



Supplementary Materials for Financial Statements For the Year Ended March 31, 2018

May 10, 2018

Yakult Honsha Co., Ltd.

Public Relations Department

Investor Relations Department

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

Contents

Consolidated

1. Major Increases (Decreases) in Consolidated Balance Sheet	...	1	Page
2. Major Increases (Decreases) in Consolidated Statement of Income	...	2	
3. Performance Overview	...	3 - 4	
4. Segment Information	...	5 - 9	
5. Overview of Overseas Companies	...	10 - 11	

Non-Consolidated

1. Major Increases (Decreases) in Non-consolidated Balance Sheet	...	12	
2. Major Increases (Decreases) in Non-consolidated Statement of Income	...	13	
3. Performance Overview	...	14	
4. Breakdown of Sales	...	15 - 16	
5. Breakdown of Selling, General and Administrative Expenses	...	17	
6. Breakdown of retirement benefit expenses	...	17	
7. Head Office Employees	...	17	
8. Yakult Sales Company	...	17	
9. Sales Personnel by Department	...	17	

Reference

1. Expansion of Indication and New Drug Development Pipeline	...	18	
2. Situation of Yakult Group (Production Facilities)	...	19	
3. Overseas dairy products sales amount (Preliminary figure)	...	20	

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 2017	As of Mar. 31 2018	Increase (Decrease)	Primary reason for change
Total Assets	585,741	631,241	45,500	
Current assets				
Cash and deposits	132,030	151,788	19,758	Increase in overseas subsidiaries
Notes and accounts receivable	54,437	56,479	2,042	
Inventories	28,526	28,138	(387)	
Deferred tax assets	4,770	5,059	288	
Others	9,031	8,875	(156)	
Fixed assets				
Tangible fixed assets				
Buildings and structures	89,911	87,387	(2,523)	
Machineries and vehicles	50,589	48,958	(1,631)	
Others	57,798	64,852	7,054	
Intangible fixed assets	5,464	5,727	263	
Investments and other assets				
Investment securities	143,822	163,591	19,769	Increase of fair market value etc.
Deferred tax assets	1,920	1,954	33	
Others	7,438	8,427	988	
Total Liabilities	208,860	244,567	35,706	
Current liabilities				
Notes and accounts payable	24,618	29,528	4,910	Transfer from Long-term borrowings
Short-term borrowings	46,670	87,214	40,543	
Others	42,863	45,057	2,193	
Fixed liabilities				
Long-term borrowings	57,491	41,898	(15,593)	
Retirement benefit obligation	7,471	5,346	(2,125)	
Others	29,744	35,522	5,777	
Total Net Assets	376,880	386,674	9,793	
Shareholder's Equity	346,354	338,903	(7,450)	
Accumulated other comprehensive income	(2,851)	13,274	16,126	
Non-controlling interests	33,378	34,495	1,117	

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

	Previous period (2016.4~2017.3)	Current period (2017.4~2018.3)	Increase (Decrease)		Primary reason for change	Revised Forecasts※ (2017.4~2018.3)
			Amount	%		
Net sales	378,307	401,569	23,261	6.1	FX impact +4,379	402,500
(Sales by business segments)						
Food and beverages (Japan)	204,130	210,022	5,891			
Food and beverages(Overseas)	146,416	168,353	21,936			
Pharmaceuticals	27,836	25,661	(2,174)			
Others	19,951	20,778	826			
Adjustment	(20,028)	(23,246)	(3,217)			
Cost of sales	163,972	171,639	7,666	4.7		
Gross profit	214,335	229,930	15,595	7.3		
Gross profit margin (%)	56.7	57.3	0.6			
Selling, general and administrative expenses	177,053	186,466	9,413	5.3		
Selling expenses	84,667	90,070	5,402			
General and administrative expenses	92,385	96,396	4,010			
Operating income	37,281	43,463	6,182	16.6	FX impact +811	41,500
Operating income margin (%)	9.9	10.8	0.9			
(Operating income by business segments)						
Food and beverages (Japan)	13,813	17,029	3,215			
Food and beverages(Overseas)	36,123	42,037	5,914			
Pharmaceuticals	2,890	1,322	(1,567)			
Others	904	950	45			
Adjustment	(16,449)	(17,876)	(1,426)			
{ include corporate expenses }	{ (12,610) }	{ (13,297) }	{ (687) }			
Non-operating incomes	13,301	11,808	(1,493)	(11.2)		
Interests income	2,926	3,945	1,019			
Dividends income	1,658	1,867	208			
Investment gains on the equity method	4,442	3,883	(558)			
Others	4,273	2,112	(2,161)		Decrease in foreign exchange gain	
Non-operating expenses	1,213	2,217	1,004	82.8		
Interest expenses	708	652	(55)			
Others	504	1,564	1,060			
Ordinary income	49,370	53,054	3,684	7.5	FX impact +981	51,000
Ratio of ordinary income to net sales (%)	13.1	13.2	0.1			
Extraordinary gain	294	825	531	180.7		
Extraordinary loss	983	399	(583)	(59.4)		
Income before income taxes and minority interests	48,681	53,481	4,799	9.9		
Income taxes	13,708	14,820	1,112			
Profit	34,972	38,660	3,687	10.5		
Profit attributable to non controlling interests	4,818	4,595	(222)			
Profit attributable to owners of parent	30,154	34,064	3,910	13.0	FX impact +622	31,500
Ratio of net income to net sales (%)	8.0	8.5	0.5			

