

Now ideas for wellness



Meiji Holdings Co., Ltd. Meiji Innovation Day (Part 1, Presentation Scripts)

December 15, 2025, 3:00 – 4:28 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.



CEO Message

■ Presenter

Katsunari Matsuda CEO, President and Representative Director

Meiji Holdings Co., Ltd.

Matsuda: My name is Matsuda, CEO. Thank you very much for taking time out of your busy schedule to join us today. We would also like to take this opportunity to thank you again for your ongoing support.

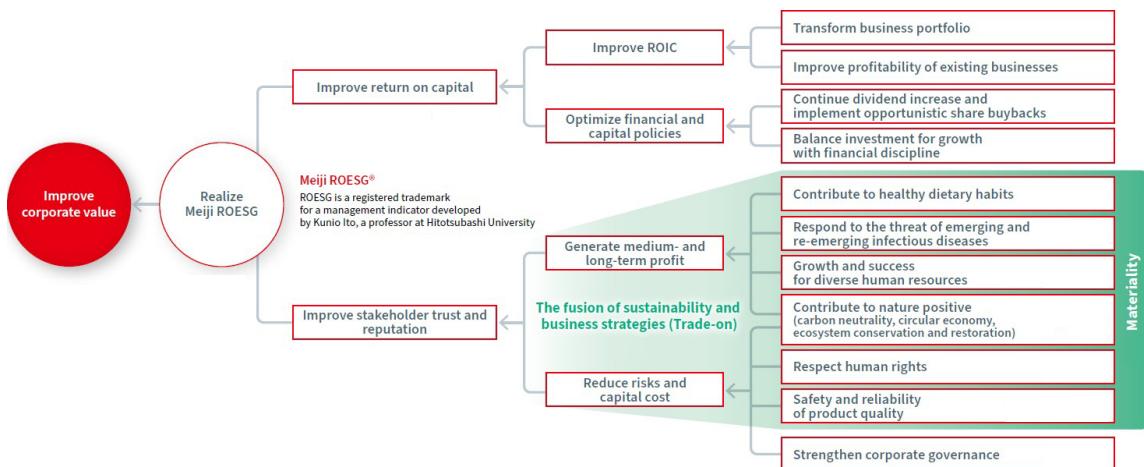
In past years, we have held ESG meetings around this time of year, but today, under the title of Meiji Innovation Day, I would like to explain how the Meiji Group will create a new future that is not an extension of the past.

Let me first talk about my determination as CEO.

Improve Corporate Value through Realization of Meiji ROESG



- Equally pursue Improvement of *Return on Capital* and *Stakeholder Trust and Reputation* with a focus on ROE and PER. Aim to improve corporate value through realization of Meiji ROESG



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This slide shows the Meiji Group's value creation logic tree. As you are all aware, Meiji ROESG is our top management indicator.

As shown in the logic tree here, our efforts through this Meiji ROESG are summarized in two categories: improving return on capital with a focus on ROE and improving shareholders trust and reputation by fusing sustainability and business strategies with a focus on PER, and we are pursuing both equally.

Our Assessment of Where We Stand

Feedback from capital markets

- Medium- to long-term growth strategy unclear, declining promise
- Company talks about *synergy between Food and Pharmaceuticals* but has delivered no specific output
- Not generating innovative products that leverage the strengths of both businesses
- Domestic business performance is stagnant, China business generated massive losses
- Lack of certainty regarding the future potential of COVID-19 vaccine

Our reflections

- Organizational and cultural barriers, insufficient frameworks, and lack of common goals inhibited collaboration
- Complacency with *Meiji Probio Yogurt R-1* success, avoidance of unknown risks, and pursuit of short-term profits led to delays in reforms
- Despite possessing seeds, there is a lack of human resources to spearhead commercialization

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First, I would like to talk about my perception of the current status of the Meiji Group. In the past, the Meiji Group created many technological seeds and opened up new markets. However, we have received some harsh feedback, including: a lack of a clear medium- to long-term strategy, which is causing a decline in expectations and a failure to create innovative products that take advantage of our strengths.

It is clear from the share price trends that we have not met shareholders expectations, and as management, I take this very seriously. And although we have said that we will realize synergies between Food and Pharmaceuticals, it is true that we have yet to achieve sufficient results.

So why are we in this situation? The first issue is organizational silos. There has been no collaboration within the Group and only partial optimization has been prioritized.

The second is the comfort with the R-1 success experience. The belief that even if the market slumps a bit, it will recover in time. Avoiding the challenge of the unknown and securing

immediate profits were priorities.

And third, there is a shortage of human resources. Although there were many excellent seeds within the Group, we lacked the human resources and structure to develop them into businesses.

My mission is to address these three challenges and create innovation. In other words, we will develop businesses that excite both society and our employees.

Assumptions for Medium-to Long-term Growth Strategy

Meiji Group's proprietary assets

- Expertise and technology in Food and Pharmaceuticals, underpinned by over 100 years of history
- Overwhelming customer contact points and brand capabilities
- Abundant asset base leading to health value, including lactobacilli, cocoa, microorganisms and fermentation

By integrating Food and Pharmaceuticals,
create a competitive business advantage and offer new
value propositions that are difficult for competitors to imitate

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The Meiji Group has a unique asset that has been nurtured over its more than 100-year history.

This is due to our deep knowledge and skills in both Food and Pharmaceuticals, cultivated through our continuous support for the health of a wide range of people, from babies to the elderly.

In addition, we have overwhelming customer contact points that are deeply embedded in our customers' daily lives through our products, from supermarket storefronts to medical

institutions, and the power of the Meiji brand, which is loved by our customers

Furthermore, we have a world-class lactobacillus library, years of research into the health value of cacao, and technologies related to microorganisms and fermentation. These are not mere seeds, but important assets that can lead to new health values.

The integration of Food and Pharmaceuticals is not just a combination of businesses. It is a framework for creating new value that cannot be reached by Food or Pharmaceuticals knowledge alone. This is a source of the Meiji Group's competitive advantage that other companies cannot easily imitate.

Innovation Strategy

- Accelerate commercialization centered on Wellness Science Labs, leveraging our strengths identified through revaluation of technical assets
- With a view to global expansion, create synergy businesses with [net sales of around JPY 100.0 billion and profit margin of 30%](#)
- Pursue value chain of innovation



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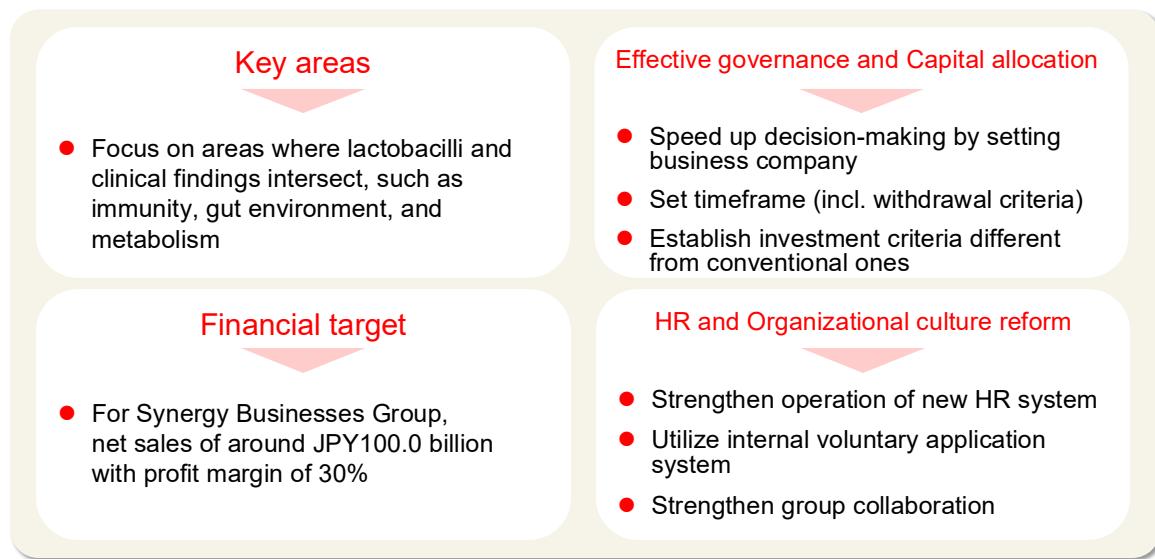
We have recently re-evaluated the technical assets lying dormant within the Group by bringing in outside eyes. Based on the strengths we have found there, we are working to develop them into a business in the fastest possible time, centered on the Wellness Science Labs.

The market we are looking at with this new business is global. With the synergy business group

generated from the integration of Food and Pharmaceuticals, we aim to achieve net sales of JPY100 billion and a profit margin of 30%. A profit margin of 30% is a level unthinkable in the food business to date. However, this is what symbolizes the high added value created by the integration of Food and Pharmaceuticals, and conversely, we believe that if we cannot generate this level of profit, it is not worth the new efforts.

Essential to achieving this is the value chain of innovation. We will enhance and protect the value created by R&D with a strong intellectual property strategy and then maximize it with the power of DX to deliver it to our customers.

Framework for Executing Synergy businesses



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The execution frame of the synergy business is as shown.

First of all, our key domains are areas where our strengths are best utilized, such as immunity, gut environment, and metabolism, where lactobacilli and clinical findings intersect.

As for how we will do it next, we will create an unprecedentedly effective governance structure.

While we will start with a project-based team structure, we plan to set business company to accelerate decision-making. We will also set a time frame, and if the business feasibility is not met within a certain period of time, we will withdraw from the project. We will reduce hesitation and reallocate resources quickly. We will also set different investment standards than in the past. By redefining how we take risks, we will make it possible to invest in future growth.

But any strategy is driven by people. The most important aspect of this initiative is the reform of human resources and organizational culture. We acquired external human resources with hands-on experience in establishing a new business through the new human resources system. We have decided to leverage an internal voluntary application system so that initiatives are led by human resources with a genuine willingness to take on challenges. Together with the new human resources system, we believe that this initiative will surely contribute to fostering a climate of challenge in the Meiji Group in the future.

Later today, the three people responsible for driving innovation in the Meiji Group will explain their value creation efforts. We hope you will join us at the end.

That is all I have to say. Thank you very much for your kind attention.

Pioneer New Front Lines of Science to Create New Business – Wellness Science Labs –

■ Presenter

Keiko Kawahata

Executive Officer, Wellness Science Labs



Meiji Holdings Co., Ltd.

Kawahata: I am Kawahata from the Wellness Science Labs. Thank you very much for joining us today for the Meiji Group's first Innovation Day.

Before I talk about innovation, let me first briefly introduce myself, as I have had a bitter experience with innovation at the start of my working life.

I joined Meiji Seika in 1989. At the time, sales of Pharmaceuticals were growing steadily at Meiji Seika, but sales of Food, especially confectioneries, were sluggish, and we were searching for a business that would fit the new era. And the laboratory that supported this new business was the research laboratory of bioscience, which is directly under the President Director, and in fact was the starting point of my working life.

A few years after I joined the Company, the bioscience research laboratory was considered to have fallen short of expectations in terms of contributing to new business creation. Following that, the institute underwent repeated organizational restructurings and was ultimately dismantled and integrated into the Food and Pharmaceuticals businesses respectively,

resulting in the dispersion of both its members and research themes. This was 30 years ago, when I was in my 20s.

From there, I was given the opportunity to experience various things, and in April, I was appointed as the executive officer of this Wellness Science Labs. So, for me, it was a start with a reminder of that embarrassing past. I am the third generation as labs general manager, and I think this is the right time for success or failure.

And now, little by little, I am surely sensing a bright sign for the Meiji Group in this Wellness Science Labs. Let me talk about this today.

