The Meiji Group's Approach to CSR

A Corporate Group that is Trusted and Integral to Society

The Meiji Group focuses on fulfilling its corporate social responsibilities (CSR) throughout its regular business practices. Incorporating our Group Philosophy into daily practices ensures that the Meiji Corporation remains a valued and essential presence in society.

Each individual employee is responsible for CSR at Meiji. We promote activities based on the Meiji Group System of Principles and our Stakeholder Policy, which is listed below. These activities help us to continuously meet stakeholders' expectations and fulfill our social responsibilities.

Our Customers
Our customers demand healthy and reliable products. We stay closely in tune with our customers' feelings, providing safe, high-quality products and services that contribute to our customers' qualities of life.

Society
Tastiness, Enjoyment, Health, and Reassurance. As a responsible corporate citizen we believe in delivering value and enriching society. As part of our mission, we understand the value of communicating with society and respecting human rights.

Global Environment
We are fully aware that our business operations depend upon the bounty of nature. We strive to conserve resources, protect the environment, and contribute to a more sustainable society.

**Shareholders and Investors**

We engage in sound and transparent business management. We communicate with shareholders and investors, and disclose information in a timely and appropriate manner.

**Employees**

We respect the diversity and individuality of employees and strive to develop safe and comfortable workplace environments. We believe in a creative and vibrant corporate culture that values dynamic communication.

**Business Partners**

Mutual trust is essential to business. We emphasize fair, transparent, and free competition. Furthermore, we communicate openly with our business partners to ensure that procurement and transactions are friendly to the environment and society.
CSR Management Framework

The Meiji Group’s CSR management framework addresses governance and company stakeholders in six categories—customers, society, shareholders and investors, business partners, the global environment, and employees. This framework guides the discussions and initiatives advanced by our Group CSR Committee.

Group CSR System

The Meiji Group CSR Committee comprises senior officers from Meiji Holdings Co., Ltd., Meiji Co., Ltd., and Meiji Seika Pharma Co., Ltd. It also includes CSR affiliates from each company. The committee is chaired by the president of Meiji Holdings, and vice-chaired by the presidents of Meiji and Meiji Seika Pharma. The committee promotes CSR management for the entire Group.

The committee is tasked with preparing the Group’s basic CSR policies, monitoring the progress of activities at individual companies, and providing guidance and support in regards to relevant issues. The committee meets three times a year. The committee's discussions are based on the Meiji Group's System of Principles and Stakeholder Policy, and reflect ISO 26000 international standards for corporate social responsibility. A CSR Secretariat has also been established underneath the Group CSR Committee. The secretariat holds monthly meetings that aim to improve CSR through the sharing of information. The secretariat consists of CSR staffs from each department at Meiji Holdings as well as from the two major operating companies.
The Group CSR Committee has established a 2017 Group CSR Medium-Term Management Plan. In accordance with this plan, as well as the Meiji Group Stakeholder Policy, we are striving to bolster Meiji's corporate communications. Additionally, in order to strengthen our foundation for CSR implementation, the plan calls for increasing cooperation between Group companies in Japan and overseas. The plan also focuses on increasing publicity so as to better inform our stakeholders of CSR activities at Meiji. The Group CSR Medium-Term Management Plan aims to heighten Meiji's corporate value. Responsibility for implementation of the plan will be shared by each and every employee.

Increase communication with stakeholders
Promoting activities based on a CSR management framework that addresses governance and company stakeholders in six categories—customers, society, shareholders and investors, business partners, the global environment, and employees.

Establish and expand foundations for CSR activities
1) Strengthen cooperation between persons responsible for CSR and related departments
2) Strengthen cooperation between Group companies in Japan and overseas
3) Increase publicity

To enhance CSR management at the Meiji Group
Recently, in addition to a company’s financial and governance information, CSR has become an important consideration for investors.
From the viewpoint of CSR, many aspects of the Meiji Group's business activities are attractive to investors and other stakeholders. In some areas, however, our efforts are still lagging. Under the current STEP UP 17 medium-term business plan we will work with related departments to improve our efforts in these areas. Deepening communication with our stakeholders will allow us to enhance CSR management at the Meiji Group.

Jun Furuta
Meiji Holdings Co., Ltd.
Member of the Board and Executive Officer
General Manager, PR & IR Department
CSR Promotion

External Dialogues and Educational Activities

Expert Lectures

In June 2014, we invited Toshihiko Goto, representative director of the nonprofit organization Sustainability Forum Japan, to conduct a seminar on recent trends in CSR. We also invited Ayako Sonoda, president of Cre-en Inc., to give a seminar in February 2015.

Informing Employees

The Meiji Group strives to keep employees informed about our CSR system and activities. Each edition of our in-house company magazine includes important CSR information for our employees, such as recent CSR activity news and special features on relevant topics.

Interest in ESG (environment, society, governance) is Rising Rapidly

With the enactment of the Japanese version of the Stewardship Code, interest among institutional investors in ESG (environment, society, governance) is rising rapidly. It is likely that declaring acceptance of the Japan’s Corporate Governance Code will also lead to increased opportunities for engagement with stakeholders.

The Meiji Group is currently pursuing concrete initiatives through meetings of its Group CSR Committee (three times per year) and its CSR Office (once per month). Moving forward, I look forward to seeing the Group formulate human rights and procurement policies, and focus on sustainable and long-term CSR activities as part of its Medium-Term Business Plan. These activities will be a vital step towards integrated reporting. In this way I think the Meiji Group will come to serve as an innovative model of a long-lasting corporation, laying its foundation as a company that is loved by customers for the next 100 years.
Featured: Sustainable Cocoa Farming

We believe a long-term approach is needed for sustainable cocoa farming, with the overall focus being on producing quality cocoa beans, increasing revenues and investing for the future. With this in mind, we are developing numerous model projects.

Demand Exceeds Supply

Worldwide demand for chocolate has risen about 20% in the past 10 years, while the supply of cocoa beans has only grown about 10%. The main reasons for this are shown below.

- Old trees
- Abnormal rainfall or temperature
- Disease and insect damage
- Lack of agricultural inputs
- Lack of cultivation technology and knowledge

It takes three to four years for farmers to plant and harvest cocoa seedlings, after which fermenting and drying require additional time and effort. This long lead-time is a problem for farmers. Over the past 10 years the cocoa inventory ratio has dropped 15%. For Meiji, stable procurement of cocoa beans is critical.

Cocoa inventory and inventory ratio
To ensure stable procurement of quality cocoa beans, Meiji Group helps farmers through Meiji Cocoa Support.

Yoshinori Doi heads a program that promotes traceable cocoa in Ghana. "Meiji has always given priority to sourcing quality cocoa beans," Mr Doi said. "One way of doing this is to purchase cocoa beans certified by third-party organizations such as the Rainforest Alliance. However, we believe that visiting production areas, checking progress and talking with the people involved in cocoa production are important. As such, we began visiting Ghana’s production areas about 10 years ago.”

