

**Characterized by small variety mass production, in-house production and nationwide factory network**

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**[ 2585 LIFEDRINK COMPANY Sector : Foods ]**

Fiscal Year	Net sales (mn yen)	YoY (%)	Ope. profit (mn yen)	YoY (%)	Ord. profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Mar. 2020	19,481	2.4	471	-	408	-	431	-	38.5	55.8	0.0
Mar. 2021	22,735	16.7	1,386	194.0	1,169	186.4	1,402	224.7	124.9	181.1	0.0
Mar. 2022 f	24,859	9.3	2,200	58.6	1,934	65.4	2,113	50.6	182.2	-	25.4

Note: Non-consolidated basis. Figures for the fiscal year ending Mar. 2022 are the company's forecast.

It conducted 1-to-300 stock split on October 2,2021. Par share indicies are adjusted retroactively.

**Develops Businesses Centering on Production, Purchase and Sales of Water and Tea Beverages**

LIFEDRINK COMPANY's main business is the soft drinks and tea leaves business, in which it conducts production, purchase and sales of soft drinks and tea leaves. It also conducts production and sales of sauce products. The soft drinks and tea leaves business accounted for 99.4% of net sales in the first half of the fiscal year ending March 2022.

From around 2000, the company had proceeded with diversification of its business. Examples of such business diversification included businesses that produced and sold agricultural and livestock products, marine products, soy sauce, dry noodles and instant noodles as well as the transport business.

After it concluded a capital and business partnership in 2015 with Sunrise Capital, for which CLSA Capital Partners Japan serves as a sub-advisor, it has been focusing on the drink business and withdrew from businesses other than the soft drinks and tea leaves as well as sauces.

**Soft Drinks and Tea Leaves Business**

The company conducts production, purchase and sales of soft drinks and tea leaves. It conducts mass production and sales by narrowing the beverage types and sizes mainly to water, green tea, oolong tea and other beverages (2 liters and 500 milliliters) and carbonated beverages (1.5 liters and 500 milliliters). The company operates nine beverage factories throughout the Honshu and Kyushu regions.

Sales composition in the fiscal year ended March 2021 was 55% for water beverages, 25% for tea beverages, 10% for carbonated beverages and 10% for other beverages and tea leaves.

Sales composition of soft drinks in the fiscal year ended March 2021 was 60% for private brands of retailers and 40% for in-house brands.

The company sells products to retailers and to individuals via e-commerce, and the sales composition in the fiscal year ended March 2021 was 96% for retailers and 4% for e-commerce. The major buyers are general merchandise stores, discount stores, food supermarkets and drug stores.

## Financial Statements

Statement of income	Fiscal Year	Mar. 2020		Mar. 2021		Six months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		19,481	100.0	22,735	100.0	13,462	100.0
Cost of sales		13,631	70.0	13,794	60.7	7,862	58.4
Gross profit		5,850	30.0	8,940	39.3	5,599	41.6
Selling, general and administrative expenses		5,378	27.6	7,553	33.2	4,288	31.9
Operating profit		471	2.4	1,386	6.1	1,311	9.7
Non-operating income		93	-	49	-	15	-
Non-operating expenses		156	-	266	1.2	51	-
Ordinary profit		408	2.1	1,169	5.1	1,275	9.5
Profit before income taxes		122	0.6	1,039	4.6	1,264	9.4
Profit		431	2.2	1,402	6.2	1,426	10.6

Balance sheet	Mar. 2020		Mar. 2021		Sep. 2021	
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets	7,162	53.4	7,422	53.0	7,393	49.8
Cash and deposits	2,469	18.4	2,665	19.0	2,327	15.7
Accounts receivable	2,729	20.4	2,768	19.8	3,099	20.9
Inventories	1,653	12.3	1,778	12.7	1,849	12.4
Non-current assets	6,245	46.6	6,581	47.0	7,461	50.2
Property, plant and equipment	5,701	42.5	5,638	40.3	6,352	42.8
Intangible assets	54	0.4	65	0.5	67	0.5
Investments and other assets	490	3.7	878	6.3	1,041	7.0
Total assets	13,408	100.0	14,003	100.0	14,855	100.0
Current liabilities	3,799	28.3	7,884	56.3	7,847	52.8
Accounts payable	1,301	9.7	1,138	8.1	1,248	8.4
Short-term borrowings	-	-	4,000	28.6	4,000	26.9
Current portion of long-term borrowings	853	6.4	600	4.3	600	4.0
Non-current liabilities	8,982	67.0	4,086	29.2	3,547	23.9
Long-term borrowings	7,418	55.3	3,000	21.4	2,700	18.2
Net assets	626	4.7	2,032	14.5	3,460	23.3
Shareholders' equity	626	4.7	2,032	14.5	3,460	23.3

Statement of cash flows	Mar. 2020		Mar. 2021		Six months to Sep. 2021	
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Cash flows from operating activities	1,325		2,114		1,525	
Depreciation	915		827		471	
Cash flows from investing activities	176		-267		-1,314	
Cash flows from financing activities	-1,200		-1,290		-542	
Dividends paid	-		-		-	
Net increase in cash and cash equivalents	296		560		-328	
Cash and cash equivalents	2,095		2,655		2,327	

Note: Non-consolidated basis

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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