



Financial Results
- For the FYE March 2017 -

May 16, 2017

Meiji Holdings Co., Ltd.

1. Overview for the FYE March 2017
2. Outlook for the FYE March 2018
3. The Meiji Group 2026 Vision (outline)

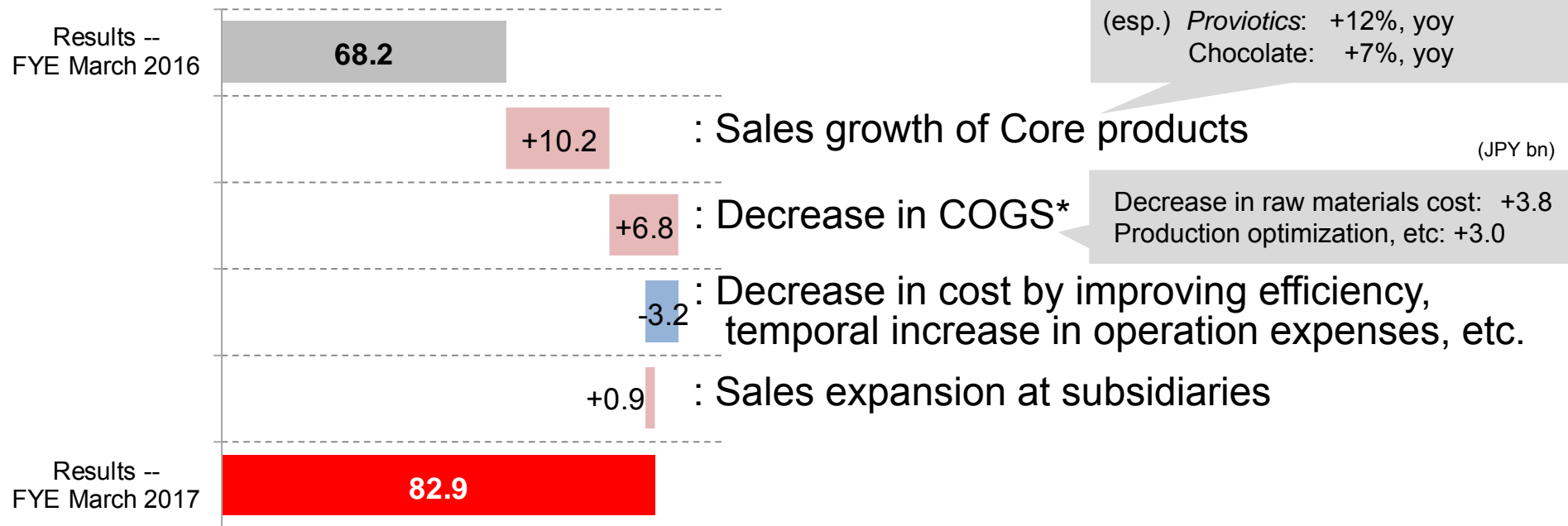
- Business forecasts and other forward-looking statements are based on information available at the time of the release of this presentation and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factors.
- Although this material includes information concerning pharmaceutical products (including those currently under development), such descriptions are not intended to advertise the products or provide any medical advice.

Increased Income - Sales Growth of Core Products, Cost Reduction and Decrease in Raw Material Costs

(JPY bn)

		FYE March 2016 Results	FYE March 2017 Plan	FYE March 2017 Results	Change vs. Plan	YoY Change
Food	Net sales	1,061.3	1,088.0	1,082.1	-0.5% -5.8	+2.0% +20.7
	Operating income	68.2	80.0	82.9	+3.7% +2.9	+21.5% +14.6

(JPY bn) YoY Change in Operating Income



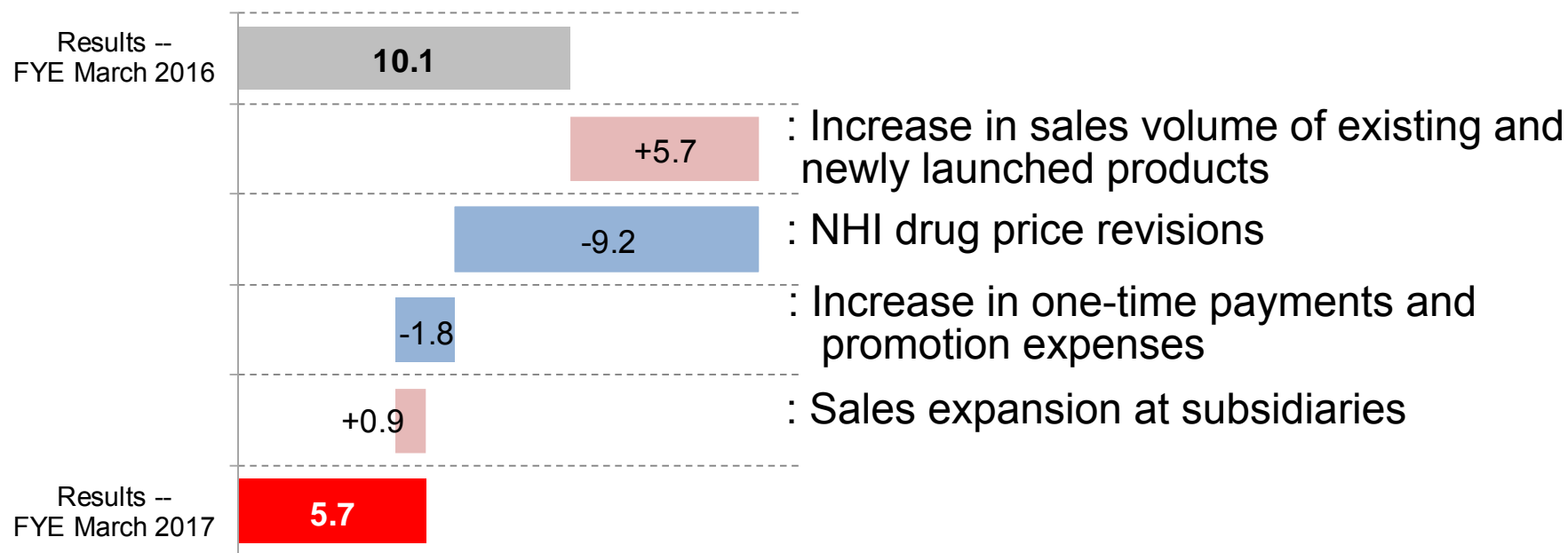
* COGS: Costs of goods sold

Pharma Decreased Income - NHI Price Revisions and Increased Expenses, Despite Promotion of Newly Launched Products **meiji**

(JPY bn)

		FYE March 2016 Results	FYE March 2017 Plan	FYE March 2017 Results	Change vs. Plan	YoY Change
Pharma	Net sales	164.5	165.0	161.6	-2.0% -3.3	-1.8% -2.9
	Operating income	10.1	5.0	5.7	+15.6% +0.7	-42.9% -4.3

(JPY bn) YoY Change in Operating Income



Summary - FYE March 2017



(JPY bn)

		FYE March 2016 Results	FYE March 2017 Plan	FYE March 2017 Results	Change vs. Plan	YoY Change
Meiji Holdings	Net sales	1,223.7	1,251.0	1,242.4	-0.7% -8.5	+1.5% +18.7
	Operating income	77.7	84.5	88.3	+4.6% +3.8	+13.6% +10.6
	Op. income margin	6.4%	6.8%	7.1%	+0.4pt	+0.8pt
	Net income attributable to shareholders of parent company	62.5	56.5	60.7	+7.6% +4.2	-2.9% -1.7
	EPS	425.06 yen	383.78 yen	413.11 yen	+29.33 yen	-11.95 yen
	Cash dividends per share	90 yen	110 yen	110 yen	—	+20 yen
	Dividend ratio	21.2%	28.7%	26.6%	-2.1pt	+5.4pt
	ROE	16.1%	13%	14.2%	+1.2pt	-1.9pt

- Net income underperformed previous year; JPY 13.0 billion decrease in extraordinary income
- Increased dividends; JPY 20 increase
- ROE 14.2%; acquired treasury stock

