

*Executive Summary of Consolidated Financial Results
for the year ended March 31, 2018*

Yakult Honsha Co., Ltd.

May 10th 2018

General outline of Consolidated financial results

Yakult

◆ Total

Increase in sales and income.

Record update in sales and each income level.

◆ Food and Beverages in Japan

Increase in the number of the bottles sold by continuous marketing investment and the price revision of dairy products, resulted in the increase in both sales and income.

◆ Food and Beverages (Overseas)

Increase in the number of the bottles sold mainly in Asia resulted in the increase in both sales and income.

◆ Pharmaceuticals

Decrease of Elplat sales volume and increase of sales expense result in the decrease in sales and income.

Consolidated financial results (1)



Billion yen

	FY2017	FY2016	Difference	
	(2017.4-2018.3)	(2016.4-2017.3)		Year-on Year
Net sales	401.5	378.3	23.2	106.1%
Operating income	43.4	37.2	6.1	116.6%
Ordinary income	53.0	49.3	3.6	107.5%
Profit attributable to owners of parent	34.0	30.1	3.9	113.0%
Earnings per Share-basic	(yen) 207.02	(yen) 182.39	(yen) 24.63	113.5%
Operating income ratio to Net Sales	10.8%	9.9%	0.9	—

Consolidated Statement of Income

Billion yen

	FY2017 (2017.4-2018.3)	FY2016 (2016.4-2017.3)	Difference		FY2017 (2017.4-2018.3)	FY2016 (2016.4-2017.3)	Difference
Net sales	401.5	378.3	23.2				
Cost of sales	171.6	163.9	7.6	Gain on sales of fixed assets	0.1	0.2	▲ 0.1
Gross profit	229.9	214.3	15.5	Gain on sales of investment securities	0.6	-	0.6
SG&A expenses	186.4	177.0	9.4	Others	0.0	0.0	▲ 0.0
Operating income	43.4	37.2	6.1	Extraordinary gain	0.8	0.2	0.5
Interest income	3.9	2.9	1.0				
Dividend income	1.8	1.6	0.2	Loss on disposal of fixed assets	0.3	0.3	▲ 0.0
Gain on equity method	3.8	4.4	▲ 0.5	Valuation loss on investment securities	-	0.3	▲ 0.3
Foreign exchange gain	0.1	2.2	▲ 2.0	Others	0.0	0.2	▲ 0.1
Others	1.9	2.0	▲ 0.0	Extraordinary loss	0.3	0.9	▲ 0.5
Non-operating income	11.8	13.3	▲ 1.4	Income before income taxes	53.4	48.6	4.7
Interest expense	0.6	0.7	▲ 0.0	Income taxes	14.8	13.7	1.1
Commission paid	0.3	0.0	0.3	Profit	38.6	34.9	3.6
Others	1.2	0.4	0.7	Profit attributable to non controlling interests	4.5	4.8	▲ 0.2
Non-operating expenses	2.2	1.2	1.0	Profit attributable to owners of parent	34.0	30.1	3.9
Ordinary income	53.0	49.3	3.6				

Consolidated financial results (2)



Billion yen

	As of Mar.31	As of Mar.31	Difference	
	(FY2017)	(FY2016)		Year-on Year
Total Assets	631.2	585.7	45.5	107.8%
Net Assets	386.6	376.8	9.7	102.6%
Net Assets per Share	(yen) 2,194.32	(yen) 2,077.29	(yen) 117.03	105.6%
Shareholders' Equity ratio	55.8%	58.6%	▲ 2.8	—
ROE	9.8%	8.9%	0.9	—
ROA	8.7%	8.5%	0.2	—

Consolidated Balance Sheet

Billion yen

	As of Mar.31 (FY2017)	As of Mar.31 (FY2016)	Difference		As of Mar.31 (FY2017)	As of Mar.31 (FY2016)	Difference
Assets				Liabilities			
Cash and deposits	151.7	132.0	19.7	Notes and accounts payable	29.5	24.6	4.9
Notes and accounts receivable	56.4	54.4	2.0	Short-term borrowings	87.2	46.6	40.5
Inventories	28.1	28.5	▲ 0.3	Others	45.0	42.8	2.1
Others	13.9	13.8	0.1	Current liabilities	161.8	114.1	47.6
Current assets	250.3	228.7	21.5	Long-term borrowings	41.8	57.4	▲ 15.5
				Net defined benefit liability	5.3	7.4	▲ 2.1
Tangible fixed assets	201.1	198.2	2.8	Others	35.5	29.7	5.7
				Fixed liabilities	82.7	94.7	▲ 11.9
Intangible fixed assets	5.7	5.4	0.2	Total Liabilities	244.5	208.8	35.7
Investment securities	163.5	143.8	19.7	Net Assets			
Others	10.3	9.3	1.0	Shareholder's equity	338.9	346.3	▲ 7.4
Investment and other assets	173.9	153.1	20.7	Accumulated other comprehensive income	13.2	▲ 2.8	16.1
				Non-controlling interests	34.4	33.3	1.1
				Net Assets	386.6	376.8	9.7
Total Assets	631.2	585.7	45.5	Total Liabilities and Net assets	631.2	585.7	45.5

Increase / Decrease in sales (1)



