



Financial Results for the First Half of FYE 2012/3

2011.11.22

Meiji Holdings Co., Ltd.

1. FYE 2012/3 (1H):
Outline of Consolidated Financial Results
2. FYE 2012/3 (Full Year):
Consolidated Financial Forecasts
3. For Achieving the “2020 Vision”
4. Appendix



1. FYE 2012/3 (1H):
Outline of Consolidated Financial Results

(1) Business Plan for FYE 2012/3



(billions of yen)

		FYE 2011/3	FYE 2012/3
		Results	Original plan
Meiji HD [Consolidated]	Net sales	1,111.0	1,093.0
	Operating income	29.9	21.0
	Ordinary income	30.4	22.0
	Net income	9.5	10.0

Food	Net sales	988.8	980.0
	Op. income	22.3	13.8

Pharmaceuticals	Net sales	124.2	125.8
	Op. income	7.5	6.8

(Note 1) The plan target for each segment do not include elimination or corporate.

(Note 2) Due to changes in the management structure of the real estate business that accompanied the Group reorganization, the presentation method for the income and expenses of real estate rentals has changed. The operating income of 29.9 billion yen in FYE 2011/3 after this retroactive application includes a difference of 1.1 billion yen resulting from the retroactive application.

(Note 3) The revised plan announced on November 10, 2011. See page 13, Consolidated Financial Forecasts, for details.

Preconditions for original plan

1. The impact of the Great East Japan Earthquake was significant, with extensive damage
2. Revisions to the original plan had to be made quickly
3. Therefore, we could not complete the revision of the figures for each business because of many variables
4. We will focus on recovery of the fresh dairy business, and initiatives are scheduled as follows:
 - 1) 1Q: Recovery phase for lost regions
 - 2) 2Q: Solidification phase
 - 3) 2H onwards: Resumption of normal operations phase

(2) Consolidated Financial Results (1H)



(billions of yen)

	1H of FYE 2012/3				
	Results	YoY change		Change vs. plan ^{*1}	
		(Rate)	(Amount)	(Rate)	(Amount)
Net sales	548.1	-2.1%	-11.6	+4.0%	+21.1
Operating income	7.4	-58.9%	-10.6	+34.8%	+1.9
Ordinary income	8.6	-54.8%	-10.5	+23.8%	+1.6
Net income	2.3	-74.8%	-7.0	+18.0%	+0.3

*1: The original plan announced on May 12, 2011.

*2: See page 37 for a summary of consolidated financial statements.

- Revenues decreased slightly and income declined significantly year on year
- Although the original plan targets were met, there was not a sufficient level of profits
- The business results showed a significant deterioration in the operating income ratio

(3) Results by Segment (1H)



(billions of yen)

		1H of FYE 2012/3				
		Results	YoY change		Change vs. plan ^{*1}	
			(Rate)	(Amount)	(Rate)	(Amount)
Food	Net sales	490.5	-2.4%	-12.0	+3.2%	+14.9
	Op. income	2.6	-79.6%	-10.3	-31.7%	-1.2
Pharma	Net sales	58.5	+1.0%	+0.5	+1.5%	+0.8
	Op. income	4.3	-10.6%	-0.5	+208.6%	+2.9

- Food:
 - Although net sales decreased year on year, the original plan target was exceeded
 - Operating income decreased significantly due to a deterioration in the product mix of dairy business, and fell short of the plan target
- Pharmaceuticals:
 - Revenue increased from the previous year, with the growth in new drugs and generic drugs
 - Although operating income decreased year on year, it exceeded the plan targets (due to R&D expenses)

(4) Results for the Food Segment



1. Dairy business (Drinking milk, yogurt, beverages, cheese, butter, dairy products for professional use business, etc.)

(billions of yen)

1H of FYE 2012/3	Net sales			Operating income		
	Results	Change vs. plan*1	(Ref.) YoY change	Results	Change vs. plan*1	(Ref.) YoY change
Dairy	290.0	-0.2% (-0.6)	-7%	1.6	-21.4% (-0.4)	-78%

Results – main points

[Net sales]

- Fresh dairy:
Following the earthquake, production capability was recovered by August
Both sales and the market share recovered, primarily with regard to mainstay brands
- Processed dairy products:
Natural cheese for the fresh dairy market and margarine products (with the contribution of the new product, “Offstyle”) are showing favorable results

[Op. income]

The results deteriorated significantly both year on year and in comparison to the original plan, due to the delay in the recovery of yogurt products (especially Meiji Probio)

*1: The original plan announced on May 12, 2011.

*2: The original plan targets and the results are both the simple additions before elimination.

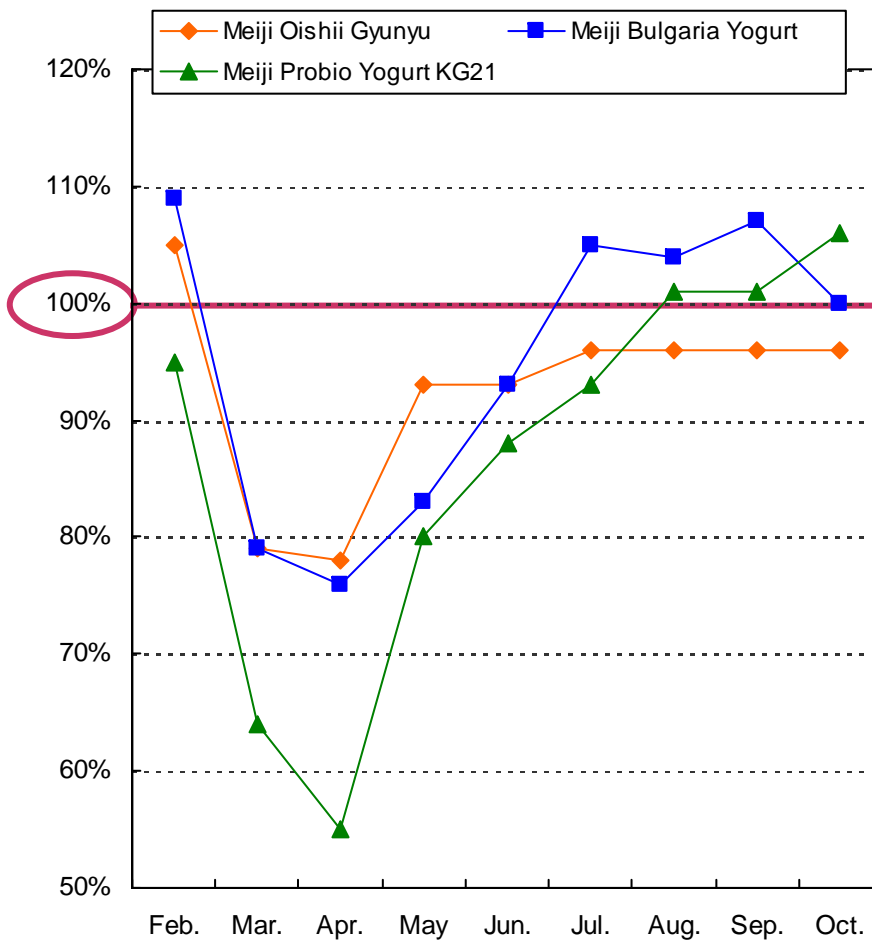
*3: In business performance under the Food Segment, [■ Reference value of YoY change] has been provided from the second quarter of this fiscal year, and is based on company's estimates.

