

## Yakult to Expand Chinese Business

**Branches to be opened in Lanzhou, Gansu Province; Nantong, Jiangsu Province; and Shaoxing, Zhejiang Province; and production to begin at Plant Building 2, Wuxi Plant**

Yakult Honsha Co., Ltd. (President: Takashige Negishi) today announced that its subsidiary Yakult (China) Corporation established branches in Lanzhou, Gansu Province; Nantong, Jiangsu Province; and Shaoxing, Zhejiang Province, in China, which would start sales of the Yakult and Yakult Light fermented milk drinks through supermarkets and other retail outlets from June 1, 2019. The Company also announced that the second production facility, Plant Building 2, built on the premises of Wuxi Yakult Co., Ltd. (Wuxi Plant), Yakult (China) Corporation's production subsidiary, would start production of the Yakult fermented milk drink on June 1, 2019.

[Establishment of Lanzhou, Nantong and Shaoxing Branches]

The Yakult Group has until now supplied products to Nantong and Shaoxing from the neighboring Suzhou Branch (Jiangsu Province), and the Hangzhou and Ningbo Branches (both in Zhejiang Province) respectively. The establishment of the three new branches, bringing the number of sales bases the Yakult Group has in China to 46, will further enhance the sales structure in the country and, with the establishment of the Lanzhou Branch, will mark its entry into Gansu Province.

[Start of production at Plant Building 2, Wuxi Plant]

Following the Guangzhou Plant (Plants 1 and 2), Shanghai Plant and Tianjin Plant, the Wuxi Plant began production in June 2015, and has continued to expand its production capacity ever since. The establishment of Plant Building 2 further expands its combined production capacity to 3.8 million bottles a day.

There is increasing health awareness across China, as well as a greater understanding of probiotics, and sales of our products are expected to continue to grow. The Group will respond to such increases in demand by enhancing its production network including Plant Building 2 of the Wuxi Plant.



Exterior of the Wuxi Plant



Exterior of Plant Building 2, the Wuxi Plant

The profiles of Yakult (China) Corporation, Lanzhou, Nantong, and Shaoxing Branches and Wuxi Yakult Co., Ltd. (Wuxi Plant) are as follows:

1. Profile of Yakult (China) Corporation

- (1). Name: Yakult (China) Corporation
- (2). Location: Shanghai, People's Republic of China
- (3). Representative: Susumu Hirano
- (4). Established: April 12, 2005
- (5). Capitalization: US \$219.72 million (wholly owned by Yakult Honsha Co., Ltd.)
- (6). Employees: 2,789 (as of the end of March 2019)

2. Profiles of Lanzhou, Nantong, and Shaoxing Branches of Yakult (China) Corporation

(1). Profile of Lanzhou Branch

- i. Location: Lanzhou, Gansu Province
- ii. Branch manager: Sun Shuai
- iii. Established: March 5, 2019
- iv. Areas managed: Lanzhou and surrounding cities
- v. Marketing method: Through retail outlets including supermarkets
- vi. Start of sales: June 1, 2019
- vii. Sales plan: 7,000 bottles a day in fiscal year 2019

(2). Profile of Nantong Branch

- i. Location: Nantong, Jiangsu Province
- ii. Branch manager: Ren Zhaoxi
- iii. Established: February 19, 2019
- iv. Areas managed: Nantong and surrounding cities
- v. Marketing method: Through retail outlets including supermarkets
- vi. Start of sales: June 1, 2019
- vii. Sales plan: 46,000 bottles a day in fiscal year 2019

(3). Profile of Shaoxing Branch

- i. Location: Shaoxing, Zhejiang Province
  - ii. Branch manager: Chen Lei
  - iii. Established: February 12, 2019
  - iv. Areas managed: Shaoxing and surrounding cities
  - v. Marketing method: Through retail outlets including supermarkets
  - vi. Start of sales: June 1, 2019
  - vii. Sales plan: 45,000 bottles a day in fiscal year 2019
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### 3. Profile of Wuxi Yakult Co., Ltd. (Wuxi Plant)

#### (1). Profile of Wuxi Yakult Co., Ltd. (Wuxi Plant)

- i. Name: Wuxi Yakult Co., Ltd.
- ii. Location: Wuxi, Jiangsu Province, People's Republic of China
- iii. Representative: Susumu Hirano
- iv. Start of production: June 2015
- v. Capitalization: US \$135 million (wholly owned by Yakult (China) Corporation)
- vi. Employees: 336 (as of the end of March 2019)
- vii. Site area: about 62,000 m<sup>2</sup>

