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FY2017 1st Quarter Supplementary Material for Financial Results

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May 26, 2017

DyDo GROUP HOLDINGS INC.

1. Consolidated Profit and Loss Statements

■Results

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	1st quarter results	1st quarter results	Difference (%)	Difference (amount)	
Domestic Beverage Business	29,451	29,698	0.8%	247	
International Beverage Business	2,939	3,331	13.4%	392	
Pharmaceutical-Related Business	2,288	2,408	5.2%	119	
Food Business	3,717	3,697	(0.5%)	(20)	
Adjustment figure	(191)	(195)	-	(3)	
Net sales	38,204	38,940	1.9%	735	
Domestic Beverage Business	(103)	354	-	458	Expenses of about 311 million yen from the transition to a holding company
International Beverage Business	(389)	(366)	-	22	
Pharmaceutical-Related Business	252	354	40.5%	102	
Food Business	(148)	(71)	-	76	
Adjustment figure	(2)	(324)	-	(321)	Posting of holding company expenses starting in FY2017
Operating loss	(391)	(53)	-	338	
Non-operating income or expenses	(129)	2	-	132	
Ordinary loss	(521)	(50)	-	470	
Extraordinary income or expenses	494	-	-	(494)	Gain of 491 million yen on negative goodwill during FY2016
Loss before taxes	(27)	(50)	-	(23)	
Income taxes, etc.	208	370	77.8%	162	
Net income or loss attributable to non-controlling interests	3	(17)	-	(21)	
Net loss attributable to owners of parent	(239)	(403)	-	(164)	

■Full year forecast

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	Results	Forecast	Difference (%)	Difference (amount)	
Domestic Beverage Business	128,278	129,400	0.9%	1,122	
International Beverage Business	16,735	19,100	14.1%	2,365	
Pharmaceutical-Related Business	9,068	9,500	4.8%	432	
Food Business	18,013	18,180	0.9%	167	
Adjustment figure	(695)	(680)	-	15	
Net sales	171,401	175,500	2.4%	4,099	
Domestic Beverage Business	3,958	6,100	54.1%	2,142	
International Beverage Business	(1,266)	(410)	-	856	
Pharmaceutical-Related Business	944	835	(11.5%)	(109)	
Food Business	212	345	62.7%	133	
Adjustment figure	9	(1,570)	-	(1,579)	
Operating income	3,857	5,300	37.4%	1,443	
Ordinary income	3,741	5,200	39.0%	1,459	
Net income attributable to owners of parent	3,269	3,000	(8.2%)	(269)	

2. Consolidated Balance Sheets

■Results

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	End of term results	1st quarter results	Difference (%)	Difference (amount)	
Cash and cash equivalent	48,113	47,207	(1.9%)	(905)	
Notes receivable and accounts receivable	17,955	19,396	8.0%	1,441	
Securities	12,100	12,000	(0.8%)	(100)	
Inventories	8,470	9,948	17.4%	1,477	
Other	4,938	4,634	(6.2%)	(304)	
Current assets	91,578	93,187	1.8%	1,609	
Tools, equipment and machinery (net amount)	19,059	18,525	(2.8%)	(534)	
Other (net amount)	17,176	16,849	(1.9%)	(327)	
Tangible fixed assets	36,236	35,374	(2.4%)	(861)	
Goodwill	7,188	6,896	(4.1%)	(291)	
Other	7,413	7,080	(4.5%)	(332)	
Intangible fixed assets	14,602	13,977	(4.3%)	(624)	
Investment securities	15,440	16,563	7.3%	1,123	
Other	6,013	5,441	(9.5%)	(572)	
Investments and other assets	21,454	22,004	2.6%	550	
Fixed assets	72,292	71,357	(1.3%)	(935)	
Assets total	163,870	164,544	0.4%	674	

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	End of term results	1st quarter results	Difference (%)	Difference (amount)	
Notes payable and accounts payable	19,908	21,270	6.8%	1,362	
Short term loans	6,935	4,952	(28.6%)	(1,983)	
Accounts payable	11,158	10,590	(5.1%)	(567)	
Accrued income taxes	776	342	(55.9%)	(434)	
Accrued bonuses	1,112	1,813	63.0%	701	
Accrued bonuses for officers	-	13	-	13	
Other	4,616	3,979	(13.8%)	(636)	
Current liabilities	44,508	42,964	(3.5%)	(1,544)	
Bonds	15,000	15,000	0.0%	-	
Long term loans	10,193	14,284	40.1%	4,091	
Other	8,475	8,369	(1.2%)	(105)	
Fixed liabilities	33,668	37,654	11.8%	3,986	
Liabilities total	78,176	80,618	3.1%	2,441	
Capital stock	1,924	1,924	0.0%	-	
Capital surplus	1,084	1,031	(4.9%)	(53)	
Retained earnings	80,835	79,935	(1.1%)	(900)	
Treasury stock	(4)	(4)	-	-	
Shareholders equity total	83,840	82,886	(1.1%)	(953)	
Total other comprehensive income	241	(470)	-	(711)	
Non-Controlling Interest	1,611	1,509	(6.3%)	(102)	
Net assets total	85,693	83,926	(2.1%)	(1,767)	
Liabilities / net assets total	163,870	164,544	0.4%	674	

