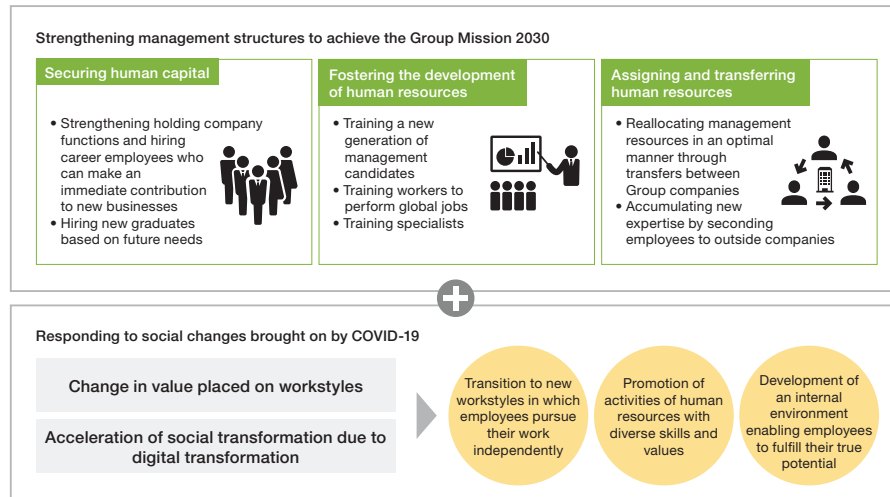


## Efforts to Achieve Sustainable Growth in Response to Changes in Society

In order to realize the vision we set out in our Group Mission 2030, we aim to achieve sustainable growth while responding flexibly to developments in the business environment caused by changes in society and other factors. In order to achieve this goal, we believe that we need to create innovation that will provide new value while meeting the needs of our customers and society. In this section, we introduce some of the themes that we are focusing on to create innovation in our business, especially the initiatives of DyDo DRINCO, which is responsible for the Domestic Beverage Business. These include our human resources strategy to support responses to changes in the business environment, reforms in the vending machine business in response to changes in society, and the initiatives we have been taking to help achieve a sustainable society.

### TOPIC 1 Human Resources Strategy to Support Responses to Changes in the Business Environment

We recognize that, in order to respond flexibly to changes in the business environment and bring growth to our businesses, it is vital for us to secure and foster diverse human resources, and to improve our internal environment.



### Main Initiatives under the Human Resources Strategy

#### Transition to new workstyles based on telework

From June 1, 2020, DyDo DRINCO made a company-wide shift to new workstyles based on telework with the aim of improving productivity and realizing work-life synergy. Based on the experiences and challenges we have faced with telecommuting, which we implemented in response to the emergency declaration issued to combat the COVID-19 pandemic, we have put in place a system designed to revitalize our organization. Under this system, all employees will continue to work remotely while coming to the office for a certain number of days to engage in direct

communication with their colleagues. In the case of sales activities, we have adopted a flexible work system that allows employees to go directly home or make use of flextime. In addition to building good relationships with business partners through conventional face-to-face negotiations, we are promoting negotiations utilizing telephone and web-based meetings as new sales styles, with the aim of dramatically improving productivity through efficient sales activities that integrate real and digital sales.

#### Introduction of a second job system for employees/system for accepting second job workers

In today's business environment, in which each and every human resource is required to possess an increasingly sophisticated skillset, the acquisition of professional human resources is a major issue. In order to promote recent business strategies such as product branding, overseas expansion, and M&A, we have been actively stepping up recruitment of a diverse range of human resources, including highly specialized career employees, foreign nationals, and recent female graduates. In September, 2020, we

introduced a second job system that allows our employees, mainly at DyDo DRINCO, to engage in work at other companies. At the same time, we began accepting second job workers from outside the company. In addition to responding to the diversification of values regarding workstyles, we are promoting initiatives to secure and foster autonomous professional human resources with diverse knowledge, values, and skills that will lead to the creation of innovation.

#### The DyDo Challenge Award

Since fiscal 2017, DyDo DRINCO has been holding the DyDo Challenge Award as a scheme for each employee to exemplify the Group's philosophy. There are two categories in this award system: The DyDo Challenge Award recognizes efforts during the preceding year that contributed significantly to corporate value, while the DyDo Challenge Idea Award is presented to ideas submitted by employees that have been selected for implementation during or after the next fiscal year, based on voting by the employees themselves. In fiscal 2020, the Dynamic Challenge Award—the most prestigious of the DyDo Challenge Awards—was given to a project team that launched canned coffee products in collaboration with the TV anime *Demon Slayer*

(*Kimetsu no Yaiba*). This initiative, by encouraging organic cooperation between various related departments, saw a maximization of sales promotion effectiveness and achieved distribution that saw no shortages of supply, resulting in a significant contribution to sales and profits. We believe that this is thanks to our efforts to foster a corporate culture that inspires employees to take on new challenges by encouraging them to bring new ideas to fruition, and by fostering collaboration among multiple departments. We will continue to promote this scheme as a means not only of celebrating the achievements of participating employees, but also to motivate other employees to take up their own challenges.

