



Supplementary Materials for the First Quarter Fiscal Year Ending March 31, 2018

August 9, 2017



MORINAGA MILK INDUSTRY CO., LTD.

Consolidated Financial results summary

(Millions of yen)

	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016	FY2017 1Q	YOY	FY2017E	YOY
Net sales	153,491	315,681	461,383	592,617	153,880	0.3%	600,000	1.2%
Cost of sales	103,192	210,996	307,964	399,286	103,115	-0.1%		
(% of sales)	67.2%	66.8%	66.7%	67.4%	100.0%	-		
Gross profit	50,298	104,685	153,418	193,330	50,765	0.9%		
SGA expenses	43,002	89,053	130,418	172,231	42,696	-0.7%		
(% of sales)	28.0%	28.2%	28.3%	29.1%	41.4%	-		
Sales promotion/advatise	18,264			74,041	17,568	-3.8%		
R&D	1,190			5,362	1,091	-8.3%		
Operating income	7,296	15,631	22,511	21,099	8,069	10.6%	21,500	1.9%
(% of sales)	4.8%	5.0%	4.9%	3.6%	5.2%	-	3.6%	-
Ordinary income	7,614	16,063	23,297	21,960	8,710	14.4%	22,300	1.5%
(% of sales)	5.0%	5.1%	5.0%	3.7%	8.4%	-	3.7%	-
Income before income taxes	6,785	14,704	21,328	19,153	11,205	65.1%		
Profit attributable to owners of parent	4,422	10,058	14,774	13,202	7,628	72.5%	14,000	6.0%
(% of sales)	2.9%	3.2%	3.2%	2.2%	7.4%	-	2.3%	-

Net Sales & Operating Income by Business Field

Sales

(Millions of yen)

	FY2016					FY2017					
	Apr-Jun	Apr-Sep	Apr-Dec	Full year	YOY	Apr-Jun	YOY	Apr-Sep E	YOY	Full year E	YOY
B-to-B business	22,785	45,463	69,536	90,590	-0.6%	23,921	5.0%	46,000	1.2%	92,500	2.1%
International business	5,647	10,218	15,360	21,844	0.5%	5,738	1.6%	11,500	12.5%	24,000	9.9%
Health and Nutritional Food Business	11,505	23,331	36,283	47,180	7.0%	12,104	5.2%	23,500	0.7%	48,000	1.7%
B-to-C business	88,082	178,492	258,618	330,527	-5.5%	84,908	-3.6%	179,000	0.3%	332,500	0.6%
Other/Eliminated	25,471	58,177	81,587	102,476	8.1%	27,210	6.8%	58,000	-0.3%	103,000	0.5%
Total	153,491	315,682	461,384	592,617	-1.5%	153,881	0.3%	318,000	0.7%	600,000	1.2%

Operating income

(Millions of yen)

	FY2016					FY2017					
	Apr-Jun	Apr-Sep	Apr-Dec	Full year	YOY	Apr-Jun	YOY	Apr-Sep E	YOY	Full year E	YOY
B-to-B business	1,317	2,768	4,946	5,925	20.2%	1,507	14.4%	2,800	1.2%	6,000	1.3%
(% of sales)	5.8%	6.1%	7.1%	6.5%	-	6.3%	-	6.1%	-	-	-
International business	202	399	592	469	-	-89	-	400	0.3%	400	-14.7%
(% of sales)	3.6%	3.9%	3.9%	2.1%	-	-1.5%	-	3.5%	-	-	-
Health and Nutritional Food Business	802	1,532	2,785	2,525	31.1%	782	-2.5%	1,600	4.4%	2,700	6.9%
(% of sales)	7.0%	6.6%	7.7%	5.4%	-	6.5%	-	6.8%	-	-	-
B-to-C business	4,352	9,544	11,967	10,113	71.2%	4,899	12.6%	9,800	2.7%	10,500	3.8%
(% of sales)	4.9%	5.3%	4.6%	3.1%	-	5.8%	-	5.5%	-	-	-
Other/Eliminated	623	1,388	2,221	2,068	32.5%	971	55.9%	1,400	0.9%	1,900	-8.1%
(% of sales)	2.4%	2.4%	2.7%	2.0%	-	3.6%	-	2.4%	-	-	-
Total	7,297	15,632	22,511	21,099	47.4%	8,069	10.6%	16,000	2.4%	21,500	1.9%
(% of sales)	4.8%	5.0%	4.9%	3.6%	-	5.2%	-	5.0%	-	3.6%	-

Net Sales by Product Field in B-to-C Business (Non-consolidated)

(Billions of yen)

	FY2016					FY2017					
	Apr-Jun	Apr-Sep	Apr-Dec	Full year	YOY	Apr-Jun	YOY	Apr-Sep E	YOY	Full year E	YOY
Chilled cup-type drinks	11.8	24.1	34.0	42.3	-4%	11.3	-3%	25.0	4%	45.0	7%
Chilled tea	3.9	8.3	12.0	15.3	-9%	3.7	-5%	8.0	-3%	14.5	-5%
Ice cream	13.3	30.2	39.4	47.1	3%	13.9	4%	31.0	3%	49.0	4%
Yogurt	14.0	27.0	39.2	51.4	2%	13.2	-5%	27.5	2%	53.5	4%
Cheese	8.1	15.7	24.3	32.0	1%	8.4	4%	16.5	5%	33.5	5%
Milk	15.3	31.3	45.5	59.2	-5%	14.6	-4%	31.5	1%	59.0	0%
Chilled desserts	3.8	7.4	10.9	14.3	-19%	3.6	-6%	7.5	2%	14.5	2%
Commercial milk (home deliveries, etc.)	5.7	11.2	16.9	22.1	-3%	5.7	0%	11.5	3%	22.5	2%