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November 13, 2026

To whom it may concern:

Company name Yakult Honsha Co., Ltd.
Representative Hiroshi Narita
President and Representative Director
(Securities code: 2267, TSE Prime Market)

Notification Regarding the Formulation of Management Policy for Enhancing Corporate Value

Yakult Honsha Co., Ltd. (the "Company") hereby announces that it has formulated its new Management Policy for Enhancing Corporate Value based on the results of discussions by the Corporate Value Enhancement Committee, as detailed below.

To date, the Company has achieved sustainable growth, driven by the unique value of its products and the expansion of its global sales network, with growth in dairy product sales volumes serving as a key driver of its sustainable growth. However, amid significant changes in the environment surrounding our businesses and the capital markets, we recognize that it is essential not only to expand the scale of our operations but also to improve the quality of growth by achieving greater profitability and capital efficiency. Based on this recognition, the Company will shift from its traditional management approach centered on sales volume and revenue growth to management focused on value creation, pursuing improved profitability and capital efficiency while taking the cost of capital into account. Through this shift, the Company aims to achieve sustainable enhancement of corporate value.

To enhance our corporate value, we will integrally advance our Business Strategy, Financial & Capital Strategy, and initiatives to strengthen Corporate Governance.

1. Business Strategy

Across the three business domains of Food and Beverages (Japan), Food and Beverages (Overseas), and Wellness, we will define the respective roles of "cash generation," "profit growth," and "future growth drivers," and accelerate profit growth through the execution of appropriate strategies for each business.

2. Financial & Capital Strategy

We will redesign our capital allocation framework and improve capital efficiency through the strategic reallocation of capital toward growth areas, the reduction of non-operating assets and excess cash holdings, the optimization of our capital structure, and proactive shareholder returns.

3. Corporate Governance

We will transition from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee, separating the roles of business execution and supervision and further strengthening corporate governance through, among other measures, the voting rights of directors serving as Audit & Supervisory Committee members.

Following the formation of this Management Policy, we have also revised the targets set forth in the Medium-Term Management Plan (2025–2030) announced in May 2025.

For further details, please refer to the “Management Policy for Enhancing Corporate Value” on the following pages.

Yakult

Management Policy for Enhancing Corporate Value

Yakult Honsha Co.,Ltd.

November 13, 2026

Management Policy

– Shifting to Management Focused on Value Creation: Driving Sustainable Enhancement of Corporate Value

Paving the Way to Our Centenary

Changes at Yakult

Yakult

Move beyond the existing successful business model and redesign it for the next stage of growth

1 Assets
Strengths Cultivated to Date

Business
- Our brand and our research into lactic acid bacteria/microorganisms
- Global networks of Yakult Ladies, sales operations, and production facilities

Financial Capital
- Stable operating cash flow
- Sound financial foundation and abundant assets

Yakult has built a business foundation comprising strong proprietary assets

2 Challenges
Legacy Challenges to be Addressed

Business
- Reliance on volume growth in the fermented milk drinks business
- Maturation of market/home delivery model, coupled with fragmentation of customer contact points

Financial Capital
- Structure that continually accumulates assets and capital
- Excess holdings of non-operating assets and cash

The existing successful business model limits the next stage of growth

3 Transformation
Key Areas for Change

Business
- From product-centered to customer- and health needs-centered approach
- Expand customer touchpoints and accelerate DX

Financial Capital
- Streamline capital/reduce cash & cash equivalents, while leveraging debt financing
- Reallocate capital from non-operating assets to growth investments

Reconfigure strengths to revamp the successful business model

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Shifting to Management Focused on Value Creation:
Driving Sustainable Enhancement of Corporate Value

Business Strategy

Redesign business portfolio to accelerate profit growth

- **Food and Beverages (Japan)**: Enhance cash generation
- **Food and Beverages (Overseas)**: Concentrate growth investments to accelerate profit growth
- **Wellness**: Cultivate the next pillar of earnings

Financial & Capital Strategy

Redesign capital allocation to improve capital efficiency

- **Growth Investment:** Strategically reallocate capital to growth areas
- **Asset Rationalization:** Reduce non-operating assets and excess cash holdings
- **Capital Optimization:** Optimize capital structure and strengthen shareholder returns

Enhancing Value Creation and Earning Power ► P.3 - 9

Asset Rationalization and Growth Investment ► P.10 - 13

Capital Optimization and Shareholder Returns ► P.10 - 13

	FY2025 Current	FY2030 Last year of medium-term plan	FY2035 Centenary year
ROE	7.5%	> 10%	12-15%
Operating Margin	9.3%	10.7%	Expanded Equity Spread
Total Asset Turnover	0.53	0.75	
Financial Leverage	1.51	1.75	

Cost of Equity: 6-7%

Strengthening Corporate Governance to Support Transformation ► P.14

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Business Strategy

– Enhancing value creation and earning power

Food and Beverages (Japan)

