

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Securities code: 2590
March 24, 2023

To Our Shareholders,

Tomiya Takamatsu, President and Representative Director
DyDo GROUP HOLDINGS, INC.
2-2-7 Nakanoshima, Kita-ku, Osaka

Notice of Convocation of the 48th Annual General Meeting of Shareholders

We are pleased to announce the 48th Annual General Meeting of Shareholders of DyDo GROUP HOLDINGS, INC. (“the Company”) to be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the website by using the internet address shown below to review the information.

https://www.dydo-ghd.co.jp/ir/data/general_meeting (in Japanese only)

In addition to posting items subject to measures for electronic provision on the Company’s website, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE) shown below.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese only)

(Access the TSE website by using the internet address shown above, enter “DyDo GROUP HOLDINGS” in “Issue name (company name)” or the Company’s securities code “2590” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

- ◎ If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company’s aforementioned website and the TSE website.
- ◎ The Company will also send paper-based documents stating items subject to measures for electronic provision to shareholders who requested the delivery of paper-based documents. However, the following items are excluded from these documents, as provided for by the provisions of laws and regulations and Article 17 of the Company’s Articles of Incorporation.
 - (i) “Systems and policy of the Company” of the business report
 - (ii) “Consolidated statement of changes in equity” and “Notes to consolidated financial statements” in the consolidated financial statements
 - (iii) “Non-consolidated statement of changes in equity” and “Notes to non-consolidated financial statements” in the non-consolidated financial statements

Therefore, the business report, the consolidated financial statements and the non-consolidated financial statements stated in the said documents are part of the documents that were audited by the Accounting Auditor in preparing the accounting audit report, and by the Corporate Auditors in preparing the audit report.

When attending the meeting, you are kindly requested to present the enclosed voting card to the receptionist.

If you are not attending the meeting in person, you can exercise voting rights by either of the following methods. Please review the Reference Documents for General Meeting of Shareholders and exercise your voting rights before 5:00 p.m., Thursday, April 13, 2023 (JST).

[Exercising voting rights by electronic or magnetic means (via the Internet, etc.)]

Please read the instructions for “Exercising Voting Rights via the Internet, etc.” on page 4 and exercise your voting rights by the time and date stated above.

[Exercising voting rights in writing]

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting card, and return the card so that it arrives by the time and date stated above.

Please be advised that if you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of each proposal on the voting card, the Company will treat it as an intention of your approval.

- 1. Date and Time:** 10:00 a.m., Friday, April 14, 2023 (JST) (Reception desk opens at 9:00 a.m.)
- 2. Venue:** “The Hō” Function Room, Second floor, Hotel New Otani Osaka
1-4-1 Shiromi, Chuo-ku, Osaka

3. Purpose of the Meeting:

Matters to be reported:

1. The business report, the consolidated financial statements and audit reports of the Accounting Auditor and the Board of Corporate Auditors for the consolidated financial statements for the 48th term (from January 21, 2022 to January 20, 2023)
2. The non-consolidated financial statements for the 48th term (from January 21, 2022 to January 20, 2023)

Matters to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Seven (7) Directors
Proposal 3: Election of Three (3) Corporate Auditors
Proposal 4: Continuance of the Measures to Address Large-Scale Acquisitions of the Company’s Stock (Takeover Defense Measures)

Guide to Exercising Voting Rights

There are three methods to exercise your voting rights as indicated below.

Please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights.

Exercising Voting Rights by Attendance at the General Meeting of Shareholders

Please present the enclosed voting card to the receptionist.

Date and Time: 10:00 a.m., Friday, April 14, 2023 (JST) (Reception desk opens at 9:00 a.m.)

Venue: Hotel New Otani Osaka (Second floor, “The Hō” Function Room)
1-4-1 Shiromi, Chuo-ku, Osaka

Exercising Voting Rights in Writing

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting card, and return the card so that it arrives by the time and date stated below.

Votes to be received by: 5:00 p.m., Thursday, April 13, 2023 (JST)

Guide to filling in the voting card

Please indicate your approval or disapproval of each proposal.

Proposal 1 and Proposal 4

If you consent: Mark a ○ in the box marked “賛”

If you dissent: Mark a ○ in the box marked “否”

Proposal 2 and Proposal 3

If you consent for all candidates: Mark a ○ in the box marked “賛”

If you dissent for all candidates: Mark a ○ in the box marked “否”

If you selectively veto certain candidates: Mark a ○ in the box marked “賛” and write the number of each candidate you choose to veto.

If you duplicate the vote by exercising the voting rights both via the Internet, etc. and in writing, only the Internet, etc. vote will be deemed valid. If you exercise your voting rights more than once via the Internet, etc., only the latest vote will be deemed valid.

Exercising Voting Rights via the Internet, etc.

Votes to be transmitted by: 5:00 p.m., Thursday, April 13, 2023 (JST)

Scanning the QR code “Smart voting”

You can log in to the dedicated voting website for exercising voting rights without having to enter your voting right exercise code and password.

1. Scan the QR code printed on the right side of voting card.
2. Then indicate your approval or disapproval of each proposal by following the on-screen instructions.

“Smart voting” can only be used once to exercise your voting rights.

In the event that you wish to modify the details of your vote after exercising your voting rights, please access the PC version of the website, enter the voting right exercise code printed on the voting card together with your password, log in, and exercise your voting rights once again.

* If the QR code is read a second time, you will be transferred to the PC version of the website.

Entering the voting right exercise code and password

Dedicated voting website: <https://www.web54.net>
(in Japanese only)

1. Please access the dedicated voting website and click “次へすすむ (Next).”
2. Enter the voting right exercise code printed on voting card and click “ログイン (Log in).”
3. Enter the password printed on voting card, enter the new password that you will actually use, and click “登録 (Resister).”
4. Then indicate your approval or disapproval of each proposal by following the on-screen instructions.

If you have questions about the operation of your PC, smartphone or mobile phone regarding the exercise of voting rights via the Internet, etc., please contact:

Stock Transfer Agency Web Support,
Sumitomo Mitsui Trust Bank, Limited
Tel: 0120-652-031
(available from 9:00 a.m. to 9:00 p.m.)

For institutional investors, the electronic voting platform for institutional investors operated by ICJ, Inc. is available for exercising voting rights.

You will not be able to access the website due to maintenance from 0:00 a.m. to 5:00 a.m. on Monday, April 3, 2023.

Reference Documents for General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company recognizes that the distribution of profits to shareholders is a key issue in business management. The Company's basic policy for the distribution of profits is to maintain stable dividend payments while giving consideration to the balance between the internal reserves necessary for sustainable growth and returns to the shareholders.

In accordance with such perception, the Company proposes a ¥30 per share year-end dividend for the fiscal year under review.

Since a ¥30 per share interim dividend has already been paid, the annual dividend for the fiscal year under review will be ¥60 per share.

Year-end Dividend

- (1) Type of dividend property
Money
- (2) Allotment of dividend property and total amount
¥30 per share of common stock of the Company
The total amount of dividends: ¥476,780,400
- (3) Effective date of dividends from surplus
April 17, 2023

Proposal 2: Election of Seven (7) Directors

The terms of office of all seven (7) Directors elected at the Annual General Meeting of Shareholders held on April 15, 2022 will expire at the conclusion of this meeting. Accordingly, the Company proposes to elect seven (7) Directors.

The candidates for Director are as follows:

No.	Name	Current positions and areas of responsibilities in the Company
1	Tomiya Takamatsu	President and Representative Director Reappointment
2	Naoki Tonokatsu	Director, Corporate Officer, General Manager of Finance Department Reappointment
3	Naoyuki Nishiyama	Director, Corporate Officer, General Manager of Corporate Strategy Department Reappointment
4	Shinji Mori	Director Reappointment Independent Outside
5	Masataka Inoue	Director Reappointment Independent Outside
6	Michiaki Kurihara	Director Reappointment Independent Outside
7	Junko Kawano	Director Reappointment Independent Outside

Note: The registered name of Ms. Junko Kawano is Junko Yamanouchi.

Reappointment Candidate for Director to be reappointed

Independent Candidate for independent officer as prescribed by the Tokyo Stock Exchange

Outside Candidate for Outside Director

The concept of skills necessary for the Board of Directors

The Company has established the Group Mission 2030, which summarizes its vision for 2030 as “For DyDo Group to create enjoyable, healthy lifestyles for people around the world” based on the DyDo Group Philosophy of “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.”

As part of this, in order to ensure that the Board of Directors sets the direction for implementation of the Group’s corporate strategy, establishes a platform for executives to take calculated risks, and appropriately fulfills roles and responsibilities primarily by instituting effective oversights of executives and Directors from an independent and objective standpoint, the composition of the Board of Directors is determined as follows, and the Nominating and Compensation Committee holds many discussions regarding the composition of the Board of Directors.

