

*Executive Summary of Consolidated Financial Results  
for the 2<sup>nd</sup> quarter ended September 30, 2021*

**Yakult Honsha Co., Ltd.**

*November 12, 2021*

# General outline of Consolidated financial results



## ◆ Total 【Increase in sales and operating profit】

### ◆ Food and Beverages (Japan)

【Decrease in sales and increase in profit】

- Increase in profit due to increase in the number of bottles sold, (Expansion of Yakult 1000 around Japan).
- Decrease in sales due to application of “Accounting Standard for Revenue Recognition”, (Sales of machinery etc.).

### ◆ Food and Beverages (Overseas)

【Increase in sales and decrease in profit】

- Increase in sales volume.
- Increase in expenses in Asia / Oceania.

### ◆ Pharmaceuticals

【Decrease in sales and increase in profit】

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

# Consolidated financial results (1)

Billion yen

	FY2021	FY2020	Difference	
	(2021.4-2021.9)	(2020.4-2020.9)		Year-on-Year
Net sales	202.9	190.4	+ 12.5 Fx impact +5.0	106.6%
Operating profit	27.8	24.1	+ 3.6 Fx impact +1.2	115.1%
Ordinary profit	35.7	33.4	+ 2.2 Fx impact +1.5	106.7%
Profit attributable to owners of parent	25.5	21.7	+ 3.8 Fx impact +1.1	117.8%
Basic earnings per share	(yen) 159.44	(yen) 135.43	(yen) + 24.01	117.7%
Operating profit margin	13.7%	12.7%	+ 1.0	—

※“Accounting Standard for Revenue Recognition” is applied from FY2021 and Net sales decrease 3.6 billion yen.  
(Reference P.6)

# Consolidated Statement of Income

Billion yen

	FY2021 (2021.4-2021.9)	FY2020 (2020.4-2020.9)	Difference		FY2021 (2021.4-2021.9)	FY2020 (2020.4-2020.9)	Difference
Net sales	202.9	190.4	12.5	Gain on sales of non-current assets	0.0	0.1	(0.1)
Cost of sales	80.3	77.2	3.1	Gain on sales of investment securities	1.1	1.1	0.0
Gross profit	122.5	113.1	9.4	Gain on step acquisitions	1.1	—	1.1
Selling, general and administrative expenses	94.7	88.9	5.7	Others	—	0.0	(0.0)
Operating profit	27.8	24.1	3.6	Extraordinary income	2.4	1.4	0.9
Interest income	1.5	2.1	(0.6)	Loss on sales of non-current assets	0.9	0.0	0.9
Dividend income	1.0	1.2	(0.1)	Loss on retirement of non-current assets	0.0	0.1	(0.0)
Share of profit of entities accounted for using equity method	4.0	2.0	2.0	Loss on valuation of investment securities	0.0	0.7	(0.7)
Foreign exchange gains	0.6	3.1	(2.5)	Expense related to a novel coronavirus	—	1.1	(1.1)
Others	1.2	1.3	(0.1)	Others	0.0	0.1	(0.1)
Non-operating income	8.5	9.9	(1.4)	Extraordinary losses	1.0	2.1	(1.1)
Interest expenses	0.3	0.3	(0.0)	Profit before income taxes	37.1	32.7	4.3
Others	0.2	0.2	0.0	Income taxes	9.4	8.7	0.6
				Profit	27.6	24.0	3.6
Non-operating expenses	0.6	0.6	0.0	Profit attributable to non-controlling interests	2.1	2.2	(0.1)
Ordinary profit	35.7	33.4	2.2	Profit attributable to owners of parent	25.5	21.7	3.8

# Consolidated financial results (2)



Billion yen

	Sep. 30.2021 (FY2021)	Mar. 31.2021 (FY2020)	Difference	
				Year-on-Year
<b>Total assets</b>	<b>659.6</b>	<b>635.1</b>	<b>+ 24.5</b>	<b>103.9%</b>
<b>Net assets</b>	<b>478.1</b>	<b>439.7</b>	<b>+ 38.3</b>	<b>108.7%</b>
<b>Net assets per share</b>	(yen) <b>2,736.50</b>	(yen) <b>2,523.81</b>	(yen) <b>+ 212.69</b>	<b>108.4%</b>
<b>Equity-to-asset ratio</b>	<b>66.5%</b>	<b>63.8%</b>	<b>+ 2.7</b>	<b>—</b>

