

Results for the fiscal year
ended March 31, 2020
Future management outlook

May 14, 2020
Takashige Negishi
President and Representative Director
Yakult Honsha Co., Ltd.

Profit and loss results



(Figure 1)
(billion yen)

	Results for the fiscal year ended March 31, 2020 (exchange-rate effects)	Year-on-year	Compared to forecast (announced Nov. 12)
Net Sales	406.0 {(6.7)}	99.8%	99.3%
Operating profit	45.6 {(1.4)}	99.6%	99.3%
Ordinary profit	58.4 {(1.7)}	102.4%	100.8%
Profit attributable to owners of parent	39.7 {(1.2)}	113.7%	101.9%

Exchange-rate effects are year-on-year values

Full-year forecast



(Figure 2)

(billion yen)

	Full-year forecast for the fiscal year ended March 31, 2021	Year-on-year
Net Sales	411.0	101.2%
Operating profit	47.0	102.9%
Ordinary profit	59.0	100.9%
Profit attributable to owners of parent	37.0	93.1%
Basic earnings per Share	230.95 yen	93.1%

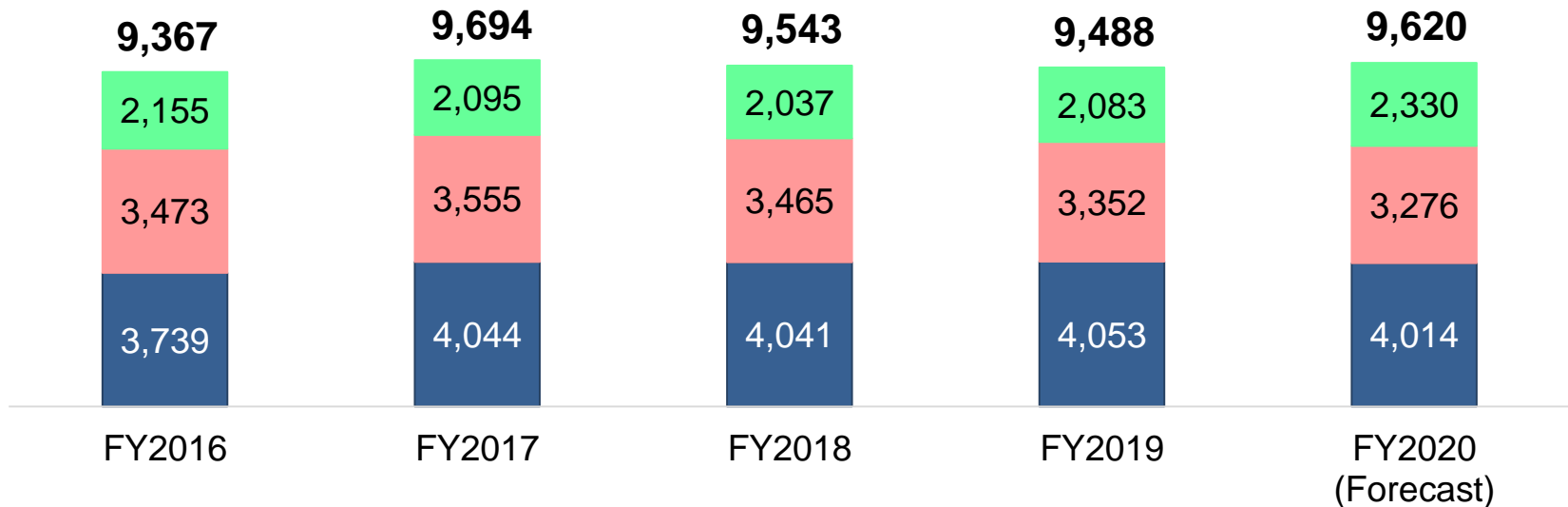
Domestic food and beverage business: Trends in bottle sales

Yakult

(Figure 3)

Thousand bottles / day

■ New Yakult Products ■ Yakult 400 Products ■ Other Dairy Products



Yakult's Sales Models



Home delivery channel



Retail store channel

Examples of changes to Yakult Ladies' delivery methods in response to the novel coronavirus

- Delivery to a specially designed cooler box, instead of direct hand-to-hand delivery
- Sale of products at Yakult centers (the sites from which Yakult Ladies operate)



Domestic food and beverage business: High value-added products

Yakult
(Figure 4)

Yakult 1000

Yakult marshaled its R&D and technological capabilities to include 100 billion *Lactobacillus casei* strain Shirota in each bottle. The resulting fermented milk drink has the highest density and number of probiotics of any product in Yakult's history.

