



Meiji Group 2020 Vision

**“New Management Vision for FY2020
and New Management Structure”**

Meiji Holdings Co., Ltd.

I. New Management Structure

- 1. Current Status**
- 2. Business Environment**
- 3. Background of 2020 Vision**
- 4. New Group Management Structure**

II. Meiji Group 2020 Vision Concept

- 1. Definition of 2020 Vision**
- 2. The Meiji Group of the Future in the 2020 Vision**
- 3. Key Words for Achieving the 2020 Vision**

III. Meiji Group 2020 Vision—Strategies

- 1. Goals of the 2020 Vision (Numerical Targets) & Outline of Strategies**
- 2. Strategies in the Food Business**
- 3. Strategies in the Pharmaceutical Business**

IV. Foundation for Business Management to Support Our Strategies

- 1. Solid Foundation for Business Management Established through Management Integration**
- 2. Roadmap for Achieving Our Vision**

V. Profile of the New Companies

- 1. Company Profiles**
- 2. Method of Group Reorganization**

I. New Management Structure

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1. Progress of FY2009-2011 Medium-Term Business Plan

We have been making efforts based on our basic concept of “maximizing Meiji Group’s strengths, achieving growth of existing businesses and expediting integration synergies.”

- The early establishment of the new “**meiji**” brand and the proactive launching of collaboration products; and
- The penetration of the slogan of “*Ashita wo motto oishiku*” and the management philosophy within and outside of the Meiji Group.

On the other hand, numerical targets for the last year of the Medium-Term Business Plan (FY2011: net sales of ¥1,260 billion and ordinary income of ¥ 45 billion) are currently under review, due to such factors as the slowing growth of existing businesses.

- Forecasts of financial results for FY2011 (the last year of the Medium-Term Business Plan) will be announced at the time of the release of financial results for FY2010.

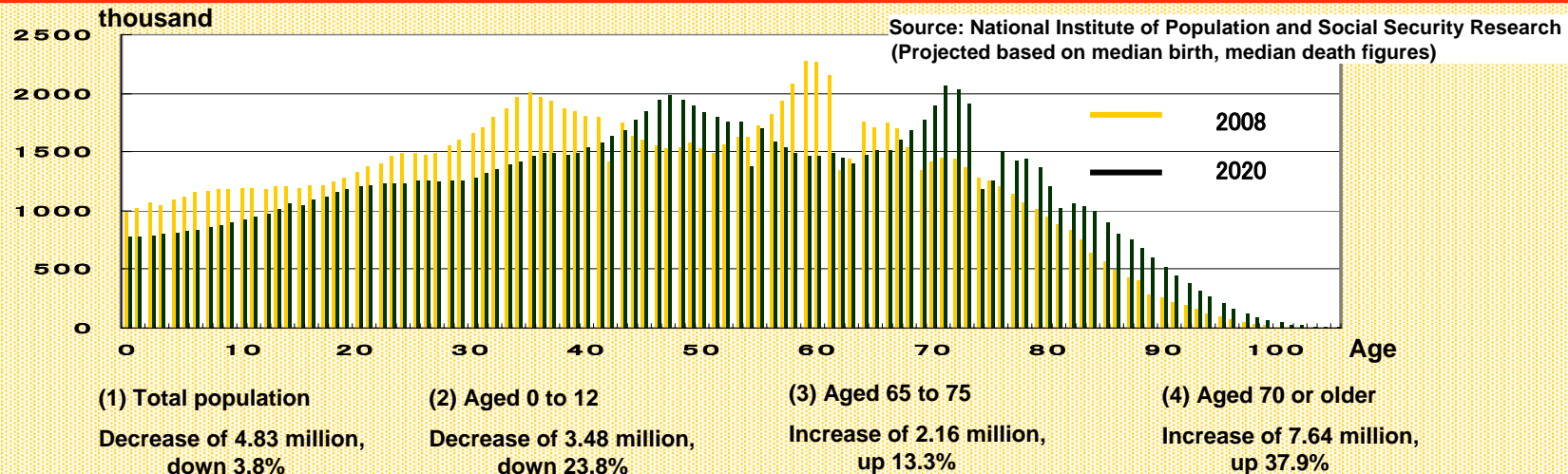
2. Recognition of issues to be addressed

Under the assumption that the severe business environment will continue, we will:

- Create further synergies for the further growth of existing businesses (dairy products, confectionary, healthcare and nutrition, and pharmaceuticals); and
- Create new growth drivers by developing new markets and new businesses with an eye toward overseas business expansion.

⇒ We will establish a framework to expedite the creation of synergies and accelerate the growth of existing businesses.

1. A shrinking domestic population and an aging society with a declining birthrate



- Diversification of consumer needs, values, lifestyles
- Rising awareness of safety and security
- Growing health consciousness
- Medical-care system reforms

2. Accelerating globalization and the growth of emerging economies

- Strategy for overseas markets (such as China), which are growing rapidly due to population explosion and economic development (business opportunities and intensified competition)
- Risks associated with the scramble for raw materials both in Japan and overseas

The business environment is expected to continue changing dramatically over the next 10 years. The key point is how we can seize business opportunities by taking advantage of the changes.

