



**Supplementary Materials for Financial Statements
For the Interim Period Ended September 30, 2004**

November 12, 2004

Yakult Honsha Co., Ltd.
Public Relations Department
IR Section

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

Consolidated

1. Major Increases (Decreases) in Consolidated Balance Sheet Figures

(Millions of yen)

	As of Sep. 30 2004	As of Mar. 31 2004	Increase (Decrease)	Primary reason for change
(Total Assets)	285,943	286,388	(444)	
Current assets				
Cash and deposits	60,822	77,503	(16,680)	Decrease in Parent company
Notes and accounts receivable	39,800	38,122	1,678	Increase in Parent company
Deferred tax assets	3,208	3,198	9	
Inventories	27,951	27,022	929	Increase in Parent company
Others	5,051	3,899	1,151	
Fixed assets				
Tangible fixed assets				
Machinery, equipment and vehicles	20,179	20,804	(625)	Decrease due to Depreciation
Others	65,668	65,829	(161)	
Intangible fixed assets	4,314	4,453	(139)	
Investments and other assets				
Investment securities	36,713	23,027	13,686	Increase in Parent company
Deferred tax assets	13,283	13,553	(270)	
Others	8,949	8,973	(23)	
(Liabilities)	83,429	90,353	(6,924)	
Current liabilities				
Notes and accounts payable	24,577	25,148	(571)	
Short-term bank loans	12,699	12,693	6	
Allowance for Bonuses	4,602	3,618	983	
Others	21,226	23,554	(2,327)	
Fixed liabilities				
Liability for retirement benefits	14,286	17,184	(2,898)	Decrease in Parent company
Others	6,036	8,153	(2,116)	Decrease in Long-term bank loans
Minority interests	14,061	13,268	792	
(Shareholders' equity)				
Total shareholders' equity	188,453	182,766	5,686	Increase in Retained earnings

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

(Millions of yen)

	Current interim period (2004.4 ~ 9)	Previous interim period (2003.4 ~ 9)	Increase (Decrease)		Primary reason for change	Revised forecasts (2004.4 ~ 9)
			Amount	%		
Net sales	121,832	124,085	(2,252)	(1.8)		121,500
(Sales by business segments)						
Food and beverages	107,642	106,479	1,162	1.1	Decrease in <i>Campto</i> overseas sales	
Pharmaceuticals	5,806	9,330	(3,523)	(37.8)		
Others	8,382	8,274	107	1.3		
Cost of sales	54,123	55,925	(1,802)	(3.2)		
Gross profit	67,709	68,159	(450)	(0.7)		
Gross profit margin	55.58%	54.93%	0.65%			
Selling, general and administrative expenses	59,037	57,799	1,237	2.1	Increase due to 8 new consolidated subsidiaries last year (These companies were not adopted as consolidated companies at 2003 Interim period)	
Selling expenses	26,204	25,681	522	2.0		
General and administrative expenses	32,833	32,118	714	2.2		
Operating income	8,672	10,359	(1,687)	(16.3)		8,500
Operating income margin	7.12%	8.35%	(1.23%)			7.00%
(Operating income by business segments)						
Food and beverages	12,468	11,341	1,126		Decrease in <i>Campto</i> overseas sales	
Pharmaceuticals	30	2,610	(2,580)			
Others	1,674	1,709	(34)			
Corporate expenses	(5,501)	(5,301)	(199)			
Non-operating income	4,378	5,577	(1,198)		Decrease in Pharmaceutical royalty income	
Foreign exchange gain	152	465	(313)			
Royalty income	1,268	1,672	(403)			
Investment gains under the equity method	1,691	1,912	(220)			
Other non-operating income	1,266	1,527	(261)			
Non-operating expenses	759	902	(142)		Due to inflation accounting at overseas subsidiaries	
Foreign currency fluctuation loss	273	214	58			
Other non-operating expenses	486	687	(201)			
Ordinary income	12,291	15,035	(2,743)	(18.2)		12,000
Ratio of ordinary income to Net sales	10.09%	12.12%	(2.03%)			9.88%
Extraordinary income	3,847	6,020	(2,172)		Decrease in Parent company	
Extraordinary loss	2,158	1,869	288			
Income before income taxes and minority interests	13,980	19,185	(5,204)	(27.1)		
Income taxes	5,364	7,238	(1,873)			
Minority interests	997	1,019	(21)			
Net income	7,618	10,927	(3,309)	(30.3)		8,000
Ratio of net income to Net sales	6.25%	8.81%	(2.56%)			6.58%

