

Stock Code: 2267

June 5, 2025

(Start Date of Electronic Provision Measures June 2, 2025)

To our shareholders:

Hiroshi Narita, Representative President
10-30, Kaigan 1-chome, Minato-ku, Tokyo
Yakult Honsha Co., Ltd.

Notice of 73rd Ordinary General Meeting of Shareholders

Dear Shareholders,

We are pleased to inform you that the 73rd Ordinary General Meeting of Shareholders is scheduled as set forth below.

For the convening of this Ordinary General Meeting of Shareholders, information contained in the Reference Documents for the Ordinary General Meeting of Shareholders, etc. (the Electronically Provided Information) is provided electronically, and is posted on the Company's website as "Notice of 73rd Ordinary General Meeting of Shareholders." Please access the Company's website by using the Internet address shown below to review the information.

Details

- Date/time** June 25, 2025 (Wednesday) at 10:00 am (JST)
(reception to start at 9:00 am)
- Venue** "Hiten Main Banquet Hall" at Grand Prince Hotel Shin Takanawa
13-1, Takanawa 3-chome, Minato-ku, Tokyo
- Purposes of the shareholders' meeting**

Matters to be reported:

- Presentation of the business report, the consolidated financial statements and the audit results of the consolidated financial statements by an accounting auditor and the Board of Auditors for the 73rd fiscal year (from April 1, 2024 to March 31, 2025)
- Presentation of the financial statements for the 73rd fiscal year (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

<Company Proposal>

Proposal 1 Appointment of 14 directors

<Shareholder Proposal>

Proposal 2 Amendment of the Articles of Incorporation regarding measures to realize management that is conscious of the cost of capital and stock price

Proposal 3 Share repurchase

Proposal 4 Amendment of the Articles of Incorporation concerning the cancellation of treasury stocks

Proposal 5 Cancellation of treasury shares

Proposal 6 Approval of the compensation amount regarding the restricted stock unit plan

Proposal 7 Amendment of the Articles of Incorporation concerning the structure of outside directors

The Company's website

<https://www.yakult.co.jp/company/ir/meeting/shareholder/>

4. Decisions regarding the convocation

- (1) When a shareholder exercises voting rights using the voting form, if the approval or disapproval for the proposal is not specified, it will be handled as an indication of approval to the company proposal and an opposition to the shareholder proposal.
- (2) If a shareholder who has exercised his or her vote over the Internet also returns the voting form by post mail, the vote performed over the Internet will be considered as the shareholder's voting intention.
- (3) In case a shareholder's vote is casted multiple times over the Internet, the final vote will be considered as the shareholder's intention.
- (4) Please make sure that the voting form by post mail arrives by 5 p.m., June 24, 2025 (JST).
- (5) Voting over the Internet should be completed by 5 p.m., June 24, 2025 (JST).
- (6) If a shareholder is unable to attend the shareholders' meeting, he or she may send a person with voting rights as a proxy. Such person, however, should submit a written statement proving the aforesaid proxy.

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The Electronically Provided Information is available on the Company's website as well as on the website of the Tokyo Stock Exchange (TSE). To access it on the TSE's website, please go to the website provided below (Listed Company Search), input or search for an issue name (company name) or securities code, and then select "Basic information" and "Documents for public inspection/PR information."

Any revision to the Electronically Provided Information will be reflected in the information provided on each website.

TSE website

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Dear Shareholders,

I would like to express my sincere gratitude for your continued support.

Since we first established our business in 1935, we have engaged in our business activities in accordance with our corporate philosophy, “We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular.”

Going forward, under our long-term vision "Yakult Group Global Vision 2030," we will aim for sustainable growth while responding to changes in society and the environment by setting "Expand business domains and evolve business model", "Pursue co-creation with local societies and evolution of our global expansion" and "Evolve management foundation that supports growth" as key themes in our "Medium-term Management Plan (2025-2030)"

I ask for your continued support as we move forward.

Yours sincerely,

Hiroshi Narita  
President and Representative Director  
Yakult Honsha Co., Ltd.

## Reference for General Meeting of Shareholders

### Proposal 1: Appointment of 14 directors

The office term of all the directors will expire at the close of this Ordinary General Meeting of Shareholders and therefore we would like to propose the appointment of 14 new directors.

The details of the candidate for directors are as stated below.

| No. | Name               |          | The title of directors and their responsibilities within the Company at present |         |             | Attendance at Board of Directors meetings |
|-----|--------------------|----------|---------------------------------------------------------------------------------|---------|-------------|-------------------------------------------|
| 1   | Hiroshi Narita     | (Male)   | Reappointment                                                                   |         |             | 10/10 (100%)                              |
| 2   | Hideaki Hoshiko    | (Male)   | Reappointment                                                                   |         |             | 10/10 (100%)                              |
| 3   | Yasuyuki Suzuki    | (Male)   | Reappointment                                                                   |         |             | 8/8 (100%)                                |
| 4   | Junichi Shimada    | (Male)   | Reappointment                                                                   |         |             | 10/10 (100%)                              |
| 5   | Shuichi Watanabe   | (Male)   | Reappointment                                                                   |         |             | 8/8 (100%)                                |
| 6   | Hiroyuki Kawabata  | (Male)   | Reappointment                                                                   |         |             | 7/8 (88%)                                 |
| 7   | Naoko Tobe         | (Female) | Reappointment                                                                   | Outside | Independent | 10/10 (100%)                              |
| 8   | Yumiko Nagasawa    | (Female) | Reappointment                                                                   | Outside | Independent | 10/10 (100%)                              |
| 9   | Satoshi Akutsu     | (Male)   | Reappointment                                                                   | Outside | Independent | 10/10 (100%)                              |
| 10  | Matthew Digby      | (Male)   | Reappointment                                                                   | Outside | Independent | 10/10 (100%)                              |
| 11  | Toshihiko Fukuzawa | (Male)   | Reappointment                                                                   | Outside | Independent | 8/8 (100%)                                |
| 12  | Manabu Naito       | (Male)   | Reappointment                                                                   |         |             | 10/10 (100%)                              |
| 13  | Akira Kishimoto    | (Male)   | Newly-appointed                                                                 |         |             | —                                         |
| 14  | Takeshi Osumi      | (Male)   | Newly-appointed                                                                 | Outside | Independent | —                                         |

Notes: 1. Although 15 directors were elected at the 72nd Ordinary General Meeting of Shareholders held on June 19, 2024, as a result of the retirement of Outside Director Katsuyoshi Shinbo on February 8, 2025, due to his sudden passing, the current number of directors is 14.

2. The number of Board of Directors meetings attended by Yasuyuki Suzuki, Shuichi Watanabe, Hiroyuki Kawabata and Toshihiko Fukuzawa differs from other Directors as they were newly elected and assumed their positions at the 72nd Ordinary General Meeting of Shareholders held on June 19, 2024.

[Yakult Honsha's policy on selecting director candidates]

- Upon selecting director candidates, the criteria set by the Company are that the person possesses a wealth of knowledge and experience as well as deep insights of the Yakult Group management and has appropriate capacity, personality and ideas worthy of a director.
- Yakult Honsha chooses the members of the Board of Directors not only through internal promotion within the Company but also from management of sales companies, which are part of Yakult Group, and experts of various industries based on the viewpoint of placing the right person in the right position to enable diversity and open-hearted discussions.




The matters related to the nomination and compensation of directors will be resolved by the Board of Directors based on the report from "Nomination and Remuneration Advisory Board" which is an advisory body of Board of Directors with majority\* of the members consisting of independent outside directors.

\* Outside director Katsuyoshi Shinbo suddenly passed away on February 8, 2025, and retired from his position as a director on the same day. As a result, there has been a temporary change in the composition of the committee, which currently consists of two internal directors and two outside directors. Under the policy that the majority of the committee members consist of independent outside directors, the Company has arranged to decide a committee member at the Board of Directors scheduled to be held on June 25, 2025.

(Reference)


The skill matrix of the candidates for directors, such as knowledge and experience, are as follows.

|                    | Knowledge and experience of candidate directors |                      |                                         |                        |                   |                   |                                           |                                              |
|--------------------|-------------------------------------------------|----------------------|-----------------------------------------|------------------------|-------------------|-------------------|-------------------------------------------|----------------------------------------------|
|                    | Corporate management /Business operations       | ESG / Sustainability | Corporate finance/ Corporate accounting | Legal /Risk management | Marketing / Sales | Overseas business | Research &Development / Quality assurance | Human Resources/ Human resources development |
| Hiroshi Narita     | •                                               | •                    |                                         |                        | •                 | •                 | •                                         | •                                            |
| Hideaki Hoshiko    | •                                               |                      |                                         | •                      |                   |                   |                                           | •                                            |
| Yasuyuki Suzuki    | •                                               |                      |                                         |                        |                   |                   | •                                         |                                              |
| Junichi Shimada    | •                                               |                      |                                         |                        | •                 | •                 |                                           |                                              |
| Shuichi Watanabe   | •                                               |                      | •                                       |                        |                   |                   |                                           |                                              |
| Hiroyuki Kawabata  | •                                               | •                    |                                         | •                      |                   |                   |                                           |                                              |
| Naoko Tobe         |                                                 | •                    |                                         | •                      |                   |                   |                                           |                                              |
| Yumiko Nagasawa    | •                                               | •                    | •                                       |                        |                   |                   |                                           |                                              |
| Satoshi Akutsu     |                                                 |                      |                                         |                        | •                 | •                 |                                           |                                              |
| Matthew Digby      |                                                 | •                    |                                         | •                      |                   | •                 |                                           |                                              |
| Toshihiko Fukuzawa | •                                               |                      | •                                       |                        |                   |                   |                                           |                                              |
| Manabu Naito       | •                                               |                      |                                         |                        | •                 |                   |                                           |                                              |
| Akira Kishimoto    | •                                               |                      |                                         |                        | •                 |                   |                                           |                                              |
| Takeshi Osumi      | •                                               |                      |                                         |                        | •                 | •                 |                                           |                                              |

| No | Name<br>(Date of Birth)                                                                                                                                   | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | No. of Company Shares Owned |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1  | Hiroshi Narita<br>(Oct. 8, 1951)<br>(Male)  <div>Reappointment</div>     | Apr. 1974    Joined Yakult Honsha<br>Jun. 2007    Director<br>Jun. 2010    Managing Director<br>Jun. 2011    Managing Executive Officer<br>Jun. 2012    Director, Managing Executive Officer<br>Jun. 2015    Director, Senior Managing Executive Officer<br>Jun. 2021    President & Representative Director,<br>President & Executive Officer (to date)<br><br>Important Concurrent Positions<br>Owner of Yakult Kyudan Co., Ltd.<br>Chairman, Japanese Association of Fermented Milks<br>and Fermented Milk Drinks                                                                                                                         | 44,637                      |
|    |                                                                                                                                                           | [Grounds for selection as a director candidate]<br>Ever since appointed as the President and Representative Director in June 2021, the candidate has led the management of the Yakult Group, worked on the improvement of corporate value and ensured business results. We judge that the candidate is capable of appropriately performing the duties of the director for the Company's sustainable growth through the realization of its corporate philosophy and request his continued appointment as a director.                                                                                                                          |                             |
| 2  | Hideaki Hoshiko<br>(Nov. 23, 1958)<br>(Male)  <div>Reappointment</div> | Apr. 1981    Joined Yakult Honsha<br>Jun. 2014    Executive Officer<br>Jun. 2019    Managing Executive Officer<br>Jun. 2023    Director, Managing Executive Officer<br>Apr. 2024    Director, Senior Managing Executive Officer<br>(to date)                                                                                                                                                                                                                                                                                                                                                                                                 | 14,567                      |
|    |                                                                                                                                                           | [Grounds for selection as a director candidate]<br>The candidate possesses a wealth of knowledge and experience regarding legal, human resources, and general affairs and deep insights of the Yakult Group management and has served the Divisional General Manager of the Administrative Division and has been significantly contributing to the improvement of the Company's corporate value. We judge that the candidate is capable of appropriately performing the duties of the director for the Company's sustainable growth through the realization of its corporate philosophy and request his continued appointment as a director. |                             |
| 3  | Yasuyuki Suzuki<br>(Mar. 1, 1956)<br>(Male)  <div>Reappointment</div>  | Apr. 1979    Joined Yakult Honsha<br>Jun. 2015    Executive Officer<br>Jun. 2021    Managing Executive Officer (to date)<br>Jun. 2024    Director, Managing Executive Officer<br>Apr. 2025    Director, Senior Managing Executive Officer<br>(to date)                                                                                                                                                                                                                                                                                                                                                                                       | 29,857                      |
|    |                                                                                                                                                           | [Grounds for selection as a director candidate]<br>The candidate possesses a wealth of knowledge and experience regarding Production Control and Research and Development, as well as deep insights into the Yakult Group management, and has served the Divisional General Manager of the Production Division, significantly contributing to the improvement of the Company's corporate value. We judge that the candidate is capable of appropriately performing the duties of the director for the Company's sustainable growth through the realization of its corporate philosophy and request his continued appointment as a director.  |                             |

| No | Name<br>(Date of Birth)                                                                                                                                                  | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No. of Company Shares Owned |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 4  | Junichi Shimada<br>(Apr. 9, 1960)<br>(Male) <div>  <div>Reappointment</div> </div>      | Apr. 1984    Joined Yakult Honsha<br>Jun. 2016    Executive Officer<br>Jun. 2022    Managing Executive Officer<br>Jun. 2023    Director, Managing Executive Officer (to date)<br><br>Important Concurrent Positions<br>President of Hong Kong Yakult Co., Ltd.<br>Chairman of Yakult U.S.A Inc.<br>Chairman of Yakult Europe B.V.<br><br>[Grounds for selection as a director candidate]<br>The candidate possesses a wealth of knowledge and experience regarding international business and deep insights of the Yakult Group management and has served the Divisional General Manager of the International Business Division and has been significantly contributing to the improvement of the Company's corporate value. We judge that the candidate is capable of appropriately performing the duties of the director for the Company's sustainable growth through the realization of its corporate philosophy and request his continued appointment as a director. | 12,713                      |
| 5  | Shuichi Watanabe<br>(Sep. 25, 1957)<br>(Male) <div>  <div>Reappointment</div> </div>   | Apr. 1980    Joined Yakult Honsha<br>Jun. 2015    Executive Officer<br>Jun. 2021    Managing Executive Officer<br>Jun. 2024    Director, Managing Executive Officer (to date)<br><br>[Grounds for selection as a director candidate]<br>The candidate possesses a wealth of knowledge and experience regarding accounting and deep insights of the Yakult Group management and has served as the Divisional General Manager of the Pharmaceutical Business Division in the past and has been significantly contributing to the improvement of the Company's corporate value. We judge that the candidate is capable of appropriately performing the duties of the director for the Company's sustainable growth through the realization of its corporate philosophy and request his continued appointment as a director.                                                                                                                                                 | 24,157                      |
| 6  | Hiroyuki Kawabata<br>(Nov. 23, 1958)<br>(Male) <div>  <div>Reappointment</div> </div> | Apr. 1981    Joined Yakult Honsha<br>Jun. 2016    Executive Officer<br>Jun. 2022    Managing Executive Officer<br>Jun. 2024    Director, Managing Executive Officer (to date)<br><br>[Grounds for selection as a director candidate]<br>The candidate possesses a wealth of knowledge and experience regarding the general affairs and legal affairs, and deep insights of the Yakult Group management and has served the Divisional General Manager of the Management Support Division (public relations, legal affairs, corporate planning, etc.) and has been significantly contributing to the improvement of the Company's corporate value. We judge that the candidate is capable of appropriately performing the duties of the director for the Company's sustainable growth through the realization of its corporate philosophy and request his continued appointment as a director.                                                                             | 11,257                      |





| No | Name<br>(Date of Birth)                                                                                                                                                                                              | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | No. of Company Shares Owned |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 7  | <p>Naoko Tobe<br/>(Dec. 15, 1957)<br/>(Female)</p>  <div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div> | <p>Apr. 1985 Registered as attorney with Daiichi Tokyo Bar Association</p> <p>Apr. 1989 Joined Fukasawa Law Offices (present Fukasawa Sogo Law Offices)</p> <p>Apr. 2002 Domestic relations conciliation commissioner, Tokyo court of domestic relations (to date)</p> <p>Sep. 2005 Legal counselor, gender-equality society center of Kiyose city, Tokyo</p> <p>Apr. 2012 Partner, Fukasawa Sogo Law Offices</p> <p>Jun. 2019 Director (to date)</p> <p>Apr. 2024 Representative of Fukasawa Sogo Law Offices (to date)</p> <p>Important Concurrent Positions<br/>Lawyer</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1,000                       |
|    |                                                                                                                                                                                                                      | <p>[Grounds for selection as an outside director candidate and expected roles]</p> <p>Since her appointment as an outside director of the Company in June 2019, in addition to her long years of experience as a lawyer and her advanced knowledge and insight, she has also served as a domestic relations conciliation commissioner at the Tokyo Court of domestic relations and as a legal counselor at the Gender Equality Center in Kiyose City, Tokyo, taking into account local society and consumer perspectives, and has used her wide range of insight to make proposals to the Company's management team from an objective perspective and to appropriately supervise the execution of business.</p> <p>In addition, as a member of the Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors, she has made numerous opinions and recommendations regarding diversity and other issues with the aim of strengthening the governance structure that contributes to enhancing the Company's corporate value. In light of the above, we have determined that she can be expected to further strengthen and enhance the Company's management structure, and we therefore request her continued appointment as an outside director.</p> |                             |






| No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Name<br>(Date of Birth)                                                                                                                                                                                                  | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | No. of Company Shares Owned |
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| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Yumiko Nagasawa<br/>(Nov. 6, 1959)<br/>(Female)</p>  <div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div> | <p>Apr. 1984 Joined Nikko Securities Inc. (present SMBC Nikko Securities Inc.)</p> <p>Jul. 1998 Joined Citibank, N.A.</p> <p>Dec. 2004 Established Foster forum (Organization to nurture high-quality financial products)</p> <p>Jun. 2017 Director, a general incorporated association Japan Industrial Association (to date)</p> <p>Jun. 2018 Manager, Foster forum (Organization to nurture high-quality financial products) (to date)</p> <p>Jun. 2018 Representative Director and Vice Chairman, Public interest incorporated association Nippon Association of Consumer Specialists</p> <p>Jun. 2018 Outside Director, Yamaguchi Bank, Ltd.</p> <p>Apr. 2020 Part-time lecturer of Ochanomizu University Graduate School (to date)</p> <p>Jun. 2020 Outside Director, Yamaguchi Financial Group, Inc.</p> <p>Jun. 2021 Director (to date)</p> <p>Jun. 2023 Outside Director (Audit &amp; Supervisory Committee Member), Yamaguchi Financial Group, Inc. (to date)</p> <p>Jun. 2024 Director, Public interest incorporated association Nippon Association of Consumer Specialists (to date)</p> <p>Oct. 2024 Outside director (Audit &amp; Supervisory Committee Member), GLTechno Holdings, Inc. (to date)</p> <p><b>Important Concurrent Positions</b><br/> Manager, Foster forum (Organization to nurture high-quality financial products)<br/> Outside Director (Audit and Supervisory Committee Member), Yamaguchi Financial Group, Inc.<br/> Outside Director (Audit and Supervisory Committee Member), GLTechno Holdings, Inc.</p> | 300                         |
| <p><b>[Grounds for selection as an outside director candidate and expected roles]</b><br/> In addition to her professional knowledge of finance as a founder of Foster forum (Organization to nurture high-quality financial products), she has a wide range of insight in the field of consumer affairs from her positions as Vice President of the Nippon Association of Consumer Specialists and other positions. She also provides objective advice to the Company's management and appropriate supervision and oversight of the Company's business execution.<br/> In addition, as a member of the Sustainability Advisory Committee, an advisory body to the Board of Directors, she has provided numerous opinions and recommendations from a strategic perspective.<br/> In light of the above, we have determined that she can be expected to further strengthen and enhance the management system, and therefore, we request her continued appointment as an outside director.</p> |                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |

| No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Name<br>(Date of Birth)                                                                                                                                                                                       | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No. of Company Shares Owned |
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| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Satoshi Akutsu<br>(Jul. 11, 1966)<br>(Male)  <div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div> | May.1998 Ph.D. in Business Administration of University of California, Berkeley<br>Dec. 1998 Assistant Professor of Faculty of Commerce and Management of Hitotsubashi University<br>Jun. 2002 Associate Professor of the Graduate School of International Corporate Strategy of Hitotsubashi University<br>Apr. 2010 Visiting Professor of Collaborative Research Sector of National Institute of Informatics, Research Organization of Information and System<br>Apr. 2010 Professor of the Graduate School of International Corporate Strategy(present Business Administration)of Hitotsubashi University(to date)<br>Sep. 2013 Outside Director, Adastria Holdings Co., Ltd. (present Adastria Co., Ltd)<br>Jun. 2017 Outside Director, Nojima Corporation<br>Jul. 2021 Outside Director, Thinca Co., Ltd. (to date)<br>Jun. 2022 Director (to date)<br><b>Important Concurrent Positions</b><br>Professor of the Graduate School of Business Administration of Hitotsubashi University<br>Outside Director, Thinca Co., Ltd. | 1,500                       |
| <p>[Grounds for selection as an outside director candidate and expected roles]</p> <p>Since his appointment as an outside director of the Company in June 2022, he has provided useful advice on the Company's business in general, including how management should be managed to continuously improve performance through corporate branding, based on his many achievements as a marketing specialist and his professional knowledge and insight gained through his career as a university professor. In addition, he provides objective suggestions to the Company's management and appropriate supervision of business execution. In addition, as a member of the Sustainability Advisory Committee, an advisory body to the Board of Directors, he has provided numerous opinions and recommendations for improving the value of the Company's business.</p> <p>In light of the above, we have determined that he can be expected to further strengthen and enhance the Company's management structure, and we therefore request his continued election as an outside director.</p> |                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                             |

