



**Supplementary Materials for Financial Statements
For the Period Ended March 31, 2004**

May 21, 2004

Yakult Honsha Co., Ltd.
Investor Relations Department

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

Consolidated

1. Overseas Sales of Dairy Products

[Performance from January to December 2003]

(December 31, 2003)

	Sales quantity (Thousands of bottles/day)	Year on year	Establishment	Ratio of shareholding	Consolidation classification	Currency unit	Exchange rate		
							March 2004	December 2003	December 2002
Taiwan	1,391	103.4%	March 1964	*1 15.00%	Equity method	TWD	3.17	3.15	---
Hong Kong	378	94.6%	June 1969	80.00%	Consolidated	HKD	13.55	13.80	15.38
Thailand	1,771	111.3%	June 1971	---	---	THB	---	---	---
Korea	5,153	99.3%	August 1971	38.30%	Equity method	KRW	0.0922	0.0899	0.1003
Philippines	742	114.7%	October 1978	40.00%	Equity method	PHP	1.90	1.96	2.28
*2 Singapore	141	109.0%	July 1979	*3 100.00%	Consolidated	SGD	62.85	62.96	69.18
Indonesia	796	107.2%	January 1991	100.00%	Consolidated	IDR	0.0124	0.0128	0.0136
Australia	166	110.6%	February 1994	100.00%	Consolidated	AUD	79.69	79.63	67.46
Guangzhou	189	322.3%	June 2002	95.00%	Consolidated	CNY	12.76	12.94	14.50
*4 Malaysia	-	-	February 2004	100.00%	Consolidated	MYR	27.795	28.20	31.565
Asia and Oceania subtotal	10,726	104.6%							
Brazil	1,336	84.1%	October 1968	51.07%	Consolidated	BRL	36.320	37.090	33.950
Mexico	2,157	104.0%	October 1981	61.21%	Consolidated	MXN	9.49	9.59	11.73
Argentina	44	144.1%	May 1997	100.00%	Consolidated	ARS	37.19	36.82	35.62
The Americas subtotal	3,537	95.7%							
Netherlands	132	109.6%	April 1994	100.00%	Consolidated	EUR	128.73	133.74	125.14
Belgium	83	89.6%	April 1995	100.00%	Consolidated	EUR	128.73	133.74	125.14
United Kingdom	255	118.9%	April 1996	100.00%	Consolidated	GBP	193.07	190.11	192.53
Germany	106	91.2%	April 1996	100.00%	Consolidated	EUR	128.73	133.74	125.14
Europe subtotal	576	106.0%							
Total	14,839	102.4%							

*1 Stock acquisition in July 2003, company accounted for by the equity method as of the fiscal year ending March 31, 2004

*2 Accounting period changed in 2003 from July to December

*3 Stock acquisition in May 2003, company accounted as a consolidated subsidiary as of the fiscal year ending March 31, 2004

*4 Yakult (Malaysia) Sdn. Bhd. launches operations, February 2004

Test sales

- France, Spain, United States (East Coast and West Coast)

Currently undergoing feasibility studies

- Vietnam, India, and other Asian countries (conducting feasibility studies based on assumption of market entry)
- Europe (Western European countries, primarily EU members, and certain Eastern European countries) (conducting feasibility studies based on the assumption of market entry)
- Various countries in Latin America (conducting feasibility studies based on the assumption of market entry)

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

(Millions of yen)

