




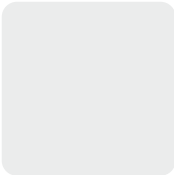


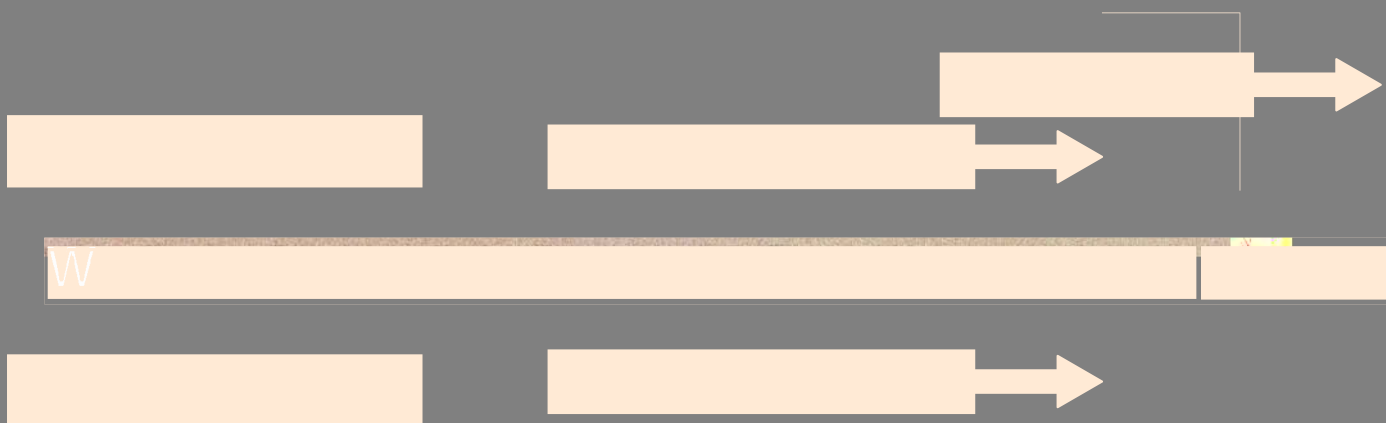
# C o n t e n t s

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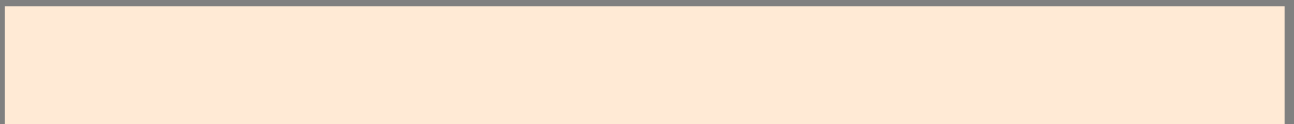
## CAUTIONARY STATEMENTS WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Statements made in this annual report with respect to plans, strategies and future performance that are not historical facts are forward-looking statements. Meiji Holdings Co., Ltd. cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements. Unless specifically stated otherwise, information in this annual report is as of August, 2010.









## 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

Five Fundamentals

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 the society

## Action Guidelines

meiji way

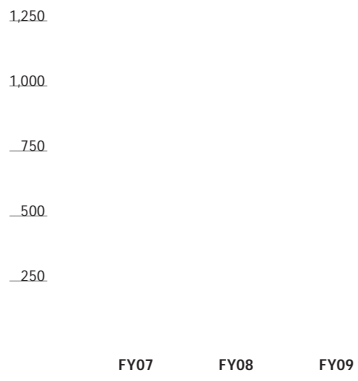
In order to be an essential part of our customers, partners, and colleagues' daily lives, we must:

1. Listen to and learn from our customers
2. Find ways to identify tomorrow's trends and be prepared to lead the way
3. Make our work exciting, and create exciting work
4. Have the strength and courage to confront any issues, rather than to avoid them
5. Always believe in our team's potential, and make the most of its abilities

# Financial Highlights (Consolidated)



## Net Sales



# M e s s a g e   f r o m   t h e   M a n a g e m e n t

We are proud that the Meiji brand has been loved by customers for many years. We are going to enhance Meiji's brand value by strengthening and expanding the existing businesses and by increasing new business growth opportunities leveraging our competitive edge.

(left)

## **Naotada Sato**

President and Representative Director  
(Concurrent President and Representative  
Director of Meiji Seika Kaisha, Ltd.)

(right)

## **Shigetaro Asano**

Executive Vice President and  
Representative Director  
(Concurrent President and  
Representative Director of  
Meiji Dairies Corporation)

## Review of Fiscal 2009

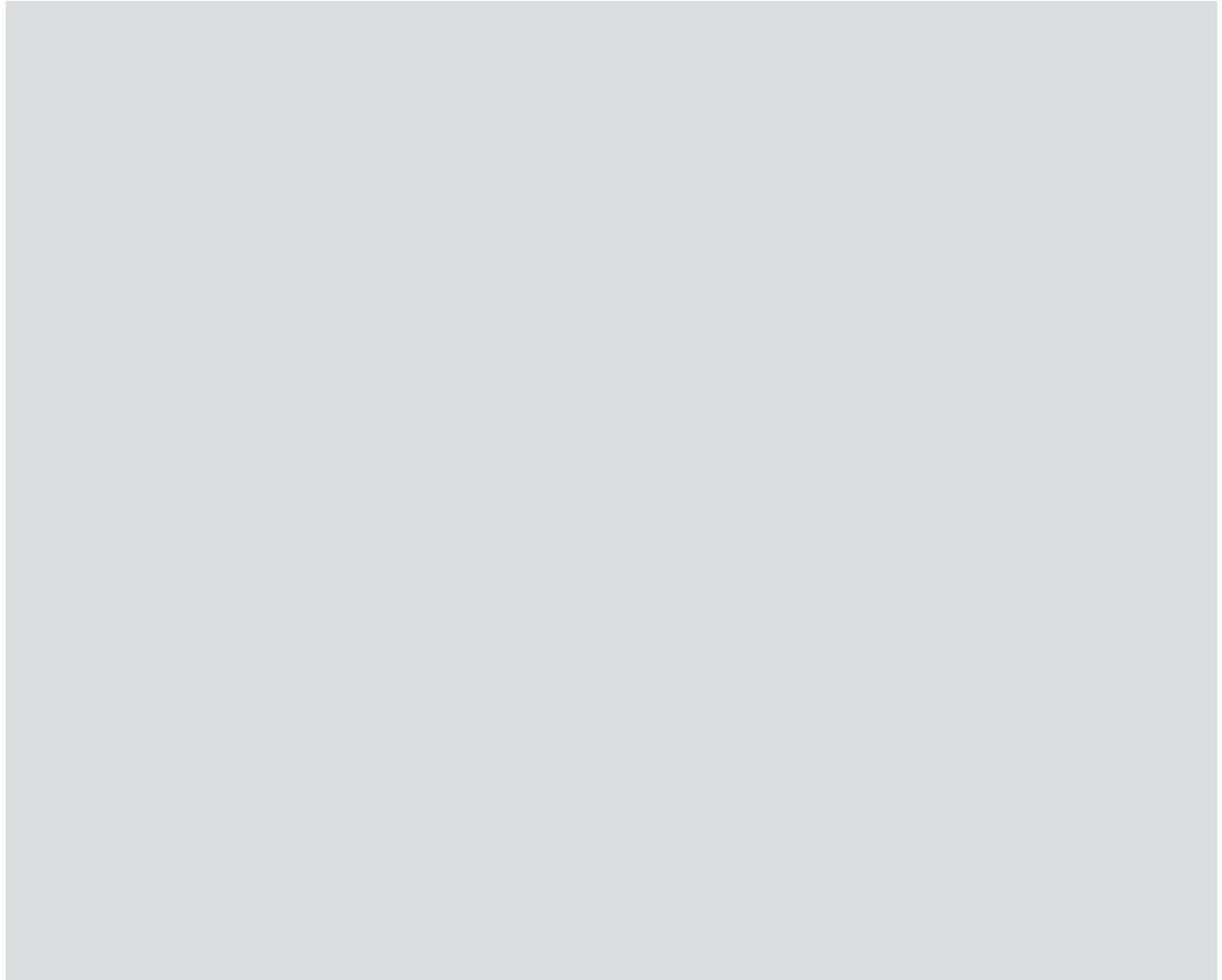
In April 2009, Meiji Holdings Co., Ltd. was established through the management integration of Meiji Seika Kaisha, Ltd. and Meiji Dairies Corporation, and the new Meiji Group, with total sales of more than ¥1 trillion, was formed. The integration aims at offering our customers a wider world of “tastiness, enjoyment, health, and reassurance” by leveraging the competitive edge of both Meiji Seika and Meiji Dairies in their enlarged business portfolio.

