

Now ideas for wellness

meiji

Financial Results for the H1 of FYE March 2023 (FY2022)

(From April 1, 2022 to September 30, 2022)

November 14, 2022

Meiji Holdings Co., Ltd.

* Revenue recognition accounting standards are applied from beginning of FY2021.

1. Financial Summary for the H1 of FY2022

Summary for H1 FY2022 Consolidated Results

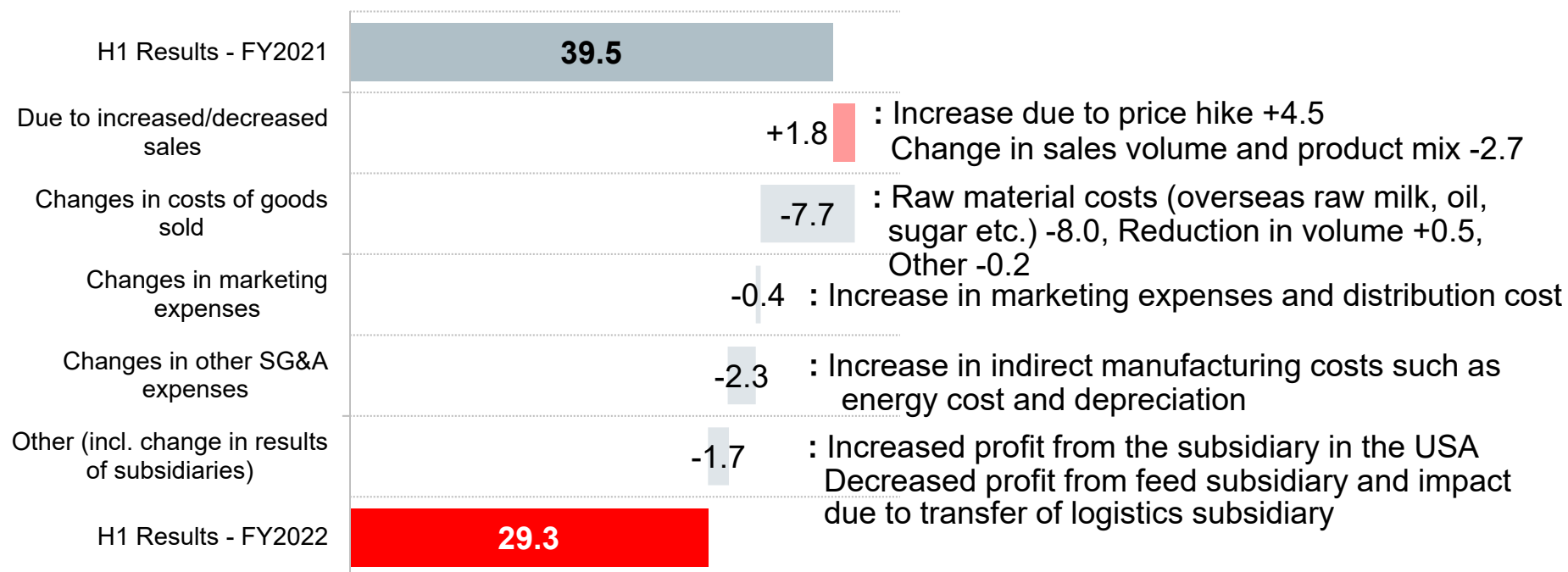
(JPY bn)	FY2021 H1 Results	FY2022 H1 Results	YoY Change	vs. H1 Plan	FY2022 H1 Plan
Net sales	500.7	517.5	+3.4% +16.8	+2.1% +10.5	507.0
Operating profit	50.3	43.1	-14.2% -7.1	+5.3% +2.1	41.0
Op. profit margin	10.1%	8.3%	-1.7 pt	+0.3 pt	8.1%
Profit attributable to owners of parent	36.6	33.3	-8.9% -3.2	+7.7% +2.3	31.0
EPS (JPY)	252.54	237.04	-15.5	+21.89	215.15

- Results for H1: Increased in sales, decreased in operating profit
 - Sales: Increased both in Food and Pharmaceutical segment
 - Operating profit: Food segment decreased significantly
Pharmaceutical segment increased significantly
 - Profit attributable to owners of parent: Decreased
 - Q1 profit increased significantly on recording extraordinary income from the transfer of a logistics subsidiary
 - Despite Q1 extraordinary income, profit decreased year-on-year due to having recorded gains on the transfer of DM Bio in Q2 previous fiscal year

Food: Summary – H1 FY2022

(JPY bn)	FY2021 H1 Results	FY2022 H1 Results	YoY Change	vs. H1 Plan	FY2022 H1 Plan
Net sales	409.0	420.6	+2.8% +11.5	+1.6% +6.6	414.0
Operating profit	39.5	29.3	-25.9% -10.2	-14.1% -4.8	34.1

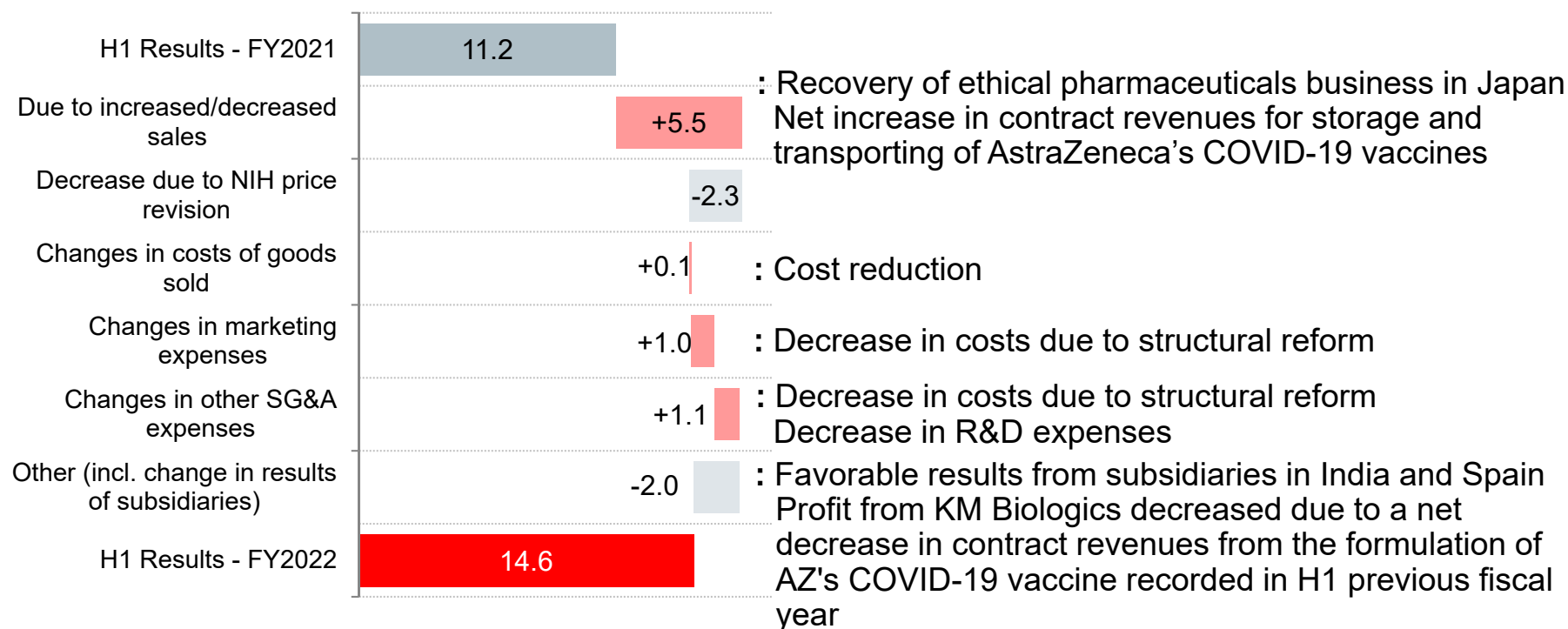
Analysis of changes in operating profit



Pharmaceutical: Summary – H1 FY2022

(JPY bn)	FY2021 H1 Results	FY2022 H1 Results	YoY Change	vs. H1 Plan	FY2022 H1 Plan
Net sales	92.1	97.1	+5.5% +5.0	+4.5% +4.1	93.0
Operating profit	11.2	14.6	+29.9% +3.3	+88.9% +6.8	7.7

Analysis of changes in operating profit



2. Outlook for the H2 of FY2022 and Business-specific Overview

**Recovering growth trajectory of core businesses is the top priority
We will work on fostering new growth drivers**

Points for FY2022 Plan

- Recover growth trajectory of core businesses, in particular:
 - ✓ Functional yogurt and yogurt
 - ✓ Domestic ethical pharmaceuticals
- Initiatives against cost increase
 - ✓ Costs for raw material and energy and drastic yen depreciation
 - ✓ Price hike, decrease product amount and strict cost management
- Foster new growth drivers
 - ✓ Overseas expansion and new vaccine
 - ✓ Foster new domain and work with startups and ventures
- Accelerate ESG initiatives

