

Financial Results for the Q1-Q3 of FYE March 2024 (FY2023)

(From April 1, 2023 to December 31, 2023)

February 8, 2024

(Note)

- A two-for-one common stock split was issued on April 1, 2023.
EPS and cash dividends per share are calculated on the assumption that the stock split was conducted at the beginning of FY2022.
- The H2 and Full-year plan for FY2023 were revised in November.

Summary for Q1-Q3 FY2023 Consolidated Results

(JPY bn)	FY2022 Q1-Q3 Results	FY2023 Q1-Q3 Results	YoY Change		FY2023 Plan
			vs. FY2022	vs. FY2023 Plan	
Net sales	798.0	833.0	+4.4% +34.9	75.8%	1,098.5
Operating profit	64.7	69.7	+7.7% +4.9	87.1%	80.0
Op. profit margin	8.1%	8.4%	+0.3 pt	—	7.3%
Profit attributable to owners of parent	47.2	44.9	-4.9% -2.3	88.1%	51.0
EPS (JPY)	168.12	161.13	-6.99	—	182.89

Results for Q1-Q3 FY2023: Increased both in sales and operating profit

- Sales and operating profit: Increased both in Food and Pharmaceutical segments
- Profit attributable to owners of parent: Decreased
 - Increased tax expense

Food: Summary – Q1-Q3 FY2023

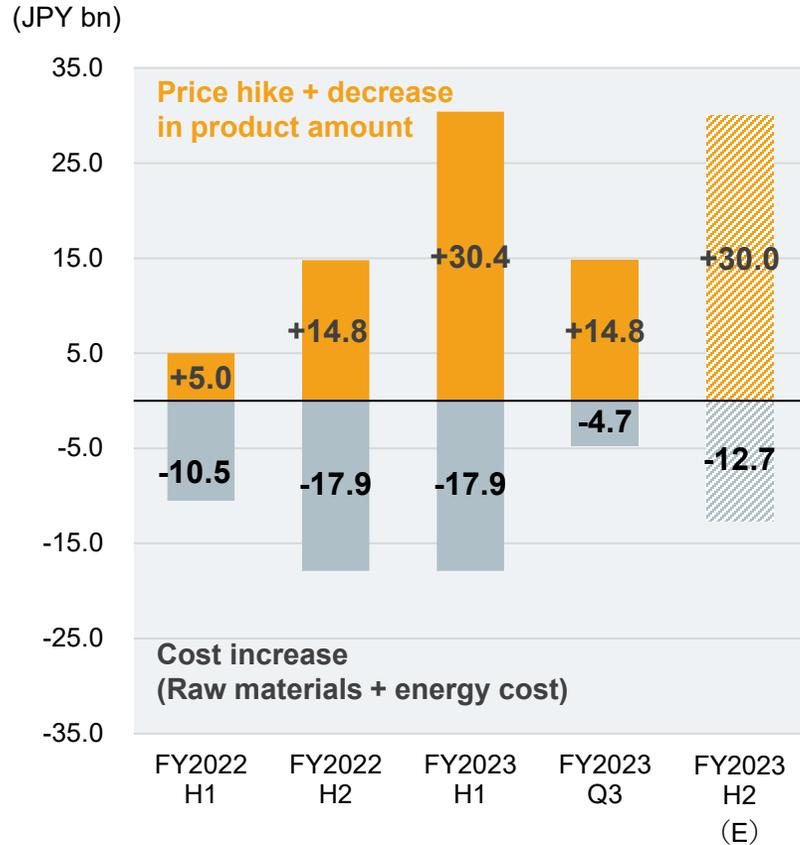
(JPY bn)	FY2022 Q1-Q3 Results	FY2023 Q1-Q3 Results	YoY Change	vs. FY2023 Plan	FY2023 Plan
Net sales	649.9	679.4	+4.5% +29.5	76.3%	891.1
Operating profit	45.1	48.6	+7.8% +3.5	79.8%	61.0

Analysis of changes in operating profit

Q1-Q3 Results - FY2022	45.1	
Due to increased/decreased sales	+27.1	: Increased due to price hike +44.1 Change in sales volume and product mix -17.0
Changes in costs of goods sold	-21.6	: Increased in raw material costs -22.7 (incl. domestic raw milk and overseas dairy ingredients) Cost reduction (incl. decrease in product amount) +1.1
Changes in marketing expenses	-2.9	: Increased in promotional and logistic costs
Changes in other SG&A expenses	+1.7	: Decreased in indirect manufacturing costs (incl. energy costs)
Other (incl. change in results of subsidiaries)	-0.8	: Overseas, decreased in profit from subsidiaries in China and increased from subsidiary in the U.S.
Q1-Q3 Results - FY2023	48.6	Domestic, decreased in profit from feed subsidiary and increased from sales subsidiaries

