

Now ideas for wellness

**meiji**

# ESG Meeting

February 28, 2025

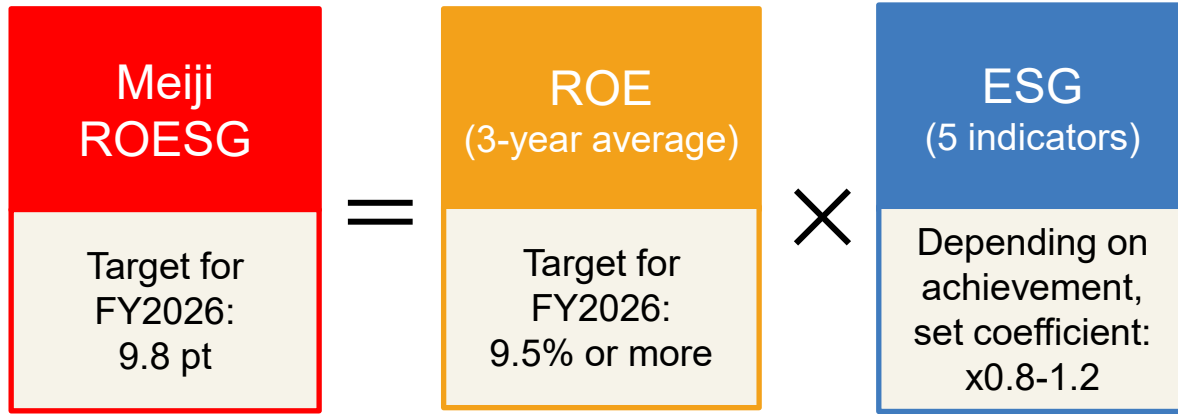
# Part 1: Presentation-1

## CEO Message

Kazuo Kawamura

CEO, President and Representative Director

# Composition of Meiji ROESG®



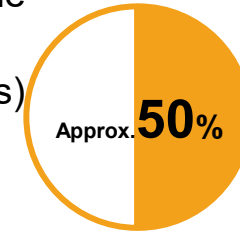
Evaluation indicator		Target for FY2026
ESG external evaluation	MSCI ESG Ratings	AA
	DJSI	72 points or more
	ISS ESG	C+ (50 points or more)
Indicators of business & financial value	Food: Sales of Meiji ROESG target brand lines	Achievement of yearly plan
	Pharma: Sales of Meiji ROESG target products	Achievement of yearly plan

## Meiji ROESG target brand lines/products

### ● Food

1. Health-oriented foods and value-added nutritional foods (Meiji Bulgaria Yogurt, Meiji Probio Yogurt R-1, Chocolate Koka, SAVAS, Meiji MeiBalance, etc.)
2. Foods with our environmentally and socially conscious procurement activities for a sustainable society (Meiji Oishii Gyunyu, Meiji Milk Chocolate, Meiji Hokkaido Tokachi series (yogurt and cheese), etc.)

Target brand line sales ratio (FY2023 results)

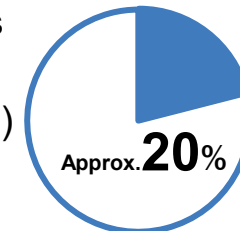


FY2024 plan YoY sales growth **+2.3%**

### ● Pharmaceutical

1. Mainstay drugs that contribute to prevention and treatment of infectious diseases  
Influenza vaccine, stable supply drugs (Category A)

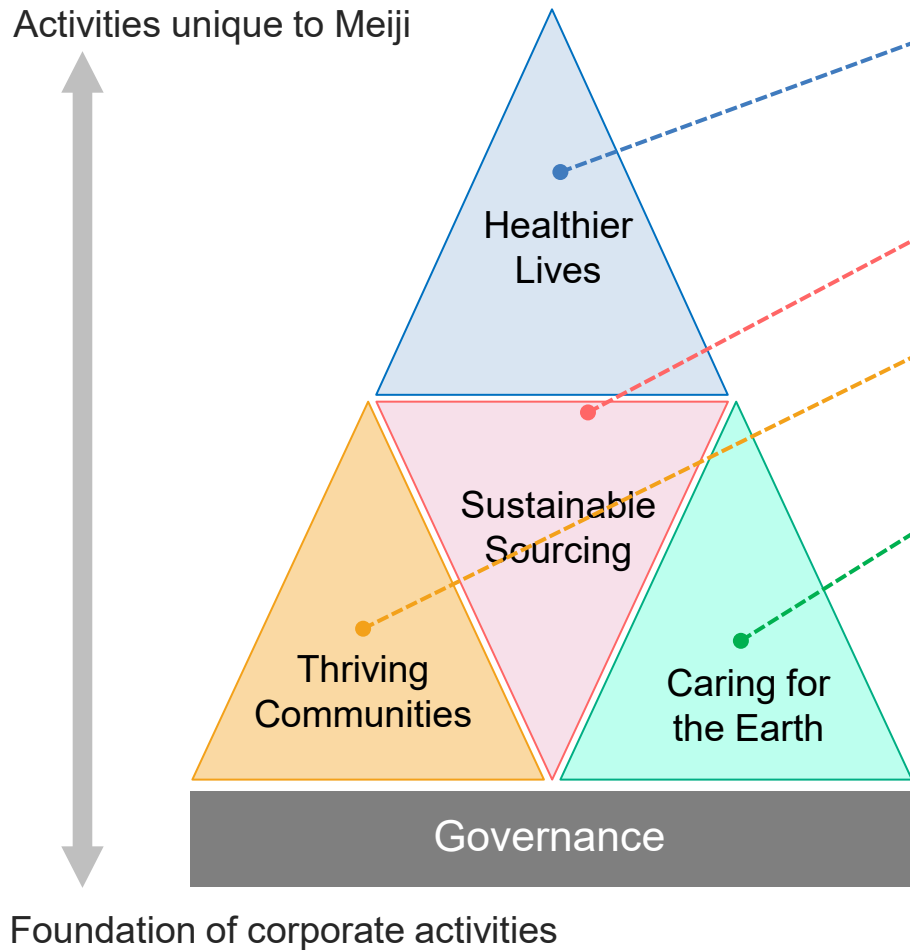
Target products sales ratio (FY2023 results)



