こころとからだに、
おいしいものを。

DyDo

Offering delicious products
for sound mind and body

DyDo Group Holdings

Integrated Report

2024

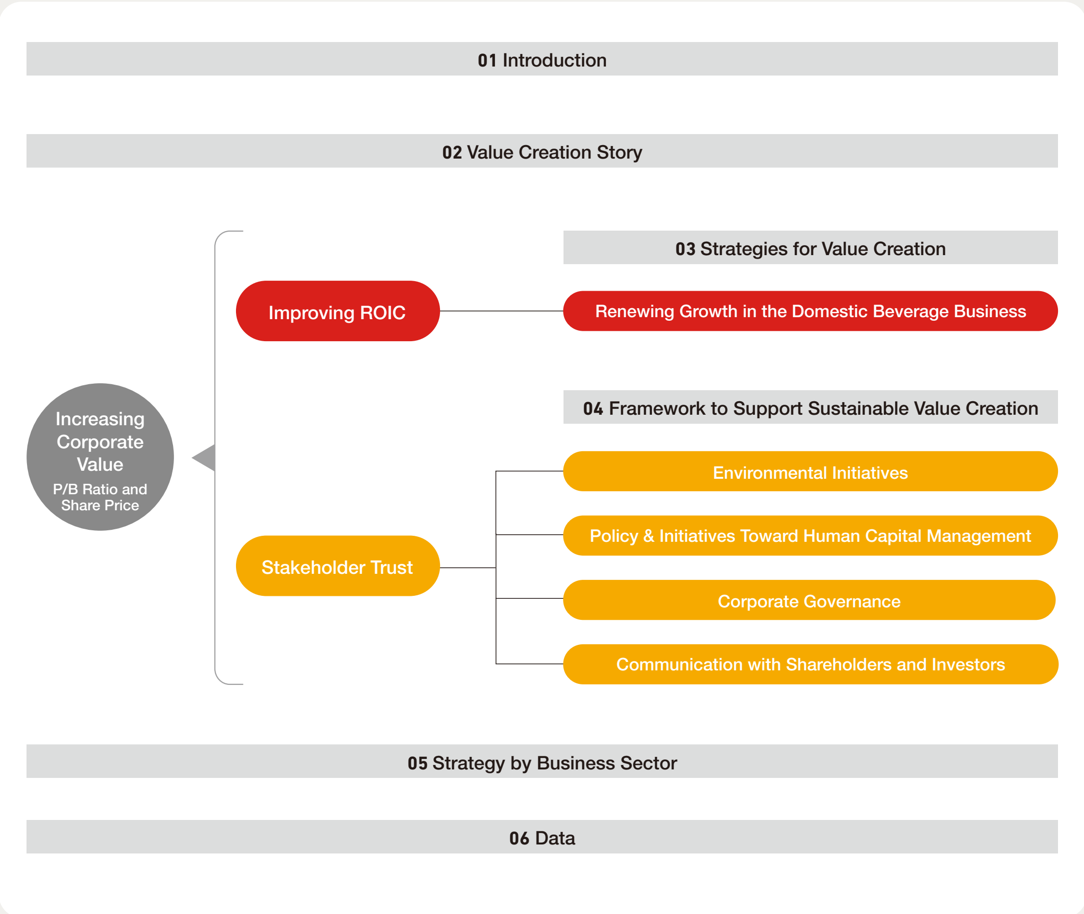
Editorial Policy & Structure

We at DyDo Group Holdings have published an annual Integrated Report since 2017 to create a deeper understanding of the Group among stakeholders and promote constructive dialogue for the future development of the Group.

In January 2019, we announced Group Mission 2030: “For DyDo Group to create enjoyable, healthy lifestyles for people around the world.” Integrated Report 2024 was compiled as an integrated source of information to disclose the DyDo Group’s current thinking on the Group Philosophy and business models—the basis for achieving Group Mission 2030—as well as material issues identified as priorities and strategies to implement going forward.

We hope this integrated report helps investors understand the Dydo Group and serves as a first step in constructive dialogue toward improving corporate value in the future.

This report is structured around “improving ROIC” and “stakeholder trust” as key elements that significantly contribute to increasing corporate value. See below for an overview of the report’s overall structure.



Reporting Period

In principle, this integrated report covers activities in fiscal year 2023 (January 21, 2023, to January 20, 2024); however, it also contains updates and additions concerning more recent activities and information deemed necessary to create a deeper understanding among investors of DyDo Group Holdings.

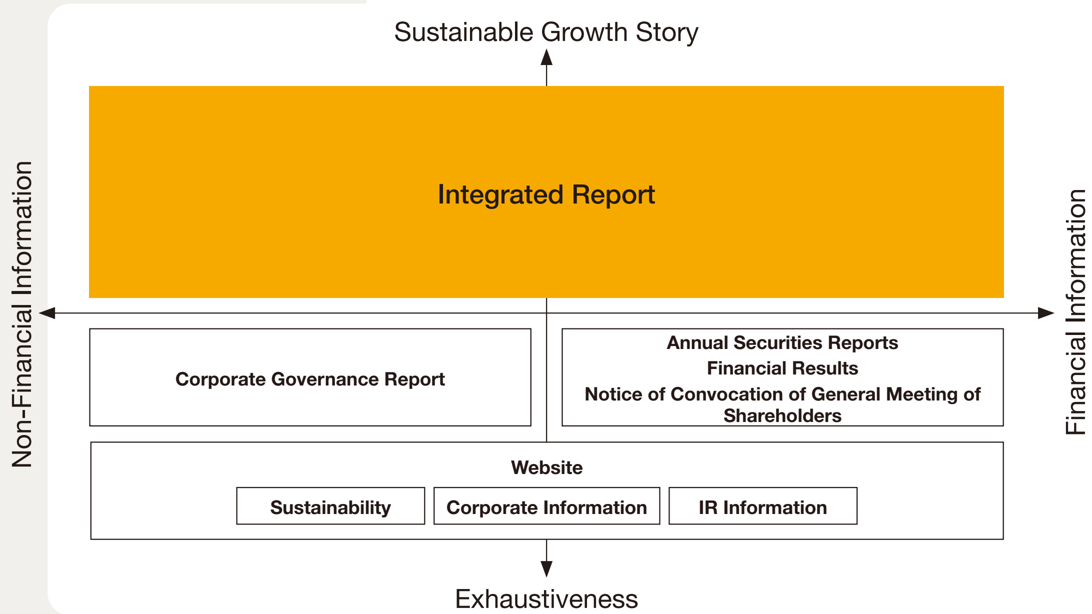
Guidelines Referenced

Guidance for Collaborative Value Creation,
Ministry of Economy, Trade and Industry
Integrated Reporting Framework, IFRS Foundation

Statement Regarding Use of Forward-Looking Information

DyDo Group plans, outlooks, and strategies contained in this integrated report that are not past or present facts are forecasts of future performance. These forecasts are based on judgments and assumptions made by DyDo Group Holdings management using information available as of September 30, 2024. All forecasts may contain known and unknown risks, uncertainties, and other factors. As such, these plans and future outlooks are not guaranteed. Such risks, uncertainties, and other such elements include content from DyDo Group Holdings’ latest securities reports and quarterly reports, and DyDo Group Holdings bears no obligation whatsoever to publish updates or corrections to such forward-looking statements. We ask that you use this integrated report and other materials disclosed by DyDo Group Holdings with reference to information obtained from other sources and make your own conclusions and judgments. DyDo Group Holdings bears no liability whatsoever for any damage that may arise as a result of this integrated report.

Information Disclosure System



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This report includes navigation for moving between pages and referencing external sites.

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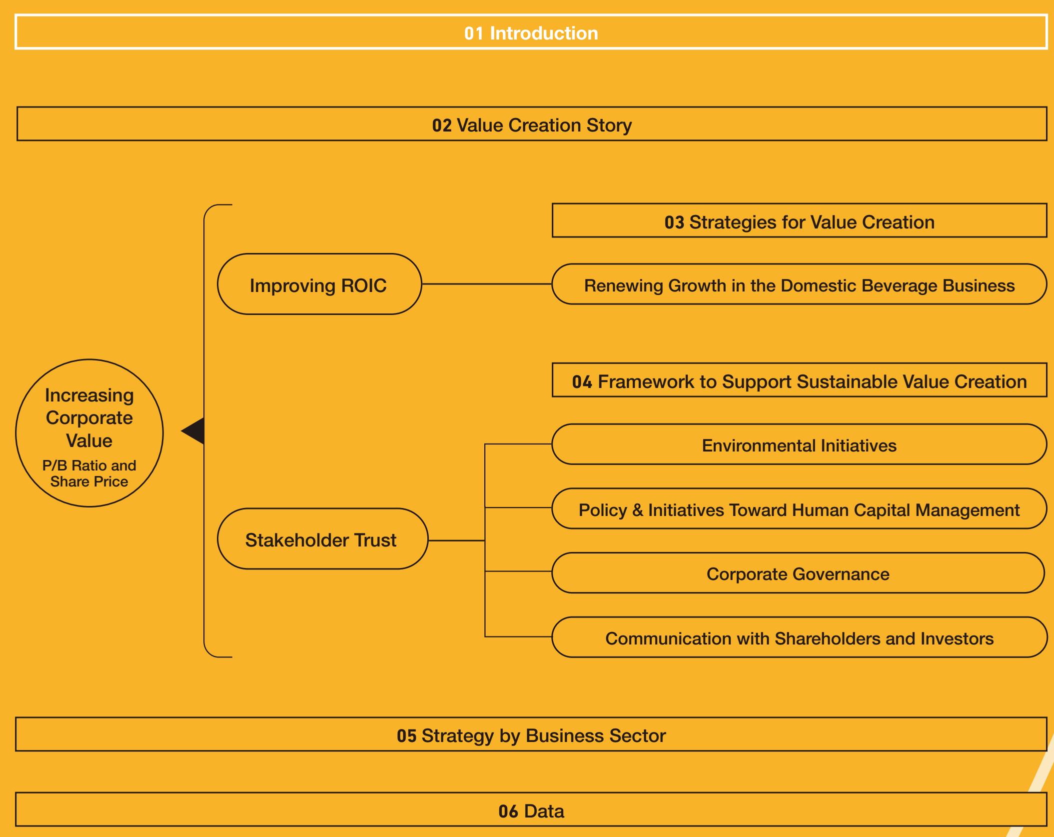
The relevant pages are indicated, so please refer to them as well.

For details about "xxxxx," please visit our website.
https://www.dydo-ghd.co.jp/en/

Scanning the 2D code will take you to the website.

01 Introduction



Message from the President

Transforming our organizational culture over a period of 10 years. Promoting respect and support for employee autonomy to achieve sustainable growth and improve medium- to long-term corporate value

Tomiya Takamatsu
President & Representative Director

Fostering a culture of challenge: A decade of organizational reform
Laying the foundation for a new phase of value creation

This year marks the tenth anniversary of my appointment as president of DyDo DRINCO, Inc.* in 2014. I joined the Company in 2004 at a time of transition from a period of high economic growth, where increasing the number of vending machines created steady growth, to a saturated vending machine market, where future market shrinkage was on the horizon. However, the vending machine business is about stocking, meaning this change was hard to notice, and there was a sense within the Company that just continuing with the vending machine business as we've always done would suffice, so even before I became president I was constantly thinking of ways to break this status quo. While the vending machine market would inevitably grow tougher, I was confident we could still increase our industry share by leveraging such assets as the vending machine network we had built and by adapting to changing times.

That is why the first thing I addressed upon becoming president was organizational culture reform. When I became president, I updated the Group Philosophy to incorporate the phrase "continue to embrace new challenges in a dynamic way" in addition to the spirit of "creating happiness and prosperity together" we have cherished since our foundation. I traveled to offices nationwide to directly discuss with employees the ideas and reasoning behind the new Group Philosophy. I also implemented the DyDo Challenge Awards to recognize employees for taking on challenges and ideas to achieve these as a way to instill a spirit of taking on challenge in our culture. The message I've continued to put out there is that failure is part of challenge, so don't fear it but learn from it and tie it to your next attempt. While it took some time, I now sense many employees have developed a spirit of challenge.

We have worked to reform our organizational culture not only through Company-wide initiatives but through changes in the Domestic Beverage Business, such as vending machine operations and sales efforts to develop the vending machine business. But this journey has not always been easy. For example, in sales efforts to develop the vending machine business, prime spots have shifted from individual shops and storefronts to offices, factories, transport hubs, and other places with constant foot traffic, shifting who we sell to from individual shopkeepers to companies and transforming the sales process from appointments to projects, proposals, and contracts. This required a shift in sales style from one that relied on the character and experience of individual salespeople to one that systematized corporate client needs and solutions and approached sales based on that mindset, and initially we faced resistance from people on the ground, who did not agree with it at all, saying, "Our way has worked so far," or, "We don't need these time-consuming procedures." Introducing new tools or process management systems to improve sales efforts won't work in a situation like this unless people's mindsets also change. Changing people's mindsets and behaviors to create organizational reform takes time. That is why we persistently encouraged employees to attempt new ways of doing things, gradually changing our sales style to produce results so that now our new approach of "customer-oriented sales" has taken root. Consistently telling people that it is OK to take on challenges instead of telling them just to do as they are told has allowed unique vending machines based on ideas from our salespeople. Examples include our carbon-neutral Love the Earth Vendor vending machine with zero net CO_2 emissions during operation and the Vending Machine for Women's Health Support that sells feminine hygiene products. These initiatives have helped vending machines evolve from mere boxes that sell drinks to machines that provide social value that serves people, an evolution unthinkable a decade ago.

After ten years as president, I feel we have finally changed the course of this ship. Building on this foundation of cultural reform, I believe we must now achieve the goals set forth in Group Mission 2030, demonstrate results through our performance, and tie this to increased corporate value.

* Company name changed to DyDo Group Holdings, Inc. in 2017 after a transition to a holding company structure

P. 35 Customer-Oriented Sales
P. 51 DyDo Challenge Awards

sites has led to a more tangible understanding. We will first focus on achieving stable growth for Wosana, then apply lessons learned there to our future goal of expanding business in the European market.

Growing through lessons learned while expanding our business portfolio with a core focus on the Domestic Beverage Business

Alongside cultural reform, we've worked to expand our business portfolio. While growing our core vending machine business is of course vital, achieving organic growth of, say, 10% or more annually in a shrinking market is not easy. That is why, to achieve further growth as the DyDo Group, we announced "For DyDo Group to create enjoyable, healthy lifestyles for people around the world" as part of Group Mission 2030 in January 2019, focusing on expanding the business overseas and building a second pillar in non-beverage businesses while maintaining stable profits in the Domestic Beverage Business. We now have five operating segments: the Domestic Beverage Business, International Beverage Business, Pharmaceutical-Related Business, Food Business, and Orphan Drug Business.

Reaching this point involved trial and error, and in particular, we experienced failures in the International Beverage Business, such as having to withdraw from Russian and Malaysian markets. Although I have sometimes looked back and thought, "We should have done more of this," or, "We could have done better," the only reason I am able to say such things is that we had that experience. We have applied each and every lesson we learn from our failures to grow the International Beverage Business in Turkey and elsewhere to a certain level, though it has taken time.

That is why we acquired all shares of Wosana S.A. ("Wosana"), a soft drink manufacturer and seller in Poland, to make it a subsidiary in February 2024 in an attempt to further growth. Sales composition at Wosana is one-third brands it manufactures and sells itself, one-third contract manufacturing for private brands by retail chains, and one-third contract manufacturing for other companies. This stable business model is its strength because if one business struggles, the others can compensate, leading to stable production lines. We have a company in the UK that serves as a center for exports from Turkey and does business in Europe mainly through distributors, but this is our first full-scale entry into Europe. While we had information on the European beverage market and consumer trends, I feel that being involved in Wosana's management and receiving daily reports from work

Promoting ROIC in management to improve group-wide profitability

Our vending machine business originally had high investment efficiency, with a business model of selling products manufactured at partner factories using vending machines with highly stable prices. We have been working to increase the number of operating vending machines and reform operations to regrow the vending machine business as market shrinkage worsened investment efficiency. However, managing and assessing these efforts properly has required us to change management indicators to align with management direction, which is why we introduced ROIC in fiscal year 2022. As we now operate multiple businesses, we have begun portfolio management to improve profitability across the Group and use ROIC as an indicator for this to help us set targets for each operating segment, manage progress, as well as make new investment decisions.

To promote ROIC in management, we have deployed ROIC trees within the Company. This reveals at a glance what factors have caused us to fail to achieve targets and allows us to discuss necessary countermeasures in a timely manner. A secondary effect of these ROIC trees is that they help each department understand how it contributes to management goals, addressing the previous issue of unclear relationships between management and work site goals, which tended to result in partial optimization. Since this is currently deployed to the department level, we aim to extend this to work sites in the future to create a deeper understanding among employees of connections between their work and management goals and increase motivation to achieve these goals.

Currently, we believe that the Group's ROIC has yet to reach the profitability levels demanded by capital markets. We will improve management systems in this way and implement initiatives aligned with the basic policy in Medium-Term Management Plan 2026 to boost profitability. We'd also like to engage in constructive dialogue with investors by disclosing KPI progress during this process.

Helping maintain vending machine networks across Japan

In January 2023, DyDo DRINCO, Inc. and Asahi Soft Drinks Co., Ltd. jointly established Dynamic Vending Network, Inc. to integrate vending machine operations in their direct sales channels. Starting in the second half of fiscal year 2024, we have begun rolling out our unique vending machine operation system, "smart operations," to three vending machine operators that were once under Asahi Soft Drinks Co., Ltd. Furthermore, in January 2025, DyDo Beverage Service Inc. under Dynamic Vending Network Inc. plans to absorb Asahi Soft Drink Sales Co., Ltd., also under Dynamic Vending Network, to accelerate deployment of the smart operation system.

This effort does not merely aim to increase profit by expanding adoption of the smart operation system. If we are able to demonstrate that smart operations function well in other companies with different organizational structures and cultures, it could offer hope for the entire vending machine operation industry and increase the possibility of further partnerships. We also believe we can help maintain vending machine networks across Japan by growing these smart operations, which enable efficient operations with fewer workers, not only for beverage manufacturers but also for vending machine operators struggling to survive in rural areas due to labor shortages.

PP. 37–39 Smart operations

Human capital management and DX promotion

Whether we are able to execute the management strategies I've discussed so far depends on our people. We made "achieving work-life synergy for employees and promoting diversity," a material issue for achieving Group Mission 2030, then reassessed our approach to human capital and formulated a comprehensive framework for human capital management in April 2024.

Our basic policy is to develop "self-directed professional human capital" by respecting the autonomy of employees and creating replete systems and training to support this. By having each and every employee grow, which in turn creates growth for the Company, we aim to increase corporate value and to achieve even greater goals.

This approach is rooted in my experience in the human resources department at an electronics manufacturer I joined just after graduating. The Company was later acquired by a competitor due to business difficulties, and it was a turbulent era when I joined. To rebuild the Company, we hired many mid-career recruits monthly, allowing me to encounter many passionate people from all kinds of industries. However, I realized that, no matter how many outstanding human resources a company hires, whether it is able to utilize them depends on the organization's HR system and culture. Meanwhile, as business restructuring began, I handled transfers and resignations and witnessed the enormous impact that the uncertainty of a company's survival has on employee lives.

Based on this experience, I want the DyDo Group to be a company that supports its people, where employees can thrive and live happy lives not only at work but in their personal lives as well. Nevertheless, it does not matter how much a company improves its systems if the employees are unwilling. That is why I want employees to envision the career of their dreams, consider what skills they need to achieve this and take action, and be aware of how their skills and abilities contribute to the organization. I believe building a win-win relationship between self-directed employees and a supportive company will make both sides happy.

"Promote DX and form a solid IT foundation" is another material issue we want to focus on in particular as an important initiative for innovation. An emblematic initiative in this is our smart operations, which have dramatically transformed vending machine operation processes and significantly improved productivity through digital technology. However, DX remains in its infancy in other areas. That is why we've appointed DX evangelists in each department to start by improving operations in their immediate surroundings. For example, the International Business Department's DX evangelist developed an estimate creation app for export products using Kintone* that cuts work time from 2 hours to 5 minutes, while the HR & General Affairs Department's DX evangelist developed a chatbot for internal inquiries, saving time for both inquirers and responders. I believe using the time saved to create added value and promote further digitalization will ultimately breed innovation through DX, which is why we are advancing these initiatives.

* A cloud service provided by Cybozu, Inc. that simplifies the development of business apps.

PP. 46–51 Comprehensive framework for human capital management

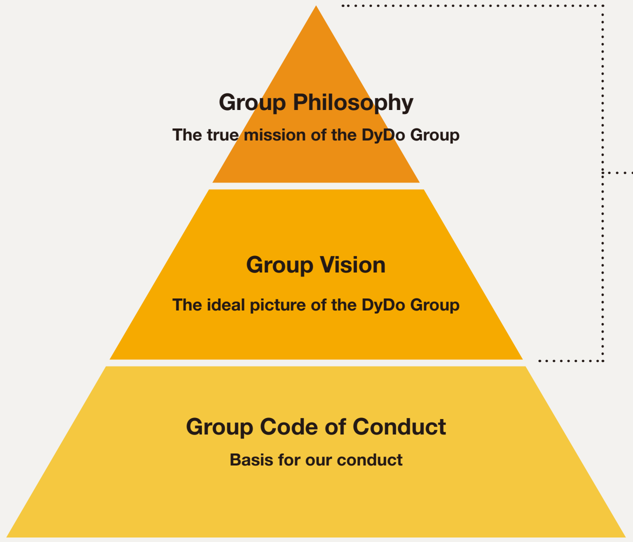
Offering the world delicious products for sound mind and body

Since our foundation, the DyDo Group has valued serving people in a way that is tangible and familiar. Amid significant social and environmental changes over the past decade, we've put forth reform so that we can deliver what customers want in ways suited to the times. While this introduction covers only a portion of our efforts, these initiatives form the foundation for increasing corporate value in our efforts to achieve Group Mission 2030.

As stated in Group Mission 2030, "to create enjoyable, healthy lifestyles for people around the world," we aim to deliver "delicious products for sound mind and body" not just in Japan, but to people around the world. The value we provide is vitality, excitement, surprise, and peace of mind that lead to enjoyable, healthy lifestyles. By 2030, we would like to be a company known by stakeholders for providing such value and serving society worldwide.

Management Philosophy

Group Philosophy System



Brand Message

Words expressing our philosophy and vision in clear terms to everyone involved with the DyDo Group.

See our website for more about the Group Code of Conduct.
https://www.dydo-ghd.co.jp/en/about/philosophy/

Group Philosophy

Creating happiness and prosperity, together with people and with society.
To achieve this goal, the DyDo Group will continue to embrace new challenges in a dynamic way.

Group Vision

Together with our customers.	With our high-quality products, we offer our customers excitement and enhanced wellness, with distinctive delicious flavors that only Dydo can provide.
Together with society.	Bringing together all Dydo's resources in the entire Group's product development and corporate activities, we will help build a rich and vibrant society.
Together with the next generation.	We will create a "DyDo Standard" for the next generation that transcends national borders and conventional frameworks.
Together with our people.	We will tirelessly embrace the "DyDo Challenge" of bringing happiness to all whose lives are touched by the DyDo Group.

Brand Message

こころとからだに、
おいしいものを。

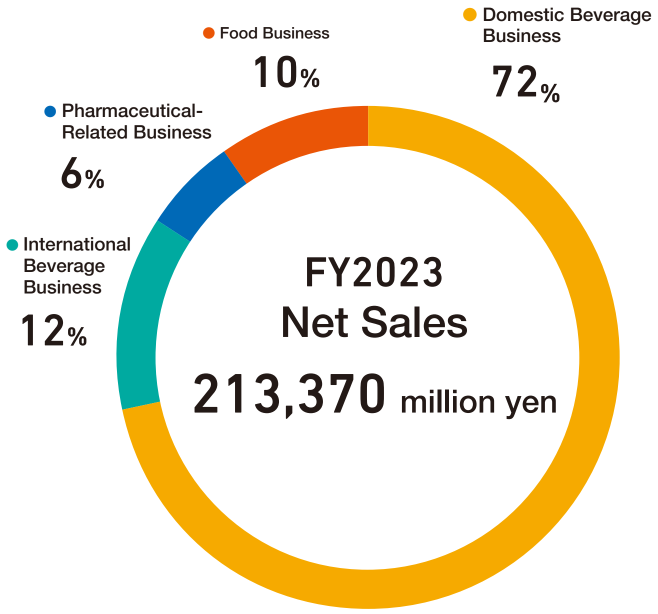
Offering delicious products
for sound mind and body

The Commitment Behind Our Brand Message

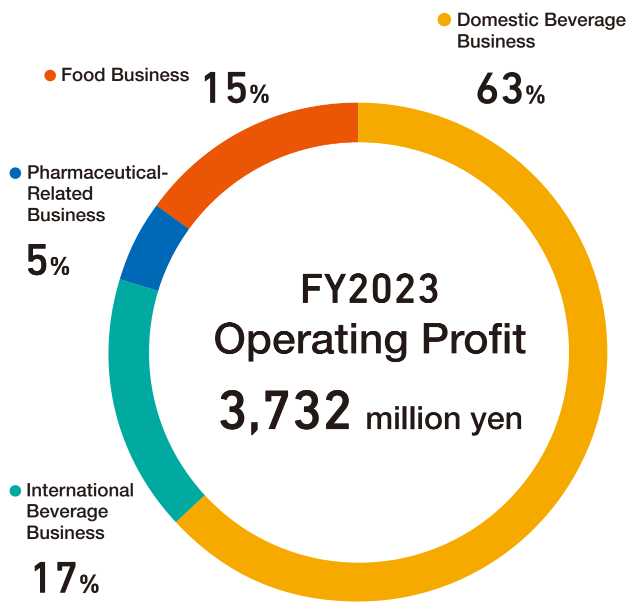
If the mind is full of energy, the body wants to be active.
If the body moves with positivity, this links to the greater happiness of the mind.
The DyDo Group is committed to bringing this joy to the minds and bodies of our customers.
The DyDo Group is unique in its ability to inspire a joyous and healthy life in our customers through a vast range of products, from drinks and foods through to pharmaceuticals.
The DyDo Group aims to be of service to people and to society through providing valuable products and carrying out corporate activities, based on its consistent vision fueled by a challenging spirit and the pursuit of ideas.

Business Portfolio

Composition of Net Sales by Business



Profit Composition by Business



Notes: 1. The net sales composition ratio is calculated based on sales to external customers and includes internal sales between segments for each reported segment.

2. For the International Beverage Business, accounting adjustments have been made based on hyperinflation accounting requirements.

Content of Business / Major Products / Net Sales and Operating Profit / Efforts

Domestic Beverage Business

Content of Business: DyDo DRINCO, Inc. and its group companies sell soft drinks and other beverages. The main sales channel is vending machines, while product manufacturing and logistics are outsourced to concentrate resources on product development and vending machine operations—areas of direct contact with customers. In addition to the vending machine business, we also conduct sales to retailers, international exports, and home shopping sales of supplements.

Major Products:

Net Sales and Operating Profit:

Net sales

153,623 million yen

Operating profit

4,255 million yen

Efforts: We are working to establish a firm advantage in the vending machine market and have defined our goal for 2030 as, "In the vending machine market, we will provide new value through constantly taking on challenges and co-creating and so continue to lead the industry." We have recently established a smart operation system for vending machines and formed a joint venture with Asahi Soft Drinks Co., Ltd. to integrate operations of direct sales vending machines at both companies to create synergy.

International Beverage Business

Content of Business: Manufactures and sells beloved soft drink brands in Turkey and Poland, where the Group has expanded through M&A with local companies. A UK subsidiary has also been established as a center for exports from Turkey to expand sales to the European market. In China, imports of Japanese products and local production of certain items such as sugar-free tea are performed through retail channels.
Countries: Turkey, Poland, China, UK

Major Products:

Net Sales and Operating Profit:

Net sales

26,444 million yen

Operating profit

1,110 million yen

Efforts: We are working primarily to expand and stabilize the Turkish beverage business, which accounts for most of our international sales, and have defined our goal for 2030 as, "We will create global brands that support the health of people all over the world." In 2024, we acquired Wosana, a Polish soft drink company, to stabilize profitability overall for the International Beverage Business. We're looking ahead to future collaboration with the Turkish beverage business and further expansion in Europe.

Pharmaceutical-Related Business

Content of Business: DAIDO Pharmaceutical Corporation specializes in private-label-brand production of health drinks classified as pharmaceuticals or quasi-drugs, beauty tonics, and products packaged in pouches. With the highest production capacity in the industry and high manufacturing quality, we have earned the trust of major Japanese manufacturers and possess top-class performance as a contract manufacturer of health drinks.

Major Products:

Net Sales and Operating Profit:

Net sales

12,963 million yen

Operating profit

367 million yen

Efforts: We defined our 2030 vision as, "We will be the No. 1 contact manufacturer in the health and beauty field" and are strengthening our development system to quickly address customer needs, our production system to deliver safe products timely, and our quality control system to ensure peace of mind. Recently, orders for pouched products, which we began manufacturing in 2020, have grown, so we are working to boost production capacity.

Food Business

Content of Business: Tarami Corporation manufactures and sells fruit jellies. With the technological prowess to create delicious jellies of different textures and branding as major strengths, this company boasts the top share in the dry jelly market and has also gained a certain share in the pouched konjac jelly market.

Major Products:

Net Sales and Operating Profit:

Net sales

20,705 million yen

Operating profit

993 million yen

Efforts: We defined our 2030 vision as, "We will utilize our fruits and jellies to pursue great taste and health, to make people happy," and are working to create opportunities to purchase fun and delicious products befitting of Tarami through all sales channels. In recent years, we have supported strong sales through improved logistics for stable product supply and increased factory efficiency using AI.

Orphan Drug Business

Content of Business: DyDo Pharma, Inc. was established in 2019 as our foray into the Orphan Drug Business. We promote efforts toward development, approval, and sales by partnering on drug discovery seeds for rare disease treatment, in-licensing for development candidates, and acquiring exclusive manufacturing and sales rights, especially in Japan.

Major Products:

Firdapse® Tablet 10mg
Indicated for improving muscle weakness in Lambert-Eaton myasthenic syndrome (LEMS)
(New Drug Application (NDA) was obtained in September 2024)

Net Sales and Operating Profit:

Net sales

—

Operating profit

(796) million yen

Efforts: We defined our 2030 vision as, "We will produce medicines for patients suffering from orphan diseases for which there are currently no treatment options," and are working to launch this new business. In September 2024, we obtained the NDA approval in Japan for Firdapse® Tablet 10mg to treat LEMS, taking our first step as a newly established pharmaceutical company. Currently, we are preparing for the launch of this product following its drug price listing and are developing another in-licensed product, and going forward, we will pursue the acquisition and development of additional candidates in the rare disease treatment pipeline to achieve sustainable business growth.

History of Value Creation

The Group's history can be broadly divided into two stages. From the postwar period to the 1990s, we focused on expanding our founding "use first, pay later" medicine business and then the vending machine business. Then, in the 2000s onward after the vending machine market reached saturation, we began actively working to create innovation in the vending machine business and expand our business domains. We will continue taking on challenges to offer "delicious products for sound mind and body" as the times change.

Domestic Beverage Business | International Beverage Business | Pharmaceutical-Related Business | Food Business | Orphan Drug Business

1940s

Founded a "use first, pay later" medicine business

1950s

DAIDO Pharmaceutical Corporation established
Commenced health drink manufacturing

1970s

Began selling health drinks and canned coffee at gas stations

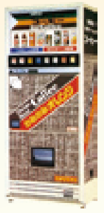
Formed a separate company for the soft drink sales business

Established DAIDO K.K.

Launched Daido Blend Coffee

Hot/cold vending machines debut

Kyoeikai established



1990s

Full-scale OEM production due to deregulation of quasi-drugs

2000s

2010s

Foray into the Chinese market

Foray into the Russian market
(withdrew in 2022)

Foray into the Turkish market

Expansion of beauty drink orders

Purchased Tarami Corporation

Foray into the Malaysian market
(withdrew in 2020)

Established DyDo Pharma, Inc.
Foray into the orphan drug market

Transitioned to a holding company structure

Strengthened DyDo Blend brand

Launched home shopping sales of supplements

Released a World Barista Champion Supervised Series

Launched the Smile STAND vending machine service under the concept "Look forward to tomorrow each day."

2020s

Foray into the Polish market

Commenced contract manufacturing of pouched products

Commenced operations at the Kanto Plant

Established Dynamic Vending Network, Inc.
Working toward integrated vending machine operations with Asahi Soft Drinks Co., Ltd.

Note: Background area graph represents sales trends (image)

Evolving from a medicine distribution business to a vending machine business, growing with vending machine expansion

We took on the challenge of innovating the vending machine business and expanding our business domains

Story 1

1940s: Founded a "use first, pay later" medicine business

DyDo Group's history began with a "use first, pay later" medicine business started by our founder as a personal venture in the mid-1940s. This business involved placing medicine boxes at households, having people use cold and stomach medicines as needed, then collecting payment for the used portion later. This can be seen as the prototype for the vending machine business, where machines are installed first, and then loaded with different products that customers can purchase at any time. As business grew, the founder incorporated the company, establishing DAIDO YAKUHIN K.K. in 1956, later entering the pharmaceutical manufacturing business. This is the predecessor of the current DAIDO Pharmaceutical Corporation (Pharmaceutical-Related Business).

Story 2

1970s: Foray into vending machine business and growth

Focusing on the potential of canned coffee, we launched DyDo Jamaican Blend Coffee in 1973, entering the soft drink sales business using vending machines as a sales channel. With the introduction of vending machines capable of selling both hot and cold products, vending machines spread in popularity, and we expanded our vending machine network together with the Kyoeikai.* Then, in 1975, we formed DAIDO K.K., a separate company for the soft drink sales business, and as the number of operating vending machines grew our Company continued to expand as well.

