

Now ideas for wellness



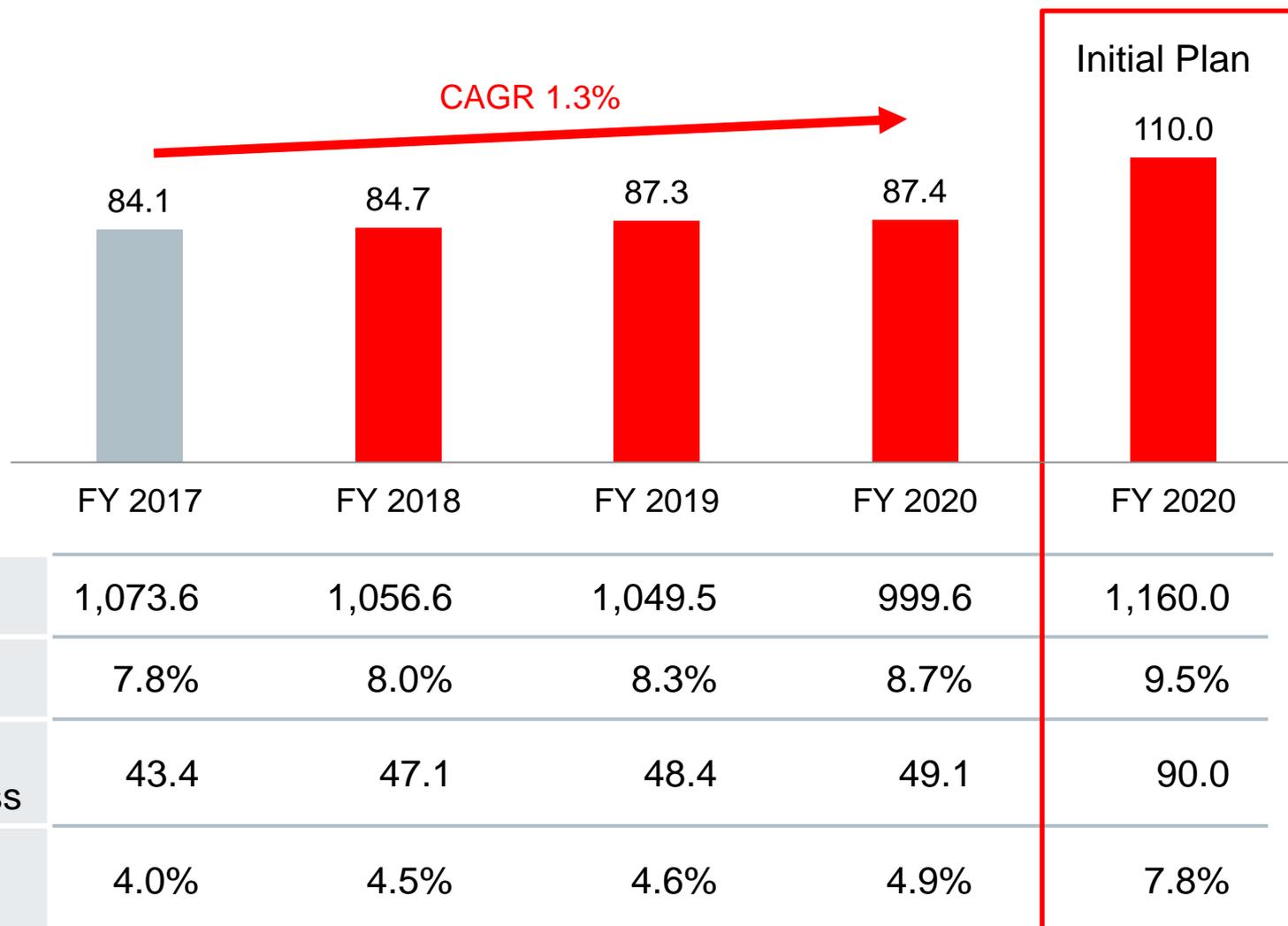
IR Day (Business Strategy Conference) Food segment

June 15, 2021

Summary of 2020 Medium-Term Business Plan

Summary Results of 2020 Medium-Term Business Plan-1 **meiji**

Operating profit (JPY bn)



Summary Results of 2020 Medium-Term Business Plan -2meiji

● What we have achieved

- Invested in future growth for chocolate, nutritionals, cheese etc.
- Decided to invest in China business to expand overseas business
- Optimized production system for drinking milk, nutrition, confectionary etc.
- Stopped selling unprofitable products including drinking milk, beverages, dessert products etc.
- Transferred non-core businesses including Meiji Kenko Ham, Asahi Broiler etc.