Agenda

1. Wellness Science Labs as Core of Innovation
2. *Bacteria* as Meiji Group's Strength
3. Initiatives for New Business
4. New Business Candidates
5. Fundamental Research for New Business Creation
6. Towards Further Co-creation

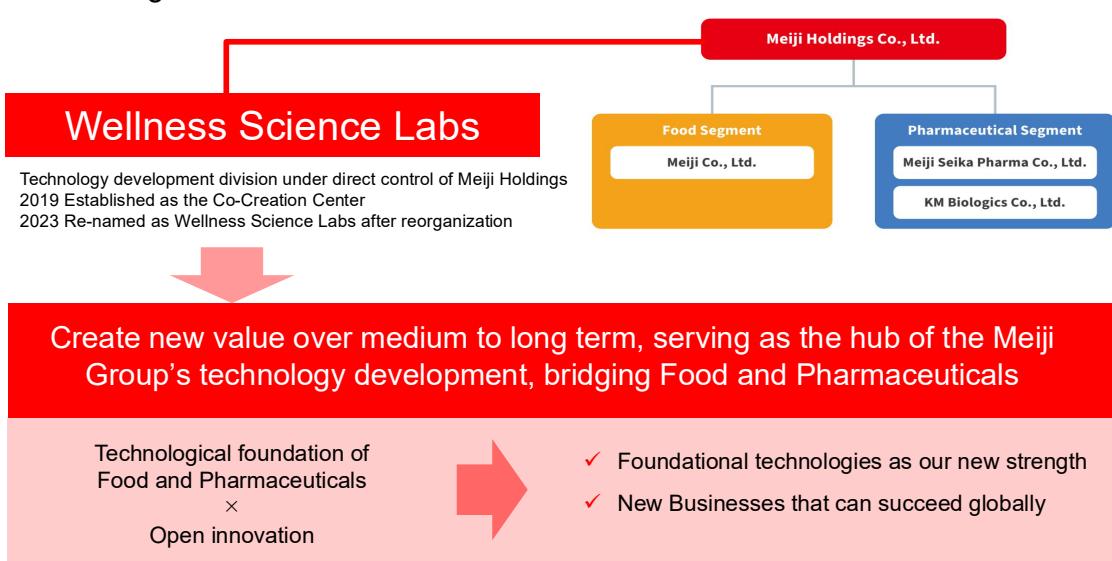
In terms of the flow of discussion, I will first explain what the Wellness Science Labs is, as outlined in the Integrated Report, and then move on to the point that bacteria are our key growth driver.

Next, I will discuss our new business initiative, which focuses on strengthening the process of commercializing and monetizing R&D. I will then present examples of the specific exit pathways we have in mind, before moving on to our initiatives aimed at maintaining long-term competitive advantage.

Finally, although I use the word co-creation, I would like to touch on the current state of human capital, which is the source of innovation.

1. Wellness Science Labs as Core of Innovation

Functioning as Core of Innovation



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We, Wellness Science Labs, are a research laboratory directly under Meiji Holdings. The Co-Creation Center, which was launched in 2019, has 19 employees, of which only 6 are full-time and the rest are concurrently working for operating companies.

It has since been renamed the Wellness Science Labs and now comprises about 100 members. You may have the impression that despite the increase in the number of people, we are still small for a company that claims to be the core of innovation.

In reality, we work alongside the R&D divisions of both the Food and Pharmaceuticals operating companies, and we have a strong technological foundation built through their accumulated expertise. By combining this foundation with open innovation involving academia, government institutions, and startups both in Japan and overseas, we aim to serve as the core of Meiji Group's technology development, creating new value as well as foundational technologies and businesses. Such is the role we play.

2. *Bacteria as Meiji Group's Strength*

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This brings us to the growth drivers of the Wellness Science Labs. The labs have accumulated a variety of significant technologies, but if I had to pick one to talk about, it would be bacteria.

History of Bacteria in the Meiji Group

- 1946: Began producing penicillin
- 1950: Started producing *STREPTOMYCIN*
- 1971: First plain yogurt launched in Japan
- 1983: Released world's first functional oligosaccharide *Fructo-oligosaccharide*
- 2000: Launched *Meiji Probio Yogurt LG21*, pioneer in functional yogurt
- 2010s~: Massive success of functional yogurt series represented by *Meiji Probio Yogurt R-1*



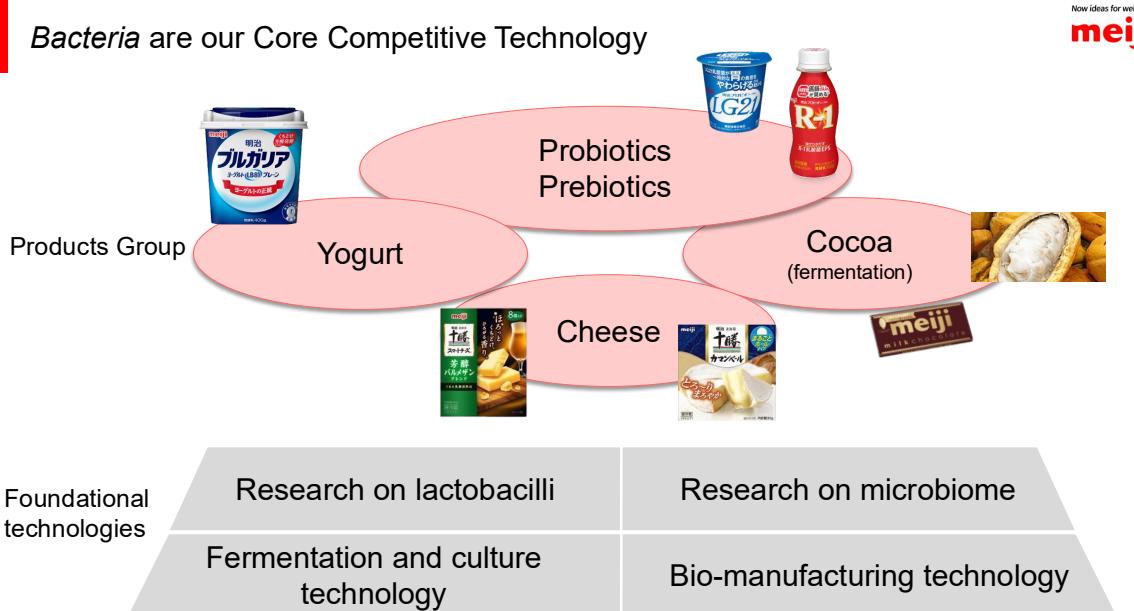
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Meiji's expertise with bacteria is grounded in our rich history; antibacterial drugs that contributed to the reduction of postwar mortality in Japan; Japan's first yogurt and the world's first oligosaccharides; and the proposal and expansion of the category of functional yogurt. As shown here, the Meiji Group has contributed to people's health by harnessing the power of bacteria.

As a side note, I mentioned earlier my experience when I first joined the Company. At that time, I was responsible for a project focused on producing industrial enzymes using filamentous fungi, that is molds. Near me, a fellow researcher was working on an application to make fructo-oligosaccharide the first food for specialized health use in Japan.

It is the Meiji Group that has walked with the history of bacteria and nurtured its culture.

Bacteria are our Core Competitive Technology



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In terms of product groups, I think yogurt is the first thing that comes to mind when you think of lactobacilli. Among them, probiotics products that utilize the enzymes of special lactobacilli and prebiotics products that work on specific microbiomes can be easily understood as products that utilize the power of bacteria.

The umami of Parmesan cheese is also due to special lactobacilli, but some cheeses, such as Camembert, achieve their unique physical properties and texture by combining not only lactobacilli but also white mold and filamentous fungi.

Chocolate is highly influenced by the control of the fermentation process, and by incorporating such bacteria-related processes, Meiji has built its manufacturing strengths by working with bacteria, and in the surrounding technologies, to establish a competitive technological advantage.

I am sure that everyone understands our research on lactobacilli as basic technology, research

on microbiomes, and fermentation and culture technologies, since we have such long-selling products.

Recently, we have been focusing on bio-manufacturing technology, a technological field in which bacteria are regarded as a kind of factory and made to produce useful substances. Customers think of Meiji as a manufacturer of dairy products and chocolate products, or as a company that also deals in Pharmaceuticals, but technically speaking, I believe that we can be called “Meiji, the bacteria company.”

Leveraging *Bacteria* as our Strength to Create New Value

Rich *bacteria* assets

- Food : Over 6,000 strains including lactobacilli
- Pharmaceutical: Approximately 80,000 strains including actinomycetes and filamentous fungi

World's top-class related patents

- Market research company* introduces Meiji as ranking 3rd in the world in the patent asset value related to gut bacteria

*astamuse company's report (March 2023)

Co-creation with global research institutions (open innovation)

- Pasteur Institute
- University of Tokyo Social Cooperation Program: Immunobiology and biofunctional research
- Kyoto University Industry-Academia Collaboration Course: Department of adaptive and maladaptive responses in health and disease
- Juntendo University Endowed Program: Department of biofunctional microbiota

Specialized talent

- Fusion of diverse talents strong in technology related to *bacteria* including group personnel (food/pharma) and mid-career personnel

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This is not nostalgia, but rather a little more persistent appeal to the fact that bacteria is indeed still a strength for the Meiji Group, as shown here, top left, with its rich bacterial assets. And this is still being expanded, so the numbers are increasing and so is the profiling of them.

Top right, our patents related to bacteria are among top-class in the world. This is something that has been reported as a high asset value for gut bacteria-related patents. Also shown in

the lower left is the fact that we have collaborative partnerships with organizations that are strong in bacteria research, led by our collaboration with the Pasteur Institute. And right below, in the midst of such accumulation, we have also actively strengthened our human resources to be strong in bacteria.

These are useless unless they are used as a business, but the first thing I want to say here is that we have quite a bit of property.

3. Initiatives for New Business

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I talked about how we have accumulated research and refined our technology to this point, but the important thing is what you do with property. It is how we can impact society through our business.

The top management kept saying all along that they were going to transform Meiji. They wanted to do something new with their own hands, not critique, but execute. But here at the Wellness Science Labs, we were not facing the situation. Existing business would also pick up

the theme, so we were concentrating on the research at hand.

Why is that? There were challenges stemming from a lack of commercialization experience and a lack of confidence. Therefore, in July, we at the Wellness Science Labs hired a team of five career hires from outside the Company with a track record of launching new businesses. Then, after taking another inventory of research themes and re-evaluating them from a third-party business perspective, I realized that there were a lot of seeds. This is the silver lining I mentioned earlier.

New Business for Meiji Group's Next Vision

- Currently, we are formulating the next vision following the Meiji Group 2026 Vision
- As a **new pillar of growth** for the sustainable growth of the Meiji Group, we are preparing to include concrete plans leveraging *bacteria* as our strength

Establish **Project Team** lead by Meiji Holdings to create new business (Jan 2026~)

- Formulate specific new business strategies and plans
- Consider operational structure for strategy execution

Next Value Creation

- Long-term Goal: net sales of JPY 100.0 billion with a profit margin of over 30%
- Continuously providing new health value to society

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The Meiji Group is currently formulating its next vision, which will follow the Meiji Group 2026 Vision, and is preparing to include concrete plans leveraging bacteria as a new pillar of growth for the Meiji Group. Meiji Holdings will launch a project team for new business creation in January 2026. This is the first official project for Meiji Holdings, and we will work on the creation of a structure for new business creation, as well as on the business creation itself.

We have selected the best members from the Food and Pharmaceutical segments, Meiji Holdings, and of course, the Wellness Science Labs. I am sure that this initiative will allow us to provide a more in-depth explanation in the next vision, but what we have set as our goals are net sales of JPY100 billion and a profit margin of over 30%, also, to continuously provide new health values for society.

4. New Business Candidates - R-1 EPS as an example -

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Here are some thoughts on the use of R-1 EPS, the polysaccharide produced by R-1 lactobacilli, as one candidate for such a new business.

Clinical Application of R-1 EPS (Food-derived Material)

■ History of Research

- In 2019, established as the Co-Creation Center under Meiji Holdings, aiming to create synergy between Food and Pharmaceuticals (*as predecessor of the Wellness Science Labs)
- Accelerate R&D, including evaluating potential pharmaceutical applications, with a focus on **exopolysaccharides (R-1 EPS)** produced by ***lactobacillus OLL1073R-1***, which food segment studies have reported as having strong immunomodulatory activities
- In 2022, a paper was printed in **Cancer Discovery**, which is published by the American Association for Cancer Research and is one of the world's top journals, outlining the mechanism by which R-1 EPS **enhances the therapeutic effects of immune checkpoint inhibitors (ICI)** against cancer. This also garnered attention from overseas researchers on front lines of cancer research
- Proceeding with **empirical research** in cooperation with medical institutions for social implementation

Four years since the establishment of Co-Creation Center. Research achievements include patent applications, paper acceptances, and conference presentations.