The Meiji Group started off its first year of integration (the fiscal year ended March 2009) in an extremely severe business environment in Japan, with languishing personal consumption and ongoing deflation, despite signs of a turnaround in the global economy. Under these circumstances, we proactively promoted various initiatives to “strengthen and expand existing businesses” and “increase new business growth opportunities” in accordance with our Medium-Term Business Plan for fiscal years 2009-2011, while we selected “meiji” as our new unified brand logo and increased customer recognition of this new logo.

In our food segments (specifically, our dairy, confectionary and healthcare businesses), Meiji Seika and Meiji Dairies have developed and launched new products in collaboration, transferring the product brands from the one company and utilizing the ingredients manufactured by the other company. Our new products appeal to customers and have succeeded in stimulating this category. In the pharmaceutical business, the launch of two new branded products and brisk sales expansion of generic drugs contributed to the Meiji Group’s performance. Also, we executed the investments on schedule, including the construction of a new ice cream plant in line with our Medium-Term Business Plan.

As a result of these efforts, the Meiji Group posted consolidated net sales of ¥1,106.6 billion, slightly below the forecast (an achievement rate of 98.5%), in the year under review. Meanwhile, we reported strong earnings compared with forecasts, thanks to increased sales of high-value-added products, cost-cutting efforts, and lower imported raw material costs. Specifically, operating income amounted to ¥28.7 billion (10.7% higher than forecast), ordinary income totaled ¥28.3 billion (8.9% higher), and net income was ¥13.0 billion (9.1% higher).

## Outlook for Fiscal 2010

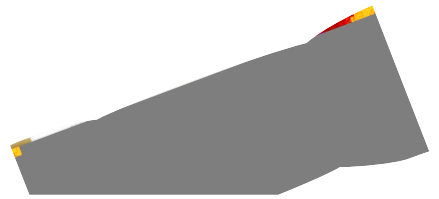


(Billions of yen)

¥





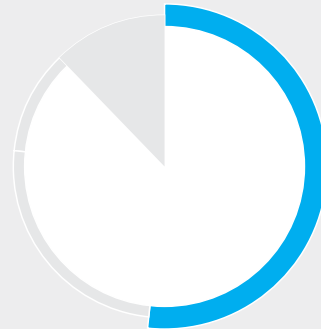


# Overall Business Situation: At a Glance

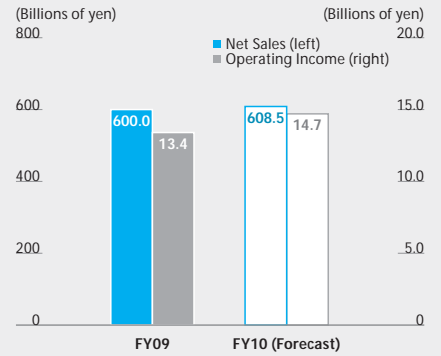
## Business Segment

**Dairy Products**

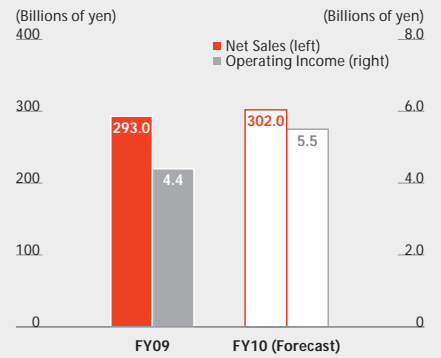
## Percentage of Sales



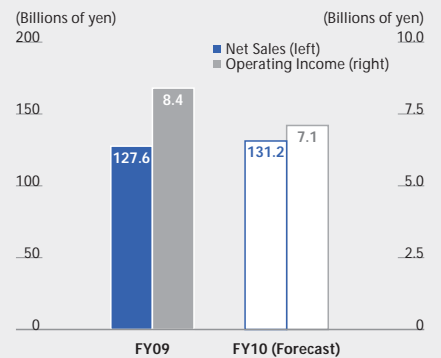
## Net Sales / Operating Income



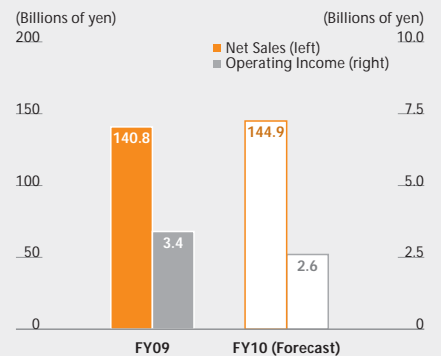
**Confectionary and Healthcare**



**Pharmaceuticals**



**Services and Other**





## Business Overview

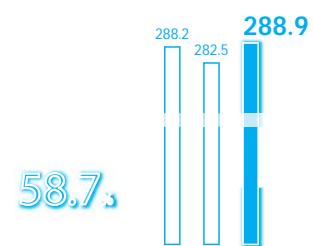
The Dairy Products segment conducts the manufacturing and sale of fresh dairy (drinking milk/yogurt, etc.), powdered milk (infant formula, etc.), condensed milk, butter, cheese, ice cream, beverages, nutritional products (enteral formula/VAAM, etc.), livestock products, etc.

The Confectionary and Healthcare segment conducts the manufacturing and sale of confectionaries (chocolate, chewing gum, candy), sugar, corn sweeteners, functional healthcare products (Amino Collagen, etc.), and OTC drugs (ISODINE® UGAIGUSURI, etc.), as well as the management of fitness clubs.

The Pharmaceuticals segment conducts the manufacturing and sale of prescription drugs, agricultural chemicals and veterinary drugs.

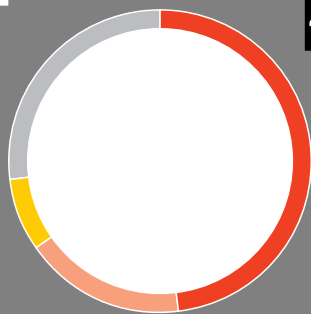
## Major Group Companies

- Shikoku Meiji Dairy Products Co., Ltd.
  - Tokai Meiji Co., Ltd.
  - Meiji Oils and Fats Co., Ltd.
  - Nihon Kanzume, Co., Ltd.
  - Tokyo Meihan Co., Ltd.
  - Hokkaido Meihan Co., Ltd.
  - Tohoku Meihan Co., Ltd.
  - Tokyo Meiji Foods Co., Ltd.
- 
- Meiji Food Materia Co., Ltd.
  - Donan Shokuhin Co., Ltd.
  - Zao Shokuhin Kaisha, Ltd.
  - Ronde Corporation
  - Meiji Sangyo Co., Ltd.
  - Meiji Chewing Gum Co., Ltd.
  - Okayama Shokuhin Co., Ltd.
  - Shikoku Meiji Co., Ltd.
  - Taiyo Shokuhin Co., Ltd.
- 
- Kitasato Pharmaceutical Industry Co., Ltd.
  - Ohkura Pharmaceutical Co., Ltd.
  - P.T. Meiji Indonesian Pharmaceutical Industries
  - Thai Meiji Pharmaceutical Co., Ltd.
  - Meiji Lukang Pharmaceutical Co., Ltd.
  - Tedec-Meiji Farma, S.A.
  - Mabo Farma, S.A.
  - Meiji Seika Europe B.V.

