

*Executive Summary of Consolidated Financial Results  
for the 3<sup>rd</sup> quarter ended December 31, 2020*

**Yakult Honsha Co., Ltd.**

*January 29, 2021*

# General outline of Consolidated financial results



## ◆ Total 【Decrease in sales and operating profit】

### ◆ Food and Beverages (Japan)

#### 【Decrease in sales and increase profit】

- Dairy products : The effect of new products (Yakult 1000 etc.) and increase in the number of bottles sold.
- Beverages etc. : Decrease in the number of bottles sold due to the novel coronavirus infection.

### ◆ Food and Beverages (Overseas)

#### 【Decrease in sales and profit】

- Sales volume are almost the same as the previous year.
- Decrease in sales and profit due to appreciation of yen etc.

### ◆ Pharmaceuticals

#### 【Decrease in sales and slight increase profit】

- Impact by NHI drug price revision.
- Decrease in expenses due to refraining from sales activities.

# Consolidated financial results (1)



Billion yen

	FY2020	FY2019	Difference		Forecast	
	(2020.4-2020.12)	(2019.4-2019.12)		Year-on-Year	(2020.11.13)	Year-on-Year
Net sales	296.0	312.9	(16.8) Fx impact (9.1)	94.6%	388.0	95.6%
Operating profit	40.0	41.5	(1.4) Fx impact (2.1)	96.4%	43.0	94.1%
Ordinary profit	53.1	51.8	+ 1.2 Fx impact (2.8)	102.5%	58.5	100.0%
Profit attributable to owners of parent	37.3	35.6	+ 1.7 Fx impact (1.7)	104.8%	40.0	100.7%
Basic earnings per share	(yen) 232.89	(yen) 222.40	(yen) + 10.49	104.7%	(yen) 249.30	100.5%
Operating profit margin	13.5%	13.3%	+ 0.2	—	11.1%	—

# Consolidated Statement of Income

Billion yen

	FY2020 (2020.4-2020.12)	FY2019 (2019.4-2019.12)	Difference		FY2020 (2020.4-2020.12)	FY2019 (2019.4-2019.12)	Difference
Net sales	296.0	312.9	(16.8)	Gain on sales of non-current assets	0.2	0.1	0.0
Cost of sales	120.8	130.6	(9.8)	Gain on sales of investment securities	3.7	2.1	1.5
Gross profit	175.1	182.2	(7.0)	Others	0.2	0.0	0.2
Selling, general and administrative expenses	135.1	140.7	(5.5)	Extraordinary income	4.2	2.3	1.8
Operating profit	40.0	41.5	(1.4)	Loss on sales of non-current assets	0.0	0.0	0.0
Interest income	2.9	4.0	(1.1)	Loss on retirement of non-current assets	0.2	0.5	(0.2)
Dividend income	1.8	1.8	0.0	Loss on valuation of investment securities	0.8	0.7	0.0
Share of profit of entities accounted for using equity method	3.8	4.0	(0.1)	Expense related to a novel coronavirus	1.1	—	1.1
Foreign exchange gains	2.9	—	2.9	Others	0.2	0.2	(0.0)
Others	2.3	1.6	0.7	Extraordinary losses	2.5	1.6	0.9
Non-operating income	14.0	11.6	2.4	Profit before income taxes	54.8	52.5	2.2
Interest expenses	0.5	0.6	(0.0)	Income taxes	13.7	12.9	0.8
Foreign exchange losses	—	0.2	(0.2)	Profit	41.0	39.6	1.4
Others	0.4	0.3	0.0	Profit attributable to non-controlling interests	3.7	4.0	(0.2)
Non-operating expenses	0.9	1.2	(0.2)	Profit attributable to owners of parent	37.3	35.6	1.7
Ordinary profit	53.1	51.8	1.2				

