

IR Day (Business Strategy Conference) The 2026 Medium-term Business Plan The Presentation Scripts

June 11, 2024

13:30 – 14:30 Part1: Food Segment

14:40 – 15:20 Part2: Sustainability

15:30 – 16:30 Part3: Pharmaceutical Segment

Presenters:

Part1: Food Segment

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

Part2: Sustainability

Jun Furuta CSO, Member of the Board and Senior Executive Officer

Part3: Pharmaceutical Segment

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

*This material has been edited to make it easier to understand some of the questions and answers.

*We revised a part of the following slide on August 9, 2024.

- Slide page 4: Accelerate to Grow Overseas Business – FY2024 Plan of Overseas total

Part1: Food Segment

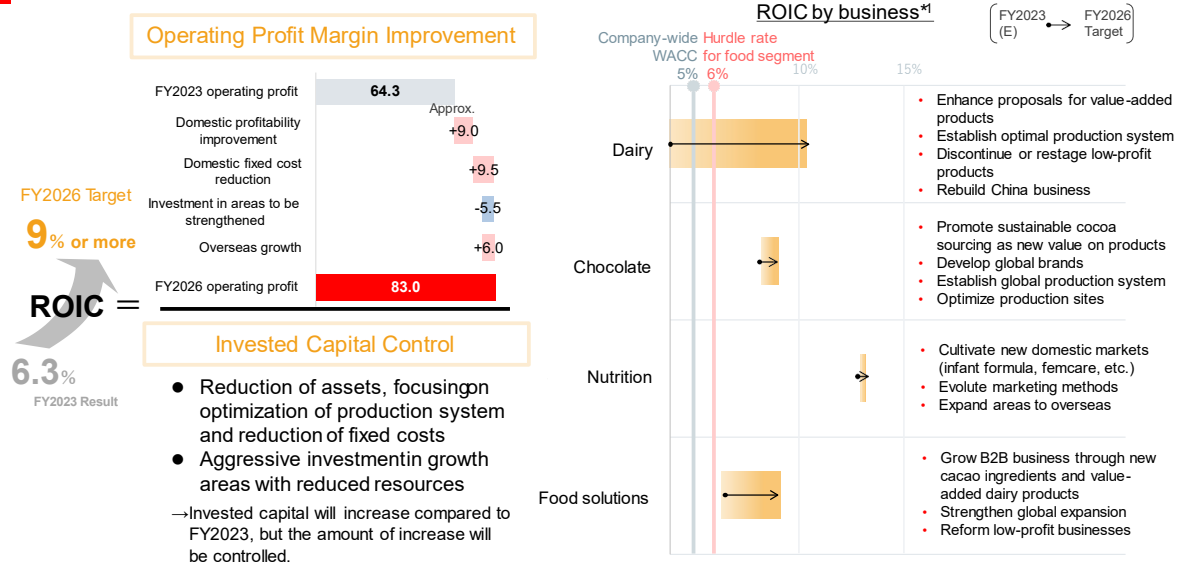
1. Growth Strategy of Food Segment

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Matsuda: Hello, everyone. I am Matsuda, COO. Thank you for taking time out of your busy schedule to join us today. We would also like to thank you again for your support in various ways.

In May, we announced the outline of our 2026 Medium-term Business Plan, and today I would like to reiterate the key points of our growth strategy for the food segment.

Efforts to Improve ROIC



3 © Meiji Holdings Co.Ltd. All rights reserved. *1: ROIC by business is a simplified calculation (NOPLAT + Share of profit and loss of entities accounted for using equity method / Invested capital in a single year)

In the 2023 Medium-term Business Plan, one of the priority strategies was to restore the growth strategy of the core business. However, the top priority was to respond to cost increases, and challenges remained in new product initiatives. As a result, profit growth from top-line recovery fell short, and profit and ROIC targets were not met.

Of course, this does not mean that new products could not be launched at all. For example, *Meiji Shibou Taisaku Yogurt* appeals as a product that is expected to improve body constitution, although there are many products claiming similar functions, further differentiation points are needed.

We have also launched a personalized version of *Meiji Bulgaria Yogurt*, but this needs to be continued. Since the number of single-person households is on the rise due to the increase in the number of unmarried people and the shift to nuclear families, we believe that there will definitely be a need for this in the near future.

In the 2026 Medium-term Business Plan, we will take a scalpel to this product strategy. In

addition to reviewing existing products, we will improve the product development process in order to continuously develop and launch new products that create new markets.

Under these circumstances, the core business will be shifted from a growth driver to a cash cow, aiming for stable growth. Even though many of our core businesses have top market share products, we feel a sense of urgency that if we do not improve them, we will not have stable growth.

Especially for products that appeal to health-conscious consumers, the key is how to make them feel the effect. In addition to the differentiation of product functions, we believe that added value can be enhanced by utilizing digital technology and providing solutions through collaboration with other companies.

Through these efforts, we intend to increase the added value of our domestic business, as indicated by the numerator side of the ROIC on the upper left side of the slide.

As for the denominator side of invested capital, we will invest in growth fields while also working to reduce assets by optimizing the production system or normalizing fixed costs. In recent years, we have invested on the assumption that core product volumes will continue to increase. However, there are aspects of excess in some products.

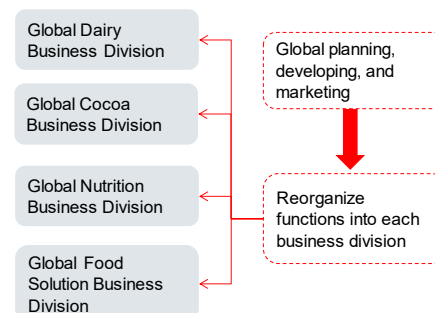
The right side of the slide shows ROIC improvement points by business. In each business, the production system will be optimized, including overseas. By doing so, we will work to reduce fixed costs even when net of increased depreciation expenses due to investment.

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

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● Overseas Business Promotion Structure from April 2023



I will now explain the strategy of our overseas business, which we have positioned as a growth driver in our 2026 Medium-term Business Plan. In FY2026, we plan to achieve overseas sales of JPY170 billion and operating income of JPY3.2 billion.

For China, we aim to increase net sales by approximately 2.5 times. In FY2024, the confectionery and dairy plant in Guangzhou and the ice cream plant in Shanghai will start operations, and the deficit is expected to temporarily increase due to the increased burden of depreciation costs, but we will steadily implement the revival plan to achieve break even.

In addition to cost reductions through structural reforms and the launch of new products, we will work to strengthen existing products. Recently, on May 17, we signed a partnership agreement with the Olympic Center in China and SAVAS became a recommended product. We have also signed an ambassador contract with a gymnast who is scheduled to participate in the Paris Olympics, and we intend to utilize him in promotional activities for the SAVAS series in the future.

Of the three areas, we expect the greatest growth in both sales and profits in Asia. As we will show later, this is a key area for all of our businesses, but we intend to grow especially in nutrition.

As for Europe and Americas, the U.S. confectionery business is the core. In the 2026 Medium-term Business Plan, expenses for production capacity expansion will be incurred upfront, but the top line will grow steadily.

As shown on the right side of the slide, the promotion structure was changed last April, and the top management of each business division is now responsible for overseas growth.

