

Now ideas for wellness



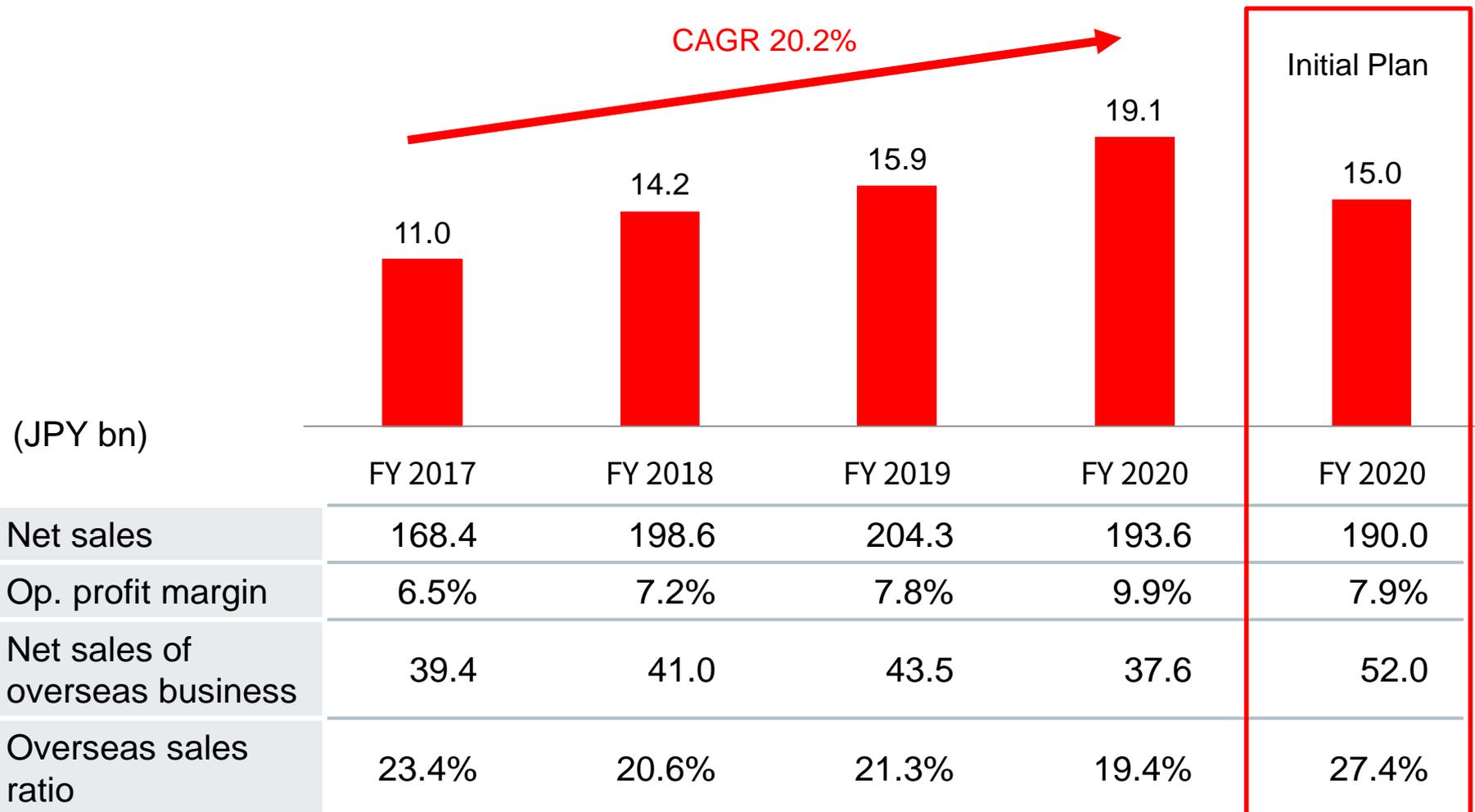
IR Day (Business Strategy Conference) Pharmaceutical segment

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-2 **meiji**

● What we have achieved

- Acquired KM Biologics and expanded into vaccine business
- CMO/CDMO business in Medreich grew steadily, gradually expanding business for Japan
- Expanded sales of ASEAN business
- Strengthened pipeline (In licensed KD025 and HBI-8000)

● Issues we should address

- Rebuild business portfolio (use ROIC)
- Strengthen quality management for better quality assurance
- Promote structural reforms and reduce fixed costs, considering impact of COVID-19 pandemic and NHI pricing reforms
- Integrate business operations of Meiji Seika Pharma and KM Biologics (Human vaccines and veterinary drugs)
- Expand sales of CMO/CDMO business (Japan and overseas)

