

*Executive Summary of Consolidated Financial Results
for the year ended March 31, 2019*

Yakult Honsha Co., Ltd.

May 14, 2019

General outline of Consolidated financial results



◆ Total

Increase in sales and profit.

Record update in sales and each profit level.

◆ Food and Beverages in Japan

Although the number of the bottles dairy products and soft drinks sold decreased, increase sales machinery of dairy products and increase in expenses etc., resulted in the increase sales and decrease profit.

◆ Food and Beverages (Overseas)

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

◆ Pharmaceuticals

Decrease sales and profit due to NHI drug price revision.

Consolidated financial results (1)



Billion yen

	FY2018	FY2017	Difference	
	(2018.4-2019.3)	(2017.4-2018.3)		Year-on-Year
Net sales	407.0	401.5	5.4	101.4%
Operating profit	45.8	43.4	2.3	105.5%
Ordinary profit	57.1	53.0	4.0	107.7%
Profit attributable to owners of parent	34.9	34.0	0.8	102.6%
Basic earnings per share	(yen) 217.89	(yen) 207.02	(yen) 10.87	105.3%
Operating profit margin	11.3%	10.8%	0.5	—

Consolidated Statement of Income

Billion yen

	FY2018 (2018.4-2019.3)	FY2017 (2017.4-2018.3)	Difference		FY2018 (2018.4-2019.3)	FY2017 (2017.4-2018.3)	Difference
Net sales	407.0	401.5	5.4	Gain on sales of non-current assets	0.1	0.1	(0.0)
Cost of sales	171.1	171.6	(0.5)				
Gross profit	235.9	229.9	5.9				
Selling, general and administrative expenses	190.0	186.4	3.5	Gain on sales of investment securities	2.2	0.6	1.5
Operating profit	45.8	43.4	2.3	Others	1.1	0.0	1.1
Interest income	4.5	3.9	0.6	Extraordinary income	3.4	0.8	2.6
Dividend income	1.9	1.8	0.1	Loss on sales of non-current assets	0.0	0.0	(0.0)
Share of profit of entities accounted for using equity method	3.5	3.8	(0.3)	Loss on retirement of non-current assets	0.5	0.3	0.1
Others	2.7	2.1	0.6	Impairment loss	4.1	0.0	4.1
Non-operating income	12.8	11.8	1.0	Others	0.0	0.0	0.0
Interest expenses	0.7	0.6	0.0	Extraordinary losses	4.7	0.3	4.3
Others	0.8	1.5	(0.6)	Profit before income taxes	55.8	53.4	2.3
Non-operating expenses	1.6	2.2	(0.6)	Income taxes	15.6	14.8	0.7
Ordinary profit	57.1	53.0	4.0	Profit	40.1	38.6	1.5
				Profit attributable to non-controlling interests	5.2	4.5	0.6
				Profit attributable to owners of parent	34.9	34.0	0.8

Consolidated financial results (2)



Billion yen

	As of Mar. 31	As of Mar. 31	Difference	
	(FY2018)	(FY2017)		Year-on-Year
Total assets	618.5	627.0	(8.4)	98.6%
Net assets	392.2	386.6	5.6	101.4%
Net assets per share	(yen) 2,229.80	(yen) 2,194.32	(yen) 35.48	101.6%
Equity-to-asset ratio	57.8%	56.2%	1.6	—
ROE	9.8%	9.8%	—	—
ROA	9.2%	8.7%	0.5	—

Consolidated Balance Sheet

Billion yen

	As of Mar. 31 (FY2018)	As of Mar. 31 (FY2017)	Difference		As of Mar. 31 (FY2018)	As of Mar. 31 (FY2017)	Difference
Assets				Liabilities			
Cash and deposits	156.4	151.7	4.6	Notes and accounts payable - trade	27.9	29.5	(1.5)
Notes and accounts receivable - trade	52.8	56.4	(3.5)	Short-term loans payable	40.1	87.2	(47.0)
Inventories	29.1	28.1	0.9	Others	47.3	45.0	2.2
Others	9.1	8.8	0.2	Current liabilities	115.4	161.8	(46.3)
Current assets	247.6	245.2	2.3	Long-term loans payable	76.3	41.8	34.4
				Net defined benefit liability	5.4	5.3	0.1
Property, plant and equipment	200.0	201.1	(1.1)	Others	28.9	31.3	(2.3)
				Non-Current liabilities	110.7	78.5	32.2
Intangible assets	4.7	5.7	(0.9)	Total Liabilities	226.2	240.3	(14.1)
				Net Assets			
Investment securities	155.3	163.5	(8.2)	Shareholder's equity	365.7	338.9	26.8
Others	10.7	11.2	(0.4)	Accumulated other comprehensive income	(8.4)	13.2	(21.7)
Investments and other assets	166.0	174.8	(8.7)	Non-controlling interests	35.0	34.4	0.5
				Total Net Assets	392.2	386.6	5.6
Total Assets	618.5	627.0	(8.4)	Total Liabilities and Net Assets	618.5	627.0	(8.4)

Increase / Decrease in Net sales (1)



