



ESG Round Table

- Continue to lead the vending machine market -

DyDo Group Holdings, Inc.

(Prime Market of the Tokyo Stock Exchange: 2590)

October 19, 2022

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01 Efforts to achieve Group Mission 2030

The DyDo Group's purpose for existing



Offering delicious products for sound mind and body

DyDo Group Corporate 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.

DyDo Group Corporate Vision

Together with our customers.

With our high-quality products, we will offer our customers excitement and enhanced wellness, with distinctive delicious flavors that only DyDo can.

Together with the next generation.

We will create a "DyDo Standard" for the next generation that transcends national borders and conventional frameworks.

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 our people.

We will tirelessly embrace the "DyDo Challenge" of bringing happiness to all whose lives are touched by the DyDo Group.

DyDo Group Slogan

こころとからだに、
おいしいものを。



Offering delicious products
for sound mind and body

Formulated in January 2019 as an ideal of where, and what, we want to be in 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 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.

Group Mission 2030: 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

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

Environmental value

We will aim to make our vending machine business **carbon neutral by 2050** (for both direct emissions and through generating the electricity the machines use^{*1})

We will aim to make emissions (Scope 1 and 2) by the Domestic Beverage Business^{*2}

carbon neutral by 2030

We will aim to cut CO₂ emissions (Scope 1 and 2) for major Japanese group subsidiaries^{*3} **by half**^{*4} compared to 2020 levels by 2030

Economic value

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

Consolidated ROIC in FY2029

8% or higher

*Invested capital is the amount put into in the business segments

*1 CO₂ emissions produced by vending machines operated by DyDo Beverage Service (Scope 3)

*2 DyDo DRINCO, DyDo Beverage Service, and DyDo Business Service

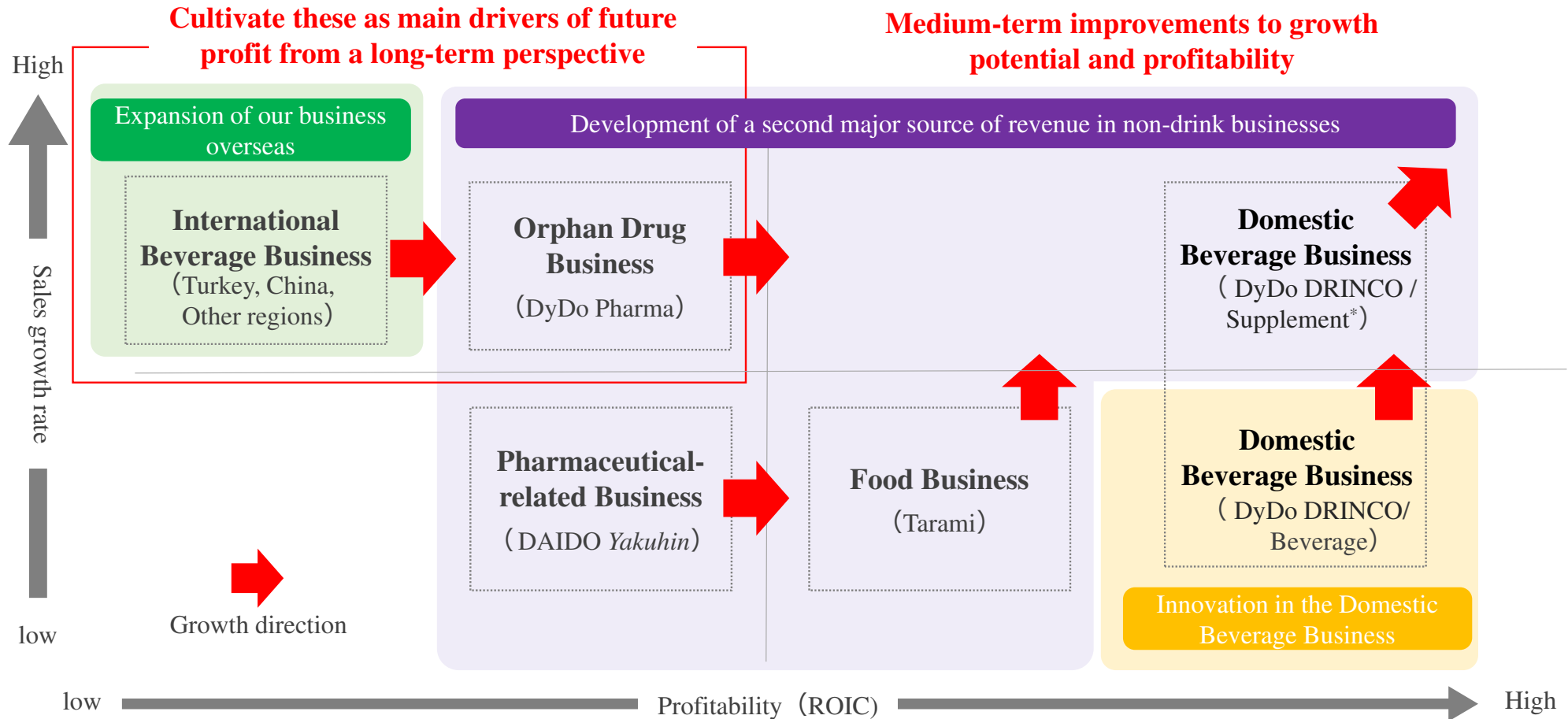
*3 DyDo DRINCO, DyDo Beverage Service, and DyDo Business Service, DAIDOYakuhin, TARAMI corporation

