



**Supplementary Materials for Financial
Statements For the second quarter
Ended September 30, 2019
(April 1, 2019 to September 30, 2019)**

November 12, 2019

Yakult Honsha Co., Ltd.
Public Relations Department
Investor Relations Department
URL

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

Contents

Consolidated

| | Page |
|--|-------------|
| 1. Major Increases (Decreases) in Consolidated Balance Sheet | ... 1 |
| 2. Major Increases (Decreases) in Consolidated Statement of Income | ... 2 |
| 3. Performance Overview | ... 3 - 4 |
| 4. Segment Information | ... 5 - 10 |
| 5. Overview of Overseas Companies | ... 11 - 12 |

Non-Consolidated

| | |
|--|-------------|
| 1. Major Increases (Decreases) in Non-consolidated Balance Sheet | ... 13 |
| 2. Major Increases (Decreases) in Non-consolidated Statement of Income | ... 14 |
| 3. Performance Overview | ... 15 |
| 4. Breakdown of Sales | ... 16 - 18 |
| 5. Breakdown of Selling, General and Administrative Expenses | ... 18 |
| 6. Breakdown of retirement benefit expenses | ... 18 |
| 7. Head Office Employees | ... 18 |
| 8. Yakult Sales Company | ... 19 |
| 9. Sales Personnel by Department | ... 19 |
| 10. Average figure of Yakult Lady | ... 19 |

Reference

| | |
|--|--------|
| 1. Expansion of Indication and New Drug Development Pipeline | ... 20 |
| 2. Situation of Yakult Group (Production Facilities) | ... 21 |
| 3. Overseas Dairy Products sales amount (Preliminary figure) | ... 22 |

About a numeric display of this material

1. Unit of money : Less than one million yen is rounded down.

2. Quantity results: Less than 1000 is rounded off.

3. Year on year percentage: The second place is rounded off after the decimal point.

Consolidated

1. Major Increases (Decreases) in Consolidated Balance Sheet

(Millions of yen)

| | As of Mar. 31 2019 | As of Sep. 30 2019 | Increase (Decrease) | Primary reason for change |
|---|-----------------------|-----------------------|------------------------|------------------------------------|
| Total Assets | 618,532 | 613,949 | (4,583) | |
| Current assets | | | | |
| Cash and Deposits | 156,484 | 157,181 | 697 | |
| Notes and accounts receivable - trade | 52,880 | 57,062 | 4,182 | |
| Inventories | 29,113 | 30,731 | 1,617 | |
| Others | 9,158 | 10,574 | 1,415 | |
| Non-current assets | | | | |
| Property, plant and equipment | | | | |
| Buildings and structures(net) | 82,753 | 85,517 | 2,763 | |
| Others(net) | 117,318 | 114,497 | (2,821) | |
| Intangible assets | 4,782 | 4,366 | (416) | |
| Investments and other assets | | | | |
| Investment securities | 155,306 | 143,503 | (11,803) | Decrease of fair market value etc. |
| Others | 10,734 | 10,514 | (219) | |
| Total Liabilities | 226,253 | 216,323 | (9,930) | |
| Current liabilities | | | | |
| Notes and accounts payable - trade | 27,983 | 25,345 | (2,637) | |
| Short-term loans payable | 40,141 | 39,057 | (1,083) | |
| Others | 47,330 | 44,202 | (3,128) | |
| Non-current liabilities | | | | |
| Long-term loans payable | 76,344 | 73,563 | (2,780) | |
| Net defined benefit liability | 5,463 | 4,775 | (687) | |
| Others | 28,990 | 29,378 | 387 | |
| Total Net Assets | 392,279 | 397,625 | 5,346 | |
| Shareholders' equity | 365,767 | 382,316 | 16,549 | |
| Accumulated other comprehensive income | (8,495) | (21,836) | (13,341) | |
| Non-controlling interests | 35,007 | 37,145 | 2,137 | |

2. Major Increases (Decreases) in Consolidated Statement of Income (Millions of yen)

| | 2Q of FY 2018 (2018.4~9) | 2Q of FY 2019 (2019.4~9) | Increase (Decrease) | | Primary reason for change | Original Forecasts* (2019.4~9) |
|--|-----------------------------|-----------------------------|---------------------|--------------|---|--------------------------------------|
| | | | Amount | % | | |
| Net sales | 203,507 | 201,960 | (1,546) | (0.8) | FX impact(2,821) | 211,000 |
| (Net sales by business segments) | | | | | | |
| Food and beverages (Japan) | 111,078 | 104,358 | (6,720) | (6.1) | Decrease in Production equipment sales | |
| Food and beverages (Overseas) | 87,736 | 87,587 | (148) | (0.2) | | |
| Pharmaceuticals | 11,100 | 10,404 | (695) | (6.3) | | |
| Others | 10,829 | 11,802 | 972 | 9.0 | | |
| Adjustments | (17,237) | (12,192) | 5,044 | (29.3) | | |
| Cost of sales | 85,448 | 84,507 | (941) | (1.1) | | |
| Gross profit | 118,058 | 117,453 | (605) | (0.5) | | |
| Gross profit margin (%) | 58.0 | 58.2 | 0.2 | | | |
| Selling, general and administrative expenses | 94,262 | 93,720 | (542) | (0.6) | | |
| Selling expenses | 44,072 | 43,916 | (156) | | | |
| General and administrative expenses | 50,190 | 49,804 | (385) | | | |
| Operating profit | 23,795 | 23,732 | (63) | (0.3) | FX impact(582) | 25,500 |
| Operating profit margin (%) | 11.7 | 11.8 | 0.1 | | | |
| (Operating profit by business segments) | | | | | | |
| Food and beverages (Japan) | 9,348 | 9,244 | (104) | (1.1) | | |
| Food and beverages (Overseas) | 24,415 | 22,476 | (1,938) | (7.9) | | |
| Pharmaceuticals | (1,456) | 93 | 1,550 | - | | |
| Others | 651 | 1,130 | 478 | 73.3 | | |
| Adjustments | (9,163) | (9,212) | (48) | 0.5 | | |
| { include corporate expenses } | { (6,632) } | { (6,724) } | (91) | | | |
| Non-operating incomes | 6,623 | 7,633 | 1,009 | 15.2 | | |
| Interest income | 2,091 | 2,617 | 525 | | | |
| Dividend income | 1,118 | 1,153 | 34 | | | |
| Share of profit of entities accounted for using equity method | 2,151 | 2,715 | 563 | | | |
| Others | 1,262 | 1,148 | (114) | | | |
| Non-operating expenses | 904 | 1,050 | 145 | 16.1 | | |
| Interest expenses | 364 | 436 | 71 | | | |
| Others | 539 | 613 | 74 | | | |
| Ordinary profit | 29,515 | 30,315 | 800 | 2.7 | FX impact(694) | 31,500 |
| Ratio of ordinary profit to net sales (%) | 14.5 | 15.0 | 0.5 | | | |
| Extraordinary income | 2,223 | 1,938 | (284) | (12.8) | | |
| Extraordinary losses | 124 | 1,457 | 1,332 | - | | |
| Profit before income taxes | 31,613 | 30,797 | (816) | (2.6) | | |
| Income taxes | 7,738 | 7,657 | (80) | | | |
| Profit | 23,875 | 23,140 | (735) | (3.1) | | |
| Profit attributable to non-controlling interests | 2,559 | 2,482 | (77) | (3.0) | | |
| Profit attributable to owners of parent | 21,315 | 20,657 | (657) | (3.1) | FX impact(510) | 20,000 |
| Ratio of profit attributable to owners of parent to net sales (%) | 10.5 | 10.2 | (0.3) | | | |

* The forecast for 2nd quarter of FY2019 announced on May 14, 2019

3. Performance Overview

(1) Breakdown of Statement of Income

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|---|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|-------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts* | Year on year |
| Net sales | 203,507 | 102.9 | 407,017 | 101.4 | 201,960 | 99.2 | 409,000 | 100.5 |
| Operating profit | 23,795 | 104.3 | 45,846 | 105.5 | 23,732 | 99.7 | 46,000 | 100.3 |
| Ordinary profit | 29,515 | 109.9 | 57,121 | 107.7 | 30,315 | 102.7 | 58,000 | 101.5 |
| Profit attributable to owners of parent | 21,315 | 119.2 | 34,935 | 102.6 | 20,657 | 96.9 | 39,000 | 111.6 |

