



Financial Results
- For the Q1 of FYE March 2020 -

(From April 1, 2019 to June 30, 2019)

August 6, 2019

Meiji Holdings Co., Ltd.

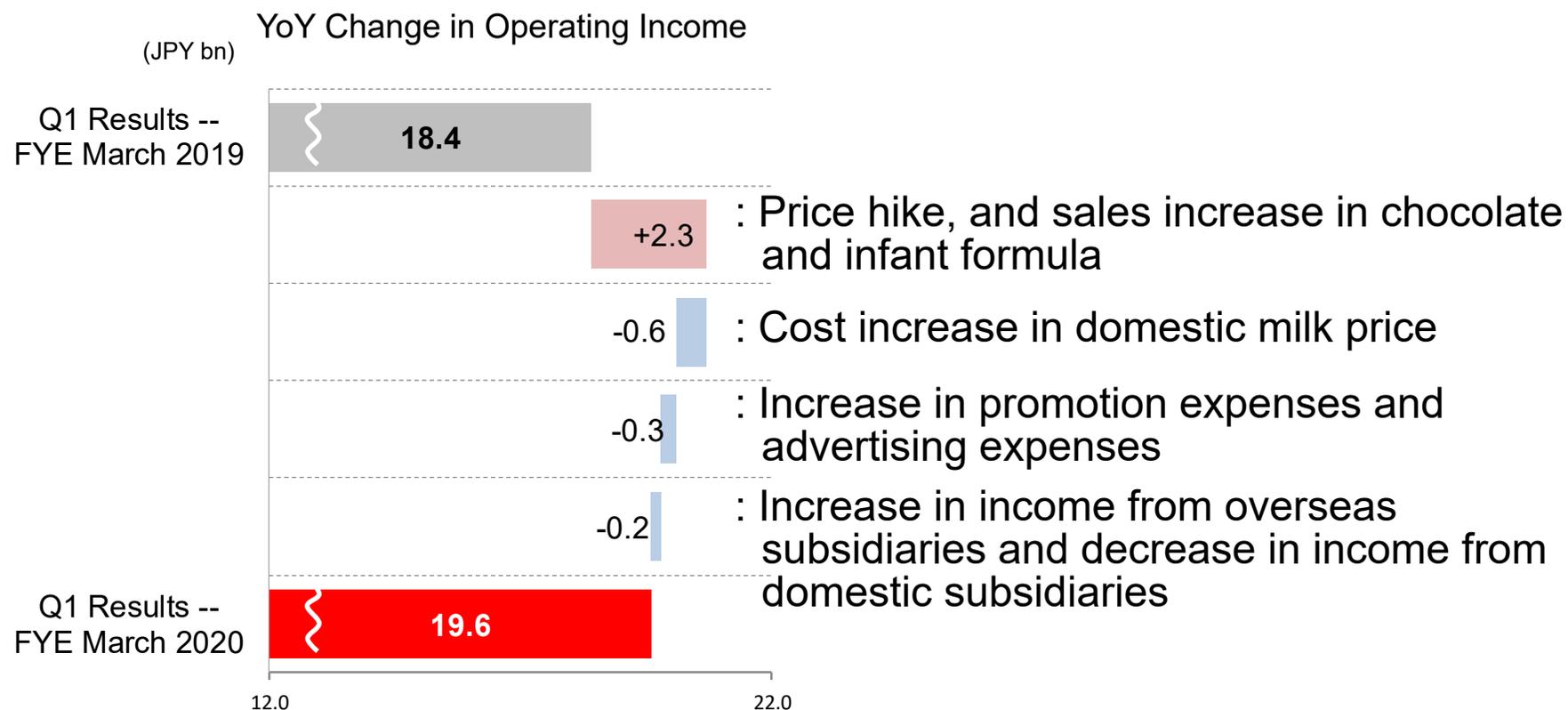
Summary - Q1 FYE March 2020



(JPY bn) Meiji HD (consolidated)	FYE March 2019 Q1 Results	FYE March 2020 Q1 Results	Plan - FYE March 2020			
			YoY Change	vs. H1 Plan	H1 (1Q-2Q)	Full-year
Net sales	296.3	298.9	+0.9% +2.5	47.8%	625.0	1,309.0
Operating income	19.7	20.6	+4.4% +0.8	46.9%	44.0	108.0
Op. income margin	6.7%	6.9%	+0.2pt	—	7.0%	8.3%
Net income attributable to shareholders of parent company	17.0	14.5	-15.2% -2.5	50.9%	28.5	67.5
EPS (JPY)	117.86	99.98	-17.88	—	196.51	465.41

- Consolidated net sales and operating income increased year on year.
 - Net sales in the Food segment were largely unchanged year on year. Net sales in the Pharmaceutical segment increased due to contribution of KM Biologics consolidated in July 2018. As a result overall net sales increased year on year.
 - Operating income increased year on year thanks to increase in the Food segment, which covered the decrease in the Pharmaceutical segment.
 - Net income attributable to shareholders of parent company decreased due to negative impact of gain on sale of land last year.

(JPY bn) Food Segment	FYE March 2019 Q1 Results	FYE March 2020 Q1 Results			Plan - FYE March 2020	
			YoY Change	vs. H1 Plan	H1 (1Q-2Q)	Full-year
Net sales	258.6	259.0	+0.2% +0.4	48.5%	534.0	1,090.0
Operating income	18.4	19.6	+6.6% +1.2	50.5%	39.0	90.0



