

Product safety

Basic policy on product quality

In order to embody our corporate philosophy, the whole Yakult Group is working to ensure quality assurance based on the Yakult Group Basic Quality Policy that specifies the fundamental policies and promotion system related to quality and safety.

Yakult Group Basic Quality Policy

The Yakult Group contributes to the health and happiness of people around the world by offering safe and secure products and services with sincerity.

The Yakult Group Basic Quality Policy covers the following.

1. Scope
2. Compliance with laws, regulations and international norms
3. Promotion structure
4. Dialogue with stakeholders

Established: March 30, 2021

Please refer to the following URL for the full text of the Yakult Group Basic Quality Policy:

WEB https://www.yakult.co.jp/english/csr/social/product_safety/

Product quality certifications

We are promoting the acquisition of HACCP, ISO 9001, FSSC 22000, Safe Quality Food (SQF) and other certifications for Yakult Honsha plants, bottling companies, marketing companies and Group companies outside Japan. The Zhongli Plant of Yakult Taiwan Co., Ltd. has acquired SQF level-3 certification, the highest level of the SQF program.

The Calamba Plant of Yakult Philippines, Inc. acquired HACCP certification in August 2019, bringing the total number of certified overseas plants to 21.

Certifications acquired for product quality

(Number of certified locations: as of August 2022)

	HACCP	ISO 9001	ISO 22000	FSSC 22000	GMP	Halal	ISO 45001	SQF
Yakult Honsha plants, bottling companies in Japan (10 dairy product plants)			10 ^{*1}					
Marketing companies in Japan (101 in total)		10 ^{*2}	1					
Plants outside Japan (27 locations in total) ^{*3}	21	10	8	3	9	8	2 ^{*3}	2

*1 In Japan, food hygiene control based on HACCP principles was instituted through the Act on the Partial Amendment of the Food Sanitation Act in 2018. In line with this, we acquired ISO 22000 certification at all 10 of our dairy product plants and bottling companies.

*2 Includes branches that have acquired the certification

*3 Acquisition rate at plants both in and outside Japan: 5.4%

- HACCP: A system for assuring safety by implementing thorough hygiene management across the entire manufacturing process
- ISO 9001: An international standard for quality management systems
- ISO 22000: An international standard for food safety management systems based on HACCP hygiene management methods
- FSSC 22000: An international standard for food safety management systems based on ISO 22000 that incorporates food defense and other matters
- GMP (Good Manufacturing Practice): An international standard for pharmaceuticals and food manufacturing management and quality control

Note: In Taiwan, the plant obtained TQF (Taiwan Quality Food) certification which is equivalent to GMP.

- Halal: A standard for food quality management systems based on Islamic Law
- ISO 45001: An international standard for occupational health and safety management systems
- SQF: An international standard for management systems that ensure the safety and quality of food products

WEB Please refer to the following URL for details about certification acquired by each company >>>

https://www.yakult.co.jp/english/csr/social/product_safety/certification/index.html

Quality management systems

Raw material management

When selecting our main raw materials for ingredients and packaging, including powdered skim milk, paper and plastic, at the product design stage, we investigate and analyze the types of raw materials, additives, and processing aids used during the manufacturing process of the raw materials, and decide to utilize them only if they conform to the Food Sanitation Act and related laws, and after rigorously confirming their safety. Investigation results are consolidated in our raw material database.

We have set strict quality standards for raw materials, and at all of our plants both in and outside Japan, we confirm in advance the inspection reports of raw material suppliers and undertake inspections when raw materials are received to ensure that only materials that are in compliance with relevant standards are used.

We also place importance on communication with suppliers, and conduct investigations of the country of origin of the raw materials, manufacturing plants and processes to confirm hygiene conditions, inspection systems and quality control systems, and request improvements when necessary.

Production

We have established provisions for the special manufacturing technology, cleaning, disinfection, and other conditions required for the cultivation of lactic acid bacteria according to our internal manufacturing management standards, which are based on scientific evidence of the positive effects of lactic acid bacteria on health.