Billion yen

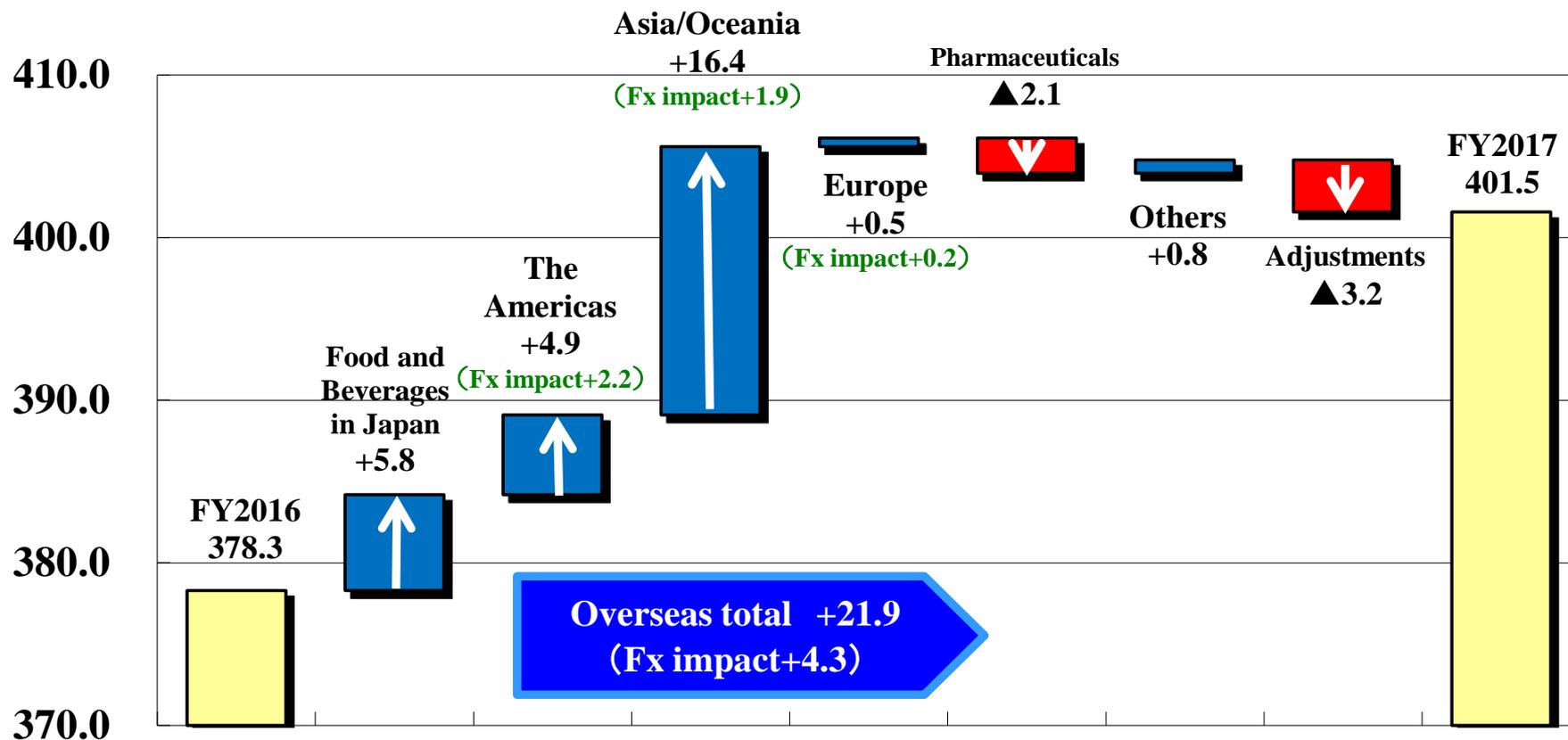
Segment	Net Sales		Year-on-Year	
	FY2017 (2017.4-2018.3)	FY2016 (2016.4-2017.3)	Amount	Rate
Food and Beverages in Japan	210.0	204.1	+5.8	+ 2.9%
The Americas	50.1	45.2	+4.9	+ 10.8%
Asia/Oceania	109.8	93.3	+16.4	+ 17.7%
Europe	8.3	7.8	+0.5	+ 6.9%
Food and Beverages (Overseas)	168.3	146.4	+21.9	+ 15.0%
Pharmaceuticals	25.6	27.8	▲ 2.1	▲ 7.8%
Others	20.7	19.9	+0.8	+ 4.1%
Adjustments	▲ 23.2	▲ 20.0	▲ 3.2	—
Total	401.5	378.3	+23.2	+ 6.1%

Increase / Decrease in sales (2)



Increased by 23.2

Billion yen



Increase / Decrease in operating income (1)



Billion yen

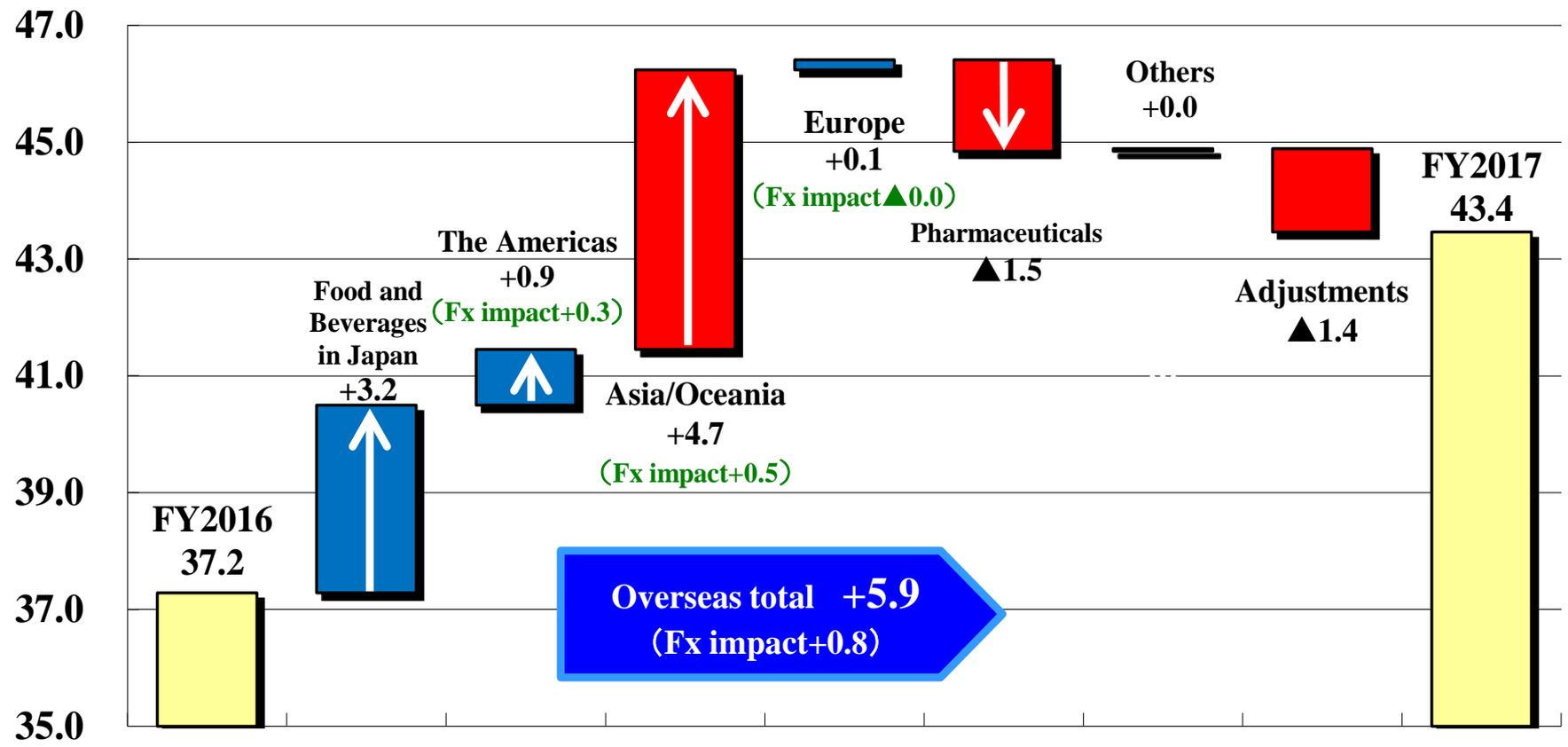
Segment	Operating Income		Year-on-Year	
	FY2017 (2017.4-2018.3)	FY2016 (2016.4-2017.3)	Amount	Rate
Food and Beverages in Japan	17.0	13.8	+3.2	+23.3%
The Americas	11.2	10.3	+0.9	+9.3%
Asia/Oceania	30.0	25.3	+4.7	+18.9%
Europe	0.6	0.4	+0.1	+35.2%
Food and Beverages (Overseas)	42.0	36.1	+5.9	+16.4%
Pharmaceuticals	1.3	2.8	▲ 1.5	▲ 54.2%
Others	0.9	0.9	+0.0	+5.1%
Adjustments	▲ 17.8	▲ 16.4	▲ 1.4	—
Total	43.4	37.2	+6.1	+16.6%