Recognition of issues to be addressed

The severe business environment will continue. In order to find opportunities amid change and secure a competitive advantage in Japan and overseas, we believe the following are indispensable:

- (1) Long-term Management Vision to show the direction the Meiji Group should take
 - * Redefine our strengths
 - * Invest in growth markets
- (2) New group management structure that enables Meiji Seika and Meiji Dairies to combine their strengths
 - * To strengthen the existing businesses
 - * To create new value

2020 Vision

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New Group Management Structure

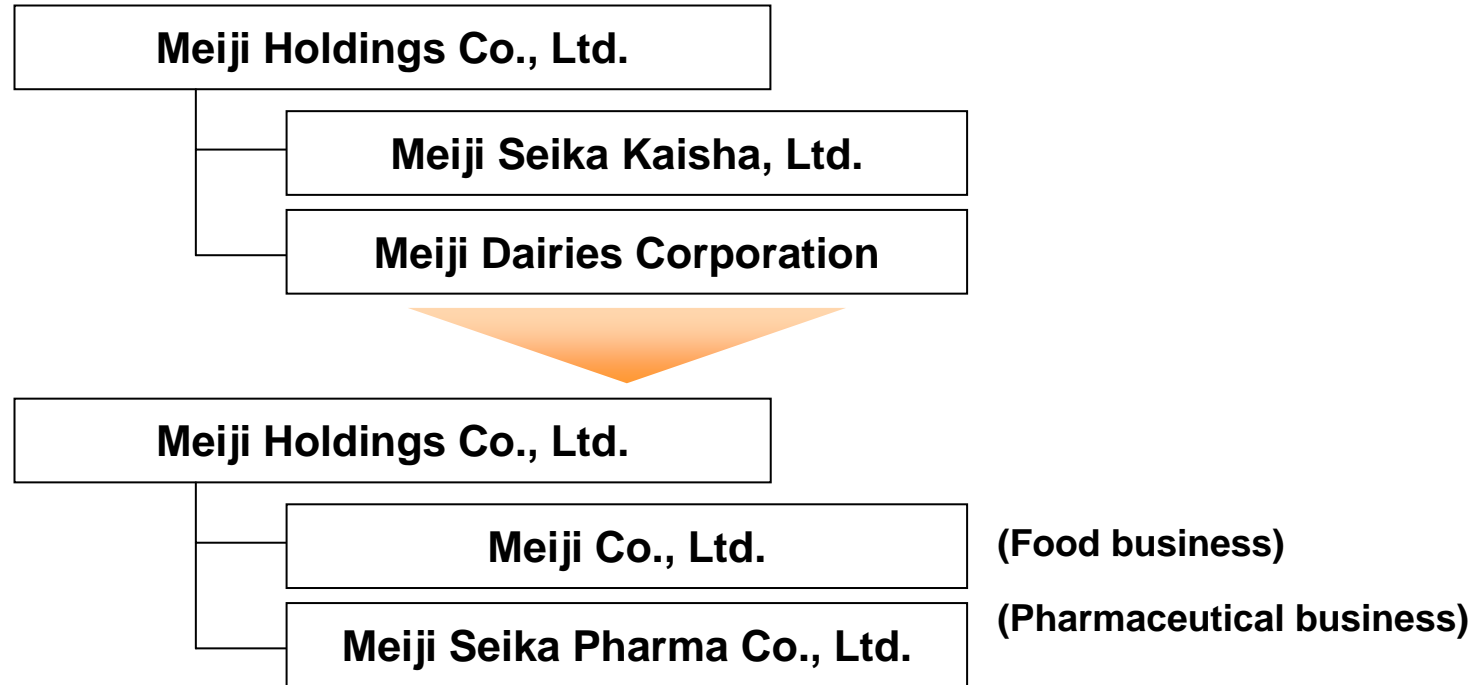
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A new management structure capable of taking advantage of changes