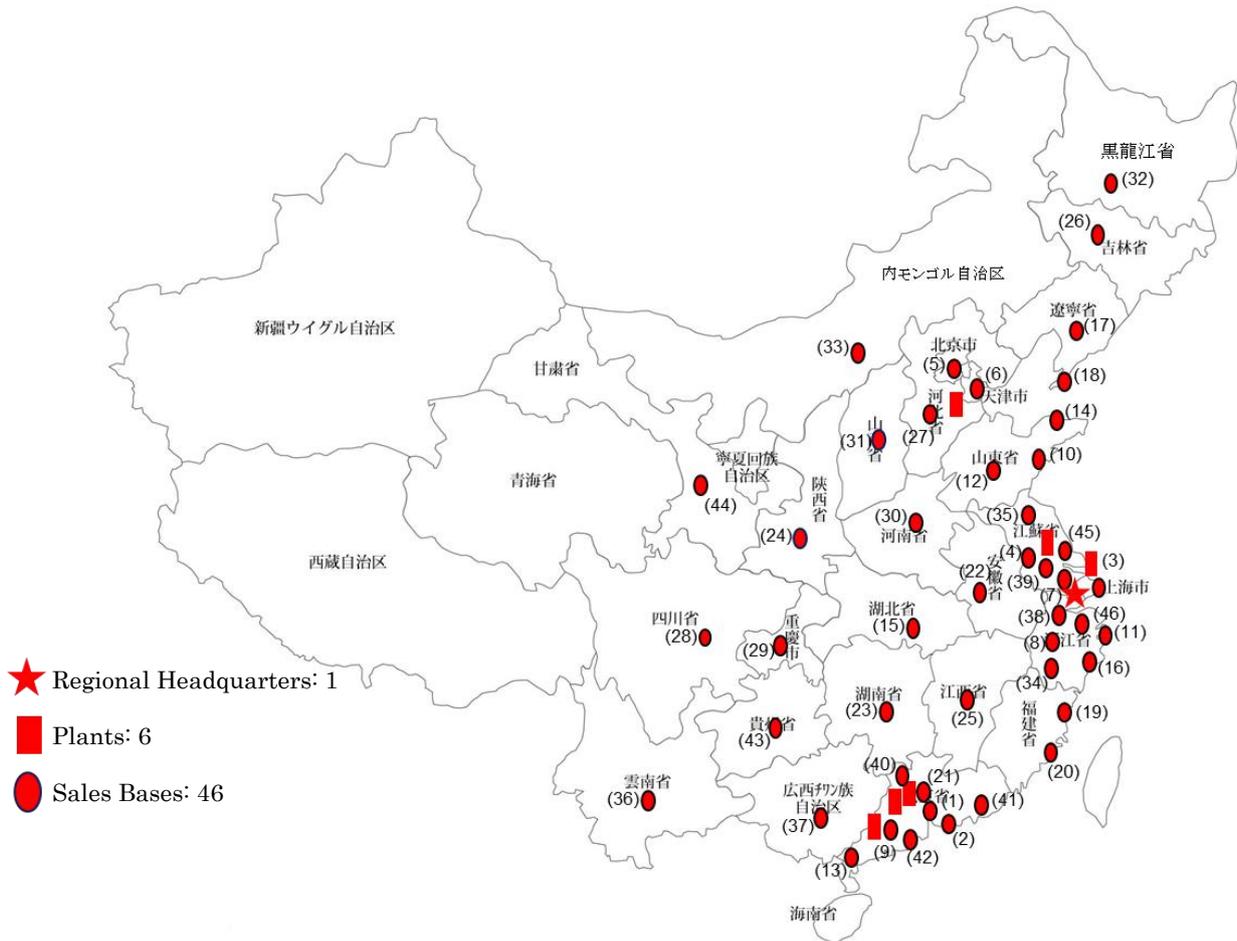
#### (2). Profile of Plant Building 2 of Wuxi Yakult

- i. Building area: 10,500 m<sup>2</sup>
- ii. Total floor area: 15,900 m<sup>2</sup>
- iii. Start of production: June 1, 2019
- iv. Products: Yakult fermented milk drink
- v. Production capacity: 1.6 million bottles per day initially, with production expected to ultimately reach 2.4 million bottles per day (plan)

#### (3). Profile of Plant Building 1 of Wuxi Yakult

- i. Building area: 16,900 m<sup>2</sup>
  - ii. Total floor area: 23,000 m<sup>2</sup>
  - iii. Start of production: June 1, 2015
  - iv. Products: Yakult and Yakult Light fermented milk drinks
  - v. Production capacity: 2.2 million bottles per day
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## [Reference] Sales Bases in China



- (1) Guangzhou, (2) Shenzhen, (3) Shanghai, (4) Nanjing, (5) Beijing,
- (6) Tianjin, (7) Suzhou, (8) Hangzhou, (9) Foshan, (10) Qingdao, (11) Ningbo,
- (12) Jinan, (13) Zhanjiang, (14) Yantai, (15) Wuhan, (16) Wenzhou,
- (17) Shenyang, (18) Dalian, (19) Fuzhou, (20) Xiamen, (21) Dongguan, (22) Hefei,
- (23) Changsha, (24) Xi'an, (25) Nanchang, (26) Changchun, (27) Shijiazhuang,
- (28) Chengdu, (29) Chongqing, (30) Zhengzhou, (31) Taiyuan, (32) Harbin,
- (33) Hohhot, (34) Jinhua, (35) Huai'an, (36) Kunming, (37) Nanning, (38) Jiaxing,
- (39) Wuxi, (40) Qingyuan, (41) Huizhou, (42) Zhongshan, (43) Guiyang, (44) Lanzhou,
- (45) Nantong, (46) Shaoxing