| No | Name<br>(Date of Birth)                                                                                                                                                                                  | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No. of Company Shares Owned |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 10 | <p>Matthew Digby<br/>(Nov. 10, 1951)<br/>(Male)</p>  <div>Reappointment</div> <div>Outside</div> <div>Independent</div> | <p>May.1973 University of Notre Dame, B.A. (Bachelor of Arts)</p> <p>Jun.1975 Sophia University M.A. (Master of Arts)</p> <p>May.1978 Columbia University Law School J.D. (Juris Doctor)</p> <p>Aug.1979 Registered as a New York Attorney</p> <p>Jun.1984 Registered as an Attorney in California</p> <p>Sep.2009 Registered as Foreign Lawyer (Gaikokuho Jimu Bengoshi)</p> <p>Dec.2009 Registered as attorney with the Tokyo Daiichi Bar Association</p> <p>Jan.2019 Senior Partner, Squire Patton Boggs (US) LLP (to date)</p> <p>Jun. 2023 Director (to date)</p> <p>Important Concurrent Positions<br/>Lawyer</p> <p>[Grounds for selection as an outside director candidate and expected roles]<br/>Since his appointment as an outside director of our company in June 2023, he has been providing objective recommendations and appropriate supervision over our operations based on his extensive experience abroad as a lawyer specializing in litigation in the United States, interjurisdictional transactions between Japan and the United States, and international transactions in general.<br/>Additionally, as a member of the Sustainability Advisory Committee, which is an advisory body to the Board of Directors, he has made numerous suggestions and recommendations from a global perspective. Based on these contributions, we believe that his continued appointment as an outside director will further strengthen and enrich our management structure as we expand our business globally, and we therefore request his continued appointment as an outside director.</p> | —                           |

| No | Name<br>(Date of Birth)                                                                                                                                                                                                    | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | No. of Company Shares Owned |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 11 | <p>Toshihiko Fukazawa<br/>(Dec. 30, 1956)<br/>(Male)</p>  <div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div> | <p>Apr. 1979 Joined Dai-Ichi Kangyo Bank Ltd. (current Mizuho Bank, Ltd.)</p> <p>Mar. 2006 Operating officer and general manager, Corporate Planning Department, Mizuho Bank, Ltd.</p> <p>Apr. 2008 Managing executive officer, Mizuho Bank, Ltd.</p> <p>Apr. 2013 Deputy president and representative director, Mizuho Trust &amp; Banking Co., Ltd.</p> <p>Jun. 2015 President and representative director, Yushu Tatemono KK (current Yushu corporation, Ltd.)</p> <p>May. 2016 Director, Aflac Incorporated</p> <p>Jun. 2018 President and representative director, Chuo Real Estate Co., Ltd (current Chuo-Nittochi Group Co., Ltd.).</p> <p>Apr. 2020 Vice president and representative director, Chuo-Nittochi Group Co., Ltd.</p> <p>Jun. 2022 Special advisor, Chuo-Nittochi Group Co., Ltd. (to date)</p> <p>Jun. 2024 Director (to date)</p> <p>Important Concurrent Positions<br/>Special advisor, Chuo-Nittochi Group Co., Ltd.</p> <p>[Grounds for selection as an outside director candidate and expected roles]<br/>Since his appointment as an outside director of the Company in June 2024, he has provided objective advice on the Company's overall management and appropriate supervision of business execution based on his expert knowledge and insight on corporate strategy cultivated through his extensive experience in corporate management and long tenure at financial institutions.<br/>In addition, as a member of the Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors, he has made numerous opinions and recommendations based on his wide range of skills cultivated over the years toward strengthening the governance system that will contribute to enhancing the Company's corporate value.<br/>Based on the above, we believe that he can be expected to further strengthen and enhance the Company's management structure, and we therefore request his continued appointment as an outside director.</p> | 700                         |

| No | Name<br>(Date of Birth)                                                                                                                                                                                                               | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                         | No. of Company Shares Owned |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 12 | Manabu Naito<br>(Jan. 9, 1960)<br>(Male) <div data-bbox="210 400 448 678">  </div> <div data-bbox="245 723 408 754"> Reappointment </div>            | Apr. 1983    Joined Dentsu Inc.<br>Apr. 1987    Joined Yakult Honsha<br>Jul. 1989    Director of Yakult Mito Sales Co., Ltd.<br>Aug. 1995    Joined Dentsu Kyushu Inc.<br>Jul. 2004    First Sales Bureau Manager of Dentsu Kyushu Inc.<br>May. 2008    Senior Managing Director of Yakult Mito Sales Co., Ltd.<br>May. 2010    President of Yakult Mito Sales Co., Ltd. (to date)<br>Jun. 2022    Director (to date)<br>Important Concurrent Positions<br>President of Yakult Mito Sales Co., Ltd.                                                 | 5,000                       |
|    |                                                                                                                                                                                                                                       | [Grounds for selection as a director candidate]<br>The candidate being based on the expectation that his long record of managing a Yakult sales company will be a various advice based on market actual conditions when he can offer pertinent advice, thus we judge he is capable of contributing significantly to the development of the entire Yakult Group continuously, and we therefore request his continued appointment as an outside director.                                                                                             |                             |
| 13 | Akira Kishimoto<br>(Jul. 6, 1957)<br>(Male) <div data-bbox="202 1075 456 1370">  </div> <div data-bbox="239 1408 416 1438"> Newly-appointed </div> | Apr. 1982    Joined Yakult Honsha<br>Apr. 2010    General Manager of the Home Delivery Sales Department<br>Jun. 2015    Executive Officer<br>Apr. 2023    Managing Executive Officer (to date)                                                                                                                                                                                                                                                                                                                                                      | 12,089                      |
|    |                                                                                                                                                                                                                                       | [Grounds for selection as a director candidate]<br>The candidate possesses a wealth of knowledge and experience regarding the Japanese food and beverages business and deep insights of the Yakult Group management and has served as the Divisional General Manager of the Food and Beverages Business Division. We judge that the candidate is capable of appropriately performing the duties of the director for the Company's sustainable growth through the realization of its corporate philosophy and request his appointment as a director. |                             |

| No | Name<br>(Date of Birth)                                                                                                                                                                        | Personal History, title of the director and his/her responsibilities within the Company, and important concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | No. of Company Shares Owned |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 14 | <p>Takeshi Osumi<br/>(Aug. 22, 1964)<br/>(Male)</p>  <p>Newly-appointed</p> <p>Outside</p> <p>Independent</p> | <p>Apr. 1987    Joined Shibusawa Warehouse Co., Ltd.<br/>(present Shibusawa Logistics Corporation)</p> <p>Apr. 2012    Executive Officer, Head of General Planning<br/>Department, Administration Division,<br/>Shibusawa Warehouse Co., Ltd.</p> <p>Jun.2015    Director, Managing Executive Officer,<br/>responsible for Logistics Sales Division,<br/>Shibusawa Warehouse Co., Ltd.</p> <p>Jun. 2017    President &amp; Representative Director,<br/>President &amp; Executive Officer, responsible for<br/>Logistics Sales Division, Shibusawa Warehouse<br/>Co., Ltd.</p> <p>Apr. 2023    President &amp; Representative Director,<br/>President &amp; Executive Officer, responsible for<br/>Logistics Division, Shibusawa Warehouse<br/>Co., Ltd. (to date)</p> <p>Important Concurrent Positions<br/>President &amp; Representative Director, President &amp;<br/>Executive Officer, Shibusawa Warehouse Co., Ltd.</p> <p>[Grounds for selection as an outside director candidate and expected roles]<br/>The candidate possesses specialist knowledge in corporate strategy he<br/>gained through his wealth of experience in corporate management as a<br/>representative of a company listed on the Tokyo Stock Exchange Prime<br/>Market. We judged that the candidate is capable of appropriately<br/>supervising the overall management of the Company, leading to further<br/>reinforcement and enhancement of the management structure.<br/>Therefore, we would like to request his election as a new Outside<br/>Director.</p> | —                           |

- (Notes)
1. Six Candidates, No.7 Ms. Naoko Tobe, No.8 Ms. Yumiko Nagasawa, No.9 Mr. Satoshi Akutsu, No.10 Mr. Matthew Digby, No.11 Mr. Toshihiko Fukuzawa, and No. 14 Mr. Takeshi Osumi are candidates for outside directors.
  2. Four Candidates, No.7 Ms. Naoko Tobe, No.8 Ms. Yumiko Nagasawa, No.9 Mr. Satoshi Akutsu and No.10 Mr. Matthew Digby have no experience of direct involvement in company management except to be an outside officer, but the Company believes that they would be able to perform their duties appropriately as outside directors for the above reasons.
  3. Five Candidates No.7 Ms. Naoko Tobe, No.8 Ms. Yumiko Nagasawa, No.9 Mr. Satoshi Akutsu, No.10 Mr. Matthew Digby and No.11 Mr. Toshihiko Fukuzawa are currently serving as the Company's outside directors and their respective terms of office as of the end of this Shareholders' Meeting are 6 years for Candidate No.7 Ms. Naoko Tobe, 4 years for Candidate No.8 Ms. Yumiko Nagasawa, 3 years for Candidate No.9 Mr. Satoshi Akutsu, 2 years for Candidate No. 10 Mr. Matthew Digby, and 1 year for Candidate No.11 Mr. Toshihiko Fukuzawa.
  4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements with each director (excluding executive directors, etc.) to limit the liability for damages stipulated under Article 423, Paragraph 1 of the Companies Act. In the event that this proposal of Candidates No.7 Ms. Naoko Tobe, No.8 Ms. Yumiko Nagasawa, No.9 Mr. Satoshi Akutsu, No.10 Mr. Matthew Digby, No.11 Mr. Toshihiko Fukuzawa, and No.12 Mr. Manabu Naito are approved, the company intends to continue concluding these agreements with these six candidates to limit the liability for damages. And if the proposal of Candidate No.14 Takeshi Osumi is approved, the Company intends to conclude the aforesaid agreement with him to limit the liability for damages.  
The overview of the contents of the agreement for Limitation of Liability is as follows:
    - If a director (excluding executive director, etc.), by neglecting his / her duty, causes damage to the company, each director (excluding executive directors, etc.) shall be liable to pay damages up to the minimum liability amount in accordance with Article 425, Paragraph 1 of the Companies Act, as long as such director has carried out his / her duty in good faith and there is no gross negligence on the part of such director.
  5. The company will conclude a liability insurance contract for officers with the insurance company. This insurance contract will compensate the litigation costs and damages incurred by the insured Audit & Supervisory Board member, when he / she receives a claim for damages due to his / her business execution. If the candidates for director through No. 1 to No. 14 becomes a director, he / she will become an insured person of the insurance contract and the insurance contract will be renewed with the same contents during the term of office.
  6. Companies that have relationships with the Company (excluding 100% subsidiaries) and at which candidates for the position of director serve in representative positions are as follows:



- Candidate No.1 Mr. Hiroshi Narita is a Owner of Yakult Kyudan Co., Ltd. which engages in transaction for real estate (land and building) leasing and advertisement in baseball stadium, etc. with the Company.
  - Candidate No.4 Mr. Junichi Shimada is a representative of Hong Kong Yakult Co., Ltd, which engages in transactions for production materials with the Company on an equal basis with other overseas business offices.
  - Candidate No.12 Mr. Manabu Naito is President of Yakult Mito Sales Co., Ltd., which engage in merchandise sales transactions with the Company on an equal basis with other sales companies.
7. The respective responsibilities of the candidates for Director candidates Nos. 1 to 14 are listed in “3. Officers of the Company (1) Directors and Audit & Supervisory Board Members of the Company” in the Business Report.
  8. Six Candidates No.7 Ms. Naoko Tobe, No.8 Ms. Yumiko Nagasawa, No.9 Mr. Satoshi Akutsu, No.10 Mr. Matthew Digby, No.11 Toshihiko Fukuzawa, and No. 14 Mr. Takeshi Osumi are candidates of independent director in accordance with the provisions set by Tokyo Stock Exchange.
  9. The Number of Company Shares Owned by the candidates for directors include the shares they hold under shareholding plans.

## Shareholder proposal

Proposal 2 to 7 are shareholder proposals from a shareholder (the “Proposing Shareholder”).

Except for formality modifications, all summary and reasons for the proposals is written in the original text of the document submitted by the Proposing Shareholder.

### **Proposal 2. Amendment of the Articles of Incorporation regarding measures to realize management that is conscious of the cost of capital and stock price**

#### (1) Summary of the Proposals

Add the following clauses to the Company’s Articles of Incorporation.

(Underlined portions denote change)

| Before change | After change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>(New)</u>  | <u>Chapter 7. Disclosure</u><br><u>Article 40. (Disclosure regarding management that is conscious of cost of capital and stock price)</u><br><u>The Company will, so long as it remains a listed company, review the appropriateness of its initiatives and contents of disclosure based on the “Key Points and Examples Considering The Investor’s Point of View in Regard to Management Conscious of Cost of Capital and Stock Price” (the “Key Points and Examples”) published by the Tokyo Stock Exchange on February 1, 2024, and disclose the details of the initiatives according to the items in the Key Points and Examples in its Corporate Governance Report and the Company website.</u> |

#### (2) Reasons for the proposal

The Tokyo Stock Exchange requested listed companies to take “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” in March 2023, as stated in the “Key Points and Examples Considering The Investor’s Point of View in Regard to Management Conscious of Cost of Capital and Stock Price” published in February 2024. Companies are expected to analyze and evaluate the company “not merely whether the current P/B ratio exceeds 1 or whether the ROE exceeds 8%, but ... from multiple perspectives with regard to profitability and market valuation,” and that “the key to management that is conscious of cost of capital and stock price is appropriate allocation of management resources to improve corporate value over the medium to long term, and in conjunction with the above analysis and evaluation, companies are also expected to check whether their balance sheet is in an efficient state for value creation.”

The Company announced its “responses to implement management that is conscious of capital cost

and stock price” and discloses its capital cost and profitability. However, the current capital allocation by the Company only invests 60% of its capital in the business and its balance sheet is deemed inefficient. Considering the Company’s situation, the consideration and disclosure of appropriate allocation of management resources such as “implementing fundamental initiatives with an awareness of the appropriate allocation of management resources” and “designing a management compensation system that provides an incentive to increase corporate value over the medium to long term” is insufficient. Therefore, we submit this Proposal to ensure that the Company’s response to the TSE Request is not merely formal but highly effective.

#### Opinion of the Company’s Board of Directors

The Company’s Board of Directors **reject** to this proposal 2.

This Proposal requests the addition of the clause on the disclosure of our initiatives based on the request by the Tokyo Stock Exchange, Inc. (“TSE”) for all Prime and Standard listed companies to take “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” dated March 31, 2023 (the “TSE Request”) and the “Key Points and Examples Considering The Investor’s Point of View in Regard to Management Conscious of Cost of Capital and Stock Price” dated February 1, 2024 (the “Key Points and Examples”) in our Corporate Governance Report and website.

The Company’s ROE has consistently exceeded our cost of capital, and our ROE and PBR have also consistently surpassed the levels of ROE and PBR mentioned in the TSE Request as indicating profitability and growth issues. In addition, the Company makes necessary disclosures in accordance with the TSE Request, such as disclosure of our cost of capital and profitability, including in the Corporate Governance Report.

Furthermore, based on our corporate philosophy, "We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular," Yakult Group aims to be an enterprise that develops together with local communities by helping to create lifestyles where people can feel healthy and happy, and have a sense of purpose in life. To realize this, we conducted an analysis and evaluation of the current situation regarding our cost of capital, profitability, and market value based on the TSE Request and the Key Points and Examples among other things and prepared Medium-term Management Plan (2025-2030) covering six years from FY2025 to FY2030 (the “New Medium-term Management Plan”). This plan was announced on May 13, 2025.

The New Medium-term Management Plan will establish a positive cycle of funds through operating cash flow generated by investments that prioritize business growth while aiming for balance sheet control to ensure proper capital allocation. Our approach to cash allocation and balance sheet management includes enhancing shareholder returns by reducing short-term liquidity by approximately 130 billion yen, implementing share repurchases in the amount of 100 billion yen or more, and distributing around 150 billion yen in dividends.

We will steadily implement the measures outlined in the New Medium-term Management Plan and continue to analyze and evaluate our cost of capital, profitability, and market value. We will strive to achieve profitability that exceeds the cost of capital by maintaining dialogue with the stock market and

utilizing our assets and liabilities.

As stated above, the Company diligently promotes management that is conscious of the cost of capital and stock price based on the TSE Request and continuously makes necessary and sufficient disclosures regarding our initiatives. Therefore, we believe the Proposing Shareholder's suggestion of "insufficient consideration and disclosure" is unwarranted.

The details of the mandatory disclosure defined in the Articles of Incorporation suggested by the Proposing Shareholder in this Proposal are matters that should be determined by the Company with certain flexibility and agility based on our management strategy and business environment. Making the disclosure mandatory in the Articles of Incorporation may restrict our flexible business strategy and capital policy; therefore, we believe it is inappropriate to include this matter in the Articles of Incorporation, which represents the fundamental norm of our corporate operation.

Due to the reasons stated above, the Company's Board of Directors **rejects to this Proposal**.

### **Proposal 3: Share repurchase**

#### **(1) Summary of the Proposals**

- (a) Matters regarding share repurchase: In accordance with the provisions of Article 156, Paragraph 1 of the Companies Act, a total of up to 30 million shares of the Company's common stock, for a total of up to 100 billion yen, shall be acquired in exchange for delivery of monies, within one year from the conclusion of this Shareholders' Meeting.
- (b) Other matters regarding surplus: Separately withdraw 100 billion yen of reserves and transfer the amount to deferred retained earnings.

#### **(2) Reasons for the proposal**

As stated in the Proposal for "Amendment of the Articles of Incorporation regarding measures to realize management that is conscious of the cost of capital and stock price," the Company's balance sheet is inefficient. The current capital policy refers to the allocation of future cash flows but does not discuss the capital structure. Accordingly, for the following two points, we believe that the Company can implement share repurchase in this Proposal without any loss of business opportunity, and that this will contribute to the interest of all shareholders.

Firstly, the Company has surplus funds, even when considering the future reinvestment needs of its business. As of December 31, 2024, the Company possesses not only cash and deposits of 262.4 billion yen and investment securities worth 69.0 billion yen but also holds idle assets such as the former head office building in Shimbashi, Tokyo, along with real estate in the surrounding area (which continued to be held after the head office relocation following the acquisition of additional properties in the vicinity, estimated to be worth tens of billions of yen). The total amount of financial assets alone, excluding the value of those real estate assets, accounts for 39% of total assets at 331.4 billion yen. Furthermore, the net financial assets, calculated by deducting loans payable of 79.8 billion yen from the financial assets, amount to 251.6 billion yen, reaching 40% of net assets, resulting in an equity ratio of 67%. The

Company has a stable business, and funds necessary for future reinvestments can be adequately procured from within the anticipated cash flows.

Secondly, share repurchase at the current undervalued stock price will enhance the value per share (profit, net assets, dividends) and present an effective return for shareholders, even more than increased dividends. The Company's share price is currently sluggish, partially due to the decline in capital efficiency, and key indicators, including the Price Book-value Ratio (PBR) and Price Earnings Ratio (PER), are at their lowest level in two decades. At present, the intangible values of the Company, which continue to grow globally, such as technological know-how and the brand developed over the years, are undervalued by the market.

There are instances where large-scale share repurchases are delayed due to small-scale share repurchases already in place and limited liquidity. However, the Company possesses a substantial position in strategic shareholdings, including Fuji Media Holdings, Inc. ("FMH"), making it feasible to implement the size of the share repurchase in the proposal without concerns for liquidity by dissolving the cross-shareholdings. In particular, an early dissolution of the cross-shareholding with FMH, a major shareholder holding approximately 5% of issued shares (excluding treasury shares), is advisable given the recent circumstances surrounding FMH.

#### Opinion of the Company's Board of Directors

The Company's Board of Directors **rejects** to proposal 3.

The Company aims to enhance shareholder returns and increase its corporate value by maintaining a stable financial foundation through active growth investments for business expansion. Based on this approach, we have established KPIs for the New Medium-term Management Plan to achieve a 10% ROE, a 60% equity ratio, and a 70% total payout ratio by FY2030.

Prior to the announcement of the New Medium-term Management Plan, we decided to revise our shareholder return policy to improve capital efficiency and further enhance shareholder returns through the repurchase of shares conducted in line with our management strategy and the business environment, in addition to the progressive dividend payments to shareholders. As announced in the "Notification Regarding the Changes to Shareholder Return Policy, Determination of Matters Pertaining to Share Repurchase, and Cancellation of Shares Held as Treasury Stock" dated February 14, 2025 (the "February 14 News Release"), we will flexibly conduct share repurchase with a total payout ratio of 70% as a guideline, considering the market environment, cash flow, and other factors.

As announced in the February 14 News Release, in addition to repurchasing shares in the amount of 100 billion yen or more by FY 2030, the Board of Directors resolved to repurchase up to 14 million shares, amounting to a total of 30.0 billion yen, between February 17, 2025, and June 19, 2025, in accordance with our shareholder return policy as mentioned above. Per the resolution, the Company repurchased a total of 6,439,300 shares for 19,198,054,950 yen between February 17, 2025, and April 30, 2025. We will continue to implement balance sheet control, including share repurchases, to achieve an optimal capital structure based on our management strategy and the

business environment. The Company's total payout ratio for the fiscal period ended March 2025, which includes the total dividend of 64 yen, is 75.2%.

This Proposal requests the repurchase of 30 million shares of the Company's common stock for a total of 100 billion yen within one year from the conclusion of this Shareholders Meeting. If the share repurchase requested in this Proposal by the Proposing Shareholder is executed, the total payout ratio using the fiscal period ended March 2025 will reach 295%, or 4.2 times the 70% KPI for the Company's total payout ratio set forth in the New Medium-term Management Plan. Additionally, considering that the Company's profit attributable to owners of the parent for the fiscal period ended March 2025 was 45.5 billion yen, the aggregate share repurchase price presented in the Proposal, which is 2.2 times this figure, is excessive to achieve within the short period of one year from the conclusion of the Shareholders Meeting. This Proposal assumes a request for a share repurchase of 100 billion yen separate from the 100 billion yen share repurchase announced by the Company. Implementing the share repurchase requested in this Proposal together with the share repurchase announced by the Company would require a cash outflow of 200 billion yen, which is equivalent to 31.8% of our net assets, causing a significant impact on the Company's financial status.

