



Financial Results

- For the First Half of FYE March 2015 -

November 18, 2014

Meiji Holdings Co., Ltd.

1. FYE March 2015 Progress
2. Strategies by Segment
3. Realizing the 2020 Vision

- Business forecasts and other forward-looking statements 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 factors.
- 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.
- Initial forecasts were announced on May 13, 2014. Revised forecasts were announced on November 5, 2014.

Medium-Term Management Plan

TAKE OFF 14

Basic policies

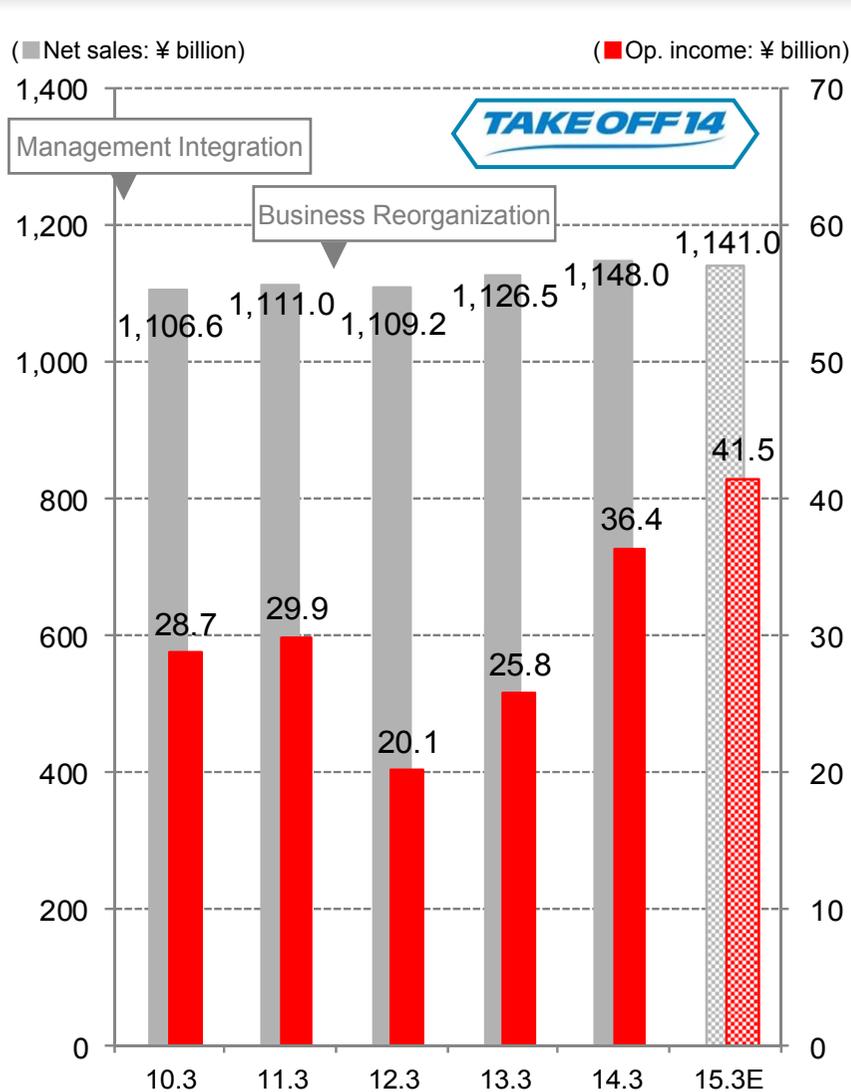
Higher profitability and strategic investments for future growth

1. Strengthen and expand existing businesses
(growth and priority businesses)
2. Foster growth businesses
(new and international businesses)
3. Improve profitability

Targets

	FYE March 2015 (Initial targets as of May 2012)
Net sales	1.19 trillion yen
Op. income	40.0 billion yen
ROE	7%

HD FYE March 2015: Full-year Plan Revisions to Reflect H1 Results **meiji**



(¥ billion)

"Higher Profitability"	(Full-year)	Initial Plan	Revised Plan
	Net sales	1,140.0	1,141.0
	Op. income	37.5	41.5
	Food	30.0	34.0
	Pharma	7.6	7.6
	Op. income ratio	3.3%	3.6%
	Net income	21.5	26.5
ROE	6.6%	8.0%	

"Strategic Investments"	(Full-year)	Initial Plan	Revised Plan
	CAPEX	55.0	55.0
	Depreciation and amortization	42.1	42.1
	R&D expenses	24.7	24.7
	Free cash flows	-4.6	2.8
	Interest bearing debt	208.0	200.5

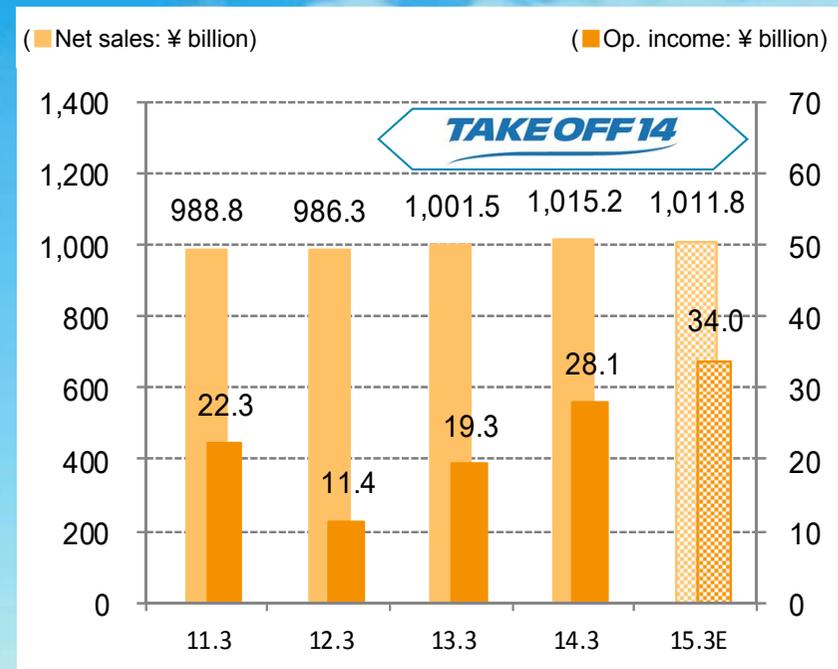
Not included above

Projected investment amount for Medreich buyout **\$ 290 million**

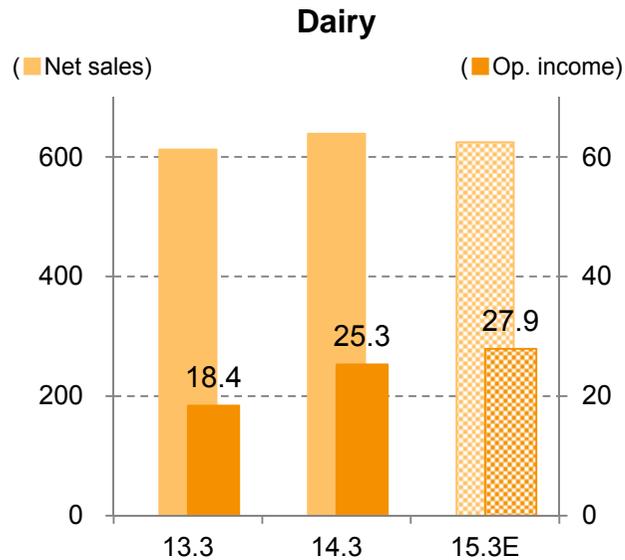
Food

Key Points of Strategies

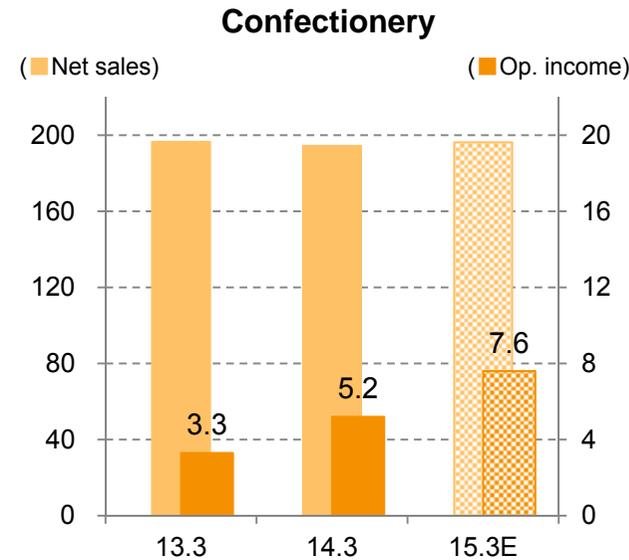
- Continue structural reforms and cost reductions
- Improve competitiveness of our priority businesses
- Foster growth businesses