Structural Transformation Theme

Generate stable earnings while creating the next-generation growth model

Simultaneously pursue short-term performance recovery and medium- to long-term transformation

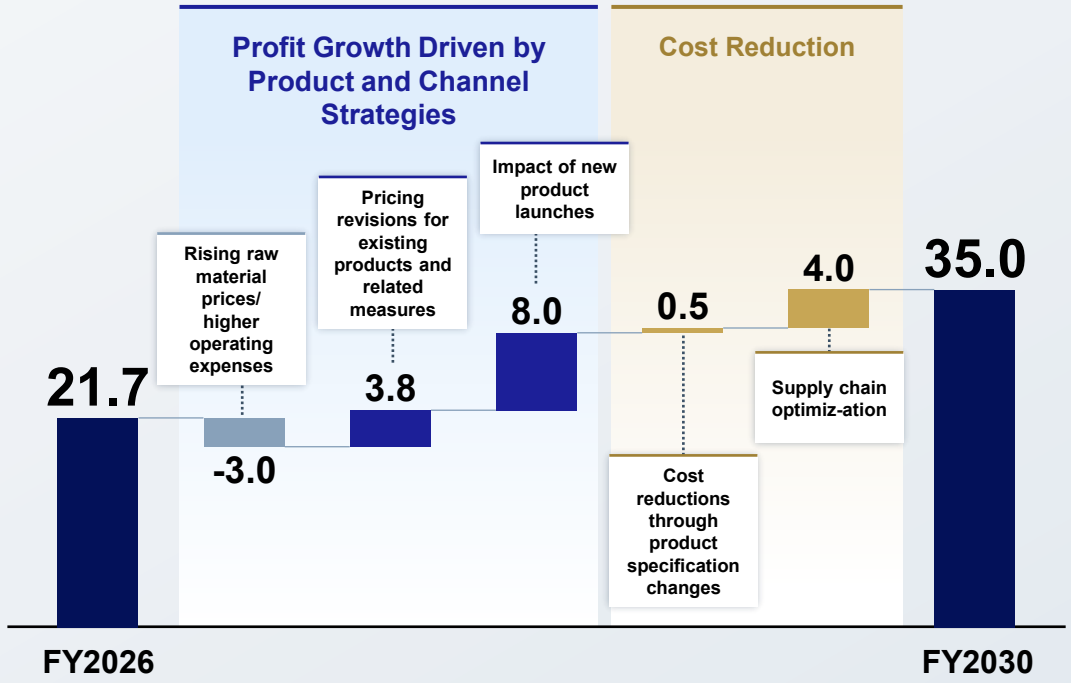
Short-term recovery measures	Medium- to long-term transformation
Restore growth	Create new growth drivers

Key Priorities for Transformation

- **Priority 1** Expand product domains
- **Priority 2** Evolve channels and customer touchpoints
- **Priority 3** Improve supply chain and logistics efficiency

Key Priorities 1 – 3

Operating Profit Growth in F&B (Japan)
(Unit: ¥ billion)



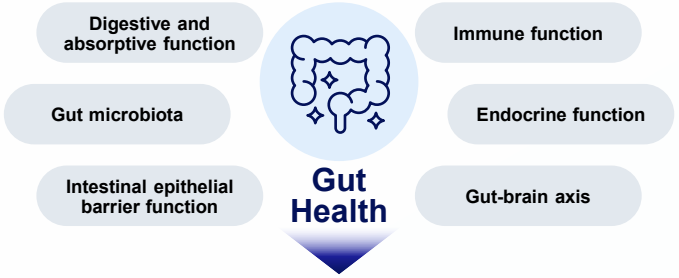
Key KPIs FY2030	Net Sales	Operating Profit	Operating Margin	No. of New Products Launched (yearly average)
	¥285.0 billion	¥35.0 billion	12.3%	10+ products/year Past 5 years: 6 products/year

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Food and Beverages (Japan)

Priority 1 Expand Product Domains

Expand Business Domains in Three Directions Based on Our Expertise in the Science of the Gut



Leveraging Yakult's Unique Scientific Expertise to Support Healthy Aging and Youthfulness at Every Stage of Life

Product Domain Expansion
Expand into new growth markets

Generation-Based Product Strategy
Maximize customer value throughout every life stage

Higher Value-Added Products
Boost profitability by enhancing value

New products on the market:
10+ products/year (*Past 5 years: 6 products/year)

Priority 2 Evolve Channels and Customer Touchpoints

● Diversify Customer Touchpoints



*sales volume mix

Home Delivery
- Improve customer touchpoints
- Maximize lifetime value (LTV)
- Improve working environment for Yakult Ladies

Retail Sales/ E-commerce
- Mass retailers (SM, CVS, Drugstores)
- E-commerce
- Offices, corporations
- Hospitals, eldercare facilities, schools

