

Financial Results for the H1 of FYE March 2024 (FY2023)

(From April 1, 2023 to September 30, 2023)

November 9, 2023

(Note)

- A two-for-one common stock split was issued on April 1, 2023.
EPS and cash dividends per share are calculated on the assumption that the stock split was conducted at the beginning of FY2022.
- The H2 and Full-year plan for FY2023 were revised in November.

1. Financial Summary for the H1 of FY2023

2. Outlook for the H2 and Full-year of FY2023

Kazuo Kawamura

CEO, President and Representative Director

3. Achieving Sustainable Growth in the Pharmaceutical Segment

Daikichiro Kobayashi

COO (Pharmaceutical Segment), Member of the Board and Executive Officer

1. Financial Summary for the H1 of FY2023

Summary for H1 FY2023 Consolidated Results

(JPY bn)	FY2022 H1 Results	FY2023 H1 Results	FY2023 H1 Results		FY2023 H1 Plan
			YoY Change	vs. H1 Plan	
Net sales	517.5	546.0	+5.5% +28.5	+0.4% +2.0	544.0
(Overseas sales)	56.7	63.6	+12.1% +6.8	-7.9% -5.4	69.0
Operating profit	43.1	44.4	+2.9% +1.2	+38.9% +12.4	32.0
Op. profit margin	8.3%	8.1%	-0.2 pt	+2.3pt	5.9%
Profit attributable to owners of parent	33.3	27.9	-16.4% -5.4	+39.6% +7.9	20.0
EPS (JPY)	118.52	100.13	-18.39	+28.86	71.27

- Sales and operating profit: Increased both in Food and Pharmaceutical segments
- Profit attributable to owners of parent: Decreased significantly
Recorded share of loss of entities accounted for using equity method and increased tax expense
- Maintained strong profits same as Q1, outperformed the initial plan
- Interim dividend: Increased by JPY 5

Food: Summary – H1 FY2023

(JPY bn)	FY2022 H1 Results	FY2023 H1 Results	YoY Change	vs. H1 Plan	FY2023 H1 Plan
Net sales	420.6	445.4	+5.9% +24.8	+0.9% +4.0	441.4
Operating profit	29.3	29.6	+1.2% +0.3	+14.6% +3.7	25.9

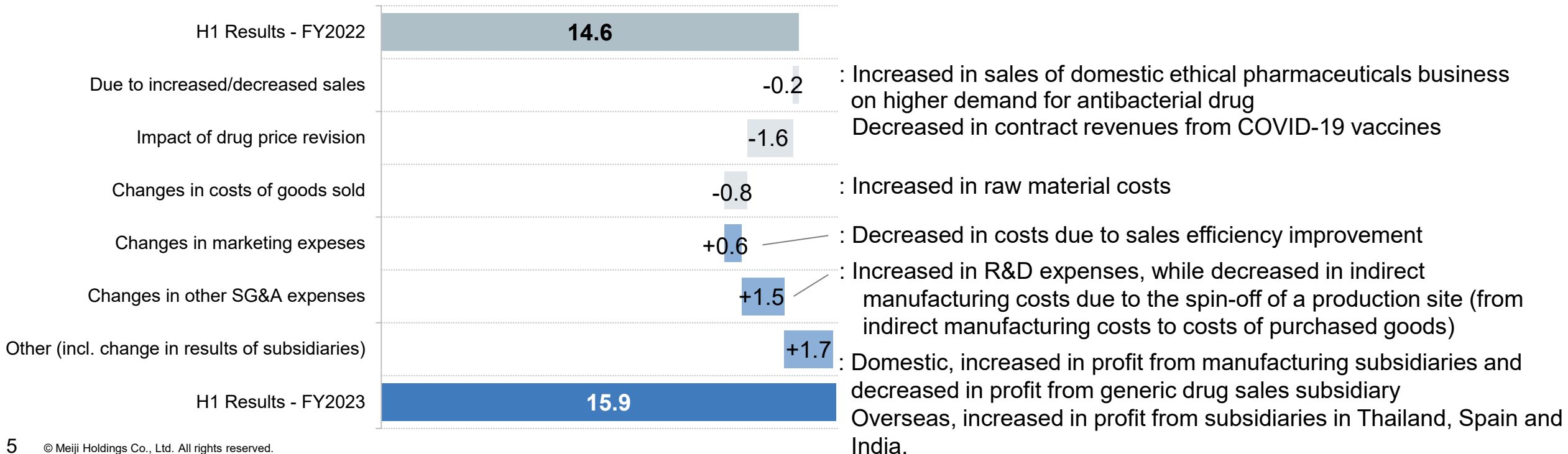
Analysis of changes in operating profit

H1 Results - FY2022	29.3	
Due to increased/decreased sales	+19.9	: Increased due to price hike +30.4 Change in sales volume and product mix -10.5
Changes in costs of goods sold	-17.2	: Increased in raw material costs (incl. domestic raw milk and overseas dairy ingredients)
Changes in marketing expenses	-2.1	: Increased in promotional and logistic costs
Changes in other SG&A expenses	+0.5	: Decreased in indirect manufacturing costs (incl. energy costs)
Other (incl. change in results of subsidiaries)	-0.7	: Overseas, decreased in profit from subsidiaries in China and increased from subsidiary in the U.S.
H1 Results - FY2023	29.6	Domestic, decreased in profit from feed subsidiary and increased from sales subsidiaries

Pharmaceutical: Summary – H1 FY2023

(JPY bn)	FY2022 H1 Results	FY2023 H1 Results	YoY Change		FY2023 H1 Plan
			vs. H1 Plan		
Net sales	97.1	100.8	+3.8% +3.6	-2.0% -2.0	102.9
Operating profit	14.6	15.9	+8.5% +1.2	+117.8% +8.6	7.3

Analysis of changes in operating profit



Position of FY2023: Period toward Next Medium-Term Business Plan

Our focal points

- **Strategies to offset cost increase**
 - ✓ Penetrate price hikes
 - ✓ Continue marketing investment
- **Change strategies in core business**
 - ✓ Recover sales growth and secure stable revenue by pursuing added value
 - ✓ Start business restructuring to build a robust foundation for revenue
- **Invest management resources in future growth drivers**
 - ✓ Expand overseas business and develop new vaccine
 - ✓ Accelerate development pipelines in the Pharmaceutical segment
 - ✓ Venture into new domains and collaborate with startups and venture companies
- **Integrate sustainability and business performance**

