

IR Day (Business Strategy Conference)

The 2026 Medium-term Business Plan

June 11, 2024

1. Growth Strategy of Food Segment

Katsunari Matsuda

COO (Food Segment), Member of the Board and Executive Officer

2. The Fusion of Sustainability and Business

Jun Furuta

CSO, Member of the Board and Senior Executive Officer

3. Growth Strategy of Pharmaceutical Segment

Daikichiro Kobayashi

COO (Pharmaceutical Segment), Member of the Board and Executive Officer

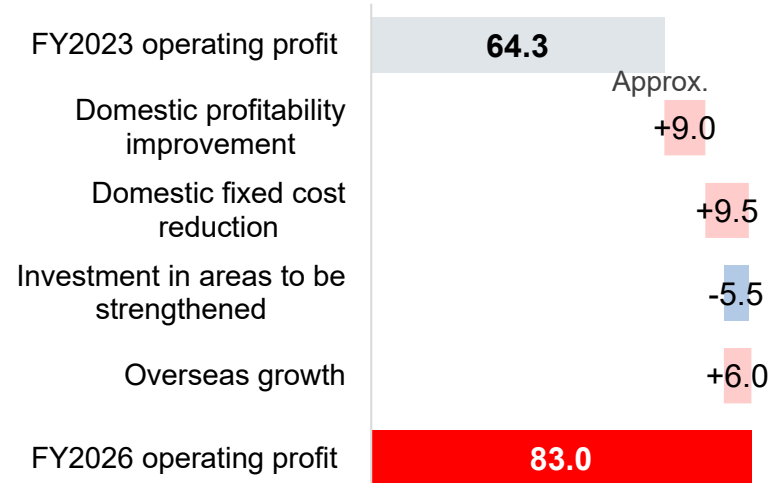
(Note) We revised a part of the following page on August 9, 2024.

- P4 Accelerate to Grow Overseas Business – FY2024 Plan of Overseas total

1. Growth Strategy of Food Segment

Efforts to Improve ROIC

Operating Profit Margin Improvement



FY2026 Target

9% or more

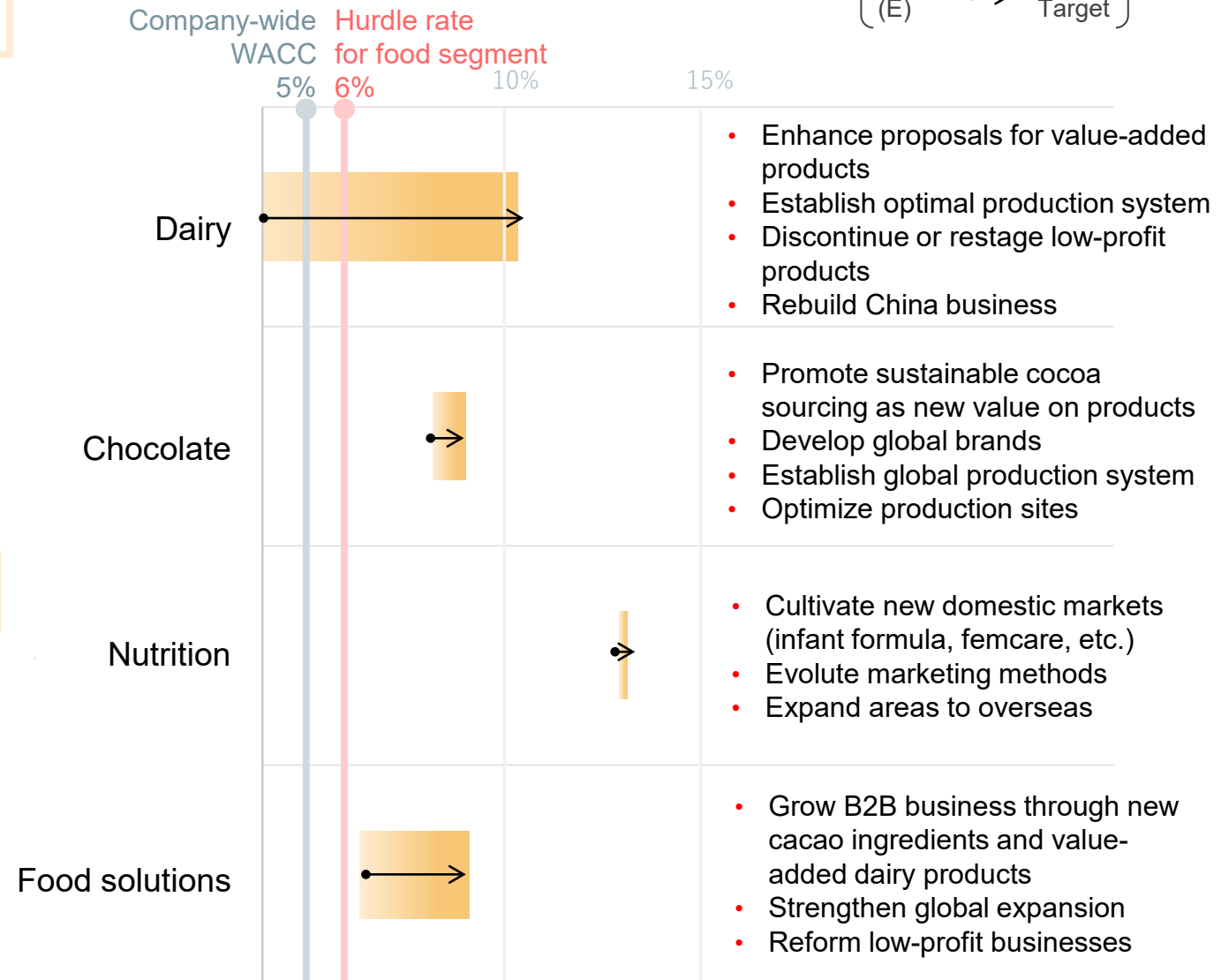
ROIC =
6.3%
FY2023 Result

Invested Capital Control

- Reduction of assets, focusing on optimization of production system and reduction of fixed costs
 - Aggressive investment in growth areas with reduced resources
- Invested capital will increase compared to FY2023, but the amount of increase will be controlled.

ROIC by business*1

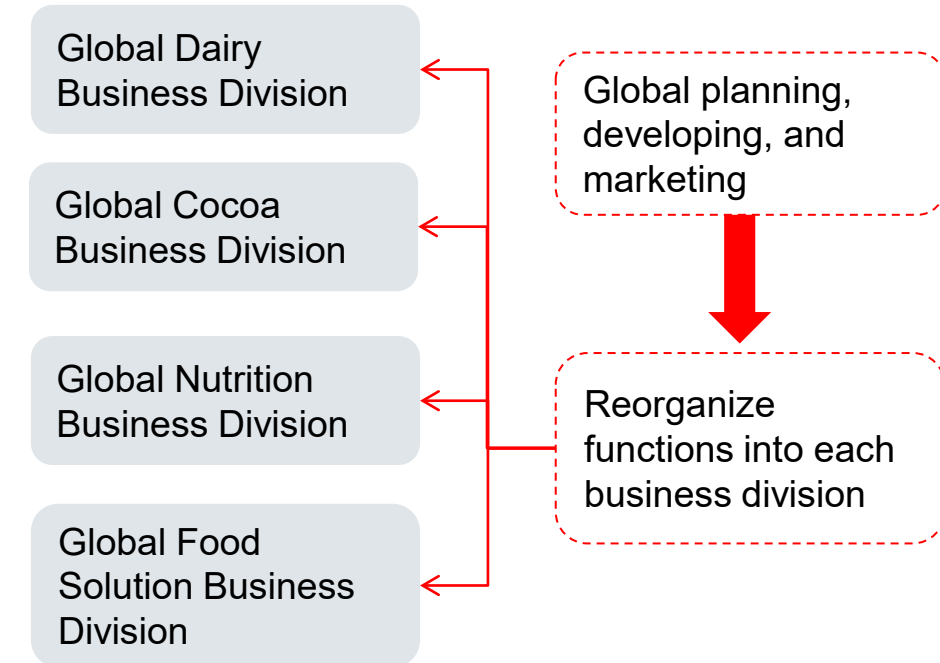
(FY2023 (E) → FY2026 Target)