Tailor products to channels
Enhance sales structure

Preserve value through home delivery; drive growth through retail sales and e-commerce

● Evolve Business Model Through DX

Yakult DX — Membership-Based Customer Engagement
Higher spending per customer | Higher Productivity | Higher retention rates

One ID — Integrate Customer Information
Enhance cross-selling | Expand customer segments | Acquire new customers

Priority 3 Improve Supply Chain and Logistics Efficiency

Achieve Sustainable, Stable Supply and Higher Profitability Through Supply Chain Reform

Establish Production Structure Centered on the New Chiba Plant
- Establish a production system for higher value-added products
- Enhance supply capabilities in the Greater Tokyo Area and address facility aging

Consolidate Plants/Production Lines
- Consolidate 11 dairy product plants into 9
- Streamline dairy product production sites

Planned Production and Logistics Optimization
- Transition from order-based production to planned production
- Optimize delivery routes

Reduce Product Costs and Improve Profitability
- Review raw materials, container and packaging materials, and selling prices

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Evolution of the Home Delivery Network

Transform the business from essentially focusing on "delivering products" to a relationship-based service business, and evolve the Home Delivery Network accordingly

The Value of Relationships Between Yakult Ladies and Customers



Provision of Yakult products
Contribution to good health

Weekly delivery
Frequent face-to-face contact

In-person, two-way conversation
Provision of reliable information

A helpful attitude
Close ties with customers
(Approx. 3.4 million households)

Relationship as a Service

Leverage customer relationships to create new value and increase LTV per household.

Yakult Products

+

High-quality products chosen by Yakult

Products/services that support good health

Products/services that support daily life

Community-based services that connect people locally

Helping address health concerns and daily-life challenges among older adults, dual-income households, and other customer segments

Local governments, medical institutions, businesses, and community organizations that support good health

Value of relationships with local communities

Local Yakult Marketing Companies

A platform for supporting the health of local communities

Yakult Ladies

Partners in supporting health and key contributors to community engagement

Value of Relationships with Customers

Supporting Healthy and Vibrant Lives in Local Communities

Conduct pilot initiatives through subsidiary marketing companies representing 45% of the market

Expand Nationwide Based on Demonstrated Results

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Food and Beverages (Overseas)

Yakult

Structural Transformation Theme

As the growth driver for the Group, transform into a business that generates growth and profits by expanding business domains and markets

Key Priorities for Transformation

Clearly defined short-term and medium- to long-term initiatives

- **Priority 1** Market-Specific Growth Strategies by Operating Region
- **Priority 2** Evolve to a Growth Model that Combines Scale and Value
- **Priority 3** Expand Business Domains and Markets

The figures below include Japan in both the number of countries and regions and the population.

2025	2030
40 countries and regions Population coverage: 4.72 billion	46 countries and regions Population coverage: 5.15 billion

Growth strategies for the United States — the top priority overseas market

Three Growth Drivers

Market Growth

Robust growth in the US probiotics market

Business growth scenario

Accelerate growth following start of 2nd Plant

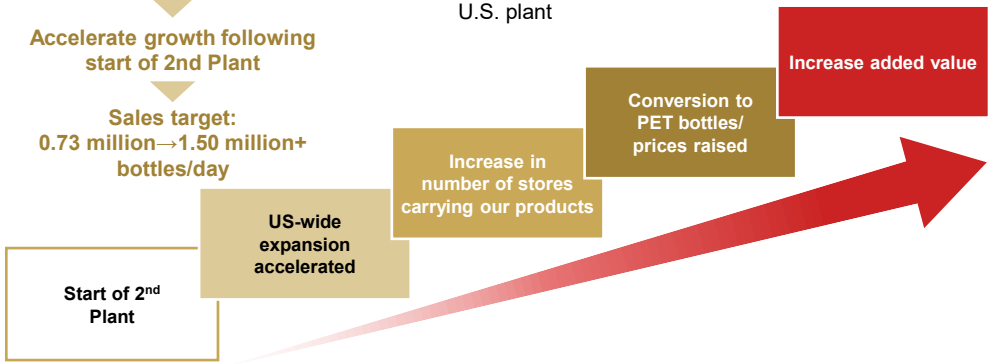
Sales target: 0.73 million→1.50 million+ bottles/day

Expanded Supply Capacity

Daily production capacity to increase from 0.90 million to 1.78 million bottles with the start-up of the second U.S. plant

Untapped Potential

Stores to increase from 20,000 to 40,000+ after expansion of supply capacity



Leverage the 2nd Plant to accelerate market expansion, broaden retail distribution, and enhance added value, more than doubling sales volume by FY2030

Key KPIs FY2030	Net Sales	Comparison to FY2025	CAGR	Operating Profit	Comparison to FY2025	CAGR
	¥365.0 billion	152.1 %	8.7 %	¥58.0 billion	159.8 %	9.8 %

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Food and Beverages (Overseas)

Priority 1 Develop Growth Strategies by Market/Operation

1 Growth drivers

Focus investments on high-growth markets to maximize sales and profit growth

United States (Top Priority), India, Vietnam

Accelerate growth through strategic investment, capacity expansion, and market development
Achieve substantial growth in sales and profits

Net Sales CAGR 18.5%
Operating Profit CAGR 9.7%

2 Secure stable growth and earnings

Strengthen the earnings base while delivering stable profit growth.

