



# Consolidated Financial Results for the Year Ended March 31, 2023 (Japanese Generally Accepted Accounting Principles)

May 12, 2023

Name of company	Yakult Honsha Co., Ltd.		
Stock exchange listing	Prime Market in Tokyo Stock Exchange		
Code number	2267		
URL	https://www.yakult.co.jp		
Representative	President and Representative Director	Hiroshi Narita	
Contact person	Managing Executive officer	Shuichi Watanabe	TEL +81-3-6625-8960
Scheduled date of ordinary shareholder's meeting	June 21, 2023		
Scheduled date of payment of dividends	June 2, 2023		
Scheduled date of filing annual security report	June 22, 2023		
Preparation of support documentation of results	: Yes		
Holding of briefing for analysts and institutional investors	: Yes		

(Figures less than 1 million yen have been rounded down)

## 1. Consolidated financial results for the year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

### (1) Consolidated Financial Results (Accumulated)

(Percentage figures presents year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2022	483,071	16.4	66,068	24.2	77,970	13.7	50,641	12.7
FY2021	415,116	7.6	53,202	21.8	68,549	19.0	44,917	14.4

(Note) Comprehensive income for FY2022 94,015 million yen {35.4%} FY2021 69,441 million yen {87.2%}

	Basic earnings per Share	Diluted earnings per Share	Return on Equity	Ordinary Profit ratio to Total Assets	Operating Profit ratio margin
	yen	yen	%	%	%
FY2022	324.18	—	10.7	11.0	13.7
FY2021	280.36	—	10.6	10.5	12.8

(Ref.) Share of profit of entities accounted for using equity method for FY2022 2,638 million yen FY2021 6,432 million yen

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Asset Ratio	Net Assets per Share
	million yen	million yen	%	yen
FY2022	749,419	545,496	66.5	3,195.09
FY2021	672,855	484,935	66.3	2,812.63

(Ref.) Equity for FY2022 498,659 million yen FY2021 446,068 million yen

### (3) Consolidated Cash Flows

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash equivalents at end of period
	million yen	million yen	million yen	million yen
FY2022	86,513	(19,024)	(44,531)	190,489
FY2021	73,390	(11,875)	(45,156)	150,725

## 2. Dividends

	Dividends per Share					Total Dividends (Annual)	Dividend payout ratio (Consolidated)	Dividends Ratio to Net Assets (Consolidated)
	1st Qrt.	2nd Qrt.	3rd Qrt.	Year End	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FY2021	—	36.00	—	36.00	72.00	11,489	25.7	2.7
FY2022	—	45.00	—	45.00	90.00	14,042	27.8	3.0
FY2023 (Forecast)	—	55.00	—	55.00	110.00		29.3	

## 3. Forecast for consolidated financial results for FY 2023 (April 1, 2023 - March 31, 2024)

(Percentage figures presents year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Basic earnings per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
2nd Qrt.	261,500	12.3	37,000	4.8	44,500	6.0	27,500	2.2	176.20
Annual	531,000	9.9	75,500	14.3	91,000	16.7	58,500	15.5	374.83

\*Notes

- (1) Changes of important subsidiaries during the period: No  
(Change in specified subsidiary with change in scope of consolidation)
- (2) Change in accounting policies and estimates, correction of prior period errors
- (a) Change in accounting policy with revision of accounting standard: No
- (b) Change in account policy other than (a): No
- (c) Change in accounting estimates: No
- (d) Correction of prior period errors: No

(3) Shares issued (common stock)

(a) Number of shares issued (including treasury stocks)

FY2022 171,045,418

FY2021 171,045,418

(b) Number of treasury stocks

FY2022 14,975,095

FY2021 12,450,484

(c) Weighted average of number of shares

FY2022 156,214,185

FY2021 160,216,716

(Ref.) Summary of Non-consolidated Financial Results

1. Non-consolidated financial results for the year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(1) Non-consolidated financial results

(Percentage figures presents year-on-year changes)

	Net sales		Operating Profit		Ordinary Profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2022	176,787	12.8	22,888	76.4	48,996	34.4	40,790	31.0
FY2021	156,677	(6.6)	12,977	69.8	36,448	18.5	31,130	14.7

	Basic earnings per Share	Diluted earnings per Share
	yen	yen
FY2022	261.08	—
FY2021	194.21	—

(2) Non-consolidated financial position

	Total Assets	Net Assets	Equity to Asset Ratio	Net Assets per Share
	million yen	million yen	%	yen
FY2022	345,192	207,752	60.2	1,331.15
FY2021	323,463	195,512	60.4	1,232.19

(Ref.) Equity for FY2022 207,752 million yen FY2021 195,512 million yen

2. Forecast for non-consolidated financial results for FY 2023 (April 1, 2023 - March 31, 2024)

(Percentage figures presents year-on-year changes)

	Net Sales		Ordinary Profit		Profit Attributable to owners of parent		Basic Earnings per Share
	million yen	%	million yen	%	million yen	%	yen
2nd Qrt.	96,000	8.9	23,000	7.2	18,500	6.8	118.54
Annual	191,000	8.0	52,500	7.2	42,500	4.2	272.31

\*These consolidated financial results are not subjected to audit by our auditor.

\*Explanation for the appropriate use of the financial forecast and the other comments

*Note concerning statements about the future, etc.*

The statements about the future, including earnings projections, contained in this report are based on information currently available as well as certain assumptions considered reasonable.

Actual results may vary considerably from these projections owing to a range of factors.

*Procedure for obtaining supplementary information on financial results*

We plan to hold a briefing for analysts and institutional investors on May 12, 2023.

Materials used in the briefing will be posted on the company's website.

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## 1. Business Performance Overview

### (1) Qualitative Information Regarding Consolidated Business Results

#### i. Performance Overview

During the fiscal year ended March 31, 2023, despite increasing expectations of a recovery in economic conditions, the Japanese economy remained susceptible to downward risks due to global monetary tightening and other factors, and to the impacts of developments such as rises in the cost of living.

Against this background, the Yakult Group worked to build awareness and understanding of the probiotics that constitute the bedrock of our operations, while striving to communicate the superiority of our products. Guided by our long-term vision, Yakult Group Global Vision 2030, we pursued business activities and sought to improve our performance, aiming to evolve into a healthcare company that continues contributing to people's health around the world.

Following these efforts, consolidated net sales for the fiscal year under review increased 16.4% from the previous year to 483,071 million yen. Operating profit increased 24.2% to 66,068 million yen, while ordinary profit rose 13.7% to 77,970 million yen. Profit attributable to owners of parent increased 12.7% to 50,641 million yen.

#### ii. Overview by Segment

##### ● Food and Beverages (Japan)

In dairy products, Yakult focused on broadening recognition of the science behind its proprietary living *Lactobacillus casei* strain Shirota<sup>1</sup> and *Bifidobacterium breve* strain Yakult by proactively conducting grassroots value dissemination initiatives, while also taking measures to prevent novel coronavirus infection.

