

*Executive Summary of Consolidated Financial Results  
for the year ended March 31, 2021*

**Yakult Honsha Co., Ltd.**

*May 14, 2021*

# General outline of Consolidated financial results



## ◆ Total 【Decrease in sales and profit】

### ◆ Food and Beverages (Japan)

【Decrease in sales and increase profit】

- Dairy products : The effect of new products (Yakult 1000 etc.) and increase in the number of bottles sold.
- Beverages etc. : Decrease in the number of bottles sold due to the novel coronavirus infection.

### ◆ Food and Beverages (Overseas)

【Decrease in sales and profit】

- Decrease in sales volume.
- Decrease in sales and profit due to appreciation of yen etc.

### ◆ Pharmaceuticals

【Decrease in sales and increase profit】

- Impact by NHI drug price revision.
- Decrease in expenses due to refraining from sales activities.

# Consolidated financial results (1)



Billion yen

	FY2020	FY2019	Difference	
	(2020.4-2021.3)	(2019.4-2020.3)		Year-on-Year
Net sales	385.7	406.0	(20.2) Fx impact (11.2)	95.0%
Operating profit	43.6	45.6	(1.9) Fx impact (2.3)	95.7%
Ordinary profit	57.6	58.4	(0.8) Fx impact (2.8)	98.5%
Profit attributable to owners of parent	39.2	39.7	(0.4) Fx impact (1.7)	98.8%
Basic earnings per share	(yen) 244.85	(yen) 248.04	(yen) (3.19)	98.7%
Operating profit margin	11.3%	11.2%	+ 0.1	—

# Consolidated Statement of Income

Billion yen

	FY2020 (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Difference		FY2020 (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Difference
Net sales	385.7	406.0	(20.2)	Gain on sales of non-current assets	0.2	0.1	0.0
Cost of sales	158.8	171.3	(12.4)	Gain on sales of investment securities	3.7	2.5	1.2
Gross profit	226.8	234.6	(7.8)	Others	0.5	0.0	0.4
Selling, general and administrative expenses	183.1	188.9	(5.8)	Extraordinary income	4.5	2.7	1.8
Operating profit	43.6	45.6	(1.9)	Loss on retirement of non-current assets	0.4	0.7	(0.3)
Interest income	3.7	5.4	(1.7)	Impairment loss	0.4	0.4	(0.0)
Dividend income	2.0	2.0	(0.0)	Loss on valuation of investment securities	0.6	0.9	(0.3)
Share of profit of entities accounted for using equity method	3.9	5.0	(1.1)	Expense related to a novel coronavirus	1.1	—	1.1
Foreign exchange gains	2.6	—	2.6	Others	0.1	0.2	(0.1)
Others	3.1	2.1	0.9	Extraordinary losses	2.7	2.4	0.3
Non-operating income	15.3	14.7	0.6	Profit before income taxes	59.3	58.7	0.6
Interest expenses	0.7	0.8	(0.1)	Income taxes	15.8	13.8	1.9
Others	0.7	1.0	(0.3)	Profit	43.4	44.8	(1.3)
Non-operating expenses	1.4	1.9	(0.4)	Profit attributable to non-controlling interests	4.2	5.1	(0.8)
Ordinary profit	57.6	58.4	(0.8)	Profit attributable to owners of parent	39.2	39.7	(0.4)

# Consolidated financial results (2)



Billion yen

	As of Mar. 31	As of Mar. 31	Difference	
	(FY2020)	(FY2019)		Year-on-Year
Total assets	635.1	627.8	+ 7.2	101.2%
Net assets	439.7	412.0	+ 27.6	106.7%
Net assets per share	(yen) 2,523.81	(yen) 2,330.58	(yen) + 193.23	108.3%
Equity-to-asset ratio	63.8%	59.5%	+ 4.3	—
ROE	10.1%	10.9%	(0.8)	—
ROA	9.1%	9.4%	(0.3)	—

# Consolidated Balance Sheet

Billion yen

	As of Mar. 31 (FY2020)	As of Mar. 31 (FY2019)	Difference		As of Mar. 31 (FY2020)	As of Mar. 31 (FY2019)	Difference
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits	176.2	175.6	0.6	Notes and accounts payable - trade	22.7	26.2	(3.4)
Notes and accounts receivable - trade	50.3	51.8	(1.5)	Short-term borrowings	20.8	32.7	(11.8)
Inventories	27.7	28.7	(1.0)	Others	49.9	50.1	(0.1)
Others	12.5	9.5	2.9	Current liabilities	93.5	109.0	(15.5)
Current assets	266.8	265.8	0.9	Long-term borrowings	65.7	70.6	(4.9)
				Net defined benefit liability	4.3	6.4	(2.0)
Property, plant and equipment	203.0	203.9	(0.9)	Others	31.7	29.6	2.0
				Non-Current liabilities	101.7	106.7	(4.9)
Intangible assets	5.3	4.4	0.9	Total Liabilities	195.3	215.7	(20.4)
Investment securities	80.2	77.0	3.2	Net Assets			
Shares of affiliates	65.3	62.7	2.5	Shareholder's equity	430.6	397.6	33.0
Others	14.3	13.8	0.4	Accumulated other comprehensive income	(25.7)	(24.2)	(1.5)
Investments and other assets	159.8	153.6	6.2	Non-controlling interests	34.8	38.7	(3.8)
				Total Net Assets	439.7	412.0	27.6
Total Assets	635.1	627.8	7.2	Total Liabilities and Net Assets	635.1	627.8	7.2

