Continuously Evolving Yakult

2010 marks the 75th year of operations for Yakult. Over the 75 change-filled years since we began manufacturing and selling Yakult fermented milk drinks in the Japanese city of Fukuoka, we at Yakult have evolved, appreciating new perspectives while always remembering our roots.

That adaptability has been a constant in everything we, as a company that contributes to human health, have accomplished since our earliest lactobacilli R&D and through the development of our food, cosmetics, and pharmaceutical businesses, and is fundamental to our current commitment to help solve global and social environmental problems.

Our mission at Yakult is to determine what must be preserved, what must give way to something new amid changing times, and continue evolving step by step to protect human health throughout the world to achieve the goal of Minoru Shirota, our founder.

Our corporate slogan, “In order for people to be healthy, everything around them must also be healthy.” incorporates the idea of considering the health of the global environment while contributing to the health and happiness of people throughout the world in all of our business activities.
Dr. Minoru Shirota, Yakult’s founder, focused his career on preventive medicine as a way to protect human health. After the investment of months and years of effort, he succeeded in strengthening and culturing a lactobacillus that was beneficial for human health.

Yakult’s beginnings

Minoru Shirota, a Doctor of Medicine, began his medical studies in 1921 at Kyoto Imperial University (now Kyoto University). At the time, Japan had yet to achieve economic prosperity, and un-sanitary conditions caused large numbers of children to die of infectious diseases. Disturbed by that reality, Dr. Shirota, while still a medical student set his sights on the field of preventive medicine, which aims to help people avoid sickness, and started down the path of microorganism research.

In his research, Dr. Shirota discovered that lactobacilli were effective in suppressing harmful bacteria within the intestines. He later became the first to successfully strengthen and culture a strain of lactobacilli, which is now known as *Lactobacillus casei* strain Shirota.

Dr. Shirota, together with volunteers, then developed an inexpensive, good-tasting beverage, so that as many people as possible could benefit from *Lactobacillus casei* strain Shirota, which reaches the intestines alive and promotes intestinal health. That is how the Yakult lactobacillus-based beverage was born in 1935 and was the beginning of the Yakult that is loved throughout the world.

**Shirota-ism—The root of our business**

Dr. Shirota believed that practicing preventive medicine was better than treating illness, that a healthy intestinal tract leads to a long life, and that as many people as possible should have easy access to *Lactobacillus casei* strain Shirota, which strengthens the intestines. He, therefore, advocated delivering good health, which everyone wants, at a price anyone could afford.

At Yakult, these ideas of Dr. Shirota are referred to as Shirota-ism and serve as the root of all of our business activities.

---

**Shirota-ism**

1. Preventive medicine

   Emphasis should be placed on medicine that prevents illness, rather than on treating illness once it develops.

2. A healthy intestinal tract leads to a long life

   Human beings take in nutrition through their intestines. Making the intestines strong leads to healthy and long lives.

3. A price anyone can afford

   The goal of providing as many people as possible with easy access to *Lactobacillus casei* strain Shirota, which protects the intestines.

Shirota-ism, in addition to the above also includes ideas like “caring enough to broaden acceptance,” “caring enough to make home deliveries,” “harmony among people,” “sincerity,” and “honesty and kindness” as timeless and fundamental aspects of our business activities.

**Legacies**

With a sincere belief in their benefits, we deliver our products personally to people at their homes and other locations. That approach, which puts our products directly into people’s hands, is rooted in Dr. Shirota’s principles, which emphasize propagation of the preventive medicine approach and the idea that a healthy intestinal tract leads to a healthy, long life, and stress sincerity and harmony among people. These concepts—“caring enough to broaden acceptance,” “caring enough to make home deliveries,” “harmony among people,” “sincerity,” and “honesty and kindness” as timeless and fundamental aspects of our business activities.
Contributing to the health and happiness of people throughout the world

All of Yakult’s businesses are being developed based on a corporate philosophy underpinned by Shirota-ism.

With Shirota-ism at its heart, Yakult is gaining recognition throughout the world

Yakult is developing its business based on its corporate philosophy. Expressed as, “We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular,” this philosophy is based on Shirota-ism.

Our corporate philosophy addresses everything from R&D to production, the delivery of good health to people throughout the world, and contributions to the health of the planet and society.

Working in close cooperation with each other, our individual businesses have all fully inherited the concept of Shirota-ism, and are infused with the passionate desire to contribute to the health and happiness of people around the world. That desire has reached around the world, making Yakult a familiar name across the globe.

Moving forward, in order to maintain the trust we have earned throughout the world, we at Yakult will continue to honor Shirota-ism and the ideas it encompasses.
Evolving with a firm sense of our origins

Looking to the future, we at Yakult remember our origins as we continue to break new ground.
—Development of new materials for protecting health and the pursuit of R&D focused on the possibilities of probiotics.
—Advanced quality assurance and the manufacturing of products that protect the environment, and propagation activities that promote understanding of Yakult products.

A tireless spirit of inquiry aimed at protecting human health

Last year, we marked three anniversaries—the 110th anniversaries of the birth of our founder, Dr. Minoru Shirota, and the discovery of bifidobacteria by Dr. Henry Tissier, and the 10th anniversary of the introduction of Yakult 400, which boasts a prodigious amount of lactobacilli. This year, as we mark the 75th anniversary of our company’s founding, we are ever more passionate in our desire to respond to the needs of people seeking good health.

Yakult is steadfastly pursuing R&D aimed at relieving health-related anxieties, fighting environmental degradation, and protecting human health.

For example, we are not only using methods in molecular biology to exhaustively analyze microorganisms in the human intestine, which number approximately 100 trillion across several hundred species, to protect intestinal health but also researching microorganisms that perform beneficial roles in the stomach. Furthermore, there is no end to the pursuit of future-oriented life sciences, for example, through the discovery of new materials that benefit human health and research on symbiotics therapy applying the possibilities of probiotics in a clinical setting.

Moving forward, Yakult will remain true to our commitment to steadily shed additional light on ways to use intestinal bacterial for the benefit of human health.

Product manufacturing underpinning Yakult across the globe

Yakult products are manufactured throughout the world in plants that comply with stringent internal standards and hygiene management practices that assure quality and in environmentally friendly ways.

As a company with the slogan, “In order for people to be healthy, everything around them must also be healthy,” Yakult can accept nothing less.

Propagating the idea of contributing to good health

We at Yakult constantly ask ourselves what we can do to counter the things that threaten the health of people throughout the world.

We respond to that question through not only R&D and the introduction of new products but also by having Yakult Ladies distribute health information to customers and taking other small steps, as well.

At a higher level, we are expanding our pharmaceutical business and, as a company globally recognized for its contributions in the field of oncology, are forging ahead with initiatives aimed at developing drugs and promoting the adoption of standard treatments. Through our globalization efforts, we aim to expand our sales coverage to include countries and regions accounting for approximately 70% of the world’s population. Given that, our desire to contribute to the health of people throughout the world, which we have held on to since our very founding, is steadily approaching realization in conjunction with the growing adoption of probiotics.
Pursuit of life sciences to further the health of people throughout the world.

Product

Foods and Beverages
- Dairy Products
- Functional Beverages

Cosmetics

Pharmaceuticals

Production

Research & Development
Bom of the concept of preventive medicine and the idea that a healthy intestinal tract leads to a long life

Yakult’s founder, Dr. Minoru Shirota, advocated preventive medicine and the idea that a healthy intestinal tract leads to a long life. Yakult and our other fermented milk drinks and fermented milk all originated from these concepts. Going forward, we will turn out products that protect human health based on our years of probiotics research underpinned by the concept of preventive medicine and the idea that a healthy intestinal tract leads to a long life.

The power of Yakult dairy products

L. casei strain Shirota and B. breve strain Yakult are unaffected by gastric and other digestive juices, and reach the intestines alive. These microorganisms improve conditions in the intestines and play an important role in maintaining a healthy intestinal tract.

Yakult dairy products include large numbers of these lactobacilli, which are exceptional for their ability to promote good health. Indeed, with one bottle of Yakult 400, which includes the greatest number of lactobacilli, one can take in a phenomenal 40 billion L. casei strain Shirota.

Yakult Calorie Half, one of our newest products, was launched in June 2009 in

Benefits of Lactobacillus casei strain Shirota and Bifidobacterium breve strain Yakult

1) Promotion of Healthier Intestinal Activity to Improve Bowel Movements

Lactobacillus casei strain Shirota produces lactic acid, while Bifidobacterium breve strain Yakult produces lactic acid and acetic acid. Both types of acid stimulate the intestines and improve bowel movements.

2) Prevention of the Intraintestinal Growth of Harmful Bacteria

The lactic and acetic acids that Lactobacillus casei strain Shirota and Bifidobacterium breve strain Yakult produce prevent the growth of harmful bacteria inside the intestines.

3) Prevention of Intestinal Putrefaction by Inhibiting Production of Harmful Substances

By preventing the growth of harmful bacteria, Lactobacillus casei strain Shirota and Bifidobacterium breve strain Yakult also prevent the production of substances that they create, and that lead to intraintestinal putrefaction.
response to strong consumer demand for products with fewer calories and less sweetness. Yakult Calorie Half has only half the calories and a great new taste that is 50% less sweet than our flagship Yakult product. Presently, approximately 20 Yakult lactobacilli beverages and food products have been recognized by Japan’s Consumer Affairs Agency as having beneficial health effects and been approved to bear the “Food for Specified Health Uses” label.

