



Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2021
[Based on Japanese GAAP]

August 12, 2020

Name of Listed Company: Meiji Holdings Co., Ltd. Listed exchange: 1st Section, Tokyo Stock Exchange
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Submission of quarterly report: August 13, 2020

Dividend payment commencement: -

Preparation of explanatory materials for quarterly financial results: Yes

Holding of a briefing on quarterly financial results: Yes (a briefing for analysts and institutional investors)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 2021
(April 1, 2020 to June 30, 2020)

1) Consolidated operating results (% of change from the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months ended								
June 30, 2020	281,167	-5.9	23,161	12.2	23,504	5.1	13,370	-7.8
June 30, 2019	298,935	0.9	20,636	4.4	22,374	10.2	14,500	-15.2

(Note) Comprehensive income: First three months ended June 30, 2020: JPY 13,777 million (10.8%)

First three months ended June 30, 2019: JPY 12,430 million (-32.4%)

	Profit per Share	Diluted Profit per Share
	Yen	Yen
First three months ended		
June 30, 2020	92.17	—
June 30, 2019	99.98	—

2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	1,037,792	598,900	54.4	3,893.13
As of March 31, 2020	998,920	597,573	56.3	3,879.18

(Reference) Shareholders' equity: As of June 30, 2020: JPY 564,768 million

As of March 31, 2020: JPY 562,753 million

(Note) In the first quarter of FYE March 2021, we finalized provisional accounting related to corporate consolidation. Figures for FYE March 2020 reflect the finalized provisional accounting treatments.

2. Dividends

	Cash Dividends Per Share				
	1Q	2Q	3Q	Financial year end	Annual
For the fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2020	–	70.00	–	80.00	150.00
March 31, 2021	–				
March 31, 2021 (Projected)		75.00	–	75.00	150.00

(Note) Amendment to projected dividends recently announced: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021

(April 1, 2020 to March 31, 2021)

(% of change from the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half	–	–	–	–	–	–	–	–	–
Full year	1,253,000	0.0	110,000	7.1	111,000	7.4	69,500	3.2	479.08

(Note) Amendment to forecasts of consolidated financial results recently announced: None

Notes

- Changes in significant subsidiaries during the current fiscal year under review (Changes in subsidiaries affecting the scope of consolidation): None
- Application of specific accounting treatments in the preparation of quarterly consolidated financial statements: Yes
For details, refer to page 14 of 2. *Quarterly Consolidated Financial Statements 4) Notes Concerning Quarterly Financial Statements (Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)*
- Changes in accounting policy, changes in accounting estimates, restatements
 - Changes in accounting policy due to revisions of accounting standards: None
 - Other changes in accounting policy: None
 - Changes in accounting estimates: None
 - Restatements: None
- Number of shares outstanding (common stock)

1. Number of shares outstanding at end of period (including treasury stock)	As of Jun. 30, 2020	152,683,400 shares	As of Mar. 31, 2020	152,683,400 shares
2. Number of treasury stock at end of period	As of Jun. 30, 2020	7,615,349 shares	As of Mar. 31, 2020	7,613,416 shares
3. Average number of shares during period	As of Jun. 30, 2020	145,068,205 shares	As of Jun. 30, 2019	145,032,588 shares

* The earnings summary is not subject to audit.

* Forward-looking statements and other special notes

(Notice concerning forward-looking statements)

The forward-looking statements described in this document, such as business forecasts, are based on information available at the time of the release of these materials and reasonable assumptions made by the Company, and do not represent a commitment from the Company that they will be achieved. For earnings forecasts assumptions and other related items, refer to page 8 of 1. *Qualitative Information 3) Forecasts for the Fiscal Year ending March 31, 2021*

(Explanatory material for financial results)

Explanatory materials for financial results are disclosed through TDnet together with these financial statements. This information also is posted on our website on the same day.

(Presentation material for conference call)

The conference call for analysts and institutional investors is scheduled on August 12, 2020. An audio recording (Japanese only) and presentation materials of the conference will be posted on our website.

1. Qualitative Information

1) Explanation Concerning Operating Results

The Meiji group entered the final year of Medium-Term Business Plan for FYE March 2019-2021. Based on our basic concept of *Address strategic issues continuously* and *Challenge for the further growth*, we began to promote our growth strategy for *Expand share and achieve high revenues in core businesses*, *Expand aggressively in overseas markets and establish growth platform*, *Propose new value in health care domain*, *Continue structural reforms and resolve specific business issues in each business*, and *Enhance Meiji Group management platform and promote Sustainability*.

Currently, the Meiji Group faces a difficult operating environment due to the novel coronavirus disease (COVID-19) pandemic. The food segment confronts uncertainty in personal consumption trends and the pharmaceutical segment struggles due to a significant decline in patient numbers at medical institutions. Additionally, the pharmaceutical segment is impacted significantly by NHI pricing revision. Amid such conditions, our Group is working diligently to ensure the stable provision of essential food and pharmaceutical products while also working to reinforcing efficiency in Group expenditures. In line with our Medium-Term Business Plan, we are concentrating management resources on core and growth domains while also working to improve productivity.

These factors resulted in net sales of JPY 281.167 billion (down 5.9%, year on year), operating profit of JPY 23.161 billion (up 12.2%, year on year), and ordinary profit of JPY 23.504 billion (up 5.1%, year on year) during the first three months of FYE March 2021. Profit attributable to owners of parent was JPY 13.370 billion (down 7.8%, year on year).

(Billions of yen)

For the first three months ended June 30	2019	2020	Change	Main factors for Change
Net sales	298.9	281.1	-17.7	Details indicated on segment-specific overview
Operating profit	20.6	23.1	2.5	Details indicated on segment-specific overview
Non-operating profit	2.4	1.5	-0.8	—
Non-operating expenses	0.6	1.2	0.5	- Share of losses of entities accounted for using equity method (+0.3)
Ordinary profit	22.3	23.5	1.1	—
Extraordinary income	0.5	0.9	0.3	- Gain on sales of shares of subsidiaries and associates (+0.9) - Gain on sales of non-current assets (-0.5)
Extraordinary losses	1.0	2.2	1.1	- Provision of allowance for doubtful accounts (+1.0)
Profit before income taxes	21.8	22.2	0.3	—
Income taxes-total	7.5	8.4	0.9	—
Profit (loss) attributable to non-controlling interests	-0.1	0.3	0.5	—
Profit attributable to owners of parent	14.5	13.3	-1.1	—

The impact of the COVID-19 pandemic on the consolidated earnings for the first three months of FYE March 2021 was limited as detailed below.

In the food segment, we saw increased demand in Japan for fresh and fermented dairy business products such as yogurt and functional yogurt, and processed food business products such as cheese and frozen foods for consumers. This is due to increased health management consciousness and higher in-home consumption. On the other hand, sales of processed food products to food service industry decreased due to stay-at-home orders. Overseas, the drinking milk and yogurt business in China saw decreased sales of commercial milk products but the ice cream business in China saw increased demand.

In the pharmaceutical segment, revenues from mainstay products decreased in Japan. This is because the number of patient visited medical institutions declined due to the COVID-19 pandemic. Overseas, the impact on manufacturing due to the countrywide lockdown in India was limited but sales decreased due to shipping delays.

In response to the COVID-19 pandemic, the Meiji Group is engaged in the following initiatives for development and supply of potential vaccines.

On May 22, 2020, group subsidiary KM Biologics was selected to partake in Corporate-led Development of a COVID-19 Vaccine, a public development theme that is part of the Drug Discovery Support Promotion Project sponsored by the Japan Agency for Medical Research and Development (AMED). Currently, KM Biologics is collaborating on research and development activities with the National Institute of Infectious Diseases, the Institute of Medical Science at the University of Tokyo, and the National Institutes of Biomedical Innovation, Health, and Nutrition to develop an inactivated vaccine for COVID-19.

On June 26, 2020, Group subsidiaries Meiji Seika Pharma and KM Biologics agreed with AstraZeneca PLC to hold discussions regarding the stable provision of the COVID-19 vaccine allocated for Japan.

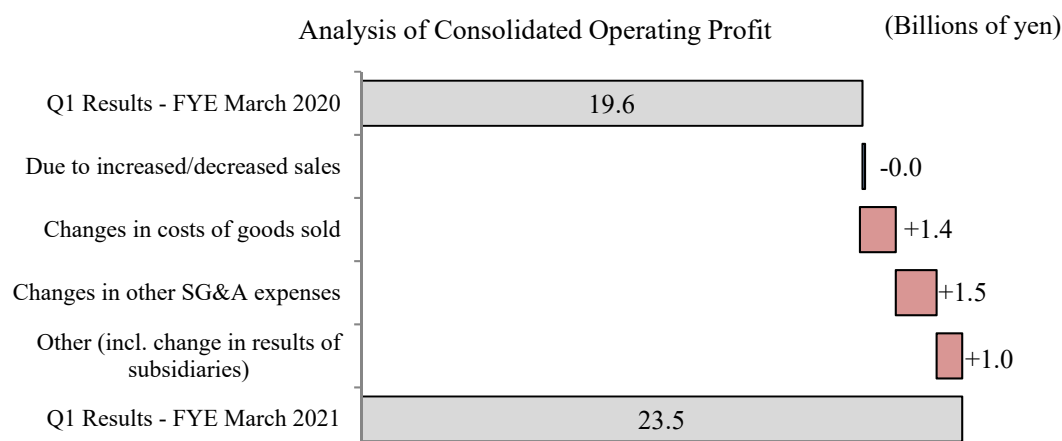
Below is an overview by segment.