*4 Calculated by dividing the total emissions for relevant group companies by total sales

Business Portfolio



We are promoting a business portfolio strategy that will help us to get to where, and what, we want to be in 2030



* As home shopping sales of supplements are currently being developed by DyDo DRINCO, they belong to the Domestic Beverage Business segment for accounting purposes.

Designating Material Issues to Get to Where, and What, We Want to Be in 2030



DyDo Group Corporate 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.



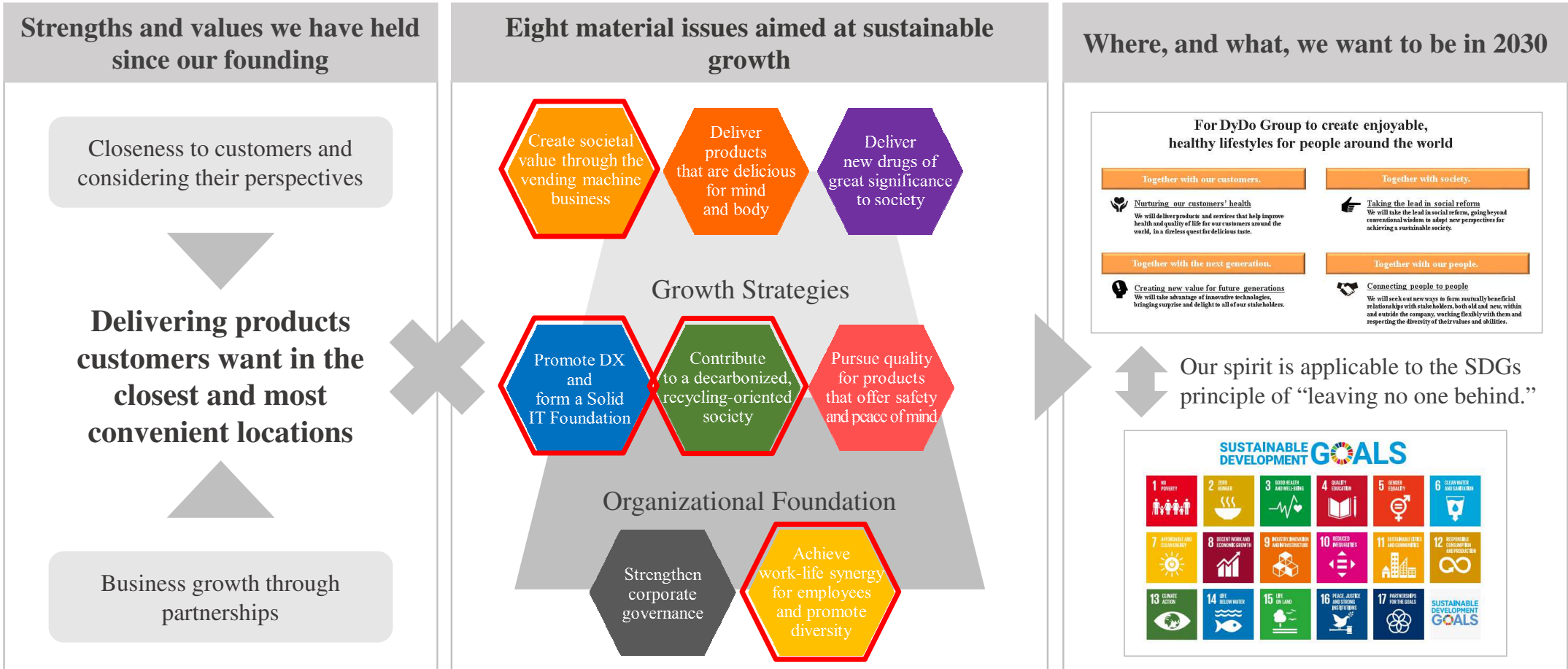
Designating Material Issues to Get to Where, and What, We Want to Be in 2030