(Note 1) The above plan figures were announced on February 7, 2017

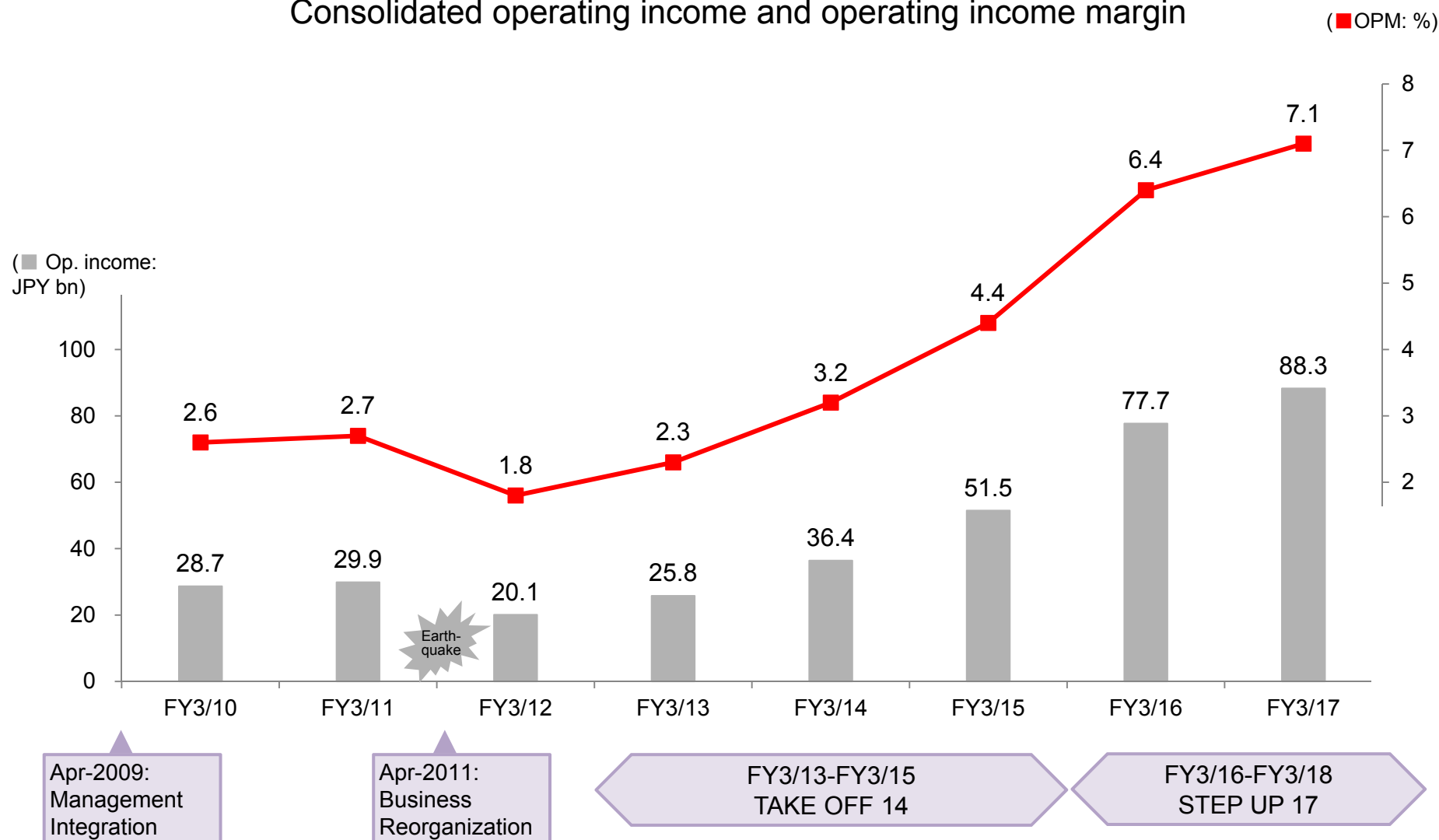
(Note 2) EPS and cash dividends per share for the FYE March 2016 are based on the number of shares before stock split taken effect on October 1, 2015.

(Note 3) The repurchase of own shares was announced on February 7, 2017. The period of repurchase is from February 8, 2017 to August 7, 2017. The above ROE for FYE March 2017 is calculated by reflecting treasury shares acquired by the end of March 31, 2017.

Changes in Profitability after Management Integration



Consolidated operating income and operating income margin





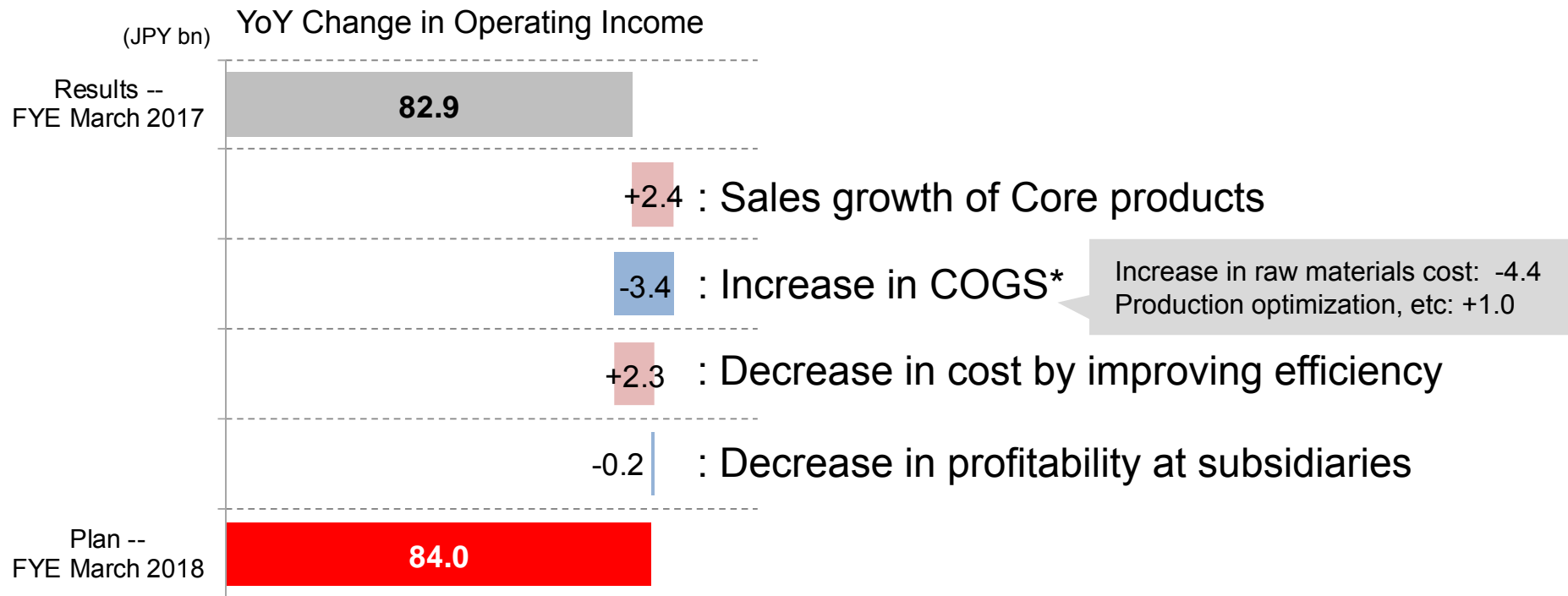
2. Outlook for the FYE March 2018

Food Increase Income - Grow Sales of Core Products and Reduce Cost



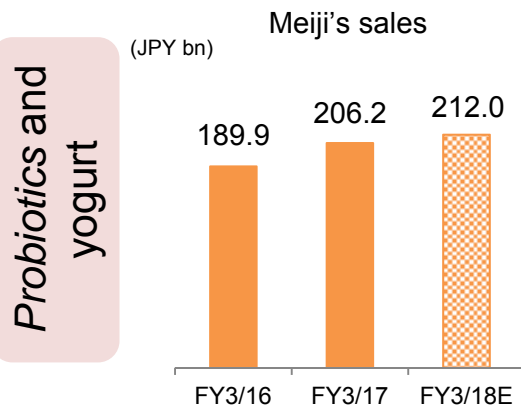
(JPY bn)

		FYE March 2017 Results	FYE March 2018 Plan	YoY Change
Food	Net sales	1,082.1	1,087.0	+0.5% +4.8
	Operating income	82.9	84.0	+1.3% +1.0

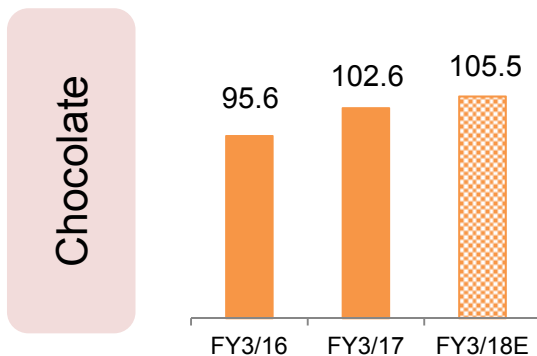


* COGS: Costs of goods sold

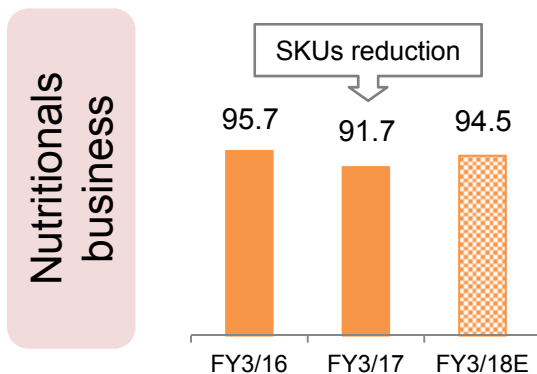
Expand Domestic Share of Core Products - Accelerate Selection and Concentration



