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Meiji Holdings Co., Ltd.
Recording of Impairment Loss related to China Business and Future Management Policy
The Presentation Scripts

March 25, 2026, 5:30 - 7:00 pm

Presenters:

Katsunari Matsuda	CEO, President and Representative Director
Bunjiro Yao	COO of the Food Segment, Member of the Board and Executive Officer
Jun Hishinuma	CFO, Member of the Board and Senior Managing Executive Officer

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

Recording of Impairment Loss related to China Business and Future Management Policy

Explanatory Material for Online Briefing

March 25, 2026

Meiji Holdings Co., Ltd.

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AGENDA

1. Recording of Impairment Loss related to China Business and Future Outlook

   Bunjiro Yao
   COO of the Food Segment,
   Member of the Board and Executive Officer

2. Revisions to FY2025 Consolidated Financial Forecasts and Future Management Policy

   Katsunari Matsuda
   CEO, President and Representative Director

1

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1. Recording of Impairment Loss related to China Business and Future Outlook

2

Yao: I am Yao, COO of the Food segment.

I would like to explain the impairment loss related to the China business.

Recording of Impairment Loss Related to China Business

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(JPY bn)

Impairment loss on non-current assets related to China business [Extraordinary losses]		Total: 19.4	
By business	Dairy, B2B	2.7	After recording an impairment loss of JPY 14.3 billion at the end of FY2023, we promoted contribution margin improvement and cost reforms, but net sales fell below plans
	Chocolate	8.8	Net sales increased steadily but profitability worsened due to an increase in indirect costs associated with the launch of the Guangzhou plant and rising raw material costs
	Ice Cream	7.9	Net sales and contribution margin rate declined due to delays in responding to market stagnation. Unable to cover the increase in indirect costs associated with the launch of the Shanghai plant

- We were unable to overcome existing issues despite leveraging the brand recognition, and safety and reassurance associated with being Japan's No. 1 brand to develop businesses centered on products with a competitive advantage
- Dairy business saw the emergence of local powerful brands and there was a limit to the ability to leverage accumulated marketing knowledge. Changes in the business environment and consumer trends due to COVID-19 also had a negative impact

3

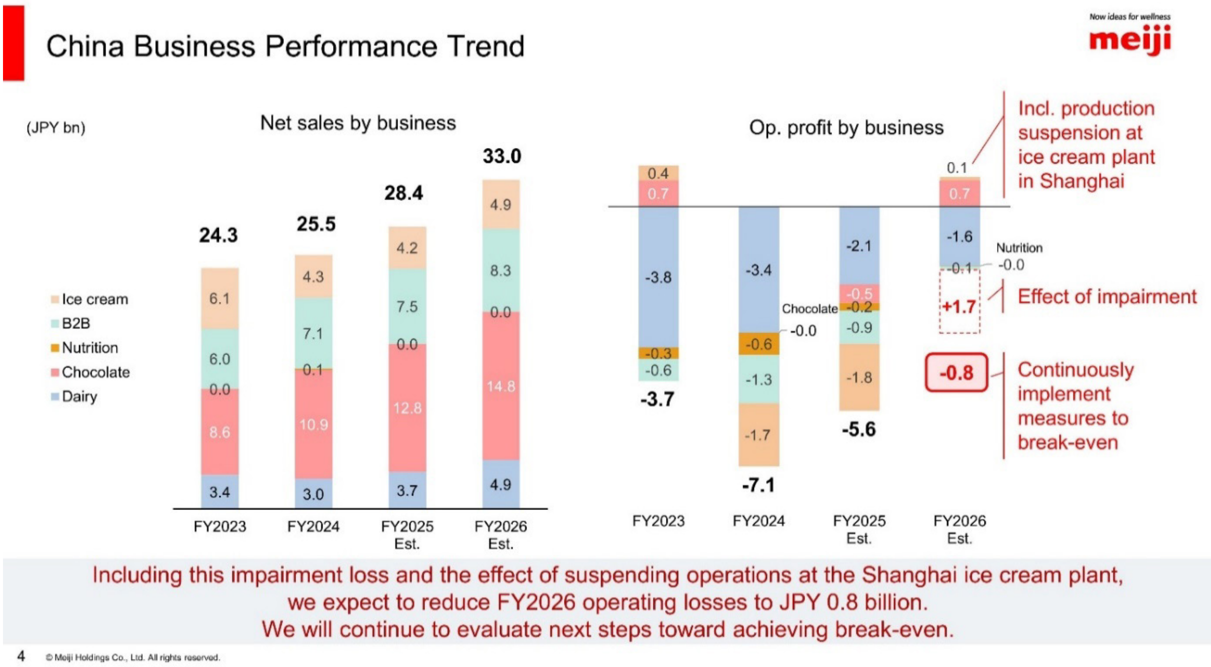
As disclosed today, we expect to record an extraordinary loss of JPY 19.4 billion as an impairment loss on fixed assets related to our China business.

The breakdown by business are shown on the slide. The status of each business is explained in detail on the next page, along with the business performance trends.

