



Materiality

## Value co-creation with communities

### Our approach

Based on our corporate slogan, “In order for people to be healthy, everything around them must also be healthy,” the Yakult Group recognizes the importance of co-creating value with communities and continuing our business activities in harmony with the environment. We also actively participate in building safer communities and contribute to local development for a sustainable society through our unique network of Yakult Ladies, who hand deliver products to customers.

### Risks and opportunities

Risks	Opportunities
<ul style="list-style-type: none"> <li>● Product-related safety/health issues could cause an interruption in business</li> <li>● Insufficient disclosure of product information could lead to less trust in the Group</li> <li>● Labor shortages or working environments with insufficient safety levels could cause an interruption in business</li> <li>● Stricter environmental regulations, air pollution, destruction of biodiversity could cause an interruption in business</li> </ul>	<ul style="list-style-type: none"> <li>● Providing safe, healthy products could lead to greater competitiveness</li> <li>● Providing full product information could lead to improved trust in the Group</li> <li>● Promoting diversity and creating a rewarding working environment could lead to a stable workforce</li> <li>● Introducing eco-friendly vehicles and vending machines could lead to increased environmental friendliness</li> </ul>

### Policies/Guidelines/Targets

- Yakult Ethical Principles and Code of Conduct (7. Contribution to Society)
- The Yakult Group’s Policy on Community Development Activities

### Targets and achievements

Targets	Achievements
<ul style="list-style-type: none"> <li>● Promote dispatch of lecturers and health-related classes*<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>▶ Lecturers dispatched for 12,700 lectures to 1,069,396 participants (total for Japan and overseas)</li> <li>▶ Health-related classes given 221,747 times to 7,414,560 participants (total for Japan and overseas)</li> </ul>
<ul style="list-style-type: none"> <li>● Promote Courtesy Visit Activities, community safety watch and crime prevention activities</li> </ul>	<ul style="list-style-type: none"> <li>▶ Courtesy Visit Activities conducted by 51 marketing companies visiting 35,279 older people*<sup>2</sup></li> <li>▶ Community safety watch and crime prevention activities carried out by 101*<sup>3</sup> marketing companies in cooperation with 932 local governments and other groups</li> </ul>
<ul style="list-style-type: none"> <li>● Further sports promotion</li> </ul>	<ul style="list-style-type: none"> <li>▶ Activities voluntarily suspended to prevent the spread of COVID-19</li> </ul>
<ul style="list-style-type: none"> <li>● Implement cooperative activities with local governments and other groups</li> </ul>	<ul style="list-style-type: none"> <li>▶ Concluded an agreement with Kunitachi City to provide water in the event of a disaster</li> <li>▶ Supported a campaign providing breakfast to disadvantaged elementary schoolchildren in the mountains of Yunnan, China</li> <li>▶ Took part in the breakfast for kids project, a public-interest initiative to provide children from impoverished families in mountainous areas with breakfasts.</li> </ul>
<ul style="list-style-type: none"> <li>● Deepen exchanges with local communities through plant festivals</li> </ul>	<ul style="list-style-type: none"> <li>▶ Activities voluntarily suspended to prevent the spread of COVID-19</li> </ul>

\*1 To prevent the spread of COVID-19, we chose to reduce activities in Japan and overseas. When group events are held, we take thorough protective measures. Some marketing companies in Japan and companies in some countries and regions overseas are holding events online.

\*2 Activities were held taking thorough protective measures to prevent the spread of COVID-19.

\*3 Including marketing companies under the holding companies.

### Challenges and solutions

Yakult Ladies, who give the Yakult Group its distinctive sales style, hand-deliver products with care and convey health information to customers. By making the most of engagement with customers, they help people lead healthier lives and contribute to communities’ safety and peace of mind.

However, the spread of COVID-19 has made it difficult for Yakult Ladies to conduct their activities in the same way as in the past. In response to these challenges, we now take thorough measures to prevent infection in making deliveries and have also begun communicating health-promoting information on the Yakult BASE website and distributing issues of the #YomuYakult health magazine so we can continue to contribute to the health of people in the community even during the pandemic.

