



**Supplementary Materials for Financial Statements  
For the Year Ended March 31, 2005**

**May 20, 2005**

**YAKULT HONSHA CO., LTD.  
Public Relations Department  
IR Section**

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

## Consolidated

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

(Millions of yen)

	As of Mar. 31, 2005	As of Mar. 31, 2004	Increase (Decrease)	Primary reason for change
<b>(Total Assets)</b>	293,921	286,388	7,533	
<b>Current assets</b>				
Cash and deposits	67,487	77,503	(10,016)	Decrease in Parent company
Notes and accounts receivable	38,789	38,122	667	
Deferred tax assets	3,960	3,198	762	
Inventories	27,115	27,022	93	
Others	5,500	3,899	1,600	Increase in Parent company
<b>Fixed assets</b>				
<b>Tangible fixed assets</b>				
Buildings and structures	30,679	31,036	(357)	Decrease due to Depreciation
Land	32,366	31,986	380	
Others	23,783	23,611	172	
<b>Intangible fixed assets</b>	4,409	4,453	(43)	
<b>Investments and other assets</b>				
Investment securities	42,046	23,027	19,018	Increase in Parent company
Deferred tax assets	11,013	13,553	(2,540)	Decrease in Parent company
Others	6,769	8,973	(2,203)	
<b>(Total Liabilities)</b>	83,504	90,353	(6,849)	
<b>Current liabilities</b>				
Notes and accounts payable	23,840	25,148	(1,307)	Decrease in Parent company
Short-term bank loans	12,306	12,693	(387)	
Income taxes payable	2,705	5,052	(2,346)	Decrease in Parent company
Others	23,358	22,120	1,238	
<b>Fixed liabilities</b>				
Liability for retirement benefits	15,741	17,184	(1,443)	Decrease in Parent company
Others	5,550	8,153	(2,602)	Decrease of Long-term bank loans
<b>Minority interests</b>	14,395	13,268	1,126	
<b>(Shareholders' equity)</b>				
<b>Total shareholders' equity</b>	196,022	182,766	13,256	Increase of Retained earnings

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

(Millions of yen)

	Current period (2004.4~2005.3)	Previous period (2003.4~2004.3)	Increase (Decrease)		Primary reason for change	Revised forecasts※
			Amount	%		
<b>Net sales</b>	<b>247,506</b>	<b>238,847</b>	8,658	3.6		<b>248,000</b>
(Sales by business segments)					Increase of juices and other beverages sales in Japan, and Increase due to new consolidated subsidiaries last year (These companies were not adopted as consolidated companies in 2003)	
Food and beverages	215,585	206,423	9,161	4.4		
Pharmaceuticals	17,796	18,181	(384)	(2.1)		
Others	14,124	14,242	(117)	(0.8)		
<b>Cost of sales</b>	<b>110,641</b>	<b>108,695</b>	1,945	1.8		
<b>Gross profit</b>	<b>136,864</b>	<b>130,151</b>	6,713	5.2		
Gross profit margin	55.30%	54.49%	0.81%			
<b>Selling, general and administrative expenses</b>	<b>118,739</b>	<b>113,756</b>	4,982	4.4		
Selling expenses	53,740	50,163	3,577	7.1	Increase due to new consolidated subsidiaries last year (These companies were not adopted as consolidated companies in 2003)	
General and administrative expenses	64,999	63,593	1,405	2.2		
<b>Operating income</b>	<b>18,125</b>	<b>16,394</b>	1,730	10.6		<b>17,500</b>
Operating income margin	7.32%	6.86%	0.46%			7.06%
(Operating income by business segments)						
Food and beverages	24,454	22,076	2,378			
Pharmaceuticals	3,857	5,136	(1,278)			
Others	727	520	206			
Corporate expenses	(10,913)	(11,338)	424			
Non-operating income	9,448	8,550	898			
Foreign exchange gain	193	660	(467)			
Royalty income	3,208	2,563	645			
Investment gains from the equity method	2,862	2,710	151			
Others	3,184	2,615	568			
Non-operating expenses	1,781	1,801	(19)			
Foreign currency fluctuation loss	627	383	243		Due to inflation accounting at overseas subsidiaries	
Others	1,153	1,417	(263)			
<b>Ordinary income</b>	<b>25,792</b>	<b>23,144</b>	2,648	11.4	Increase in Parent company	<b>24,500</b>
Ratio of ordinary income to net sales	10.42%	9.69%	0.73%			9.88%
Extraordinary income	3,955	6,406	(2,450)		Decrease in Parent company	
Extraordinary loss	4,688	3,957	730		Increase in Parent company	
<b>Income before income taxes and minority interests</b>	<b>25,059</b>	<b>25,592</b>	(533)	(2.1)		
Income taxes	8,438	9,342	(903)			
Income taxes-deferred	1,073	(263)	1,336			
Minority interests	1,441	1,430	11			
<b>Net income</b>	<b>14,104</b>	<b>15,083</b>	(978)	(6.5)		<b>13,500</b>
Ratio of net income to net sales	5.70%	6.31%	(0.61%)			5.44%

