

*Executive Summary of Consolidated Financial Results
for the 2nd quarter ended September 30, 2019*

Yakult Honsha Co., Ltd.

November 12, 2019

General outline of Consolidated financial results



◆ Total

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

◆ Food and Beverages (Japan)

Sales and profit decreased due to a reaction to the sales machinery of dairy products in the previous year and decrease in the number of the bottles dairy products.

◆ Food and Beverages (Overseas)

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

◆ Pharmaceuticals

Decrease sales due to decrease in Elplat volume and increased profit due to decrease in research and development cost.

Consolidated financial results (1)



Billion yen

	FY2019 (2019.4-2019.9)	FY2018 (2018.4-2018.9)	Difference	
			Impact by Foreign Exchange Rate	Year-on-Year
Net sales	201.9	203.5	(1.5) Impact (2.8)	99.2%
Operating profit	23.7	23.7	(0.0) Impact (0.5)	99.7%
Ordinary profit	30.3	29.5	0.8 Impact (0.6)	102.7%
Profit attributable to owners of parent	20.6	21.3	(0.6) Impact (0.5)	96.9%
Basic earnings per share	(yen) 128.96	(yen) 132.85	(yen) (3.89)	97.1%
Operating profit margin	11.8%	11.7%	0.1	—

Consolidated Statement of Income

Billion yen

	FY2019 (2019.4-2019.9)	FY2018 (2018.4-2018.9)	Difference		FY2019 (2019.4-2019.9)	FY2018 (2018.4-2018.9)	Difference
Net sales	201.9	203.5	(1.5)	Gain on sales of non-current assets	0.0	0.0	0.0
Cost of sales	84.5	85.4	(0.9)	Gain on sales of investment securities	1.8	1.6	0.2
Gross profit	117.4	118.0	(0.6)	Others	0.0	0.5	(0.5)
Selling, general and administrative expenses	93.7	94.2	(0.5)	Extraordinary income	1.9	2.2	(0.2)
Operating profit	23.7	23.7	(0.0)	Interest income	2.6	2.0	0.5
Interest income	2.6	2.0	0.5	Dividend income	1.1	1.1	0.0
Dividend income	1.1	1.1	0.0	Share of profit of entities accounted for using equity method	2.7	2.1	0.5
Share of profit of entities accounted for using equity method	2.7	2.1	0.5	Others	1.1	1.2	(0.1)
Others	1.1	1.2	(0.1)	Non-operating income	7.6	6.6	1.0
Non-operating income	7.6	6.6	1.0	Extraordinary losses	1.4	0.1	1.3
Interest expenses	0.4	0.3	0.0	Profit before income taxes	30.7	31.6	(0.8)
Foreign exchange losses	0.3	—	0.3	Income taxes	7.6	7.7	(0.0)
Others	0.2	0.5	(0.2)	Profit	23.1	23.8	(0.7)
Non-operating expenses	1.0	0.9	0.1	Profit attributable to non-controlling interests	2.4	2.5	(0.0)
Ordinary profit	30.3	29.5	0.8	Profit attributable to owners of parent	20.6	21.3	(0.6)

Consolidated financial results (2)



Billion yen

	As of Sep. 30 (FY2019)	As of Mar. 31 (FY2018)	Difference	
				Year-on-Year
Total assets	613.9	618.5	(4.5)	99.3%
Net assets	397.6	392.2	5.3	101.4%
Net assets per share	(yen) 2,250.33	(yen) 2,229.80	(yen) 20.53	100.9%
Equity-to-asset ratio	58.7%	57.8%	0.9	—

Consolidated Balance Sheet

Billion yen

	As of Sep. 30 (FY2019)	As of Mar. 31 (FY2018)	Difference		As of Sep. 30 (FY2019)	As of Mar. 31 (FY2018)	Difference
Assets				Liabilities			
Cash and deposits	157.1	156.4	0.6	Notes and accounts payable - trade	25.3	27.9	(2.6)
Notes and accounts receivable - trade	57.0	52.8	4.1	Short-term loans payable	39.0	40.1	(1.0)
Inventories	30.7	29.1	1.6	Others	44.2	47.3	(3.1)
Others	10.5	9.1	1.4	Current liabilities	108.6	115.4	(6.8)
Current assets	255.5	247.6	7.9	Long-term loans payable	73.5	76.3	(2.7)
				Net defined benefit liability	4.7	5.4	(0.6)
Property, plant and equipment	200.0	200.0	(0.0)	Others	29.3	28.9	0.3
				Non-Current liabilities	107.7	110.7	(3.0)
Intangible assets	4.3	4.7	(0.4)	Total Liabilities	216.3	226.2	(9.9)
				Net Assets			
Investment securities	143.5	155.3	(11.8)	Shareholder's equity	382.3	365.7	16.5
Others	10.5	10.7	(0.2)	Accumulated other comprehensive income	(21.8)	(8.4)	(13.3)
Investments and other assets	154.0	166.0	(12.0)	Non-controlling interests	37.1	35.0	2.1
				Total Net Assets	397.6	392.2	5.3
Total Assets	613.9	618.5	(4.5)	Total Liabilities and Net Assets	613.9	618.5	(4.5)

Increase / Decrease in Net sales (1)