# Consolidated financial results (2)



Billion yen

	As of Dec. 31 (FY2020)	As of Mar. 31 (FY2019)	Difference	
				Year-on-Year
<b>Total assets</b>	<b>632.0</b>	<b>627.8</b>	<b>+ 4.2</b>	<b>100.7%</b>
<b>Net assets</b>	<b>426.1</b>	<b>412.0</b>	<b>+ 14.0</b>	<b>103.4%</b>
<b>Net assets per share</b>	(yen) <b>2,441.81</b>	(yen) <b>2,330.58</b>	(yen) <b>+ 111.23</b>	<b>104.8%</b>
<b>Equity-to-asset ratio</b>	<b>62.0%</b>	<b>59.5%</b>	<b>+ 2.5</b>	—

# Consolidated Balance Sheet

Billion yen

	As of Dec. 31 (FY2020)	As of Mar. 31 (FY2019)	Difference		As of Dec. 31 (FY2020)	As of Mar. 31 (FY2019)	Difference
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits	178.1	175.6	2.4	Notes and accounts payable - trade	24.2	26.2	(1.9)
Notes and accounts receivable - trade	57.5	51.8	5.6	Short-term loans payable	31.2	32.7	(1.4)
Inventories	28.2	28.7	(0.5)	Others	47.9	50.1	(2.1)
Others	11.0	9.5	1.4	Current liabilities	103.4	109.0	(5.5)
Current assets	274.9	265.8	9.1	Long-term loans payable	66.8	70.6	(3.7)
				Net defined benefit liability	5.3	6.4	(1.1)
Property, plant and equipment	199.0	203.9	(4.9)	Others	30.2	29.6	0.6
				Non-Current liabilities	102.4	106.7	(4.2)
Intangible assets	4.8	4.4	0.3	<b>Total Liabilities</b>	205.9	215.7	(9.8)
				<b>Net Assets</b>			
Investment securities	140.7	139.7	0.9	Shareholder's equity	428.7	397.6	31.1
Others	12.6	13.8	(1.1)	Accumulated other comprehensive income	(36.9)	(24.2)	(12.6)
Investments and other assets	153.3	153.6	(0.2)	Non-controlling interests	34.3	38.7	(4.3)
				<b>Total Net Assets</b>	426.1	412.0	14.0
<b>Total Assets</b>	632.0	627.8	4.2	<b>Total Liabilities and Net Assets</b>	632.0	627.8	4.2