※ Revised forecast of 2004 , announced on November 12,2004

### 3. Performance Overview

#### (1) Breakdown of Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Net sales	247,506	103.6	238,847	98.4	258,000 (130,000)	104.2 (106.7)
Operating income	18,125	110.6	16,394	75.8	18,500 (9,000)	102.1 (103.8)
Ordinary income	25,792	111.4	23,144	78.8	27,000 (13,000)	104.7 (105.8)
Net income	14,104	93.5	15,083	104.9	14,500 (6,500)	102.8 (85.3)

\*Figures in parentheses are forecasts for the interim period.

#### (2) Ratios of Consolidated to Nonconsolidated Results

(Times)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance		Performance		Forecast	
Net sales	1.58		1.52		1.57	
Operating income	3.81		4.23		3.70	
Ordinary income	1.94		2.08		2.00	
Net income	1.63		1.68		1.81	

#### (3) Breakdown of Gains from Equity Method

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Asia and Oceania	2,862	105.6	2,710	101.1	3,893	136.0

#### (4) Breakdown of Major Items

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Capital investment	7,864	100.8	7,801	76.7	11,279	143.4
Depreciation expense	8,039	100.7	7,984	95.6	8,457	105.2

## 4. Segment Information

### (1) Information about Business Segments

#### ① Results of the fiscal year ended March 31, 2005

(Millions of yen)

	Food and beverages	Pharmaceuticals	Others	Total	Eliminations/ corporate	Consolidated
Net sales	215,585	17,796	14,124	247,506	—	247,506
percentage of net sales (%)	87.1	7.2	5.7	100.0	—	100.0
Year on year (%)	104.4	97.9	99.2	103.6	—	103.6
Operating expenses	191,130	13,939	13,397	218,467	10,913	229,381
Year on year (%)	103.7	106.9	97.6	103.5	96.3	103.1
Operating income (loss)	24,454	3,857	727	29,038	(10,913)	18,125
Year on year (%)	110.8	75.1	139.8	104.7	96.3	110.6

#### ② Results of the fiscal year ended March 31, 2004

(Millions of yen)

	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 expenses	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

**③ Forecasts for the Fiscal year ending March 31, 2006**

(Millions of yen)

	Food and beverages	Pharmaceuticals	Others	Total	Eliminations/ corporate	Consolidated
Net sales	225,200	19,000	13,800	258,000	—	258,000
percentage of net sales (%)	87.3	7.4	5.3	100.0	—	100.0
Year on year (%)	104.5	106.8	97.7	104.2	—	104.2
Operating expenses	198,700	15,500	13,600	227,800	11,700	239,500
Year on year (%)	104.0	111.2	101.5	104.3	107.2	104.4
Operating income (loss)	26,500	3,500	200	30,200	(11,700)	18,500
Year on year (%)	108.4	90.7	27.5	104.0	107.2	102.1

## (2) Information about Geographical Segments

### ① Results of the fiscal year ended March 31, 2005

(Millions of yen)

	Japan	Overseas Total	The Americas	Asia and Oceania	Europe	Eliminations/ corporate	Consolidated
Net sales	206,673	43,295	22,427	10,219	10,649	(2,463)	247,506
percentage of net sales (%)	83.5	17.5	9.1	4.1	4.3	(1.0)	100.0
Year on year (%)	101.8	108.3	101.0	116.7	118.2	60.4	103.6
Operating expenses	188,206	32,723	16,513	8,146	8,064	8,450	229,381
Year on year (%)	101.8	107.9	99.5	124.4	112.4	116.4	103.1
Operating income (loss)	18,466	10,571	5,913	2,073	2,585	(10,913)	18,125
Year on year (%)	102.1	109.7	105.6	93.9	141.1	96.3	110.6

