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**FY2018 (Year Ending January 20, 2019)  
2nd Quarter  
Supplementary Material for Financial  
Results**

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August 27, 2018

**DyDo GROUP HOLDINGS INC.**

## 1. Consolidated Profit and Loss Statements

### ■ Results

Units: millions of yen

	FY2017 2Q Results	FY2018 2Q Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Domestic Beverage Business	64,029	62,373	(2.6%)	(1,656)	
International Beverage Business	8,456	8,988	6.3%	531	
Pharmaceutical-Related Business	5,154	5,561	7.9%	406	
Food Business	9,536	10,387	8.9%	851	
Adjustment	(373)	(320)	-	52	
<b>Net sales</b>	<b>86,803</b>	<b>86,990</b>	<b>0.2%</b>	<b>187</b>	
Domestic Beverage Business	2,384	3,417	43.3%	1,032	
International Beverage Business	(569)	(393)	-	176	
Pharmaceutical-Related Business	698	663	(5.1%)	(35)	
Food Business	280	279	(0.5%)	(1)	
Adjustment	(636)	(686)	-	(50)	
<b>Operating profit(loss)</b>	<b>2,158</b>	<b>3,279</b>	<b>52.0%</b>	<b>1,121</b>	
Non-operating income or expenses	198	(35)	-	(234)	
<b>Ordinary profit(loss)</b>	<b>2,357</b>	<b>3,243</b>	<b>37.6%</b>	<b>886</b>	
Extraordinary income or losses	-	△ 40	-	△ 40	
<b>Profit(loss) before income taxes</b>	<b>2,357</b>	<b>3,203</b>	<b>35.9%</b>	<b>846</b>	
Income taxes	1,294	1,381	6.7%	86	
<b>Profit(loss)</b>	<b>1,062</b>	<b>1,822</b>	<b>71.5%</b>	<b>759</b>	
Loss attributable to non-controlling interests	(71)	(27)	-	44	
<b>Profit(loss) attributable to owners of parent</b>	<b>1,133</b>	<b>1,849</b>	<b>63.1%</b>	<b>715</b>	

### ■ Full year forecast

Units: millions of yen

	FY2017 Results	FY2018 Forecast	Year on year		Comment
			Difference (%)	Difference (amount)	
Domestic Beverage Business	126,712	127,070	0.3%	358	
International Beverage Business	18,547	19,410	4.7%	863	
Pharmaceutical-Related Business	10,536	10,500	(0.3%)	(36)	
Food Business	17,560	18,850	7.3%	1,290	
Adjustment	(673)	(610)	-	63	
<b>Net sales</b>	<b>172,684</b>	<b>175,220</b>	<b>1.5%</b>	<b>2,536</b>	
Domestic Beverage Business	5,542	6,700	20.9%	1,158	
International Beverage Business	(838)	(680)	-	158	
Pharmaceutical-Related Business	1,271	1,100	(13.5%)	(171)	
Food Business	219	645	194.5%	426	
Adjustment	(1,303)	(2,025)	-	(722)	
<b>Operating profit</b>	<b>4,891</b>	<b>5,740</b>	<b>17.4%</b>	<b>849</b>	
<b>Ordinary profit</b>	<b>5,382</b>	<b>5,725</b>	<b>6.4%</b>	<b>343</b>	
<b>Profit attributable to owners of parent</b>	<b>2,504</b>	<b>3,640</b>	<b>45.4%</b>	<b>1,136</b>	

## 2. Consolidated Balance Sheets

### Results

Units: millions of yen

	FY2017	FY2018	Vs. FY2017 End of term results		Comment
	End of term results	2Q Results	Difference (%)	Difference (amount)	
Cash and deposits	40,274	39,945	(0.8%)	(329)	
Notes and accounts receivable -trade	18,733	24,468	30.6%	5,735	
Securities	19,402	19,500	0.5%	97	
Inventories	8,861	10,364	17.0%	1,502	
Other	6,154	5,795	(5.8%)	(358)	
<b>Current assets</b>	<b>93,426</b>	<b>100,073</b>	<b>7.1%</b>	<b>6,647</b>	
Tools, furniture and fixtures, net	17,005	17,160	0.9%	155	
Other, net	16,509	16,071	(2.7%)	(437)	
<b>Property, plant and equipment</b>	<b>33,514</b>	<b>33,232</b>	<b>(0.8%)</b>	<b>(282)</b>	
Goodwill	6,236	5,654	(9.3%)	(581)	
Other	6,584	6,034	(8.3%)	(549)	
<b>Intangible assets</b>	<b>12,820</b>	<b>11,688</b>	<b>(8.8%)</b>	<b>(1,131)</b>	
Investment securities	25,238	36,868	46.1%	11,630	*
Other	6,147	6,339	3.1%	192	
<b>Investments and other assets</b>	<b>31,385</b>	<b>43,208</b>	<b>37.7%</b>	<b>11,823</b>	
<b>Non-current assets</b>	<b>77,720</b>	<b>88,130</b>	<b>13.4%</b>	<b>10,409</b>	
<b>Total assets</b>	<b>171,147</b>	<b>188,203</b>	<b>10.0%</b>	<b>17,056</b>	

