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DyDo

FY2019 (Year Ending January 20, 2020) 2nd Quarter Supplementary Material for Financial Results

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August 27, 2019

DyDo GROUP HOLDINGS INC.

1. Consolidated Statement of Income

■Results

Units: millions of yen

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Domestic Beverage Business	62,373	60,809	(2.5%)	(1,563)	
International Beverage Business	8,988	8,009	(10.9%)	(979)	
Pharmaceutical-Related Business	5,561	5,753	3.5%	192	
Food Business	10,387	11,268	8.5%	880	
Adjustment	(320)	(402)	-	(81)	
Net sales	**86,990**	**85,438**	**(1.8%)**	**(1,551)**	
Domestic Beverage Business	3,417	1,675	(51.0%)	(1,742)	
International Beverage Business	(393)	133	-	526	
Pharmaceutical-Related Business	663	358	(46.0%)	(305)	
Food Business	279	574	105.5%	294	
Adjustment	(686)	(707)	-	(20)	
Operating profit	**3,279**	**2,033**	**(38.0%)**	**(1,246)**	
Non-operating expenses (income)	(35)	(247)	-	(211)	
Ordinary profit	**3,243**	**1,785**	**(45.0%)**	**(1,458)**	
Extraordinary loss(income)	(40)	47	-	87	
Profit before income taxes	**3,203**	**1,832**	**(42.8%)**	**(1,371)**	
Income taxes	1,381	564	(59.1%)	(817)	
Profit	**1,822**	**1,268**	**(30.4%)**	**(553)**	
Profit (loss) attributable to non-controlling interests	(27)	41	-	68	
Profit attributable to owners of parent	**1,849**	**1,226**	**(33.7%)**	**(622)**	

■SG&A Expenses

Units: millions of yen

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Shipment expenses	3,735	3,771	1.0%	35	
Advertising expenses	2,912	2,999	3.0%	87	
Promotion expenses	13,178	13,736	4.2%	557	
Salaries and allowances	6,205	6,293	1.4%	88	
Other	15,428	15,458	0.2%	30	
SG&A Expenses	**41,460**	**42,259**	**1.9%**	**799**	

■Full year forecast

Units: millions of yen

	FY2018 Results	FY2019 Forecast	Year on year Difference (%)	Year on year Difference (amount)	Comment
Domestic Beverage Business	124,879	122,350	(2.0%)	(2,529)	
International Beverage Business	17,154	16,800	(2.1%)	(354)	
Pharmaceutical-Related Business	10,964	11,550	5.3%	585	
Food Business	19,114	19,850	3.8%	735	
Adjustment	(559)	(550)	-	9	
Net sales	**171,553**	**170,000**	**(0.9%)**	(1,553)	
Domestic Beverage Business	7,106	4,945	(30.4%)	(2,161)	
International Beverage Business	(704)	(347)	-	357	
Pharmaceutical-Related Business	847	636	(25.0%)	(211)	
Food Business	235	366	55.3%	130	
Adjustment	(1,413)	(2,200)	-	(786)	
Operating profit	**6,071**	**3,400**	**(44.0%)**	(2,671)	
Ordinary profit	**5,998**	**3,700**	**(38.3%)**	(2,298)	
Profit attributable to owners of parent	**3,856**	**2,400**	**(37.8%)**	(1,456)	

2. Sales Results in the Domestic Beverage Business

■Sales results by categories

Units: millions of yen

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Coffee beverages	34,149	30,926	(9.4%)	(3,222)	
Tea-flavored beverages	8,791	9,642	9.7%	850	
Carbonated beverages	5,909	6,463	9.4%	553	
Mineral water types	4,182	3,703	(11.4%)	(478)	
Fruit beverages	2,722	3,323	22.1%	600	
Sports Drinks	1,115	923	(17.2%)	(192)	
Drinkable preparations	743	668	(10.1%)	(75)	
Other beverages	4,758	5,158	8.4%	399	
Domestic Beverage Business	**62,373**	**60,809**	**(2.5%)**	**(1,563)**	

■Sales results by channels*

Units: millions of yen

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Vending machine	51,809	49,111	(5.2%)	(2,697)	
Other	10,564	11,698	10.7%	1,134	
Total	**62,373**	**60,809**	**(2.5%)**	**(1,563)**	

*Sales to overseas affiliates (cancelled by means of internal transactions in consolidated accounts) were transferred to "Other" in FY2019. This classification has been applied retroactively to FY2018 figures.