Billion yen

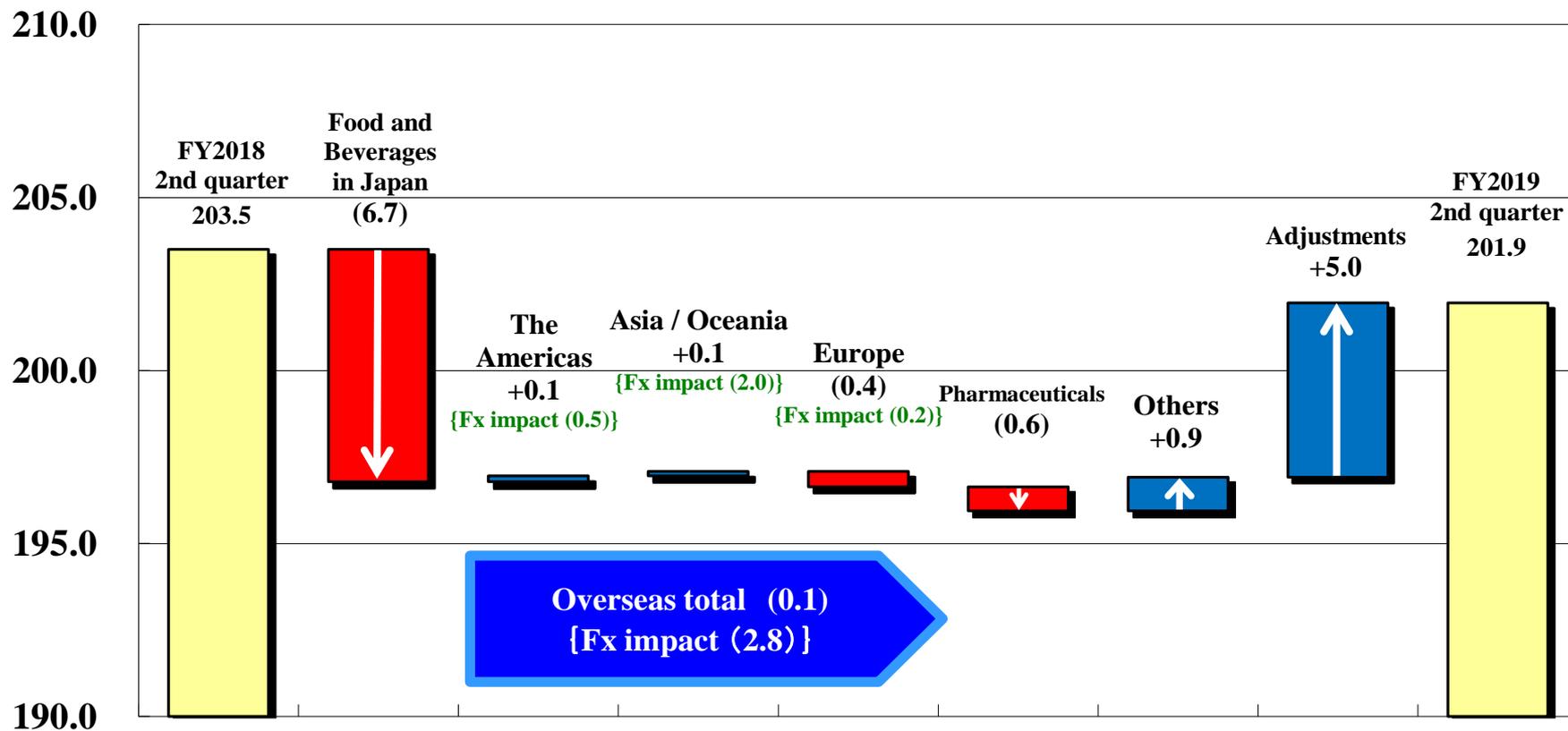
Segment	Net Sales		Year-on-Year	
	FY2019 (2019.4-2019.9)	FY2018 (2018.4-2018.9)	Amount	Rate
Food and Beverages in Japan	104.3	111.0	(6.7)	(6.1)%
The Americas	24.9	24.7	+ 0.1	+ 0.7 %
Asia / Oceania	58.5	58.4	+ 0.1	+ 0.2 %
Europe	4.0	4.5	(0.4)	(9.9)%
Food and Beverages (Overseas)	87.5	87.7	(0.1)	(0.2)%
Pharmaceuticals	10.4	11.1	(0.6)	(6.3)%
Others	11.8	10.8	+ 0.9	+ 9.0 %
Adjustments	(12.1)	(17.2)	+ 5.0	(29.3)%
Total	201.9	203.5	(1.5)	(0.8)%

Increase / Decrease in Net sales (2)



Change amount (1.5)

Billion yen



Increase / Decrease in Operating profit (1)



