

*Executive Summary of Consolidated Financial Results  
for the 1<sup>st</sup> quarter ended June 30, 2018*

**Yakult Honsha Co., Ltd.**

*July 27 2018*

# **General outline of Consolidated financial results**

**Yakult**

## **◆ Total**

**Increase in sales and income.**

## **◆ Food and Beverages in Japan**

**Increase in sales and income due to increase of sales volume of dairy products and sales of machinery of dairy products.**

## **◆ Food and Beverages (Overseas)**

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

## **◆ Pharmaceuticals**

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

# Consolidated financial results (1)



Billion yen

	FY2018	FY2017	Difference		Forecast	
	(2018.4-2018.6)	(2017.4-2017.6)		Year-on Year	(2018.5.10)	Year-on Year
Net sales	96.6	94.4	2.2	102.3%	205.0	103.7%
Operating income	10.0	9.9	0.0	100.3%	22.0	96.5%
Ordinary income	12.6	12.0	0.6	105.2%	26.5	98.7%
Profit attributable to owners of parent	10.0	8.0	1.9	124.7%	17.0	95.1%
Earnings per Share-basic	(yen) 62.46	(yen) 48.61	(yen) 13.85	128.5%	(yen) 105.92	98.0%
Operating income ratio to Net Sales	10.4%	10.6%	▲ 0.2	—	10.7%	—

# Consolidated Statement of Income

Billions of yen

	FY2018 (2018.4-2018.6)	FY2017 (2017.4-2017.6)	Difference		FY2018 (2018.4-2018.6)	FY2017 (2017.4-2017.6)	Difference
Net sales	96.6	94.4	2.2				
Cost of sales	40.1	39.9	0.1	Gain on sales of fixed assets	0.0	0.0	▲ 0.0
Gross profit	56.5	54.5	2.0	Gain on sales of investment securities	1.3	-	1.3
SG&A expenses	46.5	44.5	1.9	Others	0.0	0.0	0.0
Operating income	10.0	9.9	0.0	Extraordinary gain	1.3	0.0	1.3
Interest income	1.0	0.9	0.1	Loss on sales of fixed assets	0.0	0.0	0.0
Dividend income	0.9	0.9	0.0	Loss on disposal of fixed assets	0.0	0.0	0.0
Gain on equity method	0.9	0.8	0.1	Others	0.0	0.0	0.0
Others	0.5	0.5	▲ 0.0	Extraordinary loss	0.0	0.0	0.0
Non-operating income	3.5	3.3	0.2	Income before income taxes	13.9	12.0	1.9
Interest expense	0.1	0.1	0.0	Income taxes	2.9	2.9	▲ 0.0
Foreign exchange loss	0.5	1.0	▲ 0.4	Profit	11.0	9.0	1.9
Others	0.1	0.0	0.0	Profit attributable to non controlling interests	0.9	1.0	▲ 0.0
Non-operating expenses	0.9	1.2	▲ 0.3	Profit attributable to owners of parent	10.0	8.0	1.9
Ordinary income	12.6	12.0	0.6				

# Consolidated financial results (2)



Billion yen

	As of Jun.30 (FY2018)	As of Mar.31 (FY2017)	Difference	
				Year-on Year
<b>Total Assets</b>	<b>628.7</b>	<b>627.0</b>	<b>1.7</b>	<b>100.3%</b>
<b>Net Assets</b>	<b>387.0</b>	<b>386.6</b>	<b>0.3</b>	<b>100.1%</b>
<b>Net Assets per Share</b>	(yen) <b>2,195.04</b>	(yen) <b>2,194.32</b>	(yen) <b>0.72</b>	<b>100.0%</b>
<b>Shareholders' Equity ratio</b>	<b>56.0%</b>	<b>56.2%</b>	<b>▲ 0.2</b>	<b>—</b>

