

*Executive Summary of Consolidated Financial Results
for the 1st quarter ended June 30, 2019*

Yakult Honsha Co., Ltd.

July 30, 2019

General outline of Consolidated financial results

Yakult

◆ Total

Sales and operating profit are almost the same as the previous year.

◆ Food and Beverages (Japan)

Sales and profit decreased due to a reaction to the sales machinery of dairy products in the previous year and decrease in the number of the bottles dairy products.

◆ Food and Beverages (Overseas)

Increase sales due to increase of sales volume mainly in Asia and sales price revision, decrease profit due to increase in expenses etc.

◆ Pharmaceuticals

Decrease sales due to decrease in Elplat volume and increased profit due to decrease in research and development cost.

Consolidated financial results (1)



Billion yen

	FY2019	FY2018	Difference		Forecast	
	(2019.4-2019.6)	(2018.4-2018.6)		Year-on-Year	(2019.5.14)	Year-on-Year
Net sales	95.8	96.6	(0.8)	99.1%	211.0	103.7%
Operating profit	9.9	10.0	(0.0)	99.6%	25.5	107.2%
Ordinary profit	13.7	12.6	1.0	108.5%	31.5	106.7%
Profit attributable to owners of parent	8.6	10.0	(1.3)	86.1%	20.0	93.8%
Basic earnings per share	(yen) 53.87	(yen) 62.46	(yen) (8.59)	86.2%	(yen) 124.85	94.0%
Operating profit margin	10.4%	10.4%	—	—	12.1%	—

Consolidated Statement of Income

Billion yen

	FY2019 (2019.4-2019.6)	FY2018 (2018.4-2018.6)	Difference		FY2019 (2019.4-2019.6)	FY2018 (2018.4-2018.6)	Difference
Net sales	95.8	96.6	(0.8)	Gain on sales of non-current assets	0.0	0.0	0.0
Cost of sales	39.3	40.1	(0.7)	Gain on sales of investment securities	0.9	1.3	(0.3)
Gross profit	56.5	56.5	(0.0)	Others	0.0	0.0	0.0
Selling, general and administrative expenses	46.5	46.5	(0.0)	Extraordinary income	1.0	1.3	(0.3)
Operating profit	9.9	10.0	(0.0)	Loss on sales of non-current assets	0.0	0.0	0.0
Interest income	1.3	1.0	0.2	Loss on retirement of non-current assets	0.2	0.0	0.1
Dividend income	0.9	0.9	(0.0)	Loss on valuation of investment securities	0.7	—	0.7
Share of profit of entities accounted for using equity method	1.1	0.9	0.1	Others	0.0	0.0	(0.0)
Others	0.7	0.5	0.2	Extraordinary losses	0.9	0.0	0.8
Non-operating income	4.1	3.5	0.6	Profit before income taxes	13.7	13.9	(0.1)
Interest expenses	0.2	0.1	0.0	Income taxes	3.9	2.9	1.0
Foreign exchange losses	0.1	0.5	(0.4)	Profit	9.8	11.0	(1.1)
Others	0.1	0.1	(0.0)	Profit attributable to non-controlling interests	1.2	0.9	0.2
Non-operating expenses	0.4	0.9	(0.4)	Profit attributable to owners of parent	8.6	10.0	(1.3)
Ordinary profit	13.7	12.6	1.0				

Consolidated financial results (2)



Billion yen

	As of Jun. 30 (FY2019)	As of Mar. 31 (FY2018)	Difference	
				Year-on-Year
Total assets	618.5	618.5	0.0	100.0%
Net assets	394.3	392.2	2.0	100.5%
Net assets per share	(yen) 2,232.53	(yen) 2,229.80	(yen) 2.73	100.1%
Equity-to-asset ratio	57.8%	57.8%	—	—