Furthermore, the Company plans to continuously implement measures that include expanding overseas sales and enhancing research and development, which require a certain level of investment. If this Proposal is approved, the Company will lose a source of growth investment, causing the corporate activities aimed at sustainable growth and improving medium- to long-term corporate value to potentially stall, resulting in a negative impact on the shareholders' interests. Due to the reasons stated above, the Company's Board of Directors **rejects to this Proposal**.

The Proposing Shareholder seems to assume that the Company will allocate funds obtained from the sale of strategic shareholdings to the share repurchase. However, according to the New Medium-Term Management Plan, the Company aims to gradually reduce the strategic shareholding to 5% of consolidated net assets by FY 2030 as a guideline. We will review the rationale of each shareholding precisely, and decide whether to dispose of such shareholding based on the results.

#### **Proposal 4: Amendment of the Articles of Incorporation concerning the cancellation of treasury shares**

##### **(1) Summary of the Proposals**

Add the following Chapter and clauses in the current Articles of Incorporation.

##### **Chapter 8. Cancellation of treasury shares**

Article 41. The Company may cancel treasury shares, including the determination of the classes of shares and the number of shares for each class to be canceled, by resolution of the shareholders' meeting.

## (2) Reasons for the proposal

The Company holds treasury shares equivalent to 13% of issued shares as of March 31, 2025. Holding a large amount of treasury shares may remind investors of the risk of undisciplined capital increases, resulting in the “corporate governance discount” being reflected in the stock price. In rare cases, treasury shares are not canceled when they are expected to be used for corporate mergers and acquisitions. However, as the Company’s shares are undervalued, increasing capital under these circumstances will impair shareholder value. Therefore, we believe that the shareholders’ meeting should have the authority to determine the cancellation of treasury shares and that they should be canceled.

## Opinion of the Company’s Board of Directors

The Company’s Board of Directors **rejects** to proposal 4.

The Company believes that the capital policy regarding its treasury shares, including the cancellation of the treasury shares, should be determined flexibly by the Board of Directors. This will be based on its management decisions, including the utilization of shares for future M&A and stock remuneration while comprehensively considering consistency with the capital policy outlined by the Company as part of its medium- to long-term management strategy, changes in the business environment, and shareholder interests, among other factors.

The Proposal seeks to amend the Articles of Incorporation to make the cancellation of shares a matter for resolution at the Shareholders’ Meeting. If approved, along with “(d) Cancellation of treasury shares” proposed by the Proposing Shareholder, all of the Company’s treasury shares will be cancelled (except for the number of shares deemed necessary for the implementation of stock remuneration by the Company’s Board of Directors). In this case, the Company will be unable to flexibly utilize its treasury stocks as a method of capital policy being considered based on the medium- to long-term management strategy. Accordingly, this will restrict the options available to the Company’s Board of Directors for management decisions and may impair the shareholders’ interests.

Therefore, we believe that allowing the Board of Directors to resolve the cancellation of the treasury shares in accordance with Article 178 of the Companies Act, rather than having this decision made by the shareholders’ meeting, will facilitate flexible and agile utilization of the treasury shares as a method of capital policy aligned with our medium- to long-term management strategy, which will contribute to enhancing our corporate value.

Furthermore, as announced in the February 14 News Release, the Board of Directors meeting held on February 14, 2025, resolved to repurchase up to 14 million shares, amounting to a total of 30.0 billion yen, between February 17, 2025, and June 19, 2025. This move aims to improve capital efficiency and further enhance shareholder returns through the repurchase of shares, conducted in line with the business environment, and to cancel all repurchased shares. According to the resolution, the Company repurchased a total of 6,439,300 shares between February 17, 2025, and April 30, 2025, all of which will be cancelled.

The Company will continue to explore methods for utilizing treasury shares as part of our capital policy, grounded in the medium- to long-term management strategy aimed at enhancing our corporate



value.

Due to the reasons stated above, the Company's Board of Directors **rejects to this Proposal**.

## **Proposal 5: Cancellation of treasury shares**

### **(1) Summary of the Proposals**

Subject to the approval of the Proposal on the "Amendment of the Articles of Incorporation concerning the cancellation of treasury shares," cancel all shares held in treasury. However, the number of shares deemed necessary by the Board of Directors for implementing stock remuneration shall be excluded.

### **(2) Reasons for the proposal**

As stated in the reasons for the Proposal on the "Amendment of the Articles of Incorporation concerning the cancellation of treasury shares," cancellation of treasury shares will contribute to the enhancement of the Company's shareholder value. Therefore, if the amendment of the Articles of Incorporation concerning the cancellation of treasury shares is approved, we propose the cancellation of all shares held in treasury by the Company (excluding the number of shares deemed necessary by the Board of Directors for implementing stock remuneration).

### **Opinion of the Company's Board of Directors**

The Company's Board of Directors **rejects** to proposal 5.

This Proposal seeks to cancel all shares held by the Company (excluding the number of shares deemed necessary for the implementation of stock remuneration by the Company's Board of Directors), subject to the approval of the Proposal "(c) Amendment of the Articles of Incorporation concerning the cancellation of treasury shares".

As stated in the opinion of the Company's Board of Directors against "(c) Amendment of the Articles of Incorporation concerning the cancellation of treasury shares," the Company will be unable to flexibly and agilely utilize its treasury shares as a method of its capital policy being considered based on the medium- to long-term management strategy. Accordingly, it will restrict the options available to the Company's Board of Directors for management decisions and may impair the interests of shareholders.

In response to the Shareholder Proposal, the Company's Board of Directors reviewed whether the cancellation of shares currently held by the Company was necessary. However, the Board determined that the cancellation of treasury shares mentioned in the Proposal was unnecessary at this time, from the view point of the change in the business environment, shareholders' interests and others.

The Company's Board of Directors will continue to consider the cancellation of treasury shares if it determines that such cancellation will enhance our corporate value and benefit shareholders based on the prevailing circumstances.

Due to the reasons stated above, the Company's Board of Directors **rejects to this Proposal**.

## **Proposal 6: Approval of the compensation amount regarding the restricted stock unit plan**

### **(1) Summary of the Proposals**

The maximum remuneration for the Company's directors is 1,000 million yen per annum (excluding the employee salary and bonuses of employees serving as directors), which was approved at the Shareholders' Meeting held on June 25, 2008. Additionally, separately from and in addition to the remuneration framework above, up to 300 million yen per annum and up to 150,000 shares per annum were approved for stock remuneration (excluding the employee salary and bonuses of employees serving as directors, and excluding outside directors and part-time directors) at the Shareholders' Meeting held on June 21, 2023. We propose that directors of the Company who are eligible for the restricted stock unit plan shall be granted a monetary remuneration claim for granting restricted stock units of up to 800 million yen per annum and up to 200,000 shares. The specific timing of payment and allocation shall be determined by the Board of Directors, which shall be designed as a performance-based incentive system that includes ROE and TSR (total shareholder return) with the terms that the total restricted stock units equivalent to three times the fixed remuneration will be granted in three years if and when the relevant performance criteria are met.

### **(2) Reasons for the proposal**

We believe that the most significant weakness of the Board of Directors in Japan is the small number of shares held by each director, which leads to a lack of shareholders' perspectives. The Company's directors also hold a small number of shares, and the majority of the economic interest of the directors is in the form of basic remuneration, which is fixed amount. While some remuneration is tied to achieving performance targets, value sharing with shareholders—the purpose of the restricted stock unit plan—is insufficient. The directors must be given economic incentives to seek sustainable enhancement of corporate value for the Company and to enjoy the benefits of improved corporate value alongside the shareholders by aligning their interests with those of the shareholders.

An effective level of stock remuneration for value sharing between directors and shareholders is regarded as being equivalent to three times the fixed remuneration. Although the Company has introduced a restricted stock unit plan, the stock remuneration for the Company's directors for the 72nd fiscal year (from April 1, 2023, to March 31, 2024) totaled 72 million yen, representing only 14% of the annual fixed remuneration of 504 million yen which has been paid for the Company's directors (excluding outside directors) in the same fiscal year. At this rate, the restricted stock unit plan will take approximately 21 years to achieve the level of directors' shareholding considered effective for the value sharing between directors and shareholders, which is equivalent to three times the fixed remuneration. Restricted stock units hold little value unless they are granted during the directors' term of office, so a substantial amount must be granted within a shorter timeframe.

Furthermore, almost all major listed companies in the U.S. and Europe have adopted shareholding guidelines that require continuous holding of a certain number of shares for a certain period, deemed necessary to share value with the shareholders. In the majority of cases, the top management receives three to five times the basic remuneration, and outside directors receive an amount equivalent to their

remuneration after several years of a grace period. We propose that the Company's directors and other management should think beyond past conventions, aim for an ownership level that matches the global standard, and demonstrate their commitment with appropriate disclosure, and we think that they should establish a shareholding guideline.

#### Opinion of the Company's Board of Directors

The Company's Board of Directors **rejects** to proposal 6.

##### (i) Process of determination of remuneration for the Company's directors

Regarding matters pertaining to the nomination and remuneration of directors, the Company has established the Nomination & Remuneration Committee as an advisory body to the Board of Directors (the "Nomination & Remuneration Committee"). This aims to strengthen the independence and objectivity of the Board's functions, as well as its accountability, with independent outside directors comprising the majority (Note). Concerning the policy on determining remuneration for individual directors, the method of calculation, and individual remuneration are resolved by the Board of Directors based on consultation with the Nomination & Remuneration Committee. The Board of Directors delegates the determination of individual remuneration amounts, including fixed and performance-based components, to the Nomination & Remuneration Committee.

(Note) Outside director Katsuyoshi Shinbo passed away on February 8, 2025, and retired from his position as a director on the same day. This has led to a temporary change in the composition of the committee, which now consists of four members: two internal directors and two independent outside directors. Moving forward, we will continue to focus on the committee structure from the perspectives of independence and objectivity.

More specifically, based on the submission by the Nomination & Remuneration Committee, the Company's remuneration system aims not only to realize "Shirota-ism", which is the foundation of our business, but also to make management more responsible for business results and to promote increased value-sharing with shareholders. It consists of fixed remuneration, performance-based remuneration (short-term cash incentives), and stock remuneration (long-term stock incentives).

To ensure that remuneration functions as an appropriate incentive within the system, the proportions of fixed remuneration, performance-based remuneration, and stock remuneration for directors (excluding outside directors and part-time directors) are set at a ratio of 70:15:15. This standard is determined based on an analysis and review of information provided by independent research organizations and trends in other companies. We believe the balanced remuneration system supports the promotion and retention of superior talent that can implement our corporate philosophy, meet the expectations of various stakeholders, including shareholders, and lead to sustainable improvement of corporate value.

Regarding the stock remuneration, at the 71st Ordinary General Meeting of Shareholders held on June 21, 2023 (the "71st Shareholders Meeting"), the Company presented a plan for the introduction of a restricted stock unit plan for its directors (excluding outside directors and part-time directors) with an annual stock remuneration amount within 300 million yen, and the number

of common stocks to be issued or disposed of limited to 150,000 shares (the figures indicate the number of stocks adjusted for the stock split on October 1, 2023). This plan aims to provide incentives for sustainable improvement of corporate value and to promote increased value-sharing with shareholders, seeking the approval of the shareholders. This was approved with a significant approval ratio of 95.9%.

As stated, the Company's current stock remuneration system for the directors is being implemented in accordance with shareholder approval and following appropriate procedures to ensure independence and objectivity driven by the Nomination & Remuneration Committee.

(ii) The reason that the introduction of the stock remuneration in the Shareholder Proposal is unnecessary

The Proposal requests the introduction of a performance-based remuneration that includes ROE and TSR (total shareholder return) in addition to the stock-based remuneration approved at the 71st Shareholders Meeting for Yakult directors (excluding outside directors and part-time directors; the same shall apply hereinafter in this paragraph). It seeks the introduction of a restricted stock unit plan designed to grant an aggregated total of restricted stocks equivalent to three times the fixed remuneration over three years if the performance criteria are met (up to 800 million yen per annum, with the number of common stocks to be issued or disposed of capped at 200,000 shares per annum) (Noting that the Proposal does not state that the proposed restricted stock unit plan is to replace the existing stock-based remuneration introduced by the Company, it is assumed to be added to the existing stock-based remuneration system).

If the additional restricted stock unit plan under this Proposal is implemented and the performance criteria are met, it will result in the granting of restricted stock units exceeding three times the fixed remuneration over three years, in addition to the existing stock-based remuneration. The Company's current officer remuneration system sets the fixed remuneration ratio at 70%. If the proposed plan is introduced and the fixed remuneration amount is maintained, the total remuneration for directors is expected to increase several times compared to the current level. This would create an excessive remuneration system that lacks balance with the current fixed and performance-based remuneration, which is designed to serve as an appropriate incentive. As such, it would significantly diverge from the Company's current policy on the determination of remuneration for individual directors.

Furthermore, if a performance-based incentive system that includes ROE and TSR is added to the existing performance-based remuneration in accordance with the Proposal, it would create a remuneration system that excessively leans toward performance-based remuneration. We believe this would significantly deviate from the balanced remuneration system that the Company currently considers appropriate.

Due to the reasons stated above, the Company's Board of Directors **rejects to this Proposal**.

Before the resolution of this Directors' opinion, the Nomination & Remuneration Committee deliberated on the Proposal and consulted with the Board of Directors. The Board resolved this opinion based on the submission from the Nomination & Remuneration Committee.

The Company will continue to explore the development of a remuneration system aimed at enhancing corporate value. This includes increasing the proportion of stock remuneration for the

Company's directors and introducing stock remuneration for employees to boost their incentive to improve corporate value.

## **Proposal 7: Amendment of the Articles of Incorporation concerning the structure of outside directors**

### **(1) Summary of the Proposals**

To make outside directors comprise the majority of the Board of Directors of the Company, Article 17 of the Company's Articles of Incorporation shall be amended as follows.

(Underlined portions denote change)

| Before change                                                                                           | After change                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 17. (Number of Directors)<br>The Company shall have up to fifteen directors.<br><u>2. (New)</u> | Article 17. (Number of Directors)<br>1. The Company shall have up to fifteen directors.<br>2. <u>So long as the Company remains a listed company, the majority of the directors of the Company shall be outside directors as prescribed in Article 2, Paragraph 1, Item 15 of the Companies Act.</u> |

### **(2) Reasons for the proposal**

We believe that the diversity and independence of the board of directors are essential in today's management of listed companies. A diverse board of directors comprises members who make management decisions from a broad perspective, including skills, experiences, age, nationality, and gender. An independent board of directors consists of at least a majority of independent outside directors.

The Corporate Governance Code Principle 4.8 states that "independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors (two directors if listed on other markets) that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors (at least one-third of directors if listed on other markets) as independent directors based on a broad consideration of factors such as industry, company size, business characteristics, organizational structure, and circumstances surrounding the company, it should appoint a sufficient number of independent directors." In addition, the Corporate Governance Code Principle 4.7 lists "appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders" as one of the roles and responsibilities of an independent outside director.

As of March 31, 2025, the Company has five outside directors among 14 directors. Although this meets

the requirements of the Corporate Governance Code Principle, we believe that, by more actively seeking outside directors to represent a majority of the directors, the Company can establish a governance framework that increases capital efficiency and shareholder returns, contributing to its sustainable growth and enhancement of medium- to long-term corporate value.

Moreover, in addition to the number of outside directors, it is essential to have quality outside directors who can contribute to the Company's sustainable growth and enhancement of medium- to long-term corporate value. In this regard, the promotion of women and talented individuals with strong experience and skills as analysts should be considered.

The promotion of "talented persons with strong experience and skills as an analyst" is considered to provide a perspective of an outside investor/shareholder and serves as an effective method for enhancing corporate value through healthy risk-taking. The board of directors and investors/shareholders of listed companies typically share the goal of enhancing long-term corporate value. However, in Japan, they are often perceived as having opposing interests. Including a director who possesses the aforementioned experience and skills in the discussions and decision-making of the board will help restore a constructive relationship between the board and the stock market through healthy risk-taking, capital allocation, and improved communication with the market. The directors' skills matrix often includes explanations that directors with commercial banking backgrounds or accountants are responsible for the financing area. However, expertise in accounting and the debt market alone is inadequate for promoting "healthy risk taking," highlighting the importance of having an equity market expert.

#### Opinion of the Company's Board of Directors

The Company's Board of Directors **rejects** to proposal 7.

##### (i) Process of determination of candidates for the Company's directors

The Company has established the Nomination & Remuneration Committee, an advisory body to the Board of Directors, with the majority consisting of independent outside directors (the "Nomination & Remuneration Committee") to strengthen the independence, objectivity, and accountability of the Board's function regarding director nomination and compensation. The nomination of candidates for directors is determined by the Board of Directors in consultation with the Nomination & Remuneration Committee.

From the perspective of sustainable growth and in order to enhance the medium- to long-term corporate value of the Company, our baseline requirements for a potential director include position-appropriate abilities, personality, and insight, along with extensive knowledge and experience, as well as a thorough understanding of group management. We also seek a Board of Directors with a diverse structure that fosters open-minded discussion. To this end, the board structure is determined based not only the Company's employees but also top-level managers of Yakult Group marketing companies and experts in various fields, consistently aiming to place the right person in the right role.

The roles of outside directors expected by the Company are "to provide advice and appropriate supervision on business execution to the Company's management from objective perspective" based

on each director's expertise, experience and other factors. The Company aims to further strengthen its management by having various talented individuals as outside directors on the board to receive advice and supervision from broad perspectives.

As mentioned above, the Company selects suitable candidates for directors with a focus on sustainable growth and enhancing the medium- to long-term corporate value of the Company, based on consultation with the Nomination & Remuneration Committee. Additionally, we determine the structure of the Board of Directors by considering the balance of skills and the diversity of each candidate and the diversity in the board.

(ii) The reason we believe the Company's Board of Directors have an optimal structure that contributes to sustainable growth and improving medium- to long-term corporate value

The Company's Board of Directors currently consists of 14 members, including five independent outside directors. We believe the Board has enhanced shareholder returns by engaging in constructive discussions to realize our corporate philosophy, improve medium- to long-term corporate value, actively invest in growth fields, and maintain a stable financial base.

If the Proposal on the appointment of directors to be submitted by the Company at the Shareholders' Meeting is approved, the Board of Directors will consist of six independent outside directors out of a total of 14, which includes two women and one foreign national. Therefore, we believe that the diversity of the Board of Directors has been secured. Additionally, all six independent outside directors are experts in their fields, including a lawyer, a corporate management professional, an academic, and a securities analyst, each possessing specialized knowledge, diverse experience, and a deep understanding of corporate governance.

Therefore, the effectiveness of governance in promoting sustainable growth and enhancing medium- to long-term corporate value will be sufficiently secured by the Company's Board of Directors after the Shareholders' Meeting, and we do not believe it is necessary for outside directors to comprise the majority.

(iii) The reason we believe establishing a clause in the Articles of Incorporation requiring that outside directors comprise a majority is unnecessary.

The Corporate Governance Code "Principle 4.8 Effective Use of Independent Directors" states that "if a company listed on the Prime Market believes it needs to appoint the majority of directors ... as independent directors ... should appoint a sufficient number of independent directors" and requires the appointment of a majority of directors as independent directors as necessary, based on considerations of the circumstances surrounding the company. It does not require all companies listed on the Prime Market to appoint the majority of directors as independent outside directors.

If, as in the Proposal, a clause requiring that the majority of directors must always be outside directors is established in the Articles of Incorporation, it would restrict the discussion on the vision for the Board of Directors and the range of candidates for directors. This would prevent the consideration and structure of an optimal Board of Directors from time to time.

Due to the reasons stated above, the Company's Board of Directors **rejects to this Proposal**.

Prior to the resolution of this Directors' opinion, the Nomination & Remuneration Committee deliberated on the Proposal and consulted with the Board of Directors. The Board of Directors



resolved on this opinion based on the submission from the Nomination & Remuneration Committee.

To strengthen the governance system that contributes to enhancing the corporate value, the Company will continue to consider increasing the number and ratio of independent outside directors as well as the role of the Board of Directors, which includes appropriate skills that contribute to improving the corporate value. This will be carried out by the Nomination & Remuneration Committee and the Board of Directors in consultation with the Nomination & Remuneration Committee.

As stated above, The Company's Board of Directors rejects to all Proposals in the Shareholder Proposal.

We ask the shareholders to carefully consider the exercise of voting rights concerning this Shareholder Proposal.

The Company will continue to engage in constructive dialogue with our shareholders while striving to achieve sustainable growth and enhance medium- to long-term corporate value.

Reference 1: Website for the New Medium-term Management Plan

[https://www.yakult.co.jp/english/ir/library/pdf/Medium-term\\_Management\\_Plan\\_2025\\_2030\\_en.pdf](https://www.yakult.co.jp/english/ir/library/pdf/Medium-term_Management_Plan_2025_2030_en.pdf)

Reference 2: February 14 News Release

<https://www.yakult.co.jp/english/news/file.php?type=release&id=173950697433.pdf>

# Business Report

( From April 1, 2024  
to March 31, 2025 )

## 1. Current Status of Yakult Group

### (1) Business performance and results

During the fiscal year ended March 31, 2025, despite a gradual recovery in economic conditions, partly as the result of the effects of various policies, the Japanese economy remained susceptible to downward risks arising from economic conditions overseas, as well as to the impacts of rises in the cost of living and other developments.

Against this background, the Yakult Group worked to build awareness and understanding of the probiotics that constitute the bedrock of our operations while striving to communicate the superiority of our products. Guided by our long-term vision, Yakult Group Global Vision 2030, we pursued business activities and sought to improve our performance with the aim of evolving into a healthcare company that continues to contribute to the health of people around the world.

Following these efforts, consolidated net sales for the fiscal year under review decreased 0.7% from the same period of the previous year to 499,683 million yen. Operating profit decreased 12.6% to 55,391 million yen, while ordinary profit decreased 4.3% to 75,860 million yen. Profit attributable to owners of parent decreased 10.7% to 45,533 million yen.

|                                         |                     |                             |                    |
|-----------------------------------------|---------------------|-----------------------------|--------------------|
| Net sales                               | 499,683 million yen | Compared to previous period | decreased by 0.7%  |
| Operating income                        | 55,391 million yen  | Compared to previous period | decreased by 12.6% |
| Ordinary income                         | 75,860 million yen  | Compared to previous period | decreased by 4.3%  |
| Profit attributable to owners of parent | 45,533 million yen  | Compared to previous period | decreased by 10.7% |

### Overview by Segment

#### < Food and Beverages (Japan) >

In dairy products, Yakult focused on broadening recognition of the science behind its proprietary living *Lactobacillus casei* strain Shirota and *Bifidobacterium breve* strain Yakult by aggressively conducting grassroots value dissemination initiatives based on evidence.

