating profit
 - **Full-year**: Profit decreases
R&D costs will increase as development progresses

of Receipt by department
Year on year (%)



Source: Social Insurance Medical Fee Payment Fund

Number of receipts (medical fee statements) increased significantly compared to previous FY, which was a decline in patients' visits to medical institutions, but did not return to pre-COVID-19 levels yet

Overview for Overseas Pharmaceutical Business

(JPY bn)

	FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year Plan (as of Nov. 9)	
		YoY Change		YoY Change		YoY Change
Net sales	19.4	-2.2% -0.4	22.5	+15.6% +3.0	42.0	+6.6% +2.6
Operating profit	1.2	-43.7% -0.9	2.4	+53.9% +0.8	3.7	-2.6% -0.1

● Net sales

- **H1:** Net sales decreased
CMO/CDMO business was favorable.
Decreased in sales from subsidiaries in Spain and Indonesia, selling proprietary products. In FY2020 demand increased due to COVID-19 pandemic
- **H2:** Will grow overall. Note, sales of proprietary products in each country/region will be influenced by COVID-19.
CMO/CDMO will continue to drive growth.

● Operating profit

Reflecting sales, operating profit decreased in H1 and will increase in H2

*CMO: Contract manufacturing organization
CDMO: Contract development manufacturing organization

Enhance CMO/CDMO Business

- Need fair-priced generic drugs. Access to medicines and health products is one of the social issues in Asia and Africa due to the rapid growth of the world population.
- CMO/CDMO business of Medreich, our subsidiary in India, grew steadily despite the COVID-19 pandemic.
- Plan to expand production capacity to meet the robust demand

3. Outlook for the Full-year, FY2021

Full-year Outlook – FY2021

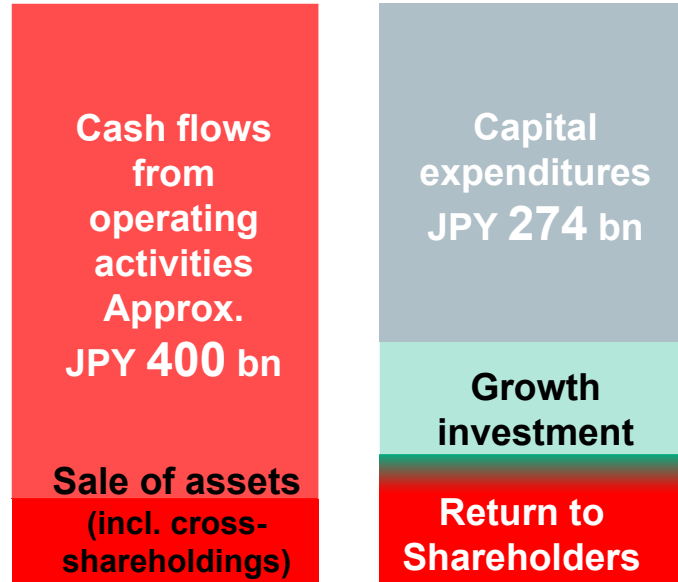
(JPY bn)

	FY2020 Results	FY2021 Plan (as of Nov. 9)	YoY Change	FY2021 Plan (as of May 18)	FY2021 Plan (as of Sep. 10)
Net sales	1,191.7	1,014.0	-14.9% -177.7	1,024.0	1,019.0
(Reference: Net sales)	1,007.1*	1,014.0	+0.7% +6.8	—	—
Operating profit	106.0	100.0	-5.7% -6.0	107.5	106.0
Op. profit margin	8.9%	9.9%	+1.0pt	10.5%	10.4%
Profit attributable to owners of parent	65.6	90.0	+37.1% +24.3	67.0	95.0
EPS (JPY)	452.52	620.22	+167.70	461.79	654.73
Cash dividends per share (JPY)	160	160	—	160	
Dividend payout ratio	35.4%	25.8% (35.6%**)	-9.6pt	34.6%	
ROE	11.1%	14.0% (10.5%**)	+2.9pt	10.5%	
ROIC	10.0%	9.0%	-1.0pt	9.5%	
Capital expenditures	67.9	109.3	+61.0% +41.4	121.4	
Cash flows from operating activities	123.6	128.7	+4.0% +5.0	134.3	
Free cash flows	30.5	87.1	+184.9% +56.5	17.1	

** Figures excluding the impact of transferring agricultural chemicals business

Cash Flows and Returns to Shareholders

Financial Strategy and Capital Rationing



- Growth investments within the cash flows from operating activities
- Effective M&A
- Reduce strategic shareholdings by 30% (based on book value)
- Increase dividends gradually. Increase payout ratio up to 40%
- Consider treasury stock buyback to establish optimal capital structure

● Points of full-year FY2021

Sale of assets

Cash inflows approximately JPY 50 billion due to transfer of DM Bio stock and agricultural chemicals business