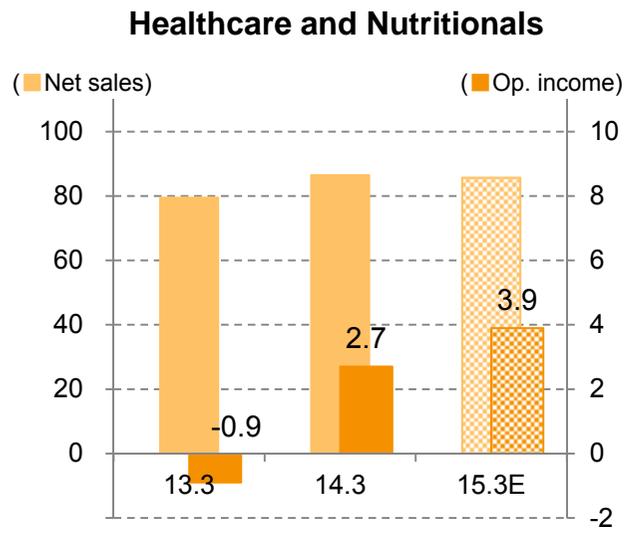
(¥ billion)



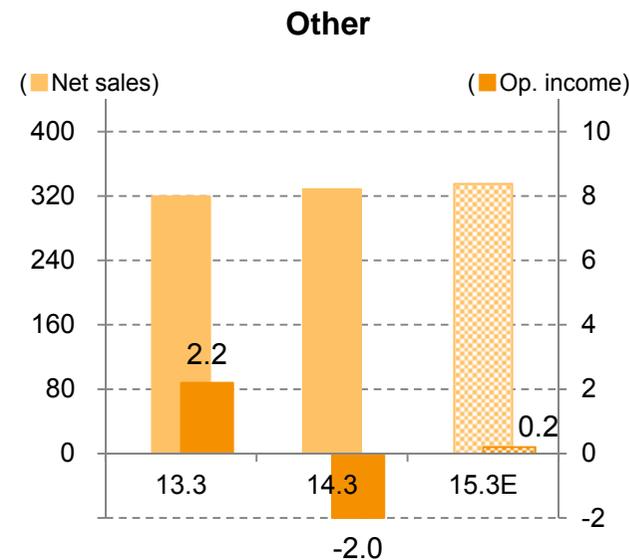
- Probiotics yogurt favorable
- Progress with structural reforms



- Chocolate favorable
- Improving business efficiency

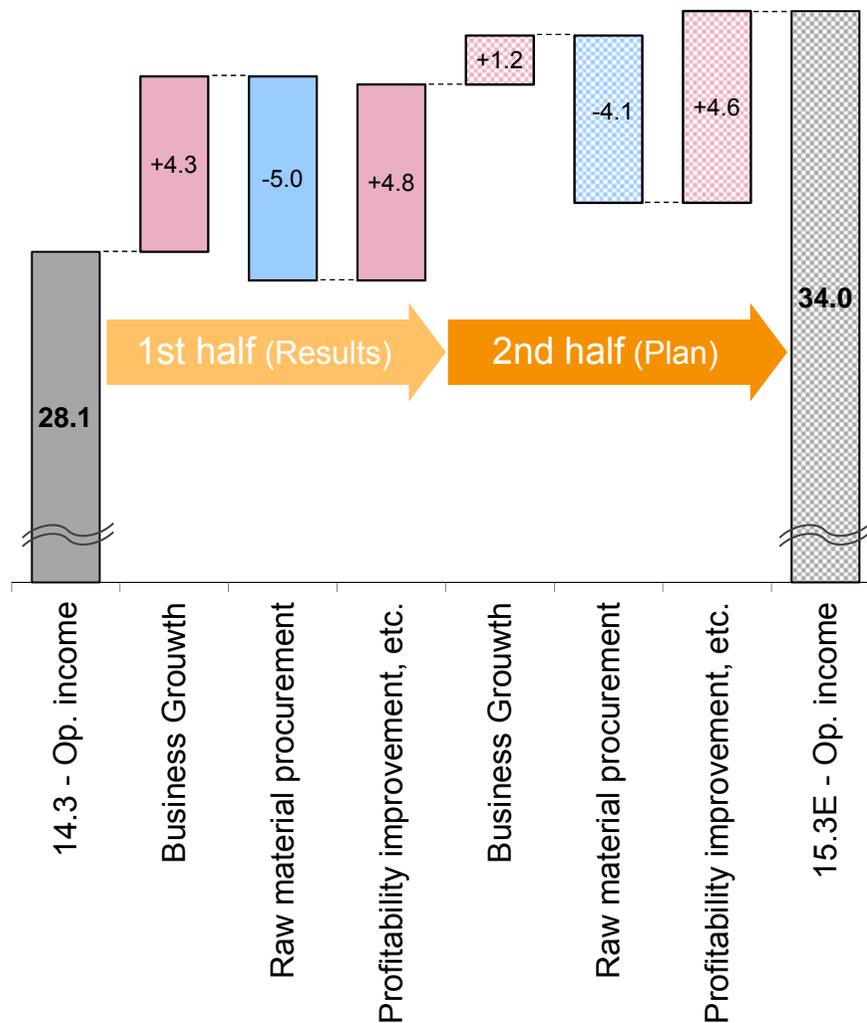


- Nutritional products favorable despite reverse effect of last-minute demand rush