FY2024 plan YoY sales growth **+17.2%**

# Trade-on Approach of Sustainability and Business Strategies

<Structure of the Meiji Group' Sustainability Activities>



<12 identified materialities>

- ① Health and nutrition
- ② The threat of emerging and re-emerging infectious diseases
- ③ Stable supply of pharmaceuticals by building a robust supply chain
- ④ Safety and reliability of product quality

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- ⑤ Building a supply chain that takes into account human rights and environment

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- ⑥ Respect for human rights throughout the value chain
- ⑦ Marketing with high ethical standards
- ⑧ Growth and success for diverse human resources

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- ⑨ Climate Change      ⑩ Circular economy
- ⑪ Water                      ⑫ Biodiversity

<Materialities Matrix>

Importance to stakeholders	Very high	⑩	⑨ ③	① ④
		⑫	⑤	② ⑧
	High	⑪	⑥	⑦
		High	Very high	
Importance to the Meiji Group's business				

# Meiji NPS Evaluation Method (Policy)



## ① Add/Subtract nutrient points

**Nutrients to be limited**

- Energy
- Sugars
- Saturated fatty acids
- Salt (sodium)

Subtract points

**Encouraged Nutrients**

- Protein
- Dietary fiber
- Vitamin D
- Calcium
- Iron

Add points

## ② Add food material points

**Food Materials**

- Fruits; F
- Vegetables; V
- Nuts; N
- Legumes; L
- Milk; M

Add points

Select food materials that efficiently supplement nutrients that Japanese people tend to lack

Evaluate by serving size



Scoring



Rating

Utilize for new product development or improvement of existing products

Add nutrients of particular importance from Japan's public health agenda

# Human Resource Strategy Based on Management Strategies

## Realize Group Philosophy and Management Strategies

Global

Fusion of sustainability and business strategies

Group collaboration enhancement

Diverse human resources who are autonomous, take on challenges, grow, co-create, and generate innovation

Ideal human resources and organizational culture

Human resources

Professional HRs who continue to take on challenges and grow, and possess the necessary expertise to lead the world in food and health

Organizational culture

An organizational culture that supports the well-being of diverse HRs and that maximizes the potential of individuals and teams

Human resource strategy that realizes ideals

Development of HRs and working environments for competing globally

- Recruit/foster global talent
- Promote DE&I

Promotion of human capital sustainability

- Implement new HR system
- Promote smart work

Improvement of Group HR functions effectiveness

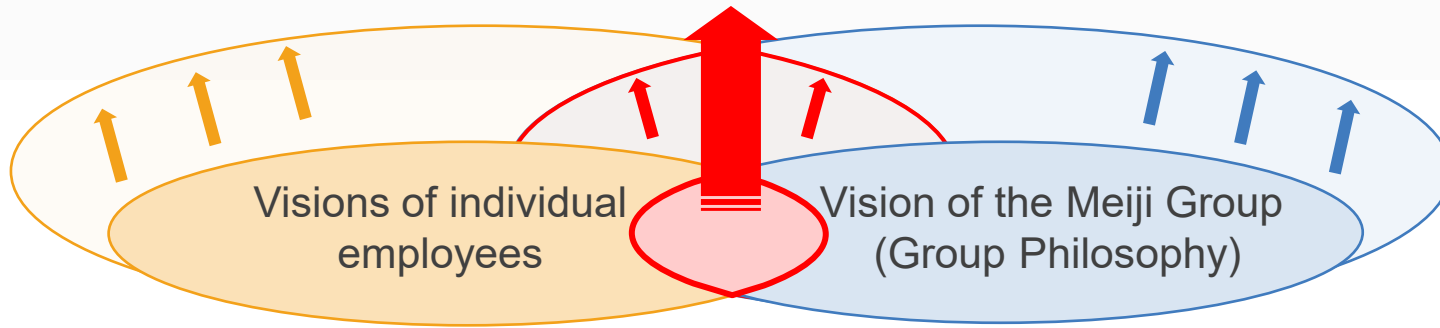
- Talent management
- Upgrade HR functions

# Employee Engagement

## Realize the Group Philosophy

Increase the number of energetic and motivated employees

Employee engagement within the Meiji Group



Group support for realizing the visions of individual employees

Employee contribution to realize the vision of the Group

### Requirements for the Group

Learning and growth

Dialogue and co-creation with society

Penetration of the philosophy

DE&I

Healthier lives

### Requirements for employees

Autonomy and growth

Challenge and transformation

Customer-driven

Co-creation with stakeholders

Respect diversity

Pride and integrity

<KPI>

[Overall indicators]

The ideal image of each employee overlaps with the ideal image of the Meiji Group, and employees want to grow together with the Meiji Group

Affirmative response rate: **70% or more**  
(Future goal for employee engagement)

\*Results as of July 2024: 56.6%

Part 1: Presentation-2

# Activities in Sustainable Cocoa Procurement To Realize Nature Positive

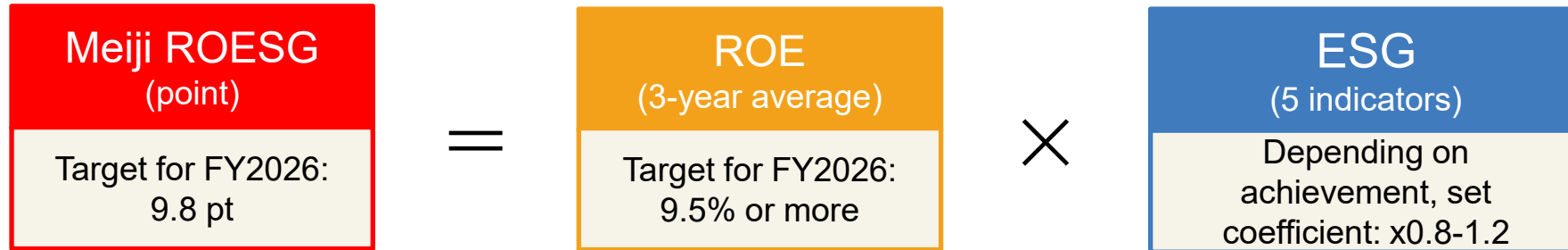
Shinji Matsuoka

CSO, Managing Executive Officer



# Meiji ROESG® Evaluation Indicator

- For ESG goal, set sales target for Meiji ROESG target brand lines (products)



