



**Supplementary Materials for Financial
Statements For the third quarter Ended
December 31, 2018
(April 1, 2018 to December 31, 2018)**

January 31, 2019

Yakult Honsha Co., Ltd.
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About a numeric display of this material

1. Unit of money : Less than one million yen is rounded down.

2. Quantity results: Less than 1000 is rounded off.

3. Year on year percentage: The second place is rounded off after the decimal point.

Consolidated

1. Major Increases (Decreases) in Consolidated Balance Sheet

(Millions of yen)

	As of Mar.31 2018	As of Dec. 31 2018	Increase (Decrease)
Total Assets	627,031	639,003	11,971
Current assets			
Cash and deposits	151,788	168,960	17,171
Notes and accounts receivable - trade	56,479	61,627	5,148
Inventories	28,138	30,028	1,889
Others	8,875	8,662	(213)
Non-current assets			
Property, plant and equipment			
Buildings and structures(net)	87,387	85,536	(1,850)
Others(net)	113,811	114,322	511
Intangible assets	5,727	5,302	(425)
Investments and other assets			
Investment securities	163,591	152,384	(11,207)
Others	11,231	12,178	947
Total Liabilities	240,357	240,142	(214)
Current liabilities			
Notes and accounts payable - trade	29,528	30,544	1,015
Short-term loans payable	87,214	94,695	7,481
Others	45,057	42,624	(2,432)
Non-current liabilities			
Long-term loans payable	41,898	37,925	(3,973)
Net defined benefit liability	5,346	4,954	(391)
Others	31,312	29,398	(1,914)
Total Net Assets	386,674	398,860	12,186
Shareholders' equity	338,903	365,075	26,171
Accumulated other comprehensive income	13,274	(3,569)	(16,844)
Non-controlling interests	34,495	37,355	2,859

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

(Millions of yen)

	3Q of FY 2018 (2017.4~12)	3Q of FY 2019 (2018.4~12)	Increase (Decrease)	
			Amount	Ratio (%)
Net sales	308,964	315,090	6,125	2.0
(Net sales by business segments)				
Food and beverages (Japan)	159,871	165,256	5,385	
Food and beverages (Overseas)	128,643	138,755	10,112	
Pharmaceuticals	20,264	16,920	(3,344)	
Others	17,560	18,190	629	
Adjustment	(17,375)	(24,032)	(6,657)	
Cost of sales	130,951	131,249	297	0.2
Gross profit	178,012	183,840	5,828	3.3
Gross profit margin (%)	57.6	58.3	0.7	
Selling, general and administrative expenses	138,082	142,956	4,873	3.5
Selling expenses	66,657	68,847	2,189	
General and administrative expenses	71,425	74,109	2,684	
Operating profit	39,930	40,884	954	2.4
Operating profit margin (%)	12.9	13.0	0.1	
(Operating profit by business segments)				
Food and beverages (Japan)	13,949	12,531	(1,418)	
Food and beverages (Overseas)	34,801	41,025	6,223	
Pharmaceuticals	2,747	(1,244)	(3,992)	
Others	1,671	1,786	114	
Adjustment	(13,240)	(13,214)	26	
{ include corporate expenses }	{ (9,666) }	{ (9,681) }	{ (15) }	
Non-operating incomes	10,626	10,078	(548)	(5.2)
Interest income	2,886	3,268	381	
Dividend income	1,712	1,793	80	
Share of profit of entities accounted for using equity method	4,595	3,464	(1,130)	
Others	1,431	1,551	119	
Non-operating expenses	2,381	1,667	(714)	(30.0)
Interest expenses	474	545	71	
Others	1,907	1,121	(785)	
Ordinary profit	48,175	49,295	1,120	2.3
Ratio of ordinary profit to net sales (%)	15.6	15.6	0.0	
Extraordinary income	791	2,298	1,506	190.3
Extraordinary losses	231	230	(0)	(0.4)
Profit before income taxes	48,735	51,363	2,627	5.4
Income taxes	12,400	13,220	819	
Profit	36,334	38,142	1,808	5.0
Profit attributable to non-controlling interests	3,580	3,907	326	9.1
Profit attributable to owners of parent	32,753	34,235	1,481	4.5
Ratio of profit attributable to owners of parent to net sales (%)	10.6	10.9	0.3	

