



Supplementary Materials for Financial Statements For the Year Ended March 31, 2019

May 14, 2019

Yakult Honsha Co., Ltd.
Public Relations Department
Investor Relations Department
URL

<https://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 1000 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 2018	As of Mar. 31 2019	Increase (Decrease)	Primary reason for change
Total Assets	627,031	618,532	(8,498)	
Current assets				
Cash and deposits	151,788	156,484	4,696	Increase in overseas subsidiaries
Notes and accounts receivable - trade	56,479	52,880	(3,598)	
Inventories	28,138	29,113	975	
Others	8,875	9,158	283	
Non-current assets				
Property, plant and equipment				
Buildings and structures(net)	87,387	82,753	(4,633)	
Machinery, equipment and vehicles(net)	48,958	45,898	(3,059)	
Others(net)	64,852	71,419	6,566	
Intangible assets	5,727	4,782	(945)	
Investments and other assets				
Investment securities	163,591	155,306	(8,285)	Decrease of fair market value etc.
Deferred tax assets	2,803	2,560	(243)	
Others	8,427	8,173	(253)	
Total Liabilities	240,357	226,253	(14,103)	
Current liabilities				
Notes and accounts payable - trade	29,528	27,983	(1,545)	Decrease due to renewal and repayment
Short-term loans payable	87,214	40,141	(47,073)	
Others	45,057	47,330	2,273	
Non-current liabilities				
Long-term loans payable	41,898	76,344	34,445	Increase due to renewal
Net defined benefit liability	5,346	5,463	117	
Others	31,312	28,990	(2,321)	
Total Net Assets	386,674	392,279	5,605	
Shareholder's Equity	338,903	365,767	26,863	
Accumulated other comprehensive income	13,274	(8,495)	(21,769)	
Non-controlling interests	34,495	35,007	511	

2. Major Increases (Decreases) in Consolidated Statement of Income (Millions of yen)

	Previous period (2017.4~2018.3)	Current period (2018.4~2019.3)	Increase (Decrease)		Primary reason for change	Revised Forecasts※ (2018.4~2019.3)
			Amount	%		
Net sales	401,569	407,017	5,447	1.4	FX impact(5,215)	418,000
(Net sales by business segments)						
Food and beverages (Japan)	210,022	214,957	4,935		Increase in Production equipment sales Asia and Oceania increase	
Food and beverages(Overseas)	168,353	178,365	10,012			
Pharmaceuticals	25,661	21,696	(3,965)		NHI drug price revision	
Others	20,778	22,447	1,668			
Adjustments	(23,246)	(30,449)	(7,202)			
Cost of sales	171,639	171,107	(532)	(0.3)		
Gross profit	229,930	235,910	5,980	2.6		
Gross profit margin (%)	57.3	58.0	0.7			
Selling, general and administrative expenses	186,466	190,064	3,597	1.9		
Selling expenses	90,070	91,230	1,159			
General and administrative expenses	96,396	98,834	2,437			
Operating profit	43,463	45,846	2,382	5.5	FX impact(1,063)	48,000
Operating profit margin (%)	10.8	11.3	0.5			
(Operating profit by business segments)						
Food and beverages (Japan)	17,029	16,431	(597)			
Food and beverages(Overseas)	42,037	47,511	5,474			
Pharmaceuticals	1,322	(1,803)	(3,126)			
Others	950	1,180	230			
Adjustments	(17,876)	(17,474)	401			
{ include corporate expenses }	{ (13,297) }	{ (12,866) }	431			
Non-operating incomes	11,808	12,880	1,071	9.1		
Interest income	3,945	4,574	628			
Dividend income	1,867	1,988	121			
Share of profit of entities accounted for using equity method	3,883	3,557	(325)			
Others	2,112	2,759	647			
Non-operating expenses	2,217	1,604	(613)	(27.7)		
Interest expenses	652	728	75			
Others	1,564	876	(688)			
Ordinary profit	53,054	57,121	4,067	7.7	FX impact(1,355)	58,500
Ratio of ordinary profit to net sales (%)	13.2	14.0	0.8			
Extraordinary income	825	3,439	2,614	316.5	Gain on sales of investment securities	
Extraordinary losses	399	4,760	4,360	1,092.0	Impairment loss of Pharmaceutical business(Fixed asset)	
Profit before income taxes	53,481	55,801	2,320	4.3		
Income taxes	14,820	15,619	798			
Profit	38,660	40,182	1,522	3.9		
Profit attributable to non-controlling interests	4,595	5,247	651			
Profit attributable to owners of parent	34,064	34,935	870	2.6	FX impact(846)	39,000
Ratio of profit attributable to owners of parent to net sales (%)	8.5	8.6	0.1			

※ Revised Forecasts announced on November 9, 2018

3. Performance Overview

(1) Breakdown of Statement of Income

(Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Net sales	401,569	106.1	407,017	101.4	420,000	103.2
Operating profit	43,463	116.6	45,846	105.5	48,500	105.8
Ordinary profit	53,054	107.5	57,121	107.7	59,500	104.2
Profit attributable to owners of parent	34,064	113.0	34,935	102.6	36,500	104.5

(2) Ratios of Consolidated to Non-consolidated Results

(Times)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance		Performance		Forecast	
Net sales	2.26		2.27		2.46	
Operating profit	19.61		28.08		32.33	
Ordinary profit	3.50		3.30		3.61	
Profit attributable to owners of parent	2.45		2.44		2.35	

(3) Breakdown of Share of profit of entities accounted for using equity method

(Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Share of profit of entities accounted for using equity method	3,883	87.4	3,557	91.6	3,700	104.0