# Increase / Decrease in Net sales (1)



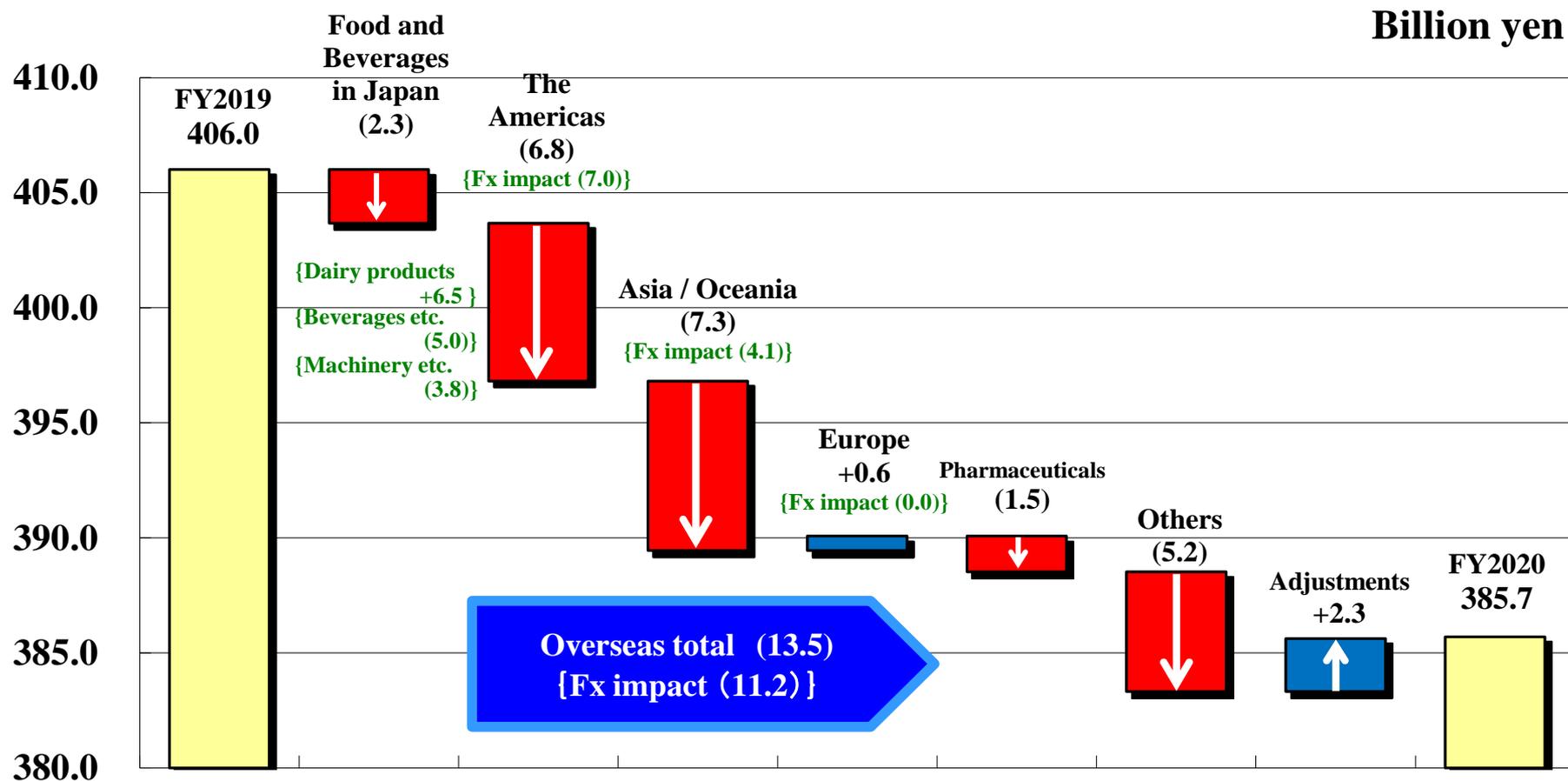
Billion yen

Segment	Net Sales		Year-on-Year	
	FY2020 (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Amount	Rate
Food and Beverages in Japan	207.0	209.3	(2.3)	(1.1)%
The Americas	41.8	48.7	(6.8)	(14.1)%
Asia / Oceania	114.9	122.3	(7.3)	(6.0)%
Europe	8.5	7.9	+ 0.6	+ 7.9 %
Food and Beverages (Overseas)	165.4	179.0	(13.5) Fx impact (11.2)	(7.6)%
Pharmaceuticals	18.1	19.6	(1.5)	(7.9)%
Others	17.7	22.9	(5.2)	(22.7)%
Adjustments	(22.5)	(24.9)	+ 2.3	(9.5)%
Total	385.7	406.0	(20.2)	(5.0)%

# Increase / Decrease in Net sales (2)



## Change amount (20.2)



# Increase / Decrease in Operating profit (1)



Billion yen

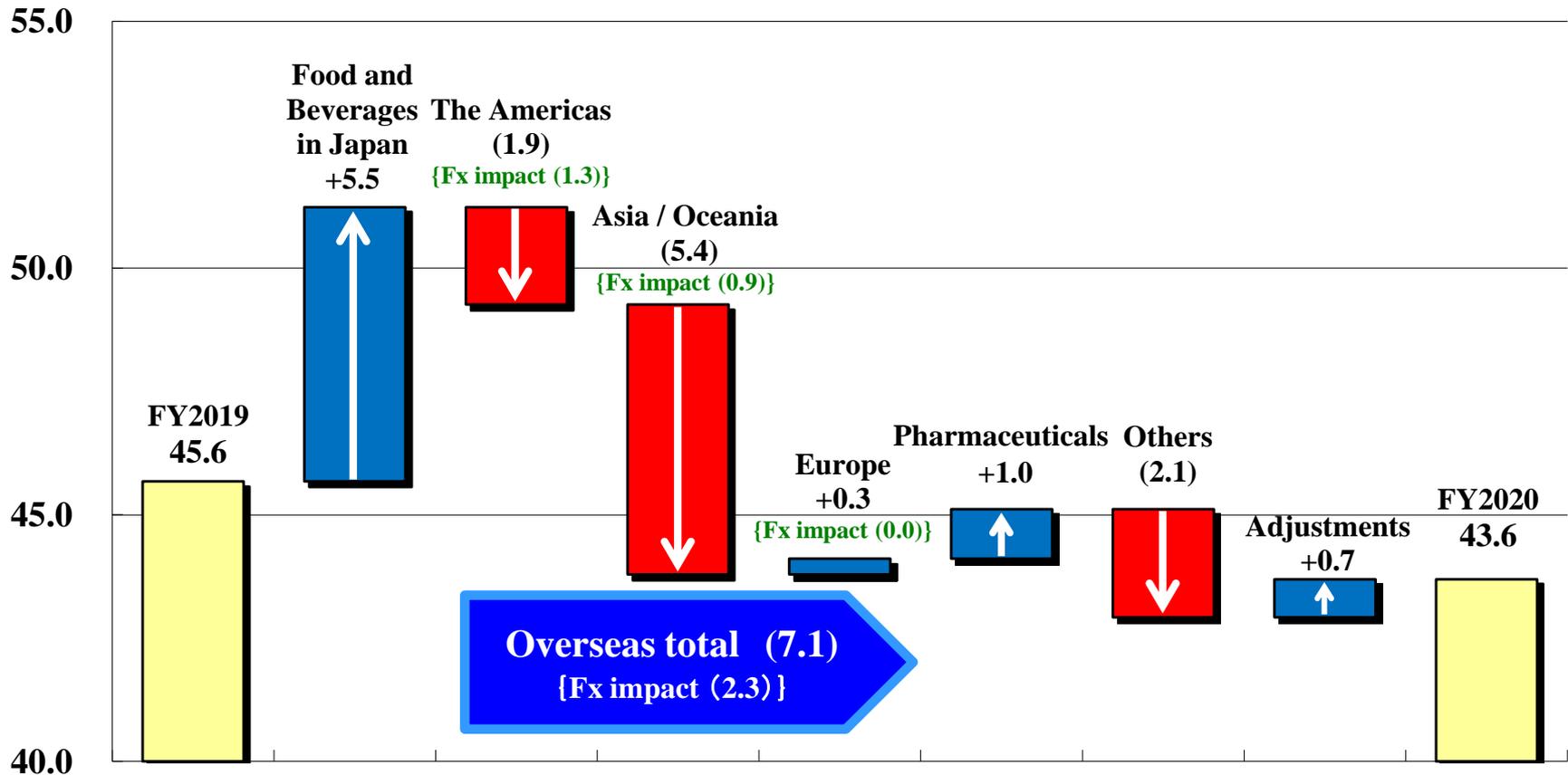
Segment	Operating Profit		Year-on-Year	
	FY2020 (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Amount	Rate
Food and Beverages in Japan	23.7	18.2	+ 5.5	+ 30.5 %
The Americas	10.3	12.3	(1.9)	(15.9)%
Asia / Oceania	26.3	31.8	(5.4)	(17.2)%
Europe	0.6	0.3	+ 0.3	+ 95.1 %
Food and Beverages (Overseas)	37.4	44.5	(7.1) Fx impact (2.3)	(16.0)%
Pharmaceuticals	0.1	(0.8)	+ 1.0	—
Others	(0.1)	2.0	(2.1)	—
Adjustments	(17.5)	(18.3)	+ 0.7	(4.2)%
Total	43.6	45.6	(1.9)	(4.3)%

