



*Executive Summary of Consolidated Financial Results
for the 3rd quarter ended December 31, 2018*

Yakult Honsha Co., Ltd.

January 31 2019

General outline of Consolidated financial results



◆ Total

Increase in sales and profit.

◆ Food and Beverages in Japan

Sales of dairy products sales were almost as much as the previous year due to natural disasters, etc. As well as sales of machinery of dairy products and increase in expenses etc., resulted in the increase sales and decrease profit.

◆ Food and Beverages (Overseas)

Increase sales and profit due to increase of sales volume mainly in Asia and sales price revision.

◆ Pharmaceuticals

Decrease sales and profit due to NHI drug price revision and increase research and development cost.

Consolidated financial results (1)



Billion yen

	FY2018	FY2017	Difference		Forecast	
	(2018.4-2018.12)	(2017.4-2017.12)		Year-on-Year	(2018.11.9)	Year-on-Year
Net sales	315.0	308.9	6.1	102.0%	418.0	104.1%
Operating profit	40.8	39.9	0.9	102.4%	48.0	110.4%
Ordinary profit	49.2	48.1	1.1	102.3%	58.5	110.3%
Profit attributable to owners of parent	34.2	32.7	1.4	104.5%	39.0	114.5%
Basic earnings per share	(yen) 213.48	(yen) 198.07	(yen) 15.41	107.8%	(yen) 243.41	117.6%
Operating profit margin	13.0%	12.9%	0.1	—	11.5%	—

Consolidated Statement of Income



Billion yen

	FY2018 <small>(2018.4-2018.12)</small>	FY2017 <small>(2017.4-2017.12)</small>	Difference		FY2018 <small>(2018.4-2018.12)</small>	FY2017 <small>(2017.4-2017.12)</small>	Difference
Net sales	315.0	308.9	6.1				
Cost of sales	131.2	130.9	0.2	Gain on sales of non-current assets	0.0	0.1	▲ 0.0
Gross profit	183.8	178.0	5.8				
Selling, general and administrative expenses	142.9	138.0	4.8	Gain on sales of investment securities	1.6	0.6	1.0
Operating profit	40.8	39.9	0.9	Others	0.5	0.0	0.5
Interest income	3.2	2.8	0.3	Extraordinary income	2.2	0.7	1.5
Dividend income	1.7	1.7	0.0	Loss on sales of non-current assets	0.0	0.0	0.0
Share of profit of entities accounted for using equity method	3.4	4.5	▲ 1.1	Loss on retirement of non-current assets	0.1	0.2	▲ 0.0
Others	1.5	1.4	0.1	Others	0.0	0.0	0.0
Non-operating income	10.0	10.6	▲ 0.5	Extraordinary losses	0.2	0.2	▲ 0.0
Interest expenses	0.5	0.4	0.0	Profit before income taxes	51.3	48.7	2.6
Foreign exchange losses	0.4	1.3	▲ 0.8	Income taxes	13.2	12.4	0.8
Others	0.6	0.6	0.0	Profit	38.1	36.3	1.8
Non-operating expenses	1.6	2.3	▲ 0.7	Profit attributable to non-controlling interests	3.9	3.5	0.3
Ordinary profit	49.2	48.1	1.1	Profit attributable to owners of parent	34.2	32.7	1.4

Consolidated financial results (2)



Billion yen

	As of Dec. 31 (FY2018)	As of Mar. 31 (FY2017)	Difference	
				Year-on-Year
Total assets	639.0	627.0	11.9	101.9%
Net assets	398.8	386.6	12.1	103.2%
Net assets per share	(yen) 2,256.22	(yen) 2,194.32	(yen) 61.90	102.8%
Equity-to-asset ratio	56.6%	56.2%	0.4	—