Accelerate to Grow Overseas Business

		2026 Medium-term Business Plan			
(JPY bn)		FY2023 Result	FY2024 Plan	FY2026 Target	vs. FY2023
China	Net sales	24.3	31.0	60.3	+147.2% +35.9
	Op. Profit	-3.7	-5.6	0.3	— +4.0
Asia	Net sales	18.1	27.0	65.2	+259.5% +47.0
	Op. Profit	1.5	1.4	3.6	+134.8% +2.0
Europe and Americas	Net sales	32.7	34.4	44.8	+36.6% +12.0
	Op. Profit	2.3	1.6	2.2	-7.4% -0.1
Overseas total	Net sales	77.7	88.3	170.0	+118.6% +92.2
	Op. Profit	-2.4	-6.0	3.2	— +5.6

● Overseas Business Promotion Structure from April 2023



Dairy and Food Solutions Businesses

Focus area

China, Asia

- Review of sales areas to consider profitability
- Cost reduction and optimization of production structure
- Increase the composition ratio of value-added products and strengthen the B2B business



Launched in June 2024
Hokkaido Flavor Yogurt



In stores in June 2024
SAVAS milk
*Recorded as a result of Nutrition Business

Steady Execution of Revival Plan in China Business

- Review of business and product portfolio
 - Launch products with unique value and strengthen marketing
 - Utilize the Guangzhou plant production line to launch new products and export outside of China
 - Improve mainstay products, and plan to develop and produce new products at the Shanghai ice cream plant
 - Sustainable growth for B to B business
- Structural reforms
 - Review areas and stores with lower profitability
 - Cost reductions across entire supply chain
 - Organize production structure, including optimization of production lines

Chocolate Business

Focus area

The U.S., China, Asia

- Strengthen initiatives related to major retailers and agents
- Expand production capacity and establish a global production system
- Develop global brands

The U.S.

- Expand production capacity for further growth of *Hello Panda*, a core Meiji brand product
- Strengthen marketing to expand sales of the U.S. versions of *Kinoko no Yama: Chocorooms*
- Establish market presence for new *Meltyblend* products
- Improve added value for Stauffer brand products

China

- Expand sales with a focus on highly profitable mainstay chocolate bar products and reassess unprofitable products
- Guangzhou plant production line launched operations in January 2024
 - Plan to produce *Hello Panda* and other new products
 - Increase in depreciation in FY2024, but to achieve significant growth from FY2025 and beyond, including the benefits of new products and area expansion



Nutrition Business

Focus area

Asia, Europe

- Accelerate the development of products aligned with local needs
- Expand to more countries

Infant Formula

- Expand to more countries/regions as products that are competitive in terms of technology and intellectual property
- Strengthen sales of Meiji products in countries/regions where we already have a presence and strengthen alliances with partner companies
- Increase product added value

Countries where Danone branded tablet infant formula are sold:
(the UK, France, Italy, Estonia, Lithuania, and Latvia)

6



Liquid Diet for Consumer

- Launch in Asia as products that utilize the nutrition engineering technology cultivated through infant formula
→Currently sold in Taiwan and Vietnam
- Develop original flavors suited to the needs of each market

2. The Fusion of Sustainability and Business

Evolve the Meiji ROESG® Management

Return to a growth trajectory by transforming focus markets, business structure, and our behavior

Key strategies

1. Invest management resources into growth businesses

- Strengthen and expand overseas and B2B businesses of food segment, and pharmaceutical business as growth drivers

2. Keep and improve stable cash flow

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

Fusion of sustainability and business strategies (“Trade-on”)

3. Promote human capital strategy linked to management strategy

Composition of Meiji ROESG



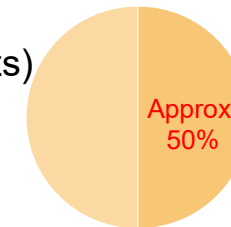
	Evaluation indicator	Target for FY2026
External ESG evaluation	MSCI ESG Ratings	AA
	DJSI	72 points or more
	ISS ESG	C+ (50 points or more)
Indicator of business and financial value	Food: Sales of Meiji ROESG target brand line	Achievement of yearly plan
	Pharma: Sales of Meiji ROESG target products	Achievement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

■ Sales of Meiji ROESG target brand line/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)

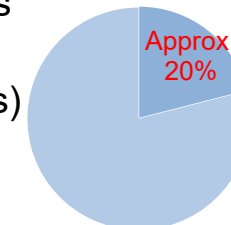


FY2024 plan
YoY sales growth
+2.3%

● Pharmaceutical

1. Influenza vaccine
2. Stable supply drugs (Category A)

Target products
sales ratio
(FY2023 results)