The future of probiotics Creating new value in dairy products
The results of our many years of probiotics research have given rise to a whole series of new products. We introduced our Pretio fermented milk drink, containing L. casei strain Shirota, as a new product that harnesses the power of lactobacilli to create GABA (γ-aminoisobutyric acid), which acts to lower blood pressure. We developed Yakult SHEs, which contains vitamin C and collagen, in addition to L. casei strain Shirota to protect the health of the intestinal tract, in response to feedback from women interested in beauty and health. And we followed up with the September 2009 introduction of Yakult SHEs Hard Type, which offers a unique texture created with gelatin and agar, and has met with strong market acceptance. We have also brought back, after a five-year absence and with a great deal of market attention, Mil-Mil, a fermented milk drink that uses B. breve strain Yakult, which is mainly active in the large intestine, to make up for the aging- and stress-induced losses of bifidobacteria. Mil-Mil is a drinkable yogurt that improves intestinal health.

Another of our products, our BF-1 fermented milk drink uses Bifidobacterium BF-1, a newly discovered bifidobacterium that has become the subject of growing expectations regarding its ability to protect the stomach. As a leader in the field of probiotics, Yakult will continue to pursue the preventive medicine possibilities of lactobacilli, in support of its objective to contribute to human health.

Food with Health Claims

Food with Health Claims
(Food for Specified Health Uses)
There are two types of food with health claims, “Food for Specified Health Uses” and “Food with Nutrient Function Claims.” A “Food for Specified Health Uses” is intended to provide certain health benefits and includes substances (active ingredients) that have beneficial effects on the body’s physiology. A food can display the “Food for Specified Health Uses” label only after its effectiveness, safety, and quality have been scientifically tested by the Japanese government and authorization is received. A “Food with Nutrient Function Claims” is intended for use as a nutritional supplement. As long as it includes specified substances (vitamins, minerals, etc.) and meets designated standards, a food may be labeled as a

Mil-Mil A new version of this milk-based product. A clean-tasting drinkable yogurt that replaces intestinal bacteria lost to age and stress. <sold in limited locations>

BF-1 Lactobacillus drink that contains Bifidobacterium BF-1 and is easy on the stomach. <cold in limited locations>

Joie Yogurt drink containing live L. casei strain Shirota and calcium. Plain and fruit-flavored varieties.

Sofuhl Dessert yogurt containing L. casei strain Shirota.

Purela Soft yogurt containing L. casei strain Shirota and Aloe Vera pulp.

Joie Yogurt drink containing live L. casei strain Shirota and calcium. Plain and fruit-flavored varieties.

Sofuhl Dessert yogurt containing L. casei strain Shirota.

Purela Soft yogurt containing L. casei strain Shirota and Aloe Vera pulp.
Protecting the health of people in modern societies
Addressing a broad range of issues
Health concerns have diversified to include a whole host of lifestyle diseases, allergies, and stress. Since introducing the Toughman nutritional drink in 1980, to help protect human health Yakult has developed, in addition to probiotic products, functional beverages that respond to a wide variety of health needs.

Line of beverages with exceptional health benefits
Yakult’s functional beverages include not only nutritional drinks but also sports drinks, beverages for refreshment, and products that can be expected to provide various health benefits.

Yakult offers vinegar drinks loaded with amino acids required by the body, and beverages that inhibit rapid increases in blood sugar and increases in serum triglyceride after meals. Our product line includes offerings that help to bring cholesterol down, fight ulcers, have antioxidant effects, and address a broad range of other modern health needs.

Yakult’s Bansoreicha, and Chosei Tonyu Kokusandai Shiyu beverages, having undergone strict government inspections, are authorized to carry the “Food for Specified Health Uses” label. Our line of functional beverages also includes the Toughman series, which offers nutritional supplementation for the physically active.

Yakult also offers Thorpedo, a low-glycemic-index sports drink; Lemorea, which incorporates theanine and seven types of herb extracts; Kininaru Yasai 100, a combination of various fruit and vegetable juices; the Gyutto Kenko series, which addresses the needs of an aging and increasingly health-conscious society, and comes in the smallest paper container in Japan, as well as a wide variety of other beverages with outstanding functionality for protecting health.

Protecting the Health of People in Modern Societies
Yakult is aggressively pursuing R&D on beverages with health maintenance benefits, and constantly employing new perspectives in delivering products that help to ensure healthy lives for people susceptible to lifestyle and other modern diseases.

Outstanding functional beverages for better health
In addition to dairy products that are beneficial for intestinal health, our Food and Beverages Business Division is developing beverages with functions that address lifestyle diseases, stress, and other afflictions of people living in modern societies.
Based on the idea that “intestinal health is a direct factor in producing beautiful, healthy skin,” Yakult offers its own high-quality cosmetics containing moisturizers derived from lactic acid bacteria.

Inquiring into the fundamentals of healthy skin
Yakult cosmetics are based on the idea of promoting a healthy digestive tract with lactobacillus-based beverages, and promoting healthy skin with lactobacillus-based cosmetics.

Lactic acid bacteria that are good for the body are also good for the skin. Using the results of years of concerted research based on that concept, Yakult developed a fermented lactic acid bacteria extract for skincare (moisturizing agent) in 1955. We next developed a high molecular weight hyaluronic acid (moisturizing agent) derived from lactic acid bacteria and other cosmetic ingredients and have continuously pursued dermatological research.

Anti-aging benefits of the Parabio Series
Focusing on the functions and structure of the skin, Yakult developed lamellar particles, which function as a moisturizing agent and are incorporated in our Parabio Series products. After their introduction, these products quickly became a favorite of customers interested in genuine anti-aging benefits.

In May 2010, we introduced nine new skincare products incorporating significantly improved lamellar particles with enhanced benefits. These new products are more readily absorbed by the skin and provide even better results in terms of tighter pores, a healthier radiance, and greater skin elasticity.

Revecy Series for maintaining beautiful skin
Yakult has long put forth the Revecy Series as a way to maintain beautiful skin through a holistic internal and external approach based on the concept of “internal and external beauty” and the idea that “intestinal health is a direct factor in producing beautiful, healthy skin.” The Revecy Series was developed as a brand that seeks to promote truly beautiful skin by maintaining healthy balances for the skin, body, and mind.

The Revecy Series is characterized by a “golden proportion of three lactic acid bacteria,” and the plant extracts and fragrances it uses. Three moisturizing agents derived from lactic acid bacteria, and plant extracts, help the skin to maintain its innate strength, and gentle fragrances promote a healthy mental equilibrium.

Revecy White for maintaining a light complexion
Based on the Revecy Series for maintaining beautiful skin, Yakult has now come out with the Revecy White Series as a skincare brand responding to the recent heightened interest in maintaining a light complexion.

The Revecy White Series is based on the idea of keeping light complexions from darkening. It supplements the exceptional moisturizing power of Revecy with new complexion lightening technology exceptional in its ability to help return skin to its original light color. The Revecy White Series responds to customer desires to maintain their light complexions over the years.

Recommending cosmetics for individual customers
Yakult Beauty Advisers spare no effort in providing the best skincare counseling they can. Their advice is based on detailed assessments of each individual customer’s skin condition and includes skincare product recommendations and instruction on their usage. We devote so much effort to this endeavor because we believe sincere communication is the first step toward healthier skin.

Yakult cosmetics, therefore, are delivered to customers throughout Japan by Yakult Beauty Advisers and Yakult Ladies. Yakult Beauty Advisers number approximately 6,900 in total and are based in 500 salons located throughout Japan.

Going forward, we will continue to provide customers with advice aimed at promoting better health for the skin, body, and mind—health in every sense of the word. We are committed to the idea that intestinal health is a direct factor in producing beautiful, healthy skin.
Moving cancer treatment forward as an important contributor in the field of oncology

Yakult’s pharmaceutical business, which grew out of applied research on lactobacilli, is expanding into therapeutic medicine.

From beginnings in the development of pharmaceuticals utilizing lactobacilli

Yakult’s pharmaceutical business came into being in 1961 when we began developing enzyme products for use in food and pharmaceuticals. Yakult, which had until then focused on contributing to health from the perspective of preventive medicine, undertook to supplement its preventive medicine research with therapeutic initiatives aimed at protecting the health of people suffering the misfortune of illness. We embarked on prescription drug sales in 1975 and have now expanded our business to include over-the-counter drugs, medical devices, reagents, and other products, as well.

We launched our over-the-counter drug operations with the introduction of Yakult Seichoyaku, a lactobacillus-based drug, in 1979, came out with Yakult BL Seichoyaku, which employs both L. casei strain Shirota and B. breve strain Yakult, in 1995, and introduced Yakult BL Seichoyaku S Tablets, in 2006.

