

*Executive Summary of Consolidated Financial Results
for the 2nd quarter ended September 30, 2020*

Yakult Honsha Co., Ltd.

November 13, 2020

General outline of Consolidated financial results



◆ Total 【Decrease in sales and increase profit】

◆ Food and Beverages (Japan)

【Slight increase 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.
- Decrease in expenses due to refraining from sales activities.

◆ Food and Beverages (Overseas)

【Decrease in sales and profit】

- Sales volume are almost the same as the previous year.
- 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	
	(2020.4-2020.9)	(2019.4-2019.9)		Year-on-Year
Net sales	190.4	201.9	(11.5) Fx impact (6.8)	94.3%
Operating profit	24.1	23.7	+ 0.4 Fx impact (1.5)	101.8%
Ordinary profit	33.4	30.3	+ 3.1 Fx impact (2.2)	110.5%
Profit attributable to owners of parent	21.7	20.6	+ 1.0 Fx impact (1.3)	105.1%
Basic earnings per share	(yen) 135.43	(yen) 128.96	(yen) + 6.47	105.0%
Operating profit margin	12.7%	11.8%	+ 0.9	—

Consolidated Statement of Income



Billion yen

	FY2020 (2020.4-2020.9)	FY2019 (2019.4-2019.9)	Difference		FY2020 (2020.4-2020.9)	FY2019 (2019.4-2019.9)	Difference
Net sales	190.4	201.9	(11.5)	Gain on sales of non-current assets	0.1	0.0	0.1
Cost of sales	77.2	84.5	(7.2)	Gain on sales of investment securities	1.1	1.8	(0.6)
Gross profit	113.1	117.4	(4.3)	Others	0.0	0.0	0.0
Selling, general and administrative expenses	88.9	93.7	(4.7)	Extraordinary income	1.4	1.9	(0.5)
Operating profit	24.1	23.7	0.4	Loss on sales of non-current assets	0.0	0.0	0.0
Interest income	2.1	2.6	(0.4)	Loss on retirement of non-current assets	0.1	0.3	(0.2)
Dividend income	1.2	1.1	0.0	Loss on valuation of investment securities	0.7	0.8	(0.0)
Share of profit of entities accounted for using equity method	2.0	2.7	(0.6)	Expense related to a novel coronavirus	1.1	—	1.1
Foreign exchange gains	3.1	—	3.1	Others	0.1	0.2	(0.1)
Others	1.3	1.1	0.2	Extraordinary losses	2.1	1.4	0.7
Non-operating income	9.9	7.6	2.3	Profit before income taxes	32.7	30.7	1.9
Interest expenses	0.3	0.4	(0.0)	Income taxes	8.7	7.6	1.0
Foreign exchange losses	—	0.3	(0.3)	Profit	24.0	23.1	0.8
Others	0.2	0.2	(0.0)	Profit attributable to non-controlling interests	2.2	2.4	(0.1)
Non-operating expenses	0.6	1.0	(0.4)	Profit attributable to owners of parent	21.7	20.6	1.0
Ordinary profit	33.4	30.3	3.1				

Consolidated financial results (2)



Billion yen

	As of Sep. 30 (FY2020)	As of Mar. 31 (FY2019)	Difference	
				Year-on-Year
Total assets	619.5	627.8	(8.3)	98.7%
Net assets	414.2	412.0	+ 2.2	100.5%
Net assets per share	(yen) 2,375.69	(yen) 2,330.58	(yen) + 45.11	101.9%
Equity-to-asset ratio	61.5%	59.5%	+ 2.0	—

Consolidated Balance Sheet



Billion yen

	As of Sep. 30 (FY2020)	As of Mar. 31 (FY2019)	Difference		As of Sep. 30 (FY2020)	As of Mar. 31 (FY2019)	Difference
Assets				Liabilities			
Cash and deposits	163.0	175.6	(12.5)	Notes and accounts payable - trade	24.4	26.2	(1.7)
Notes and accounts receivable - trade	54.6	51.8	2.8	Short-term loans payable	31.2	32.7	(1.4)
Inventories	30.5	28.7	1.8	Others	45.9	50.1	(4.1)
Others	11.4	9.5	1.8	Current liabilities	101.6	109.0	(7.4)
Current assets	259.7	265.8	(6.0)	Long-term loans payable	68.2	70.6	(2.4)
				Net defined benefit liability	5.6	6.4	(0.7)
Property, plant and equipment	199.1	203.9	(4.8)	Others	29.6	29.6	(0.0)
				Non-Current liabilities	103.5	106.7	(3.1)
Intangible assets	4.6	4.4	0.2	Total Liabilities	205.2	215.7	(10.5)
				Net Assets			
Investment securities	143.1	139.7	3.3	Shareholder's equity	417.2	397.6	19.6
Others	12.8	13.8	(0.9)	Accumulated other comprehensive income	(36.0)	(24.2)	(11.8)
Investments and other assets	155.9	153.6	2.3	Non-controlling interests	33.1	38.7	(5.5)
				Total Net Assets	414.2	412.0	2.2
Total Assets	619.5	627.8	(8.3)	Total Liabilities and Net Assets	619.5	627.8	(8.3)

Increase / Decrease in Net sales (1)