* The forecasts changed from the original announced on May 14, 2019

(2) Ratios of Consolidated to Non-consolidated Results

(Times)

| | Fiscal year ended March 31, 2019 | | Fiscal year ending March 31, 2020 | |
|---|----------------------------------|----------------|-----------------------------------|------------------|
| | Result of 2nd quarter | Annual results | Result of 2nd quarter | Annual forecasts |
| Net sales | 2.18 | 2.27 | 2.35 | 2.38 |
| Operating profit | 25.74 | 28.08 | 8.88 | 23.00 |
| Ordinary profit | 6.62 | 3.30 | 4.59 | 2.76 |
| Profit attributable to owners of parent | 3.89 | 2.44 | 3.06 | 2.05 |

(3) Breakdown of Share of profit of entities accounted for using equity method (Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|---|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| Share of profit of entities accounted for using equity method | 2,151 | 89.0 | 3,557 | 91.6 | 2,715 | 126.2 | 4,500 | 126.5 |

(4) Major Items in selling, general and administrative expenses

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|-----------------------------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| Advertising expenses | 8,923 | 101.2 | 18,011 | 98.0 | 8,862 | 99.3 | — | — |
| Promotion expenses | 4,379 | 100.2 | 9,328 | 97.4 | 3,632 | 82.9 | — | — |
| Freightage expenses | 6,638 | 103.6 | 13,827 | 103.7 | 6,925 | 104.3 | — | — |
| Salaries and allowance | 20,800 | 106.3 | 42,183 | 105.4 | 21,792 | 104.8 | — | — |
| Depreciation | 2,404 | 110.6 | 4,844 | 105.8 | 2,491 | 103.6 | — | — |
| Research and development expenses | 5,656 | 118.1 | 10,534 | 103.6 | 4,326 | 76.5 | — | — |

(5) Capital investments, Depreciation, Research and development expenses

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|-----------------------------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| Capital investments | 11,108 | 143.5 | 29,505 | 126.6 | 7,162 | 64.5 | 33,000 | 111.8 |
| Depreciation | 10,472 | 99.5 | 21,237 | 98.6 | 10,910 | 104.2 | 22,500 | 105.9 |
| Research and development expenses | 5,671 | 117.9 | 10,563 | 103.5 | 4,343 | 76.6 | 9,618 | 91.1 |

Breakdown of investment

| | Fiscal year ended March 31, 2019 | | Forecast of full fiscal year ending March 31, 2020 | |
|-----------------------------------|-------------------------------------|------------------|--|------------------|
| Capital investments | Investment in Parent company | 4.4 billion yen | Investment in Parent company | 9.2 billion yen |
| | Investment in Plants(subsidiaries) | 1.8 billion yen | Investment in Plants(subsidiaries) | 2.8 billion yen |
| | Investment in Overseas subsidiaries | 20.3 billion yen | Investment in Overseas subsidiaries | 19.6 billion yen |
| Research and development expenses | Food and beverages | 6.1 billion yen | Food and beverages | 6.3 billion yen |
| | Pharmaceuticals | 3.8 billion yen | Pharmaceuticals | 2.6 billion yen |
| | Others | 0.6 billion yen | Others | 0.6 billion yen |

〈Reference〉 Consolidated Statements of Cash Flows Overview

(Millions of yen)

| | Previous period (2018.4~2018.9) | Current period (2019.4~2019.9) | Increase (Decrease) Amount |
|---|------------------------------------|-----------------------------------|-------------------------------|
| Cash flows from operating activities | 22,465 | 22,365 | (100) |
| Cash flows from investing activities | (13,399) | 349 | 13,748 |
| Cash flows from financing activities | (8,018) | (9,644) | (1,626) |
| Effect of exchange rate change on cash and cash equivalents | (3,738) | (1,115) | 2,623 |
| Net increase (decrease) in cash and cash equivalents | (2,690) | 11,955 | 14,646 |
| Cash and cash equivalents at beginning of period | 105,936 | 103,171 | (2,764) |
| Cash and cash equivalents at end of period | 103,245 | 115,126 | 11,881 |

4. Segment Information

(1) Result of 2nd quarter

① Results of 2nd quarter ended September 30, 2018 (April 1, 2018 ~ September 30, 2018)

(Millions of yen)

| | Food and beverages | | | | |
|-----------------------------|--------------------|----------------|--------------|------------------|--------|
| | Japan | Overseas Total | The Americas | Asia and Oceania | Europe |
| Net sales | 111,078 | 87,736 | 24,777 | 58,417 | 4,541 |
| Percentage of net sales (%) | 54.6 | 43.1 | 12.2 | 28.7 | 2.2 |
| Year on year (%) | 104.4 | 110.8 | 98.4 | 117.0 | 111.3 |
| Operating expenses | 101,730 | 63,320 | 18,224 | 41,069 | 4,025 |
| Year on year (%) | 105.5 | 106.6 | 95.7 | 112.0 | 109.1 |
| Operating profit (loss) | 9,348 | 24,415 | 6,552 | 17,347 | 515 |
| Year on year (%) | 94.5 | 123.5 | 106.8 | 131.0 | 132.0 |
| Operating profit margin (%) | 8.4 | 27.8 | 26.4 | 29.7 | 11.4 |

| | Pharmaceuticals | Others | Total | Adjustments | Consolidated |
|-----------------------------|-----------------|--------|---------|-------------|--------------|
| Net sales | 11,100 | 10,829 | 220,745 | (17,237) | 203,507 |
| Percentage of net sales (%) | 5.5 | 5.3 | 108.5 | (8.5) | 100.0 |
| Year on year (%) | 83.8 | 101.8 | 105.4 | 147.6 | 102.9 |
| Operating expenses | 12,557 | 10,178 | 187,785 | (8,073) | 179,711 |
| Year on year (%) | 108.6 | 101.4 | 105.8 | 317.3 | 102.7 |
| Operating profit (loss) | (1,456) | 651 | 32,959 | (9,163)* | 23,795 |
| Year on year (%) | --- | 108.6 | 103.2 | 100.3 | 104.3 |
| Operating profit margin (%) | (13.1) | 6.0 | --- | --- | 11.7 |

* The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 6,632 million yen
- Elimination of royalty income : 2,531 million yen

② Results of 2nd quarter ended September 30, 2019 (April 1, 2019 ~ September 30, 2019)

(Millions of yen)

| | Food and beverages | | | | |
|-----------------------------|--------------------|----------------|--------------|------------------|--------|
| | Japan | Overseas Total | The Americas | Asia and Oceania | Europe |
| Net sales | 104,358 | 87,587 | 24,951 | 58,543 | 4,092 |
| Percentage of net sales (%) | 51.7 | 43.4 | 12.4 | 29.0 | 2.0 |
| Year on year (%) | 93.9 | 99.8 | 100.7 | 100.2 | 90.1 |
| Operating expenses | 95,113 | 65,110 | 18,175 | 43,193 | 3,741 |
| Year on year (%) | 93.5 | 102.8 | 99.7 | 105.2 | 92.9 |
| Operating profit (loss) | 9,244 | 22,476 | 6,775 | 15,349 | 351 |
| Year on year (%) | 98.9 | 92.1 | 103.4 | 88.5 | 68.2 |
| Operating profit margin (%) | 8.9 | 25.7 | 27.2 | 26.2 | 8.6 |

| | Pharmaceuticals | Others | Total | Adjustments | Consolidated |
|-----------------------------|-----------------|--------|---------|-------------|--------------|
| Net sales | 10,404 | 11,802 | 214,153 | (12,192) | 201,960 |
| Percentage of net sales (%) | 5.1 | 5.8 | 106.0 | (6.0) | 100.0 |
| Year on year (%) | 93.7 | 109.0 | 97.0 | 70.7 | 99.2 |
| Operating expenses | 10,311 | 10,672 | 181,208 | (2,980) | 178,228 |
| Year on year (%) | 82.1 | 104.9 | 96.5 | 36.9 | 99.2 |
| Operating profit (loss) | 93 | 1,130 | 32,944 | (9,212)* | 23,732 |
| Year on year (%) | --- | 173.3 | 100.0 | 100.5 | 99.7 |
| Operating profit margin (%) | 0.9 | 9.6 | --- | --- | 11.8 |