● Issues we should address

- Recover from the slump in our core business
- Accelerate growth of overseas business
- Optimize production system, improve capital efficiency by reducing fixed cost using ROIC effectively
- Being innovative
- Improve Meiji brand value from sustainability points of view

Meiji Statement on Nutrition

● Background

For over 100 years, we have provided nutrition based on the spirit of contributing to the country through nutrition. Over the next 100 years, we will make even greater contributions in Japan and throughout the world by providing nutrition.

We outline this Meiji Statement on Nutrition to clarify our basic stance on nutrition provided by Meiji.

Meiji Founding Spirit:

**Contributing to the Country
through Nutrition**



Hanji Soma
Meiji Group Founder

How Meiji Defines Nutrition



Nutrition by Meiji

All products,
information, and
services offered by
Meiji



Nutrition

The process of
consuming the foods
essential to health
and growth.



Nutritional elements

The substances essential
to growth and sustaining
life.

Meiji Statement on Nutrition

Meiji continuously evaluates the potential of nutrition.

We always have. We always will.

Mind 1

Providing nutrition that supports daily health through natural ingredients such as milk and cocoa.

Meiji supplies nearly 20 million products daily. We will continue providing the world with a stable supply of the high-quality, safe, and reliable products that people need.

Mind 2

Providing heartwarming nutrition through various forms of +1 (Plus One) value.

Beyond the joy of eating delicious foods, we work to provide various forms of “nutrition”, from ease of consumption and convenience to functionality and the information and services customers require. We will continue providing the world with this added value (advanced nutrition).

