

Now ideas for wellness

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ESG Meeting

December 9, 2022

Meiji Holdings Co., Ltd.

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Part 1: Presentation

Promote the Meiji ROESG[®] Management Effectively

Jun Furuta

Chief Sustainability Officer

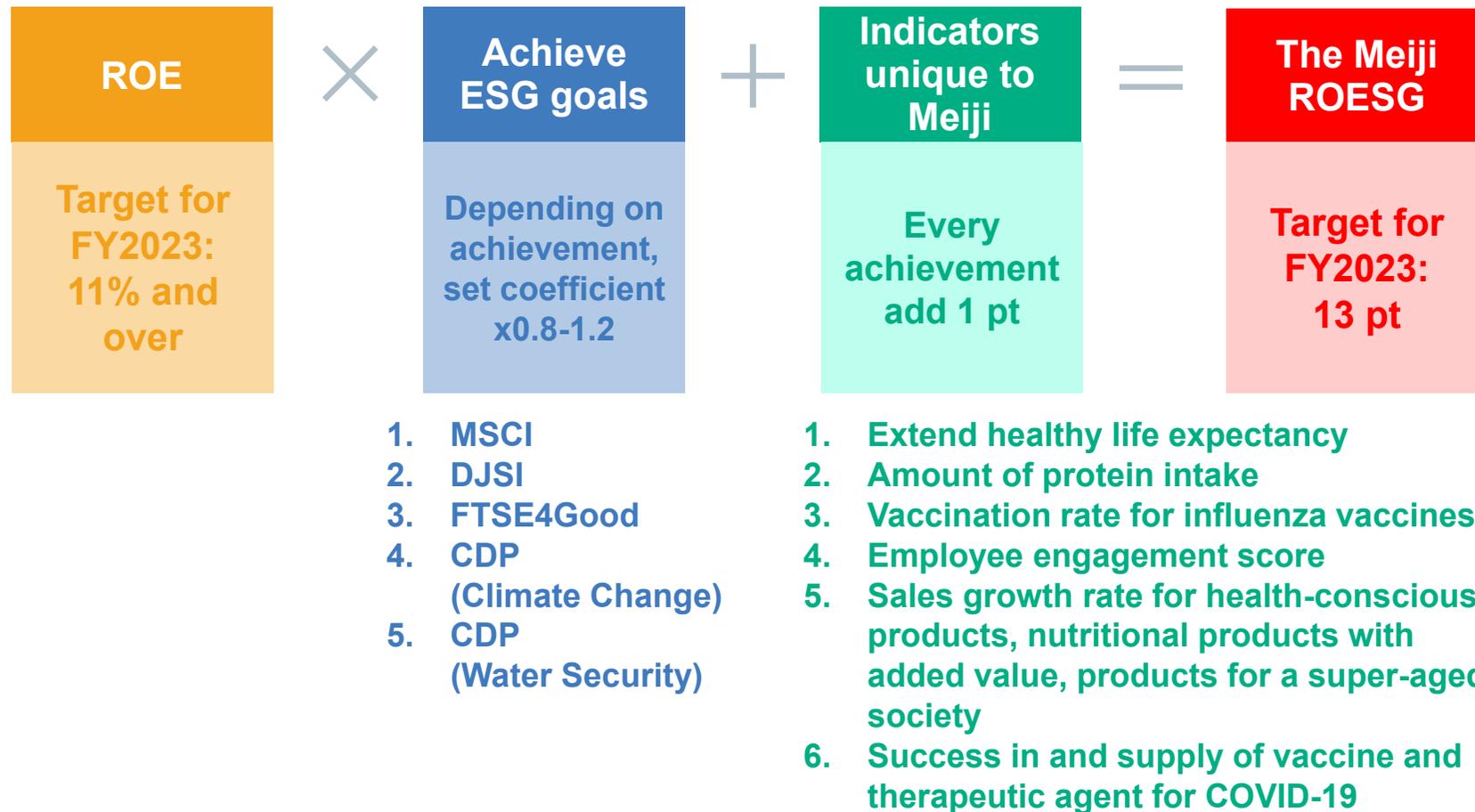
Member of the Board and Senior Managing Executive Officer

Meiji Holdings Co., Ltd.

2023 Medium-Term Business Plan

Promote the Meiji ROESG Management Effectively

Convert business management to achieve both ROE improvement and ESG enhancement without any compromises



* ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

Progress of Meiji ROESG : ESG Indicators

Combination of Comprehensive*1 and Environment-specific*2 Indicators

*1: MSCI ESG Ratings, DJSI and FTSE4Good

*2: CDP ratings

Evaluation indicators	FY2020 Results	FY2021 Results	FY2022	Targets for FY2023
MSCI ESG Ratings	BB	BBB	Will be available in December	A
DJSI	80th percentile	86th percentile	Will be available in December	90th percentile
FTSE4Good	3.0	3.0	3.7	3.5
CDP (Climate Change)	A-	A-	Will be available in December	A
CDP (Water Security)	A-	A	Will be available in December	A

- Achieved the goal for FTSE4 Good due to substantial improvement of Environment and Governance scores
 - ✓ Environment: Increased efforts for water risk and biodiversity
 - ✓ Governance: Raise in disclosure rate