### ② Results of the fiscal year ended March 31, 2004

(Millions of yen)

	Japan	Overseas Total	The Americas	Asia and Oceania	Europe	Eliminations/ corporate	Consolidated
Net sales	202,955	39,967	22,204	8,757	9,006	(4,076)	238,847
percentage of net sales (%)	85.0	16.7	9.3	3.6	3.8	(1.7)	100.0
Year on year (%)	98.2	104.2	95.6	120.0	114.8	173.3	98.4
Operating expenses	184,864	30,325	16,603	6,549	7,173	7,261	222,452
Year on year (%)	99.9	107.5	102.4	112.6	116.3	92.5	100.6
Operating income (loss)	18,090	9,640	5,600	2,208	1,832	(11,338)	16,394
Year on year (%)	83.6	94.8	79.8	149.5	109.4	111.1	75.8

③ Forecasts for the Fiscal year ending March 31, 2006

(Millions of yen)

	Japan	Overseas Total	The Americas	Asia and Oceania	Europe	Eliminations/ corporate	Consolidated
Net sales	213,900	48,400	24,500	12,100	11,800	(4,300)	258,000
percentage of net sales (%)	82.9	18.8	9.5	4.7	4.6	(1.7)	100.0
Year on year (%)	103.5	111.8	109.2	118.4	110.8	174.6	104.2
Operating expenses	194,600	37,500	18,300	10,100	9,100	7,400	239,500
Year on year (%)	103.4	114.6	110.8	124.0	112.8	87.6	104.4
Operating income (loss)	19,300	10,900	6,200	2,000	2,700	(11,700)	18,500
Year on year (%)	104.5	103.1	104.9	96.5	104.4	107.2	102.1

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

[Performance from January to December 2004]

(December 31, 2004)

	Sales quantity (Thousands of bottles/day)	Year on year	Started Business	Ratio of shareholding	Consolidation Classification	Currency Unit	Exchange rate		
							March 2005	December 2004	December 2003
Taiwan	1,300	93.5%	March 1964	*4 15.00%	Equity method	TWD	3.395	3.230	3.150
Hong Kong	396	104.9%	June 1969	80.00%	Consolidated	HKD	13.77	13.39	13.80
Thailand	1,875	105.9%	June 1971	---	---	THB	---	---	---
Korea	4,995	96.9%	August 1971	38.30%	Equity method	KRW	0.1061	0.1002	0.0899
Philippines	951	128.2%	October 1978	40.00%	Equity method	PHP	1.99	1.88	1.96
Singapore	134	95.0%	July 1979	100.00%	Consolidated	SGD	65.19	63.53	62.96
Indonesia	901	113.2%	January 1991	100.00%	Consolidated	IDR	0.0114	0.0113	0.0128
*1 Australia	167	100.6%	February 1994	100.00%	Consolidated	AUD	82.87	80.60	79.63
Guangzhou	249	131.6%	June 2002	95.00%	Consolidated	CNY	12.95	12.55	12.94
*2 Malaysia	27	---	February 2004	100.00%	Consolidated	MYR	28.27	27.42	28.20
<b>Asia and Oceania subtotal</b>	<b>10,995</b>	102.5%							
Brazil	1,035	77.5%	October 1968	51.07%	Consolidated	BRL	40.29	39.26	37.09
Mexico	2,172	100.7%	October 1981	61.21%	Consolidated	MXN	9.62	9.33	9.59
Argentina	47	105.8%	May 1997	100.00%	Consolidated	ARS	37.08	35.21	36.82
<b>The Americas subtotal</b>	<b>3,254</b>	92.0%							
Netherlands	149	112.6%	April 1994	100.00%	Consolidated	EUR	138.85	141.66	133.74
Belgium	89	107.6%	April 1995	100.00%	Consolidated	EUR	138.85	141.66	133.74
*3 United Kingdom	290	113.5%	April 1996	100.00%	Consolidated	GBP	202.07	199.77	190.11
Germany	122	115.5%	April 1996	100.00%	Consolidated	EUR	138.85	141.66	133.74
<b>Europe subtotal</b>	<b>650</b>	112.8%							
<b>Total</b>	<b>14,899</b>	100.4%							

\*1 New Zealand Branch operation started on Jun 2004

\*2 Malaysia Yakult operation started on Feb 2004

\*3 Ireland Branch operation started on Sep 2004

\*4 Stock acquisition in Jan 2005, now the ratio of shareholding is 20%

### ● Advance into foreign markets

- Malaysia ( Feb 2004), New Zealand ( Jun 2004), Ireland ( Sep 2004)

