



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

November 7, 2018

Name of Listed Company: Meiji Holdings Co., Ltd. Listed exchange: 1st Section, Tokyo Stock Exchange
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Submission of quarterly report: November 9, 2018
Dividend payment commencement: December 6, 2018
Preparation of explanatory materials for quarterly financial results: Yes
Holding of a briefing on quarterly financial results: Yes

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

1. Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2019
(April 1, 2018 to September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months ended								
September 30, 2018	611,971	0.1	43,840	-2.9	43,873	-4.9	38,316	21.9
September 30, 2017	611,494	0.8	45,127	20.9	46,116	27.8	31,433	29.2

(Note) Comprehensive income: First six months ended September 30, 2018: JPY 43,865 million (19.6%)
First six months ended September 30, 2017: JPY 36,673 million (206.1%)

	Net Income per Share	Diluted Net Income per Share
First six months ended	Yen	Yen
September 30, 2018	264.23	—
September 30, 2017	216.33	—

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2018	1,003,905	552,863	51.8	3,588.54
As of March 31, 2018	925,237	495,177	52.7	3,360.70

(Reference) Shareholders' equity: As of September 30, 2018: JPY 520,465 million
As of March 31, 2018: JPY 487,310 million

(Note)

We apply the Partial Revisions to Accounting Standards for Tax Effect Accounting (Corporate Accounting Standards No. 28, February 16, 2018) as of the first six 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	—	65.00			
March 31, 2019 (Projected)			—	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
Full year	1,265,500	2.0	101,000	6.7	101,000	5.3	71,000	15.9	489.61

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

(Note) For details, refer to page 10 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): Yes

Added to scope of consolidation (2 companies): KMB Co., Ltd. , KM Biologics Co., Ltd.

Removed from scope of consolidation (1 company): KMB Co., Ltd.

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

For details, refer to page 17 of “2. Quarterly Consolidated Financial Statements (4) 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 Sep. 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 Sep. 30, 2018	7,648,035 shares	As of Mar. 31, 2018	7,680,613 shares
3. Average number of shares during period	As of Sep. 30, 2018	145,012,822 shares	As of Sep. 30, 2017	145,308,427 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 10 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 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. Meanwhile, we 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 manage expenditure effectively and improve productivity.

These factors resulted in net sales of JPY 611.971 billion (up 0.1%, year on year), operating income of JPY 43.840 billion (down 2.9%, year on year), and ordinary income of JPY 43.873 billion (down 4.9%, year on year) during the first six months of fiscal year ending March 2019. Net income attributable to shareholders of parent company was JPY 38.316 billion (up 21.9%, year on year).

On July 2, 2018, Meiji Holdings and Meiji Seika Pharma Co., Ltd., our business subsidiary, acquired 49% of the shares of KM Biologics Co., Ltd., to make KM Biologics a consolidated subsidiary. KM Biologics took over the main business operations of The Chemo-Sero-Therapeutic Research Institute in December 2017.

(Billions of yen)

	First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)	Change	Main factors for Change
Net sales	611.4	611.9	0.4	Details indicated on segment-specific overview
Operating income	45.1	43.8	-1.2	Details indicated on segment-specific overview
Non-operating income	1.9	1.4	-0.4	-Equity in income of affiliates (-0.3) -Foreign exchange gains (-0.1)
Non-operating expenses	0.9	1.4	0.5	-Foreign exchange losses (+0.5)
Ordinary income	46.1	43.8	-2.2	—
Extraordinary income	3.3	13.3	9.9	-Gain on bargain purchase (+6.5) -Gain on sales of fixed assets (+3.7)
Extraordinary losses	2.6	4.1	1.4	-Loss on disaster (+1.0) -Impairment loss (+0.8) -Loss on retirement of non-current assets (-0.9)
Income before income taxes	46.8	53.1	6.2	—
Income taxes-total	14.8	14.4	-0.3	—
Net income attributable to non-controlling shareholders	0.5	0.3	-0.2	—
Net income attributable to shareholders of parent company	31.4	38.3	6.8	—

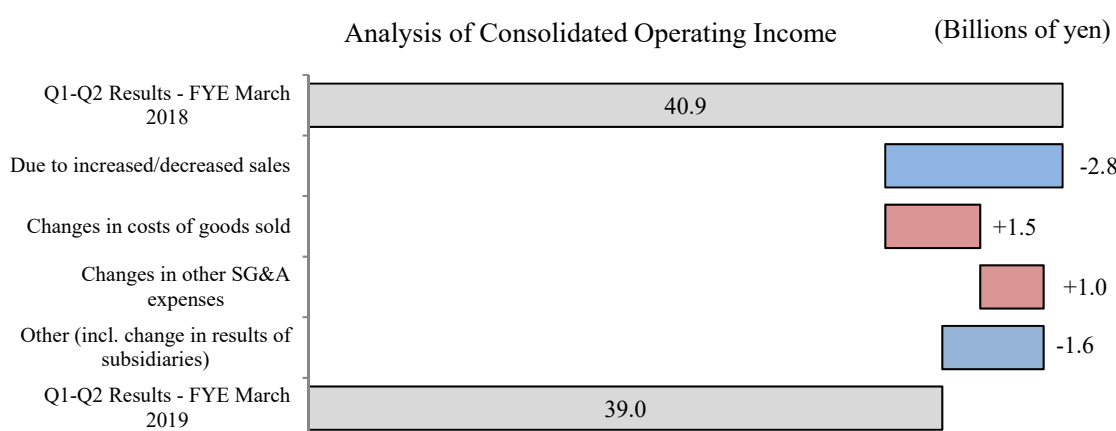
Below is an overview by segment.

1) Food segment

- 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 year on year due to the change in our commercial transaction system and decrease in sales of chocolate.
- Overall operating income decreased year on year due to decrease in sales of functional yogurt and chocolate.