- *Probiotics* (Functional yogurt): Stable growth
 - Marketing to convey the benefit of lactobacillus and importance of continued consumption
- Yogurt: Expand demand by proposing new consumption opportunities



- Chocolate: Grow further; *Health* and *Premium*
 - Differentiate products - leverage our strengths, Cacao research and production technology
 - Expand production capacity



- Sports nutritionals: Expand production capacity
 - Acquire new customers - expand sales routes and product lineups
- Enteral formula: Promote added value and expand sales to hospitals/nursing homes and consumer market

Sales and Marketing

- Expand sales of Core products
- Reduce SKUs
- Control promotion and advertising expenses

Production

- Invest in expanding production capacity for Core Products
- Build streamlined production structure

Logistics

- Optimize warehouse locations in Kanto area
- Improve shipping efficiency: review of delivery routes, joint shipping, etc.

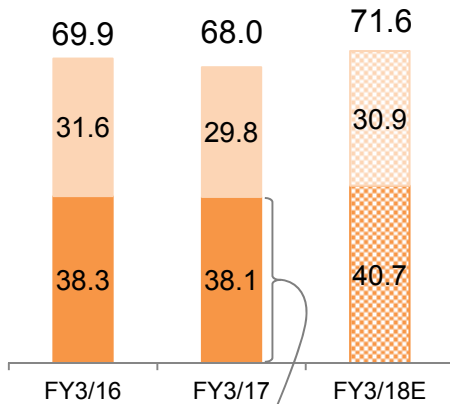
JPY 5.5 bn

of profit increase factors
for the FYE March 2018

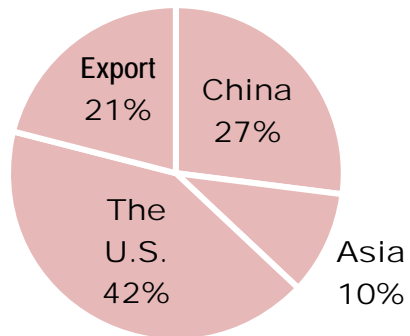
Improving
profitability

Overseas sales (JPY bn)

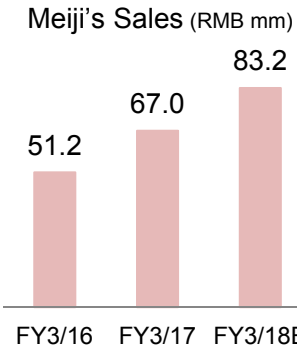
■ Affiliates accounted for by equity method and non-consolidated companies
■ Consolidated subsidiaries and exports



Consolidated sales breakdown

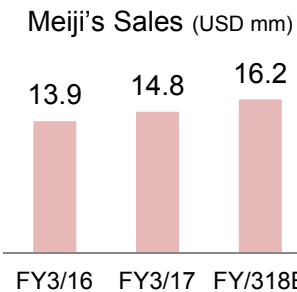


Become income-generating business



- Increase product recognition by reinforcing marketing efforts
- Expand sales areas and number of stores handling our products
- Increase exports to neighboring countries and regions

Increase income



- Improve profitability of Stauffer's products
- Accelerate sales growth of Meiji brand products by local production

Accelerate overseas expansion

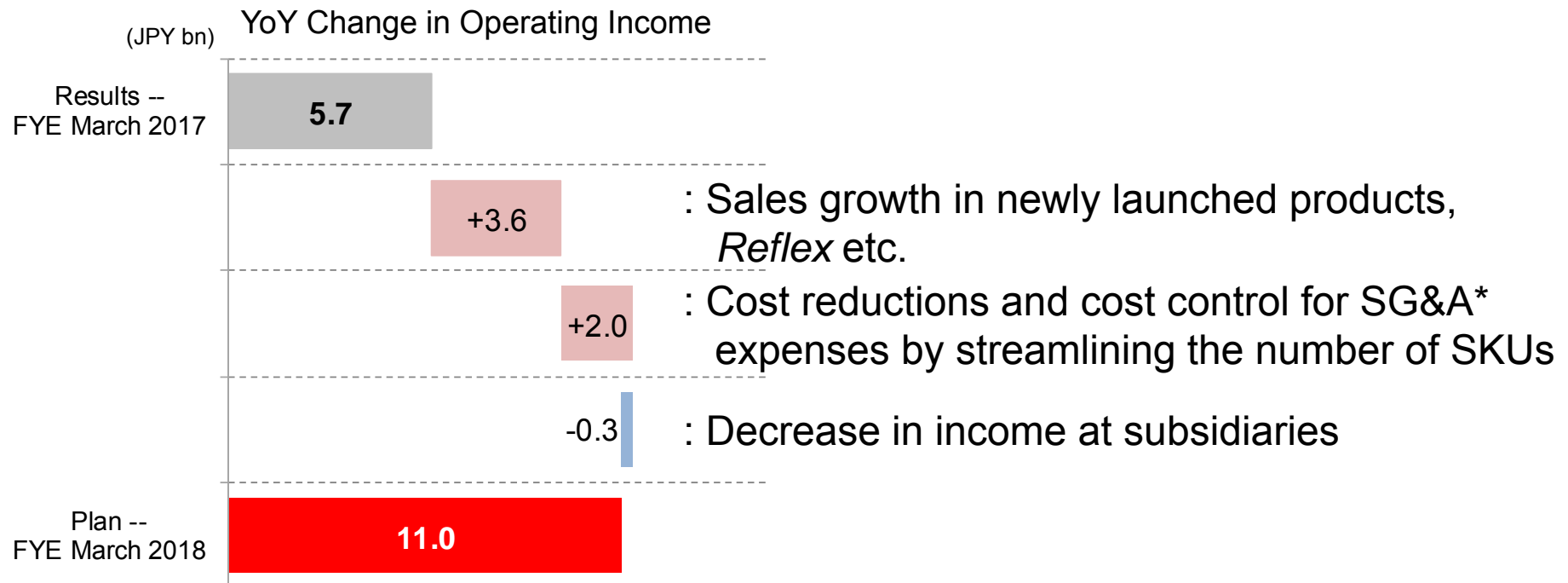
- Change to sole ownership - Confectionery businesses in Thailand and Indonesia
- Establish local subsidiary - Taiwan office for infant formula sales

(Note) Net sales for the parent company export business and net sales (after elimination) from overseas subsidiaries subject to the scope of consolidation are indicated as above sales.

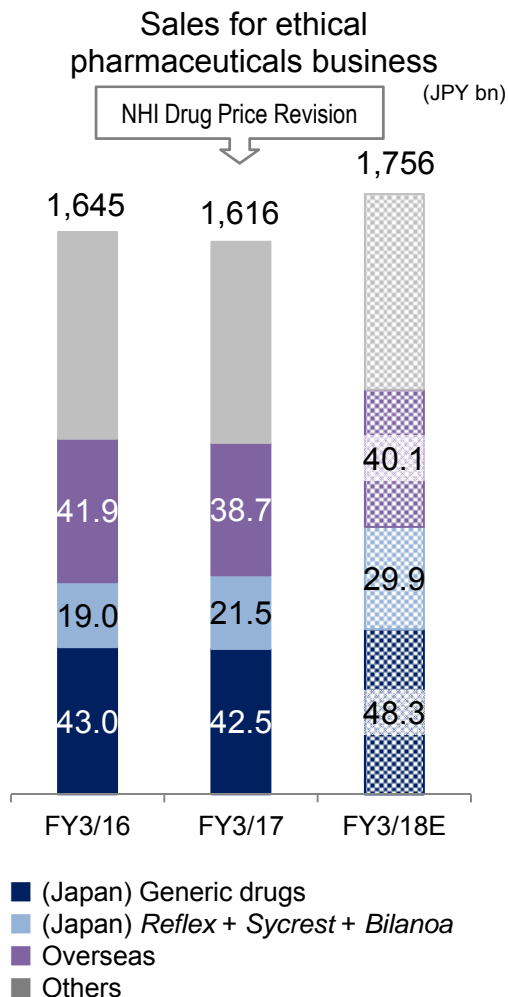
Increase Income - Focus Resources on Core Domains, Steady Sales Growth and Further Low-Cost Operations

(JPY bn)

		FYE March 2017 Results	FYE March 2018 Plan	YoY Change
Pharma	Net sales	161.6	175.6	+8.6% +13.9
	Operating income	5.7	11.0	+90.3% +5.2



* SG&A expenses: Selling, general and administrative expenses



* CDMO: Contract Development and Manufacturing Organization

Domestic business

Grow sales - focus on main products

- Antidepressant drug, *Reflex*
Maximize product value; use latest evidence
- Antipsychotic drug, *Sycrest*
Drug for allergic disease, *Bilanoa*
 - Newly launched products in 2016
 - Expand presence – Increase number of prescriptions in 2nd year of sales, approved for long-term prescription (more than 30 days)

Expand generic drugs and create new business model_ (details on next page)

Overseas business

Improve profitability

- Expand sales of key products such as *Meiact* in China, India, and ASEAN regions
- Expand CDMO* business in Medreich Ltd.
- Promote closer cooperation among Group companies and partner companies

(Note) Net sales for the parent company export business and net sales (after elimination) from overseas subsidiaries subject to the scope of consolidation are indicated as above sales.

