



**Financial Results**  
**- For the Q1-Q3 of FYE March 2020 -**

(From April 1, 2019 to December 31, 2019)

February 6, 2020

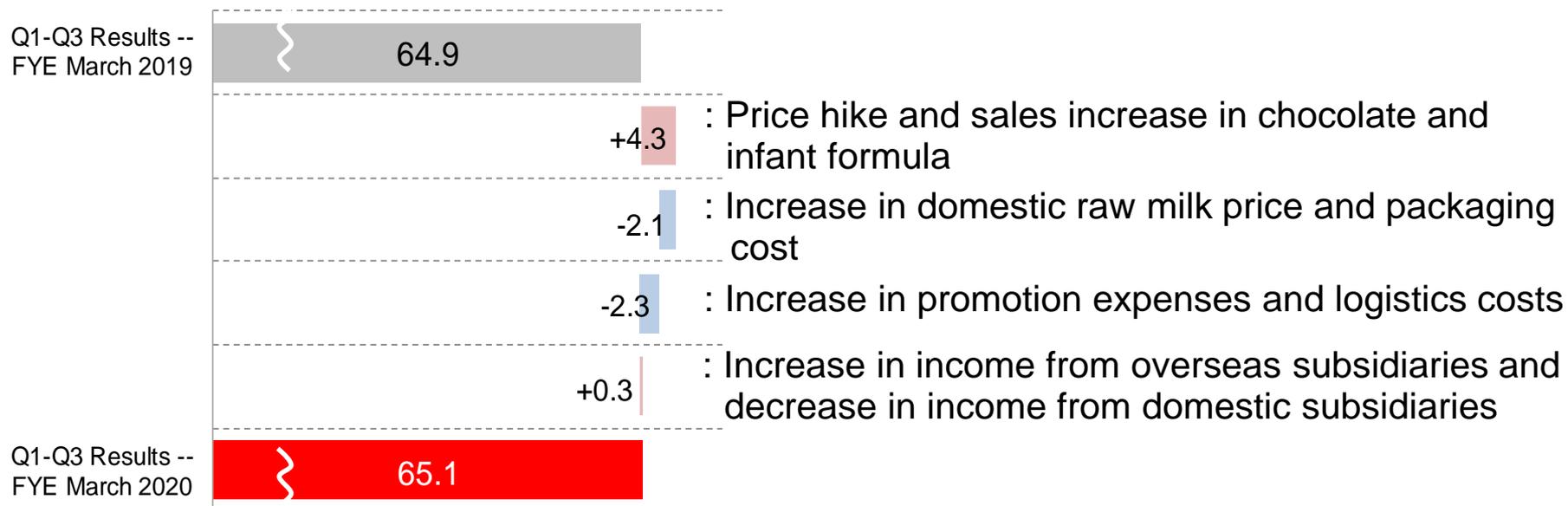
**Meiji Holdings Co., Ltd.**

(JPY bn) Meiji HD (consolidated)	FYE March 2019 Q1-Q3 Results	FYE March 2020 Q1-Q3 Results	YoY Change	vs. Full-year Plan	FYE March 2020 Full-year Plan
Net sales	950.6	951.1	+0.1% +0.4	72.7%	1,309.0
Operating income	79.6	80.3	+0.9% +0.7	74.4%	108.0
Op. income margin	8.4%	8.4%	+0.0pt	—	8.3%
Net income attributable to shareholders of parent company	61.8	52.4	-15.2% -9.4	77.7%	67.5
EPS (JPY)	426.80	361.67	-65.13	—	465.34

- For Q1-Q3: Both net sales (+0.1%) and operating income (+0.9%) were largely unchanged year on year
  - ◆ Net sales: Food segment -0.8%, Pharmaceutical segment +4.8%
  - ◆ Operating income: Food segment +0.3%, Pharmaceutical segment +3.0%
  - ◆ Net income attributable to shareholders of parent company (-15.2%):  
Decreased significantly due to negative impact of gain on bargain purchase and sale of land last year