In the field of prescription drugs, we have developed the anticancer drug Campto I.V. Infusion (irinotecan hydrochloride trihydrate). Yakult is now recognized the world over as an important contributor in the field of oncology, and we are now moving forward with medical and pharmaceutical initiatives based primarily on a two-drug combination of Campto I.V. Infusion and Elplat for injection and I.V. infusion (Oxaliplatin).

Contributing to medicine through the development of anticancer drugs

Campto I.V. Infusion, developed by Yakult, is synthesized from anticancer substances found in the Camptotheca tree of China and other sources, and has gained significant attention as an anticancer drug with unique efficacy. In Japan, Campto I.V. Infusion is being used to treat colorectal, lung, gynecological, stomach, and other cancers. Furthermore, based on the results of large-scale overseas clinical studies, it has become a first line treatment for colorectal cancer and is now approved for use in over 100 countries.

Global Adoption of Campto I.V. Infusion

Countries and regions where manufacturing authorization has been given

| Japan | Argentina | Australia | Brazil | Canada | Chile | Columbia | Costa Rica | Panama | Peru | USA | Venezuela | New Zealand | Aruba | Dominican Republic | Jamaica | Puerto Rico | Trinidad and Tobago | El Salvador | Austria | Belgium | Bulgaria | Czech Republic | Finland | France | Germany | Greece | Hong Kong | Israel | Italy | Lebanon | Luxembourg | Malaysia | Philippines | Poland | Portugal | And 60 other countries |
Elplat is an anticancer drug synthesized in Japan in 1976 and developed in Europe. Based on the results of clinical studies performed mainly in Europe and the US, Elplat has become the gold standard for the treatment of colorectal cancer and, since 1999. It has been approved for use as a first-line treatment of metastatic colorectal cancer in over 60 countries.

Yakult performed development work in Japan, gained import approval in March 2005, and began domestic sales in April 2005.

Presently, colorectal cancer is the leading cause of cancer deaths among Japanese women and the fourth leading cause of cancer deaths among Japanese men. With predictions that it will overtake stomach cancer to become the most prevalent cancer among Japanese by 2015, the challenge to discover additional treatments and cures for this disease will continue. Campto I.V. Infusion and Elplat will likely be at the center of such research activities.

In addition to Campto I.V. Infusion and Elplat, sales of the anticancer drugs Cisplatin MARUKO, Flutamide Tablets 125KN, Levofolinate for I.V. Infusion Yakult, and Gemcitabine for I.V. Infusion Yakult, and Sinseron for relieving gastrointestinal symptoms such as nausea and vomiting induced by platinum based anticancer agents, and Neu-up for the remedy of neutropenia induced by anticancer drugs are being pursued as a part of wide-reaching efforts in the field of oncology.

Note: As of July 2008, the product name “Campto Injection” and the ingredient name “Irinotecan” were changed to “Campto I.V. Infusion” and “Irinotecan hydrochloride trihydrate,” respectively.

Information provision activities of MRs specializing in oncology
Evidence Based Medicine (EBM) has gained importance in recent years and it is now considered imperative to promote the adoption of the resulting treatments, referred to as “standard treatments,” in order to raise the level of medical care.

Yakult MRs (medical representatives) have highly specialized knowledge of oncology and provide timely, accurate information for various needs in medical environments. One goal of these information activities is to promote the adoption of standard treatments. Yakult MRs not only promote Yakult products; they also work to increase awareness of the importance of standard treatments and must provide a broad range of information on the roles Yakult products play in medical treatment as a whole.

There are currently approximately 160 Yakult MRs throughout Japan. This number, however, is being increased and steps like enhancing training to improve the quality of MRs are being taken in order to broaden awareness of the importance of standard treatments.

Aiming to become Japan’s leading company in the field of oncology
Yakult’s pharmaceutical business, which began with lactobacillus R&D and has capitalized on the success of Campto I.V. Infusion and Elplat to establish a firm position in the field of oncology, will continue to focus on development work in oncology and related areas. At the present time, most of the anticancer drugs used, or expected to be used, in Japan are the products of overseas companies. Yakult, however, is concentrating on developing its own drugs and striving to develop products with overseas potential.

Therefore, we are focusing on research to identify the seeds of future pharmaceuticals that could achieve success similar to that of our in-house developed Campto I.V. Infusion.

Yakult’s pharmaceutical business is pursuing three themes—Drug development primarily in the field of oncology, information dissemination aimed at promoting the adoption of standard treatments, and organizational enhancements for promoting these activities. The goal of endeavors in these three areas is to make Yakult Japan’s leading company in the field of oncology.
Environmentally friendly, safe products of the highest quality

Yakult makes safe products under exacting quality management measures with the latest, most advanced, and optimal production systems.

Food Production Plants

Making products of the highest quality in an environmentally friendly way

To consistently make products of impeccable safety day in and day out, Yakult’s dairy product plants employ integrated production systems that start with the addition of ingredients and include every phase from culturing, to blending, container manufacturing, filling, and shipping.

HACCP (Hazard Analysis and Critical Control Point) systems have been introduced in the production processes of Yakult Honsha and in all 6 subsidiary plants to ensure exacting quality management and meticulous hygiene management. In addition, we have created our own quality management standards, which are stricter than those employed by outside auditors, and conduct internal audits to ensure they are followed.

Today, inspections by officials affiliated with public institutions and other measures guarantee that Yakult quality management measures meet both internal and external standards.

All Yakult Honsha and subsidiary plants (15 in total, 13 of which manufacture dairy products) have acquired the ISO14001 international environmental management system certification.

Yakult’s flagship Fuji Susono Plant has acquired the ISO9001 international quality management and assurance certification.

And we have taken the further step of developing our own rigorous quality management system based on a combination of HACCP and ISO9001 standards. In so doing, we have created a new model for ultimate quality assurance, and are moving forward with product manufacturing that excels in high quality and safety, and is kind to the global environment.

To deliver products of even higher quality

In recent years, consumers have developed an even stronger interest in food safety, and Yakult is moving ahead with efforts to introduce production equipment and

The Yakult Group is engaged in ongoing activities aimed at producing high quality and protecting the environment.

Domestic and Overseas Certifications

- ISO14001: International certification for systems aimed at continuous improvement in environmental performance.
- HACCP: Hazard Analysis Critical Control Point international standard for food and pharmaceutical safety management.

*Information on the acquisition of these certifications by Yakult Honsha and the Yakult Group is presented on P33.
product inspection facilities incorporating the latest technology, so that it can reliably deliver high-quality products. The integration of product inspection facilities directly into our production lines makes it possible to instantly check every product we make.

**Fulfilling their responsibilities of manufacturing life-saving pharmaceuticals**

Our pharmaceutical plant is located within the expansive Fuji Susono dairy product plant site, which sits in full view of Mt. Fuji. It is there, within an environment characterized by pure water and an abundance of natural greenery, that we produce safe, high-quality pharmaceuticals with advanced manufacturing technologies that comply with the Good Manufacturing Practices (GMP = Manufacturing and quality management standards for pharmaceuticals and other products) of Japan, the United States and Europe. Yakult’s own Campto anticancer drug is manufactured at, and supplied to the world from this plant.

**Welcoming visitors to plants that epitomize safety and peace of mind**

We welcome visitors at every one of our plants in Japan. Our aim in doing so is to make sure that our plants are worthy of even greater trust by the public whom we hope will develop a deeper understanding of Yakult’s aims and products by seeing for themselves how the products we deliver to customers are made in the most up-to-date facilities, under the strictest hygiene management, and with the safest manufacturing processes.

**Pharmaceutical Plant**

In updating that plant, we took steps not only for the purpose of making cosmetics under strict safety standards, and ensuring quality and hygiene management, but also to add a Beautiens Salon and a gallery (for plant tours) to give visitors a clear picture of our operations there. At the Beautiens Salon, visitors can have their skin analyzed and experience the benefits of high-quality products in a relaxing atmosphere. Filling and packaging processes can be observed from the gallery and visitors can use a microphone to talk directly with employees working on the production line. We have taken these and other innovative steps to provide customers with information on our production processes through all five senses.

**Cosmetics Plant**

Our Shonan Cosmetics Plant was refitted in March 2008.

In updating that plant, we took steps not only for the purpose of making cosmetics under strict safety standards, and ensuring quality and hygiene management, but also to add a Beautiens Salon and a gallery (for plant tours) to give visitors a clear picture of our operations there. At the Beautiens Salon, visitors can have their skin analyzed and experience the benefits of high-quality products in a relaxing atmosphere. Filling and packaging processes can be observed from the gallery and visitors can use a microphone to talk directly with employees working on the production line. We have taken these and other innovative steps to provide customers with information on our production processes through all five senses.
Tireless pursuit of life sciences

Over more than 70 years, Yakult’s research on how to apply the extraordinary powers of microorganisms for the benefit of human health has extended into foods, pharmaceuticals, cosmetics, and various other fields.

Yakult’s R&D initiatives

As heir to the passion and spirit of inquiry of Dr. Minoru Shirota, our first research director, the Yakult Central Institute for Microbiological Research (a.k.a. Yakult Central Institute) develops food, pharmaceutical, and cosmetic ingredients that are useful for maintaining and promoting human health, and performs research on their applications.