This has made it easier to redirect management resources that had been focused on the domestic market to overseas markets. For example, it is possible to design with global specifications from the early stages of product development. We will also work to optimize our production system, including overseas.

Accelerate to Grow Overseas Business

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



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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

From here, we will explain the strategic points for each business with regard to overseas.

First, the dairy business and the food solutions business. The key areas for both businesses are China and Asia. Among these, rebuilding China's dairy business is the most important issue, so I would like to introduce the details and progress of the revival plan that we recently announced.

We will review our business and product portfolio. We intend to expand the composition ratio of high value-added products by introducing unique value-added products.

As an example, we launched *Hokkaido flavor yogurt* this month. It is made with lactobacilli from Tokachi, Hokkaido, and has a rich flavor without stabilizers or flavoring. We are also considering high value-added milk utilizing our differentiated technology with the aim of launching it in FY2025.

In addition to these new products, new production facilities have been introduced at the Guangzhou and Shanghai plants that have begun operations, enabling the production of even more unique value and proprietary products.

The production line for room-temperature products that was put into the Guangzhou plant has begun manufacturing *SAVAS milk*, which has grown rapidly in Japan, and will be available in stores this month. Although this will be the performance of the nutrition business, we believe that it will lead to an increase in factory utilization rates and improve the performance of the China business. Since it is a room-temperature product, we will expand its business not only in China but also in neighboring Asian regions in the future.

For the ice cream business, a new factory in Shanghai has been set up. This business is strong in terms of its ability to meet local needs. We will continue to focus on strengthening our product lineup, as well as on strengthening collaboration with strong sales partners and developing regional distributors.

In addition, the strong BtoB business continues to grow at present. Since Meiji's main users are coffee shop chains that adopt a value-added strategy, we will continue to expand sales by staying away from price competition, and achieve steady growth in both sales and profits.

Then there is structural reform. In terms of sales, we have switched to a direction that

emphasizes profitability and does not expand sales unnecessarily. Although a temporary sales decline will occur, marginal profit on sales is expected to recover thereafter. We will also add the sales of the new high value-added products I mentioned earlier to improve overall profits. In addition, we are also working to reduce inter-plant transportation and to properly assign personnel. We will steadily proceed in accordance with the revival plan, including line optimization.

Accelerate to Grow Overseas Business

Chocolate Business

Now ideas for wellness
meiji

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

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Next is the chocolate business. The key areas of focus for the chocolate business are the U.S., China, and Asia.

As for the U.S., this corresponds to the figures for Europe and Americas in the sales and profits by area shown earlier. Since an investment is planned to expand production capacity for *Hello Panda*, which continues to perform well, profits will remain flat, but the top line will grow solidly. The driving force behind this trend is the Meiji brand of chocolate snacks. As a follow-up product to *Hello Panda*, the American version of the chocolate snack, *Kinoko no Yama*,

Chocorooms, has also been redesigned with new packaging and enhanced marketing.

Meltykiss was also renamed *Meltyblend* in the U.S. and test-marketed last winter season, resulting in strong sales at major retailers. We are currently preparing measures for the next season.

The Stauffer brand also continued to perform well. Although we have established its position as a reasonable brand, it plans to expand its lineup of value-added products and improve profitability as well.

In China, production capacity tripled with the startup of the new Guangzhou plant and the capacity expansion of the chocolate line at the Shanghai plant. Although the depreciation burden will increase, we plan to steadily increase sales.

Currently, the strongest performing products are chocolate bars and *Almond Chocolate*. In the future, the Guangzhou plant will also be able to produce *Hello Panda*, which is performing well in Asia and the U.S., and we will aggressively expand this business.

At the same time, unprofitable products will be reviewed and efforts will be made to improve profitability. Looking at Chinese consumption, hypermarkets and new retail, which had been gaining momentum, have stagnated, but membership wholesaler sales are booming. We aim to achieve our plan by selling unique products through these momentum channels.

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Next, about *Meiji MeiBalance*, a commercially available liquid diet. *Meiji MeiBalance* is a product born from the nutritional engineering technology developed for infant formula. We believe that we have a chance to win because social issues related to aging, health, and nutrition are spreading in Asian countries and areas.

First, we started our expansion in Taiwan or Vietnam, where we have a good operating base in infant formula. However, we will not simply roll out the same lineup as in Japan, but will also engage in localization by developing unique flavors to meet the needs of each market.

I have explained our overseas business, which is the key to our medium- and long-term growth, in particular. The keyword of the 2026 Medium-term Business Plan is transformation. We intend to change the market and business structure and regain our growth potential.

We hope to answer many of your questions later. Thank you very much for your attention.

Part2: Sustainability

2. The Fusion of Sustainability and Business

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Furuta: I am Furuta, CSO. Thank you very much for attending our IR Day. I would like to explain today about sustainability in our recently announced 2026 Medium-term Business Plan.

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")

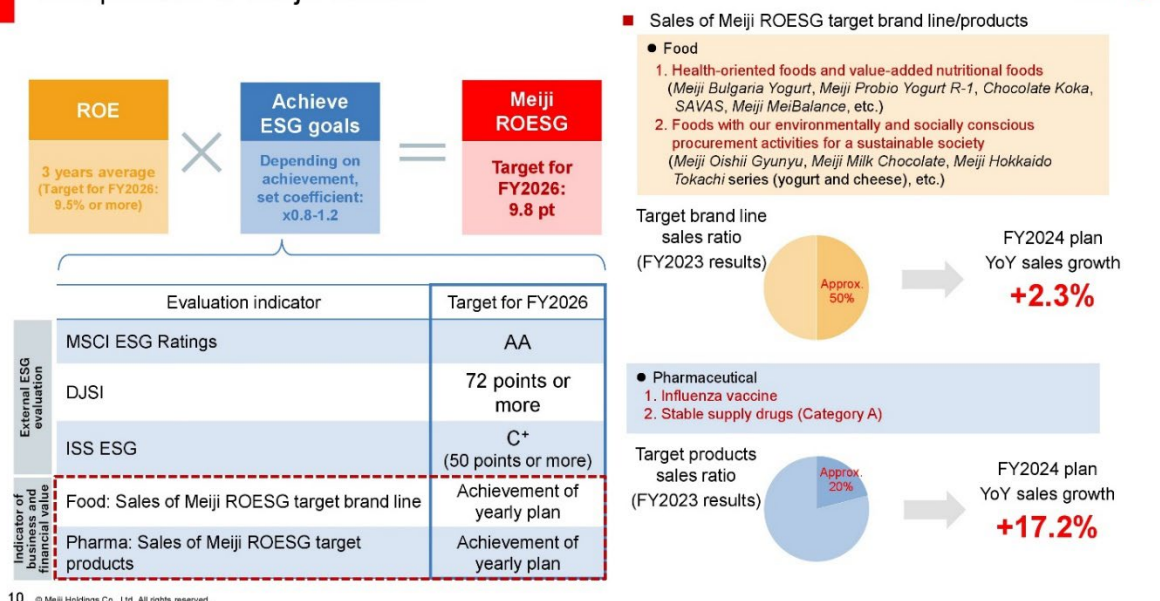
3. Promote human capital strategy linked to management strategy

This slide shows the key strategies of this medium-term business plan. In the key strategies, it is written as "Fusion of sustainability and business strategies," or "Trade-on." I believe that the most important point in this medium-term business plan is how to integrate sustainability and business, or to unify them.

