

Now ideas for wellness

meiji

Integrated Report 2024

Meiji Holdings Co., Ltd.

Paralympic Art World Cup 2023
Meiji Award Winning Artwork (Artist, KOTO)



The Meiji Group’s Vision and Health Value

Group Philosophy

Our mission is to widen the world of “Tastiness and Enjoyment” and meet all expectations regarding “Health and Reassurance.”
Our wish is to be closely in tune with our customers’ feelings and to always be there to brighten their daily lives.
Our responsibility as “Food and Health” professionals is to continue finding innovative ways to meet our customers’ needs, today and tomorrow.

What Is Meiji Unique Value for Wellness?

Our goal is to deliver Meiji unique value for wellness to all stakeholders through the cycle of Cure, Care, and Share. Cure and Care mean contributing to customers’ physical and emotional well-being for all generations, from babies to the elderly. We will support everybody as much as and as long as possible and bring them healthy, happy smiles. Share means having people spread smiles around them. We will link individual health to the smiles of people all over the world. This is Meiji unique value for wellness.

Providing Meiji Unique Value for Wellness to All Stakeholders



Editorial Policy/The Meiji Group's Information Disclosure

Editorial Policy

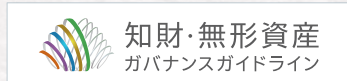
Since 2018, Meiji Holdings Co., Ltd. (the Company) has been issuing the Integrated Report and will continue to replace the Annual Report. After celebrating our 100-year anniversary, the Meiji Group will seek further growth. In this report, we have compiled financial and non-financial information focusing on the Value Creation Story that has led us to sustainable growth.

Reference Guidelines:

- IFRS Foundation Integrated Reporting Framework
- Task Force on Climate-related Financial Disclosures (TCFD)
- Guidance for Collaborative Value Creation by Ministry of Economy, Trade and Industry



- Intellectual Property and Intangible Assets Governance Guidelines, Cabinet Office

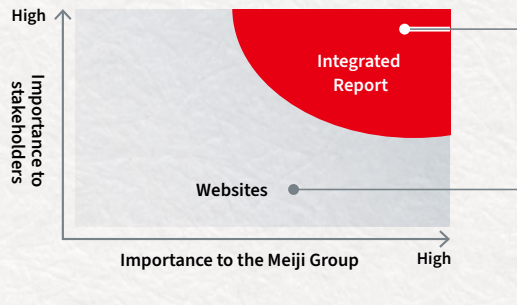


Using the Integrated Report 2024

- This report is based on the performance results from FY2023 (fiscal year ended March 2024). Some content is also included from FY2024 (fiscal year ending March 2025).
- The content is compiled based on information that is available at the time when the Company created the Integrated Report 2024. Therefore, please note that the actual results may be different from the Company's forecast. The information in the report is current as of August 2024 unless otherwise specified.
- The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related implementation guidance are being applied as of FY2021. Unless otherwise stated, through to FY2020, these standards do not apply, and from FY2021 onward, these standards apply.

The Meiji Group's Information Disclosure

The Integrated Report provides important information to the Meiji Group and stakeholders. For financial statements and other information with an independent auditor's report, please refer to the Annual Securities Report. For the data that has been assured by an independent practitioner, please refer to the environmental data. For more detailed information about the Meiji Group, please refer to our websites.



Integrated Report (This report, PDF)

The Meiji Group works on pursuing sustainable improvement of corporate value. We describe our value-creating efforts in the Integrated Report. We hope you enjoy our story and deepen your understanding of the Meiji Group.

Websites

Our websites provide detailed and comprehensive information on our corporate profile, financial information, corporate governance, sustainability-related information, the latest news, etc.

Investors ▶

- Financial Performance ▶
- Results & Presentations ▶
- Invest in Meiji ▶
- Business Plans ▶
- Governance ▶
- Stock Information ▶
- M&A and Alliances ▶

Sustainability ▶

- Healthier Lives ▶
- Caring for the Earth ▶
- The Meiji Group's TCFD Initiatives ▶
- Thriving Communities ▶
- Sustainable Sourcing ▶
- Collaboration ▶
- External Recognition ▶
- ESG Index ▶
- Environmental Data (PDF) ▶

About the Meiji Group ▶

Wellness Stories ▶

Please visit this website for stories about our initiatives to pursue Meiji unique value for wellness.

Innovation ▶

Please visit this website for information on new initiatives to create health value.

Meiji Group Overview ▶

Please visit this website for information about the Meiji Group's mission and vision, slogan, management structure, business domains, history, and other information.

Please visit the following URL for other detailed information.

Meiji Holdings Co., Ltd.

<https://www.meiji.com/global/>

Contents

01 ABOUT THE MEIJI GROUP

- 01 The Meiji Group's Vision and Health Value
- 02 Editorial Policy /
The Meiji Group's Information Disclosure
- 03 Contents
- 04 At a Glance
- 06 A Hundred Year History of Creating
Meiji Unique Value for Wellness

08 MESSAGE FROM THE MANAGEMENT

- 08 Message from CEO
- 13 Message from CFO
- 15 Summary of the 2023 Medium-Term Business Plan
- 18 Discussion with Outside Directors

23 CREATING MARKETS AND CORPORATE VALUE

- 24 The Meiji Group's Process for Value Creation
- 25 Meiji Strengths for Creating New Markets
- 26 Overview of the 2026 Medium-Term Business Plan

29 STRATEGY

- 30 Food Segment Business Strategy | Message from COO
- 33 Trade-On Initiatives
- 35 Pharmaceutical Segment Business Strategy | Message from COO
- 37 Trade-On Initiatives
- 40 Sustainability Strategy | Message from CSO
- 44 Living in Harmony with Nature
- 49 Human Resource Strategy | Message from CHRO
- 51 Human Resource Management
- 56 Human Rights
- 57 Creating Innovation
- 58 Technological Development Strategy
- 64 Intellectual Property Strategy
- 67 Digital Technology Strategy | Message from CDO

70 GOVERNANCE

- 71 Corporate Governance
- 80 Risk Management
- 81 Directors and Audit &
Supervisory Board Members

84 CORPORATE DATA

- 85 Financial and Non-Financial Highlights
(11 Years Summary)
- 87 Corporate Data / Stock Information
- 88 Cover Artwork / Publisher's Note



The Meiji Award Winning Artwork (Cover) at the Paralympic Art World Cup 2023

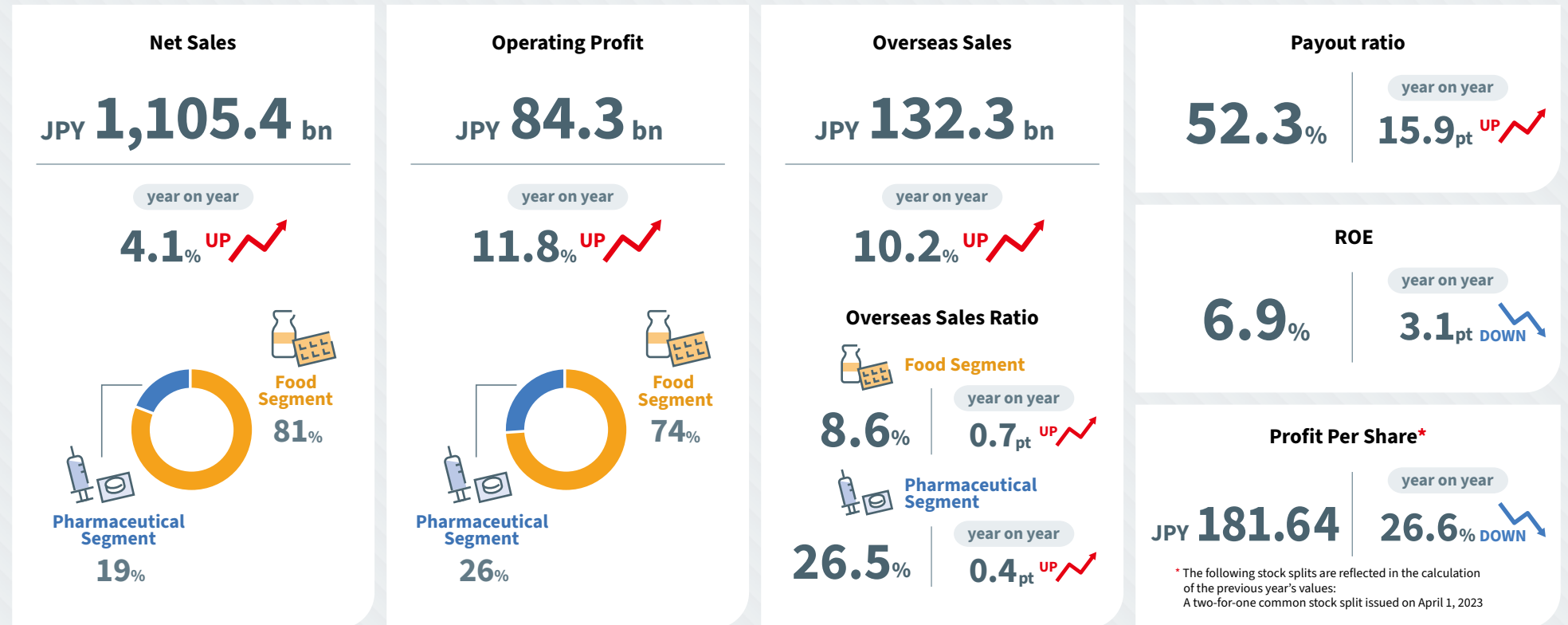
[Page 88 Cover Artwork](#) →

Meiji Holdings is a sponsor of the Paralympic Art World Cup 2023, an arts event for people with disabilities held by Shougaiha Jiritsu Suishin Kikou Association. The cover artwork that received the “Meiji Award” is a work created by the artist KOTO titled “A journey through Japanese stories.”

At a Glance Financial information

Expanding Meiji Unique Value for Wellness

Our mission is to widen the world of “Tastiness and Enjoyment” and to meet all expectations regarding “Health and Reassurance” by providing a wide range of products that are essential in people’s lives, such as dairy products, confectioneries, nutritional products, and pharmaceuticals. Going forward, we will deliver Meiji unique value for wellness to even more people around the world.



At a Glance **Non-financial information**

Fusing sustainability and business strategies

The Meiji Group believes that, as part of its global business expansion, addressing social issues through businesses will lead to sustainable growth. By investing even more in our human resources, we will cultivate an environment and corporate culture where people can mutually share diverse values and knowledge, and we will create new value that helps to address social issues.

Group Companies and Employees (As of March 31, 2024)

The following numbers represent our Group's global reach:
 - The number of Group companies consists of consolidated companies and entities accounted for by the equity method
 - The number of the employees includes all consolidated companies



The Number of the Group Employees

17,270 people



Ratio of female managers 6.5% **Number of female leaders* 281 people**

* Managers and assistant managers

Unique Meiji Initiatives to Address Social Issues



Net sales composition ratio of products that contribute to improving malnutrition*1
26%



Sourcing ratio of sustainable cocoa*2 62%



Net sales composition ratio of products that contribute to improving over-nutrition*1
17%



Number of human vaccines provided*3 11.1 million

*1 Percentage of net sales attributed to products sold to general consumers by Meiji Co., Ltd.
 *2 Forecast to reach 100% in FY2024 *3 Vial-equivalent doses

External Evaluation of ESG

Our efforts have been received positively by third-party evaluation organizations. As a result, we have been included in ESG indexes in Japan and overseas.

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA



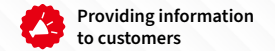
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Sustainability > External Recognition

A Hundred Year History of Creating Meiji Unique Value for Wellness

The Meiji Group has passed on the spirit of “contributing to the country through nutrition” for over 100 years since its founding. Based on this spirit, we have been providing products with Meiji unique value for wellness, and valuable information to customers, and have acquired a large market share as a result. Going forward, we will continue to deliver our products not only to customers in Japan but also people across the globe to achieve sustainable growth.

Responding to the Health and Nutrition Concerns of Each Generation



Infant Formula


Since the launch of *Patrogen* infant formula in 1923, we have continued to develop and improve products, including the world’s first cube-type infant formula in 2007 and liquid infant formula in 2019. We are also selling these products in Asia and Europe.



1923
The infant formula *Patrogen*




2007
Meiji Hohoemi Raku Raku Cube



2019
Meiji Hohoemi Raku Raku Milk

GLOBAL

Sold in Asia and Europe



Share in the Japanese market

No.1 40.3%
(FY2023)

Source: INTAGE SRI+, April 2023-March 2024



We established counseling offices for parents in 1976, with registered dietitians and other full-time counselors providing advice on nutrition and child-rearing by telephone and email. We also recently developed a childcare app called *Akachan Note* which we use to share health information necessary when raising children.

Sports Protein

In 1980, the *SAVAS* series was developed based on sports nutrition for athletes. Expanding the user base to include women and general fitness enthusiasts, we now offer a diverse range of product types. We also launched these products in China in 2020.



1980
SAVAS series



2015
SAVAS Milk Grapefruit Flavor



2023
SAVAS Advanced Whey Protein 100

GLOBAL

Sold in Asia, including China



Share in the Japanese market

No.1 36.8%
(2023)

Source: Based on Meiji data as of 2023

Drinking Milk

Since the launch of *Meiji Milk* in 1928, we have been supporting people’s health. In 2002, it evolved into *Meiji Oishii Gyunyu*, which has achieved freshness and deliciousness using our Natural Taste Process. Since our launch of chilled milk in China in 2013, we have been selling high-quality milk globally.



1928
Meiji Milk



2002
Meiji Oishii Gyunyu

GLOBAL

Sold in Asia, including China



Share in the Japanese market

No.1 17.2%
(FY2023)


Source: INTAGE SRI+, April 2023-March 2024




We are also actively spreading information on our initiatives in response to the demands of the times, such as our collaboration with dairy farmers to our focus on raw milk.

Enteral Formula (for individual customers)

We began the enteral formula business in 1986 and launched *MeiBalance* in 1995. In 2022, we obtained permission to label these products as “comprehensive nutrition food products,” and we launched *Meiji MeiBalance MICHITAS Cup* the same year. We are also selling the *Meiji MeiBalance* series in Taiwan and Vietnam.



1995
MeiBalance




2022
Permitted to label as comprehensive nutrition food product



2022
Meiji MeiBalance MICHITAS Cup

GLOBAL


Sold in Taiwan and Vietnam



Share in the Japanese market

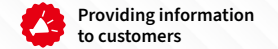
No.1 85.0%
(FY2023)

Source: INTAGE SRI+, April 2023-March 2024



We are working to share information and raise awareness of health and nutrition to meet the increasingly diverse needs of the times, including by holding sports nutrition seminars and providing information on malnutrition.

A Hundred Year History of Creating Meiji Unique Value for Wellness




Providing information
to customers


Delivering Unprecedented New Products for Wellness

Yogurt

In 1973, we launched *Meiji Bulgaria Yogurt* and led the expansion of the plain yogurt market in Japan. In 2000, we developed functional yogurt and created a new market. We also launched functional yogurt products in China in 2021.



1973
Meiji Bulgaria Yogurt




2000
Meiji Probio Yogurt LG21




2009
Meiji Probio Yogurt R-1


2023
New method
"Kuchidoke Hojun Fermentation" adopted



Functional yogurt



2021
Meiji Probio Yogurt R-1



2021
Meiji Probio Yogurt LG21

Sold in Asia, including China

Share in the Japanese market

No.1 35.8%
(FY2023)

Source: INTAGE SRI+, April 2023-March 2024

Chocolate

Starting with the launch of *Meiji Milk Chocolate* in 1926, and the development of products focusing on the health value of cocoa in 1998, we have been drawing out the appeal of cocoa, including its nutritional value. We are also selling these products in Europe, the U.S., Asia and the Middle East.



1926
Meiji Milk Chocolate



1998
Chocolate Kouka



2023
Chocolate Kouka Plus
(food with functional claims)





Sold in Europe, the U.S., Asia and the Middle East

GLOBAL

Share in the Japanese market

No.1 24.7%
(FY2023)


Source: INTAGE SRI+, April 2023-March 2024

We have been researching the health value of lactobacilli and cocoa, and publishing our findings as academic data and papers. We use the knowledge and information gained from this research in a broad range of communications with our customers, including marketing and sales promotions that promote the characteristics of our products, and in dietary education.

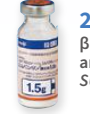
Continuing to Protect People from the Threat of Infectious Disease

Systemic Antibacterial Drugs


We started to produce *Penicillin* in 1946. Since then, we have been stably providing a variety of antibiotics, including *MEIACT*, which is now available in more than 20 countries and regions.




1946
Started manufacturing antibiotic *Penicillin*



2006
β-lactamase inhibitor combination antibiotic preparation *SULBACILLIN for Injection*



1994
Cefem Antibiotic *MEIACT*



2015
β-lactamase inhibitor combination antibiotic preparation *TAZOPIPECOMBINATION for I.V. Infusion "MEIJI"*


Share in the Japanese market

No.1 23.2%
(FY2023)


Copyright © 2024 IQVIA. Source: Calculated based on JPM 2024 Mar MAT Market scope as defined by Meiji Seika Pharma
* Reprinted with permission

Vaccine


We have contributed to enhancing Japan's public health over roughly half a century through the development and provision of vaccines. In addition to inactivated vaccines, which has a long history of use in Japan, we have acquired mRNA vaccine technology and now aim for the early launch of COVID-19 vaccines.




1972
Influenza HA Vaccine



2011
Japanese encephalitis vaccine *ENCEVAC*



1988
Hepatitis B vaccine *Bimmugen*



2024
Five-in-one combination vaccine *Quintovac*

Share in the Japanese market^{*1}

No.1 29.3%
(FY2023)

Copyright © 2024 IQVIA. Source: Calculated based on JPM 2024 Mar MAT Market scope as defined by Meiji Seika Pharma
* Reprinted with permission

^{*1} Influenza vaccine

Targeting healthcare professionals, we provide a complete range of information from prevention to treatment. We also provide reports on the latest infectious diseases, and we conduct initiatives such as raising awareness of drug-resistant bacteria. We are also focusing our energies on providing easy-to-understand information on sickness, health and medicine for both patients and the general public.

Message from CEO

Returning to a Growth Trajectory and Enhancing Corporate Value by Transforming Focus Markets, Business Structure, and Our Behavior

COMMITMENT

Now is truly a time of transformation for the Meiji Group. Unfortunately, our 2023 Medium-Term Business Plan did not produce the results we aimed for. However, I am confident that it allowed us to create the foundations for regrowth. Going forward, we will drive management reform through a fusion with sustainability as we pursue businesses unique to Meiji that lead to social value creation. At the same time, we will endeavor to achieve results from the financial perspective to enhance corporate value.

Kazuo Kawamura

CEO
President and Representative Director



Message from CEO

The 2026 Medium-Term Business Plan Crafted on the Simple Concept of Transformation

In our 2023 Medium-Term Business Plan, the Meiji Group introduced Meiji ROESG®* as its top management goal and it worked to realize both profit growth and sustainability activities. While we achieved our target of 13 points for Meiji ROESG in FY2022 only, we succeeded in maintaining a high level throughout the duration of the plan. Despite ROE unfortunately continuing its downward trend, the total scores were bolstered by our highly rated ESG efforts. Implementation of Meiji ROESG Management is putting us on par with the leading group of Japanese companies in terms of sustainability activities. I see this as the true outcome of our 2023 Medium-Term Business Plan.

On the other hand, even though we were impacted by rapid rises in the price of raw materials and a protracted weakening of the yen, we take our undershooting the financial targets seriously. In light of this, we designed our 2026 Medium-Term Business Plan to return the Meiji Group to a growth trajectory. In formulating the plan, we put a strong focus on long-term transformation and fundamental management reform. Rather than short-term business improvements, this focus represents our long-term management goal. We are also placing a single concept at the center of consistent action guidelines for the Group as a whole. And the concept is simple: transformation. In our 2026 Medium-Term Business Plan, we will implement three transformations to achieve evolution for the Meiji Group.

* ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

Pursuing High Overseas Growth to Transform Focus Markets

Our first transformation under the plan is “transforming focus markets.” Overseas net sales for the Meiji Group currently stands at about JPY 130 billion, an overseas sales ratio representing around 12%, but we have set ourselves the challenging target of 30% by 2030. Rather than fixating on our strengths of

strong brand power and high market share in Japan, we are driving corporate transformation by changing course to target growth in overseas markets.

To achieve this goal of transforming focus markets, it is extremely important that we improve profitability of our domestic businesses at the same time. Business growth in overseas markets carries an investment risk. There is a time lag between when we make an investment and when it generates profits, so there is always an upfront cost burden. Our domestic businesses have to carry the burden of these risks and costs in focus market transformation. I am determined therefore to make drastic changes that will make these domestic businesses more profitable.

Adding Social Issues to Our Own Business Challenges to Transform Business Structure

Our second transformation under the plan is “transforming business structure.” In our 2026 Medium-Term Business Plan, we have identified important social issues, that are high priorities for the sustainability activities of the Meiji Group, as materialities and we have set KPIs related to each. I want to incorporate these materialities as drivers for our business structure transformation.

For example, focusing on the materiality of health and nutrition, we are implementing business reform based on the Meiji Nutritional Profiling System (Meiji NPS). While implementing product improvements according to the Meiji NPS, we aim to step out ahead of other companies in the area of package labeling and provide health information from the perspective of nutrition. Global food companies have already started labeling their packages according to their own nutrition evaluation systems. Here at the Meiji Group, we plan to incorporate our commitment to the social issue of health and nutrition into our products, and we will convert that into business growth.

We are also implementing initiatives based on the materiality of stable supply of pharmaceuticals. To achieve this, we are building a bulk drug production line at the Gifu plant of Meiji Seika Pharma Co., Ltd. to supply antibacterial bulk drugs in Japan. We currently rely too much on overseas



Page 40
Sustainability Strategy
Message from CSO →

Page 33
Food Segment
Business Strategy
Trade-On Initiatives →

Message from CEO

supplies of antibacterial bulk drugs. This presents an issue for achieving stable supply in an emergency. This truly is a social issue, and we are working to establish business toward solving it.

In this way, the Meiji Group will incorporate a range of social issues into its own business challenges to accelerate business reform. The direction for such transformation, based on the Meiji Group founder's spirit of "contributing to the country through nutrition," has become our identity. Businesses that help to address social issues are businesses that have an impact on the world and improve the lives of people. By continuing to be needed by society, they also have potential for enormous growth. This is something that we will keep in our mind as we move forward.

Encouraging Human Resources to Become Challenge and Change Leaders by Transforming Our Behavior

Our third transformation under the plan is "transforming our behavior." First, we will reform our human resources system to encourage behavioral change among our human resources. These are people who will drive change and proactively tackle the major management goals of strengthening global expansion, fusing sustainability and business strategies, and maximizing Group value. The keywords of this human resources system reform are external competitiveness, diversity and strong ethics. For companies, the greatest capital for creating value is human capital. If we cannot achieve transformation here, then everything else is not practical. The question is how to effect the behavioral change of our employees. Management reform starts from this question, so we will focus particularly on this transformation.

Furthermore, we will change our organizational structure by focusing on and strengthening our functions as Meiji Holdings. At the time of our management integration, we launched Meiji Holdings as a small holding company specializing in corporate development, governance and finances for the Group. With the Group needing to unify and enhance growth potential going forward, Meiji Holdings will take the lead in pursuing the ideal form for the Group to take.

Continuing with Meiji ROESG as Top Priority and Fusing Sustainability and Business Strategies

Having decided to transform focus markets, business structure, and our behavior, we dared to establish two top priority management goals in the 2026 Medium-Term Business Plan. The first is Meiji ROESG as a continuation from our 2023 Medium-Term Business Plan, and the second is enhancing corporate value.

By setting Meiji ROESG as a top priority management goal in our 2023 Medium-Term Business Plan, we were able to improve employee attitudes toward ESG. I think this really helped drive our efforts toward sustainability. As a result, the Meiji Group has been selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as one of 15 Sustainability Transformation (SX) Brands. SX Brands are a group of leading companies using SX to enhance their corporate value. Of course, rather than just being satisfied with this result, we will continue, through the 2026 Medium-Term Business Plan, to drive our own transformation into a Group that is able to create growth sources continuously through sustainability activities.

Our goal for Meiji ROESG in the 2026 Medium-Term Business Plan is the fusion of sustainability and business strategies, which is a more evolved target than we set in the previous plan. Taking the opportunity of being selected as an SX Brand, we will evolve ROESG that, as I just explained when talking about transforming business structure, by incorporating social issues within our own business challenges.

As a specific action under this plan, we will select groups of products, in each of the Food and Pharmaceutical segments, that contribute to sustainability. We will then add achievement of net sales for those products to our target indicators. We hope to deepen general understanding of our targets by highlighting accomplishment of net sales targets of our own products alongside the ratings of external evaluation bodies. ROESG is still only used rarely by companies as a KPI. However, I think that this also makes ROESG much more a part of the uniqueness of the Meiji Group.

Page 63
Technological
Development Strategy
Ensuring a Reliable Supply
of Critical Pharmaceuticals →

Page 49
Human Resource Strategy
Message from CHRO →



Message from CEO

Our strong intention in the 2026 Medium-Term Business Plan is to achieve sustainable business growth through a new approach that links the financial value of ROE with the non-financial value of ESG.

[Page 26 Overview of the 2026 Medium-Term Business Plan](#) →

Daring to Set the Goal of Enhancing Corporate Value and Focusing On the Process to Achieve It

Our other top management goal in the 2026 Medium-Term Business Plan is enhancing corporate value. In the past, this was a concept expressed in things like our long-term vision and corporate philosophy. This time, we dared to express this concept as a management goal in our medium-term business plan, which is for a comparatively short period of time and is numerical in nature. This comes from the idea that the more important a business plan is, the more we believe that incorporating corporate value and improving the daily processes of management and all employees is the best approach for achieving our financial goals. A singular focus on numbers does not help us improve management. I want everyone in the Meiji Group to fully understand that we cannot achieve our financial targets without improving brand value, making upfront investments in intangible assets, and most importantly, improving engagement with employees in the process toward management improvement.

We have established four indicators for enhancing corporate value: market capitalization, brand value, employee engagement and investment in intangible assets. We will carefully monitor these indicators each year and reflect them broadly in overall management, from business strategies to investment plans and human resource policies. It is essentially only through process transformation that we can improve financial indicators. And to transform those processes, we will focus on actions that improve corporate value.

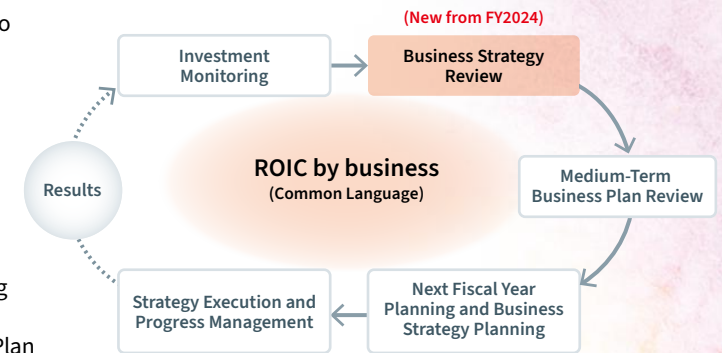
When setting targets, we also reviewed our stakeholders. While referring to customers and shareholders/investors the same as always, we have decided to unify the way we refer to all members working in the Meiji Group as

“employees,” regardless of their employment status, with the aim of recognizing them as people who grow together with the Group. We have also decided to refer to our suppliers as “business partners” from the perspective of working together to create value. We have also added “local communities, nature and future generations” and “government agencies, NPO/NGOs and related bodies” to our list of stakeholders. We will also reinforce the understanding within the Group that the expectations from a wide range of stakeholders, and the necessity of engagement with those stakeholders, are prerequisites for enhancing corporate value.

More Effective Management of Business Portfolio-Related Strategies

The keys to successful business growth and reform are optimization of the business portfolio and appropriate investment strategies. So how should we strategically manage our portfolio? We will do that by building structures that put Meiji Holdings and our operating companies on a level footing. ROIC by business is the common language for monitoring, considering and discussing this.

We will make significant changes to the portfolio-related management cycle. We will also conduct new business strategy reviews based on ROIC by business. Initially, business managers in each division will join Chief Officers in business strategy-focused discussions. We will then decide on the directions for businesses and investments. Following this procedure, we will conduct a review of the Medium-Term Business Plan as an integrated strategy and then reflect those decisions in planning for the next



Message from CEO

fiscal year. By increasing coordination between the medium-term business plan and fiscal year plan, and between management and businesses, we will develop a more effective strategy. We will also simultaneously monitor multiple business strategies. We will take an overview of both segments to decide which businesses to focus our resources on. In this way, I believe we will be able to increase the effectiveness of individual strategies across the whole Group.

Creating a Group Management Structure for Taking on Global Markets

We also plan to dramatically strengthen the Group management structure. This is because a global risk management structure is essential for transforming focus markets. We will strengthen oversight of the Group by connecting governance-specific audits at Meiji Holdings with internal audits at each operating company. At the same time, we have to build a global-level business management structure. From FY2027, the Meiji Group plans to transition to an IFRS Accounting Standard, which we will fully prepare for as well.

We will also consolidate the various functional strategy departments previously spread around the operating companies, and bring them into Meiji Holdings, which will become the new command center for the Group. Specifically, Meiji Holdings will take the initiative to strengthen and expand the four functional strategies: technology development, intellectual property, digital technology and communication. In fact, Meiji Holdings already established its intellectual property strategy department in FY2023. In all functional strategies, we aim to stimulate innovation and reduce risks through higher quality activities.

[Page 64 Creating Innovation | Intellectual Property Strategy](#) →

Continuing to Provide Universal Social Value to Become an Essential Company for the Next 100 Years

Within the Meiji Group, we will use the 2026 Medium-Term Business Plan as a launching pad to respond to the expectations of our stakeholders by transforming ourselves, returning to a growth trajectory, and delivering much higher corporate value. And at the root of these efforts is the unwavering philosophy of the Group. The history of the Meiji Group spans more than 100 years, and the reason for that achievement is that we have continually provided universal social value. For 100 years, we have been charged by society with the responsibility for solving the health issues of people. I believe this is what has enabled us to develop in the way we have. Going forward, we will continue to pursue businesses that create social value globally while protecting our uniqueness. I want the Meiji Group to be needed by society for the next 100 years as well.



Message from CFO



Jun Hishinuma

CFO
Member of the Board
and Managing Executive Officer

Improving ROE and Enhancing Engagement with Capital Markets to Increase Market Capitalization

Supporting the Evolution of Meiji ROESG Management from a Financial Perspective to Improve Corporate Value Sustainably

I was appointed as CFO in June 2024. I see my mission as helping to evolve Meiji ROESG Management from both financial and non-financial perspectives so that we can improve corporate value sustainably. I have worked for many years in the food business, in areas such as corporate development, budget management and marketing. Leveraging this experience, I will endeavor to improve ROE and enhance engagement with capital markets to increase market capitalization, which is a clear indication of corporate value.

ROE can be broken down into return on sales, total asset turnover, and financial leverage. Financial leverage varies according to capital demand and other factors. Right now, we are preparing for large-scale investments in the future by expanding borrowing capacity and equity. It is therefore a top priority that we improve return on sales and total asset turnover. Our aim in this is to achieve our ROE target by improving ROIC. We introduced ROIC management in the 2023 Medium-Term Business Plan and have been continually improving its operation. In our 2026 Medium-Term Business Plan, we began specifying business-specific ROIC targets in the Food segment. However, we will further expand the spread going forward by strengthening dialogue with shareholders and investors with a focus on medium- to long-term improvement in corporate value. At the same time, we will further work on improving company-wide asset efficiency, enabled by reducing cross-shareholdings, and withdrawing from or transferring unprofitable businesses.

As part of the 2026 Medium-Term Business Plan, we will focus on fusion of sustainability and business strategies (“Trade-on”). This means fusing financial and non-financial areas, and linking non-financial areas to corporate value. My role is to support initiatives to achieve this and to actively communicate with capital markets.

Establish a Foundation for Growth in the 2026 Medium-Term Business Plan with Price Increases Taking Root in the Food Segment and Structural Reforms Progressing in the Pharmaceutical Segment

Our consolidated financial results in FY2023 showed increases in net sales and operating profit. This was due to price increases and other efforts exceeding increased costs in the Food segment. It was also helped by increased demand for antibacterial drugs and improved production and sales efficiency in the Pharmaceutical segment. We achieved increased gain on sales of investment securities. However, our profit attributable to owners of parent decreased after posting an impairment loss. This was the result of posting an equity method loss due to declining profitability at AustAsia Group Ltd., our equity-method affiliate in China. It was also due to declining business performance of our drinking milk and yogurt business for the consumer market in China.

Compared to our initial target for operating profit in the 2023 Medium-Term Business Plan, we significantly underachieved due to the impact of losses in the Food segment. As a result, our ROE fell. On the other hand, we continued structural reforms and strengthened our revenue platform in the Pharmaceutical segment. Price increases took root in the

Message from CFO

Food segment and we enhanced overseas production capacity as well. In this way, we were able to establish a foundation for growth in the 2026 Medium-Term Business Plan.

In terms of our financial situation, we achieved an equity-to-asset ratio of 61.9% and debt-to-equity ratio of 0.07. Despite high financial soundness, there were issues from the perspective of growth. We fell considerably short of our initial plan with capital expenditures of JPY 218.7 billion over the three years. However, we made sure to make the investment necessary for growth in our overseas business. At the same time, the book value of our cross-shareholdings contracted by a cumulative total of 41.6% over the period. This reduction exceeded our target of 30% in the 2023 Medium-Term Business Plan.

Strengthening Business Management through ROIC to Reshape the Business Portfolio

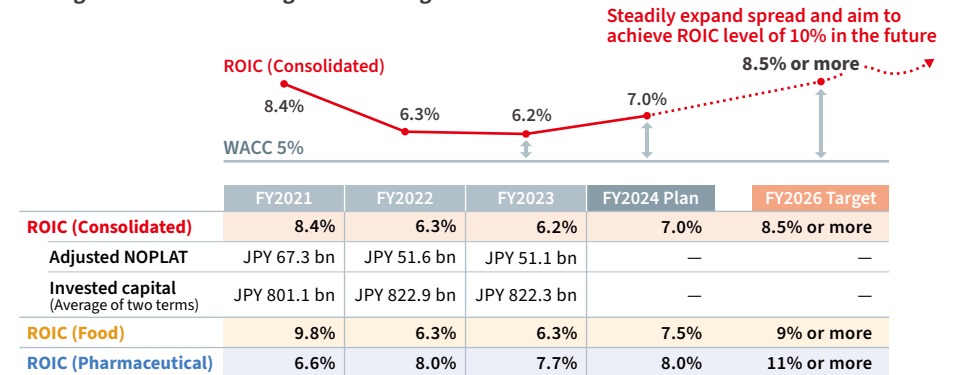
The concept behind our 2026 Medium-Term Business Plan is “The Evolution of Meiji ROESG Management.” We aim to return to a growth trajectory by transforming focus markets, business structure, and our behavior. As CFO, I am keenly aware of the need to reshape our business portfolio to achieve sustainable growth. Our core businesses such as yogurt have driven growth in the past. I expect to achieve stable growth by focusing on these profit centers. We will then actively allocate cash generated from our core domestic businesses to future growth in overseas and B2B businesses in the Food segment, and research and development in the Pharmaceutical segment.

