

Forevvord from the President

Hiroshi Narita
President and Representative Director

Contributing to the health and happiness of people around the world

In an era when treatment rather than prevention was the norm, Yakult's founder Dr. Minoru Shirota, concerned about people's health, took a more preventive approach with a focus on intestinal health. Dr. Shirota's belief that "a healthy intestinal tract leads to a long life" led him to discover a strain of lactic acid bacteria that reached the intestines alive to exert beneficial actions, which he introduced to the world as the fermented milk drink Yakult nearly 90 years ago. This belief has been passed down over the decades and continues to be reflected in our business activities today.

Meanwhile, the spread of COVID-19 reminded many that good health is a universal value shared by all humankind. Further, as our level of health consciousness rises, being healthy is no longer a matter of simply being free from disease; it also requires achieving a state of physical, mental, and social well-being. In this context, we must always continue to create new values to meet this universal demand for good health.

Recently, it has become clear that the brain and intestines influence each other via a relationship called the "gut-brain axis," and we now know that the environment inside the intestines can affect brain function, alleviate stress, and influence the human mind in other ways. Research on probiotics, live microorganisms that confer a health benefit on the host is now entering a new phase of "health through the intestines," which will not only lead to improved intestinal health, but also that of the whole body and mind. We believe that our mission is to continue to explore the benefits of probiotics in order to deliver health to as many people as possible.

Yakult will continue to work tirelessly to achieve our corporate philosophy of "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." We sincerely appreciate your continued understanding and support.

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.

Yakult Group Global Vision 2030

In June 2021, we announced our long-term *Yakult Group Global Vision 2030* as a guide to achieving sustainable growth and adapting to change. The basic policy of our medium-term management plan through fiscal 2024 calls upon us to take on "the challenge of innovation," and so we will proactively seek to create new values that address changes in society.

For more information on Yakult Group Global Vision 2030:



We aspire to:

Evolve into a healthcare company that continues contributing to people's health around the world

Qualitative goals

Deliver good
health to
as many people
as possible
around the world

Offer customers new values which match their needs Realize a society in which people and the planet co-exist

By the Numbers

For good health, every day.

We aim to meet our customers' expectations and achieve sustainable growth.

For healthy intestines and long life

Loved for nearly 90 years, its success still stems from the two things that led to its creation, *Lactobacillus casei* strain Shirota* and the spirit of our founder. The year the fermented milk drink Yakult was born.

*Classified as Lacticaseibacillus paracasei strain Shirota since April 2020.

"Shirota-ism" is at the core of our business. A commitment to health that is as strong today as at our founding.

In the early 20th century, many people lost their lives to infectious diseases. Seeking to change this, Yakult's founder, Minoru Shirota, M.D., Ph.D., began researching microorganisms with a focus on preventive medicine. In 1930, he succeeded in strengthening and culturing a strain of lactic acid bacteria that reaches the intestines alive and improves intestinal health. The fermented milk drink Yakult was then created in 1935 to enable as many

people as possible to benefit from this strain, now known as Lactobacillus casei strain Shirota. Today, we operate in the fields of foods and beverages, cosmetics, pharmaceuticals, and an international business based on the three tenets of Shirota-ism, which constitute the core of our business: "preventive medicine," "a healthy intestinal tract leads to a long life," and "a price anyone can afford."



Minoru Shirota, M.D., Ph.D.

Former Chairman of Yakult Honsha Co., Ltd. and

Over 4 million bottles per day

In Japan alone about 10 million bottles of this beloved dairy product are consumed every day. When we include overseas customers, this total rises to more than 40 million bottles per day. We aim to reach 52.5 million bottles worldwide by 2030.

4 0 countries and regions worldwide

We work to share the power of lactic acid bacteria with the world, selling our products in 40 countries and regions across Asia, Oceania, the Americas, and Europe.

Approx.

Our marketing population (the number of people to whom we can deliver Yakult) covers about 1/3 of the world's population.