In our home delivery channel, we implemented initiatives to attract new customers for the Yakult 1000 range of fermented milk drinks. At the same time, we encouraged existing customers to continue their consumption of Yakult products. Meanwhile, we strove to improve our home delivery organization by pressing ahead with efforts to conduct recruitment activities and create convenient working conditions for Yakult Ladies.

As for the retail store channel, with a focus on the New Yakult range of fermented milk drinks and Y1000, we sought to increase revenue by creating sales spaces offering high visibility and implementing various campaigns, using promotion staff to conduct focused in-store value dissemination activities.

In product-specific initiatives, from January 2025, we launched nationwide sales of Yakult 1000 Toshitsu Off, a fermented milk drink featuring reduced sugar and calories, as a product in our Yakult 1000 series, and gave it a label regarding foods with functional claims in March. We also launched three products from our new Tonyu no Chikara brand of food products utilizing plant-derived ingredients in October 2024.

In other beverages, we worked to increase revenue by implementing sales promotion initiatives centered on our Toughman series of energy drinks and fermented fruit beverage, Yakult no Oishii Hakko Kajitsu.

However, despite such efforts to bolster sales, performance resulted in figures lower than those of the previous year for both dairy products and other beverages, due mainly to intensified competition with competitors' products.

Consequently, consolidated net sales for the Food and Beverages (Japan) segment decreased 3.6% from the previous fiscal year, totaling 242,984 million yen.

### < Food and Beverages (Overseas)>

Yakult's operations outside Japan commenced in March 1964 with the establishment of Yakult Taiwan Co., Ltd., and now the manufacture and sale of the Yakult fermented milk drinks outside of Japan spans 39 countries and regions centered around 27 companies and one research center, with average daily bottle sales of approximately 28.13 million bottles in March 2025.

In the Asia-Oceania region, while China's economic recovery is slow and consumption remains sluggish, we have strengthened our activities to promote the value of *Lactobacillus casei* strain Shirota, mainly through "Yakult Peach Flavor (Iron Plus)," and have worked to recover sales by developing new business partners. As part of our business restructuring, we also worked to improve management efficiency by starting the dissolution procedures for Shanghai Yakult Co., Ltd. in December 2024 and closed our Shanghai factory. Furthermore, in the Philippines, we began production of "Yakult" in a 100% subsidiary factory of Yakult Philippines in May 2024, an equity method affiliate, and by answering to increasing demands, the sales performance resulted fairly well. In Vietnam, we launched "Yakult Light" in April 2024, and sales have been strong as a result of active sales promotion measures, expansion of the home delivery system, and efforts to acquire new customers. In addition, as a new initiative, we exported "Y1000" sold in Japan to Hong Kong Yakult Co., Ltd., and began sales in March 2025.

In the Americas, we boosted support for sales in the U.S.A. through publicity campaigns, combined with initiatives that included efforts to increase the number of stores stocking our products, resulted in a strong performance. In October 2024, the company started building a second U.S. plant to cater to growth in demand going forward.

In Europe, performance was robust due to more aggressive sales promotion employing advertising campaigns, as well as publicity campaigns employing social media and other methods.

As a result of these efforts, consolidated net sales in the Food and Beverages (Overseas) segment increased 5.7% from the previous year to 238,757 million yen.

### <Others>

This segment encompasses Yakult's cosmetics manufacturing and sales, pharmaceuticals manufacturing and sales, and professional baseball team operations.

In our cosmetics operations, we focused on initiatives that would disseminate the value of our proprietary moisturizing agent S.E. (Shirota Essence), which is the result of the extensive research on lactic acid bacteria we have conducted since our founding, in order to help customers realize their internal and external beauty and to increase the number of regular users of our cosmetics.

Specific examples of such activities included, from our Lactdew series of basic skin care products, the release of revamped versions of Lactdew S.E. Cleansing (Oil) and Lactdew S.E. Washing in April 2024 and a revamped version of Lactdew S.E. Cream in October 2024, and from the Parabio series of high-performance basic skin care products, the release of a limited quantity of the Parabio AC Serum Saj special program set from our Parabio series of high-performance basic skin care products in September 2024.

As a result, performance in our cosmetics operations overall resulted in figures that exceeded those of the previous year.

In our pharmaceuticals operations, we proceeded with transferring marketing authorization for one product at a time pursuant to the basic agreement regarding the transfer of marketing authorization for certain anticancer drugs to Takata Pharmaceutical Co., Ltd. Further, four products, including the antineoplastic drug, Campto, were removed from the drug price standard as of March 31, 2025.

In our professional baseball team operations, attendance increased as a result of proactive fan service engagements that included a variety of events as well as dissemination of a range of information.

As a result of the above factors, consolidated net sales in the Others segment decreased 18.8% from the previous year to 29,423 million yen.

## Sales by business segment

| Category                                                |          | 72nd Business Year<br>(4/1/23–3/31/24) | 73rd Business Year<br>(The fiscal year<br>under review)<br>(4/1/24–3/31/25) | Year on Year Change |                    |
|---------------------------------------------------------|----------|----------------------------------------|-----------------------------------------------------------------------------|---------------------|--------------------|
|                                                         |          |                                        |                                                                             | Amount              | Percentage         |
|                                                         | Japan    | 252,179 million yen                    | 242,984 million yen                                                         | (9,195 million yen) | decreased by 3.6%  |
|                                                         | Overseas | 225,812 million yen                    | 238,757 million yen                                                         | 12,944 million yen  | increased by 5.7%  |
| Production and<br>Distribution of Food<br>and beverages |          | 477,992 million yen                    | 481,741 million yen                                                         | 3,749 million yen   | increased by 0.8%  |
| Other Businesses                                        |          | 36,256 million yen                     | 29,423 million yen                                                          | (6,833 million yen) | decreased by 18.8% |
| Adjustments                                             |          | (11,169 million yen)                   | (11,481 million yen)                                                        | (312 million yen)   | —                  |
| Total                                                   |          | 503,079 million yen                    | 499,683 million yen                                                         | (3,396 million yen) | decreased by 0.7%  |

Note: Adjustments denote intersegmental sales being eliminated.

## (2) Capital Expenditures

Capital expenditures in the fiscal year under review totaled 49,603 million yen, primarily for the expansion and renewal of production facilities.

Major capital investments in the consolidated fiscal year under review included the construction of a new plant of Yakult Chiba Plant Co., Ltd. and a second plant of Yakult U.S.A., Inc.

## (3) Financing Activities

During the fiscal year under review, the Company did not raise funds, such as by increasing its capital or issuing bonds.

## (4) Acquisition or Disposal of Shares, Other Equity, or Stock Acquisition Rights, etc. in Other Companies

There were no significant matters to be reported during the fiscal year under review.

## (5) Issues to be addressed

The environment surrounding the Group continues to change moment by moment, such as sluggish market growth due to the declining population in Japan, customers' diversifying needs, and their growing awareness of quality and environmental issues.

In this environment, the Group will continue to provide products and services that help customers improve their health and contribute to solving social health issues, based on the concepts of "preventive medicine" and "a healthy intestinal tract leads to a long life" that it has advocated since its founding. Based on our long-term vision, Yakult Group Global Vision 2030, we will pursue our business activities with the aim of evolving into a healthcare company that continues to contribute to the health of people around the world. In the pursuit of this goal, we will take advantage of the Group's strengths in R&D and its developing capabilities, as well as the Group's unique home delivery system, and will work with other companies to expand our business areas.

In addition, as part of our efforts toward sustainability, which is our corporate social responsibility, the Yakult Group has established the Environmental Vision 2050 and aims to realize a value chain that has zero environmental impact by 2050.

Issues to be addressed by segment are as follows:

The challenges facing the various business divisions are as follows:

### < Food and Beverages (Japan)>

As consumers become more health conscious, probiotic products are becoming a part of their daily routine. However, the market environment has harshened due to the emergence of competing products and the rising cost of living. To win the support of customers, we will promote value dissemination initiatives to broaden recognition of the science behind its proprietary living *Lactobacillus casei* strain Shirota, and work to strengthen our brand power, with a focus on the Yakult 1000 and Y1000 ranges of high-value-added products and the New Yakult range.

In our home delivery channel, we aim to increase revenue with a focus on the Yakult 1000 range by attracting new customers and promoting continuous use of our products by existing customers. In addition, we will respond to the challenge of strengthening our home delivery organization amid intensifying competition for personnel by promoting recruitment activities and creating convenient working conditions for Yakult Ladies

In the retail store channel, we aim to increase revenue by promoting measures based on market characteristics and customer needs, with a focus on the New Yakult and Y1000 ranges.

### < Food and Beverages (Overseas)>

Amid growing interest in probiotics, in response to the challenges of expanding our business and improving profitability, we will further cultivate markets in countries and regions where we already have operations and promote initiatives to expand our sales areas. At the same time, we will strive to secure and develop human resources to enhance our sales organizations.

Specifically, we will continue to strengthen our sales framework and measures at our companies in the United States, Mexico, and Vietnam, among others, where performance remains favorable.

We will also aim to increase revenue by revising sales organizations and concentrating on active public relations and advertising activities at companies where efforts are being made for recovery of sales. In China in particular, we will aim to increase revenue by working to increase in the number of distribution bases and stores stocking our products, centered on medium-sized and small cities. At the same time, we will strengthen our sales organizations by placing efforts into the restructure of the sales framework and employee education. We will also actively promote initiatives in the e-commerce sector, which represents a growing market.

### <Others>

In our cosmetics operations, the market environment has harshened due to the emergence of competing products and the rising cost of living. In Japan, in door-to-door sales, we will strive to increase the number of regular users of our cosmetics by enhancing the superiority of our products through the roll-out of products that have as their core ingredient our proprietary moisturizing agent S.E. (Shirota Essence), which is the result of the extensive research on lactic acid bacteria we have conducted since our founding, and our unique organizational structure. For customers whom we are unable to engage through door-to-door sales, we will approach them through our mail order and retail store channels. Overseas, we will strive to further raise awareness of our products and to increase revenue by expanding sales channels and other means.

In our professional baseball team operations, we will work on strengthening team performance to meet the expectations of fans and enhance our various fan service engagements.

## <Outline of the presentation material of Medium-term Management Plan (2025-2030)>

We have presented our Medium-term Management Plan (2025-2030) (presented on May 13, 2025). The outline is as follows.

### —Key Themes—

1. Expand business domains and evolve business model
  - Enhance core domain and expand peripheral domains
  - Establish R&D structure tailored to countries and regions
  - Improve business models with optimal channel mix
2. Pursue co-creation with local societies and evolution of our global expansion
  - Build a Healthcare Platform
  - Implement DX by leveraging Yakult's strengths
  - Optimize strategies tailored to each country/region
3. Evolve management foundation that supports growth
  - Financial and capital strategy (From capital enhancement to capital-efficiency improvement)
  - Organizational strategy (Invigorate the organization to maximize utilization of its strengths)
  - Non-financial strategy (Refining Yakult's unique business model and accelerating our business strategy through digital transformation (DX) and foundational innovation strategies)

### <Sustainability Initiatives>

In order to realize Environmental vision 2050, we have re-evaluated our materiality regarding environment and expanded our coverage from domestic to global and revised our Environmental Targets 2030. We will implement effective measures to promote these initiatives.

1. Climate change mitigation and adaptation
2. Transition to sustainable plastic containers and packaging
3. Sustainable water source management
4. Biodiversity conservation

In addition, the Yakult Group continues to pursue compliance-oriented management as well as actively promoting strategic health-focused management by considering employee health and wellness from a corporate management perspective. We have established an organization dedicated to promoting health-focused management, and have pursued a range of health and wellness initiatives. These efforts have led to the Company being selected in the KENKO Investment for Health Stock Selection operated by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) for two consecutive years. We also received METI's "White 500" certification as an organization of outstanding KENKO Investment for Health for the eighth year in a row. We are also investing in our human capital through a variety of human resource development programs, as well as promoting diversity by actively appointing talented women to management positions and encouraging male employees to take childcare leave.

Going forward, we will continue to fulfill our corporate social responsibilities and accountability to our shareholders, while also keeping in mind the health of the entire global environment and acting as a good corporate citizen through all of our corporate activities, in accordance with our corporate belief "In order for people to be healthy, everything around them must also be healthy" and our corporate philosophy of "We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular."

We ask for your continued support and encouragement as we work toward this goal.

## (6) Financial Highlights

| Category                                                 | 70th fiscal year<br>(April 1, 2021 to<br>March 31, 2022) | 71st fiscal year<br>(April 1, 2022 to<br>March 31, 2023) | 72nd fiscal year<br>(April 1, 2023 to<br>March 31, 2024) | 73rd fiscal year<br>(April 1, 2024 to<br>March 31, 2025) |
|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| Net sales (million yen)                                  | 415,116                                                  | 483,071                                                  | 503,079                                                  | 499,683                                                  |
| Operating profit (million yen)                           | 53,202                                                   | 66,068                                                   | 63,399                                                   | 55,391                                                   |
| Ordinary profit (million yen)                            | 68,549                                                   | 77,970                                                   | 79,300                                                   | 75,860                                                   |
| Profit attributable to owners of parent<br>(million yen) | 44,917                                                   | 50,641                                                   | 51,006                                                   | 45,533                                                   |
| Basic earnings per share (yen)                           | 140.18                                                   | 162.09                                                   | 164.52                                                   | 150.48                                                   |
| Total Assets (million yen)                               | 672,855                                                  | 749,419                                                  | 833,286                                                  | 864,317                                                  |
| Net Assets (million yen)                                 | 484,935                                                  | 545,496                                                  | 605,946                                                  | 629,515                                                  |

- Notes:
1. Basic earnings per share are calculated based on the average number of outstanding shares during the fiscal year under review, excluding treasury stock.
  2. Basic earnings per share are calculated based on the Accounting Standard for Earnings Per Share (ASBJ Statement No. 2) and the Guidance on Accounting Standard for Earnings Per Share (ASBJ Guidance No. 4).
  3. The Company carried out a 2-for-1 stock split of shares of common stock on October 1, 2023. Basic earnings per share have been calculated on the presumption that the stock split was carried out at the beginning of the 70th fiscal year (FY2021).

## (7) Major Subsidiaries (as of March 31, 2025)

| Company Name                           | Paid-in-Capital    | Investment<br>Ratio | Main Business                                                                     |
|----------------------------------------|--------------------|---------------------|-----------------------------------------------------------------------------------|
| Yakult Tokyo Sales Co., Ltd.           | 300 million yen    | 100.0%              | Sale of Yakult products, etc.                                                     |
| Yakult Okayama Wake Plant Co.,<br>Ltd. | 98 million yen     | 100.0%              | Bottling of Yakult products                                                       |
| Yakult Corporation Co., Ltd.           | 30 million yen     | 72.5%               | Sale of equipment and materials<br>for the sale of Yakult products,<br>etc.       |
| Yakult Materials Co., Ltd.             | 50 million yen     | 100.0%              | Manufacture and sale of<br>flavorings, etc.                                       |
| Yakult Health Foods Co., Ltd.          | 99 million yen     | 100.0%              | Manufacture and sale of foods<br>with health claims, dietary<br>supplements, etc. |
| Yakult Logistics Co., Ltd.             | 10 million yen     | 100.0%              | Transportation of Yakult<br>products, etc.                                        |
| Yakult Kyudan Co., Ltd.                | 495 million yen    | 80.0%               | Operation of professional<br>baseball team                                        |
| Yakult (China) Corporation             | 1,491 million yuan | 100.0%              | Manufacture and sale of<br>Yakult products                                        |

Note: The Company's shareholding ratio in Yakult Corporation Co., Ltd. includes 15.9% held indirectly through the Company's subsidiaries.

## (8) Overview of Main Businesses (as of March 31, 2025)

The Yakult Group operates the following main business segments:

|                    |                                                                                                                       |
|--------------------|-----------------------------------------------------------------------------------------------------------------------|
| Food and Beverages | Fermented milk drinks, fermented milk products, other beverages, noodles, and health foods                            |
| Others             | Cosmetics manufacturing and sales, pharmaceuticals manufacturing and sales, and professional baseball team operations |



## (9) Main Sales and Manufacturing Sites (as of March 31, 2025)

### a) Yakult Honsha

|                                   |                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Head Office                       | 10-30, Kaigan 1-chome, Minato-ku, Tokyo                                                                                                                                                                                                                                                                                     |
| Sales Sites                       | Hokkaido Branch (Sapporo-shi, Hokkaido),<br>East Japan Branch (Minato-ku, Tokyo),<br>Metropolitan Branch (Minato-ku, Tokyo),<br>Central Japan Branch (Osaka-shi, Osaka-fu),<br>West Japan Branch (Fukuoka-shi, Fukuoka)                                                                                                     |
| Manufacturing Sites               | Fukushima Plant (Fukushima-shi, Fukushima),<br>Ibaraki Plant (Sashima-gun, Ibaraki),<br>Shonan Cosmetics Plant (Fujisawa-shi, Kanagawa),<br>Fuji Susono Plant (Susono-shi, Shizuoka),<br>Fuji Susono Pharmaceuticals Plant (Susono-shi, Shizuoka),<br>Hyogo Miki Plant (Miki-shi, Hyogo),<br>Saga Plant (Kanzaki-shi, Saga) |
| Research and Development Facility | Yakult Central Institute (Kunitachi-shi, Tokyo)                                                                                                                                                                                                                                                                             |

### b) Subsidiaries

| Category |              | Subsidiary Name                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Japan    |              | Yakult Tokyo Sales Co., Ltd. (Taito-ku, Tokyo),<br>Yakult Okayama Wake Plant Co., Ltd. (Wake-gun, Okayama),<br>Yakult Corporation Co., Ltd. (Minato-ku, Tokyo),<br>Yakult Materials Co., Ltd. (Minato-ku, Tokyo),<br>Yakult Health Foods Co., Ltd. (Bungotakada-shi, Oita),<br>Yakult Logistics Co., Ltd. (Hachioji-shi, Tokyo),<br>Yakult Kyudan Co., Ltd. (Minato-ku, Tokyo)                                    |
| Overseas | Asia/Oceania | Hong Kong Yakult Co., Ltd., Yakult (Singapore) Pte. Ltd.,<br>P.T. Yakult Indonesia Persada, Yakult Australia Pty. Ltd.,<br>Yakult (Malaysia) Sdn. Bhd., Yakult (China) Corporation,<br>Guangzhou Yakult Co., Ltd., Tianjin Yakult Co., Ltd.,<br>Wuxi Yakult Co., Ltd., Yakult Danone India Pvt. Ltd.,<br>Yakult Vietnam Co., Ltd.,<br>Yakult Middle East FZCO (United Arab Emirates),<br>Yakult Myanmar Co., Ltd. |
|          | The Americas | Yakult S/A Ind. E.Com. (Brazil)., Yakult S.A. De C.V. (Mexico).,<br>Yakult U.S.A. Inc.                                                                                                                                                                                                                                                                                                                            |
|          | Europe       | Yakult Europe B.V. (The Netherlands), Yakult Nederland B.V.,<br>Yakult Belgium S.A./NV., Yakult UK Ltd. (Ireland Branch).,<br>Yakult Deutschland GmbH, Yakult Oesterreich GmbH,<br>Yakult Italia S.r.l.                                                                                                                                                                                                           |

In addition to companies listed in the above table, Yakult Honsha has 36 domestic subsidiaries (43 companies in total) and 5 overseas subsidiaries (28 companies in total), including Yakult Honsha European Research Center for Microbiology VOF (Belgium).

## (10) Employees (as of March 31, 2025)

### a) Employees of the Corporate Group

| Category                                                        | Number of Employees | Year-on-Year Change |
|-----------------------------------------------------------------|---------------------|---------------------|
| Food and Beverages (Japan)                                      | 7,087               | increased by 152    |
| Food and Beverages (Overseas)                                   | 21,195              | decreased by 453    |
| Others                                                          | 746                 | decreased by 69     |
| Administrative Divisions<br>(General Affairs, Accounting, etc.) | 226                 | decreased by 3      |
| Total                                                           | 29,254              | decreased by 373    |

Note: The main reason(s) for the decrease of 373 employees compared to the end of the previous fiscal year are the decline in the number of employees at overseas subsidiaries.

### b) Employees

| Category      | Number of Employees | Year-on-Year Change | Average Age        | Average Years of Service |
|---------------|---------------------|---------------------|--------------------|--------------------------|
| Male          | 2,080               | increased by 23     | 42 years 8 months  | 18 years 9 months        |
| Female        | 779                 | increased by 26     | 39 years 8 months  | 15 years 8 months        |
| Total/Average | 2,859               | increased by 49     | 41 years 10 months | 17 years 11 months       |

Note: Employee numbers in the table above include 448 seconded employees and 133 contract employees.

## (11) Major Lenders (as of March 31, 2025)

| Lender            | Outstanding Loan Balance |
|-------------------|--------------------------|
| Mizuho Bank, Ltd. | 54,056 million yen       |

## 2. Stock Information (as of March 31, 2025)

- (1) Total number of authorized shares: 1,300,000,000 shares  
(2) Total Number of issued shares: 342,090,836 shares  
(including 43,905,569 shares of treasury stock)  
(3) Number of Shareholders: 134,918  
(4) Major Shareholders:

| Name                                                                                 | Number of shares held<br>(thousand shares) | Percentage of shares held |
|--------------------------------------------------------------------------------------|--------------------------------------------|---------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust account)                                 | 39,147                                     | 13.1%                     |
| Fuji Media Holdings, Inc.                                                            | 12,984                                     | 4.4%                      |
| Custody Bank of Japan, Ltd. (Trust account)                                          | 11,070                                     | 3.7%                      |
| Mizuho Trust & Banking Co., Ltd.<br>(Retirement benefit trust [Mizuho Bank Account]) | 9,914                                      | 3.3%                      |
| Kyoshinkai                                                                           | 7,708                                      | 2.6%                      |
| Matsusho Co., Ltd.                                                                   | 6,835                                      | 2.3%                      |
| STATE STREET BANK WEST CLIENT - TREATY 505234                                        | 5,473                                      | 1.8%                      |
| JP MORGAN CHASE BANK 385781                                                          | 3,440                                      | 1.2%                      |
| STATE STREET BANK AND TRUST COMPANY 505103                                           | 3,410                                      | 1.1%                      |
| Nippon Life Insurance Company                                                        | 3,393                                      | 1.1%                      |

- Notes: 1. The above table is based on the Company's shareholder registry.  
2. The Company holds 43,905,569 shares of treasury stock, which are excluded from the above table.  
3. Shareholding ratio is calculated excluding 43,905,569 shares of treasury stock.  
4. The 9,914 thousand shares held by Mizuho Trust & Banking Co., Ltd. (Retirement benefit trust [Mizuho Bank Account]) represent the Company's shares held by Mizuho Bank, Ltd. which were contributed to the Company's retirement benefit trust.  
5. Kyoshinkai is a shareholding association whose members are Yakult sales companies, which are our business partners.

