

Corporate Governance Report

Last Update: June 29, 2017
Meiji Holdings Co., Ltd.

Masahiko Matsuo, President and Representative Director

Securities Code: 2269

<http://www.meiji.com/global>

The corporate governance of Meiji Holdings Co., Ltd. (the “Company,” “we,” or “us”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The Meiji Group's philosophy is to brighten customers' daily lives as a corporate group in the Food and Health fields. Our mission is to widen the world of “Tastiness and Enjoyment” and meet all expectations regarding “Health and Reassurance.” We do this with the goal of continuing to find 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 basic approach to management of the Group is for operating companies to manage businesses autonomously while collaborating with each other under the holding company's control.

The main role of Meiji Holdings Co., Ltd. is to advance Groupwide management strategies, create an optimal operating structure, and oversee the business management of operating companies.

Responsibility for operational execution is delegated to operating companies appropriately. Within the Group, oversight and execution of business management are separated. Accordingly, the Group has established and operates a corporate governance system including a Board of Directors. Meiji Holdings is a company with audit & supervisory board members. The Board of Directors' oversight and audit & supervisory board members' auditing heighten the objectivity and transparency of business management.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

Meiji Holdings operates in line with all the principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

1. Principle 1.4 Cross-shareholding of Listed Companies

The Company holds shares of listed companies where it deems that doing so would accelerate financial operations, strengthen partnerships and alliances, or would otherwise be reasonable in light of the Company's responsibility to shareholders. Each year, the Board of Directors reviews and clarifies the value of the Company's cross-shareholdings.

The Company makes decisions regarding the exercise of voting rights by honoring the decisions of the boards of directors of the stock-issuing companies, except where it deems that doing so would

negatively impact the business relationships between Group companies or where it is clear that said exercise would harm the common interests of shareholders.

2. Principle 1.7 Related Party Transactions

Directors and Audit & Supervisory Board members of the Company or a major operating company may not engage in material transactions with the Company or a major operating company without the approval of the Company's Board of Directors. Where such transactions are approved, the status of said transactions must be reported to the Company's Board of Directors.

3. Principle 3.1 Full Disclosure

1) Group philosophy and business plans

The Group Philosophy is disclosed on the following website.

<http://www.meiji.com/global/about-us/mission-and-vision/>

The Group Business Plan is disclosed on the following website.

<http://www.meiji.com/global/investors/business-plans/>

2) Basic views on corporate governance

The Group's basic stance on corporate governance is disclosed in "I. 1. Basic Views" above.

3) Remuneration of directors

The Board of Directors' policies and procedures for determining the remuneration of directors are disclosed in "2.1 [Incentives] and [Director Remuneration]".

4) Board of directors' policies and procedures for nominating directors and audit & supervisory board members and appointing executive officers

Regarding candidates for director, the Company nominates individuals who will execute important business operations and manage the business of major operating companies, placing importance on abundant experience and expert insight coupled with business acumen and personal integrity. The Company believes that these qualities are necessary to enhance the standards of the decision-making and management oversight in the Group and thus develop the Group's business in line with its philosophy, which is to brighten customers' daily lives by pursuing the mission of Food and Health.

Regarding candidates for independent outside director, the Company nominates individuals who have the personal integrity, insight, and ability necessary to serve as an independent outside director.

Candidates must have objective and multifaceted perspectives regarding the management of the Group and meet the Company's independence standards for independent directors.

Directors are nominated annually by the Board of Directors based on the recommendations of the Nomination Committee.

Regarding candidates for Audit & Supervisory Board member, the Company nominates individuals who have the personal integrity, insight, expertise, and ethical standards necessary to provide apposite advice and oversight from an objective and neutral perspective with respect to the legality and propriety of the execution of the Group's business operations. At least one of the candidates is to have appropriate knowledge of accounting matters.

Audit & Supervisory Board members are nominated by the Board of Directors based on the recommendations of the Nomination Committee and with the approval of the Audit & Supervisory

Board.

Regarding candidates for executive officer, the Company nominates individuals who, in light of their performance and career history, will make transparent, fair, swift, and bold business decisions, and execute the Group's business operations in an optimal manner. Executive officers are nominated annually by the Board of Directors based on the recommendations of the Nomination Committee.

5) Explanations with respect to the nominations of officers

Explanations with respect to the director candidates proposed to the 8th Ordinary General Meeting of Shareholders scheduled for June 29, 2017, are provided in the Referential Materials for the General Meeting of Shareholders, which is included in the "Convocation Notice of the 8th Ordinary General Meeting of Shareholders." Explanations with respect to the outside director candidates are provided in "2-1 [Directors] Relationship with the Company (2)" of this report.