Yakult's first Food with Function Claims

- Relieves stress in situations that cause temporary mental stress, and improves sleep quality
- *Lactobacillus casei* strain Shirota is reported to be effective in improving the gut environment



Recommended retail price: 130 yen per bottle; 910 yen per 7-bottle pack (tax not included)

Sales regions: Tokyo & 6 other prefectures in Kanto (Ibaraki, Tochigi, Gunma, Saitama, Chiba, Kanagawa)

From Aug. 31, 2020: Hokkaido & Tohoku, as well as the prefectures of Shizuoka, Yamanashi, Nagano & Niigata

Sales channels: Home delivery sales through Yakult Ladies

Domestic food and beverage business: High value-added products

Yakult
(Figure 5)

Yakult 400W

A product in the *Yakult 400* series that offers the benefits of synbiotics*

- Each bottle (80 ml) contains 40 billion of Yakult's proprietary living *Lactobacillus casei* strain Shirota
- Each bottle contains 5.0 g of galacto-oligosaccharides, which increase lactic acid bacteria in the digestive tract
- The flavor is a refreshing version of the usual *Yakult* taste, conducive to continued consumption

* Synbiotics offer a means of consuming probiotics (such as lactobacillus and bifidobacterium) together with prebiotics (such as galacto-oligosaccharides, which increase lactobacillus in the digestive tract). This is believed to further enhance the probiotics' capacity to protect intestinal health.



Recommended retail price: 100 yen per bottle; 700 yen per 7-bottle pack (tax not included)

Sales regions: The Kyushu, Chugoku & Shikoku regions & part of the Kinki region

From June 2020: All of the Kinki region, and Aichi, Gifu, Ishikawa & Toyama prefectures

Sales channels: Home delivery sales through Yakult Ladies

International business: Bottle sales by country (Preliminary figure)



(Figure 6)