# Consolidated Balance Sheet

Billion yen

	Sep. 30.2021 (FY2021)	Mar. 31.2021 (FY2020)	Difference		Sep. 30.2021 (FY2021)	Mar. 31.2021 (FY2020)	Difference
<b>Assets</b>				<b>Liabilities</b>			
<b>Cash and deposits</b>	<b>186.0</b>	<b>176.2</b>	<b>9.8</b>	Notes and accounts payable - trade	<b>25.8</b>	<b>22.7</b>	<b>3.1</b>
Notes and accounts receivable - trade	<b>57.0</b>	<b>50.3</b>	<b>6.7</b>	<b>Short-term loans payable</b>	<b>8.7</b>	<b>20.8</b>	<b>(12.0)</b>
<b>Inventories</b>	<b>30.1</b>	<b>27.7</b>	<b>2.3</b>	<b>Others</b>	<b>47.5</b>	<b>49.9</b>	<b>(2.4)</b>
<b>Others</b>	<b>12.6</b>	<b>12.5</b>	<b>0.1</b>	<b>Current liabilities</b>	<b>82.1</b>	<b>93.5</b>	<b>(11.3)</b>
<b>Current assets</b>	<b>285.8</b>	<b>266.8</b>	<b>19.0</b>	Long-term loans payable	<b>62.9</b>	<b>65.7</b>	<b>(2.7)</b>
				Net defined benefit liability	<b>4.3</b>	<b>4.3</b>	<b>(0.0)</b>
Property, plant and equipment	<b>206.9</b>	<b>203.0</b>	<b>3.9</b>	<b>Others</b>	<b>32.0</b>	<b>31.7</b>	<b>0.3</b>
				<b>Non-Current liabilities</b>	<b>99.3</b>	<b>101.7</b>	<b>(2.4)</b>
<b>Intangible assets</b>	<b>5.4</b>	<b>5.3</b>	<b>0.0</b>	<b>Total Liabilities</b>	<b>181.5</b>	<b>195.3</b>	<b>(13.8)</b>
Investment securities	<b>74.9</b>	<b>80.2</b>	<b>(5.3)</b>	<b>Net Assets</b>			
Shares of affiliates	<b>70.8</b>	<b>65.3</b>	<b>5.4</b>	<b>Shareholder's equity</b>	<b>452.0</b>	<b>430.6</b>	<b>21.3</b>
<b>Others</b>	<b>15.6</b>	<b>14.3</b>	<b>1.3</b>	Accumulated other comprehensive income	<b>(13.0)</b>	<b>(25.7)</b>	<b>12.6</b>
Investments and other assets	<b>161.4</b>	<b>159.8</b>	<b>1.5</b>	<b>Non-controlling interests</b>	<b>39.1</b>	<b>34.8</b>	<b>4.3</b>
				<b>Total Net Assets</b>	<b>478.1</b>	<b>439.7</b>	<b>38.3</b>
<b>Total Assets</b>	<b>659.6</b>	<b>635.1</b>	<b>24.5</b>	<b>Total Liabilities and Net Assets</b>	<b>659.6</b>	<b>635.1</b>	<b>24.5</b>