(4) Major Items in selling, general and administrative expenses

(Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Advertising expenses	18,383	106.4	18,011	98.0	—	—
Promotion expenses	9,574	105.4	9,328	97.4	—	—
Freightage expenses	13,327	110.6	13,827	103.7	—	—
Salaries and allowance	40,018	107.8	42,183	105.4	—	—
Depreciation	4,579	101.9	4,844	105.8	—	—
Research and development expenses	10,171	96.8	10,534	103.6	—	—

(5) Capital investments, Depreciation, Research and development expenses (Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Capital investments	23,304	99.7	29,505	126.6	36,000	122.0
Depreciation	21,532	95.0	21,237	98.6	21,500	101.2
Research and development expenses	10,207	96.8	10,563	103.5	10,204	96.6

Breakdown of investment

	Fiscal year ended March 31, 2019		Forecast of full fiscal year ending March 31, 2020	
Capital investments	Investment in Parent company	4.4 billion yen	Investment in Parent company	11.4 billion yen
	Investment in Plants(subsidiaries)	1.8 billion yen	Investment in Plants(subsidiaries)	3.5 billion yen
	Investment in Overseas subsidiaries	20.3 billion yen	Investment in Overseas subsidiaries	19.9 billion yen
Research and development expenses	Food and beverages	6.1 billion yen	Food and beverages	6.3 billion yen
	Pharmaceuticals	3.8 billion yen	Pharmaceuticals	3.2 billion yen
	Others	0.6 billion yen	Others	0.6 billion yen

〈Reference〉 Consolidated Statements of Cash Flows Overview

(Millions of yen)

	Previous period (2017.4~2018.3)	Current period (2018.4~2019.3)	Increase (Decrease) Amount
Cash flows from operating activities	61,989	62,125	135
Cash flows from investing activities	(30,285)	(37,012)	(6,727)
Cash flows from financing activities	(21,969)	(22,980)	(1,011)
Effect of exchange rate change on cash and cash equivalents	1,070	(4,896)	(5,966)
Net increase (decrease) in cash and cash equivalents	10,805	(2,764)	(13,570)
Cash and cash equivalents at beginning of period	95,130	105,936	10,805
Cash and cash equivalents at end of period	105,936	103,171	(2,764)

4. Segment Information

(1) Annual Results

① Results of the fiscal year ended March 31, 2018

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	210,022	168,353	50,158	109,852	8,342
Percentage of net sales (%)	52.3	41.9	12.5	27.3	2.1
Year on year (%)	102.9	115.0	110.8	117.7	106.9
Operating expenses	192,993	126,315	38,879	79,758	7,677
Year on year (%)	101.4	114.5	111.3	117.2	105.1
Operating profit (loss)	17,029	42,037	11,279	30,093	664
Year on year (%)	123.3	116.4	109.3	118.9	135.2
Operating profit margin (%)	8.1	25.0	22.5	27.4	8.0

	Pharmaceuticals	Others	Total	Adjustments	Consolidated
Net sales	25,661	20,778	424,815	(23,246)	401,569
Percentage of net sales (%)	6.4	5.2	105.8	(5.8)	100.0
Year on year (%)	92.2	104.1	106.6	116.1	106.1
Operating expenses	24,339	19,828	363,476	(5,370)	358,106
Year on year (%)	97.6	104.1	105.5	150.1	105.0
Operating profit (loss)	1,322	950	61,339	※ (17,876)	43,463
Year on year (%)	45.8	105.1	114.2	108.7	116.6
Operating profit margin (%)	5.2	4.6	---	---	10.8

※ The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 13,297 million yen
- Elimination of royalty income : 4,578 million yen

② Results of the fiscal year ended March 31, 2019

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	214,957	178,365	48,907	120,784	8,673
Percentage of net sales (%)	52.8	43.8	12.0	29.7	2.1
Year on year (%)	102.3	105.9	97.5	110.0	104.0
Operating expenses	198,526	130,853	37,070	85,628	8,154
Year on year (%)	102.9	103.6	95.3	107.4	106.2
Operating profit (loss)	16,431	47,511	11,837	35,156	518
Year on year (%)	96.5	113.0	104.9	116.8	78.0
Operating profit margin (%)	7.6	26.6	24.2	29.1	6.0

	Pharmaceuticals	Others	Total	Adjustments	Consolidated
Net sales	21,696	22,447	437,466	(30,449)	407,017
Percentage of net sales (%)	5.4	5.5	107.5	(7.5)	100.0
Year on year (%)	84.5	108.0	103.0	131.0	101.4
Operating expenses	23,499	21,266	374,145	(12,974)	361,171
Year on year (%)	96.6	107.3	102.9	241.6	100.9
Operating profit (loss)	(1,803)	1,180	63,320	※ (17,474)	45,846
Year on year (%)	---	124.3	103.2	97.8	105.5
Operating profit margin (%)	(8.3)	5.3	---	---	11.3

※ The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 12,866 million yen
- Elimination of royalty income : 4,607 million yen

〈Reference〉

Results of the fiscal year ended March 31, 2019

(on the basis of average exchange rate between Jan. 2017 and Dec. 2017)

③ Results of the fiscal year ended March 31, 2019

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	214,957	183,581	52,264	122,797	8,519
Percentage of net sales (%)	52.2	44.5	12.7	29.8	2.0
Year on year (%)	102.3	109.0	104.2	111.8	102.1
Operating expenses	198,526	135,006	39,890	87,123	7,992
Year on year (%)	102.9	106.9	102.6	109.2	104.1
Operating profit (loss)	16,431	48,575	12,374	35,674	527
Year on year (%)	96.5	115.6	109.7	118.5	79.3
Operating profit margin (%)	7.6	26.5	23.7	29.1	6.2

