Annual Securities Report

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

(The 13th Fiscal Year)

from April 1, 2021 to March 31, 2022

Meiji Holdings Co., Ltd.

(E21902)

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Clause of stipulation	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Place of filing	Director, Kanto Local Finance Bureau
Filing date	June 29, 2022
Fiscal year	The 13th Fiscal Year (from April 1, 2021 to March 31, 2022)
Company name	Meiji Holdings Kabushiki Kaisha
Company name in English	Meiji Holdings Co., Ltd.
Title and name of representative	Kazuo Kawamura, CEO, President and Representative Director
Address of registered headquarter	4-16, Kyobashi 2-chome, Chuo-ku, Tokyo
Telephone number	+81-3-3273-4001 (switchboard)
Name of contact person	Hayato Shimada, General Manager of Corporate Administration Dept.
Nearest place of contact	4-16, Kyobashi 2-chome, Chuo-ku, Tokyo
Telephone number	+81-3-3273-4001 (switchboard)
Name of contact person	Hayato Shimada, General Manager of Corporate Administration Dept.
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

Part I Company Information

1. Overview of the company

1. Key financial data

(1) Key financial data of group

Fiscal year		9th fiscal year	10th fiscal year	11th fiscal year	12th fiscal year	13th fiscal year
Fiscal year end		March, 2018	March, 2019	March, 2020	March, 2021	March, 2022
Net sales	(Millions of yen)	1,240,860	1,254,380	1,252,706	1,191,765	1,013,092
Ordinary profit	(Millions of yen)	95,877	99,709	103,326	110,176	93,985
Profit attributable to owners of parent	(Millions of yen)	61,278	61,868	67,318	65,655	87,497
Comprehensive income	(Millions of yen)	70,800	61,512	59,364	85,304	109,008
Net assets	(Millions of yen)	495,177	560,630	597,573	659,358	713,021
Total assets	(Millions of yen)	925,237	1,004,143	998,920	1,067,000	1,117,459
Net assets per share	(Yen)	3,360.70	3,635.79	3,879.18	4,282.80	4,781.52
Earnings per share	(Yen)	422.15	426.61	464.08	452.52	607.24
Diluted earnings per share	(Yen)	-	-	-	-	-
Equity-to-asset ratio	(%)	52.7	52.5	56.3	58.2	60.3
Rate of return on equity	(%)	13.1	12.2	12.4	11.1	13.5
Price-earnings ratio	(Times)	19.2	21.1	16.5	15.7	10.9
Cash flows from operating activities	(Millions of yen)	108,775	112,100	114,103	123,683	127,526
Cash flows from investing activities	(Millions of yen)	-64,394	-100,202	-70,811	-93,110	-27,614
Cash flows from financing activities	(Millions of yen)	-40,121	-13,980	-30,287	-28,293	-76,997
Cash and cash equivalents at end of period	(Millions of yen)	26,913	24,481	37,110	39,011	64,872
Number of employees [Average number of temporary employees not included in above]	(Number of persons)	16,296 [9,257]	17,608 [9,723]	17,571 [9,234]	17,832 [8,369]	17,336 [7,864]

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

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

3 In the first quarter of the 12th fiscal year, we finalized provisional accounting treatment pertaining to a business combination. Accordingly, the key financial data to the 11th fiscal year represent amounts reflecting the revisions to the initial allocation of the acquisition cost resulting from the finalization of provisional accounting treatment.

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

(2) Key financial data of reporting company

Fiscal year		9th fiscal year	10th fiscal year	11th fiscal year	12th fiscal year	13th fiscal year
Fiscal year end		March, 2018	March, 2019	March, 2020	March, 2021	March, 2022
Operating revenue	(Millions of yen)	19,568	21,581	23,290	25,537	34,547
Ordinary profit	(Millions of yen)	17,999	19,876	21,065	22,924	31,055
Profit	(Millions of yen)	17,999	19,826	21,133	22,354	31,735
Share capital	(Millions of yen)	30,000	30,000	30,000	30,000	30,000
Total number of issued shares	(Thousand shares)	152,683	152,683	152,683	152,683	148,369
Net assets	(Millions of yen)	266,261	265,862	262,229	266,121	246,042
Total assets	(Millions of yen)	386,758	385,652	378,754	386,119	391,413
Net assets per share	(Yen)	1,836.25	1,833.11	1,807.60	1,834.08	1,747.21
Dividend paid per share (Interim dividend paid per share)	(Yen)	130.00 (57.50)	140.00 (65.00)	150.00 (70.00)	160.00 (75.00)	170.00 (80.00)
Earnings per share	(Yen)	124.00	136.71	145.69	154.07	220.25
Diluted earnings per share	(Yen)	-	-	-	-	-
Equity-to-asset ratio	(%)	68.8	68.9	69.2	68.9	62.9
Rate of return on equity	(%)	6.6	7.5	8.0	8.5	12.4
Price-earnings ratio	(Times)	65.3	65.8	52.7	46.2	30.0
Payout ratio	(%)	104.8	102.4	103.0	103.8	77.2
Number of employees [Average number of temporary employees not included in above]	(Number of persons)	35 [5]	34 [4]	54 [5]	66 [8]	85 [13]
Total shareholder return	(%)	88.8	99.9	87.4	83.1	79.4
(Comparison index: TOPIX (including dividends))	(%)	(115.9)	(110.0)	(99.6)	(141.5)	(144.3)
Highest share price	(Yen)	10,170	9,630	9,200	8,990	7,470
Lowest share price	(Yen)	7,480	7,170	6,170	6,760	6,540

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

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

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

4 Highest share price and lowest share price refer to those of the First Section of the Tokyo Stock Exchange.

2. History

Establishment of Meiji Holdings

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

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

Following are the major events relating to the Group.

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

3. Description of business

The Meiji Group consists of Meiji Holdings (a pure holding company), 74 subsidiaries and 9 affiliates.

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

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

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

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

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

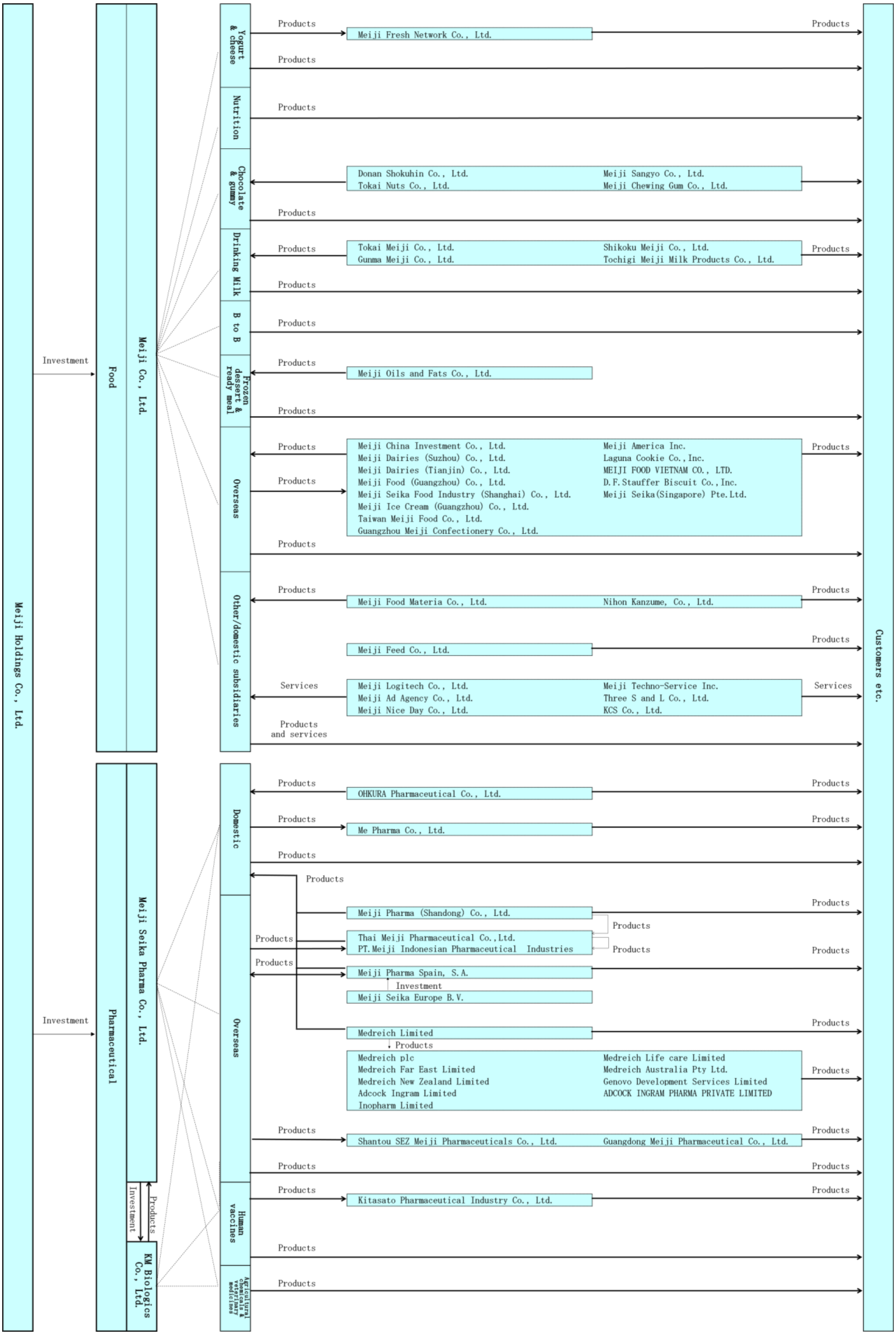
(Associates accounted for using equity method)
CP-MEIJI Co., Ltd., AustAsia Investment Holdings Pte LTD., Okinawa Meiji Milk Products Co., Ltd.

(Affiliates)
Beghin Meiji, N.C. Foods Co., Ltd., Meito Warehouse Co., Ltd., Kushiroshiryo, Co., Ltd., Japan Dairy Trading Co., Ltd.</td></tr>
<tr><td colspan="2">(55 companies in total)</td></tr>
</table>

Segment	Main Products	Major Companies	
Pharmaceutical	Ethical pharmaceuticals, agricultural chemicals, veterinary medicines	Meiji Seika Pharma Co., Ltd.	(Consolidated subsidiaries) Kitasato Pharmaceutical Industry Co., Ltd., OHKURA Pharmaceutical Co., Ltd., Me Pharma Co., Ltd., Meiji Pharma Spain, S.A., PT. Meiji Indonesian Pharmaceutical Industries, Thai Meiji Pharmaceutical Co., Ltd., Meiji Seika Europe B.V., Meiji Pharma (Shandong) Co., Ltd., Medreich Limited, Genovo Development Services Limited, Adcock Ingram Limited, Medreich Life care Limited, Medreich plc, Medreich Australia Pty Ltd., Medreich Far East Limited, Inopharm Limited, Medreich New Zealand Limited, ADCOCK INGRAM PHARMA PRIVATE LIMITED, Shantou SEZ Meiji Pharmaceuticals Co., Ltd., Guangdong Meiji Pharmaceutical Co., Ltd., Romeck Pharma, LLC (Unconsolidated subsidiaries) Meiji Pharma USA Inc., MIYAKO YUSO TRANSPORTATION CO.,LTD., Meiji Animal Health Co., Ltd. (Affiliates) Comercio e Industria Uniquimica Ltda
		KM Biologics Co., Ltd.	
		(27 companies in total)	

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

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



4. Subsidiaries and other affiliated entities

Name	Location	Investments in capital (Millions of yen)	Principal business	Percentage of voting rights held (%)	Relationship
(Consolidated subsidiaries)					
Meiji Co., Ltd. *2, 4	Chuo-ku, Tokyo	33,646	Food	100.00	Has a business management agreement with Meiji Holdings. Meiji Holdings leases offices, etc. Meiji Holdings lends funds or holds funds in trust. Number of concurrently serving officers: 3
Meiji Fresh Network Co., Ltd. *4	Koto-ku, Tokyo	100	Food	100.00 (100.00)	
Donan Shokuhin Co., Ltd.	Hakodate City, Hokkaido	40	Food	100.00 (100.00)	
Meiji Sangyo Co., Ltd.	Suzaka City, Nagano	50	Food	100.00 (100.00)	
Meiji Chewing Gum Co., Ltd.	Kiyosu City, Aichi	75	Food	100.00 (100.00)	
Tokai Nuts Co., Ltd.	Chiyoda-ku, Tokyo	20	Food	100.00 (100.00)	
Shikoku Meiji Co., Ltd.	Mitoyo City, Kagawa	480	Food	100.00 (100.00)	
Tokai Meiji Co., Ltd.	Fukuroi City, Shizuoka	74	Food	100.00 (100.00)	
Gunma Meiji Co., Ltd.	Maebashi City, Gunma	60	Food	100.00 (100.00)	
Tochigi Meiji Milk Products Co., Ltd.	Utsunomiya City, Tochigi	100	Food	95.00 (95.00)	
Meiji Oils and Fats Co., Ltd.	Hirakata City, Osaka	38	Food	100.00 (100.00)	
Meiji Seika (Singapore) Pte. Ltd.	Singapore	(Thousand SGD) 15,000	Food	100.00 (100.00)	
Meiji America Inc. *2	York, Pennsylvania, US	(Thousand USD) 30,558	Food	100.00 (100.00)	
D.F. Stauffer Biscuit Co., Inc. *2	York, Pennsylvania, US	(Thousand USD) 38,005	Food	100.00 (100.00)	
Laguna Cookie Co., Inc.	Santa Ana, California, US	(Thousand USD) 20,729	Food	100.00 (100.00)	
Meiji (China) Investment Co., Ltd. *2	Shanghai, China	(Thousand USD) 614,603	Food	100.00 (100.00)	
Meiji Dairies (Tianjin) Co., Ltd. *2	Tianjin, China	(Thousand CNY) 705,000	Food	100.00 (100.00)	

Name	Location	Investments in capital (Millions of yen)	Principal business	Percentage of voting rights held (%)	Relationship
Meiji Seika Food Industry (Shanghai) Co., Ltd. *2	Shanghai, China	(Thousand USD) 75,126	Food	100.00 (100.00)	
Meiji Dairies (Suzhou) Co., Ltd. *2	Jiangsu, China	(Thousand USD) 83,964	Food	100.00 (100.00)	
Meiji Ice Cream (Guangzhou) Co., Ltd. *2	Guangzhou, Guangdong, China	(Thousand CNY) 263,000	Food	100.00 (100.00)	
Meiji Food (Guangzhou) Co., Ltd. *2	Guangzhou, Guangdong, China	(Thousand CNY) 1,200,000	Food	100.00 (100.00)	
Guangzhou Meiji Confectionery Co., Ltd.	Guangzhou, Guangdong, China	(HKD) 45,100,007	Food	100.00 (100.00)	
Taiwan Meiji Food Co., Ltd.	Taipei, Taiwan	(Thousand TWD) 27,624	Food	100.00 (100.00)	
MEIJI FOOD VIETNAM CO., LTD.	Hanoi, Vietnam	(Million VND) 41,504	Food	100.00 (100.00)	
Meiji Food Materia Co., Ltd.	Chuo-ku, Tokyo	300	Food	95.04 (95.04)	
Meiji Logitech Co., Ltd.	Koto-ku, Tokyo	98	Food	100.00 (100.00)	
Three S and L Co., Ltd.	Nonoichi City, Ishikawa	65	Food	100.00 (100.00)	
Nihon Kanzume, Co., Ltd.	Memuro, Kasai, Hokkaido	314	Food	71.66 (71.66)	
Meiji Feed Co., Ltd.	Koto-ku, Tokyo	480	Food	100.00 (100.00)	
KCS Co., Ltd.	Nishinomiya City, Hyogo	80	Food	100.00 (100.00)	
Meiji Techno-Service Inc.	Koto-ku, Tokyo	30	Food	100.00 (100.00)	
Meiji Nice Day Co., Ltd.	Koto-ku, Tokyo	25	Food	100.00 (100.00)	
Meiji Ad Agency Co., Ltd.	Shibuya-ku, Tokyo	226	Food	100.00 (100.00)	

Name	Location	Investments in capital (Millions of yen)	Principal business	Percentage of voting rights held (%)	Relationship
Meiji Seika Pharma Co., Ltd. *2, 4	Chuo-ku, Tokyo	28,363	Pharmaceutical	100.00	Has a business management agreement with Meiji Holdings. Meiji Holdings leases offices, etc. Meiji Holdings lends funds or holds funds in trust. Number of concurrently serving officers: 3
Kitasato Pharmaceutical Industry Co., Ltd.	Minato-ku, Tokyo	30	Pharmaceutical	60.00 (60.00)	
OHKURA Pharmaceutical Co., Ltd.	Minami-ku, Kyoto City, Kyoto	72	Pharmaceutical	100.00 (100.00)	
Me Pharma Co., Ltd.	Chuo-ku, Tokyo	10	Pharmaceutical	100.00 (100.00)	
Meiji Pharma Spain, S.A.	Madrid, Spain	(Thousand EUR) 2,028	Pharmaceutical	100.00 (100.00)	
PT. Meiji Indonesian Pharmaceutical Industries	Jakarta, Indonesia	(Million IDR) 38,073	Pharmaceutical	93.34 (93.34)	
Thai Meiji Pharmaceutical Co., Ltd.	Bangkok, Thailand	(Million THB) 297	Pharmaceutical	94.61 (94.61)	
Meiji Seika Europe B.V.	Amsterdam, Netherlands	(Thousand EUR) 25	Pharmaceutical	100.00 (100.00)	
Meiji Pharma (Shandong) Co., Ltd.	Jining, Shandong, China	(Thousand USD) 24,000	Pharmaceutical	83.33 (83.33)	
Medreich Limited	Bengaluru, India	(Thousand INR) 1,407,183	Pharmaceutical	100.00 (100.00)	
Genovo Development Services Limited	Bengaluru, India	(Thousand INR) 18,296	Pharmaceutical	100.00 (100.00)	
Adcock Ingram Limited	Bengaluru, India	(Thousand INR) 380,500	Pharmaceutical	50.07 (50.07)	
Medreich Life care Limited	Bengaluru, India	(Thousand INR) 1,020	Pharmaceutical	100.00 (100.00)	
Medreich plc	Surrey, UK	(Thousand GBP) 100	Pharmaceutical	100.00 (100.00)	
Medreich Australia Pty Ltd.	New South Wales, Australia	(AUD) 100	Pharmaceutical	100.00 (100.00)	
Medreich Far East Limited	Hong Kong Special Administrative Region, China	(HKD) 10,000	Pharmaceutical	100.00 (100.00)	
Inopharm Limited	Nicosia, Cyprus	(Thousand EUR) 100	Pharmaceutical	50.00 (50.00)	
Medreich New Zealand Limited	Auckland, New Zealand	(NZD) 1,000	Pharmaceutical	100.00 (100.00)	

Name	Location	Investments in capital (Millions of yen)	Principal business	Percentage of voting rights held (%)	Relationship
ADCOCK INGRAM PHARMA PRIVATE LIMITED	Gauteng, India	(Thousand INR) 280,000	Pharmaceutical	100.00 (50.07)	
Shantou SEZ Meiji Pharmaceuticals Co., Ltd.	Shantou, Guangdong, China	(Thousand CNY) 44,700	Pharmaceutical	80.00 (80.00)	
Guangdong Meiji Pharmaceutical Co., Ltd.	Guangzhou, Guangdong, China	(Thousand CNY) 3,000	Pharmaceutical	80.00 (80.00)	
Romeck Pharma, LLC	Chuo-ku, Tokyo	0	Pharmaceutical	50.00 (50.00)	
KM Biologics Co., Ltd. *2	Kumamoto City, Kumamoto	10,000	Pharmaceutical	49.00 (20.00)	Meiji Holdings lends funds or holds funds in trust. Number of concurrently serving officers: 2
Meiji Business Support Co., Ltd.	Chuo-ku, Tokyo	20	Company-wide	100.00	Meiji Holdings lends funds or holds funds in trust. Number of concurrently serving officers: 1
(Unconsolidated subsidiaries accounted for using the equity method)					
Chiba Meiji Milk Products Co., Ltd.	Wakaba-ku, Chiba City, Chiba	47	Food	100.00 (100.00)	
Thai Meiji Food Co., Ltd.	Bangkok, Thailand	(Million THB) 102	Food	100.00 (100.00)	
(Affiliates accounted for using the equity method)					
CP-MEIJI Co., Ltd.	Bangkok, Thailand	(Million THB) 500	Food	40.00 (40.00)	
AustAsia Investment Holdings Pte LTD.	Singapore	(Thousand USD) 308,502	Food	25.00 (25.00)	
Okinawa Meiji Milk Products Co., Ltd.	Urasoe, Okinawa	91	Food	50.00 (50.00)	

(Notes) 1 The name of the segment is stated in the “Details of main business” column.

*2 Classified as a specified subsidiary company.

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

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

Main profit/loss information for the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

	Meiji Co., Ltd.	Meiji Fresh Network Co., Ltd.	Meiji Seika Pharma Co., Ltd.
(1) Net sales (Millions of yen)	608,974	99,873	131,469
(2) Ordinary profit (Millions of yen)	72,239	724	1,073
(3) Profit (Millions of yen)	53,654	512	24,795
(4) Net assets (Millions of yen)	468,827	12,337	91,741
(5) Total assets (Millions of yen)	684,336	27,206	209,497

5. Employees

(1) Information about group

As of March 31, 2022

Segment titles	Number of employees	
Food	10,464	[5,177]
Pharmaceutical	6,783	[2,661]
Company-wide	89	[26]
Total	17,336	[7,864]

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

(2) Information about reporting company

As of March 31, 2022

Number of employees		Average age (years)	Average length of service (Years)	Average annual salary (thousand yen)
85	[13]	44.9	20.6	10,150

Segment titles	Number of employees	
Company-wide	85	[13]
Total	85	[13]

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

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

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

(3) Labor union status

The main labor unions in the Group are the Meiji Labor Union (5,305 members as of March 31, 2022) and the Meiji Seika Pharma Labor Union (1,343 members as of March 31, 2022).

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

2. Overview of Business

1. Management policy, business environment, issues to address

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

(1) Basic business policies

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

[Group Philosophy]

Our mission is to widen the world of "Tastiness and Enjoyment" and meet all expectations regarding "Health and Reassurance."

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

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

[Management Attitude] The basic management attitude for carrying out the Group Philosophy is as follows.

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

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

In order to be a corporate group that embodies the Group Philosophy and continues to grow even in a changing environment, the Meiji Group has established a long-term vision that extends through fiscal year 2026 (ending March 31, 2027) and is working to achieve it.
To achieve this vision, a Medium-term Business Plan has been formulated every three years to reflect the vision in a more specific action plan, which we are currently carrying out.

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

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

Long-term Vision

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

Targets

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

Key Strategies

1. Secure an overwhelming advantage in core businesses

2. Establish growth foundations in overseas markets
3. New challenges in the health value domain
4. Social contribution

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

Business Vision

(Food Segment)

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

(Pharmaceutical Segment)

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

(Overall Group)

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

Sustainability Vision

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

Management Foundation Vision

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

2) Operating environment and issues to be preferentially addressed

The Group's market environment remains uncertain and includes fierce competition and changes in market structures and consumer sentiment precipitated by the COVID-19 pandemic. In addition, skyrocketing raw material and energy costs are putting pressure on corporate earnings and having a significant impact on consumer prices. Moreover, the roles and responsibilities of corporations are increasing, such as responding to climate change and environmental issues, respecting human rights and diversity, and conducting sustainable procurement activities. The approach to corporate valuation is also changing significantly, with emphasis on corporate sustainability, risk resilience, and social contribution.

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

- We will seek to establish business models in which business activities and sustainability activities can be carried out at the same time without conflicting with each other. Efforts to address social issues are seeds for business growth and innovation, and we will take on the challenges of creating new value.
- We will transform to a business management structure that encourages business efficiency and capital cost awareness, build an optimum business portfolio, and aim to further improve capital productivity.
- We will refine our strength as a unique corporate group that contributes to the mental and physical health of all generations from babies to the elder, creating group synergies.

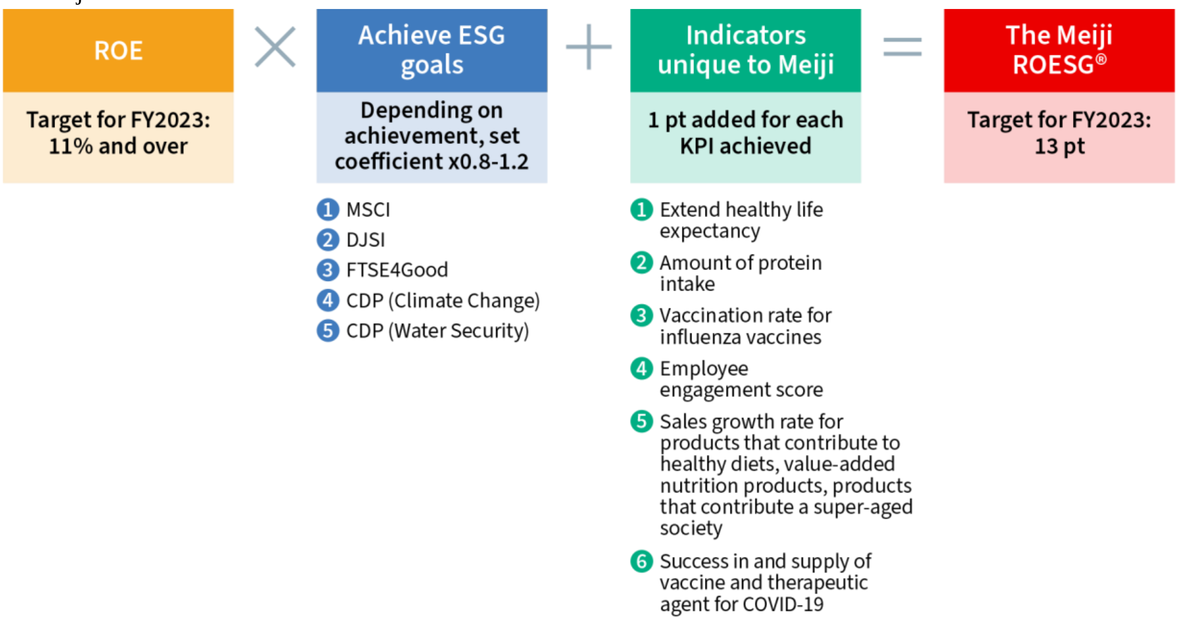
3) 2023 Medium-Term Business Plan (March 31, 2022 to March 31, 2024)

The Group will reaffirm Offering Health Value, which has continued from our foundation, and aim to grow as a sustainable corporate group that shares health value with people and societies around the world.

In the 2023 Medium-Term Business Plan, we introduce the Meiji ROESG®* in addition to the conventional target indicators for growth and profitability such as net sales and operating profit. The Meiji ROESG® is a proprietary indicator, combining ROE and ESG benchmarks with sustainability targets unique to the Meiji Group (goals unique to Meiji). By linking this to executive remuneration, we will secure its efficiency. In addition, we will set ROIC as a target indicator for capital productivity and effectiveness. By managing effectiveness and profitability using ROIC separately for each business, we will ensure business performance centered on capital costs and clarify the authority and accountability structure of business portfolio strategies. We will also use it to evaluate capital expenditures and research development investments and enhance the operational management system of the entire Group.

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

<Meiji ROESG®>



Target Indicators

	Indicators	Targets for the fiscal year ending March 31, 2024
Integrated goal	Meiji ROESG®	13 points
Growth and Profitability	Consolidated net sales	JPY 1,080.0 billion
	• Food Segment	JPY 874.5 billion
	• Pharmaceutical Segment	JPY 209.0 billion
	Consolidated operating profit (margin)	JPY 120.0 billion (11.1%)
	• Food Segment	JPY 102.0 billion
	• Pharmaceutical Segment	JPY 18.5 billion
	Overseas net sales	JPY 134.5 billion
Efficiency and Safety	ROIC	More than 10%
	• Food Segment	More than 12%
	• Pharmaceutical Segment	More than 6%
Returns to shareholders	ROE	More than 11%

* The target values indicated above are the amounts after applying the Accounting Standard for Revenue Recognition.

The progress made on the 2023 Medium-Term Business Plan for the fiscal year ended March 31, 2022 is as described in 3. Management analysis of financial position, operating results and cash flows, (1) Business results.

Specific strategic points are as follows:

Business Strategy

Food Segment

・ Recover from the stagnation in our core business

[Yogurt and functional yogurt]

- Improve functionalities of and evidence for existing products
- Launch new products that have new added-value

[Nutrition]

- Continue working to increase sales of *SAVAS* sports protein
- Increase share of infant formula and enteral formula by enhancing product value

[Chocolate]

- Develop new products promoting the value of cocoa
- Promote procuring sustainable cocoa and adding value to products
- Optimize production system

・ Expand overseas business

As a core area, in China we will accelerate sales growth by significantly increasing production capacity for the milk and yogurt, confectionery, and ice cream businesses. We will also increase sales of functional yogurt and *SAVAS* sports protein to develop as new growth pillars.

Pharmaceutical Segment

We will build a strong business portfolio that is less impacted by annual NHI price revisions in Japan or changes in patient behavior trends.

・ Strengthen the vaccine business

We will enhance supply chain management by integrating production and sales. We will strengthen internal and external R&D partnerships to build new modalities for drug development.

・ Expand CMO/CDMO business

[Overseas]

We will expand transactions with existing customers and capture new customer business while also increasing our production capacity. We will strengthen R&D capabilities to secure a competitive advantage and respond to demand for increased access to pharmaceuticals.

[Domestic]

We will increase transactions by taking advantage of the large-scale production capacity of our subsidiary in India, which enables us to produce high-quality medicines on par with Japanese standards at low cost.

Overall group

・ Contributions in the immunity domain

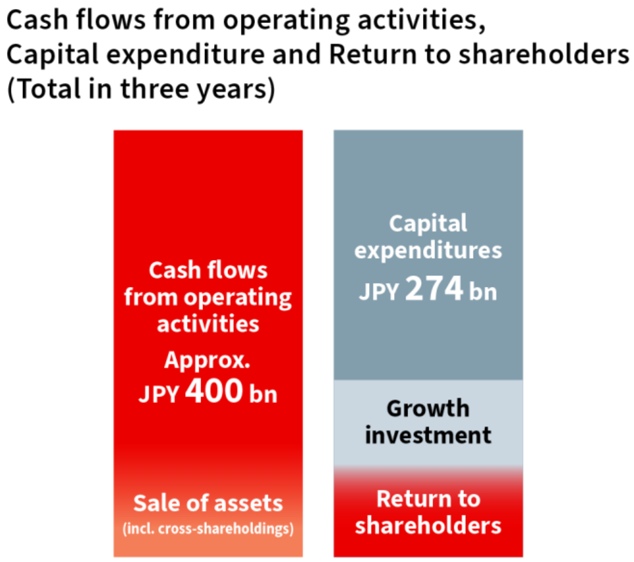
We will offer new value that contributes to extending healthy lifespans by commercializing anti-aging ingredients and creating immunity-boosting substances.

・ Promote open innovation

We will strengthen external partnerships and create new businesses. For that, we launch and implement multiple development programs such as Meiji Accelerator Program. Also, we search for startups or venture businesses in possession of new technology.

Financial Strategy

・ Apply ROIC towards strengthening our business management structure and improving capital productivity.
・ As an approach to resource distribution, continue investments to grow business within cash flows from operating activities while also aiming for continuous dividend increases. Also, evaluate share repurchasing from the perspective of ensuring optimal capital structure.
・ Reduce strategic shareholdings by 30% (based on book value).



Sustainability Strategy

Under each activity theme, we will focus on the following initiatives:

<u>Healthier lives</u>

・ Contribute to healthy diets through our business activities
- Develop health-conscious products and nutritional products with added value
- Promote and spread healthy diets and food culture

・ Action against emerging/re-emerging infectious diseases of common concern
- Develop and supply a COVID-19 vaccine
- Develop vaccines for dengue fever and other diseases

<u>Caring for the Earth</u>

・ Climate change
- Promote the use of renewable energy
- Acquire SBT (Science Based Targets) certification
- Introduce internal carbon pricing
- Completely abolish the use of specified fluorocarbons

・ Circular economy
- Reduce (use lighter and thinner plastic containers and packaging and switch to alternative materials (such as paper))
- Expand the use of bioplastics and recycled plastics

・ Secure water resources
- Reduce water use and protect and conserve water resources
- Respond to water risks

<u>Thriving communities</u>

・ Diversity

We will promote diversity and inclusion.

・ Human rights

We will implement human rights due diligence and disclose results.

・ Employee-friendly workplaces

In the Group Human Capital Committee (Health and Productivity Management Subcommittee), we will set targets and promote activities to encourage personal health and productivity management.

<u>Sustainable sourcing</u>

・ Procure raw materials with consideration for human rights and environmental impact and also develop responsible supply chains.

・ Engage in planned procurement of sustainable cocoa beans, certified palm oil, and environmentally friendly paper.

In addition, we will allocate for budget for ESG investment and engage in steady activities related to CO_2 emissions reduction and the elimination of CFCs, reducing plastics, protecting water resources, and ensuring the stable provision of pharmaceuticals.

Item	Content
Reduce CO_2 emission	• Introduce energy-saving equipment • Introduce solar power generator
Abolish totally the use of specific fluorocarbons	• Install fluorocarbon-free refrigerators and freezer
Reduce plastic usage	• Introduce manufacturing equipment for Lighter and thinner plastic container packaging • Environmentally friendly container packaging
Secure water resources	• Introduce equipment for improving water use efficiency • Improving wastewater quality
Other	• Introduce manufacturing equipment for stable supply of pharmaceuticals

4) The Meiji Group's TCFD Initiatives

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

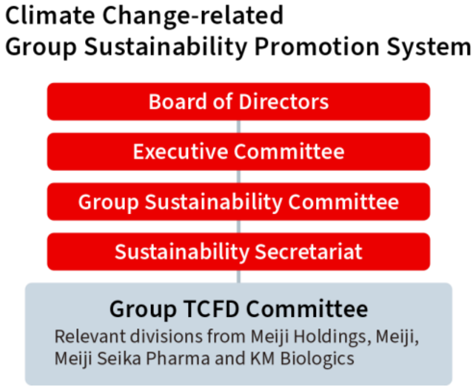
In 2019, the Group agreed to join the Task Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board. We also joined the TCFD Consortium that Japan's Ministry of Economy, Trade and Industry, Ministry of the Environment, and Financial Services Agency launched as a collaborative platform for supporting companies, financial institutions, and other organizations, and accordingly started analyses and disclosures based on the TCFD framework.

We outline our TCFD initiatives below.

■Governance System

Important sustainability activities of the Meiji Group as a whole are discussed by the Executive Committee, supervised by the Board of Directors, and then reflected in management. We also established a Chief Sustainability Officer (CSO) position as the senior manager responsible for sustainability to further strengthen Group-wide sustainability activities.

The Group Sustainability Committee, which is chaired by the President and Representative Director of Meiji Holdings, meets twice a year, and the Group Sustainability Secretariat Committee, which comprises sustainability-related divisions of Meiji Holdings and its Group companies, meets monthly. At the meetings, they discuss a range of topics, including initiatives toward addressing social issues and the overall progress of sustainability activities. The Group TCFD Committee (which met seven times in FY2021) analyzes climate change-related risks and opportunities, as well as responses to them. The results are discussed by the Executive Committee and reported to the Board of Directors, which is responsible for supervision. With the Meiji Holdings Risk Management Department participating in the Group TCFD Meeting, we have also established a system to identify and respond to climate change impacts as serious risks to the entire Group.



■**Strategy**

We recognize that climate change-related risks and opportunities constitute a significant management issue for the Meiji Group. We have thus established materiality and key performance indicators (KPIs) including “Reduce CO_2 emission volume” and “Secure water resources” and are promoting initiatives to continue living in harmony with nature based on our 2023 Medium-Term Business Plan (short-term basis), Meiji Group Sustainability 2026 Vision (medium-term basis), and our long-term environmental vision, the Meiji Green Engagement for 2050 (long-term basis).

<Takeaways from our FY2021 Achievements>

- Analyzed the entire supplier chain and calculated the financial impact on the Meiji Group
- Established three scenarios (1.5-degree, 2-degree, and 4-degree) based on Representative Concentration Pathway (RCP) 2.6, RCP4.5, RCP6.0, and RCP8.5 of the Intergovernmental Panel on Climate Change (IPCC), and scenarios including NZE, SDS, APS, and STEPS proposed by the International Energy Agency (IEA). Currently examining countermeasures for and analyzing medium- to long-term climate change-related risks and opportunities, setting 2030 and 2050 as base years
- Enhanced our analysis of the impact that climate change has on raw materials (expanded the scope of raw materials and added water risk effect analysis)
- Further examined climate change-related opportunities
- Strengthened countermeasures (e.g., adoption of internal carbon pricing and development of transition plans) to achieve the Meiji Green Engagement for 2050

From the results of our analyses on major impacts under the 1.5-degree, 2-degree, and 4-degree scenarios, below we describe the results for the 1.5-degree and 4-degree scenarios that involve major impacts.

<Target scope of analysis>

Segment	Food	Pharmaceutical
Company	Meiji Co., Ltd.	Meiji Seika Pharma Co., Ltd. KM Biologics Co., Ltd.
Scope of financial impact calculation	Meiji Group as a whole	
Target raw material	Major raw materials [milk, cacao beans, palm oil, sugar, wood (paper), eggs]	
Analysis base years	Current, 2030 (medium term) and 2050 (long term)	

<Impact on the Meiji Group under the 1.5-degree scenario (transition risks)>

Change related to climate change	Major and specific impacts	Impact on Meiji Group		
		Relevant supplier chain	Amount of impact (Unit: Billion yen)	
			2030	2050
Reinforcement of the government's environmental regulations	Increase in amount of carbon pricing burden	Manufacturing	3.7	8.0
		Sourcing Logistics	20.1	27.7
Expansion of investment in power facilities due to increase in renewable energy	Increase in amount of electricity purchased	Manufacturing	2.0	2.8

<Impact on the Meiji Group under the 4-degree scenario (physical risks)>

Change related to climate change	Major and specific impacts	Impact on Meiji Group		
		Relevant supplier chain	Amount of impact	
			2030	2050
Increase in severity and frequency of typhoons, torrential rains, etc.	Opportunity losses from flood damage	Manufacturing Logistics	Approximately JPY 300 million per base	
Change in growth environment of raw materials resulting from temperature rise and water risks	Increase in raw material sourcing costs	Sourcing	-	-

Major Impacts and Specific Effects

<1.5-degree scenario>

・ Effect of introducing carbon pricing (the company)

We estimate a JPY 3.7 billion cost increase in 2030, while reducing costs by JPY 1.4 billion by undertaking energy-saving and energy-creation activities and purchasing renewable energy-derived electricity. In 2050, we expect to see a JPY 1.9 billion reduction by strengthening transition plan-aligned countermeasures (e.g., active adoption of new technology and next-generation energy). We are, however, estimating a JPY 8 billion cost increase, as current technologies offer no prospect for eliminating CO_2 emissions, and to achieve this, we will need to purchase emissions allowances at a cost of JPY 4 billion.

