

Yakult Social & Environmental Report 2011



Going forward, Yakult will continue contributing to the health of people throughout the world as well as to the global environment.



About This Report

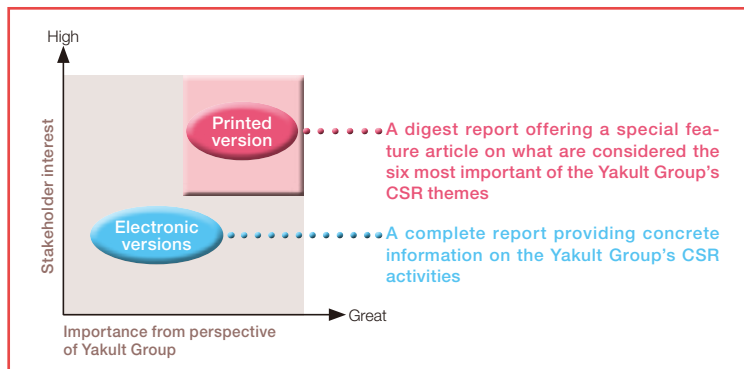
Editorial Policy

Designed to help readers learn about Yakult Honsha's corporate social responsibility (CSR) performance, this report presents information centered on the environmental activity performance and social contribution activities of Yakult Honsha and the other Yakult Group companies during fiscal 2010.

While this is the first year that an English-language version of this report has been published, the Company has been issuing Japanese-language editions each year for over a decade. Initially, these reports focused on the Company's business sites in Japan. Beginning from last year's *Yakult Social & Environmental Report 2010*, the scope of the report was expanded to encompass all of the Yakult Group's social and environmental activities, including those associated with business sites both in Japan and overseas.

Aiming to encourage as many people as possible to read this report and gain a familiarity with the CSR activities of Yakult Honsha and the other Group companies, the editors have done their utmost to make the report easy to read and understand. The printed version includes contents that have been made as concise as possible, while additional quantitative data and other supplemental information can be obtained by visiting the Company's website to obtain an e-book or PDF version of the report.

Relationship of Printed Report and Website Features



Boundary

Period

April 1, 2010 through March 31, 2011

Regarding "Promoting Recovery from the Great East Japan Earthquake," the period of time covered is from March 11, 2011 through the time this report was prepared.

Scope of Data (Environmental Data)

The scope of data in the report includes the Company's head office, five branches, nine plants, the Yakult Central Institute for Microbiological Research, and three logistics subsidiaries in Japan as well as 27 business sites overseas.

With respect to social activities, the report covers the above-mentioned facilities as well as the activities of domestic Group companies.

Going forward, we would like to improve this report based on feedback from readers, and we have, therefore, appended a questionnaire to the report. Please provide us with your opinions and suggestions after reading the report.

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To Our Stakeholders



Sumiya Hori
Chairman, Representative Director, and CEO



Takashige Negishi
President, Representative Director, and COO

We would like to express our deepest condolences to the many people who suffered from the Great East Japan Earthquake disaster and offer our prayers for the swift recovery of the impacted region.

The founder of Yakult, Dr. Minoru Shirota, believed that practicing preventive medicine was better than treating illness and that strengthening the intestinal tract, from which the body absorbs nutrients, will promote better health and longer life spans. The concepts of “preventive medicine,” “a healthy intestinal tract leads to a long life,” and other ideas of Dr. Shirota are referred to as Shirotaism, and this is the philosophy underlying Yakult’s long tradition of seeking to contribute to better health for people in Japan as well as elsewhere worldwide. Currently, the fermented milk drink *Yakult* and other Yakult brand products are enjoyed by people in 32 countries and regions across the globe.

At this time, all areas of the world are facing increasingly serious global environmental issues, such as those associated with global warming, the destruction of forests, and unusual local weather patterns. In Japan, moreover, the evolution of the national energy policy going forward will require corporate enterprises to progressively intensify their efforts to conserve energy. In light of these situations, Yakult has made promoting the conservation of the global environment a top management priority. The Company is committed to implementing diverse activities with this objective.

Regarding social contribution activities, the entire Yakult Group is working concertedly and proactively to implement a wide range of initiatives. Yakult also emphasizes measures for ensuring that it maintains good two-way communication with all its stakeholders. In accordance with its corporate slogan—“In order for people to be healthy, everything around them must also be healthy.”—Yakult intends to move ahead steadily with its CSR programs going forward.

Yakult Social & Environmental Report 2011 is the 12th edition of our annual social and environmental report. This year, we believe it is particularly important to provide stakeholders with up-to-date information on the Group’s response to the Great East Japan Earthquake disaster, so we have included such information in a special feature article.

We hope that this report will enable readers to gain a good understanding of Yakult Honsha’s and the rest of the Yakult Group’s responses to environmental issues and efforts to maintain excellent communication with society at large. All of us at Yakult will be very happy to receive your frank opinions and any suggestions you may have after reading the report.

September 2011

堀 澄也

Sumiya Hori
Chairman, Representative Director, and CEO

根岸 孝成

Takashige Negishi
President, Representative Director, and COO

Overview of Yakult's Operations

Corporate Profile

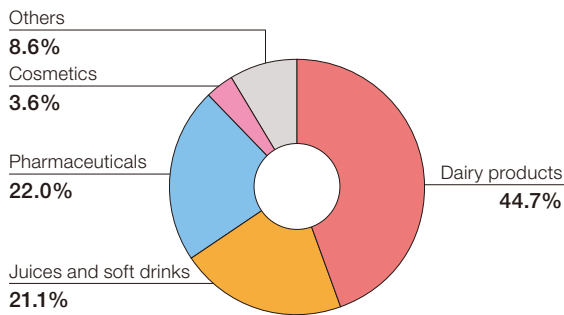
Profile of Yakult Honsha (as of March 31, 2011)

Name: Yakult Honsha Co., Ltd.
Address: 1-19 Higashi-Shimbashi 1-chome, Minato-ku, Tokyo, Japan
Founded: April 9, 1955
Businesses: Manufacturing and marketing of dairy products, foodstuffs, pharmaceuticals, cosmetics, and others
Paid-in Capital: ¥31,117 million
Net Sales: (nonconsolidated) ¥176,143 million (as of fiscal year ended March 31, 2011)
Business sites: Five branches, nine plants, one research laboratory, 10 medical branches, 11 logistics centers
Number of employees: 2,903 (including 311 seconded employees and 126 commissioned employees)

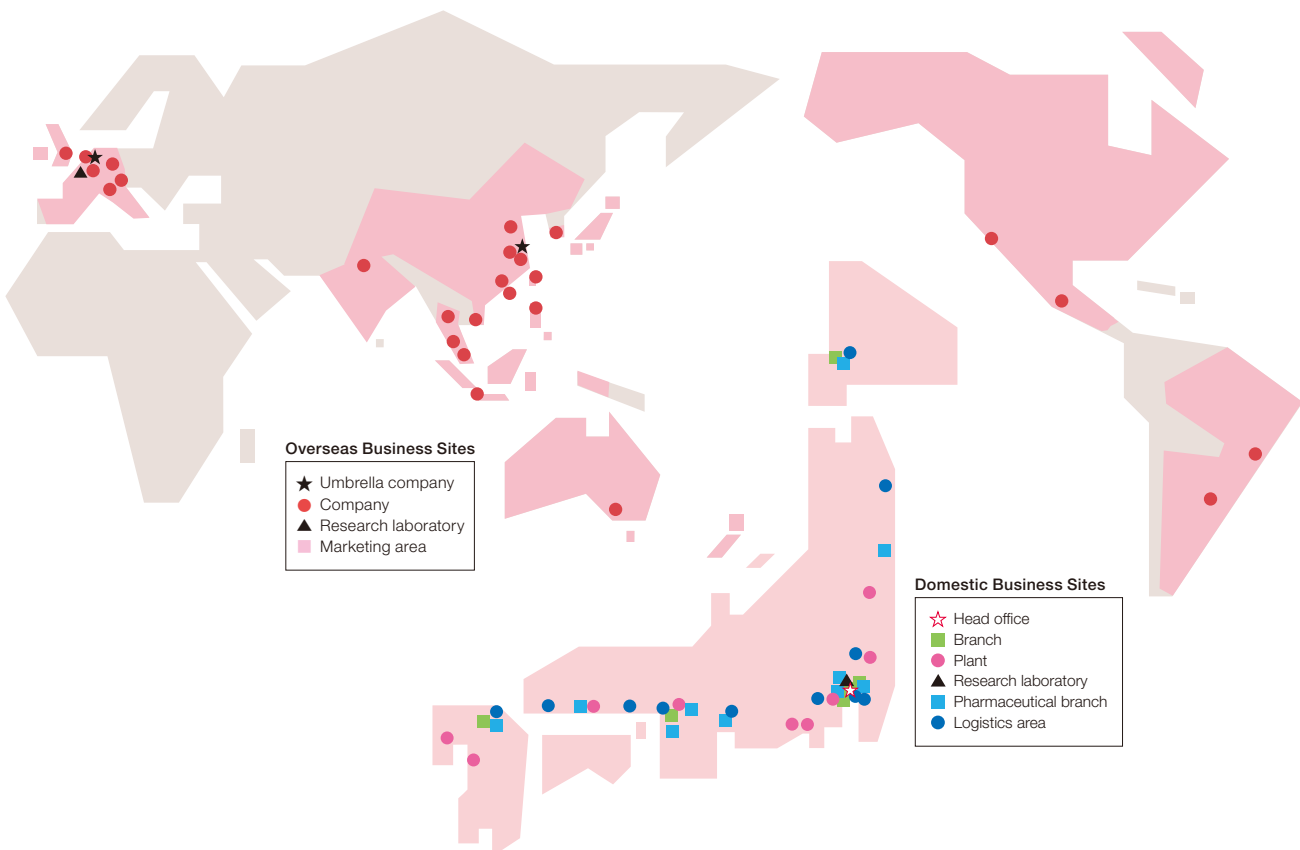
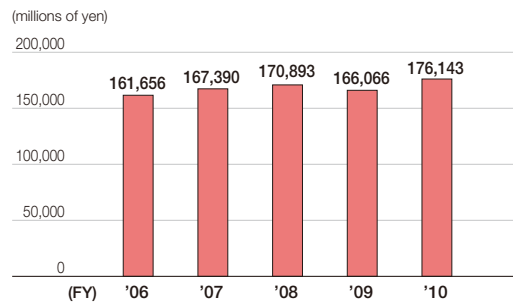
Profile of Yakult Group (as of March 31, 2011)

Japan **Sales companies:** 111 companies
Subsidiary plants: 6 companies
Affiliated companies, etc.: 16 companies and 4 associations
Overseas **Business sites:** 27 companies and 1 research laboratory
Marketing regions: 31 countries and regions

Sales Structure by Type of Product (Nonconsolidated)



Five-Year Overview of Net Sales (Nonconsolidated)



Corporate Philosophy

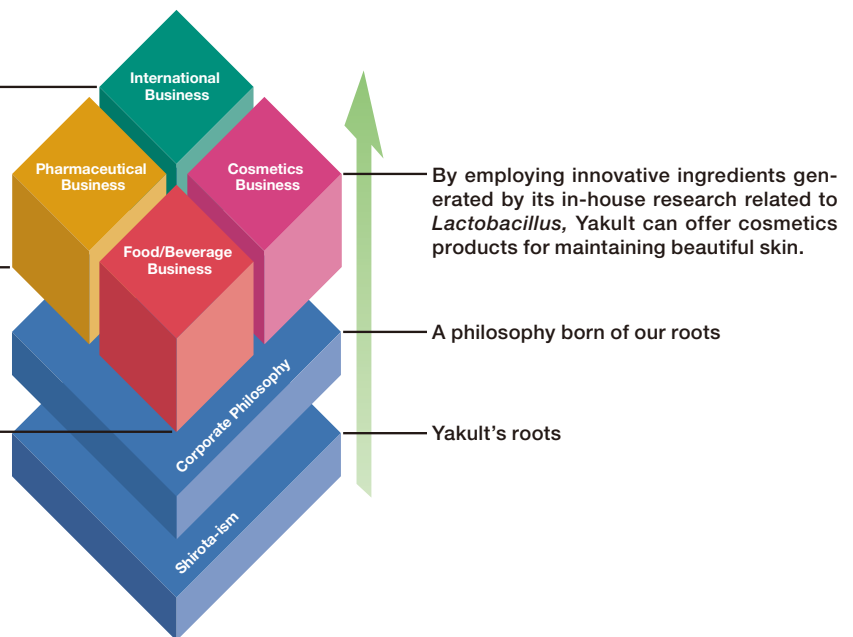
We contribute to the health and happiness of people around the world through the pursuit of excellence in life science in general and our research and experience in microorganisms in particular.

Business Development

Seeking to improve the health of people throughout the world, we are proactively promoting probiotics products centered on the fermented milk drink *Yakult*.

Besides preventive medicine, Yakult is active in the field of pharmaceuticals, where it is contributing to better health through research and development programs focused on anti-cancer agents.

Yakult provides fermented milk drinks and fermented milk dairy products that contain *Lactobacillus* and *Bifidobacterium* strains of bacteria (probiotics) that reach the intestines alive as well as health beverages rich in functional benefits.



Product Lineup

Foods and Beverages

- *Lactobacillus*-based dairy beverages
- Fermented dairy products



Yakult dairy products based on the concepts of "preventive medicine" and "a healthy intestinal tract lead to a long life." *Lactobacillus casei* strain Shirota and *Bifidobacterium breve* strain *Yakult* reach the intestines alive and promote healthier intestinal tracts.

- Fruit and vegetable juice products
- Soft drinks
- Coffee and tea beverages
- Other beverages, noodles
- Health beverages



Yakult beverages that help create healthy life scenes. High-quality raw materials are used to create functional beverages with various health benefits.

Cosmetics

- Cosmetic products for women (basic skin-care products, other cosmetics)
- Hair-care products
- Body-care products



Yakult cosmetic products generated by bio-science. These products help maintain beautiful and healthy skin.

Pharmaceuticals

- Pharmaceutical products
 - Ethical therapeutic drugs (anti-cancer agents, *Lactobacilli*-based drugs, etc.)
 - OTC drugs
- Medical devices
- Quasi-drug products



Yakult pharmaceuticals making contributions in the field of medicine. These products are providing people with benefits in both medical facilities and homes.

Fundamental Corporate Governance Policy

In accordance with our corporate philosophy (see page 3), the primary business objective of Yakult Honsha and the Yakult Group is to “contribute to the health and happiness of people around the world.” To realize this objective, we consider it is important to build a solid corporate governance system while also continually striving to reevaluate our relationship with society, clarify the tasks that we should be addressing, and implement management functions in a highly transparent manner.

Yakult’s fundamental corporate governance policy is to “devote thorough efforts to steady business development centered on core business operations and strive to maintain a sound financial position by promoting highly transparent management functions.” Based on this policy, we are endeavoring to increase the level of society’s trust in us and our brand value while earning outstanding evaluations from customers as well as shareholders, investors, those working throughout the Yakult Group, and other stakeholders, and thereby seeking to realize sustained corporate development and growth.

Corporate Governance System

Aiming to strengthen the Board of Directors’ decision-making functions and supervisory functions as well as to clarify responsibilities and to increase the efficiency of both kinds of functions, we introduced an executive officer system in June 2011. In addition, to promote effective management activities and accelerate decision making, we have established the Management Policy Council, which includes representative directors, divisional general managers, and senior corporate auditors, and the Executive Officers Committee, which includes executive officers and senior corporate auditors.

The Board of Directors is composed of 15 directors, including five outside directors, and the Board of Auditors is composed of seven corporate auditors, including four outside corporate auditors.

Auditing Entities

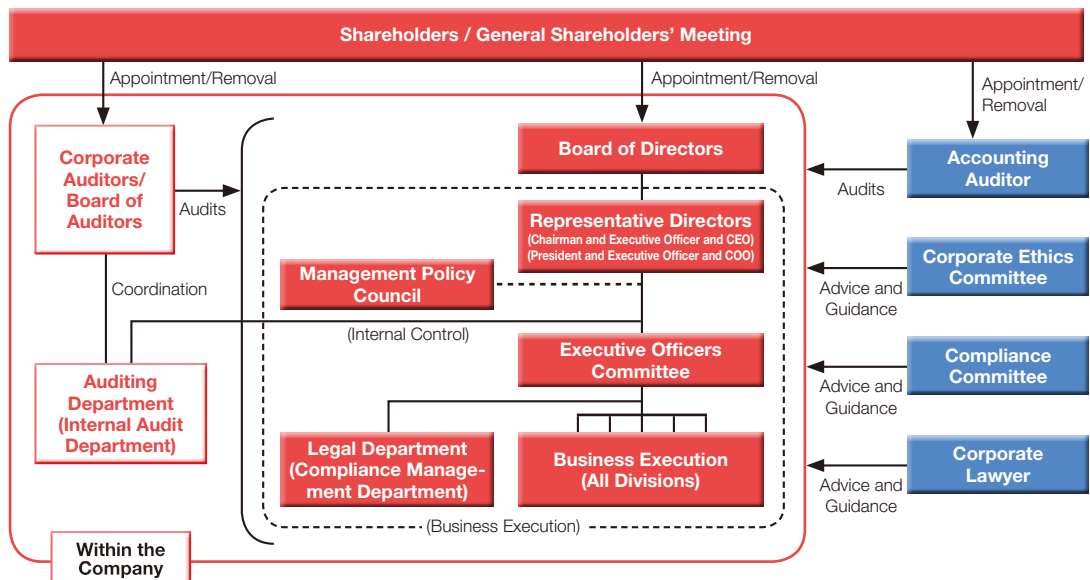
Internal Audits—The Auditing Department, which reports directly to the Company president, performs financial audits, operational audits, and internal control system audits, including those of Group companies in Japan and overseas. The head of the Auditing Department currently oversees a 14-member staff responsible for risk avoidance and other internal audit functions. These personnel conduct internal audits spanning the operations of all internal departments and Group companies as well as provide concrete advice and warnings with respect to operational improvements.

Corporate Auditor Audits—Based on the audit policies and audit plans determined by the Board of Auditors, the seven corporate auditors (including four outside corporate auditors) audit the operational execution situation of directors by attending meetings of the Board of Directors and other important Company meetings and examining documents related to decision-making and other matters.

The system of support for corporate auditor audits consists of a two-person staff that is assigned exclusively to the corporate auditors and is comprised of employees who are thoroughly familiar with the Company’s operations and capable of providing appropriate assistance for the corporate auditors’ operations.

Accounting Audits—The Company has appointed Deloitte Touche Tohmatsu to serve as the accounting auditor for the audit of its business accounts as required by law.

■ Corporate Governance Framework (As of June 22, 2011)



Compliance Programs

Recognizing that realizing sound compliance performance—maintaining rigorous legal compliance and firmly establishing rigorous corporate ethics—is one of the most-important tasks of a corporation, Yakult proactively works to promote its own compliance management while also endeavoring to ensure that Group companies give similar emphasis to compliance performance and implement the concrete measures required to attain such performance.

Yakult Code of Ethics and Code of Practice

In 2000, Yakult instituted the Yakult Code of Ethics and Code of Practice to serve as guidelines for proper corporate activities. In 2005, we revised these codes, aiming to increase their effectiveness through such measures as those to append more-specific conduct standards and concrete examples of such standards, and the application scope of the codes was concurrently expanded to include Yakult Honsha subsidiaries.

Moreover, in view of the many actual cases in which the compliance infractions of a single member of a corporate group ramifies into problems affecting the entire Group, Yakult moved in 2007 to further expand the codes' application scope, which now encompasses not only Yakult Honsha subsidiaries, but all companies in the Yakult Group.

A pocket book including the Yakult Code of Ethics and Code of Practice has been distributed to employees so that they can easily refer to the codes at any time during their day-to-day work when they need to confirm that a particular decision-making process conforms to the Group's compliance standards.

The Yakult Code of Ethics and Code of Practice are also posted on the Company's website.



Compliance Committee

In 2000, Yakult established its Compliance Committee, which is composed of independent experts (attorneys and certified public accountants) from outside the Company.

The Compliance Committee regularly meets with corporate officers of Yakult Honsha and provides them with wide-ranging opinions and recommendations related to all kinds of corporate activities from the perspective of compliance.

The committee has been engaged in discussions of Yakult's "management/financial situation" and "compliance promotion situation" for some time, and these discussions proceeded further during fiscal 2010.

Compliance Promotion System

To create an organization for proactively and flexibly promoting internal compliance within Yakult Honsha, the Company has established its Compliance Promotion Team, which is composed of staff from four units—the Legal Department, the General Affairs Department, the Personnel Department, and the Auditing

Department. As an additional measure to strengthen the compliance promotion system, compliance managers have been appointed within each unit of Yakult Honsha and each Group company and given responsibility for checking to ensure that day-to-day operations are being properly implemented.

Training and Learning Activities

Yakult regularly organizes position-specific compliance training programs for groups of employees ranging from managers to newly hired employees as well as training programs for such specialists as compliance managers. The Company also endeavors to promote more-comprehensive understanding of compliance issues by preparing and distributing compliance handbooks.

In addition, we employ our internal LAN to provide all employees with e-learning courses related to compliance on an ongoing basis. To facilitate efforts to determine the optimal direction of compliance programs going forward, we are closely monitoring compliance performance, employee awareness levels, and other compliance-related situations in Yakult Honsha and its subsidiaries as well as distributing compliance-related questionnaires.

Corporate Ethics Committee

In 2002, Yakult established its Corporate Ethics Committee, which is primarily composed of independent experts from outside the Company. This committee is engaged in activities designed to ensure the Company is able to avoid relationships with anti-social elements.

Yakult Vision 2020

We have recently drafted "Yakult Vision 2020," a long-term corporate management vision covering the 10-year period from fiscal 2011 through fiscal 2020.

Background of Yakult Vision 2020's Formulation

In accordance with its corporate philosophy expressed by the slogan "We contribute to the health and happiness of people around the world through the pursuit of excellence in life science in general and our research and experience in microorganisms in particular," Yakult has for many years been actively engaged in business operations centered on the food and beverages business (both in Japan and overseas), the pharmaceuticals business, and the cosmetics business.

In light of projections that the corporate management environment will be characterized by dramatic changes going forward, Yakult now requires a new framework for guiding its corporate development path.

The new long-term corporate management vision sets targets to be attained over 10 years in each of the three core business fields—food and beverages (both in Japan and overseas), pharmaceuticals, and cosmetics—and Yakult will be striving to achieve dynamic growth as a global enterprise by making concerted Company-wide efforts to attain these targets.

Promoting Recovery from the Great East Japan Earthquake

In addition to praying for the souls of the many people who passed away as a result of the Great East Japan Earthquake disaster of March 11, 2011, we would like to offer our heartfelt condolences to the numerous other people whose lives have been greatly impacted by the disaster.

Impact of the Earthquake Disaster

The earthquake disaster caused considerable damage to the Yakult Group in the east Japan region. The Yakult Honsha Fukushima Plant and the Yakult Iwate Plant, a subsidiary, suffered damage to their buildings and manufacturing lines, and a number of the centers (bases for Yakult Ladies' operations) of Group sales companies were swept away by the tsunami that followed the earthquake. In addition, the disaster's impact on raw and secondary materials procurement activities has had the effect of hindering Group operations. Despite the severity of the situation, however, all Yakult Group employees have worked concertedly to move ahead with restoration, reconstruction, and support activities.



Fukushima Plant staff after the plant resumed operations

Damage and Recovery Situations

The damage to facilities and other factors resulting from the earthquake disaster had an impact on two plants' manufacture of the following products.

Yakult Honsha Fukushima Plant (Fukushima City, Fukushima)

Concentrated *Yakult*, concentrated *Yakult Calorie Half*, concentrated *Yakult 400*, *Mil-Mil*, *Mil-Mil S*, *Soful*, *Yakult Genki Yogurt*

Yakult Iwate Plant (Kitakami City, Iwate)

Yakult, *Yakult Calorie Half*, *Yakult 300V*, *Yakult SHEs*, *Yakult 400*, *Yakult 400LT*

While the production of products supplied by multiple plants was shifted to non-impacted plants, the Group was forced to suspend the production and supply of certain products—*Yakult Calorie Half*, *Yakult 300V*, and *Yakult SHEs*—that are exclusively produced at the impacted facilities.

By late June, however, the concerted implementation of recovery efforts had enabled renewed supplies of all products other than *Mil-Mil S*. Nationwide shipments of *Soful* and *Yakult Genki Yogurt* were resumed from June 17. The Iwate Plant, which restarted a portion of its production operations from May 16, resumed shipments of *Yakult Calorie Half*, *Yakult 300V*, and *Yakult SHEs* from June 22. As a result, the Yakult Group recommenced marketing of six products in the five dairy product lines (including two products in the *Soful* line) that had been suspended and was again able to supply its full lineup of dairy products.

Support Activities

On March 12, the day after the earthquake disaster, Yakult began loading tanker trucks with drinking water and dispatching them to the severely impacted regions. The Company also donated a total of 300,000 bottles of mineral water and soft drinks to residents of the regions. The donated products were as follows:

- Mineral water "Volvic"—100,000 (500ml) bottles
- *Yakult Ocha*—100,000 (500ml) bottles
- Sports drink "*Yakult Thorpedo*"—100,000 (500ml) bottles

In addition, the Company donated ¥50 million to the Japan Red Cross for the purpose of providing support to the severely impacted regions.

Business Continuity Plan

On March 14, to provide support following the Great East Japan Earthquake disaster, Yakult established its Great East Japan Earthquake task force at its headquarters, with the Company's president serving as the task force manager. This task force undertook rapid response measures aimed at providing impacted regions with aid, repairing damage, and restoring business activities. Aiming to establish cooperative systems for providing Yakult Group employees and other people in impacted regions with protection and support, the task force implemented diverse measures.

1. Established systems for providing relief (in the form of relief supplies, human assistance, and funds) to disaster victims, including Group employees
2. Acted as a central hub for information flows
3. Orchestrated measures for modifying and restoring production, logistics, and marketing systems
4. Assessed damage sustained by the Group and established recovery systems
5. Established cooperative systems for supporting residents of severely impacted regions

Besides establishing the task force within Yakult's head office building, the Company established local countermeasure teams at the Yakult Honsha Fukushima Plant and the East Japan Branch. The task force and local countermeasure teams worked in close cooperation in their efforts to assess various aspects of the post-disaster situation.

On March 16, Yakult formulated its Action Agenda in Connection with the Great East Japan Earthquake and communicated this agenda to all Yakult Group companies. The agenda includes the following points.

1. Act in accordance with instructions received from government task forces and local government entities.
2. Continuously seek to obtain up-to-date information via television, radio, newspapers, and other media.
3. Do not be deceived by poor-quality information.
4. In cases when going to work or performing work tasks is extremely difficult, do not make unreasonably heroic efforts.
5. Facilitate the Company's efforts to ensure and confirm employee safety by making sure to provide up-to-date contact information.

