

Now ideas for wellness

meiji

Financial Results for FYE March 2022 (FY2021)

(From April 1, 2021 to March 31, 2022)

May 17, 2022

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 FY2021

Summary for FY2021 Consolidated Results

(JPY bn)	FY2020 Results	FY2021 Results	YoY Change	vs. Plan	FY2021 Plan (Rev. on Feb. 9)
Net sales	1,191.7	1,013.0	-15.0% -178.6	+0.4% +4.0	1,009.0
(Reference: Net sales)	1,007.1*	1,013.0	+0.6% +5.9	—	—
Operating profit	106.0	92.9	-12.4% -13.1	+3.2% +2.9	90.0
Op. profit margin	8.9%	9.2%	+0.3 pt	-0.3 pt	8.9%
Profit attributable to owners of parent	65.6	87.4	+33.3% +21.8	+4.2% +3.4	84.0
EPS (JPY)	452.52	607.24	+154.72	+27.43	579.81

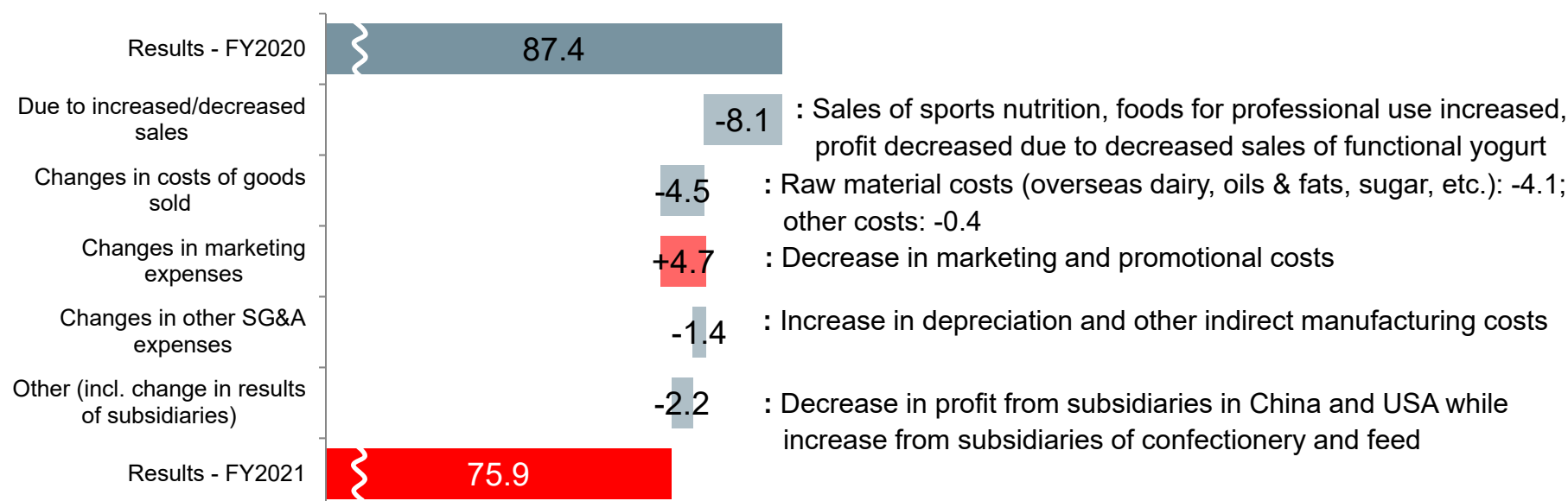
- Net sales of Food segment was largely unchanged, while increased in Pharmaceutical segment when excluding the impact of applying the Revenue Recognition Accounting Standard
- Operating profit decreased both in Food and Pharmaceutical segment
- Profit attributable to owners of parent increased significantly. Extraordinary income increased on sales of shares of subsidiaries and associates, and investment securities

Food : Summary for FY2021

(JPY bn)	FY2020 Results	FY2021		FY2021 Plan (Rev. on Feb. 9)	
		Results	YoY Change		vs. Plan
Net sales	999.6	826.0	-17.4% -173.5	+0.3% +2.4	823.6
(Reference: Net sales)	826.5*	826.0	-0.1% -0.4	—	—
Operating profit	87.4	75.9	-13.1% -11.4	+1.3% +0.9	75.0

* Calculated as net sales after applying revenue recognition accounting standards

Analysis of changes in operating profit

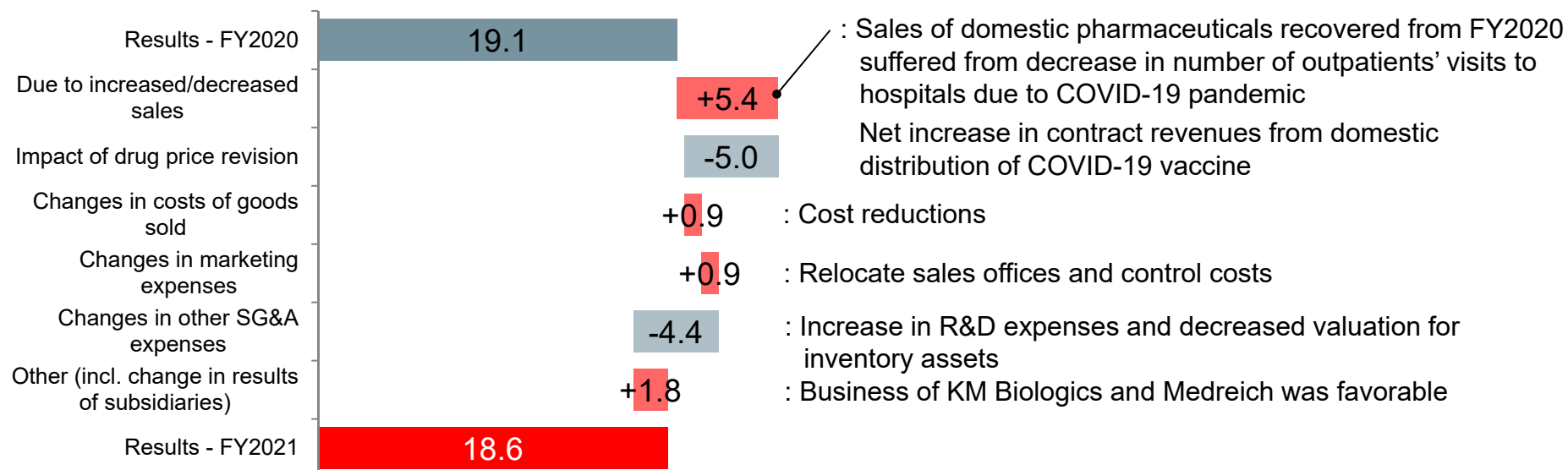


Pharmaceutical: Summary for FY2021

(JPY bn)	FY2020 Results	FY2021 Results	YoY Change	vs. Plan	FY2021 Plan (Rev. on Feb. 9)
Net sales	193.6	187.9	-2.9% -5.6	+0.6% +1.1	186.8
(Reference: Net sales)	182.1*	187.9	+3.2% +5.8	—	—
Operating profit	19.1	18.6	-2.3% -0.4	+13.1% +2.1	16.5

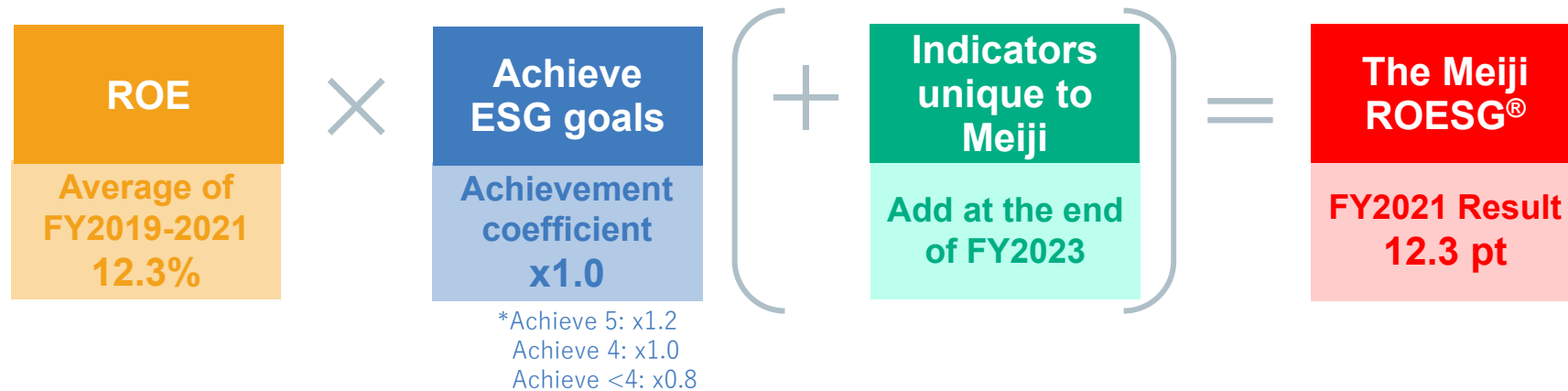
* Calculated as net sales after applying revenue recognition accounting standards

Analysis of changes in operating profit



Progress for 2023 Medium-term Business Plan

Meiji ROESG®



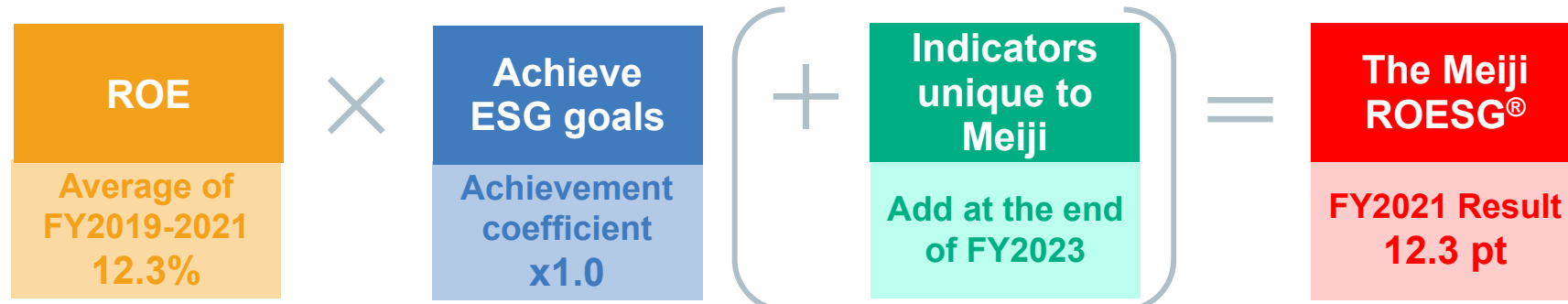
Evaluation indicator	FY2020	FY2021 Result	Target for FY2021
MSCI ESG Ratings	BB	BBB	BBB
DJSI	80th percentile	86th percentile	84th percentile
FTSE4Good	3.0 points	3.0 points	3.2 points
CDP (Climate Change)	A-	A-	A-
CDP (Water Security)	A-	A	A-