In our home delivery channel, we utilized evidence in initiatives to encourage customers to drink Yakult products, focusing on the fermented milk drink *Yakult 1000* and the *Yakult 400* series. Further, we strengthened our customer contact points through our online ordering service, Yakult Delivery Net, and through the dissemination of information on our website and other means. To strengthen our home delivery organization, we pressed ahead with our efforts to conduct recruitment activities and create convenient working conditions for Yakult Ladies.

As for the retail store channel, we conducted social media campaigns for the *New Yakult* fermented milk drink series and introduced limited-time packaging designs to encourage families to consume products from the series together. We also worked to increase revenue by using displays and other means to create sales spaces offering high visibility for these products.

In product-specific initiatives, we addressed rising demand for *Yakult 1000* and *Y1000* by increasing production capacity for both products. We will continue taking action to ensure stable supply going forward. Meanwhile, our initiatives to boost the hard-type yogurt brand *Sofuhl* included launching *Sofuhl Lemon* as a limited-time item in January 2023 in collaboration with Pokka Sapporo Food & Beverage Ltd.

In other beverages, we implemented price revisions in November 2022 in response to rising raw material costs and the sudden sharp rise in logistics, fuel, and other costs. We also worked to increase sales for our *Toughman* series of energy drinks through various initiatives, including consumer campaigns.

In addition, we conducted activities to commemorate the Tokyo Yakult Swallows winning the Central League championship and to thank everyone for their support.

As a result of these and other efforts to bolster sales, the results for both dairy products and other beverages surpassed those of the previous year.

Consequently, consolidated net sales for the Food and Beverages (Japan) segment increased 18.3% from the previous fiscal year, totaling 240,455 million yen.

<sup>1</sup> Classified as *Lacticaseibacillus paracasei* strain Shirota as of April 2020.

## ● Food and Beverages (Overseas)

Yakult's operations outside Japan commenced in March 1964 with the establishment of Yakult Taiwan Co., Ltd., and now the manufacture and sale of *Yakult* outside of Japan spans 39 countries and regions centered around 29 companies and one research center, with average daily bottle sales of approximately 29.91 million bottles as of March 2023.

The impact of the novel coronavirus varies across countries and regions depending on the extent of the infection's spread, as well as the policies and official guidance of local and national governments, among other factors. We are therefore taking measures appropriate to each location and following the instructions of governmental agencies as we conduct our operations and manufacturing activities.

### a. The Americas

In the Americas, *Yakult* and other products are manufactured and sold by Yakult S/A Ind. E Com. (Brazil), Yakult S.A. De C.V. (Mexico), and Yakult U.S.A. Inc.

At Yakult U.S.A. Inc., sales figures increased steadily as a result of boosting support for sales through publicity campaigns and other initiatives, and making proactive efforts to cultivate new business, which led to more stores stocking our products.

In other regions within the Americas, we strived to increase revenue by reinforcing the sales networks for both the home delivery and retail store sales channels.

As a result of these efforts, consolidated net sales in the Food and Beverages (The Americas) segment increased 37.0% from the previous year to 64,920 million yen.

### b. Asia and Oceania

In Asia and Oceania, *Yakult* and other products are manufactured and sold by Hong Kong Yakult Co., Ltd.; Yakult (Singapore) Pte. Ltd.; PT. Yakult Indonesia Persada; Yakult Australia Pty. Ltd.; Guangzhou Yakult Co., Ltd.; Yakult (Malaysia) Sdn. Bhd.; Shanghai Yakult Co., Ltd.; Beijing Yakult Co., Ltd.; Yakult (China) Corporation; Yakult Vietnam Co., Ltd.; and Yakult Danone India Pvt. Ltd.; among others. In addition, Yakult Middle East FZCO imports *Yakult* and other products for sale.

At Yakult Vietnam Co., Ltd., sales rose steadily as a result of efforts to enhance the home delivery organization and increase the number of stores stocking our products, in combination with value dissemination initiatives.

However, sales were significantly impacted at Guangzhou Yakult Co., Ltd., Shanghai Yakult Co., Ltd., Beijing Yakult Co., Ltd., and Yakult (China) Corporation, as the effects of lockdowns and other measures in response to the spread of the novel coronavirus caused activities in many districts to be restricted.

As a result of the above, consolidated net sales in the Food and Beverages (Asia and Oceania) segment rose 9.6% from the previous year to 140,465 million yen.

### c. Europe

In Europe, *Yakult* and other products are manufactured by Yakult Europe B.V., and sold by Yakult Nederland B.V., Yakult Belgium N.V./S.A., Yakult Europe B.V., Yakult UK Ltd., Yakult Deutschland GmbH, Yakult Oesterreich GmbH, and Yakult Italia S.r.l.

In this region, where the promotion of probiotics faces strict regulation, we engaged in a variety of initiatives in our efforts to receive approval for health claims related to our products. At the same time, taking advantage of heightened health consciousness, we aimed for sustainable growth by conducting sales activities tailored to each individual country's market.

Meanwhile, the prolongation of the conflict between Russia and Ukraine means that, although we do not operate in either country, we will continue to pay close attention to the impact of the conflict on Europe as a whole.

As a result of the above efforts, consolidated net sales in the Food and Beverages (Europe) segment increased 3.3% from the previous year to 9,724 million yen.

- **Pharmaceuticals**

Due to restrictions on visits to medical institutions to prevent the spread of the novel coronavirus, it remained impossible to hold face-to-face meetings with medical personnel in many facilities. However, we made use of the internet, among other methods, to promote awareness and the proper use of our products, particularly those specializing in oncology and related fields.

Regarding our mainstay, the antineoplastic drug *Elplat*, while medical institutions are increasingly switching to available generic versions in line with government policy, we leveraged our ability to provide relevant information about it, a Company strength as the developer of the original drug.

However, our revenue was impacted by revisions to National Health Insurance drug prices in April 2022, which reduced prices for most of Yakult's pharmaceutical products, and by the ending of the promotional agreement with Nihon Servier Co., Ltd. for the antineoplastic drug, *Onivyde*<sup>®</sup>, in September 2022.

As a result of the above factors, consolidated net sales in the Pharmaceuticals segment declined 24.9% to 12,763 million yen.

- **Others**

This segment encompasses Yakult's cosmetics manufacturing and sales as well as its professional baseball team operations.

In our cosmetics operations, we worked to help customers realize their internal and external beauty, and to increase the number of regular users of our cosmetics by focusing on initiatives to disseminate the value of our proprietary moisturizing agent *S.E. (Shirota Essence)*, which is the result of our extensive research on lactic acid bacteria since the Company's foundation.

