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**FY2017 (Year Ending January 20, 2018)
2nd Quarter
Supplementary Material for Financial Results**

1. Consolidated Profit and Loss Statements	...	P.1
2. Consolidated Balance Sheets	...	P.2
3. Details on Sales Increase/Decrease	...	P.3
4. Volume of Sales Results	...	P.3
5. Main SG&A Expenses (Consolidated/2nd Quarter)	...	P.3
6. Consolidated Highlights	...	P.4
7. Segment Information	...	P.5
8. Main SG&A Expenses (Consolidated)	...	P.5

August 28, 2017

DyDo GROUP HOLDINGS INC.

1. Consolidated Profit and Loss Statements

■Results

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	2nd quarter results	2nd quarter results	Difference (%)	Difference (amount)	
Domestic Beverage Business	63,434	64,029	0.9%	595	
International Beverage Business	8,668	8,456	(2.5%)	(212)	
Pharmaceutical-Related Business	4,641	5,154	11.1%	512	
Food Business	9,808	9,536	(2.8%)	(272)	
Adjustment	(414)	(373)	-	41	
Net sales	86,138	86,803	0.8%	665	
Domestic Beverage Business	1,964	2,384	21.4%	419	Expenses of about 620 million yen from the transition to a holding company
International Beverage Business	(491)	(569)	-	(78)	
Pharmaceutical-Related Business	508	698	37.3%	189	
Food Business	298	280	(6.1%)	(18)	
Adjustment	(1)	(636)	-	(635)	Posting of holding company expenses starting in FY2017
Operating income	2,280	2,158	(5.3%)	(121)	
Non-operating income or expenses	(61)	198	-	260	
Ordinary income	2,218	2,357	6.3%	138	
Extraordinary income or expenses	626	-	-	(626)	Gain of negative goodwill during FY2016
Profit before income taxes	2,844	2,357	(17.1%)	(487)	
Income taxes, etc.	948	1,294	36.6%	346	
Loss attributable to non-controlling interests	(28)	(71)	-	(42)	
Profit attributable to owners of parent	1,925	1,133	(41.1%)	(791)	

■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	(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	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	Vs. FY2016 End of term results		Comment
	End of term results	2nd quarter results	Difference (%)	Difference (amount)	
Cash and deposits	48,113	41,978	(12.8%)	(6,134)	
Notes and accounts receivable -trade	17,955	23,898	33.1%	5,943	
Securities	12,100	18,102	49.6%	6,002	
Inventories	8,470	10,523	24.2%	2,053	
Other	4,938	6,014	21.8%	1,075	
Current assets	91,578	100,518	9.8%	8,939	
Tools, furniture and fixtures, net	19,059	18,402	(3.5%)	(657)	
Other, net	17,176	16,999	(1.0%)	(177)	
Property, plant and equipment	36,236	35,401	(2.3%)	(834)	
Goodwill	7,188	6,859	(4.6%)	(329)	
Other	7,413	7,046	(4.9%)	(366)	
Intangible assets	14,602	13,905	(4.8%)	(696)	
Investment securities	15,440	18,745	21.4%	3,305	
Other	6,013	5,522	(8.2%)	(491)	
Investments and other assets	21,454	24,267	13.1%	2,813	
Non-current assets	72,292	73,574	1.8%	1,282	
Total assets	163,870	174,093	6.2%	10,222	