We have been making such efforts, but we are still at the halfway point.

I believe that the key point of the 2026 Medium-term Business Plan will be to firmly integrate economic value and social value, or financial and non-financial.

Composition of Meiji ROESG



The basic concept of this medium-term Business Plan is to evolve the Meiji ROESG. ROE is the three years average, as in the past. Regarding ESG indicators, we have improved on those set in the previous 2023 Medium-term Business Plan.

First, regarding external evaluation, we have changed the number of external evaluations from five to three. We used to include CDP's climate change and water, but thanks to groupwide efforts, we now have an A rating, so we have removed them to make these three.

In the past, we treated indicators unique to Meiji as bonus points, including indicators like the extension of healthy life expectancy or the influenza vaccination rate. Unfortunately, although the contribution to society is very high, it will not be achieved only by the efforts of the Meiji Group. So we decided to make them achievable goals through the efforts of the Meiji Group. As you can see, we have determined KPIs for sales of the Meiji ROESG target brand line and target products, each of which is defined as the achievement of the yearly plan.

As for the target brand line, as you can see in the upper right-hand corner, the food products

include health-oriented foods, value-added nutritional foods, and foods with our environmentally and socially conscious procurement activities for a sustainable society. If we combine these product groups, they consist of roughly 50% of our current sales, and we are planning to increase this by 2.3% this fiscal year.

On the other hand, as for the pharmaceutical segment, we focused on influenza vaccine and stable supply drugs, such as penicillin. This accounts for approximately 20% of our sales, and our target is to increase this by 17.2% this fiscal year.

The ROESG target for the final year, FY2026, is set at 9.8 points.

Structure of Meiji Group Sustainability Activities



The Meiji Group has established 12 materialities in the 2026 Medium-term Business Plan for its sustainability activities. Previously, we had eight materialities, but we have added four more to make it 12. In setting the materialities, we of course referred to international guidelines, such as SASB and GRI.

The triangular diagram here consists of four themes. The four themes were set out as a long-

term Vision in 2016, and we have linked them together.

We have created a materiality matrix by measuring the level of importance of each of our business and society/stakeholders. We have disclosed it on our website, and we hope you will take a look at it. In setting the level of importance, we asked some experts from outside the Company for their opinions.

To return to the topic of the four new materialities, one of them is “stable supply of pharmaceuticals by building a robust supply chain” under the theme of Healthier Lives. Then “safety and reliability of product quality”. And “marketing with high ethical standards” under the theme of Thriving Communities. And “biodiversity” under the theme of Caring for the Earth. We have added these four new materialities.

The “stable supply of pharmaceuticals by building this supply chain” is now being closely examined as an economic security issue. At this point, we have a responsibility to supply pharmaceuticals.

Also, regarding “safety and reliability of product quality”, although it is a little too late to say this, since we produce food and pharmaceuticals that go into people's mouths, we would like to take quality as a social issue and link it to concrete actions.

Especially with regard to pharmaceuticals, unfortunately, public confidence in generic drugs has been eroding. We recognize that one major challenge is how to improve this.

Then, regarding “marketing with high ethical standards”, what kind of marketing and advertising should be done, for example, to elementary school students or infants? In this context, we believe that we must conduct our marketing and advertising activities with a sense of ethics in light of the diversification of ethical views and the digitalization of the media.

We have already established a marketing policy, but are in the process of considering revisions to it.

Then, regarding “biodiversity”, as we have already reported in the Integrated Report and on our website, our business is based on the bounty of nature, both for food and pharmaceuticals products. How to protect this natural capital will ultimately lead to our operating base, which is a major issue, and we would like to work on this issue as well.

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

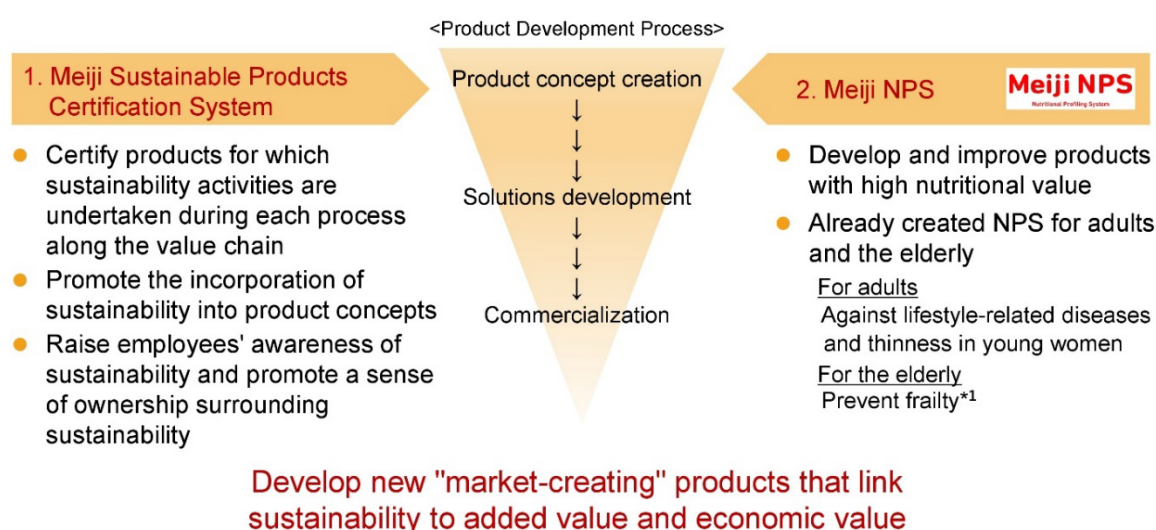
- Water source recharge activities towards achieving water neutrality

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I would like to talk about three of the most important initiatives, as there is not enough time today to explain all the materialities.

First, we are currently considering a Meiji Sustainable Products Certification System. Second, I would like to talk a little about sustainable procurement activities such as raw milk, cocoa, palm oil, and soybeans. Then, I would like to explain our water neutrality efforts today, as we have not talked about water in the past.

Pursue Added Value in Japan Business – Innovate Product Development Process



First of all, regarding the sustainable products, the right side shows the Meiji NPS, the Meiji Nutritional Profiling System, which was introduced at the ESG Meeting last year. The system focuses on nutritional value and shows how much of ingredients are contained that limit the intake such as sodium, sugar, or saturated fatty acids in each product.

Or, conversely, how much protein and fiber does it contain that you should consume more of? We focus on nutritional value and consider how we can develop products from this perspective in the future.

On the other hand, sustainable products on the left side are focused on how to develop sustainable products. In other words, we believe that two key phrases, sustainability and nutritional value, will become very important in future product development.

As I will discuss sustainable products in more detail later, this is an in-house certification system that aims to properly certify products that are successfully undertaken during each process along the value chain, from upstream to downstream.