3. Volume of Sales Results in the Domestic Beverage Business

■By categories

Units: 1000s of cases

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Coffee beverages	15,660	13,965	(10.8%)	(1,695)	
Tea-flavored beverages	4,049	4,578	13.1%	529	
Carbonated beverages	2,856	3,175	11.2%	318	
Mineral water types	2,197	1,929	(12.2%)	(267)	
Fruit beverages	1,307	1,606	22.9%	298	
Sports Drinks	516	435	(15.5%)	(80)	
Drinkable preparations	171	153	(10.5%)	(17)	
Other beverages	1,203	1,161	(3.5%)	(42)	
Total	**27,962**	**27,006**	**(3.4%)**	**(955)**	

■By sales channels

Units: 1000s of cases

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Vending machine	23,372	22,085	(5.5%)	(1,286)	
Other	4,589	4,920	7.2%	330	
Total	**27,962**	**27,006**	**(3.4%)**	**(955)**	

4. Segment Information(2nd Quarter)

■Domestic Beverage Business

Units: millions of yen

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Sales*	62,373	60,809	(2.5%)	(1,563)	
Segment profit	3,417	1,675	(51.0%)	(1,742)	
Segment profit margin (%)	5.5%	2.8%	-	△2.7%	
Capital expenditure	4,108	4,003	(2.6%)	(104)	
Depreciation	4,143	3,648	(12.0%)	(495)	

■International Beverage Business

Units: millions of yen

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Sales*	8,988	8,009	(10.9%)	(979)	
Segment profit	(393)	133	–	526	
Segment profit margin (%)	-	1.7%	-	–	
Capital expenditure	399	176	(55.8%)	(222)	
Depreciation	379	336	(11.4%)	(43)	
Amortization of goodwill	144	107	(26.0%)	(37)	

■Pharmaceutical-Related Business

Units: millions of yen

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Sales*	5,561	5,753	3.5%	192	
Segment profit	663	358	(46.0%)	(305)	
Segment profit margin (%)	11.9%	6.2%	-	△5.7%	
Capital expenditure	805	3,314	311.4%	2,509	
Depreciation	298	249	(16.6%)	(49)	

■Food Business

Units: millions of yen

	FY2018 2Q Results	FY2019 2Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Sales*	10,387	11,268	8.5%	880	
Segment profit	279	574	105.5%	294	
Segment profit margin (%)	2.7%	5.1%	-	2.4%	
Capital expenditure	353	919	159.9%	565	
Depreciation	341	375	9.9%	33	
Amortization of goodwill	176	176	-	-	

* Including intersegment sales.

5. Segment Information（Changes by Year）

■Domestic Beverage Business*1

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017*2	FY2018
Sales*3	124,597	124,192	128,278	126,712	124,879
Segment profit	3,839	3,745	3,958	5,542	7,106
Segment profit margin (%)	3.1%	3.0%	3.1%	4.4%	5.7%
Capital expenditure	11,500	9,788	7,017	6,505	6,712
Depreciation	11,287	10,657	10,643	9,246	8,062
ROA(%)	3.0%	2.7%	3.1%	10.3%	13.8%

■International Beverage Business*1

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018
Sales*3	-	-	16,735	18,547	17,154
Segment profit	-	-	(1,266)	(838)	(704)
Segment profit margin (%)	-	-	-	-	-
Capital expenditure	-	-	1,882	842	539
Depreciation	-	-	907	918	675
Amortization of goodwill	-	-	182	171	114
ROA(%)	-	-	-	-	-

