

*Executive Summary of Consolidated Financial Results
for the 1st quarter ended June 30, 2020*

Yakult Honsha Co., Ltd.

July 31, 2020

General outline of Consolidated financial results



◆ Total

Decrease in sales and increase profit.

◆ Food and Beverages (Japan)

- Despite increase in the number of the bottles of dairy products, decrease in the number of the bottles soft drinks due to the novel coronavirus infection. As a result, sales decreased.
- The effect of new products(Yakult1000 etc) and decrease in expenses due to refraining from sales activities increased profit.

◆ Food and Beverages (Overseas)

- Despite increase of sales volume mainly in Asia, decrease in sales and profit due to impact by foreign exchange rate.

◆ Pharmaceuticals

- Decrease sales and profit due to impact by NHI drug price revision.

Consolidated financial results (1)

Billion yen

	FY2020	FY2019	Difference		Forecast	
	(2020.4-2020.6)	(2019.4-2019.6)	Impact by Foreign Exchange Rate	Year-on-Year	(2020.5.14)	Year-on-Year
Net sales	92.5	95.8	(3.3) Impact (2.6)	96.5%	203.0	100.5%
Operating profit	11.0	9.9	+ 1.0 Impact (0.5)	110.7%	23.0	96.9%
Ordinary profit	17.7	13.7	+ 3.9 Impact (0.9)	129.0%	29.0	95.7%
Profit attributable to owners of parent	11.4	8.6	+ 2.7 Impact (0.5)	132.3%	18.5	89.6%
Basic earnings per share	(yen) 71.27	(yen) 53.87	(yen) + 17.40	132.3%	(yen) 115.46	89.5%
Operating profit margin	11.9%	10.4%	+ 1.5	—	11.3%	—

Consolidated Statement of Income

Billion yen

	FY2020 (2020.4-2020.6)	FY2019 (2019.4-2019.6)	Difference		FY2020 (2020.4-2020.6)	FY2019 (2019.4-2019.6)	Difference
Net sales	92.5	95.8	(3.3)	Gain on sales of non-current assets	0.0	0.0	0.0
Cost of sales	37.3	39.3	(2.0)	Gain on sales of investment securities	—	0.9	(0.9)
Gross profit	55.2	56.5	(1.2)	Others	0.0	0.0	0.0
Selling, general and administrative expenses	44.1	46.5	(2.3)	Extraordinary income	0.0	1.0	(0.9)
Operating profit	11.0	9.9	1.0	Loss on retirement of non-current assets	0.0	0.2	(0.1)
Interest income	1.2	1.3	(0.0)	Loss on valuation of investment securities	—	0.7	(0.7)
Dividend income	1.0	0.9	0.0	Expense related to a novel coronavirus	0.6	—	0.6
Share of profit of entities accounted for using equity method	0.9	1.1	(0.2)	Others	0.0	0.0	0.0
Foreign exchange gains	3.0	—	3.0	Extraordinary losses	0.6	0.9	(0.2)
Others	0.7	0.7	(0.0)	Profit before income taxes	17.1	13.7	3.3
Non-operating income	7.0	4.1	2.8	Income taxes	3.9	3.9	(0.0)
Interest expenses	0.1	0.2	(0.0)	Profit	13.2	9.8	3.3
Others	0.1	0.2	(0.0)	Profit attributable to non-controlling interests	1.7	1.2	0.5
Non-operating expenses	0.3	0.4	(0.0)	Profit attributable to owners of parent	11.4	8.6	2.7
Ordinary profit	17.7	13.7	3.9				

Consolidated financial results (2)



Billion yen

	As of Jun. 30 (FY2020)	As of Mar. 31 (FY2019)	Difference	
				Year-on-Year
Total assets	609.1	627.8	(18.7)	97.0%
Net assets	398.8	412.0	(13.2)	96.8%
Net assets per share	(yen) 2,280.20	(yen) 2,330.58	(yen) (50.38)	97.8%
Equity-to-asset ratio	60.0%	59.5%	+ 0.5	—

