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DyDo

FY2017 (Year Ending January 20, 2018)
3rd Quarter
Supplementary Material for Financial Results

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November 27, 2017

DyDo GROUP HOLDINGS INC.

1. Consolidated Profit and Loss Statements

■Results

Units: millions of yen

	FY2016 3rd quarter results	FY2017 3rd quarter results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Domestic Beverage Business	97,174	97,467	0.3%	293	
International Beverage Business	13,681	14,116	3.2%	434	
Pharmaceutical-Related Business	6,967	8,091	16.1%	1,124	
Food Business	15,005	14,793	(1.4%)	(212)	
Adjustment	(595)	(563)	-	31	
Net sales	**132,233**	**133,904**	**1.3%**	**1,671**	
Domestic Beverage Business	3,645	4,680	28.4%	1,034	Expenses of about 890 million yen from the transition to a holding company
International Beverage Business	(520)	(509)	-	10	
Pharmaceutical-Related Business	780	1,052	34.8%	271	
Food Business	515	506	(1.6%)	(8)	
Adjustment	3	(917)	-	(920)	Posting of holding company expenses starting in FY2017
Operating profit	**4,424**	**4,812**	**8.8%**	**387**	
Non-operating income or expenses	(35)	461	-	497	Posting of a one-time increase in non-operating income in FY2017
Ordinary profit	**4,388**	**5,274**	**20.2%**	**885**	
Extraordinary income or losses	1,060	-	-	(1,060)	Gain of negative goodwill during FY2016
Profit before income taxes	**5,448**	**5,274**	**(3.2%)**	**(174)**	
Income taxes, etc.	1,581	2,156	36.4%	575	
Profit	3,867	3,117	(19.4%)	(750)	
Profit (loss) attributable to non-controlling interests	78	(20)	-	(99)	
Profit attributable to owners of parent	**3,788**	**3,138**	**(17.2%)**	**(650)**	

■Full year forecast

Units: millions of yen

	FY2016 Results	FY2017 Forecast	Year on year Difference (%)	Year on year Difference (amount)	Comment
Domestic Beverage Business	128,278	126,600	(1.3%)	(1,678)	
International Beverage Business	16,735	17,680	5.6%	945	
Pharmaceutical-Related Business	9,068	10,500	15.8%	1,432	
Food Business	18,013	17,900	(0.6%)	(113)	
Adjustment	(695)	(680)	-	15	
Net sales	**171,401**	**172,000**	**0.3%**	**599**	
Domestic Beverage Business	3,958	4,460	12.7%	502	Expenses of about 1,160 million yen from the transition to a holding company
International Beverage Business	(1,266)	(800)	-	466	
Pharmaceutical-Related Business	944	1,250	32.4%	306	
Food Business	212	350	65.1%	138	
Adjustment	9	(1,160)	-	(1,169)	Posting of holding company expenses starting in FY2017
Operating profit	**3,857**	**4,100**	**6.3%**	**243**	
Ordinary profit	**3,741**	**4,300**	**14.9%**	**559**	
Profit attributable to owners of parent	**3,269**	**2,600**	**(20.5%)**	**(669)**	

2. Consolidated Balance Sheets

■Results

Units: millions of yen

	FY2016	FY2017	Vs. FY2016 End of term results		Comment
	End of term results	3rd quarter results	Difference (%)	Difference (amount)	
Cash and deposits	48,113	42,753	(11.1%)	(5,359)	
Notes and accounts receivable -trade	17,955	22,824	27.1%	4,869	
Securities	12,100	18,003	48.8%	5,903	
Inventories	8,470	9,876	16.6%	1,405	
Other	4,938	4,994	1.1%	55	
Current assets	91,578	98,452	7.5%	6,873	
Tools, furniture and fixtures, net	19,059	17,935	(5.9%)	(1,123)	
Other, net	17,176	16,630	(3.2%)	(545)	
Property, plant and equipment	36,236	34,566	(4.6%)	(1,669)	
Goodwill	7,188	6,741	(6.2%)	(447)	
Other	7,413	6,896	(7.0%)	(516)	
Intangible assets	14,602	13,638	(6.6%)	(963)	
Investment securities	15,440	19,323	25.2%	3,883	
Other	6,013	5,564	(7.5%)	(449)	
Investments and other assets	21,454	24,887	16.0%	3,433	
Non-current assets	72,292	73,093	1.1%	801	
Total assets	163,870	171,545	4.7%	7,675	