DyDo Group Corporate 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.



We should deliver food and drink that is delicious for body and mind to create enjoyable, healthy lifestyles for people around the world

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

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

こころとからだに、
おいしいものを。



Offering delicious products
for sound mind and body

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

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

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

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

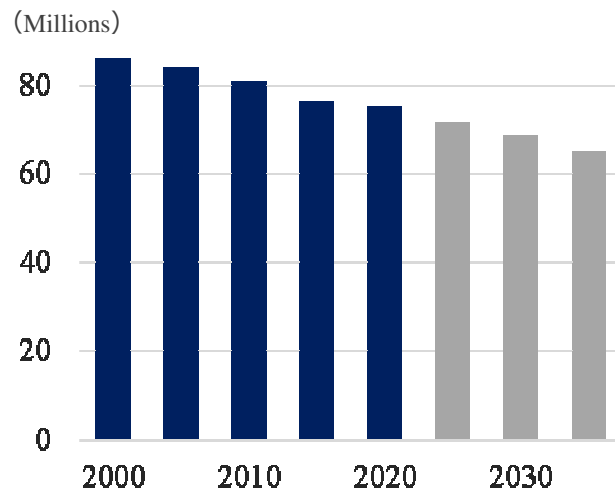


02 Aiming for the top runner in the vending machine market

It is inevitable for sustaining the vending machine business to address the decline in the workforce

Changes in the labor market

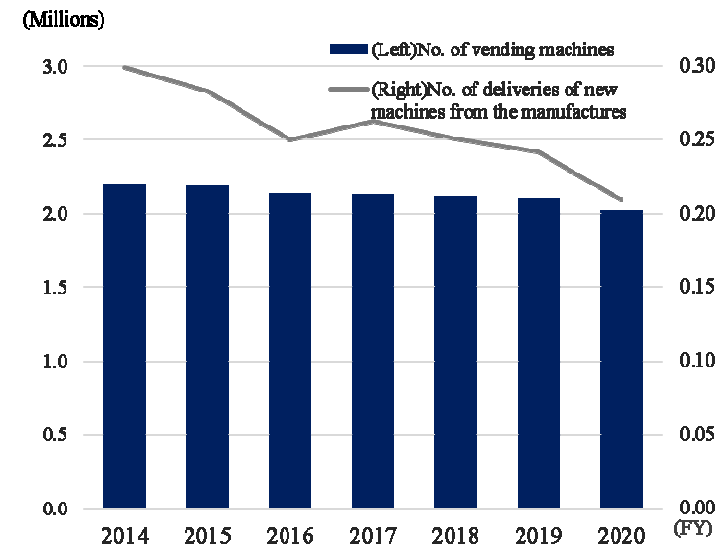
Trends in the working population in Japan



(Data taken from the Ministry of Internal Affairs and Communications' census data and the National Institute of Population and Social Security Research's Population Projection for Japan [estimated 2017], compiled by DyDo)