#### Development of an internal environment enabling employees to fulfill their potential

In fiscal 2019, DyDo DRINCO established the DyDo Group Health Declaration to strengthen its health management promotion system and develop various initiatives that contribute to health management, including support for smoking cessation, subsidies for various voluntary health checkups, and health literacy education. In March 2020, DyDo DRINCO was granted certification under the Ministry of Economy, Trade and Industry's Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category). In addition, we have been conducting the Engagement Survey (diagnosis of organizational vitality) since fiscal 2020 in order to create an environment in which

each and every employee can enjoy good health, both physical and mental, and demonstrate their abilities while responding to social changes brought on by COVID-19. We will seek to gain an accurate grasp of the status of each department amid these various changes, and incorporate this information into the creation of measures and systems to provide employees with a better environment, including workstyles and evaluation systems.



#### Comments from managers and employees on new ways of working

Yuko Mano  
Manager  
Human Resources Group  
Human Resources &  
General Affairs Department  
DyDo DRINCO, INC.



When we launched a company-wide telework program as an emergency response to the COVID-19 pandemic, we received a positive reaction from many employees, and saw the potential for increased productivity. So, we decided to systematize new workstyles based on telework and mobile work. We will continue to work together with our employees to create better ways of working for all.

Haruna Shuto  
Leader  
Brand Strategy Group  
Marketing Department  
DyDo DRINCO, INC.



As a parent of a small child, balancing work and childcare is a major issue for me, but teleworking has helped me to secure time to drop off and pick up my child and do housework while I work. As telework has become more widespread throughout the company, I feel that productivity is gradually improving in terms of work procedures and communication efficiency. I have heard people around me say that they have more time to spend with their families. I would like to continue to lead a fulfilling personal life while also making new achievements in my work.

**TOPIC 2** Reforms in the Vending Machine Business in Response to Changes in Society

The domestic beverage market is unlikely to see significant growth in the medium to long term due to Japan's declining birth rate and aging population, which will only get worse. In addition, the vending machine business is facing a shortage of operations staff because of a decrease in the productive population, which is a major challenge for the growth of the market. What is more, social changes triggered by the COVID-19 pandemic have had a major impact on economic activities and consumer behavior, and the vending machine business will be required to respond to new needs.

DyDo DRINCO, which is responsible for the Domestic Beverage Business, is working to respond to these changes in the market environment and promptly provide new value by promoting vending machine development and sales activities adapted to changes in society, creating a more efficient vending machine operation system, and providing added value through new partnerships.

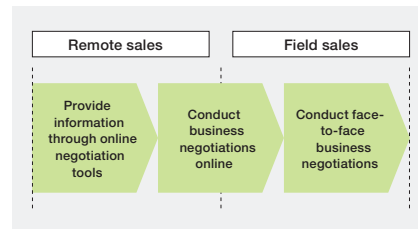
**Promotion of Vending Machine Development and Sales Activities in Response to Changes in Society**

The vending machine business continues to be saturated. In order to maintain and expand the number of machines installed, we need to respond to changes in the market environment and establish a new style of sales activities that is not bound by

conventional thinking. To achieve this, we are reinforcing our sales system to enable us to properly grasp customer needs and promptly make proposals.

**Establishment of an remote sales team**

The changes in economic activities resulting from the COVID-19 pandemic have brought about major changes in the development and sales of vending machines. The spread of telework has led to a decrease in opportunities for face-to-face business meetings, and the fact that more meetings are now being held online has created a need for business development based on new ways of working. DyDo DRINCO has strengthened its sales roots by taking steps such as providing more information related to vending machines on its website, and has launched a sales team specializing in remote sales that is based on online business meetings and other means. We aim to maximize the effectiveness of our sales by working closely with our field sales representatives who visit customers.



**Promotion of sales of products intended to solve specific issues**

In order to bring growth to the vending machine business in an environment of fierce competition, we need to properly identify customer needs arising as a result of changes in society, and promptly respond to them. In the development and sales of vending machines, we are working on sales of products intended to solve specific issues, in which we look into the problems facing location owners who install vending machines, and propose comprehensive solutions including vending machines and beverages. In the case of locations where specific customers use our machines, such as offices and factories, we are able to meet the needs of our business partners by providing vending machines that add value other than the supply of beverages, such as supporting employee health and stimulating communication, thereby achieving long-term installation without merely descending into a price war. For us, the major changes in society brought on by the COVID-19 pandemic are an opportunity to strengthen sales of products intended to solve specific issues.

**Manager's comments**

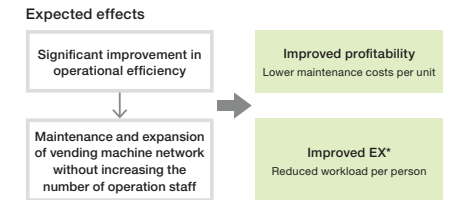
Kotaro Kodaka  
Senior Manager  
Vending Machine Strategy Group  
Vending Machine Sales &  
Planning Department  
DyDo DRINCO, INC.



