



**Supplementary Materials for Financial  
Statements For the third quarter Ended  
December 31, 2017  
(April 1, 2017 to December 31, 2017)**

January 30, 2018

Yakult Honsha Co., Ltd.  
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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 1000 is rounded off.

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

# Consolidate

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

(Millions of yen)

	As of Mar.31 2017	As of Dec. 31 2017	Increase (Decrease)
<b>Total Assets</b>	585,741	641,564	55,823
<b>Current assets</b>			
Cash and deposits	132,030	154,998	22,968
Notes and accounts receivable	54,437	65,540	11,103
Inventories	28,526	28,689	163
Others	13,802	14,198	396
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
Buildings and structures	89,911	87,442	(2,468)
Others	108,387	110,159	1,771
<b>Intangible fixed assets</b>	5,464	5,436	(27)
<b>Investments and other assets</b>			
Investment securities	143,822	165,201	21,379
Others	9,359	9,896	537
<b>Total Liabilities</b>	208,860	217,700	8,840
<b>Current liabilities</b>			
Notes and accounts payable	24,618	29,671	5,053
Short-term borrowings	46,670	49,834	3,164
Others	42,863	42,388	(475)
<b>Fixed liabilities</b>			
Long-term borrowings	57,491	53,273	(4,218)
Retirement benefit obligation	7,471	6,702	(769)
Others	29,744	35,830	6,085
<b>Total Net Assets</b>	376,880	423,863	46,983
<b>Shareholder's Equity</b>	346,354	373,593	27,238
Accumulated other comprehensive income	(2,851)	13,113	15,965
<b>Non-controlling interests</b>	33,378	37,157	3,778

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

(Millions of yen)

	3Q of FY 2017 (2016.4~12)	3Q of FY 2018 (2017.4~12)	Increase (Decrease)	
			Amount	Ratio (%)
<b>Net sales</b>	<b>291,082</b>	<b>308,964</b>	17,882	6.1
(Sales by business segments)				
Food and beverages (Japan)	155,632	159,871	4,238	
Food and beverages (Overseas)	111,981	128,643	16,661	
Pharmaceuticals	21,846	20,264	(1,581)	
Others	16,898	17,560	661	
Adjustment	(15,276)	(17,375)	(2,098)	
<b>Cost of sales</b>	125,602	130,951	5,349	4.3
<b>Gross profit</b>	165,480	178,012	12,532	7.6
Gross profit margin (%)	56.9	57.6	0.7	
<b>Selling, general and administrative expenses</b>	132,666	138,082	5,416	4.1
Selling expenses	63,797	66,657	2,860	
General and administrative expenses	68,868	71,425	2,556	
<b>Operating income</b>	<b>32,813</b>	<b>39,930</b>	7,116	21.7
Operating income margin (%)	11.3	12.9	1.6	
(Operating income by business segments)				
Food and beverages (Japan)	10,879	13,949	3,070	
Food and beverages (Overseas)	30,148	34,801	4,653	
Pharmaceuticals	2,538	2,747	209	
Others	1,594	1,671	77	
Adjustment	(12,347)	(13,240)	(893)	
{ include corporate expenses }	{ (9,442) }	{ (9,666) }	{ (223) }	
Non-operating incomes	9,297	10,626	1,329	14.3
Interests income	2,100	2,886	786	
Dividends income	1,527	1,712	185	
Investment gains on the equity method	3,339	4,595	1,256	
Others	2,330	1,431	(898)	
Non-operating expenses	861	2,381	1,520	176.6
Interest expenses	546	474	(72)	
Others	314	1,907	1,593	
<b>Ordinary income</b>	<b>41,250</b>	<b>48,175</b>	6,924	16.8
Ratio of ordinary income to net sales (%)	14.2	15.6	1.4	
Extraordinary gain	278	791	513	184.3
Extraordinary loss	454	231	(222)	(49.0)
<b>Income before income taxes and minority interests</b>	41,074	48,735	7,660	18.7
Income taxes	10,373	12,400	2,026	
<b>Profit</b>	30,700	36,334	5,634	18.4
Profit attributable to non controlling interests	3,915	3,580	(334)	
<b>Profit attributable to owners of parent</b>	<b>26,784</b>	<b>32,753</b>	5,969	22.3
Ratio of net income to net sales (%)	9.2	10.6	1.4	

### 3. Performance Overview

#### (1) Breakdown of Statement of Income

(Millions of yen)

	3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)		3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)	
	Results	Year on year(%)	Results	Year on year(%)
Net sales	291,082	97.1	308,964	106.1
Operating income	32,813	90.9	39,930	121.7
Ordinary income	41,250	90.0	48,175	116.8
Profit attributable to owners of parent	26,784	94.6	32,753	122.3

#### (2) Breakdown of Gains on Equity Method

(Millions of yen)

	3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)		3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)	
	Results	Year on year(%)	Results	Year on year(%)
Investment gains on the equity method	3,339	90.3	4,595	137.6

## 4. Segment Information

### Actual Results

(1) 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

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 9,442 million yen
- Elimination of royalty income : 2,904 million yen

