

*Executive Summary of Consolidated Financial Results
for the year ended March 31, 2020*

Yakult Honsha Co., Ltd.

May 14, 2020

General outline of Consolidated financial results



◆ Total

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

◆ Food and Beverages (Japan)

Decrease sales due to a reaction to the sales machinery of dairy products in the previous year.

Increase profit due to launch of new product(Yakult1000 etc), etc.

◆ Food and Beverages (Overseas)

Increase sales due to increase of sales volume mainly in Asia and sales price revision effect, decrease profit due to impact by foreign exchange rate and increase in expenses.

◆ Pharmaceuticals

Decrease sales due to impact by NHI drug price revision and decrease loss due to decrease in research and development cost.

Consolidated financial results (1)



Billion yen

	FY2019 (2019.4-2020.3)	FY2018 (2018.4-2019.3)	Difference	
			Impact by Foreign Exchange Rate	Year-on-Year
Net sales	406.0	407.0	(1.0) Impact (6.7)	99.8%
Operating profit	45.6	45.8	(0.1) Impact (1.4)	99.6%
Ordinary profit	58.4	57.1	+ 1.3 Impact (1.7)	102.4%
Profit attributable to owners of parent	39.7	34.9	+ 4.8 Impact (1.2)	113.7%
Basic earnings per share	(yen) 248.04	(yen) 217.89	(yen) + 30.15	113.8%
Operating profit margin	11.2%	11.3%	(0.1)	—

Consolidated Statement of Income

Billion yen

	FY2019 <small>(2019.4-2020.3)</small>	FY2018 <small>(2018.4-2019.3)</small>	Difference		FY2019 <small>(2019.4-2020.3)</small>	FY2018 <small>(2018.4-2019.3)</small>	Difference
Net sales	406.0	407.0	(1.0)	Gain on sales of non-current assets	0.1	0.1	0.0
Cost of sales	171.3	171.1	0.2	Gain on sales of investment securities	2.5	2.2	0.2
Gross profit	234.6	235.9	(1.2)	Others	0.0	1.1	(1.0)
Selling, general and administrative expenses	188.9	190.0	(1.1)	Extraordinary income	2.7	3.4	(0.7)
Operating profit	45.6	45.8	(0.1)	Interest income	5.4	4.5	0.8
Interest income	5.4	4.5	0.8	Loss on retirement of non-current assets	0.7	0.5	0.2
Dividend income	2.0	1.9	0.0	Impairment loss	0.4	4.1	(3.7)
Share of profit of entities accounted for using equity method	5.0	3.5	1.5	Loss on valuation of investment securities	0.9	—	0.9
Others	2.1	2.7	(0.5)	Others	0.2	0.0	0.1
Non-operating income	14.7	12.8	1.8	Extraordinary losses	2.4	4.7	(2.2)
Interest expenses	0.8	0.7	0.1	Profit before income taxes	58.7	55.8	2.9
Others	1.0	0.8	0.2	Income taxes	13.8	15.6	(1.7)
Non-operating expenses	1.9	1.6	0.3	Profit	44.8	40.1	4.6
Ordinary profit	58.4	57.1	1.3	Profit attributable to non-controlling interests	5.1	5.2	(0.1)
				Profit attributable to owners of parent	39.7	34.9	4.8

Consolidated financial results (2)



Billion yen

	As of Mar. 31	As of Mar. 31	Difference	
	(FY2019)	(FY2018)		Year-on-Year
Total assets	627.8	618.5	+ 9.3	101.5%
Net assets	412.0	392.2	+ 19.8	105.0%
Net assets per share	(yen) 2,330.58	(yen) 2,229.80	(yen) + 100.78	104.5%
Equity-to-asset ratio	59.5%	57.8%	+ 1.7	—
ROE	10.9%	9.8%	+ 1.1	—
ROA	9.4%	9.2%	+ 0.2	—

Consolidated Balance Sheet

Billion yen

	As of Mar. 31 (FY2019)	As of Mar. 31 (FY2018)	Difference		As of Mar. 31 (FY2019)	As of Mar. 31 (FY2018)	Difference
Assets				Liabilities			
Cash and deposits	175.6	156.4	19.1	Notes and accounts payable - trade	26.2	27.9	(1.7)
Notes and accounts receivable - trade	51.8	52.8	(1.0)	Short-term loans payable	32.7	40.1	(7.4)
Inventories	28.7	29.1	(0.3)	Others	50.1	47.3	2.7
Others	9.5	9.1	0.4	Current liabilities	109.0	115.4	(6.3)
Current assets	265.8	247.6	18.1	Long-term loans payable	70.6	76.3	(5.6)
				Net defined benefit liability	6.4	5.4	0.9
Property, plant and equipment	203.9	200.0	3.9	Others	29.6	28.9	0.6
				Non-Current liabilities	106.7	110.7	(4.0)
Intangible assets	4.4	4.7	(0.3)	Total Liabilities	215.7	226.2	(10.4)
				Net Assets			
Investment securities	139.7	155.3	(15.5)	Shareholder's equity	397.6	365.7	31.8
Others	13.8	10.7	3.1	Accumulated other comprehensive income	(24.2)	(8.4)	(15.7)
Investments and other assets	153.6	166.0	(12.4)	Non-controlling interests	38.7	35.0	3.6
				Total Net Assets	412.0	392.2	19.8
Total Assets	627.8	618.5	9.3	Total Liabilities and Net Assets	627.8	618.5	9.3

Increase / Decrease in Net sales (1)