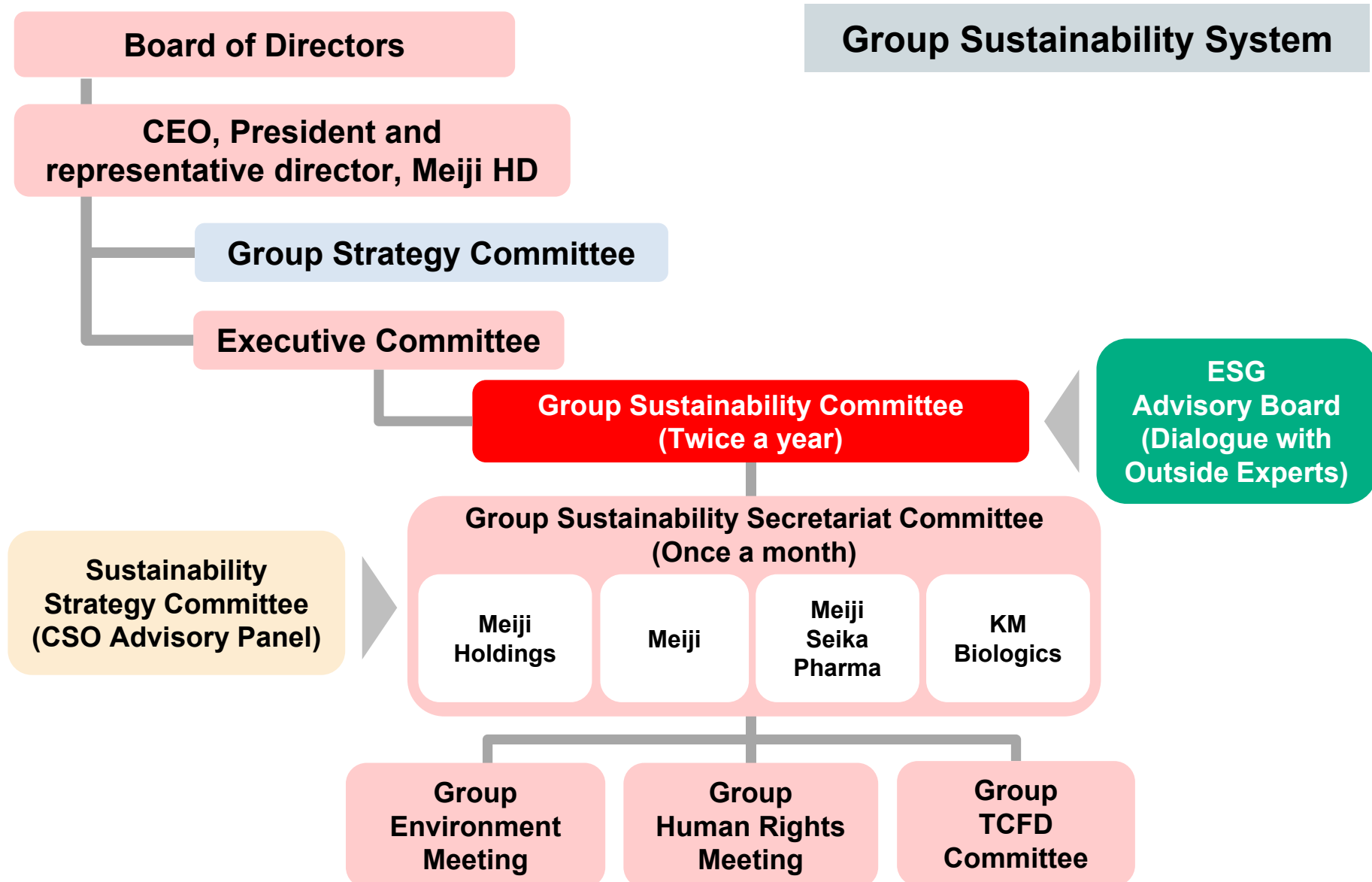
Strategic shareholdings

Steadily reduce according to the 2023 Medium-Term Management Plan

Return to shareholders

- No change in dividends
- Conduct treasury stock buyback: JPY 30 billion

Established the Meiji Group ESG Advisory Board



Held Meiji Group ESG Advisory Board

Established ESG Advisory Board, meet twice a year
Use external opinions to further strengthen sustainability activities

- 1st meeting: August 25, 2021 (Wed.)
- Attendee: 3 external experts + 5 Meiji HD members including Kawamura, CEO
- Meeting agenda:
 1. Human rights initiatives (human rights due diligence, supply chain management)
 2. Environmental initiatives (TCFD scenario analysis, carbon-free society, water resources)
 3. Other: Overall Meiji Group sustainability activities



■ Meiji Group sustainability activity: Advance to the next level – from establishing platform to innovation creation

✓ Sustainability is the 5th competitive front

Ingenuity is critical as sustainability requires balance between costs and profit. **Engaging in story-based marketing is critical**

✓ Culture is important: Care and Respect

Human rights issues: Eliminating risks is not sufficient enough. Respect all people to create positive value
Strong message from Executive is important to motivate employees.

✓ Apply opportunity strategies to climate change initiative

Opportunity mapping is critical. **Ensure costs contribute to corporate growth.**

Steady implement initiatives according to the Meiji Group long-term vision: Meiji Green Engagement for 2050

✓ Joined the Japan Climate Leaders' Partnership (JCLP) (July, 2021)

Joined the JCLP, a group of companies dedicated to achieving a sustainable, carbon-free society

✓ Joined RE100 (September, 2021)

Joined the RE100, a global initiative of companies aiming to use 100% renewable energy for all electricity used

✓ Adopted an internal carbon pricing system (October, 2021)

Set an internal carbon price of JPY 5,000/t-CO₂ for capital investments that impact change (increase/decrease) in CO₂ emissions

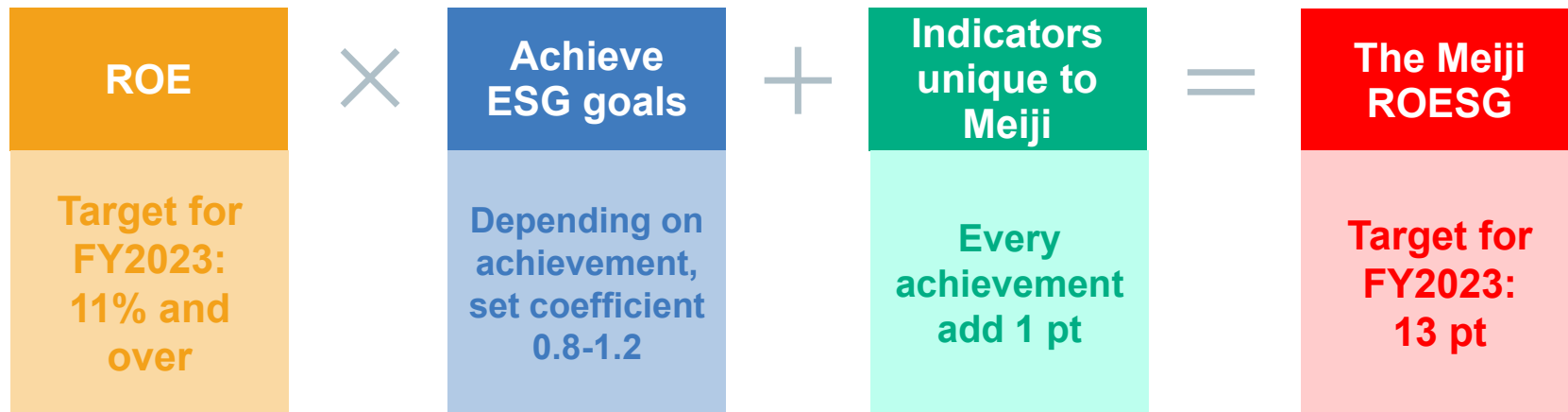
✓ Acquired SBT (Science Based Targets) certification (October, 2021)

Received certification from the SBT Initiative related to our greenhouse gas reduction goals

2023 Medium-term Business Plan

Promote the Meiji ROESG®* Management Effectively

Convert business management to achieve both ROE improvement and ESG enhancement without any compromises



1. MSCI
2. DJSI
3. FTSE4Good
4. CDP
(Climate Change)
5. CDP
(Water Security)

1. Extend healthy life expectancy
2. Amount of protein intake
3. Vaccination rate for influenza vaccines
4. Employee engagement score
5. Sales growth rate for health-conscious products, nutritional products with added value, products for a super-aged society
6. Success in and supply of vaccine and therapeutic agent for COVID-19

* ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University



Appendix

Consolidated Financial Results for H1 of FY2021

(JPY bn)	FY2021 H1 Results	YoY Change	Main factors for the change
Net sales	500.7	-14.4% -84.2	— Details on p2-4
Operating profit	50.3	-0.1% -0.0	— Details on p2-4
Non-operating profit	3.5	+62.5% +1.3	- Share of profit of entities accounted for using equity method (+1.6) - Foreign exchange losses (-0.1)
Non-operating expenses	2.0	+7.4% +0.1	- Loss on events (+0.4) - Compensation expenses (+0.4) - Share of losses of entities accounted for using equity method (-0.5)
Ordinary profit	51.7	+2.3% +1.1	—
Extraordinary income	5.4	+429.9% +4.4	- Gain on sales of shares of subsidiaries and associates (+1.4) - Gain on sales of non-current assets (+1.4) - Gain on sales of investment securities (+1.3)
Extraordinary losses	1.9	-55.9% -2.5	- Provision of allowance for doubtful accounts (-1.0) - Impairment loss (-0.5)
Profit before income taxes	55.2	+17.1% +8.0	—
Income taxes-total	15.2	-6.9% -1.1	—
Profit (loss) attributable to non-controlling interests	3.3	+63.8% +1.3	—
Profit attributable to owners of parent	36.6	+27.5% +7.9	—

Analysis of Operating Profit – H1 FY2021

(JPY bn)	Consolidated	Food	Pharma	Other
H1 Results - FY2020	50.4	43.9	6.6	-0.1
Due to increased/decreased sales	+0.5	-3.9	+4.4	—
Impact of drug price revision	-2.5	—	-2.5	—
Changes in costs of goods sold	-0.5 *1	-1.0	+0.5	—
Changes in other SG&A expenses	-1.1 *2	-0.1	-1.0	—
Other (incl. change in results of subsidiaries)	+3.5	+0.6	+3.2	-0.3
H1 Results - FY2021	50.3	39.5	11.2	-0.5

(Breakdown)

*1: [Food] Increase in raw materials cost: -0.8, Other: -0.2

[Pharma] Cost reductions: +0.5

*2: [Food] Decrease in marketing expenses: +0.9, Increase in depreciation and outsourcing expenses: -0.7, Other: -0.3

[Pharma] Decrease in marketing expenses: +0.1, Increase in R&D expenses: -0.9, Other: -0.2

Financial Position as of September 2021

(JPY bn)	Results as of Sep. 2021	Change	Main Factors for Change	
Current assets	480.6	+12.8% +54.6	- Cash and deposits (+43.7) - Notes and accounts receivable-trade (+7.9)	
Non-current assets	664.2	+3.6% +23.3	- Construction in progress (+22.3)	
Total assets	1,144.9	+7.3% +77.9	—	
Current liabilities	293.9	+16.2% +40.9	- Short-term borrowings (+28.5) - Contract liability (+12.1)	- Refund liability (+17.6) - Accrued expenses (-17.8)
Non-current liabilities	155.2	+0.4% +0.6	- Bonds payable (+10.0) - Long-term borrowings (-10.1)	- Deferred tax liability (+0.6)
Total liabilities	449.2	+10.2% +41.6	—	
Shareholders' equity	623.5	+4.4% +26.2	- Retained earnings (+24.2)	
Accumulated other comprehensive income	33.7	+39.8% +9.6	- Foreign currency translation adjustments (+6.0) - Valuation difference on available-for-sale securities (+2.1)	
Non-controlling interests	38.4	+1.3% +0.5	—	
Total net assets	695.7	+5.5% +36.3	—	
Interest bearing debt	130.2	+27.9% +28.4	- Short-term borrowings (+28.5) - Long-term borrowings (-10.1)	- Bonds payable (+10.0)
Equity ratio	57.4%	-0.8pt	—	

Consolidated Cash Flows – H1 FY2021

(JPY bn)	FY2021 H1 Results	YoY Change	Main Factors for Change
Cash flows from operating activities	61.1	+20.3	<ul style="list-style-type: none"> - Increase in contract liability (+12.1) - Decrease in inventories (+8.0) - Profit before income taxes (+8.0) - Increase in trade payables (+5.4) - Income taxes paid (-10.9)
Cash flows from investing activities	-35.5	+24.7	<ul style="list-style-type: none"> - Purchases of investment securities (+32.0) - Proceeds from sale of investment securities (+5.7) - Purchase of property, plant and equipment (-14.5)
Cash flow from financing activities	14.6	-30.2	<ul style="list-style-type: none"> - Decrease in commercial papers (-50.0) - Increase in short-term borrowings (+18.5)
Free cash flows	25.5	+45.1	—

Consolidated Plan for FY2021

(JPY bn)		FY2021		FY2021		FY2021	
		H1 Results	YoY Change	H2 Plan (as of Nov. 9)	YoY Change	Full-year plan (as of Nov. 9)	YoY Change
Consolidated	Net sales	500.7	-14.4% -84.2	513.2	-15.4% -93.5	1,014.0	-14.9% -177.7
	Ref: Net sales*	—	+1.5% +7.3	—	-0.1% -0.4	—	+0.7% +6.8
	Operating profit	50.3	-0.1% -0.0	49.6	-10.8% -5.9	100.0	-5.7% -6.0
	Profit attributable to owners of parent	36.6	+27.5% +7.9	53.3	+44.5% +16.4	90.0	+37.1% +24.3
Food	Net sales	409.0	-17.6% -87.5	417.9	-16.9% -85.1	827.0	-17.3% -172.6
	Ref: Net sales*	—	-0.2% -0.6	—	+0.3% +1.1	—	+0.1% +0.4
	Operating profit	39.5	-9.9% -4.3	43.5	-0.1% -0.0	83.0	-5.0% -4.3
Pharma	Net sales	92.1	+3.3% +2.9	96.5	-7.6% -7.9	188.6	-2.6% -4.9
	Ref: Net sales*	—	+9.2% +7.7	—	-1.3% -1.2	—	+3.6% +6.5
	Operating profit	11.2	+70.6% +4.6	7.2	-42.2% -5.2	18.5	-3.2% -0.6