To co-exist with local communities

Approx.

ladies

The 80,000 Yakult Ladies active around the world do not simply deliver products, but they also play an invaluable role in looking after their communities.

(As of March 2023)

In Japan we cooperate with 965 local governments, police and fire departments in neighborhood watch activities. Yakult's local contribution activities mobilize communities and local governments, and have grown into a nationwide initiative.

(As of March 2023)

million participants Approx.

Approximately 11.57 million people participated in guest lectures and health classes held around the world in fiscal 2022. Yakult Group employees visit elementary schools and public facilities to explain the importance of the intestines and a healthy lifestyle in easyto-understand lectures.

Targets for the planet and achieving a sustainable society

For the three material themes related to the environment, we set the Environmental Targets 2030 as medium-term milestones en route to achieving our Environmental Vision 2050.

Greenhouse gas emissions

(in Japan, scopes 1 & 2)

% reduction

We will reduce greenhouse gas emissions by 30% compared to fiscal 2018 levels by promoting energy conservation and shifting to renewable energy.

Plastic containers and

packaging (in Japan)

% reduction or recyclability

We will reduce the volume of plastic containers and packaging used (in Japan) by 30% compared to fiscal 2018 levels, or make them recyclable by transitioning to recyclable materials.



- Environmental Vision 2050 —

"To realize a society where people and the planet co-exist as one through a value chain that has zero environmental impact"

> Our goal is to achieve Net Zero Carbon by 2050 (in scopes 1, 2, and 3*).

*Areas of greenhouse gas (GHG) emissions monitoring Greenhouse gas scopes (summary based on GHG Protocol)

Scope 1: Direct emissions resulting from fuel used in a company's own busi-

ness activities

Scope 2: Indirect emissions linked to electricity, steam, and heat purchased from an external company

Scope 3: Indirect emissions occurring in the supply chain linked to a company's business activities

Water consumption % reduction

We will reduce water consumption (per production unit) at dairy product plants in Japan by 10% compared to fiscal 2018 levels by promoting the sustainable use of water resources.

Yakult's involvement in SDGs

Yakult has been developing products that benefit health and contributing to the creation of a sustainable society under the slogan "in order for people to be healthy, everything around them must also be healthy." Thus, the company's corporate activities themselves could be called CSR activities. Currently, the Yakult Group is deeply involved in eight SDGs. We will continue contributing to the achievement of the SDGs going forward.

SUSTAINABLE DEVELOPMENT















Business Areas

We deliver innovative products to the world through unique R&D and production systems as well as four business areas.



Foods and Beverages



International Business



Cosmetics

Making Yakult's proprietary probiotics delicious and affordable. In addition to dairy products such as New Yakult, which delivers live and active Lactobacillus casei strain Shirota to the intestines, and Mil-Mil, which contains a strain called Bifidobacterium breve strain Yakult that works in the large intestine, we offer a diverse selection of products to meet various health needs, such as Yakult Bansoreicha, suitable for those concerned about blood sugar levels, and the energy drink Toughman.

In order to deliver good health to people around the world, we have been globalizing the Yakult brand with a local focus, based on local production and local sales, and currently have sales in 39 countries and regions outside of Japan. Starting with Taiwan, we have expanded our network across Asia, Oceania, the Americas, and Europe. In fiscal 2022, overseas sales of dairy products reached an average of 31.55 million bottles

per day. We are aiming for further growth going forward.



We conduct extensive research on the effects of lactic acid bacteria on the skin, and have developed cosmetic compounds such as the moisturizing ingredient S.E. (Shirota Essence)* using carefully selected lactic acid bacteria. Our cosmetic products are produced under strict safety standards in order to provide our customers with products which protect healthy skin.

*Extract from the fermentation of lactic acid bacteria and milk. Ingredient name: whey (2).

