



**Supplementary Materials for
Financial Statements for The Third
Quarter Ended December 31, 2016
(April 1, 2016 to December 31, 2016)**

January 31, 2017

Yakult Honsha Co., Ltd.

Public Relations Department

Investor Relations Department

URL <http://www.yakult.co.jp/company/ir/>

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About a numeric display of this material

1. Unit of money : Less than one million yen is rounded down.

2. Quantity results: Less than 1,000 is rounded off.

3. Year on year percentage: The second place is rounded off after the decimal point.

Consolidated

1. Major Increases (Decreases) in Consolidated Balance Sheet

(Millions of yen)

	As of Mar.31. 2016	As of Dec. 31. 2016	Increase (Decrease)
Total Assets	577,534	572,909	(4,625)
Current assets			
Cash and deposits	121,846	128,006	6,160
Notes and accounts receivable	56,285	61,613	5,328
Inventories	28,056	26,306	(1,749)
Others	15,442	13,949	(1,492)
Fixed assets			
Tangible fixed assets			
Buildings and structures	92,224	86,235	(5,988)
Others	109,574	104,808	(4,766)
Intangible fixed assets	5,381	4,844	(537)
Investments and other assets			
Investment securities	139,992	138,337	(1,655)
Others	8,732	8,807	75
Total Liabilities	212,069	220,104	8,035
Current liabilities			
Notes and accounts payable	24,652	27,675	3,022
Short-term borrowings	44,089	56,326	12,236
Others	42,870	40,563	(2,307)
Fixed liabilities			
Long-term borrowings	63,223	58,906	(4,317)
Retirement benefit obligation	9,471	8,344	(1,127)
Others	27,761	28,288	527
Total Net Assets	365,464	352,804	(12,660)
Shareholder's Equity	322,162	342,758	20,595
Accumulated other comprehensive income	9,634	(21,399)	(31,033)
Non-controlling interests	33,667	31,445	(2,222)

2. Major Increases (Decreases) in Consolidated Statements of Income

(Millions of yen)

	3Q of FY 2016 (April 1, 2015~ December 31, 2015)	3Q of FY 2017 (April 1, 2016~ December 31, 2016)	Increase (Decrease)	
			Amount	Ratio (%)
Net sales	299,826	291,082	(8,743)	(2.9)
(Sales by segments)				%
Food and beverages (Japan)	151,706	155,632	3,926	2.6
Food and beverages (Overseas)	122,170	111,981	(10,189)	(8.3)
Pharmaceuticals	27,019	21,846	(5,173)	(19.1)
Others	16,081	16,898	817	5.1
Adjustments	(17,152)	(15,276)	1,875	---
Cost of sales	129,526	125,602	(3,923)	(3.0)
Gross profit	170,299	165,480	(4,819)	(2.8)
Gross profit margin (%)	56.8	56.9	0.1	
Selling, general and administrative expenses	134,198	132,666	(1,531)	(1.1)
Selling expenses	62,201	63,797	1,596	
General and administrative expenses	71,997	68,868	(3,128)	
Operating income	36,101	32,813	(3,287)	(9.1)
Operating income margin (%)	12.0	11.3	(0.7)	
(Operating income by segments)				
Food and beverages (Japan)	7,595	10,879	3,283	43.2
Food and beverages (Overseas)	33,541	30,148	(3,393)	(10.1)
Pharmaceuticals	6,103	2,538	(3,564)	(58.4)
Others	1,533	1,594	61	4.0
Adjustments	(12,671)	(12,347)	324	---
【 include corporate expenses 】	【(9,302)】	【(9,442)】		
Non-operating income	10,757	9,297	(1,460)	(13.6)
Interests income	2,110	2,100	(10)	
Dividends income	1,474	1,527	52	
Gain on equity method	3,699	3,339	(360)	
Others	3,473	2,330	(1,142)	
Non-operating expenses	1,020	861	(159)	(15.7)
Interest expenses	701	546	(154)	
Others	319	314	(5)	
Ordinary income	45,838	41,250	(4,588)	(10.0)
Ordinary income margin (%)	15.3	14.2	(1.1)	
Extraordinary gain	478	278	(199)	(41.8)
Extraordinary loss	680	454	(226)	(33.3)
Income before income taxes and minority interests	45,635	41,074	(4,561)	(10.0)
Income taxes	12,853	10,373	(2,479)	
Profit	32,782	30,700	(2,082)	(6.4)
Profit attributable to non controlling interests	4,467	3,915	(551)	
Profit attributable to owners of parent	28,315	26,784	(1,530)	(5.4)
Net income margin (%)	9.4	9.2	(0.2)	

