

Now ideas for wellness



**Meiji Holdings Co., Ltd.
ESG Meeting (Part 1)
The Presentation Scripts**

February 28, 2025, 3:00 – 4:00 pm

Presenters:

Kazuo Kawamura	CEO, President and Representative Director
Shinji Matsuoka	CSO, Managing Executive Officer

Part 1: Presentation-1
CEO Message

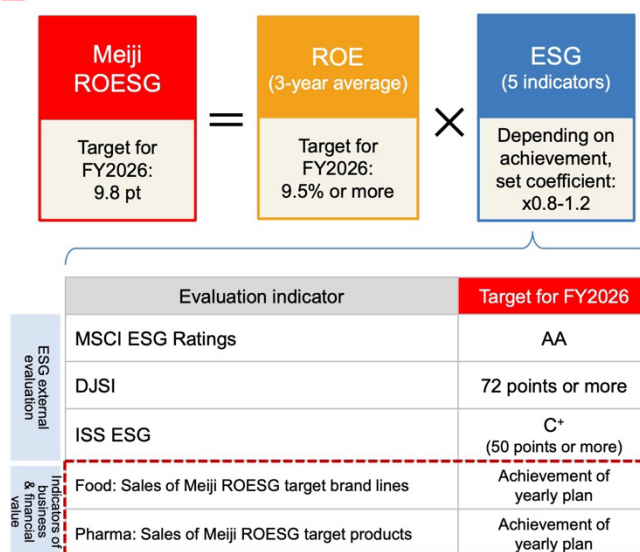
Kazuo Kawamura
CEO, President and Representative Director

Meiji Holdings Co., Ltd.

Kawamura: I am Kawamura, CEO of Meiji Holdings.

Today, I will explain the evolution of Meiji ROESG, which was newly launched in the 2026 Medium-Term Business Plan, and also introduce some specific *trade-on* initiatives that integrate sustainability and business strategies.

Composition of Meiji ROESG®

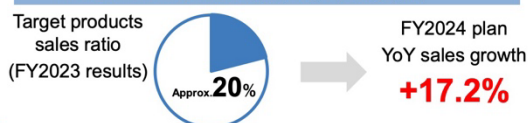


Meiji ROESG target brand lines/products

- 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.)



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



First, I would like to explain Meiji ROESG in the 2026 Medium-Term Business Plan.

In order to further evolve Meiji ROESG, which was started in the previous plan, we have made the composition of the plan with a strong awareness of the integration of sustainability and business strategies.

The 2023 Medium-Term Business Plan has strengthened our employees' awareness and attitude toward ESG, and we have made significant progress in our sustainability activities. From this background, we aim to link the financial value of ROE with the non-financial value of ESG in order to achieve sustainable business growth through a new approach.

Regarding ESG indicators, taking into account that we have achieved all five external evaluation indicator targets set in the 2023 Medium-Term Business Plan, we have replaced

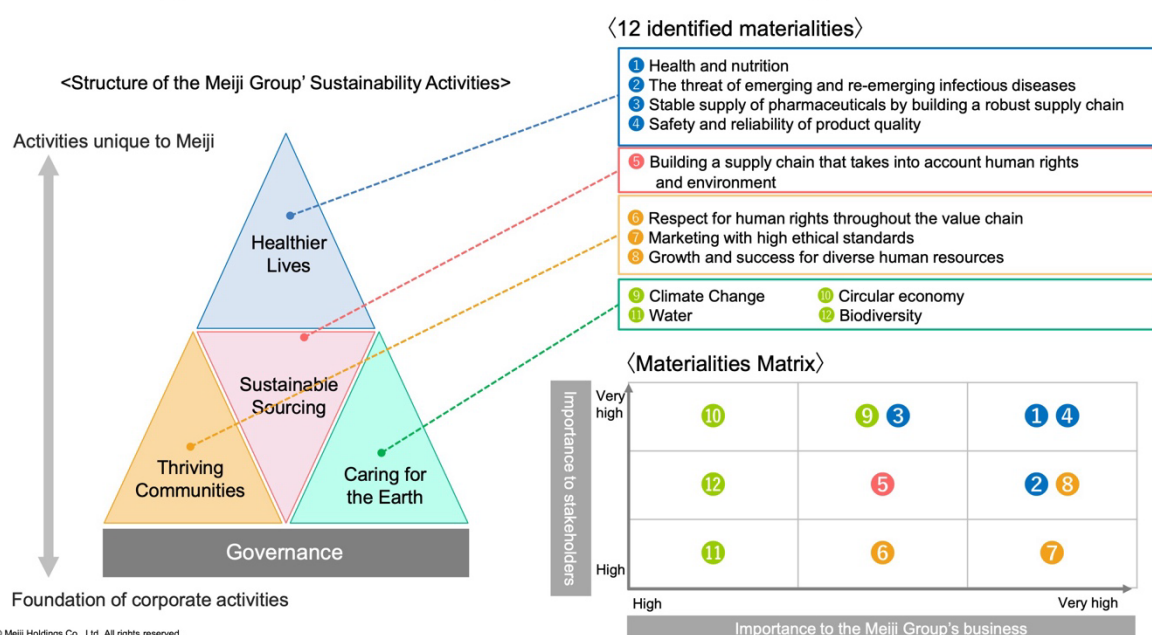
them with comprehensive ESG evaluation indicators and set new targets for the 2026 Medium-Term Business plan.

We have received various comments from investors on the indicators unique to Meiji set forth in the 2023 Medium-Term Business Plan, such as extending healthy life expectancy, increasing protein intake, and improving influenza vaccination rate, not knowing how the Meiji Group's efforts have contributed to such improvements.