(Billions of yen)

	First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)	% Change
Net sales	534.2	524.8	-1.8%
Operating income	40.9	39.0	-4.6%



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

(Billions of yen)

		First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)	% Change
Fresh and Fermented Dairy	Net sales	170.6	165.5	-3.0
	Operating income	24.6	22.4	-9.0
Processed Food	Net sales	88.9	91.4	2.8
	Operating income	4.0	4.3	9.1
Confectionery	Net sales	59.3	50.4	-15.1
	Operating income	7.2	6.2	-13.7
Nutrition	Net sales	43.5	44.5	2.4
	Operating income	7.2	7.2	0.3
Overseas	Net sales	20.5	21.7	5.8
	Operating income	0.3	0.5	48.3
Other Domestic Subsidiaries	Net sales	151.2	151.1	-0.1
	Operating income	2.6	2.3	-10.5
Corporate Expenses	Net sales	—	—	—
	Operating income	-5.2	-4.1	—

■ Fresh and Fermented Dairy business (Yogurt, drinking milk, beverages, etc.)

- 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.
- Operating income decreased year on year due to decreased revenues as well as increased logistics 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* series.
 - Operating income increased year on year due to increase in sales of our mainstay products.

- 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 revised in April 2018, decreased revenues from chocolate, and the cut its sales area for the savory snack *Karl* implemented in August 2017.
 - Operating income decreased significantly year on year due to decrease in sales.

- Nutrition business (Sports nutrition, infant formula, enteral formula, beauty supplement, OTC drugs, etc.)
 - Net sales increased year on year thanks to the favorable growth of infant formula. Net sales of *Meiji Mei Balance* series increased year on year.
 - Operating income were largely unchanged year on year. Sales promotion expenses increased, but this was compensated for by higher revenues from mainstay products.

- Overseas (Overseas subsidiaries, exports)
 - Net sales increased year on year. Among exports business, net sales of infant formula to Vietnam were favorable. Net sales of businesses in China were favorable growth.
 - Operating income increased significantly year on year due to the increase in sales of export business and subsidiaries in China.
 - Taiwan Meiji Food Co., Ltd. was newly consolidated in April 2018.

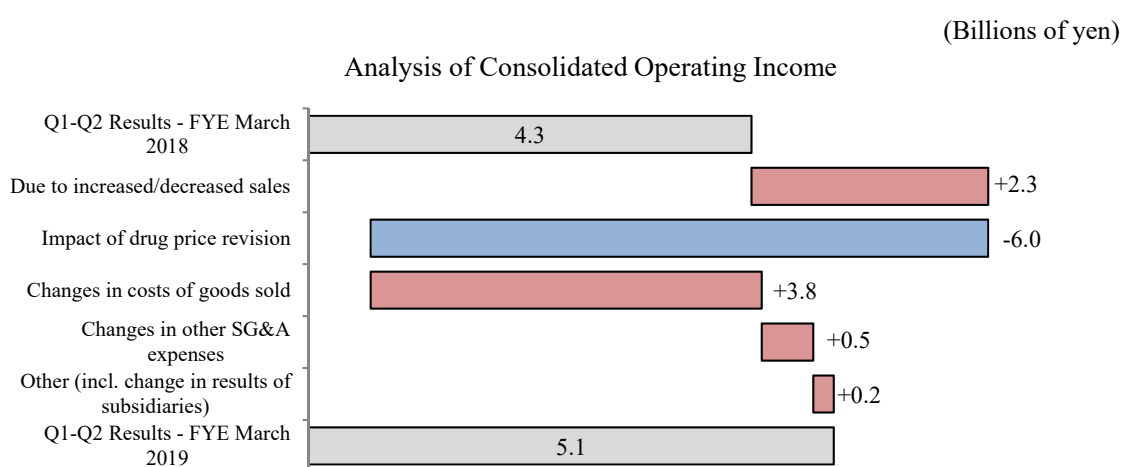
- Other domestic subsidiaries (Feedstuffs, livestock products, sugar and corn sweeteners, logistics, etc.)
 - Sales were largely unchanged year on year. Sales of our sugar trade subsidiary and our livestock products subsidiary decreased, but this was compensated for by increased revenues from our logistics subsidiary and our feed subsidiary.
 - Operating income decreased significantly year on year due to lower revenues from our livestock subsidiary.

2) Pharmaceutical segment

- Net sales increased significantly year on year. Although sales were impacted by NHI pricing revisions enacted in April 2018, sales volume for mainstay products grew in Japan. Strong growth of overseas subsidiaries and sales of KM Biologics consolidated in July 2018, also contributed.
- Operating income increased significantly year on year. To overcome the impact of NHI pricing revisions, we worked hard to expand sales of domestic mainstay products and to reduce costs. Additionally, income increased significantly thanks to contributions from KM Biologics.

(Billions of yen)

	First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)	% Change
Net sales	77.7	87.6	12.6
Operating income	4.3	5.1	17.5



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

(Billions of yen)

		First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)	% Change
Japan	Net sales	58.2	58.4	0.2
	Operating income	2.3	4.2	78.4
Overseas	Net sales	19.5	20.5	5.4
	Operating income	2.0	0.7	-65.0
Biologics*	Net sales	—	9.9	—
	Operating income	—	1.6	—

(Note) The difference between the sum of net sales/operating income in above table and consolidated net sales/operating are intersegment eliminations.

* Refers to KM Biologics

■ Japan

- Net sales in Japan were largely unchanged year on year. Sales of ethical pharmaceuticals were impacted by NHI pricing revisions, but sales of the schizophrenia drug *SYCREST* and the anti-allergy drug *BILANOVA* grew significantly. Sales of the *influenza HA vaccine KMB* launched in September 2018 also contributed. Net sales for the agricultural chemicals increased due to the one-time revenues incidental to the licensing agreement with BASF for the new agricultural insecticide *AFIDOPYROPEN*.
- Operating income increased significantly year on year. Income was impacted by NHI pricing revisions, but we strived to increase revenues from mainstay products and to reduce costs. A part of R&D expenses were carried over to second half.
- As of April 2018, we made Me Pharma Co., Ltd. a consolidated subsidiary.

■ Overseas

- Net sales increased significantly year on year. Export sales of antibacterial drug *MEIACT* and *KANAMYCIN* increased significantly year on year. Net sales of subsidiaries in India and Indonesia increased significantly year on year.
- Operating income decreased significantly year on year due to increased costs for export products.