* The above notes are common to all pages up to page 10.

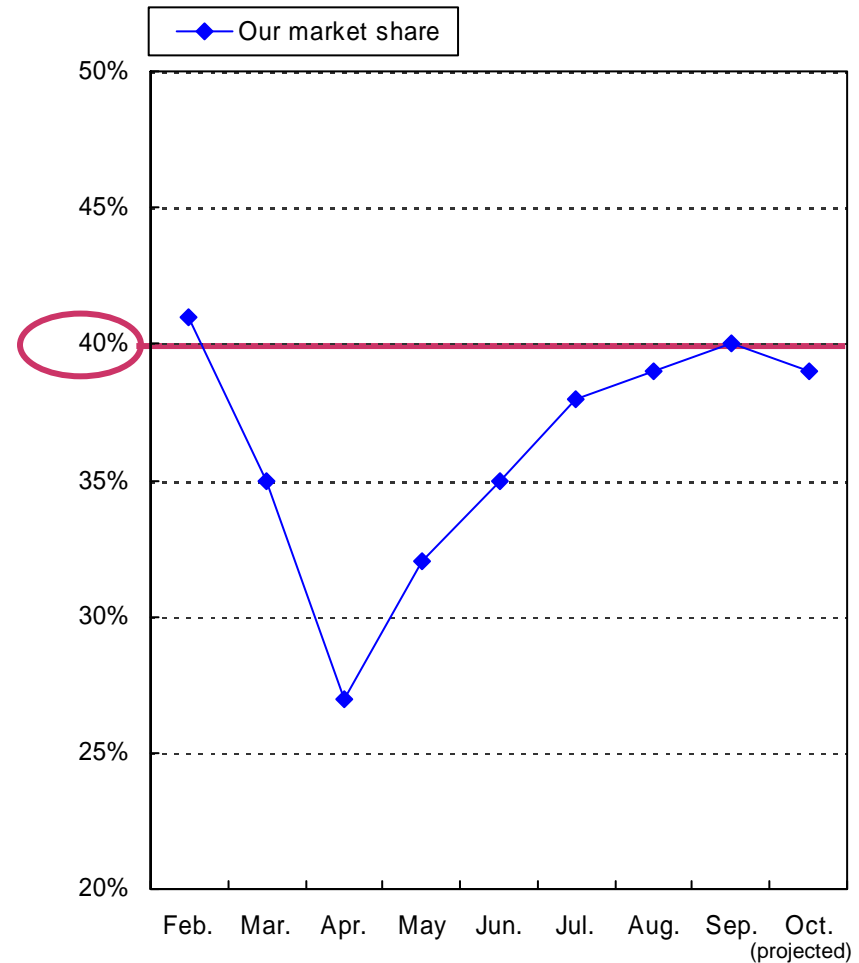
(4) Results for the Food Segment



[Dairy business] Monthly sales of mainstay brands, YoY change



[Dairy business] Market share of yogurt (Company survey)



(4) Results for the Food Segment



2. Confectionery business

(Chocolate, chewing gum, candy, imported confectioneries, ice cream, institutional foodstuffs, such as confectioneries and other food products, etc.)

(billions of yen)

1H of FYE 2012/3	Net sales			Operating income		
	Results	Change vs. plan	(Ref.) YoY change	Results	Change vs. plan	(Ref.) YoY change
Confectionery	145.5	+6.9% (+9.3)	+3%	0.6	+67.0% (+0.2)	-76%

Results – main points

[Net sales]

- Confectioneries:

Although performance was unfavorable during the second quarter partly due to the unstable weather in summer, growth during the first quarter contributed to the results for the first half

- Desserts:

While it was expected that the performance of ice cream would decrease from the previous year, which was extremely hot, performance was more or less at the planned level

[Op. income]

Although the plan target was achieved, operating income was lower than the previous year, partly due to the rise in raw material costs

(4) Results for the Food Segment



3. Healthcare & Nutritionals business

(Sports nutrition, functional healthcare products, food, OTC drugs, enteral formula, nursing care foods, infant formula, etc.)

(billions of yen)

1H of FYE 2012/3	Net sales			Operating income		
	Results	Change vs. plan	(Ref.) YoY change	Results	Change vs. plan	(Ref.) YoY change
Healthcare & Nutritionals	59.5	-5.6% (-3.5)	-8%	0.2	-69.3% (-0.6)	-85%

Results – main points

[Net sales]

- Healthcare products:
Mainstay products such as “Amino Collagen” and “SAVAS” are performing favorably
- Nutritional products:
The performance of infant formula fell short of our targets, for reasons such as changes in the demand structure and the delayed effect of panic buying seen directly after the earthquake
The growth of enteral formula, which had continuously registered more than 10%, slowed down due to disruptions in production and supply

[Op. income]

The biggest reason for the slow growth in operating income is the unfavorable performance of nutritionals, which was beyond the scope of our projections

(5) Analysis of Operating Income (1H)



(billions of yen)

	1H Results			(By Segment)			Original Plan ^{*1}
	Food	Phar- ma	Other	Food	Phar- ma	Other	
FYE 2011/3 (1H)	18.0			13.0	4.8	0.2	18.0
Increase in income due to increased sales	-5.7 ^{*2}			-6.5	+0.8	-	-5.0
Procurement costs of raw materials	-2.3			-2.3	-	-	-1.5
Consolidated subsidiaries	-0.8			-0.8	0.0	-	-1.3
Depreciation and Amortization	-0.2			-0.2	-	-	-0.2
Others	-1.7 ^{*3}			-0.7	-1.3	+0.3	-3.0
Advertising expenses, etc.	+0.1			+0.1	-	-	-1.5
Cost reductions	0.0 ^{*4}			0.0	0.0	-	0.0
FYE 2012/3 (1H)	7.4			2.6	4.3	0.5	5.5

*1: The original plan announced on May 12, 2011.