In fiscal year 2021, four patent applications, two paper acceptances, and three conference presentations were filed, accepted and made, steadily yielding results. In **Cancer Discovery**, which has great impact on cancer research, we reported that extracellular polysaccharides from *lactobacilli* enhance the therapeutic effect of immune checkpoint inhibitors against cancer. It is attracting attention from leading researchers across the globe.



Front page of the paper, printed in **Cancer Discovery**

Results of foundational research by Co-Creation Center, reported in Integrated Report 2022

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Once this study is organized chronologically, it looks like this. This research has been a theme since the beginning of 2019, when the Wellness Science Labs predecessor, the Co-Creation Center, was launched. Exopolysaccharides produced by ***OLL1073R-1***, a *lactobacillus* that has been reported to have immunomodulatory activities. Going forward, I will call it R-1 EPS. We have focused on this area and have been working on it with a view to pharmaceutical applications.

This *lactobacillus* is also utilized in yogurt. However, the turning point came in 2022. We elucidated the mechanism by which R-1 EPS enhances the therapeutic efficacy of ICI against cancer, and published our findings in **Cancer Discovery**, a leading journal of the American Association for Cancer Research.

To explain ICI, the immune system's ability to attack cancer cells, essentially the patient's own immune system, can at times be held back by inhibitory mechanisms. ICI remove these brakes and restore the immune response. It is a drug that makes use of the patient's immune system.

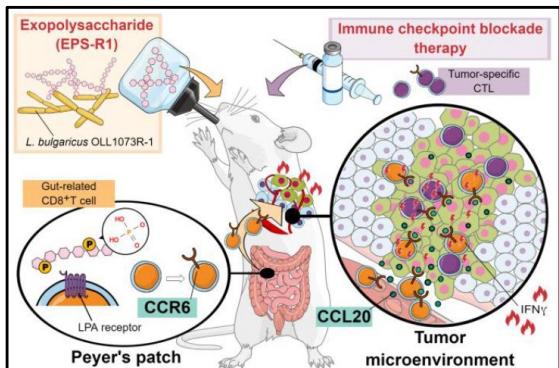
It would be good if this drug alone worked well enough, but the braking mechanism is also complicated and tends to stop, so the response rate was reported to be 20% to 30%.

This paper attracted a great deal of attention from leading overseas researchers because it not only demonstrated the effectiveness of R-1 EPS, but also “how to” enhance the therapeutic effect of ICI.

Currently, we are proceeding with empirical research in cooperation with medical institutions for social implementation.

R-1EPS Enhances Therapeutic Effects of Immune Checkpoint Inhibitors (ICI)

■ Overview of Study



Kawanabe-Matsuda et al. Cancer Discov. (2022)

● Animal experiments

- Oral intake of R-1 EPS
- Increased **specific immune cells** in the small intestine
- These immune cells travel through the blood and improve the environment inside cancer tissue (**creating an immune environment that promotes ICI efficacy**)
- **Enhance therapeutic effects of ICI**
(reported in Cancer Discovery 2022)

● Human trials (healthy subjects)

- Confirmed that the consumption of R-1 EPS leads to an increase in these **special immune cells** in the blood
- (reported at the AACR Annual Meeting 2024)

● Human trials

- (clinical research targeting cancer patients)
- Currently tracking the **effect of consuming R-1 EPS on cancer patients undergoing ICI therapy**

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Now, I'd like to elaborate on the "how to" part I mentioned earlier.

Oral intake of R-1 EPS increases specific immune cells in the small intestine. These immune cells then travel through the blood and improve the environment inside cancer tissue. This creates an immune environment that promotes ICI efficacy, thereby enhancing therapeutic effects of ICI. Please keep in mind that these cells “travel through the blood.”

In the following human trials, the first of which was conducted on healthy subjects, it was confirmed that the consumption of R-1 EPS leads to an increase in these special immune cells in the blood.

Currently, we are tracking the effect of consuming R-1 EPS on cancer patients undergoing ICI therapy. In particular, I would like to emphasize the point that R-1 EPS is taken orally, despite being studied in lung cancer patients. This is because immune cells "travel through the blood." If immune cells travel through the blood, that opens up possibilities for effects in other tissues as well.

We are planning to present these results at a major conference so that you will find them a topic of discussion in the not-too-distant future.

Exploring Potential of Dietary Therapy to Support Cancer Treatment



- Towards commercialization as new business

Original Evidence

Oral ingestion of the exopolysaccharides (EPS) produced by lactobacillus 1073R-1 enhance the therapeutic effect of immune checkpoint inhibitors (ICI) in cancer treatment

Planning commercialization as cancer treatment support food ingredient

With a view to global expansion
(medical food in the U.S. etc.)

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We are planning commercialization as cancer treatment supports food ingredients. This is a consideration of medical foods in the U.S. and the power of bacteria in medical situations.

Incidentally, the medical food market in the U.S., which accounts for 27% of the global market, will be worth about USD6.9 billion (JPY1 trillion) in 2024. It is a growing market with a compound annual growth rate of 5.2% and is expected to reach about USD9.4 billion (JPY1.4 trillion) by 2030, but my focus is on profit margins.

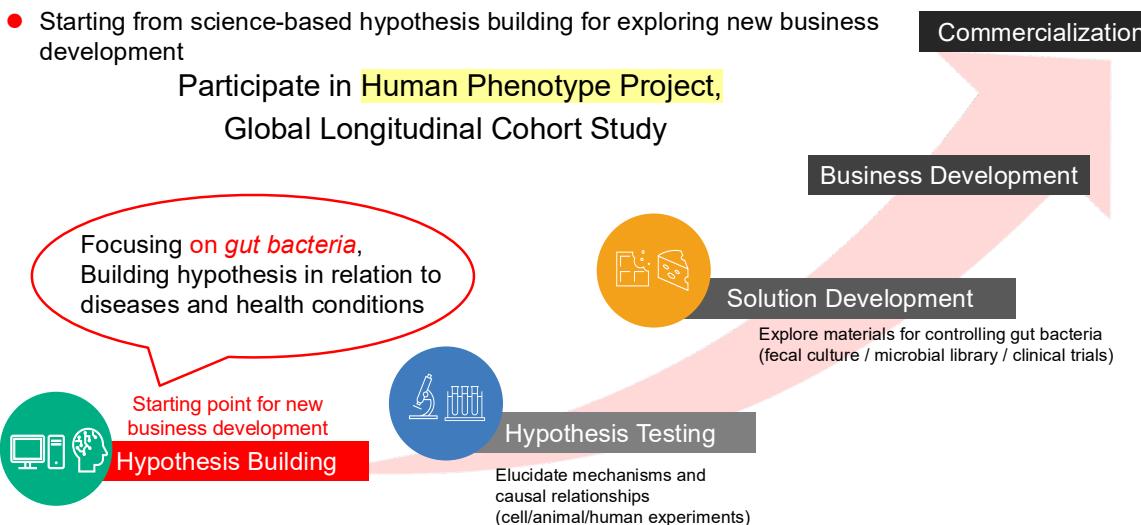
Studies have shown that medical foods containing special ingredients have much higher profit margins than conventional nutritional foods, where the profit margin is 10% to 20%, sometimes even up to 60%. Science is aiming for a premium price with solid ingredients. With this in mind, we are preparing to quickly bring it to a phase where it can be useful in society.

5. Fundamental Research for New Business Creation -Global cohort study as an example -

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Next, let me introduce the Human Phenotype Project, a global cohort study, as an example of basic research for the creation of new businesses.

Hypothesis Building for New Business Creation



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The starting point for the creation of a new business is hypothesis building. Beyond identifying the customer's problems and societal issues, how do we solve them? In the past, we tended to rely on the knowledge and experience of expert researchers to formulate hypotheses based on science to lead to such solutions. In doing so, I regret that we tended to think in terms of customers I knew well, domestic and existing businesses.

But now it is different. By participating in the global longitudinal cohort study shown here, the Human Phenotype Project, and engaging in ongoing discussions with members both in Japan and abroad, our approach to hypothesis building has also evolved.

The Human Phenotype Project is currently being undertaken by a team of researchers specializing in data science. I must confess that I really enjoy the debriefing of this team. A wide range of hypotheses are proposed, each sparking excitement and a sense of "I hadn't thought of that." This is one of the meetings I personally look forward to the most.

From there, we test these hypotheses and translate them into solutions such as materials for controlling gut bacteria, including so-called probiotics and prebiotics, where the accumulated wisdom of our experienced experts once again comes into play. The number of dry and wet combinations, and business development is designed to be global in scope.

Overview of Global Longitudinal Cohort Study

Human Phenotype Project

- ✓ Global cohort study initiated by Professor Eran Segal and colleagues at the Weizmann Institute of Science (Israel).
- ✓ A 25-year tracking study targeting 100,000 people worldwide is planned
- ✓ Comprehensively and continuously acquire all types of biological data and life data (biannually). Strengths in **multi-omics data** including **microbiome data** and genome information
- ✓ Through analysis using cutting-edge AI technology, we are building a data accumulation and utilization platform that can be used towards applications such as extending healthy lifespan, disease prediction, early detection, and personalized treatment

Using gut bacteria as the starting point for solutions development and new business creation



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To add some context on the Human Phenotype Project, it is an ambitious initiative launched by the Weizmann Institute of Science in Israel under the leadership of Professor Eran Segal, designed to follow 100,000 people over a 25-year period.

Professor Segal and his team have published numerous findings in leading journals such as *Nature*, *Cell*, and *Science*, and I believe this reflects not only their sharp scientific insight but also the power of discoveries that emerge from research conducted at this scale.

In this cohort study, the same people are followed all the time, every other year, for 25 years, and a vast amount of data continues to be obtained. The data includes not only standard health

checkup parameters, but also gut bacteria, metabolites, genome information, and particularly interesting, continuous glucose monitoring (CGM) data, as well as immune markers. And then we have voice data, lifelog data, such as activity, heart rate, and sleep, but again, our interest is in bacteria. How are gut bacteria related to healthy lifespan, disease, and quality of life? This is really profound stuff.

The body and organs we are born with cannot be replaced by ourselves, but the gut bacteria can be changed. I believe that this cohort study has the power to make a person's life, and ultimately, society, better based on a reasonable hypothesis.

6. Towards Further Co-creation

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In conclusion, I mentioned the word co-creation as a summary. The predecessor of our Wellness Science Labs was called the Co-Creation Center, and we have been working on co-creation in our research activities.

The co-creation I would like to share with you today is the co-creation that goes beyond that,

toward commercialization. We have decided to launch a cross-group project team in January 2026 to create a new pillar of growth. There, we will promote co-creation within and outside the Group to solve social issues with the strength and technology of bacteria.

Project Team Launched to Build New Pillars for Growth

Address social issues, leveraging *bacteria* technology
as our strength

Meiji value is created by people

Shifting from co-creation in Research Activities
to co-creation towards Commercialization

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People are at the heart of innovation. Meiji's value is created by people. Today, in addition to discussing various open innovation initiatives, I have shared how we are advancing co-creation by hiring experienced mid-career professionals with business launch expertise to work alongside our in-house teams, and how the combination of hands-on experimental capabilities with AI, data science, and advanced analytics is leading to exciting new hypotheses, offering a glimpse into forms of internal collaboration that we have not often spoken about before. Then I think what you are all concerned about is the co-creation of Food and Pharmaceuticals. Since they are together, there should be some kind of synergy. There is, already. The labs has both researchers with experience in Food and in Pharmaceutical but trying to explain it tends to reduce it to something smaller, so people usually choose not to.

First, I mentioned that I was sensing a silver lining. The synergistic effects of Food and Pharmaceutical will now be manifested as business. If you look for it, you can make partial assessments of what belongs to Food and what belongs to Pharmaceutical but more importantly, we have people here who are passionate about the new business. This is the source of the silver lining.

With such a diverse pool of human resources, it does not matter where they come from, and we will continue to focus on acquiring and developing human resources. And finally, I would like to say that investors will also be involved in this co-creation. We need resources to create value.

I have taken the time today to explain about this. Thank you very much.

Intellectual Property Strategy Driving New Value Creation

■ **Presenter**

Koshi Sakamoto General Manager, Intellectual Property Strategy Dept.

Meiji Holdings Co.,Ltd.