In partnership with British cocoa trader Armajaro Trading Ltd, the international nonprofit Source Trust and others, we established a system for purchasing cocoa beans from designated production areas. Under this system cocoa beans are purchased at prices above current market value. Farmers use the extra income to increase harvests and produce quality cocoa beans.*

Examples of Meiji Cocoa Support Programs

**Village Resource Center**
We established the center in 2013. Adults use computers to learn about cocoa farming technology, while children learn how to use computers.

**Farmer Training School**
The school instructs cocoa farmers on using farming technology, managing disease and insect damage, working safely and protecting the environment.

**Nursery**
Since its establishment in January 2014, the center has been supplying hybrid seedlings that increase productivity due to their early harvesting age and high resistance to disease and insect damage.

Installation as Village Development Chief

Meiji Cocoa Support Programs not only help farmers, they improve farming communities. Some of our contributions are shown below.

- Digging village wells
- Donating mosquito nets to prevent malaria
- Using official development assistance (ODA) to build an elementary school
- Donating desks, chairs, blackboards and other school furnishings

An area on which we particularly focus is art for children in farming villages. Children experience the fun of art as they create paintings of cocoa beans and other subjects at our workshops.
Villagers have welcomed the programs, and Yoshinori Doi has been named Development Chief in a community. "In many parts of West Africa, including Ghana, chiefs have historically played important roles in society," he noted. "Designating a foreigner as chief is rare. And while chiefs are highly respected, they have to produce results. In my case, this means village development. The title is not honorary; it comes with duties, and I plan to continue my efforts."

I am very grateful for Meiji's contributions. The well and art workshops have made adults and children very happy. I hope these programs continue.

Nana Abu Bayeeman
Chief, Aserewadi Community Village

Meiji's programs are very important for cocoa farmers and for Ghana. I would like to see the company continue activities that directly improve the lives of individual farmers.

Onyina Acheampong A. Gyamfi
Cocoa Operation Manager, Armajaro Trading Ltd

Featured:
Developing a Drug for a Childhood Epilepsy
Dravet syndrome is a rare, childhood epilepsy syndrome that is medically intractable. In Japan Meiji Seika Pharma was the first and only company to in-license, develop and market a drug for Dravet syndrome, DIACOMIT. We decided to develop this orphan drug because we specialize in central nervous system (CNS) agents and have extensive experience in antibiotics for pediatrics.

**Earning Trust through Development of Antibiotics for Pediatrics**

This type of epilepsy has an incidence of approximately one in 40,000 infants. With onset during the first year of life, this serious epileptic syndrome causes repeated seizures, intellectual disability and motor impairment. In Japan the need to develop and market a drug was pressing because there was no officially approved medicine for this ailment available domestically.

DIACOMIT was developed in France and was first marketed in Europe in 2007, with Japan being aware of the drug’s efficacy at the time. In the same year an evaluation committee for unapproved (or off-label) drugs for people with significant medical needs discussed the drug. It concluded that DIACOMIT should be developed promptly in Japan. The committee then initiated a government project aimed at accelerating clinical development of drugs to address Japan’s “drug lag” problem. Manabu Kanai, the person responsible for clinical trials of DIACOMIT at the time, recalls his feelings. “Epilepsy was a new field for us, and Dravet syndrome is a serious disease that is potentially fatal. Hence, conducting clinical trials turned out to be a formidable challenge.”

Meiji Seika Pharma has long been involved in antibiotics for pediatrics. Leveraging our experience in the field and in line with our commitment to addressing unmet medical needs, we decided to conduct clinical trials of DIACOMIT.

The trials began in 2008, and although we wanted to market the drug as soon as possible, there were many hurdles. Among these was the need for extensive communication with the French manufacturer of DIACOMIT, as well as having to meet the strict approval requirements of the Japanese government.

Efficiently conducting the trials likewise proved problematic since there were so few patients, and those we located tended to live far from the hospitals where the trials took place. It was also necessary to build solid professional relationships with the hospitals where
these patients would receive treatment after we marketed the drug. Nevertheless, thanks to the cooperation of specialists and patients’ families, we were finally able to market the drug in 2012.

A key person of the DIACOMIT project at Meiji Seika Pharma, Koji Iwamizu, explains his work. “Because of its rarity, Dravet syndrome is not well known among healthcare practitioners. Our mission is to inform people about the disease and its treatment.”

Unlike how we handle our main products, for DIACOMIT we send dedicated medical specialists to institutions all over Japan in order to educate medical professionals and provide information about Dravet syndrome.

Our focus is on ensuring appropriate use of DIACOMIT. We provide not only product-information brochures but also patient booklets and DVDs to give patients a better understanding of the disease and how to take the drug. We also coordinate with our 850 medical representatives to collect information. When necessary, we send our specialists to medical institutions to provide guidance. “Early diagnosis and management are important for controlling Dravet syndrome,” says Mr Iwamizu. “For this drug to be beneficial, informing healthcare professionals and increasing awareness of the treatment method are vital.”

Mr Iwamizu and Mr Kanai both mention that empathizing with patients is something that motivates the whole team.
Seminar by Dr Charlotte Dravet

As part of our efforts to raise awareness of Dravet syndrome, we invited Dr Charlotte Dravet — who first identified this epilepsy syndrome — to hold a two-day seminar at the Congress of the Japan Epilepsy Society in October 2014. More than 500 specialists attended the seminar and were very interested in her presentation.
Making Efforts to Heighten Awareness of Dravet Syndrome

"Controlling epileptic seizures soon after onset of the disease is important in the treatment of Dravet syndrome," says Dr Yoko Otsuka, Professor Emeritus at Okayama University. "Before the launch of DIACOMIT, other treatment methods did not demonstrate adequate efficacy. Hence, release of DIACOMIT into the Japanese market had long been awaited.

"Because Dravet syndrome is a rare disease, developing DIACOMIT proved to be a challenge, and Meiji Seika Pharma was unwavering in its commitment to the project despite the difficulties. I am grateful that the company released the drug and is conducting post-marketing clinical trials.

"While DIACOMIT is effective for treatment of Dravet syndrome, there are side effects, which is why medical professionals must ensure that the drug is prescribed properly according to each patient's condition, and that patients take the drug as directed. I would like to see the company use its expertise to accurately inform medical professionals about the treatment method. I also hope that Meiji continues to address unmet medical needs, even for treatments that benefit only relatively small markets."