Billion yen

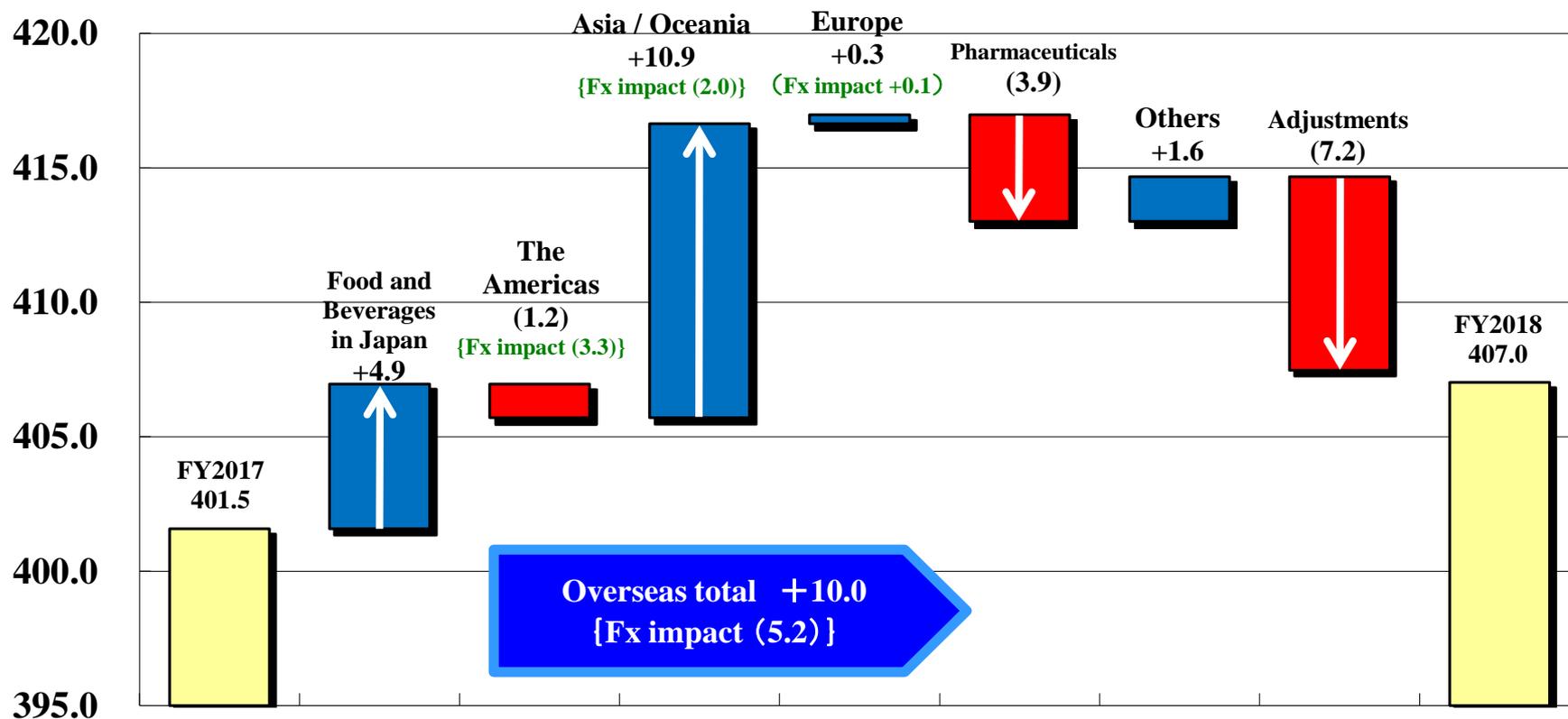
Segment	Net Sales		Year-on-Year	
	FY2018 (2018.4-2019.3)	FY2017 (2017.4-2018.3)	Amount	Rate
Food and Beverages in Japan	214.9	210.0	+ 4.9	+ 2.3 %
The Americas	48.9	50.1	(1.2)	(2.5)%
Asia/Oceania	120.7	109.8	+ 10.9	+ 10.0 %
Europe	8.6	8.3	+ 0.3	+ 4.0 %
Food and Beverages (Overseas)	178.3	168.3	+ 10.0	+ 5.9 %
Pharmaceuticals	21.6	25.6	(3.9)	(15.5)%
Others	22.4	20.7	+ 1.6	+ 8.0 %
Adjustments	(30.4)	(23.2)	(7.2)	+ 31.0 %
Total	407.0	401.5	+ 5.4	+ 1.4 %

Increase / Decrease in Net sales (2)



Increased by +5.4

Billion yen



Increase / Decrease in Operating profit (1)



Billion yen

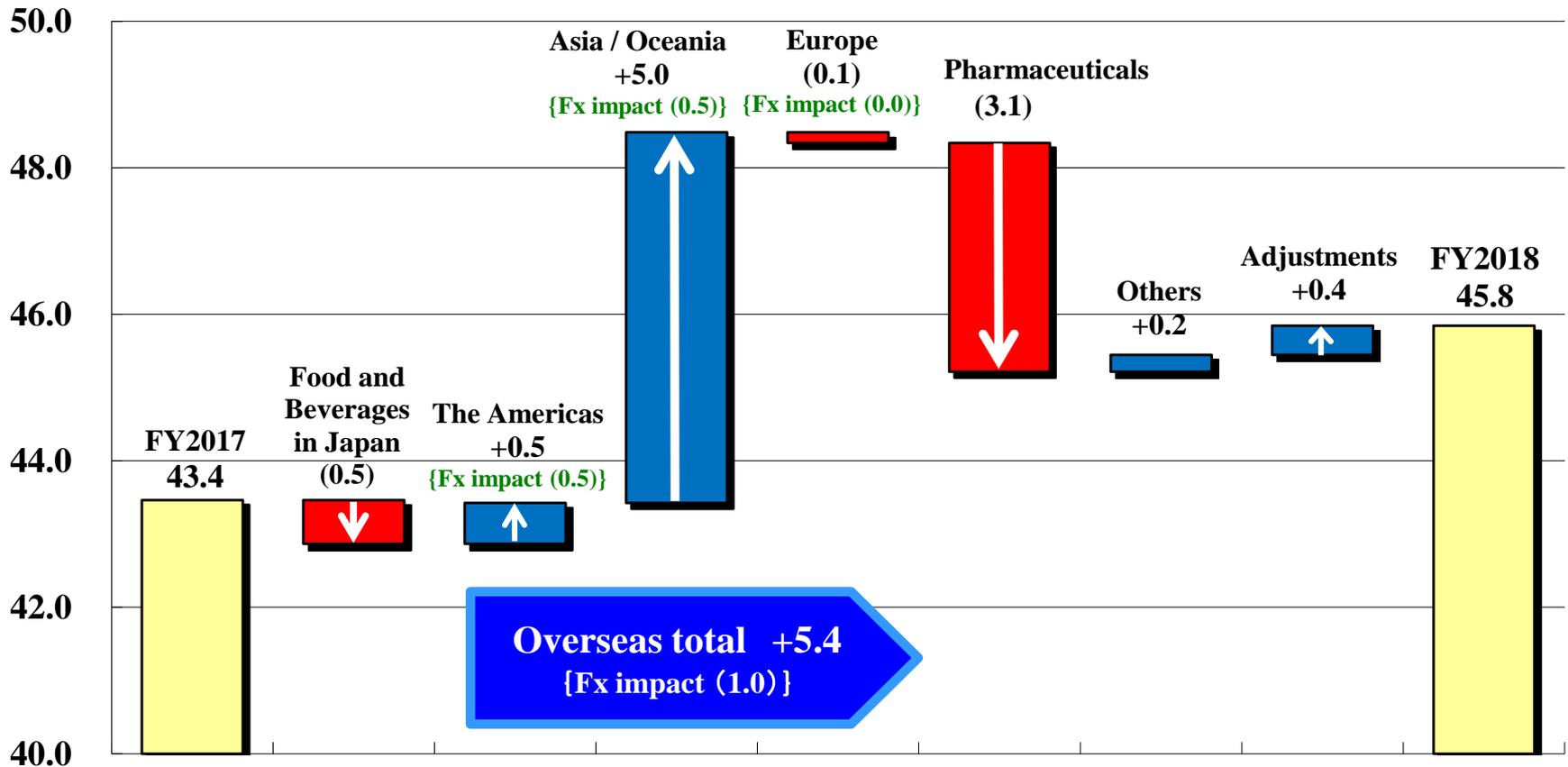
Segment	Operating Profit		Year-on-Year	
	FY2018 (2018.4-2019.3)	FY2017 (2017.4-2018.3)	Amount	Rate
Food and Beverages in Japan	16.4	17.0	(0.5)	(3.5)%
The Americas	11.8	11.2	+0.5	+4.9 %
Asia/Oceania	35.1	30.0	+5.0	+16.8 %
Europe	0.5	0.6	(0.1)	(22.0)%
Food and Beverages (Overseas)	47.5	42.0	+5.4	+13.0 %
Pharmaceuticals	(1.8)	1.3	(3.1)	—
Others	1.1	0.9	+0.2	+24.3 %
Adjustments	(17.4)	(17.8)	+0.4	(2.2)%
Total	45.8	43.4	+2.3	+5.5 %