Consolidated Balance Sheet

Billion yen

	As of Jun. 30 (FY2019)	As of Mar. 31 (FY2018)	Difference		As of Jun. 30 (FY2019)	As of Mar. 31 (FY2018)	Difference
Assets				Liabilities			
Cash and deposits	153.5	156.4	(2.9)	Notes and accounts payable - trade	26.8	27.9	(1.1)
Notes and accounts receivable - trade	56.9	52.8	4.0	Short-term loans payable	41.7	40.1	1.5
Inventories	31.0	29.1	1.9	Others	46.5	47.3	(0.7)
Others	12.1	9.1	2.9	Current liabilities	115.1	115.4	(0.3)
Current assets	253.6	247.6	6.0	Long-term loans payable	74.9	76.3	(1.3)
				Net defined benefit liability	5.1	5.4	(0.3)
Property, plant and equipment	204.3	200.0	4.2	Others	29.0	28.9	0.0
				Non-Current liabilities	109.0	110.7	(1.7)
Intangible assets	4.6	4.7	(0.1)	Total Liabilities	224.2	226.2	(2.0)
				Net Assets			
Investment securities	145.2	155.3	(10.0)	Shareholder's equity	370.2	365.7	4.5
Others	10.6	10.7	(0.1)	Accumulated other comprehensive income	(12.6)	(8.4)	(4.1)
Investments and other assets	155.8	166.0	(10.1)	Non-controlling interests	36.6	35.0	1.6
				Total Net Assets	394.3	392.2	2.0
Total Assets	618.5	618.5	0.0	Total Liabilities and Net Assets	618.5	618.5	0.0

Increase / Decrease in Net sales (1)



Billions yen

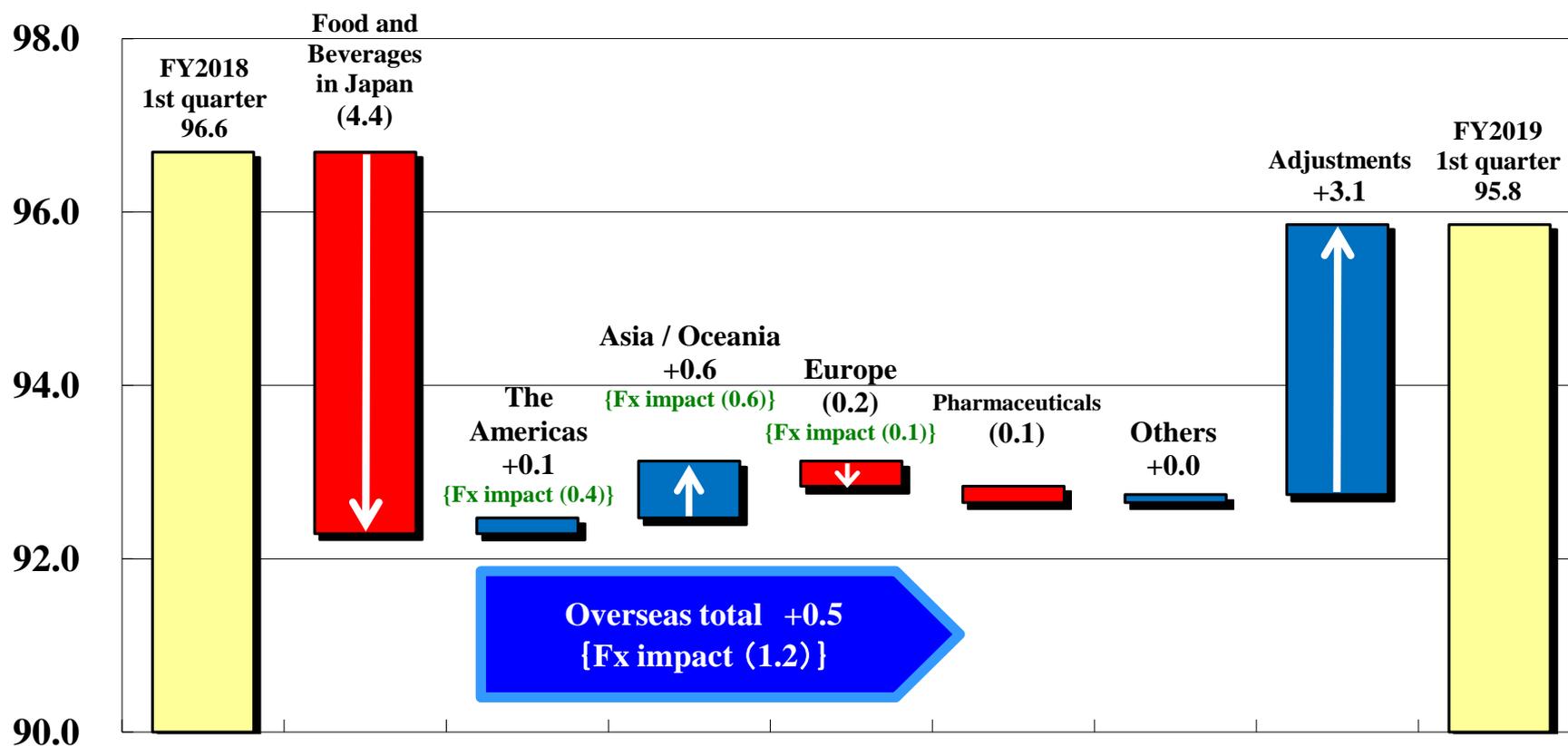
Segment	Net Sales		Year-on-Year	
	FY2019 (2019.4-2019.6)	FY2018 (2018.4-2018.6)	Amount	Rate
Food and Beverages in Japan	51.8	56.2	(4.4)	(7.8)%
The Americas	12.5	12.4	+ 0.1	+ 1.5 %
Asia / Oceania	25.6	25.0	+ 0.6	+ 2.6 %
Europe	2.1	2.4	(0.2)	(11.8)%
Food and Beverages (Overseas)	40.4	39.8	+ 0.5	+ 1.4 %
Pharmaceuticals	5.4	5.6	(0.1)	(3.4)%
Others	4.3	4.2	+ 0.0	+ 2.2 %
Adjustments	(6.2)	(9.3)	+ 3.1	(33.3)%
Total	95.8	96.6	(0.8)	(0.9)%

