

*Executive Summary of Consolidated Financial Results
for the 3rd quarter ended December 31, 2021*

Yakult Honsha Co., Ltd.

February 10, 2022

General outline of Consolidated financial results



◆ Total 【Increase in sales and profit】

◆ Food and Beverages (Japan)

【Decrease in sales and increase in profit】

- Increase in profit due to increase in the number of bottles sold, (Expansion of Yakult 1000 (Home delivery) around Japan and new release of Y 1000 (Retail store)).
- Decrease in sales due to application of “Accounting Standard for Revenue Recognition”, (Sales of machinery etc.).

◆ Food and Beverages (Overseas)

【Increase in sales and decrease in profit】

- Increase in sales volume.
- Increase in expenses in Asia / Oceania.

◆ Pharmaceuticals

【Decrease in sales and increase in profit】

- Decrease in sales decrease in width due to the increase of promotion income, despite of NHI drug price revision.
- Decrease in operating expenses.

Consolidated financial results (1)

Billion yen

	FY2021	FY2020	Difference		Forecast	
	(2021.4-2021.12)	(2020.4-2020.12)		Year-on-Year	(2021.11.12)	Year-on-Year
Net sales	316.5	296.0	+ 20.4 Fx impact +10.0	106.9%	412.5	106.9%
Operating profit	46.6	40.0	+ 6.5 Fx impact +2.5	116.4%	51.5	117.9%
Ordinary profit	58.4	53.1	+ 5.3 Fx impact +3.1	110.0%	63.5	110.2%
Profit attributable to owners of parent	42.0	37.3	+ 4.6 Fx impact +2.2	112.5%	43.0	109.5%
Basic earnings per share	(yen) 261.96	(yen) 232.89	(yen) + 29.07	112.5%	(yen) 268.05	109.5%
Operating profit margin	14.7%	13.5%	+ 1.2	—	12.5%	—

※“Accounting Standard for Revenue Recognition” is applied from FY2021 and Net sales decrease 5.7 billion yen.
(Reference P.6)

Consolidated Statement of Income

Billion yen

	FY2021 (2021.4-2021.12)	FY2020 (2020.4-2020.12)	Difference		FY2021 (2021.4-2021.12)	FY2020 (2020.4-2020.12)	Difference
Net sales	316.5	296.0	20.4	Gain on sales of non-current assets	0.0	0.2	(0.1)
Cost of sales	125.3	120.8	4.5	Gain on sales of investment securities	1.9	3.7	(1.8)
Gross profit	191.1	175.1	15.9	Gain on step acquisitions	1.1	—	1.1
Selling, general and administrative expenses	144.5	135.1	9.3	Others	0.5	0.2	0.3
Operating profit	46.6	40.0	6.5	Extraordinary income	3.7	4.2	(0.4)
Interest income	2.3	2.9	(0.5)	Loss on sales of non-current assets	0.9	0.0	0.9
Dividend income	1.8	1.8	(0.0)	Loss on retirement of non-current assets	0.2	0.2	0.0
Share of profit of entities accounted for using equity method	5.7	3.8	1.8	Loss on valuation of investment securities	0.0	0.8	(0.8)
Foreign exchange gains	1.0	2.9	(1.9)	Expense related to a novel coronavirus	—	1.1	(1.1)
Others	1.8	2.3	(0.5)	Others	0.0	0.2	(0.2)
Non-operating income	12.8	14.0	(1.2)	Extraordinary losses	1.2	2.5	(1.3)
Interest expenses	0.5	0.5	(0.0)	Profit before income taxes	61.0	54.8	6.2
Others	0.4	0.4	0.0	Income taxes	15.6	13.7	1.9
				Profit	45.3	41.0	4.2
Non-operating expenses	0.9	0.9	0.0	Profit attributable to non-controlling interests	3.3	3.7	(0.4)
Ordinary profit	58.4	53.1	5.3	Profit attributable to owners of parent	42.0	37.3	4.6

Consolidated financial results (2)



Billion yen

	Dec. 31.2021	Mar. 31.2021	Difference	
	(FY2021)	(FY2020)		Year-on-Year
Total assets	673.6	635.1	+ 38.5	106.1%
Net assets	485.5	439.7	+ 45.7	110.4%
Net assets per share	(yen) 2,779.69	(yen) 2,523.81	(yen) + 255.88	110.1%
Equity-to-asset ratio	66.2%	63.8%	+ 2.4	—