	Pharmaceuticals	Others	Total	Adjustments	Consolidated
Net sales	21,696	22,447	442,682	(30,449)	412,233
Percentage of net sales (%)	5.3	5.4	107.4	(7.4)	100.0
Year on year (%)	84.5	108.0	104.2	131.0	102.7
Operating expenses	23,499	21,266	378,298	(12,974)	365,323
Year on year (%)	96.6	107.3	104.1	241.6	102.0
Operating profit (loss)	(1,803)	1,180	64,384	※ (17,474)	46,909
Year on year (%)	---	124.3	105.0	97.8	107.9
Operating profit margin (%)	(8.3)	5.3	---	---	11.4

※ The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 12,866 million yen
- Elimination of royalty income : 4,607 million yen

(2) Annual forecast

Forecasts for the Fiscal year ending March 31, 2020

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	211,200	192,000	50,400	132,600	9,000
Percentage of net sales (%)	50.3	45.7	12.0	31.6	2.1
Year on year (%)	98.3	107.6	103.1	109.8	103.8
Operating expenses	193,500	142,000	38,200	95,300	8,500
Year on year (%)	97.5	108.5	103.0	111.3	104.2
Operating profit (loss)	17,700	50,000	12,200	37,300	500
Year on year (%)	107.7	105.2	103.1	106.1	96.4
Operating profit margin (%)	8.4	26.0	24.2	28.1	5.6

	Pharmaceuticals	Others	Total	Adjustments	Consolidated
Net sales	17,500	23,100	443,800	(23,800)	420,000
Percentage of net sales (%)	4.2	5.5	105.7	(5.7)	100.0
Year on year (%)	80.7	102.9	101.4	78.2	103.2
Operating expenses	18,900	22,400	376,800	(5,300)	371,500
Year on year (%)	80.4	105.3	100.7	40.8	102.9
Operating profit (loss)	(1,400)	700	67,000	※ (18,500)	48,500
Year on year (%)	---	59.3	105.8	105.9	105.8
Operating profit margin (%)	(8.0)	3.0	---	---	11.5

※ The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 13,500 million yen
- Elimination of royalty income : 5,000 million yen

〈Reference〉

Forecasts for the Fiscal year ending March 31, 2020

(on the basis of average exchange rate between Jan. 2018 and Dec. 2018)

Forecasts for the Fiscal year ending March 31, 2020

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	211,200	194,000	50,800	133,900	9,300
Percentage of net sales (%)	50.0	46.0	12.1	31.7	2.2
Year on year (%)	98.3	108.8	103.9	110.9	107.2
Operating expenses	193,500	143,600	38,500	96,200	8,900
Year on year (%)	97.5	109.7	103.9	112.3	109.1
Operating profit (loss)	17,700	50,400	12,300	37,700	400
Year on year (%)	107.7	106.1	103.9	107.2	77.1
Operating profit margin (%)	8.4	26.0	24.2	28.2	4.3

	Pharmaceuticals	Others	Total	Adjustments	Consolidated
Net sales	17,500	23,100	445,800	(23,800)	422,000
Percentage of net sales (%)	4.1	5.5	105.6	(5.6)	100.0
Year on year (%)	80.7	102.9	101.9	78.2	103.7
Operating expenses	18,900	22,400	378,400	(5,300)	373,100
Year on year (%)	80.4	105.3	101.1	40.8	103.3
Operating profit (loss)	(1,400)	700	67,400	※ (18,500)	48,900
Year on year (%)	---	59.3	106.4	105.9	106.7
Operating profit margin (%)	(8.0)	3.0	---	---	11.6

※ The details of "Adjustments" are as follows.

- Administrative expenses in parent company : 13,500 million yen
- Elimination of royalty income : 5,000 million yen

5. Overview of Overseas Companies

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

[Performance from January to December 2018]

(December 31, 2018)

