



Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2019
[Based on Japanese GAAP]

August 7, 2018

Name of Listed Company: Meiji Holdings Co., Ltd. Listed exchange: 1st Section, Tokyo Stock Exchange
Code Number: 2269 URL: www.meiji.com
Representative: Kazuo Kawamura, President and Representative Director
Inquiries: Jun Furuta, Member of the Board and Managing Executive Officer, General Manager of
PR&IR Dept.
Telephone: +81-3-3273-3917

Submission of quarterly report: August 9, 2018

Dividend payment commencement: -

Preparation of explanatory materials for quarterly financial results: Yes

Holding of a briefing on quarterly financial results: None

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2019
(April 1, 2018 to June 30, 2018)

(1) Consolidated operating results (% of change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to shareholders of parent company	
First three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2018	296,394	-1.6	19,774	-19.0	20,311	-19.3	17,090	0.5
June 30, 2017	301,334	0.1	24,422	10.8	25,163	15.2	17,008	1.9

(Note) Comprehensive income: First three months ended June 30, 2018: JPY 18,398 million (-6.9%)
First three months ended June 30, 2017: JPY 19,756 million (89.4%)

	Net Income per Share	Diluted Net Income per Share
First three months ended	Yen	Yen
June 30, 2018	117.86	—
June 30, 2017	116.80	—

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2018	943,172	502,706	52.5	3,412.03
As of March 31, 2018	925,237	495,177	52.7	3,360.70

(Reference) Shareholders' equity: As of June 30, 2018: JPY 494,748 million yen
As of March 31, 2018: JPY 487,310 million yen

We apply the Partial Revisions to Accounting Standards for Tax Effect Accounting (Corporate Accounting Standards No. 28, February 16, 2018) as of the first three months of the current consolidated accounting period. As such, major management benchmarks for the previous consolidated accounting period have been adjusted to retroactively apply said accounting standards.

Disclaimer: These financial statements have been prepared in accordance with generally accepted accounting principles in Japan.
This English translation is prepared for the reader's convenience. When there are any discrepancies between the original Japanese version and English translation version, the original Japanese version always prevails.

2. Dividends

	Cash Dividends Per Share				
	1Q	2Q	3Q	Financial year end	Annual
Fiscal year ended (or ending)	Yen	Yen	Yen	Yen	Yen
March 31, 2018	–	57.50	–	72.50	130.00
March 31, 2019	–				
March 31, 2019 (Projected)		65.00	–	65.00	130.00

(Note) Amendment to projected dividends recently announced: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2019

(April 1, 2018 to March 31, 2019)

(% of change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to shareholders of parent company		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half	607,000	-0.7	41,000	-9.1	41,500	-10.0	32,000	1.8	220.69
Full year	1,260,000	1.5	99,500	5.1	99,500	3.8	63,000	2.8	434.48

(Note) Amendment to forecasts of consolidated financial results recently announced: Yes

(Note) For details, refer to page 8 of “1. Qualitative Information (3) Explanation Concerning Forecasts for Consolidated Earnings”

Notes

(1) Changes in significant subsidiaries during the current fiscal year under review

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

(2) Application of specific accounting treatments in the preparation of quarterly consolidated financial statements: Yes

For details, refer to page 13 of “(3) Notes Concerning Quarterly Financial Statements (Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)”

(3) Changes in accounting policy, changes in accounting estimates, restatements

1. Changes in accounting policy due to revisions of accounting standards: None

2. Other changes in accounting policy: Yes

3. Changes in accounting estimates: Yes

4. Restatements: None

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding at end of period (including treasury stock)	As of Jun. 30, 2018	152,683,400 shares	As of Mar. 31, 2018	152,683,400 shares
2. Number of treasury stock at end of period	As of Jun. 30, 2018	7,682,366 shares	As of Mar. 31, 2018	7,680,613 shares
3. Average number of shares during period	As of Jun. 30, 2018	145,001,668 shares	As of Jun. 30, 2017	145,621,459 shares

* The earnings summary is not subject to audit.

* Forward-looking statements and other special notes

(Notice concerning forward-looking statements)

The forward-looking statements described in this document, such as business forecasts, are based on information available at the time of the release of these materials and reasonable assumptions made by the Company, and do not represent a commitment from the Company that they will be achieved. For earnings forecasts assumptions and other related items, refer to page 8 of “1. Qualitative Information (3) Explanation Concerning Forecasts for Consolidated Earnings”

(Explanatory material for financial results)

Explanatory materials for financial results are disclosed through TDnet together with these financial statements. This information also is posted on our website on the same day.

1. Qualitative Information

(1) Explanation Concerning Operating Results

Meiji group entered the inaugural year of Medium-Term Business Plan for FYE March 2019-2021. Based on our basic concept of *Address strategic issues continuously* and *Challenge for the further growth*, we began to promote our growth strategy for *Expand share and achieve high revenues in core businesses, Expand aggressively in overseas markets and establish growth platform, Propose new value in health care domain, Continue structural reforms and resolve specific business issues in each business, and Enhance Meiji Group management platform and promote CSR.*

During the FYE March 2019, we will expand sales by focusing management resources on core segments and growth segments both in the food and pharmaceutical domains as we work towards the goals of our 2020 Medium-Term Business Plan. At the same time, we will aggressively expand business in overseas markets. Market conditions are difficult in both segments. The food segment faces rising logistics and personnel expenses while the pharmaceutical segment is severely impacted by NHI pricing revisions. Amid such environments, we will manage expenditure effectively and improve productivity.

These factors resulted in net sales of JPY 296.394 billion (down 1.6%, year on year), operating income of JPY 19.774 billion (down 19.0%, year on year), and ordinary income of JPY 20.311 billion (down 19.3%, year on year) during the first three months of fiscal year ending March 2019. Net income attributable to shareholders of parent company was JPY 17.090 billion (up 0.5%, year on year).

On July 2, 2018, Meiji Holdings and our subsidiary Meiji Seika Pharma Co., Ltd. (“Meiji Seika Pharma”) completed the acquisition of part of the shares of KM Biologics Co., Ltd., (“KM Biologics”) which was established via a contribution in kind transaction, with The Chemo-Sero-Therapeutic Research Institute (“Kaketsuken”). Through this transaction, the major businesses of Kaketsuken are transferred to KM Biologics. Thus KM Biologics became a consolidated subsidiary of Meiji Holdings.

(Billions of yen)

	First three months of FYE March 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	Change	Main factors for Change
Net sales	301.3	296.3	-4.9	(Details indicated on segment-specific overview)
Operating income	24.4	19.7	-4.6	(Details indicated on segment-specific overview)
Non-operating income	1.1	1.1	-0.0	-Foreign exchange gains (-0.1)
Non-operating expenses	0.4	0.6	0.1	-Foreign exchange losses (+0.2)
Ordinary income	25.1	20.3	-4.8	-
Extraordinary income	1.1	5.0	3.8	-Increase in gain on sales of non-current assets (+4.3) -Decrease in gain on liquidation of subsidiaries (-0.4)
Extraordinary losses	1.1	0.9	-0.2	-Decrease in loss on abandonment of non-current assets (-0.5) -Decrease in impairment loss (-0.1) -Increase in loss on business of subsidiaries and associates (+0.2)
Income before income taxes	25.1	24.4	-0.7	-
Income taxes-total	7.9	7.1	-0.8	-
Net income attributable to non-controlling shareholders	0.1	0.2	0.0	-
Net income attributable to shareholders of parent company	17.0	17.0	0.0	-

Below is an overview by segment.

1) Food segment

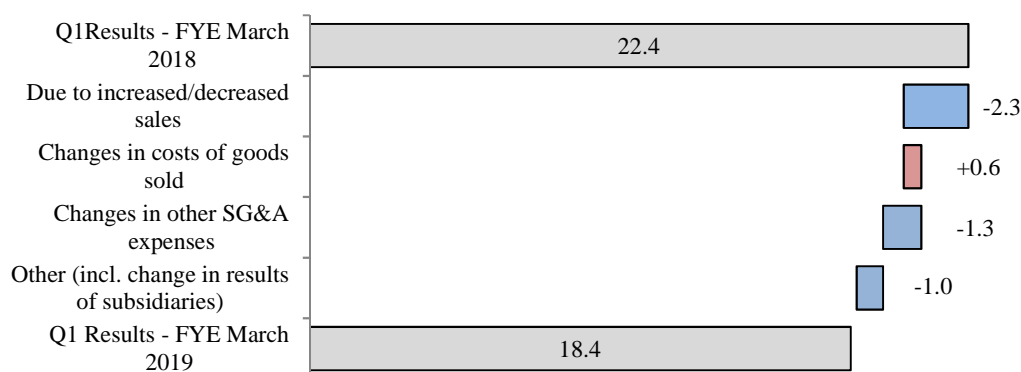
- Overall net sales decreased year on year. Net sales of processed food business, nutrition business, and overseas business increased year on year. Net sales of fresh and fermented dairy business decreased year on year due to decrease in sales of functional yogurt and drinking milk. Net sales of the confectionery business decreased significantly year on year due to the impact of change in our commercial transaction system and significant decrease in sales of chocolate.
- Overall operating income decreased significantly year on year due to decrease in sales of functional yogurt and chocolate. Additionally, income was impacted by increases in various expenses.