# Increase / Decrease in Net sales (1)



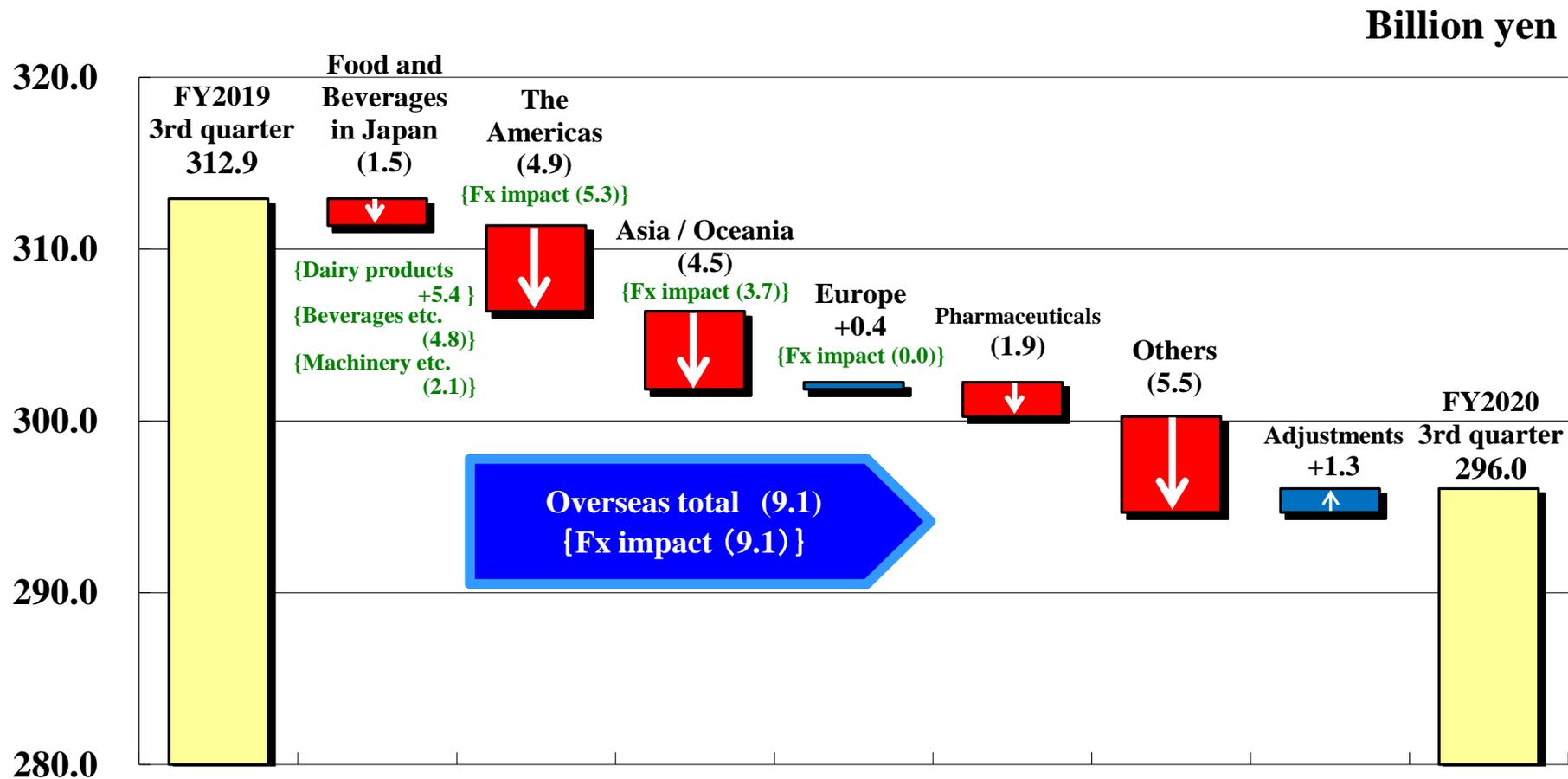
Billion yen

Segment	Net Sales		Year-on-Year	
	FY2020 (2020.4-2020.12)	FY2019 (2019.4-2019.12)	Amount	Rate
Food and Beverages in Japan	157.0	158.6	(1.5)	(1.0)%
The Americas	31.6	36.6	(4.9)	(13.6)%
Asia / Oceania	90.9	95.4	(4.5)	(4.8)%
Europe	6.3	5.9	+ 0.4	+ 7.1 %
Food and Beverages (Overseas)	128.9	138.0	(9.1) Fx impact (9.1)	(6.6)%
Pharmaceuticals	13.5	15.5	(1.9)	(12.8)%
Others	14.0	19.5	(5.5)	(28.5)%
Adjustments	(17.4)	(18.8)	+ 1.3	(7.4)%
Total	296.0	312.9	(16.8)	(5.4)%