Unit: billion yen

Detail of initiative	2030	2050
(1) Amount of carbon pricing borne when no countermeasures are taken	5.1	5.9
(2) Amount of carbon pricing reduced through countermeasure	-1.4	-1.9
(3) Amount of emissions allowances purchased to eliminate CO_2 emissions	-	4.0
Total	3.7	8.0

・ Effect of purchased electricity amount (the company)

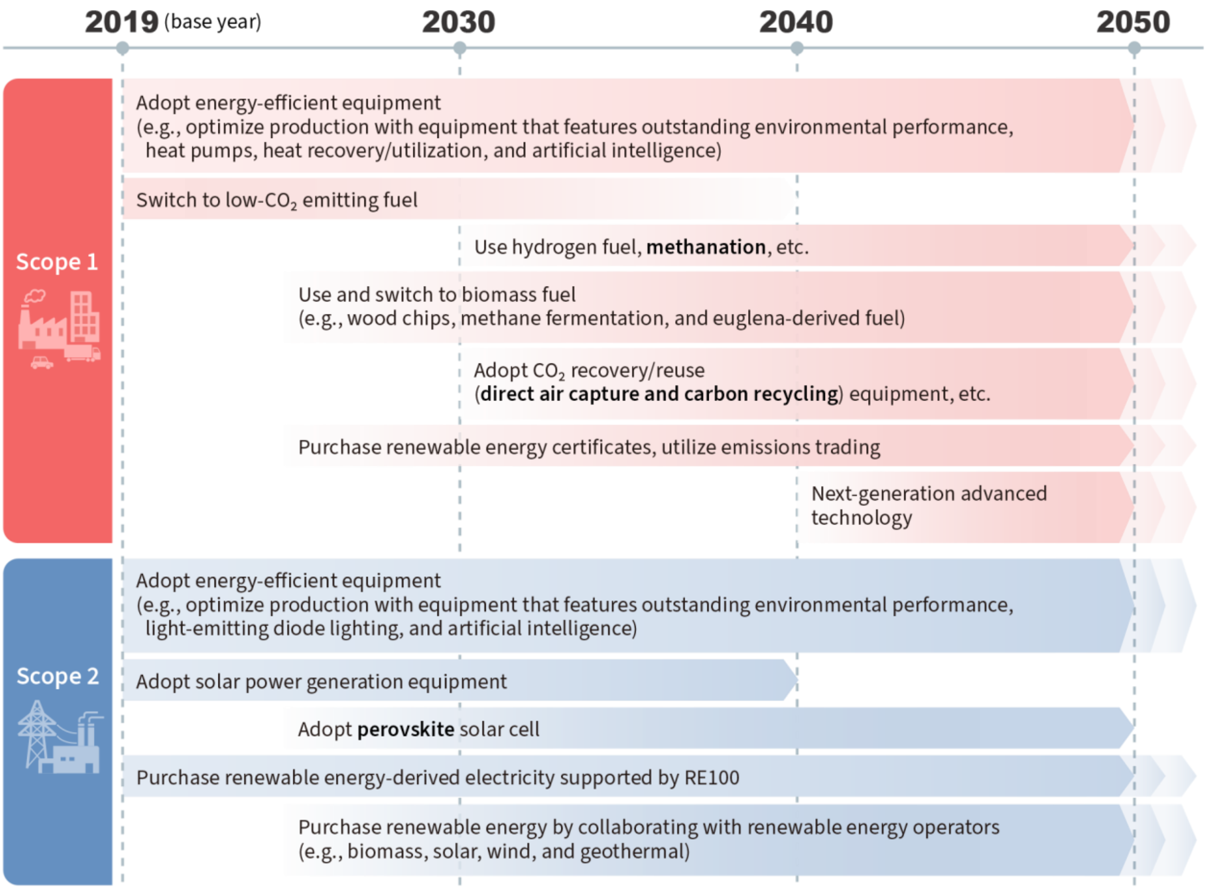
In 2030, we plan to reduce costs by JPY 1.7 billion through energy-saving and energy-creation activities, but anticipate a cost increase of JPY 2.0 billion due to the extra cost of electricity derived from renewable energy. Similarly, we expect a JPY 2.8 billion cost increase in 2050.

Unit: billion yen

Detail of initiative	2030	2050
(1) Amount increased with rise in electricity unit price	3.0	8.8
(2) Amount reduced through energy-saving and energy-creation activities, etc.	-1.7	-7.1
(3) Amount increased with purchase of renewable energy-derived electricity	0.7	1.1
Total	2.0	2.8

We devised a transition plan that covers the active introduction of new technology and next-generation energy in addition to our current undertakings (e.g., energy-saving and energy-creation activities and purchase of renewable energy-derived electricity). We also adopted an internal carbon pricing system in FY2021 (JPY 5,000 per 1 t-CO_2), preparing to ensure a smooth transition after the full-scale introduction of carbon pricing.

Below is an outline of the transition plan.



* Scope 1: Direct greenhouse gas emissions by the reporting company itself. (e.g., fuel combustion, industrial process)
Scope 2: Indirect emissions from the use of electricity, heat, or steam supplied by others.

- Effect of introducing carbon pricing (major raw material)

Based on the countermeasures overviewed below, we estimate a JPY 20.1 billion increase in 2030 based on the carbon price in our major raw material sourcing countries. Likewise, we estimate a JPY 27.7 billion increase in 2050.

- Promote study of low-carbon dairy farming and carbon credits, etc.
- Accelerate milk collection volume (productivity) enhancement through Meiji Dairy Advisory (MDA), etc., the Meiji Group's unique program for providing support to dairy farmers
- Promote sourcing of dairy ingredients that support low-carbon dairy farming
- Promote reduction of greenhouse gas (GHG) emissions through stronger collaboration with suppliers
- Promote use of raw materials that contribute to reducing environmental impact (biomass plastics, recycled plastics, certified raw materials, etc.)
- Reduce packaging material usage

<4-degree scenario>

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

The estimated amount of damage per flood is on the scale of 300 million yen, based on previous cases. We calculated this amount by referencing the damage (e.g., unsaleable products discarded as a result of distribution network disruption) the Meiji Group incurred as a result of floods caused by heavy rainfall. Twelve of our bases are expected to face opportunity losses from floods, taking into consideration results achieved by using Aqueduct (the World Resources Institute's open-source tools for global water risk evaluation) and the availability of alternative production bases.

We will identify the circumstances of high-risk bases by collaborating with them and analyzing gaps between risk evaluation results, and based on those results, take proper flood risk countermeasures upon factoring in the Business Continuity Plan. Countermeasures have already been taken at the Odawara Plant of Meiji Seika Pharma Co., Ltd. (e.g., introducing provisional water stops, installing new waterproof banks at its transformer substation, and introducing backup boards for outdoor air conditioner units).

・ <u>Impacts on sourcing of major raw materials</u>

We expect climate change-based temperature rise and water risks to reduce crop yields and shift the unit prices of raw materials in raw material production areas. Below, we overview the results of our analysis on water risks (water stress, water shortage, and flood risk, which indicate a deterioration in the supply-and-demand balance of water) and changes in yields at raw material production areas.

Expected change in yields

- We expect reduced yields in cacao bean and sugar source countries
- In contrast, we expect to see relatively little impact both in 2030 and 2050 regarding the main areas from which the Meiji Group sources cacao beans.
- We expect the impact on dairy to remain within a few percentage points both in 2030 and 2050. This impact, based on our expectation, is addressable by enhancing productivity (e.g., changing feedstuff mixes) and will pose no significant risk.

Expected water risks

- We expect low water stress and water shortage risks in most areas, with some exceptions.
- We expect flood risks to rise in most areas, and thus believe that we need to examine improvement measures upon confirming the flood risk of each production area.

As a result of these impacts, we expect the sourcing costs for major raw materials to increase. We will endeavor to reduce these costs through the following initiatives.

(1) Product-related measures

◇Add value to products by boosting their health and nutritional value and creating social value from a sustainability perspective

◇Optimize our portfolio by reviewing product strategies

◇Raise unit prices through price revisions

(2) Raw material-related measures

◇Modify formulations and use alternative materials

◇Optimize source countries, area, and suppliers

(3) Production- and distribution-related measures

◇Enhance productivity through efficient production and streamline processes between material procurement and product completion

(4) Collaboration with suppliers

◇Strengthen engagement to reduce sourcing costs and risks

□Measures to Opportunities

We believe that the direct impact of climate change will alter society and daily lives, thereby creating new needs and opportunities. We expect to obtain opportunities including those mentioned below by leveraging our current operating bases and adopting new resources. Going forward, we will explore the feasibility of each opportunity on a Group-wide basis and promote concrete efforts to realize them.

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

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

■Risk Management

The Meiji Group is promoting group-wide risk management to ensure that it can accurately respond to risks that could severely impact our business activities by treating climate change as a priority risk for management.

The Board of Directors supervises climate change-related risks based on our governance system after the Group TCFD Committee, in which the Risk Management Department participates, reviews the risks, and the results of the review are examined by the Executive Committee and reported to the Board of Directors. With the participation of the Risk Management Department, we established a system that can be integrated with risk management for the entire Group.

Recognizing that climate change-related risks and opportunities change with the times, we also conduct quantitative analysis and evaluation with TCFD recommendations-aligned scenario analysis, identify high-priority major impacts, and examine countermeasures based on risk management flows. We then discuss the examined results in the Executive Committee, report them to the Board of Directors, which performs supervision, and properly reflect the results in management.

■Indicators and Targets (Including Progress)

The Meiji Group established materiality and KPIs by formulating the Meiji Group Sustainability 2026 Vision and our long-term environmental vision, the Meiji Green Engagement for 2050. Given that responses for climate change-related risks and opportunities (e.g., activities to reduce environmental impacts and raw material sourcing) entail diverse action, we have established the following KPIs and manage their progress accordingly. We regularly check the progress made on each KPI, work systematically to achieve the indicators, and evaluate the results as part of the Meiji ROESG® indicators and reflect them in the remuneration of directors.

KPIs associated with climate change-related risks and opportunities

Major impacts	Category	KPIs		
		Meiji Group Sustainability 2026 Vision	Long-term environmental vision	Progress in FYE 3/2022 *1
Introduction of carbon pricing	CO_2 emission volume	Reduce company-wide CO_2 emissions (Scope 1 and 2) by at least 50% by FYE 3/2031 and at least 30% for Scope 3 (compared to FYE 3/2020)	Reduce company-wide CO_2 and other greenhouse gas emissions to nearly zero in the whole supplier chain by 2050	Scope 1 and 2: Reduced 13.7% Scope 3: Reduced 0.9% *2
	Renewable energy usage	Expand renewable energy usage to make up at least 50% of total company-wide usage by FYE 3/2031	Achieve 100% share of renewable energy in total power usage at each site by 2050	5.3%
	Plastic usage	Reduce plastic usage (e.g., packaging) by at least 25% by FYE 3/2031 (compared to FYE 3/2018)	Minimize use of new natural capital for packaging, utilizing recyclable resources	Reduced 11.7%*3
Water sourcing cost	Water consumption volume	Reduce company-wide water consumption volume per unit of sales by at least 20% by FYE 3/2031 (compared to FYE 3/2018)	Reduce company-wide water consumption volume per unit of sales by 50% by 2050, compared to FYE 3/2018	Reduced 8.4%*4
Sustainable sourcing of major raw material	Cacao beans	Increase procurement ratio of sustainable cocoa beans to 100% by FYE 3/2027	-	42%
	Palm oil	Switch 100% to RSPO-certified palm oil by FYE 3/2024	-	84%
	Wood (paper)	Switch 100% to eco-friendly paper by FYE 3/2024	-	98%
	Raw milk	Conduct MDA activities to provide management-related support to dairy farmers at least 400 times a year and at least 2,150 times in total by FYE 3/2024	-	475 times/year Cumulative total: 1,423

* 1 Described here are the reduction rates (%) compared to the base year. Calculated figures are before acquisition of third-party-certification and are subject to change.

* 2 Scope 3 emissions are indirect CO_2 emissions that occur in the value chain other than Scope 1 and Scope 2 emissions.

* 3 Plastic usage reduction results for FYE 3/2021.

* 4 We calculated our progress in water consumption volume based on sales prior to applying the Accounting Standard for Revenue Recognition.

5) Human capital strategy within the Meiji Group

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

We will break away from homogeneity under the internal competitive environment that focuses on "internal impartiality" practiced up to this point and strive to gain and improve external competitiveness by encouraging and promoting human capital who are keenly aware of diversity.

■ Establishment of the Group Human Capital Committee

In order to carry out the human capital strategy in accordance with management strategies by the entire Group, we established the Group Human Capital Committee in April 2022, which is an advisory body of the Executive Committee. As a result, a system for discussing subjects related to human capital as important management issues has been established. For FY2022, we selected D&I (Diversity and Inclusion), Health and Productivity Management and Human Capital Development as topics, and will undertake initiatives throughout the entire Group, including the establishment of KPI.

Structure of the Group Human Capital Committee

■ Diversity & Inclusion

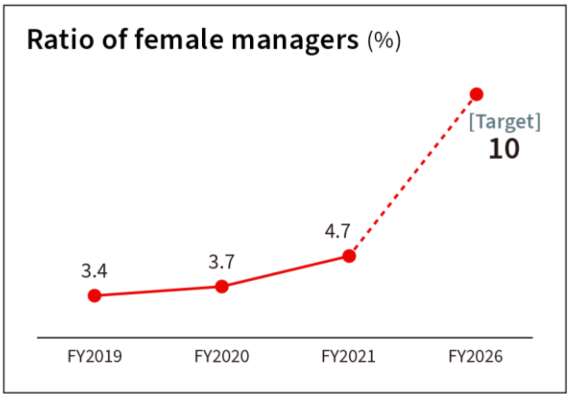
As an overriding policy to promote diversity and including (D&I) across the entire Group, we established the Meiji Group Diversity & Inclusion Policy in December 2021.

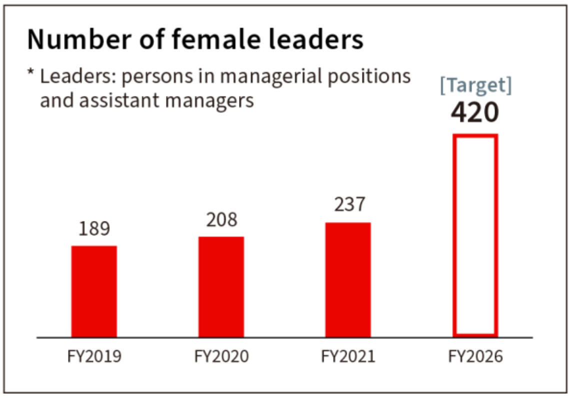
The Meiji Group has been growing by understanding customers' feelings and supporting their daily lives, from infants to the elderly, who have diverse values in their respective life stages. We will continue to maintain such an approach as one of our strengths and provide innovative value with food and health to customers in Japan and around the world. Therefore, based on the philosophy of promoting diversity and inclusion, as well as by encouraging and promoting diverse human capital and taking advantage of diverse values, we will pursue innovation and new value creation that leads to sustainable growth by the Group.

The Group Human Capital Committee will discuss specific initiatives toward the implementation of policies and strive to steadily carry out initiatives by incorporating them into KPI and an action road map.

Promotion of women's participation

We have set the promotion of women's participation as the most important topic for promoting D&I. We believe that development of organizations and workplaces where female employees are able to further exercise their abilities will lead to the creation of employee-friendly workplaces, and therefore, we are undertaking initiatives to further support the work-life balance for employees without regard to gender, provide training for persons in managerial positions who have female subordinates, and career training for female employees, as well as aggressive implementation of job rotations in order to increase opportunities for women to participate and steadily increase female leaders.





■ **Health and Productivity Management**

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

Our initiatives for employee health were highly evaluated, and consequently, Meiji Holdings, Meiji, and Meiji Seika Pharma have been recognized as a Certified Health & Productivity Management Outstanding Organization for the sixth consecutive year under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (Ministry of Economy, Trade and Industry). KM Biologics has also been recognized for the second consecutive year.

2022
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Health and productivity
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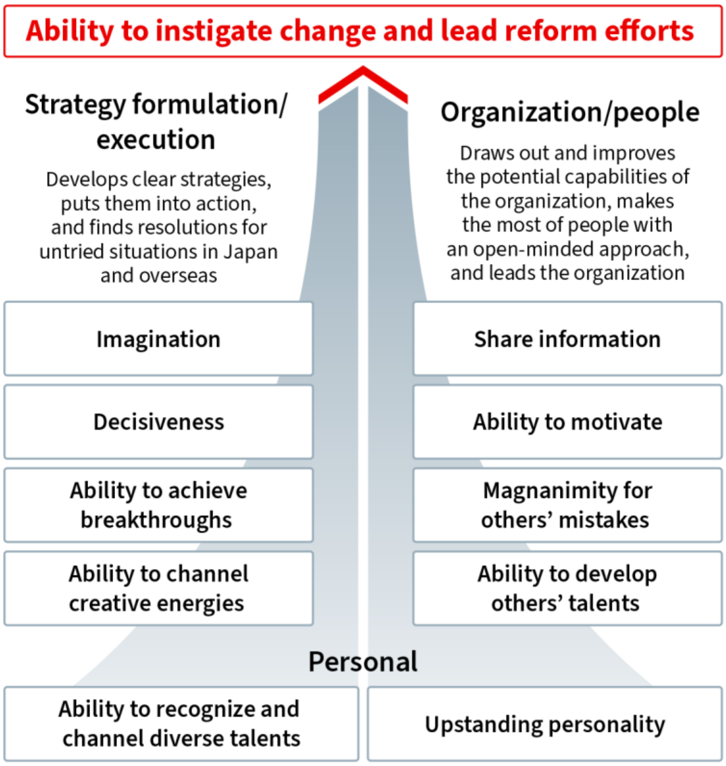
■ **Human Capital Development**

We believe that embracing diversity on an organizational and individual level and maximizing the vitality and potential of each employee on an organizational and individual level will help ensure sustainable growth by the Meiji Group. Therefore, we are committed to fostering human capital.

Initiatives to foster human capital for group management

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

Image of human capital required (Leadership value)



2. Business risks

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

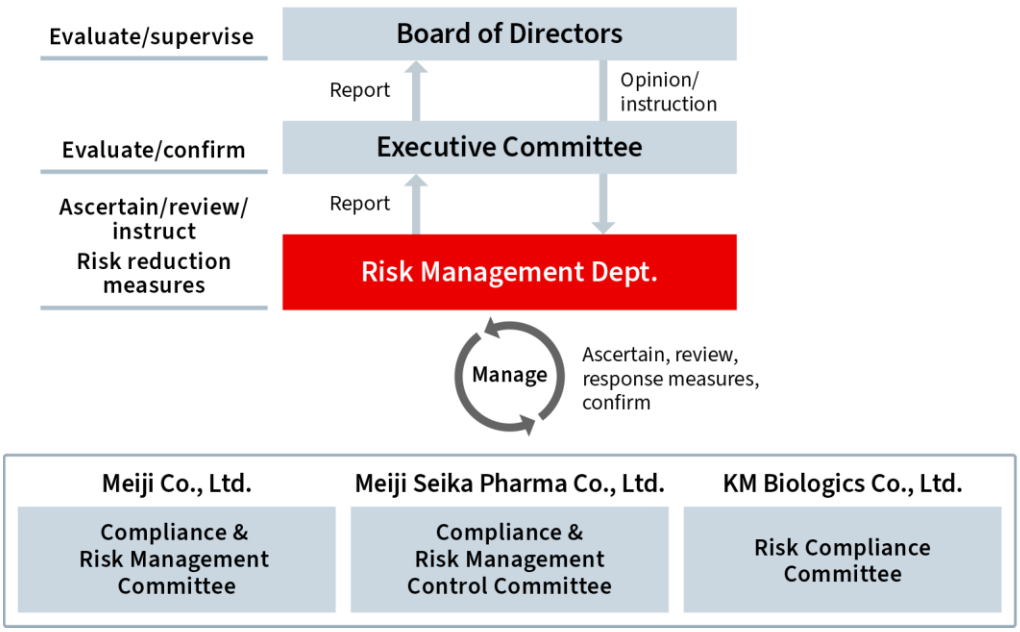
(1) Risk Management System

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

In April 2021, we established the Risk Management Department, which is independent of the Audit & Supervisory Board, to strengthen Group-wide risk management, and appointed an executive officer in charge of the department. The Executive Committee evaluates and confirms Group-wide management risks in line with the Group Vision and the risk control status and reports them to the Board of Directors, which evaluates and supervises the system. Thus, we can manage risks by adapting to changes in our operating environment.

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

< Risk Management System >



(2) The Group Business Management Risks

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

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

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

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

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

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

	Risks	Countermeasures	Change in risk recognition from previous year	Importance to the Group
2 Sustainability-related Risks				
2.1 Caring for the Earth	・Environment friendliness in corporate activities	・Reduce CO_2 emissions and prevent fluorocarbon leaks, switch to renewable energies, appropriately treat wastewater and industrial waste, and conduct initiatives in compliance with ISO 14001 ・Manage supply and demand, and decrease food loss ・Comply with policies related to the environment	→	$
2.2 Climate change	・Address climate change	・Analyze climate change scenarios according to the TCFD framework, formulate strategies and release information	↗	$
2.3 Thriving Communities	・Sustainable raw material procurement ・Understand diversity, and use a diverse workforce effectively ・Consider human rights, and human rights issues	・Increase the ratio of sustainably procured raw materials, such as cocoa beans and palm oil ・Strengthen cooperation and collaboration with dairy farmers and other suppliers ・Create organizations and cultures that value diverse perspectives and abilities ・Address challenges of human rights based on due diligence ・Strictly comply with policies, guidelines, etc. related to procurement, human rights, society, and so on.	→	$
3 Management Foundation-related Risks				
3.1 Corporate Governance	・Make business decisions in a timely and appropriately manner ・Internal or external non-compliance	・Improve effectiveness of the Board of Directors ・Enhance corporate governance systems ・Provide education on compliance and social media usage, and comply with internal and external policies	→	$
3.2 Damage to the Meiji brand	・Product recalls or withdrawals from the market due to quality defects or unexpected side effects of pharmaceuticals, etc. ・Unexpected harmful rumors about the Group or products	・Pursue quality and safety ・Communicate appropriately with each stakeholder	→	$$
3.3 Human capital and culture	・Recruit and develop human capital required for corporate growth ・Employee engagement ・Effects of business environment on productivity	・Appropriately implement succession planning ・Improve employee training ・Enhance employee engagement ・Enhance health and productivity management and create comfortable work environments	→	$
3.4 Information asset leaks	・Information leaks and system shutdowns due to unauthorized access, etc. ・Data breaches due to inappropriate system management	・Strengthen information management systems and information security ・Strengthen education on information management and comply with regulations and policies	↗	$$
3.5 Disaster, emergency or other unforeseen circumstances	・Temporary or full suspension of business operations due to disasters, pandemics or other unexpected emergency ・Increases or decreases in product demand due to changes in business conditions in an emergency	・Develop business continuity plans and risk management plans for swift recovery ・Maintain a broad product portfolio across the Group	↗	$

The Board of Directors selected the priority initiative topics for FY2021 relating to Group business management risks and confirmed the initiatives of each operating company.

Priority initiative topics for FY2021:

(1) Confirmation of quality assurance systems and reliability assurance structures applied to contract manufacturers and development partners.

There was an incident whereby a hypnotic substance was contaminated in Itraconazole tablets manufactured by Kobayashi Kako Co., Ltd. and sold by Meiji Seika Pharma Co., Ltd. In response, we confirmed the quality assurance system and the reliability assurance structure applied to contract manufacturers and development partners.

(2) Discovery of innovative treatment methods, manufacturing methods and formulation methods

In responding to the rise of mRNA vaccines as COVID-19 vaccines, we confirmed recognition and evaluation of and response to the technology.

(3) Information leaks and system shutdowns due to unauthorized access, etc.

Damage suffered by companies due to ransomware and targeted email attacks have become more prominent, and therefore, we confirmed our countermeasures against unauthorized access under usual conditions and responses when such incidents occur.

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

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

(1) Business results

1) Status of business as a whole

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Yen)
Current consolidated fiscal year	1,013,092	92,922	93,985	87,497	607.24
Previous consolidated fiscal year	1,191,765	106,061	110,176	65,655	452.52
YoY change (%)	85.0%	87.6%	85.3%	133.3%	-

The Meiji Group kicked off its 2023 Medium-Term Business Plan in the current consolidated fiscal year. We launched initiatives aimed at realizing both profit growth and sustainability activities in line with the basic concept of “Promote the Meiji ROESG®* Management Effectively”. Below are the key issues of 2023 Medium-Term Business Plan.

1. Business Strategy

(Food Segment)	(1) Recover from the stagnation in our core business
	(2) Accelerate growth in our business overseas
(Pharmaceutical Segment)	(1) Strengthen the vaccine business
	(2) Expand the CMO/CDMO business
(Overall group)	Venture into new domains

2. Improve business management system using ROIC effectively
3. Invest in business for future growth while constructing strong financial base
4. Promote the Meiji Group Sustainability 2026 Vision steadily

In FY2021, the continued impact of COVID-19 on the global economy and domestic consumption trends combined with skyrocketing raw material and energy costs created a severe operating environment.

In the Food Segment, to steadily capture new demand driven by the change of consumer consciousness concerning health and nutrition in Japan, we concentrated management resources on core businesses and worked to expand sales. Overseas, we expanded production and sales capacity in China and worked on business development, which will be the next pillar of growth.

In the Pharmaceutical Segment, we enhanced initiatives of human vaccine and growth in the overseas business. As a leading company in the infectious disease domain, we applied the Meiji Group’s advanced technology, facilities and vast experience related to viruses to develop an inactivated vaccine for COVID-19 and organized production system in collaboration with external research organizations. We engaged in structural reforms to concentrate management resources towards strengthening our business platform and creating new medicines. We transferred all shares of DM Bio Limited, an affiliate accounted for by equity method, and transferred the agricultural chemical manufacturing and sales business.

These factors resulted in net sales of JPY 1,013.092 billion (down 15.0%, year on year), operating profit of JPY 92.922 billion (down 12.4%, year on year), and ordinary profit of JPY 93.985 billion (down 14.7%, year on year) in the current consolidated fiscal year. Profit attributable to owners of the parent was JPY 87.497 billion (up 33.3%, year on year). ROE was 13.5%, and earnings per share were JPY 607.24.

The Meiji Group is engaged in the following initiatives for development and supply of potential COVID-19 vaccines.

Currently, Group subsidiary KM Biologics is developing an inactivated vaccine for COVID-19. In April 2022, we launched Phase III Clinical Trials (multi-regional), the final stage prior to approval, as well as domestic pediatric Phase II/Phase III Clinical Trials. We are organizing a production structure that will enable rapid provision in Japan for the inactivated vaccine. In December 2021, a new facility for testing of inactivated vaccine was completed. Also, the construction of other manufacturing equipment is progressing as planned.

Regarding the COVID-19 vaccine of AstraZeneca PLC, allocated for Japan, KM Biologics Co., Ltd. received active ingredient from AstraZeneca and formulated from March 2021. From August 2021, Meiji Seika Pharma Co., Ltd. is handling product storage, transporting and collecting safety management information of the COVID-19 vaccine.

2) Status of segments

(Millions of yen)

	Reportable segments						Total		
	Food			Pharmaceutical					
	Previous consolidated fiscal year	Current consolidated fiscal year	Change	Previous consolidated fiscal year	Current consolidated fiscal year	Change	Previous consolidated fiscal year	Current consolidated fiscal year	Change
Net sales	999,673	826,080	-173,592	193,664	187,981	-5,682	1,193,338	1,014,062	-179,275
Profit by segment	87,463	75,973	-11,489	19,105	18,658	-446	106,568	94,632	-11,936

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

Details of business results by segment are as follows:

I. Food

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

Net sales decreased significantly year on year due to the impact of applying the Accounting Standard for Revenue Recognition. If the Standard were applied to the previous consolidated fiscal year, net sales were largely unchanged. Following is the year-on-year change in net sales before applying the Standard. Sales in the commercial use foods business and overseas business increased significantly. Sales in the nutrition business, chocolate and gummy business, and other and domestic subsidiaries increased year on year. Sales from yogurt and cheese business, drinking milk business, and frozen dessert and ready meal business decreased year on year due to the leveling off of extraordinary demand in the previous consolidated fiscal year caused by the COVID-19 pandemic.

Profit by segment decreased significantly year on year. While we worked to control advertising expenses and other costs, profit decreased significantly year on year due to increased raw materials costs and energy costs as well as the impact of reduced net sales from the yogurt and cheese business.

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

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

Net sales decreased year on year. In addition to the leveling off of favorable sales in the previous consolidated fiscal year on demand driven by increased health and productivity management awareness and stay-at-home demand, the impact of intensifying competition resulted in a significant decrease in sales of functional yogurt. Also, sales of yogurt and cheese decreased.

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

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

Net sales increased year on year. Sales of sports protein *SAVAS* increased year on year on due to an increasing need to address a lack of exercise and an expanding customer base. Sales of infant formula and enteral formula were also favorable.

Operating profit increased year on year due to increased sales, even though raw material costs, promotion expenses and depreciation costs increased.

■Chocolate & gummy business

Net sales increased year on year. Sales of chocolate were largely unchanged, but gummy products increased significantly year on year after struggling in the previous consolidated fiscal year as a result of decreased demand during rush hour and among office workers.

Operating profit increased year on year due to the sales increase, even though raw material costs and depreciation costs increased.

■Drinking milk business

Net sales decreased year on year. In addition to the leveling off of demand from the previous consolidated fiscal year that was favorable due to increased stay-at-home consumption, the impact of reduction in the number of items resulted in a decrease in net sales.

Operating profit increased year on year. We covered the decrease in net sales by cutting operating expenses, including reducing promotion expenses and reevaluating production structures.

■Commercial use foods business

Net sales increased significantly year on year. While demand dropped in the previous consolidated fiscal year due to the impact of stay-at-home orders, demand normalized and net sales of cream and dairy products for commercial use increased significantly.

Operating profit increased significantly year on year due to the sales increase, even though logistics costs and promotion expenses increased.

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

Net sales decreased year on year. The leveling off of stay-at-home demand from the previous consolidated fiscal year resulted in a decline in net sales for butter and margarine. In addition to this leveling off of demand, net sales for ice cream also decreased due to impact of unusually cool weather.

Operating profit decreased significantly year on year due to the impact of decreased sales and increase in raw material costs despite cost control efforts.

■Overseas business (Overseas subsidiaries, exports)

Net sales increased significantly year on year. In China, even though the sales in the milk and yogurt businesses decreased, sales in the ice cream business increased significantly. Two subsidiaries added to the scope of consolidation also contributed.

Operating profit decreased significantly year on year due to increased personnel and marketing costs incidental to structural enhancements in China. Also, decreased sales in the milk and yogurt businesses in China and the impact of increased raw material costs for US business resulted in a significant year on year decrease in operating profit.

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

Net sales were impacted by the exclusion of a logistics subsidiary from the scope of consolidation through the transfer of share of the subsidiary. However, overall net sales increased year on year due to increased sales from our sugar trading company and feed business.

Operating profit increased year on year due to the sales increase.

II. Pharmaceutical

This segment includes the domestic ethical pharmaceuticals business, overseas ethical pharmaceuticals business, and agricultural chemicals & veterinary medicines business (agricultural chemicals, veterinary medicines, veterinary vaccines)

Net sales decreased year on year due to the impact of applying the Accounting Standard for Revenue Recognition. The year-on-year change in net sales before applying the Standard is as follows. Sales in the domestic ethical pharmaceuticals business and overseas ethical pharmaceuticals business increased year on year. Sales in the human vaccines business decreased year on year. Sales in the agricultural chemicals & veterinary medicines business decreased significantly year on year due to the impact of the transfer of agricultural chemicals business.

Profit by segment decreased year on year due to the significant decrease in profits from the domestic ethical pharmaceuticals business even though the profits from human vaccines business increased significantly and also the profits from overseas ethical pharmaceuticals business increased.

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

■Domestic ethical pharmaceuticals business

Net sales increased year on year. Sales of antibacterial drugs increased from the previous consolidated fiscal year when sales were impacted by a decline in the number of outpatient visits to medical institutions due to the COVID-19 pandemic. Also, sales of the COVID-19 (SARS-CoV-2) antigen rapid test kit increased. Furthermore, contract revenues from AstraZeneca related to the storage and delivery of COVID-19 vaccines and the gathering of safety information also contributed.

Operating profit decreased significantly year on year due to the impact of NHI price revisions in Japan and increase of R&D expenses.

■Overseas ethical pharmaceuticals business

Net sales increased year on year. Even though sales of our subsidiaries in China decreased due to the impact of the COVID-19 pandemic, net sales increased thanks to favorable contracted manufacturing business of our subsidiary in India.

Operating profit increased year on year due to the increased sales by our subsidiary in India.

■Human vaccines business

Net sales decreased year on year due to a sales decrease of the *BIMMUGEN* hepatitis B vaccine. Since there was no contract manufacturing of pandemic influenza vaccine this year, this also resulted in a decrease in net sales. Sales of influenza vaccine were favorable. Also, there was a contracted manufacturing income from AstraZeneca related to COVID-19 vaccine formulation.

Operating profit increased significantly year on year due to contracted manufacturing income from AstraZeneca related to COVID-19 vaccine formulation and cost reduction.

■Agricultural chemicals & veterinary medicines business (Agricultural chemicals, veterinary medicines, veterinary vaccines)

Net sales decreased significantly year on year due to the impact of transferring the agricultural chemicals business in the fourth quarter of the current consolidated fiscal year.

Operating profit decreased year on year due to the sales decrease in the veterinary medicines business.

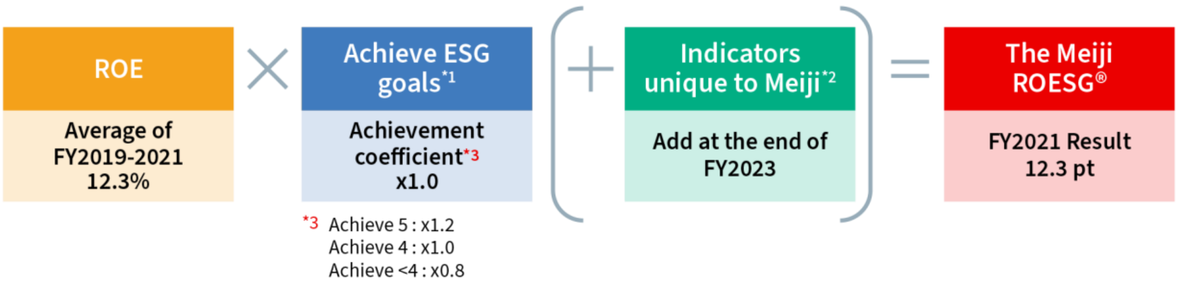
3) Progress of the 2023 Medium-Term Business Plan (the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024)

In the 2023 Medium-Term Business Plan, which we kicked off in the current consolidated fiscal year, we introduced Meiji ROESG®. In addition to outlining conventional indicators for growth and profitability such as net sales and operating profit, Meiji ROESG® combines ROE and ESG benchmarks with proprietary indicators for sustainability goals unique to the Meiji Group ("Indicators unique to Meiji"). We also added ROIC as a new benchmark goal for capital productivity and efficiency. The results in the current consolidated fiscal year against Medium-Term Business Plan are as shown below.

	Indicator	Results for the fiscal year ending March 31, 2022	Targets for the fiscal year ending March 31, 2024
Integrated goal	Meiji ROESG®	12.3 points	13 points
Growth and Profitability	Consolidated net sales	JPY 1,013.0 billion	JPY 1,080.0 billion
	・Food Segment	JPY 826.0 billion	JPY 874.5 billion
	・Pharmaceutical Segment	JPY 187.9 billion	JPY 209.0 billion
	Consolidated operating profit (margin)	JPY 92.9 billion (9.2%)	JPY 120.0 billion (11.1%)
	・Food Segment	JPY 75.9 billion	JPY 102.0 billion
	・Pharmaceutical Segment	JPY 18.6 billion	JPY 18.5 billion
	Overseas net sales	JPY 92.9 billion	JPY 134.5 billion
Efficiency and Safety	ROIC	8.4%	More than 10%
	・Food Segment	9.8%	More than 12%
	・Pharmaceutical Segment	6.6%	More than 6%
Return to shareholders	ROE	13.5%	More than 11%

*The Accounting Standard for Revenue Recognition is applied to the above results and targets.