(Billions of yen)

	First three months of FYE March 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	% Change
Net sales	265.6	258.6	-2.6
Operating income	22.4	18.4	-17.8

Analysis of Consolidated Operating Income

(Billions of yen)



Below is an overview of each of food segment's main businesses.

(Billions of yen)

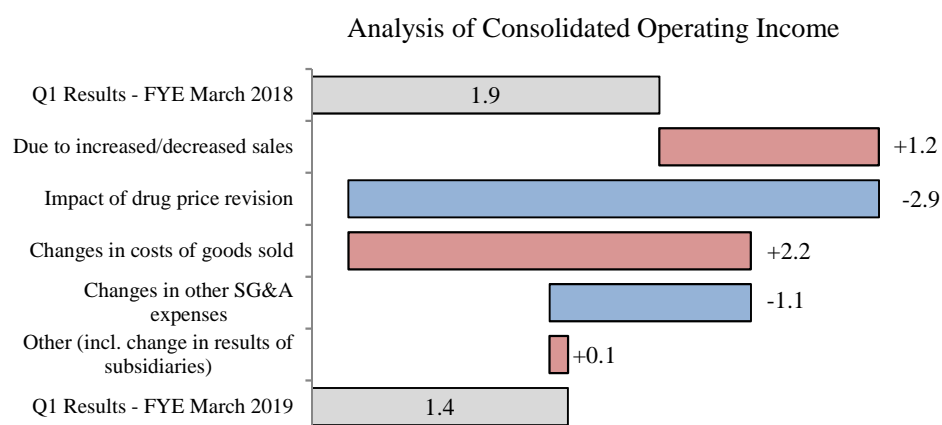
		First three months of FYE March 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	% Change
Fresh and Fermented Dairy	Net sales	85.7	83.0	-3.1
	Operating income	13.2	11.3	-14.1
Processed Food	Net sales	43.1	44.0	2.1
	Operating income	1.8	1.6	-7.8
Confectionery	Net sales	30.9	24.8	-19.6
	Operating income	4.5	3.1	-29.7
Nutrition	Net sales	21.3	21.6	1.8
	Operating income	3.8	3.1	-18.2
Overseas	Net sales	9.2	9.9	7.4
	Operating income	-0.1	-0.0	-
Other Domestic Subsidiaries	Net sales	75.2	75.0	-0.2
	Operating income	1.3	1.2	-3.8
Corporate Expenses	Net sales	-	-	-
	Operating income	-2.1	-2.1	-

- Fresh and Fermented Dairy business (Yogurt, drinking milk, beverages, etc.)
 - Overall net sales decreased year on year. Net sales of *Meiji Bulgaria Yogurt* increased year on year thanks to contributions from revamped plain yogurt. Net sales of functional yogurt and drinking milk decreased year on year.
 - Overall, operating income decreased significantly year on year due to decreased revenues as well as increased logistics and marketing expenses.
 - Processed Food business (Cheese, butter and margarine, cream, ice cream, frozen food, etc.)
 - Overall net sales increased year on year. Net sales of *Meiji Hokkaido Tokachi Camembert Cheese* and fresh cream for professional use were favorable. Net sales of ice cream increased year on year thanks to contributions from *Meiji Essel Super Cup Sweet's* series.
 - Operating income decreased year on year due to increased marketing and sales promotion expenses.
 - Confectionery business (Chocolate, gummy, chewing gum, etc.)
 - Net sales decreased significantly year on year due to the sales price reduction because of commercial transaction system revisions implemented in April 2018, decreased revenues from chocolate, and the cut its sales area for the savory snack *Karl* implemented in August 2017.
 - Overall operating income decreased year on year due to decrease in sales despite reducing various expenses.
 - Nutrition business (Sports nutrition, infant formula, enteral formula, beauty supplement, OTC drugs, etc.)
 - Overall net sales increased year on year thanks to the favorable growth of infant formula. Net sales of *Meiji Mei Balance Mini-cup* for the consumer market increased thanks to contributions from new flavors launched in September 2017.
 - Overall operating income decreased significantly year on year due to increase in various expenses.
 - Overseas (Overseas subsidiaries, exports)
 - Overall net sales increased year on year. Among exports business, net sales of infant formula to Vietnam were favorable. Net sales of businesses in China increased significantly year on year.
 - Overall, operating income decreased year on year due to the impact of rising logistics costs at our US subsidiary.
 - As of April 2018, Taiwan Meiji Food Co., Ltd. is now a consolidated subsidiary.
 - Other domestic subsidiaries (Food stuffs, livestock products, sugar and corn sweeteners, logistics, etc.)
 - Overall sales were largely unchanged year on year. Although sales grew for our logistics subsidiary, sales decreased due to the divestment of a subsidiary.
 - Overall operating income were largely unchanged year on year. Although income of feed subsidiary increased, income decreased due to rising raw materials prices at other subsidiaries.
- 2) Pharmaceutical segment
- Overall net sales increased year on year. Although sales were impacted by NHI pricing revisions enacted in April 2018, sales volume for mainstay products grew in Japan and overseas subsidiaries.
 - Overall operating income decreased significantly year on year due to the impact of NHI pricing revisions and not recorded royalty revenues that we received in the previous fiscal year.

(Billions of yen)

	First three months of FYE March 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	% Change
Net sales	35.9	37.8	5.4
Operating income	1.9	1.4	-23.6

(Billions of yen)



Below is an overview of each of pharmaceutical segment's main businesses.

(Billions of yen)

		First three months of FYE March 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	% Change
Japan	Net sales	27.0	27.6	2.3
	Operating income	1.4	1.2	-11.1
Overseas	Net sales	8.9	10.2	15.0
	Operating income	0.5	0.2	-60.0

■ Japan

- Overall net sales in Japan increased year on year. Net sales of the schizophrenia drug *SYCREST* and the anti-allergy drug *bilanoa*, both increased significantly year on year. Net sales of the new insecticide *FINESAVE* contributed to agrochemical sales.
- Operating income decreased significantly year on year due to the impact of NHI pricing revisions and not recorded royalty revenues that we received in the previous fiscal year.
- As of April 2018, we made Me Pharma Co., Ltd. a consolidated subsidiary.

■ Overseas

- Overall net sales increased significantly year on year. Export sales of antibacterial drug *MEIACT* increased significantly year on year. Net sales of subsidiaries in India, Indonesia, and China increased significantly year on year.
- Overall operating income decreased significantly year on year due to not recorded milestone revenues, and increase in various expenses.

(2) Financial status

1) Assets, Liabilities, and Net Assets

(Billions of yen)

	As of March 31, 2018	As of June 30, 2018	Change	Main Factors for Change
Current assets	383.0	393.9	10.9	-Decrease in cash and deposits (-4.6) -Decrease in notes and accounts receivable (-4.4) -Other (+20.3)
Fixed assets	542.2	549.1	6.9	-Increase in machinery and equipment (net) (+5.2) -Increase in investment securities (+2.8)
Total assets	925.2	943.1	17.9	-
Current liabilities	294.4	303.3	8.9	-Decrease in notes and accounts payable (-3.8) -Increase in commercial paper (+27.0) -Decrease in income taxes payable (-9.9) -Decrease in accrued bonuses for employees (-5.4)
Long-term liabilities	135.6	137.0	1.4	-Increase in long-term debt (+0.6)
Total liabilities	430.0	440.4	10.4	-
Shareholders' equity	465.5	471.8	6.3	-Increase in retained earnings (+6.3)
Accumulated other comprehensive income	21.7	22.8	1.1	-Increase in valuation difference on available-for-sale securities (+2.2) -Decrease in foreign currency translation adjustment (-1.7)
Minority interests	7.8	7.9	0.0	-
Total net assets	495.1	502.7	7.5	-
Total liabilities and net assets	925.2	943.1	17.9	-

Interest bearing debt	119.1	147.1	28.0	-Commercial paper (+27.0)
Equity Ratio (%)	52.7	52.5	-0.2pt	-

(3) Explanation Concerning Forecasts for Consolidated Earnings

For our consolidated earnings forecast, we have revised our consolidated earnings forecasts for the first six months of FYE March 2019 indicated in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 published on May 11, 2018.