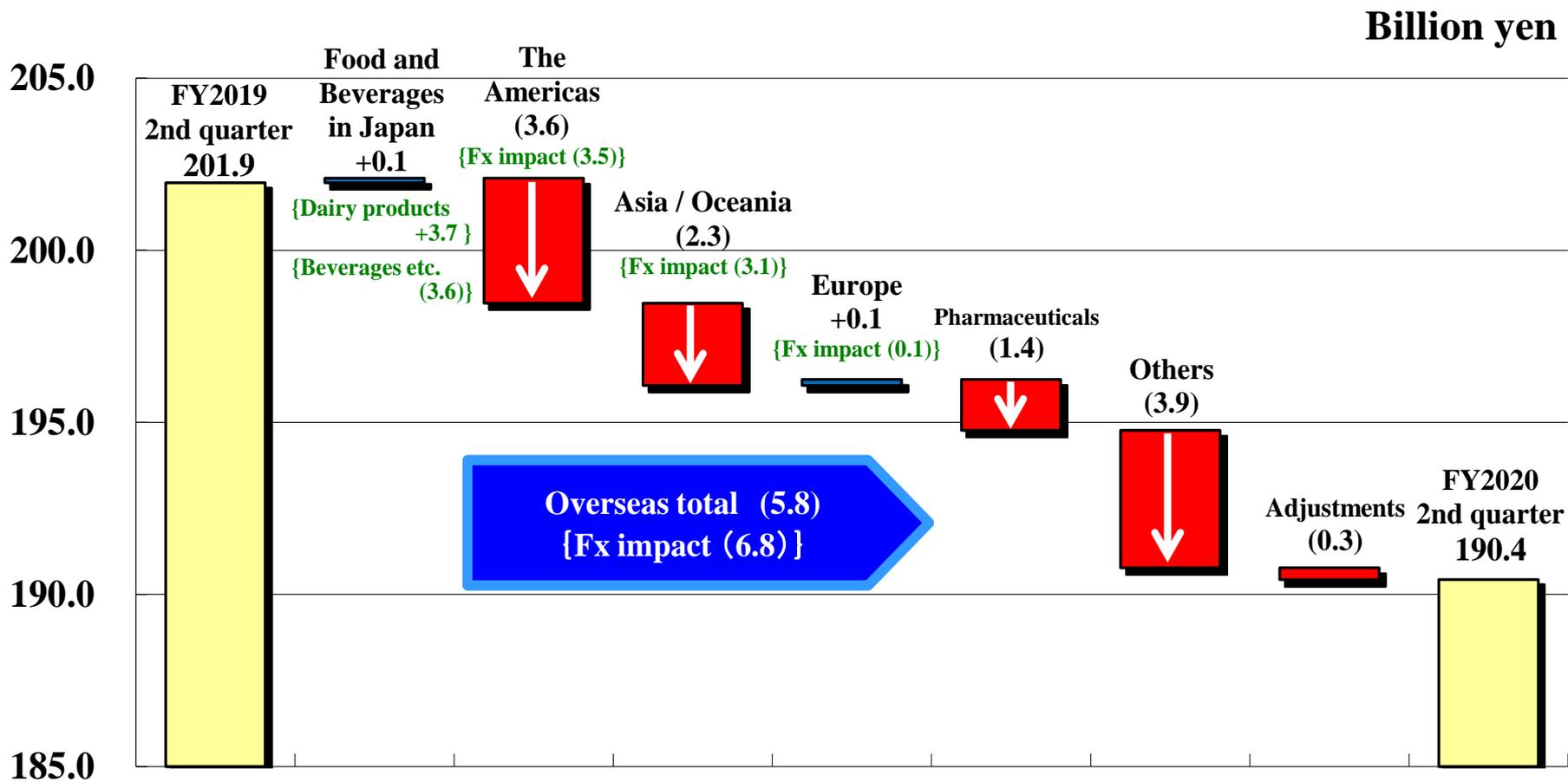
Billion yen

Segment	Net Sales		Year-on-Year	
	FY2020 (2020.4-2020.9)	FY2019 (2019.4-2019.9)	Amount	Rate
Food and Beverages in Japan	104.4	104.3	+ 0.1	+ 0.1 %
The Americas	21.3	24.9	(3.6)	(14.5)%
Asia / Oceania	56.1	58.5	(2.3)	(4.1)%
Europe	4.2	4.0	+ 0.1	+ 4.2 %
Food and Beverages (Overseas)	81.7	87.5	(5.8) Fx impact (6.8)	(6.7)%
Pharmaceuticals	8.9	10.4	(1.4)	(14.2)%
Others	7.8	11.8	(3.9)	(33.9)%
Adjustments	(12.5)	(12.1)	(0.3)	+ 2.8 %
Total	190.4	201.9	(11.5)	(5.7)%

Increase / Decrease in Net sales (2)



Change amount (11.5)



Increase / Decrease in Operating profit (1)



