(Translation)

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Annual Securities Report

(Report pursuant to Article 24, Paragraph 1 of the Financial Instruments and Exchange Act)

(The 15th Fiscal Year)

from April 1, 2023 to March 31, 2024

Meiji Holdings Co., Ltd.

(E21902)

Contents

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Document title	Annual Securities Report (“Yukashoken Houkokusho”)
Clause of stipulation	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Place of filing	Director, Kanto Local Finance Bureau
Filing date	June 27, 2024
Fiscal year	The 15th Fiscal Year (from April 1, 2023 to March 31, 2024)
Company name	Meiji Holdings Kabushiki Kaisha
Company name in English	Meiji Holdings Co., Ltd.
Title and name of representative	Kazuo Kawamura, CEO, President and Representative Director
Address of registered headquarter	4-16, Kyobashi 2-chome, Chuo-ku, Tokyo
Telephone number	+81-3-3273-4001 (switchboard)
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Nearest place of contact	4-16, Kyobashi 2-chome, Chuo-ku, Tokyo
Telephone number	+81-3-3273-4001 (switchboard)
Name of contact person	Hayato Shimada, General Manager of Corporate Administration Dept.
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

Part I Company Information

1. Overview of the company

1. Key financial data

(1) Key financial data of group

Fiscal year		11th fiscal year	12th fiscal year	13th fiscal year	14th fiscal year	15th fiscal year
Fiscal year end		March 2020	March 2021	March 2022	March 2023	March 2024
Net sales	(Millions of yen)	1,252,706	1,191,765	1,013,092	1,062,157	1,105,494
Ordinary profit	(Millions of yen)	103,326	110,176	93,985	74,160	76,020
Profit attributable to owners of parent	(Millions of yen)	67,318	65,655	87,497	69,424	50,675
Comprehensive income	(Millions of yen)	59,364	85,304	109,008	77,669	63,401
Net assets	(Millions of yen)	597,573	659,358	713,021	751,311	787,793
Total assets	(Millions of yen)	998,920	1,067,000	1,117,459	1,136,217	1,205,288
Net assets per share	(Yen)	1,939.59	2,141.40	2,390.76	2,553.69	2,674.72
Earnings per share	(Yen)	232.04	226.26	303.62	247.39	181.64
Diluted earnings per share	(Yen)	-	-	-	-	-
Equity-to-asset ratio	(%)	56.3	58.2	60.3	62.7	61.9
Rate of return on equity	(%)	12.4	11.1	13.5	10.0	6.9
Price-earnings ratio	(Times)	16.5	15.7	10.9	12.8	18.6
Cash flows from operating activities	(Millions of yen)	114,103	123,683	127,526	85,013	107,983
Cash flows from investing activities	(Millions of yen)	-70,811	-93,110	-27,614	-36,788	-24,604
Cash flows from financing activities	(Millions of yen)	-30,287	-28,293	-76,997	-54,734	-43,772
Cash and cash equivalents at end of period	(Millions of yen)	37,110	39,011	64,872	60,939	102,832
Number of employees [Average number of temporary employees not included in above]	(Number of persons)	17,571 [9,234]	17,832 [8,369]	17,336 [7,864]	17,290 [7,242]	17,270 [6,835]

(Notes)
1. Diluted earnings per share is not given because there are no dilutive shares.
2. The number of employees in [ ] is the number of temporary employees, and does not include dispatched employees.
3. In the first quarter of the 12th fiscal year, we finalized provisional accounting treatment pertaining to a business combination. Accordingly, the key financial data to the 11th fiscal year represent amounts reflecting the revisions to the initial allocation of the acquisition cost resulting from the finalization of provisional accounting treatment.
4. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related implementation guidance are applied from the beginning of the 13th fiscal year, and the key financial data to the 13th fiscal year reflect the application of that accounting standard and related implementation guidance.
5. A two-for-one ordinary share split was conducted on April 1, 2023. Net assets per share and earnings per share are calculated on the assumption that the share split was conducted at the beginning of the 11th fiscal year.

(2) Key financial data of reporting company

Fiscal year		11th fiscal year	12th fiscal year	13th fiscal year	14th fiscal year	15th fiscal year
Fiscal year end		March 2020	March 2021	March 2022	March 2023	March 2024
Operating revenue	(Millions of yen)	23,290	25,537	34,547	28,063	30,636
Ordinary profit	(Millions of yen)	21,065	22,924	31,055	23,924	24,894
Profit	(Millions of yen)	21,133	22,354	31,735	28,336	32,862
Share capital	(Millions of yen)	30,000	30,000	30,000	30,000	30,000
Total number of issued shares	(Thousand shares)	152,683	152,683	148,369	148,369	293,459
Net assets	(Millions of yen)	262,229	266,121	246,042	238,387	244,216
Total assets	(Millions of yen)	378,754	386,119	391,413	369,173	364,758
Net assets per share	(Yen)	903.80	917.04	873.60	855.11	874.99
Dividend paid per share (Interim dividend paid per share)	(Yen)	150.00 (70.00)	160.00 (75.00)	170.00 (80.00)	180.00 (85.00)	95.00 (47.50)
Earnings per share	(Yen)	72.84	77.03	110.12	100.97	117.79
Diluted earnings per share	(Yen)	-	-	-	-	-
Equity-to-asset ratio	(%)	69.2	68.9	62.9	64.6	67.0
Rate of return on equity	(%)	8.0	8.5	12.4	11.7	13.6
Price-earnings ratio	(Times)	52.7	46.2	30.0	31.2	28.7
Payout ratio	(%)	103.0	103.8	77.2	89.1	80.6
Number of employees [Average number of temporary employees not included in above]	(Number of persons)	54 [5]	66 [8]	85 [13]	99 [17]	116 [21]
Total shareholder return	(%)	87.1	82.6	78.9	77.5	84.8
(Comparison index: TOPIX (including dividends))	(%)	(90.5)	(128.6)	(131.2)	(138.8)	(196.2)
Highest share price	(Yen)	9,200	8,990	7,470	3,200 (7,130)	3,823
Lowest share price	(Yen)	6,170	6,760	6,540	3,145 (6,040)	3,100

(Notes) 1. Diluted earnings per share is not given because there are no dilutive shares.

2. The number of employees in [ ] is the number of temporary employees, and does not include dispatched employees.

3. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related implementation guidance are applied from the beginning of the 13th fiscal year, and the key financial data to the 13th fiscal year reflect the application of that accounting standard and related implementation guidance.

4. Highest share price and lowest share price refer to those of the Prime Market of the Tokyo Stock Exchange from April 4, 2022 and those of the First Section of the Tokyo Stock Exchange before that date.

5. A two-for-one ordinary share split was conducted on April 1, 2023. Share prices for the 14th fiscal year are the highest and lowest share prices after ex-rights due to the share split, and the highest and lowest share prices before the share split are shown in parentheses.

6. A two-for-one ordinary share split was conducted on April 1, 2023. Net assets per share and earnings per share are calculated on the assumption that the share split was conducted at the beginning of the 11th fiscal year.

2. History

Establishment of Meiji Holdings

Meiji Seika Kaisha, Ltd. and Meiji Dairies Corporation share the same origin in the former Meiji Sugar Co., Ltd, which was established in 1906. In April 2009, responding to changing food and health needs and to capture even greater growth opportunities, the two companies established a joint holding company, Meiji Holdings Co., Ltd., by means of a share transfer.

Then, in April 2011, in a move to realize the Meiji Group Philosophy, the Group formulated long-term management guidelines, and shifted to a new group management structure, creating a food company and a pharmaceutical company under Meiji Holdings.

Following are the major events relating to the Group.

Date	Outline
September 2008	Meiji Seika Kaisha, Ltd. and Meiji Dairies Corporation reach agreement to establish a joint holding company by means of a joint share transfer, subject to approval at a general meeting of shareholders. They prepare a Share Transfer Plan for the transfer of shares, and execute an Integration Agreement for management integration at respective meetings of their Boards of Directors.
April 2009	Meiji Holdings is established. Ordinary share of Meiji Holdings is listed on the 1st Section of the Tokyo Stock Exchange (TSE).
February 2011	Meiji Holdings concludes absorption-type company split agreements with its subsidiaries, Meiji Seika Kaisha, Ltd. and Meiji Dairies Corporation, for Meiji Holdings to succeed, by way of company splits, a portion of the asset management businesses of the two subsidiaries. Meiji Holdings subsidiaries, Meiji Seika Kaisha, Ltd. and Meiji Dairies Corporation, conclude an absorption-type company split agreement for Meiji Dairies Corporation to succeed, by way of a company split, the food and healthcare business of Meiji Seika Kaisha, Ltd.
March 2011	Meiji Dairies (Suzhou) Co., Ltd. is established.
April 2011	Meiji Seika Kaisha, Ltd., a Meiji Holdings subsidiary, changes trade name to Meiji Seika Pharma Co., Ltd. Meiji Dairies Corporation, a Meiji Holdings subsidiary, changes trade name to Meiji Co., Ltd. Meiji Holdings succeeds, by way of absorption-type company splits, a portion of the asset management businesses of its two subsidiaries, Meiji Seika Pharma Co., Ltd. and Meiji Co., Ltd. Meiji Co., Ltd., a Meiji Holdings subsidiary, succeeds, by way of an absorption-type company split, the food and healthcare business of Meiji Seika Pharma Co., Ltd., a Meiji Holdings subsidiary.
November 2011	Meiji America Inc. is established.
August 2012	Meiji Ice Cream (Guangzhou) Co., Ltd. is established.
February 2015	Medreich Limited becomes a subsidiary following acquisition of shares.
October 2015	A two-for-one ordinary share split is conducted.
July 2018	KM Biologics Co., Ltd. becomes a subsidiary following acquisition of shares.
January 2019	Meiji (China) Investment Co., Ltd. is established.
September 2019	Meiji Dairies (Tianjin) Co., Ltd. is established.
July 2020	Meiji Food (Guangzhou) Co., Ltd. is established.
April 2022	Listing on TSE transitions from 1st Section to Prime Market due to revision of TSE market segments.
April 2023	A two-for-one ordinary share split is conducted.

3. Description of business

The Meiji Group consists of Meiji Holdings (a pure holding company), 68 subsidiaries and 7 affiliates.

Since Meiji Holdings falls under the category of a specified listed company, etc. as prescribed in Article 49, Paragraph 2 of the Cabinet Office Order on Restrictions on Securities Transactions, the criteria for regarding material facts as minor under the insider trading regulations are determined on the basis of consolidated figures.

The positioning of related companies and their relationship with the segments are as follows.

<table>
<tr><th>Segment</th><th>Main Products</th><th colspan="2">Major Companies</th></tr>
<tr><td rowspan="2">Food</td><td rowspan="2">Yogurt, drinking milk, beverages, cheese, butter, margarine, cream, ice cream, ready meal, chocolate, gummy, sports nutrition, infant formula, enteral formula, beauty supplement, OTC medicines, feedstuffs, sugar and corn sweeteners, etc.</td><td>Meiji Co., Ltd.</td><td>(Consolidated subsidiaries)
Meiji Fresh Network Co., Ltd., Donan Shokuhin Co., Ltd., Meiji Chewing Gum Co., Ltd., Tokai Nuts Co., Ltd., Shikoku Meiji Co., Ltd., Tokai Meiji Co., Ltd., Gunma Meiji Co., Ltd., Tochigi Meiji Milk Products Co., Ltd., Meiji Oils and Fats Co., Ltd., Meiji Seika (Singapore) Pte. Ltd., Meiji America Inc., D.F. Stauffer Biscuit Co., Inc., Laguna Cookie Co., Inc., Meiji China Investment Co., Ltd., Meiji Dairies (Tianjin) Co., Ltd., Meiji Seika Food Industry (Shanghai) Co., Ltd., Meiji Dairies (Suzhou) Co., Ltd., Meiji Ice Cream (Guangzhou) Co., Ltd., Meiji Food (Guangzhou) Co., Ltd., Guangzhou Meiji Confectionery Co., Ltd., Taiwan Meiji Food Co., Ltd., MEIJI FOOD VIETNAM CO., LTD., Meiji Food Materia Co., Ltd., Meiji Logitech Co., Ltd., Nihon Kanzume, Co., Ltd., Meiji Feed Co., Ltd., Meiji Techno-Service Inc., Meiji Nice Day Co., Ltd., Meiji Ad Agency Co., Ltd.

(Unconsolidated subsidiaries accounted for using the equity method)
Thai Meiji Food Co., Ltd.

(Unconsolidated subsidiaries)
Meihan Ryutsu Co., Ltd., Food Express Tokai Co., Ltd., Meiji Hong Kong, Ltd., MEIJI DAIRY AUSTRALASIA PTY. LTD., MEIJI NEW ZEALAND LIMITED, PT MEIJI FOOD INDONESIA, Meiji Food Europe B.V., Meiji Food Materials (Qing Dao), Ltd., Toko Transport Inc., Kantora Logi Co., Ltd., New Hokkaido Feed Co., Ltd., Makiba Feed Co., Ltd.

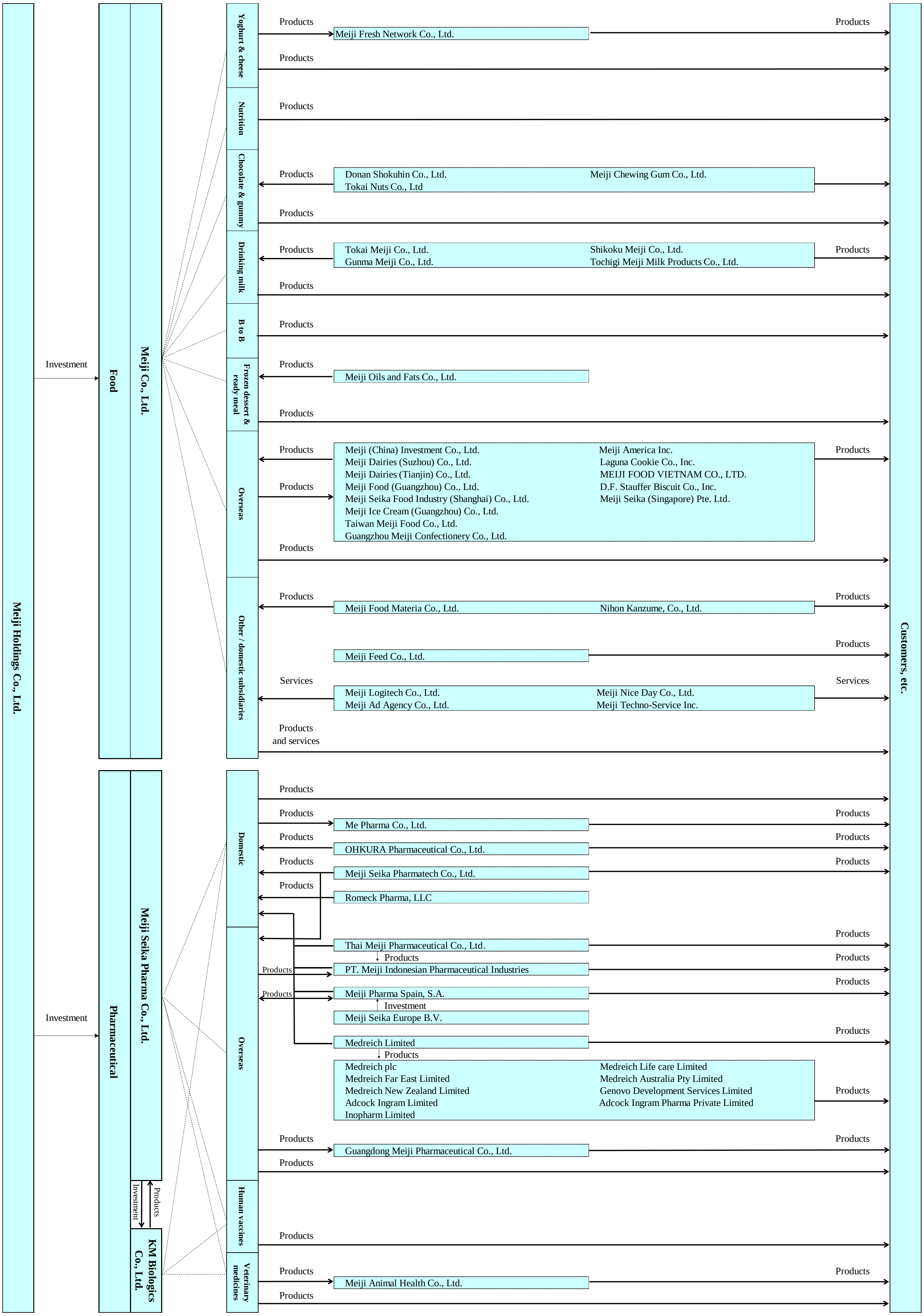
(Associates accounted for using the equity method)
CP-MEIJI Co., Ltd., AustAsia Group Ltd., Okinawa Meiji Milk Products Co., Ltd.

(Affiliates)
Beghin Meiji, Meito Warehouse Co., Ltd., Kushiroshiryo, Co., Ltd., Japan Dairy Trading Co., Ltd.</td></tr>
<tr><td colspan="2">(50 companies in total)</td></tr>
</table>

Segment	Main Products	Major Companies	
Pharmaceutical	Ethical pharmaceuticals, veterinary drugs	Meiji Seika Pharma Co., Ltd.	(Consolidated subsidiaries) OHKURA Pharmaceutical Co., Ltd., Me Pharma Co., Ltd., Meiji Pharma Spain, S.A., PT. Meiji Indonesian Pharmaceutical Industries, Thai Meiji Pharmaceutical Co., Ltd., Meiji Seika Europe B.V., Medreich Limited, Genovo Development Services Limited, Adcock Ingram Limited, Medreich Life care Limited, Medreich plc, Medreich Australia Pty Ltd., Medreich Far East Limited, Inopharm Limited, Medreich New Zealand Limited, Adcock Ingram Pharma Private Limited, Guangdong Meiji Pharmaceutical Co., Ltd., Romeck Pharma, LLC, Meiji Seika Pharmatech Co., Ltd. (Unconsolidated subsidiaries) Meiji Pharma USA Inc., MIYAKO YUSO TRANSPORTATION CO., LTD.
		KM Biologics Co., Ltd.	(Consolidated subsidiaries) Meiji Animal Health Co., Ltd.
		(24 companies in total)	

(Note) Effective April 1, 2014, Meiji Business Support Co., Ltd. was changed from the Food Segment to the Company-wide (Common) Segment.

Following is a graphic representation of the Group's business (Meiji Holdings and consolidated subsidiaries).



4. Subsidiaries and other affiliated entities

Name	Location	Investments in capital (Millions of yen)	Principal business	Percentage of voting rights held (%)	Relationship
(Consolidated subsidiaries)					
Meiji Co., Ltd. *2, 4	Chuo-ku, Tokyo	33,646	Food	100.00	Has a business management agreement with Meiji Holdings. Meiji Holdings leases offices, etc. Meiji Holdings lends funds or holds funds in trust. Number of concurrently serving officers: 3
Meiji Fresh Network Co., Ltd. *4	Koto-ku, Tokyo	100	Food	100.00 (100.00)	
Donan Shokuhin Co., Ltd.	Hakodate City, Hokkaido	40	Food	100.00 (100.00)	
Meiji Chewing Gum Co., Ltd.	Kiyosu City, Aichi	75	Food	100.00 (100.00)	
Tokai Nuts Co., Ltd.	Chiyoda-ku, Tokyo	20	Food	100.00 (100.00)	
Shikoku Meiji Co., Ltd.	Mitoyo City, Kagawa	480	Food	100.00 (100.00)	
Tokai Meiji Co., Ltd.	Fukuroi City, Shizuoka	74	Food	100.00 (100.00)	
Gunma Meiji Co., Ltd.	Maebashi City, Gunma	60	Food	100.00 (100.00)	
Tochigi Meiji Milk Products Co., Ltd.	Utsunomiya City, Tochigi	100	Food	95.00 (95.00)	
Meiji Oils and Fats Co., Ltd.	Hirakata City, Osaka	38	Food	100.00 (100.00)	
Meiji Seika (Singapore) Pte. Ltd.	Singapore	(Thousand SGD) 15,000	Food	100.00 (100.00)	
Meiji America Inc. *2	York, Pennsylvania, US	(Thousand USD) 30,558	Food	100.00 (100.00)	
D.F. Stauffer Biscuit Co., Inc. *2	York, Pennsylvania, US	(Thousand USD) 38,005	Food	100.00 (100.00)	
Laguna Cookie Co., Inc.	Santa Ana, California, US	(Thousand USD) 20,729	Food	100.00 (100.00)	
Meiji (China) Investment Co., Ltd. *2	Shanghai, China	(Thousand USD) 701,574	Food	100.00 (100.00)	
Meiji Dairies (Tianjin) Co., Ltd. *2	Tianjin, China	(Thousand CNY) 705,000	Food	100.00 (100.00)	

Name	Location	Investments in capital (Millions of yen)	Principal business	Percentage of voting rights held (%)	Relationship
Meiji Seika Food Industry (Shanghai) Co., Ltd. *2	Shanghai, China	(Thousand USD) 154,419	Food	100.00 (100.00)	
Meiji Dairies (Suzhou) Co., Ltd. *2	Jiangsu, China	(Thousand USD) 83,964	Food	100.00 (100.00)	
Meiji Ice Cream (Guangzhou) Co., Ltd. *2	Guangzhou, Guangdong, China	(Thousand CNY) 263,000	Food	100.00 (100.00)	
Meiji Food (Guangzhou) Co., Ltd. *2	Guangzhou, Guangdong, China	(Thousand CNY) 1,500,000	Food	100.00 (100.00)	
Guangzhou Meiji Confectionery Co., Ltd.	Guangzhou, Guangdong, China	(Thousand HKD) 45,100	Food	100.00 (100.00)	
Taiwan Meiji Food Co., Ltd.	Taipei, Taiwan	(Thousand TWD) 27,624	Food	100.00 (100.00)	
MEIJI FOOD VIETNAM CO., LTD.	Hanoi, Vietnam	(Million VND) 41,504	Food	100.00 (100.00)	
Meiji Food Materia Co., Ltd.	Chuo-ku, Tokyo	300	Food	95.04 (95.04)	
Meiji Logitech Co., Ltd.	Koto-ku, Tokyo	98	Food	100.00 (100.00)	
Nihon Kanzume, Co., Ltd.	Memuro, Kasai, Hokkaido	314	Food	100.00 (100.00)	
Meiji Feed Co., Ltd.	Koto-ku, Tokyo	480	Food	100.00 (100.00)	
Meiji Techno-Service Inc.	Koto-ku, Tokyo	30	Food	100.00 (100.00)	
Meiji Nice Day Co., Ltd.	Koto-ku, Tokyo	25	Food	100.00 (100.00)	
Meiji Ad Agency Co., Ltd.	Shibuya-ku, Tokyo	226	Food	100.00 (100.00)	

Name	Location	Investments in capital (Millions of yen)	Principal business	Percentage of voting rights held (%)	Relationship
Meiji Seika Pharma Co., Ltd. *2, 4	Chuo-ku, Tokyo	28,363	Pharmaceutical	100.00	Has a business management agreement with Meiji Holdings. Meiji Holdings leases offices, etc. Meiji Holdings lends funds or holds funds in trust. Number of concurrently serving officers: 3
OHKURA Pharmaceutical Co., Ltd.	Minami-ku, Kyoto City, Kyoto	72	Pharmaceutical	100.00 (100.00)	
Me Pharma Co., Ltd.	Chuo-ku, Tokyo	10	Pharmaceutical	100.00 (100.00)	
Meiji Pharma Spain, S.A.	Madrid, Spain	(Thousand EUR) 2,028	Pharmaceutical	100.00 (100.00)	
PT. Meiji Indonesian Pharmaceutical Industries	Jakarta, Indonesia	(Million IDR) 38,073	Pharmaceutical	93.34 (93.34)	
Thai Meiji Pharmaceutical Co., Ltd.	Bangkok, Thailand	(Million THB) 297	Pharmaceutical	94.61 (94.61)	
Meiji Seika Europe B.V.	Amsterdam, Netherlands	(Thousand EUR) 25	Pharmaceutical	100.00 (100.00)	
Medreich Limited	Bengaluru, India	(Thousand INR) 1,407,183	Pharmaceutical	100.00 (100.00)	
Genovo Development Services Limited	Bengaluru, India	(Thousand INR) 18,296	Pharmaceutical	100.00 (100.00)	
Adcock Ingram Limited	Bengaluru, India	(Thousand INR) 380,500	Pharmaceutical	50.07 (50.07)	
Medreich Life care Limited	Bengaluru, India	(Thousand INR) 1,020	Pharmaceutical	100.00 (100.00)	
Medreich plc	Surrey, UK	(Thousand GBP) 100	Pharmaceutical	100.00 (100.00)	
Medreich Australia Pty Ltd.	New South Wales, Australia	(AUD) 100	Pharmaceutical	100.00 (100.00)	
Medreich Far East Limited	Hong Kong Special Administrative Region, China	(Thousand HKD) 10	Pharmaceutical	100.00 (100.00)	
Inopharm Limited	Nicosia, Cyprus	(Thousand EUR) 100	Pharmaceutical	50.00 (50.00)	
Medreich New Zealand Limited	Auckland, New Zealand	(NZD) 1,000	Pharmaceutical	100.00 (100.00)	

Name	Location	Investments in capital (Millions of yen)	Principal business	Percentage of voting rights held (%)	Relationship
Adcock Ingram Pharma Private Limited	Gauteng, India	(Thousand INR) 605,000	Pharmaceutical	99.99 (99.99)	
Guangdong Meiji Pharmaceutical Co., Ltd.	Guangzhou, Guangdong, China	(Thousand CNY) 3,000	Pharmaceutical	100.00 (100.00)	
Romeck Pharma, LLC	Chuo-ku, Tokyo	0	Pharmaceutical	50.00 (50.00)	
Meiji Seika Pharmatech Co., Ltd.	Odawara City, Kanagawa	90	Pharmaceutical	100.00 (100.00)	
KM Biologics Co., Ltd. *2	Kumamoto City, Kumamoto	10,000	Pharmaceutical	49.00 (20.00)	Meiji Holdings lends funds or holds funds in trust. Number of concurrently serving officers: 3
Meiji Animal Health Co., Ltd.	Kumamoto City, Kumamoto	100	Pharmaceutical	100.00 (74.35)	
Meiji Business Support Co., Ltd.	Chuo-ku, Tokyo	20	Company-wide (Common)	100.00	Meiji Holdings lends funds or holds funds in trust. Number of concurrently serving officers: 1
(Unconsolidated subsidiaries accounted for using the equity method)					
Thai Meiji Food Co., Ltd.	Bangkok, Thailand	(Million THB) 222	Food	100.00 (100.00)	
(Affiliates accounted for using the equity method)					
CP-MEIJI Co., Ltd.	Bangkok, Thailand	(Million THB) 500	Food	40.00 (40.00)	
AustAsia Group Ltd.	Singapore	(Thousand CNY) 2,435,712	Food	22.19 (22.19)	
Okinawa Meiji Milk Products Co., Ltd.	Urasoe, Okinawa	91	Food	50.00 (50.00)	

(Notes) 1. The name of the segment is stated in the "Principal business" column.

*2. Classified as a specified subsidiary company.

3. Figures in parentheses in the "Percentage of voting rights held" column include the percentage of voting rights held indirectly.

*4. For Meiji Co., Ltd., Meiji Fresh Network Co., Ltd. and Meiji Seika Pharma Co., Ltd., the ratio of net sales (excluding inter-company sales between consolidated companies) to consolidated net sales exceeds 10%.

Main profit/loss information for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

	Meiji Co., Ltd.	Meiji Fresh Network Co., Ltd.	Meiji Seika Pharma Co., Ltd.
(1) Net sales (Millions of yen)	647,234	99,620	133,567
(2) Ordinary profit (Millions of yen)	59,836	1,805	8,148
(3) Profit (Millions of yen)	57,723	1,310	3,961
(4) Net assets (Millions of yen)	525,990	13,321	95,288
(5) Total assets (Millions of yen)	763,916	29,405	193,123

5. Employees

(1) Information about group

(As of March 31, 2024)

Segment	Number of employees
Food	10,396 [4,142]
Pharmaceutical	6,753 [2,660]
Company-wide (Common)	121 [33]
Total	17,270 [6,835]

(Note) The number of employees is the number of full-time employees (excluding employees transferred from the Group to outside and including employees transferred from outside to the Group). Parenthesized figures are the average number of temporary employees for the year, excluding those dispatched employees.

(2) Information about reporting company

(As of March 31, 2024)

Number of employees	Average age (years)	Average length of service (Years)	Average annual salary (thousand yen)
116 [21]	45.7	20.9	10,368

Segment titles	Number of employees
Company-wide (Common)	116 [21]
Total	116 [21]

(Notes) 1. The number of employees is the number of full-time employees (excluding employees transferred from the Group to outside and including employees transferred from outside to the Group). Parenthesized figures are the average number of temporary employees for the year, excluding those dispatched employees.

2. Average annual salary includes bonuses and non-standard wages.

3. When calculating the average length of service, for employees transferred from Meiji Co., Ltd. or Meiji Seika Pharma Co., Ltd. to the Company, their years of service at those companies are included in the total number of years of service.

(3) Labor union status

The main labor unions in the Group are the Meiji Labor Union (5,379 members as of March 31, 2024) and the Meiji Seika Pharma Labor Union (1,266 members as of March 31, 2024).

The Meiji Labor Union is a member of the Federation of All Japan Foods and Tobacco Workers' Unions, and Meiji Seika Pharma Labor Union is a member of the Japanese Federation of Pharmaceutical and Cosmetic Industry Workers' Unions.

(4) Percentage of female employees in management positions, rate of male employees taking childcare leave, and gender wage gap

Indicators of diversity for the current fiscal year are as follows.

1) Disclosure in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members

Name	Percentage of female employees in management positions (%)	Rate of male employees taking childcare leave (%)	Gender wage gap (%)		
			All employees	Employees	Temporary employees
Meiji Co., Ltd.	4.1	99.3	47.6	67.0	54.9
Meiji Seika Pharma Co., Ltd.	10.9	80.9	67.5	71.5	60.1
KM Biologics Co., Ltd.	7.3	106.7	46.5	55.2	69.3
Meiji Fresh Network Co., Ltd.	—	—	39.0	66.6	26.8
Shikoku Meiji Co., Ltd.	—	—	52.2	80.0	69.5
Meiji Ad Agency Co., Ltd.	—	—	70.5	70.7	69.1
Meiji Logitech Co., Ltd.	—	—	55.9	59.6	147.9
Meiji Chewing Gum Co., Ltd.	25.0	—	70.6	88.4	50.1
Tokai Nuts Co., Ltd.	11.1	—	66.9	67.8	74.2
Nihon Kanzume, Co., Ltd.	7.7	0.0	46.3	86.2	71.9
Tochigi Meiji Milk Products Co., Ltd.	14.3	—	75.4	87.6	73.2
OHKURA Pharmaceutical Co., Ltd.	14.3	—	—	—	—
Meiji Seika Pharmatech Co., Ltd.	5.9	100.0	57.6	71.5	87.8

2) Information about group

	Percentage of female employees in management positions (%)	Rate of male employees taking childcare leave (%)	Gender wage gap (%)			
			All employees	Employees		Temporary employees
					Managers	
Meiji Holdings and domestic consolidated subsidiaries	6.2	93.3	50.4	66.9	90.0	56.7

(Notes) 1. Employees include full-time employees and exclude non-regular employees.

2. Temporary employees include part-time employees and non-regular contract employees and exclude dispatched employees.

3. All employees include employees and temporary employees.

4. Seconded employees are counted as employees of the company from which they were seconded.

5. The percentage of female employees in management positions and the gender wage gap are calculated and disclosed in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). "—" indicates non-disclosure.
6. The rate of male employees taking childcare leave is disclosed in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). "—" indicates non-disclosure.
7. The rate of male employees taking childcare leave is calculated as the percentage of employees taking childcare leave, etc. and leave for childcare purposes as stipulated in Article 71-4, item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labour No. 25 of 1991).

As for the gender wage gap, which is one of the indicators of women's active participation, the Group's rate is 50.4%. Since the Group does not differentiate wages between men and women in the same employment category, this difference is due to the difference in the composition of the number of employees in each grade. Specifically, this is due to the high ratio of women among temporary employees who work short hours and the high ratio of men in management positions, which are higher-paying job groups.

Therefore, we believe that increasing the percentage of women in management positions to an appropriate level through initiatives such as the promotion of women's active participation, which we are currently promoting, will lead to resolving the gender wage gap. Details are described in 2. Overview of Business, 2 Views and Initiatives on Sustainability, ● The Meiji Group's Human Capital Initiatives.

2. Overview of Business

1. Management policy, business environment, issues to address

The Group's management policy, business environment, issues to address, etc. are as follows.
Forward-looking statements in this report are based on the Group's judgments as of the end of the current fiscal year.

(1) Basic business policies

Based on the missions and roles stated in the Group Philosophy, the Meiji Group endeavors to achieve sustainable growth and development by contributing to better lives for customers as a corporate group focused on "food and health" and strives to enhance its corporate value based on the trust of all stakeholders.

[Group Philosophy]

Our mission is to widen the world of "tastiness and enjoyment" and meet all expectations regarding "health and reassurance."

Our wish is to be closely in tune with "our customers' feelings" and to always be there to "brighten their daily lives."

Our responsibility as "food and health" professionals is to continue finding innovative ways to meet our customers' needs, today and tomorrow.

[Management Attitude]

The basic management attitude for carrying out the Group Philosophy is as follows.

1. Commit ourselves to "customer-based" ideas and behaviors.
2. Provide "safe and reassuring high-quality products."
3. Strive to always "produce new value."
4. Foster the development of the "energy and capabilities of the organization and each individual."
5. Be a "transparent, wholesome company trusted by society."

(2) Medium- to long-term management strategies, business environment and priority issues

In order to be a corporate group that embodies the Group Philosophy and continues to grow even in a changing environment, the Meiji Group has established a long-term vision that extends through fiscal year 2026 (ending March 31, 2027) and is working to achieve it.

To achieve this vision, a Medium-Term Business Plan has been formulated every three years to reflect the vision in a more specific action plan, which we are currently carrying out.

In addition, the Group slogan was changed to "Now Ideas for Wellness" on June 1, 2021. For more than 100 years, the Group has been striving to expand the world of "Tastiness, Enjoyment, Health, and Reassurance." Going forward, we will create new value by integrating knowledge of food and pharmaceuticals from inside and outside the Group. In the field of "health" in particular, we aim to provide "Meiji unique value for wellness" in order to play a greater role than ever before. "Meiji unique value for wellness" means linking individual health to the smiles of people by moving through the cycle of Cure, Care and Share, spreading the happiness of being healthy to people around us, and contributing to a "better future" in which society and the Earth are healthy.

1) "Meiji Group 2026 Vision" long-term vision (announced in May 2018)

Long-term Vision

We will combine the strengths the Meiji Group has cultivated over the past 100 years with the latest technology and scientific findings. In doing so, we will create innovative ways to meet our customers' needs through "food and healthcare," ensuring sustainable growth for the Group in Japan and worldwide.

Targets

Operating profit growth rate:	Mid single-digits or higher (CAGR)
Overseas sales ratio:	Aim to achieve 20%
ROE:	Maintain 10% or more

Key Strategies

1. Secure an overwhelming advantage in core businesses
2. Establish growth foundations in overseas markets
3. New challenges in the health value domain
4. Social contribution

To achieve this Vision, we are implementing initiatives based on the "Business Vision," "Sustainability Vision," and "Management Foundation Vision," which were formulated in accordance with the Key Strategies.

Business Vision

Food Segment

In Japan, we will focus on our core businesses, including yogurt, chocolate, and nutritional products, while seeking to further strengthen our business portfolio. Overseas, we will expand our differentiated products representative of Meiji in each region and establish a unique position. We will then gain brand awareness and accelerate growth.

Pharmaceutical Segment

We will expand infectious disease medicines, generic medicines and biopharmaceuticals not only in Japan but also overseas on an overall basis. In the infectious disease domain in particular, we will strengthen production capacity, research and development and awareness activities to become a leading company in Asia.

Overall Group

In addition to making use of the know-how and strengths that we have developed in the food and pharmaceutical businesses, we will seek to create unique value in the health and prevention fields by proactively introducing external knowledge through open innovation.

Sustainability Vision

With the objective of creating a sustainable society in which people can live in good health and with peace of mind, we will take action with "Healthier Lives," "Caring for the Earth," and "Thriving Communities" as our core themes to contribute to solving social issues through our business.

Management Foundation Vision

We will promote the establishment of functional and strategic management systems and the creation of an environment, a structure, and a culture in which each person can demonstrate their strengths as well as the initiatives to evolve the Meiji brand.

2) Operating environment and issues to be preferentially addressed

The Group's market environment remains uncertain and includes fierce competition, fluctuations in raw material prices and foreign exchange rates, as well as changes in market structures and consumer sentiment precipitated by COVID-19. Moreover, the roles and responsibilities of corporations are increasing, such as responding to climate change and environmental issues, respecting human rights and diversity, and conducting sustainable sourcing. The approach to corporate valuation is also changing significantly, with emphasis on corporate sustainability, risk resilience, and social contribution.

Under this environment, the Meiji Group will appropriately address the following issues in order to pursue sustainable growth as a business that can globally contribute to resolving social issues in health and nutrition.

- We will seek to establish business models guided by the principle of trade-on, aiming to realize economic value and social value at the same time.
- We will take on the challenges of creating new value by positioning efforts to address social issues as seeds for business growth and innovation.
- We will enhance ROIC-based business management and build an optimum business portfolio for further capital productivity.
- We will refine our strength as a unique corporate group that contributes to "Healthier Lives" of all generations from babies to the elder, creating group synergies.

3) 2026 Medium-Term Business Plan (FYE March 2025-2027)

In the “2026 Medium-Term Business Plan,” we will advance the Meiji ROESG®* management which we set forth in the “2023 Medium-Term Business Plan,” aiming to return to a growth path through the transformation of markets, businesses, and activities. We will incorporate solutions to social issues into business strategies to promote sustainability innovation, thereby creating social value. We will seek to achieve sustainable growth through the principle of trade-on, realizing economic value and social value at the same time.

* ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

Key strategy and target indicators are listed below.

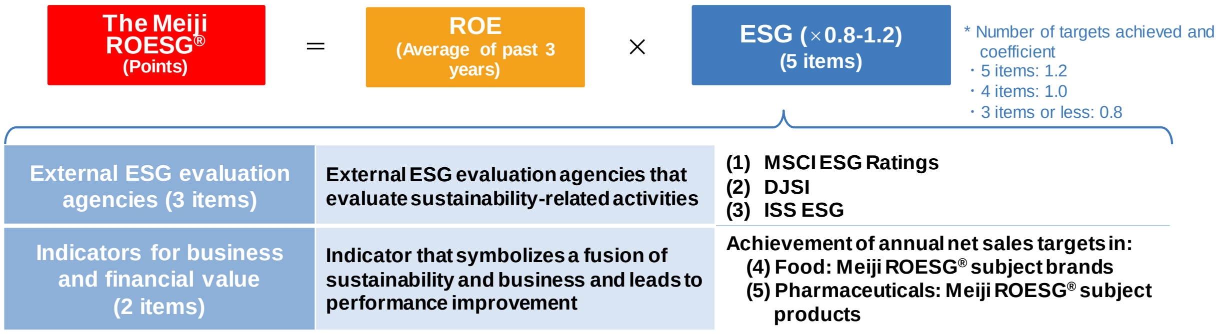
Key Strategy
1. Invest management resources into growth businesses
2. Keep and improve stable cash flow
3. Promote human capital strategy linked to management strategy

Target Indicators

	Indicator	Targets for the fiscal year ending March 31, 2027
Integrated goal	Meiji ROESG®	9.8 points
Growth and Profitability	Consolidated operating profit - Food Segment - Pharmaceutical Segment	JPY 116.5 billion JPY 83.0 billion JPY 40.0 billion
	Consolidated profit attributable to owners of parent	JPY 76.5 billion
	Overseas net sales	JPY 252.5 billion
Efficiency and Safety	ROIC	8.5% or more
Return to shareholders	ROE	9.5% or more
	Total return ratio	50% or more

The calculation formula of Meiji ROESG® was revised in the 2026 Medium-Term Business Plan.

Revision of the Meiji ROESG® formula



- **Changed the structure to more strongly focus on a fusion of sustainability and business**
- **Indicator for medium to long-term incentive component (stock-based remuneration) of remuneration for directors and other officers demonstrating commitment to enhancing corporate value**

The achievement made on the 2023 Medium-Term Business Plan for the fiscal year ended March 31, 2024 is as stated in 4. Management analysis of financial position, operating results and cash flows, (1) Business results.

Below are details of key strategies.

Key strategy 1. Invest management resources into growth businesses

We will aim for dynamic growth for overseas business in the Food Segment. We will aggressively expand our business through two types of products; 1) products for which our technology or intellectual property provides us a competitive advantage, such as cube-type infant formula, and 2) products through which we can differentiate ourselves through flavor or texture design and manufacturing technology, such as chocolate snacks. We will develop products that are aligned with the needs of local customers, establish a global production and supply structure, and strengthen marketing activities. We will also pursue M&A and alliances. In Japan, we will use newly developed materials and in-house brands to expand B to B business sales.

We will maximize the value of newly launched products and accelerate the development of revolutionary new drug pipelines.

Key strategy 2. Keep and improve stable cash flow

In the Food Segment, we will develop "market-creating" products that link sustainability to added value and economic value in the existing business areas. We will promote sustainability activities for every process along the value chain as we incorporate sustainability into product concepts with monitoring by "Meiji Sustainable Products Certification System." We will use the "Meiji NPS (Meiji Nutrition Profiling System)" to develop and improve products with high nutritional value. We will launch a new solutions business that utilizes digital technology in marketing to maximize the value of existing products.

In the Pharmaceutical Segment, we will strive to stably supply pharmaceuticals linked to national strategy. We will also work to solidify domestic generic drugs value chain through collaboration with other companies.

We will use ROIC to strengthen our business management structure and improve capital productivity in both the Food and Pharmaceutical Segments. We will establish separate hurdle rates for the food and pharmaceutical segments to strengthen the business-specific ROIC management structure. We will continuously improve our operating profit margin and control invested capital.

Main business and sustainability initiatives based on the key strategies 1 & 2 are as follows.

Food Segment

・ Dairy business

We will work to build stable profit structure in the domestic business and platform for growth in the overseas business:
- Launch high-value-added products
- Reorganize the production system to improve the profitability
- Implement structural reforms in China business

・ Cocoa business

We aim to transform into a high value-added business based on global expansion.
- Promote our sustainable sourcing of cocoa beans as new value on products
- Launch products with highly unique value in both domestic and overseas markets and enhance its marketing activities
- Enhance the system of development, production, and sales to strengthen our global competitiveness

・ Nutrition business

In the domestic market, we aim to create and expand new markets. Therefore, we will launch products with unique value. We will also accelerate to expand overseas business.

・ Food solutions business

We will expand sales volume and improve profitability by leveraging B to B business growth.
- Launch new highly profitable business strengthening the ability to make new proposals by utilizing Meiji Application Center
- Expand high-value-added dairy ingredients to global markets
- Enhance mainstay brands such as ice cream and cheese as well as restructuring businesses with low profitability in the B to C business

Pharmaceutical Segment

・ Domestic business

- Stably supply infectious disease drugs and vaccines
- Establish a sustainable revenue platform as a company group dedicated to resolving social issues including threats of emerging and re-emerging infectious diseases
- Accelerate development and supply of revolutionary new drugs for unmet medical needs

・ Overseas business

- Expand the production capacity of CMO/CDMO business in order to contribute to improving access to medicines in Asia and Africa, in which population is increasing
- Research business opportunities to expand vaccines into overseas markets as well as developing new global products

・ Vaccines/veterinary drugs business

For vaccines, we will promote the dissemination of "Kostaive® for Intramuscular Injection," our next-generation mRNA vaccine (Replicon). We will also maximize revenues from our influenza vaccine, expand share for our 5-in-1 combination

vaccine “Quintovac® Aqueous Suspension Injection,” and engage in new domains.
- For veterinary drugs, we will strengthen profitability on the domestic market as well as work to expand business in overseas markets.

Sustainability

Healthier Lives

・ Health and Nutrition
- Use the “Meiji NPS (Nutrition Profiling System)” to evaluate the nutritional value of our products in order to develop products to address the dual impact of poor nutrition (overnutrition and malnutrition)

・ Action against emerging/re-emerging infectious diseases of common concern
- Develop vaccines for dengue fever, etc. and promote developing pharmaceuticals to address antibiotic-resistant bacteria as well as developing and supplying COVID-19 vaccine

・ Stable supply of ethical pharmaceuticals
Build a strong supply chain to establish a stable supply structure for Basic drugs, Stable Supply Medicines, vaccines, and blood plasma products

・ Product quality safety and reliability
- Food: Strengthen product safety structure - Pharmaceutical: Build a reliability assurance system that supports new domains and global expansion

Caring for the Earth

・ Action against climate change (decarbonized society)
- Strengthen energy conservation and energy creation activities and shift to renewable energy to reduce Scope 1 and Scope 2 emissions - Promote reducing GHG emissions in the dairy farming sector to reduce Scope 3 emissions

・ Promote resource circulation (circular economy)
- Expand usage rates for biomass plastics and renewed plastics as well as “reducing” plastic containers and packaging - Reduce food loss

・ Secure water resources
- Conduct forest conservation at plant water sources to expand water source recharging activities as well as reducing water usage to respond to water risks

・ Biodiversity
- Strengthen to response for TNFD (Taskforce on Nature-related Financial Disclosures)

Thriving Communities

・ Promoting the performance and growth of diverse human capital
- Foster development of human capital for global business
- Provide career support and foster awareness among female employees
- Strengthen management skills of managers to promote the active participation of diverse human capital

・ Respect for human rights along the value chain
- Strengthen human rights due diligence

・ Marketing based on high ethical standards
- Strengthen responsible advertising
- Policy formulation

Sustainable Sourcing

・ We will establish supply chains with consideration toward human rights and the environment. Promote activities related to cocoa sourcing: expand procurement of Meiji sustainable cocoa beans, achieve 100% traceability, and promote procurement activities aimed at zero deforestation and zero child labor

Key strategy 3. Promote human capital strategy linked to management strategy

We adopt the approach that “to encourage diverse human capital to be autonomous, take on challenges, grow, co-create, it leads to generate innovation.” We define our ideal human capital and organizational culture based on our management strategy, and promote human capital strategy to realize that ideal.

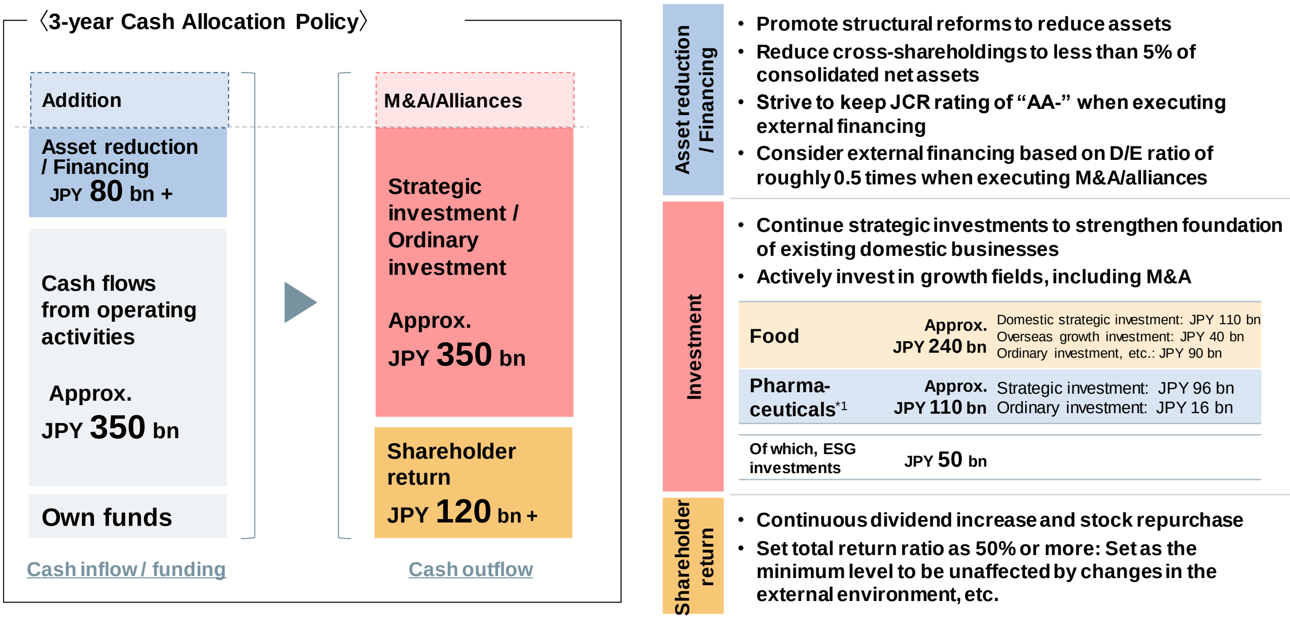
Ideal human capital and organizational culture

・ Human capital who continues to take on challenges and grow, and possess the necessary expertise to lead the world in food and wellness (“Professional” human capital)

・ An organizational culture that supports the well-being of diverse human capital and that maximizes the potential of individuals and teams

Financial Strategy

- Appropriate distribution of operating cash flow towards strategic investments and ordinary investments in accordance with key strategies.
- When executing M&A/alliances, conduct debt procurement as necessary based on a D/E ratio of roughly 0.5 times or less with the assumption of maintaining our current credit rating.
- For shareholder returns, aim for a total return ratio of 50% or more and aim to continuously increase dividends. Consider stock repurchase from the perspective of achieving an optimal capital structure.
- Reduce cross-shareholdings to less than 5% of consolidated net assets at the end of the fiscal year ending March 2027.



*1: Figures do not include subsidies

Sustainability Strategy

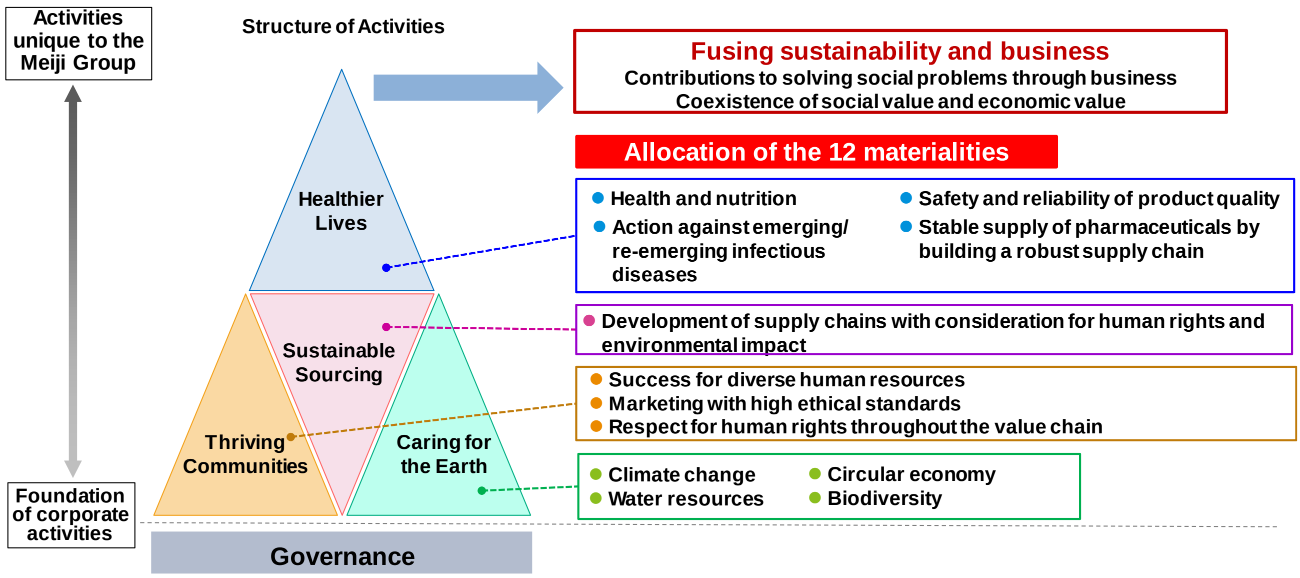
Strategies

The Meiji Group has identified "fusing sustainability and business" as a key concept in the 2026 Medium-Term Business Plan. We will incorporate resolving social issues which change with the times into business strategy, and aim to achieve sustainable growth by "trade-on" of social value, which can be attained through sustainability innovation, and economic value.

Strategy area

The 12 materialities identified in the 2026 Medium-Term Business Plan are divided into four themes. These four themes can be characterized by two elements: initiatives that demonstrate the uniqueness of the Meiji Group and initiatives that serve as the foundation of our corporate activities. They are then positioned as materiality in a systematic manner. By actively evolving our materiality initiatives carried out through our business, we aim for a "fusion of sustainability and business."

Structure of Sustainability Activities



ESG investment

To promote measures to take actions mainly in the environmental area, we have allocated budget for ESG investment up to JPY 50 billion.

Major items	Investment plan of the 2026 Medium-Term Business Plan
Reduce CO_2 emission	- Introduce energy-saving equipment - Introduce solar power generator, etc.
Abolish totally the use of specific CFCs	- Introduce CFC-free refrigerators and freezers
Reduce plastic usage	- Make an investment in manufacturing equipment for lighter and thinner plastic container packaging, etc.
Reduce water consumption volume	- Introduce equipment for improving efficiency of water use
Stable supply of ethical pharmaceuticals	- Make an investment in equipment to help promote domestic production of bulk penicillin drugs, etc.
Working environment improvement	- Environmental improvement to promote occupational safety measures, diversity, etc.

2. Views and Initiatives on Sustainability

The Group's views and initiatives on sustainability are as follows.

Forward-looking statements in this report are based on the Group's judgments as of the end of the current fiscal year.

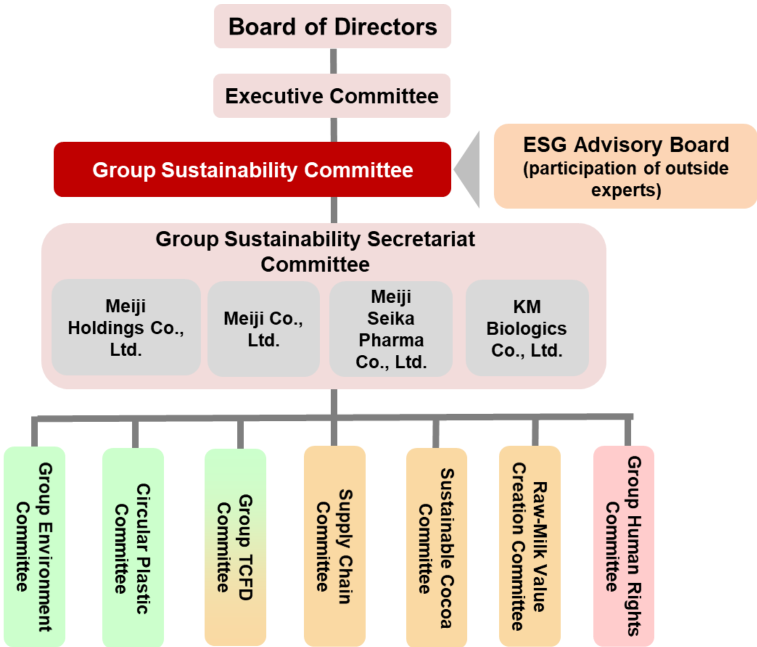
(1) Corporate Governance

To promote its sustainability strategy, the Group holds monthly meetings of the Group Sustainability Secretariat Committee chaired by the CSO (Chief Sustainability Officer), who is responsible therefor, to strengthen efforts to resolve social issues. At the Group Sustainability Secretariat Committee, discussions mainly at seven lower meeting bodies are reported to the CSO, and opinions about the progress of activities are exchanged actively.

At the Group Sustainability Committee, chaired by the Company's CEO, Representative Director and President, the progress of overall sustainability activities and other matters are reported on a semi-annual basis. Important sustainability issues are discussed by the Executive Committee, supervised by the Board of Directors, and then reflected in our business management.

To ensure the effectiveness of this governance system, stock-based remuneration for directors and other officers is paid based on ROE figures and the achievements of ESG benchmarks (including benchmarks of external assessment organizations). *

<Governance System>



Officers responsible for the Risk Management Department also participate in the Group Sustainability Committee, to integrate risk management related to sustainability with risk management at a Group-wide level.

In addition, the ESG Advisory Board has been organized with outside experts semi-annually. In FY2023, we received opinions from three outside experts from a wide range of perspectives on the process of materiality identification and the setting of materiality and KPIs for the 2026 Medium-Term Business Plan.

* Remuneration for directors is stated in "4. Corporate governance, (4) Remuneration for directors (and outside officers), c. Matters Related to Non-Monetary Remuneration, etc."

(2) Risk Management

For formulating the 2026 Medium-Term Business Plan, we extracted sustainability-related risks and opportunities to conduct an evaluation of importance. Details of the process are as follows:

STEP (1) Compilation of Issues

We compiled a broad list of environmental, social, and economic issues by referring to international guidelines such as SASB Standards and GRI Standards, which set industry-specific standards, as well as international frameworks such as the UN Global Compact.

STEP (2) Identification of Risks and Opportunities, Evaluation of Importance

We identified risks and opportunities in the food and pharmaceutical sectors for each of the listed topics. In the materiality analysis, we conducted a quantitative evaluation based around two axes: “importance to stakeholders” and “importance to the Meiji Group’s business.” For the “importance to stakeholders” axis, we evaluated importance on a four-point scale for each of the six stakeholders that were newly defined in the 2026 Medium-Term Business Plan (customers, shareholders/investors, employees, business partners, local communities, and government agencies/industry associations).