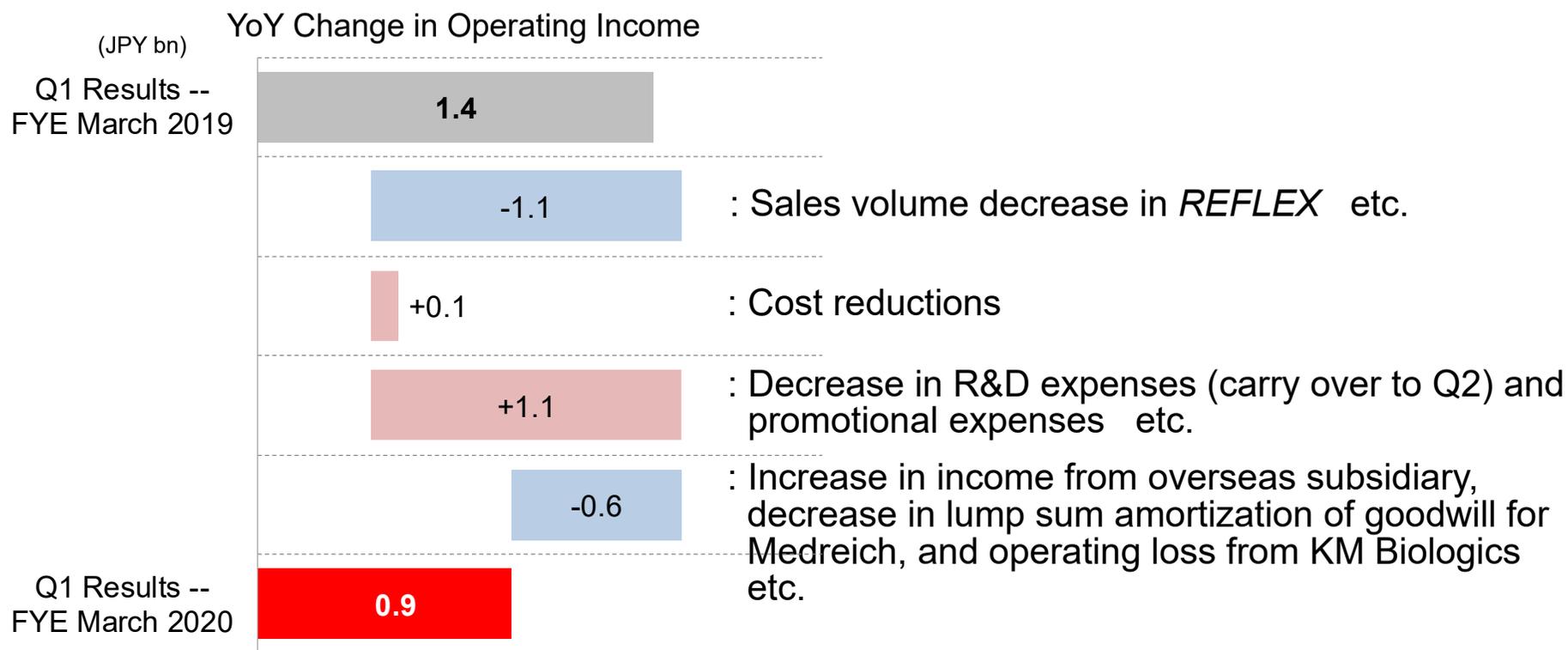
(JPY bn)	FYE March 2019 Q1 Results	FYE March 2020 Q1 Results			Plan - FYE March 2020	
			YoY Change	vs. H1 Plan	H1 (1Q-2Q)	Full-year
Yogurt	22.5	21.7	-3.8%	45.8%	47.4	90.6
<i>Meiji Bulgaria Yogurt</i>	21.0	19.8	-5.6%	47.8%	41.5	78.8
Functional yogurt	27.1	25.8	-4.7%	49.6%	52.1	114.2
Drinking milk	26.9	28.1	+4.5%	51.7%	54.4	104.8
<i>Meiji Oishii Gyunyu</i>	14.2	14.3	+0.6%	48.2%	29.7	57.4
Cheese	9.2	9.2	+0.1%	51.3%	17.9	37.3
<i>Meiji Hokkaido Tokachi series</i>	3.4	3.5	+3.1%	49.4%	7.1	15.3
Ice cream	12.2	12.1	-0.9%	42.9%	28.3	44.9
Chocolate	17.9	19.9	+11.2%	51.9%	38.4	104.1
Nutritional products	13.8	14.3	+3.8%	50.4%	28.4	55.8
Sports nutrition	5.4	5.5	+0.6%	47.0%	11.7	21.0

- Sales of functional yogurt have been decreasing YoY. Sales of yogurt were sluggish.
- Favorable growth in sales of drinking milk, chocolate and nutritional products (infant formula and liquid diet) continued.

(JPY bn)	Food Segment Total	Fresh and Fermented Dairy	Processed Food	Confectionery	Nutrition	Overseas	Other Domestic Subsidiaries	Corporate Expenses	
Q1 Op. Income – FYE March 2019	18.4	11.3	1.6	3.1	3.1	-0.0	1.2	-2.1	
Amounts of YoY change	<i>Due to increased/decreased sales</i>	+2.3	+0.2	+0.8	+0.9	+0.5	-0.0	—	+0.0
	<i>Changes in COGS*</i>	-0.6	-0.6	-0.1	+0.0	-0.0	+0.1	—	+0.0
	<i>Changes in other SG&A expenses</i>	-0.3	-0.4	-0.4	+0.0	+0.5	-0.0	—	+0.0
	<i>Other (incl. change in results of subsidiaries)</i>	-0.2	-0.1	+0.0	-0.1	+0.1	+0.2	-0.4	+0.1
Q1 Op. Income – FYE March 2020	19.6	10.4	1.8	4.0	4.1	0.2	0.8	-2.0	

- Fresh and Fermented Dairy: Operating income decreased due to increase in domestic milk price and promotional expense, though increase in operating income due to price hike offset the decrease in sales volume of functional yogurt and yogurt.
- Confectionery: Operating income increased due to strong sales of *Chocolate Kouka*.
- Nutrition: Operating income increased due to increase in sales of infant formula and sports nutrition, and decrease in promotional expenses.