# Consolidated Balance Sheet

Billion yen

	As of Jun.30 (FY2018)	As of Mar.31 (FY2017)	Difference		As of Jun.30 (FY2018)	As of Mar.31 (FY2017)	Difference
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits	148.2	151.7	▲ 3.4	Notes and accounts payable	32.1	29.5	2.6
Notes and accounts receivable	59.5	56.4	3.0	Short-term borrowings	90.1	87.2	2.9
Inventories	30.0	28.1	1.9	Others	42.2	45.0	▲ 2.7
Others	11.4	8.8	2.5	Current liabilities	164.6	161.8	2.8
Current assets	249.3	245.2	4.0	Long-term borrowings	40.5	41.8	▲ 1.3
				Net defined benefit liability	5.0	5.3	▲ 0.2
Tangible fixed assets	199.9	201.1	▲ 1.2	Others	31.5	31.3	0.2
				Fixed liabilities	77.1	78.5	▲ 1.4
Intangible fixed assets	5.5	5.7	▲ 0.1	<b>Total Liabilities</b>	<b>241.7</b>	<b>240.3</b>	<b>1.3</b>
Investment securities	162.7	163.5	▲ 0.8	<b>Net Assets</b>			
Others	11.1	11.2	▲ 0.0	Shareholder's equity	346.3	338.9	7.4
Investment and other assets	173.9	174.8	▲ 0.8	Accumulated other comprehensive income	5.9	13.2	▲ 7.3
				Non-controlling interests	34.7	34.4	0.2
				<b>Net Assets</b>	<b>387.0</b>	<b>386.6</b>	<b>0.3</b>
<b>Total Assets</b>	<b>628.7</b>	<b>627.0</b>	<b>1.7</b>	<b>Total Liabilities and Net assets</b>	<b>628.7</b>	<b>627.0</b>	<b>1.7</b>