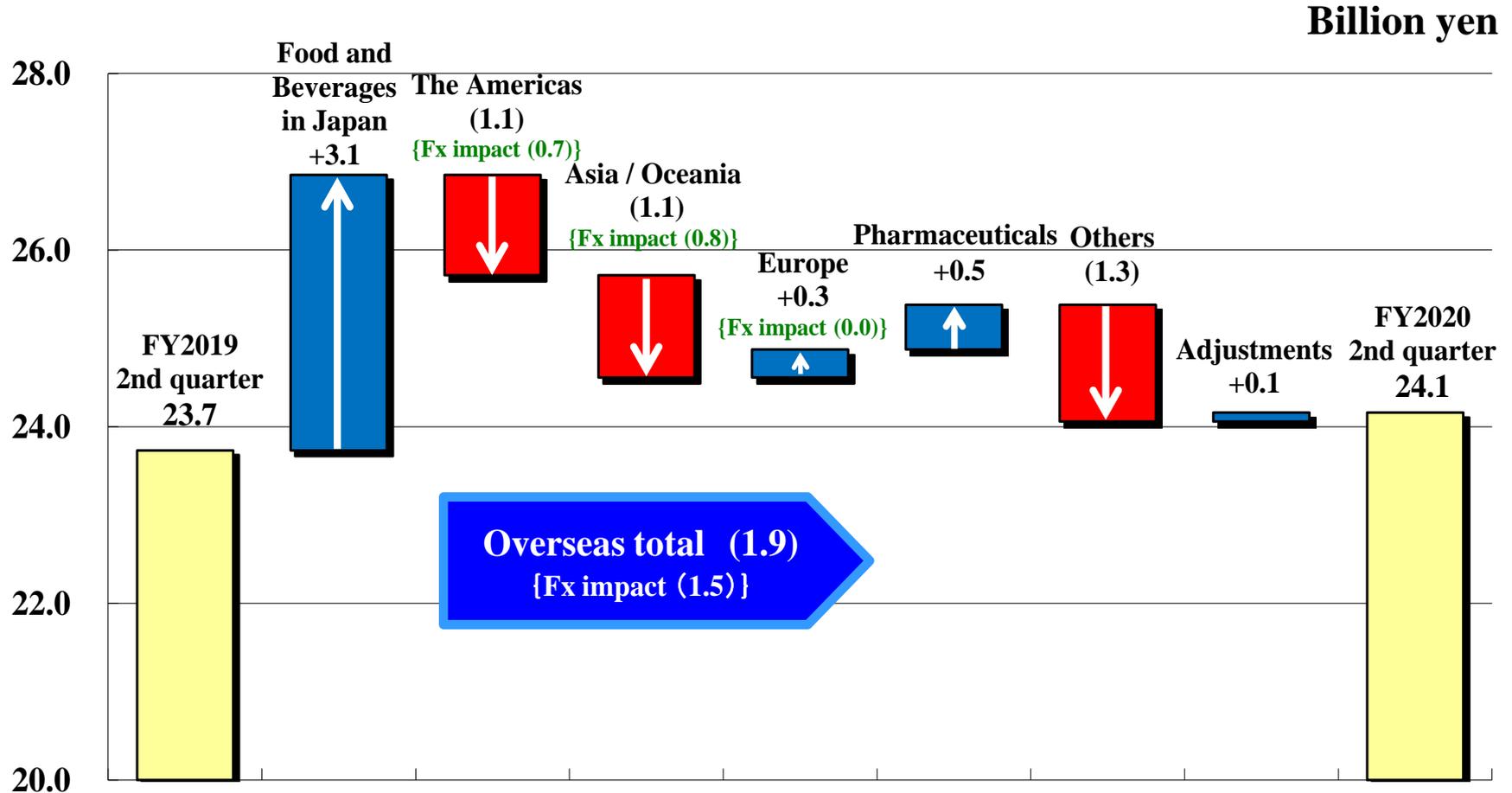
Billion yen

Segment	Operating Profit		Year-on-Year	
	FY2020 (2020.4-2020.9)	FY2019 (2019.4-2019.9)	Amount	Rate
Food and Beverages in Japan	12.3	9.2	+ 3.1	+ 33.8 %
The Americas	5.6	6.7	(1.1)	(16.8)%
Asia / Oceania	14.1	15.3	(1.1)	(7.5)%
Europe	0.6	0.3	+ 0.3	+ 90.2 %
Food and Beverages (Overseas)	20.4	22.4	(1.9) Fx impact (1.5)	(8.8)%
Pharmaceuticals	0.6	0.0	+ 0.5	+ 542.8 %
Others	(0.1)	1.1	(1.3)	—
Adjustments	(9.1)	(9.2)	+ 0.1	(1.1)%
Total	24.1	23.7	+ 0.4	+ 1.8 %

Increase / Decrease in Operating profit (2)