(1) Food segment

- Net sales decreased year on year. Net sales of fresh and fermented dairy business and overseas business increased. Net sales of nutrition business were largely unchanged. On the other hand, net sales of processed food business decreased, and sales of confectionery business significantly decreased. Sales of other domestic subsidiaries also decreased significantly due to the exclusion of three subsidiaries from the scope of consolidation as a result of a stock transfer.
- Operating profit increased significantly year on year thanks to increased sales of yogurt and functional yogurt, and the benefits of efforts to reduce promotional expenses and other costs.

(Billions of yen)

For the first three months ended June 30	2019	2020	% Change
Net sales	259.0	244.4	-5.7%
Operating profit	19.6	23.5	19.6%



Below is an overview of each of food segment's main businesses.

(Billions of yen)

For the first three months ended June 30		2019	2020	% Change
Fresh and Fermented Dairy	Net sales	81.1	83.2	2.5%
	Operating profit	10.4	16.2	55.4%
Processed Food	Net sales	44.1	42.5	-3.5%
	Operating profit	1.8	1.9	3.4%
Confectionery	Net sales	26.7	23.7	-11.2%
	Operating profit	4.0	2.3	-43.2%
Nutrition	Net sales	22.5	22.6	0.4%
	Operating profit	4.1	3.9	-4.6%
Overseas	Net sales	11.0	11.2	1.4%
	Operating profit	0.2	0.2	46.8%
Other Domestic Subsidiaries	Net sales	73.4	61.0	-17.0%
	Operating profit	0.8	0.7	-12.7%
Corporate Expenses	Net sales	—	—	—
	Operating profit	-2.0	-2.0	—

- Fresh and Fermented Dairy business (Yogurt, drinking milk, beverages, etc.)
 - Overall net sales increased year on year. Sales of yogurt increased, and sales of functional yogurt and *Meiji Oishii Gyunyu* increased significantly. Sales of *SAVAS Milk Protein* were also favorable.
 - Operating profit increased significantly year on year thanks to increased sales of functional yogurt and yogurt, and reduced promotional expenses.
- Processed Food business (Cheese, butter and margarine, cream, ice cream, frozen food, etc.)
 - Net sales decreased year on year. Sales of ice cream and cheese for consumers were favorable, but sales of processed food products to food service industry considerably decreased.
 - Operating profit increased thanks to expense reductions covering the decline in sales.
- Confectionery business (Chocolate, gummy, chewing gum, etc.)
 - Net sales decreased significantly year on year. Sales of *Kinoko no Yama* and *Takenoko no Sato* were favorable thanks to increased in-home consumption but sales of convenience store products decreased, resulting in overall decreased sales of chocolate. Sales of gummy and chewing gum decreased considerably.
 - Operating profit decreased significantly year on year due to the impact of decreased sales despite efforts to reduce promotional expenses.
- Nutrition business (Sports nutrition, infant formula, enteral formula, beauty supplement, OTC drugs, etc.)
 - Overall net sales largely unchanged year on year. Sales of sports protein *SAVAS*, infant formula and liquid diet *Meiji Mei Balance* were favorable. However, sales of sports nutritional drink *VAAM* decreased.
 - Operating profit decreased year on year. We worked to reduce operating expenses but depreciation expenses increased for the powdered protein plant that started operations in November 2019.
- Overseas (Overseas subsidiaries, exports)
 - Net sales increased year on year. Sales of confectionery business and drinking milk and yogurt business in China decreased but sales of ice cream business in China and business in the US increased.
 - Operating profit significantly increased year on year thanks to increased sales of ice cream business in China and business in the US.

■ Other domestic subsidiaries (Feedstuffs, sugar and corn sweeteners, logistics, etc.)

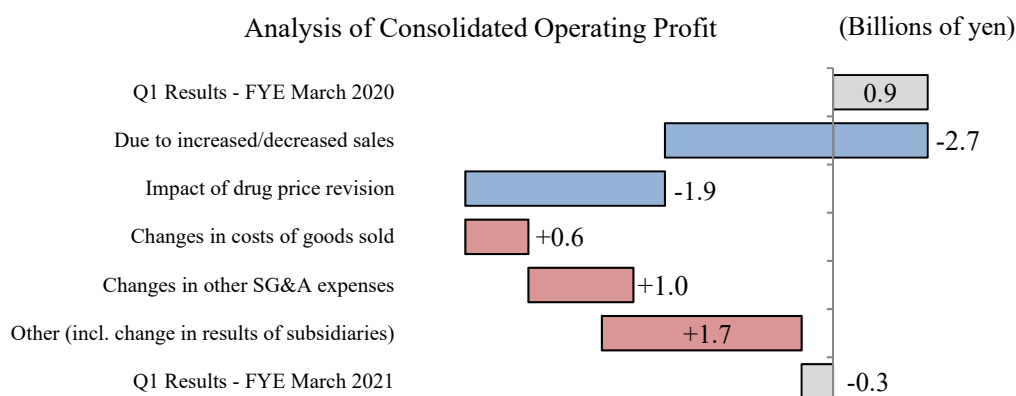
- Net sales decreased significantly year on year due to the exclusion of three subsidiaries from the scope of consolidation as a result of a stock transfer. Additionally, sales from our logistics subsidiary and sugar trading company also decreased.
- Operating profit decreased considerably year on year due to the decrease in profits from our logistic subsidiaries.

(2) Pharmaceutical segment

- Net sales decreased year on year. Domestic business sales decreased significantly due to NHI pricing revision and the impact of the COVID-19 pandemic. Overseas sales also decreased due to the impact of the pandemic. Sales of KM Biologics increased significantly thanks to increased sales of mainstay products.
- Operating profit decreased significantly year on year due to operating losses recorded in the business in Japan.

(Billions of yen)

For the first three months ended June 30	2019	2020	% Change
Net sales	40.0	37.1	-7.3%
Operating profit (loss)	0.9	-0.3	—



Below is an overview of each of pharmaceutical segment's main businesses.

(Billions of yen)

For the first three months ended June 30		2019	2020	% Change
Japan	Net sales	26.4	23.9	-9.5%
	Operating profit	1.3	-2.6	—
Overseas	Net sales	11.4	9.7	-14.8%
	Operating profit	0.9	1.4	50.9%
KM Biologics	Net sales	4.0	5.5	37.1%
	Operating profit	-1.5	-0.1	—
Eliminations	Net sales	-1.8	-2.1	—
Adjustments and Eliminations	Operating profit	0.1	1.0	—

■ Japan

- Net sales decreased year on year. Sales of human vaccines were favorable, but sales of antidepressant drug *REFLEX*, antibacterial drug *Meiact* and generic drugs decreased significantly.
- Operating profit considerably decreased year on year. We worked to reduce operating costs but profit was impacted significantly by decreased sales of mainstay products and NHI pricing revision.

■ Overseas

- Net sales decreased significantly year on year. Sales of subsidiaries in Thailand, Indonesia and Spain increased, but those in China and India decreased year on year.
- Operating profit increased significantly year on year due to increased sales by subsidiaries in Thailand, Indonesia, and Spain.

■ KM Biologics

- Net sales increased significantly year on year thanks to favorable sales of Hepatitis B Vaccine *Bimmugen* and blood plasma products.
- Operating profit increased year on year thanks to increased sales and lower loss on valuation of inventories.