Evaluation indicator		Target for FY2026
ESG external evaluation (3 indicators)		
ESG external evaluation to assess sustainability activities	1) MSCI	AA
	2) DJSI	72 points or more
	3) ISS ESG	C+ (50 points or more)
Indicators of business and financial value (2 indicators)		
Indicators that show the fusion of sustainability and business strategies and lead to improved business performance	4) Food: Sales of Meiji ROESG target brand lines	Achievement of yearly plan
	5) Pharma: Sales of Meiji ROESG target products	Achievement of yearly plan

# Progress of Meiji ROESG® -ESG External Evaluation (3 indicators)-

- FY2024 target met for all three indicators

External Evaluation		FY2023 Results	FY2024 Target	Results	FY2025 Target	FY2026 Target
1	MSCI	A	A	AA	AA	AA
2	DJSI (CSA Score)	67	68 or more	69	70 or more	72 or more
3	ISS ESG (score)	C (40.42)	C (43 or more)	C (46.46)	C (46 or more)	C <sup>+</sup> (50 or more) (PRIME certified)

# Progress of Meiji ROESG® -Indicators of business and financial value (2 indicators)-

- Steadily progressing towards achieving plan as of H1 FY2024

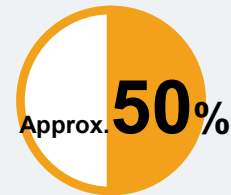
## Food

- FY2024 plan: target brand line YoY sales growth **+2.3%**

Progress in H1



Sales composition ratio in food segment (FY2023)



- Meiji ROESG target brand lines

- ◆ Health-oriented foods and value-added nutritional foods

*Meiji Bulgaria Yogurt, Meiji Probio Yogurt R-1, Chocolate Koka, SAVAS, Meiji MeiBalance, etc.*

→ Brands with high gross margins that contribute particularly to profit growth

- ◆ Foods with our environmentally and socially conscious procurement activities for a sustainable society

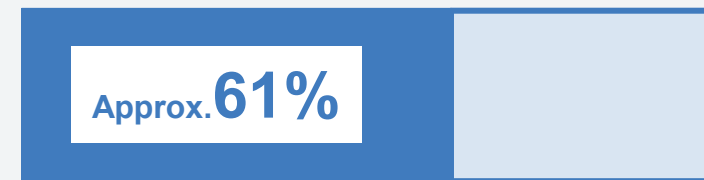
*Meiji Oishii Gyunyu, Meiji Milk Chocolate, Meiji Hokkaido Tokachi series (yogurt and cheese), etc.*

→ Brands that contribute to the sustainability of raw material production base and support business continuity

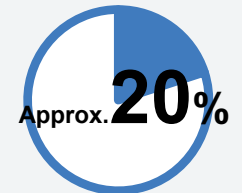
## Pharmaceutical

- FY2024 plan: target product YoY sales growth **+17.2%**

Progress in H1



Sales composition ratio in pharma segment (FY2023)



- Meiji ROESG target products

- ◆ Mainstay products that contribute to prevention and treatment of infectious diseases

Influenza vaccine

Stable supply drugs (Category A)

→ Products that are not affected by NHI price revisions and contribute to stable business operations

# Highest Ranking among Japanese Corporations

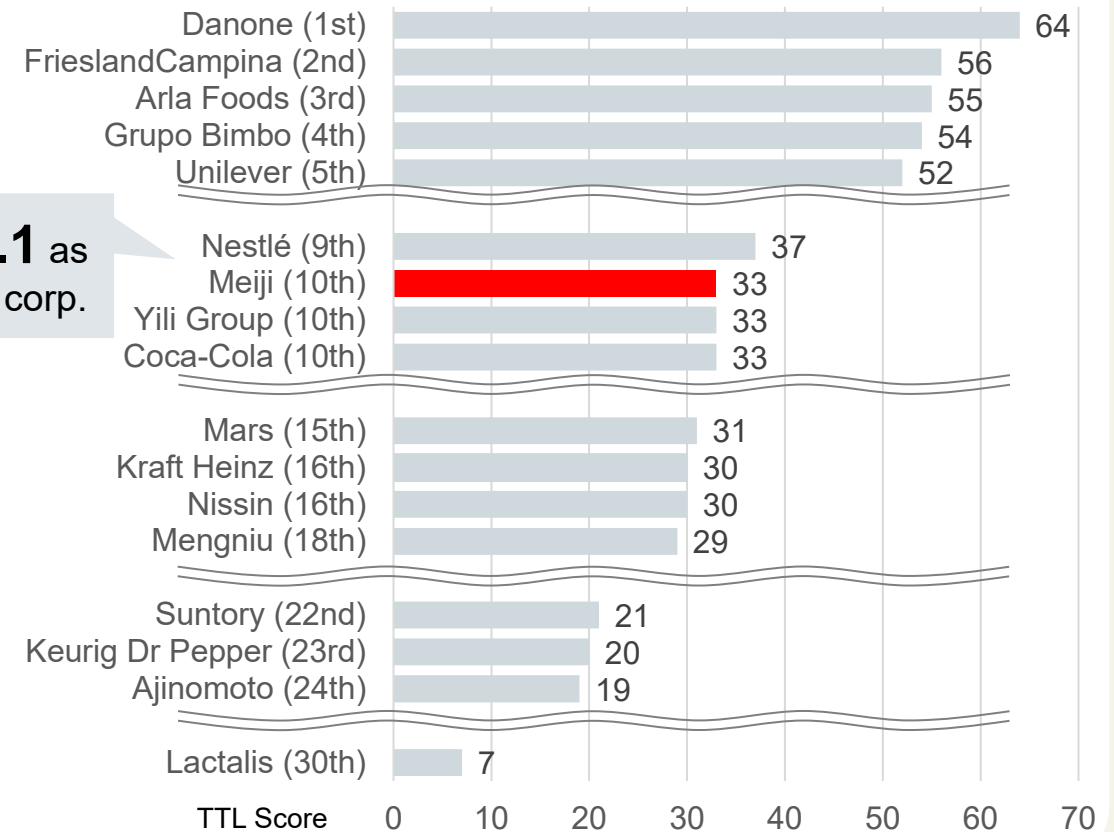


## ATNI Global Index 2024 (Nov 7, 2024)

- 30 corporations included in index, given the role of world's leading food and beverage manufacturers in addressing global nutrition challenges
- Aim to transform the market where **at least 50% of food and beverage manufacturers' sales** are derived from healthy products by FY2030
- As quantitative evaluation index, **adopt HSR (Health Star Rating) to assess the nutritional profile of processed foods, with rating from 0.5 to 5.0**  
\* Paris Nutrition Summit participation principle:  
More than 50% of product portfolio meets HSR 3.5