Efforts against COVID-19

1. Research and development

	Theme	Public funds	
1	Development of inactivate vaccine against COVID-19	AMED	Development of Vaccine Against COVID-19
2	Development of COVID-19 therapeutic agent and antiviral drug based on the Ōmura natural compound, Avermectin, and create basic structure	AMED	Cyclic Innovation for Clinical Empowerment (CiCLE): public offering #5
3	Therapeutic antibody development program for COVID-19	AMED	Research Program on Emerging and Re-emerging Infectious Diseases
4	Development of attenuated vaccine against COVID-19	AMED	

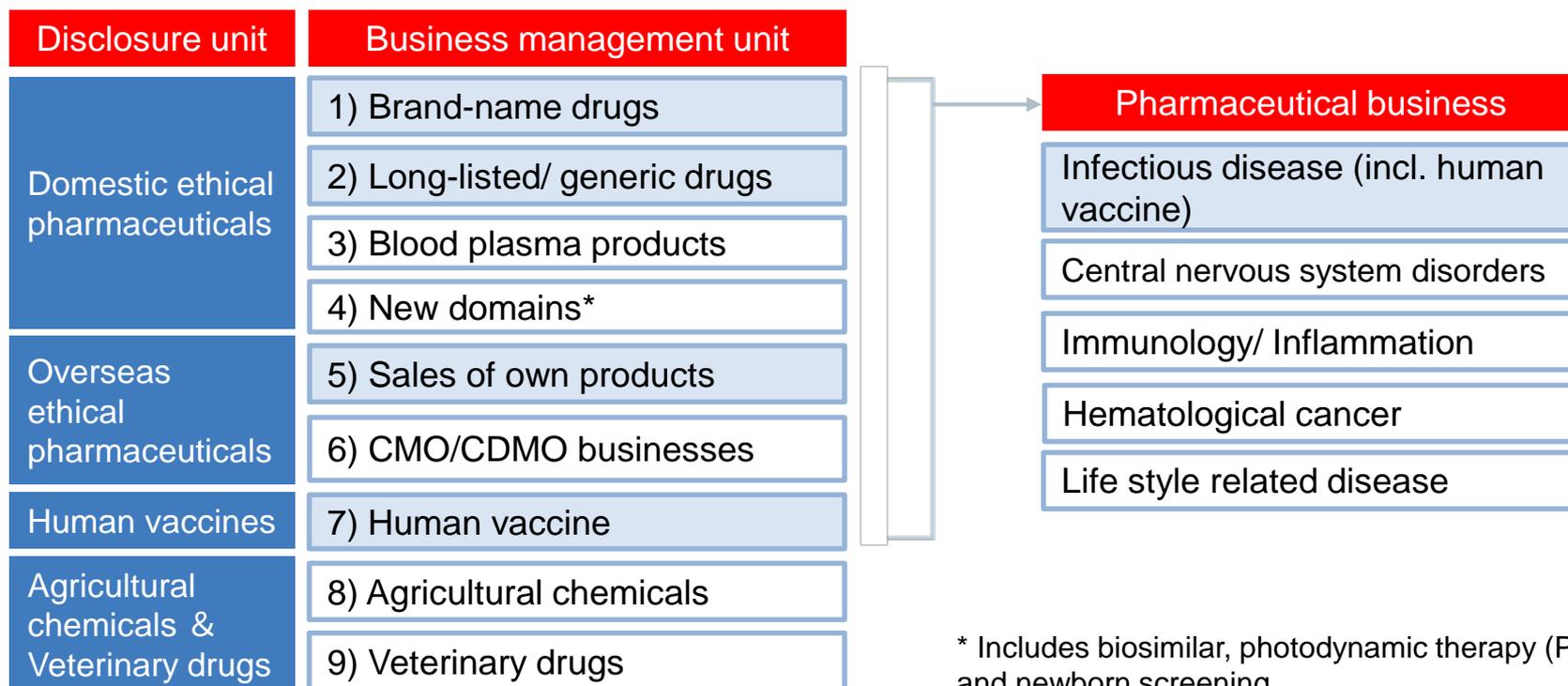
2. Business alliance

Signed a contract with AstraZeneca concerning domestic supply of the COVID-19 Vaccine