Revised forecast of 2004 Interim period, announced on October 5, 2004

3. Performance Overview

(1) Financial Highlights

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Net sales	121,832	98.2	248,000	103.8	124,085	99.7	238,847	98.4
Operating income	8,672	83.7	17,500	106.7	10,359	82.5	16,394	75.8
Ordinary income	12,291	81.8	24,500	105.9	15,035	88.3	23,144	78.8
Net income	7,618	69.7	13,500	89.5	10,927	117.0	15,083	104.9

(2) Ratios of Consolidated to Nonconsolidated Results

	Fiscal year ending March 31, 2005		Fiscal year ended March 31, 2004	
	Result of 1st half	Forecast of Full fiscal year	Result of 1st half	Result of Full fiscal year
Net sales	1.55	1.56	1.51	1.52
Operating income	7.65	3.50	4.19	4.23
Ordinary income	3.10	1.88	2.88	2.08
Net income	2.25	1.69	2.01	1.68

(3) Breakdown of Equity Method Gains

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Asia and Oceania	1,691	88.5	2,691	99.3	1,912	117.1	2,710	101.1

(4) Breakdown of Major Items

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Capital investment	3,360	113.2	9,400	120.5	2,970	48.3	7,801	76.7
Depreciation expense	3,851	96.8	8,100	101.4	3,977	100.7	7,984	95.6

4. Segment Information

(1) Financial Highlights by Business Segments

Result of 1st half Fiscal year ending March 31, 2005 and ended March 31, 2004

(Millions of yen)

Result of 1st half Fiscal year ending March 31, 2005	Food and beverages	Pharmaceuticals	Others	Total	Eliminations/corporate	Consolidated
Net sales	107,642	5,806	8,382	121,832	---	121,832
(Percentage of Net sales)	88.3	4.8	6.9	100.0	---	100.0
(Year on year)	101.1	62.2	101.3	98.2	---	98.2
Operating expenses	95,174	5,776	6,707	107,659	5,501	113,160
(Year on year)	100.0	86.0	102.2	99.3	103.8	99.5
Operating income (loss)	12,468	30	1,674	14,173	(5,501)	8,672
(Year on year)	109.9	1.2	98.0	90.5	103.8	83.7

Result of 1st half Fiscal year ended March 31, 2004	Food and beverages	Pharmaceuticals	Others	Total	Eliminations/corporate	Consolidated
Net sales	106,479	9,330	8,274	124,085	---	124,085
(Percentage of Net sales)	85.8	7.5	6.7	100.0	---	100.0
(Year on year)	100.6	93.2	96.0	99.7	---	99.7
Operating expenses	95,138	6,719	6,565	108,424	5,301	113,725
(Year on year)	101.8	106.3	92.2	101.4	106.8	101.7
Operating income (loss)	11,341	2,610	1,709	15,661	(5,301)	10,359
(Year on year)	91.9	70.8	114.1	89.4	106.8	82.5

Forecast of Full fiscal year ending March 31, 2005 and Result of Full fiscal year ended March 31, 2004

(Millions of yen)

Forecast of Full fiscal year ending March 31, 2005	Food and beverages	Pharmaceuticals	Others	Total	Eliminations/ corporate	Consolidated
Net sales	215,800	18,000	14,200	248,000	---	248,000
(Percentage of Net sales)	87.0	7.3	5.7	100.0	---	100.0
(Year on year)	104.5	99.0	99.7	103.8	---	103.8
Operating expenses	191,700	13,800	13,900	219,400	11,100	230,500
(Year on year)	104.0	105.8	101.3	103.9	97.9	103.6
Operating income (loss)	24,100	4,200	300	28,600	(11,100)	17,500
(Year on year)	109.2	81.8	57.7	103.1	97.9	106.7