*2: Breakdown: [Food] Decrease in income due to decreased sales: -3.4
Worsening of the product mix: -3.1
[Pharma] Increase in income due to increased sales: +0.8

*3: Breakdown: [Food] Cost of corporate reorganization: -0.4 Other: -0.3

[Pharma] Increase in R&D expenses and strategic investments: -0.7 Foreign exchange: -0.4 Other: -0.2

*4: Breakdown: [Food] Efficiency in producing: +0.6 Efficiency in sales promotion expenses: +0.6 Distribution costs: -1.1 Other: -0.1
[Pharma] Improvement in cost of sales and decrease in manufacturing overhead costs: +0.2
Increase in sales promotion expenses: -0.2



2. FYE 2012/3 (Full Year): Consolidated Financial Forecasts

(1) Consolidated Financial Forecasts



(billions of yen)

	FYE 2012/3								
	1H			2H (Revised plan) ^{*2}			Full Year (Revised plan) ^{*2}		
		YoY change	Change vs. plan ^{*1}		YoY change	Change vs. plan ^{*1}		YoY change	Change vs. plan ^{*1}
Net sales	548.1	-2.1% (-11.6)	+4.0% (+21.1)	567.9	+3.0% (+16.6)	+0.3% (+1.9)	1,116.0	+0.5% (+4.9)	+2.1% (+23.0)
Operating income	7.4	-58.9% (-10.6)	+34.8% (+1.9)	13.6	+14.1% (+1.6)	-12.3% (-1.9)	21.0	-29.9% (-8.9)	±0% (± 0.0)
Ordinary income	8.6	-54.8% (-10.5)	+23.8% (+1.6)	13.3	+18.5% (+2.0)	-11.1% (-1.6)	22.0	-27.8% (-8.4)	±0% (± 0.0)
Net income	2.3	-74.8% (-7.0)	+18.0% (+0.3)	7.6	+4,298.9% (+7.4)	-4.5% (-0.3)	10.0	+4.7% (+0.4)	±0% (± 0.0)

*1: The original plan announced on May 12, 2011.

*2: The revised plan of 2H and full year for FYE 2012/3 announced on November 10, 2011.

(2) Financial Forecasts by Segment



(billions of yen)

		FYE 2012/3								
		1H			2H (Revised plan) ^{*2}			Full Year (Revised plan) ^{*2}		
			YoY change	Change vs. plan ^{*1}		YoY change	Change vs. plan ^{*1}		YoY change	Change vs. plan ^{*1}
Food	Net sales	490.5	-2.4% (-12.0)	+3.2% (+14.9)	503.1	+3.5% (+16.8)	-0.3% (-1.3)	993.7	+0.5% (+4.8)	+1.4% (+13.6)
	Op. income	2.6	-79.6% (-10.3)	-31.7% (-1.2)	10.8	+17.0% (+1.5)	+9.5% (+0.9)	13.5	-39.5% (-8.8)	-2.1% (-0.2)
Pharma	Net sales	58.5	+1.0% (+0.5)	+1.5% (+0.8)	66.0	-0.3% (-0.1)	-3.1% (-2.1)	124.5	+0.3% (+0.2)	-1.0% (-1.3)
	Op. income	4.3	-10.6% (-0.5)	+208.6% (+2.9)	2.9	+7.9% (+0.2)	-46.3% (-2.5)	7.2	-4.0% (-0.3)	+6.2% (+0.4)
Consolidated Total	Net sales	548.1	-2.1% (-11.6)	+4.0% (+21.1)	567.9	+3.0% (+16.6)	+0.3% (+1.9)	1,116.0	+0.5% (+4.9)	+2.1% (+23.0)
	Op. income	7.4	-58.9% (-10.6)	+34.8% (+1.9)	13.6	+14.1% (+1.6)	-12.3% (-1.9)	21.0	-29.9% (-8.9)	±0% (± 0.0)

*1: The original plan announced on May 12, 2011.

*2: The revised plan of 2H and full year for FYE 2012/3 announced on November 10, 2011.

(3) Financial Forecasts for the Food Segment



(billions of yen)

		FYE 2012/3								
		1H			2H (Revised plan) ^{*2}			Full Year (Revised plan) ^{*2}		
			YoY change	Change vs. plan ^{*1}		YoY change	Change vs. plan ^{*1}		YoY change	Change vs. plan ^{*1}
Food	Net sales	490.5	-2.4% (-12.0)	+3.2% (+14.9)	503.1	+3.5% (+16.8)	-0.3% (-1.3)	993.7	+0.5% (+4.8)	+1.4% (+13.6)
	Op. income	2.6	-79.6% (-10.3)	-31.7% (-1.2)	10.8	+17.0% (+1.5)	+9.5% (+0.9)	13.5	-39.5% (-8.8)	-2.1% (-0.2)

*1: The original plan announced on May 12, 2011.

*2: The revised plan of 2H and full year for FYE 2012/3 announced on November 10, 2011.

Business plan – main points

- In the second half, we aim to ensure that net sales reach their normal level, so as to achieve an unchanged level of net sales on a year-on-year basis for the full year
- The decrease in profit from the healthcare and nutritionals business will be supplemented by realizing a recovery in the product mix of the dairy business, reducing advertising expenses, and achieving maximum net sales in the peak demand season in the confectionery business

(3) Financial Forecasts for the Food Segment



Food segment forecasts, by business

(billions of yen)

		1H			2H (Revised plan) ^{*2}			Full Year (Revised plan) ^{*2}		
			Change vs. plan ^{*1}	(Ref.) YoY change		Change vs. plan ^{*1}	(Ref.) YoY change		Change vs. plan ^{*1}	(Ref.) YoY change
Dairy	Net sales	290.0	-0.2% (-0.6)	-7%	283.7	-0.4% (-1.0)	+1%	573.7	-0.3% (-1.7)	-3%
	Op. income	1.6	-21.4% (-0.4)	-78%	5.5	+41.6% (+1.6)	+209%	7.1	+19.5% (+1.1)	-22%
Confectionery	Net sales	145.5	+6.9% (+9.3)	+3%	154.5	-1.5% (-2.4)	+4%	300.1	+2.4% (+6.9)	+4%
	Op. income	0.6	+67.0% (+0.2)	-76%	3.0	-5.1% (-0.1)	-8%	3.7	+2.9% (+0.1)	-39%
Healthcare & Nutritional	Net sales	59.5	-5.6% (-3.5)	-8%	63.9	-9.0% (-6.3)	-4%	123.5	-7.4% (-9.8)	-6%
	Op. income	0.2	-69.3% (-0.6)	-85%	2.0	-30.8% (-0.8)	-50%	2.2	-39.9% (-1.5)	-61%
Others	Net sales	89.9	+8.9% (+7.3)	+8%	91.4	+4.8% (+4.2)	+10%	181.3	+6.8% (+11.5)	+9%
	Op. income	-0.2	- (-0.7)	- (-0.9)	0.7	- (+0.8)	+129%	0.4	+18.5% (+0.0)	-53%

*1: The original plan announced on May 12, 2011.

*2: The revised plan of 2H and full year for FYE 2012/3 announced on November 10, 2011.