3. Performance Overview

(1) Breakdown of Statements of Income

(Millions of yen)

	3Q of FY 2016 (April 1, 2015 ~ December 31, 2015)		3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)	
	Results	Year on year(%)	Results	Year on year(%)
Net sales	299,826	107.1	291,082	97.1
Operating income	36,101	122.4	32,813	90.9
Ordinary income	45,838	125.1	41,250	90.0
Profit attributable to owners of parent	28,315	131.4	26,784	94.6

(2) Breakdown of Gains on Equity Method

(Millions of yen)

	3Q of FY 2016 (April 1, 2015 ~ December 31, 2015)		3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)	
	Results	Year on year(%)	Results	Year on year(%)
Investment gains on the equity method	3,699	133.9	3,339	90.3

4. Segment Information

Actual Results

(1) Result of the third quarter ended December 31, 2015 (April 1, 2015 ~ December 31, 2015)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	151,706	122,170	40,326	75,447	6,396
Percentage of net sales (%)	50.6	40.7	13.4	25.2	2.1
Year on year (%)	99.1	115.3	99.6	128.3	95.7
Operating expenses	144,111	88,629	30,351	52,383	5,894
Year on year (%)	100.7	110.8	97.5	123.9	89.0
Operating income (loss)	7,595	33,541	9,975	23,064	501
Year on year (%)	76.3	129.2	106.6	139.4	778.4
Operating income margin (%)	5.0	27.5	24.7	30.6	7.8

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	27,019	16,081	316,978	(17,152)	299,826
Percentage of net sales (%)	9.0	5.4	105.7	(5.7)	100.0
Year on year (%)	111.1	108.2	106.3	93.6	107.1
Operating expenses	20,916	14,548	268,205	(4,480)	263,724
Year on year (%)	105.2	108.3	104.6	74.4	105.3
Operating income (loss)	6,103	1,533	48,773	※ (12,671)	36,101
Year on year (%)	137.1	107.3	116.7	102.9	122.4
Operating income margin (%)	22.6	9.5	---	---	12.0

※Adjustment・・・12,671 million yen of adjustment include 9,302 million yen of administrative expenses in parent company.

Also note that the amount of difference for 3,369 million yen is elimination of royalty income.

(2) Result of the third quarter ended December 31, 2016 (April 1, 2016 ~ December 31, 2016)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	155,632	111,981	34,264	71,848	5,867
Percentage of net sales (%)	53.5	38.5	11.8	24.7	2.0
Year on year (%)	102.6	91.7	85.0	95.2	91.7
Operating expenses	144,753	81,833	25,758	50,857	5,216
Year on year (%)	100.4	92.3	84.9	97.1	88.5
Operating income (loss)	10,879	30,148	8,505	20,990	651
Year on year (%)	143.2	89.9	85.3	91.0	129.8
Operating income margin (%)	7.0	26.9	24.8	29.2	11.1

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	21,846	16,898	306,359	(15,276)	291,082
Percentage of net sales (%)	7.5	5.8	105.3	(5.3)	100.0
Year on year (%)	80.9	105.1	96.6	89.1	97.1
Operating expenses	19,307	15,304	261,198	(2,929)	258,268
Year on year (%)	92.3	105.2	97.4	65.4	97.9
Operating income (loss)	2,538	1,594	45,160	※ (12,347)	32,813
Year on year (%)	41.6	104.0	92.6	97.4	90.9
Operating income margin (%)	11.6	9.4	---	---	11.3

※Adjustment...12,347 million yen of adjustment include 9,442 million yen of administrative expenses in parent company.

Also note that the amount of difference for 2,904 million yen is elimination of royalty income.

〈Reference〉

Result of the third quarter ended December 31, 2016.

