



## Financial Results for FY2010

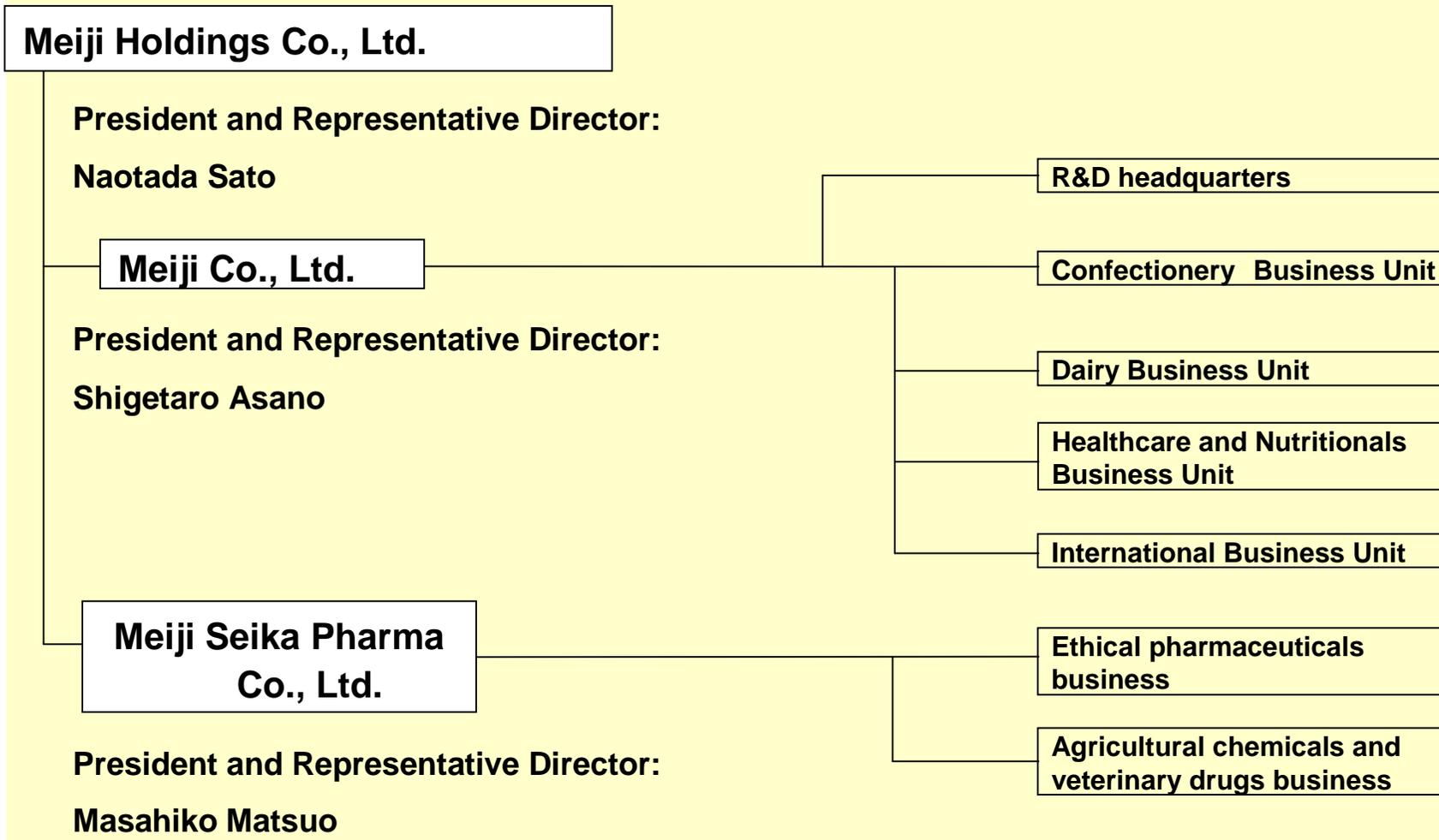
**May 24, 2011**

Naotada Sato

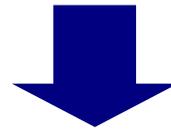
President and Representative Director

Meiji Holdings Co., Ltd.

# New Group Management Structure



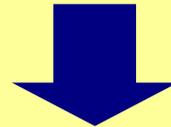
## Meiji Group Philosophy



### 2020 Vision

## The Meiji Group of the Future

The Meiji Group aims to become a corporate group that brightens customers' daily lives by providing customers of all ages, from infants to the elderly, with foods that offer tastiness and enjoyment, as well as products that contribute to customers' physical and emotional well-being.



## Three Keywords in the 2020 Vision

*“Kodomo Sukoyaka” “Otona Haturatsu” “Minna Wakuwaku”*

**Goals for FY2020 (Numerical Targets)**

**Net sales: ¥1,500 billion**

**Operating income ratio: 5% or higher**

(Reference) Results for FY2010  
Net sales: ¥1,114.0 billion  
Operating income: ¥28.8 billion  
(2.6%)