Reflecting those comments, we have newly set brand lines and products subject to Meiji ROESG for both food and pharmaceutical segments as indicators for evaluating business and financial value and have set the achievement of the annual net sales plan as a KPI. The specific target brand lines and products are shown on the slide. These were selected with an awareness of the materialities of the Meiji Group.

In food segment, these are health-oriented foods, value-added nutritional foods to address social issues such as lifestyle related diseases, undernutrition, and overnutrition, in addition to foods with our environmentally and socially conscious procurement activities for a sustainable society. In pharmaceutical segment, the focus was on influenza vaccines and antibacterial drugs designated as category A stable supply drugs to address social issues such as the stable supply of pharmaceuticals and countermeasures against emerging and re-emerging infectious diseases. These are all our core products, and their sales growth will directly lead to the sustainable growth of the Meiji Group.

Trade-on Approach of Sustainability and Business Strategies



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Next, I will explain the materialities.

In order to further accelerate our efforts to integrate sustainability and business strategies as explained in the previous slide, we have identified these 12 materialities in the 2026 Medium-Term Business Plan.

In accordance with international guidelines such as SASB and GRI, we picked up sustainability issues from environmental, social, and economic aspects, and evaluated them quantitatively based on two axes: their importance to stakeholders and their importance to the Meiji Group's business.

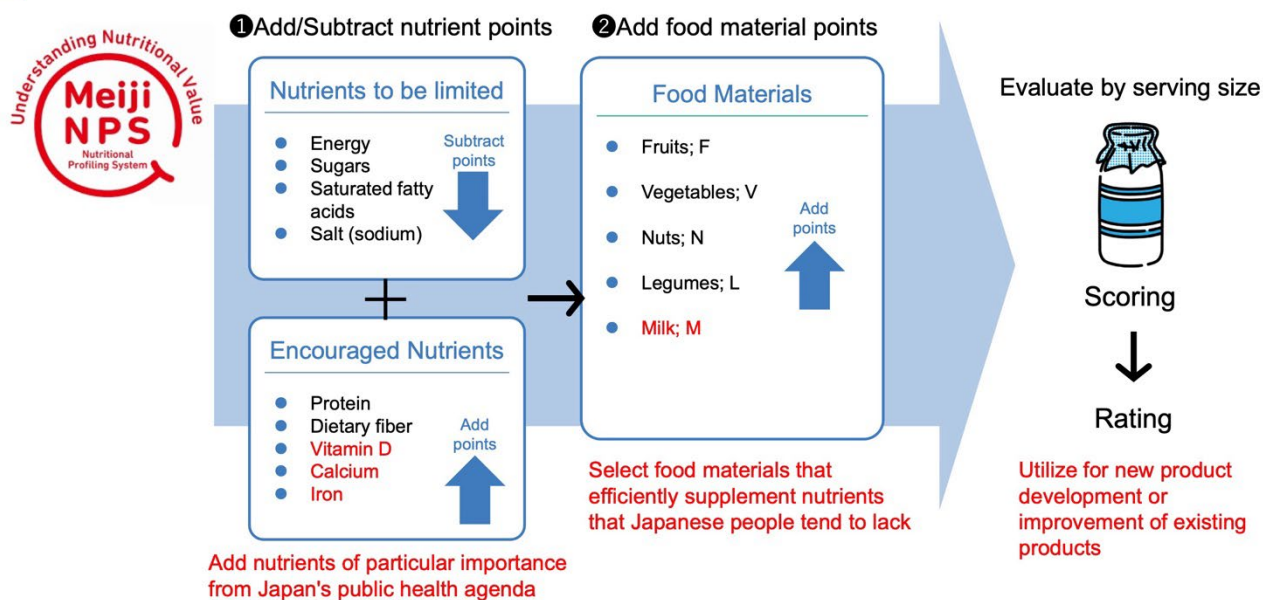
As a result of this evaluation, we have determined that the 12 issues presented are important on both axes and have identified them as materialities that should be prioritized, based on

discussions with external experts and the ESG Advisory Board we have established within the Company.

The materiality categorized as *healthier lives* has the strongest relationship with our business, with one, *health and nutrition*, and three, *stable supply of pharmaceuticals by building a robust supply chain*, being closely related to the Meiji ROESG target brands mentioned earlier, and we believe that four, *safety and reliability of product quality* is also a prerequisite for this.

Today, I would like to introduce specific initiatives from these materialities regarding one, *health and nutrition*, and eight, *growth and success for diverse human resources*.

Meiji NPS Evaluation Method (Policy)



First is the Meiji NPS initiative on materiality one, *health and nutrition*.

NPS is classified into government NPS and corporate NPS. Government NPSs are operated mainly in the EU and other countries to promote behavioral change among the public, while corporate NPSs are operated mainly to improve products to make them healthier. Several companies in Japan have already established and are operating their own corporate NPS, and we, Meiji have also established and started operating the Meiji NPS.

In particular, the first phase of the Meiji NPS has been formulated for adults and the elderly. Meiji's unique system focuses on addressing health issues such as lifestyle related diseases in adults and frailty in the elderly. In the future, we will also work on NPS for children in order to attend to the health issues of a wide range of generations.

Meiji NPS basically uses the national intake standards and calculates the points by subtracting points if there are nutrients to be limited, adding points if there are encouraged nutrients that should be actively taken, and adding points if there are ingredients that can supplement nutrients that Japanese people tend to lack.