Indonesia, China, Mexico

Ensure stable growth and reinforce the earnings base through selective investment, efficiency improvements, and profitability enhancement

Net sales CAGR 6.5%
Operating Profit CAGR 9.4%

3 Transformation and renewal

Pursue renewed growth through transformation of the business model, products, and organization

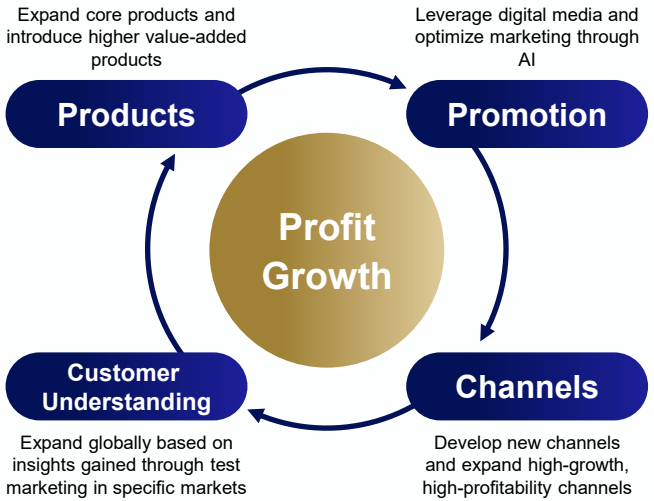
Europe & other mature markets

Drive structural reform and selective investment across products, channels, and talent

Net Sales CAGR 10.3%
Operating Profit CAGR 14.8%

Priority 2 Evolve to a Growth Model That Combines Scale and Value

Improve Four Key Areas in the **Short Term** and Advance Them Further Over the **Medium to Long Term**



Place equal emphasis on sales volume, net sales, operating profit, and operating margin. Keep the growth rate of cost of sales and SG&A expenses below the growth rate of net sales and evolve toward a profit-driven growth model.

Priority 3 Expand Business Domains and Markets

1 Accelerate Expansion into New Markets

- Pursue entry into candidate markets such as Sweden, Portugal, Cambodia, and Saudi Arabia
- Deliver the value of probiotics to people in Africa and other emerging markets facing health challenges associated with malnutrition

2 Evolve into a Health Platform

- Leverage Yakult's strong brand and distribution network to develop health-related products tailored to each market while incorporating Yakult's core strengths
- Promote global expansion by leveraging M&A and JV opportunities while capitalizing on the strength of our overseas network

3 Enter B2B business

- Provide Yakult's assets, ingredients, and manufacturing technologies to other companies
- Expand contract manufacturing utilizing fermentation and related technologies
- Capture business opportunities in local markets through each overseas operation and expand them globally

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Wellness Business (Expansion of Business Domain)

Seed future growth
by creating new businesses founded on the science of lactic acid bacteria

Accumulated Research Assets

Our Microbiological Innovations

Extensive Microorganism Assets
- Strain library
- Microorganism bioresources

Microbiota Analysis
- Gut, skin, and oral microbiota
- Metabolome analysis

Host-Microbe Interactions
- Elucidation of effects on host and associated mechanisms

Formulation Technologies
- Technologies for fermenting, culturing, and converting to powder
- High quality, stable supply

Generation of Evidence
- Intervention studies, clinical trials
- Collaboration with universities and medical institutions

Yakult Central Institute Microbiome Research

The institute conducts research to ascertain the microorganisms that exist not only in the gut, but in various parts of the host, and their relationships to health.

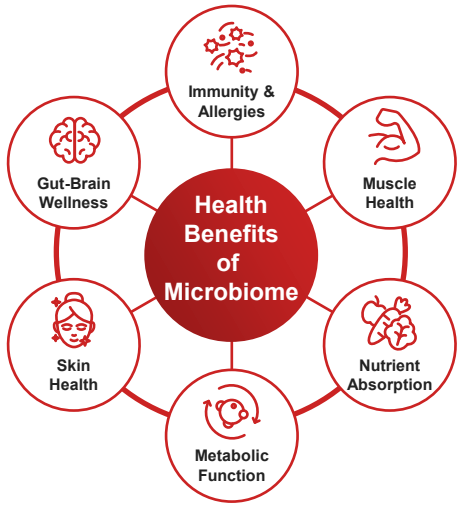


Science, Data & Technology

90 Years of Competitive Advantage in Science

Proprietary Scientific Insights

Generating Evidence of Health Benefits



Creating Businesses Based on Scientific Evidence

Inner Care
Supports day-to-day physical and mental wellness from the inside out

Medical Care
Expands the potential of medicine through scientific evidence

Beauty Care
Cultivates beauty from the inside for a brighter future

Animal Care
Supporting the health of companion animals and contributing to a richer coexistence

