

Meiji Holdings Co., Ltd. ESG Meeting

Part 1 Q&A

Part 2 Discussion, Q&A

December 13, 2023, 10:00 – 12:00

Part 1 Presenter:

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| Kazuo Kawamura | CEO, President and Representative Director |
| Jun Furuta | CSO, Member of the Board and Senior Executive Officer |

Part 2 Presenters:

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| Masaya Kawata | Independent Outside Member of the Board |
| Michiko Kuboyama | Independent Outside Member of the Board |
| Masashi Tanaka | General Manager of Corporate Communication Dept. |

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

Part 1 Q&A

Q-1-1-1

In the CEO's explanation of the evolution of the Meiji ROESG, I believe you mentioned the brand groups that emphasize sustainability in the food business, as well as vaccines and antimicrobials that support healthcare in the pharmaceutical business, as business and financial value indicators. For the food segment, is this about your plan to introduce new brands? Or is it about expanding sales of existing brands? If so, how will you devise ways to enhance it? And will the percentage of sales of sustainable products in its current state appear as some kind of KPI? I wonder if you could tell us how much you intend to increase that number.

A-1-1-1

Kawamura: First of all, for the food segment, we are working on how to identify the priority brand groups to be promoted here. In this context, we would like to first identify which products can be certified as products that contribute to sustainability, including the aforementioned Meiji NPS screening.

This is not a plan to launch a new brand, but rather to identify brands that emphasize sustainability in our existing products, and if we can increase sales of these brands, we will be able to prove that we are moving forward with this type of business integration. If we can increase sales, I think we can prove that we are moving forward with integration with our business.

In the pharmaceuticals segment, I would like to work toward one major goal: how to increase sales of two categories: antimicrobials, which are now in high demand for their stable supply as useful drugs, and vaccines, which have been the focus of much attention in the COVID-19.

Q-1-1-2

Thank you very much. For example, a global soft drink company may mention as a point of appeal the percentage of sales of non-sugar or low-calorie beverages, and how this percentage is increasing. We need to think about the definition, but is it my understanding that your company is

aiming to promote foods that contribute to sustainability and, hopefully, increase the ratio of such foods?

A-1-1-2

Kawamura: I think that understanding is fine. We are reluctant to just eliminate the negative elements. For those nutrients that are necessary such as protein, and those nutrients that are valued, I would like to work on adding a positive evaluation for those products that use such ingredients as a brand that contributes to health and nutrition.

Q-2-1-1

I would like to ask about GHG reduction. I think it is quite important to see how far dairy organizations are willing to go to reduce GHGs.

I love AjiPro-L's efforts and such, though. However, that would be limited to dairy farmers with whom Meiji can have direct conversations. Considering this, I think it is important for Japanese dairy farming in the mid-to-long term to see how far dairy organizations are willing to go and to present the benefits of this GHG reduction to them.

I would appreciate it if you could tell me how Meiji perceives this and what your thoughts are in this area.

A-2-1-1

Kawamura: I think the points you mentioned are also very important. On the other hand, it is very difficult to organize such activities on an organized basis. Therefore, we are considering first finding individual dairy farmers who understand the importance of this kind of thing. I think the most important thing is to demonstrate various stories first and leave a lot of empirical data.

We believe that if we expand such activities, it will eventually create the groundwork for organized efforts. At first glance, the efforts of individual dairy farmers may seem small. If we do not accumulate such efforts and leave a lot of empirical data, we will not be persuasive. I understand that it is important to start from the point that the dairy farmers who are cooperating with us

understand the significance of the project and are cooperating with us.

This is something that all the dairy organizations in the world, of course, some of them are working on in an organized manner, but at the end of the day, it is up to the individual dairy farmer to understand and cooperate with the project. Conversely, no matter how much dairy organizations facilitate, the final decision is made by the individual dairy farmer, who is the owner of the business. I am not sure that this will work again if it is only dairy organizations. For example, dairy farmers have a very strong interest in carbon credits in the U.S. It is expected to be one major hook for improving their own cost structure.