Result of Full fiscal year ended March 31, 2004	Food and beverages	Pharmaceuticals	Others	Total	Eliminations/ corporate	Consolidated
Net sales	206,423	18,181	14,242	238,847	---	238,847
(Percentage of Net sales)	86.4	7.6	6.0	100.0	---	100.0
(Year on year)	99.6	86.4	98.7	98.4	---	98.4
Operating expenses	184,346	13,045	13,722	211,114	11,338	222,452
(Year on year)	100.7	99.3	93.5	100.1	111.1	100.6
Operating income (loss)	22,076	5,136	520	27,732	(11,338)	16,394
(Year on year)	91.4	65.0	---	87.2	111.1	75.8

(2) Financial Highlights by Regions

Result of 1st half Fiscal year ending March 31, 2005 and ended March 31, 2004

(Millions of yen)

Result of 1st half Fiscal year ending March 31, 2005	Japan	Overseas Total				Eliminations/corporate	Consolidated
			The Americas	Asia and Oceania	Europe		
Net sales	102,660	20,408	10,688	4,716	5,004	(1,237)	121,832
(Percentage of Net sales)	84.2	16.8	8.8	3.9	4.1	(1.0)	100.0
(Year on year)	98.6	92.3	81.7	112.7	103.2	59.0	98.2
Operating expenses	93,932	14,964	7,522	3,756	3,686	4,263	113,160
(Year on year)	99.9	90.9	79.9	120.0	94.0	133.1	99.5
Operating income (loss)	8,727	5,444	3,166	960	1,318	(5,501)	8,672
(Year on year)	87.2	96.4	86.4	91.1	142.0	103.8	83.7

Result of 1st half Fiscal year ended March 31, 2004	Japan	Overseas Total				Eliminations/corporate	Consolidated
			The Americas	Asia and Oceania	Europe		
Net sales	104,068	22,111	13,077	4,184	4,850	(2,096)	124,085
(Percentage of Net sales)	83.9	17.8	10.5	3.4	3.9	(1.7)	100.0
(Year on year)	98.4	112.3	104.7	122.1	128.6	209.8	99.7
Operating expenses	94,056	16,463	9,411	3,130	3,922	3,204	113,725
(Year on year)	100.7	113.6	105.7	117.4	134.2	80.8	101.7
Operating income (loss)	10,011	5,648	3,666	1,054	928	(5,301)	10,359
(Year on year)	81.2	108.8	102.4	138.5	109.2	106.8	82.5

Forecast of Full fiscal year ending March 31, 2005 and Result of Full fiscal year ended March 31, 2004

(Millions of yen)

Forecast of Full fiscal year ending March 31, 2005	Japan	Overseas Total				Eliminations/ corporate	Consolidated
			The Americas	Asia and Oceania	Europe		
Net sales	208,600	41,900	21,800	10,200	9,900	(2,500)	248,000
(Percentage of Net sales)	84.1	16.9	8.8	4.1	4.0	(1.0)	100.0
(Year on year)	102.8	104.8	98.2	116.5	109.9	61.3	103.8
Operating expenses	189,600	32,300	16,200	8,300	7,800	8,600	230,500
(Year on year)	102.6	106.5	97.6	126.7	108.7	118.4	103.6
Operating income (loss)	19,000	9,600	5,600	1,900	2,100	(11,100)	17,500
(Year on year)	105.0	99.6	100.0	86.1	114.6	97.9	106.7

Result of Full fiscal year ended March 31, 2004	Japan	Overseas Total				Eliminations/ corporate	Consolidated
			The Americas	Asia and Oceania	Europe		
Net sales	202,955	39,967	22,204	8,757	9,006	(4,076)	238,847
(Percentage of Net sales)	85.0	16.7	9.3	3.6	3.8	(1.7)	100.0
(Year on year)	98.2	104.2	95.6	120.0	114.8	173.3	98.4
Operating expenses	184,864	30,325	16,603	6,549	7,173	7,261	222,452
(Year on year)	99.9	107.5	102.4	112.6	116.3	92.5	100.6
Operating income (loss)	18,090	9,640	5,600	2,208	1,832	(11,338)	16,394
(Year on year)	83.6	94.8	79.8	149.5	109.4	111.1	75.8

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

[Performance from January to June 2004]

(June 30, 2004)

