



**Supplementary Materials for Financial
Statements For the first quarter Ended
June 30, 2018
(April 1, 2018 to June 30, 2018)**

July 27, 2018

Yakult Honsha Co., Ltd.
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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 2018	As of Jun. 30 2018	Increase (Decrease)
Total Assets	627,031	628,760	1,728
Current assets			
Cash and deposits	151,788	148,289	(3,499)
Notes and accounts receivable	56,479	59,547	3,068
Inventories	28,138	30,041	1,902
Others	8,875	11,463	2,588
Fixed assets			
Tangible fixed assets			
Buildings and structures	87,387	85,013	(2,373)
Others	113,811	114,925	1,113
Intangible fixed assets	5,727	5,552	(175)
Investments and other assets			
Investment securities	163,591	162,746	(844)
Others	11,231	11,179	(51)
Total Liabilities	240,357	241,744	1,386
Current liabilities			
Notes and accounts payable	29,528	32,155	2,626
Short-term borrowings	87,214	90,171	2,957
Others	45,057	42,296	(2,761)
Fixed liabilities			
Long-term borrowings	41,898	40,528	(1,370)
Retirement benefit obligation	5,346	5,058	(287)
Others	31,312	31,534	222
Total Net Assets	386,674	387,016	341
Shareholder's Equity	338,903	346,354	7,450
Accumulated other comprehensive income	13,274	5,938	(7,335)
Non-controlling interests	34,495	34,722	226

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

(Millions of yen)

	1Q of FY 2018 (2017.4~6)	1Q of FY 2019 (2018.4~6)	Increase (Decrease)	
			Amount	Ratio (%)
Net sales	94,481	96,691	2,209	2.3
(Sales by business segments)				
Food and beverages (Japan)	51,977	56,238	4,260	8.2
Food and beverages (Overseas)	36,750	39,860	3,109	8.5
Pharmaceuticals	6,698	5,651	(1,046)	(15.6)
Others	4,278	4,284	5	0.1
Adjustment	(5,223)	(9,343)	(4,119)	-
Cost of sales	39,917	40,102	184	0.5
Gross profit	54,564	56,589	2,025	3.7
Gross profit margin (%)	57.8	58.5	0.7	
Selling, general and administrative expenses	44,583	46,576	1,992	4.5
Selling expenses	20,859	21,139	280	
General and administrative expenses	23,724	25,436	1,712	
Operating income	9,980	10,013	32	0.3
Operating income margin (%)	10.6	10.4	(0.2)	
(Operating income by business segments)				
Food and beverages (Japan)	4,448	4,905	456	10.3
Food and beverages (Overseas)	9,294	10,527	1,232	13.3
Pharmaceuticals	905	(727)	(1,632)	-
Others	(19)	(21)	(1)	-
Adjustment	(4,647)	(4,670)	(22)	-
{ include corporate expenses }	{ (3,472) }	{ (3,454) }	{ 17 }	
Non-operating incomes	3,315	3,556	241	7.3
Interests income	940	1,062	122	
Dividends income	962	974	12	
Investment gains on the equity method	857	968	111	
Others	555	550	(4)	
Non-operating expenses	1,272	917	(354)	(27.9)
Interest expenses	157	182	25	
Others	1,114	734	(379)	
Ordinary income	12,023	12,652	628	5.2
Ratio of ordinary income to net sales (%)	12.7	13.1	0.4	
Extraordinary gain	46	1,389	1,342	
Extraordinary loss	30	74	44	149.6
Income before income taxes and minority interests	12,040	13,966	1,926	16.0
Income taxes	2,978	2,946	(32)	
Profit	9,061	11,020	1,958	21.6
Profit attributable to non controlling interests	1,023	996	(26)	(2.6)
Profit attributable to owners of parent	8,038	10,023	1,985	24.7
Ratio of net income to net sales (%)	8.5	10.4	1.9	

3. Performance Overview

(1) Breakdown of Statement of Income

(Millions of yen)

	1Q of FY 2018 (April 1, 2017 ~ June 30, 2017)		1Q of FY 2019 (April 1, 2018 ~ June 30, 2018)	
	Results	Year on year(%)	Results	Year on year(%)
Net sales	94,481	104.3	96,691	102.3
Operating income	9,980	137.7	10,013	100.3
Ordinary income	12,023	128.7	12,652	105.2
Profit attributable to owners of parent	8,038	146.6	10,023	124.7

(2) Breakdown of Gains on Equity Method

(Millions of yen)

	1Q of FY 2018 (April 1, 2017 ~ June 30, 2017)		1Q of FY 2019 (April 1, 2018 ~ June 30, 2018)	
	Results	Year on year(%)	Results	Year on year(%)
Investment gains on the equity method	857	160.9	968	113.0

