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# **FY2016 Supplementary Material for Financial Results**

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**March 6, 2017**

**DyDo GROUP HOLDINGS INC.**

## 1. Consolidated Profit and Loss Statements

### ■Results

Units: millions of yen

	FY2015 Results	FY2016 Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Beverage Sales Division	124,192	144,902	16.7%	20,709	Five overseas beverage subsidiaries were added to our consolidated accounting.
OEM* Beverage Production Division	9,126	9,068	(0.6%)	(57)	
Food Production and Sales Division	17,155	18,013	5.0%	858	
Adjustment figure (company-wide / elimination)	(618)	(583)	-	34	
<b>Net sales</b>	<b>149,856</b>	<b>171,401</b>	<b>14.4%</b>	<b>21,544</b>	
Beverage Sales Division	3,745	2,700	(27.9%)	(1,045)	
OEM* Beverage Production Division	979	944	(3.6%)	(35)	
Food Production and Sales Division	259	212	(18.4%)	(47)	
Adjustment figure (company-wide / elimination)	2	0	-	(2)	
<b>Operating income</b>	<b>4,988</b>	<b>3,857</b>	<b>(22.7%)</b>	<b>(1,130)</b>	
Non-operating income or expenses	(725)	(115)	-	610	
<b>Ordinary income</b>	<b>4,262</b>	<b>3,741</b>	<b>(12.2%)</b>	<b>(520)</b>	
Extraordinary income or expenses	(421)	1,042	-	1,464	Negative goodwill ¥494mil. The sale of investment in capital of affiliate ¥433mil.
<b>Income before taxes</b>	<b>3,841</b>	<b>4,784</b>	<b>24.6%</b>	<b>943</b>	
Income taxes, etc.	1,422	1,633	14.8%	210	
Net income attributable to non-controlling interests	71	(117)	-	(188)	
<b>Net income attributable to owners of parent</b>	<b>2,347</b>	<b>3,269</b>	<b>39.3%</b>	<b>922</b>	

\*OEM is Original Equipment Manufacturing

### ■Full year forecast\*<sup>1</sup>

Units: millions of yen

	FY2016 Results	FY2017 Forecast	Year on year		Comment
			Difference (%)	Difference (amount)	
Domestic Beverage Business* <sup>2</sup>	128,444	129,400	0.7%	955	
International Beverage Business* <sup>3</sup>	16,457	19,100	16.1%	2,642	
Pharmaceutical-Related Business	9,068	9,500	4.8%	431	
Food Business	18,013	18,180	0.9%	166	
Adjustment figure (company-wide / elimination)	(583)	(680)	-	(96)	
<b>Net sales</b>	<b>171,401</b>	<b>175,500</b>	<b>2.4%</b>	<b>4,099</b>	
Domestic Beverage Business* <sup>2</sup>	3,576	6,100	70.6%	2,523	
International Beverage Business* <sup>3</sup>	(876)	(410)	-	466	
Pharmaceutical-Related Business	944	835	(11.5%)	(109)	
Food Business	212	345	62.7%	132	
Adjustment figure (company-wide / elimination)	0	(1,570)	-	(1,570)	
<b>Operating income</b>	<b>3,857</b>	<b>5,300</b>	<b>37.4%</b>	<b>1,443</b>	
<b>Ordinary income</b>	<b>3,741</b>	<b>5,200</b>	<b>39.0%</b>	<b>1,459</b>	
<b>Net income attributable to owners of parent</b>	<b>3,269</b>	<b>3,000</b>	<b>(8.2%)</b>	<b>(269)</b>	

\*1: The company changed its reporting segments from FY2017.

- Division of Beverage Sales Division into "Domestic Beverage Business" and "International Beverage Business"
- OEM Beverage Production Division changed to "Pharmaceutical-Related Business" and Food Production and Sales Division changed to "Food Business"

\*2: FY2016 results include Russia and China.

\*3: FY2016 results include Turkey and Malaysia. FY2017 forecasts include Turkey, Malaysia, Russia, and China.