Yoko Otsuka M.D., Ph.D.
Advisor
Asahigawaso Rehabilitation and Medical Center
Professor Emeritus
Department of Child Neurology, Okayama University

Featured:
Sustainable Cocoa Farming
Communicating with Our Customers

Food Segment

Customer Service Center

Our Customer Service Center strives to ensure customer trust and satisfaction though prompt, honest, fair and appropriate service. The center receives a wide range of inquiries regarding products and services. We use this customer feedback to develop new products and services, and improve existing ones.

Inquiries to the Customer Service Center by Subject (FYE March 2015)

Counselling Office for New Mothers

Meiji’s Counselling Office for New Mothers was established approximately 40 years ago. The counseling office offers valuable advice for new mothers, family members and other persons engaged in childcare.

Breakdown of Inquiries to the Counselling Office for New Mothers by Subject (FYE March 2015)

Customer feedback regarding Meiji’s Bulgaria Yogurt 75g × 4 Series

"Yogurt sometimes adheres to the lid’s inside surface, and your hands get sticky. Also, when separating garbage, the label around the container is difficult to remove."
After improvement

We changed the lid's inside surface to a water-repellent material so that yogurt does not adhere. In addition, we improved the container's label so that it is easier to remove.

Customer Satisfaction Survey

We conduct an annual postcard questionnaire. The questionnaire postcards are sent to customers who have made inquiries to our Customer Service Center. Questions focus on satisfaction with the customer service and follow-up response received. Based on the questionnaire results, we implement improvements to ensure greater levels of customer satisfaction. For example, contacting the center is now more convenient, responses are more polite and attentive, and the time until responses has been shortened.

Pharmaceuticals Segment

Medicine Support Center

The Medicine Support Center responds honestly, accurately, and promptly to a wide range of inquiries from both medical professionals, and patients, family members and caregivers who may have questions that need answered. Additionally, customer feedback received through the center is utilized to ensure that the entire company remains focused on customer needs.

A database is in place to ensure that the center provides attentive and accurate information. In fiscal year ended March 2015 (FYE March 2015), we introduced a telephone answering system that, with the cooperation of medical representatives, facilitates smoother access to information. The valuable feedback gained from customers who contact the center is also used throughout the company to improve feedback and information services.

System for using customer feedback

Number of Inquiries to the Medicine Support Center
Customer Feedback Regarding REFLEX® Tablets

"Because the packaging is narrow, cutting it lengthwise with scissors sometimes cuts pockets containing tablets."

After improvement

We improved the press-through-pack (changed the width of packaging).
With Society

Initiatives Carried Out as Part of Business Activities

The Meiji Group incorporates a variety of CSR initiatives as part of its main business activities. Our food and nutrition education activities and plant tours are well-established favorites among our customers. We also contribute to society through development of special infant formulas and drugs for rare diseases.

Food and Nutrition Education Activities

Three Areas of Priority

Our education activities focus on three areas of priority: the value and enjoyment of food, nutritional balance, and food-related safety and reassurance. We create opportunities for our customers to learn about and enjoy food, and to better understand the nutritional value and health benefits of different foods.

The History of Meiji's Food and Nutrition Education Activities

The Meiji Cooking Salon—which holds classes on using milk and other dairy products during cooking—has been in operation for roughly 40 years. When Japan's Basic Act on Food Education was established in 2005, we used the opportunity to further integrate food and nutrition education into the Salon's activities. Instructors from the Salon visit schools and other organizations to conduct fun, interactive lessons and cooking classes.

Fun Interactive Classes

The Meiji Cooking Salon—which holds classes on using milk and other dairy products during cooking—has been in operation for roughly 40 years. When Japan's Basic Act on Food Education was established in 2005, we used the opportunity to further integrate food and nutrition education into the Salon's activities. Instructors from the Salon visit schools and other organizations to conduct fun, interactive lessons and cooking classes.

Award from the Minister of Education

In March 2015, Meiji became the first private-sector company to receive a commendation for excellence from the Minister of Education, Culture, Sports, Science and Technology in promotion of the national "Early to Bed, Early to Rise, and Don't Forget Your Breakfast" campaign.
Cooking Classes at Schools and Other Organizations

We visit schools to give cooking classes that cover basic familiarity and nutritional information for ingredients such as dairy products and chocolate. The classes encourage children to enjoy cooking and find novel uses for familiar ingredients. We also offer courses for parents and children that stress the importance of a balanced diet and introduce participants to dairy products and other ingredients, and a cooking course designed especially for adults that introduces tasty new recipes and suggests interesting ideas for using milk and other dairy products in meals. Approximately 12,000 people participated in classes in FYE March 2015.

Plant Tours

Meiji Co., Ltd.'s plants include visitor centers that carry out educational plant tours. Visitors can observe production processes firsthand while learning about our commitment to food safety and reliability. The centers also conduct fun and interactive classes. More than 120,000 people visited six Meiji plants, nationwide, in FYE March 2015.

In July 2015, we opened a new visitor center at the Aichi Plant. In addition to tours of the plant's production lines, the center includes a food and nutrition education room where visitors can learn through hands-on experience.

We also conduct plant tours overseas. In China, for example, Meiji Seika Food Industry (Shanghai) Co., Ltd., and Meiji Dairies (Suzhou) Co., Ltd. have been named as “Education and Dissemination Bases of Science” and are accredited as model companies suitable for social studies-related field trips. Consequently, many elementary and junior high school students visit these plants.

Meiji's Special Infant Formula Helps Save Babies' Lives

We manufacture and sell special infant formulas for babies with a variety of metabolic disorders. Often, babies are born with congenital metabolism disorders (also known as “inborn metabolism errors”). These babies require special nutritional management using special formulas suited to their particular disorder. Meiji is committed to the production and supply of these special formulas.

We manufacture and supply 21 types of special formula for a variety of metabolic disorders. These include officially registered formulas as well as formulas designed for treatment of non-congenital metabolic disorders.

In March 2015, mothers from two patient groups for inborn errors of metabolism visited our research headquarters at the Odawara Plant to learn more about the manufacturing processes used for special-infant formulas. Many of the mothers shared photographs of their children with us.
The experience has helped motivate us to work even harder toward development of these important products.

As a leading manufacturer of infant formulas, it is our responsibility to ensure the healthy development of babies. We will continue to utilize the technologies and expertise amassed through creation of Meiji products to better fulfill this mission.

**Contributing to Society through Medicines for Rare Illnesses**

Meiji Seika Pharma Co., Ltd. is working to aid patients suffering from rare diseases. In May 2015, residual and recurrent esophageal cancer was added to indications of Laserphyrin® 100 mg for Injection. Laserphyrin® is a photosensitizer used in photodynamic therapy. Photodynamic therapy (PDT) combines drug and laser treatment, and involves laser irradiation and eradication of tumor tissue in which the drug has been injected. This method of therapy is low impact, allowing for a higher quality of life during treatment. PDT is gaining attention in the medical field as a new therapy option for residual and recurrent esophageal cancer.