# Increase / Decrease in sales (1)



Billion yen

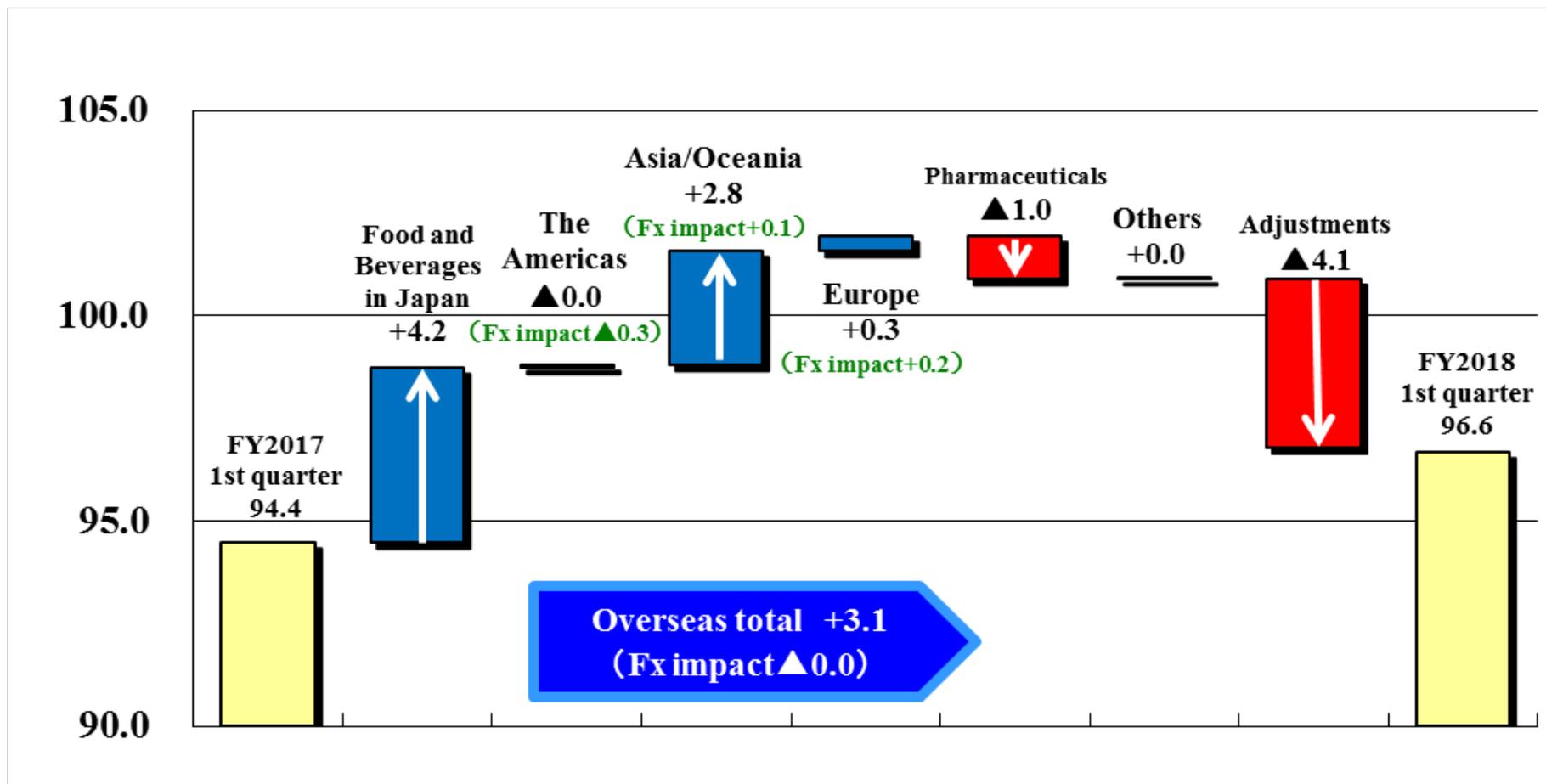
Segment	Net Sales		Year-on-Year	
	FY2018 (2018.4-2018.6)	FY2017 (2017.4-2017.6)	Amount	Rate
Food and Beverages in Japan	56.2	51.9	+4.2	+8.2%
The Americas	12.4	12.4	▲ 0.0	▲ 0.4%
Asia/Oceania	25.0	22.2	+2.8	+12.6%
Europe	2.4	2.0	+0.3	+17.1%
Food and Beverages (Overseas)	39.8	36.7	+3.1	+8.5%
Pharmaceuticals	5.6	6.6	▲ 1.0	▲ 15.6%
Others	4.2	4.2	+0.0	+0.1%
Adjustments	▲ 9.3	▲ 5.2	▲ 4.1	—
Total	96.6	94.4	+2.2	+2.3%

