

March 31, 2021

Company: DyDo Group Holdings, Inc.
Representative: Tomiya Takamatsu, President
(Code 2590 on the First Section of the Tokyo Stock Exchange)
Inquiries: Naokazu Hasegawa, Executive officer and Director of
Corporate Communications Division
Phone number: 06-7166-0077

Notice of Acquisition of Additional Shares to Realize Full Ownership of Subsidiaries

The Board of Directors of DyDo Group Holdings has resolved to acquire additional shares of two beverage manufacturers in Turkey (Della Gıda Sanayi ve Ticaret A.Ş. and Bahar Su Sanayi ve Ticaret A.Ş., which are currently consolidated subsidiaries of the company), increasing its ownership stake to 100 percent.

1. Reason for purchases of additional shares

We entered the Turkish market by acquiring a 90% stake in a beverage manufacturing subsidiary of Yildiz Holding A.Ş. (“Yildiz”), a major food group in Turkey, in February 2016, after which a sales and marketing company established as that company’s subsidiary, DyDo DRINCO TURKEY İçecek Satış ve Pazarlama A.Ş., entered into an employment contract with the employees of Yildiz’s beverage sales department and took over the company’s contracts and other agreements with major distributors.

The Turkish beverage business has grown steadily around Saka brand mineral water since becoming part of the Group in 2016. While the short-term impact on performance of the recent COVID-19 pandemic and abrupt fluctuations in the value of the Turkish lira dictates caution, we believe that the Turkish beverage market has high growth potential due to a young population whose growing interest in healthy living promises to help fuel the segment’s expansion over the medium and long term.

By acquiring additional shares in these two beverage manufacturing subsidiaries from Yildiz under a 2016 shareholder agreement to increase our ownership stake to 100 percent, we will look to strengthen the Group’s management structures in preparation for additional growth in our overseas businesses.

2. Overview of subsidiaries whose shares will be acquired

(1) Overview of Della Gıda Sanayi ve Ticaret A.Ş.

(1) Name	Della Gıda Sanayi ve Ticaret A.Ş.		
(2) Head office	Istanbul, Republic of Turkey		
(3) Representative	CEO Naoi Kagawa		
(4) Business	Manufacture of carbonated soft drinks and bottled mineral water, etc.		
(5) Capital	TRY 690,000,000		
(6) Date of establishment	June 6, 2001 (date of acquisition of shares: February 3, 2016)		
(7) Major shareholders and respective shares	DyDo Group Holdings, Inc. (90%), Yıldız Holding (10%)		
(8) Relationships with publicly traded companies	Capital relationships	DyDo Group Holdings owns 90% of Della Gıda Sanayi ve Ticaret’s shares.	
	Personal relationships	Two DyDo Group Holdings directors also serve as Della Gıda Sanayi ve Ticaret directors.	
	Business transactions	There are no business transactions between DyDo Group Holdings and Della Gıda Sanayi ve Ticaret requiring disclosure.	
Business results and financial position			
Unit: Millions of JPY			
Fiscal year ended	January 2018	January 2019	January 2020
Net assets	6,267	5,825	4,899
Total assets	11,349	11,168	8,894
Net assets per share	0.10 yen	0.09 yen	0.07 yen
Exchange Rate(End of the period)	20.96 yen	18.41 yen	14.01 yen
Sales	15,379	14,441	11,066
Operating loss	195	782	687
Net loss	127	899900	515
Net loss per share (JPY)	0.00 yen	0.01 yen	0.01 yen
Exchange Rate(Average of the period)	23.41 yen	19.26 yen	15.18 yen

Note: The business results and financial position data noted above includes three of DyDo Holdings' consolidated subsidiaries in addition to Bahar Su Sanayi ve Ticaret A.Ş.

(2) Overview of Bahar Su Sanayi ve Ticaret A.Ş.

(1) Name	Bahar Su Sanayi ve Ticaret A.Ş.	
(2) Head office	Istanbul, Republic of Turkey	
(3) Representative	CEO Naoi Kagawa	
(4) Business	Manufacture of bottled sparkling mineral water	
(5) Capital	TRY 37,000,000	
(6) Date of establishment	November 25, 1998 (date of acquisition of shares: February 3, 2016)	
(7) Major shareholders and respective shares	DyDo Group Holdings, Inc. (90%), Yıldız Holding (10%)	
(8) Relationships with publicly traded companies	Capital relationships	DyDo Group Holdings owns 90% of Bahar Su Sanayi ve Ticaret's shares.
	Personal relationships	Two DyDo Group Holdings directors also serve as Bahar Su Sanayi ve Ticaret directors.
	Business transactions	There are no business transactions between DyDo Group Holdings and Bahar Su Sanayi ve Ticaret requiring disclosure.

3. Overview of counterparty in share purchase

(1) Name	Yıldız Holding A.Ş.	
(2) Head office	Istanbul, Republic of Turkey	
(3) Representative	Chairman Ali Ülker	
(4) Business	Manufacture, sale, and distribution of food products, sweets, and daily necessities	
(5) Relationships with publicly traded companies	Capital relationships	There are no capital relationships between DyDo Group Holdings and Yildiz Holding requiring disclosure.
	Personal relationships	There are no personal relationships between DyDo Group Holdings and Yildiz Holding requiring disclosure.
	Business transactions	There are no business transactions between DyDo Group Holdings and Yildiz Holding requiring disclosure.
	Applicability of related parties	There are no capital relationships, personal relationships, or business transactions between officials or affiliates of DyDo Group Holdings and officials or affiliates of Yildiz Holding requiring disclosure.

4. Number of shares to be purchased, number of shares held before and after purchase, and amount of purchase

	Della Gıda Sanayi ve Ticaret A.Ş.	Bahar Su Sanayi ve Ticaret A.Ş.
(1) Number of shares held before purchase	61,996,500,000 shares (Percentage of voting rights: 90%)	3,377,340,000 shares (Percentage of voting rights: 90%)
(2) Number of shares to be purchased	6,888,500,000 shares	375,260,000 shares
(3) Number of shares held after purchase	68,885,000,000 shares (Percentage of voting rights: 100%)	3,752,600,000 shares (Percentage of voting rights: 100%)
(4) Value of acquired shares	About TRY 84 million (about JPY 1.1 billion yen)	

Note: Value of acquired shares was calculated based on a shareholder agreement and was determined after discussions with Yildiz while referring to the rational value calculation by a third party.

5. Dates of importance

(1) Resolution of the DyDo Group Holdings Board of Directors	March 31, 2021
(2) Entry into purchase agreement for additional shares	March 31, 2021
(3) Finalization of purchase of additional shares	Early April, 2021 (tentative)

6. Outlook

The impact of the share acquisition described in this release on the company's consolidated performance during the fiscal year ending January 2022 is expected to be minor.