3. Details on Sales Increase/Decrease

■Sales results by sectors

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	1st quarter results	1st quarter results	Difference (%)	Difference (amount)	
Coffee beverages	18,093	18,312	1.2%	219	
Tea-flavored beverages	3,501	3,908	11.6%	406	Strong sales of "Calolimit" Blended Tea
Carbonated beverages	2,410	2,215	(8.1%)	(195)	
Mineral water types	1,266	1,341	6.0%	75	
Fruit beverages	1,377	1,387	0.8%	10	
Sports Drinks	389	351	(9.8%)	(38)	
Drinkable preparations	338	322	(4.7%)	(15)	
Other beverages	2,074	1,859	(10.4%)	(215)	
Total of Domestic Beverage Business	29,451	29,698	0.8%	247	
Total of International Beverage Business	2,939	3,331	13.4%	392	
Total of Pharmaceutical-Related Business	2,288	2,408	5.2%	119	
Total of Food Business	3,717	3,697	(0.5%)	(20)	
Adjustment figure	(191)	(195)	-	(3)	
Total	38,204	38,940	1.9%	735	

■Sales results by channels

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	1st quarter results	1st quarter results	Difference (%)	Difference (amount)	
Vending machine channels	24,821	24,596	(0.9%)	(225)	
Other	4,629	5,101	10.2%	472	
Total of Domestic Beverage Business	29,451	29,698	0.8%	247	

4. Volume of Sales Results

■Results for volume of sales by sectors

Units: 1000s of cases

	FY2016	FY2017	Year on year		Comment
	1st quarter results	1st quarter results	Difference (%)	Difference (amount)	
Coffee beverages	8,121	8,346	2.8%	225	
Tea-flavored beverages	1,614	1,752	8.5%	137	Strong sales of "Calolimit" Blended Tea
Carbonated beverages	1,246	1,143	(8.2%)	(102)	
Mineral water types	657	702	6.8%	44	
Fruit beverages	690	686	(0.5%)	(3)	
Sports Drinks	181	156	(13.9%)	(25)	
Drinkable preparations	78	73	(5.8%)	(4)	
Other beverages	597	448	(25.0%)	(149)	
Total of Domestic Beverage Business	13,187	13,310	0.9%	122	

■Results for volume of sales by channels

Units: 1000s of cases

	FY2016	FY2017	Year on year		Comment
	1st quarter results	1st quarter results	Difference (%)	Difference (amount)	
Vending machine channels	11,140	10,971	(1.5%)	(168)	
Other	2,047	2,339	14.2%	291	
Total of Domestic Beverage Business	13,187	13,310	0.9%	122	

5. Main Sales Expenses and Ordinary Management Costs (Consolidated/1st Quarter)

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	1st quarter results	1st quarter results	Difference (%)	Difference (amount)	
Shipping costs	1,399	1,519	8.6%	120	
Advertising costs	1,558	1,573	0.9%	14	
Sales promotion costs	6,066	6,051	(0.2%)	(14)	
Salary and other allowances	2,924	2,941	0.6%	16	
Other	8,485	8,285	(2.4%)	(200)	
Main Sales Expenses and Ordinary Management Costs	20,434	20,371	(0.3%)	(62)	

6. 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	10,037
Depreciation expenses	11,202	12,080	12,343	11,704	12,611

7. Segment Information

■ Beverage Sales Division (Domestic Beverage Business, International Beverage Business)^{*1} Units: millions of yen

Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016
Sales ^{*2}	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 ^{*3}	-	13,741	11,500	9,788	8,870
Depreciation expenses	10,275	10,961	11,287	10,657	11,548

■ Pharmaceutical-Related Business Units: millions of yen

Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016
Sales ^{*2}	11,416	10,857	10,220	9,126	9,068
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 ^{*3}	-	337	291	298	423
Depreciation expenses	640	530	483	459	430

■ Food Business^{*4} Units: millions of yen

Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016
Sales ^{*2}	6,648	14,299	15,360	17,155	18,013
Segment profit	3	205	198	259	212
Segment profit margin (%)	0.0%	1.4%	1.3%	1.5%	1.2%
Capital expenditure ^{*3}	-	297	470	595	742
Depreciation expenses	287	588	572	587	632
Goodwill amortization value	153	306	306	306	298

*1: The company changed its reporting segments from FY2017. Division of Beverage Sales Division into "Domestic Beverage Business" and "International Beverage Business".

*2: Including Intersegment Sales.

*3: The segment breakdown for "Capital expenditure" is disclosed from FY2013.

*4: Inclusion of Tarami (Food Business) in consolidated accounting from June 2012.

8. Main Sales Expenses and Ordinary Management Costs (Consolidated)

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