As specific examples of such activities, for our *Lactdew* series of skincare products containing moisturizing ingredients derived from lactic acid bacteria, in November 2022 we released a new product, *Lactdew S.E. Lotion 2*, released a revamped version of our *Lactdew S.E. Milk*, and aired TV commercials featuring the singer Chisato Moritaka. We also released a revamped version of our medicated moisturizing serum *Bellefin Moisture Essence* in January 2023.

Following such initiatives, the results of the cosmetics operation as a whole were broadly unchanged year-on-year.

Meanwhile, in our professional baseball operations, cheered on by their fans, the Tokyo Yakult Swallows clinched their second consecutive Central League championship and proceeded to the Japan Series. Along with the lifting of restrictions on entry to Jingu Stadium, our efforts to improve the various fan service engagements and disseminate a range of information resulted in an increase in attendance.

As a result of the above factors, consolidated net sales in the Others segment rose 30.7% from the previous year to 25,445 million yen.

## (2) Financial Position

Total assets at the fiscal year-end amounted to 749,419 million yen, an increase of 76,563 million yen year on year.

Net assets increased 60,561 million yen from the previous fiscal year-end to 545,496 million yen. The main factors were an increase in foreign currency translation adjustments due to a weaker yen and an increase in retained earnings due to profit attributable to owners of parent, outweighing the effects of repurchase of shares as treasury stock.

The equity to asset ratio was 66.5%, an increase of 0.2 percentage point from the previous fiscal year-end.

**(3) Cash Flow****(Status of Cash Flow)**

	Fiscal 2021	Fiscal 2022	YoY Change
Cash flow from operating activities	73,390	86,513	13,122
Cash flow from investing activities	(11,875)	(19,024)	(7,148)
Cash flow from financing activities	(45,156)	(44,531)	624
Effect of exchange rate change on cash and cash equivalents	11,601	16,806	5,205
Net increase (decrease) in cash and cash equivalents	27,959	39,763	11,804
Cash and cash equivalents at beginning of period	122,766	150,725	27,959
Cash and cash equivalents at end of period	150,725	190,489	39,763

Cash derived from operating activities increased 13,122 million yen from the previous year. This was primarily the result of a 9,050 million yen increase in profit before income taxes to 78,529 million yen. As a result, cash derived from operating activities amounted to 86,513 million yen.

Cash used in investing activities increased 7,148 million yen from the previous year. The main contributing factors were an increase in cash used for purchase of non-current assets, combined with decreases in proceeds from sales of investment securities and proceeds from sales of non-current assets. As a result, cash used in investing activities amounted to (19,024) million yen.

Cash used in financing activities decreased by 624 million yen. This mainly reflected a decrease in repayments of loans payable, despite outgoings for purchase of treasury shares and an increase in cash dividends paid. As a result, financing activities cash flow came to (44,531) million yen.

**(Cash Flow Related Indices)**

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Equity to asset ratio	57.8%	59.5%	63.8%	66.3%	66.5%
Equity to asset ratio based on market price	200.5%	163.0%	141.5%	153.7%	200.5%
Debt-to-cash-flow ratio	2.0 years	1.8 years	1.7 years	1.1 years	0.9 years
Interest coverage ratio	85.1	71.5	82.1	109.7	128.8

Equity to asset ratio: Shareholders' equity / total assets

Equity to asset ratio based on market price: Market capitalization / total assets

Debt-to-cash-flow ratio: Interest-bearing debt / operating cash flow

Interest coverage ratio: Operating cash flow / interest payments

\* All figures are calculated using consolidated financial data.

\* Market capitalization = share price at end of period × number of shares outstanding (exclusive of treasury shares)

\* "Operating cash flow" refers to cash flow from operating activities in the Consolidated Statements of Cash Flows. "Interest-bearing debt" refers to all liabilities reflected in the consolidated balance sheets that are subject to interest payments. "Interest payments" refer to interest expenses as stated on the Consolidated Statements of Cash Flows.



**(4) Forward Looking Statements**

The forward looking statements below are based on certain assumptions according to information currently available to the Company.

**i. Consolidated Forecast for the Next Fiscal Year**

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Fiscal year ending March 2024	531,000	75,500	91,000	58,500	374.83
Fiscal year ended March 2023	483,071	66,068	77,970	50,641	324.18
Increase/Decrease	9.9%	14.3%	16.7%	15.5%	15.6%

\* Effects of rising prices of raw materials

Consolidated forecasts for the next fiscal year are based on the prediction that business results both in Japan and overseas will be impacted by continuation of the preceding year's worldwide price rises for raw materials.

**ii. Outlook by Segment**

- **Food and Beverages (Japan)**

In dairy products, Yakult continues to be committed to focusing on the *Yakult* series of fermented milk drinks as its most important brand and communicating the science behind *Lactobacillus casei* strain Shirota. We will continue to address the rising demand for *Yakult 1000* and *Y1000* by increasing production capacity for both products. Furthermore, we will work to increase revenue for dairy products by responding to changes in the social environment as we continuously invest in marketing and implement channel-specific initiatives.

In the home delivery channel, we will accelerate brand development for *Yakult 1000* and *Yakult 400W*, and seek to strengthen our home delivery organization by continuing to conduct recruitment activities and create convenient working conditions for Yakult Ladies.

In the retail store channel, we will aim to improve results for dairy products with a focus on the *New Yakult* series and *Y1000* by deploying strategies attuned to diverse customer needs in each individual market.

In other beverages, we will focus on health drinks including the *Toughman* series, striving to boost revenue by bolstering sales.

- **Food and Beverages (Overseas)**

Our existing companies will work to further expand business, enhance our financial strength, and raise profitability.

We will place particular focus on strengthening our management base and achieving business growth at Hong Kong Yakult Co., Ltd., Yakult U.S.A. Inc., Guangzhou Yakult Co., Ltd., Shanghai Yakult Co., Ltd., Beijing Yakult Co., Ltd., Yakult (China) Corporation, Yakult Vietnam Co., Ltd., Yakult Danone India Pvt. Ltd., and Yakult Middle East FZCO, among other companies.

We will decide on future new overseas expansions after carefully considering the operating environment inside and outside the company.

- **Others**

In our cosmetics operations, we will continue seeking to help customers realize their internal and



external beauty and create new customers by focusing on initiatives to disseminate the value of our proprietary moisturizing agent *S.E. (Shirota Essence)*, derived from our long history of research on lactic acid bacteria since the Company's foundation.

In home delivery sales within Japan, we will continue to encourage regular use of basic skin care products by providing service carefully tailored to each individual customer. Meanwhile, in our mail-order business, we will increase points of contact for customers by making purchasing more convenient for users.

Overseas, we will continue striving to raise Yakult's profile via the e-commerce shopping site Tmall Global in China to drive further sales growth.

In our pharmaceuticals operations, we will thoroughly review expenses and improve operational efficiency, while for our mainstay antineoplastic drug *Elplat*, we will draw on our ability as the drug's original creator to employ a proposal-oriented sales approach underpinned by the provision of relevant information.