4. Supplementary Principle 4.1.1 Scope of Matters Delegated to the Management

The Board of Directors resolves matters of material importance, including the Group's basic strategic approach, large-scale investments, and other matters that are set forth in laws, the Company's Articles of Incorporation, or the Rules of the Board of Directors. The Group Company Administration Regulations and Duties Regulations clearly define the matters that are related to the execution of business undertakings and operations pursuant to the policies determined by the Board of Directors. Said matters are delegated to management and the status of their execution is reported to the Board of Directors as necessary.

5. Principle 4.9 Independence Standards for Independent Directors

The Company's independence standards for independent directors are stated in "2-1 [Directors] Other Matters related to Independent Directors" of this report.

6. Supplementary Principle 4.11.1 Composition of the Board of Directors

The role of the Company's Board of Directors is to formulate and pursue Group-wide strategies, oversee the management of operating companies, and carefully monitor the effectiveness of managers and directors from an independent and objective perspective, with a view to making the Group Philosophy a reality, contributing to the Group's sustainable growth and corporate value over the medium to long term, and improving profitability and capital efficiency.

The Board of Directors is comprised in such a way as to fulfill this function. Its membership includes individuals who have the knowledge, experience, and abilities necessary to execute important business operations (e.g., corporate development, accounting, finance, human resources, general affairs, investor relations, etc.) and manage operating companies, and those who can provide broad and objective advice and oversight from a non-executive perspective such as independent outside directors. Being committed to diversity, the Company also considers female representation on the Board of Directors.

The Board of Directors currently maintains a membership of around 10 individuals. It is composed in such a way as to provide a good mix of knowledge, experience, and skills, and a good balance between those members who execute important business operations or manage operating companies and those who serve a non-executive role. At least two of the latter members are independent outside

directors.

The Board of Directors currently has 10 members, including three independent outside directors (one of whom is a woman).

The Company provides opportunities for outside directors and outside Audit & Supervisory Board members to exchange opinions, thus enabling more effective management of the Board of Directors.

7. Supplementary Principle 4.11.2 Independent Outside Directors who Concurrently Serve at Other Companies

The Company permits independent outside directors to concurrently serve as officers in other listed companies, but only to the extent that they are not prevented from devoting sufficient time and effort required to fulfill their roles and responsibilities as director or Audit & Supervisory Board member of the Company.

Any significant concurrent positions held by directors or Audit & Supervisory Board members are disclosed in the “company’s officers” section of the business reports in convocation notices of ordinary general meetings of shareholders, and they are also included in director candidate information under the relevant agenda item in said notices. Convocation notices of ordinary general meetings of shareholders are also published on the Company website.

http://www.meiji.com/investor/stock_info/shareholders_meeting/ [Japanese Only]

8. Supplementary Principle 4.11.3 Evaluation of the Board of Directors

Once a year, the Company analyzes and evaluates the effectiveness of the Board of Directors as a whole, taking into consideration the results of surveys on the role and management of the Board of Directors and problems or issues that the Board faces, including a self-evaluation questionnaire submitted by members of the Board of Directors. The Company then takes remedial measures to address any issues highlighted in the surveys so that the Board of Directors can fulfill its functions more effectively.

The Company has verified that the Board of Directors is functioning properly based on the results of self-evaluations by directors and Audit & Supervisory Board members. The Company will continue to improve the way it addresses reported matters and the way it briefs outside officers on the Group’s management strategy and business lineup/status, so as to further enhance the effectiveness of the Board of Directors.

9. Supplementary Principle 4.14.2 Training Opportunities for Directors and Audit & Supervisory Board Members

The Company provides directors, Audit & Supervisory Board members, and executive officers with training opportunities as necessary to develop their understanding of their legal liabilities and the roles and responsibilities they are expected to perform with respect to corporate governance, compliance, and risk management, as well as opportunities to gain the necessary knowledge on the Group’s business lineup, organizational structure, and financial status.

The Company briefs outside officers on the Group’s management strategy and business lineup/status to further their understanding of these matters. In addition, outside officers are taken on inspection tours of plants and research laboratories.

10. Principle 5.1 Constructive Dialogue with Shareholders

The Company positively and voluntarily engages with shareholders so as to promote constructive dialogue with them. General communication with shareholders is managed by the PR & IR Department, which is managed by the director in charge of Public Relations & Investor Relations. The Company pursues the following measures for promoting constructive dialogue with shareholders.