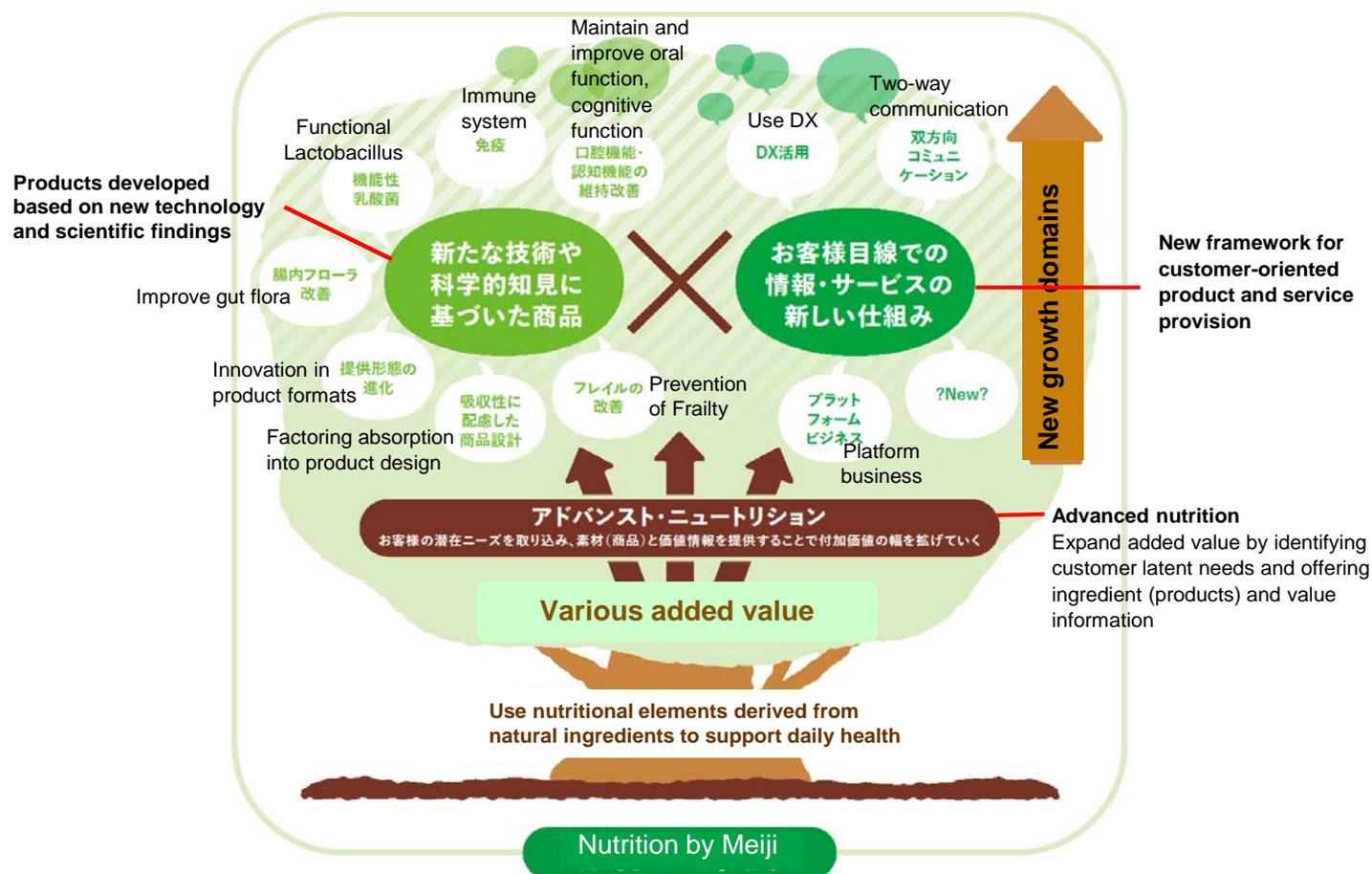
Mind 3

Using nutrition to help enrich the lives of people in various countries and regions.

Issues related to health and nutrition vary depending on life stage, living environment, and geographical area. Meiji will continue working to provide solutions by directly addressing specific health issues and issues related to the nutrition process.

Meiji Statement on Nutrition

We identify customer latent needs and combine products developed based on new technology and scientific findings with a new framework for customer-oriented product and service provision. This enables us to further expand the various forms of added value we provide through nutrition.



2023 Medium-Term Business Plan

Business Strategy: Yogurt & Cheese

Establish unique position in the market by providing health value of **Lactobacillus** to customers

● Functional yogurt

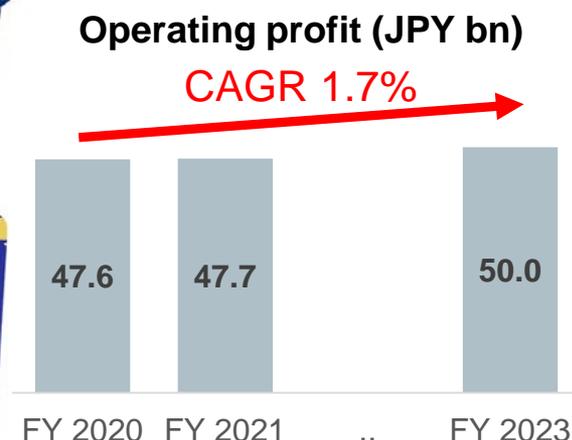
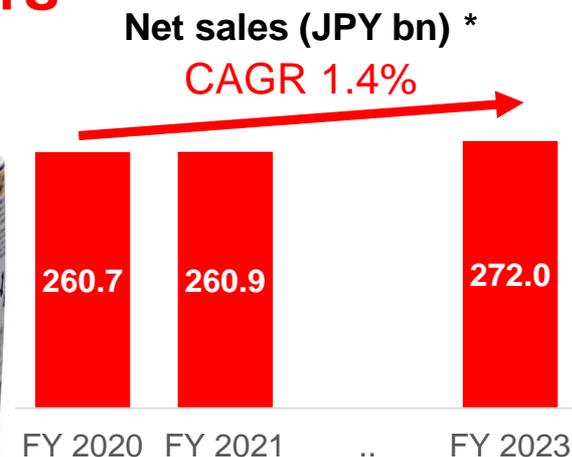
- Improve functionalities and health evidences of existing products
- Launch products with new health value

● Yogurt

- Effectively appeal *Meiji Bulgaria* yogurt brand value, solid and drinking yogurt
- Provide new eating occasions and create new food culture
- Venture into new domains and new market

● Cheese

- Convert the business to added-value business using unique value
- Increase sales of natural cheese products with vigorous marketing



Business Strategy: Nutrition

Increase sales by providing added-value

● Sports

- Increase sales of SAVAS by acquiring new customers
- Appeal functionality of VAAM
Obtain Foods with Function Claims and Food for Specified Health Use