We anticipate a decline in revenue due to the impact of drug price reductions in accordance with the revisions to NHI drug prices in April 2023, but we will strive to bolster the results for pharmaceuticals by implementing these measures.

In the past, our pharmaceuticals operations have been disclosed in the Pharmaceuticals segment, but due to reduced financial materiality, from the fiscal year ending March 31, 2024, pharmaceuticals results are included in the Others segment.

Meanwhile, in our professional baseball operations, we will endeavor to meet fans' expectations by building up the strength of the team and making efforts to improve the various fan service engagements.

#### **(5) Basic Policy on the Distribution of Profits; Dividends in Fiscal 2022 and 2023**

We place top priority on aiming to continuously increase dividends, with the amount being decided only after comprehensively reviewing the need for funds for future business expansion and increasing earnings, as well as the Company's financial position and business performance for the year.

Based on this policy, we decided to pay a total dividend of 90.0 yen per share for the fiscal year ended March 31, 2023, up 18.0 yen from the prior fiscal year. We have already paid an interim dividend of 45.0 yen per share, and the balance of 45.0 yen per share will be distributed to shareholders as the year-end dividend.

For the fiscal year ending March 31, 2024, we plan to raise the annual dividend by 20.0 yen to 110.0 yen per share to further enhance our redistribution of profits to shareholders.

## 2. Group Companies

The Yakult Group is comprised of Yakult Honsha, 71 subsidiaries, and 18 affiliates. The Group's main businesses and the positioning of each are outlined below.

### **[Food and Beverages Business]**

1. Dairy products : Yakult Honsha manufactures dairy products which are primarily sold by 107 Yakult marketing companies across Japan (including one subsidiary of Yakult Miyagi Chuo Sales Co., Ltd. and four subsidiaries of Yakult Tokai Co., Ltd. Among these, Yakult Tokyo Sales Co., Ltd. and 21 others are consolidated subsidiaries, while Yakult Kagawa Sales Co., Ltd. and 13 others are affiliates to which the equity method is not applied).  
  
Certain parts of the manufacturing process are outsourced to Yakult Iwate Plant Co., Ltd. and four other companies (consolidated subsidiaries), while raw materials used in production are supplied by Yakult Materials Co., Ltd. and one other company (a consolidated subsidiary).
2. Other beverages : Yakult Honsha purchases products which are primarily sold by 107 Yakult marketing companies across Japan.
3. Other food products : The main product lines are noodles and health foods, which are manufactured by Yakult Food Industry Co., Ltd. and one other company (a consolidated subsidiary) and sold, mainly via Yakult Honsha, by 107 Yakult marketing companies across Japan.
4. Logistics : The transportation of manufactured products falls under the remit of Yakult Logistics Co., Ltd., a consolidated subsidiary.
5. Overseas business : Yakult (China) Corporation and 26 other companies (consolidated subsidiaries), as well as four affiliates, manufacture and sell dairy products outside Japan.
6. Saleable materials, etc. : Saleable materials, etc. are purchased by the consolidated subsidiary Yakult Corporation Co., Ltd. and sold, via Yakult Honsha, to Yakult marketing companies, etc.

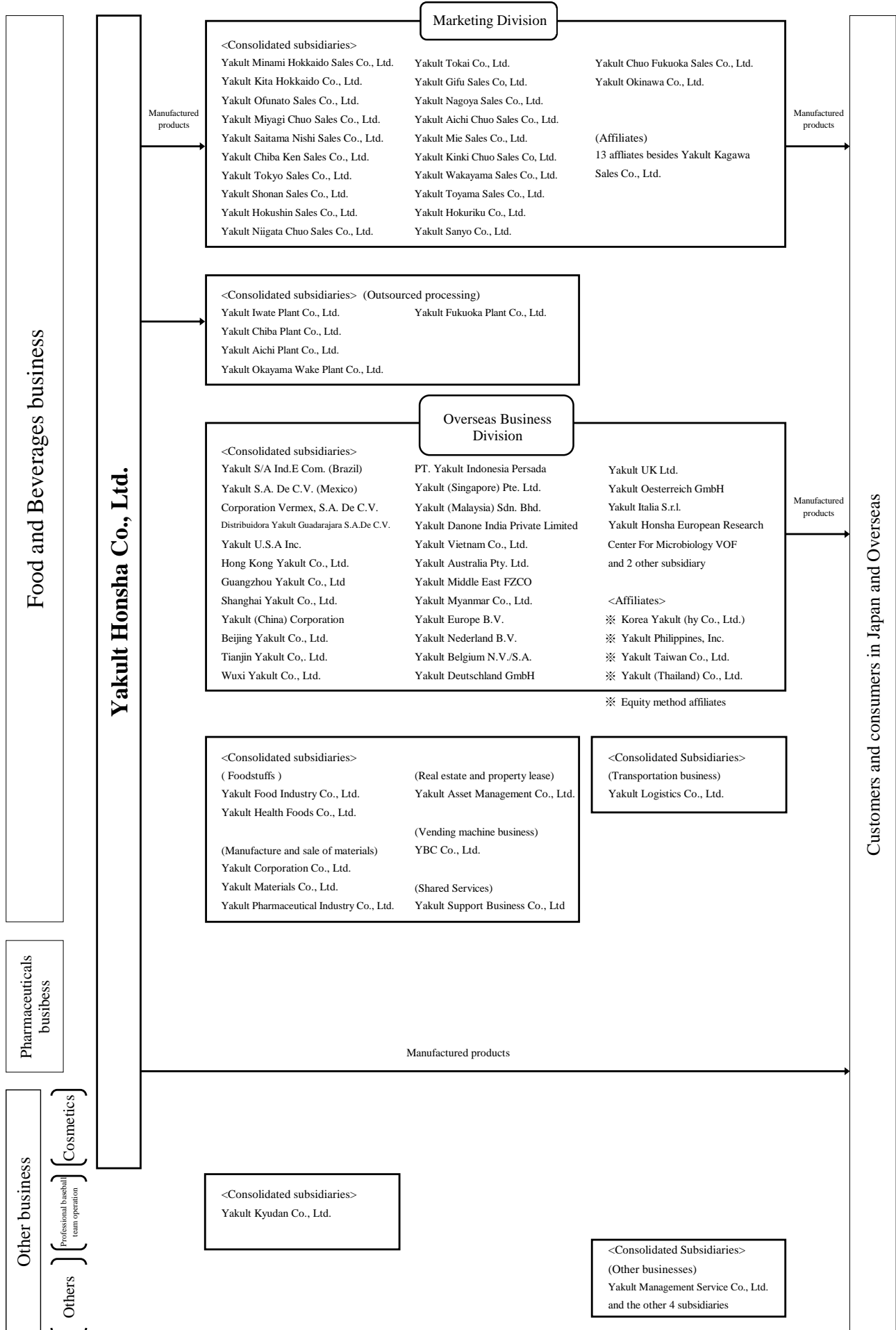
### **[Pharmaceuticals Business]**

Pharmaceutical products : Yakult Honsha manufactures and purchases products which are sold to hospitals and pharmacies in Japan via pharmaceutical wholesalers. Outside Japan, products manufactured by the Company are sold to partner pharmaceutical companies.

