

# Diversity

## Fundamental philosophy about diversity

We recognize that promoting diversity is an integral component of corporate management in today's ever-changing market. The Yakult Group has long been working to foster a corporate culture where diverse human resources can thrive. We strive to maximize their individuality and capabilities in all aspects of such activities as hiring, job placement, staff reassignment and employee training.

## Empowerment of female employees

The empowerment of female employees is a key issue in our human resources strategy, since the home delivery of our products, our core business, is supported by female workers. We have formulated an action plan in line with the Act on Promotion of Women's Participation and Advancement in the Workplace as our fundamental philosophy. We have been implementing various measures to support this, and the percentage of women in managerial positions continues on an upward trend.

Going forward, we will expand support for an optimum balance between work and home life, aiming to increase the number of female managers as well as promoting career design training.

Additionally, employee evaluations and the treatment of employees are both fair and impartial, and there is no gender gap in basic pay or bonuses for employees.

### Fundamental philosophy

1. Promote optimal employee placement in light of abilities, aspiration and aptitude, regardless of gender.
2. Enhance the workplace environment so that women aspiring to have a career are able to balance both work and family life.
3. Set precise target figures and formulate an action plan.

### Numerical targets

1. Over 10% of management positions to be filled by women by 2025.
2. Over 50% of eligible male employees to take parental leave by 2025, and average time taken off to be 5 days or more.
3. Over 70% of female employees to receive cancer screenings by 2025.

### Number and ratio of female managers (Yakult Honsha, overseas offices)

Fiscal year	2017	2018	2019	2020	2021
Japan: Number of female managers	45	47	52	57	60
Japan: Ratio of female managers (%)	6.2	6.3	6.7	7.2	7.5
Overseas: Ratio of female managers (%)	24.8	25.4	24.7	27.1	28.4

### Career design training for women

To continue being a company where everyone can succeed regardless of gender, we offer career design training for women who have concerns about their future career to help them work confidently toward advancement.

In fiscal 2021, we invited women working as executives at other companies to speak and participate in panel discussions with a view to raising the motivation of female employees considered candidates for managerial positions.

### Empowerment of women outside Japan

Various systems have been introduced by our Group companies outside Japan to empower and create good working environments for women.

### Main overseas initiatives

Country and region	Details
China	<ul style="list-style-type: none"> <li>• Shorter working hours (one hour per day for one year) for women following childbirth (used by all eligible female employees)</li> <li>• Half-day leave for employees with children under 14 on Children's Day, June 1</li> </ul>
Vietnam	<ul style="list-style-type: none"> <li>• Female employees can take up to three 30-minute breaks during their menstrual period</li> <li>• Female employees with children under 12 months can take an hour break every day</li> </ul>
Philippines	<ul style="list-style-type: none"> <li>• Maternity leave system</li> </ul>
Indonesia	<ul style="list-style-type: none"> <li>• Expectant mothers are encouraged to take antenatal leave</li> <li>• A childcare room is available in the head office building</li> </ul>
Middle East	<ul style="list-style-type: none"> <li>• Maternity leave system and 18 months of reduced working hours for mothers</li> </ul>
Mexico	<ul style="list-style-type: none"> <li>• Dedicated rooms for nursing mothers to express milk (Ixtapaluca Plant and Guadalajara Plant)</li> </ul>
Brazil	<ul style="list-style-type: none"> <li>• Employees receive childcare benefits from the child's birth until the age of six months</li> </ul>
Australia	<ul style="list-style-type: none"> <li>• The company provides 8 weeks of paid parental leave on top of the 18 weeks paid by the state, making a total of 26 weeks</li> </ul>

## Appointing women, non-Japanese and mid-career hires to managerial positions

Yakult operates on the basic principle of "optimal personnel assignment based on abilities, aspirations, and aptitude, and regardless of age, gender, nationality, or educational background." We aim to create an environment in which all employees can work without worry over the long term. We also believe that creating an organization that makes the most of a diverse workforce can encourage innovation and enhance productivity. We are actively assigning women, non-Japanese and mid-career hires to managerial positions.