Billion yen

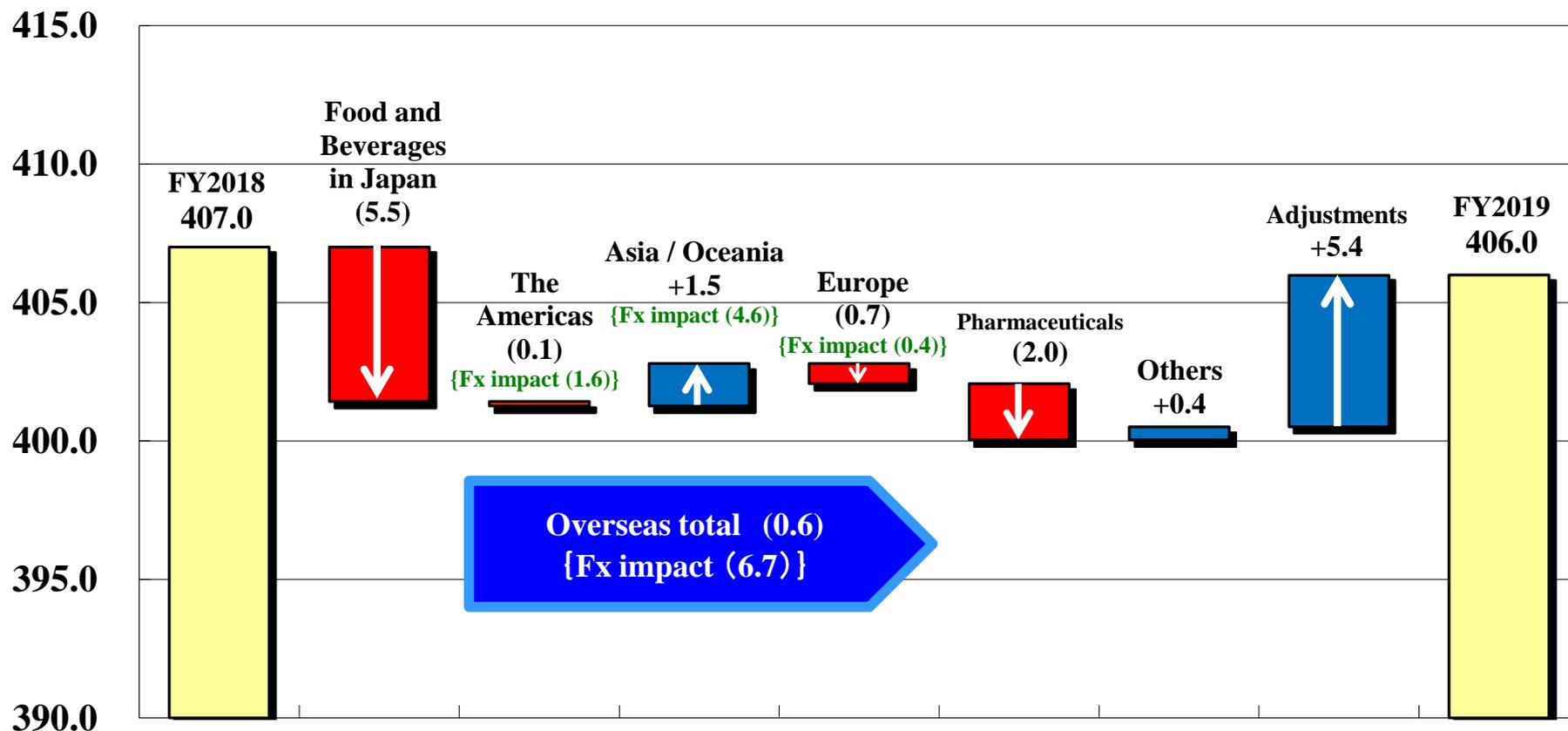
Segment	Net Sales		Year-on-Year	
	FY2019 (2019.4-2020.3)	FY2018 (2018.4-2019.3)	Amount	Rate
Food and Beverages in Japan	209.3	214.9	(5.5)	(2.6)%
The Americas	48.7	48.9	(0.1)	(0.3)%
Asia / Oceania	122.3	120.7	+ 1.5	+ 1.3 %
Europe	7.9	8.6	(0.7)	(8.4)%
Food and Beverages (Overseas)	179.0	178.3	+ 0.6	+ 0.4 %
Pharmaceuticals	19.6	21.6	(2.0)	(9.3)%
Others	22.9	22.4	+ 0.4	+ 2.1 %
Adjustments	(24.9)	(30.4)	+ 5.4	(18.0)%
Total	406.0	407.0	(1.0)	(0.2)%

Increase / Decrease in Net sales (2)



Change amount (1.0)