We supported physician-led clinical trials for the drug and employed a priority review system for rare diseases that allowed for rapid approval. We are currently promoting appropriate use of the drug, which involves a combination of a laser device and specialized probe. We will continue to contribute to medical care in the future, so that we can further assist patients suffering from difficult diseases.

**Supporting People through Chocolate**

As a company that delivers happiness and energy to our customers, our desire at Meiji is to always benefit society further. We believe we can do that through our chocolate. Below, we introduce the four activities in our “Supporting People through Chocolate” initiative.
### Supporting Children in Japan

We hold a “Kinoko and Takenoko Satoyama Classes” program. In FYE March 2015, the program was held at two locations. Children were provided with opportunities to experience nature and partake in dessert making.

### Supporting Reforestation in the Amazon

We contribute to the reforestation of the Amazon and support local producers through stable procurement of cocoa beans. Beans are harvested according to Brazilian agroforestry methods, using jointly developed cocoa bean fermentation and processing technologies.
With Business Partners

We always emphasize fair, transparent, and free competition in all our operations. We also communicate openly with our business partners to ensure procurement and transactions fully consider society and the environment. This approach helps us to build mutual trust.

Engagement with Business Partners

Partnership with Dairy Farmers

Raw milk is the basic ingredient used to create milk and other products. After being collected at dairy farms, this milk is transported to plants for processing. The quantity and quality of raw milk largely depends on the health and environment of the cattle that produce it. Our dairy managers work closely with local farmers and agricultural cooperatives to ensure we always have access to raw milk of consistently high quality.

We have been conducting our Value Enhancement Campaign for Drinking Milk since 2009. The campaign is designed to support continuous and prosperous development of both dairy farms and the wider industry. A key goal has been to raise consumer awareness and appreciation of the value of dairy farms. We work directly with dairy farmers to create farms that actively encourage visitors to drink locally produced milk.

As part of the campaign, we have established a system that awards accreditation to farms producing high-quality milk. Our standards for certification include the maintenance of hygienic operations and facilities and also enhancement of raw milk processing rooms and cowsheds. As of March 2015, we have accredited around 200 farms and plan to continue similar activities. We also intend to increase the number of farms producing high-quality milk. Communicating these unique efforts to consumers will help to increase the value of raw milk.

Support for Cocoa Farmers

Meiji operates the Meiji Cocoa Support program to assist local farmers. While demand for cocoa beans is rising globally, on their own, cocoa farmers cannot easily increase production to cater for this growth.

Meiji is currently working with local partners to help farmers boost harvests. This includes holding seminars on agricultural technology and methods for controlling disease and insect damage. We are also creating centers that supply the seedlings needed for cultivation and helping producers to adopt our original fermentation method. This allows us to consistently procure high-quality cocoa beans. In addition, we are supporting cocoa farmers and their communities by, for example, building wells, donating school equipment and supporting environmentally friendly farming.

Our assistance program also includes support for farmers through the World Cocoa Foundation, which we originally joined in 2006. The foundation is an international nonprofit organization, and its
In April 2015, we held an annual meeting at the Meiji head office in Toyocho, Tokyo to report on activities. Mr. Bill Guyton, president of the World Cocoa Foundation, kindly accepted our invitation to attend. Before the meeting, Mr. Guyton expressed gratitude for Meiji's continuing support in an interview with President Kazuo Kawamura. Later, during the meeting, Mr. Guyton also outlined the foundation's achievements and the focus of its future activities. His presentation was followed by a lively and informative question and answer session.

Mission is to develop local economies and societies and also preserve the environment by encouraging the establishment of a sustainable global cocoa economy.

A key feature of the foundation is the local guidance and support it provides to enable farmers to increase their capabilities. Currently, more than 110 related companies and organizations from around the world are members of the foundation. Meiji donates funds to and provides support for the Cocoa Livelihoods Program, one of the organization's main undertakings.

Thanks to this comprehensive range of support activities, farmers are able to enjoy increased incomes. At the same time, we are able to procure high-quality cocoa beans that allow us to provide consumers with truly delicious chocolate. Our personnel will continue to visit producers on a regular basis and provide support while communicating with them face to face.
For the Environment

We are fully aware that our business operations depend upon the bounty of nature. We strive to conserve resources, protect the environment, and contribute to a more sustainable society.

Environmental Management

The Meiji Group is committed to reducing the environmental impact of its business activities. Business operations are carried out in accordance with our Environmental Philosophy and Environmental Policy, which aim for harmony with the environment.

We have also introduced an environmental management system to reduce environmental impacts. The system aims to reduce CO₂ emissions, achieve zero emissions and conserve energy. Each of the company’s business locations also conduct their own environmental conservation activities.

Environmental Philosophy

We, the Meiji Group, in recognition of the fact that our business operations originate from the bounty of nature, will contribute to the creation of a sustainable society. To this end, we intend to harmonize our business activities with the global environment and manage the Group in a way that protects the environment.

Environmental Policy

To make the Meiji Group’s Philosophy and Environmental Philosophy a reality, we adhere to the following environmental policy in carrying out our business activities.

Compliance with laws and regulations
1. We will strictly comply with laws, regulations, ordinances, agreements with stakeholders, and industry standards relating to the environment, as well as our Group’s environmental standards, both in Japan and abroad.

Continuous improvement of environmental conservation activities
2. We will effectively operate and work to continuously improve our environmental management systems.

Reduction of environmental impact
3. We will endeavor to reduce the environmental impact of our products throughout their overall lifecycle, from design to disposal, and all of our business activities through improved productivity and the reduced consumption of resources and energy.

Biodiversity Conservation
4. We will conserve biodiversity by protecting ecosystems based on a global perspective in all our business activities.

Fostering an eco-friendly mindset
5. We will endeavor to foster employees who respect nature and take the initiative in thinking and acting in ways that are eco-friendly, and realize our Environmental Philosophy.

Coexistence and communication with society
6. We will strive to coexist with society by dialoguing with society and participating in environmental activities. Furthermore, we intend to properly disclose environmental information and communicate with society.

Material Balance (Fiscal Year Ended March 2015)

<table>
<thead>
<tr>
<th>INPUT</th>
<th>OUTPUT (Including offices and commercial vehicles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Material Input Volume</td>
<td>Waste Greenhouse Gas Discharge Volume</td>
</tr>
<tr>
<td>Raw materials</td>
<td>Waste</td>
</tr>
<tr>
<td>Packaging containers</td>
<td>Packaging containers</td>
</tr>
<tr>
<td>1,710,000 tons</td>
<td>34,000 tons</td>
</tr>
<tr>
<td>140,000 tons</td>
<td>33,000 tons</td>
</tr>
</tbody>
</table>
Total Energy Input Volume (including offices and commercial vehicles)
- Electricity: 636,968,000 kwh
- Fuel (heavy oil, town gas, etc.): 95,000 kl (heavy oil conversion)

Water Resource Input Volume
- Service water: 20,148,000 m³

Fuel (heavy oil, town gas, etc.)