## Message from the chief officers



### Tetsuya Hayashida

Director and Senior Managing Executive Officer  
Divisional General Manager of Food and Beverages Division

### Growing with the local community

The Yakult Group's business is rooted in local communities, with 101 marketing companies throughout Japan. The Yakult Lady home delivery system was launched in 1963 with the vision of contributing to the health of regional communities by explaining in detail how our products assist intestinal health so that customers understand and benefit from them. For customers that we cannot reach directly, we provide our products through alternative sales channels, such as retailers and schools.

A common feature of both our in-store and home-delivery activities is our focus on nurturing close ties with the community. We are always mindful of ways to promote intestinal health so as to contribute to the overall health of people in the community.

### Delivering better health

To deliver not only Yakult products but also better health, we dispatch lecturers to elementary schools to communicate the importance of intestinal health and how we can stay fit by following good lifestyle habits. We also organize health-related lectures and classes for people in the community on such topics as intestinal health and seasonal health trends. In addition, nutritional counseling sessions are held at business partners, and value-dissemination activities are held at retail outlets to convey the health benefits of Yakult drinks.

Out of our wish to contribute not only to healthier intestines but also better skin, in Japan, Yakult Ladies and Yakult Beauty Advisors introduce our lineup of cosmetic products and deliver beauty-related information, while beauty specialists lead classes in the community to offer skincare tips.

### A good corporate citizen

There has been renewed recognition in recent years of the need for and importance of community ties. In Japan, we are actively involved in initiatives to build safer communities, such as by visiting elderly people living alone to confirm their safety through Courtesy Visit Activities, as well as through community safety watch and crime prevention activities conducted in conjunction with local governments and police departments. The impetus for these initiatives—undertaken largely by our community-based marketing companies and Yakult Ladies—comes from our desire to contribute to the community.

We will continue promoting business activities that lead to value co-creation with communities, with all Group workers showing genuine concern about each customer.



### Susumu Hirano

Director and Senior Managing Executive Officer  
Divisional General Manager of International Business Division

### Sharing Yakult's core values with the world

Because people's desire for good health is universal, Yakult can contribute to regions far beyond Japan's borders. Our first overseas operations began in 1964 with the launch of Yakult Taiwan Co., Ltd. We have since continued to promote good health by nurturing close ties with the community, with Yakult products now being enjoyed in 39 countries and regions in Asia and Oceania, the Americas and Europe and more than 73,000 Yakult workers, including some 50,000 Yakult Ladies, working at 29 business sites and 27 plants. To deliver good health to as many people as possible worldwide, we conduct, just as in Japan, health-related lectures and classes and value dissemination activities in each country and region, in addition to delivering Yakult products.

### Harmonizing with diverse communities

There is great diversity among the world's countries and regions in terms of ethnicity, language, culture, customs and climate, and the differences far exceed any regional disparities found within Japan. Yet people everywhere share a desire for good health. To develop our business, we must contribute not only to people's health but also to local communities. Economic contributions include providing employment opportunities and facilitating women's advancement in society; educational and cultural support includes promoting healthy food habits, artistic activities, and sports programs; and environmental improvements include planting activities and energy conservation.

To these ends, we at Yakult take the time and trouble to go to each country and region and build the organization, distribution systems, close community ties, and networks that are conducive to promoting people's health through our products. This is a very time-consuming and labor-intensive "agricultural" style of business development, but we believe this is the best way of harmonizing with local communities and winning the trust and support of local residents.

### Delivering the benefits of Yakult products to people worldwide

As our operations have expanded, so has the share of the global population that can access Yakult's dairy products in some form; of the 7.9 billion people on the planet today, the countries and regions where Yakult operates account for 4.5 billion people, or around 56% for the total, while Yakult's market population is 2.4 billion people, or around 30%. This means, though, that there are still many people around the world that we have yet to reach.