## (5) Shares issued to corporate officers as remuneration for the execution of their duties during the fiscal year under review

Shares issued to corporate officers as remuneration during the fiscal year under review are as follows:

| Category                                              | No. of Shares | No. of persons issued to |
|-------------------------------------------------------|---------------|--------------------------|
| Directors (excluding outside and part-time directors) | 32,888 shares | 8                        |

Note: Details of the Company's stock-based remuneration are outlined in 3. Officers of the Company (4) Directors and Audit & Supervisory Board Members' Remuneration During the Fiscal Year Under Review

## (6) Other Important Matters Concerning The Company's Stock

Based on a resolution by the Board of Directors on February 14, 2025 and in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act and Article 36 of the Company's Articles of Incorporation, the Company acquired 5,025, 400 shares of treasury shares for approximately 15 billion yen in the period through to March 31, 2025 via open market purchase on the Tokyo Stock Exchange, with the aim of implementing a flexible capital policy to improve capital efficiency and strengthen shareholder returns.

(Reference) Details of the share repurchase resolved at a meeting of the Board of Directors held on February 14, 2025.

- Total number of shares to be repurchased: 14,000,000 shares (upper limit)  
(4.62% of total number of shares outstanding [excluding shares held as treasury stock])

- Aggregate repurchase price: 30.0 billion yen (upper limit)
- Period of share repurchase: From February 17, 2025 to June 19, 2025
- \* At the Board of Directors meeting held on the same day, it was also resolved that all shares acquired during the aforementioned period is scheduled to be fully cancelled on June 30, 2025.

### 3. Officers of the Company

#### (1) Directors and Audit & Supervisory Board Members of the Company (as of March 31, 2025)

| Position                                                             | Name               | Responsibilities and important concurrent duties                                                                                                                             |
|----------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| President & Representative Director<br>President & Executive Officer | Hiroshi Narita     | Owner of Yakult Kyudan Co., Ltd.<br>Chairman, Japanese Association of Fermented Milks and Fermented Milk Drinks                                                              |
| Director<br>Senior Managing Executive Officer                        | Kouichi Hirano     | Divisional General Manager of Research & Development Division                                                                                                                |
| Director<br>Senior Managing Executive Officer                        | Masatoshi Nagira   | Divisional General Manager of Food and Beverages Business Division,<br>Divisional General Manager of Cosmetics Business Division                                             |
| Director<br>Senior Managing Executive Officer                        | Hideaki Hoshiko    | Divisional General Manager of Administrative Division                                                                                                                        |
| Director<br>Managing Executive Officer                               | Junichi Shimada    | Divisional General Manager of International Business Division<br>President of Hong Kong Yakult Co., Ltd.<br>Chairman of Yakult U.S.A Inc.<br>Chairman of Yakult Europe B.V.  |
| Director<br>Managing Executive Officer                               | Yasuyuki Suzuki    | Divisional General Manager of Production Division<br>International Operations Dept. (Manager of Overseas Plants)                                                             |
| Director<br>Managing Executive Officer                               | Shuichi Watanabe   | Divisional General Manager of Pharmaceutical Business Division<br>Finance & Accounting Dept.                                                                                 |
| Director<br>Managing Executive Officer                               | Hiroyuki Kawabata  | Divisional General Manager of Management Support Division                                                                                                                    |
| Director                                                             | Naoko Tobe         | Lawyer<br>Manager, Foster forum (Organization to nurture high-quality financial products)                                                                                    |
| Director                                                             | Yumiko Nagasawa    | Outside Director (Audit & Supervisory Committee Member), Yamaguchi Financial Group, Inc.<br>Outside Director (Audit & Supervisory Committee Member), GL Techno Holdings Inc. |
| Director                                                             | Satoshi Akutsu     | Professor of the Graduate School of Business Administration of Hitotsubashi University<br>Outside Director, Thinca Co., Ltd.                                                 |
| Director                                                             | Matthew Digby      | Lawyer                                                                                                                                                                       |
| Director                                                             | Toshihiko Fukuzawa | Special advisor, Chuo-Nittochi Group Co., Ltd.                                                                                                                               |
| Director                                                             | Manabu Naito       | President of Yakult Mito Sales Co., Ltd.                                                                                                                                     |

| Position                                   | Name             | Responsibilities and important concurrent duties                                                                                                                              |
|--------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Full-time Audit & Supervisory Board member | Hideyuki Kawana  | Certified public accountant                                                                                                                                                   |
| Audit & Supervisory Board member           | Emi Machida      |                                                                                                                                                                               |
| Audit & Supervisory Board member           | Kimikazu Okochi  |                                                                                                                                                                               |
| Audit & Supervisory Board member           | Satoko Kitamura  | Lawyer<br>Outside Director, Sakurasaku Plus Co., Ltd.<br>Outside Director, Careerlink Co., Ltd.<br>Auditor, National Mutual Insurance Federation of Agricultural Cooperatives |
| Audit & Supervisory Board member           | Yoshiaki Onozuka | President & Representative Director, Yakult Osaka Tobu Sales Co., Ltd.                                                                                                        |

- Notes:
1. Naoko Tobe, Yumiko Nagasawa, Satoshi Akutsu, Matthew Digby, and Toshihiko Fukuzawa are Outside Directors as defined in the Companies Act of Japan.
  2. Emi Machida, Kimikazu Okochi, and Satoko Kitamura are Outside Audit & Supervisory Board members as defined in the Companies Act of Japan.
  3. Audit & Supervisory Board member Emi Machida is a Certified Public Accountant and possesses considerable insight in the fields of finance and accounting.
  4. Audit & Supervisory Board Member Koichi Okochi has many years of experience in the accounting department and has considerable knowledge in the fields of finance and accounting.
  5. The Company has designated Naoko Tobe, Yumiko Nagasawa, Satoshi Akutsu, Matthew Digby, Toshihiko Fukuzawa, Emi Machida, Kimikazu Okochi, and Satoko Kitamura as Independent Officers based on the provisions of the Tokyo Stock Exchange, and has reported them to the exchange.
  6. Yasuyuki Suzuki, Shuichi Watanabe, Hiroyuki Kawabata, and Toshihiko Fukuzawa were newly elected as Directors at the 72nd Ordinary General Meeting of Shareholders held on June 19, 2024, and assumed their positions accordingly.
  7. Hiroshi Wakabayashi, Akifumi Doi, Masao Imada, and Ryuji Yasuda, stepped down as directors at the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 19, 2024, due to expiration of their terms of office.
  8. Director Katsuyoshi Shinbo retired from his post on February 8, 2025, due to his passing. His important concurrent positions at the time of his retirement are outlined in (5) Matters Related to Outside Directors and Outside Audit & Supervisory Board Members.
  9. Kimikazu Okochi, Satoko Kitamura, and Yoshiaki Onozuka were newly elected as Audit & Supervisory Board Members at the 72nd Ordinary General Meeting of Shareholders held on June 19, 2024, and assumed their positions accordingly.
  10. Hiroshi Yamakami, Seijuro Tanigawa, and Seno Tezuka stepped down as Audit & Supervisory Board Members at the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 19, 2024, due to expiration of their terms of office.
  11. Changes in the title and responsibilities of Directors and Audit & Supervisory Board Members during the fiscal year under review are outlined below.

| Name             | Details                                                                                                                                                                        | After                                                                                                                                                                   | Before                                                                                                                                                                  | Effective date |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Masatoshi Nagira | Director<br>Senior Managing Executive Officer<br>Divisional General Manager of Food and Beverages Business Division, Divisional General Manager of Cosmetics Business Division | Director<br>Managing Executive Officer<br>Divisional General Manager of Food and Beverages Business Division, Divisional General Manager of Cosmetics Business Division | Director<br>Managing Executive Officer<br>Divisional General Manager of Food and Beverages Business Division, Divisional General Manager of Cosmetics Business Division | April 1, 2024  |
| Hideaki Hoshiko  | Director<br>Senior Managing Executive Officer<br>Divisional General Manager of Administrative Division                                                                         | Director<br>Managing Executive Officer<br>Divisional General Manager of Administrative Division                                                                         | Director<br>Managing Executive Officer<br>Divisional General Manager of Administrative Division                                                                         | April 1, 2024  |

12. Changes in the titles and responsibilities of Directors and Audit & Supervisory Board Members as of April 1, 2025 are outlined below.

| Details<br>Name  | After                                                                                                                                                                | Before                                                                                                                                                                | Effective date |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Kouichi Hirano   | Director                                                                                                                                                             | Director<br>Senior Managing Executive Officer<br>Divisional General Manager of Research & Development Division                                                        | April 1, 2025  |
| Masatoshi Nagira | Director                                                                                                                                                             | Director<br>Senior Managing Executive Officer<br>Divisional General Manager of Food and Beverages Business Division<br>General Manager of Cosmetics Business Division | April 1, 2025  |
| Yasuyuki Suzuki  | Director<br>Senior Managing Executive Officer<br>Divisional General Manager of Production Division<br>International Business Department (Manager of Overseas Plants) | Director<br>Managing Executive Officer<br>Divisional General Manager of Production Division<br>International Business Department (Manager of Overseas Plants)         | April 1, 2025  |
| Shuichi Watanabe | Director<br>Managing Executive Officer<br>Finance & Accounting Department<br>Healthcare Business Promotion Department<br>Pharmaceuticals Department                  | Director<br>Managing Executive Officer<br>Divisional General Manager of Pharmaceutical Business Division<br>Finance & Accounting Department                           | April 1, 2025  |

13. Changes in the important concurrent posts of Directors and Audit & Supervisory Board Members during the fiscal year under review are outlined below.

| Details<br>Name | After                                                                           | Before                                                                    | Effective date  |
|-----------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------|
| Yumiko Nagasawa | Outside Director (Audit & Supervisory Committee Member), GLTechno Holdings Inc. | Outside Director (Audit & Supervisory Committee Member), GL Sciences Inc. | October 1, 2024 |
| Satoshi Akutsu  |                                                                                 | Outside Director, Adastria Co., Ltd.                                      | May 23, 2024    |
| Emi Machida     |                                                                                 | Outside Director, The Nisshin OilliO Group, Ltd.                          | June 27, 2024   |

14. Yakult Honsha has introduced an Executive Officer system.  
Executive Officers not concurrently serving as Directors as of April 1, 2025 are listed below.

| Position                   | Name              | Responsibilities                                                                                                                                                          |
|----------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Managing Executive Officer | Akira Kishimoto   | Divisional General Manager of Food and Beverages Business Division                                                                                                        |
| Managing Executive Officer | Masato Nagaoka    | Director of Central Research Institute, Yakult Honsha European Research Center for Microbiology VOF (YHER), and Healthcare Business Promotion Department                  |
| Managing Executive Officer | Hiroaki Nagaoka   | Human Resources Department, Human Resources Development Center, Information Systems Department, and Food & Beverage Sales Management Department                           |
| Managing Executive Officer | Hiroshi Natsume   | Sustainability Department, Food Quality Assurance Department, Public Relations Department, Advertising Department, and Retail Sales Department                            |
| Managing Executive Officer | Masakazu Seino    | Production Control Department, Purchasing Department, and Logistics Control Department                                                                                    |
| Executive Officer          | Yoshinobu Asakura | West Japan Branch Manager                                                                                                                                                 |
| Executive Officer          | Noriyuki Umehara  | Guangzhou Yakult Co., Ltd., and Yakult (China) Corporation                                                                                                                |
| Executive Officer          | Osamu Chonan      | Yakult Central Institute, Sustainability Department, Public Relations Department (in charge of Academic), and International Operations Department (in charge of Academic) |
| Executive Officer          | Kan Shida         | Yakult Central Institute, Development & Research Department, Development Department, Cosmetics Department, and Shonan Cosmetics Plant                                     |
| Executive Officer          | Shunichi Uekusa   | International Operations Department, and International Business Department                                                                                                |
| Executive Officer          | Masaki Kaiya      | General Affairs Department, Information Systems Department, and Legal Department                                                                                          |
| Executive Officer          | Ken Nishikawa     | Divisional General Manager of Research & Development Division                                                                                                             |
| Executive Officer          | Motoki Yamamoto   | Corporate Planning Department, Healthcare Business Promotion Department, Sales Company Management Solutions Department, and Retail Sales Department                       |
| Executive Officer          | Naoki Komachi     | Divisional General Manager of Cosmetics Business Division, Food & Beverage Sales Management Department, and Home Delivery Sales Department                                |
| Executive Officer          | Mitsuhisa Kawai   | Yakult Central Institute, Development & Research Department, Development Department, and Global R&D Framework Preparation Team                                            |
| Executive Officer          | Tadashi Oogo      | Finance & Accounting Department, and Corporate Planning Department                                                                                                        |
| Executive Officer          | Ken Nakano        | East Japan Branch Manager, and Sales Company Business Creation Project Team                                                                                               |
| Executive Officer          | Tomoyuki Masuda   | Development Department, and Development & Research Department                                                                                                             |
| Executive Officer          | Jyun Tsukakoshi   | Human Resources Department                                                                                                                                                |
| Executive Officer          | Masaya Watanabe   | Yakult (China) Corporation                                                                                                                                                |

## (2) Overview of Liability Limitation Agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements with each director (excluding executive directors, etc.) and Audit & Supervisory Board member to limit the liability for damages stipulated under Article 423, Paragraph 1 of the Companies Act. The limits of liability for damage under the agreement are equal to the minimum amount of liability as set forth in the relevant laws and regulations.



### (3) Summary of Contents of Directors' and Officers' Liability Insurance Policy

The company will conclude a liability insurance contract for officers with insurance companies as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance contract will compensate the litigation costs and damages incurred by the insured Director, Audit & Supervisory Board member, or Executive Officer (including those who have already resigned from their positions), when he / she receives a claim for damages due to his / her business execution. The premiums for these insurance policies will be fully borne by the Company.

### (4) Directors and Audit & Supervisory Board Members' Remuneration During the Fiscal Year Under Review

#### a) Policy for Determining Individual Directors' Remuneration, etc.

Regarding matters pertaining to remuneration, etc., the Board of Directors makes the decisions in consultations with the Nomination & Remuneration Committee, composed of a majority of independent outside directors, and the Board of Directors. (The Nomination & Remuneration Committee held 5 meetings in the fiscal year ended March 31, 2025.)

The outline of the policy for determining the details of compensation for individual directors, which was resolved at the Board of Directors meeting held on February 10, 2023, is as follows.

<Fixed remuneration, performance-based remuneration (short-term cash incentives), stock remuneration (long-term stock incentives) >

#### 1. Eligible persons

##### (1) Fixed remuneration

All directors

##### (2) Performance-based remuneration

Directors at the end of the relevant fiscal year (excluding outside and part-time directors)

##### (3) Stock remuneration

Directors at the time of payment (excluding outside and part-time directors)

#### 2. Policy determining calculation methods for each kind of remuneration

##### (1) Fixed remuneration

Within applicable monetary limits, the Company's standard policy is to make decisions based on comprehensive consideration of internal and external environmental factors such as director responsibilities, business performance during the relevant fiscal year, standard worker salary, and social conditions.

##### (2) Performance-based remuneration

Alongside consolidated operating income, which is the most appropriate indicator of business performance for the purposes of performance-based remuneration, performance-based remuneration calculations use the number of dairy product bottles sold on a consolidated basis. The Company sets the performance component to fluctuate between 0% and 150%.

Additionally, performance-based remuneration is not paid if consolidated operating income has fallen below 70% of the previous year's level.

##### (3) Stock remuneration

With the aim of providing an incentive to sustainably increase corporate value and promoting additional shared value with the Company's shareholders, eligible directors will be granted remuneration for restricted stock according to their job responsibilities and other factors.

The transfer restriction period begins on the delivery date of the restricted stock and ends on the day the concerned director steps down from his or her position.



3. Percentage of remuneration by type

To ensure that remuneration functions as an appropriate incentive, the proportion of each type of remuneration is as follows:

- (1) Fixed remuneration
- (2) Performance-based remuneration
- (3) Stock remuneration

(1): (2): (3) = 70 : 15 : 15 (%)

Note: Outside directors and part-time directors only receive (1) fixed remuneration

4. Policy regarding determination of timing or conditions for remuneration

- (1) Fixed remuneration

Paid monthly

- (2) Performance-based remuneration

As a remuneration incentive for the preceding year's business performance, performance-based remuneration is calculated and paid in lump sum after the end of the fiscal year.

- (3) Stock remuneration

As a remuneration incentive for the future improvement of corporate value, an amount corresponding to the director's term is paid after the director's election at the general meeting of shareholders

Note: Monetary limits of (1) fixed remuneration and (2) performance-based remuneration was set at 1 billion yen per year at the 56th Ordinary General Meeting of Shareholders held on June 25, 2008.

Note: (3) Stock remuneration monetary limits and share limits were set at 300 million yen and 150,000 shares per year at the 71st Ordinary General Meeting of Shareholders held on June 21, 2023. (The Company carried out a 2-for-1 stock split of its common stock effective October 1, 2023. The share limit is the figure adjusted after the said stock split.)

These policies, remuneration calculation methods, remuneration amounts for each individual, and other matters are discussed by the Nomination & Remuneration Committee, a majority composed of independent outside directors, after which the final decision is made by the Board of Directors. The Nomination & Remuneration Committee is delegated by the Board of Directors of determining the amounts of (1) fixed remuneration and (2) performance-based remuneration to be received by each individual.

b) Resolutions at the ordinary general meeting of shareholders regarding the remuneration of directors and auditors

The limit on monetary remuneration for Directors of 1,000 million yen per year (not including employee salaries and bonuses for Directors who concurrently serve as employees) was resolved at the 56th Ordinary General Meeting of Shareholders held on June 25, 2008. As of the conclusion of this Ordinary General Meeting of Shareholders, the number of directors of the Company was 26 (including 4 outside directors). In addition, separately from this limit on monetary remuneration, at the 71st Ordinary General Meeting of Shareholders held on June 21, 2023, it was resolved that a monetary remuneration credit be paid for the grant of restricted stock, with an annual amount not exceeding 300 million yen and a maximum of 150,000 shares per year (On October 1, 2023, the Company carried out a 2-for-1 stock split of shares of its common stock. The maximum number of shares listed is the number of shares after adjustment for the stock split). (Excludes outside directors and part-time directors, and does not include employee salaries and bonuses of directors who

concurrently serve as employees). As of the conclusion of this Ordinary General Meeting of Shareholders, the number of directors of the Company was 8 (excluding outside directors and part-time directors).

The amount of monetary remuneration for Audit & Supervisory Board Members was resolved at the 71st Ordinary General Meeting of Shareholders held on June 21, 2023, to be no more than 200 million yen per year. As of the conclusion of this Ordinary General Meeting of Shareholders, the number of Audit & Supervisory Board Members of the Company was 5.

c) Delegation of Authority for Determining Individual Directors' Remuneration, etc

As outlined in the aforementioned policy for determining remuneration, the Nomination & Remuneration Committee determines the specific amount of remuneration for each individual director in accordance with a resolution by the Board of Directors to delegate decision-making authority with regards to (1) fixed remuneration and (2) performance-based remuneration. By delegating this authority to the Nomination & Remuneration Committee, an advisory body to the Board of Directors composed of a majority of independent outside directors, the Board of Directors ensures the transparency and objectivity of procedures for determining remuneration, etc.

As the amount of remuneration for directors is determined through these procedures, the Board of Directors has deemed that the remuneration, etc. for each individual director determined by the Nomination & Remuneration Committee are in line with the aforementioned determination policy.

At the time that decision-making authority was delegated to the Nomination & Remuneration Committee, the Committee consisted of five members: President & Representative Director/President & Executive Officer Hiroshi Narita, Director & Senior Managing Executive Officer Hideaki Hoshiko, and independent Outside Directors Naoko Tobe, Katsuyoshi Shinbo, and Toshihiko Fukuzawa.

d) Total Remuneration, etc. Paid to Directors and Audit & Supervisory Board Members

| Officer category                                                                 | Total remuneration, etc. (million yen) | Total remuneration, etc. by type (million yen) |                                      |                                  | No. of eligible officers |
|----------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------|--------------------------------------|----------------------------------|--------------------------|
|                                                                                  |                                        | Fixed remuneration                             | Performance-based remuneration, etc. | Non-financial remuneration, etc. |                          |
| Director<br>(Outside Directors)                                                  | 713<br>(84)                            | 552<br>(84)                                    | 67<br>(-)                            | 93<br>(-)                        | 19<br>(7)                |
| Audit & Supervisory Board members<br>(Outside Audit & Supervisory Board members) | 109<br>(43)                            | 109<br>(43)                                    | -                                    | -                                | 8<br>(5)                 |

- Notes: 1. The above number of officers receiving the remuneration includes four directors (including one outside director) and three Audit & Supervisory Board Members (including two outside members) who stepped down at the conclusion of the 72nd Ordinary General Meeting of Shareholders. It also includes one outside director who retired on February 8, 2025, due to his passing.
2. Performance-based remuneration, etc. listed above represents the amount recorded as expenses during the fiscal year under review.
3. Non-financial remuneration, etc. listed above represents the amount of restricted stock remuneration recorded as expenses during the fiscal year under review.
4. Actual results for consolidated operating income and dairy product bottles sold on a consolidated basis, which are the indicators used to calculate performance-based remuneration for the fiscal year under review were, respectively, 55,391 million yen and 29.37 million bottles per day.