(JPY bn) Pharmaceutical Segment	FYE March 2019 Q1 Results	FYE March 2020 Q1 Results			FYE March 2020 Plan	
			YoY Change	vs. H1 Plan	H1 (1Q-2Q)	Full-year
Net sales	37.8	40.0	+5.8% +2.1	43.5%	92.1	220.5
Operating income	1.4	0.9	-34.3% -0.5	19.2%	5.1	18.5



Full-year Outlook - FYE March 2020 [No Change]



(JPY bn) Meiji HD (consolidated)	FYE March 2019 Results		FYE March 2020 Plan			
	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	YoY Change	Full-year	YoY Change
Net sales	611.9	1,254.3	625.0	+2.1% +13.0	1,309.0	+4.4% +54.6
Operating income	43.8	98.3	44.0	+0.4% +0.1	108.0	+9.8% +9.6
Op. income margin	7.2%	7.8%	7.0%	-0.2pt	8.3%	+0.4pt
Net income attributable to shareholders of parent company	38.3	61.8	28.5	-25.6% -9.8	67.5	+9.1% +5.6
EPS (JPY)	264.23	426.61	195.51	-68.72	465.41	+38.80
Cash dividends per share (JPY)	—	140	—	—	140	—
Dividend ratio	—	32.8%	—	—	30.1%	-2.7pt
ROE	—	12.2%	—	—	12.3%	+0.1pt
Capital expenditures	—	71.2	—	—	99.1	+39.2% +27.9
Net cash flow from operating activities	—	112.1	—	—	107.9	-4.2
Free cash flow	—	11.8	—	—	8.4	-3.4

Appendix

Financial Position as of June 2019

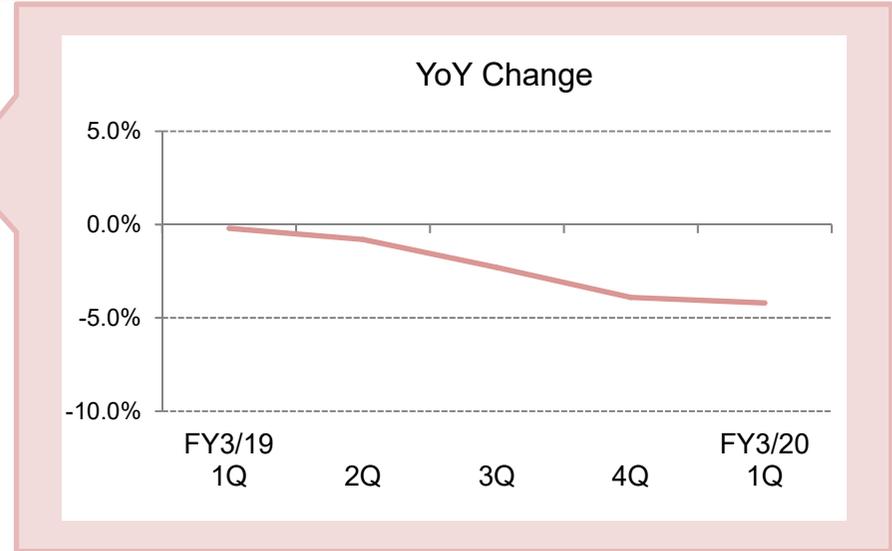
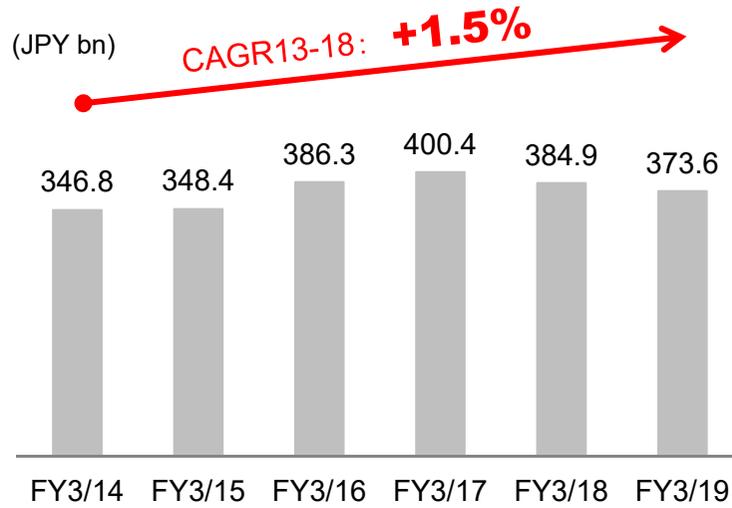