In the area of food products, our research lab has devoted significant effort to R&D aimed at putting the extraordinary powers of microorganisms to work for the benefit of human health. It is also pursuing R&D on anticancer and related drugs in the field of pharmaceuticals, and dermatology-based R&D focused on safe, highly effective materials in the area of cosmetics.

Establishment of a European research lab

In May 2005, Yakult Honsha established its first overseas research facility in Ghent, Belgium. The Yakult Honsha European Research Center for Microbiology ESV (YHER) applies Yakult’s technologies for analyzing intestinal flora, which are among the best in the world, to shed light on the intestinal flora of Europeans and research the effects of probiotics on intestinal functions, as one step toward improving health for all people.

*Intestinal flora: Several hundred species of bacteria, numbering approximately 100 trillion in all, live in the human intestines. These intestinal bacteria gather in groups resembling fields of plants and, therefore, are referred to as intestinal flora.

Food Research Building constructed to accelerate R&D and boost product development capabilities

The Yakult Central Institute has been developing high-quality, safe products. However, to further emphasize quality-and safety-oriented activities by accelerating R&D and reinforcing product development capabilities, we have constructed the Food Research Building on the grounds of the Yakult Central Institute. Probiotic and symbiotic research is the focus in the Food Research Building, and it pursues R&D on everything from food ingredients to product commercialization, follows the progress of products after market introduction, and lends technical support to Yakult manufacturing plants in Japan and abroad. We have also refurbished and expanded our Safety Testing Research Building, which is a facility that evaluates the safety and assesses the effectiveness of food products, pharmaceuticals, and cosmetics, and provides support for basic research, and we have constructed the Energy Supply Building to steadily and efficiently provide electric power to each research facility. With construction work now complete, the Yakult Central Institute has been reborn as a “research institute in the forest,” and is moving forward with its work of protecting human health.

Organizational Chart of the Yakult Central Institute

Research & Development

- Basic Studies
  - Intestinal flora
  - Biophylaxis
  - Probiotics
  - Cancer prevention
  - Intestinal immunity
  - Genomic analysis of microorganisms
  - Discovery of yet-unknown intestinal bacteria

- Screening of the Basic Materials of Foods, Pharmaceuticals and Cosmetics
  - Discovery and improvement of useful microorganisms
  - High-level purification and processing of enzymes
  - Development of techniques for utilization of food materials
  - Discovery and utilization of effective components in natural organic substances
  - Detection and improvement of useful components of milk
  - Chemical synthesis and modification of organic compounds

- Verifying functions of food materials
- Determining pharmacological effects and mechanisms
- Verification of functions of cosmetic ingredients

Product Feasibility Testing

- Safety testing
- Industrial feasibility tests
- New food materials
- New pharmaceutical materials
- New cosmetic materials
Organization of the Yakult Central Institute
The research activities of the Yakult Central Institute fall into three phases—Basic research; screening of food, pharmaceutical, and cosmetic ingredients; and product testing.

Basic research is indispensable for all R&D activities. As its primary mission, the Yakult Central Institute works to elucidate the relationship between human health and intestinal flora, and, as a key Yakult basic research center, examines the structures and functions of intestinal flora. The research initiatives and accomplishments of the Yakult Central Institute have drawn significant attention from academia and industry throughout the world.

Newly discovered effects of lactobacilli
Through years of research, it has been discovered that drinking beverages with *L. casei* strain Shirota works to restore NK activity* that has been diminished by factors like smoking, physical inactivity, and a lack of sleep. In addition, it has also been learned that *L. casei* strain Shirota, by helping the body rid itself of mutagenic substances (substances that encourage the development of cancer) and enhancing the immune system, reduces the risk of cancer. The prevention of cancer and its recurrence is closely related to the immune system, and Yakult is moving ahead with efforts to shed light on that relationship.

*NK activity: The immune system protects our bodies from harmful bacteria, viruses, and cancer and other maladies. Spearheading the immune system are natural killer (NK) cells. *NK activity" refers to the ability of NK cells to perform their roles and has recently come to be recognized as an indicator of immune system strength.

Intestinal Bacteria That Induce Production of Th17 Cells
Th17 cells are one subset of the T Cells that play a central role in the immune system. The ability to artificially control the number of Th17 cells, it is thought, would be useful for the treatment of infectious and autoimmune diseases. It has been determined that segmented filamentous bacteria (SFB), which are constantly present in the digestive tracts of various mammals, uniquely and strongly induce production of Th17 cells in the digestive tract. As modulation of the SFB or unknown bacteria that play similar roles in the intestine by probiotics may provide therapeutic treatment for diseases such as ulcerative colitis and Crohn’s disease, the Yakult Central Institute is pushing ahead with various research projects.

YIF-SCAN drawing attention from throughout the world
Approximately 100 trillion bacteria of several hundred species live in the intestines, and there is still much to learn about them.

In the past, intestinal flora were studied predominately through an approach known as the “culture method.” The culture method requires time and advanced skills and is limited by factors like the existence of many types of bacteria that cannot be cultured.

The Yakult Central Institute for Microbiological Research, therefore, set about looking for a new research approach and succeeded in developing “YIF-SCAN,” Yakult’s state-of-the-art intestinal flora analysis system. YIF-SCAN selectively quantifies bacteria based on the unique gene sequences (RNA and DNA) of individual intestinal flora. It opens the door to analyses that can be performed more rapidly than possible with the culture method and does not require a high level of skill. Applicable to bacteria existing in high numbers or low numbers, YIF-SCAN is also capable of a wide range of high-sensitivity analyses, and the possibilities for illuminating the close relationship between intestinal flora and human health have drawn attention from around the world.

*YIF-SCAN is a registered trademark.
Yakult has made YIF-SCAN available to Danone and is promoting joint research with an eye toward establishing YIF-SCAN as the global standard for intestinal flora analysis. Recently, YIF-SCAN technology has been applied to certain clinical settings. As a typical adverse effect of cancer chemotherapy, the decrease of peripheral blood cell counts often causes opportunistic infection. These infections are normally diagnosed based on the data obtained from blood culturing, which, however, has several disadvantages such as a low rate of detection and time-consuming procedures. Therefore, empiric treatment of patients with antimicrobial drugs before receiving the testing results has been popular because of the limitations of the blood culturing. Using YIF-SCAN instead would not only lead to an earlier diagnosis of the bacterial infection but also provide an effective way to select the antimicrobial drug to administer, so clinicians are very interested in the possibility of this new application.

**Synbiotics—a focus of attention in medical settings**

Synbiotics combine probiotics and prebiotics (substances that promote the growth of beneficial bacteria in the intestine). Many are hoping to employ synbiotics as a substitute for antibiotics that are used to control postoperative and other infections. Synbiotic treatments have already been shown in clinical settings to promote the recovery of immune functions, prevent septic complications, promote absorption and digestion, improve nutritional status, and enhance recuperative powers by improving the balance of the intestinal flora.

**Yakult Central Institute’s Analysis Laboratory**

**Putting the power of microorganisms to work for the environment**

The Yakult Central Institute’s Analysis Laboratory performs chemical analyses, which provide a foundation for R&D, and develops technologies like microorganism analytical methods with environmental applications. It also helps to ensure consistent quality, so that Yakult can always provide safe products. Since 1976, the Yakult’s Analysis Laboratory has been registered with the national and local governments in Japan as an analysis and inspection institution and has performed analysis and testing work in response to government, business, and consumer requests. Joint research from these undertakings resulted in the development of a reagent kit for use in taking rapid measurements of nitrifying bacteria. In 2006, this kit received the New Technology Award from the Japan Society on Water Environment, Japan’s largest organization in the field of water environment chemistry, and it is now widely used in water treatment plants and universities throughout Japan.

**Synbiotics**

\[ \text{Synbiotics} = \text{Lactobacilli} + \text{Bifidobacteria} + \text{Dietary fiber} + \text{Galactooligosaccharide} \]

**Determination kit for nitrifying bacteria**

**Yakult’s Analysis Laboratory**

**Chemical Analysis**
- Ingredient/product analysis
- Food analysis
- Specialized analysis
- Development of analytical methods

**Biotechnology**
- Cultivation of microorganisms in large quantities
- Development of determination kits

**Environmental Protection**
- Promotion of wastewater treatment systems utilizing Yakult plastic bottles
- Environmental clean up using microorganisms

**Measurement certification business**
- Concentration: Registration number—Tokyo, No. 520
- Sound-pressure level: Registration number—Tokyo, No. 871
- Vibrational acceleration level: Registration number—Tokyo, No. 961
- Water quality inspection for drinking water in buildings: Registration number—Tokyo 57, Sui No. 40
- Measurement of air quality in buildings: Registration number—Tokyo 63, Ku No. 136
- Measurement of work environment: Registration number—Tokyo Ro No. 13-42
- Class II olfactory testing and certification: No. 222 (03)

**YIF-SCAN**

Heavy-metal analysis using an atomic absorption photometer.
Propagating Yakult’s desire
To deliver good health to as many people as possible
Yakult throughout the world

Until the day when we can deliver Yakult to all the people of the world, our propagation activities will not cease.