Business environment

- Government policies for achieving 80% share for generic drugs → Market expansion
- Policy for fundamental review of drug pricing → low cost production, competitive advantage

Product portfolio

- Expand sales volume; fusion strategy in core domains
- Streamline number of products

Low-cost operation

- Supply products produced in Medreich to Japan
- Optimize production and distribution structure

Sales structure

- Establish Me Pharma - Create new business model using overwhelming cost competitiveness

Expanding business with profits

Plan - FYE March 2018

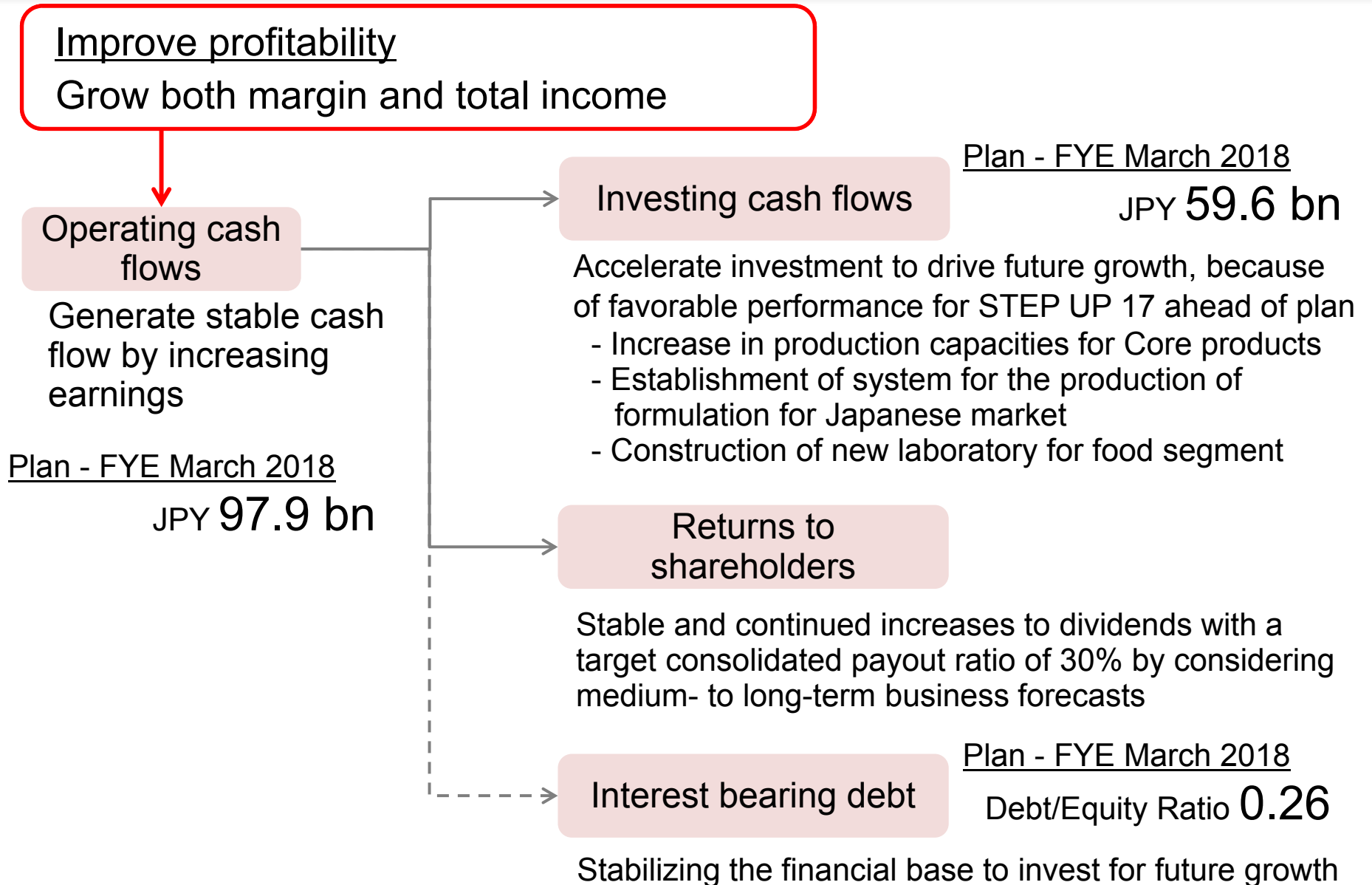


(JPY bn)

		FYE March 2017 Results	FYE March 2018 Plan	YoY Change
Meiji Holdings	Net sales	1,242.4	1,261.0	+1.5% +18.5
	Operating income	88.3	94.5	+6.9% +6.1
	Operating income margin	7.1%	7.5%	+0.4pt
	Net income attributable to shareholders of parent company	60.7	61.0	+0.4% +0.2
	EPS	413.11 yen	414.56 yen	+1.45 yen
	Cash dividends per share	110 yen	115 yen	+5 yen
	Payout ratio	26.6%	27.7%	+1.1pt
	ROE	14.2%	13.2%	-1.0pt

- Forecast net income to be largely unchanged; not including extraordinary income
- Planning on dividend of JPY 115, 5 yen increase

Use of Cash Flows



1. Strengthen priority businesses and take on the challenge of future growth

- **Food:** Selection and concentration - Sales ratio of core products increased
- **Pharma:** Launched new products in core domains, contribution to income should be in and after FYE March 2018

2. Improve profitability to withstand harsh economic environment

- **Food:** Increased income, steady advancement of structural reforms
- **Pharma:** Delay in realization of strategy benefits, drastic change in business environment

3. Pursue global expansion

- **Food:** Achieved break even overall for overseas businesses
- **Pharma:** Increased presence as income contributor

4. Evolve the management system

- Reviewed director's compensation structure
- Improved management transparency and objectivity - increased number of outside directors



3. The Meiji Group 2026 Vision (outline)

Important Operating Environment

1. Changes in social structure - Ageing

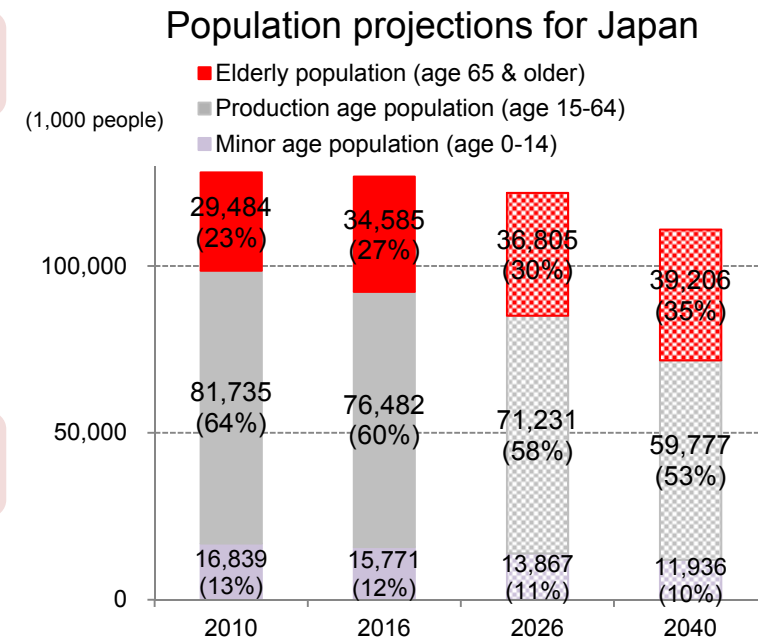
- By 2025, 30% of Japan's population will be 65 and older
- Population ageing is a global common issue

2. Increased health consciousness and disease prevention

- Increasing patients, changes in living environments and dietary habits
- Increased interest in prevention and extension of healthy lifespan

3. Growth of the global middle class

- Income levels in emerging nations are rising - China, India, etc.
- Needs for luxury foods, health-related products are increasing



(Source) Ministry of Internal Affairs and Communication Statistics Bureau "Population Estimates," National Institute of Population and Social Security Research "Population Projections for Japan (for January 2012) Medium-Fertility Assumption with Medium-Mortality Assumptions" (for population as of October 1 of each year)

Global Population Predictions

	2015	→	2025
Global population	7.3BN	→	8.1BN
Middle class*	3.7BN	→	5.2BN

*Middle class = Population living off between USD 5 and USD 50 per day

(Source) Research by Deloitte Tohmatsu Consulting, LLC.

