



Supplementary Information

Three months ended June 30, 2022

(April 1, 2022 to June 30, 2022)

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MEGMILK SNOW BRAND Co., Ltd.

1. Quarterly Consolidated Statements of Income (Result/Forecast)

(The consolidated earnings forecasts released on May 13, 2022, have been revised.)

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	Result for the year ending March 31, 2023 (FY2022)														【Forecast】 Year ending March 31, 2023 (FY2022)							
	1st quarter-end				2nd quarter-end (cumulative)				3rd quarter-end (cumulative)				4th quarter-end (cumulative)				2nd quarter-end (cumulative)			Full year		
	FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		Amount	Net change		Amount	Net change	
			Amount	YOY (%)			Amount	YOY (%)			Amount	YOY (%)			Amount	YOY (%)		Amount	YOY (%)		Amount	YOY (%)
Net sales	1,428	1,413	(14)	(1.0)	2,869				4,276				5,584				2,880	10	0.4	5,750	165	3.0
Cost of sales	1,180	1,183	3	0.3	2,391				3,576				4,689									
Vs. Sales (%)	82.7	83.8			83.4				83.6				84.0									
Selling, general and administrative expenses	182	189	7	4.2	355				535				713									
Vs. Sales (%)	12.8	13.4			12.4				12.5				12.8									
Operating profit	65	39	(25)	(39.0)	122				164				180				70	(52)	(42.7)	140	(40)	(22.5)
Vs. Sales (%)	4.6	2.8			4.3				3.8				3.2				2.4			2.4		
Non-operating income	9	9	(0)	(0.1)	15				23				29									
Non-operating expenses	2	2	0	14.5	4				6				10									
Ordinary profit	72	46	(25)	(35.5)	132				181				199				65	(67)	(51.0)	155	(44)	(22.5)
Vs. Sales (%)	5.1	3.3			4.6				4.2				3.6				2.3			2.7		
Extraordinary income	0	0	0	2,981.4	0				0				0									
Extraordinary loss	3	26	22	621.7	9				16				27									
Profit before income taxes	68	20	(48)	(69.8)	123				164				172									
Vs. Sales (%)	4.8	1.5			4.3				3.8				3.1									
Income taxes	20	6	(13)	(66.4)	36				47				49									
Profit (loss) attributable to non-controlling interests	0	0	0	6.8	0				1				1									
Profit attributable to owners of parent	48	13	(34)	(72.0)	85				115				120				22	(63)	(74.3)	93	(27)	(22.9)
Vs. Sales (%)	3.4	1.0			3.0				2.7				2.2				0.8			1.6		

2. Quarterly Consolidated Sales and Operating Profit by Product of Each Segment (Result/Forecast)

(The consolidated earnings forecasts released on May 13, 2022, have been revised.)

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	Result for the year ending March 31, 2023 (FY2022)														【Forecast】 Year ending March 31, 2023 (FY2022)							
	1st quarter-end				2nd quarter-end (cumulative)				3rd quarter-end (cumulative)				4th quarter-end (cumulative)				2nd quarter-end (cumulative)			Full year		
	FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		Amount	Net change		Amount	Net change	
			Amount	YOY (%)			Amount	YOY (%)			Amount	YOY (%)			Amount	YOY (%)		Amount	YOY (%)		Amount	YOY (%)
[Net sales]																						
Butter	53	57	3	7.0	103				171				224				115	12	11.9	250	26	11.9
Margarine	21	20	(0)	(4.2)	41				62				82				38	(2)	(5.6)	81	(1)	(1.7)
Cheese	139	133	(6)	(4.5)	276				428				553				262	(14)	(5.2)	569	16	2.9
Other	61	70	9	15.8	126				199				257				142	15	12.1	269	11	4.4
Subsidiaries and other	306	300	(6)	(2.0)	630				937				1,251				616	(14)	(2.2)	1,274	22	1.8
Dairy Products	582	582	0	0.0	1,178				1,798				2,369				1,175	(3)	(0.3)	2,445	75	3.2
Milk and milk-based beverages	192	180	(11)	(6.2)	375				556				726				368	(7)	(2.0)	741	15	2.1
Other beverages	77	74	(2)	(3.5)	161				230				294				154	(6)	(4.1)	292	(2)	(0.8)
Yogurt	132	123	(9)	(6.8)	255				368				483				247	(8)	(3.2)	498	14	3.0
Desserts and fresh cream	53	56	2	4.0	108				164				217				112	4	3.9	231	13	6.4
Other	7	7	0	6.7	16				25				34				16	(0)	(1.2)	33	(1)	(4.0)
Subsidiaries and other	170	161	(9)	(5.7)	346				504				640				345	(0)	(0.1)	648	7	1.2
Beverages and Desserts	634	603	(30)	(4.8)	1,263				1,850				2,397				1,245	(18)	(1.5)	2,445	47	2.0
Feedstuffs	92	102	10	11.1	188				286				379				210	21	11.4	401	21	5.7
Seed products	32	35	3	9.5	58				75				89				70	11	18.7	99	9	11.0
Feedstuffs and Seed	125	138	13	10.7	247				361				468				280	32	13.2	500	31	6.7
Other	86	89	2	2.9	180				265				348				180	(0)	(0.1)	360	11	3.2
Total	1,428	1,413	(14)	(1.0)	2,869				4,276				5,584				2,880	10	0.4	5,750	165	3.0
[Operating profit]																						
Dairy Products	35	28	(7)	(20.3)	63				102				125				46	(17)	(27.3)	98	(27)	(21.7)
Beverages and Desserts	17	4	(12)	(72.2)	34				39				36				9	(25)	(74.2)	25	(11)	(30.8)
Feedstuffs and Seed	8	4	(4)	(49.9)	14				11				6				9	(5)	(38.4)	5	(1)	(28.1)
Other	3	2	(1)	(37.1)	8				10				11				6	(2)	(33.0)	12	0	4.5
Total	65	39	(25)	(39.0)	122				164				180				70	(52)	(42.7)	140	(40)	(22.5)