Units: millions of yen

	FY2017	FY2018	Vs. FY2017 End of term results		Comment
	End of term results	2Q Results	Difference (%)	Difference (amount)	
Notes and accounts payable - trade	19,899	25,516	28.2%	5,616	
Short-term loans payable	4,735	6,834	44.3%	2,099	
Accounts payable -other	11,149	11,560	3.7%	411	
Income taxes payable	1,934	1,110	(42.6%)	(823)	
Provision for bonuses	1,098	1,141	3.9%	43	
Provision for directors' bonuses	-	18	-	18	
Other	4,494	4,740	5.5%	246	
<b>Current liabilities</b>	<b>43,311</b>	<b>50,923</b>	<b>17.6%</b>	<b>7,612</b>	
Bonds payable	15,000	15,000	-	-	
Long-term loans payable	11,611	11,968	3.1%	357	
Other	10,296	13,535	31.5%	3,238	
<b>Non-current liabilities</b>	<b>36,908</b>	<b>40,504</b>	<b>9.7%</b>	<b>3,596</b>	
<b>Total liabilities</b>	<b>80,219</b>	<b>91,428</b>	<b>14.0%</b>	<b>11,208</b>	
Capital stock	1,924	1,924	-	-	
Capital surplus	1,031	1,031	-	-	
Retained earnings	82,346	83,698	1.6%	1,352	
Treasury shares	(552)	(552)	-	-	
<b>Total shareholders' equity</b>	<b>84,749</b>	<b>86,101</b>	<b>1.6%</b>	<b>1,352</b>	
Accumulated other comprehensive income	4,694	9,409	100.4%	4,714	*
<b>Non-Controlling Interests</b>	<b>1,484</b>	<b>1,264</b>	<b>(14.8%)</b>	<b>(219)</b>	
<b>Total net assets</b>	<b>90,927</b>	<b>96,775</b>	<b>6.4%</b>	<b>5,847</b>	
<b>Total liabilities and net asset</b>	<b>171,147</b>	<b>188,203</b>	<b>10.0%</b>	<b>17,056</b>	

\*The main cause of the increases was a fluctuation in total market value by our invested company, TCI Co., Ltd. (the top contract manufacturer of health food and skincare products in Taiwan).

### 3. Details on Sales Increase/Decrease

#### ■ By categories

Units: millions of yen

	FY2017 2Q Results	FY2018 2Q Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Coffee beverages	36,192	34,149	(5.6%)	(2,043)	
Tea-flavored beverages	8,590	8,791	2.3%	201	
Carbonated beverages	6,398	5,909	(7.6%)	(489)	
Mineral water types	3,883	4,182	7.7%	298	
Fruit beverages	3,429	2,722	(20.6%)	(706)	
Sports Drinks	1,236	1,115	(9.8%)	(121)	
Drinkable preparations	767	743	(3.1%)	(23)	
Other beverages	3,530	4,758	34.8%	1,228	
<b>Domestic Beverage Business</b>	<b>64,029</b>	<b>62,373</b>	<b>(2.6%)</b>	<b>(1,656)</b>	
<b>International Beverage Business</b>	<b>8,456</b>	<b>8,988</b>	<b>6.3%</b>	<b>531</b>	
<b>Pharmaceutical-Related Business</b>	<b>5,154</b>	<b>5,561</b>	<b>7.9%</b>	<b>406</b>	
<b>Food Business</b>	<b>9,536</b>	<b>10,387</b>	<b>8.9%</b>	<b>851</b>	
<b>Adjustment</b>	<b>(373)</b>	<b>(320)</b>	<b>-</b>	<b>52</b>	
<b>Total</b>	<b>86,803</b>	<b>86,990</b>	<b>0.2%</b>	<b>187</b>	

