

Now ideas for wellness



# Financial Results for FYE March 2024 (FY2023) and 2026 Medium-term Business Plan

(FYE March 2024: From April 1, 2023, to March 31, 2024)

May 10, 2024

- 1. Summary of 2023 Medium-term Business Plan and Financial Results for FY2023**
- 2. 2026 Medium-term Business Plan**

(Note) We revised a part of the following pages on May 14, 2024.

- P19 Outlook of R&D expenses
- P33 Food: Net Sales and Op. Profit by Business – FY2023 Result of B to B Business

# 1. Summary of 2023 Medium-term Business Plan and Financial Results for FY2023

## Summary of 2023 Medium-term Business Plan – KPIs

(JPY bn)		FY2021 Result	FY2022 Result	FY2023 Result*2	YoY change	2023 Medium-term Business Plan Target
Integrated goal	Meiji ROESG®*1	12.3 pt	13.8 pt	12.2 pt	-1.6 pt	13 pt
Growth and Profitability	Consolidated net sales	1,013.0	1,062.1	1,105.4	+4.1% +43.3	1,080.0
	Food	826.0	865.6	900.1	+4.0% +34.5	874.5
	Pharmaceutical	187.9	197.2	206.1	+4.5% +8.8	209.0
	Overseas net sales	92.9	120.0	132.3	+10.2% +12.2	134.5
	Consolidated operating profit (margin)	92.9 (9.2%)	75.4 (7.1%)	84.3 (7.6%)	+11.8% +8.8	120.0 (11.1%)
	Food	75.9	55.8	64.3	+15.1% +8.4	102.0
	Pharmaceutical	18.6	21.7	22.7	+4.6% +0.9	18.5
Efficiency and Safety	ROIC	8.4%	6.3%	6.2%	-0.0 pt	10% or more
Return to shareholders	ROE	13.5%	10.0%	6.9%	-3.1 pt	11% or more
	Dividend payout ratio	28.0%	36.4%	52.3%	+15.9 pt	40%

\*1: ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

\*2: See p.26-37 for details on Meiji ROESG indicators and FY2023 results

## Summary of 2023 Medium-term Business Plan

- Three-year period during which we focused on the Meiji ROESG and worked towards simultaneously realizing profit growth and sustainability activities
  - Food: Recovery of growth in core businesses is midway. Overseas business steadily expanded in the U.S. Impairment losses were incurred in a part of China business in which we had made prior investments
  - Pharmaceutical: Implemented structural reforms and shifted to a business model that can gain stable profits Expanded pipelines that will drive future growth, incl. the acquisition of mRNA technology
  - Venture into new domains:  
Collaborated with venture companies and academia to create new products and business models. (e.g., Investments in California Cultured Inc. and Farmnote Holdings, Inc., / Collaborations with Juntendo Educational Foundation and Foundation of Biomedical Research and Innovation at Kobe)
  - Sustainability: Increased ESG evaluations through steady efforts. Worked to establish the evaluation standards necessary to achieve a fusion with business
- The need to improve operating methods recognized during the process of establishing a business management structure that utilizes ROIC. Reevaluated business units and organizations to accelerate permeation of ROIC-based management.
- Selected a portion of capital expenditures from the perspective of ROIC. Strategic investments and ESG investments proceeded as planned.
- Worked to reduce cross-shareholdings and non-current assets to maintain a sound financial structure. Increased dividends for tenth consecutive fiscal year

## **2. 2026 Medium-term Business Plan (FY2024-2026)**

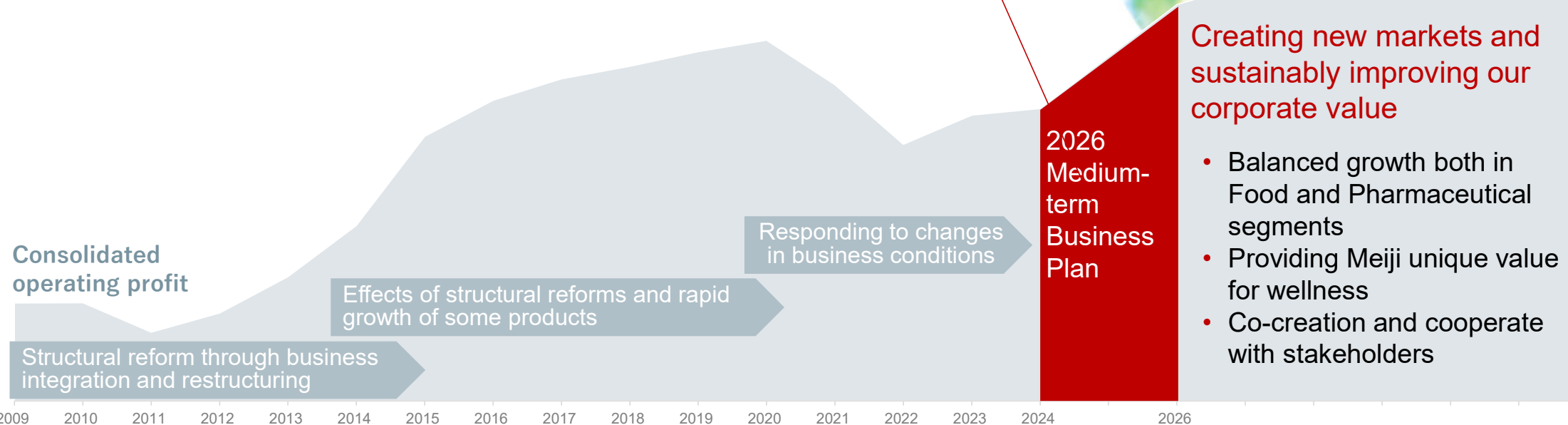
# Ideals for 2026 Medium-term Business Plan

**Realizing a Better Future  
for People,  
Society and the Earth**

## Concept

### Evolve the Meiji ROESG<sup>®</sup> Management

Return to a growth trajectory by transforming focus markets, business structure, and our behavior



**Creating new markets and sustainably improving our corporate value**

- Balanced growth both in Food and Pharmaceutical segments
- Providing Meiji unique value for wellness
- Co-creation and cooperate with stakeholders

# 2026 Medium-term Business Plan

## Evolve the Meiji ROESG<sup>®</sup> Management

Return to a growth trajectory by transforming focus markets, business structure, and our behavior

### Key strategies

#### 1. Invest management resources into growth businesses

- Strengthen and expand overseas and B2B businesses of food segment, and pharmaceutical business as growth drivers

#### 2. Keep and improve stable cash flow

- Enhance competitive advantage by pursuing added value
- Review business portfolio and improve capital efficiency

Fusion of sustainability and business strategies (“Trade-on”)

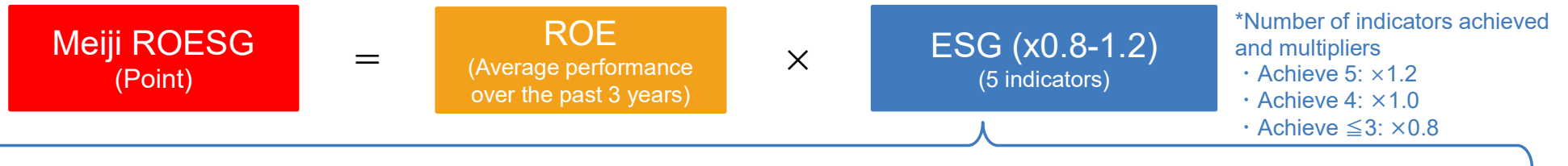
#### 3. Promote human capital strategy linked to management strategy



# Evolve the Meiji ROESG<sup>®</sup> Management

Continue to set Meiji ROESG as our top management goal as in the 2023 Medium-term Business Plan;  
Create value that leads to business and financial performance growth with sustainability activities

## Reviewing formula for calculating Meiji ROESG



ESG external evaluation (3 indicators)	ESG external evaluation organization to assess sustainability activities	1. MSCI ESG Ratings 2. DJSI 3. ISS ESG
Indicators of business and financial value (2 indicators)	Indicators that show the fusion of sustainability and business and lead to improved business performance	Achievement of yearly net sales targets of the following indicators 4. Food: Product brands subject to Meiji ROESG 5. Pharmaceutical: Products subject to Meiji ROESG

- Changed the indicators to strongly emphasize the fusion of sustainability and business
- Set as a metric for medium to long-term incentives for compensation of directors (stock compensation) to promote a commitment to improving corporate value

\*See p.46 for details on ESG indicators

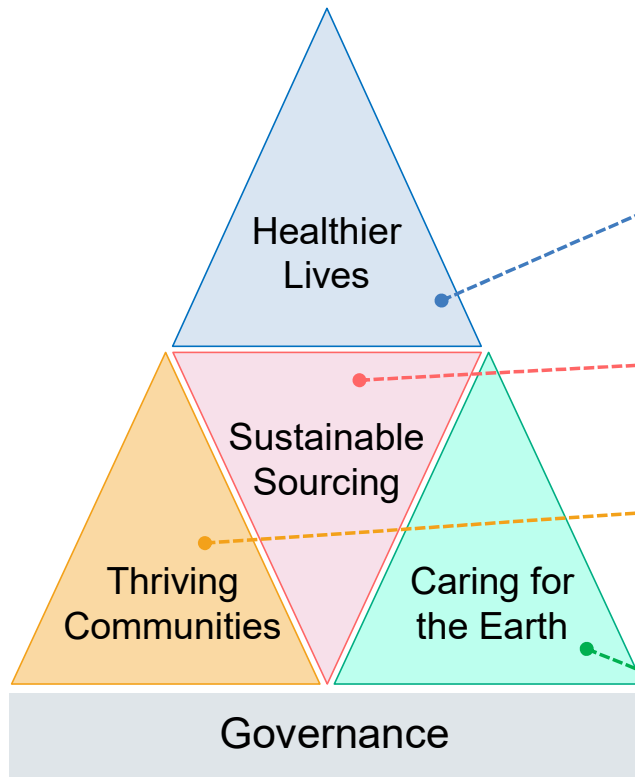
# “Trade-on” of Sustainability and Business

Incorporate resolving social issues into business strategy and create social value through sustainability innovation;  
Achieve sustainable growth through “trade-on” with economic value

<Structure of Sustainability Activities>

<Key points of business initiatives (Important social issues)>

Activities unique to Meiji



- Health and nutrition
- Safety and reliability of product quality
- Threats to emerging and re-emerging infectious disease
- Stable supply of pharmaceuticals by building a robust supply chain
- Building a supply chain considering human rights and the environment
- Diverse human capital
- Marketing based on high ethics
- Respect and promote human rights in a value chain
- Climate change
- Circular economy
- Water
- Biodiversity