2023 Medium-Term Business Plan

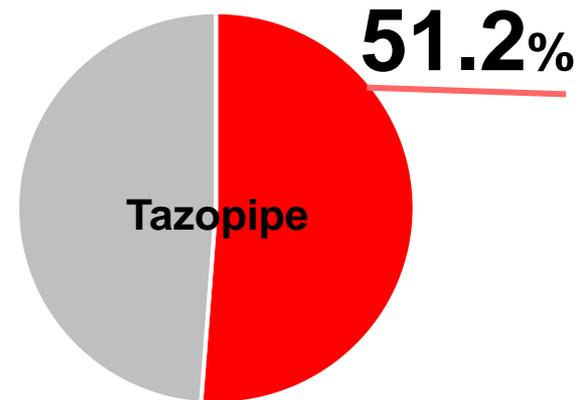
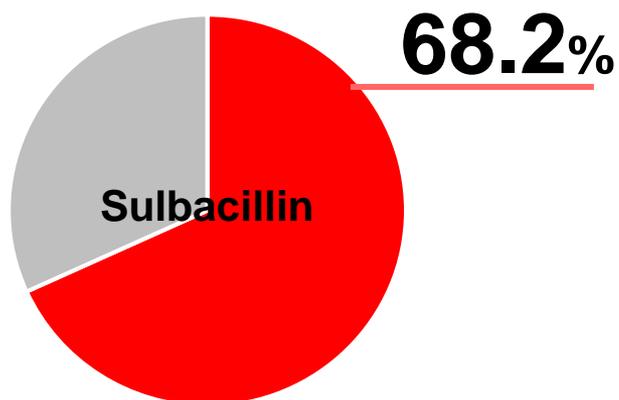
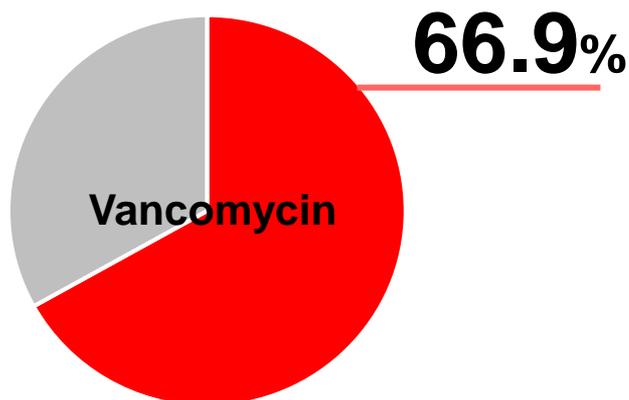
Rebuild Business Portfolio

- Focus our management resources on infectious disease, our specialized area, considering market environment and rapid changes of technological innovation
- Review business portfolio using ROIC effectively

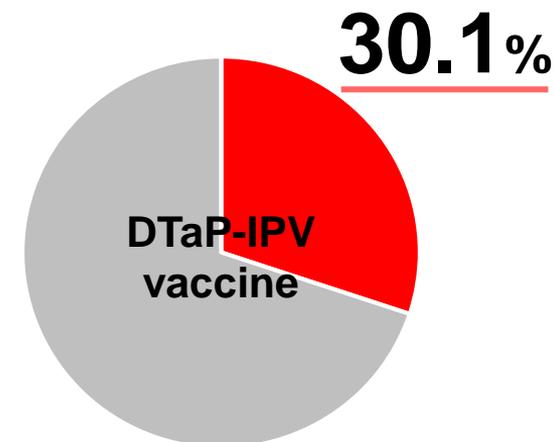
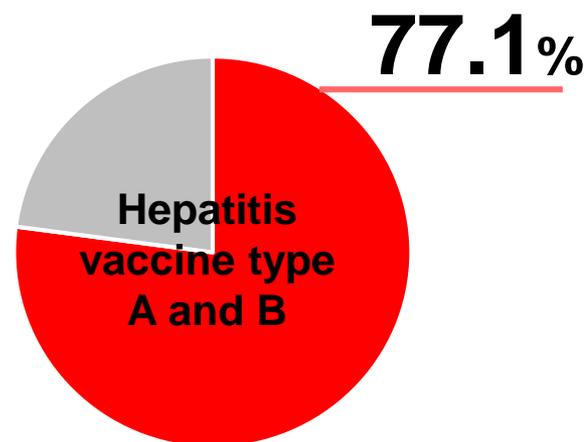
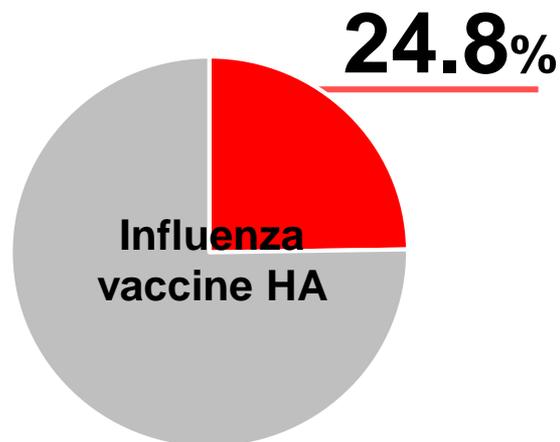