2. Outlook for the H2 and Full-year of FY2023

Revised Outlook for H2 and Full-year of FY2023

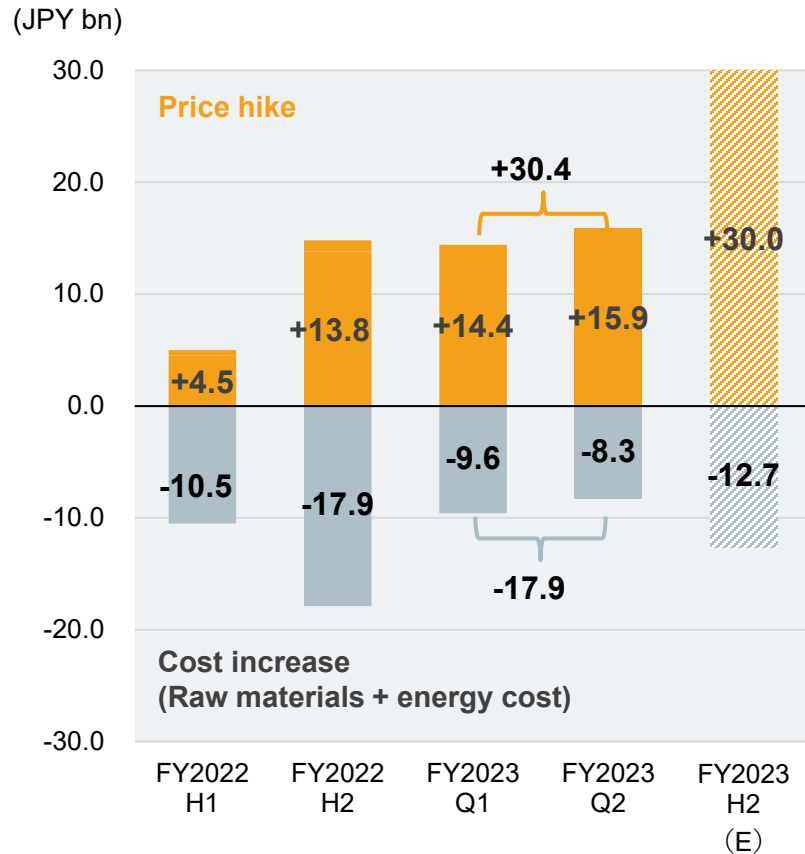
(JPY bn)

		FY2023 H1 Results	YoY Change	FY2023 H2 Plan (Revised)	YoY Change	FY2023 H2 Plan (Int. May)	FY2023 Full-year Plan (Revised)	YoY Change	FY2023 Full-year Plan (Int. May)
Consolidated	Net sales	546.0	+5.5% +28.5	552.4	+1.4% +7.8	558.0	1,098.5	+3.4% +36.3	1,102.0
	Operating profit	44.4	+2.9% +1.2	35.5	+10.4% +3.3	46.0	80.0	+6.1% +4.6	78.0
	Profit attributable to owners of parent	27.9	-16.4% -5.4	23.0	-36.0% -12.9	31.0	51.0	-26.5% -18.4	51.0
Food	Net sales	445.4	+5.9% +24.8	445.6	+0.1% +0.6	445.6	891.1	+2.9% +25.4	887.0
	Operating profit	29.6	+1.2% +0.3	31.3	+18.1% +4.8	30.1	61.0	+9.3% +5.1	56.0
Pharma	Net sales	100.8	+3.8% +3.6	107.2	+7.1% +7.1	112.6	208.1	+5.5% +10.8	215.5
	Operating profit	15.9	+8.5% +1.2	6.0	-13.8% -0.9	17.7	22.0	+1.3% +0.2	25.0

- Full-year net sales: Downward revision, Full-year operating profit: Upward revision
 - Food: No change in H2 sales, upward revision for H2 operating profit
 - Pharma: Downward revision both in sales and operating profit for H2 due to impact excluding projected contribution amount from ARCT-154
- Full-year profit attributable to owners of parent: Unchanged

Food: Strategies to Overcome Cost Increase

Effects on operating profit



- Covered cost increase by increasing the price
- Price hikes have permeated due to the appeal of added value and sales volume is a recovery trend.

Price Hikes in FY2023

Mar. 2023	Ice cream	+4 to +9%
Apr. 2023	Chocolate and gummy	+5 to +10%
	Yogurt	+4 to +6%
	Functional Yogurt	+4%
	Cheese	+6 to +13%
	SAVAS (powder)	+4 to +5%
	SAVAS Milk	+2 to +7%
May 2023	Infant formula	Approx. +8%
	Commercial liquid diet	+4 to +9%
Jun. 2023	Some of chocolate and gummy	+8%
Aug. 2023	Yogurt	+1 to +3%
	Milk	+4 to +11%
Oct. 2023	Chocolate and gummy	+4 to +24%
Dec. 2023	Cream	Approx. +4%
	Butter	Approx. +7%

Food: Regain Sales of Core Business

– Yogurt and Cheese Business (Functional Yogurt)

■ Yogurt and Cheese

(JPY bn)

	FY2023 H1 Results	YoY Change	FY2023 Full-year Plan (Revised)	YoY Change
Net sales	102.5	+2.2% +2.1	204.7	+1.1% +2.1
Op. Profit	12.6	+4.8% +0.5	25.9	+7.6% +1.8



Meiji Probio Yogurt R-1
drink type The GOLD
(commercial product)
MSRP: JPY257



Collaborated with Weather News to
broadcast the “Stomach Fatigue Index,”
which calculates the level of fatigue in the
body caused by weather

● R-1

- Strengthen promotions to encourage customers to take care of their health. Successful in constraining volume reduction following price hikes
- Foster loyal customers with *R-1 the GOLD*
Launched for home delivery in June 2023, then released commercially in October 2023
- Working to increase awareness of functions of our proprietary R-1 lactobacillus EPS

● LG21

- Foods with functional claims from December 2022
- Focus on promotions that appeal to ease temporary stomach burdens
- Gained new customers, now promoting customer retention

● Shibou Taisaku Yogurt (Yogurt for body fat reduction)

- Steadily gained new customers since its launch in October 2022
- Promote recommendations by National Registered Dietitian towards capturing new customers and increasing repeat customers

*See P29-33 for detailed performance figures

Food: Regain Sales of Core Business – Yogurt and Cheese Business (Yogurt)

● Meiji Bulgaria Yogurt

- Recovering sales trends driven by plain yogurt with new manufacturing method
- H1: Promotional campaigns have been successful
H2: Strengthening promotions for the 50th anniversary
- Review product mix in H2 to improve profitability
 - ✓ Discontinued large-volume (900g) drink yogurt
 - ✓ Improve lineups for personal use products

Left: Meiji Bulgaria Yogurt LB81 Plain (180g)
MSRP: JPY 141

Right: Meiji Bulgaria Yogurt Drink Berry Mix with Calcium & Iron (400g)
MSRP: JPY 235



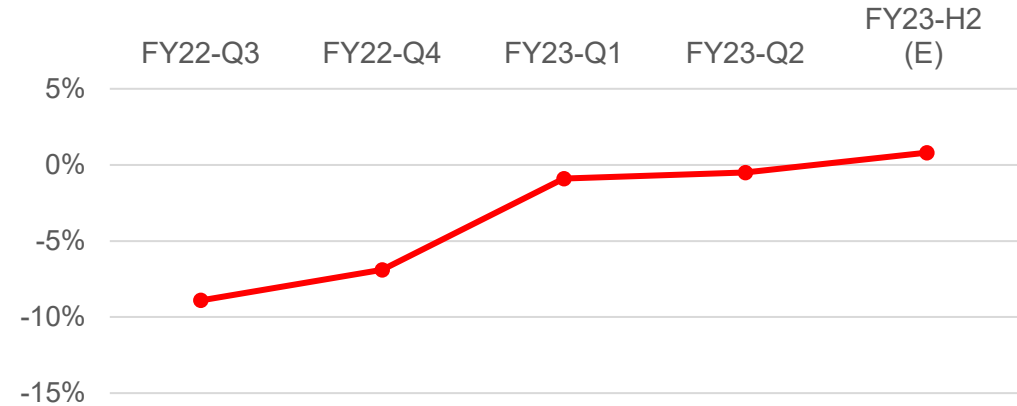
● Meiji Kyusyu Support

(Yogurt for supporting nutrient absorption in vegetables)

- Launched new cup-type yogurt with vegetables in August 2023
- Continue promotions to create new eating habits of vegetables with yogurt



Sales of Yogurt (YoY)
(excl. Functional Yogurt)