Increase / Decrease in Net sales (2)



Change amount (0.8)

Billion yen



Increase / Decrease in Operating profit (1)



Billion yen

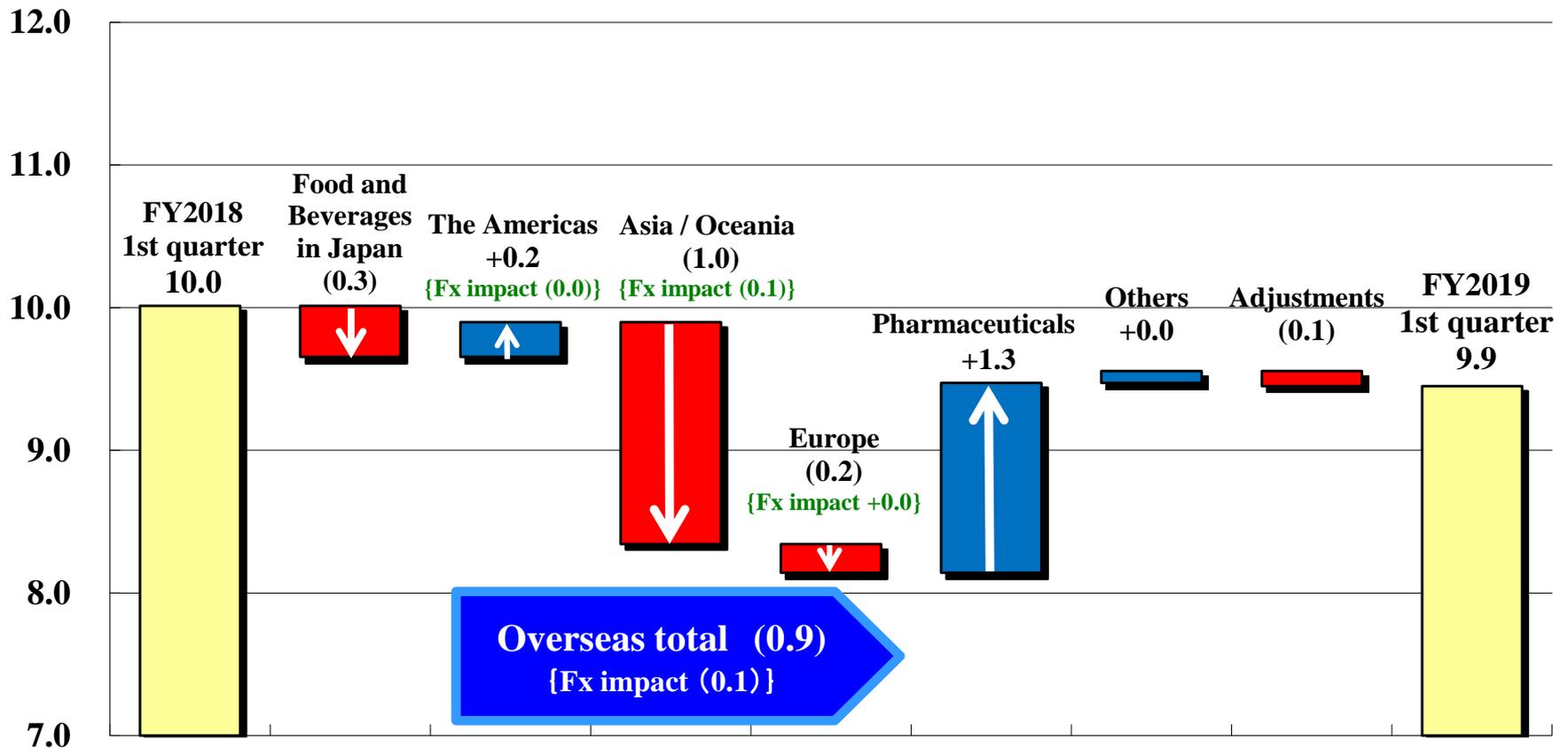
Segment	Operating Profit		Year-on-Year	
	FY2019 (2019.4-2019.6)	FY2018 (2018.4-2018.6)	Amount	Rate
Food and Beverages in Japan	4.5	4.9	(0.3)	(7.3)%
The Americas	3.6	3.4	+ 0.2	+ 7.2 %
Asia / Oceania	5.7	6.8	(1.0)	(15.1)%
Europe	0.1	0.3	(0.2)	(65.4)%
Food and Beverages (Overseas)	9.5	10.5	(0.9)	(9.4)%
Pharmaceuticals	0.6	(0.7)	+ 1.3	—
Others	0.0	(0.0)	+ 0.0	—
Adjustments	(4.7)	(4.6)	(0.1)	+ 2.3 %
Total	9.9	10.0	(0.0)	(0.4)%