Billion yen

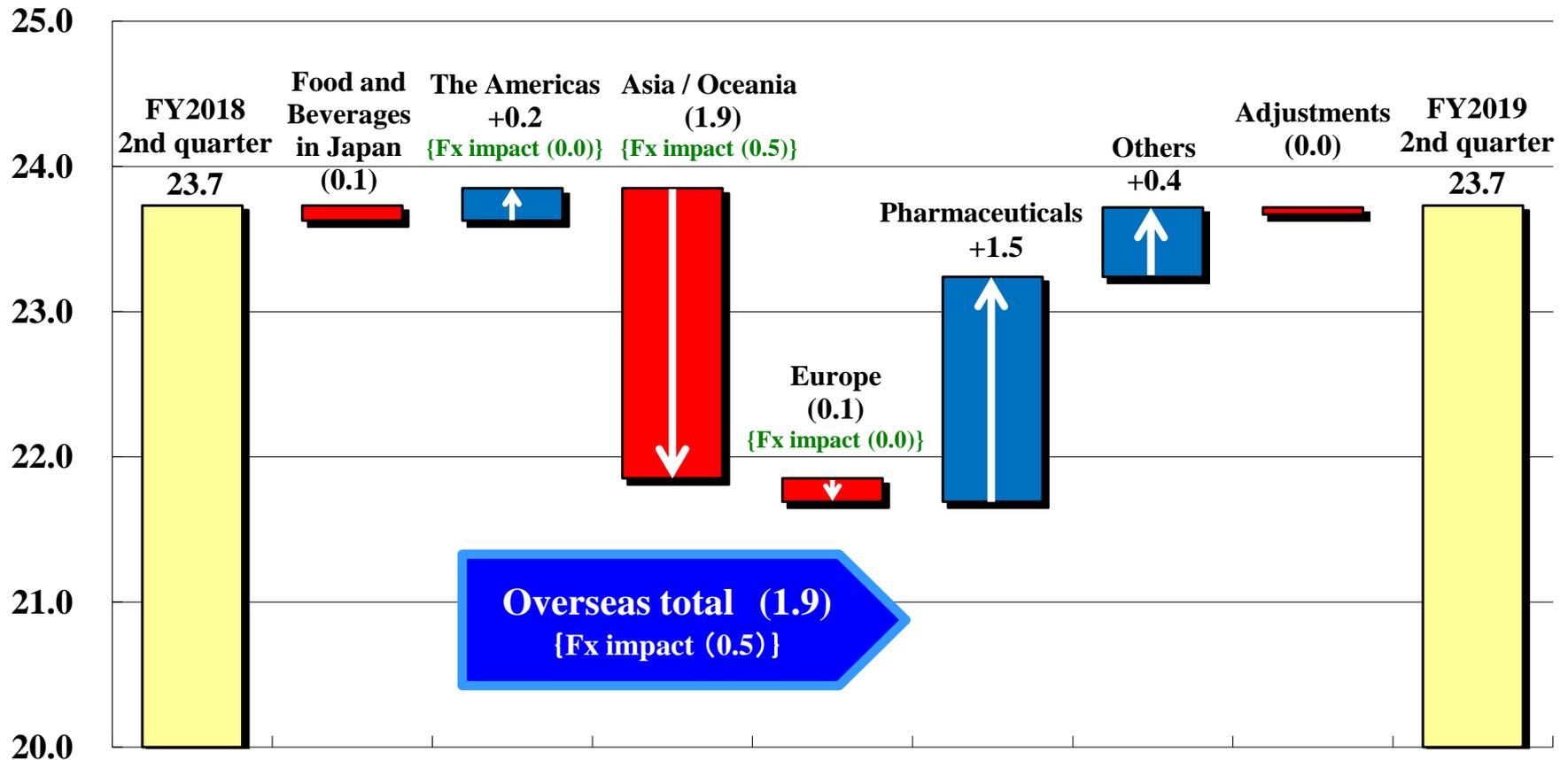
Segment	Operating Profit		Year-on-Year	
	FY2019 (2019.4-2019.9)	FY2018 (2018.4-2018.9)	Amount	Rate
Food and Beverages in Japan	9.2	9.3	(0.1)	(1.1)%
The Americas	6.7	6.5	+ 0.2	+ 3.4 %
Asia / Oceania	15.3	17.3	(1.9)	(11.5)%
Europe	0.3	0.5	(0.1)	(31.8)%
Food and Beverages (Overseas)	22.4	24.4	(1.9)	(7.9)%
Pharmaceuticals	0.0	(1.4)	+ 1.5	—
Others	1.1	0.6	+ 0.4	+ 73.3 %
Adjustments	(9.2)	(9.1)	(0.0)	+ 0.5 %
Total	23.7	23.7	(0.0)	(0.3)%

Increase / Decrease in Operating profit (2)



Change amount (0.0)