Consolidated Balance Sheet



Billion yen

	As of Jun. 30 (FY2020)	As of Mar. 31 (FY2019)	Difference		As of Jun. 30 (FY2020)	As of Mar. 31 (FY2019)	Difference
Assets				Liabilities			
Cash and deposits	154.9	175.6	(20.7)	Notes and accounts payable - trade	25.3	26.2	(0.8)
Notes and accounts receivable - trade	53.7	51.8	1.9	Short-term loans payable	32.7	32.7	(0.0)
Inventories	29.0	28.7	0.2	Others	47.0	50.1	(3.0)
Others	11.0	9.5	1.5	Current liabilities	105.1	109.0	(3.8)
Current assets	248.7	265.8	(17.0)	Long-term loans payable	69.3	70.6	(1.3)
				Net defined benefit liability	5.9	6.4	(0.4)
Property, plant and equipment	198.7	203.9	(5.1)	Others	29.9	29.6	0.2
				Non-Current liabilities	105.1	106.7	(1.5)
Intangible assets	4.2	4.4	(0.1)	Total Liabilities	210.3	215.7	(5.4)
				Net Assets			
Investment securities	144.1	139.7	4.3	Shareholder's equity	405.4	397.6	7.8
Others	13.1	13.8	(0.6)	Accumulated other comprehensive income	(40.1)	(24.2)	(15.8)
Investments and other assets	157.3	153.6	3.6	Non-controlling interests	33.4	38.7	(5.2)
				Total Net Assets	398.8	412.0	(13.2)
Total Assets	609.1	627.8	(18.7)	Total Liabilities and Net Assets	609.1	627.8	(18.7)

Increase / Decrease in Net sales (1)