In order that customers continue to choose DyDo's vending machines, we need to further evolve solution-focused sales that solve the location owners' specific issues. To achieve this, we believe it is important to properly understand the issues and needs of our business partners and propose a variety of solutions tailored to their needs. We are working to build a sales system that enables all sales representatives to make effective proposals by holding regular study sessions to understand social trends and building an internal network to share best practices from across the country, while at the same time working to improve the quality and quantity of our communication through the use of online tools and online business negotiations during the COVID-19 pandemic.

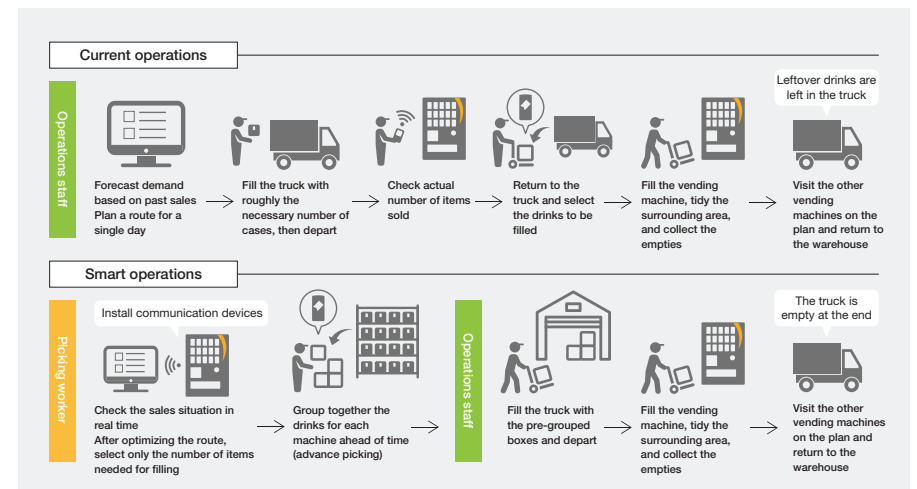
**Building a Smart Operation Structure in the Vending Machine Business**

In our post-installation work, we are improving efficiency through the establishment of smart operations, aiming to reduce workloads and improve productivity by fundamentally reforming the work structure itself through the use of IoT technology and division of labor. The Domestic Beverage Business is experiencing a severe shortage of labor. In rural areas, we face the prospect of difficulty in securing route staff who are responsible for operations such as refilling vending machines with beverages and replacing seasonal products. Even in such a social environment, we will build a system to maintain the quality of vending machine operations and achieve sustainable growth in the vending machine business.



\*EX (Employee Experience): The value of all experiences that employees gain through working. This concept encompasses not only employee satisfaction, compensation, and skill development, but also the impact of all factors, including employee health and work style.

**Smart operation workflow**



**Smart operation deployment process**

Promoted company-wide deployment in direct sales (DyDo Beverage Service) to establish a competitive advantage.

- By FY2020**
  - Switched all units to online at the test sales office, and carried out test verification including the movement of people
  - Established a workflow for company-wide deployment through repeated verification
- Response to COVID-19**
  - Decided to revamp core systems
  - Decided to expand company-wide through direct sales
- By FY2022**
  - Deployment in all units operated by DyDo Beverage Service

Providing New Value through Partnerships

Society as a whole is undergoing major changes in terms of people's values, behavior, and workstyles. As such, the value provided by vending machines must also evolve with the times.

NEC × DyDo

Introduction of KAO-NE, a facial recognition payment service for vending machines

Utilizing NEC Corporation's facial recognition technology, we have been rolling out KAO-NE, Japan's first payment service that allows customers to make vending machine purchases through facial recognition, since April, 2021. By enabling customers to make purchases without having to take out their wallets or smartphones, we are able to provide a comfortable environment for purchasing products, as well as expand the number of locations where vending machines are installed. In addition, based on the needs of customers during the COVID-19 pandemic, the system enables facial recognition that can still identify people if they are wearing a mask, and is expected to be used in a wide range of locations.

Through partnerships with various companies, DyDo DRINCO is making it possible to create totally new value.



FANCL × DyDo

Gaining recognition as a healthy brand

Calorie Limit for the Mature Aged, a brand of tea jointly developed with FANCL CORPORATION in 2016, suppresses the absorption of sugar and fat in meals. This tea has been driving sales in distribution channels since its launch, meeting the needs of our increasingly health-consciousness society. In 2021, the tea underwent a revamp for the first time since its launch. In addition to going on sale in vending machines, the ingredients and brewing conditions were drastically reviewed to give it a more refreshing flavor that goes well with meals.