We will also strengthen our business management through ROIC to reshape our business portfolio. Increased costs were the major cause of lower Food segment ROIC during the 2023 Medium-Term Business Plan. However, our management system also had issues. The first issue was that it was unclear who had responsibility for each business, as the management unit for ROIC, in an organization divided by function. The second issue was that the ROIC management unit was too fragmented. Under the 2026 Medium-Term Business Plan, the organization in charge of the Food segment has been changed to a system of business divisions with the general managers of each division having responsibility for the ROIC of that division. With overseas businesses also incorporated into the business divisions, we will improve capital efficiency globally. In addition, we manage ROIC through four business units (excluding others) in the Food segment and three business units in the Pharmaceutical segment. We will utilize the ROIC tree to identify and improve issues for each business.

We will also update the way we manage invested capital. In investment decisions, we apply the payback period method using discounted cash flow (DCF). Previously, we used the weighted average cost of capital (WACC) as the discount rate across the board. Going forward, we will set

discount rates by segment (hurdle rates) and adjust them according to risks, including capital expenditures, M&A activity, and whether domestic or overseas. In terms of monitoring, we previously conducted monitoring of investments. In addition to this, we have newly established business strategy reviews to be conducted by business division general managers. In the 2026 Medium-Term Business Plan, we set a target ROIC of 8.5% against company-wide WACC of 5%. However, this is only a point along the path to our ROIC aim of 10% or more.

Strengthen Business Management through ROIC



Total Return Ratio of 50% or More to Enhance Shareholder Returns

We will preferentially allocate operating cash flow to Japan and overseas growth investments. Our M&A activities will be based on debt financing. We will also set an upper debt-to-equity ratio of 0.5 times.

For shareholder returns, we have set a target for a total return ratio of 50% or more. We also aim to continuously increase dividends per share. We have set total shareholder returns, for the three years of the 2026 Medium-Term Business Plan, at JPY 120 billion or more. We will also spend JPY 30 billion for share buybacks in FY2024. We will conduct opportunistic share buybacks going forward depending on our cash position and stock price trends. As CFO, I will further engage in dialogue with shareholders and investors, and proactively provide feedback internally, with the aim of building trust by improving management.

Summary of the 2023 Medium-Term Business Plan

2021-2023 Summary

Three Years of Steady Efforts to Implement Meiji ROESG Management

In our 2023 Medium-Term Business Plan, we worked towards simultaneously realizing profit growth and sustainability activities. We achieved our consolidated net sales target, but consolidated operating profit fell below the target due to factors such as soaring costs, and as a result, ROE and ROIC declined. Profit growth remained a challenge, which is the main reason why Meiji ROESG fell below the target. However, we achieved targets for all five ESG external metrics that comprise Meiji ROESG.

Key Issues

1. Business Strategy

Food Segment

- 1) Recover from the stagnation in our core business
- 2) Expand overseas business

Pharmaceutical Segment

- 1) Integrate business operations of Meiji Seika Pharma and KM Biologics (Strengthen vaccine business)
- 2) Expand CMO/CDMO

Group-wide

Venture into new domains

2. Improve business management system using ROIC effectively

3. Invest to grow business while constructing strong financial base

4. Promote the Meiji Group Sustainability 2026 Vision

Meiji ROESG



Evaluation indicators	FY2023 Result	FY2023 Target
MSCI ESG Ratings	A	A
DJSI	67 points	65 points
FTSE4Good	4.2 points	3.8 points
CDP (Climate Change)	A	A
CDP (Water Security)	A	A

Sustainability > External Recognition

*1 Compared to 2016 (men 72.14 years old/women 74.79 years old)

*2 2019 latest survey

*3 FY2022 latest survey; based on people aged 65 or older receiving routine vaccinations

*4 Compared to FY2020

*5 KOSTAIVE approved as a vaccine for the ancestral strain

Indicators	FY2023 Result	FY2023 Target
1) Extend healthy life expectancy*1	+0.56 years*2	+1 year
2) Amount of protein intake	71.4 g/day*2	75 g/day
3) Vaccination rate for influenza vaccines	57.8%*3	60%
4) Employee engagement score	Deviation score B	Deviation score A
5) Sales growth rate for health-conscious products, nutritional products with added value, products for a super-aged society*4	-0.9%	10% or more
6) Success in and supply of vaccine and therapeutic agent for COVID-19	Under development*5	Development and supply

For detailed results of ESG Indicators and Indicators unique to Meiji, please refer to the following page

Page 17 2023 ESG Summary →

KPIs

		FY2021 Result	FY2022 Result	FY2023 Result	YoY Change	FY2023 Target (2023 Medium-Term Business Plan Target)
Integrated goal	Meiji ROESG			12.2pt	-1.6pt	13pt
	Consolidated net sales	JPY 1,013.0 bn	JPY 1,062.1 bn	JPY 1,105.4 bn	+4.1% + JPY 43.3 bn	JPY 1,080.0 bn
Growth and Profitability	Overseas net sales	JPY 92.9 bn	JPY 120.0 bn	JPY 132.3 bn	+10.2% + JPY 12.2 bn	JPY 134.5 bn
	Consolidated operating profit (margin)	JPY 92.9 bn (9.2%)	JPY 75.4 bn (7.1%)	JPY 84.3 bn (7.6%)	+11.8% + JPY 8.8 bn	JPY 120.0 bn (11.1%)
Efficiency and Safety	ROIC	8.4%	6.3%	6.2%	-0.0pt	10% or more
Return to shareholders	ROE	13.5%	10.0%	6.9%	-3.1pt	11% or more
	Payout ratio	28.0%	36.4%	52.3%	+15.9pt	40.0%

Summary of the 2023 Medium-Term Business Plan

2023 Business Performance Summary

Net Sales

Consolidated net sales were JPY 1,105.4 billion. Overseas sales were JPY 132.3 billion, a significant increase of 10.2% year on year.

Food Segment

Net sales were JPY 900.1 billion. We raised prices on products against rising costs of raw materials, resulting in increased sales in a wide range of businesses. Net sales increased significantly in the B2B business, where markets expanded due to the recovery of people's activities following COVID-19. Net sales also increased significantly in the overseas business, where subsidies in China, the U.S., and Southeast Asia performed favorably.

Pharmaceutical Segment

Net sales were JPY 206.1 billion. Sales were driven by the Domestic Ethical Pharmaceuticals business, where sales of mainstay antibacterial drugs grew significantly. Sales were also driven by the Overseas Ethical Pharmaceuticals business, where subsidiaries in Spain and Thailand performed well. In the Human Vaccines business, net sales remained unchanged from the previous fiscal year. Sales of the four-in-one combination vaccine were favorable, while sales of the influenza and hepatitis B vaccines decreased.

Profit Attributable to Owners of Parents and Financial Indicators

Consolidated profit attributable to owners of parent was JPY 50.6 billion. This was due to recording share of loss of entities accounted for using equity method and impairment loss related to the China business in the Food segment. ROE was 6.9%, and ROIC was 6.2%.

Meanwhile, we sold cross-shareholdings of approximately JPY 14.0 billion. The equity ratio was 61.9%, maintaining a strong financial structure. Therefore, we increased our annual dividend for the 10th consecutive year, achieving the target payout ratio of 40% in our 2023 Medium-Term Business Plan.

Three-year Summary by Segment

Food Segment

Our top priority was to respond to rising raw material costs, and our success in tackling the key issue of recovering from the stagnation in our core business was limited. In addition, overseas business performed well in the U.S., but impairment losses were incurred in a part of the China business. As a result of this and other factors, efforts to expand overseas business were only partially successful.

Pharmaceutical Segment

We succeeded in implementing structural reforms and shifting to a business model that can ensure stable profits. The Overseas Ethical Pharmaceuticals business also expanded steadily, and we strengthened the pipeline that will drive future growth, including the acquisition of mRNA technology.

Operating Profit

Consolidated operating profit was JPY 84.3 billion. Major factors are as shown below.

Variance Analysis (JPY bn)

		Food	Pharma	Other	
FY2022 Result	75.4				
Due to increased/decreased sales	+38.5	55.8	21.7	-2.1	*1
Impact of NHI drug price revisions	-3.4	+36.1	+2.3	-	
Changes in COGS	-27.7	-	-3.4	-	*2
Changes in other SG&A expenses	+1.8	-26.6	-1.1	-	
Other (incl. change in results of subsidiaries)	-0.3	-0.6	+2.4	-	*3
FY2023 Result	84.3	64.3	22.7	-2.7	

*1 Including the effect of price increases

*2 Major factors

[Food]
Increase in raw materials costs (incl. domestic raw milk and overseas dairy ingredients): -28.6,
Other (incl. decrease in product amount): +2.0
[Pharma]

Increase in raw materials costs: -1.1

*3 Major factors

[Food]
Increase in marketing expenses: -3.3, Decrease in other costs: +2.8
[Pharma]
Decrease in marketing expenses: +1.0, Decrease in other costs: +1.4

Summary of the 2023 Medium-Term Business Plan

2023 ESG Summary

ESG Indicators

In FY2023, we achieved our targets in all five evaluation indicators. Progress on climate change and biodiversity initiatives, together with improved evaluations of human rights, occupational health and safety, and health and nutrition, led to higher scores.

Evaluation indicators	FY2021 Result	FY2022 Result	FY2023 Result	FY2023 Target
1) MSCI ESG Ratings	BBB	A	A	A
2) DJSI* ¹	55 points	61 points	67 points	65 points
3) FTSE4Good* ²	3.0 points	3.7 points	4.2 points	3.8 points
4) CDP (Climate Change)	A-	A	A	A
5) CDP (Water Security)	A	A	A	A

*¹ Changed target for DJSI to “point.” “Point” is more suitable as target management because “percentile” fluctuate with other companies’ evaluations

*² Revised in accordance with the achievement in FY2022 of the original FY2023 target of 3.5 points

- Evaluations improved for five of the eight key issues—Raw Material Sourcing, Product Carbon Footprint, Opportunities in Nutrition & Health, Product Safety & Quality and Corporate Governance—compared to the previous fiscal year.
- Among the three dimensions of evaluation, consisting of Governance & Economic Dimension, Environmental Dimension and Social Dimension, the scores in Environmental and Social Dimension increased respectively compared to the previous fiscal year.
- Fourteen ESG themes were evaluated. The six themes that received the highest score of five points 5 were Biodiversity, Pollution & Resources, Environmental Supply Chain, Labor Standards, Health & Safety, and Corporate Governance.
- We received comprehensive evaluations for setting targets for the achievement of carbon neutrality by 2050 and the ratio of renewable energy (100% of company-wide usage by 2050), as well as the expansion of initiatives among others.
- We received comprehensive evaluations for setting targets for the achievement of water neutrality by 2050 and the reduction of water consumption (50% reduction company-wide by 2050 compared with FY2017), as well as the expansion of initiatives among others.

Indicators Unique to Meiji

We made progress on indicators 3 through 6 in FY2023. While progress was made on the development of COVID-19 vaccines in 6, the other challenges still remain following the previous year.

Indicators	FY2023 Result	FY2023 Target
1) Extend healthy life expectancy* ¹	+0.56 years*²	+1 year
2) Amount of protein intake	71.4 g/day*²	75 g/day
3) Vaccination rate for influenza vaccines	57.8%*³	60%
4) Employee engagement score	Deviation score B	Deviation score A
5) Sales growth rate for health-conscious products, nutritional products with added value, products for a super-aged society* ⁴	-0.9%	+10% or more
6) Success in and supply of vaccine and therapeutic agent for COVID-19	Under development*⁵	Development and supply

*¹ Compared to 2016 (men 72.14 years old/women 74.79 years old) *² 2019 latest survey

*³ FY2022 latest survey; based on people aged 65 or older receiving routine vaccinations *⁴ Compared to FY2020

*⁵ KOSTAIVE approved as a vaccine for the ancestral strain

- The vaccination rate for FY2022, the latest result available, was 57.8%, up 2.1 percentage points from the previous fiscal year.
- The score was B, the same as FY2022. Workplace satisfaction was high, and employees felt major support from supervisors and sense of togetherness within the workplace. However, issues were raised regarding the gap between the front lines and management as well as collaboration between departments.
- We recorded negative growth in FY2023 compared to FY2020. Sales were significantly affected by a decline in sales of yogurt and functional yogurt. This resulted from intensified competition and price increases in the health food market.
- In November 2023, we received approval for the manufacturing and marketing of KOSTAIVE, our next-generation mRNA vaccine(self-amplifying).

Three-year Summary of ESG Initiatives

Page 40 Sustainability Strategy →

During our 2023 Medium-Term Business Plan, the Meiji Group made significant progress in its awareness of and actions toward ESG issues within the Group by strengthening its promotion system. This includes the establishment of the ESG Advisory Board and the hiring of additional personnel in the Sustainability Division. We also identified sustainability-related risks and opportunities and conducted an evaluation of the degree of importance with ESG Advisory Board members in order to further evolve and deepen our efforts to realize both profit growth and sustainability activities during the 2026 Medium-Term Business Plan.

Discussion with Outside Directors

Driving Transformation of the Organizational Culture and Strongly Supporting Globalization and Innovation Creation

Masaya Kawata

Outside Director

Peter David Pedersen

Outside Director

Masaya Kawata has been an Outside Director since 2021, while Peter David Pedersen has been an Outside Director since 2022. We interviewed them about their views on the Meiji Group's management. Mr. Kawata has been in charge of group management and global management as the head of a listed company. He has extensive experience and broad knowledge as a member of management. Mr. Pedersen has been involved in ESG management research for many years. He is a sustainability expert who is highly valued for his consulting services to companies.

Discussion with Outside Directors

Looking back at our 2023 Medium-Term Business Plan, how would you rate its implementation?

Mr. Kawata: The 2023 Medium-Term Business Plan was launched with challenging targets driven by the momentum of the times. Unfortunately, the COVID-19 pandemic and other dramatic changes in the business environment meant that those targets were not achieved. As one of the plan's key strategies, globalization produced reasonable results if you look at sales growth alone, but its contribution to profits was lacking. Despite the Group's hard work throughout the three years of the plan, there were a number of quantitative and qualitative issues that remained. They now need to be addressed by the 2026 Medium-Term Business Plan.

Mr. Pedersen: I was very impressed with the new Meiji ROESG Management concept put forward in the plan, and efforts to put it into practice. However, my impression is that globalization, diversity and cultural reform, as important issues for the Meiji Group, were left half-done. These three strategies are the foundations for further growth for the Group. The 2023 Medium-Term Business Plan was affected by changes in the business environment as Mr. Kawata just mentioned. This resulted in energy being put into achieving the KPIs, leaving no time to spend on improving the organizational culture. This has left major issues to be addressed in the 2026 Medium-Term Business Plan.

Do you have any comments about how the 2026 Medium-Term Business Plan was formulated?

Mr. Kawata: Discussions were quite fruitful. We debated major directions in the Board of Directors and held several meetings outside of the Board as well where we had extensive discussions with relevant people. In light of our review of our 2023 Medium-Term Business Plan, we Outside Directors also participated actively in putting together the final plan.

Mr. Pedersen: I agree that the process of formulating the 2026 Medium-Term Business Plan worked very well, with active involvement of the Outside Directors in discussions and making necessary adjustments as they went.

Mr. Kawata: Transformation is an important keyword in the 2026 Medium-Term Business Plan, but the question going forward will be how committed the Meiji Group is to accomplishing it. This refers to transformation of focus markets, business structure, and our behavior. Changing focus markets means globalization. Changing business structure refers to how far sustainability management can permeate. And changing our behavior means reforming the organizational culture and increasing human resource value. Transformation of organizational culture in particular, including DE&I, is important because it will lead to expansion of globalization. These are all extremely difficult challenges, and the future of the Meiji Group will depend on its commitment to them. Therefore, the three years of the 2026 Medium-Term Business Plan will be a crucial period.

Mr. Pedersen: I personally feel that three years is too short for executing a medium-term business plan. In these current times, it is natural that forecasts become imprecise as society changes, but three years does not leave enough time for a recovery shot. Of course, we will need to discuss the ideal period of time for a medium-term business plan in the future. We also need to ask and consider the opinions of our younger employees when formulating a plan, and we need to do that with plenty of time to spare. After all, engagement is achieved through a sense of ownership, initiative, and spontaneity. As much as possible, we need to reflect the ideas of the younger generation, as the leaders of the future, about what they want the Meiji Group to become. Engagement will not increase without a sense of having contributed to the creation of the medium-term business plan. This might be an additional step, but it is a necessary step to increase engagement. This is the process that I would like to propose we follow when formulating the next medium-or long-term business plans.

Mr. Kawata: At present, the Meiji Group are considering a long-term vision. We Outside Directors are also contributing to this discussion. If we can incorporate feedback from our younger employees from the front lines at this time, as Mr. Pedersen just said, I believe that we will create a more substantive vision. Ideally, the vision would be one that all employees would want to achieve as their own. We could then work back from that vision to plan and incorporate into single-year plans. I would be keen to support this type of management.

Discussion with Outside Directors

Regarding the need to transform the organizational culture, where are the issues and what needs to be changed?

Mr. Pedersen: The Meiji Group employees are both diligent and dedicated in their work. However, it is not necessarily the case that all our employees would endorse the Group purpose and work with conviction. At the same time, insufficient effort is being spent in giving people on the front lines “license to innovate” and “license to create.” In other words, giving them the freedom to offer opinions that lead to transformation and creation. A company that combines these two things—employees taking ownership of the company purpose, and employees being given license to do things—naturally leads to innovation. And with innovation, motivation also increases. We have to create a positive cycle like this.

Mr. Kawata: I would like to put the issue that Mr. Pedersen just spoke about on the agenda for the Board of Directors. The Board is in charge of making decisions related to important investments and business strategies. However, I want to take this to a higher level and discuss topics that may be a little vague but must be addressed anyway. Regarding organizational culture, we also need to understand the situation of how much psychological safety employees have in the workplace, whether they are really taking a bottom-up approach in their discussions, and how the management line is functioning in that process. And from there, how do we guide organizational culture reform and link it to changed behaviors. I want to have in-depth discussions on these things at the Board of Directors level.

What strategies are you focusing on in implementing the 2026 Medium-Term Business Plan?

Mr. Pedersen: Fusion of sustainability and business strategies can express the uniqueness of the Meiji Group. This has enormous potential to highlight the Meiji brand ever more. The Meiji Group has spent several years building the foundations for addressing the fusion of sustainability and business strategies. Now the Meiji Group is going on the offense with the Meiji Sustainable Products Certification System and the Meiji Nutritional Profiling System (Meiji NPS). Vigorous promotion of these systems will lead to improved customer loyalty, so we would like to use them to achieve results in this Medium-Term Business Plan.

Mr. Kawata: Globalization is another important strategy. Enormous effort is needed to meet the expectations of stakeholders, and constant awareness of globalization in normal business operations and organizational management is required. In this Medium-Term Business Plan, we need to maintain global contacts through online and other channels, and to more fully understand the situation on the front lines of business. Discussions in the Board of Directors should not be too focused on the minute details of individual topics. Nevertheless, we should actively participate and share information on topics related to improving corporate value.

Mr. Pedersen: The Meiji Group does not yet have the mindset of a global company. It is still at the stage of just establishing overseas sites. In this Medium-Term Business Plan, it should transform itself into a single team conducting business on a global scale.



From the level of the Board of Directors, we should create a culture of active and free discussion that can be used as an influential model within the Group.

Discussion with Outside Directors

What are your thoughts on corporate governance within the Meiji Group?

Mr. Pedersen: Corporate governance can be considered as having at least three layers; operational governance, global governance, and social governance. Of these, operational governance acts as the foundation. As an indicator for this layer, the effectiveness of the Board of Directors is extremely high.

Mr. Kawata: I agree that effectiveness of the Board of Directors is at a high level. Going forward, we want to develop an even stronger culture within the Board, with no barriers between Internal and Outside Directors and lively discuss many future-oriented topics.

Mr. Pedersen: As he says, we need to spend more time on free discussions of important management topics without regard to our position inside or outside the company. We plan to hold several offsite meetings this fiscal year for just this purpose, and I am very much looking forward to them.

Mr. Kawata: There is an increasing number of management issues to tackle that cannot be addressed with knowledge accumulated within the company alone. The primary role of the Board of Directors is to make decisions about these issues using the combined expertise of individual directors. We currently have four Outside Directors, each different from the others, so naturally we get different opinions. Thanks to this diversity on the Board, discussions can proceed with a

more three-dimensional, comprehensive view of each topic. I just spoke about the need for organizational culture reform within the Meiji Group. We need to start from the Board of Directors, the top of the organization, by creating a culture of more frank, active, and free discussions that can be influential within the company as a model for the workplace.

Mr. Pedersen: We have to improve operational governance in this way to make global governance work, but the fact is that the Board does not really have a full grasp on how global strategy is progressing. We need to create systems and practices that enable regular discussions with the executives in charge of each global site, thereby making management and investment decisions based on an understanding of the actual situation of each business. And then, we are addressing social governance, at the top of three layers, more than

other companies. However, our share price has not been traded as a premium unfortunately, just because we are implementing ROESG management. The awareness of capital markets overall also needs to change for social governance to truly function. I hope that initiatives of the Meiji Group serve as opportunities for investors to evaluate us from the long-term perspective.

Mr. Kawata: If I may offer another opinion from the governance perspective, the Meiji Group currently operates under a holding company structure and I think we have to reconsider what a holding company should be. Of course, we are pursuing synergies between food and pharmaceutical businesses, but the reality is that bringing out synergies across all levels of the businesses is difficult. However, realizing synergies in management is very much possible, and I think appointing holding company chief officers to oversee areas spanning the Group to improve

We should leverage the 2026 Medium-Term Business Plan to increase employee engagement and unlock the potential for innovation.



Discussion with Outside Directors

governance is very effective. The purpose is not just to grow the size of the holding company. We also need to strengthen the functions of the holding company by demonstrating the combined strength of the Meiji Group and further improving external relations and communication abilities.

Is the Meiji Group attempting to increase corporate value by elevating non-financial value to the level of financial value?

Mr. Kawata: The Meiji Group is pursuing economic and social value through the fusion of sustainability and business strategies, and it should be commended for its efforts. It is tackling a number of critical social issues, including the problems of biodiversity and malnutrition around the world. Although difficult to quantify the Group's contributions, its efforts to become involved and solve these issues should nevertheless be highlighted. This would enable our employees also to have pride in being a member of the Meiji Group, and it would raise awareness of the fusion of sustainability and business strategies. And this should lead to improved corporate value. Although this initiative does not link immediately to financial value and it is not easily reflected in the share price, it will be an extremely important initiative in the long run. It really comes down to integrity as a company. I consider that improving both financial and non-financial value, while improving this integrity, is a major issue to address in the 2026 Medium-Term Business Plan.

Mr. Pedersen: The share price of a company reflects expectations for that company. The Meiji Group share price shows expectations for new innovation from the Group, including in areas of non-financial value, creation of new markets one after another, and growth. The various strengths of the Meiji Group, from sustainability to brand promises, are still disjointed. Therefore, the major challenges going forward are to create a single story to connect these elements and to communicate internally and externally the potential for innovation. This is the purpose behind Meiji ROESG management, and if the Meiji Group really drives the fusion of sustainability and business strategies, then it should be able to achieve this integration as well.

What are your future aspirations as Outside Directors and your expectations for the Meiji Group going forward?

Mr. Kawata: I view my position as an Outside Director to be to bring three perspectives to the table; a perspective on business management, a perspective on what the holding company structure should be, and a perspective on globalization. I have been involved in several global mergers and acquisitions in the past, including some failures. However, the knowledge I gained through all these cases is as relevant now as it was then, so I hope to use it to contribute to the growth of the Meiji Group in the global market. Regarding how the Board of Directors should operate, I hope to collaborate with the other Outside Directors to take the Board to an even higher level of effectiveness with a future orientation rather

than a conventional one. I see great potential for growth in the Meiji Group, and it is our mission as Directors to help it realize this potential. Having strong ownership, I am determined to carry out the three transformations put forward in the 2026 Medium-Term Business Plan.

Mr. Pedersen: I want the 2026 Medium-Term Business Plan to be used to increase employee engagement. Rather than just emphasizing the achievement of KPIs, I want to establish a culture of employees creating and executing their own preferred business plans. This can be done by asking them, early in the process, what they personally want to do to help realize the Medium-Term Business Plan. Achieving the 2026 Medium-Term Business Plan, while improving feelings of participation and increasing engagement among our employees in this way, will allow the Meiji Group to jump to the next stage. As an Outside Director, I also want to go beyond just being a monitor on the Board to become a participating stakeholder in the Board in the future. With highly motivated involvement in the business front lines as well, I will be able to gain a better understanding of the actual situation and be more effective in my role. While this means much more responsibility, I personally believe it will make the job more interesting. By going beyond my own role here, I hope to help the Meiji Group become even better.

CREATING MARKETS AND CORPORATE VALUE

Meiji ROESG®* management is at the core of the Meiji Group's efforts toward future corporate value creation. By fusing sustainability and business strategies, and pursuing both social and economic value, we will create new markets and sustainably improve corporate value.

* ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

- 24 The Meiji Group's Process for Value Creation
- 25 Meiji Strengths for Creating New Markets
- 26 Overview of the 2026 Medium-Term Business Plan

Realizing a Better Future
for People,
Society and the Earth

2024-2026

Concept

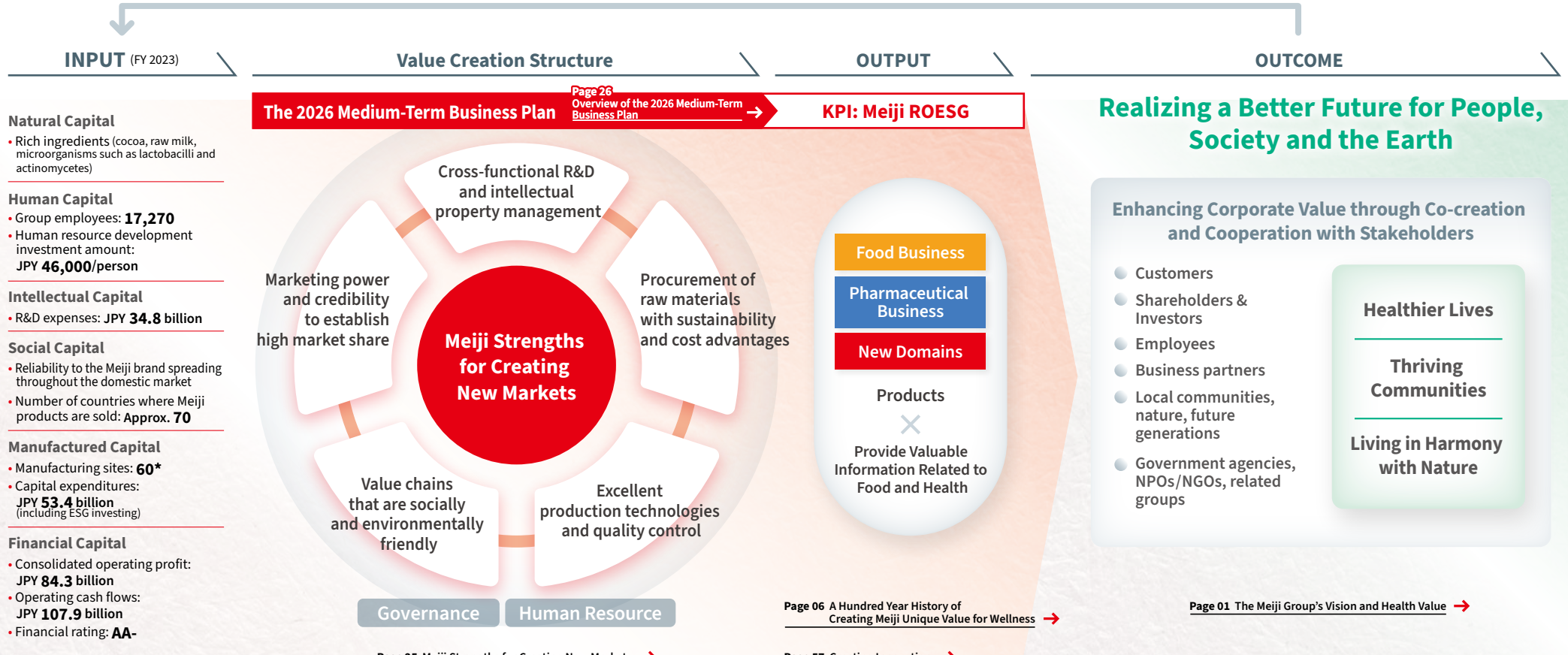
The Evolution of Meiji ROESG® Management

Return to a growth trajectory by transforming focus markets, business structure, and our behavior



The Meiji Group's Process for Value Creation

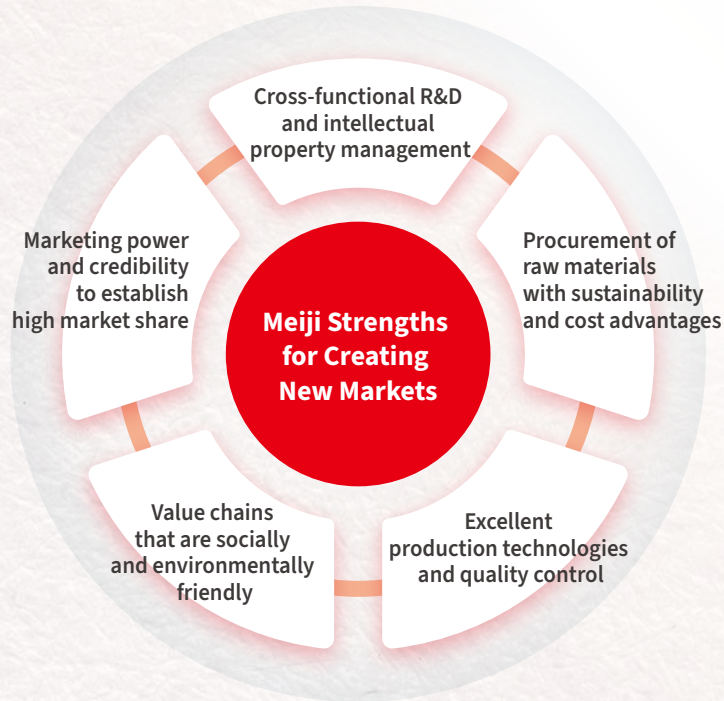
The Meiji Group has accumulated an abundance of capital. We will create Meiji unique value for wellness based on this capital by leveraging our strengths in order to realize a better future.



* Total number of manufacturing sites of major operating companies and Group companies responsible for manufacturing

Meiji Strengths for Creating New Markets

The Meiji Group aims to achieve sustainable growth by providing Meiji unique value for wellness and creating new markets. We have diverse strengths in the areas, and series of business activities, of R&D, sourcing, production and distribution as well as sales and communication that form the foundation of these efforts. We will build on these strengths to create a competitive advantage that is unique to Meiji. At the same time, with proper consideration to the society and environment, we will further enhance our corporate value by providing a variety of products and useful information that contribute to good health.



Strengths of the Meiji Group

Cross-functional R&D and intellectual property management

- Accumulated knowledge obtained through basic research (milk, cocoa, microorganism, fermentation, biotechnology and drug discovery research)
- Excellent product commercialization expertise, manufacturing technologies and related intellectual property management
- R&D capability merging knowledge in food and pharmaceuticals

Procurement of raw materials with sustainability and cost advantages

- Cooperation with cocoa and dairy farmers
- Network with related organizations
- Enable both cost competitiveness and stable procurement using a global supply chain

Excellent production technologies and quality control

- Quality control system (ensure product quality and safety)
- Distribution network designed to cover all temperature ranges (room temperature, chilled and frozen)
- Excellent production technologies, biotechnologies and global production network for pharmaceuticals

Value chains that are socially and environmentally friendly

- Commitment to Meiji ROESG, a unique management indicator that aims to fuse business and sustainability activities
- Analysis and disclosure based on climate change (Task force on Climate-related Financial Disclosures) and biodiversity (Taskforce on Nature-related Financial Disclosures)
- Thorough compliance with the Meiji Group Supplier Code of Conduct

Marketing power and credibility to establish high market share

- Two-way communication and solid relationships with business partners and customers
- Trust in the Meiji brand built over many years
- Product lineup that meets diverse health needs from infants to the elderly

Overview of the 2026 Medium-Term Business Plan

2024-2026 Overview

The Evolution of Meiji ROESG Management Return to a growth trajectory by transforming focus markets, business structure, and our behavior

During the 2026 Medium-Term Business Plan, we will aim to return to a growth trajectory to further evolve Meiji ROESG management we outlined in our 2023 Medium-Term Business Plan. We will incorporate resolving social issues into business strategy and work to create social value through sustainability innovation. We will also achieve sustainable growth by simultaneously realizing economic and social value (“trade-on”).

We continue to position Meiji ROESG as our highest management goal. Meiji ROESG consists of two components: ROE, which represents earning power; and the degree of achievement of ESG goals (see figure on right).

In the new Meiji ROESG, we have set sales targets for Meiji ROESG target brand lines (products) in the ESG category as an indicator that symbolizes the fusion of sustainability and business strategies. We will show how sustainability can be linked to profitable growth through achieving these targets. In doing so, we aim to further enhance our corporate value, including market capitalization.

Key strategies

1. Invest management resources into growth businesses

- Strengthen and expand overseas and B2B businesses of food segment, and pharmaceutical business as growth drivers

2. Keep and improve stable cash flow

- Enhance competitive advantage by pursuing added value
- Review business portfolio and improve capital efficiency

The fusion of sustainability and business strategies (“Trade-on”)

3. Promote human resources strategy linked to management strategy

Meiji ROESG



Evaluation indicators	FY2026 Target (2026 Medium-Term Business Plan Target)
ESG external evaluation (3 indicators) ESG external evaluation to assess sustainability activities Sustainability > External Recognition	
1) MSCI ESG Ratings	AA
2) DJSI	72 points or more
3) ISS ESG	C+ (50 points or more)
Indicators of business and financial value (2 indicators) Indicators that show the fusion of sustainability and business strategies and lead to improved business performance	
4) Food : Sales of Meiji ROESG target brand lines	Achievement of yearly plan
5) Pharmaceutical : Sales of Meiji ROESG target products	Achievement of yearly plan

Meiji ROESG target brand lines/products

Food

- Health-oriented foods and value-added nutritional foods
(Meiji Bulgaria Yogurt, Meiji Probio Yogurt R-1, Chocolate Koka, SAVAS, Meiji MeiBalance, etc.)
- Foods with our environmentally and socially conscious procurement activities for a sustainable society
(Meiji Oishii Gyunyu, Meiji Milk Chocolate, Meiji Hokkaido Tokachi series (yogurt and cheese), etc.)

Target brand line sales ratio (FY2023 results) Approx. 50% ▶ FY2024 plan YoY sales growth +2.3%

Pharmaceutical

- Influenza vaccine
- Stable supply drugs (Category A)

Target products sales ratio (FY2023 results) Approx. 20% ▶ FY2024 plan YoY sales growth +17.2%

Overview of the 2026 Medium-Term Business Plan

2024-2026 KPI

Achieving a Record High Level of Operating Profit Continued Aggressive Investment in Growth and Increased Returns to Shareholders

In the 2026 Medium-Term Business Plan, we will improve ROE to achieve the target of Meiji ROESG. Therefore, we will work to improve capital efficiency using ROIC. We will continuously improve our operating profit margin led by sales growth and cost reduction, and control invested capital.