Progress of Meiji ROESG: Indicators Unique to the Meiji Group

Established six indicators related to:

The social issues that the Group focuses during 2023 Medium-Term Business Plan
Human capital that is the driver for corporate activities

Indicators	Most recent result or status	Targets for FY2023
Extend healthy life expectancy	+0.56 years* ¹	+1 year* ¹
Amount of protein intake	71.4g/day* ²	75g/day
Vaccination rate for influenza vaccines	65.6%* ³	60%
Employee engagement score	Deviation score B* ⁴	Deviation score A
Sales growth rate for health-conscious products, nutritional products with added value, products for a super-aged society	-3.1%* ⁵	10% or more (vs. FY2020)
Success in and supply of vaccine and therapeutic agent for COVID-19	Under development	Development and supply

- Many people were encouraged to receive vaccinations due in part to awareness-raising activities conducted by the government and experts
- Employee engagement score were largely unchanged. Keep trying to improve internal communication and diversity

*1 Compared to 2016 (men 72.14 yrs old/women 74.79 yrs old) *2 2019 latest survey
*3 FY2020 latest survey; based on people aged 65 or older receiving routine vaccinations
*4 FY2022 Result *5 FY2021 Result (Compared to FY2020)



Today's Agenda

1. Our Efforts for Environmental Issues
2. Sustainable Sourcing
3. Improving Corporate Governance

1. Our Efforts for Environmental Issues

The Meiji Group Long-Term Environment Vision

Meiji Green Engagement for 2050

Under the critical situation of the global environment, the Meiji Group will contribute to **realize a sustainable global environment by coexisting with nature** in the future through **engagement with the Earth**.



Climate Change

Realize carbon neutrality

Eliminate CO₂ and other greenhouse gas emissions throughout our entire supply chain



Water Resources

Reduce water use intensity per unit of sales by 50%

Water-neutral

Restore 100% of the water used as raw material for products



Circular Economy

Achieve zero emissions

in the manufacturing process minimize the use of new natural capital



Pollution Prevention

Achieve zero pollution

caused by chemical substances originating from our business activities

Our Efforts for Environmental Issues

Progress in FY2022

Started calculating the Carbon Footprint of Products (CFP) in April

CFP: The total greenhouse gas emissions generated by a product over the different stages of its life cycle

Joined 30 by 30, the initiative to conserve biodiversity, in April

30 by 30: A worldwide initiative to designate 30% of Earth's land and ocean area as protected areas by 2030

Joined the Taskforce on Nature-related Financial Disclosures (TNFD) in May

Joined the taskforce whose mission is to develop and deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks

Two factories achieved Renewable Energy 100 (RE100) in June

Ratio of renewable energy: Approx. 5.3% in FY2021, estimated approx. 10% in FY2022, steady progress towards KPI

Formulated a roadmap to achieve Carbon Neutrality by 2050 in August

Formulated a specific roadmap to reduce CO₂ emissions (Scope 1, 2, and 3)

Created Pollution Prevention Guidelines in November

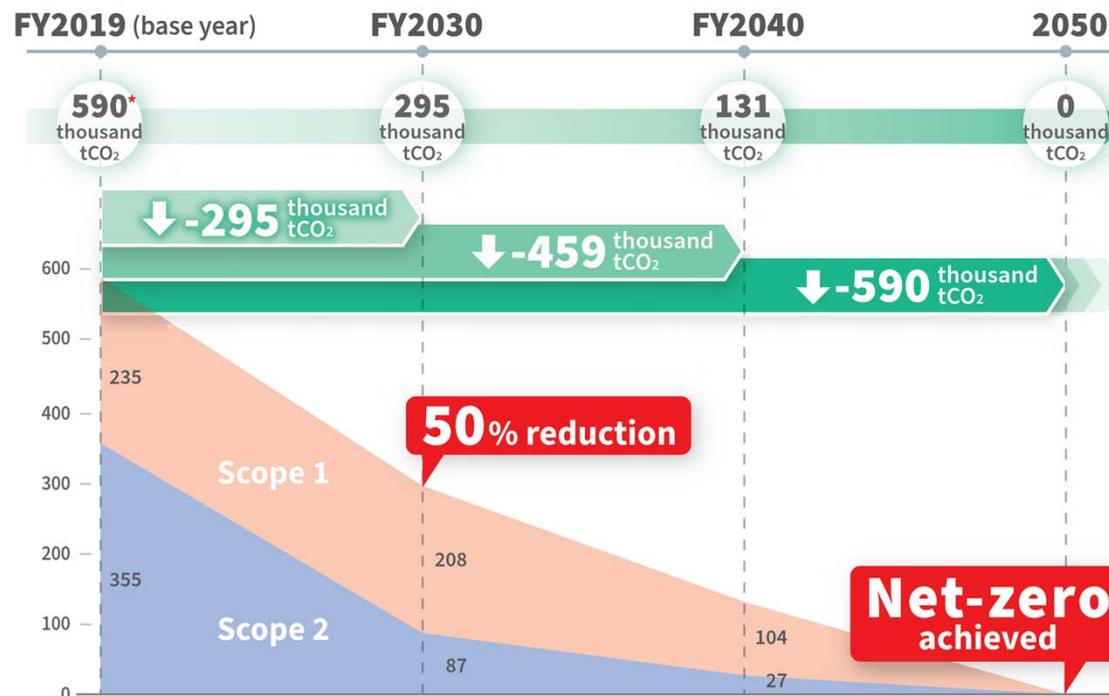
Formulated action plan to prevent air, water, and soil pollution based on compliance with environmental laws and regulations