# Increase / Decrease in sales (2)



Increased by +2.2

Billion yen



# Increase / Decrease in operating income (1)



Billion yen

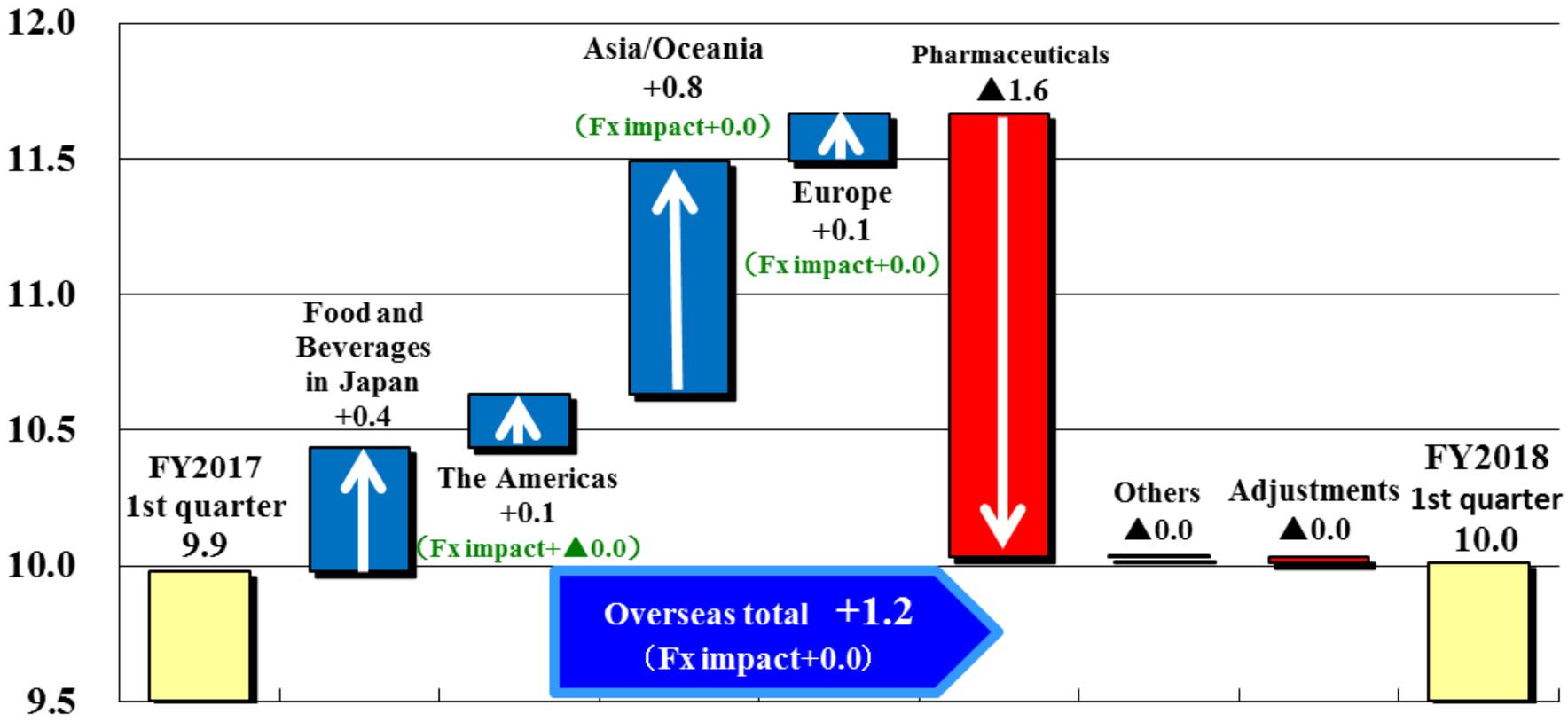
Segment	Operating Income		Year-on-Year	
	FY2018 (2018.4-2018.6)	FY2017 (2017.4-2017.6)	Amount	Rate
Food and Beverages in Japan	4.9	4.4	+0.4	+ 10.3%
The Americas	3.4	3.2	+0.1	+ 6.1%
Asia/Oceania	6.8	5.9	+0.8	+ 14.5%
Europe	0.3	0.1	+0.1	+ 131.3%
Food and Beverages (Overseas)	10.5	9.2	+1.2	+ 13.3%
Pharmaceuticals	▲ 0.7	0.9	▲ 1.6	—
Others	▲ 0.0	▲ 0.0	▲ 0.0	—
Adjustments	▲ 4.6	▲ 4.6	▲ 0.0	—
Total	10.0	9.9	+0.0	+ 0.3%