Food: Strategies to Overcome Cost Increase

Effects on operating profit



Price Hikes in FY2023

Mar. 2023	Ice cream	+4 to +9%
Apr. 2023	Chocolate and gummy	+5 to +10%
	Yogurt	+4 to +6%
	Functional Yogurt	+4%
	Cheese	+6 to +13%
	SAVAS (powder)	+4 to +5%
	SAVAS Milk	+2 to +7%
May 2023	Infant formula	Approx. +8%
	Commercial liquid diet	+4 to +9%
Jun. 2023	Some of chocolate and gummy	+8%
Aug. 2023	Yogurt	+1 to +3%
	Milk	+4 to +11%
Oct. 2023	Chocolate and gummy	+4 to +24%
Dec. 2023	Cream	Approx. +4%
	Butter	Approx. +7%

- Continued to cover cost increase by increasing the price
- Cost increases were below forecasts for H2
- Price hikes have permeated due to the appeal of added value. Sales volume is on a recovery trend but some issues remain

Food: Analysis of Operating Profit by Business – Q1-Q3 FY2023

(JPY bn)	Segment Total	Yogurt & Cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
Q1-Q3 Operating Profit – FY2022	45.1	16.9	12.8	8.8	-1.7	2.2	3.1	-0.2	3.0
Due to increased/decreased sales	+27.1	+4.9	+6.6	+2.7	+3.5	+6.4	+3.1	+0.3	-0.4
Changes in COGS	-21.6	-3.9	-4.6	-2.8	-3.7	-3.5	-2.0	-0.5	-0.6
Changes in other SG&A expenses	-1.2	+0.2	-0.3	-0.0	+0.1	-1.0	-0.6	-0.4	+1.0
<i>Change in marketing expenses</i>	<i>-2.9</i>	<i>-0.6</i>	<i>-0.3</i>	<i>-0.6</i>	<i>-0.3</i>	<i>-0.3</i>	<i>-0.8</i>	<i>-0.5</i>	<i>+0.5</i>
<i>Change in other expenses (R&D expenses)</i>	<i>+1.7 (-0.3)</i>	<i>+0.8</i>	<i>-0.1</i>	<i>+0.6</i>	<i>+0.3</i>	<i>-0.7</i>	<i>+0.1</i>	<i>+0.1</i>	<i>+0.5</i>
Other (incl. change in results of subsidiaries)	-0.8	+0.5	-0.0	-0.1	+0.5	-0.0	+0.0	-1.3	-0.5
Q1-Q3 Operating Profit – FY2023	48.6	18.6	14.5	8.6	-1.3	4.0	3.6	-2.1	2.5

Food: Q1-Q3 FY2023 Results by Business -1

Yogurt and Cheese

(JPY bn)

	FY2023 Q1-Q3 Results	YoY Change
Net sales	153.3	+1.2% +1.8
Op. Profit	18.6	+10.1% +1.7

- Market size (Q1-Q3)

- Yogurt: +4 to +5%
- Cheese: +2 to +3%

- Net sales

- Functional Yogurt: Increased
 - Due to price hikes and *R-1 the GOLD* launched for consumers in October
- Yogurt: Decreased
 - Discontinued large-volume (900g) *Bulgaria Yogurt* drink yogurt
- Cheese: Slice cheese is favorable, camembert is also on a recovery trend

- Operating profit

- Increased due to price hikes to cover increase in raw material costs and decrease in sales volume

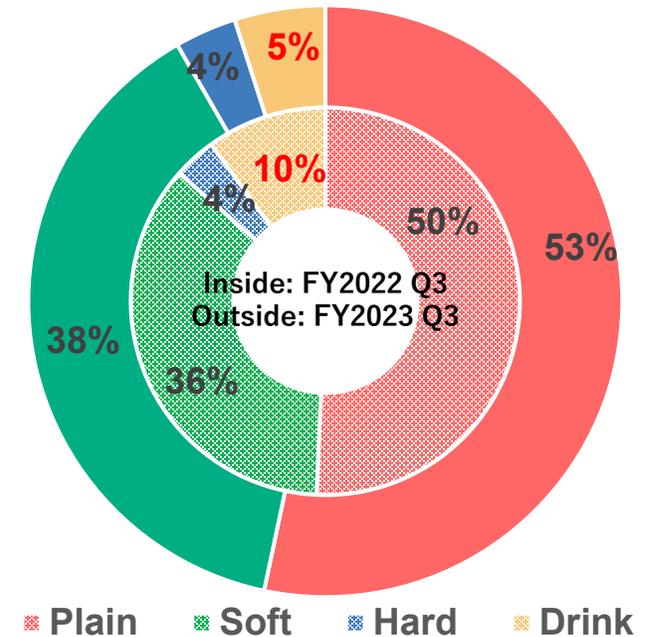
Sales of FY2023 Q1-Q3 YoY Change	
Functional yogurt	+1.5%
Yogurt	-1.8%
Cheese	+3.4%