The details of the status of achievement of the Meiji ROESG® is as follows:



*1 Status of achievement of the ESG indicators

Evaluation indicator	FY2020	FY2021 Result	Target for FY2021	Target for FY2023
MSCI ESG Raitings	BB	BBB	BBB	A
DJSI	80th percentile	86th percentile	84th percentile	90th percentile
FTSE4Good	3.0 points	3.0 points	3.2 points	3.5 points
CDP (Climate Change)	A-	A-	A-	A
CDP (Water Security)	A-	A	A-	A

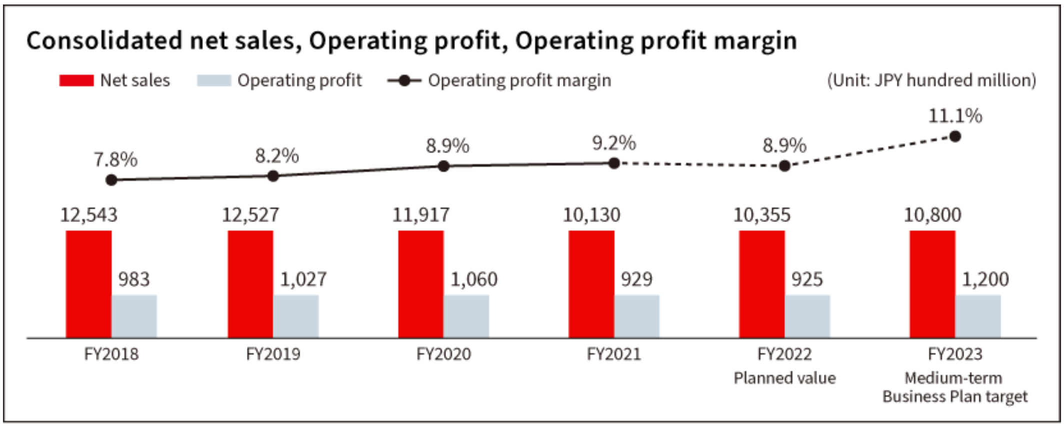
- Achieved 4 evaluation indicators out of 5 of them
- Listed on A-rated company in CDP (Water Security)

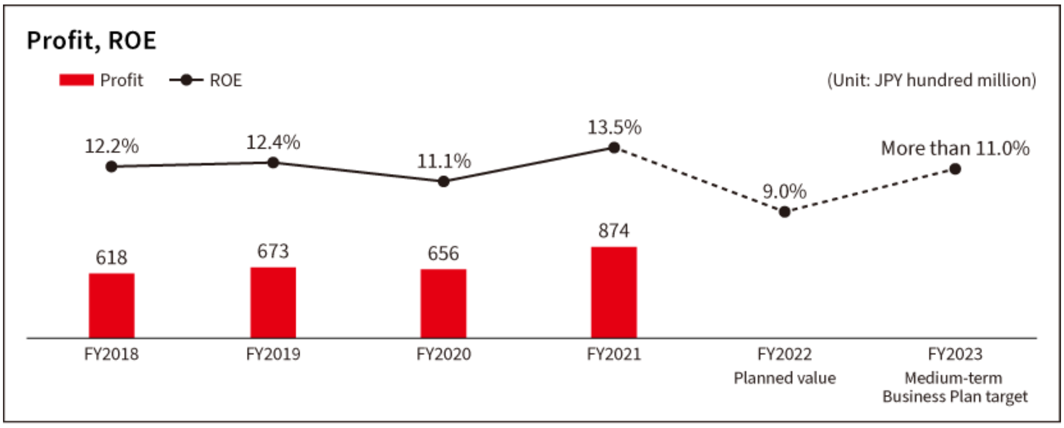
*2 Status of achievement of the sustainability goals unique to the Meiji Group ("Indicators unique to Meiji")

Indicator	As of FY2021	Target for FY2023
Extend healthy life expectancy	+0.56 years	+1 year
Amount of protein intake	71.4 g/day	75 g/day
Vaccination rate for influenza vaccines	65.6%	60%
Employee engagement score	Deviation score B	Deviation score A
Sales growth rate for products that contribute to healthy diets, value-added nutrition products, products that contribute a super-aged society	-2.6%	+10% and over
Success in and supply of vaccine and therapeutic agent for COVID-19	Under development	Development and supply

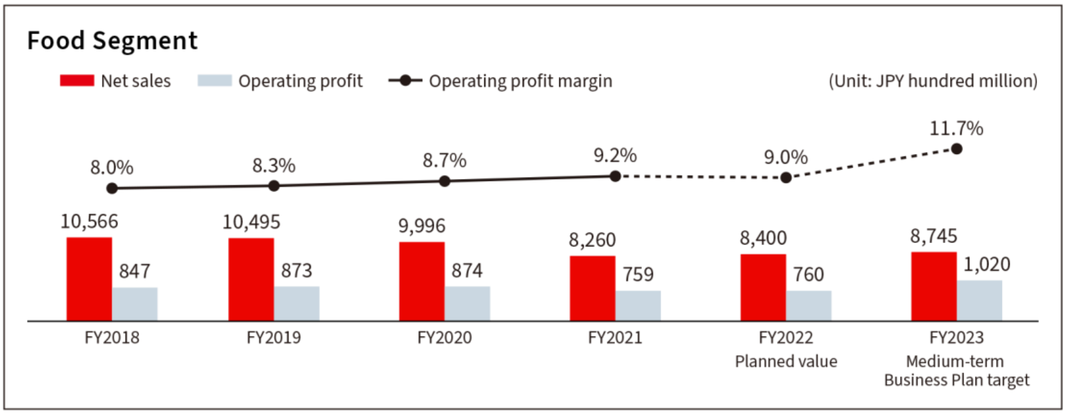
- Working on Indicators unique to Meiji to achieve FY2023 target level

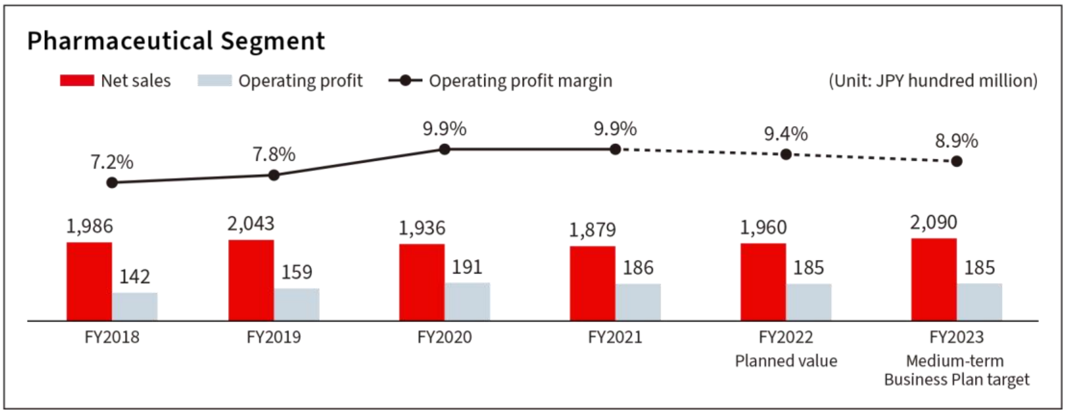
Trends in major management indicators are as follows:





Trends in net sales and operating profit by segment are as follows:





(Note) Starting from the beginning of FYE March 2022 (FY2021), the Accounting Standard for Revenue Recognition has been applied, and accordingly, the above figures for FY2021, FY2022 Plan, and FY2023 Medium-Term Business Plan targets are after the Accounting Standard is applied.

Summary for FYE March 2022 (FY2021) is as follows:

●Profit attributable to owners of parent increased significantly ・ Continued to face issues with growth potential of core businesses ・ Reviewed our business portfolio ・ Reduced cross-shareholdings shares ・ Acquired treasury shares, ROE improved
●Promoted initiatives: Our goal to achieve carbon neutrality by 2050, outlined in our Long-term Environmental Vision ・September 2021 Joined RE100 ・October 2021 Set internal carbon pricing ・October 2021 Obtained SBT (Science Based Targets) certification
●Conducted procurement surveys with major suppliers and group companies to build a responsible supply chain Ascertained and analyzed current conditions for our future actions
●Cultivate Group togetherness Permeating new slogan “Now ideas for wellness” within the Group Promoting personal engagement in sustainability
Summary: We implemented Meiji ROESG® management and carried out reforms in FY2021 amid a difficult environment.

4) FY2022 forecast

There are concerns that FYE March 2023 will see the continued impact of COVID-19 on the global economy and on domestic consumer trends, as well as rising raw material and energy costs. The Meiji Group will focus on the steady execution of the strategies outlined in our 2023 Medium-Term Business Plan for FYE March 2022-2024.

With regard to the Food segment in Japan, we will raise prices and reduce the volume of products to absorb rising raw material and energy costs. We will then work to minimize the impact of price hikes on sales volume by enhancing efforts to promote the health value of functional yogurt, yogurt, and health-conscious chocolates. We will also work to expand sales by conducting aggressive marketing activities for *SAVAS* sports protein. Overseas, we will continue to expand production and sales capacity in China. In addition to achieving growth by expanding sales areas, we will expand our line of high value-added products such as functional yogurt and *SAVAS* as we work to foster businesses that will become new growth pillars.

Regarding the Pharmaceutical Segment, we will focus management resources in the infectious disease domain, one of the Group’s strengths, as we work to establish a competitive advantage as a leading company for vaccines and infectious disease drugs. We will fulfill our plan of addressing domestic NHI drug price revisions by cost reduction and expansion of overseas CMO/CDMO business. We will apply the Group’s advanced technology, vast facilities, and solid track record in infectious diseases to enhance the ability of creating new drug. We will also work to begin supplying a COVID-19 vaccine during FYE March 2023.

2) Production, Orders and Sales Results

1. Production Results

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

Segment titles	Amount (Millions of yen)	Year-on-Year (%)
Food	822,162	104.7
Pharmaceutical	118,962	99.3
Reportable Segments - Total	941,125	104.0
Total	941,125	104.0

(Note) Transactions between segments are not included.

2. Orders Results

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

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

3. Sales Results

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

Segment titles	Amount (Millions of yen)	Year-on-Year (%)
Food	825,451	82.6
Pharmaceutical	187,641	97.3
Reportable Segments - Total	1,013,092	85.0
Total	1,013,092	85.0

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

2. Transactions between segments are not included.

3) Analysis of Financial Status

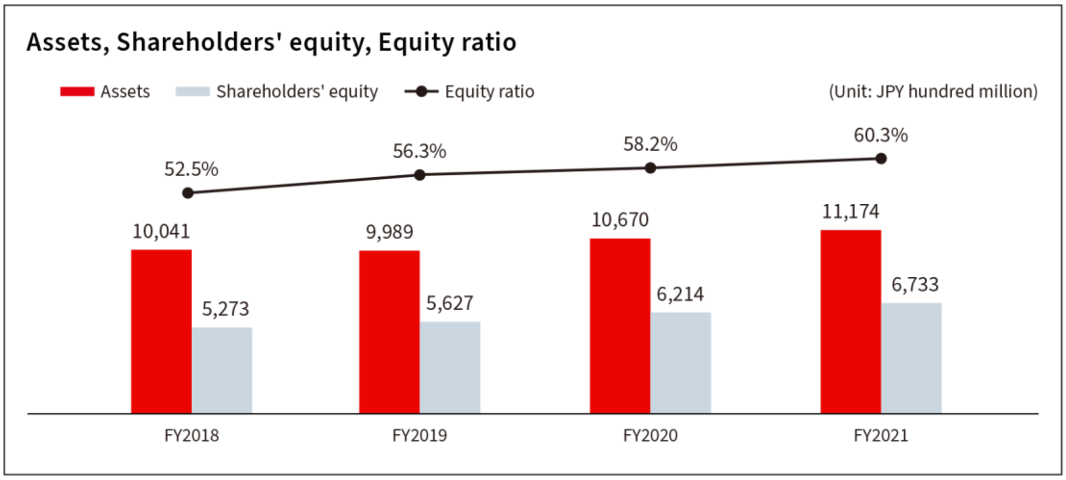
In assets, cash and deposits increased by JPY 27,080 million from the end of the previous consolidated fiscal year to JPY 67,409 million. We maintained liquidity reserves of JPY 87,409 million together with a commitment line amount of JPY 20,000 million and secured the target level of on-hand liquidity (about one month of consolidated net sales) for the 2023 Medium-Term Business Plan. Property, plant and equipment increased by JPY 28,496 million from the end of the previous consolidated fiscal year to JPY 483,491 million. This was due mainly to capital expenditures for the Eniwa Plant and Saitama Plant in Japan and overseas plant construction in Tianjin and Guangzhou. Investment and other assets decreased by JPY 9,752 million from the end of the previous consolidated fiscal year to JPY 160,206 million. This was due the decrease in investment securities from the sale of shares of subsidiaries and associates as well as cross-shareholdings and offsetting deferred tax assets and deferred tax liabilities of the entire group in total by applying the group tax sharing system. As a result, total assets as of the end of the current consolidated fiscal year were JPY 1,117,459 million, an increase of JPY 50,459 million from the end of the previous consolidated fiscal year.

In liabilities, contract liabilities increased by JPY 5,907 million as a result of applying the Accounting Standard for Revenue Recognition from the beginning of the current consolidated fiscal year. In addition, while refund liabilities increased by JPY 15,929 million, accrued expenses decreased by JPY 15,366 million. Interest-bearing debt (bonds payable and loan payable) decreased by JPY 20,508 million from the end of the previous consolidated fiscal year to JPY 81,267 million. As a result, total liabilities as of the current consolidated fiscal year were JPY 404,438 million, a decrease of JPY 3,203 million from the end of the previous consolidated fiscal year.

In net assets, total net assets increased by JPY 53,662 million from the end of the previous consolidated fiscal year to JPY 713,021 million. This was mainly the result of an increase of retained earnings of JPY 63,472 million and foreign currency translation adjustment by JPY 11,699 million, while capital surplus decreased by JPY 20,190 million due to cancellation of treasury shares.

As a result, the current ratio decreased by 9.5 points to 158.9%, the shareholders' debt-to-equity ratio decreased by 0.04 points to 0.12 times, and the shareholders' equity ratio increased by 2.0 points to 60.3% from the end of the previous consolidated fiscal year, which shows that capital liquidity and financial stability are being maintained. Note that net assets per share increased by JPY 498.72 from the end of the previous consolidated fiscal year to JPY 4,781.52.

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



4) Capital Resources and Liquidity of Funds

1. Capital Management Policy

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

We recognize that shareholder returns are important issues in management. We will raise our consolidated dividend payout ratio to 40% by the fiscal year ending March 2024. We will also consider the acquisition of treasury shares as necessary based on a comprehensive evaluation of our optimal capital structure and surplus capital.

We increased dividends in the current consolidated fiscal year for the eighth consecutive period. In addition, we cancelled JPY 30,000 million of treasury shares after acquiring them with the goal of enhancing shareholder returns and increasing capital efficiency by improving cash flow.

2. Financing Policy

Our basic policy on capital procurement is to use debt to procure capital, taking into consideration capital demand and the interest environment, while giving first priority to reducing the cost of capital, among a diverse range of procurement methods. To address credit risks associated with increased debt, we set a maximum debt-to-equity ratio of 0.3 times and strive to maintain a high credit rating that is not impacted by conditions in financing markets. Note that we had a credit rating of AA- (Stable) from Japan Credit Rating Agency, Ltd. as of the date of this report.

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

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

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

3. Cash flows

Categories	Previous Consolidated Fiscal Year (Millions of yen)	Current Consolidated Fiscal Year (Millions of yen)	Amount of Change (Millions of yen)
Cash flows from operating activities	123,683	127,526	3,843
Cash flows from investing activities	-93,110	-27,614	65,495
Free cash flows	30,573	99,911	69,339
Cash flows from financing activities	-28,293	-76,997	-48,704
Effect of exchange rate change on cash and cash equivalents	-378	2,931	3,309
Net increase (decrease) in cash and cash equivalents	1,901	25,844	23,943
Cash and cash equivalents at the beginning of period	37,110	39,011	1,901
Cash and cash equivalents at end of period	39,011	64,872	25,861

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

Categories	9th fiscal year	10th fiscal year	11th fiscal year	12th fiscal year	13th fiscal year
Equity-to-asset ratio (%)	52.7	52.5	56.3	58.2	60.3
Equity-to-asset ratio based on market rice (%)	126.9	129.8	111.5	96.8	83.3
Debt-to-cash-flow ratio (years)	1.1	1.0	0.9	0.8	0.6
Interest coverage ratio (times)	140.3	143.2	157.0	197.2	246.3

(Note) Calculation method of each indicator

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

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

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

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

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

Cash flows from operating activities increased by JPY 3,843 million from the previous consolidated fiscal year, which resulted in a revenue of JPY 127,526 million. This was due to an increase in trade payables and contract liabilities, while income taxes paid increased.

Cash flows from investing activities decreased by JPY 65,495 million from the previous consolidated fiscal year, which resulted in an expenditure of JPY 27,614 million. This was due to the assignment of the agricultural chemicals manufacturing and sales business and DM Bio Limited shares as well as an increase in revenue from sales of cross-shareholdings.

This led to an increase in free cash flows (the sum of cash flows from operating activities and cash flows from investing activities) by JPY 69,338 million from the previous consolidated fiscal year to JPY 99,911 million.

The free cash flows generated are used to pay dividends and purchase treasury shares to return profits to shareholders as well as to repay interest-bearing debt. Dividend payments increased, and we have made efforts to enhance shareholder returns. We will continue to maintain stable and continuous profit returns. Note that dividend payments resulted in JPY

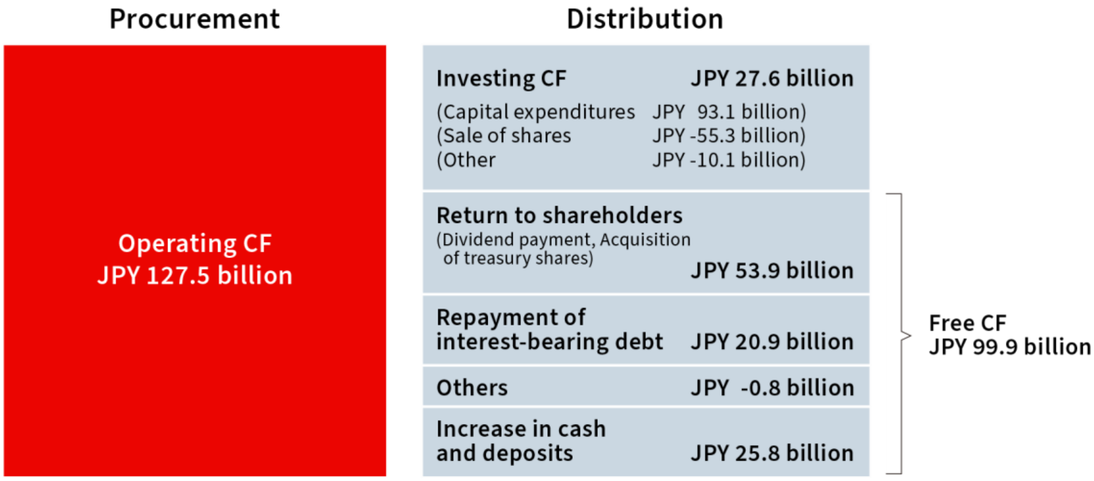
23,898 million in expenditures, an increase of JPY 1,452 million compared to the end of the previous consolidated fiscal year, and the payout ratio was 28.0%.

Cash flows from financing activities increased by JPY 48,704 million from the previous consolidated fiscal year which resulted in an expenditure of JPY 76,997 million. This was mainly due to an increase in dividend payments and an increase in expenditures from the purchase of treasury shares and redemption of corporate bonds.

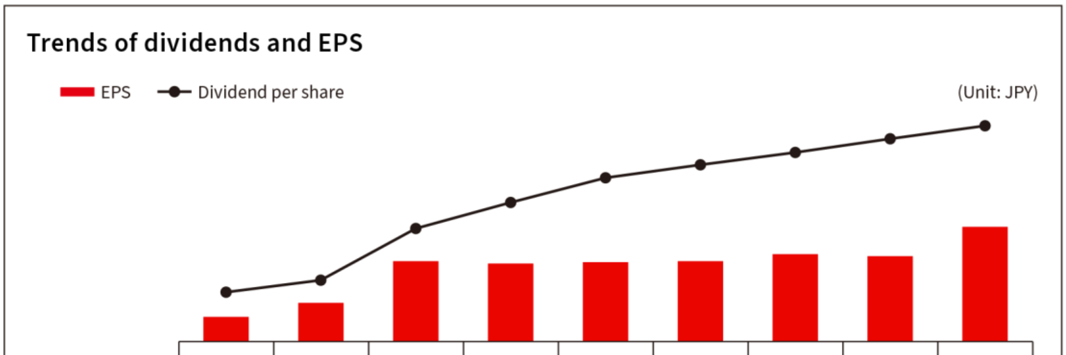
As a result of the foregoing, cash and cash equivalents at the end of the current consolidated fiscal year were JPY 64,872 million.

In this current consolidated fiscal year, we procured working capital for business activities through borrowings from financial institutions and issuance of commercial paper and corporate bonds. Although there was no particular impact on cash flows due to the recent COVID-19 pandemic, we have prepared for emergencies by maintaining the target level of on-hand liquidity, which is the sum of the cash and deposits balance during the period and the amount of commitment lines, at about one month of consolidated net sales.

The relationship between financing and allocation of funds for the current consolidated fiscal year is as follows.



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



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
EPS	129.4	209.79	425.06	413.11	422.15	426.61	464.08	452.52	607.24
Dividend per share	40	50	90	110	130	140	150	160	170
Dividend payout ratio	30.9%	23.8%	21.2%	26.6%	30.8%	32.8%	32.3%	35.4%	28.0%

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

5) Significant Accounting Estimates and Assumptions Used for Such Estimates

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

Note that as described in “(1) Business results,” the negative effects on the Group’s business performance due to the COVID-19 pandemic include a decline in revenues in the Food Segment such as functional yogurt, drinking milk, and butter and margarine for consumer use products, a reversal from the strong performance in the previous consolidated fiscal year as a result of an increased awareness of health and productivity management and stay-at-home consumption. In addition, in the Pharmaceutical Segment, a subsidiary in China experienced as decrease in revenues.

On the other hand, there were positive effects in the Food Segment, which include an increased revenue in *SAVAS* due to the growing need to address the lack of exercise and increased revenue due to a recovery of sales of gummy products from the previous consolidated fiscal year, which struggled with declining demand during commuting and office hours, and cream and dairy products for professional use, which declined in demand from self-quarantining. In the Pharmaceutical Segment, positive effects include an increase in revenue from the previous consolidated fiscal year in antibacterial drugs, sales of which were impacted by repercussions of a decline in the number of outpatient visits to medical institutions due to the COVID-19 pandemic in the previous consolidated fiscal year, and an increase in sales of COVID-19 antigen test kits, and earning commission income concerning the storage, distribution and safety information gathering of the AstraZeneca COVID-19 vaccines.

While it is difficult to expect when the COVID-19 pandemic will come to an end, we will make efforts in the Food Segment to propose products adapted to the new normal of “coexisting with COVID-19,” and in the Pharmaceutical Segment, we will undertake initiatives concerning COVID-19 vaccines and use expenses efficiently. Accordingly, the COVID-19 pandemic will have limited impact on the Group’s business results in the following consolidated fiscal year and thereafter, and we are making estimates for the current consolidated fiscal year with the assumption that there will be only minor impact on our accounting estimates.

4. Material business contracts, etc.

1) Technical Assistance Contracts

Technology Introduction

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

2) Business Partnership Contracts

Name of Contracting Company	Counterparty	Effective Date of Contract	Expiration Date	Purpose	Implementation Fee
Meiji Seika Pharma Co., Ltd.	Taiho Pharmaceutical Co., Ltd.	December 2015	From December 17, 2015 until the release date of the Bilastine generic	Co-marketing contract for Bilastine pharmaceutical	Payment of a fixed amount in a lump sum

3) Joint Venture Contracts

Name of Contracting Company	Counterparty	Effective Date of Contract	Expiration Date	Joint Venture Description	Contracting Company Investment Amount
Meiji Seika Pharma Co., Ltd.	Tjipto Pusposuharto and others Republic of Indonesia	March 1974	Duration of the Joint Venture	Company Name: P.T. Meiji Indonesian Pharmaceutical Industries Purpose: Manufacturing and sales of antibiotics and various other pharmaceuticals Share Capital: IDR 38,073 million Foundation: May 1974	IDR 35,538 million (93.34% of Share Capital)
Meiji Seika Pharma Co., Ltd.	Nana Chart Traders Consolidation Ltd. and others Kingdom of Thailand	September 1979	Duration of the Joint Venture	Company Name: Thai Meiji Pharmaceutical Co., Ltd. Purpose: Manufacturing and sales of antibiotics and various other pharmaceuticals Share Capital: THB 297 million Foundation: November 1979	THB 281 million (including indirect ownership) (94.61% of Share Capital)
Meiji Co., Ltd.	Bangkok IN-EX Co., Ltd. Charoen Pokphand Group Co., Ltd. Kingdom of Thailand	January 1989	No provision	Company Name: CP-MEIJI Co., Ltd. Purpose: Manufacture and sale of drinking milk, yogurt, and others in Thailand Share Capital: THB 500 million Foundation: February 1989	THB 200 million (40% of Share Capital)
Meiji Seika Pharma Co., Ltd.	Arysta Health and Nutrition Sciences Corp.	February 2011	20 years after the date of establishment	Company Name: Meiji Pharma (Shangdong) Co., Ltd. Purpose: Manufacturing and sales of pharmaceuticals and veterinary medicines, etc. Share Capital: USD 24 million Foundation: October 2003	USD 20 million (83.33% of Share Capital)

4) Others

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

5. Research and development activities

Total research and development expenses for the current consolidated fiscal year were JPY 33,441 million.

New and changed research and development activities during the current consolidated fiscal year were as follows.

(1) Food

The amount of research and development activities in this category for the current consolidated fiscal year was JPY 13,305 million.

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

(Functional (probiotics) yogurt)

Under the *Meiji Probio Yogurt R-1* brand, we launched the seasonal tastes of *Grapefruit Mix* in summer only, and *Fruit Mix* in autumn only. In April 2022, we plan to launch the *Mitasu Karada* series of yogurt drinks with added iron and calcium, two nutrients that people tend to lack in their daily lives, and *Meiji Probio Yogurt R-1 - No Additives*, a yogurt without added sugar or sweeteners that is easy to enjoy every day without worrying about sweetness.

(Yogurt)

Under the *Meiji Bulgaria* brand, we launched a *Thick Concentrated Type Plain Flavor* series (plain, strawberry sauce, blueberry sauce) in October 2021. This is a zero-fat, drained and concentrated yogurt that can be enjoyed every day. These plain type yogurts can be enjoyed in many different ways, including cooking and confectionery making. In April 2022, we plan to launch *Meiji Bulgaria Yogurt - Zero-Fat* yogurt drink (900 g), Meiji Bulgaria Yogurt - Low Sugar & Low Calorie, *Meiji Bulgaria Yogurt - Calcium & Iron* with one 200 mL cup containing half a day’s worth of calcium and iron, and *Meiji Bulgaria Yogurt - Plain, No Additives* made with only milk ingredients without sweetening. This lineup of yogurts offers choices for a wide range of people, including those concerned about calories and fat content, and those wanting to supplement nutritionals that people tend to lack in their daily lives.

We also launched a number of new protein enriched products utilizing the *SAVAS* brand. Specifically, we launched a banana flavor yogurt (180 g) in July 2021 and a drinking yogurt (200 g) in August 2021. We added a banana flavor drinking yogurt in January 2022, while we plan to continue strengthening this product line in the future, including improved taste and added vitamin D in April 2022.

Under the *TANPACT* brand, we launched a vanilla flavor in August 2021 for people to continue enjoying. In March 2022, we relaunched the brand with a smoother composition to make it even easier to eat.

(Cheese)

From August 2021, we started a nationwide launch of *Meiji Hokkaido Tokachi - Fresh Mozzarella* as the first fresh mozzarella cheese launched under the *Meiji Hokkaido Tokachi* brand. With this product, we focused on milkiness, using a manufacturing process that maximizes the delicious taste of Hokkaido milk in a natural (fresh) cheese with live lactobacilli.

In September 2021, we relaunched the *TANPACT Baby Cheese* series (8 x 90 g). *TANPACT Baby Cheese - Calcium & Vitamin D* is an easy way to take protein and vitamin D supplements, while *TANPACT Baby Cheese - Iron* is a delicious way to take protein and iron supplements. In March 2022, we launched *Meiji Nameraka 6 Piece Cheese* series (100 g). Under this series, we launched *Mozzarella, Tokachi Camembert*, and *Smoked Bonito* flavors with exquisite blends of cheese ingredients to provide soft and smooth textured cheeses. At the same time, we relaunched the *Meiji Hokkaido Tokachi Smart Cheese - Mellow Parmesan Blend 8 Piece* cheese (90 g). This exquisite blend of natural cheese created with Meiji’s unique Umami Lactobacillus Maturation technology comes with a melt-in-the-mouth texture.

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

(Infant formula)

In Japan, we launched *Meiji Step Raku Milk* in September 2021. This liquid milk formula provides all the nutritionals that are particularly important for children aged 1 to 3 years old but that tend to be lacking in their diet. This product is Japan’s first liquid milk formula for infants.

In Thailand, group company Thai Meiji Food Co., Ltd. launched *Meiji GU FORMULA GOLD EZcube 3* (448 g and 56 g) in February 2022. These are powdered milk products in cube form designed in accordance with international standards for nutrients required for children aged 1 to 3 years old. The cube form is Meiji's unique packaging shape for infant formula that is popular in Japan as well due to the advantages of not requiring measurement, avoiding spilling of powder, being hygienic, and being easy to carry.

We launched the *Meiji MIRAFUL* series for infants in March 2022. This product is Meiji’s unique blend of four nutrients—vitamin D, iron, calcium, and zinc—that are important for growth during infancy and that tend to be lacking in their diet. Two products that we are selling are *Meiji MIRAFUL Powdered Beverage Strawberry Flavor*, which is a blend of DHA (believed to help in cognitive development) designed to be melted in drinking milk, and *Meiji MIRAFUL Drink Yogurt Flavor*, a dairy product with a blend of bifidobacterium bifidum OLB6378 (carefully chosen from many years of infant research) that complies with the lactobacillus dairy beverage (sterilization) standard.

(Sports nutrition)

In June 2021, we launched *Meiji SAVAS Whey Protein 100 Clean Fruity Flavor* (50 Servings) *NEXT BODY*, a *SAVAS* series product exclusively for amazon.co.jp. This is a powdered protein with a refreshing acidity that is easy to drink, and it is based on the popular Clean Fruity Flavor of the *SAVAS Milk Protein Zero-Fat* drink-type protein. Meiji's unique homogenized granulation process means this product dissolves quickly in water or drinking milk to be enjoyed as a beverage.

In July 2021, we launched *SAVAS Aqua Whey Protein 100 Lemon Flavor*. Using 100% high-purity whey protein isolate (WPI) as the source of protein to provide a clean and clear sports drink feeling, this product can be enjoyed when needing to rehydrate in a variety of everyday scenarios, not just during exercise.

In October 2021, we launched *SAVAS For Woman Whey Protein 100 Milk Chocolate Flavor* (14 and 45 Servings). With a unique blend of dietary fiber, which tends to be lacking in the diets of women, and 10 different vitamins and 3 minerals needed for building healthy bodies, this product is recommended for women focused on bodybuilding. The rich taste of milk chocolate can be enjoyed even when dissolved in water, so this product can be enjoyed as a special reward after training.

In October 2021, we also launched *SAVAS Pro Power Peptide Granules Lemon Flavor* (12 Packets) in the *SAVAS Pro* series of products for top athletes. With power peptides (whey peptides) independently developed by Meiji, which have excellent absorption characteristics, this product quickly delivers amino acids throughout the body to support the conditioning of top athletes. The granules can be consumed directly mixed with water from the convenient, easy-to-carry stick packaging, and are perfect for any time of the day, either before, during, or after training, or even at the end of the day.

In the *VAAM* series, we launched *VAAM Smart Fit Water Scented Lemon Flavor* and *Apple Flavor* products, which are foods for specialized health use, in March 2022. As such, they help to further reduce the body fat that is burned during exercise. These products contain a 1,500 mg mix of alanine, arginine, and phenylalanine to promote two separate actions of physical exercise; breaking down and removing body fat. Easy to consume, these products can be effective in reducing body fat with just 10 minutes of walking as part of the exercise routine. They are delicious and refreshing beverages that, as near-water type beverages, are suitable for rehydrating during exercise and other daily activities.

As part of our overseas expansion of the *SAVAS* series, in August 2020, we launched *Whey Protein 100 Cocoa Flavor* and *Vanilla Flavor* in China, a market expected to grow dramatically in the future. We added to these easily dissolvable and delicious products, which employ Meiji's unique nutrition engineering technology, in January 2022 when we also newly released *Yogurt Flavor*. Then in March 2022, with increasing health consciousness in the community, we released these same three products in the growing Taiwan market as well.

Using confectionery processing technologies, we will launch *SAVAS Protein Bar Chocolate* as a *SAVAS* brand product in April 2022, followed by *SAVAS Soy Protein Bar Bitter Chocolate* in June 2022. With a blend of 15 g of protein in each bar, these products have been designed as an easy way to consume protein before and after exercise and dieting.

As part of an improved lineup of products in the *Sokko Genki* series, which boosts power and health, we launched the premium product *Sokko Genki Jelly Ginseng Plus*, with a blend of 300 mg of ginseng extract, in September 2021. Then in March 2022, we launched *Sokko Genki Jelly Citric Acid and Vitamin C Lemon Flavor* with a blend of 3,000 mg of citric acid and 1,000 mg of vitamin C (equivalent to 50 lemons) for a refreshing and energetic lift. At the same time, we launched *Sokko Genki Jelly Energy & Multi-Vitamin Muscat Grape Flavor*, with a blend of 200 kcal of energy and B group vitamins for a super-fast energy recharge, and *Sokko Genki Jelly Iron & Multi-Vitamin Grape Flavor*, with a blend or low-odor iron and 9 different vitamins packaged in one-a-day packets.

(Enteral formula)

In the enteral formula area, we launched the *Meiji Mei Balance Gyutto Mini* series (*Coffee Flavor*, *Milk Tea Flavor*, *Strawberry Flavor*, and *Mixed Fruit Flavor*) in July 2021 as products provided in medical settings. These oral-type enteral formula products are highly concentrated to provide 200 kcal of energy in 100 mL. Because they provide an easy way to replenish nutritionals and energy in a small package, they are being used as supplementary nutrition for people who for a variety of reasons are unable to obtain enough from regular meals, and for people who have lost their appetite. At 100 mL, the containers are also quite small, so they save labor when storing and contribute to realizing a sustainable society. The *Meiji Mei Balance Mini* (AB 125 mL) series has the overwhelmingly largest share of the hospital and nursing home market. We added to this series in June 2021 with *Cocoa Flavor* and *Grape Flavor* varieties. In the *Meiji Renalen* series, which are highly functional enteral formula products for medical settings, we added the new *Renalen MP 300K* with 300 kcal of energy per packet. Used in conjunction with the existing *Renalen MP 400K* product, this new lineup offers a wide range of adjustments in administration of protein, mineral, and energy amounts.

From the fall of 2021, we began in-house manufacture of *Meiji Mei Balance Soft Jelly*, semi-solid enteral formula products, at the Gunma Nutritionals Plant, with distribution to hospitals starting in November 2021 and launch on the general market in March 2022. By revising ingredients and manufacturing processes, we have achieved product improvements. Compared to the previous products they now have reduced syneresis and a less grainy texture, with exceptional chewing and swallowing characteristics.

(Beauty supplements)

Drink-type beauty supplements launched in October 2021 were *SAVAS for Woman Milk Protein Zero Fat Plus Soy Milk Tea Flavor*, sold in slim 250 mL bottles with caps, and *SAVAS Milk Protein Zero Fat Honey Lemon Flavor*, which is a refreshing, easy-to-drink taste sold in 430 mL bottles for use after exercising.

For high intensity exercise, we launched *SAVAS Milk Protein Zero Fat Fruit Mix Flavor* (430 mL) in March 2022, providing 20 g of protein that is absorbed faster due to a rapid absorption formula. In April 2022, we also launched *SAVAS Milk Protein Beauty Line* (250 mL) with a blend of hyaluronic acid, and *SAVAS Milk Protein Plus Soy Beauty Line* (250 mL) with a blend of collagen, in a series of products offering beauty supplements and 12.5 g of protein for women exercising for the purposes of health and beauty.

In the *Oligo Smart* series, we launched our first ever beverage products in the series in September 2021 with *Café Au Lait* and *Cocoa* flavors (200 mL each). They have the rich taste of milk with a blend of fructo-oligosaccharides, which are a type of oligosaccharide that is not absorbed as sugar.

In the *TANPACT* series, we launched two beverage products containing fruit juice—*Apple* and *Peach Mix* (200 mL each)—with a blend of 4.5 g of milk protein per package as an enjoyable way to take protein supplements.

In the *Amino Collagen* series, we initially launched products with a shelf life of 120 days in March 2021. However, after a series of storage tests to confirm quality, we extended the shelf life to 180 days from September 2021. Going forward, we will continue to extend shelf life to reduce waste as a result of products being out of date.

3) Chocolate & gummy business (Chocolate, gummies)

(Chocolate)

Ahead of the 100th anniversary of *Meiji Milk Chocolate* in 2026, we relaunched our entire chocolate range in September 2021, whether as a chocolate bar, boxes of 26 individually wrapped blocks, stick packs, or large packets. As part of the relaunch, we further improved quality to suit customer tastes, including *Black Chocolate* and *Hi Milk Chocolate* products. In the *Oligo Smart Chocolate* series, we launched *Nutty Crunch* (September 2021) and *Almond Pouch* (October 2021), adding the delicious taste and texture of nuts to traditional pure chocolate. Under the *Meiji THE Chocolate* brand, we launched *Aroma Trick crafted by THE Chocolate* in January 2022 as a limited edition product for Valentine's Day. These chocolates contain a ganache sauce made from a mix of Mexican white cacao and water to produce a brand new cacao aroma experience.

Adding to the *Chocorooms* (*Kinoko no Yama*) and *Chococones* (*Takenoko no Sato*) chocolate snack range, we launched *Gensen Sozai no Kinoko no Yama* and *Gensen Sozai no Takenoko no Sato* in March 2022 as two whole wheat flour products with reduced sweetness for adults.

Targeting a wider audience for our nut chocolate products, in addition to Almond Chocolate, Macadamia Chocolate, and *Hazel Nut Chocolate*, we also launched *Pistachio Chocolate* in March 2022 as a popular taste for women.

Treating cacao as a fruit, we developed a number of new ingredients, like cacao flavanol extract and cacao granules, to maximize the nutritional value of cacao. In March 2022, we also publicly announced the *Meiji New Action* sustainability initiative that we are conducting in collaboration with cacao producing regions.

(Gummies)

Under the *Kaju Gummy* brand, we enhanced our lineup of five standard flavors—*Grape*, *Mandarin Orange*, *Strawberry*, *Muscat Grape*, *Peach*—with high quality seasonal products to enjoy. Under the same brand, we launched *Golden Pineapple* in April 2021, *Natsu no Kaju Gummy Salty Lychee* in July 2021, *Dark Cherry Mix* in August 2021, *Green Apple* in November 2021, and *Gold Kiwi* in February 2022. With increasing health consciousness these days, we also launched Kaju Gummy *30% Reduced Sugar Grape* in September 2021 and *Kaju Gummy Lemon Vitamin C* in March 2022 in response to sugar restrictions and demand for fortified nutrition.

In answer to our customers' desire for a refreshing chewable to help dispel the frustrations of COVID-19, we launched *Cola Up The Hard* in August 2021. This product is already becoming popular due to its super-hard texture. To coincide with its launch, we established a texture evaluation method using our ORAL-MAPS chewing simulator, which is a unique Meiji initiative for texture labeling. We have started gradually displaying a texture chart on all Meiji gummy packaging to express the chewiness of the product using six levels ranging from level 1 (soft) through to level 5+ (hard).

To help alleviate mouth discomfort in this extended period of face mask use, we launched *Okuchi no Mikata Gummy Lemon* and *Muscat Grape* products in October 2021. With a blend of three organic acids, these products fill the mouth with delicious, juicy and refreshing tastes.

While researching the health benefits of gummy formulations, we have been conducting exploratory research into the effect of chewing gummies on the salivation process. As a result, we identified a rapid secretion of saliva when chewing gummies immediately after eating food. Along with the increased salivation, we confirmed a rapid release of secretory immunoglobulin A in saliva within the oral cavity. We presented these findings at the March 2022 meeting of the Japan Society for Bioscience, Biotechnology, and Agrochemistry.

4) Drinking milk business (Drinking milk)

To increase consumption of raw milk, we launched *Meiji Tokusen Hokkaido Milk* (200 mL) in January 2022. Using 100% raw Hokkaido milk, this is a specially selected milk that meets the standard for components as determined by the Japan Milk Fair Trade Conference. Also in January 2022, we launched *Meiji Soreike Anpanman Milk Calcium & Oligosaccharides* (200 mL) as a product that supports the daily health of children. It provides a blend of the desired fructo-oligosaccharides with calcium equivalent to one cup of drinking milk. Both of these products can be stored at room temperature for extended periods of times, which enables stocking up of milk and helps reduce food loss.

5) Commercial use foods business (Processed food products for professional use)

In April 2022, we launched *Meiji Ajiwai Milk* (1,000 mL), a product with a fresh milk aroma and richness, using Meiji’s unique dairy ingredients.

In the sauce business, we launched *Sakura Strawberry Sauce* in February 2022, a product used in cafés to add a milky taste while utilizing the flavors of sakura (cherry blossom) and strawberry.

To meet the needs of food processors unable to use yogurt with live bacteria due to health guidelines, we launched *Meiji Hakkou BASEd Houjun Yogurt Più Alto* in June 2021 as a sterilized yogurt for professional use. This product uses the strong, refreshing aroma of lactobacilli that is characteristic of yogurt.