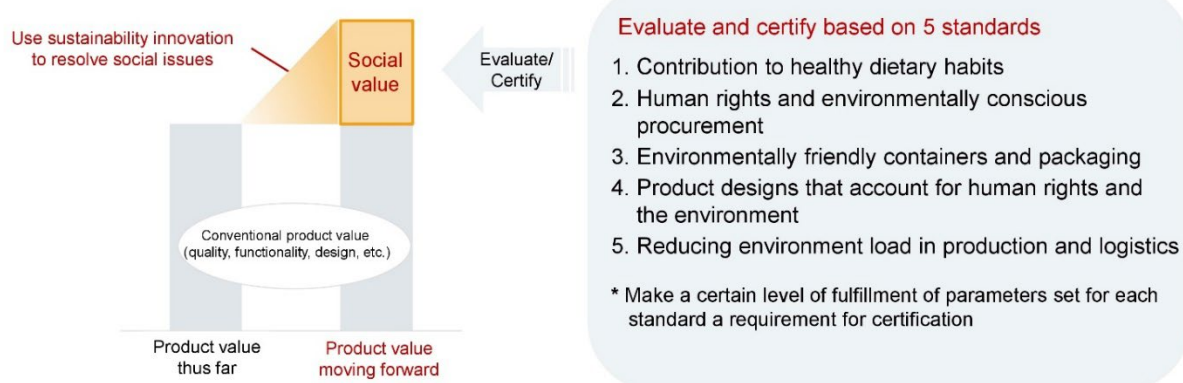
We are trying to incorporate each of these initiatives into our future product development concepts, which have two further objectives. As you can see here, one of the objectives is to raise employees' awareness of sustainability and promote a sense of ownership surrounding sustainability. We are a B2C company, so when we include concepts and themes incorporating sustainability perspectives in our products, we naturally become more aware of sustainability in our own minds.

Another issue we have always been concerned about is that our company has not yet been recognized as a company that is firmly committed to sustainability. We feel that it is through our products that the Meiji Group can be recognized for its strong sustainability efforts.

In this sense, I believe that this sustainable product system is very important in various aspects, and we will further consider how to utilize this system in the future.

Outline of Meiji Sustainable Products Certification System

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



This is the outline of the Sustainable Products Certification System. It is still under consideration, but I would like to explain a little about it today.

As you can see in the figure on the left, the conventional product value is that it must, first of all, taste good. Taste, quality, functionality, and the design of a product's packaging generally arouse the desire to purchase products. But we should add social value to these values.

The new way of thinking is that we should make sustainability innovation. To this end, we will create a solid certification system within the Group and develop products in accordance with the certification system, or improve existing products.

Based on five evaluation standards, if four or more of these five standards are met, we will consider the product to be a sustainable product.

As I mentioned earlier, how to publicize this to the outside world is an issue for further consideration.

Promote Ethical Consumption through Meiji Sustainable Products

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



That said, we have already released what may be considered sustainable products. The specific products are described here, we are already making efforts from each of these perspectives, and we are now looking to further expand these products.

For example, with regards to chocolate, we are involved in an activity called the Meiji Cocoa Support, and have begun printing on our product's packaging the percentage of cocoa that comes from areas where we have provided farm support through Meiji Cocoa Support. Organic milk is also very expensive and it is not often available in stores, so it is hard to come by. The milk produced by organic dairy farming is very tasty, but the high cost is an issue.

In the future, we will probably see low-carbon milk, or carbon-neutral milk, or something like this in Japan. I am wondering if such products will possibly become mainstream.

We also sell chocolate made from cocoa beans produced through agroforestry in collaboration with Brazilian farmers.

In addition, if you look at the plastic resource circulation, R-1 and LG21 plastic bottles are being made thinner and thinner, in other words, lighter and lighter. It weighed 13 grams before, but now it weighs 8.7 grams. By gradually making it thinner and thinner, we are reducing its weight and reducing the amount of plastic used. And we are promoting the use of recycled plastic, not virgin plastic. In conjunction with this, we also sell label-less six-packs product.

Then, regarding the modal shift, as previously SAVAS manufactured at Kurashiki plant used to be transported by truck from the Kurashiki plant to Kanto distribution center, but this will now be transported by rail. We are also taking on these challenges.

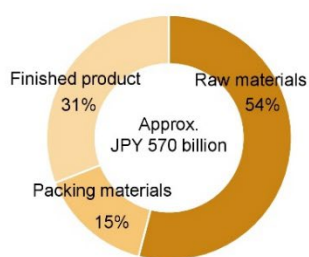
As for food loss, we are also working on extending the expiration dates, such as labeling only the expiration year and month instead of the month and date.

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

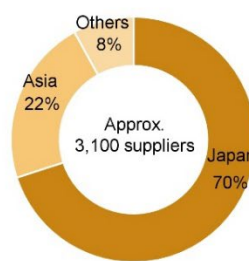


Procuring raw materials, etc. from some 3,100 supplier companies around the world
Advance collaborations and dialogue to work towards resolving social issues and building a responsible supply chain

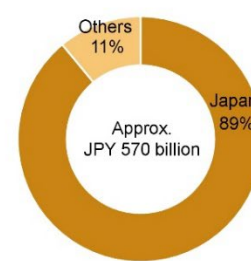
Supplier composition
by supplied product
(procurement amount)



Supplier ratio by country
(number of companies)



Supplier ratio by country
(procurement amount)



In the area of supply chain, the Meiji Group procures approximately JPY570 billion in total from 3,100 suppliers globally. How we engage with these 3,100 suppliers while also reducing our own risk is a very pressing issue. If suppliers don't firmly reduce CO2 emissions, for example, we will not be able to reduce Scope 3.

We conduct procurement following the Meiji Group Procurement Policy, and last year we also formulated the Meiji Group Supplier Code of Conduct. We have explained to all of our suppliers that we expect them to strictly comply with and manage human rights, the environment, ethics, and the working environment properly, for example. But there are some suppliers who are not making progress in reducing CO2 emissions, so we need to engage with them by asking them how we can work together to reduce CO2 emissions and how we can procure environmentally friendly goods. We are discussing these issues together.

Sustainable Sourcing

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

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I would also like to talk about raw milk and cocoa.

For raw milk, our Milk Procurement Dept. plays a central role in providing dairy farmer support through the Meiji Dairy Advisory.

We started out with management support, but recently, sustainability has become our theme. The reason for this is, of course, how to manage cattle is one issue, but also, due to a shortage of labor, the number of foreign workers is increasing, so how they can ensure a good working environment with them is also a problem.

Last year, we visited around 40 dairy farmers, and based on the results of our surveys, we are providing support to suggest improvements in various areas.

The major source of GHG emissions in Scope 3 is dairy farming section. We consider how we can reduce the methane and nitrous oxide emissions that are emitted by cows. As a specific example, which is mentioned on our website, we are currently working with Ajinomoto on improving amino acid balance feed and utilizing J-credits with dairy farmers.

As recently announced, there is a feed additive called *Bovaer* developed by the Dutch company, DSM. It is said to reduce the amount of methane gas emitted from cow's burps by 30% just by adding a quarter teaspoon a day.

Recently, the US FDA has approved the product, and the process of approving the product is currently underway in Japan. We are also working with DSM, and if this product becomes available in Japan, we believe that we will be able to reduce the amount of methane gas produced by cattle.