So, whether the results of GHG reductions go to dairy farmers or to the companies that bought the credits, is a great controversy in the U.S. right now.

It has not been settled yet, but still, it will be a circumstance where there are so many companies buying credit and so many dairy farmers trying to sell it. So, I have the impression that in Japan, too, it will probably be a little sooner than expected, especially since dairy farmers are very interested in this credit.

Q-2-1-2 Even if empirical data were accumulated by dairy farmers and they were able to make some sort of proposal to the dairy organizations, I wonder where the incentive for the dairy organizations to facilitate GHG reduction efforts would be. Is it correct to say that the circumstances will inevitably come to a point where the dairy organizations will have to facilitate to maintain sustainable dairy farming?

A-2-1-2

Kawamura: The Japanese government has made the issue of GHG emission reduction one of the major themes of its Green Food System Strategy. In addition, it has already been put forth as a national policy within a larger framework of the food strategy. I am sure that dairy organizations understand this. So, in the end, I think the most important thing is for individual dairy farmers to be convinced of what benefits they can incorporate into their operations through this kind of initiative.

Q-3-1

This is about the Meiji ROESG. In the 2026 Mid-Term Business Plan, you mentioned that you would like to evaluate the achievement of sales in terms of business and financial value indicators. While the 2023 Mid-Term Business Plan has many indicators, I feel that you are trying to simplify the agenda considerably in the new mid-term plan. I wonder if you could tell us what kind of discussions you had to decide on this business and financial value indicators.

A-3-1

Kawamura: Since we announced the Meiji ROESG in 2021, we have received various opinions from the capital market and investors. For the items for which we have set targets as Meiji-like indicators, we have received many comments and criticisms that it was not what Meiji did in the first place, but that the world overall has advanced, leading to such a solution. Additionally, it was pointed out that having six items is too many. So, in terms of tying the goals of our company, the goals that our company strived to achieve, to financial indicators, how much the company was able to expand as sales would be the very result of the company's efforts.

Product improvement is a theme that we, as manufacturers of national brands, must constantly work on. Therefore, I believe that we can expand sales by switching to products that are more sustainable and contribute to nutrition, which will truly lead to a fusion of sustainability and business growth.

In that sense, the main reason for this change in direction is that we need to change to a form that brings this sustainability issue closer to the business.

The result is that we have eliminated areas that cannot be controlled by our efforts alone, such as influenza vaccine coverage, protein intake, and healthy life expectancy.

We are also reviewing external evaluation organizations for ESG achievement indicators with the same idea in mind.

Q-4-1-1

I would like to ask about your Company's employee engagement scores. Again, with a deviation

of B, perhaps this is the third year in a row that you have not seen much improvement. What are the reasons for the lack of improvement? What do you consider the most important aspect to improve this indicator? Since your company's strengths and weaknesses have not changed much from before, I am not sure that the weakness part has improved much. Can you tell us about this?

A-4-1-1

Kawamura: I think you are right. In that sense, we are very concerned that this engagement score is not moving in the direction of improvement. While the overall Holdings result is a deviation B, when considered on an individual operating company basis, there are some operating companies that are improving. For example, Meiji Seika Pharma has improved its score. The result of drastic measures such as structural reforms can now be seen very clearly, especially in terms of performance recovery. I believe this has helped employees to have confidence in their own company.

In addition, management's proactive efforts to improve employee engagement, such as holding town hall meetings, have been successful. In this sense, I feel that Meiji is facing the most challenges, but I wonder if they are not fully permeated due to its large scale, the size of the organization, and the number of employees.

This is also a circumstance where each organizational unit has begun to analyze based on the results of FY2023, and to make further improvements at each office. You are right, and I have a very strong sense of the challenges here. We would very much like to improve it.