In addition, we will invest approximately JPY 350 billion as part of our three-year cash allocation policy to improve corporate value. These investments will mainly use cash inflows from operating cash flow and asset reduction as the main source of funds. We will aggressively invest in growth fields, including M&A, utilizing debt financing.

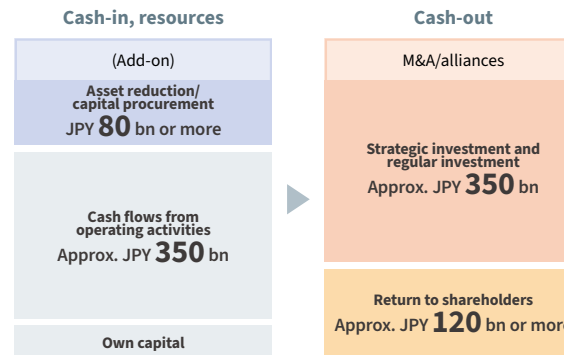
As our policy for returns to shareholders, we are aiming for a total return ratio of 50% or more in the 2026 Medium-Term Business Plan. We will balance investment and returns for shareholders by conducting opportunistic share buybacks in addition to continuously increasing dividends.

KPIs

		2026 Medium-Term Business Plan			
		FY2023 Result	FY2024 Plan	FY2026 Target	vs. FY2023
Integrated goal	Meiji ROESG	-	8.0pt	9.8pt	-
Growth and Profitability	Consolidated operating profit	JPY 84.3 bn	JPY 86.0 bn	JPY 116.5 bn	+38.2% +JPY 32.1 bn
	Food	JPY 64.3 bn	JPY 66.0 bn	JPY 83.0 bn	+29.1% +JPY 18.6 bn
	Pharmaceutical	JPY 22.7 bn	JPY 25.0 bn	JPY 40.0 bn	+76.1% +JPY 17.2 bn
	Consolidated profit attributable to owners of parent	JPY 50.6 bn	JPY 50.0 bn	JPY 76.5 bn	+51.0% +JPY 25.8 bn
Efficiency and Safety	ROIC	6.2%	7.0%	8.5% or more	-
	ROE	6.9%	7.0%	9.5% or more	-
Return to shareholders	Total Payout Ratio	52.3%	114.6%	50% or more	-
	Cash flows from operating activities	JPY 107.9 bn	JPY 60.0 bn	[3 years] Approx. JPY 350.0 bn	-
Cash flows	Free cash flows	JPY 83.3 bn	JPY 1.0 bn	[3 years] 0	-

* Reference with retroactive application of new classification from FY2024

Three-year cash allocation policy



Asset reduction/ capital procurement	<ul style="list-style-type: none"> Asset reduction through structural reforms Cross-shareholdings reduced to less than 5% of consolidated net assets External procurement assumes maintaining JCR rating of “AA-” When conducting M&A/alliances, consider external procurement based on a D/E ratio of 0.5 times
	<ul style="list-style-type: none"> Continue strategic investments to strengthen the foundation of existing domestic businesses Actively invest in growth areas including M&A
Investment	Food Approx. JPY 240 bn <ul style="list-style-type: none"> Domestic strategic investment JPY110 bn Overseas growth investment JPY40 bn Regular investment etc. JPY90 bn
	Pharmaceutical Approx. JPY 110 bn <ul style="list-style-type: none"> Strategic investment JPY96 bn Regular investment JPY16 bn
(ESG)	JPY 50 bn
Return to shareholders	<ul style="list-style-type: none"> Continuously increase dividends and buy back shares Total Payout Ratio of 50% or more: Set as a lower limit level that is not affected by changes in our external environment, etc.

Overview of the 2026 Medium-Term Business Plan

2024 Plan

In FY2024, the first year of the 2026 Medium-Term Business Plan, we expect to see a recovery in people's activities and economic conditions continuing from the previous year. Factors such as domestic consumption trends, currency fluctuations, and rising raw material prices and labor and logistics costs are expected to continue to affect business performance. We will steadily implement the following initiatives as we aim to achieve the targets of the Medium-Term Business Plan.

Focal initiatives

Food Segment

- 1) Strengthen value promotion and launch high-value-added products
- 2) Fuse sustainability and business Strategies
- 3) Expand overseas business

Pharmaceutical Segment

- 1) Establish a competitive advantage as a top company for vaccines and infectious disease drugs and improve profitability
- 2) Expand business scope through the allocation of significant management resources into overseas business

Net Sales

Consolidated net sales are projected to be JPY 1,159.0 billion. We aim to increase sales in both the Food and Pharmaceutical segments. We are also aiming for overseas net sales of the whole Group of JPY 154.0 billion (overseas net sales ratio of 13.3%).

Food Segment

Net sales are projected to increase 1.5% year on year to JPY 913.8 billion. In Japan, we will firmly establish the price increases implemented in the previous fiscal year, strengthen the value of existing brands, and launch high-value-added products. Overseas, we will focus on structural reforms of the China business in particular. We will also expand the scope of sales through the development of products with unique value.

Pharmaceutical Segment

Net sales are projected to increase 19.3% year on year to JPY 245.8 billion. We will work to stabilize our supply of antibacterial drugs, which continue to be in high demand due to the epidemic of various infectious diseases caused by the recovery in people's activities. The Human Vaccines business is positioned as a growth driver. It will contribute to business results by launching *KOSTAIVE*, a next-generation mRNA vaccine (self-amplifying), in FY2024.

Operating profit

Consolidated operating profit is projected to be JPY 86.0 billion. Major factors are as shown below.

Variance Analysis (JPY bn)

	FY2023 Result	Food	Pharma	Other
	84.3	64.3	22.7	-2.7
Due to increased/decreased sales	+28.9	+21.1	+7.8	-
Impact of NHI drug price revisions	+1.3	-	+1.3	-
Changes in COGS	-8.1	-8.8	+0.6	-
Changes in other SG&A expenses	-15.8	-6.9	-8.9	-
Other (incl. change in results of subsidiaries)	-4.5	-3.7	+1.6	-2.3
FY2024 Plan	86.0	66.0	25.0	-5.0

- *1 Including the effect of price increases
- *2 Major factors
[Food] Increase in raw materials costs (incl. domestic raw milk and cocoa beans): -9.7,
Other (incl. decrease in product amount): +0.9
[Pharma] Cost reduction: +0.6
- *3 Major factors
[Food] Increase in logistics costs and marketing expenses: -6.1,
Increase in other costs: -0.8
[Pharma] Increase in logistics costs and marketing expenses: -1.9,
Increase in other costs: -7.0

Profit Attributable to Owners of Parents and Financial Indicators

Consolidated profit attributable to owners of parent is projected to be JPY 50.0 billion. This is primarily due to the absence of extraordinary profit from the sale of cross-shareholdings in the previous fiscal year. ROE is expected to remain unchanged at 7.0% as a result. However, the total payout ratio is expected to increase significantly to 114.6% (payout ratio: 52.3% in the previous fiscal year) due to repurchase of our own shares and other factors.

STRATEGY

In the Food and Pharmaceutical segments, the Meiji Group is addressing the key issues established in the 2026 Medium-Term Business Plan. We are also implementing strategies, utilizing the Group's competitiveness and uniqueness, in the areas of sustainability, human resources, technology development, intellectual property and digital technologies, which are the foundations for development of both segments. In this way, we are promoting the Meiji Group's sustainable growth.

- 30** Food Segment Business Strategy | Message from COO
- 33** Trade-On Initiatives
- 35** Pharmaceutical Segment Business Strategy | Message from COO
- 37** Trade-On Initiatives
- 40** Sustainability Strategy | Message from CSO
- 44** Living in Harmony with Nature
- 49** Human Resource Strategy | Message from CHRO
- 51** Human Resource Management
- 56** Human Rights
- 57** Creating Innovation
- 58** Technological Development Strategy
- 64** Intellectual Property Strategy
- 67** Digital Technology Strategy | Message from CDO



Food Segment Business Strategy

Message from COO



Katsunari Matsuda

COO (Food Segment)
Member of the Board and Executive Officer
Meiji Holdings Co., Ltd.
President and Representative Director
Meiji Co., Ltd.

Creating New Markets and Restoring Growth Potential with Product Strategy that Helps Solve Social Issues and Overseas Business as Drivers

COMMITMENT

The Food segment needs to undergo transformation to put it back on the path to growth. In the 2023 Medium-Term Business Plan, we failed to meet our numerical targets. However, we were able to make investments for the future in Japan and overseas. Based on this business foundation, we will build strong sales and profits globally by creating products with unique Meiji value and contributing to society.

Summary of the 2023 Medium-Term Business Plan

Growth Strategy Stagnates While Dealing with Cost Increases

Launched in FY2021, our 2023 Medium-Term Business Plan was met with unexpected changes in the business environment, resulting in poor results in terms of profits in particular. In addition to the COVID-19 pandemic dragging on, supply chains as a whole were disrupted with Russia-Ukraine conflict. We had to deal with not only higher raw material and energy costs, but skyrocketing packaging and logistics costs as well. As a result, raw material and other costs rose by more than JPY 60 billion over the three years of the 2023 Medium-Term Business Plan. This had a dramatic impact on profits despite implementing a range of measures, including price increases, specification changes, and smaller package sizes. At the same time, Japan's domestic economy contracted and we had to continue focusing our efforts on

brand protection, so new product development stagnated. To continue growing into the future, we need to keep developing best-selling products that lead to the creation of new markets. The development of such structures is a major part of the 2026 Medium-Term Business Plan.

One of our key issues in the 2023 Medium-Term Business Plan was expanding overseas business, and we actively invested in that area. Although we achieved solid growth in the U.S. and Europe, we were less successful than planned in China, where expectations were high. We struggled in the dairy business in particular, with drinking milk and yogurt. We experienced pandemic-related delays in the time it took from the construction of our plants to their operation, and we were impacted by deteriorating market conditions. We urgently need to rebuild our business in China, so we have created a revival plan. In our 2026 Medium-Term Business Plan, we will ensure to implement this plan, and then accelerate business growth overseas.

Food Segment Business Strategy | Message from COO

Key Strategies in the 2026 Medium-Term Business Plan

Reforming the Product Development Process and Promoting New Problem-Solving Product Planning

With the Food segment facing various challenges, we will focus on two main themes in the 2026 Medium-Term Business Plan. The first is taking on the challenge of new market creation and restoring growth potential.

To restore growth potential, we will rebuild the process for creating best-selling products as the source of such growth. We will start by holding cross-divisional product development meetings. We will adopt a gate system for discussing whether products satisfy unmet needs at the concept stage and then determining whether they move on to implementation. In this way, we aim to encourage problem-solving product planning that creates new markets. Furthermore, we are adopting the Meiji Sustainable Products Certification System and the Meiji Nutritional Profiling System (Meiji NPS) as ways to add new value to Meiji products. In the future, all products in the Food segment will pass through these two filters.

We also plan to further drive open innovation to develop new markets. So far, we have launched the Meiji Accelerator Program in collaboration with startup companies, and the Meiji Business Development (mBD) for developing new businesses through an internal application process. Both of these initiatives are already producing results. One outcome from the mBD program is FRESH CHEESE STUDIO, a new brand that conveys the

appeal of freshly produced dairy products. Through such successful efforts, our younger employees in particular are increasingly motivated to take on new challenges. We will build a new marketing model that effectively promotes such added value to customers.

[Page 33](#) →

Focusing on B2B Business as a Promising Growth Area and Creating New Markets for Commercial Users

B2B business is another promising growth area. In the past, the role that B2B business in the Food segment played for us was mainly in processing and selling our excess production. For this reason, we would always prioritize the products for the consumer market if consumer demand increased. However, in the case of the commercial market, profitability can be increased according to the level of processing required. There is enormous potential for creating new markets by focusing on the abundant resources of our Food segment on meeting the needs of commercial users. We also opened the Meiji Application Center to expand business opportunities. We invite customers from the food manufacturing industry and restaurant businesses, and through direct dialogue with them, we can develop products tailored to their needs. In this B2B business concept, our aim is to transform from raw material manufacturer to processed food manufacturer. Therefore, we are working to energize this business by recruiting human resources with lots of new ideas from the younger generation in particular.

Further Development of the Global Market Also an Essential Strategy for Growth

To achieve further growth, we have to increase our focus on overseas business. In China, we plan to fundamentally reform our dairy business. On the other hand, we are also developing the markets for our strongly-performing chocolate and ice cream businesses by developing products that meet local needs and implementing sales strategies through collaborations with foreign-owned supermarkets.

In the U.S., our chocolate business is growing strongly. Meiji brand products for the large supermarket chains are strong. In fact, they exceeded sales of our local mainstay brand products in FY2023. In Asia, in addition to our chocolate business, we are focusing on the nutrition business, including infant formula and enteral formula products. We plan to expand our businesses there while helping to solve health issues faced by local populations. In Europe, we are experiencing extremely strong sales of our cube-type infant formula, through a collaboration with Danone, and we are expanding our sales areas.

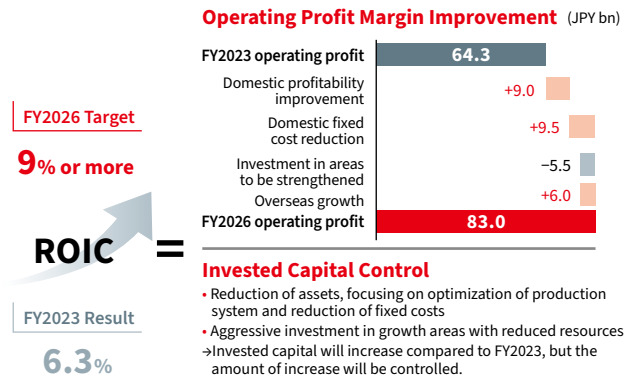
[Page 34](#) →

(JPY bn)		2026 Medium-Term Business Plan		
		FY2023 Result	FY2024 Plan	FY2026 Target (vs. FY2023)
China	Net sales	24.3	31.0	60.3 (+147.2%/+35.9)
	Op. Profit	-3.7	-5.6	0.3 (-/+4.0)
Asia	Net sales	18.1	27.0	65.2 (+259.5%/+47.0)
	Op. Profit	1.5	1.4	3.6 (+134.8%/+2.0)
Europe and Americas	Net sales	32.7	34.4	44.8 (+36.6%/+12.0)
	Op. Profit	2.3	1.6	2.2 (-7.4%/-0.1)
Overseas total	Net sales	77.7	88.3	170.0 (+118.6%/+92.2)
	Op. Profit	-2.4	-6.0	3.2 (-/+5.6)

Food Segment Business Strategy | Message from COO

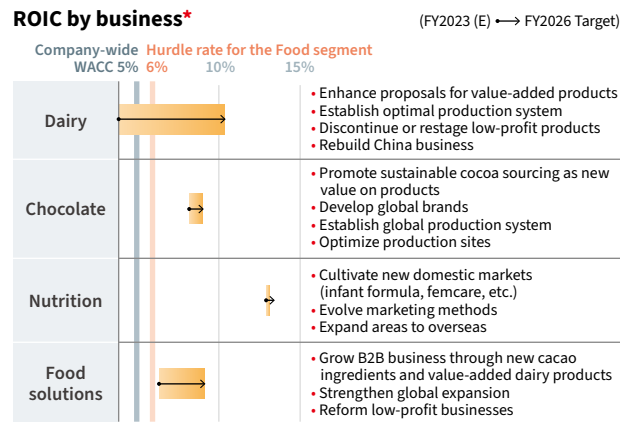
Strong Focus on Return on Investment for Each Business Utilizing ROIC

The second main theme in the 2026 Medium-Term Business Plan is improving profitability through an ROIC-based review of our business and product portfolios. To improve ROIC, we have to grow operating profit, as its numerator. As already explained, we will create profits through new initiatives, but there is also a pressing need to reinforce our core domestic businesses, including yogurt and chocolate, as products that contribute considerably to profits. We are repositioning the businesses as stable earner and targeting stable profits by increasing the added value in the products. For example, the functional yogurt market is becoming saturated with new competition continually entering the market. Therefore, we aim to develop marketing structures that remind customers of the appeal of Meiji yogurt products based on outstanding lactobacilli. In terms of chocolate, we are making a shift toward development of products that increase the value of cocoa. In particular, the concept of sustainability is more incorporated into product



development and sales strategies. Our aim is to increase awareness that Meiji chocolate is a product that contributes to society, and to build trust so that customers continue to choose the Meiji brand.

In terms of invested capital, as the denominator for calculating ROIC, we will invest in growth areas according to clear criteria while retiring equipment without hesitation if it offers no promise of returns. We will become much stricter in our assessment of return on investment, and make sure to optimize production systems and reduce fixed costs. While doing so, we will be resolute in our decisions should there be a need to correct plant operations or workforces. We will work to improve each business in this way, focusing on both the numerator and denominator of ROIC, and we will improve competitiveness and capital efficiency (see the diagram below).



* ROIC by business is a simplified calculation (NOPLAT + Share of profit and loss of entities accounted for using equity method/Invested capital in a single year)



Vision for the Food Segment

Spreading the Joy of Eating to Create a Fulfilling and Healthy World

Our aim through the 2026 Medium-Term Business Plan is to restore growth potential and become a Group that continually develops into the future. While cherishing our founder's spirit of "contributing to the country through nutrition," we need to remind the world about the joy of eating. Everything about eating leads to enjoyment, from sight to smell and taste, and the physical processes of chewing and swallowing. And this enjoyment ensures a healthy mind and body. By sharing these thoughts with as many people as possible, we will create a fulfilling and healthy world through eating, and contribute to the creation of a sustainable society. This is how I see Meiji's mission.

Food Segment Business Strategy | Trade-On Initiatives

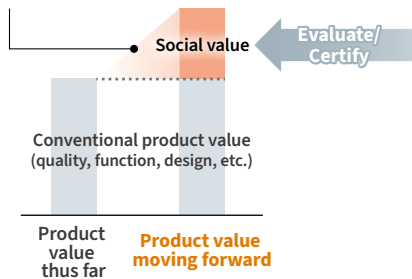
Developing New Brand Value through Sustainability and DX

We are working to clarify the value of the Meiji brand and create new markets. We promote new product development that links sustainability to economic value based on the Meiji Sustainable Products Certification System and the Meiji Nutritional Profiling System. We also make full use of DX to develop solutions that help address personal health issues.

The Meiji Sustainable Products Certification System Adds Social Value to Products and Changes Patterns of Consumption

The Meiji Sustainable Products Certification System is an internal product certification system. It certifies products that are associated with sustainability activities that help address social issues in the chain of processes from new product development through to provision to customers. Products are certified as sustainable products if they satisfy four or more of the five standards we have set, as shown in the figure below. In the future, we will be able to show a product's social value, or its contribution to sustainability, in addition to the conventional product values of taste, quality, function, and package design. While increasing interest in the Meiji brand, this will also bring innovation to the patterns of consumption of our customers.

Sustainability innovation to resolve social issues



Evaluate and certify based on 5 standards

1. Contribution to healthy dietary habits
2. Improved nutritional value
3. Human rights and environmentally conscious procurement of raw materials
4. Human rights and environmentally conscious containers and packaging
5. Reducing environment load in production, logistics and product designs

* Make a certain level of fulfillment of parameters set for each standard for requirement for certification
 * Going forward, standards and requirements for certification are subject to change

The Meiji NPS Brings to Focus on Product Nutrition to Help to Solve Health Problems

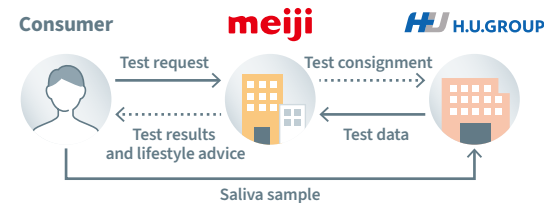
The Meiji Nutritional Profiling System (Meiji NPS) clarifies the nutrients required in a Japanese diet according to different life stages. It is one of our material sustainability activities to address the specific health issues of each generation and region. Rather than being an internal system only, we are developing the Meiji NPS with the involvement of governments and companies so that it becomes the default nutritional profiling system in society as a whole.



Meiji NPS | Nutrition Initiatives [↗](#)

The Immunology Testing Service to Help Address Health Issues of Individual Customers

One of our new solution services, based on digital technologies, is the Immunology Testing Service. The service was developed by fusing the food and healthcare knowledge of the Meiji Group with the testing platform technologies of H.U. Group. Customers collect a sample of saliva at home, which is tested for immune status, and the results and lifestyle advice are then sent to the customer's smartphone or other device. From our many years of immunology research, we recognize the importance of immune status for helping people lead healthier lives. Since the COVID-19 pandemic, more people have needed to be able to monitor one's own immune status. We therefore developed this service in collaboration with H.U. Group, a leading company in clinical laboratory testing and in vitro diagnostics. Going forward, we will work on developing solutions for visualizing health status outside the area of immunology as well.



Food Segment Business Strategy | Trade-On Initiatives

Turning Meiji Unique Value for Wellness into a Global Competitive Advantage

We have positioned overseas business as a growth driver in the 2026 Medium-Term Business Plan, with a target for adding roughly JPY 100 billion in net sales in FY2026 (compared to FY2023). We have also created structures for driving business growth, with the heads of each business division now also having responsibility for their profits in overseas markets. We will accelerate growth by proactively investing our management resources and turning the unique Meiji value in our products and technologies into a competitive advantage aligned with the needs of each region and market.

Dairy Business and Food Solutions Business (Drinking Milk, Yogurt, Ice Cream, B2B, etc.)

In China, we started operations at our new plants in Guangzhou and Shanghai in 2024 as part of a new system for supplying products tailored to local needs. Going forward, we plan to launch a series of new products offering unique value, such as our *Hokkaido Flavor Yogurt*.

We are also rebuilding our sales strategy from scratch for the drinking milk and yogurt business. Emphasizing profitability, while ensuring stock keeping unit (SKU) management locally, we are reviewing the sale of unprofitable products and transactions with customers. On the other hand, B2B business sales exceeded the sales to the consumer market in FY2023, so B2B products are a growth area with a greater presence in China. Demand is quite high for our products, which are rated highly for quality as customers understand that value exceeds price. We will therefore further develop these markets with high value-added products that leverage the technological strengths we have developed over many years.

Focus area China, Asia

- Review of sales areas to consider profitability
- Cost reduction and optimization of production structure
- Increase the composition ratio of value-added products and strengthen the B2B business



Launched in June 2024
Hokkaido Flavor Yogurt



Chocolate Business (Chocolate, etc.)

In the U.S., we are ramping up production capacity to meet increasing demand for Meiji brand products for large supermarket chains, in addition to local Stauffer brand products. We are enhancing new marketing initiatives that are attracting attention, including use of billboards at Major League Baseball stadiums where Japanese players are active. In the 2026 Medium-Term Business Plan, expenses for production capacity expansion will be incurred upfront, but the top line will grow steadily.

In China, we tripled production capacity with the opening of a new Guangzhou plant and production line expansion at our Shanghai plant. We will produce chocolate snack products that are selling well in the U.S., and then aggressively expand this business not only in China but to Asia as well.

Focus area The U.S., China, Asia

- Strengthen initiatives related to major retailers and agents
- Expand production capacity and establish a global production system
- Develop global brands



Nutrition Business (Infant Formula, Enteral Formula, Sports Protein, etc.)

The Nutrition business is an area that can take advantage of the strengths of Meiji Group technologies and intellectual property. It is also an area in which we intend to collaborate with other companies to develop the global market. In Europe, we have collaborated with Danone on production support for their tablet baby formula. Their tablet products are sold in six countries, and have strong demand from customers. Therefore, we made a capital increase to our subsidiary in Europe to invest in its production capacity.

In Asia, we are working to increase added value in our products. For instance, in addition to infant formula, we are selling *Meiji MeiBalance* in Taiwan and Vietnam. As a product that addresses the issue of nutrition in Asia, where populations are gradually aging, we are aiming for medium- to long-term growth in this category.

Focus area Asia, Europe

- Accelerate the development of products aligned with local needs
- Expand to more countries



Pharmaceutical Segment Business Strategy

Message from COO



Daikichiro Kobayashi

COO (Pharmaceutical Segment)
Member of the Board and Executive Officer
Meiji Holdings Co., Ltd.
President and Representative Director
Meiji Seika Pharma Co., Ltd.
Chairman and Representative Director
KM Biologics Co., Ltd.

As the One and Only Platformer for Infectious Disease Control, We Will Achieve Business Growth While Addressing Social Issues

COMMITMENT

We have completed structural reforms in the Pharmaceutical segment and significantly reformed our business portfolio. Working to expand innovative new drugs globally using a business foundation that supports solid earnings. We will achieve strong growth going forward as an indispensable pharmaceutical company in society. And as the driving force for the Meiji Group into the future, I will lead the way with confidence in the Pharmaceutical segment.

Summary of the 2023 Medium-Term Business Plan

Concentrating Our Management Resources in the Area of Infectious Diseases and Turning National Strategies into Our Own Growth Strategies

The 2023 Medium-Term Business Plan was launched into the turmoil of the COVID-19 pandemic. Nevertheless, we achieved a record operating profit for two consecutive years, FY2022 and FY2023. We took the opportunity of the pandemic to transform our business portfolio and focus our resources on the area of infectious diseases, which has always been our forte. From these initiatives, we developed an infectious disease control platform with a good reception in society. It has also contributed to our strong performance.

In the Pharmaceutical segment, we hold a major share of the market for antibacterial drugs. These drugs are essential in the treatment of infectious diseases and prevention of infectious diseases during surgical operations. Very few pharmaceutical companies in Japan are able to manufacture antibacterial drugs. The COVID-19 pandemic also showed the

vulnerabilities of the domestic supply structures for these drugs, so that the government is making moves to strengthen the value chain. This resulted in some of our antibacterial drugs, classed as essential drugs, being excluded from the list of drugs subject to NHI drug price revisions. From the perspective of economic security, the government has selected certain drugs as specified critical materials that must be produced domestically. Penicillin-based antibacterial drugs, which are our core products, are included in those drugs. We are therefore working to develop a production structure from bulk drug through to final products. Antibacterial drugs are now important pharmaceutical drugs that need stable supplies. With responsibility for supply, we have the opportunity to turn such national strategies into our own growth strategies.

By driving structural reforms during the 2023 Medium-Term Business Plan, we were able to build a solid operating foundation as a company with a role in controlling infectious diseases. With sufficient capacity for investment, we are in a position to take on the challenge of innovative drug discovery. In this way, we will continue to grow and aim for great progress.

Pharmaceutical Segment Business Strategy | Message from COO

Key Strategies in the 2026 Medium-Term Business Plan

Developing a Stable Foundation Built on Antibacterial Drugs and Vaccines, and Adding Growth from New Drugs and Generic Drugs

In the 2026 Medium-Term Business Plan, we will work to grow our stable earnings base. We will work to grow our stable earnings base, built on antibacterial drugs and vaccines, while expanding into new markets with new drugs and generic drugs (see the figure below).

In terms of new drugs, during the term of the 2026 Medium-Term Business Plan, we expect to obtain approval for several things being developed. From this point we will start to reap the benefits of our new drug development. We will work according to schedule and gradually add product lines to our business portfolio as they are able to be expanded globally.

Page 37 →

For generic drugs, we have separated our production and sales functions and established subsidiary companies for them. We are refining our expertise in each of these areas to build a competitive advantage. As society ages, demand for generic drugs is expected to increase continuously. However, due to the structure of the industry, there has recently been serious shortages of supply. To overcome this issue, the government has developed a consortium concept to stimulate collaborations between companies. We hope to take advantage of our abundant assets in this generic drugs business to lead a restructuring of the industry.

For antibacterial drugs, in line with national policy, we will further strengthen stable supply structures.

Page 63 Technological Development Strategy
Ensuring a Reliable Supply of Critical Pharmaceuticals →

For vaccines, we are in the process of developing two modalities linked to government policy to build a stable

supply of domestic vaccines for COVID-19. By providing multiple vaccine options, we will contribute to increased vaccination rates among Japanese people as well. We also consider Asia to be an important market due to its poor access to pharmaceuticals. We will drive global expansion for both antibacterial drugs and vaccines as important growth strategies going forward.

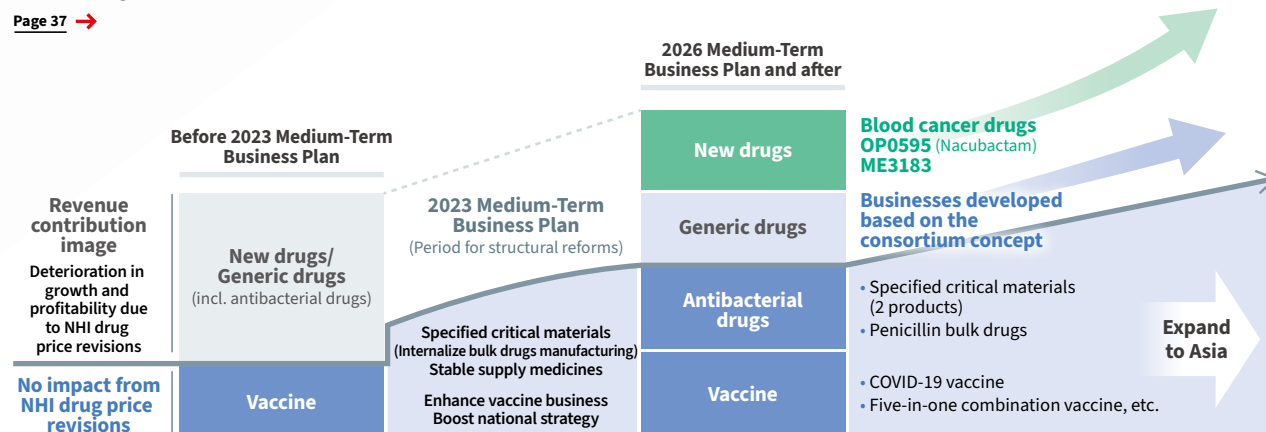
Page 39 →

Vision for the Pharmaceutical Segment

Helping the People of the World as a Pharmaceutical Company Countering the Threat of Emerging and Re-Emerging Infectious Diseases

We want to become a pharmaceutical company able to counter the threat of emerging and re-emerging infectious diseases to help the people of the world. In line with the concept of fusing sustainability and business strategies, as set forth in the 2026 Medium-Term Business Plan, we will achieve business growth while addressing the social issues of emerging and re-emerging infectious diseases.

We have a solid technology base to achieve this aim. In fact, we are one of the few pharmaceutical companies around the world able to target both bacteria and viruses, the pathogenic causes of infectious diseases. Going forward, we will also work to develop biopharmaceuticals able to regulate the immune function of people, the hosts of these pathogens. The Meiji Group is the one and only platformer for infectious disease control, which will become important for future society as well. As such, I personally have great expectations for the future of the Pharmaceutical segment.



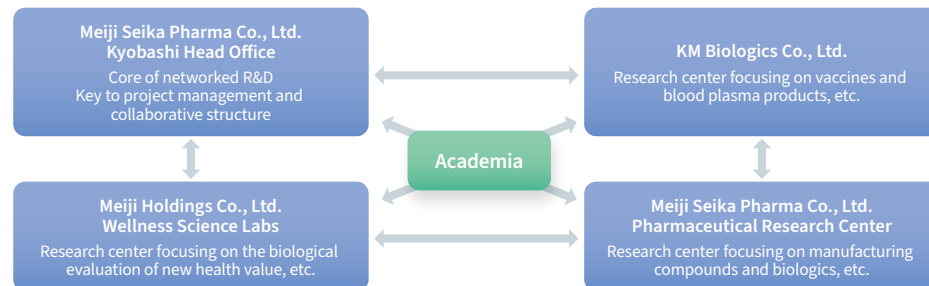
Pharmaceutical Segment Business Strategy | Trade-On Initiatives

Developing Innovative New Drugs through Open Innovation

Through our 2023 Medium-Term Business Plan, we reformed internal R&D structures and promoted open innovation-based drug discovery. Combining a range of excellent knowledge, from Japan and overseas, with the assets it developed in the Pharmaceutical segment, we have achieved many successful outcomes.

Global Expansion of Translational Research

Currently, 80% of the groundbreaking new drugs being created around the world are developed through translational research, which bridges promising research outcomes from academia and bioventures with clinical environments. Even middle-sized pharmaceutical companies have a major opportunity to create groundbreaking new drugs through open innovation. In this business environment, the Meiji Group has succeeded in developing its *KOSTAIVE* intramuscular injection, a self-amplifying next-generation mRNA vaccine against COVID-19. We acquired a license to supply and sell in Japan a potential mRNA vaccine created by U.S. biotech company Arcturus Therapeutics, Inc. Then, we became the first company in the world to be approved to manufacture and sell it as *KOSTAIVE* in just one year after commencing clinical trials. In addition to vaccines, the mRNA technologies that we acquired through this process can be transferred to other areas as well, including the treatment of immune diseases, and will also lead to the creation of new drugs.



Promising Pipeline

There are three core areas of our R&D: infectious diseases, hematology, and immunology and inflammation. We are currently engaged in joint research projects to create innovative new drugs with representative Japanese researchers and academic institutions. To further expand this open innovation network, we established an open innovation base in Boston, the U.S., and sent researchers there from Japan to research the seeds of new drugs. Through these initiatives, we will enrich our pipeline for developing differentiated and groundbreaking new drugs. (See our pipeline on the following pages.)

ME3183 (Selective PDE4 Inhibitor)

As a drug for the treatment of inflammatory diseases, including psoriasis and arthropathy, ME3183 works by inhibiting the function of the PDE4 enzyme. In Phase II trials, it met its primary endpoint and showed high efficacy soon after administration, suggesting good tolerability*. We are currently preparing for Phase III trials. With high pharmacological activity and low intracerebral transfer, ME3183 has the potential to become a drug of first choice for patients as a next-generation selective PDE4 inhibitor that is both safe and highly effective.

* Tolerability is the degree to which a patient can tolerate the side effects of a drug.

OP0595 (Nacubactam, Novel β -Lactamase Inhibitor)

Used in combination with β -lactam-based antibacterial drugs, OP0595 is a drug that improves antibacterial activity against drug-resistant bacteria that produce β -lactamase. Carbapenem-resistant enterobacterial infections that have acquired resistance to β -lactam-based antibacterial drugs have become a social issue. OP0595 has the potential to provide the optimal treatment method to respond to all resistant enzyme forms by selecting a concomitant drug. We are currently conducting multi-regional Phase III trials with the aim of applying for approval during FY2025.

KD2-396 (Six-in-One Combination Vaccine)

KD2-396 is a six-in-one combination vaccine for children developed by combining our *Quintovac* five-in-one combination vaccine (pertussis, diphtheria, tetanus, polio and *Haemophilus influenzae* type b), launched in FY2024, with our *Bimmugen* vaccine for the Hepatitis B virus. As a purely domestic six-in-one combination vaccine with all active ingredients produced in Japan, making effective use of drugs that have already been approved and have a history of use, KD2-396 is expected to show high levels of safety and efficacy. It will also reduce the burden on children and families by reducing the number of vaccinations required during childhood.