Calorie Limit for the Mature Aged tea series product lineup



SECOM Medical System and Daio Paper × DyDo

Installation of a disposable diaper vending machine

In collaboration with SECOM MEDICAL SYSTEM CO., LTD. and Daio Paper Corporation, we have installed vending machines at expressway service areas, roadside stations, commercial facilities and public facilities that allow customers to purchase small packs of disposable baby diapers as well as tea, water and other beverages. By providing a system that allows people to easily purchase disposable diapers on the go, we are helping create an environment in which parents can take their children out with ease, and are actively promoting initiatives to support the child-rearing generation.



Development of vending machines that sell masks and hygiene products

During the COVID-19 pandemic, we have been accelerating the pace of development of vending machines that sell face masks, disinfectant wipes, and other hygiene products needed to help prevent the spread of infection. Currently, we are increasing the number of products we handle to meet the diverse needs of our customers, including sanitizing and deodorizing sprays and mouthwashes.



TOPIC 3 Initiatives for a Sustainable Society

The Group Mission 2030 was established as a means for the DyDo Group to achieve sustainable growth alongside the SDGs, which envision the realization of an economically, socially, and environmentally balanced future. In order to reemphasize our desire to contribute to the society embodied by the SDGs both internally and externally, we made the DyDo Group SDGs Declaration. In this Declaration, we introduce our initiatives to reduce the environmental load created through the course of our business, as well as initiatives aimed at increasing individual employee understanding of the SDGs themselves in the interest of accelerating our future activities.

SUSTAINABLE DEVELOPMENT GOALS



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 the SDGs principle of "leaving 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 a sustainable society in which people all over the world have their enjoyable and healthy lives for 2030.

Tomiya Takamatsu  
President  
DyDo Group Holdings, Inc.  
January, 2021

Priority Environmental Targets and “Everyone Love the Earth Project”

To reduce its environmental footprint, DyDo DRINCO has set the following three priority environmental targets and basic policies for containers and packaging. In addition, as part of our efforts to create a framework for employees to take concrete action, in fiscal 2021 we launched the Everyone Love the Earth Project, an initiative the Domestic Beverage Business is taking to raise

awareness of the environment. Through the independent actions of each and every employee, as well as through collaboration with suppliers and partners who share our vision, we will work toward the realization of a recycling-oriented society, an essential step for us to achieve a sustainable society.



Priority environmental targets announced in November 2020

Realization of a recycling-oriented society for the effective use of resources

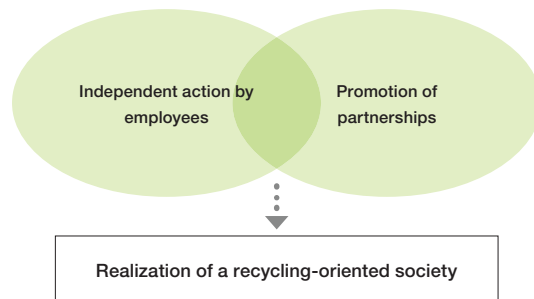
Under the DyDo Group’s corporate philosophy of “Creating happiness and prosperity, together with people and with society,” DyDo DRINCO aims to realize a sustainable society so that we can pass on the beautiful earth to future generations.

For the realization of a sustainable society, it is absolutely necessary to use limited resources effectively. Therefore, we need to strive to achieve a recycling-oriented society. For example, to deal with plastic marine debris, which is a matter of growing concern around the world, it is required to achieve bottle-to-bottle recycling in which raw materials are extracted from used plastic bottles and reused to make new ones. For this purpose, the creation of a system that enables the stable collection of quality plastic bottles is an important task for the beverage industry.

DyDo DRINCO is mainly involved in the vending machine business, and is responsible for not only the sale of products but also for the collection of plastic bottles and other containers. We

believe that our operational ability, which is one of our strengths, also enables us to contribute to society through the collection of containers. Meanwhile, with regard to the service life extension of vending machines, which is a challenge to be addressed in terms of the effective use of steel resources, we boast among the highest level of achievement in the industry through, for example, the deployment of Frontier Vendors (see P28 ) in the market.

We aim to achieve a sustainable recycling-oriented society together through independent action by employees and the promotion of partnerships with stakeholders by making good use of resources at each critical point in our supply chain as follows: improving the quality of container collection by increasing the efficiency of our business processes, e.g. Smart Operation, minimizing the waste of steel resources by advancing the service life extension of vending machines, and providing products that contribute to the effective use of resources.



Policy on containers and packaging

We are working to collect empty containers efficiently and expand the usage of sustainable materials to establish a recycling-oriented society.

- Recycle**
  - We will collect the amount of empty containers equivalent to our domestic sales volume (100% collection) by 2030.
  - We will make more than 60% of our plastic containers sustainable (by using plant-based or recycling-oriented materials, etc.) by 2030.
- Reduce**
  - We will continuously reduce our use of all containers.
  - We will develop plastic containers with minimal labeling.
- Partner**
  - We will educate employees about containers and packaging and promote related activities.
  - We will develop the company spirit of “creating happiness and prosperity together” by collaborating with government, municipalities, the beverage industry, and regional society.
  - We will help realize a resource recycling-oriented society through our vending machine business by collaborating with customers.