Consolidated Balance Sheet

Billion yen

	Dec. 31.2021 (FY2021)	Mar. 31.2021 (FY2020)	Difference		Dec. 31.2021 (FY2021)	Mar. 31.2021 (FY2020)	Difference
Assets				Liabilities			
Cash and deposits	200.0	176.2	23.7	Notes and accounts payable - trade	28.8	22.7	6.0
Notes and accounts receivable - trade	62.8	50.3	12.5	Short-term loans payable	10.6	20.8	(10.2)
Inventories	29.6	27.7	1.9	Others	50.9	49.9	0.9
Others	12.5	12.5	0.0	Current liabilities	90.3	93.5	(3.2)
Current assets	305.0	266.8	38.2	Long-term loans payable	61.6	65.7	(4.0)
				Net defined benefit liability	4.3	4.3	(0.0)
Property, plant and equipment	206.6	203.0	3.5	Others	31.8	31.7	0.0
				Non-Current liabilities	97.7	101.7	(4.0)
Intangible assets	5.3	5.3	(0.0)	Total Liabilities	188.0	195.3	(7.2)
Investment securities	69.8	80.2	(10.4)	Net Assets			
Shares of affiliates	71.0	65.3	5.7	Shareholder's equity	462.7	430.6	32.0
Others	15.7	14.3	1.4	Accumulated other comprehensive income	(16.8)	(25.7)	8.9
Investments and other assets	156.6	159.8	(3.1)	Non-controlling interests	39.6	34.8	4.8
				Total Net Assets	485.5	439.7	45.7
Total Assets	673.6	635.1	38.5	Total Liabilities and Net Assets	673.6	635.1	38.5

Increase / Decrease in Net sales (1)