* Collective term for partner companies operating DyDo vending machines

Story 3

2010s: Reforming existing businesses and diversifying our business

The saturation of the vending machine market in the early 2000s marked a major turning point for the DyDo Group. As vending machine numbers plateaued, we worked to reform our structure and boost product and brand power to fortify the vending machine business starting in the 2010s. To achieve further growth, we acquired Tarami Corporation, a fruit jelly manufacturer and distributor, through M&A in 2012, commenced home shopping sales of supplements the same year, and actively expanded into international markets starting in 2013. In 2017, we transitioned to a holding company structure, and in 2019, we made our foray into the orphan drug business, a return to the Company's foundation of "medicine."

Story 4

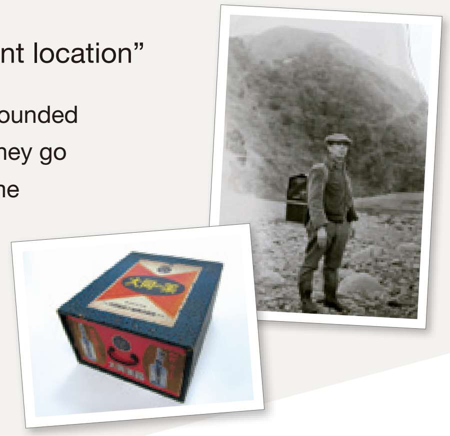
2020s: Working to achieve Group Mission 2030

Individual values have grown increasingly diverse and a sense of urgency toward achieving sustainability has risen in the face of global environmental issues. The global COVID-19 pandemic also changed people's behavior, ramping up the use of digital technology among both individuals and businesses. Furthermore, the emergence of geopolitical risks in 2022 and the end of a long period of economic deflation means our business environment is changing at an unprecedented pace, with countless challenges to address. Amid all this, we will address the material issues we have identified to achieve Group Mission 2030: "For DyDo Group to create enjoyable, healthy lifestyles for people around the world."

Values and Refined Business Model

"Delivering what customers want in the closest and most convenient location"

Our "use first, pay later" medicine business upon which the DyDo Group was founded involved placing first-aid kits in homes and offices, allowing people to pay as they go for medicine, with payment collected later. Over time, these first-aid kits became vending machines and medicines became beverages, but our founding spirit and business model of delivering what customers want in familiar places continues in our current core vending machine business.



A Retailer's Approach to Vending Machines as Stores

Stemming from the idea of placing "boxes" in familiar locations used in our "use first, pay later" medicine business, we have fostered an approach to retail with the vending machine as a store, which involves first installing vending machines in convenient locations and selling items people want there. As a retailer, we have increased vending machines in easily accessible locations for customers to use anytime, creating our current network of nearly 270,000 machines. To increase the appeal of these "stores," we also sell a variety of snacks and other products besides beverages and have expanded such features as roulette games and cashless payment. This has resulted in the sales ratio of our vending machine channel in the Domestic Beverage Business being far higher than the industry average.

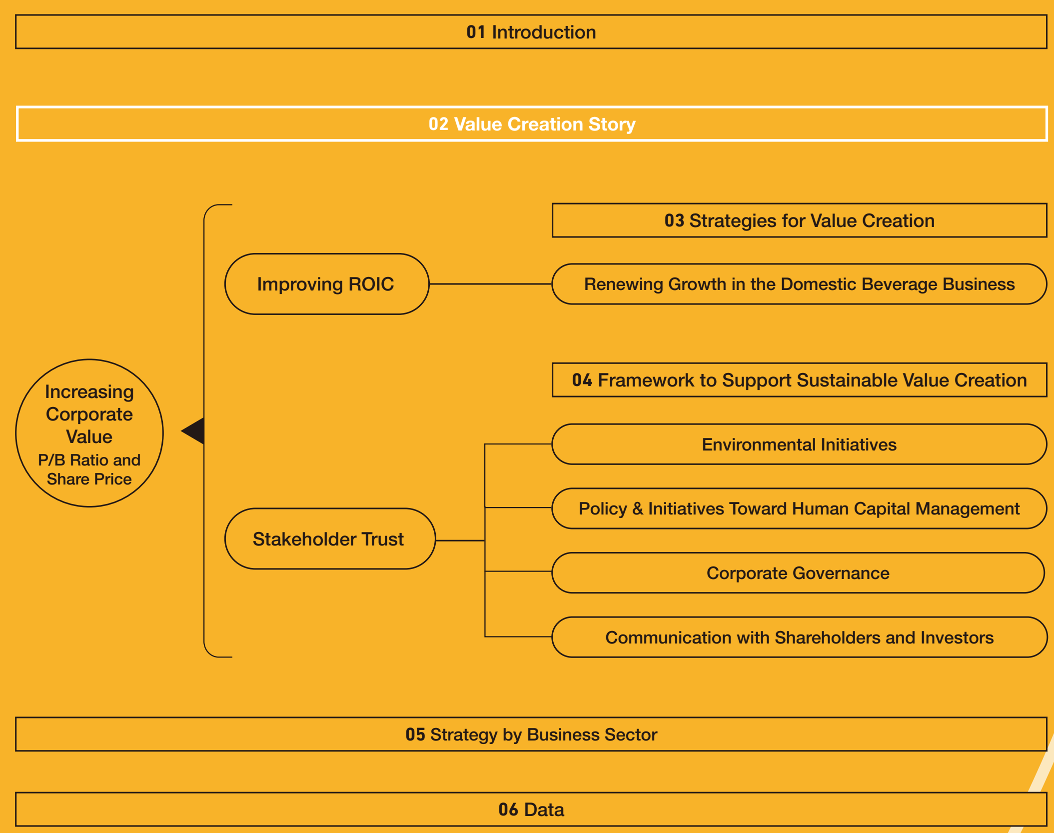
Source: Japan Soft Drink Association "Soft Drink Statistics"

Value Provided by DyDo Vending Machines

Novelty	Leading the industry		Next-gen vending machines
Solutions to Social Issues	Eco-friendly	For childcare support	For DE&I, etc.
Convenience	Available anytime, anywhere	Tap or 2D code to pay	Extensive product line
Fun	Unique products		Vending machine service "Smile STAND"

P. 36 Value provided by DyDo vending machines

02 Value Creation Story



Value Creation Process

Creating Deeper Resonance and Trust — **Further Strengthening of Assets**

Group Philosophy
Creating happiness and prosperity, together with people and with society.
To achieve this goal, the DyDo Group will continue to embrace new challenges in a dynamic way.

Input

Financial Capital
A stable financial foundation to support growth

Human Capital
Diverse human capital to address customer needs and issues

Manufacturing Capital
Production systems tailored to diverse business characteristics

Sales Capital
Extensive vending machine network

Intellectual Capital
Vending machine operation expertise

Social and Relationship
Strong partnerships

Natural Capital
Water, flora, minerals, and other natural resources

Business Model

Offer delicious products for sound mind and body

The evolution from a business of "use first, pay later" into the vending machine business

Invest in growth areas using cash accumulated through vending machine business

Expand in food and health domains while capturing niche markets

Material Issues

- Deliver products that are delicious for mind and body
- Create societal value through the vending machine business
- Deliver new drugs of great significance to society

Growth Strategy

- Promote DX and form a solid IT foundation
- Contribute to a decarbonized, recycling-oriented society
- Pursue quality for products to offer safety and peace of mind

Organizational Foundation

- Strengthen corporate governance
- Achieve work-life synergy for employees and promote diversity

Output


Domestic Beverage Business


Food Business


International Beverage Business

Orphan Drug Business


Pharmaceutical-Related Business

こころとからだに、
おいしいものを。

DyDo
Offering delicious products for sound mind and body

Customer Care Cycle	Health	Prevention	Pre-symptomatic	Treatment	Post-treatment/ nursing care
Relevant Products	General beverages and foods	Health foods	Over-the-counter drugs	Prescription drugs	Food and beverages for nursing care

Current Group business areas & investment areas
- Soft drinks
- Fruit jellies
- Supplements
- Pharmaceutical/quasi-drug health drinks and pouched products
- Orphan drugs

External Environment

Changes in the Business Environment
- Demographic changes
- Accelerating digital transformation
- Urgency of global environmental issues
- Growing global health consciousness

Changes in Consumer Behavior
- Fluctuations in consumption linked to demographic changes
- Changing purchasing methods due to digital transformation
- Diversification of values and needs including for health-conscious and environmentally-friendly products

Outcome

Group Mission 2030

For DyDo Group to create enjoyable, healthy lifestyles for people around the world

Value Provided to Stakeholders

Together with our customers.
Nurturing our customers' health

Together with the next generation.
Creating new value for future generations

Together with society.
Taking the lead in social reform

Together with our people.
Connecting people to people

Management Policy

Social value
We will contribute to the achievement of a sustainable society where people around the world can have enjoyable, healthy lifestyles

Environmental value
We will aim to make our vending machine business carbon neutral by 2050

Economic value
We will aim to improve our corporate value in the medium to long term

Group Mission 2030 and Roadmap

Promoting the Medium-Term Management Plan in 3 stages to achieve Group Mission 2030

For the DyDo Group to help build a sustainable society and thrive amid rapidly changing business conditions, we believe it necessary to do business by looking ahead to the kind of company we want to be rather than simply extrapolating from the past, and in January 2019 we formulated Group Vision 2030 “For DyDo Group to create enjoyable, healthy lifestyles for people around the world.” To achieve this, we have divided the period up to 2030 into three stages: the “Platform-Strengthening and Investment Stage,” “Growth Stage,” and “Achievement Stage,” promoting business strategies for each stage to build a highly competitive business model and form a strong business portfolio with high growth, profitability, and efficiency.

Platform-Strengthening and Investment Stage	Growth Stage	Achievement Stage
Medium-Term Management Plan 2021	Medium-Term Management Plan 2026	
FY ended January 20, 2020 – FY ended January 20, 2022	FY ended January 20, 2023 – FY ending January 20, 2027	FY ending January 20, 2028 – FY ending January 20, 2030

Overview of Medium-Term Management Plan 2026

We are laying a path back to a trajectory of renewed growth so as to progress to the Achievement Stage

	Basic Policy	Management Indicators	
1	Renewing Growth in the Domestic Beverage Business	Sales growth rate (CAGR) Currency neutral	+3%
2	Reformulating the International Business Strategies	Consolidated operating profit ratio	4%
3	Strengthening and Developing Non-Beverage Segments	Consolidated ROIC Invested capital is the amount invested in the operating segments	6%

Group Mission 2030

For DyDo Group to create enjoyable, healthy lifestyles for people around the world

Together with our customers.
Nurturing our customers’ health
We will deliver products and services that help improve health and quality of life for customers around the world in a tireless quest for delicious taste.

Together with society.
Taking the lead in social reform
We will take the lead in social reform, going beyond conventional wisdom to adopt new perspectives for achieving a sustainable society.

Together with the next generation.
Creating new value for future generations
We will take advantage of innovative technologies, bringing surprise and delight to all of our stakeholders.

Together with our people.
Connecting people to people
We will work flexibly with those inside and outside the Group and respect diverse values and abilities as we promote the creation of happiness and prosperity together.

Key Performance Indicators

We will raise social value, environmental value, and economic value to achieve sustainable growth

Social value: We will contribute to the achievement of a sustainable society where people around the world can have enjoyable, healthy lifestyles

Environmental value: We will aim to make our vending machine business carbon neutral (for both direct emissions and emissions from generating the electricity the machines use[1])

By 2030

Domestic Beverage Business[2] Company emissions (Scope 1 & Scope 2)	Carbon neutral
Major Japanese Group companies[3] Company emissions (Scope 1 & Scope 2)	50% reduction[4] (vs. FY2020)

Economic value: We will aim to improve our corporate value in the medium to long term

Consolidated ROIC in FY ending January 20, 2030
8% or higher
Invested capital is the amount invested in the operating segments

1. CO_2 emissions produced by vending machines operated by DyDo Beverage Service (Scope 3) 2. DyDo DRINCO, DyDo Beverage Service, and DyDo Business Service 3. DyDo DRINCO, DyDo Beverage Service, DyDo Business Service, DAIDO Pharmaceutical Corporation, Tarami Corporation 4. Intensity per unit of net sales

Basic Policy

Basic Policy	ROIC FY ending January 20, 2027	ROIC FY ending January 20, 2030
Innovation in the Domestic Beverage Business Continue as the core business of the DyDo Group by understanding the changing times and diversifying customer needs to evolve into a business that better serves in daily life	13%	17%
Expansion of the Business Overseas Offer delicious products for sound mind and body worldwide, growing the Group’s overall international sales ratio to over 20%	3%	5%
Development of a Second Major Source of Revenue in the Non-Beverage Businesses Identify the healthcare market as a growth area, develop new markets beyond the boundaries of “medicine” and “food,” and build a healthcare business that integrates existing operations as a second pillar of revenue	8%	17%

The DyDo Group's Management Capital

We will utilize the management capital accumulated since our foundation through businesses that deliver what customers need in familiar places to achieve DyDo Group's vision and provide value to society. Here, we outline the key management capital we have available as well as our efforts to strengthen it.

Financial Capital A stable financial foundation to support growth

Key Management Capital

We conduct disciplined financial management based on a stable financial foundation. In Medium-Term Management Plan 2026, we forecast over 60 billion yen in cash flow from existing businesses over five years, with a policy to focus investment on renewed growth in the Domestic Beverage Business. Two years of operating cash flow for strategic investments such as M&A have also been set aside separately, and these funds were used to acquire a Polish subsidiary in fiscal year 2024.

Efforts to Strengthen Capital

The Medium-Term Management Plan 2026 defines three management indicators—compound annual growth rate (CAGR) of +3%, operating profit margin of 4%, and consolidated ROIC of 6%—to create a highly growth-oriented, profitable, and efficient business portfolio. In particular, by setting mid- to long-term ROIC targets, we aim to boost cash generation for the business as a whole and create a strong organization where each and every employee is aware of capital efficiency.

PP. 28–29 Financial management

Human Capital Diverse human capital to address customer needs and issues

Key Management Capital

DyDo Group is supported by over 5,000 employees. Diverse human resources in each segment work from the customer's perspective to address needs and issues, supporting sustainable company growth. The DyDo Group Philosophy also includes the spirit of challenge to "continue to embrace new challenges in a dynamic way," and promotes a corporate culture that encourages new employee challenges, such as the annual DyDo Challenge Awards.

Efforts to Strengthen Capital

In fiscal year 2024, we formulated a comprehensive framework for human capital management. As part of this, our human capital strategy has adopted "DyDo Career Create," a system that supports proactive growth of each individual human resource. We will also develop an organization that respects diverse values and empowers all employees to demonstrate their abilities, providing an environment that achieves work-life synergy, where individuals can realize their full potential with physical and mental wellness. Through this, we aim to build an organization of diverse, autonomous professionals able to respond flexibly to social change through individual proactive growth and efforts to transform and create business in Japan and abroad.

PP. 46–51 Comprehensive framework for human capital management
P. 51 DyDo Challenge Awards

Manufacturing Capital Production systems tailored to diverse business characteristics

Key Management Capital

The Domestic Beverage and Orphan Drug Businesses employ a fabless system where product manufacturing is outsourced to partner factories. This allows us to concentrate financial capital on product development and vending machine operations. Conversely, the International Beverage, Pharmaceutical-Related, and Food Businesses own and operate their factories. Having manufacturing capital that allows for the rapid supply of safe products is fundamental to the contract manufacturing business model, especially in the Pharmaceutical-Related Business.

Efforts to Strengthen Capital

We are striving to manage and improve productivity using indicators for segments that own factories. We are also increasing factory lines and promoting automation to meet growing demand. For example, in the Food Business, which possesses one of the world's largest jelly factories, we have been addressing labor shortages and further improving and stabilizing quality by promoting automation through the integration of AI in production lines.

Sales Capital Extensive vending machine network

Key Management Capital

We own over 270,000 DyDo vending machines nationwide in our core Domestic Beverage Business. This extensive vending machine network is an asset DyDo DRINCO has built over many years, with the fact that machines are operated as stores being a salient feature. They are managed and operated each day to deliver products customers want in the closest and most convenient locations.

Efforts to Strengthen Capital

Through strengthened sales systems and customer-oriented sales practices, the number of DyDo vending machines in operation has been on the rise since fiscal year 2019. In fiscal year 2023, Dynamic Vending Network, Inc. was established as a joint venture with Asahi Soft Drinks Co., Ltd. to integrate both companies' direct sales channels, expanding our sales capital by increasing the number of vending machines we manage and operate.
Going forward, we will introduce smart operations to Asahi machines to strengthen our vending machine network and improve operational quality.

P. 35 Strengthening the sales structure and customer-oriented sales
P. 38 Dynamic Vending Network, Inc.

Intellectual Capital Vending machine operation expertise

Key Management Capital

Our core vending machine business is supported by years of expertise and a smart operation system that leverages digital technology. The Pharmaceutical-Related Business possesses manufacturing licenses for pharmaceuticals and quasi-drugs and has established high-level manufacturing quality and quality assurance systems. The Food Business leverages the jelly development and manufacturing expertise of the Tarami brand.

Efforts to Strengthen Capital

In fiscal year 2023, we began introducing AI features in smart operations to streamline operations through the use of sales data and other information. More specifically, we use AI to streamline calculations of optimal refill routes, product quantities, and product sets as we evolve our smart operations. In the Pharmaceutical-Related and Food Businesses, we are working to develop higher quality products through R&D and human resource development.

PP. 37–39 Smart operations system

Social and Relationship Strong partnerships

Key Management Capital

The Domestic Beverage Business operates with an asset-light model, outsourcing most of its value chain to partner companies. The Kyoeikai, which manages and operates nearly half of all DyDo vending machines, is a key partner. Also, in the Turkish market, which we entered through the acquisition of local companies, we own many beverage brands with high recognition as domestic products in a market dominated by global manufacturers.

Efforts to Strengthen Capital

Our spirit of "creating happiness and prosperity together" passed down since our foundation is tied to strong social capital. We will continue to work flexibly with those inside and outside the Group and respect diverse values and abilities as we promote the creation of happiness and prosperity together in our efforts to create value and develop together for the next generation. In the Turkish beverage business, we are working to increase awareness and strengthen branding by increasing touchpoints in a variety of places including shops, streets, and social media.

P. 66 Kyoeikai

Natural Capital Water, flora, minerals, and other natural resources

Key Management Capital

The business operations of the DyDo Group are inseparable from the natural environment. The food and beverages we sell, for instance, are manufactured by processing natural resources, including water, plant-based resources such as coffee beans and fruit, and a variety of materials used for containers and packaging. Vending machines, our main sales asset, are also composed of metal and other resources, consume electricity during operation, and emit CO_2.

Efforts to Strengthen Capital

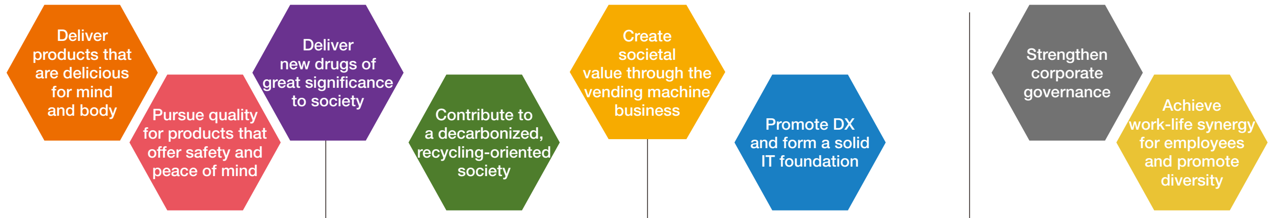
The DyDo Group aims to help build a circular economy through effective resource use as well as a net zero society in order to build a sustainable world. Specifically, we have set CO_2 emission reduction targets to help create a net zero society as a Group, and our core Domestic Beverage Business has set key targets to help build a resource recycling-oriented society. For the effective use of iron resources, we are working to extend the service life of vending machines through such initiatives as rolling out Frontier Vendors*.

* Recycled vending machines

P. 41 Key goals for contributing to a resource recycling-oriented society
P. 45 CO_2 emission reduction targets to contribute to a decarbonized society

Identifying Material Issues to Get to Where We Want to Be in 2030

Since our foundation, we have grown our business through partnerships with stakeholders. We believe we have been able to continue growing under this spirit of "creating happiness and prosperity together" because we have provided value closely aligned with customers by delivering the products they want in the closest and most convenient locations. As these strengths and value offerings evolve, we have identified eight material issues in management to achieve Group Mission 2030, our vision for 2030, and announced them alongside Medium-Term Management Plan 2026.



Together with our customers.

Nurturing our customers' health

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Taking the lead in social reform

We will take the lead in social reform, going beyond conventional wisdom to adopt new perspectives for achieving a sustainable society.

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We will take advantage of innovative technologies, bringing surprise and delight to all of our stakeholders.

Together with our people.

Connecting people to people

We will work flexibly with those inside and outside the Group and respect diverse values and abilities as we promote the creation of happiness and prosperity together.

The process behind identifying material issues

In identifying material issues, we believed it necessary to flesh out our ideas as to what Group strengths support business growth and what value we can offer to society in the future based on those strengths not only within the Company but also through dialogue with stakeholders, which is why we gathered feedback from stakeholders in a variety of positions to conduct discussions. Repeated deliberations on key management issues for each segment were held in response to these. Material issues for the Group were identified by integrating material issues identified for each segment with material issues that DyDo Group Holdings should lead as the parent company.

2021

February

1 Employee Survey

Conducted a survey for all employees on the roles the Group should play in society and issues to address

Main points verified in the survey

- Strengths each Group company has demonstrated thus far
- Future vision for each Group company
- Role to be played in society
- Social demands to be met

March

2 External Stakeholder Interviews

Conducted individual interviews* on roles the Group should play in society and issues to address

* Interviewees: Vending machine location owners, partner companies operating DyDo vending machines (Kyoeikai), beverage manufacturing partners (packers), logistics companies, food wholesalers, retailers, pharmaceutical manufacturers, cosmetics manufacturers, institutional investors, local governments, public interest corporations, experts, etc.

Main points verified in the interviews

- Strengths each Group company has demonstrated thus far
- Value provided to society thus far
- Role to be played in society
- Social demands to be met
- Future social changes to be addressed

June

3 Survey for Management and Select Junior Employees in Each Segment

Extracted vision for 2030 in each segment as well as management issues to achieve this through surveys for management and select employees in their 20s and 30s

Main points verified in the survey

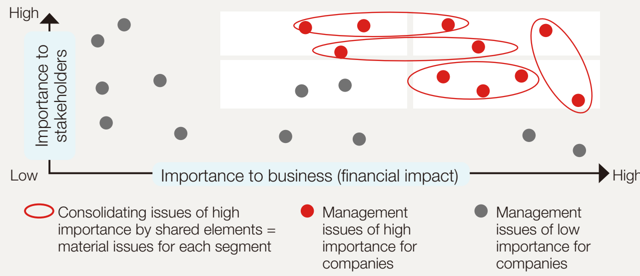
- Strengths each Group company has demonstrated thus far
- Future vision for each Group company
- Future social changes to be addressed
- Management issues to achieve our vision while addressing social changes

September

4 Identifying Material Issues for Each Segment

Held discussions with top management of each segment to identify material issues for each segment based on a draft that integrated results from surveys and interviews of employees, stakeholders, and management

Identifying Material Issues for Each Segment



November

5 Identifying Material Issues for the Group

Material issues prioritized by the holding company's management team for each segment based on the 2030 business portfolio and investment strategy goals to identify material issues for the Group

	Material Issues for Each Segment	Create societal value through the vending machine business	Deliver products that are delicious for mind and body	Deliver new drugs of great significance to society	Contribute to a decarbonized, recycling-oriented society	Promote DX and form a solid IT foundation	Pursue quality for products that offer safety and peace of mind	Achieve work-life synergy for employees and promote diversity	Strengthen corporate governance
Domestic Beverage Business	Develop and deliver products that are delicious for sound mind and body		●				●		
	Establish a solid advantage in vending machine market	●				●			
	Balance business growth with creating a circular economy and reducing greenhouse gases	●			●				
	Achieve business-growth oriented human capital and organizational development							●	
International Beverage Business	Create global brands that support the health of people all over the world		●						
	Promote sustainable business structure with partners				●				
	Secure a safe, reliable manufacturing system to support business growth						●		
	Secure and develop true global talent capable of creating new value							●	
Pharmaceutical-Related Business	Develop new products with high health value and foray into new categories		●						
	Support environmental initiatives by brand owners				●				
	Provide safe, reliable products through improved productivity and quality at manufacturing plants						●		
	Human capital strategy to achieve employee growth and happiness							●	
Food Business	Develop new products with high health value and foray into new categories		●						
	Lead the industry in environment				●				
	Provide safe, reliable products through improved productivity and quality at manufacturing plants						●		
	Human capital and organization that support future business growth							●	
Orphan Drug Business	Provide pharmaceuticals to patients suffering from rare diseases with no treatment options			●					
	An organizational culture that boosts competitiveness and provides sustainable value as well as the human capital to support it							●	
Holdings	Strengthen corporate governance								●
	Contribute to a decarbonized, recycling-oriented society				●				
	Promote DX and form a solid IT foundation					●			
	Group human capital strategy (recruit and develop global and management talent, etc.)							●	

December

6 Stakeholder Dialogue

Verified the validity of the content and identification process for material issues identified with stakeholders, including experts, institutional investors, and local governments

Main feedback from participants

- The overall framework is very thorough and compelling. Dialogues proceed alongside the creation of the medium-term management plan, taking business continuity into consideration as well. Dialogues proceed logically, with an awareness of stakeholders and sufficient time allocation.
- The thorough approach demonstrates a company that is forward-thinking about sustainability. This may have been effective for employee training as well in the sense that we reassess the Company through this process.

2022

January

7 Integration of Material Issues and Medium-Term Management Plan

Finalized material issues, set key goals and efforts in conjunction with the creation of Medium-Term Management Plan 2026

Reasons for Material Issues Selection and Progress Toward 2030

The following outlines the selection reasons for the eight material issues identified for realizing Group Mission 2030, along with the envisioned goals for each material issue by 2030. Additionally, at the Group Sustainability Committee held in June 2024, we assessed the progress of each material issue as of April 20 of the same year, and we will introduce these findings as well.

	Reason for Selection and Vision	Assessment	Current State and Challenges
Create societal value through the vending machine business	For the Group to keep growing sustainably, the sustainable evolution of our core vending machine business is vital, and major challenges in this include increasing the number of vending machines in operation and addressing mid- to long-term labor shortages. Our goal is to establish a solid advantage in the vending machine market by acquiring prime locations through installation proposals that only the DyDo Group can offer and help solve social issues while also building and expanding the use of our smart operation system using digital technology. We also believe expanding smart operations will help create a sustainable vending machine business not only for DyDo but across the entire market.	✔✔	Efforts have made steady progress, showing effects in increased vending machine numbers and improved productivity through smart operations. Customer-oriented sales efforts have yielded results in vending machine installation proposals, leading to machines that address social issues such as the "LOVE the EARTH Vendor" vending machine that possesses added environmental value as well as the "Vending Machine for Women's Health Support" that helps create a comfortable work environment for women. For smart operations, AI features were introduced in July 2023 and a core system was installed as a foundation for developing smart operations at former Asahi Soft Drinks subsidiaries. Going forward, we will roll out smart operations to former Asahi Soft Drinks subsidiaries as well as certain members of the Kyoeikai.
Deliver products that are delicious for mind and body	As our brand message "Delicious products for sound mind and body" states, our role is to provide products that not only satisfy the taste buds, but also the mind. As health consciousness rises in Japan and around the world and more people want to live long, healthy lives, the boundary between medicine and food is expected to grow even blurrier. That is why we are working to continuously create added value that contributes to physical and mental wellbeing worldwide by developing products with the element of surprise that only DyDo can provide as well as new flagship products for home shopping sales of supplements in the Domestic Beverage Business, providing jelly products with high health value in the Food Business, offering health and beauty drinks in the Pharmaceutical-Related Business, and expanding our provision of safe mineral water in terms of area and scale primarily through our SaKa brand in the International Beverage Business.	✔✔	We are developing new products aligned with recent health trends, such as functional food beverages (Frisk Sparkling, etc.) and supplements (Locomo Pro, etc.) in the Domestic Beverage Business and jelly in cups that reduce fatigue and stress in the Food Business. In the Pharmaceutical-Related Business, we have expanded production of pouched products in addition to our main bottled products, continuing to expand into new areas. In the International Beverage Business, we are working to build a business structure to deliver delicious products for sound mind and body through expanding sales channels for our international-exclusive DyDo Blend series and the Saka brand. Developing home shopping sales of supplements to follow Locomo Pro and making a foray into new categories in the Food Business are important issues, and we will continue to take on the challenge of creating products with high health value in the run up to 2030.
Deliver new drugs of great significance to society	A major challenge in going from our origins as a "use first, pay later" medicine business to now trying to achieve "enjoyable, healthy lifestyles for people around the world" is building second pillars of business not only in the beverage business but in non-beverage businesses as well, especially in the field of healthcare. One of these that we will foster over the medium to long term in the run up to 2030 is the Orphan Drug Business, which we started in 2019. We aim to invest in new drug candidates for rare disease treatment created and developed by global bioventures, acquire manufacturing and sales rights especially in Japan, develop and obtain approval, and deliver new treatments to patients. Our goal in gaining approval and selling multiple rare disease drug candidates is to broaden the areas of disease we are able to address and build a sustainable pharmaceutical business.	✔	As of May 2024, we have two pipelines in the Orphan Drug Business. Amifampridine phosphate (DYD-301), expected to be effective for Lambert-Eaton myasthenic syndrome, was submitted for approval in December 2023, with steps underway toward obtaining approval. Genetically modified human adipocyte of LACT (Lecithin Cholesterol Acyltransferase) (DYD-701), expected to be effective for familial LCAT deficiency, is undergoing a physician-led clinical trial at Chiba University. We will continue to work toward obtaining approvals for new drugs.
Contribute to a decarbonized, recycling-oriented society	Recently, corporate efforts toward building a sustainable society and addressing environmental issues in particular have become increasingly important in terms of gaining stakeholder trust, having consumers select a product or service, supply chain sustainability, and a variety of other perspectives. The DyDo Group has established key goals toward building a circular economy as well as CO_2 emission reduction targets to help build a sustainable society. We will make business investments to add new value and create innovation to balance environmental initiatives with business growth in a way that goes beyond mere risk reduction. We will work with employees and other stakeholders at key points along the supply chain in an effort to reduce environmental impact and create economic value.	✔	Total CO_2 emissions in fiscal year 2023 increased 6.6% over the previous year while intensity per unit of net sales increased 2.8%, unfortunately resulting in increases for both figures for the second year in a row. While the adoption of EVs and solar panels is being considered at Group companies, a major challenge is how to link these investments in the environment to increasing corporate value. In efforts to help build a circular economy, while the empty container collection rate in the Domestic Beverage Business has improved to 96.7% (up 4.7% from the previous year) and average vending machine service life has reached 12.2 years (11.8 years in the previous year), many challenges remain in making plastic containers sustainable (bottle-to-bottle). We will continue implementing a variety of measures to achieve our 2030 targets.
Promote DX and form a solid IT foundation	Our society continues to change at an incredible pace. To adapt to these changes, promoting DX—that is, continuously evolving our business model using digital technology to meet changing customer and social needs—is vital. We must also strengthen our IT infrastructure, including network and information security, as a foundation for promoting DX. Our goal is to accelerate the transformation of existing businesses and create new business opportunities by recruiting outside talent with DX expertise and fortifying internal development of human capital who understand DX to create a culture where employees proactively use digital technology and data.	✔✔	In September 2023, we were certified as a DX-certified business operator under the DX Certification System promoted by the Ministry of Economy, Trade and Industry, receiving high praise for our DX promotion efforts. We will keep working to proactively promote DX while rapidly adapting to the digital transformation of society. As concrete measures, we regularly publish an internal newsletter focused on DX and assign "DX evangelists" to lead business and process improvements in each department in an effort to improve employee DX literacy. We also use SaaS (Kintone) to facilitate collaboration across multiple departments, leading to fast problem-solving.
Pursue quality for products to offer safety and peace of mind	As a company that provides food, beverages, and even pharmaceuticals going forward, safety and reliability are fundamental to the business of the DyDo Group. We will strengthen the quality control department at each company to build a sophisticated, flexible quality management system through Group-wide initiatives and partnership to prepare for ever-increasing safety requirements and offer new products with added value. We will also work to balance improvements in quality with improvements in productivity by proactively adopting the latest technologies. Further demand growth is expected in the International Beverage Business, primarily in Turkey, and as such we will work to create a more stable supply system, including securing water sources.	✔✔	For quality assurance, which was previously handled by individual companies, we established the Quality Improvement Coalition in fiscal year 2023 to strengthen quality control departments across the Group. Quality control officers from each Group company participate in this coalition, exchanging information on initiatives at different companies to improve quality across the entire Group. In the Pharmaceutical-Related and Food Businesses, which have manufacturing plants in Japan, we have obtained ISO 9001 and FSSC 22000 certifications, respectively and are working to build even safer and more reliable manufacturing systems by further improving quality and productivity through digital technology and the latest equipment such as product inspection cameras and inspection devices equipped with AI. In our fabless Domestic Beverage Business, we conduct regular audits and awareness-raising efforts to ensure safety and security through partnerships with contract manufacturers.
Achieve work-life synergy for employees and promote diversity	Achieving our management strategy requires a human capital strategy in alignment with it. We also believe it is vital that each employee be in physical and mental health and embody the value we wish to provide to achieve the vision set forth in Group Mission 2030. That is why we are working to create a pleasant work environment and an organization that ensures psychological safety and allows all workers to thrive, then develop human capital for the sustainable growth of the Group. The most important target for achieving this is defined as high employee engagement, and we are promoting the advancement of women's careers as a top DE&I priority and building replete systems to bolster human capital across the Group.	✔✔	In April 2024, we formulated a comprehensive framework for human capital management and are preparing to introduce DyDo Career Create. In March 2024, we formulated the DyDo Group Human Rights Policy and established a Human Rights Subcommittee to promote human rights initiatives. To promote DE&I, we established a Diversity Promotion Group within DyDo DRINCO's Vending Machine Sales Planning Department. We are working to change management's awareness of DE&I through interviews between sales managers nationwide and Diversity Promotion Group representatives and have allocated an HRBP* to the department to strengthen mid-career recruitment. Creating more replete, concrete DE&I measures is an urgent issue, and preparations are underway to implement new systems and measures. * Human Resource Business Partner
Strengthen corporate governance	Corporate governance initiatives are a crucial element in the foundation of an organization. We will continuously work to instill the Group Philosophy among employees, bolster management based on ROIC capital efficiency, and continuously improve Group governance structure. In setting and managing KPIs based on capital productivity indicators such as ROIC at major subsidiaries, we aim not only to manage progress but create a strong organization where each employee is aware of capital efficiency. To build a Group-wide governance structure, the presidents of major subsidiaries in Japan will be appointed as corporate officers of the holding company in an effort to strengthen collaboration and foster unity among Group companies.	✔✔	To promote understanding of the Group Philosophy, which constitutes our universal values, as well as the "vision" formulated by each operating segment, including Group Mission 2030, the President and Representative Director of the holding company pays visits to operating companies to directly explain these to employees and provide opportunities for questions. These visits commenced in fiscal year 2022 and have been conducted at DAIDO Pharmaceutical Corporation, Tarami, and our Turkish and Chinese subsidiaries in the International Beverage Business. Furthermore, to implement management focused on capital efficiency, we have revised Group performance management systems and started discussions on Group resource allocation in order to set KPIs on capital productivity (such as ROIC) at major subsidiaries, manage their progress, and allocate management resources properly. We are also building a foundation to visualize progress on important Group measures and discuss fast responses.

