



Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2020
[Based on Japanese GAAP]

August 6, 2019

Name of Listed Company: Meiji Holdings Co., Ltd. Listed exchange: 1st Section, Tokyo Stock Exchange
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Submission of quarterly report: August 7, 2019

Dividend payment commencement: —

Preparation of explanatory materials for quarterly financial results: Yes

Holding of a briefing on quarterly financial results: Yes

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2020
(April 1, 2019 to June 30, 2019)

(1) Consolidated operating results (% of change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to shareholders of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months ended								
June 30, 2019	298,935	0.9	20,636	4.4	22,374	10.2	14,500	-15.2
June 30, 2018	296,394	-1.6	19,774	-19.0	20,311	-19.3	17,090	0.5

(Note) Comprehensive income: First three months ended June 30, 2019: JPY 12,430 million (-32.4%)
First three months ended June 30, 2018: JPY 18,398 million (-6.9%)

	Net Income per Share	Diluted Net Income per Share
First three months ended	Yen	Yen
June 30, 2019	99.98	—
June 30, 2018	117.86	—

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2019	1,006,341	561,435	52.5	3,645.11
As of March 31, 2019	1,004,143	560,630	52.5	3,635.79

(Reference) Shareholders' equity: As of June 30, 2019: JPY 528,659 million
As of March 31, 2019: JPY 527,310 million

2. Dividends

	Cash Dividends Per Share				
	1Q	2Q	3Q	Financial year end	Annual
For the fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2019	–	65.00	–	75.00	140.00
March 31, 2020	–				
March 31, 2020 (Projected)		70.00	–	70.00	140.00

(Note) Amendment to projected dividends recently announced: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020

(April 1, 2019 to March 31, 2020)

(% of change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to shareholders of parent company		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half	625,000	2.1	44,000	0.4	45,000	2.6	28,500	-25.6	196.51
Full year	1,309,000	4.4	108,000	9.8	109,000	9.3	67,500	9.1	465.41

(Note) Amendment to forecasts of consolidated financial results recently announced: None

Notes

(1) Changes in significant subsidiaries during the current fiscal year under review: None

(2) Application of specific accounting treatments in the preparation of quarterly consolidated financial statements: Yes

For details, refer to page 13 of “2. Quarterly Consolidated Financial Statements (3) Notes Concerning Quarterly Financial Statements (Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)”

(3) Changes in accounting policy, changes in accounting estimates, restatements

1. Changes in accounting policy due to revisions of accounting standards: Yes

2. Other changes in accounting policy: None

3. Changes in accounting estimates: None

4. Restatements: None

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding at end of period (including treasury stock)	As of Jun. 30, 2019	152,683,400 shares	As of Mar. 31, 2019	152,683,400 shares
2. Number of treasury stock at end of period	As of Jun. 30, 2019	7,651,119 shares	As of Mar. 31, 2019	7,650,137 shares
3. Average number of shares during period	As of Jun. 30, 2019	145,032,588 shares	As of Jun. 30, 2018	145,001,668 shares

* The earnings summary is not subject to audit.

* Forward-looking statements and other special notes

(Notice concerning forward-looking statements)

The forward-looking statements described in this document, such as business forecasts, are based on information available at the time of the release of these materials and reasonable assumptions made by the Company, and do not represent a commitment from the Company that they will be achieved. For earnings forecasts assumptions and other related items, refer to page 8 of “1. Qualitative Information (3) Forecasts for the Fiscal Year ending March 31, 2020”

(Explanatory material for financial results)

Explanatory materials for financial results are disclosed through TDnet together with these financial statements. This information also is posted on our website on the same day.

(Presentation material for phone conference)

The phone conference for analysts and institutional investors has been scheduled on August 6, 2019. An audio recording (Japanese only) and presentation materials of the conference will be posted on our website.

1. Qualitative Information

(1) Explanation Concerning Operating Results

Meiji group entered the second year of Medium-Term Business Plan for FYE March 2019-2021. Based on our basic concept of *Address strategic issues continuously* and *Challenge for the further growth*, we promote our growth strategy for *Expand share and achieve high revenues in core businesses*, *Expand aggressively in overseas markets and establish growth platform*, *Propose new value in health care domain*, *Continue structural reforms and resolve specific business issues in each business*, and *Enhance Meiji Group management platform and promote CSR*.

During FYE March 2020, the food segment faces concerns about consumer spending trends and NHI pricing revisions are planned for the pharmaceutical segment in October 2019 and April 2020, creating difficult environment for both segments. Amid such conditions, we concentrated management resources on core areas and growth areas to promote the steady advancement of plans.

These factors resulted in net sales of JPY 298.935 billion (up 0.9%, year on year), operating income of JPY 20.636 billion (up 4.4%, year on year), and ordinary income of JPY 22.374 billion (up 10.2%, year on year) during the first three months of fiscal year ending March 2020. Net income attributable to shareholders of parent company was JPY 14.5 billion (down 15.2%, year on year).

(Billions of yen)

	First three months of FYE March 2019 (from Apr.1, 2018 to Jun. 30, 2018)	First three months of FYE March 2020 (from Apr.1, 2019 to Jun. 30, 2019)	Change	Main factors for Change
Net sales	296.3	298.9	2.5	Details indicated on segment-specific overview
Operating income	19.7	20.6	0.8	Details indicated on segment-specific overview
Non-operating income	1.1	2.4	1.2	Insurance income (+1.2)
Non-operating expenses	0.6	0.6	0.0	—
Ordinary income	20.3	22.3	2.0	—
Extraordinary income	5.0	0.5	-4.4	-Gain on sale of property, plants and equipment (-4.4)
Extraordinary losses	0.9	1.0	0.1	-Loss on disposal of property, plants and equipment (+0.4) -Loss on business of subsidiaries and associates (-0.2)
Income before income taxes	24.4	21.8	-2.5	—
Income taxes-total	7.1	7.5	0.4	—
Net income attributable to non-controlling shareholders	0.2	-0.1	-0.4	—
Net income attributable to shareholders of parent company	17.0	14.5	-2.5	—

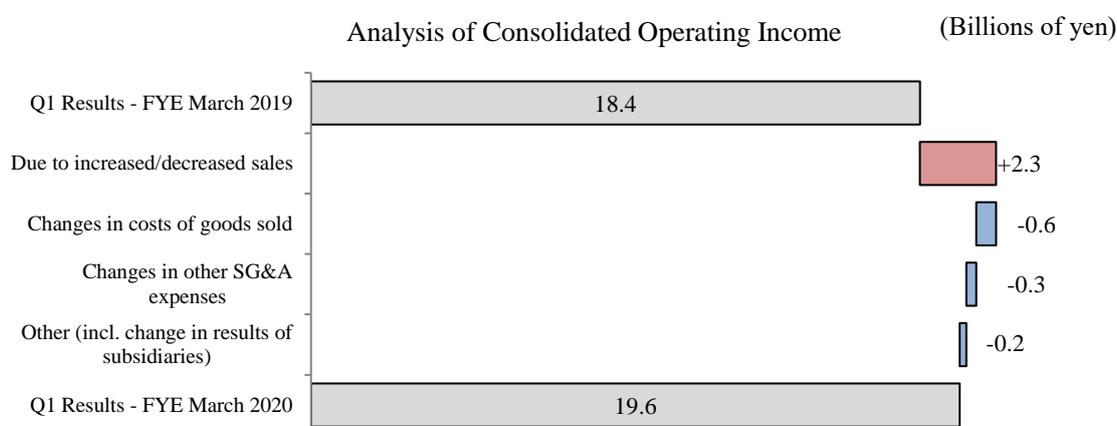
Below is an overview by segment.

1) Food segment

- Net sales were largely unchanged year on year. Net sales of confectionery business, nutrition business, and overseas business increased year on year. Net sales of processed food business were largely unchanged year on year. Net sales of fresh and fermented dairy business decreased year on year due to decrease in sales of functional yogurt and plain yogurt.
- Overall operating income increased year on year thanks to contributions from chocolate and infant formula, also price increases contributed.