- Revised forecast to reflect profit following sale of real estate

Changes in Operating Income

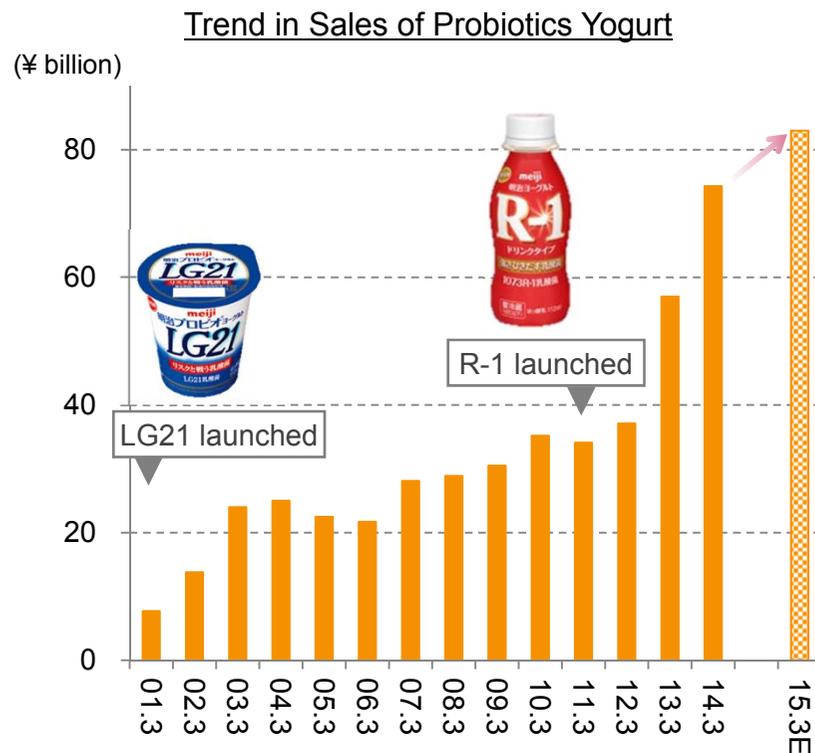


- Raw material costs are the biggest factor in declining profit margin

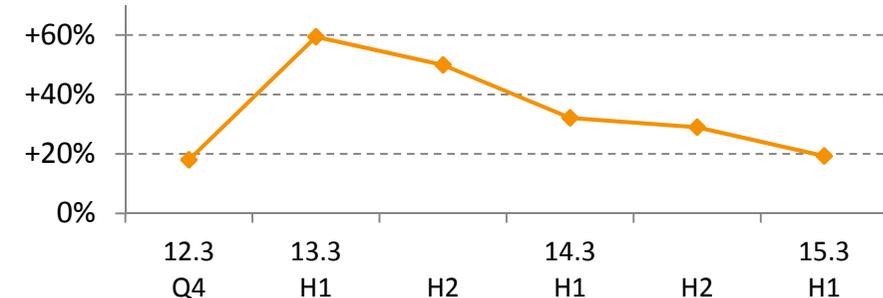
(¥ billion)

	Initial Plan	Results	(Breakdown)
H1	7.0	5.0	Dairy: 3.8 Confectionery: 0.5 Healthcare & Nutritionals: 0.6
H2	4.1	—	

- Earn a profit from favorable mainstay products
- Progress with structural reforms and cost reductions

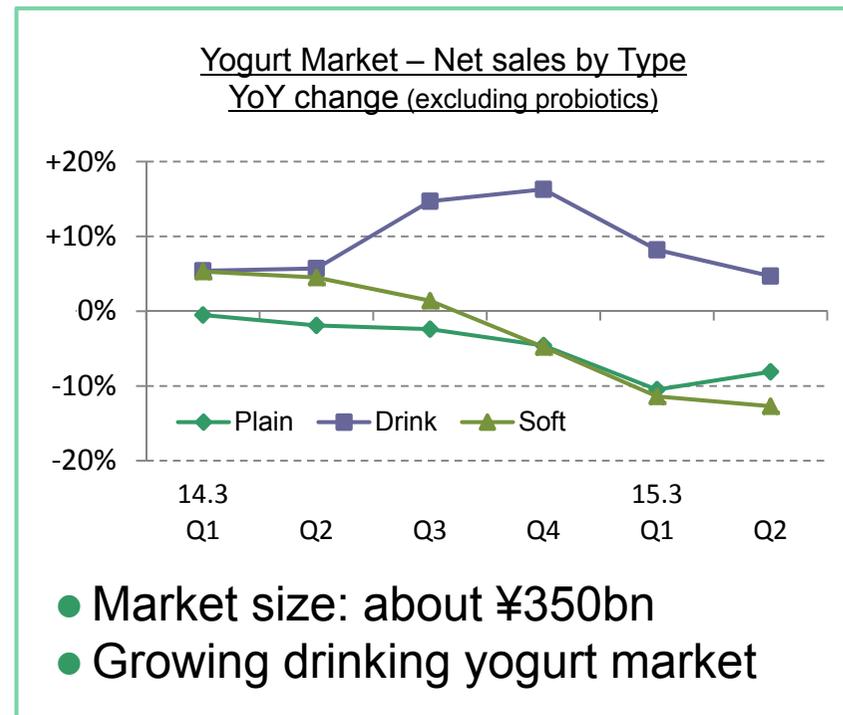
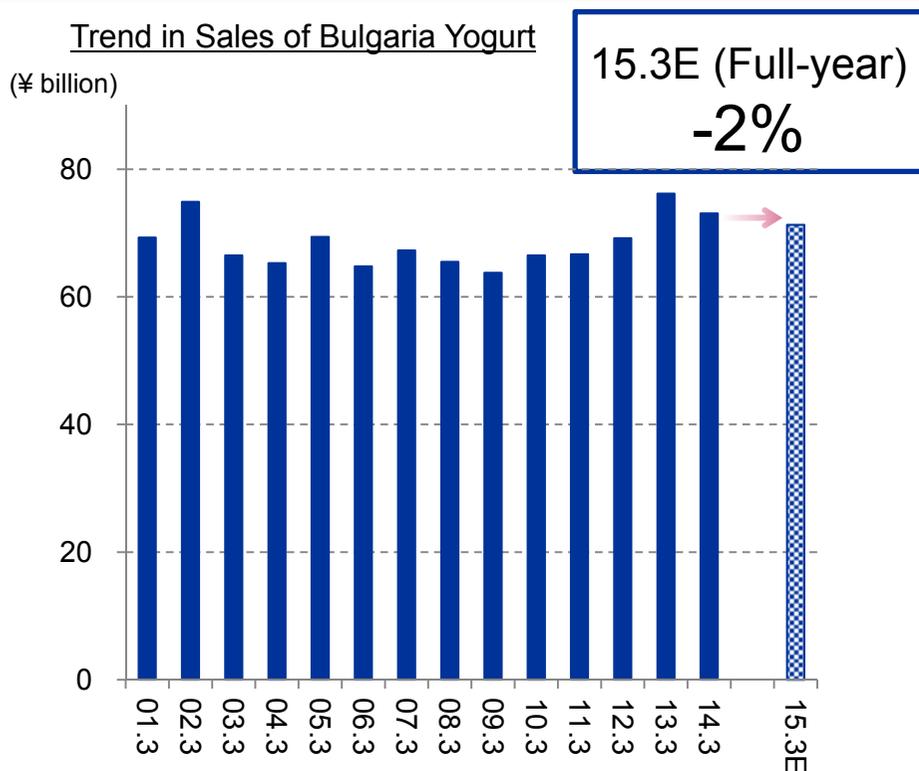