Our Values

Over the years, Yakult has built on the ideas of "preventive medicine," "a healthy intestinal tract leads to a long life," and "a price anyone can afford" to create a diverse range of businesses in foods and beverages, international business, pharmaceuticals, and cosmetics. These businesses are supported by our cutting-edge research and development and production lines, in addition

to the Yakult Ladies, a unique community-based distribution system, which are the driving force behind *Yakult's* timeless, global popularity. Our values stem from our history, beginning with the discovery of *Lactobacillus casei* strain Shirota. Based on our singular mission to contribute to the health and happiness of people around the world, Yakult's quest to create new value continues.



Pharmaceuticals

Our pharmaceuticals business started with the development of enzymes, used as ingredients in foods and pharmaceuticals, but has since expanded into the fields of prescription drugs, OTC drugs, and specified quasi-drug products. Currently, we are advancing our business activities to meet medical needs with a focus on two anticancer drugs: Campto Infusion Solution, developed in-house, and Elplat I.V. Infusion, in addition to a range of related drugs.



Research and Development

Since its founding, Yakult has conducted basic research on intestinal bacteria and beneficial microorganisms, and today boasts world-class research and development capabilities. In addition to working to further expand the potential of intestinal bacteria, we continue to pursue excellence in life science as a pioneer of probiotics, developing new ingredients and products in order to deliver good health and

disseminate the concept of preventive medicine to as many people as possible.





Production

Dedicated to consistently delivering products that benefit health every day, Yakult has developed its own quality control system for its dairy product plants and manufactures products under the strictest hygiene and quality standards. The same exacting standards are also present in our cosmetic and pharmaceutical plants, where we pursue manufacturing practices that offer safety and peace of mind.

Research & Development

Preventive medicine, and beyond. Tackling new frontiers with an insatiable spirit of inquiry.

Intestinal bacteria play a profound role in human health. Recently, the term "gut-brain axis" has gained wider recognition, and research has shown that intestinal bacteria not only play a role in infections, cancers, diabetes, and other illnesses, but also influence stress levels and quality of sleep, which can aid with mental health. Currently, I work in the Analytical Science Department, which is responsible for the development of microbiological analysis technologies, fundamental and clinical research on intestinal bacteria, and product quality and safety assurance at the Yakult Central Institute, our R&D center. I am primarily involved in research utilizing probiotics and synbiotics* in medicine. Specifically, our synbiotics have been shown to be useful in controlling infection in a number of situations including during the perioperative period of gastrointestinal surgery, emergency medicine, and chemotherapy. We are conducting research to reveal the mechanism behind their usefulness, to explore new functions of synbiotics, and to use specific bacteria as biomarkers for the early detection of diseases and assessing prognosis. The study of intestinal bacteria, which play a major role in human health, has the potential to uncover solutions to a variety of diseases. Further research is expected to result in additional contributions to the medical field.



Mai Hane

Yakult Central Institute

Analytical Science Department



Yakult Central Institute Center for research and development

The hub for Yakult's research and development where researchers from a variety of fields come together to engage in fundamental research on intestinal bacteria and beneficial microorganisms and develop foods and beverages, cosmetics, and pharmaceutical products.

How can we discover as-yet-unknown benefits of probiotics and apply them to people's health and medicine? The Yakult Central Institute, where Yakult's research and development is based, is staffed by researchers from a variety of fields and thus has the advantage of being able to conduct multifaceted research. We are also looking beyond Japan and focusing on research addressing issues which affect health across a variety of living environments, such as the effects of differing dietary habits across countries. I personally have many opportunities to speak at academic conferences and conduct joint research with university hospitals in the course of my day-to-day research, and being involved in research that touches people's lives gives me a sense of purpose and great satisfaction. Looking ahead, I want to continue to explore new possibilities for probiotics through the development of advanced microbiological analysis technologies and cutting-edge research on intestinal bacteria, and to use this information to develop products that help to benefit the health of as many people as possible.

