

# Medium-term Management Plan 2025-2030

— Paving the Way to Our Centenary —



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# Review of the Medium-term Management Plan (2021-2024)

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**Medium-term Management Plan**

**2025-2030**

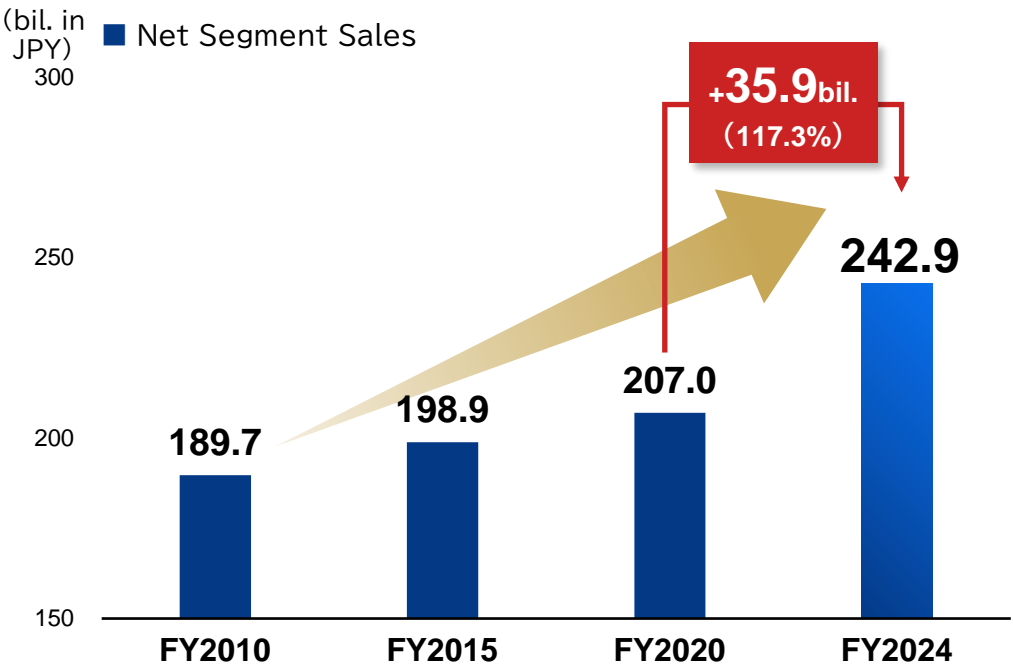
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Net sales and operating profit expanded, strengthening management foundation.  
ROE declined, pointing to issues in financial strategy.



Trend in food and beverages in Japan



● Segment Operating Profit Margin(%)

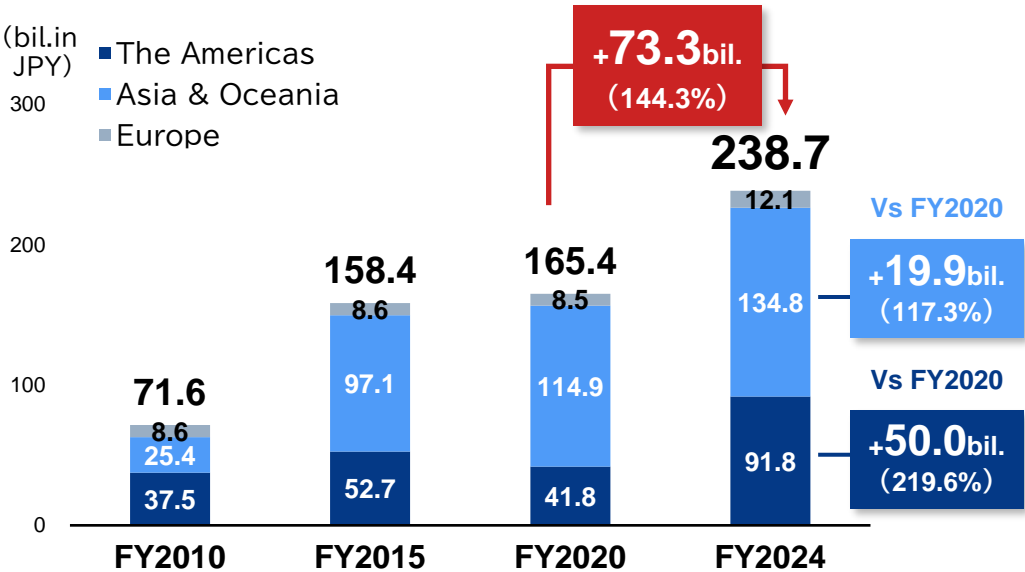
FY2010	FY2015	FY2020	FY2024
5.8	4.8	11.5	15.4

Review of the status of food and beverages in Japan

- We successfully carved out a new market for relieving stress and improving sleep quality with a nationwide launch (beginning in 2021) of the *Yakult 1000* series. This resulted in the realization of business expansion corresponding to the diversification of customers' values, which is one of our key themes.
- Driven by the strong performance of the *Yakult 1000* series, domestic business under the Medium-Term Management Plan (2021-2024) achieved substantial growth.
- With the operating profit margin in the 2010s at around 5%, we successfully transformed into a structure that generates stable profits by developing high-value-added products.
- On the other hand, the market's competitive environment is becoming more severe because of the emergence of competing products. In addition to ensuring the future continuous growth of the *Yakult 1000* series, we need to focus on developing new functional beverages that meet customer needs.

Trend in food and beverages overseas

• Net Segment Sales by region



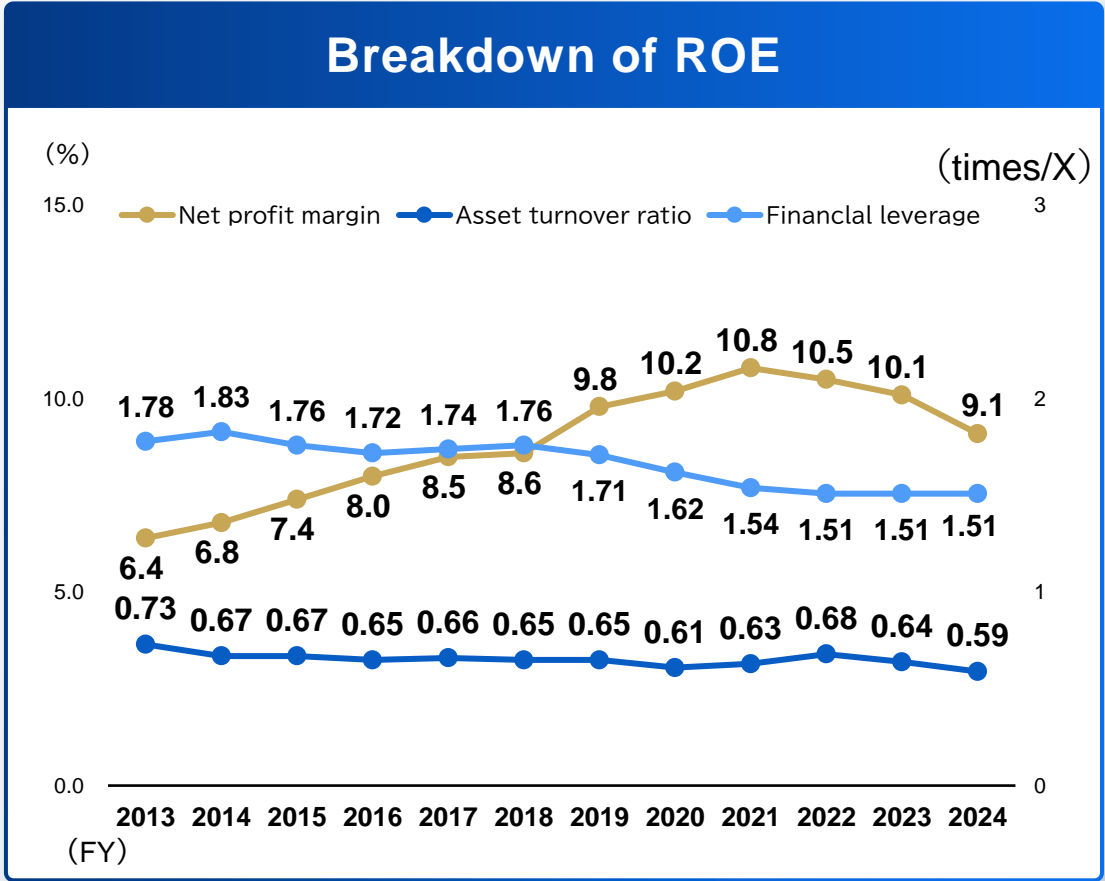
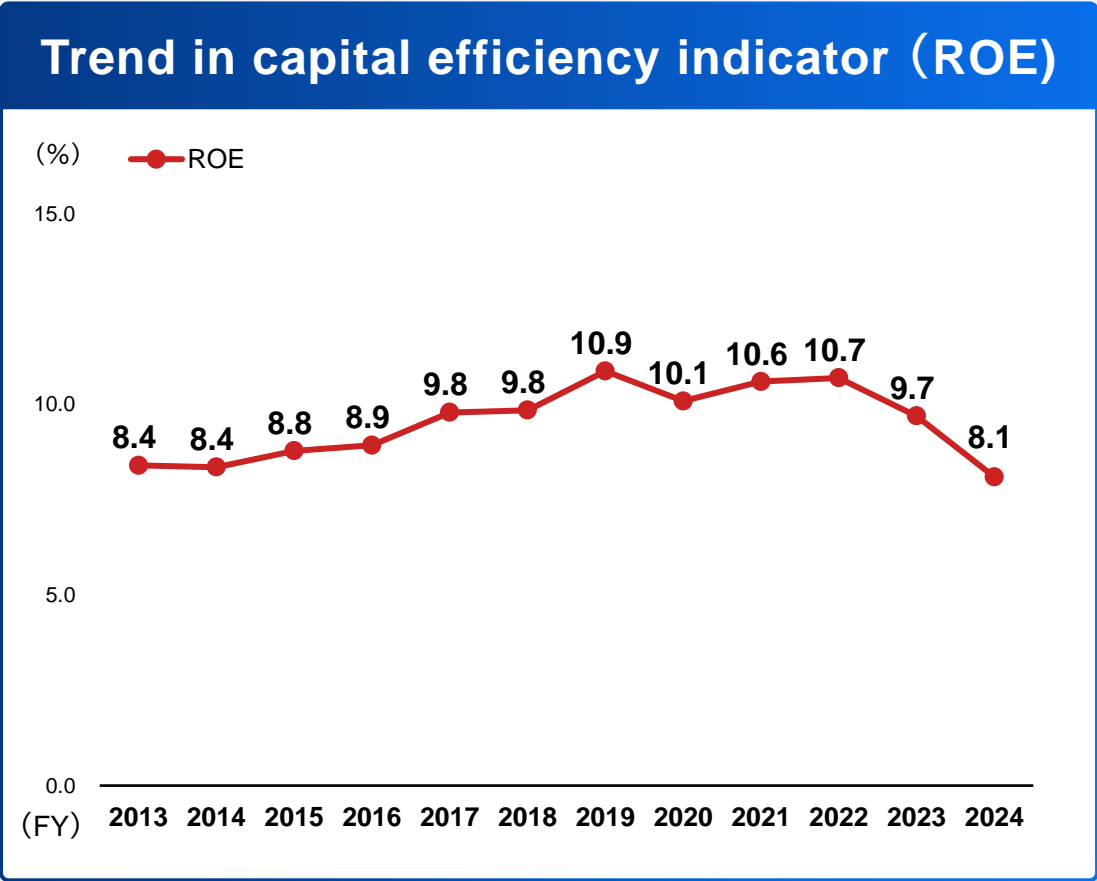
• Segment Operating Profit Margin(%)