※ Revised Forecasts announced on November 10, 2017

3. Performance Overview

(1) Breakdown of Statement of Income

(Millions of yen. %)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Net sales	378,307	96.9	401,569	106.1	418,000	104.1
Operating income	37,281	93.1	43,463	116.6	46,500	107.0
Ordinary income	49,370	97.5	53,054	107.5	56,500	106.5
Profit attributable to owners of parent	30,154	104.5	34,064	113.0	35,500	104.2

(2) Ratios of Consolidated to Non-consolidated Results

(Times)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance		Performance		Forecast	
Net sales	2.18		2.26		2.33	
Operating income	47.63		19.61		31.00	
Ordinary income	3.90		3.50		3.65	
Profit attributable to owners of parent	2.99		2.45		2.54	

(3) Breakdown of Gains on Equity Method

(Millions of yen. %)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Investment gains on the equity method	4,442	134.1	3,883	87.4	4,400	113.3

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

(Millions of yen. %)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Advertising expenses	17,279	120.8	18,383	106.4	—	—
Sales promotion expenses	9,086	86.5	9,574	105.4	—	—
Freight	12,050	98.7	13,327	110.6	—	—
Employee's salaries	37,117	97.9	40,018	107.8	—	—
Depreciation	4,495	85.8	4,579	101.9	—	—
Research and Development cost	10,511	83.2	10,171	96.8	—	—

(5) Capital investments, Depreciation and amortization, Research and development costs

(Millions of yen. %)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Capital investments	23,365	85.3	23,304	99.7	33,000	141.6
Depreciation and amortization	22,660	93.0	21,532	95.0	22,000	102.2
Research and development costs	10,549	83.2	10,207	96.8	11,228	110.0

Breakdown of investment

	Fiscal year ended March 31, 2018		Forecast of full fiscal year ending March 31, 2019	
Capital investments	Investment in Parent company	7.9 billion yen	Investment in Parent company	7.2 billion yen
	Investment in Plants(subsidiaries)	1.2 billion yen	Investment in Plants(subsidiaries)	2.3 billion yen
	Investment in Overseas subsidiaries	12.4 billion yen	Investment in Overseas subsidiaries	22.8 billion yen
Research and Development costs	Food and beverages	6.3 billion yen	Food and beverages	6.2 billion yen
	Pharmaceuticals	3.2 billion yen	Pharmaceuticals	4.3 billion yen
	Others	0.6 billion yen	Others	0.6 billion yen

〈Reference〉 Consolidated Statements of Cash Flows Overview

(Millions of yen)

	Previous period (2016.4~2017.3)	Current period (2017.4~2018.3)	Increase (Decrease) Amount
Cash flows from operating activities	59,998	61,989	1,990
Cash flows from investing activities	(44,986)	(30,285)	14,700
Cash flows from financing activities	(13,749)	(21,969)	(8,219)
Foreign currency translation adjustments on cash and cash equivalents	(7,931)	1,070	9,001
Net increase (decrease) in cash and cash equivalents	(6,668)	10,805	17,473
Beginning balance of cash and cash equivalents	101,799	95,130	(6,668)
Ending balance of cash and cash equivalents	95,130	105,936	10,805

4. Segment Information

(1) Annual Results

① Results of the fiscal year ended March 31, 2017

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	204,130	146,416	45,252	93,364	7,800
Percentage of net sales (%)	54.0	38.7	11.9	24.7	2.1
Year on year (%)	102.6	92.4	85.8	96.1	90.5
Operating expenses	190,317	110,293	34,928	68,056	7,308
Year on year (%)	100.5	93.4	87.4	97.0	91.3
Operating income (loss)	13,813	36,123	10,323	25,307	491
Year on year (%)	144.9	89.5	80.8	93.8	79.5
Operating income margin (%)	6.8	24.7	22.8	27.1	6.3