Sakamoto: From the intellectual property perspective, we will present under the title "Intellectual Property Strategy Driving New Value Creation." I am Sakamoto from the Intellectual Property Strategy Department.

First of all, I would like to briefly introduce myself, following Kawahata's example. I moved to Meiji seven years ago from an IP position at a chemical company. I was often told by people around me, "You don't need patents for food, do you?" Indeed, patents in chemistry, electricity, mechanics, telecommunications, etc., may be considered in some ways to be of a higher level, but what I have found when I came to Meiji is that nothing requires more strategy than IP in food.

Please imagine. Meiji's mainstay food products, cheese, yogurt, and chocolate, have a history of decades or centuries, and anyone can make them without regard to patents. And actually, I hate to say it, but it tastes better than the patented product. In this context, how can we protect the results of our R&D with patents and other intellectual property? In fact, I find patents in the food world far more inventive and interesting than in the world of simple, clear-cut technological advances, like 3G, 4G, and 5G.

Agenda

1. Intellectual Property Governance
2. Role of Patent Value in Management Indicators
3. Meiji's Future Vision of Ideal Patent Value
4. Intellectual Property Strategy for Microbiome Research

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So today I would like to talk about what is shown in this table of contents. In particular, the first half focused on patent value. I would like to look at Meiji's corporate value in terms of patent value.

1. Intellectual Property Governance

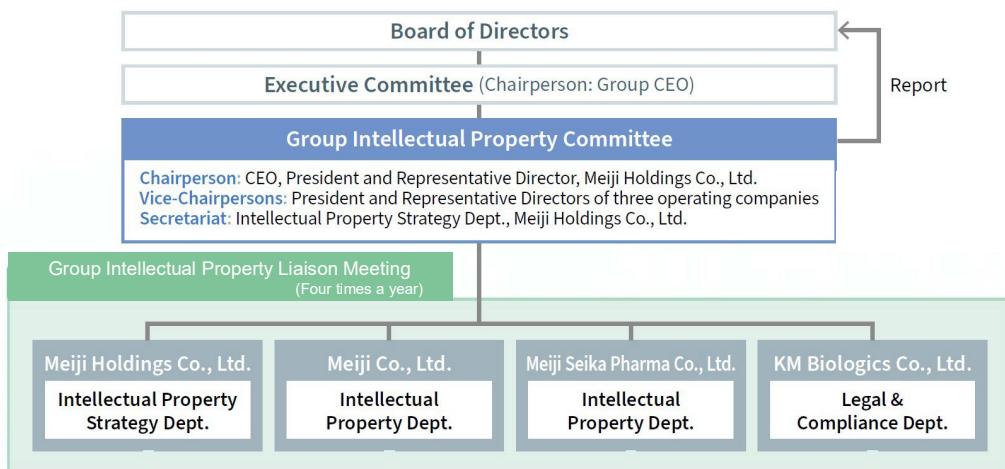
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As you can see in the Integrated Report, let me first explain the structure for promoting the Meiji Group's intellectual property strategy.

Structure to Promote the Meiji Group's Intellectual Property Strategy



- In 2023, established Group Intellectual Property Committee to serve as an advisory body to the Executive Committee
- Promotes Group Intellectual Property (IP) strategy and effective supervision by the Board of Directors



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The diagram is the current structure for promoting the Meiji Group's intellectual property strategy. Prior to 2023, Meiji Holdings did not have an IP organization. The reality is that IP units existed only in the operating companies, and the IP organizations of each operating company conducted their IP activities independently, in a sense.

In FY2023, an IP organization was established under the Holdings umbrella. As the Group's lateral partner, the organization was responsible for the overall intellectual property strategy. In addition, a Group Intellectual Property Committee was established as an advisory body to the Executive Committee. This committee is chaired by the CEO and includes the President Director of all operating companies. At this committee meeting, the Group's overall IP strategy and IP issues are discussed. Furthermore, the results are reported to the Board of Directors.

The establishment of the IP organization of the Holdings and the Group Intellectual Property Committee means that we now have a system in place to strongly promote the Meiji Group's IP strategy, while also complying with the Corporate Governance Code.

Formulate and Execute Intellectual Property Strategy, Centered around Group Intellectual Property Committee



1st meeting (March 2024)

- Confirmed the positioning of intellectual property governance system and committee
- Confirmed the direction for Group-wide intellectual property strategy, including the 2026 Medium-Term Business Plan

Comments from Committee Members



- ✓ *Amid an increasing focus on intangible assets, we established IP organization under Meiji Holdings to hold committee meetings focused on IP. Thus far, we have taken a conventional path. Through this Committee, we should position IP as a key driver for creating business outcomes*
- ✓ *We, directors must treat IP as something that directly affects them as well*
- ✓ *The entire group, and not just the IP organization, needs to be thinking about IP*

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2nd meeting (March 2025)

- Discussed global patent strategies for each segment
- Discussed corporate trademark protection and its management systems
- Confirmed status of foundations and measures aimed at strengthening intellectual property capabilities

Actions we started based on the feedback from Committee



- Started holdings business-specific IP strategy meetings from FY2025 to formulate IP strategy that is rooted in each business, with aim to producing results
- Currently formulating a global corporate trademark protection strategy. Developing the Meiji brand overseas
- Foster the development of dedicated IP personnel (support those internal talent acquire patent attorney credentials, overseas training, and participating in intra-Group personnel exchanges) to aim for a sustainable IP organization

Now let's look at the actual discussions on this committee. The committee has met twice so far. The first meeting discussed the positioning of the committee and the IP strategy including the 2026 Medium-Term Business Plan. The second session has evolved into content to more concrete discussions of Food, Pharmaceuticals, patent strategies for each segment, and corporate trademark preservation.

Management made the following comments through the committee; intellectual property be positioned as IP for the business; and that we as directors also take it on as a matter, we are directly responsible for; or there were statements such as the need to think about IP throughout the Group.

I would like to present some of the changes in IP activities that have taken place over the course of the committee's discussions. On this right side, at Meiji Co., Ltd., IP strategy meetings organized by business unit have been launched starting this year. This is the place to discuss IP issues and patent and trademark strategies at the business unit level.

Also, corporate trademark. The corporate trademarks refer to the kanji for Meiji and the Romanized Meiji, and we are currently formulating a global protection strategy for these trademarks. I think the corporate brand, Meiji, is very important for globalization.

The development of human resources specializing in intellectual property is of course also very important, and the entire group is working together on this. A young engineer who moved to IP through an in-house recruitment process qualified as a patent attorney this year. Last year, we asked a patent law firm in the U.S. and this year, we asked a patent law firm in China to organize a short-term training program and have a cross-section of IP department staff from operating companies participate in the program. We also conduct mutual exchanges of intellectual property human resources within the Group.

Thus, it can be said that the Meiji Group has entered a phase in which management is highly aware of intellectual property and is executing in the direction of the intellectual property it should aim for.

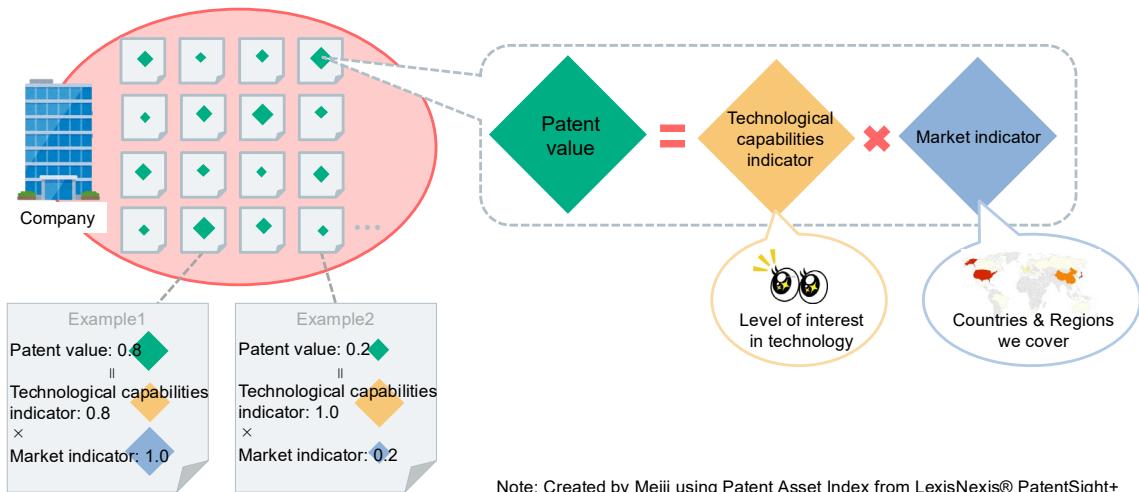
2. Role of Patent Value in Management Indicators

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We have examined how the value of patents is reflected in the increase in corporate value, which I will explain next.

Evaluate Patent Portfolios - What is *Patent Value* ?

Patent Value = Total value of patents in the entire patent portfolio



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First of all, I would like to elaborate a bit on patent value. We use a tool called PatentSight to calculate patent values. The tool assigns a patent value to each patent based on a certain logic. The value of a patent, the formula for which is shown here, is calculated from technical and market indicators.

Of these, technical capabilities indicators are estimated based on a certain logic in terms of the level of interest in technology. The higher the interest, the larger the number. The market indicator on the right is that a patent is calculated based on the number of countries and regions the patent covers. The higher the number, the more patents covering many countries and regions with large markets.

For example, a patent that covers Japan, China, and the U.S. is valued more highly in terms of economic value than a patent that covers only Japan.

These two indicators are multiplied together to arrive at the patent value. An example is shown below on the left-hand side.

For example, in Example 1, the technical capabilities indicator is 0.8 and the market indicator is 1.0, so the patent value is 0.8. On the other hand, Example 2 on the right, the technical capabilities indicator is 1.0, but the market indicator is 0.2, so the patent value of Example 2 is calculated to be 0.2.

And as shown above, the sum of the value of all patents held is the patent value of that value, or patent competitiveness as a total patent portfolio. In the previous example, we would calculate the value of Example 1, 0.8; Example 2, 0.2; and then Example 3 and Example 4. This is the value of patents.

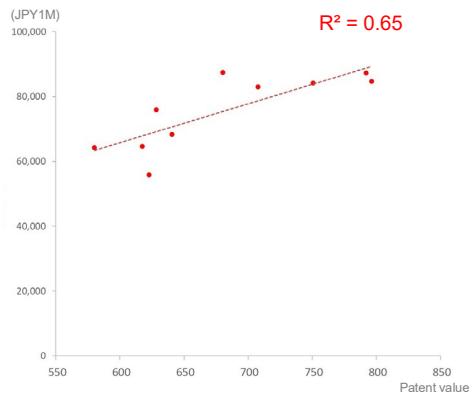
As an aside, the patent value calculated by this PatentSight was used during the Dow-DuPont merger, when the European Commission conducted an antitrust review of the patents. Normally, such assessments are based on the number of patents to determine whether competition may be restricted, but in this case, the Commission evaluated potential competitive harm using the patent value metrics provided by this platform. We believe that this is a globally reliable indicator.

Food Segment

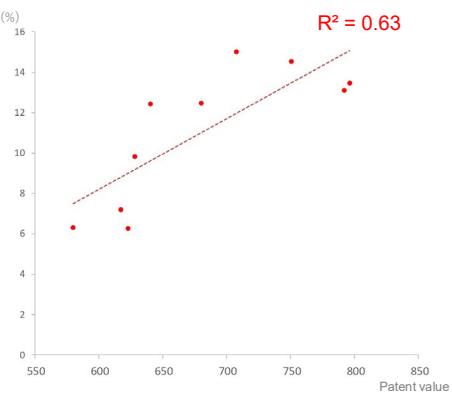
- Correlation Analysis of Management Indicators and Patent Value

- Food segment operating profit and ROIC for the past 10 years (2015-2024) observed as having a correlation with patent value

Operating profit - Patent value plot



ROIC - Patent value plot



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We examined the correlation between the patent value calculated in this way and the management indicators of the Food segment over the past 10 years. Then, as shown in these figures, operating profit and patent value were correlated. We also found that ROIC correlated with patent value.

The figure on the left shows the correlation between operating profit and patent value. The figure on the right shows the correlation between ROIC and patent value.

The R-squared values are shown here, and we believe that both show relatively high correlations.