From the Yakult Iwate Plant—Praying for Post-Disaster Recovery by Making 6,000 Origami Cranes

As a gesture symbolizing their hopes and prayers regarding the progress of post-disaster recovery, Yakult Iwate Plant employees have folded 6,000 origami cranes and arranged them as a striking display of streamers. All the plant's employees worked for approximately two months to fold the cranes, and, because many of the birds were constructed from the colorful aluminum caps of *Yakult 400* and *Yakult 400LT* products, the employees were able to arrange the cranes in streamers that show the Yakult logo superimposed on a map of the world. The streamers have been hung up in the visitors' lobby on the second floor of the plant, where they can be appreciated by the numerous people who visit the plant on study tours.

The recent earthquake disaster caused considerable damage to the Yakult Iwate Plant, which was forced to suspend its operations for two months. During the period of suspended operations, the plant's staff received substantial support in concrete forms as well as in the form of warm words and letters from people at Yakult Honsha as well as plants and Group sales companies. The Yakult Iwate Plant was able to resume a portion of its production activities from May 16, and it also reopened its facilities to visitors from that date.

While the Yakult Iwate Plant is in an inland region of Iwate Prefecture, many people displaced from tsunami-impacted coastal regions have been temporarily lodged nearby. Many of those displaced people who are leading difficult lives as refugees have been happy to take the opportunity to participate in tours of the plant.

In view of the support that has been received from overseas plants, the origami crane streamers were arranged in a way that sends the message that "People throughout the World Are Supporting Japan." Folding origami cranes is a traditional Japanese method of representing hopes and prayers, and in this case the hopes and prayers are for achieving a recovery from the earthquake disaster as quickly as possible.



Results of Eco Vision 2010

Fiscal 2004

Inaugurated Eco Vision 2010

Revised the action policies of the of the “Yakult Basic Policy on the Environment”

Initiated the second stage of the “Yakult Environmental Action Plan”

Instituted the “Yakult Environment Symbol”

Fiscal 2005

Completed the acquisition of ISO14001 certification for all 24 Yakult Group plants

Revised “Green Purchasing Guidelines”

Instituted the “Yakult Basic Policy on Personal Information Protection”

Reevaluated the “Environmental Education Program”

Fiscal 2006

Registered as a “designated shipper” in accordance with Japan’s Revised Act on the Rational Use of Energy (Energy Conservation Act)

Responded to Japan’s Revised Food Recycling Act

Began introducing non-CFC-refrigerant vending machines

Supplemented the Company’s environmental education programs with an e-learning program

Green Products

- **Joie yogurt drink container wins WorldStar Award**
 - Shifted from use of an aluminum cap to a cap made from the same polystyrene plastic material as the main portion of the container, enabling the entire container to be disposed of as plastic waste
 - The cap’s straw-insertion point is a half-cut circle that enables greater ease of straw insertion.
 - The straw-insertion point is located in an embossed dimple that enables people with poor eyesight to easily insert straws, guided by their tactile sense.
 - The cap was made easier to grasp and remove, facilitating use by people with weak suction capabilities or other difficulties with the use of drinking straws.
- **Recycled paper employed in cosmetics product packaging**
- **Recycled PET employed for shrink labels on PET bottles for hot drinks**
- **Aluminum deposition method used for labels of *Toughman V* and *Toughman Change* beverages and adhesive PET-paper labels replaced with paper labels**
- **Straws provided with *Yakult* fermented milk drink lengthened from 95mm to 105mm to facilitate consumption**
- **Noodle (*Menkyo-Kaiden*) envelopes given gather-cut processing to facilitate opening**
- **Top flap of single-container packages of *Beautiens Lactdew S.E. Lotion* supplemented with a finger handle to facilitate opening**

Green Factory

Waste Reduction and Zero Emissions of Waste Materials

- **Achieved zero emissions of waste materials performance (all Yakult Honsha plants)**
- **Introduced Yakult water treatment system that uses Yakult containers (7 Yakult Honsha and subsidiary plants)**
- **Achieved qualitative improvement in recycling programs (promoting material recycling)**

Greenhouse Gas Emission Reduction/Energy Conservation Measures

- **Converted boilers to use natural gas rather than heavy fuel oil (Fuji Susono and Ibaraki)**
- **Equipped boiler blower units with inverters (Fuku-yama)**
- **Introduced energy-conserving drug formulation drying units (Fuji Susono Pharmaceuticals Plant)**
- **Introduced energy-conserving lighting fixtures (Kyoto)**

Renewable Energy Use

- **Introduced wind power electric power generation equipment (Fukushima Plant and Fuji Susono Plant)**
- **Introduced solar power generation equipment (Fuji Susono, Fukushima, Saga, Ibaraki, Yakult Central Institute for Microbiological Research, Iwate, Aichi, and Fukuoka)**

Other

- **Achieved a 10.1% reduction in greenhouse gas emissions performance, exceeding the 3% reduction target (all Yakult Honsha plants)**
- **Obtained AA+ evaluation for outstanding greenhouse gas reduction performance based on the Tokyo Metropolitan Government’s Prevention of Urban Global Warming system (Yakult Central Institute for Microbiological Research)**

Fiscal 2007

Initiated the third stage of the “Yakult Environmental Action Plan”

Began converting the pharmaceuticals marketing vehicle fleet to hybrid vehicles

Fiscal 2008

Participated in the Team Minus 6% program of the Ministry of the Environment

Began introducing heat-pump-type vending machines

Revised “*Procedures for the Safe Handling of Chemical Materials Handbook*”

Fiscal 2009

Began submitting reports based on Japan’s Food Recycling Act

Began procedures based on Japan’s Act on the Rational Use of Energy (Energy Conservation Act)

Fiscal 2010

Revised the action policies of the “Yakult Basic Policy on the Environment”

Renamed the Environmental Measures Section as the CSR and Environmental Promotion Department

Initiated the fourth stage of the “Yakult Environmental Action Plan”

Green Office

- Attained a 100% recycling rate (zero emissions of waste materials performance) regarding ordinary waste at the head office building
- Prepared “Reducing Office Automation Paper Usage,” “Reducing Waste Products,” “Reducing Water Usage Volume,” “Reducing Electric Power Consumption,” and “Promoting Green Purchasing” manuals
- Attained a 94.4% green purchasing rate at the head office building (including the Kobiki Building), Yakult Honsha’s plants, and the Yakult Central Institute for Microbiological Research (fiscal 2010)
- Installed sorted-waste collection boxes for 10 types of waste (head office building)
- Reduced electric power consumption to 4.7% below the fiscal 2006 level by switching to energy-efficient lighting fixtures (fiscal 2009) (head office building)
- Distributed recycling boxes to individual employees (head office building)
- Implemented Cool Biz and No-Overtime Day (head office building)

Green Partnership

- Implemented unified Company-wide environmental protection campaign
- Total number of people participating in tours of Group plants: approximately 1,504,000 (fiscal 2004 through fiscal 2010)
- Total number of people attending festivals at Group plants: approximately 184,300 (fiscal 2004 through fiscal 2010)
- Total number of people participating in cleanup campaigns: 17,269 people participating in 1,168 campaigns held at 93 business sites (fiscal 2004 through fiscal 2010)
- Established Customer Support Center
- Entered into green partnership relationships with government regulatory units, including the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, and the Ministry of Health and Welfare
- Engaged in sports promotion activities involving the hosting of baseball clinics for children led by professional baseball players, the support for lifelong participation in Japanese-style “bound tennis,” and sponsorship as an official partner of the FINA World Championships and the FINA World Swimming Championships
- Held on-site classes at schools, etc.
- Dispatched speakers to various events
- Manufactured and distributed products made from recycled plastic materials
- Donation and installation of a support sign to the Tokyo Metropolitan Government

Eco Town Program at the Fuji Susono Plant

Having initiated waste recycling measures from an early date and generated considerable positive results from those efforts, the Fuji Susono Plant is implementing a program aimed at further increasing the thoroughness of its waste separation processes.

Proactive waste sorting and recycling measures have led to a progressive reduction in the volume of waste products at the plant. To sustain a 100% resource recycling rate, the plant has created a waste material facility referred to as “Eco Town.”

Eco Town has four buildings—Building E, Building C, Building O, and a Pulverization Chamber facility that pulverizes plastic containers. These buildings are used to store a total of 23 types of waste resources—10 types, including cardboard and waste plastic, at Building E; six types, including skim milk powder sacks, at Building C; five types, including stainless steel scrap, at Building O; and two types, including waste containers, at the Pulverization Chamber. This detailed waste sorting system is enabling the maintenance of a 100% resource recycling rate.

The naming of **Building E**, **Building C**, and **Building O** is not intended to only spell out the word “**ECO**.” The actual meanings of the building names are as follows.

E: Earth Friendly, Environmental Protection, and Effective Use of Energy
C: Compact (waste volume reduction), Clean, and Addressing Cost-Reduction Challenges
O: (Read as “zero”) Zero Emissions of Waste Materials Efforts, Zero Landfill Disposal, and Zero Illegal Disposal

By promoting the ECO concept through the integrated use of the four buildings, Yakult is seeking to realize the harmonious coexistence of people and nature.

In fiscal 2010, a questionnaire was distributed to Eco Town users as a means of identifying and assessing issues that make resource sorting inconvenient. Based on consideration of the questionnaire responses, Eco Town’s layout of resource containers and other facilities has been modified and other measures have been taken to further increase the thoroughness of resource sorting. While resource containers were previously arranged in a layout designed to increase Eco Town managers’ administration ease, the current layout has been designed with emphasis on responding to feedback received from Eco Town users and providing an environment that enhances users’ resource-sorting ease. Regarding sorting containers as well as sorting methods, it was found that there was some difficulty in understanding the previous explanations, which were provided in the form of words alone. In view of this, changes have been undertaken to provide clearer signage with eye-catching visual components that emphasize the defining characteristics of each individual type of resource.

As a result of these activities, the Fuji Susono Plant has maintained zero emissions of waste materials performance for six consecutive years. Of course, Yakult Honsha’s other plants have attained zero emissions of waste materials performance as well.

Once each year, the Fuji Susono Plant implements a “workplace improvement activity” program that centers on initiatives by small groups of employees in each of the plant’s organizational sections. This program includes three main types of activities—area activities, enhancement theme activities, and risk assessment activities—and it has proven an effective means of resolving issues and problems associated with the current state of affairs within the plant and creating improved workplace environments.

One result of this program is that Eco Town’s walls and floors have been repainted and roof panels have been cleaned. These efforts have sought to restore Eco Town to its state after a renovation and upgrading program implemented in 2006 and further improve its appearance.

Eco Town has also implemented risk reduction measures. Because waste items collected and stored on wheeled platforms can sometimes accumulate to the extent that there may be a danger of piles of items collapsing and falling out of receptacles, each receptacle has been fitted with protective netting tailored to optimal sizes for the relevant type of waste. This netting has prevented such potential problems.

In these and other ways, the Fuji Susono Plant has worked to upgrade its facilities while also continually seeking to reevaluate and improve its operational and risk management systems. As a result, the plant has been able to achieve its objectives of reducing waste product volume and recycling waste resources.



The Overall Guide to Eco Town



A view of the entirety of Eco Town



A sign explaining resource recycling processing flows



Building E



Building C



Building O

Overseas Environmental and Social Activities

In addition to its many CSR programs in Japan, the Yakult Group is engaged in environmental improvement and social contribution activities in each of the diverse regions of the world where its products are marketed. The scope of these activities was further expanded during fiscal 2010.

Indonesia—Celebrating the Completion of a Water Purification System

On January 20, 2011, P.T. Yakult Indonesia Persada held a ceremony to celebrate the completion of a water purification system at its Sukabumi Plant that utilizes plastic *Yakult* beverage bottles as its filter material. Approximately 90 people attended the ceremony, including people directly affiliated with the plant as well as the Deputy Governor of Sukabumi Regency and residents of local communities.

Because the wastewater processing system used by the Sukabumi Plant since it began operating in 1996 was handling volumes of water that were approaching its maximum capacity, it was decided to install a new system. With the cooperation of the Yakult Central Institute for Microbiological Research, the construction of the new system was begun in January 2010 and completed in December of that year.

The installation of this system in Indonesia marked the first time for Yakult Honsha to collaborate in putting in place such a system at one of its overseas plants. Capable of processing 450 tons of wastewater each day, the system is comparable to the largest class of such systems in operation at plants in Japan.

As Indonesia has not yet completed its creation of societal infrastructure, the creation of similar wastewater processing systems throughout Indonesia could make a large contribution to the protection of the country's natural environment. In view of this, Yakult intends to proactively promote this wastewater processing technology going forward.



The water purification system inauguration ceremony

Singapore—Co-Sponsorship of the Singapore 2010 Youth Olympic Games

The inaugural Summer Youth Olympic Games (YOG) event, officially known as the Singapore 2010 Youth Olympic Games, was held in Singapore from August 14 to 26 of 2010. More than 3,500 athletes between 14 and 18 years of age from 204 countries and regions competed in 201 events involving 26 sports and also participated in seven types of cultural/educational programs with five themes. Seventy-one athletes from Japan participated in 16 sports at the 2010 YOG.

President Michio Shimizu of Yakult (Singapore) Pte. Ltd. participated in the event as a torch relay runner, carrying the torch over a portion of Raffles Avenue. This reflected the fact that Yakult (Singapore) had become a co-sponsor of YOG on the recommendation of its largest customer—the NTUC FairPrice supermarket chain—as the themes of the YOG event made it a highly appropriate candidate for Yakult's sponsorship.



President Shimizu carrying the Olympic torch

Italy—Partnership with the Leonardo da Vinci National Museum of Science and Technology

Yakult Italia S.r.l. has become a partner of the Leonardo da Vinci National Museum of Science and Technology, taking responsibility for a program that presents probiotics related information in the museum's new I.Lab Nutrition interactive lab. Aimed primarily at primary and middle schoolchildren, the program allows participants to experience probiotics food products in an environment similar to that of a kitchen in a home. A ceremony was held to inaugurate the facility in February 2010, and renowned experts in the field of health care were invited to participate in a related roundtable discussion event organized exclusively by Yakult Italia and held on March 10, 2010.

During the weekend of May 8-9, which was designated by the museum as "Yakult Day," numerous special experiential learning sessions were organized for groups of parents together with their children, and a "Yakult tasting event" was held at the entrance to the museum. The experiential learning sessions have been highly evaluated. Soon after their start, they became completely booked with reservations through the end of 2010.

Going forward, Yakult Italia plans to sustain its efforts to promote probiotics and increase consciousness of the important role foods play in helping maintain good health.



Activities at the I.Lab Nutrition interactive lab

Europe—Yakult Europe Commemorates the 75th Anniversary of Yakult's Founding with the Netherlands Philharmonic Orchestra (NedPhO)

On October 8, 2010, Yakult Europe B.V. celebrated the 75th anniversary of Yakult's founding by organizing an orchestral performance at the Concertgebouw concert hall in Amsterdam.

For a period of 17 years that includes the period in which preparations were being made for its incorporation, Yakult Europe has continually supported the NedPhO as a main sponsor.

As 2010 also marked the 25th anniversary of the establishment of the NedPhO, Yakult Europe and the orchestra collaborated in organizing the commemorative concert.

Numerous dignitaries were invited to the concert—including the deputy mayors of Almere, where Yakult Europe is based, and Amstelveen, where Yakult Nederland B.V. is based—and the 2,000 seats of the Concertgebouw were completely filled.

By providing the NedPhO with support, Yakult Europe has continually utilized music as a part of its activities to contribute to society in accordance with the Yakult philosophy of "We contribute to the health and happiness of people around the world." Going forward, the company will seek to further deepen its local roots through such initiatives as those to host the attendance of nursing and welfare facility residents at orchestral concerts.



The Netherlands Philharmonic Orchestra (NedPhO)

Shanghai—Cumulative Number of Visitors to the Shanghai Yakult Plant in Jiading Surpasses 200,000

On April 10, 2010, Shanghai Yakult Co., Ltd., held a ceremony to celebrate the Shanghai Plant's hosting of a cumulative number of visitors in excess of 200,000. Participants in the ceremony were given commemorative items attesting to the large number of visitors.

Shanghai Yakult works to provide health information to people in its region as a means of further improving understanding of Yakult products building ties of mutual trust with local communities, and instilling its employees with pride in their work. As a part of these health information dissemination activities, the company began hosting visitors to the Shanghai Plant immediately after the completion of that plant in September 2006. Having cooperatively promoted plant visits in collaboration with such partners as the Shanghai municipal government's food and tourism authorities and other government units as well as local associations of foodstuff producers and tourist agencies, the Shanghai Yakult Plant was designated an "excellent factory tour plant" by the Shanghai Municipal Tourism Bureau at the end of 2009. The cumulative number of visitors to the Shanghai Plant surpassed 100,000 just one and a half years after the plant began operating, and the 200,000 figure was attained after three and a half years of plant operations and tours.

Going forward, Shanghai Yakult will work to progressively improve the quality of the factory tours it offers, thereby increasing awareness of Yakult products and how they are produced. In these ways, the company will strive to promote better understanding of the relationship between lactobacilli and human health.



Presentation of commemorative items at the ceremony

Brazil—Cosponsorship of the 4th International Symposium on Functional Foods of ILSI-Brazil

Yakult cosponsored the 4th International Symposium on Functional Foods, which was organized by the Brazilian branch of the International Life Sciences Institute (ILSI Brasil) and held in Sao Paulo on October 21 and 22, 2010.

Focusing on new information, technologies, and concepts related to functional foods, the symposium discussed a wide range of themes, including nutritional genetics, fiber and probiotics, omega fatty acids, dietary supplements, and nutritional profiles. Speakers from the United States, Switzerland, the Netherlands, Germany, Canada, Uruguay, Spain, and other countries were invited. Masanobu Nanno, General Manager of the Yakult Central Institute for Microbiological Research (currently associate director) came from Japan to present a speech entitled "Probiotics and Immunity."

Going forward, Yakult plans to continue proactively participating in this kind of academic forums and research projects as a means of influencing opinion leaders and cultivating advisors.



A scene from the presentation of Masanobu Nanno, General Manager of the Yakult Central Institute for Microbiological Research (currently associate director of the Yakult Central Institute for Microbiological Research)

Activities for Promoting “Safety and Peace of Mind” Regarding Foods

Since the Great East Japan Earthquake, Yakult has supplemented its traditional thorough quality management systems by establishing testing and management systems related to radioactive substances.

■ Quality and Hygiene Management at Plants

To ensure exacting quality management and meticulous hygiene management, Hazard Analysis and Critical Control Point (HACCP) systems have been introduced in the production processes of all seven Yakult Honsha plants as well as all six subsidiary plants. In addition, we have set internal quality management standards that are stricter than those of Japan’s Food Sanitation Act, and maintain conformance with those standards through thorough quality management processes. In particular, the Fuji Susono Plant has acquired the ISO9001 international quality management and assurance certification. By integrating HACCP and ISO9001 standards, we have established rigorous standards and are building our own unique model for ensuring the maintenance of high levels of quality.

Beginning with the selection of raw materials for our products, Yakult conducts thorough investigations of the transactional performance, technological capabilities, and quality management situations of raw material suppliers. The Company ensures the safety of the materials by confirming situations regarding the use of agricultural chemicals, requiring suppliers to submit “raw materials investigation reports” on this and other topics, and giving detailed attention to each individual quality management item and standard. For agricultural products, we obtain analysis certificates from suppliers with respect to the presence of agricultural chemicals and other substances, and in this way we ensure rigorous compliance with the standards set by Japanese laws and regulations.

Regarding raw materials suppliers both in Japan and overseas, Yakult conducts studies of relevant manufacturing plants and processes to confirm quality and hygiene management systems, and, when necessary, the Company requests that improvements be implemented. Even after transactions have been initiated with a given supplier, we arrange for the supplier to periodically provide analysis certificates with respect to the presence of agricultural chemicals and other substances. When our existing suppliers begin obtaining materials from a different country or make other changes to their own procurement sources, we immediately have them provide us with study reports on the new sources so that we can confirm safety issues.

The packaging of each of our products bears information on expiration dates, production facilities, and production lot numbers, and Yakult has built a traceability system that enables the Company to determine the manufacturing history of each production lot with respect to raw materials, intermediate materials, and manufacturing situations as well as determine relevant shipment destinations. This system gives us “trace back” capabilities so that we can determine the raw materials used in specified products and “trace forward” capabilities so that we can determine the products made from specified raw materials.

Yakult’s dairy product plants use integrated manufacturing systems encompassing all processes from raw material procurement through culturing, blending, container production, container filling, and shipment and continually seek to upgrade those systems by introducing manufacturing and product inspection equipment that leverages the most-advanced technologies.

■ Activities to Ensure the Safety and Reliability of Marketing Company Operations

Since 2005, the Yakult Group has been working to obtain certification for all its business sites and has been working to obtain integrated certifications under the ISO9001 international quality standards and the ISO14001 international environmental management standards. As of March 2011, certification for both of the standards had been obtained by 15 sales companies at 19 business sites. In addition, five companies have obtained ISO9001 certification of their independent operations, and another two companies have obtained ISO22000 certification.

■ Establishment of Testing and Management System Regarding Radioactive Materials

As a new initiative begun to further enhance customers’ peace of mind and enjoyment of the Company’s dairy products following the Great East Japan Earthquake disaster, Yakult has autonomously instituted a system for testing for radioactive substances in its products and other aspects of its operations. Specifically, the Yakult Honsha Ibaraki Plant has introduced radioactive substance detection and measurement equipment and begun using that equipment to measure the presence of radioactive substances in raw material water as well as blending mixtures for each type of product during each day of manufacturing operations. In these and other ways, we are carefully confirming the safety of products before they are shipped.

With respect to products produced at the Group’s four plants in Japan’s Tohoku/Kanto region (the Yakult Honsha Fukushima Plant, the Yakult Honsha Ibaraki Plant, the Iwate Yakult Plant, and the Chiba Yakult Plant), the new system is being implemented as follows.

- 1) The Ibaraki Plant has introduced radioactive substance detection and measurement equipment and begun using that equipment to measure the presence of radioactive substances in raw material water used by all four Tohoku/Kanto region plants as well as blending mixtures for each type of product used by all four Tohoku/Kanto region plants during each day of manufacturing operations. The

equipment is used to confirm that measurement levels are below the level of the temporary standards set by the Ministry of Health and Welfare before any products are shipped.

2) All four Tohoku/Kanto region plants make daily measurements of radiation levels in their manufacturing environments, so that the appropriateness of each plant's manufacturing environment is confirmed before products are shipped.

Regarding dairy products produced at plants other than the four Tohoku/Kanto region plants and regarding juice and soft drink products, since the time when shipments of the full line of dairy products was resumed, Yakult has taken samples of raw material water and products at regular intervals and used the above-mentioned radioactive substance detection and measurement equipment to perform safety confirmation tests.

Acquisition of HACCP and ISO9001 Certification for Overseas Business Sites (As of December 27, 2010)

No.	Business Site	HACCP	ISO9001
1	Korea Yakult Co., Ltd.	June 1998	June 1998
2	Yakult (Singapore) Pte., Ltd.	August 2002	March 2003
3	Yakult S.A. de C.V. (Mexico)	October 2002	—
4	Yakult Europe B.V.	November 2003	November 2005
5	Yakult S/A Ind. E. Com. (Brazil)	June 2004	—
6	Guangzhou Yakult Co., Ltd. (Guangzhou Plant)	July 2004	September 2003
7	P.T. Yakult Indonesia Persada	May 2005	October 2006
8	Yakult (Thailand) Co., Ltd.	July 2005	—
9	Yakult (Malaysia) Sdn. Bhd.	March 2006	—
10	Shanghai Yakult Co., Ltd. (Jiading Plant)	May 2008	May 2008
11	Yakult Australia Pty. Ltd.	August 2009	March 2004
12	Yakult Vietnam Co., Ltd. (Vietnam Plant)	December 2009	—
13	Yakult Danone India Pvt. Ltd.	December 2010	—
14	Yakult UK Ltd.	—	July 1999
15	Hong Kong Yakult Co., Ltd.	—	November 2001

* When more than one business location of a single company has received certification, the date of the first certification is entered in this column.



Storage Tanks (Fuji Susono Plant)

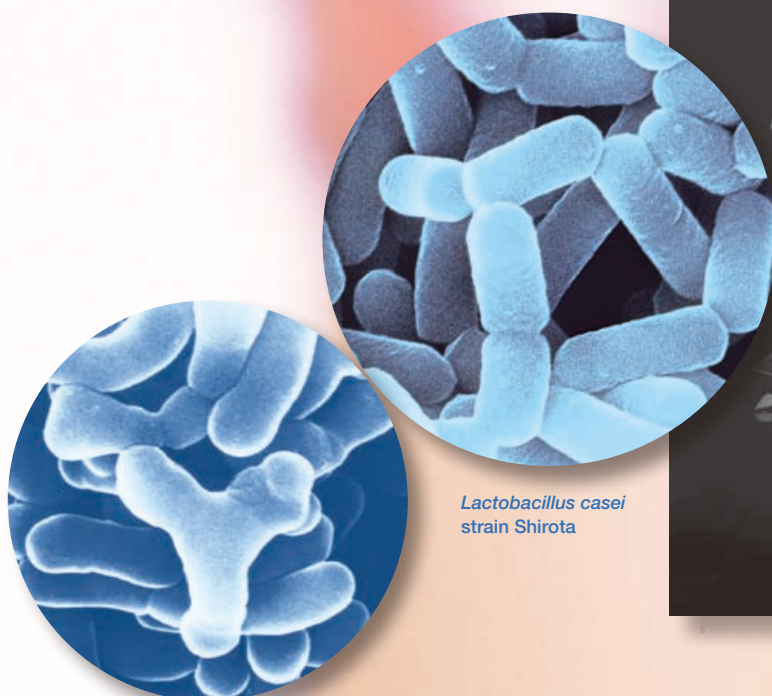


Yakult (Thailand) Co., Ltd.



Yakult (Malaysia) Sdn. Bhd.

Yakult's Roots: Shirota-ism



Bifidobacterium breve strain Yakult

Lactobacillus casei
strain Shirota



Yakult's founder was a medical doctor, Minoru Shirota, who advocated such concepts as "preventive medicine," "a healthy intestinal tract leads to a long life," and "offering products at a price anyone can afford." The Company's roots are found in these and other ideas of Dr. Shirota, which are known collectively as "Shirota-ism." Yakult has dynamically sustained its commitment to Shirota-ism over many years, and the Shirota-ism philosophy is the foundation for all the Company's businesses.