(JPY bn) Food Segment	FYE March 2019 Q1-Q3 Results	FYE March 2020 Q1-Q3 Results	YoY Change	vs. Full-year Plan	FYE March 2020 Full-year Plan
Net sales	803.1	796.6	-0.8% -6.5	73.1%	1,090.0
Operating income	64.9	65.1	+0.3% +0.2	72.4%	90.0

## (JPY bn) YoY Change in Operating Income



(JPY bn)	FYE March 2019 Q1-Q3 Results	FYE March 2020 Q1-Q3 Results	YoY Change	vs. Full-year Plan	FYE March 2020 Full-year Plan
Yogurt	65.1	63.7	-2.2%	70.3%	90.6
<i>Meiji Bulgaria Yogurt</i>	60.6	58.2	-3.9%	73.9%	78.8
Functional yogurt	81.0	77.4	-4.5%	67.8%	114.2
Drinking milk	82.9	87.1	+5.0%	83.1%	104.8
<i>Meiji Oishii Gyunyu</i>	43.5	44.3	+1.8%	77.1%	57.4
Cheese	28.1	28.8	+2.5%	77.2%	37.3
<i>Meiji Hokkaido Tokachi Cheese</i>	10.5	11.2	+7.2%	73.6%	15.3
Ice cream	37.2	36.6	-1.8%	81.4%	44.9
Chocolate	67.2	70.4	+4.8%	67.6%	104.1
Nutritional products	44.0	45.9	+4.3%	82.3%	55.8
Sports nutrition	16.0	16.4	+2.7%	78.2%	21.0

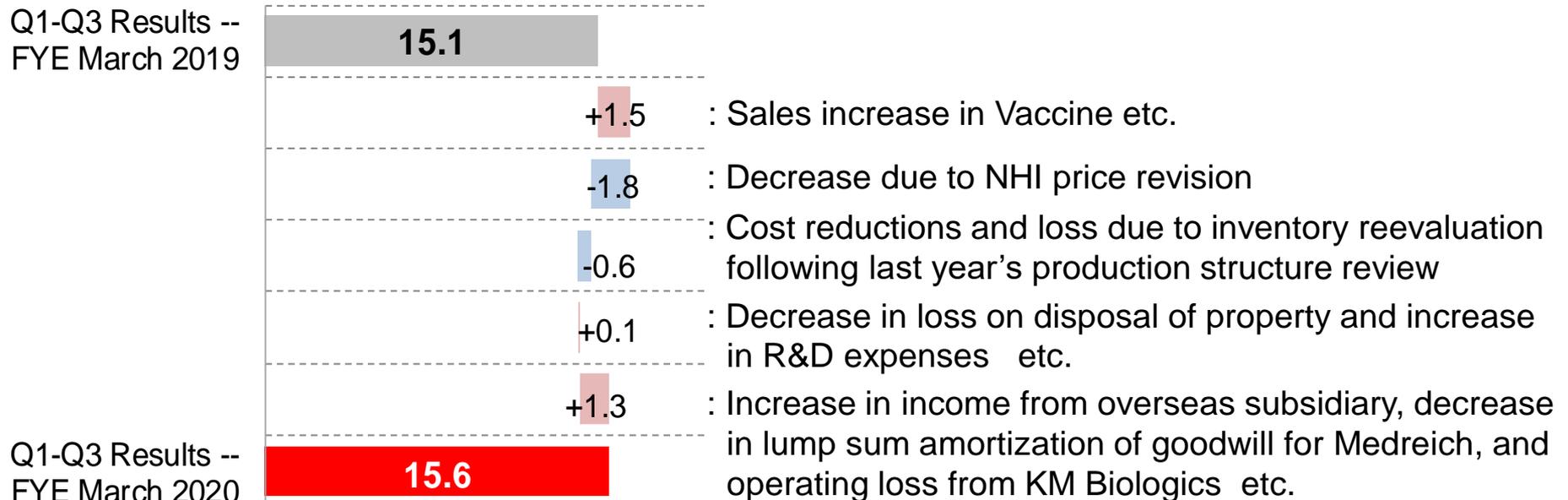
- Sales of yogurt were recovering gradually. No major changes in sales trend of functional yogurt.
- Continuing favorable growth in sales of drinking milk. Sales of *SAVAS Milk Protein* increased significantly (+139%)
- Sales of cheese increased particularly *Meiji Hokkaido Tokachi Camembert*
- Sales increase in chocolate slowed a little, favorable sales of 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	
Food Segment									
Q1-Q3 Op. Income – FYE March 2019	64.9	34.1	7.0	14.8	11.3	1.0	3.4	-6.9	
Amounts of YoY change	<i>Due to increased/decreased sales</i>	+4.3	+0.8	+1.7	+0.3	+1.6	-0.1	—	0.0
	<i>Changes in COGS*</i>	-2.1	-1.4	-0.3	-0.1	-0.3	+0.1	—	0.0
	<i>Changes in other SG&amp;A expenses</i>	-2.3	-1.2	-0.9	-0.5	+0.8	-0.2	—	-0.4
	<i>Other (incl. change in results of subsidiaries)</i>	+0.3	-0.2	+0.0	-0.0	+0.1	+0.5	-0.4	+0.4
Q1-Q3 Op. Income – FYE March 2020	65.1	32.1	7.5	14.5	13.6	1.2	2.9	-6.9	