**Meiji Co., Ltd.**

**(Confectionery Business Unit and Dairy Business Unit)**

**(Healthcare and Nutritionals Business Unit)**

**(International Business Unit)**

**(Distribution, feedstuffs, real estate, etc.)**

**Meiji Seika Pharma Co., Ltd.**

**Over 1,300 billion yen**

**(Over 800 billion yen)**

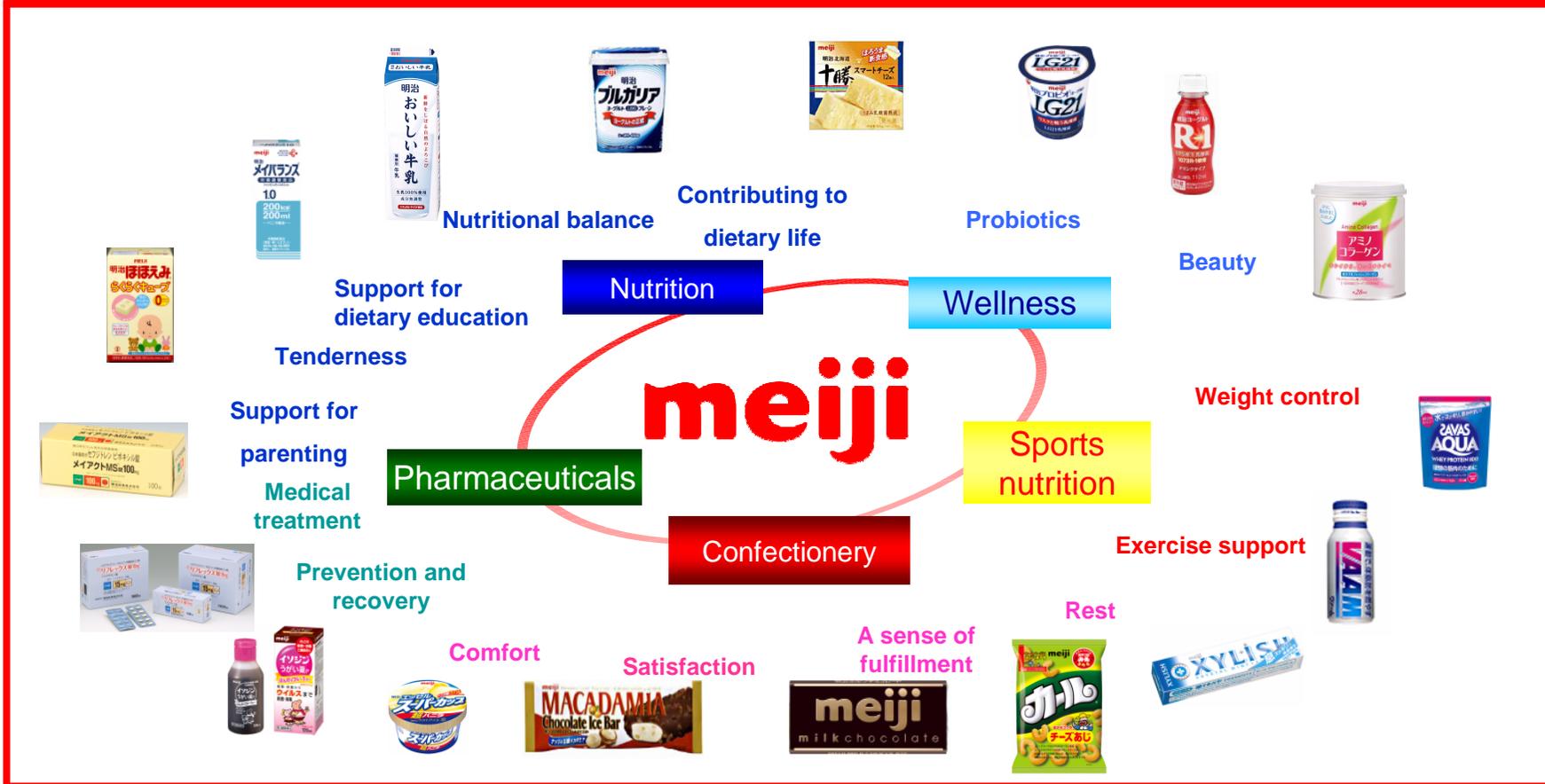
**(Over 200 billion yen)**

**(Over 150 billion yen)**

**(Over 150 billion yen)**

**Over 200 billion yen**

## Brightening customers' daily lives in a wide range of fields





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Meiji Holdings Co., Ltd.

## Outline of FY2010 Financial Results

Tsuyoshi Nagata  
Meiji Holdings Co., Ltd.  
Senior Managing Executive Officer  
and Member of the Board

1. FY2010 Summary
2. FY2010: Outline of Consolidated Financial Results  
Meiji Holdings
3. FY2010: Outline of Consolidated Financial Results  
Operating Subsidiaries
4. FY2011: Consolidated Financial Forecast
5. Wrap-up



# 1. FY2010 Summary

# 1. FY2010 Summary



## (1) FY2010 Business Plan

### Expanding businesses and improving profitability

**Expecting the tough business environment to be tougher**

- Stagnant demand
- Increasing consumer demand for low-priced products
- Raw materials prices remaining at high levels
- Lowering of drug prices

**But, adhering to the basic direction of the current medium-term business plan**

- Strengthen existing business in our specialty fields
- Create new demand by leveraging the knowledge and expertise of Group members

**Achieving the set targets for FY2010 as achieved in FY2009**

### FY2010 Business Plan

(Billions of yen)

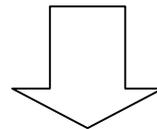
		Plan for FY2011	Results for FY2010
Meiji HD	Net Sales	1,120.0	1,106.6
	Operating Income	29.5	28.7
	Ordinary Income	30.0	28.3
Dairy products	Net Sales	598.0	600.0
	Operating Income	14.4	13.4
Confectionary and healthcare	Net Sales	300.0	293.0
	Operating Income	5.5	4.4
Pharmaceuticals	Net Sales	130.3	127.6
	Operating Income	7.1	8.4
Services and other	Net Sales	147.0	140.8
	Operating Income	3.3	3.4

\* Billions of yen; elimination not included

**\* The plan announced on November 11, 2010**

## (2) External factors which impacted our business 1

- Foot and mouth disease in Miyazaki Prefecture (exports of dairy products suspended; veterinary drugs market shrunk)
- Record-breaking heat last summer (confectionery sales suffered; ice cream sold well)
- NHI drug price revisions (Amount of the price reductions is equivalent to 75% of the segment's operating income in FY2009)



Despite the abovementioned, we achieved firm financial results through 3QFY2010.

## (2) External factors which impacted our business 2-1

- Great East Japan Earthquake (damage, especially in the Tohoku and Kanto region)

[Extraordinary loss]	(Billions of yen)
Loss on disposal of inventories, etc.	(2.5)
Loss on disposal of fixed assets, etc	(0.6)
Other (including donations and material support)	(1.9)

[Influence on net sales and income] (estimate)	(Billions of yen)	
	Net sales	Income
Dairy products	(7.0)	(4.0)
Confectionary and healthcare	(2.0)	
Pharmaceuticals	(1.0)	

- 4Q saw extensive damage to the chilled business, etc.  
The total amount of damage varied, depending on the location of suppliers, factories and warehouses, not on business category.

## (2) External factors which impacted our business 2-2

- Drastic change in results (from 3Q)

(Billions of yen)

	Net sales	Operating income	Ordinary income	Net income
3Q (cumulative)	+10.0	+4.0	+5.6	+4.3
↓				
4Q	(2.5)	(3.9)	(3.5)	(7.8)
↓				
Full year	+7.5	+0	+2.1	(3.5)

4Q ended with unsatisfactory results, but the cumulative results through 3Q show a firm and promising trend.



## 2. FY2010: Outline of Consolidated Financial Results

### Meiji Holdings

- (1) Consolidated Financial Review
- (2) Consolidated Results P&L Summary
- (3) Segment Information

## 1) Consolidated Balance Sheet

(Billions of yen)

	Consolidated			Consolidated	
	FY2010	YoY change		FY2010	YoY change
<b>Current assets</b>	<b>301.6</b>	<b>(7.9)</b>	<b>Current liabilities</b>	<b>301.3</b>	<b>+0.5</b>
Cash and deposits	21.7	+5.0	Accounts payable	92.1	(3.0)
Notes and accounts receivable	146.3	(8.2)	Debts (finance)	110.2	+4.3
Inventories	105.1	(6.1)	Other current liabilities	98.9	(0.7)
Other current assets	28.3	+1.3	<b>Long-term liabilities</b>	<b>121.5</b>	<b>(10.0)</b>
<b>Fixed assets</b>	<b>414.6</b>	<b>(5.7)</b>	Debts (finance)	86.8	(10.1)
Property, plants and equipment	334.8	+1.9	Other long-term liabilities	34.6	+0
Intangible assets	9.7	(0.7)	<b>Total liabilities</b>	<b>422.8</b>	<b>(9.4)</b>
Investments and other noncurrent assets	70.0	(7.0)	Shareholders' equity	291.7	+2.3
			Others	1.8	(6.6)
			<b>Total net assets</b>	<b>293.5</b>	<b>(4.2)</b>
<b>Total assets</b>	<b>716.3</b>	<b>(13.6)</b>	<b>Total liabilities and net assets</b>	<b>716.3</b>	<b>(13.6)</b>
			<b>The total amount of interest-bearing debt*</b>	<b>197.5</b>	<b>(5.7)</b>

\* The total amount of interest-bearing debt includes discount bills.