Trends in No. of vending machines

No. of vending machines and no. of deliveries of new machines from the manufactures



*Data taken from the Ministry of Economy, Trade and Industry's Yearbook of Current Production Statistics (Machinery Statistics) and from the Japan Vending System Manufacturers Association, compiled by DyDo

Efforts to gain an advantageous position in the vending machine market (1)



We will push customer-oriented sales and maximize quality (per machine sales) and quantity (No. of machines)

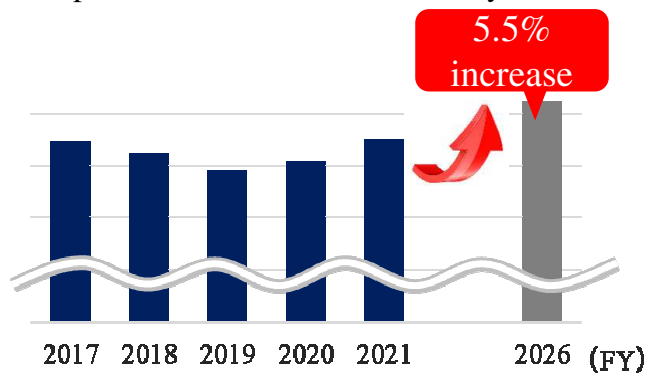
Initiatives to increase in the number of vending machines

- Expand activities to develop new installation location
 - Increasing in sales personnel
 - Strengthening Inside Sales
- Evolution of customer-oriented sales

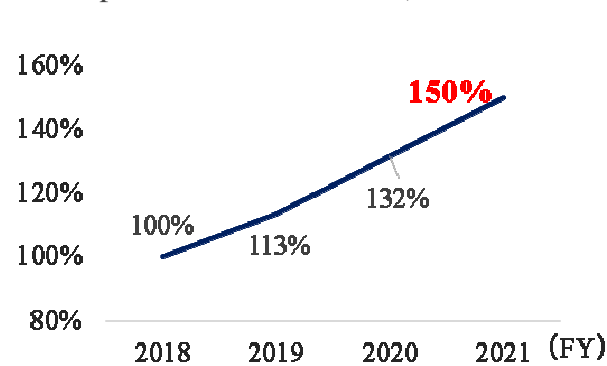
Initiatives to improve per machine sales

- Promote installations with potential for high per machine sales
- Optimize product lineups and selling price for each machine to maximize sales for each location

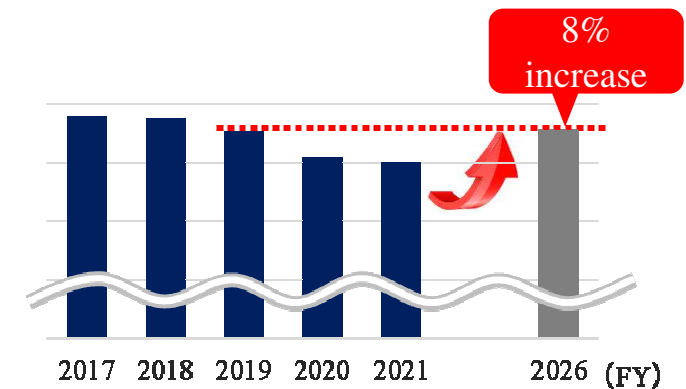
Trends in no. of DyDo machines in operation at the end of the fiscal year



Raise individual productivity (newly developed machines locations)