- Fresh and Fermented Dairy: Decreased due to increase in domestic raw milk price and promotional expenses, though price hike offset the decreased sales volume of functional yogurt and yogurt.
- Processed Food: Increased due to price hike though increased in promotional expenses and logistics costs.
- Confectionery: Decreased due to increase in logistics costs and promotional expenses.
- Nutrition: 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-Q3 Results	FYE March 2020 Q1-Q3 Results	YoY Change	vs. H1 Plan	FYE March 2020 Full-year Plan
Net sales	148.2	155.4	+4.8% +7.1	70.5%	220.5
Operating income	15.1	15.6	+3.0% +0.4	84.4%	18.5

(JPY bn) YoY Change in Operating Income



(JPY bn) Pharmaceutical Segment	FYE March 2019 Q1-Q3 Results	FYE March 2020 Q1- Q3 Results	YoY Change	vs. Full-year Plan	FYE March 2020 Full-year Plan
<b>Ethical pharmaceuticals (Japan) - non-consolidated information for Meiji Seika Pharma</b>					
SYCREST	2.8	3.2	+15.4%	41.8%	7.7
BILANOVA	2.8	3.8	+32.7%	42.5%	9.0
REFLEX (includes Mirtazapine "meiji")	—	6.7	-55.0%	54.9%	12.3
MEIACT (includes Cefditoren "OK")	—	4.1	-14.0%	72.4%	5.7
TAZOPIPE	4.0	6.7	+67.6%	116.7%	5.8
Influenza HA Vaccine	—	15.1	+254.5%	105.8%	14.3
<b>KM Biologics - non-consolidated information for KM Biologics</b>					
Total human vaccine	17.8	19.2	+7.4%	68.0%	28.2
Total blood plasma products	3.6	5.9	+63.4%	87.7%	6.8

- Sales of *BILANOVA* was favorable, increase further in Q4.
- Sales of *REFLEX* decreased significantly due to patent expiration, the decline in sales due to patent expiration bottomed out in Q3.
- Sales of *TAZOPIPE* increased due to unanticipated tight supply of some antimicrobials, sales of *Influenza HA Vaccine* increased
- Transferring sales operations of vaccines and blood plasma products satisfactorily

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

(JPY bn) Meiji HD (consolidated)	FYE March 2019 Results	FYE March 2020 Full-year Plan	YoY Change
Net sales	1,254.3	1,309.0	+4.4% +54.6
Operating income	98.3	108.0	+9.8% +9.6
Op. income margin	7.8%	8.3%	+0.4pt
Net income attributable to shareholders of parent company	61.8	67.5	+9.1% +5.6
EPS (JPY)	426.61	465.34	+38.73
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

## 1. Launching value added products

- Launched *Meiji Oishii Milk Calcium*\* in September 2019 in Japan
  - \* Made of raw milk manufactured by world's first method
- Launched *Meiji Oishii Gyunyu* 450 ml in January 2020 in Chugoku-Shikoku District and Kyushu Island, will be launched nation-wide by autumn this year