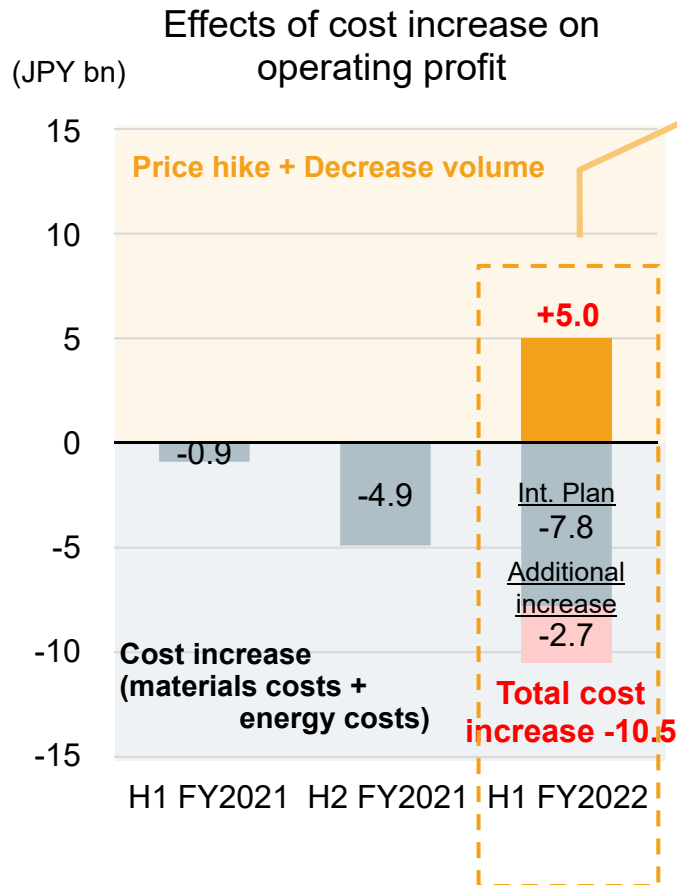
Outlook for H2 FY2022 and Full-year

(JPY bn)

	FY2021 H2 Results	FY2022 H2 Plan (Rev. Nov. 8)	YoY Change	FY2022 H2 Plan (Int. May 12)	FY2022 Full-year Plan (Rev. Nov. 8)	YoY Change
Consolidated	Net sales	512.3	+4.4% +22.6	528.5	1,052.5	+3.9% +39.4
	Operating profit	42.5	-5.4% -2.2	51.5	83.5	-10.1% -9.4
	Profit attributable to owners of parent	50.8	-47.6% -24.2	31.5	60.0	-31.4% -27.4
Food	Net sales	417.0	+3.8% +15.9	426.0	853.6	+3.3% +27.5
	Operating profit	36.3	+0.8% +0.2	41.8	66.0	-13.1% -9.9
Pharma	Net sales	95.8	+6.7% +6.4	102.9	199.4	+6.1% +11.5
	Operating profit	7.3	-27.5% -2.0	10.7	20.0	+7.2% +1.3

- Net sales Upward revision, Reflects good trends in H1 and price hikes
- Operating profit Downward revision, Mainly due to higher-than-expected cost increase in the Food segment

Food: Strategies to Overcome Cost Increase -1



H1 FY2022	H1 FY2022 Int. Plan (May 12)	H1 FY2022 Results (Nov. 8)	Vs. Int. Plan
Price hike + Decrease volume	+4.9	+5.0	+0.1
Additional cost increase	-7.8	-10.5	-2.7
Assumed exchange rate (USD)	JPY 120		

- **Initial Plan cannot offset cost increase**

Because:

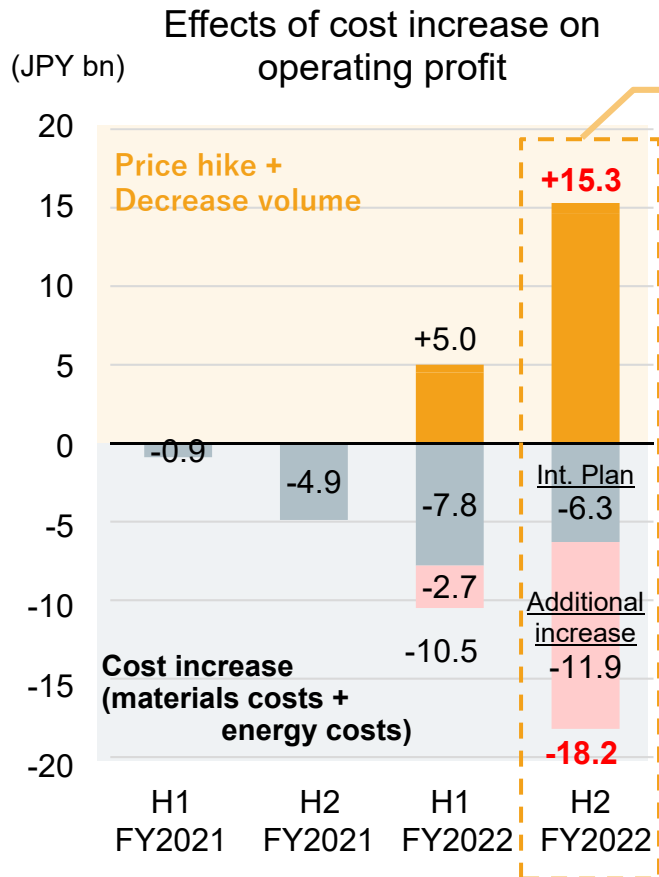
- Implemented price hikes for some products after May
- Takes some time for price hike to penetrate



- **Results**

- Price hike and reduction in volume worked well as initially planned
- Sales decrease of some products that keep steady demand, such as *Chocolate Kouka*, *SAVAS milk*, and liquid diet, were limited
- Whereas, impacted by higher-than-expected cost increases due to the weakening yen and soaring raw material prices

Food: Strategies to Overcome Cost Increase -2



H2 FY2022	H2 FY2022 Int. Plan (May 12)	H2 FY2022 Rev. Plan (Nov. 8)	Vs. Int. Plan
Price hike + Decrease volume	+8.2	+15.3	+7.1
Additional cost increase	-6.3	-18.2	-11.9
Assumed exchange rate (USD)	JPY 120	JPY 145	

● Key points for the H2 Plan

- Reflecting cost increases due to yen depreciation and rising milk prices in Japan
 - Yogurt and milk prices are to be revised in November
 - Second price hike for some products such as cheese and *SAVAS Milk*
 - The cost increase is significant, thus cannot be offset by price hikes and reduction in volume
- ↓
- Need to maintain and increase the sales volume
 - Implement additional price hikes and cost reduction
 - However, spend marketing expenses to stimulate demand, such as promoting added-value

Food: FY2022 Results/Outlook for Yogurt and Cheese

(JPY bn)	FY2022 H1 Results		FY2022 H2 Plan (Rev. Nov. 8)		FY2022 Full-year Plan (Rev. Nov. 8)	
		YoY Change		YoY Change		YoY Change
Net sales	100.3	-6.8% -7.2	110.0	+7.8% +7.9	210.4	+0.3% +0.6
Operating profit	12.0	-35.7% -6.6	16.4	+1.4% +0.2	28.5	-18.4% -6.4

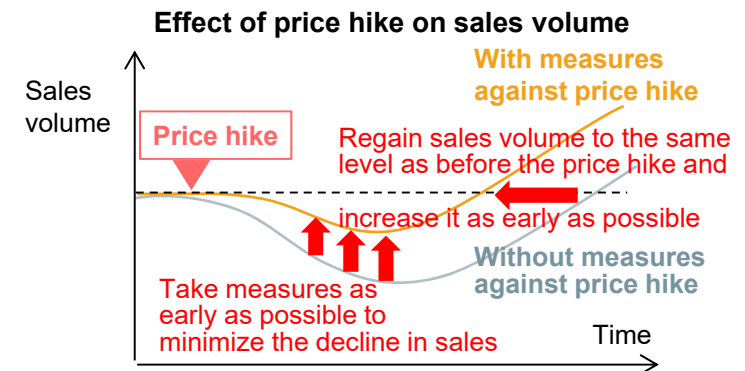
● Market Size

- Yogurt: -3 to -4%, Improving in Q2 than in Q1
- Cheese: -4 to -5%, Continuing decline due to consumer thriftiness

● Outlook and key points

- Focus on marketing to promote added-value to permeate price hike
- Extra portion for a limited time, to keep and increase sales volume
- *Shibou Taisaku Yogurt* (yogurt for body fat reduction), launched in October, has a strong start
Expand sales channels from November and accelerate establishing a strong market presence
- Yogurt faces fierce competition with products in other categories

Provide more information to expand the total demand



Media press conference on October 4
Meiji New Action 002, Meiji pioneering a new age for yogurt

Efforts to Regain Growth of Functional Yogurt



- LG21**
- New packaging from April 2022 that appeals to its functionality attracts customers' attention
 - Accepted as Food with Function Claim. Change packaging to emphasize its function claim

Tips to regain growth found from sales recovery of LG21:

- Emphasize health functions and benefits
- Build trust for its function

R-1

- Broadcast new TV commercials to emphasize the need for health management and evoke R-1's function
Motivate to eat R-1 close to flu season
- *Mitasukarada* products, launched in April, gained certain customers
Refresh packaging design to improve awareness and motivate to buy



Shibou Taisaku Yogurt (Yogurt for body fat reduction)

- Launched in October
 - Accepted as Food with Function Claim
 - Market for body fat improvement is larger than that for the health of the intestinal environment and immune system
 - Promote new mechanism* to suppress accumulating body fat, thus differentiate the product
- * Different mechanism from existing products (degradation or inhibition of fat)

Market for body fat improvement

JPY 249.5 bn

Based on Meiji data in 2020



Food: FY2022 Results/Outlook for Nutrition Business

(JPY bn)	FY2022 H1 Results		FY2022 H2 Plan (Rev. Nov. 8)		FY2022 Full-year Plan (Rev. Nov. 8)	
		YoY Change		YoY Change		YoY Change
Net sales	59.5	+5.9% +3.3	56.3	+5.6% +2.9	115.9	+5.8% +6.3
Operating profit	8.6	-18.8% -2.0	7.9	-8.7% -0.7	16.5	-14.3% -2.7

● Market size

- Sports protein (powder and granule): -4 to -5% at stores, Favorable sales of whey product through E-commerce
- Infant formula: Inbound demand is returning despite decreasing birth rate in Japan
- Liquid diet: Increased in hospital/nursing care and home care