(3) Financial Forecasts for the Food Segment



1. Dairy business (Drinking milk, yogurt, beverages, cheese, butter, dairy products for professional use business, etc.)

(billions of yen)

	FYE 2012/3								
	1H			2H (Revised plan) ^{*2}			Full Year (Revised plan) ^{*2}		
		Change vs. plan ^{*1}	(Ref.) YoY change		Change vs. plan ^{*1}	(Ref.) YoY change		Change vs. plan ^{*1}	(Ref.) YoY change
Net sales	290.0	-0.2% (-0.6)	-7%	283.7	-0.4% (-1.0)	+1%	573.7	-0.3% (-1.7)	-3%
Op. income	1.6	-21.4% (-0.4)	-78%	5.5	+41.6% (+1.6)	+209%	7.1	+19.5% (+1.1)	-22%

Business plan – main points

- Marketing activities are concentrated in the mainstay brands
- Cost reductions are achieved through structural reform

*1: The plans for 2H and the full year of FYE 2012/3 are values from the revised plan announced on November 10, 2011.

*2: The plan targets and the results are both the simple additions before elimination.

*3: In business performance under the Food Segment, [■ Reference value of YoY change] has been provided from the second quarter of this fiscal year, and is based on company's estimates.

* The above notes are common to pages from 16 through 23.

(3) Financial Forecasts for the Food Segment



1. Dairy business: Initiatives for 2H

Fresh dairy

- Increase the recognition rate of “Meiji Oishii Gyunyu”: Implement marketing through a combination of TV commercials and storefront measures
- Strengthen the sales of yogurt products
 - Bulgaria series: Play up its functional value as a registered “food for specialized health use”
 - LG21: Stabilize the existing customers and obtaining new customers by strengthening communications



Processed dairy products

- Increase the net sales of “Meiji Hokkaido Tokachi Cheese” series
 - Increase first-time purchases by strengthening the storefront sales promotion of “Smart Cheese”
 - Expand the sales area of “Buono Cheese”
- Strengthen the development of the margarine product, “Offstyle” (launched in March): Aim to expand the sales area and increase the recognition rate to make it the top brand



(3) Financial Forecasts for the Food Segment



1. Dairy business: Net sales of the mainstay brands

(billions of yen)

	FYE 2012/3					
	1H	YoY change	2H (Revised plan)	YoY change	Full Year (Revised plan)	YoY change
Meiji Oishii Gyunyu	24.7	-7.5%	23.9	+2.1%	48.7	-3.0%
Meiji Bulgaria Yogurt	33.2	-5.4%	32.3	+2.5%	65.5	-1.7%
Meiji Probio Yogurt LG21	15.0	-14.4%	16.2	+6.2%	31.3	-4.8%
Home delivery items	20.5	-6.1%	20.7	-0.4%	41.3	-3.4%
Meiji Hokkaido Tokachi Cheese	5.1	-5.5%	5.6	+2.4%	10.7	-1.5%

(3) Financial Forecasts for the Food Segment



2. Confectionery business

(Chocolate, chewing gum, candy, imported confectioneries, ice cream, institutional foodstuffs, such as confectioneries and other food products, etc.)

(billions of yen)

	FYE 2012/3								
	1H			2H (Revised plan) ^{*2}			Full Year (Revised plan) ^{*2}		
		Change vs. plan ^{*1}	(Ref.) YoY change		Change vs. plan ^{*1}	(Ref.) YoY change		Change vs. plan ^{*1}	(Ref.) YoY change
Net sales	145.5	+6.9% (+9.3)	+3%	154.5	-1.5% (-2.4)	+4%	300.1	+2.4% (+6.9)	+4%
Op. income	0.6	+67.0% (+0.2)	-76%	3.0	-5.1% (-0.1)	-8%	3.7	+2.9% (+0.1)	-39%

Business plan – main points

- Achieve maximum net sales and operating income in the peak demand season for chocolate
- Expand the lineup of ice cream products

(3) Financial Forecasts for the Food Segment



2. Confectionery business: Initiatives for 2H

Chocolate

- Increase the number of products and measures, with a focus on limited-edition winter products
- Expand the sales of chocolate bars in the peak demand season from Christmas to Valentine's Day



Ice cream

- Intensify distribution of “Essel” for a limited season
- Commence full operation of Kansai Ice Cream Plant:
Expand the sales of the “Chocolate Ice Cream Bar” and the “Milk Chocolate Cup”
- Fuse the technologies for confectionery and dairy products:
“Dorea,” a dessert featuring different textures in one product to be launched on December 5



(3) Financial Forecasts for the Food Segment



3. Healthcare & Nutritionals business

(Sports nutrition, functional healthcare products, food, OTC drugs, enteral formula, nursing care foods, infant formula, etc.)

(billions of yen)

	FYE 2012/3								
	1H			2H (Revised plan) ^{*2}			Full Year (Revised plan) ^{*2}		
		Change vs. plan ^{*1}	(Ref.) YoY change		Change vs. plan ^{*1}	(Ref.) YoY change		Change vs. plan ^{*1}	(Ref.) YoY change
Net sales	59.5	-5.6% (-3.5)	-8%	63.9	-9.0% (-6.3)	-4%	123.5	-7.4% (-9.8)	-6%
Op. income	0.2	-69.3% (-0.6)	-85%	2.0	-30.8% (-0.8)	-50%	2.2	-39.9% (-1.5)	-61%

Business plan – main points

- Further strengthen the storefront sales promotion and the reinforcement of activities to popularize the products in order to stimulate demand
- Recover profitability through the improvement of the product mix

3. Healthcare & Nutritionals business: Initiatives for 2H

Healthcare products

- “Amino Collagen” and “ISODINE UGAIGUSURI”
Strengthen information transmission capabilities ahead of the demand season
- “SAVAS” and “VAAM”
Sponsoring for sports events and implementation of product sampling



Nutritional products

- Infant formula
 - Achieve a recovery in sales by implementing storefront sales promotions
 - Improve profitability through increased sales of the “Raku Raku Cube”
- Expand the enteral formula product lineup and strengthen sales activities for these products



(4) Financial Forecasts for the Pharma Segment



(billions of yen)

		FYE 2012/3								
		1H			2H (Revised plan) ^{*2}			Full Year (Revised plan) ^{*2}		
			YoY change	Change vs. plan ^{*1}		YoY change	Change vs. plan ^{*1}		YoY change	Change vs. plan ^{*1}
Pharma	Net sales	58.5	+1.0% (+0.5)	+1.5% (+0.8)	66.0	-0.3% (-0.1)	-3.1% (-2.1)	124.5	+0.3% (+0.2)	-1.0% (-1.3)
	Op. income	4.3	-10.6% (-0.5)	+208.6% (+2.9)	2.9	+7.9% (+0.2)	-46.3% (-2.5)	7.2	-4.0% (-0.3)	+6.2% (+0.4)

*1: The original plan announced on May 12, 2011.

*2: The revised plan of 2H and full year for FYE 2012/3 announced on November 10, 2011.