Product Share in Infectious Disease by volume

● Antibacterial, injection



● Human vaccine

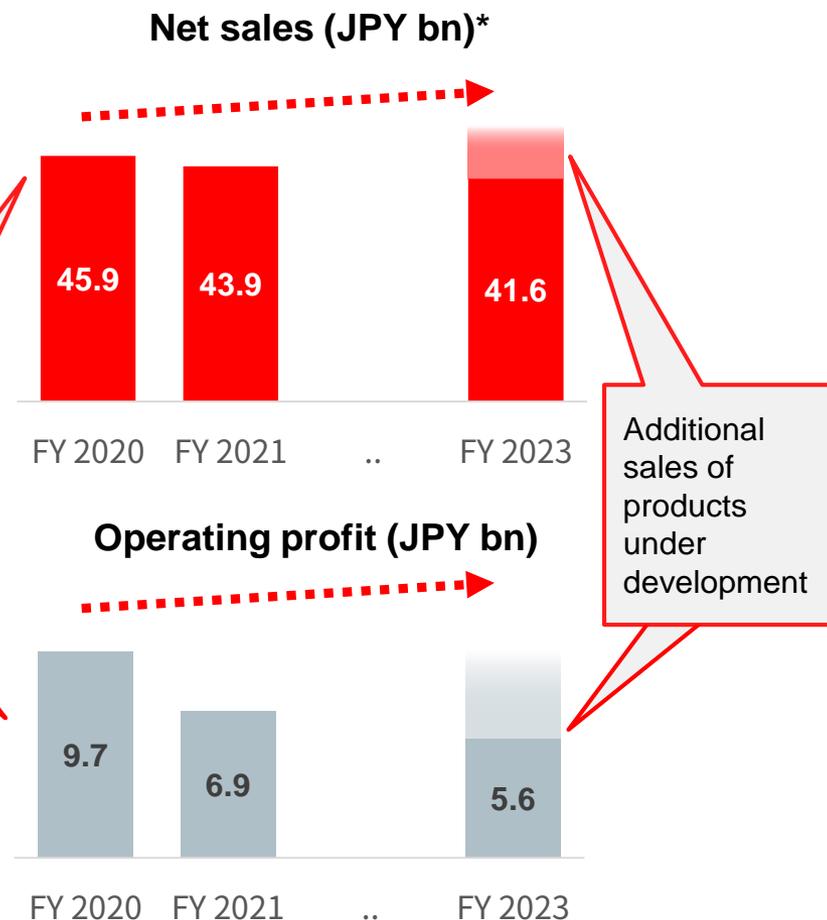


Business Strategy: Human Vaccines

Integrate business operations of Meiji Seika Pharma and KM Biologics

- Improve R&D collaboration
- Enhance supply management integrating production and sales
- Progress product development
 - Inactivated vaccine against COVID-19
 - DTaP-IPV/Hib vaccine
 - Dengue vaccine
- Expand overseas business
- Establish new modality for drug discovery/development by promoting open innovation

For FY 2020 and 2021, includes sales of contract manufacturing



Brand-name drugs

Promote structural reform and maximize sales of mainstay products

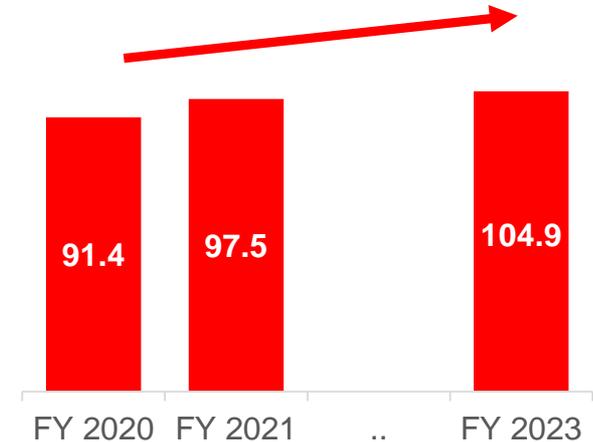
- Reduce fixed cost by promoting structural reform
 - Reorganize sales offices
 - Work-style reform for MRs
- Expand sales of *SYCREST*, schizophrenia drug, and *BILANOVA*, anti-allergy drug
- Accelerate launch and market penetration of *Hiyasta* (HBI-8000) *2, anti-tumor drug
 - Establish market positioning: The only oral HDAC inhibitor
- Stringently track progress of R&D pipeline

*1 Before applying revenue recognition standards

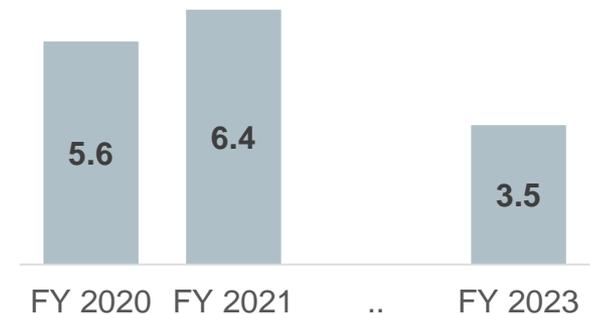
*2 On May 28, 2021, the Second Committee on Drugs of the Ministry of Health, Labour and Welfare's Pharmaceutical Affairs and Food Sanitation Council approved manufacturing and sales as a treatment for relapsed and refractory adult T-cell leukemia/lymphoma (ATLL). We currently hold exclusive distribution rights in Japan and seven countries in Asia.