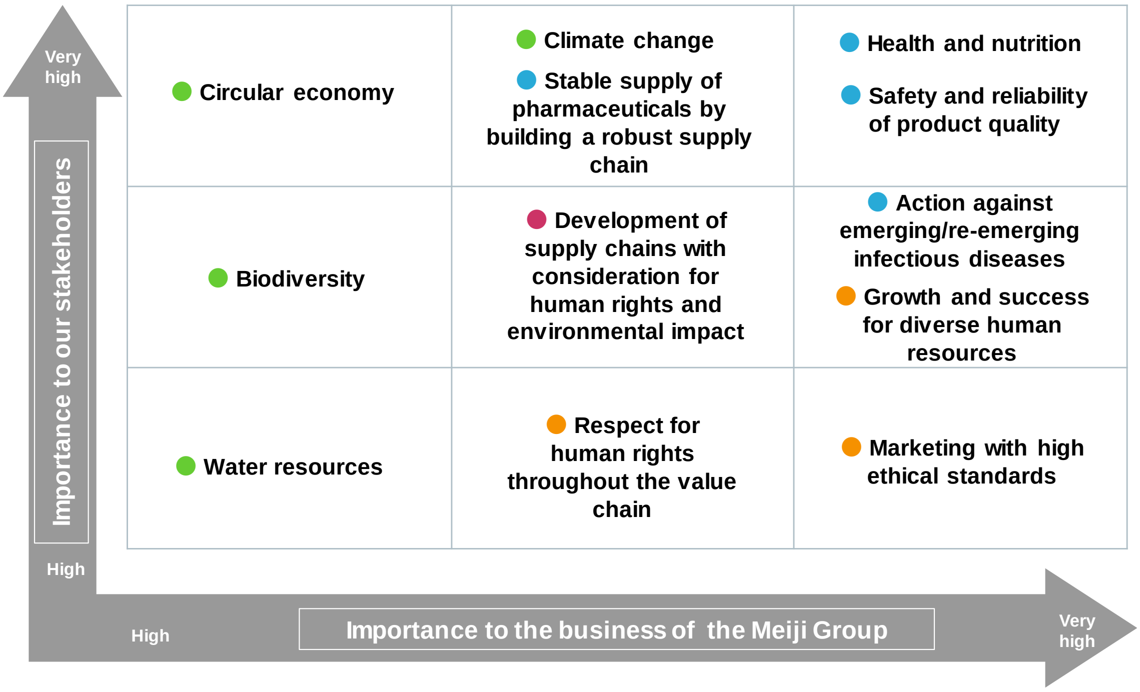
For the “importance to the Meiji Group’s business” axis, we used the International Integrated Reporting Council (IIRC)’s framework as a reference and rated importance on a five-point scale for each of the six types of capital that form corporate value (financial, manufactured, intellectual, human, social relationship, and natural).

STEP (3) Confirmation of Validity by Experts and Decision-making for Prioritization

The results of the evaluation of importance were prioritized by the ESG Advisory Board after receiving opinions from outside experts on the validity of the analysis process and the results of the analysis.

The Group Sustainability Committee exchanged opinions on the prioritization, reported to the Board of Directors, and identified 12 materiality themes. The materiality matrix in the 2026 Medium-Term Business Plan is as follows.

<Materiality Matrix>



(3) Strategy

Following the process of the aforementioned materiality analysis, we added “quality and safety of our products,” “biodiversity,” “stable supply of pharmaceuticals by building a strong supply chain,” and “responsible marketing with high ethical standards” as new measures of the materiality identified in the 2023 Medium-Term Business Plan. We will promote the initiatives listed for 12 materiality themes as shown below, aiming to achieve the Meiji Group Sustainability 2026 Vision.

Theme	Materiality	Medium to long-term vision	Sub-topic	Major initiatives
Healthier Lives	Health and nutrition	As a prominent food company, we are tackling health and nutritional challenges that differ by region and life stage. We assess nutritional value using scientific methods and promote healthy eating habits among individuals.	Contribute to healthy diets	- Evaluate our products’ nutritional value and organize fundamental data to enhance nutritional value in the future, using the Meiji Nutritional Profiling System (Meiji NPS).
				- Enhance nutrition education activities to promote information on healthy food lifestyles and food culture
				- Visualize the motion of swallowing during the process of chewing through swallowing, develop new simulation devices, and establish experimental methods
	The threat of emerging and re-emerging infectious diseases	As Asia’s leading company in the fields of infectious diseases, we protect people from the growing threat of infectious diseases by providing pharmaceutical solutions ranging from prevention to treatment.	Emerging infectious diseases	- Launch the replicon vaccine “Kostaive® for Intramuscular Injection” and develop a domestic supply (chain) system
				- Launch inactivated vaccine “KD-414” for children and develop domestic supply system
			Re-emerging infectious diseases	- Develop dengue vaccine “KD-382” through participation in the public recruitment project of the Strategic Center of Biomedical Advanced Vaccine Research and Development for Preparedness and Response (SCARDA)
			Antimicrobial resistance (AMR)	- Develop *β*-lactamase inhibitor “OP0595” against carbapenem-resistant Enterobacterales
	Stable supply of pharmaceuticals by building a robust supply chain	Establish a robust supply chain structure, both domestically and globally, to ensure the stable supply of high-quality, economical pharmaceutical products.	—	- Establish a stable supply system by controlling the number of months in stock for “stable supply medicine Category A” products (vancomycin, meropenem, sulbacillin, tazopipe)
				- Establish a domestic production system for a bulk penicillin drug, which is highly dependent on foreign countries (install manufacturing equipment at Gifu Plant)
	Safety and reliability of product quality	We have expanded our business globally in the food and drug domains, and we are appropriately implementing quality assurance and safety management operations to continuously achieve zero product recalls.	Food safety and quality assurance	- Strengthen quality initiatives by promoting Meiji Quality Comm activities based on Meiji’s Global Quality Policy
			Pharmaceutical reliability assurance	- Strengthen our reliability assurance system to respond to new domains and global business development - Transform the reliability assurance system throughout the product lifecycle - Prevention through the steady implementation of quality management reviews and reliability assurance activities (manufacturing site audits, safety management operations, etc.)

Theme	Materiality	Medium to long-term vision	Sub-topic	Major Initiatives
Caring for the Earth	Climate change	Aim to achieve carbon neutrality by 2050 by reducing CO_2 emissions throughout the supply chain by strengthening energy saving and energy creation activities, utilizing renewable energy, and reducing GHG emissions in the dairy business.	CO_2 emission reduction	- Reduce Scope 1 and 2 CO_2 emissions by strengthening energy saving and energy creation activities, utilizing carbon credits, etc.
				- Reduce CO_2 emissions in Scope 3 by reducing GHG emissions in dairy farming, reducing the amount of packaging materials used, and strengthening collaborations with suppliers, etc.
			Utilization of renewable energy	- Promote the transition to renewable energy by expanding the adoption of solar power generation equipment and strengthening the use of electricity derived from renewable energy
	Circular economy	Aim to move toward a circular economy by promoting activities that create added value while reducing resource input and consumption to maximize product value, minimize resource consumption, and constrain the generation of waste in addition to 3R (Reduce, Reuse, Recycle) + Renewable initiatives.	Container and packaging life cycle management	- Promote the reduction of plastic containers and packaging while promoting R&D for environmentally friendly materials
				- Reduce the amount of virgin plastic used by increasing the use of recycled plastics and biomass plastics
				- Increase the ratio of recycled plastic used in PET bottles
			Reduce food loss	- Reduce food loss by improving supply and demand accuracy to reduce defective inventory, extending best-before dates, and indicating best-before dates in months and years
			Waste reduction and recycling	- Reduce final disposal volume by decreasing waste generation at factories, etc.
				- Reduce food waste by recycling residual animal and plant waste (conversion into feed, fertilizer, methane fermentation, etc.)
	Water	Achieve water neutrality by proactively engaging in water resource conservation activities such as water resource cultivation in addition to continuously reducing water usage.	—	- Reduce water consumption through the efficient use of water, active adoption of water-saving equipment, etc.
				- Expand water resource cultivation activities such as forest conservation at factory water sources
	Biodiversity	Aim to coexist with nature by understanding the dependence and impact on biodiversity and nature associated with business activities, halting the loss of biodiversity, and proactively implementing initiatives that have a positive impact on the natural environment.	Protect local biodiversity	- Promote certification registration as a Site in Harmony with Nature * Registration in the OECM international database
				- Conclude maintenance management agreements to engage in forest conservation activities
			Avoid forest depletion and deterioration	- Analysis and formulation of countermeasures aligned with the TNFD framework for raw milk and cocoa - Promote initiatives to reduce deforestation of major raw materials such as cocoa and palm oil

Theme	Materiality	Medium to long-term vision	Sub-topic	Major Initiatives
Thriving Communities	Respect for human rights throughout the value chain	Recognize human rights issues along the company's value chain, with all employees taking ownership of these issues and working to address them.	Prevention of human rights violations such as discrimination and harassment, child labor, and forced labor	- Conduct employee education on business and human rights
				- Strengthen human rights due diligence overseas
	Marketing with high ethical standards	Have an understanding of how marketing impacts the supply chain downstream and engaging in appropriate communication that takes human rights and the environment into consideration.	—	- Establish a responsible marketing communications policy and conduct employee education
	Growth and success of diverse human capital	Employees and the company achieve growth together. "Diverse human capital works with a sense of fulfillment and creates new value"	This item is described in ● The Meiji Group's Human Capital Initiatives, 2) Strategy.	

Theme	Materiality	Medium to long-term vision	Sub-topic	Major Initiatives
Sustainable sourcing	Building a supply chain that takes into account human rights and the environment	Establish a responsible supply chain by collaborating and cooperating with suppliers to engage in procurement activities that take into account social responsibilities, such as human rights and the environment, throughout the supply chain.	Supply chain management	- Conduct engagement that includes risk assessments and audits based on the analysis of sustainable procurement survey results
				- Through Meiji Dairy Advisory (MDA), ensure human growth through human resource management at dairy farms and support the resolution of social issues such as human rights, animal welfare, and GHG emission reduction
		Establish traceability for each raw material, identify social issues related to human rights and the environment in the raw material production areas, and address these issues to achieve sustainable raw material procurement.	Sustainable raw material procurement	- <Milk> Promote initiatives aimed at reducing GHG emissions from dairy farming
				- <Cocoa> Expand the procurement of Meiji Sustainable Cocoa Beans produced in areas where farmers are supported through Meiji Cocoa Support (MCS)
				- <Cocoa> Establish traceability through to the farm for all procurement vendors
				- <Cocoa> Promote efforts toward zero child labor by introducing the Child Labor Monitoring and Remediation Systems (CLMRS), or an equivalent system
				- <Cocoa> Identify the conditions on farms through methods such as GPS mapping and promote initiatives aimed at protecting/restoring forests
				- <Palm oil> Promote the procurement of palm oil that is not involved in deforestation by incorporating forest monitoring to identify and verify deforestation risks along the supply chain
				- <Paper> Maintain 100% use of environmentally friendly paper for product containers and packaging, and switch to environmentally friendly paper for office supplies and standard publications

(4) Indicators and results of the 2023 Medium-Term Business Plan

The results for the FYE March 2024 compared to the action indicators of each materiality are as follows.

Materiality	Indicators (KPI)	Base year	Performance of FY2023	FY2023 Target
Contribute to healthy diets Respond to a super-aged society	Increase sales of health-conscious products, nutrition-enriched products, and products that contribute to a super-aged society	FY2020	-0.9% (excluding overseas subsidiaries)	Increase at least 10%
	Enroll a total of 700,000 participants into nutrition and healthy diet education within three years from FY2021 to FY2023	-	Total of 725,000 participants (FY2023: 282,000 participants)	Total of 700,000 participants
Action against emerging/re-emerging infectious diseases	Aim for launch of COVID-19 vaccines	-	Under development *1	Market launch
Reduce CO_2 emission	Reduce company-wide CO_2 emissions (Scope 1 and 2)	FY2019	19.6% *2	At least 19%
	Reduce CO_2 emissions (Scope 3 from purchased goods and services, upstream and downstream transportation and distribution, and end of life treatment of sold products, Category 1, 4, 9, and 12)	FY2019	4.8% *2	At least 11%
	Expand renewable energy rate of total company-wide usage	-	17.4% *2	At least 15%
Reduce environmental impact	Expansion of the recycling rate in Japan on a consolidated basis	-	87.6% *2 (excluding overseas subsidiaries)	At least 85%
	Reduce product waste in the domestic food business	FY2016	26.8% *2 (excluding overseas subsidiaries)	At least 42%
	Reduce domestic plastic usage (packaging, etc.)	FY2017	18.3% *3 (excluding overseas subsidiaries)	At least 15%
	Reuse and recycle to effectively use materials used by our logistics division (pallets, crates, stretch film, etc.)	-	100% (excluding overseas subsidiaries)	-
	Expand usage of bioplastics and recycled plastics	-	Began using new packaging materials for functional (probiotics) yogurt	-
Secure water resources	Reduce company-wide water consumption per unit of sales	FY2020	15.7% *2	-
	Expansion of water replenish rate to nature used in our products	-	111.1% *2	At least 27%

Materiality	Indicators (KPI)	Base year	Performance of FY2023	FY2023 Target
Promote diversity and inclusion	Increase the ratio of female managers	FY2017 (2.6%)	6.5% *4	-
	Increase the number of female leaders (managers, assistant managers and the equivalent)	FY2017	281 *4	-
	Attain the ratio of employees with disabilities above legal requirement (*2.3% as of June 2023) in Japan	-	2.5% *4	At least 2.3%
Human rights	All domestic Meiji Group employees to attend a human rights training (including e-learning)	-	Implemented one time (Number of participants: Approx. 13,000/ Participation rate: 92.9%)	At least once a year
	All overseas Meiji Group employees to attend a human rights training (including e-learning)	-	Number of participants: Approx. 1,200/ Participation rate: 99%	At least once
Procure raw materials with consideration toward human rights and the environment	Start conducting a sustainable sourcing survey of suppliers for Group companies in Japan by FY2021	-	Implemented for 31 companies	Started by FY2021
	Start conducting a sustainable sourcing survey of suppliers for major overseas Group companies by FY2022	-	Implemented for 7 companies	Started by FY2022
	Increase sourcing ratio of Meiji Sustainable Cocoa	-	62.5%	At least 65%
	Switch to RSPO-certified palm oil	-	100%	100%
	Switch to eco-friendly paper	-	100%	100%
	Hold Meiji Dairy Advisory program (MDA) to support management of dairy farms	-	522 times annually, accumulated total of 2,422 times	At least 400 times annually, accumulated total of at least 2,150 times

*1. We obtained approval for the replicon vaccine "Kostaive® for Intramuscular Injection" as a vaccine that targets the origin strain. The vaccine is under development as a bivalent vaccine that targets the origin strain and the omicron variant.

*2. Calculated figures are before acquisition of third-party certification and are provisional.

*3. Plastic usage reduction results for FY2022.

*4. The rate represents Meiji Holdings Co., Ltd., Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd., and KM Biologics Co., Ltd.

(5) Indicators and targets of the 2026 Medium-Term Business Plan

The “major initiatives” to realize our medium to long-term vision for each materiality stated in the Strategy part, and “indicators” and “targets” to measure the results and the progress are as follows.

<table>
<tr><th>Materiality</th><th>Major Initiatives</th><th>Indicators (KPI)</th><th>FY2026 Target</th></tr>
<tr><td rowspan="4">Health and Nutrition</td><td>- Evaluate our products’ nutritional value and organize fundamental data to enhance nutritional value in the future, using the Meiji Nutritional Profiling System (Meiji NPS)</td><td>- Ratio of own products evaluated using Meiji NPS</td><td>90% or more of applicable products
* Definitions of applicable products are to be determined in FYE March 2025.</td></tr>
<tr><td>- Enhance nutrition education activities to promote information on healthy food lifestyles and food culture</td><td>- Total number of participants in nutrition education activities over 3 years</td><td>Total of 800,000 participants over 3 years</td></tr>
<tr><td>- Expand brands that focus on health-conscious foods and other sustainable initiatives</td><td colspan="2">- For KPI, use the same metrics (achievement of annual sales plan) as “brands focused on sustainable initiatives” in the food segment of the Meiji ROESG®.</td></tr>
<tr><td>- Visualize the motion of swallowing during the process of chewing through swallowing, develop new simulation devices, and establish experimental methods</td><td>- Number of case studies for medical images visualized and analyzed using Swallow Vision®</td><td>Number of swallowing behavior cases: 10 cases</td></tr>
<tr><td rowspan="4">The threat of emerging and re-emerging infectious diseases</td><td>- Launch the replicon vaccine “Kostaive® for Intramuscular Injection” and develop a domestic supply (chain) system</td><td>- Domestic manufacturing supply ratio</td><td>30% or more</td></tr>
<tr><td>- Launch inactivated vaccine “KD-414” for children and develop domestic supply system</td><td>- Vaccine supply volume (based on production capacity)
* Actual supply volume changes depending on the spread of infections, thus this figure is a metric based on production capacity</td><td>1.5 million doses</td></tr>
<tr><td>- Develop dengue vaccine “KD-382” through participation in the public recruitment project of the Strategic Center of Biomedical Advanced Vaccine Research and Development for Preparedness and Response (SCARDA)</td><td>- Development phase progress</td><td>Start of clinical trial Phase 2 (dose confirmation test in humans)
* Aiming for market launch in FY2032</td></tr>
<tr><td>- Develop β-lactamase inhibitor “OP0595” against carbapenem-resistant Enterobacterales</td><td>- Number of countries where we have obtained (manufacturing and) marketing approval</td><td>Marketing approval in 1 or more countries</td></tr>
<tr><td rowspan="2">Stable supply of pharmaceuticals by building a robust supply chain</td><td>- Establish a stable supply system by controlling the number of months in stock for “stable supply medicine Category A” products (vancomycin, meropenem, sulbacillin, tazopipe)</td><td>- Number of months’ worth of inventory needed to ensure stable supply</td><td>6 months for each product</td></tr>
<tr><td>- Establish a domestic production system for a bulk penicillin drug, which is highly dependent on foreign countries (install manufacturing equipment at Gifu Plant)</td><td>- Gifu Plant production start target year</td><td>During FYE March 2026</td></tr>
</table>

Materiality	Major Initiatives	Indicators (KPI)	FY2026 Target
Safety and reliability of product quality	- Strengthen quality initiatives by promoting Meiji Quality Comm activities based on Meiji's Global Quality Policy	- Acquisition rate of GFSI recognized standards at all locations of partner companies (product outsourcing/suppliers)	100%
		- Plant audit rate for suppliers of important managed raw material	100%
	- Strengthen our reliability assurance system to respond to new domains and global business development - Transform the reliability assurance system throughout the product lifecycle - Prevention through the steady implementation of quality management reviews and reliability assurance activities (manufacturing site audits, safety management operations, etc.)	- Number of serious nonconformities such as recalls in manufactured and sold items	0 case
		- Number of serious indications in responses to regulatory authorities	0 case

Materiality	Major Initiatives	Indicators (KPI)	FY2026 Target
Climate change	- Reduce Scope 1 and 2 CO_2 emissions by strengthening energy saving and energy creation activities, utilizing carbon credits, etc.	- Scope 1 and 2 emissions reduction rate (compared to FYE March 2020 as year of reference)	32% or higher
	- Reduce CO_2 emission in Scope 3 by reducing GHG emissions in dairy farming, reducing the amount of packaging materials used, and strengthening collaborations with suppliers, etc.	- Scope 3 emissions reduction rate (compared to FYE March 2020 as year of reference) * Categories 1, 4, 9, and 12 (procurement/logistics/disposal)	15% or higher
	- Promote the transition to renewable energy by expanding the adoption of solar power generation equipment and strengthening the use of electricity derived from renewable energy	- Renewable energy ratio * Ratio: Percentage of total power consumption	30% or higher
Circular economy	- Promote the reduction of plastic containers and packaging while promoting R&D for environmentally friendly materials	- Rate of reduction for plastic use (total volume) (compared to FYE March 2018 as reference year)	25% or higher (excluding overseas subsidiaries)
	- Reduce the amount of virgin plastic used by increasing the use of recycled plastics and biomass plastics	- Rate of reduction of virgin plastic use (compared to FYE March 2018 as reference year)	40% or higher (excluding overseas subsidiaries)
	- Increase the ratio of recycled plastic used in PET bottles	- Percentage of recycled PET used	(FYE March 2026 target) 70% or higher (excluding overseas subsidiaries)
	- Reduce food loss by improving supply and demand accuracy to reduce defective inventory, extending best-before dates, and indicating best-before dates in months and years	- Rate of reduction for product waste in the food segment (compared to FYE March 2017 as reference year)	(FYE March 2026 target) 50% or higher (excluding overseas subsidiaries)
	- Reduce final disposal volume by decreasing waste generation at factories, etc.	- Recycling rate	90% or higher (excluding overseas subsidiaries)
	- Reduce food waste by recycling residual animal and plant waste (conversion into feed, fertilizer, methane fermentation, etc.)	- Food recycling rate for the food segment	95% or higher (excluding overseas subsidiaries)
Water resources	- Reduce water consumption through the efficient use of water, active adoption of water-saving equipment, etc.	- Water usage reduction rate (compared to FYE March 2021 as reference year) * Per unit of net sales	20% or higher
	- Expand water resource cultivation activities such as forest conservation at factory water sources	- Water source recharge rate	80% or higher

Materiality	Major Initiatives	Indicators (KPI)	FY2026 Target
Biodiversity	- Promote certification registration as a Site in Harmony with Nature * Registration in the OECM international database	- Number of newly certified areas	1 new registration (total of 2) (excluding overseas subsidiaries)
	- Conclude maintenance management agreements to engage in forest conservation activities	- Forest area under maintenance management agreements	40 ha or more (excluding overseas subsidiaries)
	- Analysis and formulation of countermeasures aligned with the TNFD framework for raw milk and cocoa - Promote initiatives to reduce deforestation of major raw materials such as cocoa and palm oil	For KPI, use the same metrics as “<Cocoa> Rate of ascertaining status using GPS mapping, etc.” and “<Palm oil> Procurement rate for palm oil that is not involved in deforestation” of “Building a supply chain that takes into account human rights and the environment” on page 34.	

Materiality	Major Initiatives	Indicators (KPI)	FY2026 Target
Respect for human rights throughout the value chain	- Conduct employee education on business and human rights	- Implementation rate for human rights education for employees of domestic Group companies	Participation rate of 90% or more * Participation once per year
		- Number of human rights education programs conducted for employees of overseas Group companies	Once or more * Participation over 3 years
	- Strengthen human rights due diligence overseas	- Number of overseas high-risk countries for which human rights impact assessments have been conducted	3 countries
Marketing with high ethical standards	- Establish a responsible marketing communications policy and conduct employee education	- Target year for policy establishment	During FYE March 2025
		- Number of education sessions conducted to disseminate policy details	Once per year or more
Growth and success of diverse human capital	This item is described in 3) Indicators and Targets, ● The Meiji Group’s Human Capital Initiatives.		

<table>
<tr><th>Materiality</th><th>Major Initiatives</th><th>Indicators (KPI)</th><th>FY2026 Target</th></tr>
<tr><td rowspan="9">Building a supply chain that takes into account human rights and the environment</td><td>- Conduct engagement that includes risk assessments and audits based on the analysis of sustainable procurement survey results</td><td>- Number of audits conducted on important suppliers</td><td>Total of 30 companies or more</td></tr>
<tr><td>- Through Meiji Dairy Advisory (MDA), ensure human growth through human resource management at dairy farms and support the resolution of social issues such as human rights, animal welfare, and GHG emission reduction</td><td>- Number of farms participating in Meiji Dairy Advisory (MDA)</td><td>Total of 100 or more</td></tr>
<tr><td>- Promote initiatives aimed at reducing GHG emissions from dairy farming</td><td>- <Milk> Number of dairy farms working to reduce GHG emissions</td><td>Total of 30 or more</td></tr>
<tr><td>- Expand the procurement of Meiji Sustainable Cocoa Beans produced in areas where farmers are supported through Meiji Cocoa Support (MCS)</td><td>- <Cocoa> Meiji Sustainable Cocoa Bean procurement ratio</td><td>100%</td></tr>
<tr><td>- Establish traceability through to the farm for all procurement vendors</td><td>- <Cocoa> Rate of traceability through to cocoa farms</td><td>100%
* Target scope is suppliers in all countries including Ghana</td></tr>
<tr><td>- Promote efforts toward zero child labor by introducing the Child Labor Monitoring and Remediation Systems (CLMRS), or an equivalent system</td><td>- <Cocoa> Rate of adoption of the Child Labor Monitoring and Remediation Systems</td><td rowspan="2">100%
* Target scope is suppliers in Ghana</td></tr>
<tr><td>- Identify the conditions on farms through methods such as GPS mapping and promote initiatives aimed at protecting/restoring forests</td><td>- <Cocoa> Rate of ascertaining status using GPS mapping, etc.</td></tr>
<tr><td>- Promote the procurement of palm oil that is not involved in deforestation by incorporating forest monitoring to identify and verify deforestation risks along the supply chain</td><td>- <Palm oil> Procurement rate for palm oil that is not involved in deforestation</td><td>Set target in FYE March 2025</td></tr>
<tr><td>- Maintain 100% use of environmentally friendly paper for product containers and packaging, and switch to environmentally friendly paper for office supplies and standard publications</td><td>- <Paper> Ratio of environmentally friendly paper used in the extended scope of applicability
* Scope of applicability: Office supplies, standard publications</td><td>100%</td></tr>
</table>

● Stance on and Measures Concerning Climate Change (Disclosures pursuant to the TCFD Recommendations)

The Group's business is based on the abundant gifts of nature. We therefore believe that it is our responsibility to live in harmony with the global environment and nature. In recent years, however, the sustainability of the global environment has been in jeopardy. We recognize that climate change will have a significant medium- to long-term impact on our business activities and is an important management issue for the Group. International frameworks such as the Paris Agreement and the Sustainable Development Goals (SDGs) are also calling for increased efforts to address climate change. To contribute to these international efforts, we are implementing climate change initiatives to help achieve a decarbonized society.

Information on climate change is presented based on the framework of the Task Force on Climate-Related Financial Disclosures (TCFD).

(1) Governance and Risk Management

The Group Sustainability Secretariat Committee, which is chaired by the Chief Sustainability Officer (CSO), meets monthly, and the Group is reinforcing its initiatives to address social issues, including climate change, so that we can carry out our sustainability strategies. In addition, the Group Sustainability Committee, which is chaired by the President and Representative Director of Meiji Holdings, meets twice each year to report on the overall progress of sustainability initiatives and deliberate on new measures. Climate change in particular is positioned as a key issue.

Regarding governance, the Group TCFD Committee (which was held five times in FY2023) analyzes risks and opportunities arising from climate change and deliberates on countermeasures. The results are discussed by the Executive Committee and reflected in management.

* Information on director skills: (https://www.meiji.com/global/investors/governance/officer.html)

Risk management is carried out Group-wide so that we can properly address risks that will have a significant impact on corporate activities. Within risk management, we position climate change as a key management risk. Recognizing that climate change-related risks and opportunities change with the times, the Group TCFD Committee also conducts quantitative analysis and evaluations using scenario analysis in line with the TCFD recommendations and identifies high-priority major impacts. Based on this, the Committee investigates countermeasures aligned with risk management flows. The Meiji Holdings Risk Management Department also participates in the Group TCFD Committee, and based on an understanding the effects of climate change pose major risks to the Group as a whole, we have established systems that can respond to those risks.

(2) Strategy

The Meiji Group recognizes that climate change-related risks and opportunities constitute a significant management issue, and we have established materiality and key performance indicators including reducing CO_2 emissions and securing water resources based on the Meiji Group Sustainability 2026 Vision for the short to medium-term and the Meiji Green Engagement for 2050, the Group's long-term environmental vision, for the long term. We are undertaking initiatives to ensure that we can remain in harmony with nature into the future.

<Takeaways from FY2023 Achievements and Disclosures>

・ Analyzed the Group's entire supply chain and re-calculated the financial impact using the latest parameters
・ Analyzed medium- to long-term climate change -related risks and opportunities with the present, 2030 (medium term) and 2050 (long term) as base years and investigated countermeasures based on 1.5°C and 4.0°C scenarios
・ Reinforced countermeasures based on transition plans, such as introducing solar power generating facilities, to achieve the Meiji Green Engagement for 2050

・ Implemented specific measures for the countermeasures formulated in 2021
・ Disclose examples of specific initiatives to address climate change-related business opportunities identified the previous time

1) Assessment of the Financial Impacts of Risks

To assess the financial impacts of climate change-related risks and opportunities that the Group is facing, we conducted scenario analysis. From the results of our analyses under two scenarios (1.5°C and 4°C scenarios), those with major and significant impacts are described below.

[Target scope of analysis]

Business segment	Food	Pharmaceutical
Scope of financial impact calculation	Meiji Group as a whole	
Target raw material	Major raw materials [Dairy, cocoa, palm oil, sugar, timber (paper)]	
Analysis base years	Current, 2030 (medium term) and 2050 (long term)	

[Summary of Analysis Results]

Impacts on the Group Under the 1.5°C Scenario (Transition Risks)

Change related to climate change	Major and specific impacts	Impact on the Group		
		Relevant supplier chain	Amount of impact (Unit: Billion yen)	
			2030	2050
Reinforcement of the government's environmental regulations	Increase in amount of carbon pricing burden	Manufacturing	4.4	10.0
		Sourcing Logistics	46.5*1	47.5*1
Expansion of investment in facilities for widespread renewable energy use	Increase in amount of electricity purchased	Manufacturing	10.5	-4.8

*1. We believe that these impact amounts will be borne not by the Group alone, but by the entire supply chain.

Impacts on the Group Under the 4°C Scenario (Physical Risks)

Change related to climate change	Major and specific impacts	Impact on the Group		
		Relevant supplier chain	Amount of impact	
			2050	
Increase in severity and frequency of typhoons, torrential rains, etc.	Opportunity losses from flood damage	Manufacturing Logistics	Flooding risks at 15 domestic and overseas sites The annual increase in risk is 830 million yen*2	
Change in growth environment of raw materials resulting from temperature rise and water risks	Increase in raw material sourcing costs	Sourcing	-	-

*2 Starting in the current fiscal year, we calculated the financial impacts of flood damage based on the Guidance on Physical Risk Assessment under the TCFD Recommendations issued by the Ministry of Land, Infrastructure, Transport and Tourism. The annual increase in risk is the expected amount of future risk increases through 2050 converted to an annual amount. For details, see 4-degree Scenario, Opportunity Losses, Such as Site Shutdowns, Resulting from Flood Damage, on page 38 below.

[Analysis Method and Detailed Results]

□ Major Impacts and Specific Effects

<1.5°C scenario>

・Effect of introducing carbon pricing (the company)

We project a 4.4 billion yen cost increase in 2030, while reducing costs by 1.6 billion yen by implementing energy-saving and generation measures and purchasing renewable energy-derived electricity. We also project that in 2050, costs will decrease by 2.4 billion yen, based on our transition plan, which includes active introduction of new technologies and next-generation energy, among other measures. With current technology, however, it will be difficult to reduce CO_2 emissions to zero by 2050, and accordingly, we will need to purchase 5 billion yen in carbon credits, which is expected to increase costs by 10 billion yen.

Unit: billion yen

Detail of initiative	2030	2050
Amount of carbon pricing borne when no countermeasures are taken	6.0	7.4
Amount of carbon pricing reduced through countermeasure	-1.6	-2.4
Amount of carbon credit purchases	-	5.0
Total	4.4	10.0

・Effect of introducing carbon pricing (major raw material)

We project that the amounts of impact based on carbon prices in major raw material source countries will ultimately be an increase of 46.5 billion yen in 2030 and 47.5 billion yen in 2050 as a result of increases in prices for each raw material and the implementation of various responsive measures.

* The amount of the impact from the introduction of the carbon pricing under the 1.5-degree scenario was calculated based on the NZE scenario carbon prices (for 2030 and 2050) announced in the World Energy Outlook (WEO) 2023 of the International Energy Agency (IEA).

・Effect on amounts for purchased electricity (the company)

We project a cost reduction of 4.4 billion yen in 2030 through energy-saving and energy-generation measures, but costs will increase as a result of rising electric power rates and premium prices for renewable energy-derived electricity, and we expect costs to increase by 10.5 billion yen. In the other hand, in 2050, we project a cost reduction of 4.8 billion yen due to electricity rates falling to current levels as a result of technological innovation and reduction in the amount of electricity consumed achieved through energy-saving and other measures.

Unit: billion yen

Detail of initiative	2030	2050
Amount of increase due to increase in electricity unit prices	14.0	0.1
Amount of reduction from energy-saving and energy-generation measures, etc.	-4.4	-6.4
Amount of increase from purchase of renewable energy-derived electricity	1.0	1.4
Total	10.5	-4.8

* The amounts of impacts from purchased electricity are calculated based on information from the Net Zero 2050 Scenario of the Network of Central Banks and Supervisors for Greening the Financial System.

<4°C scenario>

・Opportunity losses, such as site shutdowns, resulting from flood damage

We estimated the financial impacts of flood damage based on the Guidance on Physical Risk Assessment under the TCFD Recommendations issued by the Ministry of Land, Infrastructure, Transport and Tourism. From the results of risk assessments of 51 production sites in Japan and overseas, we anticipate flood risks at 13 domestic and two overseas sites. We determined the financial impact by calculating the annual increase in risk in terms of the amount of loss due to asset damage and opportunity loss due to site shutdowns based on the estimated flood depth at each site and other factors. We estimate that in 2050, the aggregate annual increase in risk for 15 sites based on 100-year floods will be 830 million yen per year.

	Annual Increase in Risk (million yen)				
	Property Damage Amount	Site Shut-Down Loss Amount	Depreciable Asset Damage Amount	Inventory Asset Damage Amount	Total
Japan	**80**	**260**	**370**	**110**	**820**
Overseas	**10>**	**10>**	**10**	**10>**	**10**
Total	**80**	**260**	**380**	**110**	**830**

・Impacts on sourcing of major raw materials

We expect that in raw material production regions too, unit prices for raw materials will increase in conjunction with reduced crop yields due to climate change-induced temperature rise and water risks. Below, we provide an overview of the results of our analysis of changes in yields and water risks in major raw material production regions.

Expected change in yields

・We expect reduced yields in cocoa bean and sugar source countries in the future.

・We expect the impact on dairy to remain within a few percentage decrease both in 2030 and 2050.

Expected water risks

・We expect flood risks to rise in most areas, and thus believe that we need to examine improvement measures upon confirming the flood risk of each production area.

* The impacts on procurement of major raw materials under the 4°C scenario were calculated based on future yield predictions in the GAEZv4 database (RCP8.5) released by the FAO and a literature survey.

Agricultural products procured as raw materials closely related not only to climate change, but also to the conservation of natural capital and biodiversity. We used the LEAP approach of the Taskforce on Nature-related Financial Disclosures (TNFD) to analyze the degree of reliance and impact on nature for dairy products and cacao beans, important raw materials for the Group.

Analysis of Nature-Related Risks in Cocoa Bean and Dairy Product Production Regions

・Since cocoa bean and dairy product production relies heavily on nature, we investigated to ascertain the degree of reliance and status of impacts in key production sites.

<Cocoa>

We found that six items—land use conversion, atmospheric pollution, water pollution, soil pollution, curtailing soil erosion, and mitigation of the impact of natural disasters—are particularly important. Of these, there were numerous sites with particularly high risks relating to land use conversion and atmospheric pollution.

・Number of sites with extremely high risks relating to land use conversion: 12

・Number of sites with extremely high risks relating to air pollution (slash-and-burn agriculture, etc.): 11

< Dairy products >

We found that five items—water stress threats, water pollution, maintenance of soil fertility, and use of ground and surface water—are particularly important. Of these, there were numerous sites with particularly high risks relating to water pollution.

・Number of sites with extremely high risks relating to water pollution: 26

In the future, we will take action to avoid reductions in yield of cocoa beans and dairy products while performing GAP analysis and so on in production regions.

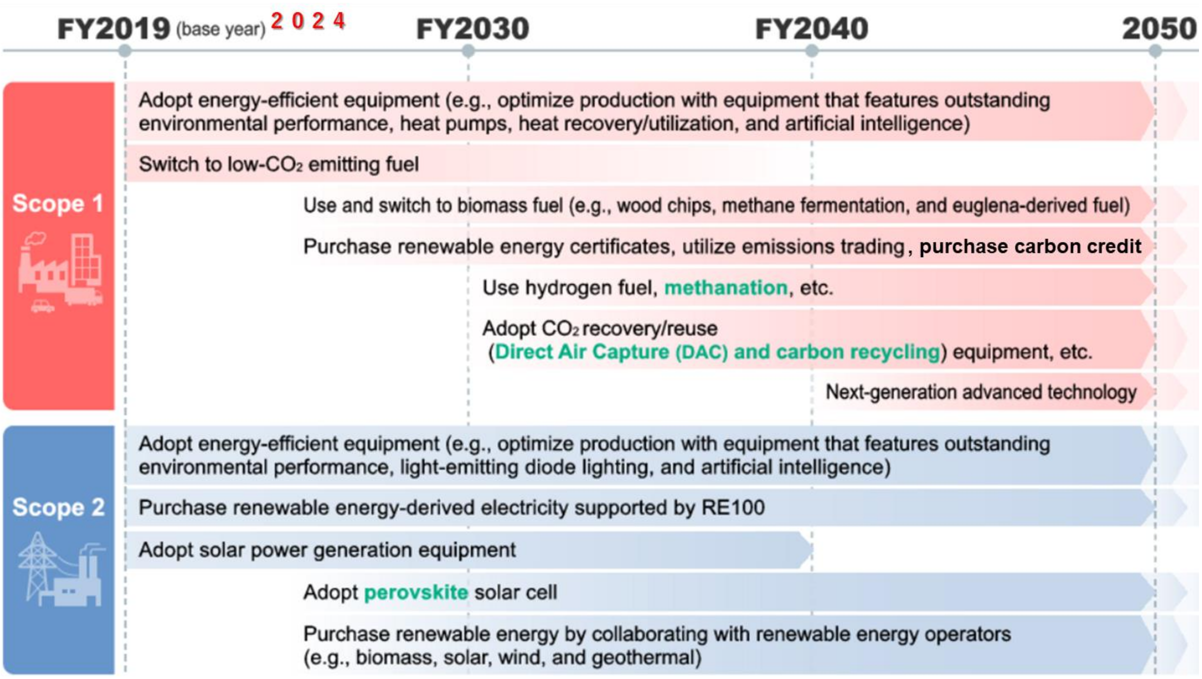
2) Risk Mitigation Measures

The Group is taking action to reduce GHG emissions based on the IEMA GHG management hierarchy.

i. Eliminate:	Transition to business structures that do not emit greenhouse gases throughout the lifecycle across business models and the business portfolio
ii. Reduce:	Reduce energy use and GHG emissions by increasing the efficiency of manufacturing processes and transportation and taking other measures
iii. Substitute:	Switch to energy and procured materials with lower GHG emissions by using renewable energy, procuring low-carbon materials, and other means
iv. Compensate:	Compensate for GHG emissions that cannot be reduced using offsets such as purchases of carbon credits

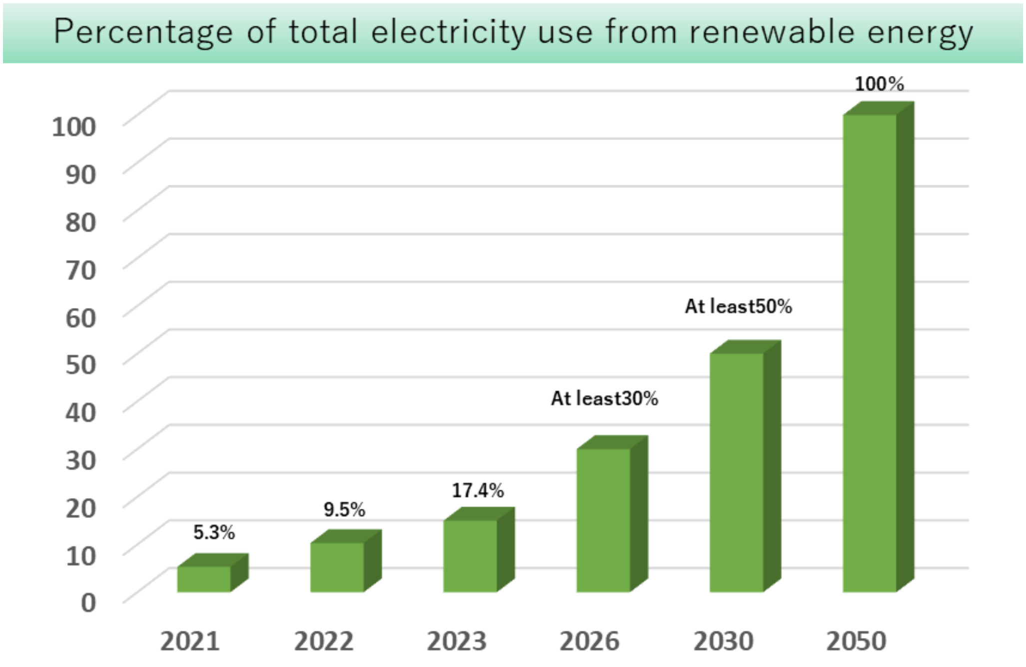
・Initiatives to Reduce GHG Emissions at Company Sites

To reduce the Company's GHG emissions, in addition to our current initiatives including energy-saving and generation measures and purchase of renewable energy-derived electricity, we formulated a transition plan that incorporates the active introduction of new technology and next-generation energy. A summary is set forth below.



* Scope 1: Direct GHG emissions by the reporting company itself (from fuel consumption and industrial processes)
Scope 2: Indirect GHG emissions from the use of electricity, heat, or steam supplied by others

The Group has implemented various measures, including the adoption of solar power generation equipment and energy-efficient equipment at our factories and other facilities, as well as the purchase of renewable energy- derived electricity supported by RE100. As a result of promoting these measures in line with the transition plan, in FY2023, renewable energy accounted for 17.4% of total electricity used. The Group is taking further action with a target of reaching 100% by 2050.



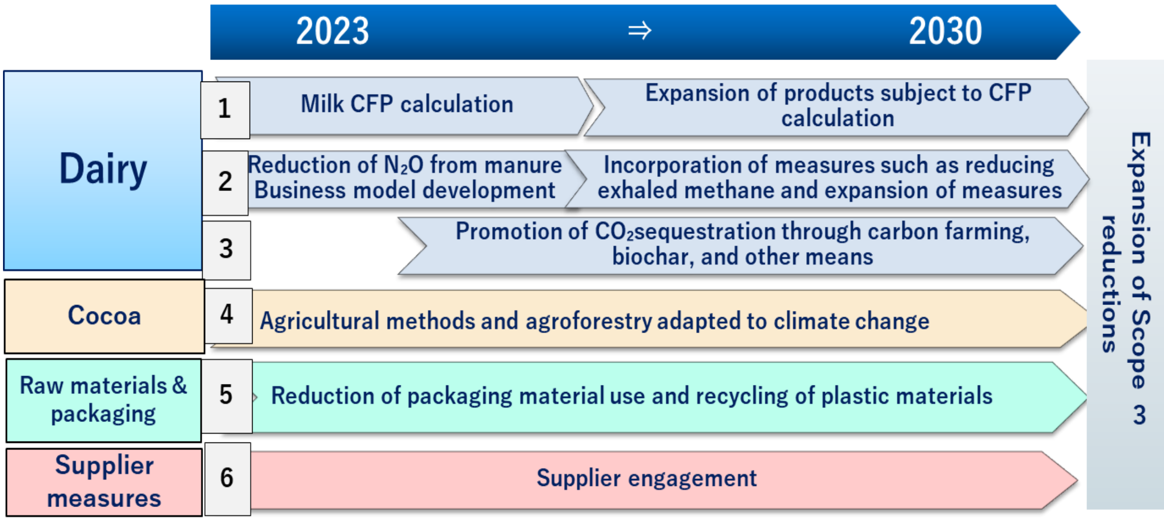
Example of a countermeasure: Use of Methane Biogas at the Tokachi Plant

We introduced equipment capable of the methane fermentation treatment of whey residue and wastewater treatment at the Tokachi Plant. Operation began in 2024, and this equipment is expected to reduce annual industrial waste by 54% and CO_2 emissions by 5.9%.

・Measures to Reduce GHG Emissions in Supply Chains

In addition, we consider the reduction of not only CO_2 emissions but also GHG emissions in general, such as methane from the dairy industry, to be an important issue with respect to major raw materials. In order to reduce GHG emissions, we have established a transition plan for Scope 3, focusing on dairy. In order to effectively reduce GHG emissions, we began by calculating the carbon footprint (CFP) of milk to identify the processes with the highest GHG emissions throughout the lifecycle, and then developed and initiated measures to reduce emissions in those processes. In addition, we will consider measures for other raw materials and engage with suppliers to reduce their GHG emissions, thereby facilitating emissions reductions at suppliers and throughout the supply chain.

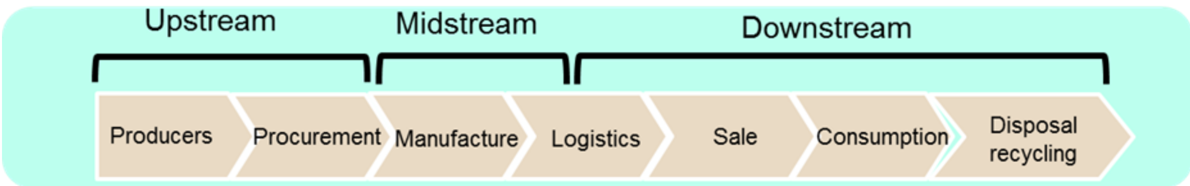
Below is an outline of the transition plan for Scope 3 Reduction.
Details of the corresponding measures for 1 to 6 in the figure are provided below.



*Scope 3: Indirect emissions from the supply chain other than Scope 1 and Scope 2, generated in the supply chain in business activities from the procurement of raw materials including goods and services to manufacture, sale, use, and disposal.

Countermeasure 1: Expansion of the Raw Milk Carbon Footprint (CFP) Calculation

Based on actual data collected from multiple dairy farmers, we calculated GHG emissions for the entire lifecycle (from procurement of raw materials to manufacture, consumption, and disposal) for Meiji Organic Milk in 2022 and Meiji Oishii Gyunyu (produced at the Kyushu Plant). The results revealed that the upstream segment accounts for more than 90% of emissions, and therefore, we are taking action to reduce emissions in cooperation with producers.

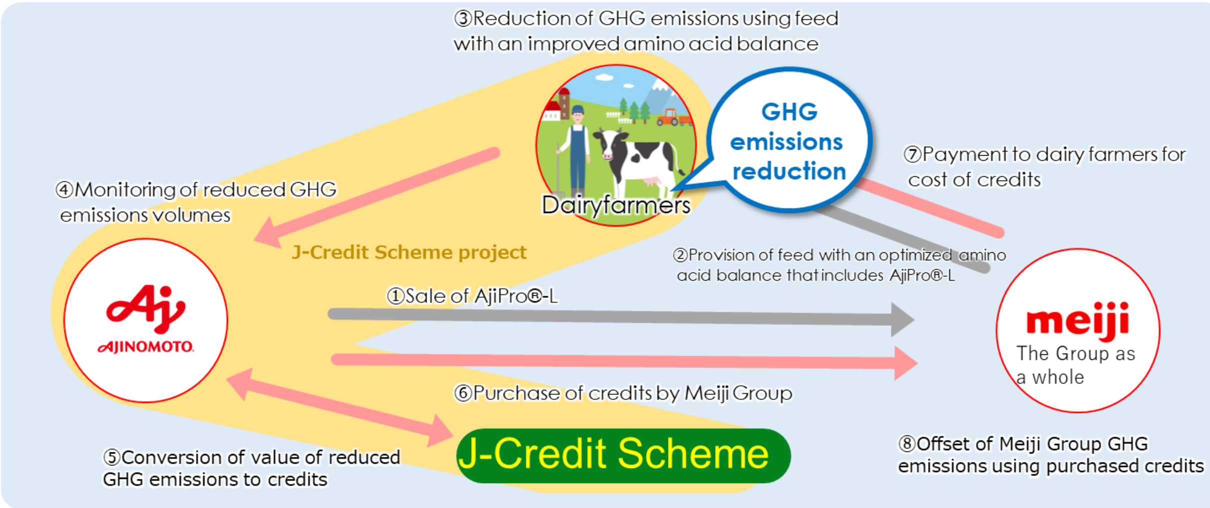


Product Name	Upstream (Raw material procurement)	Midstream (Production)	Downstream (Consumption and disposal)	Total ($g\text{-}CO_2$)
Meiji Organic Milk	90.7%	5.9%	3.4%	100%
Meiji Oishii Gyunyu	91.0%	5.6%	3.4%	100%

Countermeasure 2: Development and Expansion of a Business Model for Reducing N_2O from Manure

Dairy farmers, Ajinomoto Co., Inc., and the Group played central roles in the creation of a business model.

We used AjiPro®-L, an Ajinomoto product, to curtail excess nitrogen in feed and thereby reduce N_2O emissions from manure while maintaining milk production volume by improving the amino acid balance in the feed. Under the model we created, the dairy farmers and Ajinomoto use the J-Credit Scheme to convert the N_2O reductions into credits, and by purchasing those credits, we are providing economic support to the dairy farmers. In the one year after operation started, there have been five cases, covering about 3,000 dairy cows, and we plan to expand this program further in the future.



Countermeasure 3: Measures Relating to Carbon Farming

Carbon farming is an agricultural method that aims to reduce GHG emissions and improve the quality of farm soil by capturing atmospheric CO_2 in farm soil. In August 2023, we established the East Hokkaido Carbon Farming Research Group with dairy farmers and Betsukai town and measured the amount of CO_2 stored in the soil in Betsukai. Based on the results, we will conduct testing in the next fiscal year with the aim of establishing agricultural methods that can increase CO_2 storage, such as no-till cultivation, cover crops, and the effective use of compost.

Countermeasure 4: Measures Relating to Cocoa

To respond to climate change, we are providing guidance on cultivation methods adapted to climate change and replanting deforested areas using a variety of crops through agroforestry to restore forests in Ghana. Also, product yields are expected to decline in conjunction with climate change, and to address this, we have invested in California Cultured Inc., a cocoa cell culturing startup, to promote sustainable cocoa procurement.

Cocoa cells about to become chocolate

Countermeasure 5: Plastic Resource Recycling Measures

Reducing the use of plastic made from oil, which is the main raw material in packaging material, leads to reductions in GHG emissions. In an effort to reduce petroleum-derived plastic, we are using biomass plastic for the caps and spouts of Meiji Oishii Gyunyu packaging. Also, we are reducing the use of plastics by switching to cardboard caps for Meiji Essel Super Cup Mini, reducing the weight of caps for Meiji Hokkaido Tokachi Rich Milk Yogurt, and implementing other measures.

Plastic Usage Targets and Trends

Year	FY2017 (Base Year)	FY2020 (Result)	FY2021 (Result)	FY2022 (Result)	FY2030 (Target)
Result (t)	30,807	27,265	25,878	25,155	21,567
Reduction (t)	-	3,542	4,929	5,652	9,240
Reduction rate (%)	-	11.5	16.0	18.5	30.0

Countermeasure 6: Supplier Engagement

Reductions of CO_2 emissions by suppliers are linked to reduction of the Company's Scope 3 emissions. We are sharing information on environmental load targets and results through engagement (dialogue) with suppliers of raw materials and confirming the status of environmental initiatives to promote solutions to social issues including reduction of GHG emissions.

Target Suppliers	Details of Engagement
【FY2023 Results】 ・Suppliers with high GHG emissions (13 companies) 【FY2024 Plan】 ・In addition to the above, we plan to add 10 more companies	【Requests】 ・Calculate emissions for each raw material procured by the Meiji Group ・Calculate GHG emissions results and set reduction targets 【Issues】 ・Reflect emissions data received from suppliers in Scope 3

・Initiatives to Reduce Procurement Risks of Major Raw Materials

To reduce procurement risks relating to our major raw materials, we are optimizing source countries, regions, and suppliers and reinforcing procurement of certified raw materials. With respect to products, we are promoting the high added value of our products by strengthening the health and nutritional value, creating social value through sustainability, and taking other measures.

Category	Countermeasure	Specific Examples
product	Increase added-value of products (Reinforce health value and nutritional value)	•Low-Carb GOOD LIFE MiLK • Yogurt Containing One Serving's Worth of Green and Yellow Vegetables and Fruits •Marugoto Oats Milk
	Increase added-value of products (Shift from the social value of sustainability to the economic value)	•Agroforestry Milk Chocolate •Meiji Organic Milk •Products promoting Meiji Sustainable Cocoa Beans and RSPO-certified palm oil
Raw material procurement	Optimize procurement countries and regions/suppliers	•Gifu Plant (Meiji Seika Pharma) Develop production systems for bulk penicillin drugs (6-APA)
	Strengthen procurement of certified raw materials	•Meiji Sustainable Cocoa Beans •RSPO-certified palm oil •Procurement of certified soybeans and other products

・Initiatives to reduce flood risks

We undertake the following initiatives as flood risk countermeasures.

・Conduct GAP analysis of risk assessment results in collaboration with local authorities at high-risk sites to understand the actual situation.

・Conduct detailed surveys of business sites with particularly high priority and investigate and implement physical countermeasures in anticipation of the flood area and flood depth. Example countermeasures are the installation of box walls (temporary water barriers) and waterproof walls.

(3) Creation of Business Opportunities

We believe that the direct impact of climate change will alter society and daily lives, thereby creating new needs and opportunities. The Meiji Group expects to obtain opportunities including those mentioned below by leveraging our current operating bases and adopting new resources.

The process up to the creation of opportunities is described below.

・Members of the Group TCFD Committee secretariat conduct individual hearings of organizations relating to investigation of opportunities.

・The Group TCFD Committee deliberates on the direction of opportunities.

・Opportunities are quantitatively organized from perspectives including the relationship with existing business, the possibility of responding using existing company assets, and feasibility.

・Business opportunities are identified by narrowing keys to gaining opportunities down to highly feasible ones.

Going forward, the Group as a whole will explore the feasibility of each opportunity and take concrete action to achieve them.

Direct impact of climate change	Impact of climate change on society and daily life
・Rise in average temperature ・Intensification of disasters Changes in precipitation patterns ・Harm to biodiversity ・Reduction of crop yields ・Rise in sea level ・Permafrost thawing etc.	・Changes in lifestyles resulting from temperature rise (e.g., self-restraint on going out and moving between locations, staying at home, thirst- quenching, heat stroke) ・Rise in food and energy prices, changes in producer expenditures ・Stricter GHG emission restrictions, manifestation of water risks (water shortages, deterioration of water quality) ・Promotion of environmental load-reducing lifestyles (e.g., reduction of waste and discarded unsaleable products, energy-saving, and ethical consumption) ・Permanent overwhelming on medical institutions and increased awareness of infectious disease prevention ・Increased awareness of disaster countermeasures ・Intensified malnutrition in developing countries

Keys to gaining opportunities	Needs expected to grow	Opportunities for the Meiji Group
Responses to changes in lifestyles (e.g., staying at home)	・Thirst-quenching and heat stroke countermeasures as a result of temperature rise ・Products and systems to complete daily activities inside one's home ・Maintenance of health through improved nutritional balance	・Expand heat countermeasure products ・Customized nutrition- supporting businesses
Responses to growing environmental awareness	・Products with low environmental impact (e.g., vegetable-derived products, cell culture, circular agriculture) ・Products and lifestyles that involve fewer discarded products and reduced energy use ・Sustainable sourcing of raw materials	・Expand environmental impact-reducing products ・Eco-friendly and environment-supporting businesses ・Expand products that use sustainable raw materials
Responses to emerging and re-emerging infectious diseases	・Habituation of infectious disease prevention behaviors (e.g., gargling, hand-washing, mask- wearing, and boosting the immune system) ・Self-medication for infectious diseases ・Countermeasures against infectious diseases in developing countries	・Globally expand infectious disease drugs and products to boost the immune system ・Business for comprehensive infectious disease treatment (e.g., natural immunity, acquired immunity, and pharmaceuticals) ・Supply infectious disease products to developing countries and raw material-producing countries and provide support

In addition, we prioritized these eight business opportunities along a time axis, from those that are currently being worked on to those we will work on in the medium to long term.

<Timeline for Acquisition of Business Opportunities>

Present～2030	2031～2040	2041～2050

- ①Expansion of products with reduced environmental impact
  Meiji Probio Yogurt R-1 Drink ・ Labelless
- ②Customized nutritional support business
- ③Infectious disease total care business
  <Domestic production of Kostaive™, dengue vaccine, novel β-lactamase inhibitor>
- ④Expansion of heat countermeasure products (heat stroke countermeasure products)
- ⑤Provision of products that use sustainable raw materials
- ⑥Environmental consideration and support business
- ⑦Increase global sales of anti-infection drugs and immune-strengthening products
- ⑧Provision of and support for products for infectious diseases in developing countries and raw material producer countries

Business Opportunities ① and ⑤ “Expansion of Products with Reduced Environmental Impact” and “Provision of Products That Use Sustainable Raw Materials”

Creation of business opportunities by strengthening initiatives related to the Meiji Sustainable Products in-house certification system

We aim to create new value by actively working on sustainability in each process of the value chain (development, procurement, production, distribution, and consumption), and promoting Meiji Sustainable Products to customers as products that address social issues.

Business Opportunity	Sustainability Process Certification Standards	Primary Requirements
Opportunity ① Expansion of environmental impact-reducing products	Eco-friendly container packaging	Reduction of plastic consumption volume, use of recycled plastics and biomass materials Recycling-friendly design, etc.
Opportunity ⑤ Provision of products that use sustainable raw materials	Human rights-minded and eco-friendly procurement	Use of raw materials produced with certified raw materials and with eco-friendly agricultural methods

Business Opportunity ③ “Infectious Disease Total Care Business”

<Acquisition of New Modality>

The Meiji Group obtained approval to domestically manufacture and market Kostaive™, a COVID-19 vaccine, marking the world’s first authorization of a next-generation mRNA vaccine. Kostaive™ is expected to offer a strong immune response with lower mRNA doses, using novel sa-mRNA technologies. The Group will acquire advanced modality technologies and set up a technical foundation for developing new vaccines in the future.

i. Development of a Novel Vaccine for Dengue

Global warming and changes in precipitation brought about by climate change are altering the habitats and living environments of pathogenic microbes. This is resulting in dengue outbreaks in increasingly wider areas. The dengue virus, the cause of dengue, is a type of mosquito-transmitted virus that triggers dengue fever, dengue hemorrhagic fever, and dengue shock syndrome in humans. Four dengue serotypes from 1 to 4 are involved in the spread of the disease among humans. The WHO reports dengue is prevalent in at least 100 tropical- and subtropical-region countries, and 3.9 billion people—roughly half of the world’s population—are at risk of infection, while 100–400 million people get infected every year. Some reports estimate that 390 million people become infected and 96 million develop the disease each year. Further, 500 thousand people need to be hospitalized and treated annually for worsening cases of dengue hemorrhagic fever. Many of them are children under the age of five, and approximately 2.5% lose their lives.

A single-dose administration of KD-382 has shown good immunogenicity and preventive effects against all four dengue virus serotypes in non-clinical studies. Phase I clinical studies in healthy Japanese adults have shown that KD-382 also demonstrates tolerability and good immunogenicity, and that a single-dose administration can induce neutralizing antibodies against all four serotypes. Given that children are at high risk of developing severe dengue cases, we are preparing to conduct Phase II clinical studies with the support of the Strategic of Biomedical Advanced Vaccine Research and Development for Preparedness and Response (SCARDA) to investigate KD-382's safety and immunogenicity in children. The vaccine is a promising new option for preventing dengue.

ii. Development of a Novel β-Lactamase Inhibitor for Combatting Antimicrobial Resistance (AMR)

The emergence and spread of drug-resistant bacteria is a worldwide threat, and Japan is taking countermeasures under its National Action Plan on Antimicrobial Resistance. A particular threat around the world is carbapenem-resistant Enterobacterales (CRE). These bacteria are resistant to carbapenem antibacterial drugs that are regarded as the "last resort" in the treatment of severe infections.

The novel β-lactamase inhibitor OP0595 (INN: nacubactam) that the Meiji Group created amid this situation is expected to demonstrate efficacy against drug-resistant bacteria in combination with existing antibiotics. We will contribute to the fight against AMR, a global issue known as a "silent pandemic."