YoY changes



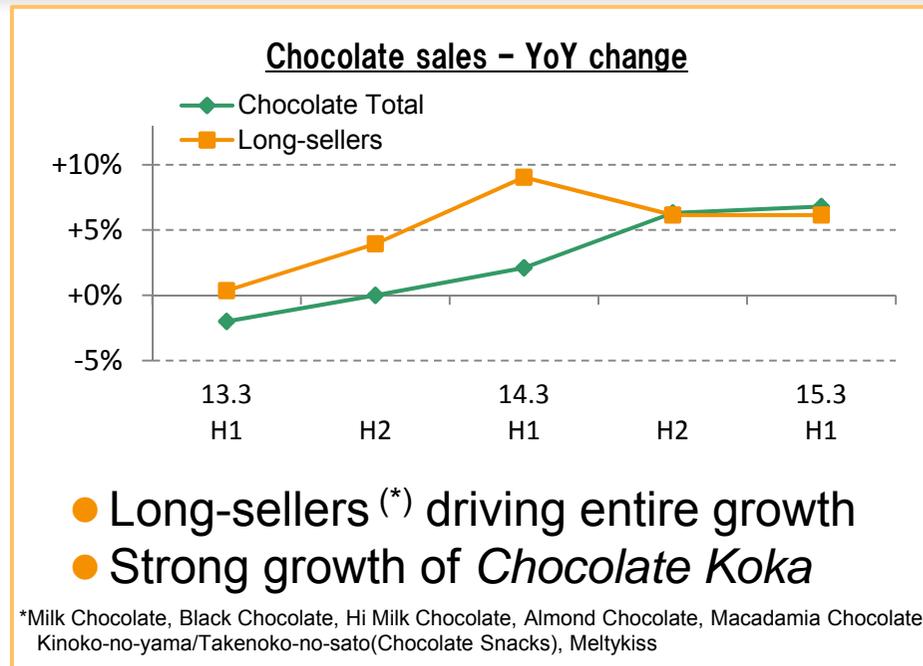
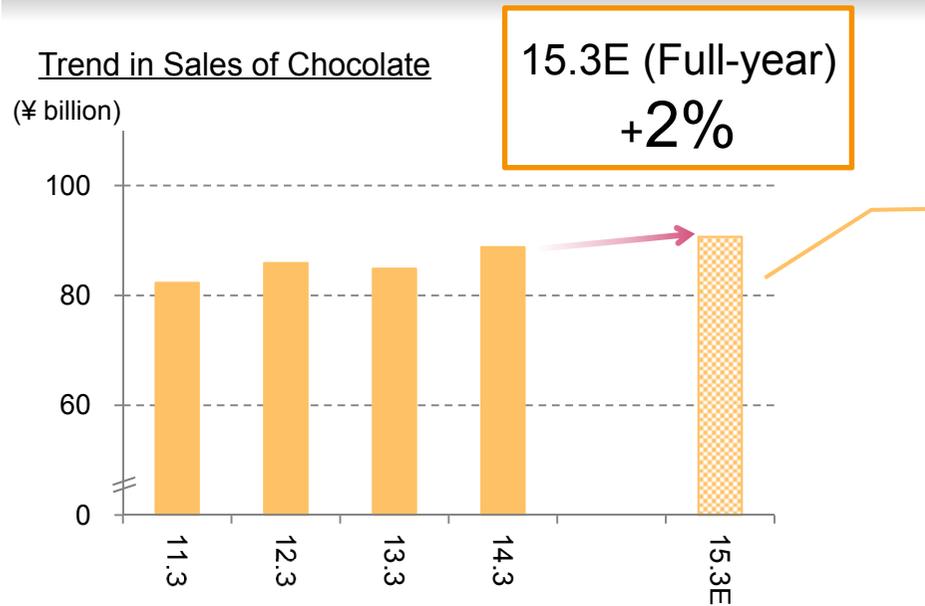
Meiji Yogurt R-1 Drink Low Sugar/Low Calorie (Left)
Meiji Yogurt R-1 Low Fat (Right)

- Favorable growth after rapid expansion
- Expand on R-1 product lineup
- Expand production capacity
 - Moriya / Kyoto Plants (cup type)
 - New Aichi Plant (drink type)

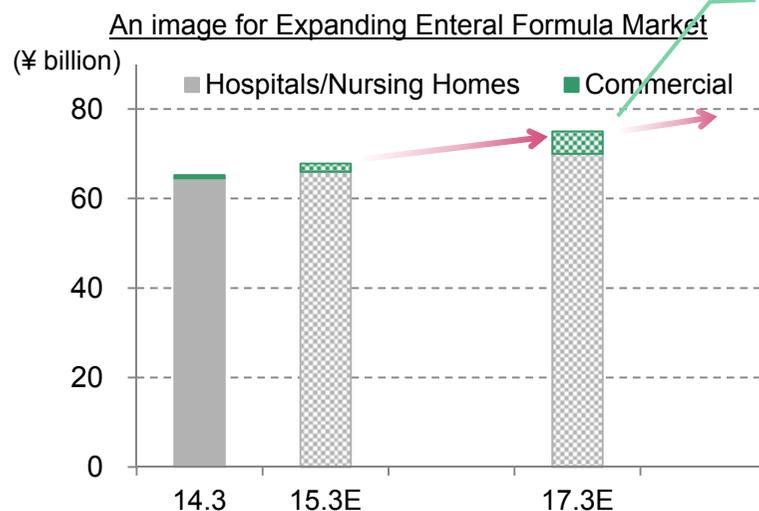


Meiji Bulgaria Yogurt Drink (Left)
Meiji Bulgaria Yogurt (Right)

- Further expand favorable drinking yogurt
- Regain sales of plain yogurt by promoting its health value



- Reduce number of new product SKU to reduce cost
- Grow chocolate market capturing consumers' health consciousness
- Utilize our strengths to provide high value-added products



- Promising markets
- Utilize our strengths to win No. 1 share
 - Nutritional engineering technology
 - Wide variety of product lineup for various clinical conditions/ administration routes
 - Meiji brand



Meiji Me Balance series

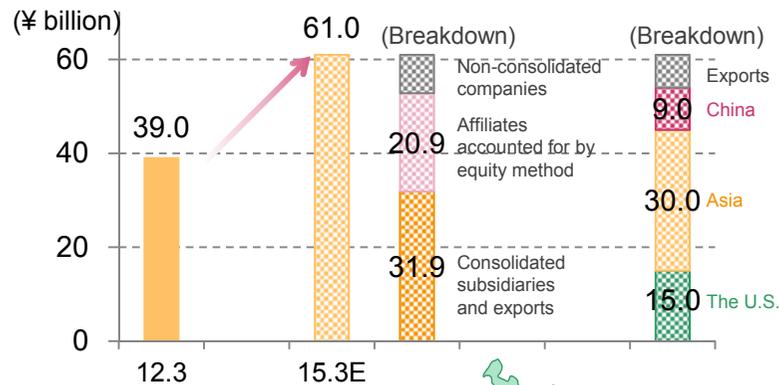
- Meiji Me Balance Mini Cup, newly-marketed
- New plant started operation in August 2014

Established production bases both in eastern and western Japan for stable supply

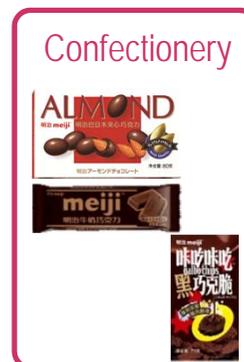
New plant in western Japan



Total Sales of Overseas business



- Yogurt sales favorable
- Increase amount of distribution through mass retailers and convenience stores
- Gradually expand sales area
- Expand sales and turn profitable



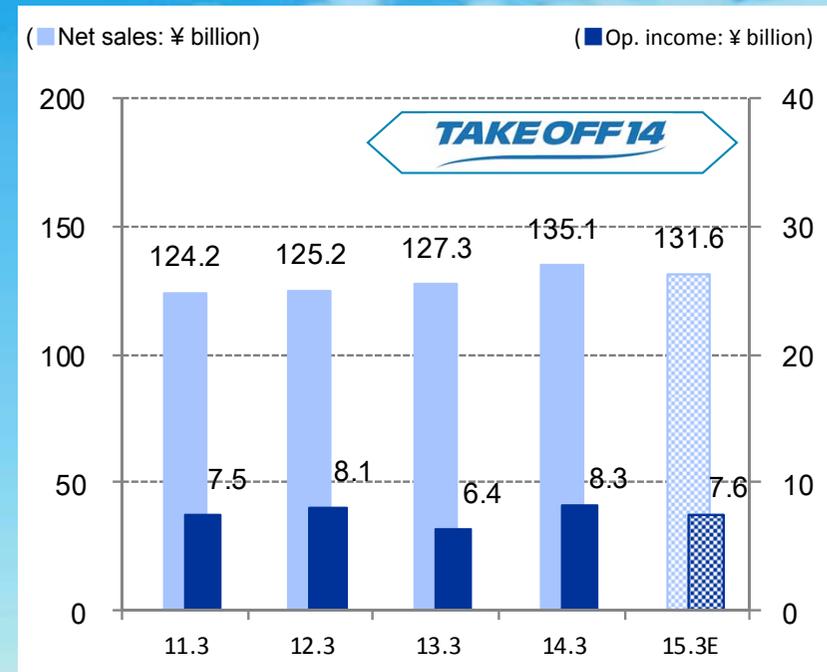
- FYE March 2015 – Achieve operating income in black
- Mainstay chocolate and chocolate snacks favorable
- Expand sales routes and exports