Business plan – main points

- Maintain the favorable performance of “MEIACT,” and the growth of “REFLEX” and “ORAPENEM”
- Anticipate growth in generic drugs (GE) not only in the area of antibacterial drugs but also in the area of drugs for lifestyle-related diseases
- Increase revenue through the growth of new drugs and GE, and cost reductions



(5) Analysis of Operating Income (2H)



(billions of yen)

	2H Revised Plan ^{*2}	(By segment)			Original Plan ^{*1}
		Food	Phar- ma	Other	
FYE 2011/3 (2H)	11.9	9.3	2.7	-0.1	11.9
Increase in income due to increased sales	+1.1 ^{*2}	+0.5	+0.6	-	+0.9
Procurement costs of raw materials	-0.9	-0.9	-	-	-0.3
Advertising expenses, etc.	-0.9	-0.9	-	-	-1.2
Depreciation and Amortization	-0.4	-0.6	+0.2	-	-0.2
Others	0.0 ^{*3}	+0.1	+0.1	-0.2	-0.9
Cost reductions	+1.4 ^{*4}	+2.0	-0.6	-	+2.7
Consolidated subsidiaries	+1.4	+1.4	-	-	+2.6
FYE 2012/3 (2H)	13.6	10.9	3.0	-0.3	15.5

*1: The revised plan of 2H for FYE 2012/3 announced on November 10, 2011.

*2: Breakdown: [Food] Increase in income due to increased sales: +1.0
Worsening of the product mix: -0.5
[Pharma] Increase in income due to increased sales: +0.6

*3: Breakdown: [Pharma] Decrease in R&D expenses: +1.1 Increase in strategic investments: -1.1 Foreign exchange: +0.1

*4: Breakdown: [Food] Efficiency in producing: +1.3 Efficiency in sales promotion expenses: +1.3
Distribution costs: -0.1 Other: -0.5
[Pharma] Improvement in cost of sales: +0.9 Increase in sales promotion expenses: -1.5

(5) Analysis of Operating Income (Full Year)



(billions of yen)

	Full Year Revised Plan ^{*2}	(By segment)			Original Plan ^{*1}
		Food	Phar- ma	Other	
FYE 2011/3	29.9	22.3	7.5	0.1	29.9
Increase in income due to increased sales	-4.6 ^{*2}	-6.0	+1.4	-	-4.1
Procurement costs of raw materials	-3.2	-3.2	-	-	-1.8
Advertising expenses, etc.	-0.8	-0.8	-	-	-2.7
Depreciation and Amortization	-0.6	-0.8	+0.2	-	-0.4
Others	-1.7 ^{*3}	-0.6	-1.2	+0.1	-3.9
Cost reductions	+1.4 ^{*4}	+2.0	-0.6	-	+2.7
Consolidated subsidiaries	+0.6	+0.6	-	-	+1.3
FYE 2012/3	21.0	13.5	7.3	0.2	21.0

*1: The revised plan of full year for FYE 2012/3 announced on November 10, 2011.

*2: Breakdown: [Food] Decrease in income due to decreased sales: -2.4
Worsening of the product mix: -3.6
[Pharma] Increase in income due to increased sales: +1.4

*3: Breakdown: [Food] Cost of corporate reorganization: -0.3 Other: -0.3
[Pharma] Decrease in R&D expenses: +0.4 Increase in strategic investments: -1.1
Foreign exchange: -0.3 Other: -0.2

*4: Breakdown: [Food] Efficiency in producing: +1.9 Efficiency in sales promotion expenses: +1.9
Distribution costs: -1.2 Other: -0.6

[Pharma] Improvement in cost of sales: +1.1 Increase in sales promotion expenses: -1.7



3. For Achieving the “2020 Vision”

(1) Outline of the “2020 Vision”



[Understanding of the business environment at the time the Vision was formulated*]

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

- (i) Diversification of consumer needs, values, and lifestyles
- (ii) Rising awareness of safety and assurance
- (iii) Growing health consciousness
- (iv) Reform of the medical-care system

2. Accelerating globalization and the growth of emerging economies

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

* The “2020 Vision” was announced on September 14, 2010.



Goals of the “2020 Vision”

Net sales: ¥1,500 billion

Operating income ratio:
5% or higher

◆ ROE: 10% or more
(based on net income for the year)

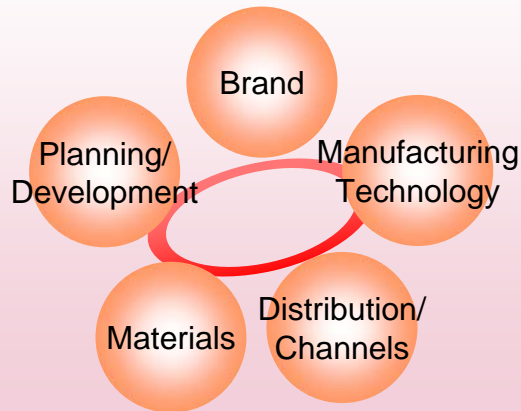
Net sales for Fiscal Year 2020, ending March 31, 2021	
Meiji Co., Ltd. Confectionery/dairy/healthcare and nutritional/international	¥1,300 billion
Meiji Seika Pharma Co., Ltd. Ethical pharmaceuticals/agricultural chemicals and veterinary drugs	¥200 billion
Total	¥1,500 billion

(2) [Food] New developments in the Confectionery and Dairy Business **meiji**

Establish a business scale of more than ¥800 billion in net sales by FY2020

(FY2009: Confectionery business: approx. ¥250 billion; dairy business: approx. ¥470 billion)

Integrating the strengths of the confectionery and dairy businesses



▼ Kansai Ice Cream Plant
(Started operation in May 2011)



Ice cream

(Launch of ice cream under the confectionery brand)