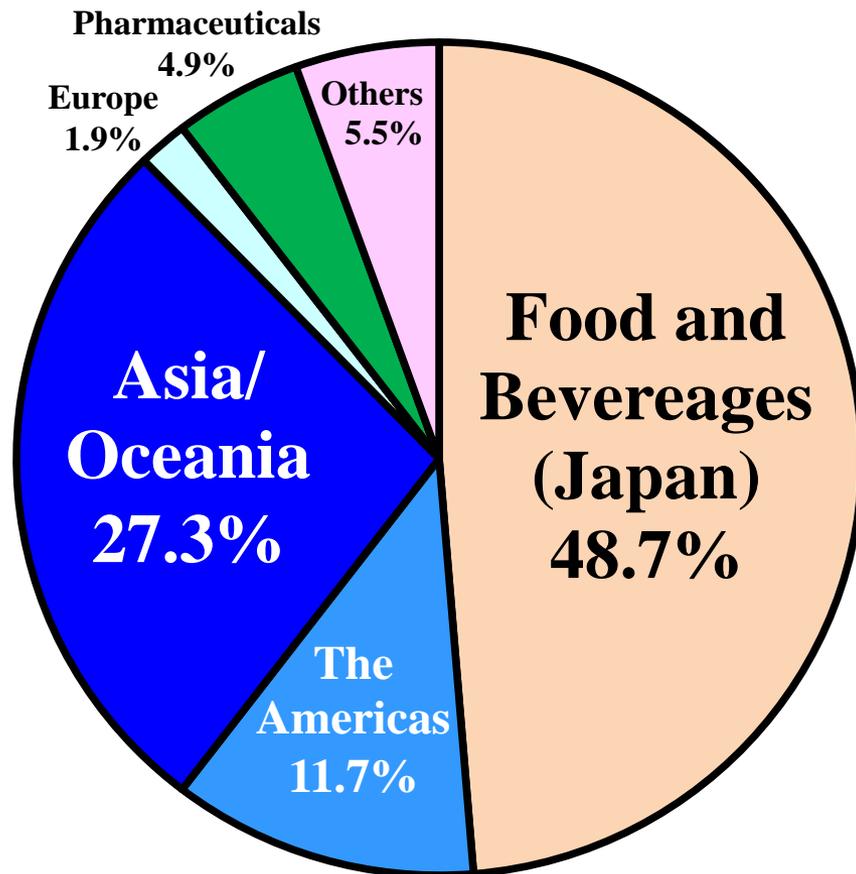
Change amount +0.4



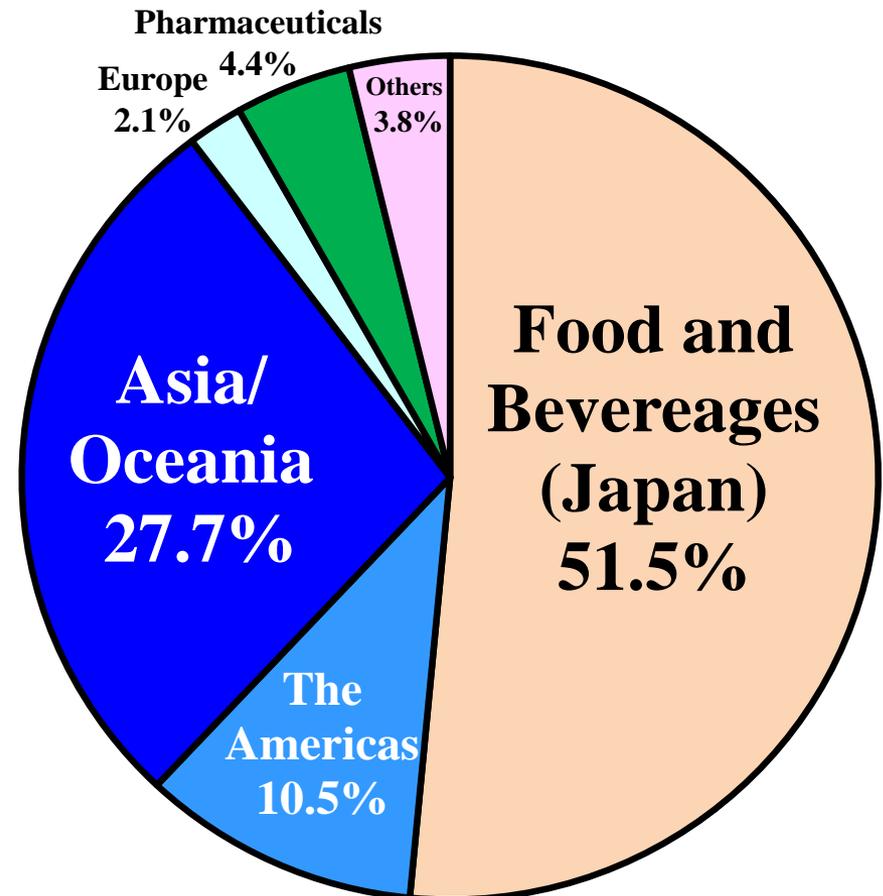
Segment share of consolidated sales



FY2019
2nd quarter



FY2020
2nd quarter



Overseas total: 40.9%

Overseas total: 40.3%

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

(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
Japan	9,622	9,392	102.4%
Brazil	1,461	1,598	91.4%
Mexico	3,644	3,933	92.7%
America	429	373	115.4%
The Americas total	5,535	5,903	93.8%
Hong Kong	440	506	86.9%
Shingapore	281	225	124.7%
Indonesia	6,442	6,065	106.2%
Australia	266	248	107.4%
Malaysia	354	350	101.1%
Vietnam	640	490	130.6%
India	182	231	78.6%
Middle East	15	18	85.3%
Myanmar	17	—	—
Guangzhou	2,617	2,682	97.6%
Shanghai	514	526	97.8%
Beijing	409	423	96.6%
China	3,388	3,511	96.5%
(China total)	6,929	7,142	97.0%
Asia / Oceania total	15,565	15,275	101.9%