(Notes) 1. Main types of goods traded by business segment

Dairy Products: Dairy products (cheese, butter, milk powder, etc.); margarine; Nutrition business (functional food products, infant formula, etc.), etc.

Beverages and Desserts: Beverages (milk drinks, fruit juice beverages, etc.); yogurts; desserts; fresh cream, etc.

Feedstuffs and Seed: Cattle feed; pasture forage and crop seed; vegetable seeds; landscaping, etc.

Other: Joint distribution center services; real estate leasing, etc.

2. The net sales for each segment list the figures for external customers. Note that figures for external customers are also used in the year-on-year comparisons.

3. Subsidiaries and other includes the sales by subsidiaries and the total effects from accounting for consolidation (intercompany elimination, etc.).

Feedstuffs and Seed are on a consolidated basis (after intercompany elimination, etc.).

Nutrition Business of Dairy Products

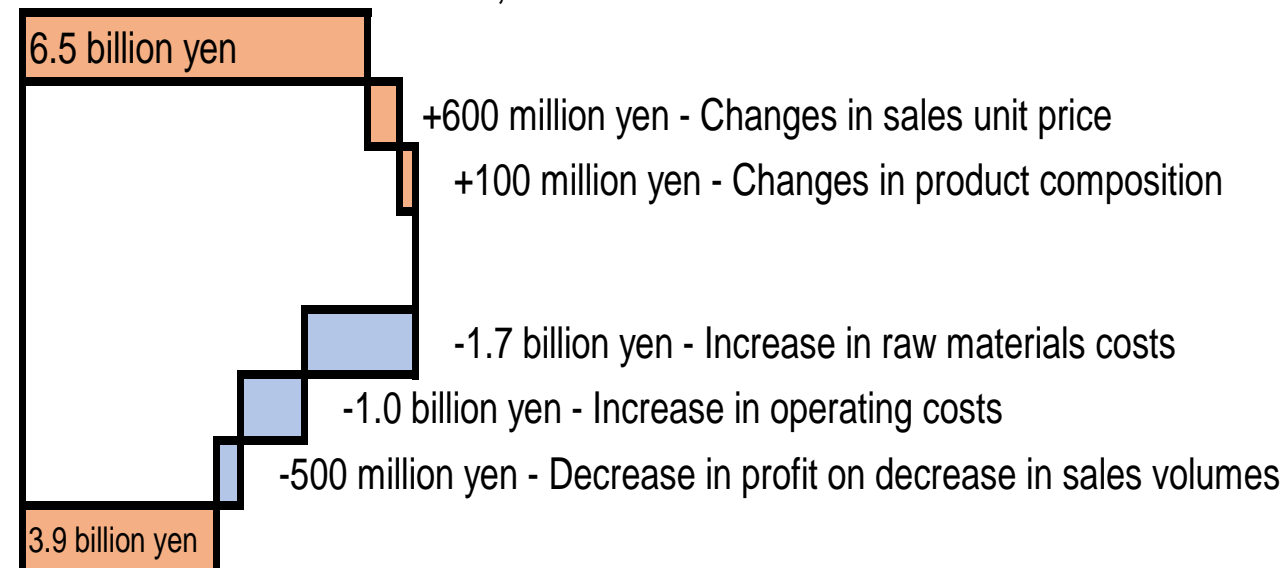
(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	Result for the year ending March 31, 2023 (FY2022)														【Forecast】 Year ending March 31, 2023 (FY2022)							
	1st quarter-end				2nd quarter-end (cumulative)				3rd quarter-end (cumulative)				4th quarter-end (cumulative)				2nd quarter-end (cumulative)			Full year		
	FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		FY 2021	FY 2022	Net change		Amount	Net change		Amount	Net change	
			Amount	YOY (%)			Amount	YOY (%)			Amount	YOY (%)			Amount	YOY (%)		Amount	YOY (%)		Amount	YOY (%)
【Net sales】																						
Functional food products	16	22	5	35.2	32				50				67				44	11	34.0	91	24	35.4
Powdered milk and other	26	26	(0)	(2.2)	54				83				109				55	1	2.4	115	6	5.8
Total on a consolidated basis	43	48	5	12.0	87				134				177				100	12	14.3	207	30	17.2