■ Biologicals

- Net sales were favorable for the mainstay influenza vaccine and the 4-way vaccine *Quattrovac*.
- Operating income transitioned in line with plans.

(2) Financial status

1) Assets, Liabilities, and Net Assets

(Billions of yen)

	As of March 31, 2018	As of Sep. 30, 2018	Change	Main Factors for Change
Current assets	383.0	415.8	32.8	-Goods and products (+19.0) -Notes and accounts receivable (+7.5) -Raw materials and supplies (+7.5)
Fixed assets	542.2	588.0	45.7	-Buildings and structures (net) (+18.2) -Machinery and equipment (net) (+13.0) -Investment securities (+7.5) -Construction in progress (+6.3)
Total assets	925.2	1,003.9	78.6	—
Current liabilities	294.4	293.4	-0.9	-Commercial paper (+11.0) -Short-term loans payable (-8.4) -Income taxes payable (-1.7)
Long-term liabilities	135.6	157.5	21.9	-Long-term loans payable (+15.1)
Total liabilities	430.0	451.0	20.9	—
Shareholders' equity	465.5	493.4	27.8	-Retained earnings (+27.5)
Accumulated other comprehensive income	21.7	27.0	5.3	-Valuation difference on available-for-sale securities (+5.7)
Minority interests	7.8	32.3	24.5	—
Total net assets	495.1	552.8	57.6	—
Total liabilities and net assets	925.2	1,003.9	78.6	—

Interest bearing debt	119.1	136.7	17.6	-Long-term loans payable (+15.1) -Commercial paper (+11.0) -Short-term loans payable (-8.4)
Equity Ratio (%)	52.7	51.8	-0.9pt	—

2) Status of cash flows

(Billions of yen)

	First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)	Change	Main factors for Change
Net cash flow from operating activities	38.7	38.3	-0.3	—
Net cash flow from investing activities	-32.6	-60.2	-27.5	-Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation (-33.8) -Proceeds from sales of property, plant and equipment and intangible fixed assets (+5.7)
Net cash flow from financing activities	-11.0	16.6	27.6	-Proceeds from long-term loans payable (+14.9) -Proceeds from share issuance to non-controlling shareholders (+10.2)
Cash and cash equivalents at end of period	17.3	21.4	4.0	—
Free cash flow	6.0	-21.8	-27.9	—

(3) Explanation Concerning Forecasts for Consolidated Earnings

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

Due to the addition of KM Biologics to the scope of consolidation in July 2018, we recorded extraordinary income of JPY 6,584 million as negative goodwill for the first six months of FYE March 2019, which resulted in net sales, operating income, ordinary income, and net income attributable to shareholders of parent company that exceeded our previously published earnings forecasts. Accordingly, we conducted an upward revision for our earnings forecasts.

■ Revisions to Financial Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

	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
Previous forecasts (A)	1,260,000	99,500	99,500	63,000	434.48
Revised forecasts (B)	1,265,500	101,000	101,000	71,000	489.61
Change (B-A)	5,500	1,500	1,500	8,000	
Percentage of change	0.4	1.5	1.5	12.7	
(Reference) Actual results for the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	1,240,860	94,673	95,877	61,278	422.15

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
ASSETS		
Current assets		
Cash and deposits	27,613	22,829
Notes and accounts receivable	195,760	203,351
Goods and products	86,929	106,027
Work in process	3,344	4,411
Raw materials and supplies	46,194	53,756
Others	23,364	25,749
Allowance for doubtful accounts	-202	-246
Total current assets	383,004	415,879
Fixed assets		
Property, plants and equipment		
Buildings and structures	319,894	337,213
Less accumulated depreciation	-173,777	-172,874
Buildings and structures (net)	146,116	164,338
Machinery and equipment	504,589	523,295
Less accumulated depreciation	-372,142	-377,818
Machinery and equipment (net)	132,447	145,477
Tools and furniture	53,736	55,272
Less accumulated depreciation	-42,763	-43,030
Tools and furniture (net)	10,972	12,241
Land	71,454	69,816
Lease assets	2,710	2,823
Less accumulated depreciation	-2,063	-2,130
Lease assets (net)	647	693
Construction in progress	22,323	28,720
Total property, plants and equipment	383,962	421,287
Intangible assets		
Goodwill	10,590	10,482
Other	11,964	13,718
Total intangible assets	22,555	24,201
Investments and other fixed assets		
Investment securities	90,874	98,440
Net defined benefit asset	20,777	21,491
Other	24,156	22,696
Allowance for doubtful accounts	-93	-90
Total investments and other fixed assets	135,715	142,537
Total fixed assets	542,232	588,025
Total assets	925,237	1,003,905

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
LIABILITIES		
Current liabilities		
Notes and accounts payable	120,107	119,494
Short-term loans payable	49,749	41,266
Commercial paper	—	11,000
Income taxes payable	18,253	16,505
Accrued bonuses for employees	10,857	10,850
Allowance for sales returns	72	249
Allowance for sales rebates	1,943	1,959
Other current liabilities	93,444	92,166
Total current liabilities	294,429	293,492
Long-term liabilities		
Bonds	20,000	20,000
Long-term loans payable	49,353	64,491
Retirement benefit liabilities	50,330	51,168
Reserve for directors' retirement benefits	148	96
Other long-term liabilities	15,797	21,792
Total long-term liabilities	135,629	157,549
Total liabilities	430,059	451,041
NET ASSETS		
Shareholders' equity		
Common stock	30,000	30,000
Capital surplus	99,841	100,018
Retained earnings	366,276	393,818
Treasury stock, at cost	-30,521	-30,404
Total shareholders' equity	465,595	493,433
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	33,188	38,978
Deferred gains or losses on hedges	-53	26
Foreign currency translation adjustments	268	-1,343
Adjusted cumulative of retirement benefits	-11,689	-10,628
Total accumulated other comprehensive income	21,714	27,032
Minority interests	7,866	32,398
Total net assets	495,177	552,863
Total liabilities and net assets	925,237	1,003,905