(3) Metrics and Targets (Including Progress)

The Meiji Group established materiality and KPIs by formulating—and based on—the Meiji Group Sustainability 2026 Vision as well as our long-term environmental vision, the Meiji Green Engagement for 2050. The climate change KPI in a long-term environmental vision that aims to limit the increase of the world's average temperature to within the 1.5°C Paris Agreement target.

Responses for climate change-related risks and opportunities (e.g., activities to reduce environmental impacts and raw material sourcing) entail diverse action. We have established the following KPIs and regularly check their progress and work systematically to achieve them. We also evaluate these initiatives as part of the Meiji ROESG® *1 indicators and reflect them in the remuneration of directors and corporate auditors.

<Expansion of ESG (Environmental, Social and Governance) Investing>

The Meiji Group has arranged for a 50 billion yen ESG investment in the 2026 Medium-Term Business Plan to promote the Scope 1, 2, and 3 transition plans and to steadily advance sustainability measures. The primary measures are described below.

・Initiatives to reduce GHG emissions in the dairy industry
・Domestic production of bulk penicillin drugs
・Introduction of solar power generation facilities
・Measures to achieve zero CFC (e.g., introduction of CFC-free turbo refrigerators)
・Measures to achieve zero plastic (e.g., introduction of facilities to reduce the weight of small plastic bottles)
・Reduction of water consumption volume (e.g., measures to save water by circulating rinse water on small plastic bottle lines)

<Review of the Internal Carbon Pricing System>

We changed the carbon price of the internal carbon pricing system from 5,000 yen to 15,000 yen per 1 t-CO_2 starting in FY2024, preparing to ensure a smooth transition after the full-scale introduction of carbon pricing.

<Issuance of Sustainability Bonds>

We issued sustainability bonds in 2021 to finance the capital required to achieve our Sustainability Vision.

* See our "Sustainable Finance" website for sustainability-related financing.
(https://www.meiji.com/global/sustainability/sustainable-finance.html)

<KPIs associated with climate change-related risks and opportunities in the 2023 Medium-Term Business Plan>

Major impacts	Category	KPI		
		Short/Medium-term target	Long-term target	Progress in FYE 3/2024
Introduction of carbon pricing	CO_2 emission volume	Reduce company-wide CO_2 emissions (Scope 1 and 2) by at least 50% by FYE 3/2031 and at least 30% for Scope 3 (compared to FYE 3/2020)	Reduce company-wide CO_2 and other greenhouse gas emissions to net zero in the whole supplier chain by 2050	Scope 1 and 2: 19.6% Scope 3: 4.8% *2, 3
	Renewable energy usage	Expand renewable energy usage to make up at least 50% of total company-wide usage by FYE 3/2031	Achieve 100% share of renewable energy in total power usage at each site by 2050	17.4%
	Plastic usage	Reduce domestic plastic usage (e.g., packaging) by at least 25% by FYE 3/2031 (compared to FYE 3/2018)	Minimize use of new natural capital for packaging, utilizing recyclable resources	18.3% *2, 4
Water sourcing cost	Water consumption volume	Reduce company-wide water consumption volume per unit of sales by at least 15% by FYE 3/2031 (compared to FYE 3/2021)	Reduce company-wide water consumption volume per unit of sales by 50% by 2050, compared to FYE 3/2021	15.7% *2
Sustainable sourcing of major raw material	Cocoa	Increase procurement ratio of sustainable cocoa beans to 100% by FYE 3/2027	-	62.5%
	Palm oil	Switch 100% to RSPO- certified palm oil by FYE 3/2024	-	100.0%
	Timber (paper)	Switch to 100% eco-friendly paper by FYE 3/2024 (paper used in product container packaging)	-	100.0%
	Raw milk	Conduct MDA activities to provide management- related support to dairy farmers at least 400 times a year and at least 2,150 times in total by FYE 3/2024	-	522 times/year Cumulative total: 2,422

*1 We consider it difficult to separately present the climate-related evaluation items of the Meiji ROESG®.

*2 Described here are the reduction rates (%) compared to the base year. Figures are pre-third-party-certification calculations and are subject to change.

*3 Scope 3 comprises indirect CO2 emissions from the supply chain other than Scope 1 and Scope 2.
Data for the base year is calculated according to the method for FY2022; Scope 3 Category 1 is calculated based on the weight of purchased raw materials from FY2022. The amount of price of purchased raw materials was used to calculate Scope 3 Category 1 until FY2021.
Due to the addition of Meiji Food Materia Co., Ltd. and Meiji Feed Co., Ltd. to the scope of coverage from FY2023, KPI progress is calculated by including the performance figures for Scope 3 Categories 1, 4, and 9 of Meiji Food Materia Co., Ltd. and Meiji Feed Co., Ltd. in FY2019.

*4 Plastic usage reduction results for FYE 3/2023.

The results of Meiji Group’s FY2023 GHG emissions (Scope 1, 2, and 3) are disclosed on our website:
(https://www.meiji.com/global/sustainability/caring-for-the-earth/climate-change.html)

<KPIs associated with climate change-related risks and opportunities in the 2026 Medium-Term Business Plan>

Medium- to long-term vision	Major initiatives	KPIs	Targets for FY2026
Establish a responsible supply chain by collaborating and cooperating with suppliers to engage in procurement activities that take into account social responsibilities, such as human rights and the environment, throughout the supply chain.	・Through Meiji Dairy Advisory (MDA), support the resolution of social issues such as human growth, human rights, animal welfare, and GHG emission reduction through human resource management at dairy farms	・Number of farms participating in Meiji Dairy Advisory (MDA)	Total of 100 or more
Establish traceability for each raw material, identify social issues related to human rights and the environment in the raw material production areas, and address these issues to achieve sustainable raw material procurement.	・<Milk> Promote initiatives aimed at reducing GHG emissions from dairy farming	・<Milk> Number of dairy farms working to reduce GHG emissions	Total of 30 or more
	・<Cocoa> Expand the procurement of Meiji Sustainable Cocoa Beans produced in areas where farmers are supported through Meiji Cocoa Support (MCS)	・<Cocoa> Meiji Sustainable Cocoa Bean procurement ratio	100%
	・<Palm oil> Promote the procurement of palm oil that is not involved in deforestation by incorporating forest monitoring to identify and verify deforestation risks along the supply chain	・<Palm oil> Procurement rate for palm oil that is not involved in deforestation	Set target in FYE March 2025
	・<Paper> Maintain 100% use of environmentally friendly paper for product containers and packaging, and switch to environmentally friendly paper for office supplies and standard publications	・<Paper> Ratio of environmentally friendly paper used in the extended scope of applicability *Scope of applicability: Office supplies, standard publications	100%

Medium- to long-term vision	Major initiatives	KPIs	FY2026 Target
Aim to achieve carbon neutrality by 2050 by reducing CO2 emissions throughout the supply chain by strengthening energy saving and energy creation activities, utilizing renewable energy, and reducing GHG emissions in the dairy business.	・Reduce Scope 1 and 2 CO_2 emissions by strengthening energy saving and energy creation activities, utilizing carbon credits, etc.	Scope 1, 2 emissions reduction rate (compared to FYE March 2020 as year of reference)	32% or higher
	・Reduce CO_2 emissions in Scope 3 by reducing GHG emissions in dairy farming, reducing the amount of packaging materials used, and strengthening collaborations with suppliers, etc.	・Scope 3 Emissions reduction rate (Compared to FYE March 2020 as year of reference) *Categories 1,4,9,12 (procurement/ logistics/ disposal)	15% or higher
	・Promote the transition to renewable energy by expanding the adoption of solar power generation equipment and strengthening the use of electricity derived from renewable energy	・Renewable energy ratio *Ratio: Percentage of total power consumption	30% or higher
Aim to move toward a circular economy by promoting activities that create added value while reducing resource input and consumption to maximize product value, minimize resource consumption, and constrain the generation of waste in addition to 3R (Reduce, Reuse, Recycle) + Renewable initiatives.	・Promote the reduction of plastic containers and packaging while promoting R&D for environmentally friendly materials	・Rate of reduction for plastic use (total volume) (compared to FYE March 2018 as reference year)	25% or higher (Excluding overseas subsidiaries)
Achieve water neutrality by proactively engaging in water resource conservation activities such as water resource cultivation in addition to continuously reducing water usage.	・Reduce water consumption through the efficient use of water and active adoption of water-saving equipment, etc.	・Water usage reduction rate (compared to FYE March 2021 as reference year) *Per unit of net sales	20% or higher

● The Meiji Group's Human Capital Initiatives

1) Governance and Risk Management

i) Governance

In promoting the Group-wide human capital strategy, we hold the Group Human Capital Committee meetings twice a year, chaired by the CEO, President and Representative Director of the Company, as an advisory body to the Executive Committee and report on them to the Board of Directors. With the system started in FY2022, for FY2023, we established a Chief Human Resource Officer (CHRO) position as the senior manager responsible for the Group-wide promotion of the human capital strategy. At present, we promote initiatives across the Group companies under subcommittees established for each of the five topics, "DE&I (Diversity, equity, and inclusion)," "Human capital development," "Health and productivity management," "Occupational Safety," and "Smart work."

ii) Risk Management

In promoting human capital strategies in line with management strategies, we recognize that issues related to human capital and organizational culture are one of management risks that have a significant impact on corporate activities. We have been discussing issues concerning human capital and organizational culture in light of changes in the external environment at the Group Human Capital Committee, and identifying and managing the following three risks in cooperation with the Risk Management Department, which is in charge of management risks for the entire Group.

i　Recruit and develop human capital required for corporate growth

- Risk of not being able to acquire and develop management human capital, business management human capital, advanced human capital, etc.
- Risk of a decline in the ability to recruit due to a lack of DE&I, and a decline in the ability to drive business from the customer's perspective

ii　Effects of business environment on productivity

- Risk of decreased productivity and increased turnover due to inadequate response to the working environment and health and safety
- Risk of an increase in the number of employees taking leave of absence due to a lack of approach to identify and remedy

appropriate health issues of employees
- Risk of stagnation of creativity due to delays in the development of a working environment (workplace, IT, etc.) that meets the needs of the times

iii Employee engagement
- Risk of a decline in organizational strength due to a lack of understanding and penetration of business plans and organizational goals, as well as a lack of communication across hierarchical and departmental boundaries
- Risk of increased turnover due to decreased sympathy for the company

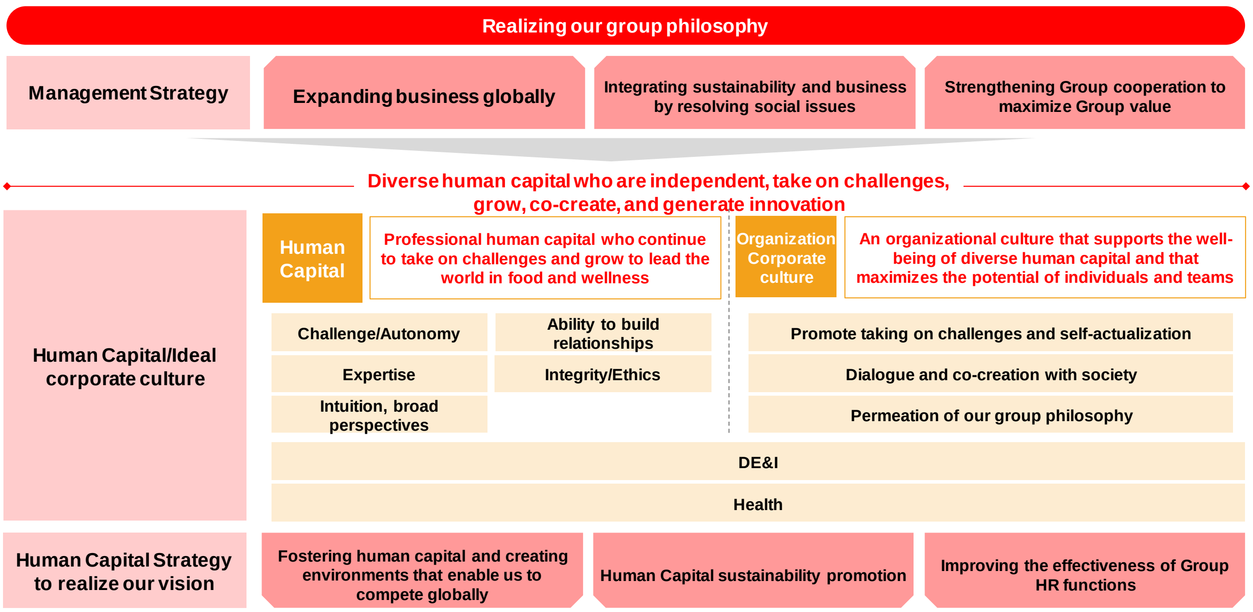
With regard to the above risks, we examine cases where they have materialized and consider countermeasures, as well as strive to reduce the risks in cooperation with related departments, mainly the human resources department.

2) Strategy

Human capital is extremely important capital that supports value creation by the Meiji Group. We believe that respecting employees' diversity and enabling individuals to fully exercise their abilities lead to sustainable growth of the Meiji Group, and accordingly, we will make strategic investments in accordance with management strategies.

The concept of the human-resource strategy based on the management strategy of the 2026 Medium-Term Business Plan

In the 2026 Medium-Term Business Plan, we will advance the Meiji ROESG®, aiming to recover the growth potential through changing our markets, businesses, and activities. We will aim to achieve sustainable growth by expanding the business globally, strengthening the competitiveness by integrating sustainability and the business through resolving social issues, and maximizing the corporate value of the Meiji Group. For the human capital strategy based on this management strategy, what is essential is the acquisition and the development of diverse human capital who can create innovation by controlling themselves, taking on new challenges, growing, and co-creating, and the creation of an organizational culture which can maximize the potential of diverse human capital, the promotion of further DE&I, and the management of employees' health. To achieve this



human capital strategy, we will aim to create human capital and environment to survive in the global market, promote the sustainability of human capital, and improve the effectiveness of the Group human capital functions, and put them into practice.

i) Personnel Development Policy

We strive to invest in talented human capital who can formulate and execute our strategies to ensure the Group's sustainable growth.

We strengthen the knowledge, skills, and abilities of each individual so that they can do their best in their work.

< The Meiji Group Human Resources Development Policy >

In order to realize the Long-Term Vision of the Meiji Group 2026 Vision, we have established the Meiji Group Human Resources Development Policy to foster human capital with the qualities and capabilities required by the Meiji Group.

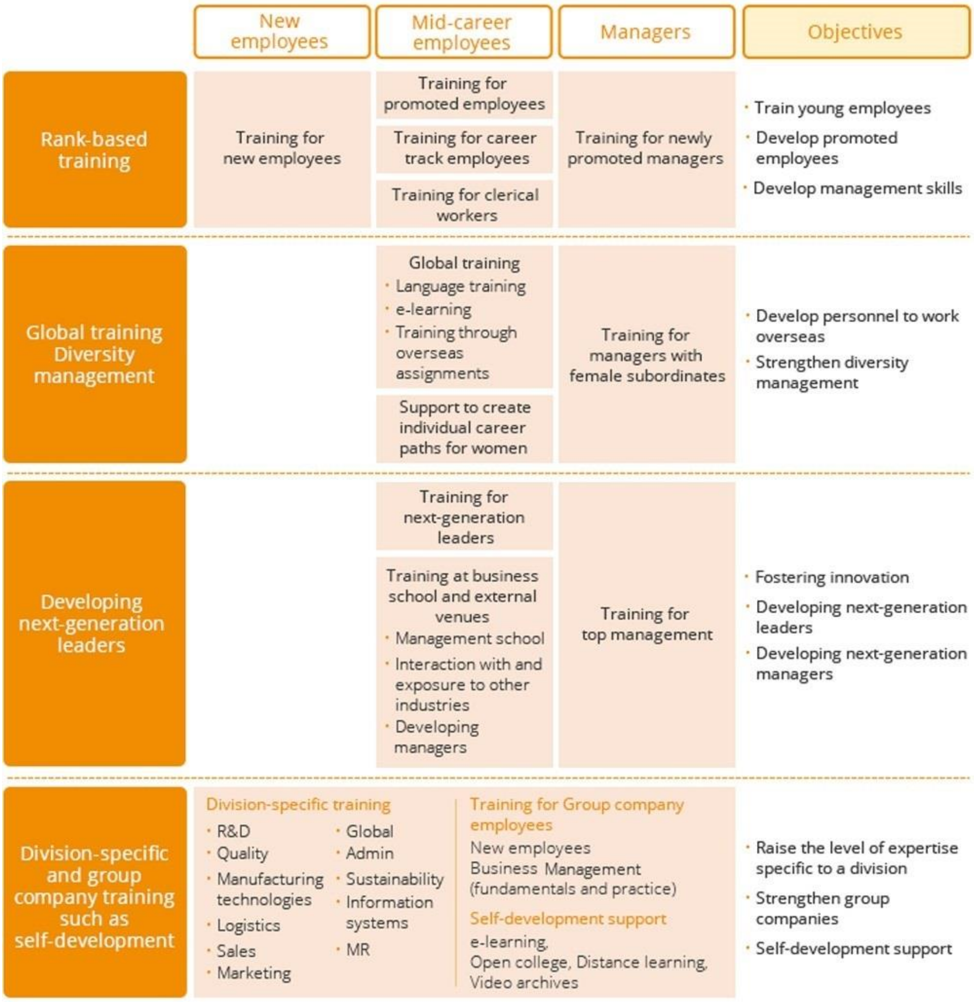
Meiji Group Human Resources Development Policy

To achieve the Long-Term Vision laid out in the Meiji Group 2026 Vision, we will:

1. Develop personnel who have the proactive mindset, as well as the expertise, creativity, and practical skills, needed to take on and achieve ambitious targets
2. Spur Group expansion by growing individuals and developing independent-minded personnel who raise Group-wide capabilities
3. Develop personnel who fully understand the Group Philosophy and put the Meiji way into practice at an advanced level

< Skills Development Structure >

Based on the Meiji Group Skills Development Policy, we have established a skill development system that facilitates the growth and career development of each employee.

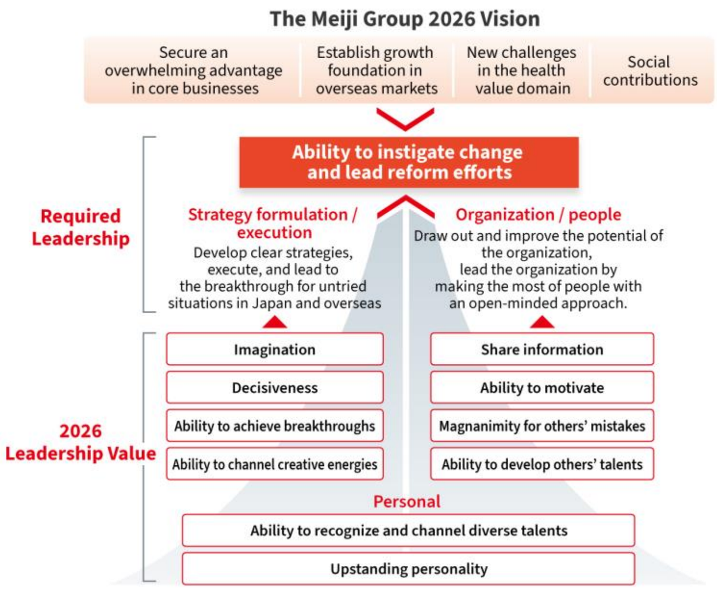


Number of participants of the course in FY2023 (managers and general employees, average total length, average course cost)
* Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd., KM Biologics Co., Ltd.

	Program's Goals	Number of attendees (total)	Average total length (hours)	Average course cost (thousand yen)
Rank-based training	Skills training at each career stage ・ Strengthen their ability to foster their subordinates / younger personnel ・ Enhance management skills to make the team / workplace more dynamic ・ Cultivate an awareness of self-reform as participants seek to become next generation / management leaders	1,327	22.1	50.6
Global training Diversity management	・ Develop personnel competent in global business ・ Foster work environment that can encourage and promote human capital with diverse backgrounds	1,291	5.4	20.9
Developing next-generation leaders	・ Develop personnel with a wider range of skills and perspectives ・ Develop strategic thinking, reasoning, decision-making, and communication skills	73	52.7	588.7
Division-specific and Group company training Self-development	・ Develop the business skills they need for work ・ Promote employee's "Learning autonomy" and develop autonomous Human Capital	195,237	1.9	1.1

< Development of Group Management Human Capital >

With a view to achieving the Meiji Group 2026 Vision and growth going forward, we focus on fostering human capital across the entire Group. We launched the Group management human capital development program in FY2021 to systematically discover and foster human capital, with a focus on human capital for transformation and strategy, who have not only knowledge, skills and capability to implement strategy in each business, but also perspectives, horizons and views that are necessary for developing and promoting the Group management strategy. Through a development program chaired by the CEO for a selected group of executive officers and senior managers, we are developing competencies and capabilities appropriate for the image required for the Meiji Group managers (leadership value) who can strongly lead the realization of the Vision.



< Development of Global Business Human Capital >

For the Meiji Group to achieve further success in the global market, it is essential to have talents with the skills and capabilities that contribute to global business expansion. We are redefining the necessary skills and capabilities, strengthening and restructuring our fostering systems and training programs, and implementing open recruitment for transfers to overseas business divisions, in order to foster and develop talents capable of striving towards achieving goals while demonstrating leadership and communication skills globally.

ii) In-house Environmental Improvement Policy

i DE&I (Diversity, Equity & Inclusion)

We have established the Meiji Group Diversity, Equity & Inclusion Policy as a concept to accelerate the promotion of DE&I toward the realization of the Meiji Group 2026 Vision. We will achieve sustainable corporate growth by establishing an environment that allows diverse employees to work with a sense of fulfillment and create innovation and new value.

<u>Meiji Group Policy on Diversity, Equity & Inclusion</u>

We, Meiji Group, owe our growth to being attentive to the feelings and daily lifestyles of all customers who experience diverse values at each stage of life, from babies to the elderly. We will continue to leverage this approach as a group strength and pursue diversity, equity and inclusion in order to ensure our ability to deliver “food and health” value that is one step ahead to our customers in Japan and around the world.

<Meiji Group Approach to Diversity>
All differences, including diverse backgrounds such as gender, sexual orientation, gender identity, gender expression, age, nationality, religion, health, physical disability or mental disorder, employment status, career, engaged in childcare or nursing care, or differences such as individual values, knowledge or capabilities.

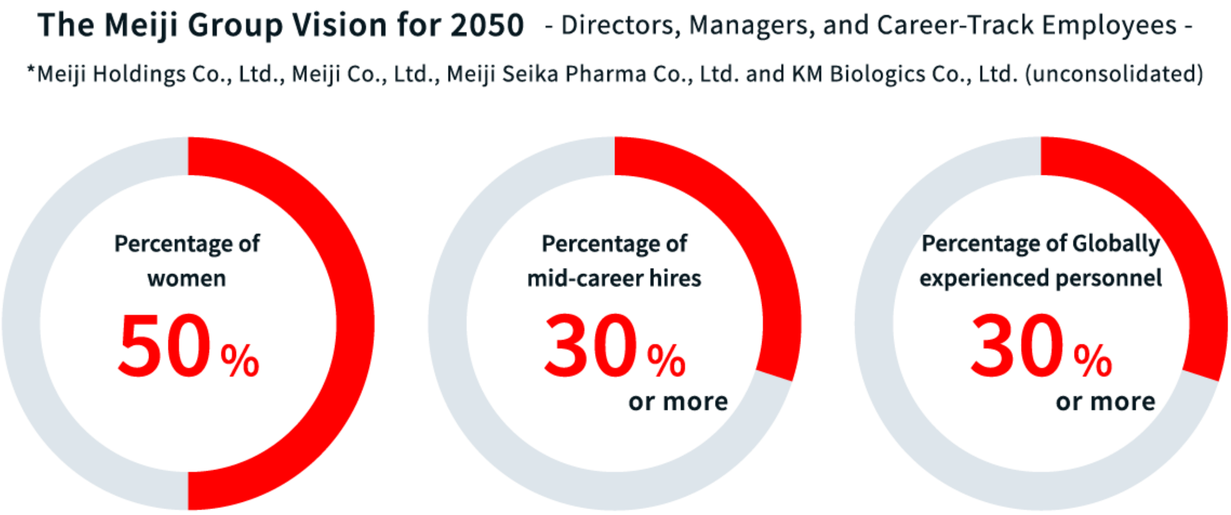
1. Diversity
Promote the hiring, development and utilization of diverse human capital, and create environments that provide diverse human capital with opportunities for advancement in various fields.

2. Equity
Remove all barriers to enable diverse human capital the opportunity to maximize their capabilities and provide not uniform but equitable opportunities for growth and challenges based on the diverse backgrounds and orientations of each individual.

3. Inclusion
Foster an organizational culture in which diverse human capital can express their individuality, respect and acknowledge each other, and make the most of mutual diversity.

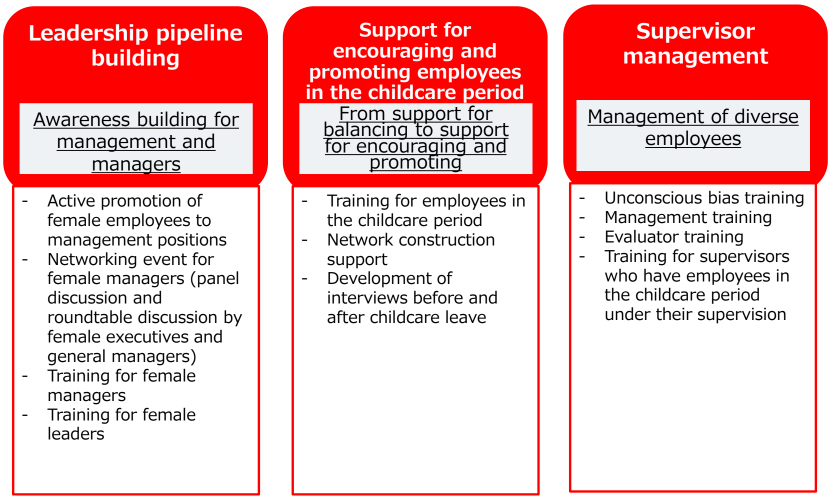
At Meiji Group, we will create environments in which diverse human capital is energized and motivated towards work, and achieve sustainable corporate growth by creating innovation and new value.

The Group Human Capital Committee set forth the image of DE&I as the Meiji Group should become, and is strengthening efforts to address the priority attributes (women, career hires, and overseas human capital).



< Women >

With regard to the promotion of women's active participation as a first step for DE&I, the following three pillars of efforts are being made under the commitment of top management. In building a leadership pipeline, the Group Joint Networking Meeting for Female Managers was held in March in conjunction with International Women's Day, where lectures and roundtable discussions, etc. were held by female directors and managers. This has led to fostering senior managers' viewpoints and developing pipeline. In addition, as for the support for encouraging and promoting employees in the childcare period and the supervisor management, training was provided to employees in the childcare period and their supervisors, and after learning about communication in a way that engages others in the case of employees in the childcare period as well as the importance of individual management and support for encouraging and promoting in the case of their supervisors, we conducted joint work to understand others by employees in the childcare period and their supervisors. Going forward, we will continue to create an environment where each and every employee, regardless of gender or restrictions, can demonstrate their abilities and play an active role in all jobs and positions.



< Career hires >

In order to incorporate a wide range of knowledge and new perspectives and create innovative ways to meet our customers' needs, in addition to hiring new graduates, we are also actively recruiting career human capital who have built their careers at other companies. In addition, we have introduced a comeback system that allows employees who have retired once to reapply for employment. Through the rehiring of retirees who have know-how and knowledge gained in the Meiji Group and who have developed diverse experience and knowledge after retirement, we aim to further revitalize the Group and create new value.

< Overseas human capital >

We are strengthening the recruitment of overseas human capital (those with more than half-year of global experience (studying abroad, living abroad, etc.), including foreign nationals), in order to reflect a global perspective in our decision-making and to become the Meiji Group that continues to grow worldwide. In addition, we strengthen the development of overseas human capital by introducing a new overseas trainee program, etc.

* Promotion of smart work

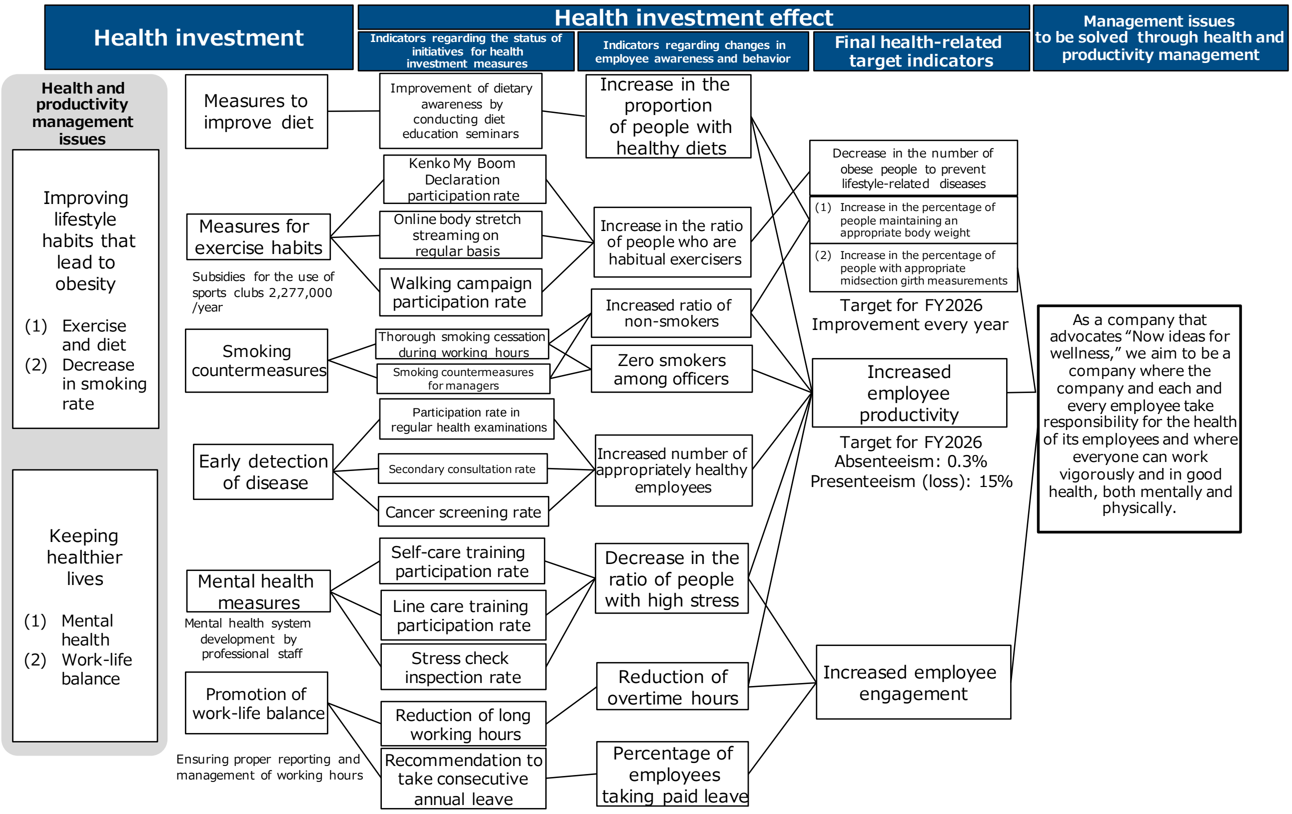
To enable employees with diverse backgrounds to achieve work-life balance and maximize their abilities, we have introduced a telecommuting system, flextime system, and other systems to promote flexible workstyles. In addition, with an awareness that we are a company that deals infant and toddler milk and vaccines, we support male employees in taking childcare leave with an eye to improving corporate value.

ii Health and productivity management

We believe the driving force for continued growth as a corporate Group that represents the Group slogan "Now ideas for wellness" is the Healthier Lives of employees, and we are making strategic investments in the maintenance and improvement of employees' health to maximize productivity and invigorate organizations. Under the Meiji Group Health and Productivity Management Declaration, we established the Health and Productivity Management Strategy Map and put it into practice. This map describes flows from investment in health and productivity management to the effects of measures.

In recognition of its ongoing efforts, the Company was selected in the two consecutive years of 2023 and 2024 as a Health and Productivity Management Stock, which is jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. The Company has been recognized as a Certified Health & Productivity Management Outstanding Organization for the eighth consecutive year.

< Health and Productivity Management Strategy Map >



Specific initiatives implemented in FY2023

- Kenko My Boom Declaration, where individuals and teams declare their health goals and commit to ongoing activities
- Conducting "Seminars for eating without accumulating visceral fat" at operating sites nationwide for the improvement in healthy diet awareness
- Training Challenge, training with athletes contracted by Meiji Co., Ltd.
- Walking campaign
- Send a President's letter to employees who smoke calling for quitting smoking, "Declaration of Zero Executive Smokers," smoking cessation support program
- e-learning (self-care and line care, health issues of the Meiji Group, etc.)
- Stress check

iii Occupational safety

Based on the Meiji Group Occupational Health and Safety Policy, we are continuously working to ensure safety in the workplace in cooperation with partner companies based on the recognition that safety takes precedence over everything else. To achieve zero occupational accident, the Meiji Group has set forth in the 2026 Medium-Term Business Plan occupational safety-related KPIs, including “No serious accident,” “No accident involving getting caught physically,” and “No serious traffic accident.” Specifically, the Group companies implement measures to foster employees’ safety awareness, risk assessment of new equipment before the start of operation, and safety audit and inspection of existing equipment, to strengthen the efforts to prevent occupational accidents and violations of laws and regulations by familiarizing employees with and observing safety measures and rules.

Meiji Group Policy on Occupational Health and Safety

The Meiji Group's first priority is safety. With this in mind, we ensure workplace safety. We commit to help maintain and improve employees' health.

1. Legal and Regulatory Compliance
We comply with all laws and corporate rules related to occupational health and safety in the workplace.

2. Prevention of Work-Related Accidents
We identify and assess sources of danger in the workplace and reduce or eliminate risks to prevent work-related accidents.

3. Physical and Mental Health Maintenance
We provide safe, comfortable workplace environments and support employees' sound physical and mental health.

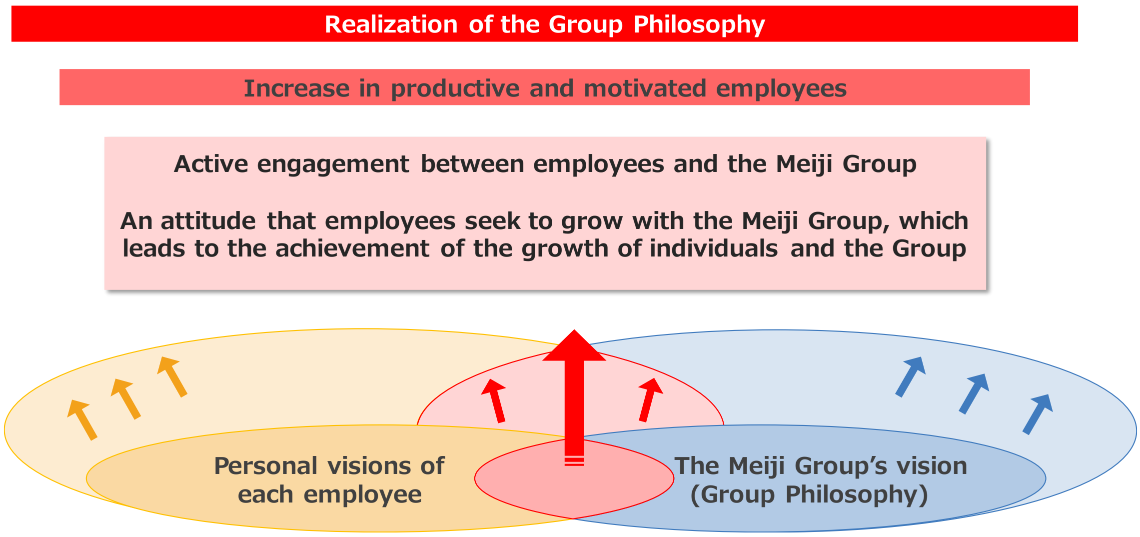
4. Health and Safety Education for Employees
We regularly offer in-house training on occupational health and safety as well as traffic accident prevention. We encourage employees to be aware of the importance of occupational health and safety.

iv Employee engagement

To promote sustainable growth of the Meiji Group, it is essential to put in place an environment where employees understand and feel empathy for our vision and can work with passion and enthusiasm. To this end, we conduct an engagement survey annually from FY2021 to identify the level of employees’ engagement that leads to quickly taking improvement actions.

We have defined in the 2023 Medium-Term Business Plan that employees’ engagement is equal to employees’ sympathy to the company, positioning employees’ engagement as one of the important management issues. And, with an engagement score as a target value which links to executive remuneration, we have worked on, for example, generating opportunities for dialogue at workplaces. Although the target was unachieved, this effort found some challenges such as the low engagement of young employees. Based on the result, we have started new initiatives such as a town-hall meeting by executives, and the establishment of a working team for the transformation into a bottom-up culture.

To boost human capital management by linking management strategy and human capital strategy for the realization of Group Philosophy and management strategy, the 2026 Medium-Term Business Plan has defined that “Employee engagement is an attitude that employees seek to grow with the Meiji Group, which leads to the achievement of the growth of individuals and the Group.” With this in mind, we will redesign the survey questions to make post-survey improvement activity smoother. We will conduct post-survey analysis and issue extraction, seeking to realize an effective PDCA cycle to find solutions.



< Meiji Brand Project >

Under our Meiji Brand Project, we implement various initiatives to promote changes in employee awareness and behavior toward realizing the Group slogan, "Now ideas for wellness." We periodically hold a "Let's talk with top management" time during which the top management team and young employees have discussions on "Meiji unique value for wellness," the Group vision and other matters, and "Workplace meetings" where employees think about embodying "Now ideas for wellness" through dialogues in workplaces. These initiatives promote understanding and empathy of employees for our vision as well as activate communication across employee levels and organizations, thereby contributing to employee engagement.

We have also been running the Meiji Brand Award program to solicit and recognize ideas from individuals and workplaces in Japan and abroad that embody "Meiji unique value for wellness" since FY2021. In FY2023, we received over 3,600 submissions.

3) Indicators and Targets

In promoting the Meiji Group Human Capital Strategy, we set targets that can be measured quantitatively by theme, monitor those targets, and measure the effects of efforts and improve them.

i) 2023 Medium-Term Business Plan

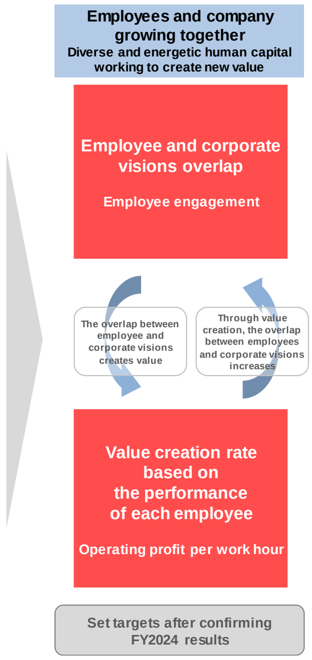
	Results			Target	
	FY2021	FY2022	FY2023	FY2023	FY2026
Ratio of female managers	4.7%	5.6%	6.5%	-	10%
Number of female leaders	237	256	281	-	420
Ratio of employees with disabilities	2.57%	2.53%	2.54%	2.3%	-
Health & Productivity Management Outstanding Organization (White 500)	Certified	Certified	Certified	Certified	-
Employee Engagement Score	B	B	B	A	-

(Notes) 1. Targets: Meiji Holdings Co., Ltd., Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd., and KM Biologics Co., Ltd. (Non-consolidated basis)

2. Leaders: Persons in managerial positions and assistant managers
3. Meiji Holdings Co., Ltd. was selected in the two consecutive years of 2022 and 2023 as a Health and Productivity Management Stock.
In FY2023, KM Biologics Co., Ltd. was not certified as a Health & Productivity Management Outstanding Organization (White 500)
4. Employee Engagement Score is defined as "employee empathy with the company" and is calculated from expectations and satisfaction with questions about the company, job, manager, and workplace. Grades are calculated based on survey results from a third-party evaluation organization and are given on an 11-point scale from AAA to DD.

ii) 2026 Medium-Term Business Plan

	KPI	FY2023 Result	FY2026 Target
Foster development of autonomous human capital who embrace challenges	✓ Sufficient global business human capital ✓ Number of people in Group management candidate pool ✓ Voluntary training participation rate	– 14 people –	Human Capital Enhance PF 30 people or more Determine after confirming and creating a training system
Diverse human capital	✓ Ratio of female executive officers ✓ Ratio of female managers ✓ Ratio of mid-career hiring human capital in managerial positions ✓ Ratio of global human capital in managerial positions ✓ Percentage of male workers taking childcare leave ✓ Universal toilets and private changing rooms Office creation rate	2.3% 6.5% 10.7% – 97.1% Toilets: 45.5% Changing rooms: 9.1%	5% or higher 12% or higher 20% or higher (2040 target) 20% or higher (2040 target) 100% 100%
An energetic and comfortable work environment	✓ Absenteeism ✓ Presenteeism (loss) ✓ Rate of employees maintaining appropriate weight ✓ Annual paid leave usage rate ✓ Number of serious occupational accidents	0.51% 21.9% 65.4% 74.7% 0 case	0.3% or less 15% or less Yearly improvements 80% or higher 0 cases



(Note) Targets: Meiji Holdings Co., Ltd., Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd., and KM Biologics Co., Ltd. (Non-consolidated basis)
Note that the number of serious occupational accidents is the count within the Meiji Group on a consolidated basis (domestic only).

3. Business risks

The Group recognizes that risk management is not just for responding when emergencies or disasters occur and severely impact business activities. It is also important to take preventive measures to control and avert/mitigate management risks.

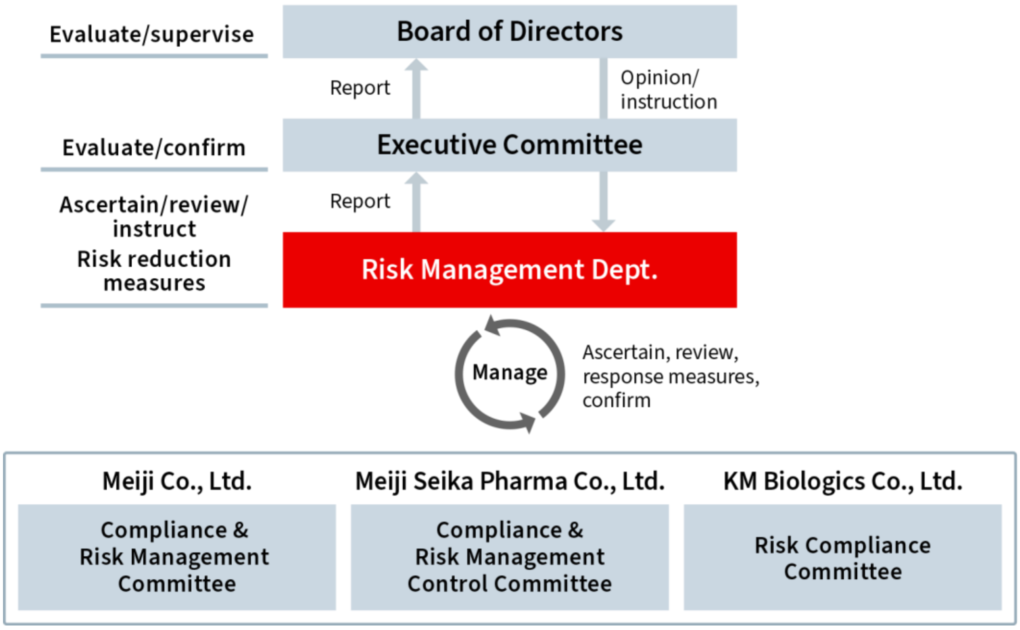
(1) Risk Management System

The Group established a risk management structure that supports further growth to achieve the Meiji Group 2026 Vision. Under this risk management structure, we identify overall Group management risks, reduce risks, and manage decisive risk-taking.

We established the Risk Management Department, which is separated from the Audit & Supervisory Board, to strengthen Group-wide risk management, and appointed an executive officer in charge of the department. The Executive Committee evaluates and confirms Group-wide management risks in line with the Group Vision and the risk control status and reports them to the Board of Directors, which evaluates and supervises the system. Thus, we can manage risks by adapting to changes in our operating environment.

Furthermore, to establish risk management systems that are suited to the Food Segment and Pharmaceutical Segment, respectively, we periodically share information, identify issues, and address them appropriately. We regularly share risk information across the Group, which includes risks common to all of our segments and risks that have impacts on the whole Group. Accordingly, we identify, evaluate, address, and solve risks promptly. The executive officer in charge of the Risk Management Department reports, as needed, information to the CEO, President and Representative Director.

< Risk Management System >



(2) The Group Business Management Risks

We appropriately identify risks and develop countermeasures considering the risk impact from a company-wide business management perspective. In this way, we not only minimize risks, but we also achieve sustainable growth and gain new growth opportunities. We outlined the three visions—the Business Vision, Sustainability Vision, and Management Foundation Vision — in the Meiji Group 2026 Vision. We have identified the Meiji Group Business Management Risks based on those three Visions.

Among the matters related to the status of business, accounting, etc. as described in this annual securities report, the main risks that management recognizes as having a significant impact on the financial position, operating results, and cash flows of the consolidated company are as follows.

The future risks outlined in the table below are categorized based on the Group’s medium- and long-term management strategies. We have assessed their importance to the Group, taking into account the likelihood of occurrence and the level of impact on the Group.

The information represents risks recognized by the Group as of the date of submission of this annual securities report. These risks are not a comprehensive representation of all the risks related to our businesses.

	Risks	Countermeasures	Change in risk recognition from previous year	Importance to the Group
1 Business Risks				
1.1 Sale and supply of products and services	・Abandon to launch planned product ・Changes in customer lifestyles and values ・Negative rumors about the Group's core materials (milk, cocoa, etc.)	・Establish solid Proofs of Concept (POC) ・Gather information on market trends ・Develop products that are friendly to the environment and society ・Create products and services unique to Meiji that address social issues ・Appropriately disseminate relevant information about products and materials	↗	$$
1.2 The majority of profits comes from specific products	・Sluggish sales of products that account for a considerable portion of sales and profits	・Implement promotions that maximize unique value ・Improve product portfolio management ・Explore new markets and new business domains	↗	$$
1.3 Supply chains	・Insufficient or excess procurement or price increases of raw materials ・Cessation of production due to production problems, etc. ・Difficulties in procuring raw milk ・Unstable product supplies due to distribution problems	・Gather information on raw materials markets and promote procurement strategies ・Strengthen coordination between production and sales divisions ・Diversify suppliers and consider alternative materials ・Improve distribution efficiency through labor-saving/automation	↗	$$
1.4 Technological advances	・Insufficient adaptation to rapid advances in digital technologies ・Discovery of innovative treatment methods, manufacturing methods, and formulation methods	・Consider introducing new technologies as early as possible ・Research new manufacturing and formulation methods, and search for alliances	↑	$$
1.5 Laws and regulations	・Revisions that significantly impact corporate activities ・NHI drug price revisions	・Obtain information about system revisions early and implement countermeasures ・Make appropriate approaches to relevant government authorities ・Expand portfolio of products that are not affected by NHI drug price revisions	→	$
1.6 Overseas expansion and overseas Group companies	・Rapid changes in society, or outbreaks of war or terrorism ・Revisions of the systems that greatly exceed expectations in various countries	・Gather information, and investigate and implement countermeasures early ・Create product supply systems from multiple locations	↗	$
1.7 Business plans, etc.	・Failure to achieve the Visions or Medium-Term Business Plans due to change in business conditions, etc. ・Growth slowdowns in core business, or failure to achieve targets for overseas markets or new business domains ・Impairment losses on non-current assets or goodwill ・Fluctuations in foreign exchange or interest	・Enhance unique value and search for new value ・Manage business portfolio from the perspectives of profitability, growth, and productivity ・Make decisions and monitor investment, M&A, and R&D plans appropriately ・Use foreign exchange contracts and borrow at fixed interest rates	↗	$

$$: Risks of greater importance $: Risks of great importance

	Risks	Countermeasures	Change in risk recognition from previous year	Importance to the Group
2 Sustainability-related Risks				
2.1 Caring for the Earth	・Environment friendliness in corporate activities	・Reduce CO_2 emissions and prevent fluorocarbon leaks, promote energy-saving activities, expand installation of solar power generation facilities, use renewable energy-driven power, properly treat wastewater and industrial waste, and promote environmental management in compliance with ISO14001 ・Circular economy ・Comply with policies related to the environment	↗	$
2.2 Climate change	・Address climate change	・Analyze climate change scenarios according to the TCFD framework, formulate strategies and release information	→	$
2.3 Thriving Communities	・Sustainable raw material procurement ・Understand diversity, and use a diverse workforce effectively ・Consider human rights, and human rights issues	・Increase the ratio of sustainably procured raw materials, such as cocoa beans and palm oil ・Strengthen cooperation and collaboration with dairy farmers and other suppliers ・Create organizations and cultures that value diverse perspectives and abilities ・Address challenges of human rights based on due diligence ・Strictly comply with policies, etc. related to procurement, human rights, society, and so on.	→	$
3 Management Foundation-related Risks				
3.1 Corporate Governance	・Make decisions in a timely and appropriately manner ・Internal or external non-compliance	・Improve effectiveness of the Board of Directors ・Enhance corporate governance systems ・Provide education on compliance and social media usage based on Meiji Group Behavior Charter, and comply with internal and external policies	→	$
3.2 Damage to the Meiji brand	・Product recalls or withdrawals from the market due to quality defects or unexpected side effects of pharmaceuticals, etc. ・Unexpected harmful rumors about the Group or products	・Pursue quality and safety ・Communicate appropriately with each stakeholder	↗	$$
3.3 Human capital and culture	・Recruit and develop human capital required for corporate growth ・Employee engagement ・Effects of business environment on productivity	・Appropriately implement succession planning ・Improve employee training ・Implement measures in consideration of the results of the employee engagement survey ・Strengthen the structure to enhance health and productivity management; develop a Group-wide structure for occupational health and safety	↗	$
3.4 Information asset leaks	・Information leaks and system shutdowns due to unauthorized access, etc. ・Data breaches due to inappropriate system management	・Strengthen information management systems and information security ・Strengthen education on information management and comply with regulations and policies	→	$$
3.5 Disaster, emergency, or other unforeseen circumstances	・Temporary or full suspension of business operations due to disasters, pandemics, or other unexpected emergency ・Increases or decreases in product demand due to changes in business conditions in an emergency	・Develop business continuity plans and risk management plans for swift recovery ・Maintain a broad product portfolio across the Group	↗	$$

The Board of Directors selected the priority initiative topics for FY2023 relating to Group business management risks and confirmed the initiatives of each operating company.

Priority initiative topics for FY2023:

1) Information leaks and system shutdowns due to unauthorized access, etc.
   Damage suffered by companies due to ransomware and targeted email attacks have become more prominent, and therefore, we confirmed our countermeasures against cyberattacks, especially such as unauthorized access targeting overseas subsidiaries, under usual conditions and responses when such incidents occur.
   The Group has established incident response procedures with the aim of preventing incidents when security threats are detected and mitigating the impact of incidents when they occur. Specifically, each operating company has built a CSIRT structure, based on which each develops response flows, conducts training, and strengthens cooperation with other operating companies. These measures support business continuity and enhance trust from society. Additionally, we continuously strengthen our cybersecurity by conducting vulnerability tests, including simulated hacker attacks by third parties, on our website servers, networks, and other IT environments.
2) Unstable product supplies due to distribution problems
   As part of the “Work style reform laws” implemented in stages since April 2019, regulations such as limiting truck drivers’ overtime work to 960 hours per year will be enforced starting from April 2024. Along with this, concerns have been raised regarding potential logistics challenges, so called the “logistics 2024 problem,” due to the anticipated decrease in truck drivers’ working hours leading to potential transportation capacity shortages. In light of this, we have reviewed the current situation, challenges, and responses related to the Group’s product logistics.
   The Group has subsidiary companies in charge of logistics functions, through which we maintain close communication with transportation providers and are working on measures aimed at optimizing logistics and enhancing its productivity in line with the government’s “Policy Package for Logistics Innovation” and its associated guidelines.

4. Management analysis of financial position, operating results, and cash flows

Matters regarding the future in the following text are based on judgments made as of the end of the current fiscal year.

(1) Business results

1) Status of business as a whole

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Yen)
Current fiscal year	1,105,494	84,322	76,020	50,675	181.64
Previous fiscal year	1,062,157	75,433	74,160	69,424	247.39
YoY change (%)	104.1%	111.8%	102.5%	73.0%	-

(Note) A two-for-one ordinary share split was conducted on April 1, 2023. Earnings per share are calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

The FYE March 2024, which is the final fiscal year of the 2023 Medium-Term Business Plan, saw the easing of COVID-19-related restrictions and the normalization of economic activities. On the other hand, the Group was impacted by rising domestic raw milk transaction prices and prices for imported raw materials caused by continued yen depreciation.

In the Food Segment, we increased prices for numerous product categories to absorb rising raw material prices. We strengthened to promote the value of mainstay products to minimize the impact of the decline in volume triggered by price hikes. We also conducted aggressive marketing activities, which drove a gradual recovery in volume. Overseas, we worked towards sales growth for high value-added products in China by strengthening production and sales capabilities, and expanding sales areas. The confectionary and B to B drinking milk and cream businesses were favorable. However, the impact of economic conditions and intensified competition caused the B to C milk and yogurt businesses to struggle. In the U.S., we steadily expanded sales channels particularly for chocolate snacks. In Asia, we installed a new chocolate manufacturing line in Singapore and aggressively exported to countries in Asia and the Middle East.

In the Pharmaceutical Segment, we focused management resources in the infectious disease domain, as we work to establish a competitive advantage as a top company for vaccines and infectious disease drugs. In November 2023, we received domestic manufacturing and distribution approval for Kostaive®, our next-generation mRNA vaccine (Replicon) for COVID-19, and are currently advancing clinical trials for formulations that address variants. We are also conducting final-stage clinical trials for a formulation of our pediatric inactivated COVID-19 vaccine that targets variants. We worked to accelerate pipeline development as we have acquired manufacturing and distribution approval for our 5-in-1 combination vaccine “Quintovac® Aqueous Suspension Injection” and REZUROCK® tablets, a selective ROCK2 inhibitor for treating chronic graft-versus-host disease (chronic GVHD) after hematopoietic stem cell transplants. Overseas, we strengthened and expanded the CMO/CDMO business. We strived to improve productivity by preparing for commercial shipments in the new manufacturing building in India.

As sustainability initiatives, we worked to integrate sustainability and business performance based on “Promote the Meiji ROESG® Management Effectively,” the basic concept of the 2023 Medium-Term Business Plan. To reduce GHG emissions from the dairy farming sector, we built a business model that utilizes the J-Credit System. To make cocoa production sustainable, we challenged ourselves to new value creation. We pursued the possibilities of cocoa as a fruit and as a functional material.

As we disclosed with “Notice concerning Revisions to Financial Forecasts for the Fiscal Year Ended March 31, 2024” on April 9, 2024, we recorded JPY 6.2 billion of impairment loss related to AustAsia Group Ltd. as share of loss of entities accounted for using equity method under non-operating expenses in the Food segment. AustAsia Group Ltd., an equity method affiliate that operates farms in China, saw a decline in profitability attributable to soaring feed prices and a drop in raw milk prices on markets in China. We also recorded JPY 14.3 billion of impairment loss on non-current assets related to the B to C drinking milk and yogurt business operated by subsidiaries in China. This was because price competition in the market intensified, leading to a decline in our profitability.

These factors resulted in net sales of JPY 1,105.494 billion (up 4.1%, year on year), operating profit of JPY 84.322 billion (up 11.8%, year on year), and ordinary profit of JPY 76.020 billion (up 2.5%, year on year) during FYE March 2024. Profit attributable to owners of parent was JPY 50.675 billion (down 27.0%, year on year). ROE was 6.9%, and earnings per share was JPY 181.64.

2) Status of segments

(Millions of yen)

	Reportable segments						Total		
	Food			Pharmaceutical					
	Previous fiscal year	Current fiscal year	Change	Previous fiscal year	Current fiscal year	Change	Previous fiscal year	Current fiscal year	Change
Net sales	865,609	900,127	34,518	197,280	206,109	8,829	1,062,889	1,106,237	43,347
Profit by segment	55,874	64,315	8,440	21,721	22,717	995	77,596	87,032	9,436

(Note) Amounts of net sales and profit by segment are those before inter-segment elimination.

Details of business results by segment are as follows:

I. Food

This segment includes manufacturing, sale, transportation, etc. in the yogurt & cheese business (functional (probiotics) yogurt, yogurt, cheese), nutrition business (infant formula, sports nutrition, enteral formula, beauty supplement), chocolate & gummy business, drinking milk business, B to B business, frozen dessert & ready meal business (ice cream, ready meal, butter and margarine), overseas business (overseas subsidiaries, exports), and other/domestic subsidiaries (domestic subsidiaries, candy, OTC medicines).

Net sales increased year on year due to price hikes. Net sales in a wide range of businesses exceeded the results of the previous year, particularly net sales of B to B business and overseas business significantly increased year on year.

Segment profit increased significantly year on year. The positive valuation effect of price hikes offset the increase in raw materials costs and the decrease in sales volume.

Below is an overview of each of the Food Segment’s businesses.

■Yogurt & cheese business (Functional (probiotics) yogurt, yogurt, cheese)

Net sales were largely unchanged from the previous fiscal year. Sales of functional yogurt were largely unchanged year on year, but sales of yogurt decreased due to the impact of discontinuing sales of large-volume yogurt drinks. Sales of cheese increased, especially sliced cheese, due to increased demand and strengthened sales promotion.

Operating profit increased significantly year on year. While raw material costs increased, the effect of price hikes exceeded the impact of higher costs and decreased sales volume. We enhanced marketing investments to minimize the negative impact of price hikes on sales volume.

■Nutrition business (Infant formula, sports nutrition, enteral formula, beauty supplement)

Net sales increased year on year. Sales of infant formula increased due to the effect of price hikes and the favorable sales of the liquid infant formula leveraged by increased opportunities to go out. For sports protein “SAVAS,” sales of the powdered type increased, and the sales of the ready-to-drink type increased significantly due to the launch of a product with an increased protein content to 20 g.

Operating profit increased significantly year on year. While raw material costs increased, the effect of price hikes exceeded the impact of higher costs and decreased sales volume.

■Chocolate & gummy business

Net sales were largely unchanged year on year. Sales of “Chocolate Kouka” were favorable, and sales of chocolate with nuts increased significantly due to the recovery in consumer activities and increased inbound demand. Sales of gummy were largely unchanged year on year due to favorable sales of mainstay products, despite a decline in revenues resulting from the sale of a subsidiary.

Operating profit increased year on year due to the effect of price hikes and the decrease in indirect manufacturing costs from structural reform.