To Realize Carbon Neutrality by 2050

Scope 1, 2 Target*: Reduce 50% by FY2030 and net zero by 2050

Scope 3 Target*: Reduce 30% by FY2030 and net zero by 2050

* Compare with CO₂ emission volume in FY2019



[Calculation condition]

KPI on the renewable energy electricity ratio for FY2030: 50%, CO₂ emission factors of electricity are based on IEA's Net Zero Emissions by 2050 Scenario. Figures approved by the SBT initiative.

* The base year emission figures approved by the SBT initiative exclude vehicle-related CO₂ emissions from FY2019 (Scope 1 and 2).

● Scope 1, 2

- ✓ Installing energy-saving equipment
- ✓ Replacing to low carbon fuels
- ✓ Installing solar power generation equipment
- ✓ Purchasing electricity generated from renewable energy sources

● Scope 3

- ✓ Collaborating with suppliers of raw materials and packaging
- ✓ Promoting engagement with key business partners



Video (approx. 6 min)

Carbon Neutrality

Introducing Carbon Footprint of Products (CFP)



- Visualize Greenhouse Gas (GHG) emissions by adopting CFP
- Understand the environmental impact throughout our supply chain, including the Meiji Group

Chocolate

- Selected in July 2022 to a Ministry of the Environment model program aimed at promoting CFP in Japan
- Estimated referring to ISO14067, the international standard
- Calculated CFP for *Meiji Milk Chocolate* (bars) in FY2022 considering market permeation and sales volume

Drinking milk

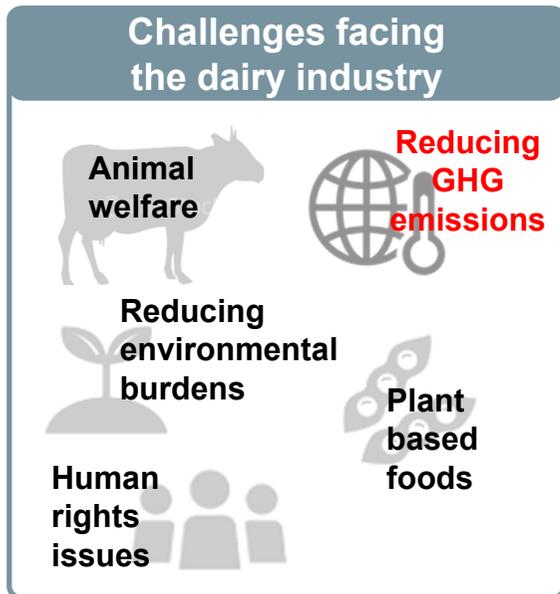
- Formulated calculation method referring to:
 - ✓ Environmental Product Declaration (EPD), the international standard
 - ✓ Rules outlined by the International Dairy Federation (IDF)
- Calculated CFP using formulated method

➔ Will increase the number of products for CFP estimates considering relevant issues such as GHG emissions

GHG Reduction Efforts in Dairy and Milk



Pursuing GHG emission reductions and sustainability by applying three perspectives



Formulated CFP calculation method and started calculation of some products

Reducing GHG based on collaboration

- Nitrous oxide from manure
- Cow breath methane

Value creation through use of carbon credits

Circular Economy/ Promoting Plastics Recycling



Gradually reducing the amount of plastics for containers and packaging

Changes in reduction rate

FY2017	FY2018	FY2019	FY2020	FY2021	Target for 2023 Medium-Term Business Plan	Target for FY2030
Reference year	8.2%	9.8%	11.7%	16.0%	15.0%	25.0%

Reducing the amount of plastics

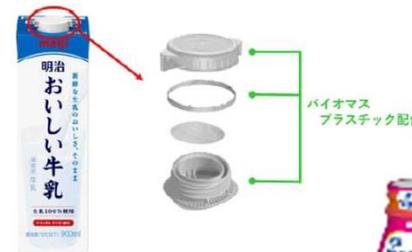
*1: Polystyrene paper *2: Polypropylene

- *Meiji Probio Yogurt R-1*: **Label-free bottles** (Launched nationwide in September 2022)
- *Meiji Hokkaido Tokachi Yogurt 4-pack*: **Reducing PSP*1 cup weight** (Started switching in October 2022)
- *Meiji Essel Super Cup multipack*: **Switching PP*2 cup to paper cup** (Started switching in March 2022)



Increasing the amount of sustainable materials

- *Meiji Oishii Gyunyu*: **Using bioplastics for cap and pour spout** (Switched in July 2022)
- *Drinks In PET bottle for home delivery*: **Using recycled plastics** (Launched in July 2022)



Circular Economy/ Reducing Food Loss and Waste



Strengthen food loss and waste reduction efforts
Contribute to reducing an annual 5.2 million tons in food loss*; Japan's issue