#### ■ By sales channels in the Domestic Beverage Business

Units: millions of yen

	FY2017 2Q Results	FY2018 2Q Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Vending machine	53,159	51,847	(2.5%)	(1,312)	
Other	10,869	10,526	(3.2%)	(343)	
<b>Total</b>	<b>64,029</b>	<b>62,373</b>	<b>(2.6%)</b>	<b>(1,656)</b>	

### 4. Volume of Sales Results in the Domestic Beverage Business

#### ■ By categories

Units: thousands of cases

	FY2017 2Q Results	FY2018 2Q Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Coffee beverages	16,543	15,660	(5.3%)	(883)	
Tea-flavored beverages	3,953	4,049	2.4%	95	
Carbonated beverages	3,249	2,856	(12.1%)	(392)	
Mineral water types	2,041	2,197	7.6%	155	
Fruit beverages	1,686	1,307	(22.5%)	(379)	
Sports Drinks	572	516	(9.8%)	(56)	
Drinkable preparations	177	171	(3.6%)	(6)	
Other beverages	849	1,203	41.7%	354	
<b>Total</b>	<b>29,074</b>	<b>27,962</b>	<b>(3.8%)</b>	<b>(1,111)</b>	

#### ■ By sales channels

Units: thousands of cases

	FY2017 2Q Results	FY2018 2Q Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Vending machine	24,167	23,372	(3.3%)	(794)	
Other	4,906	4,589	(6.5%)	(316)	
<b>Total</b>	<b>29,074</b>	<b>27,962</b>	<b>(3.8%)</b>	<b>(1,111)</b>	

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

Units: millions of yen

	FY2017 2Q Results	FY2018 2Q Results	Year on year		Comment
			Difference (%)	Difference (amount)	
Shipment expenses	3,473	3,735	7.6%	262	
Advertising expenses	2,980	2,912	(2.3%)	(67)	
Promotion expenses	13,000	13,178	1.4%	178	
Salaries and allowances	6,358	6,205	(2.4%)	(153)	
Other	16,957	15,428	(9.0%)	(1,529)	
<b>SG&amp;A Expenses</b>	<b>42,769</b>	<b>41,460</b>	<b>(3.1%)</b>	<b>(1,309)</b>	

## 6. Consolidated Highlights

Units: millions of yen

Fiscal Year	FY2013	FY2014	FY2015	FY2016	FY2017
Net sales	154,828	149,526	149,856	171,401	172,684
Cost of sales	70,553	67,553	68,859	81,947	83,420
Cost of sales ratio (%)	45.6	45.2	46.0	47.8	48.3
Gross profit margin (%)	54.4	54.8	54.0	52.2	51.7
SG&A expenses to net sales (%)	50.6	51.4	50.7	49.9	48.9
Operating profit	6,004	5,174	4,988	3,857	4,891
Operating margin (%)	3.9	3.5	3.3	2.3	2.8
Ordinary profit	5,962	4,470	4,262	3,741	5,382
Ordinary margin (%)	3.9	3.0	2.8	2.2	3.1
Profit attributable to owners of parent	3,712	2,322	2,347	3,269	2,504
Profit margin on net sales (%)	2.4	1.6	1.6	1.9	1.5
Earnings per share (yen)	224.08	140.16	141.68	197.34	151.73
Return on assets(%)	4.2	3.0	2.7	2.3	3.2
Return on equity(%)	4.7	2.8	2.8	3.9	2.9
Cash flow from operating activities	14,764	13,959	14,603	15,309	14,308
Cash flow from investing activities	(16,580)	3,734	(8,090)	(20,560)	(8,947)
Cash flow from financing activities	(469)	(2,561)	12,412	(9,445)	(3,843)
Cash and cash equivalents at end of period	26,874	42,020	60,898	46,120	47,520
Total assets	146,479	147,894	163,697	163,870	171,147
Total asset turnover (times)	1.1	1.0	0.9	1.0	1.0
Net assets	82,554	84,734	85,181	85,693	90,927
Capital adequacy ratio (%)	55.1	56.0	50.8	51.3	52.3
Inventories	6,270	7,323	6,976	8,470	8,861
Inventory turnover (times)	24.1	22.0	21.0	22.2	19.9
Current ratio (%)	191.2	198.6	236.6	205.8	215.7
Fixed ratio (%)	80.5	79.7	74.4	86.0	86.9
Total liabilities	63,925	63,160	78,516	78,176	80,219
Debt ratio (%)	79.2	76.3	94.4	93.0	89.7
Book-value per share (yen)	4,872.53	4,999.88	5,022.16	5,075.31	5,430.20
Total dividends	994	994	994	994	994
Dividend per share (yen)	60	60	60	60	60
Dividend payout ratio(%)	26.8	42.8	42.3	30.4	39.5
Numbers of shares outstanding (thousands)	16,568	16,568	16,568	16,568	16,568
Number of employees(person)	2,770	2,767	2,887	3,602	3,771
Net sales per employee	55.89	54.04	51.91	47.59	45.79
Capital expenditure	14,376	12,261	10,681	10,037	9,454
Depreciation	12,080	12,343	11,704	12,611	11,860