	As of Mar. 31, 2004	As of Mar. 31, 2003	Increase (decrease)	Primary reason for change
(Assets)				
Current assets				
Cash and deposits	77,503	81,985	(4,482)	Decrease in cash and deposits of parent company
Notes and accounts receivable	38,122	35,700	2,421	Increase in notes and accounts receivable of parent company
Deferred tax assets	3,198	2,955	243	
Inventories	27,022	22,732	4,290	Increase in inventories of parent company
Other	3,899	4,246	(347)	
Fixed assets				
Property, plant and equipment				
Buildings and structures	31,036	31,250	(213)	Decrease due to depreciation
Land	31,986	30,047	1,938	Increase due to new consolidated subsidiary
Other	23,611	23,857	(246)	
Intangible fixed assets	4,453	2,768	1,684	Increase in consolidated adjustment account
Investments and other assets				
Investment securities	23,027	15,655	7,372	Increase in investment securities of parent company, increase due to gains under the equity method
Deferred tax assets	13,553	14,155	(602)	
Other	8,973	10,847	(1,874)	
(Liabilities)				
Current liabilities				
Notes and accounts payable	25,148	25,501	(352)	
Short-term bank loans	12,693	13,124	(431)	Payment of bank loans
Accrued income taxes, etc.	5,052	3,746	1,305	Increase of accrued income taxes of parent company
Other	22,120	19,353	2,767	
Fixed liabilities				
Liability for retirement benefits	17,184	17,579	(394)	Decrease of liability for retirement benefits of parent company
Other	8,153	8,653	(500)	
Minority interests	13,268	13,417	(148)	
(Shareholders' equity)				
Total shareholders' equity	182,766	174,826	7,939	Increase in accumulated income, increase in treasury stock

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

(Millions of yen)

	Current period	Previous period	Increase (decrease)		Primary reason for change
			Amount	%	
Net sales	238,847	242,740	(3,893)	(1.6)	
(Sales by business segment)					
Food and beverages	206,423	207,261	(838)	(0.4)	Decrease in parent company sales
Pharmaceuticals	18,181	21,045	(2,864)	(13.6)	Decrease in overseas sales of <i>Campto</i>
Others	14,242	14,433	(190)	(1.3)	
Cost of sales	108,695	112,005	(3,309)	(3.0)	
Gross profit	130,151	130,735	(583)	(0.4)	
Gross profit margin	54.49%	53.86%	0.63%		
Selling, general and administrative expenses	113,756	109,116	4,640	4.3	
Selling expenses	50,163	47,593	2,569	5.4	Increase in selling expenses of europe, parent company
General and administrative expenses	63,593	61,523	2,070	3.4	Increase in general and administrative expenses of parent company
Operating income	16,394	21,618	(5,223)	(24.2)	
Operating income margin	6.86%	8.91%	(2.05%)		
(Operating income by business segment)					
Food and beverages	22,076	24,158	(2,081)		
Pharmaceuticals	5,136	7,902	(2,766)		
Others	520	(240)	760		
Corporate expenses	(11,338)	(10,201)	(1,136)		
Non-operating Income	8,550	9,944	(1,394)		
Foreign exchange gain	660	1,144	(483)		Decrease in foreign currency gains from bank loan of overseas subsidiaries
Royalty income	2,563	3,593	(1,030)		
Equity in earnings of unconsolidated subsidiaries and associated companies	2,710	2,680	29		
Other income	2,615	2,525	90		
Non-operating expenses	1,801	2,179	(377)		
Foreign currency fluctuation loss	383	570	(186)		Due to inflation accounting at overseas subsidiaries
Other expenses	1,417	1,608	(191)		
Ordinary income	23,144	29,383	(6,239)	(21.2)	
Ratio of ordinary income to net sales	9.69%	12.10%	(2.41%)		
Extraordinary income	6,406	1,953	4,452		Increase in extraordinary income of parent company
Extraordinary loss	3,957	5,397	(1,440)		
Income before income taxes and minority interests	25,592	25,939	(346)	(1.3)	
Income taxes	9,342	7,467	1,874		
Income taxes--deferred	(263)	2,230	(2,493)		
Minority interests	1,430	1,858	(427)		
Net income	15,083	14,383	699	4.9	
Ratio of net income to sales	6.31%	5.93%	0.38%		

4. Performance Overview

(1) Financial Highlights

(Millions of yen)

	Net sales	Year on year (%)	Operating income	Year on year (%)	Ordinary income	Year on year (%)	Net income	Year on year (%)
Fiscal year ended March 31, 2003	242,740	105.7	21,618	165.4	29,383	129.0	14,383	129.5
Fiscal year ended March 31, 2004	238,847	98.4	16,394	75.8	23,144	78.8	15,083	104.9
Forecasts for the fiscal year ending March 31, 2005	250,000	104.7	18,000	109.8	24,000	103.7	11,500	76.2
	(125,500)	(101.1)	(8,500)	(82.1)	(11,500)	(76.5)	(5,500)	(50.3)

*Figures in parentheses are forecasts for the interim period.