■ The Birth of the Fermented Milk Drink *Yakult*

The fermented milk drink *Yakult* was created in 1935. Dr. Shirota (1899-1982) began his medical studies in 1921 at Kyoto Imperial University (now Kyoto University). At the time Dr. Shirota was growing up, Japan had yet to achieve economic prosperity, and unsanitary conditions combined with poor nutrition made such infectious diseases as cholera and dysentery quite common. Large numbers of Japanese were dying from such illnesses, and particularly vulnerable were elderly people and children with relatively weak resistance to diseases. Deeply disturbed by that reality, Dr. Shirota began studying medicine. He focused on the field of preventive medicine, which aims to help people avoid sickness, and started down the path of microorganism research.

Dr. Shirota discovered that lactobacilli were effective in suppressing harmful bacteria within the intestines, and he became the first person in the world to successfully strengthen and culture a strain of lactobacilli. In 1930, he was able to develop a strain of lactobacilli that is not killed by such digestive juices as gastric fluid and bile, so that they can reach the intestines alive and perform diverse functions that promote improved human health. This lactobacilli strain is now known as the *Lactobacillus casei* strain Shirota.

Dr. Shirota, together with volunteers, then developed an inexpensive, good tasting fermented milk drink, so that as many people as possible could benefit from *Lactobacillus casei* strain Shirota, which reaches the intestines alive and promotes intestinal health. That is how the *Yakult* fermented milk drink was born.

■ **Yakult's Roots—Shirota-ism**

Dr. Shirota believed that practicing preventive medicine was better than treating illness and that strengthening the intestinal tract, from which the body absorbs nutrients, will promote better health and longer life spans. He also thought that as many people as possible should have easy access to *Lactobacillus casei* strain Shirota, which strengthens the intestines. He, therefore, advocated delivering good health, which everyone wants, at a price anyone could afford. When *Yakult* was first marketed, its price made it roughly as affordable as a postcard. At *Yakult*, all these ideas of Dr. Shirota are referred to as Shirota-ism, and they serve as the root of all of our business activities.

■ **Maintaining and Building on Our Traditional Roots**

With a sincere belief in their benefits, we deliver our products personally to people at their homes and other locations. That approach, which puts our products directly into people's hands, is rooted in Dr. Shirota's principles, which emphasize propagation of the preventive medicine approach and the idea that a healthy intestinal tract leads to a healthy, long life, and stress sincerity and harmony among people. These concepts—"caring enough to broaden acceptance," "caring enough to make home deliveries," "harmony among people," "sincerity," and "honesty and kindness"—have remained constant over the years and are still touchstones for *Yakult* today. These ideas also underlie our strong commitment to thorough hygiene and quality assurance management as well as to R&D programs designed to generate new products that promote better health.

Amid changing conditions in market environments and society at large, we are maintaining prices that make our products affordable to all people. Aiming to provide our products to as many people as possible, we have found it necessary to diversify our marketing methods by distributing products through supermarkets, convenience stores, other mass retailers, and vending machines. As a result, we have created marketing systems that enable people to obtain our products 24 hours a day, 365 days a year. Despite these changes, however, we have resolutely sustained our traditional commitment to Shirota-ism and rigorous hygiene and quality assurance management.

■ **Business Development Based on Shirota-ism**

Yakult is developing its business based on its corporate philosophy in general and our research in microorganisms in particular. Expressed as, "We contribute to the health and happiness of people around the world through the pursuit of excellence in life science," this philosophy is based on Shirota-ism. Our corporate philosophy addresses everything from R&D to production, the delivery of good health to people throughout the world, and contributions to the health of the planet and society.

Working in close cooperation with each other, our individual businesses have all fully inherited the concept of Shirota-ism, and we are developing and broadening the scope of these businesses both in Japan and overseas.

Currently, there are still many people in the world who die from cholera or dysentery, while the affluence of developed countries has led to a rise in the incidence of lifestyle-related diseases. In light of steady progress in research related to such objectives as the prevention of lifestyle-related diseases and postoperative infections as well as the strengthening of immune systems, we anticipate that the potential benefits of *Lactobacillus casei* strain Shirota will continue to increase. Going forward, *Yakult* will remain dedicated to the ideals of Shirota-ism as it strives to contribute to the health and happiness of people throughout the world by developing and expanding its global business operations.

Yakult first established an internal organization dedicated to preserving the global environment back in November 1991. This was followed in June 1997 by the creation of the “Yakult Basic Policy on the Environment,” which encompasses the entire Group. Guided by this environmental philosophy and the action directives found in the policy, we promote environmental protection activities in every aspect of our business operations.

The action directives were revised in March 2004 with the goal of increasing their specificity, and additional provisions addressing the preservation of biodiversity were added to the basic policy in January 2010.

Yakult Basic Policy on the Environment

Environmental Philosophy

Recognizing that environmental preservation and harmony with society are among the most-important corporate management objectives, Yakult Honsha and all Yakult Group business units will give due consideration to environmental preservation with regard to all types and aspects of its corporate activities.

Action Directives

1. To realize the measures determined by the CSR and Environmental Promotion Committee within Yakult Honsha, all Yakult Group business units will work concertedly, proactively, and in a sustained manner to address environmental issues associated with business activities.
2. Each business unit will build environmental management systems and systematically work with the participation of all employees to realize the objective of reducing environmental impact and will also seek to realize sustained improvement in environmental performance by periodically checking the implementation of associated measures, auditing such measures, and reevaluating environmental activities.
3. Besides maintaining rigorous compliance with environment-related laws, regulations, and agreements, each business unit will autonomously set its own environmental standards, strive to further improve the level of its environmental management, and strive to eliminate environmental pollution risk factors before they become problematic.
4. In all business activities, business units will give due consideration to the environment as well as biodiversity by promoting the reduction of environmental impact.
 - (1) Efforts will be made to design containers and packaging based on due consideration of such objectives as reducing the volume of resource usage and waste products associated with containers and packaging, optimizing disposal, and promoting resource recycling.
 - (2) Regarding product manufacturing, efforts will be made to thoroughly prevent environmental pollution as well as to reduce emissions of waste products, greenhouse gases, and other problematic substances through resource and energy conservation measures. In addition, to promote the creation of a recycling-oriented society, efforts will be made to recycle waste products and utilize green purchasing methods.
 - (3) Regarding product distribution and marketing, efforts will be made to reduce environmental impact stemming from motor vehicles and other transportation equipment, recycle resources associated with product containers and packaging, and reuse marketing-related equipment and materials.
 - (4) All Yakult Group offices will strive to conserve resources and energy and thereby reduce their generation and emission of waste products, greenhouse gases, and other problematic substances. In addition, they will strive to recycle waste products and utilize green purchasing methods.
 - (5) Regarding research activities, efforts will be made to reduce environmental impact and to thoroughly manage substances with the potential for causing environmental pollution or safety hazards.
5. All employees will be thoroughly provided with environmental education, and efforts will be made to increase consciousness of environmental issues.
6. Information related to environmental activities will be appropriately disclosed, and efforts will be made to communicate effectively with society at large.
7. The Group will act as an exemplary corporate citizen by proactively supporting and cooperating with activities aimed at protecting the global environment.

Established: June 24, 1997

Revised: March 8, 2004

Revised: January 25, 2010

Eco Vision

Since fiscal 2001, we have been implementing the Yakult Environmental Action Plan, which calls for implementing environmental countermeasure activities associated with development, manufacturing, and marketing operations as well as offices as a means of reducing the overall environmental impact associated with our business activities. We began implementing the fourth phase of the action plan from fiscal 2010 (see page 22).

Because these environmental countermeasure activities must be implemented in a sustained manner in step with our ongoing business activities, the Environmental Countermeasures Committee (currently, the CSR and Environmental Promotion Committee) determined that a long-term vision related to the environment was required. Accordingly, in March 2004, the committee drafted Yakult Eco Vision 2010.

Yakult Eco Vision 2010 Objectives

Ensure all products and services exist in harmony with the environment

→ Green Products

Ensure that all factories do not release environmental pollutants, have minimal environmental impact, and do not generate waste

→ Green Factories

Minimize environmental impact at all offices

→ Green Offices

Speed up information disclosure and expand communication

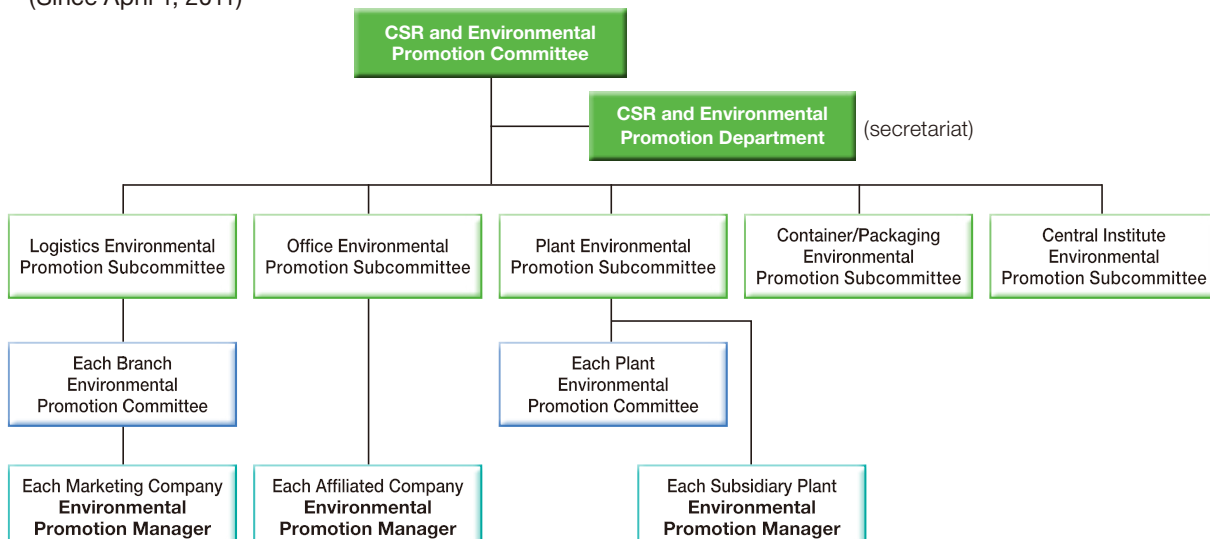
→ Green Partnerships

Yakult's Environmental Management Guidelines

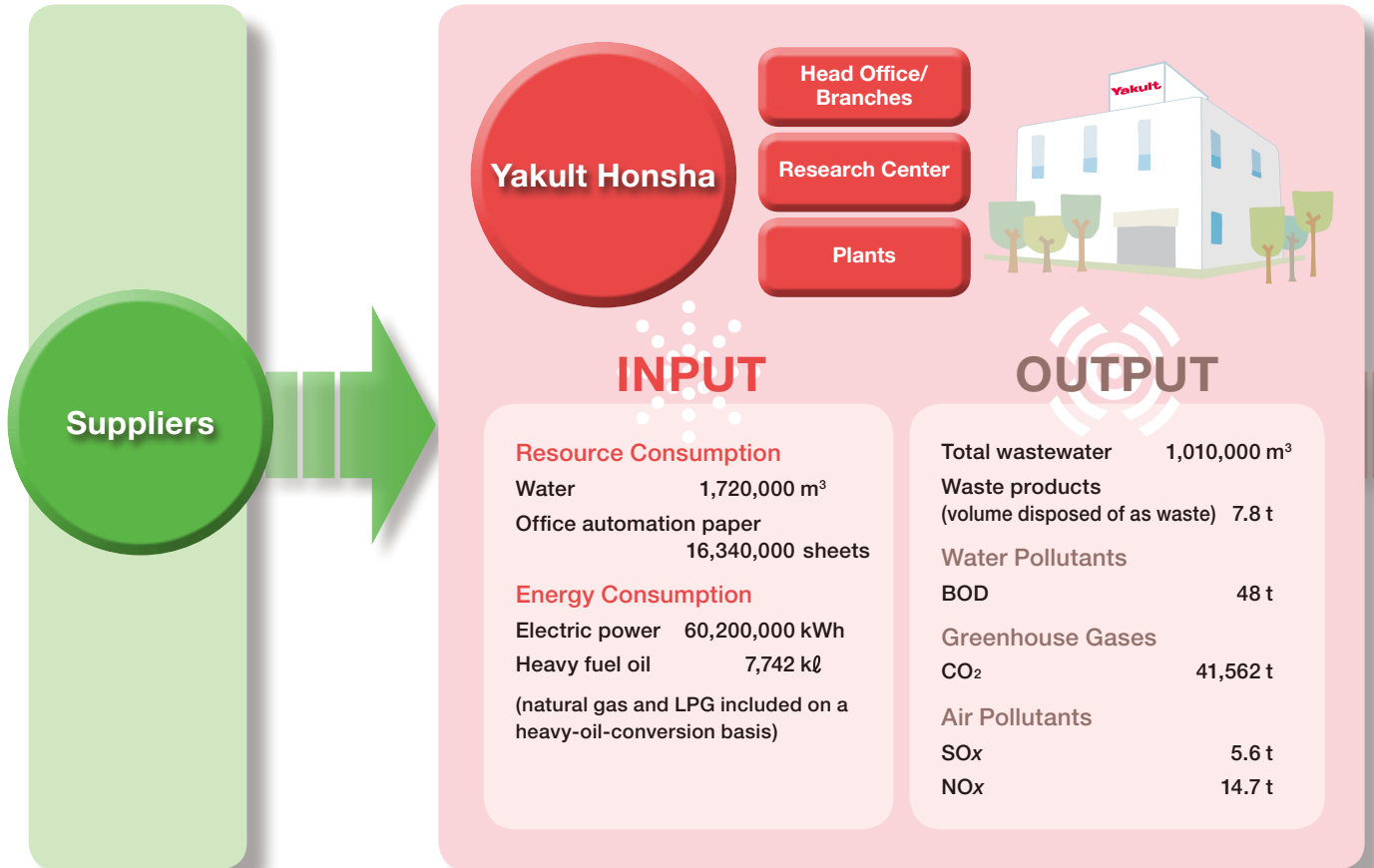


Organization of Units Engaged in Environmental Efforts

(Since April 1, 2011)



From Production through Deliveries



Raw Materials

There are diverse raw materials used in the production of the fermented milk drink *Yakult* and other products, and each type of raw material is inspected to confirm that it conforms to established standards. This inspection process is also applied to such packaging materials as plastic resin used in plastic containers and paper containers.

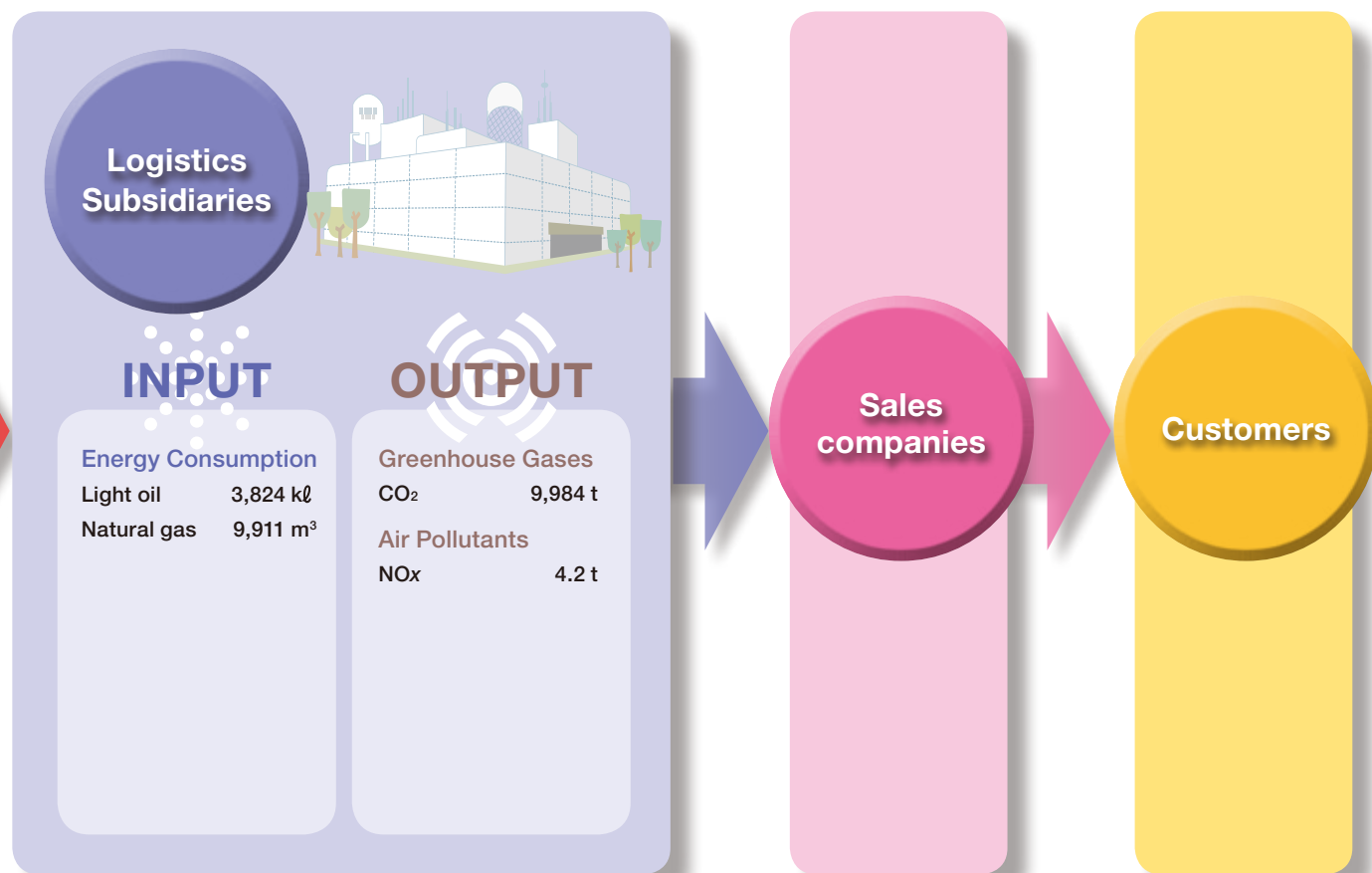
Research and Development

The Yakult Central Institute for Microbiological Research engages in research aimed at developing materials for use in food products that are useful for maintaining and promoting improved human health from the preventive medicine perspective as well as for use in pharmaceuticals and cosmetics. In the field of food products, the institute undertakes probiotics research programs centered on programs involving *Lactobacillus casei* strain Shirota as well as research programs aimed at developing functional materials with the potential for maintaining and promoting the human body's higher-order regulatory functions. In the field of pharmaceuticals, the institute implements research programs designed to develop anti-cancer agents and related drugs. In the field of cosmetics, the institute's research seeks to develop highly safe and effective ingredients based on skin science.

Production

The fermented milk drink *Yakult* and other dairy products are produced at seven Yakult Honsha plants and six subsidiary plants. Each plant has introduced HACCP (Hazard Analysis and Critical Control Point) systems to ensure their capabilities for producing safe and reliable products, and each plant has complied with the objectives and targets of the ISO14001 standard so that operations can be implemented with a reduced level of environmental impact. By plant festivals and other events, the plants seek to deepen their relationships with people in local communities, and plant employees participate in periodic local cleanup campaigns that help beautify areas in the vicinity of plants.

Yakult first established an internal organization dedicated to preserving the global environment back in November 1991. This was followed in June 1997 by the creation of the “Yakult Basic Policy on the Environment,” which encompasses the entire Group. Guided by this environmental philosophy and the action directives found in the policy, we promote environmental protection activities in every aspect of our business operations.



Logistics

The transport of products manufactured in plants is handled by logistics subsidiaries. As Yakult has “designated shipper” status in accordance with Japan’s revised Act on the Rational Use of Energy (Energy Conservation Act), it is required to annually reduce its energy consumption per unit of freight by an average of 1% or more during a five-year period. This requirement has been incorporated within Yakult’s Environmental Action Plan, and we are seeking to ensure the requirement is met. In addition, each logistics subsidiary has built environmental management systems, such as ISO14001 and Green Management, and they promote “eco-driving” methods as a means of reducing greenhouse gas emissions.

Marketing

Yakult products are sold through two systems—home delivery by Yakult Ladies and direct sales by customers in stores. The home delivery channel offers opportunities to meet customers face to face covering the value of our products and making deliveries with sincerity. Yakult Ladies play the role of assisting people in their regions with respect to health management objectives. To offer another opportunity for customers to obtain Yakult products anytime and anywhere, we are expanding the distribution of products via stores and vending machines.

Recycling

The containers of *Yakult* and other products delivered to customers’ homes and offices are subject to Japan’s Containers and Packaging Recycling Act, so we have the responsibility to recycle them. Yakult has commissioned the Japan Containers and Packaging Recycling Association—which is specified by the national government as a qualified recycling organization—to handle this recycling process and pays the association a commission for this service. In this way, Yakult is carrying out its responsibility to recycle its packages. When consumers sort their trash in accordance with local governments’ waste sorting regulations, the product containers are also ultimately recycled by the association, so we encourage consumers to conscientiously sort their trash.

To generate concrete results in efforts to realize the objectives of the Yakult Basic Policy on the Environment (see page 18) and to strengthen the foundations of environmental management, Yakult has been implementing its Environmental Action Plan since April 2001. The fourth phase of the plan began in fiscal 2010.

Yakult Environmental Action Plan—Phase 4 Plan

The Phase 4 plan has six action items, including “reduction of greenhouse gas emissions,” “reduction of waste emissions,” “resource protection,” and other items carried forward from previous phases of the Environmental Action Plan along with one new item—“support for biodiversity.”

Yakult Environmental Action Plan—Phase 4 Plan Action Targets

(Period: April 1, 2010 through March 31, 2013)

Action Item	Action Target
1. Reduction of greenhouse gas emissions	(1) Reduce annual CO ₂ emissions of Yakult Honsha plants (including pharmaceuticals and cosmetics plants) to 3% below the average annual level in the three years through fiscal 2008
	(2) Reduce annual CO ₂ emissions of subsidiaries' plants to 0.5% below the level in fiscal 2008
	(3) Reduce annual CO ₂ emissions of the Yakult Central Institute for Microbiological Research by 8% compared to the average annual level in the three-year period through fiscal 2004)
	(4) Meet requirements as a “designated shipper” based on Japan’s revised Act on the Rational Use of Energy (Energy Conservation Act) by reducing its annual energy consumption per unit of freight (including outsourced transport operations) by an average of 1% or more each year
2. Reduction of waste emissions	Reduce waste emissions from the head office building (including food product waste) each year to 2% below the level in the previous fiscal year and maintain a 100% recycling rate (Cigarette butts and food scraps are excluded from the scope of recycling.)
3. Resource protection	(1) Reduce the volume of office automation paper used Annually reduce the volume of office automation paper used per employee at the head office building (including the Kobiki Building) to 1% below the level in the previous fiscal year
	(2) Reduce electric power consumption at the head office building Annually reduce the level to 2% below the level in the previous fiscal year
4. Continuation of green purchasing promotion	Increase the green purchasing ratio for environmental products (those covered by the Yakult Green Purchasing Guidelines) at the head office building to 95% by fiscal 2012 (The target figure is calculated in terms of the green purchasing rate, excluding publications, for the three-year period through fiscal 2012.)
5. Vending machine policies	(1) Promote vending machine recycling Install 1,100 overhauled units, a number representing approximately 36% of all newly installed vending machines in the three-year period through fiscal 2012
	(2) Strengthen the energy conservation performance of vending machines Increase the share of installed vending machines that incorporate heat pumps (such vending machines have relatively small global warming impact) to 80% by fiscal 2012
6. Support for biodiversity	(1) Assess the relationship between business activities and biodiversity (2) Implement environmental education programs, etc., that address biodiversity (3) Promote procurement of biodiversity-friendly goods (such products as office automation paper with forest certification marks (the FSC logo, etc.))

Environmental Accounting—Costs and Benefits of Environmental Protection

Environmental Accounting

Yakult's Environmental Accounting System

Based on the Environmental Accounting Guidelines issued by Japan's Ministry of the Environment in May 2001, Yakult drafted the Yakult Environmental Accounting Guidelines and began collecting environmental accounting information from fiscal 2001. This information is annually disclosed.

Purpose of the System

1. Clarify the cost-effectiveness of environmental conservation expenses and employ cost-effectiveness information to optimize environmental management programs
2. Carry out responsibility to society by working to disclose environmental information to stakeholders

Main Features of the System

Scope of Data

Yakult Honsha, on a non-consolidated basis

Time Period

From April 1, 2010 through March 31, 2011 (fiscal 2010)

Noteworthy Features

- (1) Data is compiled only for activities that are exclusively for the purpose of environmental protection.
- (2) Investment values for depreciable assets are stated at the original acquisition prices.
- (3) Depreciation expenses on depreciable assets and environmental business-related costs are not recorded.
- (4) Only economic benefits that are demonstrable based on solid evidence are recorded.

Fiscal 2010 Economic Accounting Performance

(millions of yen)

Item		Main Activities (blue indicates investments and black indicates expenses)	Investment value	Expense value	Total
Costs within business areas	① Pollution prevention costs	Introduction of hybrid vehicles, wastewater treatment facility maintenance costs, sewerage connection construction costs, sewerage connection and effluent costs, wastewater treatment facility repair and renovation, soundproof wall installation on laboratory roof, boiler maintenance, boiler heavy fuel oil tank removal, wastewater testing, Legionella bacilli dispersal prevention, wastewater treatment facility deodorizer unit maintenance and administration, septic tank maintenance and management, C II air conditioner air filter replacement, wastewater route cleaning, installation of poly-steel tanks for wastewater treatment plant sludge dewatering unit, oxygen reduction equipment lease cost, wastewater treatment storage tank, septic tank sludge withdrawal	157.3	201.0	358.3
	② Global environment preservation costs	Small-scale renovation of once-through boiler to enable the use of a different type of fuel, installation and expansion of solar power equipment, direct marketing energy-conservation and environment-friendly materials and equipment subsidy costs, air compressor renovation to enable high efficiency, Green Power purchasing cost, three-wheeled motorcycle purchasing subsidy cost, high-speed freezer and coolant introduction subsidy cost, renovation of plant building No. 1 juice refrigeration facility refrigeration unit, renovation of cleansing water pump units, renovation of heat-free dryer for C II air-conditioner equipment, refrigeration unit relocation costs, renovation of stability testing room air conditioners, renovation of intermediate product storage facility (1-2) air conditioners, installation of energy-efficient lighting fixtures	311.4	35.4	346.8
	③ Resource recycling costs	Industrial waste recycling costs, empty container collection vehicle introduction subsidy costs, materials and equipment development/introduction subsidy costs, industrial waste processing/disposal costs, recycled plastic product manufacturing, ordinary waste recycling costs, vending machines sorted-waste processing costs, C II air-conditioner equipment chiller unit periodic inspection, cafeteria kitchen waste composting into fertilizer, eco-machine maintenance and management, ELL sterilizing unit steam pressure reducing valve replacement and repair, ordinary waste processing and disposal costs	53.8	111.4	165.2
(2) Upstream/downstream costs	Containers and Packaging Recycling Act commissioned recycling fees, vending machine overhaul and re-use, container pulverization		0.0	368.2	368.2
(3) Management activity costs	Plant grounds green area management costs, marketing company EMS creation support costs, Yakult Social & Environmental Report production costs, ISO14001 certification renewal and maintenance costs (periodic reviews), wastewater quality management/inspections/measurements, boiler soot measurement costs, Environmental Management Committee meetings, e-learning course introduction costs, PRTR Act response measures, ISO certification-related processes (education, training, meetings, document management), environmental education for employees		0.0	115.0	115.0
(4) R&D costs	Consideration of improvements to containers and secondary materials		0.0	7.4	7.4
(5) Social activity costs	Plant vicinity cleanup campaign costs, donations to organizations engaged in environmental protection activities		0.0	5.9	5.9
(6) Environmental damage costs*	Pollution load levy		0.0	0.1	0.1
Total			522.5	844.4	1,366.9

* Environmental damage cost = pollution load levy

This is a special charge levied on operators of facilities that generate soot, etc., and other specified facilities as a means of gathering a portion of the funds required for the distribution of compensation based on Japan's pollution-related health damage compensation system.