# Increase / Decrease in operating income (2)



Increased by +0.0

Billion yen

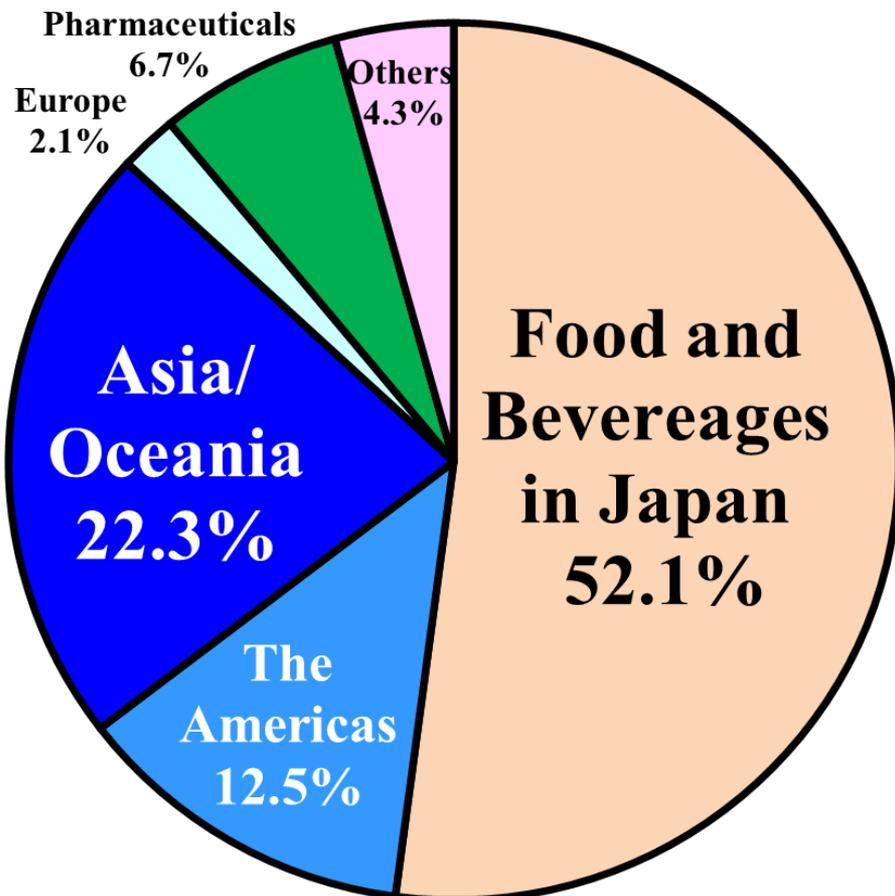


# Segment share of consolidated sales



## FY2017

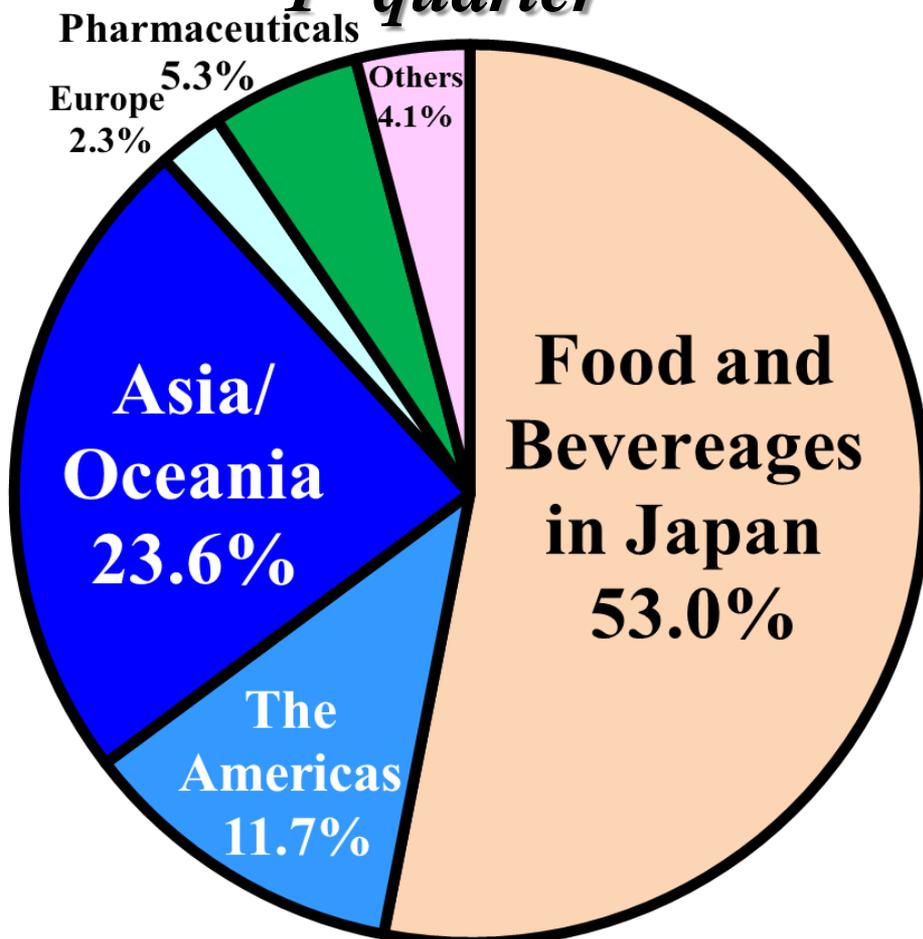
### 1<sup>st</sup> quarter



**Overseas total : 36.9%**

## FY2018

### 1<sup>st</sup> quarter



**Overseas total : 37.6%**

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



(Thousands of bottles/day)

Region	Current	Previous	Year-on Year
<b>Japan</b>	<b>9,795</b>	<b>9,712</b>	<b>100.9%</b>
Brazil	1,829	1,951	93.7%
Mexico	3,759	3,781	99.4%
America	332	279	119.5%
<b>The Americas total</b>	<b>5,920</b>	<b>6,012</b>	<b>98.5%</b>
Hong Kong	456	437	104.5%
Shingapore	225	230	97.7%
Indonesia	5,268	4,928	106.9%
Australia	230	248	92.5%
Malaysia	318	327	97.1%
Vietnam	299	222	134.7%
India	198	153	129.9%
Middle East	16	1	1104.8%
Guangzhou	2,220	2,032	109.3%
Shanghai	469	474	99.0%