- 1) General communication with shareholders is managed by the PR & IR Department, which is managed by the director in charge of Public Relations & Investor Relations.
- 2) With the aim of supporting shareholder dialogue, the director in charge of the PR & IR Department organizes liaison meetings with personnel from other departments, including Corporate Planning, Finance and Accounting, and General Affairs, so as to share information between the departments.
- 3) In addition to one-on-one meetings, the Company holds earnings conferences twice-yearly for institutional investors and securities analysts to announce the second quarter and the fiscal year results, as well as small meetings led by the Company President.

We also provide information via our website for shareholders and investors. We publish our investment securities reports, earnings flash reports (Japanese/English), annual reports (English), and earnings conference materials (Japanese/English) on this website. We also stream video of our earnings conferences and publish a Q&A summary (Japanese/English) to further communication.

- 4) Comments and feedback gained through investor relations activities are summarized into reports. The director in charge of Public Relations & Investor Relations reports to the Executive Committee and the Board of Directors regularly.
- 5) Due care is given to insider information during communication. Communication is conducted in accordance with the Rules Concerning the Prevention of Insider Trading, which outlines the handling of important information. We also establish a quiet period.

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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[Status of Major Shareholders]

Name/ Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	9,790,700	6.41
Japan Trustee Services Bank, Ltd. (Trust account)	6,492,600	4.25
Mizuho Bank, Ltd	5,942,386	3.89
Nippon Life Insurance Company	3,348,014	2.19
JP MORGAN CHASE BANK 380055	3,094,060	2.03
Resona Bank, Limited	3,047,344	2.00
The Norinchukin Bank	2,892,202	1.89
MSIP CLIENT SECURITIES	2,775,684	1.82
Meiji Holdings Trading-Partner Shareholding Association	2,554,548	1.67
Meiji Holdings Employee Shareholding Association	2,515,154	1.65

Controlling Shareholder (except for Parent Company)	None
Parent Company	None

Supplementary Explanation

On April 20, 2009, the Company received a large-volume holdings report under the joint signatures of the Bank of Tokyo-Mitsubishi UFJ, Ltd. and the joint holders listed below indicating the number of shares held by each holder as of April 13 2009. However, since the Company had not confirmed the actual number of shares held at the end of the preceding business year, the information was not incorporated in the status of major shareholders above. The content of the large-volume holdings report is as shown below. On October 1, 2015, the Company conducted a 2-for-1 stock split. The data below represents the numbers of shares prior to the stock split. On July 1, 2015, Mitsubishi UFJ Asset Management Co., Ltd. merged with KOKUSAI Asset Management Co., Ltd. and became Mitsubishi UFJ Kokusai Asset Management Co., Ltd.

Name of person or company	Number of shares held	Ownership rate (%)
Bank of Tokyo-Mitsubishi UFJ, Ltd.	707,163	0.93
Mitsubishi UFJ Trust and Banking Corporation	3,570,930	4.68
Mitsubishi UFJ Securities Co., Ltd.	169,735	0.22
Mitsubishi UFJ Asset Management Co., Ltd.	284,818	0.37

On July 22, 2015, 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 July 15, 2015. However, since the Company had not confirmed the actual number of shares held at the end of the preceding business year, the information was not incorporated in the status of major shareholders above. The content of the large-volume holdings report is as shown below. On October 1, 2015, the Company conducted a 2-for-1 stock split. The data below represents the numbers of shares prior to the stock split.

Name of person or company	Number of shares held	Ownership rate (%)
Sumitomo Mitsui Trust Bank, Limited.	3,558,220	4.66
Sumitomo Mitsui Trust Asset Management Co., Ltd.	96,100	0.13
Nikko Asset Management Co., Ltd.	1,080,800	1.42

On February 7, 2017, 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 January 31, 2017. However, since the Company had not confirmed the actual number of shares held at the end of the preceding business year, the information, except that pertaining to Mizuho Bank, Ltd., was not incorporated in the status of major shareholders above. The content of the large-volume holdings report is as shown below.

Name of person or company	Number of shares held	Ownership rate (%)
Mizuho Bank, Ltd.	5,942,386	3.89
Mizuho Securities Co., Ltd.	147,000	0.10
Asset Management One Co., Ltd.	5,324,973	3.49

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, First Section
Fiscal Year-End	March
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

