



Financial Results
- For the Q1-Q3 of FYE March 2019 -

(From April 1, 2018 to December 31, 2018)

February 7, 2019

Meiji Holdings Co., Ltd.

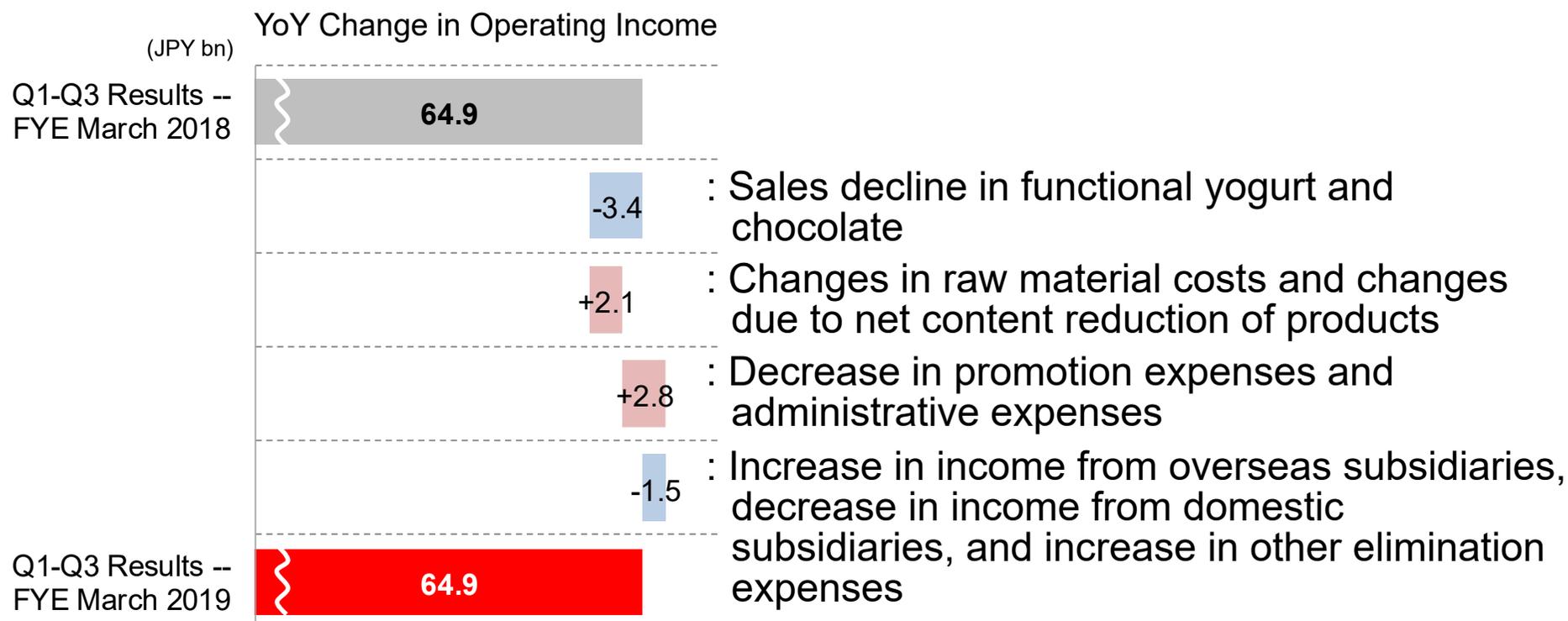
Q1-Q3 Summary - FYE March 2019



(JPY bn) Meiji HD (consolidated)	FYE March 2018 Q1-Q3 Results	FYE March 2019 Q1-Q3 Results	YoY Change	vs. Full-year Plan	FYE March 2019 Full-year Plan
Net sales	936.8	950.6	+1.5% +13.8	75.1%	1,265.5
Operating income	72.1	79.6	+10.3% +7.4	78.8%	101.0
Op. income margin	7.7%	8.4%	+0.6pt	—	8.0%
Net income attributable to shareholders of parent company	50.7	61.8	+22.0% +11.1	87.2%	71.0
EPS (JPY)	349.30	426.80	+77.50	—	489.59

- Consolidated net sales and operating income increased year on year.
 - Food segment: Net sales decreased. Operating income was largely unchanged thanks to cost reduction in promotion expenses, which covered the impact by decreased revenues of mainstay products.
 - Pharmaceutical segment: Net sales and operating income increased due to sales volume increase in mainstay products and consolidation of KM Biologics.
- No change on full-year forecasts
 - Key factors for achieving will be; sales growth of mainstay products and cost reduction in Food segment, and the impact from returns in vaccines in Pharmaceutical segment.