3. Performance Overview

(1) Breakdown of Statement of Income

(Millions of yen.%)

	3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)		3Q of FY 2019 (April 1, 2018 ~ December 31, 2018)	
	Results	Year on year	Results	Year on year
Net sales	308,964	106.1	315,090	102.0
Operating profit	39,930	121.7	40,884	102.4
Ordinary profit	48,175	116.8	49,295	102.3
Profit attributable to owners of parent	32,753	122.3	34,235	104.5

(2) Breakdown of Share of profit of entities accounted for using equity method

(Millions of yen.%)

	3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)		3Q of FY 2019 (April 1, 2018 ~ December 31, 2018)	
	Results	Year on year	Results	Year on year
Share of profit of entities accounted for using equity method	4,595	137.6	3,464	75.4

4. Segment Information

Actual Results

(1) Result of the third quarter ended December 31, 2017 (April 1, 2017 ~ December 31, 2017)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	159,871	128,643	38,009	84,553	6,080
Percentage of net sales (%)	51.7	41.6	12.3	27.3	2.0
Year on year (%)	102.7	114.9	110.9	117.7	103.6
Operating expenses	145,921	93,841	28,949	59,396	5,495
Year on year (%)	100.8	114.7	112.4	116.8	105.4
Operating profit (loss)	13,949	34,801	9,059	25,156	585
Year on year (%)	128.2	115.4	106.5	119.8	89.8
Operating profit margin (%)	8.7	27.1	23.8	29.8	9.6

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	20,264	17,560	326,339	(17,375)	308,964
Percentage of net sales (%)	6.6	5.7	105.6	(5.6)	100.0
Year on year (%)	92.8	103.9	106.5	113.7	106.1
Operating expenses	17,516	15,888	273,168	(4,134)	269,034
Year on year (%)	90.7	103.8	104.6	141.1	104.2
Operating profit (loss)	2,747	1,671	53,170	※ (13,240)	39,930
Year on year (%)	108.2	104.8	117.7	107.2	121.7
Operating profit margin (%)	13.6	9.5	---	---	12.9

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 9,666 million yen
- Elimination of royalty income : 3,574 million yen

(2) Result of the third quarter ended December 31, 2018 (April 1, 2018 ~ December 31, 2018)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	165,256	138,755	37,002	95,147	6,605
Percentage of net sales (%)	52.4	44.0	11.7	30.2	2.1
Year on year (%)	103.4	107.9	97.4	112.5	108.6
Operating expenses	152,725	97,730	27,355	64,333	6,041
Year on year (%)	104.7	104.1	94.5	108.3	109.9
Operating profit (loss)	12,531	41,025	9,647	30,814	563
Year on year (%)	89.8	117.9	106.5	122.5	96.3
Operating profit margin (%)	7.6	29.6	26.1	32.4	8.5

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	16,920	18,190	339,122	(24,032)	315,090
Percentage of net sales (%)	5.4	5.8	107.6	(7.6)	100.0
Year on year (%)	83.5	103.6	103.9	138.3	102.0
Operating expenses	18,164	16,403	285,024	(10,817)	274,206
Year on year (%)	103.7	103.2	104.3	261.7	101.9
Operating profit (loss)	(1,244)	1,786	54,098	※(13,214)	40,884
Year on year (%)	---	106.9	101.7	99.8	102.4
Operating profit margin (%)	(7.4)	9.8	---	---	13.0

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 9,681 million yen
- Elimination of royalty income : 3,533 million yen

〈Reference〉

Result of the third quarter ended December 31, 2018.