Everyone Love the Earth Project



Content of project and activities

We believe that the most important thing for this project is just for people to start by doing whatever they can. Here are some of the activities that everyone at DyDo DRINCO has been tackling.

|   |  |  |
|---|--|--|
| Environmentally-friendly vending machine business | Refurbishing and prolonging the life of vending machines | Pre-sorting and recycling of vending machines        |
| Adoption of the lightest cans in Japan            | Stepping up the collection of PET bottles, etc.          | Environmental beautification activities by employees |
| Provision of beverages to food banks              | Promotion of partnerships                                |  |

Examples of initiatives

We have expanded our lineup of beverages in an aluminium can shaped like a bottle to meet the needs of customers who want to reduce plastic waste, which we have launched as the Love the Earth series.

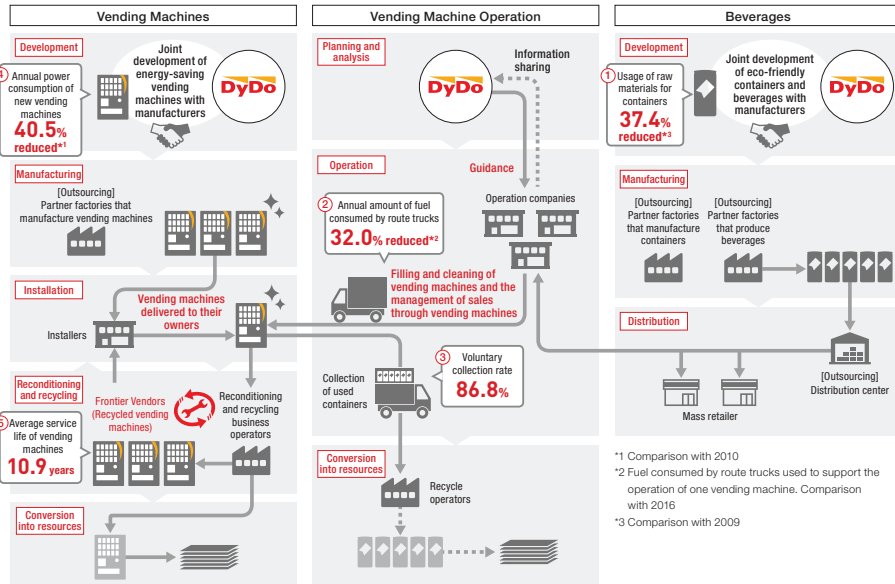


### Reducing the Environmental Impact of the Vending Machine Business Supply Chain

Responding to environmental issues such as climate change is a common challenge for the international community, and the domestic beverage market is also required to take proactive measures to curb greenhouse gas emissions and address the issue of marine plastic waste. The vending machine business, which supports the Domestic Beverage Business, uses a large

amount of resources and energy, and we recognize that we need to address environmental issues as part of our company management, which identifies contributing to a resource-recycling society as a priority environmental target. In addition, we are making various efforts to reduce our environmental footprint throughout our supply chain.

#### Whole Picture of DyDo DRINCO's Vending Machine Business

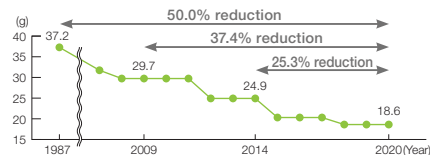


### Reducing the Environmental Impact of Our Products

#### Lighter packaging ①

One of our key initiatives to reduce the environmental impact of the Domestic Beverage Business is the use of lighter packaging. Our main product, canned coffee, uses the lightest steel can available in Japan, the new model TULC can. The steel used in our typical canned coffee 185 g can weighs approximately 37.4% less than the equivalent container of ten years ago.

#### Trends in weight of steel cans



#### Lighter labels

For our mainstay plastic bottle tea products in the vending machine channel, we are continuing our efforts to reduce the weight of labels by taking such steps as halving the width of labels used on packages.



### Reducing the Environmental Impact of Our Operations

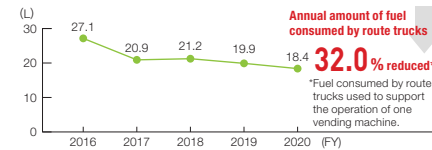
#### Adoption of eco-friendly sales vehicles and route trucks

We are introducing the use of hybrid vehicles in our Domestic Beverage Business, not only for vehicles used by sales reps whose job it is to develop vending machine locations, but also for our trucks, which replenish the machines and maintain the area around them. These and other efforts are reducing the impact of our operations on the environment.

#### Optimized routing to cut fuel emissions ②

In order to reduce the environmental impact of vending machine operations, in addition to improving the vehicles themselves, it is also essential to improve the efficiency of our activities, such as by reducing travel distance. Although we have already made improvements to the efficiency of existing routes, we will further cut greenhouse gas emissions by optimizing our routes using data obtained through establishing Smart Operations systems.