The Human Capital Committee, that examines and verifies initiatives related to human capital, will also work on this issue and we would like to work toward achieving results in the direction of improving these areas in the next medium-term business plan.

Q-4-1-2

Thank you very much. Of particular interest here is that many employees feel a gap between the field teams and management. What kind of gap do you feel? Also, I know that President Kawamura is aware of the issues, but where is the biggest problem? For example, what do you recognize as

the most important issues to be addressed, such as the need to organizationally promote the improvement of management skills to increase engagement, not only at the top level but also at the middle managers?

A-4-1-2

Kawamura: Looking at the data, there is a high level of trust in the business managers and their immediate superiors. I think the best part is above that, the very awareness of the management level, so it is not easy to improve. I believe that we need to increase the amount of information we send out here more than ever.

I feel that it is important to increase the quantity and improve the quality of how employees can understand the company-wide movements, especially in the case of our Company's food business, which is divided vertically.

Q-4-1-3

I understand. So, Mr. Kawamura yourself needs to change many things, such as the way he treats people.

A-4-1-3

Kawamura: I think you are right.

Part 2 Discussion

Tanaka: The Meiji Group is progressively implementing measures such as the establishment of a Group Human Capital Committee and CHRO. I would like to start by asking for your input on the challenges and expectations for the implementation of human capital management.

Kuboyama: Thank you. I have noticed that the Meiji Group has been working positively on various things regarding human capital strategy or effective utilization of human capital. In addition to this, the Meiji Group is also learning how to use the system through a series of engagement surveys, as the question was asked earlier in Part 1.

The Nominating Committee has also initiated a succession plan, and this year we have started a training program for young managers and a networking event for female managers.

However, I feel that there is still an issue here in moving toward achieving results and creating awareness to accelerate change. I recognize that the challenge is to make a firm company-wide effort to change more while taking advantage of Meiji's strengths.

I am involved in the engagement survey with a great deal of commitment and support. In this area, I feel that the C and A of PDCA are still weak. Normally, each department would bring back the results to their respective departments and, essentially, start over by digging into the issues, sharing the issues they have dug up with their members, and sharing that they would like to fix these scores before the next survey.

The "use" of the engagement survey can be described as the density of the process of delving into the issues in each department, discussing the measures to be taken from there, and getting proposals back to the secretariat on what to work on for a year, but I feel that this part is a bit weak. This should not be proceeded by management taking a shortcut by looking at the score and saying, "This is an issue, so let's take this measure". This process must be shared with the members and frankly discussed not only about the low-scoring items, but also more about the roles, functions, or ways of working and relationships in their own departments.

During the discussion, diversity issues and the career development of the members and many other

issues were discussed, and once again, the discussions would proceed with the conclusion that this is what we will do for the next year. I feel that repeating this process will strengthen engagement, so from that perspective, I think C and A are still weak.

When we think about this, various mechanisms and systems are currently being upgraded. However, in the first place, the Company's efforts to change the awareness and behavior of managers and organization managers in this operation may still be weak.

As Mr. Kawamura mentioned earlier, some departments are rated very highly, while others are not improving very much, in other words, I think there is a wide variation. It is important to think about the uniqueness of your department and the features of your department to determine how to correct the state of variability. I also feel that the key is a change in the mindset, words, and actions of the head of the organization, who digs deeper into this idea and applies it with leadership.

For example, I will talk about 1-on-1 meetings. There are many companies that a 1-on-1 meeting is very important, but they do not know what a good 1-on-1 meeting is.

So, what does a good 1-on-1 meeting, how often and how to do it? It's not just about work, it's about listening to the members' feelings and their current state, and it's also very detailed and something the current management has not experienced.

I feel that the most important thing is to reach out to the management level, or the support, education, and evaluation.

Only when this is achieved, can the use of the system be mastered, and individual employees or the organization will begin to change. We have those discussions in our board of directors' meetings.