# Increase / Decrease in Net sales (1)

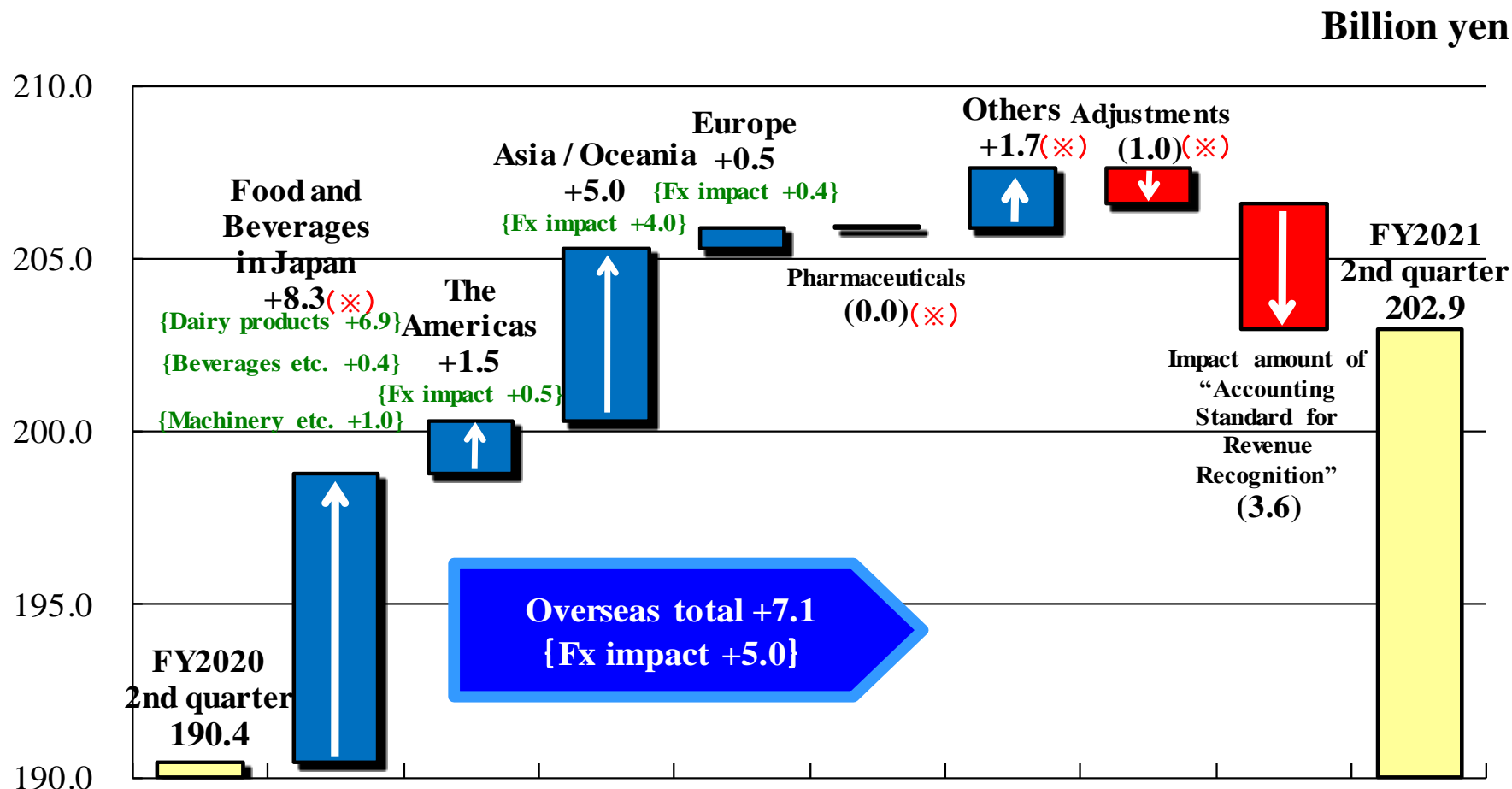


Billion yen

Segment	Net Sales		Year-on-Year		Year-on-Year breakdown	
	FY2021 (2021.4-2021.9)	FY2020 (2020.4-2020.9)	Amount ①	Rate	Impact amount of “Accounting Standard for Revenue Recognition” ②	Real Increase / Decrease ①-②
Food and Beverages in Japan	101.3	104.4	(3.1)	(3.0)%	(11.5)	+ 8.3
The Americas	22.8	21.3	+ 1.5	+ 7.1 %	—	+ 1.5
Asia / Oceania	61.1	56.1	+ 5.0	+ 8.9 %	—	+ 5.0
Europe	4.8	4.2	+ 0.5	+ 13.3 %	—	+ 0.5
Food and Beverages (Overseas)	88.8	81.7	+ 7.1 Fx impact + 5.0	+ 8.7 %	—	+ 7.1
Pharmaceuticals	8.6	8.9	(0.3)	(3.4)%	(0.3)	(0.0)
Others	9.2	7.8	+ 1.4	+ 18.4 %	(0.3)	+ 1.7
Adjustments	(5.0)	(12.5)	+ 7.4	(59.6)%	+ 8.5	(1.0)
Total	202.9	190.4	+ 12.5	+ 6.6 %	(3.6)	+ 16.1

# Increase / Decrease in Net sales (2)

## Change amount +12.5



※ The amount in Food and Beverages in Japan, Pharmaceuticals, Others and Adjustments is real increase / decrease.



# Increase / Decrease in Operating profit (1)



Billion yen

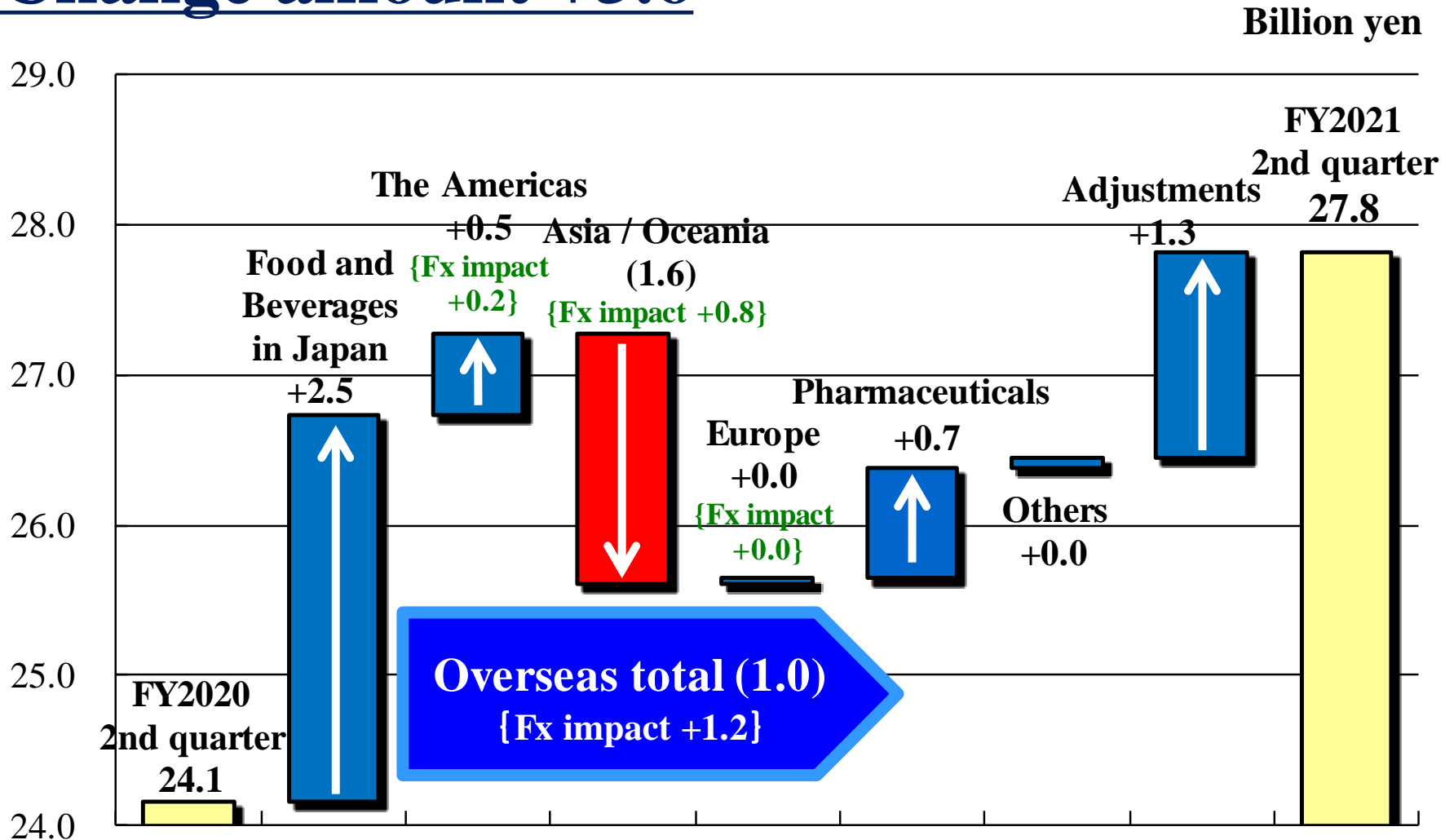
Segment	Operating Profit		Year-on-Year	
	FY2021 (2021.4-2021.9)	FY2020 (2020.4-2020.9)	Amount	Rate
Food and Beverages in Japan	14.9	12.3	+ 2.5	+ 20.8 %
The Americas	6.1	5.6	+ 0.5	+ 9.5 %
Asia / Oceania	12.5	14.1	(1.6)	(11.7)%
Europe	0.7	0.6	+ 0.0	+ 6.5 %
Food and Beverages (Overseas)	19.4	20.4	(1.0) Fx impact +1.2	(5.3)%
Pharmaceuticals	1.3	0.6	+ 0.7	+ 121.3 %
Others	(0.1)	(0.1)	+ 0.0	—
Adjustments	(7.7)	(9.1)	+ 1.3	(15.0)%
<b>Total</b>	<b>27.8</b>	<b>24.1</b>	<b>+ 3.6</b>	<b>+ 15.1 %</b>