Billion yen

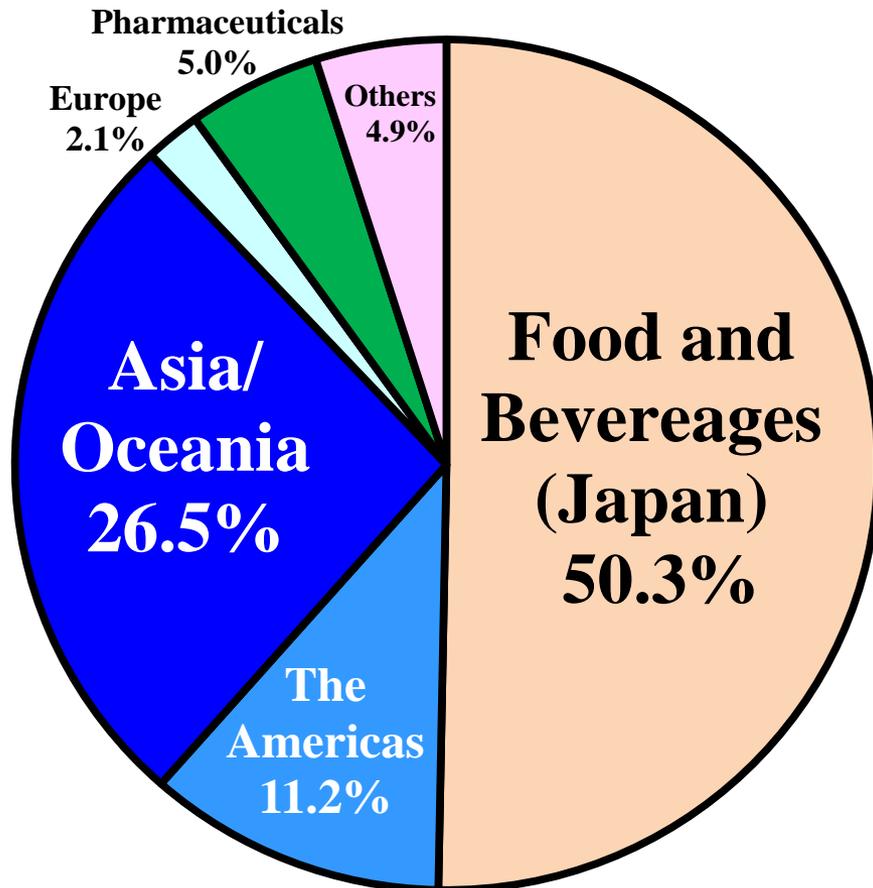


Segment share of consolidated sales



FY2018

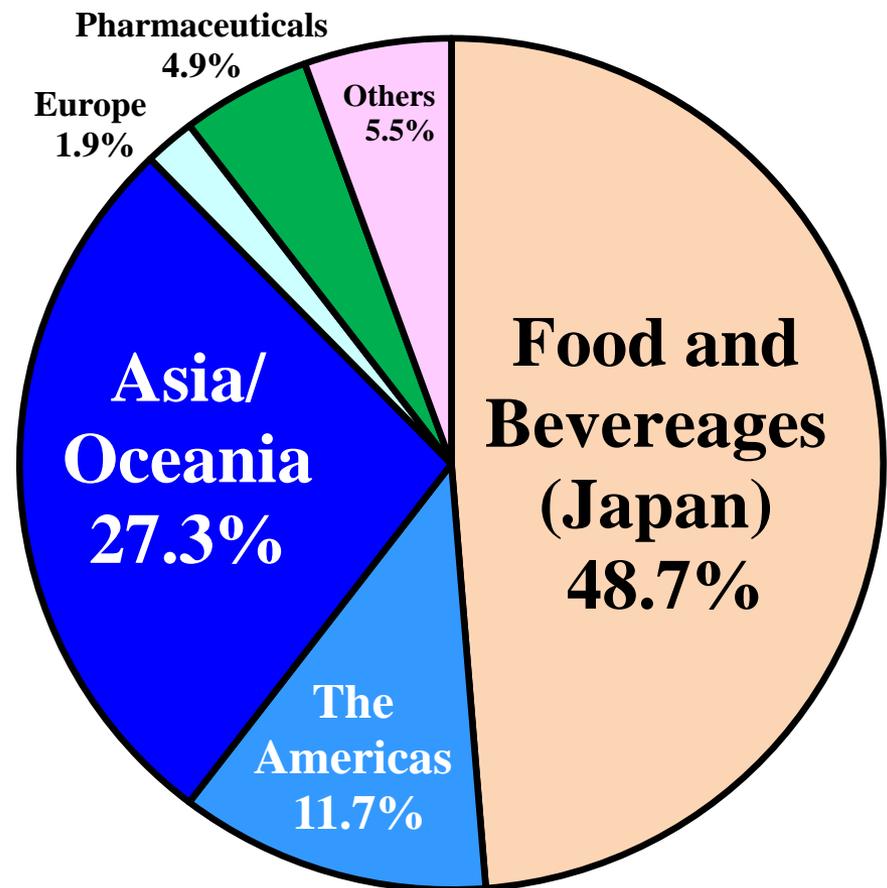
2nd quarter



Overseas total: 39.8%

FY2019

2nd quarter



Overseas total: 40.9%

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



(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
Japan	9,392	9,629	97.5%
Brazil	1,598	1,758	90.9%
Mexico	3,933	3,883	101.3%
America	373	334	111.9%
The Americas total	5,903	5,975	98.8%
Hong Kong	506	522	96.9%
Shingapore	225	230	98.1%
Indonesia	6,065	5,633	107.7%
Australia	248	247	100.6%
Malaysia	350	337	103.8%
Vietnam	490	334	147.0%
India	231	210	110.3%
Middle East	18	16	110.3%
Guangzhou	2,682	2,712	98.9%
Shanghai	526	591	89.1%
Beijing	423	427	99.2%
China	3,511	3,439	102.1%
(China total)	7,142	7,169	99.6%
Asia / Oceania total	15,275	14,697	103.9%