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the First Six Months Ended September 30, 2018)

(Millions of yen)

	First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)
Net sales	611,494	611,971
Cost of sales	391,893	393,706
Gross profit	219,601	218,265
Selling, general and administrative expenses	174,473	174,425
Operating income	45,127	43,840
Non-operating income		
Interest income	69	64
Dividend income	664	698
Equity in income of affiliates	317	—
Foreign exchange gains	147	—
Other	742	725
Total non-operating income	1,942	1,488
Non-operating expenses		
Interest expenses	382	359
Share of loss of entities accounted for using equity method	—	74
Foreign exchange losses	—	567
Other	571	454
Total non-operating expenses	953	1,455
Ordinary income	46,116	43,873
Extraordinary income		
Gain on sale of property, plants and equipment	2,672	6,451
Gain on bargain purchase	—	6,584
Gain on liquidation of subsidiaries	464	—
Other	252	299
Total extraordinary income	3,390	13,335
Extraordinary losses		
Loss on disposal of property, plants and equipment	2,039	1,094
Loss on sales of shares of subsidiaries and associates	444	2
Impairment loss	114	1,007
Loss on disaster	—	1,021
Other	61	977
Total extraordinary losses	2,659	4,103
Income before income taxes	46,847	53,105
Income taxes-total	14,856	14,477
Net income	31,990	38,627
Net income or net losses attributable to non-controlling shareholders	557	311
Net income attributable to shareholders of parent company	31,433	38,316

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

(Millions of yen)

	First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)
Net income	31,990	38,627
Other comprehensive income		
Net unrealized holding gains or losses on securities	4,733	5,789
Deferred gains or losses on hedges	62	83
Foreign currency translation adjustments	-1,477	-1,147
Adjustments related to retirement benefits	1,230	1,060
Equity in affiliates accounted for by equity method	133	-548
Total other comprehensive income	4,682	5,237
Comprehensive income	36,673	43,865
(Breakdown)		
Comprehensive income attributable to shareholders of parent company	36,154	43,633
Comprehensive income attributable to minority shareholders	518	231

(3) Quarterly Consolidated Statements of Cash Flow

(Millions of yen)

	First six months of FYE March 2018 <small>(from Apr. 1, 2017 to Sep. 30, 2017)</small>	First six months of FYE March 2019 <small>(from Apr. 1, 2018 to Sep. 30, 2018)</small>
Cash flows from operating activities		
Income before income taxes	46,847	53,105
Depreciation and amortization	22,401	20,652
Impairment loss	114	1,007
Amortization of goodwill	823	813
Gain on bargain purchase	—	-6,584
Loss on disposal of property, plants and equipment	2,039	1,087
Increase (decrease) in allowance for doubtful accounts	-159	-16
Increase (decrease) in accrued bonuses to employees	-553	-391
Increase (decrease) in retirement benefit liabilities	1,578	1,746
Interest and dividends received	-734	-763
Interest expenses	382	359
Equity in loss (income) of equity-method affiliates	-317	74
Loss (gain) on sale of property, plants or equipment	-2,647	-6,225
Loss (gain) on sale of investment securities	-246	-94
Decrease (increase) in trade receivables	-11,258	-1,998
Decrease (increase) in inventories	-9,341	-2,429
Increase (decrease) in trade payables	9,518	-3,654
Others	-4,968	-3,414
Subtotal	53,478	53,275
Interest and dividends received	741	774
Interest expenses paid	-414	-346
Income taxes paid	-15,103	-15,355
Net cash provided by operating activities	38,700	38,347
Cash flows from investing activities		
Payments for purchases of property, plants or equipment	-33,929	-32,661
Payments for purchases of intangible fixed assets	-906	-1,646
Proceeds from sales of property, plants or equipment and intangible fixed assets	3,807	9,553
Proceeds from sales of investments in real estate	1	—
Payments for purchases of investment securities	-1,007	-81
Proceeds from sales of investment securities	364	190
Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-33,879
Others	-1,006	-1,705
Net cash used in investing activities	-32,675	-60,228

(Millions of yen)

	First six months of FYE March 2018 (from Apr. 1, 2017 to Sep. 30, 2017)	First six months of FYE March 2019 (from Apr. 1, 2018 to Sep. 30, 2018)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans	10,410	-347
Increase (decrease) in commercial paper	8,000	11,000
Proceeds from long-term loans payable	3,157	18,070
Repayment of long-term loans payable	-11,581	-11,619
Proceeds from issuance of bonds	9,955	—
Redemption of bonds	-10,000	—
Decrease (increase) in treasury stock	-10,053	288
Cash dividends paid	-9,499	-10,483
Cash dividends paid to minority shareholders	-92	-96
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-817	-0
Proceeds from share issuance to non- controlling shareholders	—	10,200
Others	-506	-400
Net cash used in financing activities	-11,026	16,610
Translation adjustment on cash and cash equivalents	-284	-263
Net increase (decrease) in cash and cash equivalents	-5,286	-5,534
Cash and cash equivalents at beginning of year	22,624	26,913
Increase in cash and cash equivalents from newly consolidated subsidiary	—	43
Cash and cash equivalents at end of period	17,338	21,422

(4) 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 six months of the current fiscal year increased by JPY 2,080 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 Six Months of the Previous Consolidated Fiscal Year (April 1, 2017 to September 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	534,038	77,456	611,494	—	611,494
(2) Inter-segment Sales and Transfers	236	324	560	-560	—
Total	534,274	77,780	612,055	-560	611,494
Income by Segment	40,907	4,354	45,261	-133	45,127

(Notes)

1. Details of Adjustments are as follows:

The segment income adjustment of a negative 133 million yen includes inter-segment eliminations of 6 million yen and a negative 139 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 Six Months of the Consolidated Fiscal Year under Review (April 1, 2018 to September 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	524,617	87,354	611,971	—	611,971
(2) Inter-segment Sales and Transfers	211	246	458	-458	—
Total	524,829	87,600	612,430	-458	611,971
Income by Segment	39,005	5,115	44,120	-280	43,840

(Notes)

1. Details of Adjustments are as follows:

The segment income adjustment of a negative 280 million yen includes inter-segment eliminations of 6 million yen and a negative 287 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 concerning assets for each reporting segment

During the first six months of FYE March 2019, we acquired a portion of the shares of KM Biologics and added the company to the scope of consolidation. As a result, compared to the end of the previous consolidated fiscal year, the value of reporting segment for the first six months of FYE March 2019 increased by 65,261 million yen in the pharmaceuticals segment.