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

# Increase / Decrease in Operating profit (2)



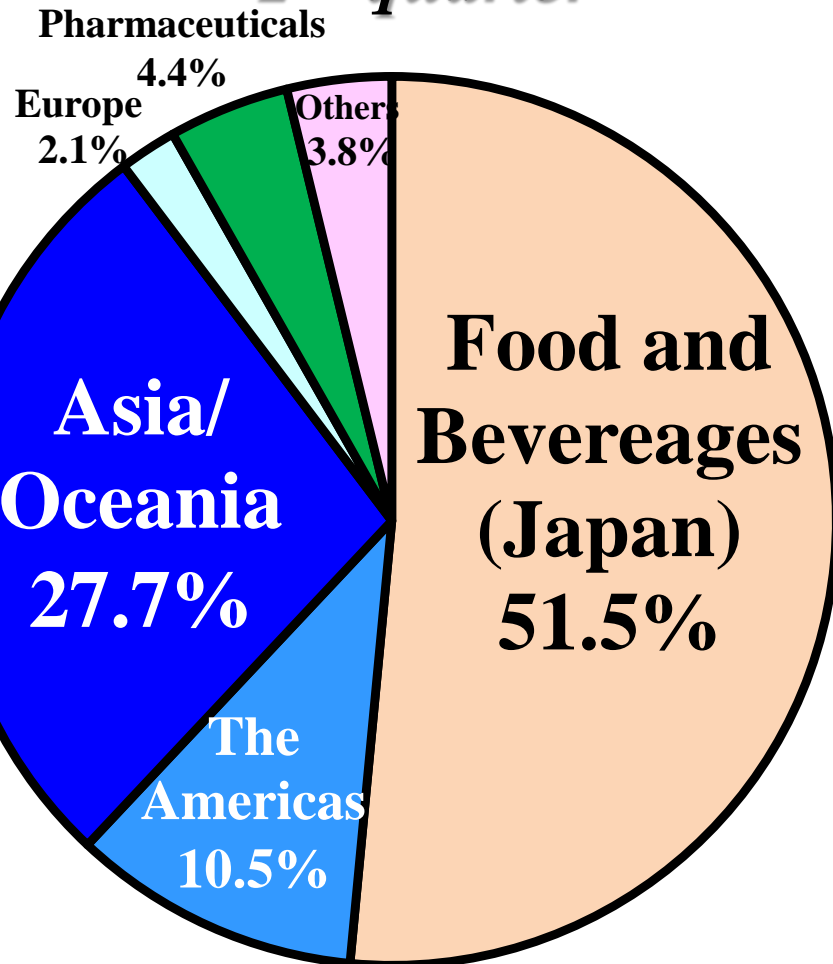
## Change amount +3.6



# Segment share of consolidated sales

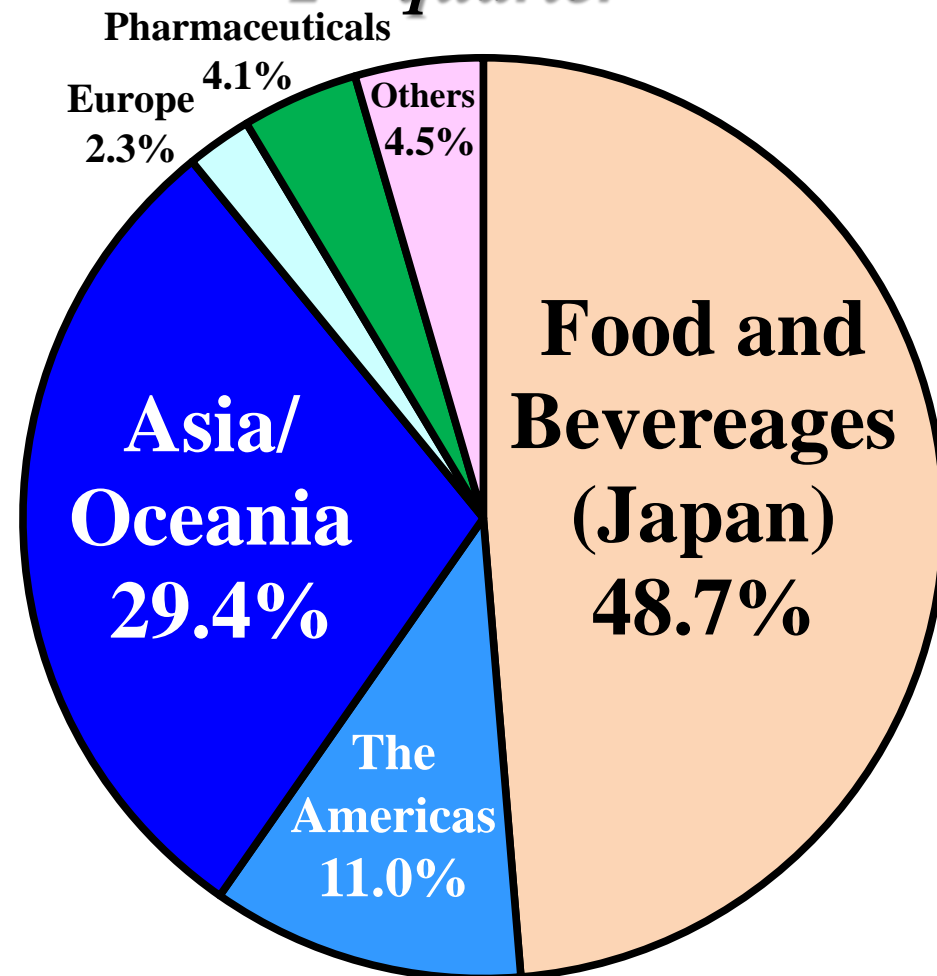


**FY2020**  
*2<sup>nd</sup> quarter*



**Overseas total: 40.3%**

**FY2021**  
*2<sup>nd</sup> quarter*



**Overseas total: 42.7%**

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



(Thousands of bottles / day)