● Outlook and key points

- SAVAS: Sales (whey powder products, protein bar, and *SAVAS Milk*) increased year on year excluding soy products
 - Focus on extending product lines and digital marketing
 - Sales of soy products decreased due to a decrease in shape-up demand
Have issues attracting female consumers and staying with them as loyal consumers
- Sales of infant formula increased due to rapid regain of inbound demand in H2 last FY
The initial plan is kept unchanged
- Sales of liquid diet was favorable even after price hike due to strong demand
Increase sales by expanding product lines

Food: FY2022 Results/Outlook for Overseas Business

(JPY bn)

	FY2022 H1 Results		FY2022 H2 Plan (Rev. Nov. 8)		FY2022 Full-year Plan (Rev. Nov. 8)	
		YoY Change		YoY Change		YoY Change
Net sales	31.7	+26.5% +6.6	37.1	+35.0% +9.6	68.9	+30.9% +16.2
Operating profit	0.0	-71.0% -0.2	-0.3	— +0.9	-0.3	— +0.7

● China

• Ice cream:

Sales increased steadily despite the lockdown in Shanghai
Succeeded in expanding sales area and developing attractive product

Maintain growth with the unique positioning

• Confectionaries: Recovering from the impact of the lockdown

• Milk on the market and yogurt: Struggling

Work to regain recovery by expanding sales area and product lines

• B to B business: Expand sales by gaining new customers

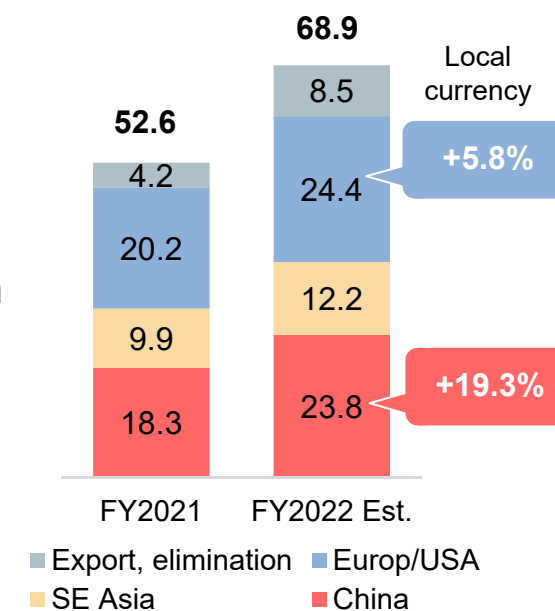
● USA

• Raised product prices due to cost increase

Sales of the Meiji brand chocolate snacks were favorable in volume terms

• Start reducing SKUs and improve revenue

Sales in each region (JPY bn)



Pharmaceutical: Deference between Results and Plan

- Downward revision for H2, Upward revision for full-year

(JPY bn)

		FY2022 H1		FY2022 H2		FY2022 Full-year	
			YoY Change		YoY Change		YoY Change
Operating profit	Int. Plan (May 12)	7.7	-31.2% -3.5	10.7	+45.6% +3.3	18.5	-0.8% -0.1
	H1 Results H2&Full-year Plan (Nov. 8)	14.6	+29.9% +3.3	5.3	-27.5% -2.0	20.0	+7.2% +1.3
	Difference	+6.8	—	-5.3	—	+1.4	—

Reasons for Changes

- Favorable sales of ethical pharmaceuticals business in Japan
- Yen depreciation exceeded the assumption
Favorable effects on overseas business
- R&D expenses shifted to H2

- Sales will be favorable in H2
Revised expected approval date of inactivated COVID-19 vaccine and excluded from the Plan
- Increase in materials cost
- R&D expenses shifted from H1
- Assuming a higher level of product returns of influenza vaccine

Pharmaceutical: FY2022 Results/Outlook for Domestic Ethical Pharmaceuticals Business



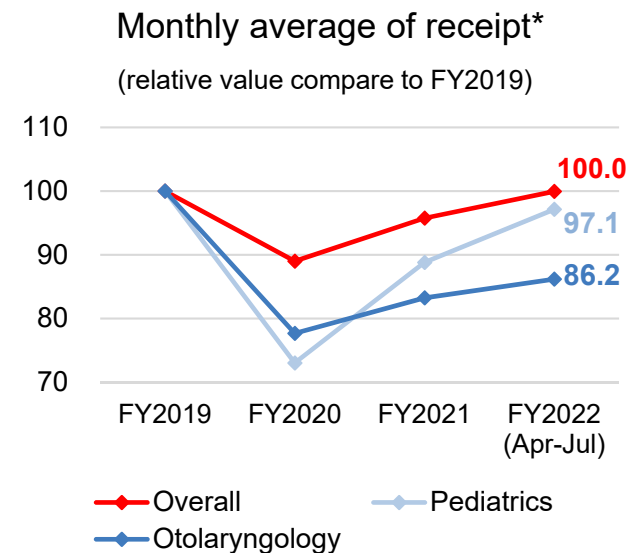
(JPY bn)	FY2022 H1 Results		FY2022 H2 Plan (Rev. Nov. 8)		FY2022 Full-year Plan (Rev. Nov. 8)	
		YoY Change		YoY Change		YoY Change
Net sales	47.5	+11.3% +4.8	49.1	+2.5% +1.1	96.7	+6.6% +5.9
Operating profit	5.4	+205.7% +3.6	0.6	-63.5% -1.2	6.1	+65.8% +2.4

● Market size

Increased in the number of outpatients visiting medical institutions and increasing number of receipt
 Did NOT return to FY2019 level for pediatrics and otolaryngology

● Outlook and key points

- NHI drug price revision: 6% level
- Decrease in contract revenue for storage and delivery of AstraZeneca's COVID-19 vaccine will decrease in full-year overall – increase in H1 but decrease in H2
- Significant increase of generic drugs in volume terms
- Aggressive sales promotion for our mainstay products such as the anti-allergic drug *BILANOVA* and *Hiyasta* for the treatment of adult T-cell leukemia/lymphoma
- Structural reform: Improve sales productivity and build an optimal production system

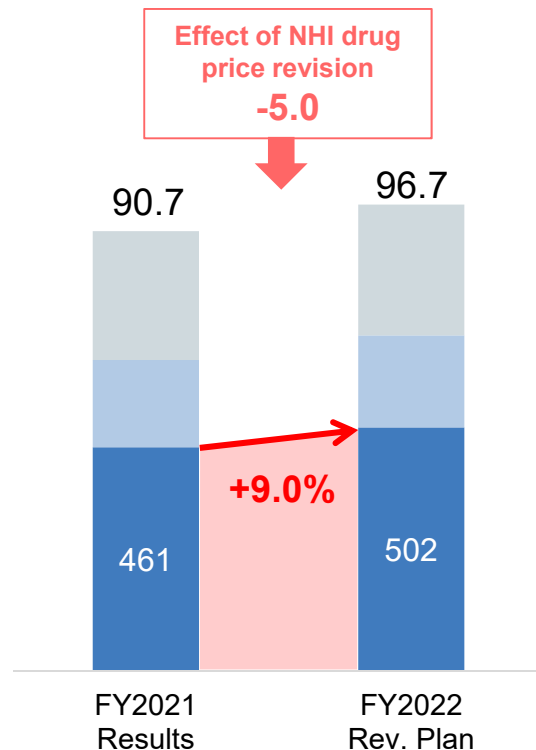


* Source: Health Insurance Claims Review & Reimbursement Services

Pharmaceutical: Increase Sales of Generic Drug

Sales of ethical pharmaceuticals business in Japan (JPY bn)

- Others
- Mainstay products (excl. generic drug)
- Generic drug*

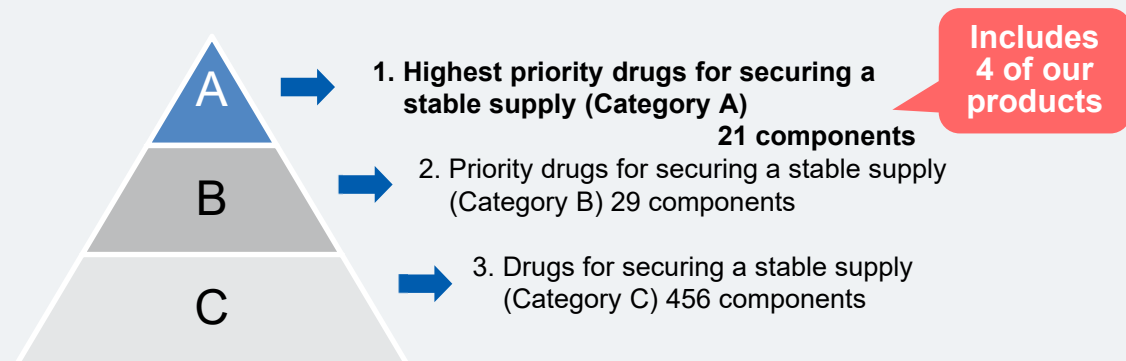


* Net total for Meiji Seika Pharma (non-consolidated) generic pharmaceuticals and Me Pharma net sales

- Favorable sales of injectable antibacterial drugs, mainly *Sulbacillin*, which was selected as the stable supply medicines* Category A (the 21 top-priority)
- Drug prices of fundamental pharmaceuticals, including the above, are maintained under certain conditions, thus contributing to stable business
- Overall market supply has been unstable since quality issues occurred at multiple generic companies. Our quality and stable supply is highly evaluated

* Stable supply medicines

Pharmaceuticals deemed essential to Japan's security and to protect the lives of its citizens. These pharmaceuticals require special considerations to secure a stable supply in order to ensure seamless medical provision.