Trends in per machine sales



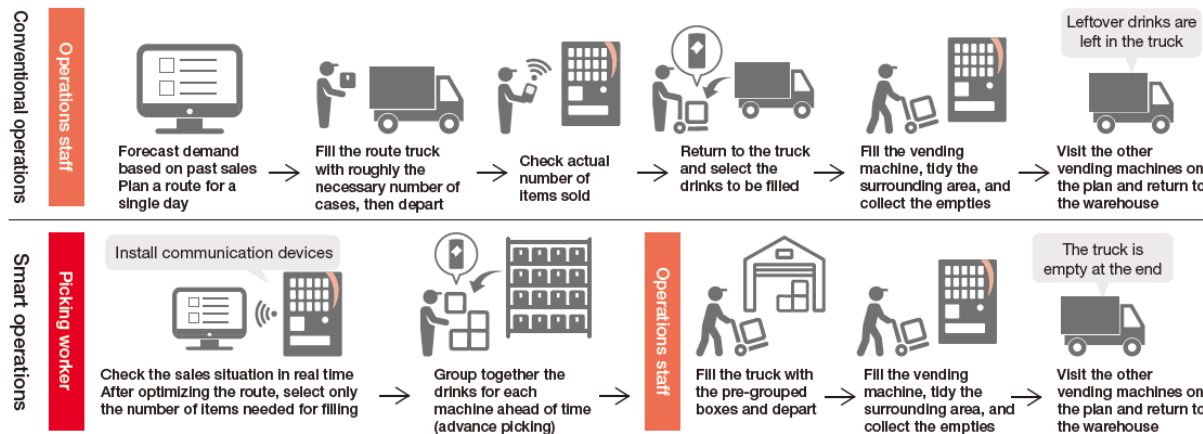
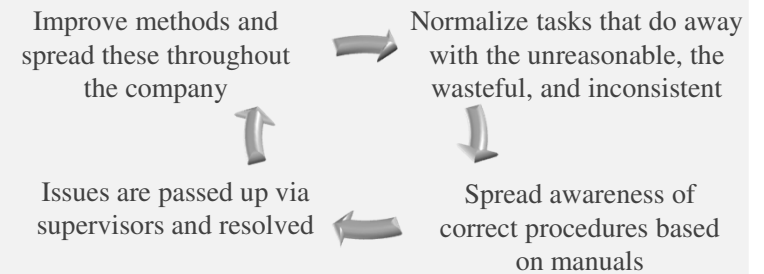
Efforts to gain an advantageous position in the vending machine market (2)



We have mostly completed our construction of a smart operations structure, and we will continue to constantly evolve it to meet the times and customers' needs

Initiatives to provide greater value using smart operations

- Roll-out to all direct sales (DyDo Beverage Service, Inc.) sites completed in May 2022
- Maximize sales using data gathered by connecting all machines to the internet
- Increase work efficiency and enable a variety of employees to engage in suitable work
- Make continuous improvements to optimize operations



Smart operations concept



Priority environmental targets for a recycling-oriented society



We established three priority environmental targets to help us make effective use of limited resources

Priority environmental targets for a recycling-oriented society

Priority goal



Empty-container collection rate
To achieve **100% by 2030**

Empty-container collection rate: collection implemented in collaboration with other companies is included
Calculation basis: weight of the relevant containers collected / weight of the relevant containers shipped
Relevant containers: plastic bottles, glass bottles, aluminum cans and steel cans

Priority goal



Our plastic containers sustainable*
We will make more than **60% by 2030**

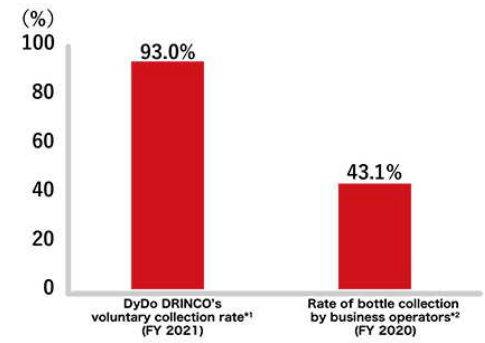
* plant-based or recycling based materials

Priority goal

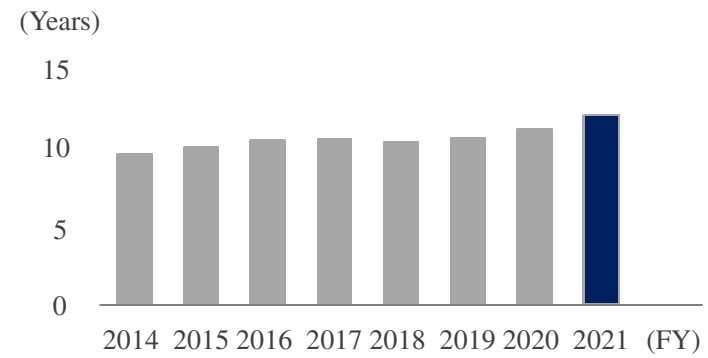


Service life extension of vending machines
To achieve an average service life of **15 years by 2030**