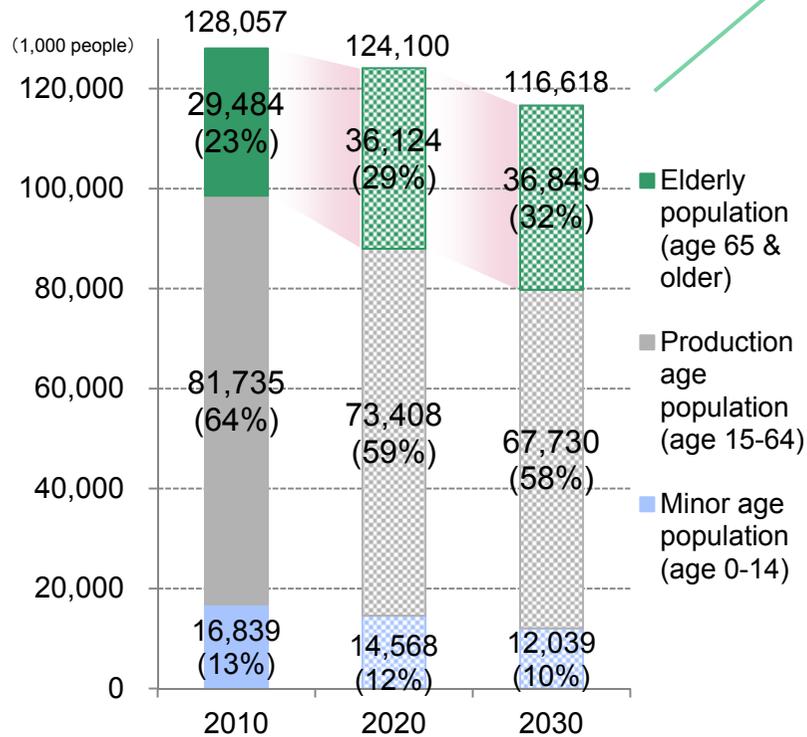
Pharma

Key Points of Strategies

- Grow domestic pharmaceuticals business
- Expand “Specialty & Generics” strategy globally



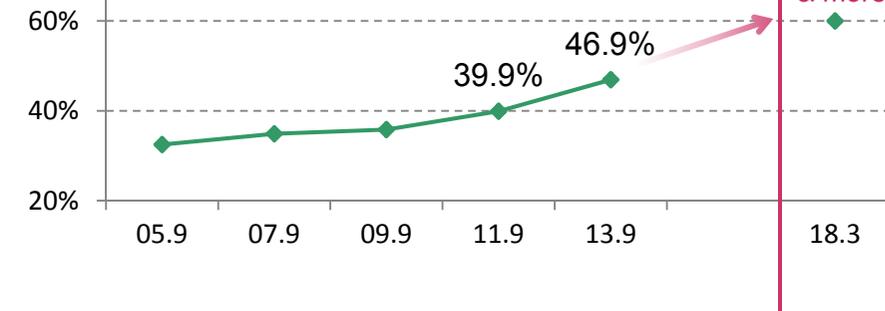
Future Population Estimates (as of Jan. 2012)



(Source: National Institute of Population and Social Security Research, median birth/death statistics)

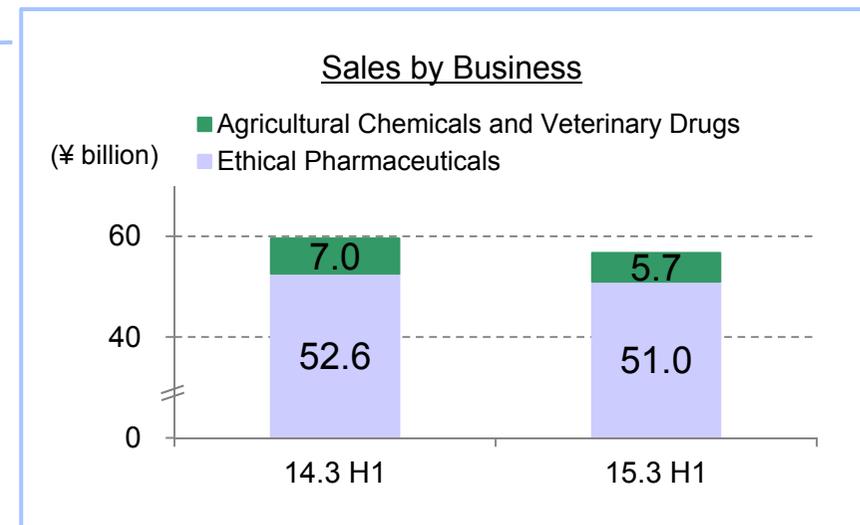
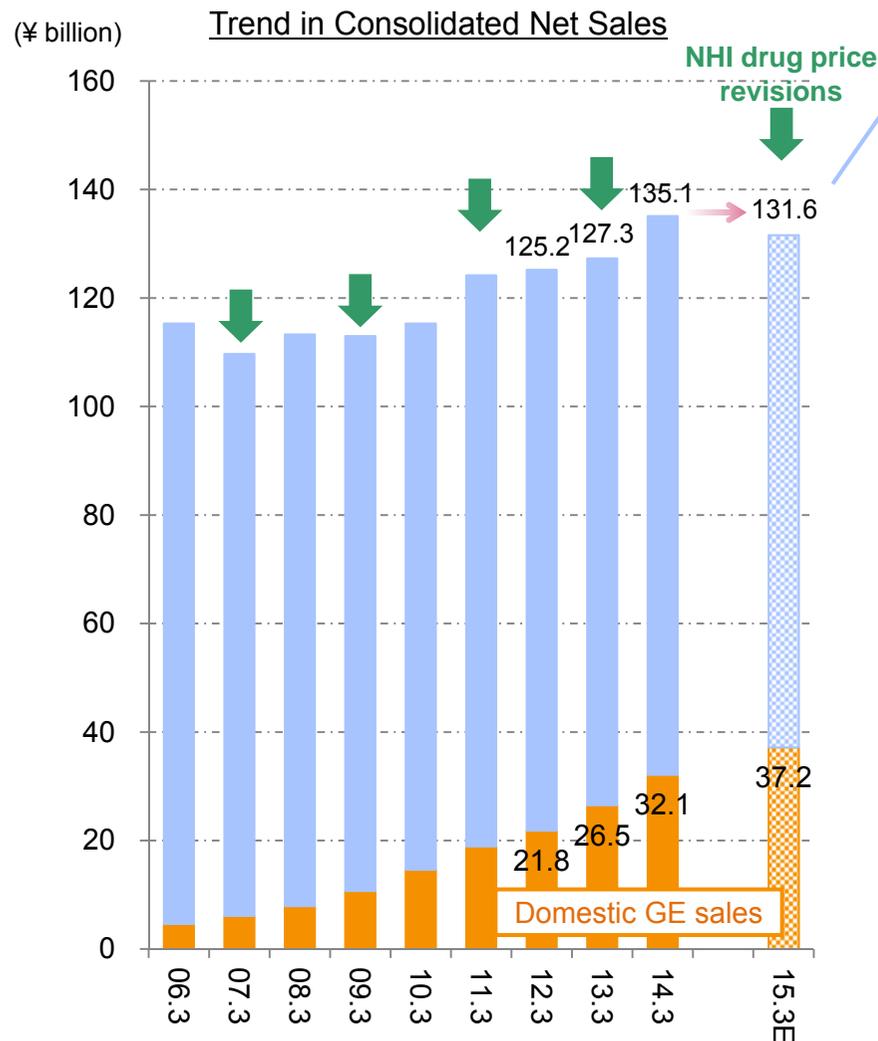
- The number of elderly will grow despite decline in total population.
- The number of prescriptions are expected to increase. Need to be prepared for increasing demand.

GE share of domestic pharmaceutical market (volume-based)



(Source: Ministry of Health, Labour and Welfare website)

- Generic drug (GE) market will grow rapidly and the price competition will become fierce.