Once we have the results of the analysis, we will score the food or beverages per serving size, i.e., how many points for milk chocolate, how many points for sliced cheese, etc., and finally classify the food or beverages into 10 different classes.

One of the KPIs of the 2026 Medium-Term Business Plan is to increase the ratio of products evaluated using this evaluation method to at least 90% of net sales.

We will then use the results of this evaluation to develop new products and improve existing products. The goal of Meiji NPS is to utilize the information to help consumers select products and to improve our own products to prevent illness and promote health.

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	Organizational culture	
Human resource strategy that realizes ideals	Professional HRs who continue to take on challenges and grow, and possess the necessary expertise to lead the world in food and health	An organizational culture that supports the well-being of diverse HRs and that maximizes the potential of individuals and teams	
	Development of HRs and working environments for competing globally	Promotion of human capital sustainability	Improvement of Group HR functions effectiveness
	<ul style="list-style-type: none"> ● Recruit/foster global talent ● Promote DE&I 	<ul style="list-style-type: none"> ● Implement new HR system ● Promote smart work 	<ul style="list-style-type: none"> ● Talent management ● Upgrade HR functions

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Next, I would like to introduce the Meiji Group's human resource strategy related to materiality eight, *growth and success for diverse human resources*.

The Meiji Group is building a human resource strategy linked to its management strategy to make human resources the source of value creation.

Human resources are the key capital that supports the Meiji Group's value creation, and since the previous Medium-Term Business Plan, we have been improving our governance system by establishing the Meiji Group Human Capital Committee and the CHRO.

In the 2026 Medium-Term Business Plan, the Meiji Group has decided to promote a more effective human resources strategy in which diverse human resources generate innovation in order to implement the Group Philosophy and management strategy.

To this end, we have established the ideal state of human resources and organizational culture and have set three major human resources strategies to realize them.

The first is global talent. In addition to strengthening mid-career recruitment, we will implement training programs aimed at cross-cultural understanding and foster the leaders who will promote global expansion through training such as fieldwork overseas and practical experience in global operations.

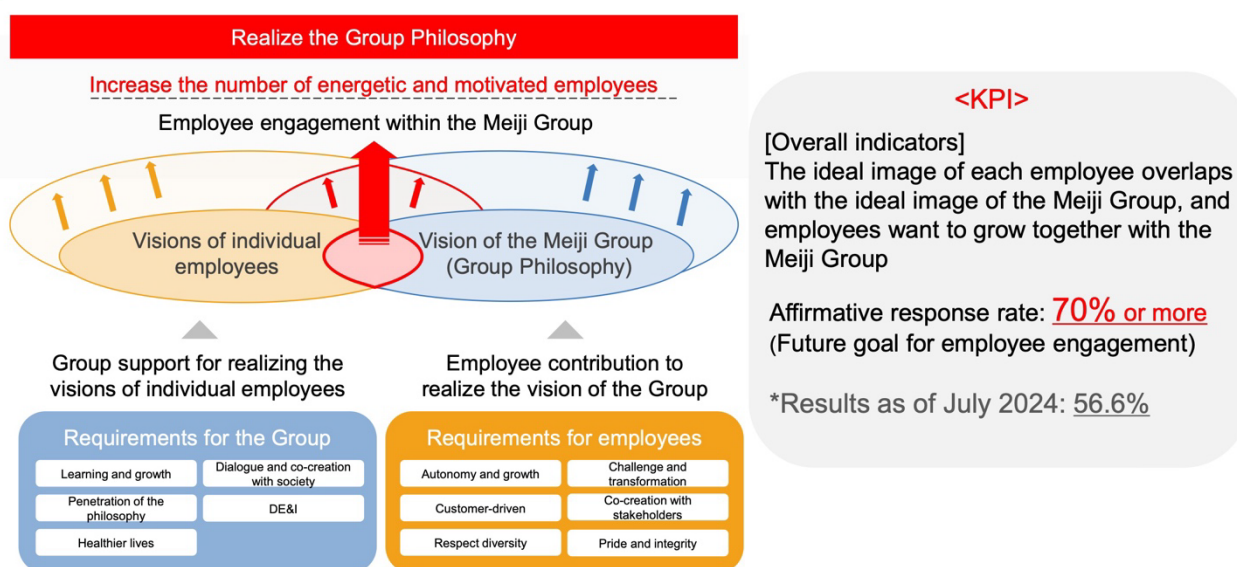
The second is the promotion of human capital sustainability. A new HR system will be introduced in FY2025 and a job-based personnel system will be introduced for management positions. In addition, we will realize a grading system that enables us to appoint the right person for the right job regardless of age or length of service, an evaluation system that provides a sense of fairness and satisfaction based on the results produced and actions demonstrated by each employee, and a compensation system that is commensurate with job performance. By doing so, we will reward employees for their duties, responsibilities, and achievements, and also aim to increase the corporate value of the Group.

We will also promote smart work to create an environment in which employees can work with more satisfaction and vigor, and create value through independence, challenge, growth, and co-creation.

The third is to improve the effectiveness of the Group HR function. We will strengthen the human resources department that supports the promotion of business strategies, and we will also begin to unify the human resources data of all group companies to realize data-driven talent management.

The 2026 Medium-Term Business Plan is the implementation phase of human capital management that is unique to Meiji, and we will vigorously promote it to achieve the Medium-Term Business Plan targets and long-term corporate value enhancement.

Employee Engagement



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Finally, we will discuss employee engagement.

We have decided to change our employee engagement survey from this fiscal year.