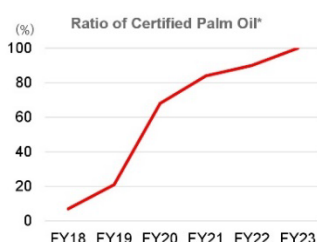
Regarding Meiji Cocoa Support, we have been promoting various activities in producing regions, such as Central and South America, Ghana. In addition to supporting farmers, we are also working together with them to solve social issues, such as deforestation and child labor. Currently, the percentage of Meiji Sustainable Cocoa beans procured from the farmers we support is 62%, but we hope to achieve 100% as soon as possible.

I have heard that child labor and deforestation are still social issues in Cote d'Ivoire and Ghana in West Africa. We are working with traders and trading companies to establish traceability to the farms. And by introducing a child labor monitoring and improvement system, we purchase from farms that do not engage in child labor, or that have improved the situation even if they did.

Sustainable Sourcing

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



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

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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

I would also like to talk a little about palm oil and soybeans.

There is an NDPE policy for palm oil. This policy stands for "No Deforestation, No Peat, and No Exploitation." We have been supporting this policy.

We have been working on RSPO-certified palm oil since 2018, and completed 100% of the switchover in 2023. However, since this is a mass balance supply chain model system, one of the issues to be addressed is how to proceed with segregation procurement in the future.

Furthermore, for palm oil, we disclose the Meiji Group Palm Oil Mill List, a list of the mills that extract palm oil from the plantation. We do not procure from oil mills that engage in child labor or have poor labor management, and we have disclosed the list of mills that show we procure from such well-controlled mills on our website.

Regarding soybeans, there is a difficult problem. 70% of Japan's soybeans are procured from the US. In the US, there are almost no social problems or issues related to soybeans, but in Brazil, deforestation and human rights issues are being indicated.

We have no problem with food products, as we purchase almost all of them from the US. However, it is said that most of the livestock feed entering Japan is produced in Brazil. Since its traceability has not yet been established, we see this as a major issue to be considered in the future.

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 noYama 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



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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

Then I would like to talk about water. We are aiming to be water neutral by 2030.

What is water neutrality? Water is taken in and then discharged, and the net result is the amount of water used for the product. The idea of returning to the earth the same amount of water we use in our products is called water neutrality.

One of these initiatives is rainwater infiltration. If rainwater just seeps into the ground, we will have to rely on the weather, so we need to be more proactive manner.

One is water resource recharge. We signed a forest development agreement with Seki City, Gifu Prefecture last year. We then established the Meiji Group Nature Conservation Area. We would like to improve the forest's recharge function through forest conservation activities on

this 15-hectare land.

This area was named the Forest of *Kinoko no Yama* and *Takenoko no Sato*, and the unveiling ceremony was recently held. On the left is myself, and on the right is the mayor of Seki City, Gifu Prefecture. There are two such signs, so if you are ever in Seki City, please take a look at them.

Then we are also involved in paddy field flooding activity. KM Biologics has started this in 2005. Kumamoto Prefecture is very rich in water, with subsoil water from Mt. Aso. KM Biologics uses the groundwater, so the paddy field flooding activity aims to return the water to the paddy field. We are recharging about 500,000 tons of water per year, and we are continuing such activities.

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

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We plan to invest JPY50 billion in ESG in our 2026 Medium-term Business Plan. We had set an ESG investment limit of JPY30 billion in 2023 Medium-term Business Plan. In the beginning, ESG investments were not used very much, but recently, perhaps due to the trend of the times, we have been receiving many applications for ESG investments within the Group.

The major investment plans for the 2026 Medium-term Business Plan are as shown in the slide. We have a large number of planned investments, and we intend to execute them steadily.

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)

In addition, in order to strengthen our group sustainability system, we have an ESG Advisory Board twice a year, which includes outside experts.

Rika Sueyoshi joined us this year, in addition to the existing three members. Ms. Sueyoshi is well-known as a leading expert on ethical consumption, and serves as CEO of Ethical Association.

As we are a B2C company, we would like to take the lead in creating a trend promoting ethical consumption., We asked Ms. Sueyoshi to join us in the hope that she could provide advice on what kind of initiatives we should take, including initiating such public awareness activities.

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.



Finally, the Meiji Group has been selected as one of the Sustainability Transformation Brands by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. Fifteen companies were selected, and an award ceremony was held on May 24. Since this was the first SX brands to be certified, we are very honored and encouraged. This is a brief explanation of the key points of the 2026 Medium-term Business Plan. Thank you very much.

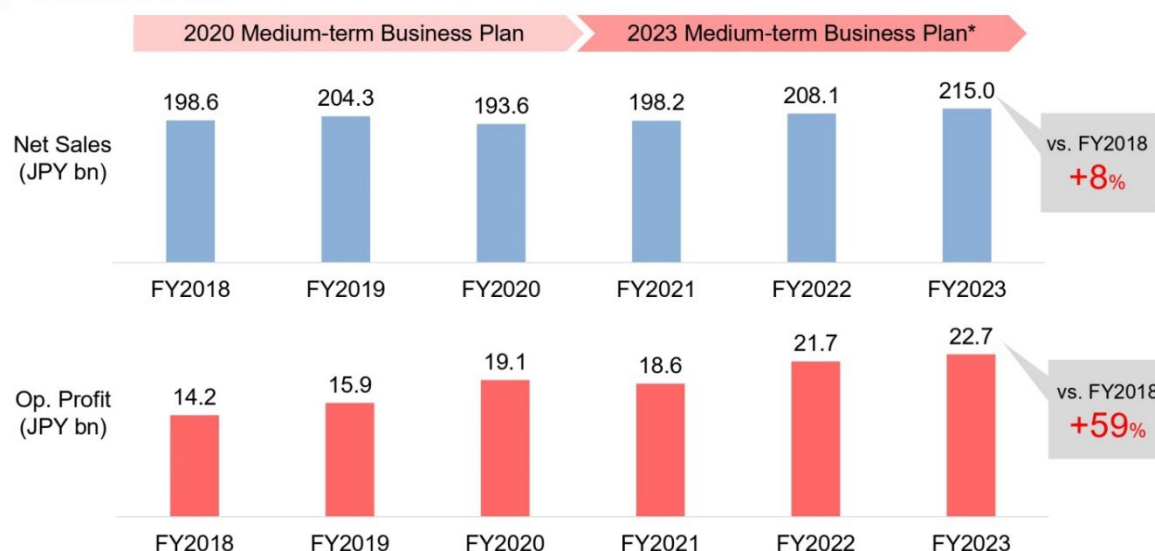
Part3: Pharmaceutical Segment

3. Pharmaceutical Segment Growth Strategy

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Kobayashi: I would first like to thank you for taking time out of your busy schedule today to attend the briefing on the 2026 Medium-term Business Plan. I will be giving a 15-minute presentation on the growth strategy of the pharmaceutical segment.

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



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

First, this is a review of the previous medium-term business plan. From FY2018 to FY2023, the top of this page is net sales, and the bottom of this page is operating profit in the pharmaceutical segment.