Japan : Sales in April to September, 2019

Overseas : Sales in January to June, 2019

Region	Current	Previous	Year-on Year
Netherlands	165	178	92.9%
Belgium	80	80	100.4%
United Kingdom	199	205	97.0%
Germany	77	84	92.5%
Austria	10	13	78.8%
Italia	96	102	94.1%
Europe total	628	661	94.9%
Overseas total	21,806	21,334	102.2%
Consolidated total	31,198	30,963	100.8%

【Ref】 Affiliates

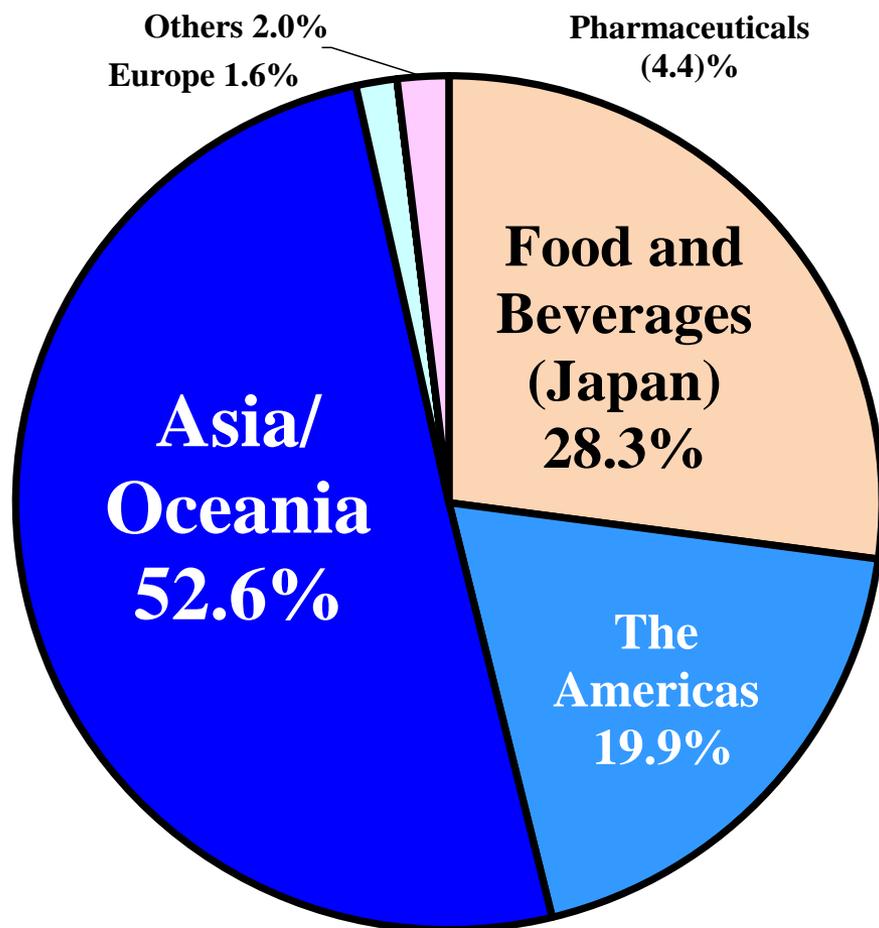
Region	Current	Previous	Year-on Year
Taiwan	667	679	98.3%
Thailand	2,211	2,260	97.8%
Korea	3,132	3,349	93.3%
Philippines	3,206	3,079	104.1%
Affiliates total	9,216	9,367	98.4%

Grand Total	40,414	40,330	100.2%
--------------------	---------------	---------------	---------------