Increase / Decrease in Operating profit (2)



Increased by +2.3

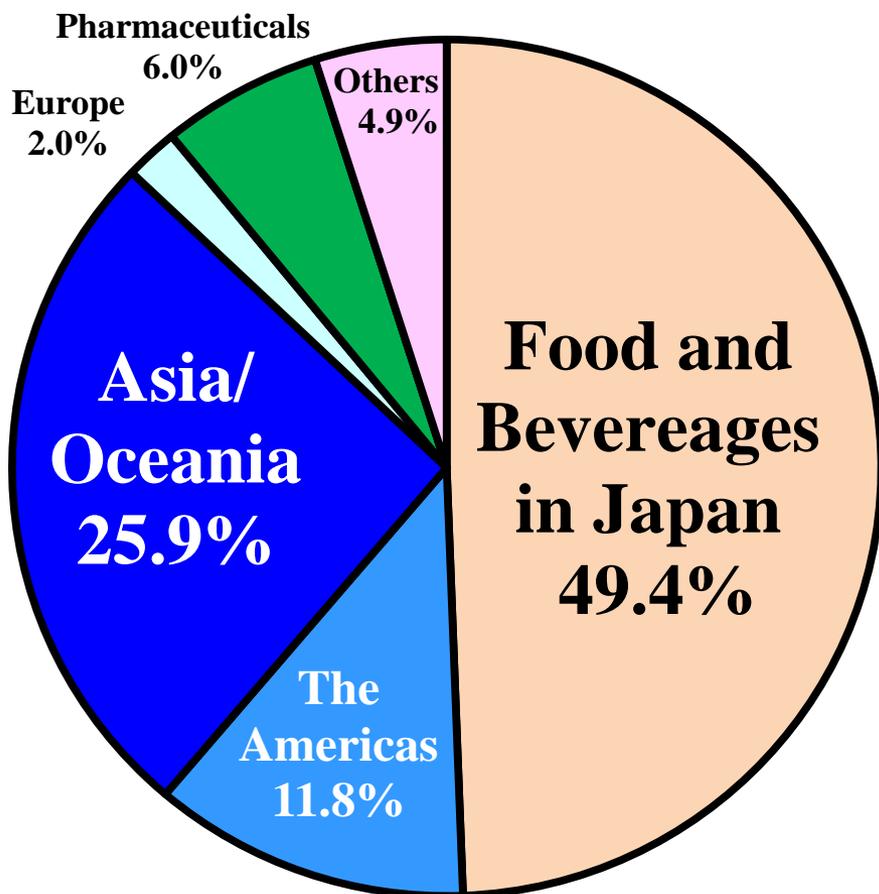
Billion yen



Segment share of consolidated sales

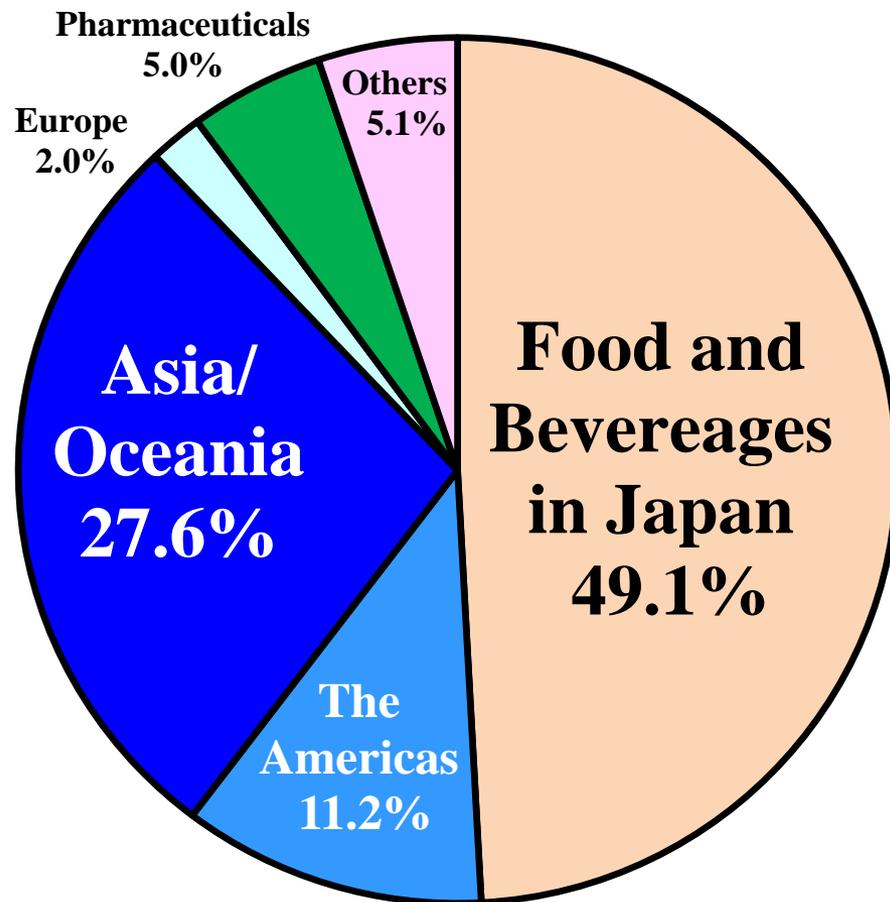


FY2017



Overseas total : 39.7%

FY2018



Overseas total : 40.8%

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



(Thousands of bottles/day)