■Drinking milk business

Net sales increased year on year. In addition to the positive effect of price hikes, sales of small- and medium-volume products of "Meiji Oishii Gyunyu" were favorable.

Operating losses decreased compared to the previous year despite the impact of rising transaction prices for domestic raw milk thanks to the benefits of price hikes and increased sales volume of small and medium-volume products.

■B to B business

Net sales increased significantly year on year. Sales of cream, butter, chocolate, etc. increased since the market grew on a recovery in consumer activities.

Operating profit increased significantly year on year due to price hikes and sales volume increase, even though raw material costs and indirect manufacturing costs, such as depreciation costs, increased.

■Frozen dessert & ready meal business (Ice cream, ready meal, butter and margarine)

Net sales increased year on year. For ice cream, the sales of our mainstay product "Meiji Essel Super Cup," and value-added products were favorable. Sales of butter and margarine were also favorable. Sales of prepared foods decreased on the impact of discontinuing sales of frozen pizza in February 2023.

Operating profit increased significantly year on year. The impact of price hikes exceeded the impact of higher raw material costs and promotional expenses increase.

■Overseas business (Overseas subsidiaries, exports)

Net sales increased significantly year on year. Net sales of B to B business and confectionery business in China, and subsidiaries in Southeast Asia and the U.S. were favorable.

Operating profit decreased significantly year on year. The profits decreased significantly in subsidiaries in China. In the B to C milk and yogurt business, sales promotion expenses increased. In addition, costs for expanding business in North China and depreciation costs increased following the start of operation of Tianjin plant in January 2023. The profits increased in subsidiaries in the U.S. and Southeast Asia.

■Other / domestic subsidiaries (Domestic subsidiaries, candy, OTC medicines)

Net sales were largely unchanged from the previous fiscal year. Subsidiaries trading sugar, etc. were favorable, but felt negative impacts from discontinuing sales of chewing gum and the sale of a subsidiary.

Operating profit decreased significantly year on year due to the increase in raw material costs and the impact of discontinuing sales of chewing gum.

II. Pharmaceutical

This segment includes the domestic ethical pharmaceuticals business, overseas ethical pharmaceuticals business, human vaccines business, and veterinary drugs business (veterinary drugs, veterinary vaccines).

Net sales increased year on year. Net sales of domestic ethical pharmaceuticals business and overseas ethical pharmaceuticals business increased year on year. Net sales of human vaccines business and veterinary drugs business decreased year on year.

Profit by segment increased year on year due to the increase in profits of overseas ethical pharmaceuticals business and human vaccines business.

Below is an overview of each of the Pharmaceutical Segment's businesses.

■Domestic ethical pharmaceuticals business

Net sales increased year on year. Sales of the antibacterial drugs "SULBACILLIN" and "MEIACT" and sales of the blood plasma products increased.

Operating profit decreased significantly year on year due to the impact of NHI price revisions in Japan and the decrease of contract revenues related to AstraZeneca's COVID-19 vaccines. Also, R&D expenses increased.

■Overseas ethical pharmaceuticals business

Net sales increased year on year, partly due to the positive valuation effect of yen depreciation. Royalty revenues decreased, while sales of our subsidiaries in Spain and Thailand were favorable.

Operating profit increased significantly year on year due to the sales increase of our overseas subsidiaries. Cost reductions at our subsidiary in India also contributed.

■Human vaccines business

Net sales were largely unchanged year on year. Sales of DPT-IPV "Quattrovac" were favorable, but sales of influenza vaccine and hepatitis B vaccine "Bimmugen" decreased.

Operating profit increased significantly year on year. In addition to improved production efficiency, royalty revenues also contributed.

■Veterinary drugs business (Veterinary drugs, veterinary vaccines)

Net sales were largely unchanged year on year. Although sales were impacted by a reduction in products due to the discontinuation of unprofitable products, growth in sales to overseas markets contributed.

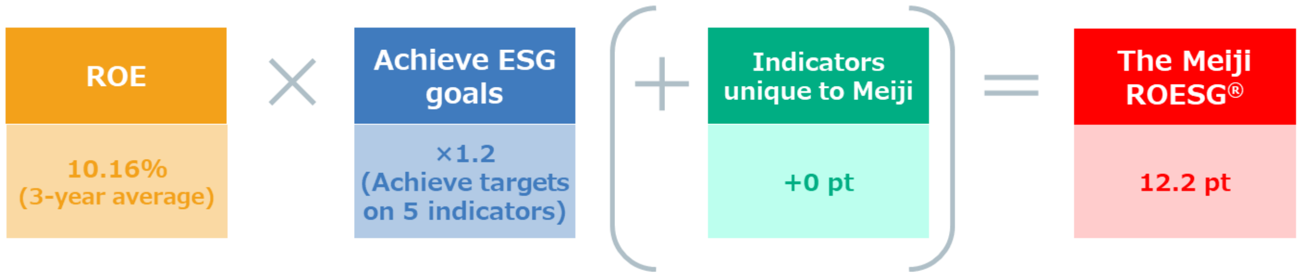
Operating profit significantly decreased year on year, due to the higher raw material costs, etc.

3) Review of the 2023 Medium-Term Business Plan (the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024)

The status of achievement for the metrics outlined in the 2023 Medium-Term Business Plan for FYE March 2024 is as indicated in the table below. We achieved consolidated net sales plans thanks in part to price increases in the food segment and other measures. Consolidated operating profit fell below plans due to factors such as soaring costs, and both ROE and ROIC underperformed plans. Looking at Meiji ROESG®, we achieved targets for all five ESG external metrics, but Meiji ROESG® fell below plans due to a decline in ROE.

	Indicator	Results for the fiscal year ended March 31, 2022	Results for the fiscal year ended March 31, 2023	Results for the fiscal year ended March 31, 2024	Initial targets for Medium-Term Business Plan (FYE March 2024)
Integrated goal	Meiji ROESG®	12.3 points	13.8 points	12.2 points	13 points
Growth and Profitability	Consolidated net sales	JPY 1,013.0 billion	JPY 1,062.1 billion	JPY 1,105.4 billion	JPY 1,080.0 billion
	・Food Segment	JPY 826.0 billion	JPY 865.6 billion	JPY 900.1 billion	JPY 874.5 billion
	・Pharmaceutical Segment	JPY 187.9 billion	JPY 197.2 billion	JPY 206.1 billion	JPY 209.0 billion
	Consolidated operating profit (margin)	JPY 92.9 billion (9.2%)	JPY 75.4 billion (7.1%)	JPY 84.3 billion (7.6%)	JPY 120.0 billion (11.1%)
	・Food Segment	JPY 75.9 billion	JPY 55.8 billion	JPY 64.3 billion	JPY 102.0 billion
	・Pharmaceutical Segment	JPY 18.6 billion	JPY 21.7 billion	JPY 22.7 billion	JPY 18.5 billion
	Overseas net sales	JPY 92.9 billion	JPY 120.0 billion	JPY 132.3 billion	JPY 134.5 billion
Efficiency and Safety	ROIC	8.4%	6.3%	6.2%	More than 10%
Return to shareholders	ROE	13.5%	10.0%	6.9%	More than 11%

The calculation formula of Meiji ROESG® in the 2023 Medium-Term Business Plan and the results for the fiscal year ended March 31, 2024 are provide below.



Evaluation Indicators	FY2023 Result	2023 Medium-Term Business Plan Target
MSCI ESG Ratings	A	A
DJSI	67 points	65 points
FTSE4Good	4.2 points	3.8 points
CDP (Climate Change)	A	A
CDP (Water Security)	A	A

Evaluation Indicators	FY2023 Result	2023 Medium-Term Business Plan Target
Extend healthy life expectancy*1	+0.56 year*2	+1 year
Amount of protein intake	71.4 g/day*2	75 g/day
Vaccination rate for influenza	57.8%*3	60%
Employee engagement score	Deviation score B	Deviation score A
Sales growth rate for products of healthy diets, value-added nutrition products, products that contribute a super-aged society*4	-0.9%	+10% and over
Success in and supply of vaccine and therapeutic agent for COVID-19	Under development*5	Development and supply

*1: Vs. 2016 (72.14 years for men, 74.79 years for women) *2: 2019 (most recent data)
*3: FY2022 (most recent data), based on persons receiving regular vaccination who are aged 65 years or older *4: Vs. FY2020
*5: "Kostaive® for Intramuscular Injection" approved as a vaccine for original strain. Currently, a bivalent vaccine for original strain/omicron variant is under development

Summary of the 2023 Medium-Term Business Plan is as follows:

● Three-year period during which we focused on the Meiji ROESG® and worked towards simultaneously realizing profit growth and sustainability activities

- Food:

Recover of growth in core business is midway. Overseas business steadily expanded in the U.S.

Impairment losses were incurred in a part of China business in which we had made prior investments

- Pharmaceutical:
  Implemented structural reforms and shifted to a business model that can gain stable profits
  Expanded pipelines that will drive future growth, incl. the acquisition of mRNA technology
- Venture into new domains:
  Collaborated with venture companies and academia to create new products and business models.
- Sustainability:
  Increased ESG evaluations through steady efforts. Worked to establish the evaluation standards necessary to achieve a fusion with business

● The need to improve operating methods recognized during the process of establishing a business management structure that utilizes ROIC.

Reevaluated business units and organizations to accelerate permeation of ROIC-based management.

● Selected a portion of capital expenditures from the perspective of ROIC. Strategic investments and ESG investments proceeded as planned.

● Worked to reduce cross-shareholdings and non-current assets to maintain a sound financial structure. Increased dividends for tenth consecutive fiscal year

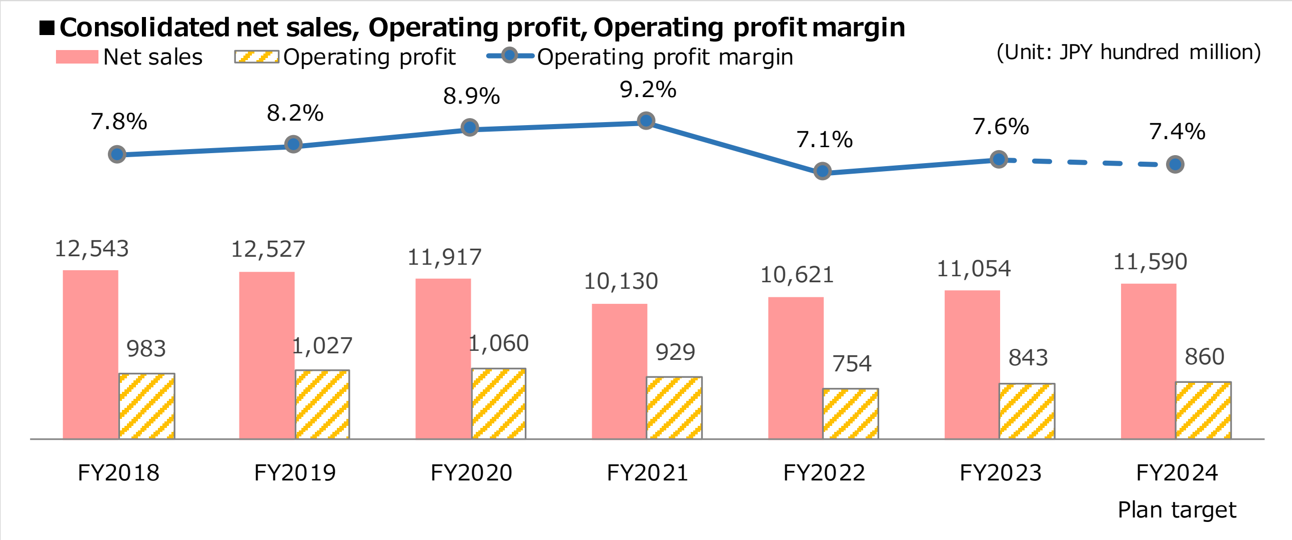
4) FY2024 forecast

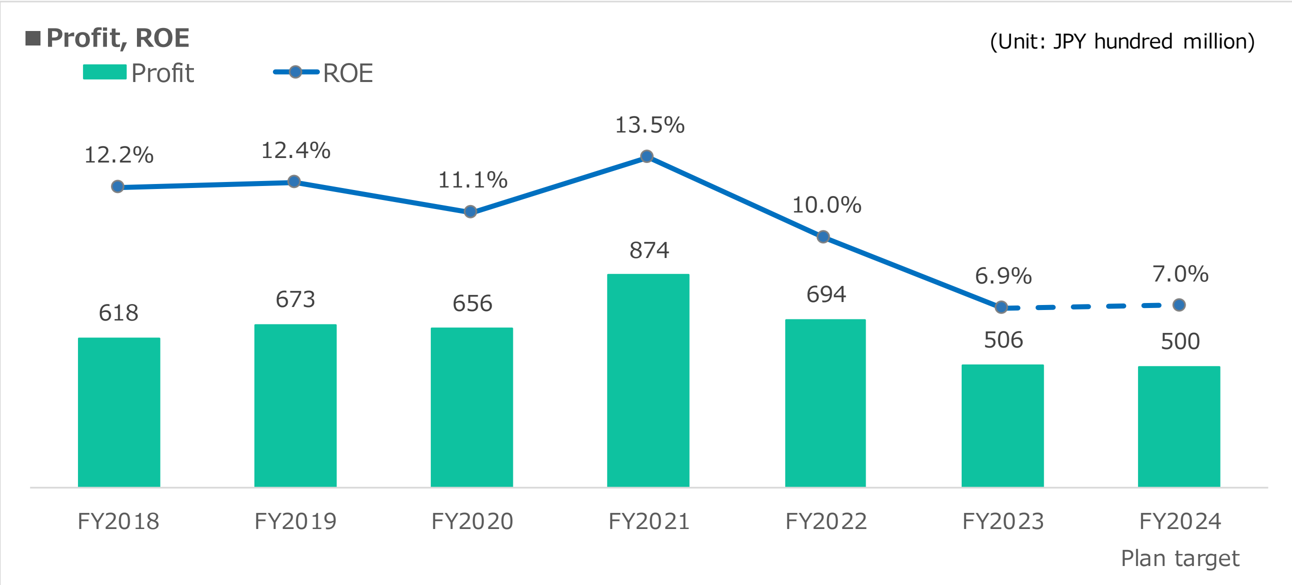
During the fiscal year ending March 2025, although, there are concerns about currency fluctuations and the rising cost of labor and logistics, in addition to the global economy and domestic consumption trends, the Group will steadily implement various strategies aligned with the basic policies of our 2026 Medium-Term Business Plan, which begins from the FYE March 2025, as we aim to achieve our management targets.

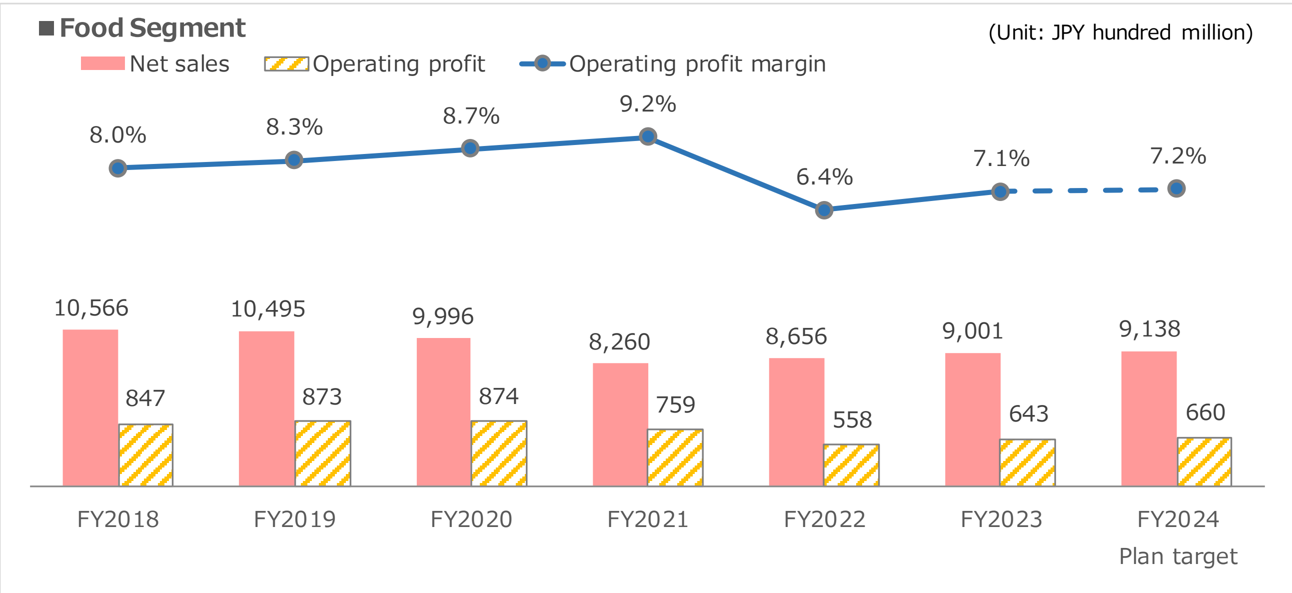
With regard to the Food Segment in Japan, we will strengthen to promote the value of existing brands and launch high-value-added products. We will focus on promoting the health value of functional yogurt, yogurt, and chocolate, and enhance the value provided in sports protein and enteral formula. At the same time, we will continuously work to integrate sustainability and business performance. To solve social issues through nutrition, we will develop and improve products with high nutritional value by utilizing the Meiji NPS (Nutrition Profiling System), established in June 2023. In the favorable B to B business, we will develop unique products that leverage our strengths to expand sales volume and improve profitability. Overseas, we will proceed with structural reforms of China business. For the struggling B to C drinking milk and yogurt business, we will expand the ratio of high-value-added products by launching products with unique value. The B to B drinking milk and cream business is performing well and will cultivate new clients to further expand the business. For chocolate and ice cream for which the new plant will be start operation, we will expand the sales areas by utilizing those production capacities. In the U.S., we will further increase sales channels, focused on chocolate snacks. In Asia, we will accelerate the expansion of chocolate and infant formula businesses. In Europe, we will expand sales of powdered milk through collaboration with Danone brand.

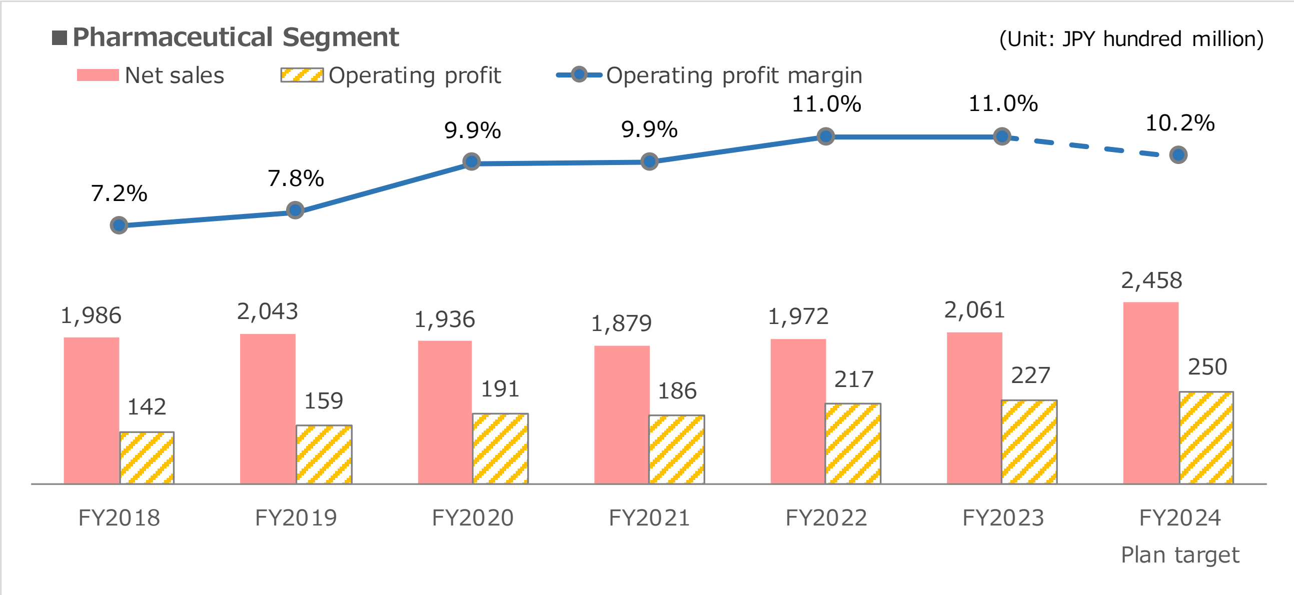
For the Pharmaceutical segment, in Japan, we continuously focus management resources on the infectious disease domain, which is recognized as one of the social issues. We work to establish a competitive advantage as a top company for vaccines and infectious disease drugs and to improve profitability. The recovery in people’s activities has led to an epidemic of various infectious diseases and continued high levels of demand for antibiotics. We will work to stabilize our supply of antibiotics and focus expansion of newly launched products. In the autumn/winter season of 2024, we project to launch “Kostaive®” our next-generation mRNA vaccine (Replicon) against COVID-19. We will establish this new vaccine in the market by using the Group’s advanced technologies, facilities, and extensive experience in infectious diseases. Overseas, we will focus on maximizing the profitability of the CMO/CDMO business. Therefore, we will expand the production capacity of Medreich Group, our subsidiaries in India, and utilize its existing production sites.

5) Trends in major management indicators









(Note) Starting from the beginning of FYE March 2022 (FY2021), the Accounting Standard for Revenue Recognition and related implementation guidance have been applied, and accordingly, the above indicators for FY2021 and later are after the accounting standard and related implementation guidance are applied.

(2) Production, Orders and Sales Results

1) Production Results

The below shows the production results for the current fiscal year by segment.

Segment titles	Amount (Millions of yen)	Year-on-Year (%)
Food	930,277	111.6
Pharmaceutical	156,894	114.2
Reportable Segments - Total	1,087,172	112.0
Total	1,087,172	112.0

(Note) Transactions between segments are not included.

2) Orders Results

The Group performs production after planning based primarily on sales plans.

Some of products are manufactured upon receipt of orders; however, the order amounts and balances are not significant.

3) Sales Results

The sales results by segment for the current fiscal year are as follows.

Segment titles	Amount (Millions of yen)	Year-on-Year (%)
Food	899,406	104.0
Pharmaceutical	206,088	104.5
Reportable Segments - Total	1,105,494	104.1
Total	1,105,494	104.1

(Notes) 1. There are no counterparties whose percentage of sales to total sales is 10% or more.

2. Transactions between segments are not included.

(3) Analysis of Financial Status

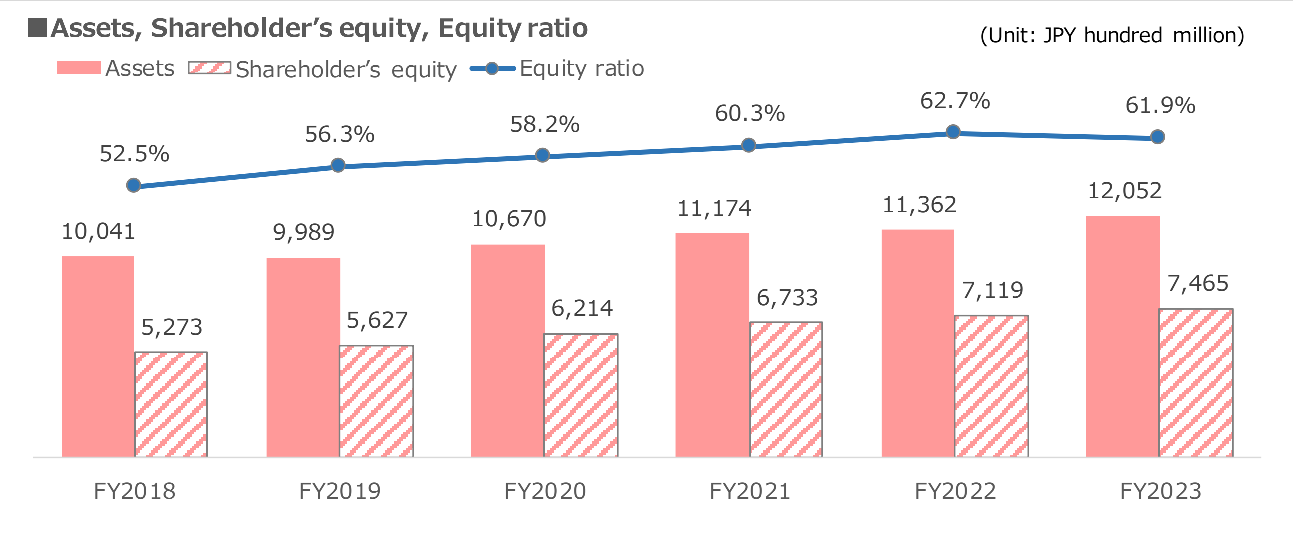
In assets, cash and deposits increased by JPY 43,338 million from the end of the previous fiscal year to JPY 106,858 million. We maintained liquidity reserves of JPY 126,858 million together with a commitment line amount of JPY 20,000 million and secured the target level of on-hand liquidity (about one month of consolidated net sales) for the 2023 Medium-Term Business Plan. Notes and accounts receivable-trade increased by JPY 29,238 million from the end of the previous fiscal year to JPY 202,239 million. This was due to increases in sales for Food Segment and Pharmaceutical Segment and the fact that the fiscal year-end fell on a holiday for financial institutions. Property, plant and equipment decreased by JPY 7,247 million from the end of the previous fiscal year to JPY 480,507 million. This was due to an increase in capital investment in ice cream factories in China, a decrease resulting from the exclusion of Meiji Sangyo Co., Ltd. and Three S and L Co., Ltd. from consolidation, and the recognition of impairment losses on non-current assets in the drinking milk and yogurt businesses in China. Investment securities decreased by JPY 24,714 million from the end of the previous fiscal year to JPY 87,935 million. This was primarily due to a decrease resulting from the sale of cross-shareholdings and the recognition of share of loss of entities accounted for using equity method in AustAsia Group Ltd. As a result, total assets as of the end of the current fiscal year were JPY 1,205,288 million, an increase of JPY 69,070 million from the end of the previous fiscal year.

In liabilities, notes and accounts payable-trade increased by JPY 15,036 million from the end of the previous fiscal year to JPY 127,348 million. This was primarily due to the fact that the fiscal year-end fell on a holiday for financial institutions. Income taxes payable increased by JPY 5,823 million from the end of the previous fiscal year to JPY 17,122 million, mainly due to an increase in tax expenses. The "Other" item of current liabilities increased by JPY 25,997 million from the end of the previous fiscal year to JPY 88,475 million, mainly due to an increase in accrued equipment expenses. Interest-bearing debt (bonds payable and borrowings) decreased by JPY 14,444 million from the end of the previous fiscal year to JPY 49,926 million, mainly due to bond reimbursements. As a result, total liabilities as of the current fiscal year were JPY 417,494 million, an increase of JPY 32,588 million from the end of the previous fiscal year.

In net assets, total net assets increased by JPY 36,481 million from the end of the previous fiscal year to JPY 787,793 million. This was mainly the result of an increase in retained earnings by JPY 24,115 million and foreign currency translation adjustment by JPY 12,646 million, while valuation difference on available-for-sale securities decreased by JPY 9,875 million due to sales of cross-shareholdings.

As a result, the current ratio decreased by 2.2 points to 174.7%, the shareholders' debt-to-equity ratio decreased by 0.02 points to 0.07 times, and the shareholders' equity ratio decreased by 0.8 points to 61.9% from the end of the previous fiscal year. Nonetheless, capital liquidity and financial stability are being maintained. Note that net assets per share increased by JPY 121.03 from the end of the previous fiscal year to JPY 2,674.72.

The trends in equity and equity-to-asset ratio are as follows.



(4) Capital Resources and Liquidity of Funds

1) Capital Management Policy

We will pursue sustainable growth by aggressively applying capital gained through business activities towards future growth investments and research and development. In addition, to promote overall Group capital efficiency, our approach to growth investments is to maintain financial discipline and reduce other non-business-related assets such as cross-shareholdings.

We recognize shareholder returns are important issues in management. We aim to continuously increase the dividend per share each fiscal year, targeting a total payout ratio of 50% or higher.

2) Financing Policy

Our basic policy on capital procurement is to use debt to procure capital, taking into consideration capital demand and the interest environment, while giving first priority to reducing the cost of capital, among a diverse range of procurement methods. To address credit risks associated with increased debt, we set a maximum debt-to-equity ratio of 0.5 times and strive to maintain a high credit rating that is not impacted by conditions in financing markets. Note that we had a credit rating of AA- (Stable) from Japan Credit Rating Agency, Ltd. as of the date of this report.

We maintain good relationships with major financial institutions. In addition, we recognize that we have no issues in procuring investment capital and working capital necessary from financial institutions for the Group's business expansion and operation due to our strong financial position. We have commitment lines for a total of JPY 20,000 million with financial institutions in Japan, and we secure liquidity in case of emergencies by setting a target level for on-hand liquidity, which is the sum of the cash and deposits balance during the period and the amount of commitment lines, at about one month of consolidated net sales.

In addition, we have introduced a group financing system for Group companies in order to stabilize capital procurement and reduce financing costs.

As means of financing necessary for activities to achieve The Meiji Group Sustainability 2026 Vision, we created a Sustainability Finance Framework based on the Green Bond Principles and the Social Bond Principles established by the International Capital Market Association, and we procured funds by issuing 10th Unsecured Straight Bond (Sustainability Bond, five years, JPY 10,000 million) in April 2021. We will continue to aggressively use sustainability financing based on this framework and make further contributions to addressing social issues.

3) Cash flows

Categories	Previous Fiscal Year (Millions of yen)	Current Fiscal Year (Millions of yen)	Amount of Change (Millions of yen)
Cash flows from operating activities	85,013	107,983	22,969
Cash flows from investing activities	-36,788	-24,604	12,184
Free cash flows	48,224	83,378	35,154
Cash flows from financing activities	-54,734	-43,772	10,962
Effect of exchange rate change on cash and cash equivalents	2,576	2,286	-289
Net increase (decrease) in cash and cash equivalents	-3,933	41,893	45,827
Cash and cash equivalents at beginning of period	64,872	60,939	-3,933
Cash and cash equivalents at end of period	60,939	102,832	41,893

The trends in the cash flow–related indicators are as follows.

Categories	11th fiscal year	12th fiscal year	13th fiscal year	14th fiscal year	15th fiscal year
Equity-to-asset ratio (%)	56.3	58.2	60.3	62.7	61.9
Equity-to-asset ratio based on market rice (%)	111.5	96.8	83.3	77.4	78.4
Debt-to-cash-flow ratio (years)	0.9	0.8	0.6	0.8	0.5
Interest coverage ratio (times)	157.0	197.2	246.3	193.6	266.3

(Note) Calculation method of each indicator

Equity-to-asset ratio: (Net assets – Non-controlling interests)/Assets

Equity-to-asset ratio based on market price: Market capitalization (Year-end share price x Total number of issued shares)/Assets

Debt-to-cash-flow ratio: Interest-bearing debt/Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest payment (Interest paid)

* Market capitalization is calculated based on the total number of issued shares excluding treasury shares.

Cash flows from operating activities increased by JPY 22,969 million from the previous fiscal year, which resulted in a revenue of JPY 107,983 million. This was due to factors such as a decrease in inventories, an increase in trade payables, and a decrease in income taxes paid, while trade receivables increased.

Net cash used in investing activities was JPY 24,604 million, a decrease in outflows of JPY 12,184 million from the previous fiscal year. This was due to a decrease in proceeds from sale of property, plant and equipment and intangible assets, associated with the sale of the Yokohama Research Center in the previous fiscal year, which was offset by a reduction in purchase of property, plant and equipment, income from the sale of cross-shareholdings, and income from the sale of shares in subsidiaries Meiji Sangyo Co., Ltd. and Three S and L Co., Ltd.

This led to an increase in free cash flows (the sum of cash flows from operating activities and cash flows from investing activities) by JPY 35,154 million from the previous fiscal year to JPY 83,378 million.

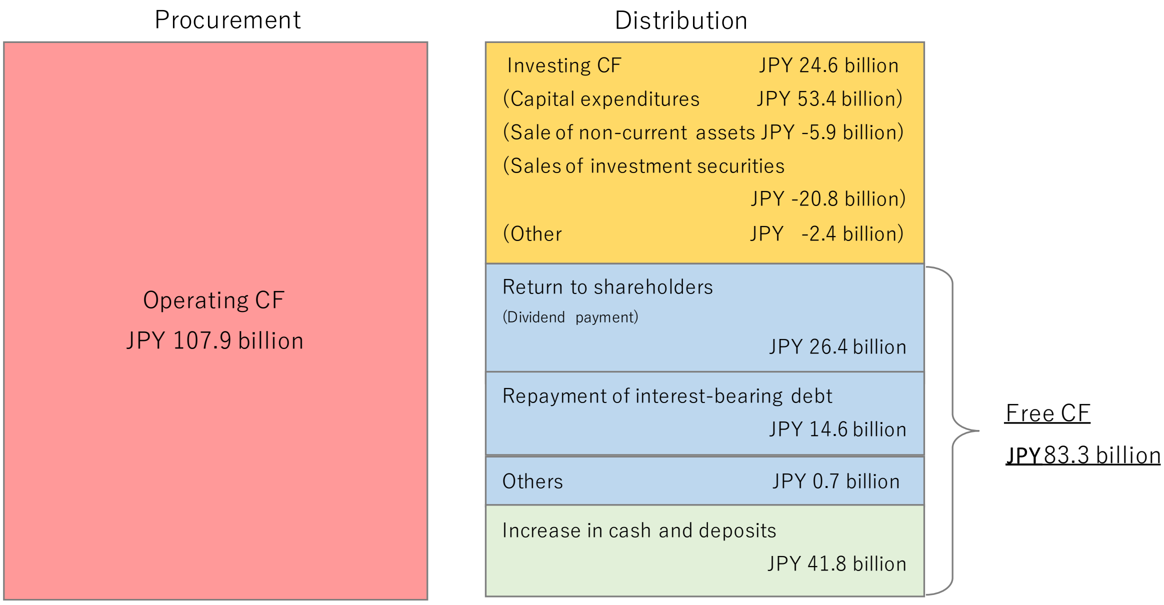
The free cash flows generated are used to pay dividends to return profits to shareholders as well as to repay interest-bearing debt. Dividend payments increased, and we have made efforts to enhance shareholder returns. We will continue to maintain stable and continuous profit returns. Note that dividend payments resulted in JPY 26,444 million in expenditures, an increase of JPY 1,837 million compared to the end of the previous fiscal year, and the payout ratio was 52.3%.

Net cash used in financing activities was JPY 43,772 million, a decrease in outflows of JPY 10,962 million from the previous fiscal year. This was due to factors such as expenditures made to purchase treasury shares in the previous fiscal year.

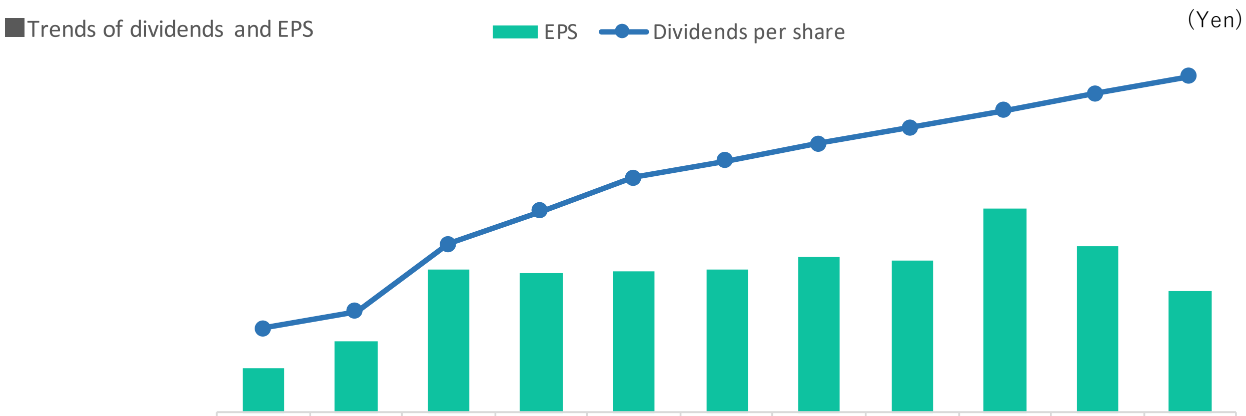
As a result of the foregoing, cash and cash equivalents at the end of the current fiscal year were JPY 102,832 million.

In this current fiscal year, we procured working capital for business activities through borrowings from financial institutions and issuance of commercial paper.

The cash allocation for the current fiscal year is as follows.



The trends of dividends and EPS (earnings per share) are as follows.



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
EPS	64.69	104.89	212.53	206.55	211.07	213.30	232.04	226.26	303.62	247.39	181.64
Dividends per share	20	25	45	55	65	70	75	80	85	90	95
Dividends payout ratio	30.9%	23.8%	21.2%	26.6%	30.8%	32.8%	32.3%	35.4%	28.0%	36.4%	52.3%

(Note) A two-for-one ordinary share split was conducted on October 1, 2015 and on April 1, 2023. Cash dividends per share and earnings per share are calculated by assuming that relevant share split was implemented at the beginning of fiscal year 2013.

(5) Significant Accounting Estimates and Assumptions Used for Such Estimates

Among the accounting estimates used for the preparation of consolidated financial statements and assumptions used for such estimates, significant items are described in Part 5 Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements Notes (Significant accounting estimates).

5. Material business contracts, etc.

(1) Technical Assistance Contracts

Technology Introduction

Name of Contracting Company	Counterparty	Effective Date of Contract	Expiration Date	Purpose	Implementation Fee
Meiji Co., Ltd.	LB Bulgaricum Republic of Bulgaria	May 2000	April 2020, thereafter, automatically extended every five years until April 2040	Introduce manufacturing technologies for yogurt	Payment of fixed percentage of production
Meiji Seika Pharma Co., Ltd.	Organon & Co.	March 2013	The longer of 10 years after the start of sales or the duration of the license	License contract concerning manufacturing and sales of Asenapine	Payment of a fixed amount in a lump sum

(2) Business Partnership Contracts

Name of Contracting Company	Counterparty	Effective Date of Contract	Expiration Date	Purpose	Implementation Fee
Meiji Seika Pharma Co., Ltd.	Taiho Pharmaceutical Co., Ltd.	December 2015	From December 17, 2015 until the release date of the Bilastine generic	Co-marketing contract for Bilastine pharmaceutical	Payment of a fixed amount in a lump sum
Meiji Seika Pharma Co., Ltd.	Seqirus Inc. of the U.S.	January 2024*	The initial term will be until April 11, 2033 and then automatically extended for five years. Subsequent extension will be decided based on an agreement at least 12 months before the expiration of the contract.	Licensable material is not limited to ARCT-154; it also encompasses future variant specific products, and other multi-strain products, such as bivalent vaccines. Rights for development within Japan have been acquired.	Payment of a fixed amount in a lump sum

* Some terms of the agreement concluded in April 2023 were amended, and the parties re-entered into an agreement in January 2024.

(3) Joint Venture Contracts

Name of Contracting Company	Counterparty	Effective Date of Contract	Expiration Date	Joint Venture Description	Contracting Company Investment Amount
Meiji Seika Pharma Co., Ltd.	Tjipto Pusposuharto and others Republic of Indonesia	March 1974	Duration of the Joint Venture	Company Name: P.T. Meiji Indonesian Pharmaceutical Industries Purpose: Manufacturing and sales of antibiotics and various other pharmaceuticals Share Capital: IDR 38,073 million Foundation: May 1974	IDR 35,538 million (93.34% of Share Capital)
Meiji Seika Pharma Co., Ltd.	Nana Chart Traders Consolidation Ltd. and others Kingdom of Thailand	September 1979	Duration of the Joint Venture	Company Name: Thai Meiji Pharmaceutical Co., Ltd. Purpose: Manufacturing and sales of antibiotics and various other pharmaceuticals Share Capital: THB 297 million Foundation: November 1979	THB 281 million (including indirect ownership) (94.61% of Share Capital)
Meiji Co., Ltd.	Bangkok IN-EX Co., Ltd. Charoen Pokphand Group Co., Ltd. Kingdom of Thailand	January 1989	No provision	Company Name: CP-MEIJI Co., Ltd. Purpose: Manufacture and sale of drinking milk, yogurt, and others in Thailand Share Capital: THB 500 million Foundation: February 1989	THB 200 million (40% of Share Capital)

(4) Others

Counterparty	Period	Description
Meiji Co., Ltd. Meiji Seika Pharma Co., Ltd.	From April 1, 2009	Business management agreement to manage, supervise, and guide management
KM Biologics Co., Ltd.	From April 1, 2019	Business management agreement to manage, supervise, and guide management

6. Research and development activities

Total research and development expenses for the current fiscal year were JPY 34,884 million.
New and changed research and development activities during the current fiscal year were as follows.

(1) Food

The amount of research and development activities in this category for the current fiscal year was JPY 13,127 million.

1) Yogurt & cheese business

(Functional (probiotics) yogurt)

Under the "Meiji Probio Yogurt R-1" brand, we launched "Meiji Probio Yogurt R-1 drink type The GOLD" for home delivery in June 2023 and for retail sale in October 2023. This is a product in the high-price range that contains twice the amount of "EPS (exopolysaccharides)" produced by "R-1 lactic acid bacteria" compared to the previous products. After positive feedback, we also launched "Meiji Probio Yogurt R-1 drink type The GOLD reduced sugar/low calorie" in March 2024. Moreover, we switched to PET bottles made from recycled PET resin for "Meiji Probio Yogurt R-1 drink type The GOLD reduced sugar/low calorie" in December 2023. Through strengthening the plastic resource cycle, we will contribute to solving social issues to realize a sustainable society. In July 2023, we launched "Meiji Fat Fighting Yogurt drink type Clear Reset" as the second drink type of the "Meiji Fat Fighting Yogurt" series, containing the equivalent of two golden kiwis' worth of dietary fiber. This product contains "MI-2 lactobacilli" which has the function of reducing belly fat for people who tend to be overweight.

(Yogurt)

Under the "Meiji Bulgaria" brand, in April 2024, to commemorate the 50th anniversary of its release, we introduced "Bulgaria Yogurt LB81 Plain HOME MADE STORY," inspired by the traditional homemade yogurt passed down in Bulgaria. In the fruit yogurt series, we renewed the 70 g x 4 series products over a period from October 2023 to April 2024 and introduced new products: "Meiji Bulgaria Yogurt Apple" and "Meiji Bulgaria Yogurt Deep Blend Red Grape Mix," a sophisticated yogurt for adults that offers a rich fruit flavor experience. In the personal type series, we introduced "Meiji Bulgaria Yogurt Plenty & Rich White Peach & Yellow Peach," "Meiji Bulgaria Yogurt Plenty & Rich Green Apple Mix," and "Meiji Bulgaria Yogurt Plenty & Rich White Peach & Aloe," all containing twice the amount of pulp as the previous products. Additionally, in the compact series which caters to a wide range of lifestyles stemming from changes in household size and living arrangements, we launched six products, including "Meiji Bulgaria Yogurt LB81 Plain" and "Meiji Bulgaria Yogurt LB81 Zero-Fat Plain" for the eating type and "Meiji Bulgaria Yogurt Drink LB81 Plain" (foods for specified health use) and "Meiji Bulgaria Yogurt Drink LB81 Rich & Thick" for the drinking type. Under the "Meiji Hokkaido Tokachi Milk" brand, we released "Meiji Hokkaido Tokachi Rich Milk Yogurt," which utilizes our proprietary lactic acid bacteria, "Tokachi Milk Lactic Acid Bacteria TM96," discovered from milk produced in Tokachi, and all of its ingredients are sourced from Tokachi. For the product, the new container with 50% less plastic usage has been adopted. Under the "SAVAS MILK PROTEIN Yogurt" brand, we introduced the new flavor "Savas MILK PROTEIN Yogurt Mango Flavor" for the eating type in August 2023 and "Savas MILK PROTEIN Yogurt Vanilla Flavor" in January 2024. Additionally, in April 2024, we introduced three new products: "Savas MILK PROTEIN Yogurt Zero-Fat Low-Sugar," which has 80% less sugar; "Savas MILK PROTEIN Yogurt Zero-Fat Cocoa Flavor," a popular flavor among protein users; and the new "Savas MILK PROTEIN Yogurt Berry Mix," which contains fruit pulp. For the drinking type, we introduced "Savas MILK PROTEIN Yogurt Drink Zero-Fat Not-so-Sweet" and "Savas MILK PROTEIN Yogurt Drink Zero-Fat Grapefruit Flavor," both containing 20 g of milk protein per bottle. For the "Mei Balance" brand, we launched "Meiji Mei Balance MICHITAS Yogurt Drink," contained in a 100 ml small bottle for home delivery, in October 2023. Additionally, in August 2023, we released three types of "Meiji Absorption Support Vegetable Yogurt": red, yellow, and green, which use "V1 lactic acid bacteria" to support the absorption of vegetables' nutrients (α-carotene, β-carotene, lycopene, lutein). In April 2024, we introduced two types of "Meiji One-Serving Green and Yellow Vegetables and Fruit Yogurt": mango mix and apple mix. Through the release of these products, we propose a new value of yogurt and contribute to the healthy diets of customers.

(Cheese)

For the "Meiji Hokkaido Tokachi" brand, we launched "Meiji Hokkaido Tokachi Camenblue" (90 g) in September 2023 as a limited-time production on "Makuake." This cheese features the mildness, which is characteristic of Tokachi camembert, combined with the flavor of blue cheese and a perfect balance of white and blue mold, offering a luxurious taste. Starting in October 2023, it has also been available on the direct-to-consumer e-commerce site "Pocket Marche." This product is the first offering from the Tokachi Cheese R&D Center, established in April 2022 as a research and development hub for natural cheeses. Furthermore, starting from September 2023, we began nationwide sales of the "Meiji Hokkaido Tokachi 6-Piece Cheese" (96 g), which contains mild and rich natural cheese produced through the "Umami Lactobacillus Maturation" technology. Additionally, starting from March 2024, we launched nationwide sales of the "Meiji Hokkaido Tokachi Smart Cheese Aged Cheddar Blend with Black Pepper 8 Pieces" (90g), offering a subtly-spicy and delicious taste from the combination of the richness of Cheddar cheese with black pepper.

Under the "Meiji MIRAFUL" brand, which supports the abundant growth of children's bodies and minds with nutrition, we launched nationwide sales of two products starting from September 1, 2023. These include "Meiji MIRAFUL Baby Cheese 8 Pieces" (90 g), which contains DHA essential to the growth of infants along with four nutrients that are often lacking during early childhood (iron, zinc, calcium, and vitamin D), and "Meiji MIRAFUL Cream Cheese & Yogurt 8 Pieces" (85 g), which supports the development of a healthy body with the inclusion of "bifidobacterium OLB6378."

2) Nutrition business

(Infant formula)

In addition to being utilized for disaster preparedness, the infant liquid milk "Meiji Hohoemi Raku Raku Milk" has been seeing an increase in daily life usage. Therefore, in May 2023, with the aim of further improving convenience for everyday use, we revamped the product into two volume types (120 ml and 200 ml) tailored to the amount consumed and the age of the infant. They come with an easy-to-hold and easy-to-carry slim bottle with a resealable cap.

To enhance convenience even further, we also improved the design of the "Meiji Hohoemi Raku Raku Cube" and "Meiji Step Raku Raku Cube" by refining the shapes of the cubes and the bags, making it easier to pick cubes out of a bag without the need measure them. Additionally, to meet the demand for larger volume options for everyday use, we released a new larger volume type with increased content. In conjunction with the development of the newly-shaped cubes, we also independently developed manufacturing equipment, achieving efficiency improvements in the production process. The cube-type products, which are available in Vietnam and Taiwan, have also been revamped with the new shape.

For the "Meiji MIRAFUL Powdered Beverage" series, we launched "MIRAFUL Powdered Beverage Vanilla Milk" as the third product in September 2023, following "MIRAFUL Powdered Beverage Strawberry Flavor" and "MIRAFUL Powdered Beverage Chocolate Flavor." This product contains iron, zinc, calcium, and vitamin D, which are important for the growth of infants, as well as DHA, which is vital for their brain development.

Through joint research with Tohoku University, we discovered that "Nicotinamide Mononucleotide (NMN)," a component found in breast milk, is an important nutrient associated with the mental development of children who are breastfed. These findings were published in the international academic journal Nutrients. A mid-term analysis of data from the nationwide "iron check movement" targeting 10,000 children (ongoing since November 2022) revealed that the estimated proportion of anemic children in Japan is 5.3%, which is about 2 to 3 times higher than in other countries.

(Sports nutrition)

For the "SAVAS" powdered protein, in March 2024, we launched "SAVAS Advanced Whey Protein 100 Vanilla Flavor" as an addition to the "SAVAS Advanced Whey Protein 100" series. This series contains acid whey protein, a protein material focusing on the content ratio of leucine which is an important component for body building. We believe that strengthening the advanced series will contribute to differentiating ourselves from our rivals.

As new additions to the "SAVAS Advanced Whey Protein 100" series, which supports ideal body building, we launched the banana flavor, a popular flavor, in July 2023 and the strawberry flavor in March 2024. Additionally, as an Amazon exclusive, we launched the "SAVAS Aqua Whey Protein 100 Nutritional Drink Flavor" in March 2024. This offered more options to our customers and aimed to boost the sales of the SAVAS protein powder series both in stores and on e-commerce sites.

In the "SAVAS" drink-type line, we launched "SAVAS Milk Protein Zero Fat Caramel Flavor" (200 ml), which offers 20 g of milk protein per drink for people with high intensity exercise and others who look for protein content, in October 2023. This is the second product in the 20 g milk protein series that can be stored at room temperature, following the chocolate flavor. This addition increased customer options, fulfilled the needs for variety and stocking up, and contributed to the sales growth of the "SAVAS" drink-type line.

We also launched "(SAVAS Style-Vege) GREEN Vegetable" and "(SAVAS Style-Vege) YELLOW Vegetable" (each 250 ml) in July 2023, which provide dietary fiber and vegetables that are often lacking along with 15 g of milk protein. We will continue to try expanding the reach of the "SAVAS" brand by offering more opportunities for customers to try protein and continuing proposing products that contribute to their healthy eating habits. Furthermore, in response to the requests from customers who aim for a toned physique, we released "SAVAS SOY PROTEIN Soy Latte Flavor" and "SAVAS SOY PROTEIN Banana Flavor" (each 200 ml) in April 2024. These products contain 15 g of soy protein per bottle and are made entirely from soy protein. By developing and selecting flavorful soy protein ingredients, we have achieved a taste that can continue to be enjoyed deliciously.

In the "Sokko Genki" series that boosts power and health, sales are expanding in response to the growing needs for recovery from fatigue since 2021. To strengthen the premium product lineup, we introduced "Sokko Genki Jelly GABA+" in March

2024. This product contains 100 mg of GABA, known for its temporary stress-relieving effect, along with four types of vitamin B.

(High-nutrition food)

In September 2023, we introduced a new brand “Meiji Mei Balance Michitas” series to accommodate people’s wishes to continue being active and live a healthy 100-year life, and launched “Meiji Mei Balance Michitas Cup Lemon Flavor,” a product that offers a refreshing taste and helps take six essential nutrients easily and deliciously in a balanced way.

In recent years, the market for adult powdered milk has been rapidly expanding in the market for homebound seniors. In response, we launched “Meiji Michitas Nutritional Support Milk” in March 2024. In addition to providing the comprehensive nutrition equivalent to about half of a “Meiji Mei Balance Mini” cup, this product is designed to prevent frailty by including HMB calcium, which helps maintain and improve muscle mass that declines with age.

(Enteral formula)

In “Meiji Mei Balance,” the leading nutritional food brand in the medical field, we unified the logo designs for three series of “Meiji Mei Balance Mini Cup” and eight varieties of “Meiji Mei Balance Soft Jelly.” This change aims to provide customers with packaging that clearly communicates nutritional content, calories, and serving size. Additionally, in September 2023, we implemented a renewal for “Meiji Mei Balance Soft Jelly,” increasing the dietary fiber content as well as promoting the six major nutrients as with “Meiji Mei Balance Mini.”

The “Meiji Mei Balance Gyutto Mini” series, nutritional supplements for hospitals, enables easy and convenient nutrition and energy replenishment with the industry’s smallest volume (200 kcal in 100 ml). It has been well-received as supplementary nutrition for those who cannot consume regular meals sufficiently or have a reduced appetite for various reasons, steadily increasing in sales. In November 2023, we added its “Peach Flavor” to the lineup.

In October 2023, we launched “Meiji YH Fast,” a new product for hospitals and nursing care facilities, which includes fermented milk that our company had been researching for many years. The product is available in two types: diluted and highly concentrated, with a total of five varieties.

The challenge is that enteral nutrition often causes complications such as diarrhea and gastroesophageal reflux, which in turn increase the workload for healthcare and caregiving professionals. “Meiji YH Fast” contains fermented milk as a source of protein. At the Japanese Society of Clinical Nutrition and Metabolism, we presented findings on its beneficial effects, including improvements in intestinal conditions such as diarrhea, constipation, and fecal odor, enhanced digestion and absorption rates, alleviation of gastroesophageal reflux, and reduction in the risk of aspiration pneumonia. Furthermore, it has become possible to use the product with narrow tubes by achieving excellent fluidity with consideration for usability. This is expected to lead to improvements in the nutritional status and quality of life of many patients, as well as a reduction in the burden on medical and caregiving professionals. We will continue to offer new value through adopting fermented milk in nutritional foods.

3) Chocolate & gummy

(Chocolate)

Under the “Chocolate Kouka,” which is the No. 1 brand in sales in the high-cocoa chocolate market, we launched “Chocolate Kouka Cacao 72% W Plus” in October. This product utilizes flavanol studies and our proprietary flavanol extract material. It has been reborn as a double health claim product which “increases HDL cholesterol” and “lowers blood pressure in those with high blood pressure.” Additionally, in March 2024, we launched “Chocolate Kouka Cacao Ganache,” which leverages our unique “ganache” technology to realize a long shelf life at room temperature, offering a soft texture and exquisite aroma. This product proposes a new food scene to a wider range of customers.

In November, we renewed “The Chocolate,” designed to savor the aroma of cacao, using 100% Meiji Sustainable Cocoa Beans and ultimate fermentation and roasting methods, and launched four varieties, including “Fruity Cacao Latte.” For “Meiji Meltykiss,” we collaborated with world-renowned patissier Sadaharu Aoki and, in January, added “Elegantly Scented Pistachio” to its classic lineup, enhancing its image of premium chocolate. Furthermore, we launched “Premium Chocolate” at Costco in the United States starting November, marking the beginning of a full-scale expansion into the US market.

For summer excitement, we introduced “Meiji Choco Nuijatta! CHOCOROOMS” in July, contributing to sales during the summer period while conveying the delightful world of CHOCOROOMS and Takenoko no Sato.

To meet the increasing demand from inbound tourists, we released four products of the thick chocolate and nut chocolate lineup and “Meiji Fujisan Apollo,” all containing matcha, a popular flavor.

With the public announcement of Meiji New Action “Open Cacao” in 2022, we announced “cacao ceramide,” the world’s first successful materialization, in January 2024. We developed “meiji × ALBION CACAODRIP,” a chocolate containing cacao ceramide, in collaboration with ALBION Co., Ltd. and released it as an event-limited product in January 2024. Additionally, we discovered that cacao husks, which were previously an unused resource, contain abundant free human-type ceramide applicable to cosmetic use. This finding uncovered new potential for cacao as a beauty ingredient.

(Gummies)

In response to the fact that the chewy, firm texture of hard gummies is driving the expansion of the gummy market, we strengthened the lineup of the energy drink flavor of the "Boost Bites" brand by releasing "Boost Bites Fruit Emotion" in November. Additionally, responding to the growing popularity of relaxation drinks, we launched "Chill Bites" under the brand in August, featuring a softer, more easily chewable texture. This addition offers customers a range of options to match their moods.

Adding to our regular "Kaju Gummy" products, we enhanced our lineup with high quality seasonal products to enjoy by launching "Kaju Gummy Dark Cherry" in April, "Watermelon" in June, "Japanese Pear" in July, and "Golden Peach" in December. To expand the texture variety of the "Kaju Gummy" brand, we released "Kaju Gummy Chewy Plus Muscat" in August as an addition to the "Kaju Gummy Chewy Plus" series, a hard-textured type of the brand. In March 2024, we relaunched "Kaju Gummy Chewy Plus Grape" and "Kaju Gummy Chewy Plus Golden Pine" with 1.5 times the volume, enhancing the lineup to cater to customer preferences. To make "Kaju Gummy" suitable for various occasions, we introduced "Kaju Gummy Smart Pack Grape" in March 2024, featuring a compact packaging form with small wrapped pieces inside. This lineup can match any food scene such as desk snacks or single-serving treats for young children.

To newly introduce a "refreshment use," which provides a clean, fresh mouthfeel, in the gummy consumption scene, we leveraged the "Xylish" brand we developed in our gum business and launched "Xylish Gummy Crystal Mint" in April.

4) Drinking milk business

For home delivery specialized products, we launched "Meiji Milk De Genki Premium" (100 ml bottle) in March 2024 with the concept of a milk beverage helping build a foundation for a 100-year life. It contains a day's worth of calcium and iron, as well as six vitamins that are often lacking in meals. In March 2024, we released "Meiji Eye and Sleep W Support" (100 ml). It uses a PET bottle made entirely from recycled PET resin. We will support customers by addressing the health issues many of them have with their eyes and sleep habits in daily life through home delivery specialized products that are easy for them to consume on a regular basis.

For commercial products, we introduced "Meiji Low Sugar Good Life Milk" in April 2024. This milk beverage is low in sugar (less than 2.5 g per 100 ml) and low in fat, with lactose (milk sugar) cut by 97% compared to regular milk. Even those who tend to experience digestive discomfort from regular milk can enjoy the taste and nutritional benefits similar to regular milk.

Meanwhile, in April 2024, we launched "Meiji Marugoto Oats Oat Milk" (1,000 ml/200 ml) for the commercial market. We used whole grain oats for this beverage, and retained in the product the soluble dietary fiber "beta-glucan" contained in "whole grain fiber," dietary fiber derived from whole oats, through our proprietary manufacturing process. "Beta-glucan" is known for its potential usefulness in various health issues. With its creamy and smooth taste derived from whole oats, we aim to provide new value in the expanding plant-based market and will strive for market acceptance and growth.

5) B to B business

In the whipped cream business, we applied our Natural Taste Process to fresh cream and relaunched it as "Meiji Tokachi Fresh Cream 38" and "Meiji Tokachi Fresh Cream 35" in June 2023. In April 2024, we also launched "Meiji Lumiage," to which the double emulsion method is applied, making it easy to whip despite its ultra-low fat.

In the sauce business, we released "White Mocha Flavor Sauce" in October 2023, which is used in white mocha drinks sold in cafes throughout the year. Additionally, we launched "White Chocolate Glacage Sauce" in December 2023, which is used in special drinks promoted for the duration of the Valentine's period. As part of our cherry blossom-themed campaign, we also introduced "Hanami An Sauce," a white-bean-paste flavor sauce, in February 2024.