Increase / Decrease in operating income (2)



Increased by 6.1

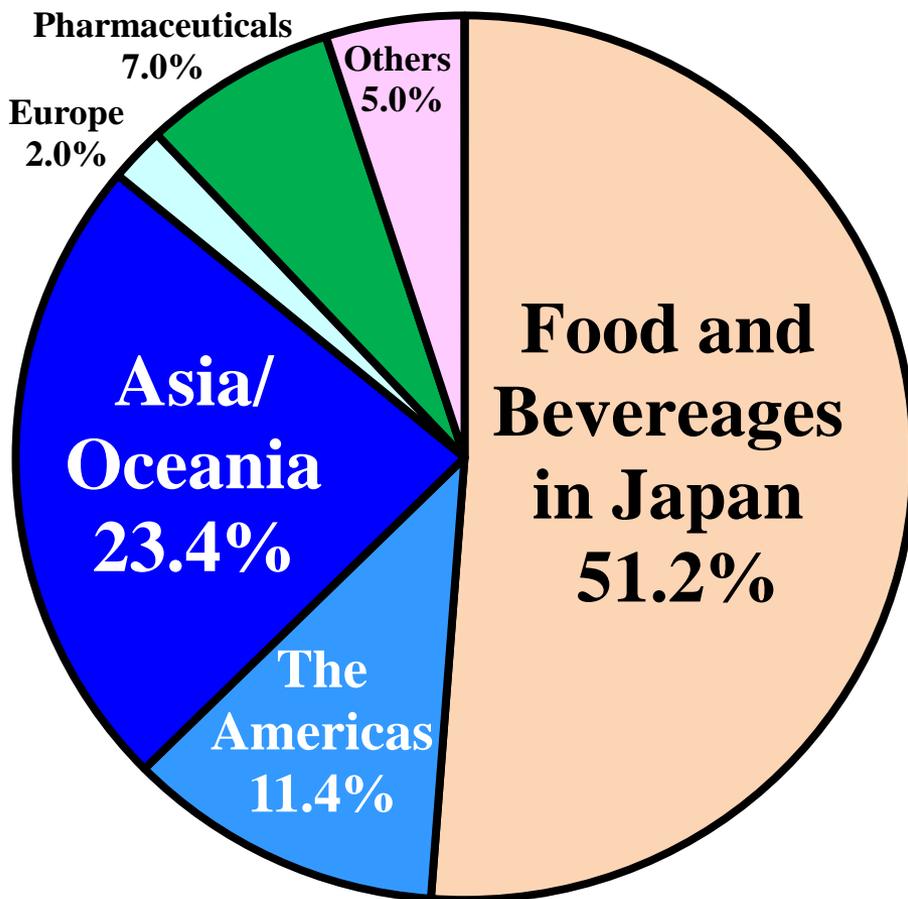
Billion yen



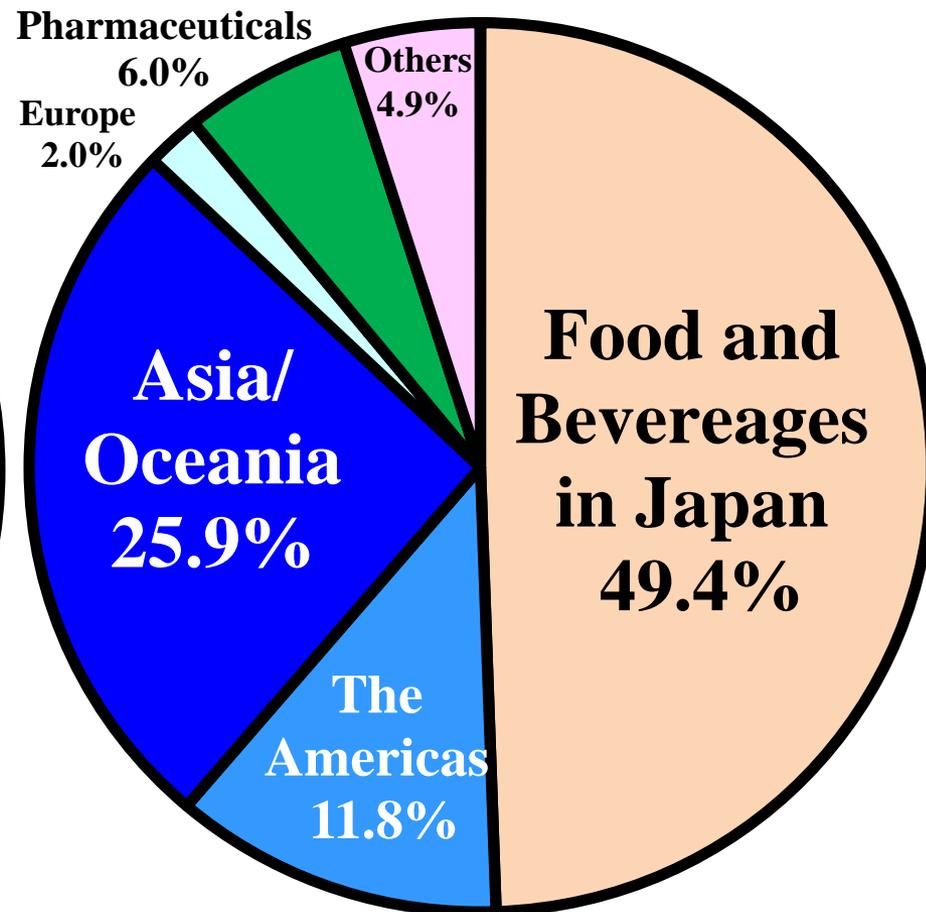
Segment share of consolidated sales



FY2016



FY2017



Overseas total : 36.8%

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	9,694	9,367	103.5%
Brazil	1,817	1,936	93.9%
Mexico	3,678	3,560	103.3%
America	294	256	115.3%
The Americas total	5,789	5,751	100.7%
Hong Kong	528	549	96.1%
Shingapore	229	242	94.7%
Indonesia	5,294	5,051	104.8%
Australia	245	237	103.2%
Malaysia	330	329	100.4%
Vietnam	275	215	127.9%
India	186	157	118.5%
Middle East	11	-	-
Guangzhou	2,660	2,307	115.3%
Shanghai	651	582	111.8%
Beijing	413	342	120.9%
China	3,279	2,594	126.4%
(China total)	7,003	5,825	120.2%
Asia / Oceania total	14,102	12,605	111.9%