(Notes) 1. These figures are on a consolidated basis (after intercompany elimination, etc.)

3. Causes of Net Changes in Consolidated Operating Profit (Result/Forecast)
Result

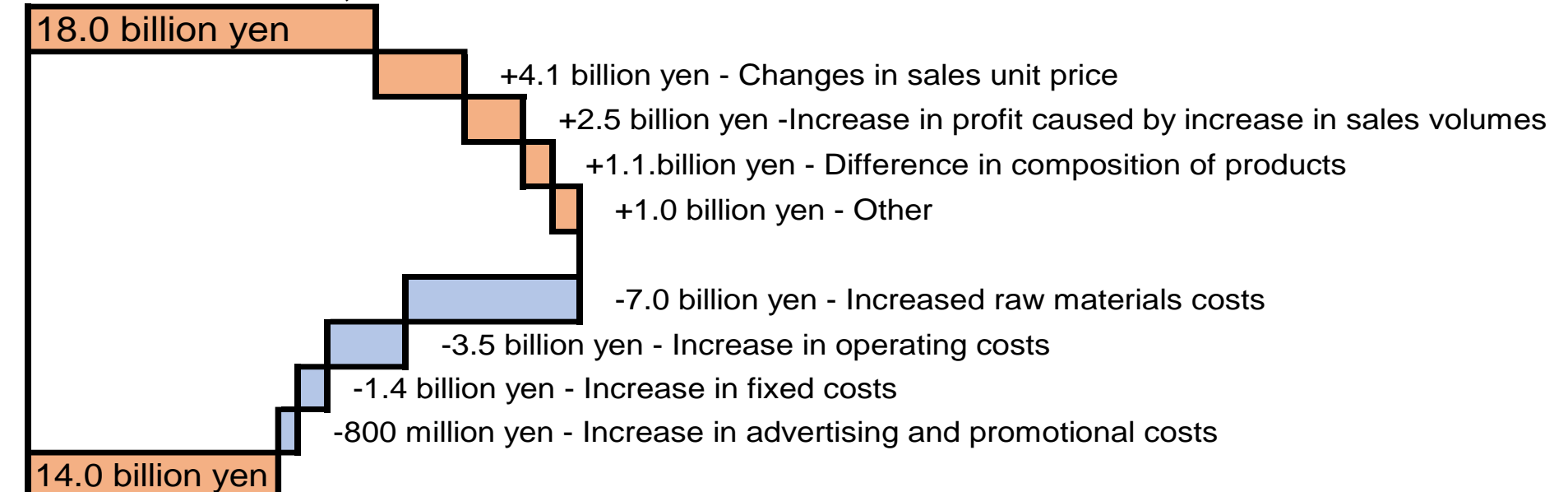
Three months ended June 30, 2021



Three months ended June 30, 2022

Forecast (The consolidated earnings forecasts released on May 13, 2022, have been revised.)