(2) Ratios of Consolidated to Nonconsolidated Results

	Net sales	Operating income	Ordinary income	Net income
Fiscal year ending March 31, 2004	1.52	4.23	2.08	1.68
Comparison to previous fiscal year	(1.51)	(2.22)	(1.68)	(1.90)

(3) Breakdown of Equity Method Gains

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Japan	---	---	---	---	---	---
The Americas	---	---	---	---	---	---
Asia and Oceania	2,680	139.1	2,710	101.1	2,554	94.2
Total	2,680	56.9	2,710	101.1	2,554	94.2

(4) Breakdown of Major Items

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Capital investment	10,166	171.0	7,801	76.7	7,830	100.4
Depreciation expense	8,348	104.2	7,984	95.6	8,350	104.6

5. Segment Information

(1) Financial Highlights by Segment

Results for the fiscal year ended March 31, 2003

(Millions of yen)

Fiscal year ended March 31, 2003	Food and beverages	Pharmaceuticals	Others	Total	Eliminations/ corporate	Consolidated
Net sales	207,261	21,045	14,433	242,740	---	242,740
(Percentage of net sales)	85.4	8.7	5.9	100.0	---	100.0
(Year on year)	105.1	120.9	96.3	105.7	---	105.7
Operating expenses	183,103	13,143	14,673	210,920	10,201	221,121
(Year on year)	102.1	107.7	99.2	102.3	99.0	102.1
Operating income (loss)	24,158	7,902	(240)	31,820	(10,201)	21,618
(Year on year)	134.4	151.7	---	136.1	99.0	165.4

Results for the fiscal year ended March 31, 2004

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

Forecasts for the fiscal year ending March 31, 2005

Fiscal year ending March 31, 2005	Food and beverages	Pharmaceuticals	Others	Total	Eliminations/ corporate	Consolidated
Net sales	216,300	19,300	14,400	250,000	---	250,000
(Percentage of net sales)	86.5	7.7	5.8	100.0	---	100.0
(Year on year)	104.8	106.2	101.1	104.7	---	104.7
Operating expenses	192,200	14,500	14,300	221,000	11,000	232,000
(Year on year)	104.3	111.2	104.2	104.7	97.0	104.3
Operating income (loss)	24,100	4,800	100	29,000	(11,000)	18,000
(Year on year)	109.2	93.5	19.2	104.6	97.0	109.8

(2) Financial Highlights by Region

Results for the fiscal year ended March 31, 2003

(Millions of yen)

Fiscal year ended March 31, 2003	Japan	The Americas	Asia and Oceania	Europe	Total	Eliminations/ corporate	Consolidated
Net sales	206,717	23,236	7,295	7,843	245,092	(2,352)	242,740
(Percentage of net sales)	85.2	9.6	3.0	3.2	101.0	(1.0)	100.0
(Year on year)	100.3	176.3	143.7	114.0	106.0	144.5	105.7
Operating expenses	185,069	16,216	5,818	6,168	213,272	7,849	221,121
(Year on year)	100.0	123.1	168.3	101.0	102.6	90.4	102.1
Operating income (loss)	21,648	7,020	1,477	1,674	31,820	(10,201)	21,618
(Year on year)	103.2	---	91.2	217.1	136.1	99.0	165.4