Region	Current	Previous	Year-on Year
Netherlands	173	171	101.4%
Belgium	76	69	109.9%
United Kingdom	198	190	104.5%
Germany	81	83	97.0%
Austria	12	11	108.0%
Italia	95	87	109.5%
Europe total	635	611	104.0%
Overseas total	20,526	18,967	108.2%
Consolidated total	30,220	28,334	106.7%

【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	751	801	93.9%
Thailand	2,211	2,183	101.3%
Korea	3,573	3,604	99.1%
Philippines	2,762	2,449	112.7%
Affiliates total	9,297	9,037	102.9%

Grand Total	39,517	37,371	105.7%
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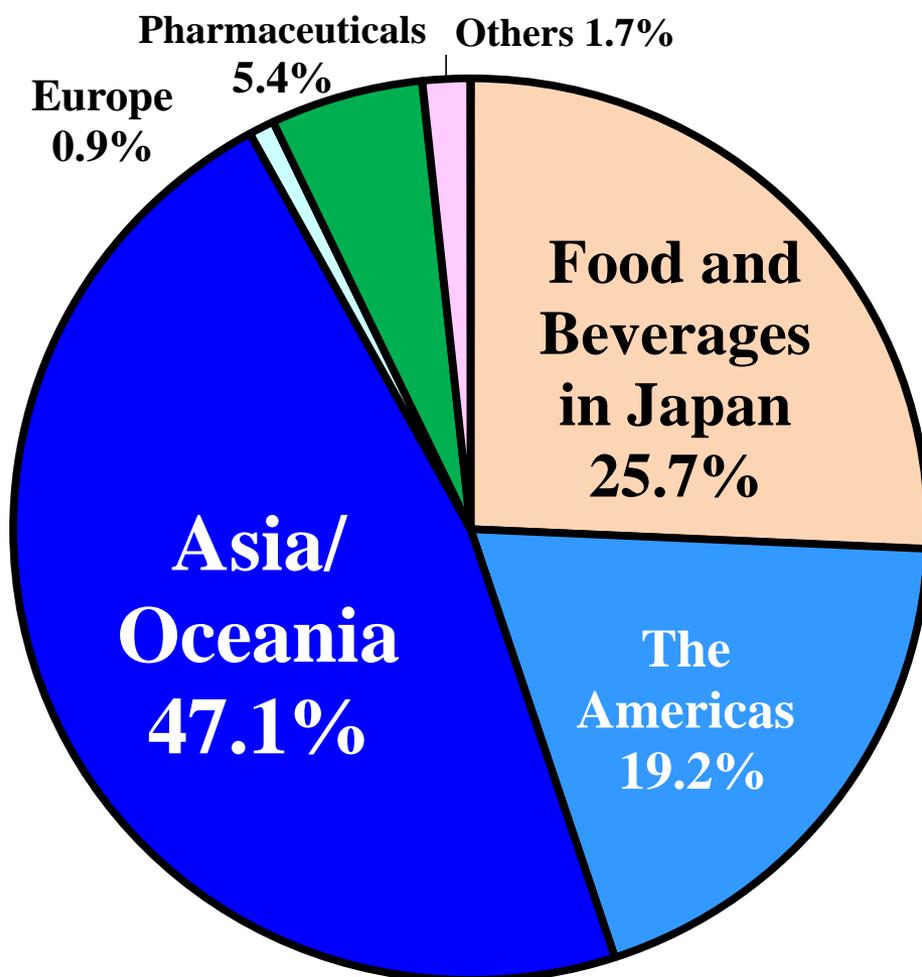
Japan : Sales in April,2017 to March,2018

Overseas : Sales in January to December,2017

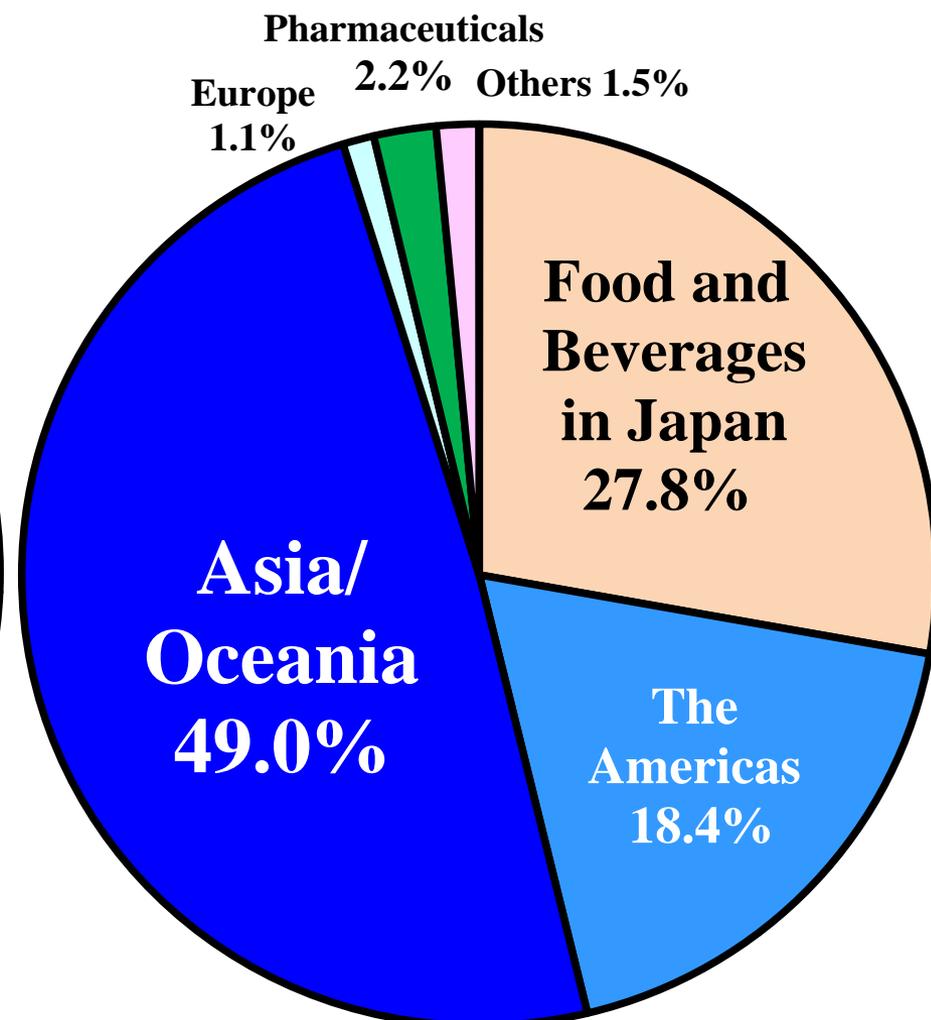
Segment share of consolidated operating income