# Increase / Decrease in Net sales (2)



## Change amount (16.8)



# Increase / Decrease in Operating profit (1)



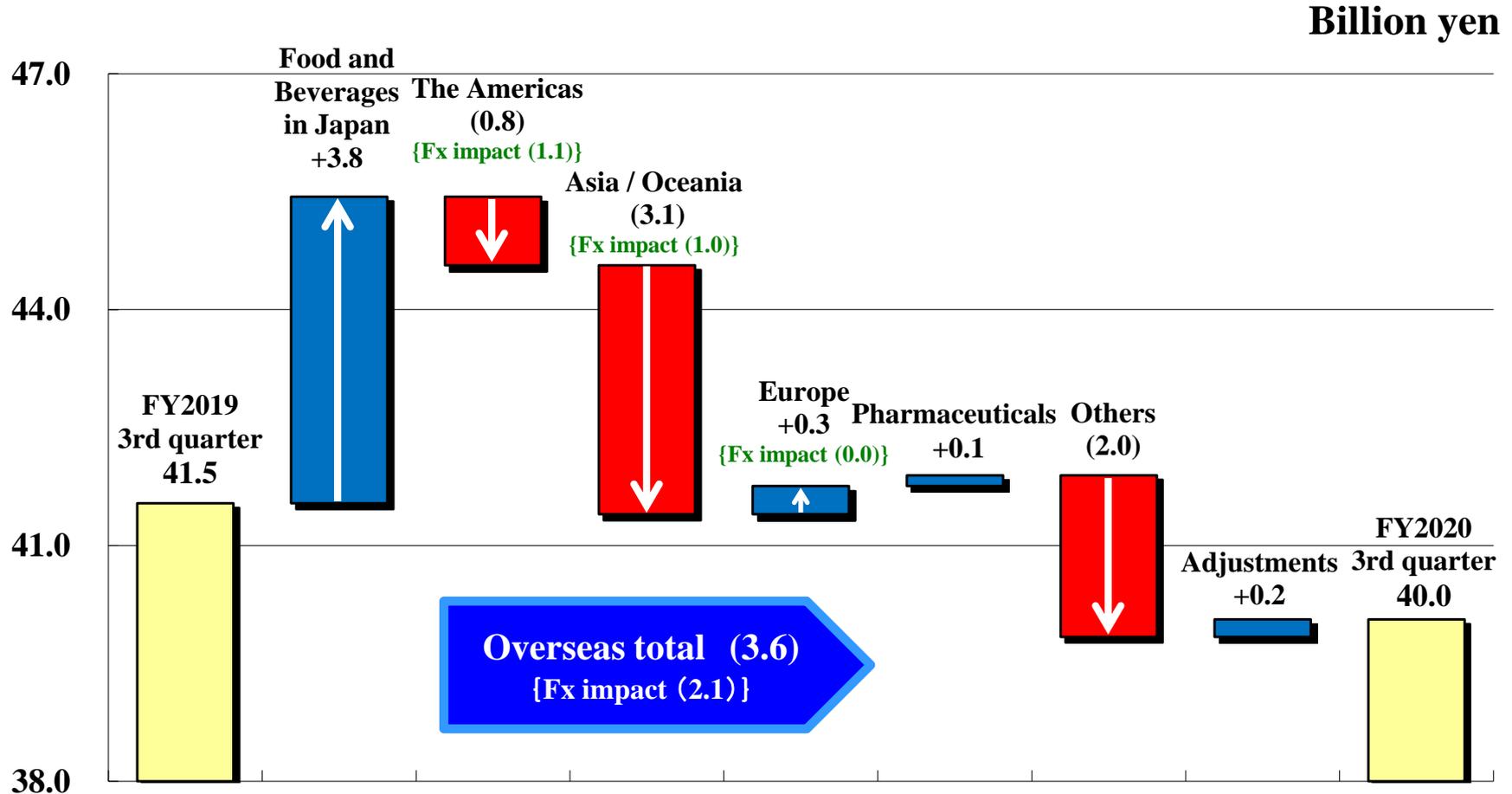
Billion yen

Segment	Operating Profit		Year-on-Year	
	FY2020 (2020.4-2020.12)	FY2019 (2019.4-2019.12)	Amount	Rate
Food and Beverages in Japan	18.2	14.3	+ 3.8	+ 27.1 %
The Americas	8.6	9.4	(0.8)	(9.2)%
Asia / Oceania	24.5	27.7	(3.1)	(11.4)%
Europe	0.7	0.4	+ 0.3	+ 87.4 %
Food and Beverages (Overseas)	33.9	37.6	(3.6) Fx impact (2.1)	(9.8)%
Pharmaceuticals	0.3	0.2	+ 0.1	+ 61.5 %
Others	0.6	2.7	(2.0)	(74.9)%
Adjustments	(13.2)	(13.4)	+ 0.2	(1.7)%
Total	40.0	41.5	(1.4)	(3.6)%