Sales of pharmaceuticals in Japan (JPY bn)*1

CAGR 4.7%



Operating profit of pharmaceuticals in Japan (JPY bn)



Long-listed/ Generic Drugs

Better quality assurance and selection and concentration of product portfolio

- Strengthen quality management for better quality assurance
- Improve profitability: Decrease SKUs
- Establish business model: Manufacture in India and sell in Japan
- Ensure stable supply of Key Drugs*

Blood plasma products

Improve profitability: Maximize sales and reduce cost

- Maximize sales and reduce cost by improving continuous production
- Reduce cost

* Four associations designated 10 antibiotics (injectable) as Key Drugs that are clinically important and for which stable supplies are essential. Four associations are: The Japanese Society of Chemotherapy, the Japanese Association for Infectious Diseases, the Japanese Society for Clinical Microbiology, and the Japanese Society for Infection Prevention and Control

Business Strategy:

Overseas Ethical Pharmaceuticals

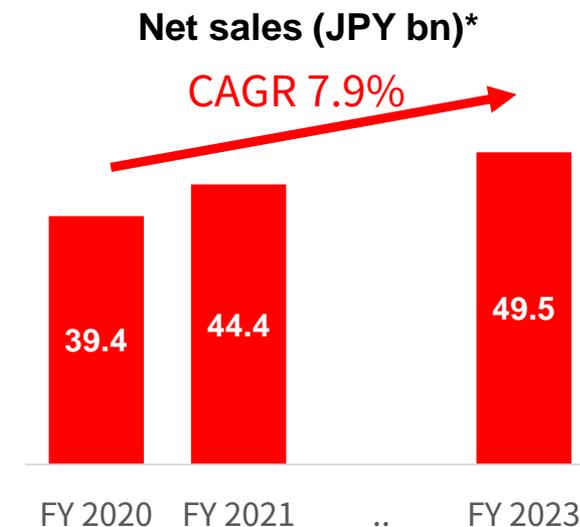
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Sales of own products

Build product strategy proper for each country

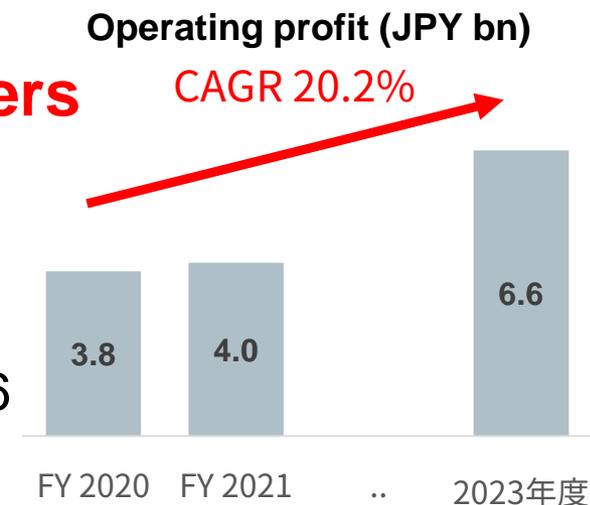
- Expand sales of *MEIACT*, antibiotics and *ADANT*, hyaluronic acid preparation
- Develop brand-name drugs



CMO/CDMO

Expand business with existing customers and capture new customers

- Strengthen R&D capabilities to secure competitive advantages
- Expand production capacity looking to FY 2026
- Respond to increasing demand for access to medicines



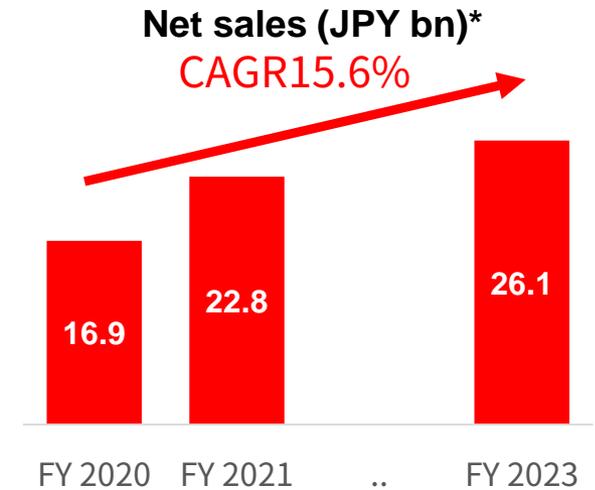
Business Strategy:

Agricultural Chemicals and Veterinary drugs

Agricultural Chemicals

Expand sales of mainstay products in Japan and develop overseas business

- Ensure stable procurement of important raw material
- Expand sales of mainstay products in Japan
- Promote development of new drugs overseas



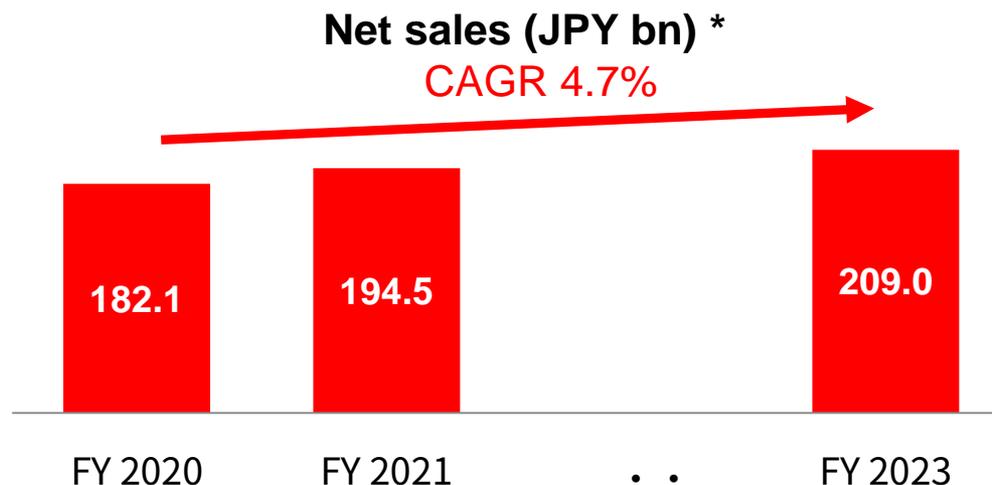
Veterinary drugs

Integrate business operation of Meiji Seika Pharma and KM Biologics

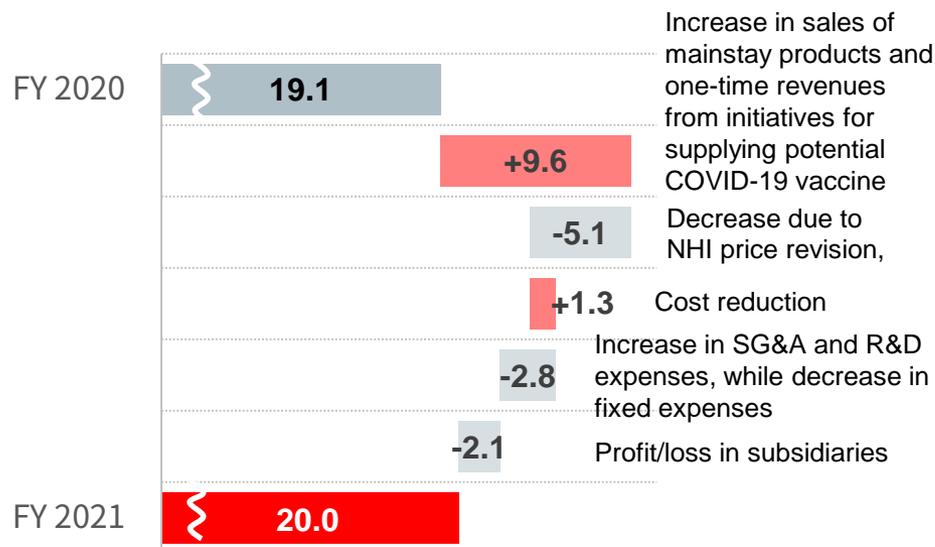
- Launch new products to domestic market quickly and smoothly
- Develop system for overseas expansion
- Stable production and cost reduction



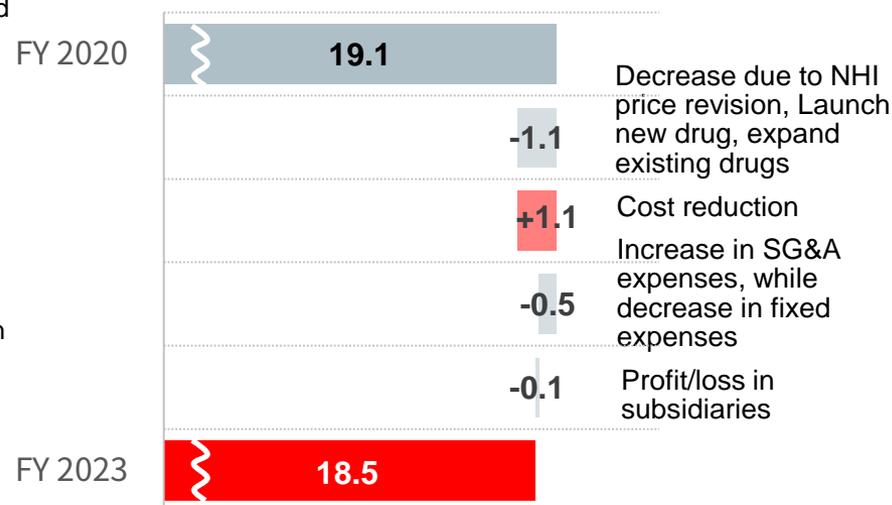
Target for Net Sales and Operating Profit