FY2016



FY2017



Overseas total : 67.2%

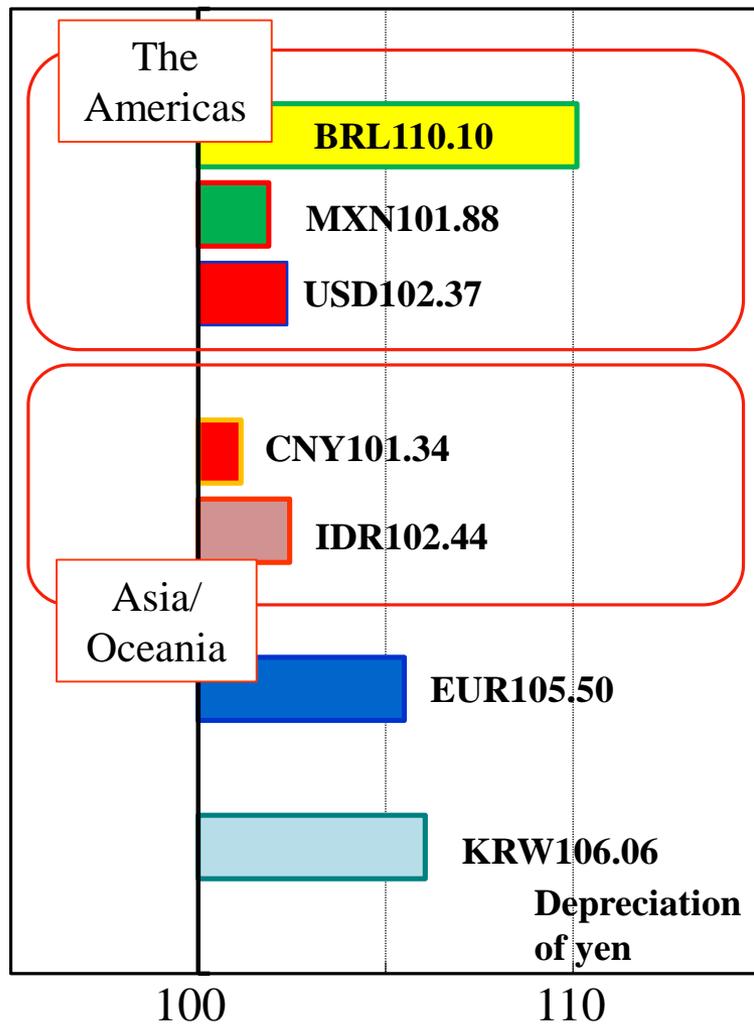
Overseas total : 68.5%

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



< Average rate from Jan to December, 2016=100 >

Average rate from Jan to December, 2017



< Impact >

Billion yen

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
The Americas	+2.2	+0.3	+0.4	+0.2
Asia/Oceania	+1.9	+0.5	+0.5	+0.4
Europe	+0.2	▲0.0	▲0.0	▲0.0
Equity method	—	—	+0.0	+0.0
Total	+4.3	+0.8	+0.9	+0.6

***Forecast For FY2018
(Consolidated)***

General outline of Consolidated financial forecast

Yakult

◆ Total

Increase in sales and income.

◆ Food and Beverages in Japan

Increase in the number of dairy products and increase in the sales of machinery resulted in the increase in both sales and income.

◆ Food and Beverages (Overseas)

Increase in the number of the bottles sold mainly in Asia resulted in the increase in both sales and income.

◆ Pharmaceuticals

NHI drug price revision and switching to generic drugs of “Elplat” result in the decrease in sales and income.

Consolidated annual forecast for FY2017



Billion yen

	Forecast	FY2017	Difference	
	(2018.4-2019.3)	(2017.4-2018.3)		Year-on Year
Net sales	418.0	401.5	16.4	104.1%
Operating income	46.5	43.4	3.0	107.0%
Ordinary income	56.5	53.0	3.4	106.5%
Profit attributable to owners of parent	35.5	34.0	1.4	104.2%
Earnings per Share-basic	(yen) 221.19	(yen) 207.02	(yen) 14.17	106.8%

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

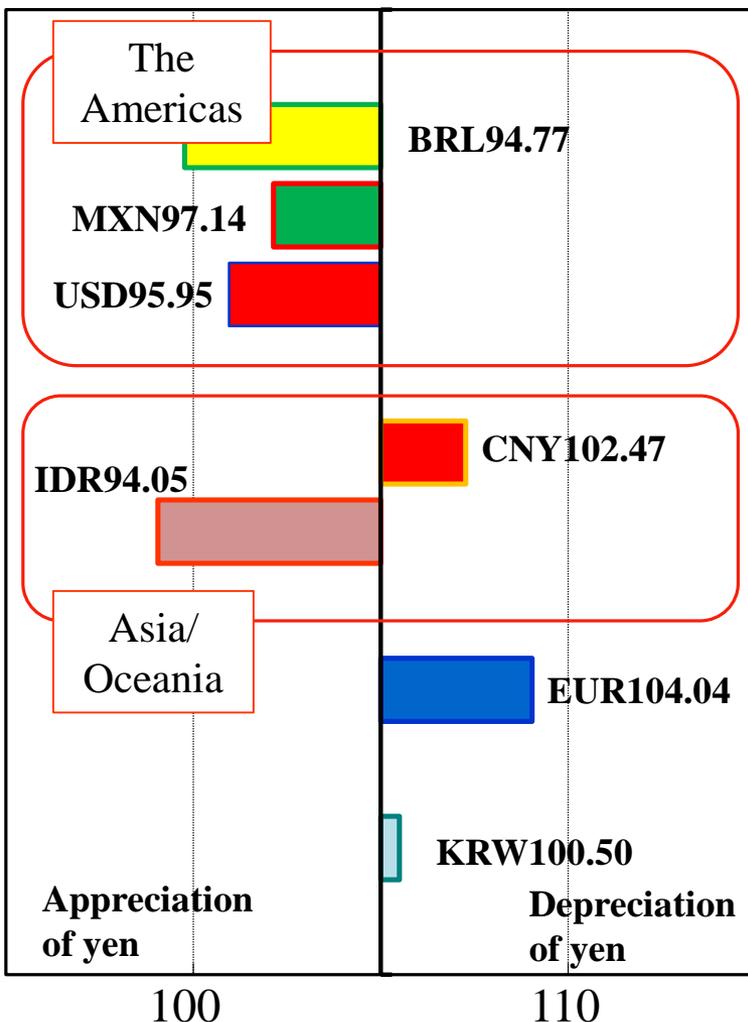
Yakult

< Jan-Dec, 2017=100 >

Rate from Jan. to Mar.2018

< Impact >

Billion yen



	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
The Americas	▲1.9	▲0.3	▲0.4	▲0.2
Asia/Oceania	+0.2	+0.1	+0.1	+0.1
Europe	+0.3	0.0	0.0	0.0
Equity method	—	—	+0.1	+0.1
Total	▲1.4	▲0.2	▲0.2	0.0