Creating businesses beyond food and beverages through a variety of formats and channels

Leveraging research assets as a source of competitive advantage to create new businesses based on Yakult's unique lactic acid bacteria science

Key KPIs FY2030	Net Sales	Net Sales vs. FY2025	Operating Profit	Operating Margin	Direct EC Customers
	¥45.0 billion	463.9 %	¥3.0 billion	6.7%	3 million

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Wellness Business (Expansion of Business Domain)

Four Business Domains Based on the Science of Lactic Acid Bacteria

Inner Care

Supplements | **Health foods**

Utilizing lactic acid bacteria and bifidobacteria in supplements and health foods to improve the gut environment, support physical health, and help extend healthy life expectancy




Medical Care

OTC | **Medical Foods**

Promote the development of evidence-based products and contribute to better health for each individual through applications of probiotics in medical fields and support for self-medication




Beauty Care

Basic Skin Care Products | **Personal Care**

Leveraging the benefits of lactic acid bacteria and fermentation technologies to provide skincare and oral-care products, helping realize beauty from within and without




Animal Care

Pet Food | **Livestock Farming & Aquaculture**

Applying knowledge gained through microbiome research to support solutions in pet care, aquaculture, livestock farming and agriculture, contributing to a healthier environment for animals and society




Sales channels

Retail Stores | E-commerce | Hospitals | B2B | Home Delivery | Overseas

Resources

Yakult's Existing Resources

Microbiome Ingredients | Research Findings & Evidence | The Yakult Brand

×

Resources to Be Acquired (via business alliances/M&A)

Expertise/Know-how from Other Industries | Product Development in Each Domain | Manufacturing/ Sales Supply Chains | Established Customer Bases

Building on decades of expertise in lactic acid bacteria research, we will create new health value beyond the boundaries of the beverage business.

By enhancing the wellbeing of people, animals, and society, we aim to evolve into a healthcare company

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Financial & Capital Strategy

- Asset rationalization and growth investment
- Capital optimization and shareholder returns

Balance Sheet Management (FY2026–FY2030)

Optimize the capital structure through asset and equity reduction and strategic use of debt financing

Reduce Cash Holdings to an Appropriate Level
(Decrease by approx. ¥100.0 billion)

- Eliminate the net cash position
- Decrease cash & cash equivalents for the entire consolidated group, aiming for a cash-to-monthly-sales ratio of approx. 2x
- Use the decrease in cash & cash equivalents to provide returns for shareholders

Reduce Non-operating Assets
(Decrease by approx. ¥80.0 billion)

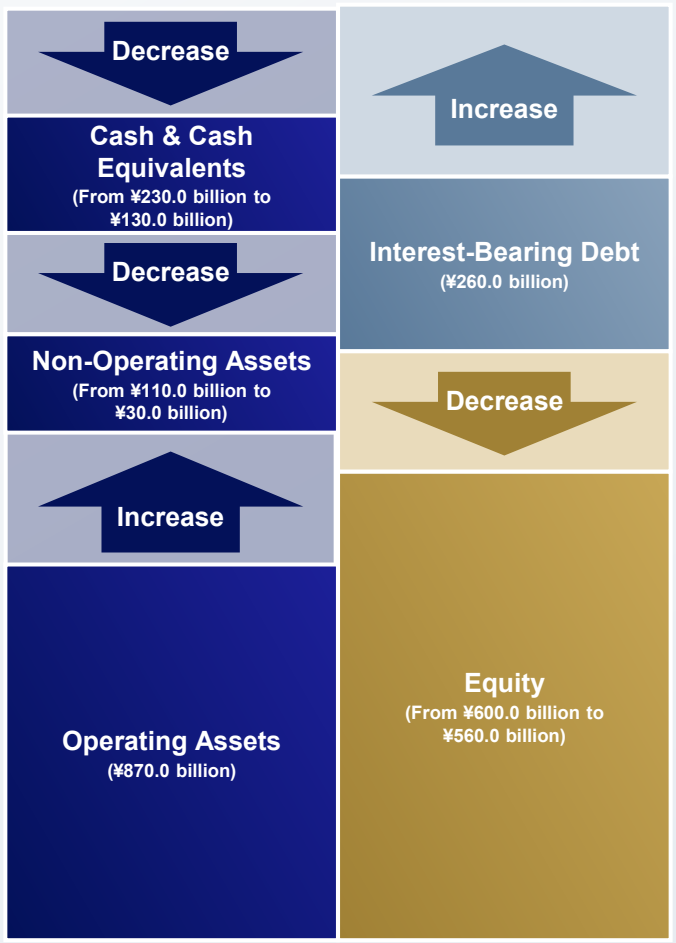
- Divest real estate holdings
- Sell cross-shareholdings (net asset ratio of 5%)
- Reallocate proceeds from asset sales to growth investments