Meiji Bulgaria Yogurt LB81 Plain (400g)
+1.9%



Meiji Bulgaria Yogurt
Sales by product type



Food: Q1-Q3 FY2023 Results by Business -2

■ Nutrition

(JPY bn)	FY2023 Q1-Q3 Results	YoY Change
Net sales	97.6	+7.7% +6.9
Op. Profit	14.5	+13.1% +1.6

- Market size (Q1-Q3)
 - Sports protein (Powder and granules): +15 to +16%
 - Liquid diet: Grew both for hospital and in-home care
- Net sales
 - SAVAS: Grew both for powder and drink
 - Infant formula: Favorable due to increase in inbound demand and strong sales of *RakuRaku Cube* renewed in October 2023
- Operating profit
 - Increased significantly: Price hikes covered raw material cost increases, and volume decline is recovering

■ Chocolate and Gummy

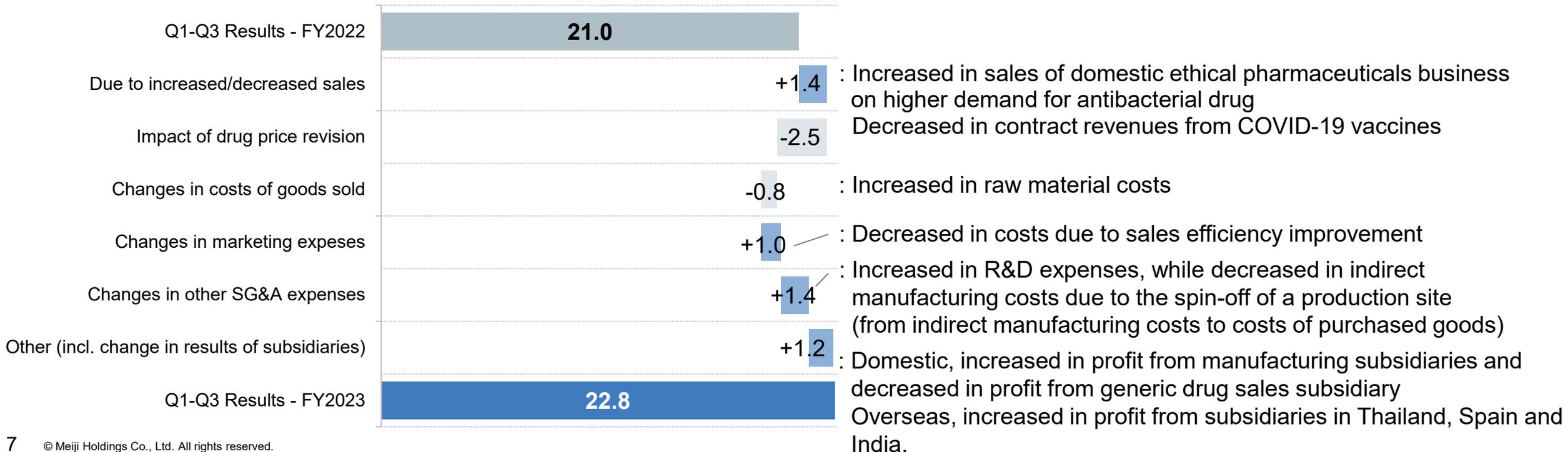
(JPY bn)	FY2023 Q1-Q3 Results	YoY Change
Net sales	75.9	+1.0% +0.7
Op. Profit	8.6	-2.2% -0.1

- Market size (Q1-Q3)
 - Chocolate: +3 to +4%
 - Gummy: +24 to +25%
- Net sales
 - Chocolate: Favorable
 - Growth of *Chocolate Kouka W plus* with added functionality and nut chocolate, and increased inbound demand
 - Gummy: Fell below market growth, but mainstay products maintained strong performance
- Operating profit
 - Decreased: Increased in advertising costs despite price hikes offsetting raw material cost increase and volume decline