## (5) Matters Related to Outside Directors and Outside Audit & Supervisory Board Members

### a) Relationships Between the Company and Important Companies at Which Outside Directors and Outside Audit & Supervisory Board Members have Concurrent Positions, and Main Activities During Fiscal Year Under Review

| Category         | Name              | Relationships between the Company and important companies at which Outside Directors and Outside Audit & Supervisory Board Members have concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Main activities during the fiscal year under review                                                                   | Attendance at Board of Directors meetings |
|------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Outside Director | Naoko Tobe        | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Ms. Tobe provides timely commentary and insight, primarily from her professional perspective as a certified lawyer.   | 10/10 (100%)                              |
|                  | Katsuyoshi Shinbo | The Company has no special relationship with Sumitomo Mitsui Financial Group, Inc., for which Mr. Shinbo served as an outside director until February 8, 2025, nor with Mitsui Chemicals, Inc., for which Mr. Shinbo served as an outside Audit & Supervisory Board member.                                                                                                                                                                                                                                                                                                                                                                                                          | Mr. Shinbo provided timely commentary and insight, primarily from his professional perspective as a certified lawyer. | 6/8 (75%)                                 |
|                  | Yumiko Nagasawa   | The Company has no special relationship with Foster Forum (Organization to nurture high quality financial products), for which Ms. Nagasawa serves as a manager. In addition, the Company has no special relationship with Yamaguchi Financial Group, Inc., where Ms. Nagasawa serves as an outside director (Audit & Supervisory Committee member). Furthermore, the Company has no special relationship with GL Sciences Inc., where she served as an outside director (Audit & Supervisory Committee member) until September 30, 2024, or with GL Techno Holdings Inc., where she has served as an outside director (Audit & Supervisory Committee member) since October 1, 2024. | Ms. Nagasawa provides timely commentary and insight, primarily based on her expertise in finance.                     | 10/10 (100%)                              |
|                  | Satoshi Akutsu    | The Company has no special relationship with Hitotsubashi University, where Mr. Akutsu serves as a professor. In addition, the Company has no special relationship with Thinca Co., Ltd., where Mr. Akutsu serves as an outside director, or with Adastria Co., Ltd., where he served as an outside director until May 23, 2024.                                                                                                                                                                                                                                                                                                                                                     | Mr. Akutsu provides timely commentary and insight, primarily based on his expertise in marketing.                     | 10/10 (100%)                              |
|                  | Matthew Digby     | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Mr. Digby provides timely commentary and insight, primarily from his professional perspective as a certified lawyer.  | 10/10 (100%)                              |

| Category         | Name               | Relationships between the Company and important companies at which Outside Directors and Outside Audit & Supervisory Board Members have concurrent positions | Main activities during the fiscal year under review                                                            | Attendance at Board of Directors meetings |
|------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Outside Director | Toshihiko Fukuzawa | The Company has no special relationship with Chuo-Nittochi Group Co., Ltd., for which Mr. Fukuzawa serves as a special advisor.                              | Mr. Fukuzawa provides timely commentary and insight, primarily based on his expertise in corporate management. | 8/8<br>(100%)                             |

| Category                         | Name            | Relationships between the Company and important companies at which Outside Directors and Outside Audit & Supervisory Board Members have concurrent positions                                                                                                                                                                         | Main activities during the fiscal year under review                                                                               | Attendance at Board of Directors meetings        |
|----------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
|                                  |                 |                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                   | Attendance at Audit & Supervisory Board meetings |
| Audit & Supervisory Board member | Emi Machida     | The Company has no special relationship with the Nisshin OilliO Group, Ltd., where Ms. Machida served as an outside director until June 27, 2024.                                                                                                                                                                                    | Ms. Machida provides timely commentary and insight, primarily from her professional perspective as a certified public accountant. | 10/10<br>(100%)                                  |
|                                  |                 |                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                   | 10/10<br>(100%)                                  |
|                                  | Kimikazu Okochi | Not applicable                                                                                                                                                                                                                                                                                                                       | Mr. Okochi provides timely commentary and insight, primarily based on his expertise in finance and accounting.                    | 8/8<br>(100%)                                    |
|                                  |                 |                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                   | 8/8<br>(100%)                                    |
|                                  | Satoko Kitamura | The Company has no special relationship with the National Mutual Insurance Federation of Agricultural Cooperatives, for which Ms. Kitamura serves as an auditor. In addition, the Company has no special relationship with Sakurasaku Plus Co., Ltd. and Careerlink Co., Ltd., for which Ms. Kitamura serves as an outside director. | Ms. Kitamura provides timely commentary and insight, primarily from his professional perspective as a certified lawyer.           | 8/8<br>(100%)                                    |
|                                  |                 |                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                   | 8/8<br>(100%)                                    |

- Notes:
1. The number of Board of Directors meetings attended by Toshihiko Fukuzawa differs from other Directors as he was newly elected and assumed his position at the 72nd Ordinary General Meeting of Shareholders held on June 19, 2024. The number of Board of Directors meetings attended by Katsuyoshi Shinbo also differs from other Directors as he retired as an Outside Director on February 8, 2025 due to his passing.
  2. The number of Board of Directors and Audit & Supervisory Board meetings attended by Kimikazu Okochi and Satoko Kitamura differs from other Audit & Supervisory Board Members as they were newly elected and assumed their positions at the 72nd Ordinary General Meeting of Shareholders held on June 19, 2024.
  3. As a summary of Outside Directors' duties during the fiscal year under review in relation to the roles they are expected to fulfill, the six Outside Directors listed above provided advice and recommendations on general management issues from their respective professional perspectives through their remarks at Board of Directors meetings, analysis and evaluation of the effectiveness of the Board of Directors, and exchange of opinions with the Company's management team.

b) Nomination & Remuneration Committee and Sustainability Advisory Committee (Advisory body of Board of Directors)

In 2021, the Company established the Nomination & Remuneration Committee, composed of a majority of independent Outside Directors. The Board of Directors passes resolutions on matters related to the nomination and remuneration of Directors after appropriate involvement and advice from this committee. During the fiscal year under review,

Naoko Tobe, Katsuyoshi Shinbo, and Toshihiko Fukuzawa served as members of the Nomination & Remuneration Committee.

Further, in April 2024 the Company established the Sustainability Advisory Committee. The committee deliberates on sustainability-related basic strategy, related actions, etc. towards solving environmental and social issues. During the fiscal year under review, Yumiko Nagasawa, Satoshi Akutsu, and Matthew Digby served as members of the Sustainability Advisory Committee.

#### 4. Status of Accounting Auditor

##### (1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

##### (2) Amount of Remuneration, etc., of Accounting Auditor for the Fiscal Year Under Review

|                                                                                                    |                 |
|----------------------------------------------------------------------------------------------------|-----------------|
| Remuneration, etc., paid to Accounting Auditor for the fiscal year under review                    | 125 million yen |
| Total amount of monetary or other property benefits to be paid by the Company and its subsidiaries | 125 million yen |

- Notes:
1. In the audit agreement between the Company and the Accounting Auditor, there is no demarcation of the remuneration for audits based on the Companies Act and the remuneration for audits based on the Financial Instruments and Exchange Act, meaning that they cannot be separated practically. Accordingly, the amount of remuneration above represents the combined sum of the two.
  2. The Company's Audit & Supervisory Board has given consent to the remuneration, etc., to be paid to the Accounting Auditor for the fiscal year under review as stipulated in Article 399, Paragraph 1 of the Companies Act, after receiving necessary materials and reports from the Directors, relevant internal departments and the Accounting Auditor, and having confirmed and discussed the status of the Accounting Auditor's performance of its duties in the previous fiscal year, the details of the audit plan for the current fiscal year, and the basis for calculating the remuneration estimate, and determining that these are reasonable.
  3. Of the Company's principal subsidiaries, 27 subsidiaries outside Japan are subject to audits by a certified public accountant or an auditing corporation other than the Company's Accounting Auditor (including those with equivalent foreign qualifications).

##### (3) Policy on Accounting Auditor Dismissal or Non-Reappointment Decision

If judged to be necessary, for example in the event that there are obstacles to the performance of the duties as an Accounting Auditor, the Company shall propose the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders through a resolution by the Audit & Supervisory Board.

In the event that it is deemed that any of the items prescribed in Article 340, Paragraph 1 of the Companies Act apply to the Accounting Auditor, the Audit & Supervisory Board shall dismiss the Accounting Auditor with the approval of all Audit & Supervisory Board members.

#### 5. Corporate Governance and Related Policies

##### (1) Structure to Ensure Appropriateness of Operations

The Company, at the Board of Directors held on May 19, 2006, passed resolutions regarding the establishment of Internal Control System mandated for large companies with a board of directors as stipulated in the Companies Act and Regulations for Enforcement of the Companies Act. The contents of the resolutions have been revised as necessary in response to changes in the environment both inside and outside the Company and other factors. The current resolution is as stated below.

The Company is promoting its business activities in accordance with its corporate philosophy: “We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular.” To this end, the Company believes that it is important to implement management that places emphasis on strengthening and enhancing internal control functions as a company widely trusted by society.

Based on this perspective, the Company has made the resolutions listed below on basic policies regarding building internal control systems after reconfirming the development status of its internal control system.

The contents of these resolutions will be revised as appropriate in line with revisions to laws and changes in environment inside and outside the Company, aiming to further strengthen and enhance internal control systems.

- 1) Systems to ensure that the performance of duties by directors and employees of the Company complies with laws and Articles of Incorporation
  - The Company established the Yakult Ethical Principles and Code of Conduct to serve as guidelines for its officers and employees to carry out proper corporate activities. This is distributed to all concerned employees to ensure awareness regarding its contents and the Company also holds internal training regarding compliance on a continuous basis.
  - The Compliance Committee composed of independent outside experts regularly meets and offers advice regarding the development of the compliance structure of the Company.
  - Further, the Company has established an internal reporting system to enable a self-cleansing function, wherein the Company itself identifies and corrects any violations of laws and regulations.
  - Also, the Company will resolutely refuse to engage with and block antisocial forces that pose a threat to its corporate activities. Along with maintaining close cooperation with the police and other concerned organizations, the Company also strives to monitor transactions through the Corporate Ethics Committee primarily composed of independent outside experts. The Company will stand up together as an organization against unreasonable demands from antisocial forces and take all possible legal countermeasures.
- 2) Systems regarding preservation and management of information related to the performance of duties by the Company’s directors
  - The minutes of general shareholders meetings and Board of Directors meetings are appropriately stored in accordance with the laws.
  - The Company also records and stores information regarding execution of duties by directors in either document or electromagnet IC format (the “Documents, etc.”) in accordance with Document Management Rules.
  - These meeting minutes and Documents, etc. are maintained so that they can be viewed any time by the directors and Audit & Supervisory Board members.
  - Further, the Document Management Rules also stipulates maintaining confidentiality as a measure to prevent information leakage.
- 3) Rules and other systems regarding the Company’s management of risks for losses
  - Cross-organizational risk monitoring and response throughout the Yakult Group is primarily carried out by the Administrative Division, with the concerned divisions managing the risks associated with the operations of their divisions.
  - Further, in order to respond to a sudden crisis, the Company has established Risk Management Rules that stipulate matters such as the appointment of the president or divisional general manager as the head of the task force set up according to the content of the crisis.
  - Moreover, the Company has established, and holds meetings of, the Quality Assurance Committee for provision of safe products and securing a quality assurance structure. It also has set up a Food Quality Assurance Division as an independent division specializing in group-wide oversight of quality assurance of food products.
- 4) Systems to ensure that the performance of duties by the Company’s directors are efficient
  - With the introduction of the executive officer system, the Company has not only strengthened the Board of Directors’ decision-making functions and supervisory functions but also clarified the responsibilities, thereby increasing the efficiency of both kinds of functions.
  - The Company also has stipulated the decision-making method in the Rules of Approval to ensure decision-making reflecting the importance, and has accelerated decision-making through the establishment of the Management Policy Council and the Executive Officers Committee, which meet once a week in principle.
  - Further, with the aim of ensuring efficient execution of business operations, the Company has stipulated the organizational structure and operation standards in the Organization Rules and Table of Division of Duties.

- 5) Systems to ensure that operations at the corporate group consisting of the Company and subsidiaries are appropriate
  - In principle, the Company dispatches its executives and employees to subsidiary companies to serve as officers and ensure that business operations are carried out in a proper, efficient manner.
  - The Affiliated Company Management Rules and Overseas Office Management Rules stipulate matters such as requests for prior approval through *ringi* system and reporting from subsidiary and affiliated companies. These companies are also audited by the Company's internal audit department (Auditing Department).
  - The Company's medium-term management plan secures appropriate operations across the entire group by setting out group-wide targets and management strategies, creating a support system through the establishment of a subsidiary management department within the Company, and implementing training courses for subsidiary companies. In addition to these measures, the Company's Risk Management Rules stipulate how the entire group should respond to a sudden crisis.
- 6) Matters regarding employees who support the duties of the Company's Audit & Supervisory Board members in cases in which Audit & Supervisory Board members make a request to assign such employees
  - The Company has allocated dedicated employees possessing thorough knowledge of company operations and ability to appropriately assist the work of the Audit & Supervisory Board members. Organizationally, they perform their duties directly under the Audit & Supervisory Board members independent from the Auditing Department, which is the Company's internal auditing department.
- 7) Matters regarding the independence of employees who support the duties of the Company's Audit & Supervisory Board members mentioned in the previous item from directors, and systems to ensure the effectiveness of instructions given to these employees by Audit & Supervisory Board members
  - In order to ensure the effectiveness and independence of the staff assigned to Audit & Supervisory Board members from directors, the said employees do not belong to any division and do not report directly to directors.
  - Moreover, to respect their independence, the personnel evaluation of the said employees is carried out by the Audit & Supervisory Board members.
- 8) Systems for the Company's directors and employees to provide reports to Audit & Supervisory Board members and other systems regarding reports provided to Audit & Supervisory Board members
  - The system enables Audit & Supervisory Board members to attend important meetings in addition to the Board of Directors, view the minutes of the proceedings as needed, and confirm important decisions through *ringi* system and grasp their contents.
  - The results of the internal audits of the Company and its subsidiaries are always reported to the Audit & Supervisory Board members.
  - Further, the Rules on Audit by Audit & Supervisory Board Members state that the Audit & Supervisory Board member in addition to seeking reports on business from directors, shall seek reports from relevant departments or subsidiaries as necessary.
- 9) Systems to ensure that reporting parties do not receive unfair treatment as a result of such reports
  - The Company prohibits any adverse treatment of officers or employees of the Company or subsidiaries who report to the Audit & Supervisory Board members on account of such reporting.
  - The Internal Reporting Regulations prohibit taking any actions or use words that are detrimental to the person who reported.
- 10) Other systems to ensure that audit operations of the Company's Audit & Supervisory Board members are carried out effectively
  - The Rules on Audit by Audit & Supervisory Board Members stipulate the rights regarding attendance of Audit & Supervisory Board members in Board of Directors and other important meetings, seeking explanations in the event of absence and viewing of documents, seeking directors, executive officers, and employees to report on business activities when necessary for investigating the status of business and assets, and seeking reports from subsidiaries and affiliates and investigation of business and assets to ensure effective audit by the Audit & Supervisory Board members.
  - The Audit & Supervisory Board members can seek opinions from outside experts such as lawyers, certified public accountants, and consultants as necessary.
  - Further, the Company shall bear any expenses incurred to obtain the views of outside experts as well as other expenses related to the audit.



## (2) Overview on the Internal Control Systems and status of operation

The Company has established and operates an internal control system based on the Basic Policy on the Development of Internal Control Systems resolved by the Board of Directors.

During the fiscal year under review, the Company received feedback and recommendations on the status of its compliance promotion initiatives from the Compliance Committee, which is composed of outside experts and convenes twice annually. In addition, the Corporate Ethics Committee, which is composed mainly of outside experts and convenes once per year, reviewed the implementation status of the Company's corporate ethics initiatives.

With regard to the Company's auditing framework, in addition to Audit & Supervisory Board members' attending all Board of Directors meetings, full-time Audit & Supervisory Board members attended important meetings such as Management Policy Council and the Executive Officers Committee, and received reports on business activities from Directors, etc. at Audit & Supervisory Board meetings as necessary. In addition, the Audit Department, which is the internal audit division, conducted audits of the Company and its subsidiaries based on the above Basic Policy.

## 6. Distribution of Surplus as Cash Dividends, etc.

### (1) Policy on the Distribution of Surplus as Cash Dividends, etc.

On February 14, 2025, the Board of Directors approved a resolution to change the Company's shareholder return policy with the aim of further enhancing shareholder returns through repurchase of treasury stock reflecting the business environment, in addition to progressive dividend payment to shareholders.

The revised shareholder return policy is as follows:

"The Company places utmost priority on continuously increasing dividends, based on the concept of progressive dividend payment, with the total dividend determined by comprehensively considering the funding needs for future business expansion and earnings growth, as well as the Company's financial standings and business performance for the fiscal year under review. Additionally, we will flexibly carry out share repurchase, with 70% in total payout ratio as a guideline, by taking into account the market environment, cash flow, etc."

- Notes:
- The Company is planning to repurchase ¥100 billion or more of its shares by fiscal year 2030.
  - The revised shareholder return policy comes into effect from the fiscal year ending March 31, 2025.

### (2) Dividends of Surplus

Based on the above policy, the total annual ordinary dividend for the fiscal year under review has been set at 64 yen per share, an increase of 8.5 yen compared to the previous fiscal year. After deducting the interim dividend of 32 yen per share that has already been paid, the year-end dividend for the fiscal year under review will be 32 yen per share.

Cash dividends for the fiscal year under review are as follows:

| Date of Resolution by the Board of Directors | Total Dividends Paid | Dividend Per Share | Record Date        |
|----------------------------------------------|----------------------|--------------------|--------------------|
| November 12, 2024                            | 9,702 million yen    | 32 yen             | September 30, 2024 |
| May 13, 2025                                 | 9,541 million yen    | 32 yen             | March 31, 2025     |



# Consolidated Balance Sheet

(As of March 31, 2025)

(Unit: million yen)

| Assets                               |                | Liabilities                                           |                  |
|--------------------------------------|----------------|-------------------------------------------------------|------------------|
| Account                              | Amount         | Account                                               | Amount           |
| <b>Current assets</b>                | <b>377,892</b> | <b>Current liabilities</b>                            | <b>157,814</b>   |
| Cash and deposits                    | 269,057        | Notes and accounts payable-trade                      | 20,745           |
| Notes and Accounts receivable-trade  | 55,404         | Short-term loans payable                              | 62,583           |
| Merchandises and finished goods      | 8,988          | Current portion of long-term loans payable            | 5,565            |
| Work in process                      | 2,119          | Lease obligation                                      | 3,749            |
| Raw materials and supplies           | 23,179         | Income taxes payable                                  | 7,273            |
| Others                               | 19,895         | Provision for bonuses                                 | 7,373            |
| Allowance for doubtful accounts      | (752)          | Notes payable - facilities                            | 3,548            |
| <b>Non-Current assets</b>            | <b>486,425</b> | Others                                                | 46,976           |
| <b>Property, plant and equipment</b> | <b>289,624</b> | <b>Non-current liabilities</b>                        | <b>76,988</b>    |
| Buildings and structures             | 102,707        | Long-term loans payable                               | 24,170           |
| Machinery and vehicles               | 71,119         | Lease obligation                                      | 8,488            |
| Land                                 | 66,775         | Deferred tax liabilities                              | 33,862           |
| Lease assets                         | 13,649         | Provision for retirement benefits for directors       | 273              |
| Construction in progress             | 31,156         | Net defined benefit liability                         | 4,512            |
| Others                               | 4,215          | Asset retirement obligations                          | 1,715            |
| <b>Intangible assets</b>             | <b>10,283</b>  | Others                                                | 3,965            |
| Software                             | 4,640          | <b>Total liabilities</b>                              | <b>234,802</b>   |
| Others                               | 5,642          | <b>Net assets</b>                                     |                  |
| <b>Investments and other assets</b>  | <b>186,518</b> | <b>Account</b>                                        | <b>Amount</b>    |
| Investment securities                | 68,019         | <b>Shareholders' equity</b>                           | <b>494,577</b>   |
| Shares of affiliates                 | 87,432         | <b>Common stock</b>                                   | <b>31,117</b>    |
| Deferred tax asset                   | 5,782          | <b>Capital surplus</b>                                | <b>42,516</b>    |
| Retirement benefit asset             | 16,724         | <b>Retained earnings</b>                              | <b>546,984</b>   |
| Others                               | 8,638          | <b>Treasury stock</b>                                 | <b>(126,040)</b> |
| Allowance for doubtful accounts      | (79)           | <b>Accumulated other comprehensive income</b>         | <b>79,553</b>    |
|                                      |                | Valuation difference on available-for-sale securities | 26,465           |
|                                      |                | Foreign currency translation adjustments              | 48,944           |
|                                      |                | Remeasurements of defined benefit plans               | 4,143            |
|                                      |                | <b>Non-controlling interests</b>                      | <b>55,383</b>    |
|                                      |                | <b>Total net assets</b>                               | <b>629,515</b>   |
| <b>Total assets</b>                  | <b>864,317</b> | <b>Total liabilities and net assets</b>               | <b>864,317</b>   |

# Consolidated Statement of Income

( From April 1, 2024  
To March 31, 2025 )