Foundation of Corporate Activities

# 2026 Medium-term Business Plan: KPIs

(JPY bn)		2026 Medium-term Business Plan			
		FY2023 Result	FY2024 Plan	FY2026 Target	vs. FY2023
Integrated goal	Meiji ROESG®	—	8.0 pt	9.8 pt	—
Growth and Profitability	Consolidated net sales	84.3	86.0	116.5	+38.2% +32.1
	Food	64.3	66.0	83.0	+29.1% +18.6
	Pharmaceutical	22.7	25.0	40.0	+76.1% +17.2
	Consolidated net income	50.6	50.0	76.5	+51.0% +25.8
	Overseas net sales	134.8*1	154.0	252.5	+87.2% +117.6
Efficiency and Safety	ROIC	6.2%	7.0%	8.5% or more	—
Return to shareholders	ROE	6.9%	7.0%	9.5% or more	—
	Total Payout Ratio	52.3%	114.6%	50% or more	—
	Cash flows from operating activities	107.9	60.0	[3 years] Approx. 350.0	—
	Free cash flows	83.3	1.0	[3 years] 0.0	—

## Exchange rate assumptions

### FY2024 Plan

USD	JPY145
EUR	JPY155
RMB	JPY20

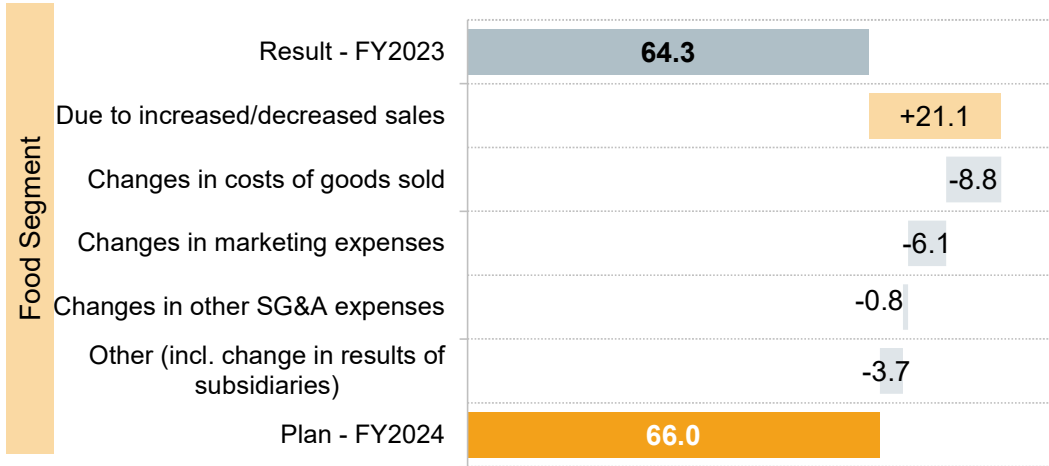
### 2026 Medium-term Business Plan

USD	JPY140
EUR	JPY150
RMB	JPY20

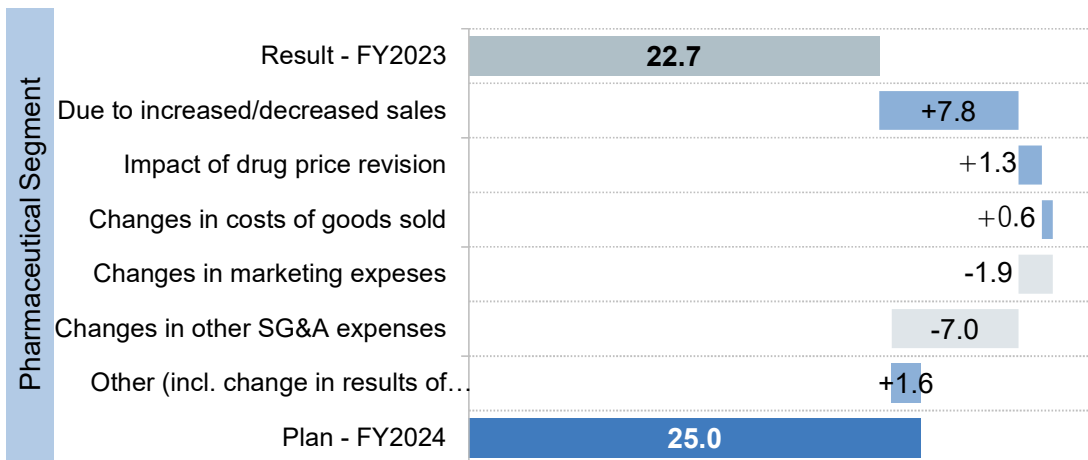
\*1: Reference with retroactive application of new classification from FY2024

# Outlook of Operating Profit for FYE March 2025

## Analysis of changes in operating profit



- Respond to the rapid rise in cocoa market prices and prolonged yen depreciation with measures such as price revisions and product improvements
- Increase in sales of yogurt, functional yogurt, and SAVAS
- Aggressively harness marketing expenses in each business
- Increase in labor costs
- Depreciation to increase but projecting benefits from cost reduction measures such as production line consolidation



- Increase in sales of human vaccines
- Impact of NHI price revision: +mid 1%
- Increase in R&D expenses as development progressed
- Increase in labor costs and dissemination costs to expand sales of new products

Key strategy 1. Invest management resources into growth businesses

## Food: Accelerate to Grow Overseas Business

### Aggressive Expansion of Products and Businesses with Competitive Advantages

<Direction of strategic products>

1. Products that are competitive in terms of technology and intellectual property

e.g.) Cube-type infant formula



- Expand to more countries
- Build and strengthen business foundation through M&A and alliances
- Promote strategic IP activities for global expansion

2. Products that enable differentiation through taste and manufacturing technology

e.g.) Chocolate snacks



- Enhance marketing activities
- Develop new products that meet local needs
- Expand production capacity and establish a global production system

### Steady Execution of Revival Plan\*1 in China Business

- Steadily promote structural reforms
- Review of business and product portfolio
- Reform management system

Key strategy 1. Invest management resources into growth businesses

## Food: Accelerate to Grow Overseas Business

(JPY bn)		2026 Medium-term Business Plan			
		FY2023 Result	FY2024 Plan	FY2026 Target	vs. FY2023
China	Net sales	24.3	31.0	60.3	+147.2% +35.9
	Op. Profit	-3.7	-5.6	0.3	— +4.0
Asia	Net sales	18.1	27.0	65.2	+259.5% +47.0
	Op. Profit	1.5	1.4	3.6	+134.8% +2.0
Europe and Americas	Net sales	32.7	34.4	44.8	+36.6% +12.0
	Op. Profit	2.3	1.6	2.2	-7.4% -0.1

### 〈Initiatives by business〉

#### Dairy and Food solutions businesses

##### Focus area: China, Asia

- Review of sales areas to consider profitability
- Cost reduction and optimization of production structure
- Increase the composition ratio of value-added products and strengthen the B2B business

#### Chocolate business

##### Focus area: the U.S., China, Asia

- Strengthen initiatives related to major vendors and agents
- Expand production capacity and establish a global production system
- Develop global brands

#### Nutrition business

##### Focus area: Asia, Europe

- Accelerate the development of products aligned with local needs
- Expand to more countries

# Food: Pursue Added Value in Japan Business 1

## – Innovate Product Development Process

### <Product Development Process>

#### Evaluation Framework 1 Sustainable Products Certification System

- Promote incorporation of sustainability into product concepts
- Certify products for which sustainability activities are undertaken during each process along the value chain

#### The process to be checked

Health & Nutrition / Procurement /  
Packaging / Product Design /  
Production & Logistics

Product concept creation

Solutions development

Commercialization

#### Evaluation Framework 2 Meiji NPS



- Develop and improve products with high nutritional value
- Already created NPS for adults and the elderly

#### For adults

Against lifestyle-related diseases and thinness in young women

#### For the elderly

Prevent frailty\*1

**Develop new "market-creating" products that link sustainability to added value and economic value**

## Food: Pursuing Added Value in Japan Business 2

### – Strengthen Existing Business by Leveraging New Products and Technologies

#### Enhance and Expand B2B Business

- Increase in sales through newly developed materials
  - Grow sales of *Mizuneri Nama Chocolat*, which can be stored for long periods at raw temperature, based on a unique water-containing mixing process
  - Develop new milk ingredients that can be produced in the new plant
- Expand sales channels for own-brand products