The China business was positioned as a major pillar of our overseas strategy, and we had assumed that we would invest heavily in expanding supply capacity by the 2023 Medium-Term Business Plan, and then reap the fruits from the 2026 Medium-Term Business Plan.

We had a powerful brand lineup with an overwhelming market share in Japan, and we took on the challenge of developing new markets armed with the value of safety and reassurance. However, we were slow to respond to competition from local companies and to the changes in the business environment following the COVID-19 pandemic.

Since entering the 2026 Medium-Term Business Plan, we have also shifted strategies and promoted measures to improve profitability. While these measures did yield some cost savings and efficiency improvements, there were limits to achieving the top-line growth needed to generate sufficient profits to cover the heavy depreciation burden of the new plants. This ultimately led to the recording of the impairment loss.



Page four shows the performance of each business since FY2023.

Since the impairment loss was recorded at the end of FY2023, the dairy business has been improving its profitability in line with the profitability improvement plan, and the deficit, which was initially nearly JPY 4 billion, is expected to shrink to about JPY 2 billion in FY2025.

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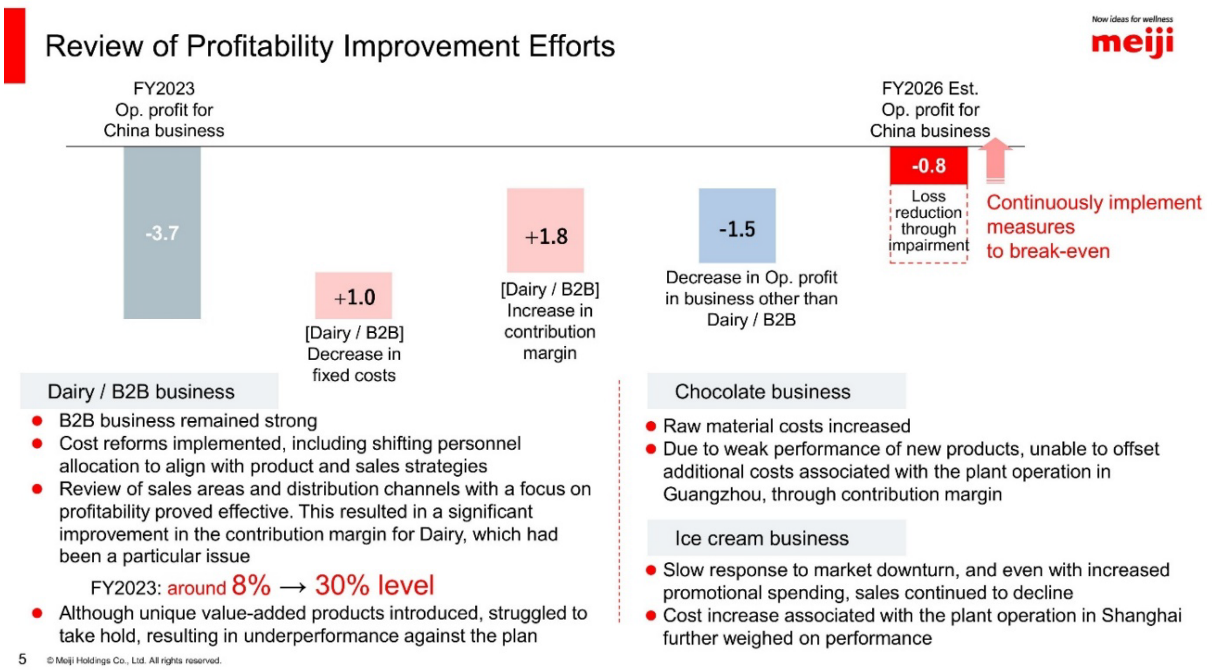
Although the chocolate business recorded the largest impairment loss of JPY 8.8 billion, sales are steadily expanding at an average annual growth rate of approximately 20%, as shown in the graph on the left. While the steep rise in the price of cocoa beans weighed on earnings in the short term, the heavy depreciation burden on the Guangzhou plant and deteriorating profitability led to the impairment, but we expect to return to profitability in FY2026 as our response to the cost increase catches up with us.

Like the chocolate business, the B2B business is also performing well in terms of sales. On the other hand, on the profit side, since the business shares a production base with the dairy business, the deficit appears to be widening due to the increased cost burden of the B2B business, while sales in the dairy business are sluggish. However, this too will gradually improve by focusing on value-added products.

The ice cream business was slow to adapt to intensifying price competition and changing consumer behavior, and was also unable to cover overhead costs incurred from the operation of the Shanghai plant, resulting in a JPY 7.9 billion impairment loss. Since the market slump is expected to continue for some time, we have decided to temporarily suspend production at our Shanghai plant.

Operating profit for the China business as a whole up to this point in FY2026 is expected to shrink to a loss of about JPY 800 million, including the effect of impairment losses. We have prepared other measures to achieve our initial goal of break-even, and we intend to fulfill our management responsibility by firmly implementing them.



The graph on page five is a quantitative review of our efforts over the three years of the Medium-Term Business Plan.