# Increase / Decrease in Operating profit (2)



## Change amount (1.9)

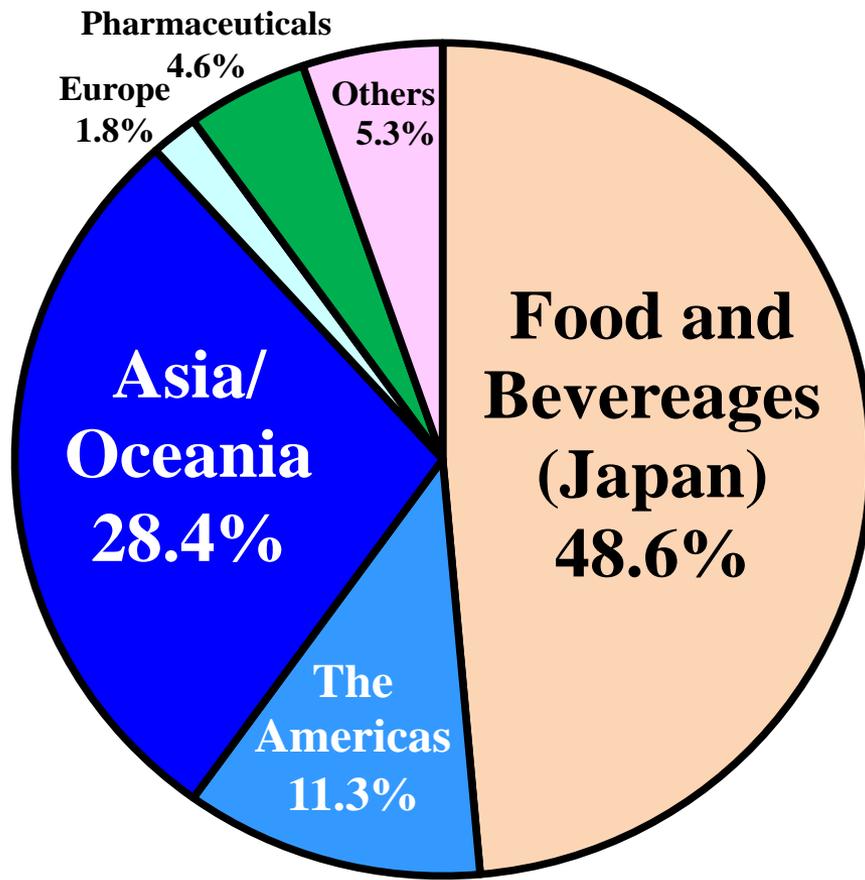
Billion yen



# Segment share of consolidated sales

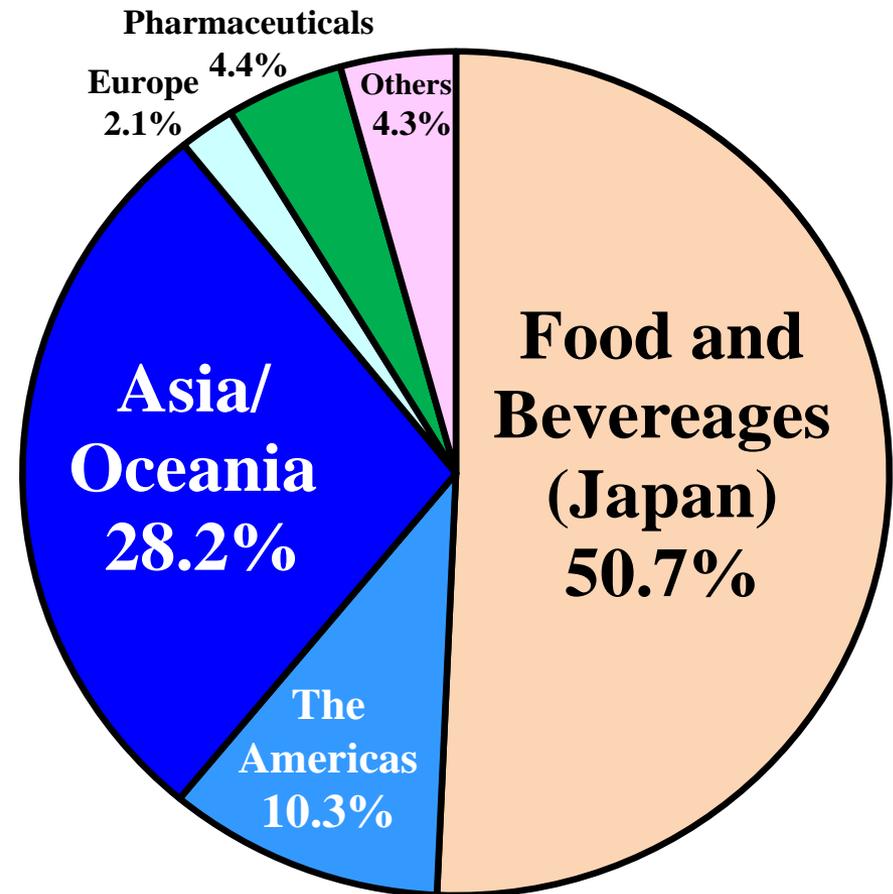


## FY2019



**Overseas total: 41.5%**

## FY2020



**Overseas total: 40.6%**

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



(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
<b>Japan</b>	<b>9,583</b>	<b>9,488</b>	<b>101.0%</b>
Brazil	1,482	1,552	95.4%
Mexico	3,496	3,832	91.2%
America	463	378	122.6%
<b>The Americas total</b>	<b>5,441</b>	<b>5,763</b>	<b>94.4%</b>
Hong Kong	450	513	87.7%
Shingapore	273	224	121.7%
Indonesia	6,727	6,366	105.7%
Australia	270	252	107.1%
Malaysia	346	350	99.0%
Vietnam	650	529	123.0%
India	192	238	80.6%
Middle East	16	18	91.1%
Myanmar	17	5	369.2%
Guangzhou	2,770	2,916	95.0%
Shanghai	490	559	87.7%
Beijing	380	426	89.1%
China	3,372	3,709	90.9%
<b>(China total)</b>	<b>7,012</b>	<b>7,609</b>	<b>92.2%</b>
<b>Asia / Oceania total</b>	<b>15,953</b>	<b>16,103</b>	<b>99.1%</b>