Analysis of Operating Profit – FY2021

(JPY bn)	Consolidated	Food	Pharma	Other
FY 2020 Results	106.0	87.4	19.1	-0.5
Due to increased/decreased sales	+5.3	-2.1	+7.4	—
Impact of drug price revision	-5.0	—	-5.0	—
Changes in costs of goods sold	-2.4 *1	-3.3	+0.9	—
Changes in other SG&A expenses	-2.6 *2	+1.1	-3.7	—
Other (incl. change in results of subsidiaries)	-1.3	-0.1	-0.2	-1.0
FY2021 Results	100.0	83.0	18.5	-1.5

(Breakdown)

*1: [Food] Increase in raw materials cost: -3.1, Other: -0.2

[Pharma] Cost reductions: +0.9

*2: [Food] Decrease in marketing expenses: +3.0, Increase in depreciation and outsourcing expenses: -1.4, Other: -0.5

[Pharma] Increase in marketing expenses: -1.5, Increase in R&D expenses: -2.9, Other: +0.7

Food: Plan by Business – FY2021

(JPY bn)		FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year plan (as of Nov. 9)	
			YoY Change		YoY Change		YoY Change
Yogurt & cheese	Net sales	123.2	-8.2% -11.0	126.2	-0.2% -0.2	249.4	-4.3% -11.2
	Op. profit	18.7	-28.6% -7.4	20.2	-5.6% -1.2	38.9	-18.2% -8.6
Nutrition	Net sales	62.9	+5.7% +3.3	59.4	+5.3% +2.9	122.4	+5.5% +6.3
	Op. profit	10.6	+13.6% +1.2	7.7	-8.0% -0.6	18.3	+3.4% +0.6
Chocolate & gummy	Net sales	50.1	+5.8% +2.7	70.7	+4.5% +3.0	120.8	+5.1% +5.8
	Op. profit	3.7	+62.5% +1.4	10.4	+11.1% +1.0	14.2	+21.2% +2.4
Drinking milk	Net sales	44.3	-9.5% -4.6	39.2	-11.5% -5.0	83.6	-10.4% -9.7
	Op. profit	-0.0	— +0.6	-0.4	— +0.1	-0.4	— +0.7
B to B	Net sales	34.7	+16.0% +4.7	38.4	+5.0% +1.8	73.1	+10.0% +6.6
	Op. profit	0.8	+540.0% +0.7	2.2	+34.0% +0.5	3.0	+71.4% +1.2

Food: Plan by Business – FY2021

(JPY bn)		FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year plan (as of Nov. 9)	
			YoY Change		YoY Change		YoY Change
Frozen dessert& ready meal	Net sales	40.1	-5.6% -2.3	31.2	-2.6% -0.8	71.4	-4.3% -3.2
	Op. profit	2.3	-28.0% -0.9	0.6	+90.8% +0.3	3.0	-16.4% -0.6
Overseas	Net sales	26.8	+16.2% +3.7	28.7	+11.4% +2.9	55.5	+13.7% +6.6
	Op. profit	0.2	-51.0% -0.3	0.5	-13.4% -0.0	0.8	-30.9% -0.3
Other/ domestic subsidiaries	Net sales	112.5	+1.6% +1.8	107.8	-5.0% -5.7	220.3	-1.7% -3.9
	Op. profit	2.9	+10.6% +0.2	1.9	-6.2% -0.1	4.9	+3.2% +0.1

Food: Analysis of Op. Profit by Business – H1 FY2021

(JPY bn)	Food Segment Total	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
H1 Operating Profit – FY2020	43.9	26.1	9.3	2.3	-0.6	0.1	3.3	0.5	2.6
Due to increased/decreased sales	-3.9	-6.8	+2.2	+1.7	-1.7	+1.8	-1.2	+0.2	-0.2
Changes in COGS	-1.0	-0.2	-0.2	-0.4	-0.0	+0.1	-0.4	-0.1	+0.2
Changes in other SG&A expenses	-0.1	+0.1	-0.7	-0.7	+2.4	-1.1	+0.8	-0.7	-0.2
<i>Change in marketing expenses</i>	<i>+0.9</i>	<i>-0.1</i>	<i>-0.5</i>	<i>+0.1</i>	<i>+1.8</i>	<i>-1.0</i>	<i>+0.6</i>	<i>+0.1</i>	<i>+0.0</i>
<i>Change in other expenses (R&D expenses)</i>	<i>-1.0 (+0.1)</i>	<i>+0.2</i>	<i>-0.2</i>	<i>-0.8</i>	<i>+0.7</i>	<i>-0.1</i>	<i>+0.2</i>	<i>-0.8</i>	<i>-0.2</i>
Other (incl. change in results of subsidiaries)	+0.6	-0.6	+0.0	+0.9	-0.1	-0.0	-0.2	+0.3	+0.4
H1 Operating Profit – FY2021	39.5	18.7	10.6	3.7	-0.0	0.8	2.3	0.2	2.9

Food: Analysis of Op. Profit by Business – FY2021

(JPY bn)	Food Segment Total	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
Operating Profit – FY2020 Results	87.4	47.6	17.7	11.7	-1.2	1.7	3.6	1.2	4.8
Due to increased/decreased sales	-2.1	-8.6	+4.3	+4.0	-3.1	+2.8	-1.5	+0.4	-0.4
Changes in COGS	-3.3	-0.5	-1.4	-1.0	-0.0	-0.0	-0.5	-0.1	+0.2
Changes in other SG&A expenses	+1.1	+1.0	-2.4	-1.0	+4.3	-1.4	+1.4	-1.0	+0.1
<i>Change in marketing expenses</i>	<i>+3.0</i>	<i>+1.0</i>	<i>-0.8</i>	<i>-0.4</i>	<i>+3.1</i>	<i>-1.4</i>	<i>+1.1</i>	<i>+0.2</i>	<i>+0.3</i>
<i>Change in other expenses (R&D expenses)</i>	<i>-2.0 (-0.8)</i>	<i>+0.1</i>	<i>-1.6</i>	<i>-0.5</i>	<i>+1.2</i>	<i>-0.1</i>	<i>+0.4</i>	<i>-1.2</i>	<i>-0.2</i>
Other (incl. change in results of subsidiaries)	-0.1	-0.6	+0.0	+0.4	-0.4	-0.0	-0.1	+0.3	+0.3
Operating Profit – FY2021 Plan	83.0	38.9	18.3	14.2	-0.4	3.0	3.0	0.8	4.9

Food: Sales by Main Products – FY2021

(JPY bn)