Tanaka: Thank you very much. She talked about confirmations and actions by the management side. How about Mr. Kawata?

Kawata: In terms of the establishment of a Group Human Capital Committee and CHRO for human capital strategy, I think that we are living in a very difficult and challenging era where a human capital strategy and a business strategy need to proceed in an integrated manner, and I think that's why it's so challenging and rewarding.

I think the first important thing regarding human resources strategy is how to accumulate and improve human resources to compete on the global stage, which is what the Meiji Group is currently trying to do.

The second point of the human capital strategy is to consider how to position human capital as sustainable human capital from a medium- to long-term perspective.

Also, the CHRO was created in April of this year, and I think this is a very good thing. The significance of a CXO is to optimize the group as a whole, so Mr. Matsumoto, who has now become CHRO, has a very important role, and I have high expectations for him going forward.

With various affiliated companies in each of food and pharmaceutical segments, each of which fulfills a human resource function on a global basis. Under such circumstances, I think it is very important for the CHRO to develop a human resource strategy that is optimized for the entire group. This is a time-related issue, but I think the future challenge is to be able to discuss this human capital strategy and the role of the CHRO from a higher perspective at the Board of Directors level. For employee engagement, from an outside perspective, as has been said before, everyone in the Meiji Group is earnest and faithful. But I wonder if there could be lightness in a good sense, such as mischievousness, fun, cheerfulness, challenging spirit. It may not be directly related, but perhaps it could be linked to employee engagement.

As an example of organizational culture reform, I wonder if it would be a good idea to be thorough in using "san" to call your boss instead of calling him or her by his or her title. It might change their mindset a bit. Whether doing it will necessarily result in a positive cause-and-effect relationship is another matter, but I think that changing is a major keyword for the Meiji Group first.

Tanaka: Thank you very much. Ms. Kuboyama mentioned earlier the words "change" and "speed," so I think those are key points.

Another major issue for the Meiji Group is the advancement of women. We are working on this area, as was mentioned earlier, starting with a networking event for female managers. From the viewpoint of Member of the Board Kuboyama, I would like to ask you about what kind of environmental improvements will be made in the future and what areas are lacking.

Kuboyama: Since it started this year for the first time, I was able to spend the first day with participants and hear everyone's voices. I do feel that it was a very valuable event, with participants ranging from those who had just become managers to those who were seasoned managers, and from both the food and pharmaceutical segments.

Everyone who participated was highly motivated and viewed the idea positively that they were being included in an environment where they could grow up and be supported in their efforts, so I think it's a good thing.

On the other hand, many of them were still very inexperienced as managers in the field, and when they were assigned as section managers or department heads, I think they were a little worried about their ability to handle management there, given the amount of experience they had.

Considering that, efforts are currently progressing in an accelerated direction, but if the Meiji Group further develops its skills and increases the number of women managers, this would not only be 30%, but the number of women managers should continue to increase considering the Meiji Group's business category.

To this end, support for the individual may include mentors who can be useful in the practical part of the job. For example, they need a mentor who supports them on how to negotiate when things are not going well in their work, or where to get new ideas when launching a new project. I believe that by providing these women with mentors who can fully support them, they need to receive support that will help them achieve practical results.

I also felt that everyone's business skills varied from category to category, which also contributed to their lack of confidence, so the Meiji Group should provide practical training so that they can continue to learn what they lack.

I think it would be a good idea to make more use of outside training programs, and to accelerate awareness change through contact with women who are active outside the company, networking, and cross-training. At the same time, I think it is important not only to provide support to women, but also to change the mindset of organizations with women themselves, and to provide training at the department level, including D&I and the activities of younger workers.

Also, as a company that is responsible for health, it is important to see more extensive learning in health care. For example, it is important to develop the soil for learning about men's menopause as well as women's menopause, metabolic dominoes, and other health management issues in the company daily. I believe that fostering an organizational culture in which the entire department learns about issues such as nursing care leave is also important so that women can play an active role.