FY2021 Analysis of Operating Profit (JPY bn)



FY2023 Analysis of Operating Profit (JPY bn)



References

Pharmaceutical Segment Business Plan* for FY 2021 and FY 2023

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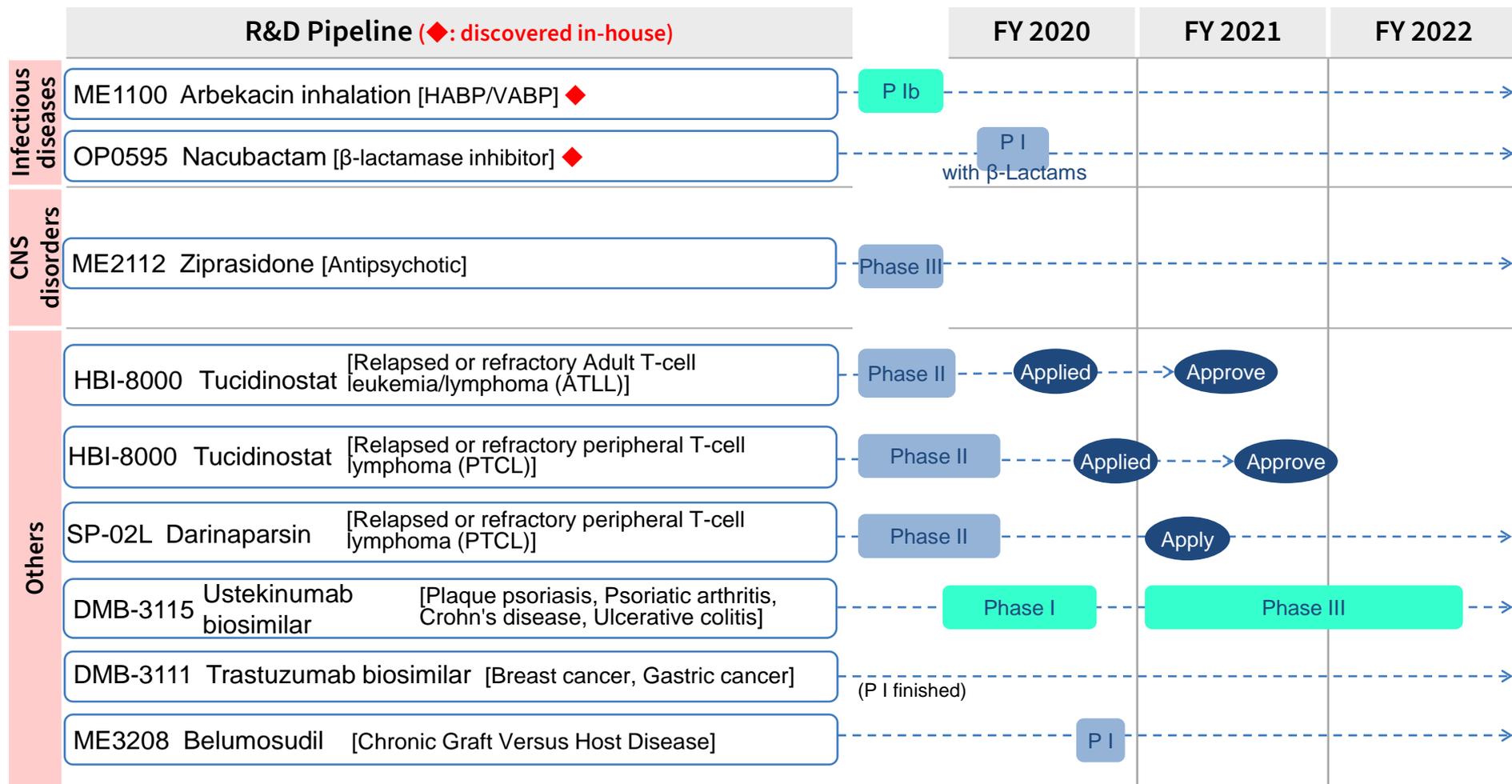
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(JPY bn)