Pharmaceutical: Summary – Q1-Q3 FY2023

(JPY bn)	FY2022 Q1-Q3 Results	FY2023 Q1-Q3 Results	YoY Change		FY2023 Plan
			YoY Change	vs. FY2023 Plan	
Net sales	148.7	154.0	+3.6% +5.3	74.0%	208.1
Operating profit	21.0	22.8	+8.4% +1.7	103.6%	22.0

Analysis of changes in operating profit



Pharmaceutical: Analysis of Operating Profit – Q1-Q3 FY2023

(JPY bn)	Segment Total	Domestic ethical pharmaceuticals	Overseas ethical pharmaceuticals	Human Vaccine	Veterinary drug
Q1-Q3 Operating Profit – FY2022	21.0	9.3	6.2	4.2	1.1
Due to increased/decreased sales	+1.4	+1.7	-0.3	+0.1	—
Impact of drug price revision	-2.5	-2.5	—	—	—
Changes in COGS	-0.8	-0.3	-0.6	-0.0	—
Changes in other SG&A expenses	+2.4	+1.9	-0.2	+0.6	—
<i>Change in marketing expenses</i>	+1.0	+0.8	-0.0	+0.2	—
<i>Change in other expenses (R&D expenses)</i>	+1.4 (-1.8)	+1.1	-0.1	+0.5	—
Other (incl. change in results of subsidiaries)	+1.2	-1.3	+1.8	+0.9	-0.1
Q1-Q3 Operating Profit – FY2023	22.8	8.9	7.0	5.8	0.9

Outlook for FY2023: No Revision

(JPY bn)

	FY2022 Full-year Results	FY2023 Full-year Plan	YoY Change
Net sales	1,062.1	1,098.5	+3.4% +36.3
Operating profit	75.4	80.0	+6.1% +4.6
Op. profit margin	7.1%	7.3%	+0.2 pt
Profit attributable to owners of parent	69.4	51.0	-26.5% -18.4
EPS (JPY)	247.39	182.89	-64.5
Cash dividends per share (JPY)	90	95	+5
Dividend payout ratio	36.4%	51.9%	+15.6 pt
ROE	10.0%	7.0%	-3.1 pt
ROIC	6.3%	6.5%	+0.2 pt
Capital expenditures	72.1	64.9	-10.0% -7.2
Cash flows from operating activities	85.0	58.5	-31.2% -26.5
Free cash flows	48.2	4.0	-91.7% -44.2

Appendices

Consolidated Financial Results – Q1-Q3 FY2023

(JPY bn)	FY2023		Main factors for the change
	Q1-Q3 Results	YoY Change	
Net sales	833.0	+4.4% +34.9	— Details on page 1-2, page 7
Operating profit	69.7	+7.7% +4.9	— Details on page 1-2, page 7
Non-operating profit	2.8	-32.7% -1.3	- Share of profit of entities accounted for using equity method (-0.7) - Foreign exchange gains (-0.3)
Non-operating expenses	4.2	+66.0% +1.6	- Share of loss of entities accounted for using equity method (+1.7)
Ordinary profit	68.3	+2.9% +1.9	—
Extraordinary income	10.5	+19.7% +1.7	- Gain on sales of investment securities (+3.2) - Gain on sales of non-current assets (-1.9)
Extraordinary losses	4.8	-22.0% -1.3	- Business restructuring expenses (-3.0)
Profit before income taxes	74.0	+7.3% +5.0	—
Income taxes-total	25.6	+31.8% +6.1	—
Profit (loss) attributable to non-controlling interests	3.4	+51.9% +1.1	—
Profit attributable to owners of parent	44.9	-4.9% -2.3	—

Financial Position as of December 2023

(JPY bn)	Results as of Dec. 2023	Change	Main Factors for Change
Current assets	558.9	+18.7% +88.0	- Notes and accounts receivable-trade (+49.2) - Cash and deposits (+28.7)
Non-current assets	676.9	+1.8% +11.6	- Buildings and structures, net (+15.7) - Land (+7.3) - Investment securities (+6.2) - Construction in progress (-15.8)
Total assets	1,235.9	+8.8% +99.7	—
Current liabilities	324.7	+22.0% +58.4	- Commercial papers (+20.0) - Notes and accounts payable-trade (+12.2) - Short-term borrowings (+9.8) - Refund liability (+3.4)
Non-current liabilities	117.7	-0.7% -0.8	- Long-term borrowings (-3.0) - Retirement benefit liability (+1.1)
Total liabilities	442.4	+15.0% +57.5	—
Shareholders' equity	684.6	+2.9% +19.4	- Retained earnings (+18.3)
Accumulated other comprehensive income	66.7	+42.7% +19.9	- Foreign currency translation adjustments (+15.0) - Valuation difference on available-for-sale securities (+4.7)
Non-controlling interests	42.1	+7.0% +2.7	—
Total net assets	793.4	+5.6% +42.1	—
Interest bearing debt	81.1	+26.1% +16.8	- Commercial papers (+20.0) - Short-term borrowings (+9.8)
Equity ratio	60.8%	-1.9 pt	—