Segment share of consolidated Operating profit

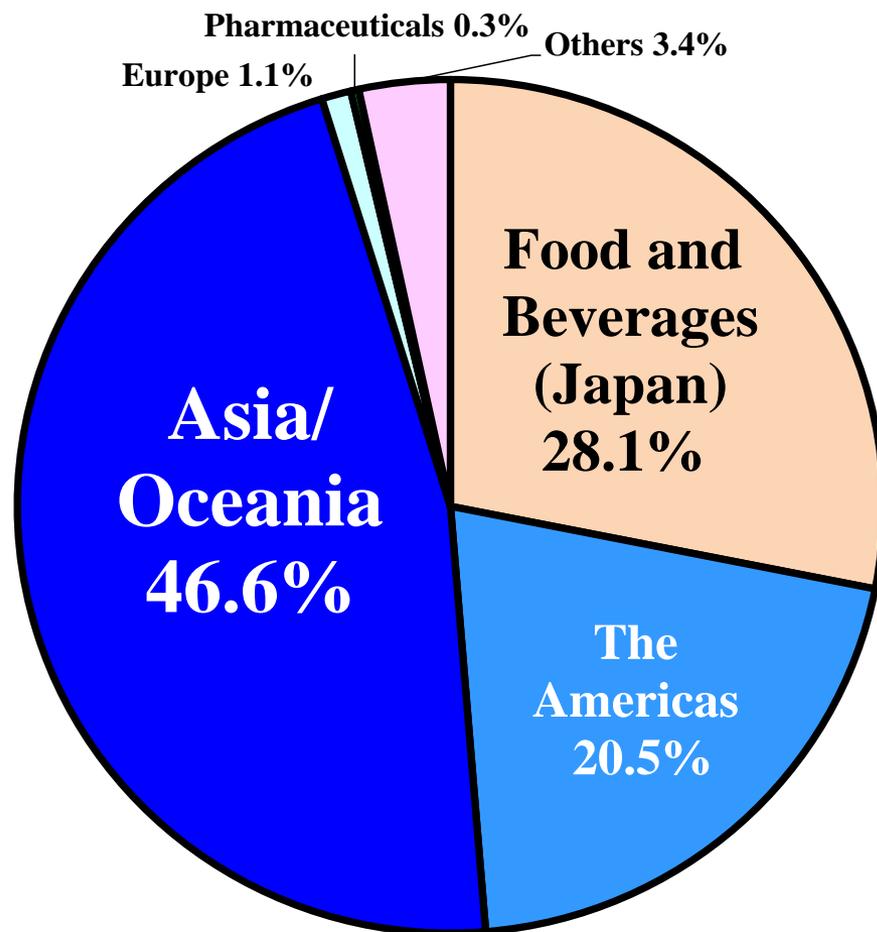


FY2018 2nd quarter



Overseas total: 74.1%

FY2019 2nd quarter



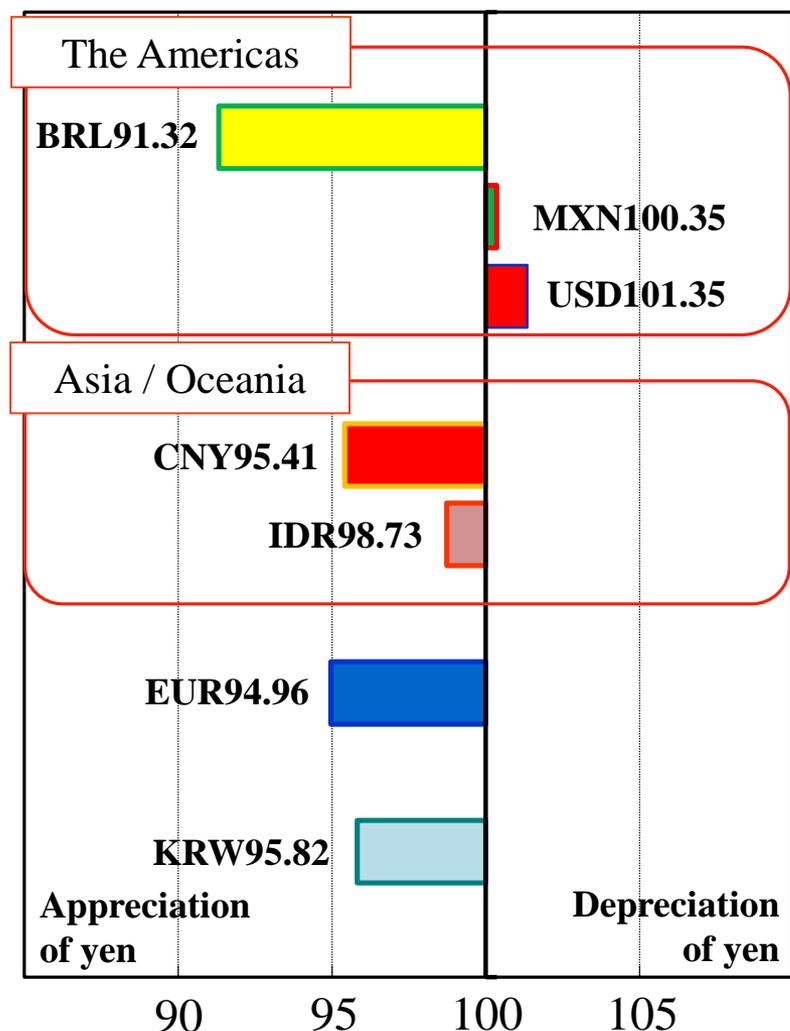
Overseas total: 68.2%

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



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

Average rate from Jan to Jun, 2019



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(0.5)	(0.0)	(0.0)	(0.0)
Asia/Oceania	(2.0)	(0.5)	(0.5)	(0.4)
Europe	(0.2)	(0.0)	(0.0)	(0.0)
Equity method	—	—	(0.0)	(0.0)
Total	(2.8)	(0.5)	(0.6)	(0.5)

***Consolidated Forecast
For FY 2019***

Consolidated forecast (1)

- • • The revised forecast compared to the original forecast

Consolidated forecast (2)

- • • The revised forecast compared to the previous period

Consolidated forecast for FY2019 (1)