- The number of Directors shall be within the necessary and appropriate range of seven or less, and in consideration of gender, age, professional experience, etc., as well as the skills necessary for the Board of Directors, which shall be separately set, Directors shall be individuals who possess extensive knowledge of the Company’s operations and who excel in character, knowledge and energy. Outside Directors shall be individuals who possess specialized knowledge and extensive experience along with the ability to contribute to the enhancement of corporate governance, for example by offering advice as appropriate concerning decision-making by the Board of Directors from an independent perspective or by providing highly effective supervision of the executive team.
- A majority of the Directors elected shall be independent Outside Directors qualified to contribute to sustainable growth and corporate value enhancement over the medium to long term, from the viewpoint of strengthening the oversight function and management transparency.

In order for the Board of Directors to appropriately fulfill its roles and responsibilities, in light of the “DyDo Group Philosophy,” the “Group Mission 2030,” and the Mid-term Business Plan, the Company particularly expects each Director to demonstrate their ability/skills in the following areas of knowledge and experience, and believes that the Board of Directors as a whole possesses the necessary skills.

<Areas in which the skills are expected to be particularly effective>

- “Overall management,” based on the Group’s philosophy of co-existence and co-prosperity
- “Marketing and sales (operations),” which is important in our core domestic beverage business
- “Global,” which is essential for the Company in developing its global business
- “Healthcare,” which is essential in the orphan drug business, a new business domain
- “M&A and strategic investment” to formulate and implement strategies for further business development and growth
- “Finance and accounting” and “legal affairs and compliance,” which are the basis of decision-making for management and business activities
- “Sustainability (environment and society),” which is necessary to contribute to a sustainable global environment and local communities
- “Human resources development and diversity” as the foundation for corporate activities and human capital management
- “DX and innovation,” which is indispensable in providing new value to society

In light of the roles and responsibilities of Corporate Auditors in auditing the execution of duties by Directors, the Company particularly expects Corporate Auditors to demonstrate skills in “finance and accounting” and “legal affairs and compliance,” and believes that the Board of Corporate Auditors as a whole possesses the necessary skills.

Skill Matrix of the Candidates for Director

No.	Name Positions and areas of responsibilities	Knowledge, experience, and expertise that the Company expects from candidates for Director									
		Overall management	Marketing and sales (operations)	Global	Health-care	M&A and strategic investment	Finance and accounting	Sustainability (environment and society)	Human resources development and diversity	DX and innovation	Legal affairs and compliance
1	Tomiya Takamatsu President and Representative Director	•	•			•		•	•	•	
2	Naoki Tonokatsu Director, Corporate Officer, General Manager of Finance Department		•				•				
3	Naoyuki Nishiyama Director, Corporate Officer, General Manager of Corporate Strategy Department		•	•		•		•		•	
4	Shinji Mori Outside Director						•				•
5	Masataka Inoue Outside Director	•		•		•					
6	Michiaki Kurihara Outside Director	•	•	•	•						
7	Junko Kawano Outside Director	•	•						•	•	

Candidate No.

1

Tomiya Takamatsu

Date of birth
June 26, 1976

Reappointment

Number of the Company's
shares held

495,000 shares

Term of office as Director

15 years and 0 months
(at the conclusion of
this meeting)

Attendance at Board of
Directors meetings

17/17 (100%)

Career summary, positions and areas of responsibilities in the Company

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

Reasons for nomination as candidate for Director and expected roles

Since his appointment to the position of President in April 2014, Mr. Takamatsu has demonstrated strong leadership by managing the Company with rapid, decisive decision-making in line with its medium- and long-term management posture based on the perspective of all stakeholders and in keeping with the newly formulated DyDo Group Philosophy and DyDo Group Vision. He has been steadily working to build business foundations geared to achieving growth in the future which has involved strengthening the Group's management. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.

Candidate No.

2

Naoki Tonokatsu

Date of birth

November 4, 1963

Reappointment	Career summary, positions and areas of responsibilities in the Company
Number of the Company's shares held	Mar. 1986 Joined the Company
3,400 shares	Jan. 2011 General Manager of Financial Affairs Department, the Company
	Mar. 2013 Corporate Officer, Division Director of Administration Division, the Company
Term of office as Director	Jan. 2014 Corporate Officer, Division Director of Finance Division, the Company
6 years and 0 months (at the conclusion of this meeting)	Jan. 2017 Corporate Officer, General Manager of Finance Department, the Company
	Apr. 2017 Director, Corporate Officer, General Manager of Finance Department, the Company (incumbent)
Attendance at Board of Directors meetings	Reasons for nomination as candidate for Director and expected roles
17/17 (100%)	Since joining the Company, Mr. Tonokatsu has engaged in finance for many years and has extensive experience and achievements. Currently, as the Director, Corporate Officer, and General Manager of Finance Department, he is putting effort into sound company management such as by building a solid structure for the entire Group's financial base and contributing to improving profitability. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.

Candidate No.

3

Naoyuki Nishiyama

Date of birth

July 30, 1965

Reappointment	Career summary, positions and areas of responsibilities in the Company	
Number of the Company's shares held	Mar. 1988	Joined the Company
500 shares	Jan. 2014	General Manager of Corporate Strategy Department, the Company
Term of office as Director	Feb. 2014	General Manager of Corporate Strategy Department and General Manager of International Business Department, the Company
6 years and 0 months (at the conclusion of this meeting)	Mar. 2015	Corporate Officer, General Manager of Corporate Strategy Department and General Manager of International Business Department, the Company
Attendance at Board of Directors meetings	Jan. 2016	Corporate Officer, General Manager of Corporate Strategy Department and General Manager of Strategic Investment Department, the Company
17/17 (100%)	Jan. 2017	Corporate Officer, General Manager of Corporate Strategy Department, the Company
	Apr. 2017	Director, Corporate Officer, General Manager of Corporate Strategy Department, the Company (incumbent)

Reasons for nomination as candidate for Director and expected roles

Mr. Nishiyama has engaged in a wide range of duties covering overall management such as corporate strategy, strategic investment, international business and IT, and has extensive experience and achievements. Currently, he is leading Group companies as the Director, Corporate Officer, and General Manager of Corporate Strategy Department and pursuing initiatives to expand into new business domains. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.

Candidate No.

4

Shinji Mori

Date of birth
May 22, 1946

Reappointment	Career summary, positions and areas of responsibilities in the Company
Independent	Apr. 1972 Joined the Legal Training and Research Institute of Japan
Outside	Apr. 1974 Appointed as a judge, Yokohama District Court
	Apr. 1986 Appointed as a judge, Kyoto District Court
Number of the Company's shares held	May 1989 Registered as a member of the Osaka Bar Association
100 shares	May 1989 Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.) (incumbent)
	Apr. 2001 Corporate Auditor, the Company
Term of office as Outside Director	Jun. 2010 Outside Corporate Auditor, OSAKA SODA CO., LTD. (incumbent)
9 years and 0 months (at the conclusion of this meeting)	Jun. 2010 Auditor, CREDIT GUARANTEE CORPORATION OF OSAKA (incumbent)
	Apr. 2014 Director, the Company (incumbent)
	Significant concurrent positions
Attendance at Board of Directors meetings	Chuo Sogo Law Office, P. C.
17/17 (100%)	Outside Corporate Auditor, OSAKA SODA CO., LTD.
	Auditor, CREDIT GUARANTEE CORPORATION OF OSAKA

Reasons for nomination as candidate for Outside Director and expected roles

Mr. Mori has extensive experience and an advanced level of specialized knowledge as an attorney, and he has served as an Outside Corporate Auditor and as an Outside Director. Based on that experience, he is appropriately carrying out his role in strengthening the oversight function of the Board of Directors by commenting on the Company-wide approach to risk management, and otherwise 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 Outside Director on the Board of Directors.

Although Mr. Mori has not been involved in corporate management in a manner other than that of being an outside director/corporate auditor of the Company and other companies in the past, the Company has judged that he will be able to appropriately carry out his duties as Outside Director for the above reasons.

Candidate No.