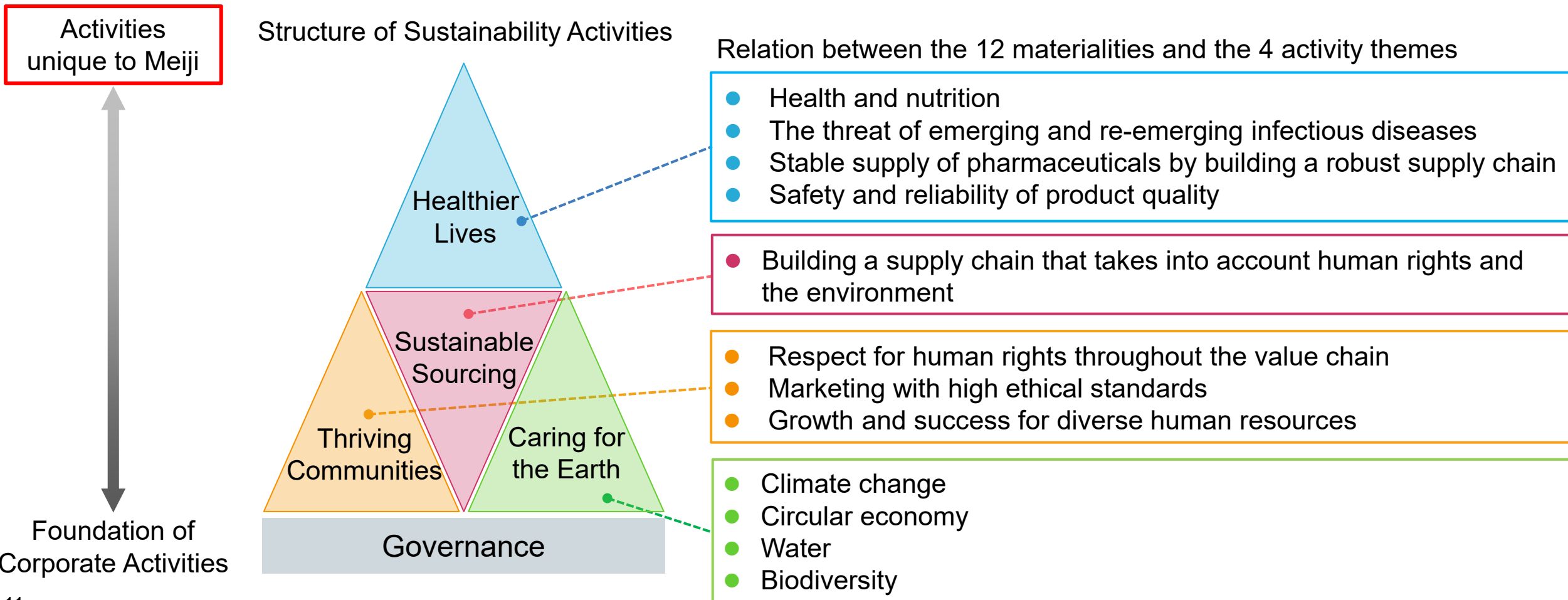


FY2024 plan
YoY sales growth
+17.2%

Structure of Meiji Group Sustainability Activities

Linked the 12 Materialities to 4 Activity Themes

Create structure around two elements: initiatives that enable us to exert characteristics unique to Meiji and initiatives that will serve as a foundation for corporate activities



Unique Initiatives Related to Materiality

1. All Materiality

- Adopt Meiji Sustainable Products Certification System

2. Building a supply chain that takes into account human rights and the environment

- Initiatives related to sustainable procurement activities for raw milk, cocoa, palm oil, and soybeans

3. Water

- Water source recharge activities towards achieving water neutrality

Pursue Added Value in Japan Business

– Innovate Product Development Process

1. Meiji Sustainable Products Certification System

- Certify products for which sustainability activities are undertaken during each process along the value chain
- Promote the incorporation of sustainability into product concepts
- Raise employees' awareness of sustainability and promote a sense of ownership surrounding sustainability

<Product Development Process>

Product concept creation



Solutions development



Commercialization

2. Meiji NPS

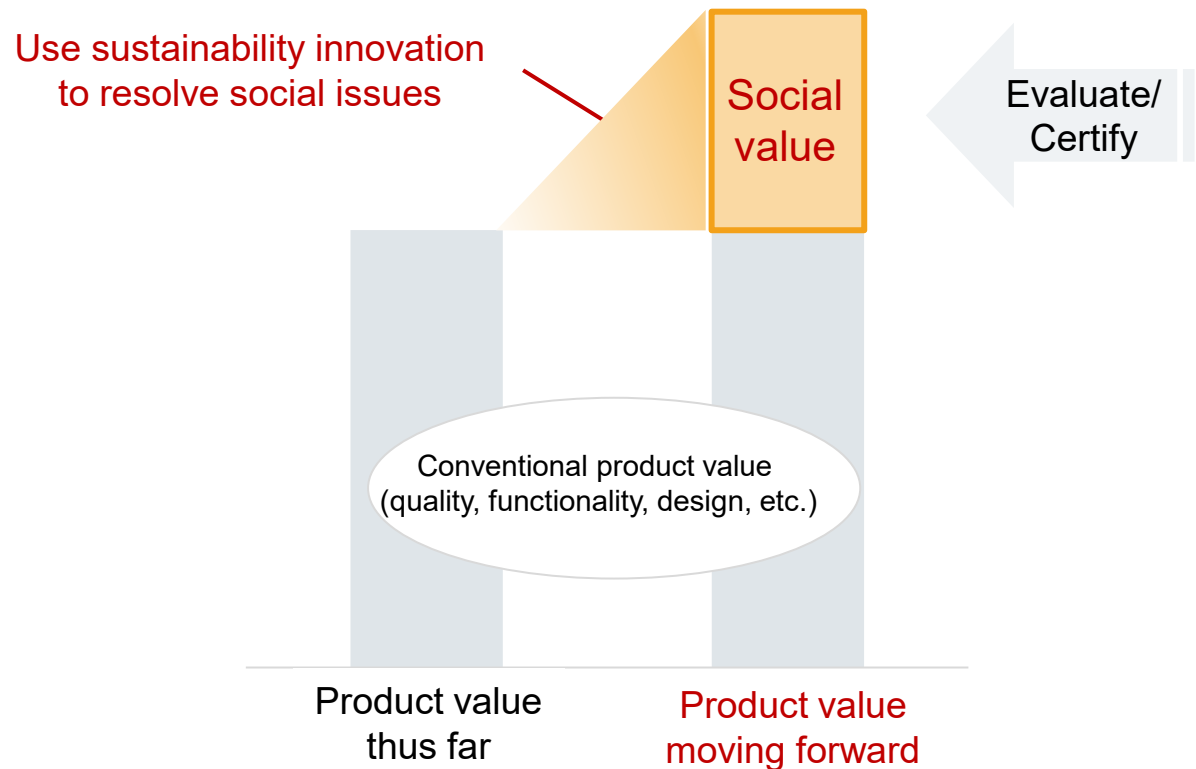
Meiji NPS
Nutritional Profiling System

- Develop and improve products with high nutritional value
- Already created NPS for adults and the elderly
 - For adults
Against lifestyle-related diseases and thinness in young women
 - For the elderly
Prevent frailty*¹

Develop new "market-creating" products that link sustainability to added value and economic value

Outline of Meiji Sustainable Products Certification System

Add sustainability, a new social value, to product value and convert that to customer value



Evaluate and certify based on 5 standards

1. Contribution to healthy dietary habits
2. Human rights and environmentally conscious procurement
3. Environmentally friendly containers and packaging
4. Product designs that account for human rights and the environment
5. Reducing environment load in production and logistics

* Make a certain level of fulfillment of parameters set for each standard a requirement for certification

Promote Ethical Consumption through Meiji Sustainable Products

Incorporate sustainability into product development concepts and link to the promotion of ethical consumption (economic value)

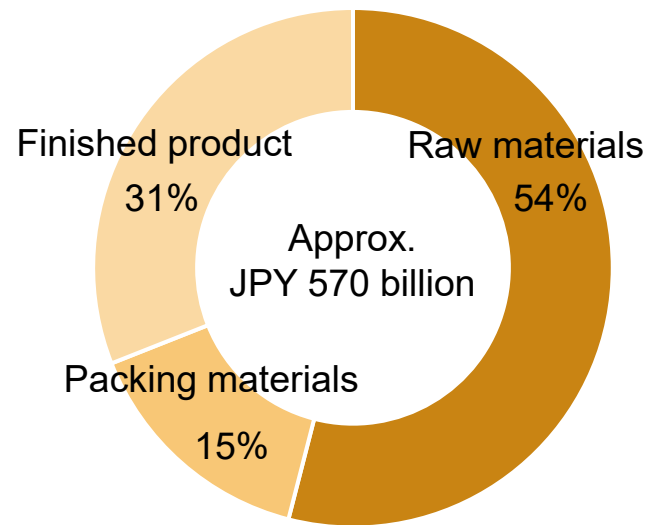


Building a Supply Chain that Takes Into Account Human Rights and the Environment

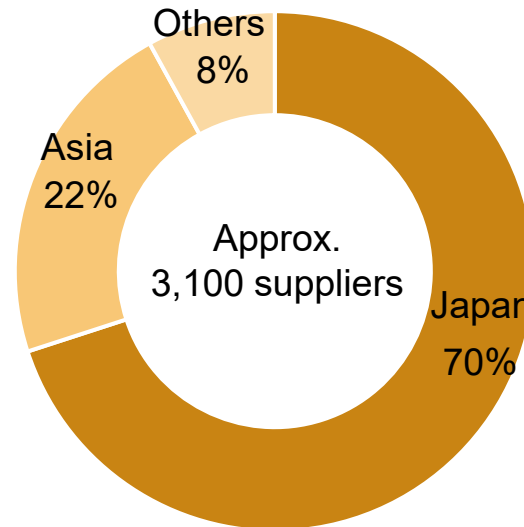
Procuring raw materials, etc. from some 3,100 supplier companies around the world