Total Energy Input Volume

Electricity: 636,968,000 kwh
Fuel: 95,000 kl

Total Water Discharge Volume
- Water discharge volume: 15,904,000 m³
- PRTR substances discharge volume: 153 tons
- PRTR substances transfer volume: 258 tons

PRTR substances discharge volume: 153 tons
PRTR substances transfer volume: 258 tons

NOx: 246 tons
SOx: 83 tons

Total Water Discharge Volume

Impact Volume Related to Atmospheric Pollution and Living Environment
- NOx: 246 tons
- SOx: 83 tons

Total Water Discharge Volume

Greenhouse Gas Discharge Volume
- CO₂: 120,000 tons

Total Product Sales Volume
- Total product sales volume: 1,620,000 tons

Note: The material balance figures are the sums of figures for Meiji Co., Ltd., and Meiji Seika Pharma Co., Ltd.
Climate Change Action

We strive to conserve energy and resources through introduction of more energy efficient equipment, improvements to existing production equipment, and conversion to energy sources with lower CO₂ emissions.

Energy Consumption and CO₂ Emissions

We are working to conserve energy and reduce CO₂ emissions during production by converting from heavy oil to municipal gas. We also make use of in-house cogeneration systems that efficiently utilize waste heat.

Sales increased year on year for the fiscal year ended March 2015 (FYE March 2015). However, we were able to curb energy consumption and CO₂ emissions by concentrating our product mix and implementing energy-saving measures.

Energy Consumption

* Figures are for the entire Meiji Group, including manufacturing subsidiaries.
* One production unit is equivalent to ¥100 million in net sales.

CO₂ Emissions

* Figures are for the entire Meiji Group, including manufacturing subsidiaries.
* One production unit is equivalent to ¥100 million in net sales.
* Increases in FYE March 2013 and 2014 were due to an increase in the CO₂ emission factors (t-CO₂ per kWh) of power utilities.
Reduction of Environmentally Hazardous Substances

The Group strives to protect the Earth’s finite natural resources by reducing waste and using resources efficiently. We also enforce appropriate management for chemical substances and strive to minimize environmental impact by reducing chemical waste.

**Waste Reduction**

We promote zero emissions initiatives based on a reduce, reuse, and recycle (3Rs) approach. However, in FYE March 2015 waste levels increased slightly. This was due to a rise in production levels for some products.

* Figures are for the entire Meiji Group, including main domestic subsidiaries.
* One production unit is equivalent to ¥100 million in net sales.

**Appropriate Chemical Substance Management**

We strive to reduce chemical emissions. Measures include equipment to absorb vaporized chemicals, switching to safer substances, and improved manufacturing methods that reduce or eliminate chemical substances.

**PRTR Substances**

We report chemical emissions and transfers in accordance with Japan’s Pollutant Release and Transfer Register (PRTR) Act. Reporting is carried out at nine plants for Meiji Co., Ltd., and three plants and two research centers for Meiji Seika Pharma Co., Ltd.

At Meiji Seika Pharma, each pharmaceuticals plant and research center has a chemicals management committee that sets standards for handling chemical substances. The company manages procurement and inventory volumes, checks emission and transfer volumes, and strives to reduce emissions.

**PRTR Substances (t)**

<table>
<thead>
<tr>
<th>Class I-designated chemical substance number</th>
<th>Name</th>
<th>FYE 3/2014 Emissions</th>
<th>FYE 3/2015 Emissions</th>
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<tbody>
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<td></td>
<td></td>
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</tbody>
</table>

* Figures are for the entire Meiji Group, including main domestic subsidiaries.
* One production unit is equivalent to ¥100 million in net sales.
<table>
<thead>
<tr>
<th></th>
<th>Transfer volume</th>
<th>Transfer volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Acetonitrile</td>
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<tr>
<td>127</td>
<td>Chloroform</td>
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<tr>
<td>150</td>
<td>1,4-Dioxane</td>
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<tr>
<td>186</td>
<td>Methylene chloride</td>
<td>20.5</td>
</tr>
<tr>
<td>232</td>
<td>N,N-Dimethylformamide</td>
<td>0.1</td>
</tr>
<tr>
<td>300</td>
<td>Toluene</td>
<td>0.0</td>
</tr>
<tr>
<td>342</td>
<td>Pyridine</td>
<td>0.0</td>
</tr>
<tr>
<td>438</td>
<td>Methyl naphthalene</td>
<td>66.2</td>
</tr>
</tbody>
</table>

* Figures are totals for Meiji Co., Ltd. and Meiji Seika Pharma Co., Ltd.

**PCB Management**

Each of our operating bases engages in appropriate management of transformers and capacitors containing polychlorinated biphenyls (PCBs).

**Reduction of CFC Emissions**

We have changed from chlorofluorocarbons (CFCs) to natural refrigerants, such as ammonia, to prevent ozone layer damage and combat global warming.
Environmentally Friendly Product Life Cycles

We focus on environmental friendliness throughout a product’s life cycle, from planning through disposal.

Reducing the Environmental Impact of Packaging

Meiji Co., Ltd. and associated Group companies conduct a Paper Drink Carton Recycling Campaign twice per year. The purpose of the campaign is to remind employees of the importance of sorting and recycling paper cartons. Recycling collection boxes are set up and employees are encouraged to dispose of their paper milk cartons appropriately. Each year the percentage of employees participating increases. At present, approximately 80% of employees participate in the campaigns.

3Rs for Home-Delivery Milk Bottles

In Japan, Meiji Co., Ltd. delivers milk to approximately 2.6 million homes. The returnable milk bottles used for home delivery need to be lightweight and strong so that they can be used multiple times. We have recently improved our bottles to make them even stronger and lighter. The weight for a 200 ml bottle has been reduced to 180g, while durability has been increased to allow for three times as many uses. If bottles become scratched they can be crushed for use as raw materials for new bottles.
Environmentally Friendly Products

Meiji Seika Pharma Co., Ltd. develops and sells environmentally friendly agricultural chemicals. ZAXA is a highly effective long-lasting herbicide suitable for a variety of plants. Its main constituent is a type of amino acid commonly found in nature. As a result, the herbicide has minimal effect on soil and is highly safe for livestock. The active ingredients in Meiji Eco Series pesticides and fungicides are also derived from natural sources. The leading product in this series, Harmomate Water-soluble Powders, meets Japan Agricultural Standards for use in organic cultivation.