Region	Current	Previous	Year-on Year
Netherlands	170	165	102.8%
Belgium	85	80	105.9%
United Kingdom	225	199	113.1%
Germany	75	77	96.4%
Austria	12	10	123.2%
Italia	100	96	104.8%
Europe total	667	628	106.3%
Overseas total	21,767	21,806	99.8%
Consolidated total	31,389	31,198	100.6%

【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	644	667	96.5%
Thailand	2,062	2,211	93.3%
Korea	2,752	3,132	87.7%
Philippines	2,641	3,206	82.3%
Affiliates total	8,099	9,216	87.9%

Grand Total	39,488	40,414	97.7%
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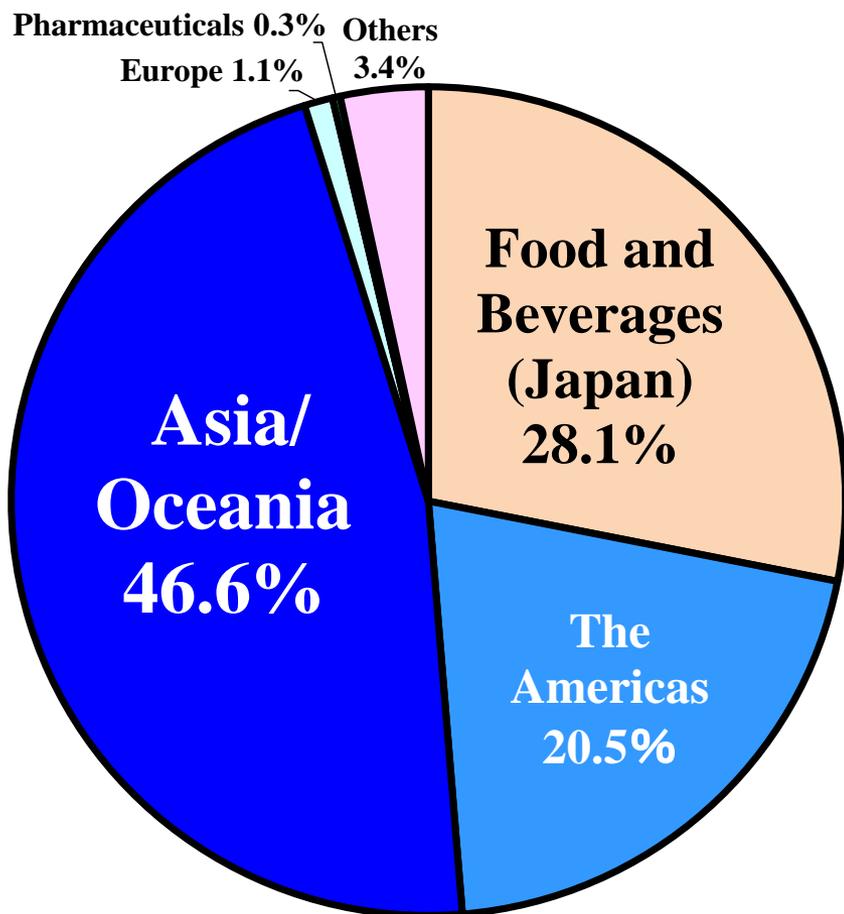
Japan : Sales in April to September, 2020