Food Segment

- Correlation Analysis of Management Indicators and Patent Value by Business

- High correlation between operating profit and ROIC of Dairy business, and patent value

	Correlation with patent value		Insights based on the analysis
	Operating profit*	ROIC*	
Dairy	Yes	Yes	Considered to have a significant impact on products incorporating patent technologies such as <i>Meiji Probio Yogurt R-1</i>
Chocolate	No	No	Brand value is considered to contribute more than patents
Nutrition	No	No	Environmental and market changes considered to be more impactful amid diverse range of products
Food solution	Yes	No	Limited patent contributions across diverse business structures including B2B and B2C

*Management indicators for 2020-2024

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In addition, we looked at the correlations for each of the four businesses in the Food segment. The dairy business showed a correlation with patent value in both operating profit and ROIC. We believe this is due to the significant impact of patented technologies, such as R-1, on our products.

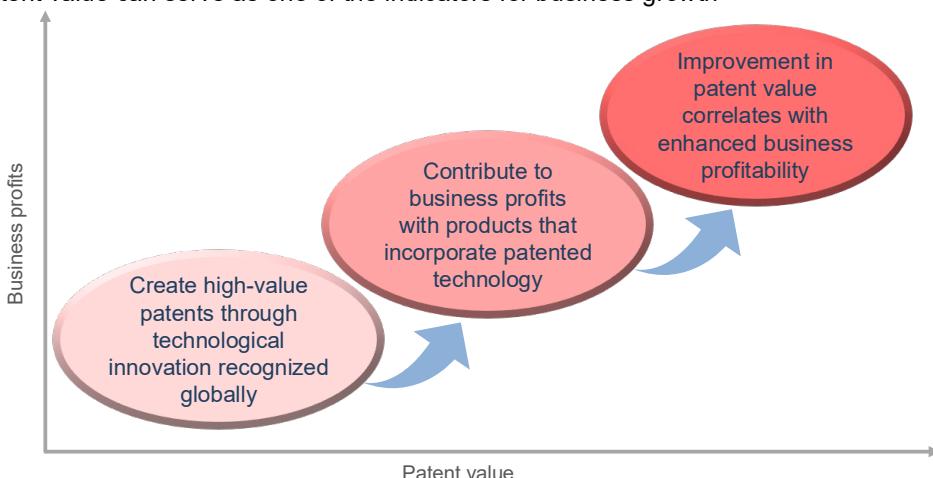
On the other hand, none of the other three businesses showed a correlation between patent value and both operating profit and ROIC. We believe this is because the chocolate business is more about the value of the brand than the patents. The food solutions business has a diverse business structure, including B2B and B2C. We believe that the patent contribution is not uniform.

On the other hand, we believe that the nutrition business is one that we consider to be fairly dependent on patents, such as infant formula. Regarding the reason for the lack of correlation in our analysis, we believe there are two potential factors. First, this business-specific analysis was limited to a short period of the last five years. Second, the nutrition business has recently

been significantly impacted by changes in the market environment. We consider these to be the likely reasons for the absence of a correlation.

Significance of Patent Value in Management Indicators

- Creation of technological innovations recognized globally and high patent value contributes to business profits
→ Patent value can serve as one of the indicators for business growth



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We view the correlation between this management indicator and patent value as follows. As explained earlier, patents with high value are those with large technical capabilities and market indicators. Therefore, creating high-value patents is a two-step process: first, developing world-class technology, and second, securing broad protection for it overseas through patent rights.

By launching products that incorporate this outstanding technology worldwide, we can establish our unique position in the global market and drive profitability.

This is how we believe the correlation between management indicators and patent value is formed. Ultimately, increasing patent value directly contributes to our business profits. We also believe that patent value can be one indicator of business growth.

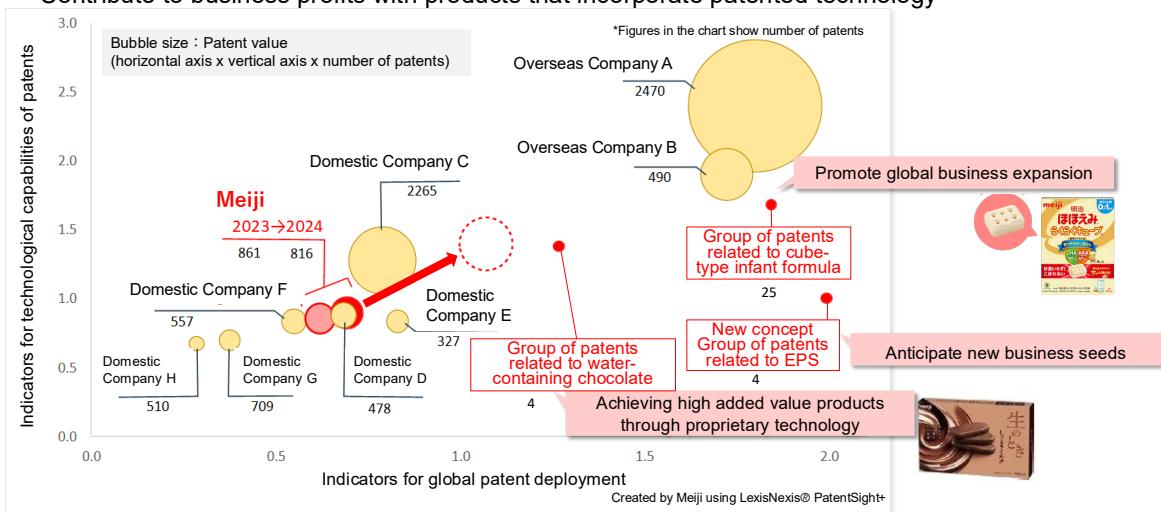
3. Meiji's Future Vision of Ideal Patent Value

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We will now look at Meiji's current positioning and future direction, comparing the value of its patents with those of other companies.

Meiji's Future Vision of Ideal Patent Value

- Create high-value patents through technological innovation recognized globally
Contribute to business profits with products that incorporate patented technology



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The circles on this chart represent the patent value of each food company. Please direct your attention to the horizontal and vertical axes. The horizontal axis shows an economic index, which is one of the indicators for calculating the value of a patent as mentioned earlier. Since the economic indicator is how many patents are issued globally, the average value of each company can be said to be the degree of globalization. The vertical axis represents the technical capability indicator; in other words, the level of technological capability.

The numbers represent the number of patents held by each company, while the size of each circle represents patent value; in other words, the overall patent value is reflected by the circle size, which corresponds to the combination of the horizontal axis, the vertical axis, and the patent count. Then we see that the food companies are lined up almost in a straight line.

Overseas Company A and B are on the right side, but the number of patents held by the two companies is very different, so the size of the circles is quite different, but the degree of globalization and technological capabilities are about the same. I think it is a very interesting result.

There is Domestic Company E, but this is still a proprietary technology company, so I think it comes out slightly below the straight line in terms of technology attention. Domestic Company C, semiconductor materials account for a high percentage of the total, and semiconductor materials are an area of very high technological focus, so I suspect that this is why it is slightly above the straight line.

Also, please take a look at Domestic Company H on the far left and Overseas Company B on the right. The number of patents held by both companies is about the same, around 500, but the degree of globalization on the horizontal axis and the level of technological capability on the vertical axis are completely different. As a result, the sizes of the circles, which represent the overall strength of their patent portfolios, are vastly different. Even though the number of patents is similar, their value is completely different. We hope you can understand why we focus on the value of patents rather than the number of patents.

Now, here is the patent value of the Meiji Group's Food segment. FY2023's position is shown by this red circle. For FY2024, our position has moved slightly to the upper right. The patent group for our new R-1 EPS concept is located at the far right of this chart.

We believe that the direction we should aim for is this upper right direction. To move in this direction, we show several examples here. As illustrated, it is essential to continue generating high-value patents, in other words, technological innovations with global relevance, and to protect them by building a robust, global patent network.

For example, we have a very strong patent portfolio for infant formula, which we have introduced in our integrated reports. It is the only technology of its kind in the world, including a partnership with Danone. Our portfolio of patents related to water-containing chocolate also delivers new value through proprietary technology. Even in the cocoa domain, we see products that rely on patents rather than branding.

Also, as Kawahata explained earlier, the R-1 EPS patent group in the new concept is located at the right end of this page. I have great expectations that technology will move higher and higher in the future as clinical results are reported and technological attention dramatically increases, as explained earlier.

Although I did not go into detail today, we also make extensive use of IP landscaping, which supports R&D and business strategy through patent analysis. We aim to increase the value of Meiji's patents by building a strong global patent portfolio with a view to global expansion of the technologies created. Our goal is to raise our patent value to the target position indicated on this chart.

4. Intellectual Property Strategy for Microbiome Research

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Last but not least, I would like to share with you Meiji's IP strategy in its research on gut bacteria.

Meiji's Research on Microbiome

- Meiji's microbiome research receives high external evaluations

External report on Meiji's microbiome Research

Oct. 14, 2020	astamuse company's report*1
	<i>The key to sickness prevention management in an age of new normal! The microbiome: 100 trillion gut bacteria affect human immunity, metabolism, and even brain</i>
	Meiji introduced as <u>World #3 for the number of patent applications related to the microbiome</u>
Dec. 16, 2021	Nikkei reports the above report*2
	Introduced Meiji's microbiome research system
June 2, 2023	astamuse company's report *3
	Meiji introduced as <u>World #3 in patent asset value related to microbiome</u>

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Patent asset value related to microbiome

Rank	TPA (total patent asset) Top 10	Country	TPA value
1	Chr. Hansen A/S	DK	40109.99
2	Nestec SA	CH	21778.76
3	Meiji KK	JP	18507.35
4	Regents of The University of Minnesota	US	16842.16
5	Probiotical SpA	IT	16274.86
6	Megmilk Snow Brand Co., Ltd.	JP	15404.29
7	Sami Labs Ltd.	IN	14879.28
8	BioGaia AB	SE	12761.65
9	Compagnie Gervais Danone SA	FR	12012.24
10	Société des Produits Nestlé s.a	CH	11124.94

Excerpt from astamuse company's report

* 1 : <https://www.astamuse.co.jp/report/2020/1014/>

* 2 : <https://www.nikkei.com/article/DGXZQOUC29BXA0Z21C21A1000000/>

* 3 : <https://www.astamuse.co.jp/report/2023/230602-mb/>

As already mentioned, Meiji's research on gut bacteria has received high praise from outside sources. According to a 2020 report by Astamuse, the microbiome, essentially a community of gut bacteria, has attracted significant attention, and the report also highlighted that Meiji ranked third globally in the number of patent applications in this field. Following this report, Meiji's microbiome research framework was featured in the Nikkei Newspaper in 2021.

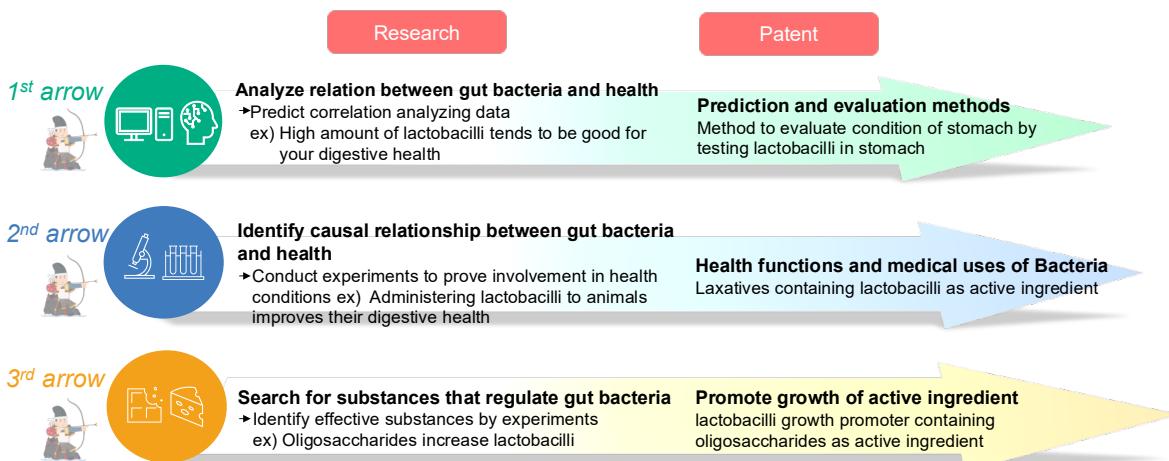
It has also been featured in the recent 2023 Astamuse report. The value of patent assets in the 2023 report here is a value calculated on a different theory than the patent value mentioned earlier, but it is highly regarded as having the third highest patent value in the world after Nestlé.