The reason for these revisions is to account for food segment performance during the first three months of the current fiscal year.

There are no changes to the full-year consolidated earnings forecast figures for the Fiscal Year Ending March 31, 2019.

■ Revisions to Financial Forecasts for the First Six Months of the FYE March 2019 (April 1, 2018 to September 30, 2018)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of parent company	Net income per share
	billions of yen	billions of yen	billions of yen	billions of yen	yen
Previous forecasts (A)	613.400	43.200	43.900	31.000	213.56
Revised forecasts (B)	607.000	41.000	41.500	32.000	220.69
Change (B-A)	-6.400	-2.200	-2.400	1.000	
Percentage of change	-1.0	-5.1	-5.5	3.2	
(Reference) Actual results for the first six months of the fiscal year ended March 31, 2018 (April 1, 2017 to September 30, 2017)	611.494	45.127	46.116	31.433	216.33

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
ASSETS		
Current assets		
Cash and deposits	27,613	22,973
Notes and accounts receivable	195,760	191,333
Goods and products	86,929	84,372
Work in process	3,344	3,591
Raw materials and supplies	46,194	48,254
Others	23,364	43,739
Allowance for doubtful accounts	-202	-268
Total current assets	383,004	393,997
Fixed assets		
Property, plants and equipment		
Buildings and structures	319,894	321,254
Less accumulated depreciation	-173,777	-174,963
Buildings and structures (net)	146,116	146,291
Machinery and equipment	504,589	512,525
Less accumulated depreciation	-372,142	-374,863
Machinery and equipment (net)	132,447	137,662
Tools and furniture	53,736	54,269
Less accumulated depreciation	-42,763	-42,876
Tools and furniture (net)	10,972	11,393
Land	71,454	69,697
Lease assets	2,710	2,739
Less accumulated depreciation	-2,063	-2,100
Lease assets (net)	647	638
Construction in progress	22,323	22,562
Total property, plants and equipment	383,962	388,245
Intangible assets		
Goodwill	10,590	10,611
Other	11,964	12,283
Total intangible assets	22,555	22,894
Investments and other fixed assets		
Investment securities	90,874	93,747
Net defined benefit asset	20,777	21,105
Other	24,156	23,280
Allowance for doubtful accounts	-93	-96
Total investments and other fixed assets	135,715	138,035
Total fixed assets	542,232	549,175
Total assets	925,237	943,172

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
LIABILITIES		
Current liabilities		
Notes and accounts payable	120,107	116,216
Short-term bank loans	49,749	50,089
Commercial paper	-	27,000
Income taxes payable	18,253	8,325
Accrued bonuses for employees	10,857	5,422
Allowance for sales returns	72	72
Allowance for sales rebates	1,943	1,808
Other current liabilities	93,444	94,456
Total current liabilities	294,429	303,390
Long-term liabilities		
Bonds	20,000	20,000
Long-term debt	49,353	50,032
Retirement benefit liabilities	50,330	50,749
Reserve for directors' retirement benefits	148	147
Other long-term liabilities	15,797	16,146
Total long-term liabilities	135,629	137,076
Total liabilities	430,059	440,466
NET ASSETS		
Shareholders' equity		
Common stock	30,000	30,000
Capital surplus	99,841	99,841
Retained earnings	366,276	372,593
Treasury stock, at cost	-30,521	-30,537
Total shareholders' equity	465,595	471,896
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	33,188	35,433
Deferred gains or losses on hedges	-53	34
Foreign currency translation adjustments	268	-1,440
Adjusted cumulative of retirement benefits	-11,689	-11,175
Total accumulated other comprehensive income	21,714	22,851
Minority interests	7,866	7,957
Total net assets	495,177	502,706
Total liabilities and net assets	925,237	943,172

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the Three Months Ended June 30, 2018)

(Millions of yen)

	First three months of FYE March 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)
Net sales	301,334	296,394
Cost of sales	191,678	191,814
Gross profit	109,656	104,580
Selling, general and administrative expenses	85,234	84,805
Operating income	24,422	19,774
Non-operating income		
Interest income	32	31
Dividend income	584	603
Equity in income of affiliates	119	189
Foreign exchange gains	107	-
Other	325	341
Total non-operating income	1,170	1,166
Non-operating expenses		
Interest expenses	193	165
Foreign exchange losses	-	256
Other	235	205
Total non-operating expenses	429	628
Ordinary income	25,163	20,311
Extraordinary income		
Gain on sale of property, plants and equipment	643	5,002
Gain on liquidation of subsidiaries	464	-
Other	34	10
Total extraordinary income	1,143	5,013
Extraordinary losses		
Loss on disposal of property, plants and equipment	1,017	496
Impairment loss	114	-
Loss on business of subsidiaries and associates	-	282
Other	11	127
Total extraordinary losses	1,142	905
Income before income taxes	25,163	24,419
Income taxes-total	7,991	7,105
Net income	17,171	17,313
Net income or net losses attributable to non-controlling shareholders	163	223
Net income attributable to shareholders of parent company	17,008	17,090

(Quarterly Consolidated Statements of Comprehensive Income)
(For the First Three Months Ended June 30, 2018)

(Millions of yen)

	First three months of FYE March 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)
Net income	17,171	17,313
Other comprehensive income		
Net unrealized holding gains or losses on securities	3,522	2,251
Deferred gains or losses on hedges	31	90
Foreign currency translation adjustments	-1,845	-1,356
Adjustments related to retirement benefits	621	513
Equity in affiliates accounted for by equity method	255	-414
Total other comprehensive income	2,585	1,084
Comprehensive income	19,756	18,398
(Breakdown)		
Comprehensive income attributable to shareholders of parent company	19,653	18,227
Comprehensive income attributable to minority shareholders	103	171

(3) Notes Concerning Quarterly Financial Statements

(Notes Concerning the Premise of a Going Concern)

Not applicable.

(Notes Concerning Significant Changes in Shareholders' Equity (if any))

Not applicable.

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses are calculated by rationally estimating the effective tax rate after application of tax effect accounting to income before income taxes for the consolidated fiscal year, which includes the current quarter under review, then multiplying income before income taxes by the estimated effective tax rate.

Income taxes-deferred are shown included in income taxes.

(Changes in Accounting Policy)

(Change in accounting policies with unclear distinction from change in accounting estimates)

(Change in depreciation method for tangible fixed assets)

As of the first quarter of the current consolidated fiscal year, we changed to the use of the straight-line method as the method of depreciation for the tangible fixed assets of the manufacturing plants of confectionery products, etc. in the food segment and its domestic consolidated subsidiaries. In the past, the declining balance method was adopted except buildings acquired on or after April 1, 1998 and building accessories and structures acquired on or after April 1, 2016.

During the 2020 Medium-Term Business Plan for FYE March 2019-2021, the first stage of our 2026 vision, we will expand our market share and increase profit in our core business. For example, market for health conscious chocolate is expanding and we have high competitive advantage in the market. Therefore we concentrate management resources on core business and set up the plan for capital investment. After we examined the operation status of production facilities, we estimated we can operate our facilities stably for longer period. Accordingly we believe applying straight-line method is appropriate for our future business.

As a result of this change, compared to the previous method, operating income, ordinary income, and net income before income taxes for the first three months of the current fiscal year increased by JPY 902 million, respectively.

(Additional information)

(Application of the Partial Revisions to Accounting Standards for Tax Effect Accounting)

We apply the Partial Revisions to Accounting Standards for Tax Effect Accounting (Corporate Accounting Standards No. 28, February 16, 2018) as of the first three months of the current consolidated accounting period. As such, deferred tax assets are indicated under Investments and other assets, and deferred tax liabilities are indicated under fixed liabilities.

(Segment Information, etc.)