* The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 6,724 million yen
- Elimination of royalty income : 2,488 million yen

〈Reference〉

Result of 2nd quarter ended September 30, 2019

(on the basis of average exchange rate between Jan. 2018 and Jun. 2018)

③ Results of 2nd quarter ended September 30, 2019 (April 1, 2019 ~ September 30, 2019)

(Millions of yen)

| | Food and beverages | | | | |
|-----------------------------|--------------------|----------------|--------------|------------------|--------|
| | Japan | Overseas Total | The Americas | Asia and Oceania | Europe |
| Net sales | 104,358 | 90,408 | 25,488 | 60,619 | 4,300 |
| Percentage of net sales (%) | 51.0 | 44.1 | 12.4 | 29.6 | 2.1 |
| Year on year (%) | 93.9 | 103.0 | 102.9 | 103.8 | 94.7 |
| Operating expenses | 95,113 | 67,348 | 18,693 | 44,719 | 3,935 |
| Year on year (%) | 93.5 | 106.4 | 102.6 | 108.9 | 97.8 |
| Operating profit (loss) | 9,244 | 23,059 | 6,794 | 15,900 | 364 |
| Year on year (%) | 98.9 | 94.4 | 103.7 | 91.7 | 70.7 |
| Operating profit margin (%) | 8.9 | 25.5 | 26.7 | 26.2 | 8.5 |

| | Pharmaceuticals | Others | Total | Adjustments | Consolidated |
|-----------------------------|-----------------|--------|---------|-------------|--------------|
| Net sales | 10,404 | 11,802 | 216,975 | (12,192) | 204,782 |
| Percentage of net sales (%) | 5.1 | 5.8 | 106.0 | (6.0) | 100.0 |
| Year on year (%) | 93.7 | 109.0 | 98.3 | 70.7 | 100.6 |
| Operating expenses | 10,311 | 10,672 | 183,447 | (2,980) | 180,466 |
| Year on year (%) | 82.1 | 104.9 | 97.7 | 36.9 | 100.4 |
| Operating profit (loss) | 93 | 1,130 | 33,527 | (9,212)* | 24,315 |
| Year on year (%) | --- | 173.3 | 101.7 | 100.5 | 102.2 |
| Operating profit margin (%) | 0.9 | 9.6 | --- | --- | 11.9 |

* The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 6,724 million yen
- Elimination of royalty income : 2,488 million yen

(2) Annual financial forecast

① Result of fiscal year ended March 31, 2019 (April 1, 2018 ~ March 31, 2019)

(Millions of yen)

| | Food and beverages | | | | |
|-----------------------------|--------------------|----------------|--------------|------------------|--------|
| | Japan | Overseas Total | The Americas | Asia and Oceania | Europe |
| Net sales | 214,957 | 178,365 | 48,907 | 120,784 | 8,673 |
| Percentage of net sales (%) | 52.8 | 43.8 | 12.0 | 29.7 | 2.1 |
| Year on year (%) | 102.3 | 105.9 | 97.5 | 110.0 | 104.0 |
| Operating expenses | 198,526 | 130,853 | 37,070 | 85,628 | 8,154 |
| Year on year (%) | 102.9 | 103.6 | 95.3 | 107.4 | 106.2 |
| Operating profit (loss) | 16,431 | 47,511 | 11,837 | 35,156 | 518 |
| Year on year (%) | 96.5 | 113.0 | 104.9 | 116.8 | 78.0 |
| Operating profit margin (%) | 7.6 | 26.6 | 24.2 | 29.1 | 6.0 |

| | Pharmaceuticals | Others | Total | Adjustments | Consolidated |
|-----------------------------|-----------------|--------|---------|-------------|--------------|
| Net sales | 21,696 | 22,447 | 437,466 | (30,449) | 407,017 |
| Percentage of net sales (%) | 5.4 | 5.5 | 107.5 | (7.5) | 100.0 |
| Year on year (%) | 84.5 | 108.0 | 103.0 | 131.0 | 101.4 |
| Operating expenses | 23,499 | 21,266 | 374,145 | (12,974) | 361,171 |
| Year on year (%) | 96.6 | 107.3 | 102.9 | 241.6 | 100.9 |
| Operating profit (loss) | (1,803) | 1,180 | 63,320 | (17,474)* | 45,846 |
| Year on year (%) | --- | 124.3 | 103.2 | 97.8 | 105.5 |
| Operating profit margin (%) | (8.3) | 5.3 | --- | --- | 11.3 |

* The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 12,866 million yen
- Elimination of royalty income : 4,607 million yen

② Annual forecast for the fiscal year ending March 31, 2020 (April 1, 2019 ~ March 31, 2020)

(Millions of yen)

| | Food and beverages | | | | |
|-----------------------------|--------------------|----------------|--------------|------------------|--------|
| | Japan | Overseas Total | The Americas | Asia and Oceania | Europe |
| Net sales | 210,800 | 180,000 | 48,500 | 123,300 | 8,200 |
| Percentage of net sales (%) | 51.5 | 44.0 | 11.9 | 30.1 | 2.0 |
| Year on year (%) | 98.1 | 100.9 | 99.2 | 102.1 | 94.5 |
| Operating expenses | 193,600 | 133,800 | 36,800 | 89,300 | 7,700 |
| Year on year (%) | 97.5 | 102.3 | 99.3 | 104.3 | 94.4 |
| Operating profit (loss) | 17,200 | 46,200 | 11,700 | 34,000 | 500 |
| Year on year (%) | 104.7 | 97.2 | 98.8 | 96.7 | 96.4 |
| Operating profit margin (%) | 8.2 | 25.7 | 24.1 | 27.6 | 6.1 |

| | Pharmaceuticals | Others | Total | Adjustments | Consolidated |
|-----------------------------|-----------------|--------|---------|-------------|--------------|
| Net sales | 19,000 | 23,300 | 433,100 | (24,100) | 409,000 |
| Percentage of net sales (%) | 4.7 | 5.7 | 105.9 | (5.9) | 100.0 |
| Year on year (%) | 87.6 | 103.8 | 99.0 | 79.1 | 100.5 |
| Operating expenses | 20,000 | 21,600 | 369,000 | (6,000) | 363,000 |
| Year on year (%) | 85.1 | 101.6 | 98.6 | 46.2 | 100.5 |
| Operating profit (loss) | (1,000) | 1,700 | 64,100 | (18,100)* | 46,000 |
| Year on year (%) | --- | 144.0 | 101.2 | 103.6 | 100.3 |
| Operating profit margin (%) | (5.3) | 7.3 | --- | --- | 11.2 |

* The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 13,400 million yen
- Elimination of royalty income : 4,700 million yen

〈Reference〉

Annual forecast for the fiscal year ending March 31, 2020

(on the basis of average exchange rate between Jan. 2018 and Dec. 2018)

③ Annual forecast for the fiscal year ending March 31, 2020 (April 1, 2019 ~ March 31, 2020)

(Millions of yen)

| | Food and beverages | | | | |
|-----------------------------|--------------------|----------------|--------------|------------------|--------|
| | Japan | Overseas Total | The Americas | Asia and Oceania | Europe |
| Net sales | 210,800 | 186,600 | 50,000 | 127,900 | 8,700 |
| Percentage of net sales (%) | 50.7 | 44.9 | 12.0 | 30.8 | 2.1 |
| Year on year (%) | 98.1 | 104.6 | 102.2 | 105.9 | 100.3 |
| Operating expenses | 193,600 | 138,900 | 38,100 | 92,600 | 8,200 |
| Year on year (%) | 97.5 | 106.1 | 102.8 | 108.1 | 100.6 |
| Operating profit (loss) | 17,200 | 47,700 | 11,900 | 35,300 | 500 |
| Year on year (%) | 104.7 | 100.4 | 100.5 | 100.4 | 96.4 |
| Operating profit margin (%) | 8.2 | 25.6 | 23.8 | 27.6 | 5.7 |

| | Pharmaceuticals | Others | Total | Adjustments | Consolidated |
|-----------------------------|-----------------|--------|---------|-------------|--------------|
| Net sales | 19,000 | 23,300 | 439,700 | (24,100) | 415,600 |
| Percentage of net sales (%) | 4.6 | 5.6 | 105.8 | (5.8) | 100.0 |
| Year on year (%) | 87.6 | 103.8 | 100.5 | 79.1 | 102.1 |
| Operating expenses | 20,000 | 21,600 | 374,100 | (6,000) | 368,100 |
| Year on year (%) | 85.1 | 101.6 | 100.0 | 46.2 | 101.9 |
| Operating profit (loss) | (1,000) | 1,700 | 65,600 | (18,100)* | 47,500 |
| Year on year (%) | --- | 144.0 | 103.6 | 103.6 | 103.6 |
| Operating profit margin (%) | (5.3) | 7.3 | --- | --- | 11.4 |