Beijing	382	343	111.5%
China	2,841	2,530	112.3%
<b>(China total)</b>	<b>5,912</b>	<b>5,379</b>	<b>109.9%</b>
<b>Asia / Oceania total</b>	<b>12,922</b>	<b>11,924</b>	<b>108.4%</b>

Region	Current	Previous	Year-on Year
Netherlands	192	186	103.1%
Belgium	85	81	105.0%
United Kingdom	207	211	98.6%
Germany	99	92	107.5%
Austria	16	15	113.1%
Italia	103	90	112.4%
<b>Europe total</b>	<b>702</b>	<b>674</b>	<b>104.0%</b>
<b>Overseas total</b>	<b>19,544</b>	<b>18,610</b>	<b>105.0%</b>
<b>Consolidated total</b>	<b>29,339</b>	<b>28,322</b>	<b>103.6%</b>

## 【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	551	605	91.0%
Thailand	2,258	2,161	104.5%
Korea	3,163	3,286	96.1%
Philippines	3,059	2,620	117.0%
<b>Affiliates total</b>	<b>9,031</b>	<b>8,672</b>	<b>104.1%</b>

<b>Grand Total</b>	<b>38,370</b>	<b>36,994</b>	<b>103.7%</b>
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Japan : Sales in April to June,2018