The engagement survey to date has been based on the policy of measuring the degree to which the Company satisfies the factors that employees expect from the Company, in other words, employee satisfaction, from which issues are identified, and countermeasures are taken. Although we did not achieve the targets of the previous Medium-Term Business Plan, we have seen some improvement, especially in factories and young employees, where there was a strong sense of problems.

As shown in the figure, from the 2026 Medium-Term Business Plan, in order to more strongly promote human capital management, we have introduced an engagement survey that aims to

realize the Group Philosophy not by measuring employee satisfaction, but by aiming for a state where both the Company and employees are enhancing each other and growing together.

The Company will provide employees with an organizational culture in which diverse human resources can make the most of their individuality and work vigorously and with a sense of fulfillment and will provide support for realizing the visions of individual employees.

Meanwhile, our employees will work to realize the vision of the Meiji Group by growing into human assets that create new value for the world through autonomous challenges and competition.

As for the new engagement survey, the first survey was conducted in July 2024, resulting in a 56.6% positive response rate for the Meiji Group as a whole. The final KPI is targeted to be 70% or higher in the future.

In this survey, the main issues identified as high-priority to be addressed included the degree of empathy with the Group Philosophy, evaluation of the organizational culture for promoting reform activities, the HR system, and personnel policies. To resolve the issues, through the activities of the *Meiji Brand Project* and enhanced training programs, we will strive to promote understanding and penetration of the vision of the Group.

In addition, we will also work on various measures to support employees in realizing their visions, such as implementing initiatives to realize employees' bottom-up proposals. We will maximize the overlap between what the Company and its employees want to be and strive to realize the Group Philosophy.

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Part 1: Presentation-2
**Activities in Sustainable Cocoa Procurement
To Realize Nature Positive**

Shinji Matsuoka
CSO, Managing Executive Officer

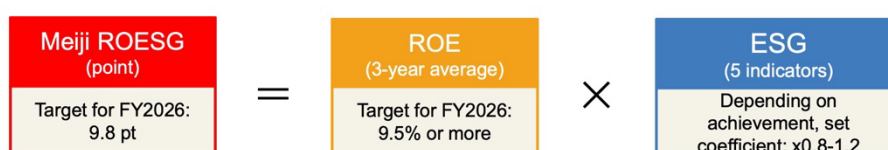
Meiji Holdings Co., Ltd.

Matsuoka: I am Matsuoka, CSO, Meiji Holdings.

I would like to explain activities in sustainable cocoa procurement to realize nature positive.

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

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First of all, I would like to reiterate the ESG targets of Meiji ROESG, which are the top-level management targets of the 2026 Medium-Term Business Plan. To further advance Meiji ROESG management, we have changed our composition to strongly emphasize the integration of sustainability and business strategies.

As for ESG external evaluation indicators, MSCI and DJSI were continued from the previous plan, and ISS ESG was newly added. In addition, as indicators of business and financial value, we have identified brand lines or products subject to Meiji ROESG and set the achievement of their annual sales plan as a KPI. Specific target brand lines and products will be explained later.

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+ (50 or more) (PRIME certified)

I would like to explain the current progress of ESG external evaluation indicators.

For MSCI, the rating of AA exceeded the target of A due to the establishment of KPIs for containers and packaging, upward revision of plastic reduction targets, and new disclosure of audit results on compliance.

For DJSI, we were selected for the second consecutive year for inclusion in the World Index with an evaluation score of 69 points, exceeding the target of 68 points, reflecting improvements in waste management and food waste disclosure, as well as new disclosure of disciplinary action taken against non-compliance.

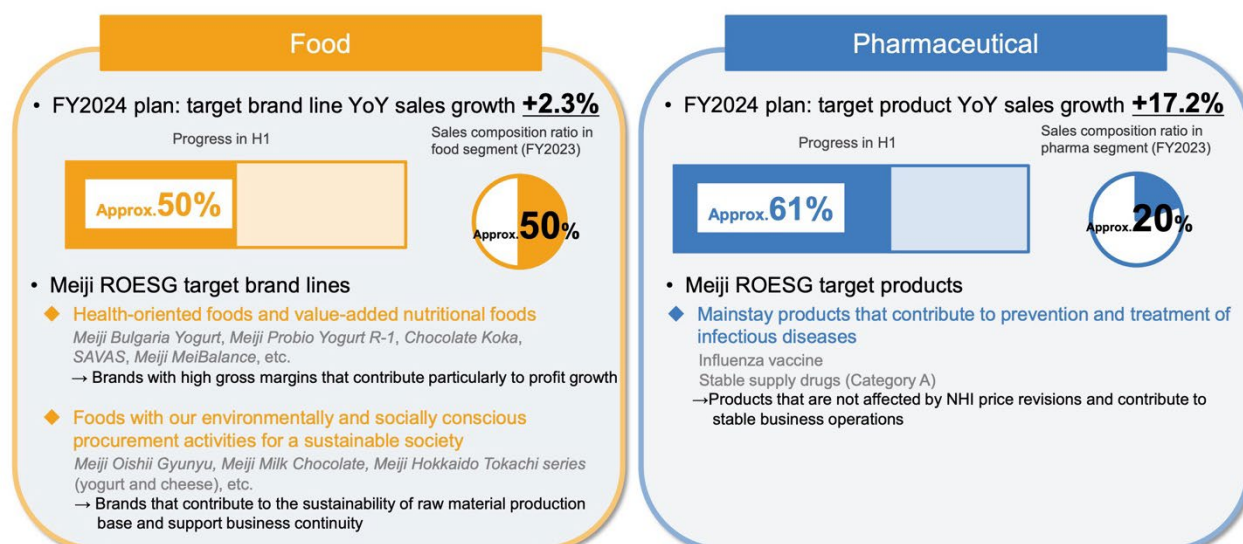
And for ISS ESG, we received a grade of C and a score of 46.46 points, exceeding the target

of 43 points. Thus, for the ESG external evaluation indicators, we achieved our targets for all three indicators for FY2024.