Net sales (JPY bn)*

CAGR 4.1%



● Infant and Toddler

- Aggressively appeal value-added products including liquid infant formula and tablet infant formula
- Create new market



Operating profit (JPY bn)

CAGR 5.5%



● Enteral formula

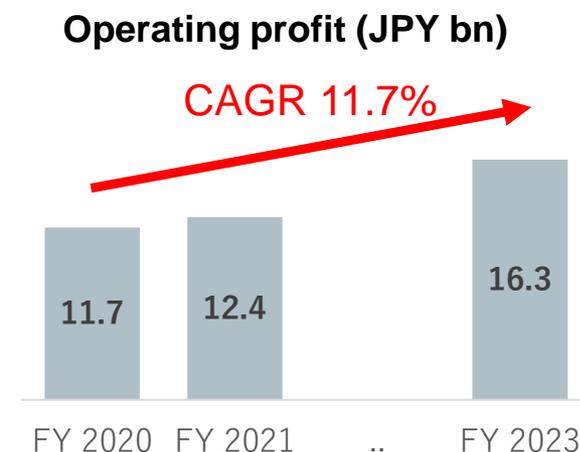
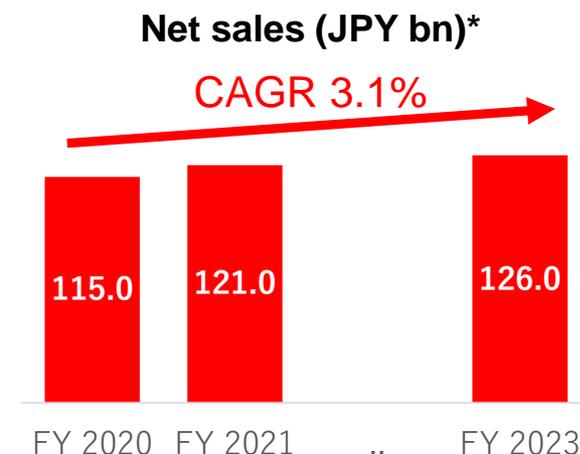
- Establish competitive advantage by meeting medical and nursing market needs



Business Strategy: Chocolate & Gummy

Expand health-oriented products and maximize value of cocoa

- Value-added chocolate
 - Increase sales of health conscious products
 - Develop and venture into new domain and temperature zone featuring the value of cocoa
 - Create value-added products using sustainable cocoa
- Chocolate
 - Respond to increasing market of both large-size package and personal demand
 - Increase profitability by reviewing ingredients and its composition
- Gummy
 - New product with added health value



Business Strategy: Drinking milk

Secure profitability by increasing sales of value-added products

● Drinking milk

- Expand *Meiji Oishii Gyunyu* brand
- Reform unprofitable products
- Improve home delivery business
- Venture into new domains by seeking new value of milk protein

Net sales (JPY bn)*



Operating profit (JPY bn)

Becoming profitable



Business Strategy: Frozen dessert & ready meal and B to B

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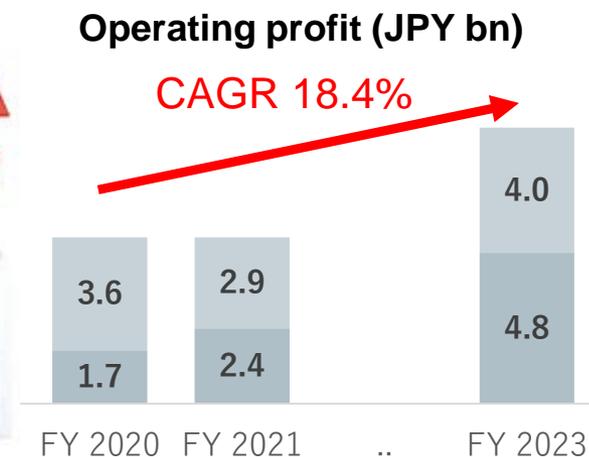
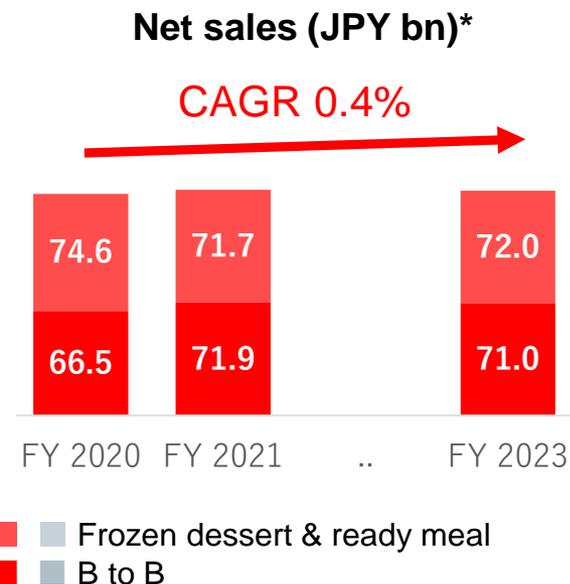
Secure profitability by increasing sales of value-added products