### **[Other Business]**

1. Cosmetics : Yakult Honsha manufactures products which are sold by 106 Yakult marketing companies across Japan.
2. Professional baseball team operation : Yakult's professional baseball team is operated by the consolidated subsidiary Yakult Kyudan Co., Ltd.

Yakult Honsha's business organization is outlined below:



### **3. Basic Policy Regarding Selection of Accounting Standards**

The Company applies Japanese Generally Accepted Accounting Principles (GAAP) in the preparation of its consolidated financial statements.

Although we are currently working to ascertain the differences between Japanese GAAP and International Financial Reporting Standards (IFRS) as well as the effect their adoption may have on our financial statements, we have not yet established plans to adopt IFRS.

**4. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheet**

(Millions of yen)

	Fiscal year 2021 As of March 31, 2022	Fiscal year 2022 As of March 31, 2023
<b>Assets</b>		
Current Assets		
Cash and Deposits	202,941	241,185
Notes and accounts receivable-trade	52,581	60,139
Merchandises and Finished goods	10,312	10,383
Work in process	2,170	2,578
Raw materials and supplies	18,166	23,741
Others	14,463	16,452
Allowance for doubtful accounts	(236)	(285)
Total current assets	300,398	354,195
Non-current assets		
Property, plant and equipment		
Buildings and structures	180,802	197,724
Accumulated depreciation	(96,663)	(103,953)
Buildings and structures, net	84,139	93,771
Machinery, equipment and vehicles	180,412	201,814
Accumulated depreciation	(127,447)	(139,305)
Machinery, equipment and vehicles, net	52,964	62,508
Land	43,084	46,054
Lease assets	28,061	30,699
Accumulated depreciation	(16,614)	(18,226)
Lease assets, net	11,446	12,473
Construction in progress	15,864	6,151
Others	28,684	30,503
Accumulated depreciation	(25,028)	(26,339)
Others, net	3,655	4,164
Total Property, plant and equipment	211,156	225,122
Intangible assets		
Software	2,447	2,269
Others	2,938	3,300
Total intangible assets	5,386	5,570
Investments and other assets		
Investment securities	67,628	66,000
Shares of subsidiaries and associates	73,044	79,673
Deferred tax assets	3,822	4,052
Net defined benefit asset	3,458	6,927
Others	8,044	7,962
Allowance for doubtful accounts	(84)	(85)
Total investments and other assets	155,913	164,531
Total non-current assets	372,456	395,224
Total assets	672,855	749,419

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(Millions of yen)

	Fiscal year 2021 As of March 31, 2022	Fiscal year 2022 As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	26,039	28,958
Short-term loans payable	4,822	3,208
Current portion of long-term loans payable	5,417	45,839
Lease obligations	3,359	3,256
Income taxes payable	4,324	11,539
Provision for bonuses	6,211	6,784
Notes payable - facilities	2,294	2,440
Others	36,811	45,618
<b>Total current liabilities</b>	<b>89,281</b>	<b>147,645</b>
<b>Non-current liabilities</b>		
Long-term loans payable	60,298	14,559
Lease obligations	6,748	7,837
Deferred tax liabilities	22,425	24,535
Provision for directors' retirement benefits	345	360
Net defined benefit liability	4,280	4,279
Asset retirement obligations	1,674	1,693
Others	2,866	3,011
<b>Total non-current liabilities</b>	<b>98,639</b>	<b>56,277</b>
<b>Total liabilities</b>	<b>187,920</b>	<b>203,922</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	31,117	31,117
Capital surplus	41,116	41,572
Retained earnings	446,331	484,243
Treasury shares	(64,395)	(81,927)
<b>Total shareholders' equity</b>	<b>454,169</b>	<b>475,006</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	18,327	20,417
Foreign currency translation adjustment	(24,086)	3,991
Remeasurements of defined benefit plans	(2,342)	(756)
<b>Total accumulated other comprehensive income</b>	<b>(8,101)</b>	<b>23,652</b>
<b>Non-controlling interests</b>	<b>38,867</b>	<b>46,837</b>
<b>Total net assets</b>	<b>484,935</b>	<b>545,496</b>
<b>Total liabilities and net assets</b>	<b>672,855</b>	<b>749,419</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statement of Income

(Millions of yen)

	Previous period From April 1, 2021 to March 31, 2022	Current period From April 1, 2022 to March 31, 2023
Net sales	415,116	483,071
Cost of sales	166,699	194,593
Gross profit	248,416	288,477
Selling, general and administrative expenses		
Selling expenses	92,187	103,313
General and administrative expenses	103,026	119,096
Total selling, general and administrative expenses	195,213	222,409
Operating profit	53,202	66,068
Non-operating income		
Interest income	3,305	6,036
Dividend income	1,919	1,970
Share of profit of entities accounted for using equity method	6,432	2,638
Foreign exchange gains	2,417	427
Others	2,693	3,176
Total non-operating income	16,768	14,250
Non-operating expenses		
Interest expenses	680	666
Commission fee	97	418
Others	642	1,262
Total non-operating expenses	1,420	2,347
Ordinary profit	68,549	77,970
Extraordinary income		
Gain on sales of non-current assets	116	598
Gain on sales of investment securities	2,398	1,267
Gain on step acquisitions	1,180	—
Others	582	2,382
Total extraordinary income	4,279	4,248
Extraordinary losses		
Loss on sales of non-current assets	1,184	23
Loss on retirement of non-current assets	538	1,214
Loss on sales of investment securities	—	1,128
Impairment loss	1,622	1,324
Others	3	—
Total extraordinary losses	3,349	3,690
Profit before income taxes	69,479	78,529
Income taxes - current	14,925	21,959
Income taxes - deferred	5,271	677
Total income taxes	20,197	22,636
Profit	49,281	55,892
Profit attributable to non-controlling interests	4,364	5,251
Profit attributable to owners of parent	44,917	50,641



## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Previous period From April 1, 2021 to March 31, 2022	Current period From April 1, 2022 to March 31, 2023
Profit	49,281	55,892
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,443)	2,083
Foreign currency translation adjustment	26,315	34,079
Remeasurements of defined benefit plans, net of tax	(313)	1,591
Share of other comprehensive income of entities accounted for using equity method	600	367
Total other comprehensive income	20,159	38,122
Comprehensive income	69,441	94,015
Comprehensive income attributable to:		
Owners of parent	62,554	82,395
Non-controlling interests	6,886	11,619

