

Meiji Holdings Co., Ltd.

Conference for Meiji Group Long-term Environment Vision

Q&A Summary

Date & Time: March 1, 2021 15:00 - 16:30

Attendees: Meiji Holdings Co., Ltd.

Kazuo Kawamura CEO, President and Representative Director

Jun Furuta CSO, Member of the Board and Managing Executive Officer

Shinji Matsuoka Executive Officer, Sustainable Management Department

Q1: How will ESG investments impact on income? Any possibility that you will increase the investment budget more than JPY 30.0 billion?

A1: ESG investments are for environment-related capital expenditures such as CO2 reductions and water risk measures. We are expecting these investments will result in cost reductions. We believe we can recover more than half of the investment on reductions in CO2 emissions and in the volume of plastic used. Meanwhile, it is difficult to produce monetary benefits from investments on chlorofluorocarbons (CFCs) reduction and elimination, and water risks. However, these investments imply fulfilling our social responsibilities. Accordingly, we will continue to invest on environment-related capital expenditures.

We set an investment budget of JPY 30.0 billion. We will accelerate environmental initiatives regardless of the investment budget.

Q2: Are activities based on environmental vision positive for your marketing strategy?

A2: The Meiji Group founding spirit is to contribute to the country through nutrition. Over the years, we have contributed to health and nutrition of many people, including infants, elderly, and athletes. Amid the COVID-19 pandemic, societal issues have turned into the new business ideas. For example, the vaccine business is fulfilling a critical role in the societal issue of infectious disease prevention.

When the Meiji Group deepens understanding the societal issues, we can create more products that resolve societal issues. We believe such long-term efforts are critical to product marketing and distinguishing ourselves from the competitors.

Q3: What are the investment budgets for each of the four domains; climate change, water resources, resource recycling, and pollution prevention?

A3: We are setting up the budget for environmental investment through FY 2023 in our next Medium-Term Management Plan. After FY 2024, there are many uncertainties. We will show budget through FY 2023 for the four domains in May, when we announce our Medium-Term Management Plan.

Q4: Tell us your current progress towards CO2 reduction goals*?

*** Reduce more than 23% by FY 2023, more than 40% by FY 2030 compared to FY 2015.**

A4: At FY 2020, we have reduced 16% compared to FY 2015. We will accelerate our efforts to becoming carbon neutral by installing solar panels and purchasing renewable energy.

Q5: Tell us your current progress towards water usage reduction goals*?

*** Reduce more than 15% by FY 2023, more than 50% by FY 2030 compared to FY 2017.**

A5: At FY 2020, we have reduced 6% compared to FY 2017. Because reducing water usage is difficult, we have established an in-house water reduction project team to evaluate and develop various measures.

Q6: Will activities based on your environmental vision lead to sales growth? What social needs do these activities meet and satisfy?

A6: We should avoid that activities based on our environmental vision cause increase in cost burden and decrease in income. Conversely, resolving societal issues should lead to business and contributes to profits. We will engage in activities that lead to income, not only in Japan but on a global scale.

Recently, consumer awareness of environmental issues are increasing. Many consumers are changing purchasing habits based on environmental impact, social responsibility and inclusiveness. When our efforts to improve environment are insufficient, the risk for customers not to purchase our products may increase. Although it may not be clearly seen immediately, we believe environmental efforts have positive impact on our business.

Q7: Tell us your specific efforts to reduce plastic volume used?

A7: We are reducing weight of containers and packaging, and promoting reuse. We have reduced the weight of polyethylene terephthalate (PET) bottles for our functional yogurt products from 13 g to 8.7 g, and will reduce further. When we manufacture small PET bottles for functional yogurt, about 3% of waste plastic will be generated. We will install equipment so that we can reuse such waste plastic.

Q8: How much will you replace plastic packaging with paper?

A8: It is rather difficult to replace plastic packaging with paper using existing technology. We require technological solutions that will ensure product quality to achieve complete replacement. These technological solutions include light blocking and high durability. We are switching from conventional plastic to paper or biomass plastic for straws and packaging for confectionery products only when we have confirmed no

impact on product quality.

Q9: How will you attract customer attention to your environmental initiatives?

A9: Most importantly, we should be thoroughly involved in efforts to solve societal issues. We also believe that not being smug in these initiatives is as equally important as our efforts themselves. We will disclose Meiji Group initiatives to our customers and investors to engage in dialogue with our stakeholders. We have been providing comprehensive non-financial information in our Integrated Report. Subsequently, we will disclose the link between financial and non-financial information. Disclosure rules will be established in the future. Prospectively, we will disclose our information as much as possible.

Q10: Has COVID-19 increased consumer interest in sustainability?

A10: I believe customer awareness in sustainability has increased rapidly in the past 2-3 years. Topics related to sustainability and ESG are reported in the media almost every day. Also, U.S. officially rejoined the Paris Agreement On Climate Change and the Japanese government pledged to become carbon-neutral by 2050. Ethical consumption among consumers in Japan is increasing. I believe this trend will continue to grow along with an increased awareness of sustainability.

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