Billion yen

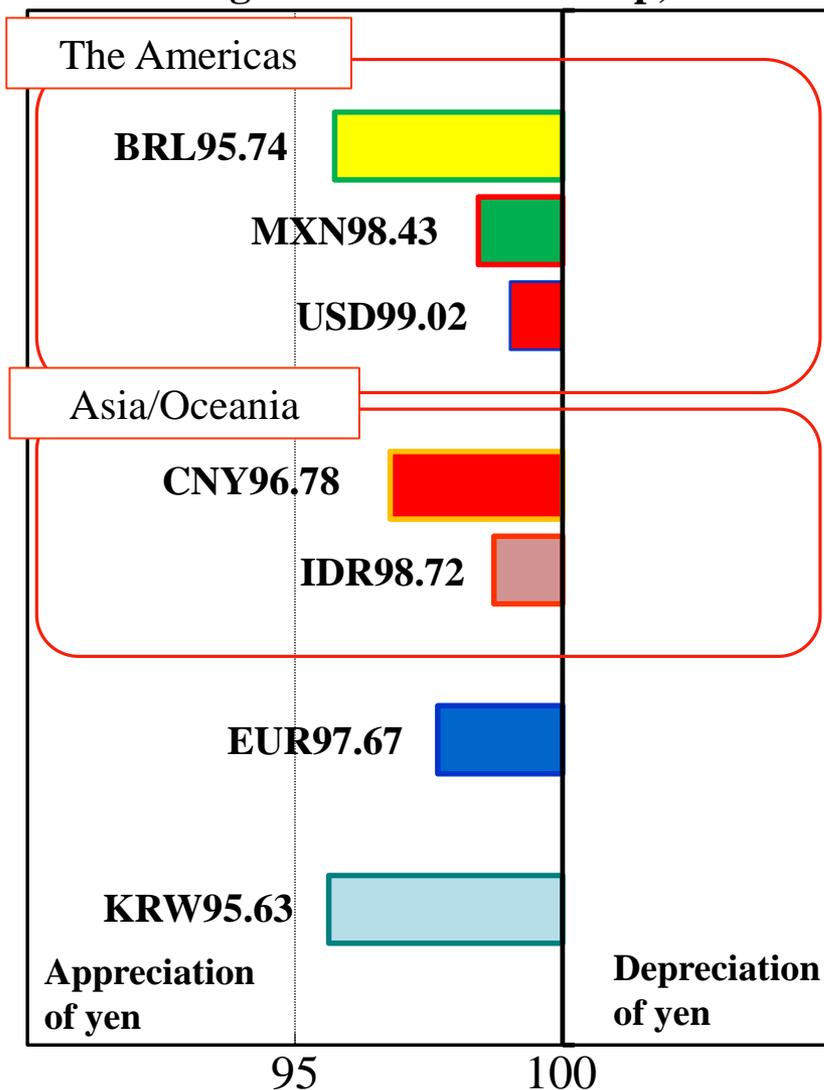
	Revised Forecast (2019.4-2020.3)	Original Forecast (2019.4-2020.3)	Difference
Net sales	409.0	420.0	(11.0)
Operating profit	46.0	48.5	(2.5)
Ordinary profit	58.0	59.5	(1.5)
Profit attributable to owners of parent	39.0	36.5	2.5
Basic earnings per share	(yen) 243.46	(yen) 227.80	(yen) 15.66

Impact by Foreign Exchange Rate (compared to the original forecast)



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

Average rate from Jan to Sep, 2019



	<Impact>			
	Billion yen			
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(1.1)	(0.2)	(0.3)	(0.2)
Asia/Oceania	(3.3)	(1.0)	(1.0)	(0.8)
Europe	(0.3)	—	—	—
Equity method	—	—	(0.1)	(0.1)
Total	(4.7)	(1.2)	(1.4)	(1.1)

Forecast of Consolidated Net sales by segment (compared to the original)



Billion yen

Segment	Net Sales		VS.Original Forecast	
	Revised Forecast (2019.4-2020.3)	Original Forecast (2019.4-2020.3)	Amount	Rate
Food and Beverages in Japan	210.8	211.2	(0.4)	(0.2)%
The Americas	48.5	50.4	(1.9)	(3.8)%
Asia/Oceania	123.3	132.6	(9.3)	(7.0)%
Europe	8.2	9.0	(0.8)	(8.9)%
Food and Beverages (Overseas)	180.0	192.0	(12.0)	(6.3)%
Pharmaceuticals	19.0	17.5	+ 1.5	+ 8.6%
Others	23.3	23.1	+ 0.2	+ 0.9%
Adjustments	(24.1)	(23.8)	(0.3)	+ 1.3%
Total	409.0	420.0	(11.0)	(2.6)%

Forecast of Consolidated Operating profit by segment (compared to the original)



Billion yen

Segment	Operating Profit		VS.Original Forecast	
	Revised Forecast (2019.4-2020.3)	Original Forecast (2019.4-2020.3)	Amount	Rate
Food and Beverages in Japan	17.2	17.7	(0.5)	(2.8)%
The Americas	11.7	12.2	(0.5)	(4.1)%
Asia/Oceania	34.0	37.3	(3.3)	(8.8)%
Europe	0.5	0.5	—	—
Food and Beverages (Overseas)	46.2	50.0	(3.8)	(7.6)%
Pharmaceuticals	(1.0)	(1.4)	+ 0.4	—
Others	1.7	0.7	+ 1.0	+ 142.9%
Adjustments	(18.1)	(18.5)	+ 0.4	(2.2)%
Total	46.0	48.5	(2.5)	(5.2)%

Consolidated forecast for FY2019 (2)