Economic Benefits Associated with Environmental Protection Measures (millions of yen)

Type of Benefit	Value
Reduction of waste disposal costs associated with recycling	0.2
Income from recycling	5.4
Cost reductions resulting from resource conservation	1.2
Cost reductions resulting from energy conservation	7.3
Cost reductions resulting from packaging weight reductions	20.6
Cost reductions resulting from the overhaul and reuse of vending machines	352.3
Gains resulting from green purchasing	0.0
Other	0.0
Total	387.0

Looking at environmental accounting results, Yakult's total environmental investments and costs were approximately ¥380 million higher than in the previous fiscal year. The rise in investments was approximately ¥280 million, and the increase in costs was approximately ¥100 million.

Factors causing the rise in investments within "① Pollution prevention costs" included a year-on-year increase in the introduction of hybrid vehicles item as well as the addition of such new items as sewerage connection construction costs (Fukushima Plant) and a soundproof wall installation on a laboratory roof (Yakult Central Institute for Microbiological Research).

In addition, noteworthy factors within "② Global environment preservation costs" included small-scale renovation of a once-through boiler to enable the use of a different type of fuel (Fuji Susono Plant) and air compressor renovation to enable high efficiency (Yakult Central Institute for Microbiological Research), and a year-on-year increase in investments in the installation and expansion of solar power equipment.

Responding to Environmental Laws and Regulations

Energy Conservation Act

The enforcement of the Act on the Rational Use of Energy (Energy Conservation Act) has shifted the focus of regulation from individual business sites to individual enterprises.

In response to this change, from fiscal 2009, Yakult Honsha has been submitting “energy use situation reports” and “periodic reports” for all of Yakult Honsha’s business sites, and from fiscal 2010, the Company has also submitted a “medium- to long-term plan” for all its business sites. In response to the new system, we have submitted “energy management supervisor selection” and “energy management plan promoter selection” reports.

Yakult Honsha’s total energy use during fiscal 2009 amounted to 22,531kℓ on a crude oil conversion basis.

Food Recycling Act

All Yakult Honsha business sites are striving to reduce the volume of their food waste products and promote the recycling of such waste products. In fiscal 2010, the volume of food waste products was 620.2 tons, and recycling, etc., measures were undertaken for 66.5% of this waste.

Food Waste Product Reuse Performance (Fiscal 2010)

Volume Generated (t)	Volume Reused (t)	Reuse, Etc., Ratio (%)	Reuse Applications
620.2	412.3	66.5	Fertilizer, animal feeds, etc.

*Since fiscal 2008, food waste generated during logistics processes has been included in the scope of data compilation.

Response to the Container Recycling Act

The Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging (Containers and Packaging Recycling Act) was instituted in 1995 and revised in June 2006, with the revised law taking full effect in April 2008. Among the provisions of the revised law are those that require retailers to reduce their use of plastic bags and other kinds of containers and packaging items. As a manufacturer, Yakult has previously been obligated to undertake product recycling processes, and the Company has initiated

additional measures regarding “3R” (reduce, reuse and recycle) promotion and the start of the system for making payments to the municipal governments handling sorted waste processing*.

The amount of commissioned recycling fees paid by Yakult in fiscal 2010 is shown in the table below. These fees and the payments to municipal governments amounted to approximately ¥320 million.

*The system of payments to municipal governments began with calculations made based on data for fiscal 2008 and the start of payments was begun from fiscal 2009.

Container and Packaging Obligatory Recycling Volume and Commissioned Recycling Fees (Fiscal 2010)

Container and Packaging Type	Obligatory Recycling Volume (t)	Commissioned Recycling Fees (thousands of yen)
Glass bottles	428	1,453
PET bottles	200	41
Plastic containers and packaging	6,957	249,546
Paper containers and packaging	135	1,323
Total	7,720	252,363

Response to the PRTR Act*

Japan’s Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (PRTR Act) took full effect in April 2003. It requires that companies measure the volume of their emissions of specified substances, their transfers of such substance from their business sites, and other data. It also requires the submission of reports on the volume of substances handled in the case of specified substances that are handled in volumes of one ton or more in the course of a year. The scope of Yakult’s reporting obligation, determined based on data for the amount of substances handled during fiscal 2010, includes only chloroform. The Tokyo Metropolitan Ordinance on Environmental Preservation, which took effect in October 2001, requires that reports be submitted with respect to chemical substances handled in annual volumes of 100kg or more. In fiscal 2010, the scope of Yakult’s mandatory reporting based on that ordinance included methanol and four other substances.

*PRTR Act: Pollutant Release and Transfer Registration Act

Substances Used by Yakult Central Institute for Microbiological Research (Kunitachi City, Tokyo) Subject to Reporting Requirements Based on the PRTR Act and the Tokyo Metropolitan Ordinance on Environmental Preservation

Chemical	Amount Handled (kg/year)	Amount Released (kg/year)	Amount Transferred (kg/year)	PRTR Act	Tokyo Ordinance
Chloroform	2,186	(air) 32.9	(waste product) 2,153 (wastewater) 0.11	○	○
Methanol	1,384	(air) 45.4	(waste product) 1,338		○
Hexane	752	(air) 9.1	(waste product) 743		○
Ethyl acetate	665	(air) 4.8	(waste product) 660		○
Acetone	175	0	(waste product) 175		○
Xylene	133	0	(waste product) 2,153		○

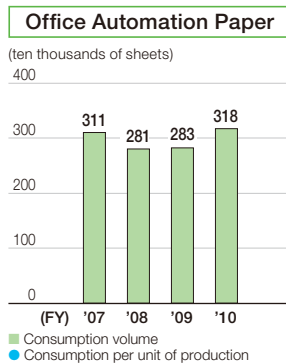
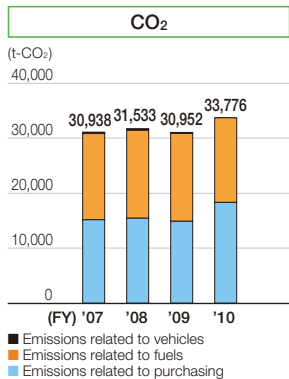
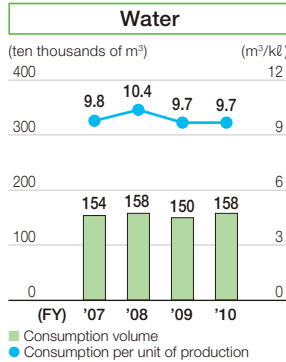
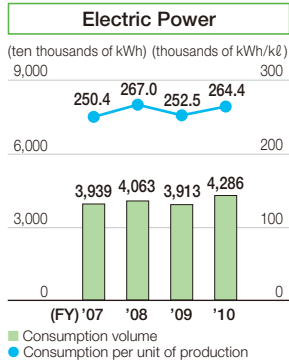
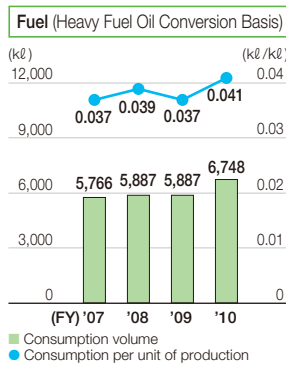
*All the above chemicals are used as reaction solvents and extraction solvents.
The figures shown above may differ from those reported to the national and Tokyo metropolitan governments due to differences in precision.

Restraining Greenhouse Gas Emissions

Measures at Yakult Honsha Plants

At the Yakult Honsha's nine plants, proactive measures have been taken to restrain greenhouse gas emissions, and energy and resource conservation activities have been stepped up with the goal of attaining objectives and targets based on the ISO14001 system. In fiscal 2010, 55 new greenhouse gas emission restraint programs were initiated, centered on programs related to fuels, steam, and electric power.

At the Company's seven dairy product plants, fuel use (heavy fuel oil conversion basis) was up 14.6% year on year, electric power consumption was up 9.6% year on year, and water use was up 5.3% year on year. It is believed that the main factor behind these rises was the increase in production volume, which was up 5.7% year on year. Regarding the rise in fuel consumption, the switch from heavy oil to natural gas fuel use at the Fuji Susono and Ibaraki plants had the effect of increasing fuel use during the year owing to the use of natural gas during the switch-related construction projects. With respect to the rise in electric power consumption, record-breaking hot summer weather led to an increase in power consumption by air-conditioning equipment. Measuring the year-on-year increase in environmental impact per unit of production



Note: For figures per unit of production, the scope of production level data compilation included the seven dairy product plants.

(kℓ), the figures for fuel and electric power were up 10.8% and 4.8%, respectively, while the figure for water was approximately unchanged.

Looking at CO₂ emissions during fiscal 2010, the volume of emissions was up 9.1% year on year, to 33,776t. Measured per unit of production, the volume was up 4.5%, to 0.208t/kℓ. Because figures are calculated per unit of production volume, the scope of data compilation included the seven dairy product plants. (Total CO₂ emissions from the Shonan cosmetics product plant and the Fuji Susono pharmaceutical plant were 3,369t, up 2.9% year on year.)

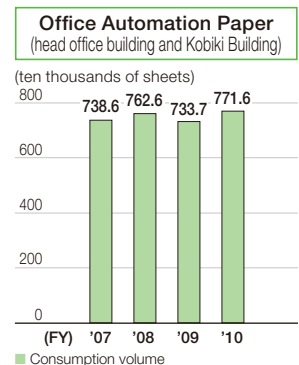
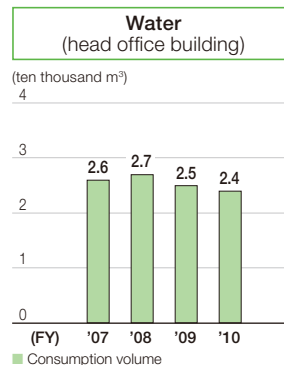
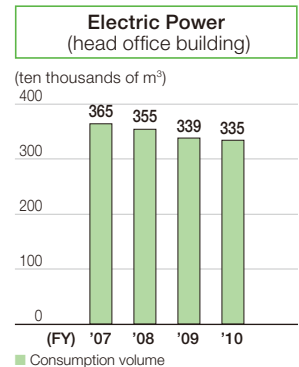
In fiscal 2010, Yakult's initiatives aimed at reducing CO₂ emissions and energy consumption included the previously mentioned conversion of boilers at the Fuji Susono and Ibaraki plants so that they can use natural gas rather than heavy fuel oil, the introduction of solar power equipment at the Saga Plant, the expansion of solar power equipment and introduction of steam-driven air compressors at the Fuji Susono Plant, and the introduction of energy-conserving product drying equipment at the Fuji Susono pharmaceuticals plant.

Measures at Offices

The head office has been assigned targets for objectives in the fourth stage of the Yakult Environmental Action Plan (see page 22) and is working to attain those targets.

As a result, fiscal 2010 electric power consumption (at the head office) decreased 1.2% year on year, to 3,350,000kwh. The amount of office automation paper used rose 5.2% year on year, to 7,716,000 sheets, but the amount per employee was down 1.1% year on year, enabling the attainment of the target. The water consumption volume decreased 4.0% year on year, to 24,000m³.

Going forward, Yakult will move ahead with various programs designed to realize additional reductions in each consumption category.



Restraining Waste Product Volume and Attaining Zero Emissions of Waste Materials Targets

Yakult Honsha Plants' Waste Product Countermeasures Aiming for Zero Emissions of Waste Materials

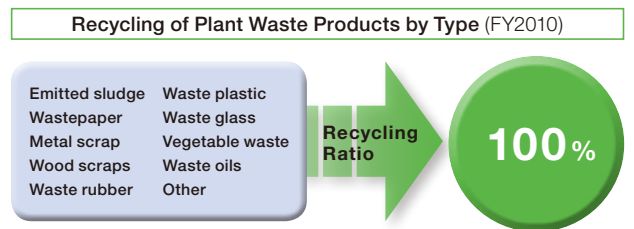
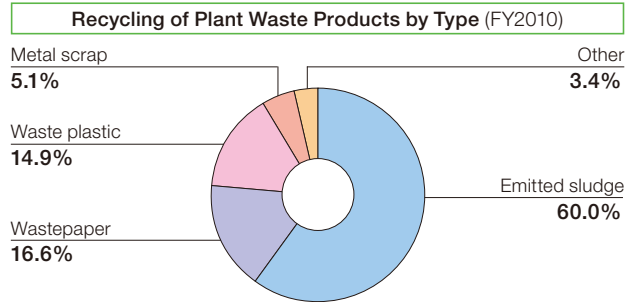
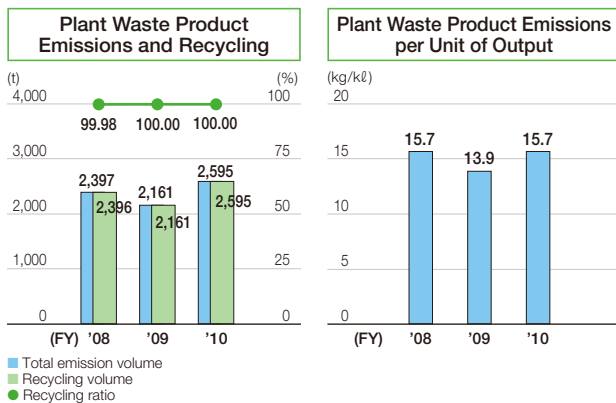
Each Yakult Honsha plant is taking thorough measures to restrain the generation of waste products and promote recycling, thereby seeking to attain and maintain zero emissions of waste materials performance.

As a result, the total volume of waste emissions at the nine plants during fiscal 2010 was approximately 2,595t, a year-on-year increase of approximately 434t, or 20.1%. Because the Company has revised its waste sorting processes and further increased the detail of its waste sorting categories, however, the recycling rate for those waste emissions was 100.0%, and all of the plants attained zero emissions of waste materials performance. Zero emissions of waste materials performance has been maintained for seven consecutive years at the Fukushima, Ibaraki, Saga, and Kumamoto plants; six consecutive years at the Fuji Susono Plant; and five consecutive years at the Shonan Cosmetics Plant. We are committed to sustaining this zero emissions of waste materials performance going forward.

We have also progressed with efforts to promote the reuse and returnability of crating materials for secondary materials, etc., used at the plants, and are advancing with a revised approach to utilizing the services of an outside specialist company to increase the use of thermal recycling methods as a means of material recycling. Consequently, we are continuing to make qualitative improvements to our recycling programs while concurrently reducing processing expenses.

With respect to Group subsidiary plants, which are considered a part of the Group's manufacturing division, we are providing technical support and guidance to enable them to progressively increase their recycling ratios. In fiscal 2010, however, the average recycling rate for the 10 companies in question declined 0.1 percentage point, to 99.4%.

*Yakult's definition of zero emissions of waste materials performance (included within the third phase of the Environmental Action Plan) = the final disposal (landfill disposal) volume for plant waste products (excluding specified management industrial waste products) is less than 1%. (Specified management industrial waste products: ink, solvents, PCB waste products, etc.)

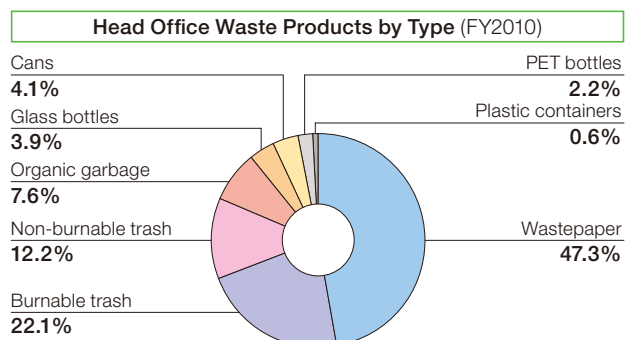


Ordinary Waste Product Sorting at the Head Office Building

As numerous employees work at the Tokyo head office building, the main objectives of waste product reduction programs at that building are reducing the waste product emission volume and increasing the recycling ratio with respect to the waste products of the building, which are primarily wastepaper. To attain these objectives, each employee has been issued his own wastepaper-sorting boxes, and measures are being taken to promote the effective use of these boxes. At the same time, regarding other kinds of waste products, efforts have been maintained to ensure a thorough understanding of waste sorting methods, and efforts are being made to increase consciousness of waste sorting and collection processes.

Emission Volume and Recycling Ratio for Ordinary Waste Products

In fiscal 2010, the volume of the head office building's ordinary waste products was 82.3 tons, down 3.5% from the previous year, and wastepaper items accounted for approximately 50% of that waste. Waste separated into the categories of burnable trash, non-burnable trash, organic garbage, and four other categories accounted for approximately 90% of the total waste volume. The recycling ratio has been maintained at 100% since fiscal 2005, and the objective is to sustain this zero emissions of waste materials performance.



Activities at Central Institute

Environmental Activities at Research Facilities

In addition to activities at offices and plants, Yakult is implementing global warming prevention measures at research facilities engaged in R&D operations. At the Yakult Central Institute for Microbiological Research, such measures are being promoted by the Environmental Countermeasures Committee, which is chaired by a director of the Company. Reports on these activities are made annually.

The construction of new laboratories at the Yakult Central Institute for Microbiological Research is progressing, and plans call for realizing the “research institute in the forest” concept. Going forward, we will continue to engage in activities in accordance with the “research institute in the forest” concept.

Global Warming Prevention Measures

To reduce our CO₂ emissions, the institute has undertaken such activities as those to expand solar power systems, proactively introduce LED lighting fixtures, turn off lights during noon-time lunch breaks, and turn off lights from 8PM on three days per week. The institute is also working to gain a better understanding of its energy usage and enhance that usage through such measures as those to conduct studies of current situations regarding the use of energy for individual application and to comprehensively manage water usage.



The expanded solar power generation system

Appropriate Management and Recycling of Waste Products

Because the institute is engaged in diverse kinds of research, it generates a wide variety of waste products. Outside specialist companies are commissioned to recycle approximately 95% of this waste, but the remaining 5% includes such products as used reagents and other products that are difficult to recycle. Currently, the institute has contracts with 19 commissioned waste processing companies, and members of the institute’s Waste Product Specialist Committee made on-site inspections of the facilities of 11 of those companies during fiscal 2010, aiming to confirm that waste processing was being carried out appropriately. When necessary, we revise the contract provisions of our contracts with these waste processing companies.

With respect to food product waste that is primarily generated by the institute’s dining room, an “eco-machine” installed on the grounds of the institute is used to transform that waste into fertilizer.

The resulting fertilizer product is presented free of charge to people visiting the institute as well as to employees of the institute.

Appropriate Management of Chemicals

Employing many kinds of chemical substances, the institute gives special attention to the storage, usage, disposal, etc., of those substances. The institute has established its own *Handbook on Procedures for the Safe Handling of Chemical Substances, Etc.*, and chemicals are managed appropriately in accordance with the procedures stipulated in that handbook. Regarding potentially harmful chemical substances, reports on the use of the substances are prepared in accordance with the PRTR Act and the Tokyo Metropolitan Ordinance on Environmental Preservation (see page 24).

Based on consideration of the potential risk of environmental pollution, the institute has purchased special reagent storage bottle cabinets.

Employee Education Activities

Environmental education programs for the institute’s employees are implemented each year, and the institute seeks to increase consciousness of environmental issues through such measures as the organization of group viewings of environment-related videos. It also organizes inspection tours of energy conservation-related facilities and waste processing facilities. In fiscal 2010, the waste processing facilities study tour visited Eco Keikaku Co., Ltd.

In addition, by disclosing the energy usage volume of each building within the institute to the institute’s employees, the institute is working to heighten environmental consciousness among its employees. While working to increase its communication with nearby communities, the institute also seeks to promote consciousness of environmental issues. Accordingly, it organizes cleanup/beautification campaigns in the vicinity of its grounds once each month.



The institute’s study tour of a facility of Eco Keikaku Co., Ltd.

Eco-Friendly Packaging and Other Measures

In January 1995, Yakult drafted its “Basic Policy on the Environment-Friendly Containers and Packaging,” which has the fundamental goals of ensuring the safety of containers and packaging, restraining the amount of packaging used, optimizing processing/disposal processes, and promoting resource recycling. At the same time, we instituted our “Container and Packaging Environment-Friendliness Evaluation Standards” to more concretely guide efforts made in accordance with the basic policy to design containers and packaging with low levels of environmental impact for Yakult products beginning with dairy products and also including other food products and cosmetics products. We have continually considered means of improving and increasing the sophistication of these evaluation standards in light of changes in laws and regulations, progress in recycling technologies, and other factors. In fiscal 2007, we drafted container and packaging evaluation standards for pharmaceutical products and conducted an evaluation of the containers and packaging of each individual item in our pharmaceutical product lineup.

During fiscal 2010, we considered means of promoting the 3Rs (reduce, reuse, and recycle) regarding containers and packaging items, including the crating methods used for products and secondary materials.

Improving Container/Packaging Configurations

During fiscal 2010, we improved our food product containers by increasing the length of straws provided with *Yakult* fermented milk drink from 95mm to 105mm to facilitate consumption and undertaking gather-cut processing of Chinese noodle (*Menkyo-Kaiden*) envelopes to facilitate opening. In addition, the top flap of single-container packages of *Beautiens Lact dew S.E. Lotion* were supplemented with a finger handle to facilitate their opening.



Yakult fermented milk drink straw



Gather-cut portion of ramen package



Finger handle on top flap of single-container packages of skin lotion

Reducing Packaging/Waste Material Volume

As a result of packaging material rationalization promotion measures implemented during fiscal 2010, we were able to considerably decrease the amount of materials used in food product containers and packaging in a single year. The annual reductions included 149,348kg of containerboard, 31,263kg of steel raw materials, and 1,324kg of aluminum raw materials. Annual reductions of materials used in cosmetics containers and packaging

included a 3,578kg drop in paperboard use and a 1,094kg drop in craft ball paper use.

Promoting the Use of Recycled Resources

Regarding food product containers, we are using recycled PET materials in hot beverage containers, and the scope of recycled PET use in containers was expanded to include a new product. With respect to cosmetics products, we are using recycled paper in single-container and set boxes, and the scope of recycled paper use was expanded to include 39 new products (including renewed products).

Various Initiatives at Marketing Stages

During fiscal 2010, we worked to promote the recycling of used containers collected in connection with direct sales routes and vending machines by continuing to introduce route delivery trucks with special container collection spaces designed based on consideration of hygienic and efficiency factors as well as by continuing to retrofit route delivery trucks with container collection spaces attached to their roofs. We also maintained programs to install empty container recovery boxes next to vending machines and to upgrade the motorcycles used by Yakult Ladies on their delivery routes by introducing four-cycle engine models that have lower levels of environmental impact.

As a new initiative begun in fiscal 2007, we have been introducing non-fluoron-refrigerant vending machines that employ natural refrigerant (CO₂) that has a very low global warming potential. Since fiscal 2008, we have been introducing heat-pump-type vending machines that have the potential for generating even greater energy-conservation benefits than the non-fluoron-refrigerant vending machines, and we are now emphasizing measures to increase the installation of heat-pump models.

Regarding the automobiles used by marketing representatives in our pharmaceutical business, we have begun introducing hybrid models, and 61 hybrid cars were procured during fiscal 2010.



Route delivery truck with a container collection space attached to the roof



A hybrid car model used by pharmaceutical marketing representatives

Introduction of Environment-Friendly Equipment (Fiscal 2010)

Item Introduced	Number
Route delivery trucks with internal container collection spaces	60
Route delivery trucks with roof-mounted container collection spaces	19
Empty container collection boxes for vending machines	1,128
Heat-pump-type vending machines	1,071
Overhauled vending machines	676
Delivery motorcycles with four-cycle engines	1,323

Recycling of Product Containers/Packaging

Products manufactured at Yakult plants are sent through logistics bases on their way to 111 marketing companies throughout Japan, after which they are delivered directly to customers by Yakult Ladies or delivered to customers via supermarkets and convenience stores. To build a recycling-oriented society, it is important that conscientious efforts be made to recover and recycle the plastic and paper container and packaging materials remaining after customers consume those products.

In 1995, Japan instituted its Containers and Packaging Recycling Act to promote the reduction and recycling of container and packaging waste, which accounts for more than 60% of ordinary household waste by volume. After subsequent amendments, the law took full effect in 2008.

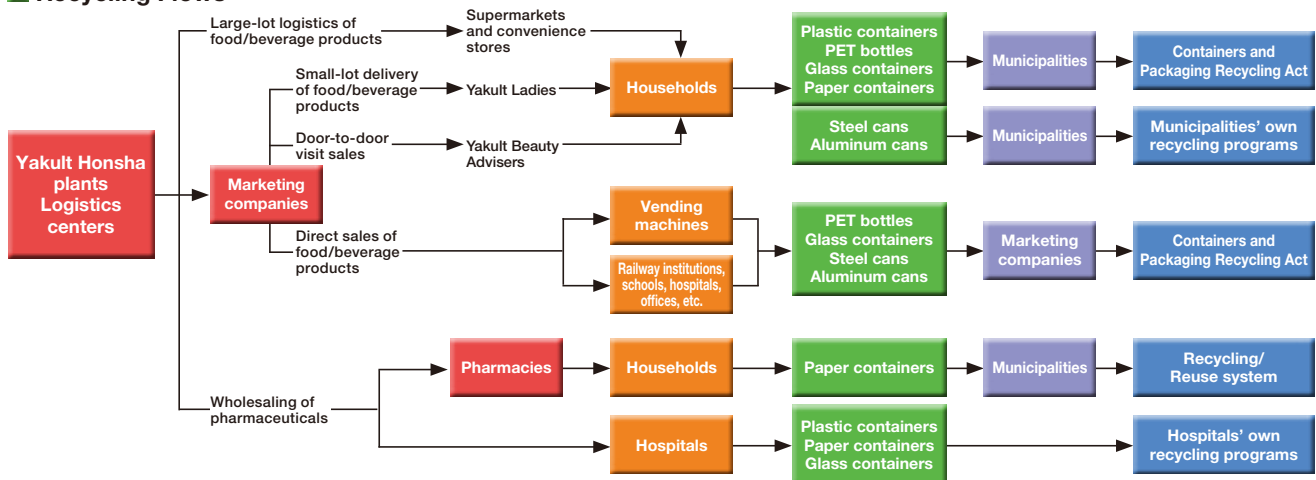
Because Yakult manufactures and markets containers for such products as *Yakult* fermented milk drink and *Joie* yogurt drinks and a diverse range of containers and packaging for its dairy products and other products, the Company is considered a specified container and packaging producer and user in accordance with the

Containers and Packaging Recycling Act, and it, therefore, has a responsibility to handle the recycling of its containers and packaging (see page 24).