	FY2010	FY2015	FY2020	FY2024
Overseas total	18.1	25.5	22.6	15.4
The Americas	22.1	24.2	24.8	28.1
Asia & Oceania	16.1	27.8	22.9	8.0
Europe	6.6	7.2	7.6	1.2

Review of the status of food and beverages overseas

- From FY2010 to FY2020, overall consolidated growth was being driven by overseas food and beverages. However, the COVID-19 pandemic has impacted performance in some regions since FY2019.
- The Americas recovered from the impact of the COVID-19 pandemic quickly and returned to growth. Mexico and the U.S., in particular, have driven the expansion in the Americas and overseas as a whole.
- Asia and Oceania as a region is maintaining growth, although performance varies among business bases. The performance in China, which had driven the expansion of overseas business in the 2010s, was on a downward trend due to the impact of the pandemic. However, various measures, including new product launches, rollout of sales promotion activities, and structural reform, have put the brakes on the decline, and bottoming out of the market is in sight.

The pace of ROE increase is slowing down, with ROE on a downward trend.  
The net profit margin has started to decline, while the total asset turnover and financial leverage remain steady.  
Going forward, review of the capital policy along with profit growth will be indispensable.



## Current status (●) Tasks (■)

Expanding business that corresponds to the diversification of customers' values	<ul style="list-style-type: none"> <li>● Business results improved as we established a dominant position in the market for stress- and sleep-related products with the <i>Yakult 1000</i> series.</li> <li>■ We will continue to carry out R&amp;D for new products with function claims that meet customer needs and adapt to intensifying competition in the market for food with function claims.</li> </ul>	✓
Realizing continuous growth by strengthening global expansion	<ul style="list-style-type: none"> <li>● Regional disparities became apparent depending on the status of economic recovery (markets with stable growth and those with stagnant growth).</li> <li>■ In countries where we already have a presence, we will implement a strategy that is conscious of the regional business environment and growth stages of products. Increase the population coverage by expanding into new countries and areas.</li> </ul>	✓
Expansion of business domains with the aim of evolving into a healthcare company	<ul style="list-style-type: none"> <li>● Introduced food products using plant-derived ingredients and promoted new businesses including those that target the medical biome.</li> <li>■ Enhance products for new initiatives and consider how to offer new value in and outside Japan including the use of M&amp;As.</li> </ul>	✓
Optimal utilization of the group's management resources	<ul style="list-style-type: none"> <li>● The <i>Yakult 1000</i> series grew significantly owing to our R&amp;D capabilities, and sales organization.</li> <li>■ Clarify non-financial strategies and develop indicators for the economic value and social values associated with non-financial values.</li> </ul>	✓
Enhancing initiatives addressing environmental issues for sustainable growth	<ul style="list-style-type: none"> <li>● Achievement of targets for priority issues of Environmental Actions (2021-2024).</li> <li>■ We will continue to reduce greenhouse gas emissions and the use of plastic containers and packaging in Japan and overseas.</li> </ul>	✓
Promotion of investment to realize innovation	<ul style="list-style-type: none"> <li>● Implemented digital transformation (DX) of Yakult home delivery structure and acquired external resources for business domain expansion.</li> <li>■ We will formulate an investment policy for business domain expansion and enhance investment in intangible assets (human capital, DX, etc.) as well as production bases.</li> </ul>	✓





## Challenges for the next medium-term management plan

### Realize resurgence in growth through expansion of the business domains and growth investments

Clarify the positioning of business domains in the healthcare business, enhance the management foundation through sustainable growth of existing businesses and take on the challenge of new fields.

### Strengthen global expansion by building strategies that reflect regional characteristics

We will grow Yakult into a global brand and accelerate the growth by building strategies for R&D, production structure, and channels that reflect the situations of each country and region.

### Enhance management foundation that supports sustainable growth

Improve business foundations by systematically implementing financial and capital policies and non-financial strategy.  
 In particular, we will clearly present KPIs of capital policy and aim for optimized capital structure.

# Medium-term Management Plan 2025-2030 (Outline)

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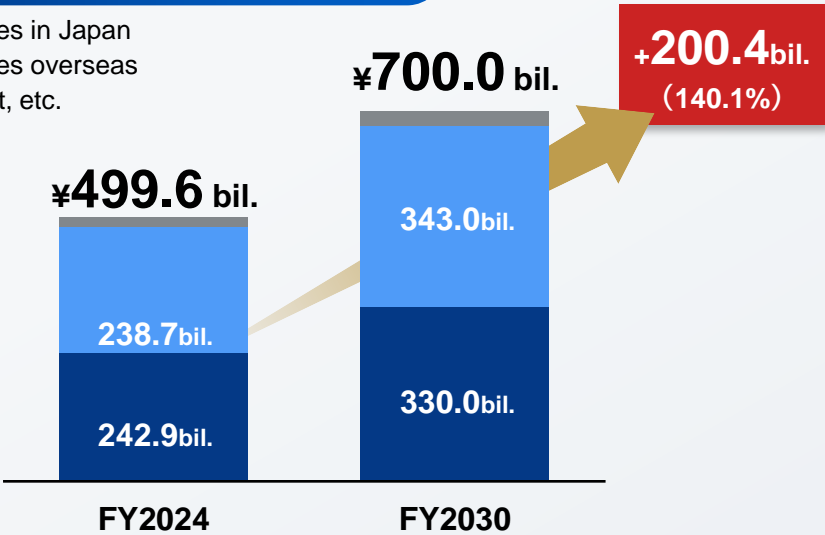


Medium-term Management Plan  
2025-2030  
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## Profit and Loss / Quantitative Indicators

