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FY2020 (Year Ended January 20, 2021) Financial Highlights

DyDo Group Holdings, Inc.
(1st Section of the Tokyo Stock Exchange: 2590)

March 4, 2021

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In this document, figures less than one million yen have been rounded down therefore the total amount may differ from the breakdown, and the figures including component ratio have been rounded to the first decimal point.

The plans, future projections and strategies for the DyDo Group stated in this document, with the exception of past or current facts, are projections of our future performance, and are based on the judgment and postulations of our management team based on the information available at the time. Accordingly, the actual performance may differ greatly from these due to unforeseen factors, the economic situation and other risks. This document is not intended to solicit any investment. Please use your own judgment when making investment decisions.

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1. The DyDo Group's Growth Strategy Dealing with Environmental Changes Caused by the COVID-19 Pandemic

Environmental Changes Caused by the COVID-19 Pandemic and the Group's Status

- ▶ We continue to treat major changes in society as opportunities for growth and to embrace associated challenges
- Changes in the social environment caused by the pandemic as they relate to the four areas set forth in the Group Mission 2030



Nurturing our customers' health

Changes in awareness surrounding health, prevention, and hygiene



Taking the lead in social reform

Increased awareness of the need to protect the environment



Creating new value for future generations

Rapid progression of the digital transformation (DX)



Connecting people to people

Diversification of values with regard to workstyles

Treating change as an opportunity and acting rapidly based on flexible thinking

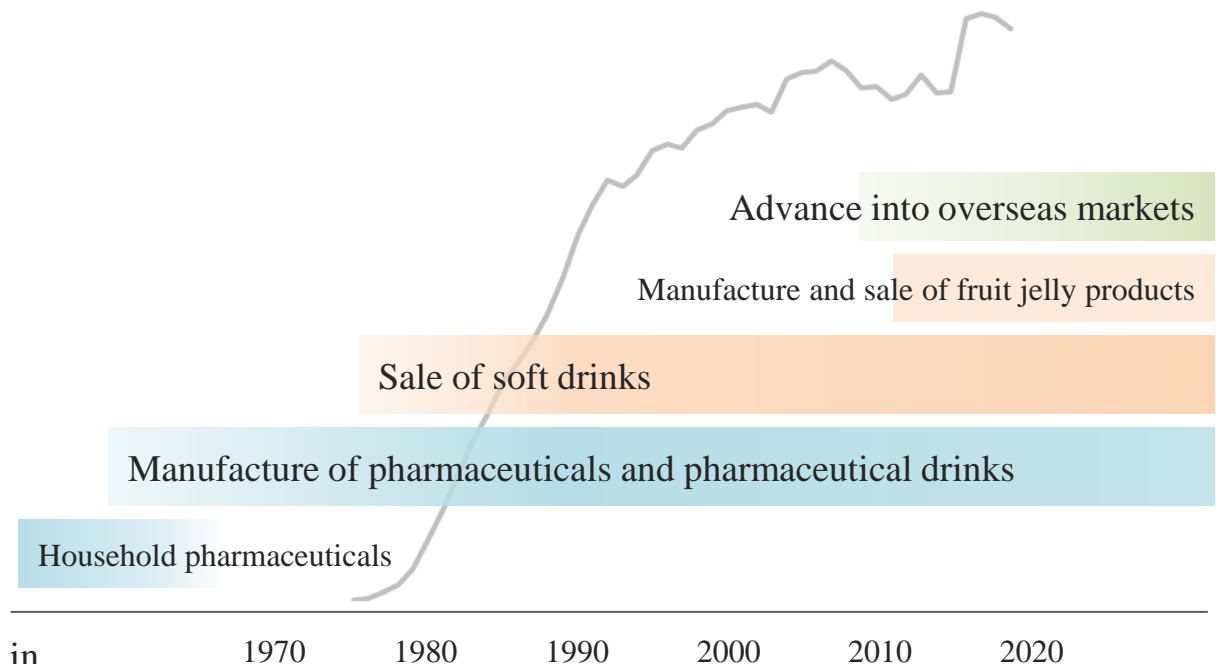
The DyDo Group's Philosophy

- ▶ Our spirit of striving for happiness and prosperity together is a key value that has developed throughout our history of growth

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 originated in the household pharmaceutical business launched by our founder after World War II.



*Curve: Illustration of sales

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 our 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 seek out new ways to form mutually beneficial relationships with stakeholders, both old and new, within and outside the company, working flexibly with them and respecting the diversity of their values and abilities.

The DyDo Group SDGs Declaration

- ▶ In January 2021, we announced the DyDo Group SDGs Declaration and redoubled our sustainability initiatives.

DyDo Group SDGs Declaration

We believe in “Creating happiness and prosperity, together with people and with society” as the company’s philosophy. This Philosophy expresses the spirit of “striving to achieve happiness and prosperity together” that has been with us since our founding. This spirit is an accurate representation of our culture and applicable to SDGs principle “Leave no one behind”.

We have established the Group Mission 2030 to clarify our objectives for the year 2030 in line with our business policy, “For DyDo Group to create enjoyable, healthy lifestyles for people around the world.” Our mission is to contribute to SDGs through our business activities.

We will contribute to SDGs and realize the sustainable society in which people all over the world have their enjoyable and healthy lives for 2030.



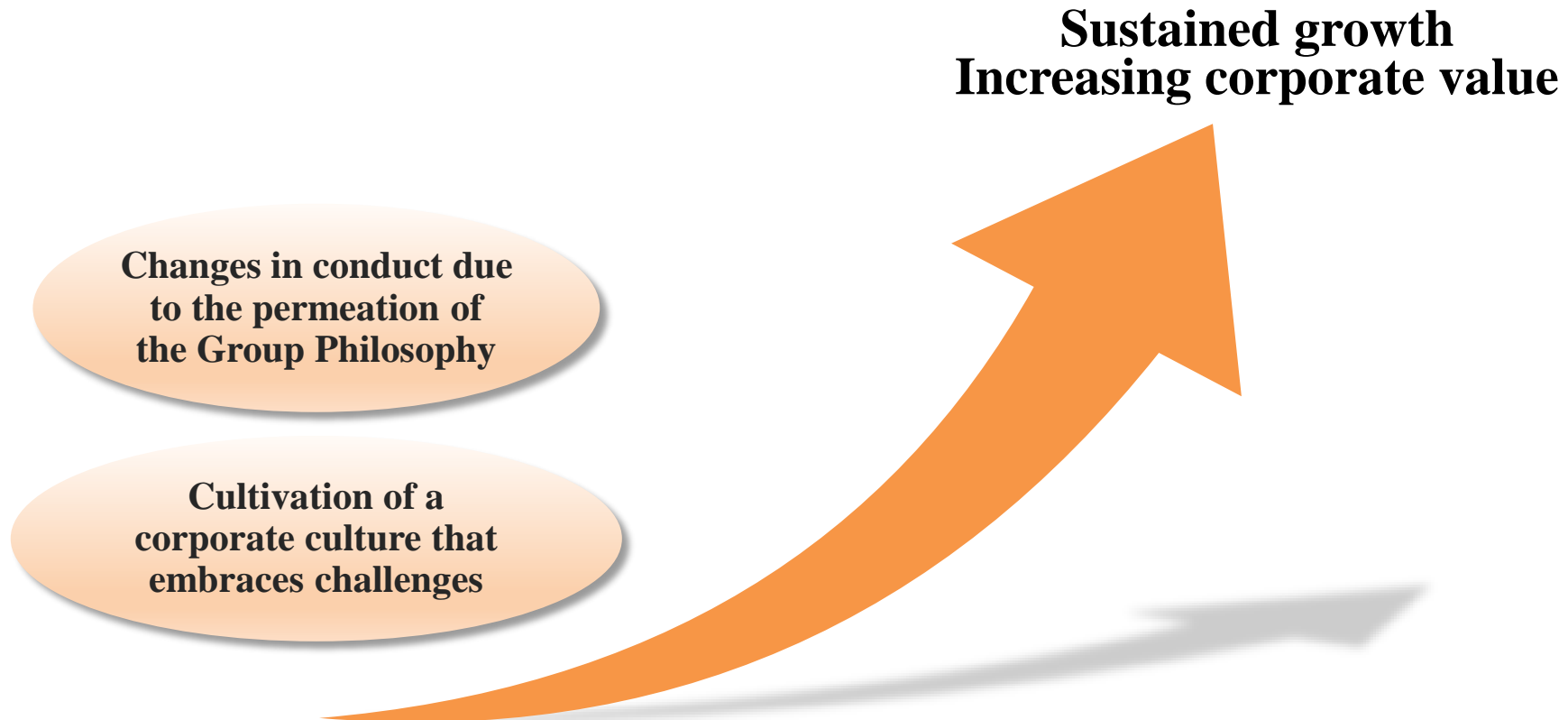
Our website features a video
on this subject.

<https://www.dydo-ghd.co.jp/en/sustainability/sdgs/movie/>



Key Priorities in Realizing Sustained Growth and Increased Corporate Value

▶ Key priorities as we strive to accommodate social change and realize sustained growth



Strengthening human resources

- ▶ We're putting in place an environment that's conducive to hiring, retaining, and training autonomous professionals
- ▶ This approach will improve employee experience*, leading to increased productivity and innovation

* Employee experience (EX) refers to the full range of experiential value that is available to employees through their work. This concept encompasses not only employee satisfaction, compensation, and skill-building, but also all factors that affect employees, including health and workstyle.

Changes in work-style related values

Transition to new workstyles in which employees pursue their responsibilities autonomously

Flexible work structures that allow employees to work at home up to three days a week

Embrace of mobile work that allows sales employees to travel directly to and from sales calls, without stopping at the office

Facilitating the careers of human resources with a diverse range of skills and values

Active mid-career hiring of outside human resources

Introduction of programs that allow employees to pursue second jobs and accept employees of other companies in second jobs

Acceleration of DX-driven social reforms

Putting in place an internal environment that allows employees to make the most of their abilities

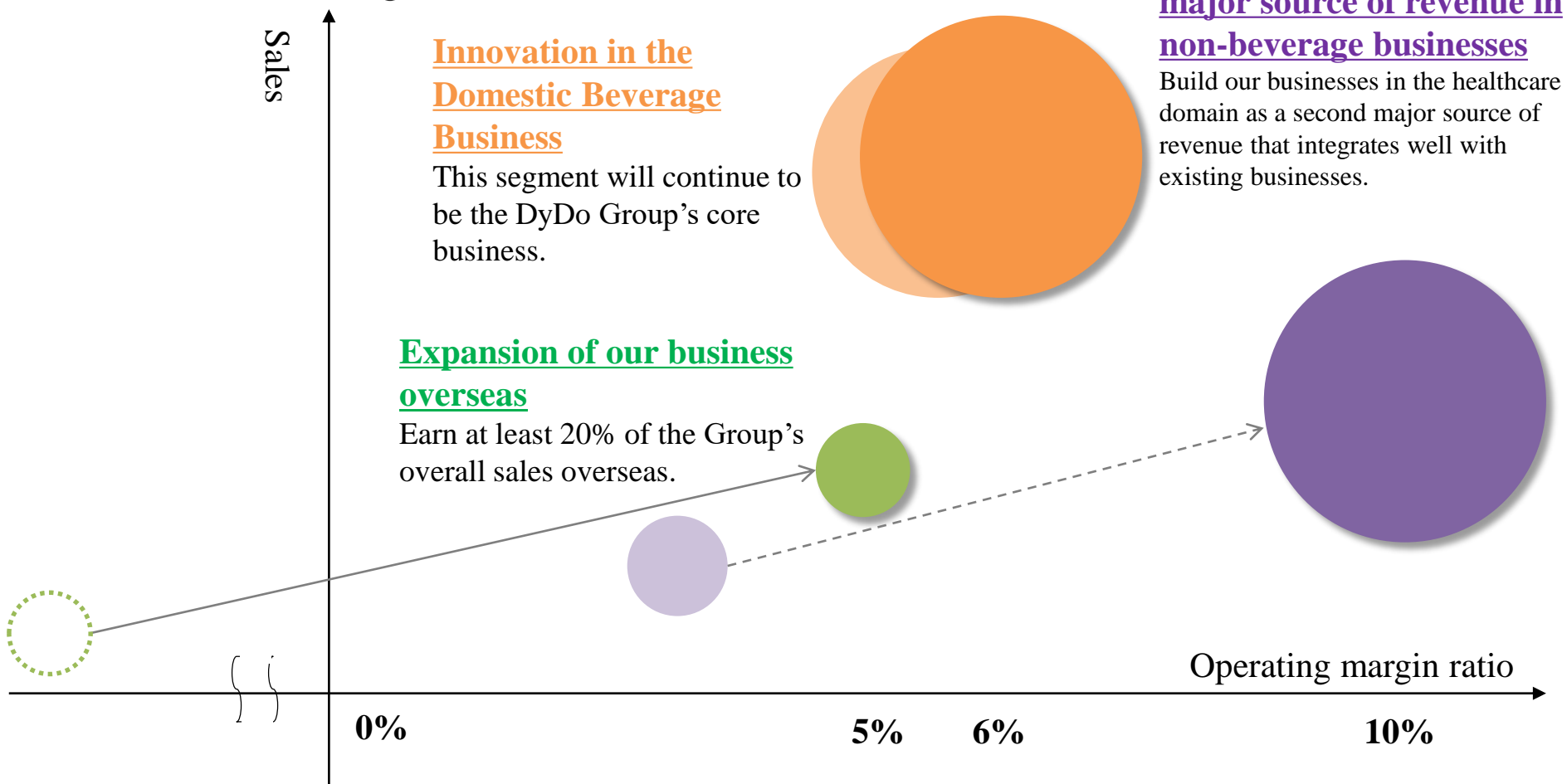
Human resources development through the DyDo Innovation Academy