Results for the fiscal year ended March 31, 2004

Fiscal year ended March 31, 2004	Japan	The Americas	Asia and Oceania	Europe	Total	Eliminations/ corporate	Consolidated
Net sales	202,955	22,204	8,757	9,006	242,924	(4,076)	238,847
(Percentage of net sales)	85.0	9.3	3.6	3.8	101.7	(1.7)	100.0
(Year on year)	98.2	95.6	120.0	114.8	99.1	173.3	98.4
Operating expenses	184,864	16,603	6,549	7,173	215,191	7,261	222,452
(Year on year)	99.9	102.4	112.6	116.3	100.9	92.5	100.6
Operating income (loss)	18,090	5,600	2,208	1,832	27,732	(11,338)	16,394
(Year on year)	83.6	79.8	149.5	109.4	87.2	111.1	75.8

Forecasts for the fiscal year ending March 31, 2005

Fiscal year ending March 31, 2005	Japan	The Americas	Asia and Oceania	Europe	Total	Eliminations/ corporate	Consolidated
Net sales	209,900	22,300	10,500	9,800	252,500	(2,500)	250,000
(Percentage of net sales)	84.0	8.9	4.2	3.9	101.0	(1.0)	100.0
(Year on year)	103.4	100.4	119.9	108.8	103.9	61.3	104.7
Operating expenses	190,400	16,500	8,800	7,800	223,500	8,500	232,000
(Year on year)	103.0	99.4	134.4	108.7	103.8	117.1	104.3
Operating income (loss)	19,500	5,800	1,700	2,000	29,000	(11,000)	18,000
(Year on year)	107.8	103.6	77.0	109.2	104.6	97.0	109.8

1. Major Increases (Decreases) in Nonconsolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2004	As of Mar. 31, 2003	Increase (decrease)	Primary reason for change
(Assets)				
Current assets				
Cash and deposits	38,491	43,815	(5,324)	Acquisition of stock of affiliated company and treasury stock
Receivables	36,066	33,929	2,136	Increase receivables of overseas <i>Campto</i> , equipment and materials
Inventories	21,169	16,455	4,713	Increase in raw materials and work-in-progress of Pharmaceuticals
Other	6,305	6,566	(261)	
Fixed assets				
Property, plant and equipment				
Machinery and equipment	8,837	9,755	(917)	Decrease due to depreciation
Land	18,426	18,616	(189)	Sale of Company-owned land
Other	18,102	19,307	(1,205)	Decrease due to depreciation
Intangible fixed assets	1,907	1,514	393	Increase in software
Investments and other assets				
Investment securities	8,759	4,271	4,487	
Investments in and advances to unconsolidated subsidiaries and	29,816	23,075	6,740	Acquisition of shares of overseas companies, etc., and valuation difference under mark-to-market accounting
Deferred tax assets	14,446	15,489	(1,043)	
Other	6,186	8,244	(2,057)	Decrease due to sale of Company-owned land
(Liabilities)				
Current liabilities				
Notes and accounts payable	23,138	22,519	619	Changes in purchases
Short-term bank loans	6,011	6,149	(137)	
Deferred tax liabilities	3,458	2,378	1,080	
Other	14,881	12,956	1,925	Increase in accounts payable of capital investments
Fixed liabilities				
Liability for retirement benefits	13,860	14,826	(965)	Reversal of liability reserves associated with the return of employee pension fund management to the government
Other	1,493	1,672	(178)	
(Shareholders' equity)				
Total shareholders' equity	145,667	140,539	5,127	Increase in accumulated income, treasury stock

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

(Millions of yen)