● SAVAS Yogurt

- Double-digit growth after expanding the number of cup-type products
- Launched new drink yogurt with increased protein volume in October 2023
- Expand awareness through in-store displays in SAVAS series



Food: Grow Sales of Core Business – Chocolate and Gummy Business

Chocolate and Gummy

(JPY bn)

	FY2023 H1 Results	YoY Change	FY2023 Full-year Plan (Revised)	YoY Change
Net sales	44.7	+2.7% +1.1	105.1	+2.2% +2.2
Op. Profit	3.3	+4.1% +0.1	13.3	+19.3% +2.1

Chocolate

- Sales in convenience stores: Favorable
Due to recovery in consumer activity and increased inbound demand
- Family-size pack chocolate and Nut chocolate: Favorable
- Continue to increase product appeal and enhance marketing activities in H2
 - ✓ Launched *Chocolate Kouka W plus* in October, food with two functional claims
 - ✓ Promote the development and launch of new and renewal value-added products
 - ✓ Spreading understanding of sustainable cacao activities



Chocolate Kouka W plus Cacao 72%

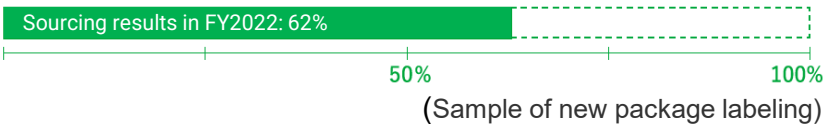
Food with two functional claims, “increase HDL cholesterol” and “help lower blood pressure in people with elevated blood pressure”



Renew packages of chocolate products

- Add logo appealing to Meiji Cacao Support
- Add the percentage of sustainable cocoa used

By 2026, Meiji aims to achieve a target of 100% sourcing of sustainable cocoa beans (cocoa beans produced in regions where we provide support through the Meiji Cocoa Support program).



Food: Grow Sales of Core Business – Nutrition Business

Nutrition

(JPY bn)

	FY2023 H1 Results	YoY Change	FY2023 Full-year Plan (Revised)	YoY Change
Net sales	64.8	+8.8% +5.2	125.1	+7.1% +8.2
Op. Profit	9.2	+6.8% +0.5	19.2	+31.8% +4.6

Sports Protein

- Powdered Soy Protein: Recovered to be on par year on year
- *SAVAS Milk Protein*: Gained new customers
New products with increased protein volume contributed.
- *SAVAS*: Adopted a new protein ingredient “acid whey” to enhance premiumization and product lineups
- Focus on web promotion



Infant Formula

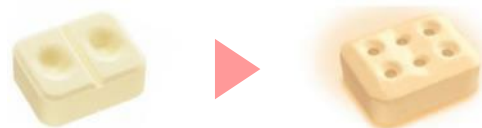
- Expand market share with significantly growing value-added products differentiated by proprietary technologies
 - ✓ Ready-to-use milk (Liquid): Changed packaging containers to screw cans in May
 - ✓ *RakuRaku Cube*: Renewed in October and launched Large box
- Launched a childcare app, “*Akachan Note*” as a new communication tool with customers in September



Improved cube shape

Conventional shape

New shape



Food: Revitalize B to B business

– Expand Sales Channels and Strengthen Innovation Capabilities

Leveraging Meiji's unique technology, knowledge and brand to develop B to B business as a new growth driver



Meiji Application Center
- The center for developing recipes and menus for B to B business

Expand sales channels for existing products

- Major CVS chains utilize our yogurt ingredients for their private-label products.
- Additionally, in H2, Meiji Bulgaria Yogurt will be used as an ingredient, making the best use of the brand to celebrate its 50th anniversary.

Newly developed ingredients for B to B business

- Develop and expand sales of *Mizuneri Nama Chocolat*, which can be stored for long periods at room temperature
- Explore the potential use of chocolate as B to B ingredients
- Utilize this knowledge and experience in developing our brands' new products

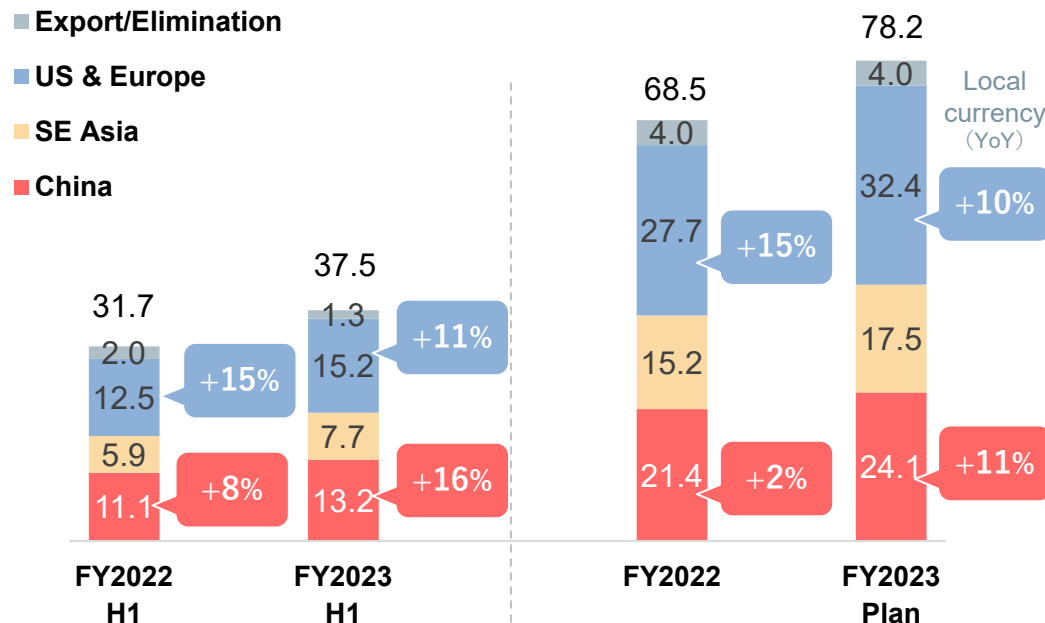
Food: Accelerate to Grow Overseas Business – The U.S. and Europe

Overseas Business

(JPY bn)

	FY2023 H1 Results	YoY Change	FY2023 Full-year Plan (Revised)	YoY Change
Net sales	37.5	+18.5% +5.8	78.2	+14.1% +9.6
Op. Profit	-1.0	— -1.1	-4.1	— -3.1

Sales by Region (JPY bn)



The U.S.