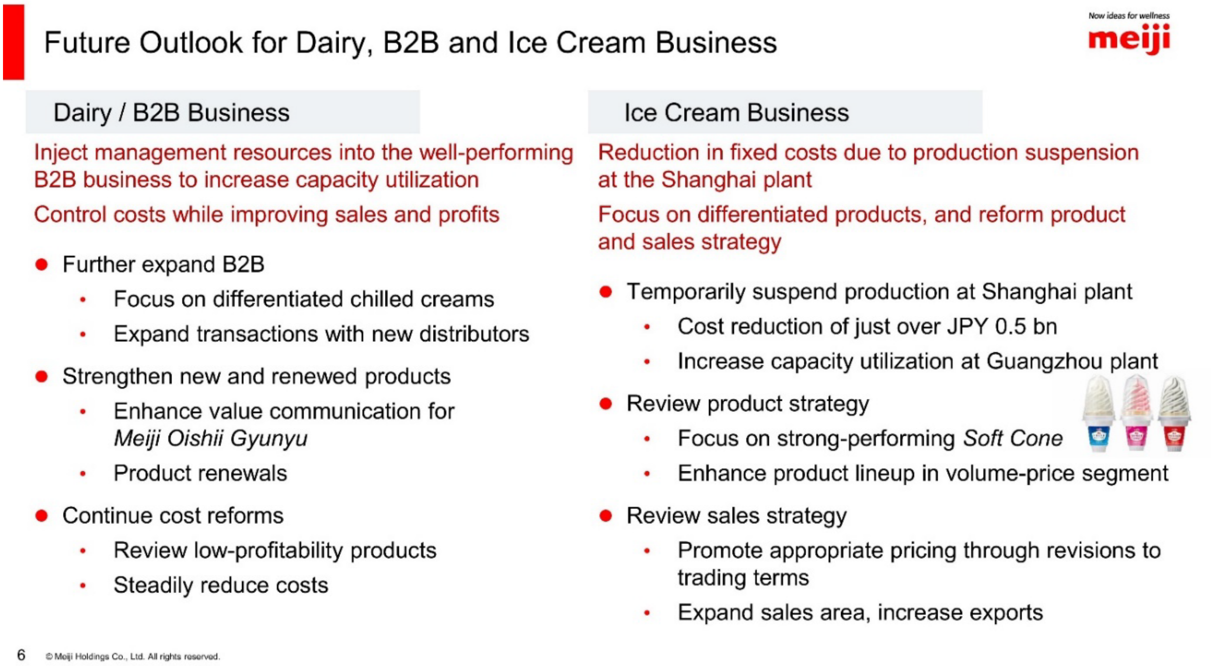
Since recording an impairment loss on the dairy business at the end of FY2023, we have been strengthening our earnings base while also focusing on our B2B business, which utilizes the same production bases.

As a result, fixed costs were reduced by JPY 1 billion over the three-year period, and the contribution margin in the dairy business, which had been an issue, improved significantly from 8% to 30%, contributing to an increase of JPY 1.8 billion.

However, the effect of boosting sales by newly introduced unique value-added products such as *Meiji Oishii Gyunyu* has not been as strong as expected.

On the other hand, the chocolate and ice cream businesses are expected to lose profit from FY2023, resulting in a large gap compared to the plan.

Although the recording of impairment loss will bring the ice cream business back into the black and reduce the dairy business's loss to JPY 1.6 billion, the operating environment for both businesses remains challenging. Going forward, we do not plan to make any additional investments. Instead, we will scale back our operations and focus on our respective product lines that are performing well, while continuing to explore and implement the next steps.



Next, I will explain the specific initiatives in each business.

First, regarding the dairy and B2B businesses, we will improve capacity utilization rates by further expanding our strong B2B business. In particular, we intend to focus on chilled creams, where the average growth rate of sales since FY2023 has been nearly 50%. We will increase our focus on B2B, where promotional expenses can be kept to a minimum unlike consumer products, to improve profitability while keeping costs down.

As for commercial products, we will work to establish *Meiji Oishii Gyunyu*, which was launched last July, and also review our product lineup.

In the ice cream business, as I explained earlier, we will suspend the Shanghai plant and concentrate on products that are performing well at the Guangzhou plant to increase the capacity utilization ratio. Among them, *Soft Cone* is expanding at a growth rate of more than 10%, while the overall growth is negative, and we will strengthen its development as a differentiated product.

To respond to recent changes in the competitive environment, we intend to fundamentally review both our product and sales strategies and expand our sales area, including exports.

Future Outlook for Chocolate Business

Focusing on expanding sales volume for strong-performing chocolate, while also working on raw material cost reductions and sales areas expansion

- Further expand mainstay Chocolate products
  - Sales have remained strong despite the price increases in September–October 2025; efforts to strengthen deployment continue
  - Develop new distributors and expand distribution to key accounts
  - Improve production efficiency
- Expand sales areas
  - Expand transactions with high-performing channels
  - Increase exports
- Reduce raw material costs
  - Review product specifications
  - Promote stable and low-cost procurement through long-term contracts and development of new suppliers

Confirmed that our production technology, which enables us to leverage the characteristics of cocoa beans to create complex blends, is also a strength in China. Will concentrate management resources to position this as a domain in which profit growth is achievable through sales growth

7

Next, I will explain the chocolate business, which we will focus on and expand in the future.