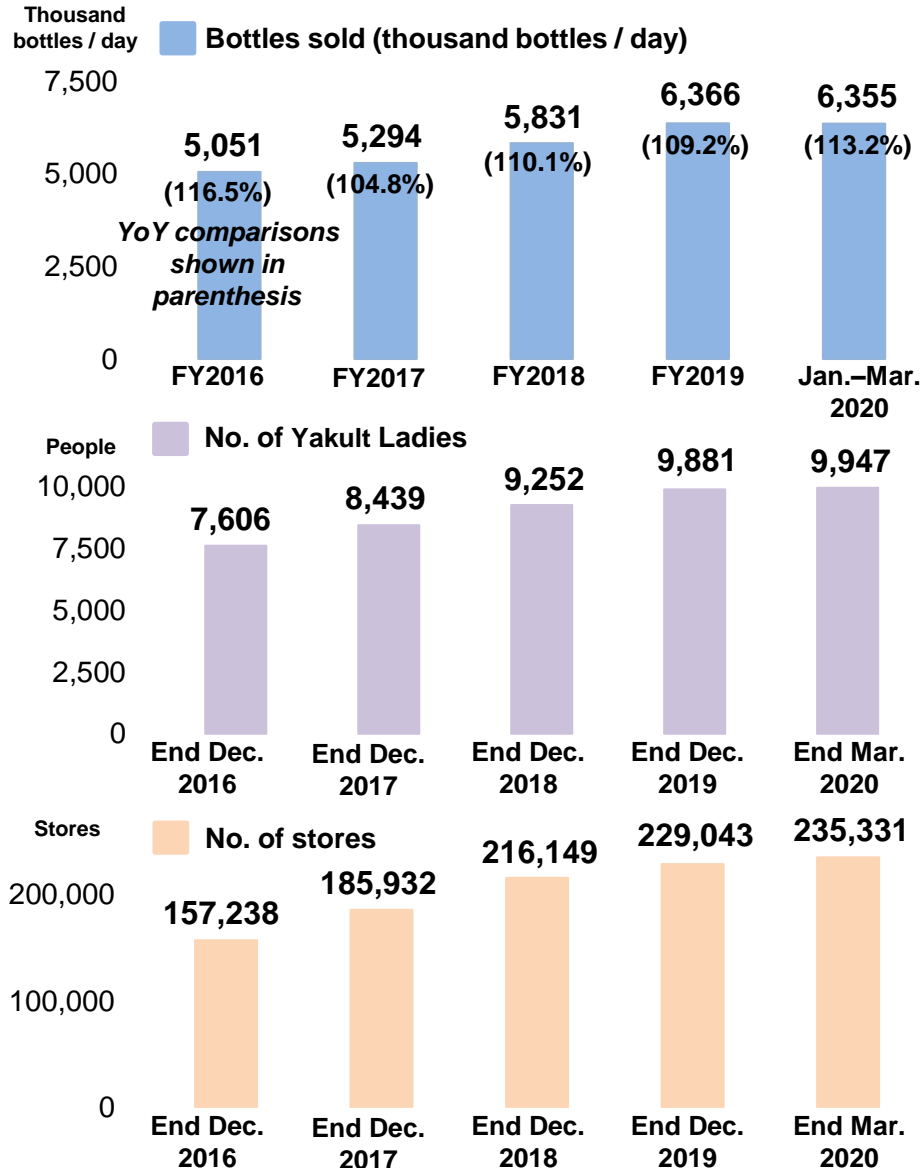
Country		Marketing population (1,000s)	Jan.-Mar. 2020 Bottle Sales (Bottles/day)	YoY (%)	Population ratio (%)	Country	Marketing population (1,000s)	Jan.-Mar. 2020 Bottle Sales (Bottles/day)	YoY (%)	Population ratio (%)
Hong Kong		8,260	419,079	92.3	5.07	Brazil	101,290	1,542,292	92.8	1.52
Singapore		5,610	244,215	108.0	4.35	Mexico	95,039	3,770,962	94.9	3.97
Indonesia		200,000	6,354,606	113.2	3.18	United States	331,990	418,061	113.3	0.13
Australia		25,000	275,262	110.1	1.10	Americas total	528,319	5,731,315	95.4	1.08
Malaysia		27,000	364,879	107.4	1.35	The Netherlands	17,412	174,150	101.1	1.00
Vietnam		38,600	601,928	138.5	1.56	Belgium	49,682	90,191	106.8	0.18
India		131,000	210,039	97.8	0.16	United Kingdom	71,358	225,982	109.9	0.32
Middle East		24,020	12,292	68.9	0.05	Germany	82,430	83,156	94.5	0.10
Myanmar		5,160	16,116	---	0.31	Austria	8,822	14,761	138.6	0.17
	Guangzhou	84,490	2,221,727	99.4	2.63	Italy	61,013	102,033	103.2	0.17
	Shanghai	24,150	463,574	109.1	1.92	Europe total	290,717	690,273	104.6	0.24
	Beijing	30,530	399,610	105.8	1.31	(Consolidated total)	2,056,286	20,957,748	103.8	1.02
	China	633,430	2,952,833	100.6	0.47	Taiwan	23,172	567,574	92.9	2.45
China total		772,600	6,037,744	101.1	0.78	Thailand	66,410	2,100,253	94.3	3.16
Consolidated Asia & Oceania total		1,237,250	14,536,160	107.5	1.17	South Korea	51,700	2,573,437	89.0	4.98
						The Philippines	91,400	3,078,911	94.9	3.37
						(Equity method total)	232,682	8,320,175	92.7	3.58
						Total	2,288,968	29,277,923	100.4	1.28

International business (Indonesia)

Yakult

(Figure 7)

Past Performance



- In January 2019 we raised *Yakult's* price by 6%, but the no. of bottles sold in FY2019 showed a steady increase, amounting to approx. 6.37 million bottles/day (109.2% of the previous fiscal year's figure).
- The number of Yakult Ladies in March 2020 was 9,947. Focus on human resource development in order to build the organization is leading to higher bottle sales.
- On March 20, the provincial govt. of the capital city Jakarta declared a state of emergency. As a result, approx. 2,000 Yakult Ladies suspended their sales activities.
-> Yakult offers compensation for absence from work, as well as health and psychological support, etc.

