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## **Meiji Holdings Co., Ltd. Meiji Innovation Day (Part 2, Q&A)**

December 15, 2025, 4:35 – 5:05 pm

### **Presenters:**

Katsunari Matsuda	CEO, President and Representative Director
Jun Furuta	CDO, Member of the Board and Executive Vice President
Keiko Kawahata	Executive Officer, Wellness Science Labs
Koshi Sakamoto	General Manager, Intellectual Property Strategy Dept.

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

#### **Q-1-1-1**

First, regarding synergy businesses with view to JPY100.0 billion in net sales and 30% profit margin, are you now able to see something concrete? I think one example of this is the medical foods you mentioned. I would like to ask you about the scale of the business and the time frame in which you expect the business to contribute to the Group's performance.

#### **A-1-1-1**

**Matsuda:** We are looking at the medical foods as one of the potential targets of new businesses, , but whether we go there or not is still under consideration right now.

As Kawahata explained about bacteria earlier, we could not explain cocoa (fermentation) today. We are still considering the health axis and nutritional health axis through bacteria and cocoa among others, and we still cannot narrow it down to a single business, or medical foods.

For the time frame, we will launch a project team from January 2026. While monitoring the progress of the project during H1, FY2026, we will move on to the next phase for its commercialization, with the intention of establishing a business company. We are currently thinking of reviewing the project after three years.

**Kawahata:** Regarding medical foods, I used the US as an example today, but to be honest, we will not know until we try it because of regulatory issues. However, as Matsuda just told you, we are not focusing on just this business, but are working on many other candidates as well. We are also preparing something that will generate sales as soon as a business company is launched. We believe that R-1 EPS is a very important theme. With continuously creating value in mind, we would like to link to large global sales in some way.

#### **Q-1-1-2**

In that sense, you are not focusing only on medical foods as you mentioned, but you have already begun to see the seeds in various other areas within your company, and you will continue to work

on these areas with three-year time frame. Is my understanding correct?

**A-1-1-2**

**Matsuda:** Yes. I would like you to understand that three years is a time frame to review the project after the company has been launched once, and to make a go or no-go decision.

**Q-1-1-3**

So it seems that the scale will grow more from there after three years.

**A-1-1-3**

**Matsuda:** Yes. As Kawahata just said, we are now examining in which genre and how much we can commercialize and produce. We are now in the process of discussion to start by producing what we can deliver first. That said, as we proceed with the project, we will likely encounter many obstacles and begin to question whether it can be realized immediately. It might take some time to fix this, but either way, we are going to take on the challenge with speed.

**Q-1-2**

You have a wealth of bacterial assets and you are the world's third-ranked in the field of microbiome. To be honest, I don't think it is being utilized as a business at the present time.

**A-1-2**

**Matsuda:** I reflect that we did not intend to take on challenge much. As I said at the beginning, in the midst of stable performance, the mindset to take on challenges had not permeated the company, and I have to reflect on it.

Therefore, we have introduced new human resource system in which employees are not evaluated positively if they continue doing the same thing repeatedly. By changing our mindset, I firmly believe that our thinking and actions will eventually change.

There were not many people who were willing to take a shot at starting a business using the good

assets that they had. Therefore, we have brought in people from outside, and now we have people with business development experiences in the Wellness Science Labs. By incorporating external insights, I believe we could ignite the spirit of challenge that we originally possess.

**Kawahata:** I think this is exactly due to what Matsuda first mentioned, siloing. There was a certain amount of hesitation within the company as to whether or not we can meddle in libraries and bacteria strains used in other businesses without permission.

However, we have now come together with the idea of utilizing such assets not for any particular division or person, but for the group as a whole, so please expect to see them delivered to you in a new form.

**Sakamoto:** It is true that Meiji has many patents on bacteria, but when I look at these patents myself, it seems that they were patented only with the idea of doing business with the bacteria by business unit alone. I think that if we have the idea of putting it into other products widely, for example, perhaps a different patent will be created. We would like to expand in that direction in the future, and I believe that this would further increase the value of our patents.

**Matsuda:** Originally, Meiji did not organize our patents systematically. Then, we asked Sakamoto to join us seven years ago. We had input that we should use patents strategically and use them offensively rather than defensively. I would like you to understand that the current situation is gradually improving.

#### **Q-2-1-1**

I feel that you have a lot of technologies with great potential, but you have not been able to fully utilize them. I think that although you have a strong sales force in Japan, but limited in the medical food industry in the US. For such a market, I wonder if you are considering a new way of doing business from such angle as providing materials. Also, if you are doing B2B business, isn't there any internal resistance in this area?

#### A-2-1-1

**Matsuda:** Meiji's technology, knowledge, and materials can of course be used for Meiji products. Of course we can use them for our B2C, but future new businesses that we just mentioned includes the provision of materials among options.

#### Q-2-1-2

Isn't there any resistance from within the company? Or has a consensus been reached in that area?

#### A-2-1-2

**Matsuda:** There is no resistance at all, in terms of doing the business of providing the materials.

#### Q-2-1-3

I think R-1 EPS you described this time is very edgy and interesting. If you want to sell a wide range of your materials in the B2B market, I think you have many more basic technologies that you can provide. What do you think about this point?

#### A-2-1-3

**Matsuda:** Now that the examination has been done for what materials and technologies we have as options to offer, incorporating the perspectives of mid-career professionals hired externally. So, for instance, R-1 EPS is one example, and we plan to develop other materials as well, while carefully examining whether they have business potential for B2B, and on a global scale. Whether it is lactobacillus and cocoa technology, or cocoa itself, we intend to examine the value and potential of them.