## (2) Result of the third quarter ended December 31, 2017 (April 1, 2017 ~ December 31, 2017)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	159,871	128,643	38,009	84,553	6,080
Percentage of net sales (%)	51.7	41.6	12.3	27.3	2.0
Year on year (%)	102.7	114.9	110.9	117.7	103.6
Operating expenses	145,921	93,841	28,949	59,396	5,495
Year on year (%)	100.8	114.7	112.4	116.8	105.4
Operating income (loss)	13,949	34,801	9,059	25,156	585
Year on year (%)	128.2	115.4	106.5	119.8	89.8
Operating income margin (%)	8.7	27.1	23.8	29.8	9.6

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	20,264	17,560	326,339	(17,375)	308,964
Percentage of net sales (%)	6.6	5.7	105.6	(5.6)	100.0
Year on year (%)	92.8	103.9	106.5	113.7	106.1
Operating expenses	17,516	15,888	273,168	(4,134)	269,034
Year on year (%)	90.7	103.8	104.6	141.1	104.2
Operating income (loss)	2,747	1,671	53,170	※ (13,240)	39,930
Year on year (%)	108.2	104.8	117.7	107.2	121.7
Operating income margin (%)	13.6	9.5	---	---	12.9

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 9,666 million yen
- Elimination of royalty income : 3,574 million yen

〈Reference〉

Result of the third quarter ended December 31, 2017.

(on the basis of average exchange rate between Jan. 2016 and Sep. 2016)

(3) Result of the third quarter ended December 31, 2017 (April 1, 2017 ~ December 31, 2017)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	159,871	126,239	36,295	83,897	6,046
Percentage of net sales (%)	52.2	41.2	11.8	27.4	2.0
Year on year (%)	102.7	112.7	105.9	116.8	103.1
Operating expenses	145,921	91,751	27,412	58,956	5,382
Year on year (%)	100.8	112.1	106.4	115.9	103.2
Operating income (loss)	13,949	34,487	8,883	24,940	663
Year on year (%)	128.2	114.4	104.4	118.8	101.9
Operating income margin (%)	8.7	27.3	24.5	29.7	11.0

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	20,264	17,560	323,936	(17,375)	306,561
Percentage of net sales (%)	6.6	5.7	105.7	(5.7)	100.0
Year on year (%)	92.8	103.9	105.7	113.7	105.3
Operating expenses	17,516	15,888	271,079	(4,134)	266,944
Year on year (%)	90.7	103.8	103.8	141.1	103.4
Operating income (loss)	2,747	1,671	52,856	※ (13,240)	39,616
Year on year (%)	108.2	104.8	117.0	107.2	120.7
Operating income margin (%)	13.6	9.5	---	---	12.9

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 9,666 million yen
- Elimination of royalty income : 3,574 million yen

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

(Thousands of bottles/day)

	Consolidation Classification	3Q of FY 2018 (From January to September 2017)		Preliminary figure (From January to December 2017)	
		Results	Year on year (%)	Results	Year on year (%)
Taiwan	Equity method	788	96.1	751	93.9
Hong Kong	Consolidated	537	93.5	528	96.1
Thailand ※1	Equity method	2,203	101.1	2,211	101.3
Korea	Equity method	3,699	99.9	3,573	99.1
Philippines	Equity method	2,719	111.5	2,762	112.7
Singapore	Consolidated	232	94.1	229	94.7
Indonesia	Consolidated	5,274	105.3	5,294	104.8
Australia	Consolidated	244	103.4	245	103.2
Malaysia	Consolidated	333	100.6	330	100.4
Vietnam	Consolidated	271	124.2	275	127.9
India ※2	Consolidated	187	118.1	186	118.5
Middle East ※3	Consolidated	9	-	11	-
Guangzhou	Consolidated	2,778	117.5	2,660	115.3
Shanghai	Consolidated	693	114.8	651	111.8
Beijing	Consolidated	435	122.0	413	120.9
China ※4	Consolidated	3,494	128.6	3,279	126.4
China total		7,400	122.5	7,003	120.2
<b>Asia and Oceania total</b>		<b>23,896</b>	<b>108.8</b>	<b>23,398</b>	<b>108.1</b>
<b>(Consolidated subsidiaries company Total)</b>		<b>14,487</b>	<b>113.0</b>	<b>14,102</b>	<b>111.9</b>
Brazil	Consolidated	1,841	93.4	1,817	93.9
Mexico	Consolidated	3,744	103.6	3,678	103.3
USA	Consolidated	292	114.7	294	115.3
<b>The Americas total</b>		<b>5,876</b>	<b>100.6</b>	<b>5,789</b>	<b>100.7</b>
Netherlands	Consolidated	172	100.2	173	101.4
Belgium	Consolidated	75	110.4	76	109.9
United Kingdom	Consolidated	199	105.8	198	104.5
Germany	Consolidated	77	94.2	81	97.0
Austria	Consolidated	11	110.6	12	108.0
Italy	Consolidated	94	109.7	95	109.5
<b>Europe total</b>		<b>628</b>	<b>103.8</b>	<b>635</b>	<b>104.0</b>
<b>Total</b>		<b>30,401</b>	<b>107.0</b>	<b>29,823</b>	<b>106.5</b>
<b>(Consolidated subsidiaries company Total)</b>		<b>20,992</b>	<b>109.0</b>	<b>20,526</b>	<b>108.2</b>

<Accounting period: From January to December>

※1 Thailand : Accounting date : 31th May

※2 India : Accounting date : 31th March.