None

5. Other Special Circumstances which may have Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	10
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yoko Sanuki	Lawyer											
Tomochika Iwashita	From another company											
Tohru Murayama	From another company											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Yoko Sanuki	○	—	Yoko Sanuki has a prolific career as an attorney at law and deep expertise in corporate legal affairs. We propose her election as an Outside Member of the Board so that she can advise the Group's management from a sophisticated and professional perspective, and appropriately supervise the execution of its business operations. While she has not been involved in corporate management in the past, except as an Outside Member of the Board or an Outside Audit & Supervisory Board Member, we have concluded that she will be able to perform her

			duties appropriately as an Outside Member of the Board for the reasons mentioned above.
Tomochika Iwasita	○	—	Tomochika Iwashita served as Executive Vice President of Tokio Marine & Nichido Fire Insurance Co., Ltd. and as President of Tokio Marine & Nichido Life Insurance Co., Ltd., and has a prolific career and abundant knowledge as a corporate manager. We propose his election as an Outside Member of the Board, so that he can advise the Group's management from a broad perspective and appropriately supervise the execution of its business operations.
Tohru Murayama	○	—	Tohru Murayama served as Representative Director and President, and Director and Chairman of Accenture Japan Ltd, a management consulting firm headquartered in the U.S., and has been involved in management reforms of various global companies. We propose his election as an Outside Member of the Board, so that he can advise the Group's management from a global perspective and appropriately supervise the execution of its business operations.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Committee	Compensation Committee
All Committee Members	4	4
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Inside Directors	Inside Directors

Supplementary Explanation

To enable independent outside directors to provide appropriate advice, the Company has established two advisory bodies to the Board of Directors: the Nomination Committee and the Compensation Committee.

Each committee consists of both independent outside directors and internal directors, and independent outside directors make up the majority of members. The Nomination Committee reviews the nomination and dismissal of directors and the election and dismissal of executive officers and reports its findings to the Board of Directors. The Compensation Committee reviews the remuneration system and the remuneration for each director, and reports its findings to the Board of Directors.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	6
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

Audit & Supervisory Board members hold quarterly liaison meetings with the accounting auditor to exchange opinions.
Audit & Supervisory Board members periodically share information with the internal audit team (Audit Department) by holding an auditing liaison meeting called the Audit Department Liaison Conference.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hajime Watanabe	Lawyer													
Makoto Ando	CPA													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. Kansayaku of a parent company of the Company

- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a kansayaku
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the kansayaku himself/herself only)
- k. Executive of a company, between which and the Company outside directors/kansayaku are mutually appointed (the kansayaku himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the kansayaku himself/herself only)
- m. Others

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Hajime Watanabe	○	—	Hajime Watanabe has a prolific career as an attorney at law and has deep expertise in international business transactional law areas. Due to the reasons above, we propose his election as an Outside Audit & Supervisory Board Member. While he has not been involved in corporate management in the past, except as an Outside Director or an Outside Audit & Supervisory Board Member, we have concluded that he will be able to perform his duties appropriately as an Outside Audit & Supervisory Board Member for the reasons mentioned above.
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. Thus, we propose her election as an Outside Audit & Supervisory Board Member. While she has not been involved in corporate management in the past, except as an Outside Director or an Outside Audit & Supervisory Board Member, we have concluded that she will be able to perform her duties appropriately as an Outside Audit & Supervisory Board Member for the reasons mentioned above.

[Independent Directors/ Audit & Supervisory Board Members]

Number of Independent Directors/ Audit & Supervisory Board Members	5
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Matters relating to Independent Directors/ Audit & Supervisory Board Members

The Company has established Criteria for Independence of Outside Members of the Board and Outside Audit & Supervisory Board Members (Criteria for Independence) as follows.

Details

When an Outside Member of the Board and an Outside Audit & Supervisory Board Member are independent, such Member shall not fall under any of the following categories.

1. A person who executes business of the Company or its subsidiary
2. A person who executes business of the Company's parent company or a fellow subsidiary
3. 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
4. A consultant, an accounting expert, or a legal expert who receives a considerable amount of cash or other assets other than compensation 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)
5. A person who fell under category 1 above during the ten-year period prior to assuming the position
6. A person who fell under category 2, 3, or 4 above during the one-year period prior to assuming the position
7. 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 1, 2, 3, or 4 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 compensation 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 compensation 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.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration / Other
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Supplementary Explanation

Please refer to “Policy on Determining Remuneration Amounts and Calculation Methods” in [Director Remuneration.]”

Recipients of Stock Options	—
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Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors
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Supplementary Explanation

The Company discloses the remuneration amounts for directors, distinguishing between the amount for internal directors and that for outside directors. The Company also discloses the remuneration amounts for individual directors whose remuneration total is ¥100 million or more.

The remuneration amounts for each officer category as of FYE March 31, 2017, are as follows.