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	27,836	19,951	398,336	(20,028)	378,307
Percentage of net sales (%)	7.3	5.3	105.3	(5.3)	100.0
Year on year (%)	80.0	98.2	96.6	90.4	96.9
Operating expenses	24,946	19,047	344,604	(3,578)	341,026
Year on year (%)	84.7	100.7	96.8	64.7	97.3
Operating income (loss)	2,890	904	53,731	※ (16,449)	37,281
Year on year (%)	53.9	64.3	94.8	99.0	93.1
Operating income margin (%)	10.4	4.5	---	---	9.9

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 12,610 million yen
- Elimination of royalty income : 3,839 million yen

② 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 income (loss)	17,029	42,037	11,279	30,093	664
Year on year (%)	123.3	116.4	109.3	118.9	135.2
Operating income margin (%)	8.1	25.0	22.5	27.4	8.0

	Pharmaceuticals	Others	Total	Adjustment	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 income (loss)	1,322	950	61,339	※ (17,876)	43,463
Year on year (%)	45.8	105.1	114.2	108.7	116.6
Operating income margin (%)	5.2	4.6	---	---	10.8

※ The details of "Adjustment" are as follows.

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

〈Reference〉

Results of the fiscal year ended March 31, 2018

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

③ 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	163,973	47,957	107,927	8,088
Percentage of net sales (%)	52.9	41.3	12.1	27.2	2.0
Year on year (%)	102.9	112.0	106.0	115.6	103.7
Operating expenses	192,993	122,747	36,997	78,399	7,349
Year on year (%)	101.4	111.3	105.9	115.2	100.6
Operating income (loss)	17,029	41,226	10,960	29,528	738
Year on year (%)	123.3	114.1	106.2	116.7	150.2
Operating income margin (%)	8.1	25.1	22.9	27.4	9.1

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	25,661	20,778	420,436	(23,246)	397,190
Percentage of net sales (%)	6.5	5.2	105.9	(5.9)	100.0
Year on year (%)	92.2	104.1	105.5	116.1	105.0
Operating expenses	24,339	19,828	359,908	(5,370)	354,537
Year on year (%)	97.6	104.1	104.4	150.1	104.0
Operating income (loss)	1,322	950	60,528	※ (17,876)	42,652
Year on year (%)	45.8	105.1	112.7	108.7	114.4
Operating income margin (%)	5.2	4.6	---	---	10.7

※ The details of "Adjustment" are as follows.

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

(2) Annual forecast

Forecasts for the Fiscal year ending March 31, 2019

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	219,400	185,600	50,700	125,600	9,300
Percentage of net sales (%)	52.5	44.4	12.1	30.1	2.2
Year on year (%)	104.5	110.2	101.1	114.3	111.5
Operating expenses	201,300	138,300	39,000	90,700	8,600
Year on year (%)	104.3	109.5	100.3	113.7	112.0
Operating income (loss)	18,100	47,300	11,700	34,900	700
Year on year (%)	106.3	112.5	103.7	116.0	105.3
Operating income margin (%)	8.2	25.5	23.1	27.8	7.5

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	20,000	21,800	446,800	(28,800)	418,000
Percentage of net sales (%)	4.8	5.2	106.9	(6.9)	100.0
Year on year (%)	77.9	104.9	105.2	123.9	104.1
Operating expenses	22,000	20,900	382,500	(11,000)	371,500
Year on year (%)	90.4	105.4	105.2	204.8	103.7
Operating income (loss)	(2,000)	900	64,300	※ (17,800)	46,500
Year on year (%)	---	94.7	104.8	99.6	107.0
Operating income margin (%)	(10.0)	4.1	---	---	11.1

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 12,900 million yen
- Elimination of royalty income : 4,900 million yen

〈Reference〉

Forecasts for the Fiscal year ending March 31, 2019

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

Forecasts for the Fiscal year ending March 31, 2019

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	219,400	187,000	52,600	125,400	9,000
Percentage of net sales (%)	52.3	44.6	12.5	29.9	2.2
Year on year (%)	104.5	111.1	104.9	114.2	107.9
Operating expenses	201,300	139,500	40,600	90,600	8,300
Year on year (%)	104.3	110.4	104.4	113.6	108.1
Operating income (loss)	18,100	47,500	12,000	34,800	700
Year on year (%)	106.3	113.0	106.4	115.6	105.3
Operating income margin (%)	8.2	25.4	22.8	27.8	7.8