- Increase sales of REFLEX and ORAPENEM - Products applicable for new drug premium
- Adopt practices for new drugs to GE: quality assurance, stable supply, and information provision
- Low-cost operations utilizing domestic and international bases

— Background —

— Aim and benefit of Medreich buyout —

GE business is expected to grow significantly but faces global pricing and cost competition

Overseas

Low production costs and major production capacity

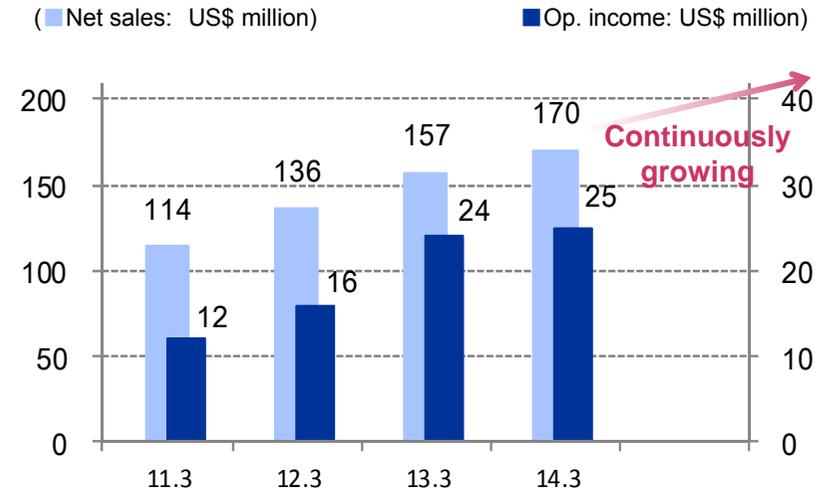
Contract development and manufacturing from major pharmaceutical companies

GE sales network in UK, Australia, India, Africa, etc.

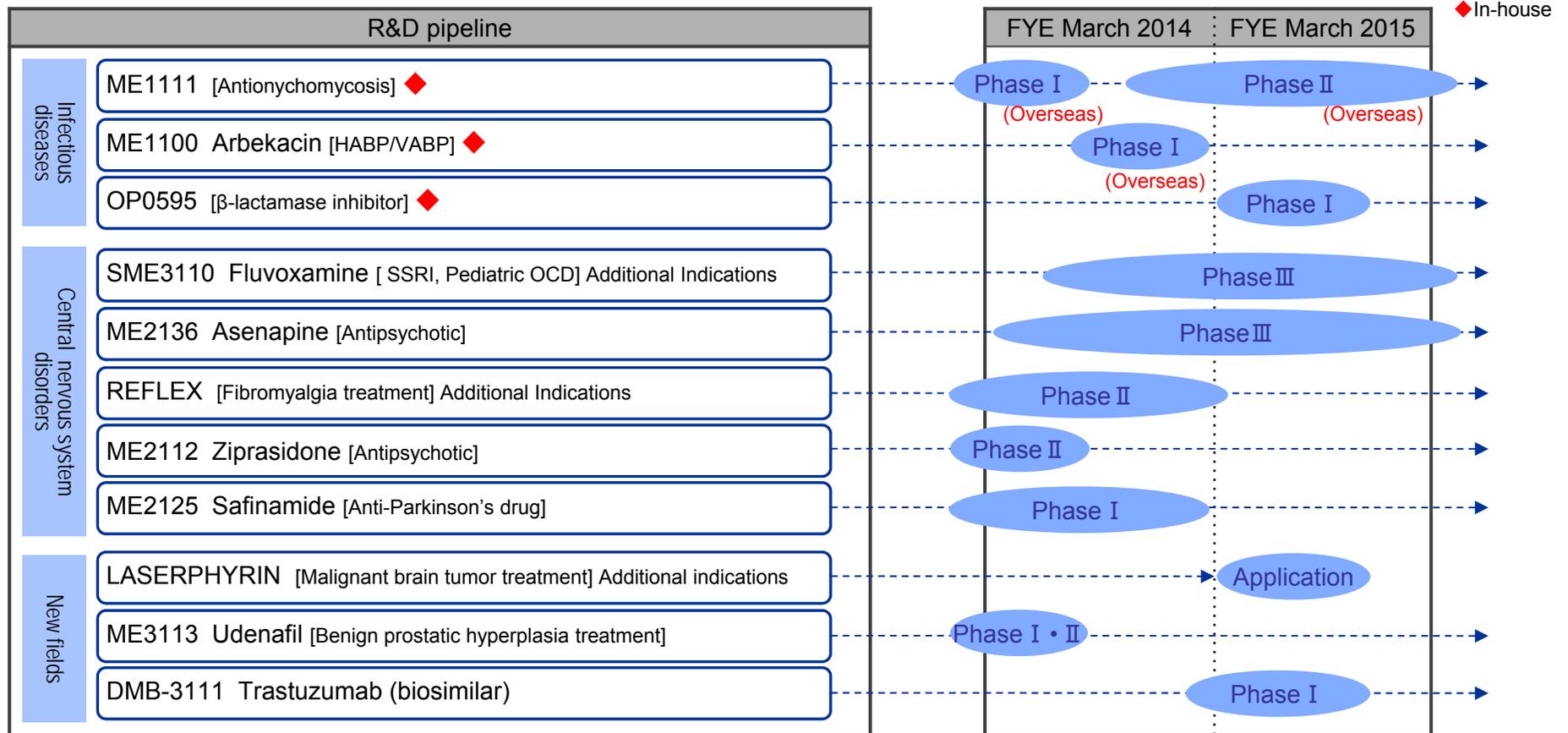
Japan

Use as production base for GE products to Japan

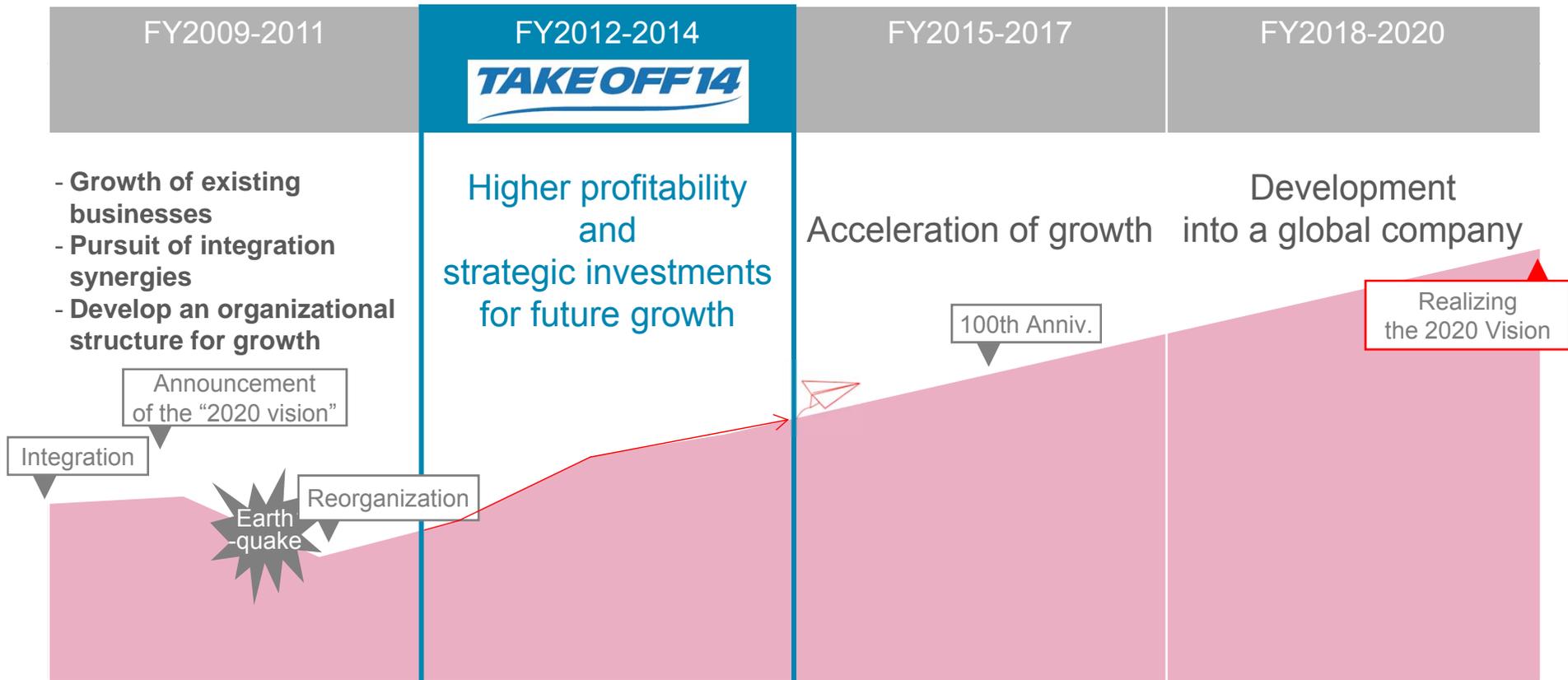
Trend in Consolidated Results of Medreich