1. The First Three Months of the Previous Consolidated Fiscal Year (April 1, 2017 to June 30, 2017)

(1) Information on amounts of sales and income/losses for each reporting segment

(Millions of yen)

	Reporting Segments		Total	Adjustments (Note 1)	Amount Presented in Consolidated Statements of Income (Note 2)
	Food	Pharmaceuticals			
Net Sales					
(1) Sales to Outside Customers	265,522	35,812	301,334	-	301,334
(2) Inter-segment Sales and Transfers	94	92	186	-186	-
Total	265,617	35,904	301,521	-186	301,334
Income by Segment	22,469	1,947	24,416	5	24,422

(Notes)

1. Details of Adjustments are as follows:

The segment income adjustment of 5 million yen includes inter-segment eliminations of 4 million yen and 1 million yen in corporate expenses that are not allocated to individual reporting segments. Corporate expenses mainly consist of administrative expenses for the Company (the holding company).

2. Segment income is adjusted to the operating income recorded in the quarterly consolidated statements of income.

(2) Information on impairment loss on fixed assets or good will, etc., for each reporting segment

(Significant impairment loss on fixed assets)

There was no significant impairment loss on fixed assets.

(Significant changes in the amount of goodwill)

There were no significant changes in the amount of goodwill.

(Significant gain on negative goodwill)

No significant negative goodwill was generated.

2. The First Three Months of the Consolidated Fiscal Year under Review (April 1, 2018 to June 30, 2018)

(1) Information on amounts of sales and income/losses for each reporting segment

(Millions of yen)

	Reporting Segments		Total	Adjustments (Note 1)	Amount Presented in Consolidated Statements of Income(Note 2)
	Food	Pharmaceuticals			
Net Sales					
(1) Sales to Outside Customers	258,597	37,796	296,394	-	296,394
(2) Inter-segment Sales and Transfers	88	61	149	-149	-
Total	258,685	37,858	296,543	-149	296,394
Income by Segment	18,470	1,486	19,957	-183	19,774

(Notes)

1. Details of Adjustments are as follows:

The segment income adjustment of a negative 183 million yen includes inter-segment eliminations of 9 million yen and a negative 193 million yen in corporate expenses that are not allocated to individual reporting segments. Corporate expenses mainly consist of administrative expenses for the Company (the holding company).

2. Segment income is adjusted to the operating income recorded in the quarterly consolidated statements of income.

(2) Matters concerning changes to reporting segments

(Change to depreciation method for tangible fixed assets)

As indicated under Changes in Accounting Policy, as of the first quarter of the current consolidated fiscal year, we changed to the straight-line method of depreciation for tangible fixed assets belonging to the food segment for Meiji Co., Ltd. and its domestic consolidated subsidiaries. In the past, the declining balance method was adopted except buildings acquired on or after April 1, 1998 and building accessories and structures acquired on or after April 1, 2016.

As a result of this change, compared to the previous method, food segment income for the first three months of the current fiscal year increased by 902 million yen.

(3) Information on impairment loss on fixed assets or good will, etc., for each reporting segment

(Significant impairment loss on fixed assets)

There was no significant impairment loss on fixed assets.

(Significant changes in the amount of goodwill)

There were no significant changes in the amount of goodwill.

(Significant gain on negative goodwill)

No significant negative goodwill was generated.

(Significant Subsequent Events)

On July 2, 2018, Meiji Holdings Co., Ltd. and its operating subsidiary Meiji Seika Pharma have completed the acquisition of part of the shares of KM Biologics which General Incorporated Foundation Kaketsuken has established and made contribution in kind into by transferring its main business including vaccines for human use, blood plasma products and vaccines for veterinary use.

1. Objectives of the Acquisition

In our long-term management strategy, “Meiji Group 2026 Vision (outline)” (“2026 Vision”), we have stated that we will apply our advanced knowledge related to health, particularly the preventative nutritional and medical fields, to

maximize the unique strengths of the Meiji Group food and pharmaceutical business, and we also strengthen our engagement in the health and preventative domain and propose new health value in Japan and around the world.

Since its incorporation in 1945, Kaketsuken has been conducting research and development, manufacturing and supply of biological drugs such as vaccines for human use, blood plasma products and vaccines for veterinary use in Japan for over 70 years.

Therefore, we believe this Acquisition will help us to achieve our 2026 Vision and to enhance the corporate value of the Meiji Group.

Furthermore, KM Biologics will be able to strengthen the governance structure under the management of the Meiji Group as its subsidiary. KM Biologics will also be expected to enhance system to assure compliance with regulations and to establish rigid quality and production management system with Meiji Seika Pharma's support and consequently will enable to contribute to the growth of vaccine industry and stable supply of blood plasma products, helping improvements of public health. We believe this initiative is in line with what is expected for KM Biologics.

2. Name of company from which stock was acquired

General Incorporated Foundation, The Chemo-Sero-Therapeutic Research Institute

3. Name of company and operations whose stock was acquired and made a subsidiary

- | | |
|-------------------------|--|
| (1) Name of the company | KM Biologics Co., Ltd. |
| (2) Business | Research, development, manufacturing and supply of biological pharmaceuticals such as vaccines and blood plasma products |

4. Closing date of the Acquisition

July 2, 2018

5. Number of shares to be acquired

- | | | | |
|--|------------------|--------------|------------------------------------|
| (1) Number of shares held before the Acquisition | - shares | | |
| (2) Number of shares to be acquired | Common stock | 9,800 shares | (Percentage of voting rights: 49%) |
| | Non-voting stock | 7,500 shares | |
| (3) Acquisition price | Common stock | | : JPY 9.8 billion |
| | Non-voting stock | | : JPY 7.5 billion |
| | Total | | : JPY 17.3 billion |
| (4) Number of shares held after the Acquisition | Common stock | 9,800 shares | (Percentage of voting rights: 49%) |
| | Non-voting stock | 7,500 shares | |

6. Procurement of paid capital

External procurement

7. Overview of the acquisition

- (1) Kaketsuken executed an investment in kind for the businesses in question to KM Biologics, which was established on March 7, 2018, and we acquired shares of KM Biologics.
- (2) Meiji Holdings, Meiji Seika Pharma, Kumamoto Prefecture company consortium (EGAO HOLDINGS CO., LTD., Kimigafuchi Educational Foundation, Kumamoto Broadcasting Co., Ltd., Saishunkan Co., Ltd., Kumamoto Telecasting Corporation, TOMITA Pharmaceutical Co., Ltd. and The Higo Bank, Ltd), and Kumamoto Prefecture established KMB Co., Ltd. headquartered in Kumamoto Prefecture.
- (3) KMB Co., Ltd. acquired the 100% shares of KM Biologics.
- (4) KMB Co., Ltd. and KM Biologics will merge, as KM Biologics being the surviving entity.

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019 - Supplementary Explanatory Data -

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Meiji Holdings Co., Ltd.

*This document has been translated from the original Japanese as a guide for non-Japanese investors.

*Unaudited figures are included in these materials for reference.

*The forward-looking statements described in this document, 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, and do not represent a commitment from the Company that they will be achieved. The initial plan figures were announced on May 11, 2018, and the revised plan figures were announced on August 7, 2018.

(Amounts appearing in the tables below have been rounded down to nearest 100 million yen)

1. Consolidated Financial Results

1. Consolidated Operating Results

(Billions of yen)

FYE March 2019	Q1		Q1-Q2			Q1-Q3			Full-year		
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan	YoY change	vs. Full-year plan	
											%
Net sales	296.3	-1.6	48.8								
Cost of sales	191.8	+0.1	—								
Gross profit	104.5	-4.6	—								
Selling, general and administrative expenses	84.8	-0.5	—								
Carriage and storage charges	11.8	-5.3	—								
Sales promotion expenses	29.1	-3.6	—								
Labor cost	19.8	+1.4	—								
Operating income	19.7	-19.0	48.2								
Ordinary income	20.3	-19.3	48.9								
Net income attributable to owners of parent	17.0	+0.5	53.4								

Plan -- FYE March 2019					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
Revised Plan		Revised Plan			
	%		%		%
607.0	-0.7	653.0	+3.8	1,260.0	+1.5
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
41.0	-9.1	58.5	+18.1	99.5	+5.1
41.5	-10.0	58.0	+16.6	99.5	+3.8
32.0	+1.8	31.0	+3.9	63.0	+2.8