(Billions of yen)

	First three months of FYE March 2019	First three months of FYE March 2020	% Change
Net sales	258.6	259.0	0.2%
Operating income	18.4	19.6	6.6%



Below is an overview of each of food segment's main businesses.

(Billions of yen)

		First three months of FYE March 2019	First three months of FYE March 2020	% Change
Fresh and Fermented Dairy	Net sales	83.0	81.1	-2.3%
	Operating income	11.3	10.4	-8.1%
Processed Food	Net sales	44.0	44.1	0.2%
	Operating income	1.6	1.8	11.5%
Confectionery	Net sales	24.8	26.7	7.3%
	Operating income	3.1	4.0	27.7%
Nutrition	Net sales	21.6	22.5	3.9%
	Operating income	3.1	4.1	34.5%
Overseas	Net sales	9.9	11.0	11.6%
	Operating income	-0.0	0.2	—
Other Domestic Subsidiaries	Net sales	75.0	73.4	-2.2%
	Operating income	1.2	0.8	-30.9%
Corporate Expenses	Net sales	—	—	—
	Operating income	-2.1	-2.0	—

■ Fresh and Fermented Dairy business (Yogurt, drinking milk, beverages, etc.)

- Net sales decreased year on year due to the decrease in sales of functional yogurt and plain yogurt, although SAVAS Milk Protein series grew favorably thanks to contributions from new flavors.
- Operating income decreased year on year due to decreased revenues of functional yogurt and increased raw material cost.

- Processed Food business (Cheese, butter and margarine, cream, ice cream, frozen food, etc.)
 - Net sales were largely unchanged year on year. Net sales of *Meiji Essel Super Cup* series and *Meiji Hokkaido Tokachi Cheese* series were favorable.
 - Operating income increased significantly year on year on the benefits of ice cream pricing revisions implemented in March 2019.
- Confectionery business (Chocolate, gummy, chewing gum, etc.)
 - Net sales increased year on year thanks to the favorable growth of *Chocolate Kouka* and chocolate snack *Kinoko no Yama* and *Takenoko no Sato*.
 - Operating income increased year on year thanks to increase in sales of *Chocolate Kouka*.
- Nutrition business (Sports nutrition, infant formula, enteral formula, beauty supplement, OTC drugs, etc.)
 - Net sales increased year on year thanks to the favorable growth of infant formula and *Meiji Mei Balance* series.
 - Operating income increased significantly year on year thanks to increased revenues and a reduction in sales promotion expenses.
- Overseas (Overseas subsidiaries, exports)
 - Net sales increased significantly year on year. The export business saw favorable sales of mainstay chocolate-covered nut products. Among overseas subsidiaries, subsidiaries in China recorded a significant increase in net sales.
 - Operating income increased year on year thanks to subsidiaries in China.
- Other domestic subsidiaries (Feedstuffs, livestock products, sugar and corn sweeteners, logistics, etc.)
 - Net sales decreased year on year due to decrease in sales of our logistics subsidiary and sugar trade subsidiary.
 - Operating income decreased significantly year on year due to lower revenues from our logistics subsidiary and livestock subsidiary.

2) Pharmaceutical segment

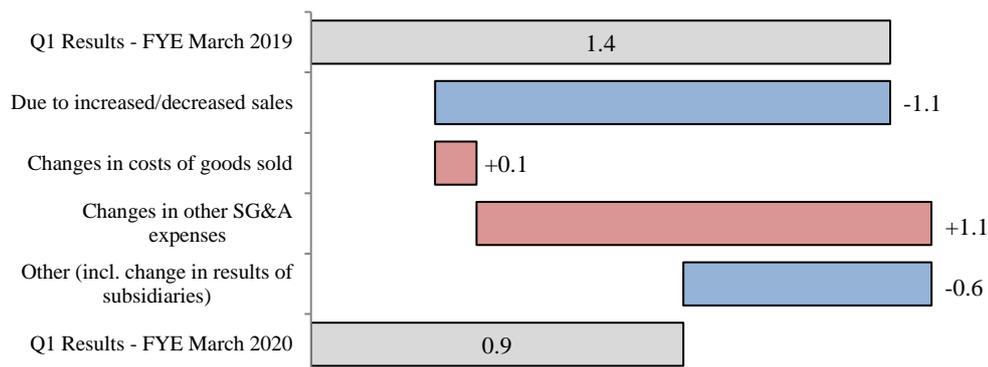
- Net sales increased year on year. This is thanks to increased revenues at overseas subsidiaries and contributions from KM Biologics, which was added to the scope of consolidation in the second quarter of FYE March 2019.
- Operating income decreased significantly year on year due to operating losses recorded by KM Biologics.

(Billions of yen)

	First three months of FYE March 2019	First three months of FYE March 2020	% Change
Net sales	37.8	40.0	5.8%
Operating income	1.4	0.9	-34.3%

(Billions of yen)

Analysis of Consolidated Operating Income



Below is an overview of each of pharmaceutical segment's main businesses.

(Billions of yen)

		First three months of FYE March 2019	First three months of FYE March 2020	% Change
Japan	Net sales	27.6	26.4	-4.2%
	Operating income	1.2	1.3	5.3%
Overseas	Net sales	10.2	11.4	11.7%
	Operating income	0.2	0.9	384.8%
KM Biologics	Net sales	—	4.0	—
	Operating income	—	-1.5	—
Net Sales	Eliminations	—	-1.8	—
Operating income	Adjustments and Eliminations	—	0.1	—

■ Japan

- Net sales decreased year on year. Sales of the schizophrenia drug *SYCREST* and the antibacterial drug *Tazopipe Combination for I.V. Infusion Meiji* increased significantly but sales of the antidepressant drug *Reflex* decreased significantly due to the expiration of its patent.
- Operating income increased year on year. Although income was impacted by reduced sales of *Reflex*, we reduced R&D expenses and marketing expenses.

■ Overseas

- Net sales increased significantly year on year thanks to the favorable growth of subsidiaries in India and China.
- Operating income increased significantly year on year on increased revenues from various subsidiaries and thanks to a reduction in goodwill depreciation for our subsidiary in India.

■ KM Biologics

- Net sales were favorable for the 4-way vaccine *Quattrovac* and Hepatitis B Vaccine *Bimmugen*.
- We recorded an operating loss due to seasonal factors.

(2) Financial status

1) Assets, Liabilities, and Net Assets

(Billions of yen)

	As of March 31, 2019	As of June 30, 2019	Change	Main Factors for Change
Current assets	421.4	420.8	-0.6	-Notes and accounts receivable (-7.9) -Goods and products (+5.9) -Cash and deposits (+0.6)
Fixed assets	582.6	585.5	2.8	-Buildings and structures (net) (+6.7) -Construction in progress (+0.9) -Investment securities (-4.1)
Total assets	1,004.1	1,006.3	2.1	—
Current liabilities	291.5	297.3	5.8	-Commercial paper (+18.0) -Short-term loans payable (+10.4) -Income taxes payable (-13.3) -Accrued expenses (-5.8) -Accrued bonuses for employees (-5.1)
Long-term liabilities	152.0	147.5	-4.4	-Long-term loans payable (-3.6)
Total liabilities	443.5	444.9	1.3	—
Shareholders' equity	507.5	510.8	3.2	-Retained earnings (+3.2)
Accumulated other comprehensive income	19.7	17.8	-1.8	-Net unrealized holding gain or losses on securities (-2.5) -Adjusted cumulative of retirement benefit (+0.5)
Minority interests	33.3	32.7	-0.5	—
Total net assets	560.6	561.4	0.8	—
Total liabilities and net assets	1,004.1	1,006.3	2.1	—
Interest bearing debt	116.3	141.2	24.8	-Commercial paper (+18.0)
Equity Ratio (%)	52.5%	52.5%	—	—