	Current period	Previous period	Increase (decrease)		Primary reason for change
			Amount	%	
Net sales	157,466	160,826	(3,359)	(2.1)	
(Breakdown)					
Dairy products	79,307	77,218	2,089	2.7	Increase in sales of <i>Yakult 400, Purela</i>
Juices and other beverages	43,779	47,387	(3,607)	(7.6)	Decrease in sales of <i>Toughman, Bansoreicha</i>
Cosmetics	6,752	6,655	96	1.4	
Pharmaceuticals	18,181	21,045	(2,864)	(13.6)	Decrease in overseas sales of <i>Campto</i>
Others	9,446	8,519	926	10.9	Increase in overseas sales of equipment and materials
Cost of sales	97,928	98,371	(442)	(0.5)	
Gross profit	59,538	62,454	(2,916)	(4.7)	
Gross profit margin	37.81%	38.83%	(1.02%)		Decrease in sales and component ratio of pharmaceuticals
Selling, general and administrative expenses	55,663	52,715	2,947	5.6	
Advertising costs	7,842	7,353	488		Increase in newspaper advertisements
Sales promotion expenses	4,713	4,246	467		Sponsored national events, etc.
Cost of vending machines	3,356	3,427	(71)		
Freight expense	7,169	7,617	(448)		Due to decrease in sales of juices and other beverages
Personnel expenses	19,131	18,619	511		Increase in retirement benefits
Depreciation and amortization	1,546	1,608	(61)		
Other	11,905	9,843	2,061		Increase in costs for research, etc.
Operating income	3,874	9,739	(5,864)	(60.2)	
Operating income margin	2.46%	6.06%	(3.60%)		
Non-operating Income	7,910	8,229	(319)		
Dividend income	2,590	2,380	209		Increase in dividends from overseas companies
Royalties from pharmaceuticals	2,467	3,428	(960)		Decrease in royalties from Pfizer Inc.
Other	2,851	2,420	432		Increase in foreign exchange gain
Non-operating expenses	679	450	228		
Ordinary income	11,105	17,518	(6,412)	(36.6)	
Ratio of ordinary income to net sales	7.05%	10.89%	(3.84%)		
Extraordinary income	6,124	301	5,822		¥ 5,907 million gain on exemption from the future pension obligation of the governmental program
Extraordinary loss	3,146	4,545	(1,399)		
Provision for accrued employee retirement benefits	2,596	3,505	(908)		Decrease in loss associated with gain on exemption from the future pension obligation of the governmental program
Other	550	1,040	(490)		
Income before income taxes	14,083	13,274	809	6.1	
Income taxes	5,069	2,950	2,119		
Income taxes-deferred	17	2,756	(2,739)		
Net income	8,997	7,568	1,429	18.9	
Ratio of net income to sales	5.71%	4.71%	1.01%		

3. Breakdown of Sales

(1) Sales by Product Category

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Dairy products	77,218	100.6	79,307	102.7	80,500	101.5
Juices and other beverages	47,387	96.0	43,779	92.4	46,000	105.1
Cosmetics	6,655	102.8	6,752	101.4	6,900	102.2
Pharmaceuticals	21,045	120.9	18,181	86.4	19,300	106.2
Others	8,519	95.0	9,446	110.9	7,300	77.3
Total	160,826	101.1	157,466	97.9	160,000	101.6

(2) Sales of Dairy Products

(Thousands of bottles/day)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005		
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)	
Dairy Products	<i>Yakult</i>	3,797	98.3	3,829	100.8	3,939	102.9
	<i>Yakult LT</i>	162	76.6	154	95.1	137	89.0
	<i>Yakult 200</i>	158	95.3	166	104.8	151	91.0
	<i>Yakult 80 Ace</i>	914	82.9	769	84.2	832	108.1
	<i>Yakult 80 Ace LT</i>	193	86.8	190	98.4	165	86.9
	<i>Yakult 400</i>	1,352	120.1	1,645	121.7	1,777	108.0
	Total for Yakult products	6,577	98.3	6,753	102.7	7,001	103.7
	<i>Joie</i>	863	95.5	820	95.0	832	101.4
	<i>Mil-Mil</i>	244	87.3	217	88.9	204	93.9
	<i>Mil-Mil E</i>	157	79.9	138	87.9	123	89.2
	<i>Bifiel</i>	391	91.1	360	92.1	358	99.4
	<i>Sofuhl</i>	646	98.2	667	103.3	668	100.2
	<i>Purela</i>	251	593.6	361	143.7	339	94.0
	Total for fermented drinks other than Yakult	2,553	101.7	2,563	100.4	2,524	98.5
Total	9,130	99.2	9,316	102.0	9,524	102.2	