Billion yen



Increase / Decrease in Operating profit (1)



Billion yen

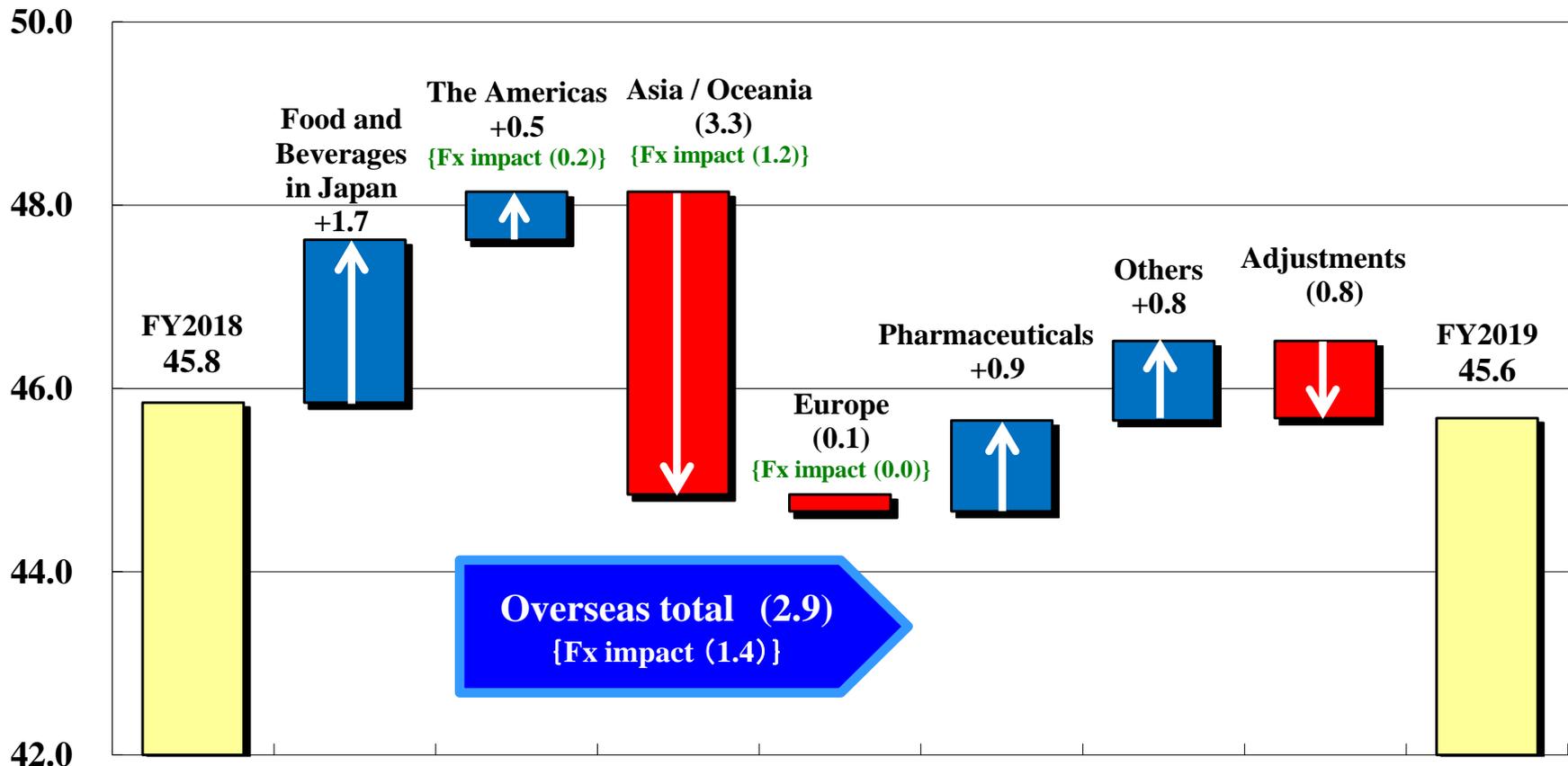
Segment	Operating Profit		Year-on-Year	
	FY2019 (2019.4-2020.3)	FY2018 (2018.4-2019.3)	Amount	Rate
Food and Beverages in Japan	18.2	16.4	+ 1.7	+ 10.8 %
The Americas	12.3	11.8	+ 0.5	+ 4.4 %
Asia / Oceania	31.8	35.1	(3.3)	(9.4)%
Europe	0.3	0.5	(0.1)	(35.9)%
Food and Beverages (Overseas)	44.5	47.5	(2.9)	(6.2)%
Pharmaceuticals	(0.8)	(1.8)	+ 0.9	—
Others	2.0	1.1	+ 0.8	+ 73.6 %
Adjustments	(18.3)	(17.4)	(0.8)	+ 4.8 %
Total	45.6	45.8	(0.1)	(0.4)%