Forecast of Consolidated sales by segment (Forecast for Next fiscal year)



Billion yen

Segment	Net Sales		Year-on-Year	
	Forecast (2018.4-2019.3)	FY2017 (2017.4-2018.3)	Amount	Rate
Food and Beverages in Japan	219.4	210.0	+9.3	+4.5%
The Americas	50.7	50.1	+0.5	+1.1%
Asia/Oceania	125.6	109.8	+15.7	+14.3%
Europe	9.3	8.3	+0.9	+11.5%
Food and Beverages (Overseas)	185.6	168.3	+17.2	+10.2%
Pharmaceuticals	20.0	25.6	▲ 5.6	▲ 22.1%
Others	21.8	20.7	+1.0	+4.9%
Adjustments	▲ 28.8	▲ 23.2	▲ 5.5	—
Total	418.0	401.5	+16.4	+4.1%

Forecast of Consolidated operating income by segment (Forecast for Next fiscal year)



Billion yen

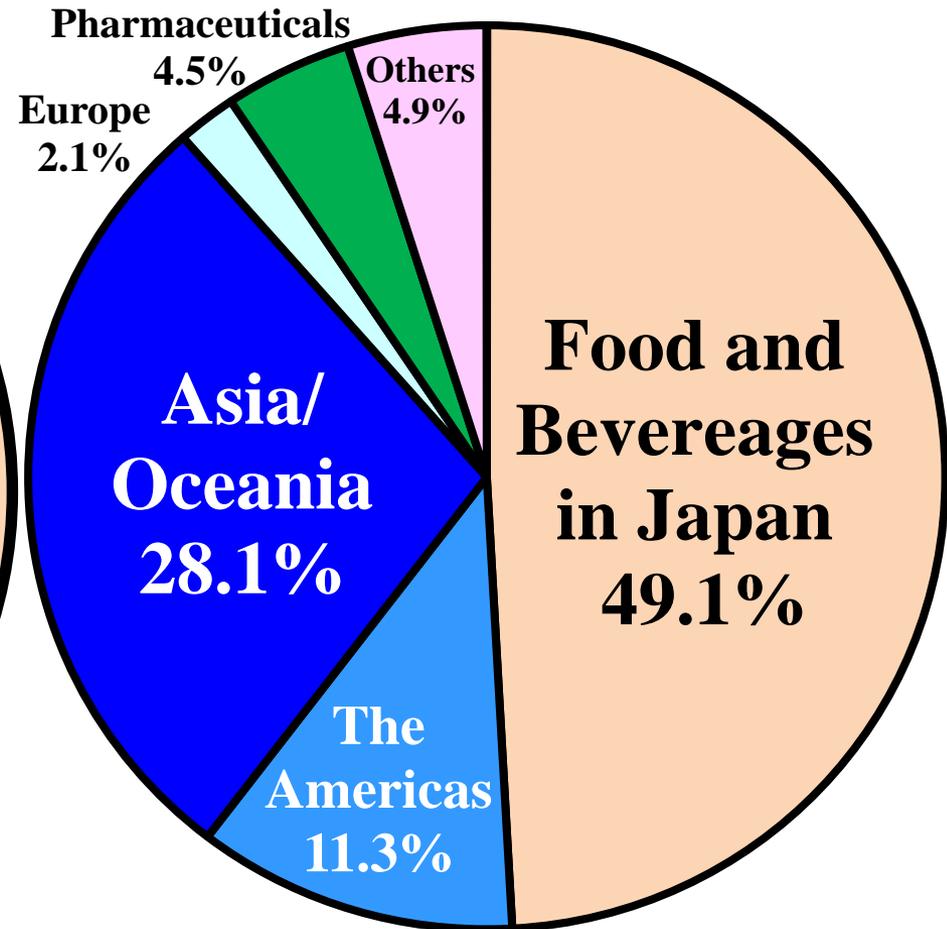
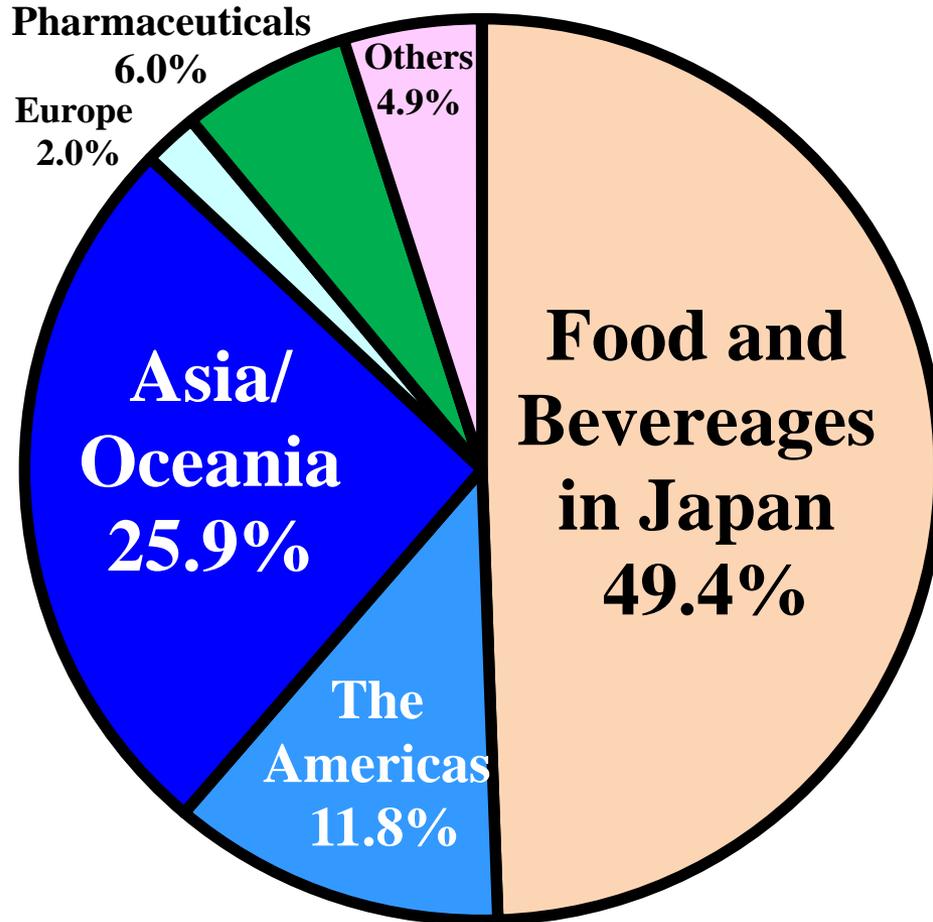
Segment	Operating Income		Year-on-Year	
	Forecast (2018.4-2019.3)	FY2017 (2017.4-2018.3)	Amount	Rate
Food and Beverages in Japan	18.1	17.0	+1.0	+6.3%
The Americas	11.7	11.2	+0.4	+3.7%
Asia/Oceania	34.9	30.0	+4.8	+16.0%
Europe	0.7	0.6	+0.0	+5.3%
Food and Beverages (Overseas)	47.3	42.0	+5.2	+12.5%
Pharmaceuticals	▲ 2.0	1.3	▲ 3.3	—
Others	0.9	0.9	▲ 0.0	▲ 5.3%
Adjustments	▲ 17.8	▲ 17.8	0.0	—
Total	46.5	43.4	+3.0	+7.0%