Billion yen

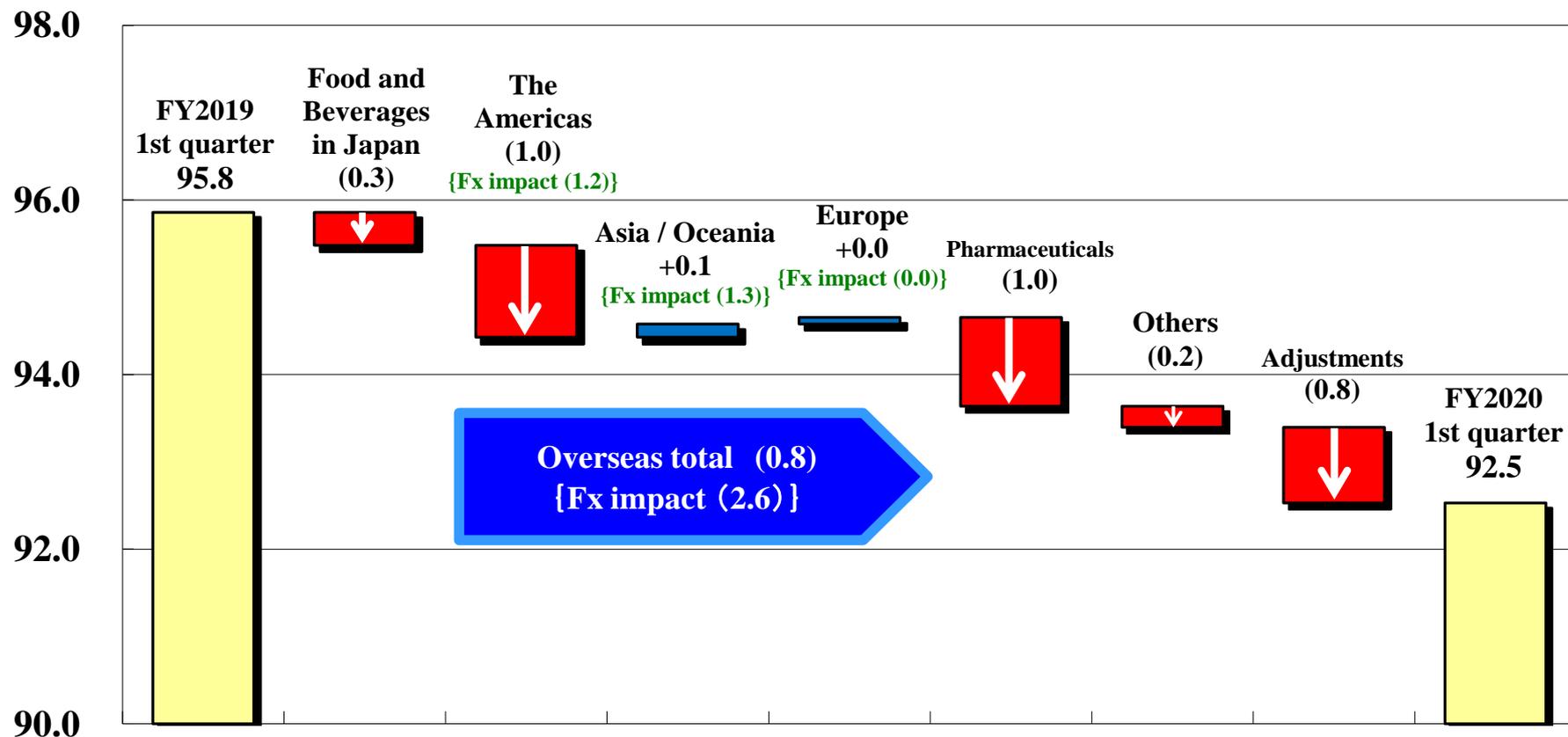
Segment	Net Sales		Year-on-Year	
	FY2020 (2020.4-2020.6)	FY2019 (2019.4-2019.6)	Amount	Rate
Food and Beverages in Japan	51.4	51.8	(0.3)	(0.7)%
The Americas	11.5	12.5	(1.0)	(8.4)%
Asia / Oceania	25.8	25.6	+ 0.1	+ 0.6 %
Europe	2.2	2.1	+ 0.0	+ 3.5 %
Food and Beverages (Overseas)	39.5	40.4	(0.8)	(2.0)%
Pharmaceuticals	4.4	5.4	(1.0)	(18.6)%
Others	4.1	4.3	(0.2)	(5.5)%
Adjustments	(7.0)	(6.2)	(0.8)	+ 14.0 %
Total	92.5	95.8	(3.3)	(3.5)%

Increase / Decrease in Net sales (2)



Change amount (3.3)

Billion yen



Increase / Decrease in Operating profit (1)