(JPY bn)	Results as of Jun. 2019	Change	Main Factors for Change
Current assets	420.8	-0.1% -0.6	- Notes and accounts receivable (-7.9) - Goods and products (+5.9) - Cash and deposits (+0.6)
Fixed assets	585.5	+0.5% +2.8	- Buildings and structures (net) (+6.7) - Construction in progress (+0.9) - Investment securities (-4.1)
Total assets	1,006.3	+0.2% +2.1	—
Current liabilities	297.3	+2.0% +5.8	- Commercial paper (+18.0) - Short-term loans payable (+10.4) - Income taxes payable (-13.3) - Accrued expenses (-5.8) - Accrued bonuses for employees (-5.1)
Long-term liabilities	147.5	-2.9% -4.4	- Long-term loans payable (-3.6)
Total liabilities	444.9	+0.3% +1.3	—
Shareholders' equity	510.8	+0.6% +3.2	- Retained earnings (+3.2)
Accumulated other comprehensive income	17.8	-9.6% -1.8	- Net unrealized holding gain or losses on securities (-2.5) - Adjusted cumulative of retirement benefit (+0.5)
Minority interests	32.7	-1.6% -0.5	—
Total net assets	561.4	+0.1% +0.8	—
Interest bearing debt	141.2	+21.4% +24.8	- Commercial paper (+18.0)
Equity Ratio	52.5%	+0.0pt	—

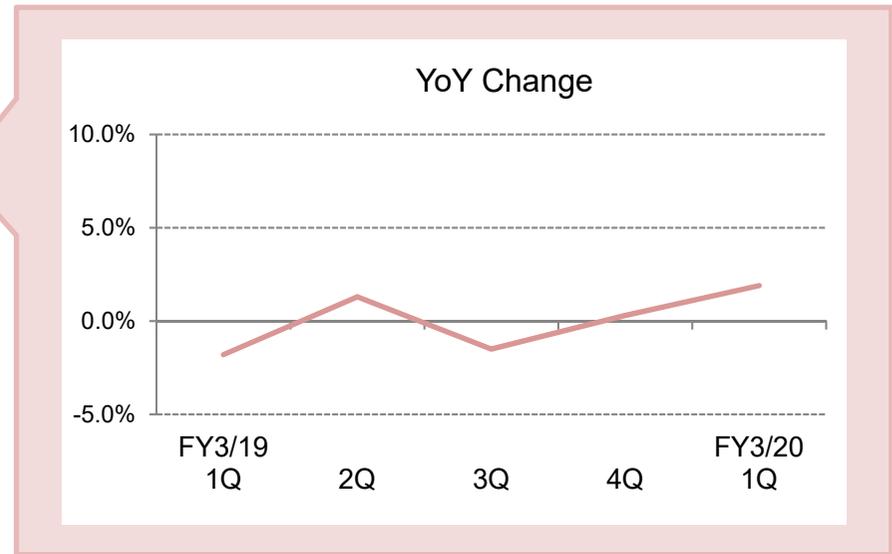
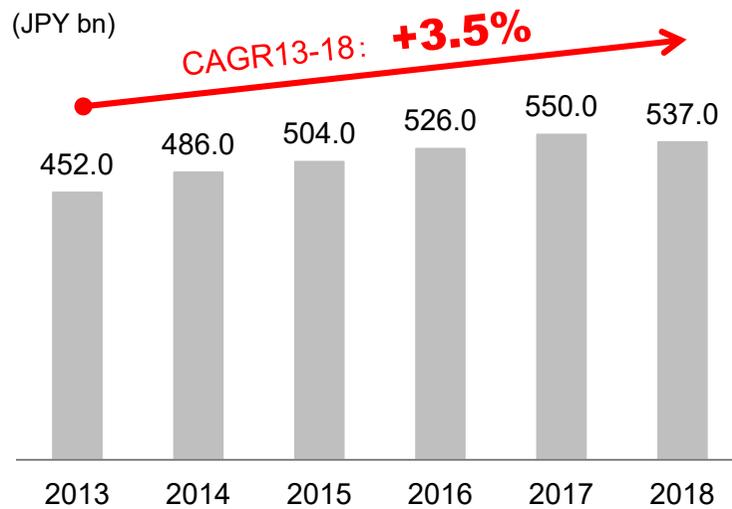
Yogurt and Chocolate Market Trends in Japan