### ● Starting sales of New Products

- Australia— Yakult Light (Sep 2004)
- Singapore— Yakult Ace Light (Oct 2004)

### ● Test Sales(in 3 countries)

- France, Spain, USA(East coast and West coast)

### ● Currently undergoing feasibility studies

- Vietnam, India, and other Asian countries(conducting local feasibility 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 local feasibility studies based on the assumption of market entry)

## Non-Consolidated

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

(Millions of yen)

	As of Mar. 31, 2005	As of Mar. 31, 2004	Increase (Decrease)	Primary reason for change
<b>(Total Assets)</b>	209,434	208,511	923	
<b>Current assets</b>				
Cash and deposits	25,302	38,491	(13,189)	Decrease due to Acquisition of shares of business partners and others
Accounts receivable	35,307	36,066	(759)	Decrease of sales
Inventories	21,600	21,169	430	
Others	8,549	6,305	2,244	Increase of non-trade account receivable
<b>Fixed assets</b>				
<b>Tangible fixed assets</b>				
Machinery and equipment	8,627	8,837	(210)	Decrease due to Depreciation
Land	18,411	18,426	(14)	
Others	17,374	18,102	(726)	Decrease due to Depreciation
<b>Intangible fixed assets</b>	2,240	1,907	333	
<b>Investments and other assets</b>				
Investment securities	23,484	8,759	14,725	Increase due to Acquisition of shares of business partners, and increase due to valuation of securities
Investments in and advances to unconsolidated subsidiaries and associated companies	32,060	29,816	2,244	Increase due to Establishment of overseas company and adding shares of associated company
Deferred tax assets	13,347	14,446	(1,099)	Decrease due to decrease of liability for retirement benefits
Others	3,129	6,186	(3,056)	Decrease due to sales of land and other fixed assets
<b>(Total Liabilities)</b>	57,383	62,844	(5,460)	
<b>Current liabilities</b>				
Notes and accounts payable	20,654	23,138	(2,484)	Decrease of purchases
Short-term bank loans	5,005	6,011	(1,005)	
Income taxes payable	1,357	3,458	(2,101)	
Others	16,880	14,881	1,998	Increase of non-trade account payable and accrued expenses
<b>Fixed liabilities</b>				
Liability for retirement benefits	11,805	13,860	(2,055)	Decrease due to adopting new corporate pension plan
Others	1,680	1,493	187	
<b>(Shareholders' equity)</b>				
<b>Total shareholders' equity</b>	152,050	145,667	6,383	Increase of Retained earnings

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

(Millions of yen)