Advance collaborations and dialogue to work towards resolving social issues and building a responsible supply chain

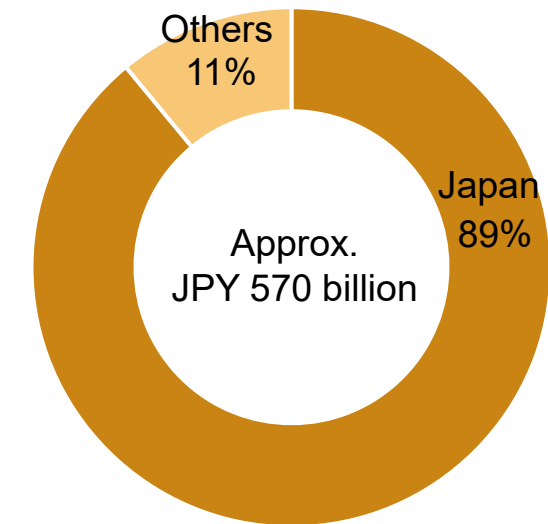
Supplier composition
by supplied product
(procurement amount)



Supplier ratio by country
(number of companies)



Supplier ratio by country
(procurement amount)



Raw Milk



1. Dairy farmer support for sustainable dairy farm management
 - Meiji Dairy Advisory
2. Regional contributions support coexistence with the community and community development
 - Promote circular dairy farming (*Meiji Organic Milk*)
3. Reduce environmental impact to protect a healthy Earth
 - Feed with improved amino acid balance
 - Carbon farming

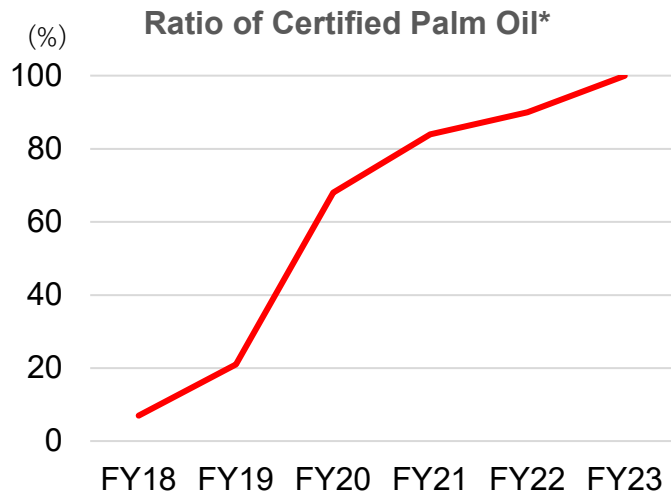
Cocoa



1. Meiji's unique cocoa farmer support activities
 - Meiji Cocoa Support (MCS)
2. Aim for 100% procurement ratio of Meiji Sustainable Cocoa Beans
 - Achieve 100% early from 62% in FY2023
3. Initiatives promoting zero child labor and zero deforestation
 - Establish traceability back to the plantation
 - Adopt child labor monitoring and remediation system
 - Ascertain plantation status through GPS mapping

Palm Oil

- Support NDPE (No Deforestation, No Peat, No Exploitation) policy and conduct socially responsible procurement activities
- Completed switch to 100% RSPO-certified palm oil



Soybean

- Indicated deforestation and human rights issues due to irresponsible plantation development, particularly in Brazil
- One of the critical raw materials used by the Meiji Group in food and livestock feed applications
- Collaborating with supply chain partners to promote socially responsible procurement activities

*Percentage of certified palm oil among oil and fat raw materials procured by Meiji Group plants in Japan and overseas

Improve Water Resource Recharge through Forest Conservation Activities

Achieve 100% recharge rate for water used as raw material for products by 2030
Aim for water neutrality

Forest of *Kinoko no Yama* and *Takenoko no Sato*

- Established Meiji Group Nature Conservation Area
 - Signed a “forest development agreement” with Seki City, Gifu Prefecture.
 - Aim to improve the forest's recharge function and contribute to water source recharging, through forest conservation activities covering 15 hectares



Paddy field flooding activity (KM Biologics)

- Agricultural water is flooded into crop land converted from paddy fields

Recharging 500,000 tons of water annually, which exceeds the amount of groundwater used at the head office and Kumamoto plant



- Contributed to recharging equivalent to approximately 36,500m³ through our water offset rice project

ESG Investments of JPY50 bn during the 2026 Medium-Term Business Plan

(JPY bn)