Region	Current	Previous	Year-on Year
<b>Japan</b>	<b>9,788</b>	<b>9,622</b>	<b>101.7%</b>
Brazil	1,451	1,461	99.3%
Mexico	3,454	3,644	94.8%
America	525	429	122.7%
<b>The Americas total</b>	<b>5,431</b>	<b>5,535</b>	<b>98.1%</b>
Hong Kong	421	440	95.8%
Shingapore	259	281	92.4%
Indonesia	7,114	6,442	110.4%
Australia	274	266	102.9%
Malaysia	332	354	93.8%
Vietnam	720	640	112.5%
India	224	182	122.9%
Middle East	20	15	134.3%
Myanmar	5	17	28.4%
Guangzhou	2,728	2,617	104.2%
Shanghai	424	514	82.5%
Beijing	367	409	89.6%
China	3,370	3,388	99.5%
<b>(China total)</b>	<b>6,889</b>	<b>6,929</b>	<b>99.4%</b>
<b>Asia / Oceania total</b>	<b>16,258</b>	<b>15,565</b>	<b>104.4%</b>

Region	Current	Previous	Year-on Year
Netherlands	190	170	111.8%
Belgium	88	85	104.3%
United Kingdom	246	225	109.2%
Germany	81	75	108.2%
Austria	12	12	97.5%
Italia	89	100	88.3%
<b>Europe total</b>	<b>705</b>	<b>667</b>	<b>105.8%</b>
<b>Overseas total</b>	<b>22,394</b>	<b>21,767</b>	<b>102.9%</b>
<b>Consolidated total</b>	<b>32,182</b>	<b>31,389</b>	<b>102.5%</b>

## 【Ref】 Affiliates

Region	Current	Previous	Year-on Year
Taiwan	631	644	98.0%
Thailand	2,162	2,062	104.8%
Korea	2,718	2,752	98.8%
Philippines	3,617	2,641	136.9%
<b>Affiliates total</b>	<b>9,128</b>	<b>8,099</b>	<b>112.7%</b>

<b>Grand Total</b>	<b>41,310</b>	<b>39,488</b>	<b>104.6%</b>
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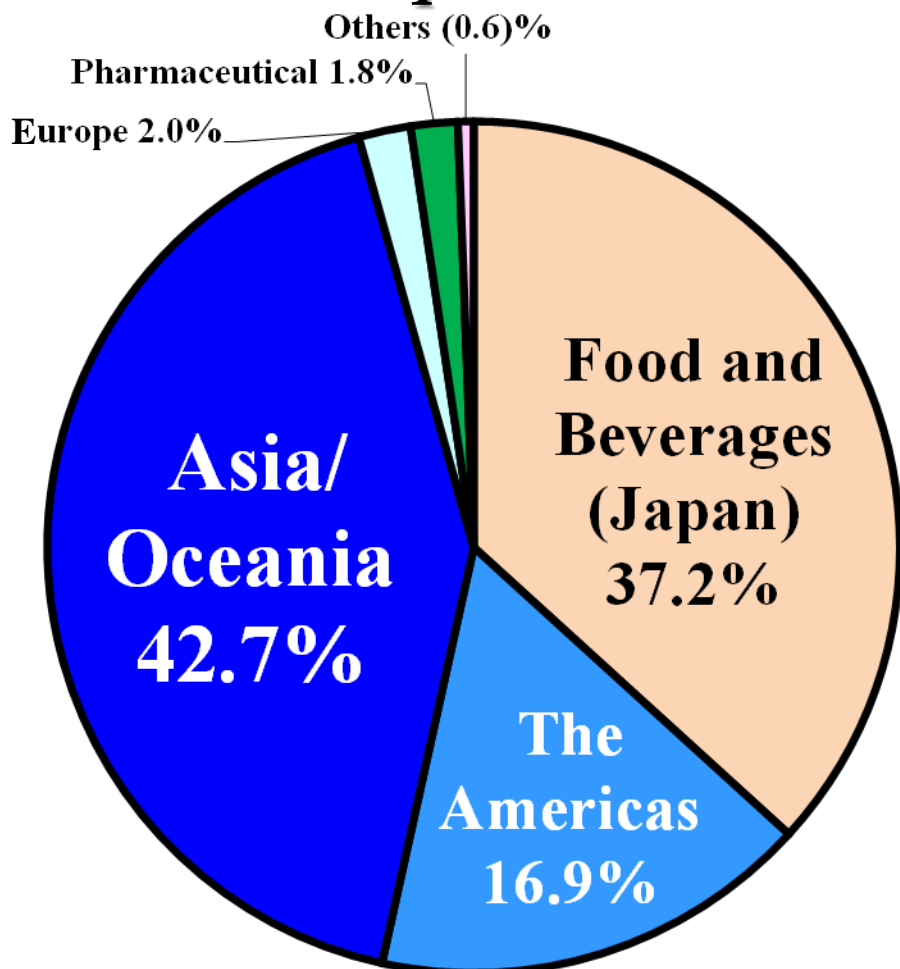
Japan : Sales in April to September, 2021