Changed labeling:
Expiration dates to year/month

Changed labeling (from Feb. 2020):
✓ From **month/date/year** to **month/year**
✓ Approx. 120 consumer products with expiration dates of one year or more

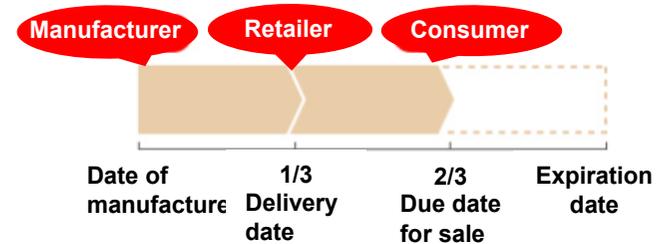
Extended use-by date while maintaining product quality

Extended expiration dates to reduce food waste due to expiration
Some confectioneries, beverages, nutritional foods, and processed foods



Reviewing 1/3 rule for use-by dates

Easing business standard of dividing expiration dates into one-thirds for manufacturer, seller, and consumer



Cooperating with relevant groups

- Contributed products and emergency rations through cooperation with Food Bank All Japan
- Cooperated with UN WFP to support the Zero Hunger campaign

* FY2020 estimates by the Ministry of Agriculture, Forestry and Fisheries



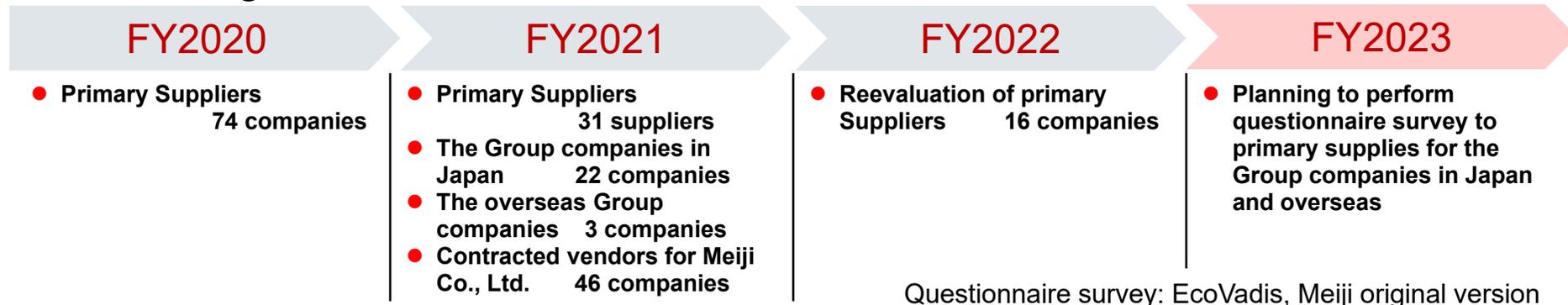
2. Sustainable Sourcing

Sustainable Sourcing

Building a Responsible Supply Chain



1. Status of questionnaire survey for sustainable sourcing



2. Engagement efforts

Individually engaged with target companies to resolve issues

Objective	Target company
Solving social issues by strengthening collaboration and cooperation	<ul style="list-style-type: none"> Main raw materials supplies 7 suppliers
Promoting improvements through strengthened collaboration	<ul style="list-style-type: none"> Suppliers rated low scores in the questionnaire survey 5 suppliers Meiji's Group companies rated low scores in the questionnaire survey 3 companies <p>Completed the first individual engagement</p>

Sustainable Sourcing



Promoting sustainable sourcing and building a responsible supply chain for raw materials linked to social issues such as deforestation and child labor

Cocoa	<ul style="list-style-type: none">● Achieve sustainable cocoa production Aiming for a procurement rate of 100% sustainable cocoa beans by FY2026 FY2021 procurement rate: 42%
Raw milk	<ul style="list-style-type: none">● Strengthening partnerships with farmers through the Meiji Dairy Advisory (MDA)● Establishing policy and engaging with NGOs as part of our efforts to respect animal welfare
Palm oil	<ul style="list-style-type: none">● Aiming for 100% switch to RSPO certified oil by FY2023● Obtaining RSPO supply chain certification for 24 domestic and overseas plants● Promoting traceability through to the palm oil production plants
Soybean Sugar	<ul style="list-style-type: none">● Evaluating drafting procurement guidelines based on assessment of social issues

3. Improving Corporate Governance

Introducing Evaluation of the Board's Effectiveness by the Third-party Assessment Organization

Policy change: Evaluating the Board's effectiveness by the third-party assessment organization (conducting about once every 3 years) in addition to the self-assessment (annually)

Results of the Board's evaluation in FY2021

- The Board of Directors is extensively discussing the Company's response to revisions to the Corporate Governance Code.
- Regarding strengthening monitoring to improve the effectiveness of the Board of Directors, there is room for improvement.