*Probiotics are defined as "live microorganisms that, when administered in adequate amounts, confer a health benefit on the host" (ISAPP modified FAO/WHO definition, 2013). The combination of probiotics and substances that support the proliferation of beneficial bacteria in the intestines (prebiotics) is called synbiotics.

Our mission is to deliver the value of probiotics with fresh ideas and time-tested values.

Foods & Beverages

Yakult founder Minoru Shirota's belief in the power of lactic acid bacteria to resolve various health issues and contribute to the quality of people's lives was the starting point for Yakult, and this remains unchanged to this day. This spirit lives on in our first food with function claims, *Yakult 1000*, which enjoys wide support from many people today.

The Planning & Marketing Section, where I work, serves to connect our products to two markets: face-to-face home delivery, which is a unique sales channel of our company, and direct sales through supermarkets and other channels. Yakult 1000 features a high number and high concentration of Lactobacillus casei strain Shirota, which has been reported to improve the intestinal environment, and makes the two function claims of relieves stress and improves sleep quality under conditions of temporary mental stress. It is targeted at businesspeople between their 30s to 50s, a demographic that our company tends to have fewer opportunities for interaction with. For us, not only did it provide new health value, but it was also a significant challenge. To promote this product as a new and different kind of Yakult, we focused on emphasizing its function claims via the Yakult Ladies. We also tailored our TV commercials to convey the product's functionality to the target market. The response was substantial—the function claims regarding stress and sleep aligned with the needs of society, and customers shared their experiences and impressions of the product by word of mouth, which resulted in a strong sales performance.

Our strength lies in our ability to conduct fundamental research on the relationship between the human body and the intestines, and to develop evidence-based products. Precisely because each product is the culmination of exhaustive research, we feel a great sense of accomplishment and satisfaction when we are able to deliver a product to as many people as possible and receive positive feedback. Throughout its history, Yakult has remained attuned to people's health needs while adapting to the ever-changing social environment and evolving lifestyles, with the same time-tested mission over the decades. Following Yakult 1000, we have already begun tackling new challenges. We will strive to meet our customer's expectations regarding the health issues we will address next and what kinds of products we will bring to the market.



Yosuke Kudo

Planning & Marketing Section
Food & Beverage Sales Management Department
Food & Beverages Business Division



Yakult 1000 and Y1000: providing the highest concentration of Lactobacillus casei strain Shirota in Yakult's history

Contains one billion *Lactobacillus casei* strain Shirota per 1 ml. Care was also taken to create a refreshing taste that appeals to adults.

Network

Contributing to the health of people around the world through our global network

Domestic

Domestic Operations

● Head Office · · · · · · · · · · · · · · · · · · ·
● Branches · · · · · · · · · · · · · · · · · · ·
● Research institute······
● Honsha plants · · · · · · · · · · · · · · · · · · ·
● Bottling companies · · · · · · · · · · · · · · · · · · ·
● Marketing companies · · · · · · · 10
● Yakult Ladies · · · · · 32,70
● Yakult Beauty Advisors · · · · · · 3,57

As of June 30, 2023 (as of March 31, 2023 for Yakult Ladies and Yakult Beauty Advisors)

Honsha Organization

Head Office Hokkaido Branch East Japan Branch Metropolitan Branch Central Japan Branch West Japan Branch Yakult Central Institute Fukushima Plant Iharaki Plant **Shonan Cosmetics Plant** Fuji Susono Plant Fuji Susono Pharmaceutical Plant Hyogo Miki Plant Saga Plant

Bottling Companies

Yakult Iwate Plant Co., Ltd. Yakult Chiba Plant Co., Ltd. Yakult Fuji Oyama Plant Co., Ltd. Yakult Aichi Plant Co., Ltd. Yakult Okayama Wake Plant Co., Ltd. Yakult Fukuoka Plant Co., Ltd.