* The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 13,400 million yen
- Elimination of royalty income : 4,700 million yen

5. Overview of Overseas Companies

(1) Dairy Products sales(Bottles sold per day)

[Results from January to June 2019]

(June 30, 2019)

| | Consolidation Classification | Sales quantity (Thousands of bottles/day) | Year on year (%) | Started Business | Consolidation Classification (%) | Currency Unit | Exchange rate* | | |
|--|------------------------------|---|------------------|--|----------------------------------|---------------|------------------------|------------------------|------------------------|
| | | | | | | | Average Jan.~Sep. 2019 | Average Jan.~Jun. 2019 | Average Jan.~Jun. 2018 |
| Taiwan | Equity method | 667 | 98.3 | Mar. 1964 | 25.00 | NT\$ | 3.52 | 3.55 | 3.67 |
| Hong Kong | Consolidated | 506 | 96.9 | Jun. 1969 | 80.00 | HK\$ | 13.93 | 14.03 | 13.84 |
| Thailand | Equity method | 2,211 | 97.8 | Jun. 1971 | 25.29 | B | 3.42 | 3.40 | 3.36 |
| Korea | Equity method | 3,132 | 93.3 | Aug. 1971 | 38.30 | W | 0.0941 | 0.0962 | 0.1004 |
| Philippines | Equity method | 3,206 | 104.1 | Oct. 1978 | 40.00 | P | 2.10 | 2.11 | 2.08 |
| Singapore | Consolidated | 225 | 98.1 | Jul. 1979 | 100.00 | S\$ | 80.01 | 81.01 | 81.57 |
| Indonesia | Consolidated | 6,065 | 107.7 | Jan. 1991 | 100.00 | Rp | 0.0077 | 0.0078 | 0.0079 |
| Australia | Consolidated | 248 | 100.6 | Feb. 1994 | 100.00 | A\$ | 76.17 | 77.74 | 83.21 |
| Malaysia | Consolidated | 350 | 103.8 | Feb. 2004 | 100.00 | MYR | 26.41 | 26.72 | 27.59 |
| Vietnam | Consolidated | 490 | 147.0 | Sep. 2007 | 80.00 | VND | 0.0047 | 0.0048 | 0.0048 |
| India | Consolidated | 231 | 110.3 | Jan. 2008 | 50.00 | INR | 1.57 | 1.57 | 1.61 |
| Middle East | Consolidated | 18 | 110.3 | Mar. 2017 | 100.00 | AED | 29.74 | 29.95 | 29.55 |
| Guangzhou | Consolidated | 2,682 | 98.9 | Jun. 2002 | 95.00 | RMB | 15.91 | 16.23 | 17.01 |
| Shanghai | Consolidated | 526 | 89.1 | May. 2005 | 100.00 | RMB | 15.91 | 16.23 | 17.01 |
| Beijing | Consolidated | 423 | 99.2 | Jun. 2006 | 100.00 | RMB | 15.91 | 16.23 | 17.01 |
| China | Consolidated | 3,511 | 102.1 | Apr. 2007 | 100.00 | RMB | 15.91 | 16.23 | 17.01 |
| China total | | 7,142 | 99.6 | | | | | | |
| Asia and Oceania total | | 24,491 | 101.7 | Marketing Population: 1,441,256 thousand people Population ratio: 1.70 % | | | | | |
| (Consolidated subsidiaries Total) | | 15,275 | 103.9 | | | | | | |
| Brazil | Consolidated | 1,598 | 90.9 | Oct. 1968 | 51.42 | R | 28.09 | 28.72 | 31.45 |
| Mexico | Consolidated | 3,933 | 101.3 | Oct. 1981 | 61.21 | NP | 5.65 | 5.73 | 5.71 |
| USA | Consolidated | 373 | 111.9 | Oct. 1999 | 100.00 | US\$ | 109.22 | 109.98 | 108.52 |
| The Americas total | | 5,903 | 98.8 | Marketing Population: 414,375 thousand people Population ratio: 1.42 % | | | | | |
| Netherlands | Consolidated | 165 | 92.9 | Apr. 1994 | 100.00 | EUR | 122.36 | 124.07 | 130.66 |
| Belgium | Consolidated | 80 | 100.4 | Apr. 1995 | 100.00 | EUR | 122.36 | 124.07 | 130.66 |
| United Kingdom | Consolidated | 199 | 97.0 | Apr. 1996 | 100.00 | £ | 138.73 | 142.37 | 148.92 |
| Germany | Consolidated | 77 | 92.5 | Apr. 1996 | 100.00 | EUR | 122.36 | 124.07 | 130.66 |
| Austria | Consolidated | 10 | 78.8 | Dec. 2005 | 100.00 | EUR | 122.36 | 124.07 | 130.66 |
| Italy | Consolidated | 96 | 94.1 | Feb. 2007 | 100.00 | EUR | 122.36 | 124.07 | 130.66 |
| Europe total | | 628 | 94.9 | Marketing Population: 287,256 thousand people Population ratio: 0.22 % | | | | | |
| Total | | 31,022 | 101.0 | Marketing Population: 2,142,887 thousand people Population ratio: 1.45 % | | | | | |
| (Consolidated subsidiaries Total) | | 21,806 | 102.2 | | | | | | |

* Exchange Rate : Average Jan ~ Sep 2019: used for Forecasts for the Fiscal year ending Mar 2020
Average Jan ~ Jun 2019: used for the 2nd quarter result of the Fiscal year ending Mar 2020
Average Jan ~ Jun 2018: used for the 2nd quarter result of the Fiscal year ended Mar 2019

(2) Yakult Ladies by Area and Percentage of Sales by Channel (Excluding Japan)

(Unit:people)

| | Number of Yakult Ladies |
|------------------|-------------------------|
| Asia and Oceania | 32,483 |
| The Americas | 14,427 |
| Europe | --- |
| Total | 46,910 |

(As of the end of June 2019)

| | Percentage of Sales by Channel (Volume) | |
|------------------|---|--------|
| | Yakult Ladies | Stores |
| Asia and Oceania | 43.4% | 56.6% |
| The Americas | 42.8% | 57.2% |
| Europe | --- | 100.0% |
| Total | 42.4% | 57.6% |

(From January to June 2019)

(3) Other operating countries

| Country | Management company |
|----------------------|--------------------|
| Brunei | Yakult Singapore |
| New Zealand | Yakult Australia |
| United Arab Emirates | Yakult Middle East |
| Oman | |
| Bahrain | |
| Qatar | |
| Kuwait | |
| Uruguay | Yakult Brazil |

| Country | Management company |
|-------------|--------------------|
| Belize | Yakult Mexico |
| Canada | Yakult USA |
| Luxembourg | Yakult Belgium |
| France | Yakult Europe |
| Switzerland | |
| Spain | |
| Denmark | |
| Ireland | Yakult UK |
| Malta | Yakult Italia |

(4) Plan for the future

● Currently undergoing feasibility studies

- Middle East and South East Asian countries where we have not made a market entry: Conducting feasibility studies (including field studies) on the possibility of market entry.
- Other countries where we have not made a market entry: Conducting feasibility studies on the possibility of market entry.