- Achieved four evaluation indicators out of five of them
- Listed on A-rated company in CDP (Water Security)

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

Progress for 2023 Medium-term Business Plan

Meiji ROESG®



Indicator	As of FY2021	Target for FY2023
Extend healthy life expectancy	+0.56 years* ¹	+1 year* ¹
Amount of protein intake	71.4 g/day* ²	75 g/day
Vaccination rate for influenza vaccines	65.6%* ³	60%
Employee engagement score	deviation score B	deviation score A
Sales growth rate for health-conscious products, nutritional products with added value, products for a super-aged society	-2.6%* ⁴	+10% and over* ⁴
Success in and supply of vaccine and therapeutic agent for COVID-19	Under development	Development and supply

- Working on Indicators unique to Meiji to achieve FY2023 target level

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

*2 2019 latest survey

*3 2020 latest survey, subjects for periodic inoculation 65-yr old and over

*4 Compared to FY2020

Summary for FY2021

- Profit attributable to owners of parent increased significantly
 - ✓ Continued to face issues with growth potential of core businesses
 - ✓ Reviewed our business portfolio
 - ✓ Reduced cross-shareholdings stocks
 - ✓ Acquired treasury shares, ROE improved
- Promoted initiatives: Our goal to become carbon neutral by 2050, outlined in our Long-term Environmental Vision
 - ✓ September 2021 Joined RE100
 - ✓ October 2021 Set internal carbon pricing
 - ✓ October 2021 Received SBT (Science Based Targets) certification
- Conducted procurement surveys with major suppliers and group companies to build a responsible supply chain
Ascertained and analyzed current conditions for our future actions
- Cultivate Group togetherness
 - ✓ Permeating new slogan “Now ideas for wellness” within the Group
 - ✓ Promoting personal engagement in sustainability

We implemented Meiji ROESG management and carried out reforms in FY2021, amid a difficult environment

2. Plan for FY2022 and Initiatives

**Recovering growth trajectory of core businesses is the top priority
We will work on fostering new growth drivers**

Points for FY2022 Plan

- Recover growth trajectory of core businesses, in particular:
 - ✓ Functional yogurt and yogurt
 - ✓ Domestic ethical pharmaceuticals
- Initiatives against cost increase
 - ✓ Costs for raw material and energy and drastic yen depreciation
 - ✓ Price hike, decrease product amount and strict cost management
- Foster new growth drivers
 - ✓ Overseas expansion and new vaccine
 - ✓ Foster new domain and work with startups and ventures
- Accelerate ESG initiatives

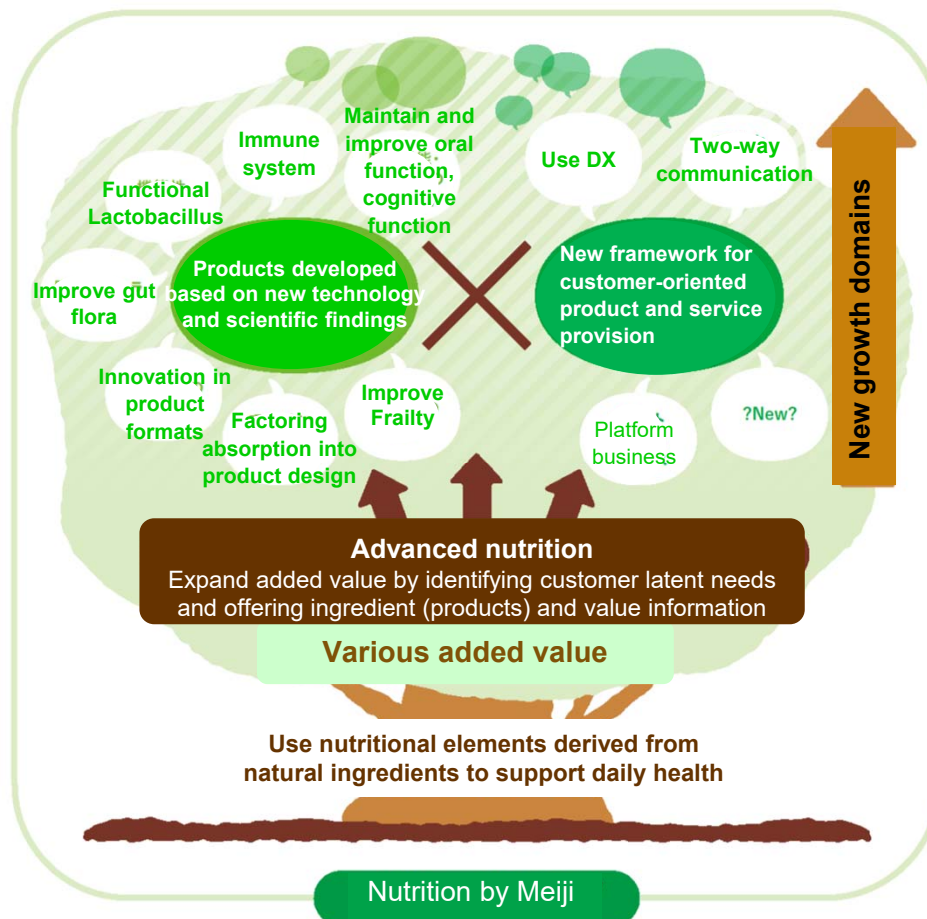
Consolidated Plan for FY2022

(JPY bn)		FY2022 H1 Plan	YoY Change	FY2022 H2 Plan	YoY Change	FY2022 Plan	YoY Change
Consolidated	Net sales	507.0	+1.3% +6.2	528.5	+3.1% +16.1	1,035.5	+2.2% +22.4
	Operating profit	41.0	-18.5% -9.3	51.5	+20.9% +8.9	92.5	-0.5% -0.4
	Profit attributable to owners of parent	31.0	-15.4% -5.6	31.5	-38.0% -19.3	62.5	-28.5% -24.9
Food	Net sales	414.0	+1.2% +4.9	426.0	+2.2% +8.9	840.0	+1.7% +13.9
	Operating profit	34.1	-13.7% -5.4	41.8	+15.0% +5.4	76.0	+0.0% +0.0
Pharma	Net sales	93.0	+1.0% +0.9	102.9	+7.4% +7.0	196.0	+4.3% +8.0
	Operating profit	7.7	-31.2% -3.5	10.7	+45.6% +3.3	18.5	-0.8% -0.1

- Increase sales both in Food and Pharmaceutical segments
- Operating profit: H1 significant decrease, Full year largely unchanged YoY
 - ✓ Food: Start initiatives to offset the rising costs in May-June
 - ✓ Pharmaceutical: Contract revenues from AstraZeneca related to the COVID-19 vaccines decrease compare to H1, FY2021
- Profit attributable to owners of parent: Decreased due to significant decrease in extraordinary income compare to FY2021

Food: Create Value Based on Nutrition Statement

Foster new growth domain by getting the idea from Advanced Nutrition



- Build management foundation to accelerate value creation
 - ✓ In-house Value Create Program
 - ✓ Accelerator Program
- Prepare for creating new market
 - ✓ Social issues and health issues
 - ✓ Global point of view
 - ✓ Value unique to Meiji

Food: Create Value based on Nutrition Statement

Build management foundation to accelerate value creation

In-house Value Create Program

- Meiji's own initiative
- Create businesses that resolve issues
- Evaluating two new business ideas

Accelerator Program

- Support startup companies
- Collaborating with some companies

Prepare for creating new market

Sustainable cocoa

Plan to sell products using new materials such as:

- Cocoa flavanol extract
- Cocoa granule



Drink product
Sales trial at Salon du Chocolat Tokyo in January 2022

Baby food



Meiji Milafull brand launched on March 29, 2022

Femtech

Start Meiji FemiCare Foods in autumn 2022


Solve women's health issues

Etc.

Food: Initiatives against Cost Increase

Effects on operating profit in FY2022 Plan

- Raw materials cost about JPY 12.5 billion
- Energy cost about JPY 1.5 billion

- 
- Offset cost increase:
 - ✓ Price hike and amount reduction announced in March and April
 - ✓ Cost reduction
 - Weak consumer sentiment
 - Take several initiatives to minimize sales decrease
 - Raw materials cost and yen depreciation may be accelerated due to the Russian-Ukrainian crisis, etc.
 - Keep an eye on the situation and consider additional measures if necessary

Initiatives for Yogurt and Cheese Business

(JPY bn)	FY2022 H1 Plan		FY2022 H2 Plan		FY2022 Plan	
		YoY Change		YoY Change		YoY Change
Net sales	108.9	+1.2% +1.3	110.0	+7.8% +7.9	219.0	+4.4% +9.2
Operating profit	16.9	-9.2% -1.7	18.0	+10.9% +1.7	34.9	+0.1% +0.0

● Market Forecast

- Yogurt: Negative growth in FY2021 due to high growth in FY2020
Competition continues with healthy products
- Cheese:
Natural cheese: Stable
Processed cheese: Need to check effects of price hike

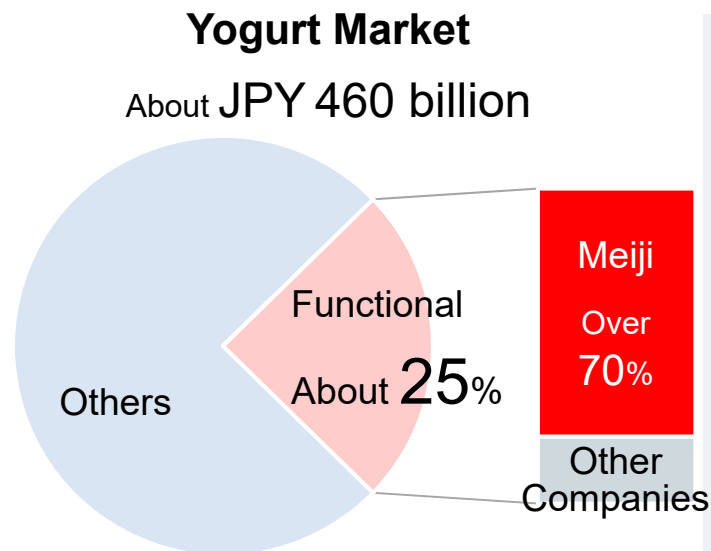
Sales*	FY2022 Plan	YoY change
Functional yogurt	102.6	+4.7%
Yogurt	83.5	+2.1%
Cheese	28.0	-3.5%

● Points for FY2022 Plan

- Highest priority is the recovery of functional yogurt, which contributes significantly to sales and profits. Bolster both marketing and products.
- *Meiji Hokkaido Tokachi cheese*: 30th anniversary in FY2022
Meiji Bulgaria Yogurt: 50th anniversary in FY2023
Maximize exposure and drive sales growth - Effective campaigns and improve product appeal
- The profit is weighted towards H2 – Sales increase in H2 is higher compared to H1