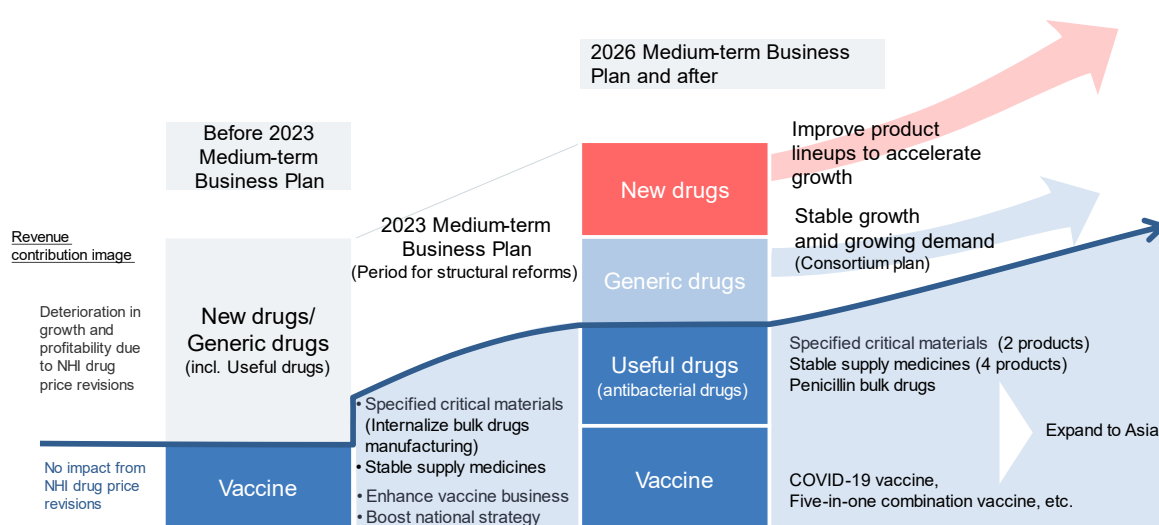
As you can see, net sales are up 8% compared to FY2018. As you know, the agricultural chemicals business was transferred in 2020, so the top line is slightly down due to the transfer, but it has increased by 8% from the FY2018 level. We were able to achieve a 59% increase in the operating profit compared to the 2023 Medium-term Business Plan.

What I would like to mention here is that in 2020 and 2021, there was actually a pandemic, an unexpected major change in the market. In response to the severe deterioration in the business environment, during this period we implemented the business portfolio reforms I will show you later, and thanks to these reforms, our earnings base has been strengthened.

Talking about what we strengthened, there are two risks when conducting a pharmaceutical business in Japan—i.e. the impact of the NHI price revision and the patent cliff. These risks

were reduced by our change in the business structure.

Restructuring Business Portfolio Sustained Growth by Adding Growth from New Drugs on Stable Revenue Platform



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This is the framework for business portfolio restructuring. From left to right, the diagram depicts the framework for achieving the growth strategy before the 2023 Medium-term Business Plan, during the 2023 plan, in the 2026 plan, and how it will be implemented in the future.

In the previous business portfolio to the 2023 Medium-term Business Plan, vaccines were the first stable foundation for profit. Through the merger with KM Biologics, we entered the vaccine business. This has no NHI price revision. If we produced above a certain level and responded to the epidemic strains at that time, we could expect a certain level of profit.

Also, we have a portfolio of new drugs and generic drugs. While no new drugs were being discovered, there were in-licensed products, but in-licensed products were always at risk of patent expiration in the Japanese market. We have been dealing with penicillin formulation and many other antibacterial drugs since 1946 as our founder's business, and we have been operating as the main supplier of antibacterial drugs. Once the patent expires on these

antibacterial drugs, it would have generic drugs, and the price of the drug would go down every year. We had been exposed to this kind of threat. We were a company that had to constantly introduce new drugs to ensure stable business growth.

However, after the outbreak of the COVID-19 pandemic, the environment changed drastically. The structural flaws in the Japanese pharmaceutical market were exposed.

To be more specific, there was an urgent need to combat emerging and reemerging infectious diseases. As some of you may recall, we were unable to procure the COVID-19 vaccine in our own country. Among developed countries, Japan and only a few other countries have not succeeded in developing this technology on their own.

The production and development of vaccines, especially for the development for new modalities such as messenger RNA vaccine, which is considered this disruptive innovation, was very difficult. Because it required multidisciplinary scientific and industrial capabilities in the process from development to vaccination.

In addition to that, now when we talk about infectious diseases control, we are not only talking about vaccines, but also antibacterial drugs. This is the issue that has come to light.

Antibacterial drugs are a very old genre of drugs, but they are the foundation of all medical care. Without a stable supply of these antibacterial drugs, advanced surgery and state-of-the-art immunotherapy would not be possible. This is because the COVID-19 disaster made it very difficult to achieve a stable supply of antibacterial drugs in our country, and the development of vaccines and the strengthening of the antibacterial drug value chain became a national challenge.

In this situation, we responded to environmental changes by focusing on internal competitive inventories, emergent strategies, and the strength of such internal resources. It could be said that we have developed a competitive strategy that focuses on internal resources.

There are only a few companies, including Meiji, that can develop and manufacture antibacterial drugs, and other companies have already withdrawn. This is a scarcity in terms of competitive strategy. Then as for the antibiotic production plants, production requires a very specific process. Strictly speaking, antibacterial drugs can only be produced in factories

dedicated to antibiotics. Even if you have a pharmaceutical plant that makes many kinds of drugs, you can't make antibiotics. Also, there are no factories and technicians to produce the antibacterial drug substance.

But we had a factory and technicians, and because of the difficulty of imitation and the scarcity of the product, we were able to embark on a growth strategy that was in line with this national strategy as the main supplier of antibacterial drugs.

In 2022, as written here, 11 materials, including semiconductors, have been designated as specified critical materials, and they are required to strengthen the value chain. Two penicillin drugs, of which we have a large share, have also been designated as critical materials. At that time, we were not able to provide for our own needs if we did not make the products from the bulk drugs. So we received a budget for a project to support the domestic production of antibacterial bulk drugs, and we started this project by forming a consortium.

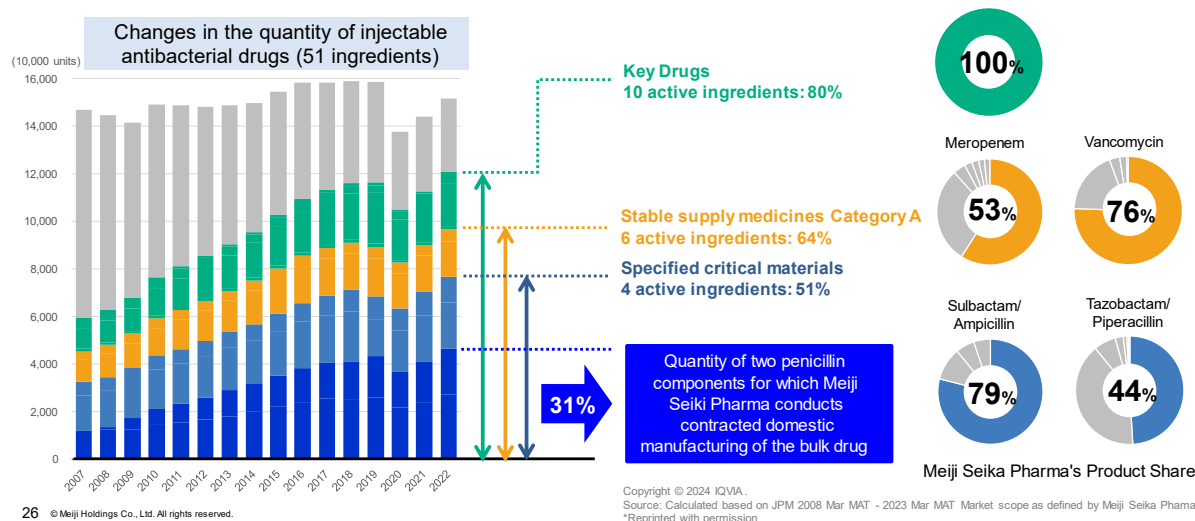
As you know, we are developing the self-amplifying mRNA vaccine, *Kostaive*, and an inactivated vaccine called KD-414. We are currently developing two modalities with the support of the government.

