

Consolidated Financial Statements

for the Second Quarter of the Fiscal Year Ending March 2010

November 12, 2009

Name of Listed Company: Meiji Holdings Co., Ltd. Listed exchange: 1st Section, Tokyo Stock Exchange
 Code Number: 2269 URL: www.meiji.com
 Representative: Naotada Sato, President and Representative Director
 Inquiries: Takashi Umemoto, General Manager, PR & IR Department
 Telephone: +81-3-3273-3917

Scheduled date of submission of the quarterly report: November 13, 2009

Scheduled date of dividend payment commencement: –

(Note: Amounts under one million yen have been rounded down.)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 2010

(April 1, 2009 to September 30, 2009)

(1) Consolidated operating results (cumulative)

(Percentages represent changes from the same period of the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter of Fiscal Year Ending March 2010	555,308	–	13,573	–	13,443	–	5,406	–
Second Quarter of Fiscal Year Ending March 2009	–	–	–	–	–	–	–	–

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Second Quarter of Fiscal Year Ending March 2010	73.42		–	
Second Quarter of Fiscal Year Ending March 2009	–		–	

(2) Consolidated financial position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share	
	Millions of yen		Millions of yen		%		Yen	
Second Quarter of Fiscal Year Ending March 2010	728,988		289,046		38.6		3,820.82	
Fiscal Year Ending March 2009	–		–		–		–	

(Reference) Shareholders' equity: Second quarter of the fiscal year ending March 2010: 281,340 million yen

Fiscal year ending March 2009: –

2. Dividends

(Basic date)	Cash Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
	Yen	Yen	Yen	Yen	Yen
Year Ending March 2009	–	–	–	–	–
Year Ending March 2010	–	0.00	–	–	–
Year Ending March 2010 (Projected)	–	–	–	80.00	80.00

(Note) Amendment to projected dividends during the second quarter of the fiscal year: None

For the year ending March 2010, the first fiscal year in which the integration took place, we plan an 80 yen per share year-end dividend to shareholders at the end of the period. For years ending March 2011 and thereafter, we plan dividends with the interim-end closing date as the basic date (“interim dividends”).

**3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 2010
(April 1, 2009 to March 31, 2010)**

(Percentages represent changes from the previous period.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,124,000	—	26,000	—	26,000	—	12,000	—	162.97

(Note) Amendment to forecasts of consolidated financial results during the second quarter of the fiscal year: Yes

For details, please refer to “Quantitative Information, Financial Statements, etc.” part 2. Quantitative Information concerning Forecasts of Consolidated Financial Results, page 5.

4. Other

(1) Changes in significant subsidiaries during the second quarter of the fiscal year
(Changes in subsidiaries affecting the scope of consolidation): None

(2) Application of simplified accounting treatment and accounting treatment specific to preparation of consolidated quarterly financial statements: Yes

(3) Revisions of accounting rules, procedures and presentations concerning preparation of consolidated quarterly financial statements

(Revisions in significant items concerning the basis for preparing consolidated quarterly financial statements)

1. Revisions due to changes in accounting standards: None
2. Other revisions: None

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding at end of year (including treasury stock)
Second quarter of fiscal year ending March 2010: 76,341,700 shares
Fiscal year ending March 2009: — shares
2. Number of treasury stock at end of year
Second quarter of fiscal year ending March 2010: 2,708,105 shares
Fiscal year ending March 2009: — shares
3. Average number of shares during period (quarterly consolidated cumulative period)
Second quarter of fiscal year ending March 2010: 73,637,018 shares
Second quarter of fiscal year ending March 2009: — shares

*** Forward-looking statements and other special notes**

1. The above forecasts are based on information currently available at the time of the release of this report and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factors. For earnings forecast assumptions and other related items, please refer to “Quantitative Information, Financial Statements, etc.” part 2. Quantitative Information concerning Forecasts of Consolidated Financial Results, page 5.