(using exchange rate of the average 2015.(Jan. -Sep. 2015))

(3) Result of the third quarter ended December 31, 2016 (estimate)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	155,632	132,638	43,105	82,781	6,751
Percentage of net sales (%)	49.9	42.6	13.8	26.6	2.2
Year on year (%)	102.6	108.6	106.9	109.7	105.6
Operating expenses	144,753	96,693	32,142	58,656	5,895
Year on year (%)	100.4	109.1	105.9	112.0	100.0
Operating income (loss)	10,879	35,944	10,963	24,125	855
Year on year (%)	143.2	107.2	109.9	104.6	170.6
Operating income margin (%)	7.0	27.1	25.4	29.1	12.7

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	21,846	16,898	327,016	(15,276)	311,739
Percentage of net sales (%)	7.0	5.4	104.9	(4.9)	100.0
Year on year (%)	80.9	105.1	103.2	89.1	104.0
Operating expenses	19,307	15,304	276,058	(2,929)	273,129
Year on year (%)	92.3	105.2	102.9	65.4	103.6
Operating income (loss)	2,538	1,594	50,957	※ (12,347)	38,610
Year on year (%)	41.6	104.0	104.5	97.4	106.9
Operating income margin (%)	11.6	9.4	---	---	12.4

※Adjustment・・・12,347 million yen of adjustment include 9,442 million yen of administrative expenses in parent company.

Also note that the amount of difference for 2,904 million yen is elimination of royalty income.

5. Overseas companies Dairy Products sales (Bottles sold per day)

(Thousands of bottles/day)

	Consolidation Classification	3Q of FY 2017 (From January to September, 2016.)		Preliminary figure (From January to December, 2016.)	
		Sales quantity	Year on year (%)	Sales quantity	Year on year (%)
Taiwan	Equity method	820	98.2	801	98.3
Hong Kong	Consolidated	575	92.2	549	90.8
Thailand ※1	Equity method	2,179	103.5	2,183	102.6
Korea	Equity method	3,699	96.6	3,604	97.2
Philippines	Equity method	2,439	114.0	2,449	114.5
Singapore	Consolidated	247	98.1	242	96.8
Indonesia	Consolidated	5,010	118.9	5,051	116.5
Australia	Consolidated	236	102.7	237	102.1
Malaysia	Consolidated	331	108.3	329	108.1
Vietnam	Consolidated	218	111.7	215	110.7
India ※2	Consolidated	158	108.8	157	108.6
Guangzhou	Consolidated	2,364	103.1	2,307	105.8
Shanghai	Consolidated	604	105.2	582	106.8
Beijing	Consolidated	357	107.7	342	108.5
China ※3	Consolidated	2,718	113.5	2,594	115.5
China total		6,042	108.1	5,825	110.2
Asia and Oceania total		21,953	107.3	21,642	107.5
(Consolidated subsidiary company Total)		12,817	110.9	12,605	111.0
Brazil ※4	Consolidated	1,970	98.0	1,936	95.3
Mexico	Consolidated	3,615	102.6	3,560	101.8
USA ※5	Consolidated	255	112.5	256	112.1
The Americas total		5,840	101.4	5,751	99.9
Netherlands	Consolidated	172	104.8	171	102.4
Belgium	Consolidated	68	105.3	69	107.6
United Kingdom	Consolidated	188	101.7	190	102.7
Germany	Consolidated	81	114.1	83	111.2
Austria	Consolidated	10	92.2	11	93.5
Italy	Consolidated	85	107.4	87	105.3
Europe total		605	105.2	611	104.4
Total		28,398	106.0	28,004	105.7
(Consolidated subsidiary company Total)		19,262	107.7	18,967	107.2

<Accounting period: From January to December>

※1 : Thailand : Accounting date:31th May

※2 : India : Accounting date: 31th March.

※3 : Sales Area of Yakult (China) : Nanjing city, Tianjin city, Suzhou city, Hangzhou city, Qingdao city, Ningbo city, Jinan city, Yantai city, Wuhan city, Wenzhou city, Shenyang city, Dalian city, Fuzhou city, Xiamen city, Hefei city, Changsha city, Xi'an city, Nanchang city, Changchun city, Shijiazhuang city, Chengdu city, Chongqing city, Zhengzhou city, Taiyuan city, Harbin city, Hohhot City, Jinhua City, Huaian city, Kunming city, Nanning city. (excluding Guangdong, Hainan, Shanghai and Beijing city)

※4 : Brazil : Yakult S/A Ind.E.COM starts selling Yakult 40 Light on 20th July.