5

Masataka Inoue

Date of birth

October 12, 1954

Reappointment	Career summary, positions and areas of responsibilities in the Company																
Independent																	
Outside																	
Number of the Company's shares held – shares	<table border="1"> <tr> <td>Apr. 1978</td> <td>Joined Nakano Sumise Co., Ltd.</td> </tr> <tr> <td>Jul. 2005</td> <td>Director, Mizkan Group Corporation</td> </tr> <tr> <td>May 2007</td> <td>Managing Director, Mizkan Group Corporation</td> </tr> <tr> <td>Oct. 2009</td> <td>Full-time Corporate Auditor, Mizkan Group Corporation</td> </tr> <tr> <td>Mar. 2011</td> <td>Divisional Manager in charge of the Management Auditing Office, Mizkan Group Corporation</td> </tr> <tr> <td>Mar. 2014</td> <td>Divisional Manager in charge of the Business Planning Division, Mizkan Holdings Co., Ltd.</td> </tr> <tr> <td>Mar. 2016</td> <td>Retired from Mizkan Holdings Co., Ltd.</td> </tr> <tr> <td>Apr. 2016</td> <td>Director, the Company (incumbent)</td> </tr> </table>	Apr. 1978	Joined Nakano Sumise Co., Ltd.	Jul. 2005	Director, Mizkan Group Corporation	May 2007	Managing Director, Mizkan Group Corporation	Oct. 2009	Full-time Corporate Auditor, Mizkan Group Corporation	Mar. 2011	Divisional Manager in charge of the Management Auditing Office, Mizkan Group Corporation	Mar. 2014	Divisional Manager in charge of the Business Planning Division, Mizkan Holdings Co., Ltd.	Mar. 2016	Retired from Mizkan Holdings Co., Ltd.	Apr. 2016	Director, the Company (incumbent)
Apr. 1978	Joined Nakano Sumise Co., Ltd.																
Jul. 2005	Director, Mizkan Group Corporation																
May 2007	Managing Director, Mizkan Group Corporation																
Oct. 2009	Full-time Corporate Auditor, Mizkan Group Corporation																
Mar. 2011	Divisional Manager in charge of the Management Auditing Office, Mizkan Group Corporation																
Mar. 2014	Divisional Manager in charge of the Business Planning Division, Mizkan Holdings Co., Ltd.																
Mar. 2016	Retired from Mizkan Holdings Co., Ltd.																
Apr. 2016	Director, the Company (incumbent)																
Term of office as Outside Director 7 years and 0 months (at the conclusion of this meeting)	Reasons for nomination as candidate for Outside Director and expected roles																
Attendance at Board of Directors meetings 17/17 (100%)	<p>Mr. Inoue has a wealth of knowledge and overseas experience in the food industry. Based on his auditing experience in areas such as business development through overseas M&As and overseas subsidiaries, he is appropriately carrying out his role in strengthening the oversight function of the Board of Directors by commenting with respect to his viewpoint on risk and returns in the course of deliberations concerning such management issues of the Company as accelerated development of the Company's business overseas and expanding into new business domains, and otherwise offering advice and suggestions from an independent perspective. Based on this proven track record, he has been put forward as a candidate for continued service as an Outside Director on the Board of Directors.</p>																

Candidate No.

6

Michiaki Kurihara

Date of birth

October 1, 1953

Reappointment	Career summary, positions and areas of responsibilities in the Company	
Independent	Apr. 1982	Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
Outside	Oct. 2004	Deputy Division Director of Sales Division, Fujisawa Pharmaceutical Co., Ltd.
Number of the Company's shares held – shares	Apr. 2006	General Manager, Asia Business Planning, Corporate Strategy Division, Astellas Pharma Inc. (concurrently served as President and CEO of Astellas Pharma Hong Kong Co., Ltd., Director of Astellas Pharma China, Inc., Director of Astellas Pharma Korea, Inc. and Director of Astellas Pharma (Thailand) Co., Ltd.)
Term of office as Outside Director 2 years and 0 months (at the conclusion of this meeting)	Apr. 2009	General Manager of Sales Promotion Department, Asia Business Division, Santen Pharmaceutical Co., Ltd.
	Jun. 2010	Director and Vice President, Santen Pharmaceutical Korea Co., Ltd.
	Nov. 2013	General Manager of Planning External Affairs Department, IMS Japan K.K. (currently IQVIA Solutions Japan K.K.)
Attendance at Board of Directors meetings 17/17 (100%)	Apr. 2021	Director, the Company (incumbent)
	Reasons for nomination as candidate for Outside Director and expected roles	
	Mr. Kurihara has a wealth of knowledge and experience in the pharmaceutical industry. Based on his experience in the pharmaceutical industry in Japan and management experience at overseas subsidiaries. The Company has judged that he is appropriately carrying out his role in strengthening the oversight function of the Board of Directors and offering advice and suggestions from an independent perspective on the Company's management issues, such as overseas business development and the establishment of a second pillar in the healthcare field. Based on this proven track record, he has been put forward as a candidate for continued service as an Outside Director on the Board of Directors.	

Candidate No.

7

Junko Kawano

(Family name in the family register: Yamanouchi)
Date of birth
September 30, 1963

<u>Reappointment</u>	Career summary, positions and areas of responsibilities in the Company
<u>Independent</u>	Apr. 1986 Joined Recruit Co., Ltd.
<u>Outside</u>	Jan. 1997 Head Editor of “Travail” (Japan’s first career change magazine for women), Recruit Co., Ltd.
Number of the Company’s shares held	Apr. 2006 Leader of Women’s Life & Career Research Team (concurrent position), Recruit Co., Ltd.
– shares	Jul. 2008 Joined Sumitomo Corporation
Term of office as Outside Director	Apr. 2013 Director, Institute of Global Human Capital Strategies Co., Ltd. (concurrent position)
1 year and 0 months (at the conclusion of this meeting)	Jun. 2017 Resigned Institute of Global Human Capital Strategies Co., Ltd.
Attendance at Board of Directors meetings	Apr. 2018 Established Kawano Junko Office (incumbent)
13/13 (100%)	Sep. 2019 Board Member, Non-Profit Organization Tokyo International Progressive School (incumbent)
	Apr. 2020 Senior Researcher, Keio Research Institute at SFC (incumbent)
	Jun. 2021 Outside Director, Joshin Denki Co., Ltd. (incumbent)
	Dec. 2021 Director & CMO, Life Shift Japan Co., Ltd. (incumbent)
	Apr. 2022 Director, the Company (incumbent)
	Significant concurrent position
	Outside Director, Joshin Denki Co., Ltd.

Reasons for nomination as candidate for Outside Director and expected roles

Ms. Kawano has a wealth of knowledge and experience in human resources development, including consistent involvement in organizational culture reform to emphasize customer value and the promotion of the advancement of women. She is appropriately carrying out her role in strengthening the oversight function of the Board of Directors and offering advice and suggestions from an independent perspective on the promotion of human resources strategy and diversity, which form the foundation of the Group’s human capital management. Based on this proven track record, she has been put forward as a candidate for continued service as an Outside Director on the Board of Directors.

- Notes:
1. The registered name of Ms. Junko Kawano is Junko Yamanouchi.
 2. Mr. Shinji Mori serves as Outside Corporate Auditor of OSAKA SODA CO., LTD. and Auditor of CREDIT GUARANTEE CORPORATION OF OSAKA. There are no special interests between the Company and OSAKA SODA CO., LTD. and CREDIT GUARANTEE CORPORATION OF OSAKA. Mr. Shinji Mori is currently working for Chuo Sogo Law Office, P. C., to which the Group commissions business. The Group receives legal advice as required from lawyers of this office other than Mr. Shinji Mori, and the annualized advisory fee that the Group pays to said law office is less than ¥10 million. There are no special interests between candidates other than Mr. Shinji Mori and the Company.
 3. The Company has concluded agreements with Messrs. Shinji Mori, Masataka Inoue, Michiaki Kurihara and Ms. Junko Kawano pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit the amount of their liability to damages as provided for in Article 425, paragraph (1) of the same Act. If the reelections of Messrs. Shinji Mori, Masataka Inoue, Michiaki Kurihara and Ms. Junko Kawano are approved, the Company plans to extend the same agreements.
 4. The Company has notified Messrs. Shinji Mori, Masataka Inoue, Michiaki Kurihara and Ms. Junko Kawano as independent officers as prescribed by the Tokyo Stock Exchange. If the reelections of Messrs. Shinji Mori, Masataka Inoue, Michiaki Kurihara and Ms. Junko Kawano are approved, the Company plans to maintain their positions as independent officers.
 5. The Company has concluded a directors and officers liability insurance agreement with an insurance company. The liability insurance covers damages incurred by the insured person in cases such as a shareholder derivative suit. Each candidate will be included as an insured person under this insurance agreement. Furthermore, at the time of the next renewal, the Company plans to renew the liability insurance agreement without changes to the terms and conditions.