		FY 2021	YoY Change	FY 2023	vs. FY 2020
Domestic ethical pharmaceuticals	Net sales	97.5	+6.7%	104.9	+14.8%
	Op. profit	6.4	+14.3%	3.5	-37.5%
Overseas ethical pharmaceuticals	Net sales	44.4	+12.7%	49.5	+25.6%
	Op. profit	4.0	+5.3%	6.6	+73.7%
Human vaccines	Net sales	43.9	-4.4%	41.6	-9.4%
	Op. profit	6.9	-28.9%	5.6	-42.3%
Agricultural chemicals & Veterinary drugs	Net sales	22.8	+34.9%	26.1	+54.4%
	Op. profit	2.7	—	2.7	—

R&D Pipeline-1

■ Japan ■ Overseas

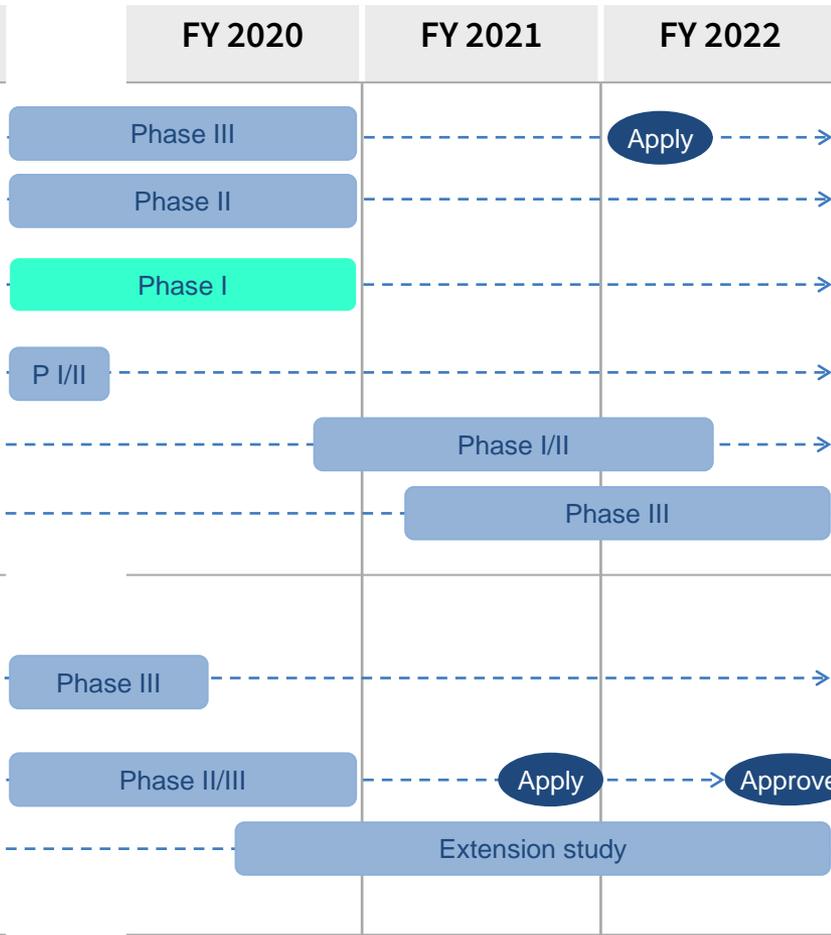


R&D Pipeline-2

R&D Pipeline(◆: discovered in-house)

Human vaccines

- KD-370 [Pentavalent vaccine against diphtheria, tetanus, pertussis, polio, and haemophilus influenza type b] ◆
- KD-382 [Quadrivalent vaccine against dengue fever] ◆
- KD-404 [Egg-derived inactivated whole virus influenza vaccine]
- KD-414 [Inactivated vaccine against COVID-19] ◆



R&D Pipeline-3

■ Japan ■ Overseas

R&D Pipeline (◆: discovered in-house)		FY 2020	FY 2021	FY 2022
Agricultural chemicals	ME5382 [Insecticide/Flupyrimin] ◆	Approved		
	ME5343 [Insecticide] Licensing agreement with BASF ◆*	Approved		
	ANM-138 [Insecticide] Joint development with Nippon Kayaku ◆	Approved	Approved	
	ME5223 [Fungicide/Fenpicoxamid] Joint development with Corteva Agriscience ◆	Approved		
Veterinary drugs	ME4129 [Injectable antibacterial drugs] Expanded indication	Approved		
	ME4136 [Injectable antibacterial drugs]	Approved		
	ME4137 [Injectable antibacterial drugs]	Applied		Approve
	ME4406 [Feed Additive] ◆			
	ME4204 [Oral Anthelmintic] Expanded indication ◆	Applied	Approved	
	ME4624 [Vaccine]	Applied	Approved	
	KD-390 [Vaccine for poultry use] ◆	Approved		
	KD-377 [Vaccine for swine use] ◆	Applied	Approved	
	KD-386 [Vaccine for swine use] ◆	Applied		

* Discovered in a research collaboration between Meiji Seika Pharma and The Kitasato Institute

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