Consolidated Balance Sheet



Billion yen

	As of Dec. 31 (FY2018)	As of Mar. 31 (FY2017)	Difference		As of Dec. 31 (FY2018)	As of Mar. 31 (FY2017)	Difference
Assets				Liabilities			
Cash and deposits	168.9	151.7	17.1	Notes and accounts payable - trade	30.5	29.5	1.0
Notes and accounts receivable - trade	61.6	56.4	5.1	Short-term loans payable	94.6	87.2	7.4
Inventories	30.0	28.1	1.8	Others	42.6	45.0	▲ 2.4
Others	8.6	8.8	▲ 0.2	Current liabilities	167.8	161.8	6.0
Current assets	269.2	245.2	23.9	Long-term loans payable	37.9	41.8	▲ 3.9
				Net defined benefit liability	4.9	5.3	▲ 0.3
Property, plant and equipment	199.8	201.1	▲ 1.3	Others	29.3	31.3	▲ 1.9
				Non-Current liabilities	72.2	78.5	▲ 6.2
Intangible assets	5.3	5.7	▲ 0.4	Total Liabilities	240.1	240.3	▲ 0.2
Investment securities	152.3	163.5	▲ 11.2	Net Assets			
Others	12.1	11.2	0.9	Shareholder's equity	365.0	338.9	26.1
Investments and other assets	164.5	174.8	▲ 10.2	Accumulated other comprehensive income	▲ 3.5	13.2	▲ 16.8
				Non-controlling interests	37.3	34.4	2.8
				Total Net Assets	398.8	386.6	12.1
Total Assets	639.0	627.0	11.9	Total Liabilities and Net Assets	639.0	627.0	11.9

Increase / Decrease in Net sales (1)



Billion yen

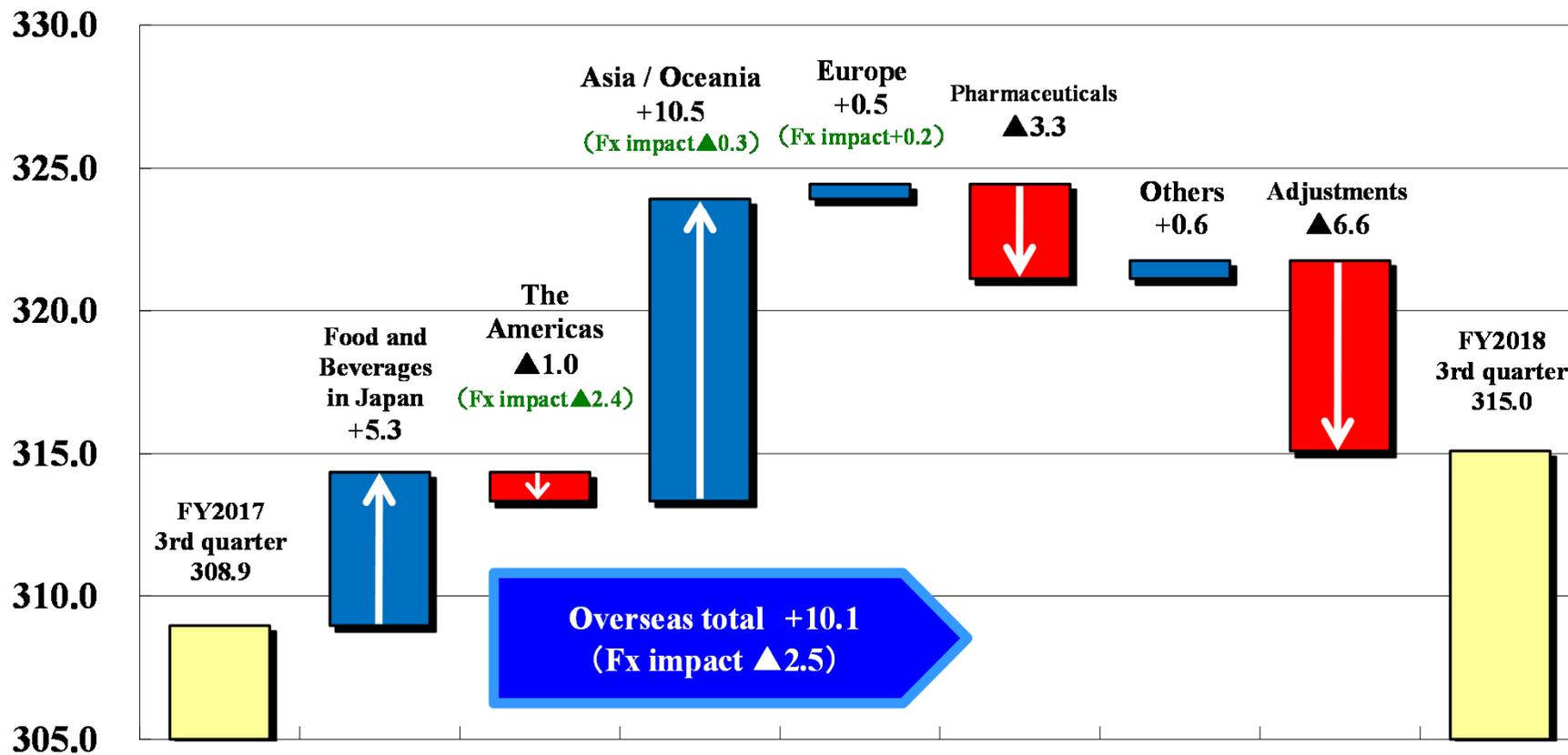
Segment	Net Sales		Year-on-Year	
	FY2018 (2018.4-2018.12)	FY2017 (2017.4-2017.12)	Amount	Rate
Food and Beverages in Japan	165.2	159.8	+ 5.3	+ 3.4%
The Americas	37.0	38.0	▲ 0.1	▲ 2.6%
Asia/Oceania	95.1	84.5	+ 10.5	+ 12.5%
Europe	6.6	6.0	+ 0.5	+ 8.6%
Food and Beverages (Overseas)	138.7	128.6	+ 10.1	+ 7.9%
Pharmaceuticals	16.9	20.2	▲ 3.3	▲ 16.5%
Others	18.1	17.5	+ 0.6	+ 3.6%
Adjustments	▲ 24.0	▲ 17.3	▲ 6.6	+ 38.3%
Total	315.0	308.9	+ 6.1	+ 2.0%