Empty-container collection rate




Average service life of vending machines



Follow the link or QR code below to see more about environmental considerations in the vending machine business

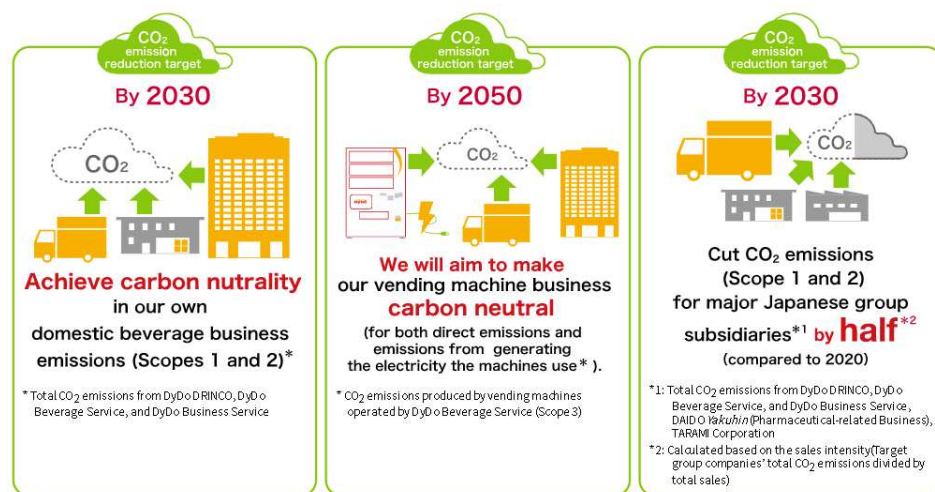
https://www.dydo-ghd.co.jp/en/sustainability/eco/vending_machine_business/



The Everyone Love the Earth Project Aims to Bring About a Decarbonized Society

We are promoting initiatives in conjunction with business partners in various aspects of the vending machine business to help decarbonize society

CO2 emission reduction target to contribute to decarbonizing society



* 1 CO₂ 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, and DyDo Business Service, DAIDO Yakuhin, TARAMI corporation

* 4 Calculated by dividing the total emissions for relevant group companies by total sales

Actual CO2 emissions (FY2021)

	Scope1	Scope2	Total	Scope3
Domestic Beverage Business	7,268 86.8%	1,379 109.0%	8,648 89.7%	94,890 97.4%
Pharmaceutical-related Business	8,058 106.0%		8,058 106.0%	97.4%
Food Business	8,199 104.7%		8,199 104.7%	
Total	24,904 99.3%		24,904 99.3%	94,890 97.4%

*Percentages are change from the base year

Actual CO2 emissions: the sales intensity (FY2021)

	Scope1	Scope2	Total	Scope3
Domestic Beverage Business	0.06 84.9%	0.01 106.7%	0.07 87.8%	0.80 97.4%
Pharmaceutical-related Business	0.72 98.3%		0.72 98.3%	
Food Business	0.39 103.4%		0.39 103.4%	
Total	0.17 96.9%		0.17 96.9%	0.80 97.4%