2) Statement of Changes in Net Assets

(Billions of yen)

(April 1, 2010 - March 31, 2011)	Total net
<b>Balance at March 31, 2010</b>	<b>297.7</b>
<b>Changes during the fiscal period</b>	
Cash dividends	(8.8)
Net income	+9.5
Acquisition of treasury stock	(0.1)
Disposal of treasury stock	+0
Change of scope of consolidation	+1.8
Others	(6.6)
<b>Total changes during the fiscal period</b>	<b>(4.2)</b>
<b>Balance at March 31, 2011</b>	<b>293.5</b>

### 3) Consolidated Statement of Comprehensive Income

(Billions of yen)

<b>Income before minority interests</b>	<b>9.5</b>
<b>Other comprehensive income</b>	
Net unrealized holding gains or losses on securities	(2.7)
Deferred gains or losses on hedges	(0)
Foreign currency translation adjustments	(1.9)
Equity in affiliates accounted for by equity method	(0)
<b>Total other comprehensive income</b>	<b>(4.7)</b>
<b>Comprehensive income</b>	<b>4.8</b>
<b>(Breakdown)</b>	
Comprehensive income attributable to shareholders of parent company	5.0
Comprehensive income attributable to minority shareholders	(0.2)

#### 4) Consolidated Financial Indices and Cash Flows

(Billions of yen)

	<b>FY2010 March 31</b>	<b>FY2009 March 31</b>	<b>YoY change</b>
<b>Earning per share (EPS)</b>	129.63 yen	177.73 yen	(48.10 yen)
<b>Return on equity (ROE)</b>	3.3%	4.6%	-1.3 point
<b>Cash flows from operating activities (I)</b>	57.9	47.7	+10.2
<b>Cash flows from investing activities (II)</b>	(32.4)	(33.6)	+1.2
<b>Cash flows from financing activities (III)</b>	(19.5)	(12.6)	(6.8)
<b>Cash and cash equivalents at the end of the term</b>	21.7	16.0	+5.6
<b>Free cash flows &lt;(I)+(II)&gt;</b>	+25.5	+14.0	+11.4

## 5) Dividends

(Record date)	Dividends per share			Payout ratio (Consolidated)
	Interim	Year-end	Annual	
Year ended March 2011	40.00 yen	40.00 yen	80.00 yen	61.7 %

\*At the Board of Directors meeting held on May 12, 2011, it was decided that a dividend will be paid, with June 9 as the date of effect and dividend payment start date.

## 6) Capital Expenditures, Depreciation, R&D Expenses

(Billions of yen)

	FY2010 Results		Notes
	(Meiji Seika)	(Meiji Dairies)	
<b>Capital expenditures</b>	38.5	17.8	Cash basis (including leases)
<b>Depreciation</b>	39.0	19.2	Property, plants and equipment (including leases)
<b>R&amp;D expenses</b>	23.4	16.4	

\* "Capital expenditures," "Depreciation" and "R&D expenses" are the combined totals of the respective consolidated figures of Meiji Seika and Meiji Dairies.

### \*Main capital expenditures

		Scale of investment	Completion date
Dairy products	Construction of Kansai Ice Cream Plant	9.2 billion yen	March 2011
Confectionery and healthcare	Construction of a building at the Osaka Plant	5.0 billion yen	April 2011
Pharmaceuticals	Manufacturing equipment at P.T. Meiji Indonesian Pharmaceutical Industries	Approx.4.0 billion yen	April 2011

## (2) Consolidated Results P&L Summary (FY2010) **meiji**

	FY2010 (billions of yen)	YoY change (billions of yen, %)		Change vs. plan (billions of yen, %)	
<b>Net sales</b>	<b>1,114.0</b>	<b>+7.4</b>	<b>+0.7</b>	<b>(5.9)</b>	<b>(0.5)</b>
<b>Gross profit</b>	<b>381.2</b>	<b>+9.2</b>	<b>+2.5</b>	—	—
<b>SG&amp;A</b>	<b>352.3</b>	<b>+9.1</b>	<b>+2.7</b>	—	—
<b>Operating income</b>	<b>28.8</b>	<b>+0</b>	<b>+0.3</b>	<b>(0.6)</b>	<b>(2.1)</b>
<b>Non-operating income/loss</b>	<b>1.5</b>	<b>+2.0</b>	—	—	—
<b>Ordinary income</b>	<b>30.4</b>	<b>+2.1</b>	<b>+7.5</b>	<b>+0.4</b>	<b>+1.5</b>
<b>Extraordinary income/loss</b>	<b>(12.5)</b>	<b>(8.3)</b>	—	—	—
<b>Tax expense, etc.</b>	<b>8.3</b>	<b>(2.7)</b>	<b>(24.6)</b>	—	—
<b>Net income</b>	<b>9.5</b>	<b>(3.5)</b>	<b>(27.0)</b>	<b>(5.4)</b>	<b>(36.3)</b>

\* The plan announced on November 11, 2010

### (3) Segment Information

(FY2010) **meiji**

	Net sales			Operating income		
	FY2010 (billions of yen)	YoY change (%)	Change vs. plan (%)*	FY2010 (billions of yen)	YoY change (%)	Change vs. plan (%)*
Dairy products	601.5	+0.2	+0.6	13.4	+0.3	(6.5)
Confectionery and healthcare	292.6	(0.1)	(2.4)	4.1	(6.0)	(24.7)
Pharmaceuticals	130.5	+2.3	+0.2	8.3	(2.0)	+17.1
<b>Total for reporting segments</b>	<b>1,024.7</b>	<b>+0.4</b>	<b>(0.3)</b>	<b>25.9</b>	<b>(1.5)</b>	<b>(4.0)</b>
Other	146.0	+3.7	(0.6)	3.3	(0.3)	+2.9
<b>Total</b>	<b>1,170.8</b>	<b>+0.8</b>	<b>(0.4)</b>	<b>29.3</b>	<b>(1.4)</b>	<b>(3.3)</b>
Adjustments	(56.7)	-	-	(0.4)	-	-
<b>Amount presented in income statement</b>	<b>1,114.0</b>	<b>+0.7</b>	<b>(0.5)</b>	<b>28.8</b>	<b>+0.3</b>	<b>(2.1)</b>

\* The plan announced on November 11, 2010

## Results for Dairy Products

Net sales			Operating income		
FY2010	YoY % change (value)	% change vs. plan	FY2010	YoY % change (value)	% change vs. plan
<b>601.5 billion yen</b>	<b>+0.2% (+1.4 billion yen)</b>	<b>+0.6%</b>	<b>13.4 billion yen</b>	<b>+0.3% (+0 billion yen)</b>	<b>(6.5%)</b>

## Points of FY2010 results

- ◆ Very firm until 3Q
  - Brisk sales of ice cream due to hot summer weather (increased by 9.3%)
  - Expanded sales of cheese, nutritional products (enteral formula), and other products
  - Increased sales of “Meiji Bulgaria Yogurt” in 2H (+2.5% YoY)
  - Sluggish sales of drinking milk (excluding “Meiji Oishii Gyunyu”), powdered milk, beverages, etc.
  - The large increase in sales promotion expenses were offset by a decrease in raw material costs and reduced advertising expenses
- ◆ The earthquake in 4Q put a sudden brake on growth in sales and operating income

### (3) Segment Information

(Fiscal 2010) **meiji**

#### Results for Dairy Products

◆ Sales of main products (value basis)

(Billions of yen)

	FY2009	FY2010	YoY change (%)	Change vs. plan (%)
Meiji Oishii Gyunyu	49.6	50.2	+1.2	(0.4)
Meiji Bulgaria Yogurt	66.5	66.6	+0.3	+1.0
Meiji Probio Yogurt LG21	35.2	32.9	(6.4)	(6.0)
Home delivery items	43.3	42.7	(1.4)	(1.6)
Meiji Hokkaido Tokachi Cheese	11.0	10.9	(0.3)	(1.4)
Meiji Essel Super Cup	17.1	17.7	+3.9	(1.7)
VAAM	7.6	7.6	+0.8	(3.9)