(5) Others

- HACCP Accreditation: Hong Kong, Thailand, Korea, Philippines, Singapore, Australia, Malaysia, Vietnam, India, Guangzhou, Shanghai, Wuxi, Brazil, Mexico, U.S.A..
- ISO9001 Accreditation: Hong Kong, Singapore, Australia, India, Guangzhou, Shanghai, Wuxi, Europe, United Kingdom.
- ISO14001 Accreditation: Vietnam, Guangzhou, Europe, United Kingdom.
- ISO22000 Accreditation: Taiwan, Hong Kong, Indonesia, Vietnam, Tianjin, Brazil.
*ISO22000:Food Safety Management Systems
- GMP Accreditation: Taiwan, Thailand, Korea, Philippines, Brazil, Mexico.
*GMP:Good Manufacturing Practice
- FSSC22000 Accreditation: Mexico, Europe.
*The FSSC(Food Safety System Certification)22000 is fully recognized by the Global Food Safety Initiative (GFSI) and is based on existing ISO22000 standards and ISO/TS 22002-1(or ISO/TS 22002-4).
- HALAL Accreditation: Taiwan, Thailand, Philippines, Singapore, Indonesia, Malaysia.
- SQF Accreditation: Taiwan, U.S.A..
*SQF(Safe Quality Food): International management systems to ensure safety and quality of foods.
- OHSAS18001 Accreditation: Vietnam, India.
*OHSAS18001: An international standard for occupational health and safety management systems.

Note: HACCP、ISO9001、ISO14001・・・Refer to page21

Non-Consolidated

1. Major Increases (Decreases) in Non-consolidated Balance Sheet

(Millions of yen)

| | As of Mar. 31 2019 | As of Sep. 30 2019 | Increase (Decrease) | Primary reason for change |
|---|-----------------------|-----------------------|------------------------|------------------------------------|
| Total Assets | 336,616 | 323,577 | (13,038) | |
| Current assets | | | | |
| Cash and Deposits | 6,747 | 5,870 | (876) | |
| Accounts receivable - trade | 40,410 | 42,227 | 1,817 | |
| Inventories | 13,749 | 14,155 | 405 | |
| Others | 10,239 | 7,412 | (2,827) | |
| Non-current assets | | | | |
| Property, plant and equipment | | | | |
| Buildings | 32,855 | 31,773 | (1,082) | |
| Machinery and equipment | 10,548 | 9,325 | (1,222) | |
| Others | 31,093 | 31,410 | 316 | |
| Intangible assets | 2,383 | 2,116 | (267) | |
| Investments and other assets | | | | |
| Investment securities | 94,393 | 82,556 | (11,837) | Decrease of fair market value etc. |
| Shares of subsidiaries and associates | 96,008 | 98,105 | 2,097 | |
| Prepaid pension cost | 2,508 | 3,077 | 569 | |
| Others | (4,322) | (4,453) | (131) | |
| Total Liabilities | 172,280 | 163,141 | (9,138) | |
| Current liabilities | | | | |
| Accounts payable - trade | 16,660 | 14,709 | (1,950) | |
| Electronically recorded obligations - operating | 7,973 | 7,690 | (283) | |
| Short-term loans payable | 41,300 | 40,450 | (850) | |
| Accounts payable - other | 3,489 | 1,842 | (1,646) | |
| Others | 19,368 | 20,611 | 1,243 | |
| Non-current liabilities | | | | |
| Long-term loans payable | 72,500 | 70,000 | (2,500) | |
| Others | 10,988 | 7,836 | (3,152) | |
| Total Net Assets | 164,336 | 160,436 | (3,899) | |

2. Major Increases (Decreases) in Non-consolidated Statement of Income

(Millions of yen)

| | 2Q of FY 2018 (2018.4~9) | 2Q of FY 2019 (2019.4~9) | Increase (Decrease) | | Primary reason for change | Original Forecasts* (2019.4~9) |
|---|-----------------------------|-----------------------------|---------------------|---------------|---|--------------------------------------|
| | | | Amount | % | | |
| Net sales | 93,547 | 86,108 | (7,439) | (8.0) | | 88,000 |
| (Breakdown) | | | | | | |
| Dairy products | 44,942 | 44,096 | (845) | (1.9) | | |
| Beverages etc. | 15,280 | 14,880 | (400) | (2.6) | | |
| Cosmetics | 3,589 | 3,578 | (10) | (0.3) | | |
| Pharmaceuticals | 11,100 | 10,404 | (695) | (6.3) | | |
| Others | 18,635 | 13,147 | (5,487) | (29.4) | Decrease in Production equipment sales | |
| Cost of sales | 59,420 | 53,368 | (6,051) | (10.2) | | |
| Gross profit | 34,127 | 32,739 | (1,388) | (4.1) | | |
| Gross profit margin (%) | 36.5 | 38.0 | 1.5 | | | |
| Selling, general and administrative expenses | 33,203 | 30,065 | (3,137) | (9.4) | | |
| Selling expenses | 13,045 | 11,485 | (1,559) | (12.0) | | |
| General and administrative expenses | 20,157 | 18,579 | (1,577) | (7.8) | | |
| Operating profit | 924 | 2,673 | 1,749 | 189.2 | | |
| Operating profit margin (%) | 1.0 | 3.1 | 2.1 | | | |
| Non-operating incomes | 4,251 | 4,258 | 7 | 0.2 | | |
| Dividend income | 3,569 | 3,778 | 209 | | | |
| Others | 681 | 480 | (201) | | | |
| Non-operating expenses | 720 | 332 | (387) | (53.8) | | |
| Ordinary profit | 4,456 | 6,600 | 2,144 | 48.1 | | 4,500 |
| Ratio of ordinary profit to net sales (%) | 4.8 | 7.7 | 2.9 | | | |
| Extraordinary income | 1,637 | 1,858 | 221 | 13.5 | | |
| Extraordinary losses | 75 | 955 | 879 | - | | |
| Profit before income taxes | 6,017 | 7,503 | 1,485 | 24.7 | | |
| Income taxes | 539 | 748 | 209 | 38.7 | | |
| Profit | 5,477 | 6,754 | 1,276 | 23.3 | | 5,000 |
| Ratio of profit to net sales (%) | 5.9 | 7.8 | 1.9 | | | |

* The forecast for 2nd quarter of FY2019, announced on May 14, 2019

3. Performance Overview

(1) Breakdown of Statements of Income

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|------------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|-------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts* | Year on year |
| Net sales | 93,547 | 103.8 | 179,430 | 101.1 | 86,108 | 92.0 | 172,000 | 95.9 |
| Operating profit | 924 | 34.7 | 1,632 | 73.7 | 2,673 | 289.2 | 2,000 | 122.5 |
| Ordinary profit | 4,456 | 67.3 | 17,323 | 114.3 | 6,600 | 148.1 | 21,000 | 121.2 |
| Profit | 5,477 | 95.7 | 14,342 | 103.1 | 6,754 | 123.3 | 19,000 | 132.5 |

* The forecasts changed from the original announced on May 14, 2019

(2) Sales by Product Category

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|-----------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| Dairy products | 44,942 | 100.6 | 89,117 | 99.2 | 44,096 | 98.1 | 91,000 | 102.1 |
| Beverages etc. | 15,280 | 97.8 | 28,290 | 97.7 | 14,880 | 97.4 | 28,000 | 99.0 |
| Subtotal | 60,222 | 99.9 | 117,408 | 98.9 | 58,977 | 97.9 | 119,000 | 101.4 |
| Cosmetics | 3,589 | 103.2 | 6,707 | 103.6 | 3,578 | 99.7 | 7,000 | 104.4 |
| Pharmaceuticals | 11,100 | 83.8 | 21,696 | 84.5 | 10,404 | 93.7 | 19,000 | 87.6 |
| Others | 18,635 | 142.2 | 33,619 | 126.3 | 13,147 | 70.6 | 27,000 | 80.3 |
| Total | 93,547 | 103.8 | 179,430 | 101.1 | 86,108 | 92.0 | 172,000 | 95.9 |

(3) Cost to Net sales Ratio

(%)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|-------------------------|----------------------------------|---------------------|----------------|---------------------|-----------------------------------|---------------------|------------------|---------------------|
| | Result of 2nd quarter | Increase (Decrease) | Annual results | Increase (Decrease) | Result of 2nd quarter | Increase (Decrease) | Annual forecasts | Increase (Decrease) |
| Cost to Net sales ratio | 63.5 | 2.5 | 63.4 | 1.5 | 62.0 | (1.5) | 62.6 | (0.8) |

(4) Capital investments, Depreciation

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|---------------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| Capital investments | 1,777 | 69.4 | 4,479 | 56.7 | 1,595 | 89.7 | 9,200 | 205.4 |
| Depreciation | 4,636 | 98.8 | 9,310 | 97.2 | 3,939 | 85.0 | 8,200 | 88.1 |