Overseas : Sales in January to June, 2020

Segment share of consolidated Operating profit

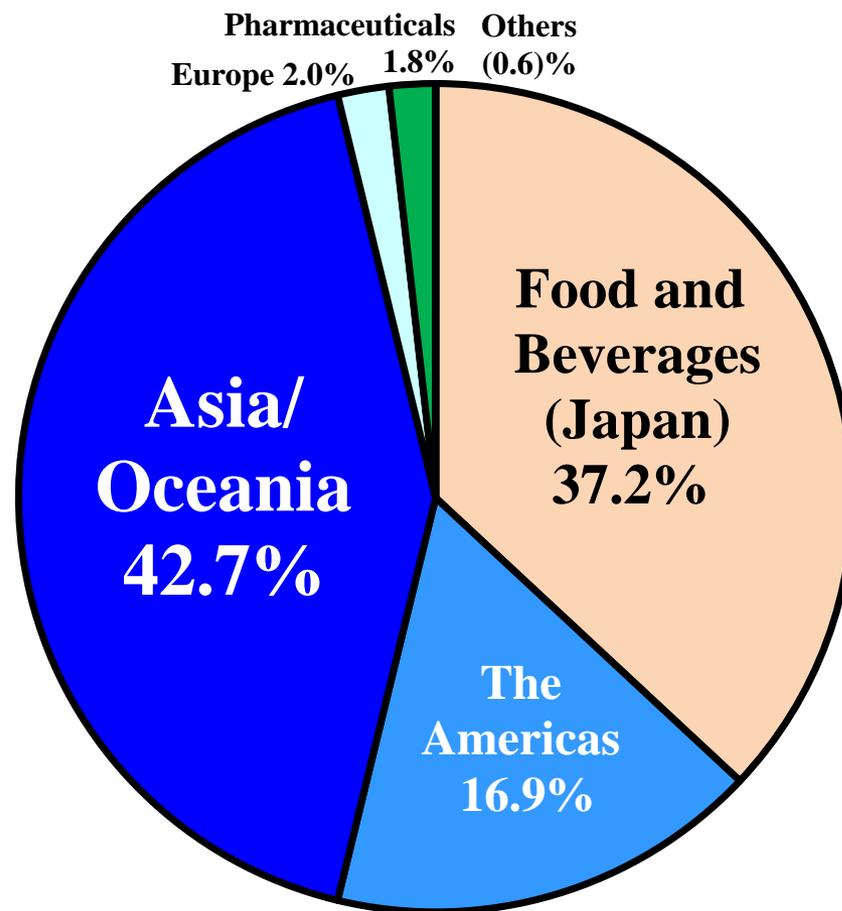


FY2019
2nd quarter



Overseas total: 68.2%

FY2020
2nd quarter



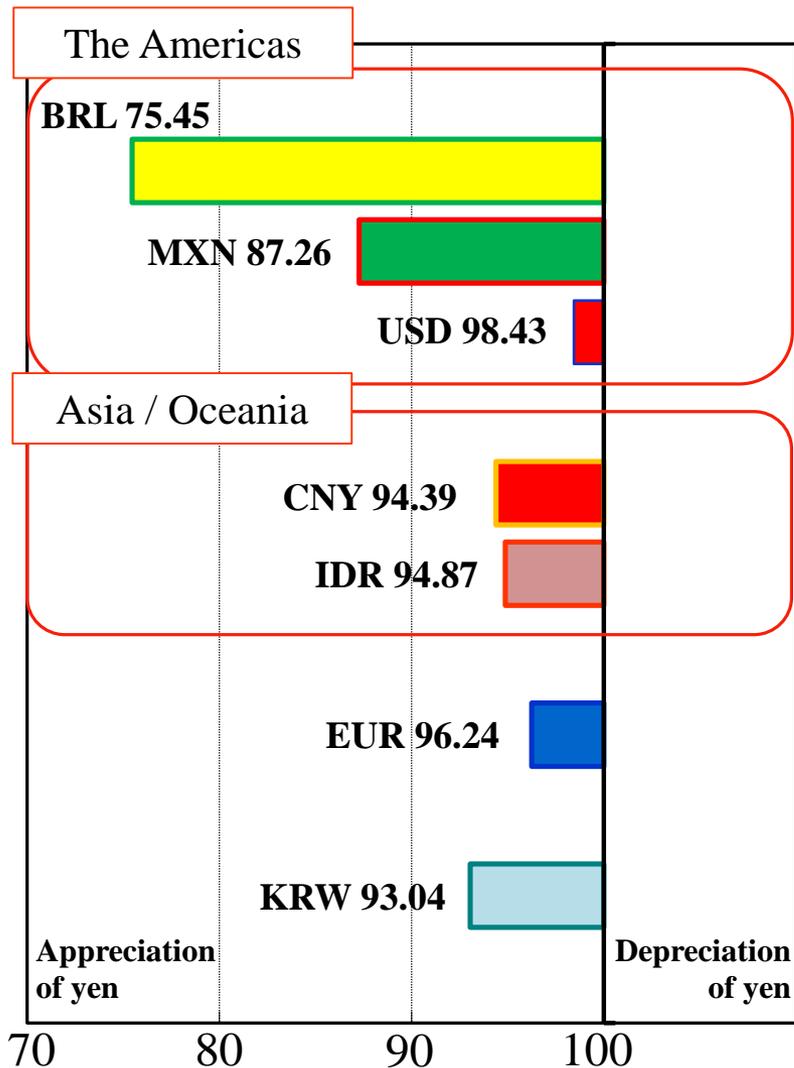
Overseas total: 61.6%

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



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

Average rate from Jan to Jun, 2020



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(3.5)	(0.7)	(1.2)	(0.5)
Asia/Oceania	(3.1)	(0.8)	(0.8)	(0.6)
Europe	(0.1)	(0.0)	(0.0)	(0.0)
Equity method	—	—	(0.0)	(0.0)
Total	(6.8)	(1.5)	(2.2)	(1.3)

***Consolidated Forecast
For FY 2020***

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 FY2020 (1)