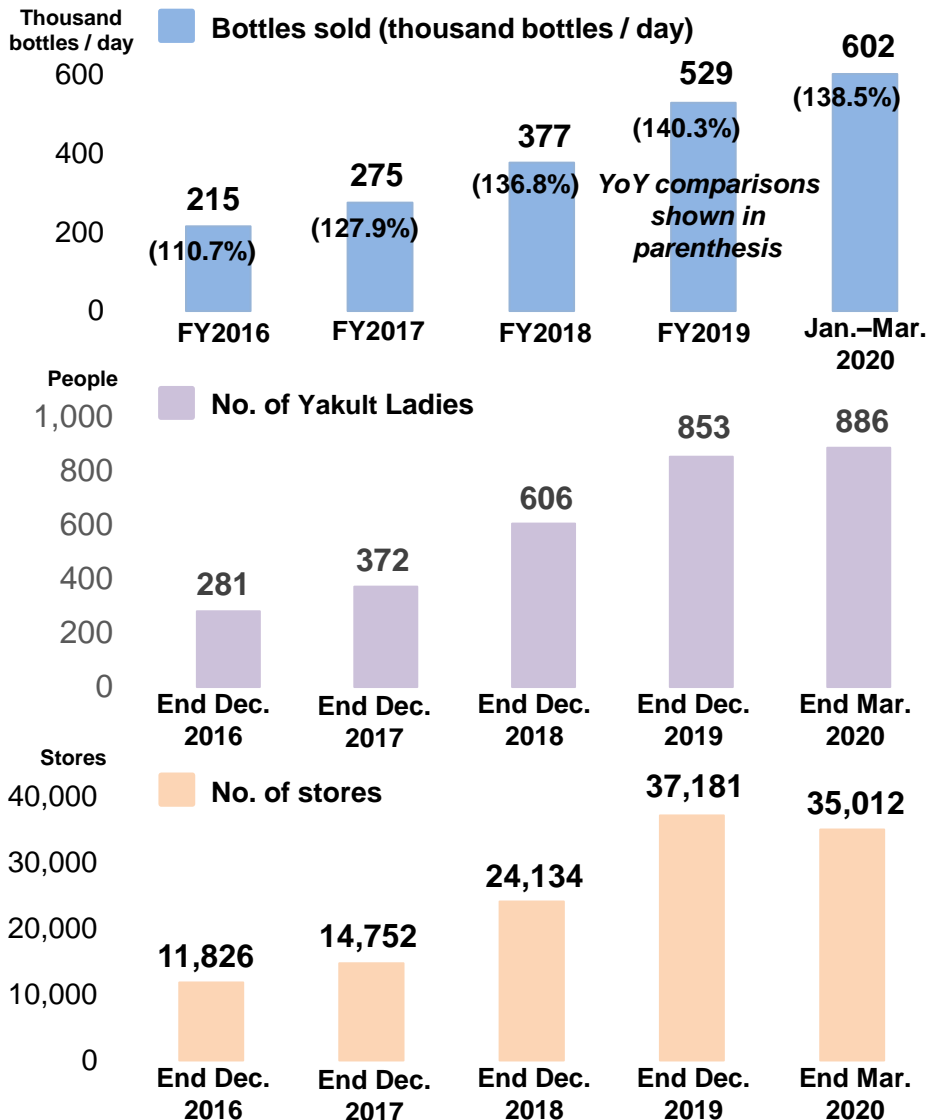


International business (Vietnam)

Yakult

(Figure 8)

Past Performance



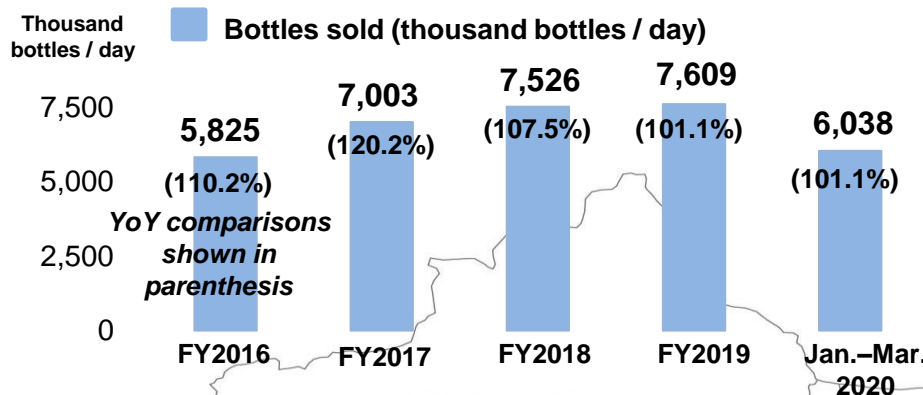
- The no. of bottles sold for FY2019 increased steadily, amounting to approx. 529 thousand bottles/day (140.3% of the previous fiscal year's figure).
- Thorough training is provided to all employees and Yakult Ladies, helping to establish a sales promotion network that leads to more bottles sold.
- Suspension of orders from some customers as a result of stay at home orders, among other factors, have impacted Yakult's business. However, employees and Yakult Ladies are working at around the same rate as usual, and sales are increasing steadily.