- Favorable growth continues
 - Reliable product quality
 - Low-cost manufacturing
 - Global sales network
- Establish manufacturing site to meet Japanese quality



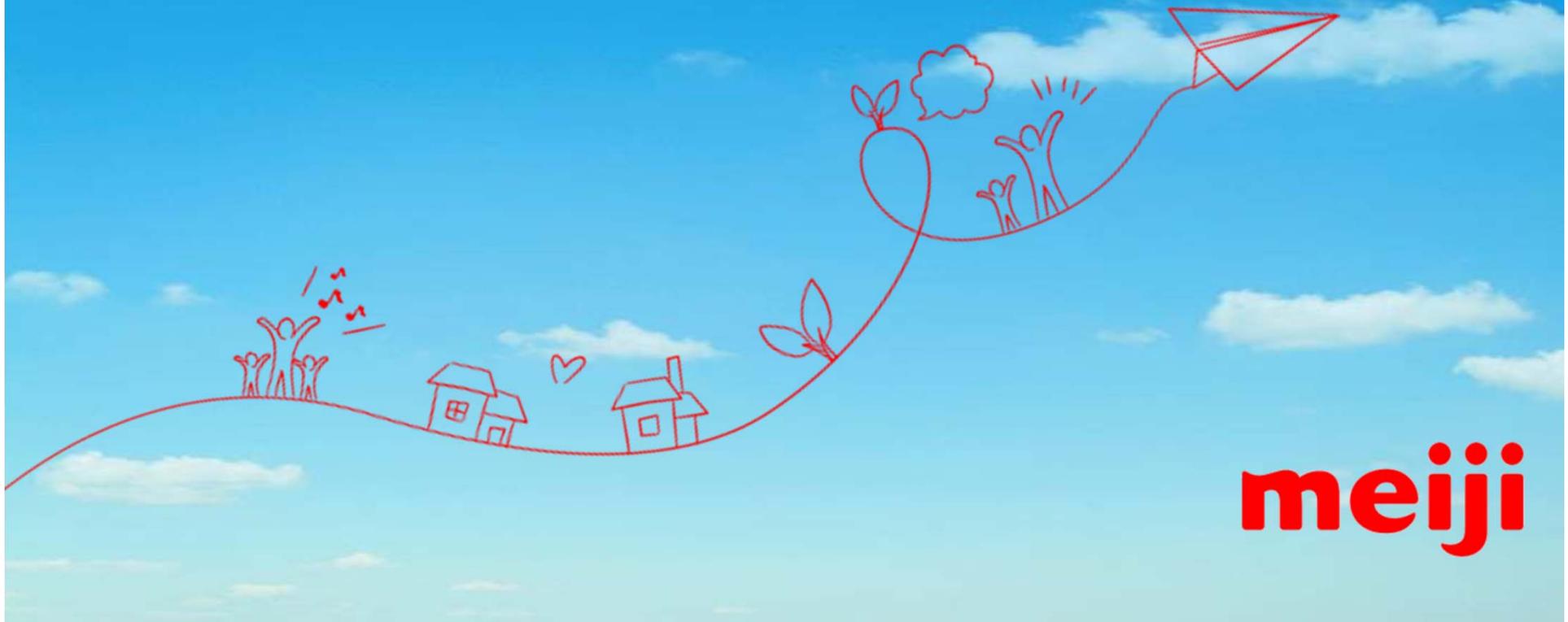
- Provide useful medical information of CNS drugs
 - Increase CNS drug sales offices
 - Increase dedicated MR for CNS drugs
- Promote R&D and launch new drugs during upcoming medium-term business plan period



	15.3 (FY2014) Revised Plan
Net sales	1,141.0 billion yen
Op. income	41.5 billion yen
ROE	8.0%

Improve profitability

*For the next 100 years,
Contribute to “Tastiness, Enjoyment,
Health and Reassurance”*



Appendix

15.3 H1: Consolidated Earnings



(¥ billion)

		Initial Plan	Results	YoY change		Change vs. plan	
				(Rate)	(Amount)	(Rate)	(Amount)
Meiji HD 【consolidated】	Net sales	555.0	559.2	-0.7%	-3.7	+0.8%	+4.2
	Operating income	14.4	18.9	+19.4%	+3.0	+31.8%	+4.5
	Ordinary income	14.6	19.6	+9.9%	+1.7	+34.8%	+5.0
	Net income	7.6	12.5	+28.7%	+2.8	+65.8%	+4.9
Food	Net sales	497.3	503.3	-0.2%	-0.8	+1.2%	+6.0
	Operating income	13.4	17.4	+30.3%	+4.0	+30.1%	+4.0
Pharma	Net sales	58.5	56.7	-4.8%	-2.8	-2.9%	-1.7
	Operating income	1.0	1.5	-35.0%	-0.8	+58.4%	+0.5

15.3 H1: Analysis of Consolidated Op. Income



(¥ billion)



*1: Breakdown

- [Food] Cost reduction by price revision or net content reduction of dairy products: +3.1
- Cost reduction in production of confectioneries: +0.7
- Reduction in sales promotion expenses in Healthcare and Nutritionals business: +0.6
- [Pharma] Decrease in R&D expenses: +1.0
- Other: -0.3

15.3 Full-year: Consolidated Earnings Forecasts



(¥ billion)

		H1		H2			Full-year		
		Results	YoY Change	Initial Plan	Revised Plan	YoY Change	Initial Plan	Revised Plan	YoY Change
Meiji HD 【consolidated】	Net sales	559.2	-0.7% -3.7	585.0	581.8	-0.6% -3.2	1,140.0	1,141.0	-0.6% -6.9
	Operating income	18.9	+19.4% +3.0	23.1	22.5	+9.2% +1.9	37.5	41.5	+13.7% +5.0
	Ordinary income	19.6	+9.9% +1.7	22.9	22.8	+7.6% +1.6	37.5	42.5	+8.7% +3.4
	Net income	12.5	+28.7% +2.8	13.9	13.9	+50.0% +4.6	21.5	26.5	+39.0% +7.4
Food	Net sales	503.3	-0.2% -0.8	508.7	508.4	-0.5% -2.6	1,006.0	1,011.8	-0.3% -3.4
	Operating income	17.4	+30.3% +4.0	16.6	16.5	+11.3% +1.7	30.0	34.0	+20.6% +5.8
Pharma	Net sales	56.7	-4.8% -2.8	78.0	74.8	-0.9% -0.6	136.5	131.6	-2.6% -3.5
	Operating income	1.5	-35.0% -0.8	6.6	6.0	+1.4% +0.0	7.6	7.6	-9.0% -0.7