## 2. Consolidated Balance Sheets

### ■Results

Units: millions of yen

	FY2015	FY2016	Year on year		Comment
	End of term results	End of term results	Difference (%)	Difference (amount)	
Cash and cash equivalent	60,294	48,113	(20.2%)	(12,181)	
Notes receivable and accounts receivable	14,580	17,955	23.1%	3,374	
Securities	16,494	12,100	(26.6%)	(4,394)	
Inventories	6,976	8,470	21.4%	1,493	
Other	3,450	4,938	43.1%	1,488	
<b>Current assets</b>	<b>101,797</b>	<b>91,578</b>	<b>(10.0%)</b>	<b>(10,218)</b>	
Tools, equipment and machinery (net amount)	20,570	19,059	(7.3%)	(1,511)	
Lease assets	4,135	3,128	(24.3%)	(1,006)	
Other (net amount)	9,030	14,047	55.6%	5,016	
<b>Tangible fixed assets</b>	<b>33,737</b>	<b>36,236</b>	<b>7.4%</b>	<b>2,499</b>	<b>Because of increasing of new overseas consolidated subsidiaries.</b>
Goodwill	5,407	7,188	32.9%	1,781	<b>Because of increasing of Turkish beverage subsidiaries consolidated subsidiaries.</b>
Other	5,431	7,413	36.5%	1,981	
<b>Intangible fixed assets</b>	<b>10,838</b>	<b>14,602</b>	<b>34.7%</b>	<b>3,763</b>	
Investment securities	12,215	15,440	26.4%	3,225	
Other	5,109	6,013	17.7%	903	
<b>Investments and other assets</b>	<b>17,324</b>	<b>21,454</b>	<b>23.8%</b>	<b>4,129</b>	
<b>Fixed assets</b>	<b>61,900</b>	<b>72,292</b>	<b>16.8%</b>	<b>10,391</b>	
<b>Assets total</b>	<b>163,697</b>	<b>163,870</b>	<b>0.1%</b>	<b>172</b>	

Units: millions of yen

	FY2015	FY2016	Year on year		Comment
	End of term results	End of term results	Difference (%)	Difference (amount)	
Notes payable and accounts payable	17,664	19,908	12.7%	2,243	
Short term loans	7,997	6,935	(13.3%)	(1,062)	
Short term lease obligations	1,937	1,477	(23.7%)	(460)	
Accounts payable	9,852	11,158	13.3%	1,306	
Accrued income taxes	1,031	776	(24.7%)	(254)	
Accrued expenses	1,754	1,947	11.0%	193	
Accrued bonuses	1,032	1,112	7.7%	79	
Other	1,762	1,191	(32.4%)	(571)	
<b>Current liabilities</b>	<b>43,032</b>	<b>44,508</b>	<b>3.4%</b>	<b>1,475</b>	
Bonds	15,000	15,000	0.0%	-	
Long term loans	13,661	10,193	(25.4%)	(3,468)	
Long term lease obligations	2,167	1,642	(24.2%)	(525)	
Other	4,654	6,832	46.8%	2,178	
<b>Fixed liabilities</b>	<b>35,483</b>	<b>33,668</b>	<b>(5.1%)</b>	<b>(1,815)</b>	
<b>Liabilities total</b>	<b>78,516</b>	<b>78,176</b>	<b>(0.4%)</b>	<b>(339)</b>	
Capital stock	1,924	1,924	0.0%	-	
Capital surplus	1,464	1,084	(25.9%)	(379)	
Retained earnings	79,076	80,835	2.2%	1,759	
Treasury stock	(4)	(4)	-	-	
<b>Shareholders equity total</b>	<b>82,460</b>	<b>83,840</b>	<b>1.7%</b>	<b>1,379</b>	
<b>Total other comprehensive income</b>	<b>740</b>	<b>241</b>	<b>(67.4%)</b>	<b>(498)</b>	
<b>Non-Controlling Interest</b>	<b>1,979</b>	<b>1,611</b>	<b>(18.6%)</b>	<b>(367)</b>	
<b>Net assets total</b>	<b>85,181</b>	<b>85,693</b>	<b>0.6%</b>	<b>512</b>	
<b>Liabilities / net assets total</b>	<b>163,697</b>	<b>163,870</b>	<b>0.1%</b>	<b>172</b>	