Region	Current	Previous	Year-on Year
Netherlands	170	160	105.8%
Belgium	82	78	105.2%
United Kingdom	225	194	116.2%
Germany	77	75	102.1%
Austria	11	10	110.2%
Italia	101	95	106.0%
<b>Europe total</b>	<b>666</b>	<b>613</b>	<b>108.7%</b>
<b>Overseas total</b>	<b>22,059</b>	<b>22,479</b>	<b>98.1%</b>
<b>Consolidated total</b>	<b>31,642</b>	<b>31,967</b>	<b>99.0%</b>

## 【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	656	673	97.4%
Thailand	2,070	2,185	94.6%
Korea	2,750	3,092	88.9%
Philippines	3,030	3,196	94.7%
<b>Affiliates total</b>	<b>8,506</b>	<b>9,146</b>	<b>93.0%</b>

<b>Grand Total</b>	<b>40,148</b>	<b>41,113</b>	<b>97.7%</b>
--------------------	---------------	---------------	--------------

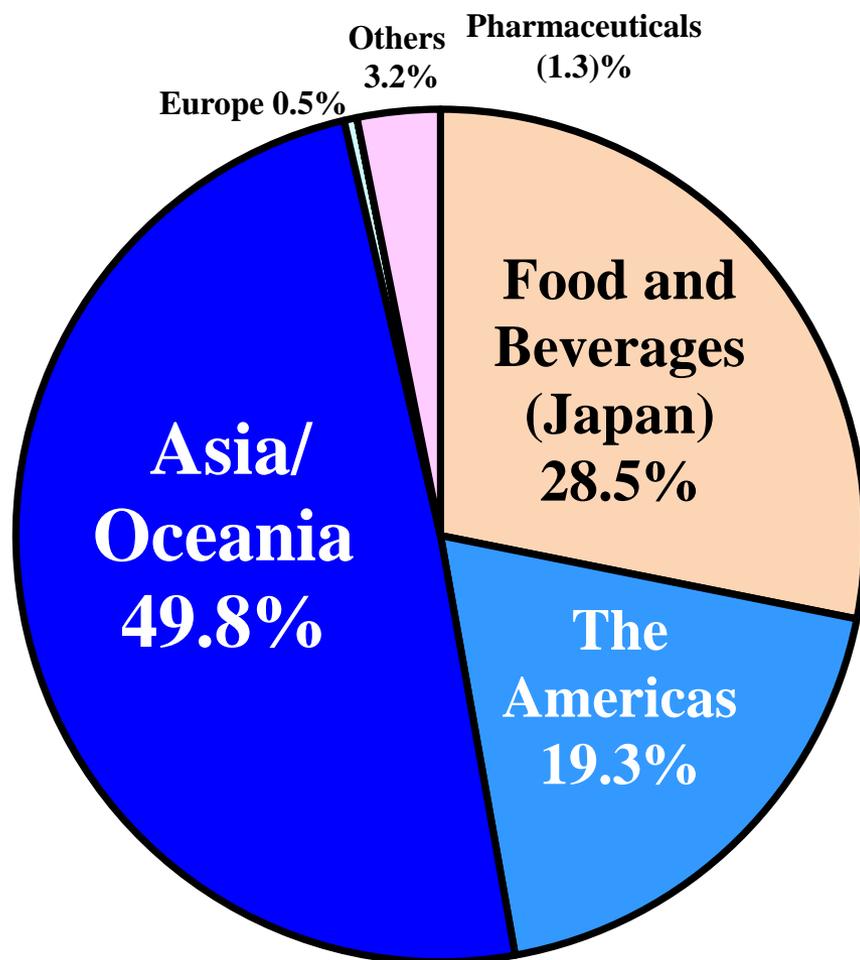
Japan : Sales in April, 2020 to March, 2021