Billion yen

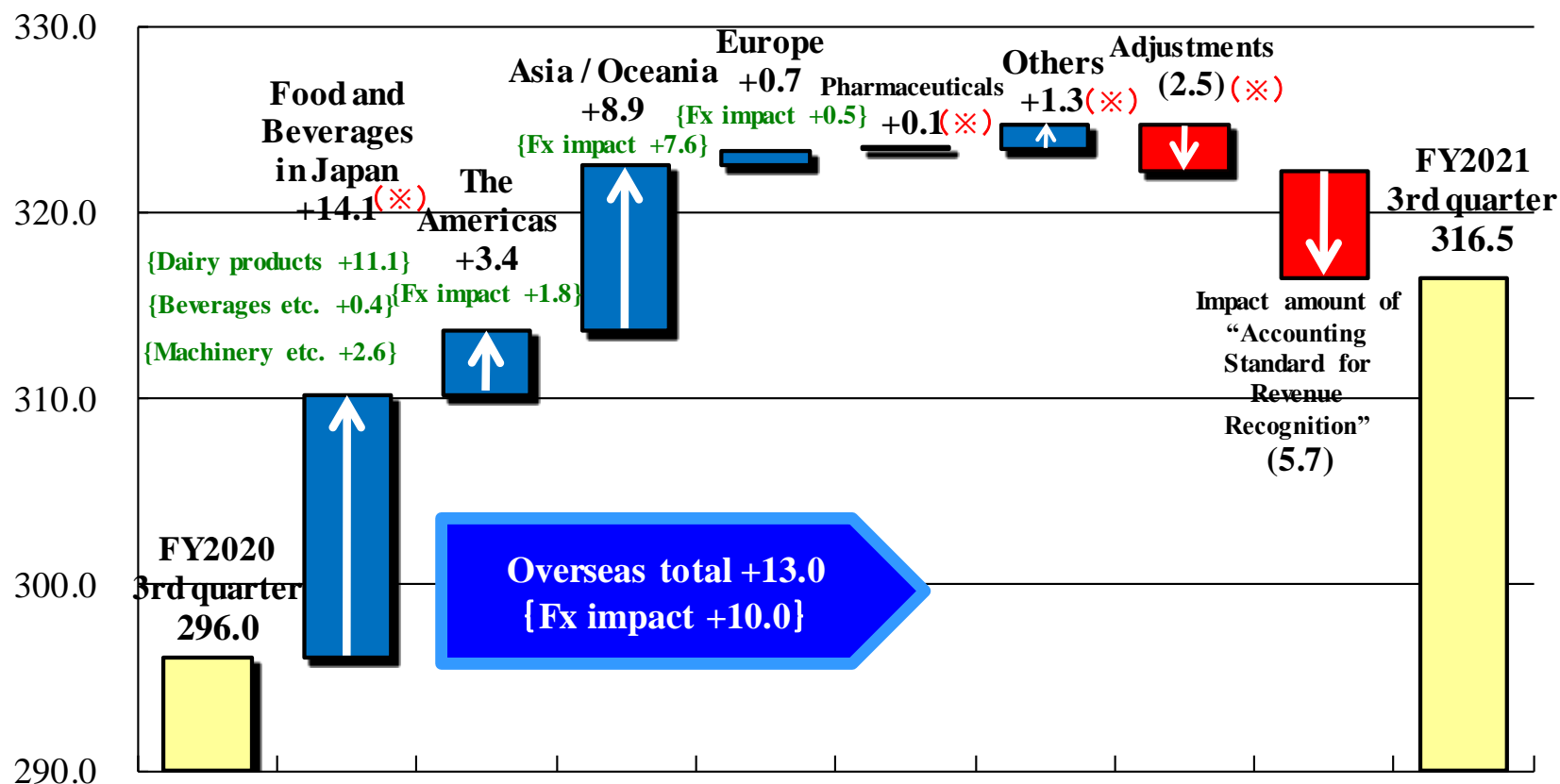
Segment	Net Sales		Year-on-Year		Year-on-Year breakdown	
	FY2021 (2021.4-2021.12)	FY2020 (2020.4-2020.12)	Amount ①	Rate	Impact amount of “Accounting Standard for Revenue Recognition” ②	Real Increase / Decrease ①-②
Food and Beverages in Japan	153.8	157.0	(3.1)	(2.0)%	(17.3)	+ 14.1
The Americas	35.0	31.6	+ 3.4	+ 10.8 %	—	+ 3.4
Asia / Oceania	99.8	90.9	+ 8.9	+ 9.8 %	—	+ 8.9
Europe	7.0	6.3	+ 0.7	+ 11.9 %	—	+ 0.7
Food and Beverages (Overseas)	141.9	128.9	+ 13.0 Fx impact + 10.0	+ 10.1 %	—	+ 13.0
Pharmaceuticals	13.1	13.5	(0.3)	(2.7)%	(0.4)	+ 0.1
Others	14.8	14.0	+ 0.8	+ 5.8 %	(0.5)	+ 1.3
Adjustments	(7.3)	(17.4)	+ 10.1	(57.9)%	+ 12.6	(2.5)
Total	316.5	296.0	+ 20.4	+ 6.9 %	(5.7)	+ 26.1

Increase / Decrease in Net sales (2)



Change amount +20.4

Billion yen



※ The amount in Food and Beverages in Japan, Pharmaceuticals, Others and Adjustments is real increase / decrease.

Increase / Decrease in Operating profit (1)

Billion yen

Segment	Operating Profit		Year-on-Year	
	FY2021 (2021.4-2021.12)	FY2020 (2020.4-2020.12)	Amount	Rate
Food and Beverages in Japan	22.1	18.2	+ 3.8	+ 21.0 %
The Americas	9.4	8.6	+ 0.8	+ 9.9 %
Asia / Oceania	23.4	24.5	(1.1)	(4.6)%
Europe	0.8	0.7	+ 0.1	+ 16.0 %
Food and Beverages (Overseas)	33.7	33.9	(0.1) Fx impact +2.5	(0.5)%
Pharmaceuticals	2.3	0.3	+ 1.9	+ 548.2 %
Others	(0.3)	0.6	(1.0)	—
Adjustments	(11.2)	(13.2)	+ 1.9	(14.8)%
Total	46.6	40.0	+ 6.5	+ 16.4 %

※ Application of “Accounting Standard for Revenue Recognition” have no effect on operating profit.