Region	Current	Previous	Year-on Year
Japan	9,543	9,694	98.4%
Brazil	1,658	1,817	91.2%
Mexico	3,820	3,678	103.9%
America	342	294	117.2%
The Americas total	5,820	5,789	100.6%
Hong Kong	542	528	102.6%
Shingapore	228	229	99.4%
Indonesia	5,831	5,294	110.1%
Australia	245	245	100.2%
Malaysia	345	330	104.5%
Vietnam	377	275	136.8%
India	217	186	116.6%
Middle East	16	11	147.6%
Guangzhou	2,856	2,660	107.4%
Shanghai	617	651	94.9%
Beijing	425	413	102.8%
China	3,628	3,279	110.6%
(China total)	7,526	7,003	107.5%
Asia / Oceania total	15,327	14,102	108.7%

Japan : Sales in April, 2018 to March, 2019

Overseas : Sales in January to December, 2018

Region	Current	Previous	Year-on Year
Netherlands	170	173	98.3%
Belgium	77	76	101.5%
United Kingdom	199	198	100.2%
Germany	80	81	99.3%
Austria	12	12	101.4%
Italia	98	95	102.9%
Europe total	636	635	100.1%
Overseas total	21,783	20,526	106.1%
Consolidated total	31,326	30,220	103.7%

【Ref】 Affiliates

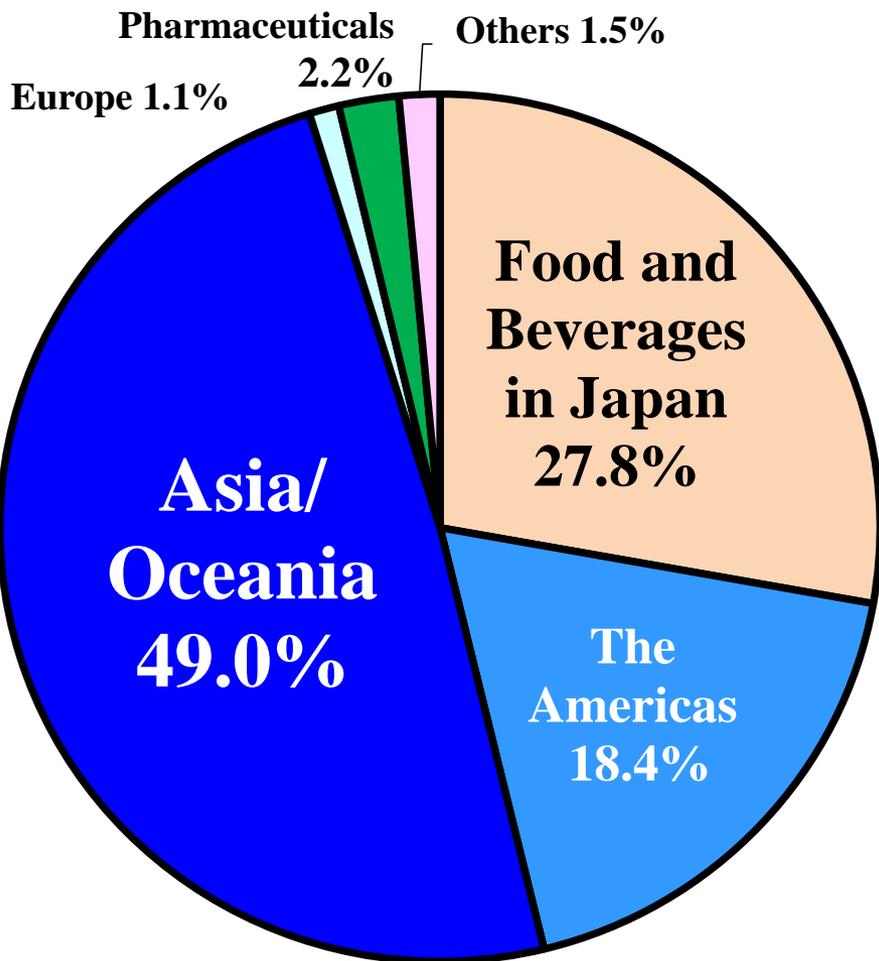
Region	Current	Previous	Year-on Year
Taiwan	731	751	97.3%
Thailand	2,292	2,211	103.7%
Korea	3,239	3,573	90.6%
Philippines	3,088	2,762	111.8%
Affiliates total	9,350	9,297	100.6%

Grand Total	40,676	39,517	102.9%
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Segment share of consolidated Operating profit