Year ended March 31, 2022



Year ending March 31, 2023 (forecast)

Details of Consolidated Operating Profit by Segment

Factors behind changes	FY2021 full year	Factors behind changes for the three months ended June 30, 2022				
		Total	Dairy Products	Beverages and Desserts	Feed-stuffs and Seed	Other
【Marginal profit】						
Changes in sales unit price	0	6	4	2	0	0
Changes in sales volume	1	(5)	(1)	(5)	1	0
Changes in product composition	15	1	1	0	0	0
Changes in raw materials costs	(17)	(17)	(6)	(4)	(5)	(1)
Changes in operating costs	(13)	(10)	(3)	(7)	0	0
Other	4	0	0	0	0	0
Subtotal	(10)	(25)	(5)	(14)	(4)	(1)
【Fixed costs and others】						
Changes in advertising and promotional costs	(7)	0	(1)	1	0	0
Changes in fixed costs	0	0	(1)	1	0	0
Subtotal	(7)	0	(2)	2	0	0
Total	(17)	(25)	(7)	(12)	(4)	(1)

Quarterly change (cumulative)				
1Q	2Q	3Q	4Q	
6				
(5)				
1				
(17)				
(10)				
0				
(25)				
0				
0				
0				
(25)				

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

Factors behind changes	【Forecast】 Factors behind changes for the year ending March 31, 2023 (FY2022), full year				
	Total	Dairy Products	Beverages and Desserts	Feed-stuffs and Seed	Other
【Marginal profit】					
Changes in sales unit price	41	25	15	1	0
Changes in sales volume	25	15	8	0	2
Changes in product composition	11	8	3	0	0
Changes in raw materials costs	(70)	(46)	(24)	0	0
Changes in operating costs	(35)	(16)	(18)	0	(1)
Other	10	0	10	0	0
Subtotal	(19)	(14)	(7)	1	(1)
【Fixed costs and others】					
Changes in advertising and promotional costs	(8)	(4)	(4)	0	0
Changes in fixed costs	(14)	(9)	(1)	(2)	(1)
Subtotal	(22)	(13)	(5)	(2)	(1)
Total	(40)	(27)	(11)	(1)	0

4. Quarterly Consolidated Balance Sheets (Result)

	March 31, 2022	June 30, 2022	Amount of net change
(Current assets)	1,601	1,589	(12)
Cash and deposits	199	134	(65)
Notes and accounts receivable-trade and contract assets	722	758	35
Inventory assets	621	638	16
Other	56	57	0
(Non-current assets)	2,417	2,385	(32)
Property, plant and equipment	1,788	1,777	(11)
Intangible assets	32	33	0
Investment securities	481	458	(22)
Deferred tax assets	29	28	(0)
Other	85	86	1
Total assets	4,018	3,974	(44)

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	March 31, 2022	June 30, 2022	Amount of net change
(Current liabilities)	1,131	1,136	4
Payables	587	631	44
Short-term loans payable	179	183	3
Other	364	321	(43)
(Non-current liabilities)	792	782	(10)
Bonds payable	100	100	—
Long-term loans payable	393	391	(2)
Net defined benefit liabilities	88	89	1
Other	210	200	(9)
Total liabilities	1,923	1,918	(5)
Shareholders' equity	2,067	2,025	(41)
Non-controlling interests	27	30	2
Total net assets	2,095	2,055	(39)
Total liabilities/net assets	4,018	3,974	(44)

5. Quarterly Consolidated Statements of Cash Flows (Result)

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	Result for the year ending March 31, 2023 (FY2022)											
	1st quarter-end			2nd quarter-end (cumulative)			3rd quarter-end (cumulative)			4th quarter-end (cumulative)		
	FY2021	FY2022	Amount of net change	FY2021	FY2022	Amount of net change	FY2021	FY2022	Amount of net change	FY2021	FY2022	Amount of net change
I Cash flows from operating activities	84	21	(63)	186			215			294		
II Cash flows from investing activities	(51)	(51)	(0)	(109)			(158)			(202)		
III Cash flows from financing activities	(37)	(40)	(2)	(41)			(190)			(112)		
IV Effect of exchange rate on cash and cash equivalents	1	1	0	1			1			1		
V Amount of net change in cash and cash equivalents	(2)	(68)	(66)	36			(132)			(18)		
VI Cash and cash equivalents at beginning of period	218	199	(18)	218			218			218		
VII Increase in cash and cash equivalents from newly consolidated subsidiaries	—	3	3	—			—			—		
VIII Cash and cash equivalents at end of period	215	134	(81)	254			86			199		
(Ref.) Free cash flow (I + II)	33	(29)	(63)	76			56			92		