Overseas : Sales in January to December, 2020

# Segment share of consolidated Operating profit

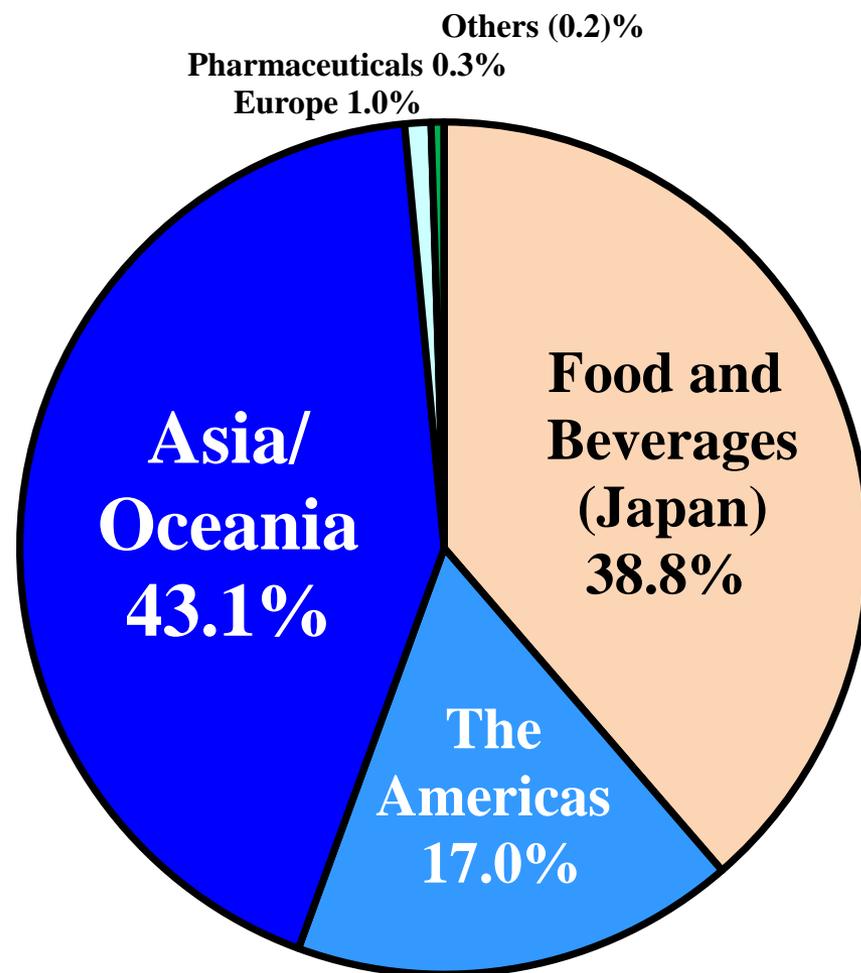


## FY2019



**Overseas total: 69.6%**

## FY2020



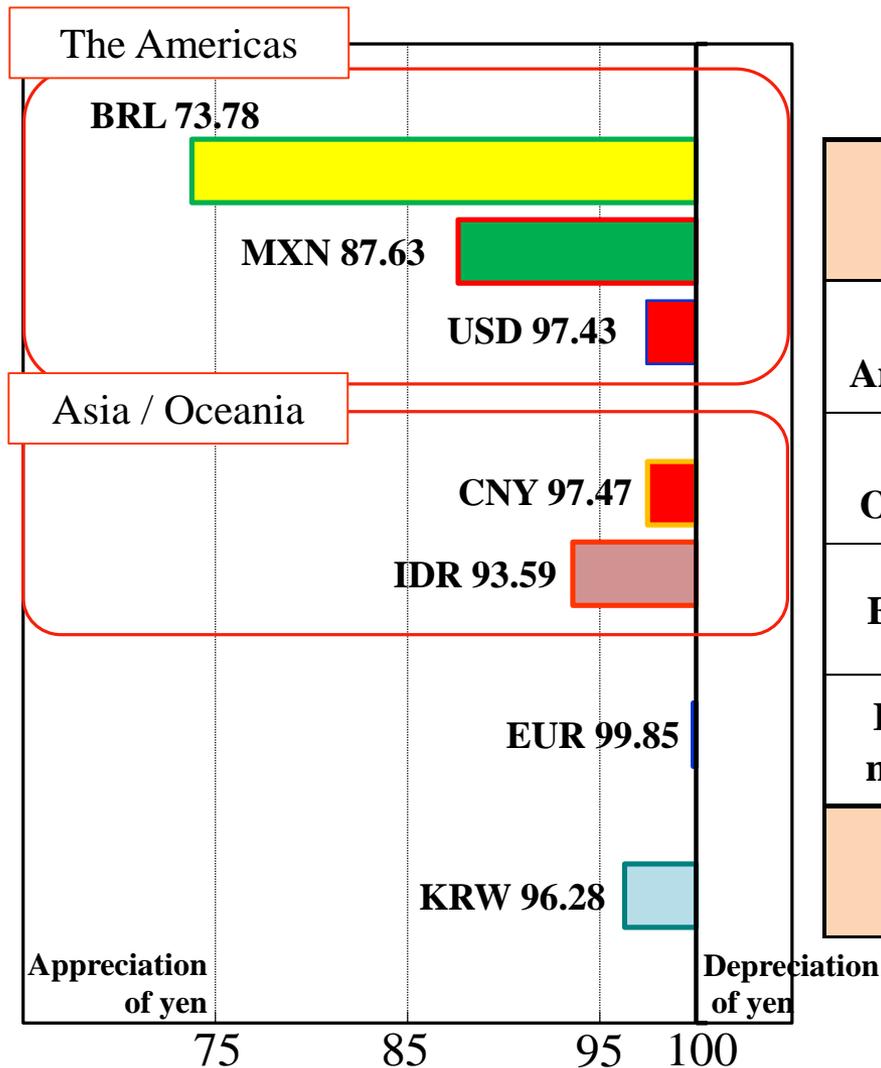
**Overseas total: 61.1%**

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



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

Average rate from Jan to Dec, 2020



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(7.0)	(1.3)	(1.6)	(0.8)
Asia/Oceania	(4.1)	(0.9)	(1.0)	(0.8)
Europe	(0.0)	(0.0)	(0.0)	(0.0)
Equity method	—	—	(0.0)	(0.0)
<b>Total</b>	<b>(11.2)</b>	<b>(2.3)</b>	<b>(2.8)</b>	<b>(1.7)</b>

***Forecast For FY2021  
(Consolidated)***

# General outline of Consolidated financial forecast



## ◆ Total

Increase in sales and profit.

## ◆ Food and Beverages in Japan

Increase profit due to increase in the number of bottles sold,  
(Expansion of Yakult 1000 around Japan etc.).

## ◆ Food and Beverages (Overseas)

- Sales volume are almost the same as FY2020.
- Increase in sales and profit due to depreciation of yen.

## ◆ Pharmaceuticals

Decrease sales due to impact by NHI drug price revision.

Increase profit due to decrease in operating expenses.

# Consolidated annual forecast for FY2021



Billion yen

	Forecast	FY2020	Difference	
	(2021.4-2022.3)	(2020.4-2021.3)		Year-on Year
Net sales	408.5	385.7	+ 22.7 Fx impact +7.9	105.9%
Operating profit	50.0	43.6	+ 6.3 Fx impact +2.0	114.4%
Ordinary profit	60.0	57.6	+ 2.3 Fx impact +2.3	104.2%
Profit attributable to owners of parent	41.0	39.2	+ 1.7 Fx impact +1.7	104.4%
Basic earnings per share	(yen) 255.53	(yen) 244.85	(yen) + 10.68	104.4%

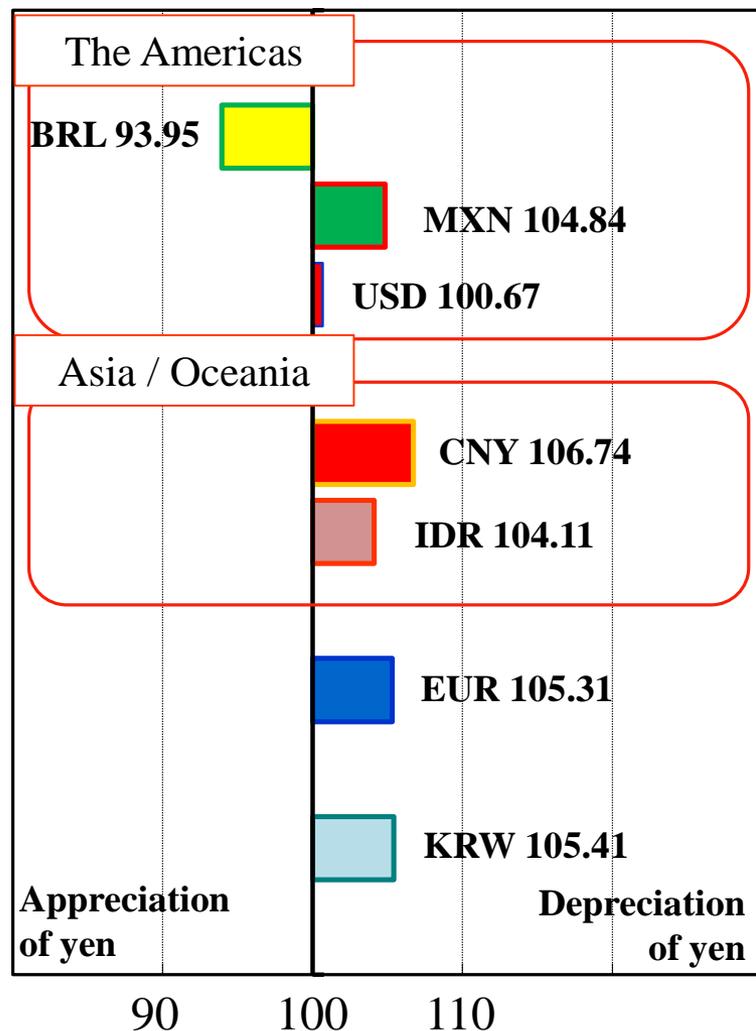
※“Accounting Standard for Revenue Recognition” is applied from FY2021 and Net sales decrease 6.5 billion yen. (Reference P.19,20)

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



< Jan-Dec, 2020=100 >

Rate from Jan. to Mar. 2021



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	+ 0.7	+ 0.3	+ 0.4	+ 0.2
Asia/Oceania	+ 6.6	+ 1.6	+ 1.7	+ 1.3
Europe	+ 0.6	+ 0.1	+ 0.1	+ 0.1
Equity method	—	—	+ 0.1	+ 0.1
<b>Total</b>	<b>+ 7.9</b>	<b>+ 2.0</b>	<b>+ 2.3</b>	<b>+ 1.7</b>