### Meiji Holdings Ranked 10<sup>th</sup>

**No.1** as JPN corp.



# Highly Rated for HSR-based Product Profile Score and Nutrition Governance

## Evaluation results

	Marks	Meiji Score	Average	Highest score
Nutrition Governance	15	6.9	6.5	14.4
Product Profile	30	18.3	12.8	22.5
Portfolio Improvement	10	1.5	3.3	9.5
Nutrient Profile Models (NPM) for Reporting	5	0.1	1.3	4.8
Affordable Nutrition	15	0	2.0	10.2
Responsible Marketing	15	3.6	4.5	11.0
Workforce Nutrition	5	0.4	1.2	4.4
Responsible Labelling	5	2.1	1.9	4.0

### Evaluation Points:

- 58% of product portfolio meet HSR score of 3.5, which is defined as healthy product
- Set sales target for health-oriented products and report its progress, etc.

### Challenge:

- Nutrition strategy planning
- Information disclosure utilizing NPS, etc.

# Won Minister of the Environment Award (Silver Prize) for the Environmentally Sustainable Company Category

## 6th ESG Finance Awards Japan (Feb 19, 2025)



- Commended by Ministry of the Environment for companies' engagement in sustainable management
- Reviewed by ESG Finance Awards Japan Selection Committee to select the winners in each category

### Rational for selection:

- Clear goal setting and vigorous activities towards Meiji Group's Long-Term Environmental Vision
- Close support for dairy/cocoa farmers and solve issues in production areas etc.

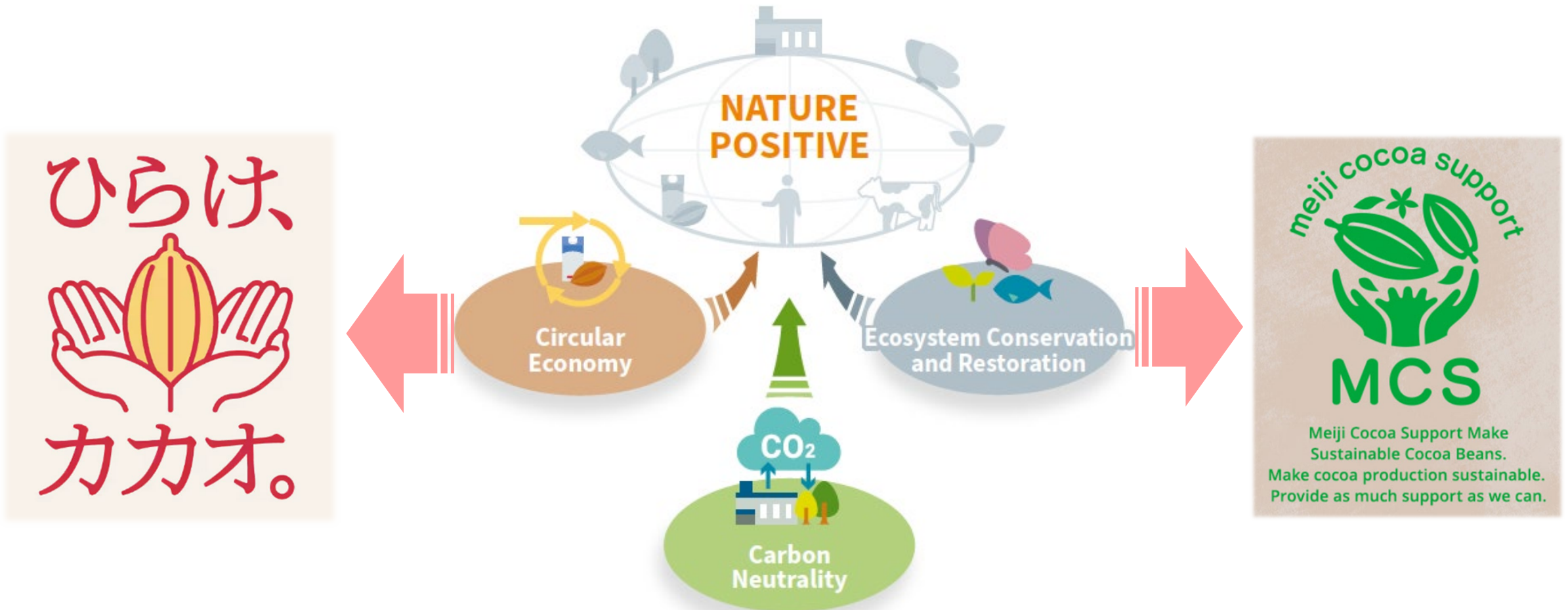


# Activities in Sustainable Cocoa Procurement To Realize Nature Positive



# Activities in Sustainable Cocoa Procurement to Realize Nature Positive

- Essential to maintain natural capital for Meiji Group business, based on blessings of nature
- Contribution to realizing nature positive is important management agenda





# What is *Meiji Cocoa Support (MCS)* ?

- Started supporting production areas in 2006, now in 9 countries
- Unique support, tailored to challenges faced by each cocoa farming region