B2B sales ratio\*1



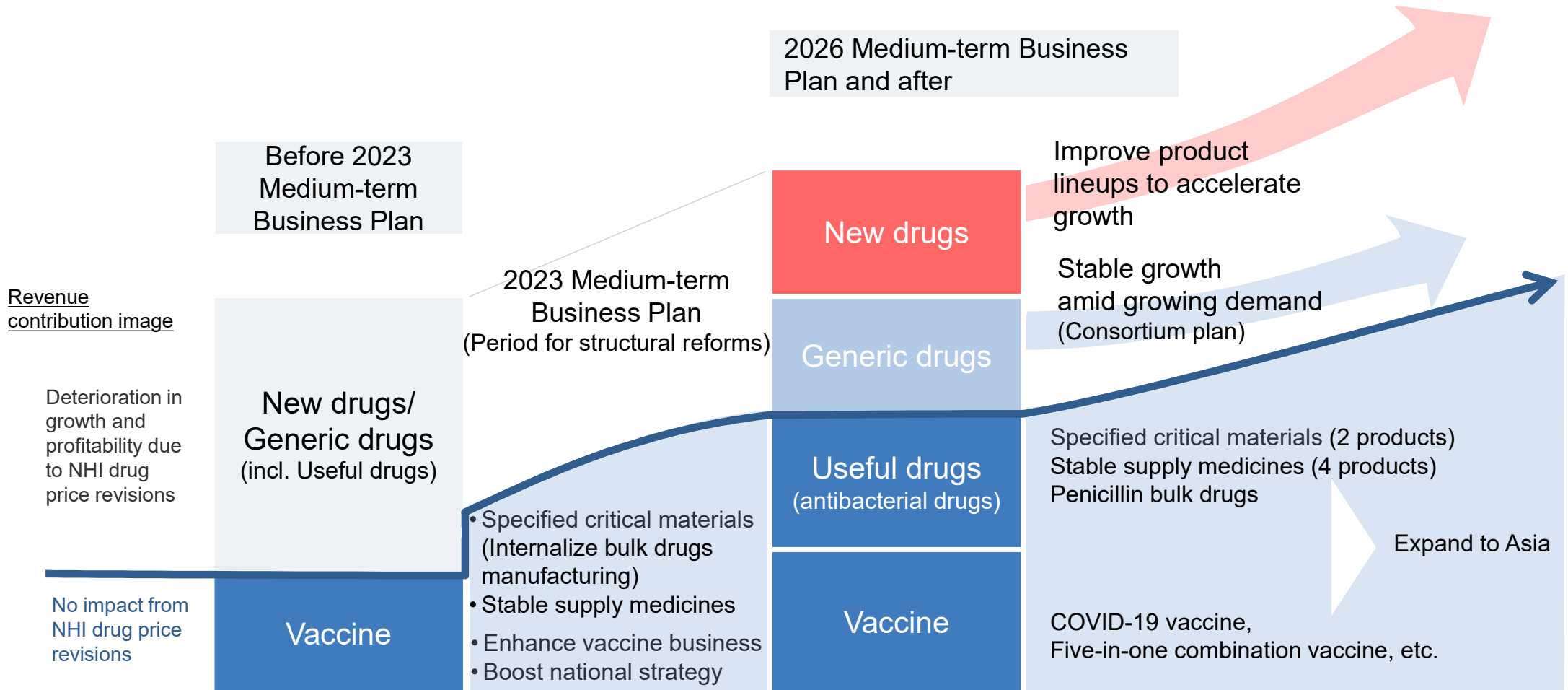
#### Create New Marketing Model

- Launch solution business and service utilizing digital technology, and use it for marketing
  - Collaborate with H.U. Group companies to start immunology testing service business (planning for July 2024)  
→ Provide lifestyle habit advice based on test results. Aim for increasing customers' interests related to immune system
- From mass marketing to personalized marketing
  - Provide information and recommend products tailored to the individual's health status and values



Key strategy 1. Invest management resources into growth businesses | 2. Keep and improve stable cash flow

# Pharmaceutical: Sustained Growth by Adding Growth from New Drugs on Stable Revenue Platform



Key strategy 1. Invest management resources into growth businesses | 2. Keep and improve stable cash flow

# Pharmaceutical: Sustained Growth by Adding Growth from New Drugs on Stable Revenue Platform

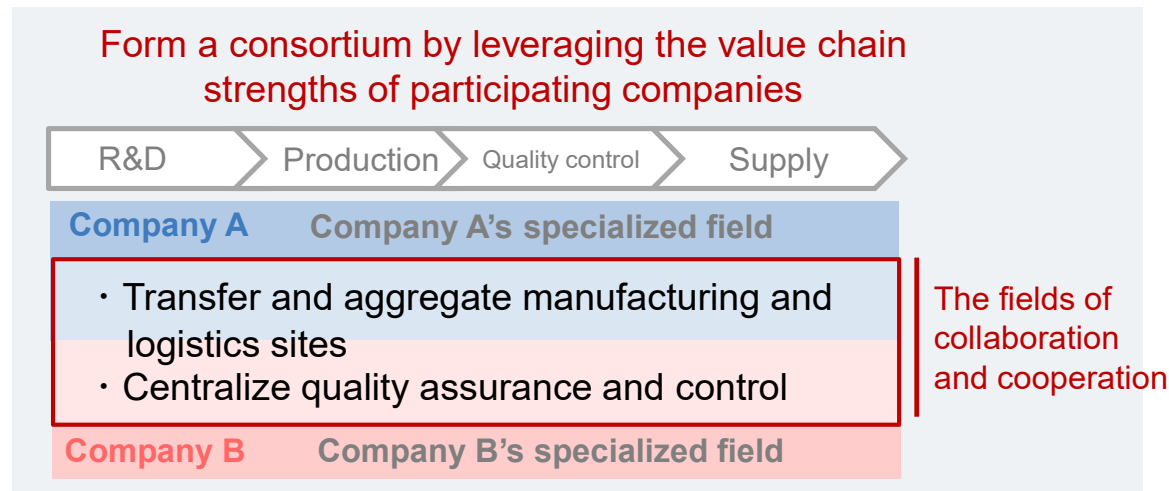
## External Changes 1: FY2024 NHI price revision

- Basic drugs system
  - Basic drugs are positioned as NHI drug prices supporting system before re-calculating unprofitable products and reaching minimum drug prices
  - Transitional period since NHI drug price listing: Reduced from 25 years to 15 years
  - Our basic drugs: *SULBACILLIN*, *VANCOMYCIN*, *TAZOPIPE*, etc.
- Stable supply of pharmaceuticals, especially GE\* (deployment of corporate indices and revision of NHI prices for GE based on corporate indices)
  - While this is a trial adoption, this is used to evaluate a companies' stable supply structure, etc. and the results are being utilized in the NHI pricing system
  - Meiji is classified as Category A (Top 20%)

## External Changes 2: Structural Reform of GE\* Market

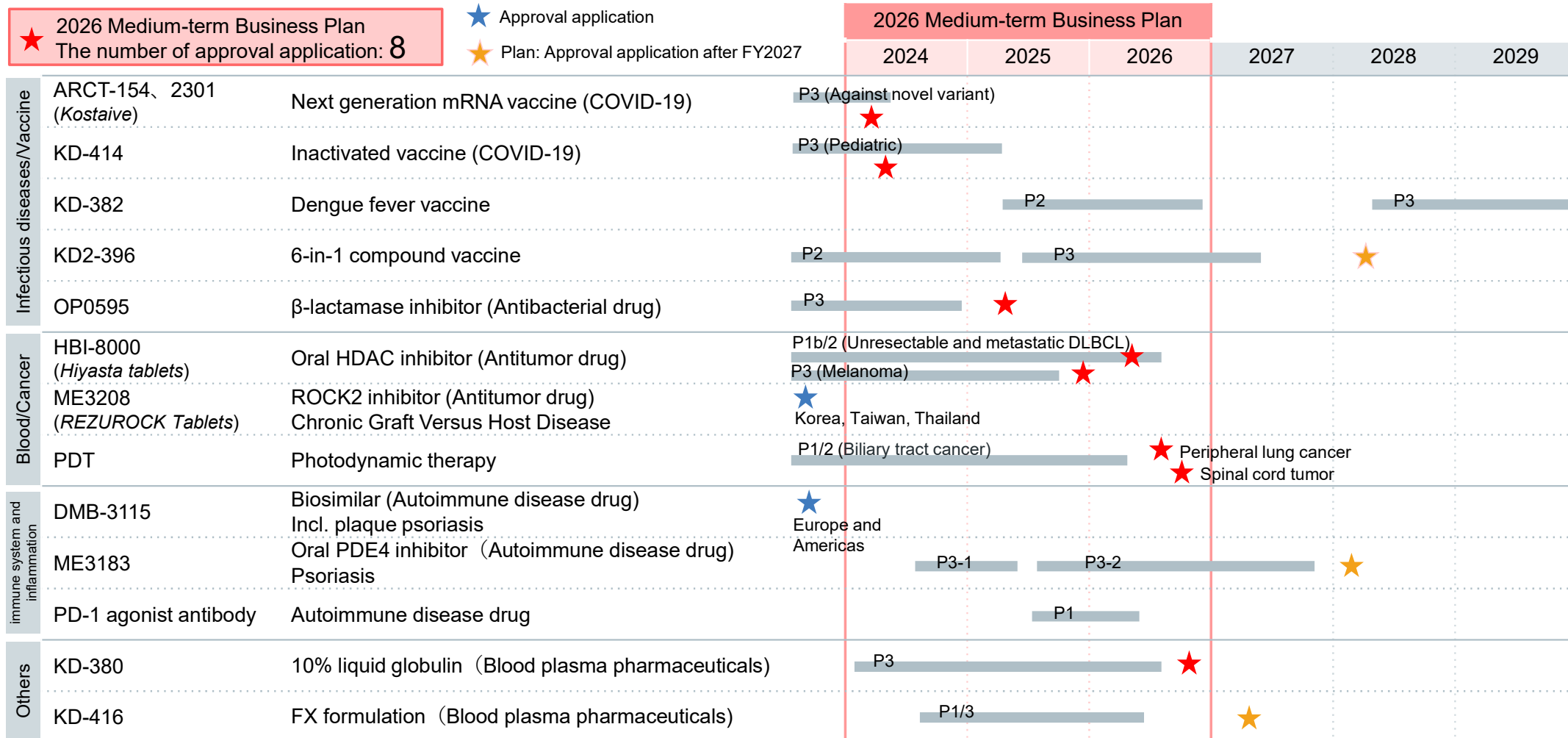
State of the Industry	<ul style="list-style-type: none"> <li>• Decrease in unit price due to NHI price revision</li> <li>• Inefficient high-mix low-volume production</li> <li>• Inadequate quality control system</li> </ul>	<u>30% of products have restricted distribution</u>
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The MHLW's Ministry of Health, Labour and Welfare's Working Group on the Industrial Structure for Realizing the Stable Supply of Generic Drugs, etc. is considering promoting collaboration and cooperation among companies (=Consortium plan) as one of the directions for measures



Key strategy 1. Invest management resources into growth businesses

# Pharmaceutical: Developing Differentiated and Innovative Pipeline of New Drugs Reliably and at the Fastest Pace



★ 2026 Medium-term Business Plan  
The number of approval application: 8

★ Approval application  
★ Plan: Approval application after FY2027

2026 Medium-term Business Plan

Key strategy 1. Invest management resources into growth businesses | 2. Keep and improve stable cash flow

## Pharmaceutical: Securing R&D Expenses through Stable Growth in Domestic Main Categories and Overseas

<Sales of domestic main categories and overseas>

(JPY bn)	2026 Medium-term Business Plan			
	FY2023 Result	FY2024 Plan	FY2026 Target	vs. FY2023
Infectious disease area*1	42.7	44.3	43.2	+1.3% +0.5
Immune system area*1	20.1	22.2	21.8	+8.5% +1.7
Central nervous system (CNS) area*1	22.2	23.3	19.0	-14.5% -3.2
Generic drugs*2	20.1	21.6	24.8	+23.7% +4.7
Human vaccines	33.1	57.9	71.3	+115.6% +38.2
Overseas	57.1*3	65.7	82.5	+44.5% +25.3