(3) 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 JPY 2,080 million.

(4) Information on impairment loss on fixed assets or goodwill, 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)

During the first six months of FYE March 2019, we acquired shares of KM Biologics and added the company to the scope of consolidation. As a result, we recorded negative goodwill of JPY 6,584 million for the pharmaceuticals segment.

Consolidated Financial Results for the Second 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 revised plan figures were announced on November 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		
		%	%				%	%		%	%	
Net sales	296.3	-1.6	48.8	611.9	+0.1	+0.8		%	%		%	%
Cost of sales	191.8	+0.1	—	393.7	+0.5	—						
Gross profit	104.5	-4.6	—	218.2	-0.6	—						
Selling, general and administrative expenses	84.8	-0.5	—	174.4	-0.0	—						
Carriage and storage charges	11.8	-5.3	—	24.0	-0.7	—						
Sales promotion expenses	29.1	-3.6	—	58.4	-6.3	—						
Labor cost	19.8	+1.4	—	40.3	+2.8	—						
Operating income	19.7	-19.0	48.2	43.8	-2.9	+6.9						
Ordinary income	20.3	-19.3	48.9	43.8	-4.9	+5.7						
Net income attributable to owners of parent	17.0	+0.5	53.4	38.3	+21.9	+19.7						

Plan -- FYE March 2019					
H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
611.9	+0.1	653.5	+3.8	1,265.5	+2.0
393.7	+0.5	—	—	—	—
218.2	-0.6	—	—	—	—
174.4	-0.0	—	—	—	—
24.0	-0.7	—	—	—	—
58.4	-6.3	—	—	—	—
40.3	+2.8	—	—	—	—
43.8	-2.9	57.1	+15.4	101.0	+6.7
43.8	-4.9	57.1	+14.8	101.0	+5.3
38.3	+21.9	32.6	+9.5	71.0	+15.9

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	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

Note: KM Biologics earnings included beginning from the second quarter of FYE March 2019. We also will revise plans for FYE March 2019 (second half, full-year).

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) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change	
Net sales	258.6	-2.6	48.8	524.8	-1.8	-1.0									
Cost of sales	172.6	-0.8	—	351.0	-0.7	—									
Gross profit	85.9	-6.0	—	173.7	-3.8	—									
Selling, general and administrative expenses	67.5	-2.2	—	134.7	-3.6	—									
Carriage and storage charges	11.2	-5.6	—	22.9	-0.6	—									
Sales promotion expenses	25.8	-4.7	—	51.4	-7.3	—									
Labor cost	14.2	+2.1	—	28.2	+2.0	—									
Operating income	18.4	-17.8	47.5	39.0	-4.6	+0.3									
Ordinary income	18.9	-17.3	48.0	39.7	-4.3	+1.1									
Net income attributable to owners of parent	16.6	+6.6	52.8	30.5	+4.0	-3.2									

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) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	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			
Cost of sales	174.1	-0.5	—	353.5	+0.5	—	536.4	+0.7	—	703.3	+0.3	—			
Gross profit	91.5	-1.3	—	180.6	-1.6	—	279.0	-2.6	—	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	—			
Carriage and storage charges	11.9	+3.4	—	23.1	-1.2	—	33.6	-4.9	—	43.9	-6.3	—			
Sales promotion expenses	27.1	-5.5	—	55.5	-6.5	—	87.8	-4.8	—	117.4	-5.8	—			
Labor cost	13.9	+0.6	—	27.7	+0.4	—	41.9	+1.3	—	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			
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			
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			

3. Operating Results of Pharmaceutical 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	87.6	% +12.6	% +12.4		%	%
Cost of sales	19.2	+8.7	—	43.0	+11.1	—			
Gross profit	18.5	+2.3	—	44.5	+14.2	—			
Selling, general and administrative expenses	17.1	+5.4	—	39.4	+13.8	—			
Operating income	1.4	-23.6	57.0	5.1	+17.5	+96.2			
Ordinary income	1.2	-36.7	48.4	4.0	-8.3	+58.8			
Net income attributable to owners of parent	0.3	-72.5	45.0	7.8	+302.3	+1,064.4			

Plan -- FYE March 2019					
H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
87.6	% +12.6	112.3	% +23.9	200.0	% +18.7
43.0	+11.1	—	—	—	—
44.5	+14.2	—	—	—	—
39.4	+13.8	—	—	—	—
5.1	+17.5	8.3	+25.7	13.5	+22.4
4.0	-8.3	7.9	+46.1	12.0	+21.8
7.8	+302.3	1.8	+41.4	9.7	+197.0

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

Note: KM Biologics earnings included beginning from the second quarter of FYE March 2019. We also will revise plans for FYE March 2019 (second half, full-year).