**(3) Consolidated Statement of Changes in Equity**

Fiscal year 2021 (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of current period	31,117	40,937	411,359	(52,725)	430,688
Changes of items during period					
Dividends of surplus			(9,945)		(9,945)
Change in ownership of the subsidiary owned by foreign affiliated company		163			163
Change in ownership interest of parent due to transaction with non-controlling interests		14			14
Profit attributable to owners of parent			44,917		44,917
Purchase of treasury shares				(11,669)	(11,669)
Disposal of treasury shares					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	178	34,972	(11,669)	23,480
Balance at end of current period	31,117	41,116	446,331	(64,395)	454,169

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Balance at beginning of current period	24,773	(48,482)	(2,028)	(25,737)	34,810	439,761
Changes of items during period						
Dividends of surplus						(9,945)
Change in ownership of the subsidiary owned by foreign affiliated company						163
Change in ownership interest of parent due to transaction with non-controlling interests						14
Profit attributable to owners of parent						44,917
Purchase of treasury shares						(11,669)
Disposal of treasury shares						—
Net changes of items other than shareholders' equity	(6,445)	24,396	(313)	17,636	4,057	21,693
Total changes of items during period	(6,445)	24,396	(313)	17,636	4,057	45,174
Balance at end of current period	18,327	(24,086)	(2,342)	(8,101)	38,867	484,935

Fiscal year 2022 (April 1, 2022 - March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of current period	31,117	41,116	446,331	(64,395)	454,169
Changes of items during period					
Dividends of surplus			(12,729)		(12,729)
Change in ownership of the subsidiary owned by foreign affiliated company					—
Change in ownership interest of parent due to transaction with non-controlling interests		152			152
Profit attributable to owners of parent			50,641		50,641
Purchase of treasury shares				(18,525)	(18,525)
Disposal of treasury shares		304		993	1,298
Net changes of items other than shareholders' equity					
Total changes of items during period	—	456	37,912	(17,531)	20,837
Balance at end of current period	31,117	41,572	484,243	(81,927)	475,006

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Balance at beginning of current period	18,327	(24,086)	(2,342)	(8,101)	38,867	484,935
Changes of items during period						
Dividends of surplus						(12,729)
Change in ownership of the subsidiary owned by foreign affiliated company						—
Change in ownership interest of parent due to transaction with non-controlling interests						152
Profit attributable to owners of parent						50,641
Purchase of treasury shares						(18,525)
Disposal of treasury shares						1,298
Net changes of items other than shareholders' equity	2,089	28,078	1,585	31,753	7,970	39,724
Total changes of items during period	2,089	28,078	1,585	31,753	7,970	60,561
Balance at end of current period	20,417	3,991	(756)	23,652	46,837	545,496

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous period From April 1, 2021 to March 31, 2022	Current period From April 1, 2022 to March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	69,479	78,529
Depreciation	23,769	25,333
Impairment loss	1,622	1,324
Increase (decrease) in provision	21	491
Increase (decrease) in net defined benefit liability	(53)	(82)
Interest and dividend income	(5,225)	(8,007)
Interest expenses	680	666
Share of loss (profit) of entities accounted for using equity method	(6,432)	(2,638)
Loss (gain) on sales of non-current assets	1,606	639
Loss (gain) on sales of investment securities	(2,398)	(139)
Loss (gain) on valuation of investment securities	2	—
Loss (gain) on step acquisitions	(1,180)	—
Other loss (gain)	1,113	1,254
Decrease (increase) in notes and accounts receivable - trade	(634)	(5,788)
Decrease (increase) in inventories	(1,218)	(5,437)
Increase (decrease) in notes and accounts payable - trade	2,275	2,131
Increase/decrease in other assets/liabilities	148	4,292
<b>Subtotal</b>	<b>83,577</b>	<b>92,569</b>
Interest and dividend income received	6,077	9,789
Interest expenses paid	(668)	(671)
Income taxes paid	(15,595)	(15,174)
<b>Cash flows from operating activities</b>	<b>73,390</b>	<b>86,513</b>
<b>Cash flows from investing activities</b>		
Payment into time deposits	(91,271)	(88,183)
Proceeds from withdraw of time deposits	97,942	94,276
Purchase of non-current assets	(26,725)	(30,285)
Proceeds from sales of non-current assets	1,654	775
Purchase of long-term investment securities	(118)	(18)
Proceeds from sales of investment securities	5,913	4,874
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	942	—
Others, net	(213)	(463)
<b>Cash flows from investing activities</b>	<b>(11,875)</b>	<b>(19,024)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(10,550)	(1,614)
Proceeds from long-term loans payable	—	100
Repayments of long-term loans payable	(5,467)	(5,417)
Repayments of lease obligations	(5,425)	(4,165)
Purchase of treasury shares	(11,479)	(18,525)
Proceeds from sales of treasury shares	—	677
Proceeds from sales of shares of parent	—	639
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(95)
Cash dividends paid	(9,934)	(12,712)
Dividends paid to non-controlling interests	(2,299)	(3,420)
<b>Cash flows from financing activities</b>	<b>(45,156)</b>	<b>(44,531)</b>
Effect of exchange rate change on cash and cash equivalents	11,601	16,806
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>27,959</b>	<b>39,763</b>
Cash and cash equivalents at beginning of period	122,766	150,725
<b>Cash and cash equivalents at end of period</b>	<b>150,725</b>	<b>190,489</b>

**(5) Notes on Consolidated Financial Statements**

(Notes Related to Going Concern Assumption)

None.

(Significant Accounting Policies for the Consolidated Financial Statements)

## 1. Scope of consolidation

Number of consolidated subsidiaries: 71

Names of main consolidated subsidiaries:

Yakult Tokyo Sales Co., Ltd.; Yakult Okayama Wake Plant Co., Ltd.; Yakult Corporation Co., Ltd.; Yakult Materials Co., Ltd.; Yakult Health Foods Co., Ltd.; Yakult Logistics Co., Ltd.; Yakult Kyudan Co., Ltd.; Yakult (China) Corporation

Three newly excluded subsidiaries:	Yakult Shin Hiroshima Sales Co., Ltd.	Merger with consolidated subsidiary
	Yakult Yamaguchi Sales Co., Ltd.	Merger with consolidated subsidiary
	Hiroshima Insurance Services Center Co., Ltd.	Merger with consolidated subsidiary

## 2. Application of the equity method

Number of affiliates to which the equity method is applied: 4

Name of main equity method affiliate:

Korea Yakult Co., Ltd.

Investments in Yakult Kagawa Sales Co., Ltd. and 14 other affiliates to which the equity method is not applied are valued at cost as they are small in scale and their respective profit/loss and retained earnings corresponding to the equity have no significant impact on these account items in the consolidated financial statements. The financial statements for each company's most recent fiscal year have been used when applying the equity method.