Breakdown of investments

| | Fiscal year ended March 31, 2019 (Results) | Fiscal year ending March 31, 2020 (Annual forecasts) |
|---------------------|--|--|
| Capital investments | For domestic plants 2.8 billion yen | For domestic plants 5.1 billion yen |

4. Breakdown of Sales

(1) Dairy Products sales (Bottles sold per day)

(Thousands of bottles/day. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|---|----------------------------------|-----------------|-------------------|-----------------|-----------------------------------|-----------------|---------------------|-----------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| <i>New Yakult</i> products | 4,104 | 102.2 | 4,041 | 99.9 | 3,988 | 97.2 | 3,973 | 98.3 |
| <i>Yakult 400</i> products | 3,497 | 98.4 | 3,465 | 97.5 | 3,413 | 97.6 | 3,464 | 100.0 |
| Other <i>Yakult</i> products ^(*1) | 163 | 84.6 | 157 | 81.3 | 115 | 70.5 | 199 | 126.4 |
| Total for <i>Yakult</i> products | 7,763 | 100.1 | 7,664 | 98.3 | 7,516 | 96.8 | 7,636 | 99.6 |
| <i>Joie</i> products | 719 | 94.2 | 691 | 92.0 | 692 | 96.2 | 672 | 97.3 |
| <i>Mil-Mil</i> products | 417 | 106.3 | 460 | 116.0 | 477 | 114.4 | 501 | 109.0 |
| <i>Sofuhl</i> products | 473 | 104.1 | 461 | 99.4 | 454 | 96.0 | 452 | 98.2 |
| Other fermented milk products ^(*2) | 100 | 91.1 | 98 | 93.0 | 93 | 92.8 | 127 | 129.4 |
| Total for fermented milk | 1,709 | 99.4 | 1,709 | 99.6 | 1,716 | 100.4 | 1,753 | 102.6 |
| Others ^(*3) | 156 | 89.1 | 170 | 91.9 | 160 | 102.6 | 181 | 106.3 |
| Total | 9,629 | 99.7 | 9,543 | 98.4 | 9,392 | 97.5 | 9,570 | 100.3 |

(*1) Total of *Yakult Ace*, *Yakult Five*, *Mainichi Nomu Yakult*, *Mainichi Nomu Yakult 365*, *Synbiotics Yakult W* and *Yakult 1000*.
Yakult Ace (Sales were stopped in March 2019). *Yakult Five* (Launched in March 2019).
Mainichi Nomu Yakult (Sales were stopped in September 2019). *Mainichi Nomu Yakult 365* (Launched in September 2019).
Yakult 1000 (Launched in October 2019).

(*2) Total of *Joie* [Yogurt Cup], *Aloe Yogurt*, *Ichinichibun no Tetsu&Yousan Yogurt* and *Synbiotics Yogurt W*.
Joie [Yogurt Cup] (Sales were stopped in October 2019). *Aloe Yogurt* (Launched in October 2019).
Ichinichibun no Tetsu&Yousan Yogurt (Launched in October 2019). *Synbiotics Yogurt W* (Launched in October 2019).

(*3) Total of *BF-1*, *Pretio*, *Yakult no Hakko Tonyu* and *Cup de Yakult*.

(2) Beverages sales (Total Bottles sold)

(Thousands of bottles. %)

| | | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|---------------|------------------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| Health drinks | <i>Bansoreicha</i> | 8,749 | 91.2 | 16,296 | 91.9 | 8,075 | 92.3 | 15,060 | 92.4 |
| | <i>Toughman</i> | 23,521 | 104.6 | 40,772 | 101.8 | 21,214 | 90.2 | 39,301 | 96.4 |
| | <i>Kurozu Drink</i> | 16,108 | 105.3 | 29,422 | 108.7 | 15,798 | 98.1 | 29,706 | 101.0 |
| | <i>Soy milk drinks</i> | 19,853 | 96.9 | 37,568 | 97.2 | 18,815 | 94.8 | 35,813 | 95.3 |
| | <i>Milougu</i> | 13,579 | 88.4 | 23,256 | 91.9 | 14,722 | 108.4 | 24,205 | 104.1 |
| Soft drinks | <i>Juices</i> | 22,570 | 88.2 | 39,957 | 89.3 | 20,939 | 92.8 | 39,671 | 99.3 |
| | <i>Kininaruyasai</i> | 19,782 | 97.2 | 36,316 | 94.8 | 18,194 | 92.0 | 34,208 | 94.2 |
| | <i>Coffee Time</i> | 8,386 | 90.7 | 15,698 | 92.4 | 7,356 | 87.7 | 14,084 | 89.7 |
| | <i>FIRE</i> | 27,572 | 90.2 | 58,635 | 93.1 | 26,677 | 96.8 | 59,465 | 101.4 |

(3) Percentage of Sales by Channel (April 1, 2019 to September 30, 2019)

(%)

| | Dairy products (volume-based) | | Beverages (value-based) | | |
|--------------------------------------|-------------------------------|--------------|-------------------------|---|--------------|
| | Percentage of sales | Year on year | Percentage of sales | | Year on year |
| Yakult Ladies | 50.6 | 97.2 | 38.3 | | 95.0 |
| Stores, Vending machines, and Others | 49.4 | 97.9 | 61.7 | Vending machines 82.4 Stores and Others 17.6 | 95.3 |

Note: Results of Beverages included other company's vending machine operated by Yakult.

Note: Actual sales statistics

① Breakdown of sales at Stores, Vending machines, and Others (Dairy products, Beverages) (%)

| | For first half ended Sep. 30, 2018 | | For fiscal year ended Mar. 31, 2019 | | For first half ended Sep. 30, 2019 | |
|--------------------|------------------------------------|--------------|-------------------------------------|--------------|------------------------------------|--------------|
| | Percentage of sales | Year on year | Percentage of sales | Year on year | Percentage of sales | Year on year |
| Supermarkets | 45.0 | 101.4 | 45.7 | 98.8 | 45.5 | 98.1 |
| Convenience stores | 4.1 | 103.8 | 4.0 | 98.7 | 3.5 | 84.0 |
| Offices | 12.3 | 95.2 | 11.7 | 94.9 | 11.8 | 92.7 |
| Medical centers | 9.6 | 99.4 | 9.7 | 99.1 | 9.7 | 98.9 |

② The number of delivered vending machine

| | As of Mar. 31, 2019 | As of Sep. 30, 2019 |
|-------------------------------|----------------------|----------------------|
| The number of vending machine | 46,317 (20,056) | 46,065 (20,596) |

Note: Figures in parentheses are the number of other company's vending machine which Yakult operates.

(4) Brakedown of pharmaceuticals sales

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|----------------------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| <i>Campto</i> (Japan) | 413 | 79.0 | 798 | 79.8 | 373 | 90.3 | 700 | 87.7 |
| <i>Campto</i> (Overseas) | 114 | 380.2 | 240 | 122.7 | 95 | 84.1 | 200 | 83.3 |
| <i>Campto</i> total | 528 | 95.3 | 1,038 | 86.8 | 469 | 89.0 | 900 | 86.6 |
| <i>Elplat</i> | 6,800 | 79.8 | 13,083 | 81.1 | 6,334 | 93.1 | 11,500 | 87.9 |
| <i>Gemcitabine</i> | 1,287 | 83.9 | 2,552 | 85.1 | 1,310 | 101.8 | 2,500 | 98.0 |
| Other pharmaceuticals | 2,484 | 94.4 | 5,021 | 94.1 | 2,290 | 92.2 | 4,100 | 81.6 |
| Total | 11,100 | 83.8 | 21,696 | 84.5 | 10,404 | 93.7 | 19,000 | 87.6 |