# Increase / Decrease in Operating profit (2)



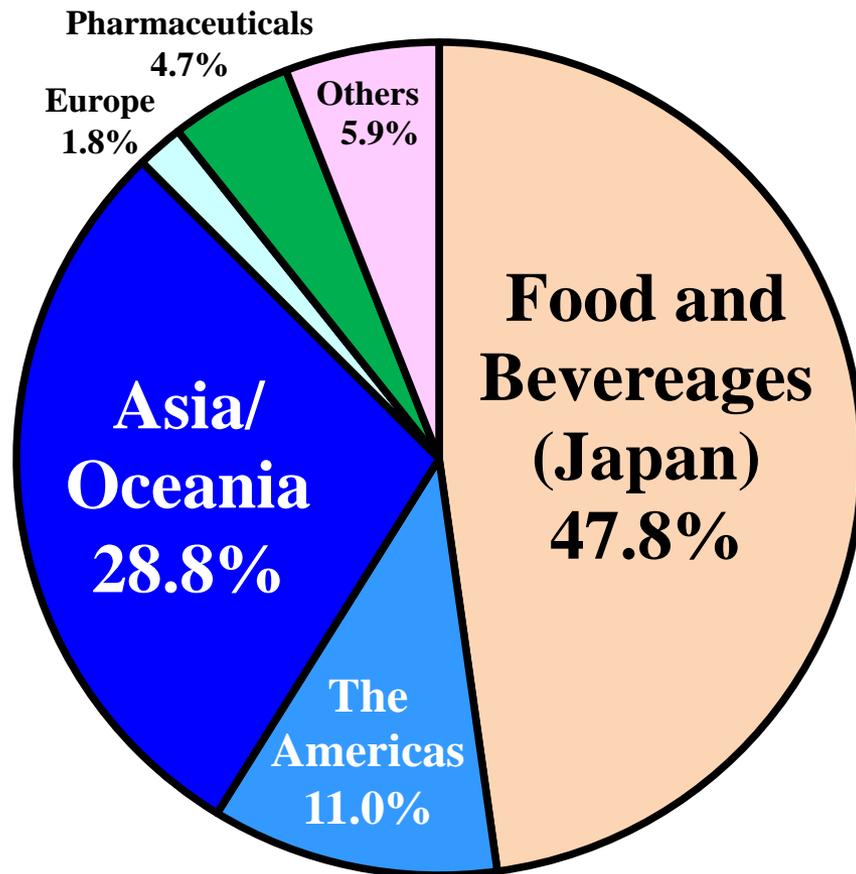
## Change amount (1.4)