### 3. Details on Sales Increase/Decrease

#### ■Sales results by sectors

Units: millions of yen

	FY2015 Results	FY2016 Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Coffee beverages	70,455	72,103	2.3%	1,648	
Tea-flavored beverages	15,639	17,486	11.8%	1,847	
Carbonated beverages	11,921	12,155	2.0%	233	
Mineral water types	6,854	6,997	2.1%	142	
Fruit beverages	6,484	6,560	1.2%	75	
Sports Drinks	2,548	2,723	6.9%	174	
Drinkable preparations	1,681	1,627	(3.2%)	(54)	
Other beverages	8,605	8,788	2.1%	182	
<b>Beverage Sales Division (Existing business)</b>	<b>124,192</b>	<b>128,444</b>	<b>3.4%</b>	<b>4,252</b>	
<b>Beverage Sales Division (New consolidated subsidiaries)</b>	<b>-</b>	<b>16,457</b>	<b>-</b>	<b>16,457</b>	
<b>Total of Beverage Sales Division</b>	<b>124,192</b>	<b>144,902</b>	<b>16.7%</b>	<b>20,709</b>	
<b>Total of OEM Beverage Production Division</b>	<b>8,548</b>	<b>8,526</b>	<b>(0.3%)</b>	<b>(21)</b>	
<b>Total of Food Production and Sales Division</b>	<b>17,115</b>	<b>17,972</b>	<b>5.0%</b>	<b>856</b>	
<b>Total</b>	<b>149,856</b>	<b>171,401</b>	<b>14.4%</b>	<b>21,544</b>	

#### ■Sales results by channels

Units: millions of yen

	FY2015 Results	FY2016 Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Vending machine channels	104,996	107,548	2.4%	2,551	
Other	19,195	20,896	8.9%	1,700	
<b>Total of Beverage Sales Division (Existing business)</b>	<b>124,192</b>	<b>128,444</b>	<b>3.4%</b>	<b>4,252</b>	

### 4. Volume of Sales Results

#### ■Results for volume of sales by sectors

Units: 1000s of cases

	FY2015 Results	FY2016 Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Coffee beverages	31,464	32,776	4.2%	1,311	
Tea-flavored beverages	7,130	8,040	12.8%	910	
Carbonated beverages	5,749	5,823	1.3%	73	
Mineral water types	3,517	3,569	1.5%	51	
Fruit beverages	3,198	3,221	0.7%	22	
Sports Drinks	1,138	1,218	7.0%	79	
Drinkable preparations	393	375	(4.5%)	(17)	
Other beverages	2,853	2,672	(6.3%)	(181)	
<b>DyDo DRINCO (non-consolidated) total</b>	<b>55,446</b>	<b>57,698</b>	<b>4.1%</b>	<b>2,251</b>	

#### ■Results for volume of sales by channels

Units: 1000s of cases

	FY2015 Results	FY2016 Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Vending machine channels	46,640	48,397	3.8%	1,757	
Other	8,806	9,300	5.6%	494	
<b>DyDo DRINCO (non-consolidated) total</b>	<b>55,446</b>	<b>57,698</b>	<b>4.1%</b>	<b>2,251</b>	