Consolidated Cash Flows for Q1-Q3 FY2023

(JPY bn)	FY2023		
	Q1-Q3 Results	YoY Change	Main Factors for Change
Cash flows from operating activities	64.5	+27.8	- Change in inventories (+13.3) - Income taxes paid (+12.4)
Cash flows from investing activities	-29.4	+12.3	- Purchase of property, plant and equipment (+11.3)
Free cash flows	35.1	+40.2	—

Analysis of Consolidated Operating Profit – Q1-Q3 FY2023

(JPY bn)	Consolidated Operating Profit	Food	Pharma	Other
Q1-Q3 Results - FY2022	64.7	45.1	21.0	-1.4
Due to increased/decreased sales	+28.5 *1	+27.1	+1.4	—
Impact of drug price revision	-2.5	—	-2.5	—
Changes in costs of goods sold	-22.4 *2	-21.6	-0.8	—
Changes in other SG&A expenses	+1.2 *3	-1.2	+2.4	—
Other (incl. change in results of subsidiaries)	+0.1	-0.8	+1.2	-0.3
Q1-Q3 Results - FY2023	69.7	48.6	22.8	-1.7

*1: Including the effect of price hikes

*2: [Food] Increase in raw materials costs (incl. domestic raw milk and overseas dairy ingredients): -22.7,
Other (incl. decrease in product amount): +1.1

[Pharma] Increase in raw materials costs: -0.8

*3: [Food] Increase in marketing expenses: -2.9, Decrease in other costs: +1.7

[Pharma] Decrease in marketing expenses: +1.0, Decrease in other costs: +1.4

Food: Net sales and Op. Profit by Business

(JPY bn)		FY2022 Q1-Q3 Results	FY2023 Q1-Q3 Results	YoY Change	vs. FY2023 Full-year Plan	FY2023 Full-year Plan	YoY Change
Yogurt & cheese	Net sales	151.5	153.3	+1.2% +1.8	74.9%	204.7	+1.1% +2.1
	Op. profit	16.9	18.6	+10.1% +1.7	71.8%	25.9	+7.6% +1.8
Nutrition	Net sales	90.6	97.6	+7.7% +6.9	78.0%	125.1	+7.1% +8.2
	Op. profit	12.8	14.5	+13.1% +1.6	75.3%	19.2	+31.8% +4.6
Chocolate & gummy	Net sales	75.2	75.9	+1.0% +0.7	72.3%	105.1	+2.2% +2.2
	Op. profit	8.8	8.6	-2.2% -0.1	64.6%	13.3	+19.3% +2.1
Drinking milk	Net sales	54.6	57.1	+4.7% +2.5	76.0%	75.2	+5.2% +3.7
	Op. profit	-1.7	-1.3	— +0.3	—	-2.3	— +0.1
B to B	Net sales	53.2	60.0	+12.7% +6.7	75.7%	79.3	+11.5% +8.1
	Op. profit	2.2	4.0	+85.3% +1.8	70.8%	5.7	+87.2% +2.6

Food: Net sales and Op. Profit by Business

(JPY bn)		FY2022 Q1-Q3 Results	FY2023 Q1-Q3 Results	YoY Change	vs. FY2023 Full-year Plan	FY2023	
						Full-year Plan	YoY Change
Frozen dessert& ready meal	Net sales	45.6	48.3	+6.0% +2.7	79.8%	60.6	+4.6% +2.6
	Op. profit	3.1	3.6	+15.9% +0.5	94.4%	3.8	+19.1% +0.6
Overseas	Net sales	49.9	56.0	+12.3% +6.1	71.7%	78.2	+14.1% +9.6
	Op. profit	-0.2	-2.1	— -1.8	—	-4.1	— -3.1
Other/ domestic subsidiaries	Net sales	129.0	130.8	+1.4% +1.8	80.4%	162.6	-6.6% -11.4
	Op. profit	3.0	2.5	-15.9% -0.4	—	-0.7	— -3.8