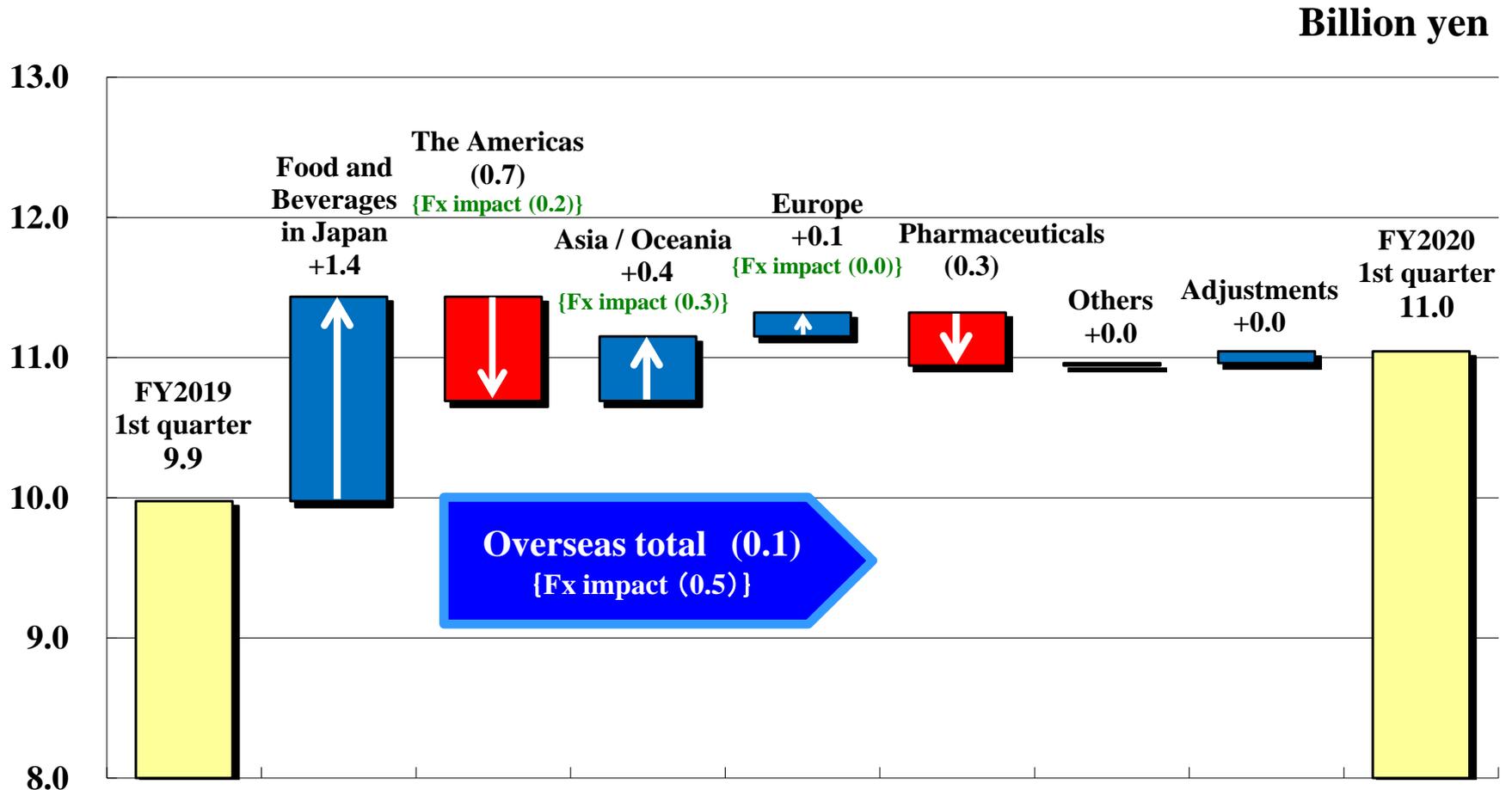
Billion yen

Segment	Operating Profit		Year-on-Year	
	FY2020 (2020.4-2020.6)	FY2019 (2019.4-2019.6)	Amount	Rate
Food and Beverages in Japan	6.0	4.5	+ 1.4	+ 32.1 %
The Americas	2.9	3.6	(0.7)	(20.4)%
Asia / Oceania	6.2	5.7	+ 0.4	+ 8.0 %
Europe	0.2	0.1	+ 0.1	+ 160.0 %
Food and Beverages (Overseas)	9.4	9.5	(0.1)	(1.2)%
Pharmaceuticals	0.2	0.6	(0.3)	(62.9)%
Others	0.0	0.0	+ 0.0	+ 30.4 %
Adjustments	(4.6)	(4.7)	+ 0.0	(1.7)%
Total	11.0	9.9	+ 1.0	+ 10.7 %

Increase / Decrease in Operating profit (2)