Utilization of engagement surveys

Introduction of a stock-based incentive program for employees

Group Mission 2030 Basic Policies

- ▶ The basic policies outlined in the Group Mission 2030 remain unchanged



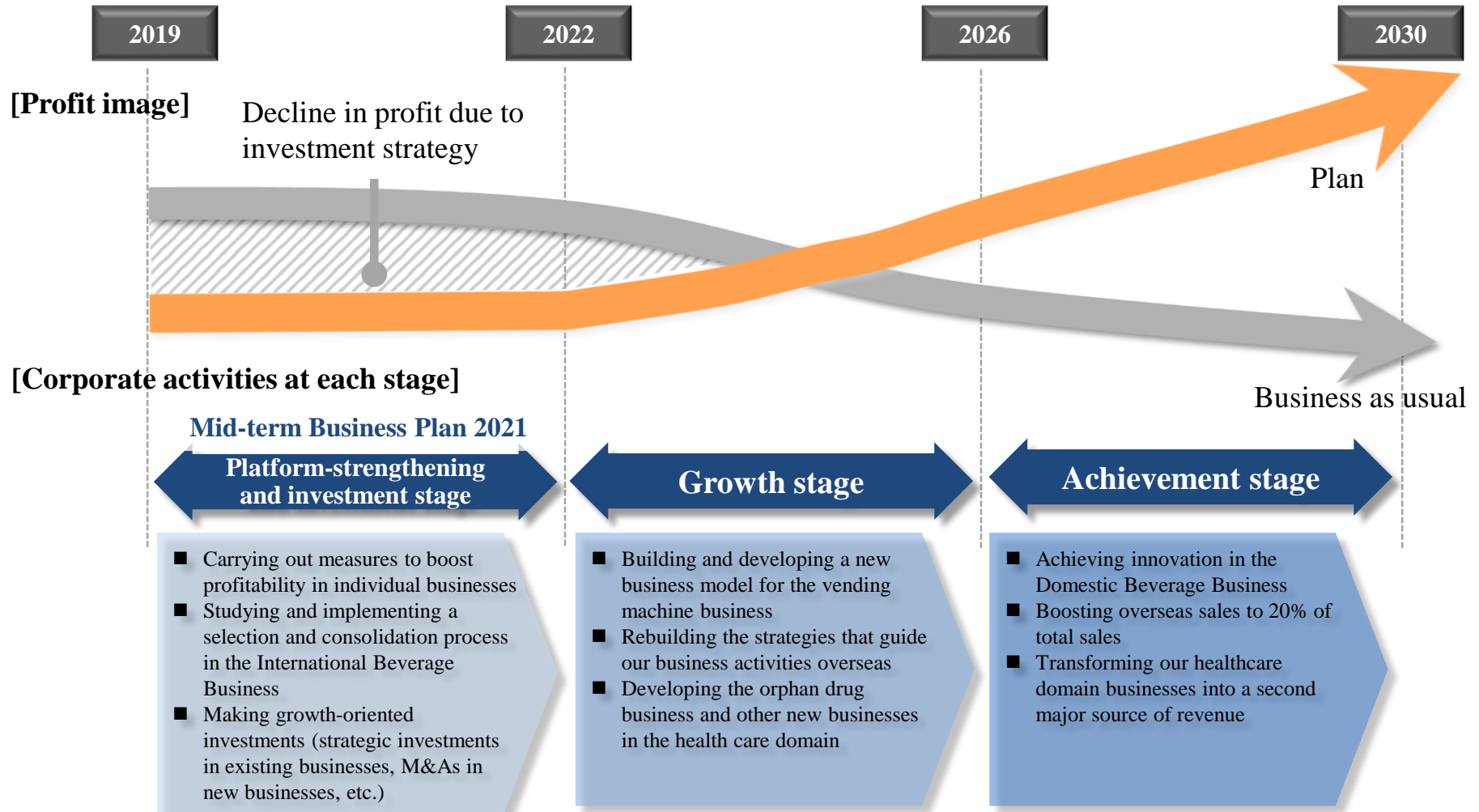
* Figure intended as a general illustration.

The size of each circle represents operating income, with FY2018 and FY2030 indicated by light and dark colors, respectively.

Announced January 2019

Group Mission 2030 Roadmap

▶ Although revenue will fall temporarily, we will make advance investments to achieve sustained growth.



Announced January 2019

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2. FY2020 Financial Highlights and FY2021 Full-year Performance Outlook Progress in Implementing Mid-term Business Plan 2021 and Associated Issues

Overview of Consolidated Results for FY2020

- ▶ Consolidated sales totaled 158,227 million yen (down 6.0% year on year)
- ▶ Consolidated operating profit was 5,602 million yen (up 93.6% year on year)
- ▶ A second-half recovery in sales in the Domestic Beverage Business contributed significantly to profit.




(Millions of yen)


	FY2019 results		FY2020 results			
		Componentratio		Componentratio	% (YoY)	Amount (YoY)
Net sales	168,256	100.0%	158,227	100.0%	(6.0%)	(10,029)
Operating profit	2,893	1.7%	5,602	3.5%	93.6%	2,708
Ordinary profit	2,857	1.7%	5,727	3.6%	100.5%	2,870
Profit attributable to owners of parent	1,778	1.1%	3,204	2.0%	80.1%	1,425
EPS	108.00 yen		201.31 yen			93.31 yen
Dividend per share	60 yen		60 yen			—

FY2020 Performance by Segment

- ▶ Second-half sales in the Domestic Beverage Business exceeded last year's performance
- ▶ Factors including write-downs in Japanese yen accounts due to lira weakness and our exit from the Malaysian business impacted second-half performance in the International Beverage Business
- ▶ Order volume in the Pharmaceutical-related Business trended downward
- ▶ Revenue rose and profitability improved significantly in the Food Business

(Millions of yen)

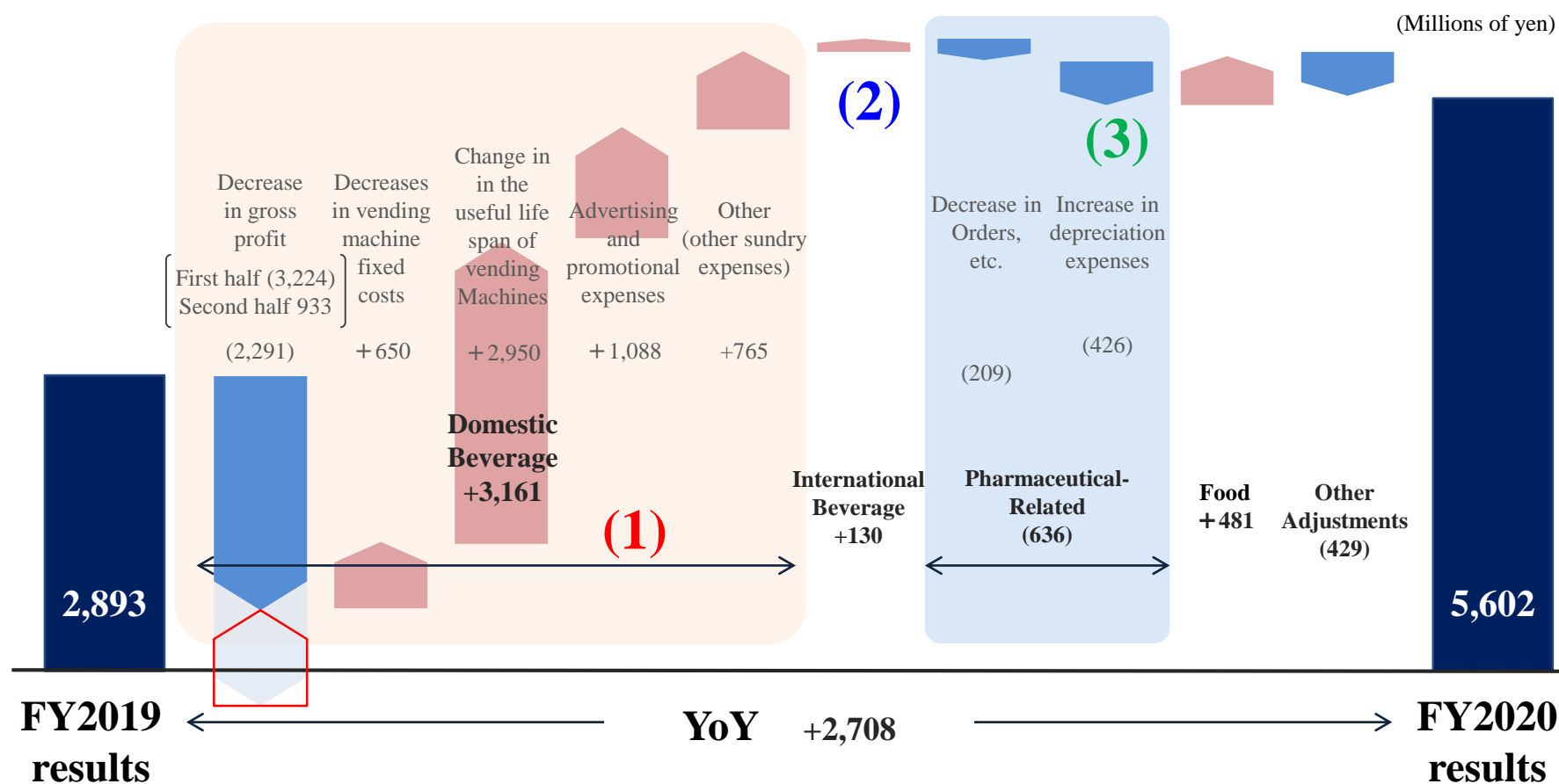
	First-half results			Second-half results			Full-year results		
	FY2019	FY2020	Amount (YoY)	FY2019	FY2020	Amount (YoY)	FY2019	FY2020	Amount (YoY)
Domestic Beverage	60,809	54,822	(9.8%)	60,393	60,713 	0.5%	121,203	115,536	(4.7%)
International Beverage	8,009	6,769	(15.5%)	7,995	5,421 	(32.2%)	16,004	12,191	(23.8%)
Pharmaceutical-related	5,753	5,409	(6.0%)	5,343	4,914	(8.0%)	11,097	10,324 	(7.0%)
Food	11,268	11,184	(0.7%)	9,375	9,715	3.6%	20,643	20,900	1.2%
Adjustment amount	(402)	(413)	—	(291)	(312)	—	(693)	(725)	—
Total sales	85,438	77,773	(9.0%)	82,817	80,453	(2.9%)	168,256	158,227	(6.0%)

Domestic Beverage	1,675	2,793	66.7%	2,272	4,316	89.9%	3,948	7,110	80.1%
International Beverage	133	(41)	—	(439)	(133)	—	(306)	(175)	—
Pharmaceutical-related	358	(63)	—	(147)	(361)	—	210	(425)	—
Food	574	857	49.4%	(109)	88	—	464	946 	103.6%
Other	0	(75)	—	(148)	(241)	—	(148)	(317)	—
Adjustment amount	(707)	(694)	—	(567)	(842)	—	(1,275)	(1,536)	—
Total operating profit	2,033	2,776	36.6%	860	2,825	228.4%	2,893	5,602	93.6%

*The "Other" category, which includes business segments that are not included in reported segments, consists of the orphan drug business.

FY2020 Factors Contributing to Changes in Operating Profit (versus Previous Year)

- ▶ In the Domestic Beverage Business, a change in vending machine service life and cost savings in areas such as advertising and promotion resulted in increased profits (1)
- ▶ In the International Beverage Business, factors including our exit from Malaysia led to a smaller loss (2)
- ▶ In the Pharmaceutical-related Business, the effects of lower order volume were compounded by factors including increased depreciation expenses due to capital investment (3)

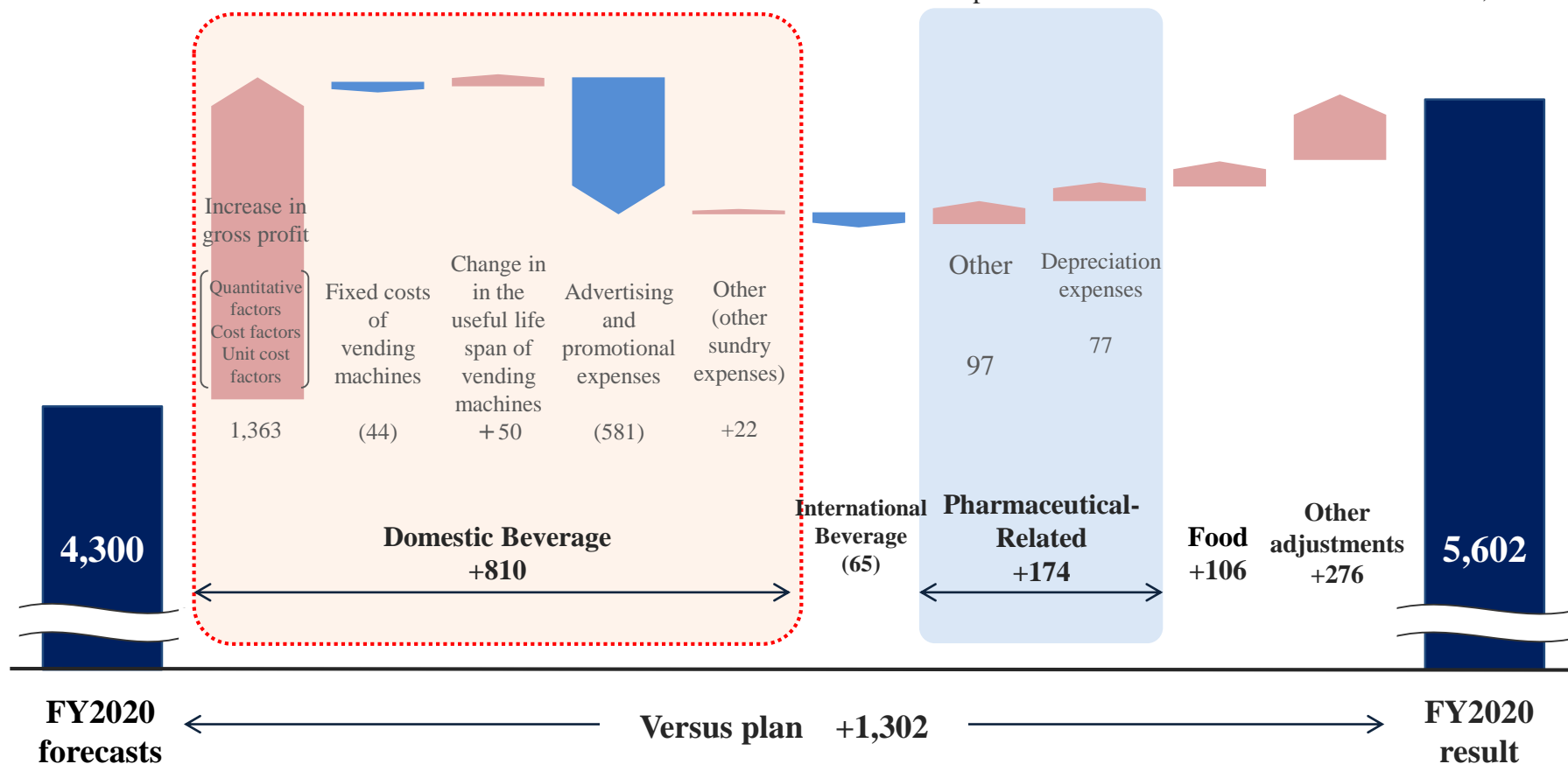


FY2020 Factors Contributing to Changes in Operating Profit (versus Outlook)