Recover Growth Trajectory: Functional Yogurt and Yogurt

Using our strength, R&D and technical expertise,
extend the product life cycle while developing new products



Functional yogurt

- Focus on increasing new consumers
- *R-1*: Launched *Mitasukarada* on April 12
Focus on the primary health benefits of yogurt
- *LG21*: Revised in April
Attract consumers by promoting *LG21* that doctors recommend
- Enhance product portfolio



Yogurt

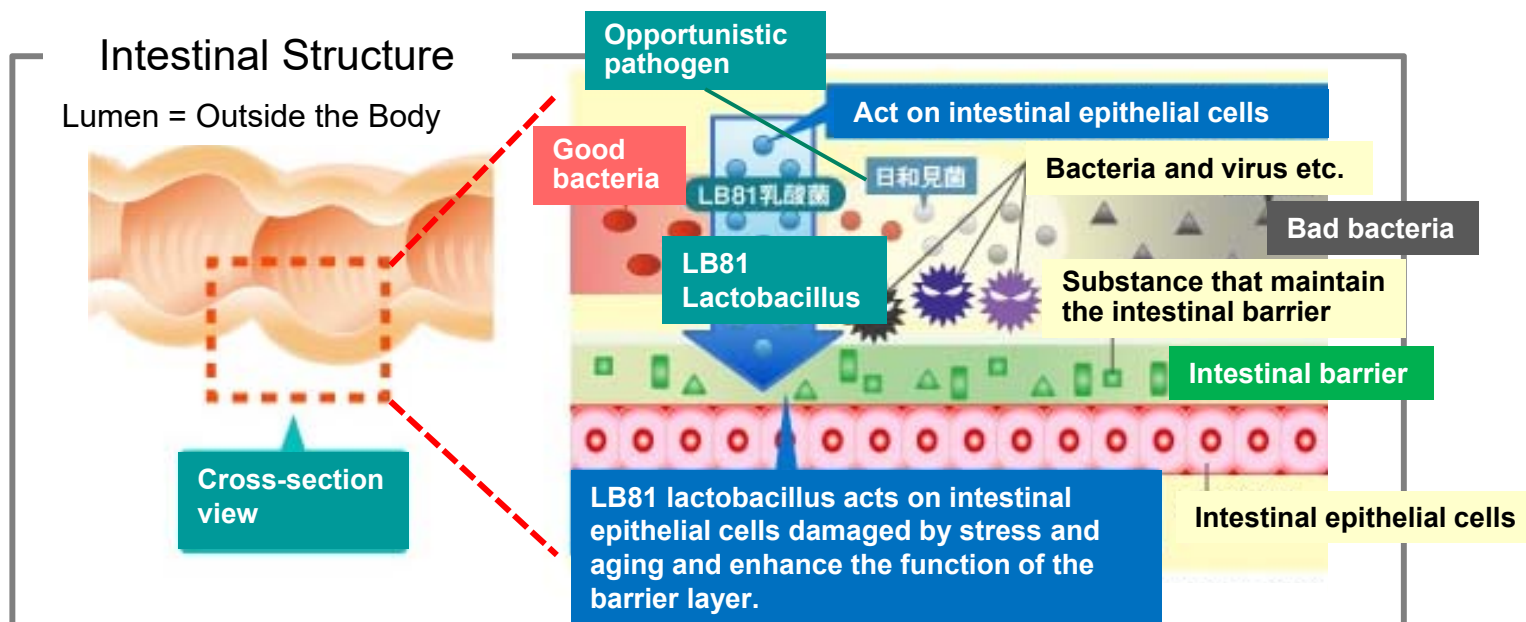
- Consumers are recurring to regular items. Increase sales of *Meiji Bulgaria Yogurt*
- Boost demand for plain yogurt by providing recipes with yogurt
- Improved yogurt drinks in April and promote health benefit

Recover Growth Trajectory: Functional Yogurt and Yogurt

Activate yogurt market

Intestinal epithelial barrier function, new health value of LB81

- A healthy intestine has a defensive function called an intestinal epithelial barrier on the surface of the intestine. This layer protects the intestines from attacks by foreign bacteria
- The intestines are the outside the body biologically, though they are inside the body. The intestines are constantly exposed to food, environmental substances, pharmaceuticals, and pathogens. They are also sensitive to stress.
- LB81 lactobacillus improves intestinal barrier function by increasing antibacterial peptide, which is thought to play an important role for the intestinal barrier.



Initiatives for Nutrition Business

(JPY bn)	FY2022 H1 Plan		FY2022 H2 Plan		FY2022 Plan	
		YoY Change		YoY Change		YoY Change
Net sales	60.3	+7.3% +4.0	57.8	+8.4% +4.4	118.1	+7.8% +8.5
Operating profit	9.7	-8.5% -0.9	10.2	+18.0% +1.5	20.0	+3.4% +0.6

● Market forecast

- Sports protein: Observe closely the impact of corporate responses to the rising whey price
- Liquid diet: Sales for in-home care continue to grow
- Milk for baby and infant: Number of births declined. Observe closely the impact of decrease in inbound demand, which recovered in FY2021

● Points for FY2022 Plan

- SAVAS: Keep growing sales; Extend product lines, attract a wide range of consumers with varieties of exercise intensity levels
- Liquid diet: *Meiji Mei Balance* series; Minimize effect of price hike on sales by appealing its functionality and convenience for varieties of products
- H1 significantly impacted by cost increases. Assuming H2 will see recovery driven by measures to address cost increases



Initiatives for Chocolate and Gummy Business

(JPY bn)	FY2022		FY2022		FY2022	
	H1 Plan	YoY Change	H2 Plan	YoY Change	Plan	YoY Change
Net sales	44.1	+5.0% +2.0	58.8	+5.2% +2.9	103.0	+5.1% +5.0
Operating profit	3.8	+1.3% +0.0	10.5	+17.9% +1.5	14.3	+12.9% +1.6

● Market forecast

- Chocolate: Negative growth due to increased sales in FY2021
Showing upward trend for health consciousness
- Gummy: Sales recovered from that in FY2020 that was damaged by the COVID-19 pandemic
Health benefit to improve one's chewing power, leads to upward trend in sales

● Points for FY2022 Plan

- *Chocolate Kouka*: Increase consumers using media exposure. Promote permeation through continuous dissemination of health information
- Grow health-conscious chocolate, including *OligoSmart*
- Expand product lines of family-size products and chocolate covered nuts
Promote product values to minimize the impact of price hikes on sales volume
- Gummy: Pursue continued growth through marketing that promotes the benefits of chewing and by expanding product lines
- Operating profit: Assuming cost reduction efforts work significantly in H2 when demand is highest

Initiatives for Overseas Business

(JPY bn)	FY2022 H1 Plan		FY2022 H2 Plan		FY2022 Plan	
		YoY Change		YoY Change		YoY Change
Net sales	28.1	+12.3% +3.0	32.0	+16.5% +4.5	60.2	+14.5% +7.6
Operating profit	-0.7	— -1.0	-0.2	— +1.1	-0.9	— +0.0

● Overall

Increase in sale

Unchanged in profit, mainly due to increased marketing and other expenses to increase sales

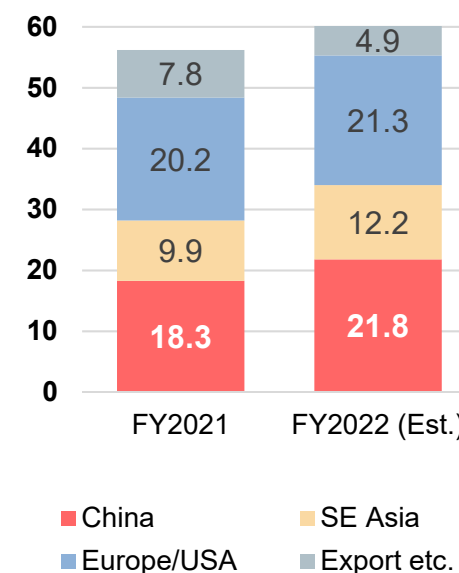
● China

- Products for professional use: Continue to grow by capturing new customers
- Milk and yogurt for the consumer market: Expand sales areas
- Confectioneries and ice cream: Strengthen product appeal
- Protein: Plan test sales of RTD*¹ and RTE*²
- Should monitor impact of Shanghai lockdown since April

● USA

- Key is to respond to rising costs. May implement additional measures as necessary.

Net Sales by Region
(JPY bn)

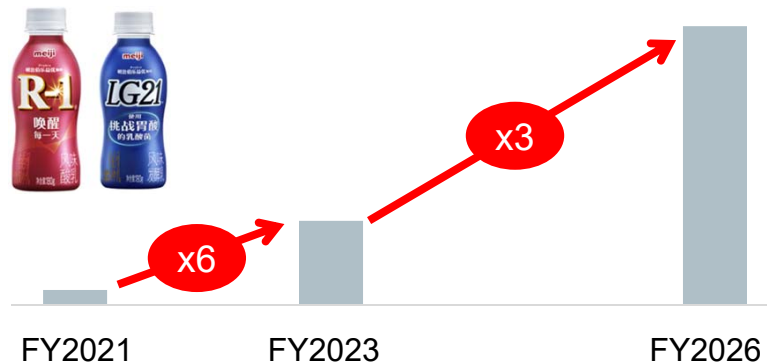


*1 : Ready to Drink *2 : Ready to Eat

Foster New Growth Drivers in Overseas Market

Increase sale of functional yogurt in China

Prospect for sales increase



Jan. 2023 Meiji Dairies (Tianjin)
Oct. 2023 Meiji Food (Guangzhou) will start operation

- 1 year since launch, growing as planned. Will accelerate growth
- Strategy focused on potential loyal customers
- Use accumulated experience and knowledge in Japan while adopting communication strategy aligned with market conditions in China
- Concurrently disseminate information about the value of Lactobacillus



Live commerce linked to live streaming platform



Attractive floor display and promotion



Study on R-1 Lactobacillus was published in Sanitation Research. Meiji China published press release

Pharmaceutical: Strengthen Structural Reforms

**Concentrate management resources
in infectious disease domain, our area of strength
Establish competitive advantage as a top company
for vaccines and drugs for infectious diseases**

Strengthen vaccine business

- Conduct R&D steadily including COVID-19 vaccines
- Acquire technology for new modalities
- Strengthen marketing functions