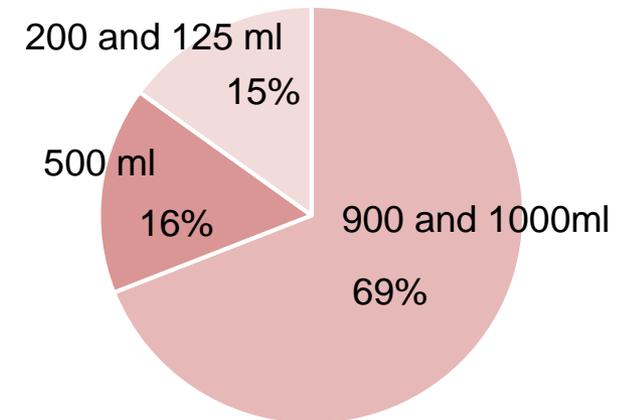
Maintain  
freshness  
Easy to open



## 2. Optimize production structure

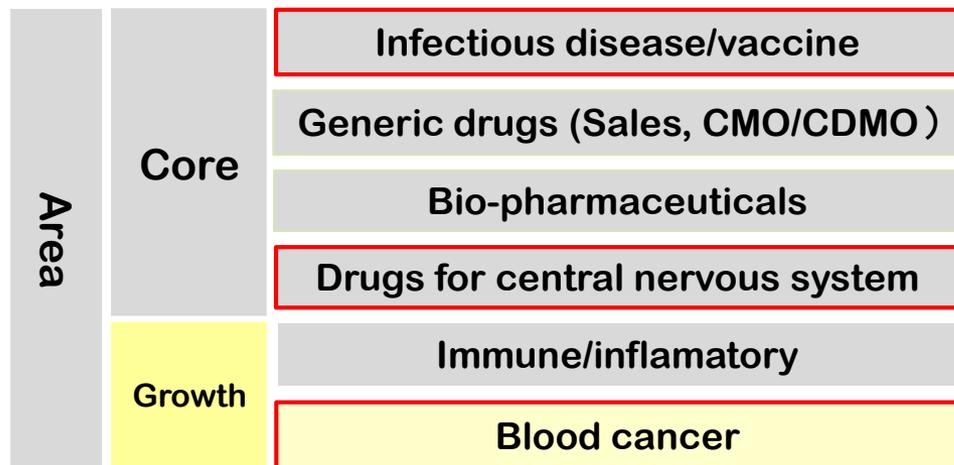
- Shutdown Hokuriku Plant in September 2019
- Shutdown Okayama Plant in March 2020
- Dispose production line for gable top products successively

Sales of Oishii Gyunyu



Sales in FYE March 2019

## Pharmaceutical business in Japan



- Drugs for blood cancer positioned as Growth area in Meiji's pharma business
- Hematologists prescribe a large number of antimicrobials
- CNS drugs may be useful for supportive care

### <Newly in-licensed Drugs>

	HBI-8000, Anticancer drug	KD025, Drug for Chronic GVHD
	Inhibit cell proliferation Epigenetic immunomodulator	Chronic Graft-Versus-Host Disease
Licensing Agreement	Exclusive distributor and, exclusive sales and marketing rights in Japan and Asia	Development in Japan and Asia Investment in limited liability company established for development and commercialization
Licenser	HUYA Bioscience, USA	Kadmon, USA
Development phase	Adult T-Cell Leukemia (in preparations for filing) Peripheral T-Cell Lymphoma (Phase 2, Orphan drug)	Phase 3 in USA, Breakthrough Therapy Designation by FDA (Priority review)
Target date	In 2021, scheduled	TBD