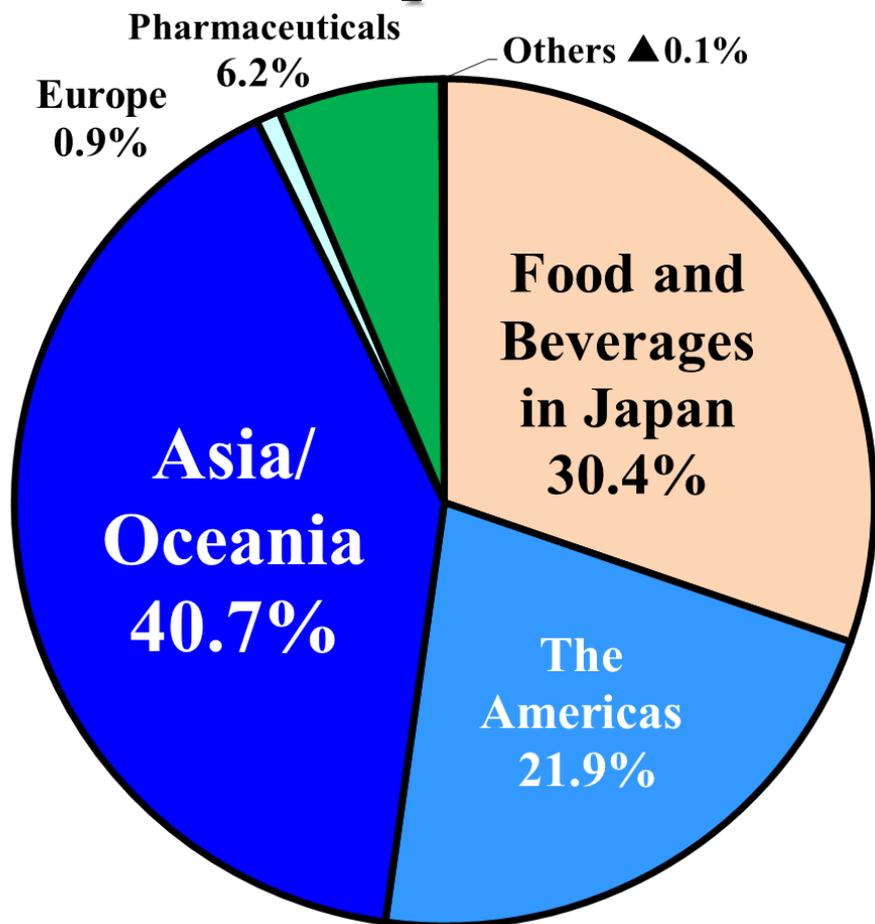
Overseas : Sales in January to March,2018