To deliver good health to as many people as quickly as possible, we will strive to further expand our sales area while continuing to nurture close ties with local people and communities around the world and showing genuine concern about the welfare of each and every customer.

## The Yakult Group's Policy on Community Development Activities

As a member of the local community, we respect regional cultures and customs and promote corporate activities in cooperation with local communities. We believe that contributing to society as a good corporate citizen is the responsibility of the Company, and each employee proactively conducts social contribution activities. These activities lead to the resolution of social issues such as building safe and secure communities and establishing healthy living habits.

In March 2018 we established Yakult Group's Policy on Community Development Activities, and are using it as a foundation to further our activities moving forward.

### The Yakult Group's Policy on Community Development Activities

As a good corporate citizen, the Yakult Group actively promotes community development activities in cooperation with local communities.

1. Our activities are based on our mission of contributing to the health and happiness of people.
2. We utilize the Group's strength of being firmly rooted in local communities to engage in resolving social issues, and promoting sports and culture.
3. We value our dialogue with stakeholders, and cooperate and coordinate with them.

Established: March 20, 2018

## Community investment

In accordance with our Policy on Community Development Activities, we proactively engage in activities that contribute to community development. In fiscal 2021, we invested approximately 190 million yen in activities run in partnership with local communities

## Furthering the concepts of preventive medicine and a healthy intestinal tract leads to a long life

### ■ Providing information on health

We provide information on health through Yakult Ladies and hold forums on health-related topics led by experts. We also publish the *Healthist* magazine and use various other types of materials to proactively deepen health awareness of people in local communities.

Related information ▶ p. 72 *Healthist* magazine ▶▶▶

### ■ Developing online tools

We plan to launch health-related lectures and classes in an online format to continue providing information on health when in-person events cannot be held. We are currently developing tools that enable interactive communication, taking into account the digitalization of school learning. Once these tools are developed, they will be tested in limited regions as pilot cases ahead of a planned national launch during fiscal 2022.

Note: Some marketing companies are independently already holding online health-related lectures and classes.

### ■ Dispatching lecturers

Our branches and marketing companies in each region of Japan dispatch employees as lecturers to elementary schools and other locations, where they use scale models and other instructional tools to provide easy-to-understand information about the important role of the intestines and the importance of healthy eating habits conducive to good bowel functions. This program has been well received and cited as a positive case study in the *Journal of Japanese Society of Shokuiku*. In 2015 our program received an Honorable Mention from the Judging Committee of the Awards for Companies Promoting Experience-based Learning Activities for Youth, sponsored by Japan's Ministry of Education, Culture, Sports, Science and Technology (MEXT).

These lectures are also conducted in many countries outside Japan. In fiscal 2021, we conducted 2,472 such lectures in Japan for 111,541 participants, while outside of Japan there were a total of 10,228 lectures given to 957,855 participants.

### ■ Health-related classes

Health-related classes are given mainly by marketing company employees in each region at Yakult centers (Yakult Ladies sales hubs) and community facilities, and address a broad range of topics, including the importance of the intestines, probiotics and seasonal ailments. Recently the scope of these activities has extended to our business partners (such as chain stores and school lunch contractors), and nutrition consultations are now being offered in addition to health-related classes.

In fiscal 2021, there were 11,471 health-related classes conducted in Japan for 111,442 participants. In some countries and regions outside Japan classes were held both on and offline, with about 210,276 classes held for about 7.3 million participants.

Note: In fiscal 2021, to prevent the spread of COVID-19, we chose to reduce the number of lectures and classes in Japan and overseas. When group events are held, we take thorough protective measures. Outside of Japan, online lectures are being held in Hong Kong, the Philippines, Singapore, Indonesia, Australia, India, China (Guangzhou and Beijing), Brazil, Mexico, the UK, Germany and the Netherlands.



A health-related class organized by P.T. Yakult Indonesia Persada

### ■ Providing information about bowel cancer

As a social contribution activity in the pharmaceutical business, we provide people with the opportunity to deepen their knowledge of bowel cancer through pamphlets and a website that offer simple explanations of the disease and treatment for people suffering from bowel cancer and their families.