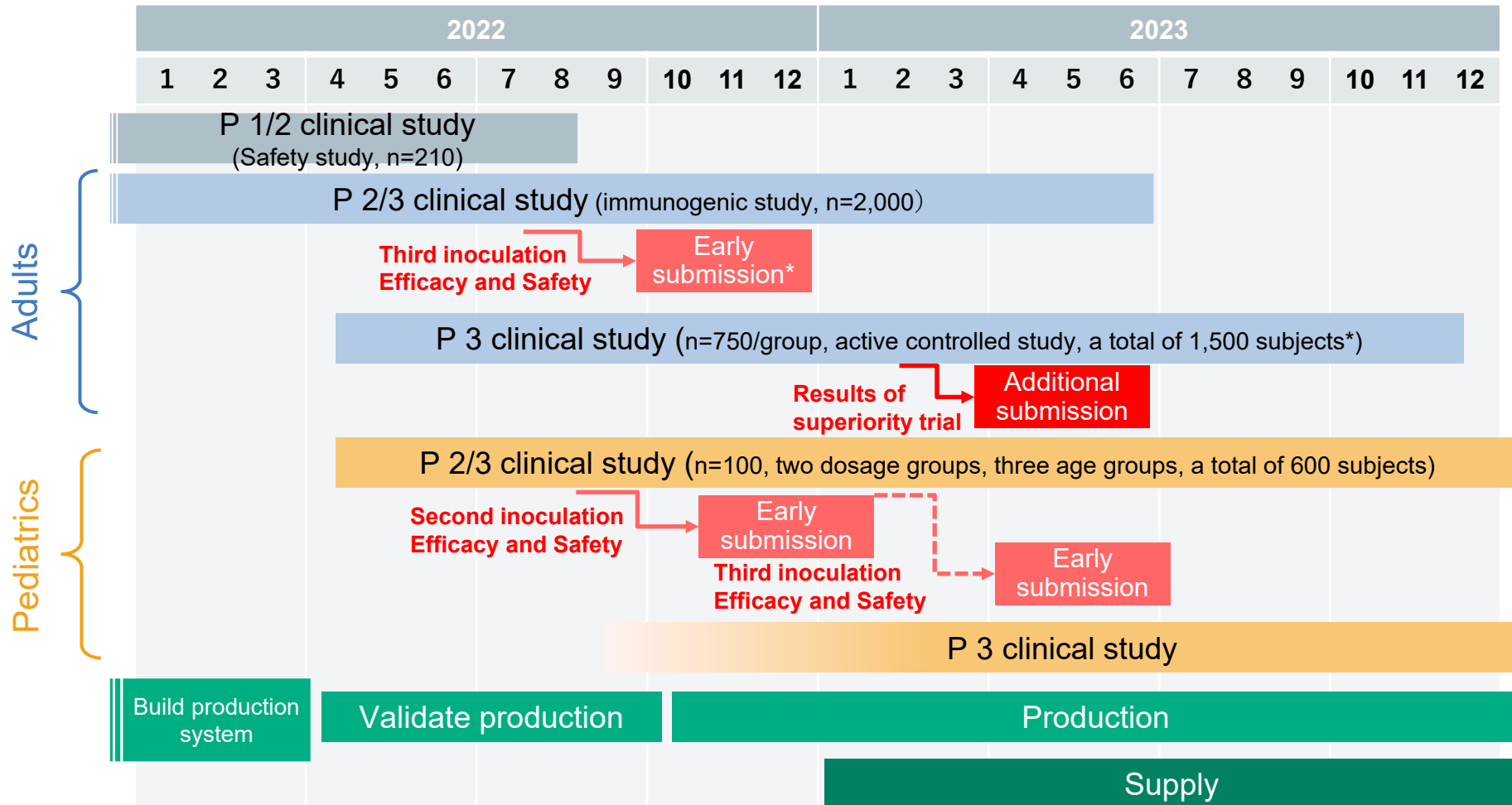
Rebuild domestic pharmaceutical business

- Grow core products
- Promote initiatives for stable supply of antibacterial drugs
- Establish stable supply structure for generic drugs while ensuring profitability

Strengthen R&D capability

- Collaborate with academia and venture companies
- Centralize management of resource allocation and portfolio

Pharmaceutical: Development of Inactivated COVID-19 Vaccine (KD-414)



- Assuming accelerated application for approval using the Emergency Use Authorization System
- Aiming to start drug supply in FY2022 for unvaccinated adults and children/adolescents under age 18 years old

Initiatives for Human Vaccine Business

(JPY bn)

	FY2022		FY2022		FY2022	
	H1 Plan	YoY Change	H2 Plan	YoY Change	Plan	YoY Change
Net sales	19.8	-12.9% -2.9	21.4	+6.9% +1.3	41.2	-3.6% -1.5
Operating profit	3.3	-62.0% -5.3	2.5	-9.6% -0.2	5.8	-49.3% -5.6

● Points for FY2022 Plan

- Net sales from contract manufacturing of COVID-19 vaccine decreases
Impact on H1 sales and profits.
- Influenza vaccine: Efficient production and early shipment is the key, regardless of status of outbreaks
- Increase sales of DTP-IPV vaccine *QUATTROVAC* and other pediatric vaccines by consolidating marketing functions to strengthen sales capabilities
- Prepare for production and sales steadily towards launch of pentavalent (5-in-1) vaccine (applied for manufacturing and sales approval on April 25)

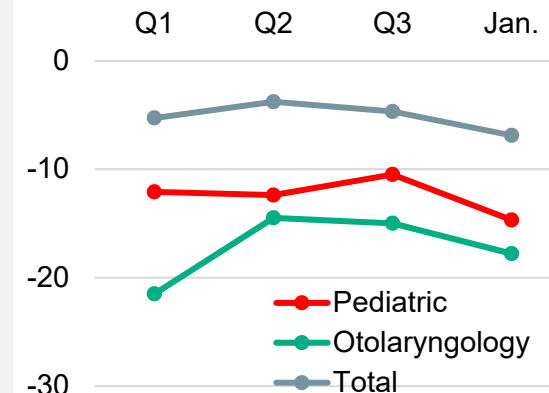
Initiatives for Domestic Ethical Pharmaceutical Business

(JPY bn)	FY2022 H1 Plan		FY2022 H2 Plan		FY2022 Plan	
		YoY Change		YoY Change		YoY Change
Net sales	45.2	+5.8% +2.4	51.0	+6.2% +2.9	96.2	+6.0% +5.4
Operating profit	2.1	+18.8% +0.3	5.9	+208.7% +3.9	8.0	+117.5% +4.3

● Points for FY2022 Plan

- NHI Drug price revision rate: 6% range
- Contract income for domestic distribution of COVID-19 vaccine decreases
- Strengthen marketing activities for priority drugs:
 - Anti-allergic drug *BILANOVA*, launched OD tablets
 - Antineoplastic agent *HIYASTA*
- Injectable antibacterial agents, including critical pharmaceuticals:
 - Increase sales volume to maintain as base sales
- Development pipeline products steadily
- Structural reforms: Improve sales productivity and establish optimal production system

of Receipt by department
Compare to FY2019 (%)



Source: Social Insurance Medical Fee Payment Fund

Number of receipts (medical fee statements) did not return to pre-COVID-19 levels yet

Initiatives for Overseas Business

(JPY bn)	FY2022		FY2022		FY2022	
	H1 Plan	YoY Change	H2 Plan	YoY Change	Plan	YoY Change
Net sales	21.3	+10.3% +1.9	22.7	+7.8% +1.6	44.0	+9.0% +3.6
Operating profit	1.8	+45.4% +0.5	1.8	-34.9% -0.9	3.6	-10.1% -0.4

● Points for FY2022 Plan

- Increase in total sales, while decrease in profit impacted by raw materials cost increase
- Sales of CMO/CDMO business* continue to be favorable
Aim for continuous growth while expanding production capacity in anticipation of medium- to long-term market growth
- Overseas sales of own products continue to recover from the impact of COVID-19.
In addition, grow sales of products from other companies utilizing sales force in each country/region

Expand production capacity in Medreich

Start building new production facility in Adcock Ingram Ltd. in India
Will start production in March 2023



Conceptual drawing

* CMO/CDMO business: Contract Manufacturing Organization/Contract Development Manufacturing Organization

Promote Open innovation and business-academia collaboration Create health value unique to the Meiji Group

Open innovation

- California Cultured Inc. (USA)
Co-create functional products using cocoa cell culture technology and clinical studies
- PLIMES Inc. (Japan)
Create new value in the feeding and swallowing domain using GOKURI, monitoring service for feeding and swallowing
- AgFunder SIJ Impact Fund
Build relationships with venture companies in agri-food technology field that contribute to sustainable food production

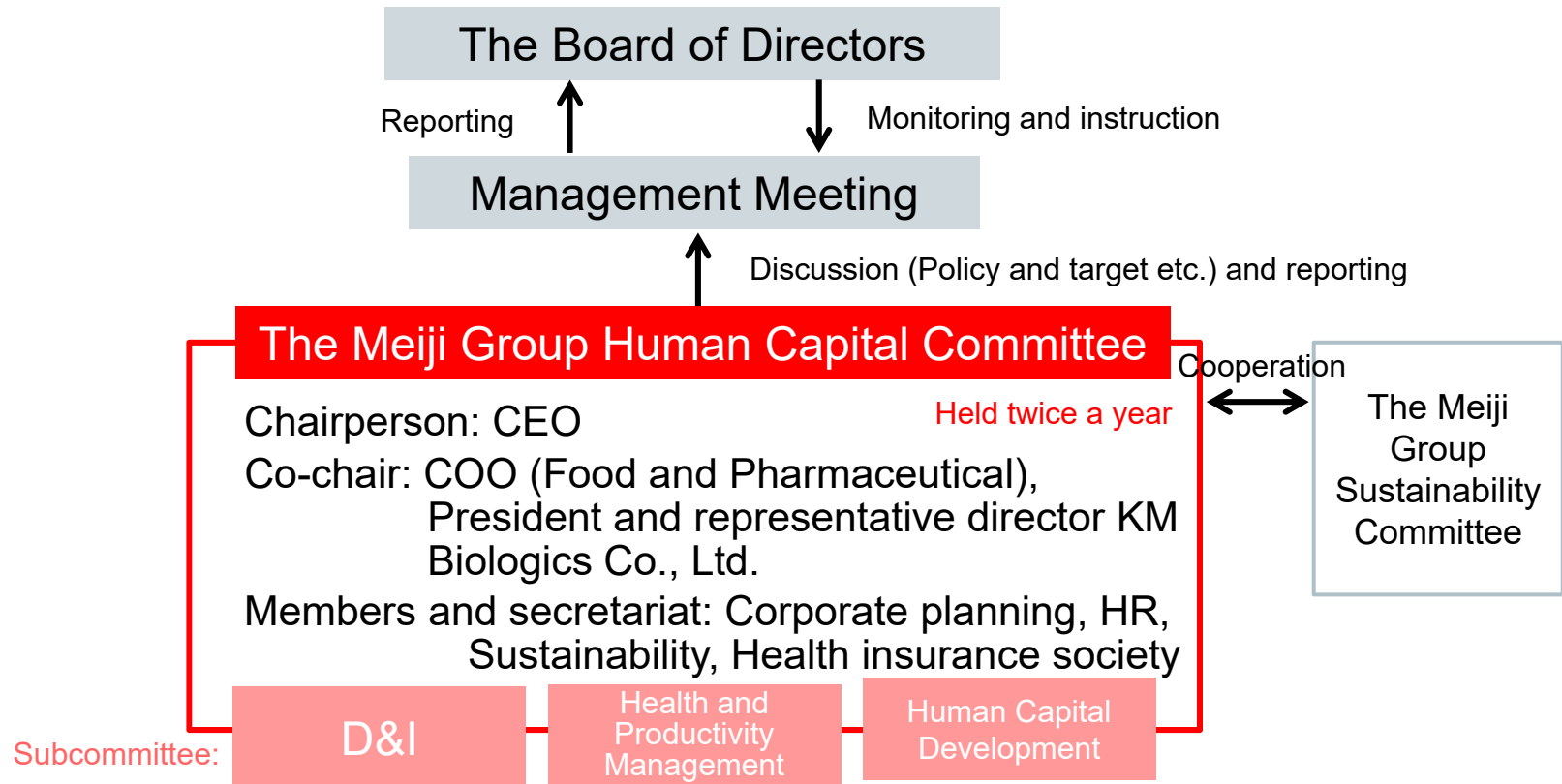
Business-academia collaboration

- Juntendo University
Collaborative research to develop the first-in-class blood cancer drug
- The Kitasato Institute
Collaborative research to develop COVID-19 therapeutic agent derived from Ivermectin analogue
- Hiroshima University and MACNICA, Inc. (Japan)
Collaborative research using Dx
Develop depression prevention method and implement to society
- Azabu University
Established endowed chair, AMR Surveillance Laboratory
Drug resistance research in industrial animal