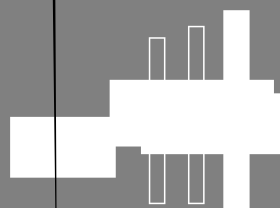
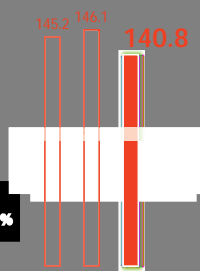


Note: Net sales and the composition of sales represent the non-consolidated figures for Meiji Dairies Corporation.

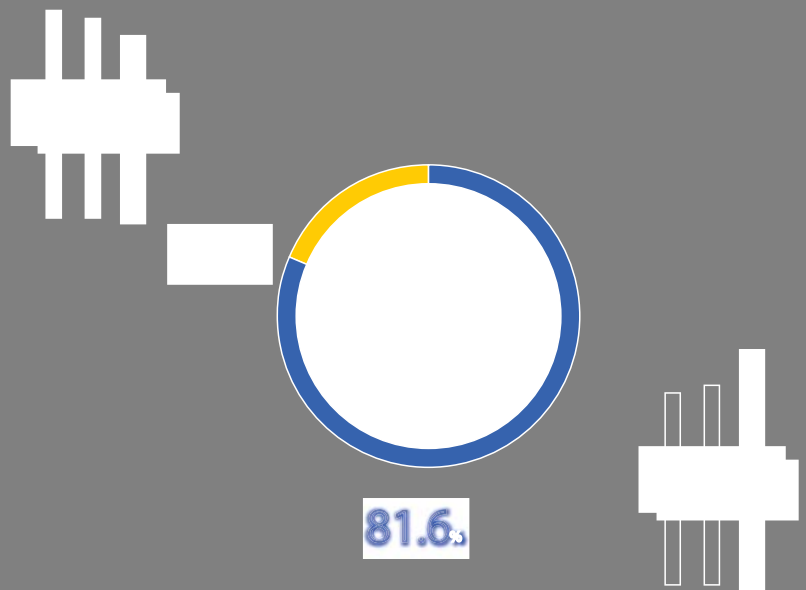




48.1%





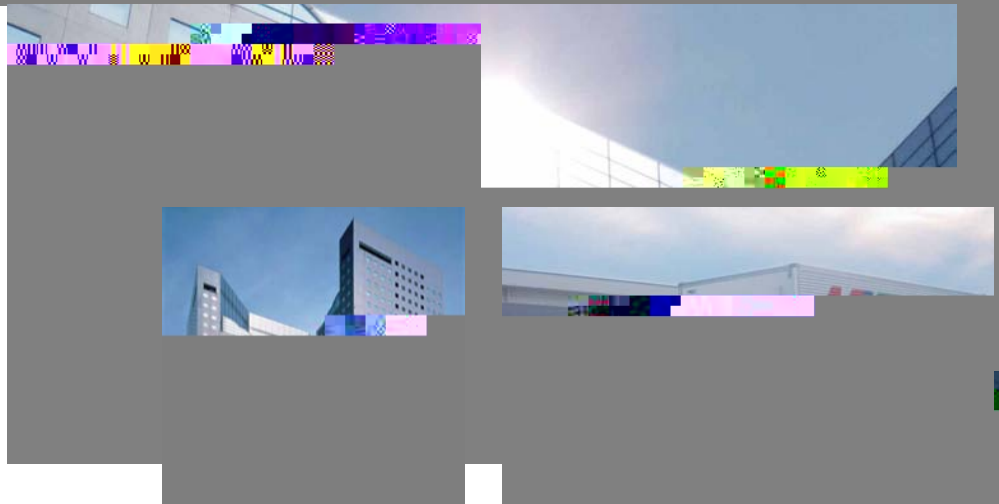




# Overall Business Situation: Services and Other

## Results for Fiscal 2009

The Services and Other segment recorded net sales of ¥140.8 billion and operating income of ¥3.4 billion in fiscal 2009. Sales of the segment as a whole exceeded the forecast by 0.6%.