6. Other Management Indicators (Result/Forecast)

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	Result for the year ending March 31, 2023 (FY2022)								【Forecast】 Year ending March 31, 2023, full year (FY2022)
	1st quarter-end (cumulative)		2nd quarter-end (cumulative)		3rd quarter-end (cumulative)		4th quarter-end (cumulative)		
	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	
Amount of capital investment	45	26	94		143		187		250
Depreciation and amortization costs *	42	42	84		128		169		175
Consolidated research & development costs	12	12	21		33		43		
	1st quarter-end		2nd quarter-end		3rd quarter-end		4th quarter-end		
	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	
Number of consolidated employees	5,777	5,781	5,742		5,710		5,665		

*Depreciation and amortization costs are the sum of the depreciation of property, plant and equipment and the amortization of intangible assets (excluding goodwill) and long-term prepaid expenses.

	FY2017	FY2018	FY2019	FY2020	FY2021
	Full year	Full year	Full year	Full year	Full year
Ratio of operating profit to net sales	3.2%	2.9%	2.9%	3.2%	3.2%
EBITDA	34.5 billion	33.1 billion	34.1 billion	35.6 billion	35.0 billion
ROE	9.0%	6.7%	7.1%	8.1%	6.0%
Equity ratio	43.9%	46.3%	47.3%	49.0%	51.5%
Payout ratio	20.3%	25.2%	22.3%	18.1%	33.6%
Interest-bearing debt*	75.0 billion	71.7 billion	69.3 billion	79.3 billion	72.2 billion

* The balance for interest-bearing debt is the sum of outstanding borrowings plus bonds payable and outstanding lease obligations.

* The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the fiscal year ended March 31, 2022. The accounting standard, etc. has not been applied to the full-year figures for the years through FY2020 (the fiscal year ended March 31, 2021).

7. Financial Performance Data from FY2017 to FY2021

Quarterly Consolidated Balance Sheets

	March 31, 2018		March 31, 2019		March 31, 2020		March 31, 2021		March 31, 2022	
	Result	Net change	Result	Net change	Result	Net change	Result	Net change	Result	Net change
(Current assets)	1,465	78	1,488	67	1,511	23	1,617	105	1,601	(15)
Cash and deposits	146	(20)	143	(2)	155	11	218	63	199	(18)
Notes and accounts receivable-trade and contract assets	693	42	747	54	718	(28)	717	(1)	722	5
Inventory assets	539	54	556	17	589	33	599	9	621	22
Deferred tax assets	43	(1)	—	—	—	—	—	—	—	—
Other	42	3	40	(2)	47	6	82	34	56	(25)
(Non-current assets)	2,063	35	2,105	14	2,192	86	2,369	176	2,417	48
Property, plant and equipment	1,647	1	1,623	(24)	1,710	87	1,772	62	1,788	16
Intangible assets	39	(10)	32	(7)	37	5	35	(2)	32	(2)
Investment securities	293	33	354	61	348	(6)	445	97	481	35
Deferred tax assets	21	0	29	(19)	30	0	30	0	29	(1)
Other	62	10	66	4	66	0	85	18	85	0
Total assets	3,529	113	3,594	82	3,704	109	3,986	282	4,018	32

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	March 31, 2018		March 31, 2019		March 31, 2020		March 31, 2021		March 31, 2022	
	Result	Net change	Result	Net change	Result	Net change	Result	Net change	Result	Net change
(Current liabilities)	1,406	196	1,179	(227)	1,203	23	1,285	82	1,131	(154)
Payables	644	46	640	(4)	607	(32)	597	(10)	587	(10)
Short-term loans payable	418	124	199	(218)	181	(18)	320	138	179	(140)
Other	343	25	339	(4)	413	74	367	(46)	364	(2)
(Non-current liabilities)	548	(200)	727	195	720	(7)	718	(1)	792	73
Bonds payable	—	—	100	100	100	—	100	—	100	—
Long-term loans payable	270	(202)	358	87	351	(7)	320	(30)	393	73
Net defined benefit liabilities	86	4	93	7	100	6	95	(4)	88	(7)
Other	191	(2)	175	0	168	(6)	202	33	210	8
Total liabilities	1,955	(4)	1,906	(32)	1,923	16	2,003	80	1,923	(80)
Shareholders' equity	1,550	118	1,662	112	1,751	88	1,952	201	2,067	115
Non-controlling interests	23	0	24	1	29	4	30	0	27	(2)
Total net assets	1,573	118	1,687	114	1,780	93	1,982	201	2,095	112
Total liabilities/net assets	3,529	113	3,594	82	3,704	109	3,986	282	4,018	32

