

Consolidated Financial Statements

for the First Quarter of the Fiscal Year Ending March 2010

August 11, 2009

Name of Listed Company: Meiji Holdings Co., Ltd. Listed exchange: 1st Section, Tokyo Stock Exchange
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Scheduled date of submission of the quarterly report: August 13, 2009

Scheduled date of dividend payment commencement: –

(Note: Amounts under one million yen have been rounded down.)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2010 (April 1, 2009 to June 30, 2009)

(1) Consolidated operating results (cumulative)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter of Year Ending March 2010	269,727	–	5,393	–	5,613	–	1,847	–
First Quarter of Year Ending March 2009	–	–	–	–	–	–	–	–

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
First Quarter of Year Ending March 2010	25.09		–	
First Quarter of Year Ending March 2009	–		–	

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
First Quarter of Year Ending March 2010	714,781	286,488	39.0	3,788.20
Fiscal Year Ending March 2009	–	–	–	–

(Reference) Shareholders' equity: First quarter of the fiscal year ending March 2010: 278,949 million yen

Fiscal year ending March 2009: –

2. Dividends

(Basic date)	Cash Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
	Yen	Yen	Yen	Yen	Yen
Year Ending March 2009	–	–	–	–	–
Year Ending March 2010	–	–	–	–	–
Year Ending March 2010 (Projected)	–	0.00	–	80.00	80.00

(Notes) Amendment to projected dividends during the first quarter of the fiscal year: None

For the year ending March 2010, the first fiscal year in which the integration took place, we plan an 80 yen per share year-end dividend to shareholders at the end of the period. For years ending March 2011 and thereafter, we plan dividends with the interim-end closing date as the basic date ("interim dividends").

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March, 2010 (April 1, 2009- March 31, 2010)

(Note: Percentages for Full year represent changes from the previous fiscal term, and percentages for Second quarter of the consolidated cumulative period, represent changes from the previous same term)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter of the consolidated cumulative period	571,000	—	10,500	—	10,500	—	4,500	—	61.11
Full year	1,143,000	—	25,000	—	25,000	—	11,500	—	156.17

(Note) Amendment to forecasts of consolidated financial results during the first quarter of the fiscal year: None

4. Other

(1) Changes in significant subsidiaries during the first quarter of the fiscal year

(Changes in subsidiaries affecting the scope of consolidation): None

Newly consolidated: — (company name:) Excluded from consolidation: — (company name:)

(2) Application of simplified accounting treatment and accounting treatment specific to preparation of consolidated quarterly financial statements: Yes

For details, please refer to “Quantitative Information, Financial Statements, etc.” part 4. Other, page 6.

(3) Revisions of accounting rules, procedures and presentations concerning preparation of consolidated quarterly financial statements

(Revisions in significant items concerning the basis for preparing consolidated quarterly financial statements)

1. Revisions due to changes in accounting standards: None

2. Other revisions: None

For details, please refer to “Quantitative Information, Financial Statements, etc.” part 4. Other, page 6.

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding at end of year (including treasury stock)

First quarter of fiscal year ending March 2010: 76,341,700 shares

Fiscal year ending March 2009: — shares

2. Number of treasury stock at end of year

First quarter of fiscal year ending March 2010: 2,705,151 shares

Fiscal year ending March 2009: — shares

3. Average number of shares during period (quarterly period)

First quarter of fiscal year ending March 2010: 73,639,600 shares

First quarter of fiscal year ending March 2009: — shares

* Forward-looking statements and other special notes

1. The above forecasts are based on information currently available at the time of the release of this report and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factors. For earnings forecast assumptions and other related items, please refer to “Quantitative Information, Financial Statements, etc.” part 3. Quantitative Information concerning Forecasts of Consolidated Financial Results, page 6.