Billion yen

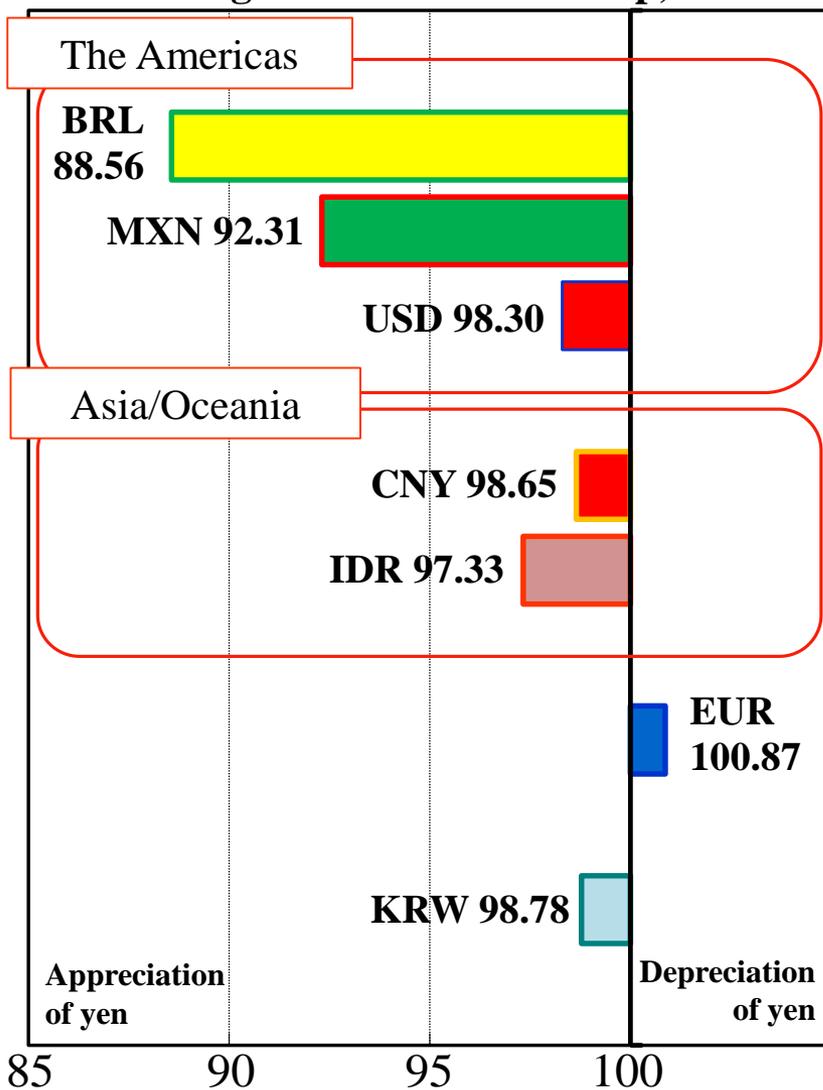
	Revised Forecast (2020.4-2021.3)	Original Forecast (2020.4-2021.3)	Difference
Net sales	388.0	411.0	(23.0) Fx impact (5.3)
Operating profit	43.0	47.0	(4.0) Fx impact (1.1)
Ordinary profit	58.5	59.0	(0.5) Fx impact (1.5)
Profit attributable to owners of parent	40.0	37.0	+ 3.0 Fx impact (0.8)
Basic earnings per share	(yen) 249.30	(yen) 230.95	(yen) + 18.35

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



< Average rate from Jan to Mar, 2020=100 >

Average rate from Jan to Sep, 2020



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(3.4)	(0.7)	(1.1)	(0.5)
Asia/Oceania	(1.9)	(0.4)	(0.4)	(0.3)
Europe	—	—	—	—
Equity method	—	—	—	—
Total	(5.3)	(1.1)	(1.5)	(0.8)

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



Billion yen

Segment	Net Sales		VS.Original Forecast	
	Revised Forecast (2020.4-2021.3)	Original Forecast (2020.4-2021.3)	Amount	Rate
Food and Beverages in Japan	210.3	214.0	(3.7)	(1.7)%
The Americas	42.0	47.2	(5.2)	(11.0)%
Asia/Oceania	116.2	128.5	(12.3)	(9.6)%
Europe	8.2	8.3	(0.1)	(1.2)%
Food and Beverages (Overseas)	166.4	184.0	(17.6) Fx impact (5.3)	(9.6)%
Pharmaceuticals	17.5	17.5	—	—
Others	17.7	18.5	(0.8)	(4.3)%
Adjustments	(23.9)	(23.0)	(0.9)	+ 3.9%
Total	388.0	411.0	(23.0)	(5.6)%

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



Billion yen

Segment	Operating Profit		VS.Original Forecast	
	Revised Forecast (2020.4-2021.3)	Original Forecast (2020.4-2021.3)	Amount	Rate
Food and Beverages in Japan	23.0	20.3	+ 2.7	+ 13.3%
Food and Beverages (Overseas)	The Americas	10.6	(1.9)	(15.2)%
	Asia/Oceania	27.0	(6.2)	(18.7)%
	Europe	0.9	0.3	+ 0.6
Food and Beverages (Overseas)	38.5	46.0	(7.5) Fx impact (1.1)	(16.3)%
Pharmaceuticals	(0.5)	(0.5)	—	—
Others	(0.5)	(0.6)	+ 0.1	—
Adjustments	(17.5)	(18.2)	+ 0.7	(3.8)%
Total	43.0	47.0	(4.0)	(8.5)%

Consolidated forecast for FY2020 (2)