Source: Created by our company based on materials by the MHLW Central Social Insurance Medical Council, Drug Pricing Subcommittee (181st meeting) (https://www.mhlw.go.jp/stf/shingi2/0000212451_00043.html)

Pharmaceutical: FY2022 Results/Outlook for Human Vaccines Business

(JPY bn)	FY2022 H1 Results		FY2022 H2 Plan (Rev. Nov. 8)		FY2022 Full-year Plan (Rev. Nov. 8)	
		YoY Change		YoY Change		YoY Change
Net sales	19.2	-15.3% -3.4	20.7	+3.8% +0.7	40.0	-6.3% -2.7
Operating profit	4.8	-44.5% -3.8	1.2	-53.5% -1.4	6.1	-46.7% -5.3

● Market size

- Influenza vaccine provision volume for this winter projected at approx. 35.21 million units, the most ever (MHLW announcement on September 16)
- Sales of routine childhood vaccines are affected by the withholding of vaccination due to the COVID-19 pandemic.

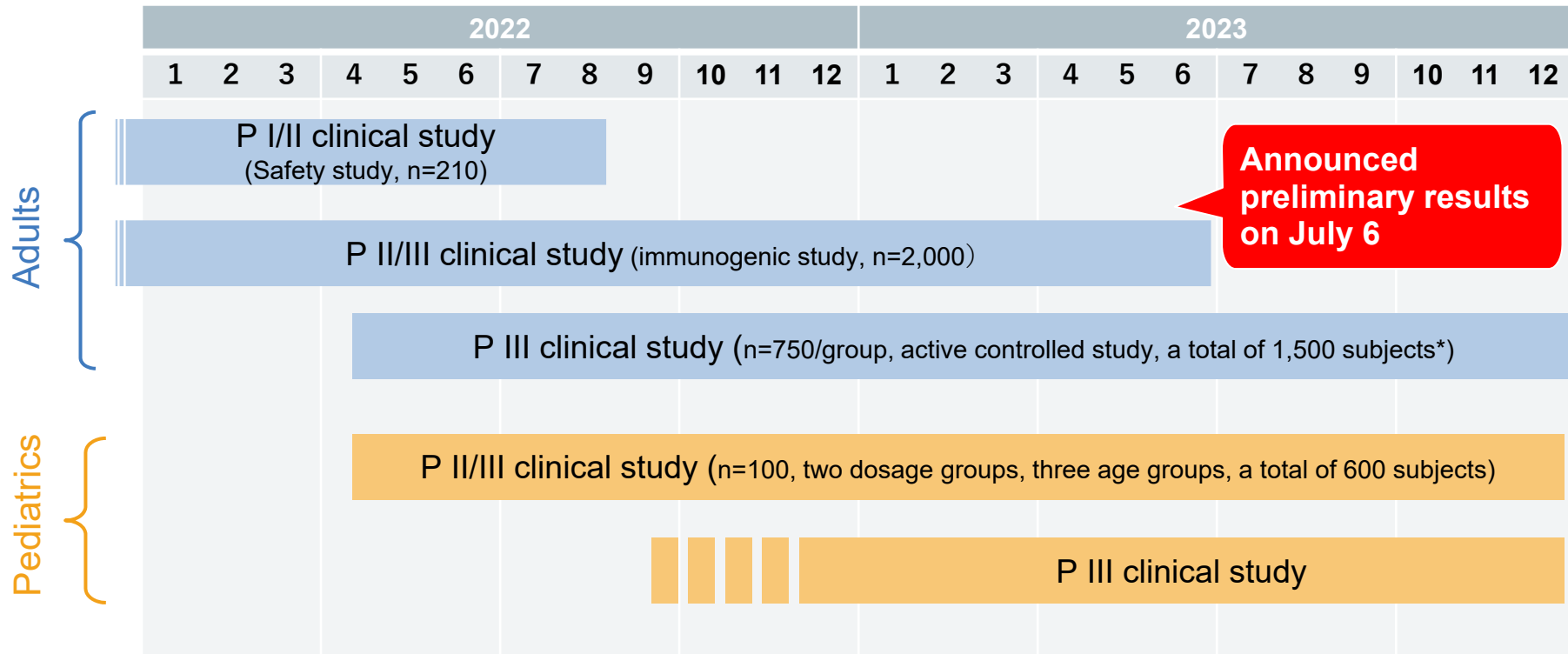
● Outlook and key points

- Influenza vaccine production outperformed plans and we achieved early shipments
The key will be future vaccination trends and return rates.
- Leveraging our strengths as the manufacturing and selling company, intensify unique promotion and educational activities
- Steadily advance the development pipelines

Topics for Vaccine against COVID-19

- Notice concerning Adoption as “Developing Biopharmaceutical Manufacturing Sites to Strengthen Vaccine Production Project” Offered by METI October 3, 2022
- Notice concerning Discussions Regarding the Manufacturing and Marketing of “ARCT-154,” Replicon Vaccine Candidate for COVID-19 August 25, 2022

Pharmaceutical: Development of Inactivated COVID-19 Vaccine (KD-414)



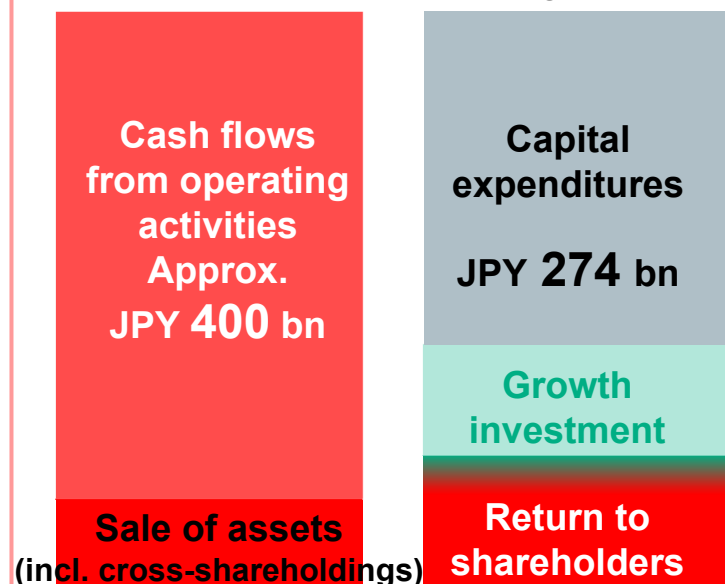
- According to the P II/III preliminary results, younger age group showed higher neutralizing antibody titer against COVID-19 virus, the same result from P I/II study
- Clinical studies proceeding steadily, aiming to start drug supply ASAP



3. Financial Strategy and Returns to Shareholders

Cash Flows and Returns to Shareholders

Financial Strategy and Capital Rationing



- Growth investments within the cash flows from operating activities
- Effective M&A
- Reduce strategic shareholdings by 30% (based on book value)
- Increase dividends gradually. Increase payout ratio up to 40%
- Consider share buyback to establish optimal capital structure

● Points for FY2022 Plan

Capital distribution focused on balance between appropriate profit returns and growth investments in line with 2023 Medium-Term Business Plan

- Planning on capital expenditures of JPY 88.0 bn (Initial plan: JPY 96.3 bn)
 - Due to delays or revisions of construction schedule
- Announced share buyback and stock split on November 8
 - Plans to repurchase JPY 10 billion of treasury stock to further return profits to shareholders and improve capital efficiency
 - Plans to conduct 1:2 stock split to improve its stock liquidity on April 1, 2023

Outlook for FY2022 (Consolidated)

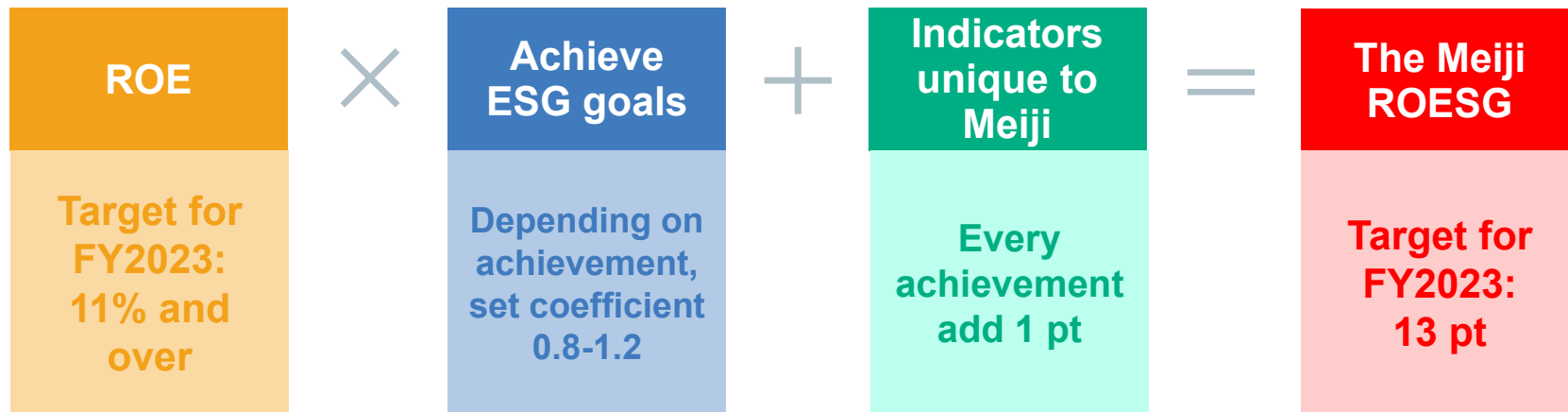
(JPY bn)	FY2021 Full-year Results	FY2022 Full-year Rev. Plan (Rev. Nov.8)	YoY Change	FY2022 Full-year Int. Plan (May 12)
Net sales	1,013.0	1,052.5	+3.9% +39.4	1,035.5
Operating profit	92.9	83.5	-10.1% -9.4	92.5
Op. profit margin	9.2%	7.9%	-1.2 pt	8.9%
Profit attributable to owners of parent	87.4	60.0	-31.4% -27.4	62.5
EPS (JPY)	607.24	426.00	-181.24	433.76
Cash dividends per share (JPY)	170	170	—	170
Dividend payout ratio	28.0%	39.9%	+11.9 pt	39.2%
ROE	13.5%	8.6%	-4.9 pt	9.0%
ROIC	8.4%	7.2%	-1.2 pt	8.0%
Capital expenditures	93.1	88.0	-5.5% -5.1	96.3
Cash flows from operating activities	127.5	60.0	-52.9% -67.5	70.0
Free cash flows	99.9	-13.0	— -112.9	-20.0