*Percentages are change from the base year

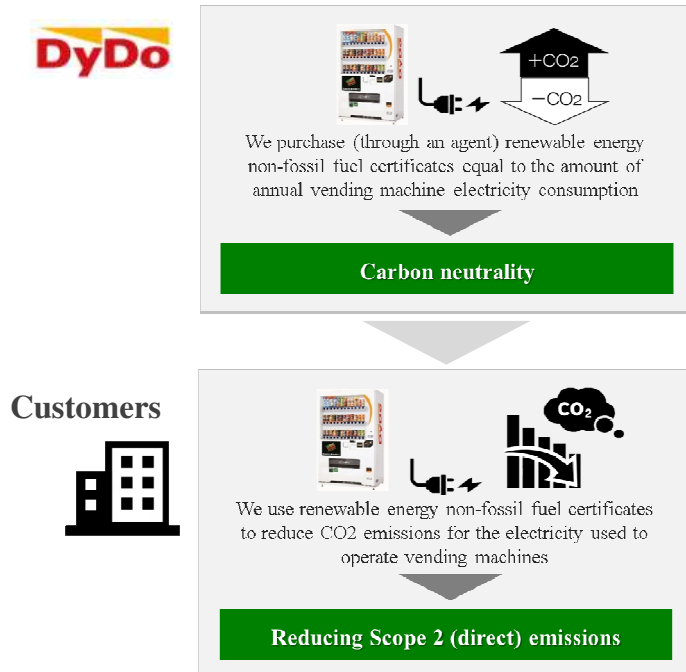
Start of Development for Love the Earth Vendors



Taking our carbon neutral measures to be a fundamental value, we are developing added-value that meets customer needs and allows us to start developing vending machines that can create a sustainable future with customers

Fundamental value

Using renewable energy non-fossil fuel certificates equal to the amount of annual vending machine electricity consumption, we will reduce CO2 emissions for vending machines during operation to virtually zero



Example of added-value

Forestry project will help to conserve regions' natural environments



Customers have expressed their desire for less plastic waste and in response we have expanded our line-up of aluminium bottle drink products



We developed six products in the Love the Earth series

Comprehensive Business Alliance Agreement for Vending Machine Business with Asahi Soft Drinks Co., Ltd.



We have decided to enter into a comprehensive business alliance agreement for vending machine business with the aim of growing and developing each vending machine business to improve the corporate values of both.

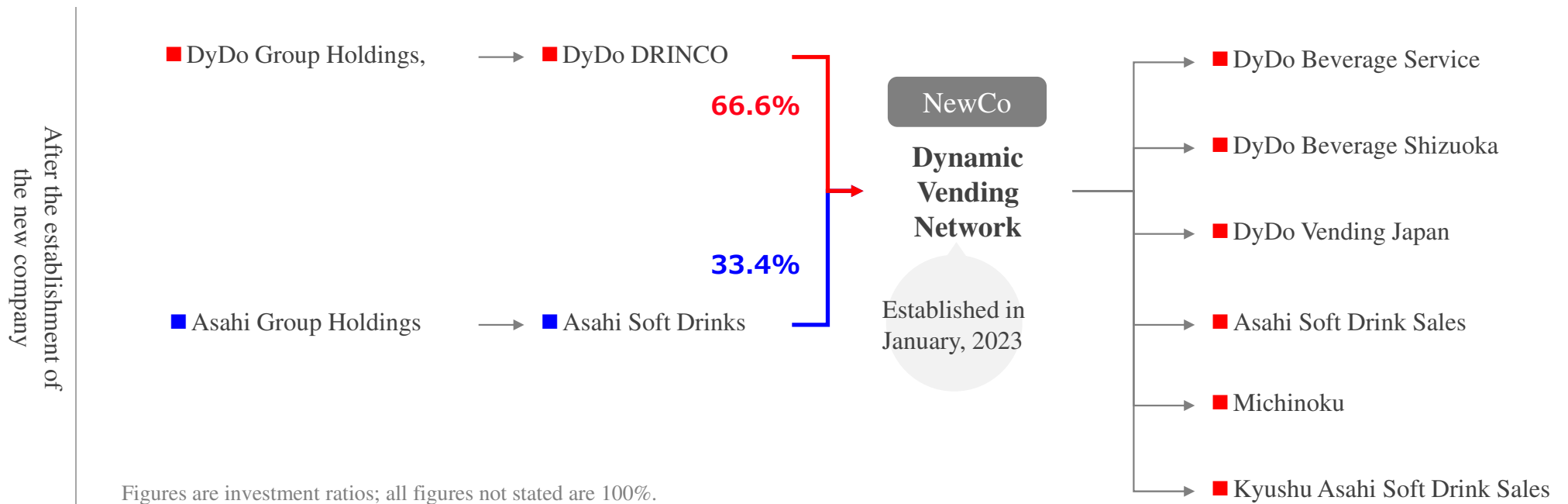
- Pursue operational synergies from the integration of direct sales channels
- Expansion of customer contact points through cross-selling of products
- Reduce costs by OEM strategy
- Reduce environmental impact through efficient resource recovery