(JPY bn)	FYE March 2018 Q1-Q3 Results	FYE March 2019 Q1-Q3 Results	YoY Change	vs. Full-year Plan	FYE March 2019 Full-year Plan
Food Segment					
Net sales	815.5	803.1	-1.5% -12.3	75.3%	1,067.1
Operating income	64.9	64.9	-0.0% -0.0	73.7%	88.1



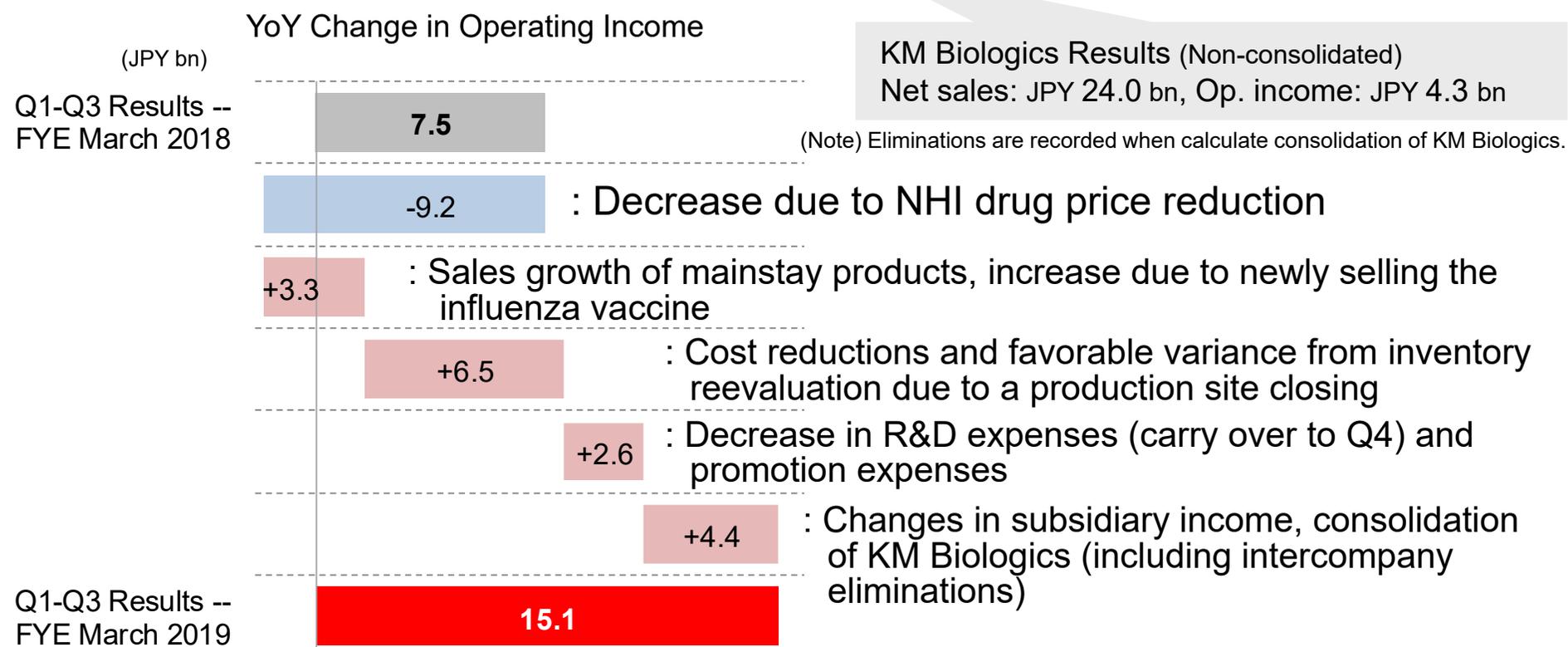
(JPY bn)	FYE March 2018 Q1-Q3 Results	FYE March 2019 Q1-Q3 Results	FYE March 2019		FYE March 2019 Full-year Plan
			YoY Change	vs. Full- year Plan	
Yogurt	64.2	65.1	+1.5%	74.0%	88.0
Meiji Bulgaria Yogurt	59.5	60.6	+1.8%	74.6%	81.2
Probiotic yogurt	85.5	81.0	-5.2%	69.1%	117.3
Drinking milk	82.7	82.9	+0.3%	77.8%	106.5
Meiji Oishii Gyunyu	44.9	43.5	-3.1%	76.3%	57.0
Cheese	26.7	28.1	+4.9%	77.1%	36.4
Meiji Hokkaido Tokachi series	9.9	10.5	+5.4%	74.3%	14.1
Ice cream	35.7	37.2	+4.2%	82.6%	45.1
Chocolate	75.1	67.2	-10.6%	67.9%	99.0
Nutritional products	41.6	44.0	+5.6%	78.6%	55.9
Sports nutrition	15.2	16.0	+5.0%	75.8%	21.1

