

March , 2014

Yakult to Establish Branches in Anhui, Hebei and Jilin Provinces, China

Yakult Honsha Co., Ltd. (President: Takashige Negishi) today announced that Yakult (China) Co., Ltd. would open branches in Hefei, Anhui Province, Shijiazhuang, Hebei Province, and Changchun, Jilin Province in China (Hefei Branch, Shijiazhuang Branch and Changchun Branch), and start full-scale distribution of the fermented milk drink Yakult through supermarkets and other retail stores. The Hefei Branch will start distribution on March 21, while the Shijiazhuang and Changchun Branches are scheduled to do so on March 31.

Currently, Yakult (China) sells products at some stores in these cities by supplying them from its existing branches—the Nanjing Branch supplying to Hefei, Anhui Province, Beijing Branch to Shijiazhuang, Hebei Province, and Shenyang Branch to Changchun, Jilin Province. Establishment of the three new branches completes the structure for carrying out full-fledged sales activities in these regions.

In its Chinese business, Yakult has been pursuing a plan to open branches at 27 locations by 2015. With the establishment of these three branches, the number of Yakult branches in China reaches 27, achieving the initial plan one year ahead of schedule.

Profiles of Yakult (China) Co., Ltd. as well as Hefei, Shijiazhuang and Changchun Branches are as follows:

<Characteristics of sales areas>

- Hefei: Anhui Province is located on the Yangtze River basin. It is an inland province neighboring the coastal provinces of Jiangsu and Zhejiang. The provincial capital Hefei has a population of about 7.52 million. Amid advancing urban development, the urban area, with a per capita purchasing power roughly equivalent to that of Shanghai, has been attracting much attention as a new market following the coastal areas.
- Shijiazhuang: Hebei Province is located north of Huang He, or Yellow River, and it encircles Beijing and Tianjin. It is rich in mineral resources and the energy industry is well-developed. At the same time, the construction material industry including cement and glass as well as the metallurgic industry are thriving in the province. Shijiazhuang is the capital of Hebei Province with a population of about 10.38 million. It has the second largest pharmaceutical industry cluster after Shanghai.
- Changchun: Jilin Province is located in northeastern China and its three key industries are automobile, petroleum and agro-processing. Changchun, with a population of about 7.56 million people, is the capital of the province. Being an important research and university town in China, the development of the city is expected to further accelerate as a number of Chinese large-scale mass retailers have opened their outlets here in addition to the entry of foreign retail chains.

1. Profile of Yakult (China) Co., Ltd.

- (1) Name: Yakult (China) Co., Ltd.
- (2) Location: Pudong New Area, Shanghai, People's Republic of China
- (3) Representative: Susumu Hirano
- (4) Capitalization: US\$173.72 million (wholly owned by Yakult Honsha Co., Ltd.)
- (5) Established: April 12, 2005

2. Profile of Hefei Branch, Yakult (China) Co., Ltd.

- (1) Location: Hefei Economic and Technological Development Zone, Hefei, Anhui Province
- (2) Branch manager: Dan Wei Zheng
- (3) Established: December 30, 2013
- (4) Areas managed: Hefei and other surrounding cities in Anhui Province
- (5) Marketing method: Through retail outlets including supermarkets
- (6) Start of sales: March 21, 2014
- (7) Sales target: 29,000 bottles per day in fiscal year 2014