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



Billion yen

Segment	Forecast (2021.4-2022.3)	FY2020 (2020.4-2021.3)	Year-on-Year		Year-on-Year breakdown	
			Amount ①	Rate	Impact amount of “Accounting Standard for Revenue Recognition” ②	Real Increase / Decrease ①-②
Food and Beverages in Japan	201.7	207.0	(5.3)	(2.6)%	(21.7)	+ 16.3
The Americas	43.0	41.8	+ 1.1	+ 2.7 %	—	+ 1.1
Asia / Oceania	125.1	114.9	+ 10.1	+ 8.8 %	—	+ 10.1
Europe	10.1	8.5	+ 1.5	+ 17.9 %	—	+ 1.5
Food and Beverages (Overseas)	178.2	165.4	+ 12.7 Fx impact +7.9	+ 7.7 %	—	+ 12.7
Pharmaceuticals	16.0	18.1	(2.1)	(11.7)%	(0.7)	(1.4)
Others	19.8	17.7	+ 2.0	+ 11.8 %	(0.4)	+ 2.4
Adjustments	(7.2)	(22.5)	+ 15.3	(68.1)%	+ 16.3	(0.9)
Total	408.5	385.7	+ 22.7	+ 5.9 %	(6.5)	+ 29.2

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



Billion yen

Segment	Operating profit		Year-on-Year	
	Forecast (2021.4-2022.3)	FY2020 (2020.4-2021.3)	Amount	Rate
Food and Beverages in Japan	27.1	23.7	+ 3.3	+ 14.0 %
The Americas	10.3	10.3	(0.0)	(0.9) %
Asia / Oceania	28.7	26.3	+ 2.3	+ 8.8 %
Europe	0.8	0.6	+ 0.1	+ 23.3 %
Food and Beverages (Overseas)	39.8	37.4	+ 2.3 Fx impact +2.0	+ 6.4 %
Pharmaceuticals	1.1	0.1	+ 0.9	+ 474.9 %
Others	(0.1)	(0.1)	+ 0.0	—
Adjustments	(17.9)	(17.5)	(0.3)	+ 2.0 %
Total	50.0	43.6	+ 6.3	+ 14.4 %

※ Application of “Accounting Standard for Revenue Recognition” have no effect on operating profit.

# Reference : Forecast of Consolidated sales impact amount due to application of revenue recognition



Billion yen

Segment	Forecast (2021.4-2022.3)		Impact amount	Adjustment details
	After application of “Accounting Standard for Revenue Recognition”	Before application of “Accounting Standard for Revenue Recognition”		
Food and Beverages in Japan	201.7	223.4	(21.7)	Display in net amount the sales machinery of dairy products.(Agent transaction) Sales offset sales expenses (Center fee , Sales incentives, etc.)
The Americas	43.0	43.0	—	
Asia / Oceania	125.1	125.1	—	
Europe	10.1	10.1	—	
Food and Beverages (Overseas)	178.2	178.2	—	
Pharmaceuticals	16.0	16.7	(0.7)	Sales offset sales expenses (Sales incentives, etc.)
Others	19.8	20.2	(0.4)	Sales offset sales expenses (Sales incentives, etc.)
Adjustments	(7.2)	(23.5)	+ 16.3	Decrease adjustments due to display in net amount the sales machinery of dairy products.
Total	408.5	415.0	(6.5)	

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



※ Forecast (before applying “Accounting Standard for Revenue Recognition”) vs FY2020

Billion yen

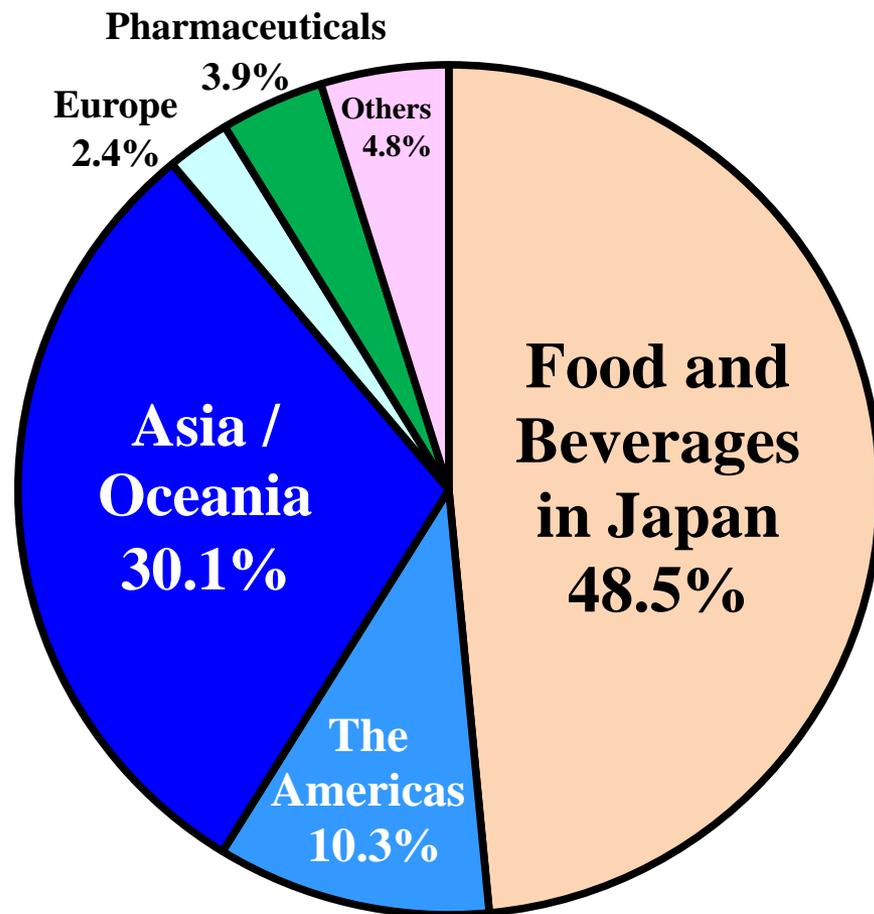
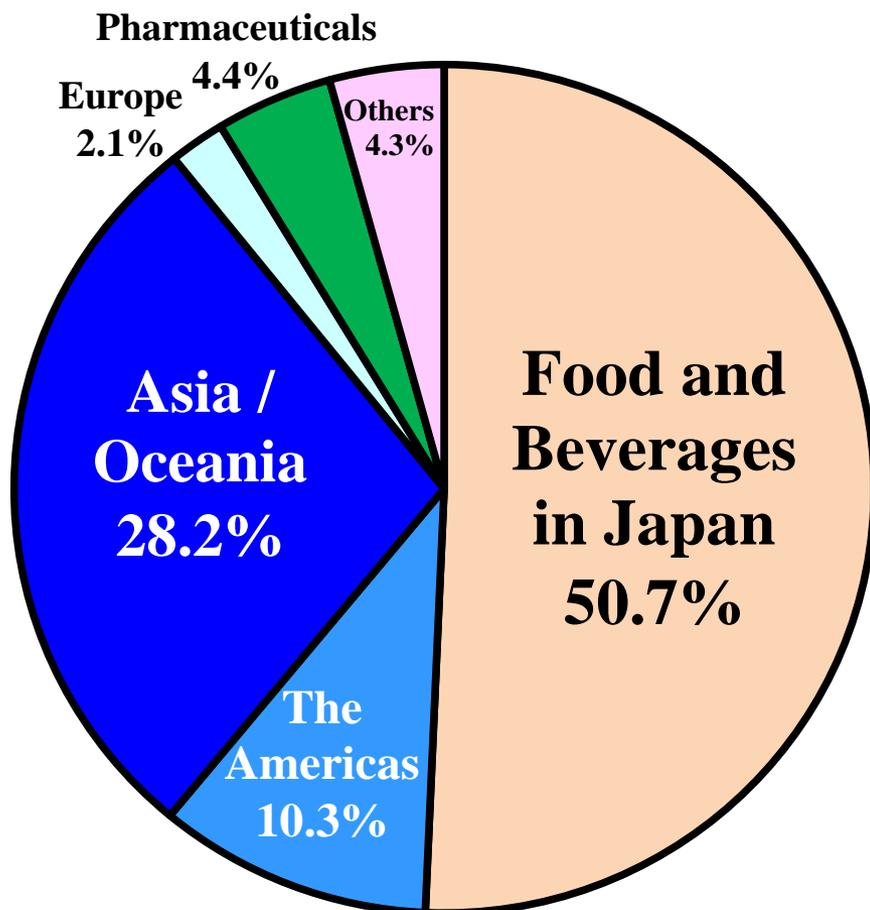
Segment	Forecast (2021.4-2022.3)	FY2020 (2020.4-2021.3)	Real Increase / Decrease	
	Before application of “Accounting Standard for Revenue Recognition”		Amount	Rate
Food and Beverages in Japan	223.4	207.0	+ 16.3	+ 7.9 %
The Americas	43.0	41.8	+ 1.1	+ 2.7 %
Asia / Oceania	125.1	114.9	+ 10.1	+ 8.8 %
Europe	10.1	8.5	+ 1.5	+ 17.9 %
Food and Beverages (Overseas)	178.2	165.4	+ 12.7	+ 7.7 %
Pharmaceuticals	16.7	18.1	(1.4)	(7.9)%
Others	20.2	17.7	+ 2.4	+ 14.1 %
Adjustments	(23.5)	(22.5)	(0.9)	+ 4.1 %
<b>Total</b>	<b>415.0</b>	<b>385.7</b>	<b>+ 29.2</b>	<b>+ 7.6 %</b>