ZAXA nonselective foliage treatment herbicide
HarmoMate Water-soluble Powders garden fungicide (part of the Meiji Eco Series)
Environmental Accounting

We calculated environmental preservation costs and economic effects for FYE March 2015 based on guidelines furnished by the Ministry of the Environment. Environmental accounting figures are based on totals for Meiji Co., Ltd. and Meiji Seika Pharma Co., Ltd.

By calculating investments, costs and economic benefits for environmental preservation, the Meiji Group promotes more efficient activities.

Meiji’s Environmental Preservation Costs

Environmental Preservation Costs (Millions of yen)

<table>
<thead>
<tr>
<th>Details</th>
<th>FYE 3/2014</th>
<th></th>
<th>FYE 3/2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital expenditures</td>
<td>Costs</td>
<td>Capital expenditures</td>
<td>Costs</td>
</tr>
<tr>
<td>Costs within business area</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pollution prevention costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduction, operation, maintenance, etc., for exhaust, effluent and other treatment equipment</td>
<td>314</td>
<td>2,201</td>
<td>323</td>
<td>2,578</td>
</tr>
<tr>
<td>Environmental preservation costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of energy saving and greenhouse reduction measures, etc.</td>
<td>540</td>
<td>489</td>
<td>305</td>
<td>422</td>
</tr>
<tr>
<td>Resource circulation costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of measures to reduce and process waste, etc.</td>
<td>45</td>
<td>997</td>
<td>47</td>
<td>495</td>
</tr>
<tr>
<td>Upstream and downstream costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of measures to lighten containers and packaging, etc.</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Management activity costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental impact measurements, ISO 14001 measures, environmental education, etc.</td>
<td>10</td>
<td>127</td>
<td>3</td>
<td>86</td>
</tr>
<tr>
<td>Development costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation and implementation of measures to reduce waste solvent, etc.</td>
<td>0</td>
<td>17</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Social contribution costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not-for-profit greening and neighborhood cleanups, etc.</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Damage costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pollution charges, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

0 | 0 | 0 | 0
### Meiji Seika Pharma Co., Ltd.

#### Environmental Preservation Costs (Millions of yen)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital</td>
<td>Costs</td>
<td>Capital</td>
<td>Costs</td>
</tr>
<tr>
<td>Costs within business area</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pollution prevention costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air pollution prevention (including</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>acid rain prevention), water pollution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>prevention, soil contamination</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>prevention, subsidence prevention,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>etc.</td>
<td>36</td>
<td>524</td>
<td>25</td>
<td>398</td>
</tr>
<tr>
<td>Environmental preservation costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global warming prevention, energy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>saving, ozone layer damage prevention</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>etc.</td>
<td>22</td>
<td>83</td>
<td>80</td>
<td>96</td>
</tr>
<tr>
<td>Resource circulation costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficient use of resources and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>recycling of industrial waste, etc.</td>
<td>108</td>
<td>240</td>
<td>1</td>
<td>191</td>
</tr>
<tr>
<td>Upstream and downstream costs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Management activity costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental activity disclosure,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and greening of operating bases and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>neighborhoods</td>
<td>7</td>
<td>67</td>
<td>0</td>
<td>70</td>
</tr>
<tr>
<td>Development costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R&amp;D to curb environmental burden at</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>distribution stage</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Social contribution costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Economic Effects of Environmental Preservation Measures (Millions of yen)

<table>
<thead>
<tr>
<th></th>
<th>FYE 3/2014</th>
<th></th>
<th>FYE 3/2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reduction</td>
<td>Costs</td>
<td>Reduction</td>
<td>Costs</td>
</tr>
<tr>
<td>Energy saving</td>
<td>557kl</td>
<td>27</td>
<td>1,102kl</td>
<td>88</td>
</tr>
<tr>
<td>Waste reduction</td>
<td>0</td>
<td>1</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Sale of valuables</td>
<td>-</td>
<td>38</td>
<td>-</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>557kl</td>
<td>66</td>
<td>1,102kl</td>
<td>136</td>
</tr>
</tbody>
</table>

*Calculation parameters
Period: April 1, 2013–March 31, 2015
Scope: Plants and research centers

(1) Totals were calculated in accordance with the Environmental Accounting Guidelines of the Ministry of the Environment, insofar as possible.
(2) Economic benefits have been limited to measurable material benefits. Putative benefits have not been recognized.
(3) Investment saving has been recognized proportionally to reflect the degree of contribution to environmental contribution activities.
With Employees

The Meiji Group respects the diversity and individuality of employees and develops safe and comfortable workplace environments. We believe dynamic communication is essential, and strive for creative and vibrant workplaces.

Approach to Human Resources

Our approach to human resources is to foster personnel who set ambitious goals and are capable of innovating. We believe personnel should be able to draw on personal expertise and the Group’s strengths to achieve these goals. Through the Group’s HR system we focus on the individual growth of each employee, as we believe this increases their ability to provide customers with innovative value. In turn, this supports sustained Group development and raises our overall business capabilities.

In the Randstad Award 2015, Meiji Holdings was ranked third in a list of the most attractive companies to work for in Japan.

Basic Human Resources Information

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>6,693</td>
<td>6,754</td>
<td>6,742</td>
</tr>
<tr>
<td>Women</td>
<td>1,808</td>
<td>1,848</td>
<td>1,852</td>
</tr>
<tr>
<td>Total</td>
<td>8,501</td>
<td>8,602</td>
<td>8,594</td>
</tr>
<tr>
<td>Average years of service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>15.07</td>
<td>16.00</td>
<td>16.07</td>
</tr>
<tr>
<td>Women</td>
<td>12.10</td>
<td>12.10</td>
<td>13.04</td>
</tr>
<tr>
<td>Total</td>
<td>15.00</td>
<td>15.04</td>
<td>15.11</td>
</tr>
<tr>
<td>Average age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>38.07</td>
<td>39.00</td>
<td>39.07</td>
</tr>
<tr>
<td>Women</td>
<td>35.00</td>
<td>35.02</td>
<td>35.09</td>
</tr>
<tr>
<td>Total</td>
<td>37.10</td>
<td>38.02</td>
<td>38.09</td>
</tr>
</tbody>
</table>

New Employee Hiring

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>183</td>
<td>181</td>
<td>119</td>
</tr>
<tr>
<td>Women</td>
<td>124</td>
<td>132</td>
<td>78</td>
</tr>
<tr>
<td>Total</td>
<td>307</td>
<td>313</td>
<td>197</td>
</tr>
</tbody>
</table>

* The information in this section (“With Employees”) concerns regular, direct employees of Meiji Co., Ltd. and Meiji Seika Pharma Co., Ltd. (Employees covered in “Employees Worldwide” are excluded.)