International business (China 1)

Yakult
(Figure 9)

Past Performance



Marketing Population

	Marketing population
Marketing pop. at end of Dec. 2019	735.79 million

37.46 million increase

Increase marketing population by expanding and cultivating areas with existing branches.

Branches starting sales in July 2020:
- Hengyang Branch & Wuhu Branch
Branch starting sales in August 2020:
- Zhaoqing Branch

Marketing population after opening new branches

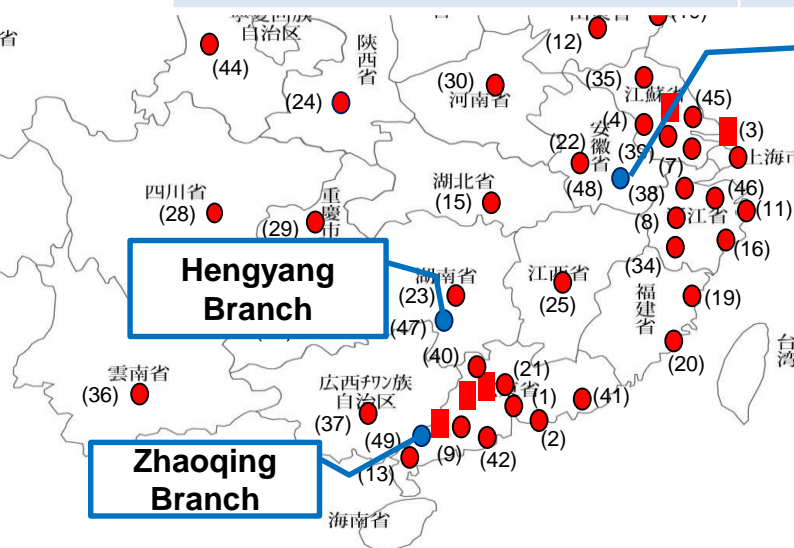
773.25 million

Wuhu Branch

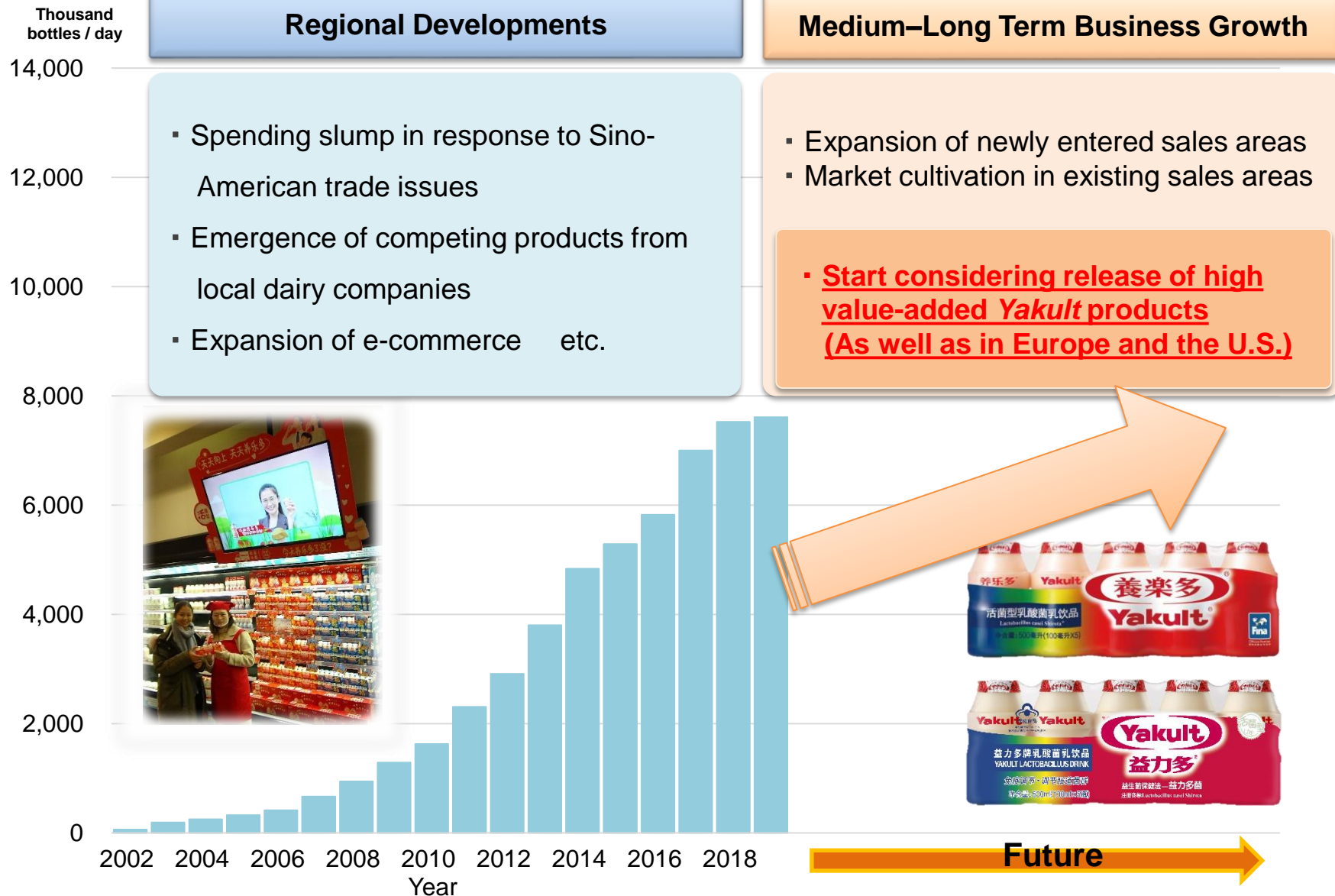
Hengyang Branch

Zhaoqing Branch

- Plants: 6
- Existing sales offices: 46
- New sales offices: 3



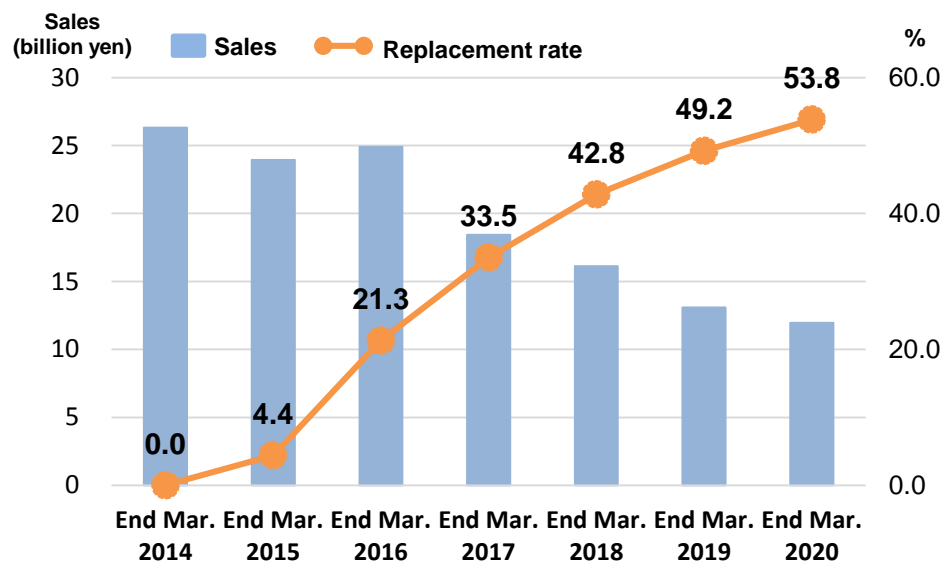
Dairy Product Bottles Sold per Day in China



Pharmaceutical business: Current initiatives

Yakult
(Figure 11)

Sales of *Elplat* and replacement rate



Alliance with Other Companies

In October 2019 Yakult signed a promotion agreement with Nihon Servier Co., Ltd. for the antineoplastic drug *Onivyde*[®]. On March 25, 2020, Nihon Servier received approval to manufacture and sell *Onivyde*[®] for use in cases of inoperable pancreatic cancer which has progressed following chemotherapy.

Yakult will make maximum use of its MR network, stepping up efforts to provide information on the latest treatments and proper drug use.



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.