Billion yen

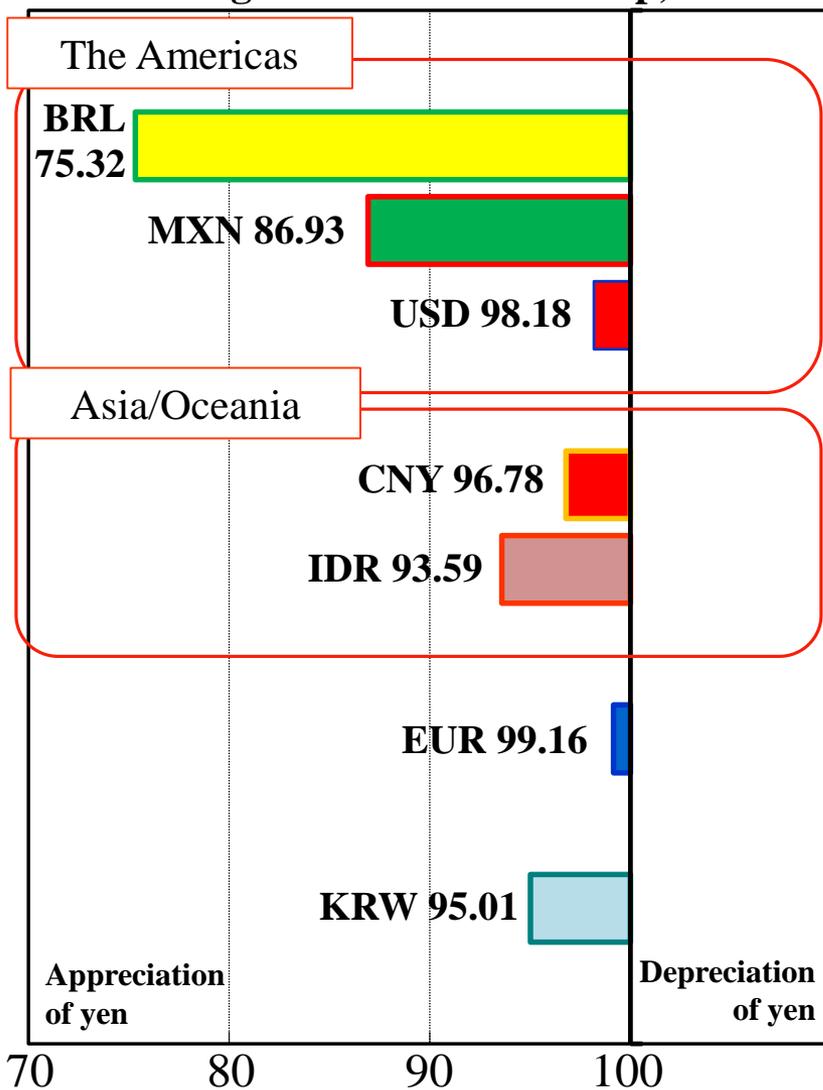
	FY2020 (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Difference	
				Year-on-Year
Net sales	388.0	406.0	(18.0) Fx impact (11.9)	95.6%
Operating profit	43.0	45.6	(2.6) Fx impact (2.5)	94.1%
Ordinary profit	58.5	58.4	+ 0.0 Fx impact (3.3)	100.0%
Profit attributable to owners of parent	40.0	39.7	+ 0.2 Fx impact (1.9)	100.7%
Basic earnings per share	(yen) 249.30	(yen) 248.04	(yen) + 1.26	100.5%

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



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

Average rate from Jan to Sep, 2020



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	(7.0)	(1.4)	(2.0)	(0.9)
Asia/Oceania	(4.8)	(1.0)	(1.2)	(0.9)
Europe	(0.1)	(0.1)	—	—
Equity method	—	—	(0.1)	(0.1)
Total	(11.9)	(2.5)	(3.3)	(1.9)

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



Billion yen

Segment	Net Sales		Year-on-Year	
	Revised Forecast (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Amount	Rate
Food and Beverages in Japan	210.3	209.3	+ 0.9	+ 0.4%
The Americas	42.0	48.7	(6.7)	(13.8)%
Asia/Oceania	116.2	122.3	(6.1)	(5.0)%
Europe	8.2	7.9	+ 0.2	+ 3.3%
Food and Beverages (Overseas)	166.4	179.0	(12.6) Fx impact (11.9)	(7.0)%
Pharmaceuticals	17.5	19.6	(2.1)	(11.0)%
Others	17.7	22.9	(5.2)	(22.7)%
Adjustments	(23.9)	(24.9)	+ 1.0	(4.3)%
Total	388.0	406.0	(18.0)	(4.4)%

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



Billion yen

Segment	Operating Profit		Year-on-Year	
	Revised Forecast (2020.4-2021.3)	FY2019 (2019.4-2020.3)	Amount	Rate
Food and Beverages in Japan	23.0	18.2	+ 4.7	+ 26.3%
The Americas	10.6	12.3	(1.7)	(14.2)%
Asia/Oceania	27.0	31.8	(4.8)	(15.2)%
Europe	0.9	0.3	+ 0.5	+ 170.8%
Food and Beverages (Overseas)	38.5	44.5	(6.0) Fx impact (2.5)	(13.6)%
Pharmaceuticals	(0.5)	(0.8)	+ 0.3	—
Others	(0.5)	2.0	(2.5)	—
Adjustments	(17.5)	(18.3)	+ 0.8	(4.5)%
Total	43.0	45.6	(2.6)	(5.9)%

Thank you.

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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.

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