Message from the Chief Financial Officer

Maintaining and building a sound financial foundation that balances growth investments, financial wellness, and shareholder returns to achieve sustainable growth

Naoki Tonokatsu
Director and Corporate Officer,
General Manager of the Finance Department

Career and role as a financial officer

I joined DyDo DRINCO in 1986, worked in route sales for a year, and since then have been involved in the activities and evolution of the Group's finance and accounting departments for more than 35 years. During this time, the approach to financial accounting in Japan has changed drastically, including the transition to consolidated financial statements and the introduction of fair value accounting. For the Group as well, we have reviewed our financial strategy and adapted our financial and management accounting in line with changes in management strategy and organizational structure, such as our stock listing in August 2001, the transition to a holding company structure, and M&A with companies overseas.

The Finance Department has established the Financial Management Policy. The basic policy states that we will maintain stable, sound financial management to secure stable earnings and further increase corporate value. To achieve this, we are working to maintain and build a sound financial foundation that balances three factors: strategic business investments for future growth, accumulation of sufficient equity to respond to sudden risks, and appropriate medium- to long-term returns to shareholders. Through this balanced financial management, the Finance Department plays a vital role in providing support for sustainable growth in terms of finance.

Maintaining financial stability and improving capital efficiency

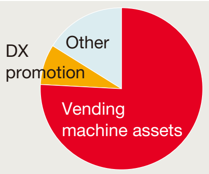
Our basic approach in Medium-Term Management Plan 2026 is to invest in areas of expected growth while maintaining stable shareholder returns and an appropriate equity-to-asset ratio to maintain financial soundness based on the Financial Management Policy. We also aim to achieve further growth investment and shareholder returns by linking reinvested capital to returns that exceed WACC. We define the optimal capital structure to achieve this as an equity-to-asset ratio of roughly 50% to maintain our current credit rating (A-)* from a standpoint of maintaining financial soundness.

* Rating by the Japan Credit Rating Agency (JCR) (as of August 2024)

Approach to cash allocation

We forecast over 60 billion yen in cash flow from existing businesses during the current medium-term management plan period (five years). We will concentrate reinvestment of these funds in establishing a competitive edge in the vending machine business through smart operations and other initiatives, all while providing stable shareholder returns. We are also considering M&A aimed at significant growth using separate funds. While decisions on funding will be made in consideration of financial soundness indicators such as the equity-to-asset ratio, our goal is approximately two years' worth of operating cash flow.

Investment Funds	Fund Allocation	
Total cash flow over 5 years: Over 60 billion yen	**Concentrated reinvestment to establish competitive edge in vending machine business**	
	Vending machine assets	42 billion yen
	DX promotion (core system upgrades)	4.5 billion yen
	Other capital investments	9.5 billion yen
	For shareholder returns, maintain a stable dividend policy. Aim to increase dividends as performance improves.	
2-years' worth of operating cash flow	Strategic investment frameworks for M&A etc.	



Awareness of the cost of capital and future challenges

Prompted by the mention of "accurate understanding of capital costs and business portfolio review" in the revised 2018 Corporate Governance Code, we estimated our weighted average cost of capital (WACC) and have reviewed it annually since then. We employ CAPM* in estimating shareholders' equity and use long-term historical data for market risk premium and other factors. This is because in Medium-Term Management Plan 2026, which started in fiscal year 2022, we wanted to ensure that WACC, used as a comparison for ROIC, a management indicator we were using for the first time, would not fluctuate significantly during the period of the plan. However, we recognize that there is a gap between the cost of equity level we recognize internally and that required by investors. We believe it will be necessary to estimate WACC using multiple methods and align our perspectives with investors in the future.

Another challenge we recognize is calculating WACC for each segment and setting corresponding ROIC targets. Currently, WACC is calculated for the entire Group, then ROIC targets are set for each segment by adding appropriate spreads based on this. However, risks naturally differ based on the characteristics of a country or business. As a first step toward overcoming this challenge, when considering investment in the Polish beverage company Wosana S.A., which we acquired in February 2024, we estimated WACC based on the characteristics of Poland and verified whether returns would exceed this. In the future, we plan to estimate WACC according to the characteristics of the country and business and set ROIC targets based on these for existing business management as well in an effort to further improve management quality.

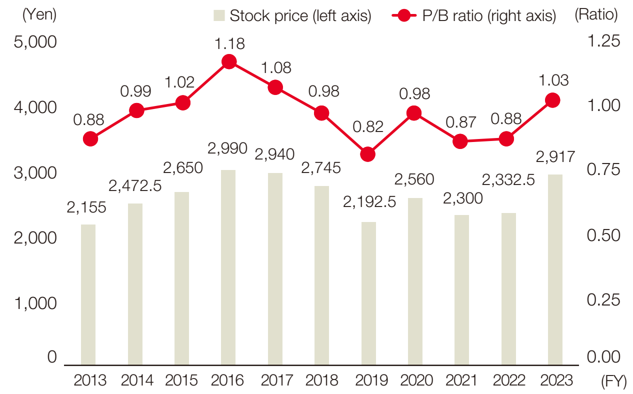
* Capital Asset Pricing Model

Financial challenges in increasing corporate value

The P/B ratio for the Group hovers around 1.0, a level we are not satisfied with. We believe the main factor for the low P/B ratio compared with industry peers through a factor analysis is our low ROE, specifically, low profit margins. Prior to the COVID-19 pandemic, there was persistent deflation in the beverage industry in particular that rendered raising unit prices difficult, so we focused on cost reduction to improve profit margins. However, the situation has changed, and now price revisions are underway in the beverage industry as well due to the plethora of cost increases. We view this as an opportunity, with the challenge being to adjust sales unit prices appropriately.

To increase corporate value, we will work to both maximize cash flow and reduce WACC. To maximize cash flow, it is vital to improve sales growth, including the sales unit prices mentioned earlier, as well as boost ROIC, which demonstrates earning power per unit. To reduce WACC, we view utilizing debt while reducing the cost of equity through IR efforts to be crucial. This is of course premised on financial wellness, and we will consider maximum debt use while maintaining our credit rating.

Stock Price and P/B Ratio Trends



Note: A 1:2 stock split was conducted on January 21, 2024. The values in the graph have been calculated assuming this stock split occurred at the beginning of fiscal year 2013.

Approach to shareholder returns

Our basic dividend policy is to continue providing stable dividends that take into consideration the balance of shareholder returns and internal reserves as necessary funds for sustainable growth. To continue providing stable dividends, it is vital to first secure stable cash flow through strategic business investments, so we plan to assess the situation and then provide appropriate returns to shareholders.

Message from the Chief Corporate Strategy Officer

ROIC management and sustainability efforts to achieve Group Mission 2030

Naoyuki Nishiyama
Director and Corporate Officer
General Manager of the Corporate Strategy Department

Role as the Chief Corporate Strategy Officer

I joined DyDo DRINCO in 1988 and worked in route sales for two years, and after that handled planning, management, and oversight of the vending machine business for roughly 20 years. In 2013, I transferred to the newly established President's Office, which was renamed the Corporate Strategy Department when the current president took office in 2014, and became the General Manager of the Corporate Strategy Department. At that time, we were beginning to expand our business portfolio beyond the vending machine business, and as the General Manager of Corporate Strategy, I led the development of a corporate governance policy in tandem with our transition to a holding company structure in 2017, building the foundation for international business and M&A with companies overseas while serving concurrently as the General Manager of the International Business Department and Strategic Investment Department. Since joining the Company, I have focused solely on the vending machine business, so this has all been a series of challenges, but I now feel that I have been able to expand our relationships with many different businesses and people.

Currently, as the General Manager of Corporate Strategy, I oversee six groups—the Corporate Strategy Group, Strategic Investment Group, Business Innovation Group, Sustainability Promotion Group, Risk Management Group, and System Planning Group—and the main mission of our department is to achieve Group Mission 2030. Amid all this, I recognize that creating management strategies and allocating resources appropriately to each segment to maximize return on investment is a role of particular importance.

Looking back over international expansion and future prospects

Since around 2010, we have expanded our business portfolio, accelerating international expansion in particular for significant top-line growth. We established a subsidiary in China in 2008 and in Russia in 2013 in an effort to develop the vending machine business but shifted our business model in China to retail sales channels for convenience stores and made a resolution to liquidate the subsidiary in Russia in 2020. We learned that generating profit in the vending machine business requires the installation of thousands of machines and that business must be developed according to the customs of the nation where it will be built, requiring more time and funds than expected to build such a foundation overseas. We also established a joint venture with a major local confectionery manufacturer in Malaysia in 2016 to manufacture and sell beverages, but this also struggled as we needed to develop sales channels from scratch, and we withdrew in 2020 during the COVID-19 pandemic.

Meanwhile, in Turkey, which we entered through M&A with the beverage division of a major local company in 2016, business is very strong currently despite the challenging business environment created by the depreciation and inflation of the lira. While this is undoubtedly the result of the efforts by local management and employees, we believe having products long loved by locals is another contributing factor. One lesson from this trial and error is that we found our direction in international business, to aim for expansion through M&A of companies that already have sales channels and a certain brand power instead of starting business from scratch.

The acquisition of Polish beverage company Wosana S.A. (Wosana) announced in December 2023 leveraged the lessons and insights gained from our experience thus far. Our investment decision was based on much stricter criteria than we had used before, which including checking whether the company had assets such as the sales channels and product brand power mentioned earlier, conducting careful due diligence while verifying information through site visits, estimating Wosana's WACC, and determining whether even greater returns could be expected. In terms of future prospects, we will focus first on developing the promising Polish market, which we plan to tie to future business expansion in Europe. This is not the end of our International Beverage Business expansion, and we are considering continuous sourcing.

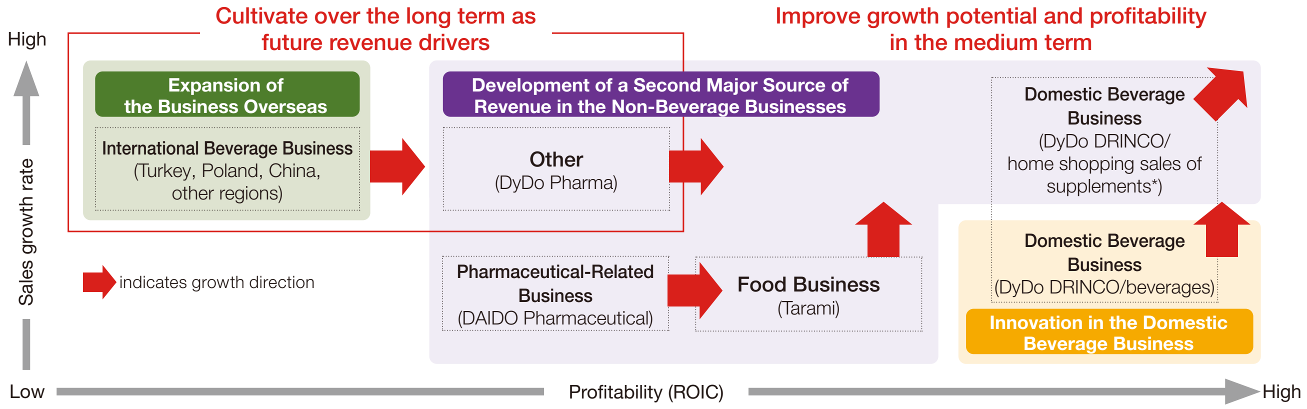
Improving capital efficiency by promoting ROIC management

The Group has made increasing economic value one of the management policies of Group Mission 2030, adopting the capital productivity indicator ROIC as its KPI.

We are promoting a business portfolio strategy using ROIC as part of our role as a holding company to boost capital efficiency. Our goal is sustainable growth through the development of a portfolio based on the three basic policies of Group Mission 2030, which features both businesses that will grow in the medium term to serve as pillars of profit and businesses to be fostered over the long term as future revenue drivers. We also believe conducting M&A and other growth-oriented investments is vital for improving Group-wide ROIC, so we launched a new Group Strategic Investment Meeting to explore and consolidate investment projects for each business and make investment decisions based on priorities.

To boost capital efficiency for each business, we are promoting the use of ROIC trees by business segment. We introduced these in the Food Business in fiscal year 2022, the first year of the plan, then in the Domestic Beverage Business in fiscal year 2023 and in the Pharmaceutical-Related Business in fiscal year 2024, and are managing progress at Board of Directors meetings. We view ROIC trees, which visualize measures to improve ROIC, as management indicators that link management with those working at business sites and as useful tools for instilling understanding of return on investment in employee minds. Ultimately, we aim for salespeople to get a sense of how their daily work contributes to improving ROIC.

The most urgent issue for improving ROIC is boosting profitability in the Domestic Beverage Business. The most important measure in this regard is smart operations, and we are working to maximize the effects by expanding it to subsidiaries under Dynamic Vending Network, Inc., a joint venture with Asahi Soft Drinks Co., Ltd. aimed at integrating vending machine operations. We are currently investing in smart operations and plan to realize positive results from integration by around fiscal year 2025.



* The home shopping sales of supplements are included in the Domestic Beverage Business accounting segment as under development by DyDo DRINCO.

Calculated before application of hyperinflation accounting	Results FY2022	Results FY2023	Targets FY2026	Targets FY2029
Sales growth rate (CAGR)[1]	(0.7%)	+16.9%	+3%	–
Consolidated operating profit ratio	1.2%	2.4%	4%	–
Consolidated ROIC[2]	1.4%	3.5%	6%	8% or higher
Domestic Beverage Business ROIC[2]	3.6%	5.8%	13%	17%
International Beverage Business ROIC[2]	0.2%	7.5%	3%	5%
Non-Beverage Business ROIC[2]	4.2%	4.1%	8%	17%

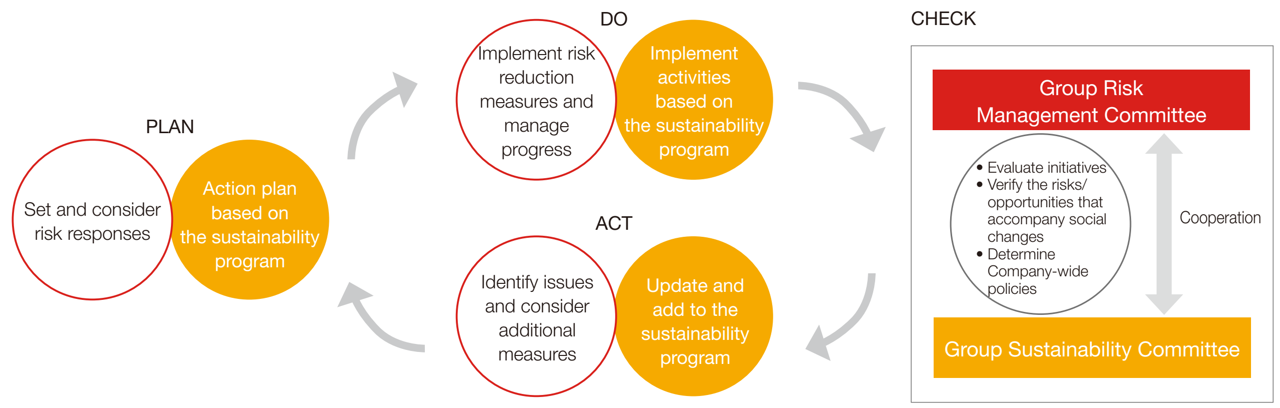
1. Currency neutral 2. Invested capital is the amount invested in the operating segments

Policy for addressing social and environmental changes for sustainable growth

In this era of rapid change, we recognize the need to properly understand environmental and social changes and work to minimize risks while maximizing opportunities in business in order to achieve sustainable growth. The Group Philosophy embodies the spirit of “creating happiness and prosperity together” with the phrase “Creating happiness and prosperity, together with people and with society,” and since our foundation, we have grown our business based on partnerships, so I believe awareness of social and supply chain sustainability has naturally taken root. Going forward, it will be vital for us to view social and environmental changes from a medium- to long-term perspective, not only in terms of reducing risk but to see them as opportunities. This requires us to create new sources of sales and profit by providing value that leads to solving these issues. That is why we have built a system that links the Group Risk Management Committee and the Group Sustainability Committee to address social and environmental changes from the perspectives of both reducing risk and creating opportunity.

Based on these ideas and systems, we discussed medium- to long-term management issues at the start of Medium-Term Management Plan 2026 and identified eight material issues toward achieving Group Mission 2030. To identify material issues, we narrowed down issues of high importance by assessing them on two axes: impact on society and impact on business. By focusing on medium- to long-term initiatives based on these material issues, we believe we can increase long-term corporate value without being bound by immediate issues or short-term profits.

Risk Management and Sustainability Promotion Management Process



Held on the same day twice a year

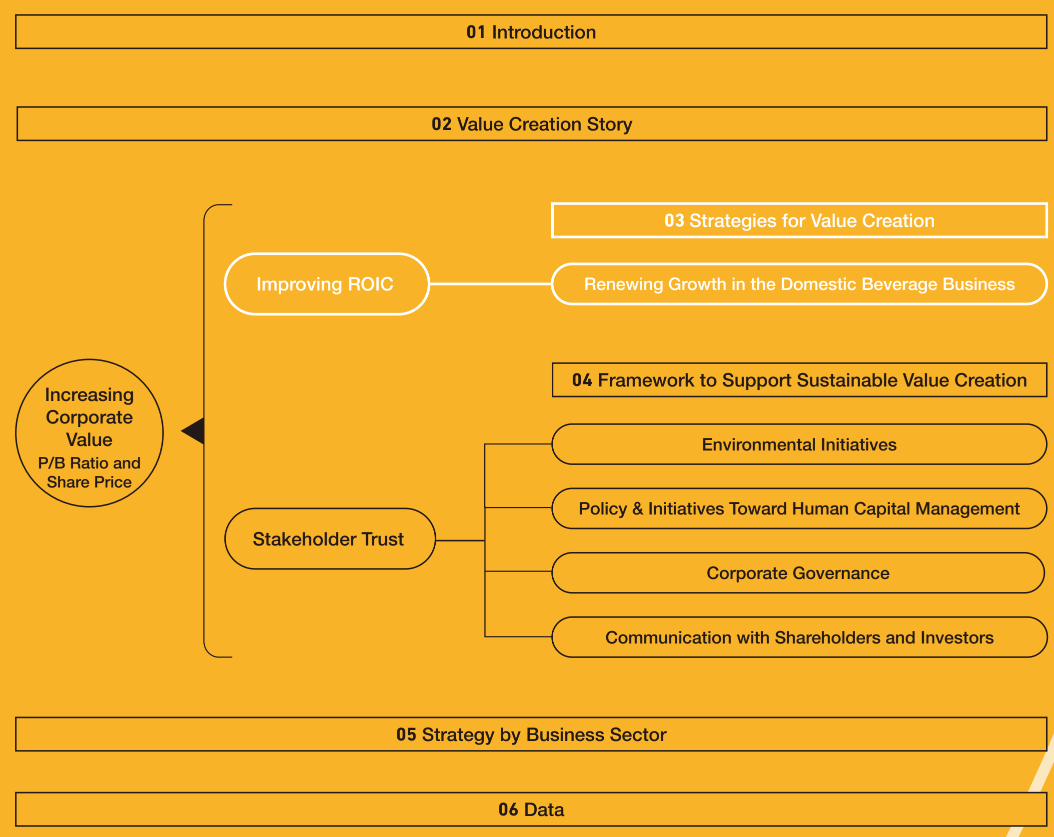
Addressing medium- to long-term risks from demographic changes

The population in Japan is aging, and we believe this demographic change will have an even greater impact on business going forward, especially in the domestic market. That is why, since fiscal year 2023, the DyDo Group has applied the TCFD scenario analysis framework to assess medium- to long-term risks associated with demographic changes that should be monitored across the supply chain. While population decline impacts sales and profits in some areas, we believe the possibility of business shrinkage is limited and can be adequately addressed through business strategy. However, we recognize there may be significant medium- to long-term impacts in terms of securing human capital. For example, we recognize the risk of being unable to maintain the number of vending machines in operations due to a shortage of vending machine operators in the Domestic Beverage Business. The smart operations mentioned earlier would not only improve productivity but also lead to increased sustainability in the vending machine business. We have already improved productivity using communication devices and AI, but we believe there is still room for improvement. We will continue to monitor risks and consider countermeasures from a medium- to long-term perspective.

P. 61 Assessment of medium- to long-term risks due to demographic changes

03

Strategies for Value Creation



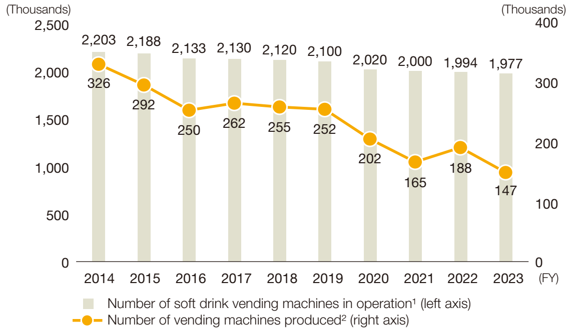
Renewing Growth in the Domestic Beverage Business

In our Medium-Term Management Plan 2026, we have identified the regrowth of our vending machine business as a fundamental policy. To establish a strong competitive advantage in the vending machine market, we are working to increase the number of operating vending machines, create attractive vending machines (stores), and establish and expand “smart operations.”

1 Challenges in the vending machine market and our strategy

There are roughly 2 million soft drink vending machines in Japan, a decline since a peak in 2013 due to the expansion of convenience stores and other competitors. Furthermore, with the decrease in demand in vending machine channels during the COVID-19 pandemic, beverage manufacturers have polarized into either those that have continued investing in vending machine channels and those that have curtailed investment, intensifying the trend toward oligopoly among top companies. As a result, the number of new vending machines has decreased significantly, with the decline in the number of machines in operation expected to accelerate further in the future. However, sales from vending machines account for nearly one-fifth of the entire beverage market, amounting to approximately 1 trillion yen, and these “stores,” which are distributed much more pervasively than other retail businesses, are expected to stay at a certain level in the future due to their high convenience.

Trends in the Number of Soft Drink Vending Machines and Vending Machine Production



1. Created in-house based on published materials from the Japan Vending System Manufacturers Association
2. Created in-house based on *Current Production Statistics* from METI

Addressing labor shortages to bolster vending machine operations

While vending machine sales are unmanned, restocking, collecting empty containers, cleaning the machines and their surroundings, and other aspects of their management require significant manpower. With a graying population leading to a decline in the working age and aging workers, the number of vending machines in operation is decreasing (through removal), especially in rural areas, due to a shortage of workers to handle vending machine operations.

This shortage of workers also leads to a decline in the quality of vending machine operations and lost sales opportunities. Building an efficient vending machine operation system is urgent if we are to maintain a nationwide vending machine network that lets anyone purchase a beverage when they need it.

Boosting value provided through vending machines

Since the COVID-19 pandemic, consumer lifestyles, purchasing behavior, and preferences have changed dramatically. For example, the proliferation of remote work, the acceleration of cashless payments, and the further rise in health consciousness have had a significant impact on the vending machine business.

For vending machines to continue existing as social infrastructure, it is vital to keep refining the value they provide based on unprecedented ideas and new technologies.

A strategy for Group vending machine channels

Group sales in the vending machine channel are more than 130 billion yen. With vending machine channel sales of about 1 trillion yen in the overall market, there is room for growth, and polarization among beverage manufacturer approaches to vending machine channels presents an opportunity for the Group, which is built around the vending machine business. We will achieve sustainable growth by fortifying investment in the vending machine channel and establishing a solid advantage in the vending machine market.

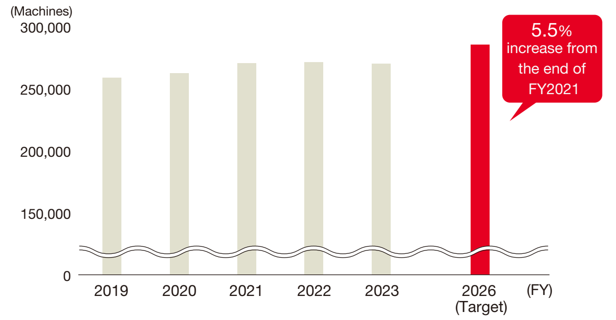
■ **Strategies for establishing a solid advantage in the vending machine market**

- Increase the number of vending machines in operation P. 35
- Create appealing vending machines (stores) P. 36
- Establish smart operations and expand rollout locations PP. 37–39

2 Increase the number of vending machines in operation

To boost our competitive advantage in the vending machine market, we are working to expand our market share by increasing the number of vending machines in operation even as the total number of vending machines in the market decreases. To increase the number of operating vending machines, we are working on both new installations in prime locations where high sales volumes are expected as well as on efforts to prevent the removal of vending machines already installed. The thing that allows us to put forth this policy of expanding the number of vending machines despite a labor shortage in vending machine operations is the unique strengths of the Group, which include smart operations that allow for management by fewer people and partnerships with the Kyoeikai. In fiscal year 2023, we implemented strategic removals for efficient smart operations, resulting in a number on par with the previous fiscal year, but the number of vending machines in operation has risen since fiscal year 2019, so we will accelerate efforts to achieve the goals set forth in Medium-Term Management Plan 2026.

Changes in the Number of Vending Machines in Operation

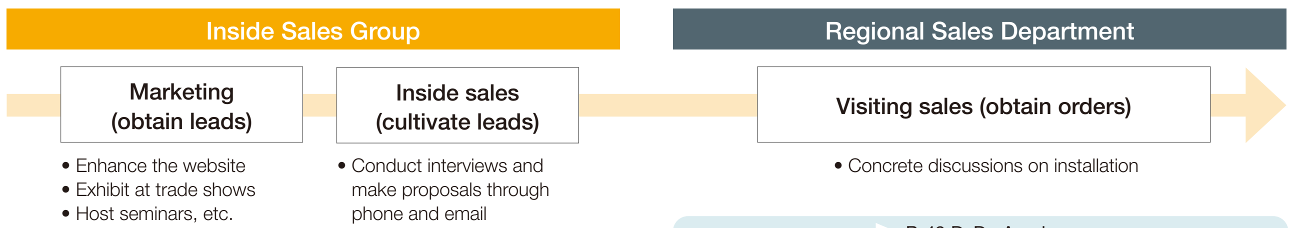


PP. 37–39 Smart operations
P. 66 Kyoeikai

Strengthening sales skills to expand new installations

To expand new installations in locations where high sales volume is expected, we are working to fortify our sales structure and improve sales skills. In fiscal year 2020, we launched the Inside Sales Group to efficiently develop new customers online, and since fiscal year 2024, we have assigned an HRBP* exclusively to the vending machine sales department, increased the number of sales workers through mid-career hiring and job rotation, and conducted development training. We also hold continuous internal training called Dydo Academy, which systematizes our customer-oriented sales expertise to improve the sales skills of each and every sales representative.

* Human Resource Business Partner



P. 49 DyDo Academy

Customer-Oriented Sales

With saturation in the number of vending machines, companies compete ruthlessly to acquire locations where high sales volume is expected. The Group has been a part of customers’ lives since its foundation and has contributed to health in individual households with its medicine sales, and even in the modern age with a different business model, we engage in customer-oriented sales in which we listen to location owners’ issues and work to solve them through vending machines. We aim to be the company chosen by location owners through the unique value only DyDo can provide, without succumbing to competition based solely on economics.

3 Create appealing vending machines (stores)

To remain part of our customers' lives and continue being of service, we have redefined our vending machines and the value they provide. We have positioned vending machines not as mere machines that sell beverages, but as "stores" that offer "delicious products for sound mind and body," offering value in terms of novelty, solutions to social issues, convenience, and fun. We will continue to evolve to meet customer needs and provide goods and experiences that exceed expectations, offering customers even better experiences in the future.

Value Provided by DyDo Vending Machines

Novelty	Innovation	Create industry standards through the rollout of smart operations and the official DyDo app Smile STAND
	Co-Creation	In response to societal changes and customer demands, we are introducing innovative vending machines such as the facial recognition vending machine "KAO-NE," the "Drink Pay" system enabling payment via unique 2D codes, and the "LOVE the EARTH Vendor," which is carbon-neutral. We are building a new kind of vending machine experience, co-created with our customers.
Solutions to Social Issues	Community Contribution	Rollout vending machines that contribute to local communities, such as vending machines for fundraising that donate a portion of sales to organizations and vending machines with special designs to promote tourism
	Environmental Conservation	Rollout the LOVE the EARTH Vendor that use non-fossil certificates to achieve carbon neutrality as well as Midori no Bokin (Greenery Fund) vending machines
	Crime Prevention	Rollout vending machines that use voice features to raise awareness for crime prevention and community safety
	Parenting Support	Rollout vending machines that help with parenting, such as baby diaper vending machines and vending machines that donate to cafeterias that provide meals to children
	Diversity Promotion	To address various issues faced by working women, we are introducing women's health support vending machines that sell women's hygiene products (sanitary napkins) alongside beverages, as well as machines that offer stockings.
	Health Promotion	Deliver a variety of health-oriented beverages delicious for the mind and body, including products with functional claims
Convenience	Social Infrastructure	The nature of vending machines means they can sell at times and places where manned stores cannot. They also serve as a kind of social infrastructure, especially during disasters.
	IoT Integration	With the IoT integration of vending machines, we are deploying cashless vending machines that accept electronic money and 2D code payments. We have also developed a smart operation system that remotely acquires sales data.
	Extensive Product Line	Offer a wide range of categories and an extensive product lineup, including mainline canned coffee products, mineral water with added nutrients derived from deep sea water, and soft drinks with functional claims status
Fun	Rest Spot	Deliver customers joy through vending machines with roulette games and voice features as well as the official DyDo app Smile STAND
	Unique Products	We offer unique products developed through collaborations with other companies, such as a series supervised by the cosmetic brand Hadabisei,[1] and challenging innovations like the world's first FRISK SPARKLING beverage.[2]

1. Hadabisei is a trademark and brand name owned by Kracie., Ltd. They provide supervision for the concept and design of products that support healthy lifestyles for women. (Functional claims labeling is not included in this supervision)
2. Based on our research, the world's first beverage version of FRISK™.

Deliver products that are delicious for sound mind and body

Since the COVID-19 pandemic, not only have customer lifestyles and purchasing behavior changed, but price revisions have been made amid rising costs even in the beverage industry, where deflation had been persistent. This has led to diversification of customer needs not only in terms of taste but also in terms of price. To address these changes, we are working to enhance our product lineup to cater to all customers through the pursuit of value that appeals to the needs of each customer in terms of taste, packaging, price, and a variety of other perspectives.

We are also not limited to delivering only beverages to customers. Leveraging our position as "stores" able to deliver products to the locations closest to customers, we provide items demanded at each location. For example, we sell snacks, stockings, and feminine hygiene products at offices as well as baby diapers at shopping centers.

Cashless payment compatibility

To meet a variety of customer needs in terms of payment and improve convenience, we have been promoting the adoption of cashless payments such as electronic money and 2D code payments. We are also working to develop our vending machines and services unique to DyDo, such as the KAO-NE vending machine that enables payment through facial recognition for those who pre-register a facial photo and credit card information as well as the Drink Pay service that allows for payment using a special 2D code.

In recent years, even amid price revisions, vending machines with cashless payment options have maintained sales volume compared to those without, contributing to both improved customer convenience and business performance. That is why we are accelerating installation of cashless systems, with a 40% cashless payment adoption rate in our direct sales channel by fiscal year 2026 as our goal.

