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# FY2015 3rd Quarter Supplementary Material for Financial Results


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**DyDo DRINCO, Incorporated**


**November 24, 2015**

## 1. Consolidated Profit and Loss Statements

### ■Results

Units: millions of yen

| | FY2014 3rd quarter results | FY2015 3rd quarter results | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Beverage Sales Division | 95,411 | 94,220 | (1.2%) | (1,190) | |
| OEM Beverage Production Division | 8,052 | 6,881 | (14.5%) | (1,171) | |
| Food Production and Sales Division | 12,751 | 14,151 | 11.0% | 1,399 | |
| Adjustment figure (company-wide / elimination) | (528) | (497) | - | 31 | |
| **Net sales** | **115,687** | **114,755** | **(0.8%)** | **(931)** | |
| Beverage Sales Division | 3,652 | 2,757 | (24.5%) | (894) | |
| OEM Beverage Production Division | 963 | 727 | (24.5%) | (235) | |
| Food Production and Sales Division | 599 | 511 | (14.8%) | (88) | |
| Adjustment figure (company-wide / elimination) | 0 | (0) | - | 0 | |
| **Operating income** | **5,216** | **3,996** | **(23.4%)** | **(1,220)** | |
| Non-operating income or expenses | (86) | (340) | - | (254) | |
| **Ordinary income** | **5,129** | **3,655** | **(28.7%)** | **(1,474)** | |
| Extraordinary income or expenses | - | (39) | - | (39) | |
| **Income before taxes** | **5,129** | **3,615** | **(29.5%)** | **(1,514)** | |
| Income taxes, etc. | 1,943 | 1,646 | (15.3%) | (297) | |
| Minority interests | 80 | 48 | (39.8%) | (32) | |
| **Quarterly net income** | **3,105** | **1,920** | **(38.2%)** | **(1,185)** | |

### ■Full year forecast

Units: millions of yen

| | FY2014 Results | FY2015 Forecast | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Beverage Sales Division | 124,597 | 125,500 | 0.7% | 902 | |
| OEM Beverage Production Division | 10,220 | 10,100 | (1.2%) | (120) | |
| Food Production and Sales Division | 15,360 | 16,100 | 4.8% | 739 | |
| Adjustment figure (company-wide / elimination) | (651) | (700) | - | (48) | |
| **Net sales** | **149,526** | **151,000** | **1.0%** | **1,474** | |
| Beverage Sales Division | 3,839 | 3,300 | (14.0%) | (539) | |
| OEM Beverage Production Division | 1,135 | 1,000 | (12.0%) | (135) | |
| Food Production and Sales Division | 198 | 200 | 0.7% | 1 | |
| **Operating income** | **5,174** | **4,500** | **(13.0%)** | **(674)** | |
| **Ordinary income** | **4,470** | **4,400** | **(1.6%)** | **(70)** | |
| **Net income** | **2,322** | **2,700** | **16.3%** | **378** | |

## 2. Consolidated Balance Sheets

■Results

Units: millions of yen

| | FY2014 End of term results | FY2015 3rd quarter results | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Cash and cash equivalent | 47,800 | 59,766 | 25.0% | 11,965 | |
| Notes receivable and accounts receivable | 13,707 | 15,773 | 15.1% | 2,065 | |
| Securities | 10,316 | 20,671 | 100.4% | 10,354 | |
| Inventories | 7,323 | 7,365 | 0.6% | 41 | |
| Other | 2,758 | 2,573 | (6.7%) | (185) | |
| **Current assets** | 81,907 | 106,149 | 29.6% | 24,242 | |
| Tools, equipment and machinery (net amount) | 20,171 | 20,920 | 3.7% | 749 | |
| Lease assets | 5,044 | 4,385 | (13.0%) | (658) | |
| Other (net amount) | 9,440 | 9,239 | (2.1%) | (201) | |
| **Tangible fixed assets** | 34,655 | 34,545 | (0.3%) | (110) | |
| **Intangible fixed assets** | 11,072 | 10,456 | (5.6%) | (616) | |
| Investment securities | 14,589 | 11,098 | (23.9%) | (3,491) | |
| Other | 5,668 | 5,500 | (3.0%) | (167) | |
| **Investments and other assets** | 20,257 | 16,598 | (18.1%) | (3,659) | |
| **Fixed assets** | 65,986 | 61,600 | (6.6%) | (4,385) | |
| **Assets total** | 147,894 | 167,750 | 13.4% | 19,856 | |