# Segment share of consolidated sales

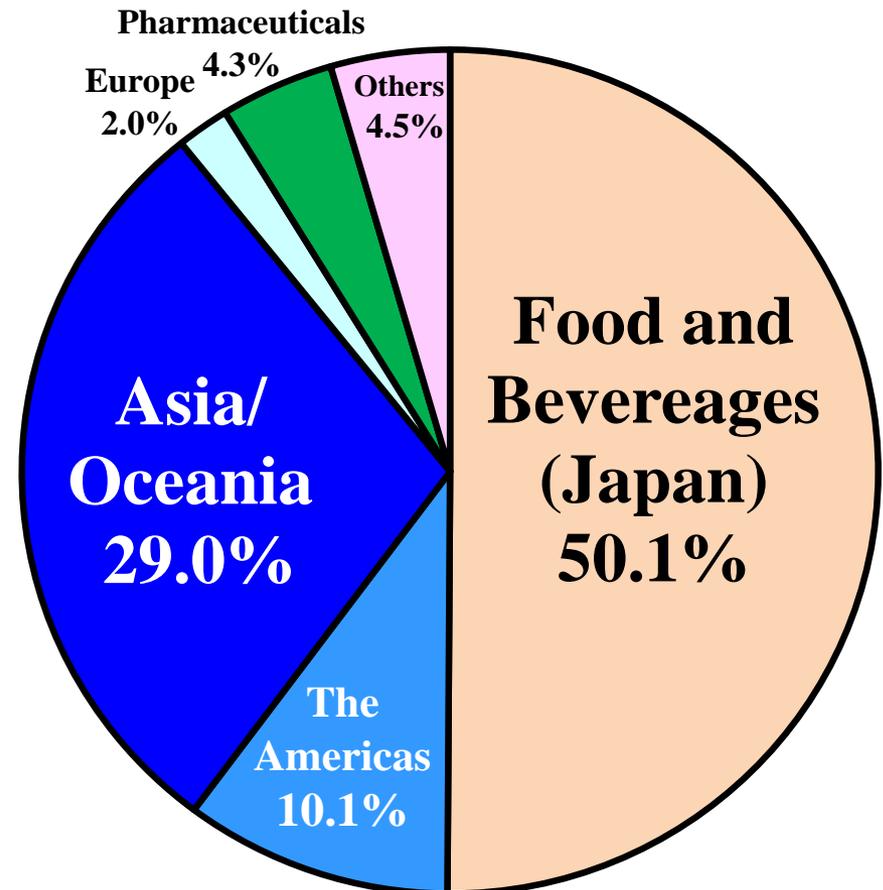


**FY2019**  
*3<sup>rd</sup> quarter*



**Overseas total: 41.6%**

**FY2020**  
*3<sup>rd</sup> quarter*



**Overseas total: 41.1%**

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



(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
<b>Japan</b>	<b>9,585</b>	<b>9,411</b>	<b>101.9%</b>
Brazil	1,467	1,562	93.9%
Mexico	3,609	3,877	93.1%
America	451	377	119.9%
<b>The Americas total</b>	<b>5,526</b>	<b>5,816</b>	<b>95.0%</b>
Hong Kong	470	535	87.8%
Shingapore	277	228	121.6%
Indonesia	6,625	6,204	106.8%
Australia	269	252	106.7%
Malaysia	348	359	97.1%
Vietnam	657	517	127.0%
India	194	245	79.2%
Middle East	16	18	84.8%
Myanmar	16	2	765.5%
Guangzhou	2,968	3,064	96.9%
Shanghai	552	595	92.8%
Beijing	421	458	92.0%
China	3,785	4,040	93.7%
<b>(China total)</b>	<b>7,726</b>	<b>8,156</b>	<b>94.7%</b>
<b>Asia / Oceania total</b>	<b>16,599</b>	<b>16,518</b>	<b>100.5%</b>

Region	Current	Previous	Year-on Year
Netherlands	167	160	104.5%
Belgium	81	77	104.3%
United Kingdom	223	194	115.0%
Germany	72	74	96.7%
Austria	11	10	116.6%
Italia	99	94	105.0%
<b>Europe total</b>	<b>651</b>	<b>609</b>	<b>107.1%</b>
<b>Overseas total</b>	<b>22,777</b>	<b>22,943</b>	<b>99.3%</b>
<b>Consolidated total</b>	<b>32,362</b>	<b>32,354</b>	<b>100.0%</b>

## 【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	683	706	96.7%
Thailand	2,075	2,201	94.2%
Korea	2,801	3,156	88.7%
Philippines	2,941	3,221	91.3%
<b>Affiliates total</b>	<b>8,500</b>	<b>9,284</b>	<b>91.6%</b>