	Consolidation Classification	Result (Thousands of bottles/day)	Year on year (%)	Started Business	Consolidation Classification (%)	Currency Unit	※ Exchange rate		
							Average Jan.~Dec. 2017	Average Jan.~Dec. 2018	Average Jan.~Mar. 2019
Taiwan	Equity method	731	97.3	Mar. 1964	25.00	NT\$	3.70	3.66	3.59
Hong Kong	Consolidated	542	102.6	Jun. 1969	80.00	HK\$	14.37	14.08	14.05
Thailand	Equity method	2,292	103.7	Jun. 1971	25.29	B	3.12	3.40	3.35
Korea	Equity method	3,239	90.6	Aug. 1971	38.30	W	0.0998	0.1003	0.0984
Philippines	Equity method	3,088	111.8	Oct. 1978	40.00	P	2.22	2.09	2.11
Singapore	Consolidated	228	99.4	Jul. 1979	100.00	S\$	81.50	81.73	81.69
Indonesia	Consolidated	5,831	110.1	Jan. 1991	100.00	Rp	0.0084	0.0078	0.0078
Australia	Consolidated	245	100.2	Feb. 1994	100.00	A\$	86.20	82.11	79
Malaysia	Consolidated	345	104.5	Feb. 2004	100.00	MYR	26.22	27.36	27.06
Vietnam	Consolidated	377	136.8	Sep. 2007	80.00	VND	0.0049	0.0049	0.0048
India	Consolidated	217	116.6	Jan. 2008	50.00	INR	1.73	1.60	1.57
Middle East	Consolidated	16	147.6	Mar. 2017	100.00	AED	30.51	30.05	30.03
Guangzhou	Consolidated	2,856	107.4	Jun. 2002	95.00	RMB	16.63	16.64	16.44
Shanghai	Consolidated	617	94.9	May. 2005	100.00	RMB	16.63	16.64	16.44
Beijing	Consolidated	425	102.8	Jun. 2006	100.00	RMB	16.63	16.64	16.44
China	Consolidated	3,628	110.6	Apr. 2007	100.00	RMB	16.63	16.64	16.44
China total		7,526	107.5						
Asia and Oceania total (Consolidated subsidiaries Total)		24,676 15,327	105.4 108.7	Marketing Population: 1,422,758 thousand people Population ratio: 1.73%					
Brazil	Consolidated	1,658	91.2	Oct. 1968	51.42	R	35.00	30.16	29.34
Mexico	Consolidated	3,820	103.9	Oct. 1981	61.21	NP	5.95	5.75	5.74
USA	Consolidated	342	117.2	Oct. 1999	100.00	US\$	112.04	110.37	110.30
The Americas total		5,820	100.6	Marketing Population: 414,041 thousand people Population ratio: 1.41%					
Netherlands	Consolidated	170	98.3	Apr. 1994	100.00	EUR	127.19	130.00	125.28
Belgium	Consolidated	77	101.5	Apr. 1995	100.00	EUR	127.19	130.00	125.28
United Kingdom	Consolidated	199	100.2	Apr. 1996	100.00	£	145.37	146.80	145.19
Germany	Consolidated	80	99.3	Apr. 1996	100.00	EUR	127.19	130.00	125.28
Austria	Consolidated	12	101.4	Dec. 2005	100.00	EUR	127.19	130.00	125.28
Italy	Consolidated	98	102.9	Feb. 2007	100.00	EUR	127.19	130.00	125.28
Europe total		636	100.1	Marketing Population: 271,580 thousand people Population ratio: 0.23%					
Total (Consolidated subsidiaries Total)		31,133 21,783	104.4 106.1	Marketing Population: 2,108,379 thousand people Population ratio: 1.48%					

※ Exchange Rate : Average Jan. ~ Mar. 2019: used for Forecasts for the Fiscal year ending Mar. 2020
Average Jan. ~ Dec. 2018: used for the result of the Fiscal year ended Mar. 2019
Average Jan. ~ Dec. 2017: used for the result of the Fiscal year ended Mar. 2018

(2) Yakult Ladies by Area and Percentage of Sales by Channel (Excluding Japan)

(Unit:people)

	Number of Yakult Ladies
Asia and Oceania	32,840
The Americas	14,429
Europe	---
Total	47,269

(As of the end of December 2018)

	Percentage of Sales by Channel (Volume)	
	Yakult Ladies	Stores
Asia and Oceania	43.5%	56.5%
The Americas	42.9%	57.1%
Europe	---	100.0%
Total	42.5%	57.5%

(From January to December 2018)

(3) Other operating countries

Country	Management company
Brunei	Yakult Singapore
New Zealand	Yakult Australia
United Arab Emirates	Yakult Middle East
Oman	
Bahrain	
Qatar	
Kuwait	
Uruguay	Yakult Brazil

Country	Management company
Belize	Yakult Mexico
Canada	Yakult USA
Luxembourg	Yakult Belgium
France	Yakult Europe
Switzerland	
Spain	
Denmark	
Ireland	Yakult UK
Malta	Yakult Italia

(4) Plan for the future

- Currently undergoing feasibility studies
 - Middle East and South East Asian countries where we have not made a market entry: Conducting feasibility studies (including field studies) on the possibility of market entry.
 - Other countries where we have not made a market entry: Conducting feasibility studies on the possibility of market entry.

(5) Others

- HACCP Accreditation: Hong Kong, Thailand, Korea, Singapore, Australia, Malaysia, Vietnam, India, Guangzhou, Shanghai, Wuxi, Brazil, Mexico, U.S.A..
- ISO9001 Accreditation: Hong Kong, Singapore, Australia, India, Guangzhou, Shanghai, Wuxi, Europe, United Kingdom.
- ISO14001 Accreditation: Vietnam, Guangzhou, Europe, United Kingdom.
- ISO22000 Accreditation: Hong Kong, Indonesia, Vietnam, Tianjin, Taiwan, Brazil
 - *ISO22000:Food Safety Management Systems
- GMP Accreditation: Taiwan, Thailand, Korea, Philippines, Guangzhou, Brazil, Mexico.
 - *GMP:Good Manufacturing Practice
- FSSC22000 Accreditation: Europe, Mexico
 - *The FSSC(Food Safety System Certification)22000 is fully recognized by the Global Food Safety Initiative (GFSI) and is based on existing ISO22000 standards and ISO/TS 22002-1(or ISO/TS 22002-4).
- HALAL Accreditation:Thailand, Philippines, Singapore, Indonesia, Malaysia
- SQF Accreditation: U.S.A.,Taiwan.
 - *SQF(Safe Quality Food): International management systems to ensure safety and quality of foods.
- OHSAS18001 Accreditation: Vietnam, India.
 - *OHSAS18001: An international standard for occupational health and safety management systems.