2. Meiji Holdings Co., Ltd. was established as a joint holding company through the management integration on April 1, 2009 of Meiji Seika Kaisha, Ltd. (hereinafter, Meiji Seika) and Meiji Dairies Corporation (hereinafter, Meiji Dairies), making the two companies its wholly owned subsidiary companies. Since the current consolidated fiscal year is the first term for the Company, no figures are available with regard to the Company’s financial results for the previous term or the same quarter of the previous fiscal year.

Quantitative Information, Financial Statements, etc.

1. Quantitative Information concerning the Consolidated Operating Results

(1) Overall Operating Results

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Second quarter of the consolidated cumulative period	555,308	13,573	13,443	5,406	73.42
Forecasts of financial results for the second quarter of the consolidated cumulative period	571,000	10,500	10,500	4,500	61.11
Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)	97.3	129.3	128.0	120.1	–

In the second quarter of the consolidated cumulative period, although there were signs of economic recovery in some areas, economic conditions remained severe. Consumers' purchasing pattern marked by restraint became evident due to the deteriorating corporate earnings and employment insecurities, leading to concerns of deflation.

In the food industry, while raw material prices stabilized and the yen continued to appreciate, the price war intensified in response to increasing demands for low-priced products. In addition, sales of seasonal products such as beverages were sluggish due to an unseasonable summer.

In the dairy industry, there was an active move toward market revitalization including the launch of a series of low-fat products and products focusing on consumers' affordability. However, the overall trend of falling milk consumption has not stopped.

In the confectionary industry, where overall expansion of the market is expected to be difficult, the business environment has remained extremely severe, as seen in continuously high prices of major raw materials and fiercer price competition in retail stores.

In the pharmaceuticals industry, the business environment has continued to be very tough. In the ethical pharmaceuticals business, measures to curb medical-care costs were promoted. In the agricultural chemicals and veterinary drugs businesses, the government tightened its regulations and guidance. For instance, they have adopted stricter standards for application and screening for registration.

Under such circumstances, in the second quarter of the consolidated cumulative period, the Company recorded net sales of 555.308 billion yen, operating income of 13.573 billion yen, ordinary income of 13.443 billion yen and net income of 5.406 billion yen. Looking at the degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period, although the Company failed to achieve its plan for net sales (97.3%), profits exceeded the Company's plans (operating income 129.3%, ordinary income 128.0% and net income 120.1%).

Outline of segments by business type are as follows:

(2) Outline of Segments (Consolidated)

	Dairy products	Confectionary and healthcare	Pharmaceuticals	Services and other	Total
Net Sales	316,167	136,924	58,077	72,316	583,487
Operating Income	10,112	109	2,186	1,708	14,116

(Note) Net sales and operating income are presented as the amount before the elimination of inter-segment transactions.

Since the current consolidated fiscal year is the first term for the Company because of management integration, no figures are available with regard to the Company's financial results for the previous term or

the same quarter of the previous fiscal year. Therefore, an outline of the degree of progress of each segment against forecasts of financial results for the second quarter of the consolidated cumulative period is provided below.

(i) Dairy products

	Second quarter of the consolidated cumulative period (Millions of yen)	Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)
Net Sales	316,167	99.0
Operating Income	10,112	115.7

(Note) This segment corresponds to the traditional, consolidated “Food” segment of Meiji Dairies, and it includes the manufacturing and distribution of the following: fresh dairy (drinking milk/yogurt, etc.), powdered milk (milk for infants, etc.), condensed milk, butter, cheese, ice cream, beverages, nutraceuticals (enteral formula/VAAM, etc.), livestock products, etc.

<Main points regarding financial results>

- Sales for commercial butter and ice cream that was affected by an unseasonable weather fared badly. For fresh dairy, however, sales were strong due to the launch of new products and effects from the affordably-priced yogurt products. In addition, sales of products such as powdered milk, cheese and margarine increased. As a result, sales of the entire segment went nearly as planned.
- Operating income exceeded our plan due to increased sales of high-value-added products and cost reduction in imported raw materials.