1 Secure an overwhelming advantage in core businesses

In the areas of “Tastiness, Enjoyment, Health and Reassurance,” we will propose unique values and capture latent growth opportunities and increasing medical and healthcare needs on the domestic market. We will establish an overwhelming advantage in core businesses and improve profitability.

2 Establish growth foundation in overseas markets

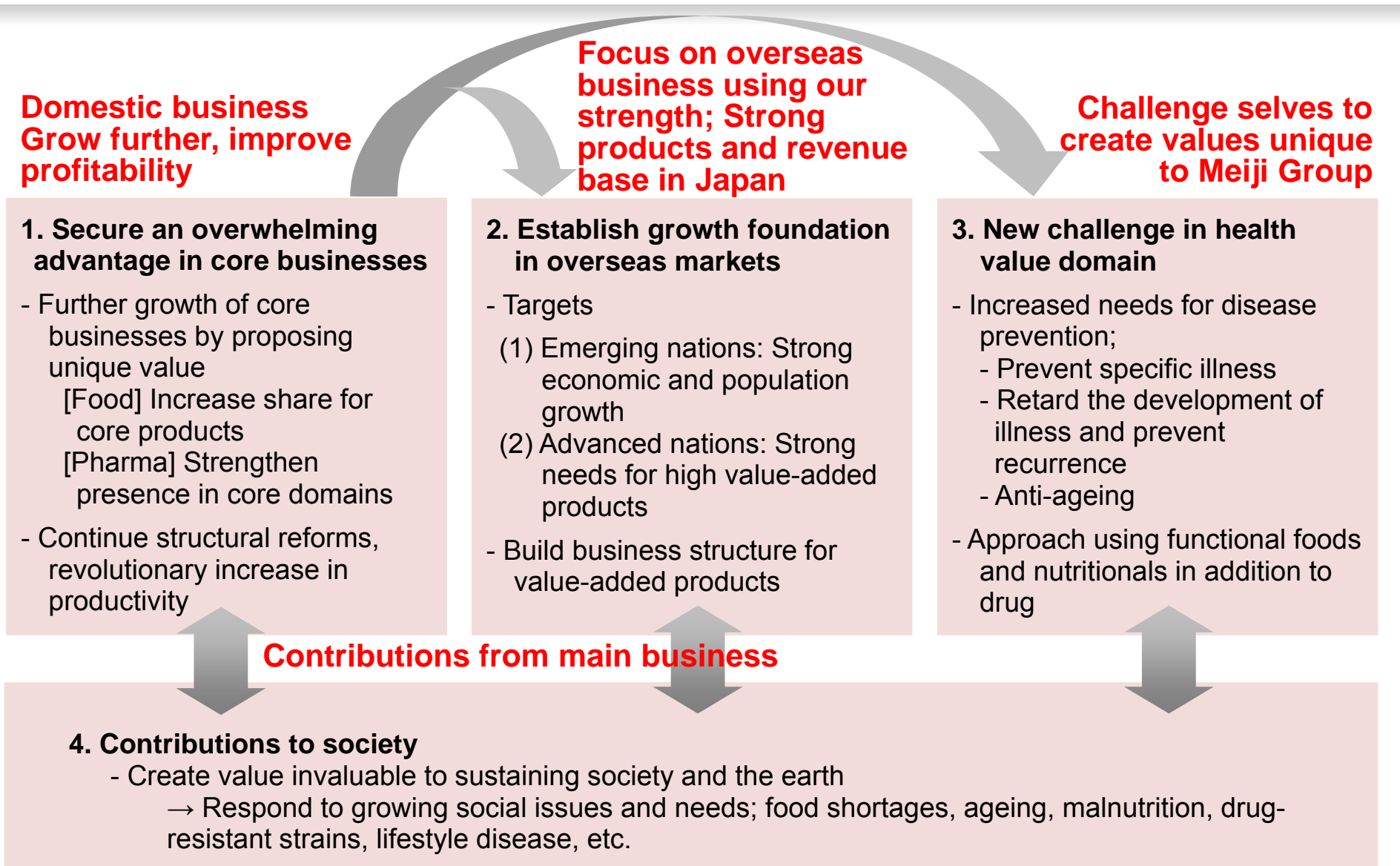
We will apply the strengths of our core businesses towards aggressive overseas business expansion in accordance with the needs of various regional markets. We will strengthen the Meiji Group presence overseas and grow overseas business into one that contributes to improve Group profitability.

3 New challenges in the health value domain

We will apply our advanced knowledge related to health, particularly the preventative nutritional and medical fields, to maximize the unique strengths of the Meiji Group food and pharmaceutical business. We strengthen our engagement in the health and preventative domain and propose new health value in Japan and around the world.

4 Social contributions

In our drive to achieve a future that promotes both physical and mental enrichment, we will resolve the issues, which people and societies around the world are facing, and improve our corporate value.

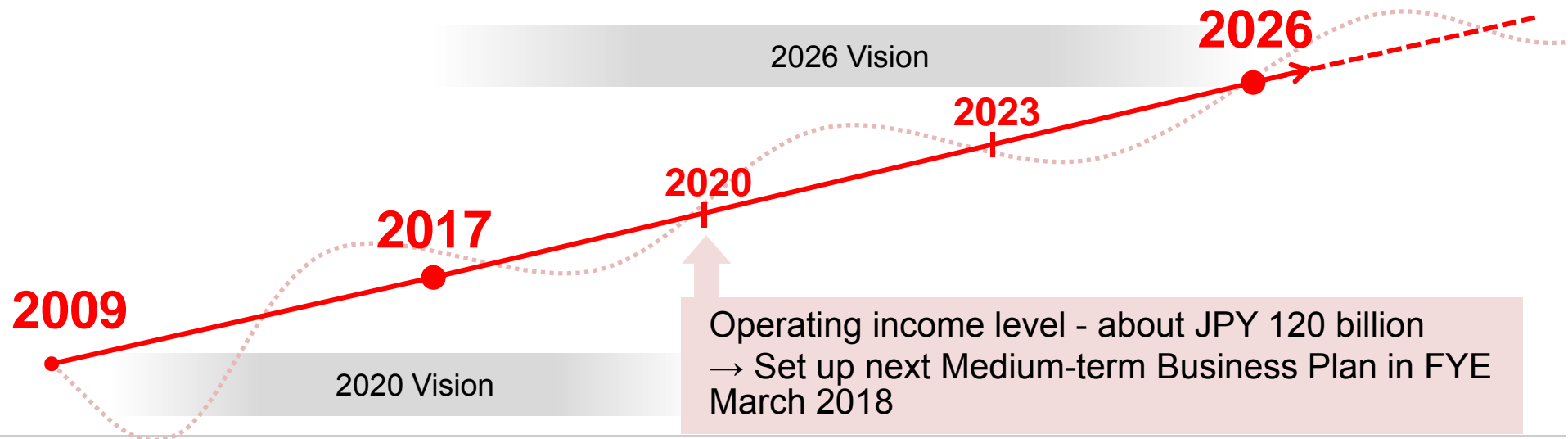


Realizing Sustainable Growth and Enhancing Corporate Value **meiji**

Our promise and commitment for the 2026 Vision

We will combine the strengths, the Meiji Group has cultivated over the past 100 years, with the latest technology and new findings. Thus we create innovative ways to meet our customers' needs with food and health and grow in Japan and around the world sustainably.