* HACCP、ISO9001、ISO14001・・・Refer to page19

Non-Consolidated

1. Major Increases (Decreases) in Non-consolidated Balance Sheet

(Millions of yen)

	As of Mar. 31 2018	As of Mar. 31 2019	Increase (Decrease)	Primary reason for change
Total Assets	350,029	336,616	(13,413)	
Current assets				
Cash and deposits	7,460	6,747	(712)	
Accounts receivable - trade	42,865	40,410	(2,455)	
Inventories	16,382	13,749	(2,632)	
Others	8,099	10,239	2,139	
Non-current assets				
Property, plant and equipment				
Buildings	36,913	32,855	(4,058)	
Machinery and equipment	12,033	10,548	(1,485)	
Others	33,257	31,093	(2,163)	
Intangible assets	3,237	2,383	(853)	
Investments and other assets				
Investment securities	101,920	94,393	(7,526)	Decrease of fair market value etc.
Shares of subsidiaries and associates	90,909	96,008	5,098	Capital increase to subsidiary
Prepaid pension cost	1,410	2,508	1,098	
Others	(4,461)	(4,322)	139	
Total Liabilities	189,499	172,280	(17,219)	
Current liabilities				
Accounts payable - trade	18,552	16,660	(1,891)	
Electronically recorded obligations - operating	7,044	7,973	929	
Short-term loans payable	85,600	41,300	(44,300)	Decrease due to renewal and repayment
Accounts payable - other	4,010	3,489	(521)	
Others	22,427	19,368	(3,058)	
Non-current liabilities				
Long-term loans payable	37,500	72,500	35,000	Increase due to renewal
Others	14,365	10,988	(3,376)	
Total Net Assets	160,529	164,336	3,806	

2. Major Increases (Decreases) in Non-consolidated Statement of Income

(Millions of yen)

	Previous period (2017.4~2018.3)	Current period (2018.4~2019.3)	Increase (Decrease)		Primary reason for change	Revised Forecasts※ (2018.4~2019.3)
			Amount	%		
Net sales	177,535	179,430	1,895	1.1		182,000
(Breakdown)						
Dairy products	89,803	89,117	(686)	(0.8)		
Beverages etc.	28,969	28,290	(679)	(2.3)		
Cosmetics	6,477	6,707	229	3.6		
Pharmaceuticals	25,661	21,696	(3,965)	(15.5)	NHI drug price revision	
Others	26,623	33,619	6,996	26.3	Increase in Production equipment sales	
Cost of sales	109,940	113,765	3,825	3.5		
Gross profit	67,595	65,665	(1,930)	(2.9)		
Gross profit margin (%)	38.1	36.6	(1.5)			
Selling, general and administrative expenses	65,379	64,032	(1,347)	(2.1)		
Advertising expenses	11,138	10,400	(738)	(6.6)		
Promotion expenses	6,660	6,502	(158)	(2.4)		
Freightage expenses	5,728	6,033	304	5.3		
Personnel expenses	22,171	21,582	(589)	(2.7)		
Depreciation	3,827	3,850	23	0.6		
Research study expenses	2,184	2,922	737	33.8		
Others	13,668	12,741	(926)	(6.8)		
Operating profit	2,215	1,632	(583)	(26.3)		1,500
Operating profit margin (%)	1.2	0.9	(0.3)			
Non-operating incomes	13,860	16,890	3,030	21.9		
Dividend income	11,955	14,749	2,793		Increase in dividends from overseas subsidiaries	
Others	1,905	2,141	236			
Non-operating expenses	924	1,200	275	29.8		
Ordinary profit	15,151	17,323	2,171	14.3		15,500
Ratio of ordinary profit to net sales (%)	8.5	9.7	1.2			
Extraordinary income	665	2,219	1,554	233.6		
Gain on sales of non-current assets	3	15	11			
Gain on sales of investment securities	660	2,203	1,543			
Others	1	-	(1)			
Extraordinary losses	695	4,502	3,806	547.1		
Impairment loss	12	4,151	4,138		Impairment loss of Pharmaceutical business(Fixed Asset)	
Others	683	351	(332)			
Profit before income taxes	15,121	15,040	(81)	(0.5)		
Income taxes	1,212	697	(515)	(42.5)		
Profit	13,908	14,342	434	3.1		15,500
Ratio of profit to net sales (%)	7.8	8.0	0.2			

※ Revised Forecasts announced on November 9, 2018

3. Performance Overview

(1) Breakdown of Statements of Income

(Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Net sales	177,535	102.2	179,430	101.1	171,000	95.3
Operating profit	2,215	283.1	1,632	73.7	1,500	91.9
Ordinary profit	15,151	119.8	17,323	114.3	16,500	95.2
Profit	13,908	137.9	14,342	103.1	15,500	108.1

(2) Sales by Product Category

(Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Dairy products	89,803	103.7	89,117	99.2	91,000	102.1
Beverages etc.	28,969	98.0	28,290	97.7	28,500	100.7
Subtotal	118,773	102.2	117,408	98.9	119,500	101.8
Cosmetics	6,477	101.9	6,707	103.6	7,000	104.4
Pharmaceuticals	25,661	92.2	21,696	84.5	17,500	80.7
Others	26,623	114.3	33,619	126.3	27,000	80.3
Total	177,535	102.2	179,430	101.1	171,000	95.3

(3) Cost to Net sales Ratio

(%)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Increase (Decrease)	Performance	Increase (Decrease)	Forecast	Increase (Decrease)
Cost to Net sales ratio	61.9	(0.4)	63.4	1.5	62.2	(1.2)

(4) Capital investments, Depreciation

(Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Capital investments	7,901	70.9	4,479	56.7	11,400	254.5
Depreciation	9,582	88.5	9,310	97.2	8,200	88.1