Increase / Decrease in Operating profit (2)



Change amount (0.1)

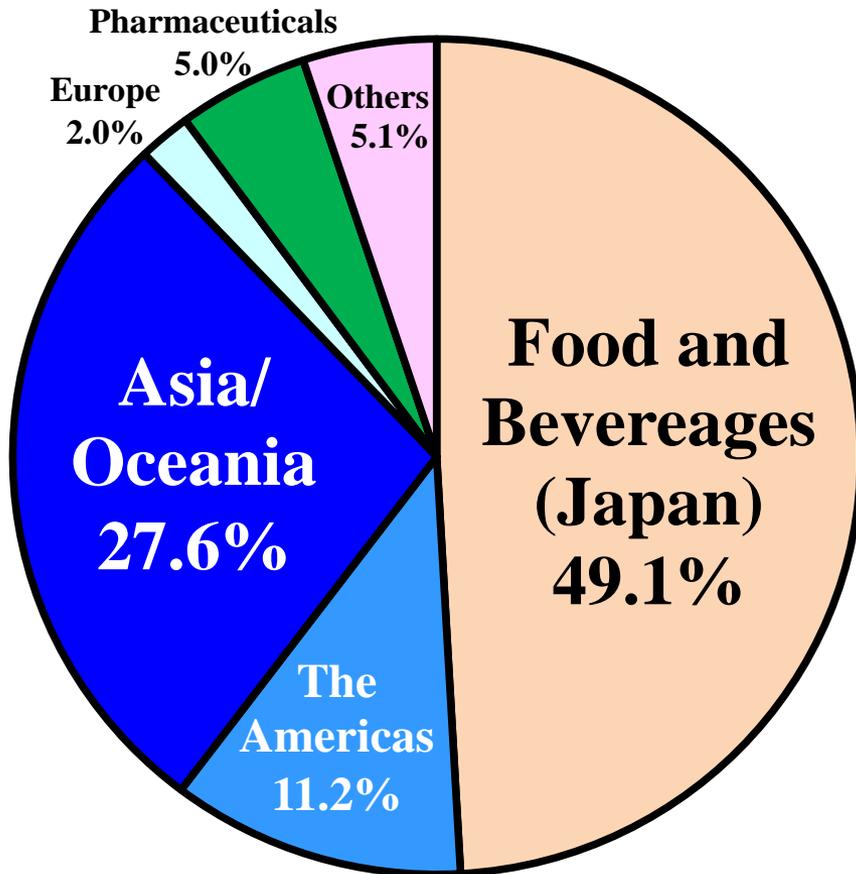
Billion yen



Segment share of consolidated sales

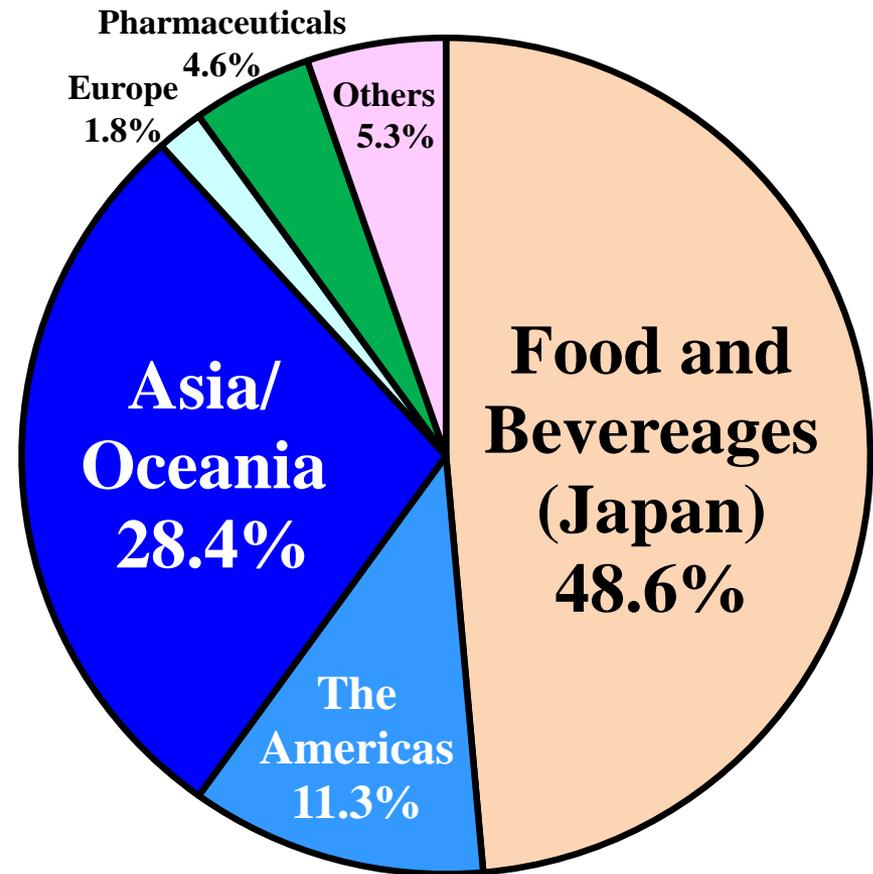


FY2018



Overseas total: 40.8%

FY2019



Overseas total: 41.5%

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

(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
Japan	9,488	9,543	99.4%
Brazil	1,552	1,658	93.6%
Mexico	3,832	3,820	100.3%
America	378	342	110.8%
The Americas total	5,763	5,820	99.0%
Hong Kong	513	542	94.7%
Shingapore	224	228	98.3%
Indonesia	6,366	5,831	109.2%
Australia	252	245	102.8%
Malaysia	350	345	101.4%
Vietnam	529	377	140.3%
India	238	217	109.9%
Middle East	18	16	107.7%
Myanmar	5	—	—
Guangzhou	2,916	2,856	102.1%
Shanghai	559	617	90.6%
Beijing	426	425	100.3%
China	3,709	3,628	102.2%
(China total)	7,609	7,526	101.1%
Asia / Oceania total	16,103	15,327	105.1%

Region	Current	Previous	Year-on Year
Netherlands	160	170	93.5%
Belgium	78	77	101.6%
United Kingdom	194	199	97.4%
Germany	75	80	93.9%
Austria	10	12	85.1%
Italia	95	98	97.3%
Europe total	613	636	96.2%
Overseas total	22,479	21,783	103.2%
Consolidated total	31,967	31,326	102.0%

【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	673	731	92.0%
Thailand	2,185	2,292	95.4%
Korea	3,092	3,239	95.3%
Philippines	3,196	3,088	103.5%
Affiliates total	9,146	9,350	97.8%

Grand Total	41,113	40,676	101.1%
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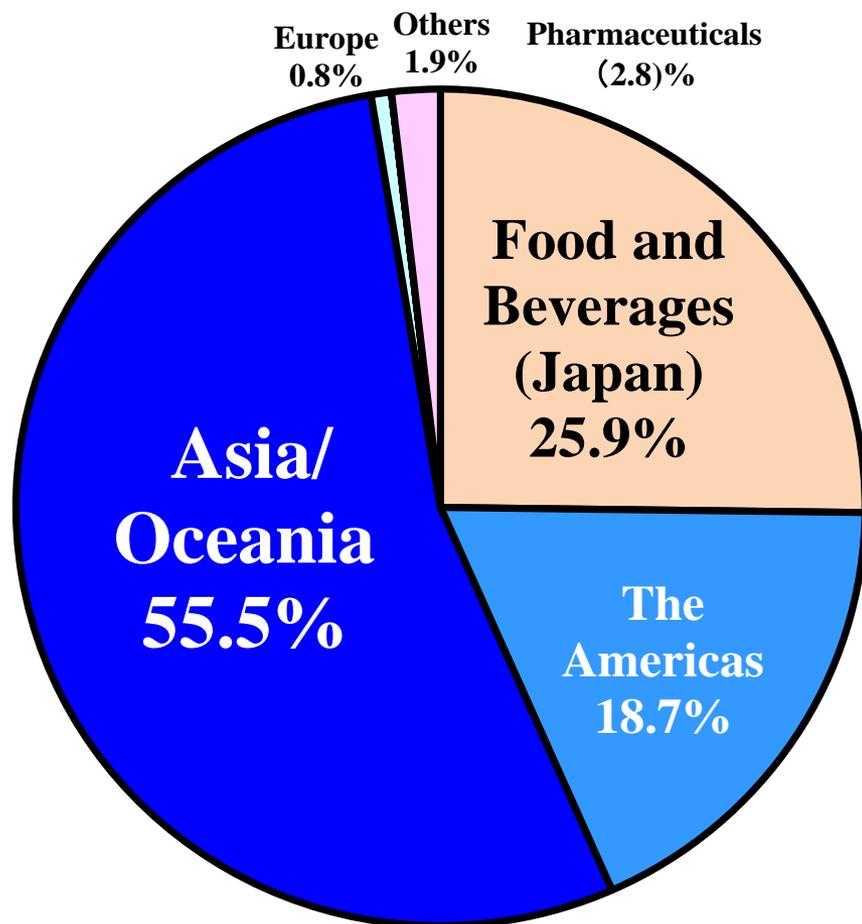
Japan : Sales in April, 2019 to March, 2020