4. Segment Information

Actual Results

(1) Result of the first quarter ended June 30, 2017 (April 1, 2017 ~ June 30, 2017)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	51,977	36,750	12,463	22,201	2,086
Percentage of net sales (%)	55.0	38.9	13.2	23.5	2.2
Year on year (%)	102.8	109.2	107.8	111.7	93.4
Operating expenses	47,529	27,456	9,255	16,247	1,953
Year on year (%)	98.3	108.0	109.0	109.9	91.0
Operating income (loss)	4,448	9,294	3,207	5,953	133
Year on year (%)	202.5	112.8	104.4	117.2	153.4
Operating income margin (%)	8.6	25.3	25.7	26.8	6.4

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	6,698	4,278	99,705	(5,223)	94,481
Percentage of net sales (%)	7.1	4.5	105.5	(5.5)	100.0
Year on year (%)	89.1	106.2	104.1	101.7	104.3
Operating expenses	5,792	4,298	85,077	(576)	84,501
Year on year (%)	86.7	108.4	100.8	54.7	101.4
Operating income (loss)	905	(19)	14,628	※ (4,647)	9,980
Year on year (%)	108.8	---	129.1	113.8	137.7
Operating income margin (%)	13.5	(0.5)	---	---	10.6

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 3,472 million yen
- Elimination of royalty income : 1,175 million yen

(2) Result of the first quarter ended June 30, 2018 (April 1, 2018 ~ June 30, 2018)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	56,238	39,860	12,415	25,001	2,443
Percentage of net sales (%)	58.2	41.2	12.8	25.9	2.5
Year on year (%)	108.2	108.5	99.6	112.6	117.1
Operating expenses	51,333	29,333	9,013	18,184	2,135
Year on year (%)	108.0	106.8	97.4	111.9	109.3
Operating income (loss)	4,905	10,527	3,402	6,817	308
Year on year (%)	110.3	113.3	106.1	114.5	231.3
Operating income margin (%)	8.7	26.4	27.4	27.3	12.6

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	5,651	4,284	106,035	(9,343)	96,691
Percentage of net sales (%)	5.9	4.4	109.7	(9.7)	100.0
Year on year (%)	84.4	100.1	106.3	178.9	102.3
Operating expenses	6,379	4,305	91,351	(4,673)	86,678
Year on year (%)	110.1	100.2	107.4	810.9	102.6
Operating income (loss)	(727)	(21)	14,683	※ (4,670)	10,013
Year on year (%)	---	---	100.4	100.5	100.3
Operating income margin (%)	(12.9)	(0.5)	---	---	10.4

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 3,454 million yen
- Elimination of royalty income : 1,215 million yen

〈Reference〉

Result of the first quarter ended June 30, 2018.

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

(3) Result of the first quarter ended June 30, 2018 (April 1, 2018 ~ June 30, 2018)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	56,238	39,867	12,744	24,886	2,237
Percentage of net sales (%)	58.2	41.2	13.2	25.7	2.3
Year on year (%)	108.2	108.5	102.3	112.1	107.2
Operating expenses	51,333	29,350	9,306	18,096	1,946
Year on year (%)	108.0	106.9	100.5	111.4	99.7
Operating income (loss)	4,905	10,517	3,437	6,789	290
Year on year (%)	110.3	113.2	107.2	114.0	218.1
Operating income margin (%)	8.7	26.4	27.0	27.3	13.0

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	5,651	4,284	106,042	(9,343)	96,698
Percentage of net sales (%)	5.9	4.4	109.7	(9.7)	100.0
Year on year (%)	84.4	100.1	106.4	178.9	102.3
Operating expenses	6,379	4,305	91,368	(4,673)	86,695
Year on year (%)	110.1	100.2	107.4	810.9	102.6
Operating income (loss)	(727)	(21)	14,673	※ (4,670)	10,003
Year on year (%)	---	---	100.3	100.5	100.2
Operating income margin (%)	(12.9)	(0.5)	---	---	10.3

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 3,454 million yen
- Elimination of royalty income : 1,215 million yen

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

(Thousands of bottles/day)

	Consolidation Classification	1Q of FY 2019 (From January to March 2018)		Preliminary figure (From January to June 2018)	
		Results	Year on year (%)	Results	Year on year (%)
Taiwan	Equity method	551	91.0	679	96.1
Hong Kong	Consolidated	456	104.5	522	106.7
Thailand ※1	Equity method	2,258	104.5	2,260	104.0
Korea	Equity method	3,163	96.1	3,349	92.5
Philippines	Equity method	3,059	117.0	3,079	116.5
Singapore	Consolidated	225	97.7	230	98.8
Indonesia	Consolidated	5,268	106.9	5,633	108.8
Australia	Consolidated	230	92.5	247	102.7
Malaysia	Consolidated	318	97.1	337	100.6
Vietnam	Consolidated	299	134.7	334	132.1
India ※2	Consolidated	198	129.9	210	120.6
Middle East ※3	Consolidated	16	1,104.8	16	243.6
Guangzhou	Consolidated	2,220	109.3	2,712	111.8
Shanghai	Consolidated	469	99.0	591	102.2
Beijing	Consolidated	382	111.5	427	110.8
China ※4	Consolidated	2,841	112.3	3,439	118.0
China total		5,912	109.9	7,169	113.7
Asia and Oceania total		21,953	106.6	24,064	107.6
(Consolidated subsidiaries company Total)		12,922	108.4	14,697	111.2
Brazil	Consolidated	1,829	93.7	1,758	93.2
Mexico	Consolidated	3,759	99.4	3,883	102.2
USA	Consolidated	332	119.5	334	117.2
The Americas total		5,920	98.5	5,975	100.1
Netherlands	Consolidated	192	103.1	178	100.2
Belgium	Consolidated	85	105.0	80	102.3
United Kingdom	Consolidated	207	98.6	205	100.0
Germany	Consolidated	99	107.5	84	103.0
Austria	Consolidated	16	113.1	13	106.9
Italy	Consolidated	103	112.4	102	107.2
Europe total		702	104.0	661	101.9
Total		28,575	104.7	30,701	106.0
(Consolidated subsidiaries company Total)		19,544	105.0	21,334	107.6