#### Results for Confectionery and Healthcare

Net sales			Operating income		
FY2010	YoY % change (value)	% change vs. plan	FY2010	YoY % change (value)	% change vs. plan
292.6 billion yen	-0.1% (-0.4 billion yen)	-2.4%	4.1 billion yen	-6.0% (-0.2 billion yen)	-24.7%

#### Points of FY2010 results

- ◆ The confectionery business picked up in November 2010, after languishing during the extremely hot summer
  - Steady sales of the mainstay product “Milk Chocolate”
  - Strong sales of “Meltykiss,” with expanded product variety
- ◆ In the healthcare business, “ISODINE UGAIGUSURI” faced stiff competition, while “SAVAS” and “Perfect Plus” performed well
- ◆ Amid soaring raw materials prices, the revenue/expenditure structure of the confectionery business improved as a result of efforts to cut costs (including advertising costs)
- ◆ The earthquake damaged plants and distribution centers, hurting both sales and income

#### Results for Pharmaceuticals

Net sales			Operating income		
FY2010	YoY % change (value)	% change vs. plan	FY2010	YoY % change (value)	% change vs. plan
130.5 billion yen	+2.3% (+2.9 billion yen)	+0.2%	8.3 billion yen	-2.0% (-0.1 billion yen)	+17.1%

#### Points of FY2010 results

- ◆ Achieved increase in sales despite impact of NHI drug price revisions (-6.3 billion yen)
  - Sales growth of two new drug products: “REFLEX” and “ORAPENEM”
  - The antibacterial drug “MEIACT” competed well, and generic drugs continued growing
- ◆ Growth in sales absorbed most of the impact of NHI drug price revisions
- ◆ Despite damage sustained in the earthquake, supply was uninterrupted thanks to a certain amount of inventory at our distribution warehouse and at wholesalers’. Thus, the earthquake had little impact on the results of the segment.



### 3. FY2010: Outline of Consolidated Financial Results

#### Operating Subsidiaries

(1) Meiji Seika

(2) Meiji Dairies

# (1) Meiji Seika: Outline of Financial Results



## 1) P&L Summary

	<b>FY2010 (billions of yen)</b>	<b>YoY change (billions of yen)</b>	<b>YoY change (%)</b>
<b>Net sales</b>	<b>418.1</b>	<b>+7.1</b>	<b>+1.7</b>
<b>Gross profit</b>	<b>172.7</b>	<b>+0.1</b>	<b>+0.1</b>
<b>SG&amp;A</b>	<b>161.4</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Operating income</b>	<b>11.2</b>	<b>+0.4</b>	<b>+3.8</b>
<b>Ordinary income</b>	<b>13.3</b>	<b>+2.3</b>	<b>+21.1</b>
<b>Net income</b>	<b>5.0</b>	<b>+0.2</b>	<b>+4.9</b>

# (1) Meiji Seika: Outline of Financial Results



## 2) Net Sales by Division

	<b>FY2010 (billions of yen)</b>	<b>Change from FY2009 (%)</b>
<b>Food &amp; Healthcare</b>	<b>292.2</b>	<b>(0.2)</b>
<b>Confectionery</b>	<b>139.2</b>	<b>(1.2)</b>
<b>Healthcare</b>	<b>46.8</b>	<b>(6.8)</b>
<b>Institutional Foodstuffs Overseas (incl. imports &amp; exports)</b>	<b>83.4</b>	<b>+6.7</b>
	<b>22.6</b>	<b>(3.0)</b>
<b>Pharmaceuticals</b>	<b>122.9</b>	<b>+6.6</b>
<b>Ethical Pharmaceuticals</b>	<b>103.1</b>	<b>+9.6</b>
<b>Agricultural Chemicals and Veterinary Drugs</b>	<b>19.8</b>	<b>(6.9)</b>
<b>Others</b>	<b>2.9</b>	<b>(4.3)</b>
<b>Total</b>	<b>418.1</b>	<b>+1.7</b>

# (1) Meiji Seika: Outline of Financial Results



## 3) Segment Information

(Billions of yen)

	Food & Healthcare			Pharmaceuticals		
	FY2010	FY2009	YoY change	FY2010	FY2009	YoY change
Net sales	292.2	292.6	(0.3)	122.9	115.3	+7.6
Operating income	4.1	4.4	(0.2)	7.6	7.2	+0.4
	Others			Total		
	FY2010	FY2009	YoY change	FY2010	FY2009	YoY change
Net sales	2.9	3.0	(0.1)	418.1	411.0	+7.1
Operating income	0.3	0.6	(0.2)	12.1	12.2	(0.1)

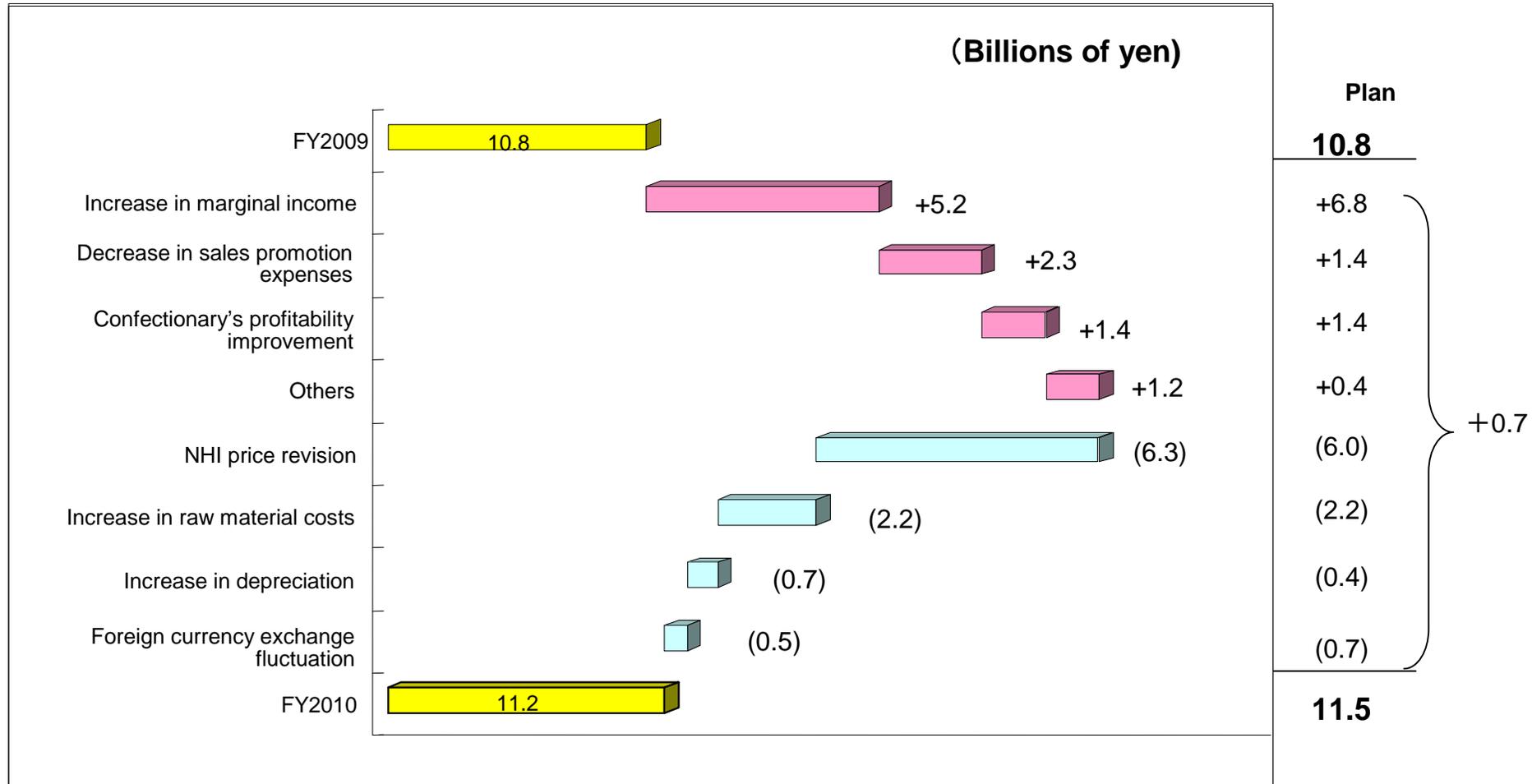
(Notes) 1. Net sales are presented in figures after adjustment for internal transactions within the Meiji Seika Group. Operating incomes are presented in figures before adjustment for internal transactions within the Meiji Seika Group.