<b>Grand Total</b>	<b>40,862</b>	<b>41,638</b>	<b>98.1%</b>
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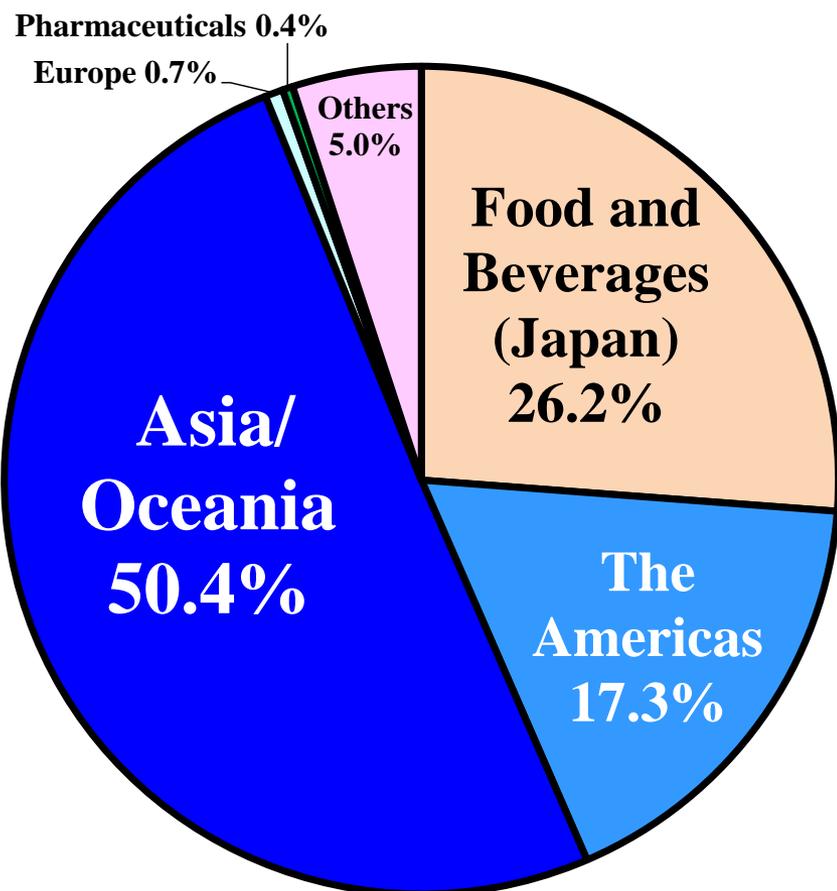
Japan : Sales in April to December, 2020