Needless to say, Meiji's research on gut bacteria has led to probiotic products such as LG21 and R-1. We are implementing strategic IP activities to transform our world-class research findings on gut bacteria into an even greater number of strong, high-value patents. Allow me to elaborate on this strategy.

Research on Gut Bacteria: *Three Arrows* aimed at Creating Patents



- Establish patents for results created by each of the *Three arrows*



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The study of gut bacteria can be divided roughly into these three types. Typically, the patent strategy is to secure patents for the results of each research type individually.

For example, take this item labeled 1st arrow. In analyses of the relationship between gut bacteria and health, findings such as a higher abundance of this bacterium are associated with better digestive condition can lead to patents that make it possible to assess digestive health by testing specific gut bacteria.

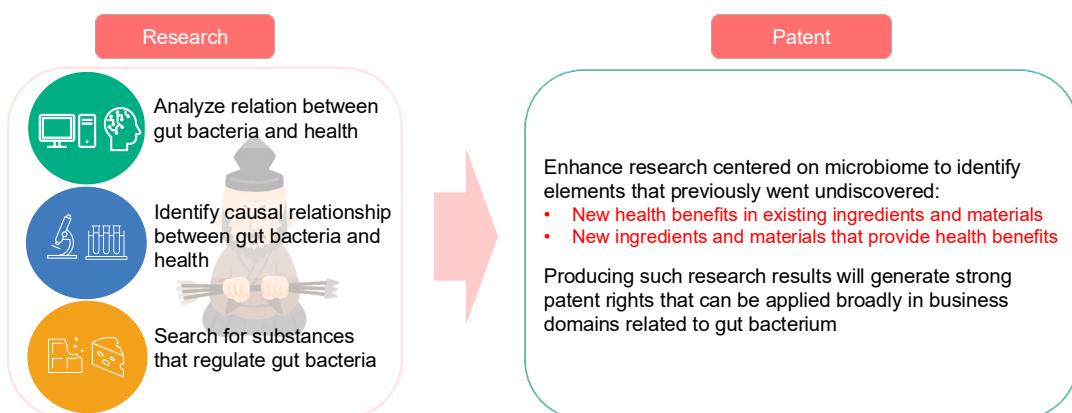
In the second line of research, studies on the causal relationship between gut bacteria and health, once causality is established, this leads to patents for products such as formulations containing those causally proven bacteria.

And third, if we find a substance that modulates gut bacteria, this leads to patents for using that substance to promote or inhibit gut bacteria.

Create Stronger Patent Value through Research that Unifies *Three Arrows*



- Create high patent value through the comprehensive discovery of regulatory substances and research into health functions that are grounded in identifying mechanisms from microbiome



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As Kawahata mentioned earlier about Meiji's participation in global cohort studies, I think that Meiji is characterized by the fact that each of these three studies is being conducted at a considerably high level and in a combined manner. This integrated approach, which combines these three research pillars centered around gut bacteria, allows us to discover new health benefits in existing ingredients and materials, as well as new ingredients and materials that create health benefits are being discovered.

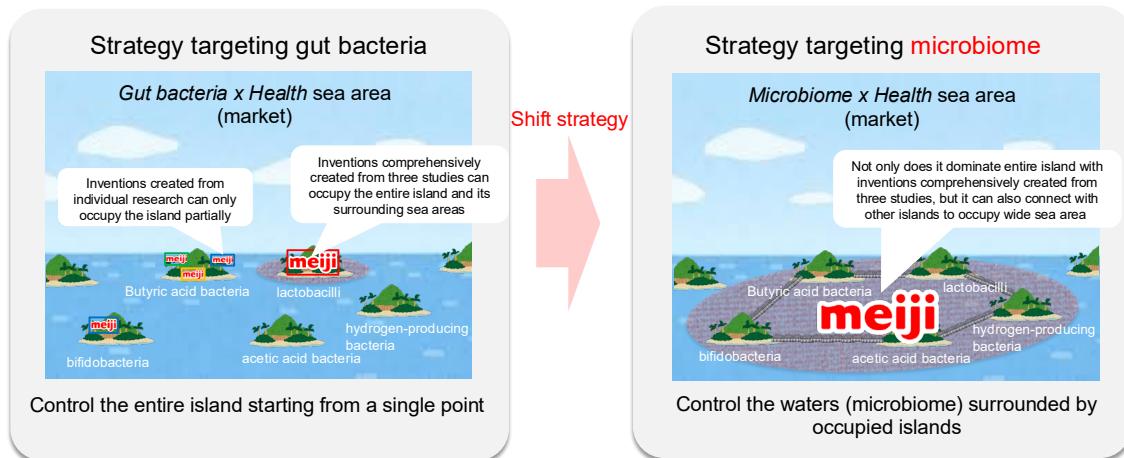
As a result, it is possible to create materials with higher patent value, to be more specific, patents covering the full spectrum of health benefits associated with the bacteria, or patents that comprehensively protect materials and ingredients that increase or decrease the bacteria, and even patents on the bacteria themselves for commercial use. Thus, patents covering a wide range of areas related to bacteria are possible. This is precisely the type of high-value intellectual property we are striving to create.

Furthermore, Meiji not only focuses on individual gut bacteria, but also on the bacterial flora,

which is microbiome, the community of gut bacteria mentioned earlier. This broader perspective leads to the creation of even more powerful patents.

Research on Microbiome and Intellectual Property Strategy to Further Enhance Patent Value

- Shift from gut bacteria research to a comprehensive research strategy for correlating specific bacterium to establish an IP strategy for generating higher-value patents



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This is shown in the picture. On the left, you see five islands, which represent communities of gut bacteria. Patents arising from individual research are like pinpointing a specific spot on one of these islands. Patents generated from the integrated outcomes of research centered on gut bacteria can be envisioned as covering the entire island as a whole.

Furthermore, patents based on our research into microbiomes, the relationship between these islands can be visualized as spanning the entire ocean area, connecting them all.

For example, suppose we add not only the finding that an increase in one bad Bacteria A leads to a certain disease, but also the finding that a decrease in another good Bacteria B causes this bad Bacteria A to increase. By doing so, this allows us to file a patent application from a different perspective: not one that aims to reduce the bad Bacteria A directly, but one that increases the good Bacteria B, which in turn reduces bad Bacteria A and leads to health

benefits. This means that patents can be based on more essential relationships.

In this section, I have outlined our strategy for protecting the research outcomes from our gut bacteria studies, one of Meiji's core strengths.

Summary



- ✓ Established IP governance structure for promoting centralized management of business strategy, research strategy, and IP strategy
- ✓ Focusing on the correlation between management indicators and patent value. High patent value contributes to increased business profit, suggesting that patent value could become an indicator for business growth
- ✓ Research that leverages Meiji's strengths and the formulation and implementation of powerful IP strategy will generate high-value patents and contribute to business growth

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Finally, a summary. An IP organization has been established within Meiji Holdings, and a Group Intellectual Property Committee has been set up to formulate and discuss IP strategies for the entire group. A three-pronged system of business, research, and intellectual property has been established.

We found that operating profit and ROIC in the Food segment correlate with patent value. A high patent value not only contributes to improved business profitability but can also serve as a key indicator of business growth.

We will build a robust patent portfolio that protects innovation. We will implement a high-level

IP strategy to protect Meiji's strong research and its results, such as the IP strategy in the study of intestinal bacteria. We are confident that this will result in the creation of a portfolio of high-value patents.

This concludes my presentation on our intellectual property strategy. Thank you for your attention.



Toward Realization of Data-driven Management

■ Presenter

Jun Furuta CDO, Member of the Board and Executive Vice President

Meiji Holdings Co., Ltd.

Furuta: My name is Furuta, CDO. This is my first opportunity to speak in front of investors in a long time, but whether it is your first time or your first time in a long time, I would like to express my gratitude for being here today.

Agenda

1. Organizational Structure
2. The Meiji Group's DX Strategy
3. Our Data-driven Management
4. Initiatives for Generative AI
5. Fostering Corporate Culture
6. Activities to Enhance Information Security

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Today, as CDO, I would like to talk to you about the Meiji Group's DX initiatives, covering both our current progress and our vision for the future.

I have been working as CDO since July of last year. This role has allowed me to immerse myself in the rapid advancements of digital technology and generative AI. I am experiencing firsthand how stimulating these technologies are and can viscerally feel the significant impact they will have on our management going forward.

I am committed to leveraging these digital technologies to drive our management reforms, and that is what I would like to discuss with you today.

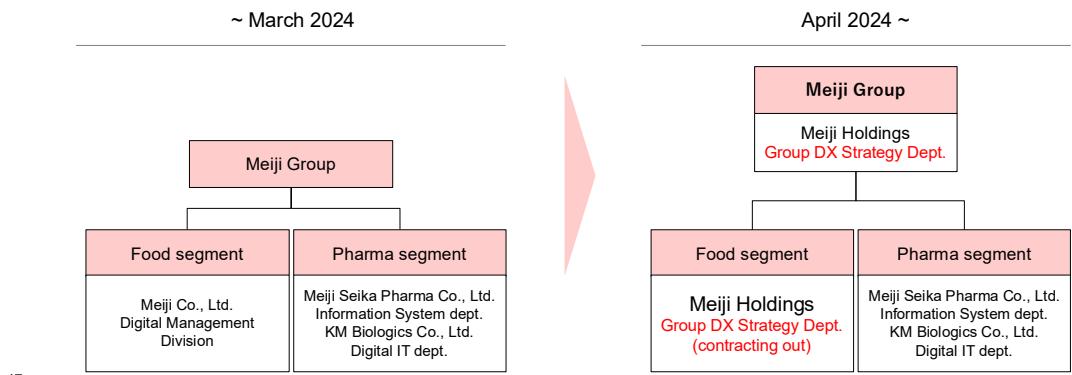
1. Organizational Structure

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Let me begin with our organizational structure.

Organization Structure (April 2024 ~)

- In April 2024, **Group DX Strategy Department** was newly established under Meiji Holdings with aim to promoting DX across the entire Meiji Group
- In June 2024, Introduced the role of CDO
- Group DX Strategy Department **formulates DX strategy**, drives the **shift of backbone systems from legacy systems** to AWS, and promotes **initiatives such as the adoption and utilization of generative AI**



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As shown in the diagram, until March 2024, there was no organization in Holdings that was in charge of digital or information systems for the Group as a whole. Each operating company had its own digital or information systems organization.

On the other hand, we felt that this structure was still insufficient to truly drive digitalization and DX. As a result, starting in April 2024, as shown on the right-hand side, we transferred all 100 members of the Digital Promotion Headquarters from the Food segment to Meiji Holdings through a secondment-style reassignment.

At that time, its name was changed to the Group DX Strategy Department, and it was tasked with the dual role of overseeing the digitalization of the entire Meiji Group and managing the various systems within the Food segment. On the other hand, the Pharmaceutical segment, which I will discuss later, has started as it is.

As shown here, I would like to touch briefly on our move away from legacy systems. Many

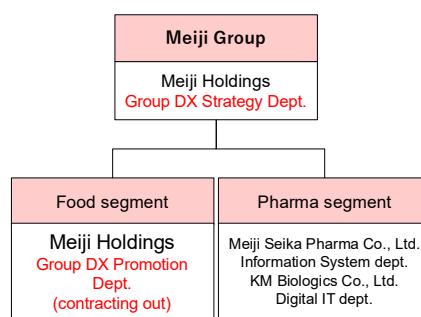
companies are currently struggling with this transition, particularly with retiring mainframe systems. However, we completed our migration to AWS cloud infrastructure last fiscal year, enabling us to move away from legacy systems at an early stage.

This has been a fairly advanced initiative, and we have received many inquiries from other companies asking how we were able to achieve it. I believe this was made possible by the decisive commitment from our top management.