(3) Forecasts for the Fiscal Year ending March 31, 2020

There are no changes to the consolidated earnings forecasts for FYE March 2020 indicated in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 published on May 13, 2019.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
ASSETS		
Current assets		
Cash and deposits	25,356	26,035
Notes and accounts receivable	202,193	194,243
Goods and products	105,757	111,675
Work in process	4,578	4,526
Raw materials and supplies	55,589	55,487
Others	28,149	29,046
Allowance for doubtful accounts	-176	-188
Total current assets	421,447	420,826
Fixed assets		
Property, plants and equipment		
Buildings and structures	334,729	341,752
Less accumulated depreciation	-169,035	-169,354
Buildings and structures (net)	165,693	172,397
Machinery and equipment	533,595	532,967
Less accumulated depreciation	-381,789	-382,282
Machinery and equipment (net)	151,806	150,685
Tools and furniture	54,826	55,276
Less accumulated depreciation	-42,237	-42,320
Tools and furniture (net)	12,589	12,956
Land	70,765	70,606
Lease assets	2,891	2,907
Less accumulated depreciation	-2,243	-2,272
Lease assets (net)	648	635
Construction in progress	31,988	32,935
Total property, plants and equipment	433,491	440,216
Intangible assets		
Goodwill	73	69
Other	13,480	13,412
Total intangible assets	13,553	13,481
Investments and other fixed assets		
Investment securities	93,504	89,373
Net defined benefit asset	20,274	20,633
Deferred tax assets	14,409	14,422
Other	7,557	7,481
Allowance for doubtful accounts	-94	-95
Total investments and other fixed assets	135,651	131,816
Total fixed assets	582,696	585,515
Total assets	1,004,143	1,006,341

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
LIABILITIES		
Current liabilities		
Notes and accounts payable	125,479	121,048
Short-term loans payable	33,597	44,060
Commercial paper	—	18,000
Accrued expenses	46,286	40,433
Income taxes payable	21,023	7,678
Accrued bonuses for employees	11,895	6,763
Allowance for sales returns	757	273
Allowance for sales rebates	2,443	1,765
Other current liabilities	50,021	57,355
Total current liabilities	291,504	297,377
Long-term liabilities		
Bonds	20,000	20,000
Long-term loans payable	62,788	59,179
Deferred tax liabilities	10,650	9,152
Retirement benefit liabilities	53,830	54,021
Reserve for directors' retirement benefits	106	111
Other long-term liabilities	4,632	5,065
Total long-term liabilities	152,008	147,529
Total liabilities	443,512	444,906
NET ASSETS		
Shareholders' equity		
Common stock	30,000	30,000
Capital surplus	100,061	100,061
Retained earnings	407,943	411,198
Treasury stock, at cost	-30,422	-30,430
Total shareholders' equity	507,582	510,829
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	33,261	30,738
Deferred gains or losses on hedges	3	-15
Foreign currency translation adjustments	-1,751	-1,679
Adjusted cumulative of retirement benefits	-11,785	-11,213
Total accumulated other comprehensive income	19,728	17,829
Minority interests	33,320	32,775
Total net assets	560,630	561,435
Total liabilities and net assets	1,004,143	1,006,341

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the Three Months Ended June 30, 2019)

(Millions of yen)

	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	First three months of FYE March 2020 (from Apr. 1, 2019 to Jun. 30, 2019)
Net sales	296,394	298,935
Cost of sales	191,814	189,937
Gross profit	104,580	108,998
Selling, general and administrative expenses	84,805	88,361
Operating income	19,774	20,636
Non-operating income		
Interest income	31	51
Dividend income	603	674
Equity in income of affiliates	189	—
Insurance income	—	1,207
Other	341	489
Total non-operating income	1,166	2,421
Non-operating expenses		
Interest expenses	165	202
Share of loss of entities accounted for using equity method	—	98
Foreign exchange losses	256	104
Other	205	278
Total non-operating expenses	628	683
Ordinary income	20,311	22,374
Extraordinary income		
Gain on sale of property, plants and equipment	5,002	532
Other	10	0
Total extraordinary income	5,013	532
Extraordinary losses		
Loss on disposal of property, plants and equipment	496	923
Loss on business of subsidiaries and associates	282	—
Other	127	93
Total extraordinary losses	905	1,016
Income before income taxes	24,419	21,890
Income taxes	7,105	7,569
Net income	17,313	14,321
Net income or net losses attributable to non-controlling shareholders	223	-179
Net income attributable to shareholders of parent company	17,090	14,500

(Quarterly Consolidated Statements of Comprehensive Income)
(For the First Three Months Ended June 30, 2019)

(Millions of yen)

	First three months of FYE March 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	First three months of FYE March 2020 (from Apr. 1, 2019 to Jun. 30, 2019)
Net income	17,313	14,321
Other comprehensive income		
Net unrealized holding gains or losses on securities	2,251	-2,530
Deferred gains or losses on hedges	90	-19
Foreign currency translation adjustments	-1,356	83
Adjustments related to retirement benefits	513	564
Equity in affiliates accounted for by equity method	-414	10
Total other comprehensive income	1,084	-1,890
Comprehensive income	18,398	12,430
(Breakdown)		
Comprehensive income attributable to shareholders of parent company	18,227	12,602
Comprehensive income attributable to minority shareholders	171	-171

(3) Notes Concerning Quarterly Financial Statements

(Notes Concerning the Premise of a Going Concern)

Not applicable.

(Notes Concerning Significant Changes in Shareholders' Equity (if any))

Not applicable.

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses are calculated by rationally estimating the effective tax rate after application of tax effect accounting to income before income taxes for the consolidated fiscal year, which includes the current quarter under review, then multiplying income before income taxes by the estimated effective tax rate.

Income taxes-deferred are shown included in income taxes.

(Changes in Accounting Policies)

Some of our consolidated subsidiaries have implemented IFRS 16, Leases, from the first quarter of the consolidated fiscal period under review. The impact of these changes on the Consolidated Quarterly Statements of Income for the first quarter of the consolidated fiscal year is minor.

(Segment Information, etc.)

1. The First Three Months of the Previous Consolidated Fiscal Year (April 1, 2018 to June 30, 2018)

(1) Information on amounts of sales and income/losses for each reporting segment

(Millions of yen)

	Reporting Segments		Total	Adjustments (Note 1)	Amount Presented in Consolidated Statements of Income (Note 2)
	Food	Pharmaceutical			
Net Sales					
(1) Sales to Outside Customers	258,597	37,796	296,394	—	296,394
(2) Inter-segment Sales and Transfers	88	61	149	-149	—
Total	258,685	37,858	296,543	-149	296,394
Income by Segment	18,470	1,486	19,957	-183	19,774

(Notes)

1. Details of Adjustments are as follows:

The segment income adjustment of a negative JPY 183 million includes inter-segment eliminations of JPY 9 million and a negative JPY 193 million in corporate expenses that are not allocated to individual reporting segments. Corporate expenses mainly consist of administrative expenses for the Company (the holding company).

2. Segment income is adjusted to the operating income recorded in the quarterly consolidated statements of income.

(2) Information on impairment loss on fixed assets or good will, etc., for each reporting segment

(Significant impairment loss on fixed assets)

There was no significant impairment loss on fixed assets.

(Significant changes in the amount of goodwill)

There were no significant changes in the amount of goodwill.

(Significant gain on negative goodwill)

No significant negative goodwill was generated.

2. The First Three Months of the Consolidated Fiscal Year (April 1, 2019 to June 30, 2019)

(1) Information on amounts of sales and income/losses for each reporting segment

(Millions of yen)

	Reporting Segments		Total	Adjustments (Note 1)	Amount Presented in Consolidated Statements of Income(Note 2)
	Food	Pharmaceutical			
Net Sales					
(1) Sales to Outside Customers	258,972	39,963	298,935	—	298,935
(2) Inter-segment Sales and Transfers	121	73	195	-195	—
Total	259,094	40,036	299,131	-195	298,935
Income by Segment	19,682	977	20,659	-23	20,636

(Notes)

1. Details of Adjustments are as follows:

The segment income adjustment of a negative JPY 23 million includes inter-segment eliminations of JPY 6 million and a negative JPY 30 million in corporate expenses that are not allocated to individual reporting segments. Corporate expenses mainly consist of administrative expenses for the Company (the holding company).