## 5. Consolidated Highlights

Units: millions of yen

Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016
Net sales	148,902	154,828	149,526	149,856	171,401
Cost of sales	67,976	70,553	67,553	68,859	81,947
Cost of sales ratio (%)	45.7	45.6	45.2	46.0	47.8
Gross profit margin (%)	54.3	54.4	54.8	54.0	52.2
SG&A expenses to net sales (%)	49.0	50.6	51.4	50.7	49.9
Operating income	7,934	6,004	5,174	4,988	3,857
Operating margin (%)	5.3	3.9	3.5	3.3	2.3
Ordinary income	7,725	5,962	4,470	4,262	3,741
Ordinary margin (%)	5.2	3.9	3.0	2.8	2.2
Net income attributable to owners of parent	4,410	3,712	2,322	2,347	3,269
Profit margin on net sales (%)	3.0	2.4	1.6	1.6	1.9
Earnings per share (yen)	266.22	224.08	140.16	141.68	197.34
Cash flow from operating activities	16,491	14,764	13,959	14,603	15,309
Cash flow from investing activities	(6,704)	(16,580)	3,734	(8,090)	(20,560)
Cash flow from financing activities	(219)	(469)	(2,561)	12,412	(9,445)
Cash and cash equivalent at end of year	29,051	26,874	42,020	60,898	46,120
Total assets	140,487	146,479	147,894	163,697	163,870
Total asset turnover (times)	1.1	1.1	1.0	0.9	1.0
Net assets	79,097	82,554	84,734	85,181	85,693
Capital adequacy ratio (%)	55.1	55.1	56.0	50.8	51.3
Inventories	6,601	6,270	7,323	6,976	8,470
Inventory turnover (times)	24.1	24.1	22.0	21.0	22.2
Current ratio (%)	165.2	191.2	198.6	236.6	205.8
Fixed ratio (%)	90.1	80.5	79.7	74.4	86.0
Total liabilities	61,390	63,925	63,160	78,516	78,176
Debt ratio (%)	79.3	79.2	76.3	94.4	93.0
Net assets per share (yen)	4,670.18	4,872.53	4,999.88	5,022.16	5,075.31
Total dividends	994	994	994	994	994
Dividend per share (yen)	60	60	60	60	60
Dividend payout ratio(%)	22.5	26.8	42.8	42.3	30.4
Numbers of shares outstanding (thousands)	16,568	16,568	16,568	16,568	16,568
Number of employees(person)	2,916	2,770	2,767	2,887	3,602
Net sales per employee	51.06	55.89	54.04	51.91	47.59
Capital expenditure	16,833	14,376	12,261	10,681	10,100
Depreciation expenses	11,202	12,080	12,343	11,704	12,611

## 6. Segment Information

### ■ Beverage Sales Division

Units: millions of yen

Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016
Sales to external customers	131,671	130,400	124,597	124,192	144,902
Segment profit	6,363	4,578	3,839	3,745	2,700
Segment profit margin (%)	4.8%	3.5%	3.1%	3.0%	1.9%
Capital expenditure	-	13,741	11,500	9,788	8,881
Depreciation expenses	10,275	10,961	11,287	10,657	11,548

### ■ OEM Beverage Production Division

Units: millions of yen

Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016
Sales to external customers	10,612	10,154	9,603	8,548	8,526
Segment profit	1,558	1,227	1,135	979	944
Segment profit margin (%)	14.7%	12.1%	11.8%	11.5%	11.1%
Capital expenditure	-	337	291	298	476
Depreciation expenses	640	530	483	459	430

### ■ Food Production and Sales Division

Units: millions of yen

Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016
Sales to external customers	6,617	14,273	15,325	17,115	17,972
Segment profit	3	205	198	259	212
Segment profit margin (%)	0.0%	1.4%	1.3%	1.5%	1.2%
Capital expenditure	-	297	470	595	742
Depreciation expenses	287	588	572	587	632
Goodwill amortization value	153	306	306	306	298

\*The segment breakdown for "Capital expenditure" is disclosed from FY2013

## 7. Main Sales Expenses and Ordinary Management Costs

Units: millions of yen

Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016
Shipping costs	4,213	4,607	4,588	4,803	6,572
Advertising costs	6,167	6,697	5,963	5,096	6,190
Sales promotion costs	21,101	23,203	23,126	24,128	26,368
Salary and other allowances	11,526	11,281	11,006	11,143	11,893
Other	29,982	32,480	32,114	30,836	34,570
Main Sales Expenses and Ordinary Management Costs	72,990	78,270	76,798	76,008	85,596