(Unit: million yen)

| Account                                                     | Amount |                |
|-------------------------------------------------------------|--------|----------------|
| <b>Net sales</b>                                            |        | <b>499,683</b> |
| <b>Cost of sales</b>                                        |        | <b>204,163</b> |
| <b>Gross profit</b>                                         |        | <b>295,520</b> |
| <b>Selling, general and administrative expenses</b>         |        | <b>240,128</b> |
| <b>Operating profit</b>                                     |        | <b>55,391</b>  |
| <b>Non-operating income</b>                                 |        |                |
| Interest income                                             | 13,076 |                |
| Dividend income                                             | 2,208  |                |
| Foreign exchange gains                                      | 5,300  |                |
| Others                                                      | 2,755  |                |
|                                                             |        | <b>23,341</b>  |
| <b>Non-operating expenses</b>                               |        |                |
| Interest expenses                                           | 874    |                |
| Taxes and dues                                              | 293    |                |
| Commission fee                                              | 67     |                |
| Share of loss of entities accounted for using equity method | 526    |                |
| Others                                                      | 1,109  |                |
|                                                             |        | <b>2,872</b>   |
| <b>Ordinary profit</b>                                      |        | <b>75,860</b>  |
| <b>Extraordinary income</b>                                 |        |                |
| Gain on sale of non-current assets                          | 1,370  |                |
| Gain on sales of investment securities                      | 5,090  |                |
|                                                             |        | <b>6,460</b>   |
| <b>Extraordinary losses</b>                                 |        |                |
| Loss on sale of non-current assets                          | 160    |                |
| Loss on retirement of non-current assets                    | 655    |                |
| Impairment loss                                             | 16     |                |
| Loss on liquidation of business                             | 1,108  |                |
| Others                                                      | 37     |                |
|                                                             |        | <b>1,978</b>   |
| <b>Profit before income taxes</b>                           |        | <b>80,343</b>  |
| Income taxes - current                                      | 23,491 |                |
| Income taxes - deferred                                     | 2,096  |                |
|                                                             |        | <b>25,588</b>  |
| <b>Profit</b>                                               |        | <b>54,754</b>  |
| <b>Profit attributable to non-controlling interests</b>     |        | <b>9,221</b>   |
| <b>Profit attributable to owners of parent</b>              |        | <b>45,533</b>  |

# Consolidated Statements of change in shareholders' equity

( From April 1, 2024  
To March 31, 2025 )

(Unit: million yen)

|                                                                                           | Shareholders' equity |                 |                   |                |  | Total shareholders' equity |
|-------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|--|----------------------------|
|                                                                                           | Common stock         | Capital surplus | Retained earnings | Treasury stock |  |                            |
| Balance as of April 1, 2024                                                               | 31,117               | 42,090          | 519,641           | (111,235)      |  | 481,613                    |
| Changes for current period                                                                |                      |                 |                   |                |  |                            |
| Dividends                                                                                 |                      |                 | (18,190)          |                |  | (18,190)                   |
| Changes in interests in associates' capital surplus                                       |                      | 454             |                   |                |  | 454                        |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | (24)            |                   |                |  | (24)                       |
| Profit attributable to owners of parent                                                   |                      |                 | 45,533            |                |  | 45,533                     |
| Purchase of treasury shares                                                               |                      |                 |                   | (15,000)       |  | (15,000)                   |
| Disposal of treasury shares                                                               |                      | (3)             |                   | 195            |  | 192                        |
| Net changes of items other than shareholders' equity                                      |                      |                 |                   |                |  |                            |
| Total change in shareholders' equity                                                      | —                    | 426             | 27,342            | (14,804)       |  | 12,964                     |
| Balance as of March 31, 2025                                                              | 31,117               | 42,516          | 546,984           | (126,040)      |  | 494,577                    |

|                                                                                           | Other comprehensive income                       |                                          |                                         |                                  | Non-controlling interest | Total net assets |
|-------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------|-----------------------------------------|----------------------------------|--------------------------|------------------|
|                                                                                           | Unrealized holding gain/loss on other securities | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total other comprehensive income |                          |                  |
| Balance as of April 1, 2024                                                               | 30,920                                           | 34,198                                   | 2,552                                   | 67,671                           | 56,661                   | 605,946          |
| Changes for current period                                                                |                                                  |                                          |                                         |                                  |                          |                  |
| Dividends                                                                                 |                                                  |                                          |                                         |                                  |                          | (18,190)         |
| Changes in interests in associates' capital surplus                                       |                                                  |                                          |                                         |                                  |                          | 454              |
| Change in ownership interest of parent due to transactions with non-controlling interests |                                                  |                                          |                                         |                                  |                          | (24)             |
| Profit attributable to owners of parent                                                   |                                                  |                                          |                                         |                                  |                          | 45,533           |
| Purchase of treasury shares                                                               |                                                  |                                          |                                         |                                  |                          | (15,000)         |
| Disposal of treasury shares                                                               |                                                  |                                          |                                         |                                  |                          | 192              |
| Net changes of items other than shareholders' equity                                      | (4,455)                                          | 14,745                                   | 1,591                                   | 11,882                           | (1,277)                  | 10,604           |
| Total change in shareholders' equity                                                      | (4,455)                                          | 14,745                                   | 1,591                                   | 11,882                           | (1,277)                  | 23,568           |
| Balance as of March 31, 2025                                                              | 26,465                                           | 48,944                                   | 4,143                                   | 79,553                           | 55,383                   | 629,515          |

## Consolidated Financial Statements

(Notes on Significant Accounting Policies for the Consolidated Financial Statements)

### 1. Scope of consolidation

Number of consolidated subsidiaries: 71

Names of main consolidated subsidiaries:

Yakult Tokyo Sales Co., Ltd.; Yakult Okayama Wake Plant Co., Ltd.; Yakult Corporation Co., Ltd.; Yakult Materials Co., Ltd.; Yakult Health Foods Co., Ltd.; Yakult Logistics Co., Ltd.; Yakult Kyudan Co., Ltd.; Yakult (China) Corporation

From the consolidated fiscal year under review, Yakult Plant Factory Co., Ltd. (newly acquired) and Yakult Child Support Corporation (incorporation-type company split) have been included among consolidated subsidiaries.

Three previously-consolidated subsidiaries, Beijing Yakult Co., Ltd. (merged with a consolidated subsidiary), Yakult España S.A. (liquidated), and Yakult Ofunato Sales Co., Ltd. (merged with a consolidated subsidiary), have been excluded from the scope of consolidation.

### 2. Application of the equity method

Number of affiliates to which the equity method is applied: 4

Name of main equity method affiliates:

Korea Yakult Co., Ltd.

Investments in Yakult Kagawa Sales Co., Ltd. and 13 other affiliates to which the equity method is not applied are valued at cost as they are small in scale and their respective profit/loss and retained earnings corresponding to the equity have no significant impact on these account items in the consolidated financial statements. The financial statements for each company's most recent fiscal year have been used when applying the equity method.

### 3. Matters related to accounting policies

#### Standards and methods for valuation of significant assets

##### Investment securities

##### Other investment securities

|                                                               |                                                                                                                                                                                                |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities other than shares, etc.<br>without a market price: | Reported at market value<br>(Net unrealized gains (losses) are recorded directly on net assets, and the costs of securities sold are primarily calculated based on the moving-average method.) |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                      |                                                             |
|--------------------------------------|-------------------------------------------------------------|
| Shares, etc. without a market price: | Primarily stated at cost based on the moving-average method |
|--------------------------------------|-------------------------------------------------------------|

|              |                                                                                                                                                                                                    |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inventories: | Primarily stated at cost based on the moving-average method<br>(Amounts shown on the consolidated balance sheet are based on the method for reducing book value due to a decline in profitability) |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### Depreciation methods applied to significant depreciable assets

##### The Company and its domestic consolidated subsidiaries

##### Tangible fixed assets (excluding leased assets)

##### Buildings (excluding building fixtures)

|                                      |                          |
|--------------------------------------|--------------------------|
| Acquired on or before March 31, 1998 | Declining balance method |
|--------------------------------------|--------------------------|

|                                    |                      |
|------------------------------------|----------------------|
| Acquired on or after April 1, 1998 | Straight-line method |
|------------------------------------|----------------------|

##### Building fixtures and structures

|                                      |                          |
|--------------------------------------|--------------------------|
| Acquired on or before March 31, 2016 | Declining balance method |
|--------------------------------------|--------------------------|

|                                    |                      |
|------------------------------------|----------------------|
| Acquired on or after April 1, 2016 | Straight-line method |
|------------------------------------|----------------------|

|                             |                          |
|-----------------------------|--------------------------|
| Other tangible fixed assets | Declining balance method |
|-----------------------------|--------------------------|

|                        |                                    |                |
|------------------------|------------------------------------|----------------|
| Principal useful lives | Buildings and structures:          | 12 to 50 years |
|                        | Machinery, equipment and vehicles: | 4 to 17 years  |

##### Intangible fixed assets (excluding leased assets)

##### Software

|                           |                                                       |
|---------------------------|-------------------------------------------------------|
| Software for internal use | Straight-line method over a useful life of five years |
|---------------------------|-------------------------------------------------------|

|                               |                      |
|-------------------------------|----------------------|
| Other intangible fixed assets | Straight-line method |
|-------------------------------|----------------------|

##### Leased Assets

|                                                                                    |                                                                                             |
|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Leased assets relating to finance lease transactions without transfer of ownership | Depreciated over the lease period by the straight-line method with a residual value of zero |
|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|

#### Foreign consolidated subsidiaries

|                                                    |                                                                                              |
|----------------------------------------------------|----------------------------------------------------------------------------------------------|
| Tangible fixed assets                              | Straight-line method                                                                         |
| Principal useful lives                             | Buildings and structures: 5 to 40 years<br>Machinery, equipment, and vehicles: 3 to 20 years |
| Intangible fixed assets                            | Straight-line method                                                                         |
| Right-of-use assets<br>(included in leased assets) | Straight-line method based on the lease period and the useful life                           |

#### Accounting standards for significant allowances

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allowance for doubtful accounts                 | To provide for losses due to irrecoverable receivables, the Company and its consolidated subsidiaries in Japan record allowances for doubtful accounts at the estimated uncollectible amount. This amount is based mainly on past credit loss experience for general accounting receivables and in consideration of individual collectability for specific receivables including doubtful accounts receivable.<br>Consolidated subsidiaries outside Japan record allowances for doubtful accounts primarily at the required amounts based on deliberation regarding individual receivables. |
| Provision for bonuses                           | To provide for the future payment of bonuses to employees, the Company and its main consolidated subsidiaries book the estimated amounts to be paid during the fiscal year under review.                                                                                                                                                                                                                                                                                                                                                                                                    |
| Provision for retirement benefits for directors | To provide for future payments of retirement benefits to directors/officers, the Company's main consolidated subsidiaries book the entire amount needed at the end of the fiscal period based on their internal regulations.                                                                                                                                                                                                                                                                                                                                                                |

#### 4. Other significant accounting policies for the consolidated financial statements

##### Matters related to the fiscal year of consolidated subsidiaries

The account closing dates of the following consolidated subsidiaries differed from that of the parent.

|            |                                                |               |
|------------|------------------------------------------------|---------------|
| [Japan]    | Yakult Kyudan Co., Ltd.                        | (December 31) |
| [Overseas] | Yakult (China) Corporation, 24 other companies | (December 31) |

When preparing the consolidated financial statements, the above subsidiaries' financial statements as of December 31 were used and necessary adjustments were made on consolidation for material transactions that occurred between this date and the consolidated balance sheet date.

#### Accounting method for retirement benefits

##### Service period basis for projected retirement benefits

In calculating retirement benefit liabilities, the Company uses the benefit formula to attribute projected benefits to the period ending with the final day of the fiscal year under review.

##### Accounting method for actuarial gains and losses and past service costs

Past service costs are recognized as a lump sum when incurred.

Actuarial gains and losses are mainly amortized by the straight-line method over a period within the average remaining service years for employees (generally 10 years) at the time of recognition and allocated proportionately from the fiscal year following the respective fiscal year of recognition.

#### Standards for the translation of significant foreign-currency-denominated assets or liabilities into Japanese yen

Foreign currency-denominated receivables and payables are converted to yen at the spot exchange rate at the consolidated fiscal year-end, and the translation adjustment is treated as a profit or loss.

The assets and liabilities of overseas consolidated subsidiaries are converted to yen at the spot exchange rate on the closing dates of the subsidiaries, and revenue and expenses are converted to yen at the average annual exchange rate. Translation differences are then recorded as part of non-controlling interests and foreign currency translation adjustments in net assets.

#### Accounting standards for revenue and expenses

The main business of the Company and its consolidated subsidiaries is the Food and Beverages business.

In the Food and Beverages business, revenue is recognized upon delivery of the product or goods, as control of the product or goods is transferred to the customer at that point, satisfying the performance obligation.

(Notes Related to Accounting Estimates)

Impairment loss for tangible fixed assets in overseas subsidiaries

Amounts for tangible fixed assets held by overseas subsidiaries are as follows:

• Amounts recognized in the fiscal year under review

|                                   |                             |                    |
|-----------------------------------|-----------------------------|--------------------|
| Buildings and structures          | Out of 102,707 million yen, | 48,846 million yen |
| Machinery, equipment and vehicles | Out of 71,119 million yen,  | 46,523 million yen |
| Land                              | Out of 66,775 million yen,  | 7,550 million yen  |
| Lease assets                      | Out of 13,649 million yen,  | 8,581 million yen  |
| Construction in progress          | Out of 31,156 million yen,  | 13,091 million yen |
| Others                            | Out of 4,215 million yen,   | 1,733 million yen  |

• Information that assists in understanding the details of other estimates

Within our main business segment of Food and Beverages, our group sells dairy products and fermented milk drinks in 39 countries and regions, excluding Japan. As production bases, we have established and operated 29 plants (21 of which are subsidiary plants) in 17 countries and regions, and possess production facilities at these locations.

As a general rule, when evaluating recoverability related to the impairment of fixed assets, we identify cash-generating units or asset groups by sales region and assess indications of impairment.

The performance of each overseas subsidiary is influenced by various external environmental factors, such as the political, economic, and social background, regulations, natural disasters, and infectious diseases in the country or region where they operate. Additionally, for newly established overseas subsidiaries, especially those entering countries or regions where probiotics are not widely recognized, it may take time for the product to penetrate the market, and there is a possibility of not meeting business plan targets. If these factors indicate signs of impairment and the planned future cash flows cannot be realized, there may be a need to recognize impairment losses on fixed assets.



(Notes on Consolidated Balance Sheet)

1. Notes and Accounts Receivable-trade

|                           |                    |
|---------------------------|--------------------|
| Notes receivable          | 44 million yen     |
| Accounts receivable-trade | 55,359 million yen |

2. Assets Pledged as Collateral

|                          |                   |
|--------------------------|-------------------|
| Time deposits            | 137 million yen   |
| Buildings and structures | 1,339 million yen |
| Land                     | 3,536 million yen |

The above assets are pledged as collateral for current portion of long-term loans payable of 264 million yen and long-term loans payable of 928 million yen.

Among the above assets, a revolving mortgage related to bank transactions has been established on our assets; however, there are no corresponding secured liabilities.

3. Accumulated Depreciation of Property, plant and equipment 333,020 million yen

4. Loan commitments

In order to efficiently secure working capital, our company has entered into loan commitment agreements with six commercial banks. The outstanding balance of undrawn borrowings related to the loan commitments at the end of the current fiscal year is as follows:

|                        |                    |
|------------------------|--------------------|
| Total loan commitments | 80,000 million yen |
| Outstanding borrowings | 61,000 million yen |
| Net amount             | 19,000 million yen |

5. Balance of contract liabilities among current liabilities and other liabilities 1,108 million yen

(Consolidated Statement of Income)

Loss on liquidation of business

These losses are due to impairment loss on noncurrent assets and personnel restructuring associated with the closure of the Shanghai Plant of Shanghai Yakult Co., Ltd. in China.

(Notes on Consolidated Statement of Changes in Equity)

1. Type and total number of shares issued, and type and number of treasury stock

(Unit: thousands of shares)

|                  | Beginning of the<br>current fiscal year | Increase | Decrease | End of the current<br>fiscal year |
|------------------|-----------------------------------------|----------|----------|-----------------------------------|
| Shares Issued    |                                         |          |          |                                   |
| Common stock     | 342,090                                 | —        | —        | 342,090                           |
| Total            | 342,090                                 | —        | —        | 342,090                           |
| Treasury stock   |                                         |          |          |                                   |
| Common stock (*) | 38,948                                  | 5,025    | 68       | 43,905                            |
| Total            | 38,948                                  | 5,025    | 68       | 43,905                            |

(\*) The increase of 5,025 thousand shares of treasury stock is an increase of shares from the acquisition of treasury stock and the purchase of fractional shares based on the resolution of the Board of Directors held on February 14, 2025. Additionally, the decrease of 68 thousand shares of treasury stock is due to the disposal of treasury stock through restricted stock compensation based on the resolution of the Board of Directors held on June 19, 2024.

2. Matters related to dividends

Dividend payment amounts

| Resolution                                        | Type of stock   | Total dividend<br>amount<br>(million yen) | Dividend per<br>share (yen) | Record date           | Effective date       |
|---------------------------------------------------|-----------------|-------------------------------------------|-----------------------------|-----------------------|----------------------|
| Board of Directors meeting<br>- May 14, 2024      | Common<br>stock | 8,487                                     | 28.0                        | March 31, 2024        | May 31, 2024         |
| Board of Directors meeting<br>- November 12, 2024 | Common<br>stock | 9,702                                     | 32.0                        | September 30,<br>2024 | November 29,<br>2024 |

Dividends whose record date falls within the current fiscal year, but whose effective date of dividend payment is after the end of the current fiscal year

| Resolution                                      | Type of stock   | Total dividend<br>amount<br>(million yen) | Source of<br>dividends | Dividend per<br>share (yen) | Record date       | Effective<br>date |
|-------------------------------------------------|-----------------|-------------------------------------------|------------------------|-----------------------------|-------------------|-------------------|
| Board of Directors<br>meeting – May 15,<br>2025 | Common<br>stock | 9,541                                     | Retained<br>earnings   | 32.0                        | March 31,<br>2025 | June 6, 2025      |

(Notes on Financial Instruments)

1. Matters related to the status of financial instruments

(1) Policy on financial instruments

The Company and its consolidated subsidiaries obtain the necessary funds through bank loans, in line with capital expenditure plans for the manufacturing and sales of beverages and food products. Temporary surplus funds are limited to investments in safe, short-term deposits, and the Company has a policy of not engaging in speculative transactions for the purpose of fund management.

(2) Contents of financial instruments, their risks, and the risk management framework

Trade receivables, including notes and accounts receivable-trade, which are operating claims, are managed by the Company and its consolidated subsidiaries in accordance with internal regulations and accounting rules. This includes managing due dates and balances for each customer, as well as maintaining a system to regularly assess the credit status of major customers.

Investment securities, such as stocks, are subject to market price fluctuations. However, these stocks primarily come from companies with which we have business relationships, and their current market value is regularly assessed and reported to the Board of Directors.

Accounts payable, such as notes and accounts payable-trade and notes payable-facilities, are due within one year.

Our borrowings are mainly used to finance capital investments. Most of these loans have variable interest rates, which exposes us to the risk of interest rate fluctuations. However, given the current borrowing levels and the state of the interest rate market, we have not implemented any risk hedging, such as interest rate swaps or other derivatives.

Additionally, both accounts payable and borrowings are exposed to liquidity risks related to funding. However, the Company and its consolidated subsidiaries manage these risks by creating and updating cash flow plans on a timely basis, based on reports from each department, with the finance department and relevant teams overseeing the process.

(3) Supplementary information regarding the market value of financial instruments, etc.

The market value of financial instruments consists of both prices derived from market quotations and values that are reasonably estimated when market prices are unavailable. As the valuation accounts for various fluctuating factors, the value may change depending on the assumptions or conditions used.

2. Matters related to the market value of financial instruments

As of March 31, 2025, the amounts recorded in the consolidated financial statements, the market values, and the differences between them are as follows:

(Unit: millions of yen)

|                             | Amounts recognized<br>in the consolidated<br>financial statements | Market value | Difference |
|-----------------------------|-------------------------------------------------------------------|--------------|------------|
| (1) Investment securities   |                                                                   |              |            |
| Other securities            | 64,218                                                            | 64,218       | —          |
| Total assets                | 64,218                                                            | 64,218       | —          |
| (2) Long-term loans payable |                                                                   |              |            |
| (*2)                        | 29,735                                                            | 29,712       | (23)       |
| Total liabilities           | 29,735                                                            | 29,712       | (23)       |

(\* 1) Since “cash and deposits,” “notes and accounts receivable-trade,” “notes payable and accounts payable-trade,” “short-term loans payable,” and “notes payable-facilities” are settled in cash and within a short period, and their market values are close to their book values, we have omitted them from the disclosure.

(\* 2) Includes current portion of long-term loans payable that are due for repayment within one year.

(\* 3) Amounts recorded in the consolidated financial statements for stocks, etc., without market prices.

(Unit: millions of yen)

| Category                  | Current fiscal year |
|---------------------------|---------------------|
| Unlisted stocks           | 3,800               |
| Affiliated company shares | 87,432              |

Not included in the above calculations.

3. Matters related to the breakdown of financial instrument market values by level

Financial instrument market values are categorized into three levels based on the observability and significance of the inputs used in their valuation.

Level 1 market value : Calculated based on quoted prices for assets or liabilities in an active market, using observable inputs to determine the value

Level 2 market value : Calculated using inputs other than Level 1 inputs for the calculation of observable market value

Level 3 market value : Calculated using unobservable inputs for valuation

When multiple inputs that significantly affect the determination of market value are used, the market value is classified according to the lowest level of input used in the valuation.

(1) Financial instruments recorded at market value in the consolidated balance sheet

(Unit: millions of yen)

| Category              | Market value |         |         | Total  |
|-----------------------|--------------|---------|---------|--------|
|                       | Level 1      | Level 2 | Level 3 |        |
| Investment securities |              |         |         |        |
| Other securities      | 64,218       | —       | —       | 64,218 |
| Total assets          | 64,218       | —       | —       | 64,218 |

(2) Financial instruments other than those recorded at market value in the consolidated balance sheet

(Unit: millions of yen)

| Category                                                                             | Market value |         |         | Total  |
|--------------------------------------------------------------------------------------|--------------|---------|---------|--------|
|                                                                                      | Level 1      | Level 2 | Level 3 |        |
| Long-term loans payable<br>(including current portion of<br>long-term loans payable) |              |         |         |        |
|                                                                                      | —            | 29,712  | —       | 29,712 |
| Total liabilities                                                                    | —            | 29,712  | —       | 29,712 |

(Note) Information regarding the valuation techniques used to determine market value and the inputs involved in valuation

Investment securities

All investment securities consist of listed stocks, which are valued based on market prices. Since listed stocks are traded in active markets, their market value is classified as Level 1.

Long-term loans payable (including current portion of long-term loans payable)

The market value of long-term loans payable is determined by discounting the total principal and interest using an appropriate rate, which incorporates a credit spread over the yield on government bonds or other relevant benchmarks. Their market value is classified as Level 2.