※ Effect of reviewed Adjustments (Administrative expenses) to Operating Profit (Billion Yen) :

Food and Beverages in Japan (1.7)

Food and Beverages (Overseas) (1.1) [The Americas (0.2), Asia / Oseania (0.8), Europe (0.0)]

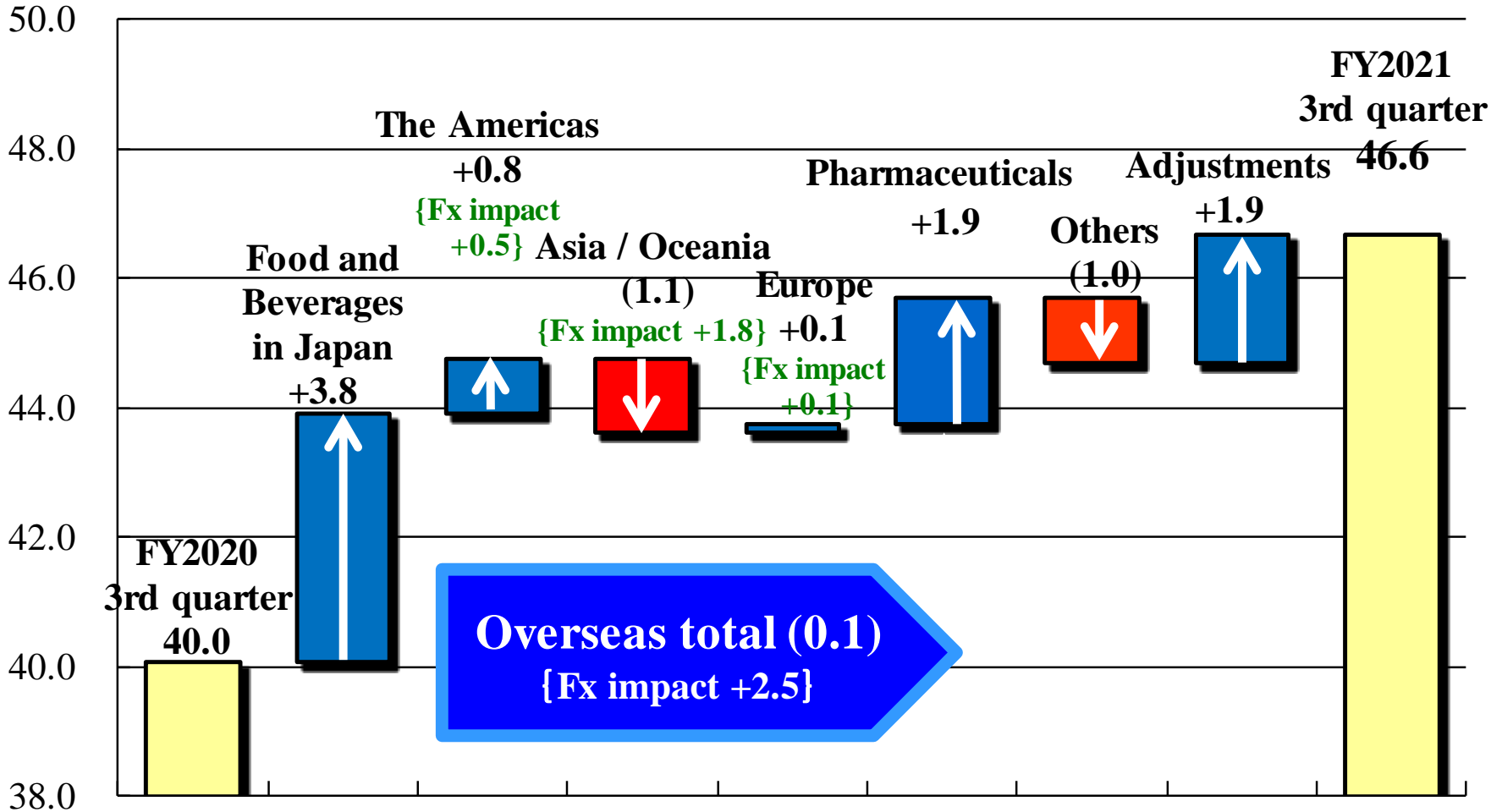
Adjustments (Administrative expenses) +2.8 - 8 -