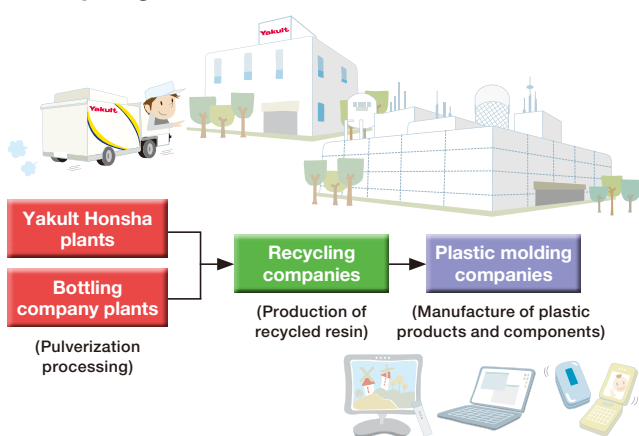
Containers and packaging disposed of as sorted trash by households are collected and stored by municipalities before being sent to specialized recycling companies that use various methods to recycle the materials. In some cases, raw materials are recovered through material recycling methods, while, in other cases, chemical recycling methods are used to generate oil or thermal recycling methods are used to generate heat energy.

In addition, container and packaging-related waste generated at Yakult plants and subsidiary plants is sorted by material, and measures are taken to recycle the materials in that waste. In the case of plastic bottles, polystyrene resin is recovered and used to manufacture such products as personal computers and audio equipment. To promote greater consciousness of recycling, a portion of the polystyrene resins is used to manufacture special recycled goods, such as rulers and card stands, that are distributed free of charge to people participating in plant study tours and environmental events.

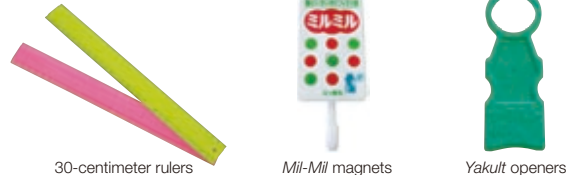
Recycling Flows



Recycling of Waste Plastic from Plants



Recycled Plastic Products



Recycled Plastic Product Production Volume (Fiscal 2010)

Item	Production volume (items)
30-centimeter rulers	127,000
Yakkun card stands	48,000
Mil-Mil magnets	55,000
Mil-Mil S magnets	52,000
Yakult openers	108,000

Efforts to Prevent Water Pollution from Plant Wastewater Yakult A&G Environmental Water Purification Systems

In fiscal 2010, Yakult Honsha's plants used approximately 1,650,000t of water (up 5% from the previous year) and generated approximately 930,000t (up 7%) of wastewater. For the purpose of purifying wastewater, the dairy product plants of Yakult Honsha and other Group companies are progressively shifting from the use of conventional activated sludge processing systems to the use of Yakult A&G Environmental Water Purification Systems.

Yakult A&G Environmental Water Purification Systems have already been installed at five of Yakult Honsha's seven plants—the Saga, Kyoto, Fukushima, Fukuyama, and Fuji Susono plants. At the Saga Plant, which has completely shifted to the use of a Yakult A&G Environmental Water Purification System, the extremely high level of the new system's performance has been confirmed, as BOD* has been reduced to below 1.0mg/l (a BOD* removal rate of 99.8%) and the nitrogen-removal rate has been 68%. Regarding Group bottling plants, the Aichi Yakult Plant constructed a Yakult A&G Environmental Water Purification System in 2002, and the Iwate Yakult Plant, which was renovated in 2007, is now introducing a similar system. As the Aichi Yakult Plant has been expanding its production facilities, it moved to expand its Yakult A&G Environmental Water Purification System in 2008.

One of the most-noteworthy characteristics of the Yakult A&G Environmental Water Purification System is that it reduces the excess sludge generation volume to a level approximately 1/12 the level of the level typically seen with conventional activated sludge processing systems (calculated based on the actual performance of the Saga Plant's system). Because of this, the running cost of the Yakult A&G Environmental Water Purification System can be reduced to approximately half the level of conventional activated sludge processing systems, and superior maintenance ease is another merit of the Yakult system.

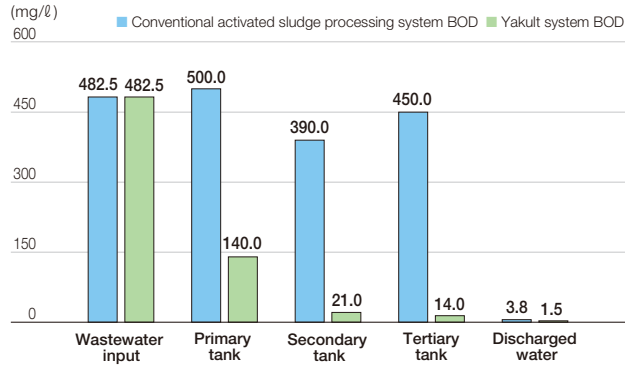
Aiming to conduct research for deepening our microbiological understanding of the Yakult system's performance, the Saga Plant's system was supplemented in 2007 with equipment that enables researchers to obtain filter material samples while the system is in operation. Yakult Central Institute for Microbiological Research staff are using the new equipment to elucidate the Yakult A&G Environmental Water Purification System's mechanisms of operation.

* BOD represents biochemical oxygen demand, which is a principal indicator of organic water pollution.



The Saga Plant's Yakult A&G Environmental Water Purification System in operation

BOD Changes during the Water Purification Process (Data from the Saga Plant)



* The reason why the BOD of water released from the conventional activated sludge processing system is low is that excess sludge is removed.

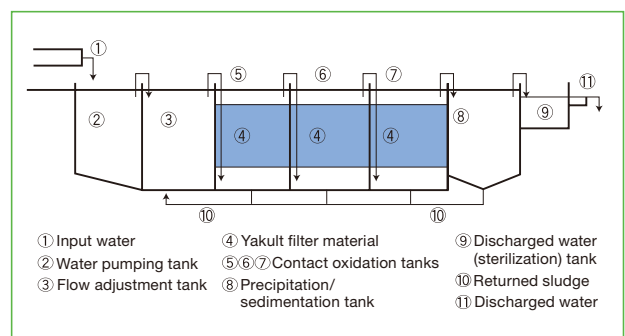
Introduction of the Yakult A&G Environmental Water Purification System at Yakult Honsha Plants and Other Yakult Group Plants

Plants	Introduction
Saga Plant	July 1991
Kyoto Plant	October 1992
Fukushima Plant	September 1997
Fukuyama Plant	November 1998
Aichi Yakult Plant*	December 2002
Fuji Susono Plant	March 2005
Iwate Yakult Plant*	March 2007
Aichi Yakult Plant* (expansion)	January 2008

* Bottling company plants

Structure of the Yakult A&G Environmental Water Purification System

The Yakult A&G Environmental Water Purification System uses 65m^l Yakult containers with the bottoms removed (Yakult filter material) as tools for culturing microorganisms that break down contaminants, and it is able to achieve high levels of purification of industrial wastewater as well as ordinary wastewater. The Yakult filter material is randomly placed within contact oxidation tanks and diverse types of microorganisms take up residence on both the insides and outsides of the Yakult containers. These microorganisms thoroughly break down and digest the organic substances that contribute to water pollution, achieving very high treatment performance compared to conventional activated sludge processing systems.



Reducing the Environmental Impact of Logistics Activities

Support for Efforts at Logistics Stages

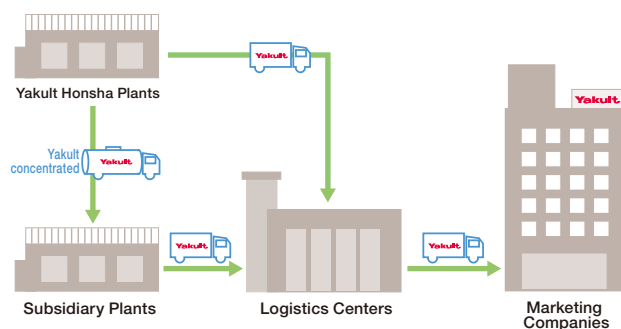
The Yakult Group ships dairy and other food products as well as cosmetics products and other products among logistics bases (Yakult Honsha plants, subsidiary plants, and logistics centers) and then to 111 marketing companies throughout Japan, and this shipping work is mainly carried out by logistics subsidiaries.

The revised Energy Conservation Act that took effect from April 2006 defines “designated shippers” as companies with annual shipping volumes of 30 million ton-kilometers or more. As a designated shipper, Yakult has the obligation to submit reports on its shipping operations, and it was also required to annually reduce its energy consumption per unit of freight by an average of 1% or more during the five-year period through fiscal 2010. As a result of our efforts to comply with this requirement, we achieved a 1.03% average annual reduction of energy consumption per unit of freight during the period.

Yakult strongly emphasizes the importance of efforts at logistics stages to reduce consumption of diesel fuel, natural gas, and other fuels and thereby lower the environmental impact of greenhouse gas and air pollutant emissions. Yakult Honsha is providing its logistics subsidiaries with support and guidance regarding measures for reducing their environmental impact and obtaining such management system certifications as the ISO14001 and Green Management certifications.

In addition, particularly regarding juice, tea, and soft drink products, we are promoting modal shifts within shipping operations that are progressively restraining associated emissions of greenhouse gases and air pollutants.

Logistics Routes for Principal Yakult Products



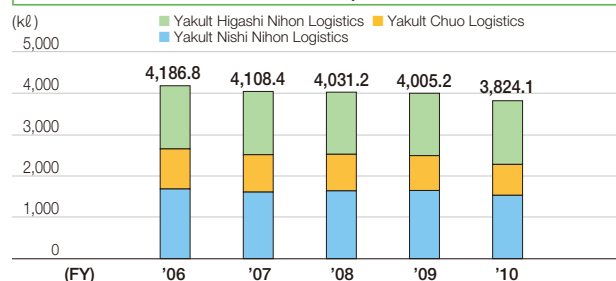
Number of Delivery Vehicles Operated by Logistics Subsidiaries (As of March 31, 2011)

Commissioned Product Delivery Company	Number of Vehicles	YOY Change	CNG-Fueled Vehicles Within Total Number	YOY Change
Yakult Higashi Nihon Logistics Co., Ltd.	65	-1	0	±0
Yakult Chuo Logistics Co., Ltd.	43	-2	4	±0
Yakult Nishi Nihon Logistics Co., Ltd.	81	-5	0	±0
Total	189	-8	4	±0

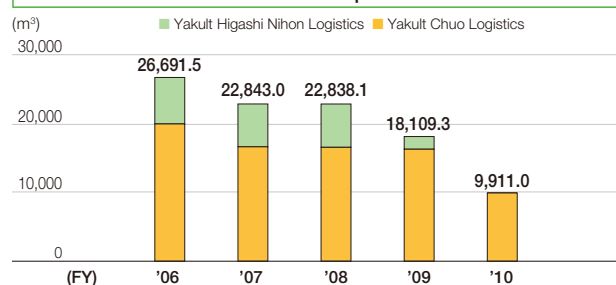
Efforts to Reduce the Environmental Impact of Logistics-Use Vehicles

Yakult Group logistics companies are striving to continuously reduce the environmental impact of their operations by obtaining Green Management Certification for each of their marketing offices as well as by rigorously practicing such eco-driving methods as those involving the operation of vehicles at speeds that maximize fuel economy and making efforts to minimize the time periods in which vehicle engines are allowed to idle.

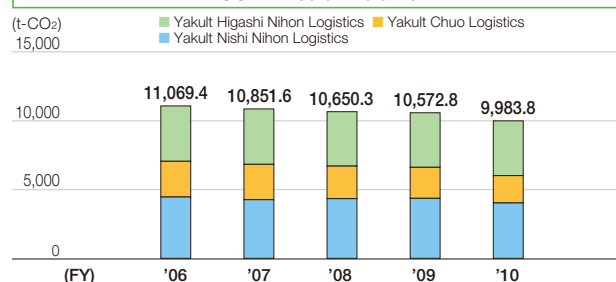
Diesel Fuel Consumption Volume



Natural Gas Consumption Volume

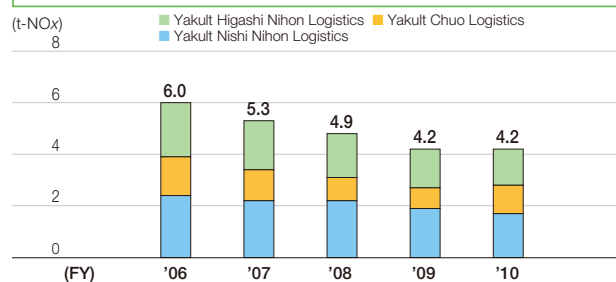


CO₂ Emission Volume



* CO₂ emission volume is estimated based on fuel consumption figures. The CO₂-fuel conversion ratios are 2.62kg-CO₂/ℓ for diesel fuel and 2.70kg-CO₂/m³ for natural gas.

NO_x Emission Volume



* NO_x emission volume is estimated based on each vehicle's mileage figures multiplied by each vehicle's NO_x emission coefficient (g-NO_x/km). This new method for calculating estimates of NO_x emission volume has been used since fiscal 2004.

Promotion of CSR/Environmental Education

Since April 2000, Yakult has been implementing Environmental Education Programs designed to increase employees' consciousness of environmental issues.

We initially organized position-specific compliance environmental training programs for five groups of employees ranging from managers to newly hired employees. Since 2006, we have supplemented those programs by employing our internal LAN to provide employees with e-learning courses on environmental issues. As a result, we are now implementing eight levels of environmental education programs, and this has greatly increased employees' opportunities for obtaining environmental information. Beginning from fiscal 2010, we have expanded the scope of these programs to augment education related to CSR issues, and a CSR Fundamental Knowledge e-learning course is now offered to all employees.

In addition, we have implemented Environmental Management Seminars for managers since fiscal 2002. In fiscal 2010, President Naoki Adachi of Response Ability Inc. was invited to speak at the seminars on the theme of biodiversity.

Fiscal 2010 CSR/Environmental Education Programs

Training Program	Month(s) Implemented	Number of Participants
Newly Hired Employee Training	April	96
Newly Appointed Unit Manager Training	July	14
Pre-Promotion Training for Assistant Managers	May-July	88
Pre-Promotion Training for Deputy Managers	November/December	83
Pre-Promotion Training for Managers	November/December	49
Environmental Education (e-Learning Courses)		
Newly Appointed Assistant Managers Level 4	May	80
Newly Appointed Deputy Managers Level 6	June	54
Newly Appointed Core Managers Level 8	July	68
CSR Fundamental Knowledge (e-Learning Course)	November/December	2,481
Environmental Management Seminar (Corporate Officers and Unit Managers)	September	53

Groupwide Unified Environmental Protection Campaign

Each year since 1994 during Japan's Environment Month, the Yakult Group has implemented unified Yakult Environmental Protection Campaigns. During fiscal 2010, which was the 17th year of such campaigns, the Group implemented campaigns with the theme "What Is Biodiversity? – Let's Sustain the Life of the Earth."

The campaign included challenging quizzes on biodiversity-related information along with a program soliciting declarations and suggestions regarding what individual people within the Yakult Group can do to preserve biodiversity.

Reflecting the large number of Yakult S/A Ind. E. Com. (Brazil) employees who participated, the total number of correct responses to the Biodiversity Quiz reached 158,609, and a donation of ¥317,218 (¥2 per correct response) was made to the 21st Century Forest Creation campaign run by OISCA-Brazil.

This biodiversity support campaign was covered in the Sao Paulo-based *Nikkei Shimbun*, a daily newspaper read by Japan-affiliated people in Brazil.

The cumulative total number of people participating in the annual Yakult Environmental Protection Campaigns reached 110,000 people in fiscal 2010, and it is believed that the campaigns have had a considerable effect in steadily increasing environment consciousness among the Yakult Group employees.



Certificate of appreciation received from the 21st Century Forest Creation campaign

Yakult Environmental Protection Campaign Themes

Fiscal Year	Theme	Number of Participants
2000	Environmental slogan proposals	6,303
2001	Recycled plastic product idea proposals, environmental quiz	7,753
2002	Self-administered checkup on environment-friendly activities	10,519
2003	Eco-life check sheet Part I	4,139
2004	Eco-life check sheet Part II	3,002
2005	Green purchasing consciousness survey, proposals of declarations/suggestions	8,374
2006	"3R" implementation for everybody	9,712
2007	Challenging goal of eliminating disposable shopping bags	8,026
2008	Do you know what Team Minus 6% is?	14,563
2009	Transform unneeded things into green—Smile/Eco Fund Raising!	7,072
2010	What Is Biodiversity? – Let's Sustain the Life of the Earth.	15,766

Implementation of Environmental Education/ Training Programs at Yakult Honsha Plants

In fiscal 2010, Yakult Honsha plants implemented diverse environmental education programs focused on such themes as ISO standards, energy conservation, and waste product processing, and these programs helped further raise the level of environmental consciousness among plant employees.

Environmental Education/Training Programs

	Number of Sessions	Number of Participants
ISO standards-related education	31	170
Energy conservation and waste product processing	12	106
Total	43	276

Providing Products that Offer Safety and Peace of Mind

Raising the Level of Customer Satisfaction Activities Implemented by Marketing Companies

To ensure that customers can enjoy products manufactured by Yakult Honsha with peace of mind, the Yakult Group places strong emphasis on promoting customer satisfaction during logistic operations while concurrently reducing the environmental impact of those operations. As a part of associated efforts, Yakult Honsha has since 2005 provided support to enable all Yakult Marketing Group member companies to obtain certification of their compliance with the ISO14001 environmental management system standards and the ISO9001 quality management system standards.

The Yakult Marketing Group Combined ISO Certifications

The Yakult Marketing Group's acquisitions of ISO certifications began when a customer of a Yakult sales company in Hiroshima Prefecture that had already obtained an ISO14001 certification requested that the Yakult sales company follow suit.

Receipt of Combined ISO14001 and ISO9001 Certifications by Yakult Marketing Group Companies

Sales company	Date of Receipt
Aki Yakult Sales Co., Ltd. (currently, Yakult Shin Hiroshima Sales Co., Ltd.)	March 14, 2006
Yakult Hiroshima Hokubu Sales Co., Ltd. (currently, Yakult Shin Hiroshima Sales Co., Ltd.)	March 14, 2006
Yakult Hiroshima Chuo Sales Co., Ltd.	March 14, 2006
Yakult Miyazaki Sales Co., Ltd.	March 14, 2007
Yakult Miyakonojo Sales Co., Ltd.	March 14, 2007
Yakult Kagoshima Sales Co., Ltd.	March 14, 2007
Yakult Sendai Sales Co., Ltd.	March 14, 2007
Yakult Kagoshima Tobu Sales Co., Ltd.	March 14, 2007
Yakult Iwate Sales Co., Ltd.	March 14, 2008
Yakult Tokyo Chuo Sales Co., Ltd. (currently, Yakult Tokyo Sales Co., Ltd.)	March 14, 2008
Yakult Toto Sales Co., Ltd. (currently, Yakult Tokyo Sales Co., Ltd.)	March 14, 2008
Yakult Niigata Sales Co., Ltd.	March 14, 2008
Yakult Soubu Sales Co., Ltd. (currently, Yakult Kanagawa Tobu Sales Co., Ltd.)	March 14, 2009
Yakult Hanshin Sales Co., Ltd. (currently, Yakult Kinki Chuo Sales Co., Ltd., Hanshin Branch)	March 14, 2009
Yakult Saga Sales Co., Ltd.	March 14, 2009
Yakult Yamaguchi Sales Co., Ltd.	March 14, 2010
Yakult Kanagawa Higashi Sales Office (currently, Yakult Kanagawa Tobu Sales Co., Ltd., Sales Office)	March 14, 2010
Yakult Miyagi Chuo Sales Co., Ltd.	March 14, 2011
Yakult Tokyo Sales Co., Ltd., Tama Branch	March 14, 2011

Efforts to Obtain Combined ISO14001 and ISO9001 Certifications

The ISO14001 environmental management system standards and the ISO9001 quality management system standards have many features in common, and efforts centered on Yakult Honsha's Sales Company Modernization Department were begun to obtain combined certifications for numerous business sites. Proceeding this way has facilitated the effective use of funds while increasing the management quality of marketing companies in a manner that has promoted a rise in the level of the entire Group's management quality as well as the greater sharing of information among Group

companies. In view of all these factors, the campaign to obtain combined certifications for the Yakult Marketing Group was initiated.

Special Points Regarding Marketing Companies' Employment of Certifications

With respect to ISO14001 certification, efforts have not been restricted to those aimed at reducing environmental impact but have also included measures aimed at improving the environment, and sales company units, including Yakult Ladies, have progressively developed diverse programs aimed at improving the environment. Regarding ISO9001 certification, measures have been taken to respond to customer feedback in reevaluating operations and have all sales company staff participate in implementing other measures with the goal of promoting customer satisfaction.

Maintaining the Momentum of Progress

Management system building measures are moving ahead with the objective of obtaining combined certification for an additional two companies in the Yakult Marketing Group during fiscal 2011. ISO-related activities are being carried out on a day-to-day basis with the goal of further improving the Group's related performance going forward.

Receipt of ISO Certifications by Group Companies Other than the Yakult Marketing Group Companies

On their own initiatives, numerous Group marketing companies not included within the scope of the Yakult Marketing Group have been working to obtain ISO9001, ISO22000, and ISO14001 certification. The results, so far, are shown in the following table.

Receipt of ISO14001 Certifications by Yakult Honsha and Subsidiary Plants

ISO14001 certification for all Yakult Honsha's 10 plants (currently 9) as well as the Yakult Central Institute for Microbiological Research Analytical Center was obtained by March 1, 2003. Based on guidance and support provided by the Plant Environmental Countermeasures Subcommittee (now defunct), all Yakult Group subsidiary plants, other business sites with manufacturing units, and logistics companies obtained ISO14001 certification by November 2004. Each year, these companies and business sites implement activities related to the goals of the ISO14001 standards, and thereby work to further reduce their environmental impact.

ISO Certifications Obtained on Marketing Companies' Own Initiatives

Sales company	ISO 9001	ISO 22000	ISO 14001	Date of Receipt
Yakult Yonezawa Sales Co., Ltd.	○			December 24, 2004
Yakult Saitama-Nishi Sales Co., Ltd.			○	June 17, 2005
Yakult Gunma Sales Co., Ltd.	○		○	July 4, 2005
Yakult Joetsu Sales Co., Ltd.	○		○	June 1, 2007
Yakult Mito Sales Co., Ltd.	○			September 7, 2007
Yakult Odate Sales Co., Ltd.	○		○	October 18, 2007
Yakult Hyogo Sales Co., Ltd.		○		March 13, 2009
Yakult Gunma Sales Co., Ltd.		○		January 27, 2010

Ensuring the Safety of Raw Materials

Regarding the selection of raw materials, the Yakult Group has built and employs systems that require undertaking the amount of investigations and audits required to ensure that the Company can provide customers with products that are reliably safe and inspire peace of mind. Inkjet printers are used to mark individual products with freshness limit dates, manufacturing facility names, and manufacturing lot numbers, and we have built a traceability system that enables us to determine the manufacturing history of each production lot with respect to raw materials, intermediate materials, and manufacturing situations as well as determine relevant shipment destinations.



Selection and Management of Raw Materials

When selecting raw materials, Yakult conducts thorough investigations of the transactional performance, technological capabilities, and quality management situations of raw material suppliers. Besides confirming situations regarding the use of agricultural chemicals, we require suppliers to submit “raw materials investigation reports” and conduct safety investigations. For agricultural products, we obtain analysis certificates from producers and suppliers with respect to the presence of agricultural chemicals and other substances, and, in this way, we ensure rigorous compliance with the standards set by Japanese laws and regulations. Regarding raw materials suppliers both in Japan and overseas, we conduct investigations of relevant manufacturing plants and processes to confirm quality and hygiene management systems and, when necessary, request that improvements be implemented.

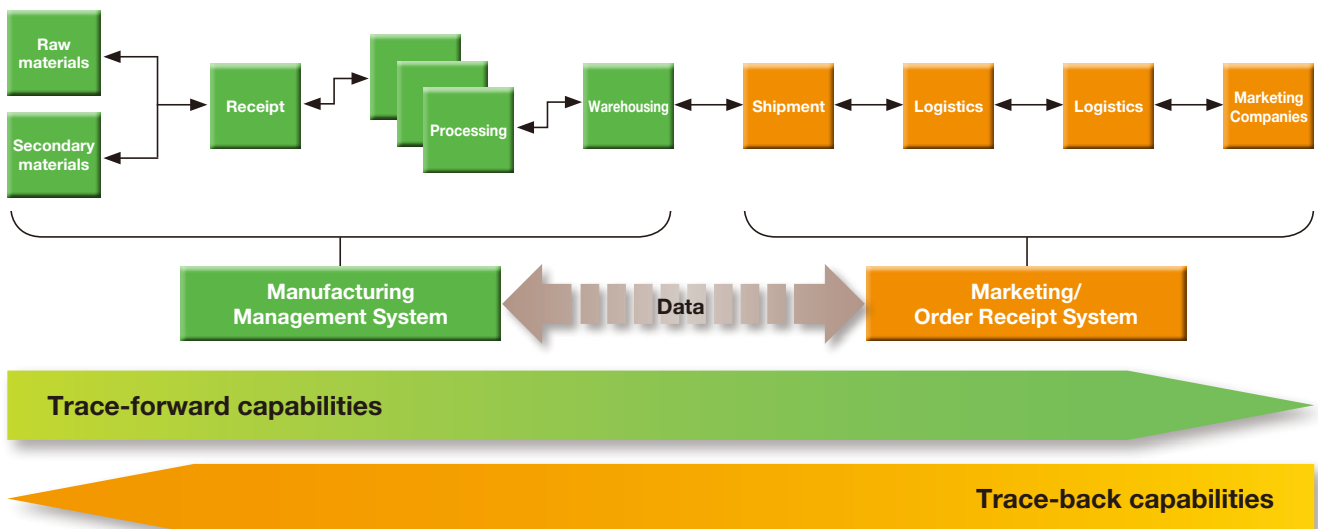
Even after transactions have been initiated with a given supplier, we arrange for the supplier to periodically provide analysis certificates with respect to the presence of agricultural chemicals and other substances. When our existing suppliers begin obtaining materials from a different country or make other changes to their own procurement sources, we immediately have them provide us with study reports on the new sources so that we can conduct investigations.