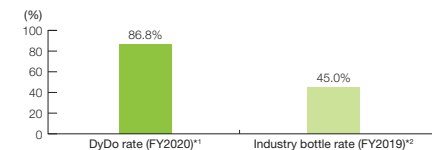
#### Annual fuel consumption of route trucks per vending machine



#### Collection of waste packaging ③

To help reduce plastic waste in the oceans and more effectively use our resources, we are working on a system to quickly and reliably collect waste containers and packaging. Our Domestic Beverage Business tends to have a high rate of voluntary recycling of plastic bottles because it makes a large proportion of its sales in the vending machine channel, but we are committed to achieving a 100% recovery rate for used containers, such as by developing trucks with around twice the capacity for empty containers, or by promoting activities through partnerships.

#### Voluntary empty container recycling rates

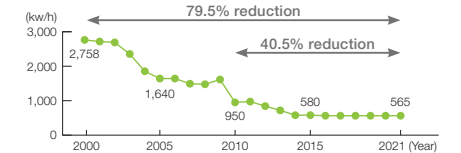


\*1 Amount collected from company container recycling boxes divided by domestic shipments of company products  
\*2 Collection rate trends published by Council for PET Bottle Recycling.

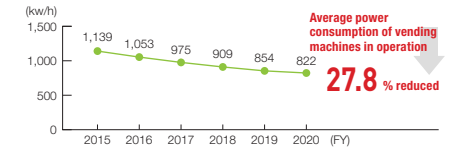
#### Reducing the environmental impact of vending machines ④

To combat global warming, we are deploying energy-saving vending machines with significantly reduced power consumption through the use of heat pump functions, LED lighting, and high-performance vacuum insulation. As a result, a new machine installed in 2020 consumes about 79.5% less power than one newly installed in 2000. In addition, the average power consumption of all units currently in operation is 822 kw per hour, which is a reduction of approximately 27.8% compared to 2015.

#### Change in annual power consumption of new vending machines



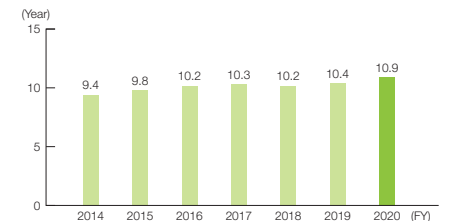
#### Average annual power consumption of vending machines in operation



#### Deployment of Frontier Vendors ⑤

Since 2015, to reduce the environmental impact of our vending machines and cut costs, we have been deploying "frontier vendors" that are designed to reuse and extend the lifespan of our vending machines from around 10 years to 15 years. Initially, these efforts centered on maintenance and replacement of the cooling/heating unit, which greatly influences the vending machine's energy-saving functions. Subsequently, however, we began replacing conventional lights with LED lighting, switching to digital price displays, and recently, reusing and reconfiguring internal product storage racks to better meet customer needs. We will work to further extend the service life of vending machines to make them even easier for customers to use, yet reduce the impact on the environment and make maximum use of limited resources.

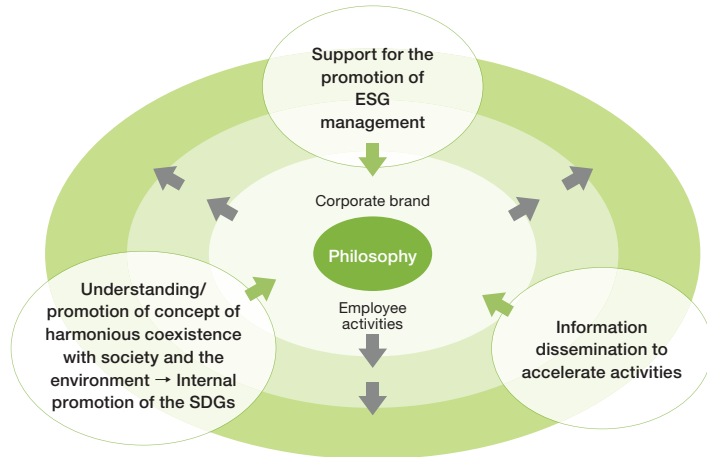
#### Trend in average service life of vending machines



Activities to Promote the SDGs within the Company

In order to contribute to the SDGs through our business activities, it is essential that each and every employee understands the issues and takes independent action to address them. At DyDo

DRINCO, which is our core business, we are carrying out a range of internal activities to encourage each employee to think about the business activities and individual actions they can take.



Direction of activities

Step 1  
Why  
(understanding)

Understand the SDGs

1) Workshops for executives and managers

The SDGs aim to strike a balance between the economy, environment, and society. To understand why the SDGs are necessary, we used a card game that has been adopted by the government, local municipalities, schools, and other organizations. In this game, participants are first given a card with their own life goals for 2030, such as "I want to create wealth" or "I want to protect the global environment," and then choose the actions they will take. Each action is then reflected in the world's economic, social, and environmental situation. At times, a situation arises in which the economy has grown but the environment is being destroyed, giving the players a sense of how cooperation is essential if we are to achieve a sustainable world.