Overseas : Sales in January to June, 2021

# Segment share of consolidated Operating profit

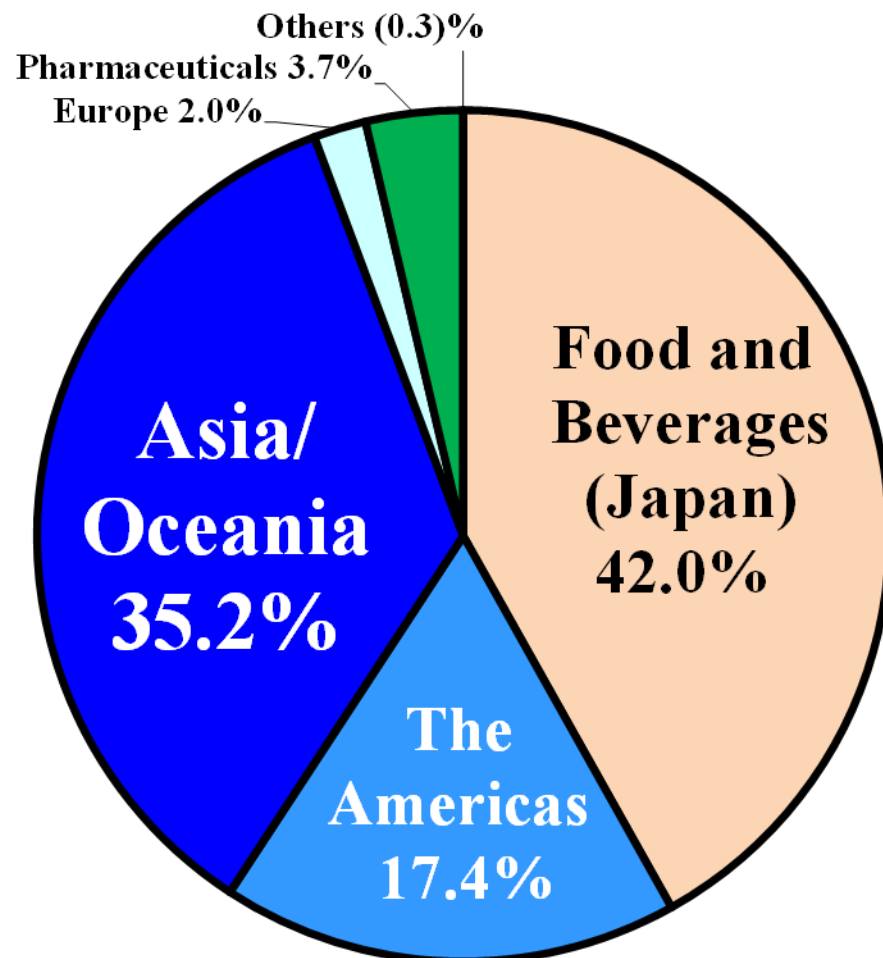


**FY2020**  
*2<sup>nd</sup> quarter*



**Overseas total: 61.6%**

**FY2021**  
*2<sup>nd</sup> quarter*



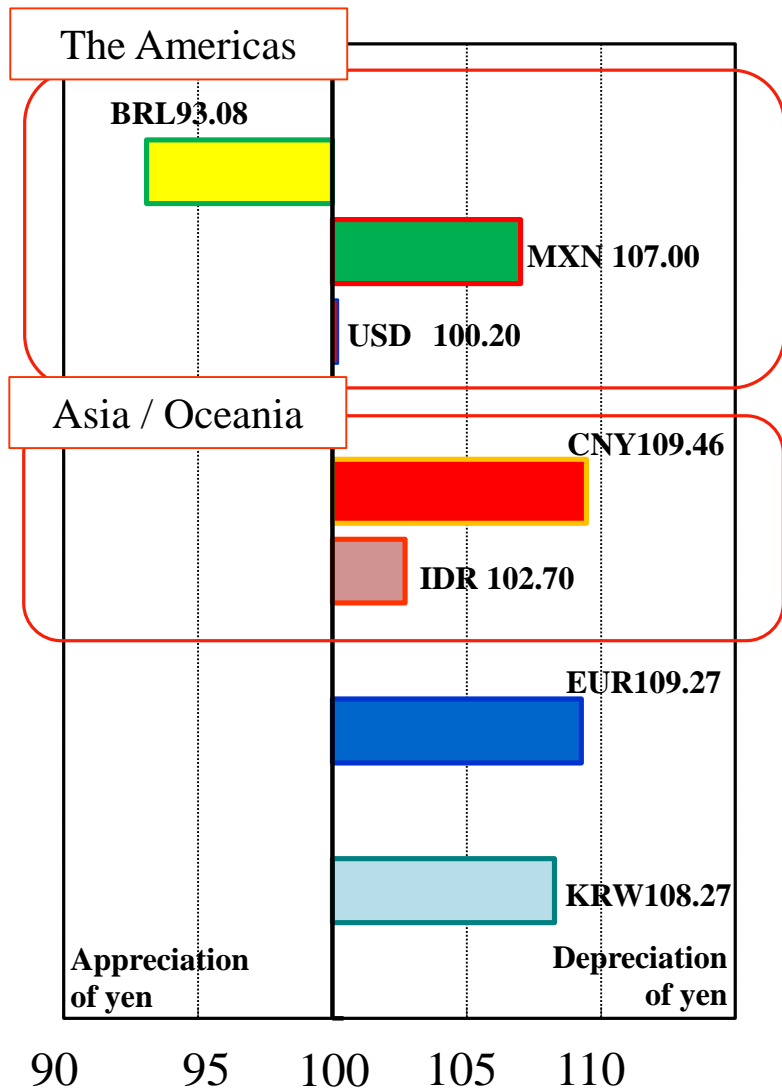
**Overseas total: 54.6%**

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



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

Average rate from Jan to Jun, 2021



< Impact >

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	+ 0.5	+ 0.2	+ 0.2	+ 0.1
Asia/Oceania	+ 4.0	+ 0.8	+ 0.9	+ 0.7
Europe	+ 0.4	+ 0.0	+ 0.0	+ 0.0
Equity method	—	—	+ 0.2	+ 0.2
<b>Total</b>	<b>+ 5.0</b>	<b>+ 1.2</b>	<b>+ 1.5</b>	<b>+ 1.1</b>