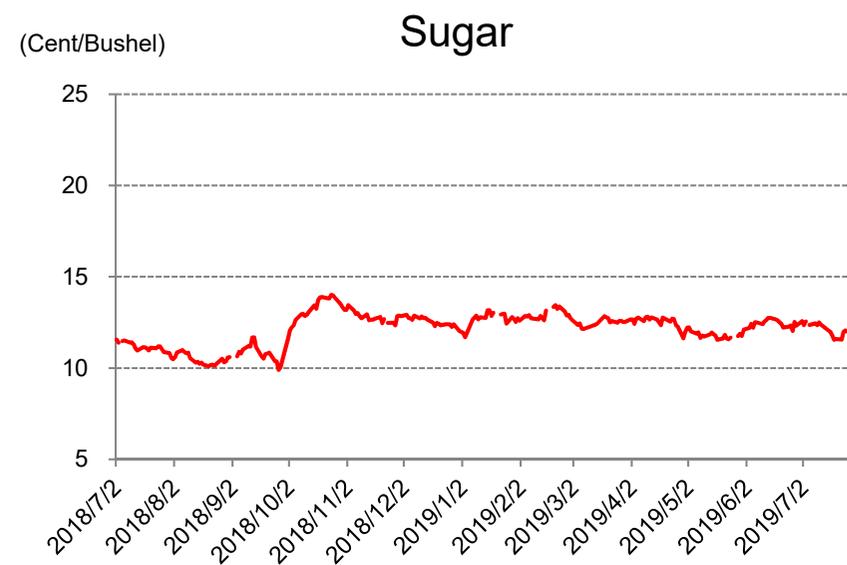
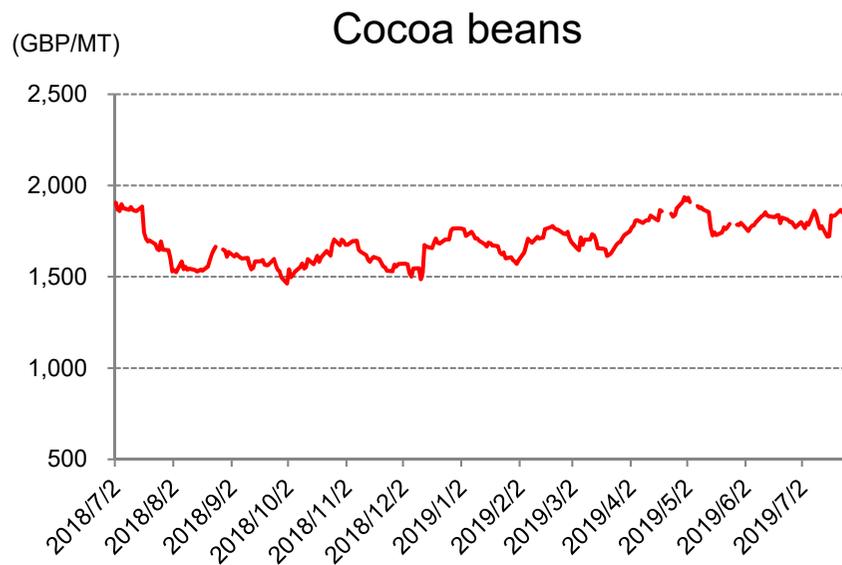
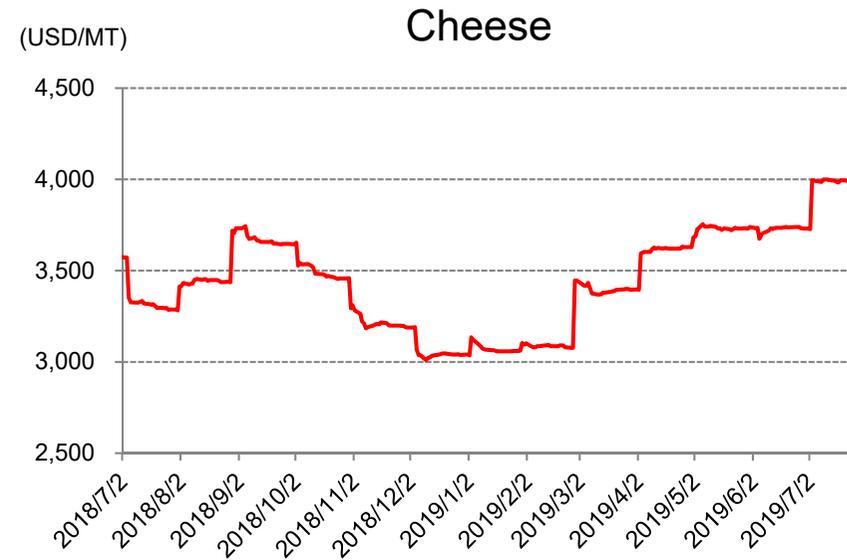
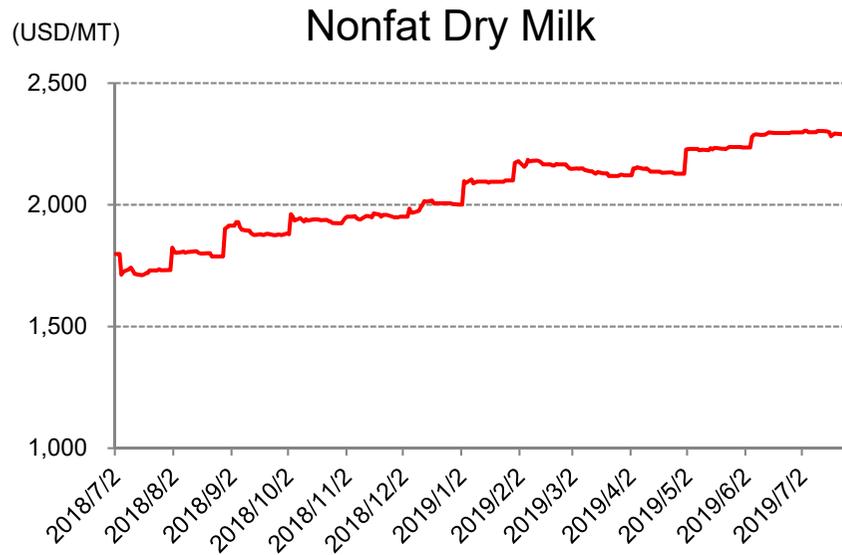
Yogurt



Chocolate



Market prices of main raw materials imported





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