2) Financial status

(1) Assets, Liabilities, and Net Assets

(Billions of yen)

	As of March 31, 2020	As of June 30, 2020	Change	Main Factors for Change
Current assets	416.8	451.6	34.8	- Cash and deposits (+38.6) - Merchandise and finished goods (+5.3) - Raw materials and supplies (+3.1) - Notes and accounts receivable-trade (-14.9)
Non-current assets	582.0	586.1	4.0	- Investment securities (+4.2)
Total assets	998.9	1,037.7	38.8	—
Current liabilities	256.5	292.7	36.2	- Commercial papers (+50.0) - Notes and accounts payable-trade (-8.3) - Accrued expenses (-5.9)
Non-current liabilities	144.8	146.0	1.2	- Long-term borrowings (+1.0)
Total liabilities	401.3	438.8	37.5	—
Shareholders' equity	553.6	555.5	1.8	- Retained earnings (+1.6)
Accumulated other comprehensive income	9.0	9.2	0.1	- Valuation difference on available-for-sale securities (+2.9) - Foreign currency translation adjustments (-3.3)
Minority interests	34.8	34.1	-0.6	—
Total net assets	597.5	598.9	1.3	—
Total liabilities and net assets	998.9	1,037.7	38.8	—
Interest bearing debt	106.7	165.0	58.3	- Commercial papers (+50.0)
Equity Ratio (%)	56.3	54.4	-1.9pt	—

(2) Status of cash flows

(Billions of yen)

For the first three months ended June 30	2019	2020	Change	Main factors for Change
Net cash flow from operating activities	3.4	11.9	8.5	- Income taxes paid (+8.3) - Decrease in trade receivables (+5.8) - Increase in inventories (-4.6) - Decrease in trade payables (-1.7)
Net cash flow from investing activities	-16.2	-18.4	-2.2	- Purchase of property, plant and equipment (-1.9) - Purchase of investment securities (-1.9) - Proceeds from sale of shares of subsidiaries resulting in change in scope of in consolidation (+2.1)
Net cash flow from financing activities	14.0	46.2	32.1	- Increase in commercial papers (+32.0)
Cash and cash equivalents at end of period	25.8	76.0	50.1	—
Free cash flow	-12.7	-6.4	6.3	—

3) Forecasts for the Fiscal Year ending March 31, 2021

There are no changes to the consolidated earnings forecasts for FYE March 2021 indicated in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 published on May 22, 2020.

During FYE March 2021, there is concern the COVID-19 pandemic could have a significant impact on the economy and consumer trends. Now, we ensure the safety and health of our nearly 17,000 global employees and their families. To make this possible, we are implementing various measures, including telecommuting and teleconferences, and cancelling business trips. We have not experienced a significant impact on production or raw materials procurement so far. When the situation changes we will take adequate measures rapidly in order to maintain a stable product supply. Consequently, we will fulfill our responsibility as a corporate group engaged in the food and health segments.

We will continue to carefully analyze the impact on business activities and will provide immediate disclosure in the event of matters requiring revisions to our consolidated earnings forecast.

2. Quarterly Consolidated Financial Statements

1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
ASSETS		
Current assets		
Cash and deposits	37,446	76,058
Notes and accounts receivable-trade	179,931	165,013
Merchandise and finished goods	111,028	116,362
Work in process	3,729	4,299
Raw materials and supplies	58,542	61,720
Others	27,454	30,637
Allowance for doubtful accounts	-1,247	-2,405
Total current assets	416,885	451,687
Non-current assets		
Property, plants and equipment		
Buildings and structures	353,843	353,375
Accumulated depreciation	-172,887	-173,422
Buildings and structures, net	180,956	179,953
Machinery and equipment	539,437	539,792
Accumulated depreciation	-384,661	-384,215
Machinery and equipment, net	154,775	155,577
Tools, furniture and fixtures	58,049	58,170
Accumulated depreciation	-43,478	-43,792
Tools, furniture and fixtures, net	14,570	14,378
Land	69,363	68,286
Lease assets	3,046	3,083
Accumulated depreciation	-2,166	-2,230
Lease assets, net	880	852
Construction in progress	23,645	24,881
Total property, plants and equipment	444,191	443,930
Intangible assets		
Goodwill	57	53
Other	14,240	13,937
Total intangible assets	14,297	13,990
Investments and other assets		
Investment securities	84,598	88,888
Retirement benefit asset	15,500	15,802
Deferred tax assets	16,341	16,004
Other	7,171	7,556
Allowance for doubtful accounts	-66	-68
Total investments and other assets	123,545	128,183
Total non-current assets	582,034	586,104
Total assets	998,920	1,037,792

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	112,317	103,958
Short-term borrowings	30,874	38,159
Commercial papers	—	50,000
Accrued expenses	45,457	39,521
Income taxes payable	12,164	8,605
Provision for bonuses	12,090	6,587
Provision for sales returns	256	74
Provision for sales rebates	1,908	1,427
Other	41,451	44,460
Total current liabilities	256,520	292,794
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	55,890	56,930
Deferred tax liabilities	8,399	9,300
Retirement benefit liability	55,410	55,034
Provision for retirement benefits for directors (and other officers)	121	88
Other	5,004	4,741
Total non-current liabilities	144,826	146,097
Total liabilities	401,347	438,891
NET ASSETS		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	100,245	100,434
Retained earnings	453,729	455,363
Treasury shares	-30,288	-30,291
Total shareholders' equity	553,687	555,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,968	29,955
Deferred gains or losses on hedges	53	-247
Foreign currency translation adjustments	-3,279	-6,591
Remeasurements of defined benefit plans	-14,677	-13,853
Total accumulated other comprehensive income	9,066	9,263
Non-controlling interests	34,819	34,131
Total net assets	597,573	598,900
Total liabilities and net assets	998,920	1,037,792

2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)
(For the First Three Months Ended June 30, 2020)

(Millions of yen)

	First three months of FYE March 2020 (from Apr. 1, 2019 to Jun. 30, 2019)	First three months of FYE March 2021 (from Apr. 1, 2020 to Jun. 30, 2020)
Net sales	298,935	281,167
Cost of sales	189,937	177,668
Gross profit	108,998	103,499
Selling, general and administrative expenses	88,361	80,337
Operating profit	20,636	23,161
Non-operating income		
Interest income	51	51
Dividend income	674	650
Foreign exchange gains	—	508
Other	1,696	377
Total non-operating income	2,421	1,587
Non-operating expenses		
Interest expenses	202	150
Share of loss of entities accounted for using equity method	98	492
Foreign exchange losses	104	—
Other	278	601
Total non-operating expenses	683	1,245
Ordinary profit	22,374	23,504
Extraordinary income		
Gain on sales of non-current assets	532	2
Gain on sales of shares of subsidiaries and associates	—	928
Other	0	—
Total extraordinary income	532	931
Extraordinary losses		
Loss on abandonment of non-current assets	923	784
Provision of allowance for doubtful accounts	—	1,078
Other	93	350
Total extraordinary losses	1,016	2,214
Profit before income taxes	21,890	22,221
Income taxes	7,569	8,490
Profit	14,321	13,730
Profit (loss) attributable to non-controlling interests	-179	359
Profit attributable to owners of parent	14,500	13,370

(Quarterly Consolidated Statements of Comprehensive Income)
(For the First Three Months Ended June 30, 2020)

(Millions of yen)

	First three months of FYE March 2020 (from Apr. 1, 2019 to Jun. 30, 2019)	First three months of FYE March 2021 (from Apr. 1, 2020 to Jun. 30, 2020)
Profit	14,321	13,730
Other comprehensive income		
Valuation difference on available-for-sale securities	-2,530	2,998
Deferred gains or losses on hedges	-19	-301
Foreign currency translation adjustments	83	-2,762
Remeasurements of defined benefit plans, net of tax	564	807
Share of other comprehensive income of entities accounted for using equity method	10	-695
Total other comprehensive income	-1,890	46
Comprehensive income	12,430	13,777
Profit attributable to		
Comprehensive income attributable to owners of parent	12,602	13,567
Comprehensive income attributable to non-controlling interests	-171	209

3) Quarterly Consolidated Statements of Cash Flow

(Millions of yen)

	First three months of FYE March 2020 (from Apr. 1, 2019 to Jun. 30, 2019)	First three months of FYE March 2021 (from Apr. 1, 2020 to Jun. 30, 2020)
Cash flows from operating activities		
Profit before income taxes	21,890	22,221
Depreciation	11,119	11,584
Amortization of goodwill	3	3
Loss on retirement of property, plants and equipment	922	784
Increase (decrease) in allowance for doubtful accounts	13	1,159
Increase (decrease) in provision for bonuses	-5,131	-5,377
Increase (decrease) in retirement benefit liability	614	1,195
Interest and dividend income	-725	-701
Interest expenses	202	150
Share of loss (profit) of entities accounted for using equity method	98	492
Loss (gain) on sales of property, plant and equipment	-525	5
Loss (gain) on sales of shares of subsidiaries and associates	—	-928
Decrease (increase) in trade receivables	7,738	13,591
Decrease (increase) in inventories	-5,761	-10,458
Increase (decrease) in trade payables	-5,191	-6,954
Other, net	-401	-1,315
Subtotal	24,865	25,453
Interest and dividends received	1,156	709
Interest paid	-196	-128
Income taxes paid	-22,384	-14,073
Net cash provided by operating activities	3,441	11,961
Cash flows from investing activities		
Purchase of property, plant and equipment	-16,433	-18,388
Purchases of intangible assets	-841	-729
Proceeds from sales of property, plant and equipment and intangible assets	723	1,331
Purchases of investment securities	-22	-1,986
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	2,154
Other, net	341	-816
Net cash used in investing activities	-16,231	-18,434

(Millions of yen)

	First three months of FYE March 2020 (from Apr. 1, 2019 to Jun. 30, 2019)	First three months of FYE March 2021 (from Apr. 1, 2020 to Jun. 30, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,192	10,018
Increase (decrease) in commercial papers	18,000	50,000
Proceeds from long-term borrowings	—	2,267
Repayments of long-term borrowings	-1,172	-3,826
Decrease (increase) in treasury shares	-9	-7
Dividends paid	-10,689	-11,370
Dividends paid to non-controlling interests	-98	-607
Other, net	-171	-271
Net cash provided used in financing activities	14,051	46,203
Effect of exchange rate change on cash and cash equivalents	125	-821
Net increase (decrease) in cash and cash equivalents	1,386	38,909
Cash and cash equivalents at beginning of period	24,481	37,110
Cash and cash equivalents at end of period	25,867	76,020

4) Notes Concerning Quarterly Financial Statements

(Notes Concerning the Premise of a Going Concern)

Not applicable.