***Consolidated Forecast  
For FY 2021***

## **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 FY2021 (1)



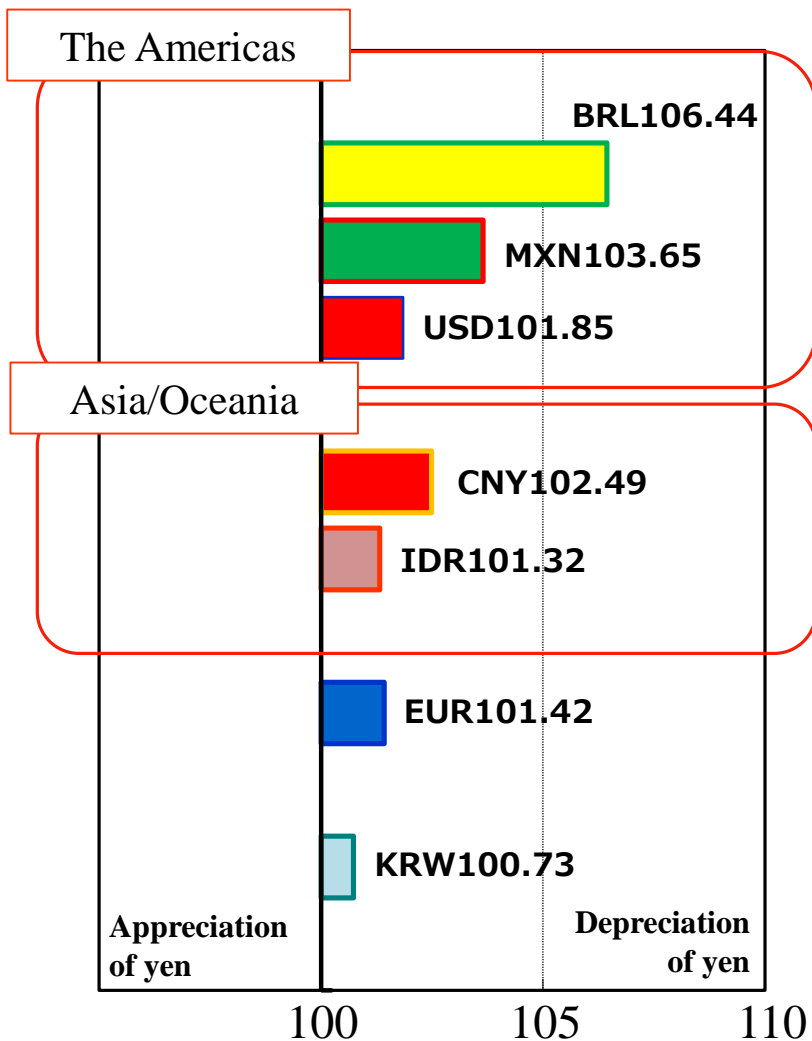
Billion yen

	Revised Forecast (2021.4-2022.3)	Original Forecast (2021.4-2022.3)	Difference
Net sales	412.5	408.5	+ 4.0 Fx impact +4.4
Operating profit	51.5	50.0	+ 1.5 Fx impact +0.9
Ordinary profit	63.5	60.0	+ 3.5 Fx impact +1.1
Profit attributable to owners of parent	43.0	41.0	+ 2.0 Fx impact +0.7
Basic earnings per share	(yen) 268.05	(yen) 255.53	(yen) + 12.52

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

<Average rate from Jan to Mar, 2021=100>

Average rate from Jan to Sep, 2021



<Impact>

Billion yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	+ 1.7	+ 0.4	+ 0.5	+ 0.2
Asia/Oceania	+ 2.5	+ 0.5	+ 0.6	+ 0.5
Europe	+ 0.2	—	—	—
Equity method	—	—	—	—
<b>Total</b>	<b>+ 4.4</b>	<b>+ 0.9</b>	<b>+ 1.1</b>	<b>+ 0.7</b>

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



Billion yen

Segment	Net Sales		VS.Original Forecast	
	Revised Forecast (2021.4-2022.3)	Original Forecast (2021.4-2022.3)	Amount	Rate
Food and Beverages in Japan	203.5	201.7	+ 1.8	+ 0.9%
The Americas	46.3	43.0	+ 3.3	+ 7.7%
Asia/Oceania	126.5	125.1	+ 1.4	+ 1.1%
Europe	9.9	10.1	(0.2)	(2.0)%
Food and Beverages (Overseas)	182.7	178.2	+ 4.5 Fx impact +4.4	+ 2.5%
Pharmaceuticals	16.5	16.0	+ 0.5	+ 3.1%
Others	19.3	19.8	(0.5)	(2.5)%
Adjustments	(9.5)	(7.2)	(2.3)	+ 31.9%
Total	412.5	408.5	+ 4.0	+ 1.0%

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



Billion yen

Segment	Operating Profit		VS.Original Forecast	
	Revised Forecast (2021.4-2022.3)	Original Forecast (2021.4-2022.3)	Amount	Rate
Food and Beverages in Japan	27.3	27.1	+ 0.2	+ 0.7%
The Americas	11.6	10.3	+ 1.3	+ 12.6%
Asia/Oceania	26.1	28.7	(2.6)	(9.1)%
Europe	0.7	0.8	(0.1)	(12.5)%
Food and Beverages (Overseas)	38.4	39.8	(1.4) Fx impact +0.9	(3.5)%
Pharmaceuticals	1.4	1.1	+ 0.3	+ 27.3%
Others	(0.8)	(0.1)	(0.7)	—
Adjustments	(14.8)	(17.9)	+ 3.1	(17.3)%
Total	51.5	50.0	+ 1.5	+ 3.0%

# Consolidated forecast for FY2021 (2)



Billion yen

	FY2021	FY2020	Difference	
	(2021.4-2022.3)	(2020.4-2021.3)		Year-on-Year
Net sales	412.5	385.7	+ 26.7 Fx impact +12.2	106.9%
Operating profit	51.5	43.6	+ 7.8 Fx impact +2.9	117.9%
Ordinary profit	63.5	57.6	+ 5.8 Fx impact +3.3	110.2%
Profit attributable to owners of parent	43.0	39.2	+ 3.7 Fx impact +2.4	109.5%
Basic earnings per share	(yen) 268.05	(yen) 244.85	(yen) + 23.20	109.5%