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	20,000	21,800	448,200	(28,800)	419,400
Percentage of net sales (%)	4.8	5.2	106.9	(6.9)	100.0
Year on year (%)	77.9	104.9	105.5	123.9	104.4
Operating expenses	22,000	20,900	383,700	(11,000)	372,700
Year on year (%)	90.4	105.4	105.6	204.8	104.1
Operating income (loss)	(2,000)	900	64,500	※ (17,800)	46,700
Year on year (%)	---	94.7	105.2	99.6	107.4
Operating income margin (%)	(10.0)	4.1	---	---	11.1

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 12,900 million yen
- Elimination of royalty income : 4,900 million yen

5. Overview of Overseas Companies

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

[Performance from January to December 2017]

(December 31, 2017)

	Consolidation Classification	Result (Thousands of bottles/day)	Year on year (%)	Started Business	Consolidation Classification (%)	Currency Unit	※ Exchange rate		
							Average Jan.~Dec. 2016	Average Jan.~Dec. 2017	Average Jan.~Mar. 2017
Taiwan	Equity method	751	93.9	Mar. 1964	25.00	NT\$	3.40	3.70	3.69
Hong Kong	Consolidated	528	96.1	Jun. 1969	80.00	HK\$	14.10	14.37	13.73
Thailand	Equity method	2,211	101.3	Jun. 1971	25.29	B	3.33	3.12	3.33
Korea	Equity method	3,573	99.1	Aug. 1971	38.30	W	0.0941	0.0998	0.1003
Philippines	Equity method	2,762	112.7	Oct. 1978	40.00	P	2.30	2.22	2.07
Singapore	Consolidated	229	94.7	Jul. 1979	100.00	S\$	79.07	81.50	81.68
Indonesia	Consolidated	5,294	104.8	Jan. 1991	100.00	Rp	0.0082	0.0084	0.0079
Australia	Consolidated	245	103.2	Feb. 1994	100.00	A\$	81.17	86.20	84.39
Malaysia	Consolidated	330	100.4	Feb. 2004	100.00	MYR	26.46	26.22	27.64
Vietnam	Consolidated	275	127.9	Sep. 2007	80.00	VND	0.0049	0.0049	0.0048
India	Consolidated	186	118.5	Jan. 2008	50.00	INR	1.63	1.73	1.68
Middle East	Consolidated	11	-	Mar. 2017	100.00	AED	29.80	30.51	29.28
Guangzhou	Consolidated	2,660	115.3	Jun. 2002	95.00	RMB	16.41	16.63	17.04
Shanghai	Consolidated	651	111.8	May. 2005	100.00	RMB	16.41	16.63	17.04
Beijing	Consolidated	413	120.9	Jun. 2006	100.00	RMB	16.41	16.63	17.04
China	Consolidated	3,279	126.4	Apr. 2007	100.00	RMB	16.41	16.63	17.04
China total		7,003	120.2						
Asia and Oceania total (Consolidated subsidiaries Total)		23,398 14,102	108.1 111.9	Marketing Population: 1,399,370 thousand people Population ratio: 1.67%					
Brazil	Consolidated	1,817	93.9	Oct. 1968	51.42	R	31.79	35.00	33.17
Mexico	Consolidated	3,678	103.3	Oct. 1981	61.21	NP	5.84	5.95	5.78
USA	Consolidated	294	115.3	Oct. 1999	100.00	US\$	109.45	112.04	107.5
The Americas total		5,789	100.7	Marketing Population: 369,022 thousand people Population ratio: 1.57%					
Netherlands	Consolidated	173	101.4	Apr. 1994	100.00	EUR	120.56	127.19	132.33
Belgium	Consolidated	76	109.9	Apr. 1995	100.00	EUR	120.56	127.19	132.33
United Kingdom	Consolidated	198	104.5	Apr. 1996	100.00	£	147.37	145.37	150.76
Germany	Consolidated	81	97.0	Apr. 1996	100.00	EUR	120.56	127.19	132.33
Austria	Consolidated	12	108.0	Dec. 2005	100.00	EUR	120.56	127.19	132.33
Italy	Consolidated	95	109.5	Feb. 2007	100.00	EUR	120.56	127.19	132.33
Europe total		635	104.0	Marketing Population: 270,515 thousand people Population ratio: 0.23%					
Total (Consolidated subsidiaries Total)		29,823 20,526	106.5 108.2	Marketing Population: 2,038,907 thousand people Population ratio: 1.46%					

※ Exchange Rate : Average Jan. ~ Mar. 2018: used for Forecasts for the Fiscal year ending Mar 2019
Average Jan. ~ Dec. 2017: used for the result of the Fiscal year ended Mar 2018
Average Jan. ~ Dec. 2016: used for the result of the Fiscal year ended Mar 2017

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

(Unit:people)

	Number of Yakult Ladies
Asia and Oceania	32,303
The Americas	14,256
Europe	---
Total	46,559