Launched on Sep. 19

Combining the skills for chocolate and ice cream



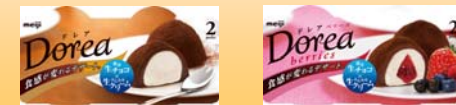
Chilled/ frozen desserts



To be launched on Dec. 5

Dessert featuring different textures in one product

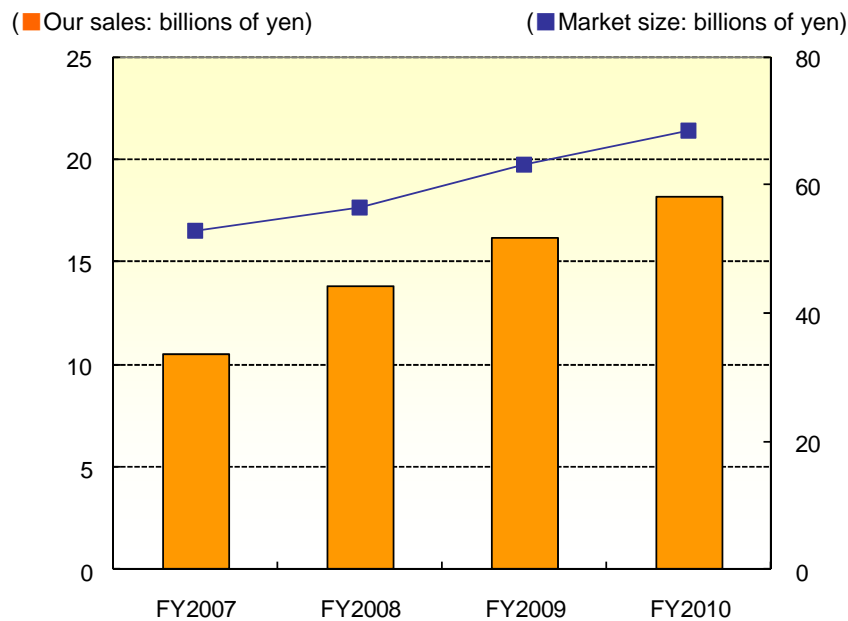
“Dorea”



Establish a business scale of more than ¥200 billion in net sales by FY2020

(FY2009: approx. ¥120 billion)

<Sales of Enteral Formula >

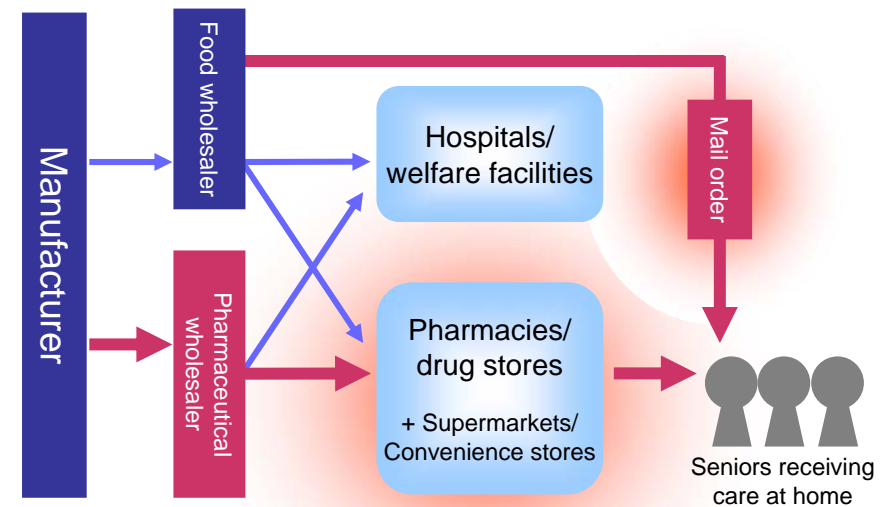


Market size for FY2010: ¥70 billion (our estimate)
Second biggest share

◆ Increase supply to the health food floors of drugstores




OTC



() Distribution channels to be expanded in the future

Number of stores selling the Company's products
 FYE 2011/3: 1,800 → **FYE 2012/3: 5,000 (estimate)**

Establish a business scale of more than ¥150 billion in net sales by FY2020
(FY2009: approx. ¥50 billion)

China		Asia		U.S.	
Contents in the "2020 Vision"					
Businesses to be strengthened	Businesses to be newly launched	Businesses to be strengthened	Businesses to be newly launched	Businesses to be strengthened	Businesses to be newly launched
Confectioneries, ice cream, infant formula, healthcare products	Dairy products	Confectioneries, dairy products, infant formula, healthcare products	Ice cream	Confectioneries	Healthcare products
Initiatives for this fiscal year					
<ul style="list-style-type: none"> Released on April, 27, 2011 <u>Established Meiji Dairies (Suzhou) Co., Ltd.</u> <ol style="list-style-type: none"> Commence manufacturing and sales targeting large cities, including Shanghai, by around January 2013 Undertake manufacturing and sales of chilled milk and yogurt products  <p>Rendering</p>		<ul style="list-style-type: none"> Released on May 19, 2011 <u>CP-Meiji Co., Ltd. (Thailand)</u> <u>Formulate the five-year plan</u> Develop a production system according to the plan specifications  <p>CP-Meiji</p> <ul style="list-style-type: none"> <u>Established Meiji India Private Limited (India)</u> Commence marketing activities for confectionery and healthcare products 		<ul style="list-style-type: none"> Promote measures to increase the sales of "meiji" brand products (chocolate products)  <p>Trade Fair</p> 	

(3) [Pharmaceuticals] Efforts to Expand Our Business **meiji**

**As a “Speciality and Generic Pharmaceuticals Company,”
establish a business scale of more than ¥200 billion
in net sales by FY2020**

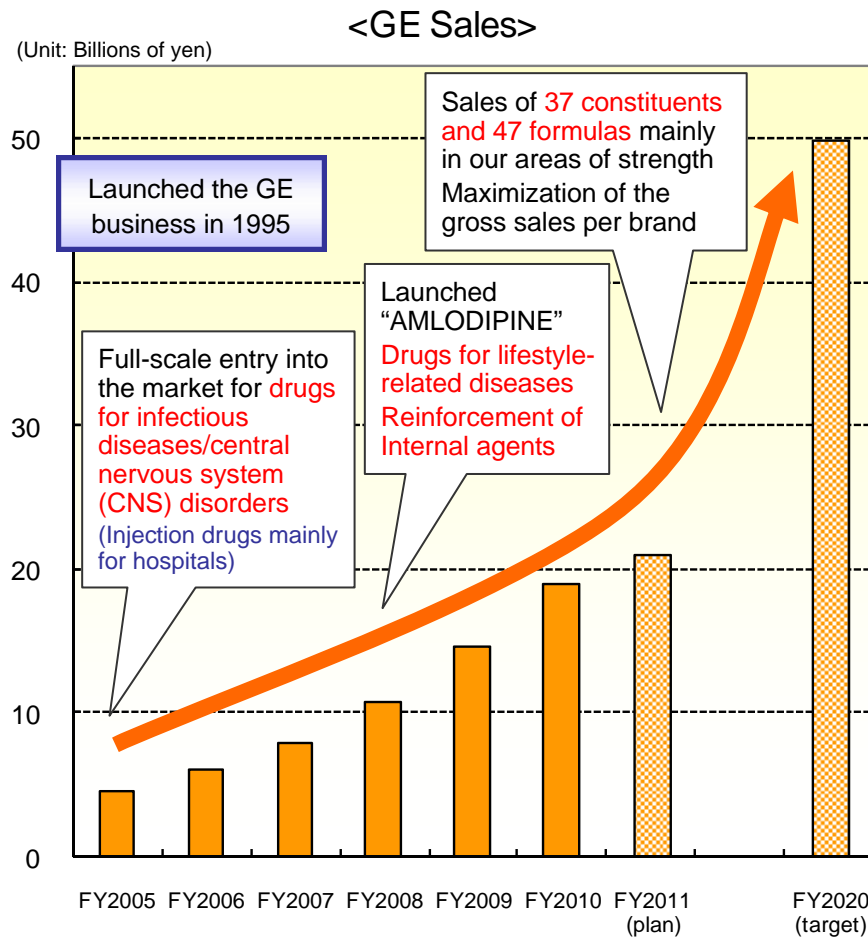
New drugs business

Reinforcement of anticancer drugs and biomedicines, in addition to the fields in which we specialize (infectious diseases and central nervous system (CNS) disorders)