- Thoroughly address cost increases and make such investments as marketing that will lead to further growth
- Achieve FY2022 revised plan and aim to regain growth in FY2023

2023 Medium-term Business Plan

Promote the Meiji ROESG^{®*} Management Effectively

Convert business management to achieve both ROE improvement and ESG enhancement without any compromises



1. MSCI
2. DJSI
3. FTSE4Good
4. CDP
(Climate Change)
5. CDP
(Water Security)

1. Extend healthy life expectancy
2. Amount of protein intake
3. Vaccination rate for influenza vaccines
4. Employee engagement score
5. Sales growth rate for health-conscious products, nutritional products with added value, products for a super-aged society
6. Success in and supply of vaccine and therapeutic agent for COVID-19

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



Appendix

Consolidated Financial Results – H1 FY2022

(JPY bn)	FY2022 H1 Results	YoY Change	Main factors for the change
Net sales	517.5	+3.4% +16.8	— Details on p 2-4
Operating profit	43.1	-14.2% -7.1	— Details on p 2-4
Non-operating profit	2.3	-32.9% -1.1	- Share of profit of entities accounted for using equity method (-1.0) - Foreign exchange losses (-0.1)
Non-operating expenses	1.6	-20.0% -0.4	- Business commencement expenses (+0.2) - Other (-0.7)
Ordinary profit	43.9	-15.2% -7.8	—
Extraordinary income	6.8	+25.8% +1.4	- Gain on sales of non-current assets (+4.0) - Gain on sales of shares of subsidiaries and associates (-1.3) - Other (-1.2)
Extraordinary losses	2.4	+22.8% +0.4	- Loss on abandonment of non-current assets (+0.2) - Other (+0.1)
Profit before income taxes	48.3	-12.6% -6.9	—
Income taxes-total	13.4	-11.7% -1.7	—
Profit (loss) attributable to non-controlling interests	1.4	-56.3% -1.8	- Decrease in operating profit of KM Biologics
Profit attributable to owners of parent	33.3	-8.9% -3.2	—

Financial Position as of September 2022

(JPY bn)	Results as of Sep. 2022	Change	Main Factors for Change
Current assets	508.1	+11.5% +52.5	- Cash and deposits (+24.6) - Notes and accounts receivable-trade (+12.7) - Raw materials and supplies (+9.5)
Non-current assets	675.7	+2.1% +13.8	- Investment securities (+4.9) - Machinery, equipment and vehicles (+3.5) - Buildings and structures (+3.0)
Total assets	1,183.8	+5.9% +66.4	—
Current liabilities	306.9	+7.0% +20.1	- Short-term borrowings (+36.8) - Income taxes payable (-5.2) - Notes and accounts payable - trade (-3.8) - Contract liability (-3.4) - Provision for bonuses (-1.0)
Non-current liabilities	119.9	+1.9% +2.2	- Retirement benefit liability (+2.2)
Total liabilities	426.8	+5.5% +22.3	—
Shareholders' equity	654.0	+3.3% +21.2	- Retained earnings (+20.7)
Accumulated other comprehensive income	62.7	+55.2% +22.3	- Foreign currency translation adjustments (+22.3)
Non-controlling interests	40.1	+1.3% +0.5	—
Total net assets	757.0	+6.2% +44.0	—
Interest bearing debt	116.2	+43.0% +34.9	- Short-term borrowings (+36.8)
Equity ratio	60.6	+0.3 pt	—

Consolidated Cash Flows – H1 FY2022

(JPY bn)	FY2022 H1 Results	YoY Change	Main Factors for Change
Cash flows from operating activities	25.1	-36.0	<ul style="list-style-type: none"> - Change in contract liability (-15.3) - Change in inventories (-10.5) - Change in trade receivables (-9.0) - Profit before income taxes (-6.9) - Change in trade payables (+5.8)
Cash flows from investing activities	-25.9	+9.6	<ul style="list-style-type: none"> - Purchase of property, plant and equipment (+13.7) - Proceeds from sale of investment securities (-5.5)
Cash flow from financing activities	20.2	+5.6	<ul style="list-style-type: none"> - Repayments of long-term borrowings (+8.1) - Net increase (decrease) in short-term borrowings (+7.7) - Proceeds from issuance of bonds (-9.9)
Free cash flows	-0.8	-26.4	—

Analysis of Operating Profit – H1 FY2022

(JPY bn)	Consolidated Operating Profit	Food	Pharma	Other
H1 Results - FY2021	50.3	39.5	11.2	-0.5
Due to increased/decreased sales	+7.3 ^{*1}	+1.8	+5.5	—
Impact of drug price revision	-2.3	—	-2.3	—
Changes in costs of goods sold	-7.6 ^{*2}	-7.7	+0.1	—
Changes in other SG&A expenses	-0.6 ^{*3}	-2.7	+2.1	—
Other (incl. change in results of subsidiaries)	-4.0	-1.7	-2.0	-0.2
H1 Results - FY2022	43.1	29.3	14.6	-0.7

(Breakdown)

*1: Including the effect of price hikes

*2: [Food] Increase in raw materials costs: -8.0, Other: +0.3

[Pharma] Cost reductions: +0.1

*3: [Food] Increase in indirect manufacturing costs (incl. energy costs): -1.6, Increase in marketing expenses: -0.4,
Other: -0.7

[Pharma] Decrease in marketing expenses (incl. impacts of structural reforms): +1.1, Decrease in R&D expenses: +1.0

Analysis of Consolidated Operating Profit – FY2022

(JPY bn)	Consolidated Operating Profit	Food	Pharma	Other
Full-year Results - FY2021	92.9	75.9	18.6	-1.7
Due to increased/decreased sales	+26.5 ^{*1}	+20.2	+6.3	—
Impact of drug price revision	-5.0	—	-5.0	—
Changes in costs of goods sold	-22.3 ^{*2}	-22.9	+0.6	—
Changes in other SG&A expenses	-4.2 ^{*3}	-7.1	+2.9	—
Other (incl. change in results of subsidiaries)	-4.4	-0.1	-3.5	-0.7
Revised Full-year Plan - FY2022	83.5	66.0	20.0	-2.5

(Breakdown)

*1: Including the effect of price hikes

*2: [Food] Increase in raw materials costs: -24.1, Other: +1.2

[Pharma] Cost reductions: +0.6

*3: [Food] Increase in marketing expenses: -0.6, Other: -6.5 (incl. indirect manufacturing costs)

[Pharma] Decrease in marketing expenses: +1.3, Other: +1.6

Food: Net sales and Op. Profit by Business

(JPY bn)

		FY2021 Full-year Results	FY2022 H1 Results	YoY Change	FY2022 H2 Plan (Rev. 11/8)	YoY Change	FY2022 Full-year plan (Rev. 11/8)	YoY Change
Yogurt & cheese	Net sales	209.7	100.3	-6.8% -7.2	110.0	+7.8% +7.9	210.4	+0.3% +0.6
	Op. profit	34.9	12.0	-35.7% -6.6	16.4	+1.4% +0.2	28.5	-18.4% -6.4
Nutrition	Net sales	109.6	59.5	+5.9% +3.3	56.3	+5.6% +2.9	115.9	+5.8% +6.3
	Op. profit	19.3	8.6	-18.8% -2.0	7.9	-8.7% -0.7	16.5	-14.3% -2.7
Chocolate & gummy	Net sales	98.0	43.5	+3.6% +1.5	58.5	+4.7% +2.6	102.1	+4.2% +4.1
	Op. profit	12.6	3.2	-14.0% -0.5	9.0	+1.9% +0.1	12.3	-2.8% -0.3
Drinking milk	Net sales	76.1	36.8	-7.4% -2.9	35.6	-2.0% -0.7	72.4	-4.8% -3.6
	Op. profit	-0.7	-0.8	— -0.7	-1.3	— -0.6	-2.1	— -1.3
B to B	Net sales	65.8	32.8	+7.8% +2.3	35.1	-0.3% -0.0	68.0	+3.5% +2.2
	Op. profit	2.7	1.0	+18.1% +0.1	1.8	-1.1% -0.0	2.8	+4.9% +0.1

Food: Net sales and Op. Profit by Business

(JPY bn)

		FY2021 Full-year Results	FY2022 H1 Results	YoY Change	FY2022 H2 Plan (Rev. 11/8)	YoY Change	FY2022 Full-year plan (Rev. 11/8)	YoY Change
Frozen dessert& ready meal	Net sales	58.2	32.2	-0.2% -0.0	25.7	-0.8% -0.1	580	-0.5% -0.2
	Op. profit	2.9	2.7	+15.9% +0.3	1.0	+73.8% +0.4	37	+27.4% +0.8
Overseas	Net sales	52.6	31.7	+26.5% +6.6	37.1	+35.0% +9.6	689	+30.9% +16.2
	Op. profit	-1.0	0.0	-71.0% -0.2	-0.3	— +0.9	-0.3	— +0.7
Other/ domestic subsidiaries	Net sales	155.7	83.4	+10.6% +8.0	74.1	-7.7% -6.1	1,576	+1.2% +1.8
	Op. profit	5.0	2.3	-22.0% -0.6	1.9	-5.5% -0.1	42	-15.2% -0.7