- Op. income CAGR* Mid to high single-digit growth
- Overseas sales ratio 20% or more
- ROE Maintain 10% or more





Appendix

Results - FYE March 2017



(JPY bn)

	Consolidated Results	YoY Change	Main Factors for Change
Net sales	1,242.4	+1.5% +18.7	— (cf. Page 3-4)
Operating income	88.3	+13.6% +10.6	— (cf. Page 3-4)
Non-operating income	3.3	-53.5% -3.8	- Decrease in interest income (-1.0) - Decrease in factory construction subsidy income (-1.0) - Decrease in equity in income of affiliates (-1.2)
Non-operating expenses	2.8	-7.2% -0.2	- Increase in FX losses due to stronger yen (+0.4) - Decrease in interest expenses and loss from redemption of bonds (-0.5)
Ordinary income	88.8	+8.6% +7.0	—
Extraordinary income	7.9	-61.1% -12.4	- Increase in gain on sale of investment securities (+2.2) - Decrease in gain on sale of property, plants and equipment (-14.3): the previous year results included extraordinary income from gains on sales related to the transfer of fixed assets
Extraordinary losses	7.6	+7.7% +0.5	- Loss on disaster (+2.8): of a subsidiary, Nihon Kanzume - Decrease in impairment loss (-1.6)
Income before income tax	89.1	-6.3% -6.0	—
Income taxes-total	27.9	-11.4% -3.6	—
Net income attributable to non-controlling shareholders	0.4	-59.5% -0.6	—
Net income attributable to shareholders of parent company	60.7	-2.9% -1.7	—

Results - FYE March 2017: Analysis of Consolidated Operating Income



(JPY bn)

	Full-year	(By Segment)		
		Food	Pharma	Other
Results -- FYE March 2015	77.7	68.2	10.1	-0.6
Due to increased/decreased sales	+15.9	+10.2	+5.7	—
Impact of drug price revision	-9.2	—	-9.2	—
Changes in costs of goods sold	+6.8 (*1)	+6.8	0.0	—
Changes in other SG&A expenses	-5.0 (*2)	-3.2	-1.8	—
Other (incl. change in results of subsidiaries)	+2.1	+0.9	+0.9	+0.3
Results -- FYE March 2016	88.3	82.9	5.7	-0.3

(Breakdown)

- *1 **[Food]** Imported dairy ingredients: +2.6, Changes due to net content reduction of products and other cost reduction: +2.0, Production optimization: +1.0
- *2 **[Food]** Distribution optimization: +1.5, Other: -4.7 (Increase in depreciation and taxes)
- [Pharma]** Increase in one-time payments and promotion expenses: -2.4, Decrease in R&D expenses: +0.8

Financial Position as of March 2017



(JPY bn)

	Results		Main Factors for Change
	as of Mar. 2017	YoY Change	
Current assets	377.7	+4.1% +14.7	- Increase in inventories (+10.6): for newly launched drugs, etc
Fixed assets	506.1	+2.6% +12.9	- Increase in property, plants and equipment (+16.6)
Total assets	883.8	+3.2% +27.7	—
Current liabilities	314.1	+13.6% +37.4	- Increase in short-term bank loans and bonds (+30.7): Transfer from long-term liabilities, etc.
Long-term liabilities	112.5	-29.8% -47.7	- Decrease in long-term debt and bonds (-49.0): Transfer to current liabilities, etc.
Total liabilities	426.7	-2.3% -10.2	—
Shareholders' equity	436.0	+9.9% +39.3	- Increase in retained earnings (+44.9) - Increase in treasury stock (-6.8)
Accumulated other comprehensive income	12.8	+5.4% +0.6	—
Minority interests	8.2	-19.3% -1.9	- Loss on disaster of a subsidiary, Nihon Kanzume
Total net assets	457.1	+9.1% +38.0	—
Interest bearing debt	129.4	-12.4% -18.3	- Redemption of unsecured bond due 2016 (JPY 20 billion), etc.
Equity Ratio	50.8%	+3.0pt	—

Cash Flows and Shareholders' Return - FYE March 2017 **meiji**

(JPY bn)

	Consolidated Results		
	Results	YoY Change	Main Factors for Change
Net cash flow from operating activities	81.8	-23.2	- Increase in income taxes paid (-17.4) - Increase in inventories (-15.9): for newly launched drugs, etc.
Net cash flow from investing activities	-44.2	-34.4	- Increase in payments for purchases of property, plants or equipment (-8.5): - Increase in production capacities for Core products - Construction of new laboratory for food segment - Decrease in proceeds from sales of investments in real estate (-33.7): the previous year results included proceeds from sales of a fixed asset
Free cash flow	37.5	-57.7	—

Cash dividends per share	110 yen	+20 yen	(2Q) 45 yen (Year-end) 65 yen
Payout ratio	26.6%	+5.4pt	—
ROE	14.2%	-1.9pt	- Repurchase of own shares (From February to March; JPY 5.9 billion, about 660 thousand shares)

(Note 1) The year-on-year change in cash dividends per share are based on the number of shares before stock split taken effect on October 1, 2015.

(Note 2) The repurchase of own shares was announced on February 7, 2017. The Period of repurchase is from February 8, 2017 to August 7, 2017.

The above ROE for FYE March 2017 is calculated by reflecting treasury shares acquired by the end of March 31, 2017.

Plan - FYE March 2018



(JPY bn)

		First Half		Second Half		Full Year	
		Plan	YoY Change	Plan	YoY Change	Plan	YoY Change
Meiji Holdings	Net sales	609.0	+0.4% +2.2	652.0	+2.6% +16.3	1,261.0	+1.5% +18.5
	Operating income	41.4	+10.9% +4.0	53.1	+4.0% +2.0	94.5	+6.9% +6.1
	Op. income margin	41.3	+14.5% +5.2	53.7	+1.8% +0.9	95.0	+6.9% +6.1
	Net income attributable to shareholders of parent company	26.0	+6.9% +1.6	35.0	-4.0% -1.4	61.0	+0.4% +0.2
Food	Net sales	531.0	-0.8% -4.2	556.0	+1.7% +9.1	1,087.0	+0.5% +4.8
	Operating income	38.8	-0.1% -0.0	45.2	+2.4% +1.0	84.0	+1.3% +1.0
Pharma	Net sales	79.0	+9.5% +6.8	96.6	+7.9% +7.1	175.6	+8.6% +13.9
	Operating income	2.7	— +4.0	8.3	+17.0% +1.2	11.0	+90.3% +5.2

Plan by Business in Food Segment - FYE March 2018



(JPY bn)

		First Half		Second Half		Full Year	
		Plan	YoY Change	Plan	YoY Change	Plan	YoY Change
Fresh and Fermented Dairy	Net sales	272.3	+0.9% +2.5	278.4	+1.3% +3.5	550.7	+1.1% +6.0
	Operating income	23.9	-0.5% -0.1	28.2	+1.6% +0.4	52.1	+0.6% +0.3
Processed	Net sales	89.2	-5.6% -5.2	87.2	-2.6% -2.3	176.4	-4.1% -7.6
	Operating income	4.3	-3.6% -0.1	3.0	+5.9% +0.1	7.4	+0.1% +0.0
Confectionery	Net sales	69.6	-0.3% -0.2	92.6	+2.5% +2.2	162.3	+1.3% +2.0
	Operating income	6.3	+1.4% +0.0	12.0	-0.7% -0.0	18.4	+0.0% +0.0
Nutritionals	Net sales	48.7	+0.5% +0.2	45.8	+5.9% +2.5	94.5	+3.0% +2.7
	Operating income	6.8	-2.8% -0.1	5.5	+21.0% +0.9	12.3	+6.5% +0.7

Plan by Business in Food Segment - FYE March 2018



(JPY bn)

		First Half		Second Half		Full Year	
		Plan	YoY Change	Plan	YoY Change	Plan	YoY Change
Other	Net sales	178.9	+0.3% +0.4	178.9	-0.9% -1.6	357.8	-0.3% -1.1
	Operating income	2.5	-3.1% -0.0	2.7	-8.9% -0.2	5.2	-6.2% -0.3
Elimination and Corporate Expenses	Net sales	-127.8	— -2.0	127.1	— +4.8	-254.9	— +2.8
	Operating income	-5.1	— +0.4	-6.3	— -0.1	-11.5	— +0.3

Plan - FYE March 2018: Analysis of Consolidated Operating Income



(JPY bn)

	Full-year		(By Segment)		
			Food	Pharma	Other
Results -- FYE March 2017	88.3		82.9	5.7	-0.3
Due to increased/decreased sales		+6.0	+2.4	+3.6	—
Changes in costs of goods sold		-3.4 (*1)	-3.4	0.0	—
Changes in other SG&A expenses		+4.3 (*2)	+2.3	+2.0	—
Other (incl. change in results of subsidiaries)		-0.7	-0.2	-0.3	-0.2
Plan -- FYE March 2018	94.5		84.0	11.0	-0.5

(Breakdown)

*1: **[Food]** Increase in raw materials costs: -4.4, Production optimization and other cost reduction: +1.0

*2: **[Food]** Decrease in promotion expenses: +2.1, Distribution optimization and other cost reduction: +0.2

[Pharma] Decrease in promotion expenses and other cost reduction

Cash Flows and Returns to Shareholders - FYE March 2018



(JPY bn)