2. Segment Information

1. Food Segment

A. Net Sales

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year		Plan -- FYE March 2019					
	YoY change	H1 plan	YoY change	vs. H1 plan	YoY change	Full-year plan	YoY change	vs. Full-year plan	H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
		achievement rate												
		%	%		%	%		%	%		%	%		%
Fresh and Fermented Dairy	83.0	-3.1	49.7	165.5	-3.0	-1.0								
Processed Food	44.0	+2.1	48.5	91.4	+2.8	+0.7								
Confectionery	24.8	-19.6	48.8	50.4	-15.1	-1.1								
Nutritionals	21.6	+1.8	48.7	44.5	+2.4	+0.1								
Overseas	9.9	+7.4	39.6	21.7	+5.8	-13.1								
Other Domestic Subsidiaries	75.0	-0.2	49.6	151.1	-0.1	-0.2								

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year		Plan -- FYE March 2019					
	YoY change	H1 plan	YoY change	vs. H1 plan	YoY change	Full-year plan	YoY change	vs. Full-year plan	H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
		achievement rate												
		%	%		%	%		%	%		%	%		%
Fresh and Fermented Dairy	85.7	—	—	170.6	—	—	254.5	—	—	338.5	—	—	—	—
Processed Food	43.1	—	—	88.9	—	—	134.9	—	—	174.1	—	—	—	—
Confectionery	30.9	—	—	59.3	—	—	99.6	—	—	135.5	—	—	—	—
Nutritionals	21.3	—	—	43.5	—	—	66.7	—	—	84.1	—	—	—	—
Overseas	9.2	—	—	20.5	—	—	31.8	—	—	43.4	—	—	—	—
Other Domestic Subsidiaries	75.2	—	—	151.2	—	—	227.6	—	—	297.8	—	—	—	—

B. Operating Income

(Billions of yen)

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year		Plan -- FYE March 2019					
	YoY change	H1 plan	YoY change	vs. H1 plan	YoY change	Full-year plan	YoY change	vs. Full-year plan	H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
		achievement rate												
		%	%		%	%		%	%		%	%		%
Fresh and Fermented Dairy	11.3	-14.1	49.3	22.4	-9.0	-2.9								
Processed Food	1.6	-7.8	40.9	4.3	+9.1	+5.7								
Confectionery	3.1	-29.7	49.3	6.2	-13.7	-2.8								
Nutritionals	3.1	-18.2	47.4	7.2	+0.3	+10.1								
Overseas	-0.0	—	—	0.5	+48.3	+40.2								
Other Domestic Subsidiaries	1.2	-3.8	50.0	2.3	-10.5	-7.7								
Corporate expenses	-2.1	—	—	-4.1	—	—								

FYE March 2018	Q1		Q1-Q2		Q1-Q3		Full-year		Plan -- FYE March 2019					
	YoY change	H1 plan	YoY change	vs. H1 plan	YoY change	Full-year plan	YoY change	vs. Full-year plan	H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
		achievement rate												
		%	%		%	%		%	%		%	%		%
Fresh and Fermented Dairy	13.2	—	—	24.6	—	—	36.5	—	—	52.0	—	—	—	—
Processed Food	1.8	—	—	4.0	—	—	6.2	—	—	7.4	—	—	—	—
Confectionery	4.5	—	—	7.2	—	—	15.2	—	—	19.7	—	—	—	—
Nutritionals	3.8	—	—	7.2	—	—	11.3	—	—	12.4	—	—	—	—
Overseas	-0.1	—	—	0.3	—	—	0.6	—	—	0.7	—	—	—	—
Other Domestic Subsidiaries	1.3	—	—	2.6	—	—	4.0	—	—	4.3	—	—	—	—
Corporate expenses	-2.1	—	—	-5.2	—	—	-8.9	—	—	-12.4	—	—	—	—

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

2. Pharmaceutical 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	58.4	+0.2	+0.2		
Overseas	10.2	+15.0	52.5	20.5	+5.4	+5.4		
Biologicals	—	—	—	9.9	—	—		

Plan -- FYE March 2019					
H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
	%		%		%
58.4	+0.2	71.0	+0.3	129.4	+0.3
20.5	+5.4	22.1	+11.2	42.6	+8.3
9.9	—	20.0	—	30.0	—

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	—	—	129.0	—
Overseas	8.9	—	—	19.5	—	—	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	4.2	+78.4	+82.1		
Overseas	0.2	-60.0	66.7	0.7	-65.0	+133.3		
Biologicals	—	—	—	1.6	—	—		

Plan -- FYE March 2019					
H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
	%		%		%
4.2	+78.4	5.2	+21.8	9.4	+41.9
0.7	-65.0	0.4	-83.3	1.1	-75.0
1.6	—	1.8	—	3.5	—

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
Japan	1.4	—	—	2.3	—	—	6.6	—
Overseas	0.5	—	—	2.0	—	—	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	—

Note: From the second quarter of FYE March 2019, we will indicate earnings and plans for the biological agents business (KM Biologicals).

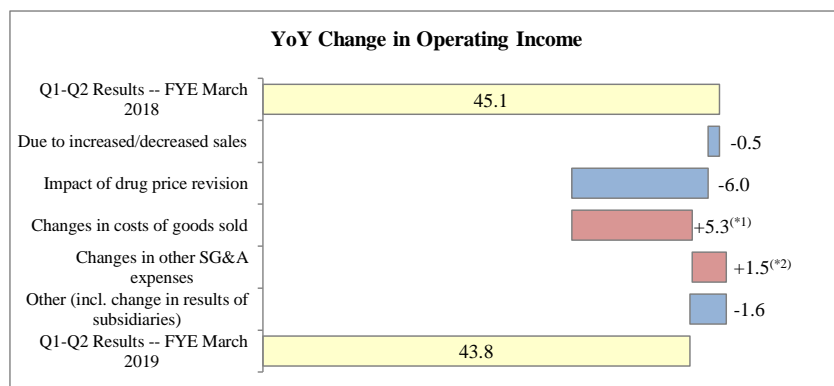
Note: The difference between the total for net sales and operating income for each business as indicated on this page and pharmaceutical segment (consolidated) net sales and operating income indicated on page 3 represents intersegment eliminations.