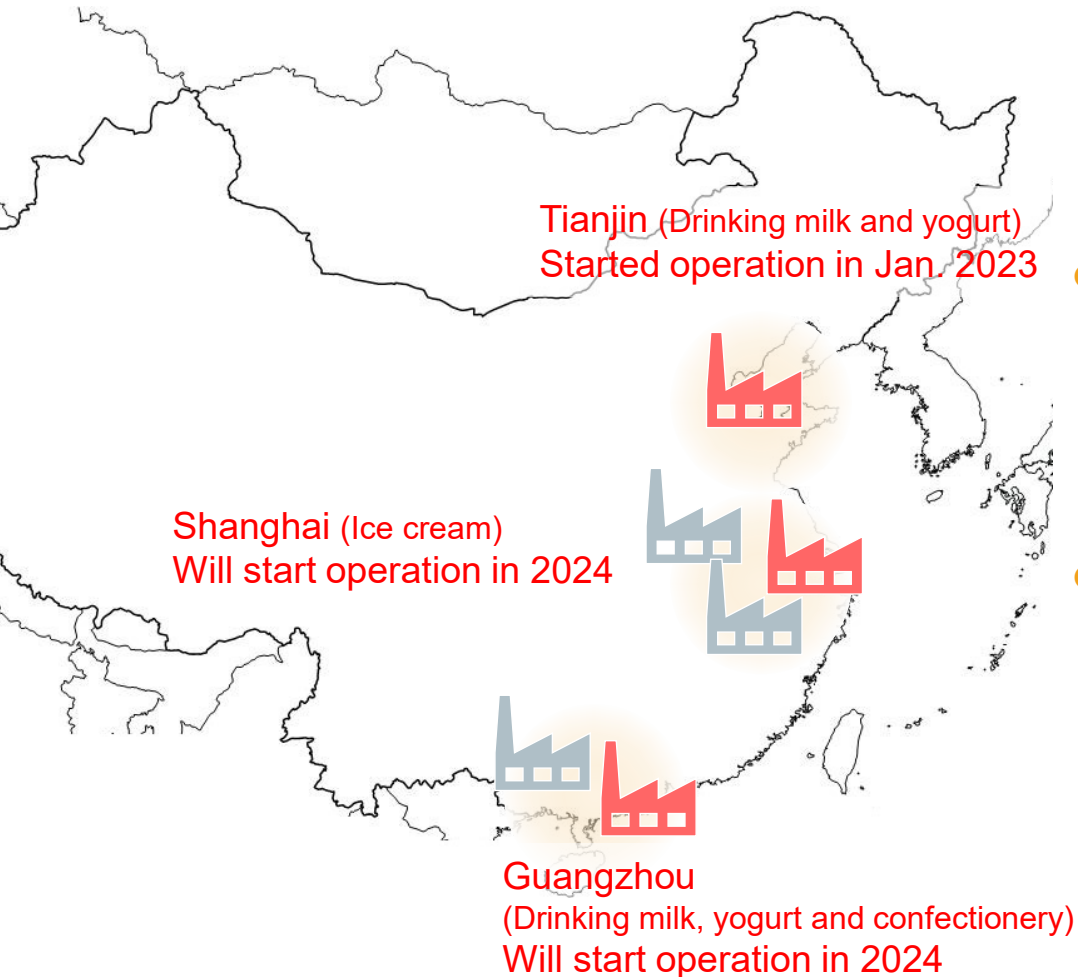
- Implemented price hikes three times so far
- Aiming for continued stable growth on the strength of having both the high value-added Meiji brand and the reasonably priced Stauffer brand
- ✓ For further growth of the Meiji brand: Expand production capacity of mainstay *Hello Panda* brand
- ✓ Stauffer brand increased in demand: Soaring price worked as a tailwind
- ✓ Improved profitability: Optimizing the number of SKUs

Europe

- Cube-type infant formula under the Danone brand is expanding to more countries
- Currently distributed to; the UK, France, Italy, Estonia, Latvia, and Lithuania

Food: Accelerate to Grow Overseas Business – China

Focus on mid-to-high price range with continuing value-added strategy



● Confectionery

- Chocolate bar: Favorable
Successful package changes
Concentrated sales promotion and dissemination as core products
- Launched products for fall and winter with enhanced in-store appeal



● Ice cream

- Strong sales, especially of locally developed products, and implemented price hikes
- Concerns about unfavorable weather in summer and an increase in market inventories

● Drinking milk and yogurt

- B to B business: Exceeded the plan
Expanding business with café chains due to the popularity of the product's taste and high quality
- Products for commercial use cleared the previous year performance but new sales channel development fell short of plans
 - ✓ Reviewed product and sales channel strategies and utilized local human resources
 - ✓ To accelerate the development of unique and distinctive products at the local product development center



3. Achieving Sustainable Growth in the Pharmaceutical Segment

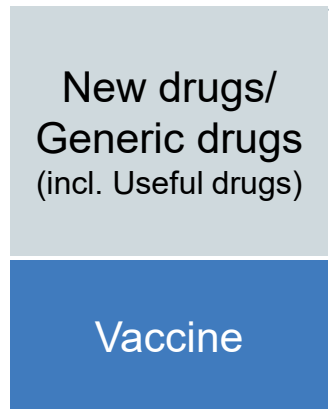
Pharmaceutical: Promote Structural Reforms and Build Stable Revenue Platform

Major Structural Reforms in the 2023 Medium-Term Business Plan

- Improve profitability through a selection and concentration strategy
 - Strengthen vaccine business
 - Increase sales of new drugs
 - Restructured the Generic Drugs business
- Asset-light initiatives to reduce invested capital
 - Transferred DM Bio Ltd. and Agricultural Chemicals business
 - Integrated Veterinary Drugs business
 - Reviewed R&D structure, including the shutdown of the Yokohama Research Laboratory

Revenue contribution image for ethical pharmaceuticals

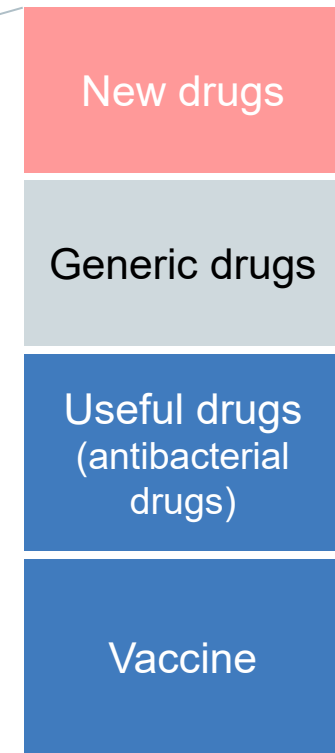
Before 2023
Medium-Term
Business Plan



Deterioration in growth and profitability due to NHI drug price revisions

No impact from NHI drug price revisions

Future



Improve product lineups to accelerate growth

Grow based on strength areas with increasing demand

Establish a product portfolio with no impact from NHI drug price revisions

Pharmaceutical: Accelerate Growth Through New Drugs

Improve product lineups based on unmet medical needs by leveraging strength areas

ME3208 (Belumosudil)

- The only drug for the treatment of chronic graft-versus-host disease (chronic GVHD) that directly inhibits inflammation and fibrosis
- Having the exclusive right to develop and commercialize ME3208 in Japan and 12 Asian countries
- The U.S.: Launched by Sanofi in August 2021 as *Rezurock*[®]
- Japan: May 2023, orphan drug designation
June 2023, New Drug Application (NDA)

Five-in-one combination vaccine *Quintovac*

- All active ingredients are manufactured domestically
- Received marketing authorization in September 2023
- Aiming to supply as a routine vaccine in early FY2024

OP0595 (Nacubactam)

- New β -lactamase inhibitor against antimicrobial resistance (AMR)
- Expect effectiveness alongside existing β -lactams for carbapenem resistant bacteria (CRE)
- Adopted as Cyclic Innovation for Clinical Empowerment (CiCLE) program by AMED. Phase III multi-regional clinical trials are being proceeded

ME3183

- A new selective PDE4 inhibitor (for psoriasis treatment) developed in-house based on the concept of excellent pharmacological activity and emesis avoidance
- Met the primary endpoint in Phase II clinical trial conducted in the U.S. and Canada