Proposal 3: Election of Three (3) Corporate Auditors

The terms of office of Corporate Auditors Kazuyoshi Hasegawa, Shigeyuki Moriuchi and Kiyoshi Watanabe will expire at the conclusion of this meeting. Accordingly, the Company proposes to elect three (3) Corporate Auditors.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for Corporate Auditor are as follows:

No.	Name	Current positions in the Company
1	Naokazu Hasegawa	– New appointment
2	Shigeyuki Moriuchi	Outside Corporate Auditor Reappointment Independent Outside
3	Kiyoshi Watanabe	Outside Corporate Auditor Reappointment Independent Outside

Reappointment Candidate for Corporate Auditor to be reappointed

Independent Candidate for independent officer as prescribed by the Tokyo Stock Exchange

Outside Candidate for Outside Corporate Auditor

New appointment Candidate for Corporate Auditor to be newly appointed

(Reference) Corporate Auditors of the Company After the Election (Planned)

Candidate	Name	Positions in the Company	
		Significant concurrent positions	
○	Naokazu Hasegawa	Full-time Corporate Auditor	
– *	Sachie Kato	Independent Outside	Outside Corporate Auditor Outside Corporate Auditor, Takamiya Co., Ltd.
○	Shigeyuki Moriuchi	Independent Outside	Outside Corporate Auditor Certified Public Accountant and Certified Tax Accountant Shigeyuki Moriuchi Office Outside Director (Audit and Supervisory Committee Member), KOSHIDAKA HOLDINGS Co., LTD. Outside Corporate Auditor, KATO SANGYO CO., LTD.
○	Kiyoshi Watanabe	Independent Outside	Outside Corporate Auditor Kiyoshi Watanabe Certified Tax Accountant Office

* The term of office for Corporate Auditor of the Company is four years. Ms. Sachie Kato was elected at the 47th Annual General Meeting of Shareholders held on April 15, 2022, and assumed her office.

* The Company has notified Ms. Sachie Kato, Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe as independent officers as prescribed by the Tokyo Stock Exchange.

Candidate No.

1

Naokazu Hasegawa

Date of birth

December 22, 1963

New appointment	Career summary and positions in the Company	
Number of the Company's shares held 1,700 shares	Mar. 1986	Joined the Company
Term of office as Corporate Auditor -	Jan. 2011	General Manager of Corporate Planning Department, the Company
Attendance at Board of Directors meetings -	Nov. 2011	General Manager of Corporate Planning Department and General Manager of Market Development Department, the Company
Attendance at Board of Corporate Auditors meetings -	Jun. 2012	General Manager of Corporate Planning Department and General Manager of International Business Department, the Company
	Mar. 2013	Corporate Officer, Division Director of Business Strategy Division, the Company
	Jan. 2014	Corporate Officer, Division Director of Corporate Communication Division, the Company
	Jan. 2019	Corporate Officer, General Manager of Corporate Communication Department, the Company
	Jan. 2023	Corporate Auditor Office, the Company (incumbent)
	Reasons for nomination as candidate for Corporate Auditor	
	Mr. Hasegawa has engaged in a wide range of duties covering overall management such as corporate planning, market development, international business and healthcare business, and has extensive experience and achievements. As General Manager of the Corporate Communications Department, he has been engaged in dialogue with shareholders and other stakeholders for many years. Based on the above, the Company has judged that he is capable of fairly and efficiently conducting audits of the execution of duties by Directors, and he has been put forward as a candidate for service as a Corporate Auditor.	

Candidate No.

2

Shigeyuki Moriuchi

Date of birth

February 26, 1957

Reappointment	Career summary and positions in the Company
Independent	Oct. 1982 Joined Price Waterhouse Certified Public Accountants Office
Outside	Jul. 1998 Senior Partner, Aoyama Audit Corporation
Number of the Company's shares held – shares	Oct. 2005 Director and Senior Partner, ChuoAoyama Audit Corporation
Term of office as Corporate Auditor 4 years and 0 months (at the conclusion of this meeting)	May 2007 Senior Partner, Kasumigaseki Audit Corporation (currently Grant Thornton Taiyo LLC)
Attendance at Board of Directors meetings 17/17 (100%)	Jan. 2010 Managing Partner, Kasumigaseki Audit Corporation (currently Grant Thornton Taiyo LLC)
Attendance at Board of Corporate Auditors meetings 14/14 (100%)	Nov. 2015 Outside Director (Audit and Supervisory Committee Member), KOSHIDAKA HOLDINGS Co., LTD. (incumbent)
	Dec. 2016 Outside Corporate Auditor, KATO SANGYO CO., LTD. (incumbent)
	Apr. 2019 Corporate Auditor, the Company (incumbent)
	Aug. 2022 Established Certified Public Accountant and Certified Tax Accountant Shigeyuki Moriuchi Office (incumbent)
	Sep. 2022 Advisor, Grant Thornton Taiyo LLC (incumbent)
	Significant concurrent positions
	Certified Public Accountant and Certified Tax Accountant Shigeyuki Moriuchi Office
	Outside Director (Audit and Supervisory Committee Member), KOSHIDAKA HOLDINGS Co., LTD.
	Outside Corporate Auditor, KATO SANGYO CO., LTD.
	Reasons for nomination as candidate for Outside Corporate Auditor

Mr. Moriuchi has many years of audit experience at major accounting firms and auditing firms, has a wide range of business experience and a high level of discernment as an accounting expert in statutory auditing, international operations, support for new listings, etc., and he oversees auditing at the Company with a high degree of independence and from a broad perspective. Although Mr. Moriuchi has not been involved in corporate management in a manner other than that of being an outside director/corporate auditor of the Company and other companies in the past, the Company has judged that he will be able to appropriately carry out his duties as Outside Corporate Auditor for the above reasons.

Candidate No.

3

Kiyoshi Watanabe

Date of birth

November 14, 1967

Reappointment	Career summary and positions in the Company
Independent	Feb. 1997 Registered as a certified tax accountant
Outside	Jul. 1997 Established Kiyoshi Watanabe Certified Tax Accountant Office (incumbent)
	Apr. 2019 Corporate Auditor, the Company (incumbent)
Number of the Company's shares held	Significant concurrent position
– shares	Kiyoshi Watanabe Certified Tax Accountant Office
Term of office as Corporate Auditor	Reasons for nomination as candidate for Outside Corporate Auditor
4 years and 0 months (at the conclusion of this meeting)	Mr. Watanabe has many years of business experience as a certified tax accountant and management consultant, and a high level of discernment as a tax specialist, and he oversees auditing at the Company with a high degree of independence and from a broad perspective. Although Mr. Watanabe has not been involved in corporate management in a manner other than that of being an outside corporate auditor of the Company in the past, the Company has judged that he will be able to appropriately carry out his duties as Outside Corporate Auditor for the above reasons.
Attendance at Board of Directors meetings	
17/17 (100%)	
Attendance at Board of Corporate Auditors meetings	
14/14 (100%)	

- Notes:
1. Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe are candidates for Outside Corporate Auditor.
 2. Mr. Shigeyuki Moriuchi serves as Advisor of Grant Thornton Taiyo LLC, Outside Director (Audit and Supervisory Committee Member) of KOSHIDAKA HOLDINGS Co., LTD. and Outside Corporate Auditor of KATO SANGYO CO., LTD. There are no special interests between the Company and Grant Thornton Taiyo LLC and KOSHIDAKA HOLDINGS Co., LTD. The Group does have a trading relationship with KATO SANGYO CO., LTD., however for the past three years, the amount of such trade was less than 2% of the consolidated net sales of either the Company or KATO SANGYO CO., LTD., and accordingly, KATO SANGYO CO., LTD. is not considered a major business partner of the Company. There are no special interests between candidates other than Mr. Shigeyuki Moriuchi and the Company.
 3. The Company has concluded agreements with Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit the amount of their liability to damages as provided for in Article 425, paragraph (1) of the same Act. If the reelections of Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe are approved, the Company plans to extend the same agreements. In addition, if the election of Mr. Naokazu Hasegawa is approved, the Company plans to conclude the same agreement with him.
 4. The Company has notified Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe as independent officers as prescribed by the Tokyo Stock Exchange. If the reelections of Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe are approved, the Company plans to maintain their positions as independent officers.
 5. The Company has concluded a directors and officers liability insurance agreement with an insurance company. The liability insurance covers damages incurred by the insured person in cases such as a shareholder derivative suit. Each candidate will be included as an insured person under this insurance agreement. Furthermore, at the time of the next renewal, the Company plans to renew the liability insurance agreement without changes to the terms and conditions.

Proposal 4: Continuation of the Measures to Address Large-Scale Acquisitions of the Company’s Stock (Takeover Defense Measures)

At the Company’s Board of Directors meeting held on January 15, 2008, the Company initially adopted Measures to Address Large-Scale Acquisitions of the Company’s Stock (Takeover Defense Measures) and recently obtained approval to continue the Measures (hereinafter referred to as “the Current Plan”) at the 45th Annual General Meeting of Shareholders held on April 16, 2020. However, the Current Plan will expire as of the closing of this meeting. Even after the Current Plan was continued, as one effort to protect and enhance the corporate value of the Company and, in turn, common interests of its shareholders, the Company has continued to examine the best approach for the future while taking into consideration various factors, including changes in social and economic conditions, various trends related to takeover defense measures and the direction of such debate, and the purport of the Corporate Governance Code.