# MCS Main Activities

## Forest protection

- Forest conservation
- Agroforestry



MCS

豊かな森林を守る活動を  
Promoting forest resource management

MCS

アグロフォレストリーを進める  
Promoting cocoa agroforestry

## Cocoa cultivation

- Farm equipment donation
- Cultivation techniques



MCS

カカオづくりを、物資で支える  
Supplying agricultural equipment

MCS

カカオづくりを、技術で支える  
Sharing improved cultivation methods

## Educational support

- Children's learning
- School educational system



MCS

子どもたちに、学ぶ機会を  
Supporting children's learning opportunities

MCS

教育のための、よりよい環境を  
Supporting school facilities

## Livelihood support

- Livelihood infrastructure
- Medical support



MCS

カカオ農家の生活向上につながる支援を  
Supporting cocoa farming communities

MCS

健康的な暮らしのための医療支援を  
Providing medical supplies

# Forest Conservation Efforts towards Zero Deforestation

## Goal

Ascertain actual situation of farms through GPS mapping etc. at all our suppliers. Work to protect and restore forests with the aim of achieving zero deforestation

- Expand target: Republic of Ghana by FY2026 → Other areas by FY2030

## 1. Verify deforestation

- Identify farmland to check involvement in forest reserves



### Republic of Ghana

Covered by GPS mappings

Number of farms mapped in Ghana

**5,365** (54.9%)

Number of farms present  
in forest reserve: 54

(Oct 2022~Sep 2023)



## 2. Forest education

Provide information on deforestation and restoration of natural environmental systems

Number of farmers trained in  
*Climate Smart Cocoa Training*

**4,495**



Initiatives to achieve sustainable agriculture

*GAP (Good Agricultural Practice)*  
Number of farmers trained

**3,704**



(Oct 2022~Sep 2023)



# Forest Conservation Efforts towards Zero Deforestation

## 3. Forest conservation

- Distribute various types of seedlings. Maintain and restore forest environment and ecosystem of cocoa plantation and surrounding areas



	Multipurpose tree	Cocoa Seedling	Vegetable seedling	Shade tree
Cumulative total distribution	<b>144,680</b>	<b>243,563</b>	<b>100,000</b>	<b>25,500</b>
	20,000	11,879	←Oct 2022~Sep 2023	

## 4. Agroforestry

- Minimize damage to nature while maintaining forest ecosystems

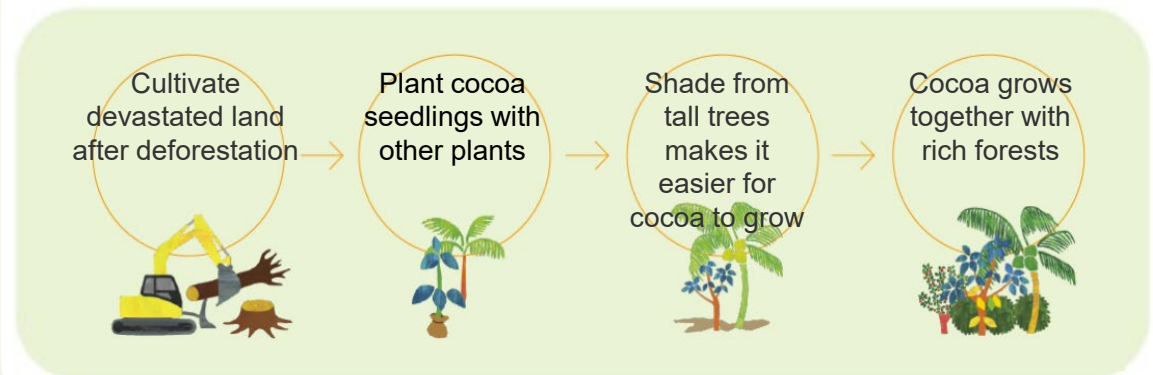


**Federative Republic of Brazil**



Chocolate made from cocoa beans harvested through agroforestry

**AGRICULTURE + FORESTRY = AGROFORESTRY**



# Promote MCS through Product Package

- Illustrate 4 categories and 8 actions to promote understanding of our activities

## Forest protection

- Forest conservation
- Agroforestry

## Cocoa Cultivation

- Farm equipment donation
- Cultivation techniques

## Educational support

- Children's learning
- School educational system

## Livelihood support

- Livelihood infrastructure
- Medical support





# Strengthen Appealing MCS

Advertisement in the Yomiuri Shimbun morning edition  
15 columns from Jan 8, 2025 issue

Product package

**meiji makes chocolate.  
meiji makes wellness.**

人にも地球にもサステナブルだから、  
ミルクチョコレートのやさしさは  
ずっとつづいていく。

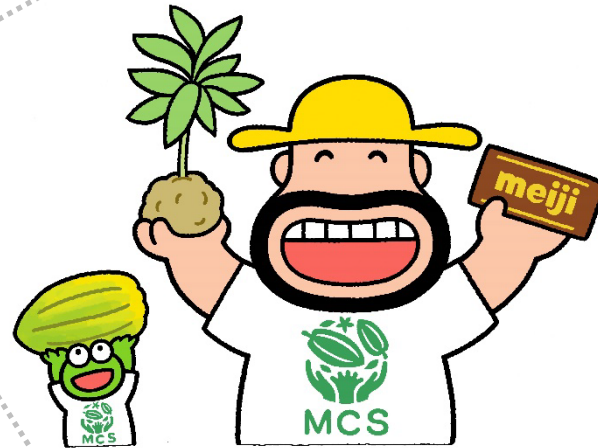
**meiji**  
milkchocolate

明治ミルクチョコレート®は、2006年に始まった、  
カカオ農家支援活動「メイジ・カカオ・サポート」を通じて  
調達された「明治サステナブルカカオ豆」を使用しています。

MCS

明治のサステナビリティ

**meiji**



meiji cocoa support

**MCS**

豊かな森林を  
守る活動を

詳しくは  
こちら

Promoting forest  
resource management

本商品の製造に使用しているカカオ豆は、メイジ・カカオ・サポートを通じて調達しています※一部のカカオマスは除く

## What is the Project “*Now Open the Cacao by Meiji*” ?

- Sustainable actions that maximize the potential of cacao
- From 2022, started projects aimed for happiness of all people involved with cacao



### Goal

1. Increase economic value without burden on farmers
2. Achieve Healthy Eating Habits of consumers
3. Produce further economic value by upcycling