New Group Management Structure



1. New group management structure (reorganization of business)



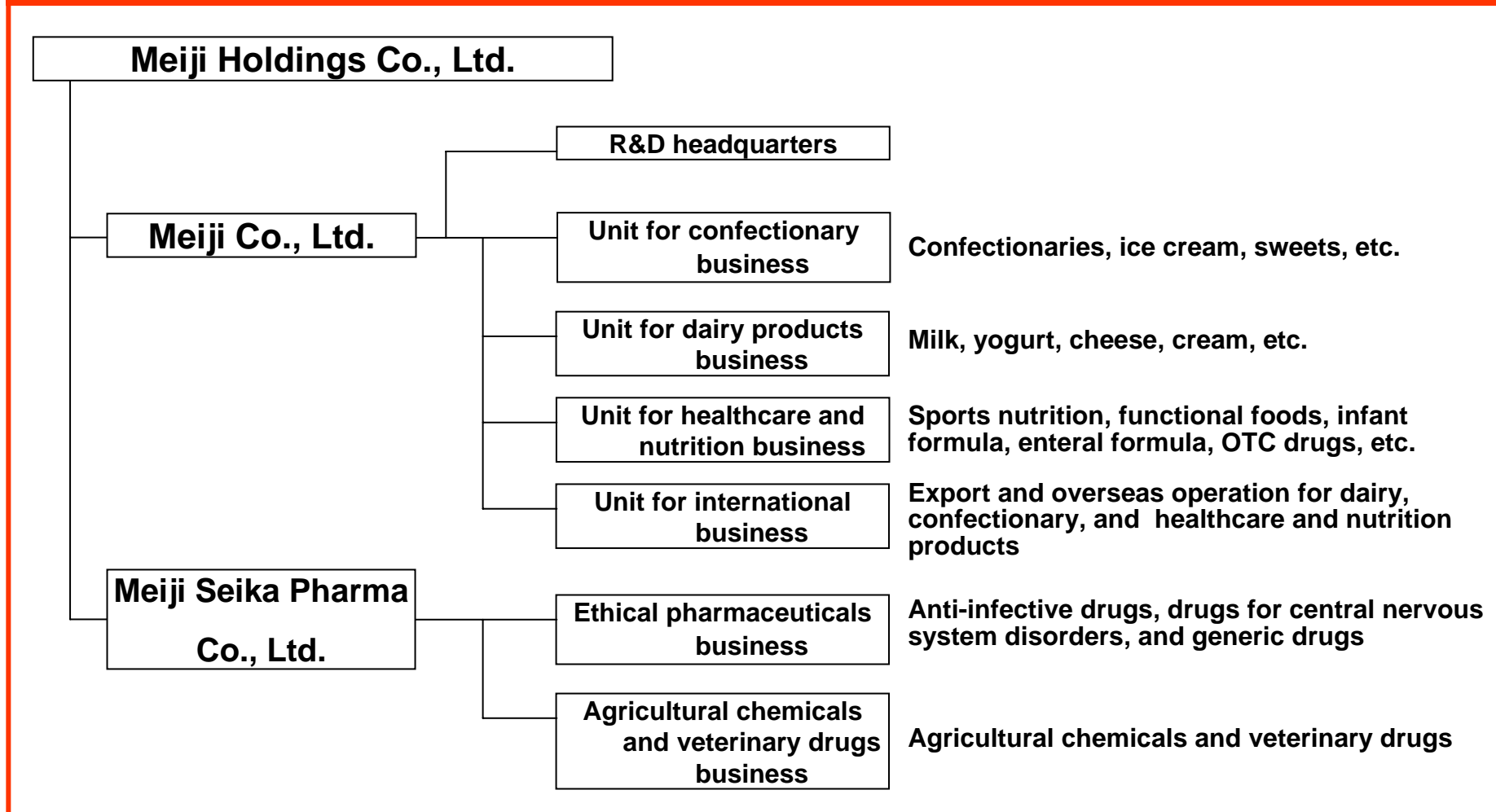
2. Date of establishment of new companies

April 1, 2011

New Group Management Structure



3. Organizational charts



4. Purpose of reorganization

- (1) The food and pharmaceutical businesses will be reorganized into two companies under the umbrella of Meiji Holdings Co., Ltd., which deal with different competitive environments, business cycles, related regulations, etc.**
- (2) “Meiji Co., Ltd. (food company)” will integrate and effectively utilize management resources (such as technologies and know-how) within one company, aiming to create new value by anticipating customer needs.**
 - Research and development functions will be integrated into an R&D headquarters. Through such integration, we will establish a structure that facilitates the creation of new value.**
 - The establishment of separate business units for the healthcare & nutrition business and the international business will not only allow for speedy business operations through the delegation of authority, but also will facilitate the creation of synergies with the confectionary business unit and the dairy products business unit.**
- (3) By becoming a separate company, “Meiji Seika Pharma Co., Ltd. (pharmaceutical company)” will operate its business as a “Specialty and Generic Pharmaceuticals Company” in a flexible manner by accelerating the decision-making process.**
- (4) We will maintain the holding company framework so as to respond swiftly to the significantly changing business environment.**

II. Meiji Group 2020 Vision Concept

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Meiji Group Philosophy

Our mission is to widen the world of “Tastiness and Enjoyment” and meet all expectations regarding “Health and Reassurance.”

Our wish is to be closely in tune with our customers’ feelings and to always be there to brighten their daily lives.

Our responsibility as “Food and Health” professionals is to continue finding innovative ways to meet our customers’ needs, today and tomorrow.

Meiji Group 2020 Vision has been developed based on the Group Philosophy, taking into account possible changes in the business environment, and shows the direction the Group should take in the next 10 years.

The Meiji Group of the Future

The Meiji Group aims to become a corporate group that brightens customers' daily lives by providing customers of all ages, from infants to the elderly, with foods that offer tastiness and enjoyment, as well as products that contribute to customers' physical and emotional well-being. This way of providing value is unique to the Meiji Group, and is what clearly distinguishes it from its competitors.

Three Keywords in the 2020 Vision

<i>Kodomo Sukoyaka</i>	~ Treasure children! ~
<i>Otona Haturatsu</i>	~ Invigorate adults! ~
<i>Minna Wakuwaku</i>	~ Create excitement for all ~

2020 Vision Concept: Three Key Words



Brightening customers' daily lives
Keyword (1)

Kodomo Sukoyaka

~ Treasure children! ~

We want to see children's
smiling faces.

Brightening customers' daily lives
Keyword (2)

Otona Haturatsu

~ Invigorate adults! ~

We want to invigorate our
customers through
the tastiness and
enjoyment of food.

We want to become
indispensable to
our customers' physical
and emotional well-being.