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



- Steadily progressing towards achieving plan as of H1 FY2024



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Next, I will explain the current progress on business and financial value indicators.

The target brand lines for Meiji ROESG for food segment was selected based on the selection criteria shown on the slide and represents approximately 50% of the sales in the food segment.

The target for the current fiscal year is to achieve a sales growth rate of 2.3% over FY2023 for the target brand lines, and as of H1, we are approximately 50% of the way there.

In addition, our health-oriented food and value-added nutritional food brand lines have high

gross profit margins, and we have high expectations for profit growth.

On the other hand, the pharmaceutical target products are as shown on the slide, representing approximately 20% of the sales in the pharmaceuticals segment.

The target for this fiscal year is set at 17.2% sales growth for the subject products compared to FY2023, and as of H1, approximately 61% progress has been made.

Thus, as of H1, both food and pharmaceutical segments are on track to achieve their targets.

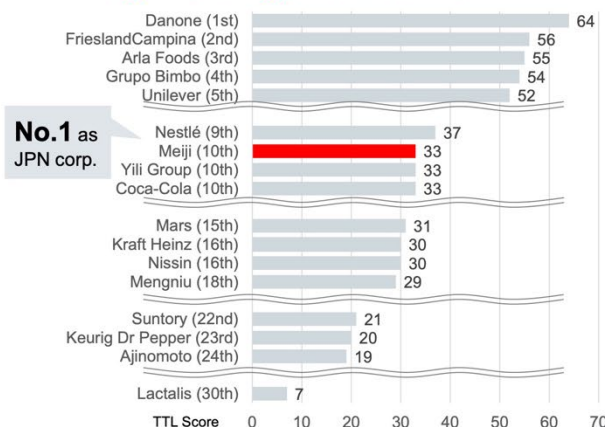
Highest Ranking among Japanese Corporations



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 10th



Issues such as the double burden of malnutrition, which is a combination of undernutrition and overnutrition, have become important social issues globally, and the ATNi Global Index has attracted attention as an index for evaluating the health and nutrition efforts of food companies.

ATNI's goal is to transform the market so that at least 50% of each company's food and beverage sales come from healthy products, with the goal of solving the world's nutrition challenges.

The Health Star Rating, or HSR for short, has been adopted as the evaluation index, which rates the nutritional profile of processed foods on a 10-point scale and is indicated on the package by the number of stars. It has also been adopted as an international standard, and at the Paris Nutrition Summit, the participation criterion is that more than 50% of the product portfolio meets HSR 3.5.

In the ATNI Global Index 2024 released last November 7, as shown on the slide, we were ranked 10th out of 30 companies surveyed, the highest ranking among the four Japanese companies. Incidentally, the Global Index is evaluated every three years, and in the previous evaluation in 2021, we ranked 12th out of 25 companies.

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.

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I will explain our evaluation results. The Company was evaluated on the eight items shown on the slide and scored above the overall average in three items, including HSR-based product profile and nutrition governance, which are shown in red.

We believe that the key points of our evaluation are that we received a high score in HSR-based product profile, which has a high point distribution since 58% of our product portfolio has an HSR score of 3.5 or higher, and that we also received a high score in the sales target setting and progress reporting for health-oriented products, one of the evaluation items of nutrition governance.

We believe that our future challenges include the medium- to long-term nutritional strategy planning and information disclosure utilizing NPS.

As a company committed to *food and health*, we are very pleased that our nutritional-related efforts have been recognized within a global framework, and we will use this as encouragement for the future.

**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.



The Ministry of the Environment is implementing the ESG Finance Awards Japan, which are presented by the Minister of the Environment starting in FY2019.

The purpose of this award is to recognize companies and financial institutions that have made an impact on society by actively engaging in environmental activities and ESG finance, and to recognize their advanced efforts to promote and expand the use of ESG finance.

On February 19, the sixth ESG Finance Awards Japan were announced, and our company

was awarded the Silver Prize by the Minister of the Environment in the environmentally sustainable company category.

The reason for the selection is that the Meiji Group has set clear targets in its long-term environmental vision and is working energetically towards them, as well as providing close support to dairy farmers and cocoa producers and working to resolve social issues in production areas.