Increase / Decrease in Operating profit (2)



Change amount (0.0)

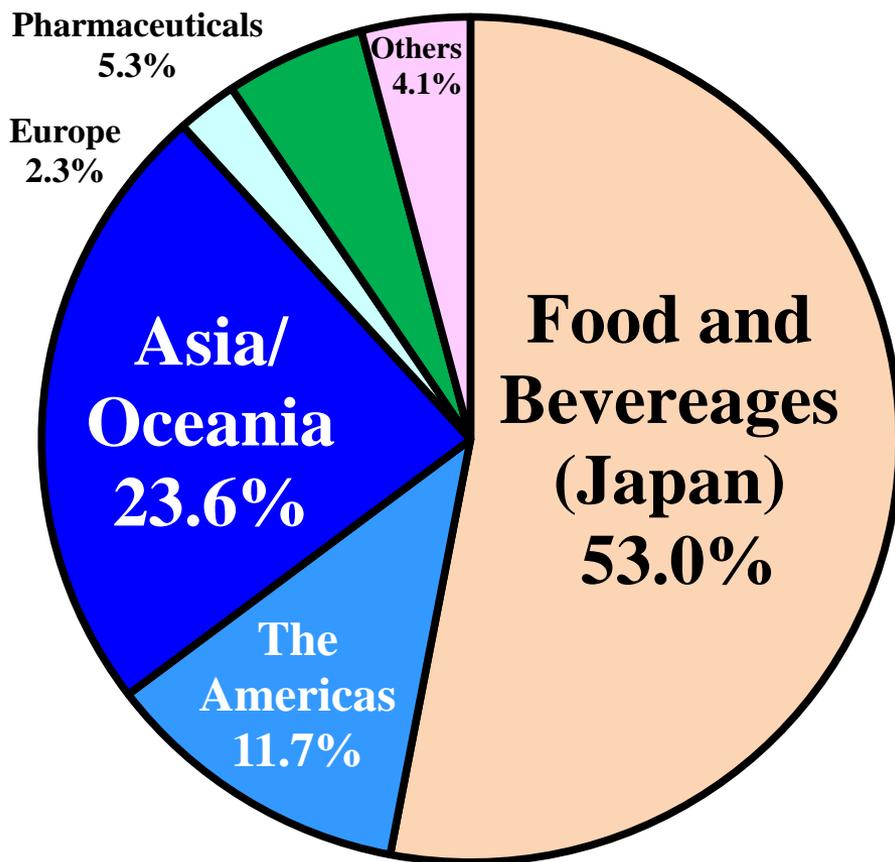
Billion yen



Segment share of consolidated sales

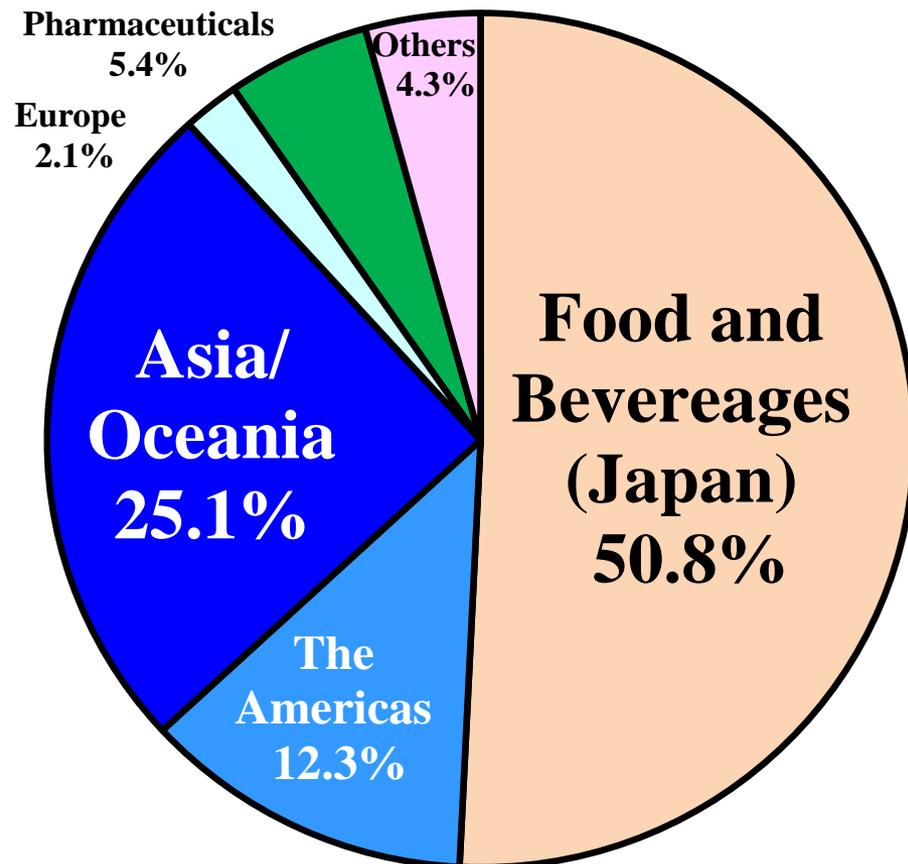


FY2018 1st quarter



Overseas total: 37.6%

FY2019 1st quarter



Overseas total: 39.5%

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



(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
Japan	9,466	9,795	96.6%
Brazil	1,662	1,829	90.9%
Mexico	3,976	3,759	105.8%
America	371	332	112.8%
The Americas total	6,009	5,920	101.5%
Hong Kong	454	456	99.5%
Shingapore	226	225	100.5%
Indonesia	5,611	5,268	106.5%
Australia	250	230	108.9%
Malaysia	340	318	107.0%
Vietnam	434	299	145.5%
India	215	198	108.3%
Middle East	18	16	112.1%
Guangzhou	2,236	2,220	100.7%
Shanghai	425	469	90.7%
Beijing	378	382	98.8%
China	2,935	2,841	103.3%
(China total)	5,974	5,912	101.0%
Asia / Oceania total	13,522	12,922	104.6%

Japan : Sales in April to June, 2019

Overseas : Sales in January to March, 2019

Region	Current	Previous	Year-on Year
Netherlands	172	192	89.8%
Belgium	84	85	99.8%
United Kingdom	206	207	99.0%
Germany	88	99	88.7%
Austria	11	16	64.7%
Italia	99	103	96.2%
Europe total	660	702	93.9%
Overseas total	20,191	19,544	103.3%
Consolidated total	29,657	29,339	101.1%

【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	611	551	111.0%
Thailand	2,226	2,258	98.6%
Korea	2,890	3,163	90.7%
Philippines	3,243	3,059	106.0%
Affiliates total	8,970	9,031	99.3%