Brightening customers' daily lives
Keyword (3)

Minna Wakuwaku

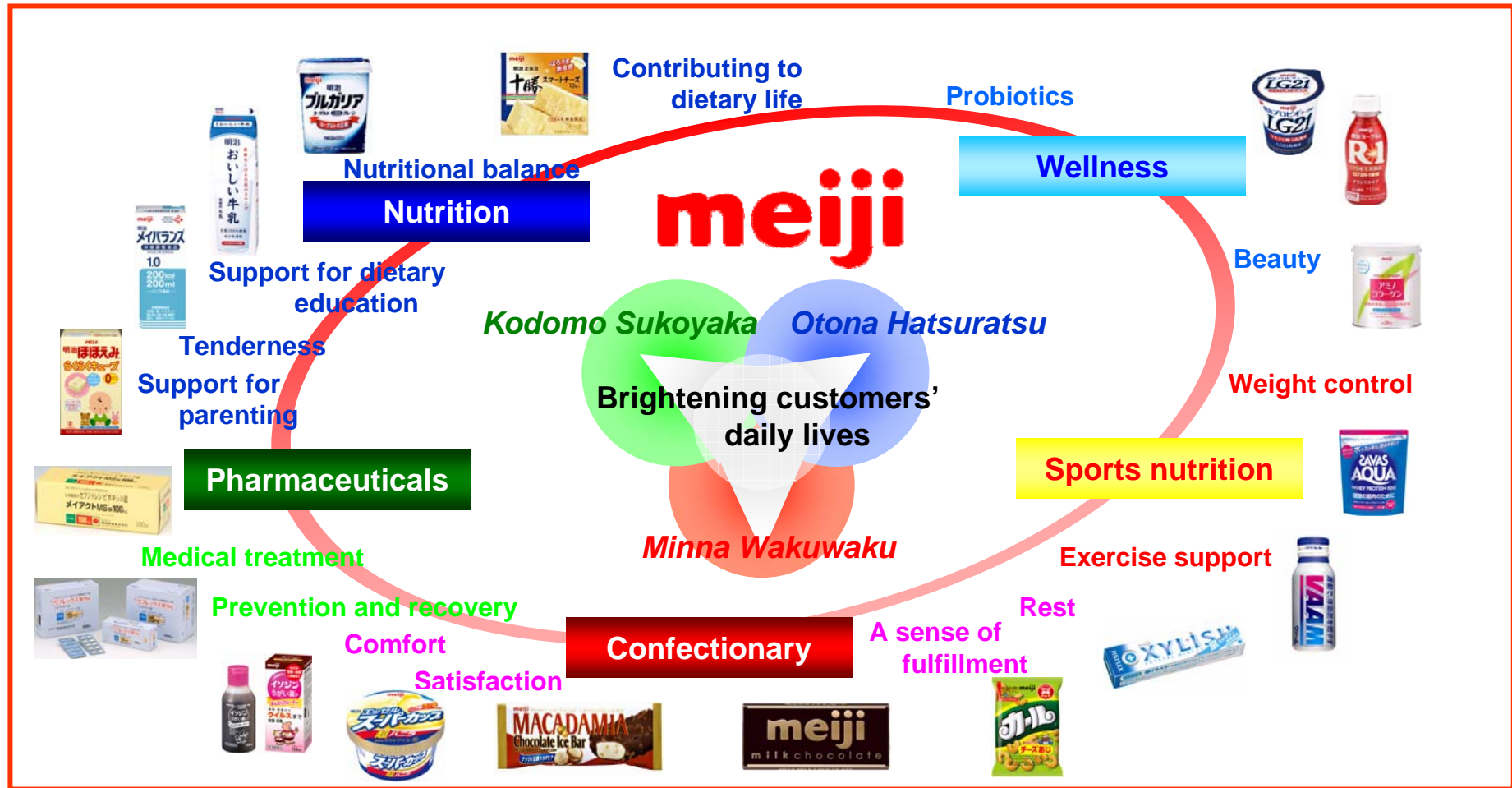
~ Create excitement
for all! ~

We want to create
excitement for
customers of all ages.

2020 Vision Concept



Our product portfolio to brighten customers' daily lives



III. Meiji Group 2020 Vision Strategies

- 1. Goals of the 2020 Vision (Numerical Targets)
& Outline of Strategies**
 - 2. Strategies in the Food Business**
 - 3. Strategies in the Pharmaceutical Business**
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Goals of 2020 Vision (Numerical Targets) & Outline of Strategies



Goals for FY2020 (Numerical Targets)

Net sales: ¥1,500 billion

Operating income ratio: 5% or higher

(Reference) Results for FY2009

Net sales: ¥1,106.6 billion

Operating income: ¥28.7 billion (2.6%)

Outline of Strategies (Contents)

Food Business (Meiji Co., Ltd.)

(1) Meiji Co., Ltd.'s Strategies (Overall Strategies)

(2) Strategies by Business

- (i) Confectionary and Dairy Products businesses (Unit for confectionary business) (Unit for dairy products business)
- (ii) Healthcare and Nutrition businesses (Unit for healthcare and nutrition business)
- (iii) International Food business (Unit for international business)