With the amendment of the Food Sanitation Act and the legislation of food hygiene control based on HACCP principles, we reviewed our internal quality control system that integrated conventional ISO 9001-certified quality management systems with HACCP systems and food defense programs, and now maintain a high standard of quality management through a proprietary system that integrates ISO 22000 with customer satisfaction and quality assurance principles. As each employee's awareness, knowledge and technical skills with regard to product quality are essential in achieving this, we have defined the abilities required in production and quality control at Yakult Honsha dairy product plants and bottling companies, and carry out education, training and assessment in a systematic manner, and routinely review this system. In Japan we have also developed and installed a variety of inspection equipment that has made a 100% inspection level possible with continuous quality monitoring.

Regarding food safety related to radioactive substances in Japan, we operate one of the country's most rigorous product safety checks through the inspection of radioactive substances for all types of products, along with continuous monitoring using a monitoring post at the Fukushima Plant.

Outside Japan, we conduct strict quality control based on our own internal standards while complying with local laws and regulations, and adapting to the culture of each country and region. Some of our sites outside Japan have obtained Halal certification.

Furthermore, we have developed systems that allow us to, if product-related incidents occur, establish a task force to handle the incident based on our Risk Management Rules and carry out a prompt product recall.

Logistics

Yakult Logistics Co., Ltd. makes logistics quality the foundation of its mission to deliver fresh products at their peak of quality.

The company runs annual study sessions on logistics quality for contractors. In fiscal 2021, as part of COVID-19 safety measures, staff members visited partner companies to hold study sessions. Twelve sessions were held, with 144 participants from nine companies. Staff at those companies received a direct explanation of how to load and handle Yakult products according to their special characteristics, and gained a deeper understanding of product handling.

Marketing

We have also established quality control systems at marketing companies and, in order to comply with the Food Sanitation Act incorporating HACCP principles into hygiene management, work is performed and recorded following a hygiene management plan that focuses on product temperature and date control, as well as equipment and material hygiene control. Marketing companies perform their own internal audits to confirm that these measures are being conducted appropriately. Furthermore, teams composed mainly of employees with quality management experience at production plants perform food quality audits and conduct quality control education and training at marketing companies.

Initiatives in cosmetic and pharmaceutical production

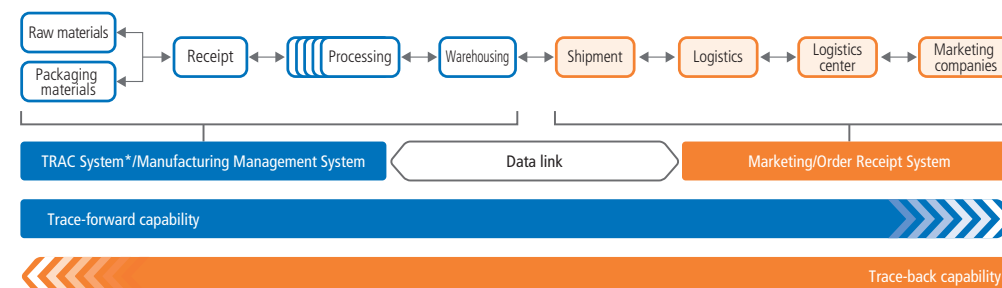
To maintain safe and standardized product quality during all processes at our pharmaceutical plant, from receipt of raw materials to product manufacturing, quality testing and storage, we follow the pharmaceutical Good Manufacturing Practice. We also follow the GMP standards of the countries to which some of our pharmaceutical materials are exported.

For cosmetics, we utilize a Quality Control Work Procedure Manual and Post-manufacturing and Sales Safety Control Work Procedure Manual for quality control. We also perform regular audits to ensure that the cosmetic GMP (technology guidelines for cosmetics manufacturing and quality control) is being followed to always make products with a uniform high quality at both our plant and contractor plants, and give guidance to improve them if necessary.

For fragrances used in cosmetics, we not only ensure that all our fragrance formulations are fully compliant with local regulations of the regions where they are marketed, but also that the latest safety data is collected. We also create perfumes using fragrance ingredients that are in line with the safety standards set forth by the International Fragrance Association (IFRA).