(Notes Concerning Significant Changes in Shareholders' Equity (if any))

Not applicable.

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses are calculated by rationally estimating the effective tax rate after application of tax effect accounting to profit before income taxes for the consolidated fiscal year, which includes the current quarter under review, then multiplying profit before income taxes by the estimated effective tax rate.

Income taxes-deferred are shown included in income taxes.

(Segment Information, etc.)

1. The First Three Months of the Previous Consolidated Fiscal Year (April 1, 2019 to June 30, 2019)

(1) Information on amounts of sales and income/losses for each reporting segment

(Millions of yen)

	Reporting Segments		Total	Adjustments (Note 1)	Amount Presented in Consolidated Statements of Income (Note 2)
	Food	Pharmaceutical			
Net Sales					
(1) Sales to Outside Customers	258,972	39,963	298,935	—	298,935
(2) Inter-segment Sales and Transfers	121	73	195	-195	—
Total	259,094	40,036	299,131	-195	298,935
Income by Segment	19,682	977	20,659	-23	20,636

(Notes)

1. Details of Adjustments are as follows:

The segment income adjustment of a negative JPY 23 million includes inter-segment eliminations of JPY 6 million and a negative JPY 30 million in corporate expenses that are not allocated to individual reporting segments. Corporate expenses mainly consist of administrative expenses for the Company (the holding company).

2. Segment income is adjusted to the operating profit recorded in the quarterly consolidated statements of income.

(2) Information on impairment loss on non-current assets or good will, etc., for each reporting segment
(Significant impairment loss on non-current assets)

There was no significant impairment loss on non-current assets.

(Significant changes in the amount of goodwill)

There were no significant changes in the amount of goodwill.

(Significant gain on negative goodwill)

No significant negative goodwill was generated.

2. The First Three Months of the Consolidated Fiscal Year (April 1, 2020 to June 30, 2020)

(1) Information on amounts of sales and income/losses for each reporting segment

(Millions of yen)

	Reporting Segments		Total	Adjustments (Note 1)	Amount Presented in Consolidated Statements of Income (Note 2)
	Food	Pharmaceutical			
Net Sales					
(1) Sales to Outside Customers	244,254	36,912	281,167	—	281,167
(2) Inter-segment Sales and Transfers	162	203	365	-365	—
Total	244,417	37,115	281,533	-365	281,167
Income (Loss) by Segment	23,545	-349	23,196	-34	23,161

(Notes)

1. Details of Adjustments are as follows:

The segment income (loss) adjustment of a negative JPY 34 million includes inter-segment eliminations of JPY 3 million and a negative JPY 38 million in corporate expenses that are not allocated to individual reporting segments. Corporate expenses mainly consist of administrative expenses for the Company (the holding company).

2. Segment income (loss) is adjusted to the operating profit recorded in the quarterly consolidated statements of income.

(2) Information on impairment loss on non-current assets or good will, etc., for each reporting segment
(Significant impairment loss on non-current assets)

There was no significant impairment loss on non-current assets.

(Significant changes in the amount of goodwill)

There were no significant changes in the amount of goodwill.

(Significant gain on negative goodwill)

No significant negative goodwill was generated.

(Significant subsequent events)

(Application of equity method due to stock acquisition)

On April 15, 2020, our consolidated subsidiary Meiji Co. Ltd. (hereafter, Meiji) concluded a stock sale and purchase agreement with Japfa LTD., a shareholder of AustAsia Investment Holdings Pte LTD. (hereafter, AustAsia), which operates dairy farms in China, to acquire a 25.0% stake in AustAsia. Meiji acquired it on July 3, 2020.

After acquisition of the abovementioned stock, we expect to apply the equity method to AustAsia.

1. Objective of stock acquisition

AustAsia boasts superior raw milk production capacity and is one of China's leading producers of high-quality raw milk. Currently, the company serves as a major raw milk vendor for Meiji China's milk and yogurt business.

The stable procurement of high-quality raw milk is essential for Meiji to continue achieving growth on the China milk and yogurt market. The objective of this stock acquisition is to strengthen our value chain, from raw milk procurement through production, and establish a platform for sustainable growth in China.

2. Name of stock acquisition transaction partner

Japfa LTD.

3. Name and operations of company being acquired

1) Name: AustAsia Investment Holdings Pte LTD.

2) Operations: Dairy production, etc. in China

3) Other: AustAsia will implement business restructuring announced in April 2020 to become the core company for raw milk production in China.

4. Timing of stock acquisition

July 3, 2020

5. Number of shares to be acquired, acquisition value, and equity ratio following acquisition

1) Number of shares to be acquired: 84,027,991 shares

2) Acquisition value: USD 254.4 million

3) Equity ratio following acquisition: 25.0%

6. Payment capital procurement and payment method

We paid cash based on the use of Group internal capital on hand and procurement from external sources.

(Establishment of significant subsidiaries)

At the Board of Director's meeting held on July 13, 2020, Meiji Holdings Co., Ltd. resolved that Meiji established a new subsidiary in China. This new subsidiary was established on July 16, 2020.

1. Objectives of establishment

The new company will help Meiji expand its sales of drinking milk, yogurt products and confectionery in China.

2. Overview of new company

1) Company name Meiji Food (Guangzhou) Co., Ltd.

2) Office location Zengcheng Economic-Technological Development Area

3) Representative Takuya Fujino, Managing Director

4) Share capital RMB 1,200 million (registered capital)

5) Main businesses Sales and production of dairy products and confectionery

6) Investment amount RMB 1,200 million (indirect investments: RMB 1,200 million)

7) Investment ratio 100.0% (indirect holdings: 100.0%)

8) Date established July 16, 2020

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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021 - Supplementary Explanatory Data -

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Meiji Holdings Co., Ltd.

*This document has been translated from the original Japanese as a guide for non-Japanese investors.

*Unaudited figures are included in these materials for reference.

*The forward-looking statements described in this document, such as business forecasts, are based on information available at the time of the release of this presentation and reasonable assumptions made by the Company, and do not represent a commitment from the Company that they will be achieved.

*From the first quarter of FYE March 2021, we have revised components for operating profit change analysis. For details, refer to page 12.

*We revised a part of figures for Q3-Q4 and full-year of FYE March 2020 of consolidation and Pharmaceutical segment. This is because we have completed the procedures of PPA (Purchase Price Allocation) of Romeck Pharma, LLC which was added to the scope of consolidation from FYE March 2020.

(Amounts appearing in the tables below have been rounded down to nearest 100 million yen)

1. Consolidated Financial Results

1. Consolidated Operating Results

(Billions of yen)

FYE March 2021	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Net sales	281.1	-5.9	—	—	—	—	—	—
Cost of sales	177.6	-6.5	—	—	—	—	—	—
Gross profit	103.4	-5.0	—	—	—	—	—	—
Selling, general and administrative expenses	80.3	-9.1	—	—	—	—	—	—
Carriage and storage charges	11.4	-3.5	—	—	—	—	—	—
Sales promotion expenses	26.1	-13.7	—	—	—	—	—	—
Labor cost	20.1	-3.0	—	—	—	—	—	—
Operating profit	23.1	+12.2	—	—	—	—	—	—
Ordinary profit	23.5	+5.1	—	—	—	—	—	—
Profit attributable to owners of parent	13.3	-7.8	—	—	—	—	—	—

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
				1,253.0	+0.0
				—	—
				—	—
				—	—
				—	—
				—	—
				110.0	+7.1
				111.0	+7.4
				69.5	+3.2

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Net sales	298.9	+0.9	47.8	618.0	+1.0	-1.1	951.1	+0.1	72.7	1,252.7	-0.1	-4.3
Cost of sales	189.9	-1.0	—	394.2	+0.1	—	602.2	-0.5	—	790.1	-1.0	—
Gross profit	108.9	+4.2	—	223.8	+2.6	—	348.9	+1.0	—	462.5	+1.3	—
Selling, general and administrative expenses	88.3	+4.2	—	176.2	+1.1	—	268.5	+1.0	—	359.8	+0.5	—
Carriage and storage charges	11.8	+0.2	—	24.1	+0.1	—	35.9	-0.8	—	47.7	-0.9	—
Sales promotion expenses	30.3	+4.2	—	60.2	+2.9	—	93.3	+2.5	—	124.8	+2.4	—
Labor cost	20.7	+4.2	—	41.2	+2.4	—	61.8	+1.3	—	82.7	+1.0	—
Operating profit	20.6	+4.4	46.9	47.5	+8.5	+8.1	80.3	+0.9	74.4	102.7	+4.4	-4.9
Ordinary profit	22.3	+10.2	49.7	48.7	+11.1	+8.3	81.8	+1.1	75.0	103.3	+3.6	-5.2
Profit attributable to owners of parent	14.5	-15.2	50.9	31.8	-16.8	+11.8	52.4	-15.2	77.7	67.3	+8.8	-0.3