Solid Square in Kawasaki

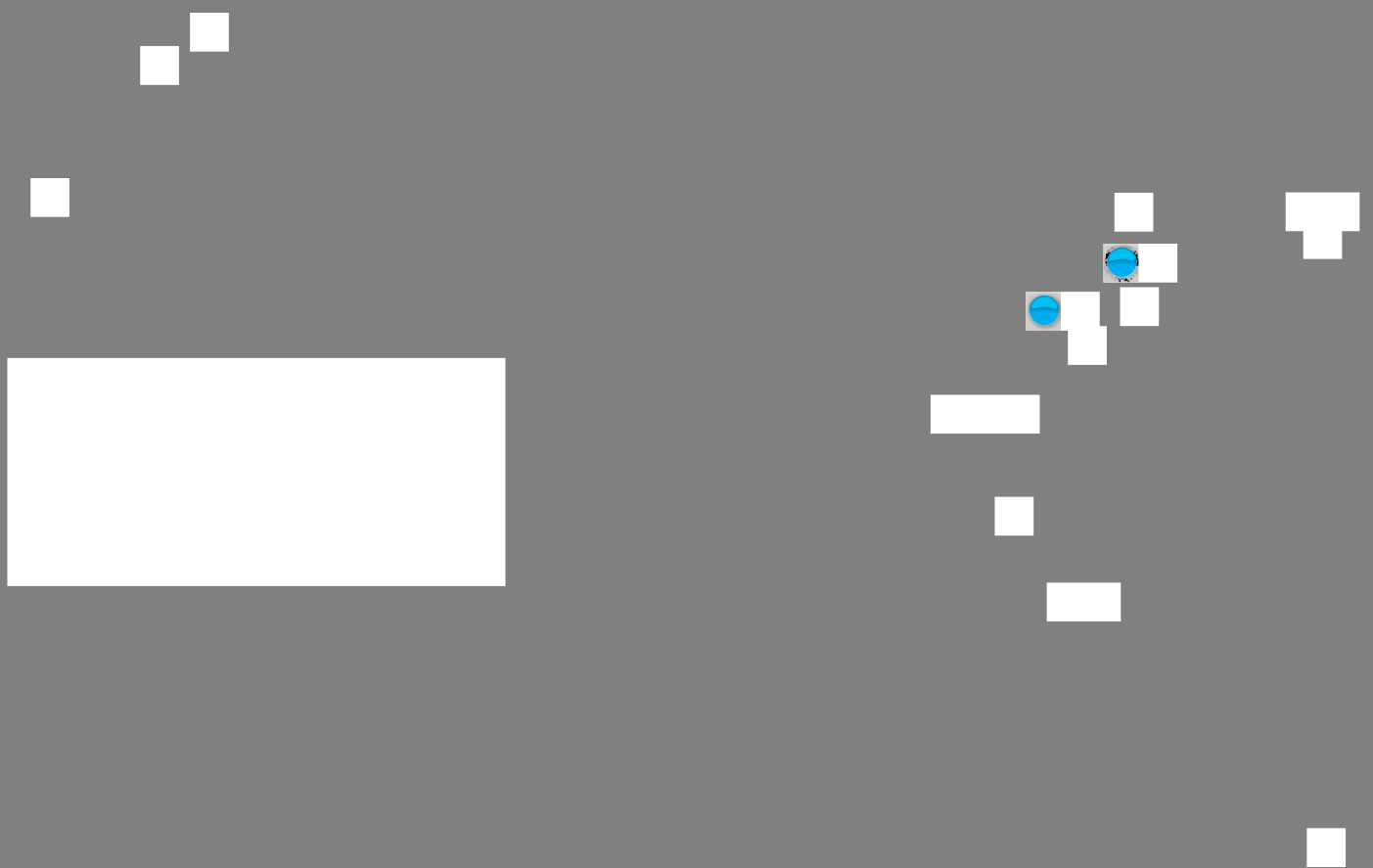


# To Know Us Better

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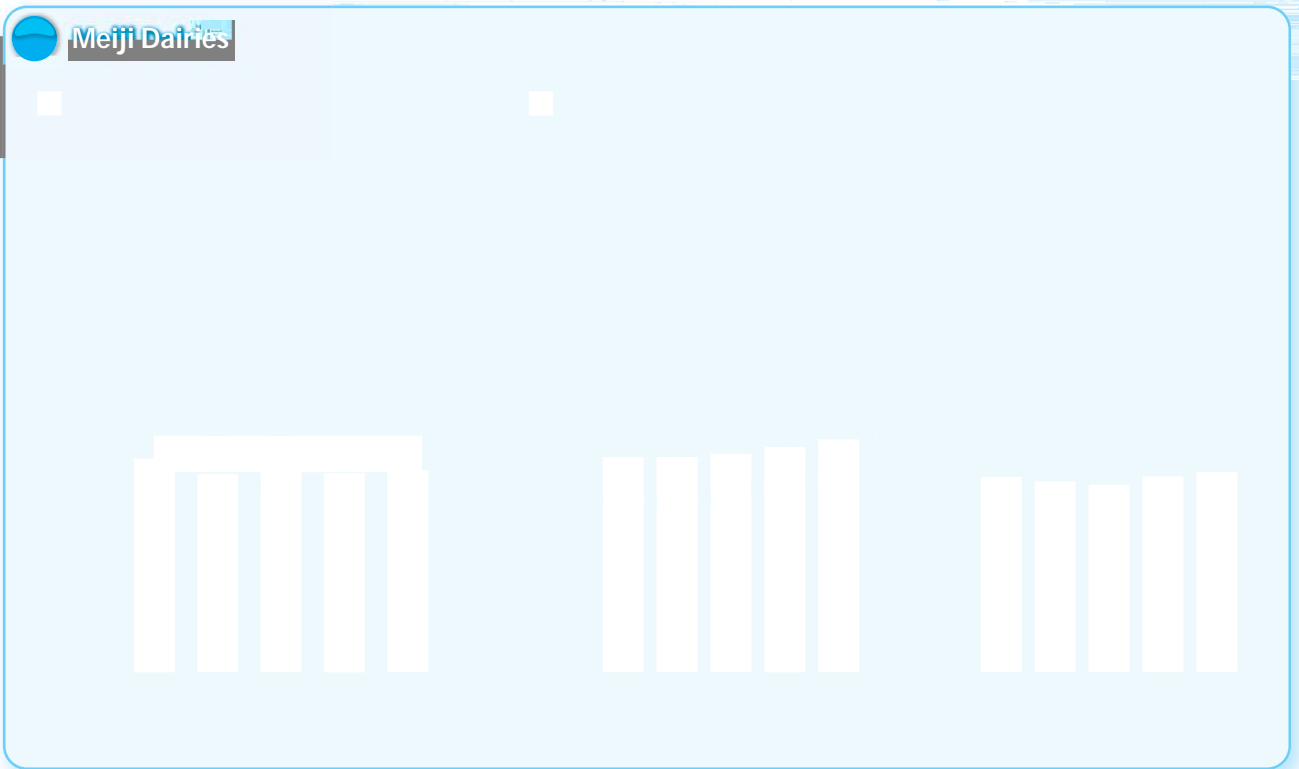
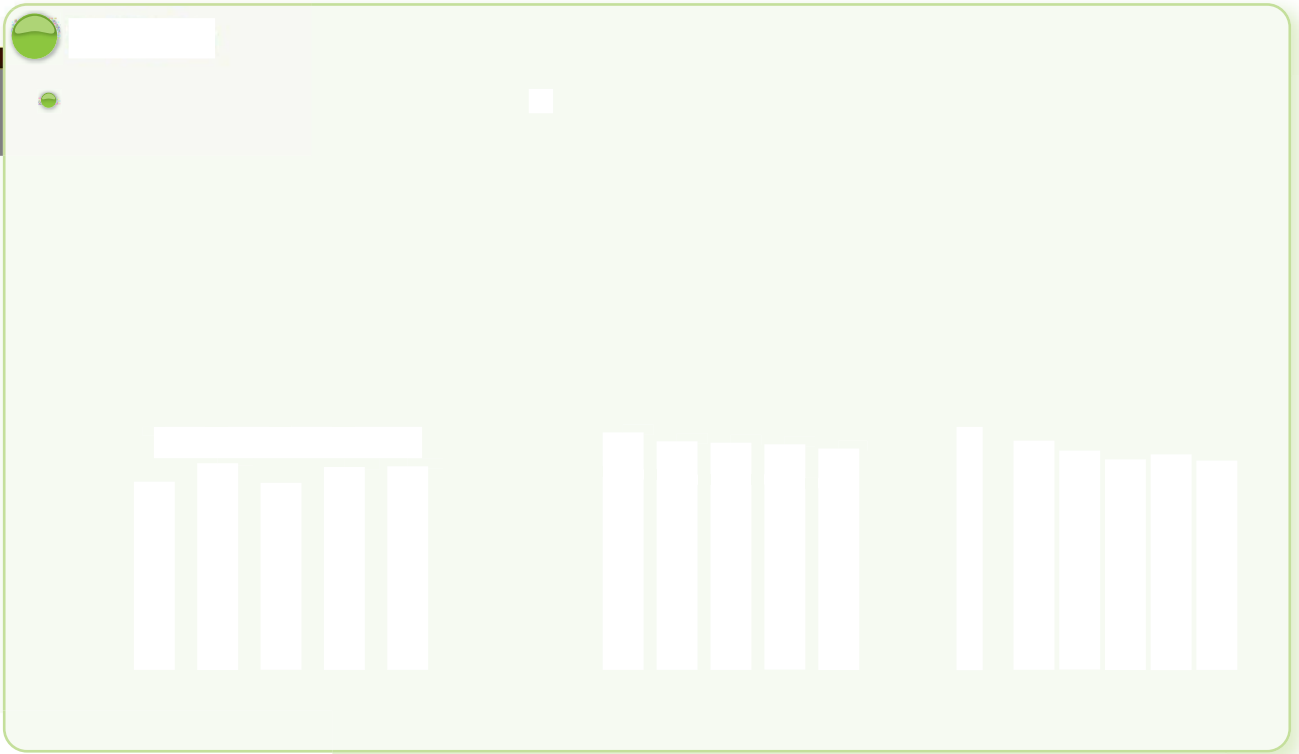














## Information

The Meiji Group maintains systems to ensure appropriate handling of personal and confidential information through an expert committee for information management.

### The Information Management Committee in Meiji Seika

Meiji Seika regards information management as an important field of CSR. Its Information Management Committee supervises information management, including information security, personal information protection, and information disclosure activities, and promotes the enhancement of its system.

### The Information Security Committee in Meiji Dairies

Meiji Dairies' Information Security Committee maintains and fortifies information security throughout the company, through the creation of information security systems, establishment of controls, verification of circumstances when information-related incidents occur, and examination of measures to prevent recurrence.

### Personal Information Protection Measures

Protecting the personal information of our customers is an utmost priority. The Meiji Group complies with all laws and standards relevant to personal information protection as well as the Meiji Seika Personal Information Protection Rules\*<sup>1</sup> and the Meiji Dairies Personal Information Protection Policy\*<sup>2</sup>

## Compliance

## Risk Management

Under the Meiji Group's System of Principles, we are working to ensure highly transparent management for our shareholders and all other stakeholders through prompt and effective decision making and the timely and appropriate disclosure of corporate information to realize ongoing growth in the Group's corporate value.