● Frozen dessert & ready meal

- Cope with higher in-house consumption under COVID-19 pandemic
- Differentiate products with health value and/or unique value (enhanced convenience and better nutrition design)

● B to B (Professional food products)

- Break away from the conventional business model (Propose products made of value-added ingredients)
- Respond to raising global sustainability consciousness (e.g. Use RSPO-certified palm oil)



Business Strategy: Overseas

Grow sales in China by expanding production capacity

● China

- Increase production capacity significantly

Production capacity at the end of FY 2023 (Based on monetary amount, compare to FY 2020)

Milk and yogurt About 4 times

Expand capacity in Suzhou*1,
New factory in Tianjin*2, Guangzhou*3

Confectionary About 2 times

New factory in Guangzhou*3

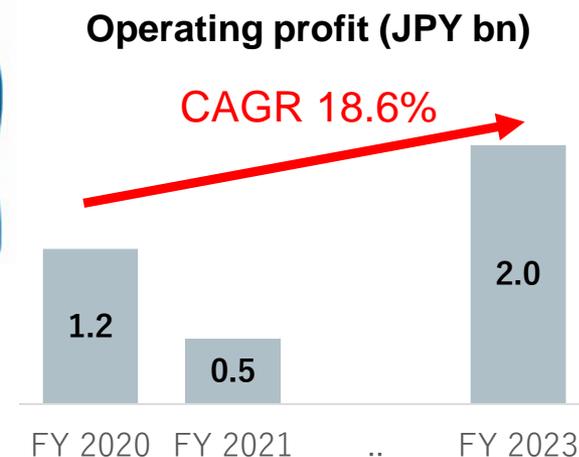
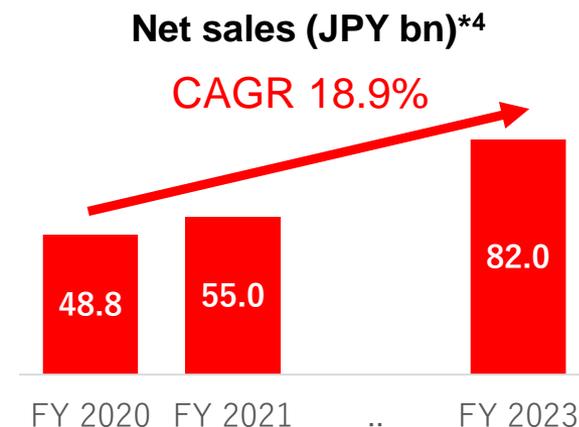
Ice cream About 2 times

New factory in Shanghai*3

- Increase sales of functional yogurt and SAVAS

● Other areas

- Strengthen business partnership with Danone regarding the infant formula tablets



*1: FY 2021 *2: FY 2022 *3: FY 2023

*4: Before applying revenue recognition standards

TANPACT

Contribute to resolving protein deficiency and malnutrition; One of the current social issues

- Current protein intake down to 1950s levels
- Propose to eat protein +10 g/day
Develop Meiji unique products that can be consumed at all eating occasions
- Expand product line by collaborating with other food