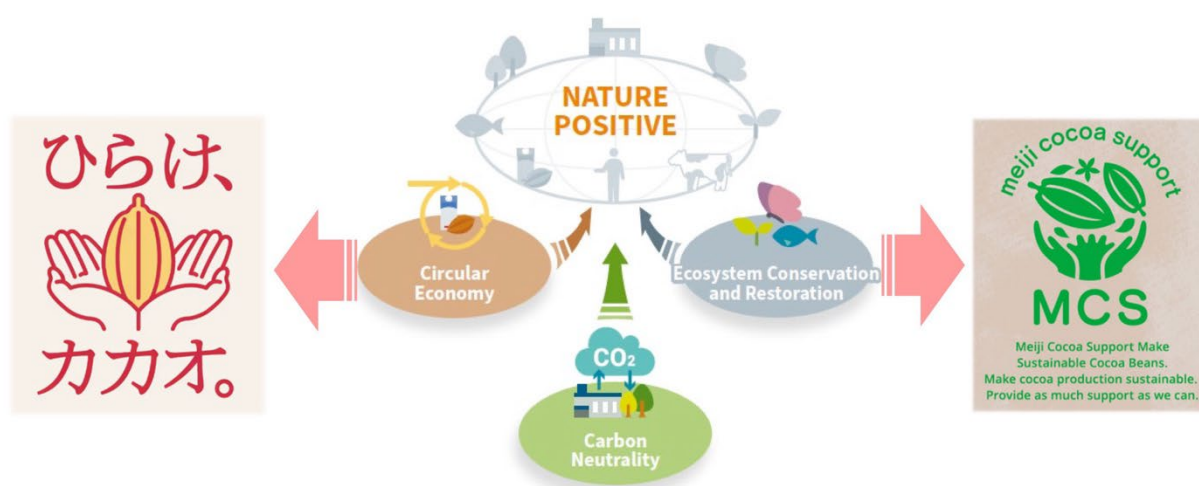
We consider it a great honor to receive this award. We will continue to accelerate our environmental activities by proactively adopting advanced technologies to achieve our long-term environmental targets.

Activities in Sustainable Cocoa Procurement To Realize Nature Positive

Next, I will explain 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



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The concept of nature positive has been attracting a great deal of attention in recent years. The National Biodiversity Strategy promoted by the Ministry of the Environment has set the realization of nature positive as a target for 2030, aiming for a society that coexists in harmony with nature.

The Meiji Group's business is built on the rich bounty of nature, including raw milk, cacao, and lactobacilli. We recognize that contributing to the realization of nature positive is an important management issue if we are to continue our business into the future. As shown in the slide, the Meiji Group is promoting three activities in unison to achieve this goal: circular economy, carbon neutrality, and ecosystem conservation and restoration.

Later, we will introduce two activities in sustainable cocoa procurement to realize nature

positive. The first is *Meiji Cocoa Support*, which contributes to the conservation and restoration of ecosystems. The second is the project, *Now Open the Cacao by Meiji*, which contributes to the circular economy. And we would like to mention carbon neutrality in the panel discussion later.

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



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Let me begin by explaining *Meiji Cocoa Support*, which contributes to the conservation and restoration of ecosystems.

Meiji Cocoa Support is Meiji's own support program for farmers, launched in 2006. Employees visit cocoa producing regions directly or work with external partners to provide technical assistance to improve the quality of cocoa beans and support the livelihood of farmers.

We are currently operating in nine countries, including Ghana, Brazil, and Peru, and are

implementing support activities tailored to the challenges of each region.
Please watch the video explaining this activity.

MCS Main Activities

 豊かな森林を守る活動を <small>Protecting forest resource management</small>	 アグロ フォレストリーを、 進める <small>Promoting cocoa agroforestry</small>	<h3>Forest protection</h3> <ul style="list-style-type: none"> • Forest conservation • Agroforestry 	 カカオづくりを、 物資で支える <small>Supplying agricultural equipment</small>	 カカオづくりを、 技術で支える <small>Sharing learned cultivation methods</small>	<h3>Cocoa cultivation</h3> <ul style="list-style-type: none"> • Farm equipment donation • Cultivation techniques 
 子どもたちに、 学ぶ機会を <small>Supporting children's learning opportunities</small>	 教育のための、 よりよい環境を <small>Supporting school facilities</small>	<h3>Educational support</h3> <ul style="list-style-type: none"> • Children's learning • School educational system 	 カカオ農家の 生活向上に つながる支援を <small>Supporting cocoa farming communities</small>	 健康的な 暮らしのための 医療支援を <small>Providing medical supplies</small>	<h3>Livelihood support</h3> <ul style="list-style-type: none"> • Livelihood infrastructure • Medical support 

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The slide shows the main activities of *Meiji Cocoa Support*. Eight specific actions are illustrated for four support activities: forest protection, cocoa cultivation, education support, and livelihood support. Today, I will explain in detail the specifics of our forest protection efforts.

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)



With regard to our forest protection activities, as shown on the slide, we aim to achieve zero deforestation in Ghana by FY2026 and in our other suppliers by FY2030, by setting targets and implementing four initiatives.

The first is an initiative to verify deforestation. In cooperation with local partners, we visit farms and use GPS mapping monitoring to check whether the farms are involved in forest reserves or other protected areas, and if so, exclude them from the supply chain.


In Ghana, during the year from October 2022 to September 2023, we checked approximately 5,400 farms and 54 were found to be involved. 54 cases are currently in the process of being corrected and have been excluded from the supply chain.

The second, forest education, provides information and study sessions to farmers on forest protection and restoration. *Climate Smart Cocoa training* was conducted with approximately 4,500 farmers and *GAP training* with approximately 3,700 farmers.

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	144,680	243,563	100,000	25,500
	20,000	11,879	←Oct 2022~Sep 2023	

4. Agroforestry

- Minimize damage to nature while maintaining forest ecosystems

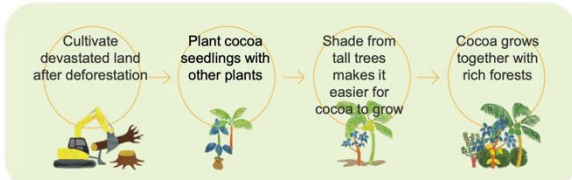


**Federative
Republic of Brazil**



Chocolate made from cocoa beans harvested through agroforestry

AGRICULTURE + FORESTRY = AGROFORESTRY



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Third, in our forest conservation activities, we distribute various types of seedlings, as shown on the slide, in order to maintain and restore the forest environment and ecosystem.