Increase / Decrease in Net sales (2)



Increased by +6.1

Billion yen



Increase / Decrease in Operating profit (1)



Billion yen

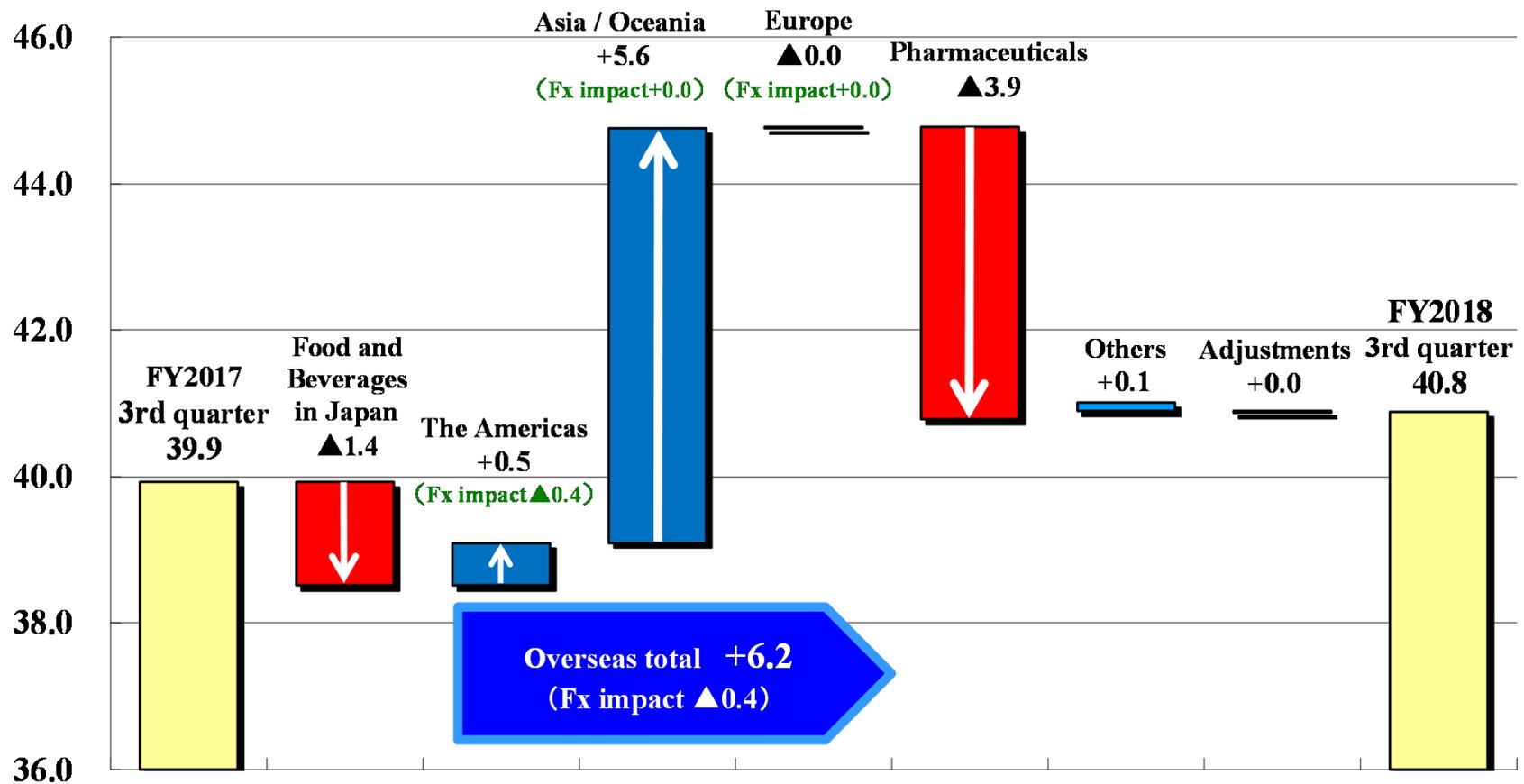
Segment	Operating Profit		Year-on-Year	
	FY2018 (2018.4-2018.12)	FY2017 (2017.4-2017.12)	Amount	Rate
Food and Beverages in Japan	12.5	13.9	▲ 1.4	▲ 10.2%
The Americas	9.6	9.0	+ 0.5	+ 6.5%
Asia/Oceania	30.8	25.1	+ 5.6	+ 22.5%
Europe	0.5	0.5	▲ 0.0	▲ 3.7%
Food and Beverages (Overseas)	41.0	34.8	+ 6.2	+ 17.9%
Pharmaceuticals	▲ 1.2	2.7	▲ 3.9	—
Others	1.7	1.6	+ 0.1	+ 6.9%
Adjustments	▲ 13.2	▲ 13.2	+ 0.0	▲ 0.2%
Total	40.8	39.9	+ 0.9	+ 2.4%