## 3. Matters related to the fiscal year of consolidated subsidiaries

The account closing dates of the following consolidated subsidiaries differed from that of the parent.

Japan:	Yakult Kyudan Co., Ltd.	(December 31)
Overseas:	Yakult (China) Corporation, 26 other companies	(December 31)

When preparing the consolidated financial statements, the above subsidiaries' financial statements as of December 31 were used and necessary adjustments were made on consolidation for material transactions that occurred between this date and the consolidated balance sheet date.

## 4. Matters related to accounting policies

## (1) Standards and methods for valuation of significant assets

## i. Investment securities

Other investment securities

Securities other than shares, etc. without a market price:

Reported at market value (net unrealized gains (losses) are recorded directly on net assets, and the costs of securities sold are primarily calculated based on the moving average method.)

Shares, etc. without a market price:

Primarily stated at cost based on the moving-average method

## ii. Inventories:

Primarily stated at cost based on the moving-average method (amounts shown on the consolidated balance sheet are based on the method for reducing book value due to a decline in profitability)

## (2) Depreciation methods applied to significant depreciable assets

## The Company and its domestic subsidiaries

## i. Tangible fixed assets (excluding leased assets)

## Buildings (excluding building fixtures)

Acquired on or before March 31, 1998	Declining balance method
--------------------------------------	--------------------------

Acquired on or after April 1, 1998	Straight-line method
------------------------------------	----------------------

## Building fixtures and structures

Acquired on or before March 31, 2016	Declining balance method
--------------------------------------	--------------------------

Acquired on or after April 1, 2016	Straight-line method
------------------------------------	----------------------

## Other tangible fixed assets

Declining balance method
--------------------------

## Principal useful lives

Buildings and structures: 12 to 50 years
--

Machinery, equipment and vehicles: 4 to 17 years
--

## ii. Intangible assets (excluding lease assets)

## Software

Software for internal use	Straight-line method over a useful life of five years
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Other intangible assets	Straight-line method
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## iii. Leased assets

Leased assets relating to finance lease transactions without transfer of ownership	Depreciated over the lease period by the straight-line method with a residual value of zero
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## Foreign subsidiaries

Tangible fixed assets	Straight-line method
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Principal useful lives	Buildings and structures: 5 to 40 years
------------------------	---

Machinery, equipment and vehicles: 3 to 20 years
--

Intangible assets	Straight-line method
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Right-of-use assets (included in leased assets)	Straight-line method based on the lease term and the useful life
---	--

## (3) Accounting standards for significant allowances

i. Allowance for doubtful accounts	To provide for losses due to irrecoverable receivables, the Company and its consolidated subsidiaries in Japan record allowances for doubtful accounts at the estimated uncollectible amount. This amount is based mainly on past credit loss experience for general accounting receivables and in consideration of individual collectability for specific receivables including doubtful accounts receivable. Consolidated subsidiaries outside Japan record allowances for doubtful accounts primarily at the required amounts based on deliberation regarding individual receivables.
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## ii. Provision for bonuses

To provide for future payment of bonuses to employees, the Company and its main consolidated subsidiaries book the estimated amounts to be paid during the fiscal year under review.
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iii. Provision for directors' retirement benefits

To provide for future payments of retirement benefits to directors/officers, the Company's main consolidated subsidiaries book the entire amount to be needed at the end of the fiscal period based on their internal regulations.

(4) Accounting method for retirement benefits

i. Service period basis for projected retirement benefits

In calculating retirement benefit liabilities, the Company uses the benefit formula to attribute projected benefits to the period ending with the final day of the fiscal year under review.

ii. Accounting method for actuarial gains and losses and past service costs

Past service costs are recognized as a lump-sum when incurred.

Actuarial gains and losses are mainly amortized by the straight-line method over a period within the average remaining service years for employees (generally 10 years) at the time of recognition, and allocated proportionately from the fiscal year following the respective fiscal year of recognition.

(5) Accounting standards for significant revenue and expenses

The main businesses of the Company and its consolidated subsidiaries are the Food and Beverages business and the Pharmaceuticals business.

In the Food and Beverages business, revenue is recognized upon delivery of the product or good, as control of the product or good transfers to the customer at that point, satisfying the performance obligation.

In the Pharmaceuticals business, revenue is recognized upon shipment of the product or good, as the period from shipment of the product or good until control transfers to the customer is the usual period.

(6) Standards for the translation of significant foreign-currency-denominated assets or liabilities into Japanese yen

Foreign currency-denominated receivables and payables are converted to yen at the spot exchange rate at the consolidated fiscal year-end, and the translation adjustment is treated as a profit or loss.

The assets and liabilities of overseas consolidated subsidiaries are converted to yen at the spot exchange rate on the closing dates of the subsidiaries, and revenue and expenses are converted to yen at the average annual exchange rate. Translation differences are then recorded as part of non-controlling interests and foreign currency translation adjustments in net assets.

(7) Scope of cash and cash equivalents on Consolidated Statements of Cash Flows

Cash and cash equivalents on Consolidated Statements of Cash Flows consist of cash on hand, readily available deposits, and highly liquid short-term investments with original maturities of three months or less, that are exposed to an insignificant risk of changes in value.

(Consolidated Statement of Income)

Other Extraordinary Income

This is mainly the receipt of compensation revenue of 2,352 million yen accompanying the ending of the promotional agreement in the Pharmaceuticals business.

Impairment Loss (Extraordinary Loss)

This loss occurred primarily because the Company reduced the book value of fixed assets held by the food division of the Food and Beverages (Japan) segment in consideration of their future profitability.



(Segment Information, etc.)

#### 1. Overview of Reportable Segments

The Company's reportable segments are structural components which are evaluated regularly by the Company's Board of Directors in order to assess performance and decide how resources are allocated among the Group.

The Company is primarily engaged in the manufacture and sales of dairy products, pharmaceuticals, and other products. In Japan, the Group's dairy and other products business involves manufacture and sales by the Company and its production and marketing subsidiaries, while outside Japan, the business is operated by the Group's overseas entities in the respective regions. In the pharmaceuticals business, the Company manufactures products and sells them in Japan and overseas.

Therefore, the reportable segments by product and service consist of the Food and Beverages segment and the Pharmaceuticals segment. The Food and Beverages segment is further broken down into regional segments consisting of Japan, the Americas, Asia and Oceania, and Europe.

Food and Beverages (Japan) primarily consists of the manufacture and sale of dairy products and noodles, and the sale of other beverages.

Food and Beverages (The Americas) primarily consists of the manufacture and sale of dairy products.

Food and Beverages (Asia and Oceania) primarily consists of the manufacture and sale of dairy products.

Food and Beverages (Europe) consists of the manufacture and sale of dairy products.

Pharmaceuticals consists of the manufacture and sale of anticancer drugs and other pharmaceuticals.

Others includes the Group's cosmetics business and professional baseball team operation.