Initiatives for FY2022

- Strengthening monitoring of specific results and progress status for priority issues of the Medium-Term Management Plan
- Deepening the discussion from a medium- and long-term perspective at the Board of Directors in the process of formulating the next Medium-Term Business Plan
- Selecting agenda items that promote focused deliberations for the Board of Directors and improving Board management

Recommendations by the third-party assessment organization:
Points to consider towards improving the effectiveness of the Board of Directors

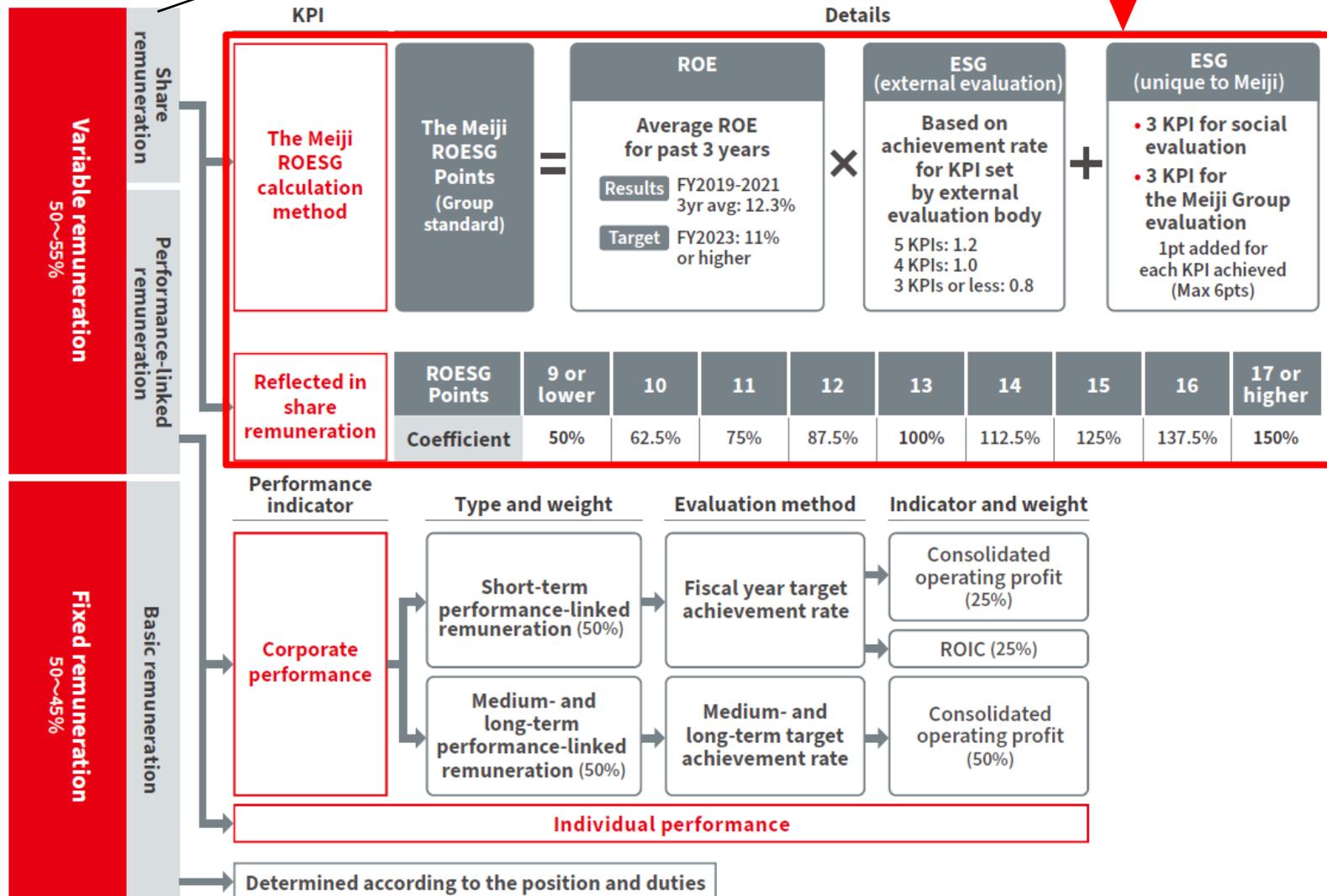
- Discussion on medium- and long-term issues at the Board of Directors
- Succession planning of the Board Members
- Confirming the nature and composition of the Board of Directors

Remuneration for Members of the Board

Meiji ROESG-linked remuneration

Share Remuneration vs Performance-linked Remuneration = 40 : 60

Impact of Meiji ROESG on Remuneration: 20 - 22%



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Part 2: Dialogue

Realizing profit growth and sustainability activities simultaneously

Kazuo Kawamura

CEO, President and Representative Director

Peter D. Pedersen

Member of the Board (Outside)

Meiji Holdings Co., Ltd.