Pharmaceutical: Status of COVID-19 Vaccine Development in Japan

	Enterprise and research institute	Modality	Status
1	Daiichi Sankyo Co., Ltd. IMSUT	mRNA vaccine	Aug. 2023 For booster vaccination for adults (against the original variant) Approved Sep. 2023 For booster vaccination for over 12 years of age (against Omicron XBB.1.5 variant) Apply for Approval
2	SHIONOGI & CO., LTD. NIID/ UMN Pharma Inc.	Recombinant protein vaccine	Nov. 2022 For primary and booster vaccination for adults Apply for Approval
3	Meiji Seika Pharma Co., Ltd.	mRNA vaccine (self-amplifying)	Apr. 2023 For primary immunization for adults Apply for Approval Jun. 2023 For booster vaccination for adults Apply for Approval Sep. 2023 Initiation of Phase III clinical trial for booster vaccination for adults (bivalent: original strain and Omicron BA.4-5 subvariant)
4	KM Biologics Co., Ltd. IMSUT/ NIID/ NIBIOHN/ Meiji Seika Pharma Co., Ltd.	Inactivated vaccine	Oct. 2023 Pediatric Phase III clinical trial is in preparation (against Omicron XBB.1.5 variant)
5	VLP Therapeutics	mRNA vaccine (self-amplifying)	Apr. 2023 Initiation of Phase I/II clinical trial for booster vaccination (against novel variant) Dec. 2023 Scheduled to Initiate phase I/II clinical trial for booster vaccination (against novel variant)
6	AnGes, Inc. Osaka University/ Takara Bio Inc.	DNA vaccine	Sep. 2022 Discontinued for Developing

ARCT-154
ARCT-2301

KD-414

Pharmaceutical: Meaning and Potential of Commercializing Two COVID-19 Vaccines

- Develop multiple vaccines that can be safely administered to children and adults, and Provide new vaccine options in Japan
- ARCT-154 will demonstrate the efficacy, safety, and tolerability of the new self-amplifying mRNA technology* vaccine first in the world. Meiji will lead the world in vaccine development
- Build a domestic production structure that can rapidly respond to variants that may occur in the future
- Contribute to creating a structure for preparing for the next unknown infectious disease

mRNA drugs and vaccines manufacturing site of ARCALIS, Inc.** in Minami-soma City



Contribute to the government's policy to strengthen vaccine development and production structures for ensuring the provision of vaccines to the nation's residents without being influenced by conditions overseas

Solidify competitive advantage as a group deeply involved in the infectious disease area

*Self-amplifying mRNA technology: A technology that self-amplifies mRNA when delivered into cells, making it easier to maintain antibody titer.

** Meiji Seika Pharma is collaborating with ARCALIS to establish a manufacturing and supply chain in Japan.

Appendices

Consolidated Financial Results – H1 FY2023

(JPY bn)	FY2023 H1 Results	YoY Change	Main factors for the change
Net sales	546.0	+5.5% +28.5	— Details on p 3-5
Operating profit	44.4	+2.9% +1.2	— Details on p 3-5
Non-operating profit	1.8	-22.9% -0.5	- Share of profit of entities accounted for using equity method (-0.6) - Foreign exchange gains (+0.1)
Non-operating expenses	2.8	+72.1% +1.1	- Share of loss of entities accounted for using equity method (+1.5)
Ordinary profit	43.4	-1.1% -0.4	—
Extraordinary income	7.7	+13.5% +0.9	- Gain on sales of investment securities (+2.7) - Gain on sales of shares of subsidiaries and associates (+1.6) - Gain on sales of non-current assets (-4.0)
Extraordinary losses	3.1	+28.3% +0.6	- Loss on sale of shares of subsidiaries and associates (+0.5)
Profit before income taxes	48.0	-0.5% -0.2	—
Income taxes-total	17.6	+31.3% +4.2	—
Profit (loss) attributable to non-controlling interests	2.4	+68.9% +1.0	—
Profit attributable to owners of parent	27.9	-16.4% -5.4	—

Financial Position as of September 2023

(JPY bn)	Results as of Sep. 2023	Change	Main Factors for Change
Current assets	538.0	+14.3% +67.1	- Notes and accounts receivable-trade (+41.4) - Cash and deposits (+18.5)
Non-current assets	669.7	+0.7% +4.4	- Land (+8.1) - Investment securities (+6.2) - Construction in progress (-10.1)
Total assets	1,207.7	+6.3% +71.5	—
Current liabilities	302.5	+13.6% +36.3	- Short-term borrowings (+19.9) - Notes and accounts payable-trade (+11.6) - Income taxes payable (+4.6)
Non-current liabilities	118.5	-0.1% -0.1	- Long-term borrowings (-2.0) - Retirement benefit liability (+0.6)
Total liabilities	421.1	+9.4% +36.2	—
Shareholders' equity	680.8	+2.4% +15.6	- Retained earnings (+14.6)
Accumulated other comprehensive income	64.4	+37.8% +17.6	- Foreign currency translation adjustments (+12.7) - Valuation difference on available-for-sale securities (+4.5)
Non-controlling interests	41.4	+5.1% +2.0	—
Total net assets	786.6	+4.7% +35.3	—
Interest bearing debt	82.3	+27.9% +17.9	- Short-term borrowings (+19.9)
Equity ratio	61.7%	-1.0 pt	—

Consolidated Cash Flows for H1 FY2023

(JPY bn)	FY2023 H1 Results	YoY Change	Main Factors for Change
Cash flows from operating activities	25.8	+0.7	<ul style="list-style-type: none"> - Change in inventories (+11.4) - Change in trade payables (+9.0) - Income taxes paid (+6.4) - Change in trade receivables (-22.7) - Loss (gain) on sale of investment securities (-2.7)
Cash flows from investing activities	-15.3	+10.6	<ul style="list-style-type: none"> - Purchase of property, plant and equipment (+8.6) - Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation (+3.5)
Free cash flows	10.5	+11.3	—

Analysis of Operating Profit – H1 FY2023

(JPY bn)	Consolidated Operating Profit			Food	Pharma	Other
H1 Results - FY2022	43.1			29.3	14.6	-0.7
Due to increased/decreased sales		+19.7	*1	+19.9	-0.2	—
Impact of drug price revision			-1.6	—	-1.6	—
Changes in costs of goods sold		-18.0	*2	-17.2	-0.8	—
Changes in other SG&A expenses		+0.5	*3	-1.6	+2.1	—
Other (incl. change in results of subsidiaries)		+0.6		-0.7	+1.7	-0.3
H1 Results - FY2023	44.4			29.6	15.9	-1.1

*1: Including the effect of price hikes

(Breakdown)

*2: [Food] Increase in raw materials costs (incl. domestic raw milk and overseas dairy ingredients): -17.2

[Pharma] Increase in raw materials costs: -0.8

*3: [Food] Increase in marketing expenses: -2.1, Decrease in other costs: +0.5

[Pharma] Increase in R&D expenses -0.8, Decrease in marketing expenses: +0.6, Decrease in other costs: +2.3

Analysis of Consolidated Operating Profit – FY2023

(JPY bn)	Consolidated Operating Profit			Food	Pharma	Other
Full-year Results - FY2022	75.4			55.8	21.7	-2.1
Due to increased/decreased sales		+42.2	*1	+41.5	+0.6	—
Impact of drug price revision			-3.4	—	-3.4	—
Changes in costs of goods sold		-32.4	*2	-31.1	-1.3	—
Changes in other SG&A expenses		-1.1	*3	-2.5	+1.5	—
Other (incl. change in results of subsidiaries)		-0.7		-2.8	+2.9	-0.8
Revised Full-year Plan - FY2023	80.0			61.0	22.0	-3.0

*1: Including the effect of price hikes

(Breakdown)