Officer category	Remuneration amount	Number of officers
Directors	¥367 million	9
(other than outside directors)		
Audit & Supervisory Board members	¥58 million	2
(other than Audit & Supervisory Board members)		
Outside directors	¥66 million	6
Total	¥491 million	17

Note 1. 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 1 billion yen per year (not including the employee portion of remuneration for directors who concurrently serve as employees).

Note 2. 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 300 million

yen per year.

As of FYE March 31, 2017, the remuneration amounts for individual directors whose remuneration total is ¥100 million or more are as follows.

Name	Remuneration amount
Masahiko Matsuo	¥130 million (¥104 million from Meiji Holdings Co., Ltd., ¥13 million from Meiji Co., Ltd., ¥13 million from Meiji Seika Pharma Co., Ltd.)
Kazuo Kawamura	¥113 million (¥11 million from Meiji Holdings Co., Ltd., ¥101 million from Meiji Co., Ltd.)

Note 3. Information on director remuneration is disclosed on the Company's website in the following documents.

a. Securities Report

b. Convocation Notice of the General Meeting of Shareholders (attached Business Report)

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Remuneration for internal directors comprises base compensation, performance-linked compensation, and stock-based compensation. Base compensation is a fixed amount of compensation, performance-linked compensation reflects the business performance in the preceding fiscal year, and stock-based compensation appropriates a portion of compensation for acquiring treasury stock through the executive shareholding association. The Company has defined performance-linked compensation and stock-based compensation as "incentive remuneration." The ratio of incentive proportion is proportionate to the scale of the director's duties and responsibilities over Group management.

The amount of base compensation paid is determined by rank.

The amount of performance-linked compensation paid is proportionate to the financial results of the Group and the operating companies (sales, operating income, etc.), as well as the performance of the director concerned, in the preceding fiscal year.

As for stock-based compensation, the Company has until now appropriated a portion of base compensation for acquiring treasury stock through the executive shareholding association. Recently, however, the Ministry of Economy, Trade and Industry clarified the interpretation of the Companies Act's stipulations regarding stock-based compensation systems. Furthermore, amendments to tax laws and disclosure-related regulations have prepared an environment for introducing a stock-based compensation system that delivers shares with restrictions on transfer ("restricted stock compensation system"). In light of these developments, it was resolved at the 8th General Meeting of Shareholders to introduce a restricted stock compensation system in order to incentivize internal directors to contribute toward sustainably enhancing the Group's corporate value and to further promote shared value among

shareholders. Accordingly, the Company will discontinue its stock-purchasing fund and instead issue shares with restrictions on transfer.

The ratio between the fixed component (base compensation) and variable component (performance-linked compensation + stock-based compensation) of the total remuneration is approximately 60:40.

For outside directors, who are not involved in the execution of business, the Company pays fixed compensation only; no incentive remuneration is paid.

To ensure objectivity and transparency in the process for determining the above remuneration system and the levels of remuneration, the Board of Directors determines the amounts separately based on the recommendations of the Compensation Committee, which is composed of four members: three outside directors and one internal director.

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

The Company has a supporting system for outside directors; the Corporate Development Department acts as a contact point, providing outside directors with contacts and information.

The Company has a supporting system for Audit & Supervisory Board members; full-time Audit & Supervisory Board members act as a contact point, providing Audit & Supervisory Board members with contacts and information. Moreover, the Company also provides staff who assist the duties of Audit & Supervisory Board members.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

Business Execution, Auditing, and Oversight

The Board of Directors holds a meeting once a month, in principle, and resolves matters of material importance, including the Group's basic strategic approach, large-scale investments, and other matters that are set forth in laws, the Company's Articles of Incorporation, or the Rules of the Board of Directors. The Group Company Administration Regulations and Duties Regulations clearly define the matters that are related to the execution of business undertakings and operations pursuant to the policies determined by the Board of Directors. Of these, the matters that have material importance are reviewed by the Executive Committee twice a month in principle.

The role of the Company's Board of Directors is to formulate and pursue Group-wide strategies, oversee the management of operating companies, and carefully monitor the effectiveness of managers and directors, with a view to making the Group Philosophy a reality, contributing to the Group's sustainable growth and corporate value over the medium to long term, and improving profitability and capital efficiency.

To ensure that the Board of Directors can fulfill this function, its membership includes individuals who have the knowledge, experience, and abilities necessary to execute core business operations (e.g., corporate development, accounting, finance, human resources, general affairs, investor relations, etc.) and manage operating companies, and those who can provide broad and objective advice and oversight from a non-executive position. Being committed to diversity, the Company also considers female

representation on the Board of Director. To further support the function of the Board of Directors, the Company has developed a system to ensure that deliberative proceedings are conducted in a multi-faceted and thorough manner and that management is fair and transparent.