(Convert non-operating assets into business assets)

Note: Business assets will continue to be reviewed on an ongoing basis

Pursue approximately ¥180 billion in asset-light measures

Total assets at end of FY2030: ¥1,030.0 billion



Utilize Interest-Bearing Debt

- Eliminate the net cash position
- Reduce the cost of capital (WACC)
- Support M&A and other growth investments

Optimize Equity

- Equity-to-asset ratio: 55%
- Dividend policy: Maintain progressive dividends
- Share buybacks: Implement flexibly, aiming for a Total Payout Ratio of 80% or higher
  (Additional share buybacks worth approx. ¥100.0 billion during FY2027–FY2030)
- Cancel treasury shares as appropriate

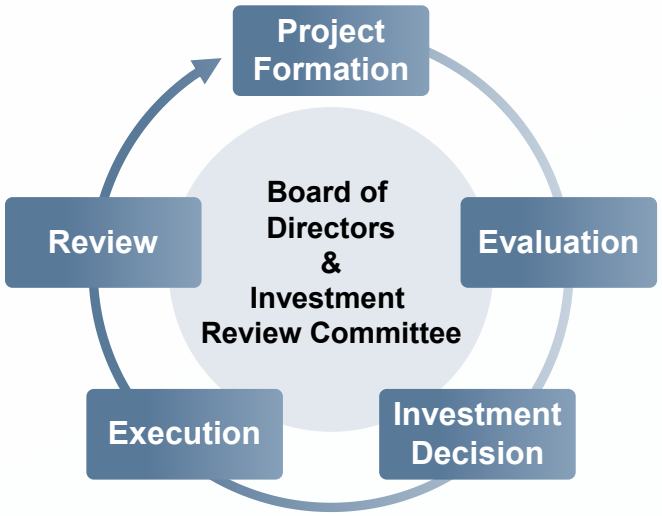
Implement approximately ¥100 billion in additional share buybacks

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Investment Plan (FY2026–FY2030)

Accelerate business growth through stronger investment evaluation and monitoring and the steady execution of growth investments

Investment Decision and Review Process



Conduct investment decisions from the perspectives of strategic fit and overall optimization, using hurdle rates and evaluation methods tailored to each investment category.

FY2026–FY2030 Cumulative Investment ¥300.0 billion

Overseas Investment ¥210.0 billion

- **Construction of 2nd U.S. Plant/ Yakult Americas R&D Center Inc.**
  Daily production capacity: 0.90 million→1.78 million bottles
  - Retail stores: 20,000→40,000+
  - Daily no. of bottles sold: 0.73 million→1.50 million+
- **Investments in Other Priority and Expansion Markets**
  - OEM, new products, e-commerce, expansion into new markets
  - Expansion of supply capacity, product lineup, distribution channels
- **Management of Customer Information & IT Infrastructure**
  - Customer-oriented marketing, use of digital technology, better understanding of demand/initiatives