	Sales quantity (Thousands of bottles/day)	Year on year	Establishment	Ratio of shareholding (%)	Consolidation Classification	Currency Unit	Exchange rate		
							September 2004	June 2004	June 2003
Taiwan	1,198	92.9%	March 1964	15.00%	Equity method	TWD	3.270	3.220	3.465
Hong Kong	370	103.4%	June 1969	80.00%	Consolidated	HKD	14.24	13.90	15.36
Thailand	1,832	112.3%	June 1971	---	---	THB	---	---	---
Korea	5,146	99.1%	August 1971	38.30%	Equity method	KRW	0.0969	0.0946	0.1007
Philippines	903	126.0%	October 1978	40.00%	Equity method	PHP	2.00	1.95	2.26
Singapore	134	92.6%	July 1979	100.00%	Consolidated	SGD	65.69	63.22	68.14
Indonesia	848	110.3%	January 1991	100.00%	Consolidated	IDR	0.0122	0.0116	0.0146
*1 Australia	156	98.2%	February 1994	100.00%	Consolidated	AUD	79.66	74.81	79.77
Guangzhou	215	130.7%	June 2002	95.00%	Consolidated	CNY	13.42	13.09	14.43
*2 Malaysia	22	---	February 2004	100.00%	Consolidated	MYR	29.225	28.535	31.515
Asia and Oceania subtotal	10,824	103.8%							
Brazil	1,026	74.6%	October 1968	51.07%	Consolidated	BRL	38.855	34.895	41.700
Mexico	2,187	100.1%	October 1981	61.21%	Consolidated	MXN	9.78	9.47	11.600
Argentina	47	113.8%	May 1997	100.00%	Consolidated	ARS	37.50	36.91	43.55
The Americas subtotal	3,260	90.5%							
Netherlands	139	98.4%	April 1994	100.00%	Consolidated	EUR	136.97	130.99	136.81
Belgium	85	98.2%	April 1995	100.00%	Consolidated	EUR	136.97	130.99	136.81
United Kingdom	297	111.9%	April 1996	100.00%	Consolidated	GBP	200.06	196.18	198.03
Germany	115	102.4%	April 1996	100.00%	Consolidated	EUR	136.97	130.99	136.81
Europe subtotal	636	105.0%							
Total	14,720	100.6%							

*1 New Zealand Branch operation started on June 2004

*2 Malaysia Yakult operation started on Feb 2004

Advance into foreign markets

- Ireland (Sept 2004)

Starting sales of New Products

- Australia - Yakult Light (Sept 2004)
- Singapore - Yakult Ace Light (Oct 2004)

Test Sales(in 3 countries)

- France, Spain, USA(East coast and West coast)

Currently undergoing feasibility studies

- Vietnam, India, and other Asian countries(conducting local feasibility studies based on the assumption of market entry)
- Europe, especially EU countries, and parts of Eastern Europe(conducting local feasibility studies based on the assumption of market entry)
- Various countries in Latin America (conducting local feasibility studies based on the assumption of market entry)

Nonconsolidated

1. Major Increases (Decreases) in Nonconsolidated Balance Sheets

(Millions of yen)

	As of Sep. 30 2004	As of Mar.31 2004	Increase (Decrease)	Primary reason for change
(Total Assets)	208,374	208,511	(137)	
Current assets				
Cash and deposits	22,708	38,491	(15,782)	Decrease due to Acquisition of shares of business partners and others
Receivables	37,661	36,066	1,595	Increase in Sales due to seasonal reason
Inventories	22,218	21,169	1,049	Increase in Pharmaceutical raw materials
Others	6,786	6,305	481	
Fixed assets				
Tangible fixed assets				
Buildings and structures	14,844	15,434	(589)	Decrease due to Depreciation
Machinery, equipment and vehicles	8,066	8,837	(771)	Decrease due to Depreciation
Others	21,188	21,094	94	
Intangible fixed assets	1,951	1,907	44	
Investments and other assets				
Investment securities	20,477	8,759	11,718	Increase due to Acquisition of shares of business partners, and increase in valuation of securities
Investments in and advances to unconsolidated subsidiaries and associated companies	31,346	29,816	1,529	Increase due to Establishment of overseas company
Deferred tax assets	14,984	14,446	538	
Others	6,143	6,186	(42)	
(Liabilities)	61,590	62,844	(1,253)	
Current liabilities				
Notes and accounts payable	23,756	23,137	619	Increase due to seasonal reason
Short-term bank loans	6,074	6,011	63	
Deferred tax liabilities	2,538	3,458	(920)	Tax expenses for Interim income
Allowance for Bonuses	3,697	2,991	706	Increase of Reserves for winter bonus
Others	13,304	11,892	1,411	Settlement money arose due to adopting new corporate pension plan
Fixed liabilities				
Liability for retirement benefits	10,589	13,860	(3,271)	Decrease due to adopting new corporate pension plan
Others	1,632	1,494	138	
(Shareholders' equity)				
Total shareholders' equity	146,783	145,667	1,116	Increase in Retained earnings