(As of the end of December 2017)

	Percentage of Sales by Channel (Volume)	
	Yakult Ladies	Stores
Asia and Oceania	45.2%	54.8%
The Americas	43.6%	56.4%
Europe	---	100.0%
Total	43.9%	56.1%

(From January to December 2017)

(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	
Ireland	Yakult UK
Malta	Yakult Italia

(4) Plan for the future

- Currently undergoing feasibility studies
 - Middle East and South East Asian countries which do not entry to a market (conducting local 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 studies based on the assumption 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. *ISO22000:Food Safety Management Systems
- GMP Accreditation: Taiwan, Thailand, Korea, Guangzhou, Brazil, Mexico. *GMP:Good Manufacturing Practice
- FSSC22000 Accreditation: Europe
*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.
*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 2017	As of Mar. 31 2018	Increase (Decrease)	Primary reason for change
Total Assets	334,873	353,617	18,743	
Current assets				
Cash and deposits	7,617	7,460	(157)	
Accounts receivable	42,995	42,865	(129)	
Inventories	15,366	16,382	1,015	
Others	9,415	11,688	2,272	
Fixed assets				
Tangible fixed assets				
Buildings	38,773	36,913	(1,860)	
Machinery and equipment	13,012	12,033	(979)	
Others	30,988	33,257	2,269	
Intangible fixed assets	2,897	3,237	340	
Investments and other assets				
Investment securities	89,045	101,920	12,874	Increase of fair market value etc.
Investment to affiliates	90,069	90,909	840	
Prepaid pension cost	837	1,410	572	
Others	(6,146)	(4,461)	1,685	
Total Liabilities	155,713	193,087	37,374	
Current liabilities				
Accounts payable	15,346	18,552	3,205	
Electronically recorded obligations	3,616	7,044	3,428	
Short-term borrowings	43,200	85,600	42,400	Transfer from Long-term borrowings
Other account payable	5,019	4,010	(1,009)	
Others	21,843	22,427	583	
Fixed liabilities				
Long-term borrowings	52,500	37,500	(15,000)	
Others	14,187	17,953	3,765	
Total Net Assets	179,160	160,529	(18,630)	Decrease due to the acquisition and retirement of treasury shares

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

(Millions of yen)

	Previous period (2016.4~2017.3)	Current period (2017.4~2018.3)	Increase (Decrease)		Primary reason for change	Revised Forecasts※ (2017.4~2018.3)
			Amount	%		
Net sales	173,683	177,535	3,852	2.2		175,000
(Breakdown)						
Dairy products	86,629	89,803	3,174	3.7	Increase of Yakult etc.	
Juices and other beverages etc.	29,568	28,969	(598)	(2.0)		
Cosmetics	6,358	6,477	118	1.9		
Pharmaceuticals	27,836	25,661	(2,174)	(7.8)	Decrease of Elplat etc.	
Others	23,289	26,623	3,333	14.3		
Cost of sales	108,201	109,940	1,738	1.6		
Gross profit	65,481	67,595	2,113	3.2		
Gross profit margin (%)	37.7	38.1	0.4			
Selling, general and administrative expenses	64,698	65,379	680	1.1		
Advertising expenses	10,760	11,138	378	3.5		
Sales promotion expenses	6,002	6,660	658	11.0		
Transportation expenses	5,720	5,728	7	0.1		
Personnel expenses	22,530	22,171	(358)	(1.6)		
Depreciation and amortization	4,397	3,827	(570)	(13.0)		
Investigation research expense	2,043	2,184	141	6.9		
Others	13,243	13,668	424	3.2		
Operating income	782	2,215	1,433	183.1		2,000
Operating income margin (%)	0.5	1.2	0.7			
Non-operating incomes	12,594	13,860	1,266	10.1	Increasing dividends from subsidiaries etc.	
Dividends income	10,833	11,955	1,122			
Others	1,760	1,905	144			
Non-operating expenses	724	924	200	27.7		
Ordinary income	12,652	15,151	2,499	19.8		13,500
Ratio of ordinary income to net sales (%)	7.3	8.5	1.2			
Extraordinary gain	181	665	483	265.8		
Gain on sale of fixed assets	179	3	(175)			
Gain on sale of investment securities	0	660	660			
Others	2	1	(1)			
Extraordinary loss	1,271	695	(575)	(45.3)		
Provision for investment loss	628	167	(460)			
Others	642	528	(114)			
Income before income taxes	11,563	15,121	3,557	30.8		
Income taxes	1,475	1,212	(263)	(17.8)		
Profit	10,088	13,908	3,820	37.9		11,000
Ratio of net income to net sales (%)	5.8	7.8	2.0			