Finally, as Mr. Kawata mentioned earlier, the Meiji Group needs to strengthen human capital development in general. Regarding digital skills, data management needs to be strengthened by improving employee skills, providing company tools, updating internal rules, and using ChatGPT, a generative AI.

By raising the level of these areas, I feel that this will lead to women working with more energy or jumping up in the process of growth and expressing their own opinions.

Tanaka: Thank you very much. There is a subcommittee on D&I within the Human Capital Committee, so I would like to take this as a theme for further discussion.

I would like to move on to the next topic. The efficacy of the Board of Directors. The Meiji Group strives to improve its efficacy while also conducting self-evaluations and third-party evaluations. I would like to hear your opinions on the discussion or evolution of the Board of Directors from your perspective.

Kawata: I think that the system related to the Board of Directors is well organized, and the explanations are carefully made in advance. and at the Board of Directors on the day of the meeting. The board is very healthy in that outside directors can ask questions and express their opinions openly and without hesitation. I think it's growing in a healthy way.

On the other hand, I think that the past approach has been pretty good based on past standards, but in order to keep up with the new era, I feel we need to change the topics that are brought up at Board of Directors meetings to better suit the times.

Naturally, as a company with the Audit & Supervisory Board, we have appropriate agendas which

we will discuss thoroughly. At the same time, we need to discuss areas related to ESG, including medium- to long-term time frames and human capital strategies, from a higher perspective or a long-term perspective. I think it would be issues to discuss and incorporate such issues as what direction the Meiji Group should take for the future and what is needed to further enhance corporate value. As outside directors, we would like to make a statement more from this perspective.

So, while we are doing reasonably well as an extension of the past, from a future-oriented perspective, changes will need to be accelerated in order to increase effectiveness.

Kuboyama: What tends to happen in any company is that when an outside director asks a question and an internal director answers, it becomes a question-and-answer session, but it is difficult to deepen the discussion. That is due to many factors, such as time constraints and the number of items on the agenda.

However, if essential discussions are important to the efficacy of the Board of Directors, I feel that it will be necessary from now on to make the necessary to make the requirements more compact in the selection of agendas and management methods, to carve out time, and to take time on topics that should be thoroughly discussed by both internal and outside directors. We are consulting with everyone internally, so it is not that we are not working on it, but we are discussing it from that perspective.

Tanaka: This year, the Meiji Group is in the process of formulating its medium-term management plan, and I believe that the outside directors attended the medium-term management plan meeting separately from the Board of Directors' meeting and provided us with a variety of opinions. How was the discussion here?

Kuboyama: It was very good. Unlike a Board of Directors meeting, we were able to speak freely and take our time, and we got to discuss some theoretical issues, and we were also got explanations, which was good for me as well, as it helped me to deepen my understanding of the direction and background. I feel that the discussion of the medium-term plan is meaningful.

This is still going on, so I would like to improve this aspect, and most importantly, I personally want to focus on disclosing information in an easy-to-understand manner and a positive manner when viewed from the outside. I think it's very important to get to that point in a way that shows that you're trying something very new.

It's not that there isn't enough discussion within the company, but rather that I think the medium-term plan includes what to focus on and how to present it. I would like to reach a point where this is reflected in the new medium-term plan. Thank you.

Tanaka: I believe that this is the opinion received from the external announcement and corporate communications department, and I would appreciate your cooperation. Mr. Kawata, how did you feel about the medium-term plan meeting?

Kawata: Well. This is the first time that I have been involved in the formulation process of creating the 2026 Medium-Term Plan. I think the Meiji Group is being proactive with some documents that go into great depth quantitatively and qualitatively.

There is the keyword "change"; changing the market, changing our business, or changing our behavior itself. I think the direction and concept of doing this in conjunction with a vision is very good.

I think it is important how to develop the keyword "change" and how to develop and achieve quantitative targets for each business unit.' It has been a great learning experience for me to be involved in this fundamental process.