15.3 Full-year: Consolidated Earnings Forecasts in Food Segment



(¥ billion)

		H1		H2			Full-year		
		Results	YoY Change	Initial Plan	Revised Plan	YoY Change	Initial Plan	Revised Plan	YoY Change
Dairy	Net sales	313.3	-2.5% -7.9	311.6	311.2	-2.0% -6.2	624.6	624.5	-2.2% -14.1
	Operating income	14.4	+18.3% +2.2	13.5	13.5	+2.6% +0.3	26.2	27.9	+10.2% +2.5
Confectionery	Net sales	95.2	+2.5% +2.3	100.8	101.1	-0.5% -0.4	197.4	196.3	+1.0% +1.9
	Operating income	3.0	+153.2% +1.8	4.5	4.5	+14.6% +0.5	6.8	7.6	+47.1% +2.4
Healthcare and Nutritional	Net sales	42.3	-1.6% -0.6	43.4	43.3	-0.2% -0.0	85.5	85.7	-0.9% -0.7
	Operating income	2.4	+89.2% +1.1	1.4	1.4	+1.2% +0.0	3.1	3.9	+42.4% +1.1
Other	Net sales	168.7	+3.4% +5.5	166.4	166.4	+0.8% +1.2	329.0	335.2	+2.1% +6.7
	Operating income	0.0	-88.1% -0.2	0.2	0.2	— +2.5	-0.1	0.2	— +2.3
Elimination and Corporate Expenses	Net sales	-116.3	— -0.1	-113.7	-113.7	— +2.9	-230.6	-230.0	— +2.8
	Operating income	-2.5	— -0.9	-3.2	-3.2	— -1.7	-6.0	-5.7	— -2.7

(Note 1) As reference information for the Food segment, we have included results for each business category (simple calculation figures prior to elimination).

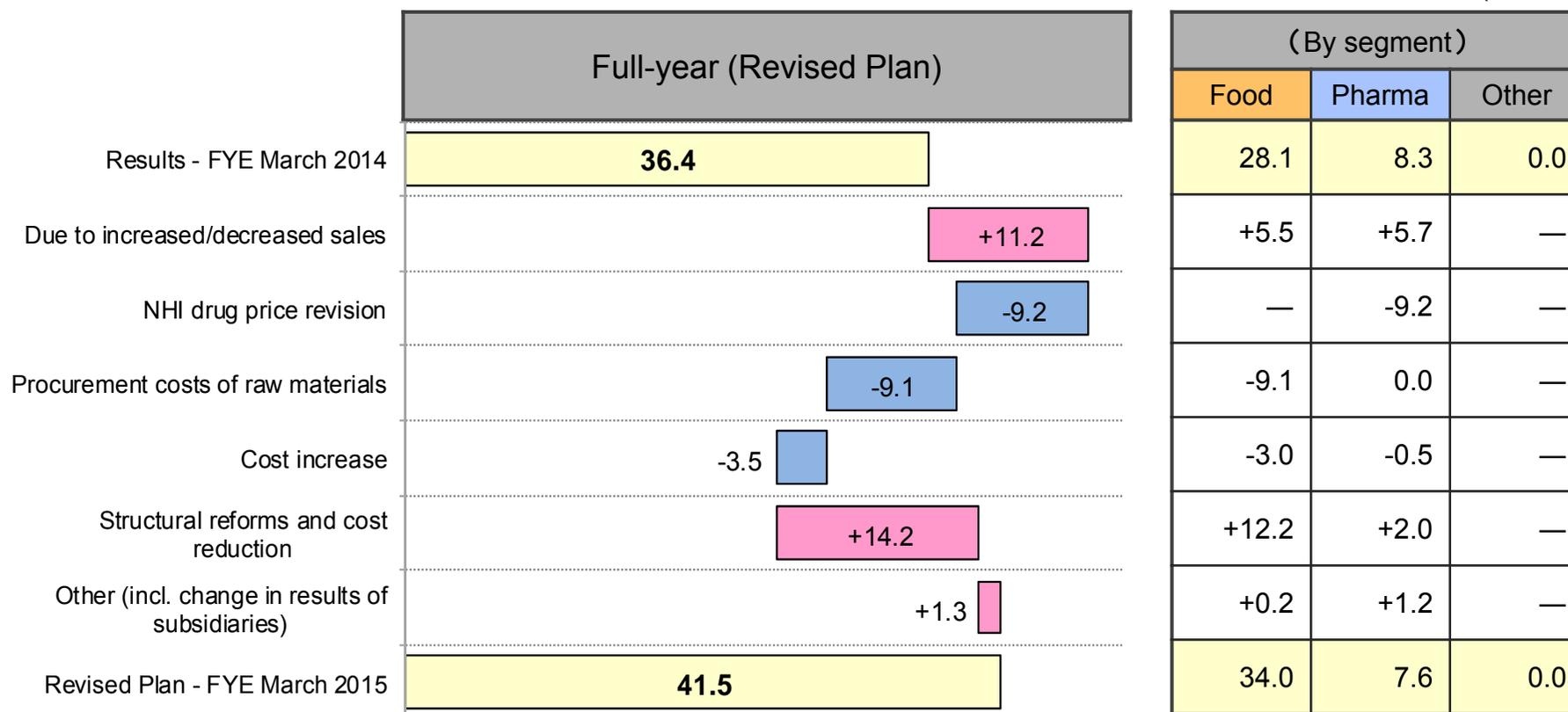
(Note 2) Eliminations within the Food segment include eliminations within each business category and between business categories.

Also, general corporate expenses refer to expenses not allocated to any specific business.

15.3 Full-year: Analysis of Consolidated Op. Income



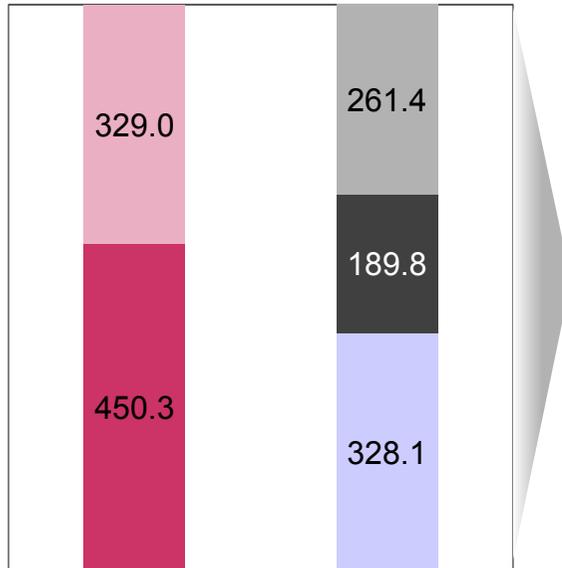
(¥ billion)



Financial Position



(As of March 2014)
Total Assets: **779.4**



Equity Ratio: **41.1%**

(As of September 2014)
Total Assets: **793.7**



Equity Ratio: **42.0%**

CAPEX, Depreciation, Cash Flows, Returns to Shareholders



(¥ billion)

	FYE March 2013	FYE March 2014	FYE March 2015		Initial Plan (13.3-15.3) TAKEOFF14
	Full-year Results	Full-year Results	H1 Results	Full-year Plan	
Capital expenditures	37.6	47.0	28.4	55.0	161.7
Depreciation and amortization	40.8	40.9	19.9	42.1	126.5
R&D expenses	26.2	26.0	11.9	24.7	73.5
Free cash flows	11.1	16.5	4.3	2.8	15.3
(operating cash flow portion)	50.6	63.8	30.6	59.0	170.5
Interest bearing debt	205.4	198.3	196.6	200.5	210.0~230.0
ROE	5.5%	6.0%	—	8.0%	7%
Dividends (yen)	80	80	40	80	—

(Note 1) The figures for capital expenditures includes the investment amount for intangible assets

(Note 2) Free cash flows = cash flows from operating activities + cash flows from investing activities