MEGMILK SNOW BRAND

Consolidated Financial Results for the Year Ended March 31, 2018
(Prepared pursuant to Japanese GAAP)

May 10, 2018

Company name: MEGMILK SNOW BRAND Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange (First Section), Sapporo Securities Exchange
Stock code: 2270
URL: http://www.meg-snow.com
Representative: Keiji Nishio, Representative Director and President
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Scheduled dates
Annual general meeting of shereholders: June 27,2018
Dividend payout: June 7,2018
Filing of fiscal year-end financial report: June 27,2018
Supplementary materials to fiscal year-end financial results available: Yes
Fisical year-end earnings presentation held: Yes(targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Results for the Fiscal Year Ended March 31, 2018
(April 1, 2017 – March 31, 2018)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Year ended March 31, 2018	596,158	1.4	19,363	3.3	20,996	3.6	13,386	3.1
Year ended March 31, 2017	587,935	1.7	18,753	33.9	20,269	42.5	12,988	(13.7)

Note: Comprehensive income: Year Ended March 31, 2018 : 14,516 million yen (-4.4%)
Year Ended March 31, 2017 : 15,180 million yen (24.0%)

	Profit per share – basic	Profit per share – diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Year ended March 31, 2018	197.36	—	9.0	6.0	3.2
Year ended March 31, 2017	191.48	—	9.5	5.9	3.2

For reference: Equity in earnings of affiliates: Year Ended March 31,2018: 837 million yen
Year Ended March 31,2017: 585 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net asset per share
	millions of yen	millions of yen	%	yen
March 31, 2018	352,905	157,338	43.9	2,286.11
March 31, 2017	341,507	145,485	41.9	2,110.80

For reference:
Equity: March 31, 2018 : 155,021 million yen
March 31, 2017 : 143,179 million yen

(3) Consolidated Cash Flow Position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalent at end of period
	millions of yen	millions of yen	millions of yen	millions of yen
Year ended March 31, 2018	22,817	(11,799)	(12,904)	14,076
Year ended March 31, 2017	29,934	(14,408)	(14,376)	15,940

2. Dividends

	Cash dividends per share					Total dividends paid	Payout ratio (consolidated)	Dividends to net assets (consolidated)
Record date or period	End-Q1	End-Q2	End-Q3	End-Q4	Total			
	yen	yen	yen	yen	yen	millions of yen	%	%
Year ended March 31,2017	—	—	—	40.00	40.00	2,713	20.9	2.0
Year ending March 31,2018	—	—	—	40.00	40.00	2,712	20.3	1.8
Year ending March 31,2019 (forecast)	—	—	—	40.00	40.00		20.1	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2019
(April 1, 2018 – March 31, 2019)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Second quarter-end(Cumulative)	308,000	1.5	9,700	(12.4)	10,000	(15.1)	7,100	(1.2)	104.70
Full Year	605,000	1.5	19,000	(1.9)	20,000	(4.7)	13,500	0.9	199.09

Notes
(1) Material reclassifications of subsidiaries during the period: None

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
1) Changes in accordance with amendments to accounting standards, etc.: None
2) Changes other than noted in 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Common stock issued

1) Issued shares as of period-end (including treasury stock)

March 31, 2018	70,751,855 shares
March 31, 2017	70,751,855 shares

2) Treasury stock as of period-end

March 31, 2018	2,941,743 shares
March 31, 2017	2,919,856 shares

3) Average number of shares (during the respective period)

Year ended March 31, 2018	67,825,318 shares
Year ended March 31, 2017	67,834,753 shares

*This summary of financial statements is not subject to audit by certified public accountant

*Appropriate Use of Earnings Forecasts and Other Important Information

(Earnings Forecasts)

Business forecasts contained in this report are based on the assumptions of management in the light of information available as of the release of this report. MEGMILK SNOW BRAND makes no assurances as to the actual results, which may differ from forecasts due to various factors such as changes in the business environment.

The Company has scheduled an earnings presentation aimed at analysts and institutional investor on Thursday,May 10,2018,and intends to publish the presentation handout materials on its website on the same date of the event.