Overseas : Sales in January to December, 2019

Segment share of consolidated Operating profit

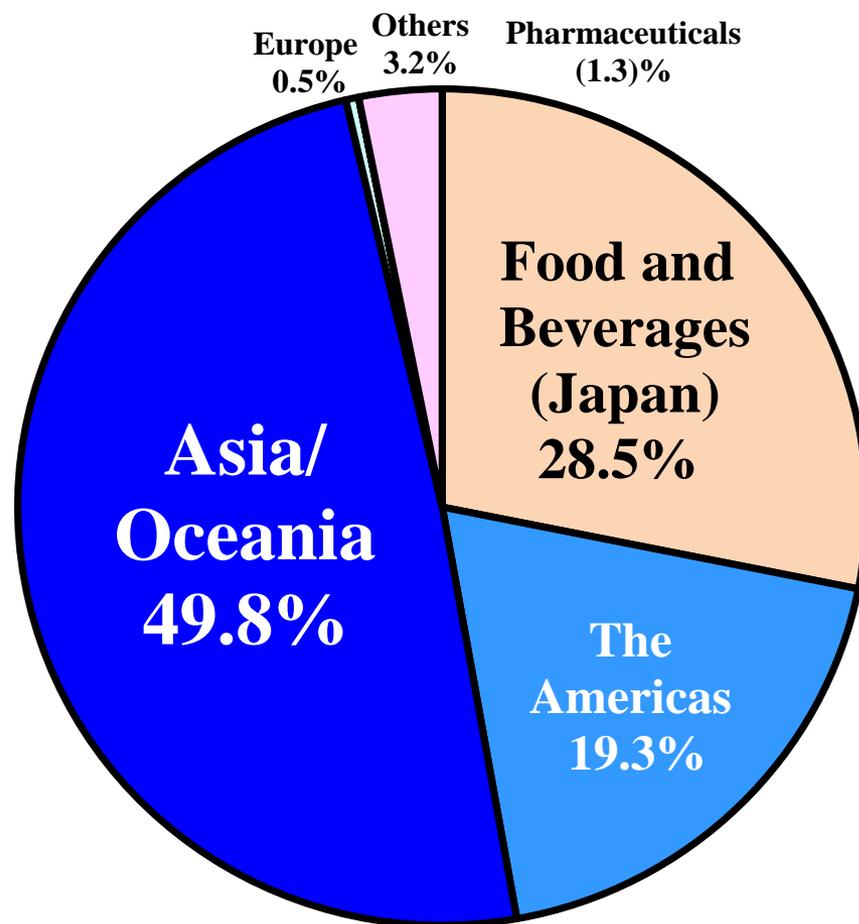


FY2018



Overseas total: 75.0%

FY2019



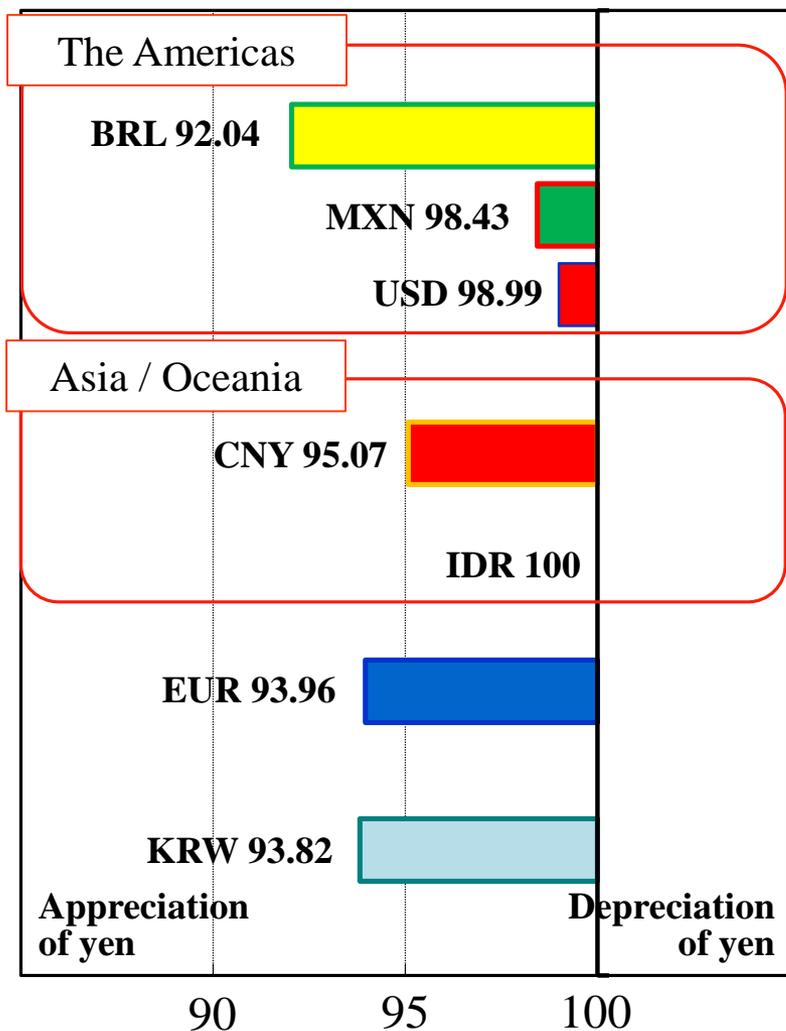
Overseas total: 69.6%

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



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

Average rate from Jan to Dec, 2019



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(1.6)	(0.2)	(0.3)	(0.1)
Asia/Oceania	(4.6)	(1.2)	(1.3)	(0.9)
Europe	(0.4)	(0.0)	+ 0.0	+ 0.0
Equity method	—	—	(0.1)	(0.1)
Total	(6.7)	(1.4)	(1.7)	(1.2)

***Forecast For FY2020
(Consolidated)***

General outline of Consolidated financial forecast



◆ Total

Slightly increase in sales and operating profit.

◆ Food and Beverages in Japan

Increase sales and profit due to increase in the number of Yakult1000, Yakult400W, etc.

◆ 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 sales due to impact by NHI drug price revision.

Decrease loss due to decrease in operating expenses.

Consolidated annual forecast for FY2020



Billion yen

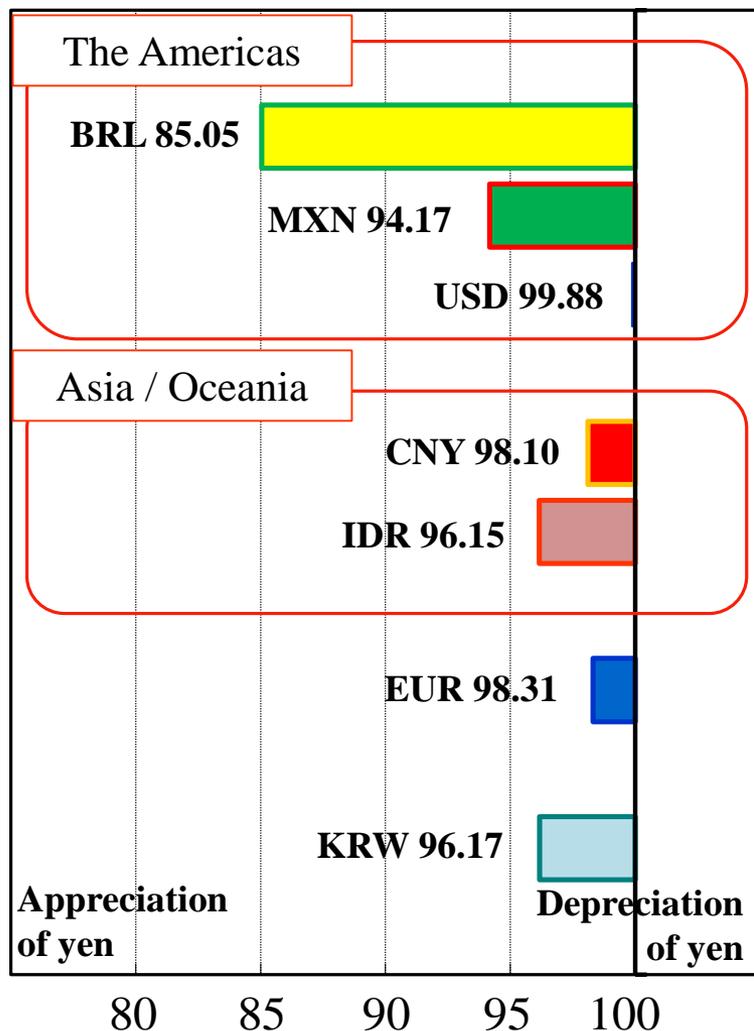
	Forecast	FY2019	Difference	
	(2020.4-2021.3)	(2019.4-2020.3)		Year-on Year
Net sales	411.0	406.0	+ 4.9	101.2%
Operating profit	47.0	45.6	+ 1.3	102.9%
Ordinary profit	59.0	58.4	+ 0.5	100.9%
Profit attributable to owners of parent	37.0	39.7	(2.7)	93.1%
Basic earnings per share	(yen) 230.95	(yen) 248.04	(yen) (17.09)	93.1%