Quarterly Consolidated Statements of Income

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	FY2017		FY2018		FY2019		FY2020		FY2021	
	Result	YOY change (%)	Result	YOY change (%)	Result	YOY change (%)	Result	YOY change (%)	Result	YOY change (%)
Net sales	5,961	1.4	6,033	1.2	6,134	1.7	6,151	0.3	5,584	0.7
Dairy Products	2,397	3.2	2,410	0.5	2,490	3.4	2,623	5.3	2,369	2.7
Beverages and Desserts	2,754	(0.7)	2,797	1.5	2,839	1.5	2,744	(3.3)	2,397	(3.6)
Feedstuffs and Seed	447	4.0	460	3.0	437	(5.1)	433	(0.8)	468	14.3
Other	361	3.2	366	1.2	366	0.2	350	(4.5)	348	2.1
Cost of sales	4,522	1.4	4,608	1.9	4,702	2.0	4,725	0.5	4,689	0.8
Selling, general and administrative expenses	1,245	1.3	1,252	0.6	1,251	(0.1)	1,228	(1.9)	713	2.6
Operating profit	193	3.3	172	(11.0)	179	4.5	197	9.9	180	(8.7)
Dairy Products	121	3.6	117	(3.1)	115	(1.7)	136	18.3	125	(8.4)
Beverages and Desserts	47	3.0	31	(33.4)	52	65.0	41	(20.8)	36	(12.9)
Feedstuffs and Seed	13	7.6	11	(13.8)	10	(10.9)	11	8.4	6	(38.1)
Other	11	3.4	10	(7.1)	1	(83.9)	10	519.6	11	8.8
Non-operating income	27	(3.8)	28	6.0	28	(2.3)	30	7.2	29	(1.2)
Non-operating expenses	10	(17.0)	11	1.3	11	3.1	11	0.3	10	(7.3)
Ordinary profit	209	3.6	190	(9.4)	196	3.5	216	10.1	199	(7.7)
Extraordinary income	1	(48.6)	5	172.1	1	(79.8)	31	2822.9	0	(99.8)
Extraordinary loss	21	(23.6)	42	101.1	29	(32.1)	36	26.0	27	(24.3)
Profit before income taxes	190	6.7	152	(19.9)	168	10.5	211	25.3	172	(18.6)
Income taxes	56	16.7	43	(23.4)	45	5.7	61	34.5	49	(19.1)
Profit (loss) attributable to non-controlling interests	0	(49.6)	1	1,563.9	1	(28.3)	0	(48.5)	1	145.1
Profit attributable to owners of parent	133	3.1	107	(19.7)	121	13.1	149	22.6	120	(19.1)

* The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the fiscal year ended March 31, 2022.

The accounting standard, etc. has not been applied to the figures for the years through FY2020 (the fiscal year ended March 31, 2021). YoY changes for the fiscal year ended March 31, 2022, were prepared assuming that the accounting standard, etc. had been applied effective from the fiscal year ended March 31, 2021.

Quarterly Consolidated Statements of Cash Flows

(Unit: 100 million yen) (Amounts rounded down to the nearest 100 million yen)

	FY2017		FY2018		FY2019		FY2020		FY2021	
	Result	YOY change	Result	YOY change	Result	YOY change	Result	YOY change	Result	YOY change
I Cash flows from operating activities	228	(71)	219	(8)	243	23	265	22	294	28
II Cash flows from investing activities	(117)	26	(142)	(24)	(166)	(23)	(270)	(104)	(202)	68
III Cash flows from financing activities	(129)	14	(73)	55	(66)	7	67	134	(112)	(180)
IV Effect of exchange rate on cash and cash equivalents	0	0	(0)	(0)	0	0	0	0	1	1
V Amount of net change in cash and cash equivalents	(18)	(30)	2	20	10	8	63	52	(18)	(81)
VI Cash and cash equivalents at beginning of period	159	11	140	(18)	143	2	155	12	218	63
VII Increase in cash and cash equivalents from newly consolidated subsidiaries	—	—	—	—	1	1	—	(1)	—	—
VIII Cash and cash equivalents at end of period	140	(18)	143	2	155	12	218	63	199	(18)
(Ref.) Free cash flow (I + II)	110	(45)	76	(33)	76	0	(5)	(82)	92	97