Moreover, our traceability system gives us “trace-back” capabilities so that we can determine the raw materials used in specified products and “trace-forward” capabilities so that we can determine the products made from specified raw materials.

Product Quality Issues

During fiscal 2010, Yakult had no product quality issues requiring autonomous product recalls or similar measures.

Traceability System



Courtesy Visits

For 39 years, Yakult Ladies have been visiting single elderly people as they make their deliveries, to confirm that they are safe and spend some time chatting with them.

This activity began when a Yakult Lady in Kohriyama, Fukushima Prefecture, took it upon herself to provide Yakult products to elderly people living alone, at her own expense, after hearing the sad news of one such person whose death went unnoticed. Her initiative resonated with both the local Yakult sales company and social workers in the region and moved many local governments to take action. As a result, these courtesy visits, known as “*Ai no Hohmon Katsudo* (Visits-of-Love Activities),” have spread throughout Japan.

The “*Ai no Hohmon Katsudo*” have been highly praised by people involved in volunteer activities as well as government entities. In 1991, Yakult received the Japan Institute for Social and Economic Affairs’ Special Community Relations Award for Excellence as a Corporation. In 1994, we received the Minister for Health and Welfare Award for distinguished volunteer service.

As of March 2011, approximately 3,650 Yakult Ladies are paying regular visits to over 46,000 elderly people in response to requests from more than 150 local governments in Japan.

As part of activities organized to celebrate the 70th anniversary of Yakult’s founding, we have since September 2005 presented flowers to elderly people on Respect-for-the-Aged Day. In 2010, we delivered attractive flowers and a message card to more than 48,000 people in 148 municipalities. As this program has been highly evaluated, we plan to continue it for the seventh consecutive year in 2011.



Providing Communities with “Safety and Peace of Mind” Yakult Ladies’ Community Crime Prevention Activities

Being well positioned to observe every corner of their sales areas during daily delivery rounds, Yakult Ladies contribute to communities’ “safety and peace of mind” by participating in crime watch and other activities undertaken in cooperation with local police units.

In Aichi Prefecture, six sales companies and the Yakult Honsha’s Tokai Branch established the Yakult Aichi Prefecture Crime Prevention Cooperation Association in October 2007 and

registered it as an “Aichi Prefecture Safe Town Building/Traffic Safety Partnership Enterprise.” Sales companies in the Tokai region had already begun organizing safety patrol activities from 2006 but, following the establishment and registration of the new association, these activities were supplemented with additional programs to implement safety-related training courses for Group employees, provide customers with safety-related information, and thereby upgrade the Group’s contributions to the creation of communities where people can live with peace of mind. We are carrying out these kinds of programs in all of Japan’s regions, and these programs are quite familiar to people in each region. In some cases, sales companies have received special awards for these programs from local police units and crime prevention associations.

As of March 2011, 80 sales companies throughout Japan have created organizations to carry out crime prevention activities.

Implementing Social Activities with Vending Machines

By the end of March 2011, the Yakult Group had installed approximately 55,600 vending machines throughout Japan. In addition to their original function of enabling customers to purchase products, some vending machines offer additional functions that can offer important assistance to people in local communities.

One example of such vending machines are models that are installed together with automated external defibrillators (AEDs) that can save the lives of people with cardiac arrhythmias that can lead to cardiac arrest. As approximately 30,000 Japanese lose their lives each year owing to heart attacks, it is hoped that the scope of AED installations will be quickly expanded. By the end of fiscal 2010, Yakult had installed 113 vending machines with AED units, and there already have been cases in which people have used the Yakult AEDs to save the lives of people who have recovered from their heart problems and are currently back at their workplaces. Yakult is installing numerous types of vending machines with special social contribution functions, including “White Ribbon” models that contribute a portion of their proceeds to the JOICFP Foundation (Foundation for International Cooperation in Family Planning), disaster-response models that will distribute their merchandise free of charge following major earthquakes and other disasters, and crime-prevention models that incorporate security cameras that can play useful roles in crime prevention activities.



A vending machine installed together with an AED unit



A vending machine with a sign explaining its sponsorship of JOICFP

Cooperation of Health Promotion Conferences

Each April 7—the World Health Organization (WHO)'s World Health Day—Yakult cooperates with a Health Maintenance Advocacy Meeting with the Japan Dietetic Association (JDA). In 2010, the 31st year of the program, the meeting featured lectures and symposia on the theme “Eating Is Living—Sustaining Lifelong Eating Functions for the Sake of Good Health.” Held in Yakult Hall, the event was attended by approximately 403 nutritionists and others with a strong interest in health issues.

Yakult also cooperated with the local conventions of nutritionist associations in each Japanese prefecture. In fiscal 2010, we coordinated a July 6 meeting in Nara, Nara Prefecture, followed by numerous other meetings throughout Japan.



31st Health Maintenance Advocacy Meeting

Date	Location	Date	Location
July 6	Nara, Nara Prefecture	November 6	Yokohama, Kanagawa Prefecture
August 7	Kanazawa, Ishikawa Prefecture	December 4	Maebashi, Gunma Prefecture
September 4	Tsu, Mie Prefecture	December 19	Hamamatsu, Shizuoka Prefecture
September 18	Niigata, Niigata Prefecture	January 14	Miyazu, Kyoto
September 25	Sendai, Miyagi Prefecture	February 14	Hitachi, Ibaraki Prefecture
October 30	Kohriyama, Fukushima Prefecture	February 27	Kobe, Hyogo Prefecture
October 31	Tottori, Tottori Prefecture		

World Health Day

Yakult and the JDA teamed up to offer free expert nutritional and dietary consultations for the general public to mark the Health Maintenance Advocacy Meeting program's 30th year in fiscal 2009, and Yakult cosponsored a revised version of this program in fiscal 2010. In the fiscal 2010 session of consultations, JDA members and managerial dieticians registered at prefectural nutritionist associations' nutrition care stations provided advice on how to prevent lifestyle diseases to the general public in the conference rooms of regional Yakult sales companies and distribution centers and other facilities. A total of 2,367 people obtained consultations at 22 locations in 14 prefectures during the period from July 4, 2010, through March 31, 2011.

21st Century Food and Health Forum Sponsorship

The 10th Annual Session of the 21st Century Food and Health Forum, sponsored by *Asahi Shimbun*, was held on April 21, 2010 in the Tokyo International Forum facility. Open to the general public, the annual forum events focus on the key role of probiotics in 21st Century Food and Health, and they feature lectures that are designed to explain this central theme in easily understood ways to people with a strong interest in health issues as well as people associated with the health care industry. The 10th session had the session theme of “Improved Diets and Cancer Prevention—The Potentials of Probiotics,” and featured highly interesting lectures on this theme as well as a panel discussion on the theme of “What Diet Can Do for Cancer Prevention and the Importance of Cancer Diagnoses.” An audience of approximately 1,100 people listened intently to the forum participants.

Also during fiscal 2010, Yakult cosponsored health forum events on such topics as lifestyle disease countermeasures and dietary education that were organized by several local newspapers based in locations ranging from Hokkaido to Kyushu, and a large number of people attended these events.



The 10th Annual Session of the 21st Century Food and Health Forum

Cooperation of Intestinal Flora Symposium

Coordinated by the Foundation for Yakult Bioscience Research and supported by the Ministry of Education, Culture, Sports, Science and Technology, the Symposium on Intestinal Flora has been organized to promote greater public awareness and understanding of bioscience issues centered on those related to intestinal flora. Yakult Honsha has been cooperating with respect to this symposium program since its inauguration. Held on October 29, 2010 at Yakult Hall in Tokyo's Higashi Shimbashi district, the 19th session of the Symposium focused on the main theme of “Intestinal Flora and Children's Health.” Those attending the event included approximately 80 Yakult Group employees from facilities in 21 countries and regions as well as approximately 500 other people, including researchers working in Japan- and overseas-based universities, government research institutions, and companies.

The Symposium began with highly detailed lectures by five top-class researchers based in Japan and abroad and was followed by a lively general discussion as well as enthusiastic exchanges of questions and answers.

Implementation of Plant Festivals and Study Visits

Aiming to deepen friendly relations between plants and local communities, we annually organize festivals at each plant and invite the members of local communities and employees' families to participate. Besides food and refreshment vending booths and film screenings, the festivals feature performances by actors portraying animated characters popular with children, bands, and Japanese drum ensembles as well as diverse other attractions. While enjoying those features, people attending festivals also have the opportunity to participate in plant study tours and product tasting events. The festivals have proven to be effective means of fostering deeper understanding of plant operations among people from local communities.

During fiscal 2010, the Fukushima Plant suspended its plant festival implementation for a second consecutive year owing to the construction of new buildings and other factors, but a festival was organized for the first time at the Kobe Yakult Plant. As a result, six Yakult Honsha plants and four subsidiary plants held festivals in fiscal 2010, and a total of approximately 29,000 people attended those festivals.

In addition, with the objective of deepening understanding of Yakult's products and the Group's commitment to environmental awareness and safe, reliable products, we have, for many years, offered study tours of Yakult Honsha and other subsidiary plants. We offer plant tours to members of the general public ranging from children through the elderly as well as such programs as educational sociology study tour programs and environmental education programs for primary school students, and we also seek to use such tours to obtain feedback information from opinion leaders and people with a particularly strong interest in health issues.

During fiscal 2010, expansion work at some Yakult Honsha plants and bottling companies temporarily limited the ability of



Plant festival at the Yakult Honsha Kyoto Plant



Plant festival at the Iwate Yakult Plant

those facilities to accept visitors, but eight Yakult Honsha plants and four subsidiary plants hosted approximately 240,000 visitors, up 9.9% from the previous year.

Cleanup Campaigns

Yakult believes that, as a good corporate citizen, it naturally has a responsibility to work to protect the environment in cooperation with local communities.

To carry out this responsibility, we have, for many years, proactively implemented cleanup campaigns aimed at tidying up roads, rivers, shorelines, and other areas, primarily in the vicinity of Yakult Honsha plants. In addition, the Central Research Institute supplements its cleanup campaigns by periodically testing the water quality of nearby rivers, conducting studies of the distribution of nearby wells, and creating reports to disclose the results of those activities. In these and other ways, the plants and Central Research Institute strive to deepen their communication with local communities by implementing activities that increase their opportunities to cooperate and interact with those communities.

In fiscal 2010, 11 Yakult Honsha business sites helped beautify nearby areas by implementing cleanup campaigns in which a total of 1,484 employees participated.



Yakult Honsha Saga Plant cleanup campaign



Yakult Honsha Kumamoto Plant cleanup campaign

Yakult Honsha Facility Cleanup Campaign Implementation (Fiscal 2010)

	Number of Facilities	Number of Campaigns	Total Number of Participants in Campaigns	Average Number of Participants in Campaigns
Branches	1	1	10	10.0
Plants	9*	125	1,313	10.5
Central Research Institute	1	12	161	13.4
Total	11	138	1,484	10.8

* The number of business sites reflects the separation of the Fuji Susono Plant from the Fuji Susono Pharmaceutical Plant. These two plants were previously treated as a single plant.

Promoting Sports Activities

The Yakult Group's professional baseball team, the Tokyo Yakult Swallows, entertains a great many fans during the baseball season and, during the offseason, the team cooperates with sales companies throughout Japan to organize baseball clinics. Focused on primary and junior high school baseball teams, the clinics help children learn about the enjoyability of sports and the preciousness of good health by interacting with professional baseball players. In fiscal 2010, baseball clinics were held in 15 locations throughout Japan, and the number of children participating was approximately 1,900.

Yakult also cooperates in efforts to promote "bound tennis," a sport created in Japan that combines the rules of ordinary tennis with certain elements of racquetball and other sports. The Japan Bound Tennis Association held its 28th national bound tennis championship tournament at the Tokyo Metropolitan Gymnasium in June 2010, and this event featured relentlessly heated competition among more than 1,000 competitors from throughout Japan. Yakult cosponsors this tournament as well as the bound tennis tournament held within the National Sports Festival of Japan's Ministry of Education, Culture, Sports, Science and Technology.



The 28th national bound tennis championship tournament

In addition, since 2005, Yakult has sponsored international swimming competition events as an official partner of the Fédération Internationale de Natation (FINA). FINA is fostering the development and promoting the international popularity of aquatic sports that have an extremely healthy image that resonates harmoniously with Yakult's corporate philosophy of "We contribute to the health and happiness of people around the world." In view of this, we have extended our official partner contract with FINA through 2012 and are continuing to actively support international swimming competitions.



An example of Yakult's prominent presence at FINA swimming competitions

Dispatching Instructors

The Yakult Group dispatches instructors to lecture on the natural environment and microorganism science fields as well as a wide range of other fields in response to requests from the health forum events organized by local newspapers (see page 36) as well as dietitian associations throughout Japan and other associations and schools, including universities. Because our academic activities harmonize well with our corporate mission of providing customers with products that are reliably safe and inspire peace of mind, we are proactively working through plant PR sections and other units to further develop these activities.



A scene from the lecture of Akito Mike, assistant general manager (Yakult Honsha's PR Department)

CSR Activities

Selected CSR Activities Undertaken by Domestic Sales Companies and Branches in Fiscal 2010

	Sales Company	CSR Activity
March 27, 28/April 3, 2010	Yakult Iwamizawa Sales Co., Ltd.	Held "walking class"
April 6-15	Yakult Gifu Sales Co., Ltd. (Tarui Center)	Participated in "Spring National Traffic Campaign Educational Activities"
April 14	Yakult Chiba Prefecture Sales Co., Ltd.	Commissioned by Narita City to hand "Elderly Watch Support Business"
April 19	Yakult Kobe Sales Co., Ltd.	Donated vehicles to year-end charity drive
April 22	Yakult Shibata Sales Co., Ltd.	Commissioned by Shibata Police to serve on "Bank Transfer Fraud Victimization Prevention Promotion Committee"
May 10	Yakult Kagoshima Sales Co., Ltd.	Dispatched instructors to Oyamada Elementary School in Kagoshima
May 29	Yakult Gifu Sales Co., Ltd. (Hashima Center)	Opened "Friendship Square" (Fureai Hiroba) facility
June 8	Yakult Kinki Chuo Co., Ltd. (Higashinari Center)	Received award for outstanding service from the Higashinari Crime Prevention Association
June 8-10	Yakult Mie Sales Co., Ltd.	Cooperated with work experience training program of Tsutsumigaura Municipal Junior High School in Suzuka City
June 8	Yakult Kanagawa Higashi Sales Co., Ltd.	Cooperated with Machida Police in "Bank Transfer Fraud Elimination Countermeasures"
July 2	East Japan Branch	Dispatched instructors to Hanyuda Elementary School in Tagami Town, Niigata Prefecture
July 4	Yakult Gunma Sales Co., Ltd.	Organized Tokyo Yakult Swallows Baseball Clinic
July 13	Yakult Chiba Prefecture Sales Co., Ltd., Yakult Chiba Sales Co., Ltd., Metropolitan Branch	Donated two seeing-eye dogs to the Chiba Prefecture Association of Visually Impaired Persons and Welfare
July 21-23	Yakult Mie Sales Co., Ltd.	Cooperated with the internship program of Ishiyakushi Prefectural High School
July 21	Yakult Ohdate Sales Co., Ltd.	Cooperated with the Working-Person Instructor Utilization-Type Education Support Project by dispatching instructors
August 3, 18	Yakult Gifu Sales Co., Ltd.	Donated one automobile each to the welfare councils of Kaizu City and Tomika City
August 24	Yakult Saitama-Nishi Co., Ltd.	Cooperated with Iruma City to implement "Health/Beauty Plaza" health maintenance welfare program
August 26, September 2, 15	Yakult Fukushima Sales Co., Ltd.	Dispatched instructors to elementary schools in Fukushima City
September 8	Yakult Nagaoka Sales Co., Ltd.	Dispatched instructors to Kamishio Elementary School and Shimoshio Elementary School
September 16	Yakult Kanagawa Higashi Sales Co., Ltd.	Dispatched instructors to Kawasaki Municipal Elementary School in Kawasaki City
October 23	YS Support Association	Organized Tokyo Yakult Swallows Baseball Clinic
October 25	Yakult Kagoshima Tobu Sales Co., Ltd.	Dispatched instructors to Amorigawa Municipal Elementary School in Kirishima City
October 28	Yakult Chuo Shizuoka Sales Co., Ltd.	Commissioned by Shizuoka Central Police Department as a "regional safety transmission model enterprise" to organize crime prevention patrols
October 30-31	Yakult Okayama Seibu Sales Co., Ltd.	Cooperated with Tokyo Yakult Swallows Baseball Clinic
November 2, 11, 15	Yakult Fukushima Sales Co., Ltd.	Dispatched instructors to elementary schools in Fukushima City
November 14	Yakult Ohdate Sales Co., Ltd., YS Support Association	Organized Tokyo Yakult Swallows Baseball Clinic
November 20	Yakult Kanagawa Higashi Sales Co., Ltd., YS Support Association	Organized Tokyo Yakult Swallows Baseball Clinic
November 20	Yakult Minami-Hokkaido Sales Co., Ltd.	Held "walking class"
December 1	Yakult Gifu Sales Co., Ltd.	Dispatched instructors to Gifu Prefectural High School
December 6	East Japan Branch	Dispatched instructors to Toride College of Dental Hygiene
December 17	Yakult Mito Sales Co., Ltd.	Donated 5,000 bottles of <i>Yakult</i> to a social welfare corporation
December 20	West Japan Branch/Yakult Chuo Fukuoka Sales Co., Ltd.	Introduced a water treatment system using empty <i>Yakult</i> containers at a primary school observation pool
December 23	Yakult Tokyo Sales Co., Ltd.	Cooperated with Tokyo Yakult Swallows Baseball Clinic
January 13, 2011	Yakult Okayama Sales Co., Ltd., Yakult Tsuyama Sales Co., Ltd., Yakult Okayama Seibu Sales Co., Ltd., YL Association, YB Association	Donated 50 wheelchairs to the Okayama Prefectural Social Welfare Council
January 22	Yakult Hyogo Sales Co., Ltd.	Donated vehicles for home-visit nursing program of the Kobe Nishi Ward Social Welfare Association
January 27	Yakult Kurume Sales Co., Ltd.	Dispatched instructors to Kanemaru Municipal Elementary School in Kurume City
February 23	Yakult Yamaguchi Sales Co., Ltd.	Dispatched instructors to Mitajiri Seiei High School of Hofu City, Yamaguchi Prefecture
March 4, 7	Yakult Tokyo Sales Co., Ltd. Metropolitan Branch	Dispatched instructors to Yukigawa Municipal Elementary School in Ota City, Tokyo
March 9	Yakult Kagoshima Sales Co., Ltd.	Dispatched instructors to Somuta Kindergarten

Notes: "Center" means a base location for the activities of Yakult product sales ladies. "YS" stands for the Yakult Swallows baseball team. "YL" stands for Yakult Lady (product sales personnel who sell Yakult products door to door). "YB" stands for Yakult Beauty (who sell Yakult cosmetics products door to door).

Role and Systems of the Customer Support Center

Day-to-day consultations with customers are a precious resource that facilitates Yakult's efforts to ensure it can provide products and services that help customers lead healthy and enjoyable lives. We are extremely pleased to have opportunities to consult with our customers, and we do our utmost to respond to customer consultations rapidly, accurately, and conscientiously.

The Customer Support Center has the fundamental roles of gaining a good grasp of the full significance of each individual customer consultation; communicating information on consultations to employees, related organizational units, and top executives; and promoting concrete measures to improve products and services. Regarding inquiries, the center strives to politely provide each customer with easy-to-understand answers that meet the individual customer's needs. With respect to customer complaints and comments that require such follow-up measures as investigations of product situations, the center keeps in close contact with sales companies throughout Japan to arrange visits to and discussions with customers.

Customer Feedback

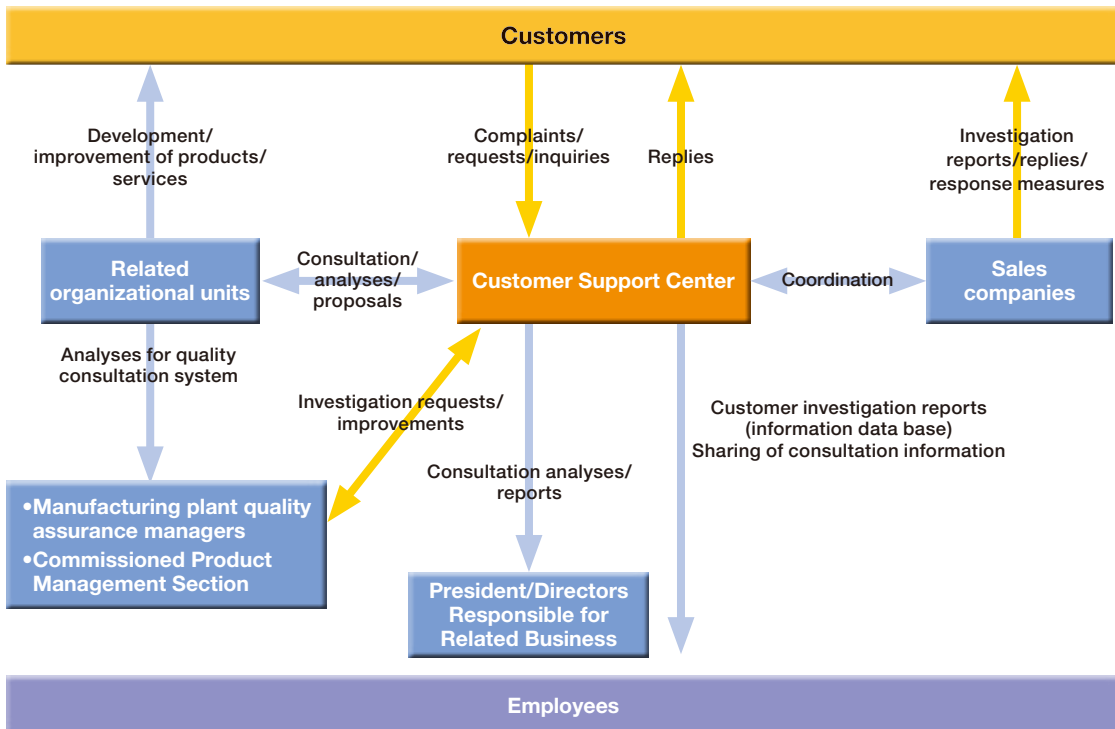
We organize our customer consultations into the categories of inquiries, complaints/requests, applications, discontinuations/suspensions, changes, and others.

In fiscal 2010, the Customer Support Center received 64,540 consultations, down slightly from 65,864 in the previous year.

Customer Consultations in Fiscal 2010

Topic	Number
Inquiries	49,112
Complaints/requests	5,716
Applications	5,677
Discontinuations/suspensions	1,667
Changes	532
Others	1,836
Total	64,540

Customer Response Flows



Customer Support Center

Toll-Free: 0120-11-8960 (In Japan only)
(9:00 to 17:30, except Saturdays and Holidays)

IR Activities

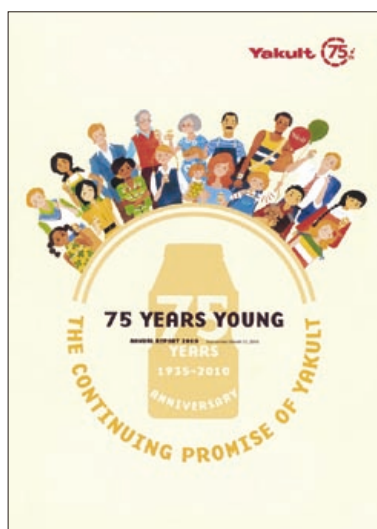
Relationship with Shareholders

Yakult's IR activities are focused primarily on securities analysts and institutional investors. Specifically, we hold business results briefings and business explanation meetings and collaborate with securities companies to organize small meetings and business site tours for institutional investors. We also produce annual reports and other materials for overseas institutional investors and undertake various other kinds of IR activities.

Regarding individual investors, our main objective is to "cultivate Yakult fans through the provision of products and services, thereby promoting long-term investments in Yakult stock by individual investors." In April 2005, we reduced the size of our shareholding unit from 1,000 shares to 100 shares as a means of facilitating the acquisition of our stock by a greater number of individual investors, and we have also worked to strengthen and expand our systems for providing shareholders with special benefits.

With respect to our dividend policies, we give top priority providing shareholders with dividends at a higher and stable level, and we have, therefore, adopted the policy of setting the fundamental level of annual dividends per share at ¥20.0. Actual dividend levels are determined by adjusting the fundamental level based on the comprehensive consideration of funding requirements related to strategies for future business expansion and profitability increases, the current financial position, recent corporate performance, and other relevant factors.

As a result of our implementation of these various strategies and policies, we had approximately 33,700 shareholders as of March 31, 2011.



Yakult's annual report for fiscal 2010

IR Information Disclosure

Yakult endeavors to disclose IR information in a manner that is fair, timely, and rapid. As a part of our strategies for realizing this objective, we have created a "For Investors" section within our website, and we strive to ensure that IR information is disclosed in a timely manner via that website section, which offers important basic corporate information as well as diverse kinds of other information that may facilitate investment decisions.

Principal Kinds of Information in the "For Investors" Website Section*

Yakult's Management Policies

Top Message from the President, Management Policy, Corporate Governance, etc.

Financial/Performance Information

Flash reports, supplementary materials for financial statements, long-term financial reports, performance data, etc.

IR Explanation Meetings

Materials presented at explanation meetings organized for analysts

IR Calendar

A schedule of IR-related events

IR Library

Annual reports, business reports, company profile, principal shareholders, etc.

Stock Information

Basic stock-related information

Shareholders' Meeting

Information related to shareholders' meetings

Shareholder Benefits

Examples of benefits available to shareholders

FAQ

Answers to some of the questions most frequently asked by shareholders

To Individual Investors

Background of Yakult's founding, naming of Yakult's professional baseball team, performance summary, etc.

* Note: Not all of these features are included in the "For Investors" section of the English-language version of the Company's website, although some of those features are found in other sections of the English-language website.