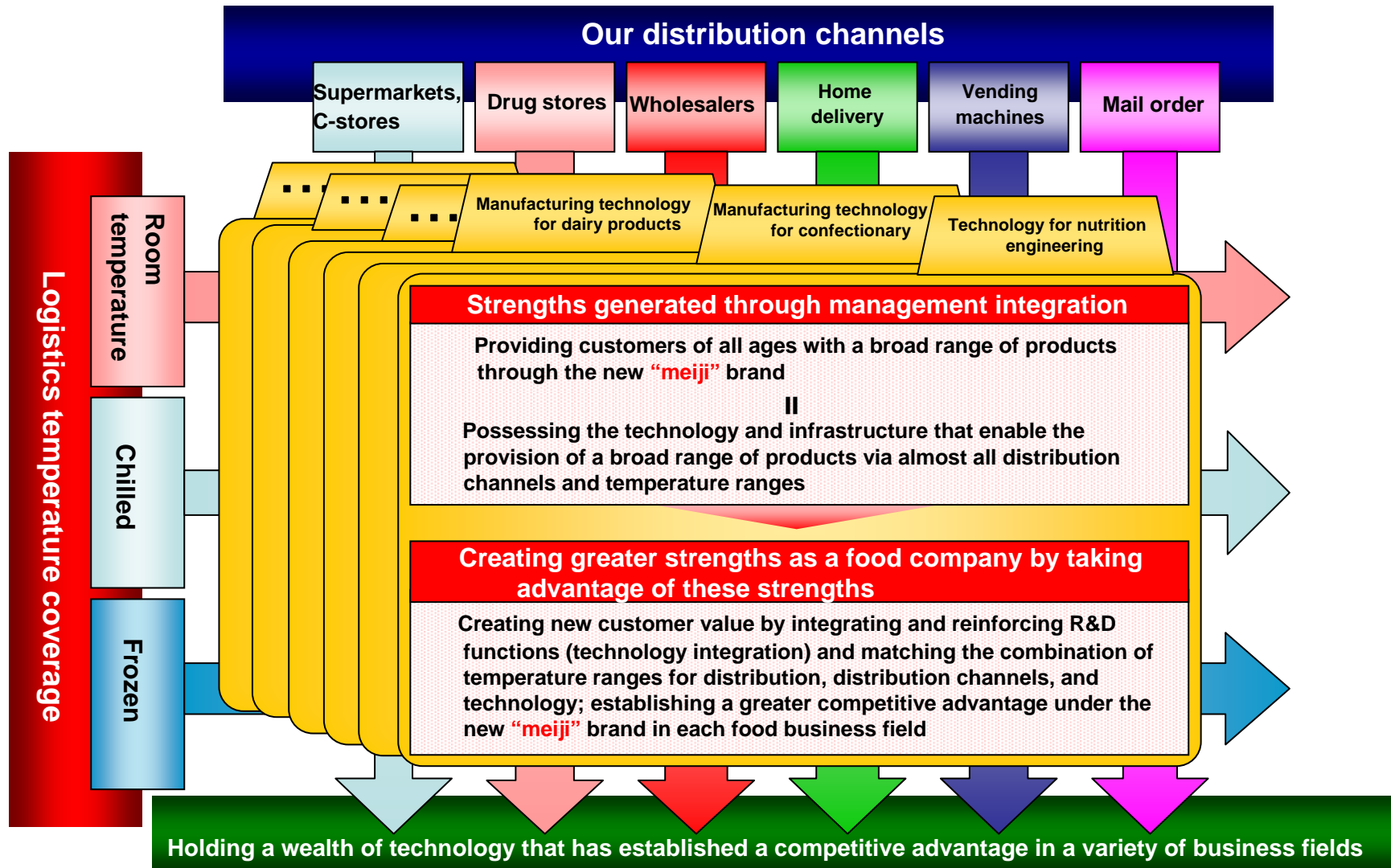
Pharmaceutical Business (Meiji Seika Pharma Co., Ltd.)

(1) Meiji Seika Pharma Co., Ltd.'s Strategies (Goals)