	Current period (2004.4~2005.3)	Previous period (2003.4~2004.3)	Increase (Decrease)		Primary reason for change	Revised forecasts※
			Amount	%		
<b>Net sales</b>	<b>156,525</b>	<b>157,466</b>	(940)	(0.6)		<b>158,500</b>
(Breakdown)						
Dairy products	78,011	79,307	(1,296)	(1.6)	Decrease in sales of <i>Yakult</i> , <i>Yakult 80Ace</i>	
Juices and other beverages	46,069	43,779	2,290	5.2	Increase in sales of <i>Toughman</i> , <i>Kurozu-drink</i> and others	
Cosmetics	6,732	6,752	(19)	(0.3)		
Pharmaceuticals	17,796	18,181	(384)	(2.1)	Decrease in overseas sales of <i>Campto</i>	
Others	7,916	9,446	(1,530)	(16.2)	Decrease in overseas sales of equipment and materials	
<b>Cost of sales</b>	<b>96,274</b>	<b>97,928</b>	<b>(1,654)</b>	<b>(1.7)</b>		
<b>Gross profit</b>	<b>60,251</b>	<b>59,538</b>	<b>713</b>	<b>1.2</b>		
Gross profit margin	38.49%	37.81%	0.68%		Improvement in cost of sales ratio of Dairy products	
<b>Selling, general and administrative expenses</b>	<b>55,489</b>	<b>55,663</b>	<b>(174)</b>	<b>(0.3)</b>		
Advertising expenses	8,646	7,842	804		Increase in advertisement for new products	
Sales promotion expenses	4,181	4,713	(531)		Sponsored national event was done in previous year.	
Cost of vending machines	2,959	3,356	(396)		Decrease due to number of leased vending machines	
Transportation expenses	7,078	7,169	(90)			
Personnel expenses	18,989	19,131	(141)		Decrease in retirement benefits	
Depreciation and amortization	1,611	1,546	65			
Others	12,021	11,905	116			
<b>Operating income</b>	<b>4,762</b>	<b>3,874</b>	<b>887</b>	<b>22.9</b>		<b>5,000</b>
Operating income margin	3.04%	2.46%	0.58%			3.15%
Non-operating income	9,111	7,910	1,201			
Dividend income	2,743	2,590	152			
Royalties from pharmaceuticals	3,102	2,467	634			
Others	3,265	2,851	414			
Non-operating expenses	567	679	(112)			
<b>Ordinary income</b>	<b>13,306</b>	<b>11,105</b>	<b>2,201</b>	<b>19.8</b>		<b>13,000</b>
Ratio of ordinary income to net sales	8.50%	7.05%	1.45%			8.20%
Extraordinary income	3,719	6,124	(2,405)			
Gain on exemption from pension liability	3,653	---	3,653		Increase due to adopting new corporate pension plan	
Others	65	6,124	(6,059)		Due to recognition of gain on exemption from the future pension obligation of governmental program previous year	
Extraordinary loss	3,899	3,146	752			
Provision for accrued employee retirement benefits	2,053	2,596	(542)		Decrease due to adopting new corporate pension plan	
Others	1,845	550	1,295		Increase due to selling fixed assets	
<b>Income before income taxes</b>	<b>13,127</b>	<b>14,083</b>	<b>(956)</b>	<b>(6.8)</b>		
Income taxes	4,015	5,069	(1,053)			
Income taxes-deferred	468	17	451			
<b>Net income</b>	<b>8,643</b>	<b>8,997</b>	<b>(354)</b>	<b>(3.9)</b>		<b>8,000</b>
Ratio of net income to net sales	5.52%	5.71%	(0.19%)			5.05%

※ Revised forecast of 2004, announced on November 12, 2004

### 3. Performance Overview

#### (1) Breakdown of Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Net sales	156,525	99.4	157,466	97.9	164,000 (85,000)	104.8 (108.2)
Operating income	4,762	122.9	3,874	39.8	5,000 (2,000)	105.0 (176.4)
Ordinary income	13,306	119.8	11,105	63.4	13,500 (5,000)	101.5 (126.0)
Net income	8,643	96.1	8,997	118.9	8,000 (2,500)	92.6 (73.7)

\*Figures in parentheses are forecasts for the interim period.

#### (2) Sales by Product Category

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Dairy products	78,011	98.4	79,307	102.7	82,000	105.1
Juices and other beverages	46,069	105.2	43,779	92.4	48,000	104.2
Cosmetics	6,732	99.7	6,752	101.4	7,000	104.0
Pharmaceuticals	17,796	97.9	18,181	86.4	19,000	106.8
Others	7,916	83.8	9,446	110.9	8,000	101.1
<b>Total</b>	<b>156,525</b>	<b>99.4</b>	<b>157,466</b>	<b>97.9</b>	<b>164,000</b>	<b>104.8</b>

#### (3) Cost to Net sales Ratio (Comparisons)

(%)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Decrease	Performance	Increase	Forecast	Decrease
Cost to Net sales ratio	61.51	0.68	62.19	1.02	60.72	0.79

#### (4) Breakdown of Major Costs

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Capital investments	2,884	141.2	2,043	39.9	6,692	232.0
Depreciation and amortization	4,313	94.8	4,549	93.0	4,476	103.8
Research and development costs	6,775	104.9	6,456	111.3	7,747	114.3
Number of vending machines	74,900	97.3	77,000	96.7	76,000	101.5

## 4. Breakdown of Sales

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

(Thousands of bottles/day)

		Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
		Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Dairy Products	<i>Yakult</i>	3,475	90.8	3,829	100.8	3,713	106.8
	<i>Yakult LT</i>	148	96.2	154	95.1	151	101.9
	<i>Yakult 200</i>	145	87.4	166	104.8	147	101.3
	<i>Yakult 80Ace</i>	624	81.1	769	84.2	502	80.4
	<i>Yakult 80AceLT</i>	173	91.0	190	98.4	138	79.9
	<i>Yakult 300V</i>	28	---	---	---	474	1665.8
	<i>Yakult 400</i>	1,774	107.8	1,645	121.7	1,786	100.7
	<b>Total for Yakult products</b>	<b>6,368</b>	<b>94.3</b>	<b>6,753</b>	<b>102.7</b>	<b>6,911</b>	<b>108.5</b>
	<i>Pretio</i>	<b>154</b>	---	---	---	<b>611</b>	<b>395.9</b>
	<i>Joie</i>	852	103.9	820	95.0	693	81.3
	<i>Mil-Mil</i>	188	86.5	217	88.9	121	64.4
	<i>Mil-Mil E</i>	117	85.1	138	87.9	72	61.3
	<i>Bifiel</i>	324	89.9	360	92.1	240	74.1
	<i>Sofuhl</i>	620	93.0	667	103.3	525	84.7
<i>Purela</i>	299	82.9	361	143.7	228	76.3	
<b>Total for fermented milk</b>	<b>2,401</b>	<b>93.7</b>	<b>2,563</b>	<b>100.4</b>	<b>1,879</b>	<b>78.3</b>	
<b>Total</b>	<b>8,923</b>	<b>95.8</b>	<b>9,316</b>	<b>102.0</b>	<b>9,400</b>	<b>105.4</b>	

Note) New product release : *Pretio* (November, 2004)、*Yakult 300V* (February, 2005)

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

(Thousands of bottles/day)

		Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
		Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Juices and Other Beverages	Juices	92,851	96.6	96,127	86.4	78,658	84.7
	<i>Kininaruyasai</i>	61,327	95.9	63,978	91.1	46,500	75.8
	<i>Toughman</i>	82,657	112.5	73,450	86.8	115,173	139.3
	Coffee products	163,621	103.8	157,572	94.3	164,416	100.5
	Black tea products	43,336	118.1	36,687	97.3	44,070	101.7
	Soy milk drinks	60,824	138.8	43,818	122.4	71,686	117.9
	<i>Bansoreicha</i>	72,084	75.4	95,594	78.2	70,692	98.1
	<i>Lemorea</i>	35,755	86.5	41,357	77.2	40,267	112.6
	<i>Kurozu Drink</i>	67,199	702.4	9,567	281.9	98,198	146.1

## (3) Percentage of Sales by Channel (April 1, 2004 to March 31, 2005)

(%)

	Dairy products(Volume)		Juices and other beverages		
	Percentage of sales	Year on year	Percentage of sales		Year on year
Yakult Ladies	<b>62.5</b>	97.3	<b>42.3</b>		103.6
Stores, Vending machines, and Others*	<b>37.5</b>	93.7	<b>57.7</b>	Vending machines	<b>70.3</b>
				Stores and Others	<b>29.7</b>
					105.4

Note: Actual sales statistics

\* Percentage of sales at Stores, Vending machines, and Others major channels (year-on-year comparison)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004	
	Percentage of sales	Year on year	Percentage of sales	Year on year
Supermarkets	32.5	97.2	33.2	105.2
Convenience stores	4.5	88.0	5.4	105.5
Offices(Vending machines)	19.1	107.7	17.8	97.6
Medical centers	10.5	103.6	10.1	103.5

## (4) Pharmaceuticals sales

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
<i>Campto</i> (Japan)	2,895	112.6	2,571	118.8	4,150	143.3
<i>Campto</i> (Overseas)	13,430	95.8	14,014	80.9	12,350	92.0
North America	2,733	41.8	6,538	69.2	200	7.3
Europe	10,377	142.5	7,283	94.3	11,800	113.7
Other	320	165.9	192	125.6	350	109.4
<b><i>Campto</i> total</b>	<b>16,325</b>	<b>98.4</b>	<b>16,585</b>	<b>85.1</b>	<b>16,500</b>	<b>101.1</b>
※ <i>Elplat</i>	---	---	---	---	<b>900</b>	---
Other pharmaceuticals	1,471	92.2	1,596	102.6	1,600	108.8
<b>Total</b>	<b>17,796</b>	<b>97.9</b>	<b>18,181</b>	<b>86.4</b>	<b>19,000</b>	<b>106.8</b>

## Royalty income

Total	3,103	125.7	2,467	72.0	3,200	103.1
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※*Elplat* (Nonproprietary name : Oxaliplatin) launched on April , 2005

## 5. Sales Personnel by Department

	March 31, 2005	September 30, 2004
① Yakult Ladies	47,000	48,000
② Yakult Beauty Advisors	10,100	10,200
③ Medical Representatives	139	127