4 Establish smart operations and expand rollout locations

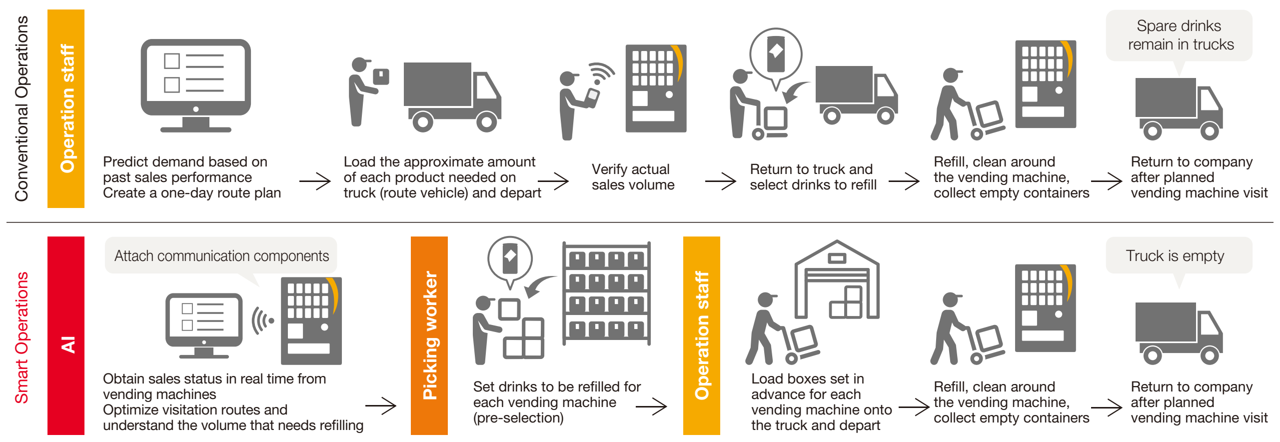
Overview of smart operations

Anticipating future labor shortages in fiscal year 2019 the Group commenced the establishment of smart operations, our unique efficient vending machine operation system, completing rollout to all DyDo Beverage Service locations by fiscal year 2022.

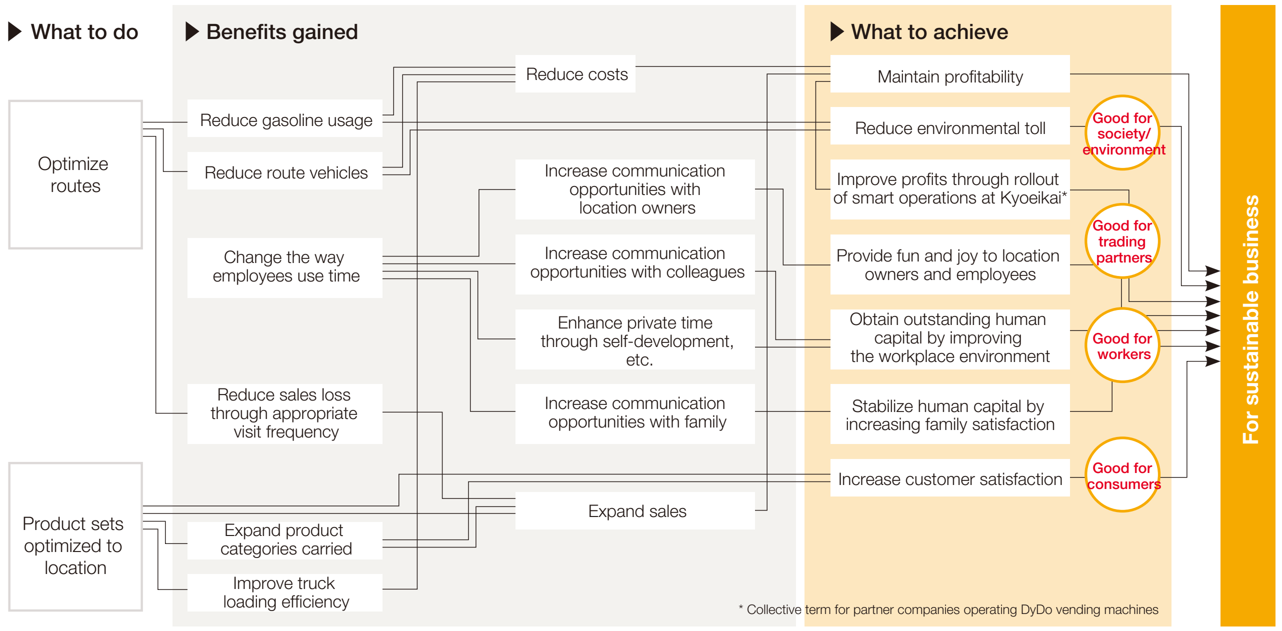
The primary goal of smart operations is to fundamentally reform work processes through the use of digital technology and division of labor, achieving reduced workload and improved productivity. This allows us to maintain our nationwide vending machine network even as the labor force decreases.

The next challenge after this streamlining is addressing different needs at each installation location through AI and the expansion of products carried. While the number of product categories that could be loaded on trucks was limited under conventional operations, smart operations allow for a wider range of products, as products to be refilled at each vending machine are prepared in advance at the sales office warehouse. We will maintain vending machine operation quality and delve deeper into demand to keep improving customer satisfaction. By doing so, we will create value for our installation locations and other business partners, transform into an environmentally-friendly business accepted by society, and boost the value of vending machines as social infrastructure.

Smart Operation Workflow



Things to Achieve in Smart Operations



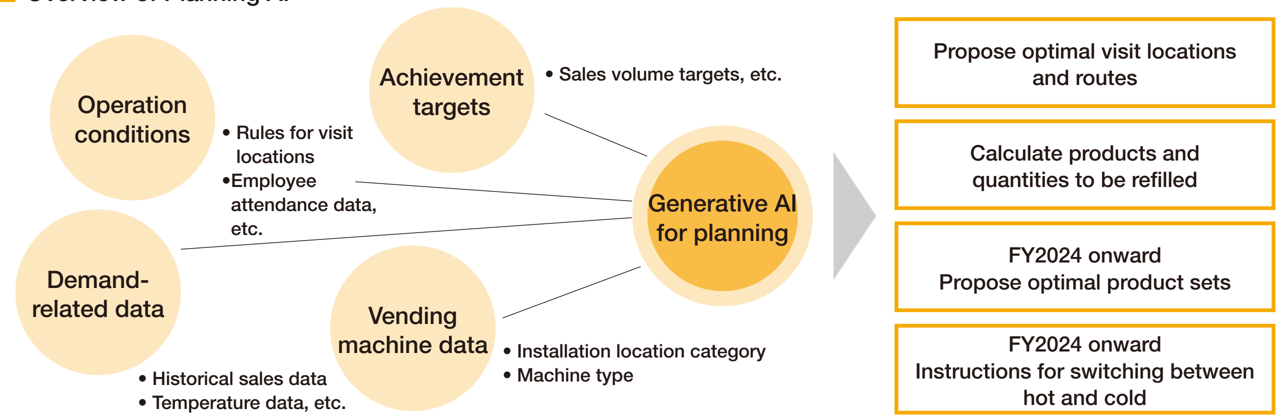
Further productivity boosts through AI in smart operations

We began utilizing AI in smart operations in fiscal year 2023. By applying AI to tasks that were previously based on worker experience and intuition in conventional vending machine operations, we aim to standardize and streamline operations.

First, we predict demand for each vending machine based on past sales data and temperature data, calculate the locations to visit that day, propose optimal routes, then determine the products and quantities to be refilled at each vending machine, all while considering internal achievement targets and requests from vending machine installation location owners. Furthermore, starting in fiscal year 2024, we plan to expand AI features to provide instruction on when to switch between hot and cold products according to seasonal changes and propose optimal product lines based on the characteristics of a location.

In the future, we will continue to develop more features aimed at optimizing the entire supply chain, including warehouse inventory and upstream production volume.

Overview of Planning AI



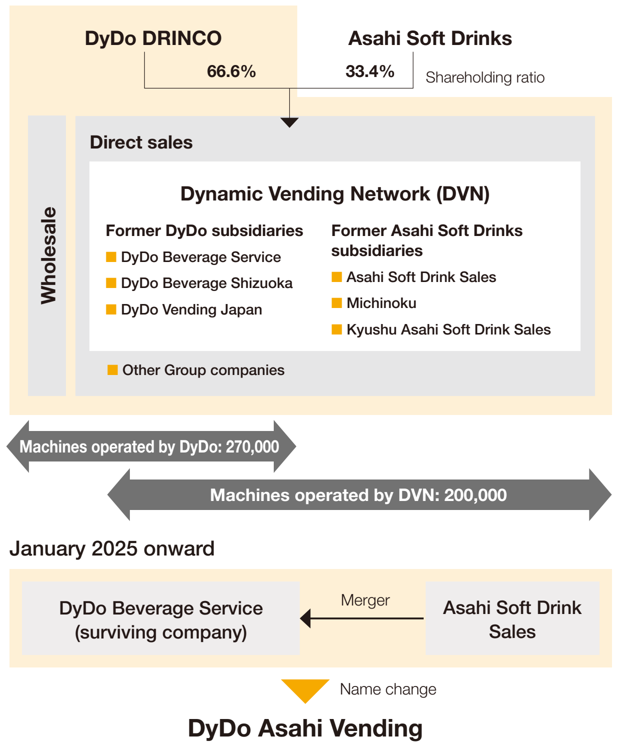
Rollout of smart operations to subsidiaries of Dynamic Vending Network, Inc.

In January 2023, we established a joint venture called Dynamic Vending Network, Inc. with Asahi Soft Drinks and commenced integrated operations of vending machines in both companies' direct sales channels.

In fiscal year 2023, the inaugural year of this joint venture, we installed core systems essential for rolling out smart operations in three subsidiaries of Asahi Soft Drinks. Starting in fiscal year 2024, we will install smart operations while also starting test runs of mixed operations in which a single vehicle goes around to DyDo and Asahi machines.

In fiscal year 2025, to further accelerate integrated operations, DyDo Beverage Service, Inc. plans to absorb Asahi Soft Drink Sales Co., Ltd. and change its name to DyDo Asahi Vending, Inc. ("DyDo Asahi Vending"). This is expected to make DyDo Asahi Vending the company with the highest number of machines in operation in the Japanese vending machine industry.

Through these efforts, we will build an industry-leading vending machine operation system by leveraging economy of scale through partnership while achieving efficient yet high-quality operations.



Rollout of smart operations at Kyoeikai*

We have started rolling out smart operations to certain Kyoeikai members in fiscal year 2024. The companies in Kyoeikai differ not only in the number of vending machines managed and the detailed processes of their operations, but also in terms of management resources and corporate culture, so we need to support the adoption of smart operations tailored to the circumstances at each company. Leveraging the expertise cultivated in our own implementation and building smart operations together with members of Kyoeikai will lead to joint development, allowing us to help maintain a vending machine network across Japan.

Rollout of Smart Operations

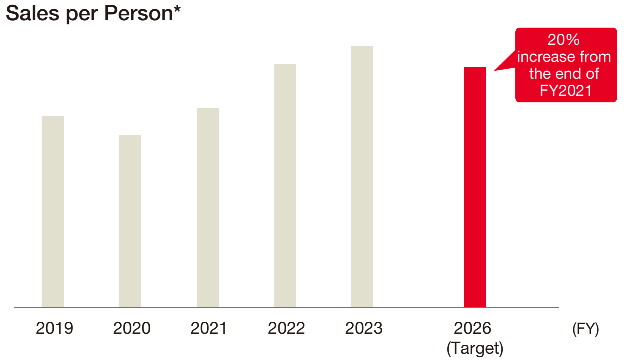
	2019	2020	2021	2022	2023	From 2024
Rollout to direct sales channels	Test run		Full rollout			
Install AI features			Development and test run		Full rollout	
Rollout to former Asahi Soft Drinks subsidiaries						Rollout
Rollout to Kyoeikai members (partially)						Rollout

* Collective term for partner companies operating DyDo vending machines

Improved productivity from smart operations rollout

Rolling out smart operations has reduced the work time required to manage a single vending machine by more than 30% over fiscal year 2019, before the introduction of smart operations, and has dramatically improved productivity, with the number of vending machines managed by a single route manager up nearly up nearly 65% and sales per route manager up nearly 35% over fiscal year 2019. This has resulted in vending machine operations using fewer workers and vehicles than before despite increasing the number of vending machines in operation, optimizing the ratio of labor and vehicle costs to sales. Consolidating and eliminating work sites has also reduced DyDo Beverage Service, Inc. sales offices by roughly 20% over fiscal year 2019, lowering rent for land and buildings.

Sales per Person*

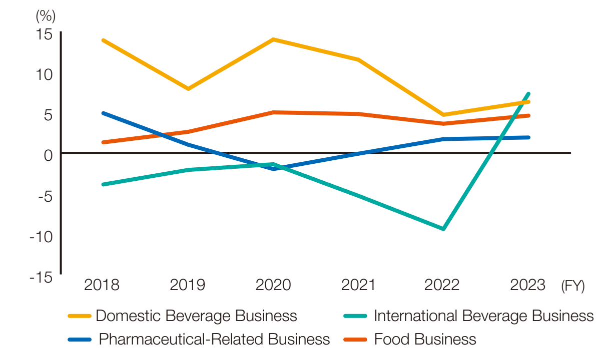


* Direct sales operation managers

Transition of capital efficiency in the Domestic Beverage Business

The Domestic Beverage Business has boasted high capital efficiency in the Group through its focus on sales in vending machine channels, which maintains highly stable prices, and because it does not own factories. However, since fiscal year 2019, capital efficiency has declined due to upfront costs associated with the rollout of smart operations. In addition, new challenges have emerged, such as changes in the profit structure due to rising raw material prices and other costs. Amid all this, we aim to boost capital efficiency by steadily promoting efforts to establish an advantage in the vending machine market introduced thus far and producing effects from these investments.

ROA Trends in Each Segment



Framework to Support Sustainable Value Creation

Environmental Initiatives

The DyDo Group, based on the "spirit of creating happiness and prosperity together" that has been cultivated since its founding, is engaged in various initiatives aimed at realizing a sustainable society.

We aim to create a sustainable society where people around the world can have enjoyable, healthy lifestyles.

1 Contribute to a resource recycling-oriented society

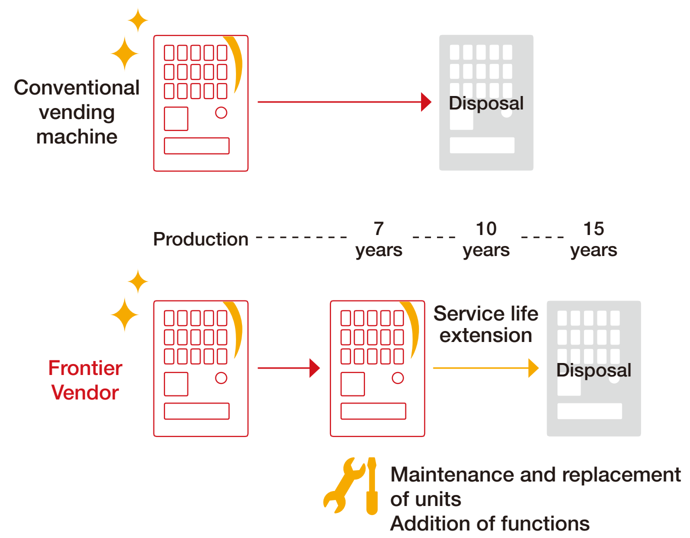
Key goals for contributing to a resource recycling-oriented society

To make effective use of limited resources and realize a resource recycling-oriented society, the DyDo Group has set three key goals in our core Domestic Beverage Business and is actively promoting initiatives.

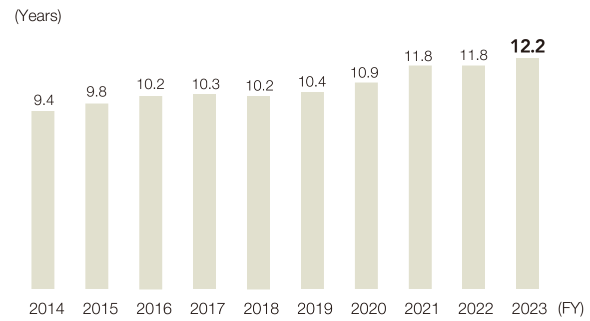
Extending the service life of vending machines

A vending machine consists of over 800 parts, some of which, like the cooling and heating units, wear out quickly, while others, like the purchase buttons, can be used for long periods with proper maintenance. In the past, vending machines were discarded when the quickly-wearing parts reached the end of their lifespan. However, since fiscal year 2015, we have been implementing a program to refurbish these machines by replacing the worn parts with new ones, performing maintenance, and reintroducing them to the market as "Frontier Vendors." This initiative helps extend the service life of vending machines and, consequently, reduces environmental impact.

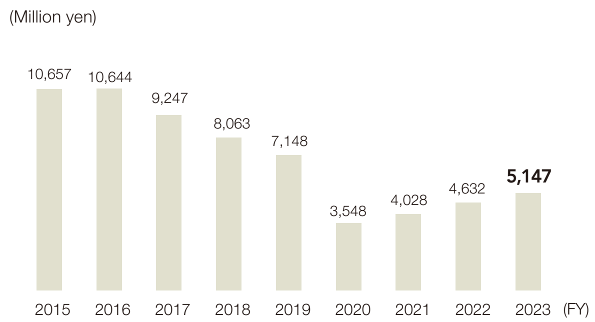
In terms of business performance, the introduction of the Frontier Vendors has contributed to curbing the number of new vending machines we need to purchase. Additionally, by revising the procurement schemes for new vending machines, we have improved the asset turnover rate of our vending machines.



Average Vending Machine Usage Years



Depreciation in the Domestic Beverage Business



Note: In fiscal year 2020, the vending machine's useful life was changed from the statutory useful life (5 years) to the actual usage period (10 years).

Response to climate change risks

In January 2022, the DyDo Group expressed support for the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) and set CO_2 reduction targets for the Group. The climate-related information of the Group, based on the TCFD framework, is as follows:

Governance

i. Oversight of risks and opportunities by the Board of Directors

The DyDo Group is strengthening its efforts to address sustainability challenges in order to contribute to solving social issues through business, aiming for sustainable growth and increasing corporate value over the medium to long term. To increase the value of our corporate brand, we hold the Group Sustainability Committee twice a year, and as needed, to review and approve the overall direction of sustainability management, decide on Group-wide sustainability programs, and give instructions for improvements. The Board of Directors receives reports on the discussions and reviews conducted by the Group Sustainability Committee, thus overseeing the Group's response policies and implementation plans for climate change risks and opportunities.

ii. Role of management in evaluating and managing risks and opportunities

The President & Representative Director serves as the chairperson responsible for sustainability management within the Group and chairs the Group Sustainability Committee.

Strategy and Risk Management

i. Risk identification and assessment process

The DyDo Group follows the framework proposed by the TCFD and uses scenario analysis to predict changes in the external environment by 2050. We assess the risks and opportunities that climate change may bring to our business. In fiscal year 2023, we conducted scenario analyses not only for our Domestic Beverage Business, Pharmaceutical-Related Business, and Food Business but also for our International Beverage Business. Furthermore, we estimated the financial impact on the Domestic Beverage Business, which has the most significant influence on the Group's operations.

ii. Risk management process and its integration with Group risk management

We recognize that in order to achieve sustainable growth, it is essential to appropriately understand environmental and societal changes, and work toward minimizing risks while maximizing opportunities for our business. To align our risk management with sustainability-driven management (Sustainability Program), we have established the Group Risk Management Committee and the Group Sustainability Committee, both chaired by the President & Representative Director. These committees coordinate closely to ensure that their respective initiatives are managed in tandem.

Since climate-related risks may manifest over the medium to long term, we are advancing our efforts to build a system that evaluates risks related to the transition to a low-carbon society as well as physical risks arising from climate change. This approach takes into account both short-term and medium- to long-term perspectives.

Overview of the Group's Climate-Related Risks and Opportunities, and Impact on Business and Finance

↑: Extremely large impact ↗: Somewhat large impact ➡: Negligible impact □: Calculated (not disclosed) △: Calculation under consideration

Risk/opportunity			Impact on business			Impact on finance				Current measures
						2030		2050		
Heading	Subheading	Risk/ opportunity	Observations	1.5°C	4°C	1.5°C	4°C	1.5°C	4°C	
Transitional risks: Laws and regulations	Carbon pricing	Risk	Vending machine operational costs, vending machine procurement costs, and distribution expenses could rise with the introduction of carbon taxes	↑	↗	Approx. 0.15 billion yen	–	Approx. 0.4 billion yen	–	• Promotion of smart operation and introduction of EV route trucks • Optimizing distribution through Shibusawa DyDo Group Logistics Co., Ltd. • Extending the service life of vending machines to 15 years by 2030
		Risk	The cost of electricity used at vending machine locations, and as a result the risk of having to withdraw from locations could rise with the introduction of carbon taxes	↑	↗	□	□	–	–	• Rolling out energy-saving vending machines • Assessing how to make the vending machine business carbon neutral
		Risk	Water usage and consumption reduction regulations could lead to a decrease in the production volume of various beverages (International Beverage Business)	↑	↗	△	△	–	–	• Securing water sources and production bases outside of Turkey
		Risk	The introduction of carbon taxes could lead to a surge in overall manufacturing costs, including raw materials, packaging, energy, and logistics expenses (Pharmaceutical-Related Business and Food Business)	↑	↗	△	△	–	–	• Improvement activities focused on energy efficiency and consideration of introducing renewable energy • Exploration of diversifying procurement sources
		Opportunity	Demand for zero-carbon vending machines could rise with the introduction of carbon taxes	↑	↗	□	□	–	–	• Systematically rolling out new vending machines • Assessing how to make the vending machine business carbon neutral
Transitional risks: Market	Changes in demand	Risk	Waste disposal costs for products and vending machines could rise with the introduction of carbon taxes on CO_2 produced during waste disposal	↑	↗	□	□	–	–	• Reducing the size of containers • Rolling out products with much smaller labels • Extending the service life of vending machines to 15 years by 2030
		Risk	Consumers and location owners could stop selecting products and sales channels with large environmental impact	↑	↗	□	□	–	–	• Assessing how to make the vending machine business carbon neutral • Developing environmentally friendly products • Promoting the Everyone Love the Earth Project* * An initiative to encourage environmentally aware behavior, not only in each employee's work activities, but also in their everyday lives
		Opportunity	Consumers and location owners could start selecting products and sales channels with low environmental impact	↑	↗	□	□	–	–	

Note: Sections without specific notes pertain to our core Domestic Beverage Business

Risk/opportunity			Impact on business			Impact on finance				Current measures
						2030		2050		
Heading	Subheading	Risk/ opportunity	Observations	1.5°C	4°C	1.5°C	4°C	1.5°C	4°C	
Physical risks: Chronic problems	Average temperature rises	Risk	Procurement costs for coffee beans and other ingredients and materials could rise, and quality could drop, with fewer suppliers to choose from	↗	↑	Rate of decrease in suitable areas for coffee bean cultivation (Note 1)	(Note 2)	(Note 3)	(Note 4)	• Decentralizing coffee bean procurement and gathering data on production sites • Developing a product lineup that is not reliant solely on coffee
		Risk	With the rise in average temperatures, especially for plant-based raw materials there may be restrictions on procurement volumes and significant price increases (Pharmaceutical-Related Business, Food Business, and International Beverage Business)	↗	↑	□	□	–	–	• Considering purchasing from multiple companies and diversifying production regions • Exploring alternative methods
		Risk	Harsh working conditions for vending machine operations could lead to a shortage of workers	↗	↑	□	□	–	–	• Promoting smart operations
	More hospitalizations from heatstroke	Opportunity	Demand for vending machine installations could rise to meet demand for drinks to fend off heatstroke	↗	↑	□	□	–	–	• Introducing vending machines that allow a higher proportion of plastic bottles to be sold
	Contamination and water quality deterioration	Risk	• Product quality is impacted due to soil contamination and water quality deterioration, leading to production halts • Increased costs from additional installation of purification equipment (International Beverage Business)	↗	↑	△	△	–	–	• Securing multiple production sites • Considering outsourcing production
Physical risks: Acute problems	Increased severity of natural disasters	Risk	Supplies of vending machines could be disrupted if suppliers have to halt operations	↗	↑	□	□	–	–	• Extending the service life of vending machines to 15 years by 2030
		Risk	• More flooding and typhoons could make flood damage to vending machines more common, affecting profit • Supply chain disruption could make it impossible to deliver products to customers, lowering sales and profit	↗	↑	Approx. 0.15 billion yen[5]	Approx. 0.3 billion yen[5]	Approx. 0.5 billion yen[5]	Approx. 0.9 billion yen[5]	• Promoting smart operations • Creating hazard maps for each site
		Risk	Destruction of factories or warehouses and employee casualties caused by abnormal weather (such as large typhoons or localized heavy rain), leading to prolonged manufacturing suspension (Pharmaceutical-Related Business and Food Business)	↗	↑	△	△	–	–	• Development of a Business Continuity Plan (BCP) • Consideration of expanding external warehouse facilities

Notes: 1. Brazil: (17%), Vietnam: (15%), Indonesia: (11%), Colombia: (16%), Other: (19%)
2. Brazil: (28%), Vietnam: (28%), Indonesia: (31%), Colombia: (22%), Other: (25%)
3. Brazil: (26%), Vietnam: (25%), Indonesia: (18%), Colombia: (26%), Other: (31%)
4. Brazil: (43%), Vietnam: (47%), Indonesia: (51%), Colombia: (37%), Other: (41%)
5. The damage amount refers to the cumulative total until 2030 or 2050

iii. Response to risks and opportunities and resilience of strategy

DyDo DRINCO, Inc., which is responsible for the Domestic Beverage Business, adopts a fabless management approach, entrusting manufacturing and logistics to partner companies across the country. This allows the Company to concentrate its management resources on product development and the operation of its primary sales channel, vending machines. With the goal of achieving carbon neutrality in the vending machine business by 2050, the Company recognizes the importance of strengthening both mitigation and adaptation measures to climate change, and that contributing to the realization of a decarbonized and circular society is a critical issue for its sustainability initiatives.

■ Transitional risks in the shift to a low-carbon society (1.5°C Scenario)

The introduction of regulations, including a carbon tax, is expected to lead to increased delivery costs and higher operational costs for vending machines. Additionally, the risk of increased electricity costs for vending machine locations is rising, significantly impacting the operations of the vending machine channel, which accounts for approximately 90% of the revenue composition in the Domestic Beverage Business. To meet these risks, the Company is working on electrification of its sales vehicles and reducing the number of vehicles through the promotion of smart operations. Moreover, it plans to strategically introduce energy-efficient vending machines and launch the "LOVE the EARTH Vendor," which aims to create a sustainable future in partnership with customers. These initiatives are designed to foster partnerships with customers and generate new business opportunities.

■ Physical risks associated with the manifestation of climate change (mainly 4°C Scenario)

There is a risk of frequent damage due to the increased severity of natural disasters, such as the submersion of vending machines and flooding of production and distribution facilities. Additionally, the vending machine business is labor-intensive, so rising average temperatures during the summer may adversely affect the working environment of vending machine operations, increasing the risk of labor shortages.

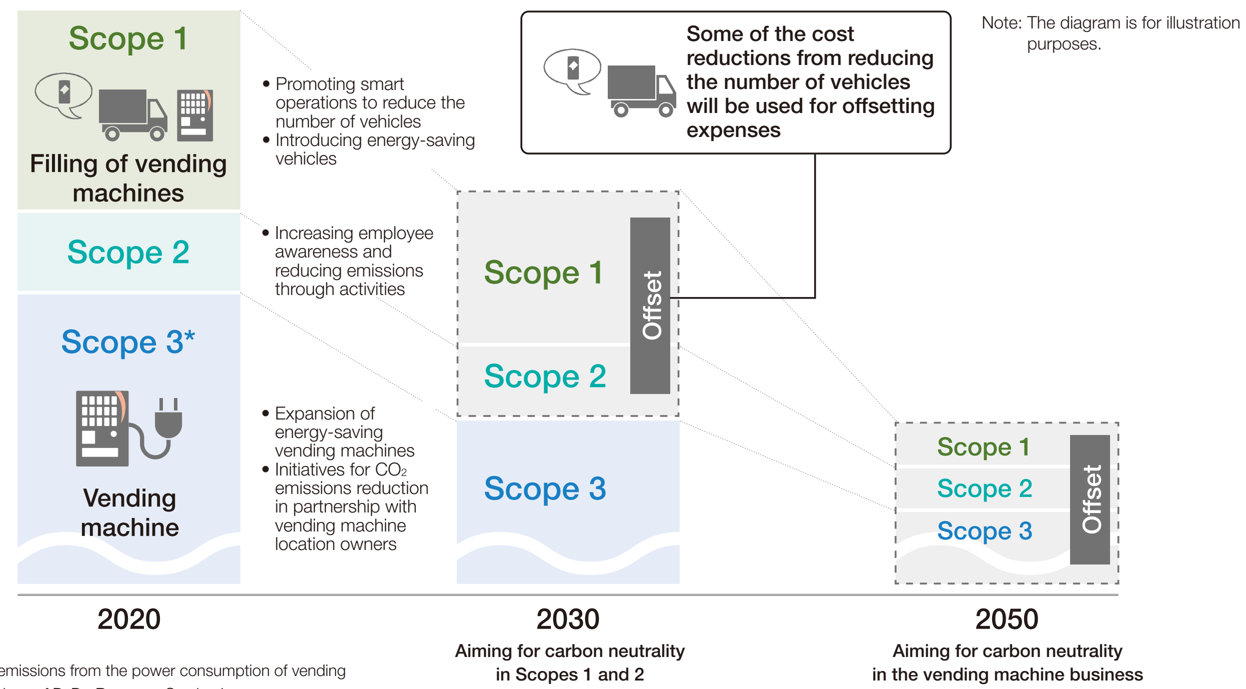
While the rise in average temperatures due to climate change could lead to increased sales of heatstroke prevention beverages, it is also recognized that it will significantly impact the procurement of key raw materials like coffee beans.

To address these risks and opportunities, the DyDo Group regularly collects information on the production regions of coffee beans and has built a diversified procurement system. We are also working to expand our appealing product lineup that does not rely solely on coffee. In addition to building a smart operation system, we are advancing measures to adapt to an era of labor shortages by introducing AI to diversify working methods at the site. We also strive to optimize the product lineup according to the characteristics of individual locations, thereby enhancing the attractiveness of vending machines as retail outlets.

In the Domestic Beverage Business, we are diversifying risks by outsourcing production to partner factories nationwide and installing vending machines widely across the country.

Additionally, in the Pharmaceutical-Related Business, DAIDO Pharmaceutical has been installing solar panels at its Kanto factory, completed in 2019, while Tarami in the Food Business is transitioning some of its power supply at its Nagasaki and Tokyo Head Offices to renewable energy. The entire Group is progressing toward realizing a decarbonized society.

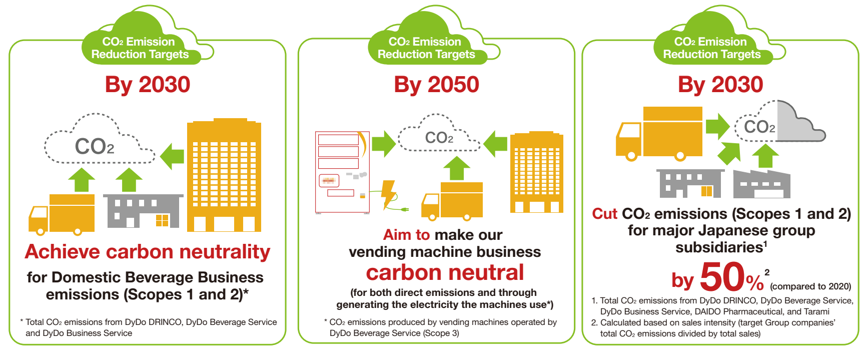
Image of reducing company emissions in the vending machine business



* CO_2 emissions from the power consumption of vending machines of DyDo Beverage Service Inc.

i. Metrics and targets used for managing climate-related risks and opportunities

The DyDo Group has set the following CO_2 emissions reduction targets as non-financial KPIs aimed at creating environmental value.



ii. CO_2 emissions

The CO_2 emissions for Scope 1, Scope 2, and significant Scope 3 (emissions from the electricity consumption of vending machines) of our major domestic Group companies* are as follows:

* DyDo DRINCO, Inc., DyDo Beverage Service, Inc., DyDo Business Service, Inc., DAIDO Pharmaceutical Corporation, Tarami Corporation

CO_2 Emissions (FY2023)

Unit: t-CO_2

(The numbers in parentheses indicate the percentage increase or decrease from the base year)

	Domestic Beverage Business	Pharmaceutical-Related Business	Food Business	Total
Scope 1	7,383	3,872	3,834	15,089
Scope 2	1,577	4,424	5,377	11,378
Combined	8,961 (6.7%)	8,296 +9.1%	9,211 +12.9%	26,468 +4.3%
Scope 3 (Category 1)	68,024	17,674	11,418	97,116
Scope 3 (Category 13)	90,213 (7.4%)	–	–	90,213 (7.4%)

CO_2 Emissions Results - Net Sales Intensity (FY2023)

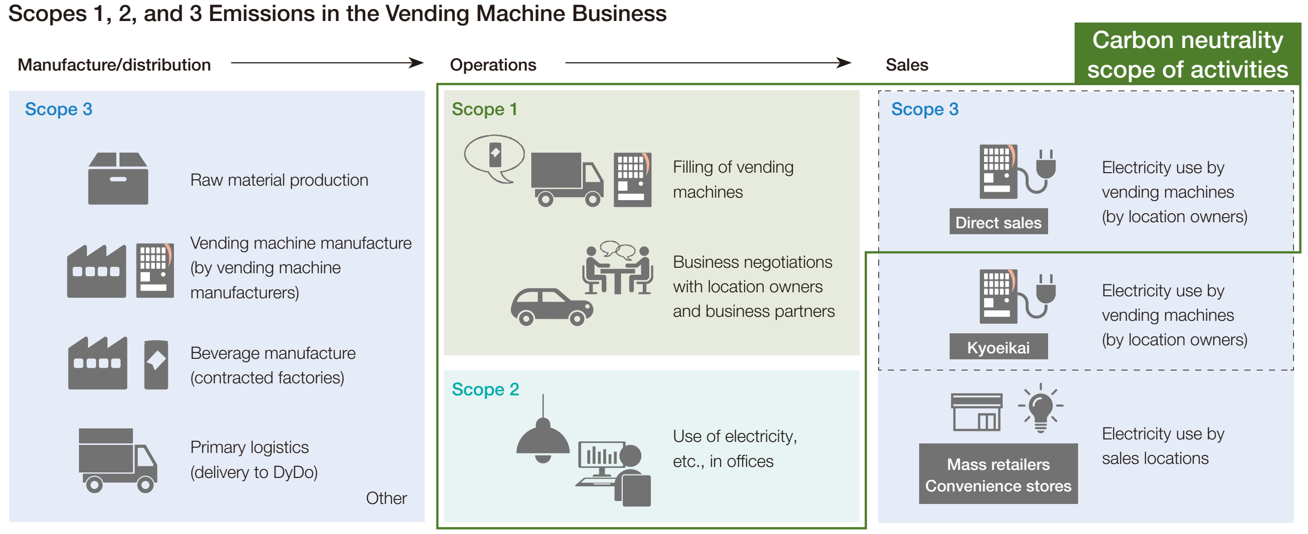
Unit: t-CO_2/Million yen

(The numbers in parentheses indicate the percentage increase or decrease from the base year)

	Domestic Beverage Business	Pharmaceutical-Related Business	Food Business	Total
Scope 1	0.07	0.30	0.19	0.10
Scope 2	0.01	0.34	0.26	0.08
Combined	0.08 (4.9%)	0.64 (13.1%)	0.44 +13.9%	0.18 +4.1%
Scope 3 (Category 1)	0.60	1.36	0.55	0.66
Scope 3 (Category 13)	0.80 (5.7%)	–	–	0.80 (5.7%)

Notes: 1. The emissions results for the Domestic Beverage Business cover DyDo DRINCO, Inc., DyDo Beverage Service, Inc., and DyDo Business Service Inc.
2. Greenhouse gas emissions disclosure basis for DyDo DRINCO Inc., DyDo Beverage Service Inc., DyDo Business Service Inc., DAIDO Pharmaceutical Corporation, and Tarami Corporation are subject to third-party verification.
3. Net sales intensity is calculated by dividing the total emissions of the target Group companies (for the period from April 1, 2023 to March 31, 2024) by the total net sales (for the period: Domestic Beverage Business and Pharmaceutical-Related Business: January 21, 2023 to January 20, 2024; Food Business: January 1, 2023 to December 31, 2023).
4. Scope 3 Category 1 includes the energy used during beverage production at outsourced factories for the Domestic Beverage Business and during container manufacturing for the Pharmaceutical-Related and Food Businesses.