- ▶ An increase in gross margin in the Domestic Beverage Business was the principal reason for the divergence from the full-year outlook announced in November 2020
- ▶ Promotional and advertising costs rose due to factors such as stepped-up promotion linked to sales

(Millions of yen)

*Compared to outlook announced on November 26, 2020



FY2020 Principal Changes in Free Cash Flow

- ▶ Free cash flows improved as a result of a decrease in large-scale capital investment
- ▶ EBITDA fell below last year's level

(Millions of yen)

	FY2019	FY2020	Amount (YoY)
EBITDA (Operating profit + depreciation costs + amortization of goodwill)	12,932	12,357	(575)
Amount of change in working capital cash flow	182	(312)	(495)
Other	(1,620)	495	2,115
Operating cash flow (a)	11,495	12,540	1,045
Expenditures related to the acquisition of tangible and intangible fixed assets (b)	(14,517)	(8,130)	6,387
Free cash flow (a-b)	(3,022)	4,410	7,432

■ Capital investment

(Millions of yen)

	FY2019	FY2020	Amount (YoY)
Domestic Beverage	6,853	5,949	(903)
International Beverage	434	1,009	574
Pharmaceutical-related	7,466	439	(7,026)
Food	1,252	864	(387)
Companywide (including others)	537	257	(279)
Total	16,543	8,520	(8,022)

■ Depreciation costs

(Millions of yen)

	FY2019	FY2020	Amount (YoY)
	7,148	3,548	(3,599)
	628	517	(111)
	696	1,122	426
	765	810	45
	408	383	(24)
	9,647	6,383	(3,263)

Financial Position at the End of FY2020

Principal Changes in the Consolidated Balance Sheet

- ▶ The principal cause of growth in interest-bearing debt was the issuance of a total of ¥20 billion in corporate bonds (including ¥15 billion redeemed in October 2020)
- ▶ Net assets fell due to factors including share buybacks

(Millions of yen)

Financial assets ^{*1}	73,240	Interest-bearing debt ^{*2}	33,713
		Accounts payable	18,623
		Other	21,835
Accounts receivables	18,497	Net assets	89,210
Inventories	8,444		
Property, plant and equipment	50,831		
Intangible assets			
Other	12,369		
Total assets	163,383	Total liabilities and net assets	163,383

January 20, 2020

(Millions of yen)
Change from previous year shown underneath each figure

Financial assets ^{*1}	70,415 (2,824)	Interest-bearing debt ^{*2}	36,949 3,236
		Accounts payable	16,174 (2,449)
		Other	21,860 24
Accounts receivables	16,010 (2,487)	Net assets	82,609 (6,600)
Inventories	8,103 (340)		
Property, plant and equipment	51,093 262		
Intangible assets			
Other	11,970 (399)		
Total assets	157,594 (5,789)	Total assets	157,594 (5,789)

January 20, 2021

*1: Cash and deposits, securities, investment securities (excluding shares of subsidiaries), and long-term deposits

*2: Short- and long-term loans payable, short- and long-term lease liabilities and obligations, bonds payable, and long-term guaranty deposits

Progress in Implementing Mid-term Business Plan 2021 and Associated Issues

- ▶ We dealt with changes in the business environment during FY2020 in a flexible manner and made steady progress in our effort to lay a foundation for the future

● Working to maximize cash flows through measures that focus on improving profit

Results	<ul style="list-style-type: none"> Improved profitability in the Food Business High growth in mail-order sales of products such as supplements Articulation of a path toward improved cash flows in the Domestic Beverage Business
Issues	<ul style="list-style-type: none"> Strengthening development of vending machines in order to establish solid advantages in the vending machine market Executing our companywide rollout of smart operations (DyDo Beverage Service)

● Pursuing a policy of selection and consolidation at strategic facilities in our international businesses

Results	<ul style="list-style-type: none"> Identifying prospects for achieving profitability in all international beverage business segments
Issues	<ul style="list-style-type: none"> Achieving profitability in our Chinese beverage business Rebuilding our international business strategy to facilitate the next phase of growth

● Making growth investments to realize the Group Mission 2030

Results	<ul style="list-style-type: none"> Starting operation of the Daido <i>yakuhin</i> pouch packaging line and the Kanto Plant Concluding our first licensing agreement for the orphan drug business
Issues	<ul style="list-style-type: none"> Studying new investment opportunities

Mid-term Business Plan 2021 Guidelines and Results

- ▶ Working to restore our ability to generate cash flows by strengthening the foundation of our vending machine business

Guidelines			FY2019 results	FY2020 results
Sales	• Organic growth in existing businesses along with new M&As		¥168.2 billion	¥158.2 billion
Operating margin	<ul style="list-style-type: none"> • Operating margin in existing businesses (3%) minus investment strategy cost plus profit/loss from new M&As • Transition of the International Beverage Business to profitability 		1.7%	3.5%
Cash flows (CFs)	<ul style="list-style-type: none"> • Operating cash flows created by existing businesses • Capital investment necessary in existing businesses 	<p>¥40 billion yen or greater</p> <p>About ¥28 billion</p>	<p>Operating cash flow</p> <p>¥11.4 billion</p> <p>Capital investment</p> <p>¥16.5 billion*</p>	<p>Cumulative operating cash flow</p> <p>¥24.0 billion</p> <p>Cumulative capital investment</p> <p>¥25.0 billion</p>
Investment strategy	<ul style="list-style-type: none"> • Growth investments in existing businesses 	About ¥12 billion		
	<ul style="list-style-type: none"> • Investment in the health care domain to execute new M&As 	About ¥30 billion	—	—
	<ul style="list-style-type: none"> • Launch of the orphan drug business 	About ¥3 billion	—	Entry into first licensing agreement
Return to shareholders	• Return of profits to shareholders through stable dividends		¥60 per share	¥60 per share

*Of which, growth investments in the Pharmaceutical-related Business (construction of the Kanto Plant and a new pouch packaging line at the Nara Plant): ¥5.8 billion

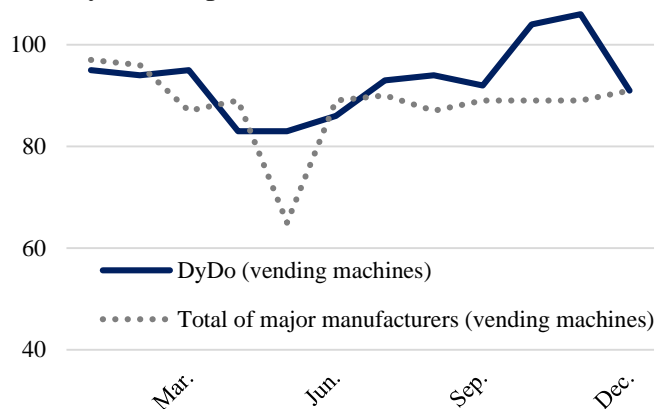
Dealing with Changes in the Vending Machine Market

- ▶ We're making use of changes in society to drive business model reforms and create a more sustainable business model

Social reforms resulting from COVID-19	Risks and opportunities in the vending machine business
Changing consumer lifestyles and behavior	Advent of working from home requires changes in where we sell Competitors' approaches to the vending machine business are changing
Rapid digital transformation	Values regarding workstyles are changing Society is moving away from work structures that are predicated on long working hours
Changing consumer values	As awareness of health, disease prevention, and hygiene grow, what consumers want from products and services is changing Awareness toward environmental issues, such as plastic waste, is also rising

● Monthly sales in the beverage industry (vending machine channel)

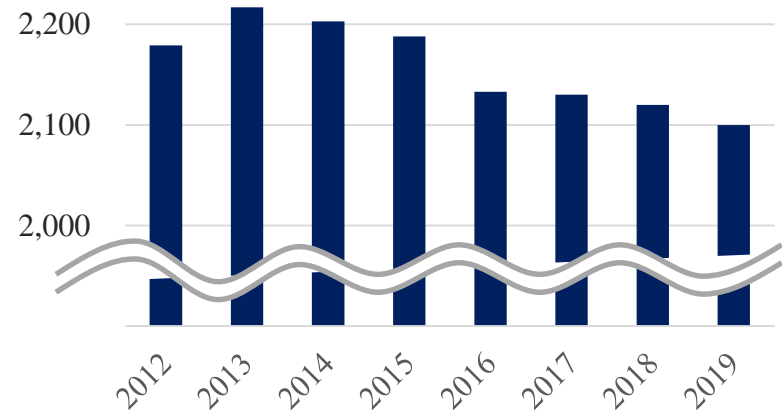
Year-on-year comparison



Source: Food Marketing Research Center

● Size of soft drink vending machine installed base

(Thousands of machines)



Source: Japan Vending System Manufacturers Association

FY2021 Priority Issues

- ▶ FY2021 will be a year of execution as we draw on past preparations and the clarity provided by initiatives conducted to date
- ▶ We recognize that FY2021 will be a particularly important year as we work to realize the Group Mission 2030

FY2021 priority issues

1

Strengthening and expanding our vending machine network

2

Rolling out smart operations companywide



Increasing corporate value by pursuing DX

- └ Improving profitability
- └ Improving employee experience (EX)

FY2021 Priority Issues:

(1) Strengthening and Expanding Our Vending Machine Network

- ▶ We will pursue sales activities based on changes in consumer behavior in order to strengthen and expand our vending machine network
- ▶ We will move aggressively to keep vending machines that generate strong sales from being removed

Up to FY2020

Response to the
pandemic

- ✓ We bolstered our sales force through reassignments and transfers of operations personnel and through mid-career hires
- ✓ We systematized mechanisms for sharing sales expertise
- ✓ Adoption of online meetings stimulated sharing of sales expertise
- ✓ We launched a team specializing in inside sales in an effort that's gradually yielding results

● Sales promotion utilizing online sales



- ✓ Utilizing online meeting tools
- ✓ Pursuing business discussions via online meetings
- ✓ Using in-person meetings to finalize installation agreements

Inside sales

Field sales

Agreement

FY2021 Priority Issues:

(1) Strengthening and Expanding Our Vending Machine Network

Effects to be achieved

Increased efficiency in securing
installation locations



Growth in the number of
installed vending machines

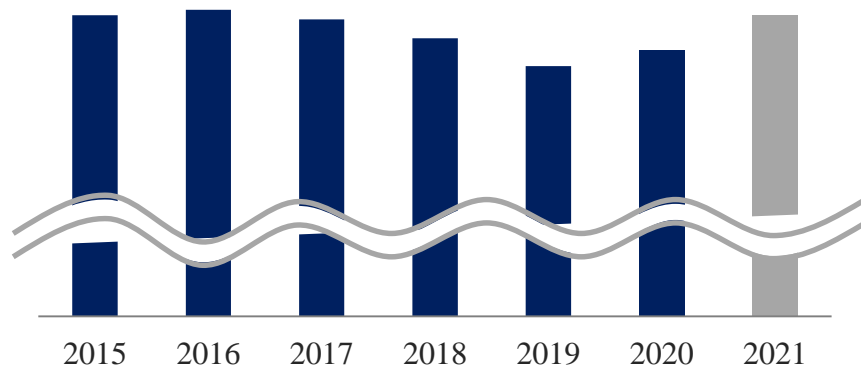
**Improved
profitability**

Improving productivity

Improved EX

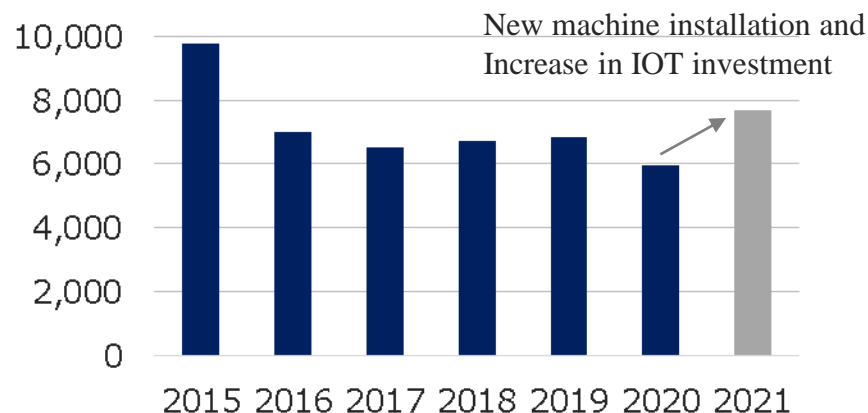
Improving sales activities
both quantitatively and
qualitatively
Streamlining operations

- Size of the DyDo Group's vending machine fleet (illustration)



- Capital investment in the Domestic Beverage Business

(Millions of yen)



FY2021 Priority Issue:

(2) Rolling Out Smart Operations Companywide

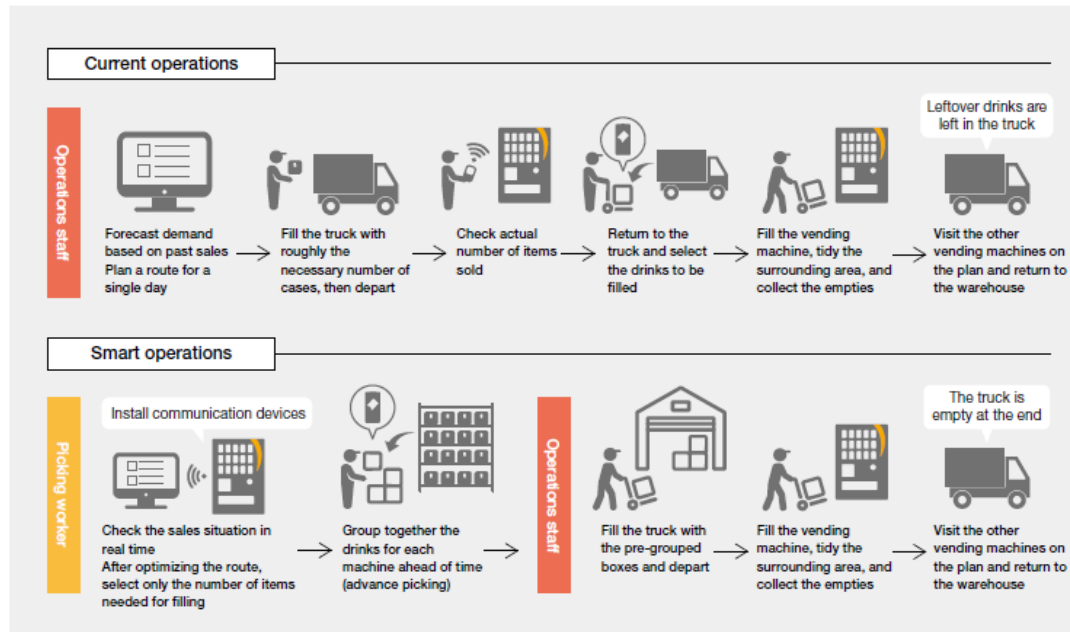
- ▶ We will roll out smart operations companywide in the area of direct sales (operated by DyDo Beverage Service) in order to gain competitive advantages

Up to FY2020

Response to the
pandemic

- ✓ We brought all vending machines at test locations online and conducted verification tests, including of staff's movements
- ✓ We established workflows to facilitate a companywide rollout through repeated verifications
- ✓ The decision was made to update core systems
- ✓ The decision was made to roll out the technology companywide in direct sales

● Smart operations workflow



FY2021 Priority Issue:

(2) Rolling Out Smart Operations Companywide

Effects to be achieved

Significant improvements in operational efficiency



The number of operations coordinators fell even as we maintained and expanded our vending machine network

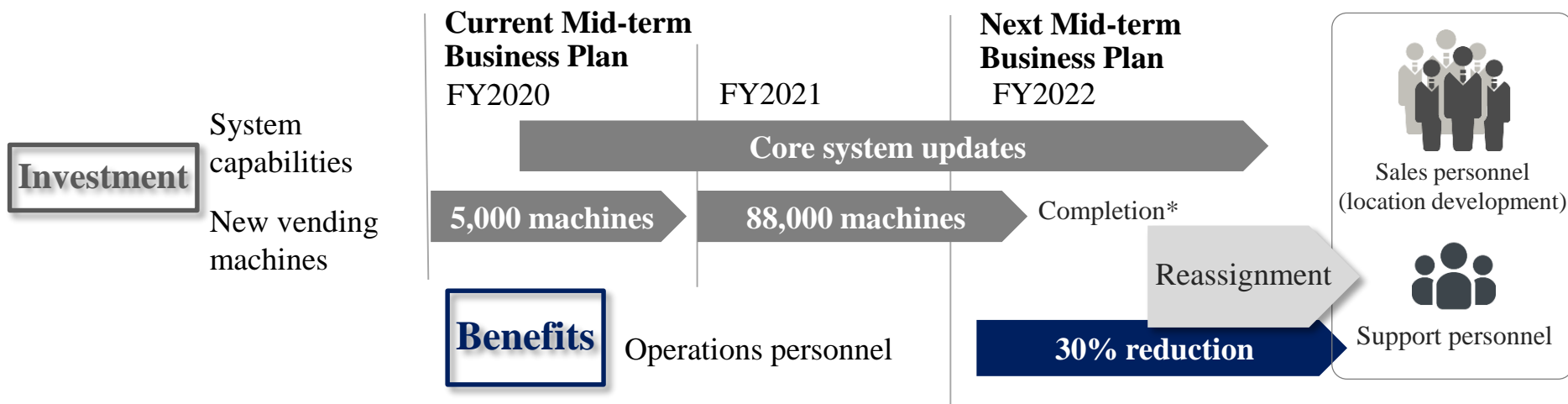
Improved profitability

Decline in maintenance expenses per machine

Improved EX

Decline in workload per employee

● DyDo Beverage Service's rollout schedule



* 113,000 machines in total including 20,000 machines in which the communication parts have been attached by FY2019.

Mid-term Business Plan 2021 Investment Strategy and Progress

▶ In FY2021, our emphasis will be on IoT investment in the Domestic Beverage Business

Red borders: Growth investments

[Investment resources]

**About
¥36 billion**

Surplus funds on
balance sheet

Of which, ¥3.0 billion has
already been transferred
to treasury stock.

Investment
in new
businesses



[Investments in new businesses]

- M&A investments in the health care domain
- Investments in launching the orphan drug business

¥33 billion

¥30 billion

¥3 billion

**Study of new
business
opportunities**

[Return of profits to shareholders through stable dividends]

¥3 billion

According to plan

**¥40 billion or
more**

Cumulative operating
cash flows over three
years created by each
business

Of which, ¥5.0 billion has
already been supplemented
through the issuance of bonds.

Reinvesting
cash flows
in each
business



[New investments to grow existing businesses]

¥12 billion

(Domestic Beverage Business)

¥6 billion

In progress

- IoT investments to streamline operations
- Investments to create businesses that utilize vending machines

(Pharmaceutical-related Business)

¥6 billion

Implemented

- Construction of a new plant in the Kanto region
- Construction of a new pouch packaging line at our existing Nara Plant

[Conventional capital investment in existing businesses]

¥28 billion

In progress

FY2021 Consolidated Full-year Performance Outlook

- ▶ We expect consolidated sales of 164.5 billion yen (up 4.0% year on year) and operating profit of 4.2 billion yen (down 25% year on year)
- ▶ We will work to increase revenue against the backdrop of growth in the Domestic Beverage Business's vending machine fleet
- ▶ Costs will rise due to the establishment of budget items for advance investment associated with the expansion of our vending machine fleet and the development of smart operations structures and investment in growth strategies in the health care domain

(Millions of yen)

	FY2020 results		FY2021 earnings forecasts			
		Component ratio		Component ratio	% (YoY)	Amount (YoY)
Net sales	158,227	100.0%	164,500	100.0%	4.0%	6,272
Operating profit	5,602	3.5%	4,200	2.6%	(25.0%)	(1,402)
Ordinary profit	5,727	3.6%	4,300	2.6%	(24.9%)	(1,427)
Profit attributable to owners of parent	3,204	2.0%	2,600	1.6%	(18.9%)	(604)
EPS	201.31 yen		166.46 yen			(34.86 yen)
Dividend per share	60 yen		60 yen			—

FY2021 Full-year Performance Outlook by Segment

- ▶ The International Beverage Business will achieve profitability despite lower revenue on a Japanese yen basis due to use of conservative exchange rates
- ▶ The Pharmaceutical-related Business expects to realize higher revenue due to factors including growth in orders of pouch-packaged products

(Millions of yen)

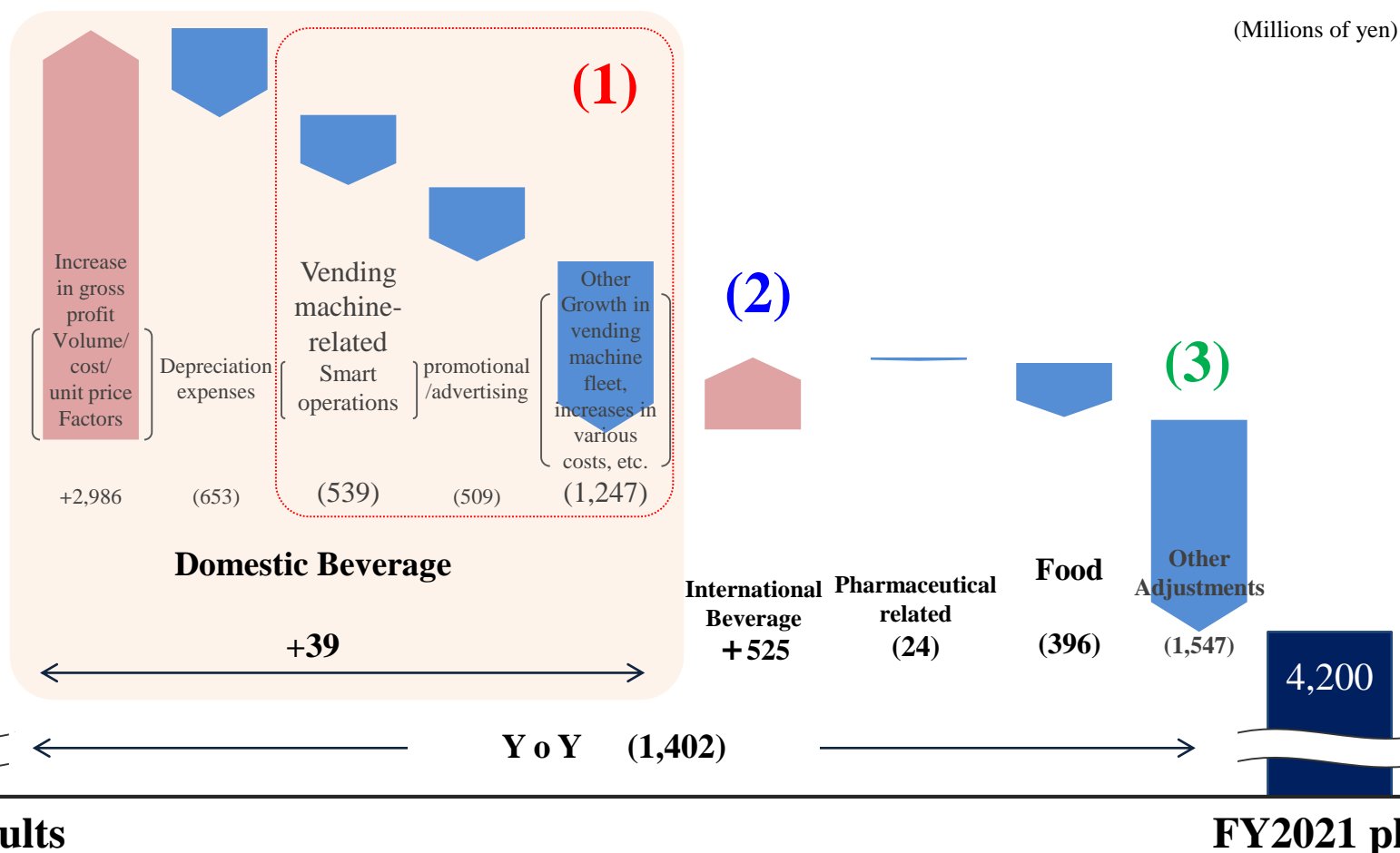
	FY2020 full-year results	FY2020 full-year earnings forecast		
			Percent change	Amount (YoY)
Domestic Beverage	115,536	122,400	5.9%	6,863
International Beverage	12,191	10,400	(14.7%)	(1,791)
Pharmaceutical-related	10,324	11,400	10.4%	1,075
Food	20,900	20,900	(0.0%)	(0)
Adjustment	(725)	(600)	—	125
Total sales	158,227	164,500	4.0%	6,272
Domestic Beverage	7,110	7,150	0.6%	39
International Beverage	(175)	350	—	525
Pharmaceutical-related	(425)	(450)	—	(24)
Food	946	550	(41.9%)	(396)
Other	(317)	(1,050)	—	(732)
Adjustment	(1,536)	(2,350)	—	(813)
Total operating profit	5,602	4,200	(25.0%)	(1,402)
Capital investment	8,520	10,600	24.4%	2,079
Depreciation expenses	6,383	7,230	13.3%	846

*The “Other” category, which includes business segments that are not included in reported segments, consists of the orphan drug business.