Organization Structure (Oct. 2025 ~)

- In October 2025, we established **new Group DX Strategy Department** to be responsible for Food segment workflow. We also **clarified the division of responsibilities with the Group DX Strategy Department**, which oversees DX for the entire Group
- Going forward, we will redesign our overall Group IT governance structure to clarify areas related to promoting Group optimization and areas to be left to the discretion of operating companies, and further promote digital transformation

October 2025 ~



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This page shows the current organization chart, which was slightly modified in October of this year. Within the same holdings company, we now have the same 100 members organized into two functions. One is the group DX strategy department, which takes the Meiji Group as its scope and is responsible for areas such as security, talent development, and overall DX strategy across the Group. The other is the Group DX Promotion Department, an organization also established within Holdings, which focuses on supporting the Food segment, specifically Meiji Co., Ltd., by overseeing and supporting areas such as business platforms and SCM

systems.

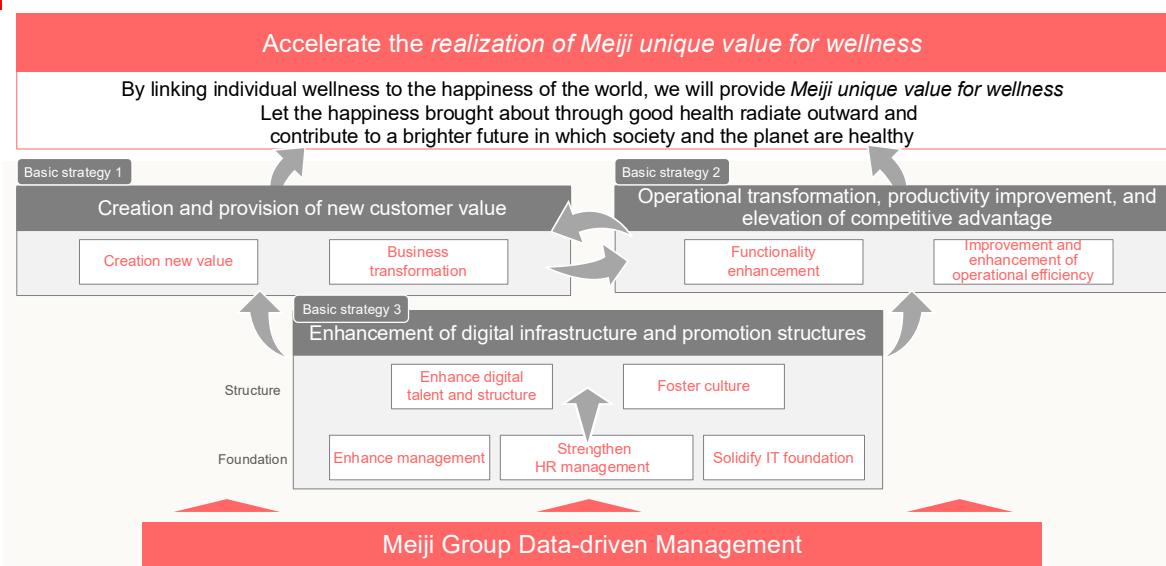
As for the Pharmaceutical segment, we are currently in the process of updating our SAP system and integrating the separate SAP systems of Meiji Seika Pharma and KM Biologics. Therefore, since we have been very busy in that area, we plan to re-evaluate the optimal organizational structure for the segment once this work is complete.

2. The Meiji Group's DX Strategy

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Continuing on, I would like to present the overall DX strategy of the Meiji Group.

Overview of the Meiji Group's DX Strategy



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This diagram illustrates our basic DX strategy. Many of you may have already seen this chart on our website or in the Integrated Report, but I would like to explain it again.

Our strategy is broadly divided into three parts. The first is the basic strategy shown at the top left, which focuses on “creation and provision of new customer value.” This is, in a sense, about pursuing true DX-genuine digital transformation in a thorough and deliberate manner.

The second basic strategy focuses on “operational transformation, productivity improvement, and elevation of competitive advantage.” This area is centered on operational reform and functional enhancement and corresponds to what is commonly referred to as IT initiatives or digitalization.

Next is basic strategy 3: “enhancement of digital infrastructure and promotion structure.” As the phrase implies, this strategy is to firmly address infrastructure development and human resource cultivation.

The Meiji Group's data-driven management is shown at the bottom of this page. In a nutshell, we have decided to use the keywords "data-driven management" when discussing what strategy we should pursue.

Data has always been extremely important, but by effectively leveraging new digital tools, we can now obtain the information we need in a more timely and faster manner. We would like to aim for this kind of management structure.

While continuing to improve internal operational efficiency and implement labor-saving measures, we are also committed to taking bold steps toward transforming our business model and advancing the sophistication of our management.

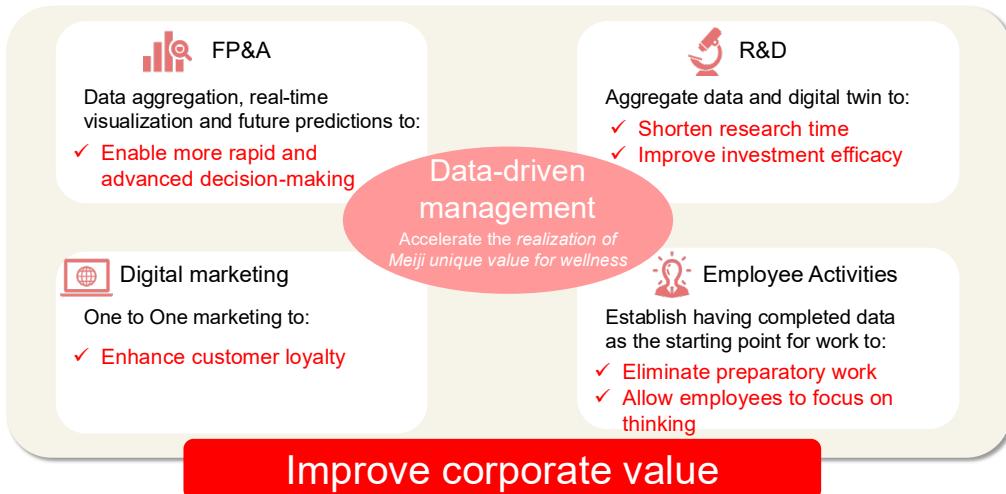
3. Our Data-driven Management

Now I would like to talk a little about this data-driven management.

Vision of Ideal Data-driven Management



- Initiated from October 2025



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Since this is a very broad concept, we have narrowed it down to four key areas.

To advance data-driven management, we have newly hired data scientists through mid-career recruitment starting in October and are now driving these efforts forward with strong momentum. We have defined four focus areas: FP&A, R&D, digital marketing, and though somewhat less tangible, the employee activities.

FP&A stands for Financial Planning & Analysis. In this area, we will visualize financial and management data, such as P&L and B/S, on dashboards in a speedy and timely manner. Our goal is to drive changes in management behavior.

In R&D, we aim to realize a digital twin by sharing and integrating data. We hope to shorten the research period and improve the return on investment by doing so.

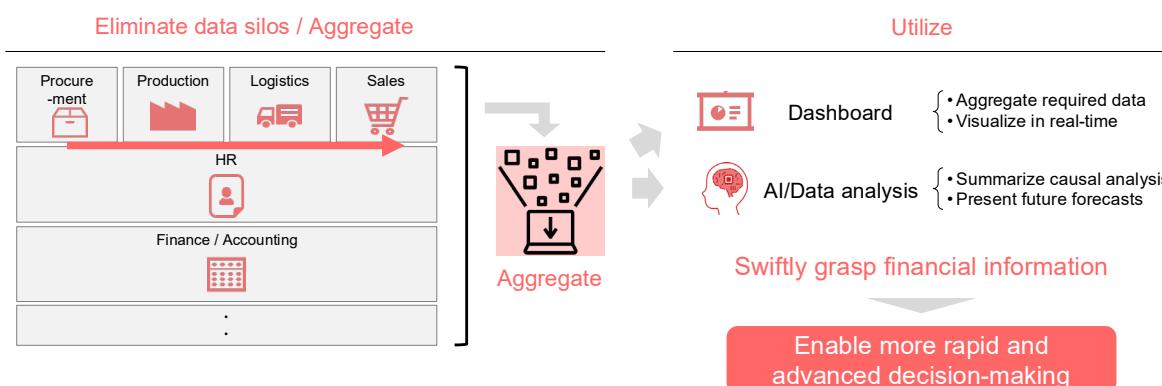
In digital marketing, we will shift our focus from traditional mass marketing to One to One marketing. As customer value diversifies, we would like to do not only what we have always

done to our advantage in mass marketing, but also in one-to-one marketing.

The fourth point is the employee activities. In other words, I would like to encourage a change in the mindset and actions of employees. By utilizing generative AI and AI agents, we aim to eliminate simple and routine tasks, delegating them to AI. This will allow our employees to specialize in higher-value work such as analysis, judgment, and decision-making. This is the new way of working we are aiming for.

FP&A (Financial Planning & Analysis)

- Utilize dashboards for instant aggregation and visualization of financial information and other required data to enable more rapid and advanced decision-making



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Now, I would like to dig a little deeper into each of these items. As I mentioned earlier, FP&A aims to speed up and enhance management decision making by instantly consolidating and visualizing financial and management information through dashboards.

At the beginning of this presentation, Matsuda mentioned organizational silos. When an organization is siloed, its data tends to become siloed as well. To resolve this data siloing, we plan to build a data warehouse that will enable us to share and integrate information. Pulling

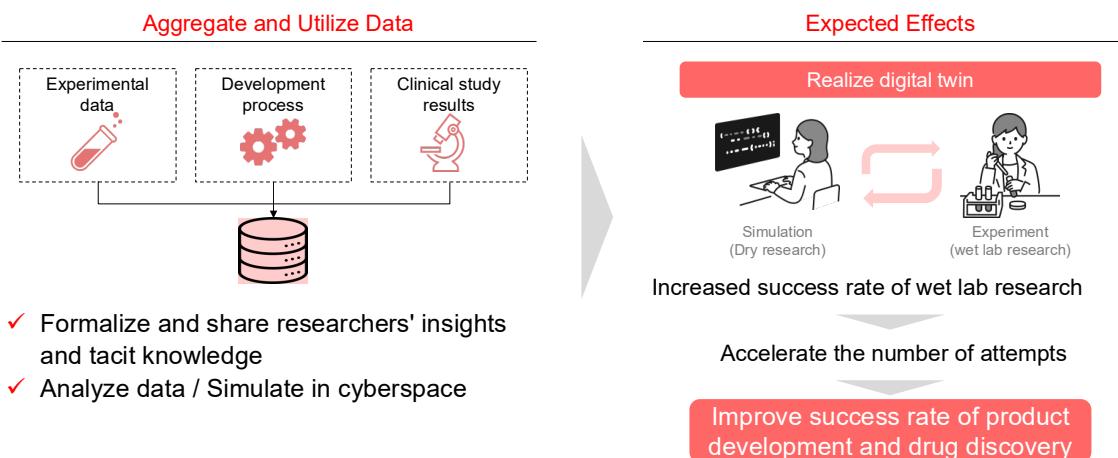
data from the integrated data platform and bringing it towards the dashboard on the right allows for real-time visualization.

We also intend to use AI to make future predictions for factors such as the supply and demand of raw materials. While conventional experience and intuition are extremely important, we are also considering increasing the accuracy of predictions by making full use of AI.

Through these initiatives, we aim to create an environment where our management can access the information, they need in an optimal format, anytime, anywhere.

R&D

- Aggregate data and utilize it in analysis and simulation to shorten research time and improve investment efficacy



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Next is R&D. For R&D, we would like to shorten the research period and improve the return on investment by consolidating and analyzing data and using it for simulations.