#### 2. Methods of Measurement for the Amounts of Net Sales, Profit (Loss), Assets and Liabilities, and Other Items in Each Reportable Segment

The accounting methods of each reportable segment are generally consistent with those disclosed in "Significant Accounting Policies for the Consolidated Financial Statements." Profit in the reportable segments is based on operating profit.

Intersegment sales and transfers are based on prevailing market prices.

## 3. Net Sales, Profit (Loss) and Disaggregated Revenue in Each Reportable Segment

## (1) Fiscal 2021 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Food and Beverages			
	Japan	The Americas	Asia and Oceania	Europe
Net sales				
Revenue from contracts with customers	195,725	47,388	128,199	9,413
Other revenues	—	—	—	—
Net sales to external customers	195,725	47,388	128,199	9,413
Intersegment net sales or transfers	7,568	—	—	—
Total	203,293	47,388	128,199	9,413
Segment profit (loss)	28,243	12,554	24,808	622
Segment assets	190,150	85,857	272,381	10,867
Other:				
Depreciation and amortization	10,715	1,846	9,748	442
Increased amount of tangible and intangible assets	9,252	2,329	15,084	185

	Pharmaceuticals	Other	Adjustments	Consolidated results
Net sales				
Revenue from contracts with customers	16,992	17,397	—	415,116
Other revenues	—	—	—	—
Net sales to external customers	16,992	17,397	—	415,116
Intersegment net sales or transfers	—	2,076	(9,644)	—
Total	16,992	19,473	(9,644)	415,116
Segment profit (loss)	2,634	(745)	(14,916)	53,202
Segment assets	8,497	16,158	88,942	672,855
Other:				
Depreciation and amortization	24	443	548	23,769
Increased amount of tangible and intangible assets	108	324	537	27,822

Notes: Adjustments are as follows:

- (1) The (14,916) million yen adjustment in segment profit (loss) includes (9,446) million yen of corporate expenses not allocated to specific reportable segments. Corporate expenses include those of administrative divisions of the Company, such as the general affairs department, that cannot be attributed to any specific reportable segments. Starting from the fiscal year under review, based on the long-term vision formulated in that fiscal term, the details of corporate expenses were subjected to a review, with some of them being attributed to individual segments. Compared to the previous method, this change reduced the reported profits in each of the Food and Beverages regional segments by 2,234 million yen (Japan), 333 million yen (The Americas), 1,087 million yen (Asia and Oceania), and 75 million yen (Europe), while the adjustment amount for corporate expenses was 3,730 million yen lower.
- (2) The 88,942 million yen of adjustment in segment assets includes 95,307 million yen of corporate assets not allocated to specific reportable segments. Corporate assets include cash and deposits, long-term investment funds (investment securities), deferred tax assets, and assets related to administrative divisions of the Company, that cannot be attributed to any specific reportable segments.
- (3) Adjustment in depreciation consists of 548 million yen of depreciation of the Company that cannot be attributed to any specific reportable segments.
- (4) Adjustment in increased amount of tangible and intangible assets consists of 537 million yen of capital expenditure of the Company that cannot be attributed to any specific reportable segments.

## (2) Fiscal 2022 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Food and Beverages			
	Japan	The Americas	Asia and Oceania	Europe
Net sales				
Revenue from contracts with customers	231,859	64,920	140,465	9,724
Other revenues	—	—	—	—
Net sales to external customers	231,859	64,920	140,465	9,724
Intersegment net sales or transfers	8,595	—	—	—
Total	240,455	64,920	140,465	9,724
Segment profit (loss)	47,443	15,974	18,711	116
Segment assets	216,883	112,125	287,756	11,374
Other:				
Depreciation and amortization	10,283	2,328	11,456	383
Increased amount of tangible and intangible assets	14,986	2,881	13,747	648

	Pharmaceuticals	Other	Adjustments	Consolidated results
Net sales				
Revenue from contracts with customers	12,763	23,337	—	483,071
Other revenues	—	—	—	—
Net sales to external customers	12,763	23,337	—	483,071
Intersegment net sales or transfers	—	2,107	(10,703)	—
Total	12,763	25,445	(10,703)	483,071
Segment profit (loss)	(192)	1,242	(17,228)	66,068
Segment assets	6,701	16,670	97,907	749,419
Other:				
Depreciation and amortization	18	372	490	25,333
Increased amount of tangible and intangible assets	58	301	652	33,277

Notes: Adjustments are as follows:

- (1) The (17,228) million yen adjustment in segment profit (loss) includes (10,933) million yen of corporate expenses not allocated to specific reportable segments. Corporate expenses include those of administrative divisions of the Company, such as the general affairs department, that cannot be attributed to any specific reportable segments.
- (2) The 97,907 million yen of adjustment in segment assets includes 105,319 million yen of corporate assets not allocated to specific reportable segments. Corporate assets include cash and deposits, long-term investment funds (investment securities), deferred tax assets, and assets related to administrative divisions of the Company, that cannot be attributed to any specific reportable segments.
- (3) Adjustment in depreciation consists of 490 million yen of depreciation of the Company that cannot be attributed to any specific reportable segments.
- (4) Adjustment in increased amount of tangible and intangible assets consists of 652 million yen of capital expenditure of the Company that cannot be attributed to any specific reportable segments.

## 4. Information about geographical areas

Fiscal 2021 (April 1, 2021 to March 31, 2022)

(1) Net sales (Millions of yen)

Japan	The Americas	Asia and Oceania	Europe	Total
227,910	47,399	130,392	9,413	415,116

Note: Net sales are classified by country or region based on the location of the customer.

(2) Property, plant and equipment (Millions of yen)

Japan	The Americas	Asia and Oceania	Europe	Total
109,821	14,785	83,932	2,616	211,156

Fiscal 2022 (April 1, 2022 to March 31, 2023)

(1) Net sales (Millions of yen)

Japan	The Americas	Asia and Oceania	Europe	Total
263,674	64,931	144,741	9,724	483,071

Note: Net sales are classified by country or region based on the location of the customer.

(2) Property, plant and equipment (Millions of yen)

Japan	The Americas	Asia and Oceania	Europe	Total
114,475	17,859	89,662	3,126	225,122

## (Per Share Information)

Fiscal 2021 (April 1, 2021 to March 31, 2022)		Fiscal 2022 (April 1, 2022 to March 31, 2023)	
Net assets per share	¥2,812.63	Net assets per share	¥3,195.09
Basic earnings per share	¥280.36	Basic earnings per share	¥324.18

Note: Basis for calculation of basic earnings per share

	Fiscal 2021 (April 1, 2021 to March 31, 2022)	Fiscal 2022 (April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	44,917	50,641
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (millions of yen)	44,917	50,641
Average number of shares during reporting period (1,000 shares)	160,216	156,214

## (Significant Subsequent Events)

None.