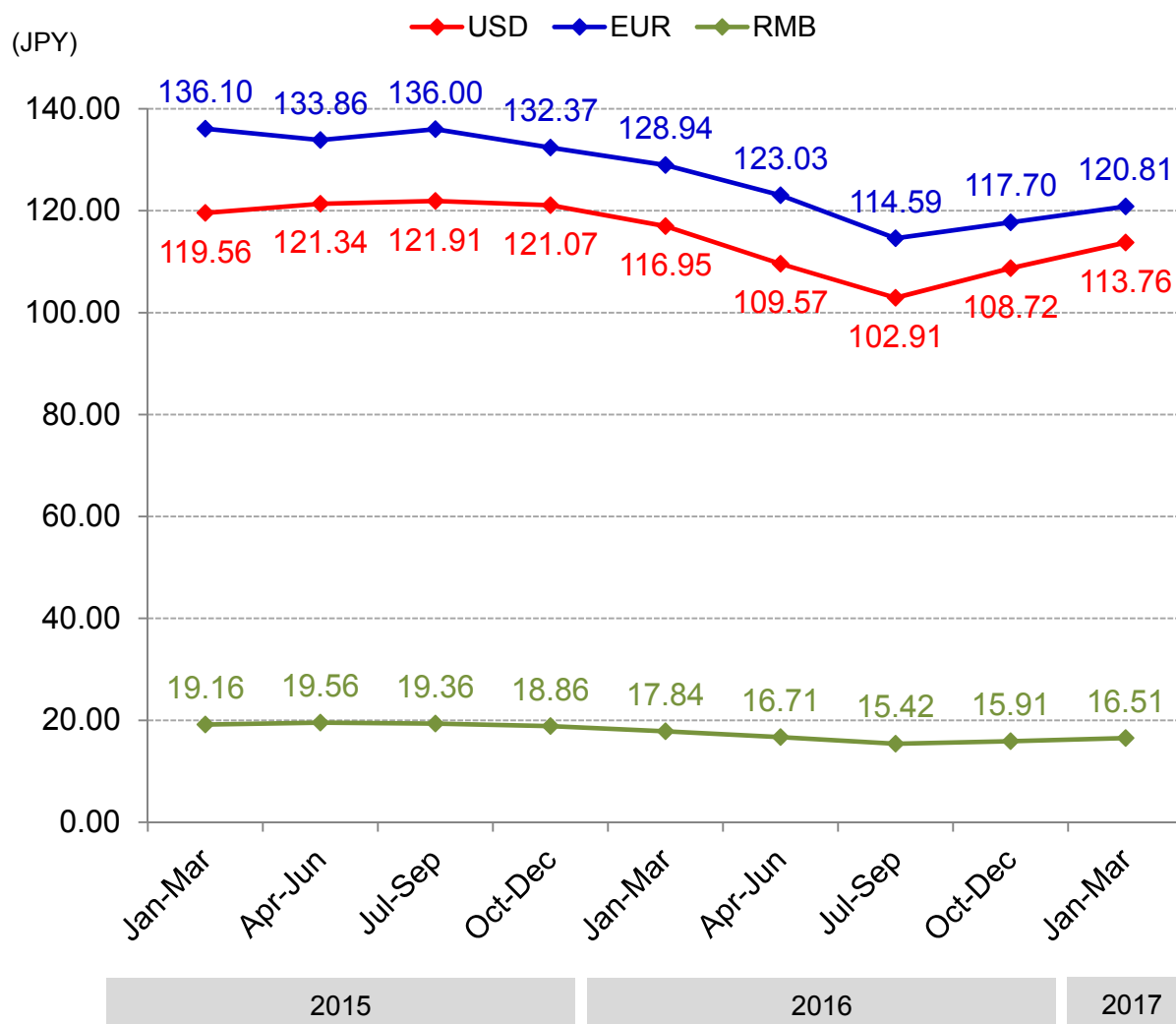
	Consolidated Plan		
	YoY Change	Main Factors for Change	
Net cash flow from operating activities	97.9	+16.1	- Increase in profits
Net cash flow from investing activities	-59.6	-15.4	- Increase in capital expenditures [Amounts] Food 55.8 bn (+11.4bn, yoy) Pharma 11.1 bn (+5.0bn, yoy)
Free cash flow	38.3	+0.8	—

Cash dividends per share	115 yen	+5 yen	(2Q) 57.5 yen (Year-end) 57.5 yen
Payout ratio	27.7%	+1.1pt	—
ROE	13.2%	-1.0pt	—

Key Currencies and Our Average Exchange Rates



Key Currencies and Our Average Exchange Rates

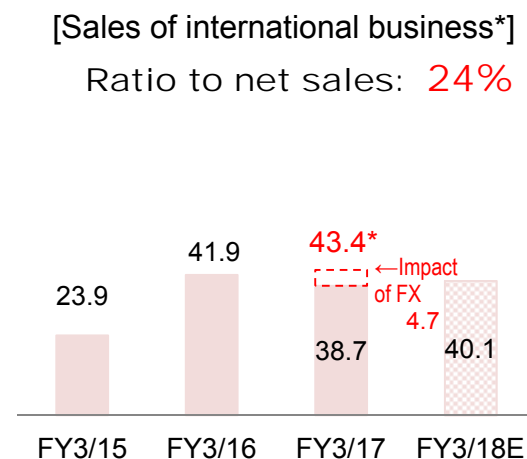
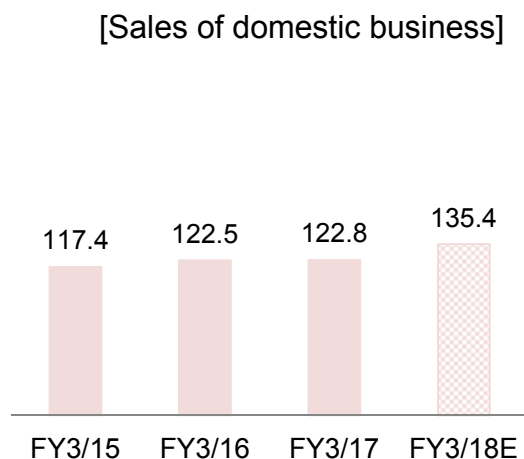
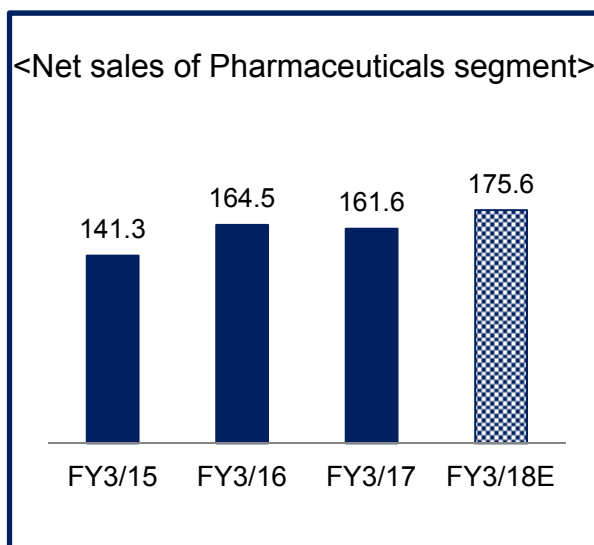
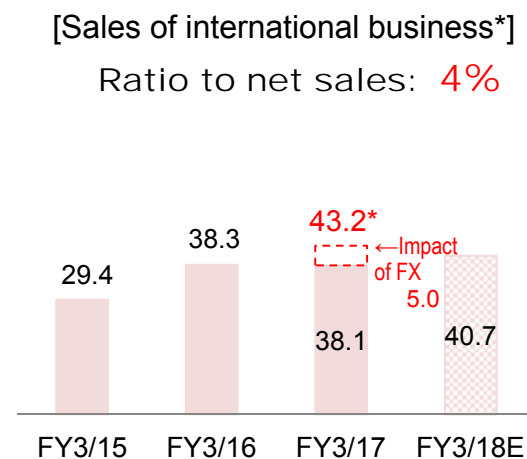
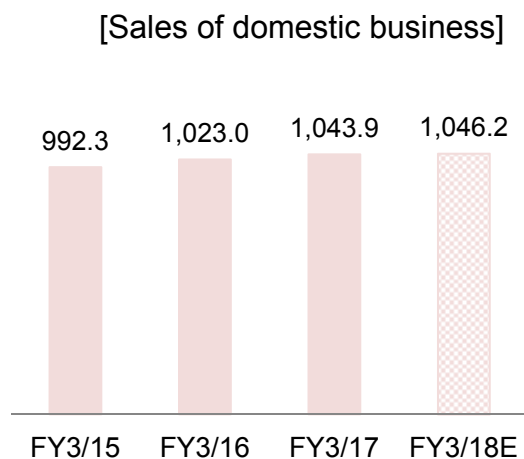
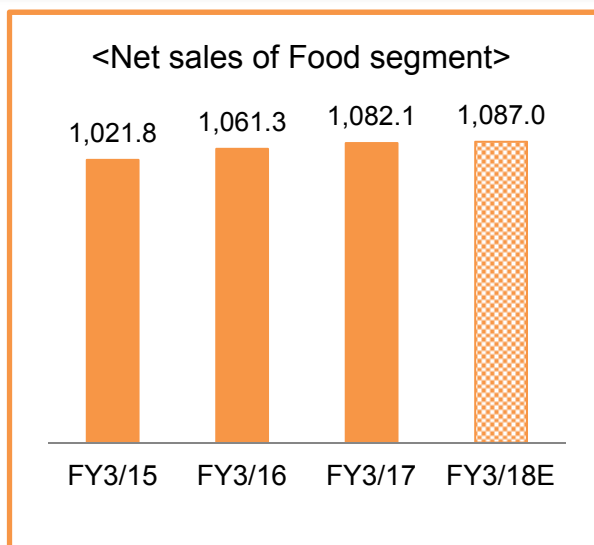