※ Revised Forecasts announced on November 10, 2017

3. Performance Overview

(1) Breakdown of Statements of Income

(Millions of yen. %)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Net sales	173,683	97.1	177,535	102.2	179,500	101.1
Operating income	782	43.8	2,215	283.1	1,500	67.7
Ordinary income	12,652	97.8	15,151	119.8	15,500	102.3
Net income	10,088	111.5	13,908	137.9	14,000	100.7

(2) Sales by Product Category

(Millions of yen. %)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Dairy products	86,629	105.6	89,803	103.7	92,500	103.0
Juices and other beverages etc.	29,568	95.3	28,969	98.0	28,500	98.4
Subtotal	116,197	102.8	118,773	102.2	121,000	101.9
Cosmetics	6,358	99.5	6,477	101.9	7,000	108.1
Pharmaceuticals	27,836	80.0	25,661	92.2	20,000	77.9
Others	23,289	94.7	26,623	114.3	31,500	118.3
Total	173,683	97.1	177,535	102.2	179,500	101.1

(3) Cost to Net sales Ratio

(%)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Increase (Decrease)	Performance	Increase (Decrease)	Forecast	Increase (Decrease)
Cost to Net sales ratio	62.3	(0.3)	61.9	(0.4)	62.7	0.8

(4) Capital investments, Depreciation and amortization

(Millions of yen. %)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Capital investments	11,149	127.8	7,901	70.9	7,200	91.1
Depreciation and amortization	10,824	90.3	9,582	88.5	9,430	98.4

Breakdown of investments

	Fiscal year ended March 31, 2018(Results)		Fiscal year ending March 31, 2019(Forecasts)	
Capital investments	For domestic plants	37.0 billion yen	For domestic plants	50.0 billion yen

4. Breakdown of Sales

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

(Thousands of bottles/day. %)

		Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
		Performance	Year on year	Performance	Year on year	Forecast	Year on year
Dairy Products	<i>New Yakult (Including New Yakult Calorie Half)</i>	3,739	113.2	4,044	108.2	4,185	103.5
	<i>Yakult 400 products</i>	3,473	103.5	3,555	102.4	3,660	103.0
	<i>Other Yakult products</i> ※1	222	109.6	194	87.1	155	79.9
	Total for Yakult products	7,434	108.4	7,792	104.8	8,000	102.7
	<i>Joie (Including Joie (Yoghurt Cup))</i>	861	92.1	857	99.5	875	102.1
	<i>Mil-Mil products</i>	398	101.3	396	99.7	414	104.3
	<i>Sofuhl products</i>	479	94.6	463	96.8	470	101.5
	Total for fermented milk	1,737	94.8	1,716	98.8	1,758	102.5
	Others ※2	196	88.4	185	94.3	186	100.7
	Total	9,367	105.1	9,694	103.5	9,944	102.6

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

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

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

(Thousands of bottles. %)

		Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
		Performance	Year on year	Performance	Year on year	Forecast	Year on year
Health and functional food products	<i>Bansoreicha</i>	19,303	90.7	17,727	91.8	17,376	98.0
	<i>Toughman</i>	43,030	87.4	40,049	93.1	42,681	106.6
	<i>Kurozu Drink</i>	27,676	91.3	27,056	97.8	25,862	95.6
	<i>Soy milk drinks</i>	39,880	91.7	38,659	96.9	38,543	99.7
	<i>Milougu</i>	26,287	91.4	25,318	96.3	24,698	97.5
Soft drinks	<i>Juices</i>	47,416	93.1	44,737	94.4	43,135	96.4
	<i>Kininaruyasai</i>	38,187	92.5	38,326	100.4	36,839	96.1
	<i>Coffee Time</i>	18,825	84.0	16,998	90.3	15,934	93.7
	<i>FIRE</i>	70,585	98.7	62,958	89.2	63,348	100.6

(3) Percentage of Sales by Channel (April 1, 2017 to March 31, 2018)

(%)

	Dairy products (volume-based)		Juices and other beverages (value-based)			
	Percentage of sales	Year on year	Percentage of sales		Year on year	
Yakult Ladies	51.4	100.0	38.8		98.9	
Stores, Vending machines, and Others	48.6	107.0	61.2	Vending machines	82.4	96.5
				Stores and Others	17.6	

※ Results of Juices and Other 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, Juices and other beverages) (%)

	For fiscal year ended Mar. 31, 2017		For fiscal year ended Mar. 31, 2018	
	Percentage of sales	Year on year	Percentage of sales	Year on year
Supermarkets	43.9	112.2	45.8	107.1
Convenience stores	4.2	107.6	4.0	98.1
Offices	13.0	98.4	12.2	95.3
Medical centers	9.9	101.3	9.7	100.2