Food: Sales by Main Product for FY2023

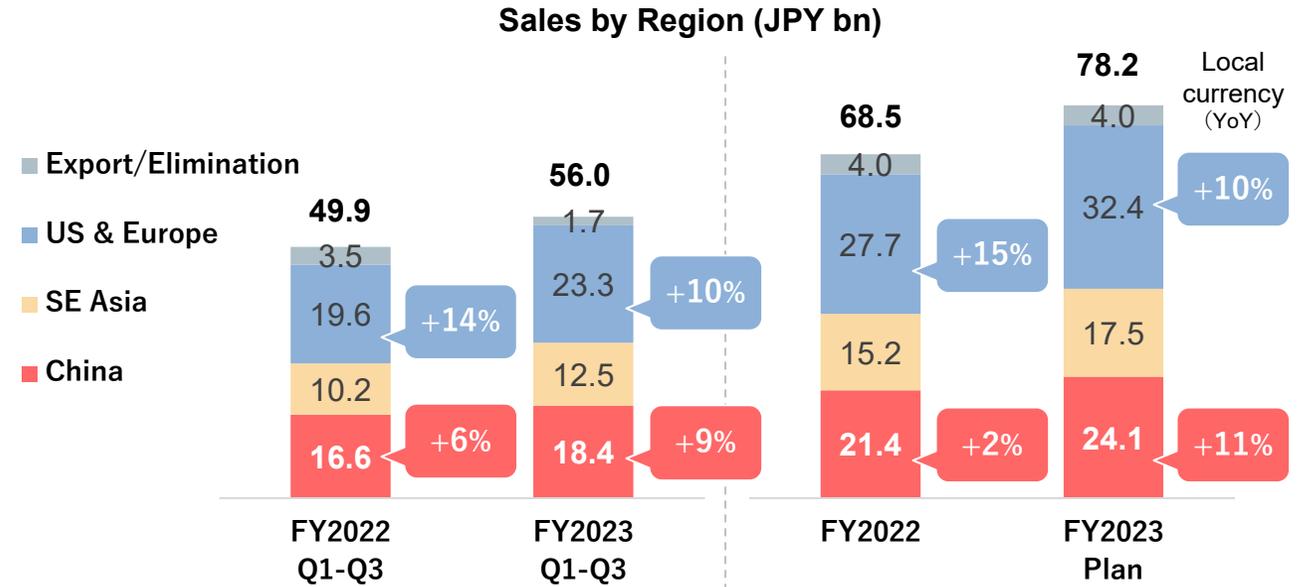
(JPY bn)	FY2022 Q1-Q3 Results	FY2023 Q1-Q3 Results	YoY Change	vs. FY2023 Full-year Plan	FY2023 Full-year Plan	YoY Change
Yogurt	58.0	57.0	-1.8%	74.9%	76.1	+0.0%
Functional yogurt	70.2	71.2	+1.5%	73.2%	97.3	+2.0%
Cheese	21.3	22.0	+3.4%	77.0%	28.6	+1.5%
Chocolate	71.3	74.0	+3.8%	71.4%	103.6	+4.5%
Infant formula and enteral formula	51.7	54.3	+5.1%	77.0%	70.5	+4.8%
Sports nutrition (incl. <i>SAVAS Milk Protein</i>)	35.6	39.5	+11.0%	79.7%	49.6	+9.8%
Drinking milk, milk for home delivery	55.1	57.4	+4.1%	77.5%	74.0	+2.4%
Ice cream	33.7	37.3	+10.6%	82.7%	45.1	+8.4%

* Not calculated as net sales after applying revenue recognition accounting standards

Food: Q1-Q3 FY2023 Results by Business - Overseas

Overseas Business

(JPY bn)	FY2023 Q1-Q3 Results	YoY Change
Net sales	56.0	+12.3% +6.1
Op. Profit	-2.1	— -1.8