Increase / Decrease in Operating profit (2)



Change amount +6.5

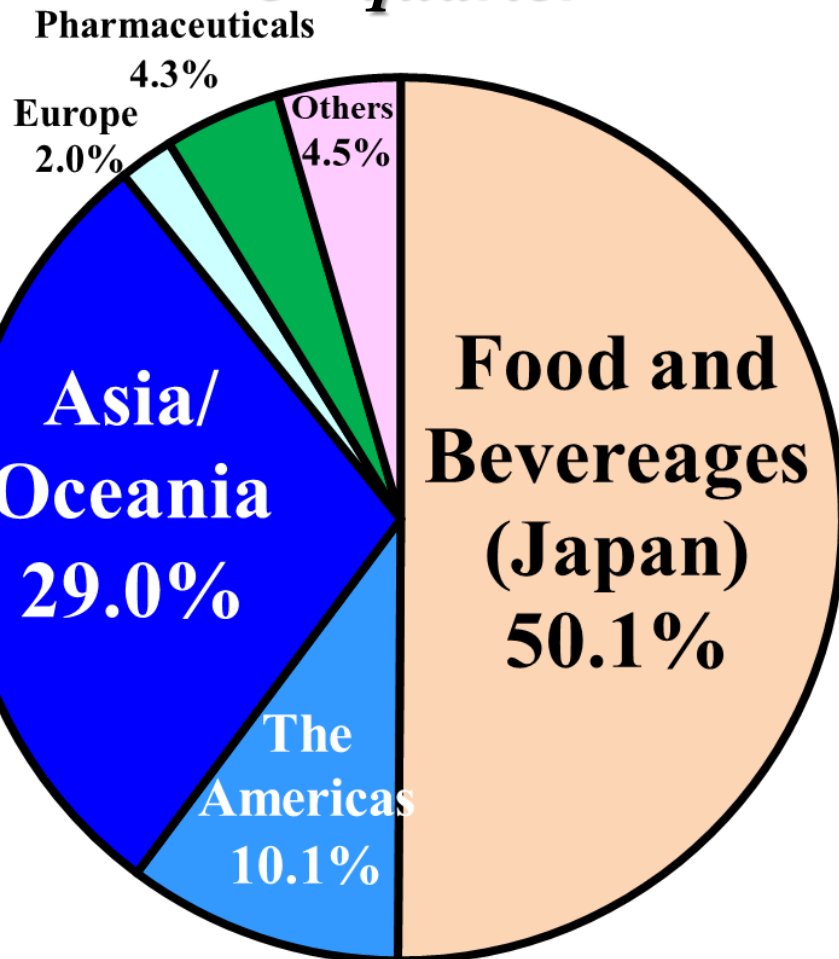
Billion yen



Segment share of consolidated sales

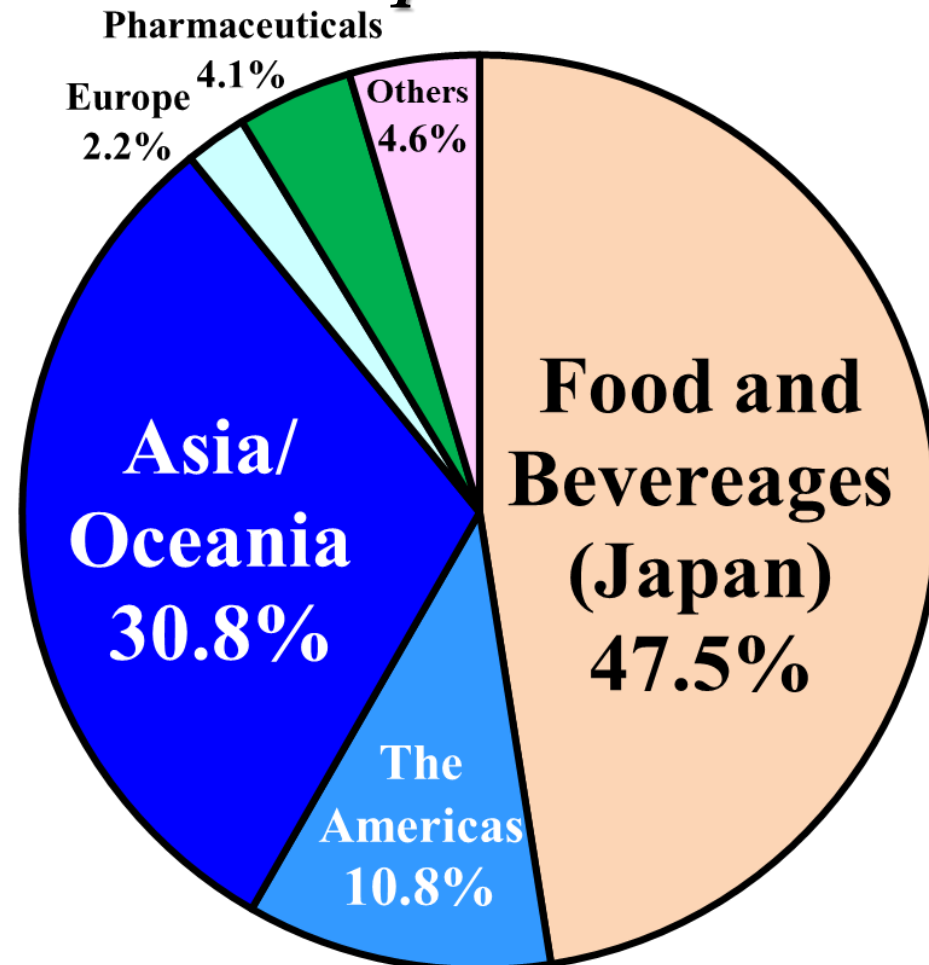


FY2020
3rd quarter



Overseas total: 41.1%

FY2021
3rd quarter



Overseas total: 43.8%

Number of bottles sold of dairy products (Daily average basis)



(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
Japan	9,788	9,585	102.1%
Brazil	1,406	1,467	95.9%
Mexico	3,455	3,609	95.7%
America	548	451	121.7%
The Americas total	5,409	5,526	97.9%
Hong Kong	443	470	94.3%
Shingapore	263	277	94.9%
Indonesia	7,244	6,625	109.3%
Australia	288	269	107.1%
Malaysia	332	348	95.2%
Vietnam	776	657	118.0%
India	230	194	118.5%
Middle East	21	16	131.4%
Myanmar	3	16	19.9%
Guangzhou	3,033	2,968	102.2%
Shanghai	466	552	84.5%
Beijing	380	421	90.1%
China	3,752	3,785	99.1%
(China total)	7,630	7,726	98.8%
Asia / Oceania total	17,230	16,599	103.8%

Region	Current	Previous	Year-on Year
Netherlands	184	167	110.2%
Belgium	84	81	104.5%
United Kingdom	238	223	106.7%
Germany	77	72	108.2%
Austria	11	11	96.6%
Italia	89	99	89.8%
Europe total	682	651	104.8%
Overseas total	23,321	22,777	102.4%
Consolidated total	33,109	32,362	102.3%

【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	708	683	103.7%
Thailand	1,984	2,075	95.5%
Korea	2,721	2,801	97.1%
Philippines	3,615	2,941	122.9%
Affiliates total	9,028	8,500	106.2%