FYE March 2018	Q1		Q1-Q2			Q1-Q3			Full-year			
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan	YoY change	vs. Full-year plan		
											%	%
Net sales	301.3	+0.1	49.5	611.4	+0.8	+0.4	936.8	+0.3	74.2	1,240.8	-0.1	-1.7
Cost of sales	191.6	+0.2	—	391.8	+1.3	—	596.5	+1.2	—	785.9	+0.6	—
Gross profit	109.6	-0.1	—	219.6	-0.2	—	340.3	-1.3	—	454.8	-1.4	—
Selling, general and administrative expenses	85.2	-2.9	—	174.4	-4.5	—	268.1	-3.1	—	360.2	-3.4	—
Carriage and storage charges	12.4	+4.0	—	24.2	-0.4	—	35.2	-4.0	—	46.2	-5.4	—
Sales promotion expenses	30.2	-6.6	—	62.4	-7.2	—	98.7	-5.4	—	133.5	-5.8	—
Labor cost	19.6	+0.4	—	39.2	+0.7	—	58.9	+1.0	—	78.8	+1.1	—
Operating income	24.4	+10.8	59.0	45.1	+20.9	+9.0	72.1	+6.2	74.8	94.6	+7.1	-1.9
Ordinary income	25.1	+15.2	60.9	46.1	+27.8	+11.7	74.3	+10.4	76.2	95.8	+7.9	-1.7
Net income attributable to owners of parent	17.0	+1.9	65.4	31.4	+29.2	+20.9	50.7	+9.6	78.6	61.2	+0.8	-5.1

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
	%		%		%
611.4	+0.8	629.3	-1.0	1,240.8	-0.1
391.8	+1.3	394.0	-0.1	785.9	+0.6
219.6	-0.2	235.2	-2.5	454.8	-1.4
174.4	-4.5	185.7	-2.4	360.2	-3.4
24.2	-0.4	21.9	-10.3	46.2	-5.4
62.4	-7.2	71.1	-4.6	133.5	-5.8
39.2	+0.7	39.6	+1.6	78.8	+1.1
45.1	+20.9	49.5	-3.0	94.6	+7.1
46.1	+27.8	49.7	-5.7	95.8	+7.9
31.4	+29.2	29.8	-18.2	61.2	+0.8

2. Operating Results of Food Segment

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year		Plan -- FYE March 2019						
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan	H1 (Q1-Q2) Revised Plan	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year	YoY change	
Net sales	258.6	-2.6	48.8							529.9	-0.8	560.0	+3.8	1,090.0	+1.5
Cost of sales	172.6	-0.8	—							—	—	—	—	—	—
Gross profit	85.9	-6.0	—							—	—	—	—	—	—
Selling, general and administrative expenses	67.5	-2.2	—							—	—	—	—	—	—
Carriage and storage charges	11.2	-5.6	—							—	—	—	—	—	—
Sales promotion expenses	25.8	-4.7	—							—	—	—	—	—	—
Labor cost	14.2	+2.1	—							—	—	—	—	—	—
Operating income	18.4	-17.8	47.5							38.9	-4.9	51.1	+18.1	90.0	+6.9
Ordinary income	18.9	-17.3	48.0							39.3	-5.3	50.9	+14.6	90.3	+5.0
Net income attributable to owners of parent	16.6	+6.6	52.8							31.5	+7.4	28.1	-1.8	59.7	+2.9

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year		Plan -- FYE March 2019									
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan	H1 (Q1-Q2) Revised Plan	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year	YoY change				
Net sales	265.6	-0.8	50.0	534.2	-0.2	+0.6	815.5	-0.5	74.8	1,073.6	-0.8	-1.5	534.2	-0.2	539.3	-1.4	1,073.6	-0.8
Cost of sales	174.1	-0.5	—	353.5	+0.5	—	536.4	+0.7	—	703.3	+0.3	—	353.5	+0.5	349.7	+0.0	703.3	+0.3
Gross profit	91.5	-1.3	—	180.6	-1.6	—	279.0	-2.6	—	370.3	-2.7	—	180.6	-1.6	189.6	-3.8	370.3	-2.7
Selling, general and administrative expenses	69.0	-2.3	—	139.7	-3.5	—	214.0	-2.8	—	286.1	-3.9	—	139.7	-3.5	146.3	-4.3	286.1	-3.9
Carriage and storage charges	11.9	+3.4	—	23.1	-1.2	—	33.6	-4.9	—	43.9	-6.3	—	23.1	-1.2	20.8	-11.3	43.9	-6.3
Sales promotion expenses	27.1	-5.5	—	55.5	-6.5	—	87.8	-4.8	—	117.4	-5.8	—	55.5	-6.5	61.9	-5.2	117.4	-5.8
Labor cost	13.9	+0.6	—	27.7	+0.4	—	41.9	+1.3	—	56.1	+1.2	—	27.7	+0.4	28.4	+2.1	56.1	+1.2
Operating income	22.4	+2.1	57.9	40.9	+5.4	+5.4	64.9	-1.9	75.4	84.1	+1.5	-2.2	40.9	+5.4	43.2	-1.9	84.1	+1.5
Ordinary income	22.8	+4.8	58.3	41.5	+8.6	+6.0	66.4	+0.4	76.1	86.0	+3.1	-1.5	41.5	+8.6	44.5	-1.5	86.0	+3.1
Net income attributable to owners of parent	15.6	-6.4	61.1	29.3	+9.3	+14.8	46.5	+3.7	77.2	58.0	+2.7	-3.7	29.3	+9.3	28.6	-3.3	58.0	+2.7

3. Operating Results of Pharmaceuticals Segment

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Net sales	37.8	% +5.4	% 48.6	%	%	%	%	%
Cost of sales	19.2	+8.7	—	—	—	—	—	—
Gross profit	18.5	+2.3	—	—	—	—	—	—
Selling, general and administrative expenses	17.1	+5.4	—	—	—	—	—	—
Operating income	1.4	-23.6	57.0	—	—	—	—	—
Ordinary income	1.2	-36.7	48.4	—	—	—	—	—
Net income attributable to owners of parent	0.3	-72.5	45.0	—	—	—	—	—

Plan -- FYE March 2019					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
77.9	% +0.2	93.7	% +3.4	171.6	% +1.9
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
2.6	-40.1	7.3	+10.9	10.0	-9.3
2.5	-42.3	6.6	+22.3	9.2	-6.6
0.6	-65.4	2.6	+100.6	3.3	+1.5

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Net sales	35.9	% +6.5	% 45.4	% 77.7	% +7.8	% -1.5	% 122.3	% +5.8	% 70.6	% 168.4	% +4.2	% -2.7
Cost of sales	17.7	+6.8	—	38.7	+8.8	—	60.8	+6.2	—	83.6	+3.6	—
Gross profit	18.1	+6.2	—	38.9	+6.9	—	61.5	+5.3	—	84.8	+4.8	—
Selling, general and administrative expenses	16.2	-5.1	—	34.6	-8.4	—	53.9	-4.2	—	73.8	-1.8	—
Operating income	1.9	+11,900.3	72.1	4.3	—	+61.3	7.5	+260.3	68.8	11.0	+90.7	0.2
Ordinary income	1.9	—	88.5	4.4	—	+100.6	7.6	+841.5	76.4	9.8	+105.5	-1.4
Net income attributable to owners of parent	1.1	—	275.4	1.9	—	+386.9	4.0	+228.6	89.7	3.2	-16.2	-27.4

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
77.7	% +7.8	90.6	% +1.3	168.4	% +4.2
38.7	+8.8	44.8	-0.5	83.6	+3.6
38.9	+6.9	45.8	+3.2	84.8	+4.8
34.6	-8.4	39.2	+4.9	73.8	-1.8
4.3	—	6.6	-6.0	11.0	+90.7
4.4	—	5.4	-24.2	9.8	+105.5
1.9	—	1.3	-79.8	3.2	-16.2

2. Segment Information

1. Food Segment

A. Net Sales

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Fresh and Fermented Dairy	83.0	-3.1	49.7					
Processed Food	44.0	+2.1	48.5					
Confectionery	24.8	-19.6	48.8					
Nutritionals	21.6	+1.8	48.7					
Overseas	9.9	+7.4	39.6					
Other Domestic Subsidiaries	75.0	-0.2	49.6					