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

(3) Result of the third quarter ended December 31, 2018 (April 1, 2018 ~ December 31, 2018)

(Millions of yen)

	Food and beverages				
	Japan	Overseas Total	The Americas	Asia and Oceania	Europe
Net sales	165,256	141,278	39,461	95,459	6,357
Percentage of net sales (%)	52.0	44.5	12.4	30.1	2.0
Year on year (%)	103.4	109.8	103.8	112.9	104.5
Operating expenses	152,725	99,844	29,387	64,654	5,801
Year on year (%)	104.7	106.4	101.5	108.9	105.6
Operating profit (loss)	12,531	41,434	10,073	30,805	555
Year on year (%)	89.8	119.1	111.2	122.5	94.9
Operating profit margin (%)	7.6	29.3	25.5	32.3	8.7

	Pharmaceuticals	Others	Total	Adjustment	Consolidated
Net sales	16,920	18,190	341,645	(24,032)	317,613
Percentage of net sales (%)	5.3	5.7	107.5	(7.5)	100.0
Year on year (%)	83.5	103.6	104.7	138.3	102.8
Operating expenses	18,164	16,403	287,138	(10,817)	276,320
Year on year (%)	103.7	103.2	105.1	261.7	102.7
Operating profit (loss)	(1,244)	1,786	54,507	※ (13,214)	41,292
Year on year (%)	---	106.9	102.5	99.8	103.4
Operating profit margin (%)	(7.4)	9.8	---	---	13.0

※ The details of "Adjustment" are as follows.

- Administrative expenses in parent company : 9,681 million yen
- Elimination of royalty income : 3,533 million yen

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

(Thousands of bottles/day.%)

	Consolidation Classification	3Q of FY 2019 (From January to September 2018)		Preliminary figure (From January to December 2018)	
		Results	Year on year	Results	Year on year
Taiwan	Equity method	756	95.9	731	97.3
Hong Kong	Consolidated	555	103.3	542	102.6
Thailand ※1	Equity method	2,289	103.9	2,292	103.7
Korea	Equity method	3,344	90.3	3,239	90.6
Philippines	Equity method	3,090	113.7	3,088	111.8
Singapore	Consolidated	230	99.2	228	99.4
Indonesia	Consolidated	5,728	108.6	5,831	110.1
Australia	Consolidated	247	100.9	245	100.2
Malaysia	Consolidated	345	103.7	345	104.5
Vietnam	Consolidated	361	133.3	377	136.8
India ※2	Consolidated	219	117.2	217	116.6
Middle East ※3	Consolidated	17	184.6	16	147.6
Guangzhou	Consolidated	2,994	107.8	2,856	107.4
Shanghai	Consolidated	665	95.9	617	94.9
Beijing	Consolidated	458	105.2	425	102.8
China ※4	Consolidated	3,955	113.2	3,628	110.6
China total		8,072	109.1	7,526	107.5
Asia and Oceania total		25,251	105.7	24,676	105.4
(Consolidated subsidiaries company Total)		15,773	108.9	15,327	108.7
Brazil	Consolidated	1,685	91.5	1,658	91.2
Mexico	Consolidated	3,864	103.2	3,820	103.9
USA	Consolidated	336	115.6	342	117.2
The Americas total		5,885	100.2	5,820	100.6
Netherlands	Consolidated	170	98.8	170	98.3
Belgium	Consolidated	76	101.6	77	101.5
United Kingdom	Consolidated	201	100.9	199	100.2
Germany	Consolidated	80	103.8	80	99.3
Austria	Consolidated	12	106.7	12	101.4
Italy	Consolidated	98	104.5	98	102.9
Europe total		637	101.4	636	100.1
Total		31,773	104.5	31,133	104.4
(Consolidated subsidiaries company Total)		22,295	106.2	21,783	106.1

<Accounting period: From January to December>

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

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

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

※4 Sales Area of Yakult (China) : Nanjing city, Tianjin city, Suzhou city, Hangzhou city, Qingdao city, Ningbo city, Jinan city, Yantai city, Wuhan city,

Wenzhou city, Shenyang city, Dalian city, Fuzhou city, Xiamen city, Hefei city, Changsha city, Xi'an city, Nanchang city,

Changchun city, Shijiazhuang city, Chengdu city, Chongqing city, Zhengzhou city, Taiyuan city, Harbin city, Hohhot City,

Jinhua City, Huaian city, Kunming city, Nanning city, Jiaxing city, Wuxi city, Guiyang city.