- Sales of probiotic yogurt still decreased YoY. Sales of chocolate decreased, but its trend was gradually getting better.
- Favorable growth in sales of cheese, nutritional products and sports nutrition continued.

(JPY bn)	Food Segment Total	Fresh and Fermented Dairy	Processed Food	Confectionery	Nutrition	Overseas	Other Domestic Subsidiaries	Corporate Expenses	
Q1-Q3 Op. Income – FYE March 2018	64.9	36.5	6.2	15.2	11.3	0.6	4.0	-8.9	
Amounts of YoY change	<i>Due to increased/decreased sales</i>	-3.4	-4.1	+1.5	-1.2	+0.3	+0.1	—	-0.0
	<i>Changes in COGS*</i>	+2.1	+0.9	+0.2	+0.5	+0.3	+0.1	—	+0.0
	<i>Changes in other SG&A expenses</i>	+2.8	+1.0	-0.9	+0.5	-0.3	+0.0	—	+2.5
	<i>Other (incl. change in results of subsidiaries)</i>	-1.5	-0.2	+0.0	-0.2	-0.4	+0.2	-0.6	-0.5
Q1-Q3 Op. Income – FYE March 2019	64.9	34.1	7.0	14.8	11.3	1.0	3.4	-6.9	

- Fresh and Fermented Dairy: Operating income decreased. Decrease in COGS and other cost reduction did not offset the impact from sales decline of probiotics yogurt.
- Confectionery: Raw material prices were below our assumptions, and SG&A expenses decreased. However, operating income decreased due to sales decline of chocolate.
- Corporate expenses decreased after having incurred accelerated depreciation last year.

(JPY bn)	FYE March 2018 Q1-Q3 Results	FYE March 2019 Q1-Q3 Results	YoY Change	vs. Full-year Plan	FYE March 2019 Full-year Plan
Pharmaceutical Segment					
Net sales	122.3	148.2	+21.1% +25.9	74.1%	200.0
Operating income	7.5	15.1	+100.2% +7.5	112.3%	13.5



Full-year Outlook - FYE March 2019 [No Change]



(JPY bn) Meiji HD (consolidated)	FYE March 2018 Results	FYE March 2019 Plan	YoY Change
Net sales	1,240.8	1,265.5	+2.0% +24.6
Operating income	94.6	101.0	+6.7% +6.3
Op. income margin	7.6%	8.0%	+0.4pt
Net income attributable to shareholders of parent company	61.2	71.0	+15.9% +9.7
EPS (JPY)	422.15	489.59	+67.44
Cash dividends per share (JPY)	130	130	—
Dividend ratio	30.8%	26.6%	-4.2pt
ROE	13.1%	13.8%	+0.7pt
Capital expenditures	71.7	79.3	+10.6% +7.5
Net cash flow from operating activities	108.7	113.4	+4.6
Free cash flow	44.3	3.7	-40.6