Grand Total	42,137	40,862	103.1%
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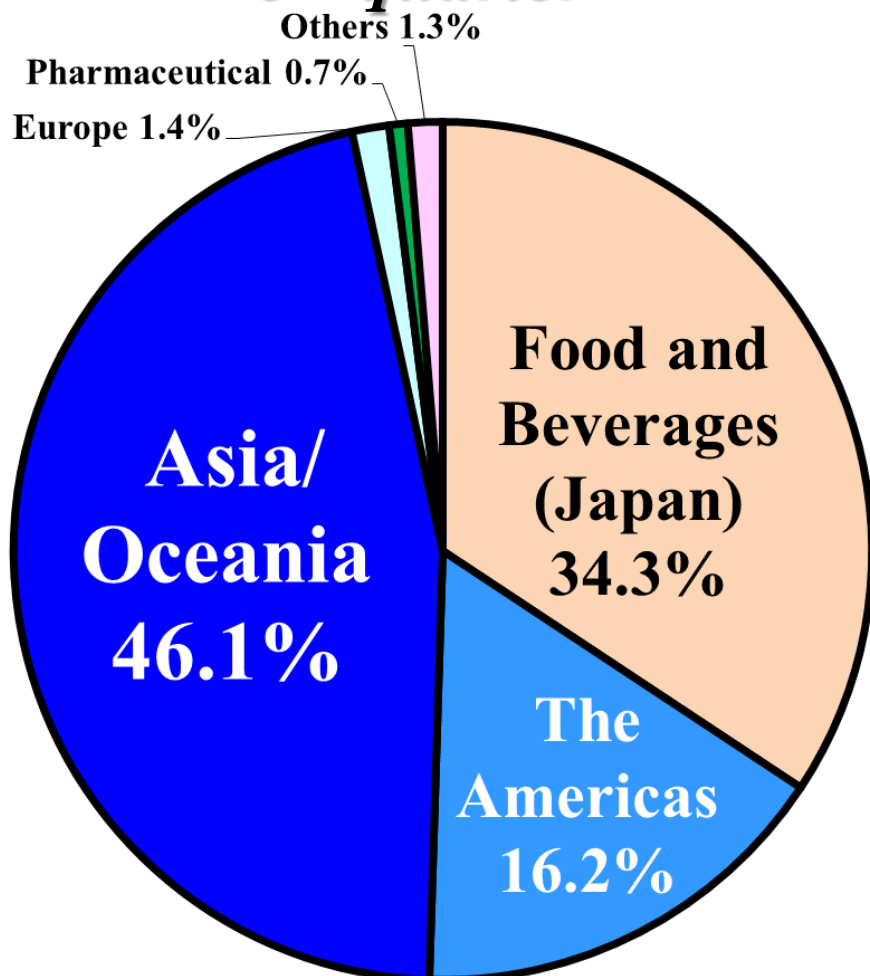
Japan : Sales in April to December, 2021