In January 2022, we launched *Mizuneri Raw Chocolate* using Meiji’s unique manufacturing process to achieve a shelf life of six months at room temperature, which satisfies the standard for raw chocolate. With good heat shape retention and plasticity, this product is an innovative raw chocolate for professional use with excellent end-user processability.

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

(Frozen desserts)

In the frozen desserts business, we have been extending the shelf life settings, already implemented in the *Essel* series, to our other product ranges from the first half of 2021. To meet customer expectations, we will focus on the development of even more delicious and safe products. We also launched *Meiji Bulgaria Frozen Yogurt Dessert* and *Meiji Chocolate Kouka Cacao* to expand our range of ice creams with health appeal. Each of these products has the unique concentrated richness of ice cream and the refreshing taste of yogurt. With the equivalent of five pieces of cacao polyphenols in each cup, *Meiji Chocolate Kouka Cacao* is characterized by a high quality bitterness and the gorgeous aroma of cacao. Under the *Meiji TANPACT* brand, we launched *Meiji TANPACT Strawberry Chocolate* in the first half of 2021 and *Meiji TANPACT Banana & Chocolate* in the second half. Going forward, we will foster these products as healthy brands.

(Ready meal)

We launched a number of new frozen food products in the fall of 2021, including *The DON of Satisfaction Milano Style Doria*, which is a microwaveable meal with thick sauce, seasoned rice and lots of satisfying toppings, and *TANPACT Cheese Gratin* and *TANPACT Cheese Doria* in the *TANPACT* series. Under Meiji’s dry (retort) food brand *Marugoto Yasai*, which is getting favorable reviews, we also launched *Marugoto Yasai Kanjuku Tomato no Hatsuga Genmai Iri Rice* and *Marugoto Yasai Bouillabaisse Style Hatsuga Genmai Iri Rice*, both with 60 g of vegetables (raw weight) and 8 g of dietary fiber in a single tray to enjoy with the grainy texture of pilaf based on germinated brown rice. We also improved and relaunched a *Cheese Taste* pizza under the *Range Pizza & Pizza* brand, which is a mainstay product of Meiji. Two new products, launched in February 2022, that are enjoying an excellent reputation, are *Marugoto Yasai Beans & Vegetables Keema Curry* in the *Marugoto Yasai* series, with a large 120 g of vegetables per tray, and *Ginza Butter Chicken Curry Doria* in the *Ginza* series.

In our chilled product range, we relaunched *Daily Rich Keema Curry* in the fall of 2021, enhanced with the refreshing aroma of spices.

In our dry product range, we revamped the popular *Marugoto Yasai Soup* series in the fall of 2021, with the relaunching of *Kanjuku Tomato no Minestrone* and *Jikkuri Nikonda Pot-au-feu*, and the new launch of *Kabocha no Cream Soup*. In the spring of 2022, we added another new product with the launch of *Yuzu Kosho Kaoru Shira-dashi Soup*.

In February 2022, we also revamped *Meiji no Gyunyuya San no O-susume Beef Curry*, which has been a popular product for home delivery for many years, and launched *Meiji no Kodawari Jikomi Tokusei Beef Curry*. This is a deeply flavorful product with the secret ingredients of chocolate and yogurt added to a sauce that harmoniously blends sweet sautéed onions with the deep umami taste of beef.

(Butter and margarine)

In the butter and margarine business, we launched *Life Maroyaka Soft Butter Taste* spread in April 2021 with reduced fat content and a stronger buttery taste, and *Meiji Corn-Soft Karui Type Butter Taste* spread in September 2021 with a balance between reduced fat content and calories, and a buttery taste. We also relaunched *Meiji Off-Style* and *Meiji Off-Style Benibana*, two popular low-fat spreads, in September 2021 as foods with functional claims. As products containing inulin, these are two foods are suited to people wanting to improve their gut environment or people concerned about their stomachs.

7) Overseas business (Overseas subsidiaries, exports)

Between 1968 and 2005, we sold infant formula in Thailand but had to eventually withdraw from that market due to the effects of recession caused by an international currency crisis. However, with extremely good recognition of the Meiji brand in Thailand due to sales of drinking milk, yogurt, confectionery and other products, we have been looking for an opportunity to re-enter the country's infant formula market. Now, with our unique cube type packaging that differentiates us greatly from our competitors, we have re-entered Thailand with our infant formula business.

With increasing health consciousness, the yogurt market has been rapidly expanding in China, where we launched *Meiji Probio Yogurt R-1* and *Meiji Probio Yogurt LG21* drinking yogurts in April 2021. Going forward, we will develop the functional (probiotics) yogurt market and contribute to the healthy diets of Chinese customers by proposing a culture of selecting yogurt based on the characteristics of lactobacilli.

(2) Pharmaceuticals

The amount of research and development activities in this category for the current consolidated fiscal year was JPY 19,243 million.

Meiji Seika Pharma Group is aiming to become a pharma specialist in the area of ethical pharmaceuticals for infectious diseases and central nervous system disorders. At the same time, it is actively conducting research and development activities with a focus on blood cancer and other new fields, generic drugs, veterinary medicines, and vaccines. We have invested JPY 13,700 million so far in the Meiji Seika Pharma Group for research and development expenses related to this business.

Our progress of specific developments is as follows.

We have started Phase II and III trials in Japan for KD-414, a COVID-19 vaccine that we are jointly developing with KM Biologics. Our business partner Huya Japan G.K. obtained approval in June 2021 and November 2021 for indication of the antineoplastic agent HBI-8000 in the treatment of relapsed and refractory peripheral T-cell lymphoma (PTCL). Phase III clinical trials of ME3208 (KD025), used in the treatment of chronic graft-versus-host disease (cGVHD), have started in Japan. Phase I clinical trials of ME3183, an orally available PDE4 inhibitor, conducted in the United States have been completed and preparations are underway for Phase II clinical trials in the United States and Canada. Phase I clinical trials of DMB-3115, a biosimilar of the ustekinumab genetic recombinant, conducted in Europe, have demonstrated its bioequivalence to the original biopharmaceutical. Phase III clinical trials have now started as international joint clinical trials. With Japanese development of OP0595 (Nacubactam), a β-lactamase inhibitor, Phase I clinical trials of concomitant repeated dosing with antibacterial drugs have been completed in Japan by the Japan Agency for Medical Research and Development (AMED) as part of its Cyclic Innovation for Clinical Empowerment (CiCLE) program. With the aim of contributing to medicine from a scientific aspect, we are continuing to create evidence of proper use of antipsychotics in relation to Sycrest® sublingual tablets, an antipsychotic drug launched in May 2016.

Development of the antipsychotic drug ME2112 (Ziprasidone) has been discontinued for strategic reasons, so we have ceased our licensing agreement with RaQualia Pharma.

In the agricultural chemicals and veterinary medicines business, sales of ME5343 (Afidopyropen), a new agricultural drug for the agricultural chemicals business being sold by out-licenser BASF (Germany), are strong in India, the United States, China and elsewhere. We are working on obtaining pesticide registration in Asia, South America and other areas as well. Out-licenser Corteva (Unites States) has started selling ME5223 (Fenpicoxamid), a new fungicide for agrochemical use, for bananas in Latin America and for wheat varieties in Europe. We have worked on obtaining pesticide registration in European countries as well. We have started selling ME5382 (Flupyrimin), a new agricultural drug, in Japan, and UPL is developing it in India for use in rice paddies. We have signed a development and commercialization agreement with UPL for use in rice paddies in Asia after use in the seed treatment field. We have applied for pesticide registration of Glufosinate-P, a non-selective herbicide, in the United States. We are also working on use of our flagship products—ORYZEMATE, a rice blast preventative, and ME5382 (Flupyrimin)—with high-density sowing/high-density seedling cultivation and side strip treatment, which are new wet-rice cultivation technologies in Japan. We are transferring operations of the agricultural chemical manufacturing and sales business during the current consolidated fiscal year.

In the veterinary medicines business, we obtained approval for the additional indication of Marbocyl as an antibacterial agent for cattle in November 2019. We obtained approval for Florgane as an antibacterial agent for cattle in April 2020 and launched it as a new drug in January 2021. First year sales have been strong, achieving a better start and faster takeoff than our flagship products. We obtained approval for Ecoporc Shiga as a vaccine for swine use in July 2020. We launched the product as a new drug in June 2021, and it has had a strong start with a steadily increasing market share.

Marine Vantel, an insecticide for fish, has completed its review by the Ministry of Agriculture, Forestry and Fisheries. We obtained approval for additional indication in April 2021, and it is contributing to new sales after the market stagnation caused by the COVID-19 pandemic.

We have completed applications for both cattle and swine use of ME4137, an antibacterial agent for cattle and swine. The Food Safety Commission of Japan in the Cabinet Office is reviewing the application for use of ME4137 with cattle, and the Ministry of Agriculture, Forestry and Fisheries is reviewing the application for swines. We completed outdoor application testing of ME4406, a livestock feedstuff additive, for chickens in March 2019 as part of clinical studies in the pharmaceutical development process. We completed the clinical studies for swine at the end of the 2021 fiscal year, and we are currently analyzing the data.

Research functions previously conducted in Yokohama and Ashigara have been organized and integrated for consolidation into the Pharmaceutical Research Center at Ashigara. At the same time, we ceased research at the Yokohama Research Center.

Pharmaceutical Research Center:	To contribute to global medicine and provide a fast and stable supply of useful, high quality pharmaceuticals to medical facilities, this center creates candidate substances for medicines, analyzes their structures, and evaluates their properties. At the same time, it establishes test methods for standards and manufacturing processes for bulk drugs and formulations while developing industrial processes and efficiently reducing costs.

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

KM Biologics conducts research and development in the three fields of human vaccines, animal vaccines, and blood plasma products. The progress of specific developments in each of these three fields is as follows.

In the field of human vaccines, KM Biologics has been collaborating since May 2020 with the National Institute of Infectious Diseases, the Institute of Medical Science at the University of Tokyo, and the National Institutes of Biomedical Innovation, Health, and Nutrition to develop KD-414, an inactivated vaccine against COVID-19. With the help of grants from the Ministry of Health, Labour and Welfare and the Japan Agency for Medical Research and Development (AMED), they are conducting research and development and establishing production systems. As for the current state of development, clinical studies during Phase I and II clinical trials started in March 2021 have suggested a high level of safety. The results indicate expectations for a certain level of effectiveness, so Phase II and III clinical trials began in October 2021. We are in preparation for Phase III clinical trials now. In addition, Phase I clinical trials of KD-382, a vaccine against dengue fever, that started in August 2018 in Australia, have now been completed and have confirmed a good level of safety and immunogenicity for healthy adults. Along with out-licensing activities, we are currently preparing for Phase II clinical trials. Phase III clinical trials of KD-370, a 5-in-1 vaccine for children, that were conducted in Japan, were completed in February 2021 and we are in preparation to submit an application for approval for manufacturing and sales.

In the field of blood plasma products, we completed KD2-305 trials in March 2021 to expand indication for Byclot, a hemophilia bypass agent, to obtain indication for periodic administration, which is currently off-label usage. In September 2021, we applied for a partial change to approved items as an expansion of indication (for regular administration). At the same time, we are also conducting tests for continuous administration.

In the field of animal vaccines, we are in the process of applying for manufacturing and sales approval, from the Ministry of Agriculture, Forestry and Fisheries, for KD-386 and KD-395 vaccines for swine.

(3) Other

The Co-Creation Center of Meiji Holdings Co., Ltd. has now been in operation for three years.

Three Group operating companies (Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd., KM Biologics Co., Ltd.) have combined their respective research infrastructures and strengths, through the personal interaction and open innovation that the center enables, to take on new challenges in the health value domain. This fiscal year's achievements include four patent applications, two articles accepted for publication, and three society presentations. In the field of cancer research, we reported in Cancer Discovery, a journal with considerable influence, that extracellular polysaccharides in lactobacilli have an increased therapeutic effect on cancer-related immune checkpoint inhibitors. The world's foremost researchers are paying attention to these findings. We have also started investigating the joint commercialization of several other drugs, being researched, in collaboration with Group operating companies. Going forward, we will leverage our knowledge and technological infrastructure in the fields of food and pharmaceuticals, which are strengths of the Meiji Group. We aim to further drive new challenges in the health value domain.

The amount of research and development activities in this category for the current consolidated fiscal year was JPY 892 million.

3. Information about Facilities

1. Overview of capital expenditures

The Meiji Group's total capital expenditures during the current consolidated fiscal year were JPY 93,594 million, mainly in the Food and Pharmaceutical Segments. Following is a breakdown by segment.

(1) Food

Capital expenditures of JPY 78,461 million were made during the current consolidated fiscal year. The main capital expenditures were by Meiji Co., Ltd. for construction of Eniwa Plant, new manufacturing buildings and production facilities at its Saitama Plant, and for new production facilities at its Kyoto Plant and Moriya Plant.

(2) Pharmaceutical

Capital expenditures of JPY 14,971 million were made during the current consolidated fiscal year. The main capital expenditures were by Meiji Seika Pharma Co., Ltd. for bulk pharmaceutical manufacturing facilities at its Gifu Plant, for formulation facilities at its Odawara Plant and for various research and development facilities at its Ashigara Research Center, by overseas subsidiaries for various manufacturing facilities, and by KM Biologics Co., Ltd. for construction work to improve the production system for COVID-19 vaccines, which is being subsidized by the Ministry of Health, Labour and Welfare's Urgent Improvement Project for Vaccine Manufacturing Systems.

2 Major facilities

Following are the major facilities in the Meiji Group.

(1) Company submitting the Annual Securities Report

As of March 31, 2022

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Meiji Holdings Co., Ltd.	Head Office (Chuo-ku, Tokyo)	Company-wide	-	3,503	29	8,414 (2,211)	3	65	12,016	64 (10)

(2) Domestic subsidiaries

As of March 31, 2022

<table>
<tr><th rowspan="2">Company name</th><th rowspan="2">Operating site (Location)</th><th rowspan="2">Segment</th><th rowspan="2">Facilities</th><th colspan="6">Book value</th><th rowspan="2">Number of employees</th></tr>
<tr><th>Buildings and structures (Millions of yen)</th><th>Machinery, equipment and vehicles (Millions of yen)</th><th>Land (Millions of yen) (m^2)</th><th>Leased assets (Millions of yen)</th><th>Other (Millions of yen)</th><th>Total (Millions of yen)</th></tr>
<tr><td rowspan="14">Meiji Co., Ltd.</td><td>Tokachi Plant (Memuro, Kasai, Hokkaido)</td><td>Food</td><td>Production facilities</td><td>8,671</td><td>11,540</td><td>1,270 (138,027)</td><td>-</td><td>260</td><td>21,742</td><td>154 (131)</td></tr>
<tr><td>Gunma Plant (Isesaki City, Gunma)</td><td>Food</td><td>Production facilities</td><td>1,152</td><td>2,593</td><td rowspan="3">829 (114,434)</td><td>-</td><td>81</td><td>4,657</td><td rowspan="3">212 (84)</td></tr>
<tr><td>Gunma Nutritionals Plant (Isesaki City, Gunma)</td><td>Food</td><td>Production facilities</td><td>1,445</td><td>1,205</td><td>-</td><td>69</td><td>2,721</td></tr>
<tr><td>Gunma Pharmaceuticals Plant (Isesaki City, Gunma)</td><td>Food</td><td>Production facilities</td><td>1,385</td><td>2,179</td><td>-</td><td>46</td><td>3,612</td></tr>
<tr><td>Saitama Plant (Kasukabe City, Saitama)</td><td>Food</td><td>Production facilities</td><td>8,443</td><td>6,584</td><td>40 (33,059)</td><td>-</td><td>260</td><td>15,329</td><td>94 (42)</td></tr>
<tr><td>Sakado Plant (Sakado City, Saitama)</td><td>Food</td><td>Production facilities</td><td>13,901</td><td>11,743</td><td>467 (101,318)</td><td>10</td><td>491</td><td>26,614</td><td>203 (577)</td></tr>
<tr><td>Toda Plant (Toda City, Saitama)</td><td>Food</td><td>Production facilities</td><td>3,666</td><td>5,567</td><td>131 (50,575)</td><td>-</td><td>158</td><td>9,524</td><td>225 (127)</td></tr>
<tr><td>Moriya Plant (Moriya City, Ibaraki)</td><td>Food</td><td>Production facilities</td><td>4,931</td><td>11,601</td><td>3,709 (109,481)</td><td>4</td><td>154</td><td>20,401</td><td>127 (65)</td></tr>
<tr><td>Tokai Plant (Fujieda City, Shizuoka)</td><td>Food</td><td>Production facilities</td><td>2,473</td><td>7,520</td><td>1,403 (63,518)</td><td>2</td><td>211</td><td>11,611</td><td>176 (215)</td></tr>
<tr><td>Aichi Plant (Inazawa City, Aichi)</td><td>Food</td><td>Production facilities</td><td>3,577</td><td>6,400</td><td>3,419 (95,603)</td><td>0</td><td>87</td><td>13,485</td><td>153 (86)</td></tr>
<tr><td>Kyoto Plant (Kyotanabe City, Kyoto)</td><td>Food</td><td>Production facilities</td><td>8,378</td><td>16,302</td><td rowspan="2">471 (85,003)</td><td>-</td><td>364</td><td>25,518</td><td rowspan="2">203 (127)</td></tr>
<tr><td>Kyoto Lactobacillus Plant (Kyotanabe City, Kyoto)</td><td>Food</td><td>Production facilities</td><td>119</td><td>254</td><td>-</td><td>9</td><td>383</td></tr>
<tr><td>Osaka Plant (Takatsuki City, Osaka)</td><td>Food</td><td>Production facilities</td><td>8,696</td><td>13,177</td><td>241 (135,525)</td><td>10</td><td>447</td><td>22,573</td><td>217 (528)</td></tr>
</table>

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Meiji Co., Ltd.	Kansai Plant (Kaizuka City, Osaka, etc.)	Food	Production facilities	2,673	2,280	- (-)	-	62	5,016	246 (131)
	Kansai Ice Cream Plant (Kaizuka City, Osaka)	Food	Production facilities	2,155	1,875		3	77	4,112	
	Kansai Nutritionals Plant (Kaizuka City, Osaka)	Food	Production facilities	2,455	1,662		-	32	4,150	
	Kurashiki Plant (Kurashiki City, Okayama)	Food	Production facilities	7,667	5,591	1,606 (104,881)	-	415	15,281	84 (47)
	Branches, offices (Sendai City, Miyagi, etc.)	Food	Sales facilities	758	9	2,487 (39,266)	1,293	234	4,782	1,437 (520)
	Research laboratory (Hachioji City, Tokyo)	Food	Research facilities	13,207	871	4,071 (40,452)	-	1,298	19,449	488 (40)
	Head Office Other (Chuo-ku, Tokyo, etc.)	Food	Offices of Head Office Other	7,334	256	11,912 (136,707)	60	1,082	20,647	1,017 (150)

As of March 31, 2022

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Meiji Seika Pharma Co., Ltd.	Odawara Plant (Odawara City, Kanagawa)	Pharmaceutical	Production facilities	4,328	3,304	129 (43,055)	-	237	7,999	125 (131)
	Gifu Plant (Kitagata Town, Motosu, Gifu)	Pharmaceutical	Production facilities	2,791	3,203	849 (159,478)	-	224	7,068	64 (25)

As of March 31, 2022

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
KM Biologics Co., Ltd.	Head Office / Kumamoto Production Center (Kumamoto City, Kumamoto)	Pharmaceutical	Head Office / production facilities	7,715	3,849	1,775 (135,396)	3	948	14,291	765 (661)
	Kikuchi Production Center (Kikuchi City, Kumamoto)	Pharmaceutical	Production facilities	4,170	509	249 (190,009)	-	464	5,394	272 (159)
	Koshi Production Center (Koshi City, Kumamoto)	Pharmaceutical	Production facilities	6,274	837	572 (102,283)	-	187	7,872	69 (25)

As of March 31, 2022

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Shikoku Meiji Co., Ltd.	Kagawa Plant (Mitoyo City, Kagawa)	Food	Production facilities	793	1,663	379 (53,554)	7	43	2,886	74 (1)
Gunma Meiji Co., Ltd.	Head Office / Plant (Maebashi City, Gunma)	Food	Production facilities	938	1,812	1,230 (44,308)	10	86	4,078	96 (11)
Tochigi Meiji Milk Products Co., Ltd.	Head Office / Plant (Utsunomiya City, Tochigi)	Food	Production facilities	3,343	2,960	26 (30,303)	4	80	6,415	85 (14)
Meiji Oils and Fats Co., Ltd.	Osaka Plant (Hirakata City, Osaka)	Food	Production facilities	1,160	368	1,568 (15,716)	4	35	3,137	70 (13)
Meiji Chewing Gum Co., Ltd.	Head Office / Plant (Kiyosu City, Aichi)	Food	Production facilities	1,083	1,938	773 (11,349)	-	67	3,862	141 (39)

(3) Overseas subsidiaries

As of March 31, 2022

Company name	Operating site (Location)	Segment	Facilities	Book value						Number of employees
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) (m^2)	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Medreich Limited	Bengaluru, India	Pharmaceutical	Production facilities	3,099	5,416	527 (107,511)	20	442	9,506	1,539 (894)
Meiji Ice Cream (Guangzhou) Co., Ltd.	Guangzhou, Guangdong, China	Food	Production facilities	1,480	1,733	-	11	58	3,284	220 (1)
Meiji Dairies (Suzhou) Co., Ltd.	Jiangsu, China	Food	Production facilities	2,051	2,345	-	11	102	4,511	163 (-)

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

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

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

4 The settlement date of Meiji Ice Cream (Guangzhou) Co., Ltd. and Meiji Dairies (Suzhou) Co., Ltd. is December 31. Consequently, their book values are listed as of December 31, 2021.

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

(1) Addition of material facilities, etc.

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

Company name Operating site	Location	Segment	Facilities	Planned investment amount		Method of financing	Planned start and completion dates	
				Total amount (Millions of yen)	Amount already paid (Millions of yen)		Start	Completion
Meiji Co., Ltd. Saitama Plant	Kasukabe City, Saitama	Food	Manufacturing building and infant formula production facilities	11,980	9,454	Funds on hand and borrowings	July 2018	December 2022
Meiji Co., Ltd. Eniwa Plant	Eniwa City, Hokkaido	Food	Drinking milk production facility	11,800	2,662	Funds on hand and borrowings	March 2021	June 2023
Meiji Dairies (Tianjin) Co., Ltd.	Tianjin, China	Food	Drinking milk production facility	12,732	8,958	Funds on hand and funds from capital increase	July 2020	January 2023
Meiji Food (Guangzhou) Co., Ltd.	Guangzhou, Guangdong, China	Food	Drinking milk and confectionery production facility	26,367	10,611	Funds on hand and funds from capital increase	July 2021	October 2023
Meiji Seika Food Industry (Shanghai) Co., Ltd.	Shanghai, China	Food	Construction of ice cream plant and installation of production facilities	12,280	2,510	Funds on hand and funds from capital increase	January 2022	December 2023

(Notes) 1 The settlement date of Meiji Dairies (Tianjin) Co., Ltd., Meiji Food (Guangzhou) Co., Ltd. and Meiji Seika Food Industry (Shanghai) Co., Ltd. is December 31. Consequently, their planned investment amounts are listed as of December 31, 2021.

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

(2) Retirement of material facilities, etc.

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

4. Information about reporting company

1. Company's shares, etc.

(1) Total number of shares

1 Authorized shares

Class	Number of shares authorized
Common share	560,000,000
Total	560,000,000

2 Issued shares

Class	Number of issued shares as of fiscal year end (March 31, 2022)	Number of issued shares as of filing date (June 29, 2022)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Common share	148,369,500	148,369,500	Tokyo Stock Exchange 1st Section (as of fiscal year end) Prime Market (as of filing date)	Number of shares per unit: 100
Total	148,369,500	148,369,500	-	-

(2) Share acquisition rights

1 Employee share option plans

Not applicable.

2 Rights plans

Not applicable.

3 Share acquisition rights for other uses

Not applicable.

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

Not applicable.

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

Date	Change in total number of issued shares	Balance of total number of issued shares	Change in capital share (Millions of yen)	Balance of capital share (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
March 31, 2022 (Note)	-4,313,900	148,369,500	-	30,000	-	7,500

(Note) Decrease due to cancellation of treasury shares.

(5) Shareholding by shareholder category

As of March 31, 2022

Categories	Status of shares (Number of shares constituting one unit = 100 shares)								Status of shares less than one unit
	National and local governments	Financial institution	Financial service providers	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders	-	143	43	780	659	63	88,765	90,453	-
Number of shares held (number of units)	-	578,956	31,857	143,150	325,991	93	396,594	1,476,641	705,400
Percentage of shareholdings	-	39.21	2.16	9.69	22.08	0.01	26.86	100	-

(Notes) 1 Treasury share as of March 31, 2022 totaled 7,548,999 shares, comprised of 75,489 units included in "individuals and others" and 99 shares included in the "status of shares less than one unit."

2 "Other corporations" above includes 24 units of shares held in the name of Japan Securities Depository Center, Inc. Similarly, "status of shares less than one unit" includes 38 shares.

(6) Major shareholders

As of March 31, 2022

Name	Address	Number of shares held (Thousand shares)	Percentage of shares held to total number of issued shares (excluding treasury share) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	24,170	17.16
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	7,034	5.00
Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	1-6-6 Marunouchi, Chiyoda-ku, Tokyo (2-11-3 Hamamatsucho, Minato-ku, Tokyo)	3,348	2.38
The Norinchukin Bank	1-2-1 Otemachi, Chiyoda-ku, Tokyo	2,892	2.05
Meiji Holdings Employee Shareholding Association	2-4-16 Kyobashi, Chuo-ku, Tokyo	2,669	1.90
Meiji Holdings Trading-Partner Shareholding Association	2-4-16 Kyobashi, Chuo-ku, Tokyo	2,654	1.88
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA, 02171, US (2-15-1 Konan, Minato-ku, Tokyo)	2,521	1.79
Mizuho Bank, Ltd. (Standing agent: Custody Bank of Japan, Ltd.)	1-5-5 Otemachi, Chiyoda-ku, Tokyo (1-8-12 Harumi, Chuo-ku, Tokyo)	2,417	1.72
Resona Bank, Limited	2-2-1 Bingomachi, Chuo-Ku, Osaka, Osaka	2,117	1.50
JP MORGAN CHASE BANK 385781 (Standing agent: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E145JP, UK (2-15-1 Konan, Minato-ku, Tokyo)	1,708	1.21
Total	-	51,533	36.60

(Notes) 1 In addition to the above, Meiji Holdings holds 7,548,000 shares of treasury share.

2 On June 21, 2017, a large-volume holdings report of BlackRock Japan Co., Ltd. and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of June 15, 2017. However, we did not include the information in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2022.

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

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
BlackRock Japan Co., Ltd.	1-8-3 Marunouchi, Chiyoda-ku, Tokyo	2,417,000	1.58
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, UK	156,608	0.10
BlackRock Life Limited	12 Throgmorton Avenue, London, UK	257,330	0.17
BlackRock Asset Management Ireland Limited	JP Morgan House, International Financial Services Centre, Dublin, Ireland	517,767	0.34
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, US	2,029,750	1.33
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, US	1,972,226	1.29
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, UK	352,065	0.23

3 On May 21, 2019, a large-volume holdings report (revised report) of Sumitomo Mitsui Trust Bank, Limited and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of May 15, 2019. However, we did not include the information in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2022.

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

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Limited	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	1,775,700	1.16
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-Ku, Tokyo	5,745,740	3.76
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	2,730,400	1.79

4 On July 20, 2020, a large-volume holdings report (revised report) of Nomura Securities Co., Ltd. and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of July 15, 2020. However, we did not include the information in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2022.

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

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, UK	340,314	0.22
Nomura Asset Management Co., Ltd.	2-2-1 Toyosu, Koto-ku, Tokyo	7,847,000	5.14

5 On September 21, 2021, a large-volume holdings report (revised report) of Mitsubishi UFJ Financial Group, Inc. and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of September 13, 2021. However, we did not include the information, except that pertaining to Mitsubishi UFJ Financial Group, Inc., in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2022.

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

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
MUFG Bank, Ltd.	2-7-1 Marunouchi, Chiyoda-ku, Tokyo	990,000	0.65
Mitsubishi UFJ Trust and Banking Corporation	1-4-5 Marunouchi, Chiyoda-ku, Tokyo	5,614,900	3.68
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	1-12-1 Yurakucho, Chiyoda-ku, Tokyo	1,641,400	1.08

6 On March 23, 2022, a large-volume holdings report (revised report) of Mizuho Bank, Ltd and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of March 15, 2022. However, we did not include the information, except that pertaining to Mizuho Bank, Ltd., in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2022.

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

Name	Address	Number of shares held	Percentage of shares held to total number of issued shares (%)
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	2,417,386	1.58
Mizuho Securities Co., Ltd.	1-5-1 Otemachi, Chiyoda-ku, Tokyo	394,300	0.26
Asset Management One Co., Ltd.	1-8-2 Marunouchi, Chiyoda-ku, Tokyo	3,907,300	2.56

(7) Voting rights

1. Issued shares

As of March 31, 2022

Categories	Number of shares	Number of voting rights	Description
Shares with no voting rights	-	-	-
Shares with restricted voting rights (Treasury shares, etc.)	-	-	-
Shares with restricted voting rights (Other)	-	-	-
Shares with full voting rights (Treasury shares, etc.)	(Treasury shares) Common shares 7,548,900	-	-
	(Cross-held shares) Common shares 32,600	-	
Shares with full voting rights (Other)	Common shares 140,082,600	1,400,826	-
Shares less than one unit	Common shares 705,400	-	-
Total number of issued shares	148,369,500	-	-
Number of voting rights held by all shareholders	-	1,400,826	-

(Notes) 1 Common shares in the "Shares less than one unit" column include 99 shares of treasury shares held by the Company and 38 shares held in the name of Japan Securities Depository Center, Inc.

2 Common shares in the "Shares with full voting rights (Other)" column include 2,400 shares (24 voting rights) held in the name of Japan Securities Depository Center, Inc.

2 Treasury shares, etc.

As of March 31, 2022

Name of shareholder	Address of shareholder	Number of shares held in own name	Number of shares held in others' names	Total number of shares held	Percentage of shares held (%)
(Treasury shares) Meiji Holdings Co., Ltd.	2-4-16, Kyobashi, Chuo-ku, Tokyo	7,548,900	-	7,548,900	5.09
(Cross-held shares) MIYAKO YUSO TRANSPORTATION CO., LTD.	1-6-12, Sakae, Odawara City, Kanagawa	5,200	27,400	32,600	0.02
Total	-	7,554,100	27,400	7,581,500	5.11

(Note) Reason, etc. for holding by MIYAKO YUSO TRANSPORTATION CO., LTD. in others’ names

Reason for holding	Name of shareholder	Address of shareholder
Co-ownership interest in the shareholding association	Meiji Holdings Trading-Partner Shareholding Association	2-4-16, Kyobashi, Chuo-ku, Tokyo

2 Acquisition and disposal of treasury shares

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

(1) Acquisition by resolution of shareholders meeting

Not applicable.

(2) Acquisition by resolution of board of directors meeting

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

Categories	Number of shares	Total amount (Yen)
Board of Directors Resolution (November 9, 2021) (Acquisition period: November 10, 2021 - March 31, 2022)	5,000,000	30,000,000,000
Treasury shares acquired prior to the current fiscal year	-	-
Treasury shares acquired during the current fiscal year	4,313,900	29,989,737,000
Total number and value of remaining shares subject to the resolution	686,100	10,263,000
Ratio of unexercised shares as of the end of the current fiscal year (%)	13.72	0.03
Treasury shares acquired during the current period	-	-
Ratio of unexercised shares as of the filing date (%)	13.72	0.03

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

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

Categories	Number of shares	Total amount (Yen)
Treasury shares acquired during the current fiscal year	3,546	24,533,220
Treasury shares acquired during the current period	382	2,485,580

(Note) Treasury shares acquired during this period do not include the number of shares acquired through the purchase of shares of less than one unit from June 1, 2022 to the filing date of the Annual Securities Report.

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

Categories	Current fiscal year		Current period	
	Number of shares	Total amount of disposal (Yen)	Number of shares	Total amount of disposal (Yen)
Acquired treasury shares which were offered to subscribers	39,112	267,134,960	-	-
Acquired treasury shares which were canceled	4,313,900	22,161,004,712	-	-
Acquired treasury shares which were transferred in association with a merger, share exchange, share issuance or company split	-	-	-	-
Other (Sale due to demand for the sale of shares from shareholders holding shares less than one unit)	322	2,208,040	66	430,320
Total number of treasury shares held	7,548,999	-	7,549,315	-

(Notes) 1. "Other" for this period does not include shares of less than one unit sold from June 1, 2022 to the filing date of the Annual Securities Report.

2. The number of shares held as treasury shares during this period does not include the number of shares resulting from the purchase and sale of shares of less than one unit from June 1, 2022 to the filing date of the Annual Securities Report.

3 Dividend policy

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

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

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

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

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

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

For the current fiscal year, the Company paid an interim dividend of JPY 80.00 per share and decided on June 7, 2022 to pay a year-end dividend of JPY 90.00 per share. As a result, the consolidated dividend payout ratio will be 28.0%. Excluding the impact of the transfer of the agrochemical chemicals business, the consolidated dividend payout ratio would be 37.8%.

For the annual dividend for the upcoming fiscal period, we are planning a dividend of JPY 170.00 (JPY 85.00 at end of second quarter and JPY 85.00 at end of fiscal period), and forecasting a dividend payout ratio of 39.2%.

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (Yen)
November 9, 2021 Board of Directors resolution	11,610	80.00
May 12, 2022 Board of Directors resolution	12,673	90.00

4 Corporate governance

(1) Overview of corporate governance

1 Fundamental ideas of corporate governance

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

2 Corporate governance system

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

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

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

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

The Audit & Supervisory Board deliberates on proposals for the nomination or removal of directors and Audit & Supervisory Board members and nomination or removal of executive officers, including the president. The Committee also deliberates and gives advice on matters such as succession plans, and, together with the Nomination Committee, which reports to the Board of Directors, deliberates on the policy, amount, and level of remuneration and so on for directors and executive officers. A Compensation Committee, which reports to the Board of Directors, has been established a comprises four independent outside directors (Ms. Mariko Matsumura, Mr. Masaya Kawada, Ms. Michiko Kuboyama, and Mr. Peter D. Peadertsen) and one internal director (Mr. Kazuo Kawamura). The chairpersons of the Nomination Committee and the Compensation Committee are appointed from among the independent outside directors in such a way that they do not hold concurrent positions on both committees.

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

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

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

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

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

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

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

Progress of System Development

1) Systems for ensuring compliance with laws and regulations and the Articles of Incorporation in the execution of duties by directors, executive officers, and employees
To ensure thorough corporate governance, the Group has adopted business management structures and clearly define the responsibilities for the Company as the holding company overseeing business management among the Group, and the responsibilities for the Group companies as the organizations executing the business of the Group. The organizational structure that the Company has adopted for this purpose is that of a "company with audit & supervisory board members" (kansayaku-kai secchi kaisha), while the structure adopted by the Group companies is that of a "company with audit & supervisory members" (kansayaku secchi kaisha). The Company and the Group companies have constructed and operate effective compliance systems. In the case of the Company, these systems include the Compliance Regulations and related regulations, which incorporate the Group's corporate philosophy. In the case of the Group companies, they include related regulations and the related committees.

2) Systems for storing and managing information related to the execution of duties by director
The Company has developed the Regulations for Handling Documents and Regulations for Managing Confidential Information, and constructed systems for storing and managing important documents related to the business management or business execution by the Company or the Group companies.

3) Procedures and other systems related to managing the risk of loss
To address risks to the smooth operation of business at an organizational and systematic level, the Company and the Group companies have developed rules for managing each risk, and constructed risk management systems in accordance with these rules.
The Company and the Group companies ensure unerring risk management by establishing risk-related committees that manage risk at an organizational and systematic level, and they have also developed systems for minimizing the risk of damages during emergency situations.

4) Systems for ensuring that directors and executive officers conduct their duties efficiently
The Company and the Group companies' boards of directors determine the duties of directors and executive officers. Directors and executive officers discharge these duties appropriately in accordance with the Duties Regulations, which defines the segregation of duties and authorities, and other relevant regulations.
The Company integrates and coordinates the business operations of the Company and the Group companies by having its Executive Committee review important matters pertaining to the Group as a whole. The Group companies help accelerate decision-making and streamline the execution of duties by making it a principle to have their executive committees conduct a full preliminary review of important matters pertaining to business management.

5) Systems for ensuring the appropriate execution of duties in the corporate group consisting of the Company and Group companies
The Company and the Group companies share the same ethos concerning internal control systems and have developed systems for ensuring appropriate execution of duties and reliable financial reporting.
The Group Company Administration Regulations and related regulations define the roles, authorities, and responsibilities among the Group. Duties are executed appropriately so as to contribute to the rationalization and optimization of business processes across the Group.
Specifically, each Group company has constructed their own systems under 1, 3, and 4 above, and the Company receives reports as appropriate on matters pertaining to duties in Group companies in accordance with the Group Company Administration Regulations.

6) Systems for ensuring reliability in financial reporting
To ensure reliability in financial reporting, the Company and the Group companies have constructed internal control

systems for financial reporting; this includes developing and operating systems of evaluation and reporting as appropriate.

7) Matters concerning employees who are assigned to assist in the duties of Audit & Supervisory Board members when Audit & Supervisory Board members requests such assistance; matters concerning the independence of said employees from directors; matters concerning the effectiveness of orders issued by Audit & Supervisory Board members to said employees

   After consulting with Audit & Supervisory Board members, the representative director assigns employees to assist in the duties of the Audit & Supervisory Board members. Authority to issue orders to said employees is delegated to the Audit & Supervisory Board members, and any decisions regarding the appointments, reshuffles, and appraisals of said employees require the consent of the Audit & Supervisory Board members. These measures ensure the effectiveness of orders issued by Audit & Supervisory Board members to said employees.

8) Systems under which directors, executive officers, and employees report to Audit & Supervisory Board members; systems under which directors, Audit & Supervisory Board members, executive officers, employees, or persons who receive reports from said persons report to the Company's Audit & Supervisory Board members; other systems concerning reporting to Audit & Supervisory Board members

   In the case of the Company, directors, executive officers, and employees report business management decisions and the status of the execution of business to the Audit & Supervisory Board members via the Board of Directors, the Executive Committee, and major internal meetings, and also by issuing regular reports and forwarding important documents. In the case of the Group companies, directors, Audit & Supervisory Board members (or the equivalent thereof), executive officers, employees, or persons who receive reports from said persons report the above matters via meetings with the Company's Audit & Supervisory Board members and by issuing reports and disclosing important documents as necessary.

   When the Audit & Supervisory Board Member requests reports of projects of the Company and Group companies or when investigating the performance of the Company and Group companies or the status of assets, a prompt and appropriate responses are made.

9) Systems for ensuring that persons who make reports mentioned in 8 above do not suffer any disadvantage by reason of such reporting

   The Company and the Group companies have established rules and regulations on whistleblowing prohibiting the disadvantageous treatment of whistleblowers by reason of their whistleblowing. In accordance with these rules and regulations, the Company has developed systems for ensuring that persons who make reports mentioned in 8 above do not suffer any disadvantage by reason of such reporting.