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

Yakult

< Jan-Dec, 2019=100 >

Rate from Jan. to Mar. 2020



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(3.8)	(0.8)	(1.0)	(0.4)
Asia/Oceania	(3.1)	(0.8)	(0.9)	(0.7)
Europe	(0.1)	—	—	—
Equity method	—	—	—	—
Total	(7.0)	(1.6)	(1.9)	(1.1)

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



Billion yen

Segment	Net Sales		Year-on-Year	
	Forecast (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Amount	Rate
Food and Beverages in Japan	214.0	209.3	+ 4.6	+ 2.2 %
The Americas	47.2	48.7	(1.5)	(3.2)%
Asia / Oceania	128.5	122.3	+ 6.1	+ 5.1 %
Europe	8.3	7.9	+ 0.3	+ 4.5 %
Food and Beverages (Overseas)	184.0	179.0	+ 4.9	+ 2.8 %
Pharmaceuticals	17.5	19.6	(2.1)	(11.0)%
Others	18.5	22.9	(4.4)	(19.3)%
Adjustments	(23.0)	(24.9)	+ 1.9	(7.9)%
Total	411.0	406.0	+ 4.9	+ 1.2 %

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



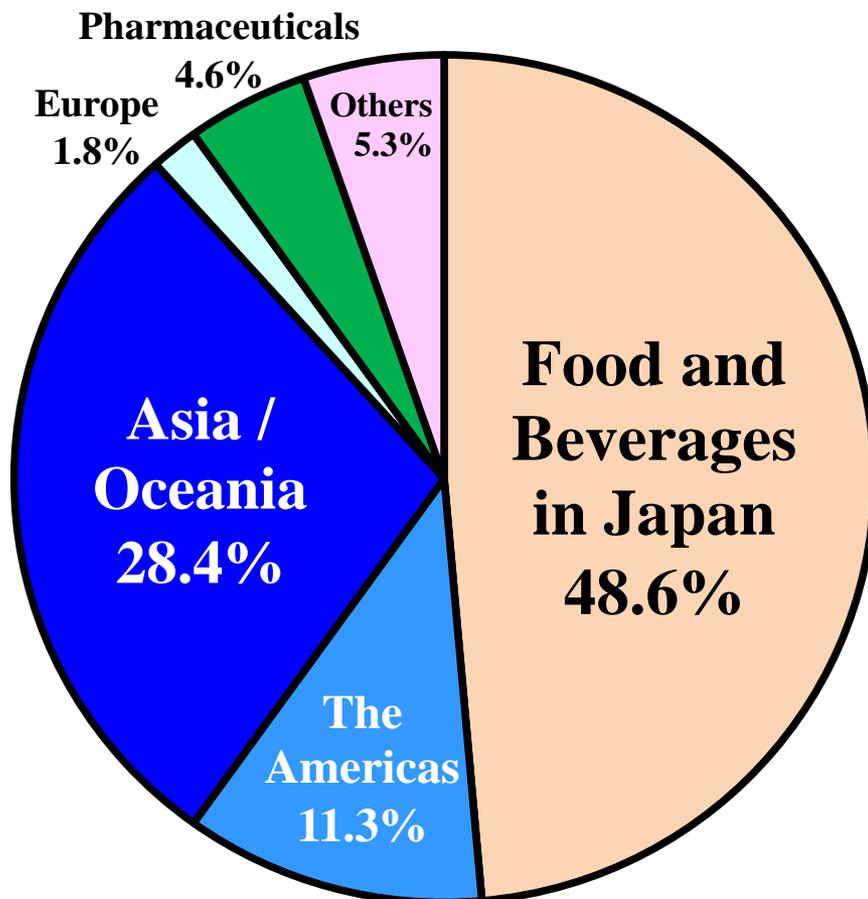
Billion yen

Segment	Operating profit		Year-on-Year	
	Forecast (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Amount	Rate
Food and Beverages in Japan	20.3	18.2	+ 2.0	+ 11.5 %
The Americas	12.5	12.3	+ 0.1	+ 1.1 %
Asia / Oceania	33.2	31.8	+ 1.3	+ 4.2 %
Europe	0.3	0.3	(0.0)	(9.7)%
Food and Beverages (Overseas)	46.0	44.5	+ 1.4	+ 3.3 %
Pharmaceuticals	(0.5)	(0.8)	+ 0.3	—
Others	(0.6)	2.0	(2.6)	—
Adjustments	(18.2)	(18.3)	+ 0.1	(0.6)%
Total	47.0	45.6	+ 1.3	+ 2.9 %