Scopes 1, 2, and 3 Emissions in the Vending Machine Business



Note: For Scope 3, we have disclosed details for the emissions produced as a result of electricity consumption by our vending machines, an important part of the scope, but our target of carbon neutrality covers the portion attributed to direct sales (machines operated by DyDo Beverage Service)

Policy and Initiatives Toward Human Capital Management

The DyDo Group formulated a comprehensive framework for human capital management in April 2024. Within this, we established the following concepts, metrics, and targets to drive human capital management forward.

Policy for human capital management toward achieving Group Mission 2030

To achieve Group Mission 2030, it is crucial to flexibly adapt to changes in society and drive business transformation as well as expand into new areas. To accomplish this, we believe that building an organization made up of diverse talents and that supporting the proactive growth and engagement of each individual is indispensable.

In the DyDo Group, we value five core qualities in our people: "Ambition" at the center, along with "Spirit of Taking on Challenges," "Growth Mindset," "Achievement Motivation," and "Self-Reliance." To support the growth and engagement of individuals who possess these five qualities, the Group has introduced a system called "DyDo Career Create" that encourages proactive career development. In addition, we emphasize organizational development that respects diverse values, promotes psychological safety, and provides an environment that enables everyone to perform at their best. We also strive to create a workplace where work-life synergy is realized, meaning that employees can work healthily and productively both mentally and physically.

Through these efforts, we aim to foster autonomous professionals—individuals who embody these five qualities and consistently deliver high performance.

By raising employee engagement in line with this human capital management policy, we will enhance our ability to respond to changes and create value across our Domestic and International Businesses, ensuring sustainable growth.

Targets and metrics

Our Group's goal in human capital management is to build an organization of autonomous professional talent with diverse values and abilities, contributing to business transformation and creation both domestically and internationally by flexibly responding to societal changes through individual proactive growth and engagement. We have set the Employee Engagement Score as a metric for measuring progress. The targets and other related metrics will be appropriately set in alignment with specific measures under "Talent Strategy," "DE&I (Diversity, Equity & Inclusion)*," and "Work Environment & Corporate Culture."

* A concept that values diversity, provides equitable opportunities tailored to individual circumstances, and creates an environment where everyone can fully utilize their abilities.

Formulation of human capital management that respects employee autonomy

Junko Kawano
Outside Director

When formulating the comprehensive framework for human capital management, the Board of Directors took ample time for thorough discussions. A key point was establishing a shared understanding that "the relationship between a company and its employees is one of equals, and it is crucial to empower employees to take ownership of their work." If the company were to approach this from a standpoint of "forcing employee productivity" as if employees were mere assets owned by the company, the direction would be fundamentally wrong. Human capital refers to the skills and experience individuals possess, and its owner is the individual, not the company. In this regard, a more appropriate approach is to "support employees in utilizing their abilities." Creating systems where employees feel motivated and willing to use their skills for the company's benefit is what constitutes human capital management. For the Company, this led to the emergence of the term "DyDo Career Create" within our talent strategy, with "Ambition" placed at the core of the qualities we seek in our people, a move that aligns with the Group's respect for employee autonomy and is highly valued.

Human capital management framework

Strategy for achieving Group Mission 2030

Renewing growth in existing businesses and acquiring and developing new growth areas
Innovation in the Domestic Beverage Business, Expansion of the Business Overseas,
Development of a Second Major Source of Revenue in the Non-Beverage Businesses

Targets in human capital management

Build an organization of autonomous professional talent with diverse values and abilities, contributing to business transformation and creation both domestically and internationally by flexibly responding to societal changes through individual proactive growth and engagement.

Comprehensive framework for human capital management

1 Talent strategy

Support proactive career development through DyDo Career Create, enhancing employee capabilities and engagement

- Development and acquisition of next-generation management talent
- Enhancement of specialty (expertise)
- Strengthening of management skills
- Development and acquisition of talent with a global perspective

2 DE&I

Organizational development that emphasizes psychological safety, respecting diverse values and enabling everyone to demonstrate their abilities

- Female talent
- Senior talent / young talent
- Diverse nationalities of talent
- In-house talent / career talent

3 Work environment and corporate culture

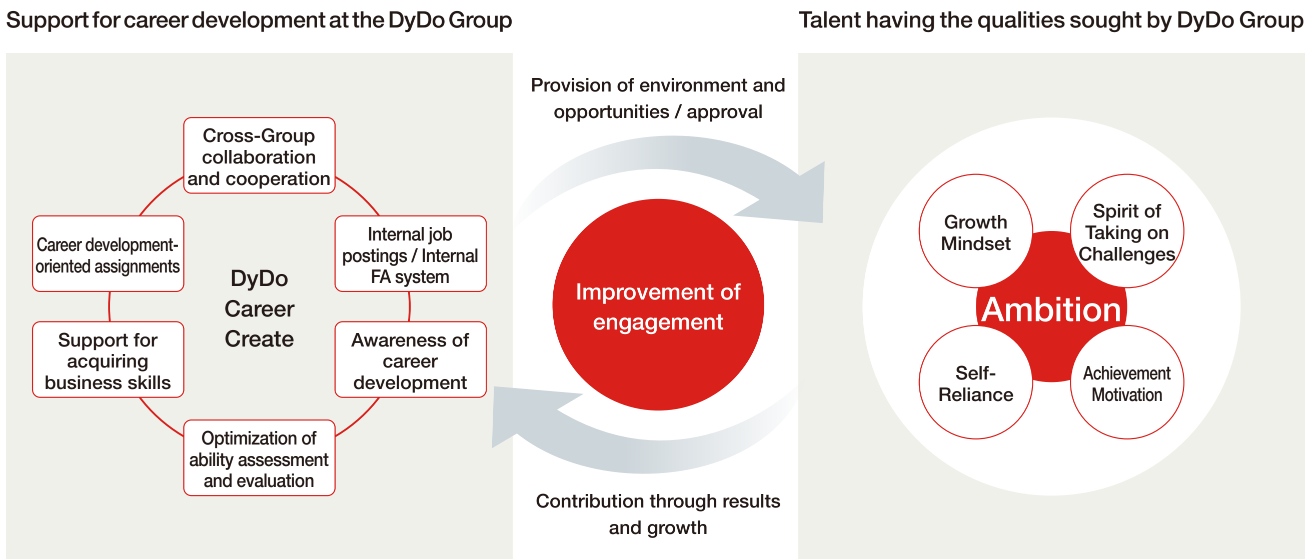
Providing an environment that enables work-life synergy (a situation where employees can work healthily and productively both mentally and physically)

- Flexible workstyles
- Challenges
- Creating happiness and prosperity together
- Human rights consideration
- Health management

1 About talent strategy

The policy of the DyDo Group's talent strategy is to enhance the capabilities and engagement of our employees by supporting their proactive career development. To achieve our goals in response to changes in the external environment, it is extremely important to strengthen expertise in various fields and enhance management skills for organizations and projects in diverse environments. Additionally, in Group Mission 2030, we have outlined "Expansion of the Business Overseas" as one of our basic policies, making it essential to develop and acquire talent with a global perspective. To achieve this, the Group will evolve its previous efforts related to talent and implement a system called "DyDo Career Create," which supports employees in their proactive career development. We will introduce human capital systems, development programs, and evaluation systems that focus on individual career development across the entire Group. Through the operation of these systems, we aim to improve the growth and engagement of each employee with the desired qualities, ultimately building a strong organization rich in diverse capabilities. Furthermore, the initiatives within DyDo Career Create will be introduced progressively according to the priorities and circumstances of each segment.

Initiatives for Career Development



The DyDo Group places "Ambition" at the center of the qualities it seek in its people. We believe that being aware of one's own vision and the roles one wants to fulfill serves as the foundation that motivates all activities. To realize this "Ambition," it is necessary to possess a "Growth Mindset" that seeks knowledge and business experience, as well as "Self-Reliance" to manage oneself responsibly regarding work and personal health. Additionally, it is important not only to maintain one's own condition but also to provide returns to the business and positively influence those around us. Therefore, we also emphasize qualities such as a "Spirit of Taking on Challenges," which involves executing new choices and actions while engaging others, and "Achievement Drive," which entails persevering toward goals even in the face of difficulties.

We refer to individuals who possess these qualities and consistently achieve high results as "autonomous professional talents." To ensure sustainable growth of the business, we aim to build an organization composed of autonomous professional talents by supporting proactive career development and focusing on organizational development that emphasizes psychological safety.

Development and acquisition of next-generation management talent

To execute the DyDo Group's business portfolio strategy, business development from a long-term perspective is essential. Therefore, we believe it is crucial to cultivate and acquire the next generation of management talent. The Company has created a succession plan aimed at the management teams and key department heads of the holding company and Group companies, implementing a systematic approach to talent development. Additionally, for core Domestic Beverage Business, we have initiated the "DyDo Innovation Academy," a long-term training program aimed at cultivating and selecting the next generation of executives, targeting mid-level employees. Moving forward, we will continue to work on developing and securing next-generation management talent by enhancing training programs for managers and strengthening recruitment efforts as we aim for further business expansion.

Enhancement of specialty (expertise) / Strengthening of management skills

The DyDo Group is supported by a diverse array of highly specialized talent, including those who support our core vending machine business, as well as personnel at DAIDO Pharmaceutical and Tarami, which have factories and are responsible for manufacturing. Additionally, in the management division, there are personnel with expertise in specific areas, and acquiring and strengthening this talent is essential for the sustainable growth of our increasingly diversified Group.

In the Domestic Beverage Business, we are enhancing training programs such as DyDo Academy to improve the expertise of personnel involved in new vending machine sales development. Furthermore, to provide opportunities for individuals to demonstrate their expertise and acquire new business skills, we introduced a side job system in September 2020, which approximately 60 employees are currently utilizing. In September 2024, we also introduced the side job system in the Food Business. On the other hand, we believe that higher management skills are more important than ever to realize the potential and synergies of these diverse specialized talents.

To strengthen our specialized and management personnel, the Group has decided to introduce "DyDo Career Create," which supports proactive career development across the Group. Although the system design is still in the planning stage, we aim to enhance both the cultivation of expertise and management skills by expanding systems that prioritize individual career development, such as assignments focused on personal growth and internal recruitment.

Development and acquisition of talent with a global perspective

In regard to increasing the ratio of overseas net sales, as outlined in Group Mission 2030, developing and acquiring talent with business experience abroad and knowledge of international affairs is indispensable. Even domestically, in anticipation of inbound responses and the internationalization of supply chains, fostering and acquiring talent capable of operating from a global perspective is crucial for achieving medium- to long-term targets. To this end, we recruit employees with a strong interest in international business through internal recruitment and send them on assignments to key International Beverage Business locations, such as Turkey, where we have significant operations. By working in business environments different from Japan, they are able to develop their careers. Moving forward, we will continue to nurture talent that contributes to the Group's global efforts, providing long-term career plans for those with an interest in international opportunities.

TOPICS Initiatives for strengthening expertise in vending machine sales: DyDo Academy

At DyDo DRINCO, we have been conducting an internal training program called "DyDo Academy" for our vending machine sales staff since 2013. This initiative aims to systematize the previously person-dependent process of acquiring new vending machine accounts, by creating a replicable process and sharing know-how within the Company, thereby improving the overall performance of the organization.

In DyDo DRINCO's customer-focused sales approach, it is essential to propose solutions through vending machines to address the challenges faced by customers. Sharing success stories and continuously enhancing our team members' skills is vital to achieving this goal. We conduct various training sessions tailored to each role and level of experience. These include role-playing exercises for less experienced employees, case studies for mid-level staff, and lectures on data utilization for sales strategy planning for management. Through these opportunities for information sharing and skill-building, we aim to improve the performance of each individual, which contributes to maintaining an upward trend in the number of vending machines installed.

▶ P. 35 Customer-Oriented Sales

2 About DE&I

The DyDo Group is committed to fostering an environment where every individual can thrive by promoting organizational development that emphasizes psychological safety. We aim to create work spaces where diverse values are respected, and everyone feels free to voice their opinions and fully utilize their abilities. The challenges of realizing diversity differ across operating segments, but starting with the Diversity Promotion Group established at the holding company in January 2023, we are working to identify DE&I issues across Group companies. To address these issues, we are expanding necessary systems, improving work processes, and utilizing technology to enhance efficiency, all with the goal of building an organization where diverse talent can excel.

Promotion of female talent

To flexibly adapt to social changes, incorporate customer needs, and drive innovation, it is essential for diverse talent to share opinions and express their individuality.

At DyDo DRINCO, the Group's core company, we aim to both promote the success of female talent and leverage the unique perspectives of women by increasing the ratio of women in the new business development sales roles for vending machines. To achieve this, we established the Diversity Promotion Group under the Sales Division. The Group is working on raising awareness among employees and improving the workplace environment to support a system where employees can balance life events and work.

Additionally, improving the female management ratio is a challenge for the entire Group. We have set targets to increase the percentage of female managers to over 15% at DyDo DRINCO and over 10% at DAIDO Pharmaceutical and Tarami by 2030.

Promotion of senior talent / young talent / diverse nationalities of talent

In the DyDo Group's overseas subsidiaries, the majority of management positions are held by locally hired employees. In Japan, we also evaluate and appoint employees for management positions based on their achievements and abilities, without regard to nationality. Additionally, in our Food Business, we are actively recruiting and training foreign technical interns, aiming to create an organization where everyone can thrive. To support the engagement of senior talent, we have implemented a reemployment system for older workers, allowing them to choose from diverse working styles, which also facilitates the transfer of knowledge and expertise to the next generation. For the development of young talent, we have introduced training programs in our Domestic Beverage Business for employees up to their fifth year, focusing on acquiring business skills, as well as learning support services that enable them to proactively gain the necessary knowledge and skills to succeed.

Promotion of in-house talent / career talent

Since the 2010s, the DyDo Group has been actively engaged in expanding its business portfolio by continuously recruiting mid-career professionals with expertise in new fields. When appointing people to management positions, we evaluate individuals based on their achievements and capabilities, regardless of whether they are new graduate hires or mid-career hires. At DyDo DRINCO, our core company, the proportion of mid-career hires in management positions is 26% (fiscal year 2023/calculated based on hires since the start of full-scale career recruitment in fiscal year 2010). Additionally, in the vending machine development sales division, we are acquiring mid-career professionals while at the same time reassigning personnel from within our vending machine operations. This integration of insights from both groups has contributed to an increase in the number of vending machines. Moving forward, we will actively recruit the necessary talent in line with our management plans and aim to build a workforce that fosters business growth through the integration of mid-career and existing employees.

TOPICS Tarami's commitment to fostering diversity

Tarami maintains a high level of female representation, with women comprising approximately 60% of all employees. As a result, a culture where employees can thrive regardless of gender is already well-established. Currently, the company is focusing on building a support system that enables all employees, not just women, to balance life events with work.

Specifically, efforts are being made to strengthen the organizational framework and secure personnel to support employees raising children, as well as to appoint career consultants who can provide guidance on long-term career plans at any time. Through these initiatives, Tarami aims to create a flexible structure that allows each employee to realize their potential and actively promotes diversity.

3 About work environment and corporate culture

The foundation for implementing human capital management is the work environment and corporate culture. The DyDo Group is committed to creating work spaces where employees can work healthily and productively, achieving what we call "work-life synergy." To that end, we promote health management initiatives and flexible workstyles, including remote work. Our major subsidiary, DyDo DRINCO, has received The Certified KENKO Investment for Health Outstanding Organizations Recognition 2024 (large enterprise category) under the Ministry of Economy, Trade and Industry's Certified KENKO Investment for Health Outstanding Organizations Recognition Program.

Health management

Based on our belief that employee health is the foundation on which sustainable business development is built, in 2019 we formulated the DyDo Group Health Declaration and we are now rolling out a variety of initiatives that contribute to health and productivity management. In addition to medical checkups and post-medical-checkup guidance, as well as other initiatives aimed at maintaining and improving employee health, we also conduct regular stress checks and other mental health measures to create a more comfortable workplace.

Follow the link or 2D code below to see the DyDo Group Health Declaration.
https://www.dydo-ghd.co.jp/en/sustainability/innovation/health/health_declaration/

Flexible workstyles

The DyDo Group is establishing flexible workstyles as part of our efforts to promote the active participation of diverse talent and enhance employee engagement. For example, we have implemented a super-flex system, remote work options, a direct-to-work system for sales positions, and casual workstyles. These options allow employees to choose a working style that increases productivity based on their job characteristics, living environment, personal traits, and life stages. Moving forward, we will continue to explore the introduction of additional flexible work systems while fostering an environment that enables work-life synergy.

Human rights consideration

The DyDo Group has established the DyDo Group Human Rights Policy in March 2024 as the highest-level policy concerning our commitment to respecting human rights in our corporate activities, based on the "spirit of creating happiness and prosperity together" that we have valued since our founding. Under this policy, we will further promote initiatives related to human rights respect, including the implementation of human rights due diligence.

Follow the link or 2D code below to see the DyDo Group Human Rights Policy.
https://www.dydo-ghd.co.jp/en/sustainability/partners/humanrights/

Corporate Philosophy promotion activities (creating happiness and prosperity together / challenge mindset)

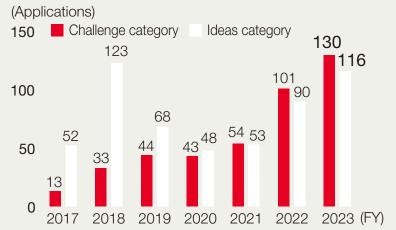
The Group Philosophy, "Creating happiness and prosperity, together with people and with society. To achieve this goal, the DyDo Group will continue to embrace new challenges in a dynamic way," embodies the "spirit of creating happiness and prosperity together" that we have cultivated alongside various stakeholders since our founding, as well as the importance of embracing a "challenge" mindset that aims for high goals without fear of failure.

To embody this Philosophy and deepen its inculcation within the organization, the Group has established the DyDo Challenge Awards as a symbolic initiative that promotes a spirit of taking on challenges.

TOPICS Measures to foster a spirit of taking on challenges—the DyDo Challenge Awards

Since fiscal year 2017, as an initiative to support employees as they take on challenges and to foster a culture of doing so, the DyDo Group has been running the DyDo Challenge Awards. There are two categories in this employee recognition system, the Challenge category and the Ideas category. The total number of applications for the Challenge category is steadily growing, and the quality of proposals in the Ideas category gets better each year—with more and more being implemented.

Number of Challenge Award Submissions



Challenge category

We give awards to those employees whose challenges over the preceding year have made an especially big contribution to raising corporate value.

Ideas category

We ask employees for ideas for things they would like to see, and the winners are rewarded and their ideas can be put into practice in the following fiscal year or later. The process to decide the winners also involves an employee vote.

Dialogue with

Outside Directors

Masataka Inoue Outside Director

Mina Ito Outside Director

Insights on Growth and Governance of the International Beverage Business from Our Outside Directors

In a recent discussion, outside directors Mr. Masataka Inoue and Ms. Mina Ito, who was appointed as an outside director in April 2024, shared their expectations and concerns about the future of the International Beverage Business.

Learning from past failures, the International Beverage Business will become a major pillar in the future

■ Role as an outside director

—Ms. Ito, you were appointed as an outside director in 2024. Could you tell us why you accepted the role?

Ito As an international lawyer and business advisor, I have supported companies' global expansions across the U.S., Asia, Europe, and most recently, the Middle East and Africa. I had been closely observing DyDo Group's bold entry into Turkey in 2016 as an exciting example of a company venturing into a niche market. When I was approached by the DyDo Group to serve as an outside director, I had the opportunity to speak with President Takamatsu. He shared with me the Company's aspirations to expand into the Polish market and their commitment to achieving the three key pillars of Group Mission 2030, including "Expansion of the Business Overseas." After hearing the enthusiasm for these goals, I decided to accept the role of outside director. Moving forward, I plan to leverage my 30 years of experience in international law and supporting the execution of new business ventures to contribute to the continued growth and bold challenges of the Group.

—Mr. Inoue, as a long-serving outside director, how do you approach your role in overseeing the Company?

Inoue As an outside director, my guiding belief is that "corporate management means doing the right things, the right way." By "doing the right things," I mean achieving shareholder value and sustainable growth. "Doing it the right way" involves managing risks that could harm shareholder value and ensuring effective business operations. In pursuit of sustainable growth, the Company aims to generate cash flow through the expansion of the core vending machine business, and then invest that into growth areas like the International Beverage Business and non-beverage ventures, creating new pillars of future revenue. While the domestic vending machine market is saturated, refining the Company's strength in smart operations not only reduces costs and addresses the labor shortage, but it also makes significant contributions to society from an SDGs perspective, aligning with my core belief.

■ Expansion of the International Beverage Business and governance of local companies

—What are your thoughts on the International Beverage Business, a key growth area for the Company?

Inoue I believe the International Beverage Business will become a major pillar for the Company's growth. While there have been regions where it previously withdrew, it has learned from those experiences, and now it is seeing success in Turkey. A crucial aspect of driving the International Beverage Business forward is having a clear strategic vision and understanding the purpose behind expanding into international markets. Regarding the expansion into Poland, I fully support President Takamatsu's strong commitment to using this as a foothold to building a solid business foundation in the European market. I look forward to seeing a clear business plan that outlines the Company's direction for the future soon.

Ito In my experience supporting many companies' overseas expansions, all companies experience failures, but the key to success is how well they can "learn from failure." When reflecting on failures, it's important to use those lessons to set investment strategies, criteria for making investments, and even exit strategies. During this process, companies often need to revisit the fundamental reasons for expanding overseas. This not only helps foster a mindset shift and boost motivation among team members but also creates a positive cycle where, within the established criteria, they can confidently take bold steps with a sense of security.

Inoue I agree. I feel this is still an area where the Company has room for improvement. When setting investment criteria, it needs to consider not just the returns from individual investment projects but also how those investments impact the overall capital efficiency of the Company. Without clear criteria, it can be very difficult to make decisions about withdrawing from a market. While the Company has gradually improved in this regard by setting targets for each individual project and withdrawing if those targets are not met, I believe there's a need for more stringent and standardized criteria across the board.

—Governance at local subsidiaries is crucial after expanding overseas. What are your thoughts on this?

Inoue When it comes to governance, sharing a common vision through concrete discussions is key. First, the Company needs to engage in meaningful dialogue with the local management teams to ensure alignment on the direction of the business. After that, it must focus on preventing risks that could diminish shareholder value, such as losses from fraud or accidents. The essential elements here are fostering a corporate culture that prevents misconduct and accidents, enforcing rules, and establishing a robust audit system. At the core of this is a delegation of authority framework that regulates the actions of local management. Additionally, for major functions, it's critical that the holding company clearly communicates its approach, and the subsidiaries, in turn, establish rules and processes based on that guidance. For example, from a quality assurance perspective, despite differences in laws and cultures across countries, the Company might adopt a policy like "striving for safety and security beyond industry standards." This ensures that, no matter how many countries it expands into, the Group maintains a consistent approach. Currently, the Group is revisiting its regulations. It is defining its approach for key functions, applying this across subsidiaries, and the holding company will support and oversee these efforts.

Ito Risks at overseas subsidiaries can range from daily operational issues like labor disputes, accounting fraud, embezzlement, debt collection problems, cybercrime, and the leakage of trade secrets, to more significant risks like antitrust violations (cartels) or bribery, which can result in heavy fines. The most important factor in preventing fraud is ensuring that the top management's clear stance of "zero tolerance for fraud" is thoroughly communicated and upheld at all levels of the organization. Additionally, building trust through open dialogue during internal audits with local personnel, and sharing and providing feedback on business goals with local management, is crucial. I believe it's important to apply the transparent, open communication culture the Company has in its domestic operations to the management of its overseas subsidiaries. This can help in establishing rules and a robust compliance system. As the International Beverage Business is poised to become a key pillar for the future, I want to help drive both growth strategies and governance efforts as an outside director.

We hope the Company will leverage its open and transparent culture to advance the governance of its overseas subsidiaries

Corporate Governance

1 Corporate governance system

"Creating happiness and prosperity, together with people and with society. To achieve this goal, the DyDo Group will continue to embrace new challenges in a dynamic way." The DyDo Group Philosophy inspires us in our ongoing quest to ensure proper, upstanding business practices and rigid compliance with relevant laws and regulations. It motivates us to constantly improve management efficiency and transparency, and to promote the creation of happiness and prosperity together with all of our stakeholders, including our customers, our employees, our business partners, our communities, and our shareholders.

Our core Domestic Beverage Business deals with products deeply rooted in consumers' daily lives, with approximately 90% of segment sales coming from vending machine sales rooted in local communities. Through our fabless business model, where we do not own manufacturing facilities and instead outsource all production and logistics to partner companies nationwide, we focus our resources on product planning, development, and vending machine operations.

Our extensive vending machine network is managed in collaboration with our employees and the Kyoeikai (a collective term for our partner companies operating DyDo vending machines).

This unique business model is built on trust with our stakeholders, and we see it as our corporate responsibility to "create happiness and prosperity, together with people and with society." This is recognized as the most important management issue. In order to "continue to embrace new challenges in a dynamic way," improving corporate governance systems that enable transparent, fair, swift, and decisive decision-making remains key to serving the collective interests of our shareholders.

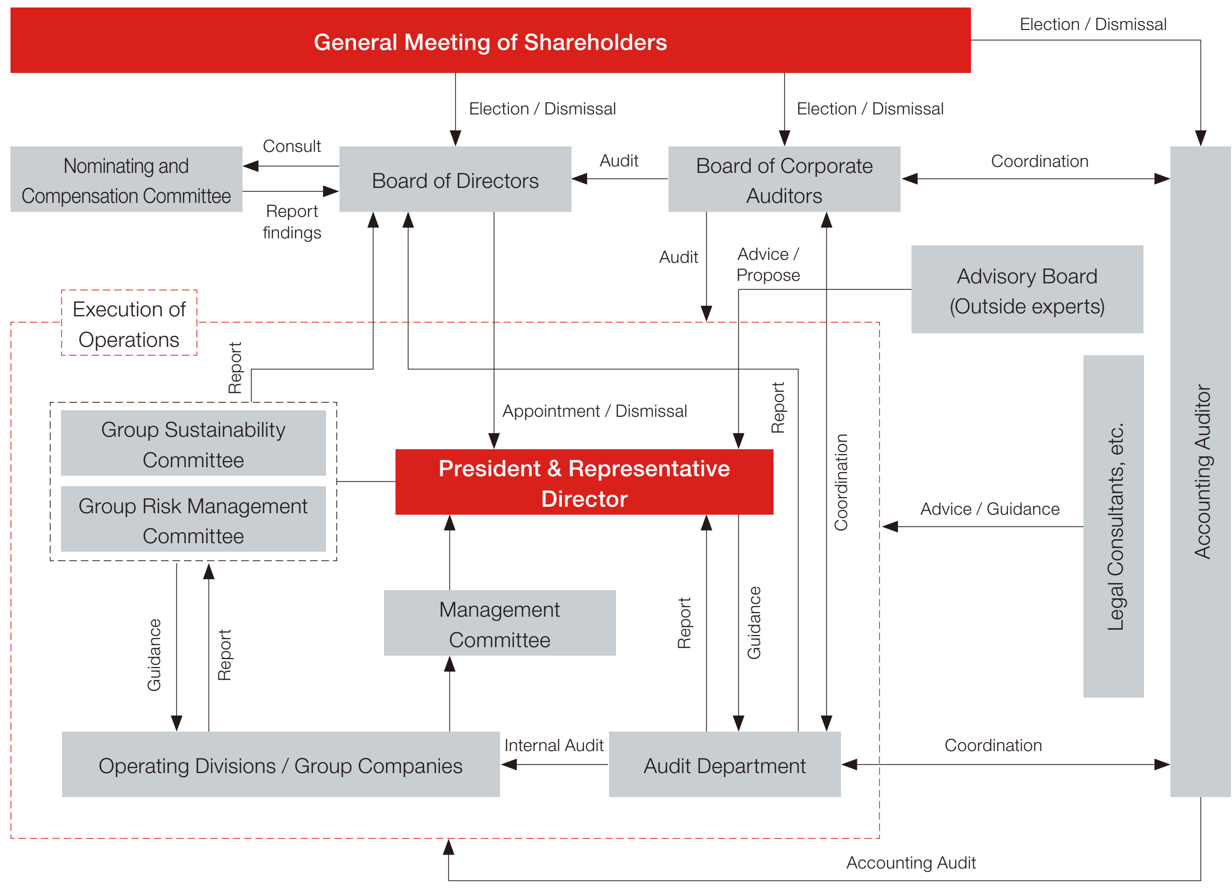
Follow the link or 2D code below to see our Basic Approach to Corporate Governance on our website or in our Corporate Governance Report.
https://www.dydo-ghd.co.jp/en/ir/governance/governance_report.html

Institutional structure

Organizational structure	Company with Board of Corporate Auditors
Number of directors as defined in the Articles of Incorporation	7 or fewer
Term of directors as defined in the Articles of Incorporation	1 year
Number of directors	7 (of which 4 are independent outside directors)

Corporate officer system	Yes
Number of corporate auditors as defined in the Articles of Incorporation	4 or fewer
Term of corporate auditors as defined in the Articles of Incorporation	4 years
Number of corporate auditors	4 (of which 3 are outside corporate auditors)

Outline of corporate governance system



Roles of each institution

	Purpose / Role	Chairperson	Composition	Number of events (FY2023)
Board of Directors	● Discusses/decides management strategy and other important matters ● Oversees execution of the duties of directors, and execution of the operations of each Group company	Tomiya Takamatsu President & Representative Director	7 directors of which 4 are outside directors	18
Board of Corporate Auditors	● Receives reports, discusses, and makes decisions on important matters relating to auditing ● Audits execution of the duties of directors	Naokazu Hasegawa Full-time Corporate Auditor	4 corporate auditors of which 3 are outside corporate auditors	14
Nominating and Compensation Committee	● Strengthens the independence and objectivity of the Board of Directors and ensures it must explain its decisions when investigating particularly important topics such as nominating candidate members or compensation, by having outside directors participate and provide advice appropriately.	Junko Kawano Outside Director	President & Representative Director and 4 outside directors	6
Management Committee	● Formulates policy and plans for overall execution of management, and carries out tasks including investigations, research, planning, management, communication, and coordination	Tomiya Takamatsu President & Representative Director	Full-time director, corporate auditor, and corporate officer	12
Group Risk Management Committee	● Assesses and approves overall risk management and conducts checks and makes improvements ● Identifies and evaluates Group-wide risks, and formulates countermeasures	Tomiya Takamatsu President & Representative Director	Full-time director, corporate auditor, and corporate officer	2
Group Sustainability Committee	● Investigates and approves the Group's overall sustainability management ● Decides on, and directs improvements to, the Group-wide sustainability program	Tomiya Takamatsu President & Representative Director	Full-time director, corporate auditor, and corporate officer	2
Advisory Board	● Acts as a consultation body, to advise the President and offer assessments or advice from outside experts on matters requiring highly specialized knowledge (established as a discretionary measure)	–	Outside experts distinct from outside directors and outside corporate auditors	11

Directors' knowledge, experience, and expertise (skills matrix)

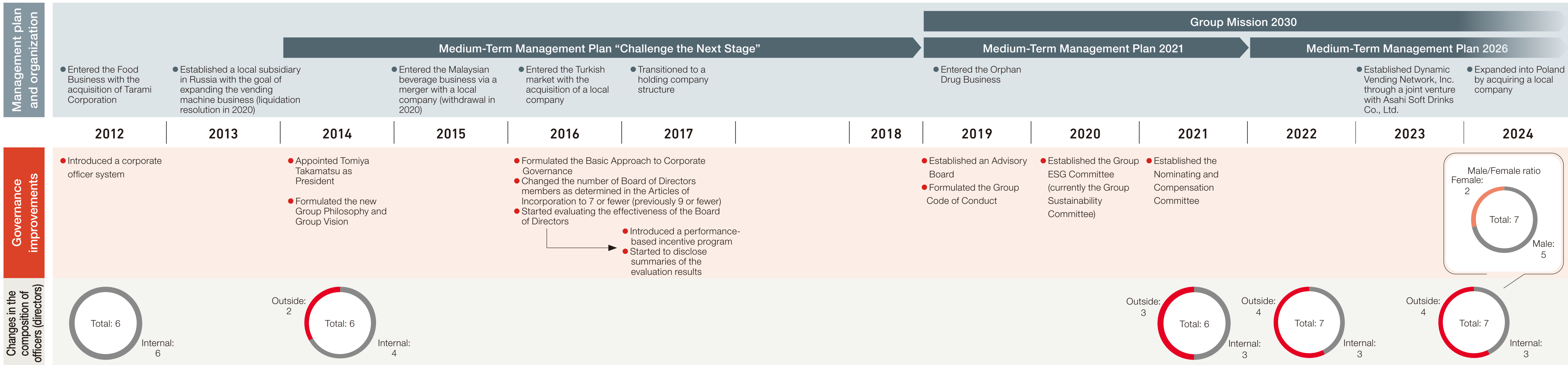
The Company expects each director to leverage his or her knowledge and experience in the following areas to ensure that the Board of Directors fulfills its roles and responsibilities appropriately in alignment with the Group Philosophy, Group Mission 2030, and the Medium-Term Management Plan. We believe that the necessary skills are covered collectively by the entire Board.