Food: Analysis of Op. Profit by Business – H1 FY2022

(JPY bn)	Food Segment Total	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
H1 Operating Profit – FY2021	39.5	18.7	10.6	3.7	-0.0	0.8	2.3	0.2	2.9
Due to increased/decreased sales	+1.8	-4.1	+1.9	+1.0	-0.6	+1.4	+1.0	+0.4	+0.7
Changes in COGS	-7.7	-1.6	-2.3	-1.3	-0.0	-0.7	-1.0	-0.3	-0.5
Changes in other SG&A expenses	-2.7	-0.9	-1.6	-0.0	+0.3	-0.4	+0.3	-0.2	-0.2
<i>Change in marketing expenses</i>	<i>-0.4</i>	<i>-0.4</i>	<i>-0.3</i>	<i>+0.2</i>	<i>+0.6</i>	<i>-0.2</i>	<i>+0.1</i>	<i>-0.1</i>	<i>-0.2</i>
<i>Change in other expenses (R&D expenses)</i>	<i>-2.3 (-0.2)</i>	<i>-0.5</i>	<i>-1.3</i>	<i>-0.2</i>	<i>-0.2</i>	<i>-0.3</i>	<i>+0.3</i>	<i>-0.1</i>	<i>+0.1</i>
Other (incl. change in results of subsidiaries)	-1.7	-0.0	-0.0	-0.2	-0.5	+0.0	+0.0	-0.2	-0.8
H1 Operating Profit – FY2022	29.3	12.0	8.6	3.2	-0.8	1.0	2.7	0.0	2.3

Food: Analysis of Op. Profit by Business – FY2022

(JPY bn)	Food Segment Total	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	B to B	Frozen dessert & ready meal	Overseas	Other/ domestic subsidiaries
Operating Profit – FY2021 Results	75.9	34.9	19.3	12.6	-0.7	2.7	2.9	-1.0	5.0
Due to increased/decreased sales	+20.2	+4.0	+5.5	+4.2	+0.3	+2.1	+2.4	+0.7	+0.9
Changes in COGS	-22.9	-4.9	-7.1	-4.3	-1.3	-1.5	-2.2	-0.5	-1.1
Changes in other SG&A expenses	-7.1	-6.0	-1.2	-0.1	-0.2	-0.3	+0.6	-0.4	+0.3
<i>Change in marketing expenses</i>	-0.6	-4.2	+1.0	+0.6	+0.8	+0.3	+0.4	+0.0	+0.5
<i>Change in other expenses (R&D expenses)</i>	-6.5 (-0.2)	-1.8	-2.2	-0.7	-0.9	-0.7	+0.3	-0.4	-0.1
Other (incl. change in results of subsidiaries)	-0.1	+0.5	-0.0	-0.2	-0.2	-0.0	-0.1	+0.8	-1.0
Operating Profit – FY2022 Revised Plan	66.0	28.5	16.5	12.3	-2.1	2.8	3.7	-0.3	4.2

Food: Sales by Main Product

(JPY bn)	FY2021 Full-year Results	FY2022 H1 Results	YoY Change	FY2022 H2 Plan (Rev. 11/8)	YoY Change	FY2022 Full-year plan (Rev. 11/8)	YoY Change
Yogurt	81.8	39.9	-6.0%	40.9	+4.0%	80.8	-1.2%
Functional yogurt	98.0	45.2	-8.8%	52.0	+7.3%	97.2	-0.8%
Cheese	29.1	13.5	-8.8%	14.5	+1.1%	27.9	-3.9%
Chocolate	96.3	39.9	+1.0%	58.7	+3.4%	98.6	+2.4%
Infant formula and enteral formula	63.5	33.4	+8.2%	31.2	-4.4%	64.6	+1.7%
Sports nutrition (incl. <i>SAVAS Milk Protein</i>)	42.8	23.8	+2.2%	22.5	+15.5%	46.3	+8.3%
Drinking milk, milk for home delivery	77.1	37.2	-8.0%	34.8	-5.0%	72.0	-6.6%
Ice cream	40.2	25.6	+3.5%	15.5	-0.4%	41.0	+2.0%

Pharmaceutical: Net sales and Op. Profit by Business

(JPY bn)

		FY2021 Full-year Results	FY2021 H1 Results	YoY Change	FY2022 H2 Plan (Rev. 11/8)	YoY Change	FY2022 Full-year Plan (Rev. 11/8)	YoY Change
Domestic ethical pharmaceuticals	Net sales	90.7	47.5	+11.3% +4.8	49.1	+2.5% +1.1	96.7	+6.6% +5.9
	Op. profit	3.6	5.4	+205.7% +3.6	0.6	-63.5% -1.2	6.1	+65.8% +2.4
Overseas ethical pharmaceuticals	Net sales	40.3	25.0	+29.7% +5.7	26.7	+27.2% +5.7	51.8	+28.4% +11.4
	Op. profit	4.0	3.6	+195.5% +2.4	2.8	+2.7% +0.0	6.5	+62.3% +2.4
Human vaccines	Net sales	42.7	19.2	-15.3% -3.4	20.7	+3.8% +0.7	40.0	-6.3% -2.7
	Op. profit	11.4	4.8	-44.5% -3.8	1.2	-53.5% -1.4	6.1	-46.7% -5.3
Veterinary drugs*	Net sales	14.1	5.3	-27.4% -2.0	5.4	-19.5% -1.3	10.7	-23.6% -3.3
	Op. profit	-0.4	0.7	— +1.1	0.5	— +0.5	1.3	— +1.7

*FY2021 result includes the agricultural chemicals business before the transfer of the business (results of the cumulative third quarter).

Pharmaceutical: Analysis of Op. Profit by Business – H1 FY2022

(JPY bn)

	Pharma Segment Total	Domestic pharmaceuticals	Overseas pharmaceuticals	Human vaccine	Veterinary drug*
H1 Operating Profit – FY2021	11.2	1.7	1.2	8.6	-0.4
Due to increased/decreased sales	+5.5	+6.5	+0.5	+0.2	-1.7
Impact of NHI price revision	-2.3	-2.3	—	—	—
Changes in COGS	+0.1	-0.1	-0.1	+0.4	+0.0
Changes in other SG&A expenses	+2.1	-0.0	+0.0	-0.1	+2.2
<i>Change in marketing expenses</i>	<i>+1.0</i>	<i>+0.1</i>	<i>-0.1</i>	<i>-0.1</i>	<i>+1.1</i>
<i>Change in other expenses (R&D expenses)</i>	<i>+1.1 (+0.9)</i>	<i>-0.1</i>	<i>+0.1</i>	<i>+0.0</i>	<i>+1.1</i>
Other (incl. change in results of subsidiaries)	-2.0	-0.3	+2.1	-4.3	+0.7
H1 Operating Profit – FY2022	14.6	5.4	3.6	4.8	0.7

*FY2021 result includes the agricultural chemicals business before the transfer of the business (results of the cumulative third quarter). From April 2022, Meiji Animal Health Co., Ltd., a newly established subsidiary, operates both the veterinary drug business and the veterinary vaccine business. Therefore, changes in profit of the veterinary business for FY2022 are included in “Other.”

Pharmaceutical: Analysis of Op. Profit by Business – FY2022

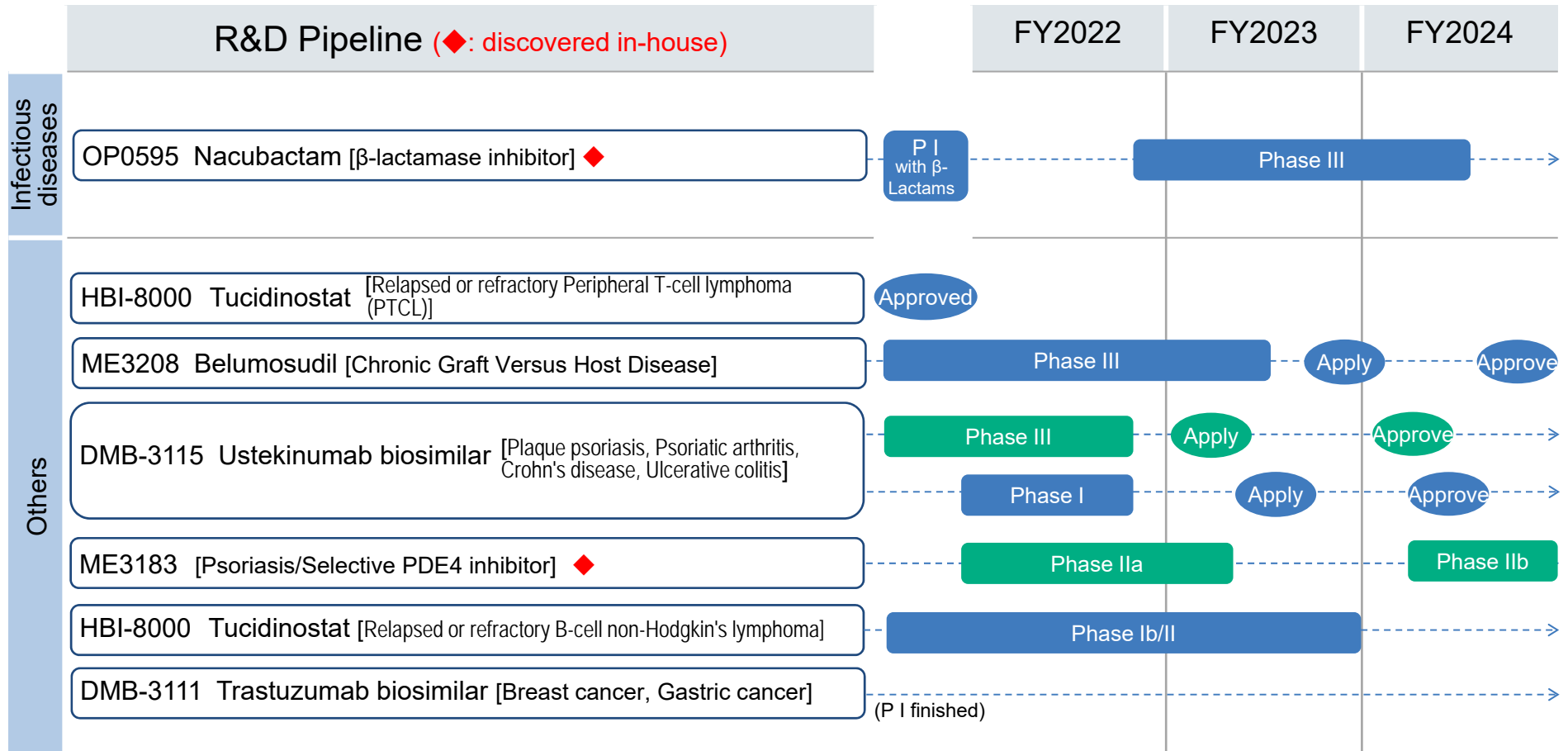
(JPY bn)