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
	%		%		%
618.0	+1.0	634.6	-1.2	1,252.7	-0.1
394.2	+0.1	395.9	-2.0	790.1	-1.0
223.8	+2.6	238.6	+0.2	462.5	+1.3
176.2	+1.1	183.5	-0.1	359.8	+0.5
24.1	+0.1	23.6	-1.9	47.7	-0.9
60.2	+2.9	64.6	+1.9	124.8	+2.4
41.2	+2.4	41.4	-0.3	82.7	+1.0
47.5	+8.5	55.1	+1.1	102.7	+4.4
48.7	+11.1	54.5	-2.2	103.3	+3.6
31.8	-16.8	35.4	+50.5	67.3	+8.8

1. Consolidated Financial Results
2. Operating Results of Food Segment

(Billions of yen)

FYE March 2021	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Net sales	244.4	% -5.7	%	%	%	%	%	%
Cost of sales	158.3	-7.2	—					
Gross profit	86.1	-2.7	—					
Selling, general and administrative expenses	62.5	-9.1	—					
Carriage and storage charges	10.8	-3.7	—					
Sales promotion expenses	23.8	-13.3	—					
Labor cost	13.6	-4.5	—					
Operating profit	23.5	+19.6	—					
Ordinary profit	23.2	+14.3	—					
Profit attributable to owners of parent	15.1	+13.4	—					

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
				1,041.4	% -0.8
				—	—
				—	—
				—	—
				—	—
				93.0	+6.5
				95.0	+6.8
				61.2	+0.0

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Net sales	259.0	% +0.2	% 48.5	%	%	%	%	%				
Cost of sales	170.5	-1.2	—	347.0	-1.1	—	524.3	-1.5	—	687.4	-1.6	—
Gross profit	88.5	+3.0	—	176.1	+1.4	—	272.3	+0.6	—	362.0	+1.2	—
Selling, general and administrative expenses	68.8	+2.0	—	136.6	+1.4	—	207.2	+0.7	—	274.7	+0.6	—
Carriage and storage charges	11.2	-0.1	—	22.9	-0.3	—	34.2	-0.9	—	45.3	-1.0	—
Sales promotion expenses	27.4	+6.4	—	53.0	+3.2	—	82.1	+2.4	—	108.9	+3.2	—
Labor cost	14.2	+0.2	—	28.2	-0.1	—	42.5	-0.3	—	56.6	-0.7	—
Operating profit	19.6	+6.6	50.5	39.5	+1.4	+1.4	65.1	+0.3	72.4	87.3	+3.0	-3.0
Ordinary profit	20.3	+7.6	51.2	40.5	+1.9	+2.2	66.4	-0.1	72.7	88.9	+2.7	-2.7
Profit attributable to owners of parent	13.3	-20.1	50.5	27.1	-11.1	+2.8	44.8	-8.5	74.7	61.1	-1.2	+2.0

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
523.2	% -0.3	526.3	% -1.0	1,049.5	% -0.7
347.0	-1.1	340.4	-2.1	687.4	-1.6
176.1	+1.4	185.9	+1.1	362.0	+1.2
136.6	+1.4	138.1	-0.1	274.7	+0.6
22.9	-0.3	22.4	-1.7	45.3	-1.0
53.0	+3.2	55.8	+3.1	108.9	+3.2
28.2	-0.1	28.3	-1.3	56.6	-0.7
39.5	+1.4	47.7	+4.4	87.3	+3.0
40.5	+1.9	48.3	+3.3	88.9	+2.7
27.1	-11.1	34.0	+8.5	61.1	-1.2

1. Consolidated Financial Results
3. Operating Results of Pharmaceutical Segment

(Billions of yen)

FYE March 2021	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Net sales	37.1	% -7.3	%	%	%	%	%	%
Cost of sales	19.7	-1.7	—					
Gross profit	17.4	-12.9	—					
Selling, general and administrative expenses	17.7	-6.6	—					
Operating profit (loss)	-0.3	—	—					
Ordinary profit (loss)	-0.1	—	—					
Profit (loss) attributable to owners of parent	-2.0	—	—					

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
				212.3	% +3.9
				—	—
				—	—
				—	—
				18.0	+12.6
				16.0	+11.3
				8.1	+33.3

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year		
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan	
Net sales	40.0	% +5.8	% 43.5	%	%	%	%	%	
Cost of sales	20.0	+4.1	—	47.6	+8.9	+3.6	155.4	+4.8	70.5
Gross profit	19.9	+7.5	—	47.7	+10.6	—	78.6	+7.4	—
Selling, general and administrative expenses	19.0	+11.1	—	39.5	+7.3	—	76.7	+2.3	—
Operating profit	0.9	-34.3	19.2	8.2	+0.3	—	61.1	+2.1	—
Ordinary profit	1.6	+60.8	7.7	15.6	+61.3	84.4	15.9	+3.0	84.4
Profit attributable to owners of parent	0.8	+185.1	41.2	4.5	+117.8	97.7	6.0	+9.5	-17.4

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
95.3	% +8.9	108.9	% -1.9	204.3	% +2.9
47.6	+10.6	56.0	-0.7	103.7	+4.2
47.7	+7.3	52.8	-3.1	100.6	+1.5
39.5	+0.3	45.1	-0.8	84.6	-0.3
8.2	+60.8	7.7	-15.0	15.9	+12.2
7.9	+97.1	6.3	-29.5	14.3	+9.5
4.5	-41.6	1.5	—	6.0	+4,404.6

2. Segment Information

1. Food Segment

A. Net Sales

(Billions of yen)

FYE March 2021	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Fresh and Fermented Dairy	83.2	+2.5	%	%	%	%	%	%
Processed Food	42.5	-3.5	—	—	—	—	—	—
Confectionery	23.7	-11.2	—	—	—	—	—	—
Nutrition	22.6	+0.4	—	—	—	—	—	—
Overseas	11.2	+1.4	—	—	—	—	—	—
Other Domestic Subsidiaries	61.0	-17.0	—	—	—	—	—	—

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
				321.4	-2.0
				180.8	+1.3
				123.8	+2.1
				92.4	+1.9
				54.0	+11.6
				268.7	-5.0

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Fresh and Fermented Dairy	81.1	-2.3	48.8	162.4	-1.9	-2.3	243.5	-1.8	73.4	327.9	-0.7	-1.2
Processed Food	44.1	+0.2	48.6	91.4	+0.1	+0.7	139.0	+1.1	78.1	178.4	+1.1	+0.2
Confectionery	26.7	+7.3	51.3	52.3	+3.9	+0.6	89.1	+1.7	68.0	121.2	-0.8	-7.6
Nutrition	22.5	+3.9	49.3	46.9	+5.2	+2.4	71.3	+5.5	80.7	90.6	+6.4	+2.6
Overseas	11.0	+11.6	44.8	23.2	+6.9	-5.7	35.8	+1.1	67.1	48.4	+2.6	-9.3
Other Domestic Subsidiaries	73.4	-2.2	47.6	146.7	-2.9	-4.9	217.7	-4.0	70.9	282.8	-4.2	-7.9

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
162.4	-1.9	165.4	+0.5	327.9	-0.7
91.4	+0.1	86.9	+2.1	178.4	+1.1
52.3	+3.9	68.8	-4.1	121.2	-0.8
46.9	+5.2	43.7	+7.7	90.6	+6.4
23.2	+6.9	25.1	-1.1	48.4	+2.6
146.7	-2.9	136.1	-5.6	282.8	-4.2

B. Operating Profit

(Billions of yen)

FYE March 2021	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Fresh and Fermented Dairy	16.2	+55.4	—	%	%	%	%	%
Processed Food	1.9	+3.4	—	—	—	—	—	—
Confectionery	2.3	-43.2	—	—	—	—	—	—
Nutrition	3.9	-4.6	—	—	—	—	—	—
Overseas	0.2	+46.8	—	—	—	—	—	—
Other Domestic Subsidiaries	0.7	-12.7	—	—	—	—	—	—
Corporate expenses	-2.0	—	—	—	—	—	—	—

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
				54.4	+12.4
				9.2	+10.6
				19.7	+3.8
				14.1	-10.2
				1.7	+7.0
				4.2	+19.7
				-10.6	—

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Fresh and Fermented Dairy	10.4	-8.1	47.3	20.7	-7.4	-6.1	32.1	-5.9	65.8	48.4	+1.2	-0.8
Processed Food	1.8	+11.5	38.0	4.8	+11.2	-2.0	7.5	+7.5	82.4	8.3	+1.9	-9.1
Confectionery	4.0	+27.7	67.3	6.8	+9.4	+13.5	14.5	-2.2	66.3	19.0	-7.0	-13.3
Nutrition	4.1	+34.5	55.7	8.8	+21.6	+17.0	13.6	+20.0	102.4	15.7	+21.2	+18.4
Overseas	0.2	—	39.5	0.8	+62.1	61.2	1.2	+19.8	98.6	1.6	+34.4	+30.7
Other Domestic Subsidiaries	0.8	-30.9	40.6	2.0	-11.7	-4.3	2.9	-12.9	69.0	3.5	-6.7	-17.6
Corporate expenses	-2.0	—	—	-4.6	—	—	-6.9	—	—	-9.4	—	—

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
20.7	-7.4	27.6	+8.8	48.4	+1.2
4.8	+11.2	3.4	-8.7	8.3	+1.9
6.8	+9.4	12.1	-14.2	19.0	-7.0
8.8	+21.6	6.9	+20.8	15.7	+21.2
0.8	+62.1	0.8	+15.2	1.6	+34.4
2.0	-11.7	1.4	+1.3	3.5	-6.7
-4.6	—	-4.7	—	-9.4	—

Note: Under this current classification, the post-elimination figure is indicated. Corporate expenses are not allocated to each business.