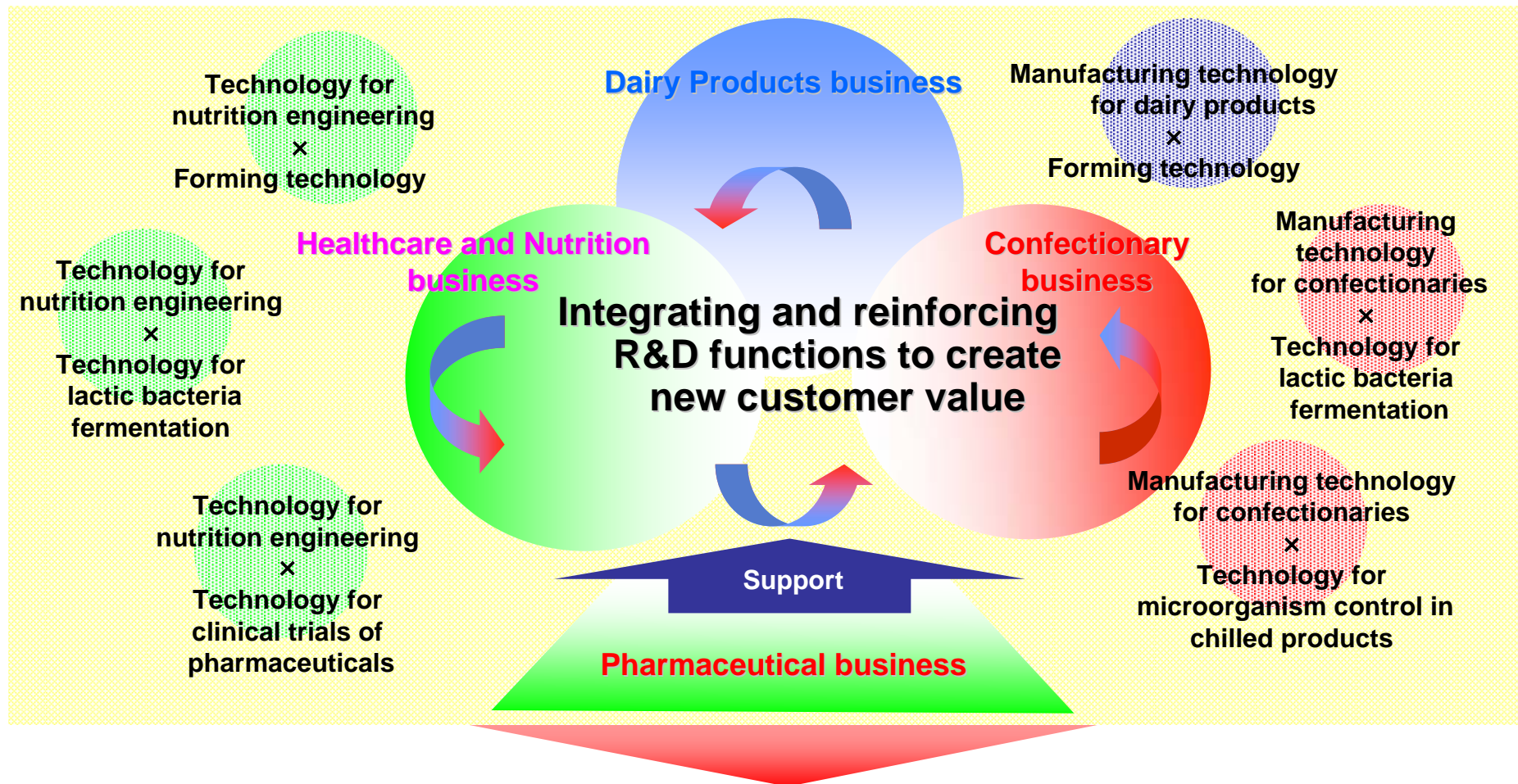
(2) Specific Strategies

- (i) Proactive investment in R&D (anti-infective drugs, drugs for central nervous system disorders, and new business fields where there are no satisfactory treatment methods or drugs)
- (ii) Expansion of generic drug business
- (iii) Expansion of international business

(1) Meiji Co., Ltd.'s Overall Strategies
 (i) Our Strength: Distribution



Integrating and reinforcing R&D functions (Research headquarters)



Achieving the creation of new value that is unique and provided only by the Meiji Group

The confectionary and dairy products businesses are the Meiji Group's core businesses, accounting for 65% of group sales.

(Strategies)

- Stable growth as the No.1 in the categories, such as chocolate and yogurt
- Mutually share our strengths in the confectionary business and the dairy products business
- Creating new customer value by integrating and reinforcing R&D functions
- Apply strengths of the core business in other businesses (such as the healthcare & nutrition business, and international business)

Confectionary business

Chocolate



Chewing gum



Snacks



Ice cream



etc.

Dairy Products business

Milk



Yogurt



Cheese



etc.

Target net sales for FY2020: ¥800 billion (including the possibility of M&As)

The healthcare and nutrition businesses, areas in which the Meiji Group is particularly well equipped, provide unique products that contribute to customers' well-being.

(Strategies)

- Develop the business into a core business of the Meiji Group through prioritized resource allocation
- Mutually share knowledge, technology, assets, and know-how among dairy products, confectionary and pharmaceutical businesses
- Reinforce product portfolio that covers customers of all ages, from infants to the elderly
- Expand the sports nutrition category, centered on SAVAS and VAAM
- Strengthen the existing No.1 business in the category, and create a new No.1 business in other categories

Existing businesses to be strengthened

Infant formula OTC drugs Sports&nutrition



Beauty supplements Enteral formula



etc.

New businesses to be developed

Foods for toddlers

Foods for active seniors

Foods for people with certain diseases and nursing care foods,

etc.

Target net sales for FY2020: ¥200 billion

(2) Strategies by Business

(iii) International Food Business

The Meiji Group aims to become a corporate group that brightens customers' daily lives not only in Japan but also in overseas markets through a broad business portfolio.

(Strategies)

- Develop the business into a core business of the Meiji Group through prioritized resource allocation
- Raise the profile of the “meiji” brand in overseas markets as a trusted brand
- Conduct prioritized management of the business by focusing on three main geographic areas (China, Southeast Asia, and the U.S.)
- Expand business, including through alliances and M&As

	China	Southeast Asia	U.S.
Businesses to be strengthened	Confectionaries Ice cream Infant formula Healthcare products	Confectionaries Dairy products Infant formula Healthcare products	Confectionaries
Businesses to be newly-launched for 2020 vision	Dairy products	Ice cream	Healthcare products

Target net sales for FY2020: ¥150 billion

(Results for FY2009: Approximately ¥50 billion, calculated simply by combining available figures.)

Goals of Meiji Seika Pharma Co., Ltd.

In order to protect people's health and lives, the new company will focus on three main fields (anti-infective drugs, drugs for central nervous system disorders, and generic drugs), aiming to become one of Japan's leading companies in these fields. Also, it will contribute to society and gain the trust of people as a "Specialty and Generic Pharmaceuticals Company" that has the ability to expand business internationally.

In addition, through the agricultural chemical and veterinary drug businesses, Meiji Seika Pharma will contribute to the stable supply of safe and reliable agricultural, livestock, and marine products that can support people's lives worldwide, and also improve productivity in these industries.