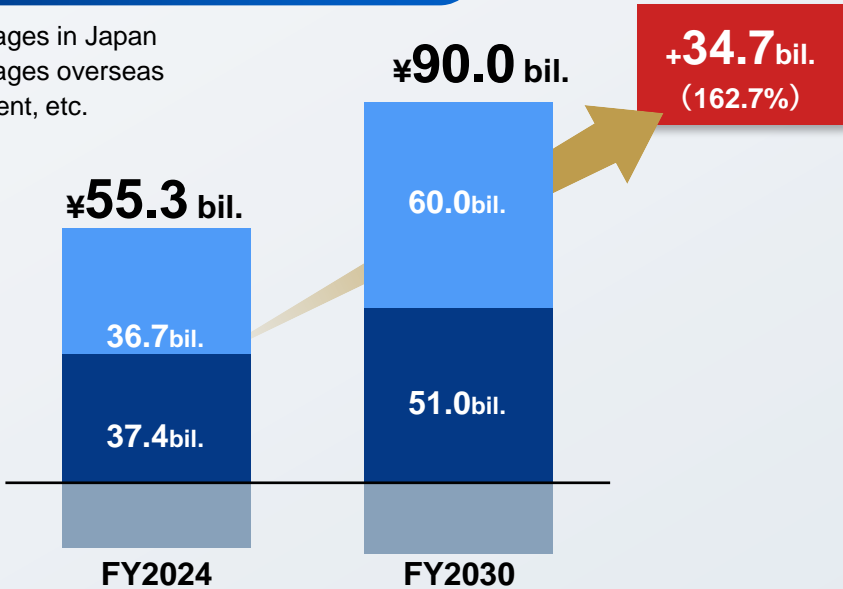
### Consolidated Net Sales

- Food and beverages in Japan
- Food and beverages overseas
- Others, adjustment, etc.



### Consolidated Operating Profit

- Food and beverages in Japan
- Food and beverages overseas
- Others, adjustment, etc.



## Financial Indicators

ROE

10%

Equity to Asset Ratio

60%

Total Payout Ratio

70%

\*All in FY2030

Mission

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

2035

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Vision

External Environment

- Rising health consciousness
- Advancement of digital technology and AI
- Diversification of consumption trends
- Change in demographic dynamics
- Rapid change in world affairs

Yakult Group Global Vision 2030

Evolve into a healthcare company that continues contributing to people's health around the world

Internal Environment

- Growing results through creation of markets
- Regional disparity in results
- Increasing new initiatives
- Advancement of environmental actions
- Implementation of DX, utilization of external resources

2030

Medium-term Management Plan 2025-2030

Shape Our Own Future

Achieve results by actively taking on challenges and seize the future with our own hands as we embrace our 100th anniversary

2025

Medium-term Management Plan 2021-2024

Take on the challenge of innovation

Proactively take on challenges for creating new values that correspond to changes in social environment

2020

Preventive medicine

Shirota-ism

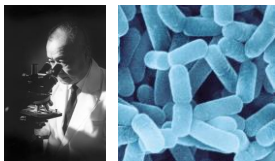
A healthy intestinal tract leads to a long life

A price anyone can afford

Value

Yakult’s resources

- Probiotics research and evidence



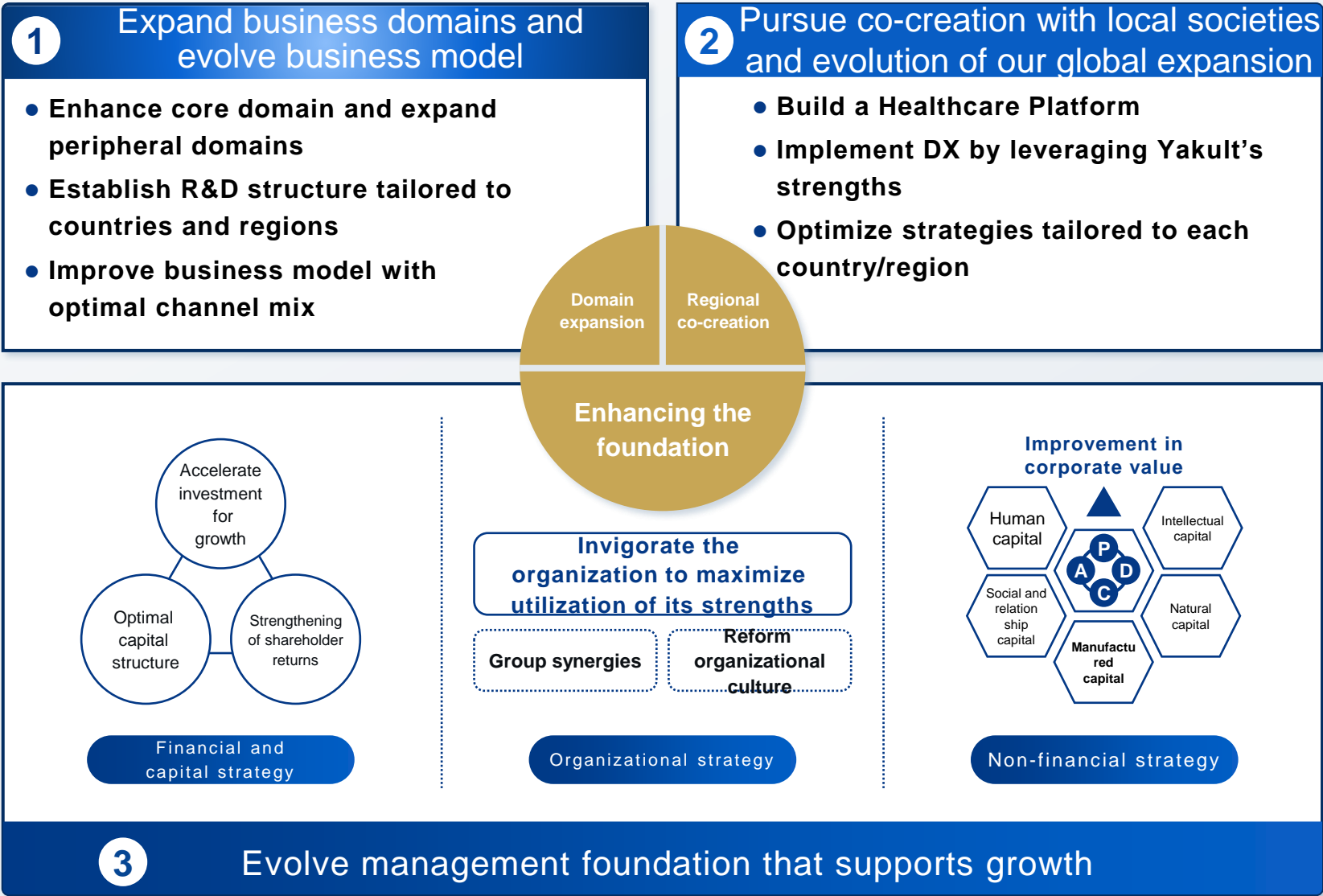
- Locally rooted sales organizations



- Global brand Yakult



Achieving regrowth by leveraging resources



# Business Strategy

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**Medium-term Management Plan**

**2025-2030**

**— Paving the Way to Our Centenary —**



# Expand business domains and evolve business model

Enhance core domain and expansion of peripheral domains



- Representational image of business domain expansion

Development according to the situation in each region and country and the maturity of the market and business

Core Domain

Current source of income: We will pursue new functions and maintain and increase profitability.