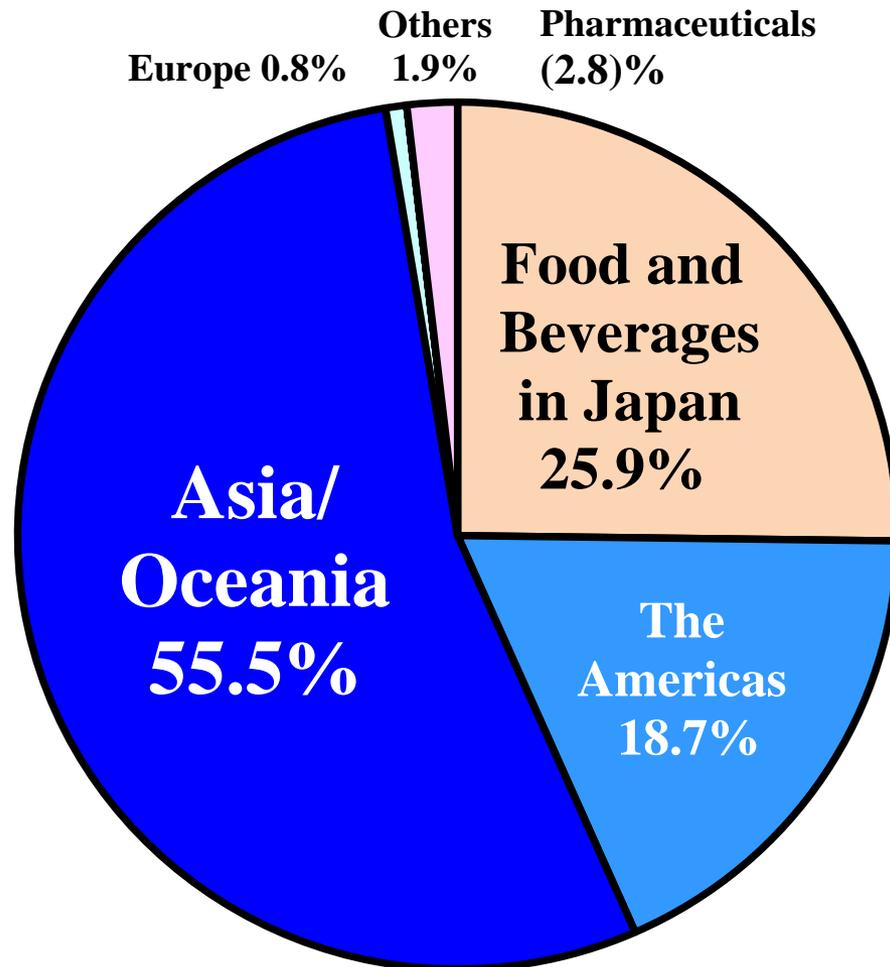


FY2017



Overseas total : 68.5%

FY2018

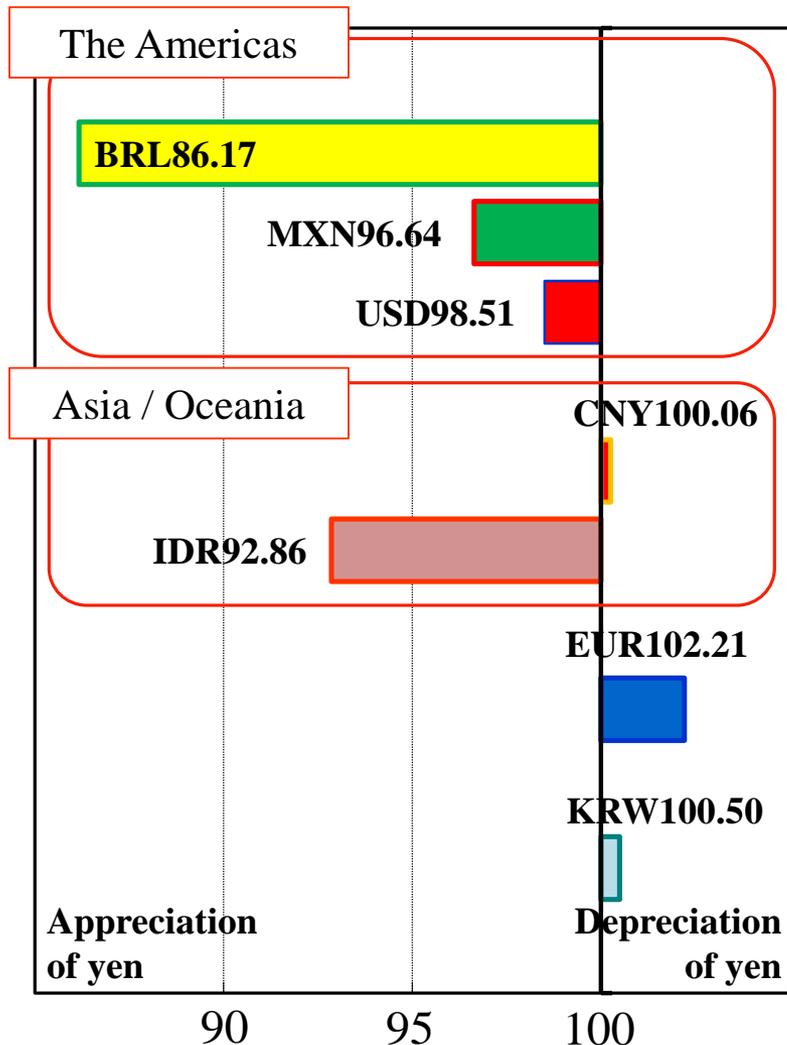


Overseas total : 75.0%

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

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

Average rate from Jan to Dec, 2018



	< Impact > Billion yen			
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(3.3)	(0.5)	(0.6)	(0.3)
Asia / Oceania	(2.0)	(0.5)	(0.5)	(0.4)
Europe	+0.1	(0.0)	(0.0)	(0.0)
Equity method	—	—	(0.0)	(0.0)
Total	(5.2)	(1.0)	(1.3)	(0.8)

***Forecast For FY2019
(Consolidated)***

General outline of Consolidated financial forecast



◆ Total

Increase in sales and profit.

◆ Food and Beverages in Japan

Increase in the number of dairy products and decrease in the sales of machinery resulted in the decrease sales and increase profit.

◆ 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

Switching to generic drugs of “Elplat” result in the decrease sales.
Expected deficit reduction due to decrease in expences.

Consolidated annual forecast for FY2019



Billion yen

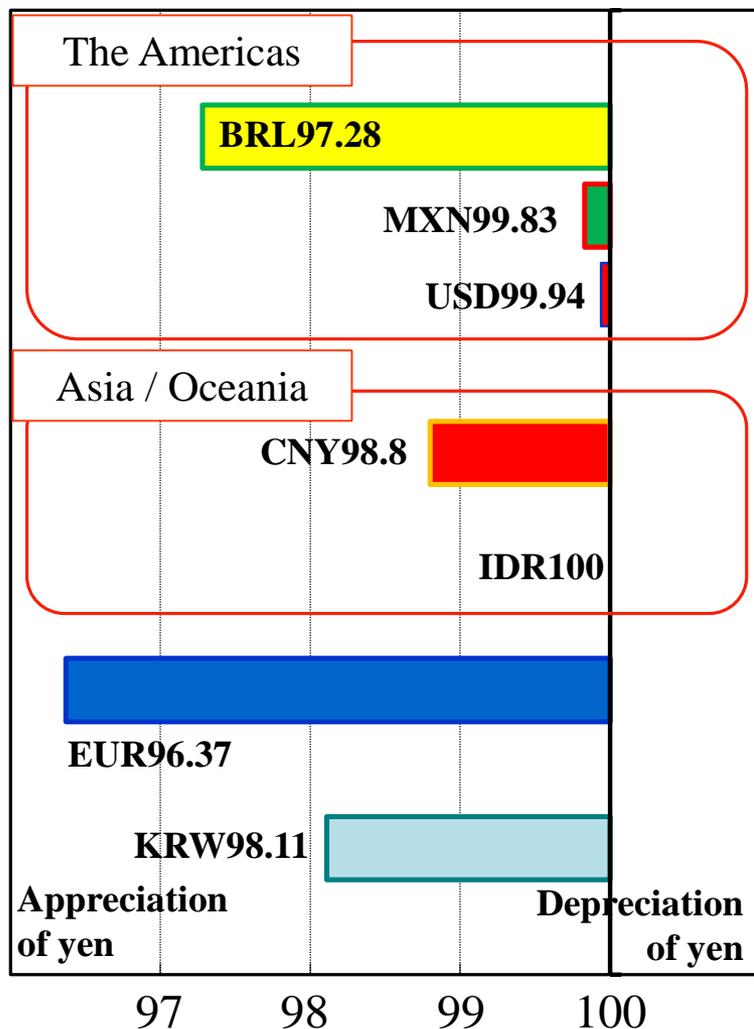
	Forecast	FY2018	Difference	
	(2019.4-2020.3)	(2018.4-2019.3)		Year-on Year
Net sales	420.0	407.0	12.9	103.2%
Operating profit	48.5	45.8	2.6	105.8%
Ordinary profit	59.5	57.1	2.3	104.2%
Profit attributable to owners of parent	36.5	34.9	1.5	104.5%
Basic earnings per share	(yen) 227.80	(yen) 217.89	(yen) 9.91	104.5%