(3) Sales of Juices and Other Beverages

(Thousands of bottles)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005		
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)	
Juices and other beverages	Juices	111,314	85.0	96,127	86.4	84,029	87.4
	<i>Kininaruyasai</i>	70,213	87.9	63,978	91.1	59,533	93.1
	<i>Toughman</i>	84,630	87.0	73,450	86.8	107,990	147.0
	Coffee	167,038	92.6	157,572	94.3	160,723	102.0
	Tea	37,699	79.0	36,687	97.3	40,113	109.3
	Soy milk drinks	35,809	103.5	43,818	122.4	47,668	108.8
	<i>Bansoreicha</i>	122,177	88.2	95,594	78.2	101,463	106.1
	<i>Lemorea</i>	53,567	436.3	41,357	77.2	41,028	99.2

(4) Sales of Pharmaceuticals

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
<i>Campto</i> (Japan)	2,164	131.5	2,571	118.8	4,200	163.4
<i>Campto</i> (Overseas)*	17,325	125.2	14,014	80.9	13,300	94.9
<i>Campto</i> total	19,489	125.8	16,585	85.1	17,500	105.5
Other pharmaceuticals	1,555	80.8	1,596	102.6	1,800	112.8
Total	21,045	120.9	18,181	86.4	19,300	106.2

*Overseas sales of *Campto* by region

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
The Americas	9,447	128.0	6,538	69.2	6,150	94.1
Europe	7,724	124.3	7,283	94.3	6,950	95.4
Other	153	62.4	192	125.6	200	103.7
Total	17,325	125.2	14,014	80.9	13,300	94.9

Royalty income

Total	3,428	93.5	2,467	72.0	2,500	101.3
-------	-------	------	-------	------	-------	-------

4. Percentage of Total Sales by Channel (April 1, 2003-March 31, 2004)

	Dairy products		Juices and other beverages		
	Percentage of sales	Year on year (%)	Percentage of sales		Year on year (%)
Yakult Ladies	61.4%	100.5	42.7%		95.9
Other*	38.6%	104.8	57.3%	Vending machines	69.4
				Other	30.6
					93.4

Note: Actual sales statistics

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

	Fiscal year ended March 31, 2003	Fiscal year ended March 31, 2004
Supermarkets	104.2	105.2
Convenience stores	95.3	105.5

5. Sales Personnel by Department

	September 30, 2003	March 31, 2004
Yakult Ladies	49,500	48,500
Yakult Beauty Advisors	10,800	10,800
Medical Representatives	100	109

6. Head Office Employees

	September 30, 2003	March 31, 2004
Number of full-time employees	2,464	2,404

7. Performance Overview

(1) Financial Highlights

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Net sales	160,826	101.1	157,466	97.9	160,000	101.6
Operating income	9,739	121.9	3,874	39.8	6,000	154.9
Ordinary income	17,518	110.0	11,105	63.4	13,000	117.1
Net income	7,568	113.8	8,997	118.9	6,000	66.7

(2) Cost-of-Sales Ratio (Comparisons)

(%)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Decrease	Performance	Increase	Forecast	Decrease
Cost-of-sales ratio	61.17	(0.62)	62.19	1.02	60.84	(1.35)

(3) Breakdown of Major Costs

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Capital investments	5,122	274.5	2,043	39.9	5,427	265.6
Depreciation and amortization	4,891	99.7	4,549	93.0	4,427	97.3
Research and development costs	5,801	112.3	6,456	111.3	6,819	105.6
Number of vending machine at the end of the fiscal year	79,600	98.4	77,000	96.7	78,500	101.9

(4) Breakdown of Selling, General and Administrative Expenses

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Advertising costs	7,353	114.8	7,842	106.7	7,014	89.4
Sales promotion expense	4,246	73.9	4,713	111.0	5,106	108.3
Subtotal	11,599	95.4	12,555	108.2	12,120	96.5
Cost of vending machines	3,427	104.5	3,356	97.9	3,243	96.6
Freight expense	7,617	97.9	7,169	94.1	7,251	101.1
Personnel expenses	18,619	100.3	19,131	102.7	19,262	100.7
Depreciation and amortization	1,608	105.4	1,546	96.1	1,626	105.2
Other	9,843	104.0	11,906	121.0	13,160	110.5
Total	52,715	99.9	55,663	105.6	56,662	101.8