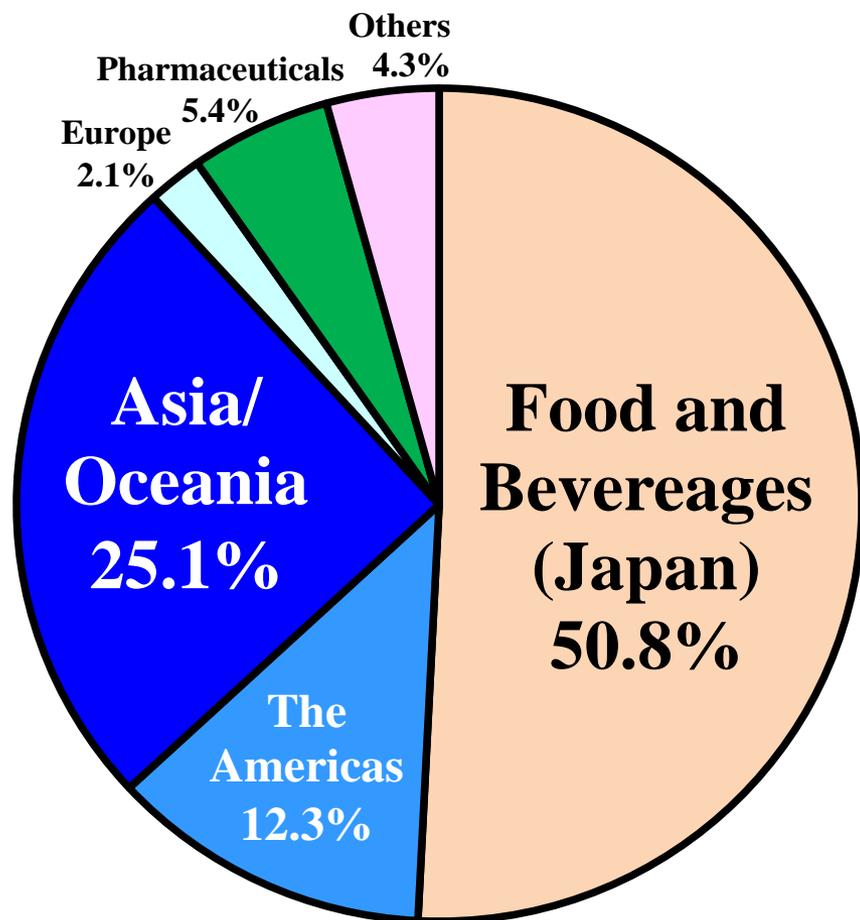
Change amount +1.0



Segment share of consolidated sales

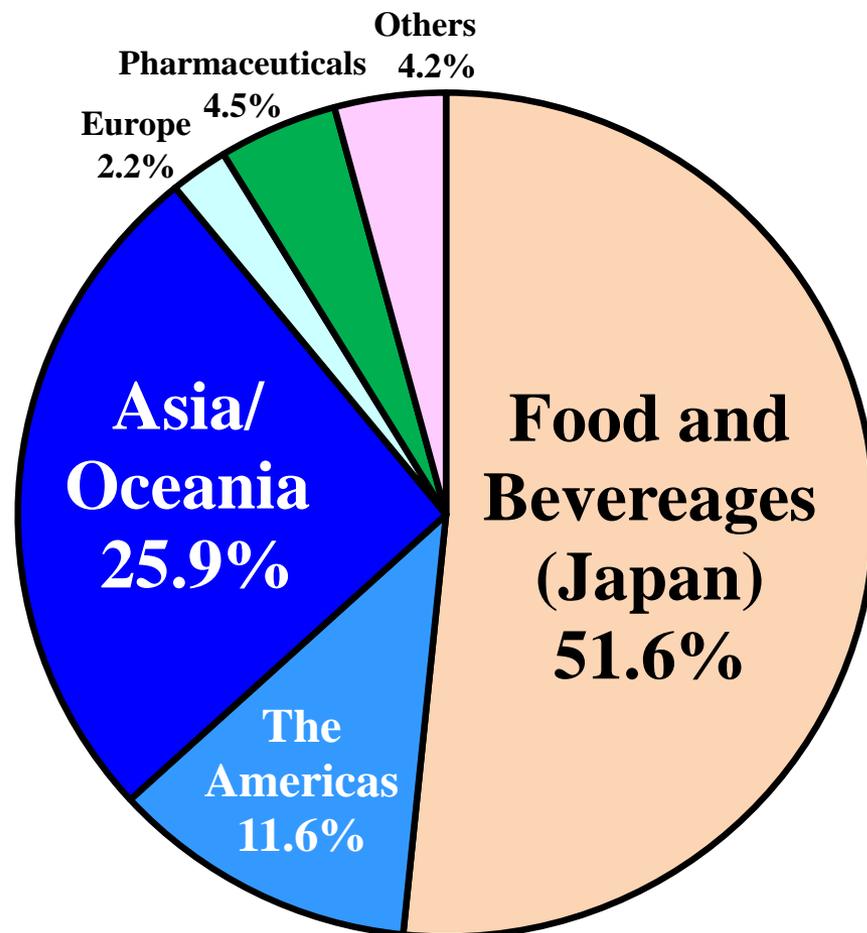


FY2019
1st quarter



Overseas total: 39.5%

FY2020
1st quarter



Overseas total: 39.7%

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



(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
Japan	9,687	9,466	102.3%
Brazil	1,542	1,662	92.8%
Mexico	3,771	3,976	94.9%
America	418	371	113.3%
The Americas total	5,731	6,009	95.4%
Hong Kong	419	454	92.3%
Shingapore	244	226	108.0%
Indonesia	6,355	5,611	113.2%
Australia	275	250	110.1%
Malaysia	365	340	107.4%
Vietnam	602	434	138.5%
India	210	215	97.8%
Middle East	12	18	68.9%
Myanmar	16	—	—
Guangzhou	2,222	2,236	99.4%
Shanghai	464	425	109.1%
Beijing	400	378	105.8%
China	2,953	2,935	100.6%
(China total)	6,038	5,974	101.1%
Asia / Oceania total	14,536	13,522	107.5%

Region	Current	Previous	Year-on Year
Netherlands	174	172	101.1%
Belgium	90	84	106.8%
United Kingdom	226	206	109.9%
Germany	83	88	94.5%
Austria	15	11	138.6%
Italia	102	99	103.2%
Europe total	690	660	104.6%
Overseas total	20,958	20,191	103.8%
Consolidated total	30,645	29,657	103.3%

【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	568	611	92.9%
Thailand	2,100	2,226	94.3%
Korea	2,573	2,890	89.0%
Philippines	3,079	3,243	94.9%
Affiliates total	8,320	8,970	92.8%

Grand Total	38,965	38,627	100.9%
--------------------	---------------	---------------	---------------