② The number of delivered vending machine

	As of Mar. 31, 2017	As of Mar. 31, 2018
The number of vending machine	50,500 (19,739)	48,580 (20,031)

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

(4) Brakedown of pharmaceuticals sales

(Millions of yen. %)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
<i>Campto</i> (Japan)	1,056	72.8	1,001	94.8	810	80.9
<i>Campto</i> (Overseas)	266	251.7	195	73.3	290	148.1
<i>Campto</i> total	1,323	85.0	1,196	90.5	1,100	91.9
<i>Elplat</i>	18,428	74.0	16,131	87.5	11,900	73.8
<i>Gemcitabine</i>	3,037	92.8	2,999	98.8	2,400	80.0
Other pharmaceuticals	5,047	99.2	5,334	105.7	4,600	86.2
Total	27,836	80.0	25,661	92.2	20,000	77.9

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

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Advertising expenses	10,760	153.7	11,138	103.5	11,047	99.2
Sales promotion expenses	6,002	81.2	6,660	111.0	6,468	97.1
Sub-total	16,762	116.4	17,799	106.2	17,515	98.4
Freight	5,720	97.0	5,728	100.1	6,036	105.4
Personnel expenses	22,530	102.3	22,171	98.4	21,485	96.9
Depreciation	4,397	87.0	3,827	87.0	4,003	104.6
Investigation research expense	2,043	56.5	2,184	106.9	3,250	148.8
Others	13,243	93.8	13,668	103.2	13,211	96.7
Total	64,698	99.4	65,379	101.1	65,500	100.2

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

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Fiscal year ending March 31, 2019	
	Performance	Year on year	Performance	Year on year	Forecast	Year on year
Cost of production	429	123.6	425	99.0	306	72.0
General administrative expenses	2,222	131.4	2,001	90.0	1,468	73.4
Total	2,651	130.1	2,426	91.5	1,774	73.1

7. Head Office Employees (Unit:people)

	Sep. 30, 2017	Mar. 31, 2018
Number of full-time employees	2,900	2,848
Medical Representatives	170	167

Note: Both 304 seconded staffs and 125 non-regular employees are included in the number of Sep. 30, 2017.

Both 296 seconded staffs and 124 non-regular employees are included in the number of Mar. 31, 2018.

8. Yakult Sales Company (Mar. 31, 2018)

Yakult Sales Company	103	Consolidated subsidiaries	Comments
		15	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, 2017	Mar. 31, 2018
① Yakult Ladies	35,472	34,888
② Yakult Beauty Advisors	5,200	5,100

Reference

1. Expansion of Indication and New Drug Development Pipeline

(March 31, 2018)

(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	- Hepatocellular carcinoma (HCC) - Bile tract cancer - Cutaneous T cell lymphoma (CTCL)	4SC AG	- Phase I/II - Phase II - Phase II	- Phase I/II (HCC) in Asia - 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 Industries, Ltd.	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 Licensor (Celsion)

(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, 2018)

<Yakult Honsya Plants >

	HACCP	ISO 9001	ISO 14001	production item
Fukushima Plant	○	○	○	Concentrated <i>New Yakult</i> , Concentrated <i>New Yakult Calorie Half</i> , Concentrated <i>Yakult 400</i> , <i>Mil-Mil</i> , <i>Mil-Mil S</i> , <i>Sofuhl</i>
Ibaraki Plant	○	○	○	Concentrated <i>New Yakult</i> , Concentrated <i>Yakult 400LT</i> , <i>Mainichi Nomu Yakult</i> , <i>Synbiotics Yakult W</i>
Fuji Susono Plant	○	○	○	Concentrated <i>Yakult 400</i> , Concentrated <i>Yakult 400LT</i> , <i>Joie</i> (Drinkable Yoghurt) , <i>Pretio</i> , <i>Sofuhl</i> , <i>Joie</i> (Yoghurt Cup)
Hyogo Miki Plant	○	○	○	Concentrated <i>New Yakult</i> , Concentrated <i>Yakult 400LT</i> , Concentrated <i>Yakult Ace</i> , <i>Sofuhl</i> , <i>Mil-Mil</i> , <i>BF-1</i>
Saga Plant	○	○	○	Concentrated <i>New Yakult</i> , Concentrated <i>New Yakult Calorie Half</i> , Concentrated <i>Yakult 400</i> , Concentrated <i>Yakult 400LT</i> , <i>Joie</i> (Drinkable Yoghurt) , <i>Mil-Mil S</i>
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.	○	○	○	<i>New Yakult</i> , <i>New Yakult Calorie Half</i> , <i>Yakult 400</i> , <i>Yakult 400LT</i>
Yakult Chiba Plant Co.,Ltd.	○	○	○	<i>New Yakult</i> , <i>Yakult 400LT</i>
Yakult Aichi Plant Co.,Ltd.	○	○	○	<i>New Yakult</i> , <i>Yakult 400</i> , <i>Yakult 400LT</i>
Yakult Okayama Wake Plant Co.,Ltd.	○	○	○	<i>New Yakult</i> , <i>Yakult 400LT</i> , <i>Yakult Ace</i>
Yakult Fukuoka Plant Co.,Ltd.	○	○	○	<i>New Yakult</i> , <i>New Yakult Calorie Half</i> , <i>Yakult 400</i> , <i>Yakult 400LT</i>