*2: [Food] Increase in raw materials costs (incl. domestic raw milk and overseas dairy ingredients): -31.1

[Pharma] Increase in raw materials costs: -1.3

*3: [Food] Increase in marketing expenses: -4.6, Decrease in other costs: +2.1

[Pharma] Increase in R&D expenses -4.3, Decrease in marketing expenses: +0.0, Decrease in other costs: +5.8

Outlook for FY2023

(JPY bn)

	FY2022		FY2023		FY2023	
	Full-year Results	YoY Change	Full-year Plan (Revised)	YoY Change	Full-year Plan (Int. May)	YoY Change
Net sales	1,062.1	+4.8% +49.0	1,098.5	+3.4% +36.3	1,102.0	+3.8% +39.8
Operating profit	75.4	-18.8% -17.4	80.0	+6.1% +4.6	78.0	+3.4% +2.5
Op. profit margin	7.1%	-2.1 pt	7.3%	+0.2 pt	7.1%	-0.0 pt
Profit attributable to owners of parent	69.4	-20.7% -18.0	51.0	-26.5% -18.4	51.0	-26.5% -18.4
EPS (JPY)	247.39	-56.24	182.89	-64.5	181.73	-65.65
Cash dividends per share (JPY)	90	+5	95	+5	95	+5
Dividend payout ratio	36.4%	+8.4 pt	51.9%	+15.6 pt	52.3%	+15.9 pt
ROE	10.0%	-3.5 pt	7.0%	-3.1 pt	7.0%	-3.0 pt
ROIC	6.3%	-2.1 pt	6.5%	+0.2 pt	6.5%	+0.2 pt
Capital expenditures	72.1	-22.5% -20.9	64.9	-10.0% -7.2	62.8	-12.8% -9.2
Cash flows from operating activities	85.0	-33.3% -42.5	58.5	-31.2% -26.5	60.0	-29.4% -25.0
Free cash flows	48.2	-51.7% -51.6	4.0	-91.7% -44.2	10.0	-79.3% -38.2

Food: Net sales and Op. Profit by Business

(JPY bn)

		FY2022 Full-year Results	FY2023 H1 Results	YoY Change	FY2023 H2 Plan (Revised)	YoY Change	FY2023 Full-year Plan (Revised)	YoY Change
Yogurt & cheese	Net sales	202.5	102.5	+2.2% +2.1	102.1	+0.0% +0.0	204.7	+1.1% +2.1
	Op. profit	24.1	12.6	+4.8% +0.5	13.3	+10.4% +1.2	25.9	+7.6% +1.8
Nutrition	Net sales	116.8	64.8	+8.8% +5.2	60.2	+5.2% +3.0	125.1	+7.1% +8.2
	Op. profit	14.6	9.2	+6.8% +0.5	10.0	+68.1% +4.0	19.2	+31.8% +4.6
Chocolate & gummy	Net sales	102.8	44.7	+2.7% +1.1	60.3	+1.8% +1.0	105.1	+2.2% +2.2
	Op. profit	11.1	3.3	+4.1% +0.1	9.9	+25.5% +2.0	13.3	+19.3% +2.1
Drinking milk	Net sales	71.5	38.3	+4.2% +1.5	36.9	+6.4% +2.2	75.2	+5.2% +3.7
	Op. profit	-2.5	-1.1	— -0.3	-1.1	— +0.5	-2.3	— +0.1
B to B	Net sales	71.1	37.6	+14.5% +4.7	41.7	+8.9% +3.4	79.3	+11.5% +8.1
	Op. profit	3.0	2.3	+137.4% +1.3	3.3	+63.0% +1.3	5.7	+87.2% +2.6

Food: Net sales and Op. Profit by Business

(JPY bn)

		FY2022	FY2023		FY2023	FY2023		
		Full-year Results	H1 Results	YoY Change	H2 Plan (Revised)	YoY Change	Full-year Plan (Revised)	YoY Change
Frozen dessert& ready meal	Net sales	57.9	33.8	+5.1% +1.6	26.7	+3.9% +1.0	60.6	+4.6% +2.6
	Op. profit	3.2	2.9	+6.0% +0.1	0.9	+90.1% +0.4	3.8	+19.1% +0.6
Overseas	Net sales	68.5	37.5	+18.5% +5.8	40.6	+10.3% +3.8	78.2	+14.1% +9.6
	Op. profit	-0.9	-1.0	— -1.1	-3.0	— -1.9	-4.1	— -3.1
Other/ domestic subsidiaries	Net sales	174.1	85.8	+2.9% +2.3	76.8	-15.3% -13.8	162.6	-6.6% -11.4
	Op. profit	3.0	1.3	-40.4% -0.9	-2.0	— -2.8	-0.7	— -3.8

Food: Analysis of Operating Profit by Business – H1 FY2023

(JPY bn)	Segment Total	Yogurt & Cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
H1 Operating Profit – FY2022	29.3	12.0	8.6	3.2	-0.8	1.0	2.7	0.0	2.3
Due to increased/decreased sales	+19.9	+3.9	+4.8	+2.4	+2.1	+4.1	+2.3	+0.4	-0.2
Changes in COGS	-17.2	-3.3	-4.2	-2.3	-2.5	-2.0	-1.6	-0.5	-0.8
Changes in other SG&A expenses	-1.6	-0.5	-0.1	+0.0	-0.2	-0.8	-0.5	-0.3	+0.7
<i>Change in marketing expenses</i>	<i>-2.1</i>	<i>-0.7</i>	<i>-0.1</i>	<i>-0.3</i>	<i>-0.3</i>	<i>-0.2</i>	<i>-0.6</i>	<i>-0.3</i>	<i>+0.4</i>
<i>Change in other expenses (R&D expenses)</i>	<i>+0.5 (-0.4)</i>	<i>+0.2</i>	<i>-0.0</i>	<i>+0.3</i>	<i>+0.1</i>	<i>-0.5</i>	<i>+0.1</i>	<i>+0.0</i>	<i>+0.3</i>
Other (incl. change in results of subsidiaries)	-0.7	+0.5	+0.0	-0.0	+0.3	+0.0	-0.0	-0.8	-0.7
H1 Operating Profit – FY2023	29.6	12.6	9.2	3.3	-1.1	2.3	2.9	-1.0	1.3

Food: Analysis of Operating Profit by Business – FY2023 (Revised Plan)