Segment share of consolidated sales



FY2017

FY2018 (Forecast)



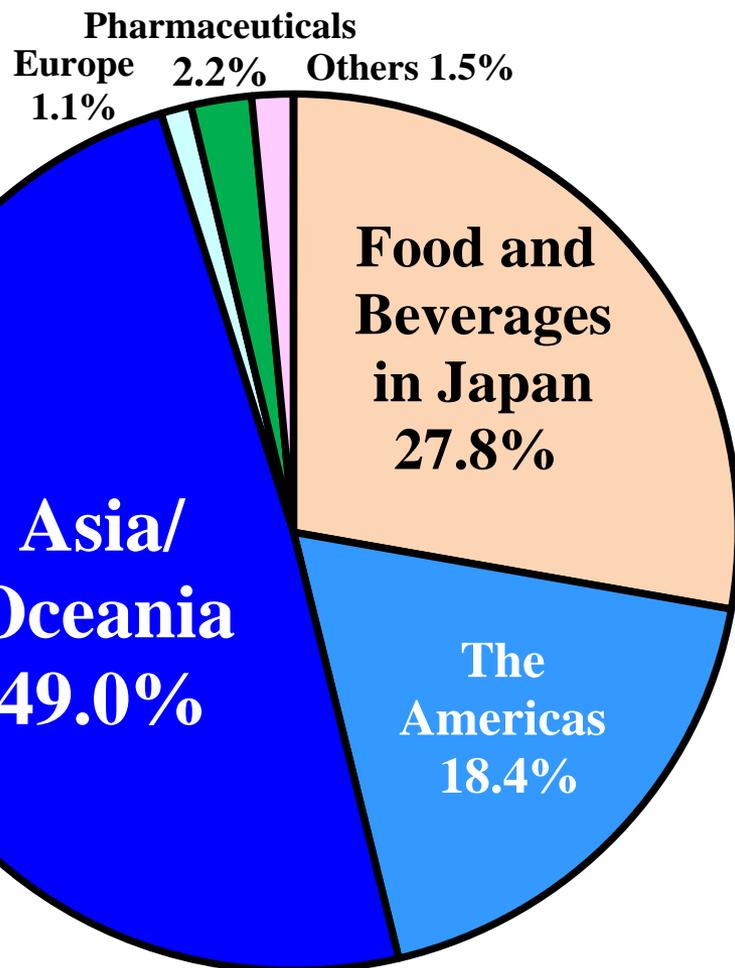
Over seas total: 39.7%

Over seas total: 41.5%

Segment share of consolidated operating income

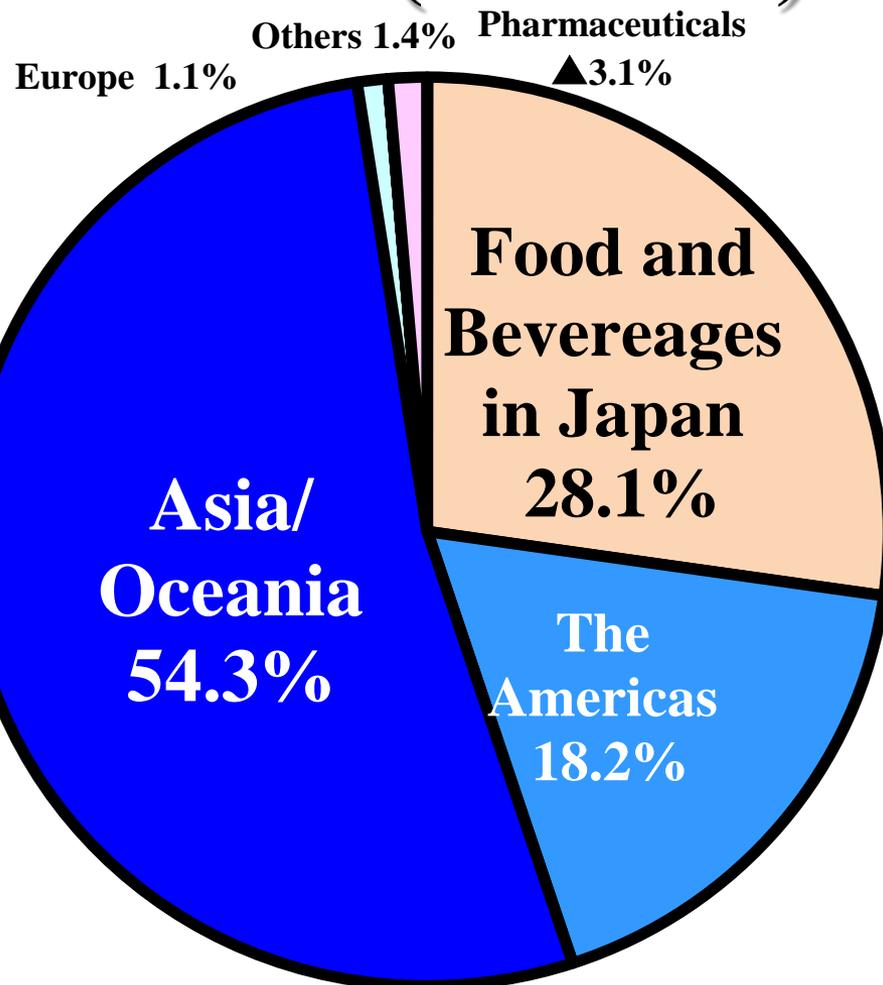


FY2017



Over seas total: 68.5%

FY2018 (Forecast)