2. Major Increases (Decreases) in Nonconsolidated Statements of Income Figures

(Millions of yen)

	Current interim period (2004.4 ~ 9)	Previous interim period (2003.4 ~ 9)	Increase (Decrease)		Primary reason for change	Revised forecasts (2004.4 ~ 9)
			Amount	%		
Net sales (Breakdown)	78,557	82,037	(3,480)	(4.2)		82,000
Dairy products	39,625	40,833	(1,207)	(3.0)	Decrease in sales of <i>Yakult</i> , <i>Yakult 80Ace</i>	
Juices and other beverages	25,456	23,415	2,041	8.7	Increase in sales of <i>Kurozu</i> , <i>Toughman</i> and others	
Cosmetics	3,627	3,622	5	0.1		
Pharmaceuticals	5,806	9,330	(3,523)	(37.8)	Decrease in <i>Campto</i> overseas sales	
Others	4,040	4,836	(796)	(16.5)	Decrease in overseas sales of equipment and materials	
Cost of sales	49,359	50,920	(1,561)	(3.1)		
Gross profit	29,197	31,116	(1,918)	(6.2)		
Gross profit margin	37.17%	37.93%	(0.76%)		Due to decrease in pharmaceuticals sales	
Selling, general and administrative expenses	28,064	28,646	(581)	(2.0)		
Advertising costs	4,650	4,516	135			
Sales promotion expenses	1,735	2,350	(615)		Decrease in sales promotions for marketing companies	
Transport costs	3,728	3,792	(63)			
Cost of vending machines	1,524	1,723	(199)		Decrease in number of leased vending machines	
Personnel expenses	9,904	10,058	(154)		Decrease in retirement benefit expenses	
Depreciation and amortization	770	737	33			
Others	5,753	5,469	284			
Operating income	1,133	2,470	(1,336)	(54.1)		2,000
Operating income margin	1.44%	3.01%	(1.57%)			2.44%
Non-operating income	3,021	3,025	(4)	(0.1)		
Dividend income	437	152	285		Increase in dividend from overseas affiliated companies	
Royalties from pharmaceuticals	1,217	1,588	(371)			
Other non-operating income	1,367	1,285	82		Increase in foreign exchange gain	
Non-operating expenses	186	280	(94)	(33.6)		
Ordinary income	3,969	5,215	(1,246)	(23.9)		4,500
Ratio of ordinary income to Net sales	5.05%	6.36%	(1.31%)			5.49%
Extraordinary profit	3,656	5,927	(2,270)	(38.3)		
Gain on liquidation of pension liability	3,653		3,653		Increase due to adopting new corporate pension plan	
Other extraordinary profit	2	5,927	(5,925)		Due to gain in return of corporate ran portion of employee pension fund to the government last year	
Extraordinary loss	1,812	1,551	261	16.8		
Provision for accrued employee retirement benefits	1,066	1,449	(382)		Decrease due to adopting new corporate pension plan	
Other extraordinary loss	746	102	644			
Income before income taxes	5,812	9,591	(3,778)	(39.4)		
Income taxes	2,420	4,156	(1,736)	(41.8)		
Net income	3,392	5,435	(2,042)	(37.6)		2,000
Ratio of net income to Net sales	4.32%	6.63%	(2.31%)			2.44%

Forecast of 2004 Interim period, announced on May21,2004

3. Performance Overview

(1) Financial Highlights

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Net sales	78,557	95.8	158,500	100.7	82,037	98.5	157,466	97.9
Operating income	1,133	45.9	5,000	129.0	2,470	47.2	3,874	39.8
Ordinary income	3,969	76.1	13,000	117.1	5,215	66.9	11,105	63.4
Net income	3,392	62.4	8,000	88.9	5,435	160.9	8,997	118.9