2. Segment Information
2. Pharmaceutical Segment
A. Net Sales

(Billions of yen)

FYE March 2021	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Japan	23.9	% -9.5	%	%	%	%	%	%
Overseas	9.7	-14.8	—	—	—	—	—	—
KM Biologics	5.5	+37.1	—	—	—	—	—	—
Eliminations	-2.1	—	—	—	—	—	—	—

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
				145.3	+2.5
				47.4	+9.1
				43.3	+7.0
				-23.8	—

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Japan	26.4	% -4.2	41.3	% 65.7	% +12.7	% +2.5	109.5	% +13.5	69.6	141.8	% +8.5	-9.9
Overseas	11.4	+11.7	53.7	22.2	+7.6	+4.6	33.2	+9.0	74.7	43.5	+6.1	-2.4
KM Biologics	4.0	—	27.6	16.8	+69.2	+15.6	29.5	+22.9	74.8	40.4	+29.5	+2.5
Eliminations	-1.8	—	—	-9.4	—	—	-16.9	—	—	-21.4	—	—

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
65.7	+12.7	76.1	+5.0	141.8	+8.5
22.2	+7.6	21.2	+4.2	43.5	+6.1
16.8	+69.2	23.5	+10.9	40.4	+29.5
-9.4	—	-12.0	—	-21.4	—

B. Operating Profit

(Billions of yen)

FYE March 2021	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Japan	-2.6	% —	% —	%	%	%	%	%
Overseas	1.4	+50.9	—	—	—	—	—	—
KM Biologics	-0.1	—	—	—	—	—	—	—
Adjustments and Eliminations	1.0	—	—	—	—	—	—	—

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
				6.6	-31.1
				5.8	+113.5
				4.0	+2.6
				1.5	—

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Japan	1.3	% +5.3	30.1	% 5.3	% +28.8	% +20.0	9.7	% -2.6	86.6	9.6	% -2.5	-14.4
Overseas	0.9	+384.8	192.4	2.0	+170.4	+304.9	2.5	+60.6	116.4	2.7	+27.9	+25.1
KM Biologics	-1.5	—	—	0.8	-50.8	—	2.1	-49.4	62.4	3.8	+12.8	+11.4
Adjustments and Eliminations	0.1	—	—	-0.0	—	—	1.0	—	—	-0.3	—	—

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
5.3	+28.8	4.2	-25.4	9.6	-2.5
2.0	+170.4	0.6	-50.0	2.7	+27.9
0.8	-50.8	3.0	+69.4	3.8	+12.8
-0.0	—	-0.3	—	-0.3	—

Note: "Eliminations" and "Adjustments and eliminations" indicate "the amount eliminated" and "amounts adjusted and eliminated" in relation to transactions within the pharmaceutical segment.

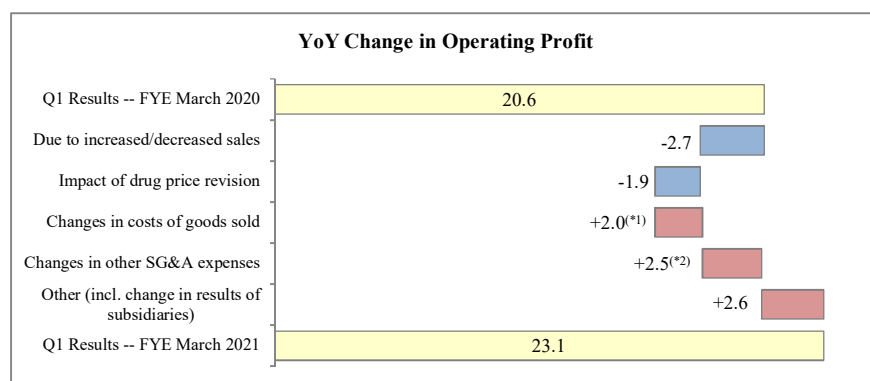
3. Analysis of Operating Profit

Note: From the first quarter of FYE March 2021, we have revised components for operating profit change analysis. For details, refer to page 12.

1. Results -- FYE March 2021

(Billions of yen)

	Q1				Q1-Q2				Q1-Q3				Full-year			
	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other
Results -- FYE March 2020	20.6	19.6	0.9	-0.0												
Due to increased/decreased sales	-2.7	-0.0	-2.7	—												
Impact of drug price revision	-1.9	—	-1.9	—												
Changes in costs of goods sold	+2.0	+1.4	+0.6	—												
Changes in other SG&A expenses	+2.5	+1.5	+1.0	—												
Other (incl. change in results of subsidiaries)	+2.6	+1.0	+1.7	-0.1												
Total change	+2.5	+3.8	-1.3	-0.1												
Results -- FYE March 2021	23.1	23.5	-0.3	-0.0												



(Breakdown)

*1: [Food] Change in cost accounting method: +1.1, Decrease in packaging costs: +0.1, Other: +0.2
 [Pharma] Cost reductions: +0.6

*2: [Food] Decrease in marketing expenses: +3.1, Change in cost accounting method: -1.4, Other: -0.2
 [Pharma] Decrease in marketing expenses: +0.8, Decrease in R&D expenses: +0.2

2. Plan -- FYE March 2021

(Billions of yen)

	Full-year			
	Consolidated Total	Food	Pharma	Other
Results -- FYE March 2020	102.7	87.3	15.9	-0.6
Due to increased/decreased sales	+7.3	+5.6	+1.7	—
Impact of drug price revision	-5.9	—	-5.9	—
Changes in costs of goods sold	+7.1	+5.2	+1.9	—
Changes in other SG&A expenses	-5.0	-6.4	+1.4	—
Other (incl. change in results of subsidiaries)	+3.8	+1.3	+3.0	-0.4
Total change	+7.3	+5.7	+2.1	-0.4
Plan -- FYE March 2021	110.0	93.0	18.0	-1.0

Note: KM Biologics earnings included in "Other (incl. change in results of subsidiaries)" of Pharma.

Note: We reflected the impact of the change in cost accounting method for Food segment. (Changes in costs of goods sold: +6.3, Changes in other SG&A expenses: -6.3)

4. Consolidated Financial Positions

(Billions of yen)

FYE March 2021	As of Jun. 30		As of Sep. 30		As of Dec. 31		As of Mar. 31	
		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end
Total assets	1,037.7	+3.9						
Current assets	451.6	+8.3						
Non-current assets	586.1	+0.7						
Total liabilities	438.8	+9.4						
Current liabilities	292.7	+14.1						
Non-current liabilities	146.0	+0.9						
Total net assets	598.9	+0.2						
Shareholders' equity	555.5	+0.3						
Reference	Consolidated interest bearing debt	165.0	+54.6					
	Food segment assets	694.1	-1.6					
	Pharmaceutical segment assets	263.2	-3.2					

FYE March 2020	As of Jun. 30		As of Sep. 30		As of Dec. 31		As of Mar. 31		
		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end	
Total assets	1,006.3	+0.2	1,001.2	-0.3	1,034.7	+3.0	998.9	-0.5	
Current assets	420.8	-0.1	410.1	-2.7	442.1	+4.9	416.8	-1.1	
Non-current assets	585.5	+0.5	591.1	+1.4	592.6	+1.7	582.0	-0.1	
Total liabilities	444.9	+0.3	421.6	-4.9	442.8	-0.1	401.3	-9.5	
Current liabilities	297.3	+2.0	274.3	-5.9	295.9	+1.5	256.5	-12.0	
Non-current liabilities	147.5	-2.9	147.3	-3.1	146.9	-3.3	144.8	-4.7	
Total net assets	561.4	+0.1	579.6	+3.4	591.8	+5.6	597.5	+6.6	
Shareholders' equity	510.8	+0.6	528.3	+4.1	538.8	+6.2	553.6	+9.1	
Reference	Consolidated interest bearing debt	141.2	+21.4	128.1	+10.1	133.6	+14.9	106.7	-8.3
	Food segment assets	685.6	-0.8	689.6	-0.2	704.9	+2.0	705.3	+2.1
	Pharmaceutical segment assets	266.4	-5.8	267.2	-5.5	277.0	-2.0	272.0	-3.8