\*1: Including generic drugs in each area

\*2: Sales of generic drugs only, not included in each area

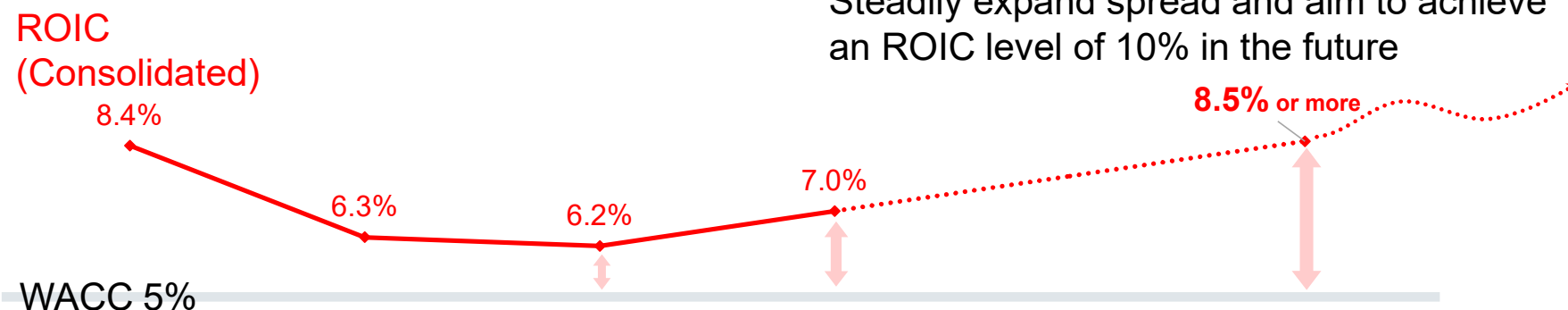
\*3: Reference with retroactive application of new classification from FY2024

<Outlook of R&D expenses>



Key strategy 2. Keep and improve stable cash flow

## Strengthen Business Management through ROIC



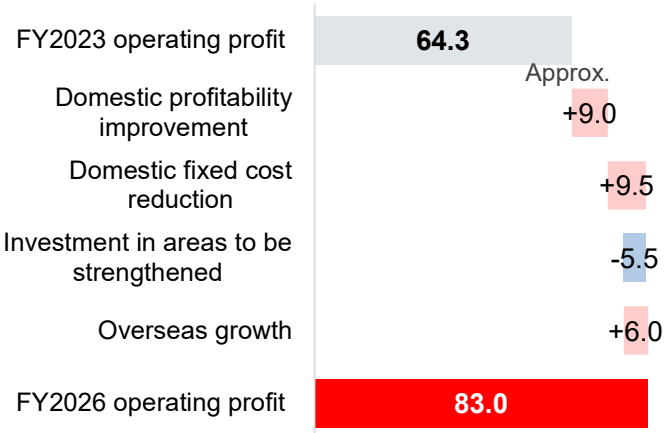
(JPY bn)	FY2021	FY2022	FY2023	FY2024	FY2026 Target
ROIC (Consolidated)	8.4%	6.3%	6.2%	7.0%	8.5% or more
Adjusted NOPLAT	JPY 67.3 bn	JPY 51.6 bn	JPY 51.1 bn	—	—
Invested capital (Average of two terms)	JPY 801.1 bn	JPY 822.9 bn	JPY 822.3 bn	—	—
ROIC (Food)	9.8%	6.3%	6.3%	7.5%	9% or more
ROIC (Pharmaceutical)	6.6%	8.0%	7.7%	8.0%	11% or more

- Set each hurdle rate for food and pharmaceutical, and strengthen ROIC management by business  
→Food: 6%, Pharmaceutical: 7%
- Particularly in the Food Segment, continue to invest in growth while promoting structural reforms such as reevaluating our production structure

Key strategy 2. Keep and improve stable cash flow

# Food: Efforts to Improve ROIC

## Operating Profit Margin Improvement



FY2026 Target

**9% or more**

**ROIC =**

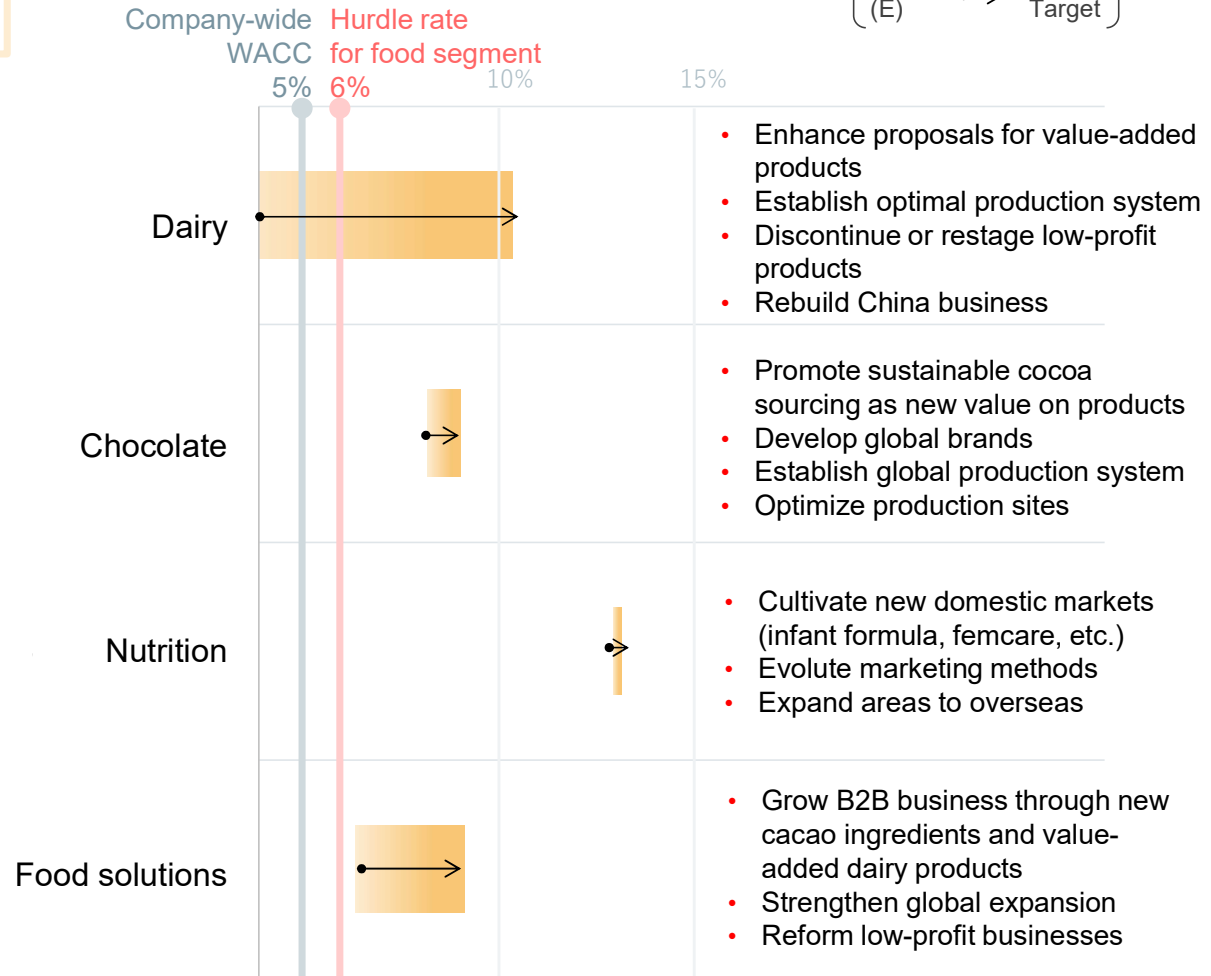
## Invested Capital Control

- Reduction of assets, focusing on optimization of production system and reduction of fixed costs
  - Aggressive investment in growth areas with reduced resources
- Invested capital will increase compared to FY2023, but the amount of increase will be controlled.

**6.3%**  
FY2023 Result

## ROIC by business\*1

(FY2023 (E) → FY2026 Target)



\*1: ROIC by business is a simplified calculation (NOPLAT + Share of profit and loss of entities accounted for using equity method / Invested capital in a single year)

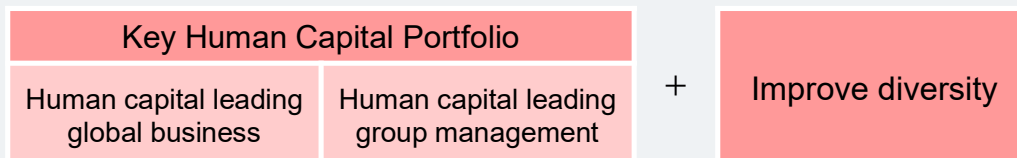
Key strategy 3. Promote human capital strategy linked to management strategy

# Acquire and Develop Human Capital to Support Growth Strategies and Improve Engagement

## Build Human Capital Portfolio Necessary for Growth Strategies



- Increase Employee Engagement
- Improve Performance of Each Employee

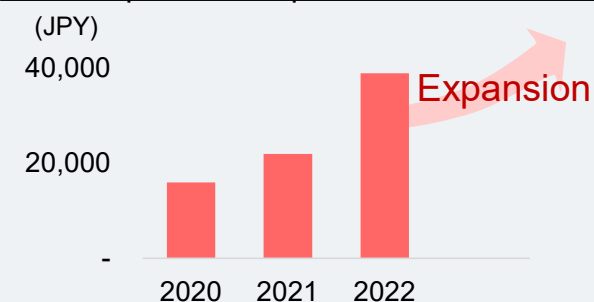


Target	Ratio of global human capital*1 30% or more	Ratio of female employees 50%
	Ratio of mid-career hiring 30% or more	Group management human capital pool 30 people or more

- Identify and develop human capital leading group management
- Satisfy the quality and quantity of human capital leading global business
- Promote diverse employees' development and strengthen diversity management capabilities
- Expand mid-career and global human capital hiring
- Centralize human capital data

- Reform HR systems and create systems that reward performance
- Support autonomy, growth, and taking on challenges (including reskilling)
- Promotion of smart working
- Drive health and productivity management, and occupational safety
- Continuously monitor engagement scores and implement improvement measures