Outside directors are expected to oversee management by participating in decisions on the appointment of members of the management team and other important matters of the Board of Directors. They are also expected to draw from their own experience and knowledge and offer advice on the management plan and remedial actions.

The Company has introduced an executive officer system with the aim of strengthening the management oversight and business execution functions, streamlining decision-making, and clarifying responsibility over business execution.

The Company has established three types of audit: Audit & Supervisory Board audits, internal audits, and accounting audits. Audit & Supervisory Board audits are conducted by four Audit & Supervisory Board members, two of whom are external Audit & Supervisory Board members. Pursuant to the Audit & Supervisory Board Guidelines, the Audit & Supervisory Board meets once a month, in principle.

Internal audits are conducted by the Audit Department, which is composed of dedicated internal audit staff. Accounting audits are conducted by the accounting auditor. The Company has designated Ernst & Young ShinNihon LLC as its accounting auditor.

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.

Limited Liability Agreements with the Company

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.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with its accounting auditor limiting its 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.

3. Reasons for Adoption of Current Corporate Governance System

With the aim of achieving sustainable growth and improving corporate value of the medium to long term, the Company has established a basic approach to management of the Group wherein operating companies that engage in “Food and Health” manage businesses autonomously while collaborating with each other under the control of the Company (which is the Group’s holding company).

Under this approach, the main role of Meiji Holdings Co., Ltd., is to advance Group-wide management

strategies, create an optimal operating structure, and oversee the business management of operating companies. Responsibility for operational execution is delegated to operating companies appropriately. Within the Group, oversight and execution of business management are separated. Accordingly, the Group has established and operates a corporate governance system including a Board of Directors. Meiji Holdings is a company with audit & supervisory board members. The Board of Directors' oversight and audit & supervisory board members' auditing heighten the objectivity and transparency of business management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company issues its convocation notice 24 days before the date of the General Meeting of Shareholders.
Scheduling AGMs Avoiding the Peak Day	—
Allowing Electronic Exercise of Voting Rights	Shareholders can exercise their voting rights using a personal computer, smartphone, or other mobile device.
Participation in Electronic Voting Platform	The Company uses a platform for the exercise of electronic voting rights.
Providing Convocation Notice in English	The Company translates part of the convocation notices and posts the translated content on its website.
Other	The Company posts its convocation notices on its website a number of days before issuing the official convocation notice.

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Company has established an information disclosure policy and has posted the policy on its website. a. Japanese website: http://www.meiji.com/investor/disclosure/ b. Global website: http://www.meiji.com/global/investors/disclosure-policy/
Regular Investor Briefings for Individual Investors	—
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds earnings conferences twice-yearly led by the president and officers. During these meetings, the president outlines the financial results and the Company's management policies going forward. With the aim of improving the corporate value, the Company facilitates communication with institutional investors and securities analysts by organizing biannual small meetings between these parties and the Company's president and otherwise promoting constructive dialogue. The Company also organizes regular tours of its sites and business briefings and takes various other steps to deepen said parties'

	understanding of the Group.
Regular Investor Briefings for Overseas Investors	The Company holds annual briefing meetings in the major cities of Europe, North America, and Asia. In these meetings, the president and director in charge of the PR & IR Department give briefings. In addition, the Company participates three to four times a year in conferences held in Japan by securities companies for overseas investors, and visits or holds telephone conferences with overseas investors as necessary.
Posting of IR Materials on Website	<p>The Company endeavors to enhance its website by amending the content to reflect users' feedback.</p> <p>The IR materials that the Company posts on its website include earnings results, materials disclosed on an as-and-when basis, securities reports, annual reports, briefing materials for institutional investors, and convocation notices for general meetings of shareholders. The Company also streams videos of conferences with institutional investors and posts summaries of question and answer sessions.</p> <p>Japanese website: http://www.meiji.com/investor/ Global website: http://www.meiji.com/global/investors/</p>
Establishment of Department and/or Manager in Charge of IR	IR is managed by the director in charge of the PR & IR Department and the said department's IR group (which consists of six members).
Other	In principle, all significant information for investors is translated into English. The English translation is posted on the website at the same time as the Japanese version or soon after disclosure.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	These internal rules are stipulated in the Group's System of Principles and Corporate Behavior Charter.
Implementation of Environmental Activities, CSR Activities etc.	<p>Our target profile—a company essential to and trusted by our stakeholders</p> <p>The Company believes that for the Group to fulfil its social responsibility, it must put the Group Philosophy into action through its mainstay businesses on a daily basis and continue to be essential to society. Each employee of the Group pursues activities in accordance with the Corporate Behavior Chart, meets the expectations of the stakeholders, and continually performs their social responsibilities.</p> <p>The Group's CSR activities are successively reported on the Company's website, and published in the annual CSR Report and Annual Report. CSR Report: http://www.meiji.com/global/sustainability/back-number/ Annual Report: http://www.meiji.com/global/investors/results-and-presentations/annual-reports/</p>