※5 : USA : Yakult U.S.A. INC. starts selling in middle west part of USA on middle of July.

(Reference) Non-Consolidated

Non-consolidated financial results are presented in accordance with "Regulation for quarterly financial statements".
But, it is not subject to be reviewed by auditors under the law.

1. Breakdown of Statements of Income

(Millions of yen)

	3Q of FY 2016 (April 1, 2015 ~ December 31, 2015)		3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)	
	Results	Year on year(%)	Results	Year on year(%)
Net sales	137,640	100.7	133,195	96.8
Operating income	4,152	92.2	878	21.1
Ordinary income	10,366	111.4	4,693	45.3
Net income	8,307	113.1	4,025	48.5

2. Sales breakdown

(1) Sales by Product Category

(Millions of yen)

	3Q of FY 2016 (April 1, 2015 ~ December 31, 2015)		3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)	
	Results	Year on year(%)	Results	Year on year(%)
Dairy products	61,524	101.7	64,965	105.6
Juices and other beverages etc.	24,672	98.3	23,394	94.8
Subtotal	86,197	100.7	88,359	102.5
Cosmetics	5,245	100.5	5,157	98.3
Pharmaceuticals	27,019	111.1	21,846	80.9
Others	19,177	89.1	17,832	93.0
Total	137,640	100.7	133,195	96.8

(2) Dairy Products sales (Bottles sold per day)

(Thousands of bottles/day)

		3Q of FY 2016 (April 1, 2015 ~ December 31, 2015)		3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)	
		Results	Year on year (%)	Results	Year on year (%)
Dairy Products	<i>New Yakult</i> (Including <i>New Yakult Calorie Half</i>)	3,272	102.2	3,708	113.4
	Total for <i>Yakult 400</i> products	3,328	99.2	3,453	103.8
	Other <i>Yakult</i> products ※1	196	103.8	231	117.5
	Total for <i>Yakult</i> products	6,796	100.8	7,392	108.8
	<i>Joie</i> (Drinkable Yoghurt, Yoghurt Cup)	958	101.7	866	90.4
	<i>Mil-Mil</i> products	389	98.1	399	102.6
	<i>Sofuhl</i> products	509	98.2	484	95.0
	Total for fermented milk	1,856	100.0	1,749	94.2
	Others ※2	221	91.0	191	86.7
	Total	8,873	100.3	9,333	105.2

※1 Total of *Yakult Ace*, *Yakult Gold*, and *Mainichi Nomu Yakult Mainichi Nomu Yakult* (Launched in November 2015).

※2 Total of *BF-1*, *Pretio*, *Nyusankin Soy α*, and *Cup de Yakult*.

(3) Juices and Other Beverages sales (Total Bottles sold)

(Thousands of bottles)

		3Q of FY 2016 (April 1, 2015 ~ December 31, 2015)		3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)	
		Results	Year on year(%)	Results	Year on year(%)
Health and functional food	<i>Bansoreicha</i>	16,690	90.6	15,142	90.7
	<i>Toughman</i>	40,936	105.7	35,818	87.5
	<i>Kurozu Drink</i>	24,186	91.9	22,126	91.5
	<i>Soy milk drinks</i>	33,751	98.3	30,775	91.2
	<i>Milougu</i>	23,185	71.5	21,217	91.5
Soft drinks	<i>Juices</i>	40,860	96.7	38,089	93.2
	<i>Kininaruyasai</i>	32,748	92.5	30,336	92.6
	<i>Coffee Time</i>	17,885	94.9	15,045	84.1
	<i>FIRE</i>	54,219	98.1	54,224	100.0

(4) Pharmaceuticals sales

(Millions of yen)

		3Q of FY 2016 (April 1, 2015 ~ December 31, 2015)		3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)	
		Results	Year on year(%)	Results	Year on year(%)
	<i>Campto</i> (Japan)	1,155	86.4	807	69.8
	<i>Campto</i> (Overseas)	50	23.0	266	525.9
	<i>Campto</i> total	1,206	77.4	1,074	89.0
	<i>Elplat</i>	19,445	109.2	14,523	74.7
	<i>Gemcitabine</i>	2,498	135.0	2,356	94.3
	Other pharmaceuticals	3,869	124.1	3,893	100.6
	Total	27,019	111.1	21,846	80.9

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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