As a result, the Company has reached the conclusion that it is necessary and indispensable to continue the Measures to Address Large-Scale Acquisitions of the Company’s Stock as one way to work to achieve sustainable growth and enhance the corporate value of the Company over the medium and long term by coexisting and prospering with all stakeholders, including customers, employees, business partners, communities and shareholders, based on the Basic Policy on Corporate Governance as described in the Attached document 2. At the Company’s Board of Directors meeting held on March 3, 2023, a unanimous decision was reached by all Directors in attendance, including four Outside Directors, to continue the Current Plan (hereinafter the continued Measures to Address Large-Scale Acquisitions of the Company’s Stock is referred to as “the Plan”) conditional upon obtaining the approval of shareholders at this meeting. The reasons for continuing the Plan are given in [Reasons for the Company to continue the Plan] given below. The Company therefore seeks the shareholders’ approval.

All four members of the Board of Corporate Auditors noted their opinion that they agree with continuing the Plan on condition that the Plan is to be administered appropriately in detail. Attached document 1 gives the current status of major shareholders as of January 20, 2023.

Furthermore, in this continuance of the Plan, the Company has made revisions to phrasing and wording and amended and streamlined certain terms, etc. from the Current Plan, but there are no substantial changes to the mechanism of the Current Plan.

[Reasons for the Company to continue the Plan]

For the Company, the decision whether to agree to a large-scale acquisition by a large-scale purchaser should ultimately be entrusted to the judgment of shareholders, and the Company will not necessarily unconditionally reject a bid to participate in the Company’s management if the acquisition would dramatically enhance the Company’s corporate value.

The purpose of the large-scale acquisition rules in the Plan is to ensure the opportunity for shareholders to receive an alternate plan by providing not only information that can allow shareholders to determine whether to agree to the large-scale acquisition but also the opinion of the Board of Directors, which is responsible for managing the Company. At the present time, the Financial Instruments and Exchange Act includes certain restrictions on hostile takeovers, but it may not be effective in various ways as it neither legally ensures the provision of information and time to review such information before the launch of a tender offer nor legally restricts acts of buying up shares in the market. Therefore, establishing large-scale acquisition rules is a precondition for shareholders and investors making appropriate investment decisions, and the Company believes that ensuring sufficient time is also effective for having constructive dialogues with large-scale purchasers regarding improving corporate value.

The Group has established the Group Mission 2030, which summarizes its vision for 2030 as “For DyDo Group to create enjoyable, healthy lifestyles for people around the world” based on the DyDo Group Philosophy of “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.” Accordingly, the Group strives to contribute to the realization of a sustainable society in which the people of the world can live happy, healthy lives, and to achieve the Group’s sustained growth and improve its corporate value over the medium and long term by creating social, environmental, and economic value. However, there are concerns that if 20% or more of the Company’s issued shares were acquired, it would have a major impact on the Company’s management and make it impossible to implement corporate measures aimed at enhancing corporate value in a timely manner. This could also have a marked impact on the special resolutions at a General Meeting of Shareholders if one considers factors such as quorum and percentage of voting rights exercised.

The status of the Company's major shareholders as of January 20, 2023, are given in Attached document 1, and the Company has a wide range of shareholders, primarily individual shareholders. Except for Tomiya Takamatsu, the Company's President and Representative Director, no parties related to the family of the founder of the Company have any involvement in the management of the Company, and their decisions to exercise voting rights are made on an individual basis, making their position no different than that of general shareholders. Therefore, there is always the possibility of a large-scale acquisition of the Company's stock that would undermine the corporate value of the Group and common interests of its shareholders. The examples of situations of concern are described below.

- (i) The domestic beverage business which is core for the Group has a network of vending machines throughout Japan, one of the largest in the industry. There have previously been cases of M&As in the beverage industry, in which the business value of vending machine businesses has been extremely highly rated, and the Company could be exposed to the danger of a hostile takeover by a large-scale purchaser focused only on the number of vending machines possessed by the Group, not on enhancing the Company's corporate value over the medium and long term.
- (ii) On the other hand, the unique business model for the Group's vending machine business is founded on the trust of stakeholders, and operations of the network of vending machines throughout Japan, one of the largest in the industry, are based on a system run directly by the Group's employees and employees of DyDo Vending Partner Association (vending machine operators that handle the Company's products). It is thus highly dependent on human resources. In order to enhance the corporate value of the Group over the medium and long term, it is necessary to implement reforms to vending machine operations with the understanding of stakeholders including employees and the DyDo Vending Partner Association, but if these parties were to become concerned or alarmed about changes in the management policy on account of the policies of a large-scale purchaser, the quality of the vending machine operations could decline due to various consequences including employee unrest or exodus, which could undermine the ability of the vending machine business to generate cash flows on account of a major loss of vending machine locations that are extremely efficient in terms of sales, and this in turn, could lower the Group's corporate value over the medium and long term.

As discussed above, continuing to have large-scale acquisition rules is necessary and indispensable to achieve sustainable growth and enhance the corporate value of the Company over the medium and long term. Considering the characteristics of the Group's unique vending machine business model, it has been determined that always being prepared for unexpected situations by continuing the Plan is a responsibility of the Board of Directors.

I. Content of the Plan to be approved

1. Purpose for continuing the Plan

The Plan will be continued as a measure to prevent unsuitable parties from controlling decisions regarding the Company's financial and business policies in light of the Basic Policy on Control of the Company.

The purpose of the Plan is to provide shareholders with the necessary and sufficient information and time to reach an appropriate decision regarding whether to agree to a large-scale acquisition by (1) requiring large-scale purchasers to submit necessary and sufficient information before the execution; (2) securing time for information gathering, review, and similar tasks relating to the large-scale acquisition, and; (3) on that basis, presenting the plan of the Company's management or an alternative plan to the shareholders and conducting negotiations with the large-scale purchaser if necessary.

The status of the Company's major shareholders as of January 20, 2023, are given in Attached document 1, and the Company has a wide range of shareholders, primarily individual shareholders. Except for Tomiya Takamatsu, the Company's President and Representative Director, no parties related to the family of the founder of the Company have any involvement in the management of the Company, and their decisions to exercise voting rights are made on an individual basis, making their position no different than that of general shareholders. It is also fully possible that aspects such as the business foundations, centered on vending machines, an integral part of the Company's unique business model, and related management knowhow could be exposed to the potential risk of being purchased. Taking these conditions into consideration, it cannot be denied that there is the possibility that the Company's share could be the target of a large-scale acquisition that could damage the corporate value of the Company and, in turn, common

interests of its shareholders, and, just like other companies, it is still important to ensure the necessary time and information for shareholders if such an acquisition were to occur. Therefore, the Company's Board of Directors considers it important to introduce measures to address such contingencies.

Because of the above, the Company's Board of Directors decided to stipulate certain rules related to points such as providing information in the case of a large-scale acquisition (hereinafter referred to as "Large-Scale Acquisition Rules") and to continue the Plan as a takeover defense measure, including countermeasures against a large-scale acquisition by an unsuitable party in light of the Basic Policy on Control of the Company, conditional upon obtaining the approval of shareholders at this meeting.

The Plan includes the establishment of an Independent Committee to eliminate arbitrariness in the decisions of the Board of Directors, and resolutions to execute the countermeasures shall be submitted to a General Meeting of Shareholders only if recommended by the Independent Committee, thereby establishing a scheme that also takes into consideration the Board of Directors implementing arbitrary measures.

Refer to Attached document 3 for an outline of the flow of the Plan.

2. Acquisitions of the Company's stock that the Plan applies to

Acquisitions of the Company's stock that the Plan applies to are ones whose purpose is for a specified shareholder group (Note 1) to obtain 20% or more of the voting rights (Note 2) and ones that ultimately result in a designated shareholder group obtaining 20% or more of the voting rights through the acquisition of the Company's share certificates, etc. (Note 3) (Although the Plan applies regardless of how the instruments are acquired, such as purchases in the market or takeover bid, this does not apply to acquisitions by parties who obtain the prior approval of the Company's Board of Directors. Hereinafter these purchases are referred to as "Large-Scale Acquisitions," and the party acquiring the instruments, "Large-Scale Purchaser.")