# Financial Section

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# Review and Analysis of Fiscal 2009 Results

## Overall Operating Results

### Business Environment

In the consolidated fiscal year under review, although signs of picking up are seen due primarily to moderate recovery in the global economy, the employment and income environment has not improved and the situation surrounding the Japanese economy has remained severe, marked by continued sluggish consumer spending, etc.

### Revenue and Earnings

In fiscal 2009, the first year of the "Medium-Term Business Plan for Fiscal Years 2009-2011," the Meiji Group vigorously promoted efforts to achieve its main targets, which are to "strengthen and expand its existing businesses" and to "expedite integrated synergies." Specifically, the Group strove to raise the profile of new brands and make them well-established in the market by launching products with a unified new brand logo and new items with

mutually-utilized product brands, while focusing on investment in growth businesses and cost reductions to strengthen the Group's competitiveness.

As a result, in fiscal 2009, the Company recorded net sales of ¥1,106,645 million, operating income of ¥28,786 million, ordinary income of ¥28,316 million and net income of ¥13,088 million. With regard to the achievement rate against forecasts of financial results for the full fiscal year, although achievement rate for net sales was 98.5%, the rates for operating income (110.7%), ordinary income (108.9%) and net income (109.1%) exceeded our targets. Net income per share was ¥177.73.

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

	Millions of yen				Yen
	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY2009 results	¥ 1,106,645	¥ 28,786	¥ 28,316	¥ 13,088	¥ 177.73
Achievement rate (%)	98.5	110.7	108.9	109.1	

## Segment Results

Net sales	
Fiscal 2009 results	
Achievement rate (%)	
Operating income	
Fiscal 2009 results	
Achievement rate (%)	



of consumer spending and progressive deflation. Moreover, the unstable movements in raw material prices have continued to have a major impact on profits.

Under such circumstances, sales of the Confectionery and Healthcare segment fell short of our initial forecast due to the fact that sales of confectionaries other than chocolate did not fare so favorably amid the deteriorating market environment. This is despite the brisk sales of healthcare products.

In the confectionary business, sluggish sales of such products as chewing gum and candy led to the failure to achieve our targets. However, sales of chocolate products, the mainstay products of the segment, marked a record-high as a result of strengthened marketing and sales activities on such occasions as the revision of the brand logo of "Meiji Milk Chocolate" and the launch of new products, including "Chip!Chop," a new texture chocolate snack.

In the healthcare business, sales of "Amino Collagen" and "Savas" were steady and sales of "ISODINE® UGAIGUSURI," an iodine gargle, contributed to business performance due to the impact of a new type of influenza.

Although sluggish sales were the cause of our failure to achieve the segment's operating income target, it remained in the black and exceeded the previous year's level due to an improved profit structure for confectionaries and cost reductions resulting from changes in variety composition.

### Pharmaceuticals

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

Under such circumstances, sales of the pharmaceuticals segment achieved the target. Sales of two newly-launched drug products, generic drugs and influenza-related products contributed to the steady business performance of the segment, compensating for unfavorable sales of agricultural chemicals and veterinary drugs and sluggish overseas business affected by foreign exchange rates.

As for new drug products, sales of an antibacterial drug "ORAPENEM®" and an antidepressant drug "REFLEX®" were brisk. As for generic drugs, sales of an antibacterial drug "VANCOMYCIN MEEK" and a calcium channel blocker "AMLODIPINE TABLETS MEIJI" were steady.

Operating income exceeded our initial forecast due to the effect of the launch of new drugs, efficiency improvements in sales expenses, and improvement in variety composition caused by expanded sales of generic drugs.

### Services and Other

Sales of the Services and Other segment as a whole were firm because the feed business went as planned despite a business environment marked by the lowering of assorted feed prices.

Operating income exceeded our plan due to such factors as stable feed grain rates and a reduction in fuel costs.

### Financial Position

#### Assets

As of March 31, 2010, total assets were ¥730,044 million. Of these, current assets were ¥309,585 million, and fixed assets were ¥420,458 million.

The main components of current assets were ¥154,589 million in notes and accounts receivable, and ¥79,818 million in goods and products.

Fixed assets were comprised of ¥332,875 million in tangible fixed assets, ¥10,476 million in intangible fixed assets, and ¥77,106 million in investments and other noncurrent assets.

#### Liabilities

As of March 31, 2010, total liabilities were ¥432,272 million. Of these, current liabilities were ¥300,741 million, and fixed liabilities were ¥131,531 million.

The main components of current liabilities were ¥95,164 million in notes and accounts payable, ¥76,768 million in short-term bank loans, and ¥28,000 million in commercial paper.

The main components of long-term liabilities were ¥55,000 million in corporate bonds, and ¥39,631 million in long-term borrowings.

#### Net Assets

As of March 31, 2010, total net assets were ¥297,771 million. The equity ratio was 39.7%, with net assets per share of ¥3,933.05.

## Cash Flows

Net cash provided by operating activities was ¥47,707 million, due to income before income taxes, depreciation and amortization, etc.

Net cash used in investing activities was ¥33,641 million, due to expenditures to purchase tangible fixed assets, etc.

Free cash flow (cash flow from operating activities minus cash flow used in investing activities) was an inflow of ¥14,066 million.

Net cash used in financing activities was ¥12,674 million, due to a decrease in financial debt, etc.

These resulted in ¥16,061 million in cash and cash equivalents as of March 31, 2010.

## Business Risks

The Meiji Group believes the following risks in execution of its business could have a material impact on the decision-making of investors. Forward-looking statements in the following section were determined by the Meiji Group as of the fiscal 2009 year-end.

### (1) High Prices for Raw Materials

Prices of the Meiji Group's key raw materials (milk, dairy products, cacao beans, nuts, etc.) and energy commodities may be affected by supply/demand conditions, speculative influences, etc. in Japan and abroad. Such high prices have the potential to greatly impact procurement and production costs.

### (2) Foreign Currency Exchange Fluctuation

The Meiji Group purchases some of its raw materials and goods from overseas. It also operates businesses overseas. Therefore, sudden foreign currency fluctuations beyond the forecasted range have the potential to impact the Group's business results and financial position.

### (3) Weather

The Meiji Group's dairy products business and confectionary and health businesses may be affected by the weather. For example, a cool summer can decrease sales of ice cream and dairy products. Extreme heat can decrease sales of chocolate and other confectionary goods. These have the potential to impact the Group's business results and financial position.

### (4) Changes in Business Environment Faced by the Dairy Products Industry

In the Meiji Group's dairy products business, if there are sudden changes in the international trade system such as customs duties, in the dairy farming system such as the "Act on Temporary Measures concerning Compensation Price for Producers of Milk for Manufacturing Use," or in practices, there are potential impacts on the Group's business results and financial position.