Tanaka: Earlier, you mentioned that the employees seem to be lacking in energy. The two of you also visited our business sites, where I believe you had the opportunity to directly interact with our employees on the frontline. I would be interested to hear your impressions there. What do you think?

Kawata: I have visited only a few locations, but I'm quite positive about it. I like the field, and

moreover, it's a completely different business field and business model from what I have experienced before, which is very refreshing.

The executives at each site, business, and plant we visited are quite frank in these sites from their unique front-line perspectives. We usually listen from the point of view of a holding company, but we often learn new things and understand things three-dimensionally by going to the site. I have the impression that it is refreshing and beneficial to have them say it in their own words.

Kuboyama: I also look forward to each visit, and it is important to see and understand the site. It depends on the location, but for example, at the Hachioji Research Laboratory, when we went around to workplaces, the site leaders gave us presentations directly about what they were doing or their recent findings, which was very good.

It is a good time to see the members working beside the leader and supporting him or her and to see that they are enjoying or fulfilling their work very much. Depending on the location, there are visits where we can only communicate with the plant director or higher up in management. As a request for the future, although we hear explanations from the administration side, I think it would be more effective if we had more time to hear members' voices or stories at the site. I am looking forward to next year.

Tanaka: I think it will be a good stimulus for the workplace, so I would like to consider it. Thank you. Next, I would like to ask your opinion on global corporate governance. The Meiji Group's 2026 Vision calls for a 20% overseas sales ratio, which currently stands at a little over 10%.

In the next medium-term plan, we will aim to make significant progress in development. I believe that there are various challenges and risks involved in promoting global development. I would like to have your opinion in terms of strengthening the corporate governance of our overseas subsidiaries.

Kawata: The 2026 Vision calls for a 20% overseas sales ratio, especially the food segment is still at 8%, so of course the Meiji Group is aiming for more than double that. In the same way for the

pharmaceutical segment, which is still small, we need to increase its CAGR significantly.

When it comes to corporate governance, both offensive and defensive governance are important. In terms of the need to put the company on this growth path, we believe that the direction of the company will be to focus more on offensive governance. Of course, this is not to say that protection is to be taken lightly, as there are risks inherent in foreign countries. In particular, there is talk about China, where we are investing, and what the risks are from an external perspective, so that needs to be addressed.

The food segment, in particular, has been basically an organic growth type of business.

But in the future, it will include M&A, alliances, and many other things. In this context, I think it is very important that we must first establish a track record of expansion while striking a good balance between offensive and defensive corporate governance.

Kuboyama: I would like to say a few words about defensive governance. Of course, this is also true in Japan, but I believe that business audits and management audits will have to be greatly strengthened in response to the demands.

Today, as global business is increasing, and the number of employees and affiliates involved is also expanding, I feel that the current business and management audit plan is a little narrow in terms of audit coverage and the frequency of audits of the same company or department is less than enough.

It is important for the department being audited to understand the meaning of an audit, including the understanding that auditing is not about finding violations of rules, but about building a solid foundation for stronger growth.

Also, we need to pay close attention to expanding the human capital in the audit department. As outside directors, we would like to support the expansion of human capital in the area of defense as well.

Tanaka: I am sure that there will be audits that will lead to offensive as well as defensive activities, so I would appreciate your suggestion.

Earlier, you mentioned China, and we have received various comments from investors regarding our China business. I would like to ask for your opinion on what you think about this as a member of the Board.

Kawata: I think the food segment is the main focus on that. As the food segment needs to become globalized, Meiji is developing business among bases in China, Southeast Asia, and North America. I think the concerns from the outside are whether it will be possible to recover the investment, or whether the deficit will widen further, given the intensive upfront investment in China over the past several years.