## 7. Segment Information

### ■ Domestic Beverage Business\*<sup>1</sup>

Units: millions of yen

Fiscal Year	FY2013	FY2014	FY2015	FY2016	FY2017* <sup>2</sup>
Sales* <sup>3</sup>	130,400	124,597	124,192	128,278	126,712
Segment profit	4,578	3,839	3,745	3,958	5,542
Segment profit margin (%)	3.5%	3.1%	3.0%	3.1%	4.4%
Capital expenditure	13,741	11,500	9,788	7,017	6,505
Depreciation	10,961	11,287	10,657	10,643	9,246
ROA(%)	3.5%	2.9%	2.6%	3.6%	10.6%

### ■ International Beverage Business\*<sup>1</sup>

Units: millions of yen

Fiscal Year	FY2013	FY2014	FY2015	FY2016	FY2017
Sales* <sup>3</sup>	-	-	-	16,735	18,547
Segment profit	-	-	-	(1,266)	(838)
Segment profit margin (%)	-	-	-	-	-
Capital expenditure	-	-	-	1,882	842
Depreciation	-	-	-	907	918
Goodwill amortization value	-	-	-	182	171
ROA(%)	-	-	-	-	-

### ■ Pharmaceutical-Related Business

Units: millions of yen

Fiscal Year	FY2013	FY2014	FY2015	FY2016	FY2017
Sales* <sup>3</sup>	10,857	10,220	9,126	9,068	10,536
Segment profit	1,227	1,135	979	944	1,271
Segment profit margin (%)	11.3%	11.1%	10.7%	10.4%	12.1%
Capital expenditure	337	291	298	423	1,248
Depreciation	530	483	459	430	517
ROA(%)	8.9%	8.3%	7.2%	6.3%	7.5%

### ■ Food Business

Units: millions of yen

Fiscal Year	FY2013	FY2014	FY2015	FY2016	FY2017
Sales* <sup>3</sup>	14,299	15,360	17,155	18,013	17,560
Segment profit	205	198	259	212	219
Segment profit margin (%)	1.4%	1.3%	1.5%	1.2%	1.2%
Capital expenditure	297	470	595	742	465
Depreciation	588	572	587	632	656
Goodwill amortization value	306	306	306	298	298
ROA(%)	1.2%	1.2%	1.5%	1.2%	1.2%

\*1: The company changed its reporting segments from FY2017. Division of Beverage Sales Division into "Domestic Beverage Business" and "International Beverage Business". FY2016 results have been revised to reflect the new segment structure, and results for the Domestic Beverage Business since FY2015 include results for Russia and China.

\*2: Includes impact of the transition to a holding company structure.

\*3: Including Intersegment Sales.

## 8. Main SG&A Expenses (Consolidated)

Units: millions of yen

Fiscal Year	FY2013	FY2014	FY2015	FY2016	FY2017
Shipment expenses	4,607	4,588	4,803	6,572	7,066
Advertising expenses	6,697	5,963	5,096	6,190	5,494
Promotion expenses	23,203	23,126	24,128	26,368	25,917
Salaries and allowances	11,281	11,006	11,143	11,893	12,424
Other	32,480	32,114	30,836	34,570	33,470
<b>Main SG&amp;A Expenses</b>	<b>78,270</b>	<b>76,798</b>	<b>76,008</b>	<b>85,596</b>	<b>84,372</b>