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	45.1	40.9	4.3	-0.1								
Due to increased/decreased sales	-1.1	-2.3	+1.2	—	-0.5	-2.8	+2.3	—								
Impact of drug price revision	-2.9	—	-2.9	—	-6.0	—	-6.0	—								
Changes in costs of goods sold	+2.8	+0.6	+2.2	—	+5.3	+1.5	+3.8	—								
Changes in other SG&A expenses	-2.4	-1.3	-1.1	—	+1.5	+1.0	+0.5	—								
Other (incl. change in results of subsidiaries)	-1.1	-1.0	+0.1	-0.2	-1.6	-1.6	+0.2	-0.2								
Total change	-4.7	-4.0	-0.5	-0.2	-1.3	-1.9	+0.8	-0.2								
Results -- FYE March 2019	19.7	18.4	1.4	-0.1	43.8	39.0	5.1	-0.2								



(Breakdown)

*1: [Food] Decrease in raw material costs: +0.9, Other: +0.5

[Pharma] Cost reductions and difference due to inventory reevaluation following a production structure review

*2: [Food] Increase in promotion expenses: -0.9, Increase in Distribution cost: -0.4, Other: +2.3

[Pharma] Decrease in R&D expenses (Carry over to second half): +0.7, Other: -0.2

2. Plan -- FYE March 2019

(Billions of yen)

	H1 (Q1-Q2) Results				H2 (Q3-Q4) Revised Plan				Full-year Revised Plan			
	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	6.6	-0.4	94.6	84.1	11.0	-0.5
Due to increased/decreased sales	-0.5	-2.8	+2.3	—	+5.4	+3.7	+1.7	—	+4.9	+0.9	+4.0	—
Impact of drug price revision	-6.0	—	-6.0	—	-6.5	—	-6.5	—	-12.5	—	-12.5	—
Changes in costs of goods sold	+5.3	+1.5	+3.8	—	+4.2	-1.0	+5.2	—	+9.5	+0.5	+9.0	—
Changes in other SG&A expenses	+1.5	+1.0	+0.5	—	+2.1	+2.8	-0.7	—	+3.6	+3.8	-0.2	—
Other (incl. change in results of subsidiaries)	-1.6	-1.6	+0.2	-0.2	+2.5	+0.3	+2.0	+0.2	+0.9	-1.3	+2.2	-0.0
Total change	-1.3	-1.9	+0.8	-0.2	+7.7	+5.8	+1.7	+0.2	+6.4	+3.9	+2.5	-0.0
Plan -- FYE March 2019	43.8	39.0	5.1	-0.2	57.1	49.1	8.3	-0.3	101.0	88.1	13.5	-0.6

Note: KM Biologics earnings included in "Other (incl. change in results of subsidiaries)" of Pharma.

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	%	1,003.9	%		%		%
Current assets	393.9	+1.9	415.8	+8.5				
Fixed assets	549.1	+2.9	588.0	+8.6				
Total liabilities	440.4	+1.3	451.0	+8.4				
Current liabilities	303.3	+2.4	293.4	-0.3				
Long-term liabilities	137.0	+1.1	157.5	+16.2				
Total net assets	502.7	+1.5	552.8	+11.6				
Shareholders' equity	471.8	+1.4	493.4	+6.0				

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	136.7	+14.8				
	Food segment assets	658.2	-0.5	664.2	+0.4				
	Pharmaceuticals segment assets	206.4	-2.9	277.9	+30.7				

Note: KM Biologics earnings included beginning from the second quarter of FYE March 2019.

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	%	918.9	%	950.3	%	927.5	%	
Current assets	373.1	+0.9	387.7	+4.0	407.3	+7.5	392.6	+4.9	
Fixed assets	518.5	-1.2	531.2	+2.7	543.0	+7.9	534.8	+4.0	
Total liabilities	437.1	+2.4	449.3	+4.9	461.9	+7.3	432.3	+5.7	
Current liabilities	321.9	+2.4	332.5	+5.3	342.2	+8.3	294.4	+1.3	
Long-term liabilities	115.1	+2.5	116.7	+5.8	119.6	+8.9	137.9	-6.3	
Total net assets	454.6	+2.3	469.6	+3.8	488.4	+6.4	495.1	+22.6	
Shareholders' equity	431.3	-0.6	444.0	+2.7	455.0	+6.8	465.5	+8.3	
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	
	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2) Results	Full-year Revised Plan
Capital expenditures	24.1	42.3	23.3	50.4	34.8	71.7	34.3	79.3
Food segment	21.2	36.5	20.3	44.3	30.6	63.8	30.5	68.1
Pharmaceutical segment	2.8	5.7	2.9	6.0	4.1	7.8	3.7	11.1
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	20.6	42.7
Food segment	17.3	36.5	19.2	39.9	19.3	40.1	16.7	34.6
Pharmaceutical segment	2.2	5.3	2.8	5.7	2.9	6.0	3.6	7.8
Corporate or elimination	0.1	0.2	0.1	0.2	0.1	0.3	0.2	0.2
R&D expenses	12.9	27.3	12.5	26.1	12.5	26.5	13.2	30.2
Food segment	6.4	12.6	6.1	12.4	5.9	13.2	6.1	13.1
Pharmaceutical segment	6.5	14.6	6.4	13.7	6.5	13.2	7.0	17.0
Corporate or elimination	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: KM Biologics earnings included in the results of first half and full year plan of FYE March 2019.

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	45.0	+2.0	-0.7		
Meiji Bulgaria Yogurt	21.0	+2.5	49.9	41.9	+2.3	-0.5		
Probiotic yogurts	27.1	-4.4	51.1	52.1	-4.7	-1.6		
Drinking milk	26.9	-2.2	48.4	55.2	-1.7	-0.6		
Meiji Oishii Gyunyu	14.2	-3.3	47.8	29.7	-3.8	-0.3		
Cheese	9.2	+4.4	52.7	18.0	+5.0	+3.2		
Meiji Hokkaido Tokachi series	3.4	+1.7	53.5	6.6	+4.5	+3.9		
Ice cream	12.2	+5.6	43.5	28.3	+6.9	+0.6		
Chocolate	17.9	-17.5	48.3	36.6	-12.8	-1.2		
Nutritional products	13.8	+8.2	50.2	28.2	+7.6	+2.5		
Sports nutrition	5.4	-2.0	47.9	11.3	+3.6	-0.8		