2. Segment income is adjusted to the operating income recorded in the quarterly consolidated statements of income.

(2) Information on impairment loss on fixed assets or goodwill, etc., for each reporting segment

(Significant impairment loss on fixed assets)

There was no significant impairment loss on fixed assets.

(Significant changes in the amount of goodwill)

There were no significant changes in the amount of goodwill.

(Significant gain on negative goodwill)

No significant negative goodwill was generated.

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2020 - Supplementary Explanatory Data -

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The logo for Meiji, featuring the word "meiji" in a bold, red, lowercase sans-serif font.

Meiji Holdings Co., Ltd.

*This document has been translated from the original Japanese as a guide for non-Japanese investors.

*Unaudited figures are included in these materials for reference.

*The forward-looking statements described in this document, such as business forecasts, are based on information available at the time of the release of this presentation and reasonable assumptions made by the Company, and do not represent a commitment from the Company that they will be achieved.

(Amounts appearing in the tables below have been rounded down to nearest 100 million yen)

1. Consolidated Financial Results

1. Consolidated Operating Results

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year				
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan			
	%	%	%	%	%	%	%	%			
Net sales	298.9	+0.9	47.8								
Cost of sales	189.9	-1.0	—								
Gross profit	108.9	+4.2	—								
Selling, general and administrative expenses	88.3	+4.2	—								
Carriage and storage charges	11.8	+0.2	—								
Sales promotion expenses	30.3	+4.2	—								
Labor cost	20.7	+4.2	—								
Operating income	20.6	+4.4	46.9								
Ordinary income	22.3	+10.2	49.7								
Net income attributable to owners of parent	14.5	-15.2	50.9								

Plan -- FYE March 2020					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
%	%	%	%	%	%
625.0	+2.1	684.0	+6.5	1,309.0	+4.4
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
44.0	+0.4	64.0	+17.3	108.0	+9.8
45.0	+2.6	64.0	+14.6	109.0	+9.3
28.5	-25.6	39.0	+65.6	67.5	+9.1

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
	%	%	%	%	%	%	%	%				
Net sales	296.3	-1.6	48.8	611.9	+0.1	+0.8	950.6	+1.5	75.1	1,254.3	+1.1	-0.9
Cost of sales	191.8	+0.1	—	393.7	+0.5	—	605.1	+1.5	—	797.8	+1.5	—
Gross profit	104.5	-4.6	—	218.2	-0.6	—	345.5	+1.5	—	456.5	+0.4	—
Selling, general and administrative expenses	84.8	-0.5	—	174.4	-0.0	—	265.8	-0.8	—	358.1	-0.6	—
Carriage and storage charges	11.8	-5.3	—	24.0	-0.7	—	36.2	+2.7	—	48.1	+4.2	—
Sales promotion expenses	29.1	-3.6	—	58.4	-6.3	—	91.1	-7.8	—	122.0	-8.7	—
Labor cost	19.8	+1.4	—	40.3	+2.8	—	60.9	+3.5	—	81.8	+3.8	—
Operating income	19.7	-19.0	48.2	43.8	-2.9	+6.9	79.6	+10.3	78.8	98.3	+3.9	-2.6
Ordinary income	20.3	-19.3	48.9	43.8	-4.9	+5.7	80.9	+8.9	80.1	99.7	+4.0	-1.3
Net income attributable to owners of parent	17.0	+0.5	53.4	38.3	+21.9	+19.7	61.8	+22.0	87.2	61.8	+1.0	-12.9

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
%	%	%	%	%	%
611.9	+0.1	642.4	+2.1	1,254.3	+1.1
393.7	+0.5	404.1	+2.5	797.8	+1.5
218.2	-0.6	238.3	+1.3	456.5	+0.4
174.4	-0.0	183.7	-1.1	358.1	-0.6
24.0	-0.7	24.0	+9.5	48.1	+4.2
58.4	-6.3	63.5	-10.7	122.0	-8.7
40.3	+2.8	41.5	+4.8	81.8	+3.8
43.8	-2.9	54.5	+10.1	98.3	+3.9
43.8	-4.9	55.8	+12.2	99.7	+4.0
38.3	+21.9	23.5	-21.1	61.8	+1.0

Note: KM Biologics earnings included beginning from the second quarter of FYE March 2019.

1. Consolidated Financial Results
2. Operating Results of Food Segment

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Net sales	259.0	%	48.5	%	%	%	%	%
Cost of sales	170.5	-1.2	—	—	—	—	—	—
Gross profit	88.5	+3.0	—	—	—	—	—	—
Selling, general and administrative expenses	68.8	+2.0	—	—	—	—	—	—
Carriage and storage charges	11.2	-0.1	—	—	—	—	—	—
Sales promotion expenses	27.4	+6.4	—	—	—	—	—	—
Labor cost	14.2	+0.2	—	—	—	—	—	—
Operating income	19.6	+6.6	50.5	—	—	—	—	—
Ordinary income	20.3	+7.6	51.2	—	—	—	—	—
Net income attributable to owners of parent	13.3	-20.1	50.5	—	—	—	—	—

Plan -- FYE March 2020					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
534.0	+1.7	556.0	+4.5	1,090.0	+3.2
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
39.0	+0.0	50.9	+11.2	90.0	+6.2
39.7	+0.0	51.6	+10.1	91.4	+5.5
26.4	-13.6	33.6	+7.1	60.0	-3.1

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Net sales	258.6	%	48.8	%	%	%	%	%				
Cost of sales	172.6	-0.8	—	—	—	—	—	—				
Gross profit	85.9	-6.0	—	—	—	—	—	—				
Selling, general and administrative expenses	67.5	-2.2	—	—	—	—	—	—				
Carriage and storage charges	11.2	-5.6	—	—	—	—	—	—				
Sales promotion expenses	25.8	-4.7	—	—	—	—	—	—				
Labor cost	14.2	+2.1	—	—	—	—	—	—				
Operating income	18.4	-17.8	47.5	39.0	-4.6	+0.3	64.9	-0.0	73.7	84.7	+0.7	-3.8
Ordinary income	18.9	-17.3	48.0	39.7	-4.3	+1.1	66.5	+0.1	74.6	86.6	+0.7	-2.9
Net income attributable to owners of parent	16.6	+6.6	52.8	30.5	+4.0	-3.2	48.9	+5.1	79.9	61.9	+6.7	+1.0

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
524.8	-1.8	531.8	-1.4	1,056.6	-1.6
351.0	-0.7	347.8	-0.5	698.9	-0.6
173.7	-3.8	183.9	-3.0	357.7	-3.4
134.7	-3.6	138.1	-5.6	272.9	-4.6
22.9	-0.6	22.8	+9.4	45.7	+4.1
51.4	-7.3	54.1	-12.6	105.6	-10.1
28.2	+2.0	28.7	+1.1	57.0	+1.5
39.0	-4.6	45.7	+5.7	84.7	+0.7
39.7	-4.3	46.8	+5.3	86.6	+0.7
30.5	+4.0	31.3	+9.4	61.9	+6.7

1. Consolidated Financial Results

3. Operating Results of Pharmaceutical Segment

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Net sales	40.0	% +5.8	% 43.5	%	%	%	%	%
Cost of sales	20.0	+4.1	—					
Gross profit	19.9	+7.5	—					
Selling, general and administrative expenses	19.0	+11.1	—					
Operating income	0.9	-34.3	19.2					
Ordinary income	1.6	+30.8	32.3					
Net income attributable to owners of parent	0.8	+185.1	41.2					

Plan -- FYE March 2020					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
92.1	% +5.1	% 128.4	% +15.6	220.5	% +11.0
—	—	—	—	—	—
—	—	—	—	—	—
5.1	+0.0	13.4	+46.8	18.5	+29.9
5.0	+23.6	12.4	+36.6	17.4	+32.6
2.1	-73.2	5.6	—	7.7	+5,607.3

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Net sales	37.8	% +5.4	% 48.6	% +12.6	% +12.4	% 148.2	% +21.2	% 74.1
Cost of sales	19.2	+8.7	—	43.0	+11.1	—	73.2	+20.5
Gross profit	18.5	+2.3	—	44.5	+14.2	—	75.0	+21.9
Selling, general and administrative expenses	17.1	+5.4	—	39.4	+13.8	—	59.8	+11.0
Operating income	1.4	-23.6	57.0	5.1	+17.5	+96.2	15.1	+100.2
Ordinary income	1.2	-36.7	48.4	4.0	-8.3	+58.8	14.2	+86.4
Net income attributable to owners of parent	0.3	-72.5	45.0	7.8	+302.3	+1,064.4	13.0	+222.3

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
87.6	% +12.6	% 111.0	% +22.5	198.6	% +17.9
43.0	+11.1	56.5	+26.1	99.5	+19.1
44.5	+14.2	54.5	+19.0	99.1	+16.8
39.4	+13.8	45.4	+16.0	84.8	+14.9
5.1	+17.5	9.1	+36.8	14.2	+29.2
4.0	-8.3	9.0	+66.8	13.1	+33.2
7.8	+302.3	-7.7	—	0.1	-95.9

Note: KM Biologics earnings included beginning from the second quarter of FYE March 2019.