Yakult Becoming Part of the Daily Routine for More and More People throughout the World

Because of Dr. Minoru Shirota’s desire to protect the health of people throughout the world, it was only natural that Yakult expand overseas. In 1964, Yakult Co., Ltd. (Taiwan) began operations, as the first step in the expansion of our network to Asia, Oceania, the Americas, and Europe. Based on the belief that all people desire good health, we pushed ahead with efforts aimed at deepening understanding of lactobacilli, and due to these efforts Yakult products are today sold through 27 overseas operations and consumed in 32 countries and regions. In June 2010, Yakult was enjoyed by over 30 million people every day.

Locally based activities

Yakult, in order to win the acceptance of local communities, makes it a point to manufacture and sell its products on a local basis. Deepening understanding of the ideas of preventive medicine and a healthy intestinal tract leads to a long life, and encouraging regular consumption of Yakult products, requires the creation of an appropriate environment and the development of people to get the job done.

Our aim is to create business operations that are integrated into, and fully accepted by, local communities by providing health information appropriate for the daily lifestyle and dietary practices, respecting local traditions and cultures, and taking other actions tailored to individual countries or regions.

As in Japan, deliveries of Yakult products in many countries and regions are made by Yakult Ladies, who presently number approximately 38,300 outside of Japan.
From single points to whole new markets
From countries in which we have production facilities to neighboring countries, we are further expanding delivery areas for not only the Yakult fermented milk drink but also our other products and, thereby, getting our dairy products to an even greater number of people, and expanding our base of loyal customers.

Working toward greater globalization from a foundation of steady achievement
In countries and regions where Yakult products are already available, we continue to pursue activities aimed at promoting understanding of preventive medicine and the idea that a healthy intestinal tract leads to good health and long life. To establish “Yakult” as a truly global company and product brand while increasing our base of loyal customers, we are aiming to expand our product distribution coverage to a total of 45 countries and regions in the near future.

Approximately a half century after we first went overseas driven by our passion to protect the health of people all over the world, we are applying what we have experienced and learned in the various countries and regions we have entered as we work to promote wider usage of our products among people who care about health, and earn even greater goodwill from our customers.

Yakult’s Overseas Network
- Yakult Co., Ltd. (Taiwan)
- Hong Kong Yakult Co., Ltd.
- Yakult (Thailand) Co., Ltd.
- Korea Yakult Co., Ltd.
- Yakult Philippines, Inc.
- Yakult (Singapore) Pte. Ltd.
- P.T. Yakult Indonesia Persada
- Yakult Australia Pty. Ltd. (New Zealand Branch)
- Yakult (Malaysia) Sdn. Bhd.
- Yakult Vietnam Co., Ltd.
- Yakult Danone India Pvt. Ltd.
- Yakult (China) Co., Ltd.
- Guangzhou Yakult Co., Ltd.
- Shanghai Yakult Co., Ltd.
- Beijing Yakult Co., Ltd.
- Shanghai Yakult Marketing Co., Ltd.
- Yakult S/A Ind. E. Com. (Brazil)
- Yakult S.A. De C.V. (Mexico)
- Yakult Argentina S.A.
- Yakult U.S.A. Inc.
- Yakult Europe B.V.
- Yakult Nederland B.V.
- Yakult Belgium S.A./N.V.
- Yakult UK Ltd. (Ireland Branch)
- Yakult Deutschland GmbH
- Yakult Oesterreich GmbH
- Yakult Italia S.r.l.
- Yakult Honsha European Research Center for Microbiology ESV (YHER)

Countries where products are also sold (excluding test sales in Luxembourg, France, Spain, Brunei, Uruguay, Canada and Belize)
Yakult Ladies making deliveries with sincerity and a smile

Anytime, anywhere and even single bottles. Yakult Ladies play a key role in reliably delivering healthy products to the hands of individual customers.

Disseminating the value of lactobacilli to as many people as possible
Since its founding, Yakult has been meeting directly with customers, providing information on the benefits of lactobacilli and encouraging customers to make Yakult products a part of their daily routine. People have always been, and remain, interested in good health, and Yakult Ladies will continue to disseminate the value of lactobacilli to as many people as possible to help them lead healthy lives.

Environmentally friendly delivery
At Yakult, we want people and the earth to be healthy. To help make that a reality, we have begun to use extremely low-environmental-burden vehicles. As of March 31, 2010, we were using 2,000 fuel-efficient four-stroke motorbikes with low CO₂ emissions, and approximately 250 electric vehicles, which emit no CO₂ as they travel, for our operations in Japan.

Delivering products in the best condition possible to help people become healthier
Delivery by Yakult Ladies has been a constant since this system, which is unique to Yakult, was introduced in 1963. Home delivery by Yakult Ladies was born of the desire to protect human health and encourage people to have one bottle a day.

Deliveries to customers throughout the country, with sincerity
Yakult Ladies, who deliver Yakult products directly to customers, are the smiling faces of Yakult. Most of the approximately 42,700 Yakult Ladies (as of March 31, 2010) are housewives and are based out of approximately 2,600 “centers,” or marketing companies, located throughout Japan. With the spirit of, “Anytime, anywhere and even single bottles,” Yakult Ladies deliver our products to customers in every part of the country, with sincerity.

Wanting to help customers remain healthy and lead fulfilling lives
Yakult Ladies constantly think about the health of their customers, asking themselves how customers can avoid illness, and lead enjoyable, fulfilling lives, and how they—the Yakult Ladies—can help make that happen.

Based on that attitude, Yakult Ladies aim to fulfill the role of a health adviser in regularly providing not only products but also health information and dietary advice.
Anytime, anywhere—to have as many people as possible use our products

Yakult is creating retail points aimed at providing customers with accurate product information, and working to enhance customer service. Direct sales born of the desire to propagate understanding and use of Yakult products

Based on the desire to give customers access to Yakult products anytime and anywhere, we began direct sales to give even people we cannot reach through home delivery a chance to enjoy our products. On the street or in an office, delivering good health anytime, anywhere

Defining all sales modes, other than home delivery, as direct sales, Yakult makes its products available to customers through supermarkets, convenience stores, and other high-volume retailers; vending machines; factories, offices, and other business settings; recreational facilities; and other channels.

In addition, because they offer health benefits, we go to particular lengths to make Yakult dairy products available at places like schools, hospitals, and facilities serving the health needs of the elderly.

To improve understanding of Yakult products at the retail level

We want customers to use our products only after they have a clear understanding of their health benefits. Toward that end, we perform “value dissemination” promotions aimed at providing information primarily on the health benefits of lactobacilli in major retail stores and other locations, strive to provide as much information as possible at product displays, and actively take other steps to help customers develop a detailed understanding of our products.

Use of vending machines to make access to Yakult products as convenient as possible

In addition to retail stores, Yakult sells its products through vending machines in an effort to give customers access to Yakult products wherever and whenever they want them. We operate approximately 61,000 vending machines throughout Japan and go to great lengths to not only ensure that products are fresh and machines are operating properly, but also present customers with product choices that meet their needs. In addition, we have taken measures to help improve the global environment and contribute to society by, for example, using highly energy-efficient, heat-pump-equipped vending machines and equipping vending machines with Automatic External Defibrillators (AEDs).

To help even more people enjoy the benefits of Yakult products

Yakult has enhanced its product line through a collaboration with Kirin Beverage Co., Ltd. As part of our relationship with Kirin Beverage, we are also moving forward with the installation of vending machines that offer selections of each company’s best-selling products. This initiative is making it possible to provide customers with product choices for both better health and relaxation in a single vending machine.
Coexisting with people, communities, and the environment
Aiming to be the best partner possible

Corporate Social Responsibility (CSR)
We fulfill our social responsibilities as a company that contributes to good health

The Yakult Group aims to be a good corporate citizen of the earth. We will continue contributing to the health of people around the world.

**CSR as a key management concern**

As a company that contributes to good health, Yakult believes that it has a duty to promote corporate social responsibility (CSR) and, thereby, help to build a healthy society in which people can lead healthy lives. The Yakult Group sees companies as members of society and pursues environmental initiatives, social contribution activities, and other things that companies must do, and also those things that only Yakult can do.

Under our corporate philosophy (“We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular.”) and our corporate slogan (“In order for people to be healthy, everything around them must also be healthy”), we are implementing CSR activities as management cornerstones.

**Actively advancing compliance**

The Yakult Group considers compliance (compliance with the law and establishing a corporate philosophy) as one of the most important responsibilities of a corporation, and actively advances compliance initiatives.

**Yakult Ethical Principles and Code of Conduct**

In 2000, we established the Yakult Ethical Principles and Code of Conduct as guidelines for proper corporate activities. We later improved the effectiveness of both and widened the scope of their implementation to include not only Yakult Honsha, but also subsidiaries and marketing companies—the entire Yakult Group.

**Compliance Committee**

In 2000, we also established our Compliance Committee, which is composed of independent experts (attorneys and Certified Public Accountants) from outside the company. The Compliance Committee regularly meets with Yakult Honsha executives and provides us with a wide range of opinions and recommendations on the full range of our corporate activities, from the perspective of compliance.

**Compliance Promotion System**

Yakult has established its Compliance Promotion Team to actively and effectively promote compliance, and appointed Compliance Managers in individual departments and groups to ensure that daily activities are being properly pursued.