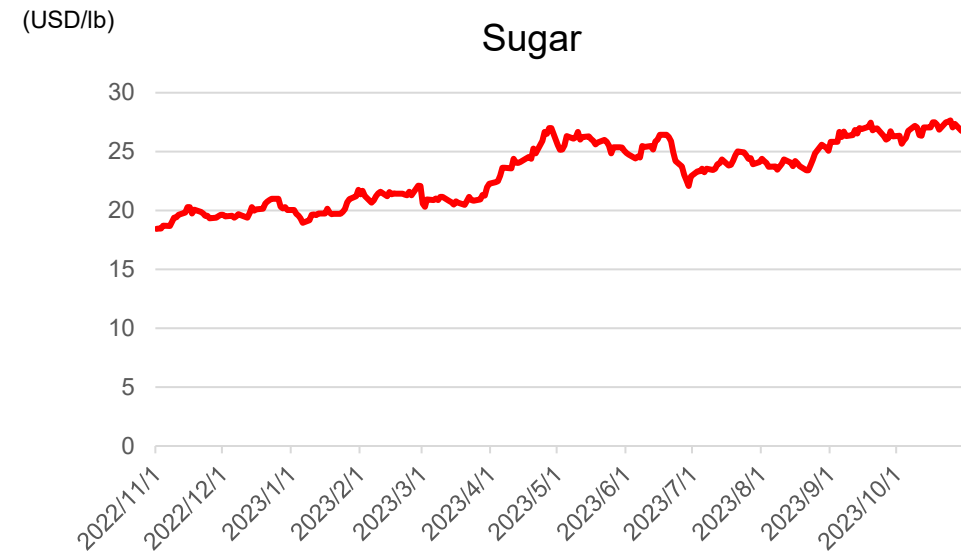
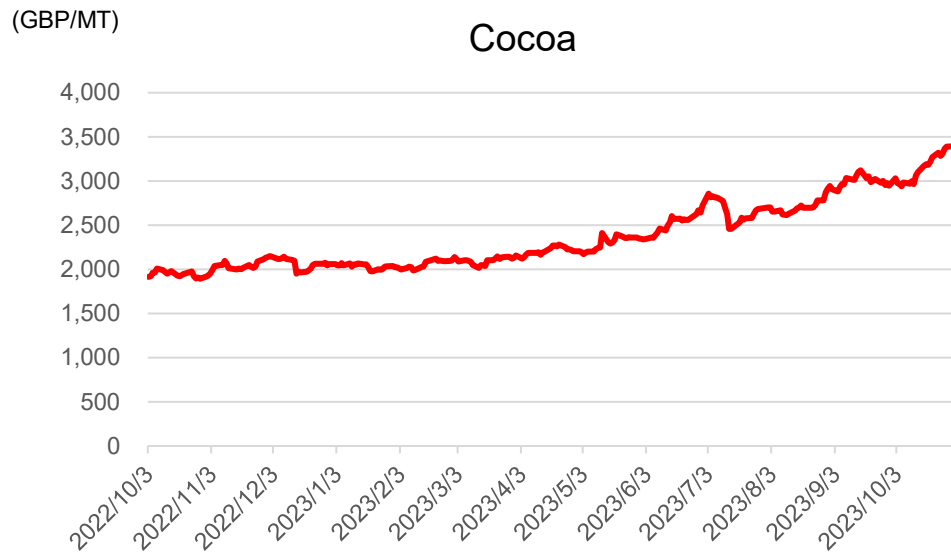
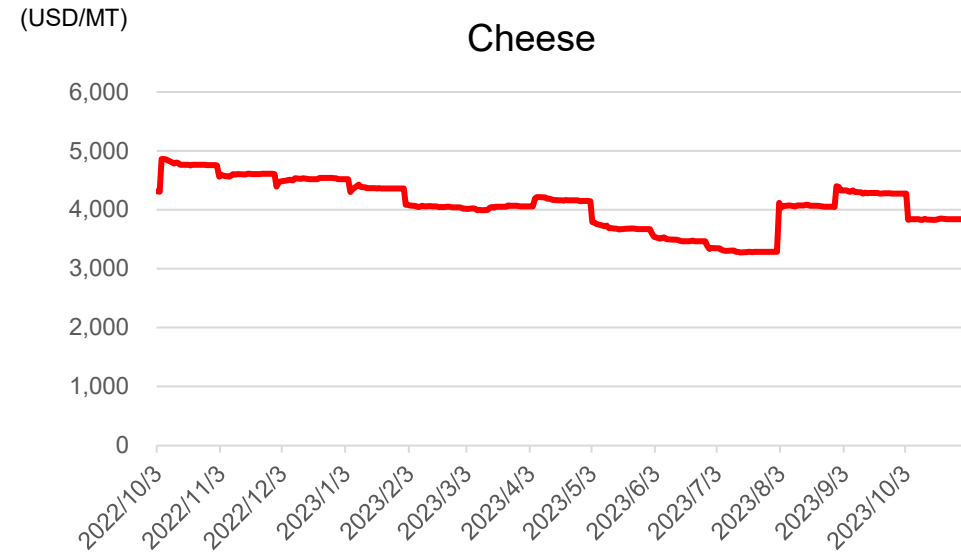
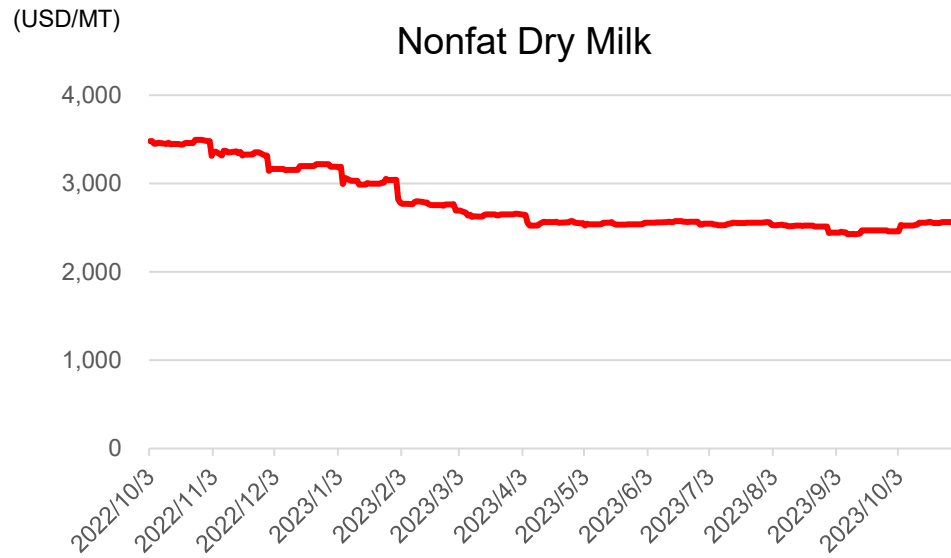
(JPY bn)	Food Segment Total	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
Operating Profit – FY2022 Results	55.8	24.1	14.6	11.1	-2.5	3.0	3.2	-0.9	3.0
Due to increased/decreased sales	+41.5	+8.8	+10.6	+6.7	+5.3	+7.7	+3.7	+0.5	-1.8
Changes in COGS	-31.1	-6.4	-5.2	-4.6	-4.7	-4.3	-2.4	-0.5	-2.9
Changes in other SG&A expenses	-2.5	-0.9	-0.7	+0.4	-0.5	-0.7	-0.6	-0.9	+1.4
<i>Change in marketing expenses</i>	<i>-4.6</i>	<i>-1.3</i>	<i>-0.7</i>	<i>-0.4</i>	<i>-0.8</i>	<i>-0.2</i>	<i>-0.7</i>	<i>-1.0</i>	<i>+0.5</i>
<i>Change in other expenses (R&D expenses)</i>	<i>+2.1 (-0.8)</i>	<i>+0.4</i>	<i>+0.0</i>	<i>+0.7</i>	<i>+0.3</i>	<i>-0.5</i>	<i>+0.2</i>	<i>+0.2</i>	<i>+0.8</i>
Other (incl. change in results of subsidiaries)	-2.8	+0.3	-0.0	-0.4	+0.1	-0.0	-0.1	-2.3	-0.5
Operating Profit – FY2023 Plan (Revised)	61.0	25.9	19.2	13.3	-2.3	5.7	3.8	-4.1	-0.7