Human capital development investment amount\*2

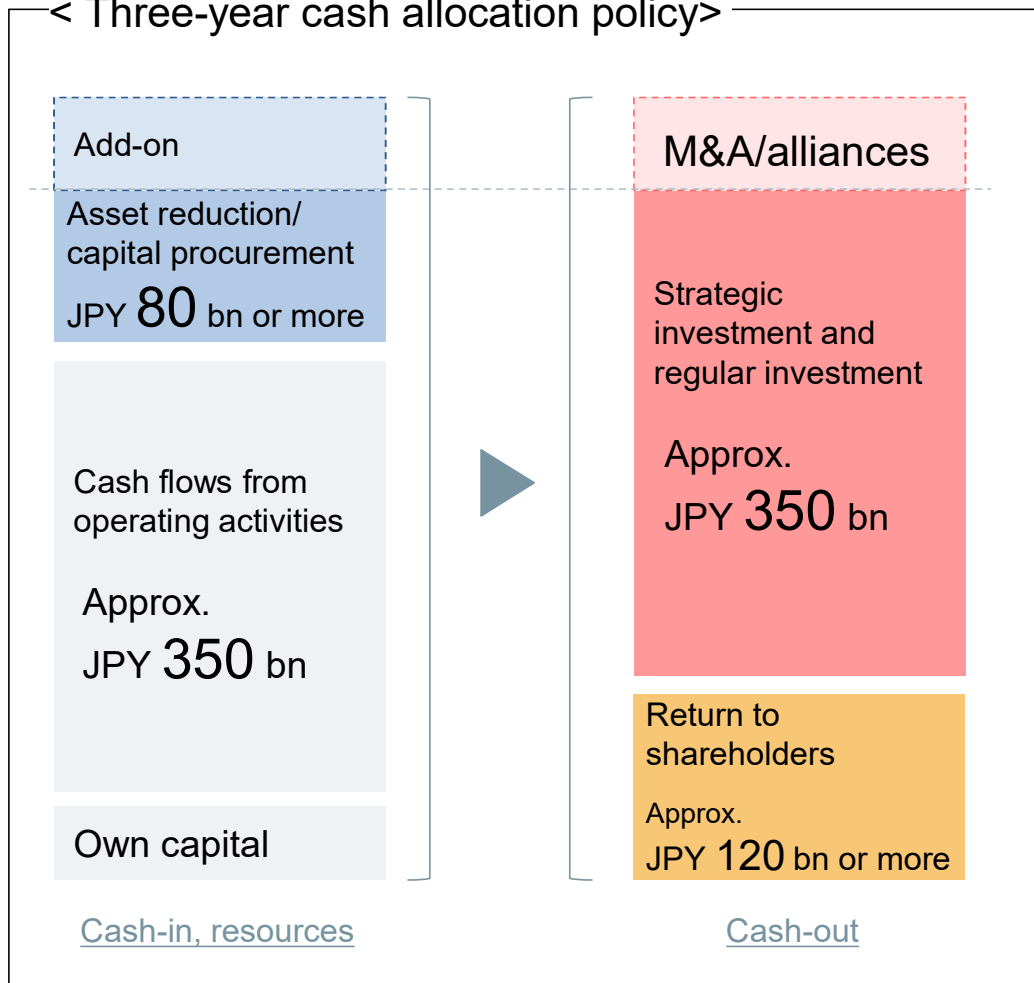


\*1: Human capital, including foreign nationals, with more than half-year of global experience (studying abroad, living abroad, etc.)

\*2: Until FY2021, only training sponsored by the Human Resources Department is counted, but included e-learning from FY2022

# Cash Allocation aimed at Improving Corporate Value

## < Three-year cash allocation policy >



Asset reduction/ capital procurement	<ul style="list-style-type: none"> <li>• Asset reduction through structural reforms</li> <li>• Investment securities reduced to less than 5% of consolidated net assets</li> <li>• External procurement assumes maintaining JCR rating of “AA-”</li> <li>• When conducting M&amp;A/alliances, consider external procurement based on a D/E ratio of 0.5 times</li> </ul>									
Investment	<ul style="list-style-type: none"> <li>• Continue strategic investments to strengthen the foundation of existing domestic businesses</li> <li>• Actively invest in growth areas including M&amp;A</li> </ul> <table border="1"> <tr> <td style="background-color: #fce4d6;">Food</td> <td style="background-color: #fce4d6;">Approx. JPY 240 bn</td> <td style="background-color: #fce4d6;">Domestic strategic investment JPY110 bn Overseas growth investment JPY40 bn Regular investment etc. JPY90 bn</td> </tr> <tr> <td style="background-color: #d9ead3;">Pharma*1</td> <td style="background-color: #d9ead3;">Approx. JPY 110 bn</td> <td style="background-color: #d9ead3;">Strategic investment JPY96 bn Regular investment JPY16 bn</td> </tr> <tr> <td style="background-color: #d9ead3;">(ESG)</td> <td style="background-color: #d9ead3;">JPY 50 bn</td> <td></td> </tr> </table>	Food	Approx. JPY 240 bn	Domestic strategic investment JPY110 bn Overseas growth investment JPY40 bn Regular investment etc. JPY90 bn	Pharma*1	Approx. JPY 110 bn	Strategic investment JPY96 bn Regular investment JPY16 bn	(ESG)	JPY 50 bn	
Food	Approx. JPY 240 bn	Domestic strategic investment JPY110 bn Overseas growth investment JPY40 bn Regular investment etc. JPY90 bn								
Pharma*1	Approx. JPY 110 bn	Strategic investment JPY96 bn Regular investment JPY16 bn								
(ESG)	JPY 50 bn									
Return to shareholders	<ul style="list-style-type: none"> <li>• Continuously increase dividends and buy back shares</li> <li>• Total Payout Ratio of 50% or more: Set as a lower limit level that is not affected by changes in our external environment, etc.</li> </ul>									

\*1: Figures are net of subsidies



# Appendices

# Results of FY2023

# Consolidated Financial Results – FY2023

(JPY bn)	FY2023 Result	YoY Change	Main factors for the change
Net sales	1,105.4	+4.1% +43.3	— Details on page 31 and 35
Operating profit	84.3	+11.8% +8.8	— Details on page 31 and 35
Non-operating profit	4.0	-12.3% -0.5	- Foreign exchange gains (-0.4)
Non-operating expenses	12.3	+110.0% +6.4	- Share of loss of entities accounted for using equity method (+6.4)
Ordinary profit	76.0	+2.5% +1.8	—
Extraordinary income	35.9	+21.4% +6.3	- Gain on sales of investment securities (+20.8) - Gain on sales of non-current assets (-14.5)
Extraordinary losses	24.4	+192.5% +16.0	- Impairment losses (+15.2)
Profit before income taxes	87.5	-8.3% -7.9	—
Income taxes-total	33.7	+41.3% +9.8	- Income taxes - current (+5.6) - Income taxes - deferred (+4.1)
Profit attributable to non-controlling interests	3.0	+46.6% +0.9	—
Profit attributable to owners of parent	50.6	-27.0% -18.7	—

# Financial Position as of March 2024

(JPY bn)	Result as of Mar. 2024	Change	Main factors for the change
Current assets	563.0	+19.6% +92.1	- Cash and deposits (+43.3) - Notes and accounts receivable-trade (+29.2)
Non-current assets	642.2	-3.5% -23.0	- Construction in progress (-25.5) - Buildings and structures, net (+13.1) - Retirement benefit asset (+7.3) - Investment securities (-24.7) - Land (+7.5)
Total assets	1,205.2	+6.1% +69.0	—
Current liabilities	322.3	+21.1% +56.0	- Short-term borrowings (+17.4) - Income taxes payable (+5.8) - Notes and accounts payable-trade (+15.0) - Accrued expenses (+2.3)
Non-current liabilities	95.1	-19.8% -23.4	- Long-term borrowings (-21.8)
Total liabilities	417.4	+8.5% +32.5	—
Shareholders' equity	690.3	+3.8% +25.1	- Retained earnings (+24.1)
Accumulated other comprehensive income	56.2	+20.2% +9.4	- Foreign currency translation adjustments (+12.6) - Remeasurements of defined benefit plans (+6.5) - Valuation difference on available-for-sale securities (-9.8)
Non-controlling interests	41.2	+4.7% +1.8	—
Total net assets	787.7	+4.9% +36.4	—
Interest bearing debt	49.9	-22.4% -14.4	- Long-term borrowings (-21.8) - Current portion of bonds payable (-10.0) - Short-term borrowings (+17.4)
27 Equity ratio	61.9%	-0.7 pt	—

# Analysis of Consolidated Operating Profit – FY2023

(JPY bn)	Consolidated Operating Profit	
Results - FY2022	75.4	
Due to increased/decreased sales	+38.5 <sup>*1</sup>	
Impact of drug price revision	-3.4	
Changes in costs of goods sold	-27.7 <sup>*2</sup>	
Changes in other SG&A expenses	+1.8 <sup>*3</sup>	
Other (incl. change in results of subsidiaries)	△0.3	
Results - FY2023	84.3	

	Food	Pharma	Other
Results - FY2022	55.8	21.7	-2.1
Due to increased/decreased sales	+36.1	+2.3	—
Impact of drug price revision	—	-3.4	—
Changes in costs of goods sold	-26.6	-1.1	—
Changes in other SG&A expenses	-0.6	+2.4	—
Other (incl. change in results of subsidiaries)	-0.6	+0.8	-0.5
Results - FY2023	64.3	22.7	-2.7

\*1: Including the effect of price hikes

\*2: [Food] Increase in raw materials costs (incl. domestic raw milk and overseas dairy ingredients): -28.6,  
Other (incl. decrease in product amount): +2.0

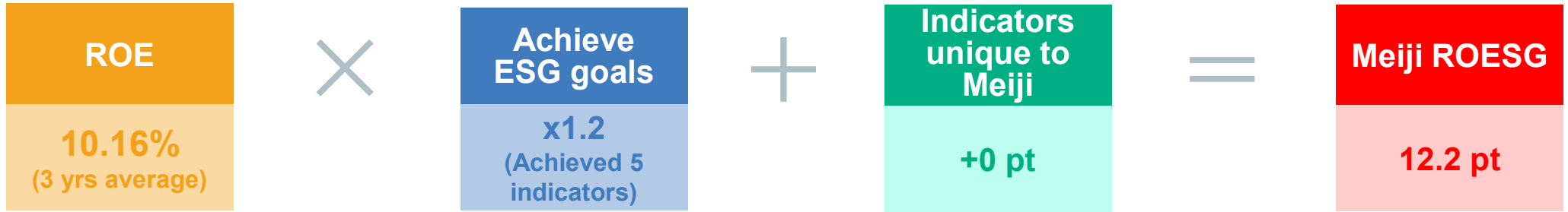
[Pharma] Increase in raw materials costs: -1.1

\*3: [Food] Increase in marketing expenses: -3.3, Decrease in other costs: +2.8  
[Pharma] Decrease in marketing expenses: +1.0, Decrease in other costs: +1.4