Plan -- FYE March 2019					
H1 (Q1-Q2) Revised Plan	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year	YoY change
167.1	-2.0	174.1	+3.7	341.3	+0.8
90.7	+2.1	84.1	-1.3	174.9	+0.5
50.9	-14.1	82.0	+7.7	133.0	-1.9
44.5	+2.3	45.1	+11.3	89.7	+6.6
25.0	+21.8	26.7	+16.8	51.8	+19.2
151.4	+0.1	147.7	+0.8	299.1	+0.5

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Fresh and Fermented Dairy	85.7	—	—	170.6	—	—	254.5	—
Processed Food	43.1	—	—	88.9	—	—	134.9	—
Confectionery	30.9	—	—	59.3	—	—	99.6	—
Nutritionals	21.3	—	—	43.5	—	—	66.7	—
Overseas	9.2	—	—	20.5	—	—	31.8	—
Other Domestic Subsidiaries	75.2	—	—	151.2	—	—	227.6	—

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
170.6	—	167.9	—	338.5	—
88.9	—	85.2	—	174.1	—
59.3	—	76.1	—	135.5	—
43.5	—	40.5	—	84.1	—
20.5	—	22.9	—	43.4	—
151.2	—	146.5	—	297.8	—

B. Operating Income

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Fresh and Fermented Dairy	11.3	-14.1	49.3					
Processed Food	1.6	-7.8	40.9					
Confectionery	3.1	-29.7	49.3					
Nutritionals	3.1	-18.2	47.4					
Overseas	-0.0	—	—					
Other Domestic Subsidiaries	1.2	-3.8	50.0					
Corporate expenses	-2.1	—	—					

Plan -- FYE March 2019					
H1 (Q1-Q2) Revised Plan	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year	YoY change
23.0	-6.3	28.0	+2.2	51.1	-1.8
4.1	+3.3	2.7	-18.7	6.9	-6.8
6.4	-11.2	16.5	+33.5	23.0	+17.0
6.5	-8.9	6.3	+22.1	12.9	+4.1
0.3	+5.8	0.4	+23.3	0.8	+14.8
2.5	-3.1	2.1	+30.1	4.7	+9.9
-4.3	—	-5.2	—	-9.5	—

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Fresh and Fermented Dairy	13.2	—	—	24.6	—	—	36.5	—
Processed Food	1.8	—	—	4.0	—	—	6.2	—
Confectionery	4.5	—	—	7.2	—	—	15.2	—
Nutritionals	3.8	—	—	7.2	—	—	11.3	—
Overseas	-0.1	—	—	0.3	—	—	0.6	—
Other Domestic Subsidiaries	1.3	—	—	2.6	—	—	4.0	—
Corporate expenses	-2.1	—	—	-5.2	—	—	-8.9	—

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
24.6	—	27.4	—	52.0	—
4.0	—	3.3	—	7.4	—
7.2	—	12.4	—	19.7	—
7.2	—	5.2	—	12.4	—
0.3	—	0.3	—	0.7	—
2.6	—	1.6	—	4.3	—
-5.2	—	-7.2	—	-12.4	—

Note: Under this current classification, the post-elimination figure is indicated. Corporate expenses are not allocated to each business.

2. Pharmaceuticals Segment

A. Net Sales

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year			
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan		
		%	%	%	%	%	%	%		
Japan	27.6	+2.3	47.4							
Overseas	10.2	+15.0	52.5							

Plan -- FYE March 2019					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
	%	%	%		%
58.2	+0.0	71.4	+0.9	129.7	+0.5
19.5	+0.0	22.4	+12.6	41.9	+6.3

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
		%	%	%	%	%	%	%				
Japan	27.0	—	—	58.2	—	—	93.2	—	—	129.0	—	—
Overseas	8.9	—	—	19.5	—	—	29.1	—	—	39.4	—	—

Plan -- FYE March 2019					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
	%	%	%		%
58.2	—	70.7	—	129.0	—
19.5	—	19.9	—	39.4	—

B. Operating Income

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year			
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan		
		%	%	%	%	%	%	%		
Japan	1.2	-11.1	55.7							
Overseas	0.2	-60.0	66.7							

Plan -- FYE March 2019					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
	%	%	%		%
2.3	-2.0	4.6	+10.0	7.0	+5.7
0.3	-85.0	2.7	+12.5	3.0	-31.8

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
		%	%	%	%	%	%	%				
Japan	1.4	—	—	2.3	—	—	4.1	—	—	6.6	—	—
Overseas	0.5	—	—	2.0	—	—	3.4	—	—	4.4	—	—

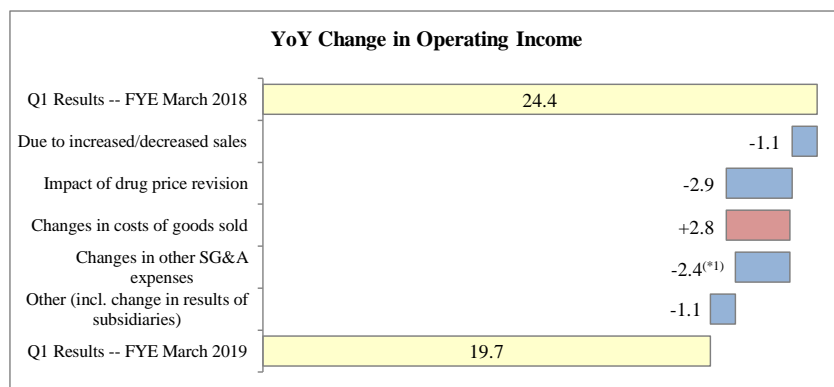
Plan -- FYE March 2019					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
	%	%	%		%
2.3	—	4.2	—	6.6	—
2.0	—	2.4	—	4.4	—

3. Analysis of Operating Income

1. Results-- FYE March 2019

(Billions of yen)

	Q1				Q1-Q2				Q1-Q3				Full-year			
	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other
Results -- FYE March 2018	24.4	22.4	1.9	0.0												
Due to increased/decreased sales	-1.1	-2.3	+1.2	—												
Impact of drug price revision	-2.9	—	-2.9	—												
Changes in costs of goods sold	+2.8	+0.6	+2.2	—												
Changes in other SG&A expenses	-2.4	-1.3	-1.1	—												
Other (incl. change in results of subsidiaries)	-1.1	-1.0	+0.1	-0.2												
Total change	-4.7	-4.0	-0.5	-0.2												
Results -- FYE March 2019	19.7	18.4	1.4	-0.1												



(Breakdown)

*1: [Food] Increase in promotion expenses: -1.4, Increase in Distribution cost: -0.3, Other: +0.4
 [Pharma] Decrease in promotion expenses: +0.1, Other: -1.2

2. Plan -- FYE March 2019

(Billions of yen)

	H1 (Q1-Q2) Revised Plan				H2 (Q3-Q4) Revised Plan				Full-year			
	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other
Results -- FYE March 2018	45.1	40.9	4.3	-0.1	49.5	43.2	6.7	-0.4	94.6	84.1	11.0	-0.5
Due to increased/decreased sales	+1.2	-1.6	+2.8	—	+16.7	+12.8	+3.9	—	+17.9	+11.2	+6.7	—
Impact of drug price revision	-6.2	—	-6.2	—	-6.4	—	-6.4	—	-12.6	—	-12.6	—
Changes in costs of goods sold	+3.6	+1.1	+2.5	—	-0.9	-4.2	+3.3	—	+2.7	-3.1	+5.8	—
Changes in other SG&A expenses	-0.5	-0.1	-0.4	—	-2.9	-2.7	-0.2	—	-3.4	-2.8	-0.6	—
Other (incl. change in results of subsidiaries)	-2.2	-1.4	-0.4	-0.4	+2.5	+2.0	+0.1	+0.4	+0.3	+0.6	-0.3	0.0
Total change	-4.1	-2.0	-1.7	-0.4	+9.0	+7.9	+0.7	+0.4	+4.9	+5.9	-1.0	0.0
Plan -- FYE March 2019	41.0	38.9	2.6	-0.5	58.5	51.1	7.3	0.0	99.5	90.0	10.0	-0.5

4. Consolidated Financial Positions

(Billions of yen)

FYE March 2019	As of Jun. 30		As of Sep. 30		As of Dec. 31		As of Mar. 31	
		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end
Total assets	943.1	+1.9		%		%		%
Current assets	393.9	+2.9						
Fixed assets	549.1	+1.3						
Total liabilities	440.4	+2.4						
Current liabilities	303.3	+3.0						
Long-term liabilities	137.0	+1.1						
Total net assets	502.7	+1.5						
Shareholders' equity	471.8	+1.4						

Note: Incidental to the Partial Revisions to Accounting Standards for Tax Effect Accounting, the change indicated above is calculated relative to full-year figures for the previous fiscal year after the retroactive application of these revisions.