**Training Activities**

Yakult regularly holds position-specific compliance training, and conducts training focused on topics like the Company Law, the Antimonopoly Law, and the Personal Information Protection Law for executives, as well as departments and other organization units.

**Detailed, accurate IR information disclosure**

At Yakult, we vigorously pursue investor relations (IR) activities, and actively work to disclose financial and other information to shareholders and other investors in a manner that is fair and timely.

We regularly gather information for disclosure through meetings of our IR Liaison Committee and from related departments. Regarding specific information disclosures, we hold results briefings and business briefings for securities analysts and institutional investors, accept their requests for individual interviews and invite them on tours of our facilities to promote understanding of our business operations.

We have also created an IR page within our website to permit timely access to important information. To promote access by a wider array of investors, we have also prepared English-language pages and pages for individual investors.

**Training and personal development**

**Organizational invigoration, and training that promotes initiative**

So that the Yakult Group can continue to grow in the future, we pursue training and education aimed at enabling both individuals and the organization to continue growing.

Beginning with the time when they first enter the Group and at every important career juncture thereafter, we have employees think about “the spirit of our founding—Shirota-ism,” undergo initiative training, and work to pass on to each individual the spirit of our founding.

In addition, we provide employees with group training and self-development opportunities to acquire the knowledge and skills required for particular roles at each job level. We work to develop people capable of initiating action and changing the status quo, and are moving forward with efforts to create a vibrant corporate culture in which people perform fulfilling work.
Environmental activities

Environmentally Conscious Corporate Activities

Yakult created an organization for protecting the environment in 1991, and formulated Yakult’s Basic Policy on the Environment for the entire Yakult Group in 1997. We have also set forth our environmental philosophy, which reads, “Yakult understands that protecting the earth’s environment is one of the most important aspects of coexistence with society and it is committed to considering the need to protect the environment in all of its corporate activities.”

Our environmental policy includes requirements like the following:
- Reduce usage of containers and packaging, reduce waste, and design and use containers and packaging that utilize recycled resources.
- Take strict measures to prevent environmental pollution in manufacturing, and reduce waste and greenhouse gas emissions by using resources and energy more efficiently.
- Reduce vehicular and other types of environmental burdens in product shipping and marketing, recycle containers and packaging, and reuse marketing-related resources.
- In all Yakult Group offices, reduce waste and greenhouse gas emissions by using resources and energy more efficiently, and promote recycling and green purchasing to help build a recycling-oriented society.

Every year, we report on the details of activities like these and the status of our environmental management initiatives in the Yakult Social & Environmental Report.

Advanced water treatment system that uses Yakult containers

Yakult is working to promote a water treatment system that uses 65 ml Yakult containers with the bottoms removed as tools for culturing microorganisms that break down contaminants. In this system, bottomless Yakult containers are randomly added to wastewater treatment tanks where various types of microorganisms take up residence on both the insides and outsides of the Yakult containers. These microorganisms thoroughly break down and digest the organic substances that contribute to water pollution, achieving very high levels of treatment with industrial and residential wastewater. Compared to traditional activated sludge treatment methods, this system produces significantly better treatment results, and, with both the national and local governments adopting it, Yakult is helping to improve water quality. Refer to the diagram below.

Yakult’s microbial flora analysis technology helping to protect historic ruins

In 2006, we worked with the Katayama Lab. of the Tokyo University of Agriculture and Technology, which is a participant in the JSA (Japanese Government Team for Safeguarding Angkor), to perform research on the deterioration of microorganisms in the deterioration of historic ruins. Deterioration occurs as a result of many causes. These include physical forces like rain and wind, chemical action, and human activities like illegal excavation and tourism. For the work mentioned above, an adhesive sheet developed by the Nasu Lab. at Osaka University was used to efficiently take samples of microorganisms growing on important relics and wall paintings without damaging their surfaces. Then we exercised our strengths in the analysis of microbial flora to extract and analyze the DNA of bacteria and fungi. For Yakult, a company with the slogan, “In order for people to be healthy, everything around them must also be healthy,” helping to protect cultural heritage is a way to contribute to society.

Advancing science and technology

Contributing to research on intestinal flora

Yakult Bioscience Research Foundation was established in 1992 to actively promote and support research on the relationships between intestinal flora and human health. Its activities consist mainly of intestinal flora research, support for international research exchanges, and sponsorship of an annual symposium on intestinal flora. Intestinal flora research is pursued not only in the field of microbiology but also in areas like nutrition science, immunology, and genetics.

Yakult Honsha has created and operates the Association for Research on Lactic Acid Bacteria, an organization that supports research on lactobacilli and intestinal bacteria, and assists member universities and research institutes from throughout Japan with their research endeavors.

Providing health information

Yakult provides health information based on lactobacillus research

Yakult provides health information through various channels including its Healthist and Probiotics information magazines, both of which began publication in 1976, educational videos, and other publications.

We also provide information on the benefits of lactobacilli and other health-
related topics through our website in an effort to disseminate accurate knowledge.

**Relations with local communities**

**Courteous Visits born of the sympathy of one person**

Since 1972, Yakult Ladies have been visiting single elderly people, as they make their deliveries, to confirm that they are safe and spend some time chatting them. This activity began when a single Yakult Lady in the Japanese city of Koriyama, Fukushima Prefecture took it upon herself to provide Yakult products to single elderly people, at her own expense, after hearing the sad news of one such person whose death went unnoticed. Her initiative resonated with both the local Yakult marketing company and social workers, and moved local governments throughout Japan to take action. The resulting courtesy visits, known as “Ai no Homon Katsudo,” have been highly praised by both people involved in volunteer activities and government. We were recognized for our efforts and received the Japan Institute for Social and Economic Affairs’ Special Community Relations Award for Excellence as a Corporation in 1991 and the Minister for Health and Welfare Award in 1994.

Presently, approximately 3,700 Yakult Ladies are paying regular visits to over 47,400 elderly citizens, in response to requests from more than 150 local governments in Japan. In addition, Yakult Ladies, who have a chance to observe every corner of their sales areas during daily deliveries, contribute to community safety and security through crime watch and other such activities undertaken in coordination with local police.

**Contributing to Sports and Culture**

**Communicating the fun of sports and preciousness of good health**

The Yakult Group, through its professional baseball team, the Tokyo Yakult Swallows, and other means, actively pursues social and cultural activities that convey the enjoyment found in sports and cultural events, and the preciousness of good health. In the area of sports, the Swallows entertain fans during the season and, since 1976, have been holding baseball clinics for children’s (primary and junior high school aged children) baseball teams during the off-season. In fiscal 2009, clinics were held in 13 locations, with participation by approximately 1,500 kids.

On other fronts, we are working to promote lifelong sports participation through our support for bound tennis, and, since 2005, have sponsored the FINA World Swimming Championships and the FINA World Short Course Championships as an official FINA partner.

In the area of cultural activities, we support the arts through our operation of Yakult Hall. Moving ahead, we will continue to actively promote sporting and cultural activities as a company whose interests lie in advancing the cause of good health.
Carrying forward the enduring spirit of Yakult

Companies exist to do useful things for people and society. That is what I believe. To be useful to people and society, Yakult has steadfastly protected certain things. Among these are the concept of preventive medicine, the idea that a healthy intestinal tract leads to good health and long life, and the conviction that everyone should have affordable access to good health. All three, together with “caring enough to broaden acceptance,” “caring enough to make home deliveries,” “harmony among people,” “sincerity” and “honesty and kindness,” form the foundation upon which we have built our businesses, and we refer to them collectively as “Shirota-ism.” They also represent the desire of Dr. Minoru Shirota, Yakult’s founder, to sincerely deliver good health to as many people as possible.

We regard Shirota-ism as a universal truth that has, is, and will continue contributing to human health.

Maintaining this universal truth as our constant guide has seen us through to this year, which marks the 75th anniversary of the founding of our company.

We at Yakult promise that we will steadfastly carry forward the philosophy, dreams, ideals, and passionate will that have sustained us since our founding, even amid environmental crises, the chronic stresses of society, safety and credibility problems regarding food, and other forms of societal tumult.

In response to the enduring desire for good health, we will unflinchingly protect these universal truths, and, as a leading company in the field of probiotics, we will work to extend good health to even more people, farther reaches of our planet, and an even greater cross-section of society.
Profile & History
Yakult Honsha: A Company Profile

Corporate name: YAKULT HONSHA CO., LTD.
Date founded: 1935
Date incorporated: April 9, 1955
Head office: 1-19 Higashi Shimbashi 1-chome, Minato-ku, Tokyo, Japan
Telephone: 03-3574-8960
Paid-in capital: ¥31,117.65 million
Annual account settlement date: March 31
No. of employees: 2,872

Main banks: Mizuho Bank, Resona Bank, Bank of Tokyo-Mitsubishi UFJ

Principal Business Activities
Yakult Honsha: Manufacturing and marketing of food and beverage products, cosmetics, pharmaceuticals, and others
Marketing companies: Distribution of Yakult’s products
Bottling companies: Bottling, commercialization, and container production

Principal Subsidiaries
Yakult Kyudan Co., Ltd.
Yakult Corporation Co., Ltd.
Yakult Materials Co., Ltd.
Yakult Food Industry Co., Ltd.
Yakult Higashi Nihon Logistics Co., Ltd.
Yakult Chuo Logistics Co., Ltd.
Yakult Nishi Nihon Logistics Co., Ltd.
Yakult Pharmaceutical Industry Co., Ltd.
Yakult Life Service Co., Ltd.