Negative goodwill
raised from KM
Biologics: JPY 6.5 bn

Appendix

Financial Position as of December 2018

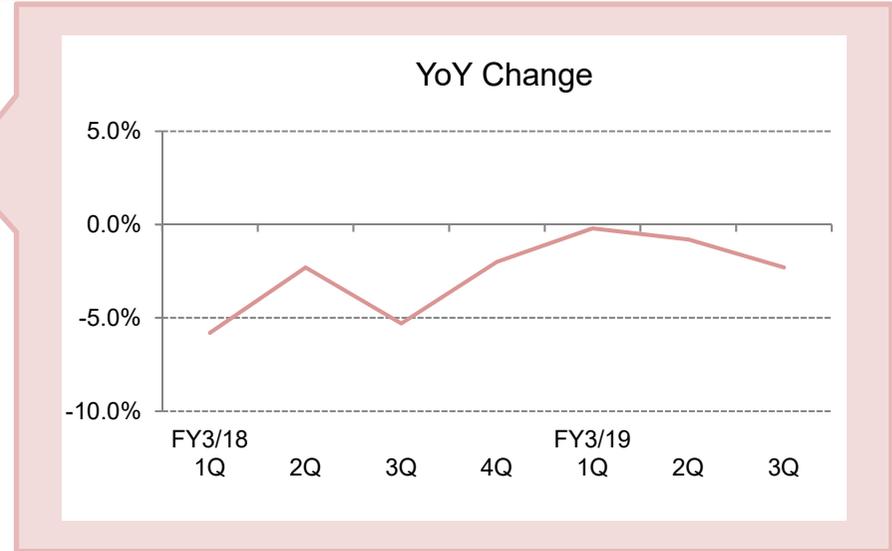
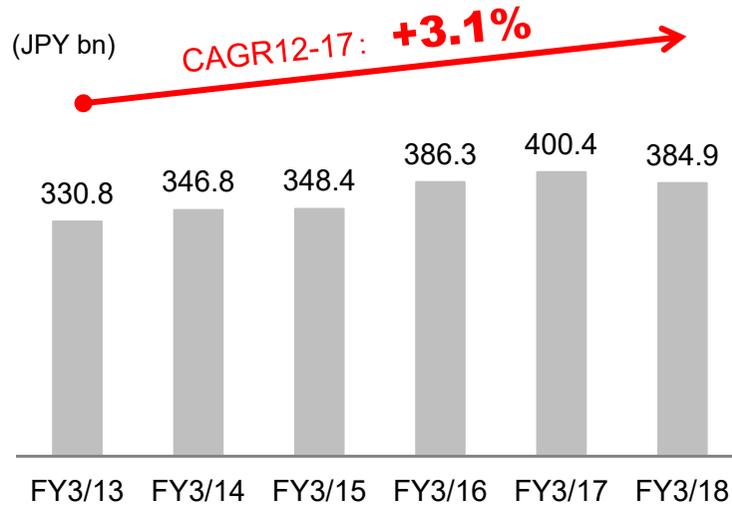


(JPY bn)	Results as of Dec. 2018	Change	Main Factors for Change
Current assets	438.7	+14.6% +55.7	- Notes and accounts receivable (+30.2) - Goods and products (+17.5), Raw materials and supplies (+7.3): due to consolidation of KM Biologics
Fixed assets	586.2	+8.1% +44.0	- Buildings and structures (net) (+16.9), Machinery and equipment (net) (+15.2): due to consolidation of KM Biologics - Construction in progress (+12.2)
Total assets	1,025.0	+10.8% +99.8	—
Current liabilities	307.1	+4.3% +12.7	- Commercial paper (+23.0) - Notes and accounts payable (+5.9) - Short-term loans payable (-8.5) - Income tax payable (-7.1)
Long-term liabilities	155.1	+14.4% +19.4	- Long-term loans payable (+14.1)
Total liabilities	462.3	+7.5% +32.2	—
Shareholders' equity	507.6	+9.0% +42.0	- Retained earnings (+41.6)
Accumulated other comprehensive income	20.9	-3.6% -0.7	- Valuation difference on available-for-sale securities (-1.6)
Minority interests	34.2	+335.0% +26.3	—
Total net assets	562.7	+13.6% +67.5	—
Interest bearing debt	147.6	+24.0% +28.5	- Commercial paper (+23.0) - Long-term loans payable (+14.1) - Short-term loans payable (-8.5)
Equity Ratio	51.6%	-1.1pt	—