Domains to be reinforced

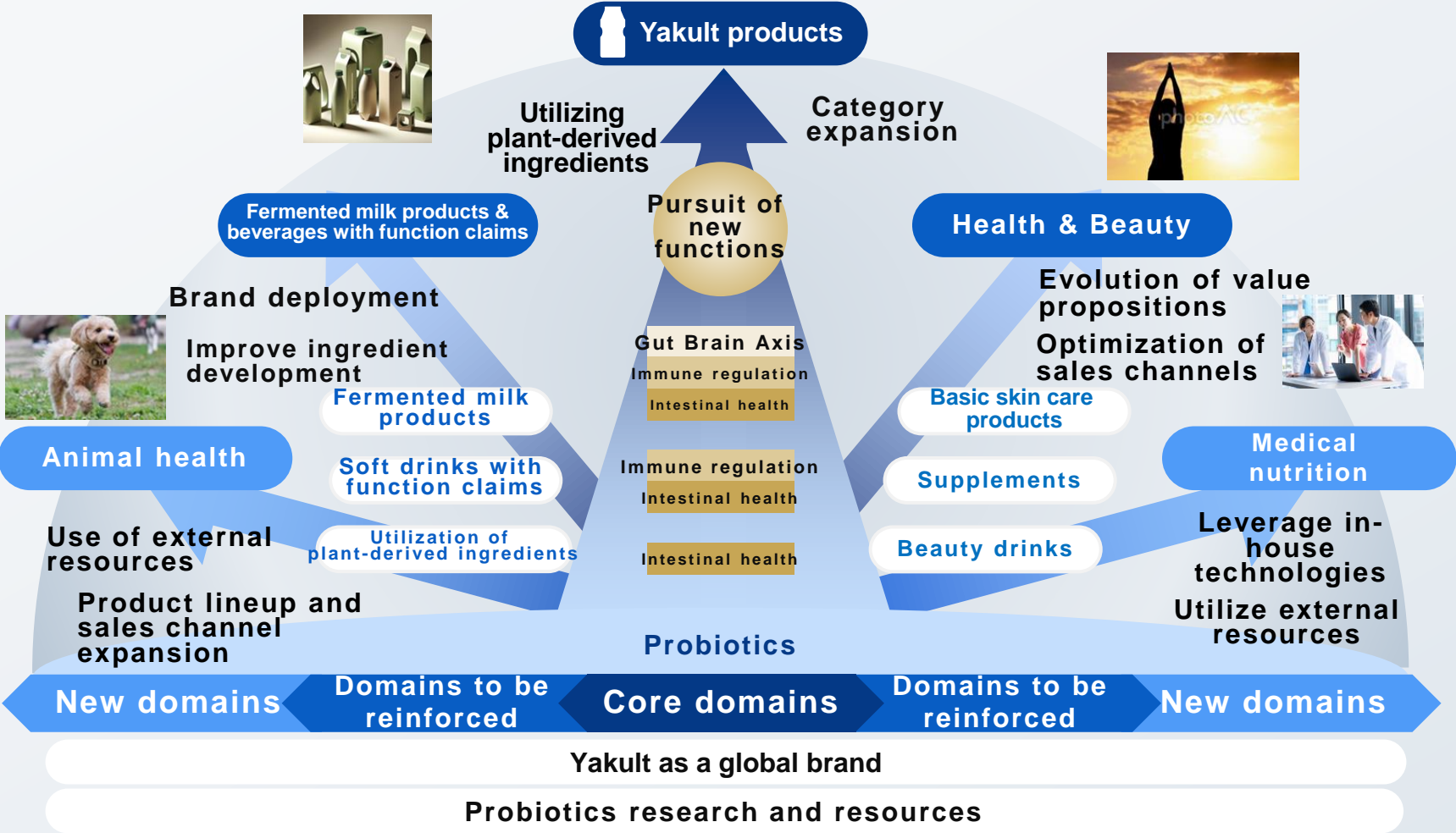
Source of future income: We will cultivate current businesses and further expand their scale.

New Domains

We aim to transform these domains into viable businesses by leveraging unique materials and technologies, growing them into business pillars in the future.

## Yakult Group Global Vision 2030

Evolve into a healthcare company that continues contributing to people's health around the world





# Expand business domains and evolve business model

Establish R&D structure tailored to countries and regions



Creating new market categories through the development of new seeds in addition to the utilization of existing technologies and beneficial microorganisms.

Promoting global localization through the horizontal expansion of global brands and strengthening of regional brands.

## Global brand

Efforts led by Japan [HQ] in formulating and managing strategies

- Formulation and management of overall strategies for global brands
- Creation of a second global brand through the consolidation of knowledge



## Establishment of a Four-Pillar Global R&D Framework



## Regional brand

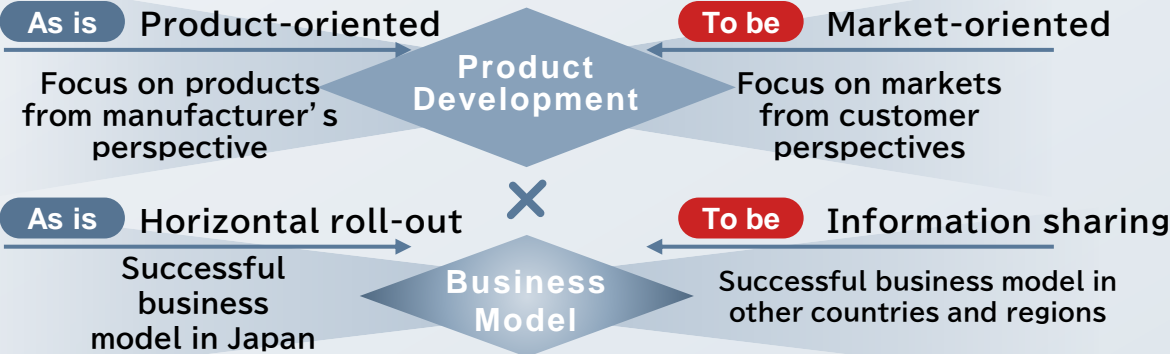
Empowering agile R&D centers



- Formulation and promotion of strategic R&D marketing at each R&D center
- Rapid and appropriate information gathering on local conditions and regulations, and horizontal expansion to global markets

## Evolution of market creation-type model

In addition to generating evidence that demonstrates the benefits of Yakult's products through joint research and maintaining a product-oriented mindset focused on market creation, we aim to **incorporate market-oriented thinking** to better identify the core of consumer needs and develop products that drive new market creation.





# Expand business domains and evolve business model

Improve business model with optimal channel mix



## Expansion of our sales channels in Japan

1963: Launched our Yakult Lady home delivery system  
- Promoting the value of our products through in-person communication -

1974: Expanded into retail store distribution  
- Increasing our contact points with customers through external distribution -

2018: Expanded our EC channels  
- Improving convenience to broaden customer segments -

Home delivery

Relationship of trust unique to the face-to-face service

Offer optimal channel mix tailored to customer lifestyles

Distribution (volume retailers, schools, offices, hospitals, eldercare facilities)

Peace of mind that is within reach anytime, anywhere

Developed product groupings tailored to each region and sales channel

Build optimal sales channels for each region and provide value and products that are tailored to market characteristics and customers' lifestyles

E-commerce

Consistent convenience around the clock, 365 days a year

Integration of digital and in-person contact points

As lifestyles and information-gathering methods are changing, our contact points with customers are also diversifying

# Pursue co-creation with local societies and evolution of our global expansion

Build a Healthcare Platform



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



# Pursue co-creation with local societies and evolution of our global expansion

Implement DX by leveraging Yakult's strengths



Face-to-face contact with customers



- Relationship of trust built through in-person service
- Understanding of customers through conversation

Concept of Yakult DX

**+DIGITAL**  
(plus digital)

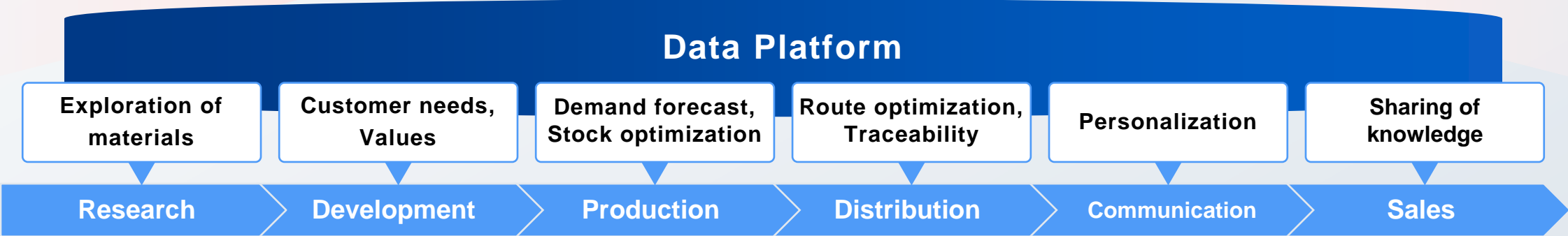
Further deepen our relationships with customers by adding digital communication to our in-person communication approach, which is one of our strengths.

Improve efficiency of supply chain through data utilization

Digital contact with customers



- Convenience of cashless payments
- Connection through digital devices
- Provision of detailed information





# Pursue co-creation with local societies and evolution of our global expansion

Optimize strategies tailored to each country/region

**Yakult**

We will build a new growth model and offer products and services catering to the needs of customers in various countries and regions, thereby contributing to the health of people around the world.

## Japan

Continue to create new markets with high value-added products as the birthplace of Yakult and take on challenges toward growth for future generations and evolution of the business model.

- Shift to high value-added products
- Develop a regional healthcare platform
- Enter into and expand key and new domains



## Asia & Oceania

We will promote stable growth in growth markets. We will intensify our efforts for increasing the value of our businesses in Indonesia, China, etc. and achieve recovery in business results.

- Realize stable growth and high profits:  
Vietnam, the Philippines, Australia, etc.
- Achieve recovery in results through structural reform:  
Indonesia, China, Guangzhou, etc.
- Take on challenge of starting new businesses:  
Hong Kong, Singapore, etc.