Units: millions of yen

	FY2016	FY2017	Vs. FY2016 End of term results		Comment
	End of term results	2nd quarter results	Difference (%)	Difference (amount)	
Notes and accounts payable - trade	19,908	26,065	30.9%	6,156	
Short-term loans payable	6,935	4,936	(28.8%)	(1,998)	
Accounts payable -other	11,158	11,663	4.5%	505	
Income taxes payable	776	1,247	60.5%	470	
Provision for bonuses	1,112	1,212	9.0%	99	
Provision for directors' bonuses	-	23	-	23	
Other	4,616	5,041	9.2%	424	
Current liabilities	44,508	50,190	12.8%	5,681	
Bonds payable	15,000	15,000	-	-	
Long-term loans payable	10,193	13,402	31.5%	3,208	
Other	8,475	8,883	4.8%	408	
Non-current liabilities	33,668	37,285	10.7%	3,617	
Total liabilities	78,176	87,475	11.9%	9,298	
Capital stock	1,924	1,924	-	-	
Capital surplus	1,084	1,031	(4.9%)	(53)	
Retained earnings	80,835	81,472	0.8%	636	
Treasury shares	(4)	(552)	-	(548)	
Total shareholders' equity	83,840	83,875	0.0%	35	
Accumulated other comprehensive income	241	1,250	417.7%	1,009	
Non-Controlling Interest	1,611	1,491	(7.5%)	(120)	
Total net assets	85,693	86,617	1.1%	923	
Total liabilities and net asset	163,870	174,093	6.2%	10,222	

3. Details on Sales Increase/Decrease

■Sales results by categories

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	2nd quarter results	2nd quarter results	Difference (%)	Difference (amount)	
Coffee beverages	36,030	36,192	0.4%	161	
Tea-flavored beverages	7,995	8,590	7.4%	594	Strong sales of "Calolimit" Blended Tea
Carbonated beverages	6,843	6,398	(6.5%)	(444)	
Mineral water types	3,454	3,883	12.4%	428	
Fruit beverages	3,210	3,429	6.8%	218	
Sports Drinks	1,295	1,236	(4.6%)	(59)	
Drinkable preparations	796	767	(3.7%)	(29)	
Other beverages	3,806	3,530	(7.3%)	(276)	
Total of Domestic Beverage Business	63,434	64,029	0.9%	595	
Total of International Beverage Business	8,668	8,456	(2.5%)	(212)	
Total of Pharmaceutical-Related Business	4,641	5,154	11.1%	512	
Total of Food Business	9,808	9,536	(2.8%)	(272)	
Adjustment	(414)	(373)	-	41	
Total	86,138	86,803	0.8%	665	

■Sales results by channels

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	2nd quarter results	2nd quarter results	Difference (%)	Difference (amount)	
Vending machine channels	53,363	53,159	(0.4%)	(203)	
Other	10,070	10,869	7.9%	798	
Total of Domestic Beverage Business	63,434	64,029	0.9%	595	

4. Volume of Sales Results

■Results for volume of sales by categories

Units: 1000s of cases

	FY2016	FY2017	Year on year		Comment
	2nd quarter results	2nd quarter results	Difference (%)	Difference (amount)	
Coffee beverages	16,276	16,543	1.6%	267	
Tea-flavored beverages	3,724	3,953	6.2%	229	Strong sales of "Calolimit" Blended Tea
Carbonated beverages	3,473	3,249	(6.5%)	(224)	
Mineral water types	1,808	2,041	12.9%	232	
Fruit beverages	1,600	1,686	5.4%	86	
Sports Drinks	608	572	(5.9%)	(35)	
Drinkable preparations	186	177	(4.7%)	(8)	
Other beverages	1,089	849	(22.0%)	(239)	
Total of Domestic Beverage Business	28,767	29,074	1.1%	306	

■Results for volume of sales by channels

Units: 1000s of cases

	FY2016	FY2017	Year on year		Comment
	2nd quarter results	2nd quarter results	Difference (%)	Difference (amount)	
Vending machine channels	24,304	24,167	(0.6%)	(137)	
Other	4,462	4,906	9.9%	443	
Total of Domestic Beverage Business	28,767	29,074	1.1%	306	

5. Main SG&A Expenses (Consolidated/2nd Quarter)

Units: millions of yen

	FY2016	FY2017	Year on year		Comment
	2nd quarter results	2nd quarter results	Difference (%)	Difference (amount)	
Shipment expenses	3,318	3,473	4.7%	154	
Advertising expenses	3,209	2,980	(7.2%)	(229)	
Promotion expenses	13,039	13,000	(0.3%)	(38)	
Salary and allowances	5,919	6,358	7.4%	439	
Other	16,939	16,957	0.1%	18	
Main SG&A Expenses	42,425	42,769	0.8%	344	

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 SG&A Expenses (Consolidated)

Units: millions of yen

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