5. Capital Expenditures, Depreciation, R&D Expenses

(Billions of yen)

	FYE March 2018		FYE March 2019		FYE March 2020		FYE March 2021
	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year	Full-year
Capital expenditures	34.8	71.7	34.3	71.2	38.7	71.1	85.2
Food segment	30.6	63.8	30.5	61.3	31.2	60.2	73.2
Pharmaceutical segment	4.1	7.8	3.7	9.7	7.5	10.7	11.7
Corporate or elimination	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Depreciation and amortization	22.3	46.5	20.6	43.0	22.4	46.1	49.0
Food segment	19.3	40.1	16.7	34.5	18.1	37.4	39.8
Pharmaceutical segment	2.9	6.0	3.6	9.0	4.7	9.6	10.1
Corporate or elimination	0.1	0.3	0.2	-0.5	-0.4	-0.8	-0.9
R&D expenses	12.5	26.5	13.2	29.1	14.5	31.4	33.7
Food segment	5.9	13.2	6.1	12.7	6.6	13.4	14.6
Pharmaceutical segment	6.5	13.2	7.0	16.4	7.6	17.5	18.4
Corporate or elimination	0.0	0.0	0.0	0.0	0.1	0.4	0.6

Note: The figures of "Capital expenditures" and "Depreciation and amortization" include "Intangible assets."

Note: KM Biologics earnings included from FYE March 2019

6. Financial Indicators, consolidated

	FYE March 2017	FYE March 2018	FYE March 2019	FYE March 2020
	Full-year	Full-year	Full-year	Full-year
Net sales	1,242.4 billion yen	1,240.8 billion yen	1,254.3 billion yen	1,252.7 billion yen
Operating profit	88.3 billion yen	94.6 billion yen	98.3 billion yen	102.7 billion yen
Operating profit ratio	7.1 %	7.6 %	7.8 %	8.2 %
EBITDA	135.8 billion yen	142.8 billion yen	143.0 billion yen	148.9 billion yen
EBITDA margin	10.9 %	11.5 %	11.4 %	11.9 %
Profit attributable to owners of parent	60.7 billion yen	61.2 billion yen	61.8 billion yen	67.3 billion yen
Profit ratio	4.9 %	4.9 %	4.9 %	5.4 %
Total assets	883.8 billion yen	927.5 billion yen	1,004.1 billion yen	998.9 billion yen
Interest bearing debt	129.4 billion yen	119.1 billion yen	116.3 billion yen	106.7 billion yen
Shareholders' equity	448.9 billion yen	487.3 billion yen	527.3 billion yen	562.7 billion yen
Shareholders' equity ratio	50.8 %	52.7 %	52.5 %	56.3 %
Debt/Equity ratio	0.28 times	0.24 times	0.22 times	0.19 times
ROA	10.2 %	10.6 %	10.3 %	10.3 %
ROE	14.2 %	13.1 %	12.2 %	12.4 %
Net cash flow from operating activities	81.8 billion yen	108.7 billion yen	112.1 billion yen	114.1 billion yen
Net cash flow from investing activities	-44.2 billion yen	-64.3 billion yen	-100.2 billion yen	-70.8 billion yen
Free cash flow	37.5 billion yen	44.3 billion yen	11.8 billion yen	43.2 billion yen
Profit per share	413.11 yen	422.15 yen	426.61 yen	464.08 yen
Net assets per share	3,064.91 yen	3,360.70 yen	3,635.79 yen	3,879.18 yen
Cash flow per share	728.21 yen	743.35 yen	723.29 yen	782.49 yen
Cash dividends per share	110.00 yen	130.00 yen	140.00 yen	150.00 yen
Dividend payout ratio	26.6 %	30.8 %	32.8 %	32.3 %
Price/Earnings ratio--PER	22.4 times	19.1 times	21.2 times	16.5 times
Price/Book value ratio--PBR	3.0 times	2.4 times	2.4 times	2.0 times
Price/Cash flow ratio--PCFR	12.7 times	10.8 times	12.4 times	9.8 times

(Note) Op. profit + Depreciation and amortization

(Note) Ordinary profit/Average net assets

(Note) Profit attributable to owners of parent/Average shareholders' equity

(Note) Net cash flow from operating activities + Net cash flow from investing activities

(Note) Profit attributable to owners of parent / Average number of shares during period

(Note) (Total net assets - Noncontrolling interests) / (Number of shares outstanding - Number of treasury stock)

(Note) (Profit attributable to owners of parent + Depreciation and Amortization) / (Number of shares outstanding - Number of treasury stock)

(Note) Year-end stock price/Profit per share

(Note) Year-end stock price/Net assets per share

(Note) Year-end stock price/Cash flow per share

7. Sales by Main Products

1. Food Segment (Non-consolidated)

(Billions of yen)

FYE March 2021	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan
	%	%	%	%	%	%	%	%
Yogurt	22.5	+3.7	—					
Meiji Bulgaria Yogurt	20.6	+4.4	—					
Probiotic yogurts	30.3	+17.6	—					
Drinking milk	27.0	-4.1	—					
Meiji Oishii Gyunyu	15.8	+10.2	—					
Cheese	9.2	+0.4	—					
Meiji Hokkaido Tokachi series	3.7	+5.8	—					
Ice cream	12.0	-1.0	—					
Chocolate	19.2	-3.4	—					
Nutritional products	14.7	+2.9	—					
Sports nutrition	5.7	+3.3	—					

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
					%
				87.9	+4.1
				79.7	+4.7
				117.5	+5.9
				104.4	-8.0
				58.9	+1.8
				39.0	+4.1
				16.1	+9.5
				47.3	+6.7
				100.0	+3.0
				60.5	+2.9
				20.6	+0.4

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan				
	%	%	%	%	%	%	%	%				
Yogurt	21.7	-3.8	45.8	43.3	-3.7	-8.7	63.7	-2.2	70.3	84.4	-0.6	-6.9
Meiji Bulgaria Yogurt	19.8	-5.6	47.8	39.0	-6.8	-5.9	57.6	-4.9	73.1	76.1	-3.5	-3.4
Probiotic yogurts	25.8	-4.7	49.6	49.5	-5.0	-4.9	77.4	-4.5	67.8	110.9	-1.7	-2.9
Drinking milk	28.1	+4.5	51.7	58.5	+6.0	+7.5	87.1	+5.0	83.1	113.5	+4.8	+8.2
Meiji Oishii Gyunyu	14.3	+0.6	48.2	29.9	+0.6	+0.5	44.3	+1.8	77.1	57.9	+3.1	+0.8
Cheese	9.2	+0.1	51.3	18.1	+0.7	+1.1	28.8	+2.5	77.2	37.4	+2.4	+0.5
Meiji Hokkaido Tokachi series	3.5	+3.1	49.4	6.9	+3.3	-3.9	11.2	+7.2	73.6	14.7	+7.0	-3.9
Ice cream	12.1	-0.9	42.9	27.5	-3.1	-3.0	36.6	-1.8	81.4	44.4	-1.5	-1.3
Chocolate	19.9	+11.2	51.9	39.3	+7.3	+2.5	70.1	+4.3	67.3	97.1	+1.8	-6.7
Nutritional products	14.3	+3.8	50.4	29.5	+4.7	+4.1	45.9	+4.4	82.3	58.7	+6.4	+5.3
Sports nutrition	5.5	+0.6	47.0	11.5	+1.6	-1.7	16.4	+2.7	78.2	20.5	+3.9	-2.3

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
	%		%		%
43.3	-3.7	41.0	+2.9	84.4	-0.6
39.0	-6.8	37.0	+0.3	76.1	-3.5
49.5	-5.0	61.3	+1.1	110.9	-1.7
58.5	+6.0	54.9	+3.5	113.5	+4.8
29.9	+0.6	28.0	+5.9	57.9	+3.1
18.1	+0.7	19.3	+3.9	37.4	+2.4
6.9	+3.3	7.8	+10.4	14.7	+7.0
27.5	-3.1	16.8	+1.0	44.4	-1.5
39.3	+7.3	57.7	-1.7	97.1	+1.8
29.5	+4.7	29.2	+8.2	58.7	+6.4
11.5	+1.6	8.9	+7.1	20.5	+3.9

Note: Nutritional products include infant formula and enteral formula.