(ii) Confectionary and Healthcare

	Second quarter of the consolidated cumulative period (Millions of yen)	Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)
Net Sales	136,924	96.0
Operating Income	109	18.2

(Note) This segment corresponds to the traditional “Food & Healthcare” segment of Meiji Seika, and it includes the manufacturing and distribution of confectionary (chocolate, chewing gum, candy), sugar, glycated flour, healthcare products (Amino Collagen, etc), over-the-counter (OTC) drugs (ISODINE® UGAIGUSURI, etc.), as well as management of sports clubs.

<Main points regarding financial results>

- Sales of chocolate products were firm in the confectionary business, and sales of “ISODINE® UGAIGUSURI” increased significantly in the healthcare business. However, categories other than chocolate in the confectionary business and our overseas business did not fare so favorably.
- Operating income did not reach our plan due to such factors as a sales decline and an increase in selling expenses, etc. However, we ensured the business to remain in the black by improving profit structure and reducing cost prices.

(iii) Pharmaceuticals

	Second quarter of the consolidated cumulative period (Millions of yen)	Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)
Net Sales	58,077	101.7
Operating Income	2,186	365.0

(Note) This segment is the traditional “Pharmaceuticals” segment of Meiji Seika, plus the pharmaceuticals business (Ohkura Pharmaceutical Co., Ltd., etc.) in the “Others” segment of Meiji Dairies, and it includes the manufacturing and distribution of ethical drugs, agricultural chemicals, veterinary drugs, etc.

<Main points regarding financial results>

- Sales of the segment were firm owing to the launch of two new drug products (“ORAPENEM” and “REFLEX”) and the expansion of generic drug sales.
- Operating income exceeded our plan because of the increase in marginal profit due to the rise in sales, and by restricting selling expenses.

(iv) Services and other

	Second quarter of the consolidated cumulative period (Millions of yen)	Degree of progress against forecasts of financial results for the second quarter of the consolidated cumulative period (%)
Net Sales	72,316	95.6
Operating Income	1,708	305.0

(Note) This segment is the traditional non-pharmaceuticals business in the “Others” segment of Meiji Dairies, plus the “Office building leasing and others” segment of Meiji Seika, and it includes the following: real estate, feed stuff, transportation, storage, mechanical engineering services, foodservice producers, insurance agencies, and leasing, etc.

<Main points regarding financial results>

- Sales of the segment fell below our plan due to a sales decrease in the distribution business, as well as a sales decline in the feed business caused by the lowering of assorted feed prices.
- Operating income exceeded our plan because a reduction of fuel costs in the distribution business and stable feed grain rates in the feed business led to a profit increase in each business.

2. Quantitative Information concerning Forecasts of Consolidated Financial Results

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	1,143,000	25,000	25,000	11,500
Revised forecasts (B)	1,124,000	26,000	26,000	12,000
Difference (B – A)	(19,000)	1,000	1,000	500

We will revise the forecasts of consolidated financial results for the full year given the degree of progress made until the second quarter and the severe market environment marked by the economic downturn and intensifying competition between companies that is expected to continue in the third quarter and thereafter.

For sales, we will revise down the forecast of net sales to 1.124 trillion yen. This is because we failed to achieve the forecast of financial results for the second quarter of the consolidated cumulative period, and we expect a decline in sales after the third quarter due to the decrease in feed sales, etc.

For profit, although our profits exceeded the forecasts of financial results for the second quarter of the consolidated cumulative period, we predict a smaller range of excess in our full year forecast, because stagnant consumer spending and intensifying competition are expected after the third quarter in such segments as “Dairy products” and “Confectionary and healthcare.” Consequently, we revise upward the forecast of operating income to 26 billion yen, ordinary income to 26 billion yen and net income to 12 billion yen.