

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.

In fiscal 2021, leaders of each plant spoke with all temporary workers to identify issues, then discussed ways to improve work efficiency and reduce long overtime hours, and also set targets. As part of the implementation of this initiative, leaders were credited for their achievements when a target was reached, resulting in the thorough implementation of working-hours management and other measures. In addition, company rules regarding break times and other matters were clarified.

Balancing work and childcare/nursing care

■ Platinum Kurumin certification

Yakult Honsha has been awarded Platinum Kurumin certification by Japan's Ministry of Health, Labour and Welfare in recognition of its efforts to support employees with children.

Under the Act on Advancement of Measures to Support Raising Next-Generation Children, "Platinum Kurumin" is a system to certify companies that have already obtained Kurumin certification and are carrying out initiatives at an even higher level.



■ Parental leave for fathers

Yakult Honsha has established a saved leave system in which employees can save the unused paid leave exceeding the carry-over limit and use it for other purposes, such as parental leave or nursing care leave. There has been an increase in the number of male employees taking parental leave, as we have been encouraging male employees—even before the enforcement of the revised Child Care and Family Care Leave Law on April 1, 2022—to take parental leave as soon as we learn that their spouse has given birth. Our target is for over 50% of eligible male employees to take parental leave by 2025, and for them to take an average of five days or more.

The rate of returning to work after parental leave has been 100% for both male and female employees.

Number of employees taking parental leave (Yakult Honsha)

| Fiscal year | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------|------------|-------------|-------------|-------------|
| Male employees (number of people/utilization rate*) | 8 8.7% | 9 9.3% | 18 19.6% | 10 15.9% | 83 86.4% |
| Female employees (number of people/utilization rate) | 40 100% | 36 100% | 37 100% | 26 100% | 35 100% |

* Rate of male employees taking parental leave: Number of male employees taking parental leave divided by the number of male employees whose spouse has given birth

■ Building a pleasant work environment for parental leave takers

As part of its efforts to provide pleasant workplace environments, Yakult Honsha organizes roundtable meetings for employees who are returning to work after taking parental leave so that they can go back to work with confidence and subsequently maintain a good balance between work and childcare. The meetings serve as a platform for the Human Resources Department to provide information and to exchange ideas with employees who are already successfully balancing work and childcare. Encouraging a smooth return to work for participants enables the optimum use of their limited time and contributes to a dynamic work environment.

Further, because ensuring the understanding and cooperation of coworkers is essential for providing a supportive environment for those returning to work, related training sessions have been conducted for supervisors of returning employees.

■ Nursing care support system

We support employees in balancing work and nursing care by making saved leave available for nursing care, as well as through a reduced working hours system.

Promoting career management

We have introduced a career management system allowing employees to take on side jobs to facilitate their acquisition of knowledge and skills for a second career and to accommodate flexible work styles according to their life situations and self-fulfillment needs. In addition, for employees at the age of 55, we offer a Life Plan Seminar that provides an opportunity to consider work styles and motivations in life, while also promoting understanding of the continuous employment system, to help them enjoy a fulfilling life after retirement age.