Pharmaceutical Segment Business Strategy | Trade-On Initiatives

Pipeline (As of August 9, 2024)

Ethical Pharmaceuticals

Stage	Name (Generic Name)	Type	Efficacy Classification
Launched (Japan) Filed (South Korea, Taiwan, Thailand)	ME3208 (Belumosudil)	Oral	Chronic Graft Versus Host Disease (ROCK2 inhibitor)
Filed (Overseas) Phase I (Japan)	DMB-3115	Injection	Plaque psoriasis/Psoriatic arthritis/ Crohn's disease/Ulcerative colitis (Biosimilar)
Phase III (Japan, Overseas)*1	HBI-8000 (Tucidinostat)	Oral	Unresectable or metastatic melanoma (HDAC inhibitor)
Phase III (Japan, Overseas)*1	OP0595 (Nacubactam) ●	Injection	β-lactamase inhibitor
Phase III (Japan)	KD-380	Injection	Induction and maintenance therapy for patients with chronic inflammatory demyelinating polyneuropathy (CIDP) or multifocal motor neuropathy (MMN)
Phase II (Overseas)	ME3183 ●	Oral	Psoriasis (Selective PDE4 inhibitor)
Phase Ib / II (Japan)*1	HBI-8000 (Tucidinostat)	Oral	Relapsed or refractory B-cell non-Hodgkin's lymphoma (HDAC inhibitor)

Human Vaccines

Stage	Name	Target Disease
Launched (Japan)	KD-370	Pentavalent vaccine against diphtheria, tetanus, pertussis, poliovirus, and Haemophilus influenzae type b
Approved (Japan)	ARCT-154	Self-amplifying mRNA vaccine against COVID-19 (Original strain)
Partial change approval application (Japan)	KOSTAIVE intramuscular injection	Self-amplifying mRNA vaccine against COVID-19 (JN.1)

Phase III (Japan)*1,2	KD-414	Inactivated vaccine against COVID-19 (Adults, Original strain)
Phase III (Japan)*3	KD-414	Inactivated vaccine against COVID-19 (Pediatric, Original strain)
Phase III (Japan)*4	KD-414	Inactivated vaccine against COVID-19 (Pediatric, Omicron strain)
Phase II (Japan)	KD2-396	Hexavalent vaccine against diphtheria, tetanus, pertussis, poliovirus, haemophilus influenza type b, and Hepatitis B virus
Phase I (Overseas)	KD-382	Quadrivalent vaccine against dengue fever

Veterinary Drugs

Stage	Name	Efficacy Classification
Launched (Japan)	ME4137	Injectable antibacterial drug for cattle
Approved (Japan)	ME4137	Injectable antibacterial drug for swine
Approved (Japan)	KD-412 ●	Vaccine for cattle
Filed (Japan)	MD-22-3002	Anti-inflammatory drug for cattle, swine and horse
Under development	ME4305 ●	Antibacterial drug for cattle
Under development	MD-22-1001-1	Injectable antibacterial drug for cattle
Under development	ME4406 ●	Feed additive

● Discovered in-house

*1 Multi-Regional Clinical Trial

*2 18-40 years old

*3 6 months - 11 years old

*4 6 months - 12 years old

Pipeline 

Pharmaceutical Segment Business Strategy | Trade-On Initiatives

Helping to Address Pharmaceutical-Related Social Issues Facing the World

Through the 2026 Medium-Term Business Plan, we will concentrate our management resources on overseas business and increase our presence globally. We will strengthen business development in Asia with the aim of helping to improve access to drugs and expand vaccinations. We will also work to ensure the launch of new drugs currently.

Rolling Out Vaccines to the Asian Market

Vaccination is an effective method of controlling the spread of emerging and re-emerging infectious diseases. However, rates of vaccination in Southeast Asian countries have remained low compared to Europe and the U.S. We will start by implementing initiatives to supply influenza vaccines to Asian countries. We will then consider initiatives that help develop the public health infrastructure of our partner countries by leveraging the technologies of the Meiji Group. We also need to consider purchasing power parity and other aspects of those countries to promote the spread of vaccines. Therefore, we are specifically thinking about technical partnerships with local companies instead of producing and exporting from Japan.

Another important project is the supply of smallpox vaccines. The Meiji Group and a European company are the only two pharmaceutical companies worldwide capable of producing smallpox vaccines. Smallpox vaccines themselves are extremely important for protecting their citizens from a bio-terrorist attack. In August 2022, our smallpox vaccine received approval in Japan for the additional indication of the “prevention of Mpox.” As Mpox infections are spreading in some foreign countries, we will work with the Japanese government to expand the number of countries to which we supply our smallpox vaccines.

Global Vaccine Strategy Targeting Dengue Fever

We are working to deliver our newly developed vaccines to the world. The one that we hold the highest expectations for is our KD-382 dengue fever vaccine. There are needs for vaccines that are effective against all four serotypes of the dengue virus. With warnings that the dengue fever will become the world’s greatest threat in the future, we are developing a vaccine against this infectious disease with the support of the Strategic Center of Biomedical Advanced Vaccine Research and Development for Preparedness and Response (SCARDA) and the Ministry of Health, Labour and Welfare.

Improving Access to Drugs through the CMO/CDMO Business

The world’s population is set to hit 9 billion people soon, with numbers increasing rapidly in the Global South in particular. Access to drugs is expanding rapidly as a result, but there are concerns about supply shortages in India and Africa, where the populations are particularly large. We are operating our contract manufacturing organization (CMO) and contract development and manufacturing organization (CDMO) business through our subsidiary in India, Medreich Ltd. We will invest more in these businesses going forward to boost our production capacity and contribute to even better access to drugs in West Asia and Africa.

Using Abundant Resources to Drive Agile Overseas Business

Many of our engineers involved in R&D and production have overseas work experience, and we employ many local staff who share our vision and have years of working experience. One of our strengths in the Pharmaceutical segment is our ability to quickly move to implementation if we develop new strategies overseas. In addition to our existing production bases in India, Indonesia, Thailand, and Spain, we have been developing structures over recent years for driving overseas business, including establishing a subsidiary in the U.S. for local clinical development.

Global Stable Supply System



▼ India
Medreich Ltd.



▼ Thailand
Thai Meiji
Pharmaceuticals Co., Ltd.

Sustainability Strategy

Message from CSO



Shinji Matsuoka

CSO
Managing Executive Officer
Sustainability Management Department

Achieving Sustainability Transformation, and Creating Social and Economic Value through a Trade-On Approach

Issues Still Remain such as Global Expansion, Despite Meiji ROESG® Achieving Results

In our 2023 Medium-Term Business Plan, we implemented Meiji ROESG* to address social issues and achieve business growth. This concept is synonymous with sustainability transformation (SX). In fact, we achieved a certain level of success in our sustainability strategy during the 2023 Medium-Term Business Plan. We tackled the ESG elements of Meiji ROESG using five indicators set by an external evaluation body, and we achieved our targets for each. However, the level of achievement for each of these elements was different. For this reason, in the 2026 Medium-Term Business Plan, we are targeting even higher evaluations for indicators that were found to have room for improvement.

Issues from the 2023 Medium-Term Business Plan include a steady reduction in Scope 1 and Scope 2 greenhouse gas (GHG) emissions through implementation of climate change measures, but with the current methods of energy efficiency reaching their limits. For instance, there are new challenges that we must address, including replacing the fuel currently used at our plants with hydrogen and ammonia. And Scope 3 emissions present a major challenge to figure out how to reduce GHG emissions over which we have no control. Therefore, we are considering regenerative agriculture and other initiatives in collaboration with stakeholders.

Separately, we are still facing the issue of human rights. Although we started human rights due diligence in 2019, it has not yet extended to our overseas Group companies. We positioned overseas business as a growth driver in the 2026 Medium-Term Business Plan, so we have to strengthen our sustainability strategy in response to that. Additionally, in building a responsible supply chains, the dairy industry, which provides essential raw materials such as raw milk, is facing various social issues. While initiatives to address these issues are being undertaken, they are still only halfway complete. For cocoa, we are making steady progress toward the switch to using *Meiji Sustainable Cocoa Beans*. Going forward, we will work toward achieving our new targets, ensuring the establishment of traceability, zero child labor and zero deforestation.

From the perspective of marketing, we have room for improvement in the content of two policies we previously established; the Meiji Group Marketing Communication to Children Policy and Meiji Group Food Nutrition Labeling Policy. Both policies currently fall short of global standards, and neither is being sufficiently implemented or enforced. Our goal going forward is to further pursue responsible marketing in the downstream areas of our supply chain.

* ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

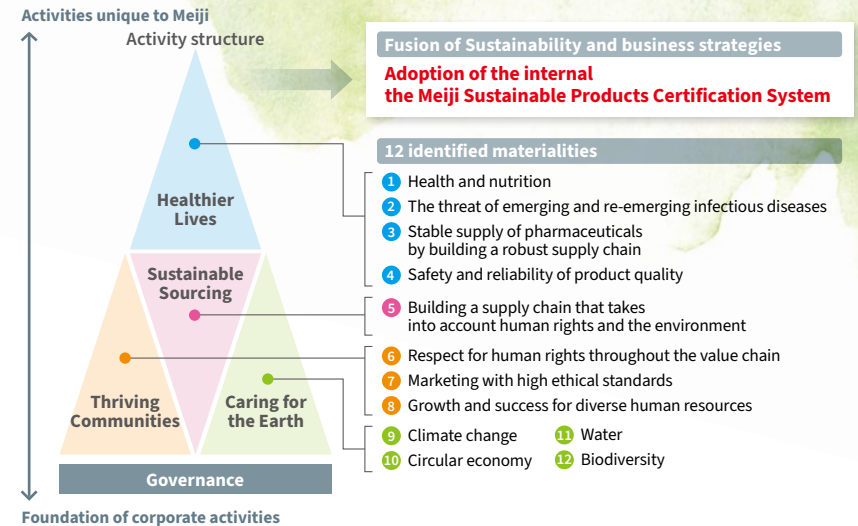
Sustainability Strategy | Message from CSO

Identifying 12 Materialities According to International Standards, and Newly Adopting the Meiji Sustainable Products Certification System

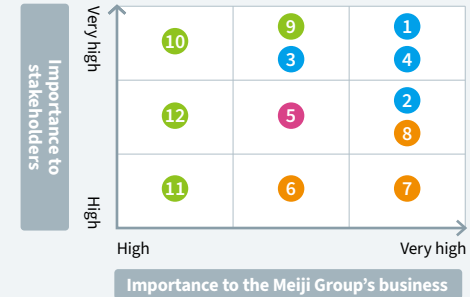
In the 2026 Medium-Term Business Plan, beginning from FY2024, we will deepen our sustainability efforts based on insights gained from the 2023 Medium-Term Business Plan. We are using this word “deepen” to express our intention to conduct sustainability activities that truly embody the essence of Meiji ROESG Management. In line with this policy, we have identified 12 materialities in the 2026 Medium-Term Business Plan. We started by identifying around 30 sustainability issues from the perspectives of environment, society and economy according to SASB, GRI and other international guidelines. We then quantitatively evaluated them on the two axes of “importance to stakeholders” and “importance to the Meiji Group’s business.” We then created a matrix of sustainability issues according to their importance and found 12 issues were important on both axes. During this process, we incorporated the opinions from external experts and discussed the topics in the ESG Advisory Board, which meets twice a year. Through thorough discussions, we identified materialities to prioritize. We then organized the 12 materialities into a conceptual diagram that structures activity themes conducted by the Meiji Group (refer to the figure on the right). For each materiality, we established specific initiatives and quantitative KPIs, making our activity guidelines clearer.

As a symbolic initiative to fuse sustainability with our business strategies, we newly adopted the Meiji Sustainable Products Certification System. This system establishes a set of certification criteria for sustainability activities in the value chain, from research and development through to consumption, and certifies internally products that meet a certain number of these criteria. In addition to quality, functionality and design, which have been the basis for product value to date, we are adding the new qualifier of social value, generated through the product’s relationship to efforts to solve social issues, as the basis for product value from now on. The aim is to strengthen market competitiveness by incorporating the element of sustainability as a competitive focus. In FY2024, we will evaluate about 600 of our products that are available to consumers in Japan. From next fiscal year, we plan to expand the scope of these evaluations to also include products for professional use and pharmaceuticals. Following this approach, we expect that employees involved with each product will work with an awareness of the Meiji Sustainable Products Certification System, which will give them a sense of ownership of the issue of sustainability.

Structure of the Meiji Group’ Sustainability Activities



Materiality Matrix



Sustainability Strategy | Message from CSO

Achieving Nature Positive for Sustainable Business Growth

For the Meiji Group, living in harmony with nature must be the most important focus when implementing sustainability strategy. Recently, the concept of nature positive* has gained a lot of attention, and Japan is also promoting the National Biodiversity Strategy. As part of this strategy, Japan has set a target to achieve nature positive by 2030. We recognize that contributing to nature positive is an important management issue for the Meiji Group, which depends on nature's gifts. To achieve this, we will promote the three-way approach of carbon neutrality, circular economy, and ecosystem conservation and restoration, in the 2026 Medium-Term Business Plan.

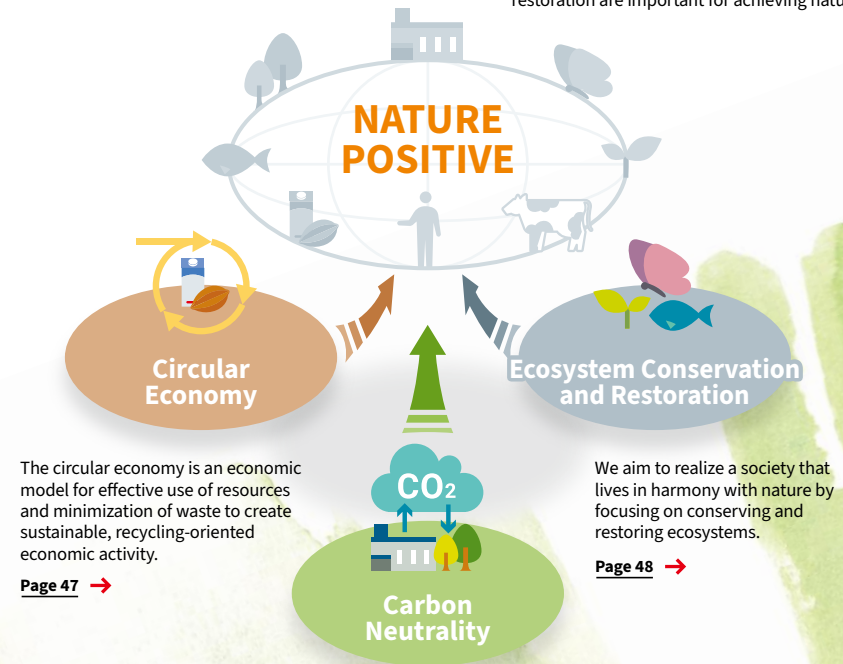
To achieve nature positive, it is important to figure out how to make positive contributions while minimizing negative impacts on nature as much as possible. The Meiji Group has been implementing GHG reduction initiatives for Scope 1, 2, and 3 emissions, while contributing toward carbon neutrality, to reduce its impact on nature. We have been working hard to reduce the amount of petroleum-derived plastics we use, reduce food loss by extending the best before dates, and recycle leftover plant and animal materials from food waste. Through these initiatives, we are focusing on creating a circular economy that restricts the use of virgin resources. On the other hand, we are also taking on the challenge of regenerative agriculture as a positive contribution, including conducting a carbon farming verification project. The agroforestry that we have been practicing for years is another typical example of regenerative agriculture. Through such activities, we will contribute to ecosystem conservation and restoration.

We hope that our efforts in these areas will achieve both sustainable business growth for the Meiji Group and well-being for our planet.

* Nature positive means halting and reversing biodiversity loss and putting nature on a path to recovery

Nature Positive Underpinned by Three Elements

Driving the three-way approach of carbon neutrality, circular economy, and ecosystem conservation and restoration are important for achieving nature positive.



Sustainability Strategy | Message from CSO

Internalizing the External Diseconomies of Business Activities Is Now Essential for Survival

I have just been appointed as CSO in FY2024, but what I sense most strongly is that, from the perspective of sustainability, we are now at a major turning point in history. Consumption of resources through human activity has exceeded the capacity of the Earth to provide them, and it would not be an exaggeration to say that the sustainability of the world itself is under threat. What companies need to do in such an environment is to internalize the external diseconomies of business activities. We can no longer have a free ride on the natural environment.

To survive in these difficult times, each and every employee must feel an affinity with sustainability, and incorporating sustainability into their daily work needs to become commonplace. As CSO, I want to foster this type of corporate culture, so I am creating a working environment that will enable this to happen. We are also providing e-learning-based training through the Meiji Sustainability College, which was launched as a framework for in-house education. In addition, we have been holding an internal event since FY2023, called Sustainability Days, as part of efforts to promote and raise awareness of the concept of sustainability and make it more accessible.

It is also important to focus on speed with sustainability activities. We have already started tackling the comparatively easy social issues, with only the difficult ones remaining, so the next steps will be extremely challenging. Nevertheless, the Meiji Group wants to

always be the first penguin to seize an opportunity, and I support that vision as CSO. My role is to lead the Meiji Group to demonstrate leadership on sustainability within the industry and drive innovation industry-wide. As CSO for the Group, I am actively engaged in outside communications where I try to raise and discuss issues in a positive manner. Sustainability is not an area of competition, so there are many areas in which we can collaborate to tackle common issues faced by all companies in the industry. For example, reducing GHG emissions is an issue that the dairy industry as a whole is facing, not just the Meiji Group. And other companies in the industry are facing similar issues. For this reason, the Meiji Group should play a central role in creating an ecosystem where the strengths and know-how of every company can be utilized. Through these activities, we aim to become a global sustainability leader by FY2026. We have therefore begun to reorganize the ESG indicators in Meiji ROESG. While continuing to engage with MSCI ESG Rating and DJSI, for which our progress is still underway, we have added ISS ESG* as a new indicator. If we can achieve the new targets we have set, we will naturally become one of the global leaders in this area.

* ISS ESG: Sustainability rating evaluation by the responsible investment arm of Institutional Shareholder Services Inc., a proxy advisory firm.

Focus on Communication That Turns Social Value into Customer Value

In the Meiji Group, we are promoting sustainability transformation with sustainability at the core of our management. We will achieve sustainable growth while



creating social and economic value through a trade-on approach. As CSO, I am more determined than ever to accelerate the various initiatives we have implemented to date. On the other hand, when fusing sustainability and business strategies, it is important to focus on ways to turn social value into value for customers. We will therefore put a lot of effort into external communications. We need to explain that there are social issues associated with products that are familiar to our customers, but that these products are available thanks to efforts of the Meiji Group to address these issues. By providing such information, we aim to incorporate ethical elements into our products as a purchasing criterion for customers, and to spread the idea that, rather than being a cost, sustainability is an investment in our future. We also hope to encourage a change of behavior among consumers that leads to improved corporate value for the Meiji Group.

Sustainability Strategy | Living in Harmony with Nature

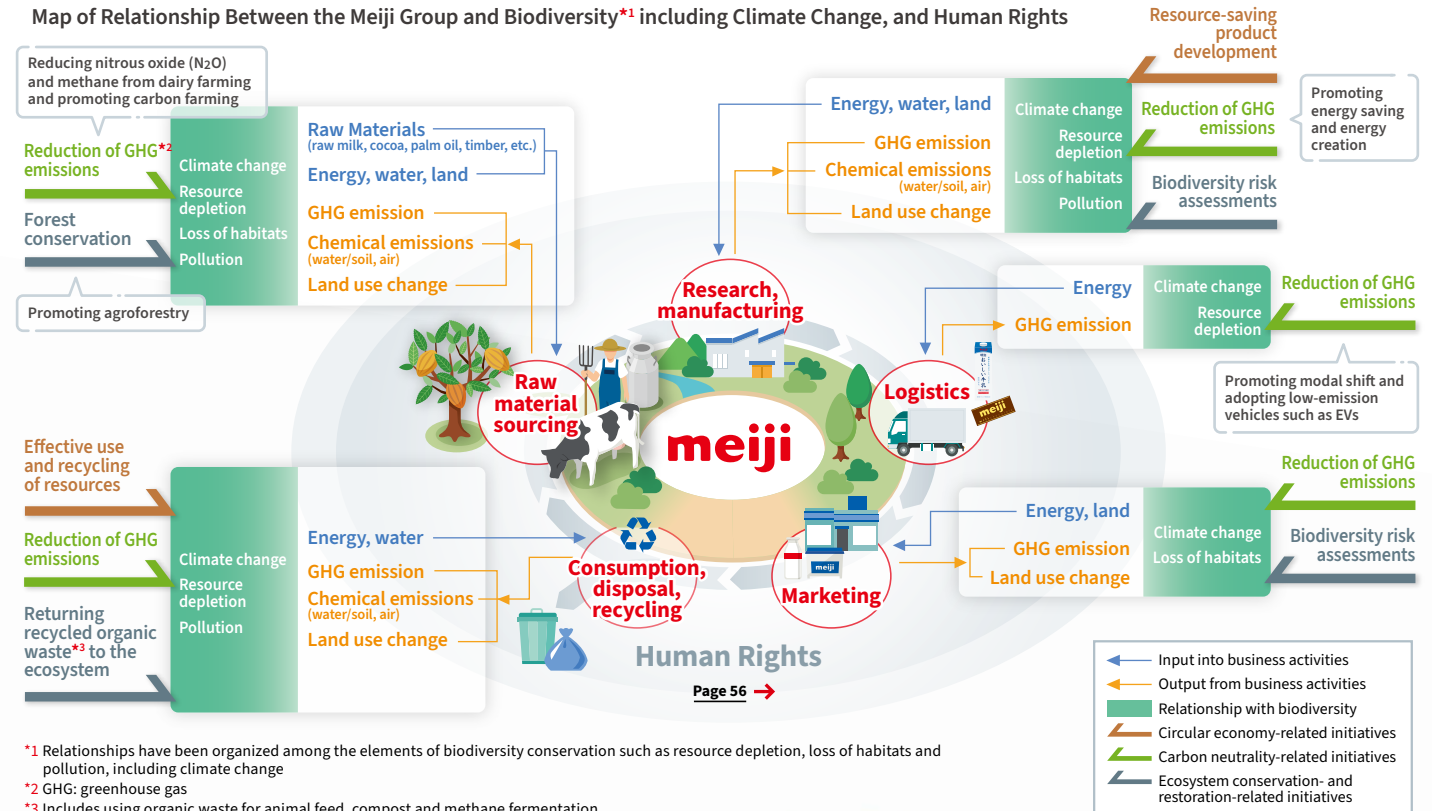
Contributing to Nature Positive

Promoting Conservation of Natural Capital, Which Is Essential for Sustainable Growth of the Meiji Group, across the Entire Value Chain

The Meiji Group's business depends on the nature's gifts, from raw milk to cocoa, lactobacilli, and antibiotics generated by microorganisms. Maintenance of this abundant natural capital, therefore, is essential for continuity of our businesses, so we recognize the international goal of nature positive* as an important management issue. To realize this goal, we have identified relationships between natural capital and climate change, biodiversity and human rights across our value chain, from raw material sourcing to consumption, disposal and recycling. We are also addressing issues through the three-way approach of carbon neutrality, circular economy, and ecosystem conservation and restoration. By fulfilling our responsibility towards nature positive, we aim to contribute to the realization of a society that lives in harmony with nature while pursuing the sustainable development of our business.

* Nature positive means halting and reversing biodiversity loss and putting nature on a path to recovery

Map of Relationship Between the Meiji Group and Biodiversity*1 including Climate Change, and Human Rights



*1 Relationships have been organized among the elements of biodiversity conservation such as resource depletion, loss of habitats and pollution, including climate change

*2 GHG: greenhouse gas

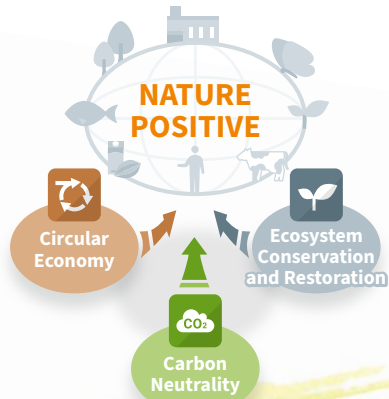
*3 Includes using organic waste for animal feed, compost and methane fermentation

Sustainability Strategy | Living in Harmony with Nature **Contributing to Nature Positive**

Three Elements of Nature Positive to Address Various Social Issues Associated with Main Raw Materials

The main raw materials at the core of the Meiji Group businesses, such as raw milk and cocoa, face various social issues that need to be overcome for sustainable production. In order to reduce the risks related to these main raw materials and make a positive impact on society, we recognize the three elements of carbon neutrality, circular economy, and ecosystem conservation and restoration as means to address social issues based on the principles of nature positive, and we are actively working towards their implementation.

Nature Positive Underpinned by Three Elements



Page 42 Sustainability Strategy | Message from CSO →

Addressing Social Issues in Main Raw Materials, and Relevance of the Three Elements of Nature Positive

Main Raw Materials (Main Products and Applications)	Social Issues	Main Initiatives during FY2023	Main Initiatives Planned from FY2024	Relevance		
				Carbon Neutrality	Circular Economy	Ecosystem Conservation and Restoration
Raw milk • Drinking milk • Yogurt • Cheese • Butter • Ice cream	Sustainable dairy farm management	Establishment of Doto Carbon Farming Study Group (Betsukai Town) Page 46 →	Research and implementation of measures to enhance CO ₂ storage capacity	Direct		Indirect
		Purchase of J-Credits Page 46 →		Direct		Indirect
		Investment in Farmnote Holdings, Inc. Page 60 →	Expansion of Meiji Dairy Advisory (MDA) ↗	Direct		Indirect
	Reduction of GHG emissions	Business model promotion through collaboration with Ajinomoto Co., Inc. (reduction of N ₂ O emissions by using feed with improved amino acid balance) Page 46 →	Enhancement of initiatives combined with methane reducing feed	Direct		
		Introduction of hybrid methane fermentation treatment equipment at Tokachi Plant, Meiji Co., Ltd. (effective utilization of whey waste and methane biogas, and reduction of CO ₂ emissions) Page 47 →	Operation launched in April 2024	Indirect	Direct	
	Biodiversity loss		TNFD initiatives (raw milk) Page 48 →			Direct
Deforestation	Received a Social Products Award at the Social Products Awards 2023 (organic drinking milk)			Indirect		Indirect
Cocoa beans • Chocolate • Ice cream	Deforestation Biodiversity loss Child labor	Addressing deforestation of cocoa farms (GPS mapping, agroforestry, etc.) Page 48 →		Indirect		Direct
		“Now Open the Cocoa by Meiji” project	Expansion of initiative utilizing cocoa bean husks Page 47 →		Direct	
			Launch of products using new cocoa-derived materials Page 62 →			
		Release of Meiji Cocoa Support (MCS) logo ↗	Expanding the application of the MCS logo to products	Indirect		Indirect
		TNFD initiatives (cocoa beans) Page 48 →				Direct
Palm oil • Chocolate • Ice cream • Margarine • Infant formula	Deforestation Biodiversity loss Forced labor	Completion of the 100% switch to RSPO-certified palm oil ↗	Forest monitoring of palm oil producing areas using satellite data ↗	Indirect		Direct
Soybeans • Protein	Deforestation	Establishment of traceability or consideration of sustainable sourcing Sustainable Sourcing > Sourcing of Soybean ↗		Indirect		Direct
Wood (Paper) • Product packaging materials	Deforestation Child labor Forced labor	Promotion of the switch to environmentally friendly paper* used for product containers and packaging Procurement ratio: 100% (FY2023) * FSC®/PEFC-certified paper; recycled paper including post-consumer paper, etc. Sustainable Sourcing > Sourcing of Paper ↗		Indirect		Direct

Sustainability Strategy | Living in Harmony with Nature

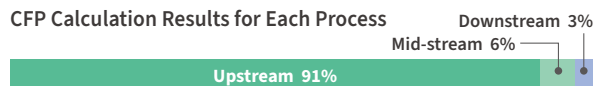
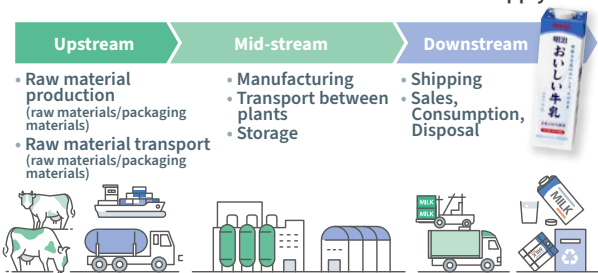
Carbon Neutrality

Carbon neutrality refers to achieving a state where the total greenhouse gas (GHG) emissions are reduced while offsetting any remaining emissions through absorption. From the perspective of nature positive, increasing CO₂ absorption through activities such as forest planting or conservation of forests helps conserve ecosystems. The Meiji Group is continuously implementing new initiatives to reduce GHG emissions through business activities, aiming to achieve nature positive.

CFP Calculations for Meiji Oishii Gyunyu, One of the Meiji Group's Main Products

To achieve carbon neutrality in the dairy industry, we are working to visualize GHG emissions (CO₂ conversion) by calculating the carbon footprint of products (CFP) related to drinking milk production. In FY2022, we calculated the CFP of *Meiji Organic Milk* according to international standards. Furthermore, in FY2023, we participated in a verification project led by the Japanese Ministry of Agriculture, Forestry and Fisheries to establish common rules for calculating the CFP of processed foods. Based on the rules formulated through this project, we are currently calculating the CFP of *Meiji Oishii Gyunyu*, one of our main products produced at the Kyushu Plant of Meiji Co., Ltd.

Details of CFP Calculations for Each Process in the Supply Chain



Establishment of Doto Carbon Farming Study Group

Carbon farming is an agricultural method that aims to reduce GHG emissions by capturing atmospheric CO₂ in farm soil and improving the quality of the soil. To promote carbon farming in the dairy industry, the Meiji Group established the Doto Carbon Farming Study Group in August 2023 with dairy farmers in Betsukai Town, Hokkaido, the largest raw milk production area in Japan. In FY2023, its first year, the study group investigated the CO₂ storage capacity of soil. Based on the first year's results, the study group plans to research and implement measures to enhance CO₂ storage. We believe that the CO₂ absorption and storage of soil holds considerable potential for the dairy industry, which relies on vast tracts of pastureland.



The vast farms used by the dairy industry hold considerable potential for CO₂ reduction



Conducting a soil survey in 2023

Business Model Promotion through Collaboration with Ajinomoto Co., Inc.

We have created a business model using the J-Credit Scheme in collaboration with Ajinomoto Co., Inc. to simultaneously achieve reduction of GHG emissions and the creation of economic value in the dairy industry. By using feed additives produced by Ajinomoto we are able to improve the amino acid balance in animal feed, thereby reducing the generation of nitrous oxide (N₂O) from cows manure and urine and converting the reduced GHG emissions into J-Credits, providing dairy farmers with an additional source of income. As of June 2024, about 3,000 head dairy cows are being fed on four farms based on this model, and the business is expanding steadily.



Innovative Feeding Strategies for Cows— A Joint Initiative for Dairy Industry Sustainability

MORE INFORMATION

- [Acquisition of SBT Certification \(PDF\)](#)
- [Overview of Engagement Implementation](#)

Sustainability Strategy | Living in Harmony with Nature

Circular Economy

The circular economy is an economic model that aims to make economic activities sustainable and circular through efficient use of resources and minimizing waste. From the perspective of nature positive, reducing the burden on the natural environment by reusing and recycling resources also leads to reduced negative impact on ecosystems. The Meiji Group is working on more efficient use of the limited resources essential to its business activities and through these efforts, creating new economic value that enriches society.

Upcycling Cocoa Husks, the Underutilized Part of Cocoa into Miscellaneous Goods and Clothes

Currently, the only part of the cocoa fruit used to make chocolate is the cocoa beans. Even including the pulp, which is used for fermentation energy, only about 30% of the entire cocoa fruit is used as raw materials. Under the slogan “Now Open the Cocoa by Meiji” the Meiji Group is trying to create new cocoa value by addressing the entire cocoa fruit. In FY2023, we focused on cocoa bean husks, the cocoa bean’s outer shell, which are not being actively used in the manufacturing process in Japan, and we launched CACAO STYLE as a lifestyle brand for non-food products. Through co-creation with external partners, we are developing and selling a range of upcycled products such as miscellaneous goods and clothes. Furthermore, we have successfully materialized cacao ceramide*, a moisturizing ingredient, for the first time in the world, connecting all the hidden potential in cocoa to new value and aiming for a circular economy. Through such initiatives, we will bring pleasure to everyone involved in cocoa, from the producers to the customers, and help to address the issues faced by cocoa producing areas.



Product example: GATO bonbonnière (small candy box)
Sustainable upcycled lacquer ware made by blending cocoa bean husks with waste wood dust from Yamanaka lacquer ware, a traditional Japanese craft

Participating in Verification of a Paper Carton Recycling Platform

Together with Lawson, Inc. and NAKADAI Co. Ltd., the Meiji Group is participating in the *De Owarasenai Platform*—in English roughly meaning “don’t let it end here”—a verification of a recycling platform that aims to realize the circular economy through collection, recycling and promotional campaigns. The aim is to achieve social implementation of resource recycling of paper cartons used for products like Meiji Oishii Gyunyu. We are working to create an environment that encourages consumers to reduce waste and recycle resources.



Introducing Hybrid Methane Fermentation Treatment Equipment at Tokachi Plant, Meiji Co., Ltd.

To reduce whey residue waste, a byproduct of cheese production, we installed a facility at our Tokachi plant that utilizes methane fermentation and wastewater treatment, which began operation in April 2024. By using the methane biogas generated by this facility as an energy source within the plant, we expect to reduce annual industrial waste by 54% and CO₂ emissions by 5.9% from the plant (compared to FY2021).



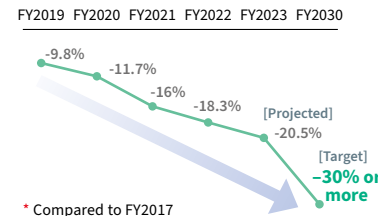
* Page 62 Technology Development Strategy | Maximizing the Potential of Raw materials →

Strengthening Plastic Resource Recycling Efforts

In recent years, the importance of recycling plastic resource has been increasing, so the Meiji Group has made reducing the amount of plastic used in containers and packaging a top priority. As shown in the table below, we are also focusing on the concept of “renewable.”

Usage of virgin petroleum-derived plastics, as impacted by use of recycled plastics and biomass plastics	Aiming to halve usage by FY2030 (compared to FY2017) and achieve zero usage by FY2050
Percentage of recycled plastic used in PET bottles	Aiming for 70% or higher by 2025 and 100% by 2030
Percentage of product containers and packaging that have shifted to recyclable designs	Aiming for 85% by FY2030 (65% for plastic containers and packaging) and 100% by FY2050

Rates of Reduction in Plastic Usage for Containers and Packaging*



Sustainability Strategy | Living in Harmony with Nature

Ecosystem Conservation and Restoration

Over recent years, ecosystems have been rapidly deteriorating due to deforestation associated with economic activities, leading to a loss of biodiversity. To ensure the sustainable production of our main raw materials, including dairy ingredients and cocoa beans, which are examples of our precious natural capital, it is crucial to maintain these ecosystems and contribute to achieving nature positive. We are committed to addressing nature-related risks and opportunities outlined in the TNFD recommendations, while engaging in various activities to conserve and restore ecosystems. Furthermore, we adhere to relevant conventions and laws, striving to create a society that lives in harmony with nature.