10) Matters concerning the procedure for paying or reimbursing costs arising from the performance of Audit & Supervisory Board members' duties, or any other policy regarding the processing of costs or liabilities arising from the performance of such duties

   The Company appropriates a certain amount of funds each fiscal year to cover the costs and liabilities incurred in connection with Audit & Supervisory Board members' execution of duties. If an Audit & Supervisory Board member, pursuant to the provisions of Article 388 of the Companies Act, requests payment in advance for expenses associated with their duties, the Board of Directors will review the matter and the Company will then promptly pay the expenses, except in cases where it deems that the expenses or liabilities related to such request is not necessary for the execution of the duties of the member concerned.

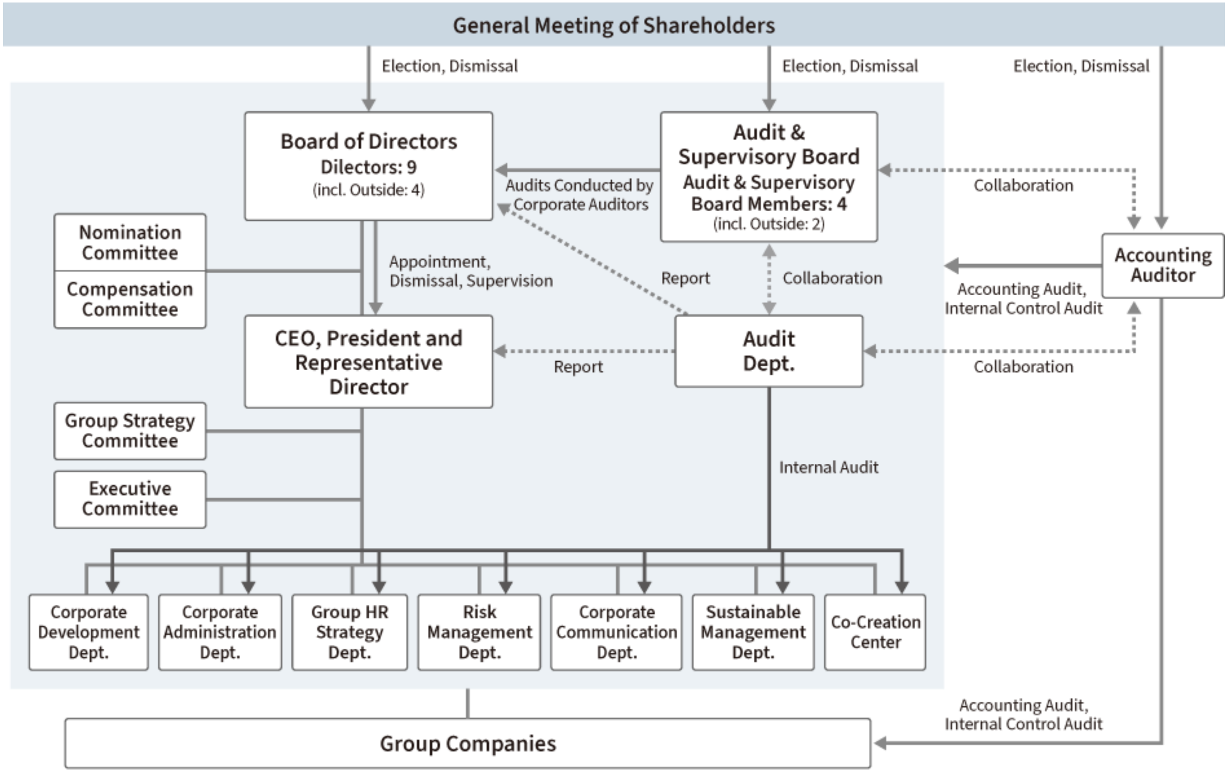
11) Systems for ensuring that the Company's Audit & Supervisory Board members conduct audits effectively

   The representative director holds regularly meetings to exchange opinions with Audit & Supervisory Board members. The representative directors and directors of the Company and the Group companies understand the importance and usefulness of Audit & Supervisory Board audits, and they actively cooperate with Audit & Supervisory Board members during their audits.

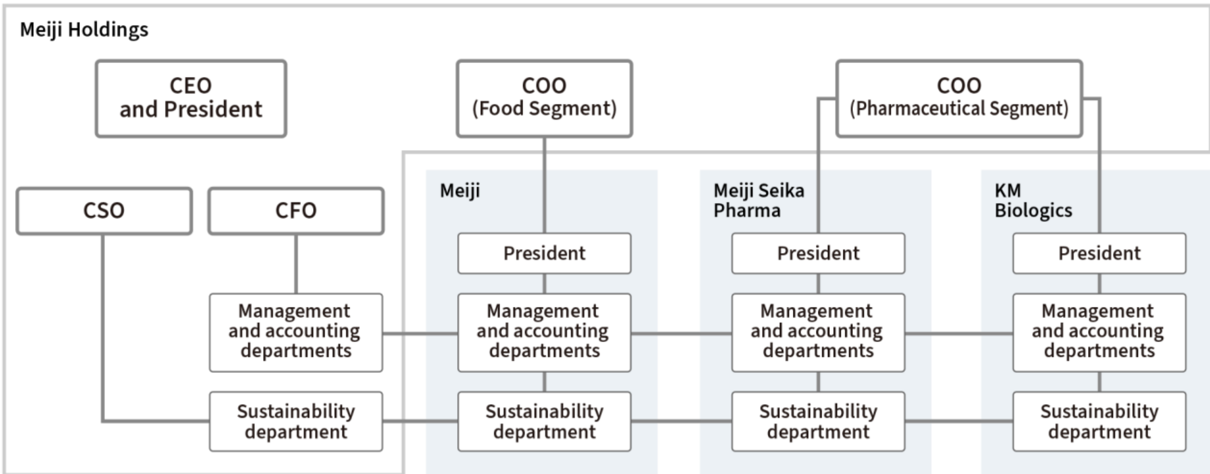
12) Basic Views on Eliminating Anti-Social Forces

   In accordance with the Corporate Behavior Charter and Compliance Regulations, the Company and Group companies sever all relationships with antisocial forces and groups that threaten the order and safety of civil society. In the case where a crime syndicate employs intimidation or otherwise poses a threat, the Company has developed a system for responding swiftly in close collaboration with public bodies such as the police and with attorneys.

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



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



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

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

4. Number of directors

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

5. Requirements for resolutions for the election of directors

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

6 Dividends of surplus

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

7. Interim dividends

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

8. Acquiring Treasury Shares

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

9. Exemption from liability of directors and Audit & Supervisory Board members

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

10. Requirements for special resolutions

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

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

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

(2) Directors and other officers

1. List of Directors and other officers

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

Official title or position	Name	Date of birth	Career summary	Term of office	Number of shares held
CEO, President and Representative Director	Kazuo Kawamura	August 25, 1953	April 1976 Joined Meiji Dairies (Note 4) June 2007 Director, Meiji Dairies June 2009 Executive Officer, Meiji Dairies June 2010 Director, Meiji Dairies June 2010 Managing Executive Officer, Meiji Dairies April 2011 Member of the Board, Meiji (incumbent) April 2011 Senior Managing Executive Officer, Meiji June 2012 Representative Director, Meiji June 2012 President, Meiji June 2012 Member of the Board, the Company (incumbent) June 2018 Member of the Board, Meiji Seika Pharma (incumbent) June 2018 Representative Director, the Company (incumbent) June 2018 President, the Company (incumbent) April 2019 President (Co-Creation Center), the Company (incumbent) June 2020 CEO, the Company (incumbent) June 2020 President (Corporate Development Dept.), the Company (incumbent) April 2021 President (Group HR Strategy Dept.), the Company (incumbent)	(Note 5)	43,816
COO (Pharmaceutical Segment), Member of the Board and Executive Officer	Daikichiro Kobayashi	August 21, 1954	April 1979 Joined Meiji Seika (Note 3) June 2010 Executive Officer, Meiji Seika April 2011 Executive Officer, Meiji Seika Pharma June 2013 Member of the Board, Meiji Seika Pharma (incumbent) June 2013 Managing Executive Officer, Meiji Seika Pharma June 2014 Representative Director, Meiji Seika Pharma (incumbent) June 2014 President, Meiji Seika Pharma (incumbent) June 2014 Member of the Board, the Company (incumbent) June 2020 Executive Officer, the Company (incumbent) June 2020 COO (Pharmaceutical Segment), the Company (incumbent) June 2021 Chairman and Representative Director, KM Biologics (incumbent)	(Note 5)	15,143
COO (Food Segment), Member of the Board and Executive Officer	Katsunari Matsuda	August 25, 1957	April 1980 Joined Meiji Dairies (Note 4) June 2012 Executive Officer, Meiji June 2015 Managing Executive Officer, Meiji June 2017 Member of the Board, the Company (incumbent) June 2017 Senior Managing Executive Officer, the Company June 2018 Representative Director, the Company (incumbent) June 2018 President, the Company (incumbent) June 2018 Member of the Board, the Company (incumbent) June 2020 COO (Food Segment), the Company (incumbent)	(Note 5)	13,737

Official title or position	Name	Date of birth	Career summary	Term of office	Number of shares held
CFO, Member of the Board and Senior Managing Executive Officer, Corporate Administration Department / Risk Management Department	Koichiro Shiozaki	August 22, 1954	April 1978 Joined Meiji Dairies (Note 4) April 2011 Executive Officer, Meiji June 2015 Member of the Board, the Company (incumbent) June 2015 Executive Officer, the Company June 2015 General Manager, Financial & Accounting Dept., the Company June 2017 Managing Executive Officer, the Company April 2020 Managing Executive Officer (Financial & Accounting Dept.), the Company June 2020 Senior Managing Executive Officer, the Company (incumbent) June 2020 CFO, the Company (incumbent) June 2020 Senior Managing Executive Officer (HR & General Affairs Dept.), the Company June 2020 Member of the Board, KM Biologics (incumbent) June 2020 Member of the Board, Meiji Seika Pharma (incumbent) April 2021 Senior Managing Executive Officer (Corporate Administration Dept.), the Company (incumbent) April 2021 Senior Managing Executive Officer (Risk Management Dept.), the Company (incumbent)	(Note 5)	14,679
CSO, Member of the Board and Senior Managing Executive Officer, Corporate Communication Department / Sustainable Management Department	Jun Furuta	August 17, 1957	April 1981 Joined Meiji Seika (Note 3) June 2013 Executive Officer, Meiji June 2014 Member of the Board, the Company (incumbent) June 2014 Executive Officer, the Company June 2014 General Manager, PR & IR Dept., the Company June 2018 Managing Executive Officer, the Company October 2019 Managing Executive Officer (Sustainable Management Dept.), the Company (incumbent) April 2020 Managing Executive Officer (PR & IR Dept.), the Company June 2020 Member of the Board, Meiji (incumbent) June 2020 Senior Managing Executive Officer, the Company (incumbent) June 2020 CSO, the Company (incumbent) April 2022 Senior Managing Executive Officer (Corporate Communication Dept.), the Company (incumbent)	(Note 5)	8,070
Member of the Board Note 1	Mariko Matsumura	September 24, 1959	April 1988 Admitted to the bar in Japan as Attorney at Law April 1988 Joined Braun Moriya Hoashi & Kubota February 1994 Joined Ryudo Sogo Law Offices January 2006 Joined Shinwa Sogo Law Offices (incumbent) June 2018 Outside Member of the Board, Meiji (incumbent) April 2022 President, Dai-Ichi Tokyo Bar Association (incumbent)	(Note 5)	560
Member of the Board Note 1	Masaya Kawata	April 20, 1952	April 1975 Joined Nisshinbo Industries, Inc. (currently Nisshinbo Holdings Inc.) June 2006 Managing Officer, Nisshinbo Industries, Inc. June 2007 Director, Nisshinbo Industries, Inc. (incumbent) April 2009 President and Representative Director of Nisshinbo Brake Inc. June 2010 Executive Managing Officer, Nisshinbo Holdings Inc. June 2011 President and Representative Director, Nisshinbo Chemical Inc. June 2012 Senior Executive Managing Officer, Nisshinbo Holdings Inc. June 2012 President and Representative Director, Nisshinbo Mechatronics Inc. June 2013 President and Representative Director,	(Note 5)	317

Official title or position	Name	Date of birth	Career summary	Term of office	Number of shares held
			Nisshinbo Holdings Inc. March 2019 Chairman and Representative Director, Nisshinbo Holdings Inc. June 2021 Outside Member of the Board, Meiji (incumbent) March 2022 Chairman and Director, Nisshinbo Holdings Inc. (incumbent)		
Member of the Board Note 1	Michiko Kuboyama	April 16, 1956	April 1980 Joined Kao Soap Co., Ltd. (currently Kao Corporation) April 2006 General Manager, Products Public Relations Department, Kao Corporation April 2011 General Manager, Products Public Relations Center, Kao Corporation May 2016 Communication Fellow, Lifestyle Research Department, Kao Corporation June 2021 Outside Member of the Board, Meiji (incumbent)	(Note 5)	158
Member of the Board Note 1	Peter D. Pedersen	November 29, 1967	September 2000 President, E-Square Inc. January 2015 Representative Director, Next Leaders' Initiative for Sustainability (NELIS) August 2020 Representative Director, NPO NELIS (incumbent) June 2022 Outside Member of the Board, Meiji (incumbent)	(Note 5)	-
Audit & Supervisory Board Member (Full-time)	Hiroaki Chida	October 22, 1959	April 1982 Joined Meiji Dairies (Note 4) April 2011 General Manager, Operation Management Dept., Chubu Sales Headquarters, Meiji April 2013 General Manager, Audit Dept., the Company April 2017 General Manager, Administration Dept., Administration Div., the Company June 2018 Executive Officer, the Company (incumbent) April 2021 Associate General Manager of Corporate Business Div., the Company (incumbent) June 2021 Company Audit & Supervisory Board Member (incumbent) June 2022 Audit & Supervisory of KM Biologics Co. Ltd. (incumbent)	(Note 6)	3,749
Audit & Supervisory Board Member (Full-time)	Takayoshi Ohno	October 29, 1960	April 1983 Joined Meiji Seika (Note 3) October 2011 General Manager, Marketing Planning Strategy Dept., Meiji Seika Pharma June 2012 General Manager, Chiba & Saitama Branch, Meiji Seika Pharma October 2014 General Manager, Fukuoka Branch, Meiji Seika Pharma October 2015 General Manager, Marketing Planning Strategy Dept., Meiji Seika Pharma July 2017 General Manager, Marketing Planning Strategy Dept., Meiji Seika Pharma June 2020 Executive Officer, Meiji Seika Pharma (incumbent) October 2020 General Manager, CNS Product Marketing Dept., Meiji Seika Pharma (incumbent) June 2021 Audit & Supervisory Board Member (incumbent)	(Note 6)	3,212
Audit & Supervisory Board Member Note 2	Hajime Watanabe	July 28, 1959	April 1987 Admitted to the bar in Japan as Attorney at Law (Daini Tokyo Bar Association) April 1987 Joined Mori Sogo Law Offices (currently Mori Hamada & Matsumoto) September 1994 Admitted to the bar in the state of Illinois, the United States, as Foreign Legal Consultant May 1995 Admitted to the bar in the state of New York, the United States, as Attorney at Law April 2007 Opened STW & Partners (currently SHIOMIZAKA) (incumbent) June 2010 Substitute Audit & Supervisory Board Member,Meiji June 2013 Outside Audit & Supervisory Board	(Note 6)	-

Official title or position	Name	Date of birth	Career summary	Term of office	Number of shares held
			Member, the Company (incumbent) January 2022 Established Watanabe & Shimizu (incumbent)		
Audit & Supervisory Board Member Note 2	Makoto Ando	October 8, 1959	October 1984 Joined Sanwa Tokyo Marunouchi Office Audit Corporation (currently Deloitte Touche Tohmatsu LLC) December 1988 Joined KPMG Peat Marwick New York Office April 1991 Joined Sakurai Accounting Office April 1994 Joined Tokyo Metropolitan Police Department April 2002 Joined Ando Tax & Accounting Office (currently Hibiki Tax Corporation) (incumbent) April 2002 Joined Ando Certified Public Accountant Joint Office (incumbent) June 2017 Outside Audit & Supervisory Board Member,Meiji (incumbent)	(Note 6)	2,821
Total					106,262

(Notes) 1. Among the directors, Mariko Matsumura, Masaya Kawata, Michiko Kuboyama, and Peter D. Pedersen are outside directors.

2. Among the auditors, Hajime Watanabe and Makoto Ando are outside auditors.
3. Meiji Seika Kaisha, Ltd. changed its trade name to Meiji Seika Pharma Co., Ltd. as of April 1, 2011.
4. Meiji Dairies Corporation changed its trade name to Meiji Co., Ltd. as of April 1, 2011.
5. The term of office of the directors is from the close of the ordinary general meeting of shareholders for the fiscal year ended March 31, 2022 to the close of the ordinary general meeting of shareholders for the fiscal year ending March 31, 2023.
6. The term of office of the auditors is from the close of the ordinary general meeting of shareholders for the fiscal year ended March 31, 2021 to the close of the ordinary general meeting of shareholders for the fiscal year ending March 31, 2025.
7. The Company introduced an executive officer system. There are eight executive officers, five of whom also serve as directors. The table below shows the executive officers.

Name	Positions & Responsibilities
Kazuo Kawamura	CEO, President Corporate Development Dept., Group HR Strategy Dept., Co-Creation Center
Daikichiro Kobayashi	COO (Pharmaceutical Segment), Executive Officer
Katsunari Matsuda	COO (Food Segment), Executive Officer
Koichiro Shiozaki	CFO, Senior Managing Executive Officer Corporate Administration Dept., Risk Management Dept.
Jun Furuta	CSO, Senior Managing Executive Officer PR & IR Dept., Sustainable Management Dept.
Shigeru Taniguchi	Executive Officer Co-Creation Center
Shinji Matsuoka	Executive Officer, Head of Sustainable Management Dept.
Yuhei Matsumoto	Executive Officer, Head of Group HR Strategy

2 Outside Directors and Outside Auditors

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

Members of the Board Mariko Muramatsu, Masaya Kawata, and Michiko Kuboyama and Audit & Supervisory Board Member Makoto Ando hold shares of the Company. Peter D. Pedersen has been receiving remuneration as an outside expert for the Company's ESG Advisory Board since fiscal year 2021. In addition, he is the representative director of NELIS, a nonprofit organization, and the Company takes part in the activities organized by NELIS. The Company paid less than JPY 2 million for such remuneration and participation fees in the previous consolidated fiscal year, which meets our Criteria for Independence.

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

Member of the Board Mariko Muramatsu is an outside auditor of Fund Creation Group Co., Ltd. In addition, she was an outside auditor of Adastria Co., Ltd. until May 2022. We do not have any special relationship with Fund Creation Group Co., Ltd. and Adastria Co., Ltd.

Member of the Board Masaya Kawata is the director and chairman of Nisshinbo Holdings Inc. and an outside director of Central Glass Co., Ltd. We do not have any special relationship with Nisshinbo Holdings Inc. or Central Glass Co., Ltd.

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

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

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

Audit & Supervisory Board Member Hajime Watanabe is an outside director of Hitachi Transport System, Ltd. In addition, he was an outside auditor of Seiko PMC Corporation until March 2019 and an outside auditor of Furyu Corporation until June 2019. We do not have any special relationships with Hitachi Transport System, Ltd., Seiko PMC Corporation, or Furyu Corporation.

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

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

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

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

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

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

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

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

(3) Audit

1 Audit by Audit & Supervisory Board Members

a. Organization, Personnel, and procedures

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

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

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

Name	Background, etc.	Attendance of the Audit & Supervisory Board in the fiscal year
Full-time Audit & Supervisory Board member Mineo Matsuzumi	Mineo Matsuzumi held important positions in fields such as accounting, finance, human resources, auditing, purchasing, and information systems at the Meiji Group, and has considerable expertise in finance and accounting.	5/6
Full-time Audit & Supervisory Board member Hiroyuki Tanaka	Hiroyuki Tanaka engaged in information system operations for a long time at the Meiji Group and is well versed in the business management of the entire Group through the development and introduction of systems for each business, accounting, human resources, and other core work, as well as overall IT control and information security management.	6/6
Full-time Audit & Supervisory Board member Hiroaki Chida	Hiroaki Chida held important positions in fields such as accounting, finance, and auditing at the Meiji Group, and has considerable expertise in finance and accounting.	11/11
Full-time Audit & Supervisory Board member Takayoshi Ohno	Takayoshi Ohno assumed key managerial positions for an extended period at Meiji Seika Pharma Co., Ltd., a Meiji Group company, and is well versed in the Pharmaceutical business.	11/11
Outside Audit & Supervisory Board member Hajime Watanabe	Hajime Watanabe has a prolific career as an attorney at law and has deep expertise in international business transactional law areas.	16/17
Outside Audit & Supervisory Board member Makoto Ando	Makoto Ando has built a prolific career and gained deep expertise in both the private sector, working in major audit firms and accounting firms in Japan and overseas as a certified public accountant, and the public sector.	16/17

(Notes) Upon the conclusion of the 12th Ordinary General Meeting of Shareholders held on June 29, 2021, Full-time Audit & Supervisory Board members Mineo Matsuzumi and Hiroyuki Tanaka left their positions following the expiration of their terms of office

The Audit & Supervisory Board meets once a month before the Board of Directors meeting is held and also meets as needed. In the fiscal year, a total of 17 meetings were held, with each meeting lasting approximately 1.5 hours. The main subjects discussed by the Audit & Supervisory Board are as follows:

Matters resolved	12 matters: resolution on the reappointment of the accounting auditor, resolution on audit reports by the Audit & Supervisory Board, resolution on audit policies and plans, resolution on audit fees for the accounting auditor, etc.
Matters discussed	6 matters: discussion on audit reports by each Audit & Supervisory Board members, discussion on reporting at the General Meeting of Shareholders, discussion on remuneration for Audit & Supervisory Board members, etc.
Matters confirmed	17 matters: confirmation of proposals to be submitted to the Board of Directors, confirmation by the Audit & Supervisory Board regarding internal controls pertaining to financial reporting, etc.
Matters reported	126 matters: reports on the status of the execution of duties, etc.

The four Audit & Supervisory Board members attend Board of Directors meetings, audit the proceedings and matters resolved, and express their opinions as needed. As for the attendance of the Audit & Supervisory Board members at Board of Directors meetings, Mineo Matsuzumi attended four out of five meetings, Hiroyuki Tanaka attended five out of five meetings, Hiroaki Chida and Takayoshi Ohno attended 14 out of 14 meetings, and Hajime Watanabe and Makoto Ando attended 19 out of 19 meetings. In addition, the Audit & Supervisory Board holds regular meetings twice a year with the CEO, President, and Representative Director, as well as the presidents of business companies who concurrently serve as COOs and Members of the Board of the Company, sharing opinions on matters such as issues to be addressed by the Company, the status of the environment put in place for Audit & Supervisory Board audits, key issues in auditing, and explaining audit policies and plans and the implementation status and results of audits as appropriate.

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

2 Internal audit

a. Organization, Personnel, and procedures

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

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

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

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

The full-time Audit & Supervisory Board members and the Audit Department regularly share information through the

Audit Department Liaison Meeting, a liaison meeting on audits. The four Audit & Supervisory Board members hold quarterly liaison meetings with the accounting auditor to exchange opinions. The accounting auditor and the Audit Department collaborate as needed and strive to improve the efficiency of audits.

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

3 Audit by Accounting Auditor

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

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

The assistants involved in the accounting audit work are comprised of 16 certified public accountants and 47 others.

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

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

a. Policy and Reason for Selecting the Accounting Auditor

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

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

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

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

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

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

4. Details of Audit Fees, Etc.

a. Fees for Auditing Certified Public Accountants, etc.

Categories	As of March 31, 2021		As of March 31, 2022	
	Fees based on audit and attestation services (Millions of yen)	Fees based on non-audit services (Millions of yen)	Fees based on audit and attestation services (Millions of yen)	Fees based on non-audit services (Millions of yen)
Reporting company	81	4	86	16
Consolidated subsidiaries	173	3	155	5
Total	254	7	242	21

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

(Previous consolidated fiscal year)

Fees were paid for advisory services in relation to the preparation of the English version of the Company's Integrated Report and accounting work.

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

(Current consolidated fiscal year)

Fees were paid for advisory services in relation to the preparation of the English version of the Company's Integrated Report and accounting work.

Fees were paid for advisory services in relation to accounting work at consolidated subsidiaries

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

Categories	As of March 31, 2021		As of March 31, 2022	
	Fees based on audit and attestation services (Millions of yen)	Fees based on non-audit services (Millions of yen)	Fees based on audit and attestation services (Millions of yen)	Fees based on non-audit services (Millions of yen)
Reporting company	-	-	-	-
Consolidated subsidiaries	17	14	20	130
Total	17	14	20	130

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

(Previous consolidated fiscal year)

Fees were paid for advisory services, etc. in relation to taxation work at consolidated subsidiaries.

(Current consolidated fiscal year)

Fees were paid for advisory services, etc. in relation to M&A and taxation work at consolidated subsidiaries.

c. Fees paid for other important audit and attestation services

Not applicable.

d. Policy on determining audit fees

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

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

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

(4) Remuneration for directors (and other officers)

1. Outline and Results of Executive Remuneration System for FY2021

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

The Company revised its executive remuneration system on July 1, 2021, and executive remuneration based on this system will be paid in and after July 2022, reflecting business performance for FY2021. Accordingly, executive remuneration for the current fiscal year was determined and paid based on the former system, reflecting business performance for FY2020.

● Objectives of the Remuneration System

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

Objectives of the executive remuneration system (established in 2011)

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

● Composition of remuneration

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

Type		Outline
Fixed remuneration	Basic remuneration	・Determined according to the position ・Paid as monthly remuneration
Variable remuneration	Performance-linked remuneration	・The amount of payment fluctuates every year according to corporate and individual performance. ・Consolidated net sales and consolidated operating profit are used as indicators for corporate performance. ・Corporate performance is assessed based on a single fiscal year budget assessment, which measures the level of achievement of a single fiscal year budget, and year-on-year growth assessment, which measures the rate of growth from the results for the previous fiscal year. For consolidated operating profit, the Company has introduced a profit sharing scheme that determines the amount of payment according to the absolute value of consolidated operating profit. ・The calculated amount is divided by the number of months of the term of office and paid as monthly remuneration.
	Share remuneration	・Shares with transfer restrictions of at least three years are allotted. The amount of monetary remuneration claims to be granted by the Company in order to allot transfer restricted shares is set according to the position. ・Granted each year during a certain period after the completion of the General Meeting of Shareholders

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

● Remuneration levels

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

<Benchmarks for remuneration>

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

● Remuneration composition ratio

To provide incentives for improved corporate performance and promote the sharing of interests with shareholders and other stakeholders, the Company has set the ratio of fixed remuneration (basic remuneration) to variable remuneration (performance-linked remuneration and share remuneration) at approximately 6:4. Specifically, the Company applies a higher rate of variable remuneration as the rank and position of the executive increases, setting ratios of 54% to 59% for fixed remuneration and 41% to 46% for variable remuneration.

● Remuneration Governance

<Method of determining remuneration>

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

With regard to remuneration paid to executive officers in the current fiscal year, discussions were held at the Compensation Committee meeting held on June 4, 2021 concerning the amount of remuneration for each individual based on the corporate and individual performance evaluation results in accordance with the remuneration system. As it is most appropriate for the CEO, President and Representative Director, who oversees all business execution, to conduct individual performance evaluations for directors (excluding outside directors), a resolution was adopted at the Board of Directors meeting held on June 29, 2021 specifying that CEO, President and Representative Director Kazuo Kawamura shall decide the amount of remuneration for each individual, as well as the results of individual performance, based on the results of deliberations by the Compensation Committee.

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

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

<Members and their attendance>

Name	Title	Attendance
Kazuo Kawamura	CEO, President and Representative Director	3 of 3 meetings
Tomochika Iwashita	Outside director	3 of 3 meetings
Tohru Murayama	Outside director	3 of 3 meetings
Mariko Matsumura	Outside director	3 of 3 meetings

* Tomochika Iwashita and Tohru Murayama left their positions as outside directors as of June 29, 2021.

<Activities of the Compensation Committee>

Meeting date	Details of deliberations
January 18, 2021	Policy on design of the executive remuneration system
April 16, 2021	Detailed design of the executive remuneration system
June 4, 2021	The amount of remuneration of each individual in FY2021 based on corporate and individual performance evaluation results in accordance with the executive remuneration system The Rules and Detailed Rules for Director and Executive Officer Remuneration

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

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

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

● Objective

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

● Performance indicators

In evaluating corporate performance, the Company uses consolidated net sales and consolidated operating profit as indicators towards the realization of the Meiji Group 2026 Vision. Individual performance is also added to the evaluation items for executive officers excluding the CEO, President and Representative Director.

● Evaluation method

For evaluation, the Company uses a single fiscal year budget assessment, which measures the level of achievement of single fiscal year budgets for consolidated net sales and consolidated operating profit, and year-on-year growth assessment, which measures the rate of growth from the results for the previous fiscal year. For consolidated operating profit, the Company has also introduced a profit sharing scheme that determines the amount of payment according to the absolute value of consolidated operating profit.

● Calculation method of payment amounts

The payment amount is calculated by multiplying the base amount by a coefficient calculated as detailed below.

Performance indicator	Indicator	Coefficient calculation method
Corporate performance	Consolidated net sales	・The average value of the coefficients for single fiscal year budget assessment and year-on-year growth assessment is used for calculation of payment amounts. ・The coefficient for single fiscal year budget assessment is 100% when the budget for the fiscal year is achieved. The coefficient fluctuates between 0% and 200% based on the rate of fiscal year budget achievement (between 80% and 120%). ・The coefficient for year-on-year growth assessment is 100% when the results are the same as in the previous fiscal year. The coefficient fluctuates between 0% and 200% based on the rate of growth over the previous year (between 80% and 120%).
	Consolidated operating profit	・The average value of the coefficients for single fiscal year budget assessment and year-on-year growth assessment is used for calculation of payment amounts. ・The coefficient for single fiscal year budget assessment is 100% when the budget for the fiscal year is achieved. The coefficient fluctuates between 0% and 200% based on the rate of fiscal year budget achievement (between 50% and 150%). ・The coefficient for year-on-year growth assessment is 100% when the results are the same as in the previous fiscal year. The coefficient fluctuates between 0% and 200% based on the rate of growth over the previous year (between 50% and 150%).
	Profit share (Consolidated operating profit)	・The coefficient is determined according to the absolute value of consolidated operating profit. ・The upper limit of the coefficient is not set.
Individual performance		・The coefficient that fluctuates between 0% and 200% based on a seven-tier evaluation of individual performance, which is determined through comprehensive assessment by the CEO, President and Representative Director. ・Individual performance is not evaluated for the CEO, President and Representative Director.

● Results for the current fiscal year

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

	Actual amount (FY2020)	Target amount
Consolidated net sales (Millions of yen)	1,191,765	1,287,300
Consolidated operating profit (Millions of yen)	106,061	115,500

(Note) For profit share, as the amount of payment is determined according to the absolute value of consolidated operating profit for each year, the target amount is not set.

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

● Objective

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

●Scheme

Transfer restricted shares with transfer restrictions of at least three years are provided. The amount of monetary remuneration claims to be granted by the Company in order to allot transfer restricted shares is set according to the position.

● Outline of Share Remuneration System

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

Under the share remuneration system, eligible directors contribute, as investment in kind, all of the monetary remuneration claims granted by the Company in order to allot transfer restricted shares, and purchase common shares in the Company newly issued or disposed of by the Company (“Allotted Shares”). The total number of Allotted Shares to be newly issued or disposed of by the Company under the share remuneration system is be 20,000 shares or less per year, and the paid-in amount per Allotted Share is an amount not advantageous to the eligible directors that is set by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the trading day prior to the date of a board resolution in relation to this matter (if the transaction is not completed on the same day, the closing price on the most recent trading day prior to that day).

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

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

● Outline of the Allotment Agreement

<Period of transfer restriction>

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

<Handling at time of loss of position>

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

<Lifting of transfer restriction, etc. >

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

<Provision on management of Allotted Shares>

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

<Handling in organizational realignment, etc.>

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

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

Categories of directors (and other officers)	Total amount of remuneration (Millions of yen)	Total amount by remuneration type (Millions of yen) and number of eligible officers					
		Monetary remuneration				Non-monetary remuneration	
		Basic remuneration		Performance-linked remuneration		Share remuneration	
		Total amount	Number of eligible officers	Total amount	Number of eligible officers	Total amount	Number of eligible officers
Directors excluding outside directors	258	125	5	99	3	33	3
Audit & Supervisory Board Members excluding outside Audit & Supervisory Board Members	61	61	4	-	-	-	-
Outside directors	45	45	5	-	-	-	-
Outside Audit & Supervisory Board Members	28	28	2	-	-	-	-
Total	394	261	16	99	3	33	3

(Notes)
1. The number of eligible officers includes two directors and two Audit & Supervisory Board members who left their posts as of June 29, 2021.
2. As per the resolution of the 1st Ordinary General Meeting of Shareholders held on June 29, 2010, the amount of remuneration for directors is capped at JPY 1 billion per year (not including the employee portion of remuneration for directors who concurrently serve as employees). The number of directors as of the conclusion of the Ordinary General Meeting of Shareholders is 10.
3. As per the resolution of the 1st Ordinary General Meeting of Shareholders held on June 29, 2010, the amount of remuneration for Audit & Supervisory Board members is capped at JPY 300 million per year. The number of Audit & Supervisory Board members as of the conclusion of the Ordinary General Meeting of Shareholders is four.
4. The Company introduced a transfer restricted share remuneration system for directors other than outside directors. As per the resolution of the 8th Ordinary General Meeting of Shareholders held on June 29, 2017, the amount of remuneration under this plan is capped at JPY 200 million per year, aside from the amount of remuneration stated in Note 2 above, with the number of shares capped at 20,000 shares per year. The number of directors (excluding outside directors) as of the conclusion of the Ordinary General Meeting of Shareholders is seven.
5. The amount for share remuneration indicates the amount appropriated during the current fiscal year (recorded in expenses).

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

Name	Officer category	Company	Remuneration type (Millions of yen)			Total consolidated remuneration (Millions of yen)
			Monetary remuneration		Non-monetary remuneration	
			Base remuneration	Performance-linked remuneration	Share remuneration	
Kazuo Kawamura	Directors	Meiji Holdings Co., Ltd	43	54	18	146
	Directors	Meiji Co., Ltd.	14	-	-	
	Directors	Meiji Seika Pharma Co., Ltd.	14	-	-	
Katsunari Matsuda	Directors	Reporting company	11	-	-	119
	Directors	Meiji Co., Ltd.	51	42	14	

2. Outline of Executive Remuneration System for FY2022 (Outline of Executive Remuneration System Revised in July 2021)

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

● Objectives of the Remuneration System

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

Objectives of the executive remuneration system (established in 2011) 1. Provide remuneration levels that make it possible to internally and externally recruit, motivate, and retain outstanding human resources 2. Provide motivation for short-term and medium- to long-term management goals 3. Enable appropriate rewards for produced results 4. Satisfy a sense of mission through the sharing of responsibility for results with shareholders 5. Guarantee fairness and rationality that can ensure the fulfilment of accountability to shareholders and other stakeholders

● Composition of remuneration

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

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

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

● Remuneration levels

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

<Benchmarks for remuneration>

・The levels of major Japanese companies based on data provided by external research companies

・The levels of major manufacturers that are similar to the Company in terms of scale and business type and conditions.

● Remuneration composition ratio

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

● Remuneration Governance

<Method of determining remuneration>

The Board of Directors determines the details of the director remuneration system, corporate and individual performance evaluation results, and the amounts of calculated remuneration, excluding matters related to individual performance, after securing the opinion of the Compensation Committee, the majority of whose members are independent outside directors. As it is most appropriate for the CEO, President and Representative Director, who oversees all business execution, to conduct individual performance evaluations for directors (excluding outside directors), the CEO, President and Representative Director decides the results of individual performance, which constitute a part of performance-linked remuneration, pursuant to delegation by the Board of Directors.

To ensure that the authority delegated by the Board of Directors to the CEO, President and Representative Director is exercised appropriately, the authority delegated by the Board of Directors is limited to a portion of the authority to determine remuneration as a whole. Moreover, the results of individual performance is also to be determined by the CEO, President and Representative Director based on the opinion of the Compensation Committee.

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

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

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

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

● Objective

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

● Performance indicators

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

● Evaluation method

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

c. Details of Performance-Linked Remuneration

● Payment amount calculation method

The payment amount is calculated by multiplying the Target Base Amount by a coefficient calculated as detailed below.

Performance indicator	Evaluation method	Indicator	Coefficient calculation method
Corporate performance	Fiscal year target evaluation	Consolidated operating profit	・ Achievement of fiscal year target represents 100%. The coefficient fluctuates between 0% and 200% based on the rate of achievement (50% to 150%) for the fiscal year target.

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

d. Details of Share Remuneration

● Objectives

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

● Scheme

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

● Performance indicator

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

● Payment amount calculation method

Payment amounts are calculated by multiplying the Target Base Amount by a coefficient calculated as detailed below.

- The coefficient is 100% at the time of achieving 13 pt, the target set for the period of the 2023 Medium-Term Business Plan.
- The minimum is set as 9 pt, which is the actual figure for the Meiji ROESG®, and the maximum is 17 pt. the coefficient fluctuates between 50% and 150% depending on the actual ROESG® figure.
- No share-based remuneration will be allocated if the Meiji ROESG® is lower than 5 pt for two consecutive years.

(5) Shareholdings

1. Criteria and concepts for categories of investment shares

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

2. Shareholdings in the reporting company

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

a. Investment shares held for purposes other than pure investment

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

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

Following its September 2021 review, the Board of Directors concluded that the Company should continue holding 30 issues. Subsequently, the Company sold one issue in its entirety and partially sold eight issues in the current fiscal year with the objective of reducing cross-shareholdings under the Corporate Governance Code.

In addition, the Group is planning to reduce cross-shareholdings by 30% from the end of fiscal year 2020 on a book value basis during the 2023 Medium-Term Business Plan period (from March 31, 2022 to March 31, 2024). In fiscal year 2021, which is the first year of the 2023 Medium-Term Business Plan, cross-shareholdings were reduced by about 10% on a book value basis.

