

December 6, 2024

Yakult China Starts Reorganization Procedures for Strengthening Business Foundation

Yakult Honsha Co., Ltd. (President: Hiroshi Narita) today announced that it is proceeding with the reorganization of its Chinese business to further improve its competitiveness and realize sustainable growth in the market. As part of this process, it will start the procedures for dissolving Shanghai Yakult Co., Ltd. (“Shanghai Yakult”), a wholly owned subsidiary of Yakult (China) Corporation (“Yakult China”) with manufacturing and sales functions.

At the same time, Yakult China will establish a Shanghai branch and sequentially transfer the sales division of Shanghai Yakult to the new branch. The Shanghai branch of Yakult China will, in steps, start selling the products at supermarkets and other retail stores as well as through home delivery by Yakult Ladies beginning December 6, 2024.

Further, with a stable supply structure being established at Wuxi Plant and Tianjin Plant of Yakult China’s manufacturing subsidiaries Wuxi Yakult Co., Ltd. and Tianjin Yakult Co., Ltd., respectively, the Yakult Group now aims to improve management efficiency from the aspects of both manufacturing and sales by closing the Shanghai Plant of Shanghai Yakult.

There has been no change to the Yakult Group’s policy of continuing with the Chinese business nor its aim to further develop the business there. It is determined to do its best to continue to contribute to health of its customers by realizing efficient operation and business expansion through consolidation of resources for further growth as well as maximizing the potential of the Chinese market.

The overview of the establishment of the Shanghai branch of Yakult China and the business reorganization plan are as follows:

1. Yakult China’s Shanghai Branch

- (1) Location: Shanghai, People’s Republic of China
- (2) Area covered: Shanghai
- (3) Products: *Yakult*, *Yakult Light*, *Yakult 50 Billion Light*, and *Yakult Peach Flavor (Iron Plus)*
- (4) Sales channels: Retail stores, including supermarkets, and home delivery by Yakult Ladies
- (5) Start of sales: December 6, 2024

2. Dissolution procedures of Shanghai Yakult

- (1) Overview

- 1) Aim: To improve management efficiency in the Chinese market through the business transfer to Yakult China and consolidation of the manufacturing function of the Shanghai Plant to the Wuxi and Tianjin Plants
- 2) Start of business transfer: December 6, 2024
- 3) End of production at the plant: December 6, 2024

(2) Party to which the business is transferred

- 1) Name: Yakult (China) Corporation
- 2) Capitalization: 1,491.52 million yuan (as of the end of September 2024)
(wholly owned by Yakult Honsha)
- 3) Location: Shanghai, People's Republic of China
- 4) Representative: Noriyuki Umehara
- 5) Established: April 2005
- 6) Start of operations: April 2007
- 7) Employees: 2,216 (as of the end of September 2024)

(3) Profile of Shanghai Yakult

- 1) Name: Shanghai Yakult Co., Ltd.
- 2) Capitalization: 389.75 million yuan (as of the end of September 2024)
(wholly owned by Yakult China)
- 3) Location: Shanghai, People's Republic of China
- 4) Representative: Noriyuki Umehara
- 5) Established: August 2004
- 6) Area covered: Shanghai
- 7) Start of sales: May 2005

(4) Profile of Shanghai Yakult's Shanghai Plant

- 1) Location: Shanghai, People's Republic of China
- 2) Site area: 45,857.39 m² (13,872 tsubo)
- 3) Building area: 8,314.79 m² (2,515 tsubo)
- 4) Total floor area: 9,877.60 m² (2,988 tsubo)
- 5) Product: Yakult

3. Impact on consolidated results

The impact on the consolidated results for the fiscal year ending March 31, 2025 is expected to be negligible, as Yakult China takes over the sales division of Shanghai Yakult.