Development of Policies on Information Provision to Stakeholders	<p>The Company has established an information disclosure policy and has posted the policy on its website.</p> <p>Information disclosure policy: http://www.meiji.com/global/investors/disclosure-policy/</p>
Other	<ol style="list-style-type: none"> 1. Promoting diversity <p>As an organization that is committed to delivering “Tastiness, Enjoyment, Health, and Reassurance,” the Group has stated the following in its Group Philosophy: “our responsibility as ‘Food and Health’ professionals is to continue finding innovative ways to meet our customers’ needs, today and tomorrow.” To this end, the Company honors the principle of employee diversity and inclusion, encourages employees from diverse backgrounds to reach their full potential, and channels these talents so as to create a corporate synergy.</p> <ol style="list-style-type: none"> 1) The Company supports employees’ diverse workstyles by, for example, providing a system of maternity and childcare support. 2) The Company pursues a global human resources development program in collaboration with overseas group companies, and encourages active participation of non-Japanese employees. 3) The Company has developed a reemployment system allowing employees to continue in employment past the mandatory retirement age of 60. The Company aims to create an inclusive workplace that allows all employees, including those with disabilities, to reach their full potential. 2. Promoting the participation of women in the workplace <p>Amid progress in the action policies for promoting work-life balance, the Company is increasing the percentage of female employees by actively recruiting women and extending opportunities for women’s participation in the workplace. To further reinforce this endeavor, the Company organizes in-service training and job rotation programs, introduces inspiring examples of women’s workplace participation, and raises awareness among employees. The Company will continue to steadily increase the number of women in leadership positions while further improving its system for helping women to balance work and family.</p> <p>Policies for promoting the participation of women in the workplace</p> <ol style="list-style-type: none"> 1) Using a targeted recruitment strategy, increase the percentage of female recruits to 40% or above by FY 2017. 2) Use the portal site to broadcast information that encourages women in the workplace; this information is to include a company statement about women in the workplace, articles about female role models in the Company, and a guide to the Company’s maternity and childcare 3) Implement a career development training program for women. 4) Organize a diversity training program for managers whose subordinates include women with the aim of developing an organizational environment that enables women to fulfill their potential and raising diversity awareness.

	<p>Percentage of female employees in Group: 21.8% (as of FYE March 31, 2017)</p> <p>Regarding the recruitment of women in executive positions, the Company currently has one female director.</p> <p>3. Efforts to ensure respect for human rights</p> <p>The Meiji Group's Policy on Human Rights:</p> <p>Conscious of the fact that human rights is a global issue, the Company established the above human rights policy in April 2016 to clarify the Group's corporate stance on human rights. In accordance with this policy, the Company raises awareness of the issue through training programs and activities, and works toward a society in which human rights are respected.</p> <p>4. Efforts to ensure sustainable procurement</p> <p>The Meiji Group's Procurement Policy</p> <p>The Company established the above procurement policy in April 2016 after considering the demand for socially responsible procurement activities that take into account human rights and the environment. The Company works with suppliers to ensure that procurement activities are in accordance with the policy.</p> <p>5. Efforts to ensure occupational health and safety</p> <p>The Meiji Group's Policy on Occupational Health and Safety</p> <p>The Company established the above occupational health and safety policy in April 2017 as an over-arching policy framework under which each group company forms their own occupational health and safety policies. In accordance with this policy, the Company makes continual efforts to ensure health and safety, and works to maintain and improve employees' health.</p> <p>6. Pledge to be a customer-oriented company</p> <p>The Company published its "Pledge to Be a Customer-oriented Company" in February 2017. This pledge is intended to promote customer-oriented business practice across the Group. Starting from FY 2018, the outcomes of the Company's efforts under this pledge will be regularly announced on the website and other media.</p> <p>The Pledge to be a Customer-oriented Company is published on the Company website.</p> <p>http://www.meiji.com/global/about-us/mission-and-vision/</p>
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IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

1. Basic Views

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 has established 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.

2. 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 auditors” (*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 5 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 relay 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 relay the above matters via meetings with the Company's Audit & Supervisory Board members and by issuing reports and

disclosing important documents as necessary.