Billion yen

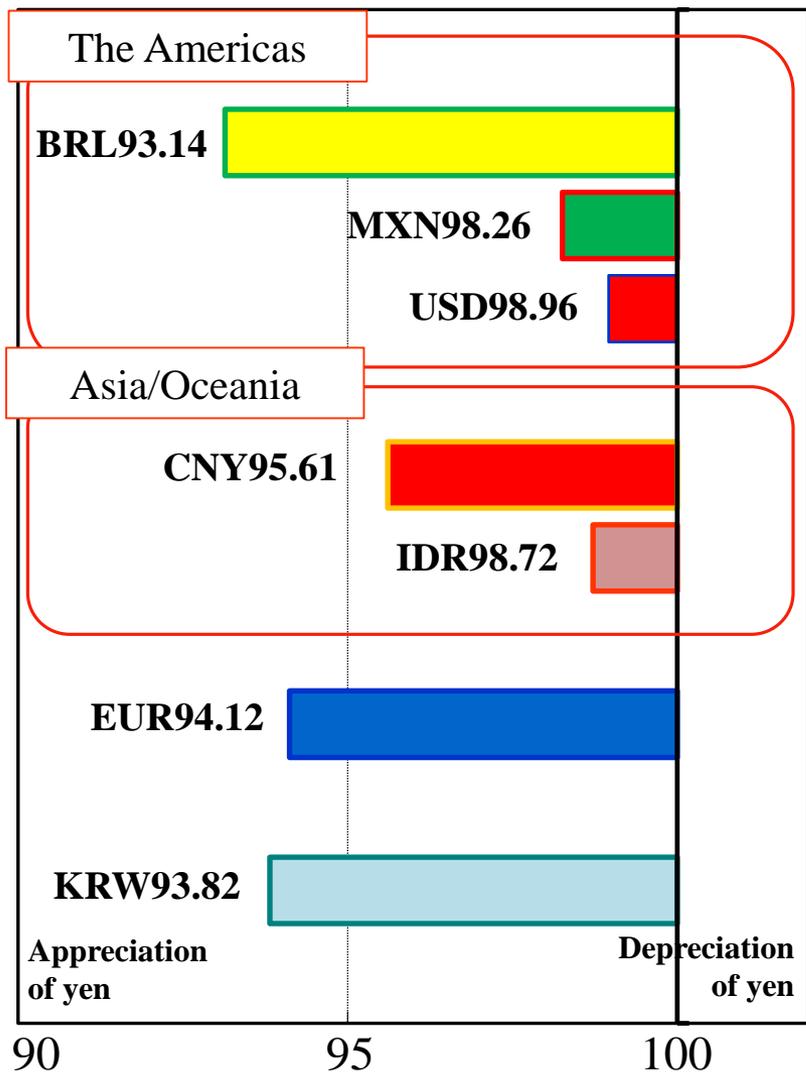
	FY2019	FY2018	Difference	
	(2019.4-2020.3)	(2018.4-2019.3)		Year-on-Year
Net sales	409.0	407.0	1.9	100.5%
Operating profit	46.0	45.8	0.1	100.3%
Ordinary profit	58.0	57.1	0.8	101.5%
Profit attributable to owners of parent	39.0	34.9	4.0	111.6%
Basic earnings per share	(yen) 243.46	(yen) 217.89	(yen) 25.57	111.7%

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



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

Average rate from Jan to Sep, 2019



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(1.5)	(0.2)	(0.3)	(0.2)
Asia/Oceania	(4.6)	(1.3)	(1.4)	(1.1)
Europe	(0.5)	—	—	—
Equity method	—	—	(0.2)	(0.2)
Total	(6.6)	(1.5)	(1.9)	(1.5)

Forecast of Consolidated Net sales by segment (compared to the previous period)



Billion yen

Segment	Net Sales		Year-on-Year	
	Revised Forecast (2019.4-2020.3)	FY2018 (2018.4-2019.3)	Amount	Rate
Food and Beverages in Japan	210.8	214.9	(4.1)	(1.9)%
The Americas	48.5	48.9	(0.4)	(0.8)%
Asia/Oceania	123.3	120.7	+ 2.5	+ 2.1%
Europe	8.2	8.6	(0.4)	(5.5)%
Food and Beverages (Overseas)	180.0	178.3	+ 1.6	+ 0.9%
Pharmaceuticals	19.0	21.6	(2.6)	(12.4)%
Others	23.3	22.4	+ 0.8	+ 3.8%
Adjustments	(24.1)	(30.4)	+ 6.3	(20.9)%
Total	409.0	407.0	+ 1.9	+ 0.5%

Forecast of Consolidated Operating profit by segment (compared to the previous period)



Billion yen

Segment	Operating Profit		Year-on-Year	
	Revised Forecast (2019.4-2020.3)	FY2018 (2018.4-2019.3)	Amount	Rate
Food and Beverages in Japan	17.2	16.4	+ 0.7	+ 4.7%
The Americas	11.7	11.8	(0.1)	(1.2)%
Asia/Oceania	34.0	35.1	(1.1)	(3.3)%
Europe	0.5	0.5	(0.0)	(3.6)%
Food and Beverages (Overseas)	46.2	47.5	(1.3)	(2.8)%
Pharmaceuticals	(1.0)	(1.8)	+ 0.8	—
Others	1.7	1.1	+ 0.5	+ 44.0%
Adjustments	(18.1)	(17.4)	(0.6)	+ 3.6%
Total	46.0	45.8	+ 0.1	+ 0.3%

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.