Increase / Decrease in Operating profit (2)



Increased by +0.9

Billion yen

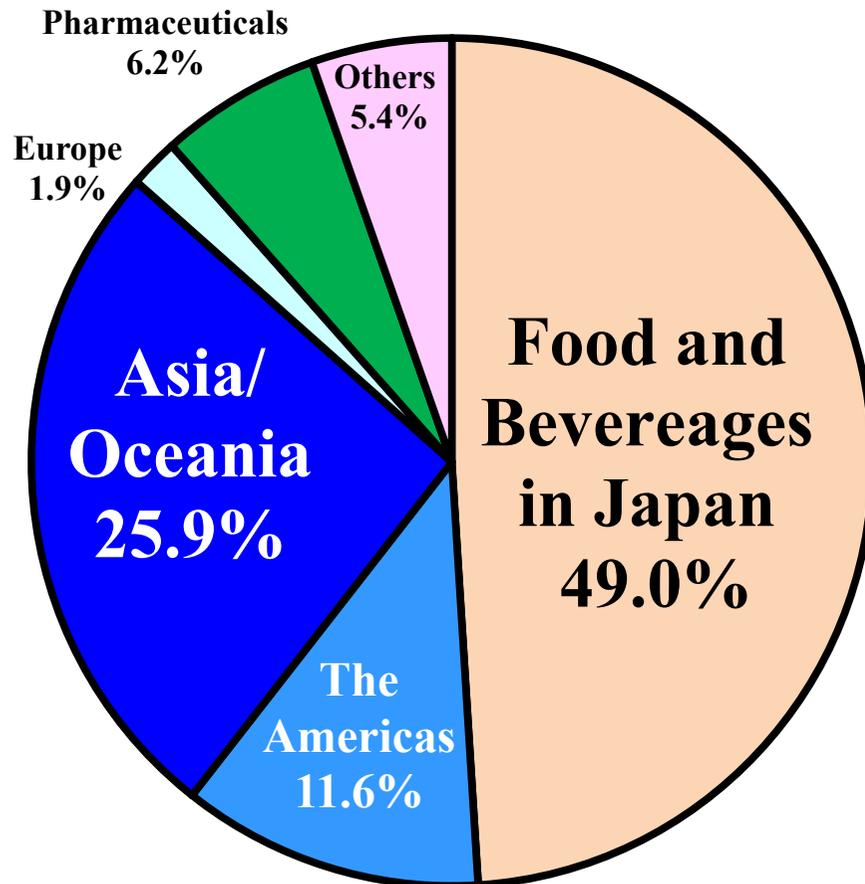


Segment share of consolidated sales



FY2017

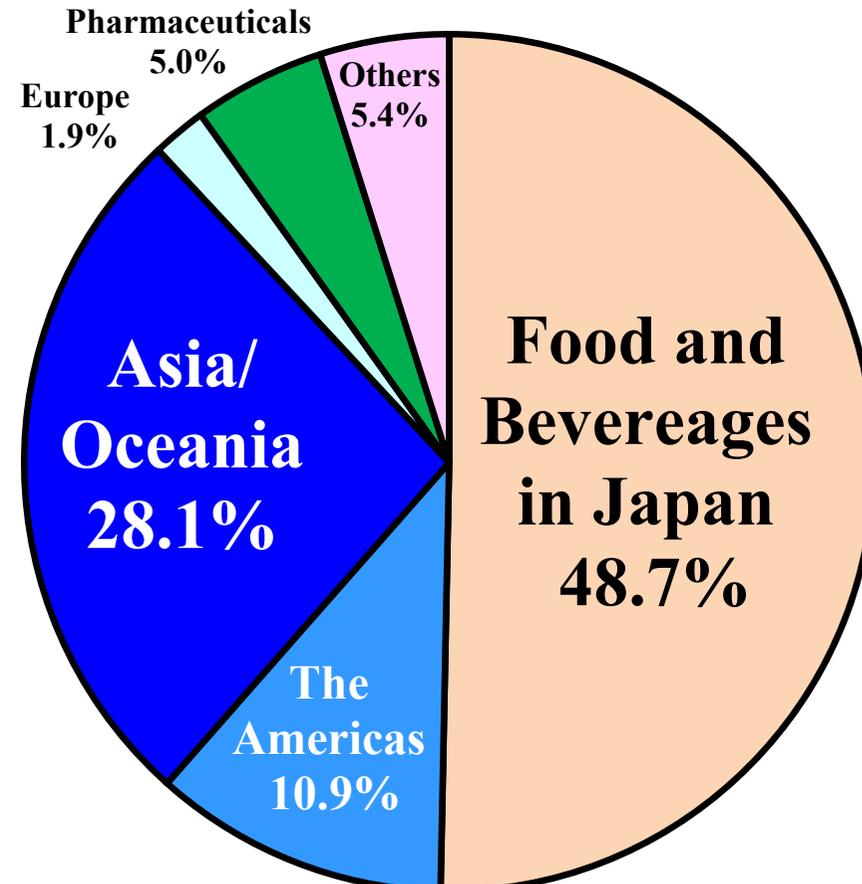
3rd quarter



Overseas total : 39.4%

FY2018

3rd quarter



Overseas total : 40.9%

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



(Thousands of bottles/day)

Region	Current	Previous	Year-on Year
Japan	9,591	9,680	99.1%
Brazil	1,685	1,841	91.5%
Mexico	3,864	3,744	103.2%
America	336	292	115.6%
The Americas total	5,885	5,876	100.2%
Hong Kong	555	537	103.3%
Shingapore	230	232	99.2%
Indonesia	5,728	5,274	108.6%
Australia	247	244	100.9%
Malaysia	345	333	103.7%
Vietnam	361	271	133.3%
India	219	187	117.2%
Middle East	17	9	184.6%
Guangzhou	2,994	2,778	107.8%
Shanghai	665	693	95.9%
Beijing	458	435	105.2%
China	3,955	3,494	113.2%
(China total)	8,072	7,400	109.1%
Asia / Oceania total	15,773	14,487	108.9%

Japan : Sales in April to December, 2018

Overseas : Sales in January to September, 2018

Region	Current	Previous	Year-on Year
Netherlands	170	172	98.8%
Belgium	76	75	101.6%
United Kingdom	201	199	100.9%
Germany	80	77	103.8%
Austria	12	11	106.7%
Italia	98	94	104.5%
Europe total	637	628	101.4%
Overseas total	22,295	20,992	106.2%
Consolidated total	31,886	30,672	104.0%

【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	756	788	95.9%
Thailand	2,289	2,203	103.9%
Korea	3,344	3,699	90.3%
Philippines	3,090	2,719	113.7%
Affiliates total	9,478	9,409	100.7%