## Europe

Create a new growth model through product development and improvement by leveraging Yakult's R&D capability in markets that are quick to address global needs.

- Establish an R&D base (product development and evidence acquisition)
- Utilize external resources (OEM, etc.)
- Get involved in formulation of various rules and standards



## The Americas

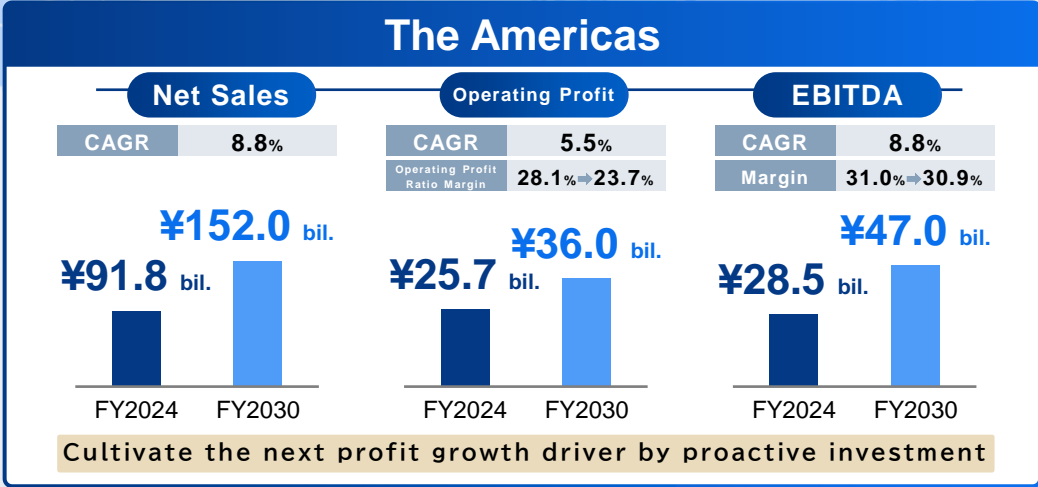
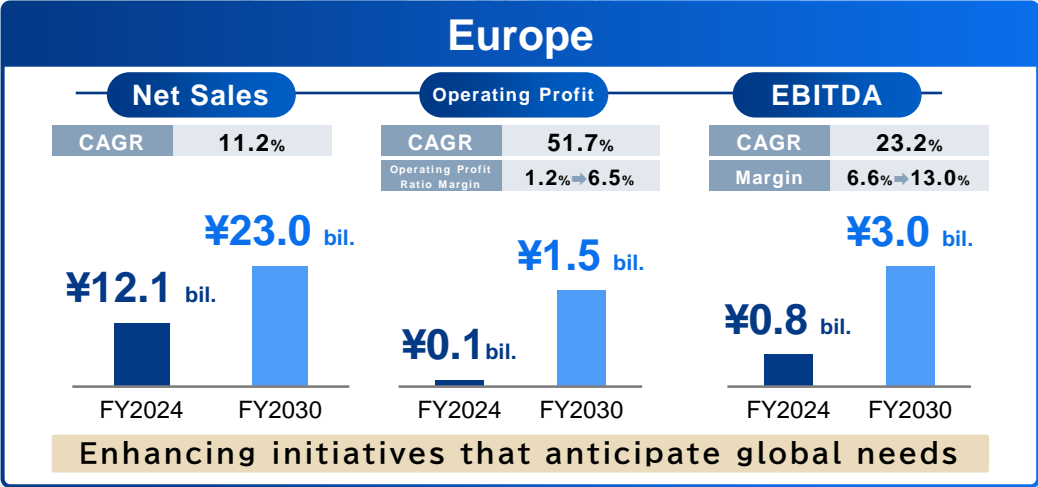
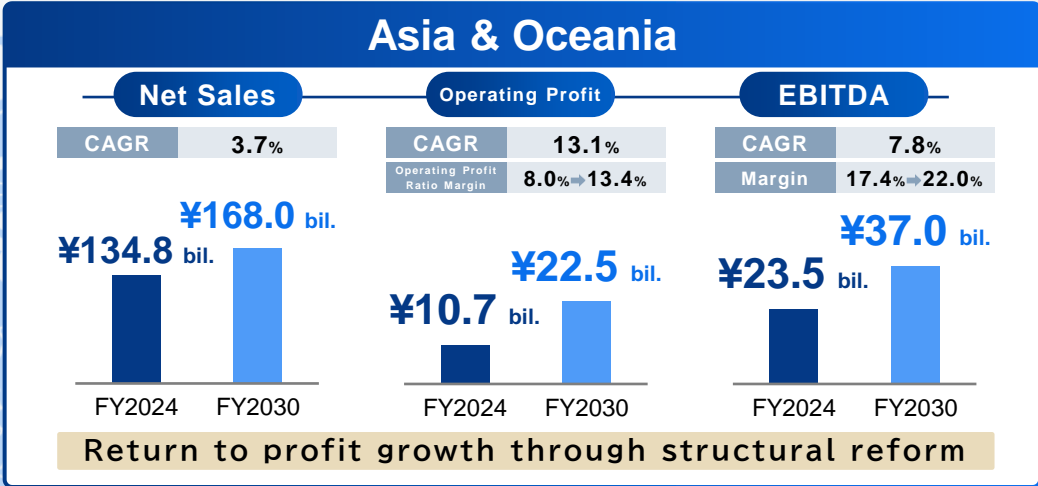
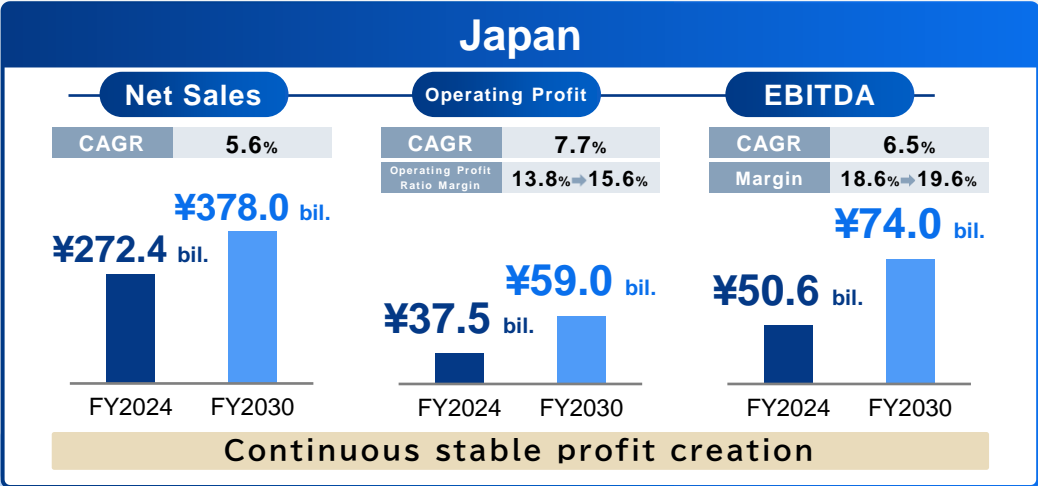
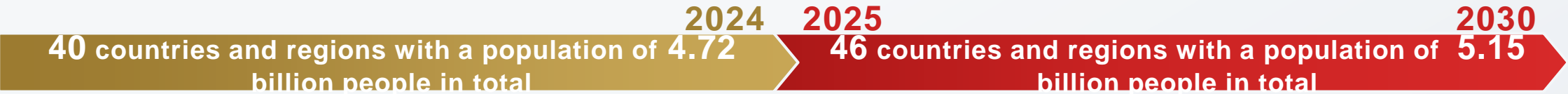
Enhance production capacity in response to growing demand and boost our presence further in home delivery, retail stores, and new channels.