Breakdown of investments

	Fiscal year ended March 31, 2019 (Results)		Fiscal year ending March 31, 2020 (Forecasts)	
Capital investments	For domestic plants	2.8 billion yen	For domestic plants	7.0 billion yen

4. Breakdown of Sales

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

(Thousands of bottles/day. %)

		Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
		Performance	Year on year	Performance	Year on year	Forecast	Year on year
	<i>New Yakult</i> products	4,044	108.2	4,041	99.9	4,100	101.5
	<i>Yakult 400</i> products	3,555	102.4	3,465	97.5	3,535	102.0
	Other <i>Yakult</i> products ※1	194	87.1	157	81.3	172	109.1
	Total for <i>Yakult</i> products	7,792	104.8	7,664	98.3	7,806	101.9
	<i>Joie</i> products	857	99.5	789	92.1	798	101.1
	<i>Mil-Mil</i> products	396	99.7	460	116.0	476	103.5
	<i>Sofuhl</i> products	463	96.8	461	99.4	489	106.2
	Total for fermented milk	1,716	98.8	1,709	99.6	1,763	103.1
	Others ※2	185	94.3	170	91.9	161	94.7
	Total	9,694	103.5	9,543	98.4	9,730	102.0

※1 Total of *Yakult Ace*, *Yakult Gold*, *Yakult Five*, *Mainichi Nomu Yakult* and *Synbiotics Yakult W*
Synbiotics Yakult W (Launched in October 2017), *Yakult Gold* (Sales were stopped in March 2018)
Yakult Ace (Sales were stopped in March 2019), *Yakult Five* (Launched in March 2019)

※2 Total of *BF-1*, *Pretio*, *Nyusankin Soy a*, *Cup de Yakult* and *Yakult no Hakko Tonyu*
Nyusankin Soy a (Sales were stopped in September 2017)
Yakult no hakkotonyu (Launched in October 2017)

(2) Beverages sales (Total Bottles sold)

(Thousands of bottles. %)

		Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
		Performance	Year on year	Performance	Year on year	Forecast	Year on year
Health drinks	<i>Bansoreicha</i>	17,727	91.8	16,296	91.9	16,474	101.1
	<i>Toughman</i>	40,049	93.1	40,772	101.8	41,583	102.0
	<i>Kurozu Drink</i>	27,056	97.8	29,422	108.7	32,490	110.4
	<i>Soy milk drinks</i>	38,659	96.9	37,568	97.2	38,511	102.5
	<i>Milougu</i>	25,318	96.3	23,256	91.9	24,144	103.8
Soft drinks	<i>Juices</i>	44,737	94.4	39,957	89.3	42,854	107.2
	<i>Kininaruyasai</i>	38,326	100.4	36,316	94.8	36,706	101.1
	<i>Coffee Time</i>	16,998	90.3	15,698	92.4	13,802	87.9
	<i>FIRE</i>	62,958	89.2	58,635	93.1	59,476	101.4

(3) Percentage of Sales by Channel (April 1, 2018 to March 31, 2019)

(%)

	Dairy products (volume-based)		Beverages (value-based)			
	Percentage of sales	Year on year	Percentage of sales		Year on year	
Yakult Ladies	50.8	97.4	39.0		97.7	
Stores, Vending machines, and Others	49.2	99.9	61.0	Vending machines	82.3	97.2
				Stores and Others	17.7	

※ Results of Beverages included other company's vending machine operated by Yakult.

Note: Actual sales statistics

① Breakdown of sales at Stores, Vending machines, and Others (Dairy products, Beverages) (%)

	For fiscal year ended Mar. 31, 2018		For fiscal year ended Mar. 31, 2019	
	Percentage of sales	Year on year	Percentage of sales	Year on year
Supermarkets	45.8	107.1	45.7	98.8
Convenience stores	4.0	98.1	4.0	98.7
Offices	12.2	95.3	11.7	94.9
Medical centers	9.7	100.2	9.7	99.1

② The number of delivered vending machine

	As of Mar. 31, 2018	As of Mar. 31, 2019
The number of vending machine	48,580 (20,031)	46,317 (20,056)

※ Figures in parentheses are the number of other company's vending machine which Yakult operates.

(4) Breakdown of pharmaceuticals sales

(Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
<i>Campto</i> (Japan)	1,001	94.8	798	79.8	700	87.7
<i>Campto</i> (Overseas)	195	73.3	240	122.7	200	83.3
<i>Campto</i> total	1,196	90.5	1,038	86.8	900	86.6
<i>Elplat</i>	16,131	87.5	13,083	81.1	10,400	79.5
<i>Gemcitabine</i>	2,999	98.8	2,552	85.1	2,200	86.2
Other pharmaceuticals	5,334	105.7	5,021	94.1	4,000	79.7
Total	25,661	92.2	21,696	84.5	17,500	80.7

5. Breakdown of Selling, General and Administrative Expenses (Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Advertising expenses	11,138	103.5	10,400	93.4	10,537	101.3
Promotion expenses	6,660	111.0	6,502	97.6	5,251	80.8
Sub-total	17,799	106.2	16,902	95.0	15,788	93.4
Freightage expenses	5,728	100.1	6,033	105.3	6,014	99.7
Personnel expenses	22,171	98.4	21,582	97.3	21,620	100.2
Depreciation	3,827	87.0	3,850	100.6	3,031	78.7
Research study expenses	2,184	106.9	2,922	133.8	2,713	92.8
Others	13,668	103.2	12,741	93.2	13,934	109.4
Total	65,379	101.1	64,032	97.9	63,100	98.5

6. Breakdown of retirement benefit expenses (Millions of yen. %)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Fiscal year ending March 31, 2020	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Retirement benefit expenses	2,426	91.5	1,919	79.1	1,979	103.1

※ Total of cost of production, general administrative expenses.