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

	Number of issues	Total amount recorded in balance sheets (Millions of yen)
Shares not listed	1	50
Shares other than those not listed	29	38,923

(Issues whose holdings increased during the current fiscal year)

	Number of issues	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in number of shares
Shares not listed	1	50	To pursue business synergies in research and development in the feeding and swallowing area
Shares other than those not listed	-	-	-

(Issues whose holdings decreased in the current fiscal year)

	Number of issues	Total amount sold due to decrease in number of shares held (Millions of yen)
Shares not listed	-	-
Shares other than those not listed	9	2,454

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

Specified investment securities

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji's shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Kikkoman Corporation	1,548,000	1,548,000	Shares are held to strengthen the relationship with Group companies.	Yes
	12,585	10,201		
Ono Pharmaceutical Co., Ltd.	1,393,200	1,466,500	Shares are held to strengthen the relationship with Group companies.	Yes
	4,271	4,238		
Yakult Honsha Co., Ltd.	531,200	531,200	Shares are held to strengthen the Group's transactional relationships.	Yes
	3,463	2,974		
Nisshin Seifun Group Inc.	1,493,220	1,493,220	Shares are held to strengthen the Group's transactional relationships.	Yes
	2,547	2,762		
Nippon Kayaku Co., Ltd.	1,628,200	2,062,400	Shares are held to strengthen the relationship with Group companies.	Yes
	1,890	2,204		
Nippon Beet Sugar Manufacturing Co., Ltd.	1,133,845	1,470,845	Shares are held to strengthen the relationship with Group companies.	Yes
	1,826	2,413		
Mizuho Financial Group, Inc.	988,522	1,321,522	Shares are held to accelerate the Group's financial operations.	Yes
	1,549	2,113		
ROHTO Pharmaceutical Co., Ltd.	328,100	328,100	Shares are held to strengthen the relationship with Group companies.	Yes
	1,212	968		
Mitsubishi UFJ Financial Group, Inc.	1,451,890	1,751,890	Shares are held to accelerate the Group's financial operations.	Yes
	1,103	1,036		
NIPPN Corporation	631,888	631,888	Shares are held to strengthen the Group's transactional relationships.	Yes
	1,050	1,047		
Toyo Suisan Kaisha, Ltd.	232,000	232,000	Shares are held to strengthen the relationship with Group companies.	Yes
	1,013	1,078		
Sumitomo Mitsui Trust Holdings, Inc.	246,779	278,779	Shares are held to accelerate the Group's financial operations.	Yes
	987	1,075		
Kameda Seika Co., Ltd.	246,400	246,400	Shares are held to strengthen the relationship with Group companies.	Yes
	979	1,187		
Sumitomo Mitsui Financial Group, Inc.	210,781	228,781	Shares are held to accelerate the Group's financial operations.	Yes
	823	916		

Issue	Current fiscal year Number of shares Book value (Millions of yen)	Previous fiscal year Number of shares Book value (Millions of yen)	Purpose of shareholding, quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji's shares
Toyota Tsusho Corporation	138,000	138,000	Shares are held to strengthen the Group's transactional relationships.	Yes
	698	641		
Rengo Co., Ltd.	786,000	786,000	Shares are held to strengthen the Group's transactional relationships.	Yes
	614	755		
Daiwa Securities Group Inc.	654,000	654,000	Shares are held to accelerate the Group's financial operations.	Yes
	453	374		
Sompo Holdings, Inc.	78,035	78,035	Shares are held to strengthen the Group's transactional relationships.	Yes
	419	331		
The Shizuoka Bank, Ltd.	317,625	317,625	Shares are held to accelerate the Group's financial operations.	Yes
	274	276		
Resona Holdings, Inc.	413,615	598,615	Shares are held to accelerate the Group's financial operations.	Yes
	216	278		
Sapporo Holdings Limited	85,400	85,400	Shares are held to strengthen the relationship with Group companies.	Yes
	197	195		
Tokio Marine Holdings, Inc.	24,430	24,430	Shares are held to strengthen the Group's transactional relationships.	Yes
	174	128		
TBS Holdings, Inc.	95,500	95,500	Shares are held to strengthen the relationship with Group companies.	Yes
	170	207		
Kajima Corporation	73,537	73,537	Shares are held to strengthen the Group's transactional relationships.	Yes
	109	115		
Nippi, Incorporated	26,400	26,400	Shares are held to strengthen the Group's transactional relationships.	Yes
	93	99		
Taisei Corporation	24,200	24,200	Shares are held to strengthen the Group's transactional relationships.	Yes
	85	103		
MS&AD Insurance Group Holdings, Inc.	15,750	15,750	Shares are held to strengthen the Group's transactional relationships.	Yes
	62	51		
Central Security Ptrols Co., Ltd.	11,069	11,069	Shares are held to strengthen the Group's transactional relationships.	Yes
	27	37		
ADEKA Corporation	8,000	8,000	Shares are held to strengthen the Group's transactional relationships.	Yes
	21	17		

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji's shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
The Chiba Bank, Ltd.	-	247,000	This company's shares are not held as of March 31, 2022.	None
	-	179		

(Notes) 1 "-" indicates that the relevant issue is not held.

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

3 With regard to ownership of the Company's shares, in the case where the issue is the holding company, the number of shares held by its main subsidiaries (the number of shares actually held) is taken into account.

3 Shareholdings in Meiji Co., Ltd.

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

a. Investment shares held for purposes other than pure investment

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

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

Following its September 2021 review, the Executive Committee of Meiji Co., Ltd. concluded that the company should continue holding 103 issues.

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

	Number of issues	Total amount recorded in balance sheets (Millions of yen)
Shares not listed	34	1,752
Shares other than those not listed	72	27,069

(Issues whose holdings increased during the current fiscal year)

	Number of issues	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in number of shares
Shares not listed	-	-	-
Shares other than those not listed	13	14	Acquisition of shares through shareholding program.

(Issues whose holdings decreased in the current fiscal year)

	Number of issues	Total amount sold due to decrease in number of shares held (Millions of yen)
Shares not listed	1	240
Shares other than those not listed	8	2,498

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

Specified investment securities

Issue	Current fiscal year Number of shares Book value (Millions of yen)	Previous fiscal year Number of shares Book value (Millions of yen)	Purpose of shareholding, quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji Co., Ltd.'s shares
Oriental Land Co., Ltd.	712,400	800,000	Shares are held to strengthen the Group's transactional relationships.	None
	16,748	13,300		
Shoei Foods Corporation	428,789	428,789	Shares are held to strengthen the Group's transactional relationships.	None
	1,751	1,946		
Seven & i Holdings Co., Ltd.	264,363	264,363	Shares are held to strengthen the Group's transactional relationships.	None
	1,536	1,179		
AEON Co., Ltd.	380,925	379,895	Shares are held to strengthen the Group's transactional relationships. The number of shares has increased due to the shareholding program (while contributions by premiums have been suspended, shares are increasing due to reinvestment of dividends).	None
	994	1,253		
Inageya Co., Ltd.	382,720	381,678	Shares are held to strengthen the Group's transactional relationships. The number of shares has increased due to the shareholding program. Note that we have completed withdrawal from the shareholding program during the term.	None
	516	632		
Lacto Japan Co., Ltd.	200,000	200,000	Shares are held to strengthen the Group's transactional relationships.	None
	417	565		
Toppan Inc.	135,654	*	Shares are held to strengthen the Group's transactional relationships.	None
	293	*		
Taiyo Kagaku Co., Ltd.	160,600	*	Shares are held to strengthen the Group's transactional relationships.	None
	273	*		
Fuji Oil Holdings Inc.	134,185	134,185	Shares are held to strengthen the Group's transactional relationships.	None
	265	396		
Fuji Co., Ltd.	112,900	*	Shares are held to strengthen the Group's transactional relationships. The number of shares has increased due to the shareholding program. Note that we have completed withdrawal from the shareholding program during the term.	None
	260	*		
Central Japan Railway Company	*	56,000	This company's shares are not held as of March 31, 2022.	None
	*	926		

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji Co., Ltd.'s shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Ohki Healthcare Holdings Co., Ltd.	*	318,544	Shares are held to strengthen the Group's transactional relationships.	None
	*	397		
NOF Corporation	*	50,000	Shares are held to strengthen the Group's transactional relationships.	None
	*	289		

(Notes) 1. While the quantitative effects of shareholding are not disclosed due to confidentiality with our business partners, we consider that there are sufficient quantitative effects based on (i) above.

2. "*" indicates that the amount recorded on the balance sheet for the relevant issue is less than one-hundredth of the capital of the Company and that the description is omitted because they do not fall under the 10 largest issues in descending order of balance sheet amount.

Deemed Shareholdings

Issue	Current fiscal year	Previous fiscal year	Purpose of shareholding, quantitative effects of shareholding and reason for increase in number of shares	Ownership of Meiji Co., Ltd.'s shares
	Number of shares	Number of shares		
	Book value (Millions of yen)	Book value (Millions of yen)		
Mizuho Financial Group, Inc.	1,613,610	1,613,610	Has the right to give instructions regarding the exercise of voting rights.	None
	2,528	2,580		
Mitsubishi UFJ Financial Group, Inc.	3,475,400	3,475,400	Has the right to give instructions regarding the exercise of voting rights.	None
	2,642	2,056		
Sumitomo Mitsui Trust Holdings, Inc.	76,500	76,500	Has the right to give instructions regarding the exercise of voting rights.	None
	306	295		

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

5. Financial Information

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

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

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

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

2. Note on independent audit

The Company's consolidated and non-consolidated financial statements for the most recent fiscal year (from April 1, 2021 to March 31, 2022) were audited by Ernst & Young ShinNihon LLC pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

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

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

1 Consolidated financial statements, etc.

(1) Consolidated financial statements

1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
ASSETS		
Current assets		
Cash and deposits	*3 40,328	*3 67,409
Notes and accounts receivable-trade	177,730	*1 173,949
Merchandise and finished goods	117,445	119,316
Work in process	4,054	3,993
Raw materials and supplies	60,488	61,720
Other	28,353	29,307
Allowance for doubtful accounts	-2,347	-85
Total current assets	426,053	455,611
Non-current assets		
Property, plant and equipment		
Buildings and structures	355,394	354,611
Accumulated depreciation	-177,630	-177,532
Buildings and structures, net	*3,*4 177,764	*3,*4 177,078
Machinery, equipment and vehicles	550,069	568,092
Accumulated depreciation	-390,691	-400,557
Machinery, equipment and vehicles, net	*3,*4 159,378	*3,*4 167,534
Tools, furniture and fixtures	60,909	59,013
Accumulated depreciation	-46,435	-45,426
Tools, furniture and fixtures, net	*4 14,473	*4 13,587
Land	*3 67,639	*3 72,594
Leased assets	2,781	2,553
Accumulated depreciation	-2,067	-1,844
Leased assets, net	714	709
Construction in progress	35,025	51,986
Total property, plant and equipment	454,994	483,491
Intangible assets		
Goodwill	42	26
Other	15,950	18,123
Total intangible assets	15,992	18,150
Investments and other assets		
Investment securities	*2 125,494	*2 124,127
Retirement benefit asset	23,258	22,356
Deferred tax assets	13,135	7,166
Other	8,133	6,613
Allowance for doubtful accounts	-63	-58
Total investments and other assets	169,959	160,206
Total non-current assets	640,946	661,848
Total assets	1,067,000	1,117,459

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	104,974	107,634
Short-term borrowings	17,250	18,227
Current portion of bonds payable	-	10,000
Accrued expenses	46,840	31,474
Income taxes payable	22,421	20,141
Contract liabilities	-	5,907
Refund liabilities	-	15,929
Provision for bonuses	11,948	11,737
Provision for sales returns	424	-
Provision for sales rebates	1,886	-
Other	47,266	65,759
Total current liabilities	253,011	286,811
Non-current liabilities		
Bonds payable	30,000	20,000
Long-term borrowings	*3 54,525	*3 33,039
Deferred tax liabilities	10,343	5,381
Retirement benefit liability	55,198	54,662
Provision for retirement benefits for directors	96	73
Other	4,466	4,469
Total non-current liabilities	154,630	117,626
Total liabilities	407,642	404,438
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	100,693	80,503
Retained earnings	496,766	560,238
Treasury shares	-30,177	-37,868
Total shareholders' equity	597,282	632,873
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33,962	36,347
Deferred gains or losses on hedges	37	73
Foreign currency translation adjustments	-4,026	7,673
Remeasurements of defined benefit plans	-5,828	-3,631
Total accumulated other comprehensive income	24,145	40,462
Non-controlling interests	37,930	39,684
Total net assets	659,358	713,021
Total liabilities and net assets	1,067,000	1,117,459

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

Consolidated statement of income

(Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales	1,191,765	*1 1,013,092
Cost of sales	*3 742,139	*3 689,843
Gross profit	449,625	323,249
Selling, general and administrative expenses	*2,*3 343,563	*2,*3 230,327
Operating profit	106,061	92,922
Non-operating income		
Interest income	290	261
Dividend income	1,286	1,353
Foreign exchange gains	734	391
Share of profit of associates accounted for using equity method	1,578	1,550
Other	3,045	1,830
Total non-operating income	6,936	5,387
Non-operating expenses		
Interest expenses	622	500
Loss on events	193	509
Remuneration expenses	370	426
Other	1,635	2,886
Total non-operating expenses	2,821	4,323
Ordinary profit	110,176	93,985
Extraordinary income		
Gain on sale of non-current assets	*4 533	*4 1,981
Gain on sales of investment securities	346	3,676
Gain on sales of shares of subsidiaries and associates	928	34,680
Subsidy income	371	8,913
Other	-	1,528
Total extraordinary income	2,180	50,780
Extraordinary losses		
Loss on abandonment of non-current assets	*5 2,981	*5 3,239
Impairment losses	*6 2,762	*6 2,005
Provision of allowance for doubtful accounts	1,078	-
Loss on reduction of non-current assets	371	8,913
Other	1,979	2,151
Total extraordinary losses	9,174	16,310
Profit before income taxes	103,183	128,455
Income taxes - current	35,300	37,311
Income taxes - deferred	-2,197	-1,242
Total income taxes	33,102	36,068
Profit	70,080	92,387
Profit attributable to non-controlling interests	4,424	4,890
Profit attributable to owners of parent	65,655	87,497

Consolidated statement of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit	70,080	92,387
Other comprehensive income		
Valuation difference on available-for-sale securities	7,037	2,408
Deferred gains or losses on hedges	-15	37
Foreign currency translation adjustments	-1,219	9,844
Remeasurements of defined benefit plans, net of tax	9,016	2,330
Share of other comprehensive income of associates accounted for using equity method	404	2,000
Total other comprehensive income	* 15,224	* 16,620
Comprehensive income	85,304	109,008
Profit attributable to		
Comprehensive income attributable to owners of parent	80,735	103,814
Comprehensive income attributable to non-controlling interests	4,568	5,194

3) Consolidated Statement of changes net assets

For the fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,000	100,245	453,729	-30,288	553,687
Changes during period					
Dividends of surplus			-22,488		-22,488
Profit attributable to owners of parent			65,655		65,655
Purchase of treasury shares				-25	-25
Disposal of treasury shares		141		136	277
Change in scope of consolidation			-130		-130
Change in ownership interest of parent due to transactions with non-controlling interests		306			306
Net changes in items other than shareholders' equity					
Total changes during period	-	447	43,037	110	43,595
Balance at end of period	30,000	100,693	496,766	-30,177	597,282

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurement of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	26,968	53	-3,279	-14,677	9,066	34,819	597,573
Changes during period							
Dividends of surplus							-22,488
Profit attributable to owners of parent							65,655
Purchase of treasury shares							-25
Disposal of treasury shares							277
Change in scope of consolidation							-130
Change in ownership interest of parent due to transactions with non-controlling interests							306
Net changes in items other than shareholders' equity	6,993	-15	-747	8,849	15,079	3,110	18,189
Total changes during period	6,993	-15	-747	8,849	15,079	3,110	61,785
Balance at end of period	33,962	37	-4,026	-5,828	24,145	37,930	659,358

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,000	100,693	496,766	-30,177	597,282
Cumulative effects of changes in accounting policies			-342		-342
Balance at beginning of period reflecting changes in accounting policies	30,000	100,693	496,423	-30,177	596,940
Changes during period					
Dividends of surplus			-23,944		-23,944
Profit attributable to owners of parent			87,497		87,497
Purchase of treasury shares				-30,014	-30,014
Disposal of treasury shares		107		161	269
Cancellation of treasury shares		-22,161		22,161	-
Change in scope of consolidation			262		262
Change in ownership interest of parent due to transactions with non-controlling interests		1,863			1,863
Net changes in items other than shareholders' equity					
Total changes during period	-	-20,190	63,814	-7,691	35,933
Balance at end of period	30,000	80,503	560,238	-37,868	632,873

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	33,962	37	-4,026	-5,828	24,145	37,930	659,358
Cumulative effects of changes in accounting policies							-342
Balance at beginning of period reflecting changes in accounting policies	33,962	37	-4,026	-5,828	24,145	37,930	659,016
Changes during period							
Dividends of surplus							-23,944
Profit attributable to owners of parent							87,497
Purchase of treasury shares							-30,014
Disposal of treasury shares							269
Cancellation of treasury shares							-
Change in scope of consolidation							262
Change in ownership interest of parent due to transactions with non-controlling interests							1,863
Net changes in items other than shareholders' equity	2,385	35	11,699	2,196	16,316	1,754	18,071
Total changes during period	2,385	35	11,699	2,196	16,316	1,754	54,004
Balance at end of period	36,347	73	7,673	-3,631	40,462	39,684	713,021

4) Consolidated statement of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	103,183	128,455
Depreciation	48,411	50,103
Impairment loss	2,762	2,005
Amortization of goodwill	15	15
Loss on retirement of property, plants and equipment	2,958	3,222
Loss (gain) on valuation of investment securities	212	29
Increase (decrease) in allowance for doubtful accounts	1,098	-98
Increase (decrease) in provision for bonuses	-18	-108
Increase (decrease) in retirement benefit liability	5,647	4,407
Interest and dividend income	-1,577	-1,614
Interest expenses	622	500
Share of loss (profit) of associates accounted for using equity method	-1,578	-1,550
Loss (gain) on sales of property, plant and equipment	-413	-793
Loss (gain) on sales of shares of subsidiaries and associates	-592	-34,662
Loss (gain) on sales of investment securities	-256	-3,650
Decrease (increase) in trade receivables	2,769	2,902
Decrease (increase) in inventories	-9,556	-5,573
Increase (decrease) in contract liabilities	-	5,567
Increase (decrease) in trade payables	-7,502	3,679
Other, net	497	14,598
Subtotal	146,683	167,435
Interest and dividends received	2,119	2,339
Interest paid	-627	-517
Income taxes paid	-24,492	-41,730
Net cash provided by (used in) operating activities	123,683	127,526
Net cash used in investing activities		
Purchase of property, plant and equipment	-63,029	-88,320
Purchase of intangible assets	-4,871	-4,845
Proceeds from sales of property, plant and equipment and intangible assets	2,645	2,346
Subsidies received	2,674	7,770
Purchases of investment securities	-32,821	-279
Proceeds from sales of investment securities	1,296	*2 55,389
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	2,164	2,300
Other, net	-1,168	-1,974
Net cash provided by (used in) investing activities	-93,110	-27,614

(Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net cash provided used in financing activities		
Net increase (decrease) in short-term borrowings	-10,319	-9,231
Proceeds from long-term borrowings	3,267	765
Repayments of long-term borrowings	-8,219	-12,380
Proceeds from issuance of bonds	9,957	9,952
Redemption of bonds	-	-10,054
Decrease (increase) in treasury shares	236	-29,754
Dividends paid	-22,446	-23,898
Dividends paid to non-controlling interests	-607	-949
Other (net)	-162	-1,447
Net cash provided by (used in) financing activities	-28,293	-76,997
Effect of exchange rate change on cash and cash equivalents	-378	2,931
Net increase (decrease) in cash and cash equivalents	1,901	25,844
Cash and cash equivalents at beginning of period	37,110	39,011
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	16
Cash and cash equivalents at end of period	*1 39,011	*1 64,872

Notes

(Significant accounting policies for preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 57 companies

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

(New)

In the current consolidated fiscal year, ADCOCK INGRAM PHARMA PRIVATE LIMITED was established, and an increased importance was placed on Guangzhou Meiji Confectionery Co., Ltd. As such, both companies were added to the scope of consolidation.

(Excluded)

The shares of Fresh Logistics Co., Ltd. were sold and the liquidation of Zao Shokuhin Kaisha, Ltd. was completed. Accordingly, both companies were excluded from the scope of consolidation.

(2) Names of major unconsolidated affiliates

Chiba Meiji Milk Products Co., Ltd., Thai Meiji Food Co., Ltd.

(Reasons for exclusion from the scope of consolidation)

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

2. Application of equity method

(1) Companies which are accounted for by the equity method: 5 companies

Chiba Meiji Milk Products Co., Ltd, Okinawa Meiji Milk Products Co., Ltd., Thai Meiji Food Co., Ltd., CP-MEIJI Co., Ltd., AustAsia Investment Holdings Pte LTD.

(Excluded)

In the current consolidated fiscal year, the liquidation of Pampy Foods Incorporation was completed and all shares of DM Bio Limited were transferred. Accordingly, both companies were excluded from the scope of application of the equity method.

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

Unconsolidated subsidiaries: MIYAKO YUSO TRANSPORTATION CO., LTD.

Affiliated companies: Kushiroshiryo Co., Ltd.

(Reasons for not applying the equity method)

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

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

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

3. Fiscal years, etc. of consolidated subsidiaries

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

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

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

4. Accounting policies

(1) Basis and method of valuation of significant assets

1. Securities

Other Securities

Securities other than shares with no market price

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

Shares with no market price

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

2. Derivatives

Stated at fair value method.

3. Inventories

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

(2) Depreciation methods for significant depreciable assets

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

Stated primarily at straight-line method.

Note that the main useful lives are as follows.

Buildings and structures:	2-60 years
Machinery, equipment and vehicles:	2-18 years
Tools, furniture and fixtures:	2-20 years

2. Intangible fixed assets (excluding leased assets)

Stated primarily at straight-line method.

Note that software for internal use is stated at straight-line method based on the useful life (five years).

3. Leased assets
Leased assets related to the finance lease transactions other than those involving a transfer of ownership
The lease period is treated as the expected lifetime and stated at straight-line method assuming with no residual value.
4. Investment property
Stated primarily at straight-line method.

(3) Reporting basis for significant allowances

1. Allowance for doubtful accounts

In order to prepare for losses from defaults of trade receivables, the estimated uncollectable amounts regarding general accounts receivable are recorded using historical bad debt ratio, and the estimated uncollectable amounts regarding certain accounts receivable, such as doubtful accounts receivable, are recorded separately by examining their collectability.

2. Provision for bonuses

To cover bonus payments to employees, the expected bonus payments for employees enrolled at the end of the consolidated fiscal year is recorded based on the applicable payment period.

3. Provision for retirement benefits for directors (and other officers)

In order to prepare for retirement benefits for directors (and other officers), an amount as required to be paid at the end of the current fiscal year is recorded primarily based on internal regulations.

(4) Accounting method for retirement benefits

1. Method of attributing estimated retirement benefits to periods of service

When calculating retirement benefit obligations, the methods of attributing estimated retirement benefits to the period through the end of the current consolidated fiscal year is primarily based on the benefit calculation method.

2. Actuarial differences and treatment of past service cost

Actuarial differences are amortized by the straight-line method over a fixed number of years (7 to 18 years) within the average remaining service years of employees at the time of occurrence in each consolidated fiscal year and allocated proportionately from the fiscal year following the respective fiscal year of occurrence.

Past service cost is amortized by the straight-line method (4 to 15 years) within the average remaining service of employees at the time of occurrence.

3. Unrecognized actuarial differences and accounting treatment of unrecognized past service cost

Unrecognized actuarial differences and unrecognized past service cost are posted to remeasurements of defined benefit plans on accumulated other comprehensive income in net assets, after adjusting for tax effects.

(5) Accounting methods for significant revenues and expenses

With regard to the revenues of the Company and its consolidated subsidiaries arising from contracts with customers, the description of main performance obligations in the main business segments and the typical timing at which these performance obligations are satisfied (the typical timing of revenue recognition) are as follows.

1. Food

In the Food Segment, revenues are recorded mainly from the sale of yogurt, cheese, drinking milk, beverages, butter and margarine, cream, ice cream, ready meals, chocolate, gummy products, chewing gum, sports nutrition product, infant formula, liquid diet, beauty supplement, OTC medicines, feed stuffs, sugar and corn sweeteners, etc.

Revenue from the sale of these products is recognized upon acceptance inspection of these products by customers, as it is considered that control is transferred to customers and the Group's performance obligation is satisfied upon performance of the acceptance inspection of these products by customers. Certain consolidated subsidiaries recognize revenue at the time of shipment as an alternative method. Revenue from the sale of these products is measured as the amount of consideration promised in the contract with customers, less discounts, rebates, etc., and consumption and other taxes.

Variable consideration is the consideration under a contract with customers or a transaction that cannot be separated from a sales transaction. When the Company has a performance obligation to arrange for goods to be provided by another party, the Company is deemed as an agent and recognizes the net amount of commission or consideration as revenue. The consideration for the transactions is received primarily within one year of satisfaction of the performance obligation and does not include significant financial elements.

2. Pharmaceutical

In the Pharmaceutical segment, revenue from the sale of ethical pharmaceuticals, agricultural chemicals, veterinary medicines, royalties on out-licensing of intellectual property, upfront and milestone payments, and contracted services are recorded.

Revenue from the sale of ethical pharmaceuticals, agricultural chemicals, veterinary medicines is recognized upon performance of the acceptance inspection of the products by customers, as it is considered that control is transferred to customers and the Group's performance obligation is satisfied upon the acceptance inspection of the products by customers. For product sales in Japan, revenue is recognized upon shipment if the period from the shipment to the transfer of control of the products to customers is within a normal period. Revenue from the sale of these products is measured at the amount of consideration promised in the contract with customers, less discounts, rebates, consumption taxes and other taxes.

Royalty income related to intellectual property is recognized, in principle, when the underlying sales occur.

Revenue related to upfront and milestone payments is recognized over a certain period, as it is deemed that the performance obligation is the provision of intellectual property under the contract and that the provision of intellectual property to a certain extent is completed in each certain period specified in the contract.

Revenue related to contracted services is primarily from contracted medicine formulation and distribution management services, and the Company has performance obligations to provide contracted services based on contracts with customers. Since the performance obligation is satisfied when the services are rendered to customers, revenue is recognized when the performance obligation is satisfied.

The consideration for the transactions is received primarily within one year of satisfaction of the performance obligation and does not include significant financial elements.

(6) Standards for translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the prevailing spot exchange rates on the consolidated balance sheet date, and translation differences are recognized as gains or losses.

Assets and liabilities of overseas subsidiaries are translated into Japanese yen at the prevailing spot exchange rates on the balance sheet date of the overseas subsidiaries, while revenues and expenses are translated into Japanese yen at the average exchange rate during the fiscal year and translation differences are included in foreign currency translation adjustments and non-controlling interests are included in net assets.

(7) Derivative financial instrument

1. Method of hedge accounting

Deferred hedge accounting is used.

For forward exchange contracts and other transactions, the apportionment method is applied when the specific requirements for the method are satisfied. For interest rate and currency swap transactions, the integrated method is applied when the requirements for the integrated method (exceptional method, apportionment method) are satisfied.

2. Hedging instruments and hedged items

Hedging instrument	Hedged item
Forward exchange contracts, etc.	Receivables and payables denominated in foreign currencies and forecast transactions denominated in foreign currencies
Interest rate and currency swap transactions	Interest on loans and borrowings

3. Hedging policy

Certain consolidated subsidiaries enter into forward exchange contracts, etc. to reduce foreign exchange risks associated with export and import transactions in the ordinary course of business. In addition, the Company conducts interest rate and currency swap transactions to reduce the risk of interest rate and foreign exchange fluctuations for funds procured. The Company does not conduct derivatives transactions for speculative purposes.

4. Methods for evaluating the effectiveness of hedging

Since forward exchange contracts, etc. are applied to foreign currency receivables and payables transactions to fix future cash flows in yen, the apportionment method is applied and the requirements for subsequent testing are met. For forecast transactions denominated in foreign currencies, the Company examines eligibility for hedging considering whether the feasibility of the transaction is extremely high.

For interest rate and currency swap transactions, evaluation of the effectiveness is omitted, since the requirements for integrated method (exceptional method, apportionment method) are satisfied.

(8) Amortization method and period of goodwill

Goodwill is amortized on a straight-line basis over five years.

(9) Scope of funds in consolidated statements of cash flows

Funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments that are readily convertible to cash, have only a slight risk of value fluctuation, and are redeemable within three months from the date of acquisition.

(10) Other important matters for preparation of consolidated financial statements

Treatment of deferred assets

Bond issuance costs are fully expensed at the time the disbursement is made.

(Significant accounting estimates)

(Evaluation of investments in affiliates)

(1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Investment securities (Equity method valuation of AustAsia Investment Holdings Pte LTD.)	29,387	33,364

The excess of the Company's equity interest in the net assets of AustAsia Investment Holdings Pte LTD. ("AustAsia") as of the end of the current consolidated fiscal year is as follows.

Customer-related assets: JPY 10,639 million (JPY 10,700 million at the end of the previous consolidated fiscal year)

Goodwill: JPY 1,918 million (JPY 1,929 million at the end of the previous consolidated fiscal year)

(2) Additional information that will help the users of the consolidated financial statements

1. Calculation method for amounts disclosed in the consolidated financial statements for the current fiscal year

If there is any indication of impairment in customer-related assets and goodwill, the Company shall determine whether to recognize an impairment loss by comparing the total undiscounted future cash flows with the book value of the assets. An impairment loss would be recognized if the total undiscounted future cash flows were less than the book value. Estimation of future cash flows is based on the business plan formulated at the time of investment.

Customer-related assets and goodwill are amortized on a straight-line basis over a period of 10 years, which is the period earnings before interest and taxes (EBIT), calculated based on the business plan, are fully redeemed.

2. Key assumptions used for calculating amounts recorded in the consolidated financial statements for the current fiscal year

Major assumptions in the business plan include increase in the consumption and sales volume of raw milk due to the westernization of lifestyles in China, construction plans of farms corresponding to such increase in sales volume of drinking milk, and rising in raw milk prices.

3. Impact on the consolidated financial statements for the following consolidated fiscal year

If the actual results of farm construction, sales volume and raw milk prices deviate significantly from the business plan, an impairment loss may be recognized after identifying indication of impairment and taking into account the future business plan of AustAsia and other factors.

(Changes in accounting policies)

(Application of accounting standard for revenue recognition)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter the "Revenue Recognition Accounting Standard") has been adopted from the beginning of the current consolidated fiscal year. Accordingly, when control of promised goods or services is transferred to customers, revenue is recognized at the amount expected to be received in exchange for goods or services.

Major changes resulting from the application of the Revenue Recognition Accounting Standard are as follows.

1. Revenue recognition for transactions involving variable consideration and consideration payable to customers

Variable consideration such as sales rebates payable to customers, which were previously included in the cost of sales and selling, general and administrative expenses, are now deducted from net sales and presented separately.

2. Revenue recognition in acting as an agent transactions

For transactions in which the Group's role in providing goods to customers constitutes as an agent transaction, the Company previously recognized revenue in the gross amount of consideration received from customers, but now recognizes revenue in the net amount after deducting amounts payable to third parties.

When applying the Revenue Recognition Accounting Standard, the Company follows the transitional treatment stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. As a result, the cumulative amount of effect from retroactive application of the new accounting policy prior to the beginning of the current consolidated fiscal year is added to or subtracted from the retained earnings at the beginning of the current consolidated fiscal year, and the new accounting policy is applied from the beginning balance after such addition/subtraction. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Accounting Standard, no reclassification has been made for the previous consolidated fiscal year using the new presentation method.

As a result, net sales, cost of sales, gross profit, and selling, general and administrative expenses decreased by JPY 181,890 million, JPY 81,451 million, JPY 100,439 million, and JPY 100,712 million, respectively, in the current consolidated fiscal year. The impact on operating profit, ordinary profit, profit before income taxes, retained earnings at the beginning of the fiscal year, net assets per share, and earnings per share is immaterial.

Due to the application of the Revenue Recognition Accounting Standard, “Refund liabilities” and “Contract liabilities” are presented separately starting from the current consolidated fiscal year.

The beginning balance of retained earnings in the consolidated statement of changes in equity decreased by JPY 342 million due to the cumulative effects reflected in the net assets at the beginning of the current consolidated fiscal year.

In accordance with the transitional treatment stipulated in Paragraph 89-3 of the Revenue Recognition Accounting Standard, "Notes to Consolidated Balance Sheet" and "Notes Related to Revenue Recognition" for the previous consolidated fiscal year are not stated.

(Application of accounting standard for fair value measurement, etc.)

The Company applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the "Fair Value Measurement Accounting Standard") as of the beginning of the current consolidated fiscal year, and has decided to apply the new accounting policies stipulated by the Fair Value Measurement Accounting Standard prospectively in accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This application has no impact on the consolidated financial statements for the current consolidated fiscal year.

In addition, in the "Notes to Financial Instruments," the Company decided to provide notes on items such as the breakdown of the fair value of financial instruments by level. However, in accordance with the transitional treatment stipulated in paragraph 7-4 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, July 4, 2019), notes pertaining to the prior consolidated fiscal year are not stated.

(Accounting standard not yet adopted)

Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021)

(1) Overview

On June 17, 2021, revision of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ the Guidance No. 31), has been revised and released approximately one year after the release of the Accounting Standard for Fair Value Measurement on July 4, 2019, since it was considered when the accounting standard was announced that certain period of time is required for discussions with the relevant parties in reviewing the "calculation of the fair value of investment trusts" and that certain level of review would also be required for the note to "fair value of investments in associates, etc., which the net amount of equity interest is recorded on the balance sheet" .

(2) Effective date

The revised implementation guidance will be applied from the beginning of the fiscal year ending March 31, 2023.

(3) Impact from applying revised implementation guidance

The impact of application of the Implementation Guidance on Accounting Standard for Fair Value Measurement on the consolidated financial statements is under evaluation.

(Changes in presentation)

(Consolidated statement of income)

”Subsidy income” under non-operating income, which was independently presented in the previous consolidated fiscal year, is included in “Other” under non-operating income in the current consolidated fiscal year because it became insignificant in terms of amount. “Loss on events,” which was included in “Other” under non-operating expenses and “Loss on tax purpose reduction entry of non-current assets” included in “Other” under “Extraordinary losses” are now presented as a separate line item beginning with the current consolidated fiscal year due to their increased importance in terms of amount.

To reflect these changes in presentation, the consolidated financial statements for the previous fiscal year are being reclassified.

As a result, some items of the consolidated statement of income for the previous consolidated fiscal year were reclassified as follows: “Subsidy income” of JPY 710 million and “Other” of JPY 2,335 million, both included in non-operating income, are now included in “Other” of JPY 3,045 million, and “Other” of JPY 1,828 million presented in non-operating expenses was classified as “Loss on events” of JPY 193 million and “Other” of JPY 1,635 million, and “Other” of JPY 2,351 million presented in “Extraordinary losses” was classified as “Loss on tax purpose reduction entry of non-current assets” of JPY 371 million and “Other” of JPY 1,979 million.

(Additional information)

(Application of the Group Tax Sharing System)

During the current consolidated fiscal year, the Company and some of its consolidated subsidiaries submitted applications for approval to apply the Group Tax Sharing System, which was established in the Act Partially Amending the Income Tax Act (Act No. 8 of 2020). Since the Group Tax Sharing System will be applied from the next consolidated fiscal year, the Practical Issues Task Force on the Accounting and Disclosure when applying the Group Tax Sharing System (Practical Issues Task Force No. 42 of August 12, 2021) has been applied from the end of the current consolidated fiscal year for the accounting and disclosure of tax effect accounting.

(Consolidated balance sheet)

*1 Notes and accounts receivable - trade arising from contracts with customers are as follows.

	As of March 31, 2022
Notes receivable - trade	JPY 374 million
Accounts receivable - trade	173,574

*2 Amounts related to non-consolidated subsidiaries and affiliates are as follows.

	As of March 31, 2021	As of March 31, 2022
Investment securities (shares)	JPY 49,252 million	JPY 47,408 million

*3 Pledged assets and secured liabilities

Assets pledged as collateral are as follows

	As of March 31, 2021	As of March 31, 2022
Cash and deposits	JPY 146 million	JPY 146 million
Buildings and structures	1,351	1,276
Machinery, equipment and vehicles	951	680
Land	49	49
Total	2,498	2,153

Cash and deposits are pledged as collateral to guarantee business transactions.

Secured liabilities are as follows

	As of March 31, 2021	As of March 31, 2022
Long-term borrowings (including current portion of long-term borrowings)	JPY 15,653 million	JPY 6,105 million
Total	15,653	6,105

*4 Tax purpose reduction entry

The amounts of tax purpose reduction entries deducted from the acquisition cost of property, plant and equipment acquired through national subsidies, etc. are as follows.

	As of March 31, 2021	As of March 31, 2022
Buildings and structures	JPY 194 million	JPY 3,577 million
Machinery, equipment and vehicles	269	5,298
Tools, furniture and fixtures	61	227
Total	525	9,102

5. Guarantee liabilities

The Company has guaranteed the following borrowings from financial institutions by companies other than consolidated companies and by employees.

Debt guaranty

	As of March 31, 2021	As of March 31, 2022
Sendai Feed Co., Ltd.	JPY 51 million	JPY 39 million
Makiba Feed Co., Ltd.	1,038	919
DM Bio Limited	958	-
Employees	31	16
Total	2,080	974

6. Contingent liabilities related to debt assumption contracts for bonds payable

For the following bonds payable, the Company has assigned its debt under a trust-type debt assumption agreement (debt assumption agreement) with a bank. Accordingly, the assigned debt related to the bonds payable and the amount payable under the agreement are set off and extinguished, but the Company's obligation to redeem the bonds to the bondholders will continue to exist until the bonds are redeemed.

	As of March 31, 2021	As of March 31, 2022
The Company's 7th unsecured bond	JPY - million	JPY 10,000 million

7. Trade notes receivable transferred by endorsement

	As of March 31, 2021	As of March 31, 2022
Trade notes receivable transferred by endorsement	19	37

8. Commitment line contract

The Company has concluded commitment line contracts with six financial institutions (six banks in the previous fiscal year) for the purpose of flexible financing and improvement of fund efficiency.

The unused commitment lines under these contacts at the end of the consolidated current fiscal year are as follows.

	As of March 31, 2021	As of March 31, 2022
Total amount of commitment line	JPY 20,000 million	JPY 20,000 million
Amount of borrowings	-	-
Balance	20,000	20,000

(Consolidated statement of income)

*1 Revenue from contracts with customers

In net sales, revenues arising from contracts with customers and other revenues are not separately presented. The amount of revenue from contracts with customers is presented in "Notes (Revenue Recognition) (1) Information on disaggregated revenue from contracts with customers" in the Notes to Consolidated Financial Statements.

*2 Major items and amounts of selling, general and administrative expenses are as follows

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Freight and storage charges	JPY 45,584 million	JPY 21,891 million
Sales promotion expenses	98,970	17,234
Labor cost	72,742	71,568
Provision for bonuses	6,955	6,868
Retirement benefit expenses	7,597	6,804
Research and development expenses	21,205	22,767
Provision for sales rebates	1,886	-

*3 Total research and development expenses included in manufacturing costs and selling, general and administrative expenses for the current fiscal year

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
	JPY 31,404 million	JPY 33,441 million

*4 Details of gain on sales of non-current assets are as follows

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Land	JPY 463 million	JPY 1,890 million
Other non-current assets	70	91
Total	533	1,981

*5 Details of loss on abandonment of non-current assets are as follows

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Buildings and structures	JPY 277 million	JPY 474 million
Machinery, equipment and vehicles	1,320	1,169
Other	1,383	1,596
Total	2,981	3,239

*6 Impairment losses

The Meiji Group recorded impairment losses on the following asset groups.