Evaluation and Development of Personnel

Our basic approach to personnel evaluation focuses on employees’ contributions to the development of the Group as a whole. We manage organizations and human resources based on
employees’ abilities and duties. We encourage employees to take on more challenging duties so that they can grow and achieve more in their work.

Giving employees opportunities to think about the ways in which they work encourages them to adjust their behavior and strengthen their professional capabilities. Rather than evaluate individual achievements, we view achievements as steps in a larger process. This approach allows employees to identify areas for improvement, and to grow and take on more challenging tasks in the future.

Our evaluation system is designed as a holistic tool that not only evaluates personnel but also encourages professional growth.

**Approach to Human Resources Development**

We have established a variety of training programs to grow and develop personnel. These include basic training in skills necessary for the implementation of duties as well as additional business skills training. We also provide opportunities for motivated personnel to engage in further independent training. General employees in certain regions can also undertake an exam, held once per year, that qualifies them for promotion to a career path positions. This gives employees the opportunity to set off in new directions.

Under our self-assessment system, employees discuss their assignments with their managers once per year. They discuss the volume and quality of work, their own aptitude, and future career paths. This approach encourages employees to think independently about their work and desired careers. In turn, it provides the company with a more personalized understanding of each employee, which can then be used when making transfers and conducting training.

**Education and Training System (training organized by the HR department only)**

<table>
<thead>
<tr>
<th>Rank-based training</th>
<th>Manager training, training for promoted employees, training for new employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills training</td>
<td>Business skills training, English proficiency training</td>
</tr>
<tr>
<td>Leader development training</td>
<td>Training for selected employees, dispatching to outside educational institutions</td>
</tr>
<tr>
<td>Life plan training</td>
<td>Training for employees at the age of 50</td>
</tr>
</tbody>
</table>

**Voluntary training programs (number of employees using programs)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Meiji Open College (application required)</td>
<td>245</td>
<td>282</td>
<td>172</td>
</tr>
<tr>
<td>• Develops personnel that use creativity and expertise to compete against world-leading companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 10 seminars held per year (each group training session lasts 2–3 days)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meiji Correspondence Education Seminars (application required)</td>
<td>641</td>
<td>737</td>
<td>408</td>
</tr>
<tr>
<td>• Teaches a wide range of useful knowledge, skills, and critical thinking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 200 seminars on languages, finance and accounting, and other subjects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global training (application or recommendation)</td>
<td>112</td>
<td>280</td>
<td>156</td>
</tr>
<tr>
<td>• Teaches languages and advanced communication skills, to develop global personnel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Overseas assignment training, overseas study tours, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Diversity Promotion

Support for Women

We have formulated a plan to help advance the role of women in the workplace, in accordance with the "Voluntary action plans on promotion of women to managerial and board position" established by the Japan Business Federation.

Every second month, we post new information on our Cheer for Women intranet site. This site highlights women in managerial positions and their various working styles. The aim of the site is to encourage more women to consider their long-term career plans. The intranet site also provides information on company programs for important life events such as childbirth and rearing, and includes accounts from people who have availed of these programs. This helps ensure peace of mind for employees when planning their lives and careers.

In February 2015, we held our first inaugural conference for female employees, which was attended by 34 female employees. An outside speaker delivered a talk on diversity. Afterward, a group discussion on workplace environments and career goals was held. Some participants expressed a desire to share the matters discussed not only with female employees, but also with male coworkers and senior managers. We plan to continue such initiatives in the future.

Number of Employees Worldwide

Approximately 4,700 personnel work at our overseas bases. To develop more effective global personnel, we coordinate HR development with overseas Group companies and actively support non-Japanese personnel.

Initiatives include overseas assignment training. A two-month training program was held in India in fiscal year ended March 2015 (FYE March 2015), in which two employees participated. Two employees also participated in a one-year "overseas study while still in Japan" program, which focuses on studying and thinking in English. The program is held at Akita International University.

New Employee Hiring

<table>
<thead>
<tr>
<th></th>
<th>United States</th>
<th>Spain</th>
<th>China</th>
<th>Indonesia</th>
<th>Singapore</th>
<th>Thailand</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 3/2013</td>
<td>670</td>
<td>355</td>
<td>375</td>
<td>823</td>
<td>268</td>
<td>361</td>
<td>-</td>
</tr>
<tr>
<td>FYE 3/2014</td>
<td>620</td>
<td>335</td>
<td>622</td>
<td>782</td>
<td>275</td>
<td>372</td>
<td>-</td>
</tr>
<tr>
<td>FYE 3/2015</td>
<td>583</td>
<td>331</td>
<td>914</td>
<td>725</td>
<td>270</td>
<td>359</td>
<td>1,549</td>
</tr>
</tbody>
</table>
Employment of Persons with Disabilities

The Meiji Group complies with statutory employment quotas for persons with disabilities. We also aim to create workplace environments where employees can thrive regardless of any disabilities. Our Tokai Plant, in particular, is a conducive workplace that specializes in employing persons with disabilities.

Percentages for Employees with Disabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of employees with disabilities (%)</td>
<td>1.83</td>
<td>2.05</td>
<td>2.13</td>
</tr>
</tbody>
</table>

Reemployment of Retired Personnel

We allow personnel to continue working beyond the legal retirement age of 60. These personnel can provide experienced guidance and set a valuable example for younger employees.

Reemployment of Retired Personnel

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number seeking reemployment</td>
<td>134</td>
<td>57</td>
<td>54</td>
</tr>
<tr>
<td>Percentage of applicants reemployed (%)</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
Employee-Friendly Workplaces

Work–Life Balance

Support for Childrearing

Children are responsible for leading our future. At the Meiji Group, we believe that it is our corporate responsibility to create an environment conducive to childrearing and to help employees balance their work and family commitments. We support increasingly diverse work styles for our employees.

Support for Childrearing

<table>
<thead>
<tr>
<th>Support for Childrearing</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prenatal leave</td>
<td>Available immediately after becoming pregnant</td>
</tr>
<tr>
<td>Prenatal and postnatal leave</td>
<td>Prenatal: 45 days, Postnatal: 56 days</td>
</tr>
<tr>
<td>Childcare leave</td>
<td>Available until child is 2 years old</td>
</tr>
</tbody>
</table>
| Measures for shorter working hours, etc., during childcare | Available until child is in third grade of elementary school  
  - Shorter working hours, beginning work earlier or later  
  - Exemption from non-scheduled or night work, use of flextime system |
| Child-nursing leave     | 5 days per year available until child starts elementary school |
| Support for childrearing | When employee or spouse gives birth  
  - Special payment for birth  
  - Nursery items |
| Next-generation childrearing allowance | Available until employee's son or daughter reaches the age of 20 |
| Benefit association     |  
  - Special payment for birth  
  - 50% of amount used for babysitter services (not exceeding 30 days)  
  - Special payment for school enrolment |

Number of Employees Taking Childcare Leave or Using System for Shorter Working Hours during Childcare

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees taking childcare leave</td>
<td>Men</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Women</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>135</td>
</tr>
<tr>
<td>Number of employees using system for shorter working hours during childcare</td>
<td>Total</td>
<td>77</td>
</tr>
</tbody>
</table>

Support for Nursing Care
In Japan, the number of employees with family members who require nursing care increases each year. We have established systems to help support these employees.