Units: millions of yen

	FY2016	FY2017	Vs. FY2016 End of term results		Comment
	End of term results	3rd quarter results	Difference (%)	Difference (amount)	
Notes and accounts payable - trade	19,908	24,785	24.5%	4,876	
Short-term loans payable	6,935	4,721	(31.9%)	(2,214)	
Accounts payable -other	11,158	10,650	(4.6%)	(507)	
Income taxes payable	776	1,491	92.0%	714	
Provision for bonuses	1,112	1,892	70.1%	780	
Provision for directors' bonuses	-	33	-	33	
Other	4,616	3,646	(21.0%)	(970)	
Current liabilities	44,508	47,220	6.1%	2,712	
Bonds payable	15,000	15,000	-	-	
Long-term loans payable	10,193	11,949	17.2%	1,756	
Other	8,475	8,861	4.6%	386	
Non-current liabilities	33,668	35,811	6.4%	2,143	
Total liabilities	78,176	83,032	6.2%	4,855	
Capital stock	1,924	1,924	-	-	
Capital surplus	1,084	1,031	(4.9%)	(53)	
Retained earnings	80,835	82,979	2.7%	2,144	
Treasury shares	(4)	(552)	-	(548)	
Total shareholders' equity	83,840	85,382	1.8%	1,542	
Accumulated other comprehensive income	241	1,593	559.4%	1,351	
Non-Controlling Interests	1,611	1,537	(4.6%)	(74)	
Total net assets	85,693	88,513	3.3%	2,819	
Total liabilities and net asset	163,870	171,545	4.7%	7,675	

3. Details on Sales Increase/Decrease

■Sales results by categories

Units: millions of yen

	FY2016 3rd quarter results	FY2017 3rd quarter results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Coffee beverages	53,693	53,825	0.2%	131	
Tea-flavored beverages	12,557	13,277	5.7%	719	Strong sales of "Calolimit" series
Carbonated beverages	10,490	9,683	(7.7%)	(806)	
Mineral water types	5,774	6,257	8.4%	483	
Fruit beverages	5,142	5,531	7.6%	388	
Sports Drinks	2,367	2,153	(9.0%)	(214)	
Drinkable preparations	1,275	1,219	(4.4%)	(55)	
Other beverages	5,872	5,518	(6.0%)	(353)	
Total of Domestic Beverage Business	**97,174**	**97,467**	**0.3%**	**293**	
Total of International Beverage Business	**13,681**	**14,116**	**3.2%**	**434**	
Total of Pharmaceutical-Related Business	**6,967**	**8,091**	**16.1%**	**1,124**	
Total of Food Business	**15,005**	**14,793**	**(1.4%)**	**(212)**	
Adjustment	**(595)**	**(563)**	**-**	**31**	
Total	**132,233**	**133,904**	**1.3%**	**1,671**	

■Sales results by channels

Units: millions of yen

	FY2016 3rd quarter results	FY2017 3rd quarter results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Vending machine channels	81,849	81,018	(1.0%)	(831)	
Other	15,324	16,449	7.3%	1,124	
Total of Domestic Beverage Business	**97,174**	**97,467**	**0.3%**	**293**	

4. Volume of Sales Results

■Results for volume of sales by categories

Units: 1000s of cases

	FY2016 3rd quarter results	FY2017 3rd quarter results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Coffee beverages	24,384	24,635	1.0%	251	
Tea-flavored beverages	5,771	6,074	5.2%	302	Strong sales of "Calolimit" series
Carbonated beverages	5,143	4,717	(8.3%)	(425)	
Mineral water types	2,989	3,228	8.0%	238	
Fruit beverages	2,547	2,704	6.2%	157	
Sports Drinks	1,086	969	(10.8%)	(117)	
Drinkable preparations	296	280	(5.4%)	(16)	
Other beverages	1,707	1,379	(19.2%)	(327)	
Total of Domestic Beverage Business	**43,927**	**43,992**	**0.1%**	**64**	

■Results for volume of sales by channels

Units: 1000s of cases

	FY2016 3rd quarter results	FY2017 3rd quarter results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Vending machine channels	37,107	36,621	(1.3%)	(486)	
Other	6,820	7,371	8.1%	550	
Total of Domestic Beverage Business	**43,927**	**43,992**	**0.1%**	**64**	

5. Main SG&A Expenses (Consolidated／3rd Quarter)

Units: millions of yen

	FY2016 3rd quarter results	FY2017 3rd quarter results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Shipment expenses	5,139	5,432	5.7%	293	
Advertising expenses	4,986	4,363	(12.5%)	(623)	
Promotion expenses	20,110	19,772	(1.7%)	(338)	
Salaries and allowances	8,901	9,393	5.5%	491	
Other	25,354	25,469	0.5%	115	
Main SG&A Expenses	**64,493**	**64,432**	**(0.1%)**	**(61)**	

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 prifit	7,934	6,004	5,174	4,988	3,857
Operating margin (%)	5.3	3.9	3.5	3.3	2.3
Ordinary profit	7,725	5,962	4,470	4,262	3,741
Ordinary margin (%)	5.2	3.9	3.0	2.8	2.2
Profit 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
Return on assets(%)	5.7	4.2	3.0	2.7	2.3
Return on equity(%)	5.9	4.7	2.8	2.8	3.9
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 equivalents 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
Salaries 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**