We made a strategic shift by focusing on the strength of internal resources such as these. This coincided with the restructuring of the portfolio, and some drugs that were previously considered generic drugs are now excluded from the NHI price revision as antibacterial drugs are essential drugs.

We aim that we have strengthened our business foundation in vaccines and essential drugs, we would like to build on that by reforming our new drug lineup and generic business structure to pave the way for our growth strategy.

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



Let me show you some figures. This is the changes in the quantity of 51 ingredients of injectable antibacterial drugs in Japan.

Although it was slightly lower due to the COVID-19 pandemic, the volume of the antibacterial drugs will grow because the population over 75 years old, a major disease risk in Japan, will not decrease until 2050. Looking at the current quantities, as you can see in the color-coded chart here, penicillin, for which we are contracted to produce the bulk drugs domestically, accounts for 31% of the total. Then there are stable supply medicines and 4 active ingredients of specified critical materials, and Key Drugs selected by academic societies account for 80% of the total.

As shown on the right, if we look at our market share for these lineups, we see that penicillin formulation accounts for 100%; meropenem, the final drug of choice for severe infectious diseases, 53%; vancomycin 76%; sulbactam/ampicillin 80%; tazobactam/piperacillin also has more than 50% of the current market share.

This means that our competitive advantage as the main supplier of antibacterial drugs is becoming more and more visible. In addition to this, we also receive the top share of some vaccines, which we have not shown here.

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			Production equipment construction	Manufacturing
	Validation plant construction			

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Here is the path for conversion of Gifu Plant into the in-house production base of specified critical materials.

The Gifu Plant is a very large plant. In the 1990s, Meiji was exporting bulk penicillin formulation from here to the world. However, the industrial structure had changed and the manufacture of bulk drugs became a non-profitable business. Instead, once China started making large quantities at low cost, the plants for bulk drugs were a burden. Now, countries around the world have become dependent on a single country, China, for the supply of the bulk penicillin formulation.

If the supply of the bulk drugs were to be interrupted due to the COVID-19 pandemic, there is

even a risk that all medical care would stop, so we are promoting the in-house production of the bulk drugs for penicillin formulation. We are working on the schedule to achieve domestic production as written at the bottom of this page.

Toyama Chemical, Otsuka Chemical, and Meiji Seika Pharma have formed a consortium to work on this project aiming to start actual production in 2025, and we are doing so with support from the government.

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

FY2026 Target
11.0% or more

ROIC =
 (%)

7.7%
 FY 2023 Results

Operating Profit Margin Improvement

Invested Capital Control

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

This is the 2026 Medium-term Business Plan initiative from here. We aim to achieve operating profit of JPY40 billion and ROIC of 11% or more by FY2026.

In terms of the evolution of our performance base, we are currently working to implement new vaccines and new drugs in the immune system area, which we believe will become the cornerstones of our portfolio.

There are infectious diseases, which are the foundation of our business, essential medicines, and then blood plasma products manufactured at KM Biologics, which are also very important

public health supplies based on the policy in our own country. We are committed to increasing the value of the Group as a whole through integrated management.

Regarding our global strategy, in addition to vaccines, there are several other global development items. We have started global Phase III clinical trials of two products this year. Looking ahead, the development of a vaccine for dengue fever, an emerging and reemerging infectious disease and a threat to mankind, will also be pursued with the support of the government, although this will be a very difficult and big challenge.

On the other hand, the control of invested capital is linked to the national strategy, so we have a responsibility as an industrial base to contribute to the national interest rather than the interests of individual companies. We have received support for dual use, in-house production of penicillin formulation, and many other things. This results in efficiency of invested capital.

Then, for overseas CMO/CDMO business, we proceed at Medreich Limited. By 2050, the population will be nine billion, and 50% of that population growth will occur in West Asia and Africa. This would naturally lead to a blockage of access to medicines there. It has been about 10 years since we acquired Medreich Limited as a subsidiary. We are the only Japanese pharmaceutical company that wholly owns a subsidiary of an Indian pharmaceutical company. We have made various investments in this area, but we are committed to raising our production capacity to the next level and to continuing our commitment to access to pharmaceuticals in Asia.

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	<ul style="list-style-type: none"> ● Achieve solid revenue platform enhancements for stable supply medicines Category A and basic drugs ● Establish OP0595 business model
Immune System	<ul style="list-style-type: none"> ● Establish positioning of <i>Rezurock</i> as the first choice for steroidresistant/ dependentcGVHD ● Allocate significant management resources to the hematology field ● Expand sales of blood plasma products
CNS	<ul style="list-style-type: none"> ● Expand share of antidepressant drugs (6 active ingredients, 7 formulations) ● Provide total solutions beyond pharmaceuticals
Generic drugs	<ul style="list-style-type: none"> ● Solidify domestic generic drugs value chain ahead of industry restructuring (Consortium conception)

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Our strategy is by category, we show in three business categories: domestic, overseas, and vaccines.

First, the business strategies in Japan.

First, stable production of stable supply medicines in the Category A. We receive a certain amount of market share, so the most important thing in the infectious disease field, as our operating base, is to ensure stable production without causing quality problems. OP0595, nacubactam, is now in Phase III. We are conducting a very difficult clinical trial for resistant bacteria, but we hope to apply in 2025.

Rezurock on immune inflammation. We have been able to launch the product and it has been very well received. I believe that we have handled something that is a blessing for a pharmaceutical company. If we do not deal with this immune response and host mechanism together with blood plasma products from now on, it is not enough for our business strategy as a platformer for infection control. It means that vaccines, antibacterial drugs, or antiviral

drugs are not enough. So, we would like to strengthen this area as well.

As for generics, we do not have a decent supply system here right now. This is also one of our business strategies, as we are looking for ways to strengthen the value chain through a consortium of several companies.

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	<ul style="list-style-type: none"> ● Enhance production capacity and effectively utilize existing production capacity ● Maximize Medreich Group sales and profits
Global Products	<ul style="list-style-type: none"> ● Strengthen global vaccine strategy (Dengue fever vaccine, M pox vaccine, existing vaccines) ● Promote global products (<i>Rezurock</i>, OP0595, ME3183, DMB3115, Blood plasma products, etc.)
Expand Overseas In-house Sales	<ul style="list-style-type: none"> ● Maximize value of existing products ● Expand new drugs in a strategic manner ● Enhance management capabilities

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Next, the overseas business strategies.