2. Segment Information

1. Food Segment

A. Net Sales

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Fresh and Fermented Dairy	81.1	-2.3	48.8					
Processed Food	44.1	+0.2	48.6					
Confectionery	26.7	+7.3	51.3					
Nutrition	22.5	+3.9	49.3					
Overseas	11.0	+11.6	44.8					
Other Domestic Subsidiaries	73.4	-2.2	47.6					

Plan -- FYE March 2020					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
166.2	+0.4	165.5	+0.6	331.8	+0.5
90.8	-0.6	87.2	+2.4	178.0	+0.9
52.1	+3.4	79.1	+10.1	131.2	+7.3
45.7	+2.7	42.6	+4.9	88.3	+3.8
24.6	+13.5	28.7	+13.0	53.4	+13.2
154.3	+2.1	152.7	+6.0	307.0	+4.0

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Fresh and Fermented Dairy	83.0	-3.1	49.7	165.5	-3.0	-1.0	248.0	-2.5	74.6	330.1	-2.5	-0.7
Processed Food	44.0	+2.1	48.5	91.4	+2.8	+0.7	137.5	+1.9	78.0	176.5	+1.4	+0.1
Confectionery	24.8	-19.6	48.8	50.4	-15.1	-1.1	87.6	-12.1	70.4	122.2	-9.8	-1.8
Nutrition	21.6	+1.8	48.7	44.5	+2.4	+0.1	67.6	+1.3	78.9	85.1	+1.3	-0.6
Overseas	9.9	+7.4	39.6	21.7	+5.8	-13.1	35.4	+11.1	72.2	47.1	+8.5	-3.8
Other Domestic Subsidiaries	75.0	-0.2	49.6	151.1	-0.1	-0.2	226.7	-0.4	75.9	295.3	-0.8	-1.2

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
165.5	-3.0	164.6	-1.9	330.1	-2.5
91.4	+2.8	85.1	-0.2	176.5	+1.4
50.4	-15.1	71.8	-5.7	122.2	-9.8
44.5	+2.4	40.6	+0.1	85.1	+1.3
21.7	+5.8	25.4	+11.0	47.1	+8.5
151.1	-0.1	144.1	-1.6	295.3	-0.8

B. Operating Income

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
Fresh and Fermented Dairy	10.4	-8.1	47.3					
Processed Food	1.8	+11.5	38.0					
Confectionery	4.0	+27.7	67.3					
Nutrition	4.1	+34.5	55.7					
Overseas	0.2	—	39.5					
Other Domestic Subsidiaries	0.8	-30.9	40.6					
Corporate expenses	-2.0	—	—					

Plan -- FYE March 2020					
H1	YoY change	H2	YoY change	Full-year	YoY change
22.1	-1.3	26.7	+5.0	48.8	+2.1
4.9	+13.5	4.2	+10.6	9.2	+12.1
6.0	-3.7	15.8	+12.1	21.9	+7.3
7.5	+3.9	5.7	+0.4	13.3	+2.4
0.5	+0.5	0.7	+4.3	1.2	+2.8
2.1	-7.7	2.1	+46.8	4.3	+13.2
-4.3	—	-4.5	—	-8.8	—

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
Fresh and Fermented Dairy	11.3	-14.1	49.3	22.4	-9.0	-2.9	34.1	-6.5	69.8	47.8	-8.1	-2.2
Processed Food	1.6	-7.8	40.9	4.3	+9.1	+5.7	7.0	+13.1	84.7	8.2	+10.9	-1.5
Confectionery	3.1	-29.7	49.3	6.2	-13.7	-2.8	14.8	-2.2	68.7	20.4	+3.7	-5.5
Nutrition	3.1	-18.2	47.4	7.2	+0.3	+10.1	11.3	+0.3	85.1	12.9	+4.6	-2.5
Overseas	-0.0	—	—	0.5	+48.3	+40.2	1.0	+60.3	102.9	1.2	+76.2	+21.7
Other Domestic Subsidiaries	1.2	-3.8	50.0	2.3	-10.5	-7.7	3.4	-14.5	82.3	3.8	-11.5	-8.2
Corporate expenses	-2.1	—	—	-4.1	—	—	-6.9	—	—	-9.8	—	—

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
22.4	-9.0	25.4	-7.3	47.8	-8.1
4.3	+9.1	3.8	+13.1	8.2	+10.9
6.2	-13.7	14.1	+13.9	20.4	+3.7
7.2	+0.3	5.7	+10.6	12.9	+4.6
0.5	+48.3	0.7	+102.5	1.2	+76.2
2.3	-10.5	1.4	-12.9	3.8	-11.5
-4.1	—	-5.6	—	-9.8	—

Note: Under this current classification, the post-elimination figure is indicated. Corporate expenses are not allocated to each business.

2. Segment Information

2. Pharmaceutical Segment

A. Net Sales

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
	%	%	%	%	%	%	%	%
Japan	26.4	-4.2	41.3					
Overseas	11.4	+11.7	53.7					
KM Biologics	4.0	—	27.6					
Eliminations	-1.8	—	—					

Plan -- FYE March 2020					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
%	%	%	%	%	%
64.1	+10.2	93.2	+28.7	157.3	+20.4
21.2	+3.3	23.2	+14.1	44.5	+8.7
14.6	+46.3	24.9	+17.0	39.5	+26.4
-7.8	—	-13.1	—	-20.9	—

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
	%	%	%	%	%	%	%	%				
Japan	27.6	+2.3	47.4	58.2	+0.0	+0.0	96.4	+3.5	74.5	130.6	+1.3	+1.0
Overseas	10.2	+15.0	52.5	20.6	+6.0	+6.0	30.5	+4.9	71.5	41.0	+4.1	-3.9
KM Biologics	—	—	—	9.9	—	—	24.0	—	80.2	31.2	—	+4.2
Eliminations	—	—	—	-1.3	—	—	-2.7	—	—	-4.2	—	—

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
%	%	%	%	%	%
58.2	+0.0	72.4	+2.4	130.6	+1.3
20.6	+6.0	20.4	+2.6	41.0	+4.1
9.9	—	21.2	—	31.2	—
-1.3	—	-2.9	—	-4.2	—

B. Operating Income

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan
	%	%	%	%	%	%	%	%
Japan	1.3	+5.3	30.1					
Overseas	0.9	+384.8	192.4					
KM Biologics	-1.5	—	—					
Adjustments and Eliminations	0.1	—	—					

Plan -- FYE March 2020					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
%	%	%	%	%	%
4.4	+7.3	6.8	+18.8	11.3	+13.9
0.5	-33.2	1.6	+21.7	2.1	+2.3
-0.4	—	3.9	+113.2	3.5	+1.2
0.5	—	0.9	—	1.5	—

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY change	H1 plan achievement rate	YoY change	vs. H1 plan	YoY change	Full-year plan achievement rate	YoY change	vs. Full-year plan				
	%	%	%	%	%	%	%	%				
Japan	1.2	-11.1	55.8	4.1	+78.0	+81.7	10.0	+141.4	107.1	9.9	+50.0	+5.7
Overseas	0.2	-60.0	66.7	0.7	-62.3	+151.5	1.5	-53.5	143.9	2.1	-51.5	+94.0
KM Biologics	—	—	—	1.6	—	—	4.3	—	123.4	3.4	—	-1.2
Adjustments and Eliminations	—	—	—	-1.4	—	—	-0.8	—	—	-1.2	—	—

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
%	%	%	%	%	%
4.1	+78.0	5.7	+34.5	9.9	+50.0
0.7	-62.3	1.3	-42.5	2.1	-51.5
1.6	—	1.8	—	3.4	—
-1.4	—	0.1	—	-1.2	—

Note: "Eliminations" and "Adjustments and eliminations" indicate "the amount eliminated" and "amounts adjusted and eliminated" in relation to transactions within the pharmaceutical segment.

