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FY2019 (Year Ending January 20, 2020) 3rd Quarter Supplementary Material for Financial Results

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November 26, 2019

DyDo GROUP HOLDINGS INC.

1. Consolidated Statement of Income

■Results

Units: millions of yen

	FY2018 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Domestic Beverage Business	95,536	93,146	(2.5%)	(2,389)	
International Beverage Business	14,001	12,709	(9.2%)	(1,292)	
Pharmaceutical-Related Business	8,199	8,606	5.0%	407	
Food Business	15,934	17,022	6.8%	1,088	
Other	-	-	-	-	
Adjustment	△ 441	△ 560	-	△ 118	
Net sales	**133,229**	**130,925**	**△1.7%**	**△ 2,304**	
Domestic Beverage Business	6,097	3,421	△43.9%	△ 2,676	
International Beverage Business	△ 362	254	-	616	
Pharmaceutical-Related Business	795	427	△46.3%	△ 368	
Food Business	454	848	86.5%	393	
Other	-	△ 103	-	△ 103	
Adjustment	△ 986	△ 877	-	109	
Operating profit	**5,998**	**3,969**	**△33.8%**	**△ 2,028**	
Non-operating expenses (income)	△ 246	90	-	336	
Ordinary profit	**5,752**	**4,059**	**△29.4%**	**△ 1,692**	
Extraordinary loss(income)	△ 40	396	-	436	
Profit before income taxes	**5,712**	**4,456**	**△22.0%**	**△ 1,255**	
Income taxes	2,299	1,488	△35.3%	△ 810	
Profit	**3,412**	**2,967**	**△13.0%**	**△ 445**	
Profit (loss) attributable to non-controlling interests	△ 20	88	-	108	
Profit attributable to owners of parent	**3,432**	**2,879**	**△16.1%**	**△ 553**	

■SG&A Expenses

Units: millions of yen

	FY2018 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Shipment expenses	5,669	5,721	0.9%	51	
Advertising expenses	4,427	4,334	(2.1%)	(93)	
Promotion expenses	20,062	20,882	4.1%	820	
Salaries and allowances	9,353	9,829	5.1%	475	
Other	23,041	23,005	(0.2%)	(36)	
SG&A Expenses	**62,555**	**63,772**	**1.9%**	**1,217**	

■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	
Other	-	-	-	-	
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	
Other	-	(600)	-	(600)	
Adjustment	(1,413)	(1,600)	-	(186)	
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 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Coffee beverages	50,148	45,599	(9.1%)	(4,549)	
Tea-flavored beverages	13,698	15,251	11.3%	1,552	
Carbonated beverages	9,224	10,155	10.1%	930	
Mineral water types	6,950	6,186	(11.0%)	(764)	
Fruit beverages	4,313	5,279	22.4%	966	
Sports Drinks	2,389	1,904	(20.3%)	(485)	
Drinkable preparations	1,144	1,029	(10.0%)	(114)	
Other beverages	7,665	7,739	1.0%	74	
Domestic Beverage Business	**95,536**	**93,146**	**(2.5%)**	**(2,389)**	

■Sales results by channels*

Units: millions of yen

	FY2018 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Vending machine	79,374	75,207	(5.2%)	(4,166)	
Other	16,161	17,939	11.0%	1,777	
Total	**95,536**	**93,146**	**(2.5%)**	**(2,389)**	

*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 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Coffee beverages	22,995	20,591	(10.5%)	(2,404)	
Tea-flavored beverages	6,269	7,231	15.3%	962	
Carbonated beverages	4,318	4,816	11.5%	497	
Mineral water types	3,595	3,198	(11.1%)	(397)	
Fruit beverages	2,062	2,512	21.8%	449	
Sports Drinks	1,098	878	(20.0%)	(219)	
Drinkable preparations	262	234	(10.7%)	(28)	
Other beverages	2,029	1,749	(13.8%)	(280)	
Total	**42,632**	**41,211**	**(3.3%)**	**(1,420)**	

■By sales channels

Units: 1000s of cases

	FY2018 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Vending machine	35,639	33,679	(5.5%)	(1,960)	
Other	6,992	7,532	7.7%	539	
Total	**42,632**	**41,211**	**(3.3%)**	**(1,420)**	

4. Segment Information(3rd Quarter)

■Domestic Beverage Business

Units: millions of yen

	FY2018 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Sales*	95,536	93,146	(2.5%)	(2,389)	
Segment profit	6,097	3,421	(43.9%)	(2,676)	
Segment profit margin (%)	6.4%	3.7%	-	△2.7%	
Capital expenditure	5,505	5,445	(1.1%)	(60)	
Depreciation	6,134	5,416	(11.7%)	(717)	

■International Beverage Business

Units: millions of yen

	FY2018 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Sales*	14,001	12,709	(9.2%)	(1,292)	
Segment profit	(362)	254	–	616	
Segment profit margin (%)	-	2.0%	-	–	
Capital expenditure	418	266	(36.4%)	(152)	
Depreciation	525	500	(4.8%)	(25)	
Amortization of goodwill	197	158	(19.7%)	(38)	

■Pharmaceutical-Related Business

Units: millions of yen

	FY2018 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Sales*	8,199	8,606	5.0%	407	
Segment profit	795	427	(46.3%)	(368)	
Segment profit margin (%)	9.7%	5.0%	-	△4.7%	
Capital expenditure	3,323	6,897	107.5%	3,573	
Depreciation	456	404	(11.4%)	(52)	

■Food Business

Units: millions of yen

	FY2018 3Q Results	FY2019 3Q Results	Year on year Difference (%)	Year on year Difference (amount)	Comment
Sales*	15,934	17,022	6.8%	1,088	
Segment profit	454	848	86.5%	393	
Segment profit margin (%)	2.9%	5.0%	-	2.1%	
Capital expenditure	394	986	150.0%	591	
Depreciation	510	569	11.6%	59	
Amortization of goodwill	264	264	-	-	

* 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	50.8	51.3	52.3	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.