(excluding Guangdong, Hainan, Shanghai and Beijing city)

(Reference) Non-Consolidated

Non-consolidated financial results are presented in accordance with "Regulation for quarterly financial statements". But, it is not subject to be reviewed by auditors under the law.

1. Breakdown of Statements of Income

(Millions of yen.%)

	3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)		3Q of FY 2019 (April 1, 2018 ~ December 31, 2018)	
	Results	Year on year	Results	Year on year
Net sales	136,032	102.1	138,675	101.9
Operating profit	4,365	497.0	1,350	30.9
Ordinary profit	9,146	194.9	5,646	61.7
Profit	8,609	213.9	6,583	76.5

2. Sales breakdown

(1) Sales by Product Category

(Millions of yen.%)

	3Q of FY 2018 (April 1, 2017 ~ December 31, 2017)		3Q of FY 2019 (April 1, 2018 ~ December 31, 2018)	
	Results	Year on year	Results	Year on year
Dairy products	67,616	104.1	67,445	99.7
Juices and other beverages etc.	22,785	97.4	22,435	98.5
Subtotal	90,402	102.3	89,881	99.4
Cosmetics	5,231	101.4	5,314	101.6
Pharmaceuticals	20,264	92.8	16,920	83.5
Others	20,134	112.9	26,559	131.9
Total	136,032	102.1	138,675	101.9

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

(Thousands of bottles/day.%)

		3Q of FY 2018		3Q of FY 2019	
		(April 1, 2017 ~ December 31, 2017)		(April 1, 2018 ~ December 31, 2018)	
		Results	Year on year	Results	Year on year
Dairy Products	<i>New Yakult</i> products	4,017	108.3	4,062	101.1
	<i>Yakult 400</i> products	3,553	102.9	3,477	97.9
	Other <i>Yakult</i> products ※1	195	84.3	162	83.0
	Total for <i>Yakult</i> products	7,764	105.0	7,701	99.2
	<i>Joie</i> products	872	100.8	817	93.6
	<i>Mil-Mil</i> products	394	98.6	452	114.7
	<i>Sofuhl</i> products	467	96.5	466	99.7
	Total for fermented milk	1,734	99.1	1,735	100.1
	Others ※2	182	95.1	155	85.3
	Total	9,680	103.7	9,591	99.1

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

※2 Total of *BF-1*, *Pretio*, *Yakult no Hakko Tonyu* etc.

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

(Thousands of bottles.%)

		3Q of FY 2018		3Q of FY 2019	
		(April 1, 2017 ~ December 31, 2017)		(April 1, 2018 ~ December 31, 2018)	
		Results	Year on year	Results	Year on year
Health and functional food products	<i>Bansoreicha</i>	14,040	92.7	12,941	92.2
	<i>Toughman</i>	32,807	91.6	33,817	103.1
	<i>Kurozu Drink</i>	21,640	97.8	23,415	108.2
	<i>Soy milk drinks</i>	30,133	97.9	29,343	97.4
	<i>Milougu</i>	20,391	96.1	18,574	91.1
Soft drinks	<i>Juices</i>	35,778	93.9	32,523	90.9
	<i>Kininaruyasai</i>	30,253	99.7	29,074	96.1
	<i>Coffee Time</i>	13,577	90.2	12,530	92.3
	<i>FIRE</i>	48,494	89.4	44,938	92.7

(4) Pharmaceuticals sales

(Millions of yen.%)

		3Q of FY 2018		3Q of FY 2019	
		(April 1, 2017 ~ December 31, 2017)		(April 1, 2018 ~ December 31, 2018)	
		Results	Year on year	Results	Year on year
	<i>Campto</i> (Japan)	798	98.9	623	78.1
	<i>Campto</i> (Overseas)	60	22.5	173	289.8
	<i>Campto total</i>	858	79.9	797	92.9
	<i>Elplat</i>	12,860	88.6	10,271	79.9
	<i>Gemcitabine</i>	2,394	101.6	1,989	83.1
	Other pharmaceuticals	4,151	106.6	3,861	93.0
	Total	20,264	92.8	16,920	83.5

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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