Foreign exchange target in the FYE March 2018

USD	Food: 108 yen Pharma: 110 yen
EUR	Food and Pharma: 120 yen
RMB	Food: 17 yen Pharma: 16 yen

Sales by Region

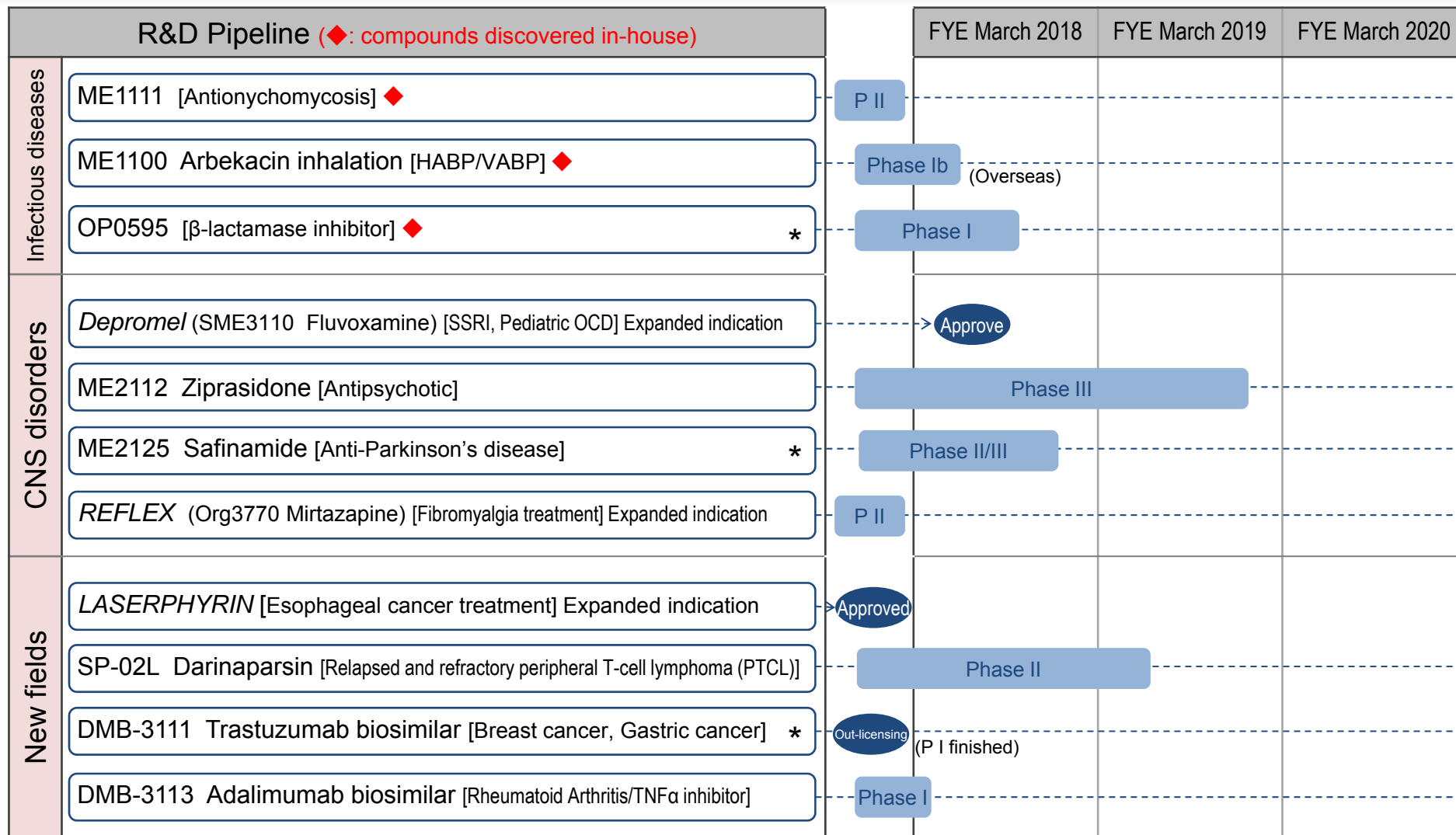
(JPY bn)



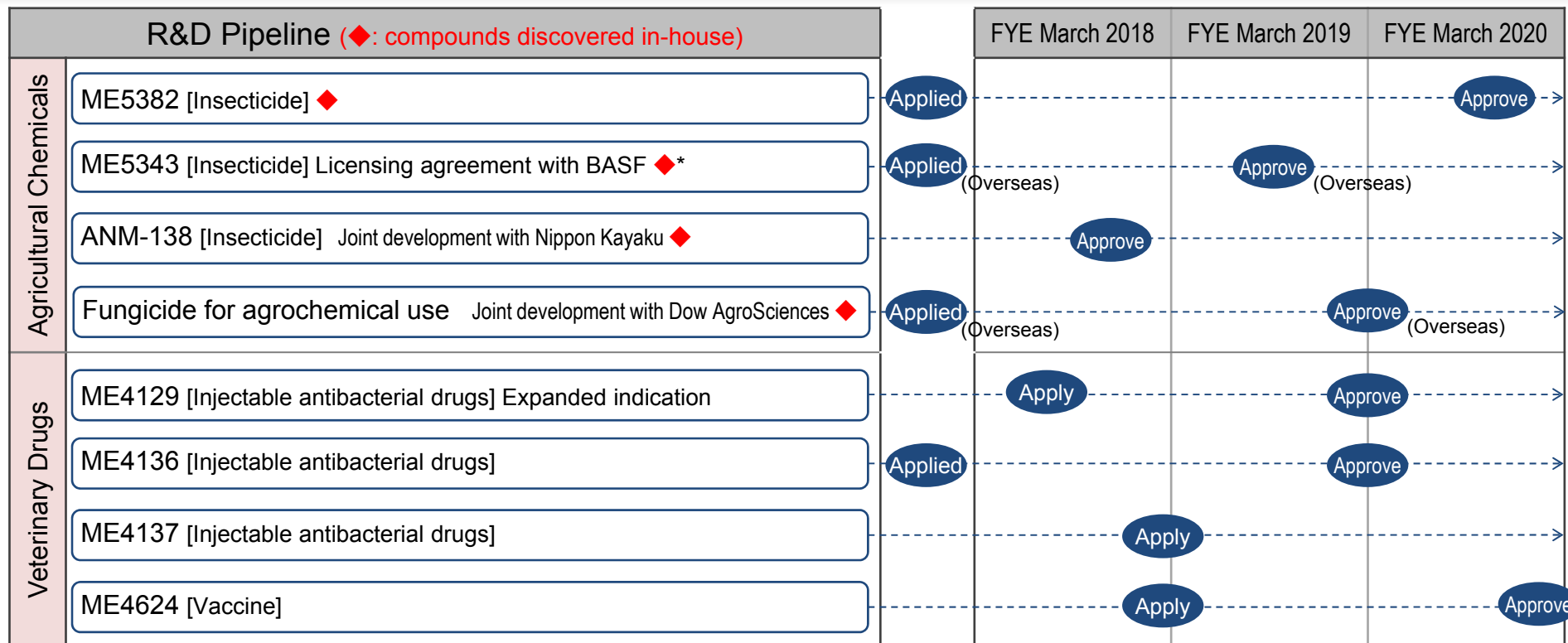
* Excluding impact of currency translation between FY3/16 and FY3/17

(Note) Net sales for the parent company export business and net sales (after elimination) from overseas subsidiaries subject to the scope of consolidation are indicated as above sales.

R&D Pipeline - Ethical pharmaceuticals



R&D Pipeline – Agricultural chemicals and veterinary drugs



*Discovered in a research collaboration between Meiji Seika and The Kitasato Institute



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