(5) Other

Breakdown of retirement benefit expenses

(Millions of yen)

	Fiscal year ended March 31, 2003		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2005	
	Performance	Decrease	Performance	Increase (Decrease)	Forecast	Decrease
Cost of production	1,097	(247)	1,166	69	1,048	(118)
General and administrative expenses	2,699	(404)	3,011	312	2,786	(225)
Total	3,796	(651)	4,177	381	3,834	(343)
*1 Extraordinary income	---	---	5,907	5,907	0	(5,907)
*2 Extraordinary loss	3,505	0	2,596	(909)	2,293	(303)

*1 Gain on exemption from the future pension obligation of the governmental program

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

Reference-1

(As of June 30, 2004)

Expansion of Indications for *Campto* and Development Pipeline

1. Expansion of *Campto* Indications

	Indications	Stage	Date of application	Remarks
Japan (Yakult, Daiichi Pharmaceutical)	Pancreatic cancer	Under sNDA (supplemental new drug application)		_____
Pfizer (Pharmacia)	Pancreatic cancer	Phase III completed	Date of application unknown	First-line treatment in combination with Gemcitabine
	Gastric cancer	Phase III	Scheduled to apply incorporating Aventis data	Second-line treatment in combination with 5-FU
	Small cell lung cancer	Phase III	Undecided	Utilization of JCOG data (*1)
	Pediatric cancer	Obtained pediatric exclusivity in U.S. (six months)		
	Breast cancer (oral formulation)	Phase II	Application scheduled for first quarter of fiscal 2005	Second-line treatment
Aventis	Colorectal cancer (adjuvant therapy)	Phase III completed	Application scheduled for first quarter of fiscal 2005	Prevention of recurrence
	Gastric cancer	Phase III completed	Application scheduled for fourth quarter of fiscal 2004 (approval expected within one year)	First-line treatment in combination with 5-FU/FA (*2)
	Small cell lung cancer	Phase III	Undecided	Utilization of JCOG data (*1)

*1 Japan Clinical Oncology Group

*2 Folic acid

*3 The fiscal years of Pfizer and Aventis cover the one-year period from January 1 to December 31.

2. Development Pipeline

Product	Indications	Licensor	Joint development partner	Stage	Remarks
<i>Oxaliplatin</i> Development code: L-OHP	Colorectal cancer	Debiopharm S.A. (Switzerland)	Independent development	Under NDA (new drug application)	Could be combined in future with <i>Campto</i>
<i>FEMEST</i> Development code: RG83933	Osteoporosis	Aventis	Teikoku Hormone Mfg. Co., Ltd.	Phase II completed, development on hold	Development was on hold due to publication of Phase results for long-term hormone replacement therapy indicating risk exceeded benefit.
<i>E2/NETA patch</i> Development code: RPR106522	Post-menopausal symptoms	Aventis	Teikoku Hormone Mfg. Co., Ltd.	Phase III	_____
	Osteoporosis			Phase II completed, development on hold	_____

Reference- 2

HACCP and ISO Accreditation of Yakult Group Companies

Yakult Plants

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

Chemical Analysis Center, Yakult Central Institute for Microbiological Research			
---	--	--	--

Plants of Subsidiaries, etc.

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

HACCP	19 businesses
ISO 9001	1 business
ISO 14001	21 businesses

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

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

International Organization for Standardization (ISO)

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

ISO 9001-- The International Standard for Quality Management Systems

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

ISO 14001-- The International Standard for Environmental Management Systems

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

CAUTIONARY STATEMENT

Statements contained in these materials with respect to Yakult's plans, forecasts and other statements that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ substantially from expectations.

The information contained in these materials is not intended as a solicitation for investment. Furthermore, Yakult does not guarantee the accuracy of the contents of these materials. Yakult and the provider of these materials disclaim any responsibility for any loss or damage that should arise from the use of this information.