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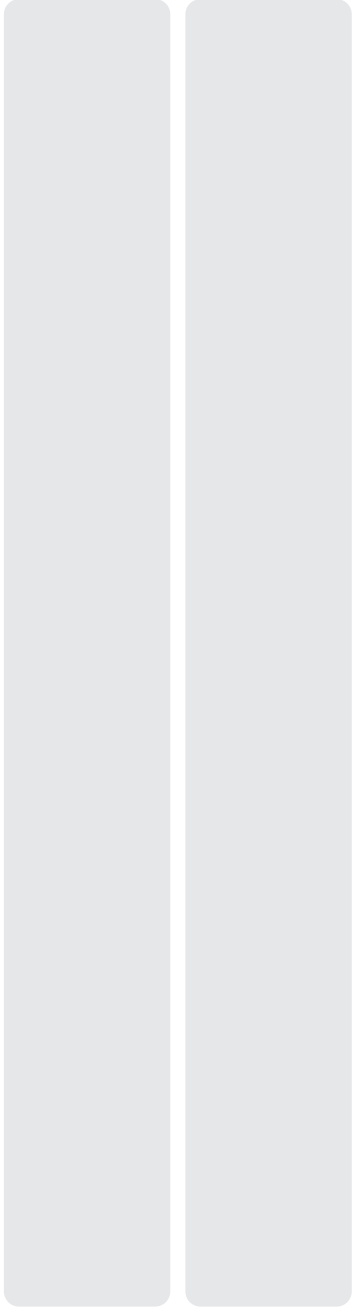


# Consolidated Balance Sheets

Meiji Holdings Co., Ltd. / For the year ended March 31, 2010

ASSETS	Millions of yen	Thousands of U.S. dollars
	2010	2010
<b>Current assets:</b>		
Cash and deposits <sup>(Note 13)</sup>	¥ 16,682	\$ 179,308
Notes and accounts receivable	162,383	1,745,309
Inventories <sup>(Note 6)</sup>	111,298	1,196,247
Deferred tax assets <sup>(Note 8)</sup>	13,564	145,796
Other current assets	5,916	63,588
Allowance for doubtful accounts	(260)	(2,804)
<b>Total current assets</b>	<b>309,585</b>	<b>3,327,446</b>
<b>Fixed assets:</b>		
<b>Property, plants and equipment</b> <sup>(Note 7)</sup>		
Land	67,291	723,256
Buildings and structures	303,470	3,261,715
Machinery, equipment and vehicles	465,818	5,006,651
Lease assets	4,004	43,039
Construction in progress	3,996	42,958
Less accumulated depreciation	(511,707)	(5,499,860)
<b>Total property, plants and equipment (net)</b>	<b>332,875</b>	<b>3,577,762</b>
<b>Investments and other noncurrent assets:</b>		
Investment securities <sup>(Notes 4, 7)</sup>	35,735	384,085
Investment securities (Unconsolidated subsidiaries and affiliates)	12,460	133,923
Long-term loans	1,010	10,860
Intangible assets	10,476	112,606
Deferred tax assets <sup>(Note 8)</sup>	905	9,730
Others	28,198	303,077
Allowance for doubtful accounts	(1,202)	(12,929)
<b>Total investments and other noncurrent assets</b>	<b>87,583</b>	<b>941,354</b>
<b>Total fixed assets</b>	<b>420,458</b>	<b>4,519,117</b>
<b>Total assets</b>	<b>¥ 730,044</b>	<b>\$ 7,846,563</b>

See accompanying notes to consolidated financial statements.



# Consolidated Statements of Income

Meiji Holdings Co., Ltd. / For the year ended March 31, 2010

	Millions of yen	Thousands of U.S. dollars
	2010	2010
<b>Net sales</b>	<b>¥ 1,106,645</b>	<b>\$ 11,894,302</b>
<b>Cost of sales</b> <sup>(Note 15)</sup>	<b>734,665</b>	<b>7,896,230</b>
Gross profit	371,980	3,998,071
<b>Selling, general and administrative expenses</b> <sup>(Notes 14, 15)</sup>	<b>343,194</b>	<b>3,688,676</b>
Operating income	28,786	309,395
<b>Other income (expenses)</b>		
Interest and dividend income	915	9,841
Other income	3,005	32,307
Interest expenses	(2,572)	(27,650)
Equity in losses of affiliates	(236)	(2,542)
Other expenses	(1,582)	(17,006)
Extraordinary income <sup>(Note 16)</sup>	605	6,510
Extraordinary losses <sup>(Note 16)</sup>	(4,821)	(51,826)
<b>Income before income taxes</b>	<b>24,100</b>	<b>259,028</b>
Income taxes-current	12,132	130,396
Income taxes-deferred	(1,553)	(16,702)
<b>Minority interests</b>	<b>433</b>	<b>4,658</b>
<b>Net income</b>	<b>¥ 13,088</b>	<b>\$ 140,676</b>
<b>Amounts per share of common stock:</b>	Yen	U.S. dollars
Net income	¥ 177.73	\$ 1.910
Cash dividends	80.00	0.859

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Changes in Net Assets

Meiji Holdings Co., Ltd. / For the year ended March 31, 2010

Balance at March 31, 2009

Changes during the  
fiscal period  
Cash dividends  
Net income  
Acquisition of  
treasury stock  
Disposal of  
treasury stock  
Change of scope of  
consolidation  
Others  
Total changes during









### 3. Notes Regarding Financial Instruments

#### (1) Matters related to the state of financial instruments

The Group raises necessary funds (primarily through bank loans and bond issuances) based on its capital investment and operating fund plans, which are to mainly engage in the business of manufacturing and selling dairy products, con-

#### 4. Investment Securities

Acquisition cost of securities held by the Company and its consolidated subsidiaries are as follows:

1) Other securities with market prices as of March 31, 2010, are as follows:



A summary of secured liability as of March 31, 2010, is as follows:

	Millions of yen	Thousands of U.S. dollars
	2010	2010
Short-term loans	¥ 300	\$ 3,224
Long-term loans	8,796	94,541
Other current liabilities (Employees' saving deposits)	2,499	26,862
Total	¥ 11,595	\$ 124,628

## 8. Deferred Tax Assets and Liabilities

The significant components of the Company's deferred tax assets and liabilities as of March 31, 2010, are as follows:

	Millions of yen	Thousands of U.S. dollars
	2010	2010
Deferred tax assets		
Retirement benefit	¥ 7,636	\$ 82,078
Accrued expense	3,858	41,467
Investment securities	1,681	18,069
Accrued bonuses to employees	4,469	48,033
Depreciation of fixed assets	3,323	35,720
Deferred gains or losses on hedges	1,989	21,383
Unrealized gain	1,630	17,528
Other	6,576	70,688
Subtotal	31,165	334,969
Valuation allowance	(4,582)	(49,250)
Total deferred tax assets	¥ 26,583	\$ 285,718
Deferred tax liabilities		
Advanced depreciation reserve for fixed assets	¥ (16,301)	\$ (175,212)
Difference in valuation of other securities	(4,226)	(45,430)
Prepaid pension cost	(5,642)	(60,643)
Other	(1,215)	(13,063)
Total deferred tax liabilities	¥ (27,386)	\$ (294,349)
Net deferred tax assets (liabilities)	¥ (802)	\$ (8,630)

An analysis of the significant differences between the statutory tax rate and the Company's effective tax rate for the year ended March 31, 2010, is as follows:

	2010
Statutory tax rate	40.7%
Entertainment and other permanently non-deductible expenses	6.5
Dividend and other permanently non-taxable income	(3.2)
Per capita inhabitant's tax	1.4
Tax credit for experimentation and research expenses	(6.3)
Other	4.8
Effective tax rates	43.9%

	Millions of yen	Thousands of U.S. dollars
	2010	2010
Service cost		
Interest cost		
Expected return on plan assets		
Amortization of transitional obligation		
Recognized actuarial loss		
Amortization of prior service liability		
Contribution to welfare pension fund		
Additional retirement payments paid on a temporary basis		
Net periodic benefit costs		

Assumptions used for the year ended March 31, 2010, are set forth as follows:

	2010
Periodic recognition of projected benefit obligation	
Discount rate	
Expected rate of return on plan assets	
Recognition period of actuarial gain/loss	
Amortization period of transitional obligation	
Amortization period of prior service cost	

## 10. Contingent Liabilities

### 1) Guaranteed obligations

The Company is contingently liable as guarantor of loans from financial institutions to the following non-consolidated subsidiary and employees:

	Millions of yen	Thousands of U.S. dollars
	2010	2010
PT CERES MEIJI INDOTAMA	¥ 227	\$ 2,450
Sendai Feed Co., Ltd.	653	7,020
Employees	594	6,393
Other	255	2,749
Total	¥ 1,731	\$ 18,613

### 2) Notes receivables discounted and endorsed

	Millions of yen	Thousands of U.S. dollars
	2010	2010
Notes receivables discounted	¥ 289	\$ 3,108
Notes receivables endorsed	¥ 81	\$ 879