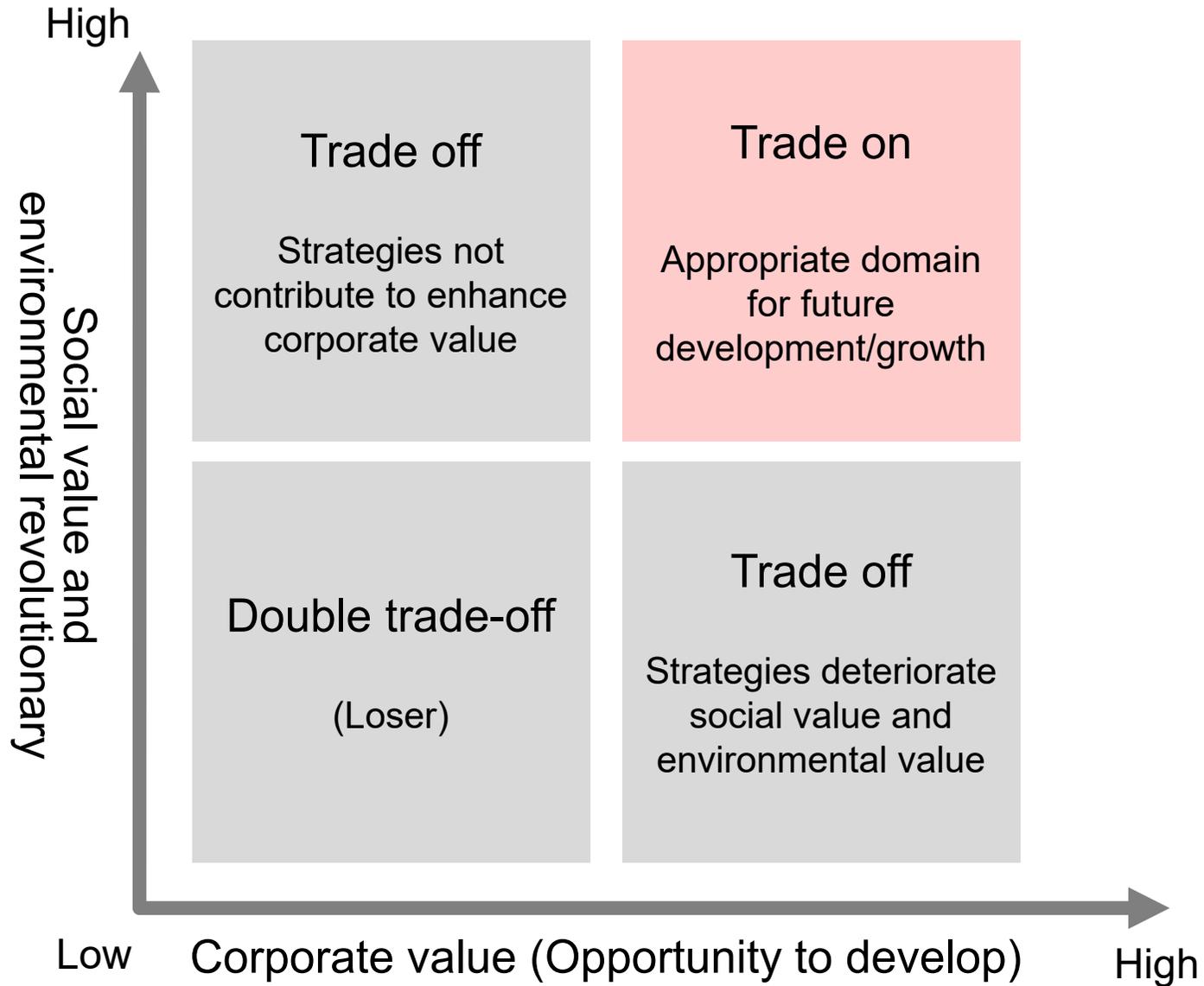
Peter D. Pedersen, Member of the Board (Outside) Profile