- Construct a new plant, roll out high-value-added products in the US
  - Further expand and evolve Yakult Ladies (YL) and route sales organizations in Mexico
  - Strengthen YL organization and expand to regional areas in Brazil
- Strengthen exports and sales: Canada, Uruguay, other countries in Latin America



# Pursue co-creation with local societies and evolution of our global expansion

Optimize strategies tailored to each country/region



\*EBITDA: Operating profit + Depreciation and amortization

# Financial and Capital Strategy

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**Medium-term Management Plan**

**2025-2030**

— Paving the Way to Our Centenary —

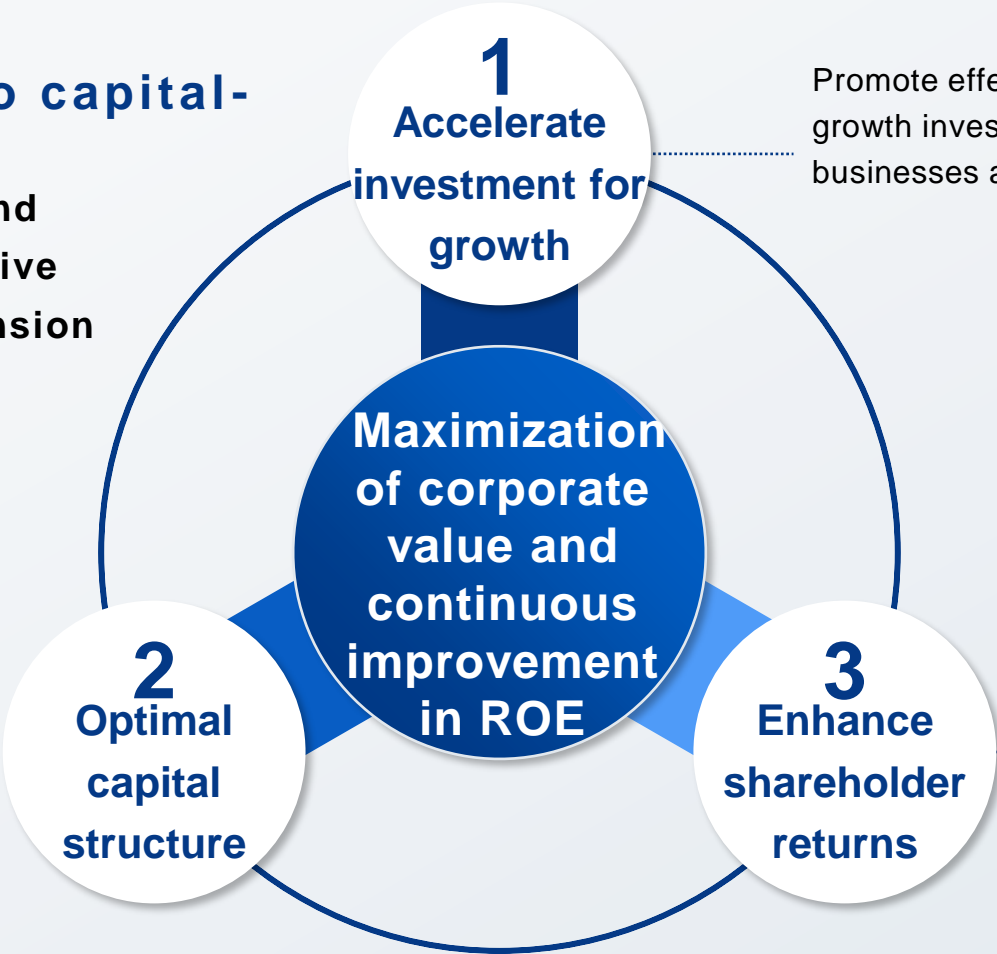


Medium-term Management Plan (2025–2030)

## From capital enhancement to capital-efficiency improvement

We will enhance shareholder returns and improve corporate value by making active growth investments for business expansion and by maintaining a stable financial foundation

Be conscious of optimal capital structure while ensuring safety, and leverage interest-bearing debts especially for business domain expansion



Indicators\*

ROE 10%

Equity to Asset Ratio 60%

Total Payout Ratio 70%

\*All are targeted for achievement by FY2030

## 1 Accelerate investment for growth

- Increase operating cash flow by continuously growing the core businesses that create profits. In addition, enhance our supply system by **proactively boosting investment in production equipment in growth markets**.
- **Appropriately invest in environmental protection measures** to enable the Company's business to continue.
- **Enhance investment in IT and DX** in an effort to increase the efficiency of business and management, and to generate new value.
- **Make necessary investments in the development and acquisition of new pillars that create profits** in an effort to enhance profitability.



## 2 Optimal capital structure

- By paying attention to investment discipline and capital costs, and **ensuring low-cost financing methods** through maintaining credit ratings, we will **utilize interest-bearing debt** for investments aimed at expanding business areas.
- To improve capital efficiency, we will continue working to streamline capital by **facilitating group-wide cash management** and **reducing cross-shareholdings**.



## 3 Enhance shareholder returns

- Guided by a progressive dividend policy, we place the highest priority on achieving steady, **ongoing dividend increases**. (\*Dividend amounts are determined after a comprehensive review of future capital requirements for business expansion and earnings growth, as well as the company's financial position and current performance.)
- Taking into account market conditions, cash flow, and other factors, we aim for a total shareholder return ratio of approximately 70%, **while flexibly conducting share buybacks**.

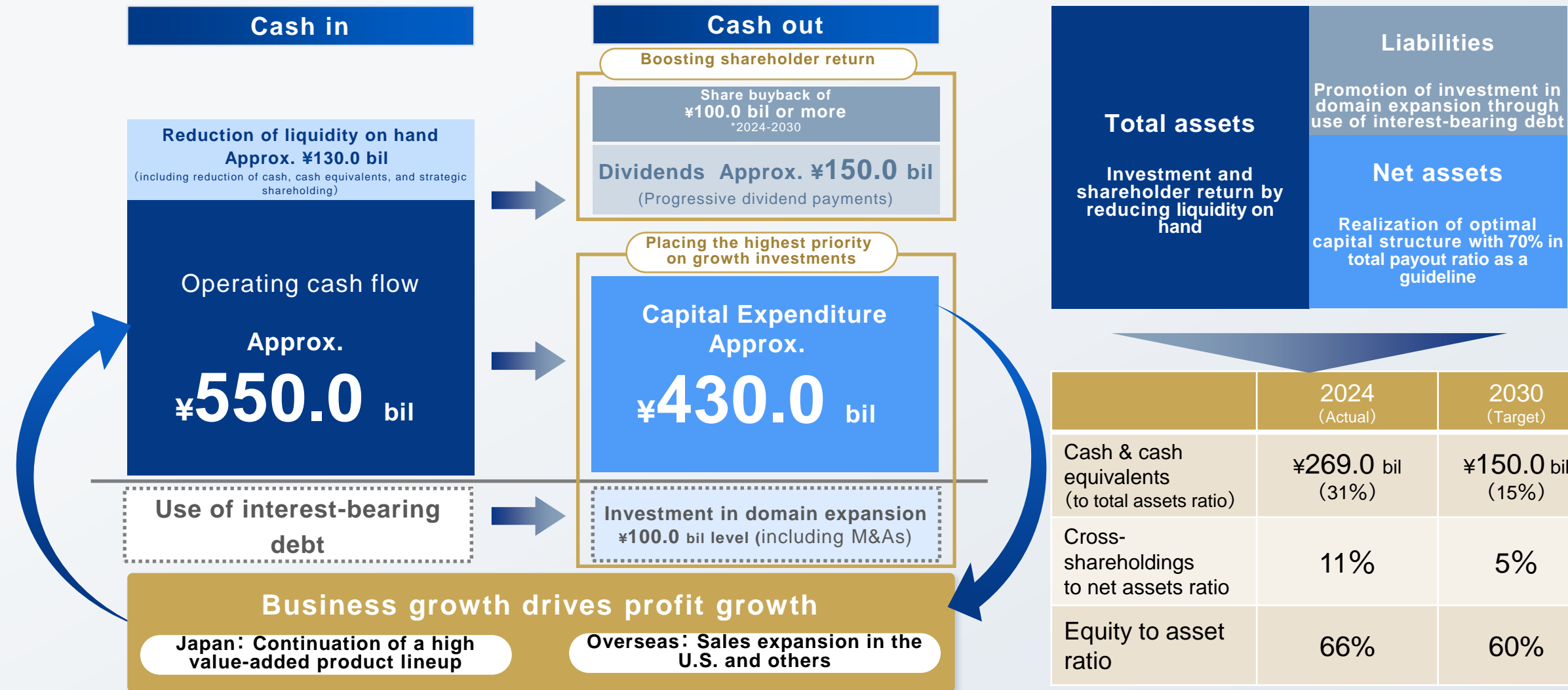


Profitability up, fixed asset turnover up, and financial leverage up



# Approach to Cash Allocation and Balance Sheet Control (2025-2030) **Yakult**

By prioritizing growth investments that drive business expansion, we aim to generate operating cash flow and establish a virtuous financial cycle that supports appropriate capital allocation. We also seek to manage the balance sheet in pursuit of an optimal capital structure.



# Approach to Investments



We will start sowing the seeds and making preparations through concentrated investment in the first half of the medium-term management plan period and lay the groundwork for continuous growth towards the 100th anniversary and thereafter.