# Segment share of consolidated sales



## FY2020

## FY2021 (Forecast)



**Over seas total: 40.6%**

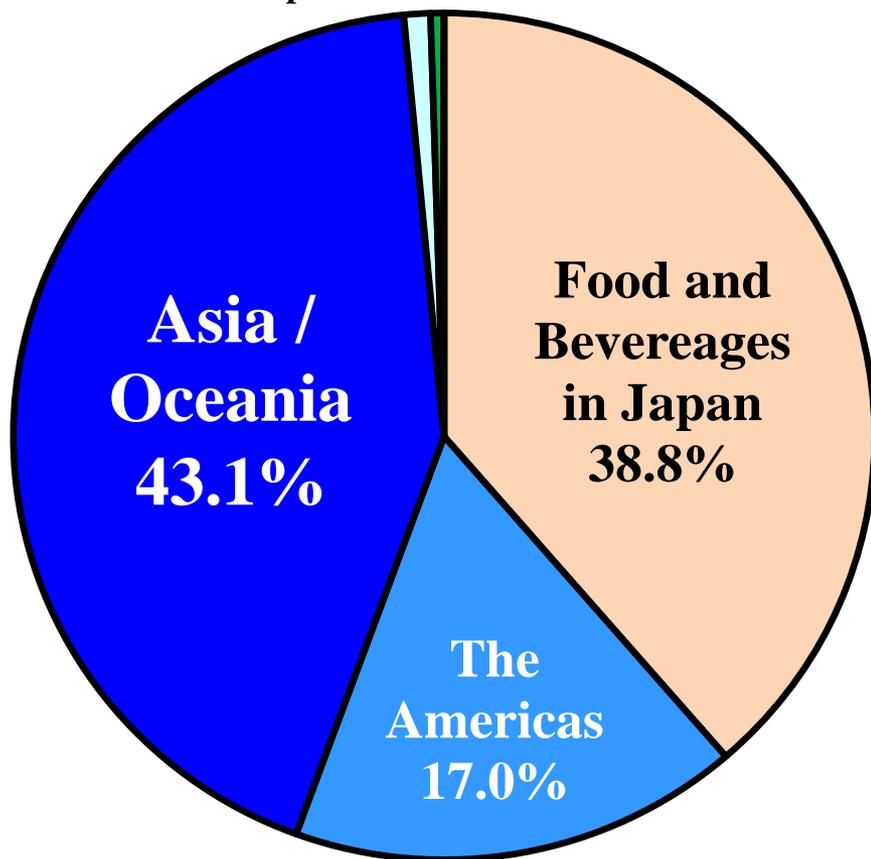
**Over seas total: 42.8%**

# Segment share of consolidated operating profit



## FY2020

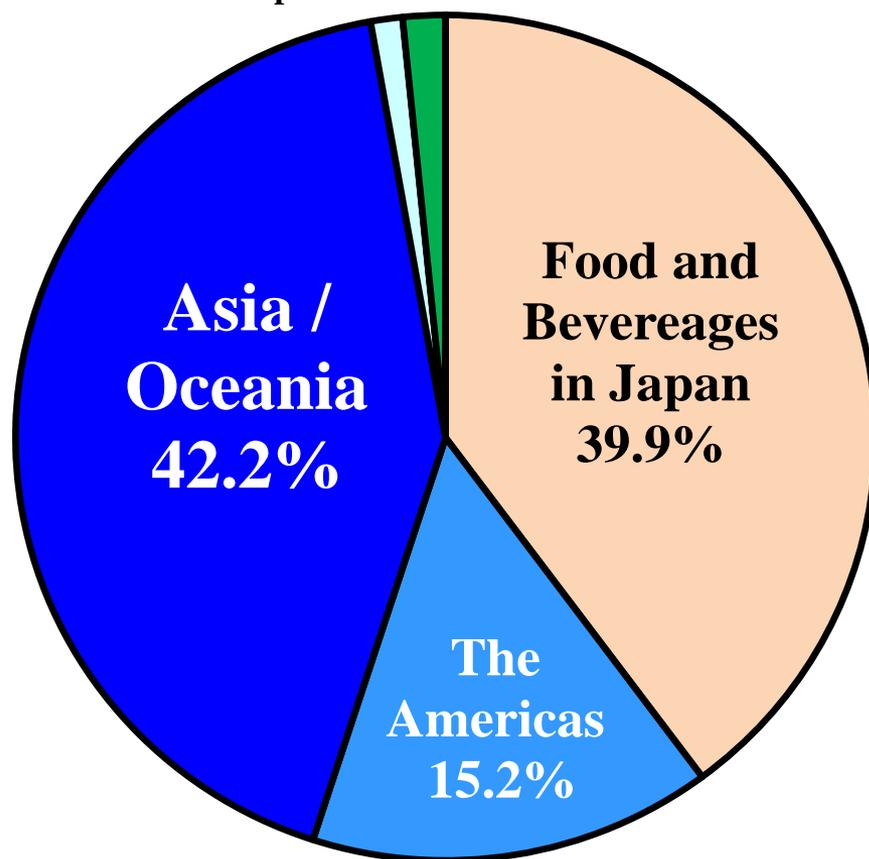
Pharmaceuticals 0.3%  
Europe 1.0%  
Others (0.2%)