Investment in Japan ¥90.0 billion

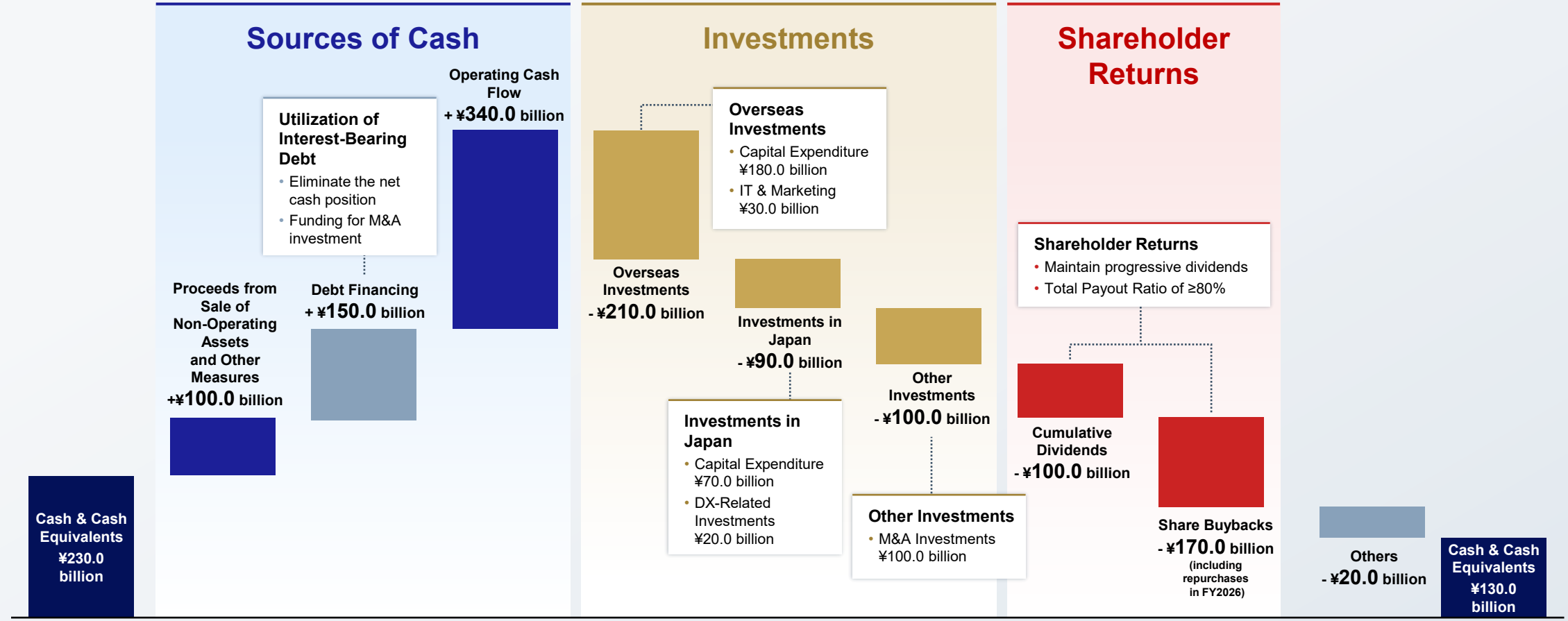
- **Building the Foundation for Higher Value-Added Products**
  Pursue structural reform to enhance the efficiency of production and distribution
- **IT, DX, and Customer Touchpoint Reform**
  Integrate customer data across home delivery, retail, and e-commerce channels and maximize LTV through clear channel roles and development of a health platform
- **Basic R&D**
  Use research into lactic acid bacteria and the microbiome to create new products and services

M&A investments will be evaluated and executed separately from the ¥300 billion ordinary investment plan, utilizing debt financing on a case-by-case basis

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Cash Allocation (FY2026–FY2030)

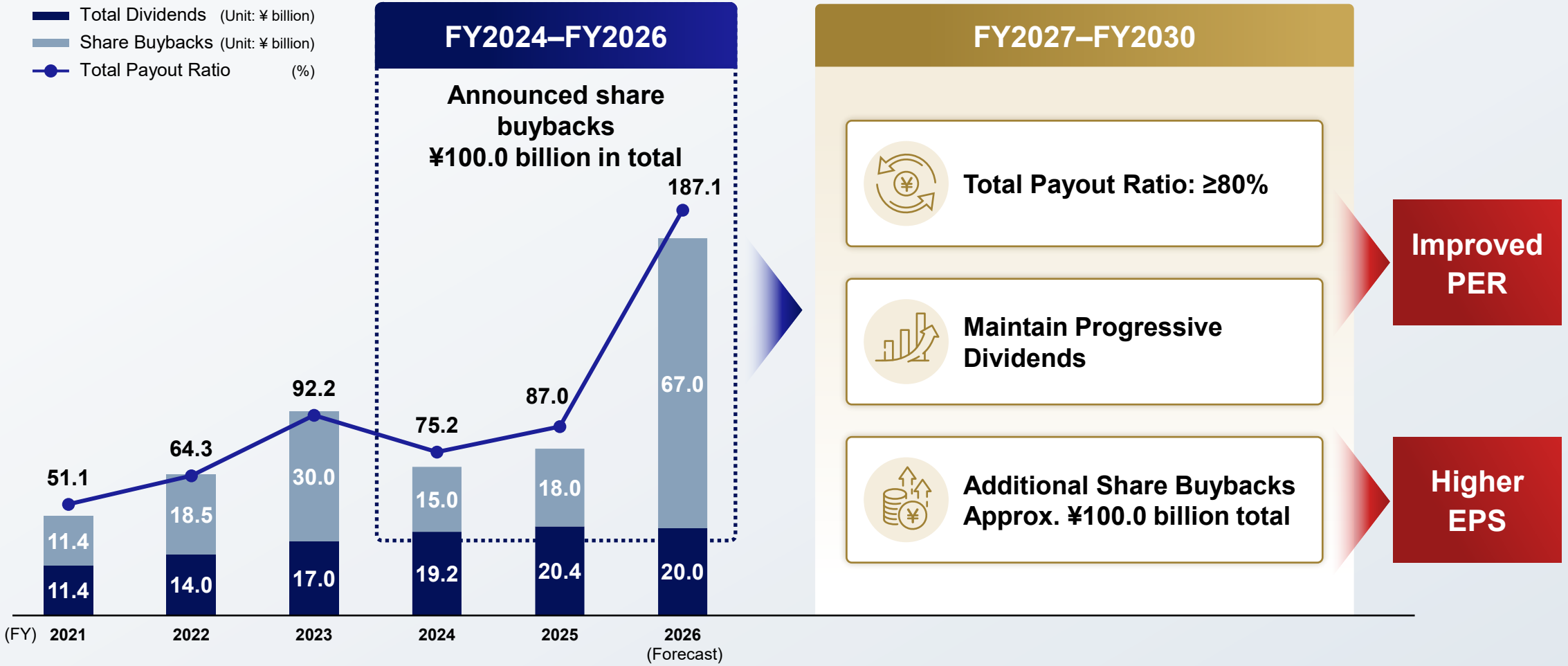
Through asset rationalization, manufacturing network reorganization, and the strategic use of debt financing, we aim to deliver sustainable and flexible shareholder returns through disciplined capital allocation, supported by stable operating cash flow generation and sound balance sheet management.