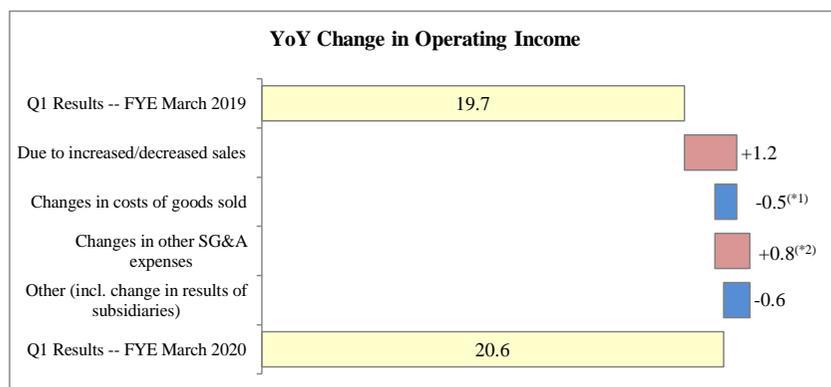
Note: As of second quarter FYE March 2019, domestic business "net sales" and "operating income" include "sales" and "operating income incidental to sales" of human vaccines purchased from KM Biologics.

3. Analysis of Operating Income

1. Results-- FYE March 2020

(Billions of yen)

	Q1				Q1-Q2				Q1-Q3				Full-year			
	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other
Results -- FYE March 2019	19.7	18.4	1.4	-0.1												
Due to increased/decreased sales	+1.2	+2.3	-1.1	—												
Changes in costs of goods sold	-0.5	-0.6	+0.1	—												
Changes in other SG&A expenses	+0.8	-0.3	+1.1	—												
Other (incl. change in results of subsidiaries)	-0.6	-0.2	-0.6	+0.2												
Total change	+0.8	+1.2	-0.5	+0.2												
Results -- FYE March 2020	20.6	19.6	0.9	0.1												



(Breakdown)

*1: [Food] Increase in domestic raw milk costs: -0.5, Increase in packaging costs: -0.1
 [Pharma] Cost reductions: +0.1

*2: [Food] Increase in promotion expenses: -0.4, Other: +0.1
 [Pharma] Decrease in R&D expenses: +0.2, Decrease in promotion expenses: +0.2, Other: +0.7

2. Plan -- FYE March 2020

(Billions of yen)

	H1 (Q1-Q2)				H2 (Q3-Q4)				Full-year			
	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other	Consolidated Total	Food	Pharma	Other
Results -- FYE March 2019	43.8	39.0	5.1	-0.3	54.5	45.7	9.1	-0.3	98.3	84.7	14.2	-0.6
Due to increased/decreased sales	+4.1	+3.9	+0.2	—	+10.1	+6.5	+3.6	—	+14.2	+10.4	+3.8	—
Changes in costs of goods sold	-0.5	-1.2	+0.7	—	-5.0	-1.1	-3.9	—	-5.5	-2.3	-3.2	—
Changes in other SG&A expenses	-4.6	-3.4	-1.2	—	-1.5	-1.6	+0.1	—	-6.1	-5.0	-1.1	—
Other (incl. change in results of subsidiaries)	+1.2	+0.7	+0.3	+0.2	+5.9	+1.5	+4.5	-0.1	+7.1	+2.2	+4.8	+1.0
Total change	+0.2	+0.0	+0.0	+0.2	+9.5	+5.3	+4.3	-0.1	+9.7	+5.3	+4.3	+1.0
Plan -- FYE March 2020	44.0	39.0	5.1	-0.1	64.0	50.9	13.4	-0.4	108.0	90.0	18.5	-0.5

Note: KM Biologics earnings included in "Other (incl. change in results of subsidiaries)" of Pharma.

4. Consolidated Financial Positions

(Billions of yen)

FYE March 2020	As of Jun. 30		As of Sep. 30		As of Dec. 31		As of Mar. 31	
		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end
Total assets	1,006.3	+0.2		%		%		%
Current assets	420.8	-0.1						
Fixed assets	585.5	+0.5						
Total liabilities	444.9	+0.3						
Current liabilities	297.3	+2.0						
Long-term liabilities	147.5	-2.9						
Total net assets	561.4	+0.1						
Shareholders' equity	510.8	+0.6						

Reference	Consolidated interest bearing debt	141.2	+21.4						
	Food segment assets	685.6	-0.8						
	Pharmaceuticals segment assets	266.4	-5.8						

FYE March 2019	As of Jun. 30		As of Sep. 30		As of Dec. 31		As of Mar. 31	
		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end		Change from the previous fiscal year end
Total assets	943.1	+1.9	1,003.9	+8.5	1,025.0	+10.8	1,004.1	+8.5
Current assets	393.9	+2.9	415.8	+8.6	438.7	+14.6	421.4	+10.0
Fixed assets	549.1	+1.3	588.0	+8.4	586.2	+8.1	582.6	+7.5
Total liabilities	440.4	+2.4	451.0	+4.9	462.3	+7.5	443.5	+3.1
Current liabilities	303.3	+3.0	293.4	-0.3	307.1	+4.3	291.5	-1.0
Long-term liabilities	137.0	+1.1	157.5	+16.2	155.1	+14.4	152.0	+12.1
Total net assets	502.7	+1.5	552.8	+11.6	562.7	+13.6	560.6	+13.2
Shareholders' equity	471.8	+1.4	493.4	+6.0	507.6	+9.0	507.5	+9.0

Reference	Consolidated interest bearing debt	147.1	+23.5	136.7	+14.8	147.6	+24.0	116.3	-2.3
	Food segment assets	658.2	-0.1	664.2	+0.8	674.4	+2.3	690.9	+4.8
	Pharmaceuticals segment assets	206.4	-2.9	277.9	+30.7	293.3	+37.9	282.8	33.0

Note: Incidental to the Partial Revisions to Accounting Standards for Tax Effect Accounting, the change indicated above is calculated relative to full-year figures for the previous fiscal year after the retroactive application of these revisions.

Note: KM Biologics earnings included beginning from the second quarter of FYE March 2019.

5. Capital Expenditures, Depreciation, R&D Expenses

(Billions of yen)

	FYE March 2017		FYE March 2018		FYE March 2019		FYE March 2020	
	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year	H1 (Q1-Q2)	Full-year
Capital expenditures	23.3	50.4	34.8	71.7	34.3	71.2	47.0	99.1
Food segment	20.3	44.3	30.6	63.8	30.5	61.3	40.4	86.1
Pharmaceutical segment	2.9	6.0	4.1	7.8	3.7	9.7	6.6	12.8
Corporate or elimination	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Depreciation and amortization	22.1	45.8	22.3	46.5	20.6	43.0	22.8	48.8
Food segment	19.2	39.9	19.3	40.1	16.7	34.5	18.2	39.5
Pharmaceutical segment	2.8	5.7	2.9	6.0	3.6	9.0	5.1	10.2
Corporate or elimination	0.1	0.2	0.1	0.3	0.2	-0.5	-0.4	-0.9
R&D expenses	12.5	26.1	12.5	26.5	13.2	29.1	15.4	33.1
Food segment	6.1	12.4	5.9	13.2	6.1	12.7	6.5	13.8
Pharmaceutical segment	6.4	13.7	6.5	13.2	7.0	16.4	8.7	18.9
Corporate or elimination	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3

Note: The figures of "Capital expenditures" and "Depreciation and amortization" include "Intangible fixed assets."