Note 1: "Specified shareholder group" refers to

- (i) a holder (including parties deemed as holders pursuant to Article 27-23, paragraph (3) of the Financial Instruments and Exchange Act; the same applies hereinafter) and joint holders (as stipulated in Article 27-23, paragraph (5) of the Financial Instruments and Exchange Act, including parties deemed a joint holder pursuant to paragraph (6) thereof; the same applies hereinafter) of the Company's share certificates, etc., (as stipulated in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act), or parties with certain relationships with the holder or joint holder of the holder that is similar to the relationship between the holder and joint holder (hereinafter referred to as "quasi-joint holders"), or
- (ii) parties conducting purchases, etc. (as stipulated in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act, including any purchase, etc. made on a market operated by a financial instruments exchange) of the Company's share certificates, etc. (as stipulated in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act), and its specially related party (as stipulated in Article 27-2, paragraph (7) of the Financial Instruments and Exchange Act; the same applies hereinafter).

Note 2: "Percentage of voting rights" refers to

- (i) in the case of specified shareholder group as given in Note 1 (i), the total of (1) the holding ratio of share certificates, etc., (as stipulated in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act; in this case, this includes the number of share certificates, etc., held by joint holders with the holder [number of share certificates, etc. held as stipulated in the same paragraph; the same applies hereinafter]) of the holder and (2) the holding ratio of share certificates, etc. of quasi-joint holders with the holder (minus the number of held share certificates, etc., counted twice in the total of (1) and (2)), or
- (ii) in the case of a specified shareholder group as given in Note 1 (ii), the total of the holding ratio of share certificates, etc. of the Large-Scale Purchaser and that of its specially related party (as stipulated in Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act).

Furthermore, when calculating the percentage of voting rights, whichever of the Company's annual report, quarterly report, or reports on repurchase that has been most recently submitted to the authorities may be used to determine the total number of voting rights (as stipulated in Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act) and the total number of issued shares (stipulated in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act).

Note 3: "Share certificate, etc." refers to shares and other securities as stipulated in Article 27-23, paragraph (1), and Article 27-2, paragraph (1), of the Financial Instruments and Exchange Act.

3. Establishment of the Independent Committee

The Company's Board of Directors shall consult with the Independent Committee (refer to Attached document 4 for an outline of the Independent Committee), which was established as a body independent of the Board of Directors, to prevent arbitrary decisions by the Company's Board of Directors when deciding on the following decisions and to ensure the transparency, objectivity, fairness, and rationality of those decisions. These decisions are as follows: whether Large-Scale Purchasers are adhering to the Large-Scale Acquisition Rules; whether to judge Large-Scale Acquisitions, even those that adhere to Large-Scale Acquisition Rules, as ones that markedly damage the corporate value of the Company and, in turn, common interests of its shareholders and to execute countermeasures; whether to convene a General Meeting of Shareholders regarding executing countermeasures; and whether to take actions such as suspending the execution of countermeasures that have been executed. In addition, when responding to consultation from the Company's Board of Directors, the Independent Committee shall perform the following: carefully evaluate and review Large-Scale Acquisitions from the perspective of protecting and enhancing the corporate value of the Company and, in turn, common interests of its shareholders; clearly indicate the reason and basis for its decisions, and provide advice to the Company's Board of Directors; and the Company's Board of Directors shall give the utmost respect possible to the advice. A summary of the advice by the Independent Committee shall be made public when appropriate.

The Independent Committee shall be composed of at least three members, elected from Outside Directors, Outside Corporate Auditors, and outside experts (corporate managers with extensive experience with management, parties well versed in investment banking operations, attorneys, certified public accountants, academic experts, and equivalent parties). (Refer to Attached document 5 for details on candidates to be Independent Committee members after the Plan is continued.)

4. Summary of Large-Scale Acquisition Rules

The Large-Scale Acquisition Rules established by the Company's Board of Directors stipulate that (1) Large-Scale Purchasers shall provide the Company's Board of Directors with necessary and sufficient information related to the Large-Scale Acquisition in advance and (2) launch the Large-Scale Acquisition after an evaluation period for the Company's Board of Directors. An outline of the Rules is provided below.

(1) Submission of statement of intention to the Company in advance

Large-Scale Purchasers planning to make a Large-Scale Acquisition shall submit to the Company's Representative Director a statement of intention written in Japanese that includes the information set forth below and a legally binding pledge to adhere to the Large-Scale Acquisition Rules before making a Large-Scale Acquisition or proposing a Large-Scale Acquisition. After receiving the statement of intention from a Large-Scale Purchaser, the Company shall make public that it has received such a statement of intention, and when necessary, details of that statement.

- (i) Name and address of the Large-Scale Purchaser
- (ii) Applicable law for its establishment
- (iii) Name of the representative
- (iv) Contact information in Japan
- (v) Outline, etc. of the proposed Large-Scale Acquisition

(2) Submission of necessary information

Within ten business days from the day after receiving the statement of intention given in (1) above, the Company's Board of Directors shall send the Large-Scale Purchaser a written statement that includes a list of necessary and sufficient information that the Large-Scale Purchaser should initially submit so that the Company's shareholders can make a decision and the Company's Board of Directors can form an opinion (hereinafter referred to as "Necessary Information"). As stipulated in the list of Necessary Information, the Large-Scale Purchaser shall submit a written response that includes the Necessary Information in Japanese to the Company's Board of Directors.

The following are general items included in Necessary Information. While the specific information will depend on the characteristics of the Large-Scale Purchaser and details specific Large-Scale Acquisition, it shall be limited, in all cases, to information necessary and sufficient for shareholders to make a decision and the Company's Board of Directors to form an opinion.

- (i) Details of the Large-Scale Purchaser and the purchaser's group (joint holders, its specially related party, partners (if a fund), and other constituent members). (This includes names, business details, capital composition, financial details, background and history, and experience related to the same type of business as that of the Company and Group companies.)
- (ii) Purpose and details of the Large-Scale Acquisition (amount and type of compensation for the Large-Scale Acquisition, etc.; timing of the Large-Scale Acquisition, etc.; scheme of related transactions; legality of the method for the Large-Scale Acquisition, etc.; probability of being successful in regard to the Large-Scale Acquisition, related transactions, etc.)
- (iii) Basis for the calculated offer price for the Company's share and proof of funds in the Large-Scale Acquisition (facts that the calculation is based on, calculation method, numerical information used in the calculation, details of the synergies envisioned due to the series of transactions related to the Large-Scale Acquisition, and names of suppliers of funds [including actual providers], financing method, details of related translations, etc.)
- (iv) Candidate managers for the Company and Group companies that the Large-Scale Purchaser envisions appointing after joining the Company's management (including information such as background in businesses similar to that of the Company and Group companies), management policy, business plan, financial plans, capital policy, dividend policy, policy on use of assets, etc.
- (v) Whether there are envisioned changes and their details related to the relationship between the Company (including Group companies) and its stakeholders (customers, business partners, employees and other stakeholders of the Company and Group companies) after completing the Large-Scale Acquisition
- (vi) Other information that the Company's Board of Directors rationally determines is necessary

The Company's Board of Directors may set a deadline for the Large-Scale Purchaser to submit information when necessary from the perspective of quickly applying the Large-Scale Acquisition Rules. However, if the Large-Scale Purchaser requests an extension for a rational reason, the deadline can be extended.

If after carefully examining the Necessary Information initially submitted by the Large-Scale Purchaser, the Company's Board of Directors determines the information is insufficient, the Company's Board of Directors may request that the Large-Scale Purchaser submit additional information after setting an appropriate and rational deadline by which the Large-Scale Purchaser must provide the additional information until all of the Necessary Information is received (the deadline shall be no more than sixty days after Necessary Information is initially submitted).

If the Company's Board of Directors determines that the Large-Scale Purchaser has submitted necessary and sufficient Necessary Information to evaluate and review the Large-Scale Acquisition, the Company's Board of Directors shall send the Large-Scale Purchaser notification of that (hereinafter referred to as "Information Submission Completion Notification") and notify the public of that fact.

If even though the Company's Board of Directors requested to submit information in addition to the Necessary Information, the Large-Scale Purchaser does not submit some information but has a rational explanation for not doing so, there are situations when activities such as negotiations with the Large-Scale Purchaser regarding the submission of information, etc., will be concluded even though the Necessary Information requested by the Company's Board of Directors has not been submitted, the public will be notified of that, and the Company's Board of Directors will begin its evaluation, review, etc. given in (3) below.

Necessary Information submitted to the Company's Board of Directors shall be provided to the Independent Committee, and if the information is deemed necessary for shareholders to make a decision, all or some of the information shall be made public when determined appropriate by the Company's Board of Directors.

(3) Evaluation, review, etc. by the Company's Board of Directors

After the Large-Scale Purchaser finishes submitting Necessary Information to the Company's Board of Directors, the Board of Directors shall set a length of time to conduct an evaluation, review, undertake negotiations, form an opinion, and formulate an alternate plan (hereinafter referred to as "Board of Directors Evaluation Period") that is appropriate for the difficulty of conducting those activities, but that

period shall not exceed sixty days if the proposed purchase is for all the Company's shares using only cash (yen), and ninety days for other situations.