Reference	Consolidated interest bearing debt	147.1	+23.5						
	Food segment assets	658.2	-0.5						
	Pharmaceuticals segment assets	206.4	-2.9						

FYE March 2018	As of Jun. 30		As of Sep. 30		As of Dec. 31		As of Mar. 31		
		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end	
Total assets	891.7	+0.9	918.9	+4.0	950.3	+7.5	927.5	+4.9	
Current assets	373.1	-1.2	387.7	+2.7	407.3	+7.9	392.6	+4.0	
Fixed assets	518.5	+2.4	531.2	+4.9	543.0	+7.3	534.8	+5.7	
Total liabilities	437.1	+2.4	449.3	+5.3	461.9	+8.3	432.3	+1.3	
Current liabilities	321.9	+2.5	332.5	+5.8	342.2	+8.9	294.4	-6.3	
Long-term liabilities	115.1	+2.3	116.7	+3.8	119.6	+6.4	137.9	+22.6	
Total net assets	454.6	-0.6	469.6	+2.7	488.4	+6.8	495.1	+8.3	
Shareholders' equity	431.3	-1.1	444.0	+1.8	455.0	+4.4	465.5	+6.8	
Reference	Consolidated interest bearing debt	155.5	+20.1	139.6	+7.8	153.4	+18.5	119.1	-8.0
	Food segment assets	624.7	-0.9	659.3	+4.6	669.4	+6.2	661.3	+5.0
	Pharmaceuticals segment assets	212.0	-1.7	210.5	-2.5	217.1	+0.6	212.7	-1.4

5. Capital Expenditures, Depreciation, R&D Expenses

(Billions of yen)

	FYE March 2016		FYE March 2017		FYE March 2018		FYE March 2019 - Plan	
	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year
Capital expenditures	24.1	42.3	23.3	50.4	34.8	71.7	39.5	89.9
Food segment	21.2	36.5	20.3	44.3	30.6	63.8	35.9	83.1
Pharmaceutical segment	2.8	5.7	2.9	6.0	4.1	7.8	3.6	6.7
Corporate or elimination	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Depreciation and amortization	19.7	42.0	22.1	45.8	22.3	46.5	19.9	41.1
Food segment	17.3	36.5	19.2	39.9	19.3	40.1	17.1	34.9
Pharmaceutical segment	2.2	5.3	2.8	5.7	2.9	6.0	2.6	5.9
Corporate or elimination	0.1	0.2	0.1	0.2	0.1	0.3	0.1	0.2
R&D expenses	12.9	27.3	12.5	26.1	12.5	26.5	12.8	27.0
Food segment	6.4	12.6	6.1	12.4	5.9	13.2	6.4	13.1
Pharmaceutical segment	6.5	14.6	6.4	13.7	6.5	13.2	6.4	13.9
Corporate or elimination	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

6. Financial Indicators, consolidated

	FYE March 2015	FYE March 2016	FYE March 2017	FYE March 2018	
	Full-year	Full-year	Full-year	Full-year	
Net sales	1,161.1 billion yen	1,223.7 billion yen	1,242.4 billion yen	1,240.8 billion yen	
Operating income	51.5 billion yen	77.7 billion yen	88.3 billion yen	94.6 billion yen	
Operating income ratio	4.4 %	6.4 %	7.1 %	7.6 %	
EBITDA	94.0 billion yen	121.6 billion yen	135.8 billion yen	142.8 billion yen	(Note) Op. income + Depreciation and amortization
EBITDA margin	8.1 %	9.9 %	10.9 %	11.5 %	
Net income attributable to shareholders of parent company	30.8 billion yen	62.5 billion yen	60.7 billion yen	61.2 billion yen	
Net income ratio	2.7 %	5.1 %	4.9 %	4.9 %	
Total assets	877.3 billion yen	856.1 billion yen	883.8 billion yen	927.5 billion yen	
Interest bearing debt	221.4 billion yen	147.8 billion yen	129.4 billion yen	119.1 billion yen	
Shareholders' equity	370.3 billion yen	408.8 billion yen	448.9 billion yen	487.3 billion yen	
Shareholders' equity ratio	42.2 %	47.8 %	50.8 %	52.5 %	
Debt/Equity ratio	0.6 %	0.4 %	0.3 %	0.2 %	
ROA	6.5 %	9.4 %	10.2 %	10.6 %	(Note) Ordinary income/Average net assets
ROE	8.9 %	16.1 %	14.2 %	13.1 %	(Note) Net income attributable to shareholders of parent company/Average shareholders' equity
Cash flows from operating activities	86.4 billion yen	105.1 billion yen	81.8 billion yen	108.7 billion yen	
Cash flows from investing activities	-92.8 billion yen	-9.8 billion yen	-44.2 billion yen	-64.3 billion yen	
Free cash flows	Δ6.3 billion yen	95.3 billion yen	37.5 billion yen	44.3 billion yen	(Note) Cash flows from operating activities + Cash flows from investing activities
Net income per share	209.79 yen	425.06 yen	413.11 yen	422.15 yen	(Note) Net income attributable to shareholders of parent company / (Number of shares outstanding - Number of treasury stock)
Net assets per share	2,515.26 yen	2,777.28 yen	3,064.91 yen	3,360.70 yen	(Note) (Total net assets - Noncontrolling interests) / (Number of shares outstanding - Number of treasury stock)
Cash flow per share	494.24 yen	710.89 yen	728.21 yen	743.35 yen	(Note) (Net income attributable to shareholders of parent company + Depreciation and Amortization) / (Number of shares outstanding - Number of treasury stock)
Cash dividends per share	50.00 yen	90.00 yen	110.00 yen	130.00 yen	
Dividend payout ratio	23.8 %	21.2 %	26.6 %	30.8 %	
Price/Earnings ratio--PER	34.9 times	21.3 times	22.4 times	19.1 times	(Note) Year-end stock price/Net income per share
Price/Book value ratio--PBR	2.9 times	3.3 times	3.0 times	2.4 times	(Note) Year-end stock price/Net assets per share
Price/Cash flow ratio--PCFR	14.8 times	12.7 times	12.7 times	10.8 times	(Note) Year-end stock price/Cash flow per share

Note: The above figures per share are calculated by retroactively applying the number of shares resulting from the stock split conducted on October 1, 2015.

7. Sales by Main Products

1. Food Segment (Non-consolidated)

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan
Yogurt	22.5	+1.9	49.8					
Meiji Bulgaria Yogurt	21.0	+2.5	49.9					
Probiotic yogurts	27.1	-4.4	51.1					
Drinking milk	26.9	-2.2	48.4					
Meiji Oishii Gyunyu	14.2	-3.3	47.8					
Cheese	9.2	+4.4	52.7					
Meiji Hokkaido Tokachi series	3.4	+1.7	53.5					
Ice cream	12.2	+5.6	43.5					
Chocolate	17.9	-17.5	48.3					
Nutritional products	13.8	+8.2	50.2					
Sports nutrition	5.4	-2.0	47.9					

Plan -- FYE March 2019					
H1 (Q1-Q2) Revised Plan	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year	YoY change
	%		%		%
45.3	+2.7	43.3	+8.3	88.6	+5.4
42.1	+2.8	40.2	+8.7	82.3	+5.6
53.0	-3.2	68.4	+5.9	121.4	+1.7
55.6	-1.1	50.4	-0.9	106.0	-1.0
29.8	-3.5	29.3	+9.3	59.1	+2.5
17.4	+1.7	18.1	+0.6	35.6	+1.1
6.4	+0.6	7.6	+14.8	14.0	+7.8
28.2	+6.3	16.7	+1.2	44.9	+4.3
37.1	-11.7	68.7	+10.9	105.9	+1.7
27.5	+4.9	27.5	+3.4	55.0	+4.1
11.4	+4.4	11.2	+38.9	22.7	+19.1