As shown in the graph on page four, the chocolate business has achieved strong growth in sales. Similar to Japan, we implemented a price increase last fall in response to a sharp rise in cocoa beans prices, but the business has remained strong since then. We believe the primary reason for this is the strength of our products. In addition to the deliciousness of the chocolate itself, our competitive advantage lies in our ability to offer a wide variety of complex products based on our technological capabilities, such as the balance of cocoa beans and fats, and the combination of cocoa beans, nuts, and gummies.

We will leverage this strength to strengthen transactions with high-performing channels such as wholesale clubs, and also work to expand exports since these are room-temperature products.

With regard to raw material costs, although the current cocoa market price is falling, we view it as unpredictable, as it depends on changes in the global situation and speculative money. We will also work to stabilize marginal manufacturing profit by reviewing product specifications and procurement contracts and developing new suppliers.

Lastly, in developing our China business to date, we have been overconfident about the growth potential of the market and the Meiji brand, and we consider it a matter of great regret that it took us so long to change course. On the other hand, there was also a great harvest. We were able to reconfirm that the confectionery product lines that are strong in Japan have a competitive advantage when competing on a global scale. We will fully reflect our reflections on our overseas strategies for the chocolate business, including the use of local partners and local human resources, marketing methods including digital, and the speed at which we can catch up with changes, and we will steadily expand our business to include regions other than China.

That concludes my explanation. Thank you for your attention.

2. Revisions to FY2025 Consolidated Financial Forecasts and Future Management Policy

8

Matsuda: I am Matsuda, the CEO.

Next, I will explain the revision to our earnings forecast and our future management strategy.

Revisions to FY2025 Consolidated Financial Forecasts

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(JPY bn)	FY2024 Results	FY2025 Plan (Rev. Nov. 2025)	FY2025 Estimate (Rev. Mar. 2026)	YoY Change	vs Plan as of Nov. 2025
Net sales	1,154.0	1,177.0	1,177.0	+2.0% +22.9	–
Operating profit	84.7	91.0	91.0	+7.4% +6.2	–
Ordinary profit	82.0	87.5	93.0	+13.4% +10.9	+6.3% +5.5
Profit attributable to owners of parent	50.8	54.0	36.5	-28.2% -14.3	-32.4% -17.5

- Net sales, Op. profit: Unchanged
- Ordinary profit: Revised upward
  - Share of loss of entities accounted for using equity method improved due to a decline in our Group's equity ratio in AustAsia Group Ltd.
  - Factoring in FX gains
- Profit attributable to owners of parent: Revised downward
  - Impairment loss related to China business
  - Losses associated with structural reforms (Production system reorganization, Next Career Special Support Program etc.)
- Impact on balance sheets: Decrease in non-current assets at the end of March 2026
- Impact on cash flows: Minor
- Year-end dividend: No change from previous forecast, announced in May 2025

9

First, regarding the revision of our consolidated earnings forecast. Consolidated net sales and operating profit remain unchanged from the plan announced in November.

Ordinary profit was revised upward to JPY 93 billion. This was mainly due to an improvement in non-operating income and loss as a result of a decrease in our equity ratio in AustAsia Group Ltd., which had been accounted for by the equity method, and the reflection of foreign exchange gains that had not been factored into the plan.

AustAsia conducted a capital increase through a shareholder allotment last July, but we did not subscribe to the capital increase, and our equity ratio in AustAsia has declined.

We have revised our profit attributable to owners of parent forecast downward to JPY 36.5 billion. In addition to the impairment loss on the China business, which Yao explained earlier, the main factors include losses from domestic structural reforms, including the Next Career Special Support Program.

As for the impact on B/S, the fixed assets subject to impairment loss will decrease at the end of the period, but the direct impact on cash flow will be minimal. Therefore, there is no change to the initial forecast of an annual dividend of 105 yen per share.

The above is a summary of the revised forecast.

Executive Summary

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- We made a decision regarding China business in the Food segment, which had long been a challenge. Established a clear path toward fundamental structural reforms
  While applying the lessons learned from our China operations—such as leveraging external partners and talent, and ensuring speed in management decision-making—we will strengthen our overseas and new business domains as future growth pillars
- In our domestic businesses as well, we will implement structural reforms and strategically allocate the cash generated to both shareholder returns and investments in growth areas
- Through these initiatives, we will aim to restore business to a growth trajectory and an accelerated recovery to an ROE of 10%
- The management indicator, Meiji ROESG has played a key role in deeply embedding sustainability within the organization. Going forward, while maintaining our commitment to fusing sustainability and business strategies, we will place ROE at the center of our management approach as a metric more directly linked to shareholder value

10

From here, I would like to share my thoughts as CEO on where the Meiji Group is headed in the future.