Business Performance

<table>
<thead>
<tr>
<th></th>
<th>March 2006</th>
<th>March 2007</th>
<th>March 2008</th>
<th>March 2009</th>
<th>March 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated/Net Sales and Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>267,707</td>
<td>273,099</td>
<td>317,335</td>
<td>293,490</td>
<td>290,678</td>
</tr>
<tr>
<td>Net Income</td>
<td>14,442</td>
<td>14,805</td>
<td>16,675</td>
<td>11,324</td>
<td>13,248</td>
</tr>
</tbody>
</table>

| **Non-Consolidated/Net Sales and Income** |            |            |            |            |            |
| Net Sales                | 162,423    | 161,656    | 167,390    | 170,893    | 166,006    |
| Net Income               | 7,401      | 8,250      | 8,166      | -1,434     | 2,214      |

| **Non-Consolidated/Sales by Product** |            |            |            |            |
| Dairy products            | 77,765     | 75,839     | 75,132     | 75,500     | 76,292     |
| Juices and soft drinks    | 44,273     | 44,490     | 40,997     | 38,664     | 35,994     |
| Cosmetics                 | 6,546      | 6,644      | 6,678      | 6,709      | 6,499      |
| Pharmaceuticals           | 24,245     | 25,698     | 31,003     | 35,235     | 35,079     |
| Others                    | 9,592      | 9,892      | 13,570     | 14,783     | 12,141     |
| Total                     | 162,423    | 161,656    | 167,390    | 170,893    | 166,006    |

(Unit: million yen)

Branches
Hokkaido Branch: Odori Koen Bldg. 6F, 6-10-10, Odori Nishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0042
East Japan Branch: Hibiya Bldg. 1F, 1-1-7, Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011
Sendai Office, East Japan Branch: Tokyo Tatemono Sendai Bldg. 6F, 1-6-35, Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021
Metropolitan Branch: Ginza MTR Bldg. 10F, 6-18-2, Ginza, Chuo-ku, Tokyo 104-0061
Central Japan Branch: Uemura Nissei Bldg. 7F, 3-3-31, Miyahara, Yodogawa-ku, Osaka-shi, Osaka 532-0003
Tokai Office, Central Japan Branch: 3F in Yakult Gifu Sales Co., Ltd. Bldg. 3-8-7, Shimonara, Gifu-shi, Gifu 500-8385
West Japan Branch: Denki Bldg. Kitakan 4F, 2-1-82, Watanabe-dori, Chuo-ku, Fukuoka-shi, Fukuoka 810-0004
Okayama Office, West Japan Branch: Sumitomo Life Okayama Bldg. 15F, 1-1-1, Yanagi-machi, Kita-ku, Okayama-shi, Okayama 700-0904

Research and Development Institute
Yakult Central Institute for Microbiological Research: 1796, Yaho, Kunitachi-shi, Tokyo 186-8650

Yakult Company Profile 2010–2011

PROFILE

HISTORY

NETWORK

PROFILE

HISTORY

NETWORK

(Part of the image is not visible.)
1930s
1930  Dr. Minoru Shirota succeeds in strengthening and culturing lactic acid bacteria, useful for maintaining health (L. casei strain Shirota).
1935  Yakult is manufactured and introduced to the market.
1938  Yakult is registered as a trademark.

1940s
1940  Local offices of the Association for Promotion of Preventive Medicine are established in various parts of Japan for the purpose of marketing and distributing Yakult.

1950s
1955  Yakult Honsha Co., Ltd. is established. (Nishi Hatchobori, Chuo-ku, Tokyo)
1956  Research Institute is established in Kyoto.

1960s
1963  Yakult launches its unique Yakult Lady home delivery system.
1964  Yakult Co., Ltd. (Taiwan) begins operations as the company’s first overseas operation base.
1967  Yakult Central Institute for Microbiological Research is established in Kunitachi, Tokyo.
1968  The company takes over the management of the Sankei Atoms baseball team (now the Tokyo Yakult Swallows).
1969  Yakult 80 Ace fermented milk drink is introduced to the market.
1970  Joie health drink is introduced to the market.
1972  Toughman health drink is introduced to the market.
1975  Spherex arterial embolization material is introduced to the market.

1970s
1970  Joie fermented milk is introduced to the market.
1971  The company begins the full-scale sales of cosmetics.
1972  New head office building is completed in Higashi Shimbashi, Minato-ku, Tokyo.
1975  Biolactic Capsules ethical drug is introduced to the healthcare industry, thereby marking Yakult’s entrance into the pharmaceutical business.
1976  Sofuhl fermented milk is introduced to the market.
1978  Yakult Philippines, Inc. is established.
1980  Mii-Mii fermented milk—developed through the direct culture of bifidobacteria—is introduced to the market.

1980s
1980  Company stocks are listed on the Second Section of the Tokyo Stock Exchange.
1981  Toughman health drink is introduced to the market.
1982  Mii-Mii fermented milk is introduced to the market.
1986  Fuji Susono Plant is completed for dairy-product manufacturing.

1990s
1990  The company files an application with the Ministry of Health and Welfare for the approval to manufacture LC9018 immunotherapeutic anticancer agent (product name, Lemonal Injection).
1991  P.T. Yakult Indonesia Persada begins operations.
1992  Bioscience Research Foundation is established.
1994  Yakult Australia Pty. Ltd. and Yakult Nederland B.V. begin operations.
1996  The sale of the CPT-11 chemotherapeutic anticancer drug is approved in France as a therapeutic drug for progressive recurrent intractable colorectal cancer.
2000  Yakult Belgium S.A./N.V. begins operations.
2001  The sale of the CPT-11 chemotherapeutic anticancer drug is approved in the U.S. as a therapeutic drug for progressive recurrent intractable colorectal cancer.
2002  Yakult Europe B.V. is established.
2006  Yakult UK Ltd. and Yakult Deutschland GmbH begin operations.
2007  Yakult Europe B.V. is established.
2007  Yakult Europe B.V. is established.
2008  Yakult Argentina S.A. begins operations.

2010s
2010  Yakult Argentina S.A. begins operations.
2010  The company receives the Minister for Agriculture, Forestry, and Fisheries Award (in the Consumer Division) at the Excellent Corporations of Food Industry Awards.
2010  The sale of the CPT-11 chemotherapeutic anticancer drug is approved in the U.S. as a therapeutic drug for progressive recurrent intractable colorectal cancer.
2000s

2000
- Bansoreicha is approved by the Ministry of Health and Welfare for labeling as Foods for Specified Health Uses.
- The company receives an award from the Nihon Shokuryo Shimbun (Japan Food Stuff Newspaper) for contributions to the development of the food industry during the 20th century.
- Fuji Susono Pharmaceutical Plant expansion completed.
- Purela soft yogurt is introduced to the market.
- 121st Century Food and Health Forum is held. (subsequently held annually)
- Yakult Swallows win their sixth league championship and fifth Japan Series title.
- World’s first Automatic Intestinal Flora Analysis System is developed.
- Guangzhou Yakult Co., Ltd. begins operations.
- Kuruazu Drink is introduced to the market.
- Cosmetic brand Posh Mama is introduced to the market.
- Campto Injection wins the Chairman’s Prize from Japan Institute of Invention and Innovation.
- Vending machine sales alliance is established with Kirin Beverage.

2001
- Yakult (Malaysia) Sdn. Bhd. begins operations.
- New Toughman and Toughman V are introduced to the market.
- Entered into a strategic alliance with Groupe Danone.
- Sales of Yakult are begun in New Zealand.
- The Revery Series, a new foundation cosmetic line, is introduced to the market.
- Preto (Food for Specified Health Uses), a fermented milk drink is introduced to the market.
- Shanghai Yakult Co., Ltd. begins operations.
- Sales of Yakult are begun in Ireland.
- Yakult 300V is introduced to the market.
- Research center is established in Europe (Belgium).
- Yakult (China) Co., Ltd. is established to oversee operations in China.
- Oxaplatin, a cancer chemotherapeutic agent for the treatment of advanced colorectal cancer, is approved under the name of Elplat.
- Signed a memorandum of understanding with Kirin Brewery Co., Ltd. and Kirin Beverage Corporation to enter into a business partnership focusing on health and functional foods.
- Co-sponsored the FINA World Swimming Championships as an Official FINA Partner.
- Decision made to enter the Indian market in alliance with Groupe Danone.
- Three types of Bifiene, the new yogurt drink, are introduced to the market.
- Shanghai Yakult Marketing Co., Ltd. begins operations.
- Yakult Oesterreich GmbH begins operations.