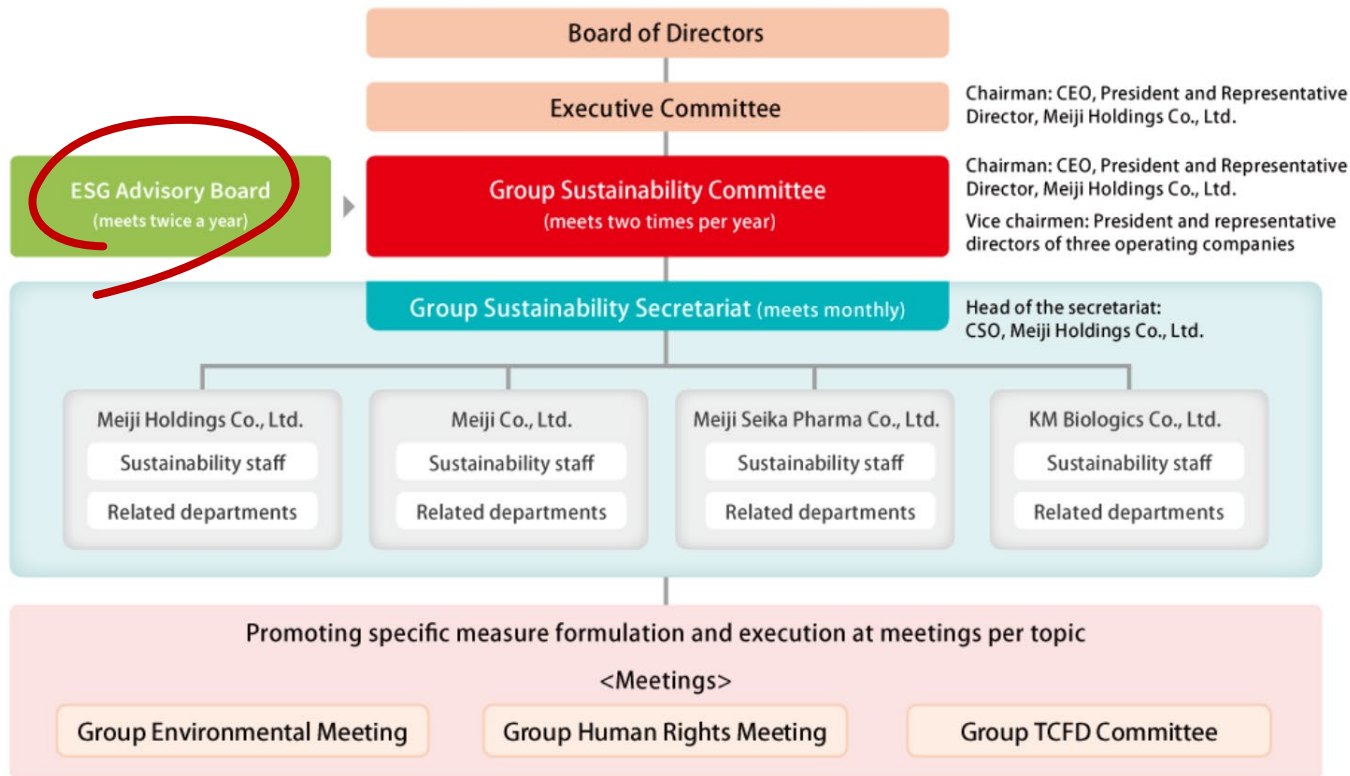
Field	Main items	Main investment plan	Total
E	Reduce CO ₂ emissions	<ul style="list-style-type: none"> • Adopt energy-saving equipment • Adopt solar power generation equipment, etc. 	33.7
	Measures to achieve zero CFC	<ul style="list-style-type: none"> • Adopt CFC-free refrigeration/freezing equipment 	
	Promote plastic resource circulation	<ul style="list-style-type: none"> • Capital expenditures towards reducing container and packaging weight • Adopt environment-friendly container and packaging equipment 	
	Reduce water usage	<ul style="list-style-type: none"> • Adopt equipment that contributes to water efficient use 	
S	Stable supply of pharmaceuticals	<ul style="list-style-type: none"> • Capital expenditures that contribute to the domestic production of antibacterial bulk drugs such as penicillin 	15.2
	Improve work environments	<ul style="list-style-type: none"> • Occupational safety measures, establish environment for promoting diversity, etc. 	
G	Issues carried over from the 2023 Medium-Term Business Plan	<ul style="list-style-type: none"> • Compliance with environmental laws and regulations, etc. 	1.1
Total			50.0

Definition of each field

- **E**nvironment: Investments related to all environmental measures (GHG emission reduction, etc.)
- **S**ocial: Investments related to considerations of the work environment and diversity, and activities that provide unique contributions to society
- **G**overnance: Investments related to corporate governance that increase management transparency

Promotion Structure for Strengthening Sustainability Activities

1. Group Sustainability System



2. Advisory Board Members (Experts)



Takeshi Kamigochi
Member of the Board, Executive Officer, Senior Vice President & COO, J-OIL MILLS, INC.



Mari Kogiso
Co-CEO, SDG Impact Japan



Rika Sueyoshi
CEO, Ethical Association
**Inauguration in April 2024*



Peter David Pedersen
Representative Director, Next Leaders' Initiative for Sustainability (NELIS)

Selected to Sustainability Transformation Brands (SX Brands 2024)

Praised for our efforts to simultaneously achieve profit growth and sustainability activities based on the basic concept of implementing Meiji ROESG[®] management.

