

February, 2012

**Sales of Yakult to Start
in Shaanxi and Hunan Provinces of China
—Two new branches in inland China to speed up business expansion—**

Yakult Honsha Co., Ltd. (President: Takashige Negishi,) today announced that it would establish two new branches under Yakult (China) Co., Ltd. in Xi'an, Shaanxi Province, and Changsha, Hunan Province in inland China to sell the Yakult fermented milk drink through retail stores including supermarkets. Sales will start on February 27 in Xi'an and March 1 in Changsha.

These will be the second and third Yakult branches in inland China after the Wuhan Branch in Hubei Province, which was established in 2009.

Xi'an is a city of about 8.4 million people in northwest China and is the capital of Shaanxi Province. It is an important economic center in inland China which has been experiencing rapid development in recent years by actively encouraging development of advanced technologies and attracting businesses. It also boasts of extensive sales channels such as supermarkets among inland markets and is a promising market for Yakult upon expanding its business in China.

Changsha in central China is the capital of Hunan Province and has a population of about 6.5 million people. In addition to global businesses having bases in its industrial area, the city is also seeing manufacturers move their plants from the coastal areas as well as IT businesses establish their bases in the city, which is expected to further boost development.

Yakult's Chinese business has embarked on a plan to establish sales branches at 27 locations by 2015 and has so far set up 19 bases. With the establishment of these two bases the count will go up to 21 locations. Till now the expansion of sales areas was centered on the coastal areas that were developing economically, and sales performance for fiscal year 2011 has been robust at 2,309 thousand bottles per day, up 42% over the previous year.

The profiles of Yakult (China) Co., Ltd. and the Xi'an and Changsha branches are as follows:

- 3) Established: October 18, 2011
- 4) Territory: Changsha and other neighboring cities of Hunan Province
- 5) Marketing method: Selling through retail stores including supermarkets
- 6) Sales target: 12,000 bottles per day in fiscal year 2012