Our home delivery system, which forms the foundation of our business, is supported by the work of women, and we are especially committed to promoting the appointment of women to

management positions. We aim to achieve at least a 10% ratio of female managers by fiscal 2025.

In fiscal 2021, the ratio of female managers in our company was 7.6%, and we are working to develop candidates for managerial positions by motivating career-focused women through career development training and other programs. Alongside this, we consider it necessary to hire people with fresh knowledge and experience from outside the company, and are promoting such efforts.

## Employment of persons with disabilities

Yakult Honsha hires and assigns employees taking into account their personal abilities, ambitions and aptitude, while giving sufficient consideration to the nature of their disability. Our personnel system motivates all employees to demonstrate their abilities and succeed in their careers despite any disabilities. With the relocation of the Yakult Honsha building, we are aiming to make the workplace accessible and comfortable for everyone, including installing multi-functional toilets based on a universal design approach. We will continue to expand employment, such as by actively hiring people with disabilities.

### Rate of employees with disabilities (Yakult Honsha, overseas offices)

Fiscal year	2017	2018	2019	2020	2021
Japan: Rate of employees with disabilities (%)	2.00	2.15	2.22	2.27	2.59
Japan: Statutory target employment rate (%)	2.0	2.2		2.3	
Overseas: Rate of employees with disabilities (%)*	—	—	0.60	0.60	0.60

\* Disability is defined according to the criteria applied in each country and region

## Promoting employment of older people

In line with the Act on Stabilization of Employment of Elderly Persons, we operate a system for the re-employment of all those who desire to continue working after the retirement age of 60. We are working to create an environment allowing employees to demonstrate the abilities they have cultivated and feel motivated in their work, even after reaching retirement age. Around 80% of employees who reach retirement age each year utilize this system.

### Rate of continuous employment at retirement age (Yakult Honsha)

Fiscal year	2017	2018	2019	2020	2021
Number of persons at mandatory retirement age	52	57	83	73	55
Number of persons in continuous employment at Yakult Honsha	34	38	60	47	35
Number of continuous workers who transfer to another company	9	9	7	13	7
Number of persons who choose to retire	9	10	16	13	13
Rate of continuous employment* (%)	82.7	82.5	80.7	82.2	76.4

\* Including those persons who have transferred to another company

# Work-life balance

## Fundamental philosophy about work-life balance

We define work-life balance as creating pleasant working environments that enable employees to maintain good health, maintain an optimal balance between their work and private lives, make the most of their abilities and feel motivated. At Yakult Honsha, we are moving ahead with efforts to prevent excessive work hours and create pleasant work environments by raising awareness of work-life balance among all employees, including by holding training sessions for newly appointed managers.

## Initiatives for work style reform

To promote employees' use of their annual allotment of paid holidays, Yakult Honsha encourages the use of paid holidays for birthdays, anniversaries and volunteer activities, as well as allowing annual leave to be taken in hourly increments. We will push ahead with creating work environments that make it easier for employees to take paid holidays.

We have also introduced "no overtime days" to reduce long working hours. We will continue to strive to change employees' attitudes towards overtime and working more efficiently. As well as encouraging their teams to leave the workplace as soon as work is over, managers themselves are reminded not to work excessive hours.

The situation of working hours and usage of paid holidays is regularly reported at board meetings to prevent compliance violations and to create a pleasant working environment.

### Percentage of annual paid leave taken and average overtime hours per month (per person) (Yakult Honsha)

Fiscal year	2017	2018	2019	2020	2021
Percentage of annual paid leave taken (%)	58.8	70.9	76.9	71.7	76.5
Average overtime hours (per month)	8.5	10.5	10.7	8.1	9.0

### ■ Initiatives in Brazil

Yakult S/A Ind. E Com. (Brazil) complies with the Brazilian labor law, which stipulates that working hours should not exceed 44 hours per week. In addition, it has instituted company regulations and implementation rules to achieve a 100% paid leave utilization rate.

### ■ Initiatives in Guangzhou

Guangzhou Yakult Co. Ltd. is implementing work style reforms to improve efficiency and reduce overtime.