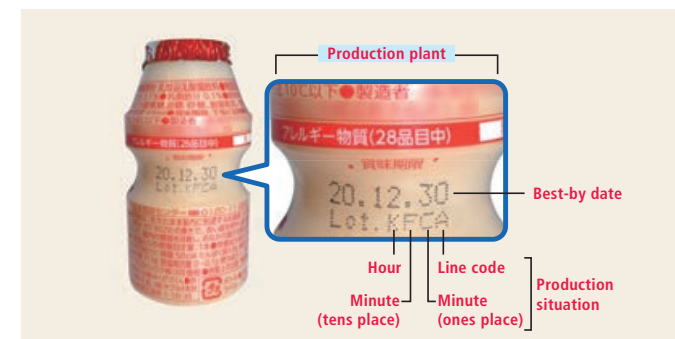
Traceability system

Yakult's original TRAC traceability system enables tracing according to production lot from the arrival of raw ingredients to the shipment of products, so products can be traced both back and forward through the manufacturing process.



* The TRAC system refers to a system that enables a search of manufacturing history and is connected with other mission-critical systems

Product print example: New Yakult



■ Independent food safety audits: Yakult China Group

In order to provide consumers with safe, secure and delicious products, regular independent food safety audits are carried out in China based on the Food Safety Law. In fiscal 2021, audits took place in July at the Shanghai, Tianjin and Wuxi Plants. Due to COVID-19 related restrictions on business travel, the planned year-end audits were postponed.



An independent food safety audit

Active disclosure of product information

■ Universal design fonts for product labeling

Yakult's product packaging for food and beverages uses universal design fonts that are easy for anyone to read, regardless of age or ability.

■ Easy-to-understand allergen information

We display the allergens contained in our food and beverage products on the ingredients list as stipulated by law. To make it easier for customers to get the information they need, we also separately provide the names of allergens included or not included for 28 types of allergens: 7 specified ingredients that are for mandatory labeling and 21 others that are recommended for labeling. Our website also lists the allergens (out of 28 different allergens) contained in our food and beverage products.

An example list of allergens



アレルギー物質(28品目中)乳・大豆

WEB Product Information > Food Ingredients and Allergens >>>

<https://www.yakult.co.jp/products/component.html> (Japanese)

Access to better nutrition

Lifestyle changes have made obesity, diabetes and metabolic syndrome more prevalent in industrialized and emerging economies, prompting calls for measures to prevent lifestyle diseases from a young age. Also, the shift to super-aged societies in developed countries is increasing the need for highly nutritious foods to address smaller meals and increasing frailty*1 among older people with a view to extending their healthy life expectancy. On the other hand, developing countries are facing hunger and malnutrition issues due to poverty.

In order to contribute to the health and happiness of people around the world, we will continue to help provide access to better nutrition by developing food and beverage products based on the three concepts advocated by Minoru Shirota, the founder of Yakult: "preventive medicine," "a healthy intestinal tract leads to a long life" and "a price anyone can afford."

In recent years, a close relationship has been found between the intestinal microbiota and human health. In addition to its intestinal regulation and immunoregulation functions, *Lactobacillus casei* strain Shirota has been shown to have an impact on the nervous system (affecting stress levels and sleep), which is vital for maintaining human health. We have been delivering probiotic products that use *Lactobacillus casei* strain Shirota to people around the world since our founding and are contributing to the health of people globally.

Furthermore, in response to the inadequate intake of vitamins and minerals, as revealed by guidelines such as the Dietary Reference Intakes for Japanese, we are also developing highly nutritious food and beverages that are fortified with the necessary vitamins and minerals for target gender and age groups.

For example, in Japan, we launched such products as *Yakult 1000* and *Y1000*, which contain *Lactobacillus casei* strain Shirota that can not only improve the intestinal environment but also relieve stress and improve sleep quality; *Yakult Five*, which is fortified with five different popular nutrients; *Joie*, which supplements daily nutritional requirements for vitamins and minerals; and *Kininaruyasai Ichinichibunno Multivitamin Tomato & Red Grape*, which provides a meal's worth*2 of six water-soluble vitamins (niacin, vitamins B₁, B₂, B₆ and C, and folic acid) that are often deficient in the diet in one easy and delicious serving. We also provide nutrient-enriched products that meet global health needs.

*1 Frailty: Physical and mental decline (motor and cognitive functions, etc.) associated with age

*2 Equivalent to one-third of the reference daily values for nutrients, etc.

Related information > p.46 Innovation: Evolving into a healthcare company (Product development in response to increased health consciousness) >>>