2. "Others" corresponds to the previous "Office Building Leasing and Others" segment.

# (1) Meiji Seika: Outline of Financial Results



## 4) Factors behind Change in Operating Income



\* Operating incomes are presented in figures after elimination.

\*\* The plan announced on November 11, 2010

## (2) Meiji Dairies: Outline of Financial Results



### 1) P&L Summary

	FY2010 (billions of yen)	YoY change (billions of yen)	YoY change (%)
<b>Net sales</b>	<b>708.1</b>	<b>+3.6</b>	<b>+0.5</b>
<b>Gross profit</b>	<b>208.6</b>	<b>+9.0</b>	<b>+4.6</b>
<b>SG&amp;A</b>	<b>191.1</b>	<b>+9.2</b>	<b>+5.1</b>
<b>Operating income</b>	<b>17.4</b>	<b>(0.1)</b>	<b>(0.8)</b>
<b>Ordinary income</b>	<b>17.4</b>	<b>+0.1</b>	<b>+1.0</b>
<b>Net income</b>	<b>6.0</b>	<b>(2.3)</b>	<b>(28.0)</b>

\* Increase in amounts due to new consolidation: net sales +6.0 billion yen, gross profit +6.0 billion yen, SG&A +5.5 billion yen

## (2) Meiji Dairies: Outline of Financial Results



### 2) Net Sales by Division

	FY2010	YoY change (%)	YoY % change (volume basis)
<b>Meiji Dairies Total (non-consolidated basis) (1)</b>	<b>495.7</b>	<b>+0.7</b>	<b>-</b>
<b>Fresh dairy</b>	<b>288.7</b>	<b>(0.1)</b>	<b>+0.0</b>
(Drinking milk) (Note 1)	112.4	(1.5)	+0.0
(Yogurt)	111.3	+0.5	+1.5
<b>Processed milk products</b>	<b>82.7</b>	<b>(0.5)</b>	<b>+3.6</b>
(Powdered milk)	35.6	(7.5)	(5.6)
(Butter)	16.1	+3.7	+6.1
(Cheese)	29.8	+6.1	+12.6
<b>Ice cream</b>	<b>44.0</b>	<b>+9.3</b>	<b>+8.3</b>
<b>Beverages</b>	<b>20.8</b>	<b>(9.4)</b>	<b>(10.0)</b>
<b>Others (Note 2)</b>	<b>59.4</b>	<b>+4.3</b>	<b>-</b>
<b>Sales of consolidated subsidiaries (2)</b>	<b>353.7</b>	<b>(0.2)</b>	<b>-</b>
<b>Consolidation elimination (3)</b>	<b>(141.3)</b>	<b>(0.6)</b>	<b>-</b>
<b>Total (1)+(2)+(3)</b>	<b>708.1</b>	<b>+0.5</b>	<b>-</b>

(Notes) 1. Figures of drinking milk represent the total of pasteurized milk, processed milk and milk beverages.

2. "Others" includes nutritional products, frozen food, margarine, etc.

## (2) Meiji Dairies: Outline of Financial Results



### 3) Segment Information

(Billions of yen)

	Food			Others			Total		
	FY2010	FY2009	YoY change	FY2010	FY2009	YoY change	FY2010	FY2009	YoY change
Net sales	601.5	600.0	+1.4	148.7	146.6	+2.0	750.3	746.7	+3.5
Operating income	13.4	13.4	+0	3.6	4.0	(0.3)	17.1	17.4	(0.2)

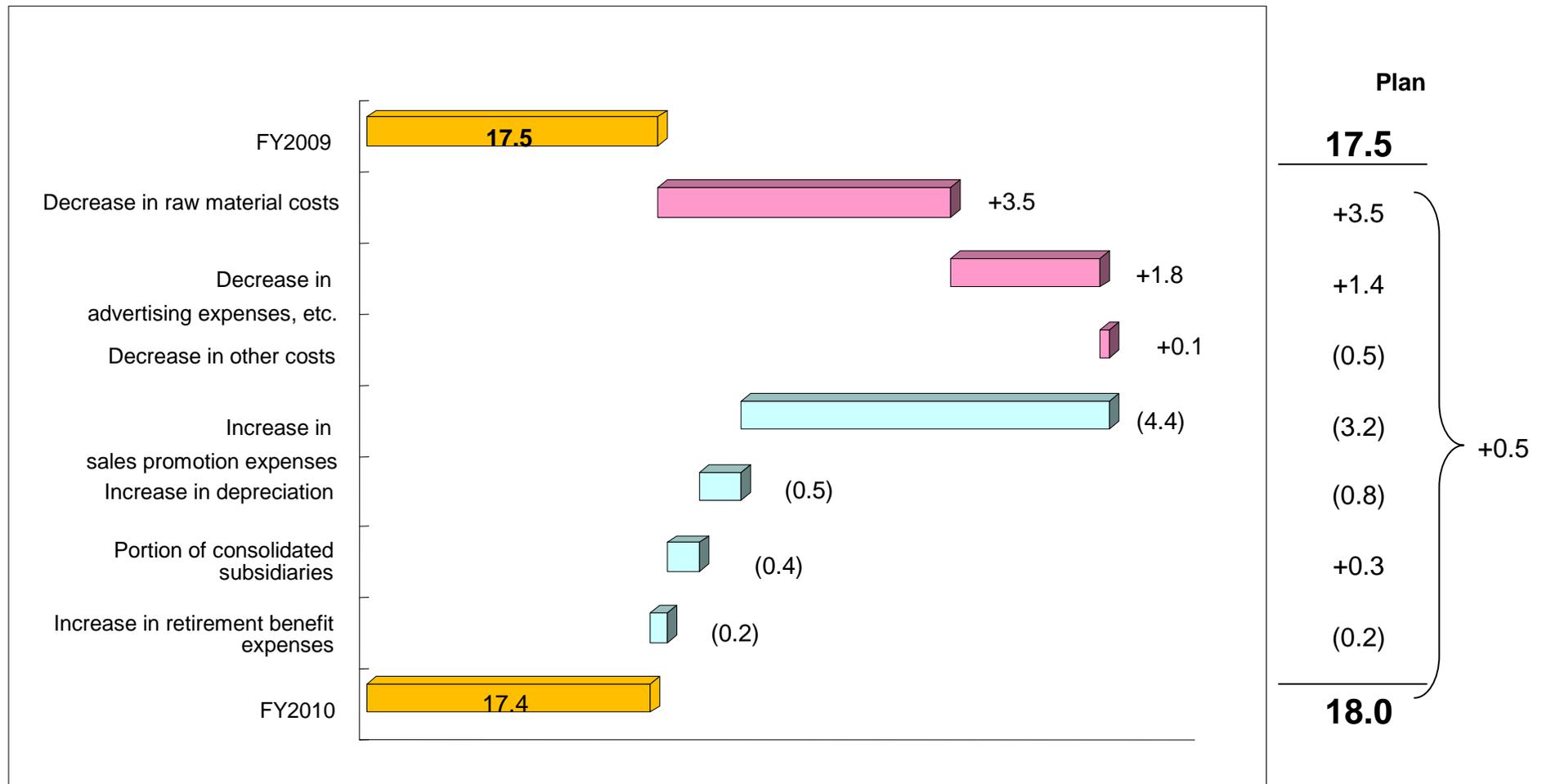
(Notes)