Details of the Comprehensive Business Alliance (1)



Pursue operational synergies from the integration of direct sales channels

- Establishment of a new company to promote the integration of direct sales channels
- Deploy smart operations ,in which DyDo DRINKO has the know-how, to improve operational speed, quality control capabilities, and productivity
- Solving the challenges of future labor shortages and job security

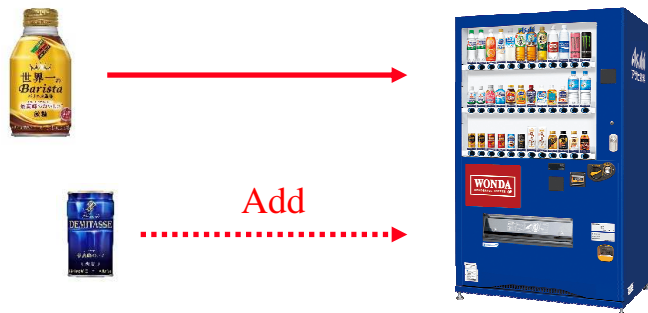
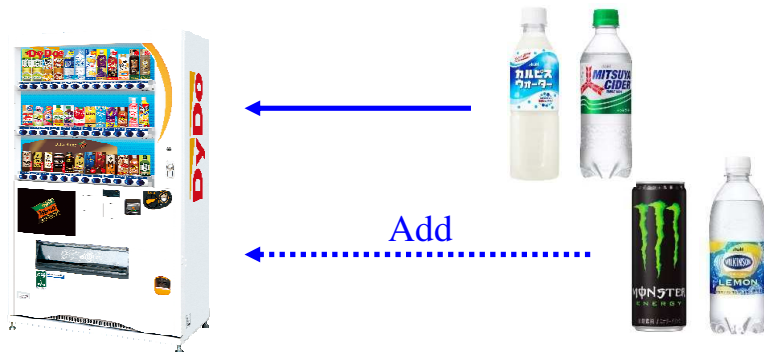


Details of the Comprehensive Business Alliance (2)



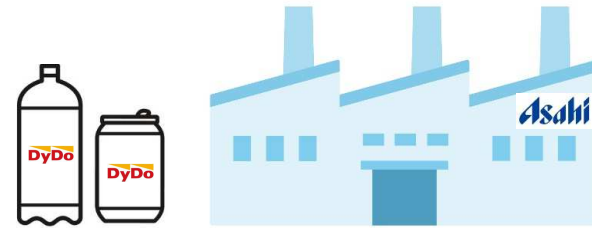
Expansion of customer contact points through cross-selling of products

- Cross-selling of products added from March 2023



Reduce costs by OEM strategy

- Outsourcing the manufacture of some of DyDo DRINCO brand products to Asahi Soft Drinks' plants around 2023 and beyond.



Reduce environmental impact through efficient resource recovery

- We will commit to efficient resource recovery and to solve social issues such as improving the horizontal recycling rate of PET bottles with the aim of reducing environmental impact.



Aims of the Business Alliance



We will ensure a firm competitive advantage in the vending machine market through further evolution of vending machine operations

Where, and what, we want to be

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

Initiatives aimed at achieving the goal of Mid-term Business Plan 2026

Enhance and expand vending machine network by promoting its customer-oriented sales



Further advancement of its smart operations*² by using cutting-edge technologies



Pursuing efficient and high-quality operations



Leveraging economies of scale through partnership with Asahi Soft Drinks



Offering values to its customers through its vending machines, which are our “store”



Expand the value we offer

*1 From FY2022 to FY2026

*2 A term coined by our company to describe a new productive workflow based on a drastic improvement of the operations