The top page of the "For Investors" section of Yakult's website

Promoting Fair and Sound Transactions

Yakult believes it to be important to develop its operations through fairly and transparently implemented independent corporate activities. With respect to transactions with raw material suppliers and companies that market its products, we are naturally determined to avoiding illegal transactions, and we are also committed to refraining from using improper methods to pursue profits and from discriminatory actions. To maintain thoroughly sound relationships with its transactional partners and promote fair purchasing and sales transactions, we have instituted action standards with specific provisions.

Aiming to further upgrade performance with respect to raw material quality, stable supplies, and other issues, we have since January 2005 undertaken with the understanding and cooperation of our transactional partners to fairly and equitably review the characteristics of transactions in single-year periods. Our transactional partners are given feedback on the results of those reviews, and the results are employed as a basis for proactive efforts to enhance and reform the characteristics of transactions.

Green Procurement

In March 2001, we instituted the Yakult Basic Policy on Green Procurement (see below), which covers raw materials, secondary materials and equipment, facilities, and crating packaging related to manufacturing, sales and marketing promotion, office, and R&D activities at all of the Company's business sites.

Since fiscal 2001, all of the Company's business sites have worked based on the basic policy and in cooperation with transactional partners to engage in procurement activities in a manner that promotes the protection of the global environment, the reduction of

environmental impact, contributions to the creation of a recycling-oriented society, and other environmental objectives.

Green Purchasing

Yakult instituted its Green Purchasing Guidelines in April 2000, prior to the 2001 implementation of Japan's Act Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Act on Promoting Green Purchasing). In accordance with the guidelines, we have taken measures to promote the purchasing and use of environment-friendly products with respect to office-automation paper, printed materials, stationery and other office-use products, and sanitation-related products. These measures are being sustained, and the fourth phase of the Yakult Environmental Action Plan includes provisions for additional initiatives in this regard.

In fiscal 2010, which was the first year of the period covered by the fourth phase plan, the head office maintained its 100% green purchasing performance with respect to office automation paper but did not improve its green purchasing shares with respect to office-use and sanitation-related products. As a result, its green purchasing ratio increased only 0.2 percentage point year on year, to 93.0%. At plants, green purchasing measures have advanced, particularly regarding office-automation paper and sanitation-related products, but decreases in the green purchasing ratio for stationery products and printed materials restrained the overall green purchasing ratio for plants to 95.4%. The Central Research Institute was able to increase its green purchasing ratio 0.7 percentage point, to 96.7%.

Although only a small improvement in green purchasing performance was achieved in the first year of the four-phase plan, we intend to further step up our green purchasing promotion efforts.

Yakult Basic Policy on Green Procurement

With respect to items used at all of Yakult Honsha business sites and in all of the Company's business activities, we will strive to procure environment-friendly products that promote the protection of the global environment, the reduction of environmental impact, contributions to the creation of a recycling-oriented society, and other environmental objectives. In accordance with this goal, we have established the basic policies described below.

[Scope of Policies]

All manufacturing, marketing, office, and R&D facilities

[Basic Policies]

1. Avoid procuring items with a potential for harming the environment or human health.
2. Procure items that give due consideration to resource conservation and energy conservation.
3. Procure items provided with crating and packaging materials that incorporate a high proportion of recycled materials.
4. Procure items provided with crating and packaging materials designed to be reused, particularly when the materials can be reused many times.
5. Procure items provided with crating and packaging materials with minimal portions that must be disposed of as waste and for which those minimal portions that must be disposed of as waste can be easily processed and disposed of.
6. Procure items that are manufactured, marketed, and shipped by companies proactively addressing environmental protection objectives by such means as building environmental management systems, disclosing environmental information, and cooperating with Yakult's environmental protection activities.

Established March 5, 2001

Promoting Employees' Missions and Motivation

Employee Education

To sustain the Yakult Group's development and expansion, it is crucial to improve employees' skills and capabilities as well as increase employees' consciousness of important environmental and societal issues. In view of this, we are endeavoring to foster the development of the next generation of Yakult managers and workers by establishing and implementing the following basic policies and education/training programs.

Basic Policies

1. Promote the dynamic perpetuation of our founder's philosophy by including material on Shirota-ism within training programs for all levels of employees.
2. Create training programs that generate results in actual business operations by avoiding isolated, one-shot programs and by consistently organizing programs that involve prior preparation, actual training, and subsequent follow-up processes.
3. Emphasize the expansion of educational opportunities and the actual use of education at business sites while working to augment and strengthen programs that are based on understanding of frontline operations and involve visits to business sites.
4. In addition to developing and upgrading the personal skills of individual employees, undertake management support activities that help increase the vitality of sales company organizations.

Overview of Training Programs

We implement education and training programs for all the employees of Yakult Honsha and other Group companies, including sales companies, affiliates, and subsidiary plants. Excluding distance learning courses and performance explanation meetings for employees, education and training programs for Yakult Honsha employees during fiscal 2010 were held on an aggregate total of 324 days and attended by 748 employees. Programs for Group company employees were held on an aggregate total of 276 days and attended by 4,379 employees.

Programs for Yakult Honsha Employees

- 1. Level-specific training linked to the personnel system**
 - New employee training, new employee follow-up training
 - Training prior to promotion to higher management levels, training prior to promotion to higher supervisory posts, training prior to promotion to higher administrative posts
 - Training for newly appointed organizational unit managers
 - Training for mid-career hires, training for dispatched employees
- 2. Theme-centered training that complements level-specific training (open-application system)**
 - Writing skills, team-building skills, finance
 - Presentation preparation skills, coaching, mental-care management
- 3. Training for cultivating global employees (open-application system)**
 - International Prep School (training for personnel to be stationed overseas)
- 4. Participation in external training programs (extension courses of external educational institutions)**
- 5. Distance learning**
 - 250 courses (begun twice each year)

6. Other

- Support for receipt of official certifications
- Discounted subscriptions to business publications
- Performance explanation meetings for employees

Programs for Group Company Employees

- 1. Level-specific training**
 - Yakult introductory course (training for new employees)
 - Skill improvement course for mid-level employees (time management, presentation preparation skills)
 - Management and supervision strengthening course (leadership development, mental-care management)
 - Manager-development course (Management Prep School)
- 2. Training by dispatched instructors**
 - Business manners, strengthening training capabilities, strengthening implementation capabilities, upgrading managerial skills, etc. (9 courses)
- 3. Distance learning**
 - 250 courses (begun twice each year)

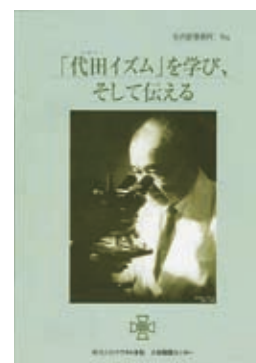
Direction of Employee Education Going Forward

The Yakult Group positions its basic policy of "Promote the dynamic perpetuation of our founder's philosophy" as a central pillar of all its employee education and training programs.

Accordingly, all of the level-specific training programs within programs provided to employees of Yakult Honsha and other Group companies include training related to Yakult's corporate philosophy. Using a pamphlet entitled Shirota-ism on the ideas and philosophy of Yakult's founder, Minoru Shirota, along with videos on this subject, employees learn about the source of the Yakult Group's business development.

Going forward, we will continue to provide all Group employees with opportunities to learn about Shirota-ism.

In addition, rather than restricting ourselves to training programs, we will be emphasizing programs designed to support the operations of sales companies, including programs related to total quality management (TQM) activities and activities that help increase organizational vitality.



The pamphlet *Shirota-ism*

Personnel Systems for Promoting Employees' Missions and Motivation

In light of differences among the size of the roles the Company expects individual employees to play, methods of contributing to performance, and job types, Yakult undertakes human resource management processes by classifying employees into different role groups (levels), job groups, and career courses.

Newly hired employees are assigned to a specific career course (occupational category) and given opportunities to develop the skills they require and contribute to corporate performance as they seek to expand and raise the level of their own roles in the Company.

Career Course Switch System

The Career Course Switch System is designed to enable employees to create paths toward selecting the career courses they desire, help employees already with the Company to realize personal growth based on numerous opportunities to leverage their own career development consciousness, and heighten the levels of employees' missions and motivation while also creating dynamic workplaces filled with vitality.

The system enables employees to shift from the so-called "general course" to the "comprehensive course" and other career courses, and we believe that this system's functions play a crucial role in creating an environment in which employees can fully utilize their own motivation and abilities.

Instituted six years ago, the system has been used by an annual average of approximately 10 employees who choose to proactively make the requisite efforts and address the challenges of a new career development path.

Self-Reporting/Qualification Assessment System

The Self-Reporting/Qualification Assessment System helps Yakult learn about individual employees' opinions, desires, and specific capabilities with respect to job characteristics, skill development, postings, and transfers. By promoting two-way communications and mutual understanding between employees and the Company, the system is designed to further increase the effectiveness of personnel management processes. One noteworthy feature of this system is the In-House FA (Free Agent) system, which enables employees to announce their desire to shift to a new position and effectively helps those employees move to new workplaces where they can make the most of their individual capabilities and potentials. This and other features of the Self-Reporting/Qualification Assessment System are helping individual employees grow while increasing the organizational dynamism.

Job Rotation System

Another system designed to help assess employees' capabilities and facilitate employees' long-term career development is the Job Rotation System. Employees hired for the "comprehensive course" (office section) initially undergo basic training about the Company

and business manners before being assigned to a post. During their first approximately 10 years with Yakult, they are transferred to new posts at roughly three- to four-year intervals, thereby experiencing work within three organizational units. By experiencing work both in the capital and outlying regions, both in marketing departments as well as administrative departments and other kinds of departments, employees expand the horizons of their experience in a balanced manner and increase the level of their skills. Concurrently, they gain a better understanding of what kind of post is most appropriate for them and can take measures to make the most of their abilities.

A Cafeteria Plan for Increasing Employee Satisfaction

As changes in society have increased the diversity of employees' value systems and expectations with respect to their jobs, Yakult has taken steps to increase satisfaction with employee welfare programs. Since fiscal 1998, we have been utilizing a Cafeteria Plan System to this end.

The system assigns all employees a certain number of points applicable to individual years. Employees can freely choose the way they apply those points to obtain various benefits available on the menu. Unused points can be carried over to subsequent years, further increasing the flexibility of the system.

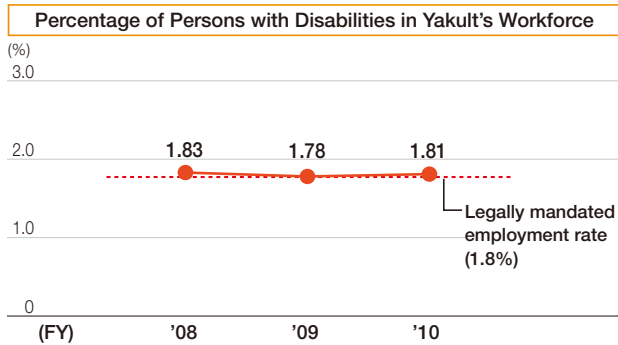
Principal menu items include travel subsidies, shinkansen (bullet train) commuting subsidies, self-development subsidies, and subsidies for making use of sports clubs and engaging in other recreational activities. Other items designed to facilitate employees' life plans and increase job satisfaction include subsidies for child raising and medical expenses. Currently, employees are applying approximately 90% of their annual allocation of points, and this suggests that the cafeteria menu of benefits has been well tailored to meet employee needs.

Hiring of Persons with Disabilities

Recognizing that it has an important responsibility to hire persons with disabilities, Yakult engages in such hiring in a stable manner while rigorously complying with legally mandated hiring levels. Having proactively engaged in recruitment activities aimed at attaining the legally mandated percentage of persons with disabilities in its workforce, we increased the rate to above the stipulated 1.8% rate in fiscal 1999 and have subsequently maintained our rate at above the legally stipulated rate. As a result, we were given the Tokyo Association for Employment of Persons with Disabilities Chairperson's Award in fiscal 2001 and the Tokyo Metropolitan Government Bureau of Industrial and Labor Affairs Director General's Award in fiscal 2002. These and other awards reflect society's high evaluation of Yakult's policies regarding the hiring of persons with disabilities.

In fiscal 2009, the impact of retirements and other factors caused the percentage of persons with disabilities in Yakult's

workforce to dip below the mandated level, but proactive hiring measures during fiscal 2010 brought the Company's level back above the mandated level.



Helping Realize Optimal Work-Life Balances

<Parental Child-Raising Leave for Men>

Yakult is taking diverse initiatives designed to enable its employees to realize optimal work-life balances, and one recent example is the

expansion of child-raising leave availability. While our “conservation leave” system was previously only available to people recovering from non-work-related injuries or nursing family members and quasi-family members, we revised our employment regulations in April 2010 to enable the system to be used for child-raising leaves.

As a result, four male employees obtained child-raising leaves during fiscal 2010 and were thereby able to increase their participation in a highly important family activity and reinforce their bonds with other family members.

<Abbreviated Work Schedules for Child Raising>

As another move to promote optimal work-life balances, Yakult has extended the applicability of its abbreviated work schedules for the child-raising system from “for the care of children below age three” to “for the care of children until they enter elementary school.”

<Encouraging Use of Paid Holidays>

As a move to promote the use of paid holidays, Yakult has created a system that creates a paid holiday for each employee on his or her birthday.



Kazunori Suda

Intestinal Function Research Section
Fundamental Research Department I
Yakult Central Institute for Microbiological Research

My first child was born on May 26, and with the encouragement of my boss, I took a three-day child-raising leave about a month after the baby was born. Deep in my heart, I was expecting to do a bit of housework and childcare while also making use of the leave to recover from my own fatigue. Leaving aside the housework, however, I found that caring for an infant was both mentally and physically exhausting. I learned that hugging an infant while rocking it to sleep places a considerable load on the back and arms. Those three days were both tiring and fulfilling in a way similar to time spent camping out with other high school club members. It was a very good experience.



Hisataka Ohmori

Public Relations Department

When my second daughter was born, I used the conservation leave system to obtain a child-raising leave. The leave was only for a week, but I took responsibility for taking the elder daughter to nursery school as well as handling many tasks for the second daughter, including feeding, bathing, diaper changing, and more. I am quite proud of my performance and think that the only way to improve on it would be if I could develop the ability to lactate. Thanks to the child-raising leave, I was able to spend a long, relaxed period of time with my children. When my boss recommended that I take the leave, I was initially slightly reluctant, but I am now very thankful for the leave.

乳酸菌とともに



Yakult's 75th Anniversary

The production and marketing of *Yakult* fermented milk drink was begun in 1935, in the city of Fukuoka. With the sustained support of our many loyal customers, we were able to celebrate the 75th year of our operations in 2010. Since our founding, we have worked to diversify our operations through such initiatives as those to establish businesses related to cosmetics and pharmaceuticals, and we currently market our products in 31 countries and areas throughout the world.

47 Years of Yakult Ladies

Yakult launched its unique Yakult Lady home-delivery system in 1963. Responsible for implementing promotional activities, Yakult Ladies work to maintain good communications with people in their regions, explain the concept of probiotics and disseminate scientific information about the health benefits of our products. Since 1972, Yakult Ladies have also systematically made courtesy visits to elderly people living alone to check on their well-being and spend some time chatting with them.



Yakult Containers Registered as 3-D Trademark

In November 2010, the plastic bottles of *Yakult* fermented milk drink products were recognized as being qualified for registration as a three-dimensional (3-D) trademark. Previously, containers without logo marks were not allowed to be registered as trademarks, but it was decided that “the use of the bottles over many years has made it sufficiently easy to identify the bottles based on their shape alone.”

Worldwide Daily Sales of Dairy Products Surpass 30 Million Bottles

After 75 years of marketing Yakult fermented milk drink in Japan and 46 years of marketing the product overseas, Yakult was able to boost its worldwide daily sales of dairy products (fermented milk drinks) past the 30 million bottle mark (based on sales figures for June 2010). Domestic sales volume was 9,727,000 bottles per day (up 5.7% from the level in the same period of the previous year), while overseas sales volume was 20,495,000 bottles per day (up 6.3%). Going forward, by encouraging customers to drink dairy products on a daily basis as a means of promoting improved health, we are aiming to further increase our daily global sales of dairy products to the 40 million bottle and 50 million bottle levels.



Joie Containers Win WorldStar Award

Soon after winning the “AsiaStar Award” at the AsiaStar 2009 event of the Asian Packaging Federation, the containers of Joie drink-type yogurt products were chosen for the “WorldStar Award” of the World Packaging Organisation in recognition of the containers’ outstanding design.

Among the particularly noteworthy features of the containers, all components can be disposed of in sorted plastic trash, and special processing has been undertaken to facilitate straw insertion.

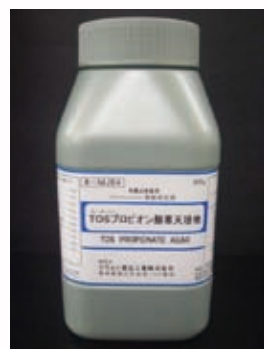


Japanese Fermented Drink Standard Adopted as International Standard

At the July 2010 meeting of the Codex Alimentarius Commission, an intergovernmental organization that sets food standards, it was decided that the characteristics of fermented milk drinks developed in Japan would be adopted as a globally accepted standard for the category of “Drinks based on Fermented Milk.” This is the first time that a food product developed in Japan has been recognized as a global standard.

TOS Medium Adopted as Standard

The International Dairy Federation and the International Organization for Standardization have accepted the transgalactosylated oligosaccharides (TOS) propionate agar medium developed in-house by Yakult as the standard medium for cultivation of Bifidobacteria. In addition to being extremely pleased that the technology we have developed has been adopted as a global standard, we believe that the recognition of this technology is an important step toward greater recognition of the virtues of Bifidobacteria.



Business Site Reports

[Note regarding fuels]

In addition to heavy fuel oil and city gas (natural gas), plants make use of LPG for kitchen-related applications. However, fuel usage figures are stated in terms of the amount of the main fuel used at each facility, with usage of secondary types of fuels converted into the corresponding volume of that main fuel.

[Fuels used at each site]

Heavy fuel oil/LPG: Fukuyama Plant, Saga Plant, Kumamoto Plant
Heavy fuel oil/city gas/LPG: Fukushima Plant, Ibaraki Plant, Fuji Susono Plant (including pharmaceuticals)
City gas/LPG: Kyoto Plant, Shonan Cosmetics Plant
City gas: Yakult Central Institute for Microbiological Research

[Main products of each site]

The items listed are current as of March 31, 2011.

Fukushima Plant



(ISO14001 certification obtained on May 31, 2002)



Shingo Yamaki
 Manager, Facilities Management Section

Location: 10-1, Aza Tooki, Kuroiwa, Fukushima-shi, Fukushima 960-8520

General Manager: Masaru Kurihara

Products Produced: Concentrated *Yakult*, concentrated *Yakult Calorie Half*, concentrated *Yakult 400*, *Mil-Mil S*, *Sofuhl*, *Yakult Genki Yogurt*

Plant Grounds Area: 28,059m² **Building Floor Space:** 13,518m² **Number of Employees:** 136

Fiscal 2010 Review

We have begun concurrent production at the new building and the old building, and the amount of energy usage at each building has increased. However, we are moving ahead with measures to increase the efficiency of manufacturing and production activities using new facilities, and we are striving to conserve energy. As a means of helping protect the global environment, we are considering the use of natural gas as our boiler fuel.

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	Heavy Fuel Oil Usage (kl)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	182,539	8,219,380	1,278	669.2	20.526	7,306	1.351	4.939

Ibaraki Plant



(ISO14001 certification obtained on August 9, 2002)



Yasuhiko Jin
 Section Manager, Facilities Management Section

Location: 1232-2, Oaza Kawatsuma, Goka-machi, Sashima-gun, Ibaraki 306-0314

General Manager: Teiji Nakamura

Products Produced: Concentrated *Yakult*, concentrated *Yakult 300V*, concentrated *Yakult SHEs*, concentrated *Yakult 400*, concentrated *Yakult 400LT, BF-1*

Plant Grounds Area: 44,800m² **Building Floor Space:** 15,564m² **Number of Employees:** 90

Fiscal 2010 Review

Our energy usage volume has increased in step with the growth of our production volume. Our environmental protection activities include participation in a cleanup campaign for the Gongendo River adjacent to our plant. As part of our efforts to protect the global environment, we implemented a construction project to enable us to use city gas as our boiler fuel in October 2010, and this step is aimed at reducing emissions of greenhouse gases.

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	City Gas Usage (m ³)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	176,720	5,393,675	861,061	207.5	0.709	4,313	0.511	1.311

Fuji Susono Plant/Fuji Susono Pharmaceutical Plant



(ISO14001 certification was obtained for the Fuji Susono Plant on October 13, 2000, and for the Fuji Susono Pharmaceutical Plant on January 10, 2003.)

Fuji Susono Plant

Location: 653-1, Aza Juzaburo, Shimowada, Susono-shi, Shizuoka 410-1105

General Manager: Naoki Tomomatsu

Products Produced: Concentrated *Yakult 400*, concentrated *Yakult 400LT*, *Pretio*, *Joie*, *Mil-Mil*, *Sofuhl*, *Purela*

Fuji Susono Pharmaceutical Plant

Location: 653-1, Aza Juzaburo, Shimowada, Susono-shi, Shizuoka 410-1105

General Manager: Masayoshi Shimada

Products Produced: Prescription drugs, OTC drugs, enzymes

Plant Grounds Area: 208,497m² **Building Floor Space:** 25,382m² **Number of Employees:** 276

Fiscal 2010 Review

In fiscal 2010, our energy consumption volume rose owing to such situations as record-high summer temperatures, the Great East Japan Earthquake disaster, and the production of seasonal and new products. Despite that situation, we were able to attain our target for reducing the volume of waste products. As a means of contributing to nearby communities, we participated in a Mt. Fuji cleanup campaign and implemented periodic cleanup campaigns for rivers and areas near the plant. We believe our activities have made a considerable contribution to environmental protection.



Takuma Arai
Manager,
Products Section II

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	City Gas Usage (m ³)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	544,500	18,957,501	2,282,758	840.0	0.342	13,420	2.042	3.380

*Note: The Fuji Susono Pharmaceutical Plant is situated on the grounds of the Fuji Susono Plant.

Kyoto Plant



(ISO14001 certification obtained on October 29, 1999)

Location: 38, Tohachi, Makishima-cho, Uji-shi, Kyoto 611-0041

General Manager: Akifumi Doi

Products Produced: Concentrated *Yakult*, concentrated *Yakult 400LT*, *Mil-Mil*, *Mil-Mil S*

Plant Grounds Area: 19,180m² **Building Floor Space:** 7,440m² **Number of Employees:** 82

Fiscal 2010 Review

We further expanded our environmental protection activities during fiscal 2010, and such measures as those to reduce the standby status periods of ultra-high temperature (UHT) processing equipment enabled us to attain our CO₂ emission reduction target. In addition, by standardizing processes for recovering residual liquids in pipes, we were able to attain our waste product reduction target. Going forward, we will continue strengthening and expanding our environmental activities to help make our plant highly friendly to people and the world.



Yoshiharu Wada
Manager, Facilities
Management Section

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	City Gas Usage (m ³)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	290,618	4,665,851	924,462	298.8	0.152	3,730	0	0.898

Fukuyama Plant



(ISO14001 certification obtained on February 22, 2002)



Mikio Kinoshita
Section Manager,
Facilities Management
Section

Location: 5253, Kamura-cho, Fukuyama-shi, Hiroshima 729-0112
General Manager: Megumi Tagomori
Products Produced: Concentrated *Yakult 400*, concentrated *Yakult 400LT*, *Sofuhl*
Plant Grounds Area: 18,638m² **Building Floor Space:** 4,121m² **Number of Employees:** 50

Fiscal 2010 Review

Although our energy consumption rose along with our production volume, we were able to reduce our energy consumption per unit of production output by eliminating waste, reevaluating our operating systems, reevaluating our operational methods, and taking other initiatives. In this way, we were able to attain our environmental protection targets and objectives. We also undertook environmental protection activities in close cooperation with nearby communities.

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	Heavy Fuel Oil Usage (kl)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	113,757	2,358,144	464	186.6	0.187	2,739	0.519	1.689

Saga Plant



(ISO14001 certification obtained on December 21, 2001)



Takashi Kotubo
Manager, Facilities
Management Section

Location: 2300, Tamichigari, Kanzaki-machi, Kanzaki-shi, Saga 842-0002
General Manager: Toyoaki Irifune
Products Produced: *Pretio*, *Joie*, *Mil-Mil S*
Plant Grounds Area: 21,608m² **Building Floor Space:** 7,005m² **Number of Employees:** 101

Fiscal 2010 Review

We began using our solar power generation system from December 2010, and that has helped reduce our CO₂ emissions. Regarding the results of activities aimed at environmental protection targets and objectives, we took such measures as those to increase the efficiency of air-conditioner use in brick container filling rooms and were thereby able to greatly reduce our electric power consumption. Going forward, we will proactively promote environment-friendly production activities while also striving to engage in environmental protection activities in close cooperation with nearby communities.

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	Heavy Fuel Oil Usage (kl)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	207,272	4,825,398	490	166.1	0.050	3,104	0.586	1.056

Kumamoto Plant



(ISO14001 certification obtained on February 8, 2002)



Masaharu Miyabe
Section Manager,
Facilities Management
Section

Location: 3-24-1, Kamikumamoto, Kumamoto-shi, Kumamoto 860-0079
General Manager: Minoru Hayamizu
Products Produced: Concentrated *Yakult*, concentrated *Yakult 400*, *Sofuhl*
Plant Grounds Area: 15,234m² **Building Floor Space:** 4,855m² **Number of Employees:** 61

Fiscal 2010 Review

By increasing the efficiency of our production facilities and renovating facilities, we were able to reduce industrial waste product volume and CO₂ emissions. In addition, our regularly implemented regional cleanup campaigns and river cleanup campaigns were appreciated by local communities, and this was recognized as a "good point" during our ISO14001 renewal process. Going forward, we will be promoting activities that help increase awareness of environmental protection issues.

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	Heavy Fuel Oil Usage (kl)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	114,995	2,196,000	525	202.8	19.574	2,229	0.542	1.246

Shonan Cosmetics Plant



(ISO14001 certification obtained on July 12, 2002)



Takato Suguri
Manager, General
Affairs Section

Location: 2-5-10, Kugenumashinmei, Fujisawa-shi, Kanagawa 251-0021

General Manager: Toshiya Yanagisawa

Products Produced: Cosmetics products

Plant Grounds Area: 4,455m² **Building Floor Space:** 3,200m² **Number of Employees:** 43

Fiscal 2010 Review

Just as in the previous year, we worked to reduce waste generation volume, increase loading ratio efficiency, and decrease CO₂ emissions and were able to attain our targets. We also sustained our cosponsorship of and participation in cleanup and zero-trash campaigns and eco-cap collection programs, thereby engaging in environmental and social activities that contributed to society.