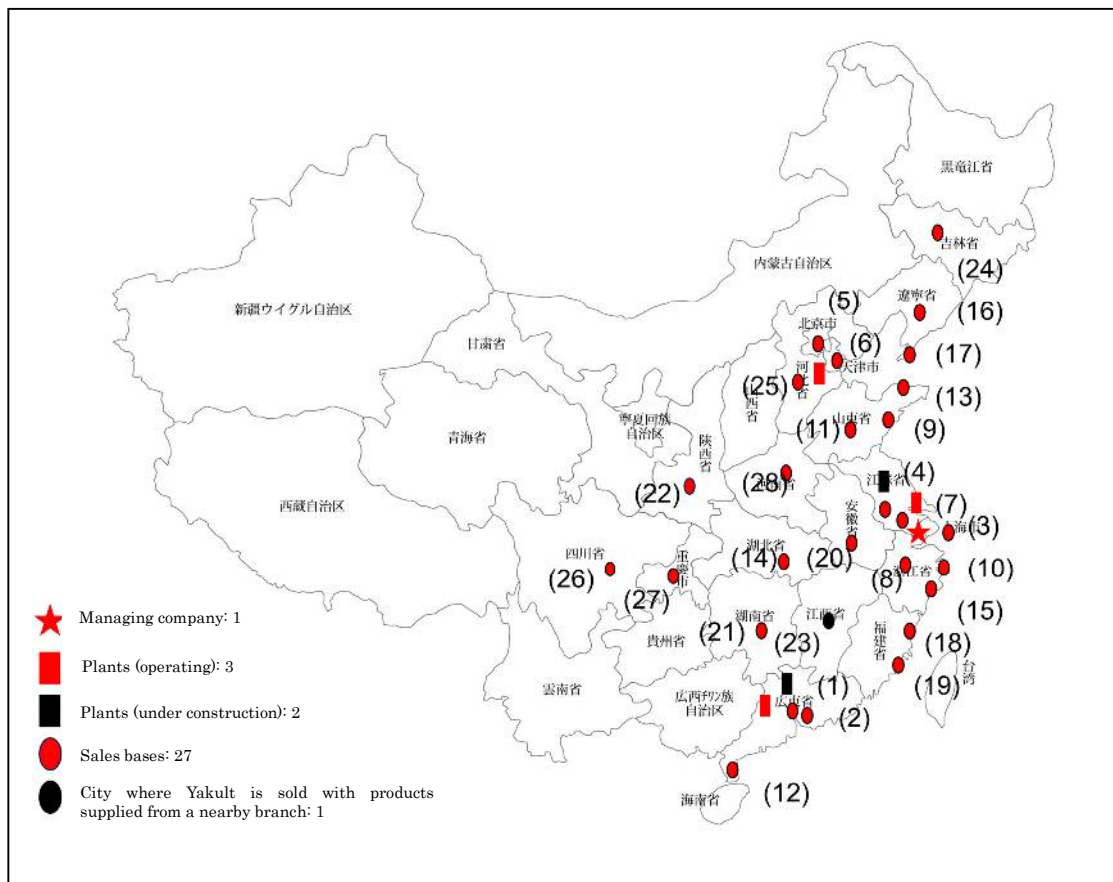
3. Profile of Shijiazhuang Branch, Yakult (China) Co., Ltd.

- (1) Location: Xinhua District, Shijiazhuang, Hebei Province
- (2) Branch manager: Li Hai Bing
- (3) Established: December 5, 2013
- (4) Areas managed: Shijiazhuang and other surrounding cities in Hebei Province
- (5) Marketing method: Through retail outlets including supermarkets
- (6) Start of sales: March 31, 2014
- (7) Sales target: 27,000 bottles per day in fiscal year 2014

4. Profile of Changchun Branch, Yakult (China) Co., Ltd.

- (1) Location: Jingyue National High-Tech Industrial Development Zone, Changchun, Jilin Province
- (2) Branch manager: Xuan Ri Yong
- (3) Established: February 10, 2014
- (4) Areas managed: Changchun and other surrounding cities in Jilin Province
- (5) Marketing method: Through retail outlets including supermarkets
- (6) Start of sales: March 31, 2014
- (7) Sales target: 28,000 bottles per day in fiscal year 2014

[Reference] Sales areas in China



- (1) Guangzhou, (2) Shenzhen, (3) Shanghai, (4) Nanjing, (5) Beijing,
 (6) Tianjin, (7) Suzhou, (8) Hangzhou, (9) Qingdao, (10) Ningbo,
 (11) Jinan, (12) Zhanjiang, (13) Yantai, (14) Wuhan, (15) Wenzhou,
 (16) Shenyang, (17) Dalian, (18) Fuzhou, (19) Xiamen, (20) Hefei,
 (21) Changsha, (22) Xi'an, (23) Nanchang, (24) Changchun, (25) Shijiazhuang
 (26) Chengdu, (27) Chongqing, (28) Zhengzhou

*Wuhan Branch is distributing the products in Nanchang. There are 27 sales bases in China.