6) Frozen dessert & ready meal business

(Ice cream)

We relaunched the super vanilla flavor, matcha flavor, and chocolate cookie flavor of "Meiji Essel Super Cup" in March 2024. We aim to further enhance customer satisfaction by improving the product features of richness and sharpness, which have been consistently cultivated since its first launch in 1994.

We introduced "Meiji Bulgaria Frozen Yogurt Dessert Strawberry" in March 2024. It is a product with which you can enjoy smooth and rich ice cream mixed with yogurt and the refreshing taste of strawberry. Additionally, in September 2023, we launched "Meiji Chocolate Kouka Cacao Ice Cream" in a multi-cup format (75 ml x 4 cups). We will aggressively develop products with the aim to expand the health ice cream market.

In March 2024, in response to customer demand, we launched the nationwide sale of "Meiji Dear Milk," which was initially introduced exclusively in the Kanto region in March 2023. It is a product with the characteristics of concentrated richness and clear after-taste, made from only dairy products utilizing our own technologies, with the aim of developing a new premium ice cream.

(Ready meal)

As a new frozen food product, we launched “Meiji Lasagna 3 Packs” nationwide in August 2023. Additionally, under the concept of side dishes that enable easy consumption of nutrients, we launched regionally-limited products “Creamy Chicken Gratin with Hokkaido Fresh Milk” and “Cheesy Potato Gratin with Tokachi Cheese” of the “Meiji Shokutaku Ni Yoshoku Mou Ippin” series. Furthermore, we released a winter-only product “Meiji Golden Shrimp Gratin 2 Packs” exclusively for toaster cooking. As for renewed products, we released the flavor-enhanced “Meiji Golden Shrimp Gratin 3 Packs” and “Meiji Shrimp Doria 3 Packs,” as well as the resized “Meiji Zeitaku Yoshoku Chicken Gratin 2 Packs.” In February 2024, to commemorate the 30th anniversary of the “Ginza” series, we released the new product “Ginza Hayashi Doria 2 Packs” along with the series’ first food with functional claims, “Ginza Curry Rice 1 Pack,” which claims to moderate the rise in postprandial blood glucose levels. Additionally, we launched the revamped “Ginza Curry Doria 2 Packs” as part of the renewal. We also revamped the “Meiji Lasagna 3 Packs” by enhancing its flavor.

In our dry product range, we revamped the flavors of “Kanjuku Tomato Minestrone” and “Jikkuri Nikonda Pot-au-feu” of the “Marugoto Yasai” series in August 2023. Besides, we renewed the packaging for “Garlic Black Curry” and “Ginger-infused Spice Curry” of the “Mezameru Katsuryoku” series. In February 2024, we kicked off the 30th anniversary of the “Ginza” series with the launch of “Ginza Curry Extra Spicy.”

(Butter and margarine)

We released “Meiji Tube De Cheese Blend” in September 2023, with which the taste of cheese can be easily enjoyed by spreading it on bread or using it in cooking. Additionally, in March 2024, we introduced a rich-type spread “Meiji Koku To Kaori No Butter-Flavored Soft,” offering a rich butter flavor experience.

7) Overseas business

With approval for “special nutritional food” from the Taiwanese government, we began exporting and selling “Meiji Mei Balance Grain Plain,” a sucrose-free plain flavor that is the most popular choice among Taiwanese customers, in October 2023. The export and sale of “Meiji Mei Balance Cereal Flavor” for Vietnam started in March 2024. We will put together a global spec in line with foreign laws and regulations for full overseas deployment in the future.

In May 2023, we launched “SAVAS Aqua Whey Protein Orange Flavor” to strengthen the “SAVAS Whey Protein 100” series, which has been marketed in China and Taiwan.

(2) Pharmaceutical

The amount of research and development activities in this category for the current fiscal year was JPY 20,487 million.

In the pharmaceutical business, we are aiming to become a leading company in the area of ethical pharmaceuticals for infectious diseases. At the same time, it is actively conducting research and development activities with a focus on blood cancer and other new fields, and generic drugs. We have invested JPY 14,794 million for research and development expenses related to this business.

Our progress of specific developments in ethical pharmaceuticals is as follows.

Based on the results of foreign testing and Phase III clinical trials, we applied for and have obtained approval on ARCT-154, a COVID-19 vaccine that were introduced from Arcturus Therapeutics. Moreover, “ARCT-2301,” a bivalent vaccine that targets the origin strain and the omicron variant, also achieved the primary endpoints in its additional immunity Phase III clinical trials in Japan. This confirmed that, even with different virus strains, the high immunogenicity and safety observed with ARCT-154 can be reproduced. Therefore, we conclude that we have established the ARCT platform, and in consultation with relevant authorities, we are currently in preparation for pharmaceutical procedures for vaccinations scheduled in FY2024. Furthermore, as for “ME3208 (KD025),” used in the treatment of chronic graft-versus-host disease (cGVHD), we submitted an approval application based on the results of its Phase III clinical trials in Japan and have obtained approval. Phase III international clinical trials of DMB-3115, a biosimilar of the ustekinumab genetic recombinant, have demonstrated its bioequivalence to the original biopharmaceutical, and we have applied to FDA and EMA for approval. Phase III international clinical trials of OP0595 (Nacubactam), a β-lactamase inhibitor, are underway by the Japan Agency for Medical Research and Development (AMED) as part of its Cyclic Innovation for Clinical Empowerment (CiCLE) program. Pediatric Phase III trials in Japan for KD-414, a COVID-19 vaccine that Meiji Seika Pharma is jointly developing with KM Biologics, are underway. Since we received favorable results of Phase II clinical trials of ME3183, an orally available PDE4 inhibitor, in the United States and Canada, we are preparing Phase III clinical trials. For antimalignant tumor agent Hiyasta Tablets, Phase Ib and II clinical trials covering patients with relapsed or refractory B-cell non-Hodgkin's lymphoma and Phase III international joint clinical trials covering melanoma patients are underway.

KM Biologics Co., Ltd. has systems in place for everything from research and development through to manufacturing and sales of human vaccines, animal vaccines, and blood plasma products. It also operates the Newborn Screening Center where it conducts mass screening of babies and other work.

The progress of specific developments in the human vaccines field on which KM Biologics focuses, is as follows.

Since May 2020, KM Biologics has been conducting joint development with Meiji Seika Pharma Co., Ltd. and collaborating with the National Institute of Infectious Diseases, the Institute of Medical Science at the University of Tokyo, and the National Institutes of Biomedical Innovation, Health, and Nutrition to develop KD-414, an inactivated vaccine against COVID-19. With the help of grants from the Ministry of Health, Labour and Welfare and the Japan Agency for Medical Research and Development (AMED), they are conducting research and development and establishing production systems. Regarding the current development progress, Phase III clinical trials covering adults (Japan and the Philippines), Phase II and III clinical trials (Japan) covering children, Phase III clinical trials covering children (Japan), and VE* Phase III clinical trials covering children (Japan, from December 2023) are underway. In previous developments, we used the original strain. However, in Phase III VE clinical trials covering children that have recently started, variant-specific vaccines are used. Moving forward, we will continue to develop and supply variant-specific vaccines to meet domestic needs. In addition, Phase II clinical trials of KD2-396, a 6-in-1 vaccine for children, have been underway since October 2023. Phase I clinical trials of KD-382, a vaccine against dengue fever, have now been completed in Australia and have confirmed a good level of safety and immunogenicity for healthy adults. Currently, we are preparing for Phase II clinical trials in response to the adoption of "Vaccine and New Modality Research and Development Program (Open Call)" by the Strategic Center of Biomedical Advanced Vaccine Research and Development for Preparedness and Response (SCARDA). In September 2023, we received manufacturing and marketing approval for 5-in-1 combination vaccine (KD-370) "Quintovac® Aqueous Suspension Injection," and began sales in March 2024. Starting from April 2024, the 5-in-1 vaccine (adsorbed diphtheria-purified pertussis-tetanus-inactivated polio-haemophilus type b conjugate combined vaccine) has been included in the regular immunization schedule.

* VE: Vaccine Efficacy

The progress in specific development items at Meiji Animal Health Co., Ltd. is as follows.

"ME4137," an antibacterial agent for cattle and pigs received manufacturing and marketing approval as an antibacterial agent for cattle on January 15, 2024. Approval as an antibacterial agent for pigs is also expected to be granted during the first quarter of FY2024, as it is currently under public comment. We submitted an application for manufacturing and marketing approval for the cattle vaccine "KD-412," and it is currently under review. Additionally, in September 2023, we submitted an application for manufacturing and marketing approval for "MD-22-3002," an antipyretic, analgesic, and anti-inflammatory drug for cattle, pigs, and horses, and also an application for changes in approved matters for "MD-22-3001-1," a reproductive drug for cattle, pigs, and horses. We have started necessary tests to apply for manufacturing and sales approval of ME4305, a vaccine for cattle, and MD-22-2001, a vaccine for swine.

Moreover, we are preparing for re-testing of outdoor application testing of ME4406, a livestock feedstuff additive, which corresponds to clinical trial for drug development, for chickens and swine.

(3) Others

The amount of research and development activities in this category for the current fiscal year was JPY 1,269 million.

Following the reorganization in April 2024, the Wellness Science Labs expanded to approximately 120 members. With this expansion, in addition to our ongoing work in areas such as anti-aging, immunity, sustainability, and digital transformation (Dx), we will initiate research activities to deepen studies on lactic acid bacteria and microbiomes, which are core areas of our food business, to further establish a foundation that will support the future of the Meiji Group. In "Bio-Monozukuri," launched in FY2023, we have made significant progress in producing cell-cultured cacao in collaboration with California Cultured Inc., a US company. This initiative exemplifies our commitment to strongly driving the "integration of sustainability and business" from a research and development perspective. Our conventional research in the fields of anti-aging and immunity has also yielded numerous achievements, including patents and conference presentations. Under the new system, we aim to create even greater added-value through the collaboration of members with diverse research and business backgrounds.

3. Information about Facilities

1. Overview of capital expenditures

The Meiji Group's total capital expenditures during the current fiscal year were JPY 59,647 million, mainly in the Food and Pharmaceutical Segments. Following is a breakdown by segment.

(1) Food

Capital expenditures of JPY 43,937 million were made during the current fiscal year. The main capital expenditures were by Meiji Co., Ltd. for construction of new production facilities at its Saitama Plant and Kyoto Plant, and for construction of Plant at Meiji Food (Guangzhou) Co., Ltd., new manufacturing buildings and production facilities at Meiji Seika Food Industry (Shanghai) Co., Ltd.

(2) Pharmaceutical

Capital expenditures of JPY 15,206 million were made during the current fiscal year. The main capital expenditures were by Meiji Seika Pharma Co., Ltd. for bulk pharmaceutical manufacturing facilities at its Gifu Plant, and by KM Biologics Co., Ltd. for refurbishment-related construction work on the existing buildings of the relocation destination due to the demolishment of main building at the Kumamoto Operating Site.

2. Major facilities

Following are the major facilities in the Meiji Group.

1) Company submitting the Annual Securities Report

As of March 31, 2024

<table>
<tr><th rowspan="2">Company name</th><th rowspan="2">Operating site (Location)</th><th rowspan="2">Segment</th><th rowspan="2">Facilities</th><th colspan="6">Book value</th><th rowspan="2">Number of employees (Number of persons)</th></tr>
<tr><th>Buildings and structures (Millions of yen)</th><th>Machinery, equipment and vehicles (Millions of yen)</th><th>Land (Millions of yen) (m2)</th><th>Leased assets (Millions of yen)</th><th>Other (Millions of yen)</th><th>Total (Millions of yen)</th></tr>
<tr><td>Meiji Holdings Co., Ltd.</td><td>Head Office (Chuo-ku, Tokyo)</td><td>Company-wide</td><td>-</td><td>3,395</td><td>21</td><td>8,414
(2,211)</td><td>1</td><td>48</td><td>11,881</td><td>89
(15)</td></tr>
</table>

2) Domestic subsidiaries

As of March 31, 2024

<table>
<tr><th rowspan="2">Company name</th><th rowspan="2">Operating site (Location)</th><th rowspan="2">Segment</th><th rowspan="2">Facilities</th><th colspan="6">Book value</th><th rowspan="2">Number of employees (Number of persons)</th></tr>
<tr><th>Buildings and structures (Millions of yen)</th><th>Machinery, equipment and vehicles (Millions of yen)</th><th>Land (Millions of yen) (m2)</th><th>Leased assets (Millions of yen)</th><th>Other (Millions of yen)</th><th>Total (Millions of yen)</th></tr>
<tr><td rowspan="14">Meiji Co., Ltd.</td><td>Tokachi Plant (Memuro, Kasai, Hokkaido)</td><td>Food</td><td>Production facilities</td><td>8,082</td><td>9,478</td><td>1,270
(138,027)</td><td>190,070</td><td>190</td><td>19,022</td><td>166
(128)</td></tr>
<tr><td>Eniwa Plant (Eniwa City, Hokkaido)</td><td>Food</td><td>Production facilities</td><td>5,405</td><td>5,805</td><td>306
(33,057)</td><td>-</td><td>280</td><td>11,798</td><td>69
(18)</td></tr>
<tr><td>Gunma Plant (Isesaki City, Gunma)</td><td>Food</td><td>Production facilities</td><td>1,063</td><td>2,223</td><td rowspan="3">829
(114,434)</td><td>-</td><td>76</td><td>4,193</td><td rowspan="3">201
(76)</td></tr>
<tr><td>Gunma Nutritionals Plant (Isesaki City, Gunma)</td><td>Food</td><td>Production facilities</td><td>1,292</td><td>1,204</td><td>-</td><td>32</td><td>2,529</td></tr>
<tr><td>Gunma Pharmaceuticals Plant (Isesaki City, Gunma)</td><td>Food</td><td>Production facilities</td><td>1,360</td><td>1,790</td><td>-</td><td>41</td><td>3,192</td></tr>
<tr><td>Saitama Plant (Kasukabe City, Saitama)</td><td>Food</td><td>Production facilities</td><td>8,426</td><td>8,925</td><td>40
(33,059)</td><td>-</td><td>236</td><td>17,628</td><td>100
(43)</td></tr>
<tr><td>Sakado Plant (Sakado City, Saitama)</td><td>Food</td><td>Production facilities</td><td>12,777</td><td>11,221</td><td>467
(101,318)</td><td>11</td><td>381</td><td>24,859</td><td>199
(524)</td></tr>
<tr><td>Toda Plant (Toda City, Saitama)</td><td>Food</td><td>Production facilities</td><td>3,681</td><td>7,918</td><td>131
(50,575)</td><td>-</td><td>152</td><td>11,883</td><td>180
(91)</td></tr>
<tr><td>Moriya Plant (Moriya City, Ibaraki)</td><td>Food</td><td>Production facilities</td><td>4,557</td><td>9,162</td><td>3,709
(109,481)</td><td>3</td><td>128</td><td>17,561</td><td>132
(59)</td></tr>
<tr><td>Tokai Plant (Fujieda City, Shizuoka)</td><td>Food</td><td>Production facilities</td><td>2,425</td><td>6,440</td><td>1,403
(63,518)</td><td>-</td><td>197</td><td>10,466</td><td>172
(191)</td></tr>
<tr><td>Aichi Plant (Inazawa City, Aichi)</td><td>Food</td><td>Production facilities</td><td>3,184</td><td>4,350</td><td>3,014
(66,843)</td><td>0</td><td>86</td><td>10,636</td><td>153
(70)</td></tr>
<tr><td>Kyoto Plant (Kyotanabe City, Kyoto)</td><td>Food</td><td>Production facilities</td><td>7,678</td><td>13,187</td><td rowspan="2">471
(85,003)</td><td>-</td><td>316</td><td>21,654</td><td rowspan="2">209
(118)</td></tr>
<tr><td>Kyoto Lactobacillus Plant (Kyotanabe City, Kyoto)</td><td>Food</td><td>Production facilities</td><td>104</td><td>130</td><td>-</td><td>52</td><td>287</td></tr>
<tr><td>Osaka Plant (Takatsuki City, Osaka)</td><td>Food</td><td>Production facilities</td><td>7,950</td><td>10,533</td><td>241
(135,525)</td><td>11</td><td>369</td><td>19,107</td><td>209
(498)</td></tr>
</table>

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees (Number of persons)
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m²)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Meiji Co., Ltd.	Kansai Plant (Kaizuka City, Osaka, etc.)	Food	Production facilities	2,521	1,648	- (-)	-	95	4,265	214 (124)
	Kansai Ice Cream Plant (Kaizuka City, Osaka)	Food	Production facilities	2,203	1,155		1	56	3,417	
	Kansai Nutritionals Plant (Kaizuka City, Osaka)	Food	Production facilities	2,170	1,810		-	50	4,031	
	Kurashiki Plant (Kurashiki City, Okayama)	Food	Production facilities	6,968	4,260	1,606 (104,881)	-	92	12,927	78 (47)
	Branches, offices (Sendai City, Miyagi, etc.)	Food	Sales facilities	563	1	845 (12,375)	791	204	2,406	1,349 (492)
	Research laboratory (Hachioji City, Tokyo)	Food	Research facilities	11,717	821	4,071 (40,452)	-	1,003	17,613	458 (37)
	Head Office Other (Chuo-ku, Tokyo, etc.)	Food	Offices of Head Office Other	6,976	280	18,160 (401,498)	4	914	26,335	1,093 (409)

As of March 31, 2024

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees (Number of persons)
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m²)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Meiji Seika Pharma Co., Ltd.	Gifu Plant (Kitagata Town, Motosu, Gifu)	Pharma-ceutical	Production facilities	1,847	1,040	756 (150,688)	-	120	3,765	80 (28)

As of March 31, 2024

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees (Number of persons)
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
KM Biologics Co., Ltd.	Head Office / Kumamoto Production Center (Kumamoto City, Kumamoto)	Pharma-ceutical	Head Office / production facilities	7,860	3,248	1,778 (135,410)	-	889	13,776	723 (613)
	Kikuchi Production Center (Kikuchi City, Kumamoto)	Pharma-ceutical	Production facilities	4,398	726	360 (226,951)	-	430	5,914	244 (143)
	Koshi Production Center (Koshi City, Kumamoto)	Pharma-ceutical	Production facilities	5,755	945	572 (102,283)	-	308	7,581	100 (58)

As of March 31, 2024

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees (Number of persons)
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Shikoku Meiji Co., Ltd.	Kagawa Plant (Mitoyo City, Kagawa)	Food	Production facilities	830	1,735	379 (53,554)	-	58	3,004	61 (3)
Gunma Meiji Co., Ltd.	Head Office / Plant (Maebashi City, Gunma)	Food	Production facilities	822	1,333	1,230 (44,308)	-	59	3,445	102 (11)
Tochigi Meiji Milk Products Co., Ltd.	Head Office / Plant (Utsunomiya City, Tochigi)	Food	Production facilities	3,317	2,221	26 (30,303)	2	135	5,702	89 (18)
Meiji Oils and Fats Co., Ltd.	Osaka Plant (Hirakata City, Osaka)	Food	Production facilities	979	520	1,568 (15,716)	3	45	3,116	71 (12)
Meiji Chewing Gum Co., Ltd.	Head Office / Plant (Kiyosu City, Aichi)	Food	Production facilities	1,025	1,518	691 (10,242)	9	54	3,298	131 (35)
Meiji Seika Pharmatech Co., Ltd.	Odawara Plant (Odawara City, Kanagawa)	Pharma-ceutical	Production facilities	3,838	2,385	161 (43,055)	-	154	6,539	130 (129)

(3) Overseas subsidiaries

As of March 31, 2024

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees (Number of persons)
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Medreich Limited	Bengaluru, India	Pharma-ceutical	Production facilities	3,209	5,899	1,555 (111,614)	23	345	11,033	1,574 (962)
Meiji Ice Cream (Guangzhou) Co., Ltd.	Guangzhou, Guangdong, China	Food	Production facilities	1,415	1,399	-	4	45,923	2,865	244 (1)
Meiji Dairies (Suzhou) Co., Ltd.	Jiangsu, China	Food	Production facilities	1,416	369	-	11	100	1,897	177 (-)
Meiji Dairies (Tianjin) Co., Ltd.	Tianjin, China	Food	Production facilities	4,927	262	-	4	170	5,365	135 (-)
Meiji Food (Guangzhou) Co., Ltd.	Guangzhou, Guangdong, China	Food	Production facilities	11,717	5,271	-	55	176	17,221	208 (-)
Meiji Seika Food Industry (Shanghai) Co., Ltd.	Shanghai, China	Food	Production facilities	7,467	3,925	-	-	196	11,589	334 (65)

(Notes) 1. "Other" under book value refers to tools, furniture and fixtures, and does not include construction in progress.

2. Some land and buildings are leased from entities that are not consolidated companies, but none are material.

3. The figures in parentheses under "Number of employees" are the average numbers of temporary employees for the year, excluding dispatched employees.

4. The settlement date of Meiji Ice Cream (Guangzhou) Co., Ltd., Meiji Dairies (Suzhou) Co., Ltd., Meiji Dairies (Tianjin) Co., Ltd., Meiji Food (Guangzhou) Co., Ltd. and Meiji Seika Food Industry (Shanghai) Co., Ltd. is December 31. Consequently, their book values are listed as of December 31, 2023.

3. Planned addition, retirement, and other changes of facilities

(1) Addition of material facilities, etc.

Planned additions of facilities confirmed as of the end of the current fiscal year are as follows.

Company name Operating site	Location	Segment	Facilities	Planned investment amount		Method of financing	Planned start and completion dates	
				Total amount (Millions of yen)	Amount already paid (Millions of yen)		Start	Completion
Meiji Seika Food Industry (Shanghai) Co., Ltd.	Shanghai, China	Food	Construction of ice cream plant and production facilities	13,552	12,814	Funds from capital increase	January 2022	March 2024
Meiji Co., Ltd.	Shibetsu, Hokkaido	Food	Dairy product production facility	46,870	3,686	Funds on hand and funds from capital increase	April 2024	April 2027

(Notes) 1. The settlement date of Meiji Seika Food Industry (Shanghai) Co., Ltd. is December 31. Consequently, its planned investment amount is shown as of December 31, 2023. It completed the addition in March 2024.

2. The planned investment amount of Meiji Seika Food Industry (Shanghai) Co., Ltd. includes the cost of acquiring land-use rights. In addition, it incurred sundry expenses for starting construction as an amount already paid in the current fiscal year.

(2) Retirement of material facilities, etc.

There are no planned sale, retirement or other changes of material facilities confirmed as of the end of the current fiscal year.

4. Information about reporting company

1. Company’s shares, etc.

(1) Total number of shares

1) Authorized shares

Class	Number of shares authorized
Ordinary share	1,120,000,000
Total	1,120,000,000

2) Issued shares

Class	Number of issued shares as of fiscal year end (March 31, 2024)	Number of issued shares as of filing date (June 27, 2024)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Ordinary share	293,459,000	293,459,000	Tokyo Stock Exchange Prime Market	Number of shares per unit: 100
Total	293,459,000	293,459,000	-	-

(2) Share acquisition rights

1) Employee share option plans

Not applicable.

2) Rights plans

Not applicable.

3) Share acquisition rights for other uses

Not applicable.

(3) Exercises of moving strike convertible bonds, etc.

Not applicable.

(4) Changes in total number of issued shares, capital share and capital reserve

Date	Change in total number of issued shares	Balance of total number of issued shares	Change in capital share (Millions of yen)	Balance of capital share (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
March 31, 2022 (Note 1)	-4,313,900	148,369,500	-	30,000	-	7,500
April 1, 2023 (Note 2)	148,369,500	296,739,000	-	30,000	-	7,500
April 3, 2023 (Note 1)	-3,280,000	293,459,000	-	30,000	-	7,500

(Notes) 1. Decrease due to cancellation of treasury shares.
2. Increase due to share split (two-for-one).

(5) Shareholding by shareholder category

As of March 31, 2024

Categories	Status of shares (Number of shares constituting one unit = 100 shares)								Status of shares less than one unit
	National and local governments	Financial institution	Financial service providers	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders	-	126	39	901	696	174	140,075	142,011	-
Number of shares held (number of units)	-	987,593	88,609	225,831	759,696	371	863,519	2,925,619	897,100
Percentage of shareholdings	-	33.76	3.03	7.72	25.97	0.01	29.52	100	-

(Notes) 1. Treasury share as of March 31, 2024 totaled 14,352,638 shares, comprised of 143,526 units included in “individuals and others” and 38 shares included in the “status of shares less than one unit.”
2. “Other corporations” above includes 48 units of shares held in the name of Japan Securities Depository Center, Inc. Similarly, “status of shares less than one unit” includes 76 shares.

(6) Major shareholders

As of March 31, 2024

Name	Address	Number of shares held (Thousand shares)	Percentage of shares held to total number of issued shares (excluding treasury share) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1 Akasaka, Minato-ku, Tokyo	41,547	14.89
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	13,767	4.93
Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	1-6-6 Marunouchi, Chiyoda-ku, Tokyo (1-8-1 Akasaka, Minato-ku, Tokyo)	6,696	2.40
STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing agent: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA, 02171, US (2-15-1 Konan, Minato-ku, Tokyo)	5,969	2.14
Meiji Holdings Employee Shareholding Association	2-4-16, Kyobashi, Chuo-ku, Tokyo	5,736	2.06
Meiji Holdings Trading-Partner Shareholding Association	2-4-16 Kyobashi, Chuo-ku, Tokyo	5,118	1.83
Mizuho Bank, Ltd. (Standing agent: Custody Bank of Japan, Ltd.)	1-5-5 Otemachi, Chiyoda-ku, Tokyo (1-8-12 Harumi, Chuo-ku, Tokyo)	4,834	1.73
The Norinchukin Bank	1-2-1 Otemachi, Chiyoda-ku, Tokyo	4,048	1.45
JP MORGAN CHASE BANK 385781 (Standing agent: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1 Konan, Minato-ku, Tokyo)	3,576	1.28
JPMorgan Securities Japan Co., Ltd.	2-7-3 Marunouchi, Chiyoda-ku, Tokyo	3,504	1.26
Total	-	94,798	33.96

(Notes) 1. In addition to the above, Meiji Holdings holds 14,352,000 shares of treasury share.

2. On November 18, 2022, a large-volume holdings report (revised report) of BlackRock Japan Co., Ltd. and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of November 15, 2022. However, we did not include the information in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2024.

The content of the large-volume holdings report (the revised report) is as shown below. A two-for-one ordinary share split was conducted on April 1, 2023, and the numbers of shares held shown below are based on the number of shares prior to the share split.

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
BlackRock Japan Co., Ltd.	1-8-3 Marunouchi, Chiyoda-ku, Tokyo	2,466,900	1.66
Aperio Group, LLC	Three Harbor Drive, Suite 204 Sausalito, California, US	176,750	0.12
BlackRock (Netherlands) BV	Amstelplein 1, 1096 HA, Amsterdam, Netherlands	407,299	0.27
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, UK	261,857	0.18

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge Dublin, Ireland	743,827	0.50
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, US	2,786,950	1.88
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, US	1,887,784	1.27
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, UK	239,437	0.16

3. On February 21, 2023, a large-volume holdings report (revised report) of Sumitomo Mitsui Trust Bank, Limited and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of February 15, 2023. However, we did not include the information in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2024.

The content of the large-volume holdings report (the revised report) is as shown below. A two-for-one ordinary share split was conducted on April 1, 2023, and the numbers of shares held shown below are based on the number of shares prior to the share split.

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Limited	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	1,242,700	0.84
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-Ku, Tokyo	4,366,536	2.94
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	2,762,700	1.86

4. On October 16, 2023, a large-volume holdings report (revised report) of Mitsubishi UFJ Financial Group, Inc. and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of October 9, 2023. However, we did not include the information, except that pertaining to Mitsubishi UFJ Financial Group, Inc., in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2024.

The content of the large-volume holdings report (the revised report) is as shown below.

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
MUFG Bank, Ltd.	2-7-1 Marunouchi, Chiyoda-ku, Tokyo	1,683,000	0.57
Mitsubishi UFJ Trust and Banking Corporation	1-4-5 Marunouchi, Chiyoda-ku, Tokyo	10,544,900	3.59
Mitsubishi UFJ Asset Management Co., Ltd.	1-9-1 Higashishinbashi, Minato-ku, Tokyo	3,147,300	1.07
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1-9-2 Otemachi, Chiyoda-ku, Tokyo	366,300	0.12

(7) Voting rights

1) Issued shares

As of March 31, 2024

Categories	Number of shares	Number of voting rights	Description
Shares with no voting rights	-	-	-
Shares with restricted voting rights (Treasury shares, etc.)	-	-	-
Shares with restricted voting rights (Other)	-	-	-
Shares with full voting rights (Treasury shares, etc.)	(Treasury shares) Ordinary shares 14,352,600	-	-
Shares with full voting rights (Other)	Ordinary shares 278,209,300	2,782,093	-
Shares less than one unit	Ordinary shares 897,100	-	-
Total number of issued shares	293,459,000	-	-
Number of voting rights held by all shareholders	-	2,782,093	-

(Notes) 1. Ordinary shares in the "Shares less than one unit" column include 38 shares of treasury shares held by the Company and 76 shares held in the name of Japan Securities Depository Center, Inc.

2. Ordinary shares in the "Shares with full voting rights (Other)" column include 4,800 shares (48 voting rights) held in the name of Japan Securities Depository Center, Inc.

2) Treasury shares, etc.

As of March 31, 2024

Name of shareholder	Address of shareholder	Number of shares held in own name	Number of shares held in others' names	Total number of shares held	Percentage of shares held (%)
(Treasury shares) Meiji Holdings Co., Ltd.	2-4-16, Kyobashi, Chuo-ku, Tokyo	14,352,600	-	14,352,600	4.89
Total	-	14,352,600	-	14,352,600	4.89

2. Acquisition and disposal of treasury shares

[Class of shares, etc.] Acquisition of ordinary shares that fall under Article 155, Items (3) and (7) of the Companies Act

(1) Acquisition by resolution of shareholders meeting

Not applicable.

(2) Acquisition by resolution of board of directors meeting

Acquisition under Article 156 of the Companies Act, which is applied pursuant to Article 165, Paragraph 3 of that Act.

Categories	Number of shares	Total amount (Yen)
Board of Directors Resolution (May 10, 2024) (Acquisition period: May 14, 2024 - September 30, 2024)	11,000,000	30,000,000,000
Treasury shares acquired prior to the current fiscal year	-	-
Treasury shares acquired during the current fiscal year	-	-
Total number and value of remaining shares subject to the resolution	11,000,000	30,000,000,000
Ratio of unexercised shares as of the end of the current fiscal year (%)	100.00	100.00
Treasury shares acquired during the current period	1,220,600	4,259,138,700
Ratio of unexercised shares as of the filing date (%)	88.90	85.80

(Note) Treasury shares acquired during this period are recorded on a delivery basis and do not include the number of shares acquired from June 1, 2024 to the filing date of the Annual Securities Report.

(3) Acquisition not based on resolution of shareholders meeting or board of directors meeting

Acquisition pursuant to Article 155, Item (7) of the Companies Act (purchase of shares of less than one unit)

Categories	Number of shares	Total amount (Yen)
Treasury shares acquired during the current fiscal year	4,702	15,956,128
Treasury shares acquired during the current period	344	1,162,124

(Note) Treasury shares acquired during this period do not include the number of shares acquired through the purchase of shares of less than one unit from June 1, 2024 to the filing date of the Annual Securities Report.

Acquisition pursuant to Article 155, Item (13) of the Companies Act

Category	Number of shares	Total amount (Yen)
Treasury shares acquired during the current fiscal year	400	-
Treasury shares acquired during the current period	700	-

(Note) Treasury shares acquired during this period do not include the number of shares acquired through the free-of-charge acquisition of shares with transfer restrictions from employees over a period from June 1, 2024 to the filing date of the Annual Securities Report.

(4) Disposal of acquired treasury shares and number of treasury shares held

Categories	Current fiscal year		Current period	
	Number of shares	Total amount of disposal (Yen)	Number of shares	Total amount of disposal (Yen)
Acquired treasury shares which were offered to subscribers	331,236	1,081,485,540	-	-
Acquired treasury shares which were canceled	3,280,000	8,842,178,080	-	-
Acquired treasury shares which were transferred in association with a merger, share exchange, share issuance or company split	-	-	-	-
Other (Sale due to demand for the sale of shares from shareholders holding shares less than one unit)	500	1,739,484	-	-
Total number of treasury shares held	14,352,638	-	15,574,282	-

(Notes) 1. Total number of treasury shares held includes 8,979,636 shares added by the two-for-one ordinary share split conducted on April 1, 2023.

2. The shares held as treasury shares during this period do not include the number of shares resulting from the purchase and sale of shares of less than one unit and the free-of-charge acquisition of shares with transfer restrictions from employees over a period from June 1, 2024 to the filing date of the Annual Securities Report.

3. Dividend policy

As a company mainly involved in food, health, and pharmaceuticals, we are a familiar brand that strives for lifelong engagement with our customers. This means that ensuring a long-term, stable financial platform is critical to our success.

We will pursue sustainable growth by aggressively applying capital gained through business activities towards future growth investments and research and development.

We also recognize that appropriate profit returns to our shareholders is a critical management issue and aim to continuously increase the dividend per share each fiscal year, targeting a total payout ratio of 50% or higher.

Furthermore, in the event of significant fluctuations in profit attributable to owners of parent due to extraordinary factors, dividend amounts may be determined after the elimination of those factors.

The Company's basic policy is to pay dividends from surplus twice annually—an interim dividend and a year-end dividend—and the decision-making organization for each dividend payment is the Board of Directors.

The Company's Articles of Incorporation stipulate that "The Company may pay interim dividends through a resolution of the Board of Director by setting the record date to September 30 each year."

For the current fiscal year, the Company paid an interim dividend of JPY 47.50 per share and decided on June 5, 2024 to pay a year-end dividend of JPY 47.50 per share. As a result, the consolidated dividend payout ratio will be 52.3%.

For the annual dividend for the upcoming fiscal period, we are planning an increase to a dividend of JPY 100.00 (JPY 50.00 at end of second quarter and JPY 50.00 at end of fiscal period), and forecasting a dividend payout ratio of 54.6%.

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (Yen)
November 9, 2023 Board of Directors resolution	13,257	47.50
May 17, 2024 Board of Directors resolution	13,257	47.50

(Reference) The dividend policy up to the previous fiscal year was as follows.

As a company mainly involved in food, health, and pharmaceuticals, we are a familiar brand that strives for lifelong engagement with our customers. This means that ensuring a long-term, stable financial platform is critical to our success.

In our 2023 Medium-Term Business Plan, we will promote business management focused on ROIC. We will enhance and improve our business structure towards increasing capital productivity. We will build a firm financial platform by practicing the disciplined distribution of management resources.

We also recognize that appropriate profit returns to our shareholders is a critical management issue. We will increase our dividend payout ratio to around 40% by the end of FYE March 2024. We will also evaluate share repurchasing as necessary based on a careful analysis of numerous factors, including our optimal capital structure and capital surplus.

Furthermore, in the event of significant fluctuations in profit attributable to owners of parent due to extraordinary factors, dividend amounts may be determined after the elimination of those factors.

4. Corporate governance

(1) Overview of corporate governance

1) Fundamental ideas of corporate governance

As a corporate group in the Food and Health fields, the Meiji Group's goal is to continue finding innovative ways to meet our customers' needs, today and tomorrow. In this way, we aim to achieve sustainable growth and increase corporate value over the medium- to long-term. The Group's governance system including the Board of Directors is developed and operated to achieve the medium- to long-term management strategies formulated based on the Group's Philosophy.

2) Corporate governance system

(i) Overview of corporate governance system and the reason for adopting this system

The Company has adopted the system of a company with an Audit & Supervisory Board to further enhance the objectivity and transparency of management through the supervisory function of the Board of Directors and the auditing function of Audit & Supervisory Board Members.

The Board of Directors comprises directors with diverse backgrounds, formulates and implements overall group strategies, supervises of the management of operating companies, and executes highly effective supervision of directors and executive officers from an independent and objective standpoint. To enhance the effectiveness and transparency of the Board of Directors, we established a system to utilize the opinions of independent outside directors in management by appointing four independent outside directors out of nine directors. In accordance with the Rules of the Board of Directors, the Board of Directors meets monthly, in principle, to deliberate and decide on the most important matters. The names of the directors who are members of the Board of Directors and those who are independent outside directors are as stated in "4. Corporate Governance, (2) Directors and other officers, 1) List of directors and other officers." The meeting is chaired by CEO, President and Representative Director Kazuo Kawamura.

Together with the Board of Directors, the Audit & Supervisory Board plays a role in the governance of the Company and is strengthening the management monitoring function from an independent and objective standpoint in accordance with its fiduciary responsibility to shareholders for the sound and sustainable growth of the Group and the enhancement of corporate value over the medium to long term. Two of the four auditors are unaffiliated auditors to organically leverage the information-gathering capabilities of full-time auditors and the independence of unaffiliated auditors to enhance the effectiveness of audits. The names of the auditors who are members of the Audit & Supervisory Board and those who are outside Audit & Supervisory Board Members are as stated in "4. Corporate Governance, (2) Directors and other officers, 1) List of directors and other officers." The meeting is chaired by Mr. Hiroaki Senda, a member of the Audit & Supervisory Board.

The Audit & Supervisory Board deliberates on proposals for the nomination or removal of directors and Audit & Supervisory Board Members and nomination or removal of executive officers, including the president. The Committee also deliberates and gives advice on matters such as succession plans, and, together with the Nomination Committee, which reports to the Board of Directors, deliberates on the policy, amount, and level of remuneration and so on for directors and executive officers. A Compensation Committee, which reports to the Board of Directors, has been established a comprises four independent outside directors (Ms. Mariko Matsumura, Mr. Masaya Kawada, Ms. Michiko Kuboyama, and Mr. Peter D. Pedersen) and one internal director (Mr. Kazuo Kawamura). The Nomination Committee is chaired by Ms. Mariko Matsumura and the Compensation Committee is chaired by Mr. Masaya Kawada.

The Company has also introduced an executive officer system to accelerate decision-making and clarify responsibility for business execution so that we can fully perform both the supervision and execution functions of management.

A chief officer system has also been introduced to strengthen group management. Serving in the highest positions of responsibility within the Group, chief officers supervise and oversee Group business or functions in accordance with the basic management policies determined by the Board of Directors. Mr. Kazuo Kawamura serves as Chief Executive Officer (CEO), Mr. Jun Hishinuma as Chief Financial Officer (CFO), Mr. Shinji Matsuoka as Chief Sustainability Officer (CSO), Mr. Katsunari Matsuda as Chief Operating Officer (COO) in charge of the Food Segment, Mr. Daikichiro Kobayashi as Chief Operating Officer (COO) in charge of the Pharmaceutical Segment, Mr. Yuhei Matsumoto as Chief Human Resource Officer (CHRO), and Mr. Jun Furuta as Chief Digital Officer (CDO).

In addition to the chief officer system, the Group Strategy Meeting, consisting of members appointed by Mr. Kazuo Kawamura, the CEO and President, is held monthly, in principle, to determine the direction of critical matters such as the Group's general vision, business plans, business policies, and the distribution of management resources.

In addition, the Management Committee, chaired by the CEO and President Kazuo Kawamura, meets twice each month, in principle, to discuss and decide matters of material importance relating to execution, thereby achieving prompt and appropriate business execution.

(ii) Progress of the development of internal control systems and risk management systems

The Company and the Group companies provide products and services to a large number of customers through our food and pharmaceuticals business operations.

The Meiji Group strives to establish an internal control system befitting the Group and the Group companies that is based on mutual collaboration and multifaceted checking functions to ensure directors, executive officers, and other employees comply with the Food Sanitation Act, the Law for Ensuring Quality, Efficacy, and Safety of Drugs and Medical Devices, and other statutory laws and regulations and the Articles of Incorporation, thereby ensuring fair and sound business activities firmly rooted in compliance.

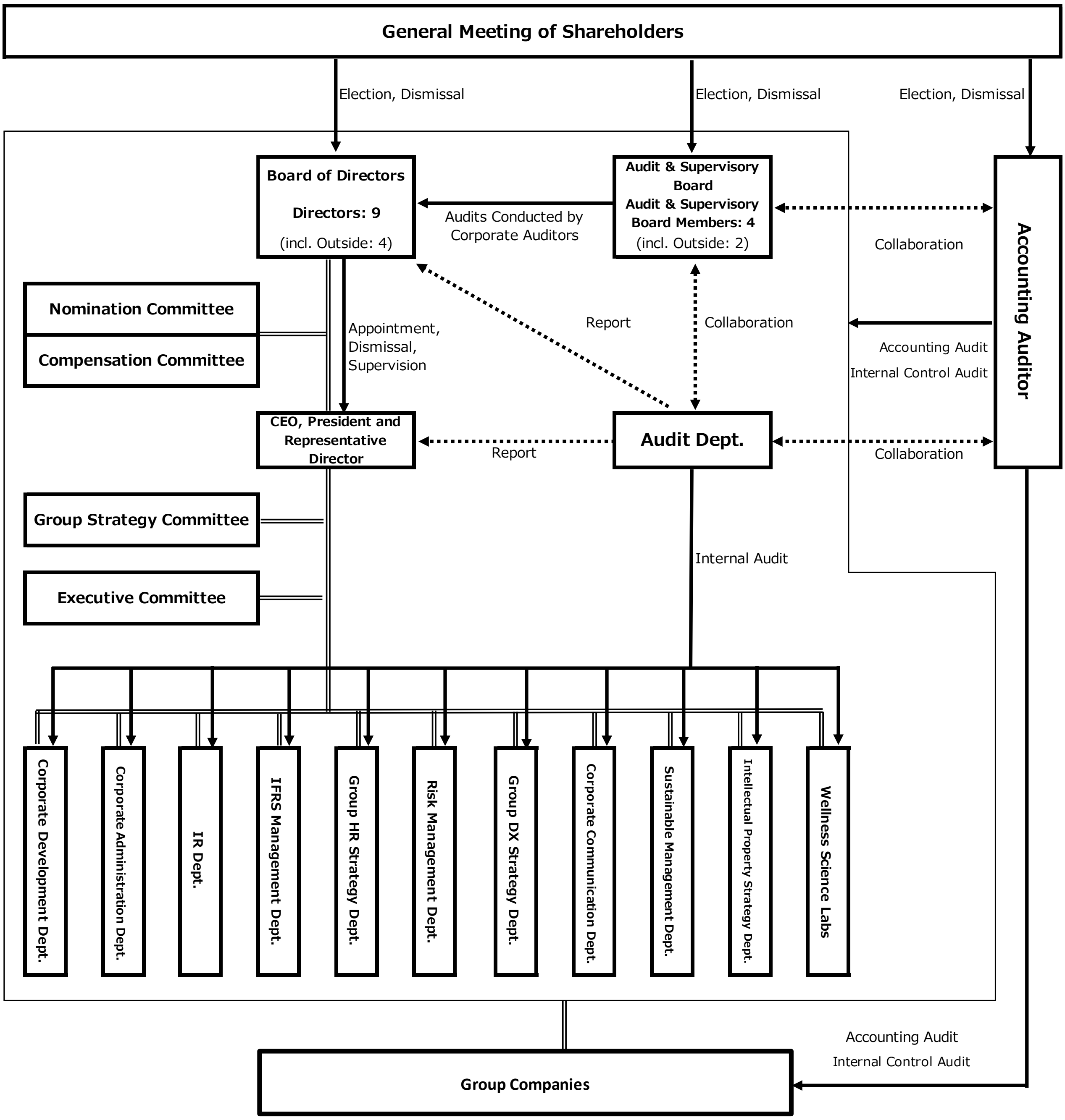
A basic policy of the Company and the Group companies is to preempt damage to shareholders and other stakeholders and endeavor to improve sustainable corporate value by earning the trust of our customers and maximizing shareholder value.

Progress of System Development

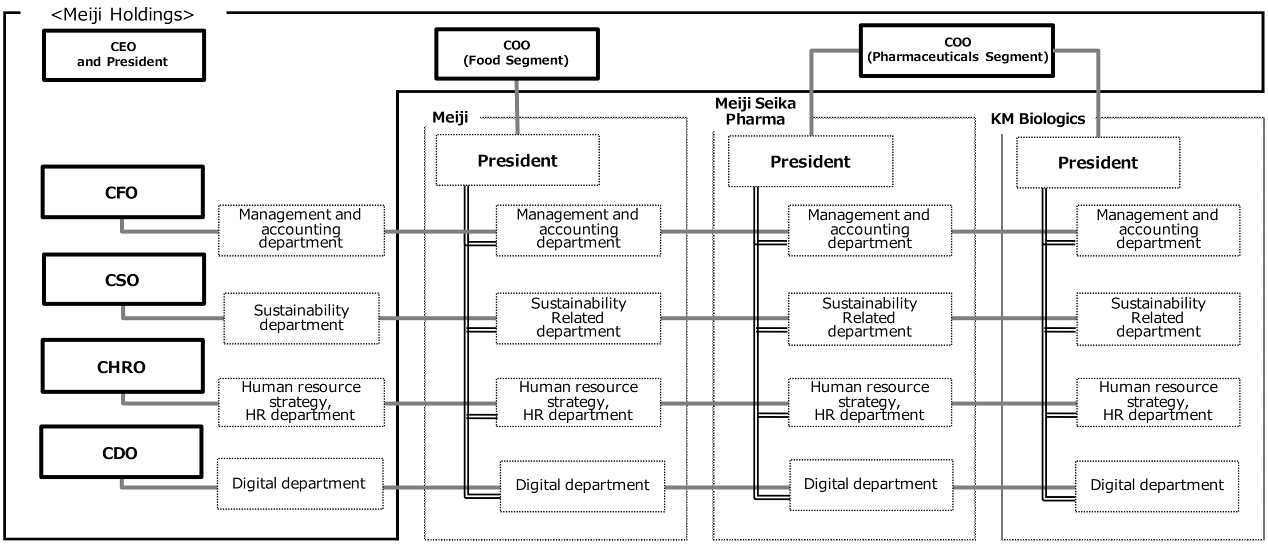
1. Systems for ensuring compliance with laws and regulations and the Articles of Incorporation in the execution of duties by directors, executive officers, and employees
   To ensure thorough corporate governance, the Group has adopted business management structures and clearly define the responsibilities for the Company as the holding company overseeing business management among the Group, and the responsibilities for the Group companies as the organizations executing the business of the Group. The organizational structure that the Company has adopted for this purpose is that of a "company with audit & supervisory board members" (kansayaku-kai secchi kaisha), while the structure adopted by the Group companies is that of a "company with audit & supervisory members" (kansayaku secchi kaisha). The Company and the Group companies have constructed and operate effective compliance systems. In the case of the Company, these systems include the Compliance Regulations and related regulations, which incorporate the Group's corporate philosophy. In the case of the Group companies, they include related regulations and the related committees.
2. Systems for storing and managing information related to the execution of duties by director
   The Company has developed the Regulations for Handling Documents and Regulations for Managing Confidential Information, and constructed systems for storing and managing important documents related to the business management or business execution by the Company or the Group companies.
3. Procedures and other systems related to managing the risk of loss
   To address risks to the smooth operation of business at an organizational and systematic level, the Company and the Group companies have developed rules for managing each risk, and constructed risk management systems in accordance with these rules.
   The Company and the Group companies ensure unerring risk management by establishing risk-related committees that manage risk at an organizational and systematic level, and they have also developed systems for minimizing the risk of damages during emergency situations.
4. Systems for ensuring that directors and executive officers conduct their duties efficiently
   The Company and the Group companies' boards of directors determine the duties of directors and executive officers. Directors and executive officers discharge these duties appropriately in accordance with the Duties Regulations, which defines the segregation of duties and authorities, and other relevant regulations.
   The Company integrates and coordinates the business operations of the Company and the Group companies by having its Executive Committee review important matters pertaining to the Group as a whole. The Group companies help accelerate decision-making and streamline the execution of duties by making it a principle to have their executive committees conduct a full preliminary review of important matters pertaining to business management.
5. Systems for ensuring the appropriate execution of duties in the corporate group consisting of the Company and Group companies
   The Company and the Group companies share the same ethos concerning internal control systems and have developed systems for ensuring appropriate execution of duties and reliable financial reporting.
   The Group Company Administration Regulations and related regulations define the roles, authorities, and responsibilities among the Group. Duties are executed appropriately so as to contribute to the rationalization and optimization of business processes across the Group.
   Specifically, each Group company has constructed their own systems under 1, 3, and 4 above, and the Company receives reports as appropriate on matters pertaining to duties in Group companies in accordance with the Group Company Administration Regulations.

6. Systems for ensuring reliability in financial reporting
   To ensure reliability in financial reporting, the Company and the Group companies have constructed internal control systems for financial reporting; this includes developing and operating systems of evaluation and reporting as appropriate.
7. Matters concerning employees who are assigned to assist in the duties of Audit & Supervisory Board Members when Audit & Supervisory Board Members requests such assistance; matters concerning the independence of said employees from directors; matters concerning the effectiveness of orders issued by Audit & Supervisory Board Members to said employees
   After consulting with Audit & Supervisory Board Members, the representative director assigns employees to assist in the duties of the Audit & Supervisory Board Members. Authority to issue orders to said employees is delegated to the Audit & Supervisory Board Members, and any decisions regarding the appointments, reshuffles, and appraisals of said employees require the consent of the Audit & Supervisory Board Members. These measures ensure the effectiveness of orders issued by Audit & Supervisory Board Members to said employees.
8. Systems under which directors, executive officers, and employees report to Audit & Supervisory Board Members; systems under which directors, Audit & Supervisory Board Members, executive officers, employees, or persons who receive reports from said persons report to the Company's Audit & Supervisory Board Members; other systems concerning reporting to Audit & Supervisory Board Members
   In the case of the Company, directors, executive officers, and employees report business management decisions and the status of the execution of business to the Audit & Supervisory Board Members via the Board of Directors, the Executive Committee, and major internal meetings, and also by issuing regular reports and forwarding important documents. In the case of the Group companies, directors, Audit & Supervisory Board Members (or the equivalent thereof), executive officers, employees, or persons who receive reports from said persons report the above matters via meetings with the Company's Audit & Supervisory Board Members and by issuing reports and disclosing important documents as necessary.
   When the Audit & Supervisory Board Member requests reports of projects of the Company and Group companies or when investigating the performance of the Company and Group companies or the status of assets, a prompt and appropriate responses are made.
9. Systems for ensuring that persons who make reports mentioned in 8 above do not suffer any disadvantage by reason of such reporting
   The Company and the Group companies have established rules and regulations on whistleblowing prohibiting the disadvantageous treatment of whistleblowers by reason of their whistleblowing. In accordance with these rules and regulations, the Company has developed systems for ensuring that persons who make reports mentioned in 8 above do not suffer any disadvantage by reason of such reporting.
10. Matters concerning the procedure for paying or reimbursing costs arising from the performance of Audit & Supervisory Board Members' duties, or any other policy regarding the processing of costs or liabilities arising from the performance of such duties
    The Company appropriates a certain amount of funds each fiscal year to cover the costs and liabilities incurred in connection with Audit & Supervisory Board Members' execution of duties. If an Audit & Supervisory Board Member, pursuant to the provisions of Article 388 of the Companies Act, requests payment in advance for expenses associated with their duties, the Board of Directors will review the matter and the Company will then promptly pay the expenses, except in cases where it deems that the expenses or liabilities related to such request is not necessary for the execution of the duties of the member concerned.
11. Systems for ensuring that the Company's Audit & Supervisory Board Members conduct audits effectively
    The representative director holds regularly meetings to exchange opinions with Audit & Supervisory Board Members. The representative directors and directors of the Company and the Group companies understand the importance and usefulness of Audit & Supervisory Board audits, and they actively cooperate with Audit & Supervisory Board Members during their audits.
12. Basic Views on Eliminating Anti-Social Forces
    In accordance with the Corporate Behavior Charter and Compliance Regulations, the Company and Group companies sever all relationships with antisocial forces and groups that threaten the order and safety of civil society. In the case where a crime syndicate employs intimidation or otherwise poses a threat, the Company has developed a system for responding swiftly in close collaboration with public bodies such as the police and with attorneys.

The schematic diagram of the Company's corporate governance is as follows.



In addition, the Group's chief officer management system is as follows.



3) Overview of the limited liability contracts executed with outside directors and Audit & Supervisory Board Members

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company enters into contracts with its outside directors and Audit & Supervisory Board Members limiting their liabilities under Article 423, Paragraph 1 of the said Act. The maximum amount of liabilities under such contracts is as prescribed in applicable laws and regulations.

4) Number of directors

The Company's Articles of Incorporation stipulate that the Company shall have no more than 15 directors.

5) Requirements for resolutions for the election of directors

The Company's Articles of Incorporation stipulate that a resolution for the election of directors shall be adopted by a majority of the voting rights of the shareholders present where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present and that cumulative voting shall not be used.

6) Dividends of surplus

To ensure efficient management of funds for future business expansion and capital expenditures as well as to enable flexible payment of dividends, the Company's Articles of Incorporation stipulate that matters related to dividends from surplus as stipulated in each item of Article 459, Paragraph 1 of the Companies Act shall be determined by a resolution of the Board of Directors instead of the General Meeting of Shareholders, unless otherwise provided by laws and regulations.

7) Interim dividends

The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors, pay interim dividends (which refers to the distribution of surplus as provided for in Article 454, Paragraph 5 of the Companies Act).

8) Acquiring Treasury Shares

The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act, acquire its own shares to enable the execution of a flexible capital policy in response to changes in the business environment.

9) Exemption from liability of directors and Audit & Supervisory Board Members

The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors pursuant to Article 426, Paragraph 1 of the Companies Act, exempt directors (including those who were directors) and Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members) from liability for damages to the extent provided by laws and regulations for the directors and Audit & Supervisory Board Members to fulfill the roles expected of them when carrying out their duties.

10) Requirements for special resolutions

To avoid a situation in which it becomes impossible to carry out actions necessary for company management that are important for shareholders' interests including reorganization and amendment of the Articles of Incorporation, the Company's Articles of Incorporation stipulate that a resolution of the General Meeting of Shareholders pursuant to Article 309, Paragraph 2 of the Companies Act shall be adopted by two-thirds or more of the voting rights of the shareholders present and holding one-third or more of the voting rights of the shareholders who are entitled to exercise their voting rights.

11) Overview of the limited liability contract entered into with Accounting Auditor

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company and Ernst & Young ShinNihon LLC, the Company's accounting auditor, have entered into a contract limiting liability under Article 423, Paragraph 1 of the Act. The maximum amount of liability under the contract is as prescribed in applicable laws and regulations.

12) Activities of the Board of Directors

In order to promote the realization of the Group Philosophy, sustainable growth of the Group and improvement of corporate value in the medium- to long-term, and improve profitability and capital efficiency, the Board of Directors formulates and implements overall group strategies, supervises of the management of operating companies, and executes highly effective supervision of directors and executive officers from an independent and objective standpoint.

In the current fiscal year, 19 meetings of the Board of Directors were held. At these meetings, in addition to holding discussions on important business plans and business budgets, matters related to general management policies, the conclusion of important agreements, and the appointment of Director candidates and executive officers, the Board of Directors also confirmed initiatives for sustainability, important themes related to human capital, assessment and supervision of management risks, and results of internal audits.

The attendance of individual Directors and Audit & Supervisory Board Members is as follows.

Number of the Board of Directors meetings held during the current fiscal year		Total 17 times
Member of the Board of Directors	* Kazuo Kawamura	17/17
Member of the Board of Directors	Daikichiro Kobayashi	17/17
Member of the Board of Directors	Katsunari Matsuda	17/17
Member of the Board of Directors	Koichiro Shiozaki	17/17
Member of the Board of Directors	Jun Furuta	17/17
Member of the Board of Directors	Mariko Matsumura (Independent)	17/17
Member of the Board of Directors	Masaya Kawata (Independent)	17/17
Member of the Board of Directors	Michiko Kuboyama (Independent)	17/17
Member of the Board of Directors	Peter D. Pedersen (Independent)	17/17
Audit & Supervisory Board Member	Hiroaki Chida	17/17
Audit & Supervisory Board Member	Takayoshi Ohno	17/17
Audit & Supervisory Board Member	Hajime Watanabe (Independent)	17/17
Audit & Supervisory Board Member	Makoto Ando (Independent)	17/17

* indicates chairperson.

13) Activities of the Nomination Committee

The Company held four meetings of the Nomination Committee in the current fiscal year, and the Committee deliberated and reported to the Board of Directors on proposals for the nomination or removal of Directors and Audit & Supervisory Board Members, and nomination or removal of executive officers, including the President, and matters such as succession.

The attendance of individual Committee members is as follows.

Number of the Nomination Committee held during the current fiscal year		Total 4 times
Member of the Board of Directors	Kazuo Kawamura	4/4
Member of the Board of Directors	* Mariko Matsumura (Independent)	4/4
Member of the Board of Directors	Masaya Kawata (Independent)	4/4
Member of the Board of Directors	Michiko Kuboyama (Independent)	4/4
Member of the Board of Directors	Peter D. Pedersen (Independent)	4/4

* indicates chairperson.

14) Activities of the Compensation Committee

The Company held five meetings of the Compensation Committee in the current fiscal year, and the Committee deliberated and reported to the Board of Directors' policies regarding the determination of compensation for Directors and executive officers, the amount of compensation, the level of compensation, etc.

The attendance of individual Committee members is as follows.

Number of the Compensation Committee held during the current fiscal year		Total 5 times
Member of the Board of Directors	Kazuo Kawamura	5/5
Member of the Board of Directors	Mariko Matsumura (Independent)	5/5
Member of the Board of Directors	* Masaya Kawata (Independent)	5/5
Member of the Board of Directors	Michiko Kuboyama (Independent)	5/5
Member of the Board of Directors	Peter D. Pedersen (Independent)	5/5

* indicates chairperson.