Over seas total: 61.1%

## FY2021 (Forecast)

Pharmaceuticals 1.6%  
Europe 1.2%  
Others (0.1%)

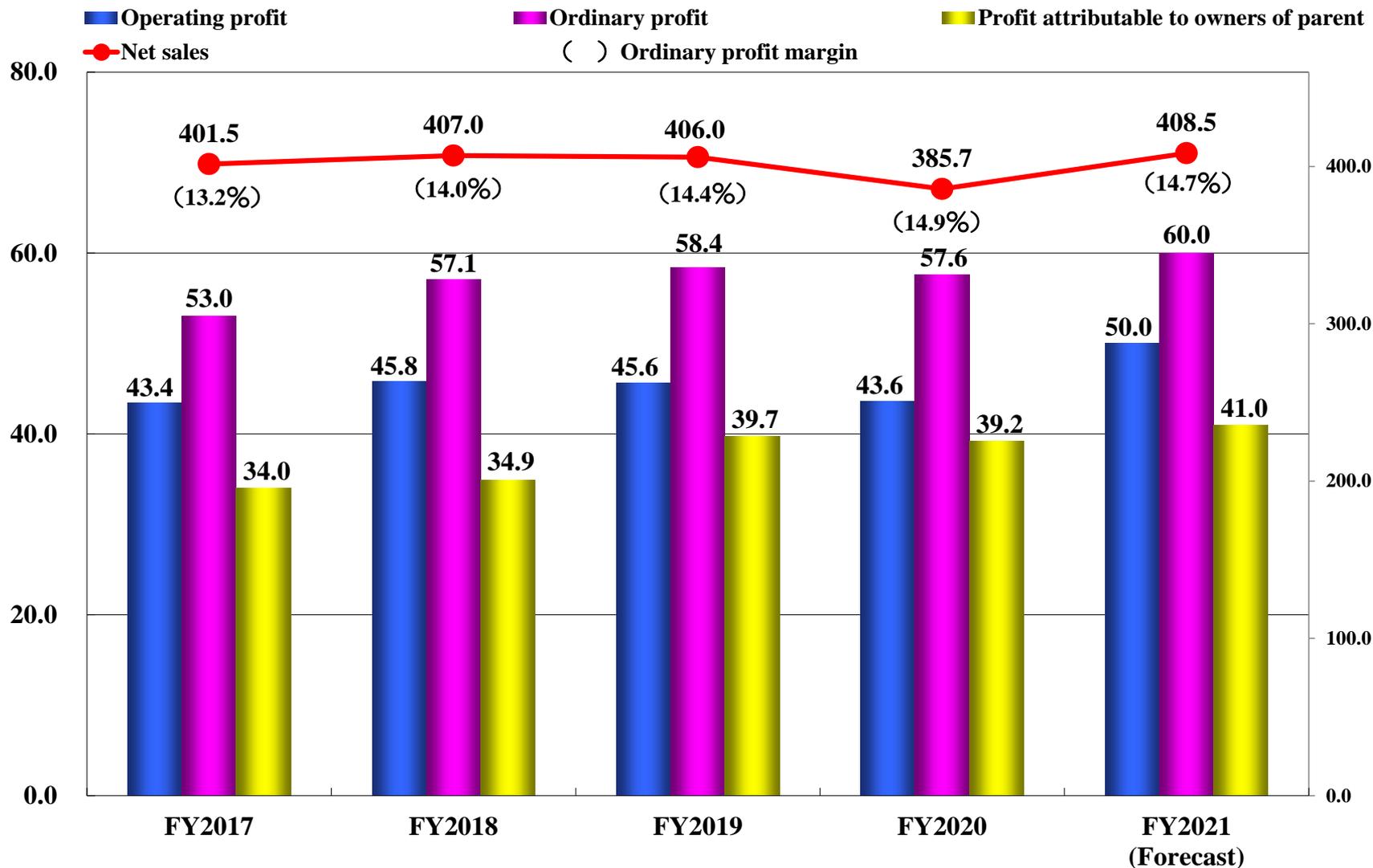


Over seas total: 58.6%

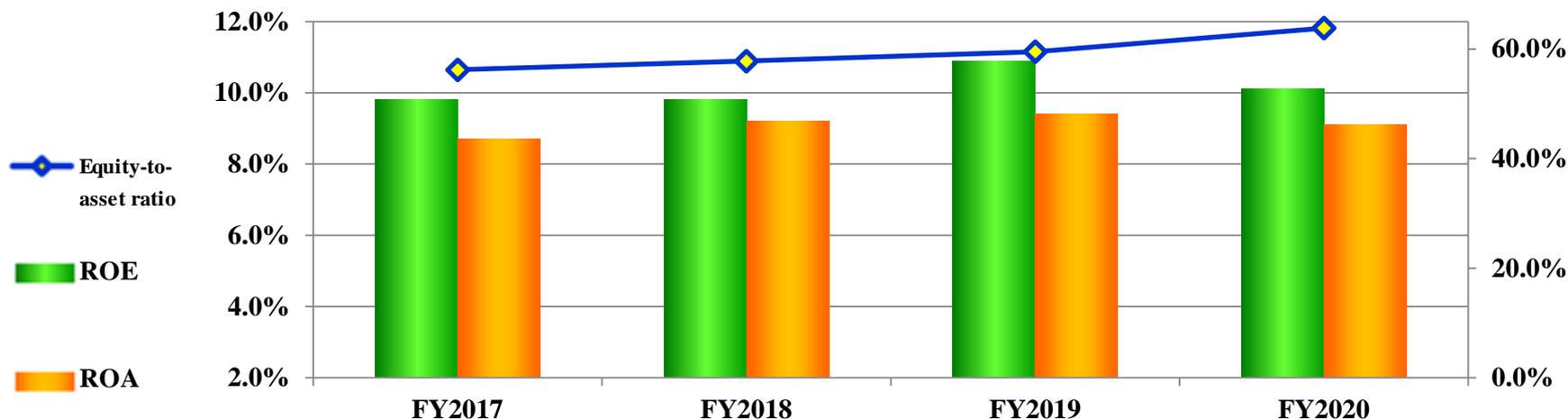
# Trend of consolidated sales and profit



Billions of yen



# Trend of management index



	FY2017	FY2018	FY2019	FY2020
Equity-to-asset ratio	56.2%	57.8%	59.5%	63.8%
ROE	9.8%	9.8%	10.9%	10.1%
ROA	8.7%	9.2%	9.4%	9.1%

**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.