1. The above figures are before adjustment for internal transactions within the Meiji Dairies Group.
2. "Others" corresponds to the previous "Services and other" segment.

## (2) Meiji Dairies: Outline of Financial Results



### 4) Factors behind Change in Operating Income



\*The above figures are after adjustment for internal transactions within the Meiji Dairies Group.

\*\* Plan values as announced on November 11, 2010



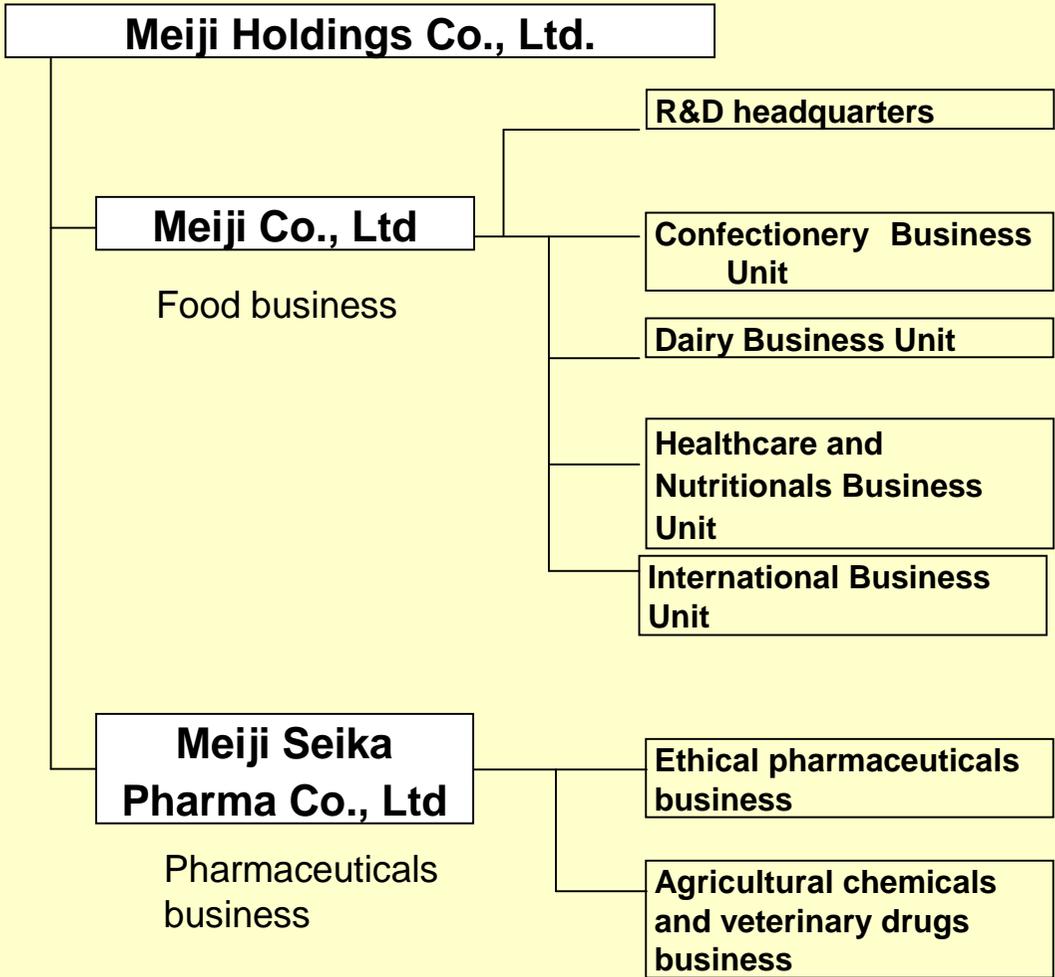
## 4. FY2011: Consolidated Financial Forecast

- (1) Our New Group Management Structure and New Segmentation
- (2) Meiji Group Management Policy
- (3) Revised Consolidated Financial Forecast
- (4) Consolidated Financial Forecast
- (5) Strategies by Segment

# (1) Our New Group Management Structure and New Segments



“The Second Founding of the Meiji Group”



Confectioneries, ice cream, sweets, etc.

Milk, yogurt, cheese, cream, etc.

Sports nutrition, functional foods, infant formula, enteral formula, OTC drugs, etc.

Overseas business (dairy products, confectionery, healthcare & nutritionals businesses)

Anti-infective drugs, drugs for central nervous system disorders, and generic drugs

Agricultural chemicals and veterinary drugs

# (1) Our New Group Management Structure and New Segmentation



## New segmentation

(From year ending March 2012)

### Previous segmentation

(Years ended March 2010 and 2011)

#### Confectionery and Healthcare Segment

Confectioneries, sugar, corn sweeteners, overseas business, healthcare products (Amino Collagen, etc), OTC drugs (ISODINE UGAIGUSURI, etc.), management of sports clubs

#### Dairy Products Segment

Fresh dairy (drinking milk, yogurt, etc.), powdered milk (infant formula, etc.), butter, cheese, ice cream, beverages, nutritional products (enteral formula, VAAM, etc.), livestock products, etc.

#### Pharmaceuticals

Ethical pharmaceuticals, agricultural chemicals, veterinary drugs

Includes pharmaceuticals business of the former Meiji Dairies\*1

#### Others

Feedstuffs, transportation, storage, mechanical engineering services, restaurants, insurance agencies, leasing, etc.

Real estate\*2

### Food Segment = Meiji Co., Ltd.

#### Confectionery Business Unit

Manufacturing and sale of confectioneries, ice cream, sugar, corn sweeteners, etc.

#### Dairy Business Unit

Manufacturing and sale of fresh dairy, whole milk, skim milk, condensed milk, butter, cheese, beverages, etc.

#### Healthcare and Nutritionals Business Unit

Manufacturing and sale of healthcare and nutritional products, OTC drugs, etc.

#### Others

Overseas, feedstuffs, livestock products, transportation, mechanical engineering services, restaurants, insurance agencies, leasing, real estate, etc.

### Pharmaceuticals Segment = Meiji Seika Pharma Co., Ltd.

Ethical pharmaceuticals, agricultural chemicals, veterinary drugs, etc.

\*1 The former Meiji Dairies' pharmaceuticals business, which had been included in the "Pharmaceuticals Segment" before the reorganization, is now included in the Healthcare & Nutritionals Business Unit of Meiji Co., Ltd.