Food: Sales by Main Product for FY2023

(JPY bn)	FY2022 Full-year Results	FY2023 H1 Results	YoY Change	FY2023 H2 Plan (Revised)	YoY Change	FY2023 Full-year Plan (Revised)	YoY Change
Yogurt	76.1	39.6	-0.7%	36.5	+0.8%	76.1	+0.0%
Functional yogurt	95.4	46.7	+3.4%	50.6	+0.8%	97.3	+2.0%
Cheese	28.2	14.0	+4.1%	14.6	-0.9%	28.6	+1.5%
Chocolate	99.1	41.9	+5.0%	61.6	+4.1%	103.6	+4.5%
Infant formula and enteral formula	67.3	35.6	+6.7%	34.9	+2.8%	70.5	+4.8%
Sports nutrition (incl. SAVAS Milk Protein)	45.2	26.7	+11.8%	23.0	+7.5%	49.6	+9.8%
Drinking milk, milk for home delivery	72.3	38.7	+3.9%	35.3	+0.8%	74.0	+2.4%
Ice cream	41.6	28.2	+10.3%	16.9	+5.4%	45.1	+8.4%

* Not calculated as net sales after applying revenue recognition accounting standards

Market Prices of Main Raw Materials Imported



Pharmaceutical: Net sales and Op. Profit by Business

(JPY bn)

		FY2022 Full-year Results	FY2023 H1 Results	YoY Change	FY2023 H2 Plan (Revised)	YoY Change	FY2023 Full-year Plan (Revised)	YoY Change
Domestic ethical pharmaceuticals	Net sales	100.1	50.3	+5.8% +2.7	54.0	+2.6% +1.3	104.3	+4.1% +4.1
	Op. profit	10.1	5.1	-3.9% -0.2	3.1	-34.1% -1.6	8.3	-18.0% -1.8
Overseas ethical pharmaceuticals	Net sales	51.4	26.0	+4.1% +1.0	29.1	+10.6% +2.7	55.2	+7.4% +3.8
	Op. profit	7.7	4.9	+35.3% +1.2	2.0	-50.3% -2.0	6.9	-9.7% -0.7
Human vaccines	Net sales	34.7	19.3	+0.4% +0.0	18.5	+19.3% +2.9	37.8	+8.8% +3.0
	Op. profit	2.4	5.3	+10.8% +0.5	0.3	— +2.6	5.6	+131.0% +3.2
Veterinary drugs*	Net sales	10.8	5.1	-3.4% -0.1	5.5	-0.1% -0.0	10.6	-1.7% -0.1
	Op. profit	1.4	0.4	-45.4% -0.3	0.6	-1.0% -0.0	1.0	-25.2% -0.3

Pharmaceutical: Analysis of Operating Profit – H1 FY2023

(JPY bn)	Segment Total	Domestic ethical pharmaceuticals	Overseas ethical pharmaceuticals	Human Vaccine	Veterinary drug
H1 Operating Profit – FY2022	14.6	5.4	3.6	4.8	0.7
Due to increased/decreased sales	-0.2	-0.5	+0.4	-0.2	—
Impact of drug price revision	-1.6	-1.6	—	—	—
Changes in COGS	-0.8	-0.2	-0.6	+0.0	—
Changes in other SG&A expenses	+2.1	+2.1	-0.0	-0.0	—
<i>Change in marketing expenses</i>	+0.6	+0.7	+0.0	-0.1	—
<i>Change in other expenses (R&D expenses)</i>	+1.5 (-0.8)	+1.4	-0.0	+0.0	—
Other (incl. change in results of subsidiaries)	+1.7	-0.0	+1.4	+0.7	-0.3
H1 Operating Profit – FY2023	15.9	5.1	4.9	5.3	0.4

Pharmaceutical: Analysis of Operating Profit – FY2023 (Revised Plan)

(JPY bn)	Segment Total	Domestic ethical pharmaceuticals	Overseas ethical pharmaceuticals	Human Vaccine	Veterinary drug
Operating Profit – FY2022 Results	21.7	10.1	7.7	2.4	1.4
Due to increased/decreased sales	+0.6	-0.9	+0.3	+1.3	—
Impact of drug price revision	-3.4	-3.4	—	—	—
Changes in COGS	-1.3	-0.4	-0.9	+0.0	—
Changes in other SG&A expenses	+1.5	+2.5	-1.0	-0.1	—
<i>Change in marketing expenses</i>	+0.0	+0.6	-0.3	-0.2	—
<i>Change in other expenses (R&D expenses)</i>	+1.4 (-4.3)	+2.0	-0.7	+0.2	—
Other (incl. change in results of subsidiaries)	+2.9	+0.4	+0.9	+2.0	-0.3
Operating Profit – FY2023 Plan (Revised)	22.0	8.3	6.9	5.6	1.0

Pharmaceutical: R&D Pipeline - 1

	Code No. (Generic Name)	Efficacy Classification	Target Disease	Stage
Infectious disease	OP0595* (Nacubactam)	β -lactamase inhibitor	Infections caused by carbapenem-resistant bacteria	Phase III (Japan, Overseas)**
New fields	ME3208 (Belumosudil)	ROCK2 inhibitor	Chronic Graft Versus Host Disease	Filed (Japan, South Korea, Taiwan)
	DMB-3115	Biosimilar	Plaque psoriasis/ Psoriatic arthritis/ Crohn's disease/ Ulcerative colitis	Filed (Overseas) Phase I
	HBI-8000 (Tucidinostat)	Histone deacetylase (HDAC) inhibitor	Unresectable or metastatic melanoma	Phase III (Japan, Overseas)**
	ME3183*	Selective PDE4 inhibitor	Psoriasis	Phase II (Overseas)
	HBI-8000 (Tucidinostat)	Histone deacetylase (HDAC) inhibitor	Relapsed or refractory B-cell non-Hodgkin's lymphoma	Phase Ib / II (Japan)

Pharmaceutical: R&D Pipeline - 2

	Code No. (Generic Name)	Efficacy Classification	Target Disease	Stage
Vaccine	KD-370	Vaccine	Pentavalent vaccine against diphtheria, tetanus, pertussis, poliovirus, and haemophilus influenza type b	Approved (Japan)
	ARCT-154	Vaccine	Self-amplifying mRNA vaccine against COVID-19	Filed (Japan)
	ARCT-2301	Vaccine	Self-amplifying mRNA vaccine against COVID-19 (Bivalent: Original strain and Omicron strain)	Phase III (Japan)
	KD-414	Vaccine	Inactivated vaccine against COVID-19 (Adults)	Phase III (18-40 years old, Japan)**
	KD-414	Vaccine	Inactivated vaccine against COVID-19 (Pediatric)	Phase III (6 months - 11 years old, Japan)
	KD-414	Vaccine	Inactivated vaccine against COVID-19 (Pediatric, Omicron strain)	Phase III (6 months - 12 years old, Japan)
	KD2-396	Vaccine	Hexavalent vaccine against diphtheria, tetanus, pertussis, poliovirus, haemophilus influenza type b, and Hepatitis B virus	Phase II (Japan)
	KD-382	Vaccine	Quadrivalent vaccine against dengue fever	Phase I (Overseas)

*Discovered in-house

**Multi-Regional Clinical Trials

Pharmaceutical: R&D Pipeline - 3

	Code No.	Efficacy Classification	Stage
Veterinary Drugs	ME4137	Injectable antibacterial drug for cattle	Filed (Japan)
	ME4137	Injectable antibacterial drug for swine	Filed (Japan)
	KD-412*	Vaccine for cattle	Filed (Japan)
	MD-22-3002	Anti-inflammatory drug for cattle, swine and horse	Filed (Japan)
	ME4305*	Antibacterial drug for cattle	Under development
	MD-22-1001-1	Injectable antibacterial drug for cattle	Under development
	ME4406*	Feed Additive	Under development

*Discovered in-house

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