2006
- Sofuhl LCS 100 is introduced to the market.
- The name of Yakult’s line of beauty products was changed to Yakult Beautiens.
- Our new line of basic cosmetics, Uruouu Series, is introduced to the market.
- The process of acquiring ISO9001 and ISO14001 certification of marketing companies begins (integrated certification).
- Our new corporate slogan is decided: Healthier People, a Healthier World.
- Beijing Yakult Marketing Co., Ltd. begins operations.
- Yakult 300VLT is introduced to the market.
- Yakult Science Research Lab pavilion opened at KidZania Tokyo.
- The Yakult Crime and Disaster Prevention Council is established and a memorandum of understanding is concluded with the Tokyo Metropolitan Police Department regarding crime-prevention.

2007
- Yakult Italia S.r.l. begins operations.
- Local representative office of Yakult established in the United Arab Emirates (UAE).
- Yakult Iwate Plant is completed.
- Sales of Yakult are begun in California, USA.
- Yakult Vietnam Co., Ltd. begins operations.
- Yakult Danone India Pvt. Ltd. begins operations.
- Pan-industry social event is held with Toyota Central R&D Labs. of the Toyota group.
- Shonan Cosmetics Plant is completed. Conducted tour begins.
- BF-1, a new type fermented dairy beverage containing the bifidobacteria B. bifidum strain BF-1 is introduced to the market.
- Chosei Toyu Kokusandaiju Shio (Recognized as a Food for Specified Health Uses) is introduced to the market.
- Yakult SHEs is introduced to the market.
- Yakult participates in the Ministry of the Environment’s “CO2 Reduction/Light-Down Campaign.”
- Yakult 400LT is introduced to the market.
- Sales of Yakult are begun in the Central American country of Belize.
- Yakult receives a 2008 Good Design Long Life Design Award (G-Mark).

2009
- The anticancer drug Elplat for Injection 50mg is introduced to the market.
- Yakult (Thailand) Co., Ltd. builds its second production plant in Ayutthaya.
- Yakult Calorie Half is introduced to the market.
- Revery White is introduced to the market.
- Yakult SHEs Hard Type is introduced to the market.
- Joe container wins the Japan Star Award, the Japan Packaging Contest’s highest award.
- Gyutto Kenko Cassis, Coenzyme Q10, and Shio are introduced to the market.

2010
- The scientific paper “The Science of B. breve strain Yakult—Relationship with Intestinal Flora and Health” is published.
- Bifidobacteria beverage Mil-Mil is introduced to the market.
- The main building removal work and landscaping work at Yakult Central Institute are completed. “A research institute in the forest” is realized.
- The Yakult Honsha building, including Yakult Hall, receives Fire Safety Building Certificate (Excellence Mark).
- An enhanced Parabio Series is introduced to the market.
- Gyutto Kenko Glucosamine is introduced to the market.
- A water soluble formulation of the anticancer drug Elplat is introduced to the market.

1999
- Yakult 400 fermented milk drink is introduced to the market.
- Bifiene, Yakult 400, and Sofuhl are approved by the Ministry of Health and Welfare for labeling as Foods for Specified Health Uses.
- The cancer prevention efficacy of L. casei strain Shirota is announced at the 58th General Meeting of the Japan Cancer Society.
- Kyoto plant receives ISO14001 certification.
- Nine Yakult plants, the Yakult’s Analysis Laboratory, Nihon Chlorella, six subsidiary plants, and one distribution company have obtained certification as of August 31, 2009.

1994
- Campto Injection

1995
- Parabio Series

1998
- Bansoreicha

1999
- Yakult 400

2005
- Elplat

Corporate History
History of Products
Overseas Operations

Yakult Ladies approx. 38,300
Employees approx. 13,400
(as of March 31, 2010)

Domestic

Domestic Operations

Head Office 1
Branches 5
Research and Development institute 1
Honsha plants 9
Marketing companies 111
Bottling companies 6
Yakult Ladies approx. 42,700
Yakult Beauty Advisors approx. 6,900
(as of June 1, 2010)

Hokkaido Block
Yakult Ladies 2,530
Yakult Beauty Advisors 1,360
Honsha Organization
Hokkaido Branch
Marketing companies (11)
Yakult Sapporo Sales Co., Ltd.
Yakult Minami-Hokkaido Sales Co., Ltd.
Yakult Tomakomai Sales Co., Ltd.
Yakult Iwanizawa Sales Co., Ltd.
Yakult Kushiro Sales Co., Ltd.
Yakult Obihiro Sales Co., Ltd.
Yakult Kita Hokkaido Sales Co., Ltd.
Yakult Murotan Sales Co., Ltd.
Yakult Kita Hokkaido Sales Co., Ltd.
*The following marketing companies are generalized.
Yakult Monbetsu Sales Co., Ltd.
Yakult Rumoi Sales Co., Ltd.
Yakult Wakkanai Sales Co., Ltd.

East Japan Block
Yakult Ladies 10,630
Yakult Beauty Advisors 950
Honsha Organization
East Japan Branch
Fukushima Plant
Ibaraki Plant
Fuji Susono Plant
Fuji Susano Pharmaceutical Plant
Marketing companies (31)
Yakult Aomori Sales Co., Ltd.
Yakult Iwate Sales Co., Ltd.
Yakult Miyako Sales Co., Ltd.
Yakult Ofunato Sales Ltd.
Yakult Akita Sales Co., Ltd.
Yakult Odate Sales Co., Ltd.
Yakult Yokote Sales Co., Ltd.
Yakult Yamagata Sales Co., Ltd.
Yakult Yonezawa Sales Co., Ltd.

Yakult Shonai Sales Co., Ltd.
Yakult Miyagi Chuo Sales Co., Ltd.
Yakult Ishinomaki Sales Co., Ltd.
Yakult Fukushima Sales Co., Ltd.
Yakult Koriyama Sales Co., Ltd.
Yakult Azu Sales Co., Ltd.
Yakult Ouji Sales Co., Ltd.
Yakult MV Sales Co., Ltd.
Yakult Koga Sales Co., Ltd.
Yakult Utsunomiya Sales Co., Ltd.
Yakult Ibaraki Sales Co., Ltd.
Yakult Gunma Sales Co., Ltd.
Yakult Higashi Shizuoka Sales Co., Ltd.
Yakult Chuo Shizuoka Sales Co., Ltd.
Yakult Nishi Shizuoka Sales Co., Ltd.

Yakult Yanamashi Sales Co., Ltd.
Yakult Nantsun Sales Co., Ltd.
Yakult Hokushin Sales Co., Ltd.
Yakult Nigata Sales Co., Ltd.
Yakult Nagaoka Sales Co., Ltd.
Yakult Shibata Sales Co., Ltd.
Yakult Joetsu Sales Co., Ltd.

Bottling companies (1)
Yakult Iwate Plant Co., Ltd.
Promoting Better Health through Domestic and International Networks

The Yakult Group comprises nearly 140 companies (approximately 170 counting overseas operations), including Yakult Honsha Co., Ltd., marketing companies that distribute Yakult’s products to customers throughout Japan, bottling companies that manufacture containers and bottle Yakult’s products, and other affiliates.

Metropolitan Block
Yakult Ladies 8,980
Yakult Beauty Advisors 900

Honsha Organization
Head Office
Metropolitan Branch
Yakult Central Institute for Microbiological Research
Shonan Cosmetics Plant

Marketing companies (19)
Yakult Saitama Sales Co., Ltd.
Yakult Saitama Tobu Sales Co., Ltd.
Yakult Kanto Sales Co., Ltd.
Yakult Chiba Plant Co., Ltd.

Central Japan Block
Yakult Ladies 10,320
Yakult Beauty Advisors 1,500

Honsha Organization
Central Japan Branch
Kyoto Plant

Marketing companies (19)
Yakult Tokai Co., Ltd.
Yakult Chubu Sales Co., Ltd.
Yakult Gifu Sales Co., Ltd.
Yakult Nara Sales Co., Ltd.
Yakult Shiga Sales Co., Ltd.

Bottling companies (1)
Yakult Chiba Plant Co., Ltd.

West Japan Block
Yakult Ladies 10,290
Yakult Beauty Advisors 2,160

Honsha Organization
West Japan Branch
Fukuoka Plant

Marketing companies (31)
Yakult Tottori Sales Co., Ltd.
Yakult Sanin Chuo Sales Co., Ltd.
Yakult Shimane Sales Co., Ltd.
Yakult Okayama Sales Co., Ltd.
Yakult Tsuyama Sales Co., Ltd.
Yakult Okayama Seibu Sales Co., Ltd.
Yakult Sanyo Co., Ltd.
Yakult Fukuoka Sales Co., Ltd.
Yakult Saga Sales Co., Ltd.
Yakult Okayama Toku Sales Co., Ltd.
Yakult Nagasaki Co., Ltd.
Yakult Sasebo Co., Ltd.
Yakult Okayama Plant Co., Ltd.
Yakult Kuma Sales Co., Ltd.
Yakult Miyazaki Co., Ltd.
Yakult Myakonojo Sales Co., Ltd.
Yakult Sendai Sales Co., Ltd.
Yakult Kagoshima Sales Co., Ltd.
Yakult Kagoshima Tobu Sales Co., Ltd.
Yakult Okinawa Co., Ltd.

Bottling companies (1)
Yakult Fukuoka Plant Co., Ltd.

Countries where products are also sold (excluding test sales in Luxembourg, France, Spain, Brunei, Uruguay, Canada, and Belize)