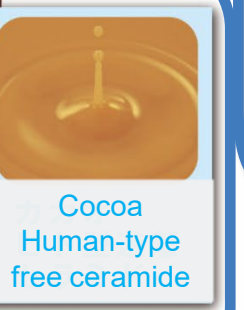
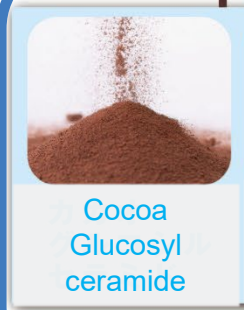
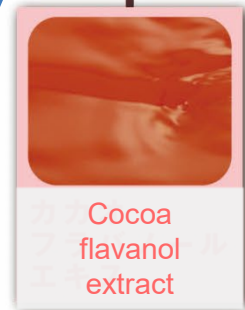
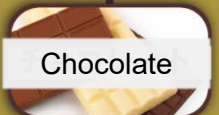
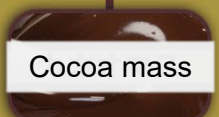
# Create New Value Utilizing Cocoa

## Cocoa tree

### Current business



3. Develop unutilized parts, adding value



Food use

Cosmetic use

1. Explore production methods that maximize the appeal of cacao

2. Unlock cacao's rich potential



# 1. Explore Production Methods that Maximize the Appeal of Cacao

- Developing new cacao materials. Establish processing technology, aiming for mass production

## Examples of Cacao new material development



Cocoa flavanol  
extract

### Cacao=Fruit

Examine manufacturing methods that maximize the fruit's appeal, rich in *cocoa flavanols*, type of cocoa polyphenol

Commercialize



\* Currently no longer available

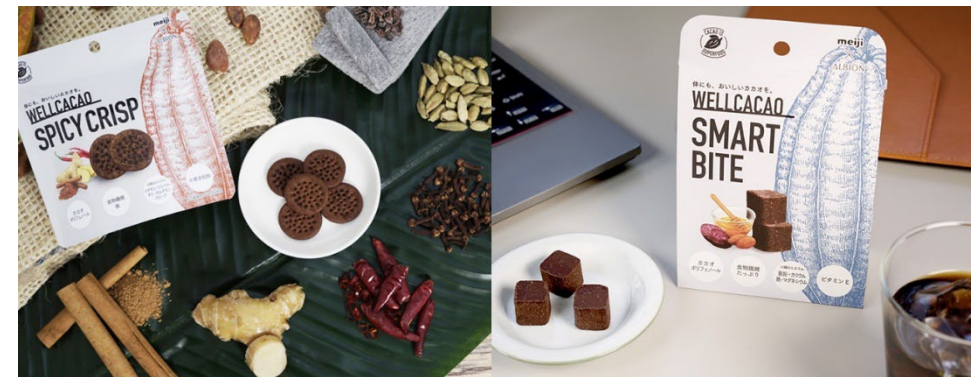


Cocoa  
granule

### Cacao=Superfood

100% powdered material  
Proprietary process to make it rich in polyphenols but suppress astringency of polyphenols

Commercialize

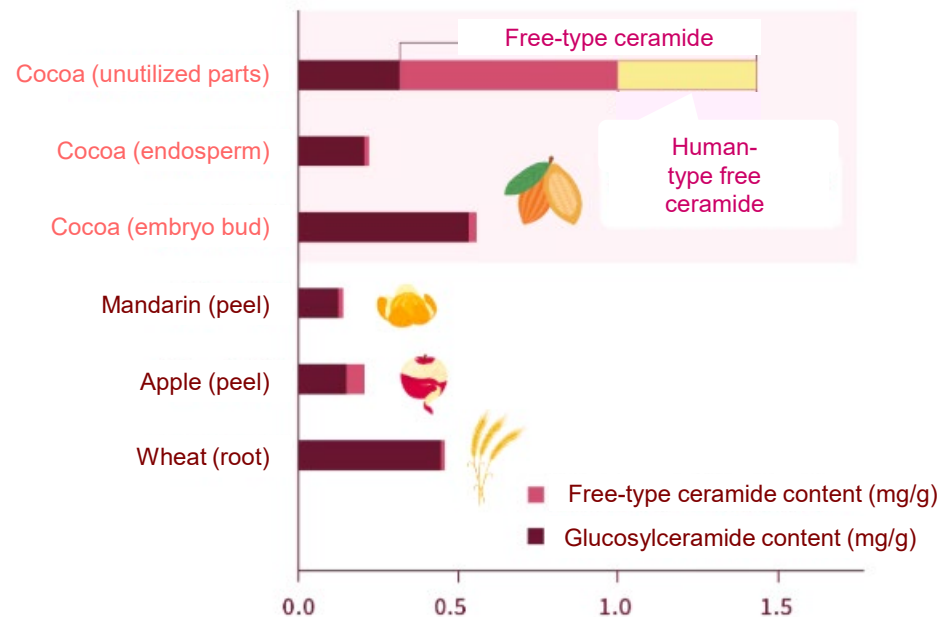


## 2. Unlock Cacao's Rich Potential

- World's first materialization of ceramide from cocoa, popular ingredient for cosmetics

### Ceramide content found in plants (mg/g)

- Discovered human-type free ceramide, which can be used for cosmetics, is abundantly contained in unutilized parts of cocoa



Partially modified from 2004 Hokkaido Agricultural Research Center results  
Cocoa material measured by LC-MS/MS

### Cocoa ceramide\* as new beauty material

\*ceramide abstracted from cocoa

- Collaboration with ALBION CO., LTD.



Chocolate containing glucosylceramide for food applications and cocoa flavanols

Will continue to collaborate to develop products to utilize cocoa ceramide not only for food but also for cosmetics applications

### 3. Develop Unutilized Parts, Adding Value

- Upcycle cocoa husks that have been removed during the processing stage, gone unused
- Aim to utilize cascara, unused part abroad, by applying cocoa husk processing technology

#### Examples of Upcycling



- EDWIN Co., Ltd.



Denim made with yarn, blending powdered cocoa husk and Japanese paper

- fabula Inc.



100% food-based coaster made from powdered cocoa husk, applying heat and pressure to mold

- Collaboration with Hemicellulose Ltd.