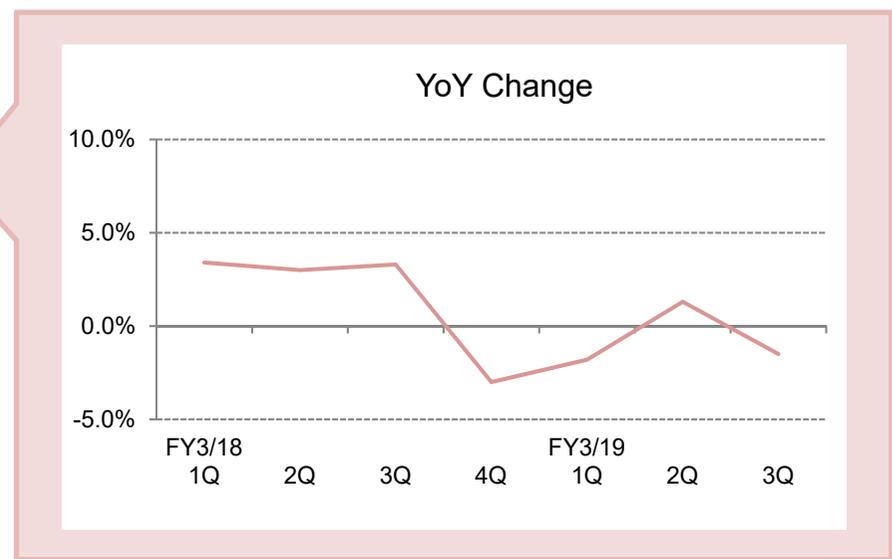
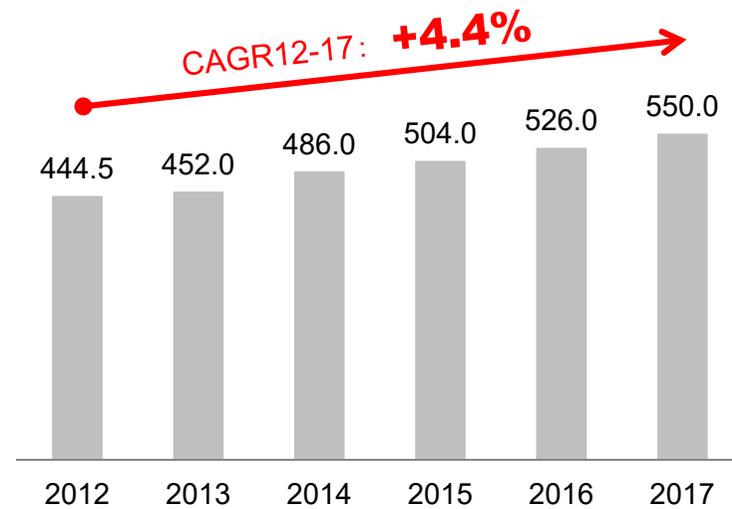
Yogurt and Chocolate Market Trends in Japan