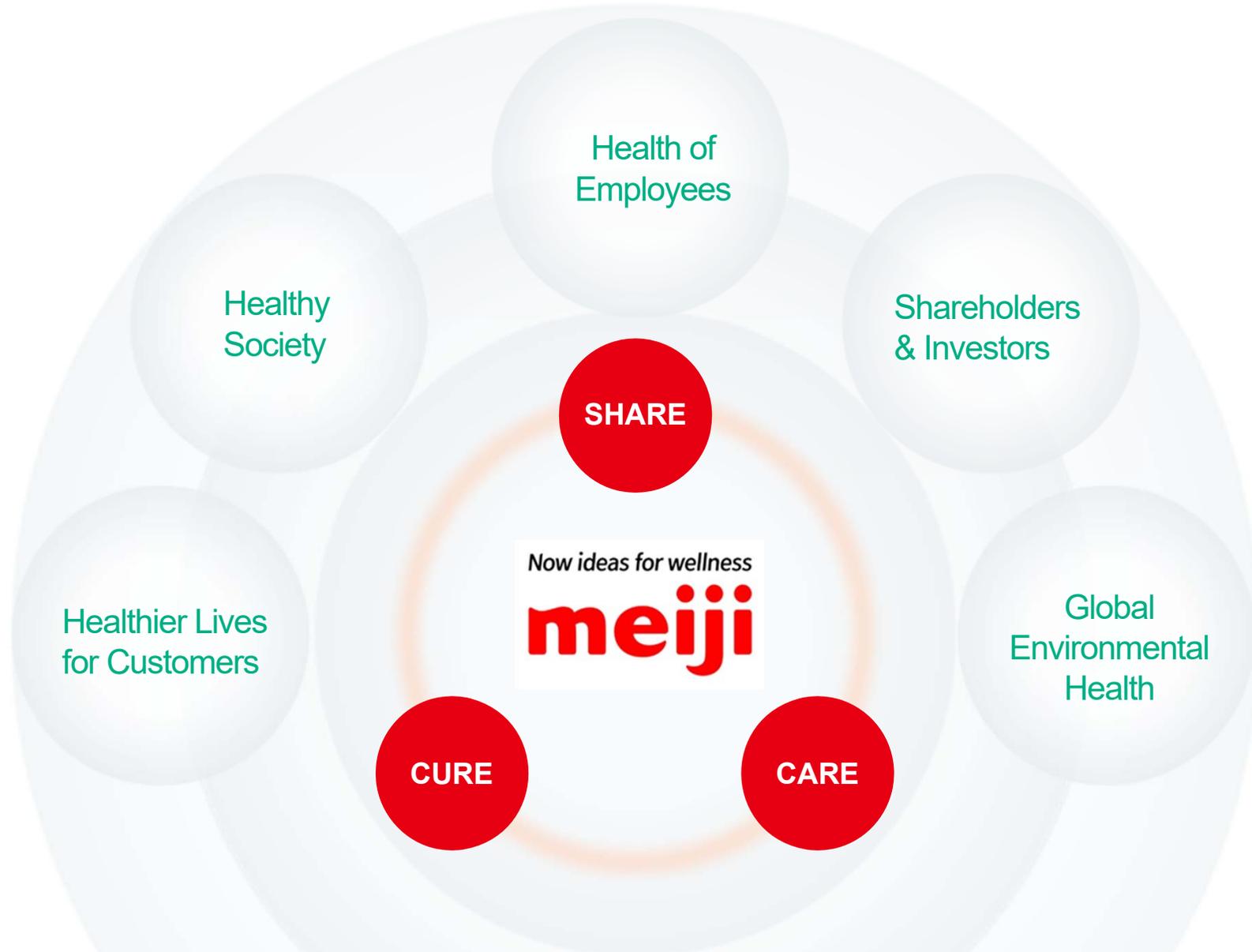
- November 1967 Born in Denmark, 55 years old
Lived in Japan for approx. 30 years
- September 2000 President E-Square Inc.
- January 2015 Representative Director, Next Leaders' Initiative for Sustainability (NELIS)
- August 2020 Representative Director, NPO NELIS (incumbent)
- June 2021 Member of the Board (Outside) MARUI GROUP CO., LTD. (incumbent)
- June 2022 Member of the Board (Outside) Meiji Holdings Co., Ltd. (incumbent)
Member of the ESG Advisory Board, Meiji Holdings Co., Ltd.