The Second Plant of Yakult U.S.A. rendering (New) Chiba Plant rendering

Target	Details	Amount of total investment (estimate)		
		FY2025-FY2027	FY2028-FY2030	Total
Investment for Growth	<ul style="list-style-type: none"><li>Investment for enhancing global expansion led by construction of the second plant of Yakult U.S.A.</li><li>Investment for improvement and transformation of business activities and improvement of value creation leveraging digital technology</li></ul>	¥120.0 bil	¥80.0 bil	¥200.0 bil
Infrastructure Investment	<ul style="list-style-type: none"><li>Construction of new plants and the new Yakult Central Institute building in an effort to increase business efficiency in Japan and promote high-value-added products</li></ul>	¥100.0 bil	¥50.0 bil	¥150.0 bil
Sustainability Related Investment	<ul style="list-style-type: none"><li>Investment in manufacturing equipment in line with reviews of environmentally-friendly container materials</li></ul>	¥50.0 bil	¥30.0 bil	¥80.0 bil
Total		¥270.0 bil	¥160.0 bil	¥430.0 bil



Expansion: Consideration and execution of investments and M&A for expanding business areas necessary for growth strategies

# Non-financial Strategy

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**Medium-term Management Plan**

**2025-2030**

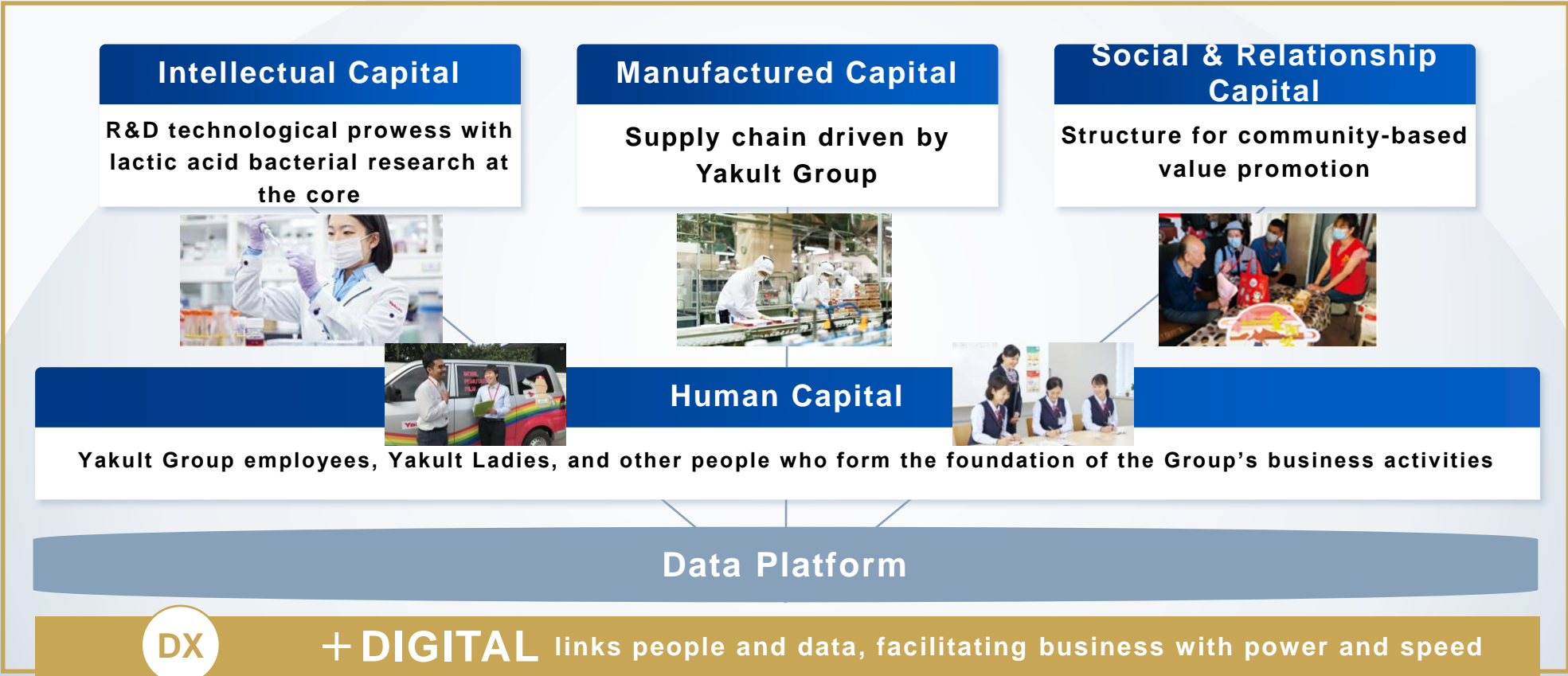
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# Overall Picture of Non-financial Strategy



Refining Yakult’s unique business model and accelerating our business strategy through digital transformation (DX) and foundational innovation strategies.



## Natural Capital

Improve initiatives addressing environmental issues in an effort to achieve sustainable growth

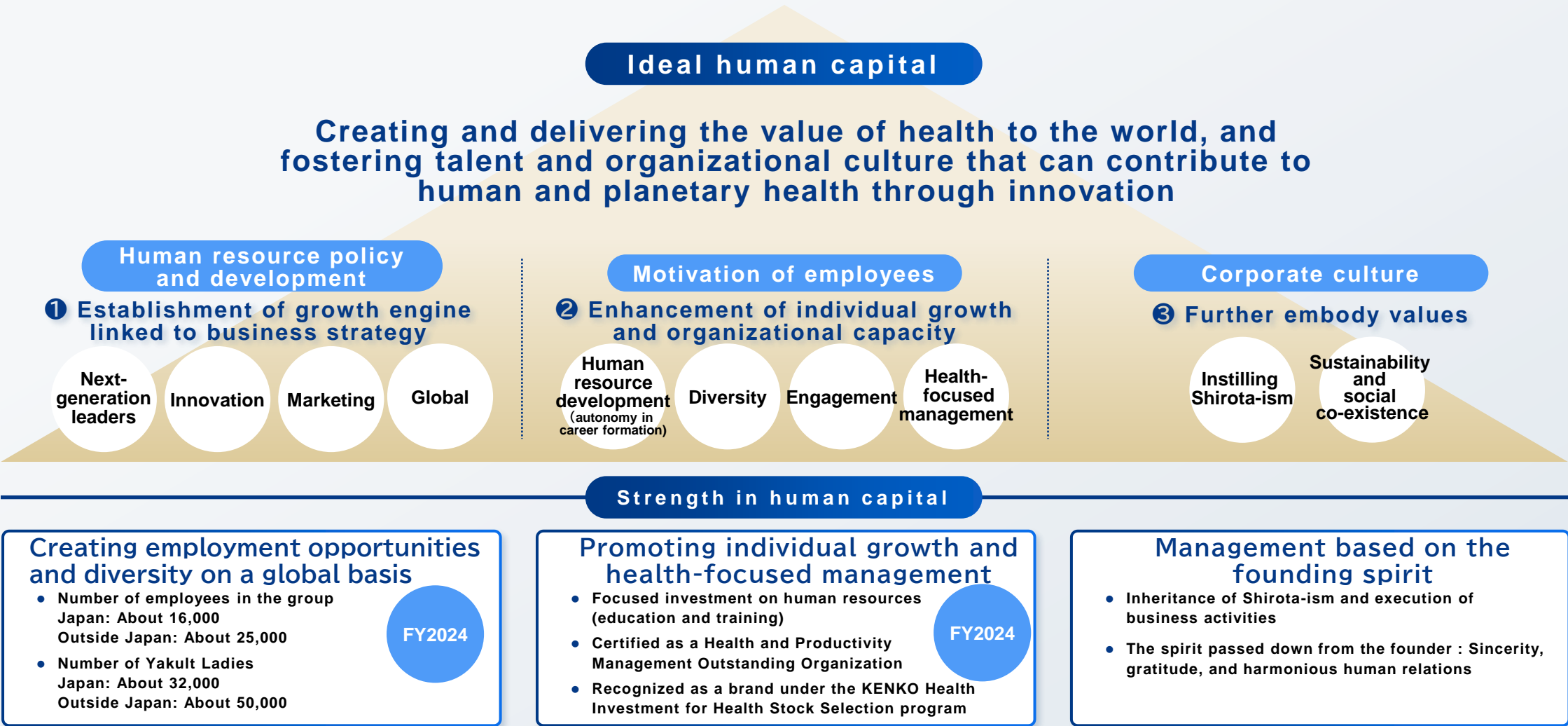


@OISCA

# Human Capital: Enabling the growth and success of the 130,000 people working in the Yakult Group



We advance human capital management to support the growth and success of the people who are the core and driving force of the Yakult Group’s business activities.





## Environmental Vision 2050

“To realize a society where people and the planet co-exist as one through a value chain that has zero environmental impact”.

Our goal is to achieve Net Zero Carbon (in Scopes 1, 2, and 3) by 2050.