| | FY2014 End of term results | FY2015 3rd quarter results | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Notes payable and accounts payable | 16,286 | 19,367 | 18.9% | 3,081 | |
| Short term loans | 6,434 | 8,220 | 27.8% | 1,786 | |
| Short term lease obligations | 2,438 | 1,952 | (19.9%) | (485) | |
| Accounts payable | 11,052 | 10,634 | (3.8%) | (417) | |
| Accrued income taxes | 1,237 | 1,056 | (14.6%) | (181) | |
| Accrued bonuses | 1,013 | 1,678 | 65.6% | 665 | |
| Accrued bonuses for officers | - | 24 | - | 24 | |
| Other | 2,778 | 1,985 | (28.6%) | (793) | |
| **Current liabilities** | 41,240 | 44,920 | 8.9% | 3,679 | |
| Bonds | - | 15,000 | - | 15,000 | |
| Long term loans | 14,076 | 15,194 | 7.9% | 1,118 | |
| Long term lease obligation | 2,550 | 2,365 | (7.2%) | (184) | |
| Other | 5,292 | 4,990 | (5.7%) | (301) | |
| **Fixed liabilities** | 21,919 | 37,550 | 71.3% | 15,631 | |
| **Liabilities total** | 63,160 | 82,471 | 30.6% | 19,311 | |
| Capital stock | 1,924 | 1,924 | 0.0% | - | |
| Capital surplus | 1,464 | 1,464 | 0.0% | - | |
| Retained earnings | 77,800 | 78,649 | 1.1% | 849 | |
| Treasury stock | (4) | (4) | - | - | |
| **Shareholders equity total** | 81,184 | 82,034 | 1.0% | 849 | |
| **Total other comprehensive** | 1,647 | 1,345 | (18.4%) | (302) | |
| **Minority interests** | 1,901 | 1,899 | (0.1%) | (1) | |
| **Net assets total** | 84,734 | 85,279 | 0.6% | 545 | |
| **Liabilities / net assets total** | 147,894 | 167,750 | 13.4% | 19,856 | |

## 3. Details on Sales Increase/Decrease

■Sales results by sectors

Units: millions of yen

| | FY2014 3rd quarter results | FY2015 3rd quarter results | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Coffee beverages | 53,261 | 52,105 | (2.2%) | (1,155) | |
| Tea-flavored beverages | 12,827 | 11,956 | (6.8%) | (870) | |
| Carbonated beverages | 9,972 | 10,152 | 1.8% | 179 | |
| Fruit beverages | 5,746 | 5,233 | (8.9%) | (513) | |
| Mineral water types | 4,088 | 5,620 | 37.5% | 1,532 | |
| Functional beverages | 2,321 | 2,226 | (4.1%) | (94) | |
| Drinkable preparations | 1,435 | 1,316 | (8.3%) | (118) | |
| Other beverages | 5,759 | 5,608 | (2.6%) | (150) | |
| **Total of Beverage Sales Division** | **95,411** | **94,220** | **(1.2%)** | **(1,190)** | |
| **Total of OEM Beverage Production Division** | **7,557** | **6,421** | **(15.0%)** | **(1,135)** | |
| **Total of Food Production and Sales Division** | **12,718** | **14,113** | **11.0%** | **1,395** | |
| **Total** | **115,687** | **114,755** | **(0.8%)** | **(931)** | |

■Sales results by channels

Units: millions of yen

| | FY2014 3rd quarter results | FY2015 3rd quarter results | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Vending machine channels | 81,227 | 79,835 | (1.7%) | (1,392) | |
| Other | 14,183 | 14,385 | 1.4% | 201 | |
| **Total of Beverage Sales Division** | **95,411** | **94,220** | **(1.2%)** | **(1,190)** | |