## 12. Commitment Line Agreement



### 13. Supplemental Cash Flow Information

The following table represents a reconciliation of cash and cash equivalents as of March 31, 2010:

	Millions of yen	Thousands of U.S. dollars
	2010	2010
Cash and time deposits	¥ 16,682	\$ 179,308
Time deposits with maturities of more than three months	621	6,676
Cash and cash equivalents	¥ 16,061	\$ 172,632

14. Se.75 scn/Tf( Ggvnm14 -1.55senq0.5 844g3-210(179,308 ))TJ1.875 -1.5 Td(6,676 )Tj-1.875 -1.5 Td[( \$)-210(172,632 )]TJ-8

## 17. Impairment Loss

Impairment losses for the consolidated fiscal year ended March 31, 2010 are as follows:

Application	Idle assets	Type	Location
	Idle assets		
	Idle assets		
	Idle assets		

The asset groupings in the Company are based on the segments categorized by the type of business. Because the above assets are in idle condition, with no prospects for future use, their book value amounts were reduced to recoverable amounts, and those reductions were posted in extraordinary losses as impairment loss (¥119 million (\$1,286 thousand)). The recoverable amounts were measured based on the net sale values which are obtained by rational calculation primarily using the expected sale value or inheritance tax assessment value.

Type of transactions	Millions of yen		Thousands of U.S. dollars	
	2010		2010	
	Contract amount, etc.	Contract amount, etc.	Portion with maturity over one year	Fair value
<b>Hedge accounting method: Principle method</b>				
Forward foreign exchange contracts				
Pay				
U.S. dollar				
Euro				
Pound				
Australian dollar				
Sell				
U.S. dollar				
Euro				
Currency swap contracts				
Pay				
U.S. dollar				
Pound				
Australian dollar				
<b>Hedge accounting method:</b>				
Designation method for forward foreign exchange contracts, etc.				
Forward foreign exchange contracts				
Pay				
U.S. dollar				
Euro				
Pound				
Australian dollar				
Sell				
U.S. dollars				
Currency swap contracts				
Pay				
U.S. dollars				
Pound				
<b>Total</b>				

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Share transfer ratio

Number of shares delivered

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(2) Method of calculating share transfer ratio

Background of calculation

Meiji Seika Kaisha, Ltd. and Meiji Dairies Corporation requested Ernst & Young Transaction Advisory Services Co., Ltd. and PwC Advisory Co., Ltd., respectively, to conduct a calculation of the share transfer ratio, and with reference to the results of such third party appraisers' calculations, comprehensively considered such factors as the financial and asset conditions of each company and their future forecasts.

As a result of numerous and thorough discussions with respect to the share transfer ratio between the two companies, they reached the conclusion that the share transfer ratio set forth above is appropriate.

(3) Grounds for the judgment that the integration of interest is appropriate for the business combination

For a judgment as to whether acquisition or integration of interest is appropriate for the business combination, consideration was made with regard to requirements for consideration and the voting right ratio and other control requirements, in accordance with the Accounting Standards for Business Combinations and based on the confirmation that the case does not fall within the category of the formation of companies under common control or transactions under common control.

As a result of this consideration, the conclusion was reached that the integration of interest was appropriate and the interest pooling method was applied as an accounting method.

3. Fiscal period of combined companies that is included in the consolidated financial statements

From April 1, 2009, to March 31, 2010

#### 4. Details of assets, liabilities and net assets derived from the combined companies

Millions of yen				
Meiji Seika Kaisha, Ltd.	Current assets	¥147,174 million	Current liabilities	¥121,224 million
	Fixed assets	¥183,704 million	Long-term liabilities	¥64,800 million
	Total assets	¥330,878 million	Total liabilities	¥186,024 million
			Shareholders' equity	¥143,543 million
			Others	¥1,310 million
			Total net assets	¥144,854 million
Meiji Dairies Corporation	Current assets	¥148,793 million	Current liabilities	¥181,958 million
	Fixed assets	¥244,376 million	Long-term liabilities	¥63,907 million
	Total assets	¥393,169 million	Total liabilities	¥245,865 million
			Shareholders' equity	¥144,237 million
			Others	¥3,066 million
			Total net assets	¥147,303 million
Thousands of U.S. dollars				
Meiji Seika Kaisha, Ltd.	Current assets	\$1,581,843 thousand	Current liabilities	\$1,302,929 thousand
	Fixed assets	\$1,974,462 thousand	Long-term liabilities	\$696,474 thousand
	Total assets	\$3,556,306 thousand	Total liabilities	\$1,999,403 thousand
			Shareholders' equity	\$1,542,814 thousand
			Others	\$14,088 thousand
			Total net assets	\$1,556,902 thousand
Meiji Dairies Corporation	Current assets	\$1,599,241 thousand	Current liabilities	\$1,955,701 thousand
	Fixed assets	\$2,626,572 thousand	Long-term liabilities	\$686,880 thousand
	Total assets	\$4,225,814 thousand	Total liabilities	\$2,642,582 thousand
			Shareholders' equity	\$1,550,273 thousand
			Others	\$32,958 thousand
			Total net assets	\$1,583,231 thousand

(\*) The above figures are presented in figures on the consolidated balance sheet.

#### 5. Unification of accounting policies, details of the elimination of transactions, etc., before the business combination, and the amount paid for the business combination and the account title thereof

##### (1) Unification of accounting policies

Not applicable

##### (2) Details of the elimination of transactions, etc., before the business combination

Not applicable

##### (3) Amount paid for the business combination during the current fiscal year and the account title thereof

Organization expenses, ¥129 million

(Organization expenses, \$1,394 thousand)

#### 6. Principal business that was decided to be discontinued as a result of business combination

Not applicable

## 20. Segment Information

### 1) Segment Information by Industry

Sales and operating income

Sales

(1) Sales to outside customers

(2) Inter-segment sales and transfers

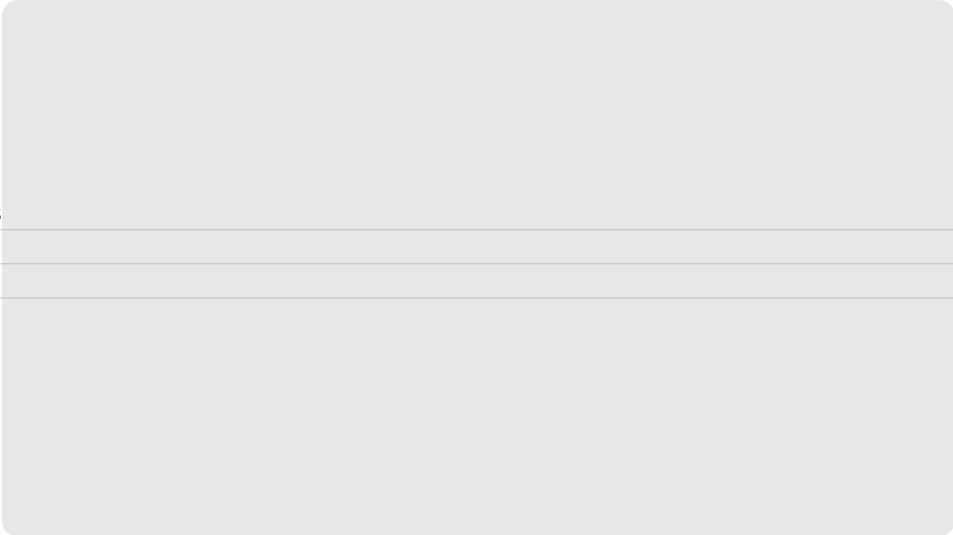
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Total