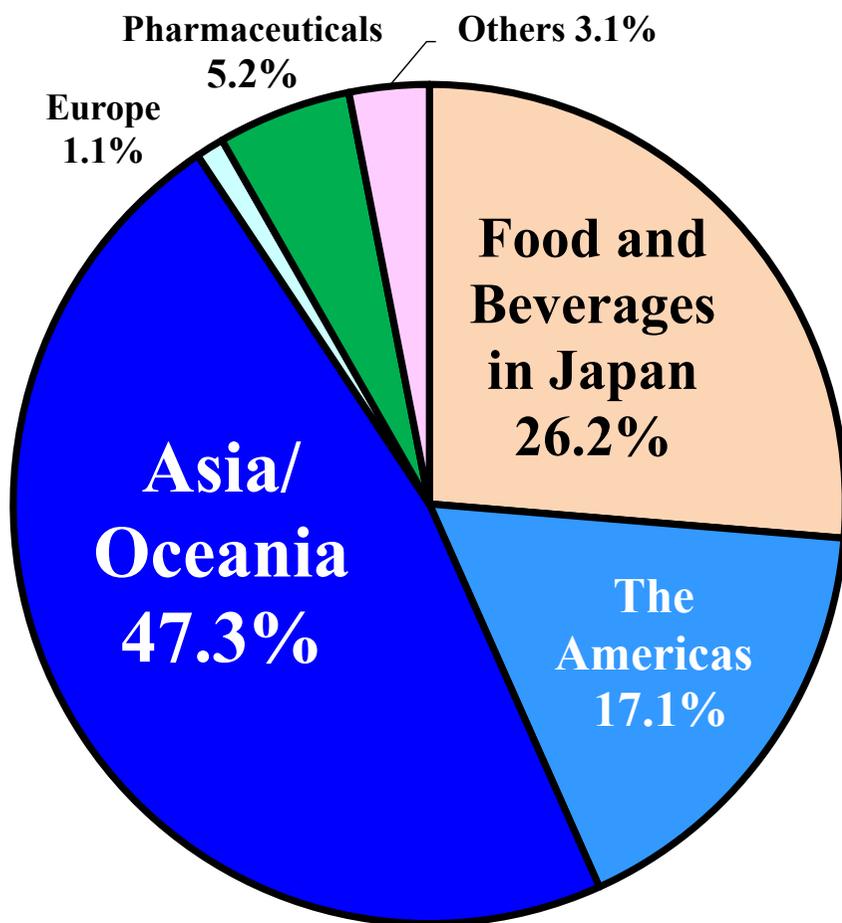
Grand Total	41,364	40,081	103.2%
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Segment share of consolidated Operating profit



