

November , 2012

Yakult to Build Second Plant in Guangdong, China

Yakult Honsha Co., Ltd. (President: Takashige Negishi) today announced that Guangzhou Yakult Co., Ltd. in Guangdong Province, China, would build a second plant to produce the Yakult fermented milk drink and start operation of the new plant in spring of 2014.

Guangzhou Yakult Plant 2 will be constructed in Yonghe Economic Zone of Guangzhou Economic & Technical Development District, Guangzhou's industrial park. The company decided to build the second plant here, as Plant 1, which has already been operating, is located in the same zone and the two plants would be able to highly complement each other's operations.

Plant 2 will have a production capacity of 800,000 bottles per day at the start of production in spring of 2014. The company plans to gradually enhance the production facility to boost the capacity up to 2 million bottles per day at maximum.

When Guangzhou Plant 2 starts production in spring of 2014, the Yakult Group will have four plants in China (Guangzhou Plant 1, Guangzhou Plant 2, Shanghai Plant and Tianjin Plant) and the production capacity in China will increase from the current 3.52 million bottles per day to 5.18 million bottles per day.

<Image of Guangzhou Plant 2 upon completion>



Guangzhou Yakult Co., Ltd. has been engaged in production and distribution of Yakult in Guangdong Province since 2002 and is currently expanding the business in

Guangdong and Hainan Provinces. As of September 2012, the company had 1,433 Yakult Ladies and supplied its products to 16,963 retail outlets. Its sales came to 1.38 million bottles per day in the period from January through September 2012, up 13% compared with the same period a year earlier.

In addition to the trend of improving income levels in Guangdong in recent years, there has been growing sense of health awareness and understanding of probiotics, and it is expected that Yakult sales will continue to increase in the future.

The overview of Guangzhou Plant 2 is as follows:

1. Plant name: Guangzhou Yakult Plant 2
2. Location: Yonghe Economic Zone, Guangzhou Economic & Technical Development District, Guangzhou, Guangdong Province, People's Republic of China
3. Site area: about 33,600 m²
4. Building area: 10,540 m²
5. Total floor area: 14,166 m²
6. Start of construction: November 2012
7. Start of production: Spring of 2014 (expected)
8. Product: Yakult fermented milk drink
9. Production capacity: 800,000 bottles per day initially (the plant will ultimately have a capacity of 2 million bottles per day)
10. Product supply area: Plan to supply to Guangdong and Hainan Provinces

[Reference 1: Profile of Guangzhou Yakult Plant 1]

1. Plant name: Guangzhou Yakult Plant 1
2. Location: No. 2 Tianyuan West Road, Yonghe Economic Zone, Guangzhou Economic & Technical Development District, Guangzhou, Guangdong Province, People's Republic of China
3. Site area: 20,325 m²
4. Building area: 5,309 m²
5. Total floor area: 6,037 m²
6. Start of production: June 2002
7. Product: Yakult fermented milk drink
8. Production capacity: 1.46 million bottles per day (4 lines)

[Reference 2: Profile of Guangzhou Yakult Co., Ltd.]

1. Name: Guangzhou Yakult Co., Ltd.
(Joint venture of Yakult Honsha Co., Ltd: 50%; Hong Kong Yakult Co., Ltd.: 35%; Yakult (China) Co., Ltd.: 10%; CDC Investment Consultants Ltd.: 5%)
2. Capitalization: 395.6 million yuan
3. Head office: Guangzhou, Guangdong Province, People's Republic of China
4. Representative: Hitoshi Sugino
5. Employees: 662
6. Sales performance: 1.38 million bottles per day (the result for the January –September 2012 period)