- "Overall Management" based on the Group Philosophy of "creating happiness and prosperity together"
- "Marketing and Sales (Operations)," which are critical in our core Domestic Beverage Business
- "Global" expertise, essential for the global expansion of our business
- "Healthcare," which is necessary for our new Orphan Drug Business
- "M&A and Strategic Investments," aimed at formulating and executing strategies for further business development and growth
- "Finance and Accounting" and "Legal and Compliance," which are foundational to decision-making in management and business activities
- "Sustainability (Environment and Society)," required to contribute to a sustainable global environment and local communities
- "Human Capital Development and Diversity," which forms the basis of corporate activities and human capital management
- "DX and Innovation," which are essential for providing new value to society

	Tomiya Takamatsu President & Representative Director	Naoki Tonokatsu Director, Corporate Officer, and General Manager of the Finance Department	Naoyuki Nishiyama Director, Corporate Officer, and General Manager of the Corporate Strategy Department	Masataka Inoue Outside Director	Michiaki Kurihara Outside Director	Junko Kawano Outside Director	Mina Ito Outside Director
Overall Management	●			●	●	●	●
Marketing and Sales (Operations)	●	●	●		●	●	
Global			●	●	●		●
Healthcare					●		
M&A and Strategic Investments	●		●	●			
Finance and Accounting		●					
Sustainability (Environment and Society)	●		●				●
Human Capital Development and Diversity	●					●	
DX and Innovation	●		●			●	
Legal and Compliance							●
Attendance at Board of Directors meetings	18/18	18/18	18/18	18/18	18/18	18/18	-*

* Ms. Mina Ito was newly elected and appointed at the 49th Annual General Meeting of Shareholders held on April 16, 2024, so her attendance status is not recorded.

Improvements to corporate governance



Reasons for selection as an outside director

Masataka Inoue (Appointed April 2016)

Mr. Inoue previously worked for the Mizkan Group and as such has experience in the food industry. He is particularly well experienced in overseas management and in business development, including M&As, as a manager. Based on this wealth of knowledge and experience, we asked him to join the board in 2016, when we expanded our international business by entering the Turkish market, to provide independent advice and proposals.

Since his appointment, he has offered expert advice on business strategies and initiatives for international business, as well as governance-related insights, such as the roles expected of the holding company in risk management and key areas of oversight.

Junko Kawano (Appointed April 2022)

After roles at Recruit as editor-in-chief of *Travail* and team leader for the Women's Life and Career Research Team, Ms. Kawano worked to revolutionize the organizational culture at Sumitomo Corporation to focus on customer value. She also has extensive knowledge and experience of personnel development, related to such topics as promoting female participation. Based on such knowledge and experience, we decided to welcome her to the board in 2022 to contribute to the promotion of human capital management in the DyDo Group.

Since her appointment, she has provided specific advice on human capital management, including talent development and promoting women's participation. In addition, she has offered expert insights into areas requiring a consumer perspective, such as product strategy and brand image.

Michiaki Kurihara (Appointed April 2021)

Mr. Kurihara has extensive experience—including of Japanese business, sales supervision, and running an overseas business—and knowledge of the pharmaceutical industry with previous careers at Fujisawa Pharmaceutical (now Astellas Pharma) and Santen Pharmaceutical. With his time as a member of the Advisory Board, a consultation body for the President, during our entry into the Orphan Drug Business, Mr. Kurihara was asked to become a Director in 2021.

Since his appointment, he has provided advice on business strategies and responses to environmental changes, as well as guidance in his areas of expertise, including pharmaceuticals and healthcare. Additionally, he regularly holds study sessions for the management team on the pharmaceutical industry, offering support on the necessary information and perspectives required for making management decisions related to DyDo Pharma.

Mina Ito (Appointed April 2024)

Ms. Ito has long served as an international lawyer at Baker & McKenzie, specializing in corporate law. She has extensive experience in global business strategy and management support, particularly in the Middle East. In addition to her legal background, she is the CEO, Representative Director of ZENMONDO Co., Ltd., with a strong track record as a business leader.

Given the increasing importance of our International Beverage Business, particularly in Turkey, we welcomed her to the board in 2024 to contribute to overall management and the expansion of our international operations.

2 Evaluation of the effectiveness of the Board of Directors

Since fiscal year 2016, we have been analyzing and evaluating the effectiveness of the Board of Directors. The aim behind this is not only to investigate whether the Board of Directors is fulfilling its role effectively, but also to enhance its efficacy and further improve its effectiveness.

Analysis/evaluation results for fiscal year 2023

Based on an analysis of the self-evaluation results of all our directors, the Board of Directors concluded that “the board’s supervisory functions are fully exercised, and high effectiveness is ensured.”

Next steps

- Further enhance deliberations on key issues
- Continue discussions on the business portfolio and allocate management resources appropriately
- Further promote the penetration of financial KPIs such as ROIC and focus on capital cost and profitability in management
- Strengthen initiatives related to material issues, particularly in “governance” and “diversity,” and ensure proper supervision

Individual opinions from outside directors and outside corporate auditors

- Capital efficiency is important, and the discussions on ROE and ROIC that began in fiscal year 2023 are a significant step forward. However, we would like to see consideration of what ROI is required to approach the desired ROE in the investment strategy.
- The analysis seems overly focused on the income statement. It would be desirable to conduct analysis and review that focus on the relationship between the balance sheet and either the statement of income or statement of cash flows.
- In terms of material issues related to organizational foundations, “enhancing corporate governance” and “promoting diversity” should be priorities.

Self-evaluation survey

All directors and all corporate auditors responded to the survey
Evaluation items
(1) The agenda and operation of the Board of Directors
(2) The operation of the Board of Directors based on Group Mission 2030 and long-term perspectives
(3) Other matters (Issues related to strengthening corporate governance)

Individual interviews

Individual interviews were carried out by the Secretariat of the Board of Directors, based on the answers given in the survey. Information was shared about awareness of survey answers and topics not covered by the survey questions.

Discussion on future initiatives of the Board of Directors

A constructive discussion was held regarding the analysis of self-evaluation results and current challenges. The aim was to share the recognition of these issues and deliberate on future initiatives to achieve a more effective Board of Directors.

Results of, and responses to, evaluations in fiscal year 2022

Recognized challenges in fiscal year 2022

- Enhance the deliberation of important agenda items in the Board of Directors, including both executive directors and outside directors/corporate auditors.
- Discuss the medium- to long-term strategy for the Domestic Beverage Business, which is the core of the Group’s cash flow, while appropriately supervising the progress of key initiatives and KPIs.
- Promote management that emphasizes capital efficiency by ensuring the spread of the financial KPI, ROIC.
- Properly supervise sustainability issues (material issues) and key KPI progress toward achieving Group Mission 2023.

Improvement of the Board of Directors

In fiscal year 2023, the progress of ROIC, a financial KPI of the Medium-Term Management Plan 2026, was regularly monitored by the Board of Directors. Additionally, a free discussion session was introduced to exchange ideas on the medium- to long-term strategy for the Domestic Beverage Business, which led to lively debates. The material issues of the Group Mission 2030 were discussed from diverse perspectives, particularly concerning human capital management, incorporating the various experiences and expertise of outside directors.

Efforts were also made to deepen understanding of the Group’s businesses and agenda items by conducting on-site visits to subsidiary offices and providing pre-meeting explanations through videos on certain topics. This contributed to enhancing discussions at board meetings.

However, it was recognized that deliberations on optimizing the business portfolio should be further enriched to improve the capital efficiency of the entire Group.

Support system for outside directors and outside corporate auditors

To enhance deliberations at board meetings, materials are distributed in advance to outside directors, and pre-explanations are provided using videos. Additionally, regular study sessions on the pharmaceutical industry, led by outside director Mr. Kurihara, are held to help clarify key considerations for discussions on DyDo Pharma. Site visits are also organized to deepen their understanding of the Group’s businesses. In fiscal year 2023, for instance, a visit was made to DAIDO Pharmaceutical to observe the production processes of health drinks and pouch products.

Furthermore, starting in fiscal year 2024, a new initiative has been introduced—a lunch meeting with the seven directors on the day of the board meeting. This informal setting encourages open and candid discussions, helping to foster a deeper understanding of agenda items and enabling more substantial and meaningful debates during board meetings.

3 Overview of the officer compensation system

Basic policy

The compensation system for directors has been established, and operates, according to the following:

- To raise awareness among directors of how they can contribute to achieving sustainable growth and improvements to corporate value in the medium to long term.
- As an incentive to secure superior management talent, it should be competitive.
- It considers prevailing levels of compensation as well as the management environment, management content, and balance relative to employee bonuses.
- Individual director compensation is set at an appropriate level based on the director’s management responsibilities, taking into account such factors as fulfillment of medium- to long-term strategies, degree of importance, and expected value.
- Executive director compensation consists of base compensation, a performance-based bonus that generally reflects performance for a single fiscal year, and stock-based compensation as a medium- to long-term incentive. In view of their job responsibilities, outside directors, who exercise supervisory functions, receive base compensation only.
- For outside directors responsible for oversight functions, only base compensation shall be paid, considering the nature of their duties.
- Reviews are to be performed periodically

Determination process

Individual compensation is determined based on a decision by the Board of Directors, within the scope decided by the General Meeting of Shareholders. When making their decision, the Board of Directors takes into account performance indicators, from which performance-linked remuneration and non-monetary compensation are calculated; their coefficients; and the individual’s title. The determination of each director’s base compensation and bonuses is delegated, by a decision by the Board of Directors, to the President.

To amend this process, the Nominating and Compensation Committee, more than half of the members of which are independent outside directors, can make an application ahead of time, which the Board of Directors and President will consider carefully and place great importance on.

Breakdown and ratios

	Type		Period	Ratio	Details
Monetary compensation	Fixed	Basic remuneration	Once a month	Approx. 60%	While considering the level of compensation at other companies, DyDo’s business performance, and the amount of compensation paid to employees, we calculate compensation based on a comprehensive consideration of factors including title, job responsibility, and years of service. This amount is then divided into 12, with each installment paid as a monthly salary.
	Performance-based	Bonuses	Once a year	Approx. 30%	Paid on a fixed date each year as a percentage of base compensation, calculated by multiplying a coefficient according to business performance fulfillment of the previous fiscal year. The performance indicators used for calculation are as follows. However, for the fiscal year 2026, the final year of the Medium-Term Management Plan 2026, the degree of achievement of the plan will be considered. (1) Consolidated net sales, (2) Consolidated operation profit
Non-monetary compensation (share awards)	Fixed	Restricted share awards	Once a year	Approx. 10%	Granted on a fixed date each year with the number of shares of the Company determined by title. The restricted stock period is, in principle, set as the day the director or other member of management leaves their position.
	Performance-based	Trust-based share awards	When directors* step down		Points are calculated by multiplying basic points attributable to the individual’s title with a coefficient according to their business performance fulfillment and granted on a fixed date each year. The number of shares paid corresponds to the total of points when the individual steps down. The performance indicators used for calculation are as follows. Full fiscal year: (1) Consolidated net sales, (2) Consolidated operating profit For fiscal year 2026, the degree of achievement of the Medium-Term Management Plan will be taken into account.

* Executive directors and corporate officers

Nominating and Compensation Committee roles and agenda

We established the Nominating and Compensation Committee with the aim of strengthening the Board of Directors’ independence, objectivity, and its responsibility to provide explanations. It does this by providing the board with suitable suggestions and advice from independent outside directors when it investigates especially important matters such as the nomination of top executives or directors, or their compensation.

Meetings in Fiscal Year 2023

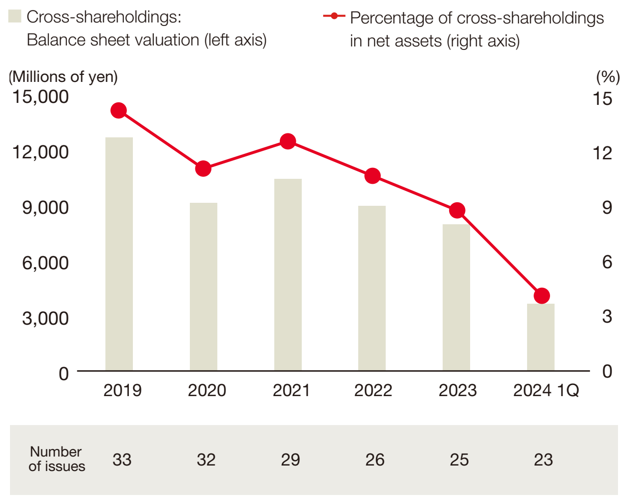
1. April 14, 2023: Discussed the operation of the committee for the fiscal year 2023
2. September 15, 2023: Discussed the nature of the committee
3. October 16, 2023: Discussed the ideal skills matrix for the Board of Directors
4. November 15, 2023: Discussed candidates for next officers
5. December 15, 2023: Discussed candidates for next officers
6. February 15, 2024: Discussed candidates for next officers and remuneration for directors (and other officers)

4 Policy and approach to reducing cross-shareholdings

Our fundamental approach is to work to attain sustainable growth and increase corporate value in the medium to long term, while trying to create happiness and prosperity together with all of our stakeholders. Therefore, in line with this thinking, there are cases where our policy is to hold shares belonging to business partners, investment partners, and other important stakeholders.

For instance, we might hold shares in a business partner that owns a number of excellent vending machine locations and who, by maintaining a positive relationship in the longer term, should produce stable, sustainable cash flows. Another example might be a business partner with whom collaboration looks likely to contribute to our corporate value in the medium or long term. When we acquire shares in a stakeholder for the first time, we will clearly identify the purpose for the cross-shareholding, and conduct periodic investigations on the status of transactions after acquisition. Where we determine that the purpose cannot be achieved as a result of the investigations, we reduce the number of cross-shareholdings we hold by selling them or through other methods.

Trends in Cross-Shareholdings



Review of the appropriateness of holding cross-shareholdings

The appropriateness of holding cross-shareholdings is reviewed annually.

Most recently, at the Board of Directors meeting held on February 15, 2024, a review was conducted based on the status as of January 20, 2024. It was confirmed that issues expected to contribute to long-term corporate value growth would continue to be held, while some issues would be considered for sale.

As a result, a portion of these issues was sold in the first quarter of fiscal year 2024. As of April 20, 2024, the carrying amount of non-shareholding-purpose policy stocks amounted to 3,630 million yen (compared to 7,946 million yen as of January 20, 2024). The number of issues held decreased to 23 (from 25 as of January 20, 2024), representing 4.0% of net assets. Moving forward, the Company will continue to review the appropriateness of cross-shareholdings annually and take appropriate action based on these reviews.

5 Business risks

In the DyDo Group, risks are identified as various obstacles that may arise in achieving management strategies based on our corporate philosophy. In accordance with the "basic approach to implementing internal control systems," the Group has established key elements of its risk management framework, aiming for efficient and reliable operation. The Group Risk Management Committee, chaired by the President & Representative Director, holds regular meetings twice a year, with additional meetings convened as necessary. The Group Risk Management Committee plays a critical role in approving risk management policies, evaluating key risks and their countermeasures, and verifying and guiding corrective actions based on the effectiveness of control measures.

The Group Risk Management Committee classifies and evaluates risks into "cross-group risks" and "business-specific risks." Additionally, from fiscal year 2023, a new risk management method was adopted, using the TCFD scenario analysis framework to assess long-term risks related to demographic changes.

Cross-Group risks

Item	Risk	Responses
Raw materials and supply procurement	• Coffee beans, a key raw material for the Domestic Beverage Business, are internationally traded commodities, and their prices are affected not only by market fluctuations but also by changes in exchange rates. • Recently, the procurement costs for raw materials and supplies have surged due to the rise in energy costs.	• In response, the Domestic Beverage Business and Food Business have implemented phased price revisions since October 2022. • For the International Beverage Business, especially in inflation-stricken Turkey, strategic price adjustments are being continuously applied to improve profitability by ensuring an appropriate contribution margin structure.
Production and distribution system	• Due to labor shortages and stricter compliance requirements, distribution costs have significantly risen. This, combined with constrained logistics capacity, poses a supply risk.	• In June 2018, DyDo Group established Shibusawa DyDo Group Logistics Co., Ltd., a joint venture with The Shibusawa Warehouse Co., Ltd., to strengthen ties with the logistics industry. The aim is to secure a stable logistics network while addressing the "2024 Distribution Problem" through a review of distribution centers and other strategic measures.
International situation	• The recent geopolitical crises, including the Russia-Ukraine conflict and tensions between Palestine and Israel, have led to soaring material and crude oil prices, as well as sharp fluctuations in exchange rates. These events pose significant geopolitical risks. • DyDo's overseas expansion faces various risks, including differing legal systems, political and economic situations, social contexts, cultural and religious factors, and business customs. Exchange rate fluctuations also add further risk.	• DyDo's holding company structure includes an International Business Management Department, which manages and oversees foreign subsidiaries. This department is working on reformulating our international business strategies by leveraging existing operations in Turkey and China.
Acquisitions and business/capital alliances	• If effective investment opportunities cannot be found, or if the expected strategic investment effects are not realized, there is a risk of delays in promoting the growth strategy and an impact on performance. • When entering new business areas or markets through acquisitions or partnerships, there are additional risks specific to the business and market of the acquisition or partnership target.	• The Company conducts an annual effectiveness evaluation of the Board of Directors. Additionally, a framework has been established for ongoing discussions on investment areas and their priorities as part of continuous improvements to corporate governance.
Environmental response (climate change issues)	• Corporate efforts to address climate change and environmental issues are subject to evaluation by stakeholders and changing market values. • Global efforts to reduce energy use and combat global warming, along with the potential for stricter laws and regulations. • Climate change-related risks, including water resource depletion, impacts on key raw materials like coffee, and the possibility of severe natural disasters damaging manufacturing facilities, may physically damage the supply chains.	• The Company continuously monitors climate risks and develops response measures based on the TCFD framework. • Since climate change risks may manifest in the medium to long term, risk management is carried out in coordination between the Group Risk Management Committee and the Group Sustainability Committee.

Business-specific risks

Item	Risk	Responses
Risks related to hyperinflation in Turkey	• With the application of IAS 29 (Financial Reporting in Hyperinflationary Economies)* in Turkey, there is a risk that if inflation worsens, substantial accounting adjustments will be required. Additionally, there is a risk of impairment if the remeasured value of non-current assets exceeds their restatement value. * Accounting treatment applied when the cumulative inflation rate exceeds 100% over a period of three years	• The holding company's Finance Department is strengthening and expanding its management systems for revenue and cash conversion cycles. • Local subsidiaries are continuously implementing price adjustments to ensure appropriate profit margins, as well as expanding export transactions to mitigate inflationary impacts.
Focus and dependence on existing vending machine business	• The business faces risks such as market-wide declines in the total number of vending machines due to labor shortages in vending machine operations and rising raw material and supply costs, potentially impacting profitability if these issues are not addressed.	• To create social value through the vending machine business, the Company aims to establish a flexible and sustainable model that can adapt to market changes (this includes advancing "smart operations" and expanding the LOVE the EARTH Vendor initiative).
Entry into the Orphan Drug Business	• There is a risk that drug development could be delayed or canceled, a drug might not be approved as applied, regulatory approval might take longer than expected, or the approved pricing may be lower than anticipated. • There is a risk of an impact on business performance due to the continuous recording of operating losses during the initial investment period until the business foundation stabilizes.	• The Company has appointed an independent outside director with extensive knowledge and experience in the pharmaceutical industry to enhance monitoring of business plans tied to each development project. • The Company is building a team of experts with extensive experience in the pharmaceutical industry and is actively seeking external cooperation and support to promote the business.

Medium- to long-term risks due to demographic changes

Risk		Impact on business ↑: Extremely large impact ↗: Somewhat large impact			Current measures
Type	Supply chain	Observations	Medium-term (2026)	Long-term (2030)	
Declining working-age population	Sales and marketing	**Domestic Beverage Business** Risk of reduced vending machine operation due to a shortage of operational talent	↗	↑	• Promoting smart operations
	Manufacture and procurement	**Pharmaceutical-Related Business** Risk of being unable to secure specialized talent with appropriate skills and knowledge	↗	↑	• Strengthening of mid-career recruitment
		Food Business Risk of being unable to meet production demands due to insufficient talent in the manufacturing department	↗	↑	• Introduction and upgrading of labor-saving equipment • Securing diverse talent
	Recruitment	**Pharmaceutical-Related Business, Food Business** Risk of being unable to secure new graduate hires to support future business	↗	↑	• Implementation of new measures for new graduate recruitment • Talent development planning through Group collaboration

List of Officers

1 Tomiya Takamatsu

President & Representative Director

Career summary
- Apr. 2004 Joined the Company
- Apr. 2008 Director, the Company
- Apr. 2009 Managing Director, the Company
- Mar. 2010 Executive Director, the Company
- Apr. 2012 Vice President and Director, the Company
- Apr. 2014 President & Representative Director, the Company (incumbent)

2 Naoki Tonokatsu

Director, Corporate Officer, and General Manager of the Finance Department

Career summary
- Mar. 1986 Joined the Company
- Jan. 2011 General Manager of the Financial Affairs Department, the Company
- Mar. 2013 Corporate Officer and Division Director of the Administrative Division, the Company
- Jan. 2014 Corporate Officer and Division Director of the Finance Division, the Company
- Jan. 2017 Corporate Officer and General Manager of the Finance Department, the Company
- Apr. 2017 Director, Corporate Officer, and General Manager of the Finance Department, the Company (incumbent)

3 Naoyuki Nishiyama

Director, Corporate Officer, and General Manager of the Corporate Strategy Department

Career summary
- Mar. 1988 Joined the Company
- Jan. 2014 General Manager of the Corporate Strategy Department, the Company
- Feb. 2014 General Manager of the Corporate Strategy Department and General Manager of the International Business Department, the Company
- Mar. 2015 Corporate Officer, General Manager of the Corporate Strategy Department, and General Manager of the International Business Department, the Company
- Jan. 2016 Corporate Officer, General Manager of the Corporate Strategy Department, and General Manager of the Strategic Investment Department, the Company
- Jan. 2017 Corporate Officer and General Manager of the Corporate Strategy Department, the Company
- Apr. 2017 Director, Corporate Officer, and General Manager of the Corporate Strategy Department, the Company (incumbent)

4 Masataka Inoue

Independent Outside Director

Career summary
- Apr. 1978 Joined Nakano Sumise Co., Ltd.
- July 2005 Director at Mizkan Group Corporation
- May 2007 Managing Director at Mizkan Group Corporation
- Oct. 2009 Full-time Corporate Auditor, Mizkan Group Corporation
- Mar. 2011 Divisional Manager in charge of the Management Auditing Office at Mizkan Group Corporation
- Mar. 2014 Divisional Manager in charge of the Business Planning Division, Mizkan Holdings Co., Ltd.
- Apr. 2016 Director, the Company (incumbent)

5 Michiaki Kurihara

Independent Outside Director

Career summary
- Apr. 1982 Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
- Oct. 2004 Deputy Division Director of Sales Division, Fujisawa Pharmaceutical Co., Ltd.
- Apr. 2006 General Manager, Asia Business Planning, Corporate Strategy Division, Astellas Pharma Inc. (concurrently served as President and CEO of Astellas Pharma Hong Kong Co., Ltd., Director of Astellas Pharma China, Inc., Director of Astellas Pharma Korea, Inc., and Director of Astellas Pharma (Thailand) Co., Ltd.)
- Apr. 2009 General Manager of Sales Promotion Department, Asia Business Division, Santen Pharmaceutical Co., Ltd.
- Jun. 2010 Director and Vice President, Santen Pharmaceutical Korea Co., Ltd.
- Nov. 2013 General Manager of Planning External Affairs Department, IMS Japan K.K. (currently IQVIA Solutions Japan K.K.)
- Apr. 2021 Director, the Company (incumbent)

6 Junko Kawano

Independent Outside Director

Career summary
- Apr. 1986 Joined Recruit Co., Ltd.
- Jan. 1997 Editor-in-chief of Recruit's Travail recruitment information magazine, Recruit Co., Ltd.
- Apr. 2006 Team Leader of the Women's Life and Career Research Team, Recruit Co., Ltd. (concurrent role)
- Jul. 2008 Joined Sumitomo Corporation
- Apr. 2013 Director at Japan Active Solutions (concurrent role)
- Apr. 2018 Established Kawano Junko Office (incumbent)
- Sep. 2019 Joined the School Board at Tokyo International Progressive School (incumbent)
- Apr. 2020 Senior Researcher at the Keio Research Institute at SFC (incumbent)
- Jun. 2021 Outside Director at Joshin Denki Co., Ltd. (incumbent)
- Dec. 2021 Director and Chief Marketing Officer at Life Shift Japan Co., Ltd. (incumbent)
- Apr. 2022 Director, the Company (incumbent)

Significant Concurrent Posts
Outside Director at Joshin Denki Co., Ltd.

7 Mina Ito

Independent Outside Director

Career summary
- Apr. 1990 Joined Seiko Epson Corporation
- Jun. 1996 Joined Baker & McKenzie
- Jan. 2020 Special Counsel, Baker & McKenzie (incumbent)
- May 2020 Established ZENMONDO Co., Ltd., CEO, Representative Director (incumbent)
- Jun. 2020 Outside Corporate Auditor, C'BON COSMETICS Co., Ltd. (incumbent)
- Jun. 2021 Outside Director of the Board (Member of the Audit and Supervisory Committee), KPP GROUP HOLDINGS CO., LTD.
- Jun. 2022 Outside Director of the Board, KPP GROUP HOLDINGS CO., LTD. (incumbent)
- Apr. 2024 Director, the Company (incumbent)

Significant Concurrent Posts
CEO, Representative Director, ZENMONDO Co., Ltd.
Outside Corporate Auditor, C'BON COSMETICS Co., Ltd.
Outside Director of the Board, KPP GROUP HOLDINGS CO., LTD.

8 Naokazu Hasegawa

Full-time Corporate Auditor

Career summary
- Mar. 1986 Joined the Company
- Jan. 2011 General Manager of the Corporate Planning Department, the Company
- Nov. 2011 General Manager of the Corporate Planning Department and General Manager of the Market Development Department, the Company
- Jun. 2012 General Manager of the Corporate Planning Department and General Manager of the International Business Department, the Company
- Mar. 2013 Corporate Officer, Division Director of the Business Strategy Division, the Company
- Jan. 2014 Corporate Officer, Division Director of the Corporate Communication Division, the Company
- Jan. 2019 Corporate Officer, General Manager of the Corporate Communication Department, the Company
- Jan. 2023 Corporate Auditors' Office, the Company
- Apr. 2023 Corporate Auditor, the Company (incumbent)

9 Shigeyuki Moriuchi

Independent Outside Corporate Auditor

Career summary
- Oct. 1982 Joined Price Waterhouse Certified Public Accountants Office
- Jul. 1998 Senior Partner, Aoyama Audit Corporation
- Oct. 2005 Director and Senior Partner, ChuoAoyama Audit Corporation
- May 2007 Senior Partner, Kasumigaseki Audit Corporation (currently Grant Thornton Taiyo LLC)
- Jan. 2010 Managing Partner, Kasumigaseki Audit Corporation
- Nov. 2015 Outside Director (Audit and Supervisory Committee Member), KOSHIDAKA HOLDINGS Co., LTD. (incumbent)
- Dec. 2016 Outside Corporate Auditor, KATO SANGYO CO., LTD. (incumbent)
- Apr. 2019 Corporate Auditor, the Company (incumbent)
- Aug. 2022 Established Certified Public Accountant and Certified Tax Accountant Shigeyuki Moriuchi Office (incumbent)
- Sep. 2022 Adviser, Grant Thornton Taiyo LLC

Significant Concurrent Posts
Certified Public Accountant and Certified Tax Accountant Shigeyuki Moriuchi Office
Outside Director (Audit and Supervisory Committee Member), KOSHIDAKA HOLDINGS Co., LTD.
Outside Corporate Auditor, KATO SANGYO CO., LTD.

10 Kiyoshi Watanabe

Independent Outside Corporate Auditor

Career summary
- Feb. 1997 Registered as a certified tax accountant
- Jul. 1997 Established Kiyoshi Watanabe Certified Tax Accountant Office (incumbent)
- Apr. 2019 Corporate Auditor, the Company (incumbent)

Significant Concurrent Posts
Kiyoshi Watanabe Certified Tax Accountant Office

11 Mayumi Ishihara

Independent Outside Corporate Auditor

Career summary
- Apr. 1986 Appointed as a court secretary, Kobe District Court
- Apr. 1997 Registered as an attorney with the Osaka Bar Association
- Apr. 1997 Joined OH-EBASHI LPC & PARTNERS (incumbent)
- Jun. 2010 Outside Director, Nitta Gelatin Inc.
- Jun. 2013 Unaffiliated Audit and Supervisory Board Member, Morishita Jintan Co., Ltd.
- Feb. 2016 Outside Director, MORITO CO., LTD. (incumbent)
- Apr. 2016 Outside Director (Audit and Supervisory Committee Member), OS Co., Ltd.
- Jun. 2016 Outside Director (Audit and Supervisory Committee Member) at H2O RETAILING CORPORATION (incumbent)
- Jun. 2018 Unaffiliated Director (Audit and Supervisory Committee Member), Morishita Jintan Co., Ltd. (incumbent)
- Apr. 2024 Corporate Auditor, the Company (incumbent)

Significant Concurrent Posts
OH-EBASHI LPC & PARTNERS
Outside Director, MORITO CO., LTD.
Outside Director, H2O RETAILING CORPORATION (Audit and Supervisory Committee Member)
Unaffiliated Director (Audit and Supervisory Committee Member), Morishita Jintan Co., Ltd.

Corporate Officers

Akikazu Hamanaka

Corporate Officer
General Manager of the HR & General Affairs Department

Mamoru Mitamura

Corporate Officer
General Manager of the International Business Management Department

Takanori Nakashima

Corporate Officer
(President and Representative Director, DyDo DRINCO, Inc.)

Makoto Miyachi

Corporate Officer
(President and Representative Director, DAIDO Pharmaceutical Corporation)

Yutaka Wada

Corporate Officer
(Representative Director, Tarami Corporation)

Communication with Shareholders and Investors

The DyDo Group promotes constructive dialogue with all stakeholders, including shareholders and investors, and believes that reflecting their voices in management contributes to sustainable growth and long-term corporate value enhancement. To achieve this, we base our efforts on transparency, fairness, and continuity.

We strive to promptly and appropriately disclose information in accordance with legal requirements and actively provide any additional information deemed useful to deepen understanding of the Group, to the extent possible, ensuring fairness in our disclosures.

Activities

Key respondents

President & Representative Director, Directors and Corporate Officers, General Manager of the Corporate Communication Department, etc.

Dialogue with shareholders and investors

Target	Event	Times held, total participants	FY2022	FY2023
Institutional investors (incl. shareholders)	Financial briefings	Times held	2	2
	Small meetings	Times held	3	2
	Individual meetings	Times held	143	48
Individual investors	Information sessions for individual investors	Times held	8	–
		Approx. total participants (people)	3,900	–
Shareholders	General Meeting of Shareholders	Total participants	55	37
		Online viewers	80	81
	Information sessions for individual shareholders	Times held	1	–
	Response rate to questionnaire in the shareholder newsletter	(Average: %)	6.3	6.5

Main topics etc.