In total, over 500,000 seedlings have been distributed, including seedlings of highly productive varieties of cocoa.

The fourth is the agroforestry initiative. This is an agricultural method in which multiple agricultural and forestry products are cultivated in symbiosis on the wasteland after

deforestation and is also called forest-creating agriculture.

For example, growing bananas and pepper along with cocoa would help stabilize farmers' income by allowing them to harvest multiple crops in addition to the twice-yearly cocoa harvest. We also sell agroforestry milk chocolate made from cocoa beans from Tomé-Açu, Brazil, which are produced using this agricultural method.

Promote MCS through Product Package

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



In order to strengthen the appeal of *Meiji Cocoa Support* program to customers, as shown in the slide, illustrations of the activities will be displayed on the packages of large bags of *Meiji Milk Chocolate* and *Kinoko no Yama, Takenoko no Sato* and other products. Stores will gradually switch to the new package starting in March. Through these efforts, we hope to help customers understand and sympathize with *Meiji Cocoa Support*, which will be converted into customer value and lead to the integration of sustainability and business strategies.

Strengthen Appealing MCS

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



Product package



On January 8, 2025, we placed a 15-column ad in the Yomiuri Shimbun. As indicated on the slide, we have used Uncle Karl as a *Meiji Cocoa Support* evangelist. We would like to promote understanding of this program by telling customers about *Meiji Cocoa Support* in an easy-to-understand manner with a storyline through Uncle Karl.

In addition, the cocoa beans used in the 50g *Meiji Milk Chocolate* are Meiji sustainable cocoa beans produced in areas where farmer support has been provided through this program, which is indicated on the back of the package. Through *Meiji Cocoa Support*, we hope to convert the social value created by solving social issues in cocoa producing regions into customer value, thereby promoting purchasing and linking it to economic value. That's all I have to say about *Meiji Cocoa Support*. The following is an explanation of the project, *Now Open the Cacao by Meiji*, as an initiative that contributes to the circular economy.

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

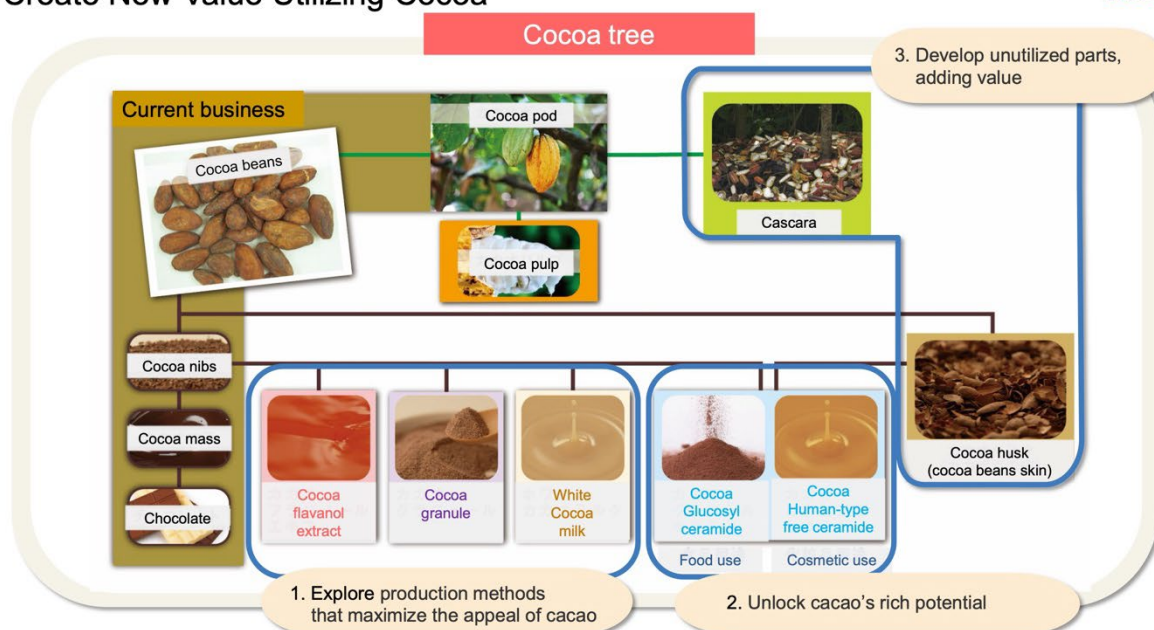
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Now Open the Cacao by Meiji means sustainable actions to maximize the potential of cacao, and we have started activities to achieve happiness for all people involved with cacao from 2022.

The goal of the project, *Now Open the Cacao by Meiji* is three-fold. The first is to increase economic value without burden on farmers. The second is to achieve healthy eating habits of consumers. And the third is to produce further economic value by upcycling.

We believe that this initiative is an activity that is consistent with the concept of circular economy, including effective use of resources and minimization of waste.

Create New Value Utilizing Cocoa



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The figure shown on the slide shows the cacao fruit, also known as the cocoa pod, broken down into its components.

Only the cocoa bean, the seed of the cocoa plant, is used as a raw material for chocolate, and only about 30% of the cacao fruit is valued, including the cocoa pulp as a source of energy for fermentation.

We would like to introduce three initiatives to maximize the potential of cacao.

The first is to explore production methods that maximize the appeal of cacao. The three cacao materials circled in the frame are new cacao materials that we have researched and developed. Today, we will discuss cocoa flavanol extract and cocoa granule.