Note: KM Biologics earnings included in the results of first half and full year plan of FYE March 2019.

6. Financial Indicators, consolidated

	FYE March 2016	FYE March 2017	FYE March 2018	FYE March 2019	
	Full-year	Full-year	Full-year	Full-year	
Net sales	1,223.7 billion yen	1,242.4 billion yen	1,240.8 billion yen	1,254.3 billion yen	
Operating income	77.7 billion yen	88.3 billion yen	94.6 billion yen	98.3 billion yen	
Operating income ratio	6.4 %	7.1 %	7.6 %	7.8 %	
EBITDA	121.6 billion yen	135.8 billion yen	142.8 billion yen	143.0 billion yen	(Note) Op. income + Depreciation and amortization
EBITDA margin	9.9 %	10.9 %	11.5 %	11.4 %	
Net income attributable to shareholders of parent company	62.5 billion yen	60.7 billion yen	61.2 billion yen	61.8 billion yen	
Net income ratio	5.1 %	4.9 %	4.9 %	4.9 %	
Total assets	856.1 billion yen	883.8 billion yen	927.5 billion yen	1,004.1 billion yen	
Interest bearing debt	147.8 billion yen	129.4 billion yen	119.1 billion yen	116.3 billion yen	
Shareholders' equity	408.8 billion yen	448.9 billion yen	487.3 billion yen	527.3 billion yen	
Shareholders' equity ratio	47.8 %	50.8 %	52.7 %	52.5 %	
Debt/Equity ratio	0.36 %	0.28 %	0.24 %	0.22 %	
ROA	9.4 %	10.2 %	10.6 %	10.3 %	(Note) Ordinary income/Average net assets
ROE	16.1 %	14.2 %	13.1 %	12.2 %	(Note) Net income attributable to shareholders of parent company/Average shareholders' equity
Cash flows from operating activities	105.1 billion yen	81.8 billion yen	108.7 billion yen	112.1 billion yen	
Cash flows from investing activities	-9.8 billion yen	-44.2 billion yen	-64.3 billion yen	-100.2 billion yen	
Free cash flows	95.3 billion yen	37.5 billion yen	44.3 billion yen	11.8 billion yen	(Note) Cash flows from operating activities + Cash flows from investing activities
Net income per share	425.06 yen	413.11 yen	422.15 yen	426.61 yen	(Note) Net income attributable to shareholders of parent company / (Number of shares outstanding - Number of treasury stock)
Net assets per share	2,777.28 yen	3,064.91 yen	3,360.70 yen	3,635.79 yen	(Note) (Total net assets - Noncontrolling interests) / (Number of shares outstanding - Number of treasury stock)
Cash flow per share	710.89 yen	728.21 yen	743.35 yen	723.29 yen	(Note) (Net income attributable to shareholders of parent company + Depreciation and Amortization) / (Number of shares outstanding - Number of treasury stock)
Cash dividends per share	90.00 yen	110.00 yen	130.00 yen	140.00 yen	
Dividend payout ratio	21.2 %	26.6 %	30.8 %	32.8 %	
Price/Earnings ratio--PER	21.3 times	22.4 times	19.1 times	21.2 times	(Note) Year-end stock price/Net income per share
Price/Book value ratio--PBR	3.3 times	3.0 times	2.4 times	2.4 times	(Note) Year-end stock price/Net assets per share
Price/Cash flow ratio--PCFR	12.7 times	12.7 times	10.8 times	12.4 times	(Note) Year-end stock price/Cash flow per share

Note: The above figures per share are calculated by retroactively applying the number of shares resulting from the stock split conducted on October 1, 2015.

7. Sales by Main Products

1. Food Segment (Non-consolidated)

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year				
	YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan			
	%	%	%	%	%	%	%	%			
Yogurt	21.7	-3.8	45.8								
Meiji Bulgaria Yogurt	19.8	-5.6	47.8								
Probiotic yogurts	25.8	-4.7	49.6								
Drinking milk	28.1	+4.5	51.7								
Meiji Oishii Gyunyu	14.3	+0.6	48.2								
Cheese	9.2	+0.1	51.3								
Meiji Hokkaido Tokachi series	3.5	+3.1	49.4								
Ice cream	12.1	-0.9	42.9								
Chocolate	19.9	+11.2	51.9								
Nutritional products	14.3	+3.8	50.4								
Sports nutrition	5.5	+0.6	47.0								

Plan -- FYE March 2020					
H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
%	%	%	%	%	%
47.4	+5.5	43.1	+8.1	90.6	+6.7
41.5	-1.0	37.3	+1.1	78.8	-0.0
52.1	-0.1	62.1	+2.3	114.2	+1.2
54.4	-1.5	50.3	-5.1	104.8	-3.2
29.7	+0.1	27.7	+4.7	57.4	+2.3
17.9	-0.3	19.3	+4.0	37.3	+1.8
7.1	+7.6	8.1	+14.9	15.3	+11.3
28.3	-0.1	16.6	-0.6	44.9	-0.3
38.4	+4.7	65.7	+11.8	104.1	+9.1
28.4	+0.6	27.4	+1.5	55.8	+1.1
11.7	+3.3	9.2	+10.6	21.0	+6.4

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan				
	%	%	%	%	%	%	%	%				
Yogurt	22.5	+1.9	49.8	45.0	+2.0	-0.7	65.1	+1.5	74.0	84.9	+0.9	-3.5
Meiji Bulgaria Yogurt	21.0	+2.5	49.9	41.9	+2.3	-0.5	60.6	+1.8	74.6	78.8	+1.1	-2.9
Probiotic yogurts	27.1	-4.4	51.1	52.1	-4.7	-1.6	81.0	-5.2	69.1	112.9	-5.5	-3.8
Drinking milk	26.9	-2.2	48.4	55.2	-1.7	-0.6	82.9	+0.3	77.8	108.3	+1.1	+1.6
Meiji Oishii Gyunyu	14.2	-3.3	47.8	29.7	-3.8	-0.3	43.5	-3.1	76.3	56.2	-2.7	-1.5
Cheese	9.2	+4.4	52.7	18.0	+5.0	+3.2	28.1	+4.9	77.1	36.6	+4.1	+0.4
Meiji Hokkaido Tokachi series	3.4	+1.7	53.5	6.6	+4.5	+3.9	10.5	+5.4	74.3	13.7	+5.6	-2.8
Ice cream	12.2	+5.6	43.5	28.3	+6.9	+0.6	37.2	+4.2	82.6	45.1	+4.7	-0.1
Chocolate	17.9	-17.5	48.3	36.6	-12.8	-1.2	67.2	-10.6	67.9	95.4	-8.3	-3.6
Nutritional products	13.8	+8.2	50.2	28.2	+7.6	+2.5	44.0	+5.6	78.6	55.2	+4.4	-1.3
Sports nutrition	5.4	-2.0	47.9	11.3	+3.6	-0.8	16.0	+5.0	75.8	19.7	+3.4	-6.5

H1 (Q1-Q2)	YoY change	H2 (Q3-Q4)	YoY change	Full-year	YoY change
%	%	%	%	%	%
45.0	+2.0	39.9	-0.2	84.9	+0.9
41.9	+2.3	36.9	-0.2	78.8	+1.1
52.1	-4.7	60.7	-6.1	112.9	-5.5
55.2	-1.7	53.0	+4.2	108.3	+1.1
29.7	-3.8	26.4	-1.4	56.2	-2.7
18.0	+5.0	18.5	+3.2	36.6	+4.1
6.6	+4.5	7.0	+6.8	13.7	+5.6
28.3	+6.9	16.7	+1.1	45.1	+4.7
36.6	-12.8	58.7	-5.2	95.4	-8.3
28.2	+7.6	26.9	+1.4	55.2	+4.4
11.3	+3.6	8.3	+3.3	19.7	+3.4

Note: Nutritional products includes infant formula and enteral formula.