Strengthen Human Capital Management Support Creation of Health Value Unique to the Meiji Group



Established Group Human Capital Committee in April 2022
Aim to foster human resources who respect diversity and can lead reform



- HR investments and initiatives to strengthen HR management are monitored via the Employee Engagement Score, which we incorporate into Meiji ROESG® benchmarks

Strengthen and Enhance the Group Governance

Nomination and Compensation Committee

- January 2022 Outside Director chairs the committees
Nomination Committee: Mariko Matsumura
Compensation Committee: Masaya Kawata

Improve Effectiveness and Transparency of the Board of Directors

- FY2022
Introduced the third-party evaluation of the Board of Directors
(Once in three years)
- June 2022 General Meeting of Shareholders
Propose increase of one Outside Director

Initiatives to Maintain and Restoration of Biodiversity



The Meiji Group is built on the abundant gifts of nature, including raw milk and cocoa

Based on this recognition, we work to contribute to the realization of the society that coexists in harmony with nature, by participating in various external initiatives

- **April 2022**

Joined the 30 by 30 Alliance for Biodiversity in Japan

The alliance was established to contribute to achieving the 30by30 target. The 30by30 target, which aims to conserve or protect 30% of land and sea areas by 2030, was adopted at the G7 Summit held June 2021.

- **May 2022**

Joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum

The forum is a global multi-disciplinary consultative group of institutions endorsed the principles of TNFD. It supports the development of the TNFD framework.



3. Financial Strategy and Returns to Shareholders

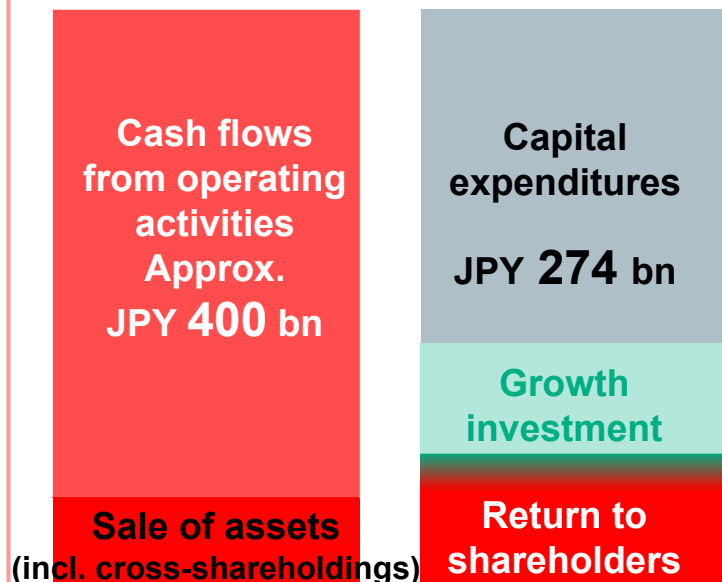
Plan for FY2022

(JPY bn)	FY2021 Results	FY2022 Plan	YoY Change
Net sales	1,013.0	1,035.5	+2.2% +22.4
Operating profit	92.9	92.5	-0.5% -0.4
Op. profit margin	9.2%	8.9%	-0.2 pt
Profit attributable to owners of parent	87.4	62.5	-28.5% -24.9
EPS (JPY)	607.24	433.76	-173.48
Cash dividends per share (JPY)	170.00	170.00	—
Dividend payout ratio	28.0% (37.8%)	39.2%	+11.2 pt
ROE	13.5% (10.2%)	9.0%	-4.5 pt
ROIC	8.4%	8.0%	-0.4 pt
Capital expenditures	93.1	96.3	+3.5% +3.2
Cash flows from operating activities	127.5	70.0	-45.1% -57.5
Free cash flows	99.9	-20.0	— -119.9

Figure in parenthesis is excluding settlement of agricultural 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 share buyback to establish optimal capital structure

● FY2021 Result

- No change in capital expenditure plans but payment timing shifted in some cases
- Approx. JPY 50 bn cash inflow on transfer of DM Bio stock and agricultural chemicals business.
- Reduction in cross-shareholdings as planned.
- JPY 10 increase in annual dividend
Conducted buyback and disposal of treasury stock of approx. JPY 30 bn.

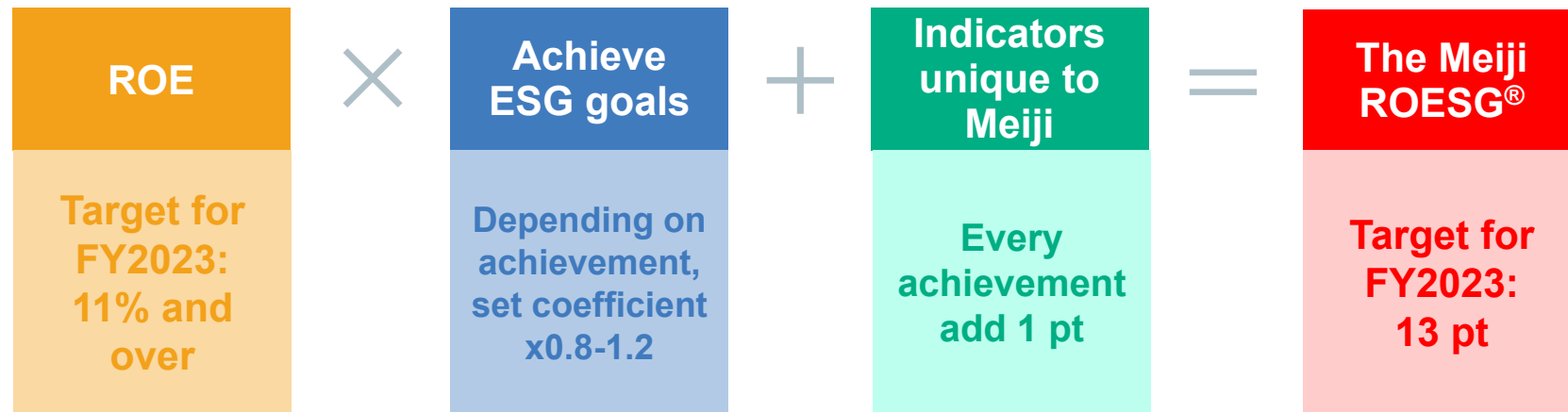
● Points for FY2022 Plan

- Capital distribution focused on balance between appropriate profit returns and growth investments in line with 2023 Medium-Term Business Plan
- Planning on capital expenditures of JPY 96.3 bn, including payments shifted from FY2021
- Consider return to stockholders both dividends and share buyback

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



Appendices

KPIs for 2023 Medium Term Business Plan

(JPY bn.)

	FY2020 Results	FY2021 Results	YoY Change	FY2022 Plan	YoY Change	FY2023 Target (In May 2021)
Meiji ROESG®	9 pt	12.3 pt	—	—	—	13 pt
Consolidated net sales	1,007.1*	1,013.0	+0.6% +5.9	1,035.5	+2.2% +22.4	1,080.0
Food segment	826.5*	826.0	-0.1% -0.4	840.0	+1.7% +13.9	874.5
Pharmaceutical segment	182.1*	187.9	+3.2% +5.8	196.0	+4.3% +8.0	209.0
Consolidated Operating profit (ratio)	106.0 (10.5%*)	92.9 (9.2%)	-12.4% -13.1 (-1.3 pt)	92.5 (8.9%)	-0.5% -0.4 (-0.2 pt)	120.0 (11.1%)
Food segment	87.4	75.9	+0.6% +5.9	76.0	+0.0% +0.0	102.0
Pharmaceutical segment	19.1	18.6	-0.1% -0.4	18.5	-0.8% -0.1	18.5
Overseas net sales	—	92.9	—	104.2	+12.1% +11.2	134.5
ROIC	10.0%	8.4%	-1.6 pt	8.0%	-0.4 pt	≥ 10%
Food segment	12.5%	9.8%	-2.6 pt	9.2%	-0.6 pt	≥ 12%
Pharmaceutical segment	6.1%	6.6%	+0.5 pt	6.7%	+0.1 pt	≥ 6%
ROE	11.1%	13.5%	+2.4%	9.0%	-4.5 pt	≥ 11%
Payout ratio	35.4%	28.0%	-7.4 pt	39.2%	+11.2 pt	40%

Consolidated Financial Results for FY2021

(JPY bn)	FY2021 Results	YoY Change	Main factors for the change
Net sales	1,013.0	-15.0% -178.6	— Details on pages 2-4
Operating profit	92.9	-12.4% -13.1	— Details on pages 2-4
Non-operating profit	5.3	-22.3% -1.5	- Subsidy income (-0.7) - Foreign exchange gains (-0.3) - Other factors (-0.5)
Non-operating expenses	4.3	+53.3% +1.5	- Loss on events (+0.3) - Other factors (+1.2)
Ordinary profit	93.9	-14.7% -16.1	—
Extraordinary income	50.7	+2,228.5% +48.5	- Gain on sale of shares of subsidiaries and associates (+33.7) - Subsidy income (+8.5) - Gain on sales of investment securities (+3.3)
Extraordinary losses	16.3	+77.8% +7.1	- Loss on tax purpose reduction entry of non-current assets (+8.9) - Provision of allowance for doubtful accounts (-1.0)
Profit before income taxes	128.4	+24.5% +25.2	—
Income taxes-total	36.0	+9.0% +2.9	- Income taxes - current (+2.0) - Income taxes - deferred (+0.9)
Profit (loss) attributable to non-controlling interests	4.8	+10.5% +0.4	—
Profit attributable to owners of parent	87.4	+33.3% +21.8	—