# Appendix

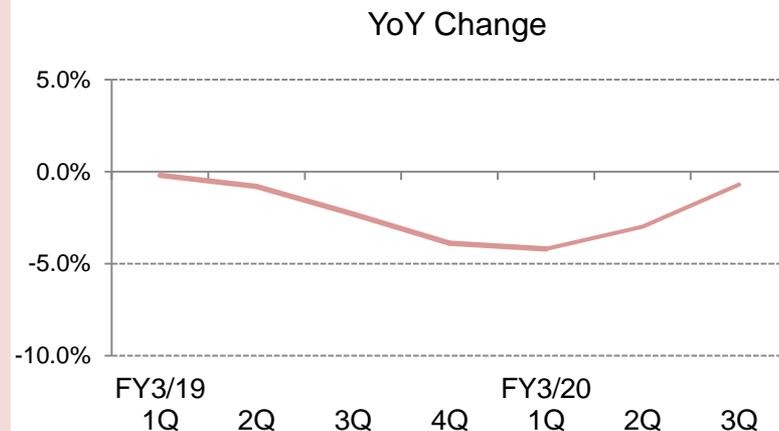
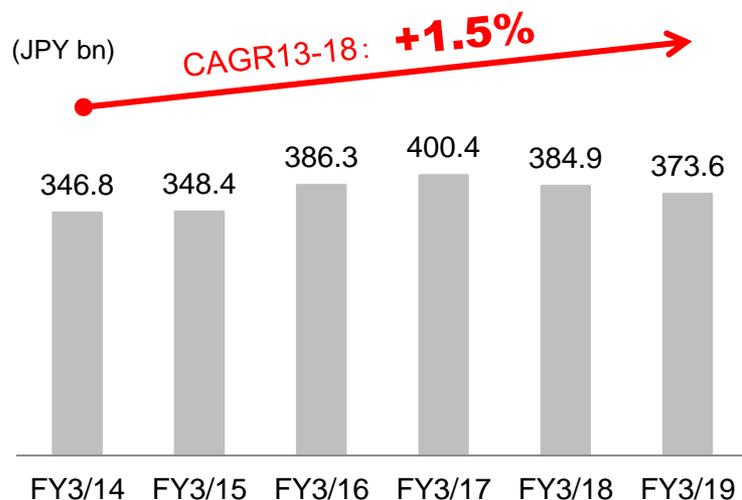
# Financial Position as of December 2019



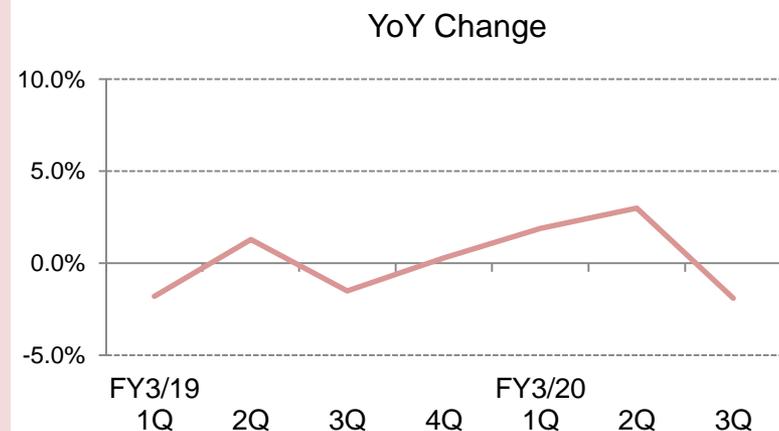
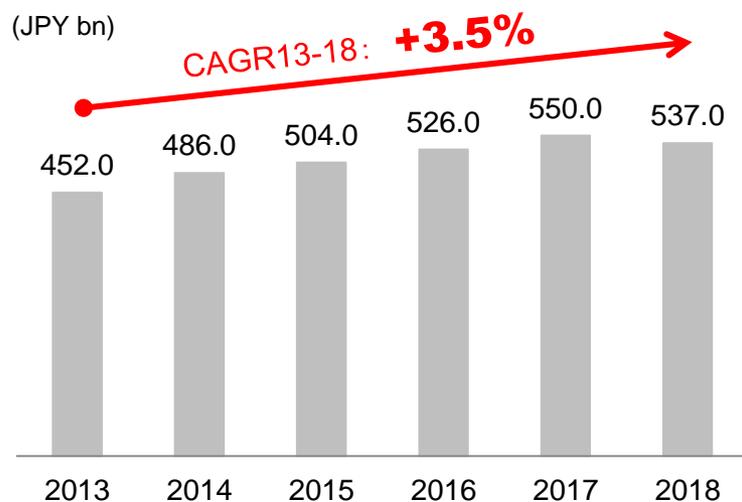
(JPY bn)	Results as of Dec. 2019	Change	Main Factors for Change
Current assets	442.1	+4.9% +20.7	- Notes and accounts receivable (+17.6) - Cash and deposits (+4.5) - Allowance for doubtful accounts (-1.1)
Fixed assets	592.6	+1.7% +9.9	- Buildings and structures (net) (+16.9) - Machinery and equipment (+2.5) - Construction in progress (-8.7)
Total assets	1,034.7	+3.0% +30.6	—
Current liabilities	295.9	+1.5% +4.4	- Commercial paper (+13.0) - Short-term loans payable (+10.0) - Income taxes payable (-13.4) - Accrued bonuses for employees (-5.9)
Long-term liabilities	146.9	-3.3% -5.0	- Long-term loans payable (-5.7)
Total liabilities	442.8	-0.1% -0.6	—
Shareholders' equity	538.8	+6.2% +31.2	- Retained earnings (+30.9)
Accumulated other comprehensive income	18.2	-7.4% -1.4	- Net unrealized holding gain or losses on securities (-2.5) - Adjusted cumulative of retirement benefit (+1.6)
Minority interests	34.8	+4.5% +1.4	—
Total net assets	591.8	+5.6% +31.2	—
Interest bearing debt	133.6	+14.9% +17.2	- Commercial paper (+13.0) - Short-term loans payable (+10.0) - Long-term loans payable (-5.7)
Equity Ratio	53.8%	+1.3pt	—