Topic	Items	
Capital policy, capital efficiency, and capital market evaluation	• WACC level and its calculation basis • Challenges recognized for achieving the ROIC target by fiscal year 2026	• Use of proceeds from the sale of investment securities • Initiatives to improve PBR
Domestic Beverage Business	• Progress on the Dynamic Vending Network initiative • Sales and profit improvement status following price revisions	• Status and impact of smart operation • Deployment of cashless-enabled vending machines
International Beverage Business	• Factors contributing to the significant improvement in the profitability of the Turkish beverage business • Purpose of acquiring the Polish soft drink company Wosana S.A.	• Future outlook for the overall International Beverage Business
Non-Beverage Businesses	• Impact of rising costs on business performance and countermeasures	• Expected timing for sales realization in the Orphan Drug Business
ESG	• Reasons for continuing the takeover defense measures • Initiatives related to human capital management	• Status of implementation of human rights policies and human rights due diligence • Efforts to reduce CO_2 emissions under Scope 3

Feedback

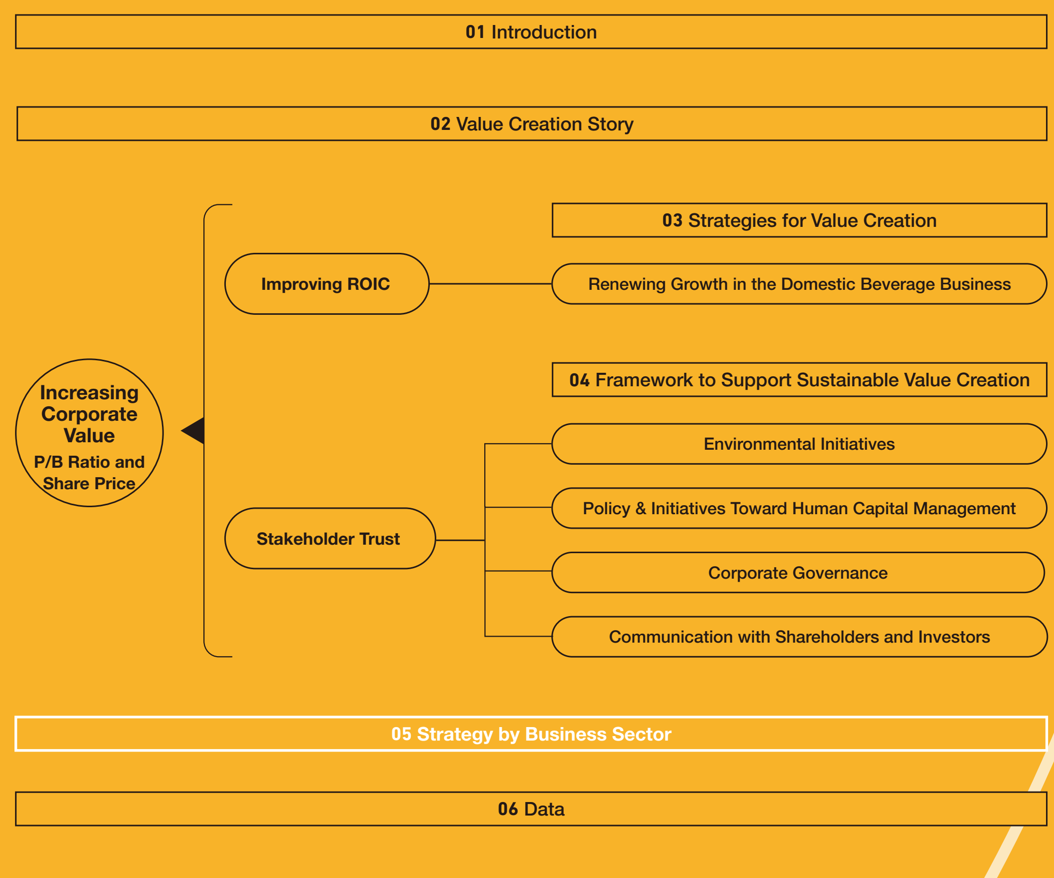
The opinions received from institutional investors are reported individually to the President & Representative Director on a quarterly basis or whenever significant communication takes place. These opinions are also reported to the Board of Directors. Additionally, feedback and opinions shared through shareholder communications are reported to the relevant departments, and the results of questionnaires are published on the official website.

Opinions from shareholders and investors and the corresponding actions

Main opinions	Actions
• In Medium-Term Management Plan 2026, KPIs such as the ROIC target are disclosed for each segment, but there is no progress update, making it difficult to assess whether things are on track. If actual results were disclosed, discussions would be more fruitful.	• In the fiscal year 2023 earnings release materials, the actual performance figures, contributing factors for achieving the targets, and future challenges for each metric outlined in Medium-Term Management Plan 2026 were disclosed.
• In fiscal year 2023, three former subsidiaries of Asahi Soft Drinks were consolidated into the Group, causing significant changes in the performance levels of the Domestic Beverage Business. This makes year-on-year comparisons difficult and obscures the results of DyDo's vending machine initiatives.	• Factors for increase/decrease in net sales, sales volume, and operating profit excluding the impact of the former Asahi Soft Drinks subsidiary was disclosed in the financial summary materials for the announcement of fiscal year 2023 financial results.

05

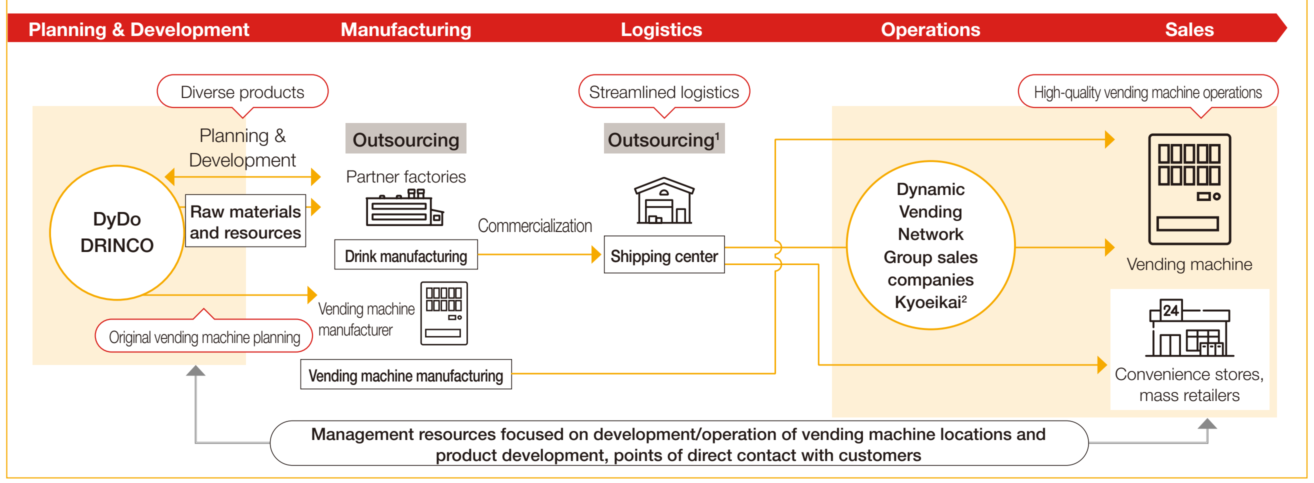
Strategy by Business Sector



Domestic Beverage Business

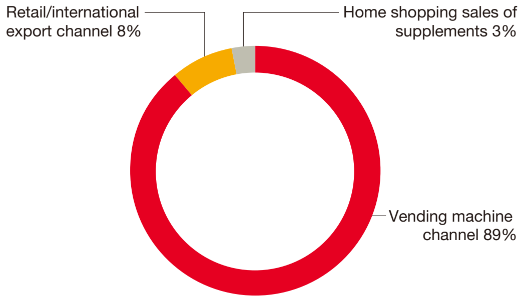
The Domestic Beverage Business is handled by DyDo DRINCO and its group companies. With vending machines as the main sales channel, this sector outsources product manufacturing and logistics to concentrate resources on product development and vending machine operations—areas of direct contact with customers. Initiatives for renewed growth are underway to maintain a business model with high cash generation capacity. We plan to retain this as a core business that will produce resources for the Group's next growth phase.

Value Chain



Notes: 1. Supervised by Shibusawa DyDo Group Logistics Co., Ltd. 2. Collective term for partner companies operating DyDo vending machines

Sales Composition by Channel



Vending machine operation system

DyDo vending machine operations are handled by consolidated subsidiary sales companies (direct sales) and partner companies operating DyDo vending machines across Japan (Kyoeikai). Not only product supply but also business strategies and operational productivity improvement measures for operations are shared with Kyoeikai. This integrated operation system enables rapid execution of new strategies and measures such as the smart operations currently being promoted.

PP. 37–39 Smart operations

Strength 1 Ability to propose solutions from a customer standpoint

Based on the concept of "delivering what customers want in the closest and most convenient location" from our foundation, when we operated a use first, pay later medicine business, each representative proposes solutions to issues faced by location owners and retailers as well as the needs of customers using our products and vending machines. This ability to offer solutions from a customer standpoint is our strength.

Strength 2 High-quality vending machine operations

Vending machine operations involve not only product refills but also seasonal product changes, switching between hot and cold item sales, and managing expiration dates. We have systemized this knowledge as a manual, which is accumulated and shared internally. This is shared with Kyoeikai as well, to achieve high-quality vending machine operations across Japan, another of our strengths.

In recent years, we have leveraged this strength to successfully establish a smart operation system.

Where, and What, We Want to Be in 2030

In the vending machine market, we will provide new value through constantly taking on challenges and co-creating and so continue to lead the industry

Takanori Nakashima
President & Representative Director
DyDo DRINCO, Inc.

Medium-Term Management Plan 2026 business strategy

Companies in the beverage industry have grown increasingly polarized in their approaches to the vending machine business amid rising costs and changes in consumer purchasing behavior triggered by the COVID-19 pandemic. Despite these circumstances, We, whose strength lies in the vending machine channel, are focusing on establishing a solid advantage in the vending machine market as our top priority while also working to develop and deliver "delicious products for sound mind and body" that help customers live fun, healthy lives. We will also explore new business opportunities outside the box of our existing businesses to continue growing amid an external environment changing due to diverse lifestyles, technological advancements, and other factors. To achieve these goals, we will work to fortify our business foundation while balancing business growth with efforts to create a circular economy and reduce greenhouse gases in addition to human capital and organizational development.

Business Strategy in Medium-Term Management Plan 2026

Establish a solid advantage in vending machine market	Develop and deliver products that are delicious for sound mind and body	Investigate new business opportunities

Achieve business-growth oriented human capital and organizational development

Balance business growth with creating a circular economy and reducing greenhouse gases

KPIs for Medium-Term Management Plan 2026

			FY2022	FY2023	Target FY2026
Vending machine channel	Number of vending machines in operation	(compared to FY2021)	+0.3%	(0.1%)	+5.5%
	Net sales per machine	(compared to FY2021)	(1.0%)	+3.7%	+8%
	Per person* net sales	(compared to FY2021)	+21.6%	+30.6%	+20%
Home shopping sales of supplements	Number of active customers	(compared to FY2021)	1.0 x	1.0 x	2.1 x

* Direct sales operation staff

Initiatives to achieve Medium-Term Management Plan 2026

In the core vending machine channel, we are working to establish a solid advantage in the vending machine market by increasing market share through more operating vending machines, establishing and expanding smart operations, and creating appealing vending machines (stores). For details, see "Renewing Growth in the Domestic Beverage Business" on PP. 34 to 39.

In the retail channel, we are promoting solutions-based sales that help resolve client issues as a "second-opinion manufacturer" in an effort to establish a unique position. We also aim to contribute to customers' mental and physical health by focusing on proposing healthy products that are highly unique and possess added value, such as a series of beauty drinks supervised by Hadabisei,* the Wa-no-Chikara series, and FRISK SPARKLING. Despite a challenging environment in terms of profit due to rising costs across the board in recent years, our retail channel has improved profitability through these efforts.

In the international export channel, while we have worked to export Japanese products in the past, we have now shifted focus to developing international exclusives and international production to improve profitability and further grow sales. To expand the export business further through strengthened governance, we spun off the international export channel and established DyDo DRINCO International, Inc. in September 2024, commencing its operations. As a subsidiary of the International Beverage Business, DyDo DRINCO International, Inc. will deliver "delicious products for sound mind and body" worldwide while strengthening partnerships with Group companies overseas.

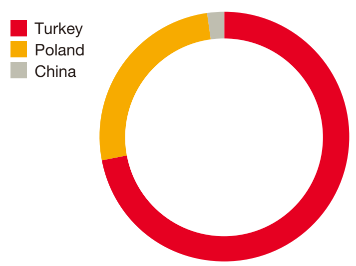
In the home shopping sales of supplements, we are working to shore up our place in the bone, joint, and muscle support supplement category by relaunching Locomo Pro with Proteoglycan as a food with functional claims in August 2023, among other efforts. While aggressive advertising investments were made in the first half of fiscal year 2024 to acquire more regular customers, we are closely monitoring the impact of consumer restraint in the home shopping sales of supplements and responding flexibly.

* Hadabisei is a trademark and brand name owned by Kracie., Ltd. They provide supervision for the concept and design of products that support healthy lifestyles for women.

International Beverage Business

Since fiscal year 2013, we have proactively expanded overseas and are currently developing businesses tailored to local characteristics in Turkey, Poland, and China. The Turkish beverage business, which we entered in 2016, plays a central role in the Group's International Beverage Business, manufacturing and selling local brands then exporting to nearby nations, including the UK.

Sales Composition by Nation



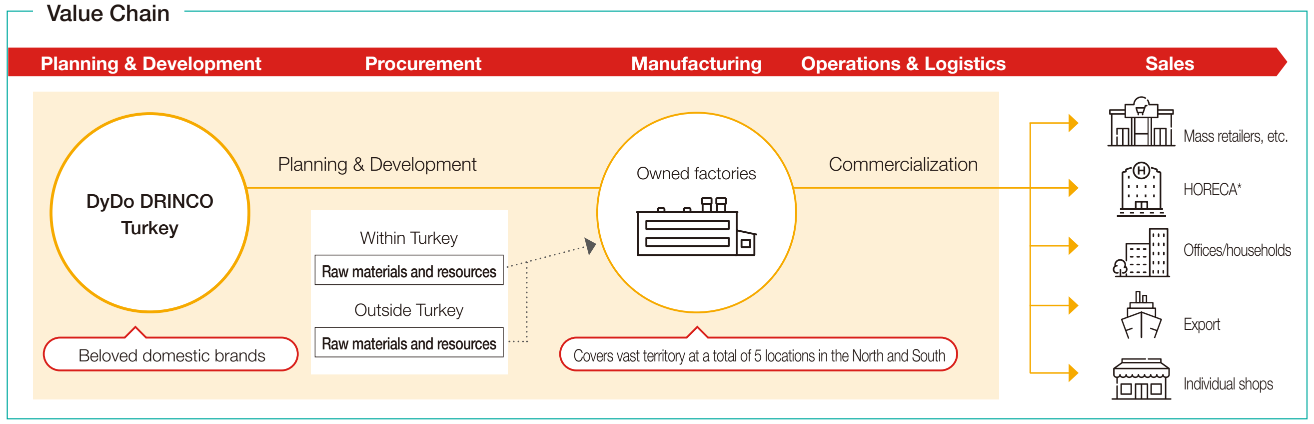
Note: Based on figures as of the second quarter of fiscal year 2024

History of International Expansion

		Year of Entry	Entry Method	Overview
Turkey		February 2016	M&A	Acquired companies with their own brands and factories through M&A.
	UK	September 2019	Established	Due to a history of exporting Turkish products to the UK even before acquisition, this was established as an export base for further supply route growth.
Poland		February 2024	M&A	Acquired a company with its own brands and factories through M&A.
China		December 2008	Established	Entered with the goal of developing vending machine business; sold to a local company in 2016. Currently distributing to the retail channel through Japanese product imports and local production of certain items.

Turkey

Value Chain



* Hotel/Restaurant/Cafe

Strength 1 A product line recognized by the public as a domestic brand

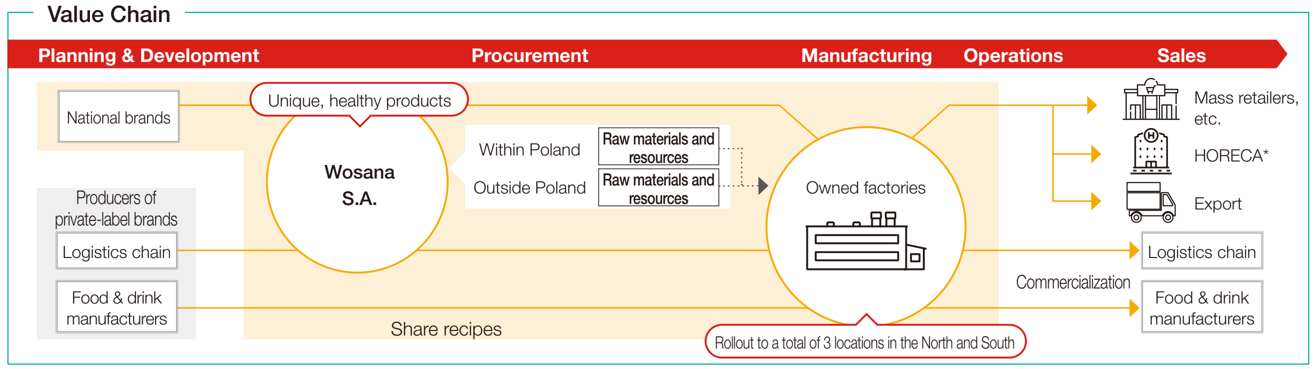
In the Turkish beverage market, global manufacturers hold large market shares, making the local brand we own a major strength. Turkish consumers tend to choose DyDo products with confidence, and demand for our products surged during a boycott of US brands in Islamic countries that began in October 2023. We will continue to protect and cultivate the value of this brand going forward.

Strength 2 Agile supply chain management

The Turkish market has recently experienced rapid changes in demand due to price hikes against a backdrop of hyperinflation and boycotts of US brands. Under such circumstances, building an agile supply system through partnership between departments is vital, an issue we have addressed by integrating the management of our supply chain divisions. The ability to deliver necessary quantities at the right time is a major strength of ours in the Turkish beverage business.

Poland

Value Chain



* Hotel/Restaurant/Cafe

Strength 1 Stable management system with multiple business models

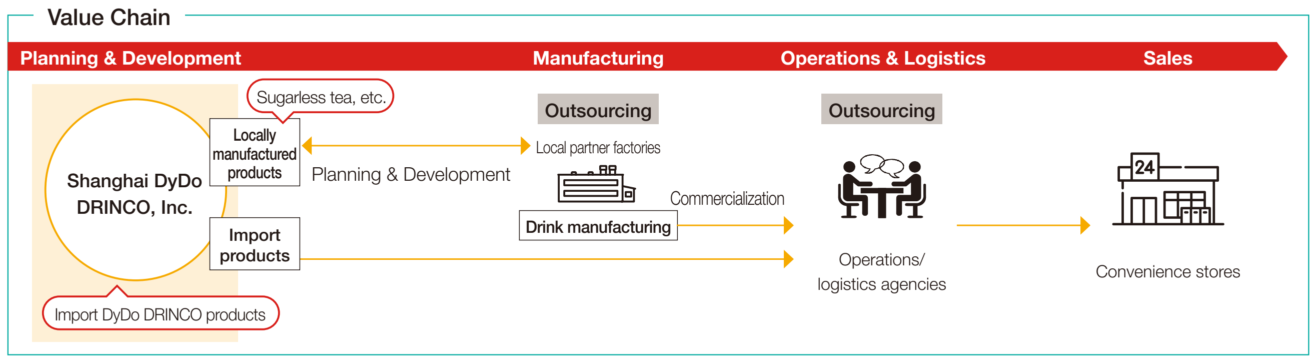
Wosana S.A. (Wosana) operates three businesses: manufacture and sales of its own products, manufacture of products for other companies, and production of private brands for logistics chains. This allows for risk hedging when competing for a share of the beverage market and achieves a stable management system. Poland achieved 6% CAGR in GDP growth in the decade up until 2022, with corresponding growth in the beverage market.

Strength 2 Unique product groups

The Polish beverage market is dominated by carbonated drinks, mineral water, and fruit juice drinks, accounting for 80% of the total. Within this market, Wosana specializes in mineral water and fruit juice drinks to develop unique products. For example, its soft water brand Mama i ja for pregnant women and infants has gained a certain level of support in Europe, where hard water is the norm. Specialization in mineral water and fruit juice drinks will continue in the future with the aim of expanding this range of healthy products.

China

Value Chain



Strength 1 A consistent position in the sugarless tea market

While the sugar-free tea market in China is still small, it has grown in recent years due to the entry of Japanese manufacturers and others. In this context, we are promoting distribution to convenience stores and other retail chains to establish a position as a company behind market growth. We will continue to expand our product line and distribution to grow the sugar-free tea market.

Strength 2 Fabless local production system

In our Chinese beverage business, several sugar-free tea brands are produced locally using a fabless management approach similar to the Domestic Beverage Business in Japan. This reduces costs associated with establishing and maintaining factories, allowing us to concentrate resources on product development and sales promotion efforts. As a result, we are able to control risks as we research and develop products likely to grow sales in the local market.

Where, and What, We Want to Be in 2030

We will create global brands that support the health of people all over the world

Mamoru Mitamura
Corporate Officer, General Manager of International Business Management Department
DyDo Group Holdings, Inc.

Medium-Term Management Plan 2026 business strategy

In the Turkish beverage business, we have responded to rapid changes in the economy to expand and stabilize business, while in the Chinese business, we are working to achieve steady growth through expanded sales centered on locally manufactured products and restructure our international business strategy. We view the acquisition of Wosana in February 2024 as a particularly important foothold for future business expansion in Europe and believe it will create a stronger base of stable revenue for the entire International Beverage Business. Furthermore, we will strive to cultivate global brands that address growing demand for healthy, sugar-free products in each area and grow the international presence of the DyDo Group by fostering a global brand image of DyDo products as health conscious, high quality, safe, and trustworthy.

Business Strategy in Medium-Term Management Plan 2026

Expansion and stabilization of business in Turkey	Steady growth of business in China	Cultivate healthy global brands

KPIs for Medium-Term Management Plan 2026

		Results		Target
		FY2022	FY2023	FY2026
Average annual growth rate (sales volume)	Turkey	(3.7%)	2.0%	11%
Average annual growth rate (net sales)	China	5.3%	11.5%	23%
International sales ratio in the Turkish business		9.1%	6.7%	28%

Initiatives to achieve Medium-Term Management Plan 2026

Boosting profitability through agile price revisions and supply chain management

In our mainstay Turkish beverage business, we are continuing to work on boosting profitability amid high ongoing inflation. Specifically, this involves boosting profitability through agile price revisions and reformation in supply chain management to support this. Turkey is currently undergoing hyperinflation, so we implement price revisions for all kinds of products multiple times a year. While these proactive price revisions are conducted to boost profitability, securing sales volume is also vital to ensure revenue. As such, price revisions are implemented based on market conditions, including temporarily postponing price revisions as we monitor competitor sales. This has resulted in sales volume growth in the Turkish beverage business despite the fact that average sales prices have nearly doubled over the year.

What bolsters these agile price revisions and resulting fluctuations in demand in everything from raw material procurement to logistics is the supply chain divisions. Through integration of management starting in 2022, we have been able to implement multiple cost reduction measures in partnership with the supply chain, including changing purchasing price conditions, reviewing suppliers, and reducing write-offs (inventory disposal) and returns (from customers). We are also working to build an efficient, stable supply system by managing each phase of the supply chain using efficiency indicators to maintain production efficiency, while flexibly and quickly increasing production to meet robust demand. These efforts have served as a major factor in maintaining stable supply despite special demand conditions since October 2023.

Cultivating global brands through export expansion

The high-quality water sources and manufacturing plants in Turkey have the potential to go beyond domestic growth to tap into global demand. We have been involved in exports for nearly 20 years, starting before the acquisition. That is why the mineral water brand Saka, characterized by rich mineral content and a slightly high pH level, is recognized as healthy, delicious water rather than as an import in the UK, a major export nation. It has also obtained Halal certification that lets Muslims consume it with peace of mind, meaning there is demand among Muslim immigrant markets in Turkey, the Middle East, Africa, and European nations. The boycott of US brands in Islamic countries since October 2023 has also led to increased attention in our products in Muslim immigrant markets worldwide, contributing to the expansion of exports. We will strive to continue these transactions over the medium to long term by seizing such opportunities.

Export products from Turkey, with advantageous low manufacturing costs and the recent weakness of the lira as a tailwind, have the potential to grow business. Going forward, we will continue to foster Turkish brands as global brands through export expansion while acquiring stable currencies such as euros and pounds, leading to stable growth in the Turkish beverage business.

Stable operation of Wosana and expansion of business development in Europe

Poland, where Wosana (acquired in February 2024) is based, has recorded an average annual GDP growth rate of 6% over the past decade and is expected to experience ongoing economic growth. Furthermore, GDP per capita is less than half the EU average, meaning there is room for further growth. As such, the Polish beverage market is also expected to experience ongoing growth.

Wosana operates three businesses: manufacture and sales of its own products, manufacture of products for other companies, and production of private brands for logistics chains. It owns three factories and eight production lines in Poland capable of manufacturing products in all kinds of containers, from 200 mL paper cartons to plastic bottles ranging from 300 mL to 3.0 L, a capability few domestic manufacturers can manage. Wosana has solidified its position not only in in-house production but as a contract manufacturer, with strengths that include aseptic filling lines that do not require post-filling heat treatment for sterilization to reduce quality deterioration as well as advanced production line automation. Wosana generates stable profits based on these multiple business models and the production systems that support them. In achieving stable growth for Wosana, we aim to stabilize revenue for our entire International Beverage Business.

We will first focus on business expansion within Poland, then consider future possibilities for partnership with Group companies and business expansion into Europe, using Wosana as a foothold.

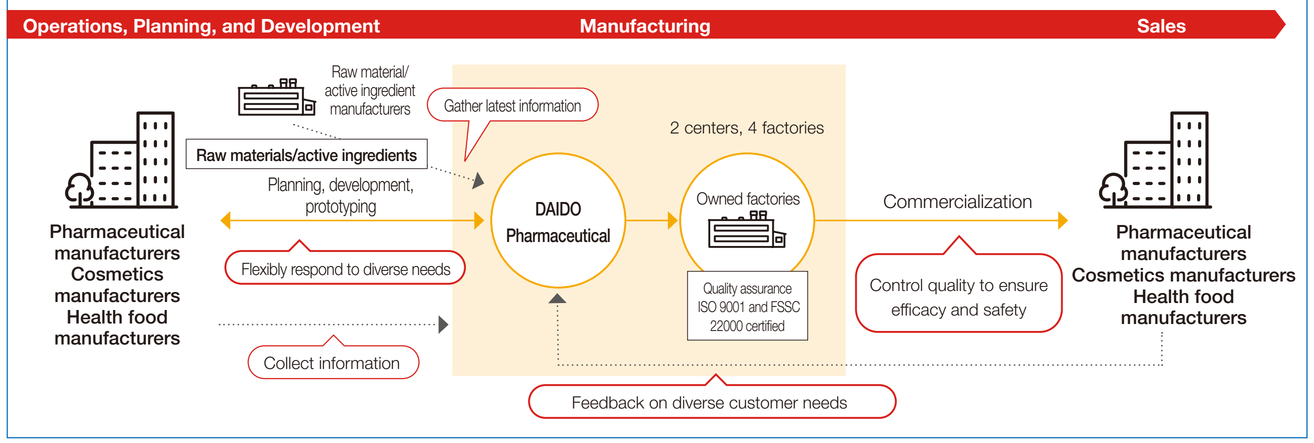
Steady growth of Chinese beverage business through development of a sugar-free tea market

Our business in China, which we entered in 2008 as our earliest venture in the International Beverage Business, has undergone many trials and tribulations, including developing a vending machine business (now withdrawn) and distributing products imported from Japan locally, and currently we have established a business model of developing Japanese brands using both products manufactured locally and imports from Japan. In the sugar-free tea category in particular, we began manufacturing through a local Japanese-affiliated factory in fiscal year 2021, achieving production and distribution tailored to local conditions while ensuring Japanese quality. While we initially offered only Oishi Mugicha Barley Tea, we have now expanded our line to include Oishi Kocha Black Tea, Oishi Oolong Tea, and Oishi Ryokucha Green Tea, steadily increasing our performance in China's sugar-free tea market and helping grow the market.

Pharmaceutical-Related Business

In the Pharmaceutical-Related Business, DAIDO Pharmaceutical Corporation specializes in private-label-brand production of health drinks classified as pharmaceuticals and quasi-drugs, beauty drinks, and pouched products. With the highest production capacity in the industry and high manufacturing quality, we have earned the trust of major Japanese manufacturers and possess top-class performance as a contract manufacturer of health drinks.

Value Chain



Factory Overview

	Head Plant (Nara)			Kanto Plant
Location	Katsuragi, Nara			Tatebayashi, Gunma
Site Area	Approx. 32,000 m²			Approx. 27,000 m²
Annual Production Capacity	Approx. 350 million bottles		Approx. 40 million pouches	Approx. 150 million bottles
	Plant 1	Plant 2	Plant 3	–
Constructed	1991	1999	2019	2019
Fully Operational	–	–	February 2020	July 2020
Manufacturable Containers	Glass and can bottles	Glass bottles	Pouches	Glass bottles
Production Lines	3 lines	1 line	1 line	1 line
Manufacturable Volume	20 mL / 30 mL / 50 mL / 75 mL / 100 mL / 120 mL	80 mL / 100 mL / 150 mL	100 - 200 g	50 mL / 100 mL
Initial Investment	–	–	Approx. 2 billion yen	Approx. 6 billion yen

Note: All factories are able to manufacture pharmaceutical and quasi-drug products
Types of business licenses owned by DAIDO Pharmaceutical: Pharmaceutical Manufacturing, Second-Class Pharmaceutical Manufacturing and Sales, Quasi-Drug Manufacturing, Quasi-Drug Manufacturing and Sales, Beverage Manufacturing

Strength 1 Licensed for pharmaceutical and quasi-drug manufacturing, which have high barriers to entry

The business operated by DAIDO Pharmaceutical has a high barrier to entry due to the fact that it requires manufacturing licenses and is a niche industry of limited scale. Bringing products to market also requires significant time and inspections for government approval in everything from development to sales, making it costly and labor-intensive for clients to change manufacturers, resulting in an extremely low switching risk for a contract business.

Strength 2 Customer base built as a dedicated contract manufacturer

After its foundation in 1956, the Company manufactured in-house products, but upon relocating to a new factory in 1991, it transitioned to being a dedicated contract manufacturer, establishing our current business model. Being a dedicated producer of private-label brands provides brand manufacturers with the assurance that their product recipes and expertise will not be leaked to contractor products. Having a customer base built on this relationship of trust serves as a vital asset in the Pharmaceutical-Related Business.

Where, and What, We Want to Be in 2030

We will be the No. 1 contact manufacturer in the health and beauty field

Makoto Miyachi
President & Representative Director
DAIDO Pharmaceutical Corporation

Medium-Term Management Plan 2026 business strategy

While health and beauty consciousness has risen, the health drink market is shrinking due to factors such as an aging core user base. Such changes present a major opportunity for us as a dedicated contract manufacturer. With brand manufacturers curbing investment in factory equipment, we can receive work in this field. Meanwhile, pouched products, which we began manufacturing in 2020, have grown through tapping into the declining demand in the health drink market, so we are working proactively to develop this field. By seizing on these market changes and securing large orders, we will boost factory utilization rates and revenue structure while also developing and strengthening human capital to support this. We view market changes as opportunities to achieve further growth.

Business Strategy in Medium-Term Management Plan 2026

Establish top-tier, high-quality mass production system in the industry	Restructure revenue structure	Develop and strengthen human capital

KPIs for Medium-Term Management Plan 2026

	Results		Target
	FY2022	FY2023	FY2026
Contract production volume (estimate/ approximate)	355 million bottles	350 million bottles	400 million bottles
Utilization rate (compared to FY2021)	+3.8%	+2.6%	Increase

Initiatives to achieve Medium-Term Management Plan 2026

Boost factory operating rate for health drinks and bolster pouched product production system

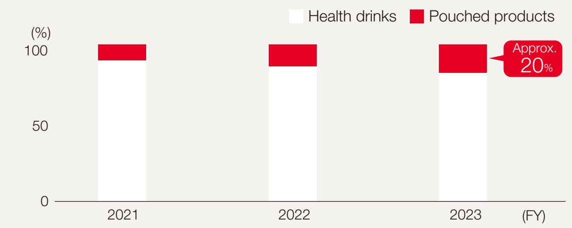
As a dedicated contract manufacturer, our factory utilization rate, which shows how much is actually produced compared to production capacity, is an important indicator. A high factory utilization rate indicates efficient factory operations and leads to increased profitability. To achieve this, securing large orders is crucial, and we are working to boost efforts to obtain health drink orders in particular. While the health drink market itself is shrinking, our orders have remained steady thanks to consistent sales activities as a dedicated contract manufacturer able to tap into demand.

Meanwhile, there is extremely high demand for pouched products, and the share of these in our sales is increasing yearly. As a result, the utilization rate of lines for pouches remains high, and we are working to expand capacity by increasing the number of workers and operating factories at night and on weekends, which were previously inactive. Going forward, we will take market conditions into account as we consider revising production lines.

Developing human capital is also essential to achieving sustainable growth in a changing environment. We continuously implement efforts aimed at fostering a culture of quality compliant with GMP* called Q-Cal. In these efforts, multiple groups of managers and others discuss several topics involving quality improvement each year to solve issues. These initiatives require employee cooperation, contributing not only to quality improvement but also to human capital growth.