Naturally, we are able to look at it objectively, so we are not going to be more optimistic than necessary. We are thinking about how to recover business in China for the next three-year plan for the 2026 Medium-Term Business Plan and beyond. We have already established a basic idea of what we need to do to achieve this, including making quantitative estimates.

I think it will be important for us to dig deeper into how this is really feasible, and ultimately create a scenario that is acceptable to all stakeholders outside the Company.

It is true that people talk about the risk of China from a geopolitical perspective, but the Meiji Group does not think the risk of being affected is that high due to the nature of the products we handle in the food industry. Moreover, above all, it is still small in scale, so it is important to bring it to a reasonable scale.

Also, the third-line defense line is done from the domestic side rather, and this also applies globally. Naturally, the internal audit department of internal control must be the last line of defense. But before that, I think it is a matter of the overall corporate culture to the management department, and even the business department, has a firm awareness of the issues. I think it's important to keep our eyes on things like that.

Then, of course, the managers and general managers in Japan participate as presenters at Board of Directors meetings appropriate. However, I think it would be nice to have executives from the front lines of overseas communicate with us via the online meeting, so that they can share their understanding of the actual situation through Q&A sessions with those on the front lines overseas,

and deepen their understanding. I think it would be a good idea to have a variety of monitoring methods.

Kuboyama: I am really looking forward to the global expansion. I think the big issue is, of course, China is the center, partly because of the prior investment that we made in China so far, but I also feel that there are some very good opportunities in each region regarding the US or Asia, and I feel these opportunities are very attractive. I would like to discuss these and other issues.

Tanaka: Finally, I would like to ask for your commitment to our stakeholders for the 2026 Medium-Term Business Plan.

Kawata: Regarding the 2026 Medium-Term Business Plan, I cannot give you the details at this stage, but the key word is “change”. Ultimately, the main players in changing markets, businesses, and actions are human capital, from senior management to all employees. It's not just about human resources strategy or the theme responsible at CHRO, as I mentioned at the beginning, but I think there are some areas where this comes down to that perspective.

I think the challenge for the Meiji Group from now on is to strengthen its sense of commitment that it must change.

I believe that the possibility of taking on this challenge and realizing it is extremely high, so we ourselves are subject to change. I think that we need to firmly increase the efficacy of the Board of Directors and must move it in the direction of being able to communicate various matters to our outside stakeholders.

I think it is important for stakeholders to look not only at the immediate future, but also at the medium to long term. We hope that stakeholders will look at it from that point of view and expect us.

Kuboyama: I am responsible for improving the corporate value of the Meiji Group and have a strong desire to participate in and contribute to the discussions.

I would like to contribute to the renewal of the organizational culture, especially in terms of speed

and aggressiveness toward change.

I am as committed as anyone to the engagement survey, and I want to take a good look at the operation here, as I believe this is the area where we can check all employees' energy level and their positivity scores. Naturally, I would like to focus on promoting women's workplace advancement and supporting education for management.

In addition, we would like to make a strong contribution to strengthening and improving the efficacy of the Board of Directors by changing through the united efforts of internal and outside directors.

Tanaka: Thank you very much. We hope you will continue to support us to the best of your ability.

Part 2 Q&A

Q-1-1

As a member of the Board responsible for increasing corporate value, I would like to ask you a question. During the two years, corporate value has not increased. In this context, I would like to know about the matters that you recognize as very high priority management issues at this time to increase the corporate value.

Market capitalization is not everything, but how do you feel about the expectations of the stock market as an outside director and how do you incorporate that into the Board of Directors' discussions?

A-1-1

Kawata: Regarding the first point, improving corporate value, although the current trend is to emphasize both financial and non-financial aspects, from an outside perspective, you have no choice but to look at it in terms of financial information.