(2) Directors and other officers

1) List of Directors and other officers

Men: 10 Female: 3 (the ratio of female directors (and other officers) 23.1%)

Official title or position	Name	Date of birth	Career summary	Term of office	Number of shares held
CEO, President and Representative Director	Kazuo Kawamura	August 25, 1953	April 1976 Joined Meiji Dairies (Note 4) June 2007 Director, Meiji Dairies June 2009 Executive Officer, Meiji Dairies June 2010 Director, Meiji Dairies June 2010 Managing Executive Officer, Meiji Dairies April 2011 Member of the Board, Meiji (incumbent) April 2011 Senior Managing Executive Officer, Meiji June 2012 Representative Director, Meiji June 2012 President, Meiji June 2012 Member of the Board, the Company (incumbent) June 2018 Member of the Board, Meiji Seika Pharma (incumbent) June 2018 Representative Director, the Company (incumbent) June 2018 President, the Company (incumbent) April 2019 President (Co-Creation Center), the Company June 2020 CEO, the Company (incumbent) June 2020 President (Corporate Development Dept.), the Company (incumbent) April 2021 President (Group HR Strategy Dept.), the Company (incumbent) April 2023 President (Intellectual Property Strategy Dept.), the Company (incumbent) April 2023 President (Wellness Science Labs), the Company (incumbent)	(Note 5)	114,619
COO (Pharmaceutical Segment), Member of the Board and Executive Officer	Daikichiro Kobayashi	August 21, 1954	April 1979 Joined Meiji Seika (Note 3) June 2010 Executive Officer, Meiji Seika April 2011 Executive Officer, Meiji Seika Pharma June 2013 Member of the Board, Meiji Seika Pharma (incumbent) June 2013 Managing Executive Officer, Meiji Seika Pharma June 2014 Representative Director, Meiji Seika Pharma (incumbent) June 2014 President, Meiji Seika Pharma (incumbent) June 2014 Member of the Board, the Company (incumbent) June 2020 COO (Pharmaceutical Segment), the Company (incumbent) June 2021 Chairman and Representative Director, KM Biologics (incumbent)	(Note 5)	42,784
COO (Food Segment), Member of the Board and Executive Officer	Katsunari Matsuda	August 25, 1957	April 1980 Joined Meiji Dairies (Note 4) June 2012 Executive Officer, Meiji June 2015 Managing Executive Officer, Meiji June 2017 Member of the Board, Meiji (incumbent) June 2017 Senior Managing Executive Officer, Meiji June 2018 Representative Director, Meiji (incumbent) June 2018 President, Meiji (incumbent) June 2018 Member of the Board, the Company (incumbent) June 2020 COO (Food Segment), the Company (incumbent)	(Note 5)	43,811

Official title or position	Name	Date of birth	Career summary	Term of office	Number of shares held
CDO, Member of the Board and Senior Managing Executive Officer, Group DX Strategy Department / Risk Management Department / Corporate Communication Department	Jun Furuta	August 17, 1957	April 1981 Joined Meiji Seika (Note 3) June 2013 Executive Officer, Meiji June 2014 Member of the Board, the Company (incumbent) June 2014 Executive Officer, the Company June 2014 General Manager, PR & IR Dept., the Company June 2018 Managing Executive Officer, the Company October 2019 Managing Executive Officer (Sustainable Management Dept.), the Company (incumbent) April 2020 Managing Executive Officer (PR & IR Dept.), the Company June 2020 Senior Managing Executive Officer, the Company (incumbent) June 2020 CSO, the Company June 2020 Member of the Board, Meiji (incumbent) April 2022 Senior Managing Executive Officer (Corporate Communication Dept.), the Company (incumbent) April 2024 Senior Managing Executive Officer (IR Dept.), the Company June 2024 CDO, the Company (incumbent) June 2024 Senior Managing Executive Officer (Group DX Strategy Dept.), the Company (incumbent) June 2024 Senior Managing Executive Officer (Risk Management Dept.), the Company (incumbent)	(Note 5)	26,403
CFO, Member of the Board and Managing Executive Officer, Corporate Administration Department / IR Department / IFRS Management Department	Jun Hishinuma	November 5, 1965	April 1988 Joined Meiji Dairies (Note 4) June 2022 Executive Officer, Meiji June 2023 Director, Meiji June 2023 Managing Executive Officer, Meiji June 2024 Member of the Board, the Company (incumbent) June 2024 Managing Executive Officer, the Company (incumbent) June 2024 CFO, the Company (incumbent) June 2024 Managing Executive Officer (Corporate Administration Dept.), the Company (incumbent) June 2024 Managing Executive Officer (IR Dept.), the Company (incumbent) June 2024 Managing Executive Officer (IFRS Management Dept.), the Company (incumbent) June 2024 Member of the Board, Meiji Seika Pharma (incumbent) June 2024 Member of the Board, KM Biologics (incumbent)	(Note 5)	10,059
Member of the Board (Note 1)	Mariko Matsumura	September 24, 1959	April 1988 Admitted to the bar in Japan as Attorney at Law April 1988 Joined Braun Moriya Hoashi & Kubota February 1994 Joined Ryudo Sogo Law Offices January 2006 Joined Shinwa Sogo Law Offices (incumbent) June 2018 Outside Member of the Board, the Company (incumbent) April 2022 President, Dai-Ichi Tokyo Bar Association April 2022 Vice President, Japan Federation of Bar Associations	(Note 5)	1,883

Official title or position	Name	Date of birth	Career summary	Term of office	Number of shares held
Member of the Board (Note 1)	Masaya Kawata	April 20, 1952	April 1975 Joined Nisshinbo Industries, Inc. (currently Nisshinbo Holdings Inc.) June 2006 Managing Officer, Nisshinbo Industries, Inc. June 2007 Director, Nisshinbo Industries, Inc. (incumbent) April 2009 President and Representative Director of Nisshinbo Brake Inc. June 2010 Executive Managing Officer, Nisshinbo Holdings Inc. June 2011 President and Representative Director, Nisshinbo Chemical Inc. June 2012 Senior Executive Managing Officer, Nisshinbo Holdings Inc. June 2012 President and Representative Director, Nisshinbo Mechatronics Inc. June 2013 President and Representative Director, Nisshinbo Holdings Inc. March 2019 Chairman and Representative Director, Nisshinbo Holdings Inc. June 2021 Outside Member of the Board, the Company (incumbent) March 2022 Chairman and Director, Nisshinbo Holdings Inc.	(Note 5)	2,092
Member of the Board (Note 1)	Michiko Kuboyama	April 16, 1956	April 1980 Joined Kao Soap Co., Ltd. (currently Kao Corporation) April 2006 General Manager, Products Public Relations Department, Kao Corporation April 2011 General Manager, Products Public Relations Center, Kao Corporation May 2016 Communication Fellow, Lifestyle Research Department, Kao Corporation June 2021 Outside Member of the Board, the Company (incumbent)	(Note 5)	1,046
Member of the Board (Note 1)	Peter D. Pedersen	November 29, 1967	September 2000 President, E-Square Inc. January 2015 Representative Director, Next Leaders' Initiative for Sustainability (NELIS) August 2020 Representative Director, NPO NELIS (incumbent) June 2022 Outside Member of the Board, the Company (incumbent)	(Note 5)	546
Audit & Supervisory Board Member (Full-time)	Hiroaki Chida	October 22, 1959	April 1982 Joined Meiji Dairies (Note 4) April 2011 General Manager, Operation Management Dept., Chubu Sales Headquarters, Meiji April 2013 General Manager, Audit Dept., Meiji April 2017 General Manager, Administration Dept., Administration Div., Meiji June 2018 Executive Officer, Meiji April 2021 Associate General Manager of Corporate Business Div., Meiji June 2021 Company Audit & Supervisory Board Member (incumbent) June 2022 Audit & Supervisory of KM Biologics Co. Ltd. (incumbent)	(Note 6)	8,267
Audit & Supervisory Board Member (Full-time)	Takayoshi Ohno	October 29, 1960	April 1983 Joined Meiji Seika (Note 3) October 2011 General Manager, Marketing Planning Strategy Dept., Meiji Seika Pharma June 2012 General Manager, Chiba & Saitama Branch, Meiji Seika Pharma October 2014 General Manager, Fukuoka Branch, Meiji Seika Pharma October 2015 General Manager, Marketing Planning Strategy Dept., Meiji Seika Pharma July 2017 General Manager, Marketing Planning Strategy Dept., Meiji Seika Pharma June 2020 Executive Officer, Meiji Seika Pharma October 2020 General Manager, CNS Product Marketing Dept., Meiji Seika Pharma June 2021 Company Audit & Supervisory Board Member (incumbent)	(Note 6)	7,850

Official title or position	Name	Date of birth	Career summary	Term of office	Number of shares held
Audit & Supervisory Board Member (Note 2)	Hajime Watanabe	July 28, 1959	April 1987 Admitted to the bar in Japan as Attorney at Law (Daini Tokyo Bar Association) April 1987 Joined Mori Sogo Law Offices (currently Mori Hamada & Matsumoto) September 1994 Admitted to the bar in the state of Illinois, the United States, as Foreign Legal Consultant May 1995 Admitted to the bar in the state of New York, the United States, as Attorney at Law April 2007 Opened STW & Partners (currently SHIOMIZAKA) June 2010 Substitute Audit & Supervisory Board Member, Meiji June 2013 Outside Audit & Supervisory Board Member, the Company (incumbent) January 2022 Established Watanabe & Shimizu (incumbent)	(Note 6)	-
Audit & Supervisory Board Member (Note 2)	Makoto Ando	October 8, 1959	October 1984 Joined Sanwa Tokyo Marunouchi Office Audit Corporation (currently Deloitte Touche Tohmatsu LLC) December 1988 Joined KPMG Peat Marwick New York Office April 1991 Joined Sakurai Accounting Office April 1994 Joined Tokyo Metropolitan Police Department April 2002 Joined Ando Tax & Accounting Office (currently Hibiki Tax Corporation) April 2002 Joined Ando Certified Public Accountant Joint Office (incumbent) June 2017 Outside Audit & Supervisory Board Member, the Company (incumbent)	(Note 6)	9,058
Total					268,418

(Notes)
1. Among the directors, Mariko Matsumura, Masaya Kawata, Michiko Kuboyama, and Peter D. Pedersen are outside directors.
2. Among the auditors, Hajime Watanabe and Makoto Ando are outside auditors.
3. Meiji Seika Kaisha, Ltd. changed its trade name to Meiji Seika Pharma Co., Ltd. as of April 1, 2011.
4. Meiji Dairies Corporation changed its trade name to Meiji Co., Ltd. as of April 1, 2011.
5. The term of office of the directors is from the close of the ordinary general meeting of shareholders for the fiscal year ended March 31, 2024 to the close of the ordinary general meeting of shareholders for the fiscal year ending March 31, 2025.
6. The term of office of the auditors is from the close of the ordinary general meeting of shareholders for the fiscal year ended March 31, 2021 to the close of the ordinary general meeting of shareholders for the fiscal year ending March 31, 2025.
7. The Company introduced an executive officer system. There are nine executive officers, five of whom also serve as directors. The table below shows the executive officers.

Name	Positions & Responsibilities
Kazuo Kawamura	CEO, President Corporate Development Dept., Group HR Strategy Dept., Intellectual Property Strategy Dept., and Wellness Science Labs
Daikichiro Kobayashi	COO (Pharmaceutical Segment), Executive Officer
Katsunari Matsuda	COO (Food Segment), Executive Officer
Jun Furuta	CDO, Senior Managing Executive Officer Group DX Strategy Department / Risk Management Department / Corporate Communication Department
Jun Hishinuma	CFO, Managing Executive Officer Corporate Administration Dept., IR Dept., and IFRS Management Dept.

Name	Positions & Responsibilities
Shinji Matsuoka	CSO, Managing Executive Officer Sustainable Management Dept.
Shigeru Taniguchi	Executive Officer Intellectual Property Strategy Dept., and Wellness Science Labs
Yuhei Matsumoto	CHRO, Executive Officer, Head of Group HR Strategy Dept.
Takefumi Koga	Executive Officer, Group DX Strategy Dept.

2) Outside Directors and Outside Auditors

The Company has four Outside Members of the Board and two Outside Audit & Supervisory Board Members.

Members of the Board Mariko Matsumura, Masaya Kawata, Michiko Kuboyama, Peter D. Pedersen, and Audit & Supervisory Board Member Makoto Ando hold shares of the Company.

Peter D. Pedersen has been receiving remuneration as an outside expert for the Company's ESG Advisory Board since fiscal year 2021. In addition, he is the representative director of NELIS, a nonprofit organization, and the Company takes part in the activities organized by NELIS. The Company paid less than JPY 2.5 million for such remuneration and participation fees in the previous fiscal year, which meets our Criteria for Independence.

Other than the above, the Company does not have any personal, capital, business, or other interest relationship with Outside Members of the Board and Outside Audit & Supervisory Board Members.

Member of the Board Mariko Matsumura is an outside director of SODA NIKKA CO., LTD. and an outside auditor of Fund Creation Group Co., Ltd., an outside auditor of Komatsu Ltd., and an outside auditor of Japan Airlines Co., Ltd. In addition, she was an outside auditor of Adastria Co., Ltd. until May 2022. We do not have any special relationship with SODA NIKKA CO., LTD., Fund Creation Group Co., Ltd., Komatsu Ltd., Japan Airlines Co., Ltd. and Adastria Co., Ltd.

Member of the Board Masaya Kawata is an outside director of Central Glass Co., Ltd. In addition, he was the director and chairman of Nisshinbo Holdings Inc. until March 2023. We do not have any special relationship with Nisshinbo Holdings Inc. and Central Glass Co., Ltd.

Member of the Board Michiko Kuboyama is an outside director of Sumitomo Mitsui Banking Corporation. In addition, she was an outside director of Isetan Mitsukoshi Holdings Ltd. until June 2022, an outside director of Kids Smile Holdings Inc. until June 2023, and an outside director of Kura Sushi, Inc. until January 2024. Sumitomo Mitsui Banking Corporation is our lender of funds and holds shares of the Company. We do not have any special relationship with Isetan Mitsukoshi Holdings Ltd., Kids Smile Holdings Inc. and Kura Sushi, Inc.

Member of the Board Peter D. Pedersen is an outside director of Marui Group Co., Ltd. and Mitsubishi Electric Corporation. We do not have any special relationship with Marui Group Co., Ltd. and Mitsubishi Electric Corporation.

The Company provides notification to the Tokyo Stock Exchange regarding Members of the Board Mariko Matsumura, Masaya Kawata, Michiko Kuboyama, and Peter D. Pedersen as independent directors in accordance with the rules of the exchange.

Audit & Supervisory Board Member Hajime Watanabe was an outside auditor of Seiko PMC Corporation until March 2019, an outside auditor of Furyu Corporation until June 2019, and an auditor of LOGISTEED, Ltd. (former Hitachi Transport System, Ltd.) until February 2024. We do not have any special relationship with Seiko PMC Corporation, Furyu Corporation and LOGISTEED, Ltd.

Audit & Supervisory Board Member Makoto Ando is an outside auditor of Nippon Concrete Industries Co., Ltd. and an outside director of INV Inc. We do not have any special relationship with Nippon Concrete Industries Co., Ltd. and INV Inc.

The roles of outside directors are to provide precise advice and decision-making using their broad knowledge and experience from an objective and neutral standpoint. In addition, outside auditors are expected to accurately identify and audit the legality and appropriateness of the Company's business execution based on their expertise and experience from an objective and neutral standpoint.

The criteria for independence for the appointment of Outside Members of the Board and Outside Audit & Supervisory Board Members stipulate that none of the following shall apply.

(i) A person who executes business of the Company or its subsidiary
(ii) A person who executes business of the Company's parent company or a fellow subsidiary
(iii) A party which has material business transactions with the Company or a person who executes business transactions of that party, or a major business partner of the Company, or a person who executes business transactions of that business partner
(iv) A consultant, an accounting expert, or a legal expert who receives a considerable amount of cash or other assets other than remuneration as a Member of the Board or an Audit & Supervisory Board Member from the Company (when a party who receives such assets is an organization, such as a corporation or an association, this shall refer to a person who is associated with such organization)
(v) A person who fell under category (i) above during the ten-year period prior to assuming the position
(vi) A person who fell under category (ii), (iii), or (iv) above during the one-year period prior to assuming the position
(vii) A relative within the second degree of kinship of a person (excluding a person who does not have an important management position) who currently falls or fell under category (i), (ii), (iii), or (iv) above during the one-year period prior to assuming the position

(Notes) 1. "A party which has material business transactions with the Company" is one that received payment from the Company during the latest fiscal year equivalent to 2% or more of the party's annual consolidated net sales or 100 million yen, whichever is greater.

2. "A major business partner of the Company" is one that made payment to the Company during the latest fiscal year equivalent to 2% or more of the Company's annual consolidated net sales.

3. "A consultant, an accounting expert, or a legal expert who receives a considerable amount of cash or other assets other than remuneration as a Member of the Board or an Audit & Supervisory Board Member from the Company" is the one who received cash or assets from the Company during the latest fiscal year other than remuneration as a Member of the Board or an Audit & Supervisory Board Member, equivalent to 2% or more of his/her consolidated net sales or 10 million yen, whichever is greater.

3) Mutual collaboration between supervision or auditing by Outside Directors or Outside Audit & Supervisory Board Members and internal auditing and auditing by Audit & Supervisory Board Members and Accounting Auditor, as well as relationship with internal control departments

Please refer to 4. Corporate governance (1) Overview of corporate governance, 2) Corporate governance system, and (3) Audits, 1) Audit by Audit & Supervisory Board Members, 2) Internal Audit, and 3) Audit by Independent Auditor.

(3) Audit

1) Audit by Audit & Supervisory Board Members

a. Organization, Personnel, and Procedures

Audit & Supervisory Board audits are conducted by four Audit & Supervisory Board Members, including two outside Audit & Supervisory Board Members. The Audit & Supervisory Board, which is comprised of four Audit & Supervisory Board Members, meets once a month, in principle, pursuant to the Audit & Supervisory Board Guidelines. To better enable the Audit & Supervisory Board Members to fulfill their function of overseeing business execution, the Company has put in place a system that facilitates effective audits. For example, dedicated staff are on hand to assist the process of Audit & Supervisory Board audits and the Audit & Supervisory Board Members attend important meetings such as those of the Board of Directors and Executive Committee. In addition, Audit & Supervisory Board Members are given regular reports and forwarded important documents.

Name	Background, etc.
Full-time Audit & Supervisory Board Member Hiroaki Chida	Hiroaki Chida held important positions in fields such as accounting, finance, and auditing at the Meiji Group, and has considerable expertise in finance and accounting.
Full-time Audit & Supervisory Board Member Takayoshi Ohno	Takayoshi Ohno assumed key managerial positions for an extended period at Meiji Seika Pharma Co., Ltd., a Meiji Group company, and is well versed in the Pharmaceutical business.
Outside Audit & Supervisory Board Member Hajime Watanabe	Hajime Watanabe has a prolific career as an attorney at law and has deep expertise in international business transactional law areas.
Outside Audit & Supervisory Board Member Makoto Ando	Makoto Ando has built a prolific career and gained deep expertise in both the private sector, working in major audit firms and accounting firms in Japan and overseas as a certified public accountant, and the public sector.

b. Activities of the Audit & Supervisory Board and its Members, and Attendance of the Audit & Supervisory Board in the Fiscal Year

Name	Background, etc.	Attendance of the Audit & Supervisory Board in the fiscal year
Full-time Audit & Supervisory Board Member Hiroaki Chida	Hiroaki Chida held important positions in fields such as accounting, finance, and auditing at the Meiji Group, and has considerable expertise in finance and accounting.	15/15
Full-time Audit & Supervisory Board Member Takayoshi Ohno	Takayoshi Ohno assumed key managerial positions for an extended period at Meiji Seika Pharma Co., Ltd., a Meiji Group company, and is well versed in the Pharmaceutical business.	15/15
Outside Audit & Supervisory Board Member Hajime Watanabe	Hajime Watanabe has a prolific career as an attorney at law and has deep expertise in international business transactional law areas.	15/15
Outside Audit & Supervisory Board Member Makoto Ando	Makoto Ando has built a prolific career and gained deep expertise in both the private sector, working in major audit firms and accounting firms in Japan and overseas as a certified public accountant, and the public sector.	15/15

The Audit & Supervisory Board meets once a month before the Board of Directors meeting is held and also meets as needed. In the fiscal year, a total of 15 meetings were held, with each meeting lasting approximately 1.5 hours. The main subjects discussed by the Audit & Supervisory Board are as follows:

Matters resolved 8 matters: resolution on the reappointment of the accounting auditor, resolution on audit reports by the Audit & Supervisory Board, resolution on audit policies and plans, resolution on audit fees for the accounting auditor, etc.

Matters discussed 7 matters: discussion on audit reports by each Audit & Supervisory Board Members, discussion on reporting at the General Meeting of Shareholders, discussion on remuneration for Audit & Supervisory Board Members, etc.

Matters confirmed	17 matters: confirmation of proposals to be submitted to the Board of Directors, confirmation by the Audit & Supervisory Board regarding internal controls pertaining to financial reporting, etc.
Matters reported	124 matters: reports on the status of the execution of duties, etc.

The four Audit & Supervisory Board Members attend Board of Directors meetings, audit the proceedings and matters resolved, and express their opinions as needed. As for the attendance of the Audit & Supervisory Board Members at Board of Directors meetings, Hiroaki Chida, Takayoshi Ohno, Hajime Watanabe and Makoto Ando attended 18 out of 18 meetings. In addition, the Audit & Supervisory Board holds regular meetings twice a year with the CEO, President and Representative Director, as well as the presidents of business companies who concurrently serve as COOs and Members of the Board of the Company, sharing opinions on matters such as issues to be addressed by the Company, the status of the environment put in place for Audit & Supervisory Board audits, key issues in auditing, and explaining audit policies and plans and the implementation status and results of audits as appropriate.

The full-time Audit & Supervisory Board Members attend important meetings at the Company, including those held by the Executive Committee and the Group Sustainability Committee. They also report the details of Audit Department Liaison Meetings and the Internal Control Committee meetings during Audit & Supervisory Board meetings, thereby sharing information with the outside Audit & Supervisory Board Members.

2) Internal audit

a. Organization, Personnel, and Procedures

As an internal audit department independent of the business execution department, the Audit Department (comprised of seven internal audit staff members) was established under the direct control of the CEO, President and Representative Director. The Audit Department examines and evaluates management and operation systems for overall business activities and the status of business execution from the perspectives of legitimacy and rationality and provides information, as well as advice and proposals for improvement, based on the results of such examinations and evaluations. For the purpose of checking whether the Group has achieved internal control, the Department also conducts internal audits in collaboration with internal audit departments within the Group.

As audit work, the Audit Department conducts business audits from the perspective of reducing risks for overall businesses based on audit plans, as well as internal control monitoring for internal control pertaining to financial reporting. Upon the completion of business audits, the Department summarizes matters to be addressed and provides notice to the audited departments. At the same time, it also prepares audit reports and reports to the CEO, President and Representative Director and other officers, as well as reports to the Board of Directors and the Audit & Supervisory Board on a regular basis based on the Supplementary Principle 4.13.3 of the Corporate Governance Code. If there is a matter requiring improvement, the Audit Department requests that the audited department to submit a response report, confirms the subsequent implementation status of improvement measures, and conducts a follow-up to ensure that improvement measures are firmly in place. With regard to internal control monitoring, the Audit Department reports the monitoring results to the Internal Control Committee Secretariat, and if there is a deficiency, requests the monitored department to implement corrective measures.

The Audit Department also conducts audits centered on governance and compliance utilizing external exports to reduce the management risks of overseas Group companies, which are generally said to have higher risks than domestic companies due in part to differences in the management environment. By doing so, it strives to strengthen systems and prevent and check fraud. The issues and other problems found in overseas Group companies are shared with the management organization of the business subsidiary of the Company responsible for the overseas subsidiaries, and corrective action is taken.

b. Coordination between Internal Audits, Audit & Supervisory Board Audits, and Audits by the Accounting Auditor, and Relationship between these Audits and Internal Control Department

The full-time Audit & Supervisory Board Members and the Audit Department regularly share information through the Audit Department Liaison Meeting, a liaison meeting on audits. The four Audit & Supervisory Board Members hold quarterly liaison meetings with the accounting auditor to receive reports on the status and results of the accounting audit and to exchange opinions. The accounting auditor and the Audit Department collaborate as needed and strive to improve the efficiency of audits.

As an internal control system pertaining to financial reporting, the Internal Control Committee has been established in accordance with the policy for development of such a system. The Internal Control Committee shares information and collaborates with the Audit & Supervisory Board, the accounting auditor, and the Audit Department with regard to the implementation and evaluation of internal control of the Company and its business subsidiaries.

3) Audit by Accounting Auditor

Since 2010, the Company has concluded an audit agreement for audits under the Companies Act and audits under the Financial Instruments and Exchange Act with Ernst & Young ShinNihon LLC, and paid fees pursuant to the agreement.

Work for accounting audits of the Company has been executed by three certified public accountants: Shinji Takada, Kiyotaka Kinugawa, and Ai Hiraoka, who all belong to Ernst & Young ShinNihon LLC.

The assistants involved in the accounting audit work are comprised of 17 certified public accountants and 46 others.

The accounting auditor also checks annual audit plants with Audit & Supervisory Board Members and reports audit results.

There are no interests required to be disclosed pursuant to the Certified Public Accountants Act between the Company, Ernst & Young ShinNihon LLC, and employees executing business.

a. Policy and Reason for Selecting the Accounting Auditor

The Company has set a policy of selecting as its accounting auditor an auditing firm which owns, along with independency and expertise, a global network that enables the provision of a variety of information and performs high-quality audits.

The Audit & Supervisory Board prepares criteria for selecting the accounting auditor, and based on the criteria, it checks whether the accounting auditor possesses independence and necessary expertise, has an appropriate scale and overseas network that enable efficient audit work for the Company's wide range of businesses, and has a well-developed audit system, as well as whether the specific audit plans, including the scope of audits and the audit schedule, and the audit costs are reasonable and appropriate. After checking these points, the Board comprehensively evaluates the accounting auditor and makes a decision on the selection, taking into account the accounting auditor's audit record and other factors.

As the policy for the dismissal or non-reappointment of the accounting auditor, the Audit & Supervisory Board will dismiss the accounting auditor based on unanimous agreement of all the Audit & Supervisory Board Members if it is determined that the accounting auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act. In this case, the Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report the dismissal of the accounting auditor and the reason at the first General Meeting of Shareholders held after the dismissal.

In addition to the case above, when it is deemed to be difficult for the accounting auditor to execute its duties appropriately, the Company determines, by resolution of the Audit & Supervisory Board, the details of a proposal on the dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders.

b. Evaluation of the Auditing Firm by Audit & Supervisory Board Members and the Audit & Supervisory Board

The Company's Audit & Supervisory Board Members and Audit & Supervisory Board conduct the evaluation of the auditing firm. In evaluating the firm, they prepare evaluation criteria for the accounting auditor and evaluate the auditing firm's quality control, audit team, audit fees, communication with the Audit & Supervisory Board Members, relationship with the management, group audits, fraud risk, and other matters.

4) Details of Audit Fees, Etc.

a. Fees for Auditing Certified Public Accountants, etc.

Categories	As of March 31, 2023		As of March 31, 2024	
	Fees based on audit and attestation services (Millions of yen)	Fees based on non-audit services (Millions of yen)	Fees based on audit and attestation services (Millions of yen)	Fees based on non-audit services (Millions of yen)
Reporting company	121	49	126	-
Consolidated subsidiaries	168	5	137	-
Total	289	55	264	-

Details of non-auditing services provided by auditing certified public accountants, etc.

(Previous fiscal year)

Fees were also paid for advisory services in relation to accounting work at the Company and consolidated subsidiaries.

(Current fiscal year)

Not applicable.

b. Fees (excluding a) Paid to Organizations Affiliated with the Same Network as that of Auditing Certified Public Accountants (Ernst & Young Member Firms)

Categories	As of March 31, 2023		As of March 31, 2024	
	Fees based on audit and attestation services (Millions of yen)	Fees based on non-audit services (Millions of yen)	Fees based on audit and attestation services (Millions of yen)	Fees based on non-audit services (Millions of yen)
Reporting company	-	-	-	-
Consolidated subsidiaries	79	292	150	314
Total	79	292	150	314

Details of non-auditing services provided by organizations affiliated with the same network as that of auditing certified public accountants (Ernst & Young member firms)

(Previous fiscal year)

Fees were paid for advisory services and other services in relation to human capital and the establishment of Group companies at consolidated subsidiaries.

(Current fiscal year)

Fees were paid for advisory services and other services in relation to the Pharmaceutical Segment at consolidated subsidiaries.

c. Fees paid for other important audit and attestation services

Not applicable.

d. Policy on determining audit fees

In examining audit fees, the Company takes into account audit items, the number of audit days, and other matters, compares the level of fees in general, and makes a decision after obtaining agreement from the Audit & Supervisory Board.

e. Reason for the Audit & Supervisory Board’s Agreement to Fees Paid to the Accounting Auditor

The Audit & Supervisory Board checked and examined the accounting auditor’s audit records and fees, etc. paid in the previous fiscal year, while looking into matters such as the details of audit plans for the current fiscal year and the grounds for calculation of estimated fees and so on. As a result, the Board determined that the estimate was reasonable as the amount of fees to be paid to the accounting auditor and agreed to the amount pursuant to Article 399, Paragraph 1 of the Companies Act.

(4) Remuneration for directors (and other officers)

Outline and Results of Executive Remuneration System

(i) Outline and Results of Executive Remuneration System for FY2023

a. Policy on Determination of the Amount and Calculation Method of Executive Remuneration and Method of Determination

● Objectives of the Remuneration System

The Company has set the objectives of its executive remuneration system as shown below, taking into account business administration as a united Group toward achievement of the Group's long-term vision and enhancement and reinforcement of corporate governance.

Objectives of the executive remuneration system (established in 2011)

1. Provide remuneration levels that make it possible to internally and externally recruit, motivate, and retain outstanding human capital
2. Provide motivation for short-term and medium- to long-term management goals
3. Enable appropriate rewards for produced results
4. Satisfy a sense of mission through the sharing of responsibility for results with shareholders
5. Guarantee fairness and rationality that can ensure the fulfilment of accountability to shareholders and other stakeholders

● Composition of remuneration

Remuneration paid to directors excluding outside directors comprises basic remuneration, which is fixed remuneration according to the position and duties, performance-linked remuneration as a short-term incentive based on corporate and individual performance for the previous consolidated fiscal year, and share remuneration as a medium- to long-term incentive linked to the result of the Meiji ROESG® and the Company' share price trend. Basic remuneration and performance-linked remuneration are paid in cash, while share remuneration is provided by allotting shares with transfer restrictions.

Category		Outline
Fixed remuneration	Basic remuneration	・Determined according to the position ・A director allowance is paid as remuneration for work overseeing business execution. ・Paid as monthly remuneration
Variable remuneration	Performance-linked remuneration	・The amount of payment fluctuates every year according to corporate and individual performance. ・Consolidated operating profit and ROIC are used as indicators for corporate performance. ・The achievement rate of a single fiscal year budget and the achievement rate of medium- and long-term targets are assessed for corporate performance to encourage the achievement of not just single fiscal year budget but medium- and long-term targets. ・The calculated amount is divided by the number of months of the term of office and paid as monthly remuneration.
	Share remuneration	・Shares with transfer restrictions of three years are allotted. The amount of monetary remuneration claims to be granted by the Company in order to allot transfer restricted shares fluctuates each year in accordance with the Meiji ROESG® results. ・Granted each year during a certain period after the completion of the General Meeting of Shareholders

Only basic remuneration is paid to outside directors and Audit & Supervisory Board members from the perspective of their roles and independency.

● Remuneration levels

The remuneration levels of directors are determined by referring to the benchmarks below in an effort to provide remuneration levels that make it possible to internally and externally recruit, motivate, and retain outstanding human capital

<Benchmarks for remuneration>

・The levels of major Japanese companies based on data provided by external research companies
・The levels of major manufacturers that are similar to the Company in terms of scale and business type and conditions

● Remuneration composition ratio

To provide incentives for improved corporate performance and promote the sharing of interests with shareholders and other stakeholders, the Company has set the ratio of fixed remuneration (basic remuneration) to variable remuneration (performance-linked remuneration and share remuneration) in the amount of remuneration at the time of achievement of medium- and long-term targets (“Target Base Amount”) at approximately 5:5. Specifically, the Company applies a higher rate of variable remuneration as the rank and position of the executive increases, setting ratios of 49% to 43% for fixed remuneration and 57% to 51% for variable remuneration.

● Remuneration Governance

<Method of determining remuneration>

The Board of Directors determines the details of the director remuneration system, corporate and individual performance evaluation results, and the amounts of calculated remuneration, after securing the opinion of the Compensation Committee, the majority of whose members are independent outside directors. However, parts excluding individual performance are determined by the Board of Directors.

With regard to remuneration paid to executive officers in the current fiscal year, discussions were held at the Compensation Committee meeting held on June 12, 2023 concerning the amount of remuneration for each individual based on the corporate and individual performance evaluation results in accordance with the remuneration system. As it is most appropriate for the CEO, President and Representative Director, who oversees all business execution, to conduct individual performance evaluations for directors (excluding outside directors), a resolution was adopted at the Board of Directors meeting held on June 29, 2023 specifying that CEO, President and Representative Director Kazuo Kawamura shall decide the amount of remuneration for each individual, as well as the results of individual performance, based on the results of deliberations by the Compensation Committee.

The amount of remuneration for each individual, as well as the results of individual performance, is determined by the CEO, President and Representative Director based on the opinion of the Compensation Committee so that the authority delegated by the Board of Directors to the CEO, President and Representative Director is exercised appropriately.

The amount of remuneration for Audit & Supervisory Board Members is determined through consultation with the members concerned, and the amount will be within the limit resolved by the General Meeting of Shareholders.

<Members of the Compensation Committee and their attendance>

Name	Title	Attendance
Kazuo Kawamura	CEO, President and Representative Director	4 of 4 meetings
Mariko Matsumura	Outside director	4 of 4 meetings
Masaya Kawata	Outside director	4 of 4 meetings
Michiko Kuboyama	Outside director	4 of 4 meetings
Peter D. Pedersen	Outside director	4 of 4 meetings

<Activities of the Compensation Committee>

Meeting date	Details of deliberations
February 2, 2023	Verification of executive remuneration levels
April 13, 2023	Policy to address various issues in relation to executive remuneration
June 2, 2023	Policies regarding the determination of compensation for Directors and executive officers
June 12, 2023	The amount of remuneration of each individual in FY2023 based on corporate and individual performance evaluation results in accordance with the executive remuneration system

<Reason for the Board of Directors’ determination that remuneration for the current fiscal year is in line with policy on determination of remuneration>

The amount of remuneration for the Company’s directors was discussed by the Compensation Committee, the majority of whose members are independent outside directors, from an objective point of view, and the details of such deliberations were reported to the Board of Directors. The amount of remuneration for each individual, as well as the results of individual performance, was determined by the CEO, President and Representative Director based on the opinion of the Compensation Committee, and the Company thus determined that the amounts are in line with the policy on the determination of remuneration.

<Method of remuneration adjustment after determination of performance or evaluation>

Due to corporate performance or other reasons, the amount of performance-linked remuneration for each director may be adjusted as needed based on a resolution of the Board of Directors after consulting the Compensation Committee and receiving its opinion.

b. Matters Related to Performance-Linked Remuneration, Etc.

● Objective

Performance-linked remuneration has been established to encourage commitment to the Meiji Group 2026 Vision and key indicators under the Medium-Term Business Plan and provide motivation for improved performance.

● Performance indicator

The Company uses consolidated operating profit and ROIC as indicators for corporate performance to encourage commitment to the expansion of operating profit in light of capital productivity that is set out in the 2023 Medium-Term Business Plan. Individual performance is also added to the evaluation items for executive officers excluding the CEO, President and Representative Director, and COO, Member of the Board.

● Evaluation method

Corporate performance is evaluated through fiscal year target evaluation, which measures the level of achievement of single fiscal year budgets for consolidated operating profit and ROIC, and medium- and long-term target evaluation, which measures the level of achievement of medium- and long-term targets for consolidated operating profit.

● Payment amount calculation method

Payment amounts are calculated by multiplying the base amount by a coefficient calculated as detailed below.

Performance indicator	Evaluation method	Indicator	Coefficient calculation method
Corporate performance	Fiscal year target evaluation	Consolidated operating profit	・ Achievement of fiscal year target represents 100%. The coefficient varies between 0% and 200% based on the rate of achievement (50% to 150%) for the fiscal year target.
		ROIC	・ Achievement of fiscal year target represents 100%. The coefficient varies between 0% and 200% based on the rate of achievement, with the lower and upper limits set at the values equivalent to 50% and 150%, respectively, of the fiscal year target. ・ Regardless of the level of achievement for the fiscal year target, the coefficient is reduced by half if earnings are less than capital costs.
	Medium- and long-term target evaluation	Consolidated operating profit	・ Achievement of medium- and long-term targets represents 100%. The coefficient varies between 0% and 100% based on the rate of achievement in medium- and long-term performance targets. ・ The coefficient is increased further when performance exceeding medium- and long-term targets is achieved. However, the upper limit of the coefficient shall be 200%.
Individual performance			・ The coefficient varies between 0% and 200% based on a seven-tier evaluation of individual performance, which is determined through comprehensive assessment by the CEO, President and Representative Director. ・ Individual performance is not evaluated for the CEO, President and Representative Director, and COO, Member of the Board.

● Results for the current fiscal year

The actual and target amounts used for the calculation of performance-linked remuneration paid for the current fiscal year are as follows.

		Actual amount (FY2022)	Target amount
Fiscal year target evaluation	Consolidated operating profit (100 millions of yen)	754	915
	ROIC (%)	6.3	8.0
Medium- and long-term target evaluation	Consolidated operating profit (100 millions of yen)	754	1,300

c. Matters Related to Non-Monetary Remuneration, etc.

● Objective

Non-monetary remuneration has been introduced to provide incentives to improve the corporate value of the Meiji Group and promote the sharing of interests with shareholders and other stakeholders.

● Scheme

Transfer restricted shares with transfer restrictions of three years are provided. The amount of monetary remuneration claims to be granted by the Company in order to allot transfer restricted shares fluctuates every year according to the results of the Meiji ROESG® in the previous fiscal year.

● Performance indicator

The Company sets Meiji ROESG®, which is calculated based on ROE figures and the results of ESG initiatives, as a performance indictor.

● Payment amount calculation method

Payment amounts are calculated by multiplying the base amount by a coefficient calculated as detailed below.

- Meiji ROESG® is calculated by multiplying ROE by ESG benchmarks, with the coefficient being 100% at the time of achieving 13 pt, the target set for the period of the 2023 Medium-Term Business Plan. Only for the fiscal year ended March 2024, the final fiscal year of the Plan, 1 pt will be added to Meiji ROESG® for the achievement of each item of the ESG targets (unique to Meiji).
- The minimum is set as 9 pt, which is the actual figure for the Meiji ROESG®, and the maximum is 17 pt. The coefficient fluctuates between 50% and 150% depending on the actual ROESG® figure.
- No share remuneration will be allocated if the Meiji ROESG® is lower than 5 pt for two consecutive years.

● Outline of Share Remuneration System

The share remuneration system seeks to provide incentives to improve the corporate performance of the Meiji Group and promote the sharing of interests with shareholders and other stakeholders.

Under the share remuneration system, eligible directors contribute, as investment in kind, all of the monetary remuneration claims granted by the Company in order to allot transfer restricted shares, and purchase ordinary shares in the Company newly issued or disposed of by the Company (“Allotted Shares”). The total number of Allotted Shares to be newly issued or disposed of by the Company under the share remuneration system is be 40,000 shares or less per year, and the paid-in amount per Allotted Share is an amount not advantageous to the eligible directors that is set by the Board of Directors based on the closing price of the Company’s ordinary shares on the Tokyo Stock Exchange on the trading day prior to the date of a board resolution in relation to this matter (if the transaction is not completed on the same day, the closing price on the most recent trading day prior to that day).

Moreover, when issuing or disposing of Allotted Shares under the share remuneration system, a transfer restricted share allotment agreement (“Allotment Agreement”) is concluded between the Company and the eligible directors. Such agreements include the following provisions: (1) the eligible directors shall not transfer, establish security interests in, or otherwise dispose of Allotted Shares allotted to them under the Allotment Agreement for a certain period (“transfer restrictions”); (2) the Company shall duly acquire, without consideration, all of the Allotted Shares upon the occurrence of certain events; and (3) certain events shall be the conditions for lifting transfer restrictions on Allotted Shares.

A transfer restricted share remuneration system similar to the share remuneration system has also been introduced for the executive officers of the Company and the directors and executive officers of the Company's subsidiaries, Meiji Co., Ltd. and Meiji Seika Pharma Co., Ltd.

● Outline of the Allotment Agreement

<Period of transfer restriction>

The period of transfer restriction is at least three years from the day Allotted Shares are granted and is designated by the Board of Directors in advance. During this period, the eligible directors may not transfer the Allotted Shares granted to them.

<Handling at time of loss of position>

When an eligible director loses any of his/her positions as director or executive officer of the Company or a subsidiary of the Company before the expiration of the transfer restriction period, the Company shall duly acquire, without consideration, all of the Allotted Shares granted to the director upon the loss of position, except in the case of the expiration of his/her term of office, death, or when there is any other reason deemed justifiable by the Company's Board of Directors.

<Lifting of transfer restriction, etc.>

The Company shall lift transfer restriction on all of the Allotted Shares granted to an eligible director upon the expiration of the transfer restriction period, provided that the director continuously held the position of director or executive officer of the Company or a subsidiary of the Company during the period of transfer restriction. When an eligible director loses any of his/her positions as director or executive officer of the Company or a subsidiary of the Company before the expiration of the period of transfer restriction due to the expiration of his/her term of office, death, or any other reason deemed justifiable by the Company's Board of Directors, immediately after the time of such loss of position, transfer restrictions on Allotted Shares shall be lifted for the number of shares calculated by dividing the number of months from the month which includes the date upon which the eligible director was appointed to the month when any of the position was lost by 12 (provided, however, that the number shall be one when the calculated number exceeds one), multiplied by the number of Allotted Shares (provided, however, that fractions of less than one share arising from the calculation shall be rounded up). In the cases specified above, the Company shall also duly acquire, without consideration, all of the Allotted Shares on which transfer restrictions have not been lifted as of the time immediately after the lifting of transfer restriction.

<Provision on management of Allotted Shares>

The eligible directors shall open a dedicated account with Daiwa Securities Co. Ltd. in the manner designated by the Company for the statement and recording of Allotted Shares, and store and maintain all of the Allotted Shares in the dedicated account until transfer restrictions are lifted.

<Handling in organizational realignment, etc.>

In the event that a merger agreement where the Company becomes the dissolved company, a share exchange agreement or share transfer plan where the Company becomes a wholly-owned subsidiary, or any other matter related to organizational realignment, etc. is approved by the Company's General Meeting of Shareholders (provided, however, that if the organizational realignment, etc. does not require approval at the Company's General Meeting of Shareholders, the Company's Board of Directors meeting) during the transfer restriction period, the Company shall make reasonable adjustments as prescribed to the number of Allotted Shares on which transfer restrictions are lifted and the timing of the lifting of transfer restrictions. In the cases specified above, the Company shall also duly acquire, without consideration, all of the Allotted Shares on which transfer restrictions have not been lifted as of the time immediately after the lifting of transfer restrictions.

● Results for the current fiscal year

The actual and target amounts used for the calculation of share remuneration paid in the current fiscal year are as follows.

	Actual amount (FY2022)	Target amount
Meiji ROESG® (pt)	13.8	13.0

d. Total amount of remuneration by officer category and by remuneration type, and number of eligible officers

Officer category	Total amount of remuneration (Millions of yen)	Total amount by remuneration type (Millions of yen) and number of eligible officers					
		Monetary remuneration				Non-monetary remuneration	
		Basic remuneration		Performance-linked remuneration		Share remuneration	
		Total amount	Number of eligible officers	Total amount	Number of eligible officers	Total amount	Number of eligible officers
Directors excluding outside directors	251	139	5	54	3	57	3
Audit & Supervisory Board Members excluding outside Audit & Supervisory Board Members	62	62	2	-	-	-	-
Outside directors	68	68	4	-	-	-	-
Outside Audit & Supervisory Board Members	29	29	2	-	-	-	-
Total	410	299	13	54	3	57	3

(Notes)
1. As per the resolution of the 1st Ordinary General Meeting of Shareholders held on June 29, 2010, the amount of remuneration for directors is capped at JPY 1 billion per year (not including the employee portion of remuneration for directors who concurrently serve as employees). The number of directors as of the conclusion of the Ordinary General Meeting of Shareholders is 10.
2. As per the resolution of the 1st Ordinary General Meeting of Shareholders held on June 29, 2010, the amount of remuneration for Audit & Supervisory Board Members is capped at JPY 300 million per year. The number of Audit & Supervisory Board Members as of the conclusion of the Ordinary General Meeting of Shareholders is four.
3. The Company introduced a transfer restricted share remuneration system for directors other than outside directors. As per the resolution of the 8th Ordinary General Meeting of Shareholders held on June 29, 2017, the amount of remuneration under this plan is capped at JPY 200 million per year, aside from the amount of remuneration stated above, with the number of shares capped at 20,000 shares per year (changed to 40,000 shares per year due to the two-for-one share split conducted on April 1, 2023). The number of directors (excluding outside directors) as of the conclusion of the Ordinary General Meeting of Shareholders is seven.
4. The amount for share remuneration indicates the amount appropriated during the current fiscal year (recorded in expenses).

e. Total amount of consolidated remuneration of those with total consolidated remuneration of JPY 100 million or higher

Name	Officer category	Company	Remuneration type (Millions of yen)			Total consolidated remuneration (Millions of yen)
			Monetary remuneration		Non-monetary remuneration	
			Basic remuneration	Performance-linked remuneration	Share remuneration	
Kazuo Kawamura	Directors	Reporting company	54	25	31	139
	Directors	Meiji Co., Ltd.	13	-	-	
	Directors	Meiji Seika Pharma Co., Ltd.	13	-	-	
Katsunari Matsuda	Directors	Reporting company	11	-	-	110
	Directors	Meiji Co., Ltd.	59	14	25	

(ii) Outline of Executive Remuneration System for FY2024

a. Revision of the executive remuneration system

● Background of the revision

As the 2026 Medium-Term Business Plan for three years from FY2024 to FY2026 is started, the Company is revising the executive remuneration system as below, based on the objectives of the executive remuneration system mentioned earlier, from the perspective of encouraging commitment to important indicators of the 2026 Medium-Term Business Plan.

● Procedures for the revision

The new executive remuneration system was proposed to the Board of Directors on June 4, 2024, after multiple discussions within the Compensation Committee, which is comprised of a majority of independent outside directors. The Board of Directors then resolved to implement the new system.

<Activities of the Compensation Committee>

Meeting date	Details of deliberations
October 4, 2023	Revision policy for the executive remuneration system
November 30, 2023	Basic design of the executive remuneration system
April 15, 2024	Detailed design of the executive remuneration system
May 29, 2024	Policy for determining the executive remuneration system, Regulations for director and executive officer remuneration

● Summary of the revision

The performance-linked remuneration and share remuneration have been revised in light of the objectives of the executive remuneration system. The details of these revisions are outlined in the following sections.

b. Details of Performance-Linked Remuneration

● Summary of the revision

To ensure the achievement of the 2026 Medium-Term Business Plan, we have standardized on fiscal year target evaluation, thereby clarifying the incentives for achieving fiscal year budget targets.

● Payment amount calculation method

Payment amounts are calculated by multiplying the base amount by a coefficient calculated as detailed below.

Performance indicator	Indicators	Coefficient calculation method
Corporate performance (Fiscal year target evaluation)	Consolidated operating profit	・ Achievement of fiscal year target represents 100%. The coefficient varies between 0% and 200% based on the rate of achievement (50% to 150%) for the fiscal year target.
	ROIC	・ Achievement of fiscal year target represents 100%. The coefficient varies between 0% and 200% based on the rate of achievement, with the lower and upper limits set at the values equivalent to 50% and 150%, respectively, of the fiscal year target. ・ Regardless of the level of achievement for the fiscal year target, the coefficient is reduced by half if earnings are less than capital costs.
Individual performance		・ The coefficient varies between 0% and 200% based on a seven-tier evaluation of individual performance, which is determined through comprehensive assessment by the CEO, President and Representative Director. ・ Individual performance is not evaluated for the CEO, President and Representative Director, and COO, Member of the Board.

c. Details of Share Remuneration

● Summary of the revision

Following on from the 2023 Medium-Term Business Plan, the 2026 Medium-Term Business Plan sets Meiji ROESG® as the top management priority, aiming to achieve value creation where sustainability leads to business and financial value. In line with this, we have set target values for the 2026 Medium-Term Business Plan, making changes to formulas with a strong focus on the integration of sustainability with business. Consequently, we have reviewed the target values and evaluation methods for share remuneration. Regarding the transfer restriction period and other conditions, there have been no changes from the 2023 executive remuneration system.

● Payment amount calculation method

Payment amounts are calculated by multiplying the base amount by a coefficient calculated as detailed below.

- We will set the Meiji ROESG®, calculated by multiplying ROE by the ESG indicators (external evaluation, business and financial value), as a performance indicator.
- The coefficient is 100% when the Meiji ROESG® of 9.8 points, a target for the period of the 2026 Medium-Term Business Plan, is achieved.
- The minimum is set as 5.8 pt, which is the actual figure for the Meiji ROESG®, and the maximum is 13.8 pt. The coefficient fluctuates between 50% and 150% depending on the actual ROESG® figure.
- No share remuneration will be allocated if the Meiji ROESG® is lower than 5 pt for two consecutive years.

(5) Shareholdings

1) Criteria and concepts for categories of investment shares

The Company classifies investment shares held exclusively for the purpose of receiving benefits from changes in the value of shares or dividends on the shares as investment shares for pure investment purposes and other investment shares as investment shares held for purposes other than pure investment.

2) Shareholdings in the reporting company

Among the Company and its consolidated subsidiaries, shareholdings in the Company, which is the company with the largest amount of investment shares on its balance sheet (investment shares book value) (largest holding company), are as follows.

a. Investment shares held for purposes other than pure investment

(i) Methods for verifying holding policies and the rationality of holding and details of verification by the Board of Directors regarding the appropriateness of holding individual issues.

The Company holds shares when we believe such holdings will (i) facilitate the Group’s financial operations, (ii) strengthen relationships with Group companies, (iii) strengthen the Group’s transactional relationships, or (iv) be reasonable in light of our responsibility to shareholders. The Board of Directors conducts a detailed annual review of all the issues held, including the purpose for holding, the trading status, mid- to-long term perspective, and dividend amounts, and determines whether the Company should continue the holdings or reduce them by selling.

After the significance of cross-shareholding was reviewed at the Board of Directors meeting in September 2023, the Company sold nine issues in its entirety and partially sold nine issues in the current fiscal year with the objective of reducing cross-shareholdings under the Corporate Governance Code.

In addition, the Group had a policy to reduce cross-shareholdings by 30% from the end of fiscal year 2020 on a book value basis during the 2023 Medium-Term Business Plan period (from fiscal year ended March 31, 2022 to fiscal year ended March 31, 2024). In fiscal year 2023, which is the third year of the 2023 Medium-Term Business Plan, cross-shareholdings were reduced by about 20.2% on a book value basis, amounting to a cumulative reduction of about 41.6% on a book value in three years. The total amount of cross-shareholdings recorded on the balance sheet at the end of March 2024 became about 5.1% of the consolidated net assets.

The Group has a policy to maintain the total amount of cross-shareholdings recorded on the balance sheet less than 5% of consolidated net assets during the 2026 Medium-Term Business Plan period (from fiscal year ending March 31, 2025 to fiscal year ending March 31, 2027).

(ii) Number of issues and the amount recorded on the balance sheet

	Number of issues	Total amount recorded in balance sheets (Millions of yen)
Shares not listed	4	692
Shares other than those not listed	18	27,391

(Issues whose holdings increased during the current fiscal year)

	Number of issues	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in number of shares
Shares not listed	2	592	・ Promotion of efforts for dairy farming DX and demonstration with the aim of sustainable dairy farming. ・ Procurement of raw materials and co-creation of products utilizing cellular agriculture technology.
Shares other than those not listed	-	-	-

(Issues whose holdings decreased in the current fiscal year)

	Number of issues	Total amount sold due to decrease in number of shares held (Millions of yen)
Shares not listed	-	-
Shares other than those not listed	18	14,367

(iii) Information on the issues, the number of shares, and the amount of specified investment securities and deemed shareholdings recorded in the balance sheets

Specified investment securities

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, summary of business partnership, etc., quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji's shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Kikkoman Corporation	3,870,000	1,238,400	Shares are held to strengthen the relationship with Group companies, as there are transactions such as sales of commercial use products in the Food Segment. The increase in the number of shares is due to the company's share split.	Yes
	7,620	8,346		
Ono Pharmaceutical Co., Ltd.	1,026,600	1,209,900	Shares are held to strengthen the relationship with Group companies, as there are contracts such as development and sales of medical-use pharmaceuticals in the Pharmaceutical Segment.	None
	2,519	3,344		
Yakult Honsha Co., Ltd.	743,680	531,200	Shares are held to strengthen the relationship with Group companies, as there are transactions such as sales of commercial use products in the Food Segment. The increase in the number of shares is due to the company's share split.	Yes
	2,319	5,115		
Toyo Suisan Kaisha, Ltd.	232,000	232,000	Shares are held to strengthen the relationship with Group companies, as there are transactions such as sales of commercial use products in the Food Segment.	Yes
	2,198	1,287		
Nisshin Seifun Group Inc.	1,045,220	1,045,220	Shares are held to strengthen the relationship with Group companies, as there are transactions such as sales of commercial use products in the Food Segment.	Yes
	2,194	1,621		
Nippon Beet Sugar Manufacturing Co., Ltd.	993,845	993,845	Shares are held to strengthen the relationship with Group companies, as there are transactions such as the procurement of raw materials in the Food Segment.	Yes
	2,065	1,659		
ROHTO Pharmaceutical Co., Ltd.	656,200	656,200	Shares are held to strengthen the relationship with Group companies, as there are agreements such as sales collaboration for in-vitro diagnostic pharmaceuticals in the Pharmaceutical Segment.	Yes
	1,946	1,817		
Mizuho Financial Group, Inc.	345,522	655,522	Shares are held to facilitate the Group's financial operations, as it is a financial institution for deposits, loan transactions, etc. of the Group.	Yes
	1,052	1,231		
Kameda Seika Co., Ltd.	246,400	246,400	Shares are held to strengthen the relationship with Group companies, as there are transactions such as sales of commercial use products in the Food Segment.	Yes
	1,052	1,082		

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, summary of business partnership, etc., quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji's shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Rengo Co., Ltd.	786,000	786,000	Shares are held to strengthen the relationship with Group companies, as there are transactions such as procurement of packaging materials.	Yes
	919	675		
NIPPN Corporation	315,900	631,888	Shares are held to strengthen the relationship with Group companies, as there are transactions such as sales of commercial use products in the Food Segment.	Yes
	749	1,048		
Sompo Holdings, Inc.	234,105	78,035	Shares are held to strengthen the Group's transactional relationships, as it is an insurance underwriter of the Group. The increase in the number of shares is due to the company's share split.	Yes
	746	409		
Sumitomo Mitsui Financial Group, Inc.	68,381	192,781	Shares are held to facilitate the Group's financial operations, as it is a financial institution for deposits, loan transactions, etc. of the Group.	Yes
	609	1,021		
Nippon Kayaku Co., Ltd.	414,200	1,221,200	Shares are held to strengthen the relationship with Group companies due to the track record, including the sales, procurement, and joint development of products in the Pharmaceutical Segment.	Yes
	540	1,461		
Mitsubishi UFJ Financial Group, Inc.	254,890	1,151,890	Shares are held to facilitate the Group's financial operations, as it is a financial institution for deposits, loan transactions, etc. of the Group.	Yes
	396	976		
Sumitomo Mitsui Trust Holdings, Inc.	85,558	214,779	Shares are held to facilitate the Group's financial operations, as it is a financial institution for deposits, loan transactions, etc. of the Group.	Yes
	283	975		
Nippi, Incorporated	26,400	26,400	Shares are held to strengthen the relationship with Group companies, as there are transactions such as sourcing of raw materials in the Food Segment.	Yes
	150	100		
ADEKA Corporation	8,000	8,000	Shares are held to strengthen the relationship with Group companies, as there are transactions such as sourcing of raw materials in the Food Segment.	Yes
	25	18		
Daiwa Securities Group Inc.	-	654,000	This company's shares are not held as of March 31, 2024.	Yes
	-	406		

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, summary of business partnership, etc., quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji's shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Resona Holdings, Inc.	-	413,615	This company's shares are not held as of March 31, 2024.	Yes
	-	264		
Shizuoka Financial Group, Inc.	-	222,625	This company's shares are not held as of March 31, 2024.	Yes
	-	211		
Tokio Marine Holdings, Inc.	-	73,290	This company's shares are not held as of March 31, 2024.	Yes
	-	186		
TBS Holdings, Inc.	-	95,500	This company's shares are not held as of March 31, 2024.	Yes
	-	181		
Kajima Corporation	-	73,537	This company's shares are not held as of March 31, 2024.	Yes
	-	117		
Taisei Corporation	-	24,200	This company's shares are not held as of March 31, 2024.	Yes
	-	99		
MS&AD Insurance Group Holdings, Inc.	-	15,750	This company's shares are not held as of March 31, 2024.	Yes
	-	64		
Central Security Patrols Co., Ltd.	-	11,069	This company's shares are not held as of March 31, 2024.	Yes
	-	30		

(Notes) 1. "-" indicates that the relevant issue is not held.
2. While the quantitative effects of shareholding are not disclosed due to confidentiality with our business partners, we consider that there are sufficient quantitative effects based on (i) above.
3. With regard to ownership of the Company's shares, in the case where the issue is the holding company, the number of shares held by its main subsidiaries (the number of shares actually held) is taken into account.

Deemed Shareholdings

Not applicable.

3) Shareholdings in Meiji Co., Ltd.

Among the Company and its consolidated subsidiaries, shareholdings in Meiji Co, Ltd., which is the second largest company following the Company with the largest amount of investment shares on its balance sheet (investment share book value) (largest holding company), is as follows.

a. Investment shares held for purposes other than pure investment

(i) Methods for verifying holding policies and the rationality of holding and details of verification by the Board of Directors regarding the appropriateness of holding individual issues.

Meiji Co., Ltd. also holds shares in accordance with the Company's holding policies. Meanwhile, the Executive Committee of Meiji Co., Ltd. conducts annual reviews of all the issues held in detail, including the purpose for holding, the trading status in the past one year, mid-to-long term perspective, and dividend amounts, and determines whether the company should continue holding them or reduce them by selling.

Following its September 2023 review, the Executive Committee of Meiji Co., Ltd. concluded that the company should continue holding 94 issues.