## 6. Head Office Employees

	March 31, 2005	September 30, 2004
Number of full-time employees	2,428	2,451

## 7. Breakdown of Major Costs

### (1) Breakdown of Selling, General and Administrative Expenses

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Advertising expenses	8,646	110.3	7,842	106.7	7,934	91.8
Sales promotion expenses	4,181	88.7	4,713	111.0	6,497	155.4
<b>Subtotal</b>	<b>12,828</b>	<b>102.2</b>	<b>12,555</b>	<b>108.2</b>	<b>14,431</b>	<b>112.5</b>
Transportation expenses	7,078	98.7	7,169	97.9	7,792	110.1
Cost of vending machines	2,959	88.2	3,356	94.1	2,636	89.1
Personnel expenses	18,989	99.3	19,131	102.7	19,664	103.6
Depreciation and amortization	1,611	104.2	1,546	96.1	1,785	110.8
Others	12,021	101.0	11,906	121.0	13,112	109.1
<b>Total</b>	<b>55,489</b>	<b>99.7</b>	<b>55,663</b>	<b>105.6</b>	<b>59,420</b>	<b>107.1</b>

### (2) Other

#### Breakdown of retirement benefit expenses

(Millions of yen)

	Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004		Fiscal year ending March 31, 2006	
	Performance	Year on year (%)	Performance	Year on year (%)	Forecast	Year on year (%)
Cost of production	899	77.6	1,166	106.2	902	100.3
General and administrative expenses	2,414	80.2	3,011	111.6	2,572	106.5
<b>Total</b>	<b>3,314</b>	<b>79.3</b>	<b>4,177</b>	<b>110.0</b>	<b>3,474</b>	<b>104.8</b>

*1 Extraordinary income	3,703	62.7	5,907	---	0	---
*2 Extraordinary loss	2,053	79.1	2,596	74.1	0	---

\*1 Gain on exemption of pension liability(Fiscal year ended March 31,2005), and gain on exemption from the future pension obligation of governmental program (Fiscal year ended March 31,2004)

\*2 Transitional obligation (Amortization period of transitional obligation : 5 years, completed on March 31,2005)

## Reference – 1

### Expansion of Indication for *Campto* and New Drug Development Pipeline

#### 1. Expansion of *Campto* indications

(As of May 31,2005)

	Indications	Stage	Date of application	Remarks
Japan (Yakult, Daiichi Pharmaceutical)	①Pancreatic cancer	Applied for sNDA(supplemental new drug application) in May 2004		
Pfizer	①Pancreatic cancer	Phase III completed (combination with GEM)	On-hold sNDA	Superior respons rate against GEM alone was observed, however, no survival benefit was demonstrated
	②Gastric cancer	Phase III completed	Under preparation of sNDA	Combination with 5FU/FA, first-line*2
	③Lung cancer (small cell lung cancer)	Phase III on-going	Undecided	Utilization of JCOG data*1
	④Pediatric cancer	Data exclusivity up to February 2008 has been given in USA		
	⑤Breast cancer (Oral formulation)	Phase II on-going	Undecided	Phase III planned in 1Q 2006 (second-line)
	⑥Colorectal cancer (Adjuvant)	Phase III on-going	Undecided	

Note)\*1 Japan Clinical Oncology Group

\*2 Folic acid

#### 2. New drug development pipeline

Product	Indications	Licensor	Co-development partner	Stage	Remarks
① <i>Elplat</i> ( <i>Oxaliplatin</i> ) Development Code: L-OHP	Colorectal cancer	Debio Pharm	(Independent development)	Launched on April 2005	
② <i>Femiest</i> Development Code: RG83933	Osteoporosis	Sanofi • Aventis (Aventis)	Teikoku Hormone Mfg. Co., Ltd.	Phase II completed On-hold development	Development on-hold due to publication of US Phase III results indicating risk of long-term hormone replacement therapy exceeded benefit
③ <i>E2/NETA patch</i> Development Code: RPR106522	Post-menopausal syndromes	Sanofi • Aventis (Aventis)	Teikoku Hormone Mfg. Co., Ltd.	Phase III on-going	
	Osteoporosis			On-hold development	

## Reference – 2

### HACCP and ISO Accreditation of Yakult Group Companies

#### Yakult Honsha Plants and Research Institute

	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			○
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#### Subsidiary Plants and others

	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	23 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 observatio
- 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.

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