Yakult Sapporo Sales Co., Ltd. Yakult Minami Hokkaido Sales Co., Ltd. Yakult Tomakomai Sales Co., Ltd. Yakult Iwamizawa Sales Co., Ltd. Yakult Kushiro Sales Co., Ltd. Yakult Obihiro Sales Co., Ltd. Yakult Kitami Sales Co., Ltd. Yakult Muroran Sales Co., Ltd. Yakult Kita Hokkaido Co., Ltd. Yakult Aomori Sales Co., Ltd. Yakult Iwate Sales Co., Ltd. Yakult Miyako Sales Co., 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. *Oversees the following marketing company.

· Yakult Ofunato Sales Co., Ltd. Yakult Ishinomaki Sales Co., Ltd. Yakult Fukushima Sales Co., Ltd. Yakult Koriyama Sales Co., Ltd. Yakult Aizu Sales Co., Ltd. Yakult Iwaki Sales Co., Ltd. Yakult Mito Sales Co., Ltd.

























Profile

Overview of Yakult Honsha

Corporate name: Yakult Honsha Co., Ltd.

Date founded: Date incorporated: April 9, 1955 **Head office:**

1-10-30 Kaigan, Minato-ku, Tokyo, 105-8660, Japan Telephone: +81-3-6625-8960

¥31,117.65 million Paid-in capital:

Annual account

settlement date: March 31 No. of employees: 2,765

> Including 286 employees temporarily assigned and 160 contract employees (as of March 31, 2023)

Main banks: Mizuho Bank, Resona Bank, MUFG Bank

Principal Business Activities

Manufacturing and marketing of food and beverage products, cosmetics, pharmaceuticals, and



Marketing Companies

Yakult Koga Sales Co., Ltd. Yakult Utsunomiya Sales Co., Ltd. Yakult Ryomo 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 Yamanashi Sales Co., Ltd. Yakult Nanshin Sales Co., Ltd. Yakult Hokushin Sales Co., Ltd. Yakult Niigata Chuo Sales Co., Ltd. Yakult Shibata Sales Co., Ltd. Yakult Joetsu Sales Co., Ltd. Yakult Saitama Sales Co., Ltd. Yakult Saitama Tobu Sales Co., Ltd. Yakult Kazo Sales Co., Ltd. Yakult Saitama Nishi Sales Co., Ltd. Yakult Saitama Hokubu Sales Co., Ltd. Yakult Chiba Ken Sales Co., Ltd. Yakult Johoku Sales Co., Ltd. Yakult Katsushika Sales Co., Ltd. Yakult Seito Sales Co., Ltd. Yakult Tokyo Sales Co., Ltd. Yakult Kanagawa Chuo Sales Co., Ltd. Yakult Kanagawa Tobu Sales Co., Ltd. Yakult Shonan Sales Co., Ltd. Yakult Odawara Sales Co., Ltd.

Yakult Atsugi Sales Co., Ltd. Yakult Tokai Co., Ltd. *Oversees the following four marketing

- - Yakult Nagoya Sales Co., Ltd. · Yakult Aichi Chuo Sales Co., Ltd.
 - Yakult Mie Sales Co., Ltd.
- Yakult Gifu Sales Co., Ltd. Yakult Higashi Mikawa Sales Co., Ltd. Yakult Toyama Sales Co., Ltd. Yakult Hokuriku Co., Ltd. Yakult Nanao Sales Co., Ltd. Yakult Keiji Sales Co., Ltd. Yakult Kinki Chuo Sales Co., Ltd. Yakult Osaka Hokubu Sales Co., Ltd. Yakult Sennari Sales Co., Ltd. Yakult Sakai Sales Co., Ltd. Yakult Osaka Tobu Sales Co., Ltd. Yakult Minami Osaka Sales Co., Ltd. Yakult Nara Sales Co., Ltd. Yakult Wakayama Sales Co., Ltd. Yakult Kobe Sales Co., Ltd. Yakult Hyogo Sales Co., Ltd. Yakult Himeji Sales Co., Ltd. Yakult Awaji Sales Co., Ltd. Yakult Tottori Sales Co., Ltd. Yakult Sanin Sales Co., Ltd. Yakult Okayama Sales Co., Ltd.