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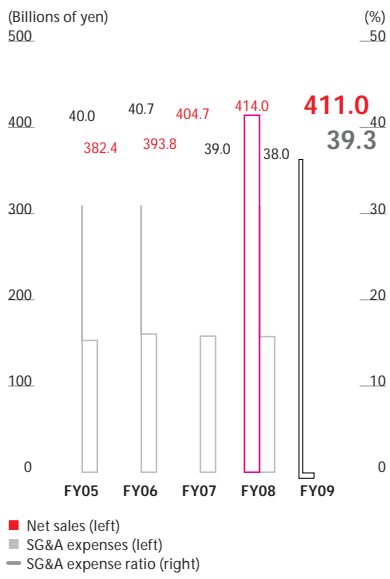
Operating costs and expenses

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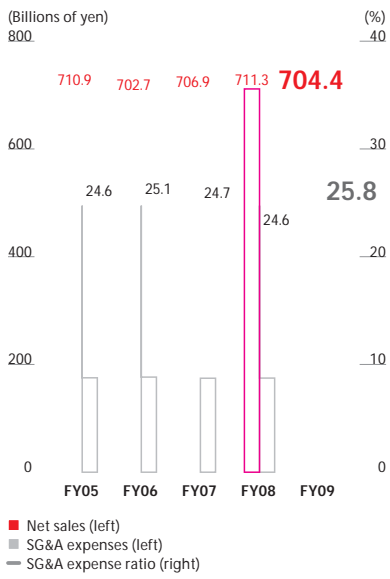
# R e p o r t o f I n d e p e n d e n t A u d i t o r s

## Net Sales, SG&A Expenses and SG&A Expense Ratio





### Net Sales, SG&A Expenses and SG&A Expense Ratio



## Meiji Seika Group

### Offices:

#### Head Office

#### Branches

- **Food & Healthcare**  
[Confectionary] 8 supervising branches and 43 branches  
Hokkaido / Tohoku / Metropolitan Tokyo area / Northern Kanto / Central area / Kansai / Chugoku and Shikoku / Kyushu  
[Healthcare] 8 branches and 8 operational offices  
Hokkaido / Tohoku / Metropolitan Tokyo area / Northern Kanto / Central area / Kansai / Chugoku and Shikoku / Kyushu
- **Pharmaceuticals**  
[Pharmaceuticals] 11 branches and 76 operational offices  
Sapporo / Sendai / Tokyo / Yokohama / Kanto / Nagoya / Kyoto / Osaka / Chugoku / Shikoku / Fukuoka  
[Agricultural chemicals] 6 branches  
Sapporo / Sendai / Tokyo / Nagoya / Osaka / Kumamoto  
[Veterinary drugs] 4 branches  
Northern Japan / Tokyo / Osaka / Kumamoto

#### Research Laboratories

- **Food & Healthcare**  
Food and Healthcare Research Institute
- **Pharmaceuticals**  
Pharmaceuticals Research Center / CMC Laboratory / Bioscience Laboratory / Agricultural & Veterinary Research Laboratory

#### Plants

- **Food & Healthcare**  
Kanto / Tokai / Osaka
- **Pharmaceuticals**  
Kitakami / Odawara / Gifu

### Group Companies:

#### Food & Healthcare

Meiji Sangyo Co., Ltd. / Meiji Chewing Gum Co., Ltd. / Ronde Corporation / Donan Shokuhin Co., Ltd. / Zao Shokuhin Kaisha, Ltd. / Shikoku Meiji Co., Ltd. / Okayama Shokuhin Co., Ltd. / Taiyo Shokuhin Co., Ltd. / Meiji Shokuhin Kaisha, Ltd. / Azteca Co., Ltd. / Multifood International Ltd. / Meiji Sports Plaza, Ltd. / Meiji Food Materia Co., Ltd. / Tokai Nuts Co., Ltd. / Nitto Co., Ltd. / Pokka Corporation

#### Pharmaceuticals

Kitasato Pharmaceutical Industry Co., Ltd. / Ohkura Pharmaceutical Co., Ltd. / Tamura Seiyaku K.K. / Sanofi-Aventis-Meiji Pharmaceuticals Co., Ltd. / Miyako Yuso Transportation Co., Ltd.

#### Corporate

Meiji Business Support Co., Ltd. / Meito warehouse Co., Ltd.

## Meiji Dairies Group

### Offices:

#### Head Office

#### Research Headquarters

(Food Development Research Institute, Food Functional Science Research Institute, and Technology Development Institute)

#### Human Resources and Skills Development Center

#### Offices and Branches

3 offices

Tokyo / Tokai / Kansai

14 branches

Hokkaido / Tohoku / Tokyo / Northern Kanto / Eastern Kanto / Kanagawa / Tokai / Shizuoka / Hokuriku / Kansai / Kyoto / Hyogo / Chugoku / Kyushu

#### Plants

Sapporo / Asahikawa / Wakkanai / Nishi Shunbetsu / Nemuro / Tokachi / Tokachi • Obihiro / Honbetsu / Tohoku / Saitama / Karuizawa / Gunma / Gunma Eiyoushoku / Ibaraki / Kanto / Moriya / Kanagawa / Aichi / Shizuoka / Hokuriku / Kansai / Kyoto / Okayama / Hiroshima / Kyushu

### Group Companies:

#### Sales of Milk, Dairy Products, Ice Cream, and Other Foods

Hokkaido Meihan Co., Ltd. / Tohoku Meihan Co., Ltd. /

#### Head Office

Meiji Business Support gNK&IantseTc - 1\_2d Office



**Head Office** 4-16, Kyobashi 2-chome, Chuo-ku, Tokyo 104-0031, Japan

**Incorporated** April 1, 2009

**Paid-in Capital** ¥30 billion

**Common Stock** Issued 76,341,700

**Stock Listing** Tokyo

**Fiscal Year-end** March 31

**Ordinary General Meeting of Shareholders** Late in June

**Transfer Agent of Common Stock** The Mitsubishi UFJ Trust and Banking Corporation

**Public Notices**

Public notices given by the Company are issued electronically. (URL: <http://www.meiji.com/>)

However, in the event that public notices cannot be issued electronically due to an accident or some other unavoidable circumstances, public notices given by the Company shall be carried in the Nihon Keizai Shimbun.

It should be noted that pursuant to Article 440, Paragraph 4 of the Companies Act, public notices of financial statements are not given.

**Number of Employees** 14,168

**For further information, please contact:**

Meiji Holdings Co., Ltd.

Tel: +81-3-3273-4001  
(Business hours: 9:00-17:00 / excepting Saturdays, Sundays, and holidays)

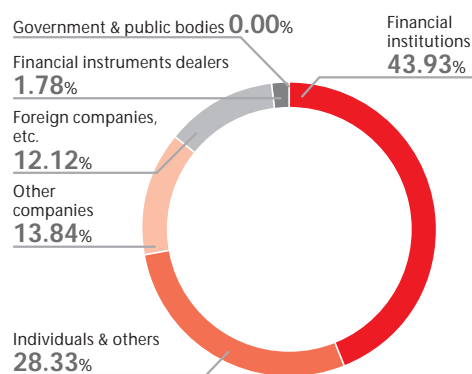
Meiji Holdings Co., Ltd. provides information on its Website:

URL: <http://www.meiji.com/english/>

**Major Shareholders**

Name	Number of shares held (Thousands)	Percentage of total shares in issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,888	5.09
Mizuho Bank, Ltd.	3,582	4.69
Japan Trustee Services Bank, Ltd. (Trust Account)	3,132	4.10
Nippon Life Insurance Company	2,642	3.46
The Dai-ichi Mutual Life Insurance Company	1,616	2.12
Resona Bank, Limited.	1,523	2.00
The Norinchukin Bank	1,446	1.89
Meiji Holdings Employee Shareholding Association	1,397	1.83
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,184	1.55
Fukoku Mutual Life Insurance Company	1,070	1.40
<b>Total of Top 10 Shareholders</b>	<b>21,483</b>	<b>28.14</b>

**Shareholding by Type of Shareholders**



**Stock Price and Trading Volume**