Financial Position as of March 2022

(JPY bn)	Results as of Mar. 2022	YoY Change	Main Factors for Change
Current assets	455.6	+6.9% +29.5	- Cash and deposits (+27.0) - Allowance for doubtful accounts (+2.2)
Non-current assets	661.8	+3.3% +20.9	- Machinery and equipment (+18.0)
Total assets	1,117.4	+4.7% +50.4	—
Current liabilities	286.8	+13.4% +33.8	- Refund liability (+15.9) - Other factors (+18.4)
Non-current liabilities	117.6	-23.9% -37.0	- Long-term borrowings (-21.4) - Bonds payable (-10.0) - Deferred tax liabilities (-4.9)
Total liabilities	404.4	-0.8% -3.2	—
Shareholders' equity	632.8	+6.0% +35.5	- Retained earnings (+63.4) - Capital surplus (-20.1) - Treasury shares (-7.6)
Accumulated other comprehensive income	40.4	+67.6% +16.3	- Foreign currency translation adjustments (+11.6) - Valuation difference on available-for-sale securities (+2.3) - Remeasurements of defined benefit plans (+2.1)
Non-controlling interests	39.6	+4.6% +1.7	—
Total net assets	713.0	+8.1% +53.6	—
Interest bearing debt	81.2	-20.2% -20.5	- Long-term borrowings (-21.4)
Equity ratio	60.3%	+2.0 pt	—

Consolidated Cash Flows for FY2021

(JPY bn)	FY2021 Results	YoY Change	Main Factors for Change
Cash flows from operating activities	127.5	+3.8	<ul style="list-style-type: none"> - Profit before income taxes (+25.2) - Increase in trade payables (+11.1) - Loss (gain) on sale of shares of subsidiaries and associates (-34.0)
Cash flows from investing activities	-27.6	+65.4	<ul style="list-style-type: none"> - Proceeds from sale of investment securities (+54.0) - Purchases of investment securities (+32.5) - Purchase of property, plant and equipment (-25.2)
Cash flow from financing activities	-76.9	-48.7	<ul style="list-style-type: none"> - Increase in treasury shares (-29.9) - Redemption of bonds (-10.0) - Repayments of long-term borrowings (-4.1)
Free cash flows	99.9	+69.3	—

Analysis of Consolidated Operating Profit – FY2021

(JPY bn)	Consolidated Operating Profit	Food	Pharma	Other
Results -- FY2020	106.0	87.4	19.1	-0.5
Due to increased/decreased sales	-2.7	-8.1	+5.4	—
Impact of drug price revision	-5.0	—	-5.0	—
Changes in marketing expenses	-3.6 *1	-4.5	+0.9	—
Changes in other SG&A expenses	-0.2 *2	+3.3	-3.5	—
Other (incl.change in results of subsidiaries)	-1.6	-2.2	+1.8	-1.2
Results -- FY2021	92.9	75.9	18.6	-1.7

*1: [Food] Increase in raw materials cost: -4.1, Other: -0.4
[Pharma] Cost reductions: +0.9

*2: [Food] Decrease in marketing expenses: +4.7, Increase in indirect manufacturing cost: -1.2, Other: -0.2
[Pharma] Increase in R&D expenses: -3.3, Increase in loss on valuation of inventories: -1.1,
Decrease in marketing expenses: +0.9

Analysis of Consolidated Operating Profit – FY2022

(JPY bn)	Consolidated Operating Profit	Food	Pharma	Other
Results -- FY2021	92.9	75.9	18.6	-1.7
Duer to increased/decreased sales	+27.1	+22.1	+5.0	—
Impact of drug price revision	-5.0	—	-5.0	—
Changes in costs of goods sold	-10.7	-11.5	+0.8	—
Changes in other SG&A expenses	-6.5	-10.1	+3.6	—
Other (incl. change in results of subsidiaries)	-5.3	-0.5	-4.6	-0.2
Plan -- FY2022	92.5	76.0	18.5	-2.0

*1: Including the impact from the price hike

*2: [Food] Increase in raw materials cost: -12.5, Other: +1.0
[Pharma] Cost reductions: +0.8

*3: [Food] Increase in marketing expenses: -2.9, Increase in other SG&A expenses: -7.1
[Pharma] Decrease in marketing expenses: +1.0, Decrease in other SG&A expenses: +2.6

Food: Net sales and Operating Profit by Business

		(JPY bn)	FY2021 Result	FY2022 Plan	YoY Change
Yogurt and Cheese	Net sales		209.7	219.0	+4.4% +9.2
	Op. Profit		34.9	34.9	+0.1% +0.0
Nutrition	Net sales		109.6	118.1	+7.8% +8.5
	Op. Profit		19.3	20.0	+3.4% +0.6
Chocolate and Gummy	Net sales		98.0	103.0	+5.1% +5.0
	Op. Profit		12.6	14.3	+12.9% +1.6
Drinking milk	Net sales		76.1	73.4	-3.6% -2.7
	Op. Profit		-0.7	-1.7	— -0.9
B to B	Net sales		65.8	67.1	+2.0% +1.3
	Op. Profit		2.7	2.9	+7.0% +0.1

Food: Net sales and Operating Profit by Business

		(JPY bn)	FY2021 Result	FY2022 Plan	YoY Change
Frozen dessert & ready meal	Net sales		58.2	57.4	-1.5% -0.8
	Op. Profit		2.9	3.7	+27.7% +0.8
Overseas	Net sales		52.6	60.2	+14.5% +7.6
	Op. Profit		-1.0	-0.9	— +0.0
Other/ domestic subsidiaries	Net sales		155.7	141.5	-9.2% -14.2
	Op. Profit		5.0	2.6	-48.4% -2.4

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
Full-year Operating Profit – FY2020 Result	87.4	47.6	17.7	11.7	-1.2	1.7	3.6	1.2	4.8
Due to increased/decreased sales	-8.1	-13.6	+4.8	+1.4	-2.8	+3.0	-1.0	+0.4	-0.2
Changes in COGS	-4.5	-1.0	-1.5	-0.9	-0.0	-0.2	-0.8	-0.2	+0.1
Changes in other SG&A expenses	+3.3	+3.0	-1.7	-0.2	+3.9	-1.8	+1.2	-1.2	+0.1
<i>Change in marketing expenses</i>	+4.7	+2.7	-1.0	+0.7	+2.9	-1.8	+0.8	+0.2	+0.1
<i>Change in other expenses (R&D expenses)</i>	-1.4 (-0.1)	+0.3	-0.7	-0.9	+1.0	-0.0	+0.3	-1.4	-0.0
Other (incl. change in results of subsidiaries)	-2.2	-1.1	+0.0	+0.6	-0.7	+0.0	-0.1	-1.3	+0.2
Full-year Operating Profit – FY2021 Result	75.9	34.9	19.3	12.6	-0.7	2.7	2.9	-1.0	5.0

Food: Analysis of Op. Profit by Business – FY2022

(JPY bn)	Food Segment Total	Yogurt & Cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
Full-year Operating Profit – FY2021 Result	75.9	34.9	19.3	12.6	-0.7	2.7	2.9	-1.0	5.0
Due to increased/decreased sales	+22.1	+5.8	+7.5	+5.6	-0.4	+1.3	+2.1	+0.1	+0.2
Changes in COGS	-11.5	-2.3	-3.9	-2.4	+0.1	-0.6	-1.3	-0.1	-0.8
Changes in other SG&A expenses	-10.1	-4.1	-2.9	-1.3	-0.7	-0.4	+0.0	-0.2	-0.5
<i>Change in marketing expenses</i>	-2.9	-2.1	-0.9	-0.2	+0.5	-0.2	+0.1	+0.1	-0.2
<i>Change in other expenses</i>	-7.1	-2.0	-2.0	-1.1	-1.1	-0.2	-0.1	-0.2	-0.4
Other (incl. change in results of subsidiaries)	-0.5	+0.6	-0.0	-0.2	+0.1	-0.0	-0.0	+0.3	-1.3
Full-year Operating Profit – FY2022 Plan	76.0	34.9	20.0	14.3	-1.7	2.9	3.7	-0.9	2.6

Food: Sales by Main Products

(JPY bn)

	FY2020 Results	FY2021 Results	YoY Change		FY2022 Plan	YoY Change
				vs. Plan (Rev. on Feb. 9)		
Yogurt	84.4	81.8	-3.1%	-0.3%	83.5	+2.1%
Functional yogurt	112.0	98.0	-12.5%	+0.2%	102.6	+4.7%
Cheese	31.1	29.1	-6.4%	-1.3%	28.0	-3.5%
Chocolate	96.0	96.3	+0.3%	-0.3%	100.3	+4.1%
Infant formula and enteral formula	58.8	63.5	+8.1%	+1.1%	62.6	-1.4%
Sports nutrition (incl. <i>SAVAS Milk Protein</i>)	40.5	42.8	+5.6%	-3.6%	51.5	+20.4%
Drinking milk, milk for home delivery	85.9	77.1	-10.3%	+0.6%	72.7	-5.7%
Ice cream	41.8	40.2	-3.9%	-0.4%	40.2	+0.0%

Pharmaceutical: Net sales and Op. Profit by Business

		(JPY bn)	FY2021 Result	FY2022 Plan	YoY Change
Domestic ethical pharmaceuticals	Net sales		90.7	96.2	+6.0% +5.4
	Op. Profit		3.6	8.0	+117.5% +4.3
Overseas ethical pharmaceuticals	Net sales		40.3	44.0	+9.0% +3.6
	Op. Profit		4.0	3.6	-10.1% -0.4
Human vaccine	Net sales		42.7	41.2	-3.6% -1.5
	Op. Profit		11.4	5.8	-49.3% -5.6
Veterinary drug*	Net sales		14.1	14.6	+3.3% +0.4
	Op. Profit		-0.4	1.1	— +1.5

*FY2021 result includes the agricultural chemicals business before the transfer of the business (results of the cumulative third quarter)