Segment share of consolidated sales

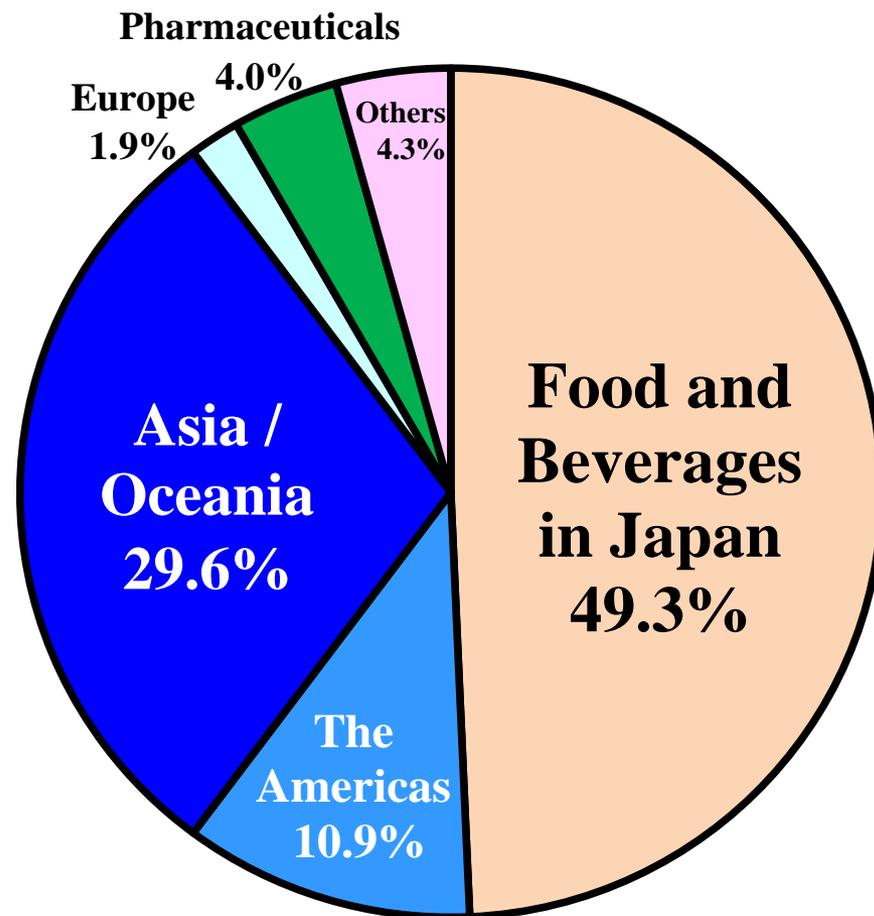


FY2019



Over seas total: 41.5%

FY2020 (Forecast)

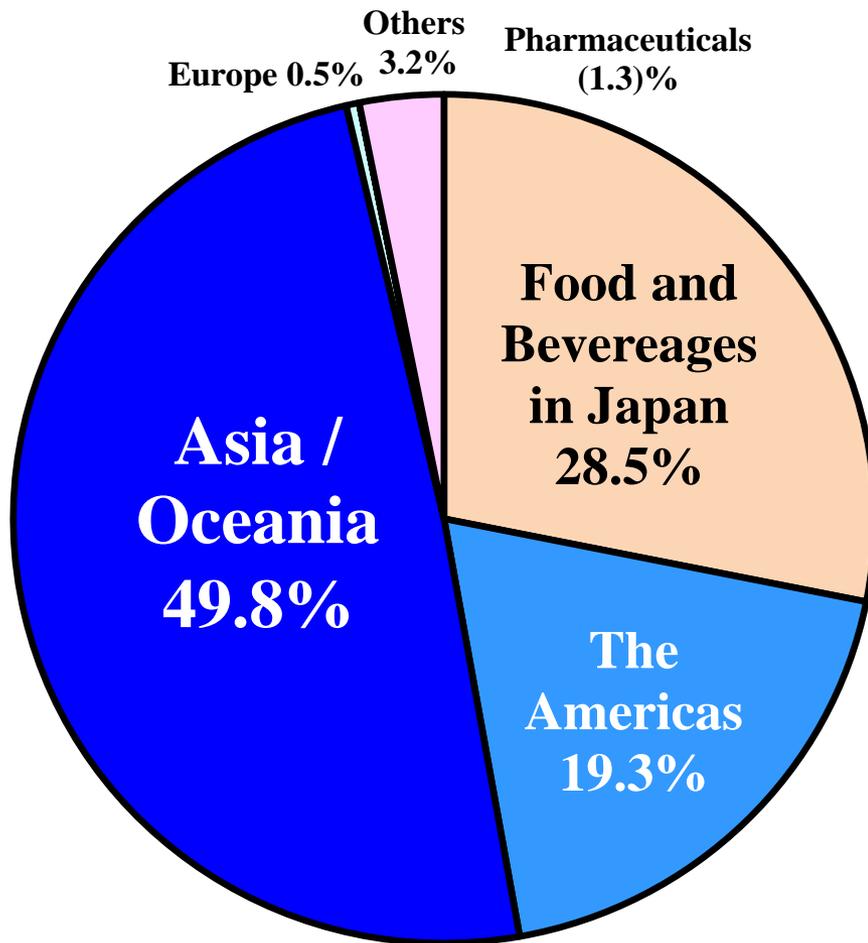


Over seas total: 42.4%

Segment share of consolidated operating profit

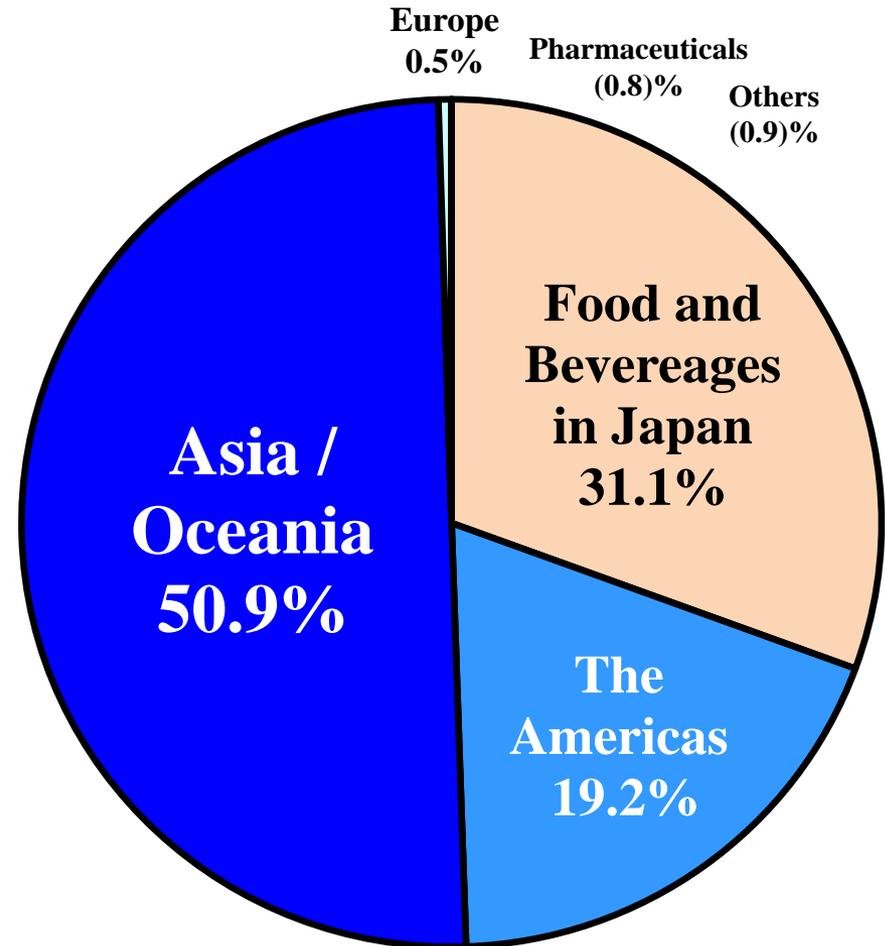


FY2019



Over seas total: 69.6%

FY2020 (Forecast)