\*2 The former Meiji Seika real estate business is not included in segment information due to changes in accounting arrangements.

## FY 2011 Meiji Group Management Policy

1. Promote growth strategies under the new structure
2. Strengthen groupwide management
3. Promote enhanced organizational vitality groupwide, and thoroughly implement CSR initiatives
4. Quickly recover from delays resulting from the earthquake  
(Downward revision of targets from the initial plan)

# (3) Revised Consolidated Financial Forecast (FY2011) **meiji**

## 1) Impacts of the Earthquake (Focused on the fresh dairy unit)

Mainly in the Tohoku and Kanto areas

	Details
Production and shipping operations	Already resumed operation, except for the Tohoku Plant, which will partially resume operations in late May.
Rolling blackouts (until before Golden Week)	All the main plants were affected. Extensive damage (particularly to yogurt operations).
Electric power supply conditions, etc.	Responded by cutting electricity use by 25% (including through in-house generation). Possibility of power shortages during summer peak.
Raw materials supplies	Supplies still restricted in April and May. Almost normal availability in June.
In-store share (sales quantity & displayed variety)	Large impact immediately after the earthquake. Putting all efforts into recovering our position.
Campaign celebrating the new Meiji Co., Ltd.	Meiji Fair, slated for April and May, was cancelled due to the emergency situation.

# (3) Revised Consolidated Financial Forecast (FY2011)



## 2) FY2011 plan, taking into account earthquake impacts

(Billions of yen)

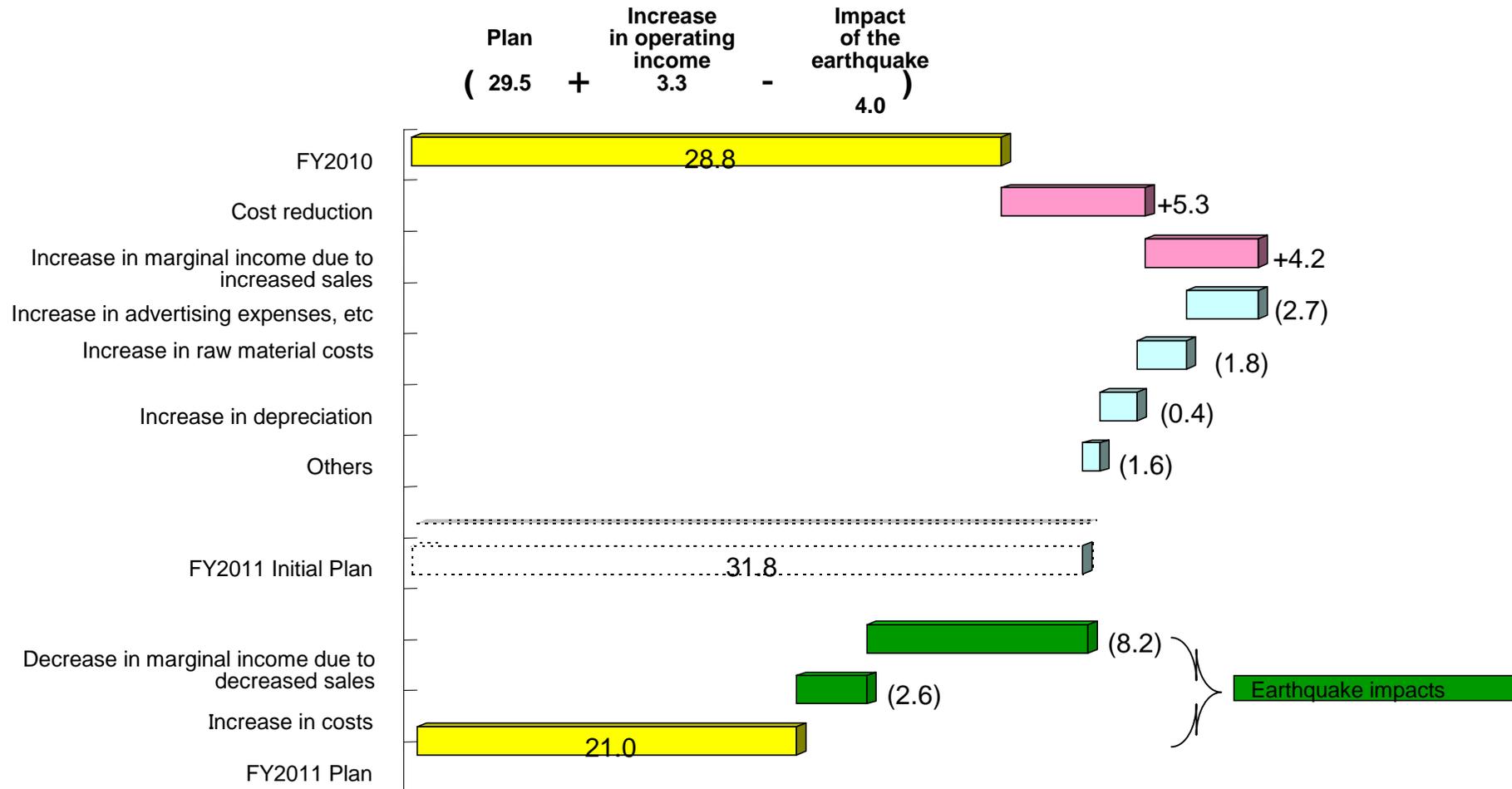
	Net sales	Operating income	Ordinary income	Net income
Initial plan	1,130.8	31.8	33.0	15.3
FY2011 plan	1,093.0	21.0	22.0	10.0
YoY change	(37.8)	(10.8)	(11.0)	(5.3)

	Net sales			Operating income		
	Plan	Shortfall	1H portion	Plan	Shortfall	1H portion
(1) Food	980.0	(35.5)	(32.8)	13.8	(10.6)	(7.3)
Dairy	575.5	(25.7)	(23.5)	6.0	(7.9)	(6.5)
Confectionery	293.2	(3.0)	(3.0)	3.6	(0.5)	(0.4)
Healthcare and Nutritional	133.5	(4.4)	(4.4)	3.8	(1.6)	(1.0)
Others	169.7	(2.4)	(1.9)	0.5	(0.4)	0
(2) Pharmaceuticals	125.8	(2.0)	(2.0)	6.8	(0.5)	(0.5)
(3) Amount presented in income statement	1,093.0	(37.8)	(35.5)	21.0	(10.8)	(7.8)

(Notes) 1. The figures included in the initial plan do not factor in the impacts of the earthquake. 2. In the food segment, a breakdown by unit is provided. 3. Figures in (1) and (2) are before adjustments for internal transactions, but ones in (3) are after the adjustment.