(2) Sales by Product Category

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Dairy products	39,625	97.0	79,500	100.2	40,833	104.2	79,307	102.7
Juices and other beverages	25,456	108.7	46,500	106.2	23,415	88.3	43,779	92.4
Cosmetics	3,627	100.1	6,900	102.2	3,622	102.4	6,752	101.4
Pharmaceuticals	5,806	62.2	18,000	99.0	9,330	93.2	18,181	86.4
Others	4,040	83.5	7,600	80.5	4,836	120.3	9,446	110.9
Total	78,557	95.8	158,500	100.7	82,037	98.5	157,466	97.9

(3) Cost to Net sales Ratio (Comparisons)

(%)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Increase	Forecast of Full fiscal year	Decrease	Result of 1st half	Increase	Result of Full fiscal year	Increase
Cost to Net sales ratio	62.83	0.76	60.88	1.31	62.07	1.12	62.19	1.02

(4) Breakdown of Major Costs

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Capital investments	564	144.2	5,427	265.6	391	11.6	2,043	39.9
Depreciation and amortization	2,093	94.4	4,409	96.9	2,218	97.8	4,549	93.0
Research and development costs	3,403	104.6	7,032	108.9	3,254	119.3	6,456	111.3
Number of vending machines	75,700	96.9	75,500	98.1	78,100	95.8	77,000	96.7

4. Breakdown of Sales

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

(Thousands of bottles/day)

		Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
		Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Dairy Products	<i>Yakult</i>	3,680	91.1	3,534	92.3	4,038	102.6	3,829	100.8
	<i>Yakult LT</i>	157	104.9	146	94.9	149	85.9	154	95.1
	<i>Yakult 200</i>	155	89.5	148	89.2	172	107.0	166	104.8
	<i>Yakult 80Ace</i>	671	81.4	614	79.8	823	83.6	769	84.2
	<i>Yakult 80AceLT</i>	186	95.4	175	92.1	194	94.3	190	98.4
	<i>Yakult 400</i>	1,820	113.0	1,800	109.4	1,611	122.8	1,645	121.7
	Total for Yakult products	6,668	95.4	6,417	95.0	6,990	103.2	6,753	102.7
	Pretio	---	---	215	---	---	---	---	---
	<i>Joie</i>	916	108.0	886	108.0	848	93.1	820	95.0
	<i>Mil-Mil</i>	197	87.3	184	84.7	225	89.0	217	88.9
	<i>Mil-Mil E</i>	125	87.2	116	84.1	143	87.1	138	87.9
	<i>Bifiel</i>	341	92.7	323	89.7	367	89.4	360	92.1
	<i>Sofuhl</i>	636	92.1	616	92.4	690	98.7	667	103.3
	<i>Purela</i>	316	83.7	306	84.8	378	332.7	361	143.7
	Total for fermented drinks other than Yakult	2,531	95.4	2,431	94.9	2,653	103.9	2,563	100.4
Total	9,199	95.4	9,061	97.3	9,643	103.4	9,316	102.0	

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

(Thousands of bottles)

		Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
		Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Juices and Other Beverages	Juices	55,258	99.9	85,917	89.4	55,338	84.6	96,127	86.4
	<i>Kininaruyasai</i>	33,892	95.6	49,825	77.9	35,453	88.4	63,978	91.1
	<i>Toughman</i>	50,248	128.5	91,486	124.6	39,111	77.3	73,450	86.8
	Coffee	80,088	107.7	164,348	104.3	74,380	88.5	157,572	94.3
	Tea	23,401	147.9	45,076	122.9	15,822	80.8	36,687	97.3
	Soy milk drinks	28,952	131.8	59,781	136.4	21,975	114.0	43,818	122.4
	<i>Bansoreicha</i>	41,367	79.5	72,950	76.3	52,058	73.3	95,594	78.2
	<i>Lemorea</i>	23,523	85.9	36,489	88.2	27,379	73.2	41,357	77.2

(3) Percentage of Sales by Channel (April 1, 2004 to September 30, 2004)