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



< Jan-Dec, 2018=100 >

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)	(0.1)	(0.1)	—
Asia/Oceania	(1.3)	(0.4)	(0.4)	(0.3)
Europe	(0.3)	+0.1	+0.1	—
Equity method	—	—	—	—
Total	(2.0)	(0.4)	(0.4)	(0.3)

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



Billions yen

Segment	Net Sales		Year-on-Year	
	Forecast (2019.4-2020.3)	FY2018 (2018.4-2019.3)	Amount	Rate
Food and Beverages in Japan	211.2	214.9	(3.7)	(1.7)%
The Americas	50.4	48.9	+1.4	+3.1%
Asia / Oceania	132.6	120.7	+11.8	+9.8%
Europe	9.0	8.6	+0.3	+3.8%
Food and Beverages (Overseas)	192.0	178.3	+13.6	+7.6%
Pharmaceuticals	17.5	21.6	(4.1)	(19.3)%
Others	23.1	22.4	+0.6	+2.9%
Adjustments	(23.8)	(30.4)	+6.6	(21.8)%
Total	420.0	407.0	+12.9	+3.2%

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



Billion yen

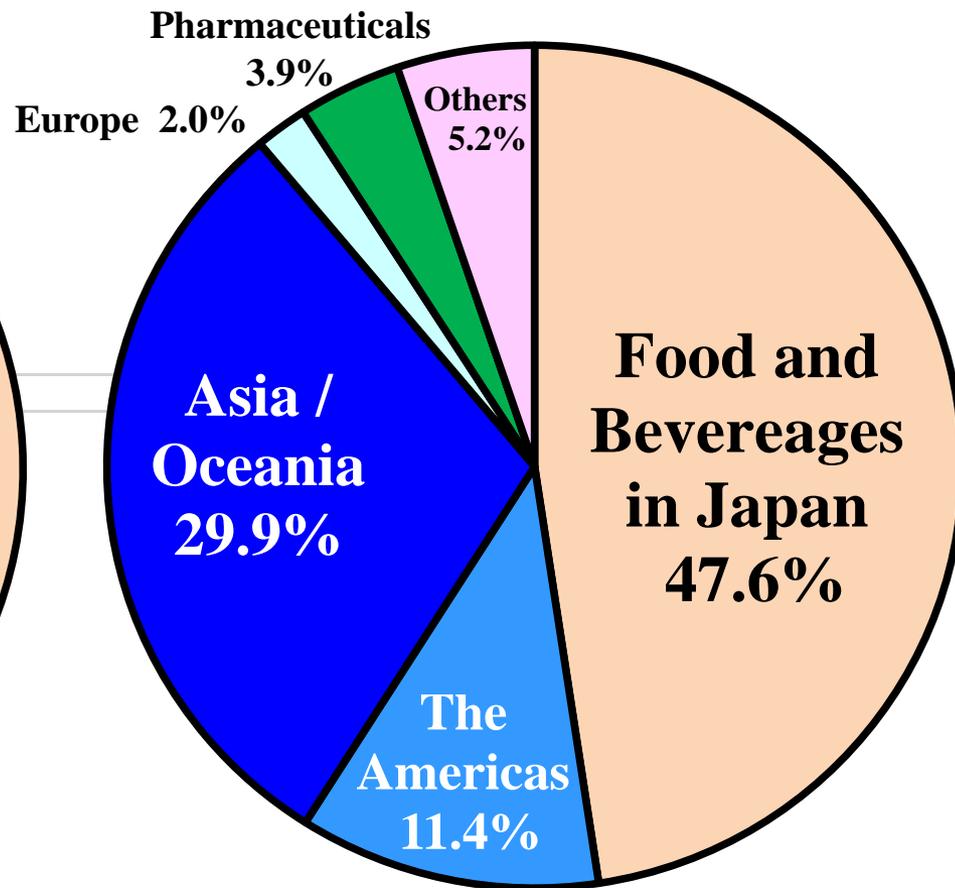
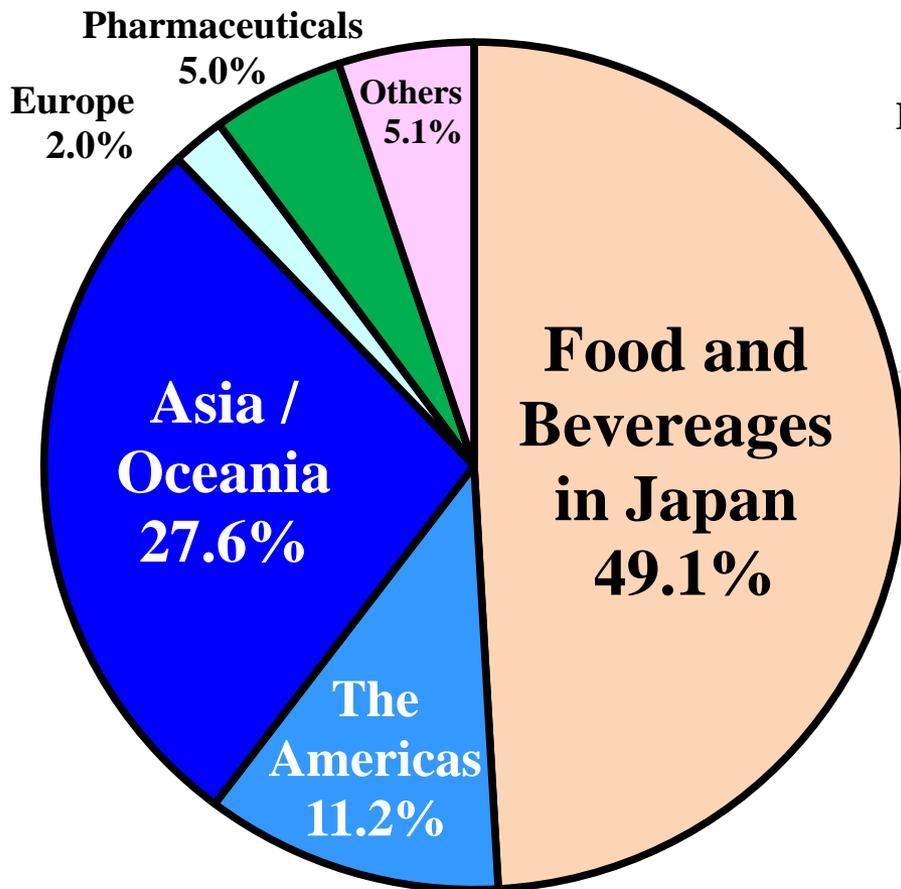
Segment	Operating profit		Year-on-Year	
	Forecast (2019.4-2020.3)	FY2018 (2018.4-2019.3)	Amount	Rate
Food and Beverages in Japan	17.7	16.4	+1.2	+7.7 %
The Americas	12.2	11.8	+0.3	+3.1 %
Asia / Oceania	37.3	35.1	+2.1	+6.1 %
Europe	0.5	0.5	(0.0)	(3.6)%
Food and Beverages (Overseas)	50.0	47.5	+2.4	+5.2 %
Pharmaceuticals	(1.4)	(1.8)	+0.4	—
Others	0.7	1.1	(0.4)	(40.7)%
Adjustments	(18.5)	(17.4)	(1.0)	+5.9 %
Total	48.5	45.8	+2.6	+5.8 %