The non-financial aspect is quite well, but it is an intangible part. But I understand that we need to visualize so that you can be judged quantitatively and in the end, this is also about how they can

be linked to business value. I think that we have to look at the financial situation from a medium- to long-term perspective. The Meiji Group became a holding company in 2009, and since around 2012, and 2013, the Meiji Group has been rapidly growing, driven by hit food products. It reached a plateau in 2018 or 2019, and then unfortunately due to the COVID-19 pandemic, it has been a little sluggish for the last few years. The 2010s have indeed been so spectacularly growing that if you look at now as an extension of that, it is a little tough.

So, we will start afresh toward the medium-term Business plan for 2026, I think we need to give a thorough explanation. I think that how to specifically improve the depressed PER, ROE, and PBR from a medium- to long-term perspective must be done through a combination of financial and non-financial information.

Q-1-2-1

I am sure that you are making various efforts to improve corporate value, both in the short and medium term. From the standpoint of monitoring, and from the standpoint of the executive committee, which includes the management teams, what was the highest priority, and was discussed and concluded by the Board of Directors? Could you please introduce one or two things about that?

A-1-2-1

Kawata: From a larger perspective, I am also very aware of the issues where the evaluation of the efficacy of the Board of Directors. I'm sure that the other outside directors probably feel the same way.

Ms. Kuboyama said at the beginning that the C and A of PDCA are weak, and I think that the D itself is also weak. I still wonder if we are still conservative, even though we are taking a lot of steps. In other words, we are conscious of the problem that there may be a culture of avoiding doing something rather than taking the plunge.

Q-1-2-2

As a representative of the outside world, including the stock market, I would like to ask you to hear the voices of the outside world and take advantage of various opportunities, including this one, to lead to higher-priority discussions or highly effective and meaningful discussions.

A-1-2-2

Kawata: Thank you very much.

Q-2-1

You mentioned that you were involved in the discussion of the next medium-term plan. I would like to know if there are any new perspectives, initiatives, or examples of consideration that you have joined as an outside director because of your involvement.

A-2-1

Kawata: One example of a new consideration was the discussion of redefining stakeholders.

Also, as Mr. Kawamura mentioned in the Q&A in Part 1, I have said that it is strange that the Meiji ROESG's indicators unique to Meiji include indicators outside of Meiji's control. I believe that such things will be incorporated into the new medium-term business plan.

As for the quantitative aspects, we are in a position to monitor the degree of realization after the big story is confirmed. The bottom line is that I have been involved as a supporter and pusher of the challenges to change the market, business, or behavior.

Kuboyama: Regarding the business portfolio in the 2026 Medium-Term Business Plan, we have been talking about how it would be desirable for the business portfolio to become an explanation. Also I explained that it would be desirable if the certainty and specific tactics and strategies were seen more up close.

Q-3-1

How does the Board of Directors monitor or discuss the status of employee labor productivity and wage levels?

A-3-1

Kawata:

The Board of Directors itself does not currently have the topics you asked about. So I think it's necessary to put this on the table for discussion while making our own requests as part of the human capital strategies process.

Q-4-1

In the 2023 Medium-Term Business Plan, the integration of sustainability and business was a key objective. As outside directors, what do you think of this progress? It has been indicated that the ROESG indicators will also change this time, but will this further improve or accelerate progress? How do you feel about this?

A-4-1

Kuboyama: For the 2023 Medium-Term Business Plan, we also expressed our opinion that some scores are difficult to understand, and I think that is why the 2026 Medium-Term Business Plan has a simplified format.

Kawata: I also agree in terms of the concept of ROESG that it is simpler and easier to understand and is completely in the right direction.

The integration of sustainability and business is a major issue not only for the Meiji Group but for all companies in the world today. In the early stages of my appointment as an outside director, I also made the statement that it may be necessary to share medium- to long-term ideas and scenarios.

Of course, it is important to create best practices that can be realized quickly, and it is also

Now ideas for wellness



necessary to promote activities that will potentially lead to the integration of sustainability and business. I am sure that this will continue to be an important issue for further discussion and, of course, will continue to be an important issue in the 2026 Medium-Term Business Plan and beyond.

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