(%)

	Dairy products		Juices and other beverages		
	Percentage of sales	Year on year	Percentage of sales		Year on year
Yakult Ladies	60.7	96.7	41.6		103.1
Others*	39.3	92.4	58.4	Vending machines	72.4
				Others	27.6

Note: Actual sales statistics

*** Percentage of sales at other major channels (year-on-year comparison)**

	Fiscal period ended September 30, 2004	Fiscal year ended March 31, 2004	Fiscal period ended September 30, 2003
Supermarkets	98.4	105.2	106.3
Convenience stores	85.7	105.5	104.1

(4) Pharmaceuticals sales

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
<i>Campto</i> (Japan)	1,393	109.3	3,100	120.6	1,273	111.9	2,571	118.8
<i>Campto</i> (Overseas)	3,657	49.9	13,300	94.9	7,335	90.6	14,014	80.9
North America	2,072	56.6	2,730	41.8	3,664	92.3	6,538	69.2
Europe	1,361	38.2	10,250	140.7	3,569	88.1	7,283	94.3
Other	224	218.8	320	165.9	102	132.5	192	125.6
<i>Campto</i> total	5,051	58.7	16,400	98.7	8,608	93.2	16,585	85.1
Other pharmaceuticals	755	98.7	1,600	100.3	765	98.5	1,596	102.6
Total	5,806	62.2	18,000	99.0	9,330	93.2	18,181	86.4

Royalty income

Total	1,217	76.6	3,200	129.7	1,588	105.9	2,467	72.0
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5. Sales Personnel by Department

	September 30, 2004	March 31, 2004
Yakult Ladies	48,000	48,500
Yakult Beauty Advisors	10,200	10,800
Medical Representatives	127	109

6. Head Office Employees

	September 30, 2004	March 31, 2004
Number of full-time employees	2,451	2,404

7. Breakdown of Major Costs

(1) Breakdown of Selling, General and Administrative Expenses

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004			
	Result of 1st half	Year on year (%)	Forecast of Full fiscal year	Year on year (%)	Result of 1st half	Year on year (%)	Result of Full fiscal year	Year on year (%)
Advertising costs	4,650	103.0	8,089	103.1	4,516	97.6	7,842	106.7
Sales promotion expense	1,735	73.8	5,144	110.0	2,350	113.5	4,713	111.0
(Subtotal)	6,386	93.0	13,233	105.4	6,867	102.5	12,555	108.2
Transport cost	3,826	98.9	7,360	102.7	3,792	93.5	7,169	97.9
Cost of vending machines	1,524	88.4	2,800	83.4	1,723	102.1	3,356	94.1
Personnel expenses	9,904	98.5	18,938	99.0	10,058	106.4	19,131	102.7
Depreciation and amortization	770	104.6	1,636	105.8	737	97.1	1,546	96.1
Other	5,654	103.4	13,045	109.6	5,469	118.3	11,906	121.0
Total	28,064	98.0	57,012	102.4	28,646	105.0	55,663	105.6

(2) Others

Breakdown of retirement benefit expenses

(Millions of yen)

	Fiscal year ending March 31, 2005				Fiscal year ended March 31, 2004				
	Result of 1st half	Increase (Decrease)	Forecast of Full fiscal year	Increase (Decrease)	Result of 1st half	Increase (Decrease)	Result of Full fiscal year	Increase (Decrease)	
Cost of production	476	(156)	957	(209)	632	80	1,166	69	
General administrative expenses	1,253	(381)	2,373	(638)	1,634	270	3,011	312	
Total	1,730	(537)	3,331	(846)	2,266	349	4,177	381	
*1	Extraordinary profit	3,653	(2,254)	3,653	(2,254)	5,907	5,907	5,907	5,907
*2	Extraordinary loss	1,066	(383)	2,054	(543)	1,449	(302)	2,596	(909)

*1 Gain on liquidation of pension liability(Fiscal year ending March 31, 2005), and gain on the return of employee pension fund to the government(Fiscal year ended March 31, 2004)

*2 Difference due to changes in the accounting standard (Five year depreciation will be completed on March 31, 2005)