5. Breakdown of Selling, General and Administrative Expenses

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|-------------------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| Advertising expenses | 6,004 | 102.4 | 10,400 | 93.4 | 5,429 | 90.4 | 10,433 | 100.3 |
| Promotion expenses | 2,925 | 101.4 | 6,502 | 97.6 | 2,224 | 76.0 | 5,470 | 84.1 |
| Sub-total | 8,930 | 102.1 | 16,902 | 95.0 | 7,654 | 85.7 | 15,903 | 94.1 |
| Freightage expenses | 3,105 | 105.6 | 6,033 | 105.3 | 2,955 | 95.2 | 5,988 | 99.3 |
| Personnel expenses | 11,151 | 96.3 | 21,582 | 97.3 | 11,092 | 99.5 | 21,565 | 99.9 |
| Depreciation | 1,957 | 107.1 | 3,850 | 100.6 | 1,462 | 74.7 | 3,048 | 79.2 |
| Research study expenses | 1,769 | 210.7 | 2,922 | 133.8 | 811 | 45.9 | 2,442 | 83.6 |
| Others | 6,287 | 95.6 | 12,741 | 93.2 | 6,088 | 96.8 | 13,454 | 105.6 |
| Total | 33,203 | 102.1 | 64,032 | 97.9 | 30,065 | 90.6 | 62,400 | 97.5 |

6. Breakdown of retirement benefit expenses

(Millions of yen. %)

| | Fiscal year ended March 31, 2019 | | | | Fiscal year ending March 31, 2020 | | | |
|-----------------------------|----------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Result of 2nd quarter | Year on year | Annual results | Year on year | Result of 2nd quarter | Year on year | Annual forecasts | Year on year |
| Retirement benefit expenses | 960 | 79.2 | 1,919 | 79.1 | 965 | 100.5 | 1,936 | 100.9 |

Note: Total of cost of production, general administrative expenses.

7. Head Office Employees

(Unit: people)

| | Mar. 31, 2019 | Sep. 30, 2019 |
|-------------------------------|---------------|---------------|
| Number of full-time employees | 2,876 | 2,941 |
| Medical Representatives | 162 | 163 |

Note: Both 302 seconded staffs and 132 non-regular employees are included in the number of Mar. 31, 2019.

Both 315 seconded staffs and 144 non-regular employees are included in the number of Sep. 30, 2019.

8. Yakult Sales Company

(Sep. 30, 2019)

| Yakult Sales Company | 102 | Consolidated subsidiaries | Comments |
|----------------------|-----|---------------------------|--|
| | | 17 | The subsidiaries of Yakult Miyagi Chuo Sales Co. Ltd., Yakult Tokyo Sales Co. Ltd., Yakult Tokai Co.Ltd., Yakult Hokuriku Co.Ltd., and Yakult Sanyo Co.Ltd., are not included. |

9. Sales Personnel by Department

(Unit:people)

| | Mar. 31, 2019 | Sep. 30, 2019 |
|--------------------------|---------------|---------------|
| ① Yakult Ladies | 33,848 | 33,231 |
| ② Yakult Beauty Advisors | 4,900 | 4,700 |

10. Average figure of Yakult Lady

| | | Mar. 31, 2019 |
|-------------------------------------|-----------------|-----------------------|
| Bringing merchandise a day | Dairy products | 130.2 bottles |
| | Beverages etc. | 16.8 bottles |
| Number of customers per Yakult lady | Residence | 103.8 |
| | Business office | 7.6 |
| | Others | 3.3 |
| Age and Experience | Age | 44.4 years old |
| | Experience | 10 years and 0 months |
| Activities | Working time | 5.4 hours a day |
| | Working days | 19.4 days a month |

Reference

1. Expansion of Indication and New Drug Development Pipeline

(September 30, 2019)

(1) Expansion of indication for *Elplat*

| Indication | Co-developer | Stage | Remarks |
|----------------|-------------------------------|-----------|---|
| Gastric cancer | Taiho pharmaceutical Co.,Ltd. | Phase III | To get an approval for new dosage and administration schedule (biweekly regimen of Elplat) in patient with gastric cancer |

(2) New Drug Development Pipeline

| Product | Indication | Licensor | Stage | Remarks |
|--|--|---------------------|--|---|
| ① Resminostat Development code : YHI-1001 | - Bile tract cancer - Cutaneous T cell lymphoma(CTCL) | 4SC AG | - Phase II - Phase II | - Phase II in Japan (Bile tract cancer) - Phase II in EU and Japan (CTCL) |
| ② ThermoDox Development code : YHI-801 | Hepatocellular carcinoma(HCC) | Celsion Corp., Inc. | Phase III | New Global Phase III (HCC) by Celsion Corp., Inc. |
| ③ Duvelisib Development code : YHI-1702 | - CLL/SLL* - FL** - PTCL*** | Verastem, Inc. | - Phase Ib - Under preparation for the clinical trial - Under preparation for the clinical trial | - Phase Ib in Japan (CLL/SLL) - Under preparation for the clinical trial (FL) - Under preparation for joining the clinical trial sponsored by Verastem, Inc. (PTCL) |

* CLL/SLL: Chronic lymphocytic leukemia/Small lymphocytic lymphoma

** FL: Follicular lymphoma

*** PTCL: Peripheral T-cell lymphoma

(3) National health insurance reimbursement information

| | Since October 2019 (Yen) | As of end of September 2019 (Yen) | Revision rate (%)* | Reference |
|--|--------------------------|-----------------------------------|--------------------|---|
| <i>Campto</i> Infusion solution(40mg/Vial) | 2,953 | 3,349 | (13.4) | [Major regimens combined with Elplat, Campto, and Calcium levofolinate] 1. Advanced/recurrent colorectal cancer - FOLFOX regimen (Elplat + Calcium levofolinate + Fluorouracil) - CAPOX regimen (Elplat + Capecitabine) - FOLFOXIRI regimen (Elplat, Campto, Calcium levofolinate, and Fluorouracil) 2. Post operative treatment (adjuvant) for colon cancer - FOLFOX regimen (Elplat + Calcium levofolinate + Fluorouracil) - CAPOX regimen (Elplat + Capecitabine) 3. Gastric cancer (Advanced/recurrent, adjuvant) - SOX regimen (Elplat + Tegafur/Gimeracil/Oteracil potassium) - CAPOX regimen (Elplat + Capecitabine) 4. Pancreatic cancer - FOLFIRINOX regimen (Elplat, Campto, Calcium levofolinate, and Fluorouracil) |
| <i>Campto</i> Infusion solution (100mg/Vial) | 6,609 | 7,534 | (13.9) | |
| <i>Elplat</i> IV infusion solution 50mg | 22,262 | 24,562 | (11.0) | |
| <i>Elplat</i> IV infusion solution 100mg | 40,922 | 45,048 | (10.8) | |
| <i>Elplat</i> IV infusion solution 200mg | 71,819 | 81,916 | (13.9) | |
| Calcium levofolinate for IV infusion 25mg | 697 | 787 | (13.0) | |
| Calcium levofolinate for IV infusion 100mg | 2,372 | 2,693 | (13.5) | |

*Since the drug price includes consumption tax, the revision rate of the base price excluding the consumption tax is shown.

2. Situation of Yakult Group (Production Facilities)

(September 30, 2019)

<Yakult Honsya Plants >

| | HACCP | ISO 9001 | ISO 14001 | production item |
|----------------------------------|-------|----------|-----------|--|
| Fukushima Plant | ○ | ○ | ○ | Concentrated <i>New Yakult</i> , Concentrated <i>New Yakult Calorie Half</i> , Concentrated <i>Yakult 400</i> , <i>Mil-Mil</i> , <i>Mil-Mil S</i> , <i>Sofuhl</i> , <i>Cup de Yakult</i> |
| Ibaraki Plant | ○ | ○ | ○ | Concentrated <i>New Yakult Calorie Half</i> , Concentrated <i>Yakult 400LT</i> , Concentrated <i>Yakult Five</i> , <i>Mainichi Nomu Yakult</i> , <i>Synbiotics Yakult W</i> |
| Fuji Susono Plant | ○ | ○ | ○ | Concentrated <i>Yakult 400</i> , Concentrated <i>Yakult 400LT</i> , <i>Joie</i> (Drinkable Yogurt) , <i>Pretio</i> , <i>Sofuhl</i> , <i>Joie</i> (Yogurt Cup) |
| Hyogo Miki Plant | ○ | ○ | ○ | Concentrated <i>New Yakult</i> , Concentrated <i>Yakult 400LT</i> , Concentrated <i>Yakult 1000</i> , <i>Sofuhl</i> , <i>Mil-Mil</i> , <i>BF-1</i> |
| Saga Plant | ○ | ○ | ○ | Concentrated <i>New Yakult</i> , Concentrated <i>New Yakult Calorie Half</i> , Concentrated <i>Yakult 400</i> , Concentrated <i>Yakult 400LT</i> , <i>Joie</i> (Drinkable Yogurt) , <i>Mil-Mil S</i> |
| Shonan Cosmetics Plant | — | — | ○ | Cosmetics |
| Fuji Susono Pharmaceutical Plant | — | — | ○ | Prescription drugs, Active pharmaceutical ingredient for prescription drugs, Active pharmaceutical ingredient for over-the-counter drugs, Medical device |