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 2018]

(Thousands of bottles/day. %)

	Consolidation Classification	From January to March, 2018 (Preliminary figure)		Main Products	Base of production	Base of production
		Results	Year on year			
Taiwan	Equity method	551	91.0	<i>Yakult, Yakult 300, Yakult 300Light, Joie</i>	○	1
Hong Kong	Consolidated	456	104.5	<i>Yakult, Yakult LT, Joie</i>	○	1
Thailand ※1	Equity method	2,258	104.5	<i>Yakult</i>	○	2
Korea	Equity method	3,163	96.1	<i>Yakult, Yakult Ace Light, Yakult Premium Light</i>	○	4
Philippines	Equity method	3,059	117.0	<i>Yakult, Yakult Light</i>	○	1
Singapore	Consolidated	225	97.7	<i>Yakult, Yakult Ace Light</i>	○	1
Indonesia	Consolidated	5,268	106.9	<i>Yakult</i>	○	2
Australia	Consolidated	230	92.5	<i>Yakult, Yakult Light</i>	○	1
Malaysia	Consolidated	318	97.1	<i>Yakult Ace, Yakult Ace Light</i>	○	1
Vietnam	Consolidated	299	134.7	<i>Yakult</i>	○	1
India ※2	Consolidated	198	129.9	<i>Yakult, Yakult Light</i>	○	1
Middle East	Consolidated	16	1104.8	<i>Yakult</i>	Yakult Philippines	---
Guangzhou	Consolidated	2,220	109.3	<i>Yakult, Yakult Light</i>	○	2
Shanghai	Consolidated	469	99.0	<i>Yakult, Yakult Light</i>	○	1
Beijing	Consolidated	382	111.5	<i>Yakult, Yakult Light</i>	Tianjin	---
China ※3	Consolidated	2,841	112.3	<i>Yakult, Yakult Light</i>	Shanghai, Tianjin, Wuxi	2
China total		5,912	109.9	---	---	---
Asia and Oceania total		21,953	106.6	Marketing Population: 1,422,498 thousand people Population ratio: 1.54%		
(Consolidated subsidiaries company Total)		12,922	108.4			
Brazil	Consolidated	1,829	93.7	<i>Yakult, Yakult 40, Yakult 40 Light, Sofyl</i>	○	1
Mexico	Consolidated	3,759	99.4	<i>Yakult, Yakult40LT, Soful LT, SofulLT(Drink type)</i>	○	2
USA	Consolidated	332	119.5	<i>Yakult, Yakult Light</i>	○	1
The Americas total		5,920	98.5	Marketing Population: 414,041 thousand people Population ratio: 1.43%		
Netherlands	Consolidated	192	103.1	<i>Yakult, Yakult Light, Yakult Plus</i>	Yakult Europe	---
Belgium	Consolidated	85	105.0	<i>Yakult, Yakult Light, Yakult Plus</i>	Yakult Europe	---
United Kingdom	Consolidated	207	98.6	<i>Yakult, Yakult Light</i>	Yakult Europe	---
Germany	Consolidated	99	107.5	<i>Yakult, Yakult Light, Yakult Plus</i>	Yakult Europe	---
Austria	Consolidated	16	113.1	<i>Yakult, Yakult Plus</i>	Yakult Europe	---
Italy	Consolidated	103	112.4	<i>Yakult, Yakult Light, Yakult Plus</i>	Yakult Europe	---
Europe total		702	104.0	Marketing Population: 271,580 thousand people Population ratio: 0.26%		Yakult Europe
Total		28,575	104.7	Marketing Population: 2,108,119 thousand people Population ratio: 1.36%		Factory Total
(Consolidated subsidiaries company Total)		19,544	105.0			

<Accounting period: From January to December>

※1 Thailand : Accounting date : 31th May

※2 India : Accounting date : 31th March. "Yakult Light" has been started sales from February.

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

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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