# (3) Revised Consolidated Financial Forecast (FY2011) **meiji**

## 3) Downward revision of operating income



• Some parts of this table, published on May 12, have been revised (“Depreciation,” “Others”). (Filed at Tokyo Stock Exchange on May 23)

# (4) Outlook for Consolidated Financial Results (FY2011)



## 1) Performance plan for FY2011

(Billions of yen)

	Net sales	Operating income	Ordinary income	Net income
<b>FY2011 (Plan)</b>	<b>1,093.0</b>	<b>21.0</b>	<b>22.0</b>	<b>10.0</b>
<b>FY2010 (Results)</b>	<b>1,114.0</b>	<b>28.8</b>	<b>30.4</b>	<b>9.5</b>
<b>YoY change (value)</b>	<b>(21.0)</b>	<b>(7.8)</b>	<b>(8.4)</b>	<b>+0.4</b>
<b>YoY change (%)</b>	<b>(1.9)</b>	<b>(27.3)</b>	<b>(27.8)</b>	<b>+4.7</b>

## 2) Dividends

(Record date)	Dividends per share			Payout ratio (Consolidated)
	Interim	Year-end	Annual	
<b>Year ending March 2012</b>	<b>40.00 yen</b>	<b>40.00 yen</b>	<b>80.00 yen</b>	<b>58.9 %</b>

# (4) Consolidated Financial Forecast

(FY2011) **meiji**

## 2) Breakdown of performance targets

(Billions of yen)

FY2010		Net sales	Operating income	Ordinary income	Net income	FY2011		Net sales	Operating income	Ordinary income	Net income
1H	Results	561.3	17.5	19.1	9.3	1H	Plan	527.0	5.5	7.0	2.0
	1H FY2009	555.3	13.5	13.4	5.4		1H FY2010	561.3	17.5	19.1	9.3
	YoY Change	+6.0	+3.9	+5.7	+3.9		YoY Change	(34.3)	(12.0)	(12.1)	(7.3)
2H	Results	552.7	11.3	11.2	0.2	2H	Plan	566.0	15.5	15.0	8.0
	2H FY2009	551.3	15.2	14.8	7.6		2H FY2010	552.7	11.3	11.2	0.2
	YoY Change	+1.4	(3.8)	(3.6)	(7.4)		YoY Change	+13.2	+4.1	+3.7	+7.8
Full year	Results	1,114.0	28.8	30.4	9.5	Full year	Plan	1,093.0	21.0	22.0	10.0
	FY2009	1,106.6	28.7	28.3	13.0		FY2010	1,114.0	28.8	30.4	9.5
	YoY Change	+7.4	+0	+2.1	(3.5)		YoY Change	(21.0)	(7.8)	(8.4)	+0.4

### 3) Notes

1. The impact of the Great East Japan Earthquake was significant, with extensive damage.
2. Revisions to the initial plan had to be made quickly
3. Therefore, we could not complete the revision of the figures for each business because of many variables
4. We will focus on recovery of the Fresh Dairy Business, and initiatives are scheduled as follows:
  - 1) 1Q: Recovery phase for lost regions
  - 2) 2Q: Solidification phase
  - 3) 2H onwards: Resumption of normal operations phase
5. Therefore, it may be necessary to revise the plan at the end of 1Q or 2Q

## 1) Dairy

1. Achieve quick recovery in 1H
2. Implement activities focused on countering competitors' tactics
3. Expand priority brands and boost their market share (Meiji Oishii Gyunyu, Meiji Bulgaria, Meiji Probio, Meiji Tokachi, Meiji Fresh Cream Ajiwai, etc.)
4. Achieve structural reforms (reform of costs and affiliated wholesalers)

Milk



Yogurt



Cheese



Products for professional use



etc.

## 2) Confectionery

1. Further expand market share to become overwhelming No.1 in chocolate. Actively develop chewing gum and gummy market.
2. Strengthen and expand the dessert business (ice cream & sweets) and the industrial use chocolate and cocoa-powder business by leveraging the expanded range of businesses.
3. Thoroughly reform the revenue and expenditures structure

Chocolate



Chewing gum



Gummy



Chilled, and frozen  
dessert



etc.

### 3) Healthcare and Nutritionals

1. Expand mainstay brands and strengthen profitability (Amino Collagen, ISODINE, Raku Raku Cube, Mei Balance, etc.)
2. Build and execute a unified strategy for sports nutrition category through SAVAS and VAAM

#### Existing businesses to be strengthened

Infant formula



Sports nutrition



Beauty supplement



Enteral formula



OTC



etc.

#### New businesses to be developed

- Foods for toddlers
- Foods for active seniors
- Foods for people with certain diseases, nursing care foods, etc.

## 4) International

1. Expand business and improve and strengthen profitability, focusing on China, Southeast Asia and the U.S.A.
2. Promote cooperation among overseas subsidiaries and integration of their strategies to strengthen the Meiji brand

### 【Press Releases】

4/27 A Notice Regarding Meiji Co., Ltd.'s Establishment of the New Company "Meiji Dairies (Suzhou) Co., Ltd." in China  
 5/19 Creation of five year plan for Meiji Co., Ltd.'s affiliate CP-MEIJL, and execution of production structure development based on that plan

	China	Southeast Asia	USA
Businesses to be strengthened	Confectionery, Ice cream Infant formula, Healthcare products	Confectionery, Dairy products, Infant formula, Healthcare products	Confectionery
Planned market (2020Vision)	Dairy products	Ice cream	Healthcare products

## ■ (5) Policies by Segment: Pharmaceuticals (FY2011) **meiji**

### Pharmaceuticals

1. Implement domestic growth strategies, focusing on expanding sales for new products and generic drugs
2. Enter new markets and actively expand promising overseas businesses
3. Continually seek alliances, and strengthen portfolio, thereby developing a stronger business foundation
4. In agricultural chemicals and veterinary drugs, maximize new product sales and enhance cost competitiveness
5. Enhance the production system for thorough cost reductions and the reliability assurance structure.

#### 【Press Releases】

- 1/27 Contract signed with Fresenius Kabi on generic anticancer drugs
- 3/14 Signed licensing agreement for Ziprasidone, therapeutic drug for treating schizophrenia
- 4/5 Launched sale of the liquid formula “ZAXA” non-selective foliar herbicide

# (6) Capital Expenditures, Depreciation, R&D Expenses **meiji** (FY2011)

(Billions of yen)

	FY2009	FY2010	FY2011 Plan	FY2011			Notes
				(Food)	(Pharma- ceuticals)	Elimination or corporate	
<b>Capital expenditures</b>	<b>30.5</b>	<b>38.5</b>	<b>33.9</b>	<b>27.7</b>	<b>6.2</b>	-	Cash basis (including leases)
<b>Depreciation</b>	<b>37.6</b>	<b>39.0</b>	<b>39.4</b>	<b>32.7</b>	<b>5.4</b>	<b>1.3</b>	Property, plant and equipment (including leases)
<b>R&amp;D expenses</b>	<b>22.7</b>	<b>23.4</b>	<b>23.7</b>	<b>11.2</b>	<b>12.5</b>	-	

\* Some parts of this table, published on May 12, have been revised (“Depreciation,” “Others”).  
(Filed at Tokyo Stock Exchange on May 23)

## (Reference) Main capital expenditures in FY2011 Medium-Term Business Plan

<b>Food</b>	Kansai new margarine plant, Kansai Ice Cream Plant, new building at the Osaka Plant
<b>Pharmaceuticals</b>	Manufacturing equipment for P.T. Meiji Indonesian Pharmaceutical Industries

## **Solid progress in Meiji Group reorganization activities**

September 2008: Meiji Holdings structure worked out

April 2009: Shift to new management structure

September 2010: “Meiji Group 2020 Vision”  
announced, and reorganization into  
Meiji Co., Ltd. and Meiji Seika Pharma  
worked out

April 2011: Shift to new management structure

## **Two major events**

September 2008: Lehman Shock

March 2011: Great East Japan Earthquake

## **Towards achieving our “2020 Vision”**



- The forward-looking statements described in this material, such as business forecasts, are based on information available at the time of the release of this presentation and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factor.
- Although this material includes information concerning pharmaceutical products (including those currently under development), such descriptions are not intended to advertise the products or provide any medical advice.