■Pharmaceutical-Related Business

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018
Sales*3	10,220	9,126	9,068	10,536	10,964
Segment profit	1,135	979	944	1,271	847
Segment profit margin (%)	11.1%	10.7%	10.4%	12.1%	7.7%
Capital expenditure	291	298	423	1,248	3,953
Depreciation	483	459	430	517	624
ROA(%)	8.3%	7.2%	6.6%	8.0%	4.9%

■Food Business

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018
Sales*3	15,360	17,155	18,013	17,560	19,114
Segment profit	198	259	212	219	235
Segment profit margin (%)	1.3%	1.5%	1.2%	1.2%	1.2%
Capital expenditure	470	595	742	465	941
Depreciation	572	587	632	656	683
Amortization of goodwill	306	306	298	298	298
ROA(%)	2.3%	1.5%	1.2%	1.2%	1.3%

*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.

6. Consolidated Highlights(Changes by Year)

■Consolidated Statement of Income

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018
Net sales	149,526	149,856	171,401	172,684	171,553
Cost of sales	67,553	68,859	81,947	83,420	83,026
Gross profit	81,972	80,996	89,454	89,263	88,527
SG&A expenses	76,798	76,008	85,596	84,372	82,455
Operating profit	5,174	4,988	3,857	4,891	6,071
Ordinary profit	4,470	4,262	3,741	5,382	5,998
Profit attributable to owners of parent	2,322	2,347	3,269	2,504	3,856

■Main SG&A Expenses

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018
Shipment expenses	4,588	4,803	6,572	7,066	7,208
Advertising expenses	5,963	5,096	6,190	5,494	5,685
Promotion expenses	23,126	24,128	26,368	25,917	26,254
Salaries and allowances	11,006	11,143	11,893	12,424	12,446

■Equipment

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018
Capital expenditure	12,261	10,681	10,037	9,454	12,635
Depreciation	12,343	11,704	12,611	11,860	10,396

■Assets/Employees

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018*
Total assets	147,894	163,697	163,870	171,147	171,632
Net assets	84,734	85,181	85,693	90,927	93,940
Number of employees(person)	2,767	2,887	3,602	3,771	3,912

■Cash flow

Units: millions of yen

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018
Cash flows from operating activities	13,959	14,603	15,309	14,308	10,851
Cash flows from investing activities	3,734	(8,090)	(20,560)	(8,947)	(16,876)
Cash flows from financing activities	(2,561)	12,412	(9,445)	△3,843	(2,618)
Cash and cash equivalents at end of year	42,020	60,898	46,120	47,520	38,413

■Financial index

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018*
Gross profit margin (%)	54.8	54.0	52.2	51.7	51.6
Operating margin (%)	3.5	3.3	2.3	2.8	3.5
Profit margin on net sales (%)	1.6	1.6	1.9	1.5	2.2
Total asset turnover (times)	1.0	0.9	1.0	1.0	1.0
Inventory turnover (times)	22.0	21.0	22.2	19.9	19.4
Capital adequacy ratio (%)	56.0	51.0	51.0	52.0	54.0
Return on assets(%)	3.0	2.7	2.3	3.2	3.5
Return on equity(%)	2.8	2.8	3.9	2.9	4.2

■Information per share

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018*
Earnings per share (yen)	140.16	141.68	197.34	151.73	234.15
Book-value per share (yen)	4,999.88	5,022.16	5,075.31	5,430.20	5,628.56
Dividend per share (yen)	60	60	60	60	60
Dividend payout ratio(%)	42.8	42.3	30.4	39.5	25.6

* Changes in accounting practices, including Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018), have been applied starting with the beginning of the first quarterly consolidated accounting period of FY2019.
The changes have also been applied retroactively to figures for FY2018 end-of-year performance in the above table.