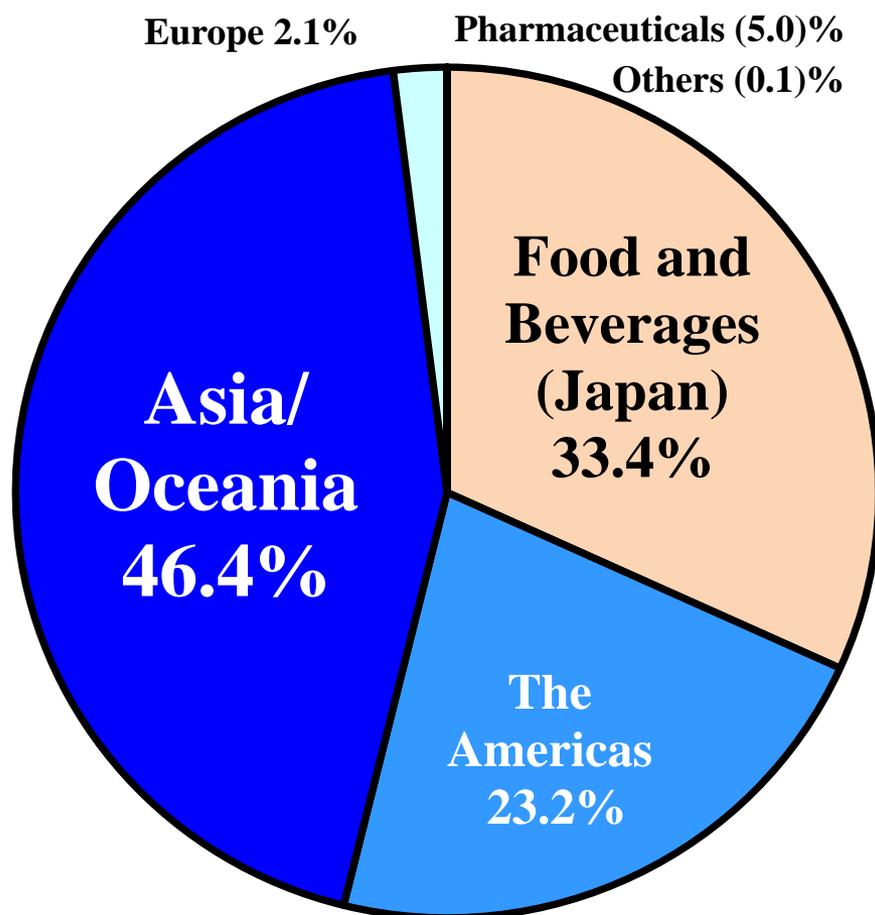
Grand Total	38,627	38,370	100.7%
--------------------	---------------	---------------	---------------