More than 100 managers, including senior executives, played this game, and at the end of the workshop, each of them set a goal and made a commitment to future activities to achieve the SDGs, either individually or as a company.



Commitment by participants to future activities

2) Online seminar by experts

In order to learn about global trends and the ideas of the younger generation, we held an online seminar attended by more than 150 group employees. The seminar was led by Professor Norichika Kanie of the Graduate School of Media and Governance at Keio University, and Ms. Shiina Tsuyuki, an environmental activist.

Step 2  
What/How  
(empathy, full grasp  
of the situation)

Understand connections with business

Online seminar to share examples of best practice within the organization

Even before we started activities to spread awareness of the SDGs among employees, some sales departments were already conducting sales activities with the SDGs in mind, with the independent efforts of employees. In order to help them understand that the SDGs are not a difficult concept to grasp, but something that can be achieved through the accumulation of ideas and actions by individuals, we held an online seminar in which employees in the sales field gave examples of their efforts and explained the reactions of business partners to these efforts. The employees who made speeches in the seminar explained that, by expressing the issues of our business partners and our company's functions within the framework of the SDGs, they were often able to strike a chord with the business partner. They also mentioned how, by linking our daily activities and familiar events to the SDGs, everyone become better able to understand the connections. And by sharing these with others, we can come up with new ideas. These explanations helped the participants to deepen their understanding of the extent to which the SDGs are already connected with our business operations.



Seminar participants declare how they will contribute to the SDGs through their work.

Step 3  
Action  
(encouraging people  
to take action)

Know about specific kinds of action

Encouraging employee and stakeholder participation

We are working on business initiatives in tandem with the progression of these internal seminars, such as by setting priority environmental targets and expanding our lineup of beverages in cans shaped like a bottle. By proactively disclosing these initiatives outside the company, we intend to raise interest among our stakeholders, including our employees, and use this as a driving force by which to accelerate our efforts.

While priority environmental targets are top-down initiatives set by the company, we launched the Everyone Love the Earth Project as a mechanism to encourage bottom-up actions by employees. Although the project has just started, we have added content on the company intranet introducing individual activities, and by sharing the small actions taken by each employee with an awareness of the SDGs, we aim to make people aware of the importance of SDGs, which in turn will lead to major movements in the company and society as a whole.

Recognizing that our current actions will benefit society in the future, the DyDo Group will work to ensure that it continues to be a corporate group that is needed by society.



Professor Norichika Kanie (left), Ms. Shiina Tsuyuki (right)  
Talk session in progress

| Discussion |

## What is the significance of companies tackling the SDGs?

DyDo Group Holding's President and Representative Director, Tomiya Takamatsu, discusses the answers to this and other questions with Keio University's Professor Norichika Kanie, a leading SDGs researcher who sits on expert advisory committees both in Japan and abroad and who is working to raise awareness and spread the SDGs.

(titles omitted below)

### The DyDo Group's attitude toward the SDGs

**Takamatsu** The spirit of "creating happiness and prosperity together," which the DyDo Group espouses as its management philosophy, bears similarities to the SDGs. In addition, the slogan for Group Mission 2030, "For DyDo Group to create enjoyable, healthy lifestyles for people around the world," also has commonalities with the targets of the SDGs. Through its business, the DyDo Group strives to achieve a world in which people, society and the Earth, enjoy vibrant health.

**Kanie** It is legitimate for a business owner to interpret the principles of the SDGs from the viewpoint of the company's management philosophy. By doing so, the course taken by the company, in step with society, will produce favorable results for the company.

**Takamatsu** The DyDo Group's business started with sales of medicine on a "use first, pay later" basis, whereby medicine was placed in homes and workplaces and replenished as it was used. From this starting point, we then made energy drinks and sold them from small vending machines at parking facilities\*1 to allow drivers to rid themselves of their drowsiness. Subsequently, these vending machines began to sell canned coffee as well. This change was the result of our consideration of how to most effectively provide the products customers want in surroundings that are familiar to them, and the continuous improvements we have made to our

\*1 Cafeterias or gift shops located alongside roads, where drivers stop to rest

business. For further business growth and to study the feasibility of starting a new project, I want to expand the level of understanding and penetration of our philosophy anew.

### Challenges faced by the beverage and food industries

**Kanie** I think one of the most burning issues for the food and beverage industries is food loss. As well as food itself, it is also important to consider how to deal with containers. Regarding containers, since 2020, plastic shopping bags must be paid for in Japan. Marine plastic pollution is another issue attracting public attention. The spotlight centers on recycling—in other words, where used items go.

**Takamatsu** I recognize food loss as an issue to be addressed by the relevant industries as a whole. We have been making efforts by reviewing traditional practices, for example by extending food expiration dates. We also intend to be more thorough about not making any more products than we need to.