Overseas : Sales in January to September, 2021

Segment share of consolidated Operating profit

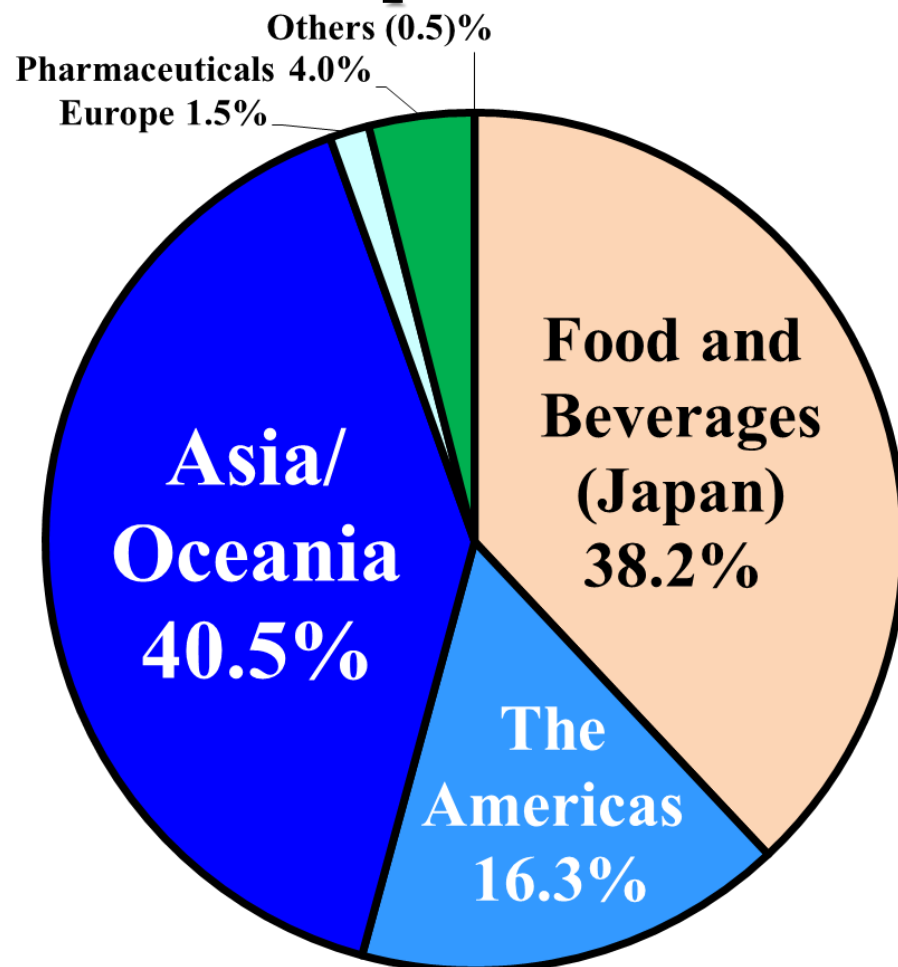


FY2020
3rd quarter



Overseas total: 63.7%

FY2021
3rd quarter



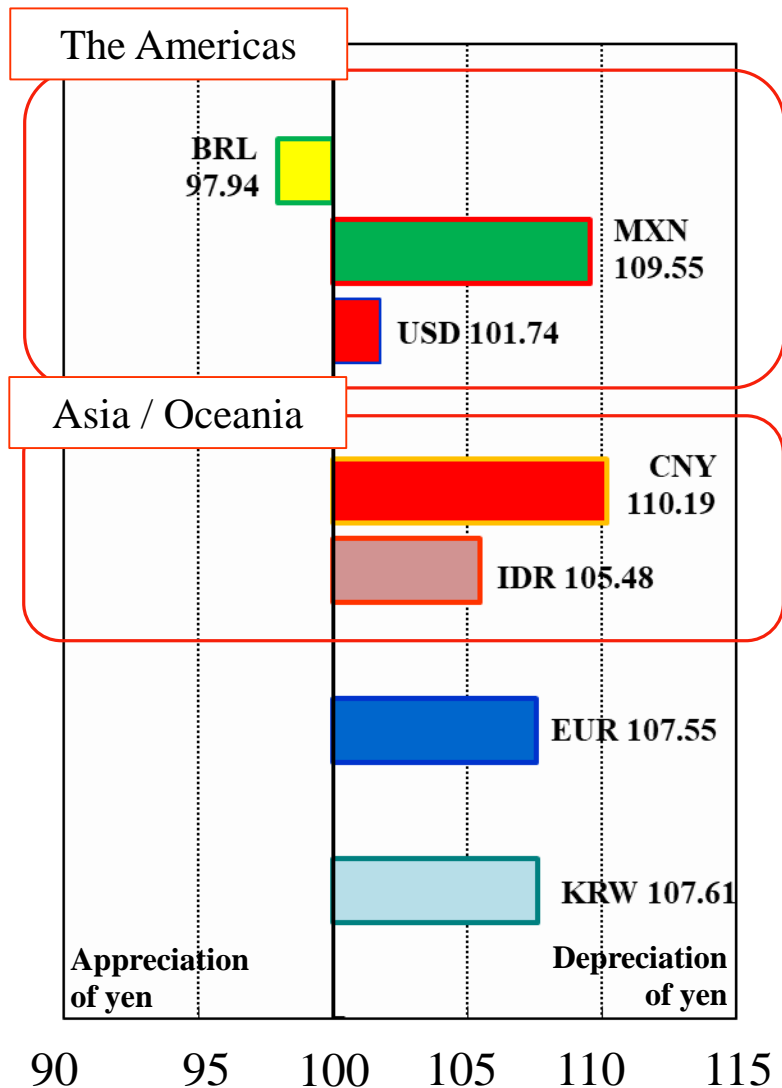
Overseas total: 58.3%

Impact by Foreign Exchange Rate (compared to the previous period)



<Average rate from Jan to Sep, 2020=100>

Average rate from Jan to Sep, 2021



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	+ 1.8	+ 0.5	+ 0.6	+ 0.3
Asia/Oceania	+ 7.6	+ 1.8	+ 2.0	+ 1.5
Europe	+ 0.5	+ 0.1	+ 0.1	+ 0.0
Equity method	—	—	+ 0.3	+ 0.3
Total	+ 10.0	+ 2.5	+ 3.1	+ 2.2

Thank you.

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CAUTIONARY STATEMENT

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