Reference - 1

Expansion of Indication for *Campto* and New Drug Development Pipeline

1 . Expansion of *Campto* indications

	Indications	Stage	Date of application	Remarks
Japan (Yakult, Daiichi Pharmaceutical)	Pancreatic cancer	Applied for sNDA(supplemental new drug application) in May 2004		
Pfizer	Pancreatic cancer	Phase III completed (combination with GEM)	On-hold sNDA	Superior respons rate against GEM alone was observed, however, no survival benefit was demonstrated
	Gastric cancer	Phase III completed	Under preparation of sNDA	Combination with 5 FU/FA, first-line*2
	Lung cancer (small cell lung cancer)	Phase III on-going	Undecided	Utilization of JCOG data*1
	Pediatric cancer	Data exclusivity up to February 2008 has been given in USA		
	Breast cancer (Oral formulation)	Phase II on-going	Undecided	Phase III planned in 1Q 2006 (second-line)
Sanofi • Aventis (Aventis)	Colorectal cancer (Adjuvant)	Phase III on-going	Undecided	Due to transfer of marketing authorization to Pfizer, depending on the status of the progress of studies aiming for expansion of indication, the sNDA will be applied accordingly
	Gastric cancer	Phase III completed		
	Lung cancer (Small cell lung cancer)	Phase III on-going		

Note) *1 Japan Clinical Oncology Group

*2 Folic acid

2 . New drug development pipeline

Product	Indications	Licensor	Co-development partner	Stage	Remarks
<i>Oxaliplatin</i> Development Code : L-OHP	Colorectal cancer	Debio Pharm	(Independent development)	Submitted NDA in February 2004	Planning stage of Phase I/II for combination with oral anticancer agent
<i>Femiest</i> Development Code : RG83933	Osteoporosis	Sanofi • Aventis (Aventis)	Teikoku Hormone Mfg. Co., Ltd.	Phase II completed On-hold development	Development on-hold due to publication of US Phase III results indicating risk of long-term hormone replacement therapy exceeded benefit
<i>E2/NETA patch</i> Development Code : RPR106522	Post-menopausal syndromes	Sanofi • Aventis (Aventis)	Teikoku Hormone Mfg. Co., Ltd.	Phase III on-going	
	Osteoporosis			On-hold development	

Reference - 2

HACCP and ISO Accreditation of Yakult Group Companies

Yakult Honsha Plants and Research Institute

	HACCP	ISO 9001	ISO 14001
Sapporo Plant			
Fukushima Plant			
Ibaraki Plant			
Fujisawa Plant			
Fujisawa Cosmetics Plant			
Fuji Susono Plant			
Fuji Susono Pharmaceuticals Plant			
Shizuoka Plant			
Kyoto Plant			
Fukuyama Plant			
Saga Plant			
Kumamoto Plant			

Chemical Analysis Center, Yakult Central Institute for Microbiological Research			
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Subsidiary Plants and others

	HACCP	ISO 9001	ISO 14001
Yakult Iwate Plant			
Yakult Chiba Plant			
Yakult Aichi Plant			
Yakult Osaka Plant			
Yakult Kobe Plant			
Yakult Hokuriku Plant			
Yakult Okayama Plant			
Yakult Fukuoka Plant			
Yakult Nagasaki Plant			

Yakult Materials			
Yakult Chuo Logistics			

HACCP	19 businesses
ISO 9001	1 business
ISO 14001	23 businesses

Yakult's Hazard Analysis and Critical Control Point (HACCP) Hygiene Control System

- This system is used to identify and analyze potential contamination via harmful microorganisms or foreign matter at each stage of production. Control items critical to preventing contamination are then determined, processes are monitored, and observation are recorded.
- The Yakult HACCP hygiene control system is different from conventional hygiene control systems that emphasize the inspection of finished products in that the Yakult system ensures hygiene management at every stage of production.

International Organization for Standardization (ISO)

- An organization established in 1947 to set worldwide standards for regulations, guidelines, etc.

ISO 9001-- The International Standard for Quality Management Systems

- A system that promotes companies' ongoing improvement through the establishment of incremental goals aimed at enhancing customer satisfaction.

ISO 14001-- The International Standard for Environmental Management Systems

- A system that promotes ongoing improvement in corporate environmental initiatives through the establishment of guidelines and goals to be used by companies to move forward with voluntary environmentally friendly activities.

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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