Plan -- FYE March 2019					
H1 (Q1-Q2) Results	YoY change	H2 (Q3-Q4) Revised Plan	YoY change	Full-year Revised Plan	YoY change
	%		%		%
45.0	+2.0	42.9	+7.5	88.0	+4.6
41.9	+2.3	39.3	+6.3	81.2	+4.2
52.1	-4.7	65.1	+0.8	117.3	-1.8
55.2	-1.7	51.3	+0.7	106.5	-0.5
29.7	-3.8	27.3	+1.8	57.0	-1.2
18.0	+5.0	18.4	+2.3	36.4	+3.6
6.6	+4.5	7.4	+12.7	14.1	+8.6
28.3	+6.9	16.7	+1.4	45.1	+4.8
36.6	-12.8	62.3	+0.5	99.0	-4.9
28.2	+7.6	27.7	+4.1	55.9	+5.8
11.3	+3.6	9.7	+20.1	21.1	+10.6

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. Pharmaceutical Segment (Non-consolidated)

(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) Results	YoY Change	H2 (Q3-Q4) Revised Plan	YoY Change	Full-year Revised Plan	YoY Change				
		%	%	%	%	%	%	%	%	%	%	%	%	%	%				
Ethical pharmaceuticals (Japan)*	Total brand name drugs	12.5	+6.3	48.0	26.7	+3.5	+2.1							26.7	+3.5	29.6	+2.2	56.3	+2.8
	MELACT	1.1	-27.9	43.7	2.1	-36.4	-16.2							2.1	-36.4	2.6	-35.6	4.7	-36.0
	REFLEX	4.4	+5.7	44.3	9.9	+1.2	-1.8							9.9	+1.2	8.3	-16.6	18.2	-7.8
	SYCREST	0.8	+45.8	41.3	1.8	+36.6	-12.7							1.8	+36.6	2.5	+69.7	4.3	+53.9
	BILANOA	1.1	+426.5	75.1	1.7	+285.1	+15.7							1.7	+285.1	3.5	+28.7	5.3	+64.9
	Total generic drugs	10.9	+2.1	47.9	22.8	-0.9	-0.3							22.8	-0.9	24.4	+3.0	47.2	+1.1
	AMLODIPINE	1.0	+1.0	48.7	2.2	-2.8	+1.0							2.2	-2.8	2.3	-2.1	4.5	-2.5
	TAZOPIPE	1.1	+19.8	44.3	2.6	+21.7	+0.3							2.6	+21.7	3.1	+22.4	5.7	+22.1
	(By field) Total infectious diseases	8.2	+0.9	47.6	18.0	+2.0	+4.2							18.0	+2.0	20.8	+7.8	38.9	+5.0
	Total CNS disorders	8.4	+7.5	45.7	18.1	+3.1	-2.0							18.1	+3.1	17.3	-3.9	35.4	-0.5
Biologicals	Total human vaccine	—	—	—	7.1	—	—						7.1	—	13.7	—	20.9	—	
Total blood plasma products	—	—	—	1.7	—	—							1.7	—	3.6	—	5.3	—	

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) Results	YoY Change	H2 (Q3-Q4) Revised Plan	YoY Change	Full-year Revised Plan	YoY Change				
		%	%	%	%	%	%	%	%	%	%	%	%	%					
Ethical pharmaceuticals (Japan)*	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	25.8	+4.7	28.9	+0.5	54.8	+2.4
	MELACT	1.5	-21.8	41.2	3.4	-20.9	-10.4	5.8	-22.2	77.6	7.4	-23.8	-0.8	3.4	-20.9	4.0	-26.1	7.4	-23.8
	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	9.7	+1.4	9.9	+1.5	19.7	+1.5
	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	1.3	+140.2	1.4	+93.3	2.8	+113.2
	BILANOA	0.2	—	17.5	0.4	—	-63.2	1.2	+77.0	36.0	3.2	+307.9	-5.7	0.4	—	2.7	+250.3	3.2	+307.9
	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	23.0	+13.2	23.7	+7.1	46.7	+10.0
	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	2.2	+1.4	2.3	-1.3	4.6	+0.0
	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	2.1	+153.8	2.5	+84.6	4.7	+111.3
	(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	17.6	+3.3	19.3	-2.4	37.0	+0.3
	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	17.6	+5.5	18.0	+5.7	35.6	+5.6

*Sales of Ethical pharmaceuticals in Japan, Meiji Seika Pharma (non-consolidated)

Note: From the second quarter of FYE March 2019, we will indicate non-consolidated information for KM Biologicals biological agents business.

8. Other

1. List of New Products Under Development

Infectious disease

Stage	Name	Type	Efficacy Classification	Notes
Phase II	ME1111	Topical	Antionychomycosis	Meiji Seika Pharma Co., Ltd.
Phase I (Overseas)	ME1100 (Arbekacin)	Inhalation	Hospital Acquired Bacterial Pneumonia/ Ventilator Associated Bacterial Pneumonia treatment (HABP/VABP)	Meiji Seika Pharma Co., Ltd.
Phase I	OP0595 (Nacubactam)	Injection	β -lactamase inhibitor	Licensed out to F. Hoffman-La Roche (Switzerland)

CNS disorders

Stage	Name	Type	Efficacy Classification	Notes
Filed	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	REFLEX Org3770 (Mirtazapine)	Oral	Fibromyalgia treatment (Additional indications)	In-license: MSD K.K.

New fields

Stage	Name	Type	Efficacy Classification	Notes
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 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)

Vaccines

Stage	Name	Target Disease	Notes
Phase III	KD-370	Pentavalent vaccine against diphtheria, tetanus, pertussis, polio, and haemophilus influenza type b	KM Biologics Co., Ltd.
Phase I (Overseas)	KD-382	Quadrivalent vaccine against dengue fever	KM Biologics Co., Ltd.
Phase I	KD-404	Egg-derived inactivated whole virus influenza vaccine	KM Biologics Co., Ltd.

Blood Plasma Products

Stage	Name	Target Disease	Notes
Filed	KD6-71	Application for indication expansion is under preparation for chronic inflammatory demyelinating polyneuropathy (CIDP) and multifocal motor neuropathy (MMN)	Co-development: Teijin Pharma Limited
Preparing for regulatory filing	KD5-71	Indication expansion for optic neuritis (ON) (orphan drug)	Co-development: Teijin Pharma Limited
Phase III	KD-371	Indication expansion for microscopic polyangiitis (MPA) (orphan drug)	Co-development: Teijin Pharma Limited

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.