Profit Growth vs. Sustainability



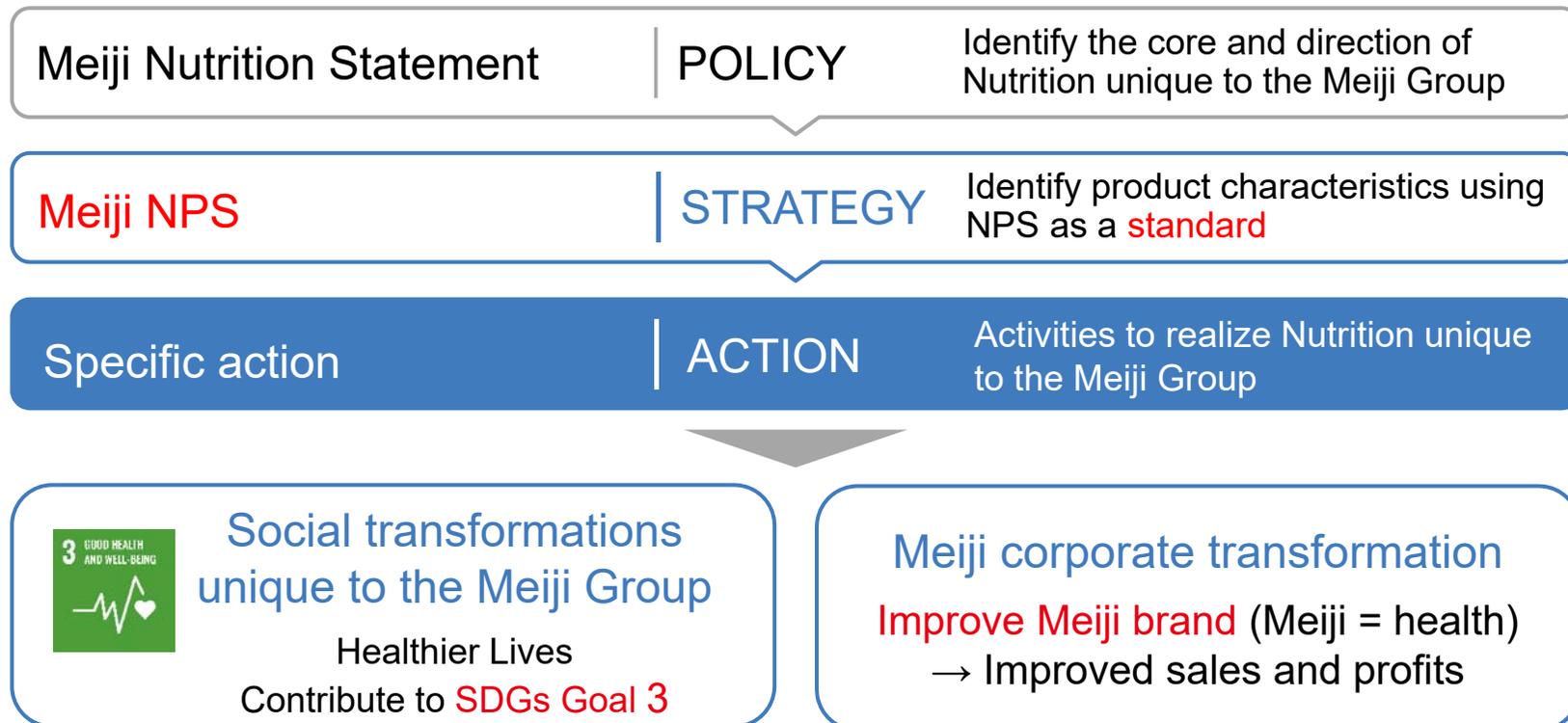
Realize Meiji Unique Value for Wellness



Health and Nutrition/ Food Segment

Developing Meiji Nutrition Profiling System (NPS)*

The Meiji Group has embraced Contribute to the Country, one of the Group's founding spirits. We will focus on nutrition and work to contribute to resolving social issues through our business activities.

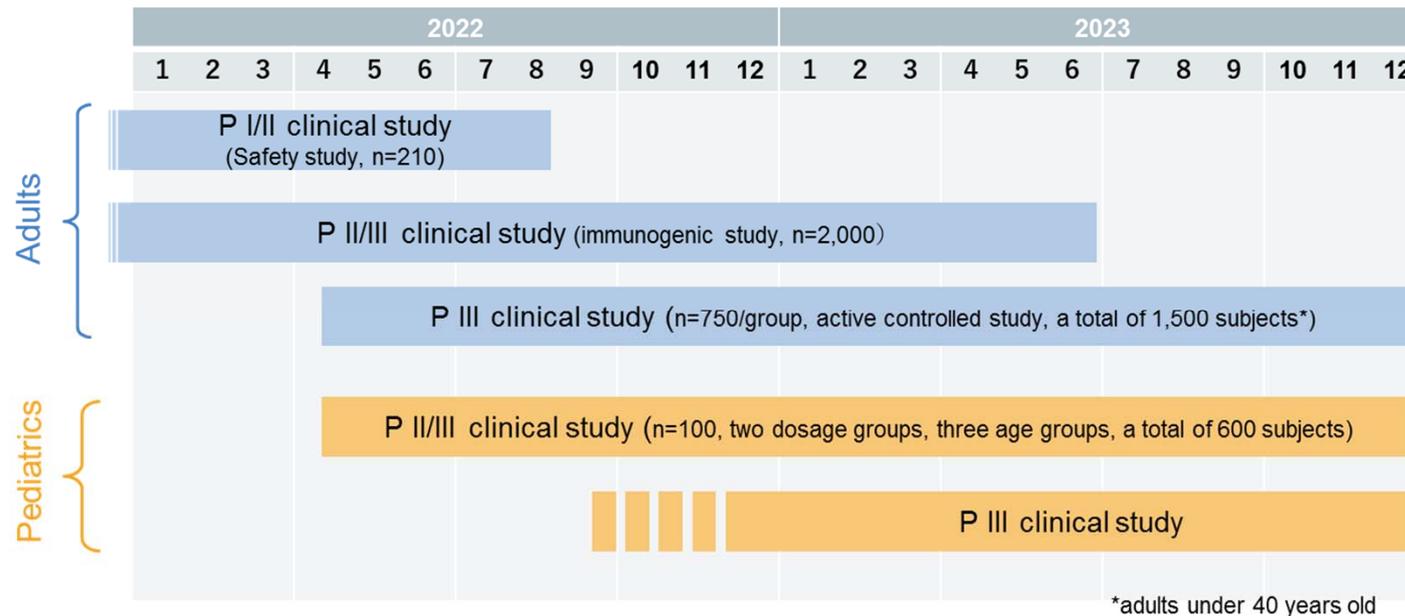


* Nutrition Profiling System (NPS): System for evaluating food from a nutrition perspective and assessing which foods to recommend/restrict based on nutritional element or food ingredient volume

Healthcare and Nutrition/ Pharmaceutical Segment

Research and Development of Vaccine

1) Inactivated Vaccine for COVID-19 (KD-414)



- 2) Pentavalent vaccine (KD-370) was filed for approval in April 2022
- 3) Smallpox vaccine (LC16 “KMB”) was approved for prevention of monkeypox (additional indication) in July 2022
- 4) Research and development of a potential next class of mRNA vaccine (ARCT-154, replicon vaccine*)
Negotiating manufacturing and marketing of ARCT-154

* A vaccine in which mRNA encoding an antigen protein is replicated intracellularly after vaccination, resulting in sustained production of the antigen protein. It is expected that the dose of inoculation is small and the effect of the vaccine is long-lasting.

The Meiji Group's Sustainability Activities

ESG evaluations by external rating organizations

Evaluation indicators	FY2020 Results	FY2021 Results	FY2022	Targets for FY2023
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- Business forecasts and other forward-looking statements are based on information available at the time of the release of this presentation and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factors.
- The earnings summary is not subject to audit.
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