### Support for Nursing Care

<table>
<thead>
<tr>
<th>Nursing-care leave</th>
<th>Total of 365 days for each family member requiring nursing care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term nursing-care leave</td>
<td>5 days per year available for each family member requiring nursing care</td>
</tr>
<tr>
<td>Measures for shorter working hours, etc.</td>
<td>• Shorter working hours, beginning work earlier or later • Exemption from non-scheduled or night work, use of flextime system</td>
</tr>
</tbody>
</table>

### Number of Employees Taking Nursing-Care Leave

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees taking short-term nursing-care leave</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Number of employees taking nursing-care leave</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>8</td>
</tr>
</tbody>
</table>

### Other Systems

We also have a volunteering system in place, as well as special refreshment leave for employees of certain ages.

#### Number of Employees Taking Volunteering Leave

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Number of employees taking volunteering leave</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

* As a good corporate citizen, we support volunteering on the part of our employees. Under our volunteering system, up to 12 days of special volunteering leave are available per year. (Employees can take volunteering leave in lieu of accumulated annual paid leave.)

#### Number of Employees Taking Refreshment Leave

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of employees taking refreshment leave</td>
<td>512</td>
<td>543</td>
</tr>
</tbody>
</table>

* Under this system, employees with three or more years of continuous service qualify for refreshment leave and a support payment when they reach the ages of 35, 45 or 55 during a fiscal year ended March.

### Creation of Healthy and Safe Workplaces

#### Occupational Health and Safety

In order to ensure safe and comfortable workplaces, we take measures to prevent workplace and commuting accidents. We conduct safety training, and inspect facilities and equipment at manufacturing sites, operating sites, and offices, in accordance with annual policies and plans prepared by our Health and Safety Committee.

#### Promoting Employee Health

Promoting employee health is one of our corporate responsibilities. We create vibrant workplaces through multifaceted support for employee health. This includes:

1. Increasing the percentage of employees who have health checkups and preventing lifestyle-related diseases through post-checkup health guidance.
2. Providing employees with support through occupational health doctors or other highly experienced specialists, and providing support systems for employees' physical and mental health concerns.
3. Developing working environments that discourage long working hours.

Labor Relations
The Federation of Meiji Group Workers' Unions consists of workers unions from each of the operating companies.

We believe that sound labor–management relations are crucial for effective corporate management. We engage in regular labor discussions, wage negotiations, and health and safety discussions.
Compliance

In accordance with our Corporate Behavior Charter, we promote fair, transparent, and free competition. We conduct all transactions in compliance with the laws and regulations of the country in which business is done, respect local cultures and customs, and conform to our own in-company regulations. To further strengthen compliance we work to improve training and increase compliance awareness throughout our organization. A system has been established to ensure that we do not deviate from this charter and ideals, and can continue to fulfil our social obligations even in times of emergency or natural disasters.

Employees receive compliance cards, which include contact information for the compliance help desk. The help desk and cards are part of our internal reporting system.

Compliance Promotion

The Meiji Group implements compliance measures in our pharmaceuticals and food segments that are tailored to the specific demands of those businesses. Each year, we conduct compliance questionnaires to check the extent of implementation, compliance awareness and familiarity with company mechanisms among employees. We analyze these responses to identify important issues, and then reflect these results in future efforts toward improving compliance awareness. We also carry out specialized training for compliance leaders, and regularly issue communications related to CSR.

Furthermore, we hold compliance seminars for senior management including officers, branch and department managers, division managers and affiliate presidents. We also hold a campaign to collect compliance slogans from employees, and award the best entries.

In 2014, we received a silver rating in a supplier survey carried out by EcoVadis of France. EcoVadis assesses companies' for environmental and CSR initiatives.

An Ethical and Transparent Pharmaceuticals Company

Meiji Seika Pharma has established a Code of Practice for all officers and employees. As a pharmaceuticals company, Meiji Seika Pharma is committed to meeting society's expectations through the highest standards of ethics and transparency. The company promotes accountability through ongoing dialogues with associated researchers, healthcare practitioners and patient groups. Meiji Seika Pharma has also established “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions.” Based on these guidelines, the company discloses details of the academic research grants that it provides. These disclosures help illustrate the ways in which Meiji contributes to progress in the life sciences while adhering to the highest ethical standards.
Risk Management

Minimizing risk is important. As a corporate group operating in the food and health fields, it is our responsibility to ensure stable supply of pharmaceuticals, infant formulas and enteral formulas, even in times of emergency.

Business Continuity Plans

We are in the process of further strengthening our business continuity plans. In the event of a major earthquake or other large-scale disaster, we aim to be able to restore operations as quickly as possible so that we can continue to supply important foodstuffs and pharmaceuticals. We carry out ongoing disaster awareness measures, and conduct regular drills for our employee safety confirmation systems. We are also implementing improvements throughout the value chain, including establishing robust operational and infrastructural systems, earthquake-proofing facilities, increasing the number of production sites, decentralizing supply sources, and establishing IT system backups.

Basic Policies for Business Continuity Plans

To ensure that customers can be provided with the products and services they need even in times of disaster, the Meiji Group will establish business continuity plans that:

1. Ensure the lives and safety of persons involved in the Group and their families
2. Ensure that the Group continues to meet its social responsibilities
3. Minimize damage to our businesses that would arise from interrupted operations

Information Security

Basic Approach

We establish a variety of information security policies and rules which aim to protect our intellectual properties and strengthen the management of personal, confidential and other sensitive information. We thoroughly train employees in information security and strive to remain abreast of advances in IT technology.

We are also committed to providing stakeholders with all necessary information. Help desks and websites are available for customers for each of our businesses, and information is disclosed to shareholders and investors through investor relation activities and specialized websites.

Privacy Protection

We appreciate the importance of customer privacy. We comply with relevant laws and standards for the protection of personal information, and have established a Group Personal Information Protection Policy.
**Intellectual Property**

Intellectual properties have grown increasingly important in recent years, due to society's growing awareness of intellectual property issues and a variety of new government measures. We acquire intellectual property rights for the new products and technologies we research and develop. These rights make it possible for us to continue supplying customers with high added-value products.

**Going Forward**

We will strive to further increase the corporate value of the Meiji Group by strengthening corporate governance, promoting compliance, and enacting strict risk management.