	Pharma Segment Total	Domestic pharmaceuticals	Overseas pharmaceuticals	Human vaccine	Veterinary drug*
Full-year Operating Profit – FY2021 Result	18.6	3.6	4.0	11.4	-0.4
Due to increased/decreased sales	+6.3	+7.3	+1.7	+0.6	-3.3
Impact of NHI price revision	-5.0	-5.0	—	—	—
Changes in COGS	+0.6	+0.1	-0.3	+0.8	+0.0
Changes in other SG&A expenses	+2.9	+0.5	-0.4	-1.2	+3.9
<i>Change in marketing expenses</i>	<i>+1.3</i>	<i>-0.3</i>	<i>-0.4</i>	<i>-0.2</i>	<i>+2.1</i>
<i>Change in other expenses (R&D expenses)</i>	<i>+1.6 (+1.2)</i>	<i>+0.8</i>	<i>-0.0</i>	<i>-1.0</i>	<i>+1.8</i>
Other (incl. change in results of subsidiaries)	-3.5	-0.4	+1.4	-5.6	+1.2
Full-year Operating Profit – FY2022 Revised Plan	20.0	6.1	6.5	6.1	1.3

*FY2021 result includes the agricultural chemicals business before the transfer of the business (results of the cumulative third quarter). From April 2022, Meiji Animal Health Co., Ltd., a newly established subsidiary, operates both the veterinary drug business and the veterinary vaccine business. Therefore, changes in profit of the veterinary business for FY2022 are included in “Other.”