The second is to unlock cacao's rich potential. Ceramide, a popular cosmetic ingredient, has


been made from cacao for the first time in the world. We will challenge not only food use but also cosmetic use.

And the third is to develop underutilized parts, adding value. Cocoa husk is the cocoa beans skin and accounts for about 10% of the total cocoa bean weight. Up until now, it has been used as feedstuffs and fertilizer, but we will further increase its economic value through upcycling. We will also take on the challenge of adding value to cascara, the cocoa pods after the cocoa beans have been removed.

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



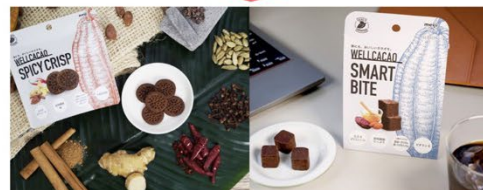
* Currently no longer available



Cocoa granule

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

Commercialize



In the first of these, exploring production methods to maximize the appeal of cacao, I will explain cocoa flavanol extract and cocoa granule as examples of the development of new cacao materials. Both materials have been successfully developed through our proprietary

efforts.

Cocoa flavanol contained in cocoa flavanol extract is a group of polyphenols found in cocoa beans. It has a natural sweetness and acidity, making it a new ingredient that allows you to experience the cacao as a fruit. As shown in the slide, we have commercialized jellies and beverages that allow you to taste cacao as a fruit.

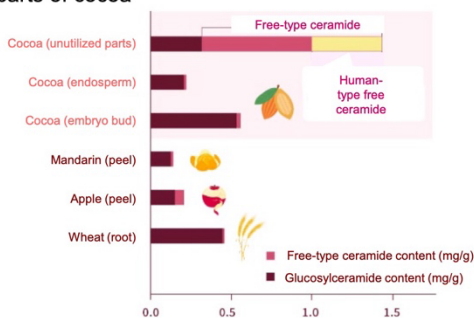
On the other hand, cocoa granule is a powdered material made of 100% cacao, rich in cacao polyphenols, but with its bitterness and astringency suppressed through a unique manufacturing process. As shown in the slide, we have commercialized crackers and other products utilizing the material. We believe that both products bring out the new appeal of cacao.

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

The second is to unlock cacao's rich potential. I will explain the world's first materialization of cocoa ceramide. Ceramide has been attracting attention in recent years as an ingredient in health foods and cosmetics. Synthetic ceramides are widely used in cosmetics, while naturally derived, plant-based human-type free ceramides are rare.

As the graph on the left shows, cocoa ceramide, a plant ceramide, contains many parts that have not been effectively utilized until now.

There are also several types of ceramides found in plants. The dark purple portion of the graph is called glucosylceramide, which is a ceramide that can be used for food. The yellow portion of the graph shows human-type free ceramide, which has the same structure as human ceramide, while synthetic human-type free ceramide is used in cosmetics.







Professor Koga of Teikyo University discovered for the first time in the world that cacao contains a large amount of human-type free ceramide and succeeded in producing cocoa ceramide extracted from cacao as a material.

We are currently working with ALBION to sell chocolates containing glucosylceramide as a collaborative product. Joint product development is underway for use in cosmetics in the future.

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

	<ul style="list-style-type: none"> ● EDWIN Co., Ltd. 	<p>Denim made with yarn, blending powdered cocoa husk and Japanese paper</p>	<ul style="list-style-type: none"> ● Collaboration with Hemicellulose Ltd.  
<ul style="list-style-type: none"> ● fabula Inc. 	<p>100% food-based coaster made from powdered cocoa husk, applying heat and pressure to mold</p>	<p>100% plant-based cocoa resin plastic</p>	<p>Meiji MACADAMIA Chocolate container</p>
		<p>Develops and manufactures cocoa husk fiber, applying bioplastic manufacturing technology</p>	

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The third is to develop unutilized parts, adding value. In here, I will explain the upcycling of cocoa husks. We have launched CACAO STYLE, a brand that proposes a new lifestyle designed using cacao and are collaborating with many partner companies.

For example, we have worked with EDWIN Co., Ltd. to commercialize denim fabric using yarn made from powdered cocoa husk blended with Japanese paper, and with fabura Inc. to commercialize 100% food-derived coasters made of powdered cocoa husk and molded under heat and pressure. Many other products, such as towels and T-shirts dyed with cocoa husk, are also sold through dedicated websites, and partner stores and websites.

In addition, we have succeeded in producing 100% plant-derived cocoa resin plastic using 100% cocoa husk with Hemicellulose Ltd., a manufacturer of bioplastics. We plan to utilize this

in trays for *Meiji MACADAMIA Chocolate* and other products. We are also working on the development of cocoa husk fiber by applying bioplastic technology. In addition, we aim to support farmers by introducing technology to cocoa producing regions to utilize cascara, an unused part.

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



We believe that, *Now Open the Cacao by Meiji* program will lead to the resolution of various social issues, such as improving the livelihood of farmers by increasing the value of cacao, and human rights issues in cocoa-producing regions.

We would also like to work in sync with the project *Meiji Cocoa Support* to integrate sustainability and business strategies.

Now ideas for wellness

meiji

The three evolutions shown on the slide are a summary of the project, *Now Open the Cacao by Meiji*. By utilizing whole cocoa, evolving the value chain in collaboration with companies in other industries, and continuing to proactively disclose information, we aim to further expand the potential of cacao and maximize its value.

Now ideas for wellness

meiji

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