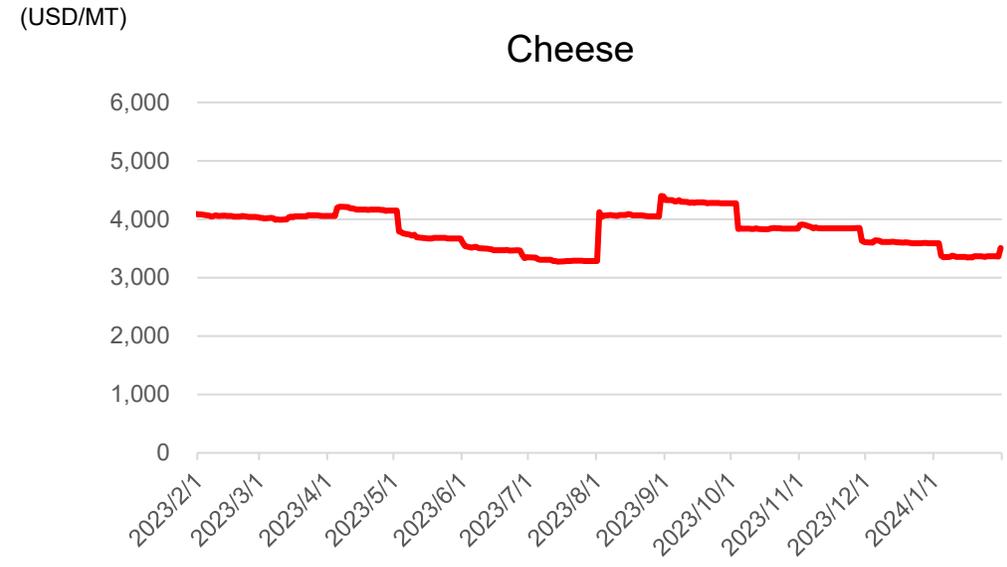
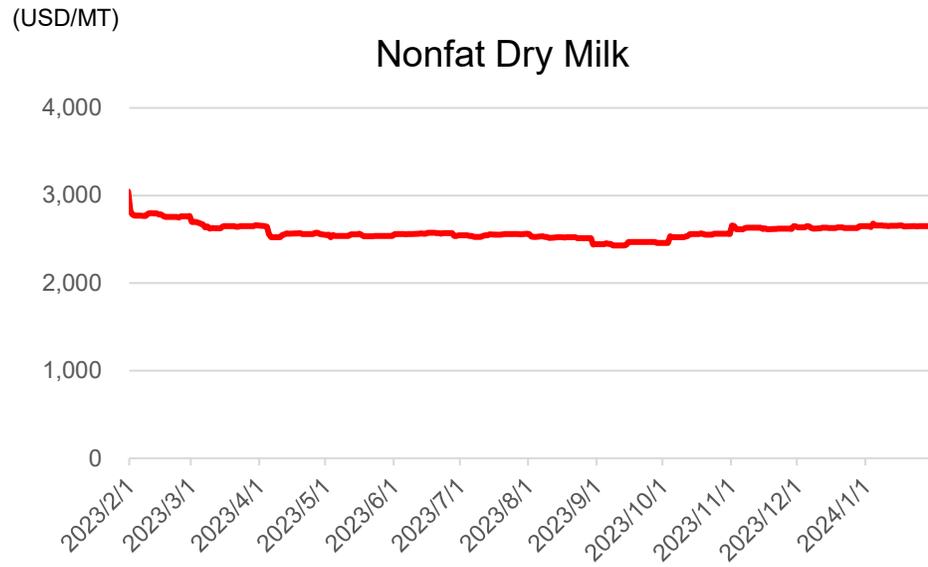
China

- Drinking milk and yogurt for consumers: Struggled
 - Will work on new development in the North China region and expand sales of new products
- BtoB business: Favorable
 - Gaining new customers and expanding business with existing café chains
- Confectionery: Strong sales of new products in addition to mainstay chocolate bars
- Ice cream: Fell below the previous year due to the impact of cool weather during Q3

The U.S.

- Significant growth in sales of Meiji-brand chocolate snacks
- Steady improvement in profitability, including price hikes and reduction of the number of SKUs

Market Prices of Main Raw Materials Imported



Pharmaceutical: Net sales and Op. Profit by Business

(JPY bn)

		FY2022	FY2023			FY2023	
		Q1-Q3 Results	Q1-Q3 Results	YoY Change	vs. FY2023 Full-year Plan	Full-year Plan	YoY Change
Domestic ethical pharmaceuticals	Net sales	73.5	78.2	+6.4% +4.7	75.0%	104.3	+4.1% +4.1
	Op. profit	9.3	8.9	-4.1% -0.3	107.9%	8.3	-18.0% -1.8
Overseas ethical pharmaceuticals	Net sales	38.9	40.4	+3.8% +1.4	73.2%	55.2	+7.4% +3.8
	Op. profit	6.2	7.0	+12.0% +0.7	101.4%	6.9	-9.7% -0.7
Human vaccines	Net sales	28.1	27.4	-2.5% -0.7	72.5%	37.8	+8.8% +3.0
	Op. profit	4.2	5.8	+37.2% +1.5	103.0%	5.6	+131.0% +3.2
Veterinary drugs*	Net sales	8.0	7.9	-1.5% -0.1	74.5%	10.6	-1.7% -0.1
	Op. profit	1.1	0.9	-16.7% -0.1	88.7%	1.0	-25.2% -0.3