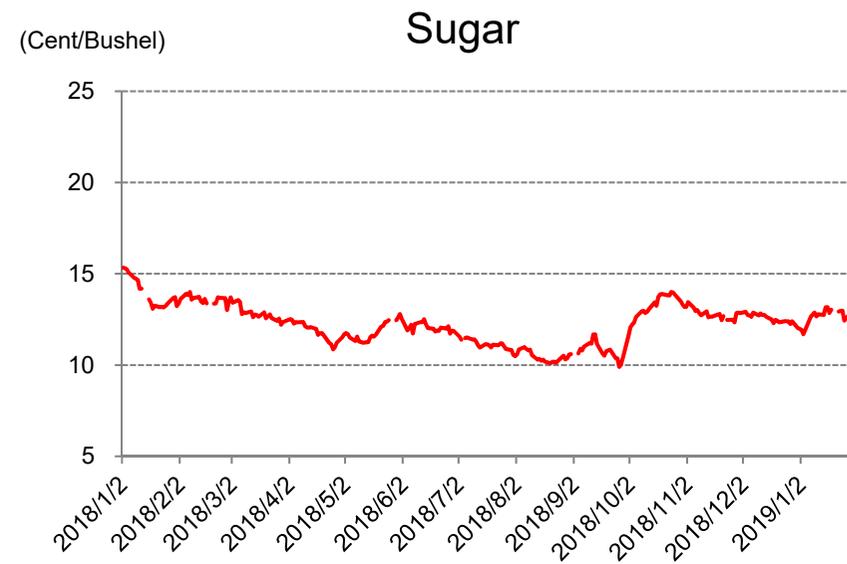
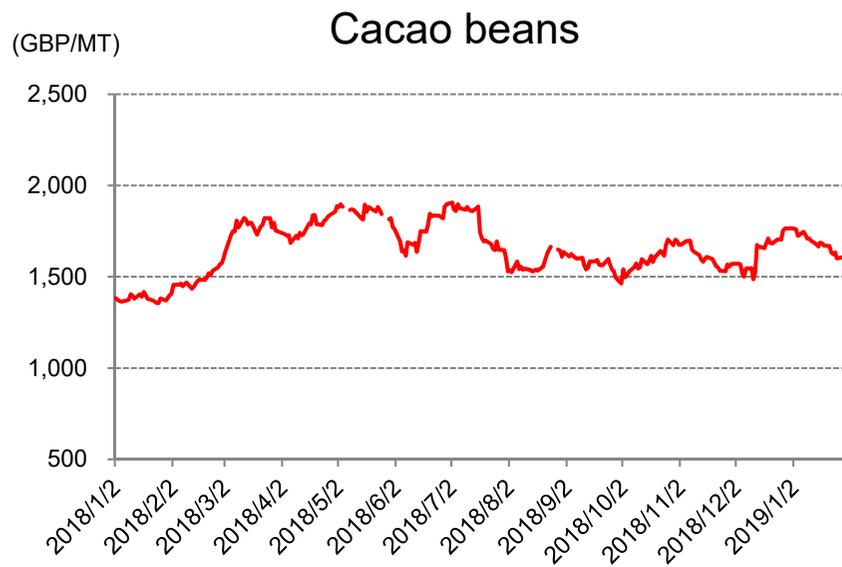
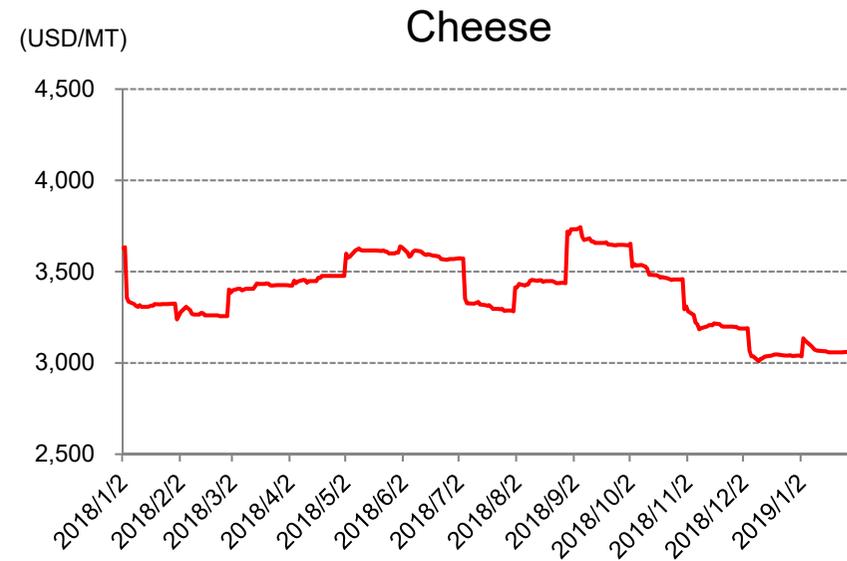
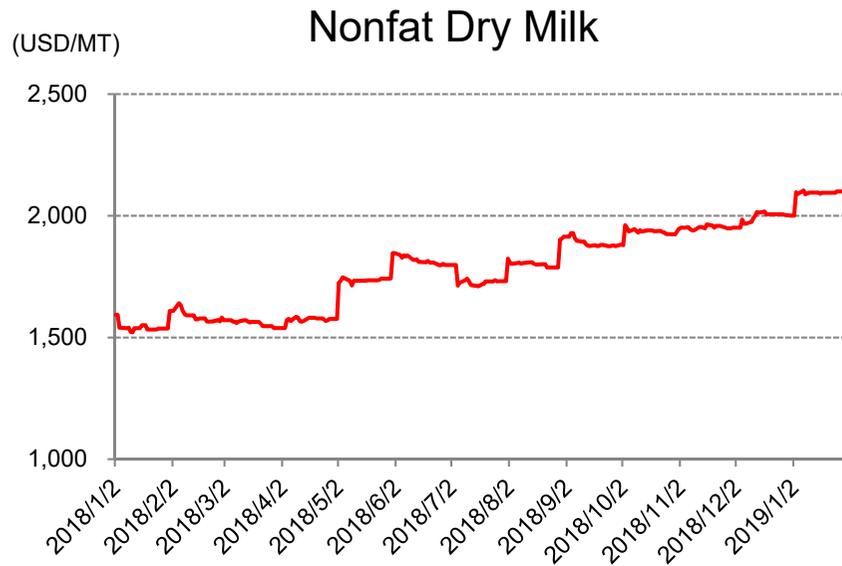
Yogurt



Chocolate



Market Trends in Imported Raw Materials Prices





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