Segment share of consolidated Operating profit



FY2018

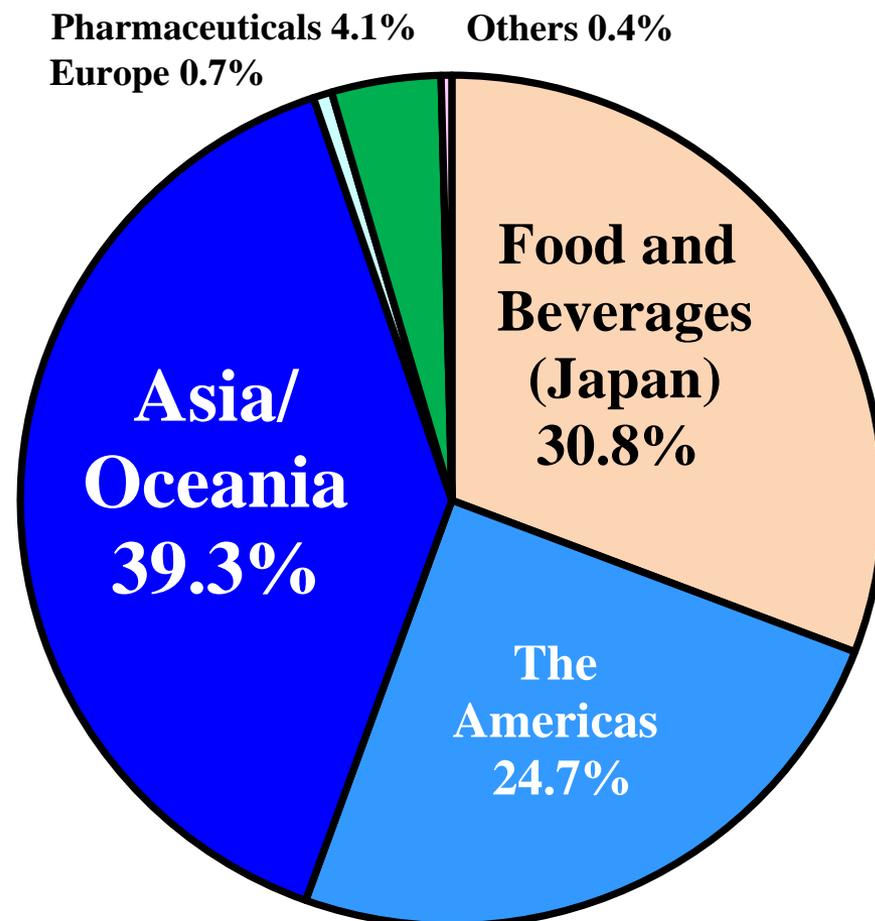
1st quarter



Overseas total: 71.7%

FY2019

1st quarter



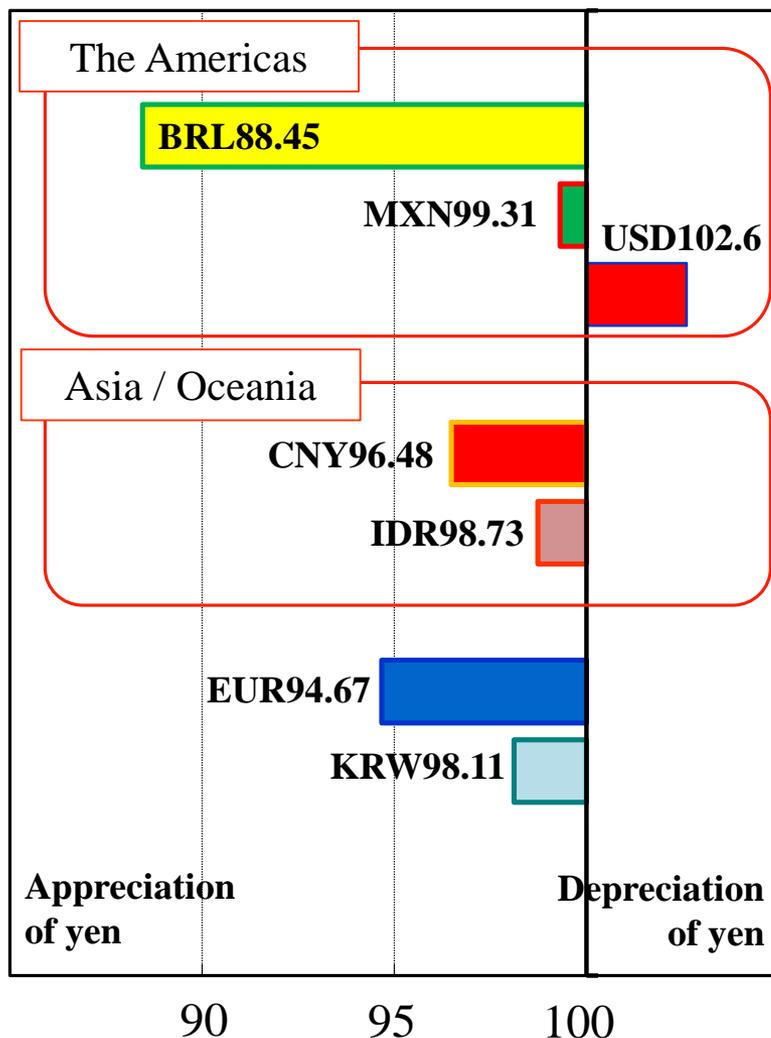
Overseas total: 64.7%

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

Yakult

< Average rate from Jan to Mar, 2018=100 >

Average rate from Jan to Mar, 2019



	< Impact > Billion yen			
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(0.4)	(0.0)	(0.0)	(0.0)
Asia/Oceania	(0.6)	(0.1)	(0.1)	(0.1)
Europe	(0.1)	+ 0.0	+ 0.0	+ 0.0
Equity method	—	—	+ 0.0	+ 0.0
Total	(1.2)	(0.1)	(0.2)	(0.1)

Thank you.

人も地球も健康に

Yakult