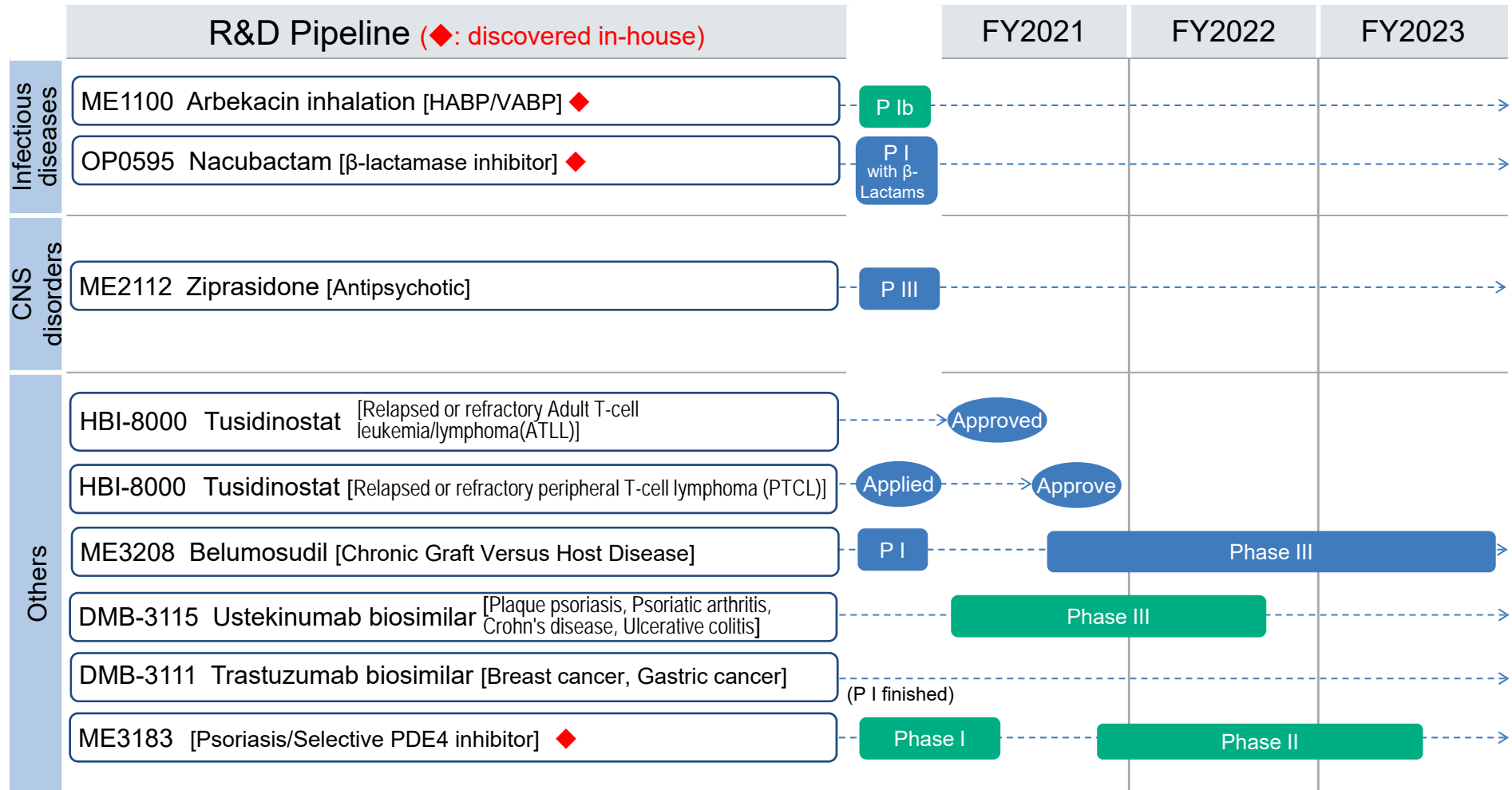
	FY2020 H1 Results	FY2021 H1 Results	YoY Change	vs. H1 Plan	FY2021 Full-year plan (as of Nov. 9)
Yogurt	44.4	42.4	-4.4%	-0.7%	83.8
Functional yogurt	56.5	49.5	-12.4%	-10.2%	102.4
Cheese	15.3	14.8	-3.8%	-3.0%	29.9
Chocolate	38.2	39.5	+3.5%	-3.0%	99.2
Infant formula and enteral formula	30.0	30.8	+2.8%	+2.9%	61.6
Sports nutrition (incl. <i>SAVAS Milk Protein</i>)	20.8	23.3	+12.1%	-5.9%	44.3
Drinking milk, milk for home delivery	45.2	40.4	-10.7%	-0.9%	76.8
Ice cream	26.6	24.7	-7.0%	-2.1%	39.3

Pharmaceutical: Plan by Business – FY2021

(JPY bn)		FY2021 H1 Results		FY2021 H2 Plan (as of Nov. 9)		FY2021 Full-year plan (as of Nov. 9)	
			YoY Change		YoY Change		YoY Change
Domestic ethical pharmaceuticals	Net sales	45.2	+9.6% +3.9	52.7	+5.3% +2.6	98.0	+7.2% +6.6
	Op. profit	1.7	— +2.1	3.4	-42.8% -2.5	5.2	-7.1% -0.4
Overseas ethical pharmaceuticals	Net sales	19.4	-2.2% -0.4	22.5	+15.6% +3.0	42.0	+6.6% +2.6
	Op. profit	1.2	-43.7% -0.9	2.4	+53.9% +0.8	3.7	-2.6% -0.1
Human vaccines	Net sales	24.0	+15.6% +3.2	19.6	-21.7% -5.4	43.7	-4.8% -2.2
	Op. profit	8.6	+70.2% +3.5	1.5	-66.9% -3.0	10.2	+5.2% +0.5
Agricultural chemicals & veterinary drugs	Net sales	7.9	+11.3% +0.8	7.6	-21.5% -2.1	15.6	-7.7% -1.3
	Op. profit	-0.4	— -0.1	-0.1	— -0.4	-0.6	— -0.6