In the past, we made multiple attempts to share various data, such as experimental data, development processes, and clinical trial results. Unfortunately, these efforts did not meet our

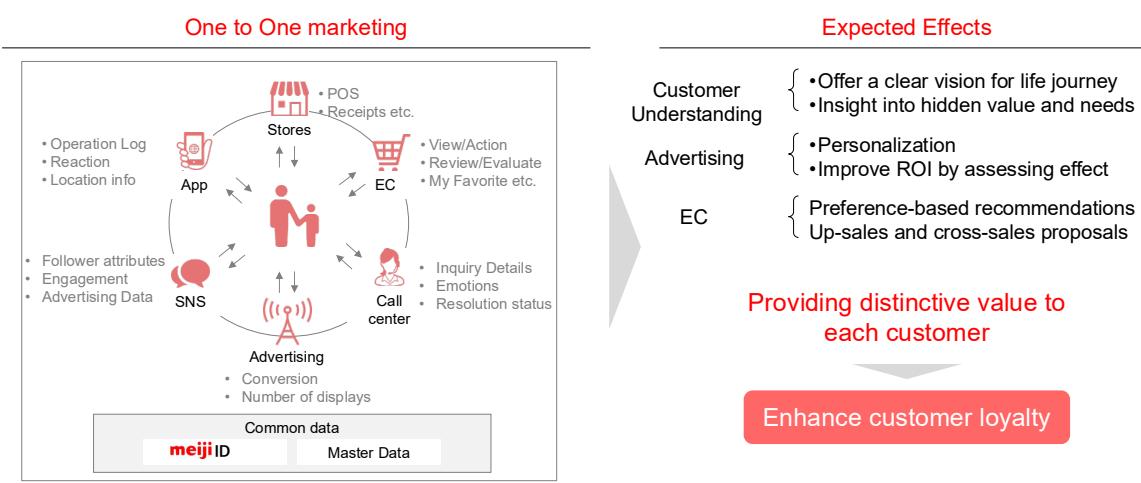
expectations. Therefore, we will now leverage Google's platform to share knowledge that was previously siloed or treated as personal assets. In other words, we would like to transform tacit knowledge into formal knowledge.

By doing so, we aim to achieve the expected effect shown on the right side of the slide: the realization of a digital twin. In other words, what is often referred to as "dry research," where AI is used in a cyber environment to run efficient simulations. This is then applied in what we call "wet research," where real-world experiments leverage these insights to increase the number of trials and accelerate progress. By doing so, we hope to improve the probability of success not only for food products, but for pharmaceuticals as well.

In this way, by leveraging AI and such platforms in our R&D, we are committed to realizing our digital twin concept.

Digital Marketing

- Enhance customer loyalty enabled by One to One marketing utilizing internal and external data



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Next is digital marketing. We have the ability to distribute a single product from Hokkaido to Okinawa, or in other words, to put it on retailers' shelves nationwide. While this capability is very important, customer values are becoming more diverse, and One to One marketing is also necessary.

As shown on the left, we have a wide range of data, such as receipt and POS data, customer feedback from call centers, as well as data from SNS and apps, and by integrating these data and leveraging them effectively, we aim to enhance customer loyalty.

As you can see on the right-hand side, we are working to understand our customers and, in short, to uncover their hidden values and needs. We will also shift from mass advertising to personalized advertising and leverage our e-commerce platform to drive upselling and cross-selling. We would like to work in these areas by all means.

In this context, we are already advancing initiatives such as the Meiji Member ID. We currently

have around 200,000 members, but we aim to grow this quickly to 500,000 and eventually 1 million. Today, I would like to briefly introduce this initiative. Please turn your attention to the screen as I show you the website.

Meiji ID Service Website (Japanese only)

健康にアイデアを
meiji



Meiji Member ID Service

株式会社 明治が提供する会員サービス。
明治ポイントやWEBサービスはもちろん、
アプリの利用に使えます。

WEBサービス

内タイプ別バーソナルケア
Inner Garden

明治ポイント

明治独自のポイントです。明治会員IDサービスを使用してポイントの獲得や、貯まったポイントで明治の商品と交換できるクーポンに
ポイントを引き換えたり、会員限定キャンペーンに応募することができます。

貯める 使う アプリ

キャンペーン キャンペーン
アブリ 明治クーポン
Webサービス

<https://id.meiji.co.jp/info/meiji-id-service>

This can be found on the far right of the Meiji Co., Ltd. website, and clicking there will take you to the Meiji Member ID site. I would like to introduce the types of ID services available. This service allows members to earn points through various activities and then use (or redeem) them for special offers and coupons.

As shown below, there are also various sites and services available, including the Inner Garden service and the immune check service.

In addition, there are several applications such as Aka-chan Note and SAVAS that previously served as separate customer touchpoints have now all been integrated under the Meiji ID service. We invite our customers to become members and try out these services.

Now ideas for wellness

meiji

Now ideas for wellness
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4. Initiatives for Generative AI

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Next are our initiatives for generative AI.

Initiatives for Generative AI

- Promote operational efficiency, utilizing in-house chat tool (*meiji AI Talk2*) and AI agent (*Dify*)



meiji AI Talk2

 Improve individual work efficiency

- Document and material creation
- Research
- Bouncing off ideas
- Creatives

*Number of unique users: 4,600



AI agent (Dify)

 Enhance operational efficiency of organization (mainly for inquiry-related tasks)

- Talk2 navigation
- Newbie Helper-chan
- Kensaku-chan as person in charge
- Training concierge

Drive operational efficiency, leveraging AI

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I believe many of you are already using generative AI yourselves. Over the past one to two years, it has advanced rapidly, and even now it continues to evolve at a remarkable pace on a daily basis. This is the situation. I strongly feel that how effectively we leverage generative AI and AI agents will have a major impact on our corporate competitiveness.

Regarding the Meiji Group's initiatives in generative AI, as shown on the left, we first established a secure internal environment called "meiji AI Talk2." Within this environment, employees have access to three tools: ChatGPT, Gemini, and Claude. In addition, our use of Microsoft's Copilot is currently limited to a restricted group of users.

Using these tools, what we are doing falls into two areas. As shown on the left, there is individual productivity enhancement such as drafting documents, conducting research, or brainstorming through prompt-based interactions. These individual efforts are, of course, encouraged. At the same time, our focus is on scaling these initiatives beyond individuals and extending them across teams and the organization as a whole. We believe that it is necessary to work to bring the dots to lines, and then from lines to surfaces.

Currently, meiji AI Talk2 is available to approximately 10,000 employees, of which about 4,500 are unique users. This means that while about half use the service, the other half do not. Therefore, increasing user adoption is an urgent priority for us.

For AI agents, we are using Dify, which is a very convenient no-code tool that anyone can use without programming knowledge. While we have introduced Dify for this reason, as shown here, its use is currently limited mainly to inquiry-handling tasks related to organizational operations, and in reality, we have not yet been able to fully leverage it for broader operational efficiency improvements.

For example, "Shinmai Help-chan" is an AI help desk, and "Tantosha Kensaku-chan" is a tool for finding the person in charge of each application. Currently, their main use is for handling inquiries. In the future, we aim to expand their use to improve overall business efficiency, for instance by integrating them with our workflows.

Now ideas for wellness



Now ideas for wellness
meiji

5. Fostering Corporate Culture

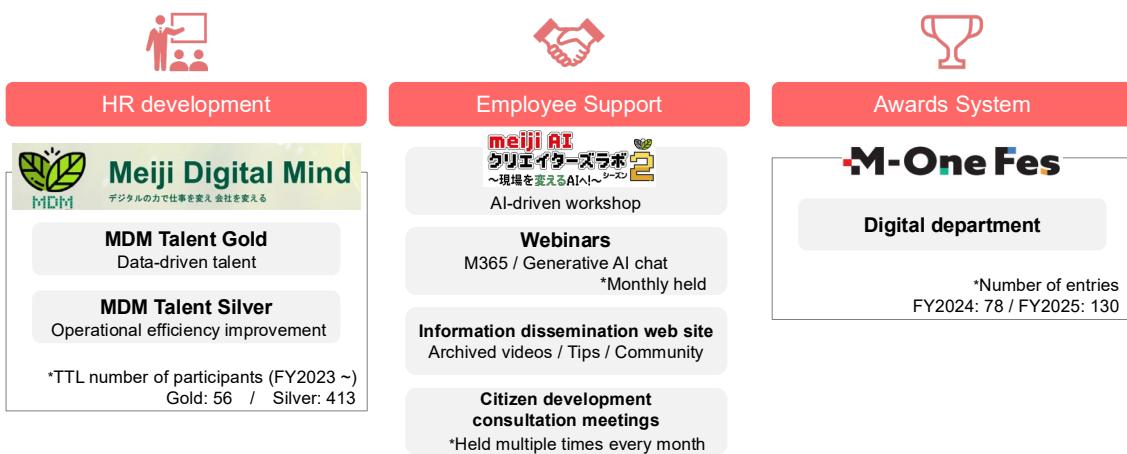
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Now, let's move on to foster our corporate culture. I will introduce our training programs and employee support initiatives.

Fostering Corporate Culture



- Momentum for DX promotion is increasing through efforts that combine HR development, employee support, and awards systems



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Regarding human resources development, we are advancing an initiative called MDM, or Meiji Digital Mind. The program is divided into three tiers: Gold, Silver, and Bronze.

The Gold-tier Business Innovator program is a highly advanced, six-month initiative conducted with external vendors providing hands-on support, and it makes extensive use of various digital tools. Participants are expected to ultimately take on roles such as data scientists or other positions that require advanced technical skills and expertise.

The Silver tier is for employees who aim to improve the operational efficiency of their respective organizations. They also work with external vendors to produce high-level outputs.

The Bronze tier is designed to provide fundamental knowledge, covering basic topics such as "What is DX?" and practical skills like using shortcut keys.

The support pillar shown in the middle consists of various systems aimed at promoting AI adoption and increasing user engagement. In collaboration with external vendors, we offer a voluntary, three-month training program called the "Meiji AI Creators Lab."

We also promote "citizen development" by holding in-person consultation sessions at our

Kyobashi office.

We recognize that delineating the roles between citizen development and projects led by the DX department, as well as establishing clear digital governance, are current challenges. We plan to address and structure these areas going forward.

Finally, I would like to introduce our "M-One Fes" event. Last year, we held an awards program focused on DX initiatives called the "MDM Champion Tournament." This year, we have integrated that event with our "Meiji Brand Award," an event that recognizes ideas embodying our message of "Ideas for Health," and will hold it under the new name "M-One Fes."

Looking at the digital category alone, we received 78 entries for last year's MDM Champion Tournament. This year, the number of entries has grown to 130, a nearly two-fold increase. I feel this shows that our digital initiatives and citizen development are progressing, and that the digital mindset within the company has significantly improved.

6. Activities to Enhance Information Security

Last but not least, I would like to talk about activities to enhance information security.

Activities to Enhance Information Security

- Implement defense measures through PCs and networks systems, audits and raise awareness among employees

System-based defense	PC	Anti virus measures EDR (Endpoint Detection and Response) etc.
	Network	Perimeter defense ⇒ Zero Trust Security Blocking suspicious emails Content Filters, etc.
Human-based defense	Audits	Strengthening audits for overseas group companies
	Training	Awareness through educational videos and various training sessions, phishing email trainings

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Since a single security incident can severely impact our business performance, we treat information security as our number one priority.

I would like to briefly introduce what we are actually doing.

Our security measures are broadly divided into two categories: systems and the human element. System-based defenses include standard measures for PCs such as antivirus software and EDR solutions. EDR continuously monitors activities and events occurring at endpoints, such as PCs and servers, and detects and responds to potential incidents when suspicious behavior is identified.

For our network security, in addition to conventional firewalls, we are implementing measures based on the "zero-trust" principle, or the idea that 100% security is difficult to achieve.

Next, regarding the human-based defenses, our efforts start with auditing.

Several years ago, our subsidiary in Singapore suffered a cyberattack that forced it to temporarily suspend operations.

Following that incident, our DX department visited each of our overseas group companies to conduct security audits, and we have since made significant improvements.

As for training and education, we regularly conduct e-learning and other programs for our employees.

To conclude, I would like to share my personal commitment. We have long understood the impact of leveraging digital technologies on corporate competitiveness, but in recent years, in particular, I strongly feel that how we leverage digital technologies, especially AI, has an exceptionally large impact.

I am convinced that the use of such digital technology will ultimately contribute to significant improvements in financial statements such as B/S, P&L, and cash flow. I believe that the cost reductions and labor savings achieved through DX will free up management resources, enabling us to reallocate them to higher value-added businesses and products.

If we look at our capabilities in terms of IT and DX, I am confident that our IT department is already at a solid level. However, when it comes to DX, I believe we are still in the initial stage. Therefore, over the next few years, we are determined to accelerate our efforts and significantly close the gap with the top runners in this field. We would like to promote DX with such enthusiasm. With this strong commitment, we will leverage DX to transform our business models, create new value, and ultimately revolutionize our management.

This concludes my presentation. Thank you for your time and attention.

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