# Segment share of consolidated operating income



## FY2017

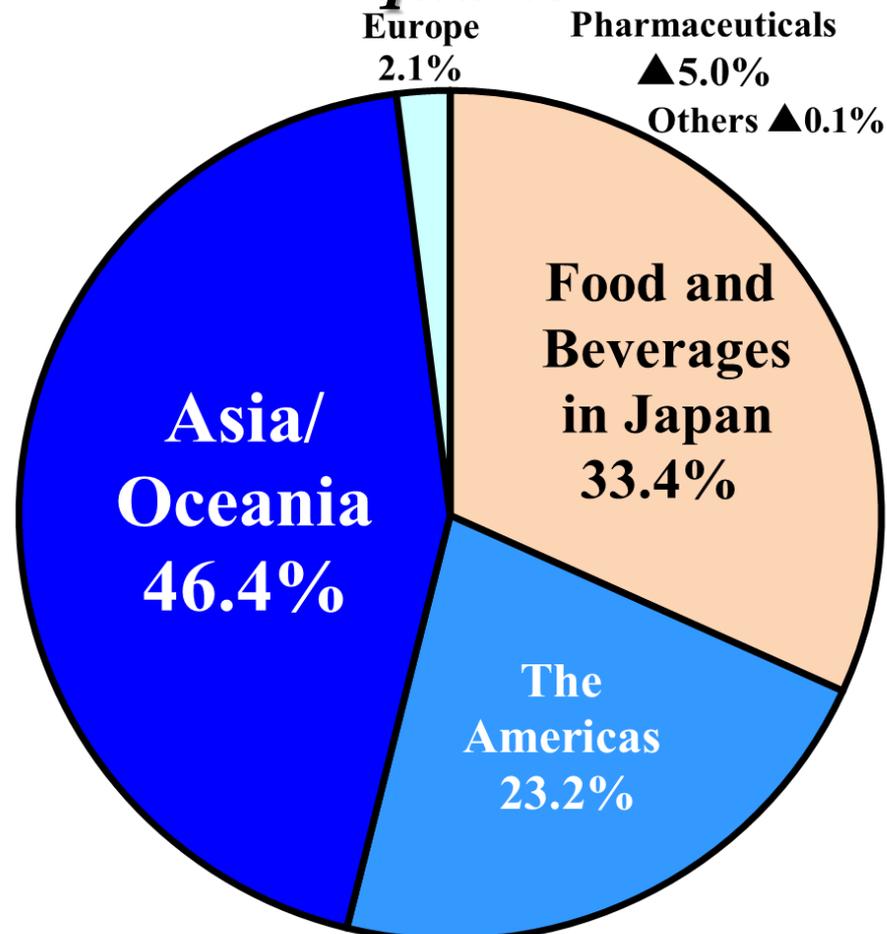
### 1<sup>st</sup> quarter



**Overseas total : 63.5%**

## FY2018

### 1<sup>st</sup> quarter



**Overseas total : 71.7%**

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

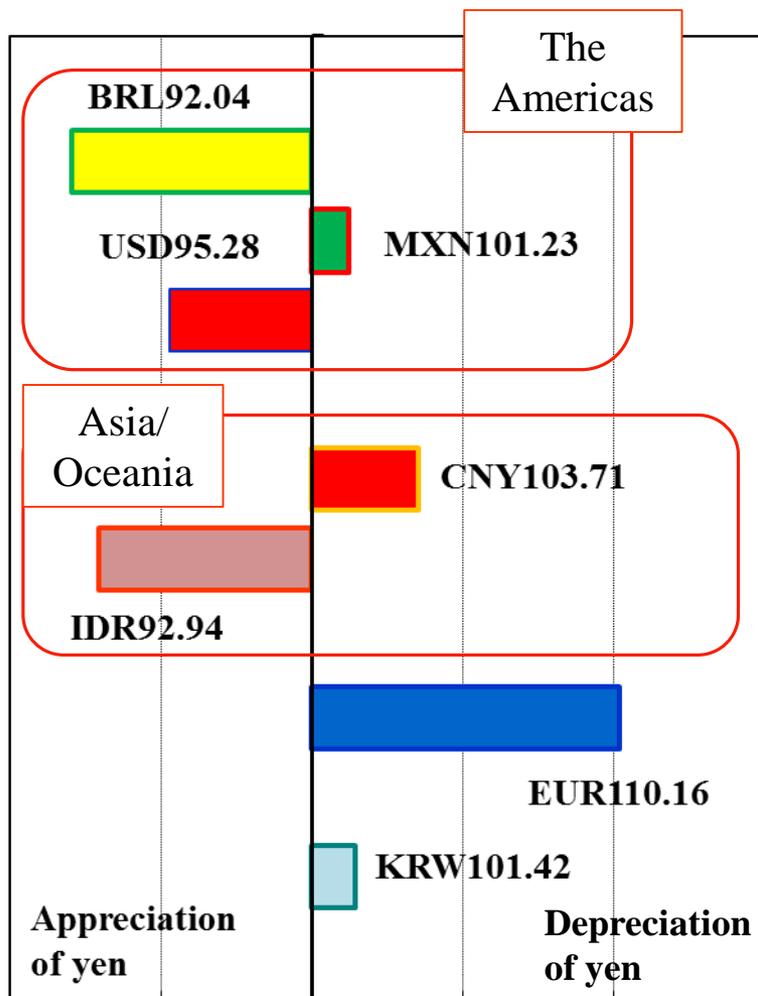


< Average rate from Jan to Mar, 2017=100 >

Average rate from Jan to Mar, 2018

< Impact >

Billion yen



	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
The Americas	▲0.3	▲0.0	▲0.0	▲0.0
Asia/Oceania	+0.1	+0.0	+0.0	+0.0
Europe	+0.2	+0.0	+0.0	+0.0
Equity method	—	—	▲0.0	▲0.0
<b>Total</b>	<b>▲0.0</b>	<b>+0.0</b>	<b>▲0.0</b>	<b>▲0.0</b>

**Thank you.**

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**Yakult**

# CAUTIONARY STATEMENT

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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.

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