Yakult Tsuyama Sales Co., Ltd. Yakult Okayama Ken Seibu Sales Co., Ltd. Yakult Sanvo Co., Ltd. Yakult Hiroshima Chuo Sales Co., Ltd. Yakult Yamaguchi Ken Tobu Sales Co., Ltd. Yakult Kagawa Sales Co., Ltd. Yakult Tokushima Sales Co., Ltd. Yakult Kochi Sales Co., Ltd. Yakult Matsuyama Sales Co., Ltd. Yakult Ehime Tobu Sales Co., Ltd. Yakult Ehime Nanbu Sales Co., Ltd. Yakult Kitakyushu Sales Co., Ltd. Yakult Fukuoka Sales Co., Ltd. Yakult Chuo Fukuoka Sales Co., Ltd. Yakult Kurume Sales Co., Ltd. Yakult Oita Sales Co., Ltd. Yakult Saga Ken Sales Co., Ltd. Yakult Nagasaki Co., Ltd. Yakult Sasebo Co., Ltd. Yakult Goto Sales Co., Ltd. Yakult Kumamoto Co., Ltd. Yakult Mivazaki Sales Co., Ltd. Yakult Miyakonojo Sales Co., Ltd. Yakult Sendai Sales Co., Ltd. Yakult Kagoshima Sales Co., Ltd. Yakult Kagoshima Tobu Sales Co., Ltd. Yakult Okinawa Co., Ltd.

The Yakult Group has been expanding globally since 1964 in an effort to contribute to the health and happiness of people around the world. We aim to achieve sustainable growth by continuing to provide valuable products and services through our business network of approximately 160 companies spread across 40 countries and regions worldwide.

Overseas

Overseas Operations

● Yakult Ladies · · · · · 50.192 ● Employees · · · · · · · 25,751

As of December 31, 2022

Yakult Taiwan Co., Ltd. Hong Kong Yakult Co., Ltd. Yakult (Thailand) Co., Ltd. Korea Yakult (hy Co., Ltd.) Yakult Philippines, Inc. Yakult (Singapore) Pte. Ltd. PT. Yakult Indonesia Persada Yakult Australia Pty. Ltd. (New Zealand Branch) Yakult (Malaysia) Sdn. Bhd. Yakult Vietnam Co., Ltd. Yakult Danone India Pvt. Ltd. Yakult Middle East FZCO Yakult Myanmar Co., Ltd. Yakult (China) Corporation Guangzhou Yakult Co., Ltd.

Shanghai Yakult Co., Ltd. Beijing Yakult Co., Ltd. Tianjin Yakult Co., Ltd. Wuxi Yakult Co., Ltd. Yakult S/A Ind. E Com. (Brazil) Yakult S.A. De C.V. (Mexico) Yakult U.S.A. Inc. Yakult Europe B.V. Yakult Nederland B.V. Yakult Belgium N.V./S.A. Yakult UK Ltd. (Ireland Branch) Yakult Deutschland GmbH Yakult Oesterreich GmbH Yakult Italia S.r.l.

· Other countries conducted:

Brunei, Oman, Bahrain, Qatar, Kuwait, Uruguay, Canada, Belize, France, Luxembourg, Spain, Malta, Switzerland and Denmark

• Yakult Honsha European Research Center for Microbiology VOF (YHER)

Principal Subsidiaries

Yakult Food Industry Co., Ltd. Yakult Health Foods Co., Ltd. Yakult Corporation Co., Ltd. Yakult Materials Co., Ltd. Yakult Pharmaceutical Industry Co., Ltd. Yakult Asset Management Co., Ltd.

YBC Co., Ltd. Yakult Support Business Co., Ltd. Yakult Logistics Co., Ltd. Yakult Kyudan Co., Ltd. Yakult Management Service Co., Ltd.