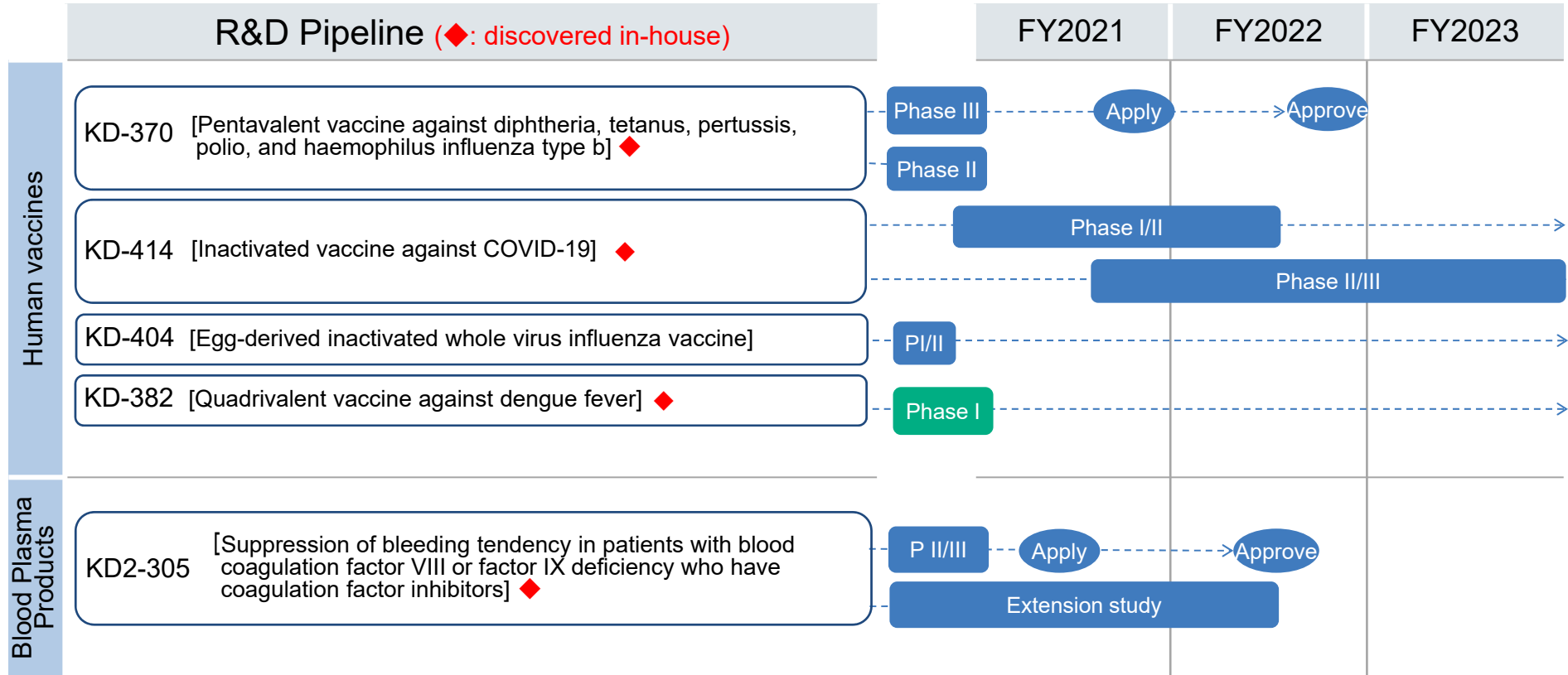
R&D Pipeline – 1

■ Japan ■ Overseas



R&D Pipeline – 2

■ Japan ■ Overseas

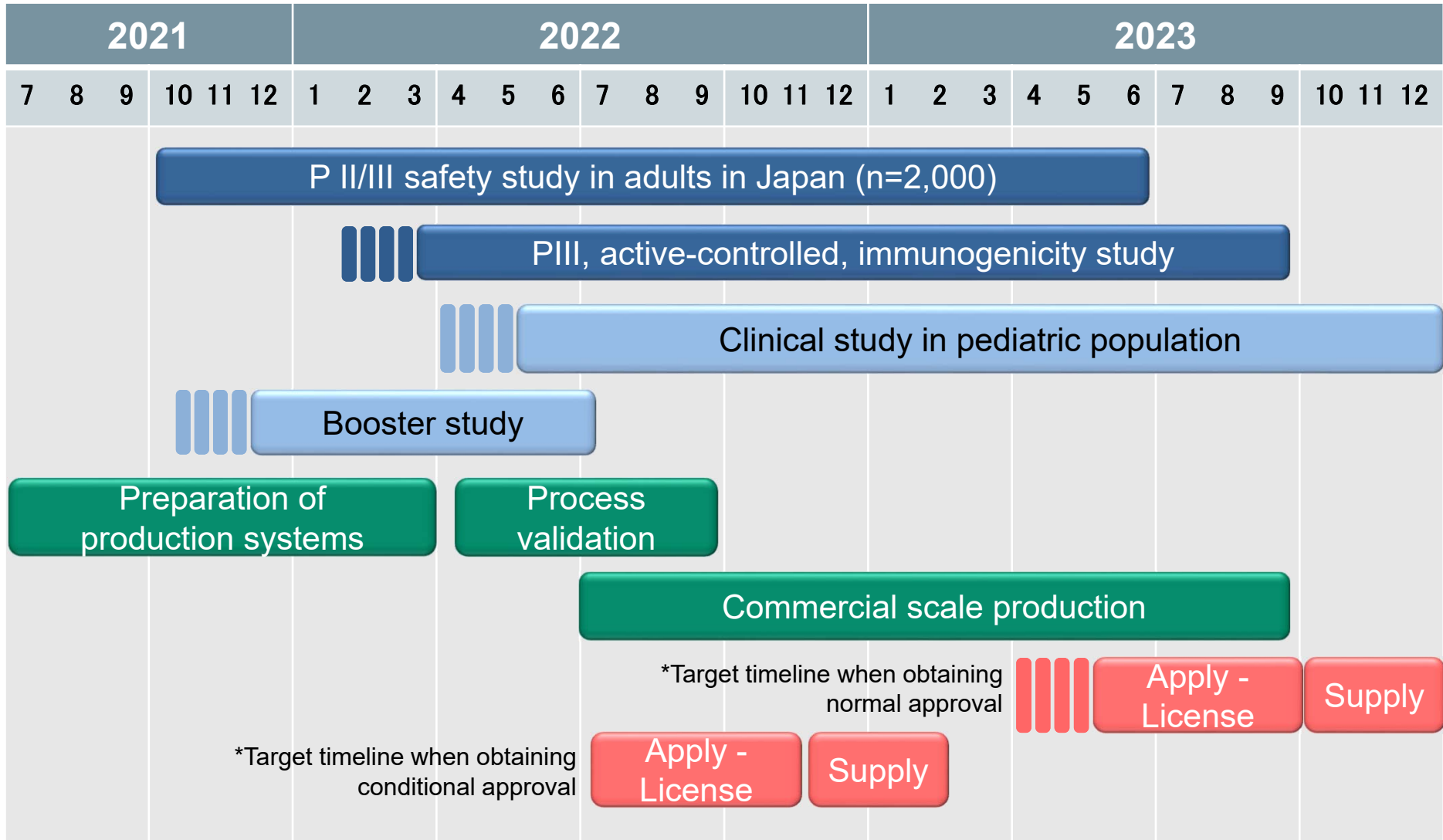


R&D Pipeline – 3

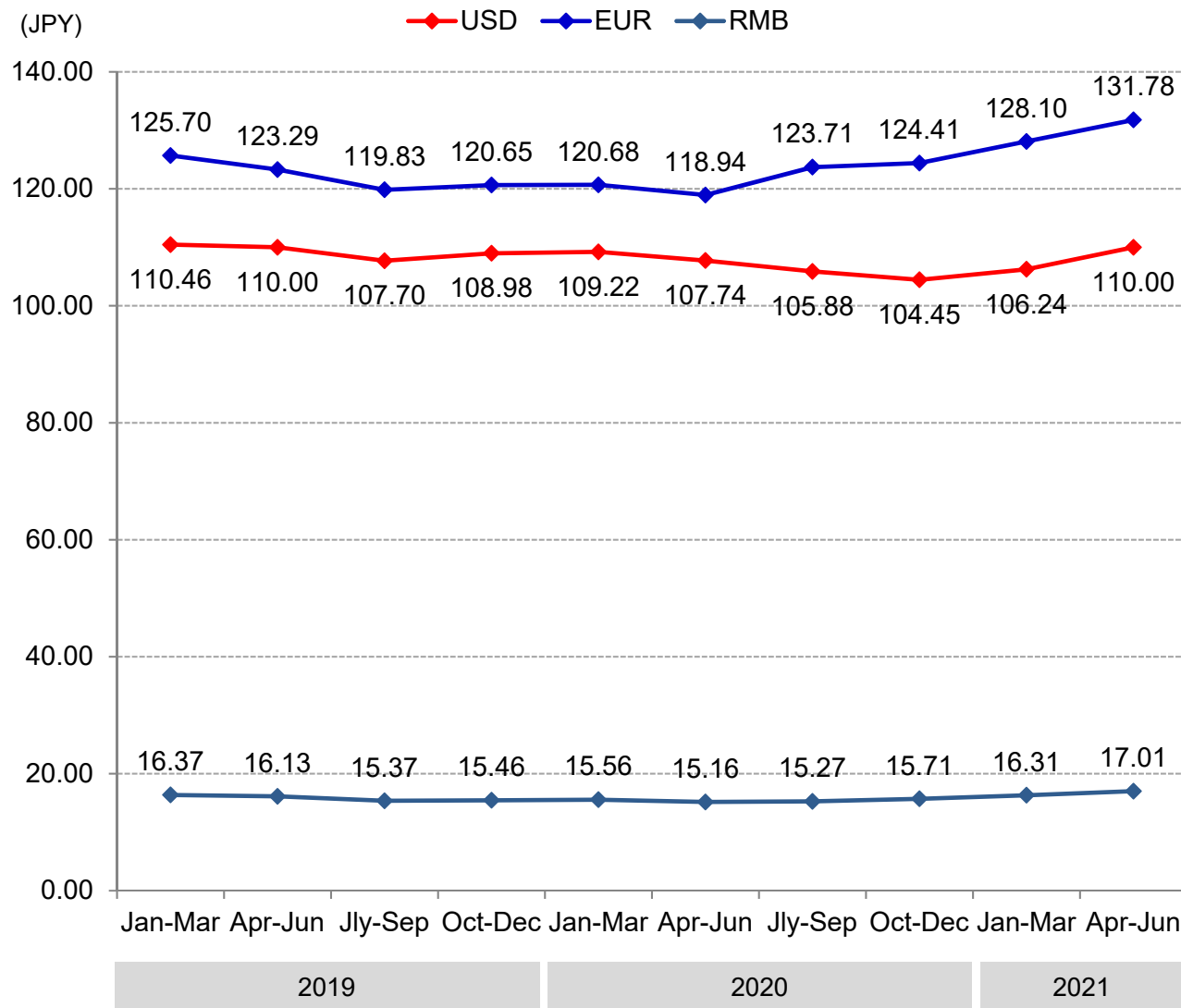
■ Japan ■ Overseas

R&D Pipeline (◆: discovered in-house)		FY2021	FY2022	FY2023
Agricultural chemicals	ME5382 [Insecticide/Flupyrimin] ◆	Approved	Approved	
	ME5343 [Insecticide/Afidopyropene] Licensing agreement with BASF ◆*	Approved		
	ANM-138 [Insecticide/Flometoquin] Joint development with Nippon Kayaku ◆	Approved		
	ME5223 [Fungicide/Fenpicoxamid] Joint development with Corteva Agriscience ◆	Approved		
Veterinary drugs	ME4136 [Injectable antibacterial drugs]	Approved		
	ME4137 [Injectable antibacterial drugs]	Applied	Approve	
	ME4406 [Feed Additive] ◆			Apply
	ME4204 [Oral Anthelmintic] Expanded indication ◆	Approved		
	ME4618 [Anesthetic injection]	Applied	Approve	
	ME4624 [Vaccine]	Approved		
	KD-395 [Vaccine for swine use] ◆	Applied		Approve
	KD-386 [Vaccine for swine use] ◆	Applied		Approve

Pharmaceutical: KD-414 (Inactivated vaccine against COVID-19) Development Timeline