## 4. Volume of Sales Results

■Results for volume of sales by sectors

Units: 1000s of cases

| | FY2014 3rd quarter results | FY2015 3rd quarter results | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Coffee beverages | 23,778 | 23,325 | (1.9%) | (453) | |
| Tea-flavored beverages | 6,017 | 5,471 | (9.1%) | (546) | |
| Carbonated beverages | 5,028 | 4,968 | (1.2%) | (59) | |
| Fruit beverages | 2,867 | 2,590 | (9.6%) | (276) | |
| Mineral water types | 2,164 | 2,914 | 34.7% | 750 | |
| Functional beverages | 1,072 | 1,014 | (5.4%) | (57) | |
| Drinkable preparations | 343 | 309 | (10.0%) | (34) | |
| Other beverages | 2,025 | 1,745 | (13.8%) | (280) | |
| **DyDo DRINCO (non-consolidated) total** | **43,298** | **42,340** | **(2.2%)** | **(957)** | |

■Results for volume of sales by channels

Units: 1000s of cases

| | FY2014 3rd quarter results | FY2015 3rd quarter results | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Vending machine channels | 36,720 | 35,659 | (2.9%) | (1,061) | |
| Other | 6,577 | 6,680 | 1.6% | 103 | |
| **DyDo DRINCO (non-consolidated) total** | **43,298** | **42,340** | **(2.2%)** | **(957)** | |

## 5. Main Sales Expenses and Ordinary Management Costs (Consolidated／3rd Quarter)

Units: millions of yen

| | FY2014 3rd quarter results | FY2015 3rd quarter results | Year on year Difference (%) | Year on year Difference (amount) | Comment |
|---|---|---|---|---|---|
| Shipping costs | 3,592 | 3,758 | 4.6% | 166 | |
| Advertising costs | 4,684 | 4,077 | (13.0%) | (607) | |
| Sales promotion costs | 17,831 | 18,508 | 3.8% | 677 | |
| Salary and other allowances | 8,287 | 8,336 | 0.6% | 49 | |
| Other | 23,767 | 22,914 | (3.6%) | (853) | |
| **Main Sales Expenses and Ordinary Managem** | **58,162** | **57,594** | **(1.0%)** | **(567)** | |

## 6. Consolidated Highlights

Units: millions of yen

| Fiscal Year | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---|---|---|---|---|---|
| Net sales | 151,369 | 147,404 | 148,902 | 154,828 | 149,526 |
| Cost of sales | 68,927 | 67,284 | 67,976 | 70,553 | 67,553 |
| Cost of sales ratio (%) | 45.5 | 45.6 | 45.7 | 45.6 | 45.2 |
| Gross profit margin (%) | 54.5 | 54.4 | 54.3 | 54.4 | 54.8 |
| SG&A expenses to net sales (%) | 50.2 | 49.5 | 49.0 | 50.6 | 51.4 |
| Operating income | 6,539 | 7,295 | 7,934 | 6,004 | 5,174 |
| Operating margin (%) | 4.3 | 4.9 | 5.3 | 3.9 | 3.5 |
| Ordinary income | 5,809 | 6,687 | 7,725 | 5,962 | 4,470 |
| Ordinary margin (%) | 3.8 | 4.5 | 5.2 | 3.9 | 3.0 |
| Net income | 2,691 | 2,351 | 4,410 | 3,712 | 2,322 |
| Profit margin on net sales (%) | 1.8 | 1.6 | 3.0 | 2.4 | 1.6 |
| Earnings per share (yen) | 162.45 | 141.91 | 266.22 | 224.08 | 140.16 |
| Cash flow from operating activities | 14,911 | 17,540 | 16,491 | 14,764 | 13,959 |
| Cash flow from investing activities | (3,252) | (8,274) | (6,704) | (16,580) | 3,734 |
| Cash flow from financing activities | (11,964) | (11,016) | (219) | (469) | (2,561) |
| Cash and cash equivalent at end of year | 21,174 | 19,424 | 29,051 | 26,874 | 42,020 |
| Total assets | 125,497 | 128,550 | 140,487 | 146,479 | 147,894 |
| Total asset turnover (times) | 1.2 | 1.1 | 1.1 | 1.1 | 1.0 |
| Net assets | 73,049 | 74,788 | 79,097 | 82,554 | 84,734 |
| Capital adequacy ratio (%) | 57.0 | 56.9 | 55.1 | 55.1 | 56.0 |
| Inventories | 6,321 | 5,768 | 6,601 | 6,270 | 7,323 |
| Inventory turnover (times) | 24.2 | 24.4 | 24.1 | 24.1 | 22.0 |
| Current ratio (%) | 178.2 | 184.3 | 165.2 | 191.2 | 198.6 |
| Fixed ratio (%) | 79.5 | 74.2 | 90.1 | 80.5 | 79.7 |
| Total liabilities | 52,448 | 53,762 | 61,390 | 63,925 | 63,160 |
| Debt ratio (%) | 73.3 | 73.5 | 79.3 | 79.2 | 76.3 |
| Net assets per share (yen) | 4,321.26 | 4,416.66 | 4,670.18 | 4,872.53 | 4,999.88 |
| Total dividends | 828 | 828 | 994 | 994 | 994 |
| Dividend per share (yen) | 50 | 50 | 60 | 60 | 60 |
| Dividend payout ratio (%) | 30.8 | 35.2 | 22.5 | 26.8 | 42.8 |
| | | | | | |
| Numbers of shares outstanding (thousands) | 16,568 | 16,568 | 16,568 | 16,568 | 16,568 |
| Number of employees | 3,149 | 2,936 | 2,916 | 2,770 | 2,767 |
| Net sales per employee | 48.06 | 50.20 | 51.06 | 55.89 | 54.04 |
| | | | | | |
| Capital expenditure | 1,481 | 6,839 | 16,833 | 14,376 | 12,261 |
| Depreciation expenses | 12,747 | 12,350 | 11,202 | 12,080 | 12,343 |