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Approach to Shareholder Returns

Based on a progressive dividend policy, we will undertake additional share buybacks through FY2030 and pursue proactive shareholder returns, targeting a total payout ratio of at least 80% over the period. We aim to achieve sustainable share price growth through higher EPS and P/E multiple expansion.



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Corporate Governance

Strengthening the Corporate Governance System

The Company will transition from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee, separating the roles of business execution and supervision and further strengthening corporate governance through, among other measures, the voting rights of directors serving as Audit & Supervisory Committee members

Currently

A company with an Audit & Supervisory Board

18 members in total
(13 directors & 5 Audit & Supervisory Board members)

Percentage of outside directors 46.2%

Timing of transition: June 2027 (planned)

Transition to a company with an Audit & Supervisory Committee

(Subject to approval at the Ordinary General Meeting of Shareholders)

Change to 12 directors or fewer
(comprising all directors, including directors who are Audit & Supervisory Committee members)

Percentage of outside directors >50%

Aims of Transition

1 Improve independence of oversight function

More than half of Board of Directors members will be outside directors; Audit & Supervisory Committee members, primarily comprising these outside directors, will be able to provide highly independent, objective oversight due to their voting power at Board of Directors meetings

2 Enhance agility in running the business through rapid decision-making

In addition to establishing a structure that will enable directors to focus on discussing management policy and strategy by streamlining agenda items relating to business execution, the transition will realize agile business operation through more rapid decision-making

3 Optimize number of directors according to their respective roles

In addition to optimizing the number of directors according to their respective business execution or oversight roles, the transition will improve the effectiveness of the Board of Directors through the deployment of diverse personnel, including proactive appointment of female directors

Note: Yakult will announce the new team of directors, and other changes following the transition to a company with an Audit & Supervisory Committee, once these have been decided

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Position at End of Medium-term Management Plan in FY2030

P&L and Quantitative Indicators

(Unit: ¥ billion)	FY2025 (Actual)	FY2026 (Forecast)	FY2030 (Target)	CAGR FY2025–FY2030
Consolidated net sales	**486.4**	**510.0**	**700.0**	**7.6%**
Food and Beverages (Japan)	229.6	224.2	285.0	
Food and Beverages (Overseas)	240.0	270.4	365.0	
Wellness	9.7	9.6	45.0	
Others, adjustments, etc.	7.1	5.8	5.0	
Consolidated operating profit	**45.1**	**43.0**	**75.0**	**10.7%**
Food and Beverages (Japan)	27.6	21.7	35.0	
Food and Beverages (Overseas)	36.3	40.2	58.0	
Wellness	0.8	0.8	3.0	
Others, adjustments, etc.	-19.6	-19.7	-21.0	
Operating margin	**9.3%**	**8.4%**	**10.7%**	**-**
EPS(¥)	**150**	**165**	**230**	**8.9%**
Global sales of dairy products (Thousand bottles/day)	**37,930**	**38,070**	**42,300**	**2.2%**
Japan	8,930	8,550	9,300	
Overseas	29,000	29,520	33,000	

Key Balance Sheet Indicators

(Unit: ¥ billion)	Start of FY2026 (Actual)	End of FY2030 (Guideline)
Total assets	**912.5**	**1,030.0**
(Cash & cash equivalents)	231.4	130.0
Liabilities	**258.2**	**410.0**
(Interest-bearing debt)	114.1	260.0
Net assets	**654.3**	**620.0**
(Equity capital)	606.2	560.0

Financial Indicators

	FY2025 (Actual)	FY2030 (Guideline)
ROE	**7.5%**	**> 10%**
Equity to asset ratio	**66%**	**55%**
Total Payout Ratio	**87%**	**≥80%**

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