# Consolidated Cash Flows for FY2023

(JPY bn)	FY2023 Result	YoY Change	Main factors for the change
Cash flows from operating activities	107.9	+22.9	<ul style="list-style-type: none"> <li>- Increase in inventories (+15.6)</li> <li>- Impairment losses (+15.2)</li> <li>- Loss on sales of property, plant and equipment (+14.7)</li> <li>- Decrease in trade receivables (-22.6)</li> </ul>
Cash flows from investing activities	-24.6	+12.1	<ul style="list-style-type: none"> <li>- Purchase of property, plant and equipment (+18.7)</li> <li>- Proceeds from sales of investment securities (+9.6)</li> <li>- Proceeds from sales of property, plant and equipment and intangible assets (-18.1)</li> </ul>
Free cash flows	83.3	+35.1	—

# Meiji ROESG Results of FY2023



Evaluation indicator	FY2023 Result	Target
MSCI ESG Ratings	A	A
DJSI	67 points	65 points
FTSE4Good	4.2 points	3.8 points
CDP (Climate Change)	A	A
CDP (Water Security)	A	A

Evaluation indicator	FY2023 Result	Target
Extend healthy life expectancy*1	+0.56 years*2	+1 year
Amount of protein intake	71.4g/day*2	75g/day
Vaccination rate for influenza vaccines	57.8%*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*4	-0.9%	10% or more
Success in and supply of vaccine and therapeutic agent for COVID-19	Under development*5	Development and supply

\*1: Compared to 2016 (men 72.14 yrs old/women 74.79 yrs old) \*2: 2019 latest survey

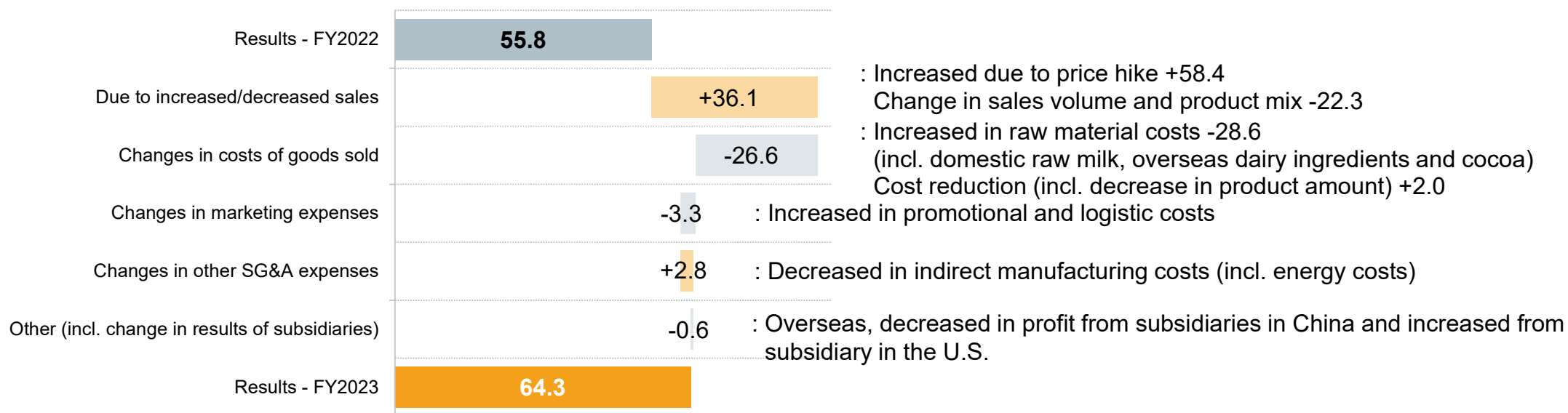
\*3: FY2022 latest survey; based on people aged 65 or older receiving routine vaccinations \*4: Compared to FY2020

\*5: *Kostaive*® approved as a vaccine for the ancestral strain. Under development as a bivalent vaccine for the ancestral/Omicron strain

## Food: Summary – FY2023

(JPY bn)	FY2022 Result	FY2023 Result	YoY Change	vs. FY2023 Plan	FY2023 Plan (Revised on Apr. 9)
Net sales	865.6	900.1	+4.0% +34.5	-0.6% -5.3	905.5
Operating profit	55.8	64.3	+15.1% +8.4	+0.4% +0.2	64.0

### Analysis of changes in operating profit





# Food: Analysis of Operating Profit by Business – FY2023

(JPY bn)	Segment Total	Yogurt & Cheese	Nutrition	Chocolate & Gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
Operating Profit – FY2022	55.8	24.1	14.6	11.1	-2.5	3.0	3.2	-0.9	3.0
Due to increased/decreased sales	+36.1	+5.2	+8.5	+4.3	+4.7	+9.7	+4.0	+0.6	-0.7
Changes in COGS	-26.6	-4.2	-4.6	-3.8	-4.6	-5.6	-2.4	-0.6	-0.8
Changes in other SG&A expenses	-0.6	+1.0	-0.4	+0.4	+0.1	-1.4	+0.0	-0.5	+1.1
<i>Change in marketing expenses</i>	<i>-3.3</i>	<i>-0.4</i>	<i>-0.5</i>	<i>-0.5</i>	<i>-0.5</i>	<i>-0.5</i>	<i>-1.0</i>	<i>-0.8</i>	<i>+1.0</i>
<i>Change in other expenses (R&amp;D expenses)</i>	<i>+2.8 (+0.6)</i>	<i>+1.4</i>	<i>+0.0</i>	<i>+0.9</i>	<i>+0.6</i>	<i>-0.8</i>	<i>+0.2</i>	<i>+0.3</i>	<i>+0.2</i>
Other (incl. change in results of subsidiaries)	-0.6	+0.5	-0.0	-0.3	+0.3	-0.0	-0.0	-1.0	-0.1
Operating Profit – FY2023	64.3	26.7	17.9	11.7	-2.0	5.7	4.0	-2.4	2.6

## Food: Net Sales and Op. Profit by Business – FY2023

(JPY bn)

		FY2022 Result	FY2023 Result	YoY Change			FY2022 Result	FY2023 Result	YoY Change
Yogurt & cheese	Net sales	202.5	203.0	+0.3% +0.5	Frozen dessert& ready meal	Net sales	57.9	61.5	+6.2% +3.5
	Op. profit	24.1	26.7	+10.6% +2.5		Op. profit	3.2	4.0	+24.1% +0.7
Nutrition	Net sales	116.8	125.6	+7.5% +8.7	Overseas	Net sales	68.5	77.7	+13.4% +9.1
	Op. profit	14.6	17.9	+22.7% +3.3		Op. profit	-0.9	-2.4	— -1.4
Chocolate & gummy	Net sales	102.8	103.7	+0.9% +0.9	Other/ domestic subsidiaries	Net sales	174.1	172.9	-0.7% -1.1
	Op. profit	11.1	11.7	+4.9% +0.5		Op. profit	3.0	2.6	-15.1% -0.4
Drinking milk	Net sales	71.5	74.9	+4.8% +3.4					
	Op. profit	-2.5	-2.0	— +0.4					
B to B	Net sales	71.1	80.4	+13.0% +9.2					
	Op. profit	3.0	5.7	+86.5% +2.6					

## Food: Sales by Main Product

(JPY bn)	FY2022 Result	FY2023 Result	YoY Change	FY2024 Full-year Plan	YoY Change
Yogurt *2	76.1	74.7	-1.9%	76.5	+2.7%
Functional yogurt *2	95.4	95.7	+0.4%	98.5	+2.7%
Cheese	28.2	28.8	+2.2%	27.5	-4.6%
Chocolate	99.1	102.9	+3.8%	104.2	+1.2%
Infant formula and enteral formula *2	67.3	70.7	+5.1%	70.0	+0.3%
Sports nutrition (incl. SAVAS Milk Protein)	45.2	50.2	+11.1%	52.8	+5.1%
Drinking milk, milk for home delivery	72.3	75.2	+4.1%	735	-2.3%
Ice cream	41.6	45.8	+10.0%	46.0	+0.5%

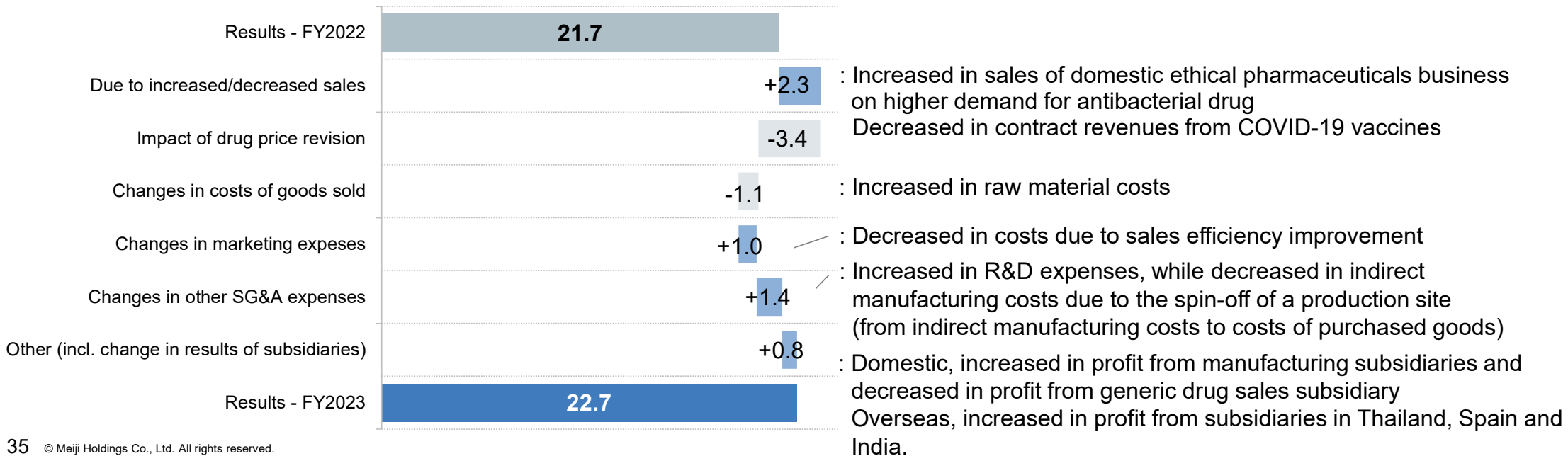
\*1: Not calculated as net sales after applying revenue recognition accounting standards

\*2: We revised the subcategory of some products from FY2024. YoY change for FY2024 is a comparison with figures after applying this subcategory change to FY2023 retroactively

# Pharmaceutical: Summary – FY2023

(JPY bn)	FY2022 Result	FY2023 Result	YoY Change	vs. FY2023 Plan	FY2023 Plan (Revised on Apr. 9)
Net sales	197.2	206.1	+4.5% +8.8	-1.0% -2.0	208.1
Operating profit	21.7	22.7	+4.6% +0.9	-3.3% -0.7	23.5