## “Environmental Targets 2030”

We will revise and set forth Environmental Targets 2030, expanding the scope globally, as a medium-term milestone in an effort to make progress toward achieving Environmental Vision 2050.

### Climate change mitigation and adaptation

- 1 Reduce GHG emissions (scopes 1 and 2 by 42% (compared to FY2022))
- 2 Reduce GHG emissions (scope 3) by 25% (compared to FY2022)
- 3 Reduce GHG emissions (FLAG\*) by 31% (compared to FY2022)

Scope: Corporate headquarters and all domestic and international consolidated subsidiaries

### Transition to sustainable plastic containers and packaging

- 1 Implement sustainable initiatives equivalent to 20% or more of the plastic containers and packaging usage (Japan and overseas) (in FY2030)
- 2 Establish a Bottle - to - Bottle recycling system for Yakult containers

### Sustainable water source management

- 1 Identify issues in each region with detailed water risk assessments at dairy product plants in Japan and overseas and implement measures for all high priority issues
- 2 In addition to continuing water use reduction efforts, implement water source conservation activities targeting the amount of water used in products manufactured in FY2030 (at dairy product plants in Japan and overseas)

### Biodiversity conservation

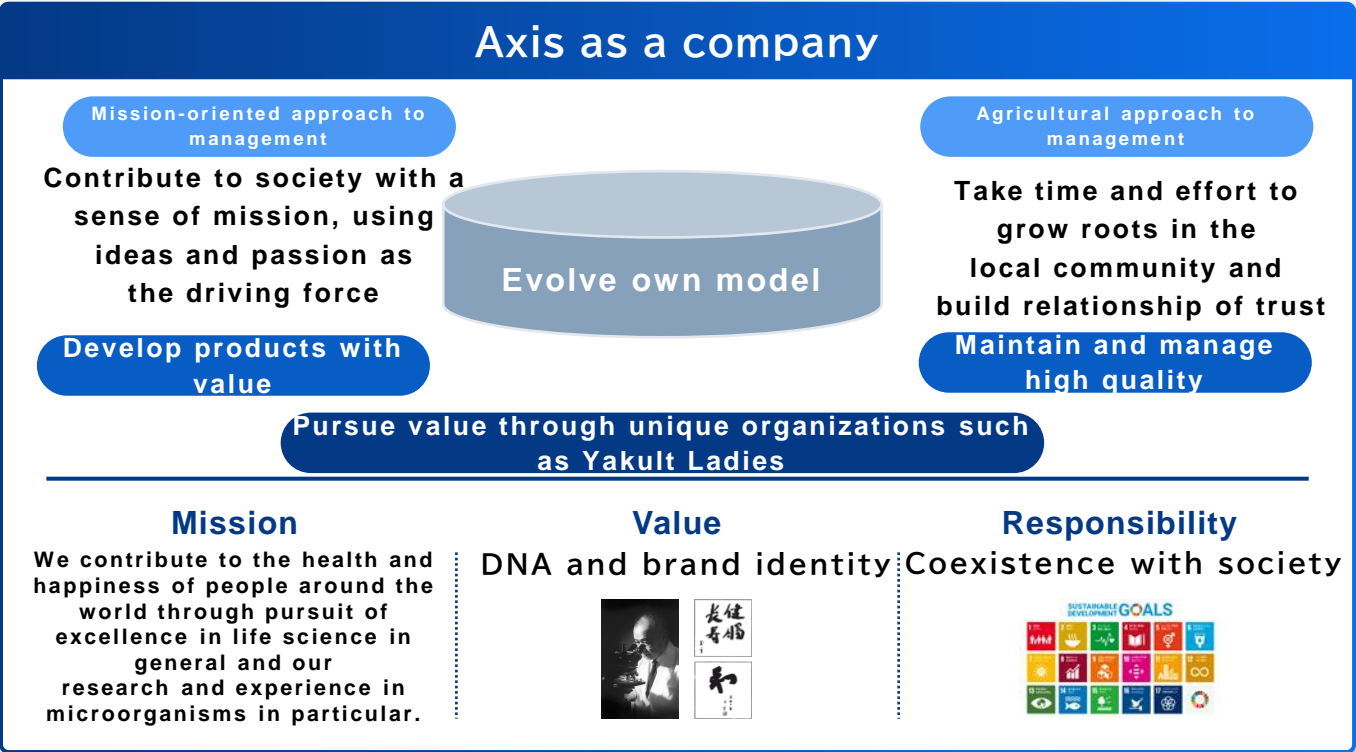
- 1 Promote support and participation in biodiversity conservation activities in local communities
- 2 Understand the impact of business activities on biodiversity and implement impact reduction measures

\*FLAG : An acronym for Forest, Land, and Agriculture. It encompasses emissions from land use changes and land management.

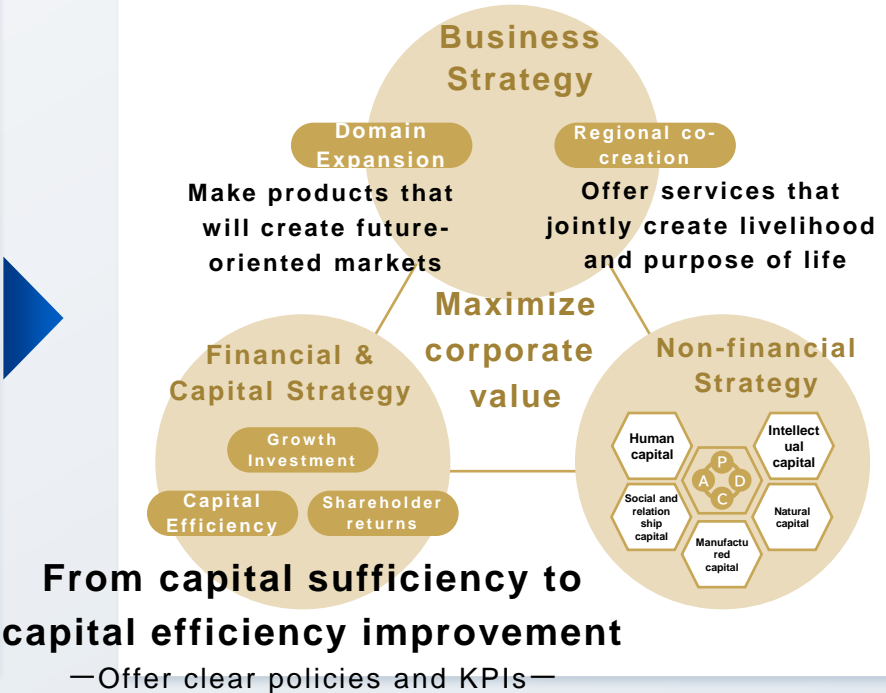


Shape Our Own Future

In these times undergoing drastic change, we will embrace our unwavering spirit of sincerity, gratitude, and harmonious human relations with our stakeholders, customers, and the market. By valuing the core principles of our company and diligently executing our medium-term management plan with true Yakult spirit, we aim to elevate our unique business, realize our evolution into a healthcare company as outlined in Yakult Group Global Vision 2030, and advance to a new stage as we approach our 100<sup>th</sup> anniversary.



Medium-Term Management Plan Outline



Profit and Loss and  
Quantitative  
Indicators (bn in JPY)

	FY2024 (Actual)	FY2030 (Target)	CAGR (FY2024-FY2030)
<b>Consolidated Net Sales</b>	<b>499.6</b>	<b>700.0</b>	<b>5.8%</b>
Food and beverages (Japan)	242.9	330.0	
Food and beverages (Overseas)	238.7	343.0	
Others, adjustments, etc.	18.0	27.0	
<b>Consolidated Operating Profit</b>	<b>55.3</b>	<b>90.0</b>	<b>8.5%</b>
Food and beverages (Japan)	37.4	51.0	
Food and beverages (Overseas)	36.7	60.0	
Others, adjustments, etc.	(18.8)	(21.0)	
<b>Operating Profit Ratio Margin</b>	<b>11.1%</b>	<b>12.9%</b>	—
<b>EPS (in JPY)</b>	<b>150.48</b>	<b>250.00</b>	<b>8.8%</b>
<b>Global Sales of Dairy Products (Thousand bottles/day)</b>	<b>38,240</b>	<b>45,000</b>	<b>2.8%</b>
Japan	9,680	11,000	
Overseas	28,560	34,000	

Financial  
Indicators

	FY2030 (Guideline)
<b>ROE</b>	<b>10%</b>
<b>Equity to Asset Ratio</b>	<b>60%</b>
<b>Total Payout Ratio</b>	<b>70%</b>



The statements in this document pertaining to plans and forecasts are forward-looking statements, except for factual statements, and involve uncertainty. Please note that actual business performance may significantly differ from these forecasts due to various factors.

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