Overseas : Sales in January to September, 2020

# Segment share of consolidated Operating profit

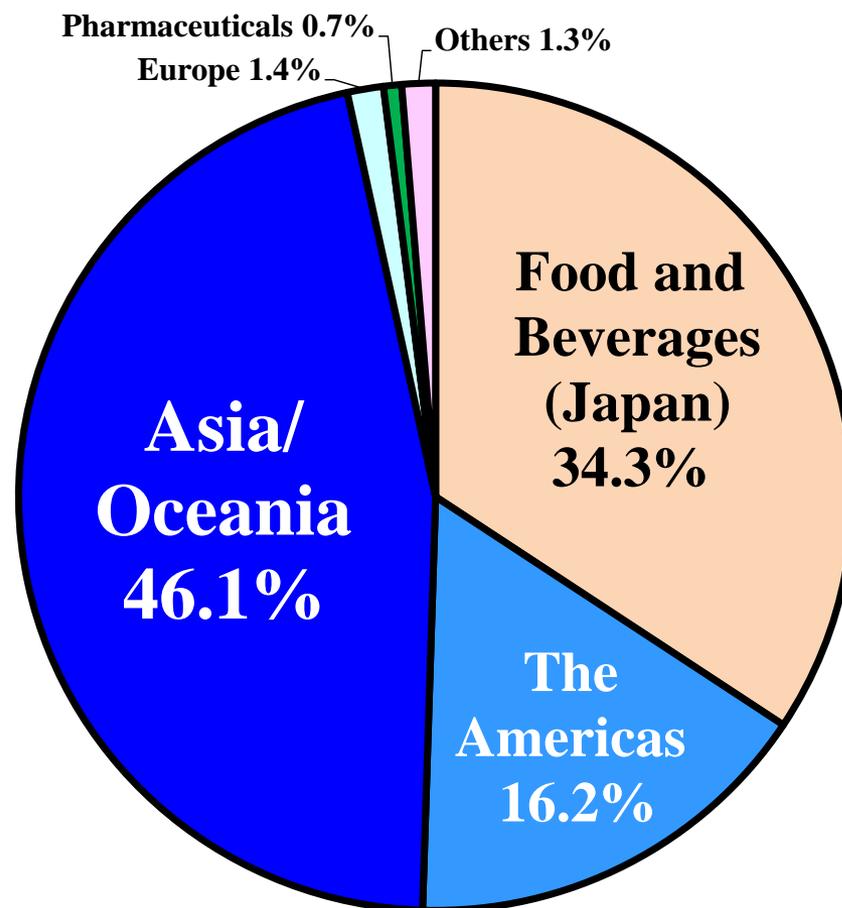


**FY2019**  
*3<sup>rd</sup> quarter*



**Overseas total: 68.4%**

**FY2020**  
*3<sup>rd</sup> quarter*



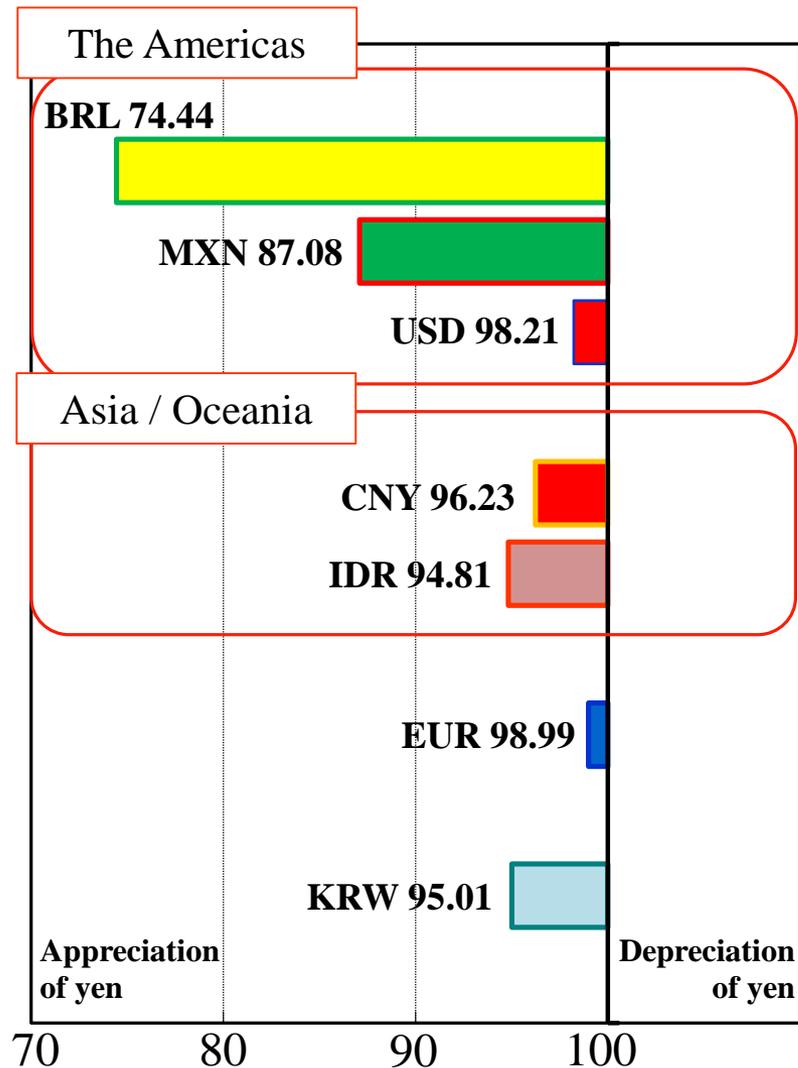
**Overseas total: 63.7%**

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



<Average rate from Jan to Sep, 2019=100>

Average rate from Jan to Sep, 2020



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(5.3)	(1.1)	(1.6)	(0.8)
Asia/Oceania	(3.7)	(1.0)	(1.0)	(0.8)
Europe	(0.0)	(0.0)	(0.0)	(0.0)
Equity method	—	—	(0.0)	(0.0)
<b>Total</b>	<b>(9.1)</b>	<b>(2.1)</b>	<b>(2.8)</b>	<b>(1.7)</b>

**Thank you.**

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**Yakult**

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