100% plant-based cocoa resin plastic



Meiji MACADAMIA Chocolate container

Develops and manufactures cocoa husk fiber, applying bioplastic manufacturing technology



# Now Open the Cacao by Meiji

~towards solving social issues in cocoa farming regions~

- Aim to improve the value of cacao and solve various social issues such as livelihood of farmers, labor problems and educational issues in cocoa farming regions

## Evolution to *Whole Cocoa Utilization*



Strive to create new nutritional value unique to Meiji by pursuing **full potential of cacao as fruit**, not just cocoa beans

## Evolution of *Value chain*



**Co-creation by partnering on sustainable initiatives with businesses in other industries.** Work to develop applications for the parts of cacao not used as raw materials

## Evolution of *Information Dissemination*



Utilize digital technology and IoT to **bring closer** cocoa farming regions and customers

Part 2: Panel Discussion

# Sustainability and Innovation in Dairy Farming



# Today's Speakers



**Shinya Kobayashi**  
President and CEO,  
Farmnote Holdings, Inc.



**Mari Kogiso**  
Co-CEO, SDG Impact Japan  
\*Meiji ESG Advisory Board Member



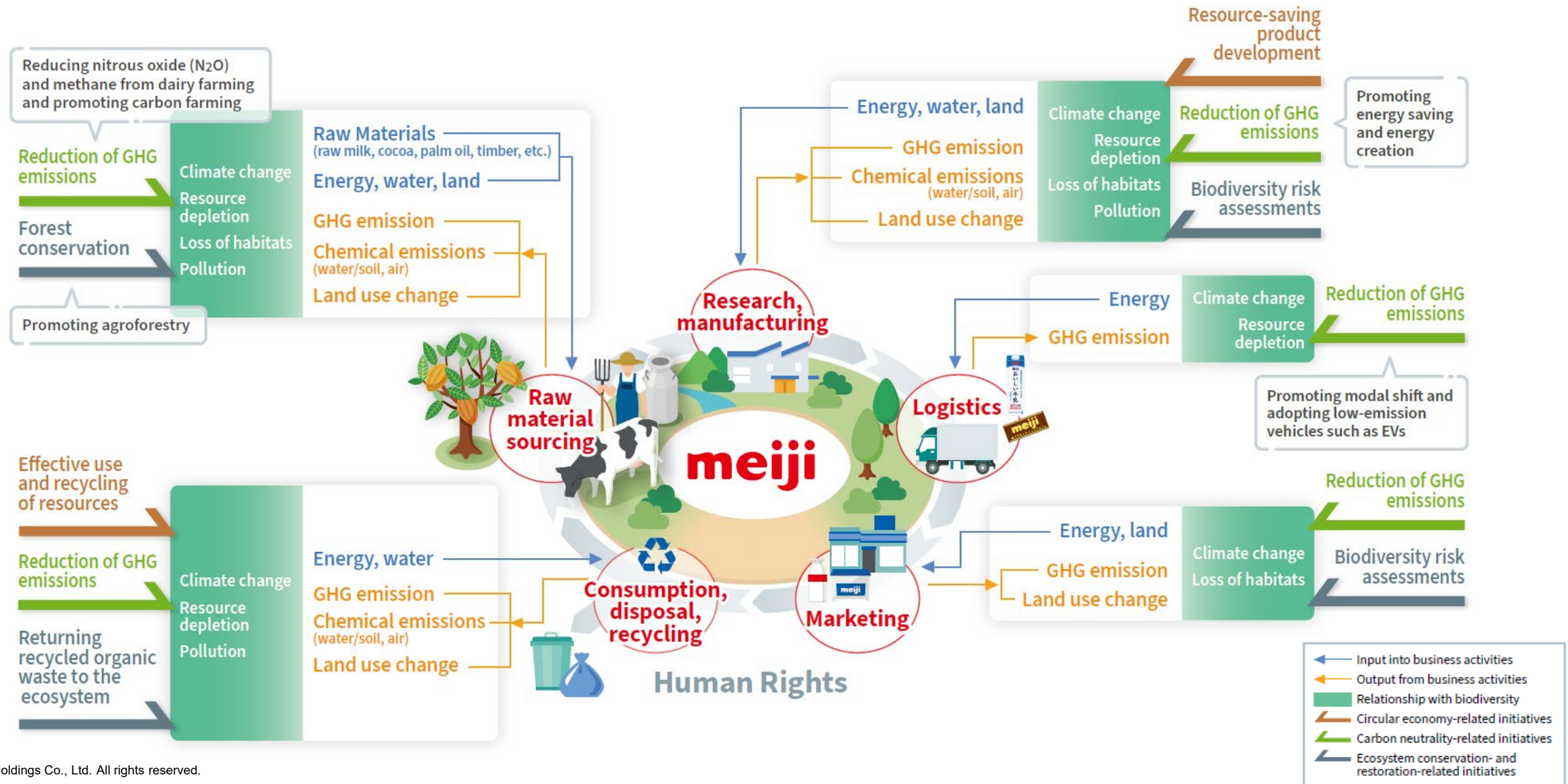
**Peter David Pedersen**  
Independent Outside Member of  
the Board, Meiji Holdings Co., Ltd.  
\* Meiji ESG Advisory Board Member