7. Head Office Employees (Unit:people)

	Sep. 30, 2018	Mar. 31, 2019
Number of full-time employees	2,907	2,876
Medical Representatives	167	162

Note: Both 314 seconded staffs and 121 non-regular employees are included in the number of Sep. 30, 2018.

Both 302 seconded staffs and 132 non-regular employees are included in the number of Mar. 31, 2019.

8. Yakult Sales Company (Mar. 31, 2019)

Yakult Sales Company	103	Consolidated subsidiaries	Comments
		17	The subsidiaries of Yakult Miyagi Chuo Sales Co. Ltd., Yakult Tokyo Sales Co. Ltd., Yakult Tokai Co.Ltd., Yakult Hokuriku Co.Ltd., and Yakult Sanyo Co.Ltd., are not included.

9. Sales Personnel by Department (Unit:people)

	Sep. 30, 2018	Mar. 31, 2019
① Yakult Ladies	34,380	33,848
② Yakult Beauty Advisors	4,900	4,900

Reference

1. Expansion of Indication and New Drug Development Pipeline

(March 31, 2019)

(1) Expansion of indication for *Elplat*

Indication	Co-developer	Stage	Remarks
Gastric cancer	Taiho pharmaceutical Co.,Ltd.	Phase III	To get an approval for new dosage and administration schedule (biweekly regimen of Elplat) in patient with gastric cancer

(2) New Drug Development Pipeline

Product	Indication	Licensor	Stage	Remarks
① Resminostat Development code : YHI-1001	- Bile tract cancer - Cutaneous T cell lymphoma(CTCL)	4SC AG	- Phase II - Phase II	- Phase II in Japan (Bile tract cancer) - Phase II in EU and Japan (CTCL)
② YHI-1501 Development code : YHI-1501	Under discussion	Nissan Chemical Corporation	Phase I	Phase I in healthy volunteers in Japan
③ ThermoDox Development code : YHI-801	Hepatocellular carcinoma(HCC)	Celsion Corp., Inc.	Phase III	New Global Phase III (HCC) by Celsion Corp., Inc.
④ Duvelisib Development code : YHI-1702	CLL/SLL* FL** PTCL***	Verastem, Inc.	Under preparation for clinical studies in Japan	Verastem, Inc. got a regular approval for Duvelisib in patients with relapsed or refractory CLL/SLL and an accelerated approval for relapsed or refractory FL in US .

* CLL/SLL: Chronic lymphocytic leukemia/Small lymphocytic lymphoma

** FL: Follicular lymphoma

*** PTCL: Peripheral T-cell lymphoma

(3) National health insurance reimbursement information

	Since April 2018 (Yen)	As of end of March 2018(Yen)	Revision rate (%)	Reference
<i>Campto</i> Infusion solution(40mg/Vial)	3,349	4,102	(18.4)	[Major regimens combined with Elplat, Campto, and Calcium levofolinate] 1. Advanced/recurrent colorectal cancer - FOLFOX regimen (Elplat + Calcium levofolinate + Fluorouracil) - XELOX regimen (Elplat + Capecitabine) - FOLFOXIRI regimen (Elplat, Campto, Calcium levofolinate, and Fluorouracil) 2. Post operative treatment (adjuvant) for colon cancer - FOLFOX regimen (Elplat + Calcium levofolinate + Fluorouracil) - XELOX regimen (Elplat + Capecitabine) 3. Gastric cancer (Advanced/recurrent, adjuvant) - SOX regimen (Elplat + Tegafur/Gimeracil/Oteracil potassium) - XELOX regimen (Elplat + Capecitabine) 4. Pancreatic cancer - FOLFIRINOX regimen (Elplat, Campto, Calcium levofolinate, and Fluorouracil)
<i>Campto</i> Infusion solution (100mg/Vial)	7,534	9,247	(18.5)	
<i>Elplat</i> IV infusion solution 50mg	24,562	27,923	(12.0)	
<i>Elplat</i> IV infusion solution 100mg	45,048	51,378	(12.3)	
<i>Elplat</i> IV infusion solution 200mg	81,916	93,955	(12.8)	
Calcium levofolinate for IV infusion 25mg	787	926	(15.0)	
Calcium levofolinate for IV infusion 100mg	2,693	3,186	(15.5)	

2. Situation of Yakult Group (Production Facilities)

(March 31, 2019)

<Yakult Honsya Plants >

	HACCP	ISO 9001	ISO 14001	production item
Fukushima Plant	○	○	○	Concentrated New Yakult, Concentrated New Yakult Calorie Half, Concentrated Yakult 400, Mil-Mil, Mil-Mil S, Sofuhl
Ibaraki Plant	○	○	○	Concentrated New Yakult Calorie Half, Concentrated Yakult 400LT, Concentrated Yakult Five, Mainichi Nomu Yakult, Synbiotics Yakult W
Fuji Susono Plant	○	○	○	Concentrated Yakult 400, Concentrated Yakult 400LT, Joie (Drinkable Yoghurt) , Pretio, Sofuhl, Joie (Yoghurt Cup)
Hyogo Miki Plant	○	○	○	Concentrated New Yakult, Concentrated Yakult 400LT, Sofuhl, Mil-Mil, BF-1
Saga Plant	○	○	○	Concentrated New Yakult, Concentrated New Yakult Calorie Half, Concentrated Yakult 400, Concentrated Yakult 400LT, Joie (Drinkable Yoghurt) , Mil-Mil S
Shonan Cosmetics Plant	—	—	○	Cosmetics
Fuji Susono Pharmaceutical Plant	—	—	○	Prescription drugs, Active pharmaceutical ingredient for prescription drugs, Active pharmaceutical ingredient for over-the-counter drugs, Medical device