(ii) Number of issues and the total amount recorded on the balance sheet

	Number of issues (Issue)	Total amount recorded in balance sheets (Millions of yen)
Shares not listed	31	1,712
Shares other than those not listed	56	10,069

(Issues whose holdings increased during the current fiscal year)

	Number of issues (Issue)	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in number of shares
Shares not listed	-	-	-
Shares other than those not listed	-	-	-

(Issues whose holdings decreased in the current fiscal year)

	Number of issues (Issue)	Total amount sold due to decrease in number of shares held (Millions of yen)
Shares not listed	1	50
Shares other than those not listed	11	16,564

(iii) Information on the issues, the number of shares, and the amount of specified investment securities and deemed shareholdings recorded in the balance sheets

Specified investment securities

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, summary of business partnership, etc., quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji Co., Ltd.'s shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Shoei Foods Corporation	428,789	428,789	Shares are held to strengthen the Company's transactional relationships, as it is a customer and a supplier in the Food Segment.	None
	2,017	1,730		
Seven & i Holdings Co., Ltd.	793,089	264,363	Shares are held to strengthen the Company's transactional relationships, as it is a customer in the Food Segment. The increase in the number of shares is due to the company's share split.	None
	1,749	1,579		

Issue	Current fiscal year Number of shares Book value (Millions of yen)	Previous fiscal year Number of shares Book value (Millions of yen)	Purpose of shareholding, summary of business partnership, etc., quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji Co., Ltd.'s shares
AEON Co., Ltd.	382,062 1,373	382,062 980	Shares are held to strengthen the Company's transactional relationships, as it is a customer in the Food Segment.	None
ZENSHO HOLDINGS CO., LTD.	80,000 515	80,000 314	Shares are held to strengthen the Company's transactional relationships, as it is a customer in the Food Segment.	None
Lacto Japan Co., Ltd.	140,000 333	180,000 367	Shares are held to strengthen the Company's transactional relationships, as it is a supplier in the Food Segment.	None
Ohki Healthcare Holdings Co., Ltd.	318,607 315	* *	Shares are held to strengthen the Company's transactional relationships, as it is a customer in the Food Segment.	None
Kato Sangyo Co., Ltd.	65,404 299	* *	Shares are held to strengthen the Company's transactional relationships, as it is a customer in the Food Segment.	None
Mitsubishi Shokuhin Co., Ltd.	52,800 296	* *	Shares are held to strengthen the Company's transactional relationships, as it is a customer in the Food Segment.	None
Taiyo Kagaku Co., Ltd.	160,600 251	* *	Shares are held to strengthen the Company's transactional relationships, as it is a supplier in the Food Segment.	None
Maruichi Co., Ltd.	196,752 242	* *	Shares are held to strengthen the Company's transactional relationships, as it is a customer in the Food Segment.	None
Oriental Land Co., Ltd.	- -	575,000 13,018	This company's shares are not held as of March 31, 2024.	None
Inageya Co., Ltd.	* *	382,720 491	Shares are held to strengthen the Company's transactional relationships, as it is a customer in the Food Segment.	None
TOPPAN Holdings Inc.	- -	135,654 361	This company's shares are not held as of March 31, 2024.	None

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, summary of business partnership, etc., quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji Co., Ltd.'s shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Dai Nippon Printing Co., Ltd.	-	90,248	This company's shares are not held as of March 31, 2024.	None
	-	334		
NOF Corporation	-	50,000	This company's shares are not held as of March 31, 2024.	None
	-	308		

(Notes) 1. While the quantitative effects of shareholding are not disclosed due to confidentiality with our business partners, we consider that there are sufficient quantitative effects based on (i) above.
2. "-" indicates that the relevant issue is not held. "*" indicates that the amount recorded on the balance sheet for the relevant issue is less than one-hundredth of the capital of the Company and that the description is omitted because they do not fall under the 10 largest issues in descending order of balance sheet amount.

Deemed Shareholdings

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, summary of business partnership, etc., quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji Co., Ltd.'s shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Mizuho Financial Group, Inc.	1,613,610	1,613,610	Has the right to give instructions regarding the exercise of voting rights.	None
	4,915	3,030		
Mitsubishi UFJ Financial Group, Inc.	3,475,400	3,475,400	Has the right to give instructions regarding the exercise of voting rights.	None
	5,411	2,946		
Sumitomo Mitsui Trust Holdings, Inc.	76,500	76,500	Has the right to give instructions regarding the exercise of voting rights.	None
	506	347		

(Note) While the quantitative effects of shareholding are not disclosed due to confidentiality with our business partners, we consider that there are sufficient quantitative effects based on (i) above.

5. Financial Information

1. Basis of preparation of consolidated and non-consolidated financial statements

(1) The Company's consolidated financial statements are prepared in accordance with the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28).

(2) The non-consolidated financial statements of the Company are prepared in accordance with the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements (Ordinance of the Ministry of Finance No. 59; referred to as the "Rules Concerning Financial Statements").

In addition, the Company is a special company submitting financial statements, and its financial statements are prepared in accordance with Article 127 of the Rules Concerning Financial Statements.

2. Note on independent audit

The Company's consolidated and non-consolidated financial statements for the most recent fiscal year (from April 1, 2023 to March 31, 2024) were audited by Ernst & Young ShinNihon LLC pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Remarkable efforts to ensure fair presentation of consolidated financial statements

The Company is making efforts to ensure fair presentation of consolidated financial statements. More specifically, for example, the Company is a member of the Financial Accounting Standards Foundation and takes part in the trainings provided by the foundation in order to properly understand the details of accounting standard and establish systems to respond to the changes in accounting standard in a timely and appropriate manner.

1. Consolidated financial statements, etc.

(1) Consolidated financial statements

1) Consolidated balance sheet

(Millions of yen)

		As of March 31, 2023		As of March 31, 2024
Assets				
Current assets				
Cash and deposits	*3	63,519	*3	106,858
Notes and accounts receivable - trade	*1	173,001	*1, *8	202,239
Merchandise and finished goods		120,779		118,935
Work in process		5,371		5,151
Raw materials and supplies		73,405		75,282
Other		34,917		54,775
Allowance for doubtful accounts		-73		-214
Total current assets		470,919		563,029
Non-current assets				
Property, plant and equipment				
Buildings and structures		357,771		374,779
Accumulated depreciation		-175,987		-179,872
Buildings and structures, net	*3, *4	181,783	*3, *4	194,906
Machinery, equipment and vehicles		579,612		587,583
Accumulated depreciation		-414,059		-424,537
Machinery, equipment and vehicles, net	*3, *4	165,552	*3, *4	163,046
Tools, furniture and fixtures		59,450		59,001
Accumulated depreciation		-46,731		-46,510
Tools, furniture and fixtures, net	*4	12,718	*4	12,490
Land	*3	69,486	*3	77,040
Leased assets		2,522		2,981
Accumulated depreciation		-1,932		-2,050
Leased assets, net		590		931
Construction in progress		57,623		32,090
Total property, plant and equipment		487,755		480,507
Intangible assets		21,496		20,998
Investments and other assets				
Investment securities	*2	112,649	*2	87,935
Retirement benefit asset		21,733		29,076
Deferred tax assets		14,412		16,069
Other		7,313		7,746
Allowance for doubtful accounts		-63		-74
Total investments and other assets		156,046		140,753
Total non-current assets		665,298		642,259
Total assets		1,136,217		1,205,288

(Millions of yen)

		As of March 31, 2023		As of March 31, 2024
Liabilities				
Current liabilities				
Notes and accounts payable - trade		112,312	*8	127,348
Short-term borrowings	*3	4,874	*3	22,330
Current portion of bonds payable		10,000		-
Accrued expenses		34,994		37,377
Income taxes payable		11,299		17,122
Contract liabilities		870		353
Refund liabilities		18,052		17,876
Provision for bonuses		11,375		11,461
Other		62,478		88,475
Total current liabilities		266,258		322,345
Non-current liabilities				
Bonds payable		10,000		10,000
Long-term borrowings	*3	39,496	*3	17,596
Deferred tax liabilities		5,497		4,754
Retirement benefit liability		56,255		54,384
Provision for retirement benefits for directors (and other officers)		76		87
Other		7,322		8,326
Total non-current liabilities		118,647		95,149
Total liabilities		384,905		417,494
Net assets				
Shareholders’ equity				
Share capital		30,000		30,000
Capital surplus		80,609		72,410
Retained earnings		602,042		626,158
Treasury shares		-47,502		-38,236
Total shareholders’ equity		665,149		690,332
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		31,598		21,722
Deferred gains or losses on hedges		11		78
Foreign currency translation adjustment		17,870		30,517
Remeasurements of defined benefit plans		-2,713		3,880
Total accumulated other comprehensive income		46,767		56,200
Non-controlling interests		39,394		41,261
Total net assets		751,311		787,793
Total liabilities and net assets		1,136,217		1,205,288

2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

		For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024
Net sales	*1	1,062,157	*1	1,105,494
Cost of sales	*3	755,354	*3	778,149
Gross profit		306,802		327,345
Selling, general and administrative expenses	*2, *3	231,368	*2, *3	243,023
Operating profit		75,433		84,322
Non-operating income				
Interest income		390		488
Dividend income		1,472		1,322
Foreign exchange gains		785		291
Other		1,952		1,934
Total non-operating income		4,601		4,037
Non-operating expenses				
Interest expenses		462		367
Share of loss of entities accounted for using equity method		2,186		8,642
Business commencement expenses		1,312		1,467
Other		1,913		1,861
Total non-operating expenses		5,875		12,338
Ordinary profit		74,160		76,020
Extraordinary income				
Gain on sale of non-current assets	*4	18,267	*4	3,738
Gain on sale of investment securities		8,052		28,917
Gain on sale of shares of subsidiaries and associates		1,068		2,720
Subsidy income		454		551
Other		1,767		15
Total extraordinary income		29,611		35,942
Extraordinary losses				
Loss on abandonment of non-current assets	*5	4,096	*5	4,336
Loss on tax purpose reduction entry of non-current assets		445		551
Impairment losses	*6	257	*6	15,524
Compensation expenses		-	*7	2,923
Other		3,560		1,120
Total extraordinary losses		8,360		24,456
Profit before income taxes		95,410		87,507
Income taxes - current		29,729		35,422
Income taxes - deferred		-5,817		-1,630
Total income taxes		23,912		33,792
Profit		71,498		53,715
Profit attributable to non-controlling interests		2,073		3,040
Profit attributable to owners of parent		69,424		50,675

Consolidated statement of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	71,498	53,715
Other comprehensive income		
Valuation difference on available-for-sale securities	-4,726	-9,865
Deferred gains or losses on hedges	-64	69
Foreign currency translation adjustment	5,854	10,574
Remeasurements of defined benefit plans, net of tax	798	6,768
Share of other comprehensive income of entities accounted for using equity method	4,309	2,138
Total other comprehensive income	* 6,171	* 9,686
Comprehensive income	77,669	63,401
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	75,729	60,107
Comprehensive income attributable to non-controlling interests	1,940	3,293

3) Consolidated Statement of changes net assets

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,000	80,503	560,238	-37,868	632,873
Changes during period					
Dividends of surplus			-24,649		-24,649
Profit attributable to owners of parent			69,424		69,424
Purchase of treasury shares				-10,015	-10,015
Disposal of treasury shares		138		381	520
Change in share of other comprehensive income of entities accounted for using equity method			-2,970		-2,970
Change in ownership interest of parent due to transactions with non-controlling interests		-32			-32
Net changes in items other than shareholders' equity					
Total changes during period	-	105	41,804	-9,634	32,275
Balance at end of period	30,000	80,609	602,042	-47,502	665,149

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	36,347	73	7,673	-3,631	40,462	39,684	713,021
Changes during period							
Dividends of surplus							-24,649
Profit attributable to owners of parent							69,424
Purchase of treasury shares							-10,015
Disposal of treasury shares							520
Change in share of other comprehensive income of entities accounted for using equity method							-2,970
Change in ownership interest of parent due to transactions with non-controlling interests							-32
Net changes in items other than shareholders' equity	-4,749	-61	10,197	918	6,305	-290	6,014
Total changes during period	-4,749	-61	10,197	918	6,305	-290	38,290
Balance at end of period	31,598	11	17,870	-2,713	46,767	39,394	751,311

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,000	80,609	602,042	-47,502	665,149
Changes during period					
Dividends of surplus			-26,499		-26,499
Profit attributable to owners of parent			50,675		50,675
Purchase of treasury shares				-15	-15
Disposal of treasury shares		217		865	1,083
Cancellation of treasury shares		-8,416		8,416	-
Change in scope of consolidation			-59		-59
Net changes in items other than shareholders' equity					
Total changes during period	-	-8,199	24,115	9,266	25,182
Balance at end of period	30,000	72,410	626,158	-38,236	690,332

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	31,598	11	17,870	-2,713	46,767	39,394	751,311
Changes during period							
Dividends of surplus							-26,499
Profit attributable to owners of parent							50,675
Purchase of treasury shares							-15
Disposal of treasury shares							1,083
Cancellation of treasury shares							-
Change in scope of consolidation							-59
Net changes in items other than shareholders' equity	-9,875	66	12,646	6,594	9,432	1,866	11,299
Total changes during period	-9,875	66	12,646	6,594	9,432	1,866	36,481
Balance at end of period	21,722	78	30,517	3,880	56,200	41,261	787,793

4) Consolidated statement of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	95,410	87,507
Depreciation	53,575	55,317
Impairment losses	257	15,524
Amortization of goodwill	15	11
Loss on retirement of property, plant and equipment	4,086	4,331
Increase (decrease) in allowance for doubtful accounts	-16	143
Increase (decrease) in provision for bonuses	-314	175
Increase (decrease) in retirement benefit liability	3,489	624
Interest and dividend income	-1,863	-1,810
Interest expenses	462	367
Business restructuring expenses	3,034	-
Share of loss (profit) of entities accounted for using equity method	2,186	8,642
Loss (gain) on sale of property, plant and equipment	-18,143	-3,383
Loss on tax purpose reduction entry of non-current assets	445	551
Loss (gain) on sale of investment securities	-8,038	-28,916
Loss (gain) on sale of shares of subsidiaries and associates	-1,067	-2,218
Decrease (increase) in trade receivables	-5,100	-27,784
Decrease (increase) in inventories	-13,721	1,959
Increase (decrease) in contract liabilities	-5,062	-532
Increase (decrease) in trade payables	9,611	13,194
Other, net	3,472	7,442
Subtotal	122,721	131,147
Interest and dividends received	2,944	2,018
Interest paid	-439	-405
Business restructuring expenses	-2,902	-
Income taxes paid	-37,311	-24,776
Net cash provided by (used in) operating activities	85,013	107,983
Cash flows from investing activities		
Purchase of property, plant and equipment	-68,811	-50,023
Purchase of intangible assets	-3,359	-3,421
Proceeds from sale of property, plant and equipment and intangible assets	24,068	5,924
Purchase of securities	-	-3,000
Proceeds from redemption of securities	-	3,000
Subsidies received	454	532
Purchase of investment securities	-562	-895
Proceeds from sale of investment securities	11,183	20,875
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,944	5,459
Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation	919	-
Payments for sale of investments in capital of subsidiaries resulting in change in scope of consolidation	-	-372
Other, net	-2,625	-2,682
Net cash provided by (used in) investing activities	-36,788	-24,604

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-3,450	-506
Proceeds from long-term borrowings	10,500	-
Repayments of long-term borrowings	-14,355	-4,142
Redemption of bonds	-10,000	-10,000
Decrease (increase) in treasury shares	-9,502	1,057
Dividends paid	-24,606	-26,444
Dividends paid to non-controlling interests	-2,230	-823
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	-1,476
Other, net	-1,090	-1,435
Net cash provided by (used in) financing activities	-54,734	-43,772
Effect of exchange rate change on cash and cash equivalents	2,576	2,286
Net increase (decrease) in cash and cash equivalents	-3,933	41,893
Cash and cash equivalents at beginning of period	64,872	60,939
Cash and cash equivalents at end of period	* 60,939	* 102,832

Notes

(Significant accounting policies for preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 53 companies

The names of the consolidated subsidiaries are omitted as they are listed in “1 Overview of the company, 4. Subsidiaries and other affiliated entities.”

(Excluded)

In the current fiscal year, the shares of Meiji Sangyo Co., Ltd. and Three S and L Co., Ltd. were sold, the Company’s equity interest in Shantou SEZ Meiji Pharmaceuticals Co., Ltd. was transferred, and the liquidation of Kitasato Pharmaceutical Industry Co., Ltd. was completed. Accordingly, those companies were excluded from the scope of consolidation.

(2) Names of major unconsolidated affiliates

Thai Meiji Food Co., Ltd.

(Reasons for exclusion from the scope of consolidation)

The total amounts of assets, net sales, current net income and loss (the amounts corresponding to the Company’s equity interest), and retained earnings (the amounts corresponding to the Company’s equity interest) of the unconsolidated subsidiaries are small and do not have a significant impact on the consolidated financial statements.

2. Application of equity method

(1) Companies which are accounted for by the equity method: 4 companies

Okinawa Meiji Milk Products Co., Ltd., Thai Meiji Food Co., Ltd., CP-MEIJI Co., Ltd., AustAsia Group Ltd.

(Excluded)

In the current fiscal year, the liquidation of Chiba Meiji Milk Products Co., Ltd. was completed. Accordingly, this company was excluded from the scope accounted for using the equity method.

(2) Names of major companies not accounted for by the equity method

Unconsolidated subsidiaries: MIYAKO YUSO TRANSPORTATION CO., LTD.

Affiliated companies: Kushiroshiryo Co., Ltd.

(Reasons for not applying the equity method)

The total amounts of current net income and loss (the amounts corresponding to the Company’s equity interest) and retained earnings (the amounts corresponding to the Company’s equity interest) of the companies not accounted for by the equity method are small and do not have a significant impact on the consolidated financial statements.

(3) Matters which are found particularly necessary to be stated with respect to the procedures for application of the equity method

Among the companies that are accounted for by the equity method, the settlement date of Thai Meiji Food Co. Ltd., CP-MEIJI Co., Ltd., and AustAsia Group Ltd. is December 31. The financial statements as of December 31 were used in preparing the consolidated financial statements.

3. Fiscal years of consolidated subsidiaries

Among the consolidated subsidiaries, the settlement date of the following companies is December 31.

Meiji America Inc.,
D.F. Stauffer Biscuit Co., Inc.,
Laguna Cookie Co., Inc.,
Meiji Seika (Singapore) Pte. Ltd.,
Meiji (China) Investment Co., Ltd.,
Meiji Dairies (Tianjin) Co., Ltd.,
Meiji Seika Food Industry (Shanghai) Co., Ltd.,
Meiji Dairies (Suzhou) Co., Ltd.,
Meiji Ice Cream (Guangzhou) Co., Ltd.,
Meiji Food (Guangzhou) Co., Ltd.,
Guangzhou Meiji Confectionery Co., Ltd.,
Taiwan Meiji Food Co., Ltd.,
MEIJI FOOD VIETNAM CO., LTD.,
Meiji Pharma Spain, S.A.,
P.T. Meiji Indonesian Pharmaceutical Industries,
Thai Meiji Pharmaceutical Co., Ltd.,
Meiji Seika Europe B.V.
Guangdong Meiji Pharmaceutical Co., Ltd.

The financial statements as of the settlement date of each company are used in preparing the consolidated financial statements, and adjustments necessary for consolidation are made to reflect significant transactions that occurred between the relevant settlement date and the current consolidation date.

4. Accounting policies

(1) Basis and method of valuation of significant assets

1) Securities

Other Securities

Securities other than shares with no market price

Stated at fair value method (valuation differences are reported as a component of shareholders' equity, and costs of securities sold are calculated by the moving-average method).

Shares with no market price

Stated at cost method primarily using the moving-average method.

2) Derivatives

Stated at fair value method.

3) Inventories

Stated at actual cost method primarily using the periodic average method (the amount stated in the balance sheet is calculated by the book value write-down method based on reduction in profitability).

(2) Depreciation methods for significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

Stated primarily at straight-line method.

Note that the main useful lives are as follows.

Buildings and structures:	2-60 years
Machinery, equipment and vehicles:	2-18 years
Tools, furniture and fixtures:	2-20 years

2) Intangible fixed assets (excluding leased assets)

Stated primarily at straight-line method.

Note that software for internal use is stated at straight-line method based on the useful life (five years).

3) Leased assets

Leased assets related to the finance lease transactions other than those involving a transfer of ownership

The lease period is treated as the expected lifetime and stated at straight-line method assuming with no residual value.

4) Investment property

Stated primarily at straight-line method.

(3) Reporting basis for significant allowances

1) Allowance for doubtful accounts

In order to prepare for losses from defaults of trade receivables, the estimated uncollectable amounts regarding general accounts receivable are recorded using historical bad debt ratio, and the estimated uncollectable amounts regarding certain accounts receivable, such as doubtful accounts receivable, are recorded separately by examining their collectability.

2) Provision for bonuses

To cover bonus payments to employees, the expected bonus payments for employees enrolled at the end of the fiscal year is recorded based on the applicable payment period.

3) Provision for retirement benefits for directors (and other officers)

In order to prepare for retirement benefits for directors (and other officers), an amount as required to be paid at the end of the current fiscal year is recorded primarily based on internal regulations.

(4) Accounting method for retirement benefits

1) Method of attributing estimated retirement benefits to periods of service

When calculating retirement benefit obligations, the methods of attributing estimated retirement benefits to the period through the end of the current fiscal year is primarily based on the benefit calculation method.

2) Actuarial differences and treatment of past service cost

Actuarial differences are amortized by the straight-line method over a fixed number of years (7 to 14 years) within the average remaining service years of employees at the time of occurrence in each fiscal year and allocated proportionately from the fiscal year following the respective fiscal year of occurrence.

Past service cost is amortized by the straight-line method (4 to 15 years) within the average remaining service of employees at the time of occurrence.

3) Unrecognized actuarial differences and accounting treatment of unrecognized past service cost

Unrecognized actuarial differences and unrecognized past service cost are posted to remeasurements of defined benefit plans on accumulated other comprehensive income in net assets, after adjusting for tax effects.

(5) Accounting methods for significant revenues and expenses

With regard to the revenues of the Company and its consolidated subsidiaries arising from contracts with customers, the description of main performance obligations in the main business segments and the typical timing at which these performance obligations are satisfied (the typical timing of revenue recognition) are as follows.

- Food

In the Food Segment, revenues are recorded mainly from the sale of yogurt, drinking milk, beverages, cheese, butter and margarine, cream, ice cream, ready meals, chocolate, gummy products, sports nutrition product, infant formula, liquid diet, beauty supplement, OTC medicines, feed stuffs, sugar and corn sweeteners, etc.

Revenue from the sale of these products is recognized upon acceptance inspection of these products by customers, as it is considered that control is transferred to customers and the Group's performance obligation is satisfied upon performance of the acceptance inspection of these products by customers. Certain consolidated subsidiaries recognize revenue at the time of shipment as an alternative method. Revenue from the sale of these products is measured as the amount of consideration promised in the contract with customers, less discounts, rebates, etc., and consumption and other taxes.

Variable consideration is the consideration under a contract with customers or a transaction that cannot be separated from a sales transaction. When the Company has a performance obligation to arrange for goods to be provided by another party, the Company is deemed as an agent and recognizes the net amount of commission or consideration as revenue. The consideration for the transactions is received primarily within one year of satisfaction of the performance obligation and does not include significant financial elements.

- Pharmaceutical

In the Pharmaceutical segment, revenue from the sale of domestic ethical pharmaceuticals, overseas ethical pharmaceuticals, human vaccines, and veterinary drugs, royalties related to intellectual property, upfront and milestone payments, and contracted services are recorded.

Revenue from the sale of domestic ethical pharmaceuticals, overseas ethical pharmaceuticals, human vaccines, and veterinary drugs is recognized upon performance of the acceptance inspection of the products by customers, as it is considered that control is transferred to customers and the Group's performance obligation is satisfied upon the acceptance inspection of the products by customers. For product sales in Japan, revenue is recognized upon shipment, applying the alternative treatment, if the period from the shipment to the transfer of control of the products to customers is within a normal period. Revenue from the sale of these products is measured at the amount of consideration promised in the contract with customers, less discounts, rebates, consumption taxes and other taxes.

Royalty income related to intellectual property is recognized, in principle, when the underlying sales occur.

As for revenue related to upfront and milestone payments, its performance obligation is the provision of intellectual property under the contract, and the revenue is recognized over a certain period when the performance obligation is fulfilled or as the performance obligation is being fulfilled. Regarding the performance obligation that can be fulfilled at a certain point of time, revenue is recognized when the customer obtains the right promised to be transferred by the Group based on the contract. Regarding the performance obligation that is fulfilled over a certain period of time, revenue shall be recognized over a certain period of time such as the expected contract period, in accordance with the method to measure the progress for the fulfillment of performance obligation determined for each contract.

Revenue related to contracted services is primarily from contracted services for activities of providing information on ethical pharmaceuticals, and the Company has performance obligations to provide contracted services based on contracts with customers. Since the performance obligation is satisfied when the services are rendered to customers, revenue is recognized when the performance obligation is satisfied.

The consideration for the transactions is received primarily within one year of satisfaction of the performance obligation and does not include significant financial elements.

(6) Standards for translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the prevailing spot exchange rates on the consolidated balance sheet date, and translation differences are recognized as gains or losses.

Assets and liabilities of overseas subsidiaries are translated into Japanese yen at the prevailing spot exchange rates on the balance sheet date of the overseas subsidiaries, while revenues and expenses are translated into Japanese yen at the average exchange rate during the fiscal year and translation differences are included in foreign currency translation adjustments and non-controlling interests are included in net assets.

(7) Derivative financial instrument

1) Method of hedge accounting

Deferred hedge accounting is used.

For forward exchange contracts and other transactions, the apportionment method is applied when the specific requirements for the method are satisfied. For interest rate and currency swap transactions, the integrated method is applied when the requirements for the integrated method (exceptional method, apportionment method) are satisfied.

2) Hedging instruments and hedged items

Hedging instrument	Hedged item
Forward exchange contracts	Receivables and payables denominated in foreign currencies and forecast transactions denominated in foreign currencies
Interest rate and currency swap transactions	Interest on loans and borrowings

3) Hedging policy

Certain consolidated subsidiaries enter into forward exchange contracts to reduce foreign exchange risks associated with export and import transactions in the ordinary course of business. In addition, the Company conducts interest rate and currency swap transactions to reduce the risk of interest rate and foreign exchange fluctuations for funds procured. The Company does not conduct derivatives transactions for speculative purposes.

4) Methods for evaluating the effectiveness of hedging

Since forward exchange contracts are applied to foreign currency receivables and payables transactions to fix future cash flows in Japanese yen, the apportionment method is applied and the requirements for subsequent testing are met. For forecast transactions denominated in foreign currencies, the Company examines eligibility for hedging considering whether the feasibility of the transaction is extremely high.

For interest rate and currency swap transactions, evaluation of the effectiveness is omitted, since the requirements for integrated method (exceptional method, apportionment method) are satisfied.

(8) Amortization method and period of goodwill

Goodwill is amortized on a straight-line basis over five years.

(9) Scope of funds in consolidated statements of cash flows

Funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments that are readily convertible to cash, have only a slight risk of value fluctuation, and are redeemable within three months from the date of acquisition.

(10) Other important matters for preparation of consolidated financial statements

Treatment of deferred assets

Bond issuance costs are fully expensed at the time the disbursement is made.

(Significant accounting estimates)

1. Impairment of non-current assets in the drinking milk and yogurt businesses in China

(1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Balance of non-current assets (foods business in China)	51,649	48,394

In the current fiscal year, impairment loss of JPY 14,302 million was recorded for the drinking milk and yogurt businesses of the foods business in China.

(2) Additional information that contributes to the understanding of users of the consolidated financial statements

1) Calculation method for amounts disclosed in the consolidated financial statements for the current fiscal year

When considering impairment losses on non-current assets in the foods business in China, assets were grouped mainly based on its domestic operations in China. The China foods business manufactures and sells drinking milk, yogurt, chocolate, ice cream, etc. in China. Among them, the drinking milk and yogurt businesses have been suffering significant decline in profitability. For this reason, the Company determined that there was an indication of impairment in the asset group related to the drinking milk and yogurt businesses in China, and is recognized and measured an impairment loss. As a result of comparison between the book value of the relevant asset group with the recoverable amount, the recoverable amount was lower than the book value. Accordingly, the book value was reduced to the recoverable amount, and the amount of JPY 14,302 million was recorded as an impairment loss. The recoverable amount was calculated based on the higher of value in use or net realizable value.

2) Key assumptions used for calculating the amounts recorded in the consolidated financial statements for the current fiscal year

The net realizable value is based on appraised value by a real property appraiser, and the main assumption for the appraisal is the comparable price based on transaction cases.

3) Impact on the consolidated financial statements for the following consolidated fiscal year

Due to uncertain future economic conditions, if the net realizable value needs to be revised, impairment losses on non-current assets may be incurred and affect the Group's financial results.

2. Valuation of equity method investment in AustAsia Group Ltd.

(1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Investment securities (Valuation of equity method investment in AustAsia)	30,933	22,778
Share of loss of entities accounted for using equity method (Share of loss of AustAsia accounted for using equity method)	3,049	9,714

The excess of the Company's equity interest in the net assets of AustAsia Group Ltd. ("AustAsia") as of the end of the current consolidated fiscal year is as follows.

Customer-related assets: JPY 6,833 million (JPY 9,613 million at the end of the previous consolidated fiscal year)

(2) Additional information that contributes to the understanding of users of the consolidated financial statements

1) Calculation method for amounts disclosed in the consolidated financial statements for the current fiscal year

AustAsia is an affiliate accounted for using equity method in which the Group owns 22.19% of equity interest, and the investments in AustAsia are accounted for using equity method. AustAsia, whose shares are listed on the Hong Kong Exchanges and Clearing, has adopted the International Financial Reporting Standards, and impairment test is conducted in the case that there is an indication of impairment on an asset group.

In the current fiscal year, since there was an indication of impairment due to deterioration of profitability caused by declining raw milk prices and soaring feed costs in China, an impairment test was conducted.

In the impairment test, the recoverable value of non-current assets is based on the value in use, and the value in use is evaluated by a method of discounting future cash flows based on AustAsia's business plan to the present value. As a result of the impairment test, the recoverable amount of AustAsia's non-current assets including customer-related assets was lower than its book value. Accordingly, the book value was reduced to the recoverable amount, and the amount equivalent to the equity ratio in the applicable amount, JPY 6,236 million, was recorded as share of loss of entities accounted for using equity method.

2) Key assumptions used for calculating the amounts recorded in the consolidated financial statements for the current fiscal year

The main assumptions used to calculate the value in use were raw milk prices, sales volume and feed costs, which are the bases of the business plan, and the discount rate used to discount the future cash flows based on the business plan to present value.

3) Impact on the consolidated financial statements for the following consolidated fiscal year

Raw milk prices, sales volume, feed costs and discount rate are highly uncertain, and if they deviate considerably from the assumptions, an impairment loss may be recorded for AustAsia's non-current assets.

(Accounting standard not yet adopted)

・ Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022)

・ Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022)

・ Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022)

(1) Overview

In February 2018, ASBJ issued ASBJ Statement No. 28, Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. ("ASBJ Statement No. 28, etc."), completing the transfer of the JICPA's practical guidelines on tax effect accounting to ASBJ. In the course of the deliberations, the following two issues, which were to be considered again after the publication of ASBJ Statement No. 28, etc., were discussed and published.

・ Classification of tax expenses (taxation on other comprehensive income)

・ Tax effect on the sale of shares of subsidiaries, etc. (shares of subsidiaries or affiliates) when the corporate group tax system is applied

(2) Effective date

The accounting standards and related implementation guidance will be applied from the beginning of the fiscal year ending March 31, 2025.

(3) Impact from applying accounting standards and related implementation guidance

There is no significant impact of application of the accounting standards and related implementation guidance on the consolidated financial statements.

(Changes in presentation)
(Consolidated statement of income)

"Subsidy income" under non-operating income, which was independently presented in the previous consolidated fiscal year, is included in "Other" under non-operating income in the current consolidated fiscal year because it became insignificant in terms of amount. We reported gain on sale of capital of subsidiaries and associates under extraordinary income as a separated item. However, as the monetary significance of this amount decreased, we included gain on sale of capital of subsidiaries and associates in "Other" under extraordinary income from the current fiscal year. We reported business restructuring expenses under extraordinary losses as separated items. However, as the monetary significance of this amount decreased, we decided to include this item in "Other" under extraordinary losses. Impairment losses were included in "Other" under extraordinary losses for the previous fiscal year. However, as the monetary significance of this amount increased, we decided to report impairment losses under extraordinary losses as a separate item from the current fiscal year.

In order to reflect these changes, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, JPY 536 million of "Subsidy income" and JPY 1,416 million of "Other" under non-operating income are presented as JPY 1,952 million of "Other." JPY 1,751 million of "Gain on sale of capital of subsidiaries and associates" and JPY 16 million of "Other" under extraordinary income are presented as JPY 1,767 million of "Other." JPY 3,034 million of "Business restructuring expenses" and JPY 783 million of "Other" under extraordinary losses are presented as JPY 257 million of "Impairment losses" and JPY 3,560 million of "Other, respectively."

(Consolidated statement of cash flows)

"Loss (gain) on sale of capital of subsidiaries and associates" under cash flows from operating activities, which was independently presented in the previous consolidated fiscal year, is included in "Other" under cash flows from operating activities in the current consolidated fiscal year because it became insignificant in terms of amount.

In order to reflect this change, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "loss (gain) on sale of capital of subsidiaries and associates" of JPY -1,751 million and "Other" of JPY 5,223 million, which were presented under cash flows from operating activities in the consolidated statement of cash flows of the previous fiscal year, were reclassified as JPY 3,472 million in "Other."

(Consolidated balance sheet)

*1 Notes and accounts receivable - trade arising from contracts with customers are as follows.

	As of March 31, 2023	As of March 31, 2024
Notes receivable - trade	JPY 331 million	JPY 453 million
Accounts receivable - trade	172,669	201,786

*2 Amounts related to non-consolidated subsidiaries and affiliates are as follows.

	As of March 31, 2023	As of March 31, 2024
Investment securities (shares)	JPY 45,716 million	JPY 40,454 million

*3 Pledged assets and secured liabilities

Assets pledged as collateral are as follows.

	As of March 31, 2023	As of March 31, 2024
Cash and deposits	JPY 146 million	JPY 146 million
Buildings and structures	1,203	1,132
Machinery, equipment and vehicles	417	278
Land	49	49
Total	1,816	1,606

Cash and deposits are pledged as collateral to guarantee business transactions.

Secured liabilities are as follows.

	As of March 31, 2023	As of March 31, 2024
Long-term borrowings (including current portion of long-term borrowings)	JPY 4,558 million	JPY 3,010 million

*4 Tax purpose reduction entry

The amounts of tax purpose reduction entries deducted from the acquisition cost of property, plant and equipment acquired through national subsidies, etc. are as follows.

	As of March 31, 2023	As of March 31, 2024
Buildings and structures	JPY 3,732 million	JPY 3,785 million
Machinery, equipment and vehicles	5,503	6,000
Tools, furniture and fixtures	307	307
Total	9,544	10,094

5 Guarantee liabilities

The Company has guaranteed the following borrowings from financial institutions by companies other than consolidated companies and by employees.

Debt guaranty

	As of March 31, 2023	As of March 31, 2024
Sendai Feed Co., Ltd.	JPY 26 million	JPY 14 million
Makiba Feed Co., Ltd.	799	680
Employees	11	9
Total	838	703

6 Contingent liabilities related to debt assumption contracts for bonds

For the following bonds, the Company has assigned its debt under a trust-type debt assumption contracts (debt assumption contracts) with a bank. As a result, the transferred debt for the bonds is offset against the amount payable under the agreement. However, the Company’s obligation to bond holders to redeem the bonds will remain until the bonds are redeemed.

	As of March 31, 2023	As of March 31, 2024
7th Series of Unsecured Straight Bonds, Meiji Holdings Co., Ltd.	JPY 10,000 million	JPY 10,000 million

7 Discounted notes receivable and Trade notes receivable transferred by endorsement

	As of March 31, 2023	As of March 31, 2024
Discounted notes receivable	JPY 2 million	JPY - million

*8 Notes to be matured on the last day of the fiscal year

Notes to be matured on the last day of the fiscal year are accounted for as of the clearing date. Because the last day of the current fiscal year was a holiday of financial institutions, the following notes to be matured on the last day of the fiscal year are included in the balance at the end of the fiscal year.

	As of March 31, 2023	As of March 31, 2024
Notes receivable - trade	JPY - million	JPY 10 million
Notes payable - trade	-	3,290

9 Commitment line contracts

The Company has commitment line contracts with six financial institutions (six banks in the previous fiscal year) for the purpose of flexible financing and improvement of fund efficiency.

The unused commitment lines under these contacts at the end of the consolidated current fiscal year are as follows.

	As of March 31, 2023	As of March 31, 2024
Total amount of commitment lines	JPY 20,000 million	JPY 20,000 million
Used portion of the commitment line	-	-
Balance	20,000	20,000

(Consolidated statement of income)

*1 Revenue from contracts with customers

In net sales, revenues arising from contracts with customers and other revenues are not separately presented. The amount of revenue from contracts with customers is presented in “Notes (Revenue Recognition) (1) Information on disaggregated revenue from contracts with customers” in the Notes to Consolidated Financial Statements.

*2 Major items and amounts of selling, general and administrative expenses are as follows.

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Freight and storage charges	JPY 18,915 million	JPY 18,308 million
Sales promotion expenses	20,117	22,678
Labor cost	70,165	70,967
Provision for bonuses	7,611	6,738
Retirement benefit expenses	6,533	4,492
Research and development expenses	20,341	25,346

*3 Total research and development expenses included in manufacturing costs and selling, general and administrative expenses

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
	JPY 30,989 million	JPY 34,884 million

*4 Details of gain on sales of non-current assets are as follows.

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Buildings and structures	JPY 11,030 million	JPY 1,285 million
Land	6,366	2,403
Other non-current assets	870	49
Total	18,267	3,738

*5 Details of loss on abandonment of non-current assets are as follows.

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Buildings and structures	JPY 382 million	JPY 662 million
Machinery, equipment and vehicles	1,298	1,868
Other non-current assets	2,416	1,805
Total	4,096	4,336

*6 Impairment losses

The Meiji Group recorded impairment losses on the following asset groups.

For the fiscal year ended March 31, 2023

Disclosure is omitted because it is insignificant.

For the fiscal year ended March 31, 2024

<table>
<tr><th>Location</th><th>Use</th><th>Category</th><th>Impairment losses (Millions of yen)</th></tr>
<tr><td>Guangdong, China</td><td>Business assets</td><td>Buildings and structures, machinery, equipment and vehicles, etc.</td><td rowspan="3">14,385</td></tr>
<tr><td>Tianjin, China</td><td>Business assets</td><td>Buildings and structures, machinery, equipment and vehicles, etc.</td></tr>
<tr><td>Jiangsu, China</td><td>Business assets</td><td>Buildings and structures, machinery, equipment and vehicles, etc.</td></tr>
<tr><td>Chigasaki City, Kanagawa</td><td>Business assets</td><td>Machinery, equipment and vehicles, etc.</td><td rowspan="7">1,128</td></tr>
<tr><td>Kaizuka City, Osaka</td><td>Business assets</td><td>Machinery, equipment and vehicles</td></tr>
<tr><td>Kyotanabe City, Kyoto</td><td>Business assets</td><td>Machinery, equipment and vehicles, etc.</td></tr>
<tr><td>Fujieda City, Shizuoka</td><td>Business assets</td><td>Machinery, equipment and vehicles, etc.</td></tr>
<tr><td>Kumamoto City, Kumamoto</td><td>Business assets</td><td>Machinery, equipment and vehicles</td></tr>
<tr><td>Takatsuki City, Osaka</td><td>Business assets</td><td>Machinery, equipment and vehicles, etc.</td></tr>
<tr><td>Other</td><td>Business assets</td><td>Intangible assets</td><td>10</td></tr>
</table>

We, in principle, conduct impairment tests by assets group determined based on business type, while lease assets and idle assets are tested for impairment individually.

In the current fiscal year, due mainly to a decline in profitability of some assets, the book value of such assets was reduced to the recoverable amount, and an impairment loss of JPY 15,524 million was recorded as an extraordinary loss.

For business assets, the loss is broken down as follows: JPY 1,101 million for buildings and structures, JPY 14,380 million for machinery, equipment and vehicles, JPY 0 million for tools, furniture and fixtures, JPY 19 million for intangible assets, and JPY 22 million for construction in progress.

Net realizable value as a recoverable amount is evaluated based on an appraisal amount of a real estate appraiser.

In addition, for recoverable amount measured at value in use, the presentation of the discount rate is omitted since their future cash flows are generally negative.

*7 Compensation expenses

For the COVID-19 vaccine Kostaive, we have carried out research and development under the Ministry of Health, Labour and Welfare’s Urgent Improvement Project for Vaccine Manufacturing Systems, and built a production system on the assumption of its supply to the special temporary vaccination under the Immunization Act (fall and winter in fiscal year 2023).

The manufacturing and sales of this product in Japan were approved in November 2023, but this product was not selected for the special temporary vaccination, because the needs for adaptation of vaccines program changed due to a series of unexpected mutation of the novel coronavirus. Since we started the manufacturing of this product before acquiring the approval for its manufacturing and sales in Japan in order to have it ready for the special temporary vaccination while reflecting the content of discussion with relevant authorities, the compensation to contract manufacturers for cancellation has accrued.

(Consolidated statement of comprehensive income)

* Reclassification adjustments and tax effects relating to other comprehensive income

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Valuation difference on available-for-sale securities:		
Increase in the current fiscal year	JPY 667 million	JPY 14,734 million
Reclassification adjustments	-7,409	-28,847
Before tax effect adjustment	-6,742	-14,112
Tax effect amount	2,015	4,247
Valuation difference on available-for-sale securities	-4,726	-9,865
Deferred gains or losses on hedges:		
Increase in the current fiscal year	-93	100
Reclassification adjustments	-	-
Adjustment to acquisition cost of assets	-	-
Before tax effect adjustment	-93	100
Tax effect amount	28	-30
Deferred gains or losses on hedges:	-64	69
Foreign currency translation adjustment:		
Increase in the current fiscal year	6,750	10,697
Reclassification adjustments	-895	-123
Foreign currency translation adjustment	5,854	10,574
Remeasurements of defined benefit plans, net of tax		
Increase in the current fiscal year	-2,253	9,240
Reclassification adjustments	3,567	518
Before tax effect adjustment	1,314	9,758
Tax effect amount	-515	-2,990
Remeasurements of defined benefit plans, net of tax	798	6,768
Share of other comprehensive income of entities accounted for using equity method:		
Increase in the current fiscal year	4,309	2,138
Reclassification adjustments	-	-
Share of other comprehensive income of entities accounted for using equity method:	4,309	2,138
Total of other comprehensive income	6,171	9,686

(Consolidated Statement of Changes in Net Assets)

For the fiscal year ended March 31, 2023

1. Matters concerning the classes and total number of issued shares and the classes and number of treasury shares

	Number of shares at the beginning of the current fiscal year (Thousand shares)	Increases in the number of shares in the current fiscal year (Thousand shares)	Decreases in the number of shares in the current fiscal year (Thousand shares)	Number of shares outstanding at the end of the current fiscal year (Thousand shares)
Issued shares				
Ordinary share	148,369	-	-	148,369
Total	148,369	-	-	148,369
Treasury shares				
Ordinary shares (Notes 1, 2)	7,548	1,504	74	8,979
Total	7,548	1,504	74	8,979

(Notes) 1. The increase of 1,504 thousand shares in treasury shares of ordinary share is due to the acquisition of 1,501 thousand treasury shares and the purchase of 2 thousand shares of shares less than one unit.

2. The decrease of 74 thousand shares in the number of treasury shares of ordinary share is due to the disposal of 73 thousand treasury shares as restricted share remuneration and decrease of 0 thousand shares from the sale of shares less than one unit.

3. A two-for-one share split was conducted on April 1, 2023, and the above information is based on the number of shares prior to the share split.

2. Matters concerning dividends

(1) Dividends paid

(Resolution)	Class	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 12, 2022 Board of Directors	Ordinary shares	12,673	90.00	March 31, 2022	June 7, 2022
November 8, 2022 Board of Directors	Ordinary shares	11,975	85.00	September 30, 2022	December 6, 2022

(2) Dividends for which the record date is in the current fiscal year but for which the effective date is in the following fiscal year

(Resolution)	Class	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
May 11, 2023 Board of Directors	Ordinary shares	13,242	Retained earnings	95.00	March 31, 2023	June 7, 2023

(Note) A two-for-one share split was conducted on April 1, 2023, and the dividends with a record date of March 31, 2023 are stated based on the amount of the number of shares prior to the share split.

For the fiscal year ended March 31, 2024

1. Matters concerning the classes and total number of issued shares and the classes and number of treasury shares

	Number of shares at the beginning of the current fiscal year (Thousand shares)	Increases in the number of shares in the current fiscal year (Thousand shares)	Decreases in the number of shares in the current fiscal year (Thousand shares)	Number of shares outstanding at the end of the current fiscal year (Thousand shares)
Issued shares				
Ordinary shares (Notes 1, 2)	148,369	148,369	3,280	293,459
Total	148,369	148,369	3,280	293,459
Treasury shares				
Ordinary shares (Notes 3, 4)	8,979	8,984	3,611	14,352
Total	8,979	8,984	3,611	14,352

(Notes) 1. The increase of 148,369 thousand shares in the total number of issued ordinary shares is due to the two-for-one share split on April 1, 2023.

2. The decrease of 3,280 thousand shares in the total number of issued ordinary shares is due to the cancellation of treasury shares.

3. The increase of 8,984 thousand shares of ordinary share in treasury shares is due to the increase of 8,979 thousand shares due to the two-for-one share split on April 1, 2023, the acquisition of 0 thousand treasury shares and the purchase of 4 thousand shares of shares less than one unit.

4. The decrease of 3,611 thousand shares of ordinary share in treasury shares is due to the cancellation of 3,280 thousand treasury shares, disposal of 331 thousand treasury shares as restricted share remuneration and decrease of 0 thousand shares from the sale of shares less than one unit.

2. Matters concerning dividends

(1) Dividends paid

(Resolution)	Class	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 11, 2023 Board of Directors	Ordinary shares	13,242	95.00	March 31, 2023	June 7, 2023
November 9, 2023 Board of Directors	Ordinary shares	13,257	47.50	September 30, 2023	December 6, 2023

(Note) A two-for-one share split was conducted on April 1, 2023, and the dividends with a record date of March 31, 2023 are stated based on the amount of the number of shares prior to the share split.

(2) Dividends for which the record date is in the current fiscal year but for which the effective date is in the following fiscal year

(Resolution)	Class	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
May 17, 2024 Board of Directors	Ordinary shares	13,257	Retained earnings	47.50	March 31, 2024	June 5, 2024

(Consolidated statement of cash flows)

*1 Reconciliation of cash and cash equivalents at the fiscal year-end balance to the amount of account reported in the consolidated balance sheet.

	For the fiscal year ended March 31, 2023 (Millions of yen)	For the fiscal year ended March 31, 2024 (Millions of yen)
Cash and deposits account	63,519	106,858
Time deposits with maturities longer than three months	-2,580	-4,025
Cash and cash equivalents	60,939	102,832

(Leases)

(Lessees)

1. Finance lease transactions

Non-ownership-transfer finance lease transactions

1) Details of leased assets

Property, plant and equipment

Mainly sales equipment (tools, furniture and fixtures), production facilities (machinery, equipment and vehicles) at manufacturing plants, and test and research equipment (machinery, equipment, tools, furniture and fixtures).

2) Depreciation method for leased assets

As stated in Notes - Significant accounting policies for preparation of consolidated financial statements, “4. Disclosure of accounting policies, (2) Depreciation method for significant depreciable assets.”

2. Operating lease transactions

Future lease payments under non-cancelable operating lease transactions

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Within 1 year	2,273	1,420
Over 1 year	2,116	1,285
Total	4,390	2,706

(Financial instruments)

1. Matters concerning the status of financial instruments

(1) Policy on dealing in financial instruments

The Meiji Group procures necessary funds (mainly through bank loans and bond issuance) in light of its capital expenditure plan and working capital plans. to conduct the business of manufacturing and selling mainly dairy products, confectioneries, food, and pharmaceuticals. Temporary surplus funds are invested in highly secure financial assets, and short-term working capital is procured through commercial paper and other means. The Company uses derivatives to avoid the risks described below with a policy of not engaging in speculative transactions.

(2) Description of financial instruments and their risks

Notes and accounts receivable-trade are exposed to the risk of customer credit. In addition, foreign currency-denominated trade receivables arising from global business operations are exposed to the risk of exchange rate fluctuations, and some consolidated subsidiaries hedge this risk by using forward exchange contracts and other means. Investment securities mainly consist of shares related to business or capital tie-ups with business partners and are exposed to the risk of market price fluctuation.

Trade notes and accounts payable are mostly due within one year. Some of them are denominated in foreign currencies in connection with imports of raw materials, etc. and are exposed to the risk of exchange rate fluctuations, and some consolidated subsidiaries hedge such risk by using forward exchange contracts and other means. Borrowings, commercial papers and bonds payable are mainly for the purpose of procuring funds necessary for capital expenditures and working capital, and their redemption dates are at longest five years after the consolidated balance sheet date. Some of these are denominated in foreign currencies and have floating interest rates and are exposed to the risk of interest rate and foreign exchange fluctuations, and are hedged using derivative transactions (interest rate and currency swap transactions).

Derivative transactions include forward exchange contracts, etc., to hedge the risk of exchange rate fluctuations related to trade receivables and payables denominated in foreign currencies, and interest rate and currency swaps to hedge the risk of fluctuations in interest rates payable related to borrowings and exchange rates. For information on hedging instruments and hedged items related to hedge accounting, hedging policy, evaluation method of the effectiveness of hedging, etc., please refer to “4. Disclosure of accounting policies (7) Significant hedge accounting method” in the aforementioned Notes - Significant accounting policies for preparation of consolidated financial statements.

(3) Risk management system for financial instruments

1) Management of credit risk (risk related to nonperformance of contracts by business partners)

In the Meiji Group, in accordance with the receivable management rules, each management department in each business division periodically monitors the status of major business partners with respect to trade receivables, and manages due dates and outstanding balances by business partner, in order to early identify and mitigate concerns about collection due to deterioration of financial conditions and other factors.

In using derivatives, the Company enters into transactions only with highly rated financial institutions in order to mitigate counterparty risk.

The maximum amount of credit risk as of the consolidated balance sheet date of the current fiscal year is presented by the balance sheet amount of financial assets exposed to credit risk.

2) Management of market risk (risk of fluctuations in foreign exchange rates, interest rates, etc.)

Certain consolidated subsidiaries use forward exchange contracts and other means to hedge foreign currency-denominated trade receivables and payables against the risk of exchange rate fluctuations identified monthly by currency. In addition, the Company uses interest rate and currency swap transactions to reduce the risk of fluctuations in interest rates and foreign exchange rates related to borrowings.

With regard to investment securities, the Company periodically determines the fair value and financial conditions of the issuers (business partners) and continually reviews the status of holding considering the relationship with them.

In certain consolidated subsidiaries, each relevant department conducts derivative transactions in accordance with the derivative transaction management rules, which stipulate transaction authority and limits.

3) Management of liquidity risk related to fund procurement (risk of failure to pay on due dates)

The Meiji Group manages liquidity risk by having each company’s accounting department prepare and update fund management plans in a timely manner based on reports from each business department.

(4) Supplementary explanation on matters concerning fair value of financial instruments

Since variable factors are incorporated in the calculation of the fair value of financial instruments, such value may change due to the adoption of different assumptions and other factors.

In addition, the contract amounts of derivative transactions in the Note “Derivatives” does not in itself indicate the market risk associated with derivative transactions.

2. Matters regarding fair values, etc. of financial instruments

The amounts recorded on the consolidated balance sheet, fair values, and their differences are as follows:

As of March 31, 2023

	Amount recorded on the consolidated balance sheet (Millions of yen)	Fair Value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities			
Available-for-sale securities	64,748	64,776	27
Shares of affiliates	30,933	17,082	-13,851
Total assets	95,682	81,859	-13,823
(1) Bonds payable	20,000	19,933	-67
(2) Long-term borrowings	43,623	43,542	-80
Total liabilities	63,623	63,475	-147
Derivative transactions			
(1) To which hedge accounting is not applied	-	-	-
(2) To which hedge accounting is applied	17	17	-
Total derivative transactions	17	17	-

(Notes)
1. Notes on cash are omitted. Notes on deposits, notes and accounts receivable - trade, notes and accounts payable - trade, short-term borrowings, and accounts payable - other are omitted because these accounts are settled in a short period of time and fair values are approximate to book values.
2. Shares of affiliates include those of listed entities accounted for using equity method, and the difference is due to the fair value of such shares.
3. Shares with no market price are not included in the investment securities. The amounts of the financial instruments reported on the consolidated balance sheet are as follows:

Categories	As of March 31, 2024 (Millions of yen)
Shares with no market price (*1)	16,794
Investments in partnerships (*2)	173

*1 Shares with no market price include unlisted shares, which are not subject to disclosure of fair values pursuant to paragraph 5 of Implementation Guidance on Disclosure about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020).

*2 Investments in partnerships, etc. are mainly investments in investment partnerships. These are not subject to disclosure of fair values pursuant to paragraph 24-16 of Implementation Guidance on Accounting Standard for Fair Values Measurement (ASBJ Guidance No. 31, June 17, 2021).

4. Bonds payable and long-term borrowings include their current portions.
5. Receivables and payables arising from derivative transactions are presented on a net basis, and the net total receivables and payables at the end of the current fiscal year is receivable.

As of March 31, 2024

	Amount recorded on the consolidated balance sheet (Millions of yen)	Fair Value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities			
Available-for-sale securities	44,386	44,407	21
Shares of affiliates	22,778	5,219	-17,558
Total assets	67,164	49,627	-17,537
(1) Bonds payable	10,000	9,925	-75
(2) Long-term borrowings	39,607	39,391	-216
Total liabilities	49,607	49,316	-291
Derivative transactions			
(1) To which hedge accounting is not applied	-	-	-
(2) To which hedge accounting is applied	105	105	-
Total derivative transactions	105	105	-

(Notes) 1. Notes on cash are omitted. Notes on deposits, notes and accounts receivable - trade, notes and accounts payable - trade, short-term borrowings, and accounts payable - other are omitted because these accounts are settled in a short period of time and fair values are approximate to book values.

2. Shares of affiliates include those of listed entities accounted for using equity method, and the difference is due to the fair value of such shares.

3. Shares with no market price are not included in the investment securities. The amounts of the financial instruments reported on the consolidated balance sheet are as follows:

Categories	As of March 31, 2024 (Millions of yen)
Shares with no market price (*1)	20,227
Investments in partnerships (*2)	542

*1 Shares with no market price include unlisted shares, which are not subject to disclosure of fair values pursuant to paragraph 5 of Implementation Guidance on Disclosure about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020).

*2 Investments in partnerships, etc. are mainly investments in investment partnerships. These are not subject to disclosure of fair values pursuant to paragraph 24-16 of Implementation Guidance on Accounting Standard for Fair Values Measurement (ASBJ Guidance No. 31, June 17, 2021).

4. Long-term borrowings include their current portions and amounts to be recorded on the consolidated balance sheet.

5. Receivables and payables arising from derivative transactions are presented on a net basis, and the net total receivables and payables at the end of the current fiscal year is receivable.

(Notes) 1. Scheduled redemption amounts after the consolidated closing date for monetary claims and securities that have maturities.

As of March 31, 2023

	Within 1 year (Millions of yen)	1 to 5 years (Millions of yen)	5 to 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	63,519	-	-	-
Notes and accounts receivable - trade	173,001	-	-	-
Total	236,520	-	-	-

As of March 31, 2024

	Within 1 year (Millions of yen)	1 to 5 years (Millions of yen)	5 to 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	106,858	-	-	-
Notes and accounts receivable - trade	202,239	-	-	-
Total	309,097	-	-	-

2. Scheduled redemption amounts after the consolidated closing date for bonds payable, long-term borrowings and other interest-bearing liabilities

As of March 31, 2023

	Within one year (Millions of yen)	More than one year up to two years (Millions of yen)	More than two years up to three years (Millions of yen)	More than three years up to four years (Millions of yen)	More than four years up to five years (Millions of yen)	Over five years (Millions of yen)
Short-term borrowings	747	-	-	-	-	-
Bonds payable	10,000	-	-	10,000	-	-
Long-term borrowings	4,127	21,987	5,132	1,168	11,120	87
Total	14,874	21,987	5,132	11,168	11,120	87

As of March 31, 2024

	Within one year (Millions of yen)	More than one year up to two years (Millions of yen)	More than two years up to three years (Millions of yen)	More than three years up to four years (Millions of yen)	More than four years up to five years (Millions of yen)	Over five years (Millions of yen)
Short-term borrowings	319	-	-	-	-	-
Bonds payable	-	-	10,000	-	-	-
Long-term borrowings	22,011	5,161	1,192	11,143	99	-
Total	22,330	5,161	11,192	11,143	99	-

3. Breakdown of fair values of financial instruments by level

Fair values of financial instruments are categorized into the following three levels on the basis of the observability and materiality of inputs used in the fair value measurement.

Level 1: Fair values measured using quoted prices of identical assets or liabilities in active markets among observable valuation inputs

Level 2: Fair values measured using inputs other than inputs included within Level 1 among observable valuation inputs

Level 3: Fair values measured using unobservable valuation inputs

When several inputs that have a significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest hierarchy level for fair value measurement among those in which each of the inputs belongs.

(1) Financial instruments measured at fair value on the consolidated balance sheet

As of March 31, 2023

Categories	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	64,615	-	-	64,615
Total assets	64,615	-	-	64,615

As of March 31, 2024

Categories	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	44,259	-	-	44,259
Total assets	44,259	-	-	44,259

(2) Financial instruments other than those recorded at fair value on the consolidated balance sheet

As of March 31, 2023

Categories	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	-	161	-	161
Shares of affiliates	17,082	-	-	17,082
Total assets	17,082	161	-	17,243
Bonds payable	-	19,933	-	19,933
Long-term borrowings	-	43,542	-	43,542
Derivative transactions				
Currency-related	-	17	-	17
Total liabilities	-	63,493	-	63,493

As of March 31, 2024

Categories	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	-	148	-	148
Shares of affiliates	5,219	-	-	5,219
Total assets	5,219	148	-	5,368
Bonds payable	-	9,925	-	9,925
Long-term borrowings	-	39,391	-	39,391
Derivative transactions				
Currency-related	-	105	-	105
Total liabilities	-	49,422	-	49,422

(Note) Explanation of the valuation method used to measure fair values and the inputs related to fair value measurement

Investment securities

Shares listed are measured using quoted prices. Since shares listed are traded in active markets, their fair values are categorized as level 1. On the other hand, the fair value of the golf club membership owned by the Company is categorized as level 2 because the transaction frequency in the market is low and such fair value is not considered quoted prices in active markets.

Bonds payable

Fair values of bonds payable issued by the Company are measured using quoted prices and are categorized as level 2.

Long-term borrowings

Fair values of long-term borrowings are measured using the discounted present value method based on the total amount of principal and interest, as well as the interest rate considering the remaining period and credit risk of the debts, and are categorized as level 2.

Derivative transactions

Fair values of interest rate swaps and forward exchange contracts are measured using the discounted present value method using observable inputs such as interest rates and exchange rates, and are categorized as level 2.

(Securities)

1. Held-to-maturity bonds

As of March 31, 2023

Not applicable.

As of March 31, 2024

Not applicable.

2. Available-for-sale securities

As of March 31, 2023

	Category	Amount recorded on the consolidated balance sheet (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
The amount recorded on the consolidated balance sheet exceeds the acquisition cost	(1) Shares	63,672	18,100	45,572
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	63,672	18,100	45,572
The amount recorded on the consolidated balance sheet does not exceed the acquisition cost	(1) Shares	1,076	1,188	-111
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	1,076	1,188	-111
Total		64,748	19,288	45,460

(Note) With regard to available-for-sale securities, shares with no market price (the amount recorded on the consolidated balance sheet is JPY 2,011 million) and investments in partnerships. (the amount recorded on the consolidated balance sheet is JPY 173 million) are not included in the above table.