# Yogurt and Chocolate Market Trends in Japan

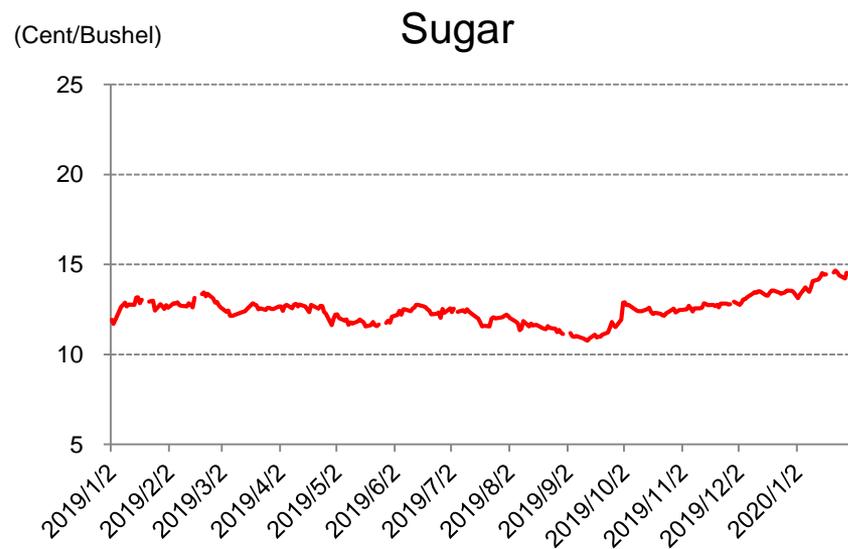
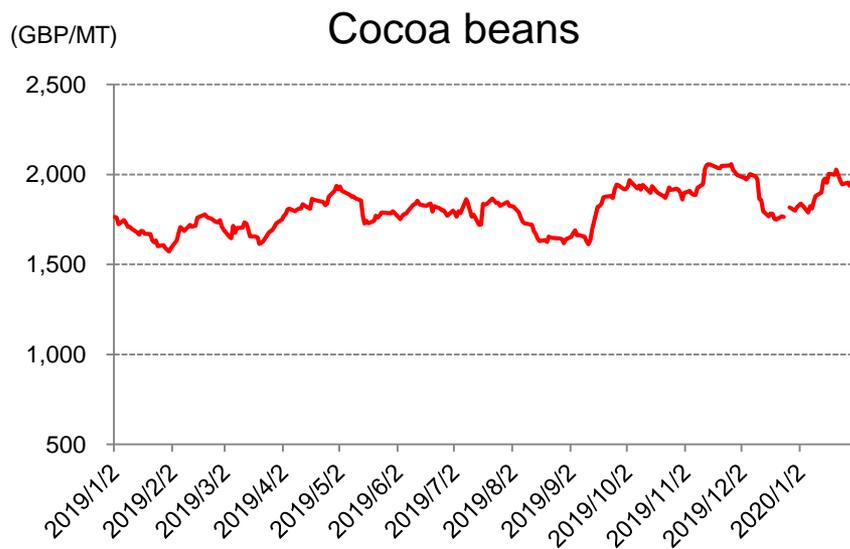
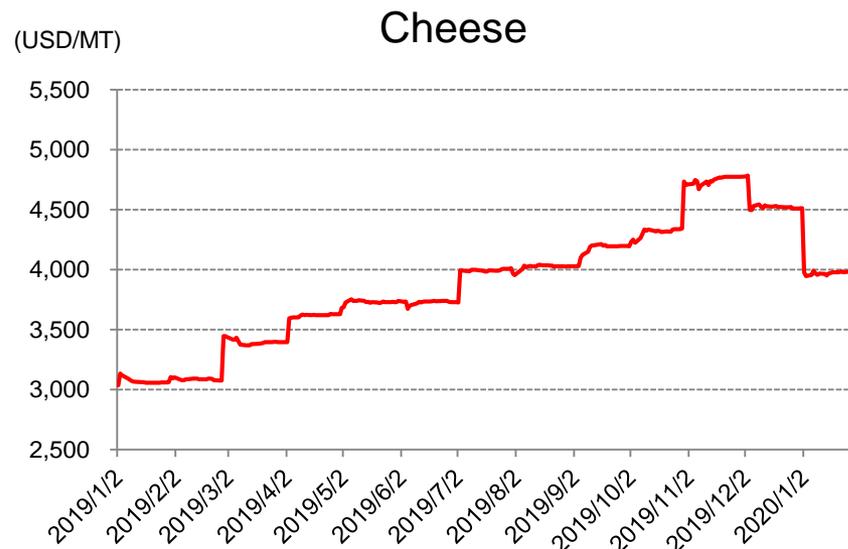