First, I have now made a decision on our China business, which has been an issue for the past

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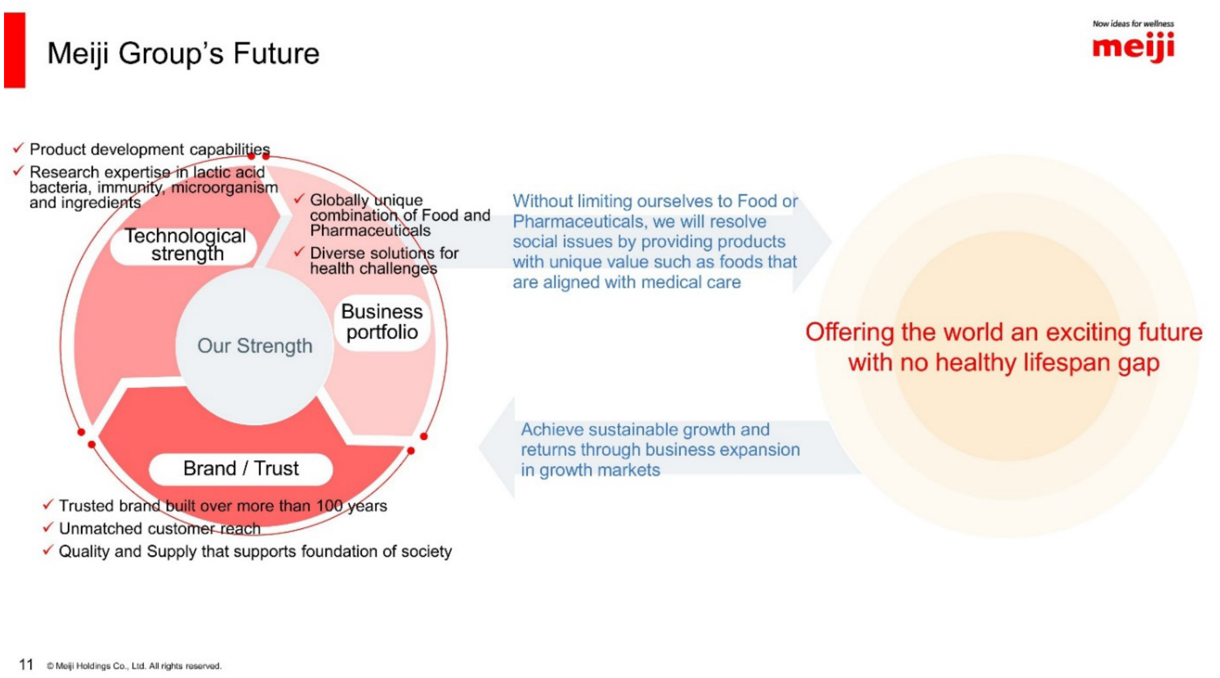
several years. As Yao mentioned earlier in his explanation, we will leverage the lessons learned, such as our past over-reliance on in-house development and the lack of speed in our management decisions. These insights will serve as a driving force to ensure the growth of our overseas business and new business in the future.

FY2026, which begins in April, is the final fiscal year of the current Medium-Term Business Plan, and I will speedily implement structural reforms with the intention of starting the next long-term vision from here. We will promote structural reforms not only overseas but also in Japan, and strategically allocate the cash generated to returns to shareholders and investment for growth. We will then quickly restore our businesses to a growth trajectory and return our ROE to the 10% level.

To achieve this, we will place ROE at the core of our management indicators. As a result of having made Meiji ROESG the most important indicator, we feel that the perspective on how to convert sustainability into added value has taken firm root within the Group. A good example is the chocolate business. Our strong relationships with cacao-producing countries extend beyond the sustainable procurement of raw materials to include the development of new products and the creation of business opportunities.

While we will continue to prioritize the concept of fusing sustainability with our business strategies, the cornerstone of Meiji ROESG, I believe that, since our business is inherently sustainable, we must thoroughly refine our business strategy to drive improvements in ROE both in the short-term and over the medium- to long-term.



I believe that the Meiji Group's strengths can be summarized in three elements.

The first is the brand and trust that we have built over our long history. The Meiji Group offers a wide range of values from babies to the elderly, or from prevention to treatment. It has established unmatched customer reach through the breadth of its product portfolio and the temperature range in which it operates. We are always right by our customers' side, and we possess the quality and supply capacity necessary to maintain that position.

Second, technology is the source of competitiveness. I believe that our research expertise in materials such as milk and cacao, our knowledge of lactobacilli, immunology, fermentation and cultivation that extends to both Food and Pharmaceuticals, and our development expertise in integrating them are also globally applicable.

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Third, a business portfolio with both Food and Pharmaceuticals, which is unique in itself. Through this globally unique combination, we have established a system that can provide diverse solutions to health issues.

By combining these strengths, we will meet the global social challenge of extending healthy life expectancy head-on. This is a growing market, and many companies are taking on this social challenge. To survive the competition, we intend to leverage our greatest strengths: the breadth of our capabilities to develop new areas beyond Food and Pharmaceuticals, such as foods aligned with medical care. In other words, strategic flexibility and diversity.