Net sales (JPY bn)*

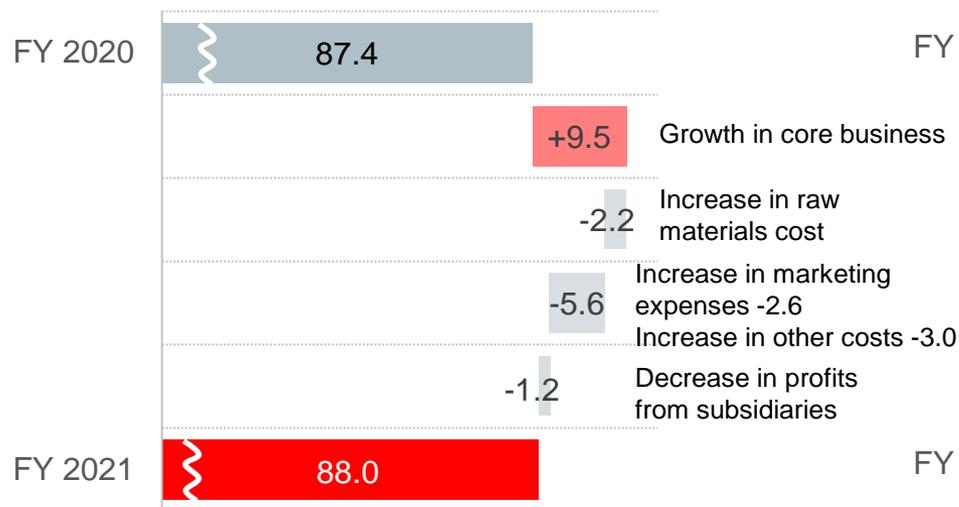


Target for Net Sales and Operating Profit

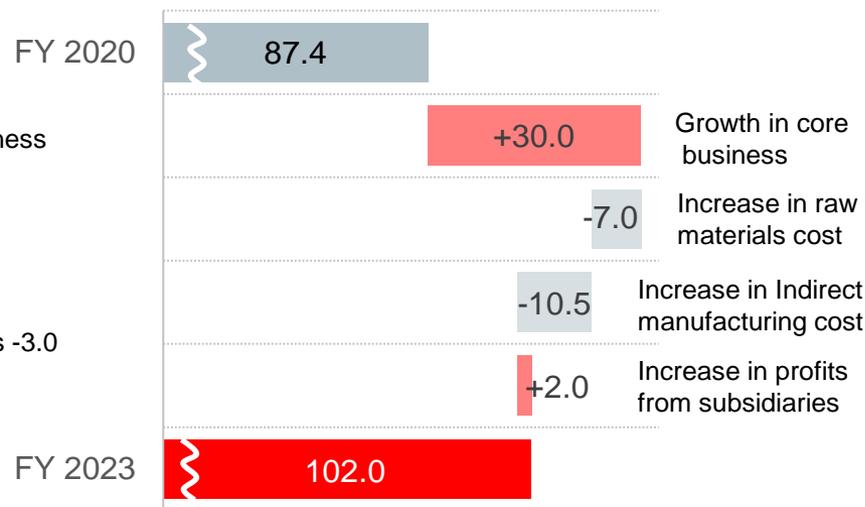
Net Sales (JPY bn) *



FY 2021 Analysis of Consolidated Operating Profit



FY 2023 Analysis of Consolidated Operating Profit



References

Food Segment Business Plan* for FY 2021 and FY 2023

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(JPY bn)

		FY 2021	FY 2023		vs. FY 2020
			Year on Year		
Yogurt & Cheese	Net sales	260.9	+0.1%	272.0	+4.3%
	Op. profit	47.7	+0.1%	50.0	+4.8%
Nutrition	Net sales	123.9	+6.7%	131.0	+12.8%
	Op. profit	18.5	+4.3%	20.8	+17.1%
Chocolate & Gummy	Net sales	121.0	+5.2%	126.0	+9.5%
	Op. profit	12.4	+6.2%	16.3	+38.9%
Drinking milk	Net sales	85.7	-8.2%	86.0	-7.9%
	Op. profit	-0.5	—	1.3	—
B to B	Net sales	71.9	+8.1%	71.0	+6.7%
	Op. profit	2.4	+37.8%	4.8	+167.0%

Food Segment Business Plan* for FY 2021 and FY 2023

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(JPY bn)

		FY 2021	year on year	FY 2023	vs. FY 2020
Frozen dessert & ready meal	Net sales	71.7	-3.9%	72.0	-3.6%
	Op. profit	2.9	-20.7%	4.0	+9.1%
Overseas	Net sales	55.0	+12.6%	82.0	+67.8%
	Op. profit	0.5	-57.7%	2.0	+57.5%
Other/ domestic subsidiaries	Net sales	217.3	-3.1%	220.0	-1.9%
	Op. profit	3.8	-19.3%	2.8	-41.8%

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