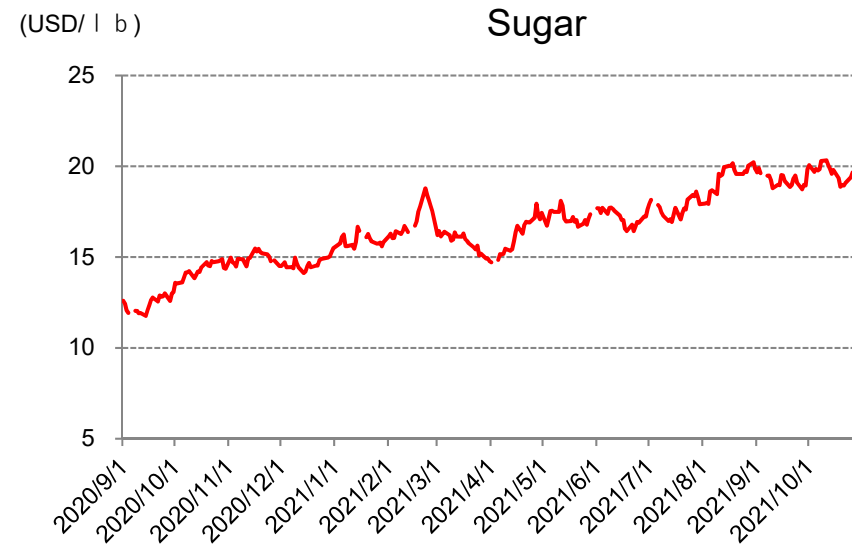
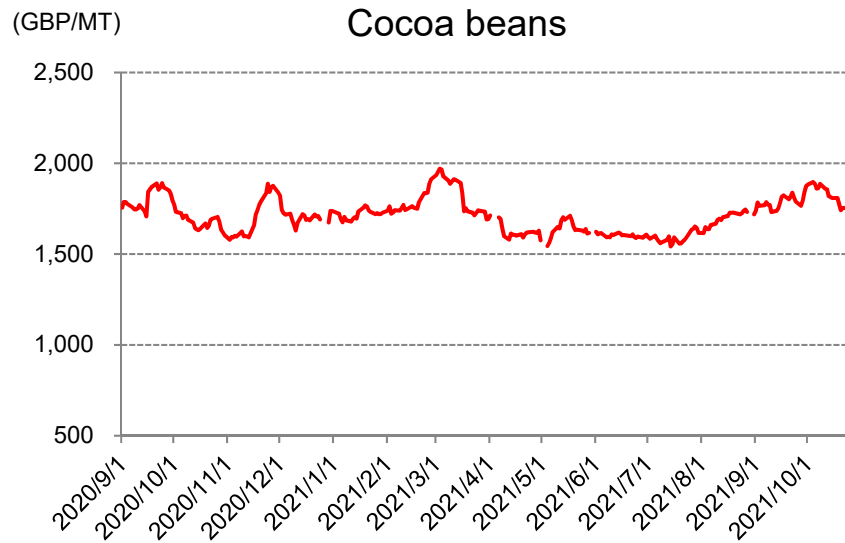
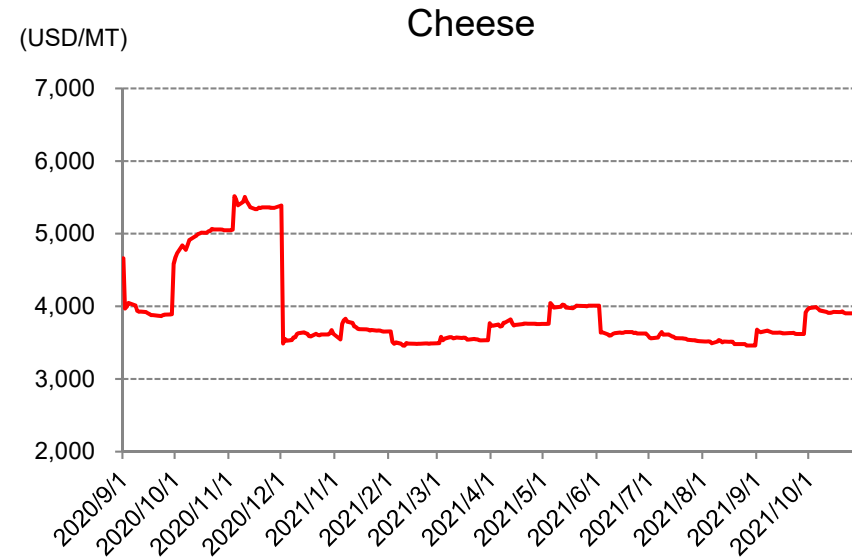
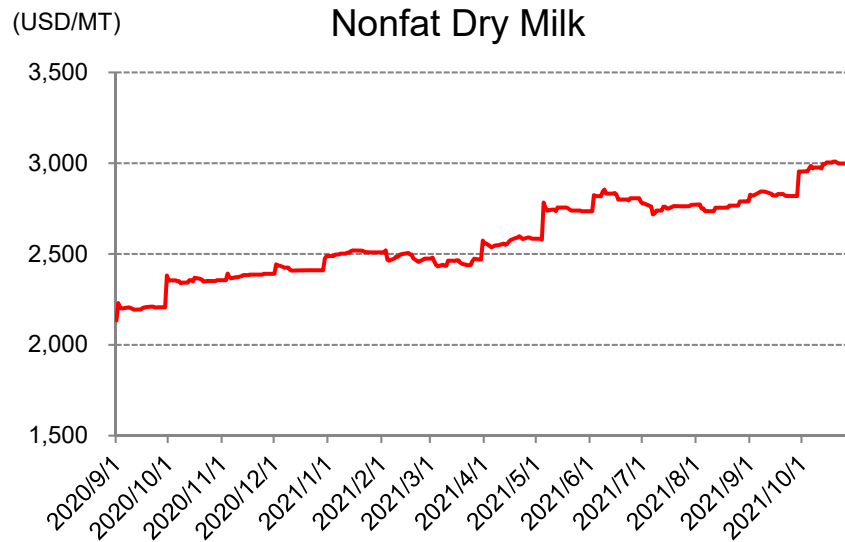
Key Currencies and Our Average Exchange Rates



Foreign exchange target
For FY2021 (JPY)

USD	106
EUR	126
RMB	15

Market Prices of Main Raw Materials Imported



The Meiji ROESG® : ESG Indicators

Our ESG indicators are the combination of overall ESG evaluation and environment focused rating. We chose MSCI ESG Ratings, DJSI, and FTSE4Good and CDP ratings.

Evaluation indicator	FY2020	Target for FY2023
MSCI ESG Ratings	BB	A
DJSI	80% (52 pts.)	90% (75 pts.)
FTSE4Good	3.0 pts.	3.5 pts.
CDP (Climate Change)	A-	A
CDP (Water Security)	A-	A

- Chose MSCI ESG Ratings, DJSI, and FTSE4Good because we need a global perspective for our ESG activities
- MSCI and FTSE use only disclosed information when evaluating ESG. This will boost our information disclosure.
- Selected two CDP indicators to enhance our initiatives for environmental issues, whose importance is increasing

The Meiji ROESG® : Target for Unique to Meiji

The Meiji Group has established six indicators. Five of these indicators are selected from the social issues that we particularly focus on under the 2023 Medium-Term Business Plan and employee engagement that support corporate activities.

Indicator	Target
Extend healthy life expectancy	+1 year (compared to 2016) *1
Amount of protein intake	75g/day
Vaccination rate for influenza vaccines	60%
Employee engagement score	A *2
Sales growth rate for health-conscious products, nutritional products with added value, products for a super-aged society	At least +10% (compared to FY2020)
Success in and supply of vaccine and therapeutic agent for COVID-19	Development and supply

- The focus of our 2023 Medium-Term Management Plan is our areas of strength, thereby we can improve our corporate value in the short-term. In other words, we can achieve both profit growth and sustainability.
- We chose “employee engagement” as we consider that human resources are the driver for both business and ESG.

*1 2016 (men 72.14 yrs old/women 74.79 yrs old)

*2 2019 survey: BB

Now ideas for wellness

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