* GMP (Good Manufacturing Practice): Standards for manufacturing and quality control

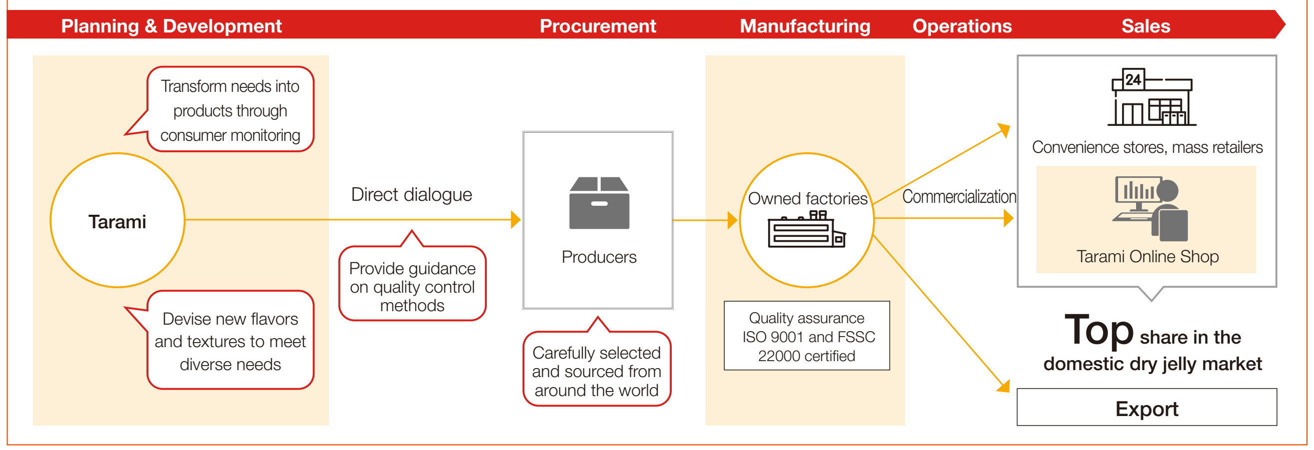
Sales Ratio for Health Drink and Pouched Products



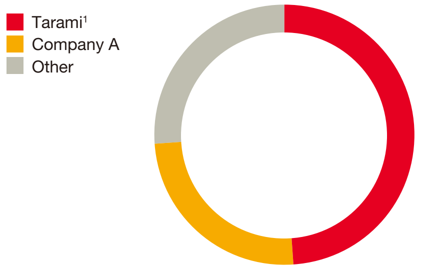
Food Business

Our Food Business is handled by Tarami, which possesses high-level expertise in making delicious jelly and holds an overwhelming majority of the dry jelly market share. Starting as a fresh produce business in 1969, Tarami now procures fruit from around the world and delivers flavor that transcends fruit through its unique technology. After becoming a consolidated subsidiary of DyDo through acquisition in 2012, it has since contributed to the Group's consolidated performance.

Value Chain



Dry Jelly Market Share (2023)



Source: Intage SRI

1. Tarami market share includes private brand products

Factory Overview

	Konagai Plant
Location	Isahaya, Nagasaki
Constructed	March 2000
Site Area	Approx. 40,000 m²
Production Capacity	1.1 million units/day
Manufactured Items[2]	Jelly cups
Production Lines	12 lines
Number of Product Varieties	Approx. 300 varieties annually

2. Pouched jellies are outsourced to external factories

Strength 1 Development capability to create delicious jelly that retains the top share of the dry jelly market

Tarami's strength lies in its development capability to create delicious jelly flavors and textures. Fruit jelly consists of three elements: jelly, fruit pulp, and flavor, with flavor further broken down into aroma, taste, and texture. Flavor is expressed three-dimensionally by matching ingredients to targets from among infinite combinations, meeting diverse needs. While the value of taste experienced through the senses is unquantifiable, we believe consumer support is reflected in our industry market share.

Strength 2 Manufacturing technology and production system to make delicious jelly

Our production base in Nagasaki Prefecture is one of the world's largest dry jelly factories. Having obtained certification under FSSC 22000, a food safety management system, and ISO 9001, an international standard for quality assurance systems, this factory efficiently manufactures a wide range of products under strict quality control. Furthermore, we possess the technical capability to flexibly achieve desired textures through physicochemical analysis and experience-based fine-tuning to address quality variations due to fruit production areas and harvest times, consistently producing jelly of stable quality.

Where, and What, We Want to Be in 2030

We will utilize our fruits and jellies to pursue great taste and health, to make people happy

Yutaka Wada
President & Representative Director
Tarami Corporation

Medium-Term Management Plan 2026 business strategy

Although fruit jelly sales peak in summer, stimulating demand year-round is our mission as the top brand. We will further strengthen the Tarami brand by leveraging our fortes in combining fruit and jelly while also attempting new product concepts we have never tried before. We are also expanding our international export business and pioneering markets primarily in Asia. We aim to go from being the top brand in Japan to the top brand in Asia, and ultimately to a world-leading brand position. In manufacturing, we strive to improve productivity and profitability through reducing product loss rates and increasing production volume. Reducing product loss rates poses many challenges for us as a company that handles agricultural products, particularly from a quality control perspective, but we will actively address this issue as it is crucial from an SDGs standpoint.

Business Strategy in Medium-Term Management Plan 2026

Solidify business foundation	Maintain top market share, expand business domains	Develop and strengthen human capital

KPIs for Medium-Term Management Plan 2026

		Results		Target
		FY2022	FY2023	FY2026
Number of items manufactured per hour	(compared to FY2021)	(1.6%)	(1.6%)	+15%
Product loss ratio	(compared to FY2021)	(26%)	(15%)	Reduced by nearly half
International sales ratio		6.7%	7.1%	8.5%

Initiatives to achieve Medium-Term Management Plan 2026

Securing stable demand throughout the year and establishing a supply system to support this

While fruit jelly demand tends to be higher in summer and lower in winter, recent global warming effects and successful sales efforts have gradually increased winter demand. During the COVID-19 pandemic, our products were recognized as therapeutic foods, expanding demand. A challenge that has emerged in this context is stable product supply. Rapid demand growth in fiscal year 2022 strained our supply system, leading to shipment suspensions for certain products. Through experiencing lost opportunities such as these as well as BCP measures that we have had in place, we have now established a stable supply system. Specifically, we now continue manufacturing in winter, previously a time of reduced production due to lower demand, to build inventory for growing demand. We have also built an agile supply system by using external warehouses nationwide to stock manufactured products near areas of consumption in advance.

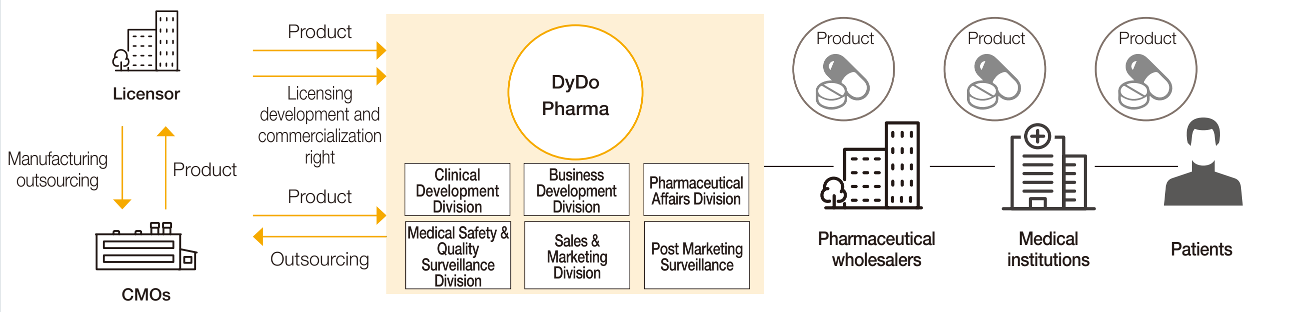
What supports this increased inventory are our efforts to extend product shelf life. We have improved products through the antioxidant properties of vitamin C abundant in fruit, consequently achieving longer shelf life. This has extended both storage time in logistics warehouses and in-store sales periods, leading to reduced returns from retailers and lower product loss rates.

Efficient production systems are also essential for stable supply. Amid growing labor shortages due to a declining working population, Tarami has been automating production lines since 2023. Specifically, we have installed robots for simple, routine tasks such as opening cans containing fruit and shrink-wrapping boxes of finished products and are also working to reduce manual labor by installing AI cameras to inspect for foreign matter prior to shipping. Through such factory efficiency improvements, we are addressing labor shortages and aiming for further quality improvements and stabilization.

Orphan Drug Business

We established DyDo Pharma in January 2019 to provide treatments for patients suffering from rare diseases that still lack effective therapies. Our business model is to acquire Japanese manufacturing and marketing rights in Japan of the new drug candidates for rare disease treatments that are generated and developed by global Bioventures, and subsequently develop and obtain approval to deliver these new treatments to the patients after developing the new drug candidates in clinical study and obtaining their NDA (New Drug Application) approval in Japan. This business holds great social significance and is being cultivated from a long-term perspective based on our mission of providing novel medicines to patients without treatment options.

Value Chain



DyDo Pharma's orphan drugs

Firdapse® Tablet 10mg for Lambert-Eaton myasthenic syndrome (LEMS) (Generic name: Amifampridine phosphate, Product code: DYD-301)

An NDA approval of Firdapse® Tablet 10 mg was obtained from the Ministry of Health, Labour and Welfare in September 2024 for the improvement of muscle weakness as an indication for Lambert-Eaton myasthenic syndrome. We have initiated preparation for in-house sales after drug price listing and have begun providing disease information to healthcare professionals and patients after NHI(National Health Insurance) drug price listing.

Product under development

Generic name: Genetically modified human adipocyte of LACT (Lecithin Cholesterol Acyltransferase)
Product code: DYD-701

A potential treatment for familial LCAT deficiency is now being conducted in an investigator-initiated clinical trial involving patients with familial LCAT deficiency at Chiba University.

See here for more information on these disease.
https://dydopharma.co.jp/en/business/items.html

Where, and What, We Want to Be in 2030

We will produce medicines for patients suffering from orphan diseases for which there are currently no treatment options

Yasunori Inaoka
President & Representative Director
DyDo Pharma, Inc.

Initiatives to achieve Medium-Term Management Plan 2026

We obtained NDA approval for Firdapse® Tablet 10mg in September 2024, which is DyDo Pharma's first novel drug for the treatment of Lambert-Eaton myasthenic syndrome. We have established systems for quality assurance, collection and management of safety data, and provision of information on proper use for in-house sales after the NHI drug price listing. Currently, we are working on developing DYD-701 and acquiring new licensing agreements for drug candidates to treat rare diseases that still lack effective therapies.

Business Strategy in Medium-Term Management Plan 2026		
Obtain NDA approval	Acquire licensing agreements for new drug candidates	Establish systems for quality assurance, stable supply, safety data collection, and provision of information on proper use

06 Data

Consolidated Summary

	Appointed Tomiya Takamatsu as Vice-President	Appointed Tomiya Takamatsu as President		
Changes in Group Strategy	Promote New Business Development	Reform Group Philosophy and Group Vision	Group Mission 2030	
		Medium-Term Management Plan "Challenge the Next Stage"	Medium-Term Management Plan 2021	Medium-Term Management Plan 2026
Results	Strengthened the Dydo Blend Brand	Reformed fixed cost structure in the vending machine channel, began international business in earnest	Investing to Build Second Pillar	
Task	Enhance business portfolio	Improve earnings through sustained sales growth, obtain new business foundation in healthcare	Renewing Growth in the Domestic Beverage Business	

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
External Environment	Power supply issues, prolonged appreciation of the yen	Signs of economic recovery as a result of financial policy	Influence of increased consumption tax on personal consumption, prices driven lower	Improved employment conditions based on economic policy Economic slowdown in emerging nations, rising geopolitical risks	Employment conditions continue to improve	Rising sense of shortage in the labor market	A series of earthquakes, typhoons, torrential rain, and other natural disasters More diverse working styles		COVID-19 pandemic spreads globally	State of emergency declared intermittently (total of 7 months in Tokyo)	Surging raw material prices Rapid yen depreciation	
Industry conditions in the Domestic Beverage Business		Coffee machines appear at convenience stores	Coffee machines at convenience stores spread and private brands grow in retail channels Overall vending machine market starts to decline						Changes in consumer behavior lead to sluggish vending machine and convenience store sales		Growing polarization in the vending machine market Price revisions implemented	
Conditions during peak season (summer)						Unseasonable weather	Heat waves	Unseasonable weather		Unseasonable weather		Heat waves
Changes in Business	Commenced home shopping sales of supplements Made Tarami a consolidated subsidiary	Created a local corporation in Russia and launched business		Acquired shares of the Malaysian beverage business	Acquired shares of the Turkish beverage business		Home shopping sales of supplements start turning a profit	Foray into the orphan drug market Built the Kanto Plant for DAIDO Pharmaceutical	First license agreement in the Orphan Drug Business Decided to liquidate the local corporation in Russia Withdrew from Malaysia		Withdrew from Russia	Established Dynamic Vending Network

Consolidated Financial Summary[1]

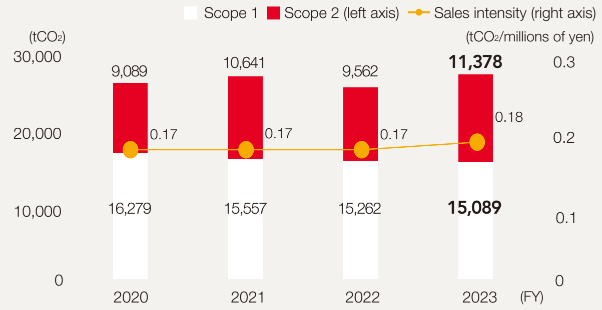
(Millions of yen)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net sales[2]	148,902	154,828	149,526	149,856[5]	171,401[5]	172,684	171,553	168,256	158,227[5]	162,602	160,130[7, 8]	213,370
Domestic Beverage	131,671	130,400	124,597	124,192[6]	128,278[6]	126,712	124,879	121,203	115,536	118,080	109,770[7]	153,623
International Beverage	–	–	–	–	16,735[5, 6]	18,547	17,154	16,004	12,191[5]	12,777	18,909[8]	26,444
Pharmaceutical-Related	11,416	10,857	10,220	9,126	9,068	10,536	10,964	11,097	10,324	11,133	12,522[7]	12,963
Food	6,648[3]	14,299	15,360	17,155	18,013	17,560	19,114	20,643	20,900	21,165	19,565[7]	20,705
Operating profit	7,934	6,004	5,174	4,988	3,857	4,891	6,071	2,893	5,602	4,581	707[8]	3,732
Ordinary profit	7,725	5,962	4,470	4,262	3,741	5,382	5,998	2,857	5,727	5,651	591[8]	3,115
Profit attributable to owners of parent	4,410	3,712	2,322	2,347	3,269	2,504	3,856	1,778	3,204	3,974	(507)[8]	4,423
Number of employees	2,916	2,770	2,767	2,887	3,602	3,771	3,912	4,160	3,922	4,029	4,122	5,182
Domestic Beverage	2,548	2,424	2,418	2,511	3,221	2,575	2,597	2,658	2,702	2,774	2,806	3,776
International Beverage	–	–	–	–	–	729	827	951	684	678	706	749
Pharmaceutical-Related	207	172	179	183	190	198	245	299	293	298	318	332
Food	161	174	170	193	191	249	217	225	217	248	254	272
Other	–	–	–	–	–	–	–	6	7	8	12	14
Entire company	–	–	–	–	–	20	26	21	19	23	26	39
ROE (%)	5.9	4.7	2.8	2.8	3.9	2.9	4.2	2.0	3.8	4.8	(0.6)	5.1
Net profit ratio (%)	3.0	2.4	1.6	1.6	1.9	1.5	2.2	1.1	2.0	2.4	(0.3)	2.1
Total asset turnover ratio (times)	1.1	1.1	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.2
Financial leverage (magnitude)	1.8	1.8	1.8	2.0	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0
FCF	6,838	3,734	3,535	4,805	6,862	5,395	(1,295)	(3,022)	4,410	(1,339)	(3,372)	(1,700)
Operating cash flow	16,491	14,764	13,959	14,603	15,309	14,308	10,851	11,495	12,540	8,059	5,125	9,211
Expenditures for the acquisition of tangible and intangible fixed assets	(9,653)	(11,030)	(10,424)	(9,797)	(8,447)	(8,913)	(12,147)	(14,517)	(8,130)	(9,398)	(8,497)	(10,912)
Capital investment	16,833	14,376[4]	12,261	10,681	10,037	9,454	12,635	16,543	8,520	10,064	11,411	11,593
Depreciation costs	11,202	12,080	12,343	11,704	12,611	11,860	10,396	9,647	6,464	6,918	7,744	8,819

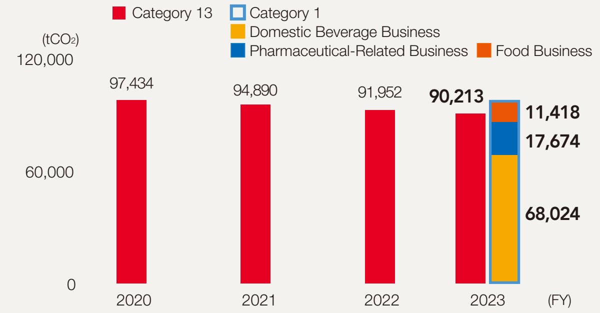
Notes: 1. Each fiscal year is from January 21 to January 20 of the following year
2. Net sales figures include internal sales between segments
3. Tarami Corporation (Food Business) was made a consolidated subsidiary with July 20, 2012 as its deemed acquisition date. For fiscal year 2012, the consolidation period was 6 months
4. Review of vending machine procurement methods in the Domestic Beverage Business, cost per machine reduced through the use of used parts
5. Acquisition of the Malaysian beverage business was completed in December 2015 and consolidated in fiscal year 2016, with a consolidated period of 9 months in fiscal year 2020 due to share transfer. Acquisition of the Turkish beverage business was completed in February 2016, with a consolidated period of 11 months in fiscal year 2016
6. In fiscal year 2017, reportable segments were changed to split the Beverage Sales Division into Domestic Beverage Business and International Beverage Business, and fiscal year 2016 figures have also been retroactively adjusted for the new segments; Domestic Beverage Business results for fiscal year 2015 and earlier include results from Russia and China
7. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been applied since fiscal year 2022, meaning revenue recognition standards differ from fiscal year 2021 and earlier. Application of this accounting does not affect the International Beverage Business because the standard applied is IFRS.
8. From fiscal year 2022 onward, accounting adjustments have been made for our Turkish subsidiary in accordance with the criteria of IAS 29 Financial Reporting in Hyperinflationary Economies.

Non-Financial Data

● CO_2 Emissions (Scope 1, Scope 2)



● CO_2 Emissions (Scope 3 Category 1, Category 13)

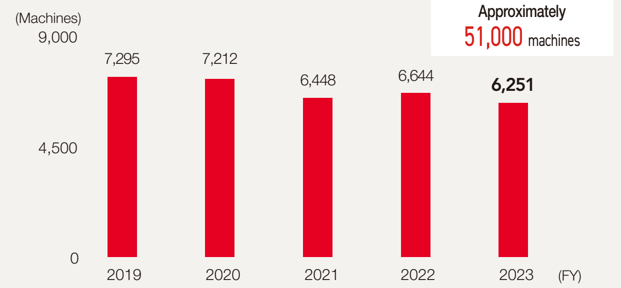


We are tracking CO_2 emissions and setting targets to "contribute to a decarbonized, recycling-oriented society," one of our material issues, for 2030 and 2050 (details on P. 45). Recently, we have expanded the scope of emissions being tracked in stages according to business relevance, such as investigating Category 1 of Scope 3.

Notes: 1. The Scope 1 and 2 CO_2 emissions data pertains to the Domestic Beverage Business (DyDo DRINCO, Inc., DyDo Beverage Service, Inc., DyDo Business Service, Inc.), the Pharmaceutical-Related Business, and the Food Business.
2. Sales intensity is calculated by dividing the total emissions of eligible Group companies (period: April 1 to March 31 of the following year) by total net sales (Domestic Beverage Business and Pharmaceutical-Related Business: from January 21 to January 20 of the following year; Food Business: January 1 to December 31 of the same year).
3. For Scope 3 Category 1, figures represent emissions created during beverage production at partner factories for the Domestic Beverage Business and during container manufacturing of our products for the Pharmaceutical-Related and Food Businesses. Category 13 represents emissions from vending machine power consumption in the Domestic Beverage Business.

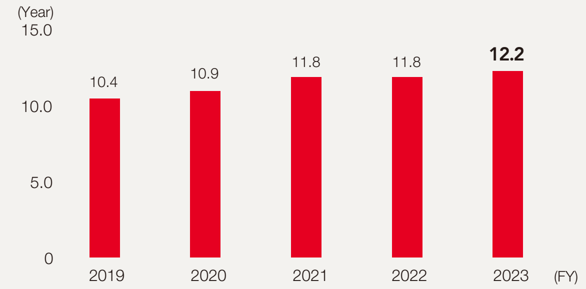
● Number of Frontier Vendors* Installed

Cumulative: Approximately 51,000 machines

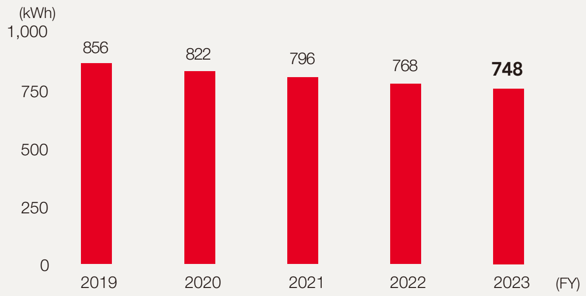


* Vending machines with extended service life (unit maintenance/replacement) and added features

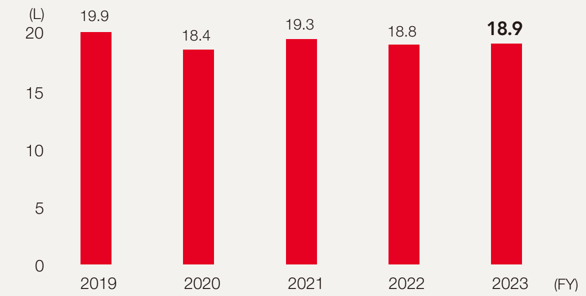
● Average Vending Machine Service Life



● Average Power Consumption of Machines in Operation

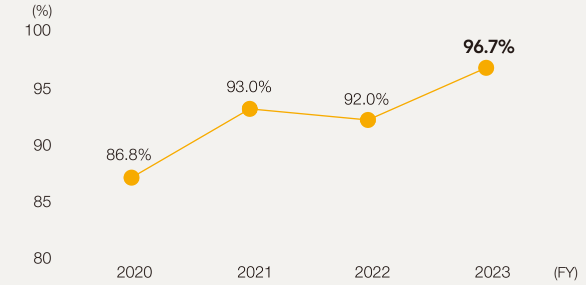


● Annual Fuel Use per Vending Machine for Route Vehicles



The vending machine business, which sustains the Domestic Beverage Business, uses many resources and a great deal of energy, so we recognize addressing environmental issues as a management challenge and are working to reduce environmental toll throughout the supply chain. In particular, we view extending vending machine service life through Frontier Vendors as an initiative that not only reduces environmental toll but also cuts costs and are working to steadily extend service life, with an average vending machine service life of 15 years by 2030 as our goal.

● Voluntary Container Collection Rate



In the Domestic Beverage Business, we collect empty containers using recycling bins next to vending machines as part of our efforts to address the issue of marine plastic and use resources effectively.

Calculation method: the weight of eligible containers collected divided by the weight of eligible containers shipped

● Total Number of Cleanup Participants (Total of Major Subsidiaries*)

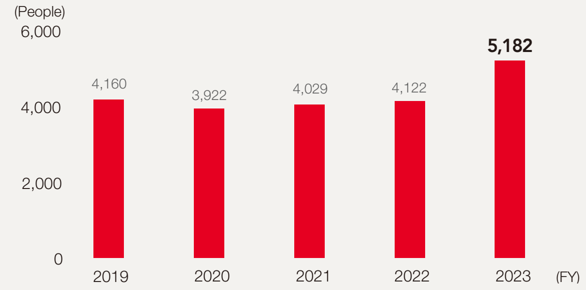
1,174

As of the end of March 2024

We conduct regular cleanups not only to help keep communities clean and protect the environment, but also to raise awareness among each and every employee as a member of the local community and foster a spirit of "creating happiness and prosperity together".

* Calculated as the total of four major subsidiaries: DyDo DRINCO, Inc., DAIDO Pharmaceutical Corporation, Tarami Corporation, and DyDo Pharma, Inc.

● Number of Employees (Consolidated)



In fiscal year 2023, the number of employees in the Group increased due to the consolidation of three Asahi former beverage subsidiaries following the establishment of Dynamic Vending Network, Inc.

The Dydo Group promotes disclosure of human capital data related to material issues, such as the number of employees, age distribution, gender ratio, number of full-time and part-time employees, and percentage of employees with disabilities at major subsidiaries.
For details, please visit our website.
https://www.dydo-ghd.co.jp/en/about/materiality/data/social.html

● Percentage of Female Managers (Total of Major Subsidiaries*)

13.2%

As of the end of March 2024

● Childcare Leave Take-up Rate Among Male Workers (Total of Major Subsidiaries*)

48.3%

As of the end of March 2024

● Gender Wage Gap (Total of Major Subsidiaries*)

All workers **58.7%**

Regular employees **75.1%**

Part-time and fixed-term workers **50.9%**

In addition to the disclosure by eligible company required by law, we also disclose the totals for major subsidiaries to show Group-wide trends in the percentage of female managers, childcare leave take-up rate among male workers, and gender wage gap, which we began disclosing in fiscal year 2023. For figures by eligible company and other details, see PP. 11 to 12 of the Securities Report for the fiscal year ended January 2024.
https://ssl4.eir-parts.net/doc/2590/yuho_pdf/S100TA5Q/00.pdf
(Japanese only)

* Calculated as the total of four major subsidiaries: DyDo DRINCO, Inc., DAIDO Pharmaceutical Corporation, Tarami Corporation, and DyDo Pharma, Inc.

● Major Non-Financial Data for DyDo DRINCO

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Ratio of female employees	14.6%	15.9%	16.7%	16.0%	16.6%	17.6%	18.9%	19.7%
Ratio of women among new graduate recruits	50.0%	46.2%	45.5%	44.4%	30.0%	31.6%	50.0%	60.0%
Ratio of workers with disabilities	1.7%	2.5%	2.5%	2.6%	2.6%	2.6%	2.4%	2.7%
Stress check take-up rate	–	–	–	–	94.8%	97.4%	95.4%	84.4%
Ratio of employees with high stress in the stress check	–	–	–	–	7.9%	8.0%	8.3%	8.6%
Prescribed overtime work per month	–	–	–	–	26 hours	27 hours	27 hours	26 hours
Paid leave take-up rate	–	–	–	–	46.9%	48.3%	57.8%	62.0%
Smoking rate	–	–	–	–	30.9%	30.0%	29.6%	26.8%
Incidence of absence due to mental health issues	–	–	–	–	0.1%	0.4%	1.2%	0.1%
Incidence of absence due to injury or illness other than mental health issues	–	–	–	–	0.1%	0.1%	0.6%	0.1%
Presenteeism (SPQ)	–	–	–	–	–	–	12%	17%
Turnover rate among regular employees	–	–	–	–	3.9%	3.0%	2.8%	2.8%
Average years of service among regular employees (as of the end of each March)	–	–	–	–	19.2 years	18.9 years	19.2 years	18.6 years

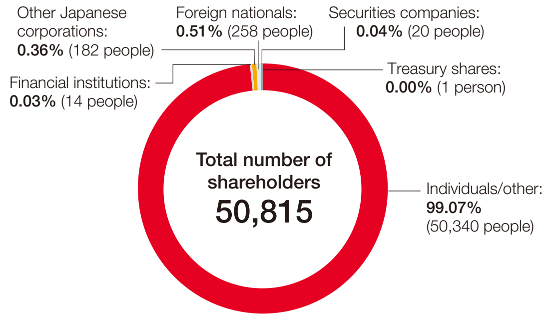
Share Status / Rating Data / Bond Data (As of July 20, 2024)

Status of shares

Total Number of Shares and Shareholders

Total number of authorized shares: 100,000,000
Total number of issued shares: 33,137,000 (including 1,313,398 treasury shares)
Number of shares per unit: 100
Number of shareholders: 50,815

Distribution of Shareholders by Owner

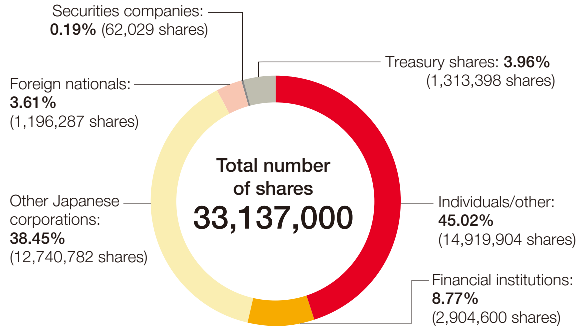


Major Shareholders

Shareholder Name	Number of Shares Owned (Shares)	Percentage (%)
HighWood Co., Ltd.	4,941,600	15.53
Santomi	4,023,200	12.64
The Master Trust Bank of Japan, Ltd. (account in trust)	1,933,200	6.07
Taita Corporation	1,243,600	3.91
Tomiya Takamatsu	992,000	3.12
Tomihiro Takamatsu	990,000	3.11
Akira Takamatsu	988,000	3.10
Lemongas Kagoshima, Co., Ltd.	500,000	1.57
Lemongas Kumamoto, Co., Ltd.	446,800	1.40
DyDo Group Holdings Employee Shareholding Association	413,366	1.30

Notes: 1. The Company holds 1,313,398 treasury shares, which are excluded from the major shareholders listed above.
2. The number of treasury shares is deducted before calculating the percentage of shares owned.

Distribution of Shares by Owner



Total Shareholder Return

	FY2019	FY2020	FY2021	FY2022	FY2023*
Share price at the end of the fiscal year (JPY)	4,385	5,120	4,600	4,665	2,917
Annual dividends per share (JPY)	60	60	60	60	60
Total shareholder return (%)	81.0%	95.4%	87.1%	89.3%	113.1%
(Comparison index: TOPIX with dividends included)	114.8%	124.7%	133.5%	136.3%	182.0%

Maximum and Minimum Share Prices by Fiscal Year

	FY2019	FY2020	FY2021	FY2022	FY2023*
Maximum (JPY)	5,570	6,040	6,090	5,260	3,000 (6,320)
Minimum (JPY)	4,000	2,761	4,500	4,400	2,910 (4,610)

* A 1:2 stock split of common shares was conducted by the Company on January 21, 2024. For this reason, for fiscal year 2023 share prices, the year-end price, maximum price, and minimum price after the ex-rights date due to the stock split are shown, with the highest and lowest prices prior to the split noted in parentheses.
On the other hand, the annual dividend per share is based on the number of shares prior to the stock split.

Rating data / Bond data

Rating Data

The Company has obtained the following ratings from rating agencies.

Rating agency	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	A-	Stable

Bond Data

Description	Second unsecured straight bond
Date of issue	July 16, 2020
Total amount issued	10 billion yen
Interest rate	0.300% per year
Redemption date	July 16, 2025

Description	Third unsecured straight bond
Date of issue	July 16, 2020
Total amount issued	10 billion yen
Interest rate	0.510% per year
Redemption date	July 16, 2030

Corporate Data / Group Companies (As of September 30, 2024)

Corporate data

Company Name	DyDo Group Holdings, Inc.
Head Office	2-2-7 Nakanoshima, Kita-ku, Osaka 530-0005, Japan
Representative	Tomiya Takamatsu, President & Representative Director
Established	January 27, 1975
Fiscal Year	January 21 to January 20 of the following year
Capital	1,924 million yen
Stock Exchange Listing	Tokyo Stock Exchange Prime Market
Security Code	2590
Number of Employees	Consolidated: 5,182 (as of January 20, 2024)

Group companies

● Domestic Beverage Business

DyDo DRINCO, Inc.	Consolidated subsidiary
DyDo Business Service, Inc.	Consolidated subsidiary
Dynamic Vending Network, Inc.	Consolidated subsidiary
DyDo Beverage Service, Inc.	Consolidated subsidiary
DyDo Beverage Shizuoka, Inc.	Consolidated subsidiary
DyDo Vending Japan, Inc.	Consolidated subsidiary
Asahi Soft Drink Sales Co., Ltd.	Consolidated subsidiary
Michinoku, Ltd.	Consolidated subsidiary
Kyushu Asahi Soft Drink Sales, Ltd.	Consolidated subsidiary
DyDo DRINCO Service Kanto, Inc.	Consolidated subsidiary
DyDo Mitsufuji Beverage, Inc.	Consolidated subsidiary
DyDo-Takenaka Beverage, Inc.	Equity method affiliate
DyDo-Takenaka Vending, Inc.	Equity method affiliate
Akita-DyDo Corporation	Equity method affiliate
Gunma-DyDo Corporation	Equity method affiliate
DyDo Vending Kinki, Inc.	Equity method affiliate
Shibusawa DyDo Group Logistics Co., Ltd.	Equity method affiliate

● International Beverage Business

Shanghai DyDo DRINCO, Inc.	Consolidated subsidiary
Della Gıda Sanayi ve Ticaret A.Ş.	Consolidated subsidiary
DyDo DRINCO TURKEY İçecek Satış ve Pazarlama A.Ş.	Consolidated subsidiary
DyDo DRINCO UK Ltd	Consolidated subsidiary
Wosana S.A.	Consolidated subsidiary
DyDo DRINCO International, Inc.	Consolidated subsidiary

● Pharmaceutical-Related Business

DAIDO Pharmaceutical Corporation	Consolidated subsidiary

● Food Business

Tarami Corporation	Consolidated subsidiary

● Orphan Drug Business

DyDo Pharma, Inc.	Consolidated subsidiary

こころとからだに、
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DyDo

Offering delicious products
for sound mind and body

DyDo Group Holdings, Inc.

2-2-7 Nakanoshima, Kita-ku, Osaka, Japan 530-0005
https://www.dydo-ghd.co.jp/en/

For inquiries regarding this report, please contact the following:
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ir_info@dydo.co.jp