FY2021 Consolidated Full-year Performance Outlook

Factors Contributing to Changes in Operating Profit: Compared to the Previous Year

- ▶ In the Domestic Beverage Business, the expansion of our vending machine network and development of smart operations will push up expenses **(1)**
- ▶ The International Beverage Business will transition to profitability thanks to our exit from the Malaysian business and improved profitability in our Chinese business **(2)**
- ▶ We will establish a budget item for executing our growth strategy in the healthcare domain **(3)**



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3. Segment Overview

FY2020 Market Environment and DyDo Overview

Domestic Beverage Business

Market

Convenience store and vending machine sales remained soft even as overall sales exhibited a gradual recovery

Overall sales volume in the industry fell about 7% from the same period of the previous year

DyDo

A canned coffee product launched in collaboration with the TV anime *Demon Slayer (Kimetsu no Yaiba)* in October generated strong sales

Initiatives launched during the previous fiscal year bore results, leading to an increase in the size of our vending machine fleet at the end of the period

International Beverage Business

Market

(Turkey)

The COVID-19 pandemic surged again, prompting an economic slowdown due to the imposition in late November of even stricter restrictions than were implemented last spring

Domestic distribution costs soared, and the shipping business experienced surging distribution costs and delays

DyDo

(Turkey) Profits rose on a local currency basis thanks to robust demand for mineral water and cost controls

(Malaysia) We sold our local subsidiary because there was no outlook for a recovery in sales

Pharmaceutical-related Business

Market

Retail sales of quasi-drug drinks fell due to factors including slow office demand

We also faced challenges in terms of retail sales of beauty drinks

DyDo

Orders remained soft due to the effects of customers' inventory adjustments

Orders received via TCI for beauty drinks for the Chinese market fell

Food Business

Market

The dry jelly market contracted slightly as sales of low-priced products rose due to consumer price consciousness

Sales in the pouch jelly market fell from the previous year due to changes in consumer lifestyles

DyDo

Sales to volume retailers rose despite a contraction in sales to convenience stores, and we retained our No. 1 position in the dry jelly segment

Our market share rose in the pouch market as well

Principal Future Anticipated Impacts on Performance and Associated Countermeasures

- ▶ We will work steadily to strengthen the basis of existing businesses and make growth investments in order to restore our ability to generate cash flows

	Anticipated future impacts	Future measures
Domestic Beverage Business	<ul style="list-style-type: none"> Despite a gradual recovery in sales after bottoming out in April and May 2020, there is concern about the impact of the Japanese government's declaration of a state of emergency in January 2021 The advent of telework and a transformation in consumer behavior are likely to bring significant changes to the vending machine market 	<ul style="list-style-type: none"> In addition to working to strengthen development of our vending machine fleet, we will strive to establish a sustainable vending machine business model that can accommodate market changes in a flexible manner by building a smart operation structure
International Beverage Business	<ul style="list-style-type: none"> There is concern about the impact of restrictions in the wake of growing infections on sales in the Turkish beverage business. With regard to profits, it may prove difficult to shift a surge in raw material costs caused by exchange rate fluctuations onto prices The resurgence in the pandemic means it will take time to ramp up exports to the UK and Russia 	<ul style="list-style-type: none"> We exited the Malaysian beverage business in October 2020 in line with our policy of selection and consolidation of overseas strategic facilities. We will work to rebuild our overseas business strategy with the goal of transitioning the entire International Beverage Business segment to a profitable footing in the short term
Pharmaceutical-related Business	<ul style="list-style-type: none"> Customer companies' sales are trending down. There are concerns about the impact of the Japanese government's declaration of a state of emergency in January 2021, and it will take time for orders to recover 	<ul style="list-style-type: none"> The new pouch packaging line at our Nara Plant began operating in February 2020, and our new Kanto Plant began operating in July 2020. We will work to put in place internal structures to facilitate efficient production with two sites and four plants and to review operations in order to improve profitability
Food Business	<ul style="list-style-type: none"> Sales to convenience stores may continue to decline even as sales to volume retailers remain robust. 	<ul style="list-style-type: none"> We will work to further strengthen profitability by continuing to develop products that accommodate lifestyle changes and to pursue initiatives to improve productivity

Domestic Beverage Business Segment Overview

- ▶ We focused on strengthening the basis of our vending machine business in order to establish competitive advantages

(Millions of yen)

	FY2019 results		FY2020 results				FY2021 full-year earnings forecast			
		Component ratio		Component ratio	% (YoY)	Amount (YoY)		Component ratio	% (YoY)	Amount (YoY)
Net sales	121,203	—	115,536	—	(4.7%)	(5,667)	122,400	—	5.9%	6,863
Operating profit	3,948	3.3%	7,110	6.2%	80.1%	3,161	7,150	5.8%	0.6%	39
Capital investment	6,853		5,949		(13.2%)	(903)	7,700		29.4%	1,750
Depreciation expenses	7,148		3,548		(50.4%)	(3,599)	4,200		18.4%	651

(Target period: January 21 to January 20 of the following year)

FY2020 summary

- ✓ Our end-of-period vending machine fleet turned the corner to positive growth thanks to the success of measures designed to develop new locations and keep vending machines from being removed from existing locations as part of an effort including increases in staffing that we've pursued since FY2019 in the vending machine channel ➡ **P.23**
- ✓ We posted strong sales of products developed collaboratively with the hugely popular TV anime *Demon Slayer* (*Kimetsu no Yaiba*), which were launched in October, in both the vending machine and distribution channels, and we expect to see growth in the customer base for canned coffee products
- ✓ We made progress in trials and tests in our effort to develop smart operations structures
- ✓ Supplement mail-order sales continued to grow at a high rate ➡ **P.36**

FY2021 priority and investment strategies

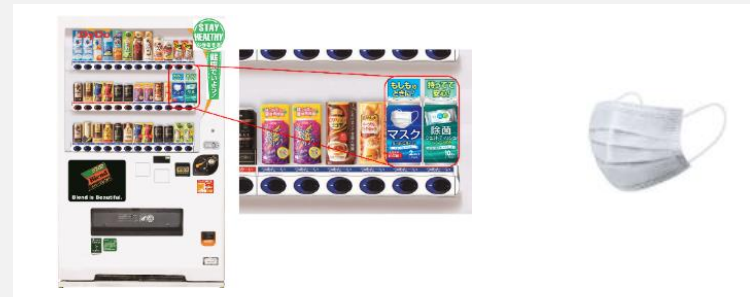
- ✓ Maintaining the pace of growth in the size of our vending machine fleet and strengthening our vending machine network in terms of both quality and quantity by means of measures designed to capture new locations and prevent the removal of machines from existing locations, while carefully monitoring locations that generate strong sales
- ✓ Rolling out smart operations structures nationwide to prepare for a full transition in FY2022 and gauging productivity improvements at individual facilities

- ▶ We have begun verification tests of a facial recognition payment service that utilizes NEC facial recognition technology



- ▶ Developing “public health venders”

- ✓ Applying an antibacterial coating to all included vending machines (already complete)
- ✓ Selling masks and other hygienic products



- ▶ Completing a full redesign of our “Calorie Limit For the Mature Aged (R)” line of products

- ✓ Established itself in the distribution channel
- ✓ Launched sales of “Hatomugi Blended Tea” by vending machines



Distribution
channel only



- ▶ Launching half-label products

- ✓ Updated tea products sold in plastic bottles and cut the size of labels on packaging in half



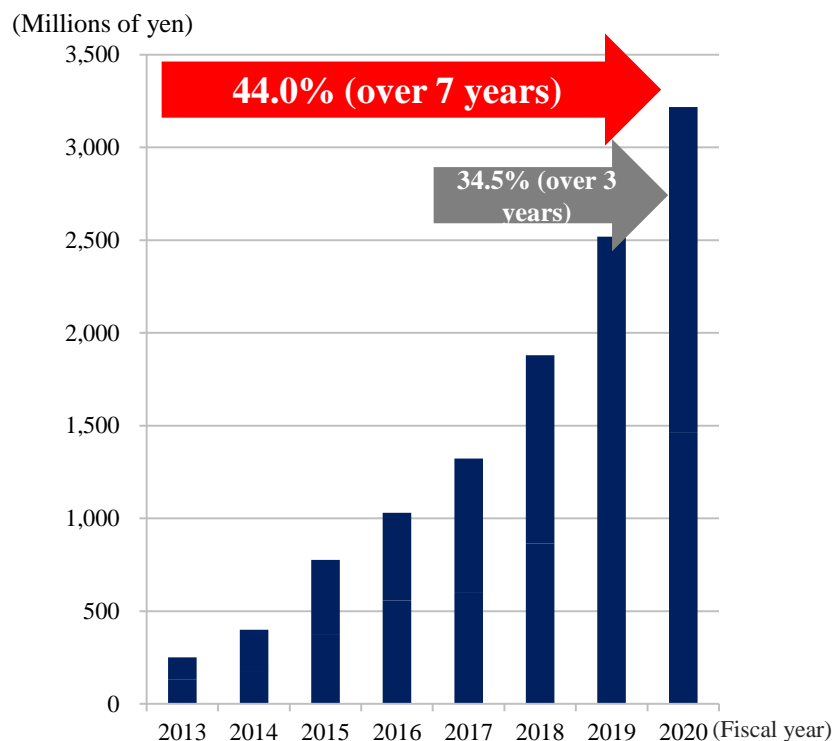
Progress in the Mail-order Sales Channel

- ▶ There has been steady growth in the supplement home shopping sales channel
 - ✓ The number of regular customers has steadily increased, and growth continues in both sales and profit
 - ✓ We have enhanced measures that target new customers and ensure that they become regulars



Launched
12/21/2020

● Mail-order sales channel sales and CAGR



- The flagship channel product, “Locomo Pro,” is driving the growth of the customer base



The flagship product is advertised online, and via TV and newspapers, and has helped us acquire new customers



We've created stronger relationships with our customers through communication, such as through our members club magazine or the points system



**Established customer base,
growth in sales and profit**

International Beverage Business Segment Overview

- ▶ We're working to transition all segments to profitable operations by strengthening profitability in our businesses in all countries

(Millions of yen)

	FY2019 results		FY2020 results				FY2021 full-year earnings forecast			
		Component ratio		Component ratio	% (YoY)	Amount (YoY)		Component ratio	% (YoY)	Amount (YoY)
Net sales	16,004	—	12,191	—	(23.8%)	(3,813)	10,400	—	(14.7%)	(1,791)
Operating profit	(95)	(0.6%)	(9)	(0.1%)	—	86	470	4.5%	—	479
Amortization of goodwill, etc.	210	1.3%	165	1.4%	(21.2%)	(44)	120	1.2%	(27.5%)	(45)
Operating profit (loss) after subtracting amortization of goodwill, etc.	(306)	(1.9%)	(175)	(1.4%)	—	130	350	3.4%	—	525
JPY per TRY	19.26 yen		15.18 yen		(4.08 yen)		11.00 yen		(4.18 yen)	
JPY per CNY	15.84 yen		15.45 yen		(0.39 yen)		15.38 yen		(0.07 yen)	

(Target period : January 1 to December 31)

FY2020 summary

- ✓ We secured profits on par with last year on a local currency basis against the backdrop of growth in sales of our flagship Saka brand despite the pandemic
- ✓ We transferred all shares of our Malaysian subsidiary and exited the Malaysian beverage business due to bleak prospects for a recovery in sales during the pandemic



FY2021 priority and investment strategies

* Home Office Delivery

Saka, a mineral water brand driving growth in Turkey

- ✓ Focusing on increasing sales of Saka with an emphasis on HOD* in the Turkish beverage business
- ✓ Striving to improve the profit structure of the Chinese business by starting local production

► Cost controls led to an increase in profits on a local currency basis despite the pandemic

- ✓ Despite a temporary recovery in domestic sales trends in Turkey, the COVID-19 pandemic surged again, prompting an economic slowdown due to the imposition in late November of strict restrictions
- ✓ During FY2021, we will strive to secure profits through increased Saka sales and cost controls despite the impact of the pandemic on sales until summer and the depreciation burden of the new plant being built in Adana
- ✓ Although the effects of the pandemic mean that it will take time to fully develop our shipping business using facilities in the UK and Russia, we made steady progress in our efforts to lay a foundation for the business, particularly in the UK

● Local-currency-basis results

(year-on-year change in sales)

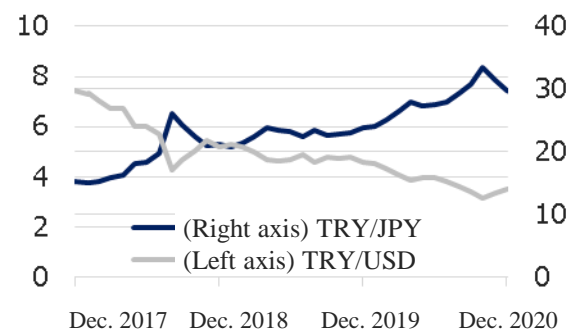
	1st quarter	2nd quarter	3rd quarter	4th quarter	Year
FY2020	+19%	(15%)	+2%	(12%)	(3%)
	17.48 yen	16.55 yen	15.81 yen	15.18 yen	15.18 yen
FY2019	+30%	+17%	+2%	+16%	+14%
	20.57 yen	19.63 yen	19.40 yen	19.26 yen	19.26 yen

Figures in lower rows cumulative exchange rate (yen value of 1 Turkish lira).

● Turkish manufacturing base



● Value of Turkish lira in yen



International Beverage Business Overview of the Chinese Beverage business

- ▶ We began producing products locally in order to improve profitability
 - ✓ We developed roasted barley tea products for China* and started to export them after selling existing Japanese products
 - ✓ We earned market recognition and expanded its sales volume
 - ✓ We carried out trials and tests to prepare for local production and satisfied flavor, quality, and other requirements

* existing Japanese products designed specifically for China in terms of content and packaging



Shipments to shops are progressing steadily

➡ Striving to establish a business model for the Chinese beverage business

Overview of the Chinese beverage business and issues to date

- After entering the vending machine operator business in 2008, we sold the business in 2012
- We then ramped up imports of Japanese products and shipments to distribution chains and retailers and increased brand recognition using “uniquely delicious Japanese flavor” as a strength
- One issue is improving profit structure by implementing local production



We began producing our products in a local Japanese plant

Pharmaceutical-related Business Segment Overview

▶ We're focusing on putting in place structures to prepare for growth in orders and production

(Millions of yen)

	FY2019 results		FY2020 results				FY2021 full-year earnings forecast			
		Component ratio		Component ratio	% (YoY)	Amount (Y oY)		Component ratio	% (YoY)	Amount (Y oY)
Net sales	11,097	—	10,324	—	(7.0%)	(773)	11,400	—	10.4%	1,075
Operating profit	210	1.9%	(425)	(4.1%)	—	(636)	(450)	(3.9%)	—	(24)
Depreciation expenses	696		1,122		61.3%	426	1,200		6.9%	77

(Target period : January 21 to January 20 of the following year)

FY2020 summary

- ✓ Orders received via TCI for beauty drinks for the Chinese market fell due to the effects of the growing COVID-19 pandemic, and orders for domestic customers fell as a result of ongoing inventory adjustments by customers
- ✓ Depreciation expenses rose due to the construction of a pouch packaging line at the Nara Plant (completed in September 2019; fully operational in February 2020) and the completion of the Kanto Plant (completed in October 2019; fully operational in July 2020)