Main business fields

<Ethical pharmaceuticals business>

Anti-infective drugs



Drugs for central nervous system disorders



Generic drugs



<Agricultural chemicals and veterinary drugs business>

Agricultural chemicals



Veterinary drugs



Meiji Seika Pharma will strive to further expand the business as a core business of the Meiji Group.

(2) Specific Strategies

- (i) Business expansion through proactive R&D investment
- (ii) Further expansion of generic drug business

Contributing to the well-being of people worldwide through the research and development of ethical pharmaceuticals, agricultural chemicals, and veterinary drugs, and by providing high-quality, low-priced generic drugs.

(Strategies)

Business expansion through proactive R&D investment

- Strengthen R&D for CNS and anti-infective drugs, as well as new business fields where there are unmet medical needs
- Build a foundation for drug discovery research and manufacturing technology, including for biotechnology-based drugs
- Create new pharmaceutical and agricultural chemical products using microorganism fermentation technology
- Enhance international R&D capabilities, mainly in Europe, the U.S., and Asia

Further expansion of generic drug business

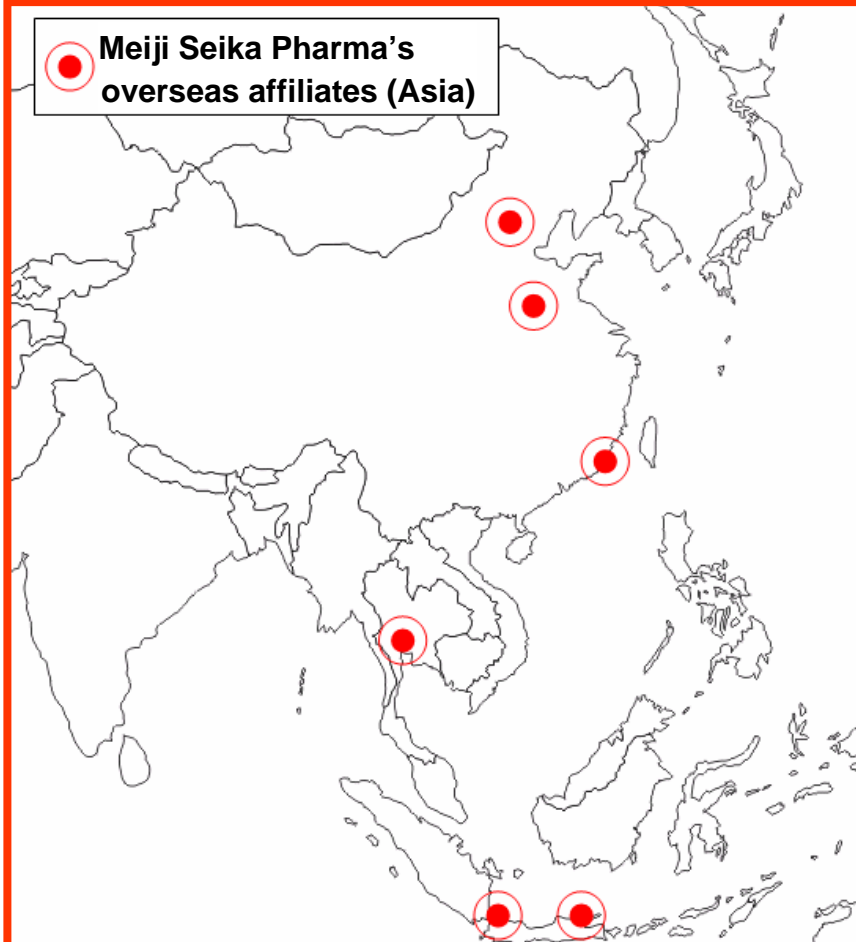
- Increase our product lineup (anti-infective drugs, drugs for CNS disorders and lifestyle-related diseases, and anticancer and biosimilar drugs)
- Continue to strengthen our domestic sales system

Business expansion through alliances (including M&As in Japan and overseas)

(2) Specific Strategies

(iii) Proactive expansion of international business, mainly in Asia and emerging countries

Brightening the daily lives of the people worldwide by strengthening business operations in growing markets in Asia and other emerging economies.



(Strategies)

- Enhance the presence of overseas group companies (in China, Thailand, Indonesia, Spain, and Portugal); build and strengthen relationships with local partners
- Establish a structure for high-quality products, stable supply, and low-cost operations by optimizing production systems and improving their efficiency
- Develop business in the market of affordably priced drugs, mainly in Asia and emerging countries
 - Proactively launch antibacterial drugs, generic drugs, and agricultural chemicals
 - Establish value chains ranging from the manufacturing of drug ingredients to the building of an in-house sales network
- Develop business by forming alliances (including M&As in Asia, Europe, or the U.S.)
- Utilize local human resources and develop global human resources

