



February 14, 2025

To whom it may concern:

Company name Yakult Honsha Co., Ltd.
Representative Hiroshi Narita
 President and Representative Director
 (Securities code: 2267, TSE Prime Market)

Notification Regarding the Changes to Shareholder Return Policy, Determination of Matters Pertaining to Share Repurchase, and Cancellation of Shares Held as Treasury Stock

**(Share Repurchase Pursuant to Provision of the Articles of Incorporation
Provided in accordance with Article 459, Paragraph 1 of the Companies Act and
Cancellation of Shares Held as Treasury Stock Pursuant to Article 178 of the Companies Act)**

Yakult Honsha Co., Ltd. (the "Company") hereby announces that it decided to make changes to its shareholder return policy at a meeting of its Board of Directors held on February 14, 2025. At the meeting, the Board of Directors also resolved matters pertaining to a share repurchase pursuant to Article 459, Paragraph 1 of the Companies Act and Article 36 of the Company's Articles of Incorporation, and the cancellation of some of the shares it holds as treasury stock pursuant to Article 178 of the Companies Act.

1. Reasons for changing the shareholder return policy and details

The Company aims to strengthen shareholder returns and improve its corporate value by maintaining a stable financial foundation through active growth investments for business expansion. With respect to shareholder returns, it considers providing stable and continuous profit returns as one of the important management tasks.

The Company has decided to change the shareholder return policy as follows with the aim of further enhancing shareholder returns through repurchase of treasury stock reflecting the business environment, in addition to the progressive dividend payment to shareholders.

(Underlined portions denote change)

Before change	After change
The Company places utmost priority on continuously increasing dividends, with the total dividend determined by comprehensively considering the funding needs for future business expansion and earnings growth, as well as the Company's financial standings and business performance for the fiscal year under	The Company places utmost priority on continuously increasing dividends, <u>based on the concept of progressive dividend payment</u> , with the total dividend determined by comprehensively considering the funding needs for future business expansion and earnings growth, as well as the Company's financial

review.	standings and business performance for the fiscal year under review. <u>Additionally, we will flexibly carry out share repurchase, with 70% in total payout ratio as a guideline, by taking into account the market environment, cash flow, etc.</u>
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*The Company is planning share repurchase more ¥100 billion by fiscal year 2030.

*Shareholder return policy refers to the Company's Policy Regarding Determination of Dividends of Surplus

<Timing of changes to the shareholder return policy>

The changes will come into effect from the fiscal year ending March 31, 2025.

2. Reasons for share repurchase

The Company will implement a flexible capital policy aiming to improve capital efficiency and strengthen shareholder returns based on the shareholder return policy conscious of total payout ratio.

3. Details of matters pertaining to repurchase

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| (1) Type of shares to be repurchased: | Shares in the Company's common stock |
| (2) Total number of shares to be repurchased: | 14,000,000 shares (upper limit)
(4.62% of total number of shares outstanding [excluding shares held as treasury stock]) |
| (3) Aggregate repurchase price: | ¥30.0 billion (upper limit) |
| (4) Period of share repurchase: | From Monday, February 17, 2025, to Thursday, June 19, 2025 |
| (5) Method of share repurchase: | Open market purchase on the Tokyo Stock Exchange |

4. Details of matters pertaining to cancellation

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| (1) Type of shares to be cancelled: | Shares in the Company's common stock |
| (2) Total number of shares to be cancelled: | All shares to be repurchased through the share repurchase described in section 3 above. |
| (3) Scheduled cancellation date: | Monday, June 30, 2025 |

<Reference> Status of shares held as treasury stock as of January 31, 2025

Total number of shares outstanding (excluding shares held as treasury stock):

303,210,759 shares

Number of shares held as treasury stock: 38,880,077 shares

[For inquiries regarding this timely disclosure]

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