- ◆ Reinforce the R&D capabilities in the fields of infectious diseases and CNS disorders, as well as new business fields where there are no satisfactory treatments or drugs (such as anticancer drugs and biomedicines)
- ◆ Speed up the development of new drugs in the fields of infectious diseases and CNS disorders, as well as the development of product lifecycle management (antibacterial drugs, therapeutic drugs for schizophrenia, etc.)
- ◆ Increase our product lineup in the areas of pediatrics, otorhinolaryngology and psychiatry (increase sales in our areas of strength)
- ◆ Continuously reinforce the sales system through the increase of medical representatives (MRs), mainly in the field of CNS disorders (maximize sales of new drugs, such as REFLEX and therapeutic drugs for schizophrenia)

(3) [Pharmaceuticals] Efforts to Expand Our Business **meiji**

Generic drugs business



Reinforce sales capabilities in drugs for major lifestyle-related diseases

- ◆ Reinforce sales capabilities in drugs for lifestyle-related diseases with the potential to become mainstream, such as "RABEPRAZOLE," "Pioglitazone" and "Donepezil Hydrochloride," in addition to the fields of infectious diseases and CNS disorders

Strengthen the areas of anticancer drugs and biosimilars through alliances

- ◆ Released on January 27, 2011
Strategic partnership with Fresenius Kabi (generic anticancer drugs)
- ◆ Released on September 29, 2011
Strategic partnership with Dong-A Pharmaceutical (biosimilars)

(3) [Pharmaceuticals] Efforts to Expand Our Business **meiji**

International business

Accelerating our international business, mainly in Asia and emerging countries based on the activities of Group companies abroad



- ◆ Establish an operational structure for achieving high-quality products, stable supply, and low-cost operations by optimizing production systems and improving their efficiency
(Optimize use of 3 plants in Japan & 5 plants overseas)
- ◆ Develop business in the market for low-priced pharmaceuticals, primarily in Asia and emerging countries
 - Actively launch antibacterial drugs, generic drugs, and agricultural chemicals and veterinary drugs
 - Establish value chains ranging from the manufacturing of bulk drugs to the building of an in-house sales network

(3) [Pharmaceuticals] Efforts to Expand Our Business **meiji**

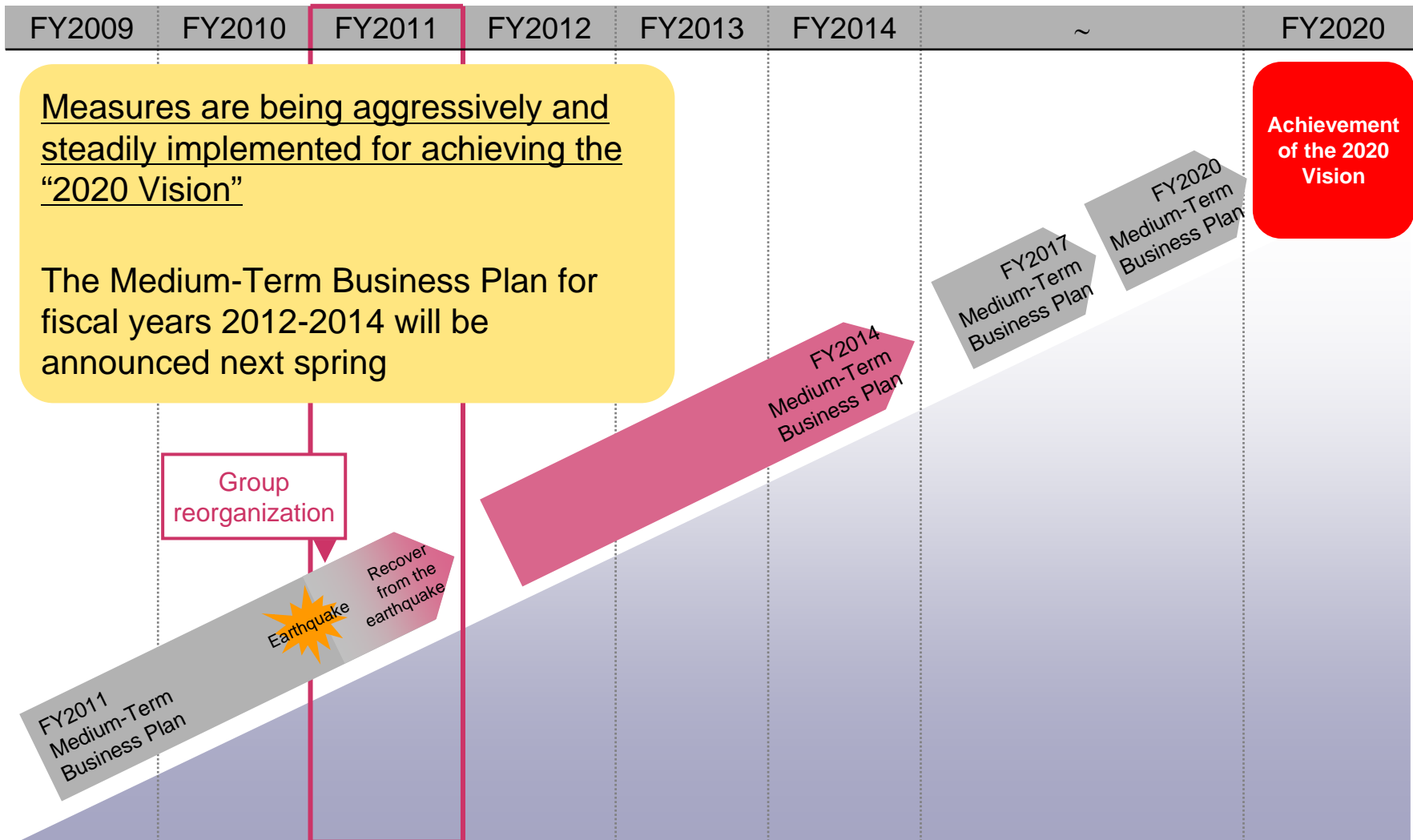
Agricultural chemicals business

- ◆ Achieve the early maximization of sales of the liquid formula “ZAXA” herbicide
- ◆ Maintain the No.1 market share for “ORYZEMATE,” a rice blast preventative
- ◆ Strengthen overseas business through sales of “ORYZEMATE” and “ZAXA” (in South Korea, Taiwan and China)
- ◆ Undertake the launch of in-house drug discovery products on schedule and achieve the maximization of profits by promoting licensing