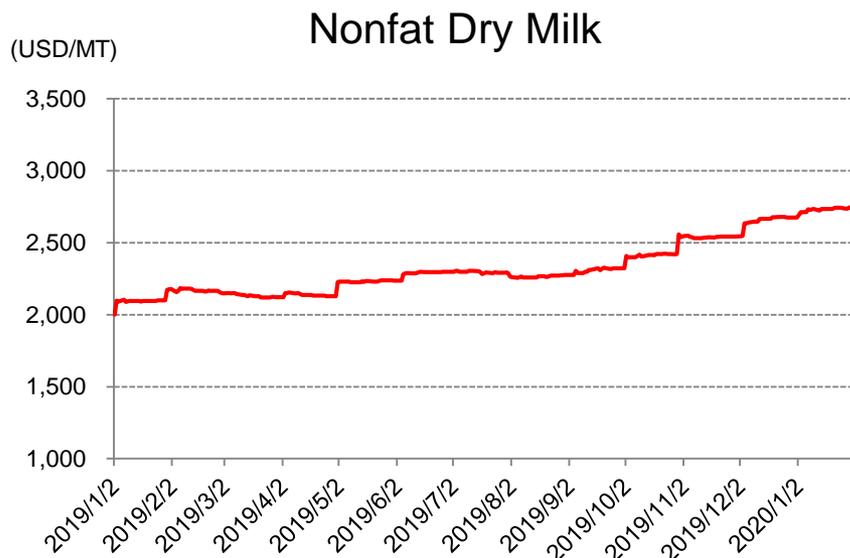
## Yogurt



## Chocolate



# Market prices of main raw materials imported





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