The Company and the Group companies comply unerringly with any request from an Audit & Supervisory Board member to report on the state of their business or to cooperate in an inspection of their business performance or financial status.

- 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.

2. Basic Views on Eliminating Anti-Social Forces

In accordance with the Corporate Behavior Charter and the Compliance Regulations, the Company and the Group companies refrain from engaging in any way whatsoever with crime syndicates that threaten public order and safety. 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.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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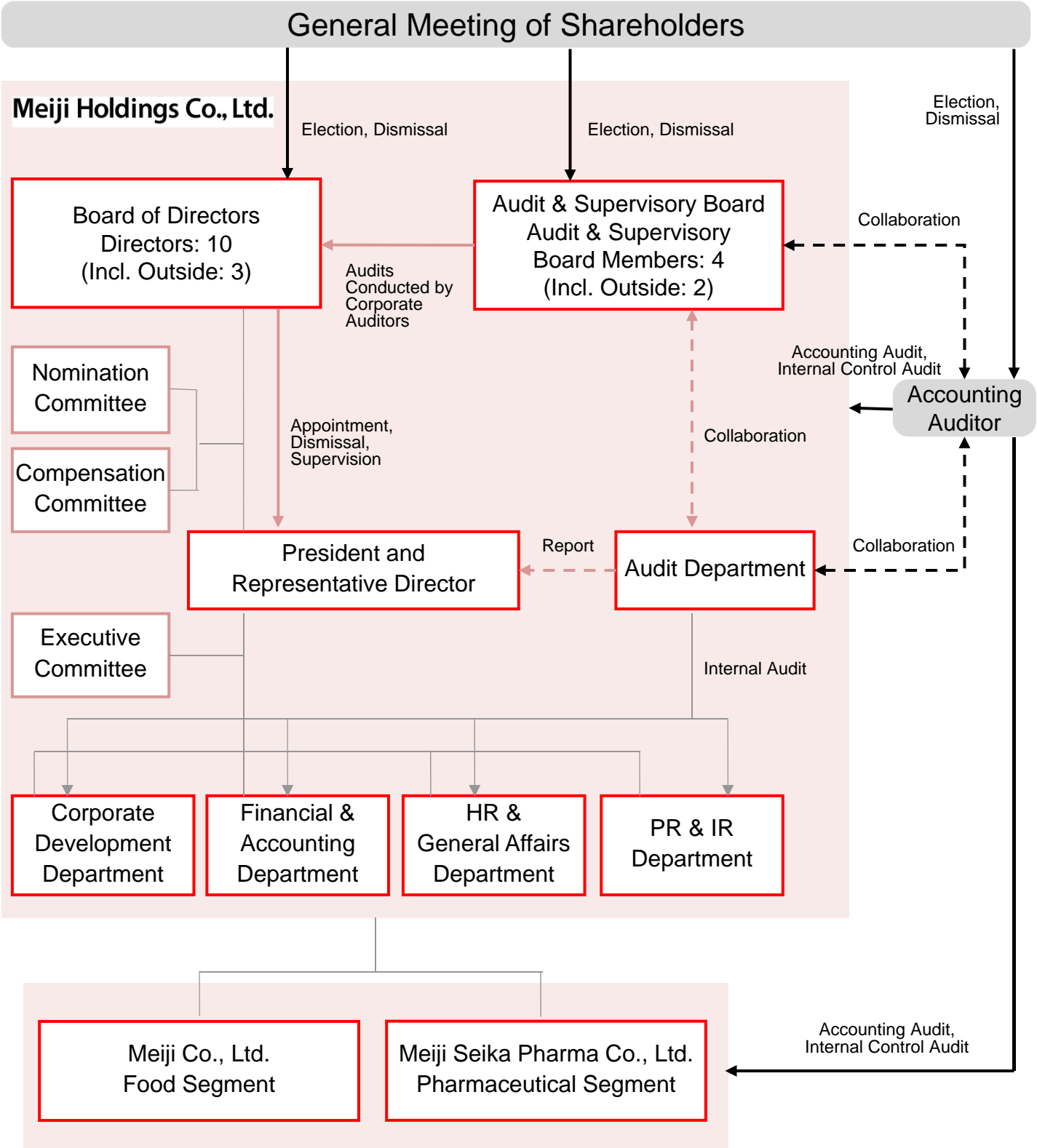
Supplementary Explanation

The Company has not adopted any anti-takeover measures at this time.
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2. Other Matters Concerning to Corporate Governance System

The schema of the Company's corporate governance system and the timely disclosure of company information is as follows:

Corporate Governance Structure



Meiji Group Timely Disclosure System