During the Board of Directors Evaluation Period, while receiving advice from independent outside experts (financial advisors, certified public accountants, attorneys and other experts) when necessary, the Company's Board of Directors shall fully examine and evaluate the submitted Necessary Information and carefully compile and make public its opinion. In addition, the Company's Board of Directors may conduct negotiations with the Large-Scale Purchaser regarding improvements to the terms when necessary and provide the Company's shareholders with an alternate plan.

5. Policy on the countermeasure in the case of a Large-Scale Acquisition

(1) If the Large-Scale Purchaser adheres to the Large-Scale Acquisition Rules

If the Large-Scale Purchaser adheres to the Large-Scale Acquisition Rules, even if the Company's Board of Directors is opposed to the Large-Scale Acquisition, it shall limit its actions to convincing shareholders by expressing its opinion against the proposed Large-Scale Acquisition and indicating an alternate plan but, as a general rule, shall not execute countermeasures against the Large-Scale Acquisition. The Company's shareholders shall decide whether to agree to the Large-Scale Purchaser's acquisition plan taking into consideration the proposed Large-Scale Acquisition and the Company's opinion regarding such proposed Large-Scale Acquisition, alternate plan, etc.

Even if the Large-Scale Purchaser adheres to the Large-Scale Acquisition Rules, if the Company's Board of Directors determines that the acquisition will damage the corporate value of the Company and, in turn, common interests of its shareholders, which includes situations such as the Large-Scale Acquisition being one of following, (i) - (vi), and as a result will clearly cause the Company damage that would be difficult to recover from, the Company's Board of Directors may, in accordance with its duty of due care of a prudent manager, execute countermeasures permitted by the Companies Act, other laws and the Company's Articles of Incorporation, including in exceptional situations the gratis allotment of stock acquisition rights, to the extent necessary and appropriate to secure the interests of the Company's shareholders.

- (i) If the Large-Scale Acquisition is such that it will clearly damage the corporate value of the Company and, in turn, common interests of its shareholders on account of one of the actions given in a.-d. below
 - a. Acquiring a large number of the Company's shares and demanding the Company purchase those shares at an inflated price (so-called green mail)
 - b. Acquiring temporary control of the Company's management and managing the Company in a manner that benefits the purchaser at the expense of the Company, such as acquiring the important assets of the Company or Group companies, etc. at a discounted price
 - c. Using the assets of the Company or Group companies as collateral for or as a source of funds to repay the liabilities of the purchaser or the purchaser's group companies.
 - d. Acquiring temporary control of the Company's management, disposing of items such as highly valuable assets not currently related to the business of the Company or Group companies, using the funds raised to temporarily boost the dividends or waiting for the stock price to rise due to a temporary high dividend to sell off the shares at a higher price
- (ii) If the Large-Scale Acquisition may in fact force shareholders to sell off their shares, including coercive two-stage acquisition (acquisition of shares such as a tender offer, whereby no solicitations for acquiring all the shares are made in the initial acquisition and the terms for the second-stage acquisition are set more disadvantageously or are not made clear)
- (iii) If it is determined that the acquisition terms proposed by the Large-Scale Purchaser (including but not limited to the type and amount of compensation for the share, basis for calculating the amount, and specific contents, legality and feasibility of other terms) are markedly insufficient or inappropriate considering the Company's corporate value
- (iv) If it is determined that the Large-Scale Purchaser obtaining control will conspicuously harm the corporate value of the Company and, in turn, common interests of its shareholders by activities such as damaging the relationship with customers, business partners, employees, communities and other stakeholders who are indispensable for generating sustainable growth in the Company's corporate value

- (v) If it is determined that because aspects such as the Large-scale Purchaser's post-acquisition management policy are insufficient or inappropriate, this may undermine the growth potential and stability of the Company or Group companies' business and dramatically hinder efforts to protect and enhance the Company's or Group companies' corporate value and, in turn, common interests of their shareholders
- (vi) If the Large-Scale Purchaser is determined to be unsuited for being the controlling shareholder of the Company from a public order and morals

(2) If the Large-Scale Purchaser does not adhere to Large-Scale Acquisition Rules

If the Large-Scale Purchaser does not adhere to the Large-Scale Acquisition Rules, after obtaining the advice of the Independent Committee to execute the countermeasures, the Company's Board of Directors may oppose the Large-Scale Acquisition and execute countermeasures permitted by the Companies Act, other laws and the Company's Articles of Incorporation, including the gratis allotment of stock acquisition rights, to the extent necessary and appropriate to protect and enhance the corporate value of the Company and, in turn, common interests of its shareholders.

(3) Board of Directors' resolution and convening a General Meeting of Shareholders

When deciding whether to execute countermeasures discussed in (1) and (2) above, the Company's Board of Directors shall make an assessment regarding issues such as whether to execute countermeasures after giving the utmost respect possible to the advice of the Independent Committee and fully reviewing issues such as the necessity and reasonableness of the countermeasures.

The specific measure taken shall be the one that the Company's Board of Directors determines to be the most appropriate at that time. An outline of the case when the Company's Board of Directors conducts a gratis allotment of stock acquisition rights as a specific countermeasure is given in Attached document 6. In an event where the Company actually conducts a gratis allotment of stock acquisition rights, conditions may be stipulated that take into consideration the effectiveness of countermeasures, and these could include one of the conditions for exercising stock acquisition rights as being a shareholder who is not part of a specified shareholder group that holds a certain percentage or more of voting rights or a special provision that the Company shall acquire the stock acquisition rights from rights holder in exchange for the Company's shares. However, in that case, it is not envisioned that the Company would provide cash to acquire the stock acquisition rights held by the Large-Scale Purchaser.

If the Independent Committee advises that countermeasures be executed, determines that it is appropriate to confirm the will of shareholders regarding the necessity and reasonableness to execute the countermeasures, and requests that a General Meeting of Shareholders regarding a resolution to execute the countermeasures be held, the Company's Board of Directors may set a period of time, not to exceed sixty days, for shareholders to fully review whether to execute the countermeasures in the Plan (hereinafter referred to as "Shareholder Review Period") and convene a General Meeting of Shareholders within that Period.

If the Company's Board of Directors passes a resolution convening a General Meeting of Shareholders and decides on a record date, the Board of Directors Evaluation Period shall end on that day, and the Shareholder Review Period shall begin.

When convening the General Meeting of Shareholders, the Company's Board of Directors shall send shareholders written material that includes the Necessary Information submitted by the Large-Scale Purchaser, the Board of Directors' opinion of the Necessary Information, the Board of Directors' alternative plan and other information that the Board of Directors judges appropriate along with the notice of a convocation of General Meeting of Shareholders and disclose that it will do so in a timely and appropriate manner.

The Company's Board of Directors shall adhere to resolutions regarding whether to execute countermeasures passed at the General Meeting of Shareholders. If a resolution to execute the countermeasures is not adopted at the General Meeting of Shareholders, the Company's Board of Directors shall not execute the countermeasures. The Shareholder Review Period shall end at the close of the General Meeting of Shareholders, and the results of the meeting shall be disclosed in a timely and appropriate manner after the resolutions are passed.

(4) Large-scale acquisition waiting period

The large-scale acquisition waiting period shall be until the end of Board of Directors Evaluation Period if a Shareholder Review Period is not set or the end of the combined period of the Board of Directors Evaluation Period and Shareholder Review Period if a Shareholder Review Period is set. Large-Scale Acquisitions cannot be conducted during the large-scale acquisition waiting period.

Therefore, Large-Scale Acquisitions can only be launched after the large-scale acquisition waiting period is over.

(5) Suspension of the execution of countermeasures, etc.

If after it is decided at a Company's Board of Directors meeting or a General Meeting of Shareholders to execute specific countermeasures as discussed in (3) above, the Company's Board of Directors determines it is inappropriate to execute the countermeasures for any of various reasons such as the Large-Scale Purchaser withdrawing or changing the Large-Scale Acquisition plan, the Board of Directors may suspend the execution of countermeasures or take other steps after giving the utmost respect possible to the advice of the Independent Committee.