FY2021 priority and investment strategies

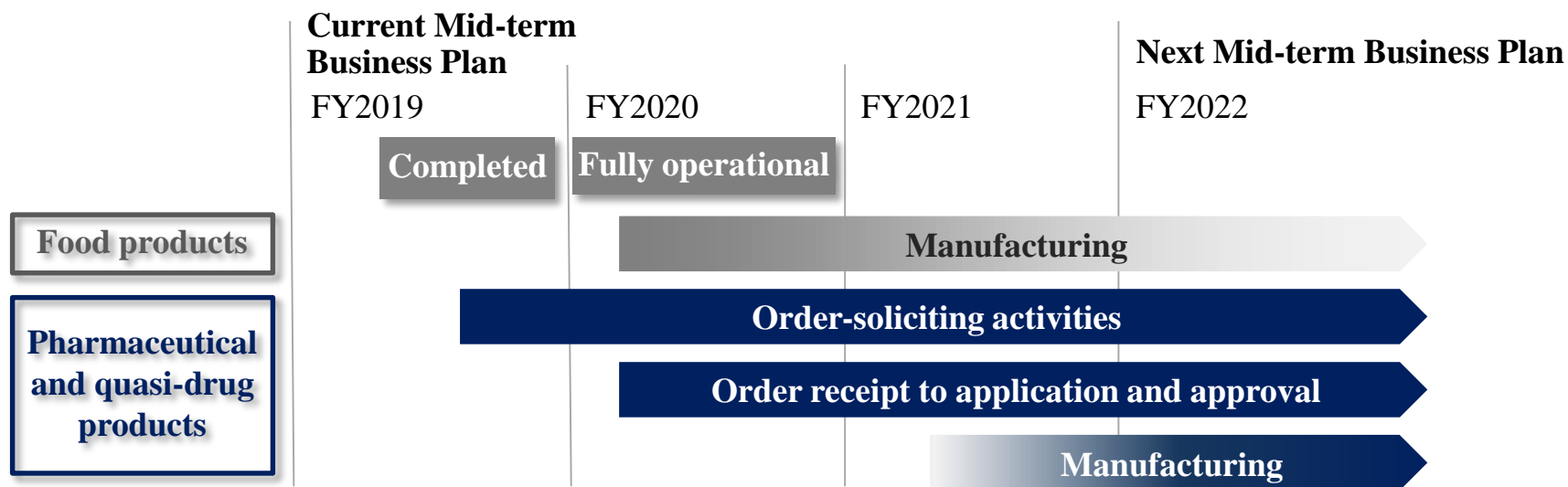
- ✓ Putting in place internal structures to prepare for efficient operations of the two-site, four-plant system consisting of the Nara and Kanto Plants and reviewing operations in order to improve profitability
- ✓ Carrying out initiatives to expand business opportunities by strengthening sales of the pouch packaging line

Pharmaceutical-related Business

New pouch packaging line

▶ Expanding pouch product order volume

- ✓ Receiving inquiries from pharmaceutical manufacturers and aggressively pursuing discussions
- ✓ We expect pharmaceutical and quasi-drug products to start contributing to our performance in FY2022 due to the one- to two-year period required from development to launch



Goals in constructing a pouch packaging line (No. 3 Plant)

- To accommodate expectations for standard pharmaceutical and quasi-drug products in the growing pouch packaging market
- To expand the range of customer needs we can meet by increasing the formulations we can manufacture



Food Business Segment Overview

- ▶ We're working to develop products that accommodate changes in lifestyles in order to strengthen profitability

(Millions of yen)

	FY2019 results		FY2020 results				FY2021 full-year earnings forecast			
		Component ratio		Component ratio	% (YoY)	Amount (YoY)		Component ratio	% (YoY)	Amount (YoY)
Net sales	20,643	—	20,900	—	1.2%	256	20,900	—	(0.0%)	(0)
Operating profit	816	4.0%	1,298	6.2%	59.0%	481	902	4.3%	(30.5%)	(396)
Amortization of goodwill, etc.	352	1.7%	352	1.7%	(0.0%)	(0)	352	1.7%	0.1%	0
Operating profit after subtracting amortization of goodwill, etc.	464	2.3%	946	4.5%	103.6%	481	550	2.6%	(41.9%)	(396)

FY2020 summary

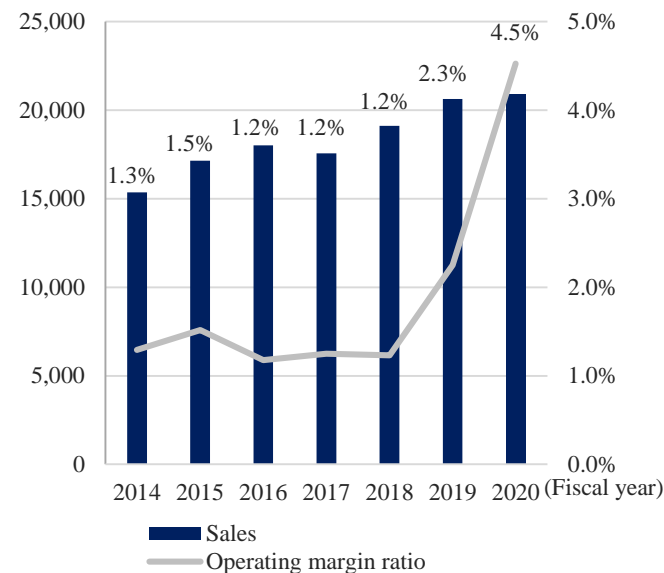
- ✓ Purchasing behavior shifted from convenience stores to mass retailers, and from mid-priced products to low-priced products
- ✓ Profitability improved significantly thanks to a reassessment of manufacturing costs and improvements in shipping capability

FY2021 priority and investment strategies

- ✓ Developing added-value products for the “new normal” that take advantage of fruits and jellies
- ✓ Creating off-season demand and expanding new sales channels
- ✓ Continuing to pursue operational efficiencies and working to achieve additional improvements in productivity

(Target period : January 1 to December 31)

(Thousands of yen)



- ▶ A return to the original medicine business to resolve societal issues

March 2018

Announced our entry into the orphan drug business

- ➡ Employed specialists with proven results in the healthcare industry

January 2019

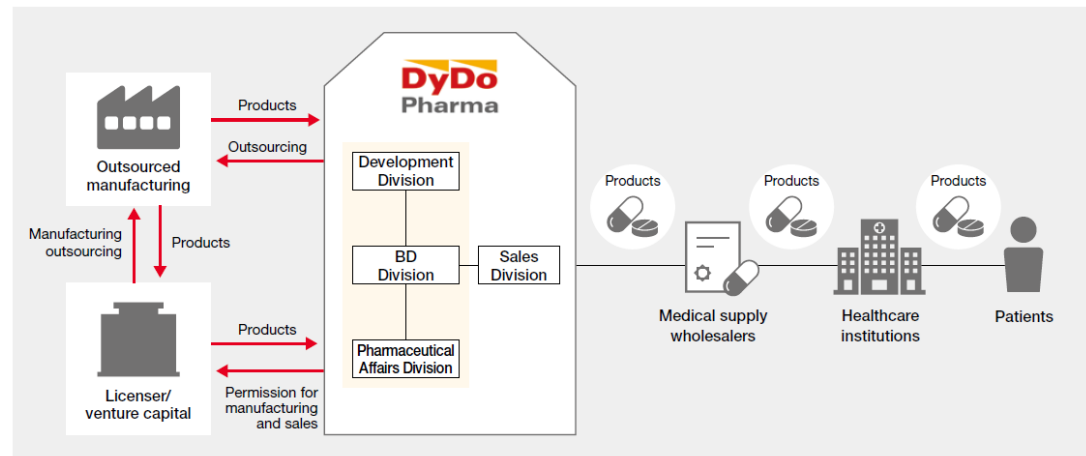
Established DyDo Pharma, Inc., and started operations in August

January 2021

Entered into first licensing agreement

● DyDo Pharma business model

- ✓ Aiming to develop and receive approval in Japan for primarily new drug candidates that have been developed abroad
- ✓ Contract manufacture of pharmaceuticals to outside organizations for a lean business model



Strengthening the Oversight Function of the Board of Directors

- ▶ We've increased the number of independent outside directors* and strengthened the Board of Directors' oversight function to accommodate our expanding business domain

*Assuming approval at the 46th Annual Shareholders' Meeting (scheduled to be held April 16, 2021).

● Director candidate skill matrix

	Expertise, experience, and areas of specialization that we expect of director candidates									
	Chief executive experience	Beverage industry vending machines	Food industry	Pharmaceutical industry	International business	Finance and accounting	Law	DX	M&A	Internal controls and auditing
Tomiya Takamatsu	○	○								
Tomihiko Takamatsu	○	○								
Naoki Tonokatsu		○				○				
Naoyuki Nishiyama		○			○			○	○	
Shinji Mori	Independent	Outside					○			○
Masataka Inoue	Independent	Outside	○		○				○	○
Michiaki Kurihara	New	Independent	Outside	○*	○	○				

*Overseas subsidiary



See pages 53 to 57 for more information about why director candidates were chosen.

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4. Working toward Sustainable Growth

Significance of Promoting Sustainability

- ▶ In order to promote sustainability, both top-town and bottom-up activities are essential

Top-down



Bottom-up

- Significance of incorporating sustainability into management strategy
 - ✓ Corporate value improves as social issues are resolved through businesses
 - ✓ Business continuity improves as the company is able to deal with social problems that pose business risks
- Significance of encouraging action on the part of individual employees
 - ✓ Employees help improve the corporate brand as the points of contact with customers and society
 - ✓ The pursuit of business is accelerated when employees leverage their autonomy
 - ✓ Employee engagement with the company increases

Incorporating Sustainability into Management

- ▶ We will identify sustainability as a priority issue (=materiality) for the DyDo Group during FY2021 and leverage it to address social issues through the Group Mission 2030

- Materiality identification process



- ✓ We will survey all employees concerning the SDGs toward which the Group should contribute and topics that should be addressed
- ✓ We will interview customers and experts individually about which SDGs and topics they expect to see the Group address
- ✓ Based on the results of the employee survey and outside stakeholder interviews, we will interview members of executive management individually about the SDGs and topics on which the Group should focus
- ✓ Based on the results of analyzing the findings, we will prioritize issues

Employee Involvement

- ▶ We're pursuing the "Everyone Love the Earth Project," an environmental initiative in the Domestic Beverage Business that serves as a framework for individual employee involvement



Voluntary
activities by
employees

Partnerships

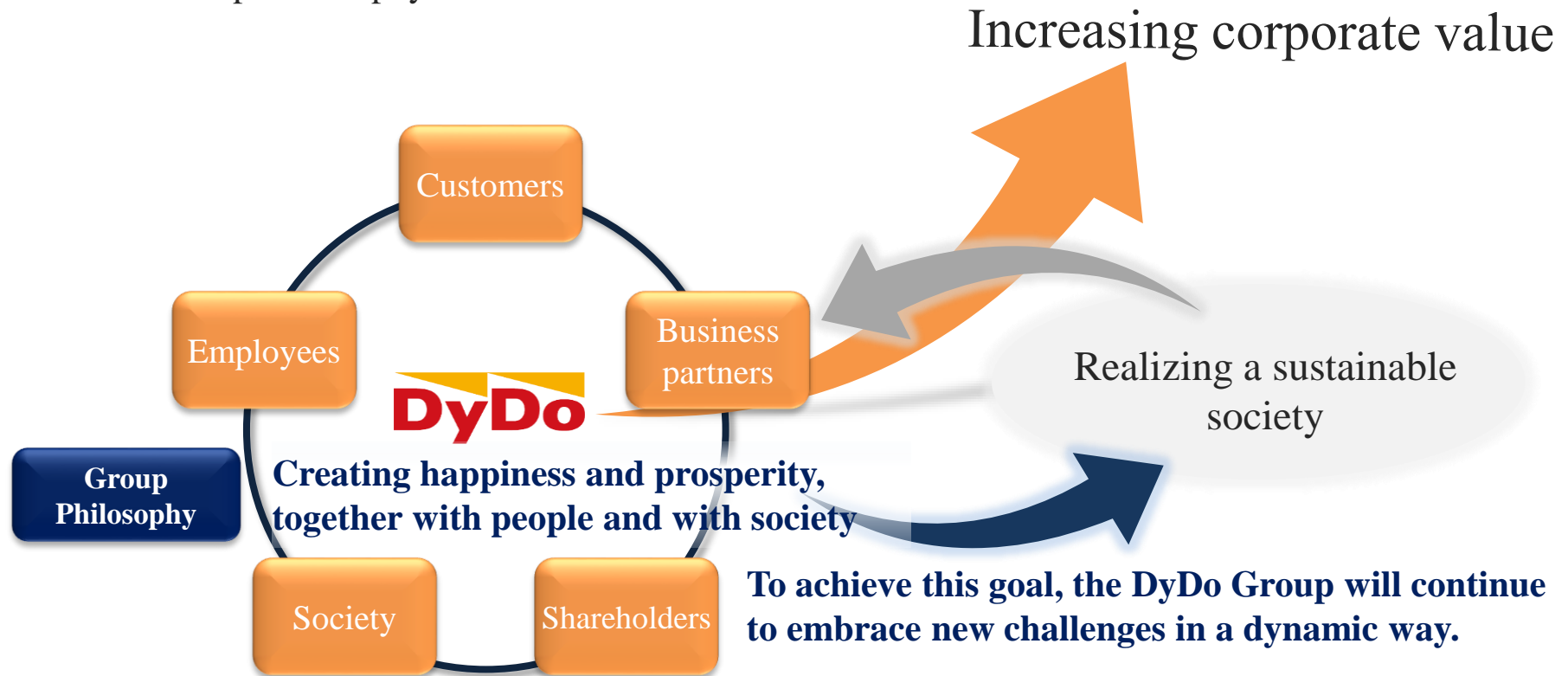
Realization of a recycling-based society



Priority goals about environment have been announced in November 2020.