<Subsidiary Plants >

	HACCP	ISO 9001	ISO 14001	production item
Yakult Iwate Plant Co.,Ltd.	○	○	○	New Yakult, New Yakult Calorie Half, Yakult 400, Yakult 400LT, Yakult Five
Yakult Chiba Plant Co.,Ltd.	○	○	○	New Yakult Calorie Half, Yakult 400LT
Yakult Aichi Plant Co.,Ltd.	○	○	○	New Yakult, Yakult 400, Yakult 400LT
Yakult Okayama Wake Plant Co.,Ltd.	○	○	○	New Yakult, Yakult 400LT
Yakult Fukuoka Plant Co.,Ltd.	○	○	○	New Yakult, New Yakult Calorie Half, Yakult 400, Yakult 400LT

HACCP :Hazard Analysis and Critical Control Point

International Organization for Standardization (ISO)

ISO 9001-- The International Standard for Quality Management Systems

ISO 14001-- The International Standard for Environmental Management Systems

3. Overseas dairy products sales amount (Preliminary figure)

[Performance from January to March 2019]

(Thousands of bottles/day. %)

	Consolidation Classification	From January to March, 2019 (Preliminary figure)		Main Products	Base of production	Base of production
		Results	Year on year			
Taiwan	Equity method	611	111.0	<i>Yakult, Yakult 300, Yakult 300Light, Joie</i>	○	1
Hong Kong	Consolidated	454	99.5	<i>Yakult, Yakult LT, Joie</i>	○	1
Thailand ※1	Equity method	2,226	98.6	<i>Yakult, Yakult Light</i>	○	2
Korea	Equity method	2,890	90.7	<i>Yakult, Yakult Premium Light</i>	○	4
Philippines	Equity method	3,243	106.0	<i>Yakult, Yakult Light</i>	○	1
Singapore	Consolidated	226	100.5	<i>Yakult, Yakult Light, Yakult Ace Light</i>	○	1
Indonesia	Consolidated	5,611	106.5	<i>Yakult</i>	○	2
Australia	Consolidated	250	108.9	<i>Yakult, Yakult Light</i>	○	1
Malaysia	Consolidated	340	107.0	<i>Yakult Ace, Yakult Ace Light</i>	○	1
Vietnam	Consolidated	434	145.5	<i>Yakult</i>	○	1
India ※2	Consolidated	215	108.3	<i>Yakult, Yakult Light</i>	○	1
Middle East	Consolidated	18	112.1	<i>Yakult, Yakult Light</i>	Yakult Philippines	---
Guangzhou	Consolidated	2,236	100.7	<i>Yakult, Yakult Light</i>	○	3
Shanghai	Consolidated	425	90.7	<i>Yakult, Yakult Light</i>	○	1
Beijing	Consolidated	378	98.8	<i>Yakult, Yakult Light</i>	Tianjin	---
China ※3	Consolidated	2,935	103.3	<i>Yakult, Yakult Light</i>	Shanghai, Tianjin, Wuxi	2
China total		5,974	101.0	---	---	---
Asia and Oceania total		22,492	102.3	Marketing Population: 1,441,036 thousand people Population ratio: 1.56%		
(Consolidated subsidiaries company Total)		13,522	104.6			
Brazil	Consolidated	1,662	90.9	<i>Yakult, Yakult 400, Yakult 400LT, Sofyl</i>	○	1
Mexico	Consolidated	3,976	105.8	<i>Yakult, Yakult 40LT, Soful LT, SofulLT(Drink type)</i>	○	2
USA	Consolidated	371	112.8	<i>Yakult, Yakult Light</i>	○	1
The Americas total		6,009	101.5	Marketing Population: 414,375 thousand people Population ratio: 1.45%		
Netherlands	Consolidated	172	89.8	<i>Yakult, Yakult Light, Yakult Plus</i>	Yakult Europe	---
Belgium ※4	Consolidated	84	99.8	<i>Yakult, Yakult Light, Yakult Plus</i>	Yakult Europe	---
United Kingdom	Consolidated	206	99.0	<i>Yakult, Yakult Light</i>	Yakult Europe	---
Germany	Consolidated	88	88.7	<i>Yakult, Yakult Light, Yakult Plus</i>	Yakult Europe	---
Austria	Consolidated	11	64.7	<i>Yakult, Yakult Plus</i>	Yakult Europe	---
Italy	Consolidated	99	96.2	<i>Yakult, Yakult Light, Yakult Plus</i>	Yakult Europe	---
Europe total		660	93.9	Marketing Population: 287,256 thousand people Population ratio: 0.23%		Yakult Europe
Total		29,161	102.0	Marketing Population: 2,142,667 thousand people Population ratio: 1.36%		Factory Total
(Consolidated subsidiaries company Total)		20,191	103.3			

<Accounting period: From January to December>

※1 Thailand : Accounting date : 31st May.

※2 India : Accounting date : 31st 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, Jiaying city, Wuxi city, Guiyang city.
(excluding Guangdong, Hainan, Shanghai and Beijing city)

※4 Denmark : Started sales of "Yakult" in January 2019.

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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