<Accounting period: From January to December>

※1 Thailand : Accounting date : 31th May. Started sales of "Yakult Light" from June

※2 India : Accounting date : 31th March. Started sales of "Yakult Light" from February

※3 Middle East : Started sales of "Yakult Light" from April

※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, Jiaxing city, Wuxi city, Guiyang 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)

	1Q of FY 2018 (April 1, 2017 ~ June 30, 2017)		1Q of FY 2019 (April 1, 2018 ~ June 30, 2018)	
	Results	Year on year(%)	Results	Year on year(%)
Net sales	44,139	100.8	47,798	108.3
Operating income	581	---	314	54.1
Ordinary income	4,153	272.0	3,823	92.0
Net income	3,563	281.5	4,686	131.5

2. Sales breakdown

(1) Sales by Product Category

(Millions of yen)

	1Q of FY 2018 (April 1, 2017 ~ June 30, 2017)		1Q of FY 2019 (April 1, 2018 ~ June 30, 2018)	
	Results	Year on year(%)	Results	Year on year(%)
Dairy products	22,292	104.7	22,639	101.6
Juices and other beverages etc.	7,669	98.4	7,595	99.0
Subtotal	29,961	103.0	30,235	100.9
Cosmetics	1,736	110.7	1,825	105.1
Pharmaceuticals	6,698	89.1	5,651	84.4
Others	5,744	102.5	10,086	175.6
Total	44,139	100.8	47,798	108.3

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

(Thousands of bottles/day)

		1Q of FY 2018 (April 1, 2017 ~ June 30, 2017)		1Q of FY 2019 (April 1, 2018 ~ June 30, 2018)	
		Results	Year on year(%)	Results	Year on year(%)
Dairy Products	<i>New Yakult</i> products	4,009	109.6	4,168	103.9
	<i>Yakult 400</i> products	3,578	102.7	3,574	99.9
	Other <i>Yakult</i> products ※1	197	79.6	171	87.1
	Total for <i>Yakult</i> products	7,784	105.3	7,913	101.7
	<i>Joie</i> products	891	104.2	823	92.4
	<i>Mil-Mil</i> products	392	93.8	407	103.7
	<i>Sofuhl</i> products	466	93.8	490	105.0
	Total for fermented milk	1,749	98.8	1,720	98.3
	Others ※2	179	94.2	163	90.6
	Total	9,712	103.9	9,795	100.9

※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).

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

(Thousands of bottles)

		1Q of FY 2018		1Q of FY 2019	
		(April 1, 2017 ~ June 30, 2017)		(April 1, 2018 ~ June 30, 2018)	
		Results	Year on year(%)	Results	Year on year(%)
Health and functional food products	<i>Bansoreicha</i>	4,771	93.6	4,406	92.4
	<i>Toughman</i>	12,317	101.4	12,579	102.1
	<i>Kurozu Drink</i>	7,263	94.8	7,686	105.8
	<i>Soy milk drinks</i>	10,403	98.0	10,137	97.4
	<i>Milougu</i>	7,625	98.4	6,987	91.6
Soft drinks	<i>Juices</i>	10,884	93.0	10,020	92.1
	<i>Kininaruyasai</i>	10,128	96.8	10,035	99.1
	<i>Coffee Time</i>	4,636	89.1	4,181	90.2
	<i>FIRE</i>	15,978	92.4	15,162	94.9

(4) Pharmaceuticals sales

(Millions of yen)

		1Q of FY 2018		1Q of FY 2019	
		(April 1, 2017 ~ June 30, 2017)		(April 1, 2018 ~ June 30, 2018)	
		Results	Year on year(%)	Results	Year on year(%)
	<i>Campto (Japan)</i>	262	96.2	213	81.4
	<i>Campto (Overseas)</i>	30	39.4	29	98.3
	<i>Campto total</i>	292	83.8	243	83.2
	<i>Elplat</i>	4,341	84.9	3,497	80.6
	<i>Gemcitabine</i>	761	100.2	641	84.2
	Other pharmaceuticals	1,303	100.9	1,269	97.4
	Total	6,698	89.1	5,651	84.4

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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