Increasing Corporate Value by Contributing to the Sustainability of Society

- ▶ The DyDo Group is striving to realize a sustainable society that allows offers people around the world enjoyable, healthy lifestyles as its vision for 2030
- ▶ To realize this vision, we will continue to embrace the challenge of accommodating environmental changes through mutually beneficial relationships with stakeholders in line with our Group Philosophy



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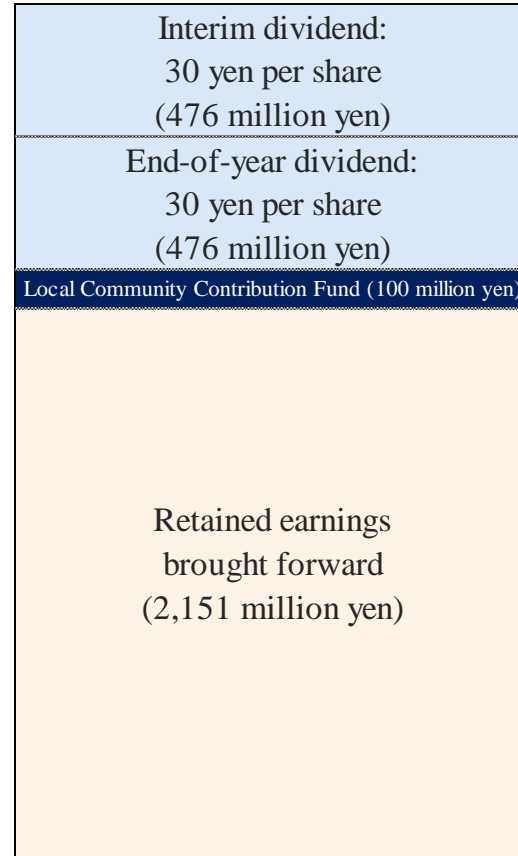
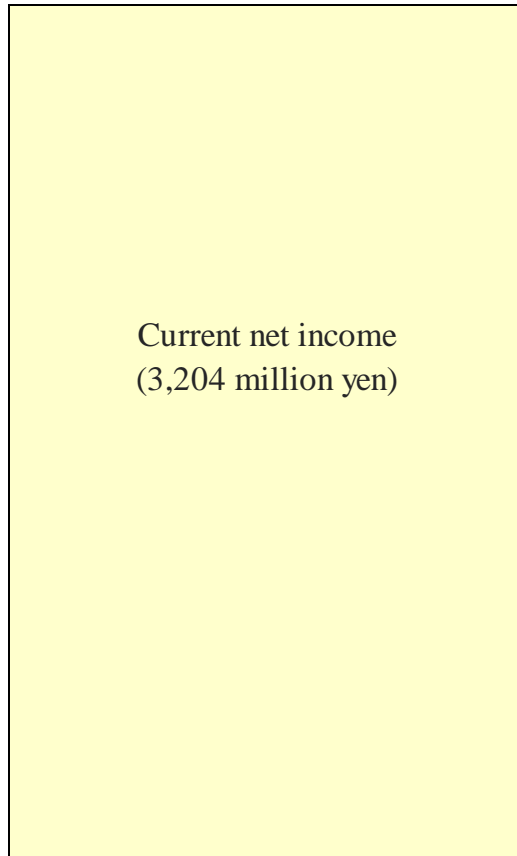


■ Appendix

46th Annual Shareholders Meeting

Allocation of Retained Earnings

► Ensuring stable returns for shareholders



Ensuring stable
returns for
shareholders

Contributing to local
communities on an
ongoing basis

Creating an internal
reserve to support future
strategic investment

Utilizing Retained Earnings: Local Community Support Fund

▶ Contributing to society using the Local Community Support Fund

- Support for cultural programs such as street dance in primary education
- Providing papercraft vending machines that let children experience shopping
- Supporting the NPO Nippon Matsuri Network



- Ongoing support for reconstruction following the Great East Japan Earthquake




- Support through “Kizuna” vending machines that aid reconstruction in the Tohoku region by donating a share of profits





東北復興絆義援金自販機

東北3県(岩手・宮城・福島)は、東日本大震災により、主産業である漁業に深刻な打撃を受けました。この自販機の収益金の一部は東北の復興・漁業再建に役立てられます。





Nomination of Directors

► Director candidates who will be put before the 46th annual shareholders meeting

Name	Profile (top) and reason for nomination (bottom)	
 <p>Reappointment</p> <p>Currently: President and representative director Tomiya Takamatsu</p> <p>(Date of birth: June 26, 1976)</p> <p>Company shares owned: 495,000</p>	<p>April 2004: Joined the Company. April 2008: Appointed Director at the Company. April 2009: Appointed Managing Director at the Company. March 2010: Appointed Executive Director at the Company. April 2012: Appointed Vice President and Director at the Company. April 2014: Appointed President and Representative director at the Company (his current position). February 2016: President and Representative Director, DyDo DRINCO Split Preparation Co., Ltd. (currently DyDo DRINCE, INC.) (incumbent)</p>	<p>Board of Directors meetings attended: 17 of 17</p>
 <p>Reappointment</p> <p>Currently: Chairman and director Tomihiro Takamatsu</p> <p>(Date of birth: January 16, 1948)</p> <p>Company shares owned: 495,000</p>	<p>March 1971: Jointed DyDo PHARMACEUTICAL CORPORATION. January 1975: Appointed Managing Director following the Company's establishment. May 1984: Appointed Executive Director at the Company. June 1990: Appointed Vice President and Director at the Company. April 1992: Appointed Vice President and Representative Director at the Company. April 1994: Appointed President and Representative director at the Company. April 2014: Appointed Chairman and Director at the Company (his current position).</p>	<p>Board of Directors meetings attended: 17 of 17</p>
	<p>Having guided the company as its president for 20 years, Mr. Takamatsu brings a wealth of experience as well as a proven track record to the table. In his current position as chairman and director, he fulfills a range of roles as appropriate, including strengthening the foundation of the group's management in areas such as governance, deciding important issues, and overseeing execution of business operations. In addition, he has worked tirelessly to revitalize the local communities in which the company does business by orchestrating its community service activities over many years. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.</p>	


Nomination of Directors

▶ Director candidates who will be put before the 46th annual shareholders meeting

Name	Profile (top) and reason for nomination (bottom)	
 <p>Reappointment</p> <p>Currently: Director, Executive Officer Naoki Tonokatsu Executive Officer and General Manager, Finance Department</p> <p>(Date of birth: November 4, 1963)</p> <p>Company shares owned: 3,100</p>	<p>March 1986: Joined the Company. January 2011: Appointed General Manager of the Financial Affairs Department. March 2013: Appointed Executive Officer and Division Director of the Administrative Division. January 2014: Appointed Executive Officer and Division Director of the Finance Division. January 2017: Appointed Executive Officer and General Manager of the Finance Department (his current position). Appointed Director, Executive Officer, and Division Director of the Finance Division at the Company., (his current position). April 2017: Appointed Director, Executive Officer, and Division Director of the Finance Division (his current position).</p>	<p>Board of Directors meetings attended: 17 of 17</p>
 <p>Reappointment</p> <p>Currently: Director, Executive Officer Naoyuki Nishiyama Executive Officer and General Manager, Corporate Strategy Department</p> <p>(Date of birth: July 30, 1965)</p> <p>Company shares owned: 200</p>	<p>March 1988: Joined the company. January 2014: Appointed General Manager of the Corporate Strategy Department. February 2014: Appointed General Manager of the Corporate Strategy Department and General Manager of the International Business Department. March 2015: Appointed Executive Officer, General Manager of the Corporate Strategy Department, and General Manager of the International Business Department. January 2016: Appointed Executive Officer, General Manager of the Corporate Strategy Department, and General Manager of the Strategic Investment Department. January 2017: Appointed Executive Officer and General Manager of the Corporate Strategy Department. April 2017: Appointed Director, Executive Officer, and General Manager of the Corporate Strategy Department (his current position).</p>	<p>Board of Directors meetings attended: 17 of 17</p>
	<p>Mr. Nishiyama has broad experience and a proven track record across a wide range of operational areas encompassing the company's overall management, including corporate strategy, strategic investment, and international business. Currently, he offers key leadership to group companies as an executive officer and general manager of the Corporate Strategy Department, in which capacity he is working to develop new businesses and boost profitability. He was identified as a director candidate based on this track record.</p>	


Nomination of Directors

▶ Director candidates who will be put before the 46th annual shareholders meeting

Name	Profile (top) and reason for nomination (bottom)	
 <p>Reappointment</p> <p>Independent</p> <p>Outside</p> <p>Currently: External director Shinji Mori</p> <p>(Date of birth: May 22, 1946) Company shares owned: 100</p>	<p>April 1972: Joined the Supreme Court Legal Training and Research Institute.</p> <p>April 1974: Appointed to serve as a judge on the Yokohama District Court.</p> <p>April 1986: Became a judge on the Kyoto District Court.</p> <p>April 1989: Registered as a member of the Osaka Bar Association.</p> <p>May 1989: Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.)</p> <p>April 2001: Appointed External Auditor of the Company.</p> <p>September 2003: Senior Partner, Chuo Sogo Law Office, P. C. (incumbent)</p> <p>April 2014: Appointed External Director of the Company (his current position).</p>	<p>Board of Directors meetings attended: 17 of 17</p>
	<p>Mr. Mori has extensive experience and an advanced level of specialized knowledge as an attorney, and he has served the company for 13 years as an external auditor and for 7 years as an external director. He has taken advantage of that experience to play an appropriate role in further strengthening the oversight function of the Board of Directors by offering advice and suggestions as to the company's management from an independent perspective. Based on this proven track record, he has been put forward as a candidate for continued service as an external director on the Board of Directors. Based on this proven track record, he has been put forward as a candidate for continued service as an external director on the Board of Directors.</p> <p>While Mr. Mori has not participated in corporate management except as an external director at the company and other companies, it has been determined that he can effectively fulfill the responsibilities of the position of external director for the reasons offered above.</p>	


Nomination of Directors

▶ Director candidates who will be put before the 46th annual shareholders meeting

Name	Profile (top) and reason for nomination (bottom)	
<div data-bbox="94 419 324 694"></div> <div data-bbox="349 382 589 432">Reappointment</div> <div data-bbox="349 458 589 508">Independent</div> <div data-bbox="349 529 589 586">Outside</div> <p>Currently: External director Masataka Inoue</p> <p>(Date of birth: October 12, 1954)</p> <p>Company shares owned: None</p>	<p>April 1978: Joined Nakano Sumise Co., Ltd.</p> <p>July 2005: Appointed Director at Mizkan Holdings Co., Ltd.</p> <p>May 2007: Appointed Managing Director at Mizkan Holdings Co., Ltd.</p> <p>October 2009: Appointed Standing Auditor at Mizkan Holdings Co., Ltd.</p> <p>March 2011: Appointed Divisional manager in charge of the Management Auditing Office at Mizkan Holdings Co., Ltd.</p> <p>March 2014: Appointed Divisional Manager in charge of the Business Planning Division at Mizkan Holdings Co., Ltd.</p> <p>March 2016: Retired from Mizkan Holdings Co., Ltd.</p> <p>April 2016: Appointed External Director of the Company (his current position).</p>	<p>Board of Directors meetings attended: 17 of 17</p>
	<p>Mr. Inoue has a wealth of knowledge and experience in the food industry. He has taken advantage of his experience in business development through overseas M&As and his experience auditing overseas subsidiaries to play an appropriate role in further strengthening the functions of the Board of Directors by offering advice and suggestions as to the company's management from an independent perspective concerning such issues as accelerating the development of the company's business overseas and expanding its business domain. Based on this proven track record, he has been put forward as a candidate for service as an external director on the Board of Directors.</p>	

Nomination of Directors

▶ Director candidates who will be put before the 46th annual shareholders meeting

Name	Profile (top) and reason for nomination (bottom)	
 <p>New</p> <p>Independent</p> <p>Outside</p> <p>Michiaki Kurihara</p> <p>(Date of birth: October 1, 1953)</p> <p>Company shares owned: None</p>	<p>April 1982: Joined Fujisawa Pharmaceutical Co., Ltd., (currently Astellas Pharma Inc.).</p> <p>October 2004: Deputy Manager, Marketing Division, Fujisawa Pharmaceutical Co., Ltd.</p> <p>April 2006: Manager, Asia Business Planning Department, Business Strategy Division, Astellas Pharma Inc. (With concurrent service as President, Astellas Hong Kong; Representative, Astellas China; director, Astellas Korea; and Director, Astellas Thailand)</p> <p>April 2009: Manager, Marketing Promotion Department, Asia Division, Santen Pharmaceutical Co., Ltd.</p> <p>June 2010: Vice President and Director, Santen Pharmaceutical Korea Co., Ltd.</p> <p>November 2013: Joined IMS Japan Co, Ltd., (currently IQVIA Solutions Japan K.K.) Manager, Planning and Public Relations Department (current position)</p>	<p>Board of Directors meetings attended: None</p>
	<p>The Board of Directors has determined that Michiaki Kurihara can further strengthen its oversight function by offering advice and recommendations from an independent perspective concerning the company's development of its business overseas and the development of a second major source of revenue in the healthcare domain (both of which are key issues in the company's management) based on his extensive expertise and experience in the pharmaceutical industry, his experience in the domestic pharmaceutical business, and his managerial experience at an overseas subsidiary of a Japanese pharmaceutical manufacturer.</p>	

こころとからだに、
おいしいものを。



■ The Business Model of DyDo Group

こころとからだに、
おいしいものを。



DyDo Group History

(Billions of yen)

200

◆ Overseas expansion



• Acquisition of
Tarami Corporation

- Expansion of vending machine business within Moscow
- Entry into the Turkish and Malaysian markets

100



- Establishment of DyDo DRINCO, Inc. and launch of DyDo blend coffee

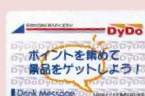


- HOT&COLD vending machine

- Launch of Demitasse Coffee



- Introduction of point card



- Introduction of talking vending machines with different dialects



- Launch of MIU



- Strengthening of the DyDo Blend brand



- Launch of the "DyDo Blend Supervised by the World's Top Barista" series



- Smile STAND

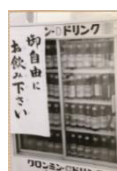


Beverage sales business spun off

- Start sales of drinkable preparations and canned coffee at gas station



- Establishment as household pharmaceutical distributor and start of manufacture of drinkable preparations



- Relocation of the plant to a new facility in Katsuragi, Nara Prefecture



- Full-scale involvement in OEM following relaxation of regulations for quasi-drugs



- Expansion of orders of beauty health drink



- Expansion of products sold in the Chinese market through a capital and operational alliance with TCI of Taiwan