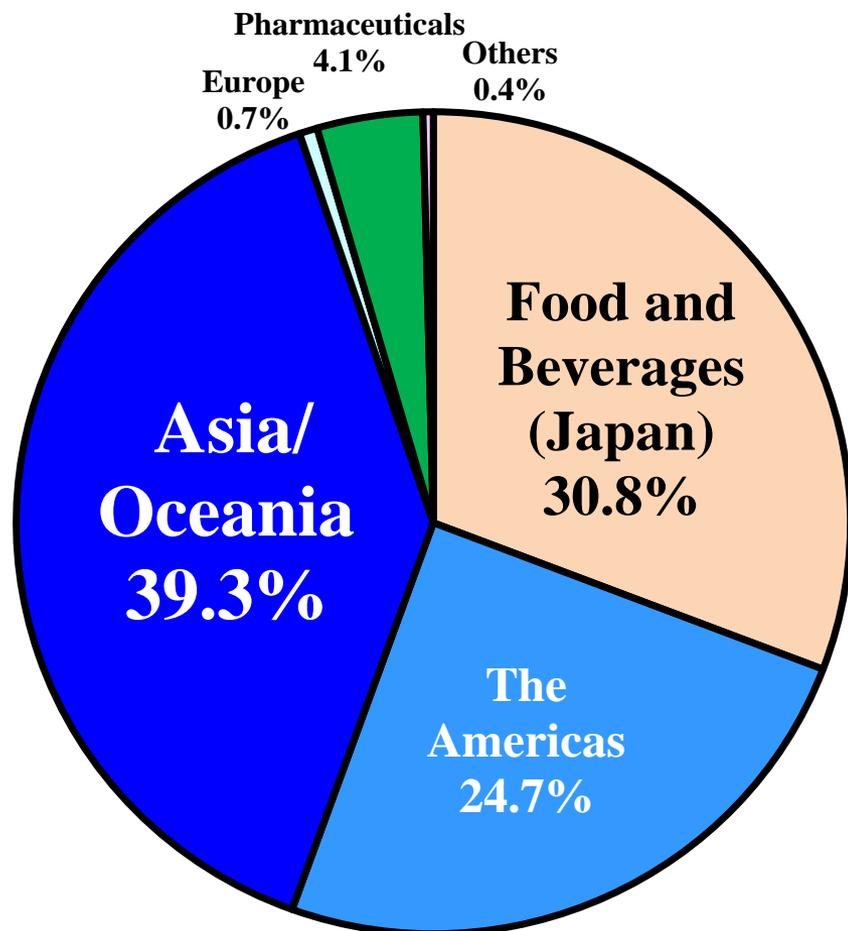
Japan : Sales in April to June, 2020

Overseas : Sales in January to March, 2020

Segment share of consolidated Operating profit

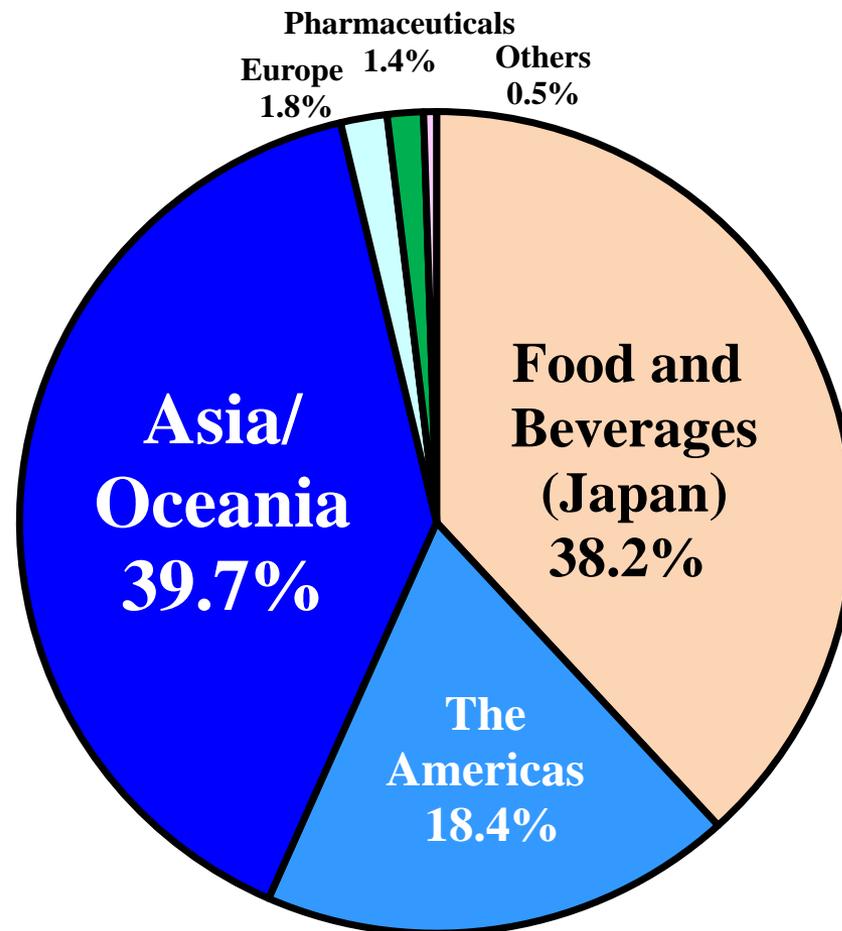


FY2019 1st quarter



Overseas total: 64.7%

FY2020 1st quarter

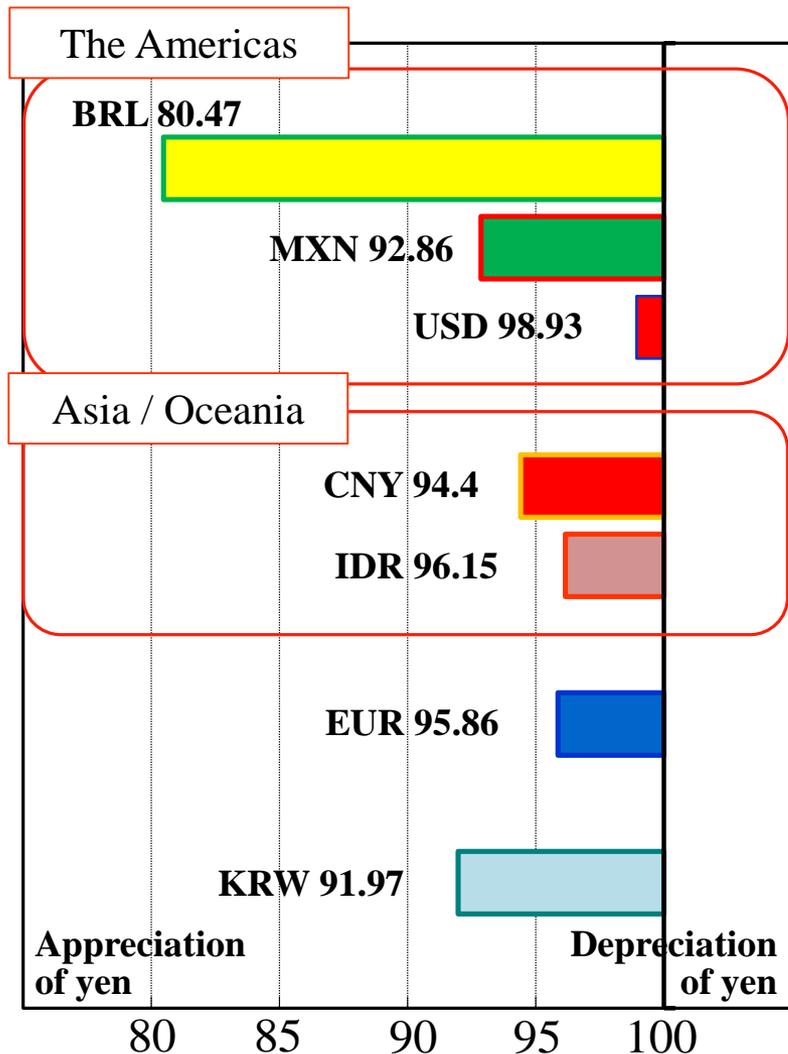


Overseas total: 59.9%

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

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

Average rate from Jan to Mar, 2020



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(1.2)	(0.2)	(0.5)	(0.2)
Asia/Oceania	(1.3)	(0.3)	(0.3)	(0.2)
Europe	(0.0)	(0.0)	(0.0)	(0.0)
Equity method	—	—	(0.0)	(0.0)
Total	(2.6)	(0.5)	(0.9)	(0.5)

Thank you.

人も地球も健康に

Yakult

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.