2. Meiji Holdings Co., Ltd. was established as a joint holding company through the management integration on April 1, 2009 of Meiji Seika Kaisha, Ltd. (hereinafter, Meiji Seika) and Meiji Dairies Corporation (hereinafter, Meiji Dairies), making the two companies its wholly owned subsidiary companies. Since the current consolidated fiscal year is the first term for the Company, no figures are available with regard to the Company’s financial results for the previous term or the same quarter of the previous fiscal year.

Quantitative Information, Financial Statements, etc.

1. Quantitative Information concerning the Consolidated Operating Results

(1) Overall Operating Results

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
First quarter of the consolidated cumulative period	269,727	5,393	5,613	1,847	25.09
Forecasts of financial results for the second quarter of the consolidated cumulative period	571,000	10,500	10,500	4,500	61.11
Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)	47.2	51.4	53.5	41.1	–

In the first quarter of the consolidated fiscal year, although there were signs of recovery in some areas, such as exports and production, the Japanese economy remained severe. The stagnant consumer spending due to anxiety over income and employment and their increasingly thrift-oriented mentality substantially contributed to the degenerative economic conditions.

In the food industry, as the trend of raw material prices has remained unpredictable, demand shifted to low-priced products, notably leading to a price war in retail stores. In addition, the industry has seen a shift toward overseas expansion or industry realignment as companies found it difficult to expand their business in the domestic market. This is mainly attributable to an aging society with a declining birthrate and intensifying competition between companies.

In the dairy industry, there was an obvious move to maintain consumption as milk consumption continued to decrease. For example, a series of reasonably priced products and low-fat products were launched, to cope with the rise in raw milk prices and in response to consumers' demand for low-priced products as well as increasing health consciousness.

In the confectionary industry, where overall expansion of the market is expected to be difficult, corporate earnings have been under pressure because the prices of certain raw materials have remained high in recent years. In addition, as private brand products increased their presence in retail stores, price competition has been intensifying and an extremely severe business environment has been continuing.

In the pharmaceutical industry, the business environment has continued to be extremely severe. In the ethical pharmaceuticals business, measures to curb medical-care costs, including the use of generic drugs, were promoted. In the agricultural chemicals and veterinary drugs businesses, the government tightened its regulations and guidance. For instance, they have adopted stricter standards for application and examination for registration.

Under such circumstances, in the first quarter of the consolidated fiscal year, the Company recorded net sales of 269.727 billion yen, operating income of 5.393 billion yen, ordinary income of 5.613 billion yen and net income of 1.847 billion yen. Looking at the degree of progress against forecasts of financial results for the second quarter, net sales achieved 47.2%, operating income 51.4%, ordinary income 53.5% and net income 41.0%, showing that the Company started the year almost in accordance with its plans, though there was some imbalance in performance between segments due to seasonal factors, etc.

The newborn “Meiji Group” will continue to enhance core capabilities and strength of Meiji Seika and Meiji Dairies, expand into unexplored and new fields of “Tastiness, Enjoyment, Health, and Reassurance,” and always be there to brighten their dairy lives. Also, the Group will do its utmost to achieve the Meiji Group FY2009-2011 Mid-Term Business Plan, which was released in May of this year.

(2) Outline of Segments (Consolidated)

(Millions of yen)

	Dairy products	Confectionary and healthcare	Pharmaceutical	Services and other	Total
Net Sales	156,514	63,582	27,366	35,806	283,269
Operating Income	5,414	(1,816)	1,216	793	5,609

(Note) Net sales and operating income are presented as the amount before the elimination of inter-segment transactions.

Since the current consolidated fiscal year is the first term for the Company because of management integration, no figures are available with regard to the Company's financial results for the previous term or the same quarter of the previous fiscal year. Therefore, an outline of the degree of progress of each segment against forecasts of financial results for the first half is provided below.