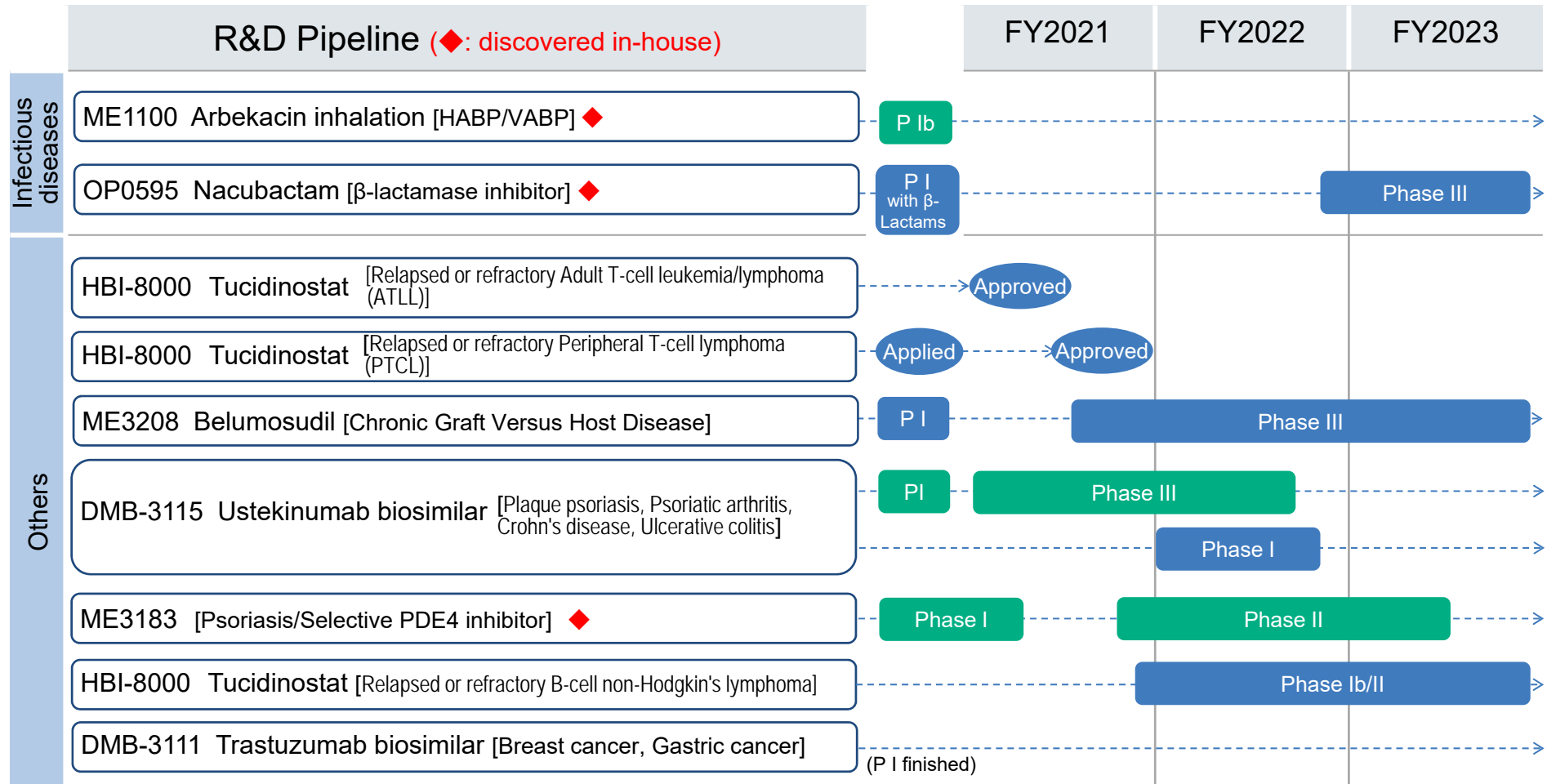
Pharmaceutical: Net sales and Op. Profit by Business

(JPY bn)	Pharma Segment Total	Domestic pharmaceuticals	Overseas pharmaceuticals	Human vaccine	Veterinary drug*
Full-year Operating Profit – FY2021 Result	18.6	3.6	4.0	11.4	-0.4
Due to increased/decreased sales	+5.0	+8.0	+0.1	+0.3	-3.3
Impact of NHI price revision	-5.0	-5.0	—	—	—
Changes in COGS	+0.8	+0.3	-0.4	+0.9	+0.0
Changes in other SG&A expenses	+3.6	+1.3	-0.3	-1.3	+3.9
<i>Change in marketing expenses</i>	+1.0	-0.1	-0.4	-0.6	+2.1
<i>Change in other expenses (R&D expenses)</i>	+2.6	+1.4	+0.1	-0.7	+1.8
Other (incl. change in results of subsidiaries)	-4.6	-0.3	+0.2	-5.5	+1.0
Full-year Operating Profit – FY2022 Plan	18.5	8.0	3.6	5.8	1.1

*FY2021 result includes the agricultural chemicals business before the transfer of the business (results of the cumulative third quarter). From April 2022, Meiji Animal Health Co., Ltd., a newly established subsidiary, operates both the veterinary drug business and the veterinary vaccine business. Therefore, changes in profit of the veterinary business for FY2022 are included in "Other."