For the fiscal year ended March 31, 2021

Location or Company	Use	Category
Kasai, Hokkaido	Business assets	Machinery, equipment and buildings, etc.
Kurashiki City, Okayama	Idle assets	Machinery, equipment and buildings, etc.
Nonoichi City, Ishikawa	Business and idle assets	Buildings and structures, etc.
Kasaoka City, Okayama	Business assets	Land
Sapporo City, Hokkaido	Idle assets	Machinery, equipment and buildings, etc.
Shizuoka City, Shizuoka	Business assets	Buildings and structures
Kaminoyama City, Yamagata	Business assets	Machinery, equipment, tools, furniture and fixtures, etc.
Madrid, Spain	Business assets	Intangible fixed assets

Assets of the Meiji Group are, in principle, grouped based on business type, while lease assets and idle assets are grouped by individual asset.

In the current consolidated fiscal year, due mainly to a decline in profitability of some assets, the book value of such assets was reduced to the recoverable amount, and an impairment loss (JPY 2,762 million) was recorded as an extraordinary loss.

For business assets, the loss is broken down as follows: JPY 747 million for buildings and structures, JPY 854 million for machinery, equipment and vehicles, JPY 34 million for tools, furniture and fixtures, JPY 250 million for land, and JPY 3 million for intangible fixed assets.

For idle assets, the loss is broken into JPY 150 million for buildings and structures, JPY 707 million for machinery, equipment and vehicles, and JPY 14 million for tools, furniture and fixtures.

The recoverable amount of these assets is measured by value in use for business assets with declined profitability, and is calculated by discounting future cash flows at 5.00% for business assets in Kasai, Hokkaido.

Other business and idle assets of which recoverable amount is measurable are measured at their net realizable value, which is reduced to the memorandum value or estimated sales price, etc.

For the fiscal year ended March 31, 2022

Location or Company	Use	Category
Shandong Province, China	Business assets	Machinery, equipment and construction in progress, etc.
Inazawa City, Aichi	Idle assets	Machinery and equipment, etc.
Isesaki City, Gunma	Idle assets	Buildings
Utsunomiya City, Tochigi	Business assets	Building etc.
Hyderabad, India	Business assets	Building etc.
Madrid, Spain	Business assets	Intangible fixed assets
Guangdong Province, China	Business assets	Machinery and equipment, etc.
Odawara City, Kanagawa	Business assets	Machinery and equipment, etc.

Assets of the Meiji Group are, in principle, grouped based on business type, while lease assets and idle assets are grouped by individual asset.

In the current consolidated fiscal year, due mainly to a decline in profitability of some assets, the book value of such assets was reduced to the recoverable amount, and an impairment loss (JPY 2,005 million was recorded as an extraordinary loss.

For business assets, the loss is broken down as follows: JPY 387 million for buildings and structures, JPY 574 million for machinery, equipment and vehicles, JPY 20 million for tools, furniture and fixtures, JPY 3 million for land, JPY 13 million for intangible fixed assets, JPY 311 million for construction in process, and JPY 54 million for long-term prepaid expenses.

For idle assets, the loss is broken into JPY 121 million for buildings and structures, and JPY 517 million for machinery, equipment and vehicles.

The recoverable amount of these assets is measured by value in use for business assets with declined profitability, and presentation of the discount rate is omitted since their future cash flows are generally negative.

Other business and idle assets of which recoverable amount is measurable are measured at their net realizable value, which is reduced to the memorandum value or estimated sales price, etc.

(Consolidated statement of comprehensive income)

* Notes regarding reclassification adjustments and tax effects relating to other comprehensive income

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Valuation difference on available-for-sale securities:		
Increase in the current fiscal year	JPY 10,485 million	JPY 7,080 million
Reclassification adjustment	-311	-3,592
Before tax effect adjustment	10,173	3,488
Tax effect amount	-3,134	-1,080
Valuation difference on available-for-sale securities	7,037	2,408
Deferred gains or losses on hedges:		
Increase in the current fiscal year	-21	53
Reclassification adjustment	-	-
Adjustment to acquisition cost of assets	-	-
Before tax effect adjustment	-21	53
Tax effect amount	6	-16
Deferred gains or losses on hedges:	-15	37
Foreign currency translation adjustment:		
Increase in the current fiscal year	-1,219	9,844
Reclassification adjustment	-	-
Foreign currency translation adjustment	-1,219	9,844
Remeasurements of defined benefit plans, net of tax		
Increase in the current fiscal year	7,827	-711
Reclassification adjustment	5,159	4,026
Before tax effect adjustment	12,987	3,314
Tax effect amount	3,970	984
Remeasurements of defined benefit plans, net of tax	9,016	2,330
Share of other comprehensive income of associates accounted for using equity method:		
Increase in the current fiscal year	404	1,563
Reclassification adjustment	-	436
Share of other comprehensive income of associates accounted for using equity method:	404	2,000
Total of other comprehensive income	15,224	16,620

(Consolidated Statement of Changes in Net Assets)

For the fiscal year ended March 31, 2021

1. Matters concerning the classes and total number of issued shares and the classes and number of treasury shares

	Number of shares at the beginning of the current consolidated fiscal year (Thousand shares)	Increases in the number of shares in the current consolidated fiscal year (Thousand shares)	Decreases in the number of shares in the current consolidated fiscal year (Thousand shares)	Number of shares outstanding at the end of the current consolidated fiscal year (Thousand shares)
Issued shares				
Ordinary shares	152,683	-	-	152,683
Total	152,683	-	-	152,683
Treasury shares				
Ordinary shares (Notes 1, 2)	7,613	4	33	7,584
Total	7,613	4	33	7,584

(Notes) 1. The increase of 4 thousand shares in the number of treasury shares of common share is due to the purchase of 3 thousand shares of less than one unit and the acquisition of 1 thousand shares of restricted share for no consideration.

2. The decrease of 33 thousand shares in the number of treasury shares of common share is due to the disposal of 33 thousand treasury shares as restricted share remuneration and decrease of 0 thousand shares from the sale of shares less than one unit.

2. Matters concerning dividends

(1) Dividends paid

Resolution	Class	Total amount of dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
May 22, 2020 Board of Directors	Ordinary shares	11,605	80.00	March 31, 2020	June 10, 2020
November 10, 2020 Board of Directors	Ordinary shares	10,882	75.00	September 30, 2020	December 8, 2020

(2) Dividends for which the record date is in the current consolidated fiscal year but for which the effective date is in the following fiscal year

Resolution	Class	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
May 18, 2021 Board of Directors	Ordinary shares	12,333	Retained earnings	85.00	March 31, 2021	June 7, 2021

For the fiscal year ended March 31, 2022

1. Matters concerning the classes and total number of issued shares and the class and number of treasury shares

	Number of shares at the beginning of the current consolidated fiscal year (Thousand shares)	Increases in the number of shares in the current consolidated fiscal year (Thousand shares)	Decreases in the number of shares in the current consolidated fiscal year (Thousand shares)	Number of shares outstanding at the end of the current consolidated fiscal year (Thousand shares)
Issued shares				
Ordinary shares (Note 1)	152,683	-	4,313	148,369
Total	152,683	-	4,313	148,369
Treasury shares				
Ordinary shares (Notes 2, 3)	7,584	4,317	4,353	7,548
Total	7,584	4,317	4,353	7,548

(Notes) 1. The decrease of 4,313 thousand shares in the total number of issued ordinary shares is due to the cancellation of treasury shares.

2. The increase of 4,317 thousand shares in treasury shares of common share is due to the acquisition of 4,313 thousand treasury shares and the purchase of 3 thousand shares of shares less than one unit.

3. The decrease of 4,353 thousand shares in the number of treasury shares of common share is due to the cancellation of 4,313 thousand treasury shares, disposal of 39 thousand treasury shares as restricted share remuneration and decrease of 0 thousand shares from the sale of shares less than one unit.

2. Matters concerning dividends

(1) Dividends paid

(Resolution)	Class	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 18, 2021 Board of Directors	Ordinary shares	12,333	85.00	March 31, 2021	June 7, 2021
November 9, 2021 Board of Directors	Ordinary shares	11,610	80.00	September 30, 2021	December 7, 2021

(2) Dividends for which the record date is in the current consolidated fiscal year but for which the effective date is in the following fiscal year

(Resolution)	Class	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
May 12, 2022 Board of Directors	Ordinary shares	12,673	Retained earnings	90.00	March 31, 2022	June 7, 2022

(Consolidated statement of cash flows)

*1 Relationship between the year-end balance of cash and cash equivalents and the amount of account reported in the consolidated balance sheet.

	For the fiscal year ended March 31, 2021 (Millions of yen)	For the fiscal year ended March 31, 2022 (Millions of yen)
Cash and deposits account	40,328	67,409
Time deposits with maturities longer than three months	-1,317	-2,536
Cash and cash equivalents	39,011	64,872

*2 Breakdown of major assets and liabilities related to business divestitures with cash and cash equivalents as consideration

The following is a breakdown of the decrease in assets and liabilities resulting from the succession of the manufacturing and sales business of agricultural chemicals in Meiji Seika Pharma, a consolidated subsidiary in the Pharmaceutical Segment of the Company, by the newly established MMAG Co., Ltd. through an absorption-type company split, and subsequent transfer of all shares of MMAG.

	(Millions of yen)
Current assets	6,185
Non-current assets	3,884
Current liabilities	-1,378
Non-current liabilities	-860
Incidental expenses, etc.	193
Gain on sale of shares	32,703
Transfer price of shares (Note)	40,727
Adjustment on sale	1,517
Incidental expenses	-156
Revenue from sale	42,088

(Note) The amounts of transfer prices may change due to future value adjustments, etc.

(Leases)

(Lessees)

1. Finance lease transactions

Non-ownership-transfer finance lease transactions

1) Details of leased assets

Property, plant and equipment

Mainly sales equipment (tools, furniture and fixtures), production facilities (machinery, equipment and vehicles) at manufacturing plants, and test and research equipment (machinery, equipment, tools, furniture and fixtures).

2) Depreciation method for leased assets

As stated in Notes - Significant accounting policies for preparation of consolidated financial statements, "4. Disclosure of accounting policies", (2) Depreciation method for significant depreciable assets."

2. Operating lease transactions

Future lease payments under non-cancelable operating lease transactions

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Within 1 year	1,587	2,257
Over 1 year	1,202	3,867
Total	2,790	6,125

(Changes in presentation)

For operating lease transactions, due to the increased importance in terms of amount, future lease payments for non-cancelable leases are presented from the current consolidated fiscal year. To reflect this change in presentation, data for the previous consolidated fiscal year is also presented.

(Financial instruments)

1. Matters concerning the status of financial instruments

(1) Policy on dealing in financial instruments

The Meiji Group procures necessary funds (mainly through bank loans and bond issuance) in light of its capital expenditure plan and working capital plan, etc. to conduct the business of manufacturing and selling mainly dairy products, confectioneries, food, and pharmaceuticals. Temporary surplus funds are invested in highly secure financial assets, and short-term working capital is procured through commercial paper and other means. The Company uses derivatives to avoid the risks described below with a policy of not engaging in speculative transactions.

(2) Description of financial instruments and their risks

Notes and accounts receivable-trade are exposed to the risk of customer credit. In addition, foreign currency-denominated trade receivables arising from global business operations are exposed to the risk of exchange rate fluctuations, and some consolidated subsidiaries hedge this risk by using forward exchange contracts and other means. Investment securities mainly consist of shares related to business or capital tie-ups with business partners and are exposed to the risk of market price fluctuation.

Trade notes and accounts payable are mostly due within one year. Some of them are denominated in foreign currencies in connection with the import of raw materials, etc. and are exposed to the risk of exchange rate fluctuations, and some consolidated subsidiaries hedge such risk by using forward exchange contracts and other means. Borrowings, commercial papers and bonds payable are mainly for the purpose of procuring funds necessary for capital expenditures and working capital, and their redemption dates are at longest six years after the consolidated balance sheet date. Some of these are denominated in foreign currencies and have floating interest rates and are exposed to the risk of interest rate and foreign exchange fluctuations, and are hedged using derivative transactions (interest rate and currency swap transactions).

Derivative transactions include forward exchange contracts, etc., to hedge the risk of exchange rate fluctuations related to trade receivables and payables denominated in foreign currencies, and interest rate and currency swaps to hedge the risk of fluctuations in interest rates payable related to borrowings and exchange rates. For information on hedging instruments and hedged items related to hedge accounting, hedging policy, evaluation method of the effectiveness of hedging, etc., please refer to "4. Disclosure of accounting policies (7) Significant hedge accounting method" in the aforementioned Notes - Significant accounting policies for preparation of consolidated financial statements.

(3) Risk management system for financial instruments

1) Management of credit risk (risk related to nonperformance of contracts, etc. by business partners)

In the Meiji Group, in accordance with the receivable management rules, etc., each management department in each business division periodically monitors the status of major business partners with respect to trade receivables, and manages due dates and outstanding balances by business partner, in order to early identify and mitigate concerns about collection due to deterioration of financial conditions, etc.

In using derivatives, the Company enters into transactions only with highly rated financial institutions in order to mitigate counterparty risk.

The maximum amount of credit risk as of the consolidated balance sheet date of the current fiscal year is presented by the balance sheet amount of financial assets exposed to credit risk.

2) Management of market risk (risk of fluctuations in foreign exchange rates, interest rates, etc.)

Certain consolidated subsidiaries use forward exchange contracts, etc. to hedge foreign currency-denominated trade receivables and payables against the risk of exchange rate fluctuations identified monthly by currency. In addition, the Company uses interest rate and currency swap transactions to reduce the risk of fluctuations in interest rates and foreign exchange rates related to borrowings.

With regard to investment securities, the Company periodically determines the fair value and financial conditions of the issuers (business partners) and continually reviews the status of holding considering the relationship with them.

In certain consolidated subsidiaries, each relevant department conducts derivative transactions in accordance with the derivative transaction management rules, which stipulate transaction authority and limits.

3) Management of liquidity risk related to fund procurement (risk of failure to pay on due dates)

The Meiji Group manages liquidity risk by having each company's accounting department prepare and update fund management plans in a timely manner based on reports from each business department.

(4) Supplementary explanation on matters concerning fair value of financial instruments

Since variable factors are incorporated in the calculation of the fair value of financial instruments, such value may change due to the adoption of different assumptions, etc.

In addition, the contract amount, etc. of derivative transactions in the Note "Derivatives" does not in itself indicate the market risk associated with derivative transactions.

2. Matters regarding fair values, etc. of financial instruments

The amounts recorded on the consolidated balance sheet, fair values, and their differences are as follows:

As of March 31, 2021

	Amount recorded on the consolidated balance sheet (Millions of yen)	Fair Value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities			
Available-for-sale securities	74,192	74,192	-
Total assets	74,192	74,192	-
(1) Bonds payable	30,000	30,030	30
(2) Long-term borrowings	58,900	59,143	243
Total liabilities	88,900	89,173	273
Derivative transactions			
(1) To which hedge accounting is not applied	-	-	-
(2) To which hedge accounting is applied	57	57	-
Total derivative transactions	57	57	-

(Notes)

1. Notes on cash are omitted. Notes on deposits, notes and accounts receivable - trade, notes and accounts payable - trade, short-term borrowings, and accounts payable - other are omitted because these accounts are settled in a short period of time and fair values are approximate to book values.
2. The following financial instruments are not included in the investment securities listed in the above table because they have no market prices and determining their fair values is considered extremely difficult. The amounts of the financial instruments reported on the consolidated balance sheet are as follows:

Categories	As of March 31, 2021 (Millions of yen)
Convertible bonds	2,175
Shares not listed	51,302

3. Bonds payable and long-term borrowings include their current portions.
4. Receivables and payables arising from derivative transactions are presented on a net basis, and the total is payable at the end of the current consolidated fiscal year.

As of March 31, 2022

	Amount recorded on the consolidated balance sheet (Millions of yen)	Fair Value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities			
Available-for-sale securities	74,611	74,609	−1
Total assets	74,611	74,609	−1
(1) Bonds payable	30,000	29,924	−76
(2) Long-term borrowings	47,365	47,339	−25
Total liabilities	77,365	77,263	−101
Derivative transactions			
(1) To which hedge accounting is not applied	-	-	-
(2) To which hedge accounting is applied	110	110	-
Total derivative transactions	110	110	-

(Notes) 1. Notes on cash are omitted. Notes on deposits, notes and accounts receivable - trade, notes and accounts payable - trade, short-term borrowings, and accounts payable - other are omitted because these accounts are settled in a short period of time and fair values are approximate to book values.

2. Shares, etc. without a market price are not included in the investment securities. The amounts of the financial instruments reported on the consolidated balance sheet are as follows:

Categories	As of March 31, 2022 (Millions of yen)
Shares, etc. without a market price (*1)	49,362
Investments in partnerships, etc. (*2)	153

*1 Shares, etc. without a market price include shares not listed, and they are not subject to disclosure of fair values pursuant to Section 5 of Application Guidelines for Disclosure of Fair Values, etc. of Financial Instruments (Application Guidelines for Business Accounting Standard No. 19, March 31, 2020).

*2 Investments in partnerships, etc. are mainly investments in investment partnerships, etc. These are not subject to disclosure of fair values pursuant to Section 27 of Application Guidelines for Accounting Standard for the Calculation of Fair Values (Application Guidelines for Business Accounting Standard No. 31, July 4, 2019).

3. Bonds payable and long-term borrowings include their current portions.

4. Receivables and payables arising from derivative transactions are presented on a net basis, and the total is payable at the end of the current consolidated fiscal year.

(Notes) 1. Scheduled redemption amounts after the consolidated closing date for monetary claims and securities that have maturities.

As of March 31, 2021

	Within 1 year (Millions of yen)	1 to 5 years (Millions of yen)	5 to 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	40,328	-	-	-
Notes and accounts receivable - trade	177,730	-	-	-
Total	218,059	-	-	-

As of March 31, 2022

	Within 1 year (Millions of yen)	1 to 5 years (Millions of yen)	5 to 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	67,409	-	-	-
Notes and accounts receivable - trade	173,949	-	-	-
Total	241,358	-	-	-

2. Scheduled redemption amounts after the consolidated closing date for bonds payable, long-term borrowings and other interest-bearing liabilities

As of March 31, 2021

	Within 1 year (Millions of yen)	1 to 2 years (Millions of yen)	2 to 3 years (Millions of yen)	3 to 4 years (Millions of yen)	4 to 5 years (Millions of yen)	Over 5 years (Millions of yen)
Short-term borrowings	12,875	-	-	-	-	-
Bonds payable	-	10,000	10,000	10,000	-	-
Long-term borrowings	4,375	14,299	4,060	21,812	12,913	1,438
Total	17,250	24,299	14,060	31,812	12,913	1,438

As of March 31, 2022

	Within 1 year (Millions of yen)	1 to 2 years (Millions of yen)	2 to 3 years (Millions of yen)	3 to 4 years (Millions of yen)	4 to 5 years (Millions of yen)	Over 5 years (Millions of yen)
Short-term borrowings	3,901	-	-	-	-	-
Bonds payable	10,000	10,000	-	-	10,000	-
Long-term borrowings	14,325	4,112	21,973	5,114	1,154	685
Total	28,227	14,112	21,973	5,114	11,154	685

3. Breakdown of fair values of financial instruments by level

Fair values of financial instruments are categorized into the following three levels on the basis of the observability and materiality of inputs used in the fair value measurement.

Level 1: Fair values measured using quoted prices of identical assets or liabilities in active markets among observable valuation inputs

Level 2: Fair values measured using inputs other than inputs included within Level 1 among observable valuation inputs

Level 3: Fair values measured using unobservable valuation inputs

When several inputs that have a significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest hierarchy level for fair value measurement among those in which each of the inputs belongs.

(1) Financial instruments measured at fair value on the consolidated balance sheet

As of March 31, 2022

Category	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	74,480	-	-	74,480
Total assets	74,480	-	-	74,480

(2) Financial instruments other than those recorded at fair value on the consolidated balance sheet

As of March 31, 2022

Category	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	-	129	-	129
Total assets	-	129	-	129
Bonds payable	-	29,924	-	29,924
Long-term borrowings	-	47,339	-	47,339
Derivative transactions				
Currency-related	-	110	-	110
Total liabilities	-	77,373	-	77,373

(Note) Explanation of the valuation method used to measure fair values and the inputs related to fair value measurement

Investment securities

Shares listed are measured using quoted prices. Since shares listed are traded in active markets, their fair values are categorized as level 1. On the other hand, the fair value of the golf club membership owned by the Company is categorized as level 2 because the transaction frequency in the market is low and such fair value is not considered quoted prices in active markets.

Bonds payable

Fair values of bonds payable issued by the Company are measured using quoted prices and are categorized as level 2.

Long-term borrowings

Fair values of long-term borrowings are measured using the discounted present value method based on the total amount of principal and interest, as well as the interest rate considering the remaining period and credit risk of the debts, and are categorized as level 2.

Derivative transactions

Fair values of interest rate swaps and forward exchange contracts are measured using the discounted present value method using observable inputs such as interest rates and exchange rates, and are categorized as level 2.

(Securities)

1. Held-to-maturity bonds

As of March 31, 2021

Not applicable.

As of March 31, 2022

Not applicable.

2. Available-for-sale securities

As of March 31, 2021

	Category	Amount recorded on the consolidated balance sheet (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
The amount recorded on the consolidated balance sheet exceeds the acquisition cost	(1) Shares	72,909	24,011	48,898
	(2) Bonds	-	-	-
	(3) Others	413	408	5
	Subtotal	73,323	24,419	48,903
The amount recorded on the consolidated balance sheet does not exceed the acquisition cost	(1) Shares	868	1,034	-165
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	868	1,034	-165
Total		74,192	25,454	48,738

(Note) With regard to available-for-sale securities, neither shares not listed (the amount recorded on the consolidated balance sheet is JPY 2,050 million) nor convertible bonds (the amount recorded on the consolidated balance sheet is JPY 2,175 million) have market prices and determining their fair values is considered extremely difficult, and accordingly, they are not included in available-for-sale securities in the above table.

As of March 31, 2022

	Category	Amount recorded on the consolidated balance sheet (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
The amount recorded on the consolidated balance sheet exceeds the acquisition cost	(1) Shares	73,673	21,318	52,355
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	73,673	21,318	52,355
The amount recorded on the consolidated balance sheet does not exceed the acquisition cost	(1) Shares	937	1,098	-160
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	937	1,098	-160
Total		74,611	22,417	52,194

(Note) With regard to available-for-sale securities, shares, etc. without a market price (the amount recorded on the consolidated balance sheet is JPY 1,953 million) and investments in partnerships, etc. (the amount recorded on the consolidated balance sheet is JPY 153 million) are not included in the above table.

3. Available-for-sale securities sold

As of March 31, 2021

Category	Sales amount (Millions of yen)	Total gain on sale (Millions of yen)	Total loss on sale (Millions of yen)
(1) Shares	1,296	346	90
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	1,296	346	90

As of March 31, 2022

Category	Sales amount (Millions of yen)	Total gain on sale (Millions of yen)	Total loss on sale (Millions of yen)
(1) Shares	6,799	3,676	25
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	6,799	3,676	25

4. Securities for which impairment losses are recorded

In the previous consolidated fiscal year, impairment losses on securities of JPY 212 million were recorded (JPY 212 million on the securities included in available-for-sale securities).

In the current consolidated fiscal year, impairment losses on securities of JPY 29 million are recorded (JPY 29 million on the securities included in available-for-sale securities).

When recording impairment losses, if the fair value at the end of the fiscal year falls below the acquisition cost by 50% or more, the entire difference is recorded as an impairment loss, and if the fair value falls below the acquisition cost by approximately 30% to 50%, the amount considered necessary taking into account the recoverability, etc. is recorded as an impairment loss.

(Derivatives)

1. Derivative transactions to which hedge accounting is not applied

(1) Currency-related derivatives

As of March 31, 2021

Not applicable.

As of March 31, 2022

Not applicable.

(2) Interest rate-related derivatives

As of March 31, 2021

Not applicable.

As of March 31, 2022

Not applicable.

2. Derivative transactions to which hedge accounting is applied

(1) Currency-related derivatives

As of March 31, 2021

Hedge accounting method	Type of transaction	Hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. (Over one year) (Millions of yen)	Fair value (Millions of yen)
General treatment	Forward exchange contract transactions				
	Bought:	Accounts payable - trade			
	U.S. dollar		1,295	-	57
	Euro		-	-	-
	Sold:	Accounts receivable - trade			
	U.S. dollar		-	-	-
Appropriation treatment for forward exchange contracts, etc.	Forward exchange contract transactions				(Note 2)
	Bought:	Accounts payable - trade			
	U.S. dollar		624	-	
	Euro		-	-	
	British pound		39	-	
	Australian dollar		-	-	
	Sold:	Accounts receivable - trade			
	U.S. dollar		-	-	
	Euro		-	-	
Total			1,959	-	57

(Notes) 1. Calculation method of the fair value:
Fair values are calculated based on prices, etc. presented by counterparty financial institutions, etc.

2. If appropriation treatment for forward exchange contracts, etc. is applied, such contracts are accounted for together with accounts receivable - trade and accounts payable - trade, which are designated as hedged items, on an integrated basis. Therefore, their fair values are included in the fair values of the accounts receivable - trade and accounts payable - trade.

As of March 31, 2022

Hedge accounting method	Type of transaction	Hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. (Over one year) (Millions of yen)	Fair value (Millions of yen)
General treatment	Forward exchange contract transactions				
	Bought:	Accounts payable - trade			
	U.S. dollar		1,784	-	110
	Euro		-	-	-
	Sold:	Accounts receivable - trade			
	U.S. dollar		-	-	-
Appropriation treatment for forward exchange contracts, etc.	Forward exchange contract transactions				(Note)
	Bought:	Accounts payable - trade			
	U.S. dollar		414	-	
	Euro		-	-	
	British pound		172	-	
	Australian dollar		-	-	
	Sold:	Accounts receivable - trade			
	U.S. dollar		-	-	
	Euro		-	-	
Total			2,370	-	110

(Note) If appropriation treatment for forward exchange contracts, etc. is applied, such contracts are accounted for together with accounts receivable - trade and accounts payable - trade, which are designated as hedged items, on an integrated basis. Therefore, their fair values are included in the fair values of the accounts receivable - trade and accounts payable - trade.

(2) Interest rate-related derivatives

As of March 31, 2021

Hedge accounting method	Type of transaction	Hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. (Over one year) (Millions of yen)	Fair value (Millions of yen)
Integrated treatment for interest rate and currency swaps (Exceptional treatment and appropriation treatment)	Interest rate and currency swap transactions Floating receipts, fixed payments	Long-term borrowings	14,655	13,609	(Note)

(Note) Calculation method of the fair value:

Swap contracts are accounted for together with long-term borrowings, which are designated as hedged items, and therefore their fair values are included in the fair value of the long-term borrowings.

As of March 31, 2022

Hedge accounting method	Type of transaction	Hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. (Over one year) (Millions of yen)	Fair value (Millions of yen)
Integrated treatment for interest rate and currency swaps (Exceptional treatment and appropriation treatment)	Interest rate and currency swap transactions Floating receipts, fixed payments	Long-term borrowings	13,609	12,562	(Note)

(Note) Swap contracts are accounted for together with long-term borrowings, which are designated as hedged items, and therefore their fair values are included in the fair value of the long-term borrowings.

(Retirement benefits)

1. Outline of the retirement benefit plans adopted

The retirement benefit plans adopted by the Group include the defined benefit pension plan, defined contribution pension plan and employees' pension fund plan, in addition to the retirement lump-sum payment plan based on the retirement benefit rules. Moreover, an additional retirement payment may be made when an employee takes early retirement.

Some consolidated subsidiaries establish a retirement benefit trust, and some consolidated subsidiaries participate in the Smaller Enterprise Retirement Allowance Mutual Aid Scheme.

Also, matters regarding the multiemployer plan where the required contributions are accounted for as retirement benefit expenses are as follows:

The required contribution to the employees' pension fund plan of the multiemployer plan was JPY 11 million in the current consolidated fiscal year.

In addition, the employees' pension fund, in which some consolidated subsidiaries have been participating, was dissolved as of March 31, 2018 with the approval of the Minister of Health, Labour and Welfare and was transferred to the new corporate pension plan established as successor plan.

(1) Matters regarding the funded status of the entire plan

		(As of March 31, 2020) (Millions of yen)	(As of March 2021) (Millions of yen)
a.	Amount of plan assets	11,590	11,425
b.	Total amount of the actuarial liability calculated under the pension funding program and the minimum actuarial liability	12,317	12,512
c.	Difference (a – b)	-726	-1,087

(2) Premium contribution ratio of the Group to the entire plan

For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
2.46%	2.64%

(3) Supplementary explanation

The main reason for the difference is the balance of prior service obligations under the pension funding calculation (JPY 1,936 million as of March 31, 2020 and JPY 1,641 million as of March 31, 2021).

The amortization method for prior service obligations is primarily even amortization of principal and interest over four years. The ratio in (2) above is calculated using a weighted average and therefore does not correspond to the actual burden ratio of the Group.

2. Defined benefit plan

(1) Reconciliation of retirement benefit obligations as of the beginning and end of the fiscal year

	For the fiscal year ended March 31, 2021 (Millions of yen)	For the fiscal year ended March 31, 2022 (Millions of yen)
Beginning balance of retirement benefit obligations	139,152	137,971
Service cost	5,987	6,269
Interest cost	747	749
Actuarial gains or losses	352	-172
Retirement benefits paid	-7,497	-7,150
Prior service cost	-	48
Decrease due to exclusion of consolidated subsidiaries	-832	-162
Decrease due to business divestiture	-	-1,103
Others	62	632
Ending balance of retirement benefit obligations	137,971	137,083

(Note) With regard to the funds of the comprehensive employees' pension fund plan, the amount of plan assets corresponding to the Company's contributions cannot be reasonably calculated and, accordingly, it is not included in the retirement benefit obligations.

(2) Reconciliation of plan assets as of the beginning and end of the fiscal year

	For the fiscal year ended March 31, 2021 (Millions of yen)	For the fiscal year ended March 31, 2022 (Millions of yen)
Beginning balance of plan assets	99,242	106,030
Expected return on plan assets	2,294	2,472
Actuarial gains or losses	8,145	-757
Contributions by the employer	1,712	1,668
Retirement benefits paid	-5,245	-4,638
Decrease due to business divestiture	-	-242
Others	-117	244
Ending balance of plan assets	106,030	104,777

(Note) Funds of the comprehensive employees' pension fund plan are not included in the plan assets.

(3) Reconciliation between the balance of retirement benefit obligations and plan assets at the end of the fiscal year and the liabilities and assets related to retirement benefits recorded on the consolidated balance sheet.

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)
Retirement benefit obligations of funded plans	132,645	131,421
Plan assets	-106,030	-104,777
	26,614	26,643
Retirement benefit obligations of unfunded plans	5,326	5,661
Net assets or liabilities recorded on the consolidated balance sheet	31,940	32,305
Liabilities related to retirement benefits	55,198	54,662
Assets related to retirement benefits	-23,258	-22,356
Net assets or liabilities recorded on the consolidated balance sheet	31,940	32,305

(4) Breakdown of retirement benefit expenses

	For the fiscal year ended March 31, 2021 (Millions of yen)	For the fiscal year ended March 31, 2022 (Millions of yen)
Service cost	5,987	6,269
Interest cost	747	749
Expected return on plan assets	-2,294	-2,472
Amortization of actuarial gains or losses	5,232	4,089
Amortization of prior service cost	-72	-62
Others	-7	-8
Retirement benefit expenses related to defined benefit plans	9,592	8,565

(Note) Retirement benefit expenses calculated using the simplified method are included.
Employees' contributions to the corporate pension fund, etc. are deducted.

(5) Remeasurements of defined benefit plans

Breakdown of remeasurements of defined benefit plans (before tax effect adjustment) are as follows:

	For the fiscal year ended March 31, 2021 (Millions of yen)	For the fiscal year ended March 31, 2022 (Millions of yen)
Actuarial gains or losses	13,059	3,425
Prior service cost	-72	-111
Total	12,987	3,314

(6) Accumulated remeasurements of defined benefit plans

Breakdown of accumulated remeasurements of defined benefit plans (before tax effect adjustment) is as follows:

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)
Unrecognized actuarial gains or losses	8,865	5,439
Unrecognized prior service cost	-707	-595
Total	8,158	4,843

(7) Notes on the plan assets

1) Breakdown of the plan assets

The ratio of each main category to the total plan assets is as follows:

	As of March 31, 2021	As of March 31, 2022
Bonds	35%	34%
Shares	15	15
Alternatives (Note 1)	36	36
Cash and deposits	6	6
Others	8	9
Total	100	100

(Note) 1 Alternatives include multi-asset investments, and investments in hedge funds, real estate funds, insurance-related funds, etc.

2 Total plan assets include retirement benefit trusts (8% in the previous consolidated fiscal year and 9% in the current consolidated fiscal year) that were established for the corporate pension plan and the retirement lump-sum payment plan.

2) Method of setting an expected long-term rate of return

In determining the expected long-term rate of return for the plan assets, the Company takes into consideration the current and projected plan asset allocation, as well as the current and future expected long-term returns from various assets that constitute the plan assets.

(8) Matters regarding the basis for actuarial calculations

Major basis for actuarial calculations

	As of March 31, 2021	As of March 31, 2022
Discount rate	0.2 to 0.9%	0.2 to 0.9%
Expected rate of increase in salary	Mainly 1.4%	Mainly 1.4%
Expected long-term rate of return	Mainly 2.5%	Mainly 2.5%

3. Defined contribution plans

The required contributions to the defined contribution plans of consolidated subsidiaries are JPY 1,213 million for the previous consolidated fiscal year and JPY 1,192 million for the current consolidated fiscal year, respectively.

(Share options, etc.)

Not applicable.

(Tax effect accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by main causes

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022) (Millions of yen)
Deferred tax assets		
Retirement benefit liability	19,799	19,523
Accrued enterprise tax	1,448	1,389
Accrued expenses	2,966	1,326
Investment securities	1,155	1,725
Provision for bonuses	3,654	3,597
Depreciation	4,469	3,993
Impairment losses	1,507	2,399
Unrealized income	824	775
Losses carried forward *	3,694	3,754
Others	9,217	9,531
Subtotal deferred tax assets	48,737	48,015
Valuation allowance related to tax loss carried forward *	-3,396	-3,548
Valuation allowance related to future deductible temporary differences	-4,969	-5,192
Subtotal valuation allowance	-8,366	-8,741
Total deferred tax assets	40,371	39,274
Deferred tax liabilities		
Reserve for tax purpose reduction entry of non-current assets	-7,077	-6,964
Valuation difference on available-for-sale securities	-14,667	-15,740
Retirement benefit asset	-7,839	-7,612
Valuation difference associated with purchase of shares of subsidiaries	-3,675	-3,191
Tax liability adjustment account	-2,276	-1,316
Others	-2,042	-2,663
Total deferred tax liabilities	-37,579	-37,489
Net deferred tax assets	2,791	1,784

* Breakdown of losses carried forward and related deferred tax assets by carryforward periods:

(Previous consolidated fiscal year) (Millions of yen)

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Loss carried forward (a)	96	123	91	68	1,213	2,100	3,694
Valuation allowance	69	118	64	68	1,194	1,880	3,396
Deferred tax assets	27	5	26	-	18	219	297

(a) Loss carried forward is calculated using the effective statutory tax rate.

(Current consolidated fiscal year) (Millions of yen)

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Loss carried forward (b)	161	199	85	1,237	675	1,395	3,754
Valuation allowance	101	182	85	1,227	568	1,383	3,548
Deferred tax assets	59	16	-	10	106	12	205

(b) Loss carried forward is calculated using the effective statutory tax rate.

2. Breakdown of major items that constituted the material difference between the effective statutory tax rate and the corporation tax burden rate, etc. after application of tax effect accounting.

	As of March 31, 2021	As of March 31, 2022
Effective statutory tax rate	30.6%	30.6%
(Adjustments)		
Items not permanently included in deductible expenses such as entertainment expenses	0.6	0.4
Items not permanently included in taxable revenues such as dividend income	-0.0	-0.1
Inhabitant tax on per capita basis	0.3	0.2
Tax credit for experimentation and research expenses, etc.	-1.8	-2.4
Change in valuation allowance	1.2	-0.3
Amendment for consolidation of loss (gain) on sale of shares of subsidiaries and associates	0.6	-0.9
Others	0.6	0.6
Corporation tax burden rate, etc. after application of tax effect accounting	32.1	28.1

3. Accounting treatment for corporation tax and local corporation tax, as well as accounting treatment for tax effect accounting related to these taxes

In the current consolidated fiscal year, the Company and some of its subsidiaries made application for approval for the Japanese Group Relief System which was created in the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 8 of 2020) and became able to apply the Japanese Group Relief System from the next consolidated fiscal year. Therefore, with regard to accounting treatment and disclosure related to tax effect accounting concerning corporation tax and local corporation tax, the Company has applied the Treatment of Accounting and Disclosure in Applying the Japanese Group Relief System (Practical Issues Task Force No. 42 of August 12, 2021) from the end of the current consolidated fiscal year.

(Business combinations)

Company split and share transfer related to the agricultural chemicals production and sales business

The Board of Directors at its meeting held on September 10, 2021 resolved that Meiji Seika Pharma Co., Ltd. (hereinafter referred to as "MSP"), a consolidated subsidiary in the Company's Pharmaceutical Segment, would have MMAG Co., Ltd. (hereinafter referred to as "MMAG"), which was newly incorporated as a wholly owned subsidiary of MSP, succeed to agricultural chemicals production and sales business conducted by MSP (hereinafter referred to as "the Business") by the method of an absorption-type company split (hereinafter referred to as the "Company Split"), and then transfer all the shares of MMAG to Mitsui Chemicals Agro, Inc. (hereinafter referred to as "Mitsui Chemicals Agro"), which is a wholly owned subsidiary of Mitsui Chemicals, Inc. (Mitsui Chemicals Agro and Mitsui Chemicals, Inc. are hereinafter collectively referred to as the "Mitsui Chemicals Group") (hereinafter, the transfer of shares and the company split are collectively referred to as "the Transaction"). Based on this resolution, the Transaction was carried out on January 4, 2022.

(1) Outline of the business divestiture

1) Name of the company to which the business was divested and name of the share transferee in the Company Split

(i) Name of the company to which the business was divested in the Company Split: MMAG

(ii) Name of the share transferee: Mitsui Chemicals Agro

2) Description of the divested business

Agricultural chemicals production and sales business

3) Main reason for carrying out the business divestiture

The Business of MSP aims to expand overseas business through four promising agrochemical ingredients which were developed in-house, in addition to the insecticide *ORYZEMATE* and the herbicide *ZAXA*, and aggressive investment is necessary for further growth. On the other hand, MSP is a leading company in the infectious diseases domain and, in the circumstances where there is no sign yet of COVID-19 ending, it is imperative to concentrate management resources toward strengthening the business platform for the ethical pharmaceuticals business and creating new pharmaceuticals.

Considering these circumstances, we executed the Transaction by transferring the Business to the Mitsui Chemicals Group, which has extensive performance and management resources in the agricultural chemicals sector and appreciates the growth strategy of the Business, in order to secure cash reserves and concentrate management resources on the ethical pharmaceuticals business.

4) Date of the business divestiture

(i) Date of the company split: January 4, 2022

(ii) Date of the transfer of shares: January 4, 2022

5) Other matters regarding the outline of the transaction, including the legal form

(i) Company split: Absorption-type company split method where MSP is the splitting company in the absorption-type split and MMAG is the succeeding company in the absorption-type split (simplified or short-form absorption-type company split)

(ii) Transfer of shares: Transfer of shares where the consideration received is property only such as cash.