Our dairy products business showed good progress in the first quarter, which is a period of high demand for such products, and both net sales and operating income for the entire range of our products, especially fresh dairy, were brisk. Although we are struggling to make profits in the confectionary and healthcare business, we seem to be making progress without much divergence from the forecasts. As for the pharmaceutical business and the services and other business, our sales and operating income have progressed firmly in general.

(i) Dairy products

	First quarter of the consolidated cumulative period (Millions of yen)	Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)
Net Sales	156,514	49.0
Operating Income	5,414	61.9

(Note) This segment corresponds to the traditional, consolidated "Food" segment of Meiji Dairies, and it includes the manufacturing and distribution of the following: fresh dairy (drinking milk/yogurt, etc.), powdered milk (milk for infants, etc.), condensed milk, butter, cheese, ice cream, beverages, nutraceuticals (enteral formula/VAAM, etc.), livestock products, etc.

<Main points regarding financial results>

- Although sales of products such as commercial butter and the sports nutrition drink "VAAM" weakened, sales of fresh dairy products, including "Meiji Oishii Gyunyu," were firm. Also, sales of yogurt were brisk, owing to the launch of new products and sales promotion with consumers' affordability in mind. In addition, sales of products such as ice cream, powdered milk and margarine were favorable. As a result, sales of the segment as a whole were brisk.
- Our operating income was also favorable due to increased sales of high-value-added products and from the effects of cost reduction of raw materials.

(ii) Confectionary and Healthcare

	First quarter of the consolidated cumulative period (Millions of yen)	Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)
Net Sales	63,582	44.8
Operating Income	(1,816)	—

(Note) This segment corresponds to the traditional "Food & Healthcare" segment of Meiji Seika, and it includes the manufacturing and distribution of confectionary, sugar, glycyated flour, healthcare products (Amino Collagen, etc), over-the-counter (OTC) drugs (ISODINE® UGAIGUSURI, etc.), as well as management of sports clubs.

<Main points regarding financial results>

- Sales of "Amino Collagen" and "ISODINE® UGAIGUSURI," our mainstay healthcare products, increased steadily, and sales of chocolate, our core confectionary products, were also firm. However, other categories, such as gum and candy, imports and exports, as well as of our main consolidated subsidiaries overseas did not fare so favorably.
- Results of the segment's operating income were severe in the first quarter of the fiscal year. We will strive to achieve our plans for the first half by launching new products and further promoting cost reduction in the second quarter.

(iii) Pharmaceutical

	First quarter of the consolidated cumulative period (Millions of yen)	Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)
Net Sales	27,366	48.4
Operating Income	1,216	203.1

(Note) This segment is the traditional “Pharmaceuticals” segment of Meiji Seika, plus the pharmaceuticals business (Ohkura Pharmaceutical Co., Ltd., etc.) in the “Others” segment of Meiji Dairies, and it includes the manufacturing and distribution of ethical drugs, agricultural chemicals, veterinary drugs, etc.

<Main points regarding financial results>

- Stagnant sales of agricultural chemicals, such as “ORYZEMATE,” our mainstay product in this category, and the effect of foreign exchange rates on overseas business had a negative impact on sales. However, sales of ethical drugs were firm thanks to the significant expansion of generic drug sales.
- Operating income is expected to fall to almost the same level as the forecasts which were made at the end of the first half. This is due to a concentration of payment for research development expenses, etc., in the second quarter of the fiscal year.

(iv) Services and other

	First quarter of the consolidated cumulative period (Millions of yen)	Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)
Net Sales	35,806	47.7
Operating Income	793	141.8

(Note) This segment is the traditional non-pharmaceuticals business in the “Others” segment of Meiji Dairies, plus the “Office building leasing and others” segment of Meiji Seika, and it includes the following: real estate, feed stuff, transportation, storage, mechanical engineering services, foodservice producers, insurance agencies, and leasing.

<Main points regarding financial results>

- Sales in the feed business decreased due to the lowering of assorted feed prices.
- Operating income was steady as feed grain prices became stable in the feed business.