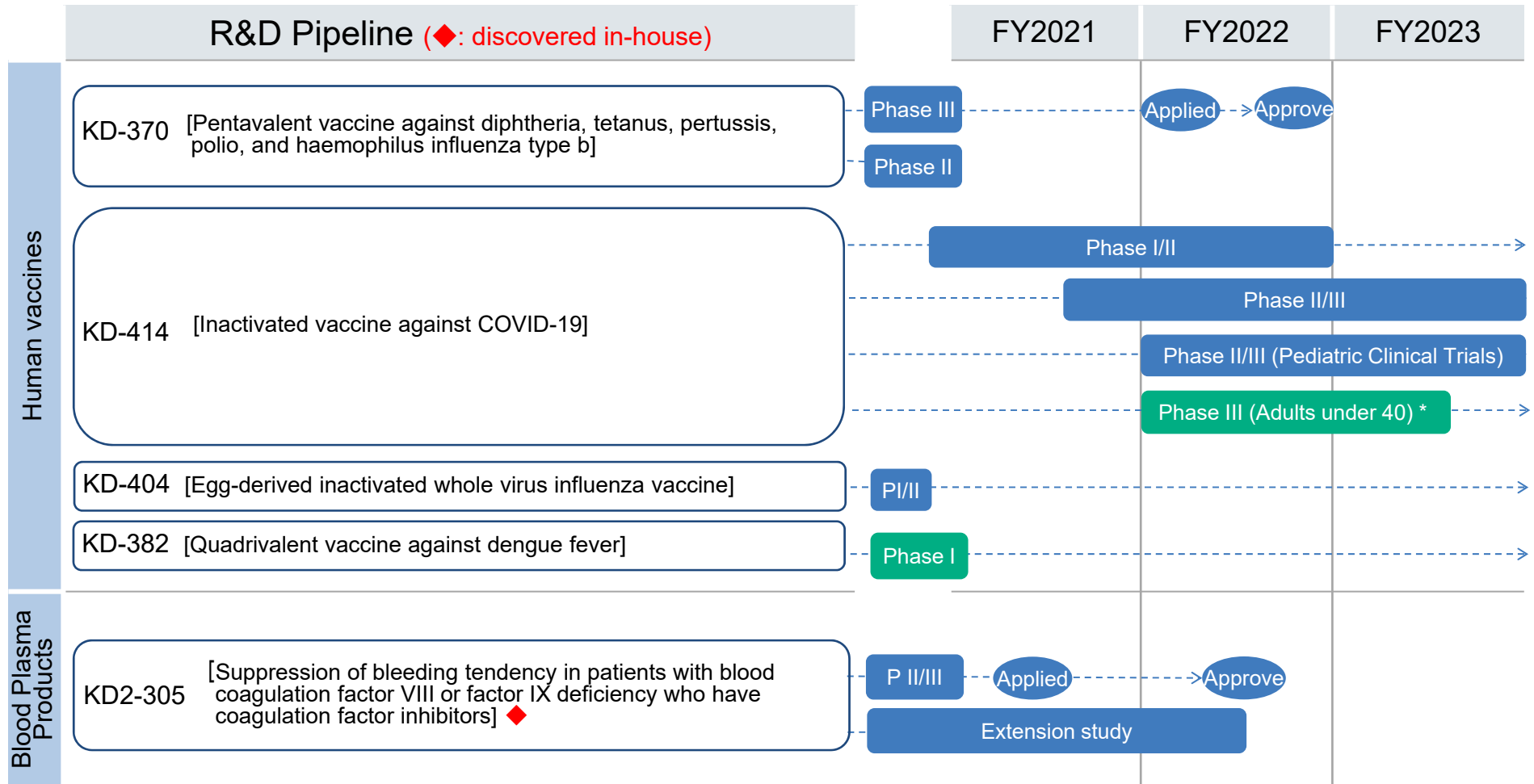
Pharmaceutical: R&D Pipeline - 1

■ Japan ■ Overseas

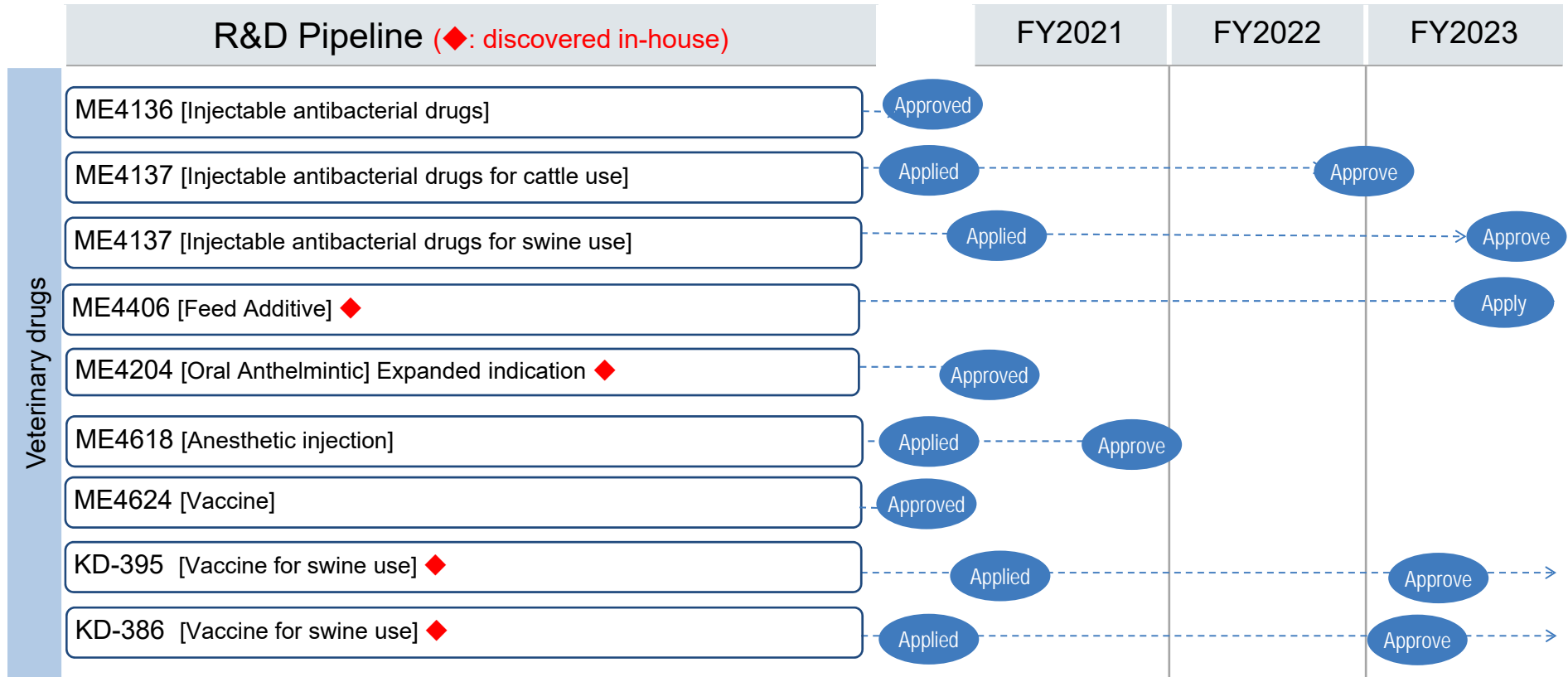


Pharmaceutical: R&D Pipeline - 2

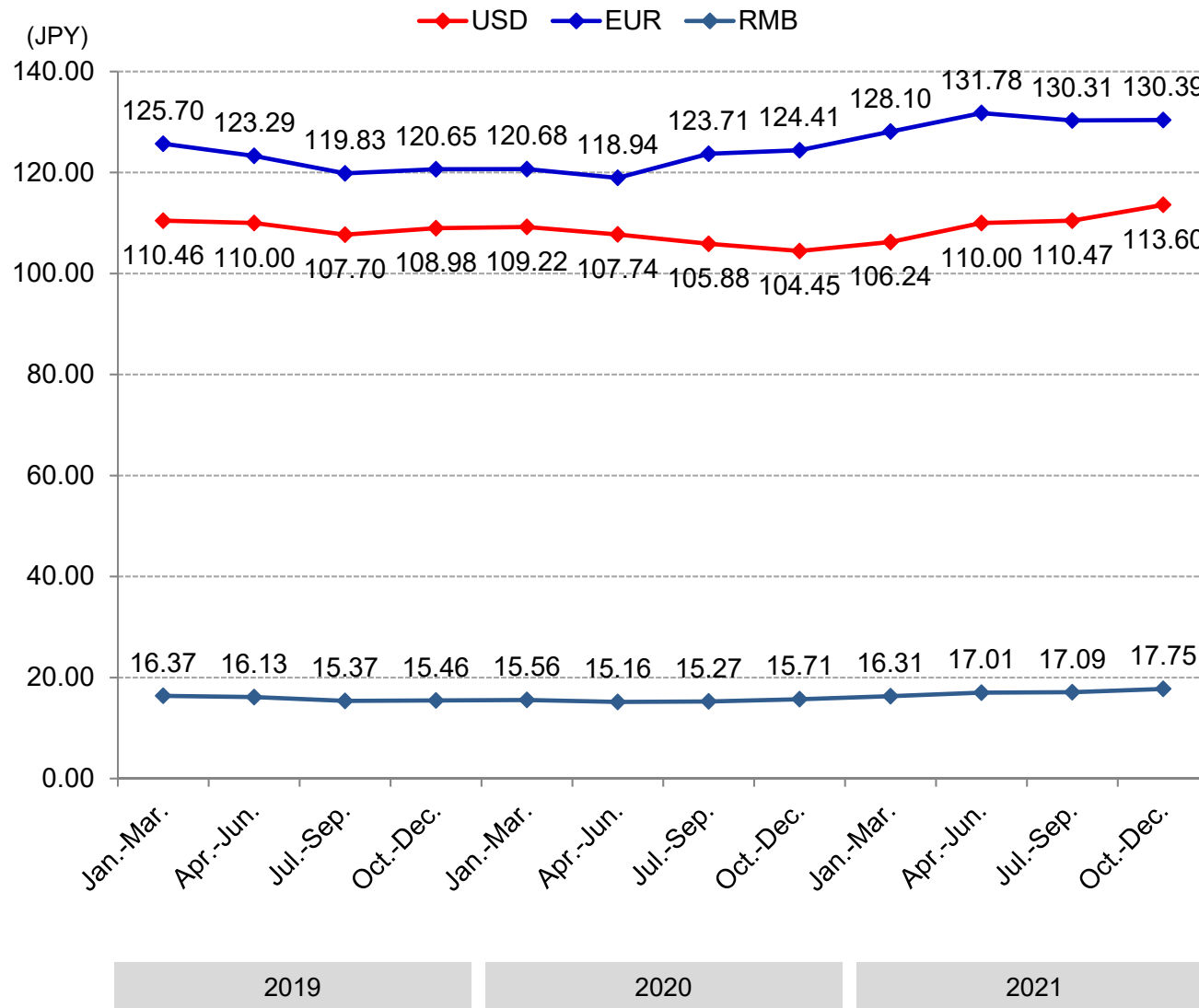
■ Japan ■ Overseas



Pharmaceutical: R&D Pipeline - 3



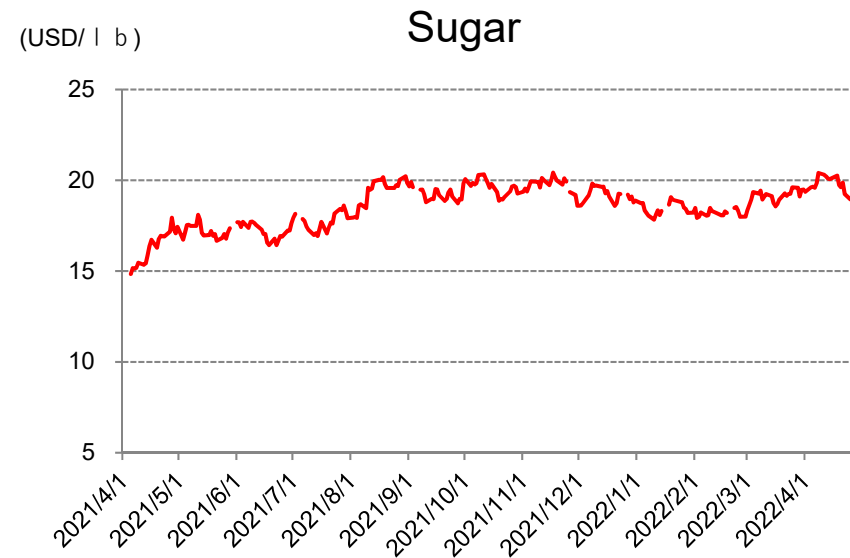
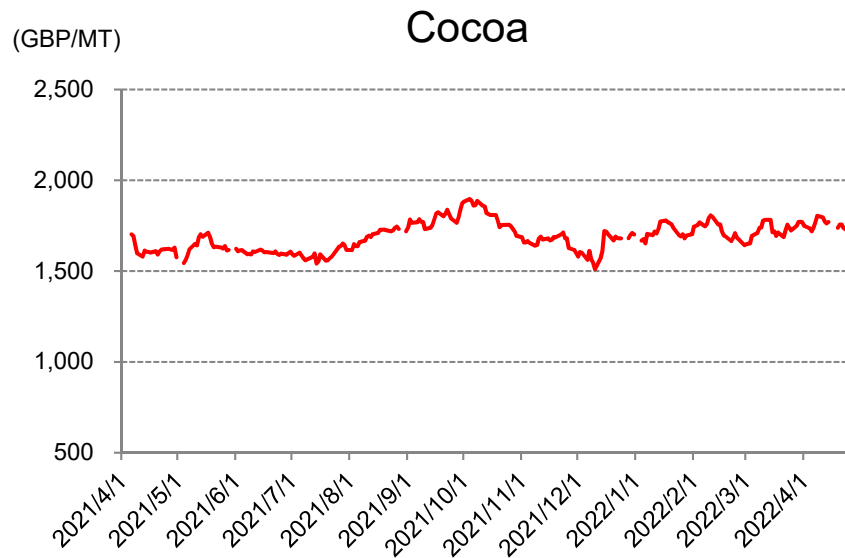
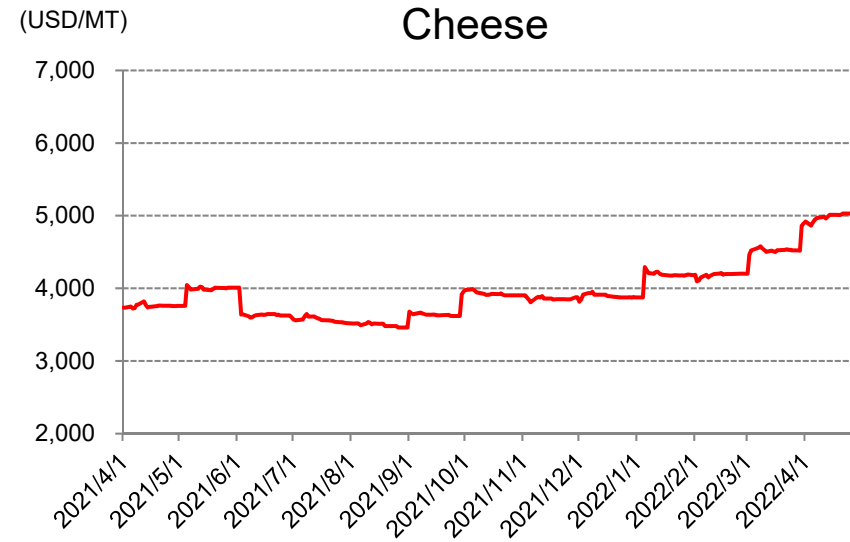
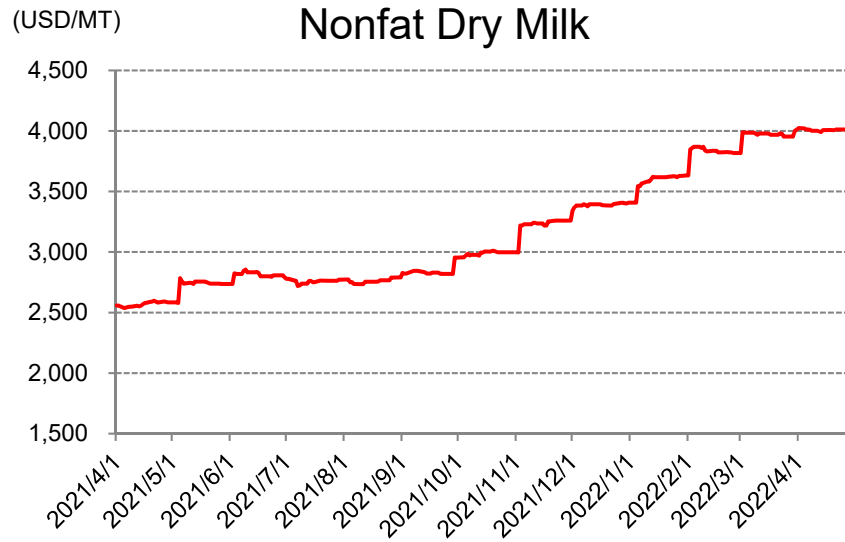
Key Currencies and Our Average Exchange Rates



Foreign exchange target for FY2022 (JPY)

USD	120
EUR	133
RMB	17

Market Prices of Main Raw Materials Imported



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