Segment share of consolidated sales



FY2018

FY2019 (Forecast)



Over seas total: 40.8%

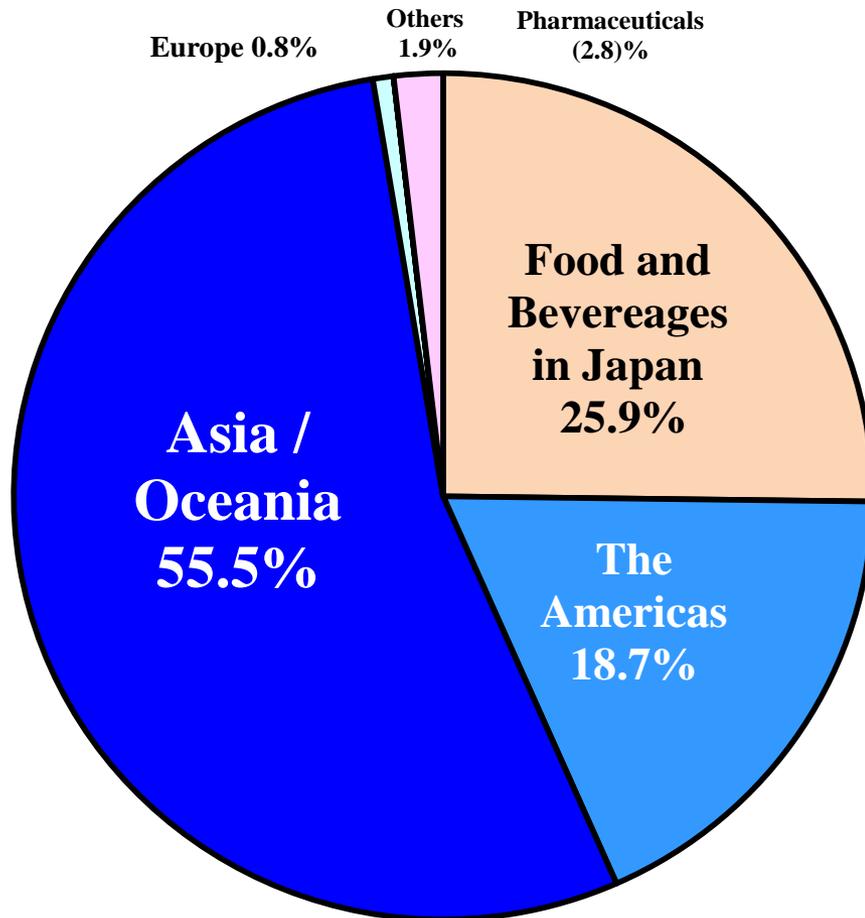
Over seas total: 43.3%

Segment share of consolidated operating profit

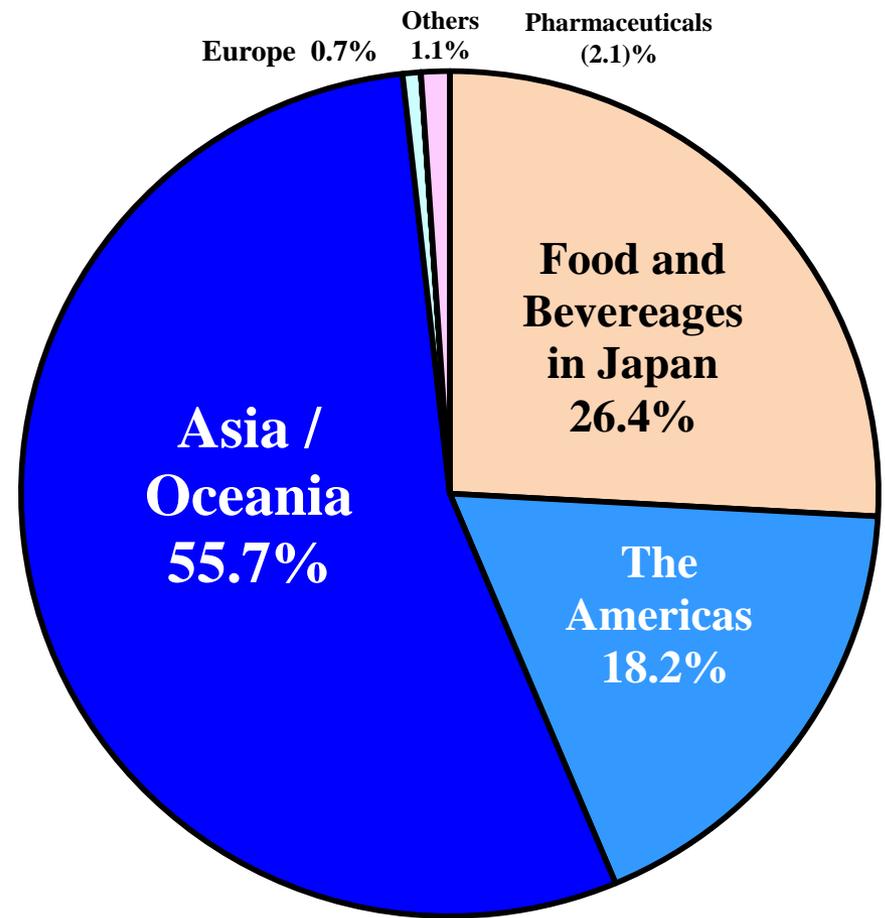


FY2018

FY2019 (Forecast)