7. Sales by Main Products

2. Pharmaceutical Segment (Non-consolidated)

(Billions of yen)

FYE March 2021	Q1			Q1-Q2			Q1-Q3			Full-year		
	YoY Change	H1 Plan Achievement Rate	%	YoY Change	vs. H1 Plan	%	YoY Change	Full-year Plan Achievement Rate	%	YoY Change	vs. Full-year Plan	%
Ethical pharmaceuticals (Japan)		%	%		%	%		%	%		%	%
SYCREST	0.8	-13.3	—									5.2 +19.2
BILANOA	0.8	-12.4	—									10.6 +46.6
REFLEX (includes Mirtazapine "meiji")	1.4	-32.7	—									6.6 -23.0
MEIACT (includes Cefditoren "OK")	0.4	-66.9	—									5.2 -3.5
TAZOPIPE	1.1	-30.1	—									8.0 +10.2
Total human vaccine	4.1	+597.4	—									30.2 +15.5
Influenza HA Vaccine	-0.0	—	—									15.1 +1.7
(By field) Total brand name drugs	10.3	+2.1	—									69.9 +5.0
Total generic drugs	9.0	-25.9	—									51.3 +5.5
KM Biologics												
Total human vaccine	2.5	+40.6	—									31.0 +16.5
Total blood plasma products	1.8	+82.4	—									7.6 -3.5

Plan -- FYE March 2021					
H1 (Q1-Q2)	YoY Change	H2 (Q3-Q4)	YoY Change	Full-year	YoY Change
					%
					5.2 +19.2
					10.6 +46.6
					6.6 -23.0
					5.2 -3.5
					8.0 +10.2
					30.2 +15.5
					15.1 +1.7
					69.9 +5.0
					51.3 +5.5
					31.0 +16.5
					7.6 -3.5

FYE March 2020	Q1			Q1-Q2			Q1-Q3			Full-year		
	YoY Change	H1 Plan Achievement Rate	%	YoY Change	vs. H1 Plan	%	YoY Change	Full-year Plan Achievement Rate	%	YoY Change	vs. Full-year Plan	%
Ethical pharmaceuticals (Japan)		%	%		%	%		%	%		%	%
SYCREST	1.0	19.0	31.8	2.0	+13.2	-36.2	3.2	+15.4	41.8	4.3	+17.2	-43.7
BILANOA	0.9	-12.7	41.5	2.1	+20.6	-11.6	3.8	+32.7	42.5	7.2	-3.6	-19.7
REFLEX (includes Mirtazapine "meiji")	2.2	-50.3	34.5	4.3	-55.8	-32.1	6.7	-55.0	54.9	8.6	-49.0	-30.0
MEIACT (includes Cefditoren "OK")	1.3	-5.8	51.7	2.5	-10.6	-4.0	4.1	-14.0	72.4	5.3	-14.3	-5.7
TAZOPIPE	1.7	+45.8	54.9	4.0	+52.7	+30.1	6.7	+67.6	116.7	7.2	+38.4	+25.3
Influenza HA Vaccine	-0.0	—	—	7.0	+664.1	+1,081.8	15.1	+254.5	105.8	14.8	+277.2	+3.5
(By field) Total brand name drugs	10.1	-19.7	38.3	29.5	+10.2	+11.8	52.2	+18.9	69.0	66.6	+18.4	-12.1
Total generic drugs	12.2	+11.5	46.7	24.6	+8.1	-5.6	38.5	+8.5	76.7	48.6	+3.6	-3.1
KM Biologics												
Total human vaccine	1.8	—	20.0	10.2	+43.0	+13.6	19.2	+7.4	68.0	26.6	+21.3	-5.8
Total blood plasma products	1.0	—	30.8	3.5	+104.1	+6.4	5.9	+63.4	87.7	7.9	+43.3	+16.8

H1 (Q1-Q2) Results	YoY Change	H2 (Q3-Q4) Revised Plan	YoY Change	Full-year	YoY Change
	%		%		%
2.0	+13.2	2.2	+21.0	4.3	+17.2
2.1	+20.6	5.1	-11.0	7.2	-3.6
4.3	-55.8	4.2	-39.3	8.6	-49.0
2.5	-10.6	2.8	-17.4	5.3	-14.3
4.0	+52.7	3.2	+23.8	7.2	+38.4
7.0	+664.1	7.7	+158.0	14.8	+277.2
29.5	+10.2	37.1	+25.8	66.6	+18.4
24.6	+8.1	23.9	-0.6	48.6	+3.6
10.2	+43.0	16.3	+10.7	26.6	+21.3
3.5	+104.1	4.4	+15.6	7.9	+43.3

Note: Domestic ethical pharmaceuticals indicates non-consolidated information for Meiji Seika Pharma (excluding sales from contracted manufacturing.)

Note: "Total brand name drugs" under domestic ethical pharmaceuticals includes net sales from human vaccines sold by Meiji Seika Pharma.

8. Other

1. List of New Products Under Development

Infectious disease

Stage	Name	Type	Efficacy Classification	Notes
Phase I (Overseas)	ME1100 (Arbekacin)	Inhalation	Hospital Acquired Bacterial Pneumonia/ Ventilator Associated Bacterial Pneumonia treatment (HABP/VABP)	Discovered in-house
Phase I	OP0595 (Nacubactam)	Injection	β -lactamase inhibitor	Discovered in-house

CNS disorders

Stage	Name	Type	Efficacy Classification	Notes
Phase III	ME2112 (Ziprasidone)	Oral	Antipsychotic	In-license: RaQualia Pharma Inc.

New fields

Stage	Name	Type	Efficacy Classification	Notes
Phase II (In preparation for application)	HBI-8000 (Tucidinostat)	Oral	Relapsed or refractory adult T-cell leukemia /lymphoma (ATLL)	In-license: HUYA Bioscience International, LLC (USA)
Phase II (Multi-Regional clinical trial)	HBI-8000 (Tucidinostat)	Oral	Relapsed or refractory peripheral T-cell lymphoma (PTCL)	In-license: HUYA Bioscience International, LLC (USA)
Phase II (In preparation for application)	SP-02L (Darinaparsin)	Injection	Relapsed or refractory peripheral T-cell lymphoma (PTCL)	In-license: Solasia Pharma K.K.
Phase I	DMB-3111	Injection	Breast cancer/Gastric cancer (Biosimilar)	Co-development: Dong-A Socio Holdings Co., Ltd. (South Korea)
Phase I (Overseas)	DMB-3115	Injection	Plaque psoriasis/Psoriatic arthritis/Crohn's disease (Biosimilar)	Co-development: Dong-A Socio Holdings Co., Ltd. (South Korea)

Vaccines

Stage	Name	Target Disease	Notes
Phase III Phase II	KD-370	Pentavalent vaccine against diphtheria, tetanus, pertussis, polio, and haemophilus influenza type b	KM Biologics Co., Ltd.
Phase I (Overseas)	KD-382	Quadrivalent vaccine against dengue fever	KM Biologics Co., Ltd.
Phase I / II	KD-404	Egg-derived inactivated whole virus influenza vaccine	Co-development: Hokkaido University

Blood Plasma Products

Stage	Name	Target Disease	Notes
Phase III	KD-371	Indication expansion for microscopic polyangiitis (MPA) (orphan drug)	Co-development: Teijin Pharma Limited
Phase II /III extension study	KD2-305	Suppression of bleeding tendency in patients with blood coagulation factor VIII or factor IX deficiency who have coagulation factor inhibitors	KM Biologics Co., Ltd.

Note: The above list shows development status as of August 12, 2020.

8. Other

2. Revision of Components for Operating Profit Change Analysis

From the first quarter of FYE March 2021, we have revised components for operating profit change analysis as below.

Before the revision

Disclosure item	Structural components
Due to increased/decreased sales	<ul style="list-style-type: none"> ● Volume differences ● Unit price differences ● Product mix ● Selling expenses, Logistics expenses (volume slide) ● Indirect manufacturing costs
Impact of drug price revision	
Changes in costs of goods sold	<ul style="list-style-type: none"> ● Direct expense unit cost difference, etc. ● Cost variances (Pharmaceutical only)
Changes in other SG&A expenses	<ul style="list-style-type: none"> ● Selling expenses (excluding volume slide) ● Advertising expenses, Marketing expenses ● Selling indirect expenses ● Logistic expenses (excluding volume slide) ● R&D expenses ● General and administrative expenses, etc.
Other (including change in results of subsidiaries)	<ul style="list-style-type: none"> ● Subsidiary profit/losses ● Consolidated accounting

After the revision

Disclosure item	Structural components
Due to increased/decreased sales	<ul style="list-style-type: none"> ● Volume differences ● Unit price differences ● Product mix ● Cost variances (Pharmaceutical only)
Impact of drug price revision	
Changes in costs of goods sold	<ul style="list-style-type: none"> ● Direct expense unit cost difference, etc.
Changes in other SG&A expenses	<ul style="list-style-type: none"> ● Selling expenses, Logistics expenses (volume slide) ● Selling expenses (excluding volume slide) ● Advertising expenses, Marketing expenses ● Selling indirect expenses ● Logistic expenses (excluding volume slide) ● Indirect manufacturing costs ● R&D expenses ● General and administrative expenses, etc.
Other (including change in results of subsidiaries)	<ul style="list-style-type: none"> ● Subsidiary profit/losses ● Consolidated accounting