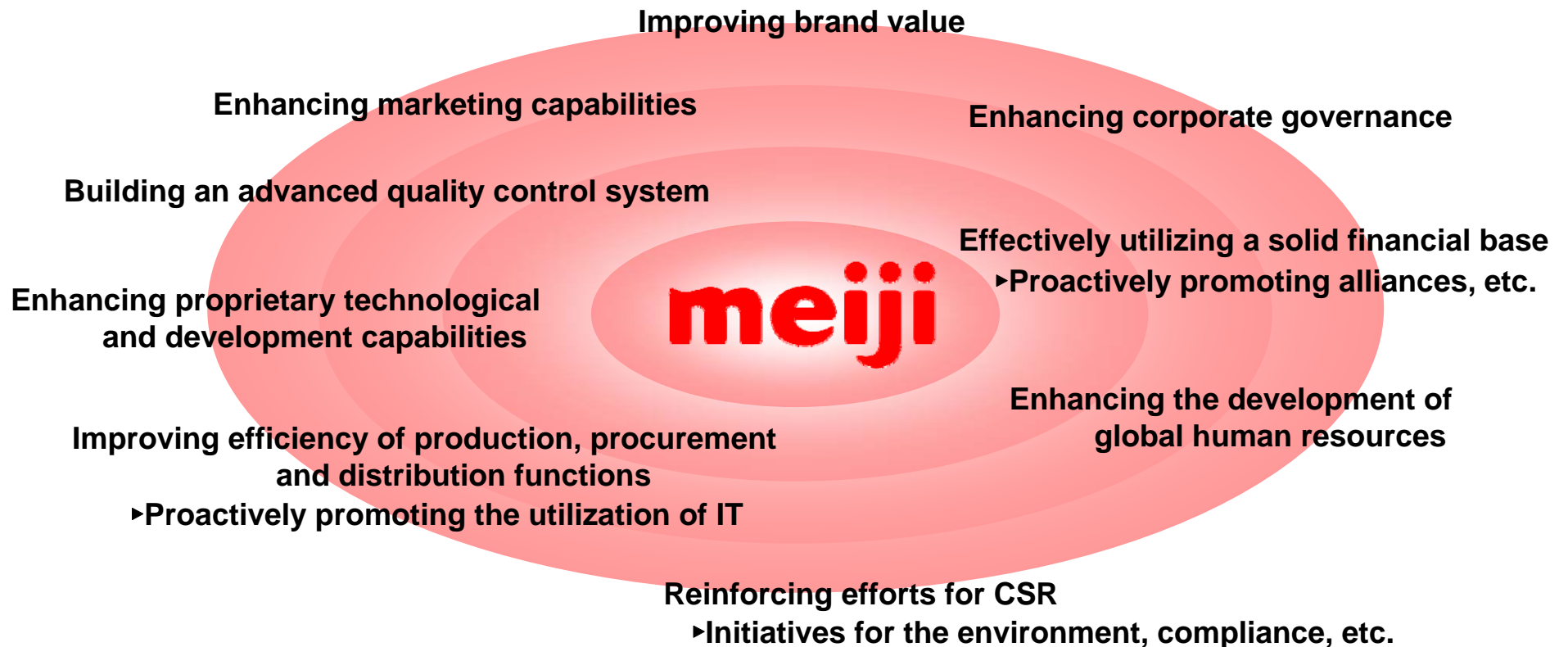
Target net sales for FY2020: ¥200 billion

IV. The Business Foundation That Supports Our Strategies

- 1. Our Solid Business Foundation Achieved through Management Integration**
 - 2. Roadmap for Realizing Our Vision**
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Leveraging and Reinforcing the Solid Business Foundation Achieved through Management Integration





Roadmap for achieving our vision

For the achievement of the 2020 vision, the strategies described herein will be specified as specific business strategies in the following three Medium-Term Business Plans:

FY2012-2014 Medium-Term Business Plan

FY2015-2017 Medium-Term Business Plan

FY2018-2020 Medium-Term Business Plan

FY2012-2014 Medium-Term Business Plan will be formulated during FY2011 and will focus on the following points:

- Full-scale creation of integration synergies**
- Integration and reinforcement of the R&D structure**
- Proactive allocation of management resources to growth businesses**

V. Profile of the New Companies

- 1. Company Profiles**
 - 2. Method of Group Reorganization**
-

Food Company

Company name	Meiji Co., Ltd.
Head office address	2-10, Shinsuna 1-Chome, Koto-ku, Tokyo, Japan
Main businesses	Manufacturing and sale of confectionaries, dairy products and other food products

Pharmaceutical Company

Company name	Meiji Seika Pharma Co., Ltd.
Head office address	4-16, Kyobashi 2-Chome, Chuo-ku, Tokyo, Japan
Main businesses	Manufacturing and sale of ethical pharmaceuticals, agricultural chemicals and veterinary drugs

Method of Group Reorganization (Summary of Company Split)



Schedule of Company Split Transaction

September 14, 2010	Board of Directors meeting of the Company to approve a basic policy of implementing a corporate reorganization of the Meiji Group
February 2011 (planned)	Board of Directors meetings of Meiji Seika and Meiji Dairies to approve a company split; conclusion of a company split agreement by Meiji Seika and Meiji Dairies
February 2011 (planned)	Extraordinary shareholders' meeting of Meiji Seika to approve a company split
April 1, 2011 (planned)	Effective date

Business to be Transferred and the Structure of the Transaction

- The Company plans to implement an absorption-type company split, in which the Food & Healthcare Business of Meiji Seika is the business to be transferred; Meiji Seika is the splitting company; and Meiji Dairies is the succeeding company.
- As Meiji Seika and Meiji Dairies are wholly owned subsidiaries of the Company, no shares or cash will be allocated or issued in connection with the company split.

* This notice is to state a decision concerning a basic policy for reorganization of the Meiji Group. Upon final decision, we will announce the details immediately.



- **The forward-looking statements described in this material, 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. Actual results could differ materially from forecasts due to various factors.**
- **Although this material includes information concerning pharmaceutical products (including those currently under development), such descriptions are not intended to advertise the products or provide any medical advice.**