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan				
Yogurt	22.1	-5.1	48.2	44.1	-2.5	-4.1	64.2	-3.2	73.2	84.1	-2.8	-4.1
Meiji Bulgaria Yogurt	20.4	-5.9	48.3	40.9	-2.8	-3.4	59.5	-3.4	74.2	77.9	-3.0	-2.8
Probiotic yogurts	28.3	+0.2	52.1	54.7	+2.2	+0.6	85.5	-0.2	69.6	119.4	-0.2	-2.7
Drinking milk	27.5	+1.7	50.2	56.2	+2.4	+2.4	82.7	+1.4	77.3	107.1	-0.2	0.1
Meiji Oishii Gyunyu	14.7	+1.4	48.1	30.9	+2.4	+0.6	44.9	+1.4	76.2	57.7	-0.3	-2.1
Cheese	8.8	-1.5	53.5	17.2	-0.6	+4.3	26.7	-0.8	77.1	35.2	-0.8	+1.3
Meiji Hokkaido Tokachi series	3.3	+3.9	54.3	6.4	+2.5	+2.6	9.9	+0.4	75.6	13.0	-1.3	-1.2
Ice cream	11.6	-12.0	43.1	26.5	-12.1	-1.4	35.7	-10.8	80.0	43.0	-10.8	-3.6
Chocolate	21.7	+5.0	51.4	42.0	+3.6	-0.5	75.1	+3.2	71.4	104.0	+1.4	-1.1
Nutritional products	12.7	-3.4	48.8	26.2	-0.5	+0.3	41.6	+2.0	78.4	52.8	+1.1	-0.5
Sports nutrition	5.6	+14.4	51.0	10.9	+11.4	+0.1	15.2	+10.0	75.3	19.1	+10.4	-5.7

H1 (Q1-Q2)	YoY Change	H2 (Q3-Q4)	YoY Change	Full-year	YoY Change
	%		%		%
44.1	-2.5	39.9	-3.2	84.1	-2.8
40.9	-2.8	37.0	-3.2	77.9	-3.0
54.7	+2.2	64.6	-2.1	119.4	-0.2
56.2	+2.4	50.9	-3.0	107.1	-0.2
30.9	+2.4	26.8	-3.2	57.7	-0.3
17.2	-0.6	18.0	-1.0	35.2	-0.8
6.4	+2.5	6.6	-4.7	13.0	-1.3
26.5	-12.1	16.5	-8.5	43.0	-10.8
42.0	+3.6	61.9	-0.1	104.0	+1.4
26.2	-0.5	26.6	+2.8	52.8	+1.1
10.9	+11.4	8.1	+9.1	19.1	+10.4

Note: Nutritional products includes infant formula and enteral formula.

2. Pharmaceuticals Segment (Non-consolidated)

(Billions of yen)

FYE March 2019		Q1		Q1-Q2		Q1-Q3		Full-year			
		YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan		
Ethical pharma ceuticals	Total brand name drugs	12.5	+6.3	48.0							
	MEIACT	1.1	-27.9	43.7							
	REFLEX	4.4	+5.7	44.3							
	SYCREST	0.8	+45.8	41.3							
	BILANOA	1.1	+426.5	75.1							
	Total generic drugs	10.9	+2.1	47.9							
	AMLODIPINE	1.0	+1.0	48.7							
TAZOPIPE	1.1	+19.8	44.3								
(By field)	Total infectious diseases*	8.2	+0.9	47.6							
	Total CNS disorders*	8.4	+7.5	45.7							

Plan -- FYE March 2019					
H1 (Q1-Q2)	YoY Change	H2 (Q3-Q4)	YoY Change	Full-year	YoY Change
	%		%		%
26.2	+1.4	27.6	-4.7	53.8	-1.8
2.5	-24.2	2.9	-27.8	5.5	-26.2
10.1	+3.1	8.3	-16.6	18.4	-6.8
2.1	+56.4	2.8	+90.1	4.9	+74.1
1.5	+232.7	3.4	+25.4	5.0	+54.7
22.9	-0.6	24.2	+2.0	47.1	+0.7
2.2	-3.8	2.2	-3.8	4.4	-3.8
2.6	+21.3	2.9	+14.5	5.5	+17.7
17.3	-2.1	18.5	-4.2	35.8	-3.2
18.5	+5.2	17.5	-2.8	36.0	+1.1

FYE March 2018		Q1		Q1-Q2		Q1-Q3		Full-year					
		YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan				
Ethical pharma ceuticals	Total brand name drugs	11.8	+4.2	41.1	25.8	+4.7	-10.2	41.0	+0.7	69.2	54.8	+2.4	-7.5
	MEIACT	1.5	-21.8	41.2	3.4	-20.9	-10.4	5.8	-22.2	77.6	7.4	-23.8	-0.8
	REFLEX	4.2	-8.2	40.3	9.7	+1.4	-6.7	15.0	+1.9	73.5	19.7	+1.5	-3.7
	SYCREST	0.5	+60.4	39.6	1.3	+140.2	-10.5	2.0	+131.0	55.8	2.8	+113.2	-25.1
	BILANOA	0.2	—	17.5	0.4	—	-63.2	1.2	+77.0	36.0	3.2	+307.9	-5.7
	Total generic drugs	10.7	+10.7	45.9	23.0	+13.2	-1.6	35.7	+11.7	74.5	46.7	+10.0	-2.5
	AMLODIPINE	1.0	-1.3	44.0	2.2	+1.4	-5.1	3.5	+1.3	75.2	4.6	+0.0	-1.2
TAZOPIPE	0.9	+177.3	52.7	2.1	+153.8	+17.4	3.4	+133.4	75.9	4.7	+111.3	+2.4	
(By field)	Total infectious diseases*	8.1	+1.4	45.4	17.6	+3.3	-1.7	28.4	+0.4	75.8	37.0	+0.3	-1.4
	Total CNS disorders*	7.8	-3.9	42.0	17.6	+5.5	-6.1	27.3	+6.6	73.1	35.6	+5.6	-4.7

H1 (Q1-Q2)	YoY Change	H2 (Q3-Q4)	YoY Change	Full-year	YoY Change
	%		%		%
25.8	+4.7	28.9	+0.5	54.8	+2.4
3.4	-20.9	4.0	-26.1	7.4	-23.8
9.7	+1.4	9.9	+1.5	19.7	+1.5
1.3	+140.2	1.4	+93.3	2.8	+113.2
0.4	—	2.7	+250.3	3.2	+307.9
23.0	+13.2	23.7	+7.1	46.7	+10.0
2.2	+1.4	2.3	-1.3	4.6	+0.0
2.1	+153.8	2.5	+84.6	4.7	+111.3
17.6	+3.3	19.3	-2.4	37.0	+0.3
17.6	+5.5	18.0	+5.7	35.6	+5.6

Note: Total for brand name and generic drugs in the infectious diseases and the CNS disorders fields

8. Other

1. List of New Products Under Development

Stage	Name	Type	Efficacy Classification	
Approved	Depromel SME3110 (Fluvoxamine)	Oral	Selective serotonin reuptake inhibitor (SSRI) (Pediatric OCD) (Additional indications)	Co-development: AbbVie G.K.
Preparing for regulatory filing	ME2125 (Safinamide)	Oral	Anti-Parkinson's Disease	In-license: Newron Pharmaceutical S.p.A. (Italy) Licensed out to Eisai Co., Ltd. (Japan)
Phase III	ME2112 (Ziprasidone)	Oral	Antipsychotic	In-license: RaQualia Pharma Inc.
Phase II (International collaborative clinical trial)	SP-02L (Darinaparsin)	Injection	Relapsed or refractory peripheral T-cell lymphoma (PTCL)	In-license: Solasia Pharma K.K.
Phase II	REFLEX Org3770 (Mirtazapine)	Oral	Fibromyalgia treatment (Additional indications)	In-license: MSD K.K.
	ME1111	Topical	Antionychomycosis	Meiji Seika Pharma Co., Ltd.
Phase I	DMB-3111	Injection	Breast cancer/Gastric cancer (Biosimilar)	Co-development: Dong-A Socio Holdings Co., Ltd. (South Korea) Licensed out to Gedeon Richter Plc. (Hungary)
	OP0595 (Nacubactam)	Injection	β -lactamase inhibitor	Licensed out to F. Hoffman-La Roche (Switzerland)
Phase I (Overseas)	ME1100 (Arbekacin)	Inhalation	Hospital Acquired Bacterial Pneumonia/ Ventilator Associated Bacterial Pneumonia treatment (HABP/VABP)	Meiji Seika Pharma Co., Ltd.

2. Category Changes Within Segments

From FYE March 2019, we have implemented the following changes to business categories within segments. Targets and actual figures for Fiscal Year ending March 2019 are disclosed as a new classification.