Of course, we do not intend to develop this project on our own. In this regard, we will utilize the reflections of our past management and expand our business speedily while proactively incorporating collaborations with other companies and M&As. I hope to create a virtuous cycle in which such momentum and dynamism will energize each and every employee who takes pride in the Meiji brand, leading to new ideas and developments that will have a greater impact on society.

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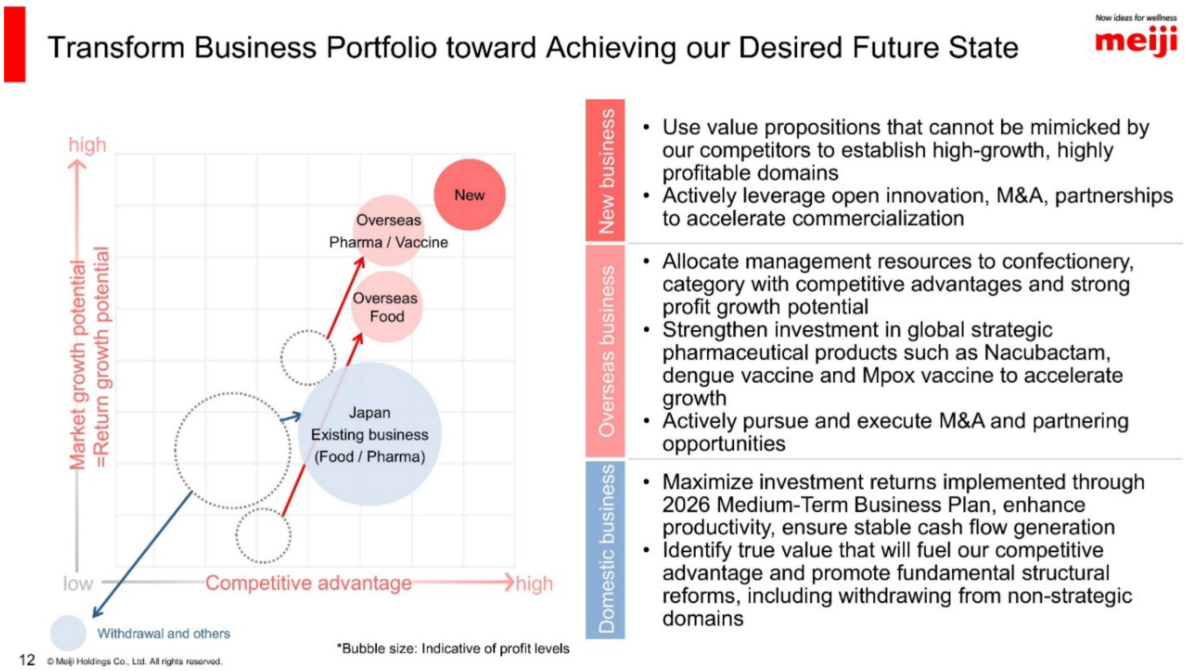


To achieve this, it is essential to transform our business portfolio.

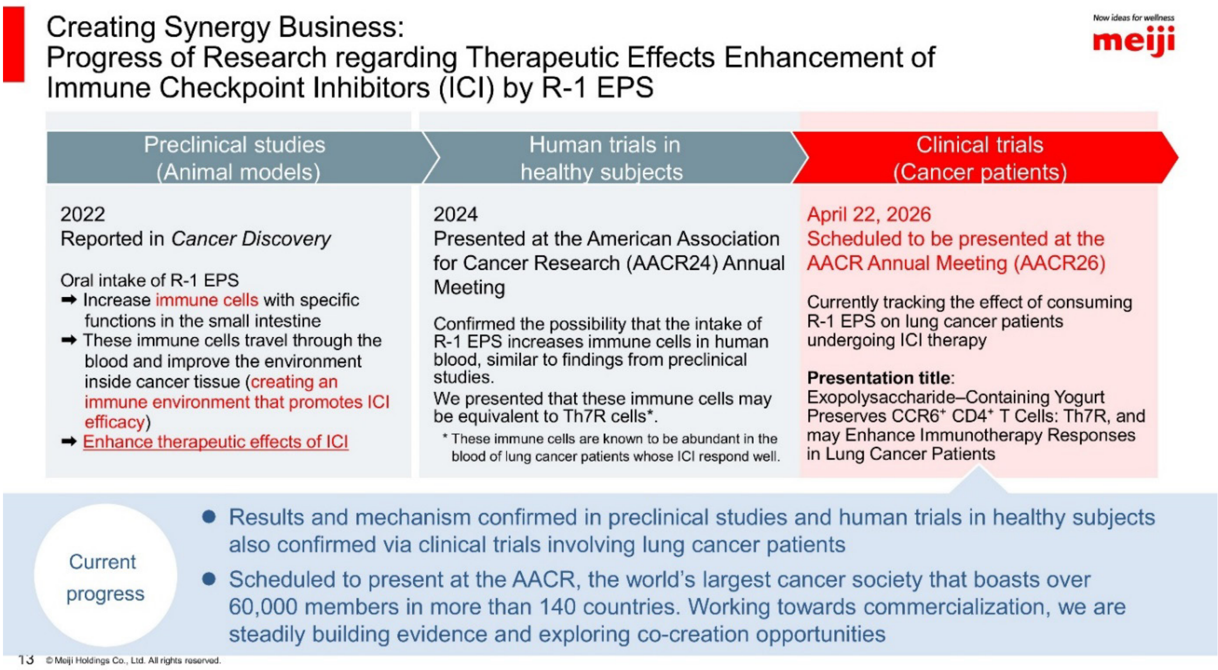
First, I would like to explain existing Japan business, which is the foundation of our Group, shown in blue. As I mentioned at the beginning of this report, we will proceed with structural reforms in FY2026 as a period of preparation for the next leap forward. Both Food and Pharmaceuticals have been aggressively invested in the past, but Food in particular will reap the benefits of this investment and move into a phase that will generate stable cash flow.

