



**MEGMILK
SNOW BRAND**

3Q Fiscal Year Ended March 31, 2021

Financial Results

February 9, 2021

Overview of Results in First Nine Month of Fiscal Year Ending March 2021

● Summary of Results in First Nine Month of Fiscal Year Ending March 2021: Increased revenues and profit

- Sales: 470.6 billion yen, up 1.5 billion yen, or 0.3% year on year
- Profit: 16.9 billion yen, up 2.1 billion yen, or 14.7% year on year
- Full-year forecast: No change

● Topics (the impact of COVID-19, etc.)

Net sales

- Consumer dairy products sold well as in 1Q and 2Q, but growth slowed slightly.
- Beverages remained below the year-ago level. Yogurt was on an upward trend but was below the year-ago level.
- Commercial products recovered moderately but turned to a downward trend from December.
- The EC business continued to perform well due to the higher percentage of people staying at home.

Profits

- Decreases in advertising and promotion costs and fixed costs, etc.

FYE3/2021(1Q-3Q) Consolidated Operating Result

(JPY BN)

Statements of Income	FYE3/2020 1Q-3Q	FYE3/2021 1Q-3Q	YoY change
Net Sales	469.1	470.6	+1.5
Operating Profit	14.7	16.9	+2.1
Non-operating profit and loss	1.6	1.4	(0.1)
Ordinary Profit	16.4	18.4	+2.0
Extraordinary profit and loss	(1.9)	(1.7)	+0.1
Profit before income tax	14.4	16.6	+2.1
Profit *	10.2	11.5	+1.3

* Profit attributable to owners of parent

(Note) Increase in profit due to a revision of the labor cost allocation method: +1.2 billion yen

FYE3/2021(1Q-3Q) Consolidated Operating Result

Segment Sales

(JPY BN)

	FYE3/2020 1Q-3Q		FYE3/2021 1Q-3Q		YoY change	
	Sales	Operating Profit	Sales	Operating Profit	Sales	Operating Profit
Dairy Product	188.4	8.7	199.2	11.2	105.7%	128.8%
Beverage and Dessert	218.6	4.3	211.5	3.7	96.7%	86.3%
Feedstuffs and Seed	33.7	1.0	32.9	1.1	97.6%	102.7%
Other	28.2	0.6	26.9	1.0	95.3%	169.3%
Total	469.1	14.7	470.6	16.9	100.3%	114.7%

FYE3/2021(1Q-3Q) Consolidated Operating Result

Sales results

【Dairy Products】

* including Nutrition Business

(JPY BN)

	FYE3/2020 1Q-3Q	FYE3/2021 1Q-3Q	YoY change	YoY change (Rate)
Butter	17.4	17.3	(0.0)	(0.5)%
Margarine	9.1	9.1	0.0	0.2%
Cheese	57.8	58.2	0.3	0.7%
Other	22.4	22.3	(0.1)	(0.7)%
Subsidiaries and other	81.4	92.0	10.6	13.1%
Total	188.4	199.2	10.8	5.7%

- **Butter:** Butter for household use continued to sell well. Commercial products performed sluggishly.
- **Margarines:** Slightly rose chiefly due to an increase in bread eating.
- **Cheese:** Cheese for household use was firm. Commercial products were recovering but were on a downward trend in December.

FYE3/2021 (1Q-3Q) Consolidated Operating Result

Sales results

【Nutrition Business】

※ of the Dairy Products Segment

(JPY BN)

	FYE3/2020 1Q-3Q	FYE3/2021 1Q-3Q	YoY change	YoY change (Rate)
Functional food products	4.1	4.7	0.6	16.7%
Powdered milk and other	10.1	9.8	(0.2)	(2.9)%
Total	14.3	14.6	0.3	2.7%

- Functional foods, which were sold in the EC business, were strong.
- Powdered milk was on a recovery trend in the third quarter.

FYE3/2021 (1Q-3Q) Consolidated Operating Result

Sales results

【Beverage and Dessert Segment】

(JPY BN)

	FYE3/2020 1Q-3Q	FYE3/2021 1Q-3Q	YoY change	YoY change (Rate)
Milk and milk-based beverages	65.6	63.1	(2.4)	(3.7)%
Other beverages	31.6	28.9	(2.7)	(8.6)%
Yogurt	44.9	43.5	(1.3)	(3.0)%
Desserts and fresh cream	18.4	18.7	0.3	1.9%
Other	2.8	2.3	(0.5)	(17.9)%
Subsidiaries and other	55.1	54.6	(0.5)	(0.9)%
Total	218.6	211.5	(7.1)	(3.3)%

- Milk, milk beverages: Milk beverages saw sluggish growth.
- Other beverages: Small and medium-sized products saw sluggish growth.
- Yogurt: Gasseri SP strain yogurt was on a recovery trend.
- Dessert: Personal-type products sold well.

FYE3/2021 (1Q-3Q) Consolidated Operating Result

Sales results

【Feedstuffs and Seed Products Segment】

(JPY BN)

	FYE3/2020 1Q-3Q	FYE3/2021 1Q-3Q	YoY change	YoY change (Rate)
Feedstuffs	25.7	25.3	(0.3)	(1.5)%
Seed products	7.9	7.5	(0.4)	(5.4)%
Total	33.7	32.9	(0.8)	(2.4)%

- The sales quantity of grass/feed crop seeds and feedstuffs decreased.

FYE3/2021 (1Q-3Q) Breakdown of Factors Affecting Changes in Consolidated Operating Profit

(JPY BN)

FYE3/2020 1Q-3Q	FYE3/2021 1Q-3Q	YoY change
14.7	16.9	2.1

Marginal Profit Subtotal	(1.2)
Changes in sales unit price	0.7
Decrease in profit on decrease in sales volumes	(1.2)
Changes in product composition	(0.1)
Decreased raw materials costs	0.1
Increase in operating costs	(1.0)
Other	0.3
Fixed costs and others Subtotal	3.3
Decrease in advertising and promotional costs	1.0
Decrease in fixed costs	2.3

Changes in segments			
Dairy products	Beverages and desserts	Feedstuffs and seed products	Other
2.5	(0.5)	0.0	0.4
1.3	(2.2)	(0.3)	0.3
(0.1)	0.8	0.0	0.0
1.4	(1.9)	(0.3)	(0.3)
(0.1)	0.0	0.0	0.0
0.1	0.0	0.0	0.0
0.1	(1.0)	0.0	0.0
(0.1)	(0.1)	0.0	0.6
1.2	1.7	0.3	0.1
(0.1)	1.1	0.0	0.0
1.3	0.6	0.3	0.1

(Note) 1.2 billion yen of the 2.3 billion yen decrease in fixed costs is attributable to a revision of the method used to apportion labor costs to the third and the fourth quarters. As the costs will increase by roughly the same amount in the fourth quarter, the revision is not expected to have any impact on the full-year results.



Make the Future with Milk.



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