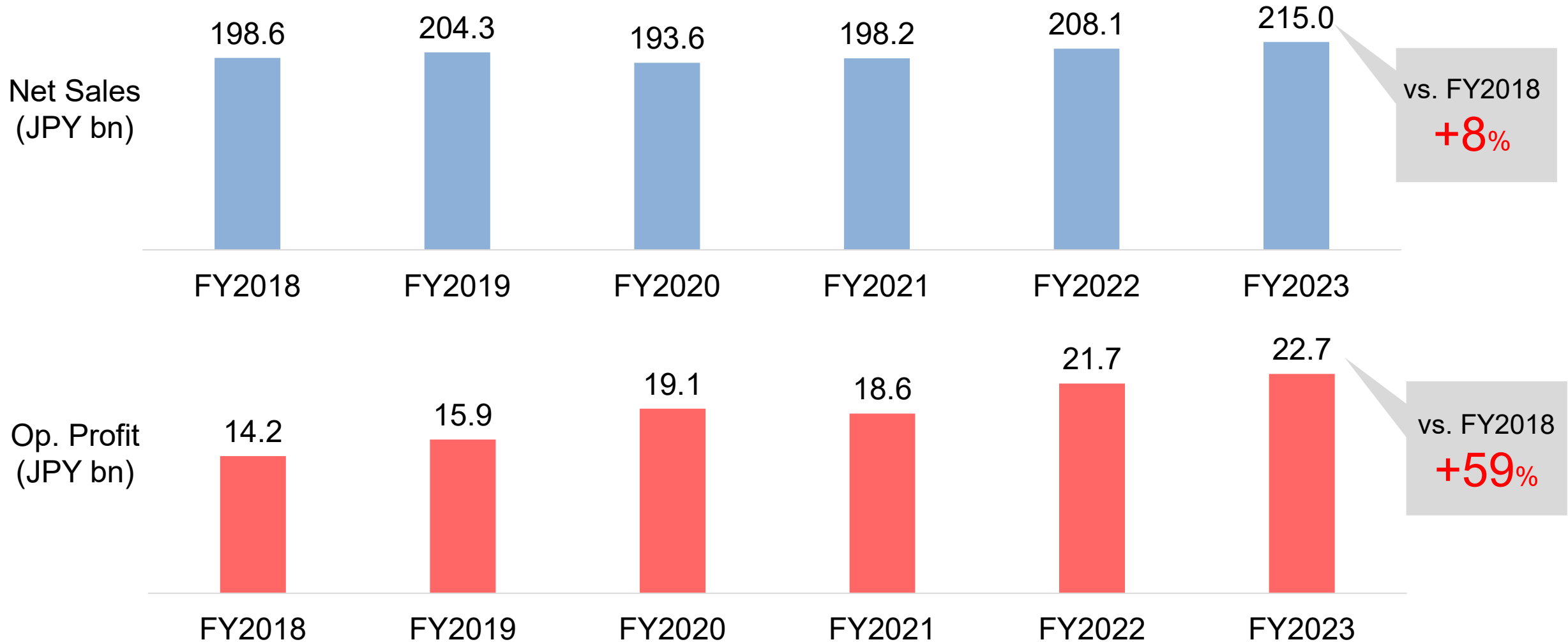


3. Pharmaceutical Segment Growth Strategy

Review of 2020 Medium-term Business Plan and 2023 Medium-term Business Plan

2020 Medium-term Business Plan

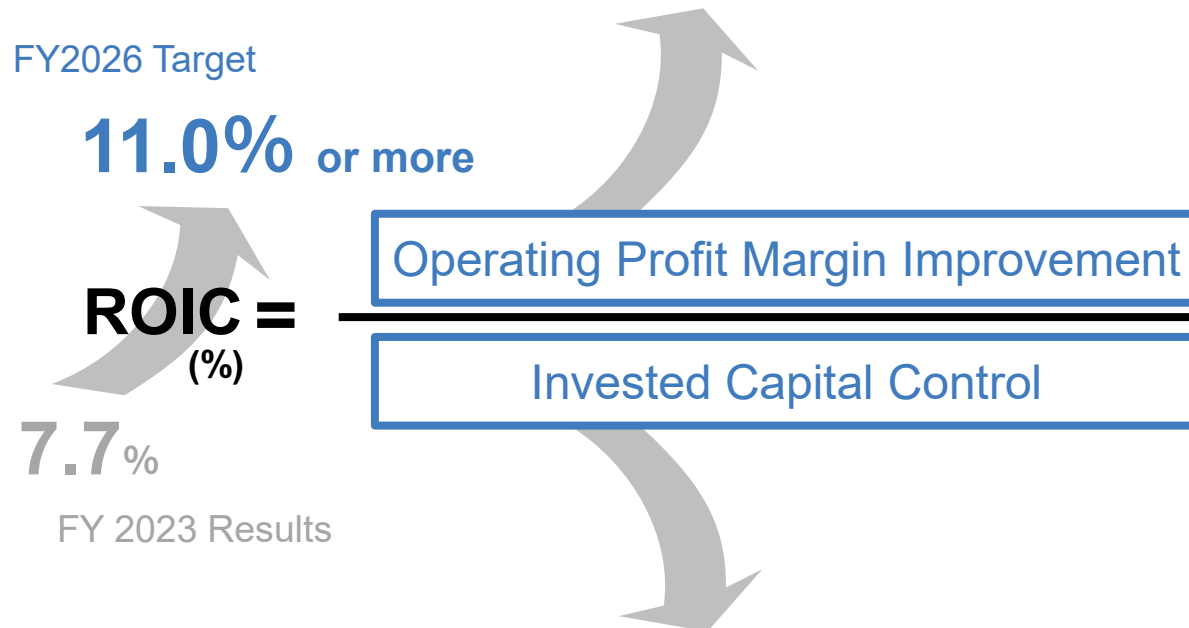
2023 Medium-term Business Plan*



* For time-series comparison, sales results from FY2021 onwards are shown as results before applying revenue recognition standards.

Efforts to Improve ROIC

	FY2023	FY2024		FY2026
Operating profit	JPY22.7 bn	JPY25.0 bn		JPY40.0 bn
ROIC	7.7%	8.0%		11% or more



Evolution of Business Platform

- Launching revolutionary new drugs (Vaccines, immune system)
- Shoring up basic drugs (Infectious diseases)
- Centralized management of basic drugs (Blood plasma products)
- Global strategy

Strategic and Efficient Investments

- National security (Antibacterial drugs)
- Vaccine strategy (Dual-use)
- Toughening up our value chain (Generic drugs)
- Overseas CMO/CDMO business

Strategy for Domestic Pharmaceuticals (Japan) Business

Business Strategy

- Build up a sustainable business platform as a company that solves social issues
- Grow business by providing value to unmet medical needs

Category

Category Strategy

Infectious Diseases

- Achieve solid revenue platform enhancements for stable supply medicines Category A and basic drugs
- Establish OP0595 business model

Immune System

- Establish positioning of *Rezurock* as the first choice for steroid-resistant/ dependent cGVHD
- Allocate significant management resources to the hematology field
- Expand sales of blood plasma products

CNS

- Expand share of antidepressant drugs (6 active ingredients, 7 formulations)
- Provide total solutions beyond pharmaceuticals

Generic drugs

- Solidify domestic generic drugs value chain ahead of industry restructuring (Consortium conception)

Strategy for Overseas Pharmaceuticals Business

Business Strategy

- Expand business scope through the allocation of significant resources (Human capital, products, capital) into overseas business

Category

Category Strategy

CMO/CDMO

- Enhance production capacity and effectively utilize existing production capacity
- Maximize Medreich Group sales and profits

Global Products

- Strengthen global vaccine strategy (Dengue fever vaccine, M pox vaccine, existing vaccines)
- Promote global products (*Rezurock*, OP0595, ME3183, DMB3115, Blood plasma products, etc.)

Expand Overseas In-house Sales

- Maximize value of existing products
- Expand new drugs in a strategic manner
- Enhance management capabilities

Strategy for Vaccines and Veterinary Drugs Business

Business Strategy

- Increase profitability and capital productivity by maximizing value chain

Category	Category Strategy
Vaccine	<ul style="list-style-type: none"> ● Capture top share for <i>Kostaive</i> ● Maximize revenues from influenza vaccine and KD-414 ● Expand share of pediatric routine vaccinations (<i>Quintovac</i>, etc.) ● Secure new modalities and new technology
Veterinary Drugs	<ul style="list-style-type: none"> ● Strengthen profitability in Japan market ● Expand business in overseas markets
Newborn Screening	<ul style="list-style-type: none"> ● Improve business value

Strategy on Each Function

Function

Function Strategy

R&D

- Develop First-in-Class drugs
- Implement rapid and certain global development projects
- Practically implement platform technology related to new biopharmaceutical modalities and vaccines

Production

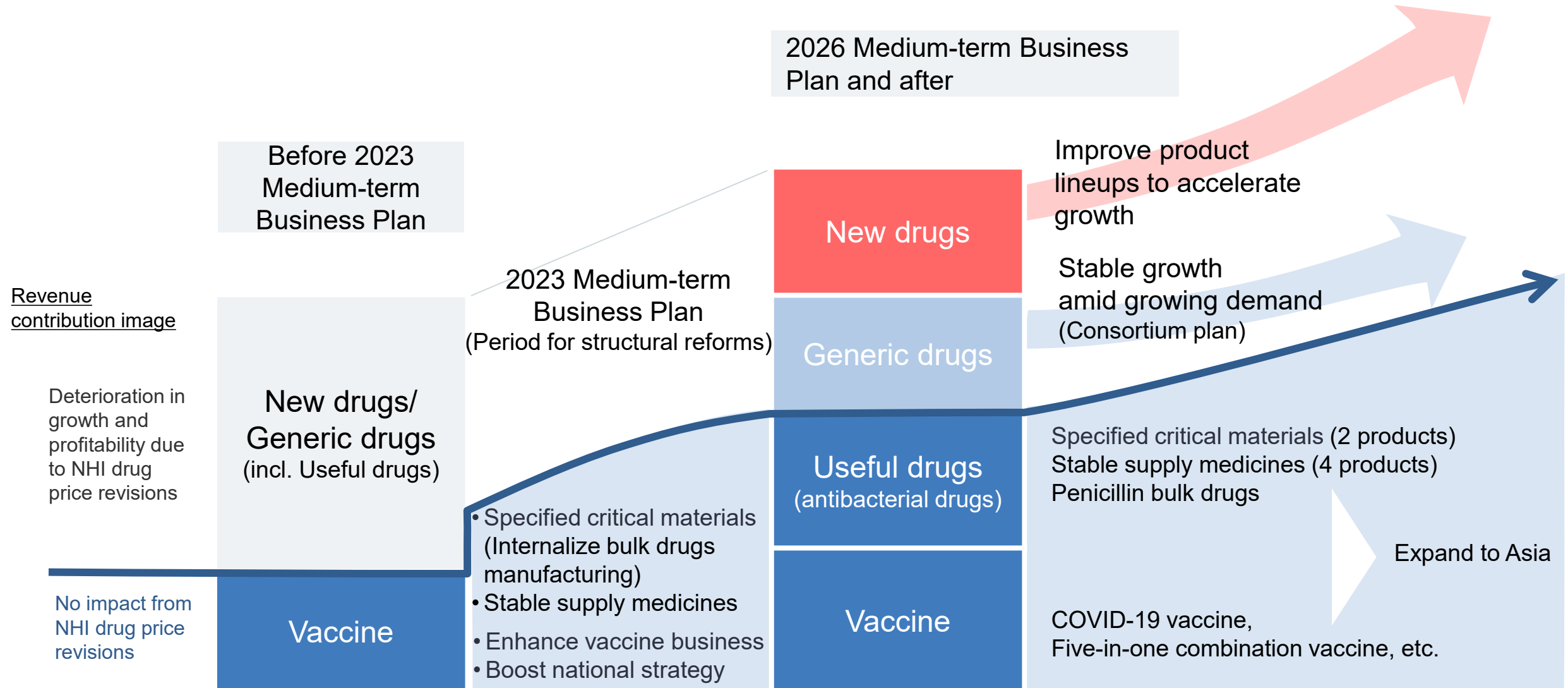
- Develop and establish stable supply structure linked to national strategy
- Solidify supply chain towards improving access to pharmaceuticals
- Establish manufacturing sites with strong competitive advantages and capital efficiency