Identifying Nature-Related Risks and Opportunities (Dairy Ingredients and Cocoa Beans)

Using the LEAP approach in version 1.0 of the TNFD framework, we have identified priority areas and nature-related risks and opportunities* for each high-priority dependency and impact in the Meiji Group's main dairy ingredient producing regions and cocoa bean producing regions. Going forward, we will also pursue efforts to avoid and mitigate nature-related risks, and to realize related opportunities, by conducting gap analysis for production areas.

* In a pessimistic scenario of maximum physical and transition risks (extremely advanced degradation of nature, extremely high stakeholder concerns about nature, and major social changes toward wanting to prevent degradation of nature)

Evaluation and Analysis Flow Using the LEAP Approach



*1 Using Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) and other tools

*2 Using Integrated Biodiversity Assessment Tool (IBAT), WWF Biodiversity Risk Filter, Aqueduct, WWF Water Risk Filter and other indicators

Evaluation Examples (High-Priority Dependency and Impact Relationships and Priority Areas, and Nature-Related Risks and Opportunities)

	Dependencies and impacts	Priority areas	Risks	Opportunities
Cocoa beans	Mitigation of the impact of natural disasters	Dominican Republic, Ecuador, Ghana, Mexico, Peru, Venezuela and Vietnam, etc.	Increased procurement costs associated with lower production of cocoa beans due to wind and flood damage	Improved supply chain resilience through appropriate management of forests at farms where materials are procured through stable provision of ecosystem services that contribute to mitigation of the impact of natural disasters
	Changes in terrestrial ecosystem usage		Limited procurement amounts due to tighter regulations aimed at protecting terrestrial ecosystems including forests	Avoidance and reduction of impacts on new regulatory enhancements through measures such as the introduction of agroforestry to mitigate land conversion risks
Dairy ingredients	Greenhouse gas emissions	Australia, China, Denmark, Germany, Ireland, Japan, New Zealand and Singapore, etc.	Decreased brand value and sales due to insufficient efforts to reduce GHG emissions in dairy ingredient production, along with expansion of ethical consumption driven by increased consumer awareness towards climate change	Increased sales due to higher demand for products using sustainable dairy ingredients driven by expansion of ethical consumption, and expanded product lineups
	Water pollution		Reputation risk and decreased sales due to criticism from environmental organizations if sourcing from farms with problems	Increased demand for products using sustainable dairy ingredients due to increased social needs for preventing water pollution

Addressing Deforestation in Cocoa Farms

We are investigating whether our sourcing farms interfere with forest reserves or other protected areas using the methods such as GPS mapping, and are working to protect and restore forests. We aim to understand the actual situation for farms in Ghana by FY2026, and for all suppliers by FY2030, to achieve zero deforestation. We are also promoting agroforestry* to achieve a balance between cocoa bean production and maintenance of forest ecosystems. This approach stabilizes the income of cocoa farmers through the harvest of multiple crops, and promotes nature protection and CO₂ absorption through simultaneous cocoa production and tree planting. We are currently selling *Agroforestry Milk Chocolate* (right), made from cocoa beans grown on farms implementing these initiatives in Brazil.



* A coined term combining agriculture and forestry that involves planting trees. Rather than growing a single crop on deforested land, agroforestry is a cultivation method for growing multiple agricultural and forest products together

MORE INFORMATION

Make Sustainable Dairy Industry [🔗](#)

Completion of the 100% Switch to RSPO-Certified Palm Oil [🔗](#)

Sustainable Sourcing

> Targets for Our Sustainable Sourcing Initiatives [🔗](#)

Biodiversity

> Activities in the Meiji Group Nature Conservation Area Kumamoto Sunlight Forest [🔗](#)

Human Resource Strategy

Message from CHRO



Yuhei Matsumoto

CHRO
Executive Officer
Meiji Holdings Co., Ltd.

Aiming to Become a Company Where Management Strategies and Human Resource Strategy are Linked, Employee Engagement is Improved, and Diverse Human Resources Continually Create Innovation

Further Promotion of Human Capital Management

The Meiji Group creates Meiji unique value for wellness. We aim to use this value to achieve sustainable growth by contributing globally to all our stakeholders. To achieve this, we need to link our strategic human resource development with management strategies, and empower our diverse employees to create innovation. Corporate growth is undeniably achieved through human resources. Therefore, we treat our employees as important capital for creating corporate value and we actively invest in them. We have decided to unify the way to refer to all members working in the Meiji Group as “employees.” This is our way of recognizing them as people who share our aspirations and grow together with the Group.

The Meiji Group worked as one to implement human capital management during our 2023 Medium-Term Business Plan. We established the Meiji Group Human Capital Committee, chaired by our CEO, in 2022. We also established the new position of CHRO and created our CHRO system in 2023. We will promote Meiji’s unique human capital management during the current 2026 Medium-Term Business Plan, which will be the implementation phase of our many discussions on this topic.

Three Pillars of Our Human Resource Strategy in the 2026 Medium-Term Business Plan

As part of the 2026 Medium-Term Business Plan, we formulated Our Value Creation Story (see chart on the left side of the next page) as a further embodiment of connections between our management strategies and human resource strategy. The story will be based on the keywords we have promoted previously-external competitiveness and diversity. It will also identify the ideal human resources and organization for realizing our management strategies and Group Philosophy. We expect our diverse human resources to be autonomous, take on challenges, grow, co-create, and generate innovation. And to realize the ideal human resources and organization, we will also promote three pillars of our human resource strategy that are linked to management strategies.

The first pillar is developing human resources and working environments for competing globally. To expand business with a focus on overseas markets, we urgently need to recruit and develop global human resources who can demonstrate leadership and produce results. We will introduce a more effective educational program by assessing the satisfaction of our human resources, and use a rotation system to enhance skills development. We will also continue to promote diversity, equity and inclusion to create an organizational culture that supports our global business expansion.

Human Resource Strategy | Message from CHRO

The second pillar is promoting human capital sustainability. To achieve sustainable growth, it is important to create working environments where each of our employees can continue to take on challenges and grow with a high degree of motivation, and continually demonstrate their capabilities. It is therefore vital that we have systems and mechanisms for rewarding employees who produce results. We are currently starting to reform our Group-wide HR system. The new system will have fewer seniority-based components. We aim to create mechanisms for motivated human resources to play active roles by recruiting and promoting the right people to the right places. We also aim to promote smart work. We believe that this will lead to workplaces where unreasonable workload are reduced, and creative time is increased, to improve productivity, as well as worker-friendliness and job satisfaction for our diverse employees. In FY2024, we established new subcommittees under the control of the Meiji Group Human Capital Committee. While promoting health and productivity management, and occupational safety, we are creating working environments that are stimulating and employee friendly.

The third pillar is improving the effectiveness of Group HR functions. Essential to our Group human resource management structure, centered on the CHRO, are the HR departments that lead management strategies and help promote business strategies. To enhance HR functions for this purpose, we are discussing which roles and functions need to be addressed. We have also started centralizing human resource data from Group companies to install data-driven HR that will help in this process. Our aim in this is to achieve talent management through data.

Our Value Creation Story: Human Resource Strategy Based on Management Strategies

[Page 26 Overview of the 2026 Medium-Term Business Plan](#) →

Realizing the Group Philosophy and Management Strategies

Keywords ▶ [Global](#) [Fusion of Sustainability and business strategies](#) [Group collaboration enhancement](#)

Diverse human resources who are autonomous, take on challenges, grow, co-create, and generate innovation

Ideal human resources and organizational culture

Human resources

Professional human resources who continue to take on challenges and grow, and possess the necessary expertise to lead the world in food and health

Organizational culture

An organizational culture that supports the well-being of diverse human resources and that maximizes the potential of individuals and teams

Human resource strategy that realizes our ideals

Development of human resources and working environments for competing globally

Promotion of human capital sustainability

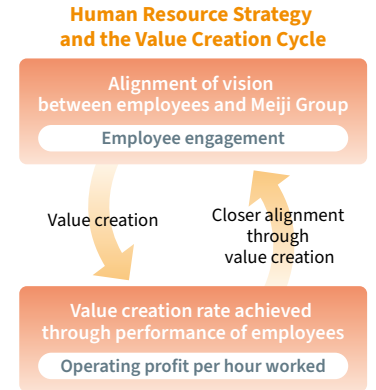
Improvement of the effectiveness of Group HR functions

Enabling Employees and the Group to Grow Together

Employee engagement is the sum of the three pillars of our human resource strategy outlined above. In the 2023 Medium-Term Business Plan, we defined employee engagement as “the degree of an employee’s empathy toward the Group.” We also calculated that engagement score as the gap between the employee’s expectations and level of satisfaction. Although we did not achieve the target score set in the 2023 Medium-Term Business Plan, the most recent survey showed a trend toward improvement in areas of concern, and our efforts are beginning to bear fruit.

In the 2026 Medium-Term Business Plan, we redefined employee engagement as “a state where each employee’s vision aligns with that of the Meiji Group, fostering a desire to grow together.” By improving employee engagement, our employees and the Group can work together to foster the drivers for realizing our Group Philosophy and management strategies.

Another thing we monitor is the value creation rate achieved through the performance of each of our employees. We consider employee engagement and value creation rate to be a single linked cycle. Our aim is to develop relationships between employees and the Group in which each improves the other and our diverse human resources can work with energy to create new value.



CHRO’s Mission to Transform Human Resource Management

The concept of transformation in the 2026 Medium-Term Business Plan is embodied by our human resources. I recognize that transforming our people and the organization is the most important issue for realizing our management strategies. I take this matter very seriously. While carefully identifying the unique Meiji Group characteristics that should be preserved, I will transform human resource management with a bold commitment to changing other characteristics as well. As CHRO, I will proactively get involved in changing the awareness and behavior of our employees for the growth of them and the Meiji Group together.

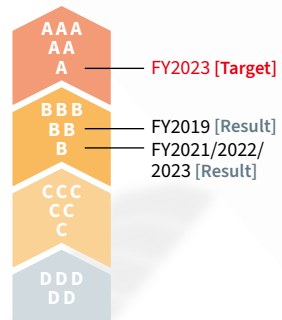
Human Resource Strategy | Human Resource Management

Employee Engagement

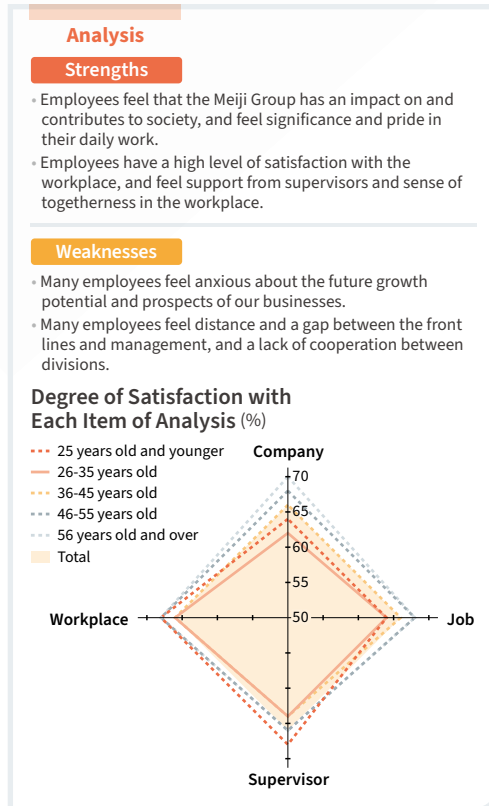
Employee engagement is one of our indicators for measuring improvements in medium- to long-term corporate value. Therefore, we conduct an engagement survey every year. To realize our Group Philosophy and management strategies, we are creating a corporate culture in which employees and Group work together toward growth of the Group as a whole.

FY2023 Result

Engagement Score

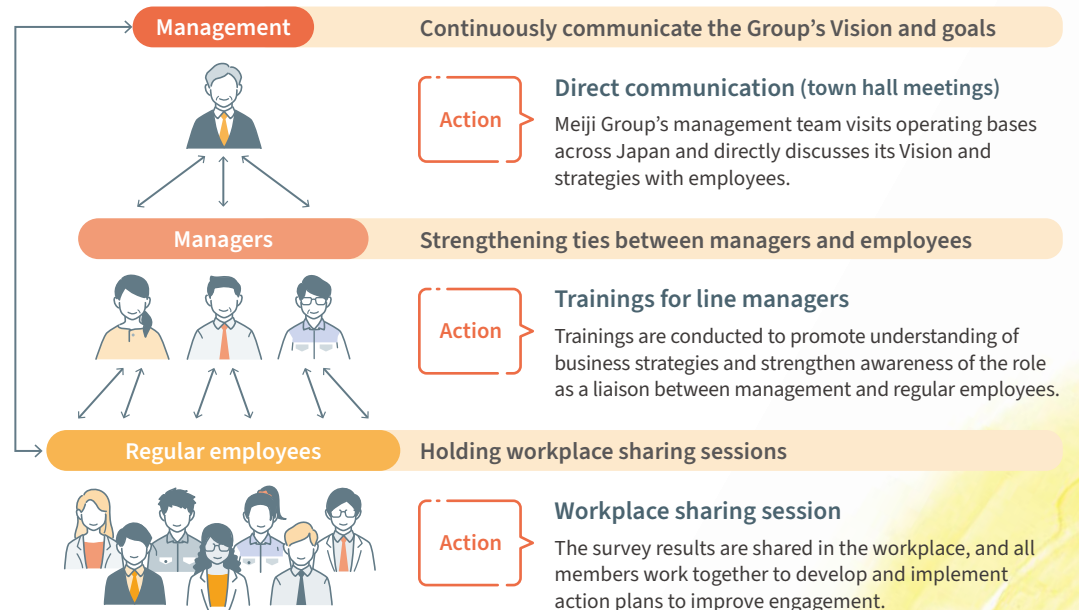


Grades are calculated based on survey results from a third-party evaluation organization and are given on an 11-point scale from AAA to DD.



The overall picture of efforts to improve engagement

The Meiji Group is taking concrete steps to address issues at each level.



Human Resource Strategy | Human Resource Management **Employee Engagement**

Summary of Employee Engagement in the 2023 Medium-Term Business Plan

Since FY2021, when we started implementing initiatives in earnest to improve employee engagement, we have been working to identify issues from the gap between expectations and satisfaction in the categories of “company,” “workplace,” “work” and “supervisors.” While implementing initiatives on a Group-wide scale, we have also been focusing measures on the levels with the most issues.

In the survey that we conducted in June 2024 to conclude our 2023 Medium-Term Business Plan, our Employee Engagement Score was ranked at the “B” level, which was the same as for FY2021 to FY2023. However, we did see signs of improvement in the categories of “employees at plants” and “younger employees (up to 35 years old),” with the most issues. We are also following up individually with workplaces that scored low on engagement and we are supporting them in their efforts to improve.

Initiatives at Plants

While actively holding town hall meetings with management, we are providing communication training at some of our plants to create workplaces with an open atmosphere. Meiji Co., Ltd. is also working to increase the number of days off for employees each year as part of efforts to improve employee conditions at plants.



Bottom-up Initiatives by Younger Employees

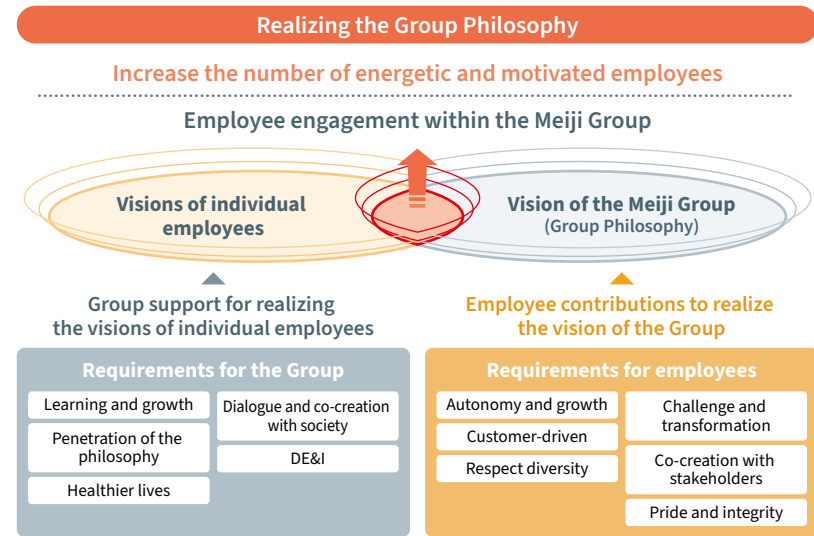
“Meiji Restoration” Working Team Targeting Corporate Climate and Culture Transformation

At Meiji Co., Ltd., a working team of 24 members has voluntarily come together to plan and propose measures for making it a rewarding place to work in terms of psychological safety, communication, having a sense of ownership, and other characteristics. Not only is the team proposing measures, but they are implementing them in each workplace.



Employee Engagement in the 2026 Medium-Term Business Plan

In our 2026 Medium-Term Business Plan, we have redefined employee engagement to realize our Group Philosophy and to more actively drive human capital management through a human resource strategy linked to management strategies. Our aim is to enable employees and the Group to grow together by expanding the overlap between the visions of each.



Review of Engagement Survey

Looking at the results of surveys conducted for the 2023 Medium-Term Business Plan, we reformed the engagement survey from the 2026 Medium-Term Business Plan with a focus on a unique question design that facilitates identification of issues. We will then conduct an in-depth analysis of the results and steadily implement the PDCA cycle for improvement.

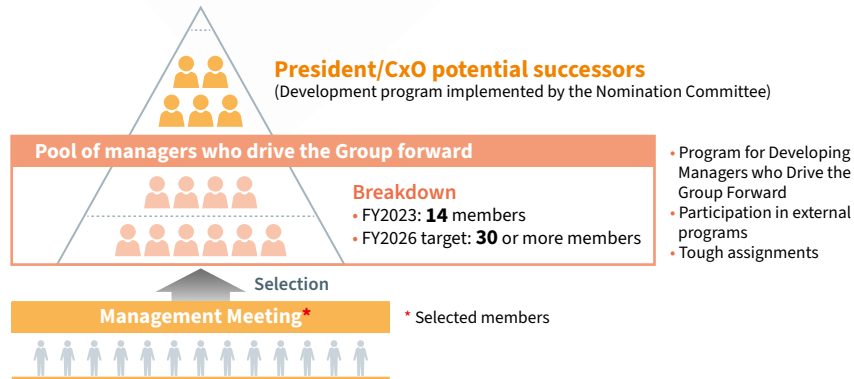
Human Resource Strategy | Human Resource Management

Human Resource Development

Based on a human resource strategy linked to management strategies, the Meiji Group is strengthening investment in human resources as part of efforts to develop “human resources who continue to take on challenges and grow, and possess the necessary expertise to lead the world in food and health (“professional” human resources).” In particular, to strengthen operation of the pool of human resources who will lead Group management in the future, we are focusing on identification and development of strategic human resources who instigate change as candidates for the next generation of Group management, and on recruiting and developing human resources who will drive global business, which is essential for further growth of the Group going forward.

Developing Managers Who Drive the Group Forward

With a focus on our leadership values, the Meiji Group established a system for developing managers who drive the Group forward with the aim of developing human resources for management who are principally strategic and instigate change. The goal of the development program based on this system is to develop two capability groups; strategy and execution skills (ability to develop clear strategies, take action, and resolve unprecedented situations in Japan and overseas) and people skills (ability to draw out and cultivate the capabilities of the organization, use surroundings with an open mind and lead the organization). Through these capabilities, participants will gain the ability to drive transformation and lead reform for the Group.



Program for Developing Managers who Drive the Group Forward (FY2023)

We conducted the Program for Developing Managers who Drive the Group Forward to foster and develop management leaders. We consider that management leaders should understand the situation of the Group as a whole, instigate change by themselves and work globally. Program participants considered Group management issues and themes to focus on out to 2030.

Management Meeting (FY2023)

We held Management Meetings to develop human resources who can contribute to growth while being conscious of improving corporate value. Meeting participants proposed a business reform plan for improving corporate value.

Developing Human Resources for Global Business

We are focused on fostering and developing human resources who can persevere until they achieve their goals while demonstrating global leadership and communication skills. We are in the process of redefining the skills and abilities that such human resources need. We are enhancing language training, cross-cultural understanding training and other programs, and developing systems including accepting applications for internal transfer to overseas business departments.

Overseas Trainee System

Meiji Co., Ltd. introduced an overseas trainee program in FY2024 for younger employees to expand the number and quality of human resources for global business. After an application and selection process for interested employees, we provide pre-deployment training and send successful candidates to our overseas Group companies for about one year to provide opportunities for acquiring practical overseas experience early in their careers.



An employee (left) stationed at Meiji China Investment Co., Ltd. under this system

Career Autonomy

In line with the Meiji Group Human Resources Development Policy, we are working to “spur the Group’s expansion by growing individuals, and develop independent-minded personnel who help raise the general level of capabilities in the Group.” In addition to providing career training and opportunities for internal transfers through an application process, we introduced a training system in FY2023 that provides employees with more opportunities to be self-motivated in their training. Moving away from corporate-mandated training and toward self-directed training, we are encouraging employee learning autonomy.

Strengthening Human Capital Development > Meiji Group Human Resources Development Policy

Trial of Inter-Company Mutual Side Project Program

We are participating in the Consortium for Career Ownership and the Future of Work to support the career autonomy of our employees. In FY2023, seven of our own employees participated in the program, and we accepted eight people from other companies. In addition to cultivating career awareness among participants, the program is also energizing the workplaces that accept people from other companies.



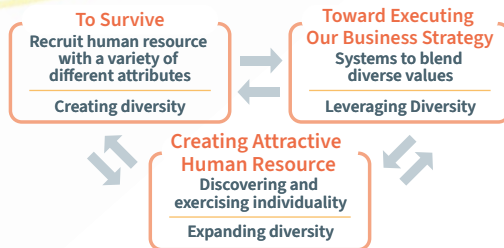
Human Resource Strategy | Human Resource Management

Diversity, Equity and Inclusion (DE&I)

Adding the concept of “equity” to our existing Meiji Group Diversity & Inclusion Policy, we have formulated and published a new Meiji Group Diversity, Equity & Inclusion Policy. This policy promotes DE&I under three complementary approaches as described in the figure on the right; we strive to improve human productivity and enhance value creativity to achieve sustainable growth.

Meiji Group Policy on Diversity, Equity & Inclusion (PDF)

Complementary Approaches to Promote DE&I and Foster the Group Culture



Diversity in Core Human Resource*

* Core human resource: Directors, managers, and career track employees

To continue growing in domestic and international markets, the Meiji Group needs human resources with new perspectives, technologies, knowledge, and the external competitiveness to overcome intensifying competition and changes in the external environment. We are focusing on increased diversity in particular by recruiting, developing, and appointing women, mid-career hires, and global human resources. In our 2026 Medium-Term Business Plan, we have established concrete targets for recruitment ratios through a process of backcasting from our vision for the group in 2050.

Vision for the Meiji Group in 2050 (Directors, Managers and Career Track Employees)

Women	Mid-Career Hires	Global Human Resources* ¹
Ability to perform regardless of gender and are active in all jobs and ranks	Reflect new perspectives in decision-making to incorporate the latest technology and knowledge and find innovative ways	Reflect a global perspective in decision-making to continue to grow worldwide
Active participation regardless of gender	30% or more (considered to influence the organization)	
50%	30% or more	30% or more

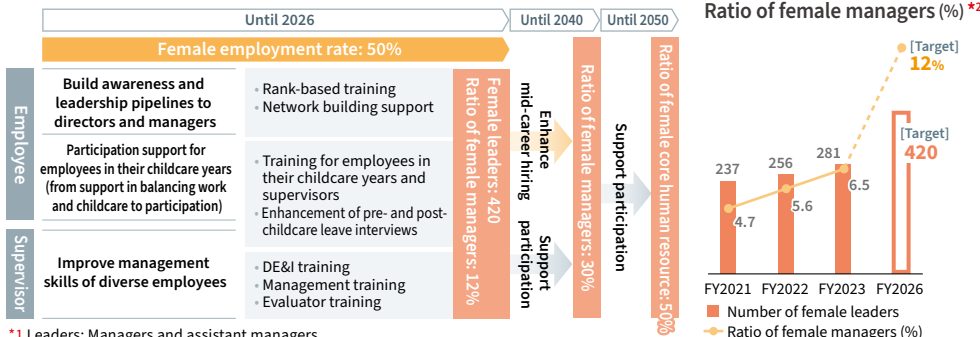
*¹ Human resources with at least six months of global experience, such as overseas study or residence, and including foreign nationals

*² Scope: Meiji Holdings Co., Ltd., Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd., and KM Biologics Co., Ltd.

Promoting Women’s Workplace Advancement

Only a small number of female employees are currently working in managerial or leadership positions. Inhouse surveys have revealed that this is due to a lack of support for career advancement and anxiety about balancing work with childcare and other responsibilities. Based on these results, we formulated the following roadmap. We are working to enhance the awareness of women themselves and support the participation of employees in their childcare years. We are also developing the ability to manage a diverse workforce for the managers who support the working environment.

Roadmap for Promoting Female Participation



*¹ Leaders: Managers and assistant managers

*² Scope: Meiji Holdings Co., Ltd., Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd., and KM Biologics Co., Ltd.

Initiatives to Increase Female Participation in Decision-Making Roles

Since FY2023, we have been setting targets and implementing initiatives for female employment ratios in executive officer and line manager roles.



- Exchange meetings and training
- Operating company cross-mentoring
- Participation in “30% Club Japan”



Paternity Leave

As a company selling products such as infant formula, pharmaceuticals, and vaccines, we believe that employees taking paternity leave leads to improved corporate value. Through participation in the Ikuboss Corporate Alliance, publishing usage examples on our internal portal site and other channels, we are encouraging our employees to take paternity leave.

Paternity Leave Usage (including child-rearing leave)



Human Resource Strategy | Human Resource Management

Health and Productivity Management

We believe that it is important to keep our employees healthy and energized as a company that embodies the Group slogan *Now ideas for wellness*. Based on this belief, we strive to improve productivity by grasping the mental and physical health of employees from a managerial perspective and investing in maintaining and promoting such health.



Health and Productivity Management Strategy Map

In the 2026 Medium-Term Business Plan, the Meiji Group has defined employee health and productivity management issues as “correcting lifestyle habits that lead to obesity” and “maintaining mental and physical health.” We formulated and implement the Health and Productivity Management Strategy Map, which shows our approach to solving these issues. To help solve such issues, we promote health awareness and behavioral changes among employees and their families.

Issues	Approach to Solving Issues	Targets
Correction of lifestyle habits that lead to obesity	Improvement of dietary habits Nutrition Education Caravan (seminars on cholesterol and triglycerides) conducted Group-wide, etc.	Reduced obesity among employees
	Exercise habits Kenko My Boom Declaration, programs to encourage walking, etc.	
Maintenance of mental and physical health	Measures against smoking Zero Smoking Declaration for Company Officers, no-smoking day, etc.	Improved productivity
	Mental healthcare Stress checks, mental health training, etc.	
	Early detection of disease Recommendations for secondary medical checkups, cancer screening, etc.	Improved engagement
Work-life balance Recommendations for reduction of long working hours, taking consecutive annual leave, etc.		

Enhanced Measures: Measures Against Smoking

- Zero Smoking Declaration for Company Officers (FY2023)
As a first step to reduce smoking among employees to as close to zero as possible in the future, company officers who smoked declared that they would quit smoking during FY2023, and they worked toward that goal.
- Onsite smoking ban (FY2024)
We set a date to verify a complete onsite smoking ban, and we are conducting a trial.

Enhanced Measures: Early Detection of Disease

- Established health leave (FY2023)
We established health leave for various medical checkups and vaccinations, which will lead to the prevention and early detection of illness among employees and increase the rate of secondary health checkups received.
- Enhanced recommendations for cancer screening (from FY2024)
We are providing e-learning related to the five main types of cancer.

Health Seminars for Women

To coincide with Women’s Health Week (March 1–8 each year), as designated by the Ministry of Health, Labour and Welfare, we hold health seminars to facilitate understanding of women’s health issues and create employee-friendly workplaces. Self-care is extremely important for women affected by female hormones, so our seminars in FY2023 focused on the relationship between dietary habits and mental health. About 600 of our employees attended these seminars to learn about self-care methods using the Meiji Group products.

Occupational Safety

The Meiji Group considers occupational safety and health to be management theme for the Group as a whole. We established the Occupational Safety Strategy Map to create a Group of energetic employees who prioritize safety as a matter of course, and we are implementing related initiatives. Using the Occupational Safety Strategy Map, we identify issues from the perspectives of safety awareness, work and equipment, and traffic safety. We work to improve safety awareness to achieve and maintain a state of zero occupational accidents.



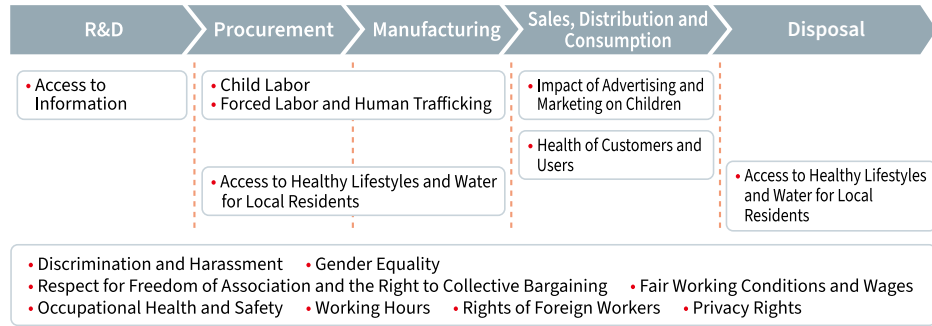
Maintenance and inspection of production equipment at a plant

Occupational Safety Strategy Map

Issues	Approach to Solving Issues	Targets
<ul style="list-style-type: none"> • Fostering a safety-first organization • Measures for safety awareness • Responses to diversification 	Measures for improved safety awareness Seminars on safety, awareness surveys, etc.	Improved safety awareness
	Responses to diversification Development of multi-lingual teaching materials, audio-visual teaching materials, etc.	
<ul style="list-style-type: none"> • Developing systems for zero occupational accidents • Measures for specific accident types 	Personal accident prevention Seminars on fall prevention, back pain prevention exercises, etc.	Zero occupational accidents
	Equipment/work accident prevention Risk assessments, safety inspections, etc.	
<ul style="list-style-type: none"> • Measures for traffic safety 	Enhancement of safety equipment in Group-owned vehicles Drive recorders, vehicle navigation systems, etc.	Improved engagement

Human Rights

The Meiji Group identifies salient human rights issues along the value chain and works to reduce human rights risks.



Initiatives for Foreign Workers at Our Production Sites

We are improving the working environments based on the Meiji Group Guidelines for Employment of Foreign Workers that we established in 2022. In FY2023, we confirmed the implementation of the guideline at five Group business offices in Japan and issued directions for improvement where necessary. We are sharing best practices, such as use of multi-language signage at our production sites, and promoting their implementation in other locations across the Group. In June 2023, we also introduced a multi-language consultation desk (JP-MIRAI Assist) specifically for foreign workers.



Multi-Language Signage at Production Sites

Survey on the Actual Working Condition of Foreign Workers in Dairy Farming Sites

In FY2023, we conducted a survey on the actual working condition of foreign workers, targeting 37 dairy farms and other sites supported by the Meiji Dairy Advisory (MDA)*. The results revealed that around 80% of them employ workers from countries such as Vietnam, the Philippines, and Indonesia. We also confirmed their efforts in labor management and occupational safety. In FY2024, we plan to conduct more detailed assessments through on-site interviews in dairy farming sites to gain a deeper understanding of the situation.

* An activity focused on human resource management, aiding the growth of those involved in dairy farms through improving farm operations and enhancing their business management techniques

Efforts to Eliminate Child Labor (Ghana)

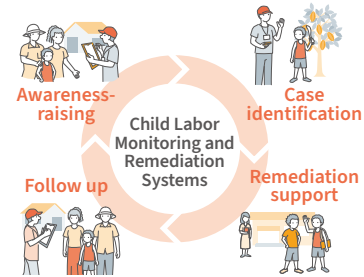
Since FY2021, we have been gradually implementing the Child Labor Monitoring and Remediation System (CLMRS**1) for cocoa beans sourcing farms in Ghana. As of September 2023, the rate of CLMRS introduced stands at 47.6%, with the goal of full implementation across all farms by FY2026. By FY2030, we aim to introduce CLMRS or equivalent systems in all sourcing locations, striving for zero child labor.

October 2022–September 2023

Rate of CLMRS introduced*2	47.6%	Number of child labor cases identified	650 children
Number of farms introducing CLMRS	5,460	(Of which, number remediated)	650 children

*1 CLMRS is a Child Labor Monitoring and Remediation System developed by the International Cocoa Initiative, a non-profit organization that aims to eliminate child labor and forced labor in cocoa-producing areas. It identifies, monitors, remediates, and prevents cases of child labor

*2 Calculated from the amount of cocoa beans procured by the farmers who have introduced the system



Supplier Engagement in Human Rights

We have been conducting sustainable sourcing surveys targeting our main primary suppliers to assess human rights risks. In FY2023, we engaged in discussions and confirmed the status of human rights initiatives with four suppliers identified as having potential human rights concerns based on the previous fiscal year's survey results. Where improvements were necessary, we requested actions to mitigate human rights risks in the future. In FY2024 as well, we will expand the scope of suppliers and continue engaging in discussions with them.

Human Rights Training for Group Colleagues

We are committed to promoting understanding of human rights issues in our business activities through employee training on business and human rights. In FY2023, we conducted e-learning focused on LGBTQ+ themes in Japan, with around 13,000 of our colleagues participating. Overseas, we conducted education and training on business and human rights to around 1,200 of our colleagues in seven countries, including China, Thailand and Indonesia.



Sample of human rights training materials used at overseas sites (excerpts from the English version)

CREATING INNOVATION

Innovation is the key to the future of the Meiji Group. We will therefore drive three innovation-related strategies: technological development strategy as the source of new innovation; intellectual property strategy to increase the value of created innovation; and digital technology strategy to accelerate innovation creation.

MORE INFORMATION

Innovation [↗](#)

Food Development [↗](#)

R&D [↗](#)

58 Technological Development Strategy

We have established six domains of technological development to provide directions for research and technological development aimed at sustainable growth. We are also utilizing superior outside knowledge as we work to achieve the cutting-edge of technology.



64 Intellectual Property Strategy

We are building strong patent portfolios in the Food and Pharmaceutical segments with a view to global business expansion as we work to achieve a long-term competitive advantage.



67 Digital Technology Strategy

We are promoting DX as one of our key Group strategies. Our goals in this area are creation and provision of new customer value, and business transformation and productivity improvement.