(2) Outline of the accounting treatment

1) Amount of gain or loss on transfer

Gain on sale of shares of subsidiaries and associates: JPY 32,703 million

2) Fair book values of the assets and liabilities pertaining to the transferred business, and the breakdown thereof

Current assets: JPY 6,185 million

Non-current assets: JPY 3,884 million

Total assets: JPY 10,069 million

Current liabilities: JPY 1,378 million

Non-current liabilities: JPY 860 million

Total liabilities: JPY 2,238 million

3) Accounting treatment

In accordance with the share transfer agreement, the difference between the transfer value of the shares after the adjustment of the price and the amount of corresponding shareholders' equity pertaining to the transferred business is recognized as a gain on transfer.

(3) Reportable segment in which the divested business of the subsidiary was included

Pharmaceutical

(4) Estimated amount of profit or loss pertaining to the divested business which is recorded on the consolidated statement of income for the current consolidated fiscal year

Net sales: JPY 3,206 million

Operating profit or loss: JPY -1,343 million

(Asset retirement obligations)

As of March 31, 2021

Disclosure is omitted due to immateriality.

As of March 31, 2022

Disclosure is omitted due to immateriality.

(Real estate for lease, etc.)

For the fiscal year ended March 31, 2021

Disclosure is omitted due to immateriality.

For the fiscal year ended March 31, 2022

Disclosure is omitted due to immateriality.

(Revenue recognition)

(1) Disaggregated information of revenue from contracts with customers

For the fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment		
	Food	Pharmaceutical	Total
Yogurt & cheese	209,776	-	209,776
Nutrition	109,566	-	109,566
Chocolate & gummy	98,029	-	98,029
Drinking milk	76,157	-	76,157
Commercial use foods	65,804	-	65,804
Frozen dessert & ready meal	58,292	-	58,292
Overseas	52,583	-	52,583
Other / domestic subsidiaries	155,241	-	155,241
Domestic ethical pharmaceuticals	-	90,279	90,279
Overseas ethical pharmaceuticals	-	40,342	40,342
Human vaccines	-	42,901	42,901
Agricultural chemicals & veterinary medicines	-	14,118	14,118
Revenue from contracts with customers	825,451	187,641	1,013,092
Other revenue	-	-	-
Sales to third parties	825,451	187,641	1,013,092

(2) Fundamental information for understanding revenue from contracts with customers

Details of the main performance obligations in the main business segments and the typical timing of revenue recognition are described in "4. Accounting policies, (5) Accounting methods for significant revenues and expenses."

(3) Relationship between satisfaction of performance obligations based on contracts with customers and cash flows arising from those contracts, and information on the amount and timing of revenues from contracts with existing customers at the end of the current consolidated fiscal year that are expected to be recognized in the following consolidated fiscal years

1. Balance of contract liabilities

(Millions of yen)

	Fiscal year ended March 31, 2022
Contract liabilities (beginning balance)	320
Contract liabilities (ending balance)	5,907

Contract liabilities relate to primarily advance payments received from customers for insourcing contracts in the Pharmaceutical segment. Contract liabilities are reversed when revenue is recognized. The amount of revenue recognized in the current consolidated fiscal year that was included in the balance of contract liabilities at the beginning of the fiscal year is JPY 320 million. The increase in contract liabilities of JPY 5,587 million during the current consolidated fiscal year was mainly due to insourcing contracts in the Pharmaceutical segment.

2. Transaction price allocation to remaining performance obligations

Since the Company and its consolidated subsidiaries have no material transactions with an initially expected contract term of more than one year, information on remaining performance obligations is omitted on grounds of practical expedience. Furthermore, there are no material amounts of consideration arising from contracts with customers that have been excluded from transaction price.

(Segment information)

Segment information

1. Description of reportable segments

The reportable segments of the Meiji Group are the Group's constituent units for which separate financial information is available and for which the Board of Directors regularly conducts examinations to determine the allocation of management resources and evaluate business performance.

The Group has operational subsidiaries organized based on products/services. Operational subsidiaries develop their business activities by formulating comprehensive strategies for domestic and overseas business with respect to their products and services.

Accordingly, the Group comprises segments based on operational subsidiaries and has two reportable segments: the Food segment and the Pharmaceutical segment.

The Food business is handled by Meiji Co., Ltd., and the Pharmaceutical business is handled by Meiji Seika Pharma Co., Ltd. and KM Biologics Co., Ltd.

Each company's main products are as follows.

Segment	Main Products
Food	Yogurt, drinking milk, beverages, cheese, butter, margarine, cream, ice cream, ready meal, chocolate, gummy, chewing gum, sports nutrition, infant formula, enteral formula, beauty supplement, OTC medicines, feedstuffs, sugar and corn sweeteners, etc.
Pharmaceutical	Ethical pharmaceuticals, agricultural chemicals, veterinary medicines

2. Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting treatments for reportable segments are the same as those indicated in "Significant accounting policies for preparation of consolidated financial statements".

The profit of a reportable segment is the figure for operating profit.

Inter-segment sales and transfers are mainly based on the price of third-party transactions, or on manufacturing costs.

3. Sales, profit (loss), assets, liabilities, and other items for each reportable segment

For the fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount presented in consolidated financial statements (Note 2)
	Food	Pharmaceutical			
Net sales					
(1) Sales to third parties	998,988	192,776	1,191,765	-	1,191,765
(2) Intersegment sales and transfers	684	888	1,573	-1,573	-
Total	999,673	193,664	1,193,338	-1,573	1,191,765
Segment profit (loss)	87,463	19,105	106,568	-507	106,061
Segment assets	755,214	286,387	1,041,601	25,399	1,067,000
Other items					
Depreciation	39,259	8,937	48,196	215	48,411
Investments in associates accounted for using equity method	37,070	4,346	41,416	-	41,416
Increase in property, plant and equipment and intangible assets	55,859	12,671	68,531	179	68,710

(Notes) 1. Details of adjustments are as follows:

The segment profit adjustment of JPY -507 million includes an intersegment elimination of JPY 3 million and corporate expenses that are not allocated to any reportable segment of JPY -510 million. Corporate expenses consist mainly of expenses related to the operation of the Company (the holding company).

The segment assets adjustment of JPY 25,399 million includes an intersegment elimination of JPY -90,809 million and corporate assets that are not allocated to any reportable segment of JPY 116,209 million. Corporate assets consist mainly of surplus working capital (cash and deposits) of the Company (the holding company), long-term investment capital (investment securities) and assets held by the Company (the holding company).

2. Segment profit (loss) is adjusted to the operating profit recorded in the consolidated statement of income.

For the fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount presented in consolidated financial statements (Note 2)
	Food	Pharmaceutical			
Net sales					
(1) Sales to third parties	825,451	187,641	1,013,092	-	1,013,092
(2) Intersegment sales and transfers	629	340	969	-969	-
Total	826,080	187,981	1,014,062	-969	1,013,092
Segment profit (loss)	75,973	18,658	94,632	-1,710	92,922
Segment assets	796,724	327,899	1,124,624	-7,164	1,117,459
Other items					
Depreciation	40,579	9,300	49,880	223	50,103
Investments in associates accounted for using equity method	40,471	-	40,471	-	40,471
Increase in property, plant and equipment and intangible assets	79,881	15,409	95,291	191	95,482

(Notes) 1. Details of adjustments are as follows:

The segment profit adjustment of JPY -1,710 million includes an intersegment elimination of JPY 11 million and corporate expenses that are not allocated to any reportable segment of JPY -1,721 million. Corporate expenses consist mainly of expenses related to the operation of the Company (the holding company).

The segment assets adjustment of JPY -7,164 million includes an intersegment elimination of JPY -128,707 million and corporate assets that are not allocated to any reportable segment of JPY 121,542 million. Corporate assets consist mainly of surplus working capital (cash and deposits) of the Company (the holding company), long-term investment capital (investment securities) and assets held by the Company (the holding company).

2. Segment profit (loss) is adjusted to the operating profit recorded in the consolidated statement of income.

4. Changes in reportable segments

As stated in “Changes in accounting policies,” the Revenue Recognition Accounting Standard was applied from the beginning of the current consolidated fiscal year, resulting in a change to the accounting method for revenue recognition. The method for calculating segment profit has been changed as well.

As a result of this change, compared to the previous method, net sales for the current consolidated fiscal year have decreased JPY 171,541 million in the Food Segment and JPY 10,349 million in the Pharmaceutical Segment. The impact on segment profit (loss) is insignificant.

Information associated with reportable segments

For the fiscal year ended March 31, 2021

1. Information for each product or service

(Millions of yen)

	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	Commer cial use foods	Frozen dessert & ready meal	Overseas	Other / domestic subsidiaries
Sales to third parties	260,769	116,001	115,019	93,402	66,550	74,670	48,815	223,758

Domestic ethical pharmaceuticals	Overseas ethical pharmaceuticals	Human vaccines	Agricultural chemicals & veterinary medicines	Total
90,685	39,371	45,798	16,920	1,191,765

2. Information for each region

(1) Net sales

Omitted since sales to third parties in Japan account for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Other	Total
414,171	36,360	4,462	454,994

3. Information for each of main customers

Omitted since there are no sales to specific external customers that account for 10% or more of net sales in the consolidated statement of income.

For the fiscal year ended March 31, 2022

1. Information for each product or service

(Millions of yen)

	Yogurt & cheese	Nutrition	Chocolate & gummy	Drinking milk	Commer cial use foods	Frozen dessert & ready meal	Overseas	Other / domestic subsidiaries
Sales to third parties	209,776	109,566	98,029	76,157	65,804	58,292	52,583	155,241

Domestic ethical pharmaceuticals	Overseas ethical pharmaceuticals	Human vaccines	Agricultural chemicals & veterinary medicines	Total
90,279	40,342	42,901	14,118	1,013,092

(Changes in presentation)

The classifications of information for each product and service are changed in the current consolidated fiscal year. The classifications for the fiscal year ended March 31, 2021 are reclassified to reflect the changes.

2. Information for each region

(1) Net sales

Omitted since sales to third parties in Japan account for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Other	Total
420,326	58,408	4,756	483,491

3. Information for each of main customers

Omitted since there are no sales to specific external customers that account for 10% or more of net sales in the consolidated statement of income.

Impairment losses on non-current assets for each reportable segment

For the fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments		Total	Adjustments	Amount presented in consolidated financial statements
	Food	Pharmaceutical			
Impairment losses	2,758	3	2,762	-	2,762

For the fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments		Total	Adjustments	Amount presented in consolidated financial statements
	Food	Pharmaceutical			
Impairment losses	758	1,246	2,005	-	2,005

Amortization and unamortized balance of goodwill for each reportable segment

For the fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments		Total	Adjustments	Amount presented in consolidated financial statements
	Food	Pharmaceutical			
Amortization of goodwill	15	-	15	-	15
Balance at end of period	42	-	42	-	42

For the fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments		Total	Adjustments	Amount presented in consolidated financial statements
	Food	Pharmaceutical			
Amortization of goodwill	15	-	15	-	15
Balance at end of period	26	-	26	-	26

Information about gain on bargain purchase for each reportable segment

For the fiscal year ended March 31, 2021

Not applicable.

For the fiscal year ended March 31, 2022

Not applicable.

Related parties

For the fiscal year ended March 31, 2021

Transactions between the company submitting the consolidated financial statements and related parties

Officers and major shareholders (individual shareholders only) of the company submitting the consolidated financial statements

(Millions of yen)

Category	Name of person, company, etc.	Share capital	Description of business or occupation	Percentage of voting rights held	Relationship with related party	Description of transactions (Note)	Transaction amount	Account	Balance at end of period
Directors (and other officers)	Kazuo Kawamura	—	President and Representative Director of Meiji Holdings Co., Ltd.	0.0%	—	Contributions in kind for monetary remuneration claims	18	—	—
Officer of significant subsidiary	Katsunari Matsuda	—	President and Representative Director of Meiji Co., Ltd. Director of Meiji Holdings Co., Ltd.	0.0%	—	Contributions in kind for monetary remuneration claims	14	—	—
Officer of significant subsidiary	Daikichiro Kobayashi	—	President and Representative Director of Meiji Seika Pharma Co., Ltd. Director of Meiji Holdings Co., Ltd.	0.0%	—	Contributions in kind for monetary remuneration claims	11	—	—

(Note) Conditions of the transactions and the policy for deciding the conditions of the transactions, etc.

The transactions are contributions in kind for monetary remuneration claims based on the Restricted Share Remuneration Plan.

For the fiscal year ended March 31, 2022

Transactions between the company submitting the consolidated financial statements and related parties

Officers and major shareholders (individual shareholders only) of the company submitting the consolidated financial statements

(Millions of yen)

Category	Name of person, company, etc.	Share capital	Description of business or occupation	Percentage of voting rights held	Relationship with related party	Description of transactions (Note)	Transaction amount	Account	Balance at end of period
Directors (and other officers)	Kazuo Kawamura	—	President and Representative Director of Meiji Holdings Co., Ltd.	0.0%	—	Contributions in kind for monetary remuneration claims	18	—	—
Officer of significant subsidiary	Katsunari Matsuda	—	President and Representative Director of Meiji Co., Ltd. Director of Meiji Holdings Co., Ltd.	0.0%	—	Contributions in kind for monetary remuneration claims	14	—	—
Officer of significant subsidiary	Daikichiro Kobayashi	—	President and Representative Director of Meiji Seika Pharma Co., Ltd. Director of Meiji Holdings Co., Ltd.	0.0%	—	Contributions in kind for monetary remuneration claims	11	—	—

(Note) Conditions of the transactions and the policy for deciding the conditions of the transactions, etc.

The transactions are contributions in kind for monetary remuneration claims based on the Restricted Share Remuneration Plan.

(Per share information)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net assets per share	JPY 4,282.80	JPY 4,781.52
Earnings per share	JPY 452.52	JPY 607.24

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

2. The basis for calculation of earnings per share is as follows.

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	65,655	87,497
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent related to common share (Millions of yen)	65,655	87,497
Average number of common shares during the fiscal year (Thousand shares)	145,089	144,088

(Significant events after reporting period)

Not applicable.

5. Consolidated supplemental schedules

Consolidated supplemental schedule of corporate bonds

Company name	Issue	Date of issue	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate (% per annum)	Security	Date of redemption
Meiji Holdings Co., Ltd.	7th Series of Unsecured Straight Bonds	September 13, 2017	10,000	-	0.22	Nil	September 13, 2024
Meiji Holdings Co., Ltd.	8th Series of Unsecured Straight Bonds	January 30, 2018	10,000	10,000 (10,000)	0.12	Nil	January 30, 2023
Meiji Holdings Co., Ltd.	9th Series of Unsecured Straight Bonds	November 25, 2020	10,000	10,000	0.001	Nil	November 27, 2023
Meiji Holdings Co., Ltd.	10th Series of Unsecured Straight Bonds	April 23, 2021	-	10,000	0.050	Nil	April 23, 2026
Total	-	-	30,000	30,000 (10,000)	-	-	-

(Notes) 1. Debt for the 7th Series of Unsecured Straight Bonds was transferred in accordance with a bond trust-type debt assumption agreement. Since the Company’s bond redemption obligation to bond holders will remain until the bonds have been redeemed, they are noted on the consolidated balance sheet as a contingent liability.

2. Figures shown in parentheses are the amounts scheduled for redemption within one year.

3. The annual amounts scheduled for redemption during the five-year period from the consolidated balance sheet date are as follows:

Within one year (Millions of yen)	More than one year up to two years (Millions of yen)	More than two years up to three years (Millions of yen)	More than three years up to four years (Millions of yen)	More than four years up to five years (Millions of yen)
10,000	10,000	-	-	10,000

Consolidated supplemental schedule of borrowings

Categories	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (%)	Repayment period
Short-term borrowings	12,875	3,901	3.03	-
Current portion of long-term borrowings	4,375	14,325	0.52	-
Current portion of lease liabilities	477	493	-	-
Long-term borrowings (excluding current portion)	54,525	33,039	0.40	2023–2028
Lease liabilities (excluding current portion)	924	700	-	2023–2028
Total	73,177	52,461	-	-

(Notes) 1. The “average interest rate” column shows the weighted average interest rate for the balance of borrowings, etc. at the end of the fiscal period.

2. The average interest rate of lease liabilities is not stated because lease liabilities are recorded on the consolidated balance sheet before deducting the amount equivalent to interest which is included in the total lease payments.

3. The aggregate annual amounts of long-term borrowings and lease liabilities (excluding current portions) scheduled for repayment during the five-year period from the consolidated balance sheet date are as follows:

Categories	More than one year up to two years (Millions of yen)	More than two years up to three years (Millions of yen)	More than three years up to four years (Millions of yen)	More than four years up to five years (Millions of yen)
Long-term borrowings	4,112	21,973	5,114	1,154
Lease liabilities	225	142	94	67

Consolidated supplemental schedule of asset retirement obligations

Omitted pursuant to Article 92-2 of the Regulation on Consolidated Financial Statements since the amounts of asset retirement obligations at the beginning and end of the current consolidated fiscal year are not more than one hundredth of the total amount of liabilities and net assets at the beginning and end of the current consolidated fiscal year.

(2) Other

Quarterly information for the current consolidated fiscal year

(Cumulative period)	First quarter	Second quarter	Third quarter	Consolidated fiscal year
Net sales (Millions of yen)	235,921	500,712	769,959	1,013,092
Profit before income taxes (Millions of yen)	19,081	55,241	84,882	128,455
Profit attributable to owners of parent (Millions of yen)	12,491	36,646	56,183	87,497
Earnings per share (Yen)	86.09	252.54	387.81	607.24

(Fiscal year)	First quarter	Second quarter	Third quarter	Fourth quarter
Earnings per share (Yen)	86.09	166.44	135.30	220.93

2. Financial statements, etc.

(1) Financial statements

1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
ASSETS		
Current assets		
Cash and deposits	5,879	11,530
Income taxes refund receivable	4,687	6,582
Short-term loans receivable from subsidiaries and associates	12,573	11,676
Other	*1 466	*1 696
Total current assets	23,606	30,486
Non-current assets		
Property, plant and equipment		
Buildings	3,605	3,544
Structures	31	29
Machinery and equipment	33	29
Tools, furniture and fixtures	72	79
Land	8,735	8,735
Other	0	3
Total property, plant and equipment	12,479	12,421
Intangible assets		
Trademark right	107	114
Other	0	1
Total intangible assets	107	115
Investments and other assets		
Investment securities	38,022	39,126
Shares of subsidiaries and associates	270,111	270,111
Long-term loans receivable from subsidiaries and associates	41,791	39,115
Other	0	37
Total investments and other assets	349,925	348,390
Total non-current assets	362,512	360,927
Total assets	386,119	391,413

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
LIABILITIES		
Current liabilities		
Short-term borrowings	7,931	-
Current portion of bonds payable	-	10,000
Current portion of long-term borrowings	1,676	11,776
Accrued expenses	*1 276	*1 431
Deposits received from subsidiaries and associates	36,069	70,243
Other	*1 1,120	*1 1,025
Total current liabilities	47,074	93,477
Non-current liabilities		
Bonds payable	30,000	20,000
Long-term borrowings	36,191	24,415
Deferred tax liabilities	6,683	7,427
Other	48	51
Total non-current liabilities	72,923	51,894
Total liabilities	119,997	145,371
Net assets		
Shareholders’ equity		
Share capital	30,000	30,000
Capital surplus		
Legal capital surplus	7,500	7,500
Other capital surplus	220,524	198,471
Total capital surplus	228,024	205,971
Retained earnings		
Other retained earnings		
Retained earnings brought forward	24,640	32,432
Total retained earnings	24,640	32,432
Treasury shares	-31,088	-38,780
Total shareholders' equity	251,576	229,623
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,544	16,419
Total valuation and translation adjustments	14,544	16,419
Total net assets	266,121	246,042
Total liabilities and net assets	386,119	391,413

2. Non-consolidated statement of income

(Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Operating revenue		
Management fee income from subsidiaries and associates	2,705	2,360
Dividends from subsidiaries and associates	22,832	32,187
Total operating revenue	*1 25,537	*1 34,547
Operating expenses		
General and administrative expenses	*1, *2 3,242	*1, *2 4,100
Operating profit	22,295	30,447
Non-operating income		
Interest and dividend income	*1 887	*1 939
Other	*1 64	*1 74
Total non-operating income	951	1,013
Non-operating expenses		
Interest expenses	*1 260	*1 270
Bond issuance costs	38	43
Other	24	91
Total non-operating expenses	322	405
Ordinary profit	22,924	31,055
Extraordinary income		
Gain on sale of investment securities	26	668
Extraordinary losses		
Loss on abandonment of non-current assets	4	17
Contributions to disaster relief	100	-
Contributions to financial support	-	50
Total extraordinary losses	104	67
Profit before income taxes	22,845	31,656
Income taxes – current	26	3
Income taxes – deferred	464	-82
Total income taxes	491	-79
Profit	22,354	31,735

3. Non-consolidated statement of changes in net assets

For the fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,000	7,500	220,383	227,883	24,774	24,774	-31,199	251,458
Changes during period								
Dividends of surplus					-22,488	-22,488		-22,488
Profit					22,354	22,354		22,354
Purchase of treasury shares							-25	-25
Disposal of treasury shares			141	141			136	277
Net changes in items other than shareholders' equity								
Total changes during period	-	-	141	141	-133	-133	110	118
Balance at end of period	30,000	7,500	220,524	228,024	24,640	24,640	-31,088	251,576

	Valuation and translation adjustments		
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Total net assets
Balance at beginning of period	10,770	10,770	262,229
Changes during period			
Dividends of surplus			-22,488
Profit			22,354
Purchase of treasury shares			-25
Disposal of treasury shares			277
Net changes in items other than shareholders' equity	3,774	3,774	3,774
Total changes during period	3,774	3,774	3,892
Balance at end of period	14,544	14,544	266,121

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning of period	30,000	7,500	220,524	228,024	24,640	24,640	-31,088	251,576
Changes during period								
Dividends of surplus					-23,944	-23,944		-23,944
Profit					31,735	31,735		31,735
Purchase of treasury shares							-30,014	-30,014
Cancellation of treasury shares			-22,161	-22,161			22,161	-
Disposal of treasury shares			107	107			161	269
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-22,053	-22,053	7,791	7,791	-7,691	-21,953
Balance at end of period	30,000	7,500	198,471	205,971	32,432	32,432	-38,780	229,623

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	14,544	14,544	266,121
Changes during period			
Dividends of surplus			-23,944
Profit			31,735
Purchase of treasury shares			-30,014
Cancellation of treasury shares			-
Disposal of treasury shares			269
Net changes in items other than shareholders' equity	1,874	1,874	1,874
Total changes during period	1,874	1,874	-20,079
Balance at end of period	16,419	16,419	246,042

Notes

(Significant accounting policies)

1. Basis and method for valuation of securities

Shares of subsidiaries	Valued using the moving average cost method.
Available-for-sale securities	
Securities other than shares that do not have a fair value	Valued using the fair value method (with the entire amount of valuation differences inserted directly into net assets, and the cost of sales calculated using the moving average method).
Shares that do not have a fair value	Valued using the moving average cost method. However, available-for-sale securities denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing on the balance sheet date, and translation differences are recognized as valuation differences (with the entire amount of valuation differences inserted directly into net assets).

2. Depreciation method for non-current assets

Property, plant and equipment	Depreciated using the straight-line method.
Intangible assets	Depreciated using the straight-line method. Software for internal use is depreciated using the straight-line method over the estimated useful life (five years).
Leased assets	Leased assets related to finance lease transactions with the right of ownership not transferred Depreciated using the straight-line method, with the lease term as the useful life and a residual value of zero.
Investment property	Depreciated using the straight-line method.

3. Accounting methods for revenues and expenses

Revenue is recognized when control of promised goods or services is transferred to customers in the amount expected to be received in exchange for those goods or services. As a holding company, the Company's revenue from contracts with customers is mainly management fee income from its subsidiaries. Regarding management fee income, the Company has a performance obligation to provide contracted services to subsidiaries in accordance with the terms of the contracts. Since the performance obligation is satisfied when the services are actually performed, revenue is recognized at that time.

4. Other basic policies and important matters for preparation of the financial statements

Treatment of deferred assets

Bond issuance costs are fully expensed at the time the disbursement is made.

(Significant accounting estimates)

Not applicable.

(Changes in accounting policies)

(Application of accounting standard for revenue recognition)

The Company applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter, "Revenue Recognition Accounting Standard") from the beginning of the current fiscal year, and recognized revenue in the amount expected to be received in exchange for promised goods or services when control of those goods or services is transferred to customers. This change has no impact on the financial statements.

(Application of accounting standard for fair value measurement)

The Company applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter, "Fair Value Measurement Accounting Standard") from the beginning of the current fiscal year, and applied the new accounting policies stipulated by the Fair Value Measurement Accounting Standard prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This change has no impacts on the financial statements.

(Changes in presentation)

(Balance sheet)

Investment property included in investments and other assets was reported as a separate item in the previous fiscal year. However, as its monetary significance has declined, it is included with “Other” under investments and other assets for the current fiscal year. In order to reflect this change in presentation, the financial statements for the previous fiscal year have been rearranged.

As a result, “Investment property” of JPY 0 million, which was reported under investments and other assets in the balance sheet of the previous fiscal year, has been reclassified as JPY 0 million in “Other.”

(Additional information)

(Application of Group Tax Sharing System)

In the current fiscal year, the Company applied for approval of the Group Tax Sharing System, established by the Act for Partial Amendment of the Income Tax Act (Act No. 8 of 2020). Since the Group Tax Sharing System will be applied from the following fiscal year, the Practical Issues Task Force on the Accounting and Disclosure when applying the Group Tax Sharing System (Practical Issues Task Force No. 42 August 12, 2021) has been applied as the end of the current fiscal year for the accounting and disclosure of tax effect accounting.

(Balance sheet)

*1 Monetary claims and obligations to subsidiaries and associates (excluding items presented separately)

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)
Short-term monetary claims	22	31
Short-term monetary obligations	40	40

2 Guarantee obligations

The Company guarantees loans from financial institutions to employees of consolidated subsidiaries.

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)
Employees (including of consolidated subsidiaries)	31	16

3 Contingent liabilities related to debt assumption agreements for corporate bonds

Debt for the following bonds has been transferred in accordance with a bond trust-type debt assumption agreement concluded with a bank. As a result, the transferred debt for the bonds is offset against the amount payable under the agreement. However, the Company’s obligation to bond holders to redeem the bonds will remain until the bonds are redeemed.

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)
7th Series of Unsecured Straight Bonds, Meiji Holdings Co., Ltd.	-	10,000

4 Commitment line agreements

The Company has entered into commitment line agreements with six financial institutions (six in the previous fiscal year) for the purpose of securing a flexible measure for raising funds and improving capital efficiency.

The unused portion of the commitment line based on these agreements as of March 31, 2022 is as follows:

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)
Maximum loan amount	20,000	20,000
Used portion of the commitment line	-	-
Balance	20,000	20,000

(Statement of income)

*1 Amount of transactions with subsidiaries and associates

	For the fiscal year ended March 31, 2021 (Millions of yen)	For the fiscal year ended March 31, 2022 (Millions of yen)
Operating revenue	25,537	34,547
Operating expenses	263	107
Amount of transactions that are not from operating transactions	146	135

*2 Major expense items and amounts included in operating expenses are as follows:

	For the fiscal year ended March 31, 2021 (Millions of yen)	For the fiscal year ended March 31, 2022 (Millions of yen)
Remuneration for directors (and other officers)	410	394
Salaries	643	869
Office expenses	1,267	1,522
Taxes and dues	584	559
Depreciation	213	223
Deduction	-1,025	-984

Rental income associated with leasing part of head office and other premises is deducted from operating expenses.

(Securities)

Fiscal year ended March 31, 2021

Shares of subsidiaries (book value: JPY 270,111 million) are not stated because they do not have a fair value and determining their fair value is deemed to be very difficult.

Fiscal year ended March 31, 2022

Shares of subsidiaries (book value: JPY 270,111 million) are not stated because they do not have a fair value.

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)
Deferred tax assets		
Accrued enterprise tax	22	34
Accrued expenses, etc.	73	49
Loss on valuation of investment securities not deductible	236	236
Losses carried forward	448	594
Others	36	41
Subtotal deferred tax assets	818	955
Valuation allowance for losses carried forward	-448	-594
Valuation allowance for deductible temporary differences	-329	-252
Subtotal valuation allowance	-778	-846
Total deferred tax assets	39	108
Deferred tax liabilities		
Reserve for tax purpose reduction entry	-330	-317
Assets adjusted for loss (gain) on transfer	-319	-319
Valuation difference on available-for-sale securities	-6,072	-6,898
Total deferred tax liabilities	-6,722	-7,535
Net deferred tax assets (liabilities)	-6,683	-7,427

2. Significant difference between the statutory tax rate and the effective tax rate after application of tax effect accounting, by main items causing the difference

	As of March 31, 2021	As of March 31, 2022
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Items that are not permanently deducted, such as entertainment expenses	1.7	0.2
Dividend income, etc. amount that is not permanently included in profits	-30.8	-31.3
Increase / decrease in valuation allowance	0.6	0.2
Others	0.1	0.1
Income tax burden rate after tax effect accounting is applied	2.2	-0.2

3. Accounting treatment for corporation tax and local corporation tax and accounting treatment for tax effect accounting related to these taxes

In the current fiscal year, the Company applied for approval of the Group Tax Sharing System, established by the Act for Partial Amendment of the Income Tax Act (Act No. 8 of 2020). Since the Group Tax Sharing System will be applied from the following fiscal year, the Practical Issues Task Force on the Accounting and Disclosure when applying the Group Tax Sharing System (Practical Issues Task Force No. 42 August 12, 2021) has been applied as the end of the current fiscal year for the accounting and disclosure of tax effect accounting related to corporation tax and local corporation tax.

(Revenue recognition)

As described in (1) Financial statements, Notes (Significant accounting policies), 3. Accounting methods for revenues and expenses.

(Significant events after reporting period)

Not applicable.

4. Supplemental schedules

Supplemental schedule of property, plant and equipment, etc.

(Millions of yen)

Categories	Asset type	Balance at beginning of period	Increase during the period	Decrease during the period	Depreciation for the period	Balance at end of period	Accumulated depreciation
Property, Plant and Equipment	Buildings	3,605	139	16	183	3,544	4,181
	Structures	31	-	-	2	29	202
	Machinery and equipment	33	-	-	4	29	193
	Vehicles	0	-	-	-	0	1
	Tools, furniture and fixtures	72	21	0	14	79	227
	Land	8,735	-	-	-	8,735	-
	Leased assets	0	3	0	0	3	0
	Total	12,479	164	16	205	12,421	4,807
Intangible assets	Trademark right	107	24	-	18	114	183
	Other	0	1	0	-	1	3
	Total	107	26	0	18	115	187
Investments and other assets	Investment property	0	-	-	-	0	2

Supplemental schedule of provisions

Not applicable.

(2) Components of major assets and liabilities

Since we prepare the consolidated financial statements, the description is omitted.

(3) Others

Not applicable.

6. Outline of share-related administration of reporting company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	During June
Record date	March 31
Record date for distribution of surplus	March 31 and September 30
Number of shares constituting one unit	100 shares
Purchase of odd lots of shares and sale of additional shares	
Listing exchanges	(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation Securities Agent Division
Shareholder registry administrator	(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Agent	―
Purchase and sale commissions	Free of charge
Method of public notice	Public notices are posted electronically. However, if electronic notice is not possible due to accident or other unavoidable circumstances, notice is provided by publication in The Nikkei. URL for public notice: https://www.meiji.com/global/
Privileges for shareholders	We send the following assortment of Meiji Group products to shareholders as of March 31 around the end of October. Shareholders holding less than 100 shares: None Shareholders holding 100 shares or more but less than 500 shares: Assortment equivalent to JPY 2,000 in retail price Shareholders holding 500 shares or more but less than 1,000 shares: Assortment equivalent to JPY 3,500 in retail price Shareholders holding 1,000 or more shares: Assortment equivalent to JPY 5,000 in retail price * In lieu of receiving the above product assortment, shareholders may choose to donate to welfare organizations.

(Note) Pursuant to the Company's Articles of Incorporation, shareholders of the Company may not exercise any rights with respect to shares constituting less than one unit held by them, other than the rights specified in each item of Paragraph 2 of Article 189 of the Companies Act, the right to make a request pursuant to Paragraph 1 of Article 166 of the Companies Act, the right to receive allocations of subscriber shares or subscriber share options in proportion to the number of shares held by such shareholder; and the right to demand that the Company sell to the shareholder a number of shares that, together with the shares constituting less than one unit held by the shareholder, will constitute one unit.

7. Reference information of reporting company

1. Information about parent of reporting company

The Company does not have a parent company, etc. specified in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other reference information

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2022 to the filing date of Annual Securities Report.

(1) Annual Securities Report and Attached Documents	Filed with Director-General of the Kanto Local Finance Bureau on July 16, 2021
(2) Revision to Shelf Registration Statement (Issuance of Straight Bonds) A revision to the shelf registration statement (for issuance of straight bonds) submitted on August 24, 2020.	Filed with Director-General of the Kanto Local Finance Bureau on July 1, 2021
A revision to the shelf registration statement (for issuance of straight bonds) submitted on August 24, 2020.	Filed with Director-General of the Kanto Local Finance Bureau on August 12, 2021
A revision to the shelf registration statement (for issuance of straight bonds) submitted on August 24, 2020.	Filed with Director-General of the Kanto Local Finance Bureau on September 10, 2021
(3) Annual Securities Report, Attached Documents, and Confirmation Letter 12th business term: From April 1, 2020 to March 31, 2021	Filed with Director-General of the Kanto Local Finance Bureau on June 29, 2021
(4) Revision Report for Annual Securities Report and Confirmation Letter A revision of the annual securities report for the 12th business term (from April 1, 2020 to March 31, 2021) and the confirmation letter thereof	Filed with Director-General of the Kanto Local Finance Bureau on August 12, 2021
(5) Internal Control Report and Attached Documents	Filed with Director-General of the Kanto Local Finance Bureau on June 29, 2021
(6) Quarterly Report and Confirmation Letter First quarter of the 13th business term (from April 1, 2021 to June 30, 2021) Second quarter of the 13th business term (from July 1, 2021 to September 30, 2021) Third quarter of the 13th business term (from October 1, 2021 to December 31, 2021)	Filed with Director-General of the Kanto Local Finance Bureau on August 12, 2021, November 10, 2021, and February 10, 2022, respectively
(7) Current reports An extraordinary report pursuant to Article 19, Paragraph 2, Item (ix)-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs (result of the resolution made at the General Meeting of Shareholders)	Filed with Director-General of the Kanto Local Finance Bureau on July 1, 2021
An extraordinary report pursuant to Article 19, Paragraph 2, Item (xix) of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc. (occurrence of an event that significantly affects the financial position, operating results, and cash flow status of the consolidated company).	Filed with Director-General of the Kanto Local Finance Bureau on September 10, 2021
(8) Share Buyback Report	Filed with Director-General of the Kanto Local Finance Bureau on December 8, 2021, January 12, 2022, February 3, 2022, March 10, 2022, and April 12, 2022, respectively
(9) Supplemental Shelf Registration Documents (for issuance of shares and bonds, etc.) and Attached Documents	Filed with Director-General of the Kanto Local Finance Bureau on April 16, 2021

Part II Information about reporting company's guarantor, etc.

Not applicable.

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Independent Auditor's Report

The Board of Directors
Meiji Holdings Co., Ltd

Opinion

We have audited the accompanying consolidated financial statements of Meiji Holdings Co., Ltd. (the Company) and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, notes to the consolidated financial statements and the consolidated supplemental schedule.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Company split and share transfer related to agricultural chemicals production and sales business operated by Meiji Seika Pharma Co., Ltd.	
Description of Key Audit Matter	**Auditor's Response**
As described in the note "Business Combinations", Meiji Seika Pharma Co., Ltd. (hereinafter, "Meiji Seika Pharma"), a consolidated subsidiary of the Company in the Pharmaceutical segment, had MMAG Co., Ltd. (hereinafter, "MMAG"), its newly established, wholly-owned subsidiary, succeed to its agricultural chemicals production and sales business (hereinafter, "the Business") by the method of an absorption-type company split, and, thereafter, Meiji Seika Pharma transferred all shares of MMAG to Mitsui Chemicals Agro, Inc., a wholly-owned subsidiary of Mitsui Chemicals, Inc., in January 2022. Under the share transfer agreement, the Company recognized a gain on sales of shares of subsidiaries and associates of ¥32,703 million as a transfer gain based on the difference between the transfer price of shares considering the price adjustment and the amount equivalent to shareholders' equity relating to the transferred business. This amount accounts for 25% of Profit before income taxes in the consolidated financial statements for the fiscal year ended March 2022. As described above, the impact of the amount recognized in gain on sales of shares of subsidiaries and associates is significant to the consolidated financial statements, and the scope and amount of assets and liabilities separated by the company split are important components in the calculation of the transfer gain or loss. Therefore, we determined the company split and share transfer related to the Business of Meiji Seika Pharma to be a key audit matter.	We mainly performed the following audit procedures for the company split and share transfer related to the Business of Meiji Seika Pharma. ・We inspected the board of directors meeting minutes of the Company and Meiji Seika Pharma, and made inquiries of management and other relevant parties in order to understand the details and the purpose of the transaction related to the company split and share transfer of the Business. ・We performed inspections, confirmations, and vouching procedures in order to evaluate that the appropriate carrying values of the assets and liabilities related to the Business transferred from Meiji Seika Pharma to MMAG were separated in accordance with the share transfer agreement and the absorption-type company split agreement. ・We vouched the share transfer agreement, addendums and the payment voucher in order to evaluate the transfer price of the shares. And we inspected the share transfer agreement and addendums, considered the adequacy of the calculation, and performed vouching in order to evaluate that the price adjustment amount was calculated rationally in accordance with the terms of the agreement.

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Other Information

The other information comprises the information included in the annual securities report (Yukashoken Hokokusho), but does not include the consolidated financial statements, financial statements and our auditor's reports thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Board Member and the Audit and Supervisory Board are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Board Member and the Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Board Member and the Audit and Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Board Member and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board Member and the Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Supervisory Board Member and the Audit and Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

July 28, 2022

高田 慎司

Shinji Takada
Designated Engagement Partner
Certified Public Accountant

江村羊奈子

Yonako Emura
Designated Engagement Partner
Certified Public Accountant

衣川 清隆

Kiyotaka Kinugawa
Designated Engagement Partner
Certified Public Accountant

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Independent Auditor's Report

The Board of Directors
Meiji Holdings Co., Ltd

Opinion

We have audited the accompanying financial statements of Meiji Holdings Co., Ltd. (the Company), which comprise the balance sheet as at March 31, 2022, and the statements of income, changes in net assets, notes to the financial statements, and the supplemental schedule.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The other information comprises the information included in the annual securities report (Yukashoken Hokokusho), but does not include the consolidated financial statements, financial statements and our auditor's reports thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Board Member and the Audit and Supervisory Board are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Board Member and the Audit and Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Board Member and the Audit and Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit and Supervisory Board Member and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board Member and the Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Supervisory Board Member and the Audit and Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Building a better working world

Ernst & Young ShinNihon LLC
Tokyo, Japan

July 28, 2022

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