Reliability

- Strengthen reliability assurance system with compatibility for new field and global expansion
- Transform reliability assurance system across the entire product life cycle

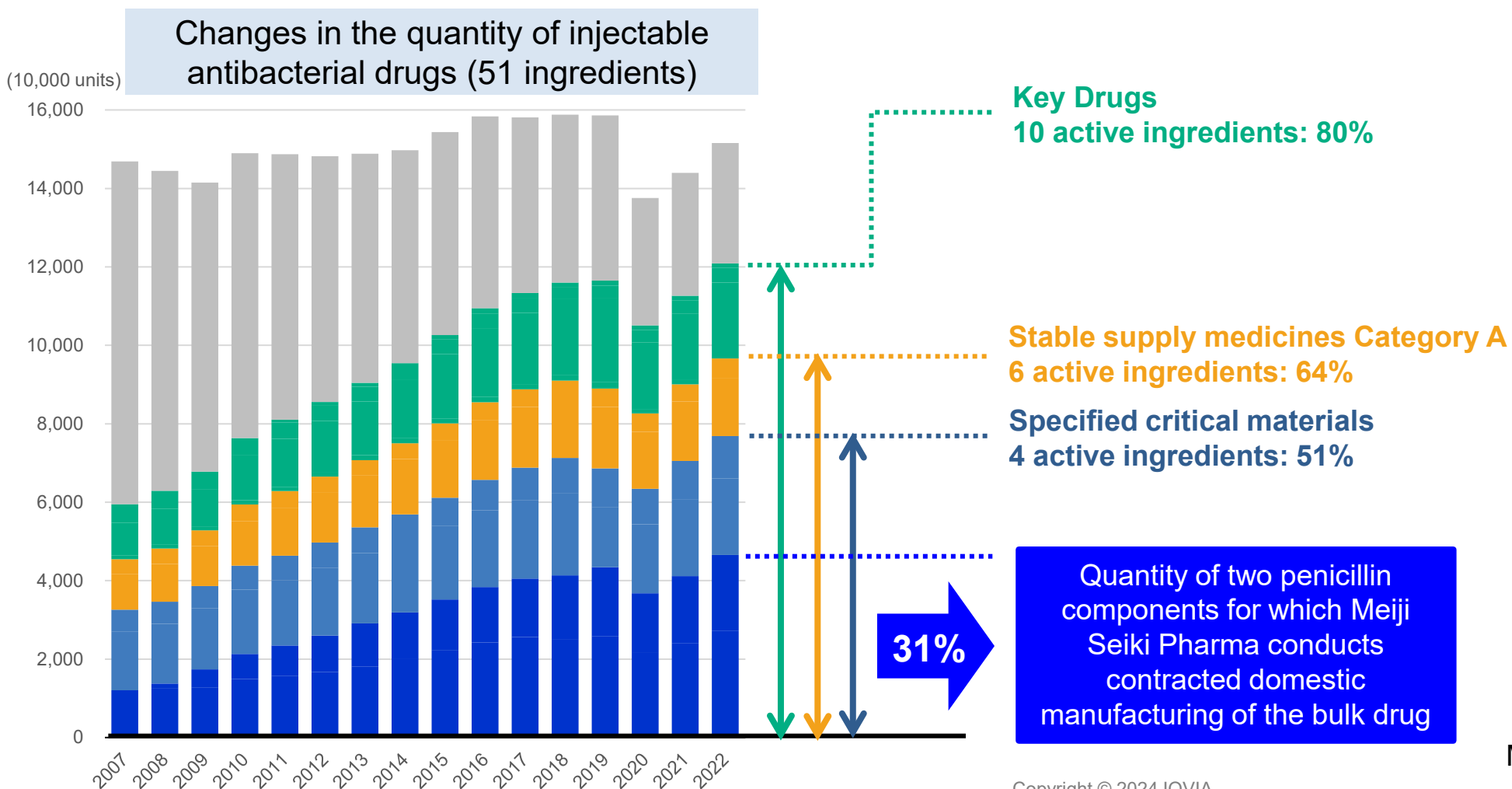
Restructuring Business Portfolio

Sustained Growth by Adding Growth from New Drugs on Stable Revenue Platform



Market Composition of Antibacterial Drugs that Require Stable Supply

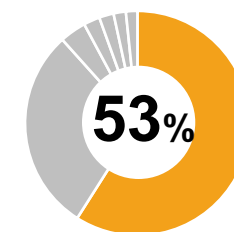
Due to the promotion of proper use and the rising elderly population, the frequency of use of antibacterial drugs is increasing annually



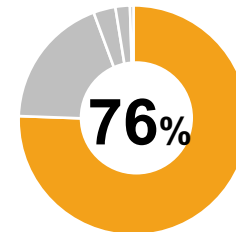
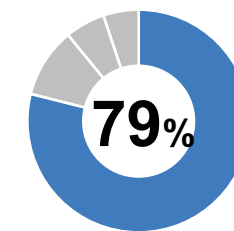
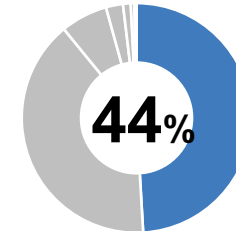
Penicillin G



Meropenem



Vancomycin

Sulbactam/
AmpicillinTazobactam/
Piperacillin

Meiji Seika Pharma's Product Share

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Source: Calculated based on JPM 2008 Mar MAT - 2023 Mar MAT Market scope as defined by Meiji Seika Pharma

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Convert Gifu Plant into Domestic Production Base for Specified Critical Materials

With financial support from the government, upgrade production equipment at the Gifu plant, the only plant in Japan that meets the conditions for penicillin production

Will become a production plant for the bulk drugs and starting materials (6-APA) for penicillin-based injectable antibacterial drugs needed in Japan



Gifu Plant



165kL fermenter

Conditions suitable for penicillin production

- Production strain
- Large cultural facilities
- Large-scale culture technology
- Experienced in penicillin bulk drug manufacturing
- Abundant water resources
- Large utility/wastewater treatment facilities