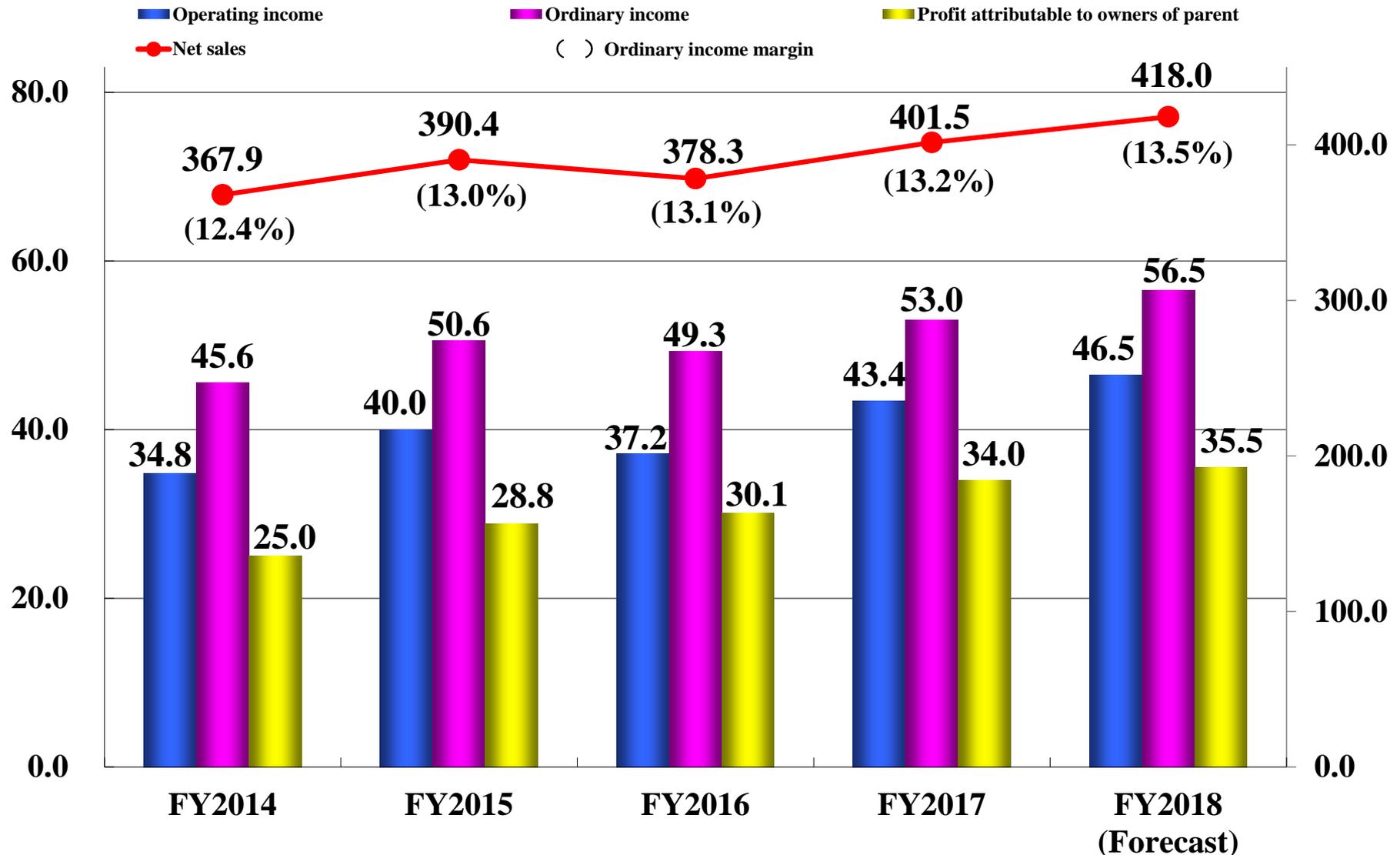


Over seas total: 73.6%

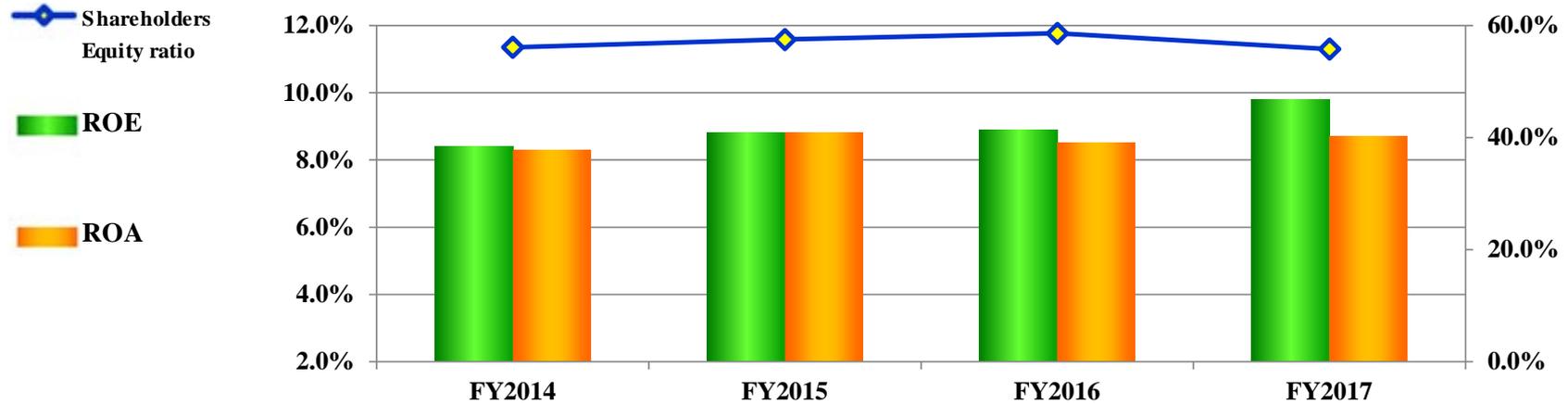
Trend of consolidated sales and income



Billion yen



Trend of management index



	FY2014	FY2015	FY2016	FY2017
Shareholders' Equity ratio	56.1%	57.5%	58.6%	55.8%
ROE	8.4%	8.8%	8.9%	9.8%
ROA	8.3%	8.8%	8.5%	8.7%

Thank you.

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Yakult

CAUTIONARY STATEMENT

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