The website features basic information on bowel cancer as well as interviews with health care professionals, Q&As about bowel cancer, and other topics, all published under the editorial supervision of a cancer specialist.

In fiscal 2021, the website continued to feature topics that raised awareness of screenings for bowel cancer. Any new, helpful information from the Ministry of Health, Labour and Welfare and other public institutions was promptly posted on the website so that it could be disseminated to patients and their families. We also updated information on the site to reflect the latest available epidemiological data. Since going online in March 2012, the website has been accessed by a total of over 15 million people.

**WEB** [Bowel Cancer Information website >>>](https://www.daichougan.info/) <https://www.daichougan.info/> (Japanese)

### ■ Beauty workshops

Beauty is closely connected to health, and Yakult also produces cosmetics in addition to our beverages, food, and pharmaceutical products that contribute to health.

We thus run regular beauty workshops where customers, local community residents, and companies can receive beauty-related information and have skin consultations with marketing company employees and Yakult Beauty Advisors.



A beauty workshop

## Initiatives in each country and region

### ■ The Pink Ribbon campaign

In Japan, Yakult supports the Pink Ribbon campaign as an official supporter of J.POSH, an NPO raising awareness of early detection and treatment of breast cancer.

In October 2021, Yakult (Singapore) Pte. Ltd. took part in an effort to enhance people's awareness of breast-cancer prevention. The initiative involved placing stickers on Yakult products to publicize the Singapore Health Promotion Board's efforts to prevent breast cancer and a variety of other diseases through health screenings and financial assistance for screening expenses. And in December, we collaborated with the Singapore Breast Cancer Foundation (BCF) to illuminate the Merlion—a Singapore icon—in pink to coincide with the Pink Ribbon campaign. Breast cancer is one of the most common types of cancer in Singapore, accounting for over 2,000 new diagnoses and 400 deaths every year. Yakult (Singapore) Pte. Ltd. continues to work with BCF to raise people's awareness of the disease.



A Yakult Lady explains the Health Promotion Board sticker on a product (Singapore)

### ■ Supporting a children's heart disease program: Yakult Vietnam Co., Ltd.

Yakult Vietnam Co., Ltd. endorses and contributes to the Heartbeat Vietnam (Nhịp Tim Việt Nam) program that strives for early detection and treatment of heart disease in children from impoverished families. Cases of congenital heart disease in children have risen in recent years, and some families living in poverty give up on treatment because of the enormous costs of surgery. In fiscal 2021 Yakult Vietnam Co., Ltd. donated around 5.5 million yen to this incredibly important program that saves the lives of children and the futures of families. This contribution helps provide free heart disease screenings to children and covers a portion of surgery costs for families in need.



An event to encourage children, Heartbeat Vietnam program



## Supporting the safety and peace of mind of communities

### ■ Courtesy Visit Activities

Since 1972, Yakult Ladies have been visiting elderly people living alone as they make their deliveries to confirm that they are safe and to spend some time chatting with them. This activity began when a Yakult Lady in Koriyama, Fukushima, Japan, took it upon herself to provide Yakult products to elderly people living alone, at her own expense, after hearing the sad news that one such person had died unnoticed. Her consideration resonated with both the local Yakult marketing company and social workers in the region, and further moved many local governments to take action. As a result, these visits by Yakult Ladies, known as Courtesy Visit Activities, have spread throughout Japan.

In fiscal 2021, Yakult Ladies took extensive steps to prevent the spread of COVID-19 such as temperature checks, regular disinfection and quick deliveries, and checked up on elderly customers while making their deliveries.

As of March 2022, about 2,600 Yakult Ladies are paying regular visits to about 35,000 elderly people in response to requests from 120 local governments in Japan.

Outside Japan, Korea Yakult Co., Ltd. continuously undertakes activities to verify the safety of about 30,000 elderly persons living alone.