Creating Innovation | Technological Development Strategy

Overview of Technological Development Strategy

The Meiji Group has formulated a technological development strategy in six domains to indicate the direction of its research and technological development for the next 10 years for achieving sustainable medium to long-term growth. Based on the Meiji Group's slogan of *Now ideas for wellness*, we have reexamined the technological assets accumulated by each Group company. As a result, we recognized microbial control, process technology, and evaluation technology as common and important elemental technologies. Furthermore, we established product diversity (diversification of values towards products) and life diversity (diversification of people's lifestyles and views on life) as the base concept of our strategy, and formulated six domains based on these two aspects. In doing so, we will promote diverse technological development for diverse social issues without being bound by existing frameworks.

As we work to materialize our technological development, we will coordinate with our intellectual property strategy from an early stage to maximize the value of our developed technologies. We will also actively drive open innovation with external startup companies and academia. Furthermore, the Open Innovation Promotion Committee (Chairperson: CEO, Vice Chairperson: COOs, Members: General Managers of R&D Div.) established in Meiji Holdings will take the lead in promoting this technological development strategy to strengthen synergies within and outside the Group.



INTERVIEW



Wellness Science Labs

Lab Director
Masashi Nagata

Technology-driven Transformation in line with Technological Development Strategy

This technological development strategy was formulated by a cross-group team, including the Wellness Science Labs (hereafter, "the Labs"), a research organization that crosses the fields of food and pharmaceuticals. What the Meiji Group needs now is transformation. The Labs will initiate change from a technology-driven perspective in line with this strategy. We will present the Group with a methodology for transformation through technological development, while also creating a culture of producing new value through repeated trial and error. The Meiji Group has a diverse range of technologies and excellent DNA cultivated over many years. It is possible to create unique technologies that cover both food and pharmaceuticals by adapting these technologies to the times. I intend to contribute to the Group's further growth and go beyond the development of technologies to the creation of businesses based on them.

Wellness Science Labs

The Co-Creation Center was established in 2019 to create synergies between food and pharmaceutical businesses. It was then re-named to the Wellness Science Labs in 2023. The Wellness Science Labs take on the challenge of research and development in new domains. It also consolidates the lactobacilli research functions within the Group and develop technologies to support the operating base.



Creating Innovation | Technological Development Strategy

Six Domains of the Technological Development Strategy

When we formulated the technological development domains, we first conducted a comprehensive analysis of the patents and papers owned by the Meiji Group. We then conducted an inventory of technological resources for both food and pharmaceuticals. Based on the results of this analysis, we identified technological assets for creating new value. We also took the external environment, including trends in global startup companies, and our aspirations (goals we want to achieve) into account when establishing these six domains.

Sustainable Farming



Technological development domain that uses science to resolve various issues affecting production sites including agriculture, dairy farming, and livestock farming such as reducing environmental impact and greenhouse gas emissions as well as issues related to human rights and human resources, pursue sustainability in procurement activities, and achieve stable quality assurance.

Making Diverse Foods Accessible



Technological development domain that makes next generation foods and sustainable materials more delicious, easier to use, more environmentally-friendly, and more accessible by using the Meiji Group's cultivation technology, food processing technology, nutrition engineering technology, and evaluation technology to adapt to food diversity associated with changes in consumer values.

Life Science for Wellness



Technological development domain that uses science to demystify wellness and focus on the body, mind, and life enrichment at each life stage for consumers and their families and partners, providing comprehensive CARE through support centered on food, seamlessly connecting CUREs in the medical field through pharmaceuticals and vaccines, and creating wellness value that goes one step beyond.

Flexible & Smart Manufacturing



Technological development domain that combines the Meiji Group's existing production technology with the latest technology in a highly uncertain and rapidly changing environment to design manufacturing processes that achieve high quality, efficiency, and flexibility.

Fundamental Research on Sustainable Supply Chain



Technological development domain that pursues sustainability throughout the Meiji Group's entire supply chain (procurement, development, manufacturing, logistics, sales, etc.) to respond to the various issues related to manufacturing business, including reducing food loss, developing sustainable packaging, converting to renewable energy, shifting to upcycling and reducing waste.

Fundamental Research on Consumer Ecosystem



Technological development domain that uses data analysis related to various consumer behaviors to gain insight that connects the wellness value provided by Meiji to behavioral changes and continued use by all users and patients while also using science to demystify the links between provided wellness value, society and the ecosystem.

Creating Innovation | Technological Development Strategy

Sustainable Farming

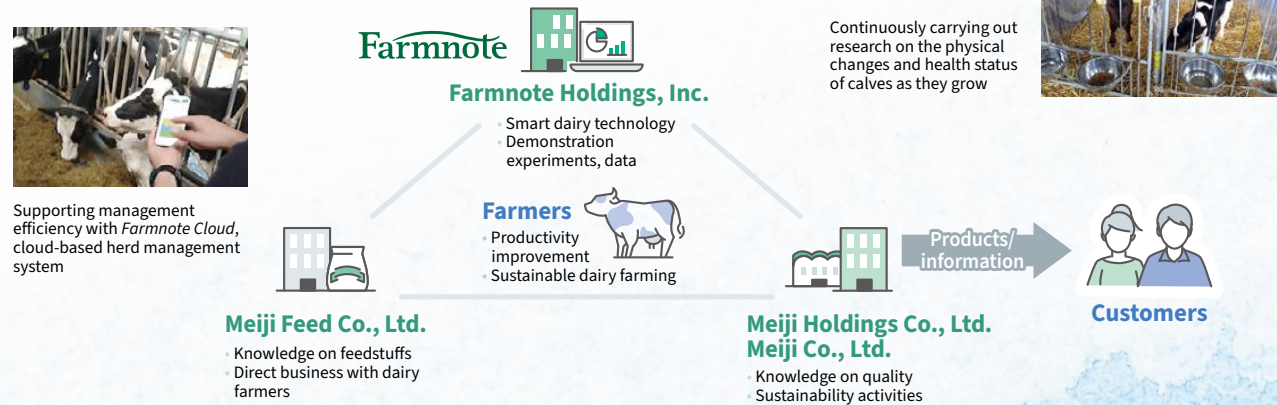
Sustainable Dairy Farming with Dairy DX Startup Company

In August 2023, the Meiji Group formed a capital and business alliance with Farmnote Holdings, Inc. (hereinafter “Farmnote”). The partnership promotes sustainable dairy farming by combining the advanced technology developed by Farmnote with the knowledge and assets of the Meiji Group.

Promoting Smart Dairy Farming through Collaboration Between Farmnote and the Meiji Group

Farmnote promotes smart dairy farming to solve issues that dairy farmers face through advanced technologies and devices. The company operates its own dairy farm where it is taking on the challenge of various initiatives to improve productivity and reduce GHG emissions. This collaboration between Farmnote and the Meiji Group will accelerate efforts to reduce GHG emissions in the dairy industry, including the development of new feedstuffs that reduce exhaled methane.

Meiji Feed Co., Ltd. currently conducts business with approximately 2,500 dairy farmers nationwide. The company will further strengthen its relationship with farmers by providing more detailed support and proposals through collaboration with Farmnote’s digital management tools.



INTERVIEW



Farmnote Holdings, Inc.

President and CEO
Shinya Kobayashi

Hope of Improving Management Capabilities of Dairy Farmers through Collaboration

It is important to further enhance the management capabilities of farmers in order to make the dairy industry sustainable. This capital and business alliance will bring farmers and dairy manufacturers closer together. Therefore, I hope to change the mindset of dairy farmers by providing many opportunities for dialogue. We have been working together to reduce GHG emissions, an urgent issue, by utilizing J-credits generated at our own dairy farm. In the future, we should tackle this issue not only at dairy farms, but also throughout the entire supply chain, including the delivery of raw milk and feedstuffs. In this regard, we are counting on the power of the Meiji Group. We intend to change the dairy industry by creating a succession of new movements through this collaboration.

COMPANY

Farmnote is taking on the challenge of solving social issues as a leading company in dairy DX. The company provides solutions such as Farmnote Cloud and wearable devices for cows, improves breeding through genetic information analysis of dairy cows, and implements next-generation dairy farming at their own farm.



Nakashibetsu Farm (Hokkaido)

Creating Innovation | Technological Development Strategy

Making Diverse Foods Accessible

Innovating Food Production Using Cutting-Edge Technology

Food supply issues facing the world today are one of the most important social issues that the Meiji Group must address. In our technological development strategy, we have set “making diverse foods accessible” as a key area of focus. We are working to solve this issue by developing technologies such as biomanufacturing and cell-cultured cocoa.

Towards Biomanufacturing, a Unique Strength of the Meiji Group with its Abundant Microbial Resources

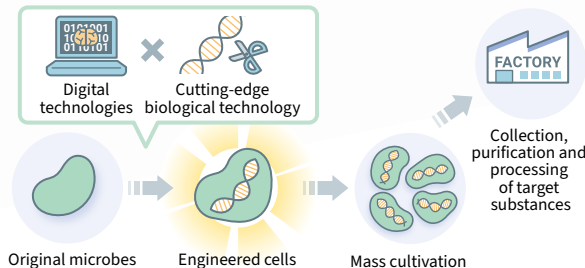
As a leader in biomanufacturing which will change society, the Meiji Group is taking on the challenge of innovation in manufacturing by fully utilizing its abundant microbial resources. In the Food segment, we hold more than 6,000 strains of lactobacilli and other microbes as assets. In the Pharmaceutical segment, we hold approximately 80,000 strains of actinomycetes, filamentous fungi, and other microbes as well. We are first considering applying biomanufacturing to the Food segment. Specifically, we will create engineered cells for the efficient production of high value-added food materials that can help solve health issues in order to build a technological foundation for the production of diverse food materials. To accomplish this, we will accelerate infrastructure building and commercialization by collaborating with cutting-edge players in biomanufacturing in Japan and overseas.

What can be Achieved through Biomanufacturing

- Unparalleled development speed
- Production of new useful substances
- Highly efficient production of substances
- Utilization of unused substances and reduction of environmental impact

What is Biomanufacturing?

Biomanufacturing has been attracting worldwide attention recently, as it is expected to both address social issues and help achieve economic growth. It utilizes the capabilities of microbes and other living organisms to produce substances, using cutting-edge biological and digital technologies. Progress is underway on the research and development of engineered cells, which use genetic recombination and genome editing to design cells with the ability to produce substances in accordance with targeted manufacturing. Biomanufacturing using these engineered cells will greatly improve the production efficiency of foods and other products and enable the production of ingredients that have been difficult to produce industrially in the past.



Improving the Sustainability of Cocoa Production through the Development of Cell-cultured Cocoa Technology

Cocoa production faces various challenges. These challenges include social issues such as child labor and deforestation on farms, reduction of farmland due to global warming and impact of pests and diseases on yield; production issues such as lack of cultivation techniques and agricultural materials; and unstable production and supply conditions as evidenced by the recent price hikes caused by these issues. The Meiji Group is engaged in various initiatives* from the perspective of nature positive. We are also working to improve the sustainability of cocoa production from the aspect of technological development through a new technology called cell-cultured cocoa.

* [Page 45 Sustainability Strategy | Living in Harmony with Nature](#) →

Open Innovation with U.S. Startup Company California Cultured Inc.

We have invested in California Cultured Inc., a U.S. startup company that is pursuing cell-cultured cocoa technology, to promote open innovation toward its practical application. We are developing unique and attractive products made from cell-cultured cocoa through collaborative creation using California Cultured’s cutting-edge cell culture technology and the Meiji Group’s extensive technologies and expertise in quality improvement and processing long cultivated in our chocolate business to date. We will also aim to build a sustainable cacao value chain that solves social issues.



Cultured cocoa cells

COMPANY

California Cultured Inc. is based in California, the U.S. It was founded in 2020 by entrepreneur Alan Perlstein and cell culture expert Harrison Yoon, and other like-minded members. The company is taking on the challenge of technology to mass-produce cell-cultured cocoa that has various characteristics from cells extracted from natural cocoa beans by utilizing their unique and cutting-edge cell culture technology. The Meiji Group invested in the company in November 2021, and additionally in February 2024.



Alan Perlstein
California Cultured CEO

Creating Innovation | Technological Development Strategy

- Flexible & Smart Manufacturing
- Fundamental Research on Sustainable Supply Chain
- Life Science for Wellness

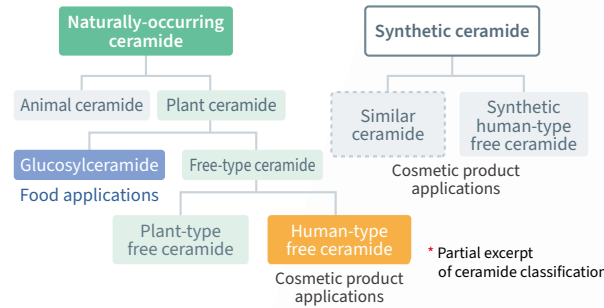
Maximizing the Potential of Raw Materials

The Meiji Group is working to unlock the new potential of raw materials. In this section, we will introduce the development of products in new fields using unused parts of cocoa (cocoa husk), our unique maturation technology for balancing the growth of white and blue mold as well as technology for extracting the original deliciousness of raw milk.

Cocoa Ceramide, the World's First New Material Developed from Cocoa Husks

The Meiji Group has been focusing on cocoa husk (seed husk of cocoa beans), which had not been effectively utilized until now. Cocoa husk contains plant-based ceramide*. Through continued research, we discovered that in addition to glucosylceramide, which is used as a food ingredient, cocoa husk also contains a large amount of human-type free ceramide, which has the same structure as ceramide found in humans. Based on these findings, we succeeded in creating cocoa ceramide, an ingredient with high moisturizing properties, for the first time in the world.

* One of the moisturizing factors contained in the stratum corneum of the epidermis of the skin



New Products Born from Milk and Microbe Utilization Technology

Meiji Hokkaido Tokachi Camembert Blue Cheese

In the past, it has been difficult to control the balance of growth of white and blue mold in cheese aging. We pursued the optimum balance with our originally developed aging method, creating a product that combines the delicious taste of Camembert with the rich aroma of blue cheese. We are trying to revitalize the market by conveying the appeal of blue cheese, which Japanese people are still unfamiliar with.



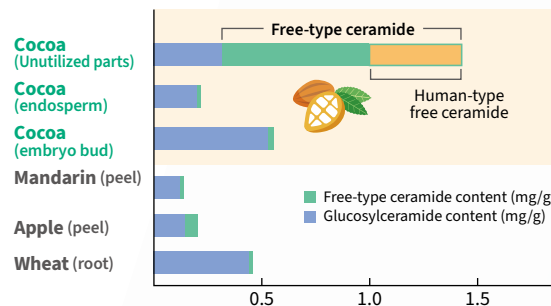
Giving New Value to Unutilized Parts of Cocoa to Sustain Cocoa Production

We created cocoa ceramide through a research collaboration with Professor Jinichiro Koga of Teikyo University. We used the free-type ceramide analysis technology established by Professor Koga to jointly demonstrate that the human-type free ceramide contained in cocoa husks is much higher than that of ordinary plants. Human-type free ceramide is in high demand from the cosmetics industry, which can be produced in large quantities from cocoa husks that had previously been disposed of. Cocoa husks also contain glucosylceramide, which is usually used in food products. This means that we can create a market for this new material, cocoa ceramide, in both cosmetics and food areas. In this way, we will give value to the underutilized part of cocoa husks and link them to new products (upcycling), while also providing a new source of income for cocoa farmers to improve the sustainability of cocoa production.



Professor **Jinichiro Koga**
Biomolecular Chemistry Laboratory
Teikyo University

Glucosylceramide and Free-type Ceramide Content Found in Plants



* Partially modified from 2004 Hokkaido Agricultural Research Center results; cocoa material measured by LC-MS/MS.

Dear Milk

Regular ice cream is made by adding various ingredients to dairy products in pursuit of flavor. In contrast to this, *Dear Milk* ice cream achieves the rich taste of only dairy products. This is due to technologies such as the Ajiwai Production Method, in which raw milk is passed through an NF membrane to concentrate its deliciousness and a deoxygenation process to prevent flavor deterioration, as well as the world's first freeze concentration production method, which brings out the original deliciousness of milk.



Creating Innovation | Technological Development Strategy

Fundamental Research on Sustainable Supply Chain

Life Science for Wellness

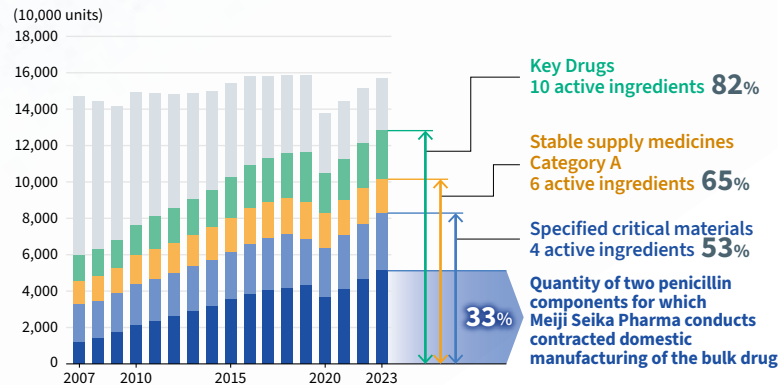
Ensuring a Reliable Supply of Critical Pharmaceuticals

The Meiji Group's mission includes strengthening the supply chain of antibacterial drugs to achieve a stable supply. We are focusing on this as an initiative related to the domains of fundamental research on sustainable supply chain and life science for wellness.

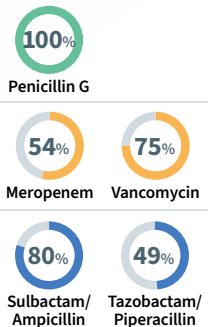
Toward the Establishment of a Domestic Production System for Antibacterial Drugs, Enabling Stable Supply

Antibacterial drugs are one of the main products in the Pharmaceutical segment and we have the responsibility to provide a stable supply to the medical community. These drugs are used to treat infectious diseases and prevent infections during surgery. The use of antibacterial drugs has also increased over the years due to the increase in the elderly population. However, before the COVID-19 pandemic, Japan was almost 100% dependent on overseas suppliers for procuring bulk drugs. In the past, there have been situations in which there were shortages of antibacterial drugs in Japan due to temporary supply stoppages at other companies caused by problems at their Chinese suppliers. This means that any disruption in the supply of antibacterial drugs would hinder medical care. In order to avoid such a situation, and from the viewpoint of economic security, the Japanese government has recently established a framework to support the domestic production of antibacterial drugs. The Meiji Group, as Japan's top manufacturer of antibacterial drugs, produces many drugs designated by the Japanese government as "key drugs" and "stable supply medicines," as well as "specified critical materials" that have a significant impact on the survival of the people and economic activities. Therefore, we are establishing a domestic production system for penicillin bulk drug with the support of the government. We are also working with other companies to develop a supply chain that is fully contained within Japan.

Changes in the quantity of injectable antibacterial drugs (51 ingredients)



Meiji Seika Pharma's Product Share



Initiatives at Gifu Plant Aimed at Creating a Competitive Penicillin Bulk Drug Plant

The Gifu plant of Meiji Seika Pharma Co., Ltd. is currently working to establish a penicillin bulk drug production system. The Gifu plant started operation in 1971 as a bulk drug plant for penicillin. It was a production base engaged in the manufacturing of penicillin until 1994. The plant still stores production strains and has one of the largest culture facilities in Japan, as well as large utilities and wastewater treatment facilities. In addition, the plant maintains expertise in cultivation and manufacturing, with experienced engineers in penicillin bulk drug manufacturing. Therefore, we are currently building a system for the mass production of 6-APA, a common raw material for penicillin-based antibacterial drugs, using these assets and planning to start operations in FY2025. We are also introducing AI technology that contributes to stricter management and labor savings, improving the accuracy of raw material analysis and productivity by introducing the latest technology as well as enhancing exhaust and wastewater treatment facilities to reduce the impact on the surrounding environment. These efforts to introduce bulk drug manufacturing facilities and stockpiling systems at the Gifu plant were approved by the Minister of Health, Labour and Welfare in 2023 as part of the "Plan for the Stable Supply of Antibacterial Substances." In parallel with this initiative, we also plan to develop bulk drug manufacturing processes after 6-APA through collaboration with other companies.



Panoramic view of Gifu Plant



Large-scale fermentation equipment for penicillin production

Creating Innovation | Intellectual Property Strategy

Overview of Intellectual Property Strategy

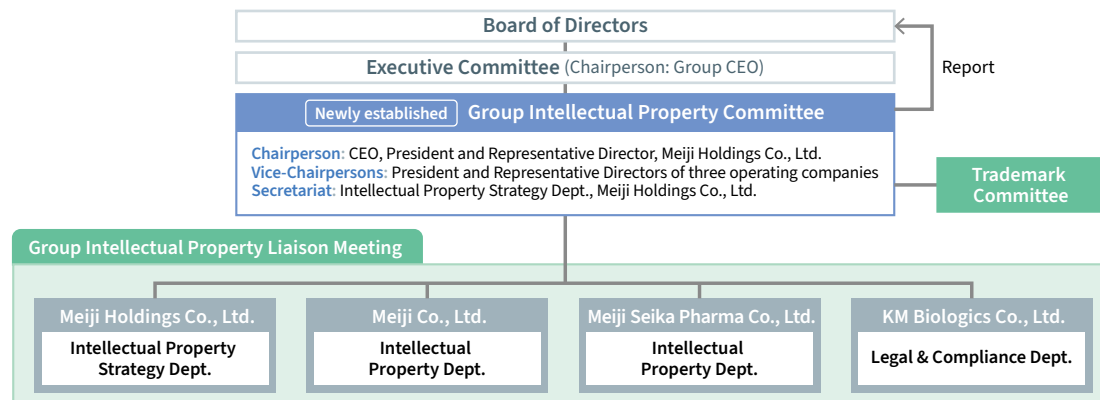
The Meiji Group achieved the intellectual property governance milestone by establishing the Group Intellectual Property Committee in FY2023. We have now moved from the establishment phase to the promotion and execution phase. The Group's intellectual property strategy consists of three perspectives: (1) obtain patents strategically; (2) manage technological know-how; and (3) utilize trademarks that are unique to the Group. Under this strategy that leads to value for wellness and help solve social issues, we will strive to realize *Now ideas for wellness*.

Phase Transition from Establishing Intellectual Property Governance Structure to Promoting and Executing Strategy

The Meiji Group has been implementing structural reforms by positioning intellectual property as one of the most important management resources for improving corporate value over the medium- to long-term. In April 2023, the Intellectual Property Strategy Department was newly established under the umbrella of Meiji Holdings. One of the department's missions is to establish an intellectual property governance system so that intellectual property strategy is formulated and executed under appropriate supervision by the Board of Directors. The Group Intellectual Property Committee was established as an advisory body to the Executive Committee. This has created a system where the Meiji Group's management proactively formulates intellectual property strategy.

Each Meiji Group company executes the intellectual property strategy formulated as stated above, and also establishes a collaboration system to promote such strategy as a unified group. Specifically, we set the Group Intellectual Property Liaison Meeting to have company-wide discussions on creating innovation, and the Trademark Committee to formulate and execute specific measures for brand creation.

System to Promote and Execute the Meiji Group's Intellectual Property Strategy



Strategy Formulation by the Group Intellectual Property Committee

At its first meeting, the Group Intellectual Property Committee decided on an intellectual property strategy slogan for FY2026: "Improve the intellectual property literacy of the entire Meiji Group and take major steps to become an excellent intellectual property company that possesses both global level intellectual property value and responsiveness that contributes to the Meiji Group's technological development capabilities." The Committee also discussed the implementation of strategic intellectual property activities and its targeted direction, as well as the improvement of intellectual property capabilities. The CEO and other members of management are fully committed to these efforts. They confirmed that they will aggressively promote this strategy that contributes to improving corporate value.

Outline of Intellectual Property Strategy in the 2026 Medium-Term Business Plan

Integration of Strategic Activities

- Promote strategic intellectual property activities closely aligned with business strategies to ensure business superiority.
- React appropriately to intellectual property in areas such as global expansion, alliances, and M&A.
- Strengthen support for the formulation and execution of a technology development strategy and aim to obtain patents and other assets from a medium- to long-term perspective.

Establishing Governance

- Promote Group-wide intellectual property strategies.
- Establish a global Group-wide intellectual property management system to maximize the value of our patents and trademarks.

Strengthening Information Dissemination

- Actively disseminate intellectual property information, such as activity policies, achievements, and awards, both internally and externally.
- Strengthen our appeal to stakeholders and foster an intellectual property mindset within the Group.

Creating Innovation | Intellectual Property Strategy

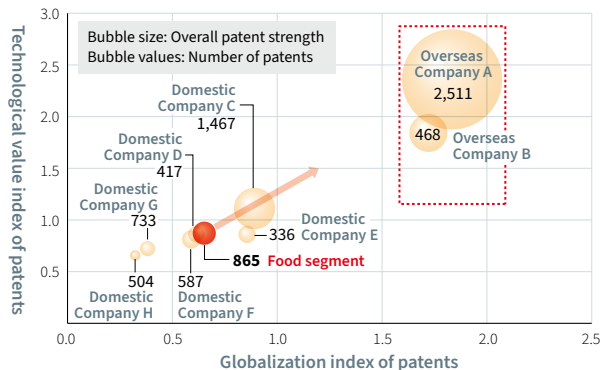
Food Segment

The intellectual property strategy of the Food segment is aimed at developing world-class, high-quality technologies with a view to global business development. We also file many patent applications and acquire patents in countries and regions that are important markets. This enables strong leverage against, or alliances with, other companies. The Food segment will expand its profits by promoting an intellectual property strategy based on globalization and quality.

Protecting World-Class, High-Quality Technology through Intellectual Property to Expand Global Business Profitability

Analysis using patent analysis tools shows that the patent portfolio of the Food segment is in a relatively good position among its domestic peers in both the globalization index of patents and the technological value index of patents. However, there is currently a gap with top global companies. We aim for the Food segment to be on par with these companies in the future. Looking at individual businesses, the group of patents related to cube-type infant formula that support global business expansion are at a high level (within the red box in the square below), which is on par with top global companies. We will continue to invest in intellectual property to enhance our market advantage and strengthen our patent portfolio.

Patent Portfolio Comparison and Targeted Direction



* Created by Meiji using LexisNexis® PatentSight+, patent analytics solution

Expanding Globally Using Intellectual Property Strategy - Cube-Type Infant Formula

The basic patent for the “cube manufacturing process technology” of cube-type infant formula (Patent No. JP4062357) has made it possible for the product to remain the only product of its kind in the world. It has also enabled us to expand into the global market through both Meiji brand products and our business alliance with Danone.

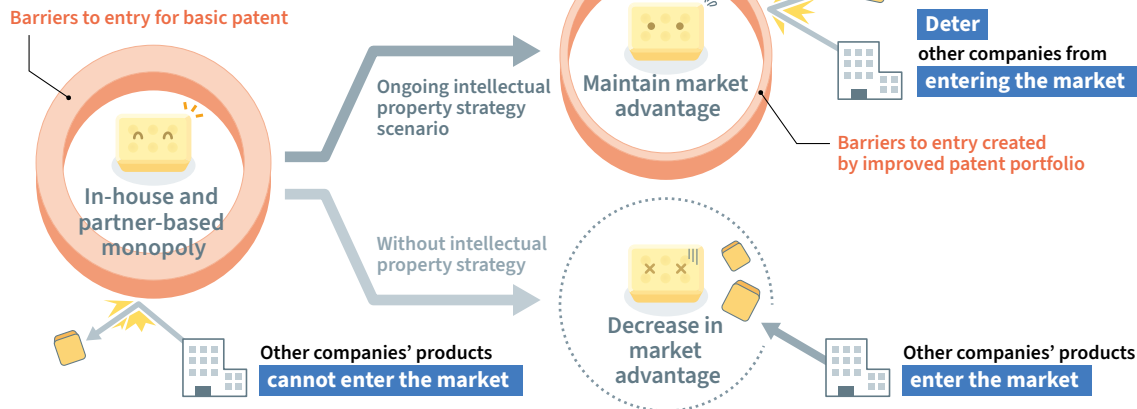
We are developing a new intellectual property strategy scenario based on the fact that this basic patent will expire soon. This scenario involves patenting improved technologies, such as a newly developed cube manufacturing process technology, and building barriers to entry with a group of patents that will replace the basic patent. We expect that executing this strategy will allow us to maintain an overwhelming advantage in the global market over the long-term.

Furthermore, we will promote the global expansion of other businesses by utilizing our intellectual property strategy.



Expanding sales with competitiveness in terms of technology and intellectual property

Intellectual Property Strategy Scenario for Cube-Type Infant Formula



Creating Innovation | Intellectual Property Strategy

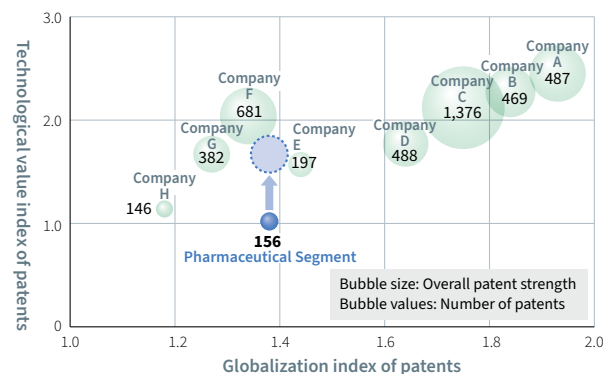
Pharmaceutical Segment

The intellectual property strategy of the Pharmaceutical segment is aimed at obtaining multiple patent rights for a single product and building a solid patent portfolio. In addition, we enhance overall patent strength by improving the quality of patents and secure the competitive advantage of our products by combining them with other intellectual property rights.

Maximizing Global Business Profit by Building a Solid Patent Portfolio and Improving Patent Quality

Analysis using patent analysis tools shows that the patent portfolio of the Pharmaceutical segment, like other pharmaceutical companies, has a high index of patent globalization. We will continue to improve the quality of our patents, including basic substance patents, formulation patents, application patents, and manufacturing process patents, as well as patents related to platform technologies for new modalities. At the same time, we will improve the overall value of our patent portfolio by acquiring multiple and numerous patent rights in each country. In doing so, we will contribute to maximizing business profits.

Patent Portfolio Comparison and Targeted Direction

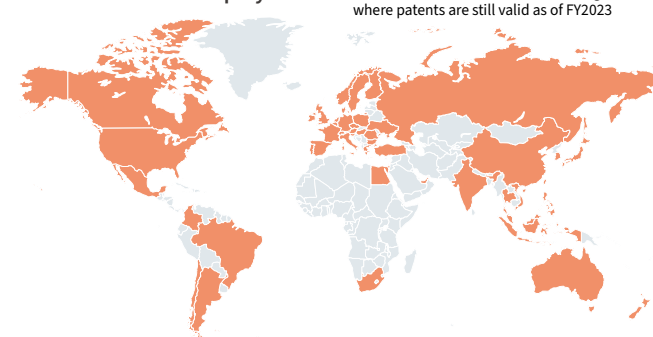


* Created by Meiji using LexisNexis® PatentSight+, patent analytics solution

Promoting Intellectual Property Strategy with an Eye on Globalization

The basic patent for OP0595, a novel β -lactamase inhibitor, has already been granted in 48 countries around the world. The figure on the right shows the status of the eight OP0595 patent families granted and applied for globally as of FY2023. We selected the countries of application for each patent family by considering the pharmaceutical market, manufacturing sites, and barriers to entry for other companies.

Status of Patent Deployment



Protecting Products by Combining Multiple Intellectual Property Rights

Quintovac Aqueous Suspension Injection, a five-in-one combination vaccine launched in March 2024, is protected by multiple intellectual property rights. These include a patent related to the combination vaccine manufacturing process (Patent No. JP6944946), a patent application for the packaging (Patent Application No. JP2023-055157), and trademark rights for the product name in Japanese (Registered Trademark No. JP6531904) and logo (Registered Trademark No. JP6741822).

Protecting the Intellectual Property of the Five-in-One Combination Vaccine

薬価基準未収載
ワクチン・トキソイド混合製剤 生物由来製品、劇薬、処方箋医薬品^{※1}
生物学的製剤基準
沈降精製百日せきシフテリア破傷風不活化ポリオヘモフィルスb型混合ワクチン

クイントバック® 水性懸濁注射用
Quintovac Aqueous Suspension Injection 注) 注意-医師等の処方箋により使用すること

Trademark (logo) Trademark (product name)

Patent (manufacturing process) Patent (packaging)

Creating Innovation Digital Technology Strategy Message from CDO



Jun Furuta

CDO
Member of the Board and
Senior Managing Executive Officer

Promoting a Balance of Offense and Defense in DX to Further Improve Corporate Value for the Meiji Group

Enhancing Promotion Structures under the Leadership of Meiji Holdings, and Planning and Implementing DX Strategy that Supports More Sophisticated Management

In our 2026 Medium-Term Business Plan, we have established a digital technology (DX) strategy and we will accelerate various initiatives to dramatically increase the DX driving force of the Meiji Group. To organize our promotion structures, we started in April 2024 by transferring our DX promotion function from the operating companies to Meiji Holdings, and we aggregated our digital resources. We also established the position of Chief Digital Officer (CDO) to oversee Group-wide DX strategy, and I was appointed to that role.

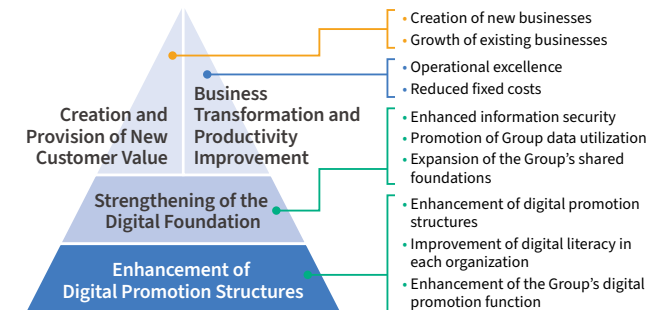
The framework for our DX strategy in the 2026 Medium-Term Business Plan is reproduced at the bottom right. Naturally, it is essential that we strengthen Group-wide foundations to support more sophisticated management regarding enhancement of digital promotion structures and strengthening of the digital foundation. Over the three years of the plan, we will further raise the level of initiatives implemented to date. They include developing optimal promotion structures for the Group, developing DX human resources, enhancing information security, and establishing a DX governance structure.

Based on this robust digital foundation, we need to execute strategy with a balance of offense and defense elements. Our offense DX will involve creation and

provision of new customer value, while our defense DX will involve business transformation and productivity improvement. As an example of a system that truly combines offense and defense, we operate an online search function for stores that handle our food products on our website. Not only does this enable customers to easily search for stores that stock certain products by themselves, it also improves the efficiency of customer support for us. In FY2024, we aim to formulate concrete strategies and execution plans from the medium- to long-term perspective for offense DX in particular to contribute to improved corporate value for the Meiji Group.

DX is constantly advancing, but being able to use digital technologies well is as important now as it was in the past. As CDO, I will drive DX strategy under the slogan of “turning ‘want to do’ into ‘can do’ with digital technologies.”