*Envisioned sales

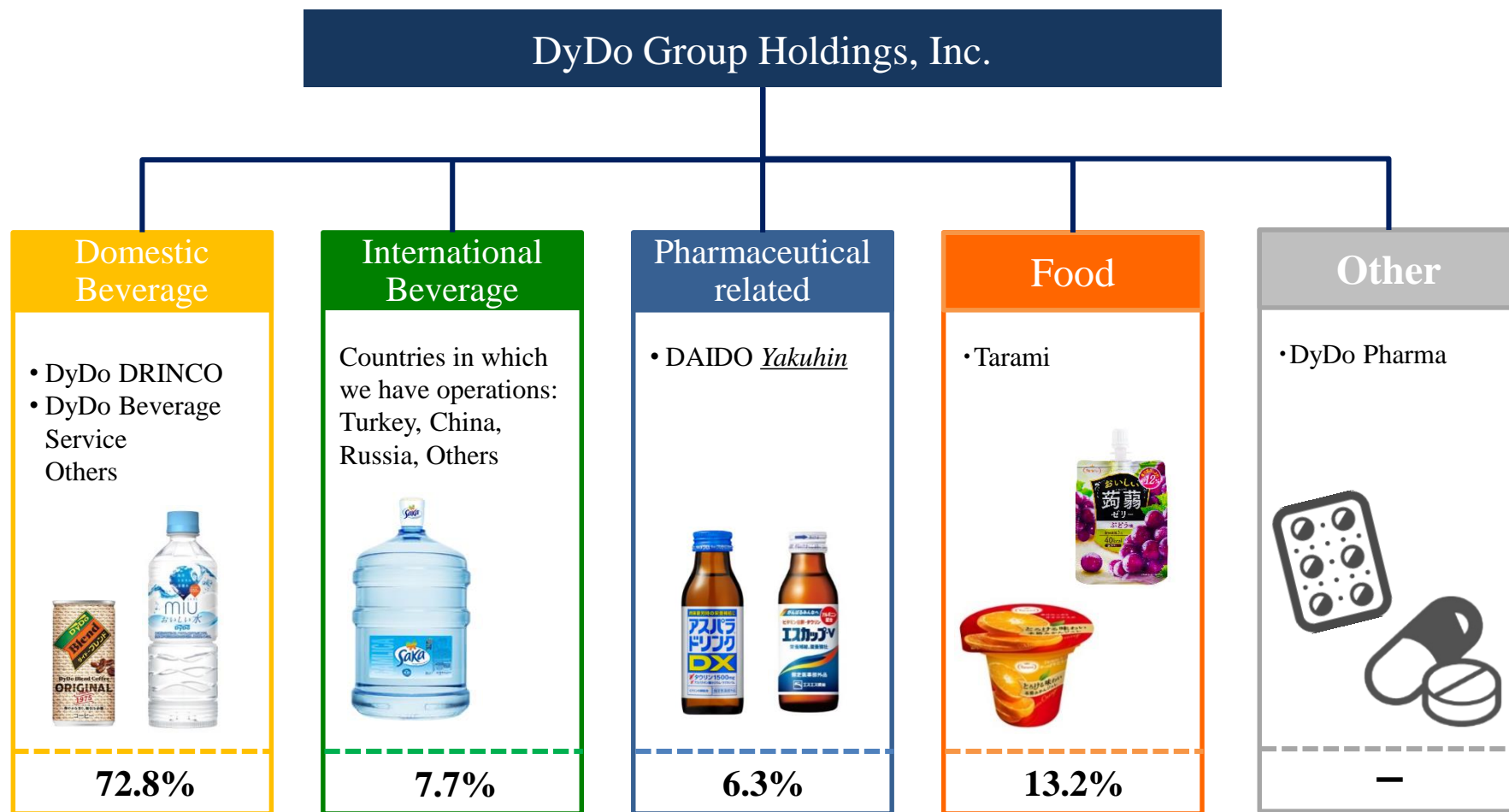
1950s

1970s

1990s

2010s

DyDo Group Business Segments



*Sales to external customers as a percentage of total net sales (FY2020 results)

Business Characteristics and Value Chain (Domestic Beverage Business)

Characteristic 1

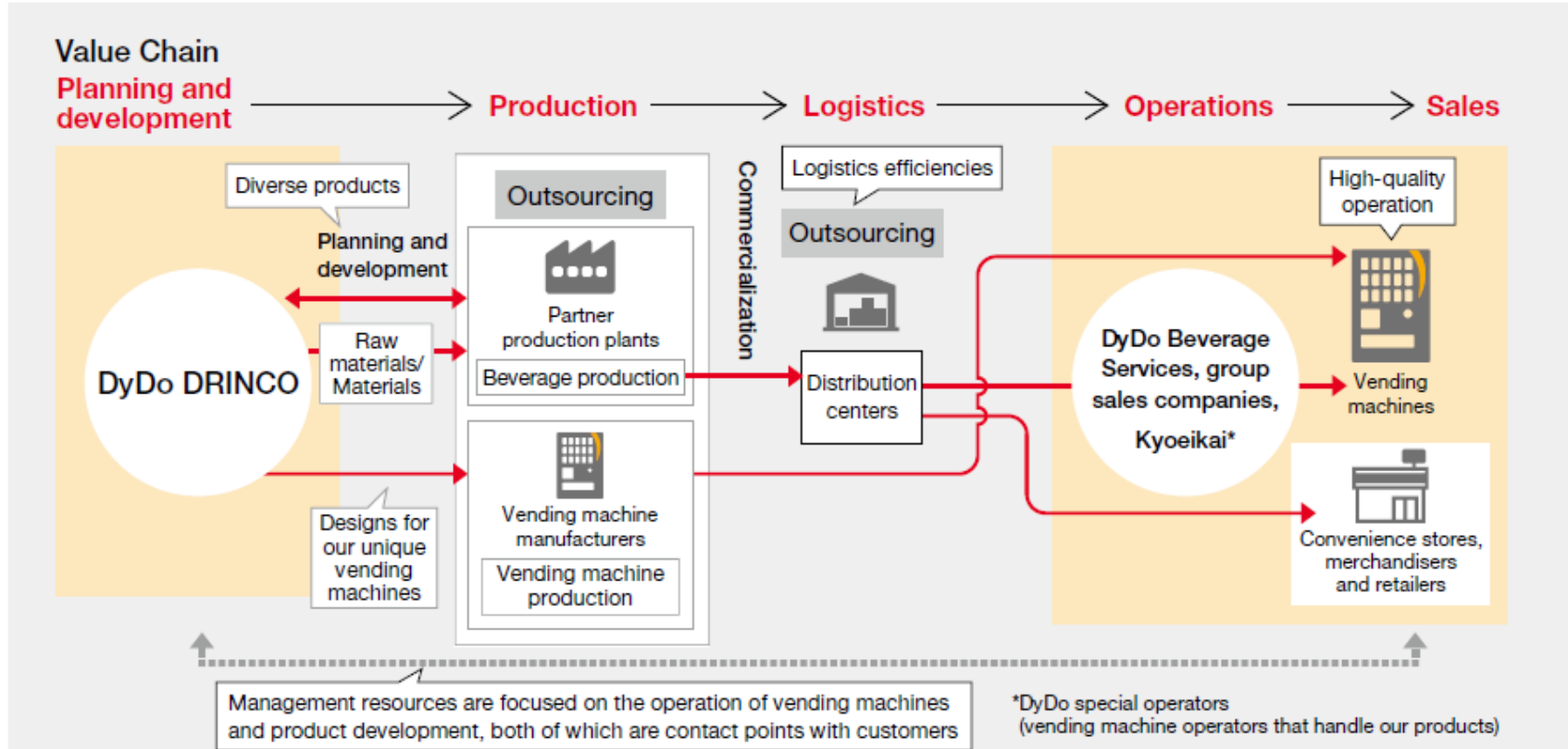
Business development from a retail perspective that sees vending machines as stores

Characteristic 2

One of the industry's leading vending machine networks that is operated directly by DyDo and by the Kyoeikai (an organization of DyDo vending machine operators)

Characteristic 3

Efficient operational structures based on fables management



Business Characteristics and Value Chain (International Beverage Business: Turkey)

Characteristic 1

Market growth potential against the backdrop of a large, young population

Characteristic 2

Brand strength stemming from its recognition as a domestic business in a market being entered by global manufacturers

Characteristic 3

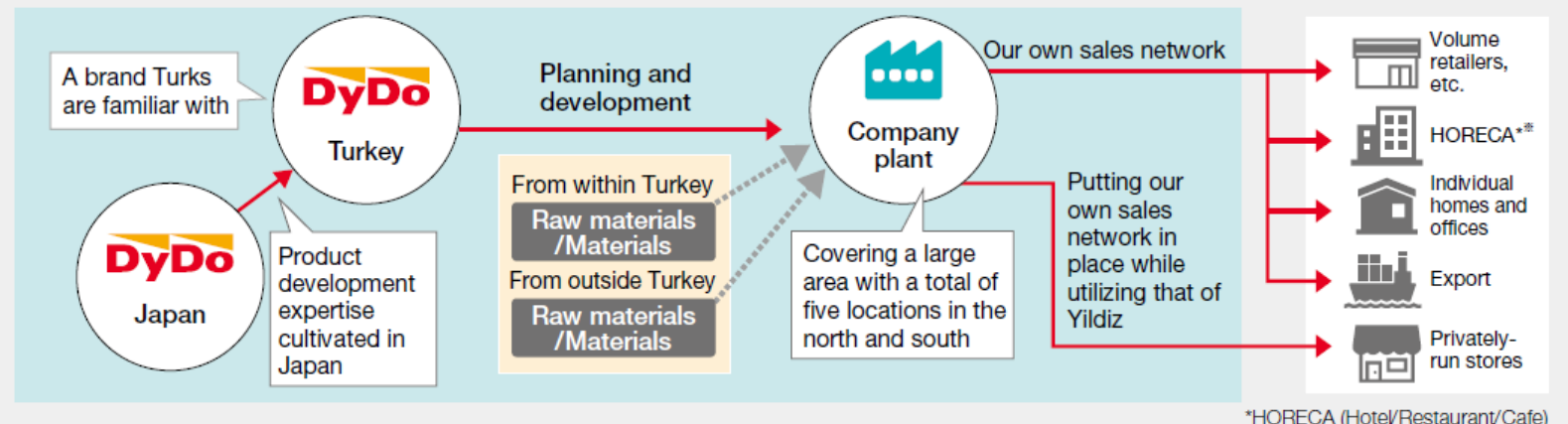
Both domestic and international growth potential against the backdrop of our high-quality water sources and manufacturing bases in Turkey



Saka, the mineral water brand driving growth in Turkey

Value Chain (Turkey)

Planning and development → Procurement → Production → Operations → Sales



Business Characteristics and Value Chain (Pharmaceutical-related Business)

Characteristic 1

Plants that are licensed to manufacture pharmaceuticals and quasi-drugs

Characteristic 2

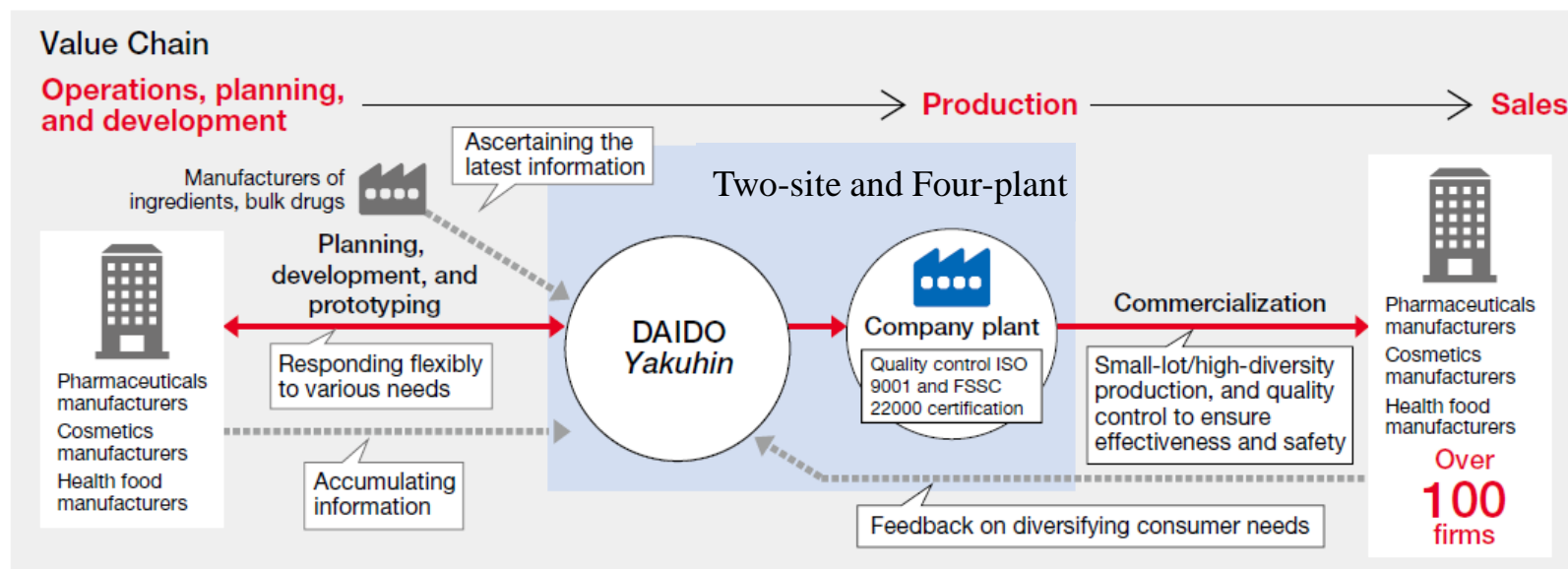
Customer base consisting of manufacturers of pharmaceuticals, cosmetics, and other products that we've built as a contract manufacturing business

Characteristic 3

Manufacturing capabilities needed to accommodate customer needs (drinks: 500 million per year; pouch-packaged products: 30 million pouches per year)



Types of containers manufactured by Daido yakuhin



Business Characteristics and Value Chain (Food Business)

Characteristic 1

Brand leadership in the industry thanks to a high growth rate

Characteristic 2

Advanced technology for manufacturing delicious jelly products

Characteristic 3

One of the world's largest manufacturing plants and an exceptional quality control system



Product development in line with a diverse range of needs, across the full range of price points (bargain to premium)

Value Chain

Planning and development → Procurement → Production → Operations → Sales

