

April 2013

To Whom It May Concern:

Name of Company: Yakult Honsha Co., Ltd.

Name of Representative: Sumiya Hori, Chairman and  
Representative Director, CEO

(Ticker: 2267, TSE 1st Section)

## Notice on Termination of the Alliance Agreement and Execution of a Memorandum of Understanding on Collaborative Relationship

Yakult Honsha Co., Ltd. (Sumiya Hori, Chairman and Representative Director, CEO) has resolved at the meeting of its Board of Directors held today that the Alliance Agreement between Yakult and Danone (the "Agreement") be terminated pursuant to the provisions thereof. At the same meeting, it was also resolved that a Memorandum of Understanding relating to future collaborative relationship between Yakult and Danone (the "MoU") be executed. Further details are described below.

### 1. Reason for and Content of Termination of the Agreement

Yakult and Danone entered into the Agreement on March 4, 2004, and the two companies have developed mutually beneficial and supportive strategic alliance taking advantage of the unique strengths, corporate cultures and business models of both companies. Under the strategic alliance, Yakult and Danone have each nominated candidates for members of the other company's board, and have jointly explored possibilities of and implemented, promotion activities and research activities to promote probiotics across the globe. The two companies have also established and are operating joint venture companies in India and Vietnam.

Yakult and Danone have continued discussions on amendments to the Agreement in accordance with its provisions. Reviewing the outcome of the first phase of the strategic alliance from 2004 to May 15, 2012, the two companies have discussed in good faith for a long period the framework of their strategic alliance going forward; however, the two companies were unable to reach an

agreement and, as a result, Yakult gave notice of termination of the Agreement to Danone today pursuant to the provisions thereof, whereupon the Agreement was terminated.

Danone's obligation under the Agreement not to increase its shareholding ratio in Yakult has lapsed upon termination of the Agreement.

## 2. Reason for and Content of Execution of the MoU

Yakult and Danone recognize the value of joint efforts to promote probiotics and are desirous of maintaining their amicable relationship. The two companies therefore executed the MoU today in order to confirm their mutual understanding relating to their future collaborative relationship. Under the MoU, Yakult and Danone confirm that the two companies will continue to engage in the existing joint ventures, probiotics promotion activities and research activities that have been jointly undertaken by them under the Agreement, and further that Yakult and Danone will undertake any mutually beneficial collaboration in the future. For the purpose of facilitating smooth discussion and execution of these collaboration activities, it is further confirmed in the MoU that Yakult will accept Danone's nomination of three candidates for members of Yakult's board.

## 3. Overview of Danone (as of April 26, 2013)

(1) Company Name	Danone	
(2) Location	17, boulevard Haussmann, Paris (75009), France	
(3) Name and Title of Representative	Franck Riboud, Chairman and CEO	
(4) Description of Business	Manufacturing, sales, etc. of fresh dairy, baby nutrition, bottled water and medical nutrition products.	
(5) Amount of Capital Stock	161 million Euros	
(6) Year Established	1919	
(7) Major Shareholders	MFS group (8.6%), Amundi Asset Management (3.1%)	
(8) Relationship with Yakult	Capital Relationship	Danone owns 35,212,000 shares (20.61% of total voting rights) in Yakult; Yakult owns no share in Danone.  Yakult and Danone jointly own a 50% / 50% joint

		venture company in India and a joint venture company in Vietnam, 80% of which is owned by Yakult and 20% of which is owned by Danone.
	Personal Relationship	Three from Danone serve as Yakult's Directors, and one from Yakult serves as Danone's Director.
	Business Relationship	<p>Yakult and Danone jointly undertake the following activities in relation to promotion and basic research of probiotics.</p> <ul style="list-style-type: none"> <li>- Hosting probiotics symposia in the U.S. and India</li> <li>- Provision of assistance to researchers in the U.S.</li> <li>- Joint research with Institut Pasteur</li> </ul> <p>Furthermore, the two companies collaborate in logistics in some overseas countries.</p>

(9) Key Consolidated Financials for the Last 3 Fiscal Years

(Millions of Euros)	FY2010	FY2011	FY2012
Consolidated Equity	11,987	12,198	12,254
Consolidated Total Assets	28,099	28,426	29,537
Consolidated Net Sales	17,010	19,318	20,869
Consolidated Operating Income	2,498	2,729	2,747
Consolidated Net Income	2,034	1,855	1,787

4. Indicative Timetable of Termination of the Agreement and Execution of the MoU

April 26, 2013	Yakult's Board resolution
Same as above	Notification to Danone of termination of the Agreement
Same as above	Termination of the Agreement

Same as above

Execution of the MoU

#### 5. Impact on Yakult's Financial Performance

Yakult expects that the termination of the Agreement and the execution of the MoU would have no impact on its consolidated results of operations.

- End -

(Reference) Yakult's Projection for the Fiscal Year Ending March 31, 2013 and the Actual Results for the Last Fiscal Year Ending March 31, 2012.

(Millions of Yen)	Consolidated Net Sales	Consolidated Operating Income	Consolidated Ordinary Income	Consolidated Net Income
Projection for the Fiscal Year Ending March 31, 2013	322,000	21,000	28,000	15,000
Actual Results for the Last Fiscal Year Ending March 31, 2012	312,552	20,817	27,984	13,291

Yakult will announce the financial results for the fiscal year ending March 31, 2013 on May 10, 2013.

For media enquiries please contact:

(1)(Asia-Pacific) Brunswick Hong Kong Office:+852-3512-5000

(2)(The Americas) Brunswick New York Office:+1-212-333-3810

(3)(Europe, the Middle East, and Africa) Brunswick Paris Office:+33-1-53-96-83-83