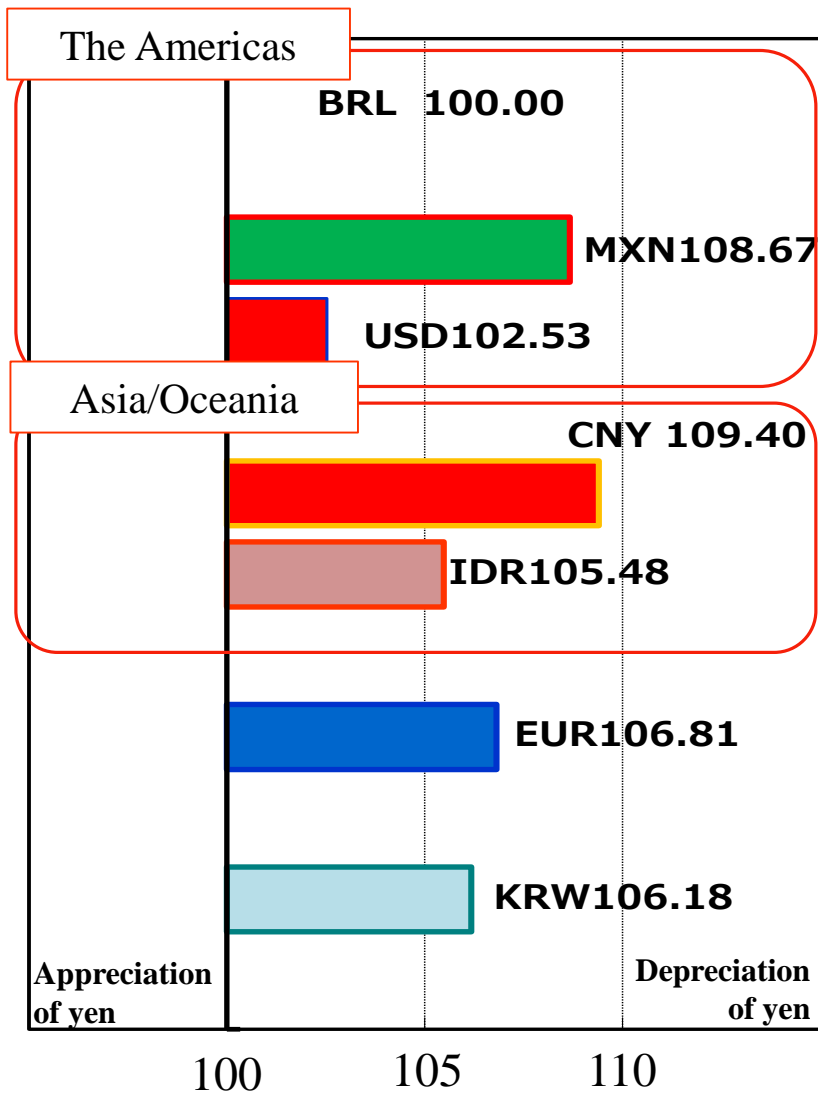
※“Accounting Standard for Revenue Recognition” is applied from FY2021 and Net sales decrease 7.3 billion yen. (Reference P.20)

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



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

Average rate from Jan to Sep, 2021



Billion yen				
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
The Americas	+ 2.5	+ 0.8	+ 0.8	+ 0.4
Asia/Oceania	+ 9.0	+ 2.0	+ 2.2	+ 1.7
Europe	+ 0.7	+ 0.1	+ 0.1	+ 0.1
Equity method	—	—	+ 0.2	+ 0.2
<b>Total</b>	<b>+ 12.2</b>	<b>+ 2.9</b>	<b>+ 3.3</b>	<b>+ 2.4</b>

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



Billion yen

Segment	Net Sales		Year-on-Year		Year-on-Year breakdown	
	Revised Forecast (2021.4-2022.3)	FY2020 (2020.4-2021.3)	Amount ①	Rate	Impact amount of “Accounting Standard for Revenue Recognition” ②	Real Increase / Decrease ①-②
Food and Beverages in Japan	203.5	207.0	(3.5)	(1.7)%	(22.2)	+ 18.6
The Americas	46.3	41.8	+ 4.4	+ 10.6%	—	+ 4.4
Asia/Oceania	126.5	114.9	+ 11.5	+ 10.0%	—	+ 11.5
Europe	9.9	8.5	+ 1.3	+ 15.6%	—	+ 1.3
Food and Beverages (Overseas)	182.7	165.4	+ 17.2 Fx impact +12.2	+ 10.5%	—	+ 17.2
Pharmaceuticals	16.5	18.1	(1.6)	(9.0)%	(0.7)	(0.9)
Others	19.3	17.7	+ 1.5	+ 9.0%	(0.5)	+ 2.0
Adjustments	(9.5)	(22.5)	+ 13.0	(57.9)%	+ 16.1	(3.0)
Total	412.5	385.7	+ 26.7	+ 6.9%	(7.3)	+ 34.0

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



Billion yen

Segment	Operating Profit		Year-on-Year	
	Revised Forecast (2021.4-2022.3)	FY2020 (2020.4-2021.3)	Amount	Rate
Food and Beverages in Japan	27.3	23.7	+ 3.5	+ 14.9%
The Americas	11.6	10.3	+ 1.2	+ 11.6%
Asia/Oceania	26.1	26.3	(0.2)	(1.1)%
Europe	0.7	0.6	+ 0.0	+ 7.9%
Food and Beverages (Overseas)	38.4	37.4	+ 0.9 Fx impact +2.9	+ 2.6%
Pharmaceuticals	1.4	0.1	+ 1.2	+ 631.7%
Others	(0.8)	(0.1)	(0.6)	—
Adjustments	(14.8)	(17.5)	+ 2.7	(15.6)%
Total	51.5	43.6	+ 7.8	+ 17.9%

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



**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.