## Analysis of changes in operating profit



## Pharmaceutical: Analysis of Operating Profit – FY2023

(JPY bn)	Segment Total	Domestic ethical pharmaceuticals	Overseas ethical pharmaceuticals	Human vaccines	Veterinary drugs
Operating Profit – FY2022	21.7	10.1	7.7	2.4	1.4
Due to increased/decreased sales	+2.3	+1.6	+0.4	+0.3	+0.0
Impact of drug price revision	-3.4	-3.4	–	–	–
Changes in COGS	-1.1	-0.2	-0.8	-0.0	–
Changes in other SG&A expenses	+2.4	+2.3	-0.4	+0.4	–
<i>Change in marketing expenses</i>	+1.0	+1.3	+0.0	-0.4	–
<i>Change in other expenses (R&amp;D expenses)</i>	+1.4 (-3.8)	+1.0	-0.4	+0.8	–
Other (incl. change in results of subsidiaries)	+0.8	-2.3	+2.6	+0.9	-0.3
Operating Profit – FY2023	22.7	8.1	9.4	4.0	1.1

## Pharmaceutical: Net Sales and Op. Profit by Business – FY2023

(JPY bn)

		FY2022 Result	FY2023 Result	YoY Change
Domestic ethical pharmaceuticals	Net sales	100.1	105.9	+5.8% +5.8
	Op. profit	10.1	8.1	-20.1% -2.0
Overseas ethical pharmaceuticals	Net sales	51.4	54.5	+6.1% +3.1
	Op. profit	7.7	9.4	+22.7% +1.7
Human vaccines	Net sales	34.7	34.7	-0.1% -0.0
	Op. profit	2.4	4.0	+65.5% +1.6
Veterinary drugs	Net sales	10.8	10.8	-0.7% -0.0
	Op. profit	1.4	1.1	-21.9% -0.3

# Plan for FY2024 and 2026 Medium-term Business Plan

# Business Category Changes within Segments from FY2024

## Until FY2023

	Category	Main Products
Food	Yogurt&cheese	Functional yogurt, yogurt, cheese
	Nutrition	Infant formula, sports nutrition (incl. SAVAS Milk Protein), enteral formula, beauty supplement
	Chocolate&gummy	Chocolate, gummy
	Drinking milk	Drinking milk
	B to B	B to B food products
	Frozen dessert&ready meal	Ice cream, prepared foods, butter and margarine
	Overseas	Overseas subsidiaries, exports
	Other / domestic subsidiaries	Domestic subsidiaries, candy, OTC drugs
Pharma	Domestic ethical pharmaceuticals	Domestic ethical pharmaceuticals, blood plasma products
	Overseas ethical pharmaceuticals	Overseas ethical pharmaceuticals
	Human vaccines	Human vaccines
	Veterinary drugs	Veterinary drugs (Japan/overseas), veterinary vaccines

## From FY2024

	Category	Main Products
Food	Dairy	Functional yogurt, yogurt, drinking milk, overseas
	Chocolate	Chocolate, gummy, overseas
	Nutrition	Infant formula, sports nutrition, rich in nutrition foods, overseas
	Food solutions	B to B, cheese, frozen dessert, overseas
	Other	Dairy ingredients, domestic subsidiaries

**\*Overseas business includes in each business category.**

Domestic pharmaceuticals (Japan)	Infectious disease, immune system, central nervous system (CNS), generic drugs
Overseas pharmaceuticals	Overseas direct sales business, overseas CMO/CDMO, global products
Vaccines and Veterinary drugs	Vaccines, veterinary drugs, newborn screening

\*Following the above reclassification, the criteria for cost allocation were also revised.



# Outlook for FY2024

(JPY bn)		H1 Plan		H2 Plan		Full-year Plan	
			YoY Change		YoY Change		YoY Change
Consolidated	Net sales	561.5	+2.8% +15.4	597.5	+6.8% +38.0	1,159.0	+4.8% +53.5
	Operating profit	36.0	-19.0% -8.4	50.0	+25.4% +10.1	86.0	+2.0% +1.6
	Profit attributable to owners of parent	21.0	-24.8% -6.9	29.0	+27.5% +6.2	50.0	-1.3% -0.6
Food	Net sales	453.3	+1.8% +7.8	460.5	+1.3% +5.9	913.8	+1.5% +13.7
	Operating profit	30.0	+1.1% +0.3	36.0	+4.0% +1.3	66.0	+2.6% +1.6
Pharma	Net sales	108.6	+7.7% +7.7	137.2	+30.4% +31.9	245.8	+19.3% +39.7
	Operating profit	8.5	-46.3% -7.3	16.5	+142.2% +9.6	25.0	+10.2% +2.3
HD/ eliminations	Net sales	-0.4	— -0.1	-0.2	— +0.1	-0.7	— +0.0
	Operating profit	-2.5	— -1.3	-2.5	— -0.9	-5.0 <sup>*1</sup>	— -2.3

\*1: Including cost increase due to organizational reforms (mainly labor costs)

# Analysis of Consolidated Operating Profit – FY2024

(JPY bn)	Consolidated Operating Profit	
Result - FY2023	<b>84.3</b>	
Due to increased/decreased sales	+28.9 <sup>*1</sup>	
Impact of drug price revision	+1.3	
Changes in costs of goods sold	-8.1 <sup>*2</sup>	
Changes in other SG&A expenses	-15.8 <sup>*3</sup>	
Other (incl. change in results of subsidiaries)	-4.5	
Plan - FY2024	<b>86.0</b>	

Food	Pharma	Other
<b>64.3</b>	<b>22.7</b>	<b>-2.7</b>
+21.1	+7.8	—
—	+1.3	—
-8.8	+0.6	—
-6.9	-8.9	—
-3.7	+1.6	-2.3
<b>66.0</b>	<b>25.0</b>	<b>-5.0</b>

\*1: Including the effect of price hikes

\*2: [Food] Increase in raw materials costs (incl. domestic raw milk and cocoa): -9.7,  
Other (incl. decrease in product amount): +0.9

[Pharma] Cost reduction: +0.6

\*3: [Food] Increase in marketing expenses and logistics costs: -6.1, Increase in other costs: -0.8

[Pharma] Increase in marketing expenses and logistics costs: -1.9, Increase in other costs: -7.0

## Food: Analysis of Operating Profit by Business – FY2024

(JPY bn)	Segment Total	Dairy	Chocolate	Nutrition	Food solutions	Other
Result Operating Profit – FY2023	64.3	19.9	15.5	16.4	9.8	2.4
Due to increased/decreased sales	+21.1	+7.6	+5.4	+5.2	+5.4	-2.5
Changes in COGS	-8.8	-1.5	-4.8	-0.4	-2.0	-0.2
Changes in other SG&A expenses	-6.9	-3.5	-0.2	-2.0	-1.9	+0.7
<i>Change in marketing expenses and logistics costs</i>	-6.1	-2.3	-1.0	-1.4	-1.2	-0.1
<i>Change in other expenses (R&amp;D expenses)</i>	-0.8 (+0.5)	-1.2	+0.8	-0.6	-0.7	+0.9
Other (incl. change in results of subsidiaries)	-3.7	+0.5	-2.1	-0.1	-1.3	-0.7
Plan Operating Profit – FY2024	66.0	23.0	13.8	19.3	10.0	-0.1

## Food: Net Sales and Op. Profit by Business

(JPY bn)

		FY2023 Result	FY2024 Plan	YoY Change	FY2026 Target	vs. FY2023
<b>Dairy</b>	Net sales	266.6	274.3	+2.9% +7.7	—	—
	Op. profit	19.9	23.0	+15.3% +3.0	29.5	+47.7% +9.5
<b>Chocolate</b>	Net sales	155.5	160.1	+3.0% +4.6	—	—
	Op. profit	15.5	13.8	-11.3% -1.7	20.5	+31.7% +4.9
<b>Nutrition</b>	Net sales	110.8	114.2	+3.1% +3.4	—	—
	Op. profit	16.4	19.3	+17.1% +2.8	21.5	+30.4% +5.0
<b>Food solutions</b>	Net sales	196.4	202.2	+2.9% +5.7	—	—
	Op. profit	9.8	10.0	+2.0% +0.1	16.0	+62.3% +6.1
<b>Other</b>	Net sales	170.6	162.8	-4.6% -7.8	—	—
	Op. profit	2.4	-0.1	— -2.6	-4.5	— -6.9
<b>[Included in the above] Overseas</b>	Net sales	77.7	88.3	+13.6% +10.6	170.0	+118.6% +92.2
	Op. profit	-2.4	-5.3	— -2.8	3.2	— +5.6

\* Results of FY2023 are reference figures with retroactive application of new classification from FY2024

## Pharmaceutical: Analysis of Operating Profit – FY2024

(JPY bn)	Segment Total	Domestic pharmaceuticals (Japan)	Overseas pharmaceuticals	Vaccines and Veterinary drugs
Results Operating Profit – FY2023	22.7	15.8	4.9	1.9
Due to increased/decreased sales	+7.8	-1.1	-1.2	+10.1
Impact of drug price revision	+1.3	+1.3	–	–
Changes in COGS	+0.6	+0.7	-0.1	-0.0
Changes in other SG&A expenses	-8.9	-2.4	-2.4	-4.2
<i>Change in marketing expenses and logistics costs</i>	-1.9	+0.2	-0.4	-1.6
<i>Change in other expenses (R&amp;D expenses)</i>	-7.0 (-6.9)	-2.5	-1.9	-2.6
Other (incl. change in results of subsidiaries)	+1.6	+1.3	-1.0	+1.3
Plan Operating Profit – FY2024	25.0	15.6	0.2	9.2

## Pharmaceutical: Net Sales and Op. Profit by Business

(JPY bn)

		FY2023 Result	FY2024 Plan	YoY Change	FY2026 Target	vs. FY2023
Domestic pharmaceuticals (Japan)	Net sales	105.2	111.6	+6.0% +6.3	—	—
	Op. profit	15.8	15.6	-1.6% -0.2	28.2	+77.9% +12.3
Overseas pharmaceuticals	Net sales	57.1	65.7	+15.0% +8.5	—	—
	Op. profit	4.9	0.2	-95.9% -4.7	2.4	-51.3% -2.5
Vaccines and Veterinary drugs	Net sales	43.7	68.5	+56.7% +24.7	—	—
	Op. profit	1.9	9.2	+374.4% +7.2	9.5	+389.9% +7.5

# Meiji ROESG Target of FY2026



	Evaluation indicator	Target for FY2026
External ESG evaluation	MSCI ESG Ratings	AA
	DJSI	72 points or more
	ISS ESG	C+ (50 points or more)
Indicator of business and financial value	Food: Sales of Meiji ROESG target brand line	Achievement of yearly plan
	Pharma: Sales of Meiji ROESG target products	Achievement of yearly plan

### Details of target products

#### Food

1. Health-oriented foods and value-added nutritional foods (Meiji Bulgaria Yogurt, Meiji Probio Yogurt R-1, Chocolate Koka, SAVAS, Meiji MeiBalance, etc.)
2. Foods with our environmentally and socially conscious procurement activities for a sustainable society (Meiji Oishii Gyunyu, Meiji Milk Chocolate, Meiji Hokkaido Tokachi series (yogurt and cheese), etc.)