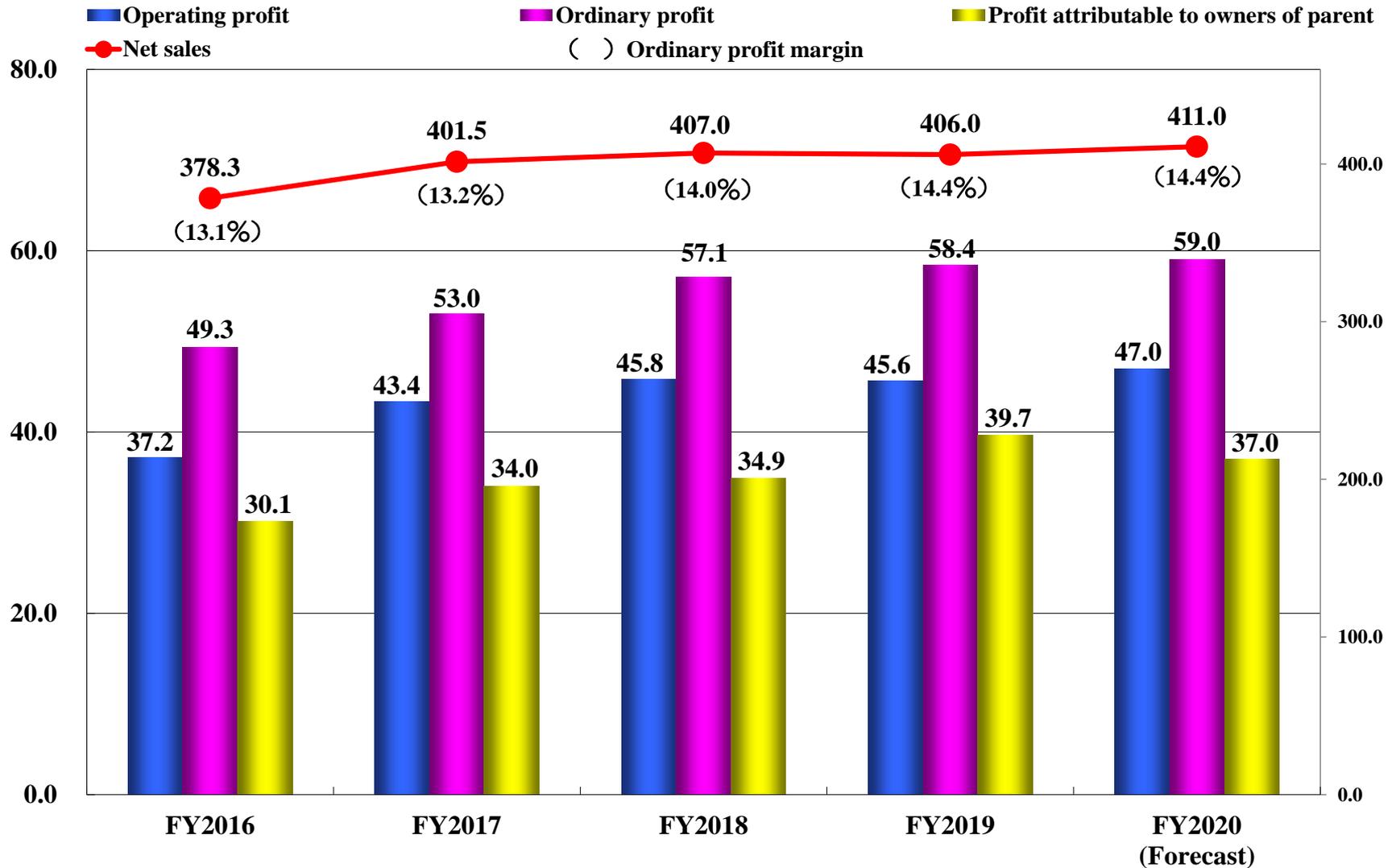


Over seas total: 70.6%

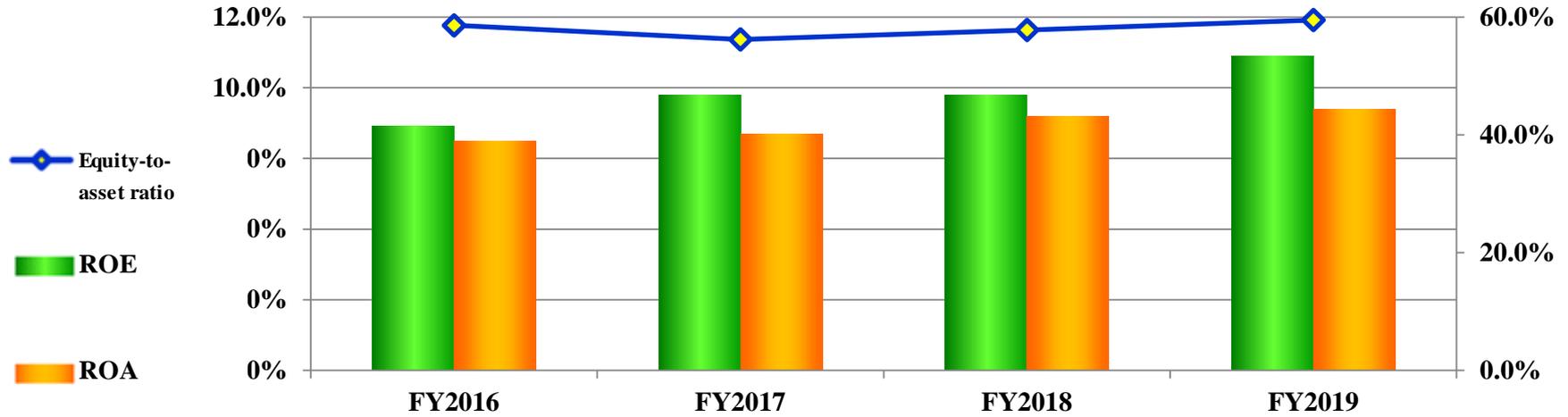
Trend of consolidated sales and profit



Billions of yen



Trend of management index



	FY2016	FY2017	FY2018	FY2019
Equity-to-asset ratio	58.6%	56.2%	57.8%	59.5%
ROE	8.9%	9.8%	9.8%	10.9%
ROA	8.5%	8.7%	9.2%	9.4%

Thank you.

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Yakult

CAUTIONARY STATEMENT

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