### ■ Community safety watch and crime prevention activities

Being well positioned to observe every corner of their sales areas during their daily deliveries, Yakult Ladies contribute to communities' safety and peace of mind by participating in crime watch and other activities undertaken in cooperation with 932 local governments and police units around Japan. As a result of these activities, there have been cases where Yakult Ladies have felt something was not normal at a customer's residence and reported it to the police, who have found and rescued the person. As of March 2022, 101 marketing companies\* throughout Japan have created organizations to help support communities' safety and peace of mind.

Since 2015, the Yakult Central Institute has worked with Pipo-kun's House, a system of designated emergency shelters where children can seek help if they are pestered, molested or followed, or feel they are in danger on the way to school or after school.

\* Including marketing companies under holding companies

### ■ Backing support facilities for persons with disabilities

In cooperation with prefectural pachinko and pachislot cooperative associations, we provide work opportunities to persons with disabilities staying at or visiting welfare facilities to support their participation in society. We ask them to attach stickers that include New Year and summer greetings to our products distributed to customers at pachinko and pachislot parlors. In fiscal 2021, we had the stickers attached to a total of around 740,000 bottles at 72 facilities in 20 prefectures.

### ■ Implementing social activities with vending machines

As of the end of March 2022, the Yakult Group has installed about 42,000 vending machines throughout Japan. Some of these vending machines have special social contribution functions that can offer important assistance to people in local communities.

For example, we are installing universal design models that are easy to use for everyone, disaster-relief 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.

In cooperation with Kirin Beverage Company, Limited, we are moving ahead with the installation of Pink Ribbon vending machines that contribute a portion of their proceeds to the Japan Cancer Society. In fiscal 2021, we installed another 4 Pink Ribbon vending machines throughout Japan (total: 316 in operation).



Pink Ribbon vending machine

### ■ Support during disasters

To contribute to the safety and peace of mind of local communities, Yakult actively provides support during disasters.

The Ibaraki, Fuji Susono, and Hyogo Miki Plants have entered into agreements with Goka Town, Susono City and Miki City, respectively, to supply emergency water during disasters.

Outside Japan we also have production bases in regions prone to natural disasters like earthquakes and typhoons, and have formulated systems that facilitate rapid support in times of disaster.

The Yakult Central Institute has made an agreement with Kunitachi City to supply drinking water to people evacuated in the event of a disaster. Water stored at the Institute will also be supplied to two fire stations in Kunitachi City for fire crews that conduct around-the-clock disaster management in the event of a disaster such as a large-scale earthquake.

### ■ Elderly welfare check: Yakult China Group

In the spirit of protecting the health of the elderly, Yakult Ladies from three delivery centers in Shanghai visited 48 elderly people living alone in the community during the Double Ninth Festival (China's day for seniors) in 2021, celebrated each year on the ninth day of the ninth lunar month of the traditional Chinese calendar. They checked on their living situation and wellbeing, spoke about intestinal health and the benefits of probiotics, and presented gifts to promote health. Informal social gatherings at three assisted-living facilities gave a total of 108 participants a chance to learn about the workings of the digestive tract and to try some finger exercises.



Visiting a nursing home

## Promoting health through sports

The Yakult Group strives to contribute to people's health by actively promoting various sports as well as undertaking regional and social contribution activities.

### ■ Baseball clinics

Yakult holds baseball clinics throughout Japan that are led by currently active professional players from the Tokyo Yakult Swallows during the off-season. The NPO Tsubame Sports Promotion Association was established in 2005 and holds baseball clinics by retired players from the Tokyo Yakult Swallows.

Note: Baseball clinics were suspended in fiscal 2021 to prevent the spread of COVID-19.