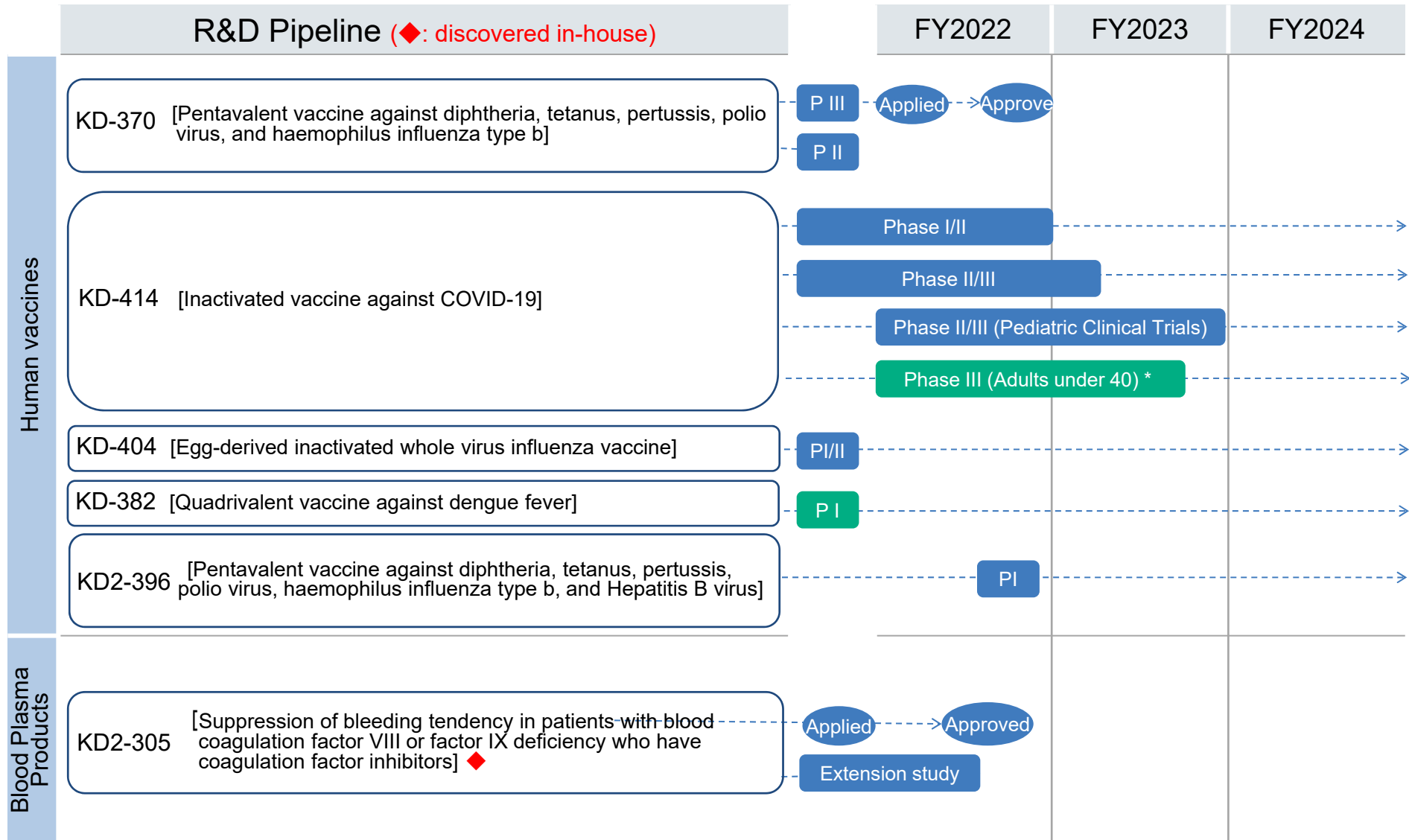
R&D Pipeline – 1

■ Japan ■ Overseas



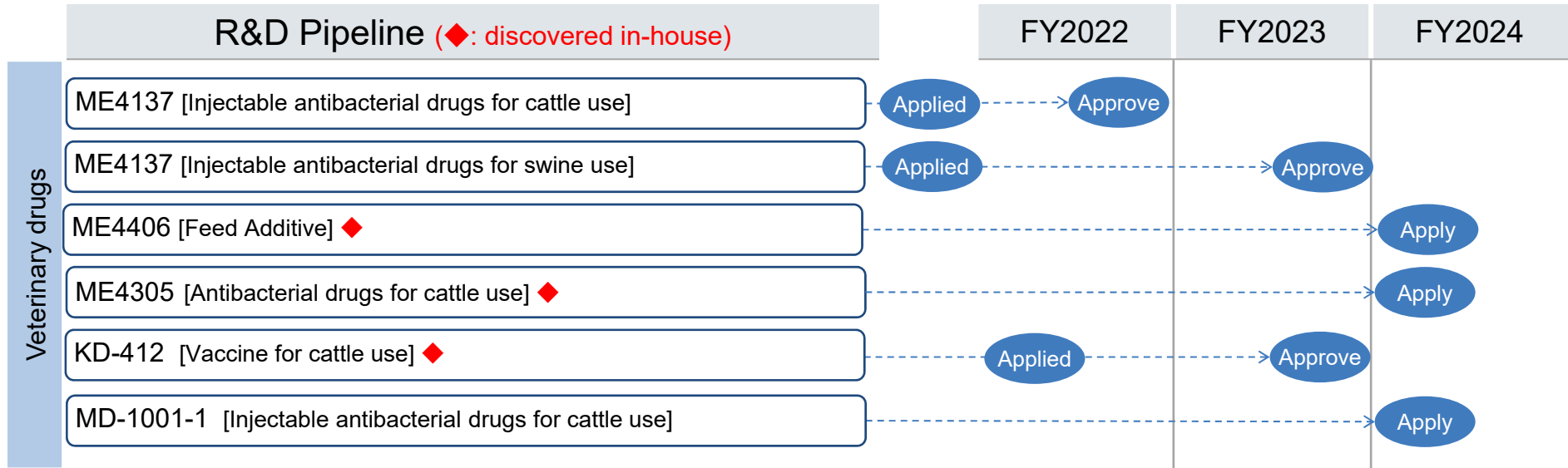
R&D Pipeline – 2

■ Japan ■ Overseas

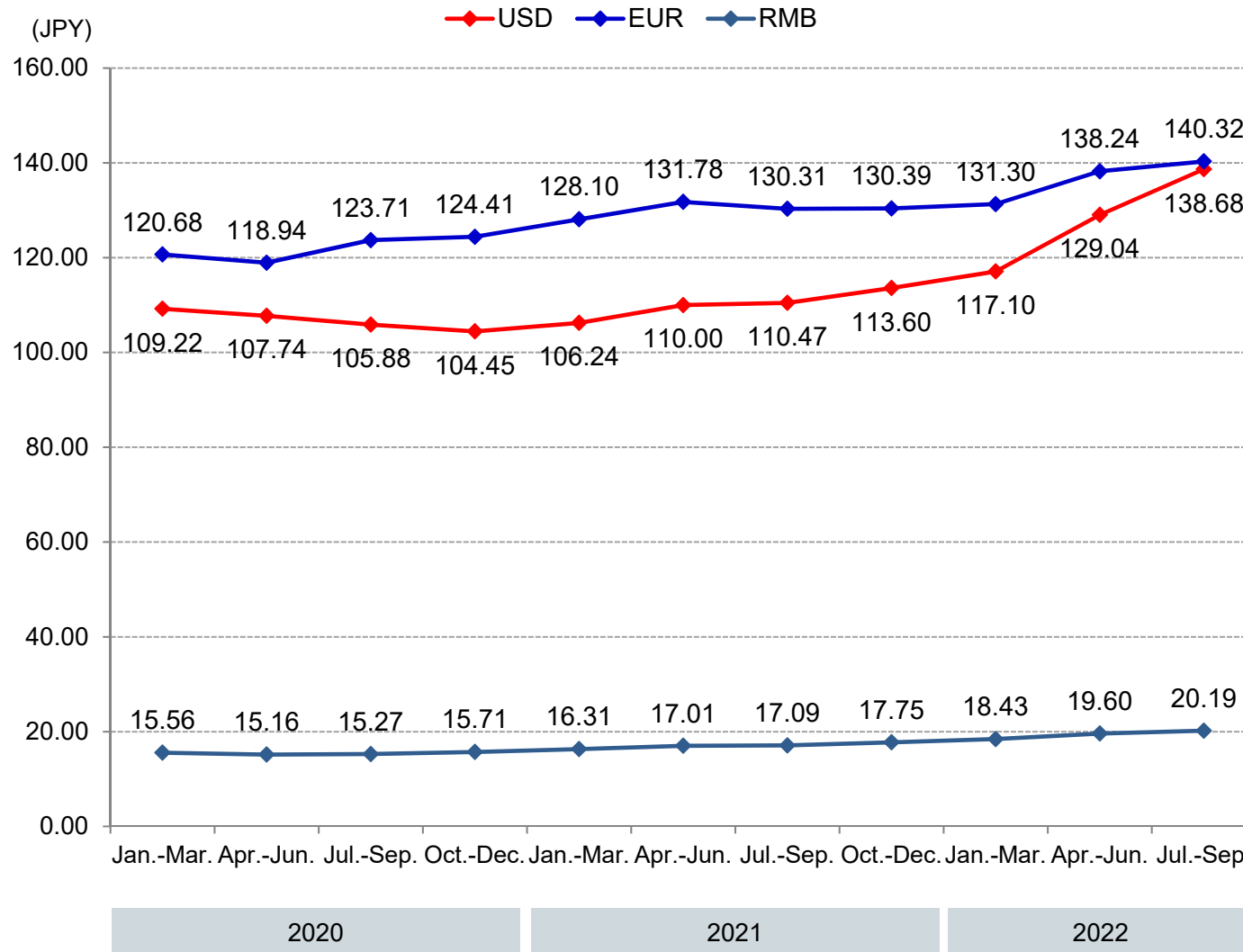


R&D Pipeline – 3

■ Japan ■ Overseas



Key Currencies and Our Average Exchange Rates



Foreign exchange target
For FY2022 (JPY)

● At the beginning of
FY2022

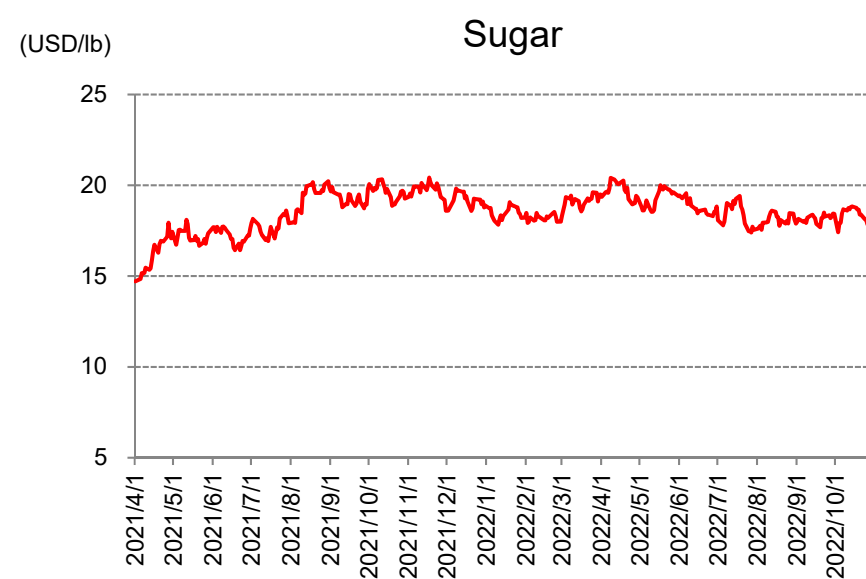
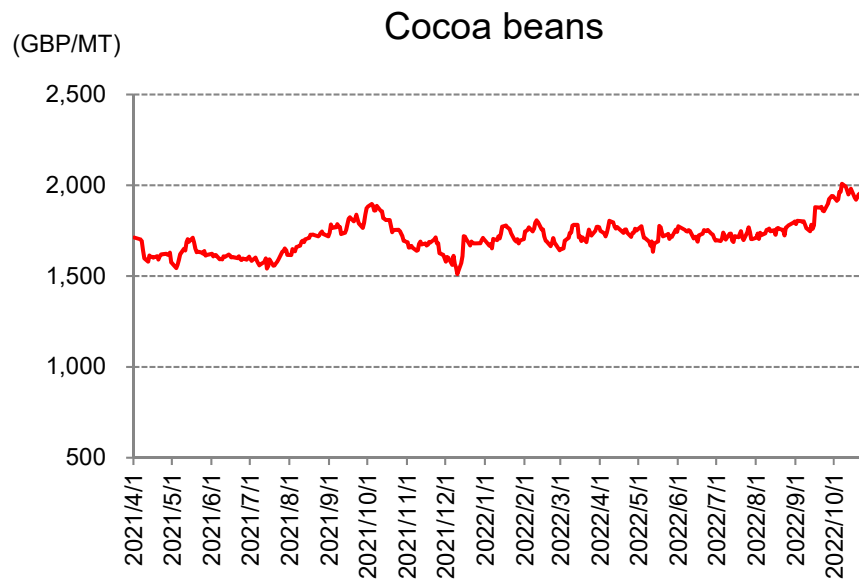
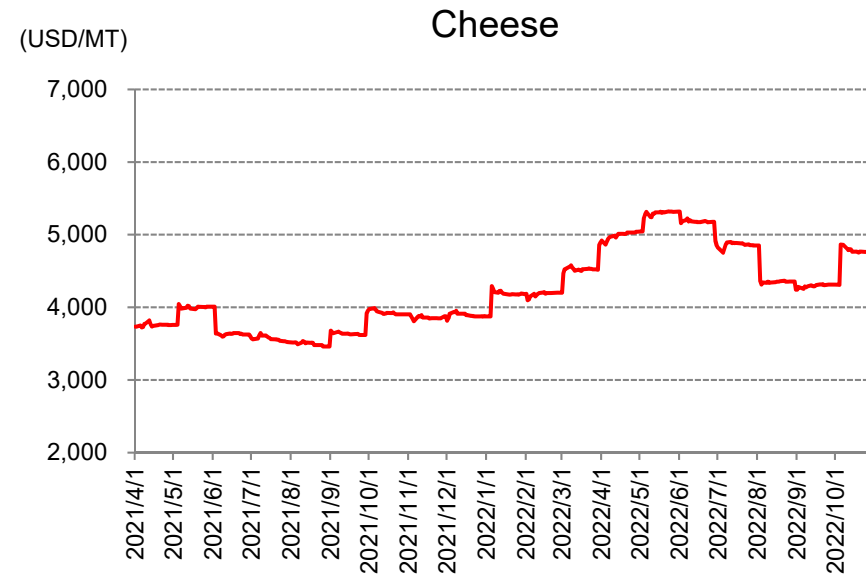
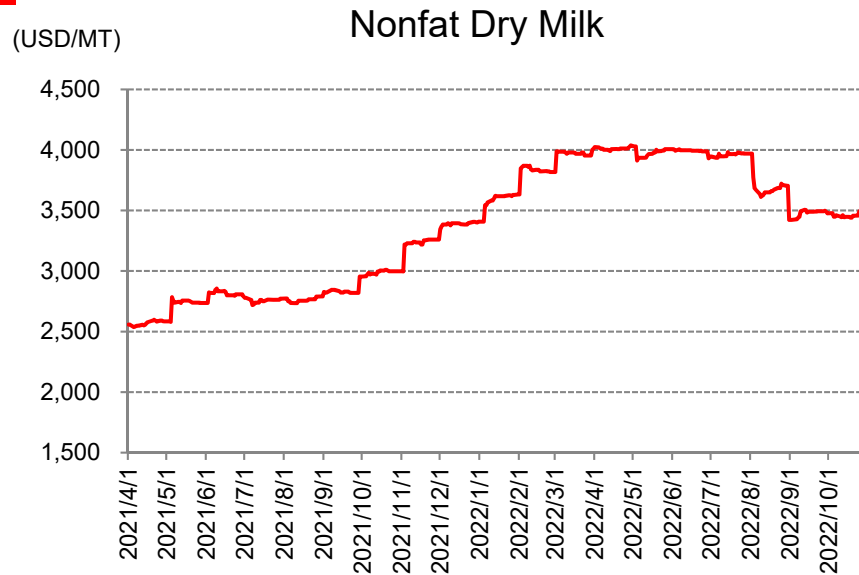
USD	120
EUR	133
RMB	17



● For Revised Plan as of
Nov. 8, 2022

USD	145
EUR	145
RMB	20

Market Prices of Main Raw Materials Imported



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