Over seas total: 75.0%

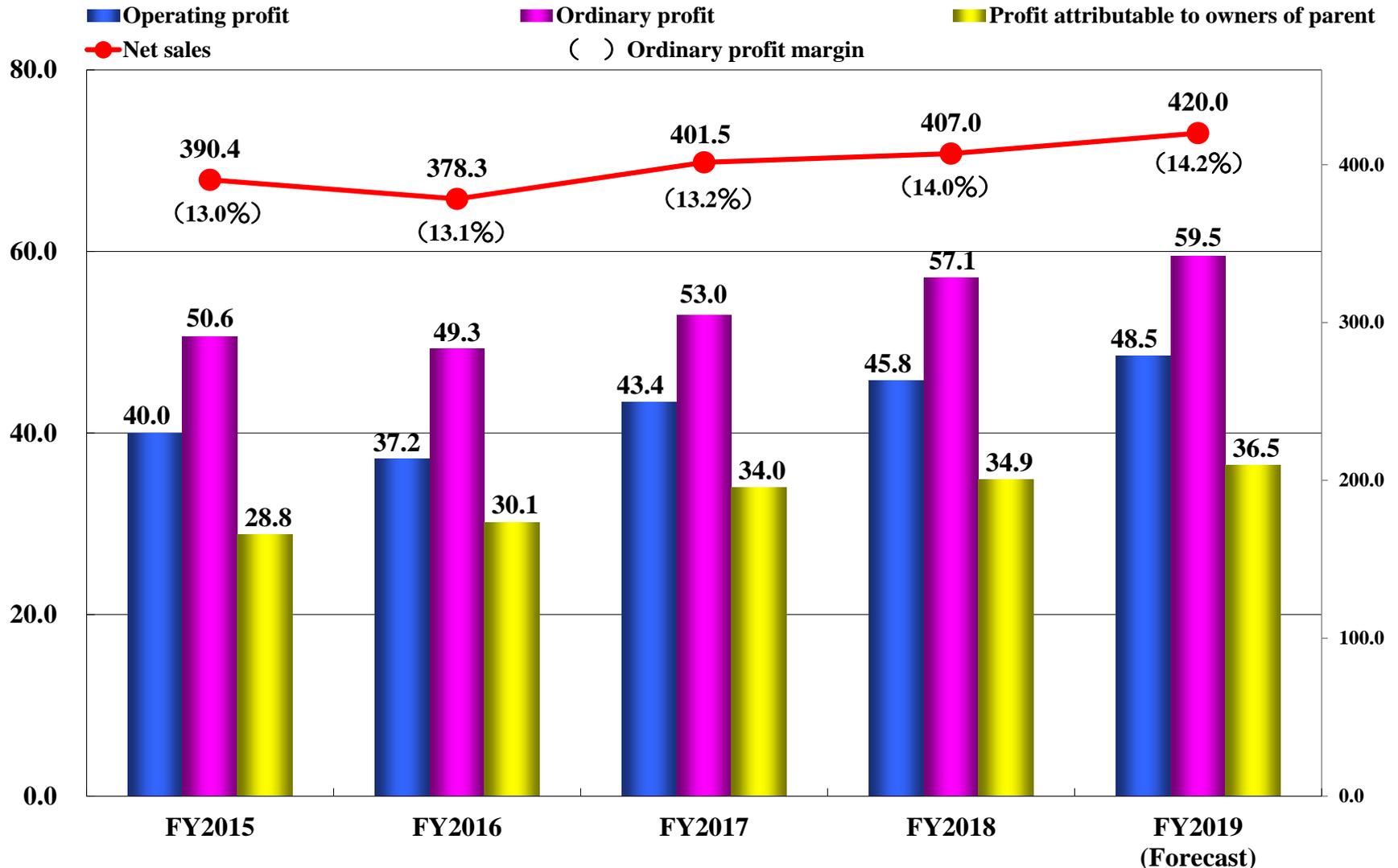


Over seas total: 74.6%

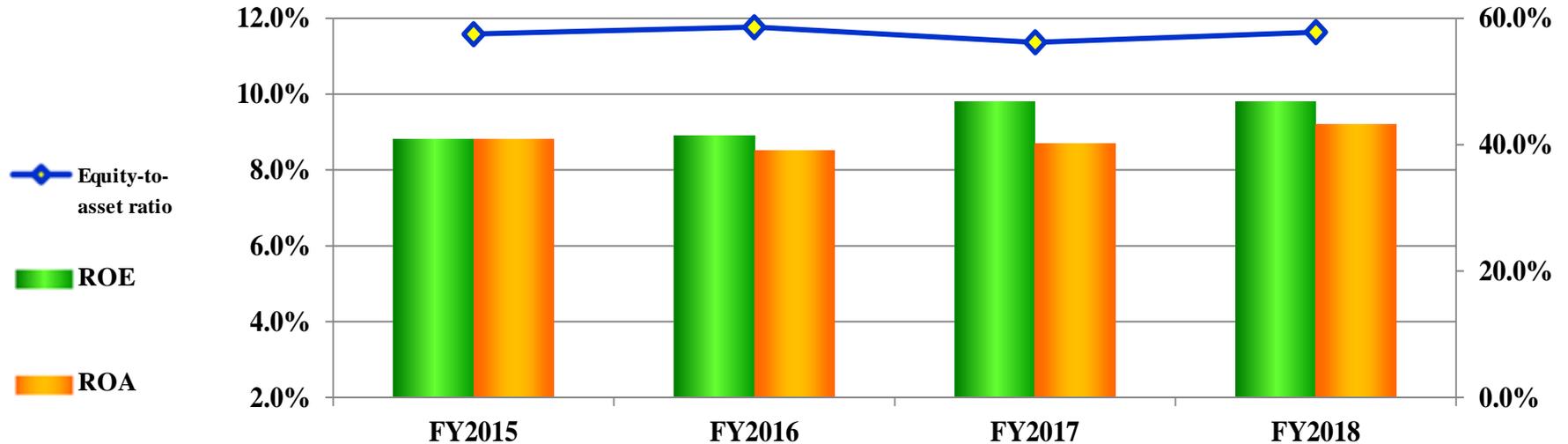
Trend of consolidated sales and profit



Billion yen



Trend of management index



	FY2015	FY2016	FY2017	FY2018
Equity-to-asset ratio	57.5%	58.6%	56.2%	57.8%
ROE	8.8%	8.9%	9.8%	9.8%
ROA	8.8%	8.5%	8.7%	9.2%

Thank you.

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Yakult

CAUTIONARY STATEMENT



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