### ■ Ball-throwing clinic

In recent years the physical fitness of elementary school students has deteriorated, and there has been a particularly notable decline in throwing ability. At the request of kindergartens and elementary schools, the Tokyo Yakult Swallows baseball team runs ball-throwing clinics. While the COVID-19 pandemic has prompted a decrease in the number of clinics since 2020, organizers continue to hold the events under rigorous infection-control protocols. In fiscal 2021, clinics were held 29 times with 2,712 participants. The activity is steadily returning to its pre-COVID-19 levels; in fiscal 2022 (as of May 2022), the number of clinics is already double that held the previous year.



Ball-throwing clinic

### ■ Track and field club and rugby club

The track and field club, founded in 1972, participates in different sporting events such as *ekiden* (road relay) and marathon races. Yakult running clinics have been staged annually since 1988 as a place for athletes and local citizens to come together. The Yakult Levins rugby club was founded in 1980 and takes part in Japan Rugby's Top East League A. It also plays an active role in helping spread the game of rugby and improve children's health through rugby events and programs, taking part in the Toda Rugby Festival in Saitama Prefecture and a tag rugby clinic at elementary schools in Tokyo and Chiba Prefecture.

Note: In fiscal 2021, Yakult running clinics, the Toda Rugby Festival and tag rugby clinic were cancelled to prevent the spread of COVID-19.

## Environmental conservation

### ■ Cleanup activities

Each plant independently runs activities to improve the surrounding environment including at local rivers, parks and shrines. In fiscal 2021 activities were held 79 times with 776 participants. Although plants also actively participate in cleanup and other activities run by local communities, in fiscal 2021 participation was suspended to prevent the spread of COVID-19.

The Yakult Central Institute conducts staff-run cleanup activities on the second Thursday of every month. While the number of events has been reduced due to COVID-19, we continue to do cleanup activities in small groups. We also actively participate in initiatives that foster the next generation, like the Tama River Expedition for children where they can experience the joy of being in nature.

### ■ Recycling fair

A recycling fair is held annually at the head office building as part of our social contribution activities. All donations made by employees and profits from the sale of books are given to OISCA's Children's Forest Program. In 2021, donations from the recycling fair reached 69,506 yen. The Company donated the same amount as a matching gift.

## Addressing poverty issues

The Yakult Group's corporate philosophy of contributing to the health and happiness of people around the world links our business activities themselves with helping achieve each of the SDGs. The goal of tackling poverty is thus also an important issue for our Group.

We contribute towards solving issues of poverty and promoting healthy lifestyles to leave no one behind by supporting those who are disadvantaged through product donations and initiatives.

### Support for elderly people living poverty: Yakult Deutschland GmbH

Since February 2020, Yakult Deutschland GmbH has supported Herzwirk, a regional social project that cares for elderly people struggling with poverty in Dusseldorf. In addition to donating *Yakult*, the company helped foster a better understanding of the project's efforts by creating a Christmas card with the Herzwirk logo and donating two euros for every card sent.



A Christmas card with the Herzwirk logo

### Support for orphanages and children from impoverished families: Yakult (Malaysia) Sdn. Bhd.

Yakult (Malaysia) Sdn. Bhd. donated daily necessities and Yakult products to 30 children from impoverished families at six elementary schools. In addition, the company provided a total of 11,650 bottles of *Yakult* over the course of fiscal 2021 to support orphanages, flood victims, and families living in poverty.



Donation of Yakult drinks to an orphanage

### Support for children with serious illnesses: Guangzhou Yakult Co., Ltd.

Working through an organization that offers support to sick children in Guangzhou City, Guangzhou Yakult Co., Ltd. donated daily necessities and Yakult products to over 560 children hospitalized with serious illnesses at 11 area medical institutions. A group of 43 Guangzhou Yakult Co., Ltd. employees also donated some of their hair to make wigs for sick children experiencing hair loss.

### Support for the breakfast for kids project: Yakult China Group

The Yakult China Group takes part in a public-interest initiative organized by Yicai Media Group (China) to provide children from impoverished families in mountainous areas with breakfasts. Participating companies donate funding to pay for breakfasts on certain days of the year. Since 2013, the Yakult China Group has provided 10,000 yuan every year for breakfasts on May 29—World Digestive Health Day.