At the same time, we will strictly judge competitive superiority and fundamentally review areas that are considered non-strategic business areas, including withdrawing from them. As of today, I cannot specify which businesses and fields are non-strategic business areas, but I will review them at a faster pace than before based on criteria such as the growth potential of the market itself, our position in that market, and ROIC.

Next are the overseas business, shown in pink, which will be the growth driver. In the Food segment, as Yao explained, we will concentrate management resources on the confectionery, where our strengths are best utilized, with the aim of achieving solid profit growth. To this end, we will establish a new organization in April to unite our overseas business, appointing a mid-career hire to head it. This will transform our structure from one that aims for widespread overseas expansion across all businesses to one that focuses on areas where we can win.

In the Pharmaceutical segment, we will focus resources on OP0595 (Nacubactam), dengue vaccine, and other global strategic products. Both will actively explore and execute M&A and partnering.

Then, a new business that will create the Meiji Group of the future. With a focus on providing value unique to Meiji that transcends the boundaries between Food and Pharmaceuticals, we aim for rapid commercialization by making maximum use of open innovation and partnering.

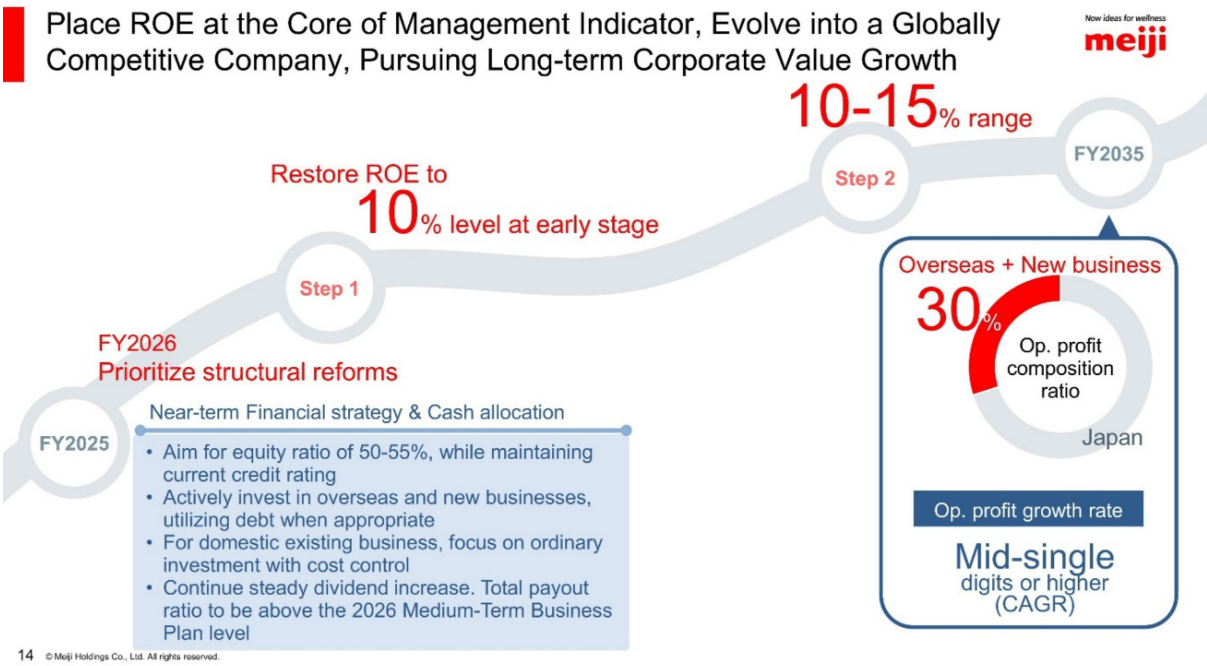


At Meiji Innovation Day in December, we explained R-1 EPS as a potential new business. We are currently building evidence for commercialization and exploring the possibility of co-creation with global partners.