Pharmaceutical: Q1-Q3 FY2023 Results by Business

■ Domestic ethical pharmaceuticals

(JPY bn)

	FY2023 Q1-Q3 Results	YoY Change
Net sales	78.2	+6.4% +4.7
Operating profit	8.9	-4.1% -0.3

● Net sales

- Antibacterial drugs such as *MEI*ACT and *Sulbacillin* grew significantly despite the absence of contract revenues from COVID-19 vaccine in the previous fiscal year

● Operating profit

- Decreased: Decrease contract revenues and the negative impact of NHI drug price revision and increase in R&D expenses

■ Human vaccine

(JPY bn)

	FY2023 Q1-Q3 Results	YoY Change
Net sales	27.4	-2.5% -0.7
Operating profit	5.8	+37.2% +1.5

● Net sales

- Decreased due to influenza vaccine and hepatitis B vaccine

● Operating profit

- Increased significantly: Streamlined production efficiency and royalty income

Pharmaceutical: R&D Pipeline - 1

	Code No. (Generic Name)	Efficacy Classification	Target Disease	Stage
Infectious disease	OP0595* (Nacubactam)	β -lactamase inhibitor	Infections caused by carbapenem-resistant bacteria	Phase III (Japan, Overseas)**
New fields	ME3208 (Belumosudil)	ROCK2 inhibitor	Chronic Graft Versus Host Disease	Filed (Japan, South Korea, Taiwan)
	DMB-3115	Biosimilar	Plaque psoriasis/ Psoriatic arthritis/ Crohn's disease/ Ulcerative colitis	Filed (Overseas) Phase I
	HBI-8000 (Tucidinostat)	Histone deacetylase (HDAC) inhibitor	Unresectable or metastatic melanoma	Phase III (Japan, Overseas)**
	ME3183*	Selective PDE4 inhibitor	Psoriasis	Phase II (Overseas)
	HBI-8000 (Tucidinostat)	Histone deacetylase (HDAC) inhibitor	Relapsed or refractory B-cell non-Hodgkin's lymphoma	Phase Ib / II (Japan)

*Discovered in-house

**Multi-Regional Clinical Trials

Pharmaceutical: R&D Pipeline - 2

	Code No. (Generic Name)	Efficacy Classification	Target Disease	Stage
Vaccine	KD-370	Vaccine	Pentavalent vaccine against diphtheria, tetanus, pertussis, poliovirus, and haemophilus influenza type b	Approved (Japan)
	ARCT-154	Vaccine	Self-amplifying mRNA vaccine against COVID-19	Approved (Japan)
	ARCT-2301	Vaccine	Self-amplifying mRNA vaccine against COVID-19 (Bivalent: Original strain and Omicron strain)	Phase III (Japan)
	KD-414	Vaccine	Inactivated vaccine against COVID-19 (Adults)	Phase III (18-40 years old, Japan)**
	KD-414	Vaccine	Inactivated vaccine against COVID-19 (Pediatric)	Phase III (6 months - 11 years old, Japan)
	KD-414	Vaccine	Inactivated vaccine against COVID-19 (Pediatric, Omicron strain)	Phase III (6 months - 12 years old, Japan)
	KD2-396	Vaccine	Hexavalent vaccine against diphtheria, tetanus, pertussis, poliovirus, haemophilus influenza type b, and Hepatitis B virus	Phase II (Japan)
	KD-382	Vaccine	Quadrivalent vaccine against dengue fever	Phase I (Overseas)

*Discovered in-house

**Multi-Regional Clinical Trials

Pharmaceutical: R&D Pipeline - 3

	Code No.	Efficacy Classification	Stage
Veterinary Drugs	ME4137	Injectable antibacterial drug for cattle	Filed (Japan)
	ME4137	Injectable antibacterial drug for swine	Filed (Japan)
	KD-412*	Vaccine for cattle	Filed (Japan)
	MD-22-3002	Anti-inflammatory drug for cattle, swine and horse	Filed (Japan)
	ME4305*	Antibacterial drug for cattle	Under development
	MD-22-1001-1	Injectable antibacterial drug for cattle	Under development
	ME4406*	Feed Additive	Under development

*Discovered in-house

Now ideas for wellness

meiji

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