(Notes on Revenue Recognition)

1. Information derived from the classification of revenue from contracts with customers

(Unit: millions of yen)

|                                       | Food and Beverages |                |                    |          |
|---------------------------------------|--------------------|----------------|--------------------|----------|
|                                       | (Japan)            | (The Americas) | (Asia and Oceania) | (Europe) |
| Net sales                             |                    |                |                    |          |
| Revenue from contracts with customers | 233,847            | 91,822         | 134,803            | 12,130   |
| Other revenue                         | —                  | —              | —                  | —        |
| Net sales from external customers     | 233,847            | 91,822         | 134,803            | 12,130   |

|                                       | Others | Amounts recorded in the consolidated financial statement |
|---------------------------------------|--------|----------------------------------------------------------|
| Net sales                             |        |                                                          |
| Revenue from contracts with customers | 27,078 | 499,683                                                  |
| Other revenue                         | —      | —                                                        |
| Net sales from external customers     | 27,078 | 499,683                                                  |

## 2. Fundamental information for understanding revenue

The Company and its consolidated subsidiaries primarily engage in the beverage and food manufacturing and sales business.

In the Food and Beverages business, revenue is recognized at the point when control of the product or goods is transferred to the customer, which occurs when the product or goods are delivered, and the performance obligation is fulfilled. In home delivery, we measure the revenue based on the sales price at the point when the products or goods are transferred to the customer. For sales to mass retailers and others, we measure the revenue based on the agreed sales price in the contract, after deducting amounts such as sales incentives and center fees that are paid to the customer.

For sales of equipment and materials in the Food and Beverages business, we have determined that our role in providing goods or services to customers qualifies as an agent transaction, and therefore, we recognize the net amount as revenue.

The agreed payment is typically received within about one month from the point at which the performance obligation is satisfied, and there are no significant financial elements included in the amount of consideration.

Additionally, there are no significant remaining performance obligations or material contract balances, and there have been no significant changes in the beginning and ending balances of receivables and contract liabilities arising from customer contracts.

### (Notes on Per Share Information)

|                                                 |              |
|-------------------------------------------------|--------------|
| Net assets per share                            | 1,925.42 yen |
| Earnings per share (EPS) for the current period | 150.48 yen   |

# Unconsolidated Balance Sheet

(As of March 31, 2025)

(Unit: million yen)

| Assets                                |                | Liabilities                                                   |                  |
|---------------------------------------|----------------|---------------------------------------------------------------|------------------|
| Account                               | Amount         | Account                                                       | Amount           |
| <b>Current assets</b>                 | <b>79,235</b>  | <b>Current liabilities</b>                                    | <b>120,012</b>   |
| Cash and deposits                     | 11,714         | Electronically recorded obligations                           | 4,800            |
| Accounts receivable                   | 44,639         | Accounts payable                                              | 14,193           |
| Merchandise and Finished goods        | 3,317          | Short-term borrowings                                         | 61,760           |
| Work in process                       | 1,234          | Current portion of long-term borrowings                       | 5,000            |
| Raw materials and supplies            | 4,670          | Lease liabilities                                             | 587              |
| Others                                | 13,659         | Other account payable                                         | 5,331            |
| <b>Non-Current assets</b>             | <b>302,280</b> | Accrued expenses                                              | 12,242           |
| <b>Property, plant and equipment</b>  | <b>99,765</b>  | Income taxes payable                                          | 2,946            |
| Buildings                             | 31,864         | Deposit received                                              | 6,300            |
| Structures                            | 2,358          | Provision for bonuses                                         | 3,749            |
| Machinery and equipment               | 15,545         | Others                                                        | 3,100            |
| Vehicles                              | 34             | <b>Non-current liabilities</b>                                | <b>37,032</b>    |
| Tools, furniture and fixtures         | 1,322          | Long-term borrowings                                          | 22,500           |
| Land                                  | 42,676         | Lease liabilities                                             | 943              |
| Leased assets                         | 1,465          | Deferred tax liabilities                                      | 11,796           |
| Construction in progress              | 4,497          | Asset retirement obligations                                  | 946              |
| <b>Intangible assets</b>              | <b>5,363</b>   | Others                                                        | 846              |
| Software                              | 3,761          | <b>Total liabilities</b>                                      | <b>157,044</b>   |
| Others                                | 1,601          | <b>Net assets</b>                                             |                  |
| <b>Investments and other assets</b>   | <b>197,151</b> | <b>Account</b>                                                | <b>Amount</b>    |
| Investment securities                 | 67,633         | <b>Shareholders' equity</b>                                   | <b>198,219</b>   |
| Shares of subsidiaries and associates | 117,598        | <b>Capital stocks</b>                                         | <b>31,117</b>    |
| Prepaid pension costs                 | 9,756          | <b>Capital surplus</b>                                        | <b>41,044</b>    |
| Others                                | 5,330          | Legal capital surplus                                         | 40,659           |
| Allowance for doubtful accounts       | (33)           | Other capital surplus                                         | 385              |
| Allowance for investment loss         | (3,131)        | <b>Retained earnings</b>                                      | <b>252,097</b>   |
|                                       |                | Legal retained earnings                                       | 7,779            |
|                                       |                | Other retained earnings                                       | 244,317          |
|                                       |                | Reserve for tax purpose reduction entry of non-current assets | 1,276            |
|                                       |                | General reserve                                               | 187,500          |
|                                       |                | Retained earnings brought forward                             | 55,541           |
|                                       |                | <b>Treasury shares</b>                                        | <b>(126,040)</b> |
|                                       |                | Valuation and translation adjustments, etc.                   | 26,252           |
|                                       |                | Valuation difference on available-for-sale securities         | 26,252           |
| <b>Total assets</b>                   | <b>381,516</b> | <b>Total net assets</b>                                       | <b>224,471</b>   |
|                                       |                | <b>Total liabilities and net assets</b>                       | <b>381,516</b>   |



# Unconsolidated Statement of Income

( From April 1, 2024  
To March 31, 2025 )

(Unit: million yen)

| Account                                             | Amount |                |
|-----------------------------------------------------|--------|----------------|
| <b>Net sales</b>                                    |        | <b>171,979</b> |
| <b>Cost of sales</b>                                |        | <b>91,137</b>  |
| <b>Gross profit</b>                                 |        | <b>80,841</b>  |
| <b>Selling, general and administrative expenses</b> |        | <b>61,790</b>  |
| <b>Operating profit</b>                             |        | <b>19,051</b>  |
| <b>Non-operating income</b>                         |        |                |
| Interest income, Dividend income                    | 26,069 |                |
| Others                                              | 2,672  |                |
|                                                     |        | <b>28,742</b>  |
| <b>Non-operating expenses</b>                       |        |                |
| Interest expenses                                   | 514    |                |
| Commission expenses                                 | 67     |                |
| Taxes and dues                                      | 292    |                |
| Rent expenses                                       | 135    |                |
| Others                                              | 170    |                |
|                                                     |        | <b>1,179</b>   |
| <b>Ordinary profit</b>                              |        | <b>46,614</b>  |
| <b>Extraordinary income</b>                         |        |                |
| Gain on sale of non-current assets                  | 38     |                |
| Gain on sale of investment securities               | 5,055  |                |
|                                                     |        | <b>5,093</b>   |
| <b>Extraordinary losses</b>                         |        |                |
| Loss on sale of non-current assets                  | 1      |                |
| Loss on retirement of non-current assets            | 266    |                |
| Impairment losses                                   | 16     |                |
| Others                                              | 0      |                |
|                                                     |        | <b>284</b>     |
| <b>Profit before income taxes</b>                   |        | <b>51,423</b>  |
| Income taxes - current                              | 7,252  |                |
| Income taxes - deferred                             | 889    |                |
|                                                     |        | <b>8,141</b>   |
| <b>Profit for the period</b>                        |        | <b>43,282</b>  |

# Unconsolidated Statements of change in shareholders' equity

( From April 1, 2024  
To March 31, 2025 )

(Unit: million yen)

|                                                                           | Shareholders' equity |                       |                       |                       |                         |                                                               |                 |                                   |
|---------------------------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|---------------------------------------------------------------|-----------------|-----------------------------------|
|                                                                           | Capital surplus      |                       |                       |                       | Retained earnings       |                                                               |                 |                                   |
|                                                                           | Capital stocks       | Legal capital surplus | Other capital surplus | Total Capital surplus | Legal retained earnings | Other retained earnings                                       |                 |                                   |
|                                                                           |                      |                       |                       |                       |                         | Reserve for tax purpose reduction entry of non-current assets | General reserve | Retained earnings brought forward |
| Balance as of Apr. 1, 2024                                                | 31,117               | 40,659                | 388                   | 41,048                | 7,779                   | 1,302                                                         | 162,500         | 55,423                            |
| Change in shareholders' equity                                            |                      |                       |                       |                       |                         |                                                               |                 |                                   |
| Reversal of reserve for tax purpose reduction entry of non-current assets |                      |                       |                       |                       |                         | (25)                                                          |                 | 25                                |
| Funding to general reserve                                                |                      |                       |                       |                       |                         |                                                               | 25,000          | (25,000)                          |
| Dividends                                                                 |                      |                       |                       |                       |                         |                                                               |                 | (18,190)                          |
| Profit for the period                                                     |                      |                       |                       |                       |                         |                                                               |                 | 43,282                            |
| Acquisition of treasury shares                                            |                      |                       |                       |                       |                         |                                                               |                 |                                   |
| Disposal of treasury shares                                               |                      |                       | (3)                   | (3)                   |                         |                                                               |                 |                                   |
| Change in the items except the shareholders' equity (Net)                 |                      |                       |                       |                       |                         |                                                               |                 |                                   |
| Total                                                                     | —                    | —                     | (3)                   | (3)                   | —                       | (25)                                                          | 25,000          | 117                               |
| Balance as of Mar. 31, 2025                                               | 31,117               | 40,659                | 385                   | 41,044                | 7,779                   | 1,276                                                         | 187,500         | 55,541                            |

|                                                                           | Shareholders' equity    |                 |                            | Valuation and translation adjustments                 |                                             | Total net assets |
|---------------------------------------------------------------------------|-------------------------|-----------------|----------------------------|-------------------------------------------------------|---------------------------------------------|------------------|
|                                                                           | Total Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total Valuation and translation adjustments |                  |
| Balance as of Apr. 1, 2024                                                | 227,006                 | (111,235)       | 187,935                    | 30,682                                                | 30,682                                      | 218,618          |
| Change in shareholders' equity                                            |                         |                 |                            |                                                       |                                             |                  |
| Reversal of reserve for tax purpose reduction entry of non-current assets | —                       |                 | —                          |                                                       |                                             | —                |
| Funding to general reserve                                                | —                       |                 | —                          |                                                       |                                             | —                |
| Dividends                                                                 | (18,190)                |                 | (18,190)                   |                                                       |                                             | (18,190)         |
| Profit for the period                                                     | 43,282                  |                 | 43,282                     |                                                       |                                             | 43,282           |
| Acquisition of treasury shares                                            |                         | (15,000)        | (15,000)                   |                                                       |                                             | (15,000)         |
| Disposal of treasury shares                                               |                         | 195             | 192                        |                                                       |                                             | 192              |
| Change in the items except the shareholders' equity (Net)                 |                         |                 |                            | (4,430)                                               | (4,430)                                     | (4,430)          |
| Total                                                                     | 25,091                  | (14,804)        | 10,283                     | (4,430)                                               | (4,430)                                     | 5,852            |
| Balance as of Mar. 31, 2025                                               | 252,097                 | (126,040)       | 198,219                    | 26,252                                                | 26,252                                      | 224,471          |

## Unconsolidated Financial Statements

### (Matters Related to Important Accounting Policies)

#### 1. Standards and methods for valuation of asset

##### Securities

|                                                               |                                                                                                                                                                                            |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subsidiaries and affiliates:                                  | Stated at cost based on the moving-average method                                                                                                                                          |
| Other securities                                              |                                                                                                                                                                                            |
| Securities other than stocks, etc.<br>without a market price: | Reported at market value method<br>(Net unrealized gains (losses) are recorded directly in net assets, and the costs of securities sold are calculated based on the moving-average method) |
| Shares, etc. without a market price:                          | Stated at cost based on the moving-average method                                                                                                                                          |

##### Inventories

|                                                                                  |                                                                                                                                                                                 |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Merchandise, finished goods,<br>work-in-process, raw materials, and<br>supplies: | Stated at cost based on the moving-average method<br>(Amounts shown on the balance sheet are based on the method for reducing the book value due to a decline in profitability) |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### 2. Depreciation methods applied to non-current assets

##### Property, plant and equipment (excluding leased assets)

##### Buildings (excluding facilities attached to buildings)

|                                      |                          |
|--------------------------------------|--------------------------|
| Acquired on or before March 31, 1998 | Declining balance method |
| Acquired on or after April 1, 1998   | Straight-line method     |

##### Facilities attached to buildings and structures

|                                      |                          |
|--------------------------------------|--------------------------|
| Acquired on or before March 31, 2016 | Declining balance method |
| Acquired on or after April 1, 2016   | Straight-line method     |

##### Other property, plant and equipment

|                          |                                        |
|--------------------------|----------------------------------------|
| Declining balance method |                                        |
| Principal useful life    | Building: 12 to 50 years               |
|                          | Machinery and equipment: 4 to 17 years |

##### Intangible assets (excluding leased assets)

##### Software

|                            |                                                       |
|----------------------------|-------------------------------------------------------|
| Software for internal use: | Straight-line method over a useful life of five years |
| Other intangible assets:   | Straight-line method                                  |

##### Leased assets

|                                                                                       |                                                                                             |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Leased assets related to finance lease<br>transactions without transfer of ownership: | Depreciated over the lease period by the straight-line method with a residual value of zero |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|

### 3. Accounting standards for allowances

|                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allowance for doubtful accounts                              | To provide for losses due to irrecoverable receivables, the Company records allowances for doubtful accounts at the estimated uncollectible amount. This amount is based on past credit loss experience for general accounting receivables and in consideration of individual collectability for specific receivables including doubtful accounts receivable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Allowance for investment loss                                | To provide for losses arising from declines in the value of affiliated company shares, the necessary allowance is recorded based on individual assessments that take into account the financial condition of the respective companies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Provision for bonuses                                        | To provide for the payment of summer bonuses to employees, the estimated portion attributable to the current fiscal year is recognized as an expense.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Provision for retirement benefits<br>(Prepaid pension costs) | <p>The Company recognizes liabilities for employee retirement benefits based on the estimated retirement benefit obligations and pension plan assets at the end of the fiscal year.</p> <p>We use the benefit formula standard to allocate the estimated retirement benefit amount over the period leading up to the end of the fiscal year when calculating retirement benefit obligations.</p> <p>Past service costs are expensed in full when incurred.</p> <p>Actuarial gains and losses are amortized on a straight-line basis over a fixed period of 10 years, which falls within the expected average remaining service period of employees, with amortization beginning in the fiscal year following their occurrence.</p> <p>As of the end of the current fiscal year, the total amount of plan assets exceeds the amount of retirement benefit obligations after deducting unrecognized actuarial differences. Accordingly, the excess amount is recorded as prepaid pension expenses under investments and other assets.</p> |

### 4. Accounting standards for revenue and expenses

The main business of the Company is the Food and Beverages business.

In the Food and Beverages business, revenue is recognized upon delivery of the product or goods, as control of the product or goods is transferred to the customer at that point, satisfying the performance obligation.

5. Significant accounting policies for the preparation of other financial statements

Accounting method for retirement benefits

The method used to account for unrecognized actuarial differences related to retirement benefits differs from that applied in the consolidated financial statements.

Standards for the translation of foreign-currency-denominated assets or liabilities into Japanese yen

Foreign currency-denominated receivables and payables are converted to yen at the spot exchange rate at the balance sheet date, and the translation adjustment is treated as a profit or loss.

(Notes on Accounting Estimates)

Valuation of shares in foreign subsidiaries

- The 65,048 million yen of the 117,598 million yen recorded for affiliated company shares in the current fiscal year

- Additional information useful for understanding other accounting estimates

The Group manufactures and sells fermented milk drinks in 39 countries and regions outside Japan through its core Food and Beverages segment, and operates 28 overseas subsidiaries.

The valuation of shares in foreign subsidiaries is assessed by comparing acquisition costs with their fair value. In the current fiscal year, evaluations were conducted for each foreign subsidiary, and no significant decline in fair value was identified; accordingly, no impairment losses were recognized.

The performance of each foreign subsidiary is subject to various external factors, including political, economic, and social conditions, legal and regulatory frameworks, natural disasters, and infectious disease outbreaks in their respective countries or regions of operation. In the case of newly established subsidiaries, particularly in countries or regions where probiotics are not yet widely recognized, market penetration of products may take time, potentially resulting in underperformance relative to business plans. Should these factors materialize and lead to the recognition of impairment losses on fixed assets or a significant decline in fair value, there is a possibility that a valuation loss corresponding to the decline may be recognized.

(Notes on the Balance Sheet)

1. Assets pledged as collateral

|           |                   |
|-----------|-------------------|
| Buildings | 184 million yen   |
| Land      | 2,524 million yen |

Among the above assets, a revolving mortgage related to bank transactions has been established; however, there are no corresponding secured liabilities.

2. Accumulated depreciation of property, plant and equipment 125,292 million yen

3. Monetary receivables from and payables to subsidiaries and affiliates

|                                 |                    |
|---------------------------------|--------------------|
| Short-term monetary receivables | 31,048 million yen |
| Short-term monetary payables    | 8,461 million yen  |
| Long-term monetary receivables  | 1,400 million yen  |
| Long-term monetary payables     | 112 million yen    |

4. Loan Commitments

In order to efficiently secure working capital, the Company has entered into loan commitment agreements with six commercial banks. The outstanding balance of undrawn borrowings under these loan commitments as of the end of the current fiscal year is as follows:

|                        |                    |
|------------------------|--------------------|
| Total loan commitments | 80,000 million yen |
| Outstanding borrowings | 61,000 million yen |
| Net amount             | 19,000 million yen |

(Notes related to the Statement of Income)

1. Transaction volume with subsidiaries and affiliates

Transaction volume from business activities

Net sales 95,493 million yen

Purchases and related costs 32,018 million yen

Transaction volume from non-business activities

Amount of assets transfer 9 million yen

Amount of assets purchased 15 million yen

Others 24,460 million yen

2. Total R&D expenses 9,398 million yen

(Notes Related to Statement of Changes in Equity)

Types and number of treasury shares as of the end of the fiscal year

Common stock 43,905,569 shares

(Notes Related to Deferred Tax Accounting)

1. Details of the primary factors contributing to deferred tax assets and liabilities

|                                                               |                      |
|---------------------------------------------------------------|----------------------|
| Deferred tax assets                                           |                      |
| Provision for bonuses                                         | 1,147 million yen    |
| Commissioned research expenses, etc.                          | 838 million yen      |
| Non-current assets (impairment loss)                          | 757 million yen      |
| Others                                                        | 5,233 million yen    |
| Subtotal of deferred tax assets                               | 7,977 million yen    |
| Allowance for deferred tax assets                             | (4,050) million yen  |
| Total deferred tax assets                                     | 3,926 million yen    |
| Deferred tax liabilities                                      |                      |
| Valuation difference on available-for-sale securities         | (12,014) million yen |
| Prepaid pension costs                                         | (3,063) million yen  |
| Reserve for tax purpose reduction entry of non-current assets | (587) million yen    |
| Others                                                        | (58) million yen     |
| Total deferred tax liabilities                                | (15,722) million yen |
| Deferred tax assets, net<br>(Minus indicates liability)       | (11,796) million yen |

2. Reconciliation of the principal items responsible for significant differences between the normal effective statutory tax rates and the actual effective tax rates after applying deferred tax accounting

|                                                                 |          |
|-----------------------------------------------------------------|----------|
| Statutory effective tax rate                                    | 30.62%   |
| (Adjustments)                                                   |          |
| Entertainment expenses and other non-deductible permanent items | 0.51%    |
| Dividends received and other non-taxable permanent income items | (13.82)% |
| Valuation allowance                                             | (0.06)%  |
| Tax credits                                                     | (2.62)%  |
| Withholding tax on dividends from foreign subsidiaries          | 1.54%    |
| Increase adjustment due to tax rate change                      | 0.10%    |
| Others                                                          | (0.44)%  |
| Actual effective tax rate after deferred tax accounting         | 15.83%   |



### 3. Adjustment of Deferred Tax Assets and Deferred Tax Liabilities Due to Changes in Income taxes rate

The "Act to Partially Amend the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the National Diet on March 31, 2025, and the "Defense Special Corporate Tax" will be imposed from the fiscal year starting on or after April 1, 2026.

Accordingly, for deferred tax assets and deferred tax liabilities related to temporary differences expected to be resolved in fiscal years starting on or after April 1, 2026, the statutory effective tax rate has been changed from 30.62% to 31.52%.

As a result of this change, deferred tax liabilities (net of deferred tax assets) for the current fiscal year increased by 396 million yen, income tax-deferred increased by 52 million yen, and the valuation difference on available-for-sale securities decreased by 344 million yen.

#### (Notes on Transactions with Related Parties)

##### Subsidiaries and Affiliates

| Type       | Company name                 | Percentage of voting rights owned (or held) (%) | Relationship with related party                              | Transaction details                     | Transaction amount (millions of yen) | Item | Balance at end of period (millions of yen) |
|------------|------------------------------|-------------------------------------------------|--------------------------------------------------------------|-----------------------------------------|--------------------------------------|------|--------------------------------------------|
| Subsidiary | Yakult Chiba Plant Co., Ltd. | <b>Owned Direct</b><br>100%                     | Underwriting of Capital Increase / Shared Executive Officers | Underwriting of Capital Increase (Note) | 14,000                               | —    | —                                          |

(Note) Our company has conducted a capital increase for Yakult Chiba Plant Co., Ltd.

#### (Notes on Revenue Recognition)

Basic information for understanding revenue

Same as presented in the consolidated notes.

#### (Notes on per Share Information)

|                                                  |            |
|--------------------------------------------------|------------|
| Net assets per share                             | 752.79 yen |
| Net income per share for the current fiscal year | 143.04 yen |