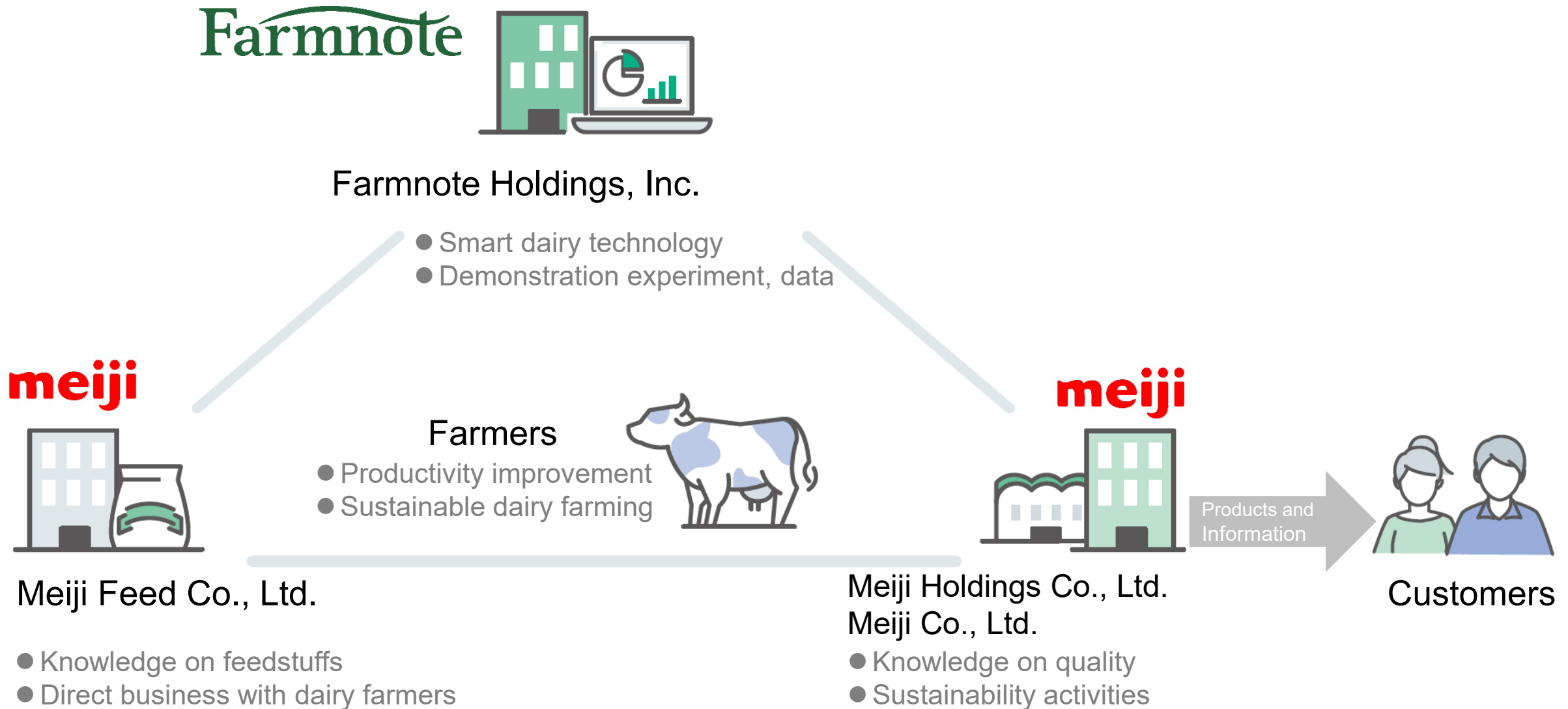
**Shinji Matsuoka**  
CSO, Managing Executive Officer,  
Meiji Holdings Co., Ltd.

# 1. How the Meiji Group Sees Sustainability in Dairy Farming

Map of relationship between Meiji Group and Biodiversity including climate change, and Human rights



## 2. Collaboration between Farmnote and the Meiji Group





### 3. How should we get involved in Dairy Farming?



- Support sustainable dairy farm management by focusing on human resource management on dairy farms
- Expert team from the Meiji Group discuss what the farm should be (philosophy and goals) with an owner of a dairy farm.  
The team also provides an opportunity for farm staff to discuss what is necessary to achieve the goals and how to achieve them
- Each farm is the main player.  
In order to realize sustainable dairy management, we aim to establish a *KAIZEN culture* in which farmers habitually make improvements, and to create a system that enables dairy farmers to run on their own

#### ■ Examples of MDA activities

- Kickoff meeting for managers to inform employees of new year's targets
- Foreign Intern study group to help foreign employees acquire necessary skills
- On-site improvement activities with dairy farmers to check health condition and feeding behavior of dairy cows

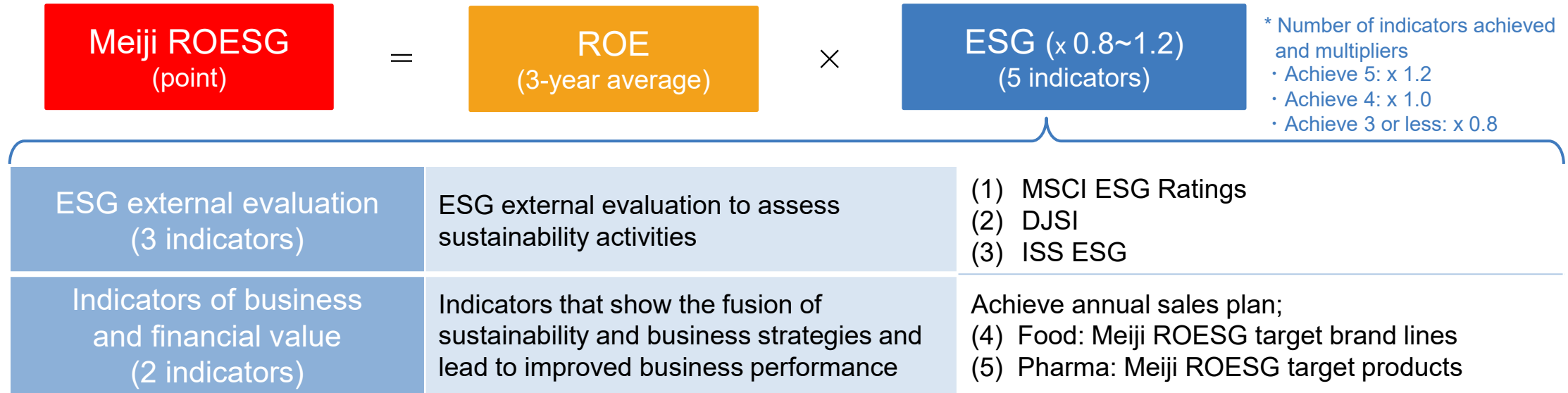


- Launch of *Meiji Dairy Advisory COMMUNITY*



# 4. Linking Non-financial and Financial Value to Enhance Corporate Value

## Meiji ROESG



## Key strategies

### 1. Invest management resources into growth business

- Strengthen and expand overseas and B to B businesses of food segment, and pharmaceutical businesses as growth drivers

### 2. Keep and improve stable cash flow

- Enhance competitive advantage by pursuing added value
- Review business portfolio and improve capital efficiency

The fusion of sustainability and business strategies (*Trade-on*)

### 3. Promote human resources strategy linked to management strategy

*Now ideas for wellness*

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