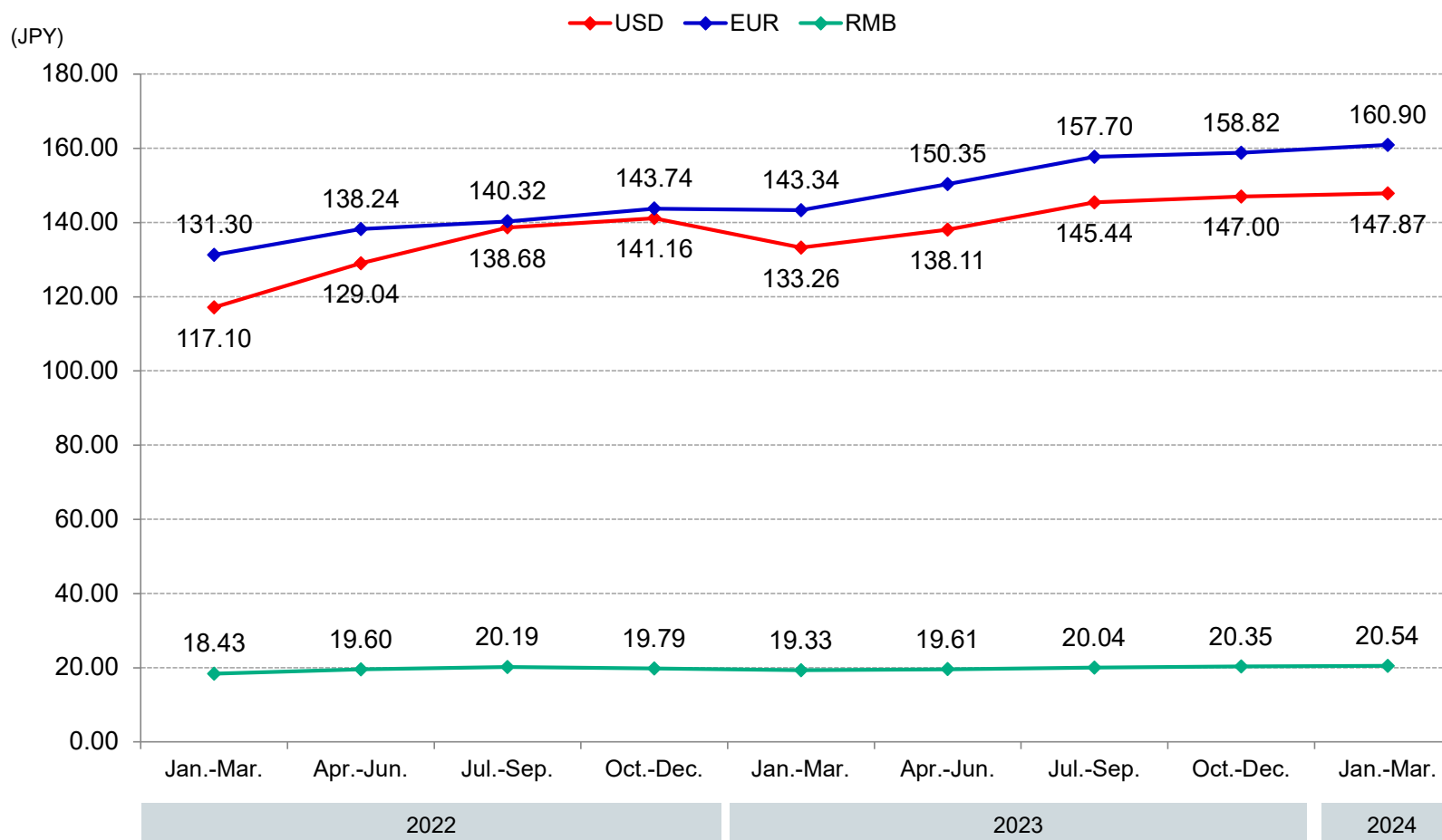
#### Pharmaceutical

1. Influenza vaccine
2. Stable supply drugs (Category A)

# Others



# Key Currencies and Our Average Exchange Rates

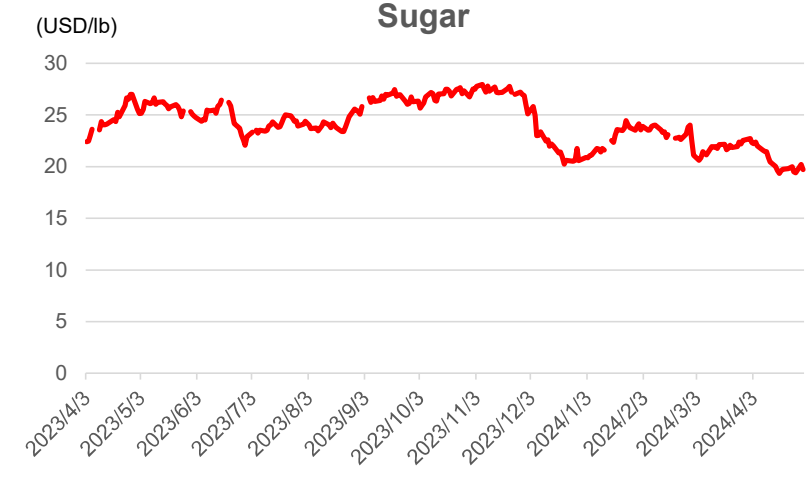
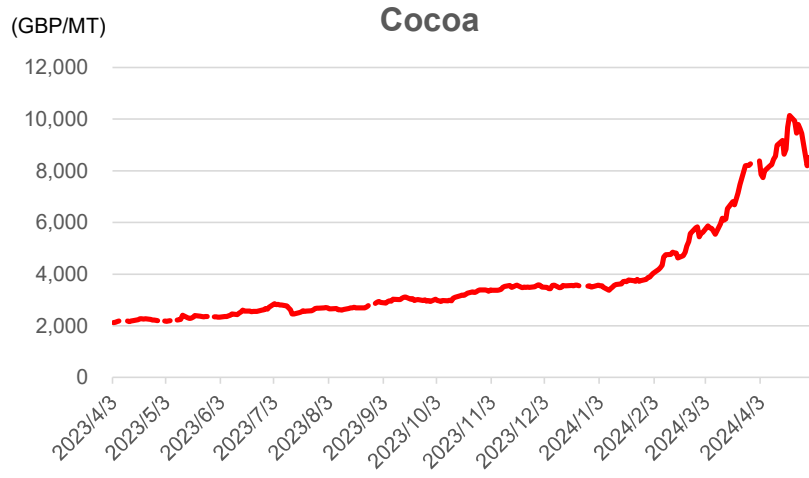
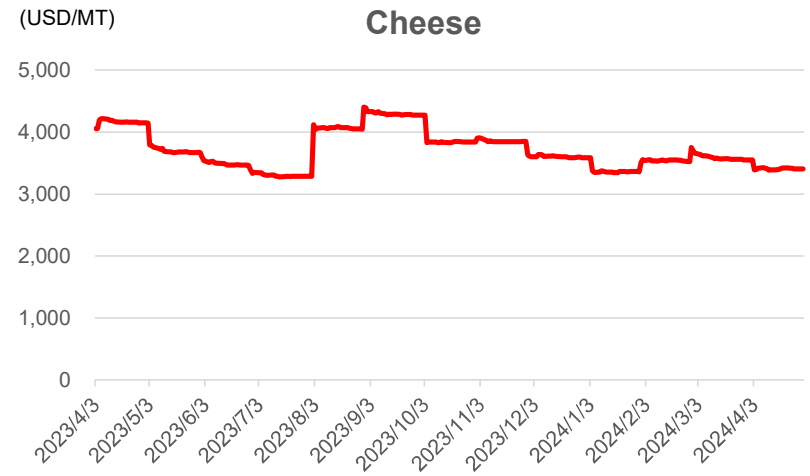
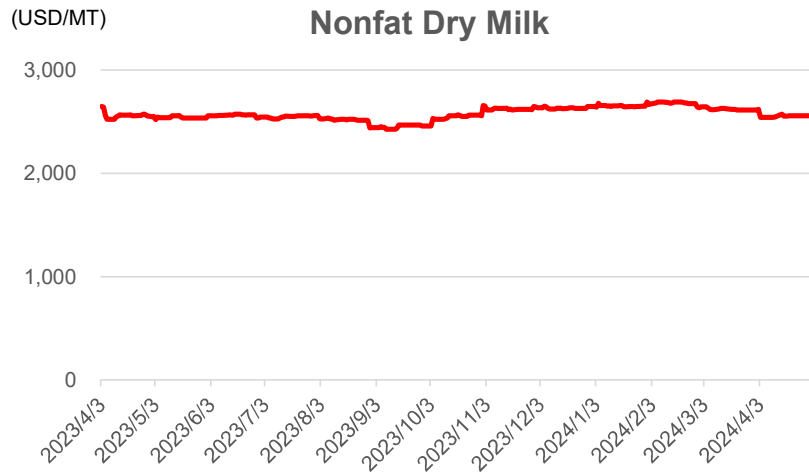


## Exchange rate assumptions

### FY2024 Plan

USD	JPY145
EUR	JPY155
RMB	JPY20

# Food: Market Prices of Main Raw Materials Imported



# Pharmaceutical: R&D Pipeline - 1

	Code No. (Generic Name)	Efficacy Classification	Target Disease	Stage
Infectious disease	OP0595* (Nacubactam)	$\beta$ -lactamase inhibitor	Infections caused by carbapenem-resistant bacteria	Phase III (Japan, Overseas)**
New fields	ME3208 (Belumosudil)	ROCK2 inhibitor	Chronic Graft Versus Host Disease	Approved (Japan) Filed (South Korea, Taiwan, Thailand)
	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)

\*Discovered in-house

\*\*Multi-Regional Clinical Trials

## 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	Approved (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	Approved (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

*Now ideas for wellness*

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