※3 Middle East: Yakult Middle East FZCO starts selling Yakult in United Arab Emirates on 19th March and in Oman, Bahrein, Qatar and Kuwait on 26th March.

※4 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. (excluding Guangdong, Hainan, Shanghai and Beijing city)

# (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 2017 (April 1, 2016 ~ December 31, 2016)		3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)	
	Results	Year on year(%)	Results	Year on year(%)
Net sales	133,195	96.8	136,032	102.1
Operating income	878	21.1	4,365	497.0
Ordinary income	4,693	45.3	9,146	194.9
Net income	4,025	48.5	8,609	213.9

## 2. Sales breakdown

### (1) Sales by Product Category

(Millions of yen)

	3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)		3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)	
	Results	Year on year(%)	Results	Year on year(%)
Dairy products	64,965	105.6	67,616	104.1
Juices and other beverages etc.	23,394	94.8	22,785	97.4
Subtotal	88,359	102.5	90,402	102.3
Cosmetics	5,157	98.3	5,231	101.4
Pharmaceuticals	21,846	80.9	20,264	92.8
Others	17,832	93.0	20,134	112.9
<b>Total</b>	<b>133,195</b>	<b>96.8</b>	<b>136,032</b>	<b>102.1</b>

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

(Thousands of bottles/day)

		3Q of FY 2017 (April 1, 2016 ~ December 31, 2016)		3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)	
		Results	Year on year(%)	Results	Year on year(%)
Dairy Products	<i>New Yakult</i> (Including <i>New Yakult Calorie Half</i> )	3,708	113.4	4,017	108.3
	<i>Yakult 400</i> products	3,453	103.8	3,553	102.9
	Other <i>Yakult</i> products ※1	231	117.5	195	84.3
	<b>Total for <i>Yakult</i> products</b>	<b>7,392</b>	<b>108.8</b>	<b>7,764</b>	<b>105.0</b>
	<i>Joie</i> ( Including <i>Joie</i> ( <i>Yoghurt Cup</i> ) )	866	90.4	872	100.8
	<i>Mil-Mil</i> products	399	102.6	394	98.6
	<i>Sofuhl</i> products	484	95.0	467	96.5
	<b>Total for fermented milk</b>	<b>1,749</b>	<b>94.2</b>	<b>1,734</b>	<b>99.1</b>
	<b>Others</b> ※2	<b>191</b>	<b>86.7</b>	<b>182</b>	<b>95.1</b>
	<b>Total</b>	<b>9,333</b>	<b>105.2</b>	<b>9,680</b>	<b>103.7</b>

※1 Total of *Yakult Ace*, *Yakult Gold*, *Mainichi Nomu Yakult* and *Synbiotics Yakult W*.  
*Synbiotics Yakult W* (Launched in October 2017).

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

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

(Thousands of bottles)

		3Q of FY 2017		3Q of FY 2018	
		(April 1, 2016 ~ December 31, 2016)		(April 1, 2017 ~ December 31, 2017)	
		Results	Year on year(%)	Results	Year on year(%)
Health and functional food products	<i>Bansoreicha</i>	15,142	90.7	14,040	92.7
	<i>Toughman</i>	35,818	87.5	32,807	91.6
	<i>Kurozu Drink</i>	22,126	91.5	21,640	97.8
	<i>Soy milk drinks</i>	30,775	91.2	30,133	97.9
	<i>Milougu</i>	21,217	91.5	20,391	96.1
Soft drinks	<i>Juices</i>	38,089	93.2	35,778	93.9
	<i>Kininaruyasai</i>	30,336	92.6	30,253	99.7
	<i>Coffee Time</i>	15,045	84.1	13,577	90.2
	<i>FIRE</i>	54,224	100.0	48,494	89.4

## (4) Pharmaceuticals sales

(Millions of yen)

		3Q of FY 2017		3Q of FY 2018	
		(April 1, 2016 ~ December 31, 2016)		(April 1, 2017 ~ December 31, 2017)	
		Results	Year on year(%)	Results	Year on year(%)
	<i>Campto (Japan)</i>	807	69.8	798	98.9
	<i>Campto (Overseas)</i>	266	525.9	60	22.5
	<b><i>Campto total</i></b>	<b>1,074</b>	<b>89.0</b>	<b>858</b>	<b>79.9</b>
	<i>Elplat</i>	14,523	74.7	12,860	88.6
	<i>Gemcitabine</i>	2,356	94.3	2,394	101.6
	Other pharmaceuticals	3,893	100.6	4,151	106.6
	<b>Total</b>	<b>21,846</b>	<b>80.9</b>	<b>20,264</b>	<b>92.8</b>

## **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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