7. Sales by Main Products

2. Pharmaceutical Segment (Non-consolidated)

(Billions of yen)

FYE March 2020	Q1		Q1-Q2		Q1-Q3		Full-year	
	YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan
		%	%	%	%	%	%	%
Ethical pharmaceuticals (Japan)								
SYCREST	1.0	+19.0	31.8					
BILANOVA	0.9	-12.7	41.5					
REFLEX (includes Mirtazapine "meiji")	2.2	-50.3	34.5					
MELACT (includes Cefditoren "OK")	1.3	-5.8	51.7					
TAZOPIPE	1.7	+45.8	54.9					
Influenza HA Vaccine	-0.0	—	—					
(By field) Total brand name drugs	10.1	-19.7	38.3					
Total generic drugs	12.2	+11.5	46.7					
KM Biologics								
Total human vaccine	1.8	—	20.0					
Total blood plasma products	1.0	—	30.8					

Plan -- FYE March 2020					
H1 (Q1-Q2)	YoY Change	H2 (Q3-Q4)	YoY Change	Full-year	YoY Change
	%		%		%
3.2	+77.3	4.5	+138.0	7.7	+108.1
2.4	+36.4	6.6	+15.0	9.0	+20.0
6.4	-34.9	5.8	-16.0	12.3	-27.1
2.6	-6.9	3.0	-11.0	5.7	-9.2
3.1	+17.4	2.7	+3.3	5.8	+10.4
0.6	-35.3	13.7	+356.6	14.3	+264.3
26.3	-1.4	49.3	+67.4	75.7	+34.6
26.1	+14.5	24.0	-0.2	50.2	+7.0
9.0	+25.9	19.2	+30.2	28.2	+28.8
3.3	+91.9	3.4	-8.8	6.8	+22.7

FYE March 2019	Q1		Q1-Q2		Q1-Q3		Full-year					
	YoY Change	H1 Plan Achievement Rate	YoY Change	vs. H1 Plan	YoY Change	Full-year Plan Achievement Rate	YoY Change	vs. Full-year Plan				
		%	%	%	%	%	%	%				
Ethical pharmaceuticals (Japan)												
Total brand name drugs	12.5	+6.3	48.0	26.7	+3.5	+2.1	43.9	+7.2	78.0	56.2	+2.6	-0.2
MELACT	1.1	-27.9	43.7	2.1	-36.4	-16.2	3.6	-38.2	75.5	4.6	-37.9	-3.0
REFLEX	4.4	+5.7	44.3	9.9	+1.2	-1.8	14.7	-2.2	81.0	16.1	-18.3	-11.5
SYCREST	0.8	+45.8	41.3	1.8	+36.6	-12.7	2.8	+33.8	64.7	3.7	+32.3	-14.1
BILANOVA	1.1	+426.5	75.1	1.7	+285.1	+15.7	2.8	+133.5	54.0	7.4	+132.1	+40.7
Total generic drugs	10.9	+2.1	47.9	22.8	-0.9	-0.3	35.4	-0.7	75.1	46.9	+0.4	-0.7
AMLODIPINE	1.0	+1.0	48.7	2.2	-2.8	+1.0	3.3	-5.5	73.8	4.4	-5.1	-2.7
TAZOPIPE	1.1	+19.8	44.3	2.6	+21.7	+0.3	4.0	+15.9	70.4	5.2	+11.8	-8.4
(By field) Total infectious diseases	8.2	+0.9	47.6	18.0	+2.0	+4.2	31.4	+10.3	80.7	39.0	+5.4	+0.4
Total CNS disorders	8.4	+7.5	45.7	18.1	+3.1	-2.0	27.5	+0.6	77.6	33.1	-7.0	-6.6
KM Total human vaccine	—	—	—	7.1	—	—	17.8	—	85.4	21.9	—	+4.7
Biologics Total blood plasma products	—	—	—	1.7	—	—	3.6	—	67.9	5.5	—	+3.1

H1 (Q1-Q2)	YoY Change	H2 (Q3-Q4)	YoY Change	Full-year	YoY Change
	%		%		%
26.7	+3.5	29.5	+1.7	56.2	+2.6
2.1	-36.4	2.4	-39.1	4.6	-37.9
9.9	+1.2	6.2	-37.5	16.1	-18.3
1.8	+36.6	1.8	+28.3	3.7	+32.3
1.7	+285.1	5.7	+106.9	7.4	+132.1
22.8	-0.9	24.1	+1.7	46.9	+0.4
2.2	-2.8	2.1	-7.2	4.4	-5.1
2.6	+21.7	2.6	+3.2	5.2	+11.8
18.0	+2.0	21.0	+8.5	39.0	+5.4
18.1	+3.1	14.9	-16.9	33.1	-7.0
7.1	—	14.8	—	21.9	—
1.7	—	3.8	—	5.5	—

Note: Domestic ethical pharmaceuticals indicates non-consolidated information for Meiji Seika Pharma (excluding sales from contracted manufacturing).

Note: From the second quarter of FYE March 2019, we indicated non-consolidated information for KM Biologics biological agents business.

Note: From the first quarter of FYE March 2020, we changed the method of indicating domestic ethical pharmaceuticals.

Note: "Total brand name drugs" under domestic ethical pharmaceuticals includes net sales from human vaccines sold by Meiji Seika Pharma.

8. Other

1. List of New Products Under Development

Infectious disease

Stage	Name	Type	Efficacy Classification	Notes
Phase II	ME1111	Topical	Antionychomycosis	Discovered in-house
Phase I (Overseas)	ME1100 (Arbekacin)	Inhalation	Hospital Acquired Bacterial Pneumonia/ Ventilator Associated Bacterial Pneumonia treatment (HABP/VABP)	Discovered in-house
Phase I	OP0595 (Nacubactam)	Injection	β -lactamase inhibitor	Discovered in-house

CNS disorders

Stage	Name	Type	Efficacy Classification	Notes
Filed	ME2125 (Safinamide)	Oral	Anti-Parkinson's Disease	In-license: Newron Pharmaceutical S.p.A. (Italy) Licensed out to Eisai Co., Ltd. (Japan)
Phase III	ME2112 (Ziprasidone)	Oral	Antipsychotic	In-license: RaQualia Pharma Inc.

New fields

Stage	Name	Type	Efficacy Classification	Notes
Phase II (International collaborative clinical trial)	SP-02L (Darinaparsin)	Injection	Relapsed or refractory peripheral T-cell lymphoma (PTCL)	In-license: Solasia Pharma K.K.
Phase I	DMB-3111	Injection	Breast cancer/Gastric cancer (Biosimilar)	Co-development: Dong-A Socio Holdings Co., Ltd. (South Korea) Licensed out to Gedeon Richter Plc. (Hungary)

Vaccines

Stage	Name	Target Disease	Notes
Phase III	KD-370	Pentavalent vaccine against diphtheria, tetanus, pertussis, polio, and haemophilus influenza type b	KM Biologics Co., Ltd.
Phase I (Overseas)	KD-382	Quadrivalent vaccine against dengue fever	KM Biologics Co., Ltd.
Phase I / II	KD-404	Egg-derived inactivated whole virus influenza vaccine	Co-development: Hokkaido University

Blood Plasma Products

Stage	Name	Target Disease	Notes
Filed	KD6-71	Application for indication expansion is under preparation for chronic inflammatory demyelinating polyneuropathy (CIDP) and multifocal motor neuropathy (MMN)	Co-development: Teijin Pharma Limited
Filed	KD5-71	Indication expansion for optic neuritis (ON) (orphan drug)	Co-development: Teijin Pharma Limited
Phase III	KD-371	Indication expansion for microscopic polyangiitis (MPA) (orphan drug)	Co-development: Teijin Pharma Limited
Phase II/III	KD2-305	Suppression of bleeding tendency in patients with blood coagulation factor VIII or factor IX deficiency who have coagulation factor inhibitors	KM Biologics Co., Ltd.