As you mentioned, dealing with containers is also necessary. We must continue to consider how we carry out the 3Rs (reduce, reuse and recycle) as a company.

**Kanie** To demonstrate the DyDo Group's uniqueness, the most effective way must be to make a meaningful contribution to society by providing assistance via vending machines in disaster situations. It seems that in cases where large earthquakes have occurred, the volume of emergency food supplies at an evacuation shelter was insufficient for the number of evacuees there. These supplies were not distributed to the evacuees and were eventually thrown away. In such cases, I think vending machines could be better at distributing supplies than humans.

Disaster is a theme often covered by the SDGs. Companies are required to build resilient businesses to attain the strength that enables them, in disaster situations, to recover immediately and continue their business.

### Efforts required by companies in terms of health

**Takamatsu** Group Mission 2030 covers efforts from the following four viewpoints: Health, Environment, Innovation, and People. Of the four, we place prime importance on Health because it has a strong affinity for our business.

**Kanie** These days, partly because of the COVID-19 crisis, we often hear the term "health" in various places. Health, not only physical health but also mental health, will become an important term.

**Takamatsu** I agree. Other companies in the same industries are conducting their business with a major focus on health. Japan

is faced with the issue of an aging population. Therefore, working out how to extend healthy lifespans is key.

The DyDo Group intends to provide products that are beneficial to people's health: to be more specific, products that help prevent people from getting sick.

### Partnerships to achieve the SDGs

**Kanie** I believe innovation comes from combining things. For example, consider how vending machines which can do more than just sell drinks can lead to something new; I hope we will see results like this. I think young people's ideas can be a particularly useful source of inspiration.

**Takamatsu** That idea is also in line with how the DyDo Group operates. The DyDo Group runs a project called the DyDo Challenge Award. All employees have a chance to submit their ideas. Awards are given to excellent ideas, which are then implemented. We pride ourselves on our work environment, where completely new ideas can be realized. I desire to develop our corporate culture to allow young people to produce still more ideas and take positive action.

**Kanie** If you lack something, you need to collaborate with people who have it. If you cannot resolve the issue by yourself, it is important to bring in another perspective from outside and achieve the best mix. I am sure that the DyDo Group's open-minded corporate culture, where ideas are easily produced, leads to collaboration.

**Takamatsu** The DyDo Group originally expanded its business in collaboration with other companies. On the one hand, in our Domestic Beverage Business, we entrust the manufacturing to other companies. On the other hand, our Pharmaceutical-Related Business is entrusted by other companies. Even when we expanded our international business, the existence of partner companies was indispensable. When it comes to collaboration, the concept of partnership is the extension of our existing course of action, making it comparatively easy.

### Prof. Kanie: An active role for vending machine networks as social infrastructure

It is typical to hear people voice doubts like, "Don't vending machines waste energy?" There is still room for improvement on this front, through measures such as using renewable energy. I'd also like such initiatives to tie in to how they can offer assistance during emergencies. That the DyDo Group's current vending machine network stretches across the whole country, including more rural areas, is one of its major strengths. I have great expectations for an active role for vending machine networks as social infrastructure, such as through machines that can provide people with free drinks during an emergency, or equipping machines charging functionality.

The smart operation initiatives that are currently underway will not only allow more efficient operations, but will help reduce food



**Norichika Kanie**  
Professor, Graduate School of Media and Governance, Keio University  
Ph. D. in Media and Governance  
Director, xSDG Laboratory, Keio Research Institute at SFC

### DyDo Group's contribution to the SDGs

**Takamatsu** By advancing the spirit of "creating happiness and prosperity together," we strive to achieve a world that benefits four parties: the seller, the buyer, society, and the future.

**Kanie** I can relate to the spirit of "creating happiness and prosperity together." The concept that a company can be sustainable only when it develops together with society is exactly what the SDGs require. The SDGs show that it isn't just about mutual prosperity for people now, it is also about creating happiness and prosperity together with future generations. I would like you to spread this philosophy to your group companies.

**Takamatsu** I have been thinking that efforts to spread our management philosophy should be strengthened. Upholding the company's goals is not enough. It is essential that these goals sink in until they inspire employees' actions. This is a challenge to be continuously tackled: to make the employees think of the company's goals as their own personal goals and then put their thoughts into action.

loss through an improved balance between supply and demand. In the future, I would like the DyDo Group to clearly demonstrate its societal value by presenting the extent of its success in numerical figures, in a format that anybody can easily understand.

On the product front, I believe that the DyDo Group—as a company with origins in pharmaceuticals—can differentiate itself from its competitors through health promotion-focused products but also as a canned coffee producer that works hard for the human rights of the coffee bean farmers, distributors and others involved in order to produce ethical products.\*2

\*2 Products for which every stage of the production process, from sourcing raw ingredients or materials to reaching the consumer, is kind to people and the planet



**Tomiya Takamatsu**  
President and Representative Director