The Meiji Group DX Strategy Framework



Creating Innovation | Digital Technology Strategy

Food Segment

Online Search Function Provides Quick Access to Stores Handling Meiji Products

Meiji Co., Ltd. has launched an online search function that enables customers to search for stores that sell Meiji products, allowing faster responses to inquiries. In the past, a single customer inquiry took an average of three or four hours to respond because of the need for internal checks on the status of stores within a specific area. With this new search function, customers can access the site whenever they want to buy something and quickly find a store. Since its launch in October 2023, the site has recorded 530,000 visits over six months. With around 43,000 stores in Japan (as of June 2024) recorded in the database, the largest in the food industry, customers can search for over 500 consumer products, from dairy products to confectionery, ice cream, and products for infants. We believe that the function has improved customer satisfaction as well.

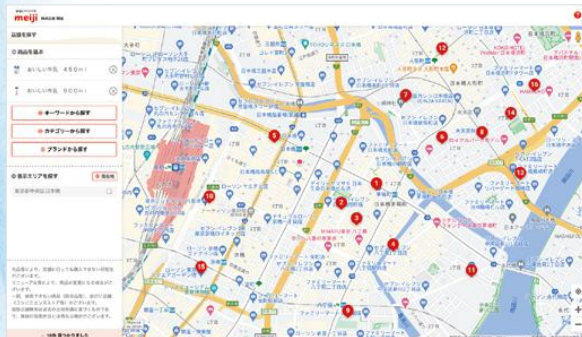
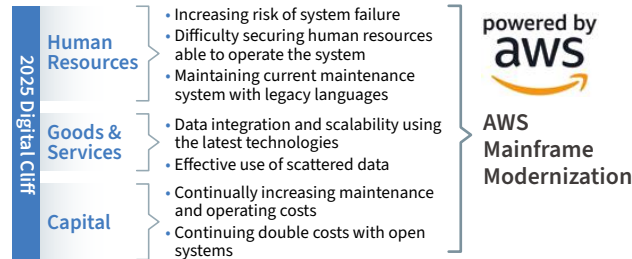


Image of store search page

First Use of AWS Mainframe Modernization in Japan

In a first for Japan, we are modernizing our core systems using AWS Mainframe Modernization by Amazon Web Services (AWS). All the systems from the mainframe that we have been operating for more than 30 years will be migrated to the AWS cloud computing platform. After verifications in September 2022, we completed the migration of our sales system in March 2024. We aim to reduce system maintenance and operating costs by about 80% through a complete migration.



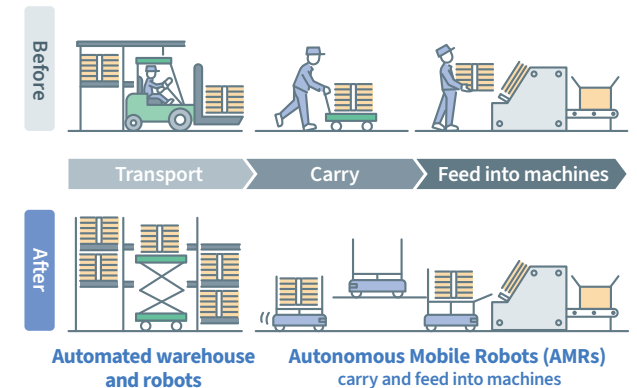
Meiji AI Talk powered by ChatGPT

We are deploying Meiji AI Talk powered by ChatGPT, an interactive generative AI tool on each employee's computer. For the launch, we tailored the tool to our internal environment to prevent external leakage of information entered by employees into the tool. Now, we encourage employees to use this tool in a wide range of situations, including as an aid in creating new ideas and improving business efficiency. At the same time, we are focusing on security to enable generative AI to be used for work anytime and with peace of mind.

Autonomous Mobile Robot (AMR) Initiative at Eniwa Plant

We have built an automated transport system that uses robots to quickly divide up cardboard boxes from an automated warehouse for delivery by AMRs to each caser. In this way, we have created an automated packaging line that has dramatically improved the previous manual process.

In the past, pallets of cardboard boxes stored in the materials warehouse were transported by a lift truck driver to a location near the work area, where other workers manually divided up the boxes and carried them to the machine feed inlets. Now, cardboard boxes stored in the automated warehouse are automatically transported when ordered, robots quickly divide them up, and AMRs transport them to the feed inlets.



Creating Innovation | Digital Technology Strategy

Pharmaceutical Segment

Through non-pharmaceutical digital initiatives that go Beyond-The-Pill, we strive to provide new value to society with a focus on the areas of the central nervous system and infectious diseases. We also actively promote digital technologies company-wide to enhance the business foundation.

Creating and Providing Value beyond Pharmaceuticals

In the area of central nervous system disorders, we are strengthening our ties with academia and start-up companies to provide total solutions, that go beyond treatment with pharmaceuticals, for addressing depression as a social issue. Examples using digital technologies and neuroscience include a collaboration with Hiroshima University and Macnica, Inc. to develop solutions to prevent depression, and a collaboration with BiPSEE Co., Ltd. to develop VR content for use in treating depression.

In the area of infectious diseases, we are providing healthcare professionals with specialized reports from BlueDot, a Canadian company. In addition, we have started to provide information on the predicted spread of viral infectious diseases through collaboration with external specialists in mathematical modeling. To create a society with resilience to infectious diseases, we are also implementing joint research with Tohoku University to develop technologies for measuring airborne viral loads.



Demonstration of prototype solution for preventing depression



VR treatment of depression being jointly developed with BiPSEE Co., Ltd.

Companywide Promotion of Digital Technologies

Meiji Seika Pharma Co., Ltd. is soliciting suggestions internally for selection, consideration and implementation of digital issues being addressed in the 2026 Medium-Term Business Plan. The issues include adopting a system for integrated management of pharmaceutical-related documents in the Pharmaceutical segment; stabilizing quality and reducing costs by developing smart factories; implementing measures that contribute to enhancing trustworthiness as a pharmaceutical company; utilizing real-world data; and building data integration infrastructure for customer, procurement and sales data. In addition, 34 people within the company have been selected to participate in a Digital Reskilling Project where they learn digital literacy, business skills, data analysis, and business efficiency methods. After completing the program, they become Digital Business Ambassadors able to work toward improving business efficiency, addressing internal issues, and creating new value. These initiatives will lead to enhance its business foundation.



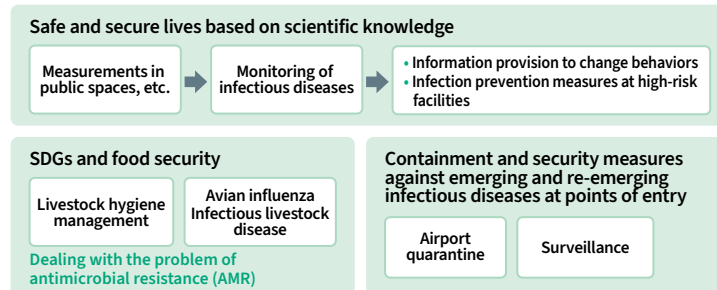
Presentations by Digital Business Ambassadors

Detecting Signs of the Spread of Infectious Diseases through Technologies for Measuring Airborne Viruses

Spatial Omics Analysis

Together with Tohoku University, we are developing omics analysis technologies for collecting and storing, in their original quantities and states, particles floating in the air, and then comprehensively analyzing biologically-derived substances present in those samples. When realized, this research method will make it possible to detect signs of infectious diseases as they spread.

Goal: To Realize a Society That Coexists Intelligently with Infectious Diseases



GOVERNANCE



The Meiji Group aims to continue creating innovative value as a corporate group involved with food and health. We strive to build a system that maximizes corporate value and to properly manage management risks.

- 71** Corporate Governance
- 80** Risk Management
- 81** Directors and Audit & Supervisory Board Members

MORE INFORMATION

[Securities Report](#) 

[Corporate Governance Report \(PDF\)](#) 

[Investors](#) 

Corporate Governance

Basic Views

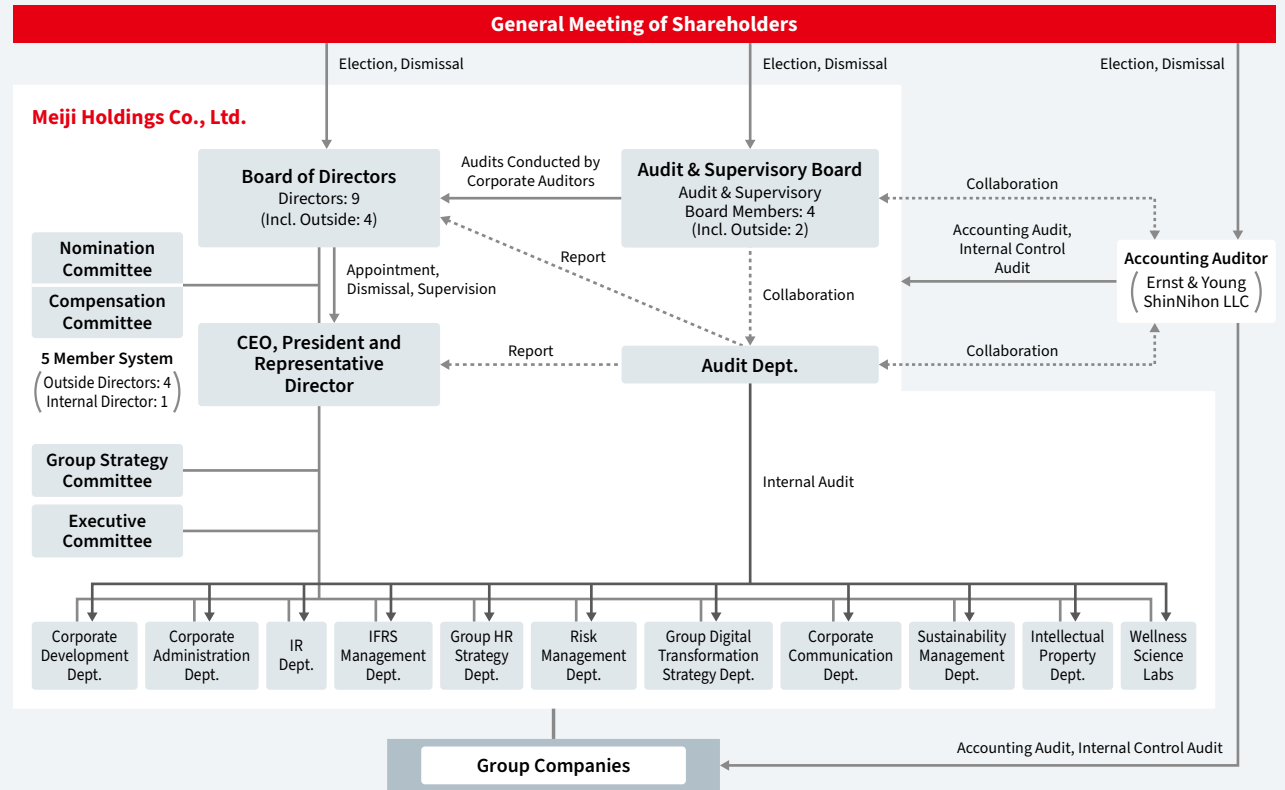
The Group's governance system including the Board of Directors is developed and operated to achieve the medium-to long-term management strategies formulated based on the Group's Philosophy. Additionally, the holding company, Meiji Holdings Co., Ltd. (hereinafter, "the Company") has also adopted the system of a company with an Audit & Supervisory Board to further enhance the objectivity and transparency of management through the supervisory function of the Board of Directors and the auditing function of Audit & Supervisory Board members. Our Board of Directors is comprised of diverse directors. The Board deliberates and decides major Group matters, and monitors appropriately to ensure implementation. To enhance the efficacy and transparency of the Board of Directors, we have established a system to reflect the opinions of Independent Outside Directors in management.

"Corporate Governance Policy", which defines the basic policy regarding corporate governance of the Company, is posted on our website.

Governance [🔗](#)

Corporate Governance System

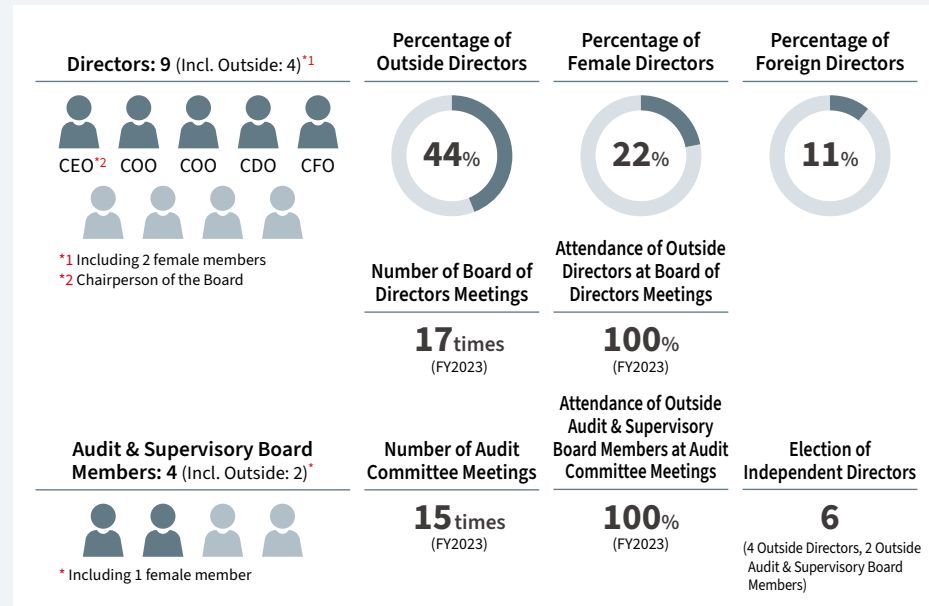
(As of June 27, 2024)



Initiatives to Enhance the Corporate Governance System and Improve its Efficacy [🔗](#)

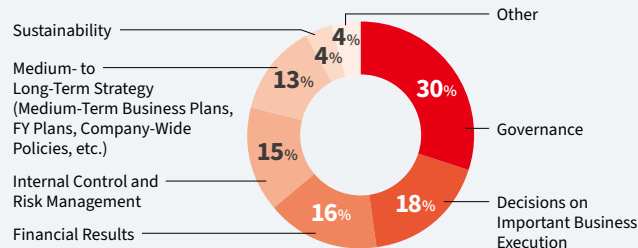
Corporate Governance

Composition of the Board of Directors and Audit & Supervisory Board



Board of Directors Meeting Agenda

(Based on the number of proposals made in FY2023)



Performance Results of Each Body

Board of Directors	<p>FY2023 Number of Meetings : 17</p> <p>Chairperson: Mr. Kawamura, Chief Executive Officer, President and Representative Director</p> <p>Members: 9 directors (including 4 outside directors)</p>	<p>Performance Results in FY2023:</p> <ol style="list-style-type: none"> Deliberations regarding the Medium-Term Business Plan, important business plans and budgets, overall management strategies, significant contract agreements and the selection of director candidates and executive officers. Discussion of succession planning operating status, operating company status, status of efforts toward sustainability, critical topics related to human resources, Board of Directors efficacy evaluation, confirmation of matters such as internal audit results, and the assessment and oversight of management risks.
Audit & Supervisory Board	<p>FY2023 Number of Meetings : 15</p> <p>Chairperson: Mr. Chida, Audit & Supervisory Board Member</p> <p>Members: 4 Audit & Supervisory Board Members (including 2 Outside Audit & Supervisory Board Members)</p>	<p>Performance Results in FY2023:</p> <ol style="list-style-type: none"> Attendance at principal meetings, such as of the Board of Directors and Executive Committee, as well as inspection of critical documents. Communicating and gathering information with directors, etc. Exchange of information and collaboration with Audit & Supervisory Board Members at major operating companies, Audit departments (internal auditing) and Accounting Auditors.
Nomination Committee	<p>FY2023 Number of Meetings : 4</p> <p>Chairperson: Ms. Matsumura, Member of the Board (Outside) Independent Director</p> <p>Members: 5 directors (including 4 outside directors)</p>	<p>Performance Results in FY2023:</p> <ol style="list-style-type: none"> Nomination Committee provided the Board of Directors with proposals for the nomination and/or removal of director candidates and Audit & Supervisory Board member candidates and deliberated on the nomination or removal of executive officers, including the president. The Committee also deliberated on succession planning. Deliberations and giving advice to the CEO regarding proposals for selecting and dismissing director candidates, executive officers, and candidates for Audit & Supervisory Board at major operating companies.
Compensation Committee	<p>FY2023 Number of Meetings : 5</p> <p>Chairperson: Mr. Kawata, Member of the Board (Outside) Independent Director</p> <p>Members: 5 directors (including 4 outside directors)</p>	<p>Performance Results in FY2023:</p> <ol style="list-style-type: none"> Deliberations and reporting to the Board of Directors regarding fiscal year policies on matters such as compensation for directors and executive officers as well as the content, amount, and level of compensation for individual directors and executive officers. Deliberations and giving advice to the CEO regarding proposals for matters such as compensation for directors and executive officers at major operating companies.

Corporate Governance

Efficacy of the Board of Directors

Plans to Improve Efficacy

- (1) Members of the Board and Audit & Supervisory Board Members will strive to attend at least 75% of Board of Directors meetings.
- (2) As a general rule, meeting materials will be distributed in advance to facilitate substantive and lively discussion.
- (3) Agenda items will be explained to Independent Outside Directors in advance as necessary.
- (4) Regular meetings will be held for Independent Outside Directors and Outside Audit & Supervisory Board Members.
- (5) Regular tours of major facilities will be enacted for outside officers.

Meetings of Outside Directors and Audit & Supervisory Board Members

Outside Directors and Audit & Supervisory Board Members met four times during FY2023.

- Initiatives at Meiji Co., Ltd. using digital technology
- Changes in the environment surrounding the Pharmaceutical segment (government trends, etc.)
- Group human resources management project
- Group sustainability activity initiatives

Site Tours by Outside Directors and Audit & Supervisory Board Members

In FY2023, the following sites were visited.

- Moriya Plant, Meiji Co., Ltd.
- Tochigi Meiji Milk Products Co., Ltd. <Meiji Co., Ltd. Group companies>
- Kurashiki Plant, Meiji Co., Ltd.

Off-site Meetings

Two off-site meetings were held in addition to the Board of Directors' meetings as part of the formulation of the new three-year Medium-Term Business Plan for FY2024 to FY2026. Discussions focused on key themes such as global strategies for the Food and Pharmaceutical segments, sustainability strategies, and human resource strategies.

Evaluation of the Board of Directors

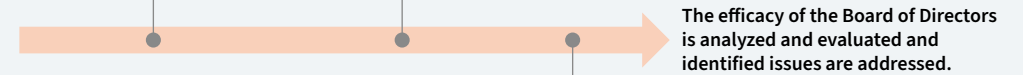
Once a year, the Meiji Group conducts an evaluation and interview regarding the role and management of the Board of Directors and problems or issues that the Board faces, striving to improve the effectiveness of the Board of Directors.

Self-Evaluation (Once a Year)

- Self-evaluation by questionnaire
- Target: Members of the Board of Directors
- Survey items: Role and management of the Board of Directors and issues the Board faces.

Individual Interviews (Once a Year)

- Individual meetings between Chairperson of the Board, Independent Outside Directors and Outside Audit & Supervisory Board Members.
- Conducted in accordance with the items of the self-evaluation questionnaire.
- Issues and improvement measures to enhance and further improve the efficacy of the Board of Directors are discussed.
- A discussion and exchange of opinions is held about the ideal role of the Board of Directors for the sustainable growth of the Meiji Group.



Third-Party Assessment (About Once Every Three Years)

1. Questionnaire and interview by a third-party assessment organization

Questionnaire

- All Directors and Audit & Supervisory Board Members are asked to complete a questionnaire administered by an outside professional third-party assessment organization.
- The questionnaire is designed with questions from the following perspectives: "Composition, roles, and functions of the Board of Directors", "operation of the Board of Directors and its committees", "management issues and risks", "stakeholder relations", "governance structure and overall effectiveness of the Board of Directors", etc.
- Information from FY2021 is listed as the evaluation was not administered in FY2022 or FY2023. Questionnaire topics are reviewed before each evaluation.

Interview

- Individual interviews are conducted with all Directors and Audit & Supervisory Board Members based on the results of the questionnaire.

2. Analysis and evaluation by a third-party assessment organization

- A third-party assessment organization compiles, analyzes and evaluates the opinions collected through the questionnaire and interviews without names.

3. Verification of results by the Board of Directors

- The Board of Directors verifies and discusses the results of the third-party assessment organization's evaluation.

Corporate Governance

Analysis and Evaluation of the Efficacy of the Board of Directors in FY2023

Self-Evaluation through Questionnaire (Target: Members of the Board of Directors)

A self-evaluation questionnaire was conducted in May 2024.

Self-Evaluation Questionnaire Topics

1. Roles of the Board of Directors (Setting strategic direction, overseeing company, succession planning, discussing/reporting on business matters)
2. Composition of the Board of Directors (scale, diversity, composition ratio of internal and external)
3. Operating status of the Board of Directors (discussion, chairperson of the Board, secretariat, content and quality of submissions and presentations)
4. Response to issues from the previous year
5. Support system for Outside Directors

Summary of Analysis and Evaluation Results, and Issues in FY2024

Based on the analysis of self-evaluations by members of the Board of Directors and performance of the Board, we have assessed that the Board continues to operate effectively.

Evaluation of Efforts Made to Improve Issues from the Previous Year

- Initiatives are progressing for the deepening of discussions regarding medium- to long-term management strategies for sustainable growth
- Initiatives are progressing for the expansion of regular review and follow-up concerning response to medium- and long-term issues that affect corporate value

FY2020 Issues

- Enhancing the implementation of the Meiji Group succession planning
- Further improving the quality of meeting materials and presentations
- Enhancing the reporting of business operations and clarifying issues in unachieved targets

FY2022 Issues

- Strengthening monitoring
- Expanding deliberations on medium- and long-term issues
- Selecting agenda items and improving Board management

FY2024 Issues

- Monitoring of the progress of the 2026 Medium-Term Business Plan and expansion of deliberations towards supporting initiatives aimed at Plan achievement
- Stimulation of discussions aimed at realizing the Meiji Group's sustainable growth and medium- to long-term corporate value by improving the operation of the Board of Directors

FY2021 Issues

- Strengthening monitoring
- Stimulating Board deliberations that take into account revisions to the Corporate Governance Code

FY2023 Issues

- Deepening of discussions regarding medium- to long-term management strategies for sustainable growth
- Expansion of regular review and follow-up concerning response to medium- and long-term issues that affect corporate value

Constructive Dialogue with Shareholders

Status of Dialogue in FY2023

(1) Main themes of the dialogue

- Progress of KPIs set forth in the 2023 Medium-Term Business Plan (Meiji ROESG[®])
- Management policy, business strategies, and capital policy (capital investment, shareholder returns, etc.) in the 2026 Medium-Term Business Plan
- FY2023 Results and FY2024 Plans
- ESG activity policies and initiatives

(2) Main interests and concerns of shareholders

- Food segment: Impact of cost increases in raw materials, etc., and measures to address them such as price increases
- Pharmaceutical segment: Sales trend of antibacterial drugs, status of COVID-19 vaccine research and development, and the impact of the NHI drug price revisions
- Overseas business (especially China business in the Food segment)
- Sustainability procurement, biodiversity, human capital, Intellectual Property, Digital Transformation, etc.

(3) Major issues that the Company recognizes as issues through dialogue with shareholders

- Food segment: Feasibility on measures to recover sales volume of mainstay products
- Pharmaceutical segment: Engage in COVID-19 vaccine development
- Accelerate overseas business expansion and improve its profitability
- Issuing stable and continuous shareholder returns, conducting opportunistic share buyback
- Further promotion of sustainability management, fusing financial and non-financial information (pursue Trade-On)
- Create synergy between food and pharmaceuticals

(4) Status of feedback

- Dialogue content with shareholders is summarized in the IR monthly report, which is then reported by the director in charge of IR to the Board of Directors on a regular basis
- After being reported to management, the IR monthly report is then distributed to all employees. Shareholder and investor opinions are widely shared within the Meiji Group

* ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

Please see the Corporate Governance Report PDF (page 15) for details regarding "Constructive Dialogue with Shareholders." [📄](#)

Corporate Governance

Compensation for Directors (and Other Officers)

The Company calculates the amount of compensation for directors based on corporate and individual performance while referring to the levels of other companies shown in external research. The amount will be within the limit resolved by the General Meeting of Shareholders.

With the start of the three-year 2026 Medium-Term Business Plan for FY2024 to FY2026, we have revised our plan for compensation for officers in light of its objectives. The plan has been revised from the perspectives of linking it to the important targets set forth in the 2026 Medium-Term Business Plan as well as expanding and strengthening Group business operations and corporate governance toward achieving our long-term vision.

Director Compensation (Excluding Outside Directors)

The compensation of directors (excluding Outside Directors) is comprised of the following three components.

- Basic compensation, which is fixed according to the position and duties
- Performance-linked compensation as a short-term incentive based on corporate and individual performance for the previous fiscal year
- Share compensation that is linked to the performance of Meiji ROESG and the Meiji Group's share price trend

Basic compensation and performance-linked compensation is paid in cash, while share compensation is provided by allotting shares with transfer restrictions. The Company has set the ratio of fixed compensation (basic compensation) to variable compensation (performance-linked compensation and share compensation) at 43-49%:57-51%. The ratio of performance-linked compensation and share compensation within variable compensation is 60:40.

Outside Director and Audit & Supervisory Board Member Compensation

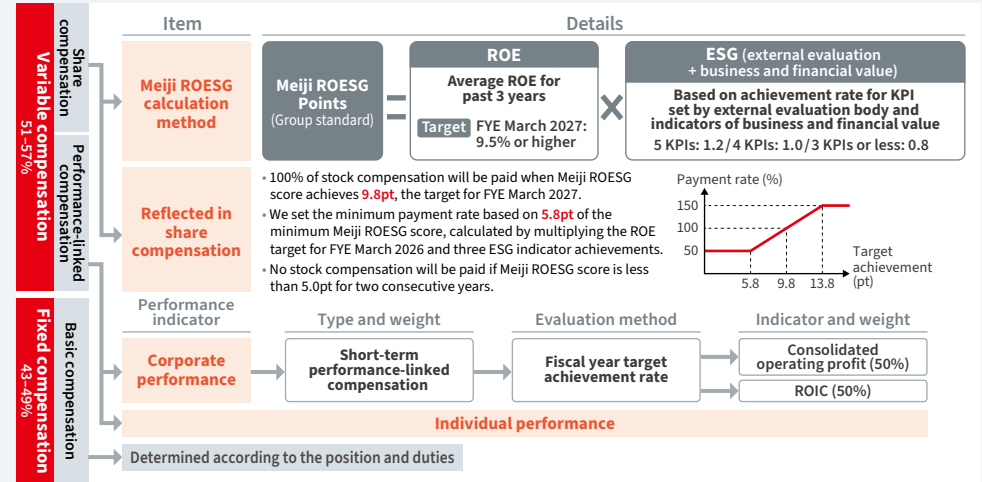
Only basic compensation is paid to Outside Directors and Audit & Supervisory Board Members from the perspective of their roles and independency.

Compensation Governance

The Board of Directors determines the details of the director compensation system, corporate and individual performance evaluation results, and the amounts of calculated compensation, after securing the opinion of the Compensation Committee, more than half of whose members are Independent Outside Directors. The amount of compensation for Audit & Supervisory Board Members is determined through consultation with the members concerned. The amount will be within the limit resolved by the General Meeting of Shareholders.

For details on the calculation of the amount of director compensation payment, please refer to our website [Objective of Compensation System](#)

Overview of calculation of director compensation payment amount



Message from Chairperson of the Compensation Committee

Toward a Compensation System that Improves Corporate Value and Promotes Management Success

Our Compensation Committee, an advisory body to the Board of Directors, consists of five members: four Outside Directors, including one chairperson, and the CEO. The compensation plan (fixed compensation, performance-linked compensation, and share compensation) for directors and executive officers of Meiji Holdings and major operating companies is discussed candidly in light of the internal and external business environment, the standards of other companies in Japan and overseas, and the times in which they operate, to achieve a clearer and more convincing compensation plan. In particular, meetings were held four times a year during the past year to coincide with the start of the new Medium-Term Business Plan. Changes were decided upon as appropriate in a flexible and consistent manner based on Meiji ROESG and Group optimization. We would like to continue to deepen discussions leading to the improvement of corporate value and the success of the management team.



Chairperson of the Compensation Committee
Masaya Kawata
Independent Outside Member of the Board

Corporate Governance

Succession Planning for the CEO and Other Top Executives

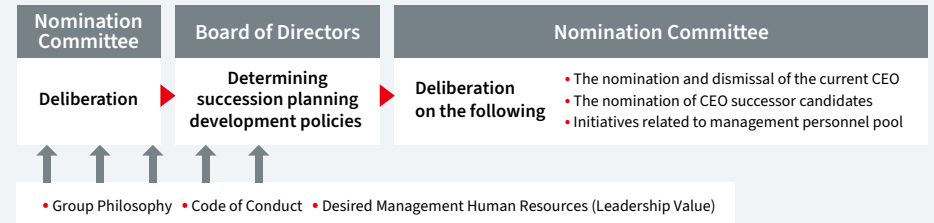
Desired Management Human Resources (Leadership Value)

We developed our Desired Management Human Resources (Leadership Value) in 2017. It forms the basis for our medium- to long-term succession management. It outlines ideal management human resources who are determined to achieve the Meiji Group 2026 Vision. We will implement measures to promote developing human resources focusing on Leadership Value while leveraging each individual's strengths and individuality. Consequently, we will develop candidates who drive the Group forward.

Initiatives in FY2023

The Nomination Committee deliberated on three key proposals: the nomination and dismissal of the current CEO in the December 2023 meeting, and the nomination of CEO successor candidates and initiatives related to management personnel pool in the January 2024 meeting. At these meetings, the Committee conducted monitoring, including interviews with CEO successor candidates of major operating companies, and discussed the qualifications and training policies required of the CEO of the Company and major operating companies.

The following two points are recognized as future issues: Redefining CEO position requirements for the Company and major operating companies, and strengthening communication between major operating company CEO successor candidates and Outside Directors. We will work towards making improvements based on the established succession management cycle.



Message from Chairperson of the Nomination Committee

Ensuring Transparency and Objectivity in the Decision-making Process for Executive Appointments

The Nomination Committee consists of a majority (4 out of 5) of Independent Outside Directors. The Nomination Committee's primary role is to deliberate on the election and dismissal of directors of the Company and major operating companies, and report and advise the Board of Directors. However, there has not been a succession since I became a director in 2018, so it may be difficult to understand our activities from the outside. In reality, the Nomination Committee first discusses the election and dismissal of the top management each year. After deciding that reappointment is acceptable, we deliberate on other major personnel issues and advise the Board of Directors, which then makes decisions based on our advice. For this reason, we believe that transparency and objectivity are ensured in the decision-making process for the Meiji Group's major executive appointments, and that an effective corporate governance system has been established.



Chairperson of the
Nomination Committee

Mariko Matsumura
Independent Outside
Member of the Board

The Meiji Group 2026 Vision



Ability to instigate change and lead reform efforts

Strategy formulation/execution
Develop clear strategies, execute, and lead to the breakthrough for untried situations in Japan and overseas

Organization/people
Draw out and improve the potential of the organization, lead the organization by making the most of people with an open-minded approach.

Imagination

Share information

Decisiveness

Ability to motivate

Ability to achieve breakthroughs

Magnanimity for others' mistakes

Ability to channel creative energies

Ability to develop others' talents

Personal

Ability to recognize and channel diverse talents

Upstanding personality

Required
Leadership

2026
Leadership Value

Corporate Governance

Cross-Shareholdings Shares

Ownership Policy

The Group does not hold shares that are not recognized as contributing to sustainable growth and improvement of corporate value over the medium- to long-term, taking into consideration the necessity of business operations. We hold listed shares as cross-shareholdings when we think it would:

1. Accelerate the group's financial operations
2. Strengthen the relationship with our group companies
3. Strengthen the group's transactional relationships
4. Be reasonable in light of our responsibility to shareholders

Approach to Exercising Voting Rights on Held Shares

As a rule, we will exercise our voting rights in line with the wishes of the stock issuing company's Board of Directors. However, we will decline to do so if we think that it would negatively impact the business relationships with the Group or if it would clearly harm the common interests of shareholders.

When a company holding Meiji shares for strategic purposes (cross-shareholding company) indicates the intention to sell the share, we do not interfere with the sale of the share.

We do not engage in transactions that would interfere with Group and shareholder common interests, including transactions with cross-shareholding companies without sufficiently validating the economic feasibility of the transaction.

Status of Cross-Shareholdings Shares

1) Reduction status for the 2023 Medium-Term Business Plan (FY2021-FY2023)

During the period of the 2023 Medium-Term Business Plan, we planned and worked towards reducing strategic cross-shareholding by 30% based on book value as of the end of March 2021.

Every year, the Board of Directors reviews all the brands the Group holds and determines whether the Company should continue holding them or dispose of them. For each brand, the Board considers the rationale for holding the brand, the transactions for the brand in the past year, the medium- to long-term outlook for the brand, and the amount of dividend.

In FY2023, the final year of the 2023 Medium-Term Business Plan, the Company sold as follows:

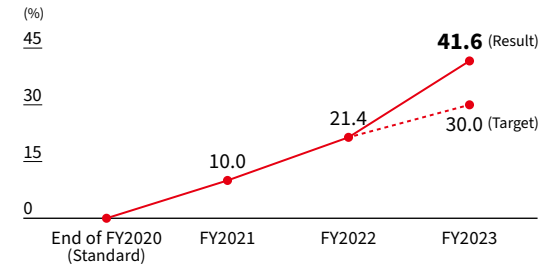
- All Shares Sold: 9 brands
- Partially Sold: 9 brands
- Holdings Maintained: 22 brands

As a result, during the period of the 2023 Medium-Term Business Plan, the Meiji Group's cross-shareholdings have been reduced by 41.6% from the end of FY2020. The total amount for cross-shareholdings recorded to the balance sheets as of the end of FY2023 was equivalent to 5.1% of consolidated net assets.

2) Reduction plan for the 2026 Medium-Term Business Plan (FY2024-FY2026)

During the period of the 2026 Medium-Term Business Plan (FY2024 to FY2026), we intend to reduce the total amount for cross-shareholdings recorded to the balance sheets to less than 5% of consolidated net assets.