#### Q-2-2

Are there any areas that are still lacking or need to be prepared in order to launch B2B business, in the field of intellectual property or others?

#### **A-2-2**

**Sakamoto:** I am originally from a B2B company as professional background, and I believe that patents are more important in B2B than in B2C. We are in the process of expanding our patent applications, taking into account these aspects, and we aim to continue to do so in the future.

**Kawahata:** We are very conscious of co-creation partnerships, and we are trying to open the door to them. We would like to use the wisdom of these areas to make up for the lack of experience we may have.

#### **Q-3-1**

On page 19 of presentation materials, you mentioned that you are conducting empirical research for R-1 EPS with the cooperation of medical institutions. What is the schedule moving forward? You told that the evaluation was very high in 2022 in the papers. I am aware some competitors have done similar things in the past, and what we have been taught there is that the evaluation by medical personnel is very important. Then, for example, there is another key point, which is whether it is connected to an online system in providing samples. Rather than just talking about materials, I feel that there are other key points to secure a competitive advantage, including the intangible aspects. What position are you standing in?

#### **A-3-1**

**Kawahata:** We are in a quite advanced phase regarding clinical trials for cancer patients. For details, we will be able to make a presentation at an academic conference in the not-too-distant future. We have already begun to consider some of the potential partners for medical foods or others. I believe we could formally start communication with these potential partners, once the public presentations at the conference has been made.

### **Q-3-2-1**

When it comes to the actual commercialization of the product, the medical food industry in the US that we are talking about, for example, has various key points, and it seems that you may not be able to enter the market easily just because the product is good. What is your feeling?

### **A-3-2-1**

**Kawahata:** Of course, we are aware of where the hurdles are, based on our research, and we have come up with internal measures to overcome those hurdles. However, we cannot make such decisions on our own, so we would like to examine, moving to a next stage through our partnership.

### **Q-3-2-2**

So, even with those hurdles, can I assume that you have a basic strategy to grow your business through interactions with your partners?

### **A-3-2-2**

**Kawahata:** Yes.

### **Q-3-3-1**

I would like to ask you about the cohort study. I think it's a very interesting initiative or a very good approach. What timing, or after what kind of results your company get, will you decide on whether or not it can be commercialized?

### **A-3-3-1**

**Kawahata:** Global data has already begun to accumulate. We have already accessed those data, and we have already begun to formulate various hypotheses and develop solutions. I think there will be some themes that can be commercialized quickly, and others that will take time for training and commercialization, depending on the theme. We are running several themes right now.

### **Q-3-3-2**

If so, should I be aware that there is a possibility that your company's project will be launched next year or so, when it is not so far away anymore?

### **A-3-3-2**

**Kawahata:** I think it will take some time when it comes to developing a solution, so I think it will be a little while before the results of the current HPP become a product.

However, we do not think that we will be finished once all of the R-1 EPS and other candidates that are already in the process of commercialization have been produced. Rather, we are trying to constantly replenish our supply with new seeds for the future, and the information we obtain from this process will have a positive impact on the themes we are planning to commercialize in the future. We wanted to share this with you as a case study to help you understand this.

### **Q-4-1-1**

I thought the correlation between patent value and ROIC was very interesting. If your company moves more to the upper right of the globalization index of the patent on page 37, I think you will be the top food company. I wonder how the breakthrough will be achieved.

I wonder why the quality of the patents of global companies is so different from the patents of Japanese manufacturers. You are trying to make breakthroughs from the same position among Japanese competitors, so please discuss how you will achieve this.

### **A-4-1-1**

**Sakamoto:** For example, R-1 EPS is positioned very far to the right. This kind of technology is meaningless unless it is patented globally, so we are in the process of acquiring patents on a global basis. Since this is a result from three years ago, the vertical axis of the patent has not expanded yet, but I believe that the technical value of this patent will increase more as the clinical results and other results that were just explained will come out and attract more and more attention worldwide. When Japanese domestic companies develop world-class technologies, they naturally target the

world's businesses and markets, so they issue patents to the world. If so, they will appear on the right on the horizontal axis, and if the patents technology is very advanced and follow-on patents are launched successively, they will also go up on the vertical axis.

**Q-4-1-2**

I understood the reason why the global index is low is because Japanese companies are concentrating on patenting in Japan. Are you saying that if you have a world-class technology and patent it globally, this will go right up, so your company's number will also go right up?

**A-4-1-2**

**Sakamoto:** Yes, that understanding is correct.

**Q-4-2-1**

When compared to your global competitors, in terms of technological capability index, Japanese companies' technological capability index is basically less than half. What is the fundamental reason why there is such a difference between global and Japanese food companies in the first place? Are the R&D expenditures or scales and fields of intellectual property different from those of global companies? Are there any room to fill in the gap for Japanese companies?

**A-4-2-1**

**Sakamoto:** We are still looking into details, but such global companies are aiming for the global market from starting point, so I think they are also trying to develop technologies that can be used globally. On the other hand, Japanese food companies are mainly engaged in technological improvement for the Japanese market, and I think that would lead to half or one-third in the technical capability. We will introduce the details at another time.

#### **Q-4-2-2**

**[Comment]** I think there are clear differences between global companies and Japanese companies in terms of organizational structure, investment amount, and so on. So I think you need to discuss how to invest in R&D while comparing these figures. I would like to ask for your explanation in that area as well.

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