

Name of Company: Meiji Holdings Co., Ltd.
Name of Representative: Masahiko Matsuo, President and Representative Director
Code Number: 2269, 1st Section, Tokyo Stock Exchange

Notice Concerning Increase in Production Capacity for Meiji Probio Yogurt Drinks

Meiji Holdings Co., Ltd. (President and Representative Director: Masahiko Matsuo) announces that its subsidiary Meiji Co., Ltd., below referred to as "Meiji," will increase its production capacity for Meiji Probio Yogurt Drinks as detailed below.

Description

1. Increase in Production Capacity for Meiji Probio Yogurt (functional yogurt) Drinks

In April 2015, we launched our Medium-Term Business Plan, STEP UP 17, which outlines our basic policy - accelerate growth and achieve further improvement in profitability. Meiji, which operates in the food segment, is focusing on core products that contribute to healthy diets. Meiji holds a strong competitive advantage in the yogurt market and has set net sales targets of 200 billion yen and a 50% market share by fiscal 2020. Meiji's functional yogurt business* has been driving its sales and profit. In 2015 the business continues growing.

In accordance with this policy, Meiji will invest 7.9 billion yen in its Aichi and Kyoto Plants in order to further expand the yogurt business and ensure the smooth provision of products to the growing drinking yogurt market. Two plants are production centers for the Meiji Probio Yogurt Drinks.

* Functional yogurt business: Sales comprise three brands, *Meiji Probio Yogurt LG21*, *Meiji Probio Yogurt R-1*, and *Meiji Probio Yogurt PA-3*

An overview is as follows.

1) Aichi Plant

- (1) Location: Inazawa City, Aichi
- (2) Investment details: Install 1 production line for functional yogurt drink (PET bottle)
- (3) Investment amount: 2.7 billion yen
- (4) Production launching: Beginning in mid-November 2015

2) Kyoto Plant

- (1) Location: Kyotanabe City, Kyoto
- (2) Investment details: Install 2 production lines for functional yogurt drink (PET bottle)
- (3) Investment amount: 5.2 billion yen
- (4) Production launching:
 - Line #1: Beginning in late November 2015
 - Line #2: Beginning in early December 2015

3) Increase in production capacity (planned)

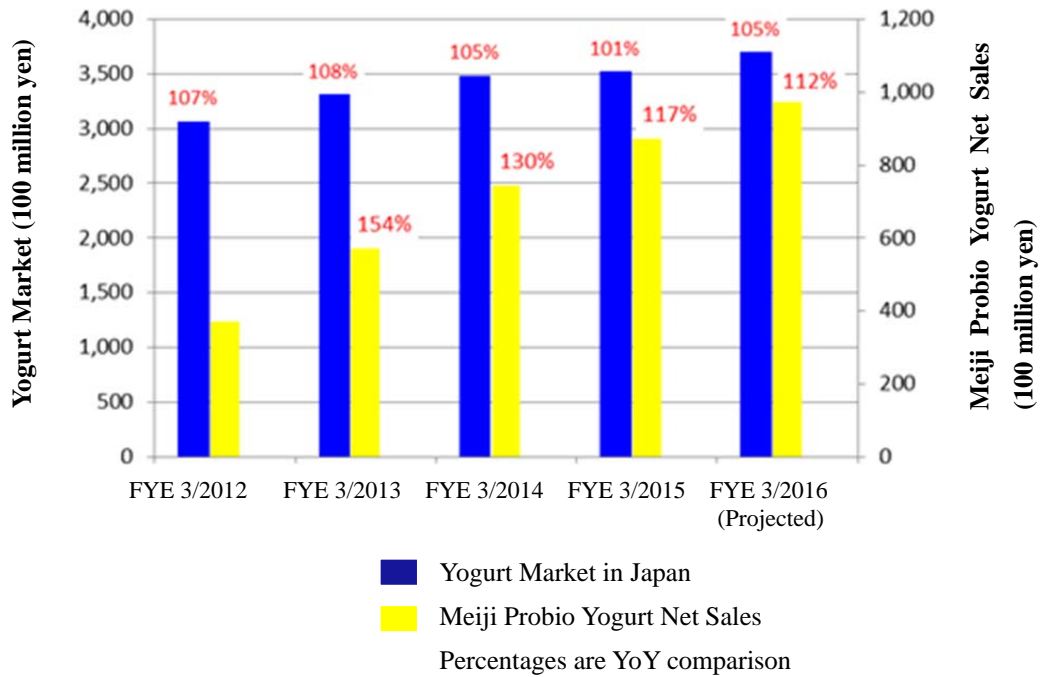
From mid-December 2015 the addition of the three lines will increase 1.2 times current capacity.

2. Market conditions in Japan and sales of Meiji Probio Yogurt (functional yogurt)

Increased health awareness and understanding of the functional value of lactobacillus among consumers have led to continuous growth for the yogurt market in recent years. By FYE March 2015 the market had grown to 350 billion yen. The Meiji Probio Yogurt (functional yogurt) series, which includes *Meiji Probio Yogurt LG21*, *Meiji Probio Yogurt R-1*, and *Meiji Probio Yogurt PA-3*, has been recording double-digit growth year on year. *Meiji Probio Yogurt PA-3* contains the PA-3 lactobacillus, which counteracts purines, has been a smash hit among consumers since its launch in this spring and net sales in this fiscal year are expected above 200% of its initial targets.

Trends of Yogurt Market* and Net Sales of Meiji Probio Yogurt

* Meiji research



3. Applicable products

Meiji Probio Yogurt LG21 Drink

Meiji Probio Yogurt LG21 Drink Low Sugar, Low Calories

Meiji Probio Yogurt R-1 Drink

Meiji Probio Yogurt R-1 Drink Low Sugar, Low Calories

Meiji Probio Yogurt R-1 Drink Acerola & Blueberry (launch on October 6, 2015)

Meiji Probio Yogurt PA-3 Drink



4. Financial forecast

We do not expect this investment to have a material impact on the consolidated financials of Meiji Holdings Co., Ltd. for the FYE March 2016.

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