Veterinary drugs business

- ◆ Actively develop the market for companion animals in Japan (Enhance the product lineup, appoint full-time MRs)
- ◆ Increase the market share of the animal husbandry industry in Japan (Increase sales in the cattle market in addition to the hog and chicken markets)
- ◆ Undertake full-scale entry into Asian markets

(4) Roadmap for Achieving the “2020 Vision”





4. Appendix

(1) Consolidated Statements of Income (Summary)



(billions of yen)

	1H of FYE 2012/3					
	Plan*1	Results	Change vs. plan*1		YoY change	
			(Rate)	(Amounts)	(Rate)	(Amounts)
Net sales	527.0	548.1	+4.0%	+21.1	-2.1%	-11.6
Gross profit	—	179.0	—	—	-5.6%	-10.6
SG&A	—	171.5	—	—	-0.0%	-0.0
Operating income	5.5	7.4	+34.8%	+1.9	-58.9%	-10.6
Non-operating income/loss	—	1.2	—	—	+8.2%	+0.0
Ordinary income	7.0	8.6	+23.8%	+1.6	-54.8%	-10.5
Extraordinary income/loss	—	-2.4	—	—	—	-0.6
Tax expense, etc.	—	3.7	—	—	-52.6%	-4.1
Net income	2.0	2.3	+18.0%	+0.3	-74.8%	-7.0

*1: The original plan announced on May 12, 2011.

(2) Consolidated Balance Sheets (Summary)



(billions of yen)

As of Sep. 30, 2011	Results	Compared to beginning of period	YoY change
Current assets	309.2	+7.5	-2.2
Cash and deposits	11.4	-10.2	-2.8
Notes and accounts receivable	150.2	+3.8	-3.3
Inventories	114.9	+9.8	+2.1
Other	32.5	+4.1	+1.8
Fixed assets	426.2	+7.9	+8.7
Property, plants and equipment	316.7	+3.0	+6.9
Intangible assets	9.4	-0.2	-0.0
Investments and other fixed assets	100.0	+5.2	+1.7
Total assets	735.5	+15.5	+6.4

As of Sep. 30, 2011	Results	Compared to beginning of period	YoY change
Current liabilities	309.1	-7.8	+7.4
Accounts payable	101.2	+9.0	+1.6
Debts (finance)	114.0	+3.8	+11.3
Other	93.8	-5.1	-5.4
Long-term liabilities	131.1	+6.0	+3.0
Debts (finance)	91.9	+5.0	-2.1
Other long-term liabilities	39.1	+0.9	+5.1
Total liabilities	440.3	+13.8	+10.4
Shareholder's equity	292.1	+0.4	-2.4
Others	3.0	+1.2	-1.6
Total net assets	295.1	+1.6	-4.0
Total liabilities and net assets	735.5	+15.5	+6.4

* Total amount of interest-bearing debt includes discount bills.

Total amount of interest-bearing debt*	206.4	+8.9	+9.2
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(3) Consolidated Statements of Comprehensive Income



(billions of yen)

1H of FYE 2012/3	
Net income before minority interests	2.4
Other comprehensive income	
Net unrealized holding gains or losses on securities	0.2
Deferred gains or losses on hedges	-0.5
Foreign currency translation adjustments	0.4
Equity in affiliates accounted for by equity method	0.0
Total other comprehensive income	0.1
Comprehensive income	2.5
(Breakdown)	
Comprehensive income attributable to shareholders of parent company	2.3
Comprehensive income attributable to minority shareholders	0.2

(4) Consolidated Financial Indices and Cash Flows



(billions of yen)

	1H of FYE 2011/3	FYE 2011/3	1H of FYE 2012/3
Earning per share (EPS)	127.26 yen	129.63 yen	32.03 yen
Return on equity (ROE)	3.3%	3.3%	0.8%
Cash flows from operating activities...(1)	29.8	57.9	6.2
Cash flows from investing activities...(2)	-18.9	-32.4	-22.7
Cash flows from financing activities	-12.5	-19.5	4.5
Cash and cash equivalents at the end of the term	14.2	21.7	11.2
Free cash flows...(1)+(2)	+10.8	+25.5	-16.4

(Reference) Cash Flow Prospects for FYE 2012/3



(billions of yen)

	FYE 2012/3					
	1H	YoY change	2H (Revised plan)	YoY change	Full Year (Revised plan)	YoY change
Cash flows from operating activities...(1)	6.2	-23.6	34.4	+6.3	40.6	-17.3
Cash flows from investing activities...(2)	-22.7	-3.8	-17.6	-4.2	-40.3	-8.0
Cash flows from financing activities	4.5	+17.0	-15.0	-8.0	-10.5	+9.0
Cash and cash equivalents at the end of the term	11.2	-3.0	13.0	-8.7	13.0	-8.7
Free cash flows...(1)+(2)	-16.4	-27.4	16.8	+2.1	0.3	-25.3

- Issuance of corporate bonds:

[Rating] A+ (JCR)

As of Sep. 16 20 billion yen (five-year bond) Interest rate: 0.485%

15 billion yen (seven-year bond) Interest rate: 0.760%

*The revised plan of full year for FYE 2012/3 announced on November 10, 2011.

(5) Dividends

	Dividends per share			Payout ratio (Consolidated)
	Interim	Year-end (forecast)	Annual (forecast)	
FYE 2012/3	40.00 yen	40.00 yen	80.00 yen	58.9%

* Record of the donation of shareholder special benefits in FYE 2012/3

• Number of shareholders who agreed to the donation	Approx. 4,500	} In combination with donations from Meiji Holdings, confectioneries worth approximately 24 million yen were donated to a group that provides support to disabled children throughout Japan and to the devastated areas affected by the Great East Japan Earthquake.
• Amount of donation from shareholders	Approx. 12 million yen	



Members of the Yotsukura Children's Club (in Fukushima)

(6) CAPEX, Depreciation, R&D Expenses



(billions of yen)

	1H of FYE 2012/3		Notes	
		Food		Pharmaceuticals
Capital expenditures	19.8	17.3	2.5	Cash basis (including leases)
Depreciation	18.2	15.2	2.4	Property, plants and equipment (including leases)
R&D expenses	10.8	4.7	6.1	

Main capital expenditures

Segment	Contents	1H Results
Food	[Meiji Oils and Fats Co., Ltd.] New margarine plant	1.2 billion yen
	[Meiji Co., Ltd.] Construction of Kansai Ice Cream Plant	1.0 billion yen
Pharmaceuticals	[P.T. Meiji Indonesian Pharmaceutical Industries] Manufacturing equipment	1.2 billion yen



- **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.**