## 7. Segment Information

**■Beverage Sales Division**

Units: millions of yen

| Fiscal Year | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---|---|---|---|---|---|
| Sales to external customers | 142,287 | 137,897 | 131,671 | 130,400 | 124,597 |
| Segment profit | 4,726 | 5,930 | 6,363 | 4,578 | 3,839 |
| Segment profit margin (%) | 3.3% | 4.3% | 4.8% | 3.5% | 3.1% |
| Capital expenditure | - | - | - | 13,741 | 11,500 |
| Depreciation expenses | 12,240 | 11,683 | 10,275 | 10,961 | 11,287 |

**■OEM Beverage Production Division**

Units: millions of yen

| Fiscal Year | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---|---|---|---|---|---|
| Sales to external customers | 9,082 | 9,507 | 10,612 | 10,154 | 9,603 |
| Segment profit | 1,813 | 1,359 | 1,558 | 1,227 | 1,135 |
| Segment profit margin (%) | 20.0% | 14.3% | 14.7% | 12.1% | 11.8% |
| Capital expenditure | - | - | - | 337 | 291 |
| Depreciation expenses | 507 | 667 | 640 | 530 | 483 |

**■Food Production and Sales Division**

Units: millions of yen

| Fiscal Year | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---|---|---|---|---|---|
| Sales to external customers | - | - | 6,617 | 14,273 | 15,325 |
| Segment profit | - | - | 3 | 205 | 198 |
| Segment profit margin (%) | - | - | 0.0% | 1.4% | 1.3% |
| Capital expenditure | - | - | - | 297 | 470 |
| Depreciation expenses | - | - | 287 | 588 | 572 |
| Goodwill amortization value | - | - | 153 | 306 | 306 |

*Making Tarami a wholly owned subsidiary in June 2012.

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

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

Units: millions of yen

| Fiscal Year | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---|---|---|---|---|---|
| Shipping costs | 4,123 | 3,940 | 4,213 | 4,607 | 4,588 |
| Advertising costs | 3,978 | 4,159 | 6,167 | 6,697 | 5,963 |
| Sales promotion costs | 19,965 | 20,103 | 21,101 | 23,203 | 23,126 |
| Salary and other allowances | 12,804 | 11,861 | 11,526 | 11,281 | 11,006 |
| Other | 35,030 | 32,759 | 29,982 | 32,480 | 32,114 |
| Main Sales Expenses and Ordinary Management Costs | 75,903 | 72,824 | 72,990 | 78,270 | 76,798 |