FY2017

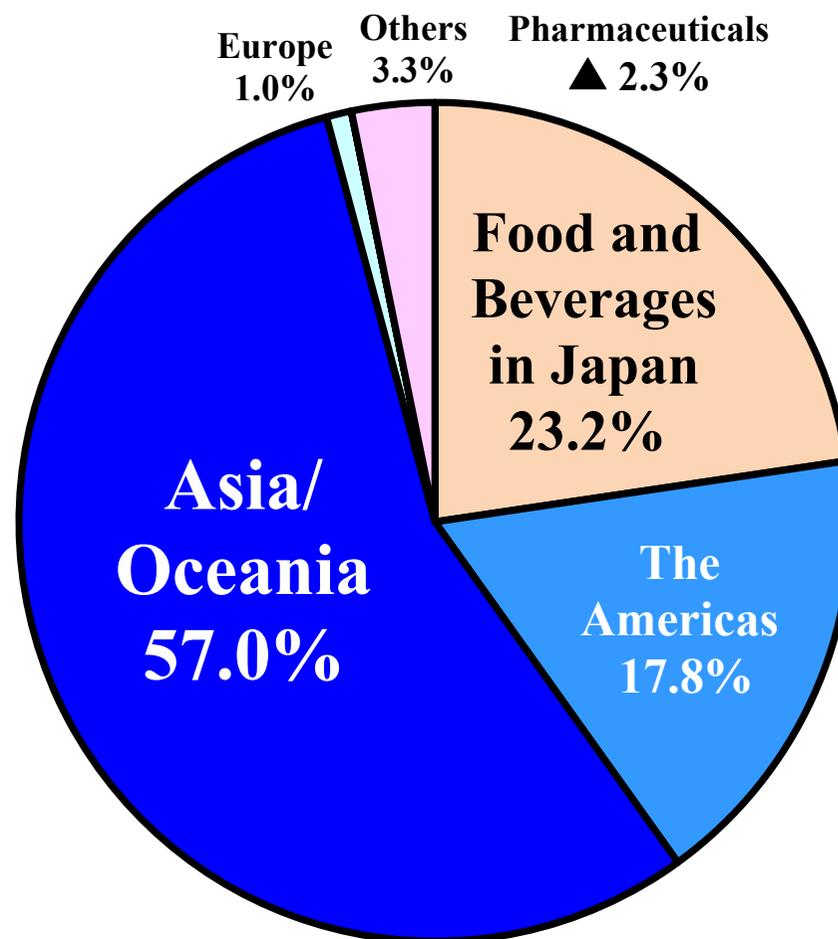
3rd quarter



Overseas total : 65.5%

FY2018

3rd quarter



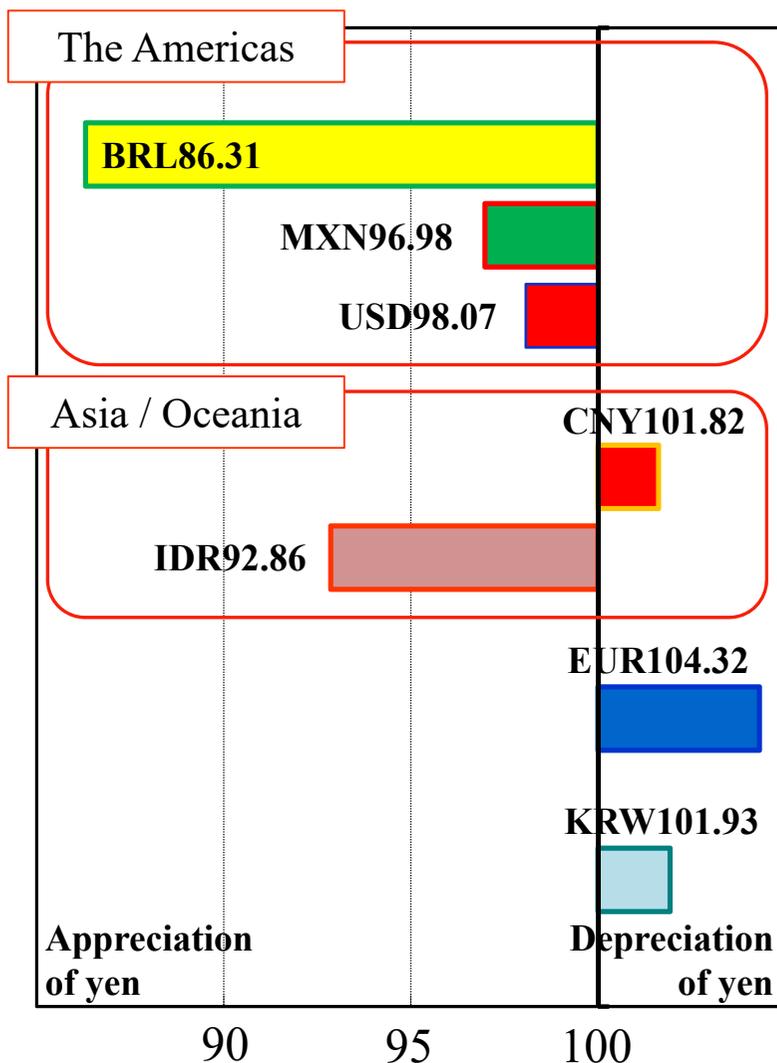
Overseas total : 75.8%

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



< Average rate from Jan to Sep, 2017=100 >

Average rate from Jan to Sep, 2018



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	▲ 2.4	▲ 0.4	▲ 0.5	▲ 0.2
Asia/Oceania	▲ 0.3	+ 0.0	▲ 0.0	▲ 0.0
Europe	+ 0.2	+ 0.0	+ 0.0	+ 0.0
Equity method	—	—	▲ 0.0	▲ 0.0
Total	▲ 2.5	▲ 0.4	▲ 0.5	▲ 0.2

Thank you.

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Yakult

CAUTIONARY STATEMENT



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