<Subsidiary Plants >

| | HACCP | ISO 9001 | ISO 14001 | production item |
|------------------------------------|-------|----------|-----------|---|
| Yakult Iwate Plant Co.,Ltd. | ○ | ○ | ○ | <i>New Yakult</i> , <i>New Yakult Calorie Half</i> , <i>Yakult 400</i> , <i>Yakult 400LT</i> , <i>Yakult Five</i> |
| Yakult Chiba Plant Co.,Ltd. | ○ | ○ | ○ | <i>New Yakult Calorie Half</i> , <i>Yakult 400LT</i> |
| Yakult Aichi Plant Co.,Ltd. | ○ | ○ | ○ | <i>New Yakult</i> , <i>Yakult 400</i> , <i>Yakult 400LT</i> |
| Yakult Okayama Wake Plant Co.,Ltd. | ○ | ○ | ○ | <i>New Yakult</i> , <i>Yakult 400LT</i> , <i>Yakult 1000</i> |
| Yakult Fukuoka Plant Co.,Ltd. | ○ | ○ | ○ | <i>New Yakult</i> , <i>New Yakult Calorie Half</i> , <i>Yakult 400</i> , <i>Yakult 400LT</i> |

HACCP :Hazard Analysis and Critical Control Point

International Organization for Standardization (ISO)

ISO 9001-- The International Standard for Quality Management Systems

ISO 14001-- The International Standard for Environmental Management Systems

3. Overseas Dairy Products sales amount (Preliminary figure)

[Performance from January to September 2019]

(Thousands of bottles/day. %)

| | Consolidation Classification | From January to September, 2019 (Preliminary figure) | | Main Products | Base of production | Base of production |
|--|------------------------------|---|--------------|--|---------------------------------------|--------------------|
| | | Sales quantity | Year on year | | | |
| Taiwan | Equity method | 706 | 93.5 | <i>Yakult, Yakult 300, Yakult 300Light, Joie</i> | ○ | 1 |
| Hong Kong | Consolidated | 535 | 96.4 | <i>Yakult, Yakult LT, Joie</i> | ○ | 1 |
| Thailand ^(*1) | Equity method | 2,201 | 96.1 | <i>Yakult, Yakult Light</i> | ○ | 2 |
| Korea | Equity method | 3,156 | 94.3 | <i>Yakult, Yakult Premium Light</i> | ○ | 4 |
| Philippines | Equity method | 3,221 | 104.2 | <i>Yakult, Yakult Light</i> | ○ | 1 |
| Singapore | Consolidated | 228 | 99.1 | <i>Yakult, Yakult Light, Yakult Ace Light</i> | ○ | 1 |
| Indonesia | Consolidated | 6,204 | 108.3 | <i>Yakult</i> | ○ | 2 |
| Australia | Consolidated | 252 | 102.3 | <i>Yakult, Yakult Light</i> | ○ | 1 |
| Malaysia | Consolidated | 359 | 104.0 | <i>Yakult Ace, Yakult Ace Light</i> | ○ | 1 |
| Vietnam | Consolidated | 517 | 143.4 | <i>Yakult</i> | ○ | 1 |
| India ^(*2) | Consolidated | 245 | 111.9 | <i>Yakult, Yakult Light</i> | ○ | 1 |
| Middle East ^(*3) | Consolidated | 18 | 111.5 | <i>Yakult, Yakult Light, Yakult Gold</i> | Yakult Philippines Yakult Malaysia | --- |
| Myanmar ^(*4) | Consolidated | 2 | — | <i>Yakult</i> | ○ | 1 |
| Guangzhou ^(*5) | Consolidated | 3,064 | 102.3 | <i>Yakult, Yakult Light</i> | ○ | 3 |
| Shanghai | Consolidated | 595 | 89.5 | <i>Yakult, Yakult Light</i> | ○ | 1 |
| Beijing | Consolidated | 458 | 100.1 | <i>Yakult, Yakult Light</i> | Tianjin | --- |
| China ^(*6) | Consolidated | 4,040 | 102.2 | <i>Yakult, Yakult Light</i> | Shanghai, Tianjin, Wuxi | 2 |
| China total | | 8,156 | 101.1 | --- | --- | --- |
| Asia and Oceania total | | 25,803 | 102.2 | Marketing Population: 1,446,416 thousand people Population ratio: 1.78 % | | |
| (Consolidated subsidiaries company Total) | | 16,518 | 104.7 | | | |
| Brazil | Consolidated | 1,562 | 92.7 | <i>Yakult, Yakult 40, Yakult 40LT, Sofyl</i> | ○ | 1 |
| Mexico | Consolidated | 3,877 | 100.3 | <i>Yakult, Yakult40LT, Soful LT, SofulLT(Drink type)</i> | ○ | 2 |
| USA | Consolidated | 377 | 112.2 | <i>Yakult, Yakult Light</i> | ○ | 1 |
| The Americas total | | 5,816 | 98.8 | Marketing Population: 523,735 thousand people Population ratio: 1.11 % | | |
| Netherlands | Consolidated | 160 | 94.1 | <i>Yakult, Yakult Light, Yakult Plus</i> | Yakult Europe | --- |
| Belgium | Consolidated | 77 | 102.0 | <i>Yakult, Yakult Light, Yakult Plus</i> | Yakult Europe | --- |
| United Kingdom | Consolidated | 194 | 96.4 | <i>Yakult, Yakult Light</i> | Yakult Europe | --- |
| Germany | Consolidated | 74 | 93.0 | <i>Yakult, Yakult Light, Yakult Plus</i> | Yakult Europe | --- |
| Austria | Consolidated | 10 | 80.3 | <i>Yakult, Yakult Plus</i> | Yakult Europe | --- |
| Italy | Consolidated | 94 | 95.4 | <i>Yakult, Yakult Light, Yakult Plus</i> | Yakult Europe | --- |
| Europe total | | 609 | 95.5 | Marketing Population: 287,256 thousand people Population ratio: 0.21 % | | Yakult Europe |
| Total | | 32,228 | 101.4 | Marketing Population: 2,257,407 thousand people Population ratio: 1.43 % | | Factory Total |
| (Consolidated subsidiaries company Total) | | 22,943 | 102.9 | | | |

<Accounting period: From January to December>

(*1) Thailand : Accounting date : 31st May.

(*2) India : Accounting date : 31st March.

(*3) Middle East : Started sales of "Yakult Gold" in September 2019.

(*4) Myanmar : Started manufacture and sales of "Yakult" in August 2019. Accounting date : 30st September.

(*5) Guangzhou : Started production at Foshan factory in March 2019.

(*6) Sales Area of Yakult (China) : Nanjing city, Tianjin city, Suzhou city, Hangzhou city, Qingdao city, Ningbo city, Jinan city, Yantai city, Wuhan city,

Wenzhou city, Shenyang city, Dalian city, Fuzhou city, Xiamen city, Hefei city, Changsha city, Xi'an city, Nanchang city,

Changchun city, Shijiazhuang city, Chengdu city, Chongqing city, Zhengzhou city, Taiyuan city, Harbin city, Hohhot city,

Jinhua city, Huaian city, Kunming city, Nanning city, Jiaying city, Wuxi city, Guiyang city, Lanzhou city, Nantong city,

Shaoxing city. (excluding Guangdong, Hainan, Shanghai and Beijing city)

CAUTIONARY STATEMENT

Statements contained in these materials with respect to Yakult's plans, forecasts and other statements that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ substantially from expectations.

The information contained in these materials is not intended as a solicitation for investment. Furthermore, Yakult does not guarantee the accuracy of the contents of these materials. Yakult and the provider of these materials disclaim any responsibility for any loss or damage that should arise from the use of this information.