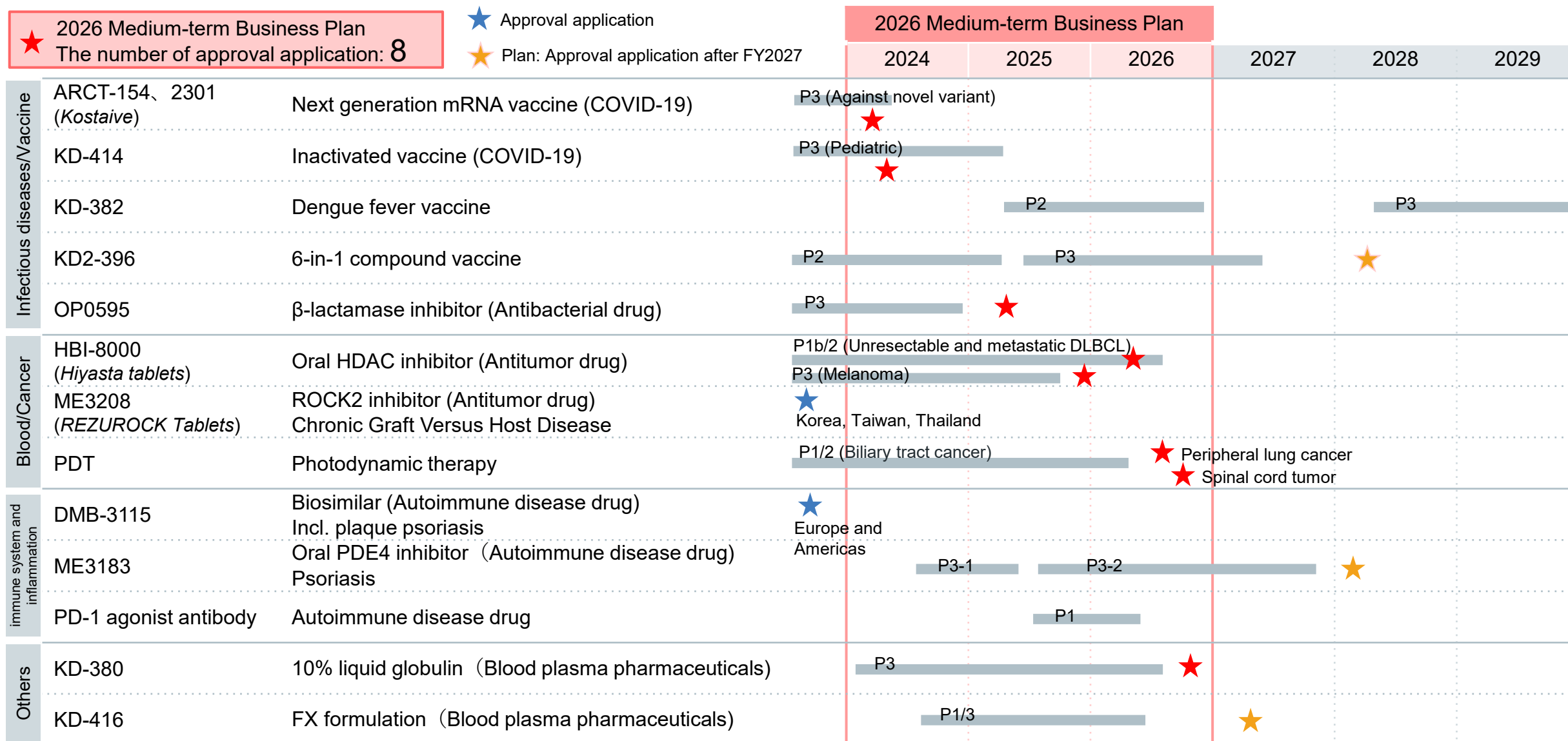
Schedule through to achieving domestic production

FY2021	FY2022	FY2023	FY2024	FY2025
Test building construction				Manufacturing
	Validation plant construction		Production equipment construction	

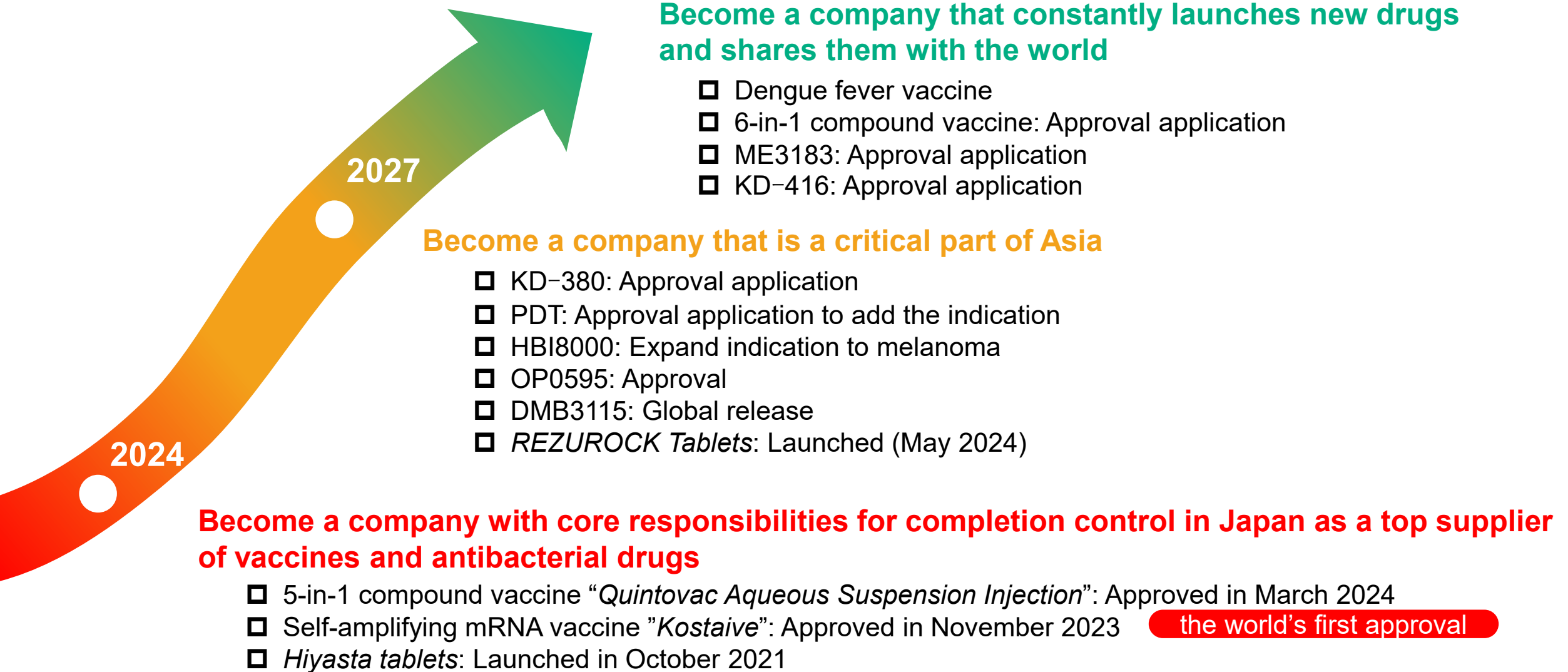
Developing Differentiated and Innovative Pipeline of New Drugs Reliably and at the Fastest Pace

Now ideas for wellness

meiji



Growth Strategy: Our Target Direction



Now ideas for wellness



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