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	City Gas Usage (m ³)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	19,086	632,684	26,076	23.7	1.019	305	0	0.052

Yakult Central Institute for Microbiological Research



(ISO14001 certification obtained for Central Institute Analytical Center on January 11, 2001)



Masafuku Nomura
Manager, Facilities
Management Section

Location: 1796, Yaho, Kunitachi-shi, Tokyo 186-8650

General Manager: Haruji Sawata

Research Fields: Development research for foodstuffs, pharmaceuticals, and cosmetics; research related to intestinal bacteria; bioactive substance discovery research; biotechnology research; product and material safety testing and research; analytical testing

Plant Grounds Area: 21,257m² **Building Floor Space:** 21,402m² **Number of Employees:** 269

Fiscal 2010 Review

During the fiscal year, our efforts to reduce environmental impact through the use of high-efficiency machinery and facilities was highly evaluated, and we obtained an overall AA+ evaluation from the Tokyo Metropolitan Government's Prevention of Urban Global Warming system. Moreover, we have obtained more electric power than anticipated from our installation of solar power equipment, and we intend to strive to further reduce our environmental impact going forward by expanding our solar power facilities.

Fiscal Year	Water Usage (m ³)	Electric Power Usage (kWh)	City Gas Usage (m ³)	Waste Product Emissions (t)	BOD (t)	CO ₂ (t)	SO _x (t)	NO _x (t)
2010	49,498	7,833,720	678,137	175.2	5.170	4,371	0	0.140

Activities of Principal Overseas Business Sites

(*Figures for numbers of employees are as of December 31, 2010.)

Hong Kong Yakult Co., Ltd.

Location: Hong Kong Special Administrative Region, People's Republic of China

Start of Operations: June 1969

Number of Employees: 177

Business Scope: Manufacture and marketing of *Yakult*

ISO9001 Certification: 2001

Environmental Activities

After separating recyclable from non-recyclable waste, the company's plant has sorted its recyclable waste into such categories as paper, empty containers, aluminum foil, OPP film, and petri dishes, and had these resources collected by specialized recycling companies. To increase the efficiency of its wastewater treatment facility, the company introduced an immersed membrane filter that has increased operational efficiency as well as improving the quality of wastewater emissions and helped cope with a rise in the volume of wastewater requiring treatment.

Social Activities

To increase exchanges with local communities, the company has promoted plant tours, and the number of people annually participating in such tours has surpassed 30,000. In addition, to increase communication with the local Japan-affiliated community and promote sports activities, the company has provided support for the uniforms and the caps, and other expenses, including membership in a local Little League baseball team.

Yakult (Thailand) Co., Ltd.

Location: Bangkok, Thailand

Start of Operations: June 1971

Number of Employees: 1,167

Business Scope: Manufacture and marketing of *Yakult*

Environmental Activities

The company is participating in a project aimed at confirming the functions of truck fuel consumption reduction systems, and this activity is estimated to have led to an approximately 45,000kg reduction of CO2 emissions in 2010. Plans call for equipping all the company's 104 trucks with such systems within two years. The company has sorted its waste products, sold valuable recyclable resources to specialist companies, and utilized purified wastewater for such applications as truck washing, toilet water, and laundering, thereby conserving water. The company has also worked to conserve electric power consumed by air-conditioning equipment through such initiatives as the prevention of temperature rises within production areas by venting steam from tanks following their sterilization.

Korea Yakult Co., Ltd.

Location: Seoul, Republic of Korea

Start of Operations: August 1971

Number of Employees: 1,784

Business Scope: Manufacture and marketing of *Yakult*, *Yakult S*, *Yakult 400*, etc.

ISO9001 Certification: 1998

Environmental Activities

The company is striving to recover used *Yakult* containers and utilize them in its Yakult Water Purification System. Participating in a "green campaign" designed to reduce vehicle exhaust emissions, the company has arranged for all of its employees to use car pooling for their commuting.

Staff at the Pyeongtaek Factory have been participating in a river cleanup campaign.

Social Activities

The company has organized a "Help Love Campaign" that calls for donating 1% of all employees' salaries to such charitable organizations as those that care for underprivileged children. This year, the company cosponsored for the 34th time a national contest aimed at encouraging children to gain a better mastery of the Korean language. The company's Yakult Ladies are implementing various social activities, including the "Love Kimchi Campaign", in which the Yakult Ladies make kimchi and provide it free of charge to needy elderly people throughout South Korea.

The Nonsan Plant has established "environmental sister" relationships with local schools, to which it provides scholarships and financial support for environmental protection campaigns and other activities.

Yakult Philippines, Inc.

Location: Manila, Philippines

Start of Operations: October 1978

Number of Employees: 630

Business Scope: Manufacture and marketing of *Yakult*

Environmental Activities

The company sorts its waste materials and commissions their processing by government-approved specialist companies. Its wastewater treatment facility is managed by specialists who have received training in government-specified courses.



Social Activities

When local water supplies are interrupted because of the delayed development of local infrastructure, the company's plant provides local communities with industrial-use water after subjecting that water to softening and disinfection processes. The company also works to strengthen its ties with local communities by providing products and financial support for local festivals.



Yakult (Singapore) Pte., Ltd.

Location: Singapore

Start of Operations: July 1979

Number of Employees: 142

Business Scope: Manufacture and marketing of *Yakult* and *Yakult S Light*

ISO9001 Certification: 2003

■ Environmental Activities

To reduce the volume of waste products, the company thoroughly sorts its waste products into three categories—reusable items, resources that can be sold, and waste products. To reduce its water consumption, the company has placed restrictive orifices within water pipes to reduce flow rates. It is working to reduce electric power consumption through the measures to improve the efficiency of its conveyor belt control system.

■ Social Activities

The company cosponsors various symposiums. For example, the company provides funds and products to support the symposiums, regional health lecture meetings, and other activities organized by the Singapore Cancer Society and has been a main sponsor of symposiums organized by the National Foundation for Digestive Diseases (NFDD) for more than 20 years.

The company also donates funds and equipment to support the operations of a swimming school that has produced numerous athletes who participate in swimming competitions, which are popular in Singapore.



P.T. Yakult Indonesia Persada

Location: Jakarta, Indonesia

Start of Operations: January 1991

Number of Employees: 2,262

Business Scope: Manufacture and marketing of *Yakult* and *Yakult S*
ISO9001 Certification: 2006

■ Environmental Activities

Since December 2010, the company has operated a Yakult A&G Environmental Water Purification System that employs used *Yakult* containers. In light of the delayed development of local infrastructure, the company is using its new water purification system as a demonstration facility as it works to promote the construction of additional such facilities and thereby increase the effective use of used *Yakult* containers.

In cooperation with the Indonesian government's housing authority, the company is implementing and providing support for a project aimed at creating small-scale wastewater purification facilities using *Yakult* containers in Semarang. It believes that the success of this project will contribute to an improvement in Indonesia's wastewater treatment situation.

■ Social Activities

The company works to increase understanding of Yakult and increase exchanges with local communities by organizing plant tours and film showings. Besides cosponsoring various kinds of symposiums, the company organizes booths at local food product exhibitions, Indonesia-Japan friendship promotion programs, local Japanese school festivals, and other events to promote better understanding of the benefits of *Yakult* fermented milk drinks.

Yakult Australia Pty. Ltd.

Location: Dandenong, Australia

Start of Operations: February 1994

Number of Employees: 90

Business Scope: Manufacture and marketing of *Yakult*
and *Yakult Light*

ISO9001 Certification: 2004

■ Environmental Activities

By reevaluating plant facilities' operating time periods and settings, the company has reduced its consumption of electric power and natural gas used as fuel. To reduce its water consumption, it has begun introducing a system for filtering rainwater and utilizing it as purified water, and a system for chlorinating and filtering wastewater from reverse osmosis filtering units and reusing that water for cleaning applications. As the State of South Australia has implemented an empty container recycling law, the company is paying the authorities 10 cents for each container it markets.

■ Social Activities

The company is cosponsoring the social contribution activities of the AFL Essendon FC Australian football club, supporting the teaching activities of institutions authorized based on the State of Victoria standards for university admissions, and supporting the operation of Australian football clinics near Melbourne for children aged 5 through 12.

Yakult (Malaysia) Sdn. Bhd.

Location: Kuala Lumpur, Malaysia

Start of Operations: February 1994

Number of Employees: 173

Business Scope: Manufacture and marketing of *Yakult S*
and *Yakult S Light*

■ Environmental Activities

Trash generated at the plant is separated into three categories and consigned to a contractor for processing. The plant's wastewater is purified with an activated sludge-type wastewater treatment facility. The quality of discharged water by that facility is analyzed by a contractor monthly and reported to the government's environmental agency.

■ Social Activities

The company implements factory tours and various kinds of events as a means of promoting exchanges with local communities.

Yakult Vietnam Co., Ltd.

Location: Ho Chi Minh City, Socialist Republic of Vietnam

Start of Operations: September 2007

Number of Employees: 127

Business Scope: Manufacture and marketing of *Yakult*
ISO22009 Certification: 2009

■ Environmental Activities

To reduce its waste product volume, the company has set itself the goals of decreasing the loss ratio by 10% (diminishing the share of sub-standard products in container filling and forming operations by 10%) and increasing energy efficiency per unit of production output by 5%.

■ Social Activities

The company has promoted plant tour participation by people ranging from kindergarten schoolchildren through adults. In addition, the company has cosponsored and participated in industrial park organized charity events as well as local consciousness-raising events held on World Environment Day.

Yakult (China) Corporation

Location: Shanghai, People's Republic of China
Start of Operations: April 2005
Number of Employees: 11
Business Scope: Supervision of Group companies in China and marketing of *Yakult*

Environmental Activities

The company is promoting programs aimed at collecting and recycling empty *Yakult* containers as well as empty PET bottles and caps. It has equipped its trucks with GPS equipment, methodically checks the trucks' fuel economy, regularly implements safe driving training for drivers, and works to promote driving methods that are both environment-friendly and safe.

Social Activities

The company implements health-related educational programs for expectant mothers, nursing home residents, and other residents of local communities and also works to promote communication with local communities by promoting plant tours. It organizes product tasting programs to provide support for underprivileged students and households. In addition, employee volunteers implemented a campaign to raise funds to assist those impacted by the Great East Japan Earthquake disaster.



Guangzhou Yakult Co., Ltd.

Location: Guangzhou, People's Republic of China
Start of Operations: June 2002
Number of Employees: 550
Business Scope: Manufacture and marketing of *Yakult*
ISO14001 Certification: 2003
ISO9001 Certification: 2003

Environmental Activities

Having been evaluated as an outstanding enterprise regarding the safety and standardization of production activities, the level of environmental impact, the quality of work environments, and all other evaluation items, the company obtained a Guangzhou City Industrial Enterprise Safe Production Standardization Enterprise Class II certification. By reusing purified water, the company has reduced its water consumption by approximately 1,000t/month, and this achievement was highly evaluated by Guangzhou City and its development zone. By equipping four air compressors with inverter controls as well as a system for controlling the number of units in operation, the company was able to realize a 40% reduction in electric power consumption. Similarly, the company achieved a 9% reduction in its fuel consumption through the installation of a system for controlling the number of four boilers in operation. The company separates its trash and has attained a 100% recycling rate. In addition, to reduce its environmental impact, the company has employed a system that uses an activated charcoal device to absorb organic solvent vapors generated during the printing process of container filling machines.

Social Activities

The company cooperates with the students association of Shenzhen

University to implement such activities as a program to provide stationery products and subsidize the educational expenses in impoverished regions of Guangdong Province and a program to encourage autistic children to increase their participation in society by organizing a paper airplane flying contest in a special school for such children.

The company cooperates with volunteer organizations to implement such activities as those to help students at schools for the blind, people with physical disabilities, and elderly people living alone participate in plant tours as well as tourism activities within Guangzhou City.

The company cooperates with associations of elderly people to organize mountain climbing programs at Baiyun Mountain designed to promote better health. Approximately 3,500 people have participated in these programs.



Shanghai Yakult Co., Ltd.

Location: Shanghai, People's Republic of China
Start of Operations: May 2005
Number of Employees: 256
Business Scope: Manufacture and marketing of *Yakult*
ISO9001 Certification: 2008

Environmental Activities

The company separates and recycles its waste products, and it is employing a system for controlling the number of boilers in operation to reduce its energy consumption. It has a one-year contract with a consultant company that is providing energy conservation proposals, and it is making use of those proposals in its operations.

Social Activities

Each year prior to the Lunar New Year, the company donates sums of between RMB100,000 and RMB200,000 to impoverished residents of nearby communities through the Jiading District Government.

Yakult S/A Ind. E. Com. (Brazil)

Location: Sao Paulo, Brazil
Start of Operations: October 1968
Number of Employees: 2,450
Business Scope: Manufacture and marketing of *Yakult*, *Yakult 400*, *Sofuhl*, etc.

Environmental Activities

The company is continuing to conduct tests of an activated sludge wastewater treatment facility, and it separates its waste and employs recycled resources. The company employs natural gas to fuel its boilers, so that the level of pollutants in its exhaust gases is not significant. To respond to Brazil's Law No. 12,305 regarding solid waste products issued on August 2, 2010, the company has formed a project team that is considering methods of collecting empty containers.

Social Activities

The company provides plant tours to students from local kindergartens, schools, associations as well as other people. In addition, the company supports a baseball league and cosponsors Brazilian baseball activities as well as providing support for the activities of Japanese cultural organizations.

Yakult S.A. de C.V. (Mexico)

Location: Mexico City, Mexico

Start of Operations: October 1981

Number of Employees: 2,798

Business Scope: Manufacture and marketing of *Yakult*, *Yakult 40LT*, *Sofuhl*, *Sofuhl* (drink), etc.

ISO9001 Certification: 2008

Environmental Activities

The company has sorted its waste products and arranged for their collection by a certified waste processor, so that the amount of its waste products processed by incineration has been reduced to zero. By promoting the extinguishing of unnecessary lights and other measures, the company has reduced its electric power consumption by 15%, and additional reductions in electric power consumption and expenses are being achieved by suspending the operation of a portion of its wastewater purification facility in line with variations in production levels.

Environmental inspections within plants are conducted every three years for boiler exhaust gases, every year for facility emissions into the air (powdered milk, organic solvents, electric power generator emissions), and every month for wastewater processing facility effluent. These inspections are implemented in compliance with laws and regulations, and the resulting data is reported to government authorities and utilized to maintain rigorous environmental management processes.

Social Activities

Aiming to make a contribution to its region, the company donates funds to the Ixtapaluca Red Cross and provides support to the local fire department.

Yakult U.S.A. Inc.

Location: Los Angeles, USA

Start of Operations: October 1999

Number of Employees: 47

Business Scope: Manufacture and marketing of *Yakult* and *Sofuhl*

Social Activities

In September 2010, the company cosponsored a symposium organized by the American Academy of Family Physicians. The company strives to make a contribution to stakeholders of all ages through such activities as those related to U.S.-Japan cultural exchange activities and educational support programs.

Yakult Europe B.V.

Location: Almere, Netherlands

Start of Operations: March 1996

Number of Employees: 126

Business Scope: Supervision of Group companies in Europe and manufacture of *Yakult* and *Yakult Light*

ISO14001 Certification: 2000

ISO9001 Certification: 2005

Environmental Activities

Having obtained ISO14001 certification of its environmental management system, the company uses that system to move forward with a full range of environmental protection measures in a sustained manner. The company registered with the energy conservation plan introduced by European environmental authorities in 2009, and it has set itself the target of reducing its energy consumption by 4.4% during the four years through 2012.

In accordance with the European regulation concerning the registration, evaluation, authorization and restriction of chemicals (REACH), a regulation designed to prevent environmental pollution that took effect from 2007, the company is moving ahead with related registration processes.

Social Activities

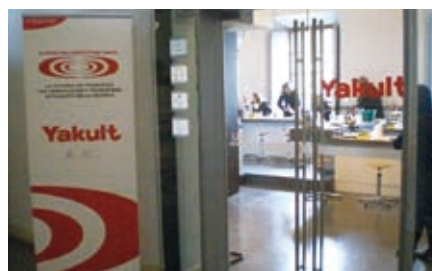
In the Netherlands, since the company's founding, it has supported local culture by acting as a sponsor of the Netherlands Philharmonic Orchestra (NedPhO). In 2010, the company marked the 25th anniversary of the establishment of the NedPhO and the 75th anniversary of Yakult's founding by organizing a commemorative concert and hosting the attendance of nursing and welfare facility residents and other residents of local communities at that concert.



In Germany, the company made a cultural contribution as a sponsor of a children's opera program in Cologne that is designed to promote young people's emotional education. In the United Kingdom, the company makes donations to Core, the Gut Trust, and St. Mark's Hospital, and also plans such events as the Gut Week event and seeks other opportunities to contribute to better health by providing explanations of intestinal function. In Belgium, the company is dispatching dietitians to visit homes and provide advice on various subjects, including the proper way to eat breakfasts.



In Austria, the company works as a sponsor of the local Red Cross chapter to provide blood donors with *Yakult* fermented milk drink and also makes twice yearly donations of a portion of discharged ales to support Red Cross activities. In Italy, the company has become a partner of the Leonardo da Vinci National Museum of Science and Technology, taking responsibility for a program on the theme of "food and health/science" that contributes to the education of young people. Also in Italy, the company plans "Healthy Intestines Month" programs implemented each April in cooperation with the country's national association of dietitians as a means of explaining the importance of healthy intestines and supporting progress in people's understanding of health issues.



As a consumer who earnestly wishes to realize sustainable lifestyles, I was given the opportunity to express my opinion regarding this year's *Yakult Social & Environmental Report*.

The unprecedented disaster caused by the Great East Japan Earthquake of March 11, 2011, made it clear to all of us how difficult it is to continue living ordinary lives. By this time, I think we all have noticed the challenges that we all face in striving to lead sustainable lives.

Currently, there are a great many people who are seriously thinking about what they should do as responsible members of society and then taking action. This year's report includes a special feature article on what the Yakult Group did in response to the disaster. At a time when the Group itself was seriously impacted and facing considerable difficulties in continuing its business activities, the Group actively undertook reconstruction and support activities while also moving quickly to restore its own operations. In his message, Yakult's president also emphasizes that responding to the disaster was the top issue this year with respect to social activities.

Immediately after the earthquake, Yakult products were temporarily unavailable in Tokyo area stores, and this made consumers keenly aware that the Yakult Group had also been seriously impacted by the disaster. Later, when I noticed that Yakult products had reappeared in stores, I was not only very pleased to be able to buy the products for myself—I also had a strong feeling of happiness deep in my heart, knowing that the Yakult Group had made progress in restoring its business operations. In any case, I was reminded once again that the fates of consumers and companies are closely interlinked, even though most people do not normally discuss this issue explicitly.

These were the thoughts going through my mind when I began reading this year's report.

I was quite impressed to read about Yakult's hopes to promote better health throughout the world together with the reports on the Group's overseas operations and the site reports from overseas companies.

In addition, just as in last year's edition, this year's report provides a very clear explanation of Yakult's traceability systems and how they facilitate efforts to ensure the safety of food products. I gained a good understanding of how the Group maintains a



Kikuko Tatsumi
Executive Director and Chair
of the Environmental Committee
Nippon Association of Consumer
Specialists (NACS)

Profile

Born in Osaka, Tatsumi was a teacher before earning her certification as advisory specialist for consumers' affairs in 1985. She has been a board member of NACS since 1998 and chairman of the Environmental Committee of NACS since 1999. Among her numerous other positions at this time, she is an ad hoc member of the Industrial Structure Council and the Advisory Committee on Energy and Natural Resources of the Ministry of Economy, Trade and Industry and a specialist advisor to the Central Environment Council of the Ministry of the Environment. Through her activities chairing the NACS Environmental Committee, she is seeking to help realize sustainable lifestyles by spotlighting the contribution that consumers can make by selecting products based on a comprehensive knowledge of the environmental impact of product life cycles. She is emphasizing efforts to promote this concept among consumers as well as companies.

comprehensive grasp of the flows of various items and the work of many people at each life stage of Yakult products. While Yakult is providing food products, in the future, I hope the Company will continue to emphasize its safety-related traceability systems along with information on upstream and downstream situations related to the health of the global environment. This kind of information is a good way to promote consumers' peace of mind regarding the Group's products. It is very good to read that Yakult is making many kinds of efforts at all product life-cycle stages to promote biodiversity and reduce environmental impacts. In contemporary society, this kind of comprehensive information about all aspects of products is becoming a necessity, and I am confident that Yakult will continue to demonstrate its excellence in this respect.

Yakult's founder, Dr. Minoru Shirota, noticed the importance of preventive medicine at an early date and promoted the concept that strengthening the intestinal tract will promote better health and longer life spans. This philosophy continues to be at the center of Yakult's operations. And promoting the health and sustainability of the global environment is another important initial step toward better human health and sustainable lifestyles. That is why the slogan "For the Health of People Worldwide and of the Earth" is a simple-yet-excellent corporate slogan. When considering the "healthy intestines, long lives" concept, one naturally starts thinking about what the "intestines of the earth" might be and what we can do to keep those intestines robust. I am looking forward to reading more about how Yakult implements its corporate philosophy as it works to further strengthen and expand its CSR activities in the future.

Response to the Third-Party Opinion

I would like to express my deepest condolences to the many people who suffered from the Great East Japan Earthquake disaster and offer my prayers for the swift recovery of the impacted region. The earthquake had a major impact on the Yakult Group. That is why we believe it is suitable to give special attention within this year's *Yakult Social & Environmental Report* to our various CSR efforts associated with the disaster as well as to our business continuity plan (BCP) for maintaining our operations at times of emergencies. We discussed these topics in the special feature article. I will be very pleased if readers of this report have obtained a good understanding of how the Group responded to the recent disaster of unprecedented proportions.

Last year, Ms. Tatsumi provided us with her evaluation of the *Yakult Social & Environmental Report 2010*, and we are very happy to have obtained her objective third-party appraisal of *Yakult Social & Environmental Report 2011* this year.

First of all, I would like to thank her for her high evaluation. She is a consultant who emphasizes consumers' perspectives, and she is

also a specialist in environmental affairs. As the Yakult Group is engaged in innumerable interactions with consumers each day, we consider her comments to be of great value to us.

Going forward, we will continue to do our utmost to communicate important ideas about Yakult's social and environmental activities to as many people as possible and in a form that is easy to understand. As

we do this, we will be giving due attention to making sure that our reports reflect the insights we have gained from Tatsumi's comments. And we will also strive to ensure that our reports provide information that is both accurate and timely.

Thank you very much for your evaluation, Ms. Tatsumi, we sincerely appreciate it.



Yoshihiro Kawabata
Deputy President and Executive Officer
CSR/Environmental Management
Committee Chairman
Yakult Honsha Co., Ltd.

History of Environmental Activities

(Fiscal Years)	
1971	<ul style="list-style-type: none"> ■ Began collecting plastic containers of <i>Yakult</i> fermented milk drink products, etc.
1976	<ul style="list-style-type: none"> ■ Established Plastic Recycling Committee
1991	<ul style="list-style-type: none"> ■ Began using <i>Yakult</i> containers in wastewater treatment plants, etc. ■ Established the Environmental Countermeasures Committee and other environmental countermeasure units in Yakult Honsha to promote environmental management
1993	<ul style="list-style-type: none"> ■ Began developing and introducing products and equipment for the collection and recycling of product containers ■ Began introducing vending machines and showcases that use alternative chlorofluorocarbon refrigerants
1994	<ul style="list-style-type: none"> ■ Began overhauling and reusing vending machines
1995	<ul style="list-style-type: none"> ■ Drafted Basic Policy on Environment-Friendly Containers and Packaging and Container and Packaging Environment-Friendliness Evaluation Standards
1996	<ul style="list-style-type: none"> ■ Fukushima Plant selected for FY1996 MITI Minister's Award for Factory Energy Management Excellence
1997	<ul style="list-style-type: none"> ■ Drafted the Yakult Basic Policy on the Environment (including the Environmental Philosophy and Action Directives) ■ Made investment to collaboratively establish the Japan Containers and Packaging Recycling Association
1998	<ul style="list-style-type: none"> ■ Sapporo Plant selected for FY1998 MITI Minister's Award for Factory Energy Management Excellence
1999	<ul style="list-style-type: none"> ■ Established Green Purchasing Guidelines ■ Acquired ISO14001 certification for the Kyoto Plant and subsequently obtained this certification for all of Yakult Honsha's 12 plants by January 2003
2000	<ul style="list-style-type: none"> ■ Began annually publishing and distributing the <i>Yakult Environmental Report</i> ■ Began first phase of Yakult Environmental Action Plan
2001	<ul style="list-style-type: none"> ■ Drafted Environmental Accounting Guidelines and began annually disclosing environmental accounting data ■ Fujisawa Plant selected for FY2001 Efficient Use of Electricity Electrical Safety Awards
2002	<ul style="list-style-type: none"> ■ Drafted Environmental Pollution Risk Management Directive and Waste Product Management Directive
2003	<ul style="list-style-type: none"> ■ Revised the Action Directives of the Yakult Basic Policy on the Environment ■ Drafted Eco Vision 2010 ■ Began second phase of Yakult Environmental Action Plan
2004	<ul style="list-style-type: none"> ■ Created the Yakult Environment Symbol ■ Fujisawa Plant selected for FY2004 Energy Minister's Award for Factory Energy Management Excellence
2005	<ul style="list-style-type: none"> ■ Organized Symposium "Leaving Behind a Better Water Environment" ■ Acquired ISO14001 certification for the Okayama Plant and completed the receipt of this certification for all 24 Group plants ■ Contributed "support signs" to an environmental protected area near the Central Institute for Microbiological Research
2006	<ul style="list-style-type: none"> ■ Central Institute selected for FY2006 Tokyo Metropolitan Environment Award (Governor's Award) ■ Central Institute selected for FY2006 Japan Society on Water Environment Technology Award ■ Began introducing non-fluorocarbon vending machines that use a natural refrigerant ■ Began third phase of Yakult Environmental Action Plan
2007	<ul style="list-style-type: none"> ■ Central Institute presents Nitrifier Assay Kit and Yakult A&G Environmental Water Purification System at the Sewage Works Exhibition of the Japan Sewage Works Association
2008	<ul style="list-style-type: none"> ■ Participated in the Team Minus 6% program of the Ministry of the Environment
2009	<ul style="list-style-type: none"> ■ Drafted fourth phase of Yakult Environmental Action Plan
2010	<ul style="list-style-type: none"> ■ Revised the Action Directives of the Yakult Basic Policy on the Environment ■ Renamed the Environmental Countermeasures Office as the CSR and Environmental Promotion Department ■ Began the fourth phase of Yakult Environmental Action Plan ■ Central Institute earns AA+ evaluation for outstanding greenhouse gas reduction performance based on the Tokyo Metropolitan Government's Prevention of Urban Global Warming system

Yakult

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