Percentage of Reduction in the Meiji Group's Cross-Share holdings (Cumulative Basis)



Corporate Governance

Features of the Meiji Group Corporate Governance

Approach to Group Governance System

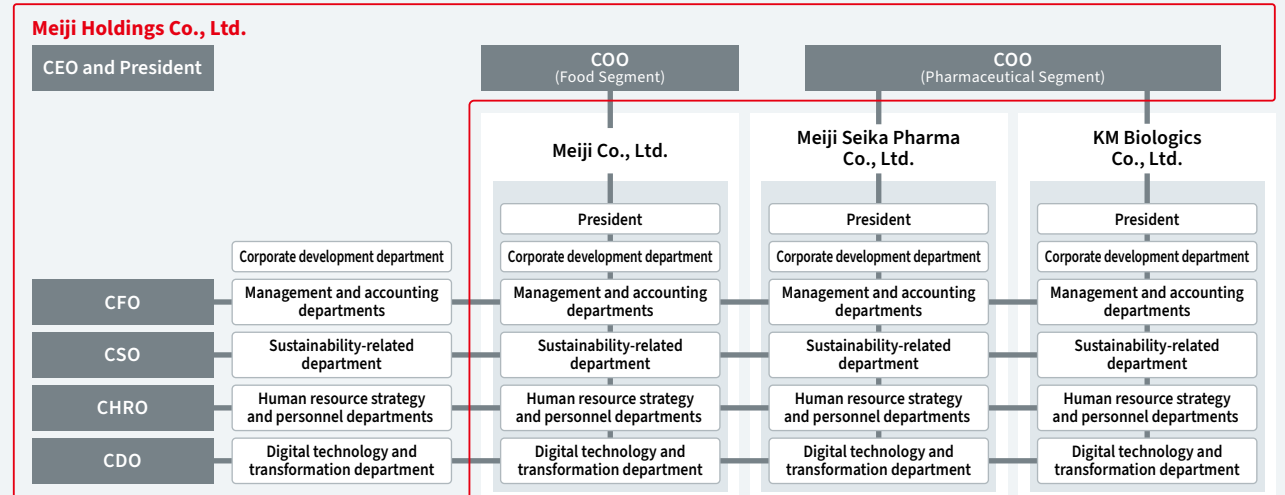
The Group has adopted a holding company system in which group companies operate businesses under the holding company's control. The main role of the Company is to promote Group-wide management strategies, create an optimal operating structure, and oversee the business management of operating companies.

The Meiji Group has introduced a Chief Officer system to strengthen the Group's operational execution in order to achieve the medium- to long-term management strategies formulated based on the Group's Philosophy.

Serving in the highest positions of responsibility within the Group, Chief Officers supervise and oversee Group business or functions. The Group Strategy Committee, comprised of Chief Officers, determines the direction of Group matters to advance Group-wide management strategies. The Executive Committee, chaired by the CEO and President, deliberates and decides on key issues related to business execution, and executes business promptly and appropriately.

In addition, a new position of CDO has been created in the Chief Officer position in FY2024. As head of the Group's digital technology strategy, the CDO is responsible for strategic planning to sustainably enhance corporate value, and will formulate, promote and monitor strategies related to DX for the entire Group.

Chief Officer Management System



CEO (Chief Financial Officer)
Oversees management of the entire Group

COO (Chief Operating Officer)
Oversees the business execution of the Food and Pharmaceutical segments

CFO (Chief Financial Officer)
Oversees the Group's financial strategy and business management

CSO (Chief Sustainability Officer)
Oversees the Group's sustainability business strategy and sustainability activities

CHRO (Chief Human Resource Officer)
Oversees the Group's human resource strategy and human resource management

CDO (Chief Digital Officer)
Oversees the Group's digital technology strategy

Performance Results at Group Strategy Committee

The Group Strategy Committee was held by Chief Officers in FY2023 as follows.

Group Strategy Committee	Number of Meetings in FY2023: 12	
	Main Discussion Topics in FY2023	<ul style="list-style-type: none"> Discussions towards formulating the 2026 Medium-Term Business Plan Key issues and results progress for FY2023 Corporate brand communication strategy Promoting the Meiji Group human resource strategy Improving the effectiveness of important meetings (Board of Directors)

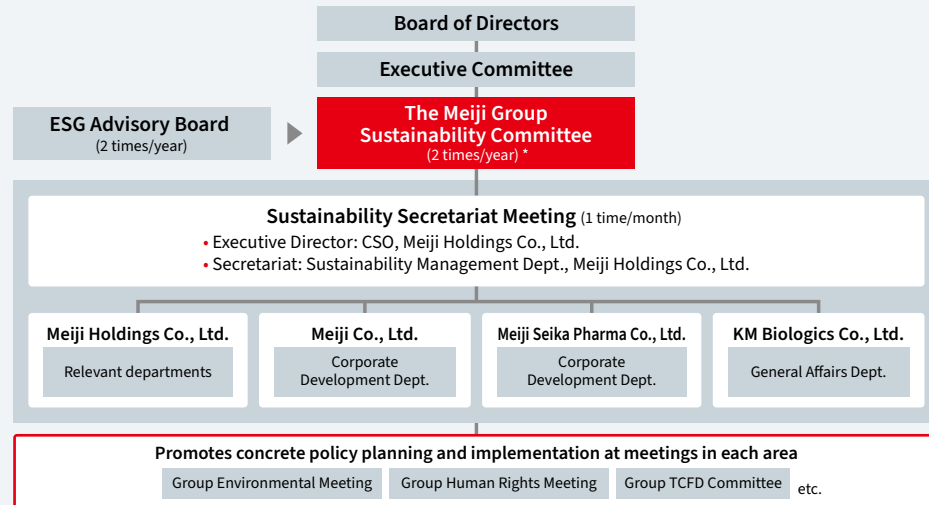
Corporate Governance

Sustainability Governance

Basic Views

As food and health professionals, the Meiji Group contributes to addressing social issues through our business activities, and to realizing a future in which people can live with good health and peace of mind. We aim to achieve sustainable growth and increase corporate value over the medium- to long-term.

We have established the Group Sustainability Committee, which reports its discussions and performance results to the Board of Directors. Furthermore, the Chief Sustainability Officer (CSO), oversees sustainability initiatives across the entire Group and works to fuse business operations and sustainability efforts. In addition, the ESG Advisory Board provides advice from outside experts on the Meiji Group's initiatives and exchanges opinions with the CEO, CSO, and other internal members to strengthen efforts toward sustainability.



* Chairperson: CEO, President and Representative Director, Meiji Holdings Co., Ltd.
Vice-Chairpersons: President and Representative Directors of three operating companies

Key Discussion Topics and Opinions at Group Sustainability Committee (September 2023 and February 2024) (Excerpts)

Progress of Sustainability Activities in FY2023

- We want to improve the value of the Meiji brand by making our Nutrition Statement more effective through the Meiji Nutritional Profiling System (Meiji NPS). As a next step, we will work with other companies on reducing methane gas emitted from cow belches to achieve sustainable dairy farming.

Formulation of Sustainability Strategy in the 2026 Medium-Term Business Plan

- Until now, our corporate value has been evaluated based on sales and profits. However, we believe we are entering an era in which sustainability, in addition to sales and profits, will determine corporate value by fusing financial and non-financial areas. ROESG, which we are currently promoting, is a concept that fits the future trend. We would like to firmly evolve the concept of ROESG in the 2026 Medium-Term Business Plan.

Key Discussion Topics and Opinions from the ESG Advisory Board (August 2023 and January 2024) (Excerpts)

Identification of Materiality for Our Next Vision

- We believe that materiality should be business activities aimed at solving social issues that can only be undertaken by the Meiji Group. We must also express our materiality in a way that is easy to understand and empathize with for both our customers and our employees.

Setting of Materiality and KPIs in Sustainability Strategy in the 2026 Medium-Term Business Plan

- Materiality is the roadmap for realizing our vision. The phrase “Realizing a Better Future for People, Society and the Earth” in the value creation process is the Meiji Group's commitment. We should convey our intention to realize this.

ESG Advisory Board

The ESG Advisory Board Members consist of four internal members and four outside experts with expertise and experience in the fields of environment, society, and corporate governance.



Experts



Takeshi Kamigochi
Member of the Board, Executive Officer, Senior Vice President & COO, J-OIL MILLS, INC.



Mari Kogiso
Co-CEO, SDG Impact Japan



Rika Sueyoshi
(Appointed in April 2024)
CEO, Ethical Association



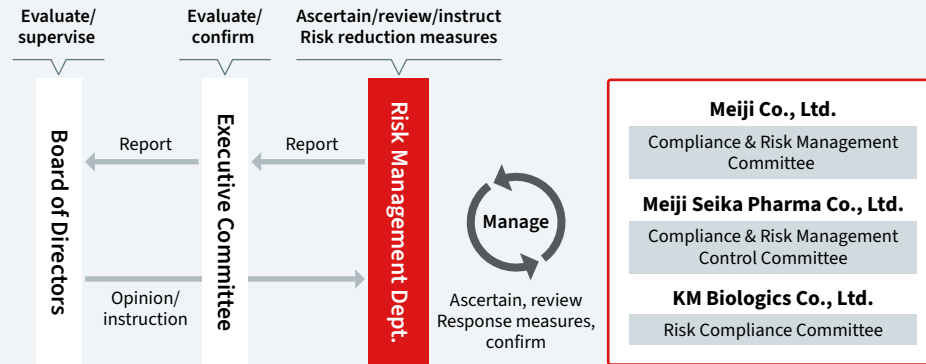
Peter David Pedersen
Representative Director, Next Leaders' Initiative for Sustainability (NELIS)
Independent Outside Member of the Board, Meiji Holdings Co., Ltd.

Risk Management

The Group Business Management Risks

We appropriately identify risks and develop countermeasures considering the risk impact from a company-wide business management perspective. In this way, we not only minimize risks, but also achieve sustainable growth and gain new growth opportunities. We outlined the three visions—the Business Vision, Sustainability Vision and Management Foundation Vision — in the Meiji Group 2026 Vision. We have identified the Meiji Group Business Management Risks based on those three Visions.

Risk Management System



Priority Initiative Topics for FY2023

The Board of Directors selected the following priority initiative topics for FY2023 relating to Group business management risks and confirmed the initiatives of each operating company.

1. Information leaks and system shutdowns due to unauthorized access, etc.
2. Unstable product supplies due to distribution problems

Information Security

Management Structure

The Meiji Group recognizes information security as a business risk. The Executive Committee evaluates and confirms the state of information security management and submits reports to the Board of Directors, which oversees the evaluation and monitoring of this structure. We also establish relevant committees within each operating company to strengthen information security and ensure an effective information security structure. In the event of a serious incident or other emergency situations related to information security, the executive officer in charge of the Risk Management Department submits reports directly to the CEO.

Employee Education

To improve information security awareness, we regularly conduct employee education and training concerning information security.

Education/training content	FY2021 results	FY2022 results	FY2023 results
Rate of new employee training	100% (162 people)	100% (168 people)	100% (159 people)
Rate of e-learning education	85% (10,315 out of 12,137 people)	88% (10,727 out of 12,222 people)	83% (11,703 out of 14,061 people)
E-learning details	About risks and measures related to email and internet use (Example) Targeted attack email and cyberattacks that occur at other companies		Importance of initial response to information security incidents/accidents
Suspicious email/targeted email attack response training numbers	11,217 people	3,578 people*	14,273 people
Other initiatives	Company-wide alerts and quick lessons on information security, etc.		

* Implemented for randomly selected participants

For details on major risks (risk list), please refer to our website
Risk Management [🔗](#)

Directors and Audit & Supervisory Board Members (As of June 27, 2024)

Members of the Board of Directors



Kazuo Kawamura

Chief Executive Officer^{*1}
President and Representative Director
(Corporate Development Dept., Group HR
Strategy Dept., Intellectual Property Dept., and
Wellness Science Labs)

- Appointment as a director : June 2012
- Number of the Company's shares held : 114,619 shares



Daikichiro Kobayashi

Chief Operating Officer^{*2}
(Pharmaceutical Segment)
Member of the Board and
Executive Officer

- Appointment as a director : June 2014
- Number of the Company's shares held : 42,784 shares



Katsunari Matsuda

Chief Operating Officer^{*2}
(Food Segment)
Member of the Board and
Executive Officer

- Appointment as a director : June 2018
- Number of the Company's shares held : 43,811 shares



Jun Furuta

Chief Digital Officer^{*3}
Member of the Board and
Senior Managing Executive Officer
(Group DX Strategy Dept., Risk Management
Dept., and Corporate Communication Dept.)

- Appointment as a director : June 2014
- Number of the Company's shares held : 26,403 shares



Jun Hishinuma

Chief Financial Officer^{*4}
Member of the Board and
Managing Executive Officer
(Corporate Administration Dept., IR Dept., and
IFRS Management Dept.)

- Appointment as a director : June 2024
- Number of the Company's shares held : 10,059 shares



Mariko Matsumura

Independent Outside Director

- Appointment as a director : June 2018
- Number of the Company's shares held : 1,883 shares

Significant Concurrent Positions

Attorney at Law/Shinwa Sogo Law Offices
Outside Statutory Auditor,
Fund Creation Group Co., Ltd.
Audit & Supervisory Board Member, Komatsu Ltd.
Outside Member of the Board,
SODA NIKKA CO., LTD.
Audit & Supervisory Board Member,
Japan Airlines Co., Ltd.



Masaya Kawata

Independent Outside Director

- Appointment as a director : June 2021
- Number of the Company's shares held : 2,092 shares

Significant Concurrent Positions

Outside Director, Central Glass Co., Ltd.



Michiko Kuboyama

Independent Outside Director

- Appointment as a director : June 2021
- Number of the Company's shares held : 1,046 shares

Significant Concurrent Positions

Outside Director,
Sumitomo Mitsui Banking Corporation



Peter David Pedersen

Independent Outside Director

- Appointment as a director : June 2022
- Number of the Company's shares held : 546 shares

Significant Concurrent Positions

Representative Director, NPO NELIS
External Director,
MARUI GROUP CO., LTD.
Outside Director,
Mitsubishi Electric Corporation

- *1 Oversees management of the entire Group
- *2 Oversees the business execution of the Food and Pharmaceutical segments
- *3 Oversees the Group's digital technology strategy
- *4 Oversees the Group's financial strategy and business management

See our website for details on our directors' profiles
Leadership [↗](#)

See our website for details on Reasons for Nomination of Outside Directors
Members of the Board, Audit & Supervisory Board Members [↗](#)

Directors and Audit & Supervisory Board Members

Audit & Supervisory Board Member



Hiroaki Chida

- Appointment as an auditor : June 2021
- Number of the Company's shares held : 8,267 shares



Takayoshi Ohno

- Appointment as an auditor : June 2021
- Number of the Company's shares held : 7,850 shares



Hajime Watanabe

Independent Outside Director

- Appointment as an auditor : June 2013
- Number of the Company's shares held : —

Significant Concurrent Positions

Attorney at Law/ WATANABE & SHIMIZU



Makoto Ando

Independent Outside Director

- Appointment as an auditor : June 2017
- Number of the Company's shares held : 9,058 shares

Significant Concurrent Positions

Certified Public Accountant/
Ando Certified Public Accountant Joint Office
Unaffiliated Auditor,
Nippon Concrete Industries Co., Ltd.
External Director, INV Inc.

Approach to the Skills Matrix of Members of the Board

The Board of Directors formulates and pursues Group-wide strategies and oversees the management of operating companies. Additionally, the Board carefully monitors the effectiveness of directors and executive officers from an objective position. Furthermore, the Board works to realize the Group Philosophy, promotes sustainable Group growth and medium- to long-term improvements to corporate value, and strives to improve profitability and capital efficiency. We identified the skills that are essential to effectively perform such functions of the Board, and created the following skills matrix to clarify the skills required of individual directors. When changing the skills items, the Board of Directors decides on skills required of the Board based on consideration of role of the Board of Directors and after consulting with the Nomination Committee. For Audit & Supervisory Board Members, the Company has prepared a skills matrix similar to the one for directors to confirm the status of “finance and accounting” and “legal affairs and risk management” skills, which are critical to auditing business execution by directors.

Reasons for Selection and Definition of Skills

Management strategy	Skills required to lead and supervise medium- and long-term improvements in corporate value through sustainable growth to realize the Group's vision of continuing growing in Japan and the world by creating values which are one step ahead for food and health
Global business	Skills required to support the confirmation of appropriate business environments and trends, and make decisions and supervise from a global perspective towards steadily capturing overseas markets as we aim to accelerate the speed of global development and become a truly global company
Sales and marketing	Skills required to lead and oversee the formulation of effective sales and marketing strategies towards securing an overwhelming advantage in core businesses and establishing a foundation for growth in overseas markets
Finance and accounting	Skills required to make judgments and supervise from a finance and accounting perspective to build a stable management foundation towards achieving an optimal capital structure while balancing strategic business investments aimed at medium- and long-term improvements to corporate value with aggressive shareholder returns
HR and diversity	Skills required to formulate and supervise human resource strategy and diversity management policies, and practice human capital management that positions human resources as important assets towards improving corporate value
Legal affairs and risk management	Skills required to formulate and supervise Group-wide policies related to legal affairs and risk management to enhance group governance towards strengthening group management
Corporate communication	Skills required to formulate and supervise communication strategies towards building trust-based relationships with a wide range of stakeholders, including customers, business partners, shareholders, and investors
Sustainability	Skills required to lead and supervise the balance between economic value and social and environmental value to realize the Meiji Group Sustainability 2026 Vision and resolve social issues through sustainability innovation
Digital	Skills required to lead and supervise the Meiji Group DX strategy to accelerate our realization of creating and providing new customer value, and business transformation and productivity improvement

Directors and Audit & Supervisory Board Members

Skills Matrix of Members of the Board of Directors and Audit & Supervisory Board Members

■ Outside

Category	Name	Attendance at meetings in FY2023		Advisory body members to the Board of Directors		Main expertise and background								
		Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee	Management strategies	Global business	Sales and marketing	Finance and accounting	HR and diversity	Legal affairs and risk management	Corporate communication	Sustainability	Digital
Members of the Board of Directors	Kazuo Kawamura	17/17		●	●	●		●		●		●	●	
	Daikichiro Kobayashi	17/17				●		●				●	●	
	Katsunari Matsuda	17/17				●		●				●	●	
	Jun Furuta	17/17				●	●				●	●		●
	Jun Hishinuma	Appointed in June 2024							●			●		
	Mariko Matsumura	17/17		● Chairperson*	●					●	●			
	Masaya Kawata	17/17		●	● Chairperson*	●	●			●			●	●
	Michiko Kuboyama	17/17		●	●	●		●		●		●		
	Peter David Pedersen	17/17		●	●	●	●			●			●	
Audit & Supervisory Board Member	Hiroaki Chida	17/17	15/15						●	●				
	Takayoshi Ohno	17/17	15/15			●		●						
	Hajime Watanabe	17/17	15/15				●				●			
	Makoto Ando	17/17	15/15						●		●			

* Elected each time by mutual vote from amongst committee members who are Independent Outside Directors, ensuring that no one serves concurrently as the chairperson of both committees.

CORPORATE DATA

- 85 Financial and Non-Financial Highlights
(11 Years Summary)
- 87 Corporate Data / Stock Information
- 88 Cover Artwork / Publisher's Note

MORE INFORMATION

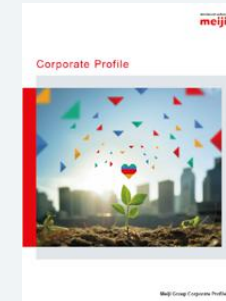
Results & Presentations [↗](#)

- Results
- Securities Report
- Presentations
- Business Strategy Conference
- Data Book

ESG Index [↗](#)

- Standard Table
- Keywords
- Policies
- ESG Data
- Environmental Data (PDF) [↗](#)

Corporate Profile (PDF) [↗](#)



Financial and Non-Financial Highlights (11 Years Summary)

Financial Information

Consolidated Results

	Unit	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023	Unit *1
For the fiscal year														
Net Sales *2	JPY mn	1,148,076	1,161,152	1,223,746	1,242,480	1,240,860	1,254,380	1,252,706	1,191,765	1,013,092	1,062,157	1,105,494	7,301,332	USD k
Segment	Food	1,015,265	1,021,806	1,061,398	1,082,115	1,073,655	1,056,637	1,049,559	999,673	826,080	865,609	900,127	5,944,970	USD k
	Pharmaceuticals	135,105	141,338	164,542	161,620	168,466	198,688	204,354	193,664	187,981	197,280	206,109	1,361,265	USD k
Segment (Overseas)	Food	29,097	29,418	38,353	38,191	43,474	47,182	48,422	49,173	52,618	68,577	77,749	513,505	USD k
	Pharmaceuticals *3	17,325	23,961	41,961	38,731	39,485	41,009	43,507	37,692	40,368	51,444	54,557	360,331	USD k
Gross profit	JPY mn	394,062	403,386	445,561	461,326	454,882	456,569	462,523	449,625	323,249	306,802	327,345	2,161,979	USD k
Operating profit	JPY mn	36,496	51,543	77,781	88,395	94,673	98,383	102,710 *4	106,061	92,922	75,433	84,322	556,912	USD k
Profit before income taxes	JPY mn	33,687	48,657	95,210	89,192	91,079	94,586	97,747	103,183	128,455	95,410	87,507	577,951	USD k
Profit attributable to owners of parent	JPY mn	19,060	30,891	62,580	60,786	61,278	61,868	67,318 *4	65,655	87,497	69,424	50,675	334,687	USD k
Capital expenditures *5	JPY mn	47,038	64,347	42,354	50,417	71,777	71,243	71,109 *4	67,900	93,166	72,170	53,444	352,980	USD k
R&D expenses	JPY mn	26,067	26,105	27,308	26,162	26,507	29,182	31,446	31,404	33,441	30,989	34,884	230,396	USD k
Depreciation *6	JPY mn	40,972	41,885	42,077	45,872	46,511	43,033	46,198 *4	48,411	50,103	53,575	55,317	365,350	USD k
Cash flows from operating activities (A)	JPY mn	63,847	86,487	105,155	81,888	108,775	112,100	114,103	123,683	127,526	85,013	107,983	713,183	USD k
Cash flows from investing activities (B)	JPY mn	(47,293)	(92,822)	(9,809)	(44,291)	(64,394)	(100,202)	(70,811)	(93,110)	(27,614)	(36,788)	(24,604)	(162,500)	USD k
Cash flows from financing activities	JPY mn	(18,194)	6,846	(85,071)	(46,548)	(40,121)	(13,980)	(30,287)	(28,293)	(76,997)	(54,734)	(43,772)	(289,095)	USD k
Free cash flows (A+B)	JPY mn	16,553	(6,335)	95,346	37,597	44,380	11,898	43,291	30,573	99,911	48,224	83,378	550,682	USD k
At fiscal year-end														
Total assets	JPY mn	779,461	877,367	856,115	883,895	927,544	1,004,143	998,920 *4	1,067,000	1,117,459	1,136,217	1,205,288	7,960,428	USD k
Interest-bearing debt	JPY mn	198,376	221,480	147,828	129,497	119,102	116,385	106,764	101,775	81,267	64,371	49,926	329,746	USD k
Equity	JPY mn	320,447	370,341	408,874	448,901	487,310	527,310	562,753 *4	621,428	673,336	711,917	746,532	4,930,535	USD k
Per share data *7														
Profit (EPS)	JPY	64.69	104.89	212.53	206.55	211.07	213.30	232.04 *4	226.26	303.62	247.39	181.64	1.199	USD
Net assets (BPS) *8	JPY	1,087.99	1,257.62	1,388.64	1,532.45	1,680.35	1,817.89	1,939.59 *4	2,141.40	2,390.76	2,553.69	2,674.72	17.665	USD
Cash dividends	JPY	20.00	25.00	45.00	55.00	65.00	70.00	75.00	80.00	85.00	90.00	95.00	0.627	USD
Ratios														
Return on equity (ROE)	%	6.0	8.9	16.1	14.2	13.1	12.2	12.4	11.1	13.5	10.0	6.9		
Return on assets (ROA)	%	5.0	6.5	9.4	10.2	10.6	10.3	10.3	10.7	8.6	6.6	6.5		
Equity-to-asset ratio	%	41.1	42.2	47.8	50.8	52.5	52.5	56.3 *4	58.2	60.3	62.7	61.9		
Payout ratio	%	30.9	23.8	21.2	26.6	30.8	32.8	32.3	35.4	28.0	36.4	52.3		

*1 U.S. dollar amounts are provided solely for the convenience of readers based on an exchange rate of USD 1 = JPY 151.41, the exchange rate prevailing on March 31, 2024.

*2 The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related implementation guidance are being applied as of FY2021.

*3 The standard used for calculating the overseas sales was revised from FY2017.

*4 In the first quarter of FY2020, we finalized provisional accounting treatment pertaining to a business combination. Accordingly, the key financial data to FY2019 represent amounts reflecting the revisions to the initial allocation of the acquisition cost resulting from the finalization of provisional accounting treatment.

*5 Figures for capital expenditures represent property, plant and equipment and intangible fixed assets based on the consolidated statement of cash flows.

*6 Figures for depreciation represent property, plant and equipment and intangible fixed assets based on the consolidated statement of cash flows.

*7 Per share data reflect the following stock splits.

· Two-for-one common stock split of October 1, 2015

· Two-for-one common stock split of April 1, 2023

*8 Net assets per share = (Total net assets - Non-controlling interests) ÷ (Number of shares of common stock issued - Number of treasury shares)

Financial and Non-Financial Highlights (11 Years Summary)

Non-financial information

	Unit	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Energy consumption volume												
Global *1	TJ	—	—	—	—	—	—	—	11,439	11,095	11,020	10,075
	Japan	—	—	—	—	9,281	9,845*2	10,714*2	9,766	9,424	9,236	8,315
CO₂ emissions												
Scope1 Global *1	ten thousand tons of CO ₂	—	—	—	26.6	26.0	25.5	24.8	23.9	24.5	22.9	20.9
	Japan	—	—	—	23.6	23.0	22.8*2	22.2*2	21.5	22.1	20.5	18.4
Scope2 Global *1	ten thousand tons of CO ₂	—	—	—	38.4	36.9	36.8	35.6	32.4	29.1	28.5	26.3
	Japan	—	—	—	28.7	27.4	28.2*2	27.9*2	25.4	21.6	21.9	18.8
Scope3 Global *1	ten thousand tons of CO ₂	—	—	—	—	—	—	325.3	313.5	322.7	390.5	466.5
	Japan *3	—	—	—	—	203.5	318.9*2	303.5*2	294.8	302.7	348.4	420.5
Category 1	Japan	—	—	—	—	—	243.7*2	234.3*2	225.9	228.4	279.2	349.2
Water usage volume												
Global *1	thousand m ³	—	—	—	—	24,082	23,483	23,397	22,571	21,255	20,623	20,885
	Japan *4	22,723	20,148	24,375	24,104	22,305	22,056*2	21,979*2	21,189	19,808	19,516	19,468
Water drainage volume												
Global *1	thousand m ³	—	—	—	—	17,914	20,586	19,437	18,226	17,397	17,412	19,388
	Japan *4	20,566	16,504	21,214	20,255	17,914	19,702*2	18,415*2	17,248	16,450	16,732	18,358
Waste amount												
Global *1	ten thousand tons	—	—	—	—	—	—	3.1	3.0	2.8	2.7	2.4
	Japan *5	7.2	7.4	7.6	5.4	6.3	2.8*2	2.8*2	2.6	2.4	2.4	2.2

*1 The Meiji Group (domestic Meiji Group and 15 overseas production companies [13 companies in FY2019, 14 companies in FY2020, 15 companies in FY2021, 14 companies in FY2022]).

*2 The Kumamoto Production Center of KM Biologics Co., Ltd. was included in the calculation from FY2018, and all of the company's sites were included from FY2019. The scope of calculation of industrial waste is limited to production plants.

*3 Category 4 (Upstream transportation and distribution) and Category 9 (Downstream transportation and distribution) have been added and are included in the calculation for Scope 3 from FY2018. In addition, the Consolidated Results calculation for Category 1 was expanded to include the raw materials that make up the majority of what is needed for production.

*4 Meiji Co., Ltd. and Meiji Seika Pharma Co., Ltd. up until FY2014, and the domestic Meiji Group from FY2015.

*5 From FY2018, only industrial waste generated from production plants was included in the waste.

Calculation Methods of Non-Financial Information**[Energy consumption volume]**

(Japan) Calculated based on the Act on Rationalization of Energy Use and Shift to Non-fossil Energy (Energy Conservation Act).

(Overseas) Calculated using methods based on the Act on Rationalizing Energy use and Shifting to Non-fossil Energy (Energy Conservation Act).

[CO₂ emissions: Scope 1, 2]

(Japan) Calculated based on the Act on Promotion of Global Warming Countermeasures. From FY2022 onward, adjusted emission factors of each electricity supplier are used for calculating Scope 2 purchased electricity (basic emission factors of each electricity supplier were used until FY2021).

(Overseas) For Scope 1, emission factors based on the Act on Promotion of Global Warming Countermeasures are used, and for Scope 2, the latest version of IEA Emissions from Fuel Combustion is used.

[CO₂ emissions: Scope 3]

(Japan and overseas) Calculations of Scope 3 for Japan and overseas are based on the emission intensities from Japan's Ministry of the Environment's database and IDEA (Inventory Database for Environmental Analysis) Ver.3.2.0.

Scope 3 Categories included in calculation: 1. Purchased goods and services, 2. Capital goods, 3. Fuel- and energy-related activities (not included in Scope 1 and 2), 4. Upstream transportation and distribution, 5. Waste generated in operations, 6. Business travel, 7. Employee commuting, 9. Downstream transportation and distribution, 12. End-of-life treatment of sold products.

Category 1: Calculated by multiplying the purchase weight of major raw materials and packaging materials (paper, plastic, cardboard, steel, aluminum, glass) related to the food and pharmaceutical businesses by the IDEA emission intensity (For "pharmaceutical active ingredients, raw powders, raw liquids" among major raw materials, since there is no weight intensity, it is calculated by multiplying the purchase price by the IDEA emission intensity.)

[Waste Amount]

(Japan) Calculated based on the Act on Waste Management and Public Cleaning.

(Overseas) Calculated using methods based on the Act on Waste Management and Public Cleaning.

For environmental data for FY2023 that has been assured by an independent practitioner, please refer to our website.

Environmental Data (PDF)

Corporate Data/Stock Information (As of March 31, 2024)

Corporate Data

Company Name	Meiji Holdings Co., Ltd. (Securities code: 2269)
Head Office	2-4-16, Kyobashi, Chuo-ku, Tokyo 104-0031, Japan
Incorporated	April 1, 2009
Share Capital	JPY 30.0 billion
Number of Group Employees	17,270
Common Stock Issued	293,459,000
Stock Listing	Tokyo
Fiscal Year-End	March 31
Ordinary General Meeting of Shareholders	Late in June
Transfer Agent of Common Stock	Mitsubishi UFJ Trust and Banking Corporation
Public Notices	<p>Public notices given by the Company are issued electronically. URL: https://www.meiji.com/global/</p> <p>However, in the event that public notices cannot be issued electronically due to an accident or some other unavoidable circumstances, public notices given by the Company shall be carried in the <i>Nihon Keizai Shimbun</i>. It should be noted that pursuant to Article 440, Paragraph 4 of the Companies Act, public notices of financial statements are not given.</p>

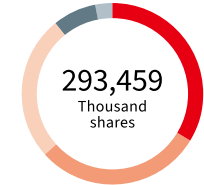
Stock Information

Major Shareholders

Name	Number of shares held (Thousands)	Percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	41,547	14.16
Custody Bank of Japan, Ltd. (Trust account)	13,767	4.69
Nippon Life Insurance Company	6,696	2.28
STATE STREET BANK WEST CLIENT - TREATY 505234	5,969	2.03
Meiji Holdings Employee Shareholding Association	5,736	1.95
Meiji Holdings Trading-Partner Shareholding Association	5,118	1.74
Mizuho Bank, Ltd.	4,834	1.65
The Norinchukin Bank	4,048	1.38
JP MORGAN CHASE BANK 385781	3,576	1.22
JPMorgan Securities Japan Co., Ltd.	3,504	1.19

* In addition to the above, the Company holds 14,352 thousand shares of treasury share (4.89% of total shares issued.)

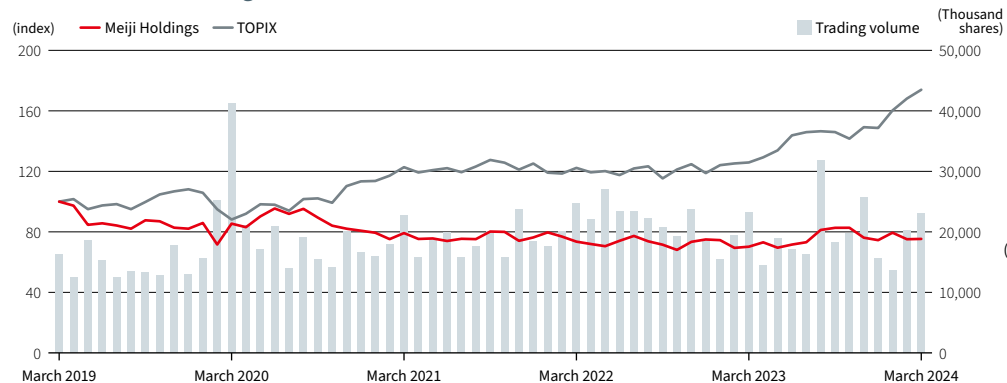
Shareholding by Type of Shareholder



Financial Institution	33.65%
Individuals and Others	29.72%
Foreign Companies, etc.	25.91%
Other Companies	7.70%
Financial Instruments Dealers	3.02%

* Individuals and Others includes treasury share.

Stock Price and Trading Volume



(Notes) The closing price as of March 29, 2019 is 100. Trading volume reflects the following stock splits.

- A two-for-one common stock split issued on April 1, 2023

Cover Artwork



Paralym Art Artwork

“A Journey Through Japanese Tales” by KOTO

This large A1 size artwork, measuring 594×841 mm, is crammed full of stories from across Japan. As shown in the picture below, we were able to meet with the artist KOTO online to discuss the actual artwork in front of us.



The Paralym Art World Cup 2023 was held on the theme of “JOURNEY,” which for KOTO meant reading stories.

KOTO created her artwork on the motif of folklore around Japan, with each story told carefully down the canvas from north to south. KOTO told us a range of stories about the process and the work, including Ginga Tetsudo no Yoru (Night on the Galactic Railroad) and Satomi Hakkenden (Eight Dog Warriors), which KOTO particularly liked.



My motto is to enjoy painting. I'm keen to take on the motif of dinosaurs next.



KOTO

Society > Promote Social Contribution > Activities to Support Society > Sponsorship of Paralym Art

Paralym Art

Paralym Art is a social contribution project in which an organization works together with artists with disabilities as one team. This project sustains the provision of support for people with disabilities along with the cooperation of private companies and individuals, without depending on social security funds. (Project organizer: Shougaisha Jiritsu Suishin Kikou Association)



Meiji Holdings Co., Ltd. supports this project as a Gold Partner



Tanaka (center) and the production team members

Publisher's Note

Thank you for reading the Meiji Group Integrated Report 2024.

This Integrated Report has been prepared with institutional investors in Japan and overseas as the primary readers. We are conscious of the need to tell our stories in an easy-to-understand way, from our responses to issues identified through dialogue with our diverse stakeholders to our directions for management going forward. We hope this report helps readers to understand our aim of sustainably improving corporate value while taking on new challenges based on our strengths built up over the long history of the Meiji Group.

To compile the report, our investor relations division, with the support of a team of people from divisions spanning sustainability, corporate development, intellectual property and research and development, had many interviews and discussions with management and stakeholders inside and outside the Group. We have disclosed additional information on our website, which we encourage everyone to read.

We will continue striving to further enhance information disclosure and dialogue going forward. As always, we look forward to receiving your honest opinions and feedback.

Meiji Holdings Co., Ltd.
General Manager of IR Dept.

Masashi Tanaka

Now ideas for wellness

meiji

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