The CMO/CDMO business is the main focus, but what I would like to draw your attention to is the global products. Strengthening the global vaccine strategy. In addition to dengue fever and pox, we would like to somehow get existing vaccines out to Asia, and we have already begun negotiations with several countries. At first, because each country has different circumstances, we would like to develop our business in a way that adopts those circumstances, even if it means lowering the priority of economic rationality.

Then, the promotion of the global strategy. It is still too early to contribute to sales during the 2026 Medium-term Business Plan, but we are in the final stages of the clinical trial and the

application process, so we want to make sure we are moving forward with caution.
As for international sales of own products, the global antibacterial drugs market is expanding robustly. We would like to expand the sales of our own products while utilizing our existing network of antibacterial drugs.

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 KD414 ● 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

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This is the strategy of the vaccine business.

The focus here is the expansion of the market share of *Kostaive*, influenza vaccine, KD-414, and *Quintovac*. We hope to keep things going smoothly here.

As for veterinary drugs, our business in Japan has stabilized, and now we would like to start thinking about business development in overseas markets.

Strategy on Each Function

Function	Function Strategy
R&D	<ul style="list-style-type: none"> ● Develop First-in-Class drugs ● Implement rapid and certain global development projects ● Practically implement platform technology related to new biopharmaceutical modalities and vaccines
Production	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● Strengthen reliability assurance system with compatibility for new field and global expansion ● Transform reliability assurance system across the entire product life cycle

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This is the functional strategy.

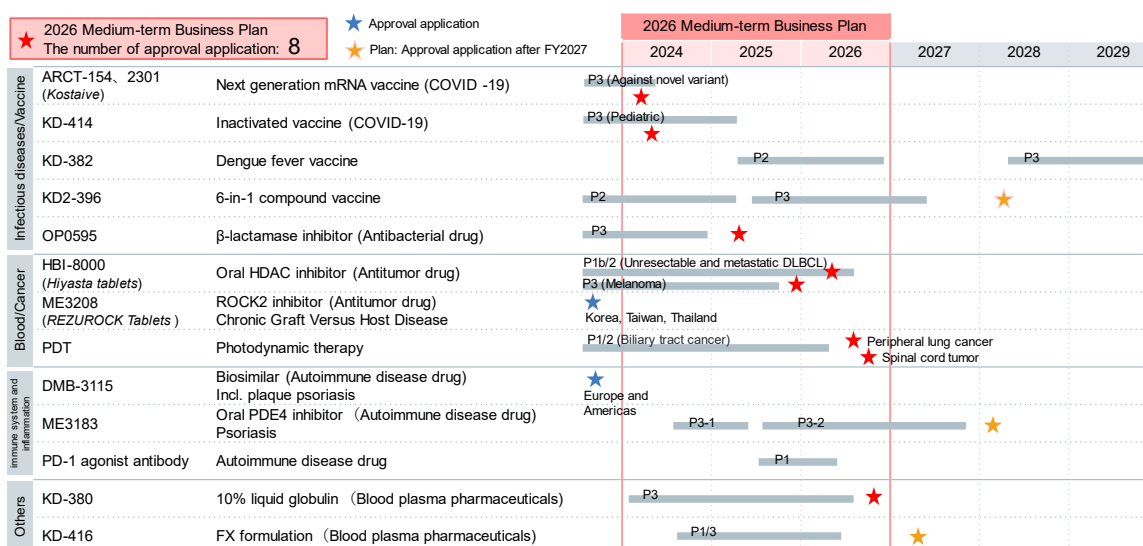
Regarding R&D, we are working on first-in-class drug discovery. You may wonder whether a company the size of Meiji can make a first-in-class drug, the industrial structure has changed, and a paradigm shift in drug discovery is now taking place.

Before, there was a critical mass of R&D expenses, but now most development seeds are in academia and ventures. Translational strength is the key, and that is network strength rather than company size. We would like to promote open innovation and advance R&D by utilizing our unique network, which is particularly strong in the field of infectious diseases. This is the horizontal division of labor that we will be pursuing. In particular, we already have some vision for a vaccine-related platform, and we would like to move this forward as quickly as possible. As you can see here, we have a unique competitive advantage in the production process, such as asepsis, culture, and fermentation. Until now, there has been no place to demonstrate that advantage. Finally, there have been several products that could not be produced without Meiji,

so it is rewarding for us.

As for reliability, it is the first thing we need to focus on. We believe that we are the best in the industry in terms of reliability assurance command centers, and we hope to commercialize this area as part of the consortium concept.

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



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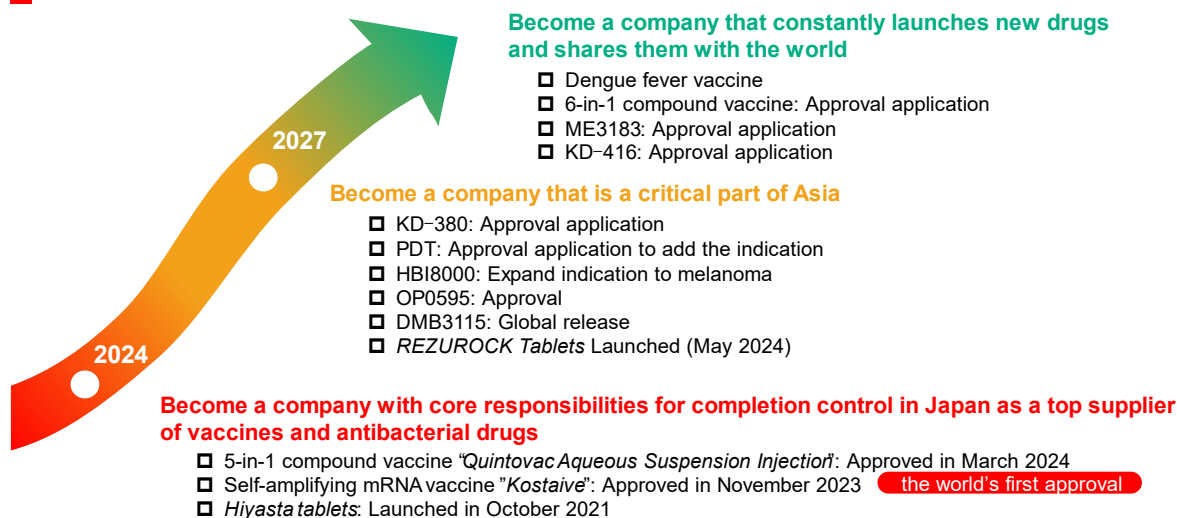
We will develop a differentiated, breakthrough drug pipeline, in the fastest possible.

Our pipeline has never been this rich before.

During the 2026 Medium-term Business Plan, there are a total of eight items, both large and small, that are scheduled to be submitted for approval. We are aiming to apply for approval of nacubactam in 2025, but we think it will be in the next Medium-term Business Plan that they will be commercialized.

In addition to the above, we would like to develop the drug discovery pipeline we are currently working on to this pipeline as soon as possible in order to pursue our growth strategy.

Growth Strategy: Our Target Direction



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This is the direction we should aim for.

As a leading supplier of vaccines and antibacterial drugs, Meiji has a heavy responsibility for infectious disease control in Japan. I believe we have achieved this.

Next, we are waiting for the approval of the new drugs mentioned here, and we have a plan to go global with the approvals for dengue fever, 6-in-1 compound vaccine, ME3183, etc.

That is all for my explanation. Thank you.

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