I would like to introduce some of the progress that has been made. The latest research on R-1 EPS will be presented next month at the 2026 annual meeting of the American Association for Cancer Research, the world's largest cancer research society, in San Diego, California.

The hypothesis, which has been confirmed in animal experiments and in the validation of healthy subjects, has now been confirmed in actual lung cancer patients.

The annual meeting is also at the forefront of innovation, attracting tens of thousands of researchers, physicians, patient groups, corporate business development professionals, investors, and media from around the world. I expect that the presentation of research results at such a forum will provide a foothold for the next step toward commercialization.



Finally, I will explain KPIs.

At the beginning of this report, I mentioned that ROE will be the most important indicator. In FY2026, structural reforms will be implemented ahead of schedule to restore the 10% level as soon as possible. However, that is not the goal. The next goal is how to raise it to the 15% level.

While this level is a number that has been achieved in the past, it does not mean that we will simply return to that number. As shown in the pie chart on the right of the slide, we would like to break away from a domestic-centered profit structure and increase the weight of profits from international and new businesses while growing the amount of profit itself, in effect, bringing it closer to the 15% level in a completely new way.

With regard to our immediate financial strategy, we will seek to optimize the balance between investment in growth and returns to shareholders, as well as pursue an optimal capital structure.

First, the current equity ratio is over 60%, an extremely healthy level. This strong financial base will also be used offensively to optimize financial leverage, with a target of 50% to 55%.

While we will aggressively invest in overseas and new businesses, which are growth areas, using debt as well, we will strictly manage investment efficiency in Japan. In addition, we intend to increase returns to shareholders above the current total return ratio of 50%.

Although we are currently in the midst of developing our long-term vision, I have shared my thoughts on the matter. I look forward to hearing your candid opinions during the Q&A session that follows so that we can draw a roadmap that will be exciting for our shareholders and put it into action immediately.

Thank you for your attention.

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Appendix

Status of Investment in China Business

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(JPY bn)

		Investment amount (incl. loans)	Impairment loss recorded			Remaining asset value
			~FY2023	FY2025		
Meiji Dairies (Suzhou) Co., Ltd.	Dairy, B2B	8.0	2.2	0.3	2.6	2.3
Meiji Dairies (Tianjin) Co., Ltd.	Dairy, B2B	11.4	4.6	0.3	4.9	6.9
MEIJI FOOD (GUANGZHOU) CO., LTD.	Dairy, B2B, Confectionery	27.7	7.4	6.1	13.6	12.8
Meiji Seika Food Industry (Shanghai) Co., Ltd.	Confectionery, Ice cream	18.9	—	11.3	11.3	9.9
Meiji Ice Cream (Guangzhou) Co., Ltd.	Ice cream	3.6	—	0.9	0.9	3.6
Meiji (China) Investment Co., Ltd.	Management company	9.9	—	0.3	0.3	0.7
AustAsia Group Ltd.	Equity-method affiliate (→excluded)	28.5	8.3	—	8.3	—
		108.4	**22.6**	**19.4**	**42.0**	**36.5**

In July 2025, AustAsia Group Ltd. announced a stock allocation increase. As a result of this increased capitalization, our equity ratio in the company declined from 22.19% to 15.85% (we did not participate in the capitalization), and we removed the company from the scope of entities accounted for using the equity method in the first half of FY2025.

* Impairment loss values for FY2025 are approximate figures, converted using exchange rate as of March 13, 2026
* Investments made by Meiji (China) Investment in each entity are excluded

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Performance Trend by Business

(JPY bn)		FY2023	FY2024	YoY Change	FY2025 Est.	YoY Change	FY2026 Est.	YoY Change
Dairy	Net sales	3.4	3.0	-11.0% -0.3	3.7	+24.6% +0.7	4.9	+29.9% +1.1
	Op. profit	-3.8	-3.4	— +0.4	-2.1	— +1.3	-1.6	— +0.5
Chocolate	Net sales	8.6	10.9	+26.3% +2.2	12.8	+17.5% +1.9	14.8	+15.8% +2.0
	Op. profit	0.7	-0.0	— -0.7	-0.5	— -0.5	0.7	— +1.2
Nutrition	Net sales	0.0	0.1	+180.4% +0.0	0.0	-66.6% -0.0	0.0	— -0.0
	Op. profit	-0.3	-0.6	— -0.2	-0.2	— +0.4	-0.0	— +0.2
B2B	Net sales	6.0	7.1	+17.1% +1.0	7.5	+5.8% +0.4	8.3	+10.8% +0.8
	Op. profit	-0.6	-1.3	— -0.6	-0.9	— +0.3	-0.1	— +0.8
Ice cream	Net sales	6.1	4.3	-30.0% -1.8	4.2	-2.0% -0.0	4.9	+16.4% +0.6
	Op. profit	0.4	-1.7	— -2.1	-1.8	— -0.0	0.1	— +1.9
China business Total	Net sales	24.3	25.5	+4.8% +1.1	28.4	+11.3% +2.9	33.0	+16.3% +4.6
	Op. profit	-3.7	-7.1	— -3.4	-5.6	— +1.5	-0.8	— +4.8

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