As of March 31, 2024

	Category	Amount recorded on the consolidated balance sheet (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
The amount recorded on the consolidated balance sheet exceeds the acquisition cost	(1) Shares	44,129	12,820	31,308
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	44,129	12,820	31,308
The amount recorded on the consolidated balance sheet does not exceed the acquisition cost	(1) Shares	257	303	-45
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	257	302	-45
Total		44,386	13,123	31,263

(Note) With regard to available-for-sale securities, shares with no market price (the amount recorded on the consolidated balance sheet is JPY 2,551 million) and investments in partnerships. (the amount recorded on the consolidated balance sheet is JPY 542 million) are not included in the above table.

3. Available-for-sale securities sold

As of March 31, 2023

Category	Sales amount (Millions of yen)	Total gain on sale (Millions of yen)	Total loss on sale (Millions of yen)
(1) Shares	11,170	8,052	14
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	11,170	8,052	14

As of March 31, 2024

Category	Sales amount (Millions of yen)	Total gain on sale (Millions of yen)	Total loss on sale (Millions of yen)
(1) Shares	35,135	28,917	0
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	35,135	28,917	0

4. Securities for which impairment losses are recorded

In the previous fiscal year, impairment losses on securities of JPY 32 million are recorded (JPY 32 million in Shares of affiliates).

In the current fiscal year, impairment losses on securities of JPY 32 million are recorded (JPY 32 million in Investment securities).

When recording impairment losses, if the fair value at the end of the fiscal year falls below the acquisition cost by 50% or more, the entire difference is recorded as an impairment loss, and if the fair value falls below the acquisition cost by approximately 30% to 50%, the amount considered necessary taking into account the recoverability is recorded as an impairment loss.

(Derivatives)

1. Derivative transactions to which hedge accounting is not applied

(1) Currency-related derivatives

As of March 31, 2023

Not applicable.

As of March 31, 2024

Not applicable.

(2) Interest rate-related derivatives

As of March 31, 2023

Not applicable.

As of March 31, 2024

Not applicable.

2. Derivative transactions to which hedge accounting is applied

(1) Currency-related derivatives

As of March 31, 2023

Hedge accounting method	Type of transaction	Hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. (Over one year) (Millions of yen)	Fair value (Millions of yen)
General treatment	Forward exchange contract transactions				
	Bought:	Accounts payable - trade			
	U.S. dollar		7,242	-	17
	Euro		-	-	-
	Sold:	Accounts receivable - trade			
	U.S. dollar		-	-	-
Appropriation treatment for forward exchange contracts, etc.	Forward exchange contract transactions				(Note)
	Bought:	Accounts payable - trade			
	U.S. dollar		313	-	
	Euro		30	-	
	British pound		54	-	
	Australian dollar		-	-	
	Sold:	Accounts receivable - trade			
	U.S. dollar		-	-	
	Euro		-	-	
Total			7,640	-	17

(Note) If appropriation treatment for forward exchange contracts is applied, such contracts are accounted for together with the hedged accounts receivable - trade and accounts payable - trade, which are designated as hedged items, on an integrated basis. Therefore, their fair values are included in the fair values of the accounts receivable - trade and accounts payable - trade.

As of March 31, 2024

Hedge accounting method	Type of transaction	Hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. (Over one year) (Millions of yen)	Fair value (Millions of yen)
General treatment	Forward exchange contract transactions				
	Bought:	Accounts payable - trade			
	U.S. dollar		3,123	-	105
	Euro		-	-	-
	Sold:	Accounts receivable - trade			
	U.S. dollar		-	-	-
Appropriation treatment for forward exchange contracts, etc.	Forward exchange contract transactions				(Note)
	Bought:	Accounts payable - trade			
	U.S. dollar		455	-	
	Euro		-	-	
	British pound		327	-	
	Australian dollar		-	-	
	Sold:	Accounts receivable - trade			
	U.S. dollar		-	-	
	Euro		-	-	
Total			3,905	-	105

(Note) If appropriation treatment for forward exchange contracts is applied, such contracts are accounted for together with the hedged accounts receivable - trade and accounts payable - trade on an integrated basis. Therefore, their fair values are included in the fair values of the accounts receivable - trade and accounts payable - trade.

(2) Interest rate-related derivatives

As of March 31, 2023

Hedge accounting method	Type of transaction	Hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. (Over one year) (Millions of yen)	Fair value (Millions of yen)
Integrated treatment for interest rate and currency swaps (Exceptional treatment and appropriation treatment)	Interest rate and currency swap transactions Floating receipts, fixed payments	Long-term borrowings	12,562	11,515	(Note)

(Note) Swap contracts are accounted for together with the hedged long-term borrowings, and therefore their fair values are included in the fair value of the long-term borrowings.

As of March 31, 2024

Hedge accounting method	Type of transaction	Hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. (Over one year) (Millions of yen)	Fair value (Millions of yen)
Integrated treatment for interest rate and currency swaps (Exceptional treatment and appropriation treatment)	Interest rate and currency swap transactions Floating receipts, fixed payments	Long-term borrowings	11,515	-	(Note)

(Note) Swap contracts are accounted for together with the hedged long-term borrowings, and therefore their fair values are included in the fair value of the long-term borrowings.

(Retirement benefits)

1. Outline of the retirement benefit plans adopted

The retirement benefit plans adopted by the Group include a defined benefit pension plan, a defined contribution pension plan and an employees' pension fund plan, in addition to a retirement lump-sum payment plan based on retirement benefit rules. Moreover, an additional retirement payment may be made when an employee takes early retirement.

Some consolidated subsidiaries establish retirement benefit trusts, and some consolidated subsidiaries participate in the Smaller Enterprise Retirement Allowance Mutual Aid Scheme.

Also, matters regarding multiemployer plans where required contributions are accounted for as retirement benefit expenses are as follows:

The required contribution to the employees' pension fund plan of the multiemployer plan was JPY 11 million in the current consolidated fiscal year.

(1) Matters regarding the funded status of the entire plan

		(As of March 2022) (Millions of yen)	(As of March 2023) (Millions of yen)
a.	Amount of plan assets	12,887	12,807
b.	Total amount of the actuarial liabilities calculated under the pension funding program and the minimum actuarial liability	12,695	12,799
c.	Difference (a – b)	191	8

(2) Premium contribution ratio of the Group to the entire plan

For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
2.86%	2.85%

(3) Supplementary explanation

The main reason for the difference is the balance of prior service obligations under the pension funding calculation (JPY 1,224 million as of March 31, 2022 and JPY 824 million as of March 31, 2023).

The amortization method for prior service obligations is primarily even amortization of principal and interest over two years. The ratio in (2) above is calculated using a weighted average and therefore does not correspond to the actual burden ratio of the Group.

2. Defined benefit plan

(1) Reconciliation of retirement benefit obligations as of the beginning and end of the fiscal year

	For the fiscal year ended March 31, 2023 (Millions of yen)	For the fiscal year ended March 31, 2024 (Millions of yen)
Beginning balance of retirement benefit obligations	137,083	136,517
Service cost	6,101	5,891
Interest cost	770	837
Actuarial gains or losses	-651	658
Retirement benefits paid	-7,331	-6,551
Decrease due to exclusion of consolidated subsidiaries	-58	-155
Other	602	330
Ending balance of retirement benefit obligations	136,517	137,528

(Note) With regard to the funds of the comprehensive employees' pension fund plan, the amount of plan assets corresponding to the Company's contributions cannot be reasonably calculated and, accordingly, it is not included in the retirement benefit obligations.

(2) Reconciliation of plan assets as of the beginning and end of the fiscal year

	For the fiscal year ended March 31, 2023 (Millions of yen)	For the fiscal year ended March 31, 2024 (Millions of yen)
Beginning balance of plan assets	104,777	101,995
Expected return on plan assets	2,455	2,360
Actuarial gains or losses	-2,826	9,928
Contributions by the employer	1,574	1,588
Retirement benefits paid	-4,387	-3,885
Other	402	233
Ending balance of plan assets	101,995	112,220

(Note) Funds of the comprehensive employees' pension fund plan are not included in the plan assets.

(3) Reconciliation between the balance of retirement benefit obligations and plan assets at the end of the fiscal year and the liabilities and assets related to retirement benefits recorded on the consolidated balance sheet.

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Retirement benefit obligations of funded plans	131,200	132,254
Plan assets	-101,995	-112,220
	29,204	20,033
Retirement benefit obligations of unfunded plans	5,317	5,273
Net assets or liabilities recorded on the consolidated balance sheet	34,521	25,307
Liabilities related to retirement benefits	56,255	54,384
Assets related to retirement benefits	-21,733	-29,076
Net assets or liabilities recorded on the consolidated balance sheet	34,521	25,307

(4) Breakdown of retirement benefit expenses

	For the fiscal year ended March 31, 2023 (Millions of yen)	For the fiscal year ended March 31, 2024 (Millions of yen)
Service cost	6,101	5,891
Interest cost	770	837
Expected return on plan assets	-2,455	-2,360
Amortization of actuarial gains or losses	3,621	582
Amortization of prior service cost	-53	-63
Others	-8	-10
Retirement benefit expenses related to defined benefit plans	7,976	4,877

(Notes) 1. Retirement benefit expenses calculated using the simplified method are included. Employees' contributions to the corporate pension funds are deducted.

2. In addition to the above retirement benefit expenses, we recorded JPY 2,679 million as special retirement benefits in the previous fiscal year, which is included in Extraordinary losses-other.

(5) Remeasurements of defined benefit plans

Breakdown of remeasurements of defined benefit plans (before tax effect adjustment) are as follows:

	For the fiscal year ended March 31, 2023 (Millions of yen)	For the fiscal year ended March 31, 2024 (Millions of yen)
Actuarial gains or losses	1,367	9,822
Prior service cost	-53	-63
Total	1,314	9,758

(6) Accumulated remeasurements of defined benefit plans

Breakdown of accumulated remeasurements of defined benefit plans (before tax effect adjustment) is as follows:

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Unrecognized actuarial gains or losses	4,071	-5,750
Unrecognized prior service cost	-541	-478
Total	3,529	-6,228

(7) Notes on the plan assets

1) Breakdown of the plan assets

The ratio of each main category to the total plan assets is as follows:

	As of March 31, 2023	As of March 31, 2024
Bonds	30%	30%
Shares	16	29
Alternatives (Note 1)	36	25
Cash and deposits	10	9
Others	8	7
Total	100	100

(Notes) 1. Alternatives include multi-asset investments, investments in hedge funds, real estate funds, insurance-related funds, etc.

2. Total plan assets include retirement benefit trusts (9% in the previous fiscal year and 13% in the current fiscal year) that were established for the corporate pension plan and the retirement lump-sum payment plan.

2) Method of setting an expected long-term rate of return

In determining the expected long-term rate of return on the plan assets, the Company takes into consideration the current and projected plan asset allocation, as well as the current and future expected long-term returns from various assets that constitute the plan assets.

(8) Matters regarding the basis for actuarial calculations

Major basis for actuarial calculations

	As of March 31, 2023	As of March 31, 2024
Discount rate	Mainly 0.2 to 0.9%	Mainly 0.2 to 0.9%
Expected rate of increase in salary	Mainly 1.4%	Mainly 1.4%
Expected long-term rate of return	Mainly 2.5%	Mainly 2.5%

3. Defined contribution plans

The required contributions to the defined contribution plans of consolidated subsidiaries are JPY 1,233 million for the previous fiscal year and JPY 1,242 million for the current fiscal year, respectively.

(Share options.)

Not applicable.

(Tax effect accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by main causes

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Deferred tax assets		
Retirement benefit liability	19,922	19,588
Accrued enterprise tax	871	1,264
Accrued expenses	1,455	1,474
Investment securities	1,700	2,103
Provision for bonuses	3,480	3,441
Depreciation	3,425	2,821
Impairment losses	1,507	4,997
Unrealized income	1,694	1,947
Losses carried forward (Note 2)	2,964	3,766
Others	12,147	12,839
Subtotal deferred tax assets	49,170	54,243
Valuation allowance related to tax loss carried forward (Note 2)	-2,917	-3,538
Valuation allowance related to future deductible temporary differences	-3,288	-7,217
Subtotal valuation allowance (Note 1)	-6,206	-10,755
Total deferred tax assets	42,963	43,487
Deferred tax liabilities		
Reserve for tax purpose reduction entry of non-current assets	-6,536	-6,049
Valuation difference on available-for-sale securities	-13,729	-9,477
Retirement benefit asset	-7,569	-9,773
Valuation difference associated with purchase of shares of subsidiaries	-3,233	-3,774
Tax liability adjustment account	-357	-112
Others	-2,621	-2,984
Total deferred tax liabilities	-34,047	-32,172
Net deferred tax assets	8,915	11,315

(Notes)

1. There was a significant change in the amount (valuation allowance) deducted from deferred tax assets. The change was mainly due to an increase in valuation allowance related to impairment losses.

2. Breakdown of losses carried forward and related deferred tax assets by carryforward periods:

(As of March 31, 2023) (Millions of yen)

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Loss carried forward (a)	29	20	770	594	524	1,024	2,964
Valuation allowance	17	20	760	583	524	1,009	2,917
Deferred tax assets	11	-	10	10	-	14	46

(a) Loss carried forward is calculated using the effective statutory tax rate.

(As of March 31, 2024) (Millions of yen)

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Loss carried forward (b)	20	763	524	407	1,376	673	3,766
Valuation allowance	20	763	524	273	1,376	578	3,538
Deferred tax assets	-	-	-	133	-	94	228

(b) Loss carried forward is calculated using the effective statutory tax rate.

2. Breakdown of major items that constituted the material difference between the effective statutory tax rate and the corporation tax burden rate after application of tax effect accounting.

	As of March 31, 2023	As of March 31, 2024
Effective statutory tax rate	30.6%	30.6%
(Adjustments)		
Items not permanently included in deductible expenses such as entertainment expenses	0.7	1.2
Items not permanently included in taxable revenues such as dividend income	-0.7	-0.0
Inhabitant tax on per capita basis	0.3	0.4
Tax credit for experimentation and research expenses	-2.7	-3.2
Increase / decrease in valuation allowance	-2.9	5.0
Share of gains and losses of entities accounted for using equity method	0.7	3.0
Other	-0.9	1.6
Corporation tax burden rate after application of tax effect accounting	25.1	38.6

(Changes in presentation)

"Share of gains and losses of entities accounted for using equity method," which was included in "Other" in the previous fiscal year, is independently presented in the current fiscal year because it increased in monetary significance. To reflect this change in presentation, the notes for the previous fiscal year were reclassified.

As a result, some items for the previous fiscal year were reclassified as follows: "Other" of -0.2% are now presented as "Share of gains and losses of entities accounted for using equity method" of -0.7% and "Other" of -0.9%.

3. Accounting treatment for corporation tax and local corporation tax and accounting treatment for tax effect accounting related to these taxes

The Company and some of the consolidated subsidiaries have adopted the Japanese Group Relief System, and the accounting and disclosure of corporate and local income taxes and tax effect accounting are in accordance with the Treatment of Accounting and Disclosure in Applying the Japanese Group Relief System (Practical Issues Task Force No. 42 of August 12, 2021).

(Business combinations)

As of March 31, 2023

Disclosure is omitted due to immateriality.

As of March 31, 2024

Disclosure is omitted due to immateriality.

(Asset retirement obligations)

As of March 31, 2023

Disclosure is omitted due to immateriality.

As of March 31, 2024

Disclosure is omitted due to immateriality.

(Real estate for lease)

For the fiscal year ended March 31, 2023

Disclosure is omitted due to immateriality.

For the fiscal year ended March 31, 2024

Disclosure is omitted due to immateriality.

(Revenue recognition)

(1) Disaggregated information of revenue from contracts with customers

For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments		
	Food	Pharmaceutical	Total
Yogurt & cheese	202,531	-	202,531
Nutrition	116,856	-	116,856
Chocolate & gummy	102,830	-	102,830
Drinking milk	71,512	-	71,512
B to B	71,179	-	71,179
Frozen dessert & ready meal	57,993	-	57,993
Overseas	68,518	-	68,518
Other / domestic subsidiaries	173,472	-	173,472
Domestic ethical pharmaceuticals	-	100,161	100,161
Overseas ethical pharmaceuticals	-	51,444	51,444
Human vaccines	-	34,791	34,791
Veterinary drugs	-	10,865	10,865
Revenue from contracts with customers	864,894	197,262	1,062,157
Other revenue	-	-	-
Sales to third parties	864,894	197,262	1,062,157

(Note) The Pharmaceutical segment includes JPY 8,986 million of revenue from royalties, upfront and milestone payments, and contracted services.

For the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments		
	Food	Pharmaceutical	Total
Yogurt & cheese	203,099	-	203,099
Nutrition	125,654	-	125,654
Chocolate & gummy	103,741	-	103,741
Drinking milk	74,922	-	74,922
B to B	80,431	-	80,431
Frozen dessert & ready meal	61,572	-	61,572
Overseas	77,708	-	77,708
Other / domestic subsidiaries	172,276	-	172,276
Domestic ethical pharmaceuticals	-	105,987	105,987
Overseas ethical pharmaceuticals	-	54,557	54,557
Human vaccines	-	34,759	34,759
Veterinary drugs	-	10,782	10,782
Revenue from contracts with customers	899,406	206,088	1,105,494
Other revenue	-	-	-
Sales to third parties	899,406	206,088	1,105,494

(Note) The Pharmaceutical segment includes JPY 4,316 million of revenue from royalties, upfront and milestone payments, and contracted services.

(2) Fundamental information for understanding revenue from contracts with customers

Details of the main performance obligations in the main business segments and the typical timing of revenue recognition are described in “4. Accounting policies, (5) Accounting methods for significant revenues and expenses” in the aforementioned Notes - Significant accounting policies for preparation of consolidated financial statements.

(3) Relationship between satisfaction of performance obligations based on contracts with customers and cash flows arising from those contracts, and information on the amount and timing of revenues from contracts with existing customers at the end of the current fiscal year that are expected to be recognized in the following fiscal years

1) Balance of contract liabilities

Disclosure is omitted for the current fiscal year because it is insignificant. In the previous fiscal year, contract liabilities (beginning balance) were JPY 5,907 million, and contract liabilities (ending balance) were JPY 870 million. The amount of revenue recognized in the previous fiscal year that was included in the balance of contract liabilities at the beginning of the fiscal year is JPY 4,871 million. The decrease in contract liabilities of JPY 5,036 million during the previous fiscal year was mainly due to insourcing contracts in the Pharmaceutical Segment.

2) Transaction price allocation to remaining performance obligations

Since the Company and its consolidated subsidiaries have no material transactions with an initially expected contract term of more than one year, information on remaining performance obligations is omitted on grounds of practical expedient method. Furthermore, there are no material amounts of consideration arising from contracts with customers that have been excluded from transaction price.

(Segment information)

Segment information

1. Description of reportable segments

The reportable segments of the Meiji Group are the Group's constituent units for which separate financial information is available and for which the Board of Directors regularly conducts examinations to determine the allocation of management resources and evaluate business performance.

The Group has operational subsidiaries organized based on products/services. Operational subsidiaries develop their business activities by formulating comprehensive strategies for domestic and overseas business with respect to their products and services.

Accordingly, the Group comprises segments based on operational subsidiaries and has two reportable segments: the Food Segment and the Pharmaceutical Segment.

The Food business is handled by Meiji Co., Ltd., and the Pharmaceutical business is handled by Meiji Seika Pharma Co., Ltd. and KM Biologics Co., Ltd.

Each company's main products are as follows.

Segment	Main Products
Food	Yogurt, drinking milk, beverages, cheese, butter, margarine, cream, ice cream, ready meal, chocolate, gummy, sports nutrition, infant formula, enteral formula, beauty supplement, OTC medicines, feedstuffs, sugar and corn sweeteners, etc.
Pharmaceutical	Ethical pharmaceuticals, veterinary drugs

2. Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting treatments for reportable segments are the same as those indicated in "Significant accounting policies for preparation of consolidated financial statements."

The profit of a reportable segment is the figure for operating profit.

Inter-segment sales and transfers are mainly based on the price of third-party transactions, or on manufacturing costs.

3. Sales, profit (loss), assets, liabilities, and other items by each reportable segment

For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount presented in consolidated financial statements (Note 2)
	Food	Pharmaceutical			
Net sales					
(1) Sales to third parties	864,894	197,262	1,062,157	-	1,062,157
(2) Intersegment sales and transfers	714	17	732	-732	-
Total	865,609	197,280	1,062,889	-732	1,062,157
Segment profit (loss)	55,874	21,721	77,596	-2,162	75,433
Segment assets	823,044	326,110	1,149,155	-12,937	1,136,217
Other items					
Depreciation	43,597	9,745	53,342	233	53,575
Investments in entities accounted for using equity method	38,826	-	38,826	-	38,826
Increase in property, plant and equipment and intangible assets	41,033	11,283	52,316	214	52,531

(Notes) 1. Details of adjustments are as follows:

The segment profit adjustment of JPY -2,162 million includes an intersegment elimination of JPY 21 million and corporate expenses that are not allocated to any reportable segment of JPY -2,184 million. Corporate expenses consist mainly of expenses related to the operation of the Company (the holding company).

The segment assets adjustment of JPY -12,937 million includes an intersegment elimination of JPY -112,239 million and corporate assets that are not allocated to any reportable segment of JPY 99,302 million. Corporate assets consist mainly of surplus working capital (cash and deposits) of the Company (the holding company), long-term investment capital (investment securities) and assets held by the Company (the holding company).

2. Segment profit (loss) is adjusted to the operating profit recorded in the consolidated statement of income.

For the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount presented in consolidated financial statements (Note 2)
	Food	Pharmaceutical			
Net sales					
(1) Sales to third parties	899,406	206,088	1,105,494	-	1,105,494
(2) Intersegment sales and transfers	721	20	742	-742	-
Total	900,127	206,109	1,106,237	-742	1,105,494
Segment profit (loss)	64,315	22,717	87,032	-2,710	84,322
Segment assets	865,699	337,635	1,203,334	1,953	1,205,288
Other items					
Depreciation	45,293	9,701	54,995	322	55,317
Investments in entities accounted for using equity method	32,109	-	32,109	-	32,109
Increase in property, plant and equipment and intangible assets	46,439	15,581	62,020	544	62,564

(Notes) 1. Details of adjustments are as follows:

The segment profit adjustment of JPY -2,710 million includes an intersegment elimination of JPY 22 million, an intrasegment elimination of JPY -198 million and corporate expenses that are not allocated to any reportable segment of JPY -2,535 million. Corporate expenses consist mainly of expenses related to the operation of the Company (the holding company).

The segment assets adjustment of JPY 1,953 million includes an intersegment elimination of JPY -92,951 million and corporate assets that are not allocated to any reportable segment of JPY 94,904 million. Corporate assets consist mainly of surplus working capital (cash and deposits) of the Company (the holding company), long-term investment capital (investment securities) and assets held by the Company (the holding company).

2. Segment profit (loss) is adjusted to the operating profit recorded in the consolidated statement of income.

Information associated with reportable segments

For the fiscal year ended March 31, 2023

1. Information for each product or service

(Millions of yen)

	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other / domestic subsidiaries
Sales to third parties	202,531	116,856	102,830	71,512	71,179	57,993	68,518	173,472

Domestic ethical pharmaceuticals	Overseas ethical pharmaceuticals	Human vaccines	Veterinary drugs	Total
100,161	51,444	34,791	10,865	1,062,157

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	China	Asia (except China)	North America	Europe	Other	Total
939,725	24,104	35,848	32,000	15,250	15,228	1,062,157

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Asia (except China)	North America	Europe	Other	Total
405,730	48,225	27,496	4,727	1,567	6	487,755

3. Information for each of main customers

Omitted since there are no sales to specific external customers that account for 10% or more of net sales in the consolidated statement of income.

For the fiscal year ended March 31, 2024

1. Information for each product or service

(Millions of yen)

	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other / domestic subsidiaries
Sales to third parties	203,099	125,654	103,741	74,922	80,431	61,572	77,708	172,276

Domestic ethical pharmaceuticals	Overseas ethical pharmaceuticals	Human vaccines	Veterinary drugs	Total
105,987	54,557	34,759	10,782	1,105,494

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	China	Asia (except China)	North America	Europe	Other	Total
971,691	26,324	39,608	36,327	18,389	13,153	1,105,494

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Asia (except China)	North America	Europe	Other	Total
397,218	44,283	30,862	6,397	1,733	12	480,507

3. Information for each of main customers

Omitted since there are no sales to specific external customers that account for 10% or more of net sales in the consolidated statement of income.

Impairment losses on non-current assets for each reportable segment

For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments		Total	Adjustments	Amount presented in consolidated financial statements
	Food	Pharmaceutical			
Impairment losses	7	250	257	-	257

For the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments		Total	Adjustments	Amount presented in consolidated financial statements
	Food	Pharmaceutical			
Impairment losses	15,460	63	15,524	-	15,524

Amortization and unamortized balance of goodwill for each reportable segment

For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments		Total	Adjustments	Amount presented in consolidated financial statements
	Food	Pharmaceutical			
Amortization of goodwill	15	-	15	-	15
Balance at end of period	11	-	11	-	11

For the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments		Total	Adjustments	Amount presented in consolidated financial statements
	Food	Pharmaceutical			
Amortization of goodwill	11	-	11	-	11
Balance at end of period	-	-	-	-	-

Information about gain on bargain purchase for each reportable segment

For the fiscal year ended March 31, 2023

Not applicable.

For the fiscal year ended March 31, 2024

Not applicable.

Related parties

For the fiscal year ended March 31, 2023

Transactions between the company submitting the consolidated financial statements and related parties

Officers and major shareholders (individual shareholders only) of the company submitting the consolidated financial statements

(Millions of yen)

Category	Name of person, company, etc.	Percentage of voting rights held	Description of business or occupation	Description of transactions (Note)	Transaction amount	Account	Balance at end of period
Directors (and other officers)	Kazuo Kawamura	Direct ownership 0.0%	President and Representative Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	33	—	—
Officer of significant subsidiary	Katsunari Matsuda	Direct ownership 0.0%	President and Representative Director of Meiji Co., Ltd. Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	26	—	—
Officer of significant subsidiary	Daikichiro Kobayashi	Direct ownership 0.0%	President and Representative Director of Meiji Seika Pharma Co., Ltd. Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	20	—	—
Directors (and other officers)	Koichiro Shiozaki	Direct ownership 0.0%	Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	13	—	—
Directors (and other officers)	Jun Furuta	Direct ownership 0.0%	Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	13	—	—

(Note) Conditions of the transactions and the policy for deciding the conditions of the transactions, etc.

The transactions are contributions in kind for monetary remuneration claims based on the Restricted Share Remuneration Plan.

For the fiscal year ended March 31, 2024

Transactions between the company submitting the consolidated financial statements and related parties

Officers and major shareholders (individual shareholders only) of the company submitting the consolidated financial statements

(Millions of yen)

Category	Name of person, company, etc.	Percentage of voting rights held	Description of business or occupation	Description of transactions (Note)	Transaction amount	Account	Balance at end of period
Directors (and other officers)	Kazuo Kawamura	Direct ownership 0.0%	President and Representative Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	31	—	—
Officer of significant subsidiary	Katsunari Matsuda	Direct ownership 0.0%	President and Representative Director of Meiji Co., Ltd. Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	25	—	—
Officer of significant subsidiary	Daikichiro Kobayashi	Direct ownership 0.0%	President and Representative Director of Meiji Seika Pharma Co., Ltd. Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	18	—	—
Directors (and other officers)	Koichiro Shiozaki	Direct ownership 0.0%	Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	12	—	—
Directors (and other officers)	Jun Furuta	Direct ownership 0.0%	Director of Meiji Holdings Co., Ltd.	Contributions in kind for monetary remuneration claims	12	—	—

(Note) Conditions of the transactions and the policy for deciding the conditions of the transactions, etc.

The transactions are contributions in kind for monetary remuneration claims based on the Restricted Share Remuneration Plan.

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	JPY 2,553.69	JPY 2,674.72
Earnings per share	JPY 247.39	JPY 181.64

(Notes) 1. Diluted profit per share is not given because there are no dilutive shares.

2. A two-for-one ordinary share split was conducted on April 1, 2023. Net assets per share and earnings per share are calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

3. The basis for calculation of earnings per share is as follows.

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	69,424	50,675
Amount not attributable to ordinary shareholders (Millions of yen)	-	-
Profit attributable to owners of parent related to ordinary shares (Millions of yen)	69,424	50,675
Average number of ordinary shares during the fiscal year (Thousand shares)	280,633	278,984

(Significant events after reporting period)

(Purchase of treasury shares)

The Board of Directors of Meiji Holdings Co., Ltd. resolved at a meeting on May 10, 2024, matters related to acquisition of its treasury shares under Article 156 of the Companies Act, which is applied pursuant to Article 165, Paragraph 3 of that Act, as described below.

1. Reason for purchase of treasury shares

We comprehensively considered the balance between financial safety and capital efficiency, the reduction of the cost of capital, etc. Thus, we decided purchase of treasury shares to increase the level of shareholder returns and improve capital efficiency.

2. Details of purchase

(1) Class of shares
Ordinary shares

(2) Total number of shares to be purchased
11 million shares (maximum)
(3.94 % of total shares outstanding, excluding treasury shares)

(3) Total amount to be paid for purchase
JPY 30 billion (maximum)

(4) Period of purchase
From May 14, 2024, to September 30, 2024

(5) Method of purchase
Purchased on the Tokyo Stock Exchange

(6) Other
We plan to retire all shares purchased under this program by resolution of the Board of Directors, pursuant to the provisions of Article 178 of the Companies Act.

5) Consolidated supplemental schedules

Consolidated supplemental schedule of corporate bonds

Company name	Issue	Date of issue	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate (% per annum)	Security	Date of redemption
Meiji Holdings Co., Ltd.	7th Series of Unsecured Straight Bonds	September 13, 2017	-	-	0.22	Nil	September 13, 2024
Meiji Holdings Co., Ltd.	9th Series of Unsecured Straight Bonds	November 25, 2020	10,000 (10,000)	-	0.001	Nil	November 27, 2023
Meiji Holdings Co., Ltd.	10th Series of Unsecured Straight Bonds	April 23, 2021	10,000	10,000	0.050	Nil	April 23, 2026
Total	-	-	20,000 (10,000)	10,000	-	-	-

(Notes) 1. Debt for the 7th Series of Unsecured Straight Bonds was transferred in accordance with bond trust-type debt assumption contracts. Since the Company's bond redemption obligation to bond holders will remain until the bonds have been redeemed, they are noted on the consolidated balance sheet as a contingent liability.

2. Figures shown in parentheses are the amounts scheduled for redemption within one year.

3. The annual amounts scheduled for redemption during the five-year period from the consolidated balance sheet date are as follows:

Within one year (Millions of yen)	More than one year up to two years (Millions of yen)	More than two years up to three years (Millions of yen)	More than three years up to four years (Millions of yen)	More than four years up to five years (Millions of yen)
-	-	10,000	-	-

Consolidated supplemental schedule of borrowings

Categories	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (%)	Repayment period
Short-term borrowings	747	319	2.50	-
Current portion of long-term borrowings	4,127	22,011	0.32	-
Current portion of lease liabilities	843	965	-	-
Long-term borrowings (excluding current portion)	39,496	17,596	0.69	2025–2028
Lease liabilities (excluding current portion)	3,965	3,878	-	2025–2040
Total	49,180	44,770	-	-

(Notes) 1. The "average interest rate" column shows the weighted average interest rate for the balance of borrowings, etc. at the end of the fiscal period.

2. The average interest rate of lease liabilities is not stated because lease liabilities are recorded on the consolidated balance sheet before deducting the amount equivalent to interest which is included in the total lease payments.

3. The aggregate annual amounts of long-term borrowings and lease liabilities (excluding current portions) scheduled for repayment during the five-year period from the consolidated balance sheet date are as follows:

Categories	More than one year up to two years (Millions of yen)	More than two years up to three years (Millions of yen)	More than three years up to four years (Millions of yen)	More than four years up to five years (Millions of yen)
Long-term borrowings	5,161	1,192	11,143	99
Lease liabilities	943	786	664	403

Consolidated supplemental schedule of asset retirement obligations

Omitted pursuant to Article 92-2 of the Regulation on Consolidated Financial Statements since the amounts of asset retirement obligations at the beginning and end of the current fiscal year are not more than one hundredth of the total amount of liabilities and net assets at the beginning and end of the current fiscal year.

(2) Other

Quarterly information for the current fiscal year

(Cumulative period)	First quarter	Second quarter	Third quarter	Fiscal year
Net sales (Millions of yen)	262,734	546,047	833,003	1,105,494
Profit before income taxes (Millions of yen)	22,630	48,053	74,030	87,507
Profit attributable to owners of parent (Millions of yen)	11,593	27,921	44,946	50,675
Earnings per share (Yen)	41.59	100.13	161.13	181.64

(Fiscal year)	First quarter	Second quarter	Third quarter	Fourth quarter
Earnings per share (Yen)	41.59	58.54	61.00	20.53

2. Financial statements, etc.

(1) Financial statements

1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2023		As of March 31, 2024	
Assets				
Current assets				
Cash and deposits		7,949		33,566
Income taxes refund receivable		4,650		452
Short-term loans receivable from subsidiaries and associates		20,676		18,438
Other	*1	1,150	*1	1,221
Total current assets		34,426		53,679
Non-current assets				
Property, plant and equipment				
Buildings		3,440		3,395
Structures		10		140
Machinery and equipment		24		23
Tools, furniture and fixtures		68		202
Land		8,414		8,414
Other		19		1
Total property, plant and equipment		11,978		12,178
Intangible assets				
Trademark right		116		117
Other		32		45
Total intangible assets		148		162
Investments and other assets				
Investment securities		34,029		28,626
Shares of subsidiaries and associates		270,111		270,111
Long-term loans receivable from subsidiaries and associates		18,438		-
Other		40		0
Total investments and other assets		322,620		298,737
Total non-current assets		334,746		311,079
Total assets		369,173		364,758

(Millions of yen)

		As of March 31, 2023		As of March 31, 2024
Liabilities				
Current liabilities				
Current portion of bonds payable		10,000		-
Current portion of long-term borrowings		1,676		19,538
Accrued expenses	*1	608	*1	653
Deposits received from subsidiaries and associates		66,902		69,143
Other	*1	1,520	*1	1,363
Total current liabilities		80,707		90,699
Non-current liabilities				
Bonds payable		10,000		10,000
Long-term borrowings		33,238		13,700
Deferred tax liabilities		6,788		6,088
Other		50		53
Total non-current liabilities		50,078		29,842
Total liabilities		130,785		120,542
Net assets				
Shareholders’ equity				
Share capital		30,000		30,000
Capital surplus				
Legal capital surplus		7,500		7,500
Other capital surplus		198,609		189,956
Total capital surplus		206,109		197,456
Retained earnings				
Other retained earnings				
Retained earnings brought forward		36,118		42,481
Total retained earnings		36,118		42,481
Treasury shares		-48,414		-38,693
Total shareholders’ equity		223,814		231,244
Valuation and translation adjustments				
Valuation difference on available-for-sale securities		14,572		12,971
Total valuation and translation adjustments		14,572		12,971
Total net assets		238,387		244,216
Total liabilities and net assets		369,173		364,758

2) Non-consolidated statement of income

(Millions of yen)

		Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024
Operating revenue				
Management fee income from subsidiaries and associates		2,692		3,724
Dividends from subsidiaries and associates		25,371		26,912
Total operating revenue	*1	28,063	*1	30,636
Operating expenses				
General and administrative expenses	*1, *2	4,886	*1, *2	6,313
Operating profit		23,176		24,323
Non-operating income				
Interest and dividend income	*1	962	*1	884
Miscellaneous income	*1	74	*1	80
Total non-operating income		1,036		965
Non-operating expenses				
Interest expenses	*1	254	*1	214
Payments of compensation for forced relocation		-	*1	104
Miscellaneous losses		33		75
Total non-operating expenses		288		395
Ordinary profit		23,924		24,894
Extraordinary income				
Gain on sale of non-current assets		1,227		-
Gain on sale of investment securities		3,778		10,254
Total extraordinary income		5,006		10,254
Extraordinary losses				
Loss on abandonment of non-current assets		3		1
Loss on sale of non-current assets		3		-
Contributions to financial support		10		80
Total extraordinary losses		16		81
Profit before income taxes		28,914		35,066
Income taxes - current		470		2,299
Income taxes - deferred		107		-95
Total income taxes		577		2,204
Profit		28,336		32,862

3) Non-consolidated statement of changes in net assets

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	30,000	7,500	198,471	205,971	32,432	32,432	-38,780	229,623
Changes during period								
Dividends of surplus					-24,649	-24,649		-24,649
Profit					28,336	28,336		28,336
Purchase of treasury shares							-10,015	-10,015
Disposal of treasury shares			138	138			381	520
Net changes in items other than shareholders' equity								
Total changes during period	-	-	138	138	3,686	3,686	-9,634	-5,808
Balance at end of period	30,000	7,500	198,609	206,109	36,118	36,118	-48,414	223,814

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	16,419	16,419	246,042
Changes during period			
Dividends of surplus			-24,649
Profit			28,336
Purchase of treasury shares			-10,015
Disposal of treasury shares			520
Net changes in items other than shareholders' equity	-1,846	-1,846	-1,846
Total changes during period	-1,846	-1,846	-7,655
Balance at end of period	14,572	14,572	238,387

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	30,000	7,500	198,609	206,109	36,118	36,118	-48,414	223,814
Changes during period								
Dividends of surplus					-26,499	-26,499		-26,499
Profit					32,862	32,862		32,862
Purchase of treasury shares							-15	-15
Disposal of treasury shares			188	188			894	1,083
Cancellation of treasury shares			-8,842	-8,842			8,842	-
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-8,653	-8,653	6,362	6,362	9,720	7,430
Balance at end of period	30,000	7,500	189,956	197,456	42,481	42,481	-38,693	231,244

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	14,572	14,572	238,387
Changes during period			
Dividends of surplus			-26,499
Profit			32,862
Purchase of treasury shares			-15
Disposal of treasury shares			1,083
Cancellation of treasury shares			-
Net changes in items other than shareholders' equity	-1,601	-1,601	-1,601
Total changes during period	-1,601	-1,601	5,829
Balance at end of period	12,971	12,971	244,216

Notes

(Significant accounting policies)

1. Basis and method for valuation of securities

Shares of subsidiaries	Valued using the moving average cost method.
Available-for-sale securities	
Securities other than shares that do not have a fair value	
	Stated at fair value method (valuation differences are reported as a component of shareholders' equity, and costs of securities sold are calculated by the moving-average method).
Shares that do not have a fair value	Valued using the moving average cost method. However, available-for-sale securities denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing on the balance sheet date, and translation differences are recognized as valuation differences (with the entire amount of valuation differences inserted directly into net assets).

2. Depreciation method for non-current assets

Property, plant and equipment (excluding leased assets)	
	Depreciated using the straight-line method.
Intangible assets	Depreciated using the straight-line method. Software for internal use is depreciated using the straight-line method over the estimated useful life (five years).
Leased assets	Leased assets related to the finance lease transactions other than those involving a transfer of ownership The lease period is treated as the expected lifetime and stated at straight-line method assuming with no residual value.
Investment property	Depreciated using the straight-line method.

3. Accounting methods for revenues and expenses

Revenue is recognized when control of promised goods or services is transferred to customers in the amount expected to be received in exchange for those goods or services. As a holding company, the Company's revenue from contracts with customers is mainly management fee income from its subsidiaries. Regarding management fee income, the Company has a performance obligation to provide contracted services to subsidiaries in accordance with the terms of the contracts. Since the performance obligation is satisfied when the services are actually performed, revenue is recognized at that time.

4. Other basic policies and important matters for preparation of the financial statements

Treatment of deferred assets

Bond issuance costs are fully expensed at the time the disbursement is made.

(Significant accounting estimates)

Not applicable.

(Balance sheet)

*1 Monetary claims and obligations to subsidiaries and associates (excluding items presented separately)

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Short-term monetary claims	543	284
Short-term monetary obligations	554	445

2 Guarantee obligations

The Company guarantees loans from financial institutions to employees of consolidated subsidiaries.

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Employees (including of consolidated subsidiaries)	11	9

3 Contingent liabilities related to debt assumption contracts for corporate bonds

Debt for the following bonds has been transferred in accordance with a bond trust-type debt assumption contract concluded with a bank. As a result, the transferred debt for the bonds is offset against the amount payable under the contract.

However, the Company's obligation to bond holders to redeem the bonds will remain until the bonds are redeemed.

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
7th Series of Unsecured Straight Bonds, Meiji Holdings Co., Ltd.	10,000	10,000

4 Commitment line contracts

The Company has entered into commitment line contracts with six financial institutions (six in the previous fiscal year) for the purpose of securing a flexible measure for raising funds and improving capital efficiency.

The unused portion of the commitment line based on these agreements as of March 31, 2024 is as follows:

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Maximum loan amount	20,000	20,000
Used portion of the commitment line	-	-
Balance	20,000	20,000

(Statement of income)

*1 Amount of transactions with subsidiaries and associates

	For the fiscal year ended March 31, 2023 (Millions of yen)	For the fiscal year ended March 31, 2024 (Millions of yen)
Operating revenue	28,063	30,636
Operating expenses	34	68
Amount of transactions that are not from operating transactions	139	220

*2 Major expense items and amounts included in operating expenses are as follows:

	For the fiscal year ended March 31, 2023 (Millions of yen)	For the fiscal year ended March 31, 2024 (Millions of yen)
Remuneration for directors (and other officers)	418	410
Salaries	1,057	1,266
Office expenses	1,705	2,129
Taxes and dues	612	684
Depreciation	233	322
Deduction	-981	-935

Rental income associated with leasing part of head office and other premises is deducted from operating expenses.

(Securities)

Fiscal year ended March 31, 2023

Shares of subsidiaries (book value: JPY 270,111 million) are not stated because they do not have a fair value.

Fiscal year ended March 31, 2024

Shares of subsidiaries (book value: JPY 270,111 million) are not stated because they do not have a fair value.

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Deferred tax assets		
Accrued enterprise tax	69	145
Accrued expenses, etc.	60	95
Loss on valuation of investment securities not deductible	189	118
Losses carried forward	6	-
Others	51	68
Subtotal deferred tax assets	377	427
Valuation allowance for losses carried forward	-6	-
Valuation allowance for deductible temporary differences	-202	-178
Subtotal valuation allowance	-208	-178
Total deferred tax assets	168	248
Deferred tax liabilities		
Reserve for tax purpose reduction entry	-304	-290
Assets adjusted for loss (gain) on transfer	-498	-498
Valuation difference on available-for-sale securities	-6,152	-5,549
Total deferred tax liabilities	-6,956	-6,337
Net deferred tax assets (liabilities)	-6,788	-6,088

2. Significant difference between the effective statutory tax rate and the effective tax rate after application of tax effect accounting, by main items causing the difference

	As of March 31, 2023	As of March 31, 2024
Effective statutory tax rate	30.6%	30.6%
(Adjustments)		
Items not permanently included in deductible expenses such as entertainment expenses	0.9	0.2
Dividend income, etc. amount that is not permanently included in profits	-27.0	-23.6
Increase / decrease in valuation allowance	-2.2	-0.1
Special deduction of experimentation and research expenses	-0.3	-0.7
Other	0.0	-0.1
Corporation tax burden rate, etc. after application of tax effect accounting	2.0	6.3

(Changes in presentation)

"Special deduction of experimentation and research expenses," which was included in "Other" in the previous fiscal year, is independently presented in the current fiscal year because it became significant in terms of amount. To reflect this change in presentation, the notes for the previous fiscal year were reclassified.

As a result, some items for the previous fiscal year were reclassified as follows: "Other" of -0.3% are now presented as "Special deduction of experimentation and research expenses" of -0.3% and "Other" of 0.0%.

3. Accounting treatment for corporation tax and local corporation tax and accounting treatment for tax effect accounting related to these taxes

The Company has adopted the Japanese Group Relief System, and the accounting and disclosure of corporate and local income taxes and tax effect accounting are in accordance with the Treatment of Accounting and Disclosure in Applying the Japanese Group Relief System (Practical Issues Task Force No. 42 of August 12, 2021).

(Revenue recognition)

Information on the basis for recognizing revenue from contracts with customers is described in (1) Financial statements, Notes (Significant accounting policies), 3. Accounting methods for revenues and expenses.

(Significant events after reporting period)

Since we described in "5. Financial Information, 1 Consolidated financial statements, etc., (1) Consolidated financial statements, Notes (Significant accounting policies for preparation of consolidated financial statements)."

4) Supplemental schedules

Supplemental schedule of property, plant and equipment, etc.

(Millions of yen)

Categories	Asset type	Balance at beginning of period	Increase during the period	Decrease during the period	Depreciation for the period	Balance at end of period	Accumulated depreciation
Property, Plant and Equipment	Buildings	3,440	157	2	198	3,395	3,990
	Structures	10	136	-	5	140	49
	Machinery and equipment	24	5	-	6	23	201
	Tools, furniture and fixtures	68	221	1	87	202	300
	Land	8,414	-	-	-	8,414	-
	Other	19	-	17	0	1	3
	Total	11,978	520	21	298	12,178	4,545
Intangible assets	Trademark right	116	22	-	20	117	224
	Other	32	18	2	2	45	6
	Total	148	40	2	23	162	230
Investments and other assets	Investment property	0	-	-	-	0	2

Supplemental schedule of provisions

Not applicable.

(2) Components of major assets and liabilities

Since we prepare the consolidated financial statements, the description is omitted.

(3) Others

Not applicable.

6. Outline of share-related administration of reporting company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	During June
Record date	March 31
Record date for distribution of surplus	March 31 and September 30
Number of shares constituting one unit	100 shares
Purchase of odd lots of shares and sale of additional shares	
Listing exchanges	(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation Securities Agent Division
Shareholder registry administrator	(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Agent	――――
Purchase and sale commissions	Free of charge
Method of public notice	Public notices are posted electronically. However, if electronic notice is not possible due to accident or other unavoidable circumstances, notice is provided by publication in The Nikkei. URL for public notice: https://www.meiji.com/global/
Privileges for shareholders	We send the following assortment of Meiji Group products to shareholders as of March 31 around the end of October. Shareholders holding less than 100 shares: None Shareholders holding 100 shares or more but less than 200 shares: Assortment equivalent to JPY 1,500 in retail price Shareholders holding 200 shares or more but less than 1,000 shares: Assortment equivalent to JPY 2,500 in retail price Shareholders holding 1,000 or more shares: Assortment equivalent to JPY 5,500 in retail price * In lieu of receiving the above product assortment, shareholders may choose to donate to welfare organizations.

(Note) Pursuant to the Company’s Articles of Incorporation, shareholders of the Company may not exercise any rights with respect to shares constituting less than one unit held by them, other than the rights specified in each item of Paragraph 2 of Article 189 of the Companies Act, the right to make a request pursuant to Paragraph 1 of Article 166 of the Companies Act, the right to receive allocations of subscriber shares or subscriber share options in proportion to the number of shares held by such shareholder; and the right to demand that the Company sell to the shareholder a number of shares that, together with the shares constituting less than one unit held by the shareholder, will constitute one unit.

7. Reference information of reporting company

1. Information about parent of reporting company

The Company does not have a parent company, etc. specified in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other reference information

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2024 to the filing date of Annual Securities Report.

(1) Annual Securities Report and Attached Documents	Filed with Director-General of the Kanto Local Finance Bureau on July 7, 2023
(2) Revision to Annual Securities Report	Filed with Director-General of the Kanto Local Finance Bureau on August 8, 2023
(3) Revision to Shelf Registration Statement A revision to the shelf registration statement (for issuance of shares and bonds, etc.) submitted on August 24, 2022.	Filed with Director-General of the Kanto Local Finance Bureau on July 3, 2023
(4) Annual Securities Report, Attached Documents, and Confirmation Letter 14th business term: From April 1, 2023 to March 31, 2024	Filed with Director-General of the Kanto Local Finance Bureau on June 27, 2023
(5) Internal Control Report and Attached Documents	Filed with Director-General of the Kanto Local Finance Bureau on June 29, 2022
(6) Quarterly Report and Confirmation Letter	Filed with Director-General of the Kanto Local Finance Bureau
First quarter of the 14th business term (from April 1, 2023 to June 30, 2023)	August 8, 2023
Second quarter of the 14th business term (from July 1, 2023 to September 30, 2023)	November 10, 2023
Third quarter of the 14th business term (from October 1, 2023 to December 31, 2023)	February 9, 2024
(7) Current reports An extraordinary report pursuant to Article 19, Paragraph 2, Item (ix)-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs (result of the resolution made at the General Meeting of Shareholders)	Filed with Director-General of the Kanto Local Finance Bureau on July 3, 2023
(8) Share Buyback Report	Filed with Director-General of the Kanto Local Finance Bureau on June 4, 2024

Part II Information about reporting company's guarantor, etc.

Not applicable.

(Translation)
This document has been translated from the Annual Securities Report for the twelve-month period ended March 31, 2024, pursuant to the Financial Instruments and Exchange Act of Japan. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

(For Translation Purposes Only)
Independent Auditor's Report and Internal Control Audit Report

June 27, 2024

To the Board of Directors of
Meiji Holdings Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated Engagement Partner Certified Public Accountant	Shinji Takada
Designated Engagement Partner Certified Public Accountant	Kiyotaka Kinugawa
Designated Engagement Partner Certified Public Accountant	Ai Hiraoka

<The Audit of the Consolidated Financial Statements>

Opinion

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the accompanying consolidated financial statements in the "Financial Information" section of the Annual Securities Report of Meiji Holdings Co., Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2024, the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, notes to the consolidated financial statements, and the consolidated supplemental schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Reasonableness of net realizable value used in recognizing and measuring impairment loss on asset group related to drinking milk and yogurt businesses in China</td></tr>
<tr><th>Description of Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>As described in "5. Financial Information, 1. Consolidated financial statements, (1) Consolidated financial statements, Notes to (Consolidated Statement of Income), ※6 Impairment losses", of the fixed assets in the China food business, the Group recorded impairment losses of JPY 14,302 million on an asset group related to the drinking milk and yogurt businesses for the fiscal year ended March 31, 2024.

The Group estimates future cash flows of an asset group when there are indications of impairment for the asset group. When the total amount of these undiscounted future cash flows is less than the carrying amount of the asset group, the Group reduces the carrying amount of the asset group to its recoverable amount and records the amount of the reduction as an impairment loss. The recoverable amount is the higher of value in use or the net realizable value.

During the fiscal year ended March 31, 2024, the sales environment surrounding the drinking milk and yogurt businesses for the Chinese market changed significantly from initial expectations, and price competition with competitors intensified, resulting in a significant decline in profitability. Accordingly, the Group determined that there were indications of impairment for the asset group related to the drinking milk and yogurt businesses in China and, as a result of recognizing and measuring the impairment loss, determined that the recoverable amount of the asset group was lower than carrying amount and therefore recorded the difference as an impairment loss.

In this case, the Group uses the net realizable value as the recoverable amount for</td><td>We involved the component auditor and mainly performed the following audit procedures in considering the reasonableness of the net realizable value used in recognizing and measuring impairment loss on the asset group related to the drinking milk and yogurt businesses in China.

・ With regard to the internal controls designed and operated by the Group related to the determination of whether to recognize impairment loss on fixed assets, we evaluated the effectiveness of internal controls over the process for estimating net realizable value, including the use of external specialist.
・ We evaluated the competence, capabilities, and objectivity of the external specialist used by management.

We involved specialists from the network firm of the component auditor and mainly performed the following audit procedures.

・ We obtained an understanding of the valuation conditions for appraisal value, valuation approaches and methods employed, and the judgment process for determining appraisal value by inspecting real estate appraisals and making inquiries of the external specialist used by management.
・ We evaluated the appropriateness of the input information employed by the external specialist in calculating the comparable value based on transactions cases by comparing it with external data</td></tr>
</table>

recognizing and measuring the impairment loss, and the net realizable value is based on real estate appraisal value provided by an external specialist. As described in the Notes to "(Significant accounting estimates)", the key assumption underlying real estate appraisal is comparable value based on transaction cases, which requires specialized skills and knowledge in calculation. Based on the above, we have determined that the reasonableness of net realizable value used in recognizing and measuring impairment loss on the asset group related to the drinking milk and yogurt businesses in China is of particular importance to our audit of the consolidated financial statements for the fiscal year ended March 31, 2024 and, accordingly, that this is a key audit matter.	such as prices that are based on publicly assessed value. ・ For the judgment process for determining the appraisal value, we evaluated the appropriateness of the appraisal value ultimately determined by the external specialist, in consideration of the individual characteristics of the real estate specifications and the surrounding environment.

Reasonableness of estimate of value in use for impairment test of fixed assets held by AustAsia Group Ltd.	
Description of Key Audit Matter	**Auditor's Response**
The investment securities of JPY 87,935 million on the consolidated balance sheet for the fiscal year ended March 31, 2024 include investment in AustAsia Group Ltd. (hereinafter, "AustAsia"), which is an affiliate accounted for using equity method. As described in "5. Financial Information, 1. Consolidated financial statements, (1) Consolidated financial statements, Notes to (Significant accounting estimates)," the Group identified indications of impairment of fixed assets held by AustAsia and, as a result of performing impairment tests, recorded impairment loss of ¥6,236 million as "share of loss of entities accounted for using equity method" on the consolidated statement of income. The balance of the investment in AustAsia after impairment is ¥22,778 million, which includes an amount equivalent to customer-related assets identified by the Group upon the acquisition of AustAsia shares. AustAsia, listed on the Hong Kong Exchanges and Clearing, applies International Financial Reporting Standards and performs impairment tests when there are indications	We involved the component auditor and mainly performed the following audit procedures in considering the reasonableness of the estimate of value in use for the impairment test of fixed assets held by AustAsia. ・ With regard to the internal controls designed and operated by the Group related to the determination of whether to recognize impairment loss on fixed assets, we evaluated the effectiveness of the internal controls over the process for estimating value in use. ・ We obtained an understanding of the method of formulating a business plan upon which impairment tests are based, by making inquiries of management, and we considered its consistency with the business plan approved by the board of directors. ・ We compared the estimation period for future cash flows to the economic remaining useful lives of major assets.

of impairment on an asset group. In performing impairment tests, when the recoverable amount of fixed assets is less than the carrying amount, the Group reduces the carrying amount to the recoverable amount and recognizes the amount of the reduction as an impairment loss. The recoverable amount is the higher of value in use or fair value less costs of disposal. In the fiscal year ended March 31, 2024, the Group determined that there were indications of impairment on fixed assets held by AustAsia due to deteriorating profitability resulting from declining raw milk prices and rising feed costs in China. Given that the customer-related assets identified by the Group constitute the fixed assets held by AustAsia and since, as a result of performing impairment tests on the asset group that includes the customer-related assets of AustAsia, the recoverable amount of the asset group was less than the carrying amount, the Group reduced the carrying amount to the recoverable amount and recorded the amount of the reduction proportional to the shareholding ratio as share of loss of entities accounted for using equity method. In this case, the Group uses value in use as the recoverable amount in performing impairment tests, where value in use is calculated as discounted present value of the estimated future cash flows expected to be generated from the asset group. As described in the Notes to “(Significant accounting estimates)”, the estimate of future cash flows is based on the business plan of AustAsia. The key assumptions used in calculating value in use are raw milk prices, sales volume, feed costs and the discount rate, which form the basis of the business plan. These key assumptions are subject to uncertainty since they are potentially influenced by future economic conditions, thus involve a high degree of subjectivity of judgments by management. In addition, estimating the discount rates used in calculating the value in use requires a high degree of expertise in selecting appropriate calculation methods and input data.	・ For raw milk prices and sales volumes, which are the basis of underlying the business plan, we inquired of management and compared these assumptions to long-term market forecasts, which are available external data. ・ For feed costs, which is the basis of underlying the business plan, we inquired of management and considered the consistency with the number of farms. ・ To evaluate the effectiveness of the estimation process that management uses in formulating a business plan, we compared prior year business plans with subsequent actual results. ・ For the discount rates used in calculating value in use, we involved specialists from the network firm of the component auditor to evaluate the appropriateness of the calculation methods used by management and considered the consistency of the input data used with available external data.

Based on the above, we have determined that the reasonableness of the estimate of value in use for impairment test of fixed assets held by AustAsia, which include customer-related assets identified by the Group, is of particular importance to our audit of the consolidated financial statements for the fiscal year ended March 31, 2024 and, accordingly, that this is a key audit matter.	

Other Information

The other information comprises the information included in the Annual Securities Report ("Yukashoken Hokokusho"), but does not include the consolidated financial statements, financial statements and our auditor's reports thereon. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Board Member and the Audit & Supervisory Board are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Member and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit & Supervisory Board Member and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Member and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit & Supervisory Board Member and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Internal Control Audit>

Opinion

Pursuant to the provisions of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the financial statements as at March 31, 2024 of the Group ("Management's Report"). In our opinion, Management's Report referred to above, which represents that the internal control over financial reporting as at March 31, 2024 of the Group is effective, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, the Audit & Supervisory Board Member and the Audit & Supervisory Board for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Board Member and the Audit & Supervisory Board is responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements completely.

Auditor's Responsibilities for the Audit of Internal Control

Our objectives are to obtain reasonable assurance about whether Management's Report is free from material misstatement, and to issue an auditor's report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence relating to the result of management's assessment of internal control over financial reporting in Management's Report. The design and performance of audit procedures for internal control audit is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.
- Consider the overall presentation of Management's Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.
- Obtain sufficient appropriate audit evidence regarding the result of management's assessment of internal control over financial reporting in Management's Report. We are responsible for the direction, supervision, and performance of the audit of Management's Report. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Member and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

< Fee-related Information >

The fees for the audits of the financial statements of Meiji Holdings Co., Ltd. and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2024 are described in “Corporate governance, (3) Audit”, which is included in the section of “Information about reporting company.”

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Translation)
This document has been translated from the Annual Securities Report for the twelve-month period ended March 31, 2024, pursuant to the Financial Instruments and Exchange Act of Japan. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

(For Translation Purposes Only)
Independent Auditor's Report

June 27, 2024

To the Board of Directors of
Meiji Holdings Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated Engagement Partner Certified Public Accountant	Shinji Takada
Designated Engagement Partner Certified Public Accountant	Kiyotaka Kinugawa
Designated Engagement Partner Certified Public Accountant	Ai Hiraoka

<The Audit of the Financial Statements>

Opinion

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the accompanying financial statements of Meiji Holdings Co., Ltd. (the Company), which comprise the balance sheet as at March 31, 2024, the statements of income and changes in net assets for the year then ended, notes to the financial statements, and the supplemental schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our audit report.

Other Information

The other information comprises the information included in the Annual Securities Report ("Yukashoken Hokokusho") but does not include the consolidated financial statements, financial statements and our auditor's reports thereon. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Board Member and the Audit & Supervisory Board are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Member and the Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit & Supervisory Board Member and the Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit & Supervisory Board Member and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit & Supervisory Board Member and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

< Fee-related Information >

Fee-related information is provided in the Independent Auditor’s Report of the Company’s consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.