For example, in an event where a gratis allotment of stock acquisition rights is conducted as a countermeasure, even after the resolution regarding the gratis allotment is passed or the gratis allotment is conducted, if the Company's Board of Directors determines that it is inappropriate to execute the countermeasures for any of various reasons such as the Large-Scale Purchaser withdrawing or changing the Large-Scale Acquisition plan, the Board of Directors can suspend the execution of the countermeasures by discontinuing the gratis allotment of stock acquisition rights up to the day before the rights come into effect or having the Company acquire the stock acquisition rights without contribution after the gratis allotment of stock acquisition rights but before the day before the start of the exercise period after giving the utmost respect possible to the recommendation of the Independent Committee. If the execution of countermeasures is suspended in this way or there is a similar development, the decision shall be disclosed in a timely and appropriate manner in line with laws and regulations, listing rules of the financial instrument exchange the Company is listed on, etc.

6. Commencement of application, effective period, abolishment of the Plan, etc.

Assuming approval is obtained at this meeting, the Plan will come into effect on that day, and the Plan shall stay in effect until the conclusion of the Annual General Meeting of Shareholders for the last fiscal year that falls within three years of that date (the Annual General Meeting of Shareholders scheduled to be held in April 2026).

Even if the Plan has yet to expire, however, the Plan will be abolished at the time a resolution to abolish the Plan is passed at a General Meeting of Shareholders or Board of Directors meeting. If the Plan is abolished, the fact that it has been abolished shall be made public in a timely and appropriate manner.

Even if the Plan has yet to expire, in an event where it becomes necessary to make revisions to the terms stipulated in the Plan, meaning of terms, etc. for any of various reasons including newly established, revised, or repealed related laws and regulations, listing rules of the financial instruments exchange, etc., the Company's Board of Directors shall rationally interpret and apply the Plan to the extent possible without violating the purport of the General Meeting of Shareholders resolution and taking into consideration the purport of the newly established, revised, or repealed item, etc. and giving the utmost respect possible to the advice of the Independent Committee.

II. Supplementary explanations

1. Impact on shareholders, investors, etc.

(1) Impact of the Plan on shareholders, investors, etc.

When the Plan is continued, there will be no specific direct impact on the interest of shareholders because a gratis allotment of stock acquisition rights will not be conducted at that time. The Large-Scale Acquisition Rules in the Plan are to provide the necessary information for shareholders to decide whether to agree to a Large-Scale Acquisition and the opinion of the Board of Directors, who are currently responsible for managing the Company, and to ensure an opportunity for shareholders to receive an alternative plan. Because of this, shareholders will be able to make an appropriate decision

regarding whether to agree to the Large-Scale Acquisition taking into consideration sufficient information and the proposal, and the Company believes that this will protect the corporate value of the Company and, in turn, common interests of its shareholders. Therefore, the establishment of Large-Scale Acquisition Rules is a precondition for shareholders and investors to make an appropriate investment decision and will contribute to the interest of shareholders and investors.

Because the Company's policy to address a Large-Scale Acquisition depends on whether the Large-Scale Purchaser adheres to the Large-Scale Acquisition Rules, shareholders and investors should pay close attention to material the Company releases and what Large-Scale Purchasers do.

(2) Impact on shareholders and investors if countermeasures are executed

If the Company's Board of Directors decides to execute countermeasures as described in the above item 5. "Policy on the countermeasure in the case of a Large-Scale Acquisition" to protect the corporate value of the Company and, in turn, common interests of its shareholders, the Company's Board of Directors shall disclose the decision in a timely and appropriate manner in line with laws and regulations, listing rules of the financial instrument exchange the Company is listed on, etc.

When countermeasures are executed, the Company does not assume that shareholders other than the Large-Scale Purchaser, etc. will incur particular losses in terms of legal rights or economic interest. If a gratis allotment of stock acquisition rights is undertaken as one of the countermeasures, shareholders as of the record date for the allotment are allotted a number of stock acquisition rights without contribution proportional to the number of shares they hold. After that, if the Company takes procedures to acquire the stock acquisition rights with the special provision for acquisition, shareholders other than the Large-Scale Purchasers, etc. will not suffer a substantial, negative impact because they will receive the Company's share as compensation of the acquisition of the stock acquisition rights by the Company. If in response to the advice of the Independent Committee, the Company discontinues the issuance of stock acquisition rights or acquires the issued stock acquisition rights without contribution in line with a decision by the Company's Board of Directors, shareholders and investors who trade the Company's share or take other actions assuming the Company's share value would be diluted after shareholders to receive the gratis allotment of stock acquisition rights were finalized (after the ex-rights date) may incur unforeseen losses due to changes in the share price.

As for Large-Scale Purchasers, etc., if it is determined that they have not adhered to the Large-Scale Acquisition Rules, or if it is determined that the Large-Scale Acquisition will markedly damage the corporate value of the Company and, in turn, common interests of its shareholders even if they have adhered to the Large-Scale Acquisition Rules, their legal rights and economic interest may be undermined as a result of the execution of countermeasures. The Plan is made public as an advance warning so that Large-Scale Purchasers do not violate the Large-Scale Acquisition Rules.

(3) Procedures required of shareholders when countermeasures are executed

If a gratis allotment of stock acquisition rights is conducted as one of the countermeasures, shareholders as of the record date for the allotment shall be allotted stock acquisition rights without having to apply for them, and if the Company takes procedures to acquire the stock acquisition rights with the special provision for acquisition, there is no need for shareholders to complete procedures, such as applying or paying for the stock acquisition rights, because shareholders will receive the Company's share as compensation for the Company acquiring the stock acquisition rights, without paying an amount equivalent to the stock acquisition right exercise price. Details regarding these procedures will be disclosed in a timely and appropriate manner based on laws and regulations, listing rules of the financial instrument exchange the Company is listed on, etc. when conducting an actual gratis allotment of stock acquisition rights.

2. The Plan is in accord with the basic policy and the corporate value of the Company, in turn, common interests of its shareholders, and its purpose is not to maintain the position of the Company's officers

The Company believes that the Plan is in accord with the Basic Policy on Control of the Company, the corporate value of the Company and, in turn, common interests of its shareholders, and that its purpose is

not to maintain the position of the Company's officers because the following points were taken into consideration when the designing the Plan.

(1) Satisfaction of the requirements of guidelines on takeover defense measures

The Plan fulfills the three principles stipulated by "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholder's Common Interests" released by the Ministry of Economy, Trade and Industry and Ministry of Justice on May 27, 2005 ([i] principle of protecting and enhancing corporate value and the interests of shareholders as a whole, [ii] principle of prior disclosure and shareholders' will, [iii] principle of ensuring the necessity and reasonableness). The Plan was also developed taking into consideration the report entitled "Takeover Defense Measures in Light of Recent Environmental Changes," released on June 30, 2008 by the Corporate Value Study Group established in the Ministry of Economy, Trade and Industry, and "Principle 1.5 Anti-Takeover Measures" of Japan's Corporate Governance Code released by the Tokyo Stock Exchange on June 1, 2015.

(2) Continuance of the Plan to protect and enhance the common interests of the shareholders

The Plan makes various things possible in the case of a Large-Scale Acquisition of the Company's stock, including ensuring the opportunity to receive the time and information necessary for shareholders to decide whether to agree to the Large-Scale Acquisition and an alternative plan by the Company's Board of Directors and will be continued to protect and enhance the corporate value of the Company and, in turn, common interests of its shareholders.

(3) Reflection of the will of shareholders

The Company will confirm the will of shareholders related to the Plan at this meeting. Even if the Plan is still in effect, in an event where a resolution to abolish the Plan is adopted at the Company's General Meeting of Shareholders or a Board of Directors meeting, the Plan will be abolished at that time to reflect the will of shareholders.

(4) Elimination of arbitrary decisions by the Board of Directors

The Plan establishes the Independent Committee as an organization independent of the Company's Board of Directors, and the Company's Board of Directors shall give the utmost respect possible to the advice of the Independent Committee when deciding whether to execute countermeasures to ensure the transparency, objectivity, fairness, and rationality of the decision and to eliminate arbitrary decisions by the Company's Board of Directors. A summary of decisions by the Independent Committee shall be disclosed to shareholders, and a mechanism is secured so that the Plan is implemented in a transparent manner that serves the corporate value of the Company and, in turn, common interests of its shareholders.

(5) Establishment of rational, objective conditions to execute the Plan

The Plan was designed so that countermeasures are not executed unless rational, objective conditions are satisfied, and a mechanism is secured to prevent an arbitrary execution of countermeasures by the Company's Board of Directors.

(6) This is not a dead hand-type or slow-hand type takeover defense measure

The Plan can be abolished by the Board of Directors composed of directors elected at the Company's General Meeting of Shareholders. Therefore, the Plan is not a dead hand-type takeover defense measure (a takeover defense measure in which the execution of the countermeasures cannot be halted even if a majority of constituent members of the Board of Directors are replaced).

Furthermore, Directors of the Company have a term of one year, and the terms of Directors are not staggered. Therefore, the Plan is not a slow-hand takeover defense measure (a takeover defense measure in which it takes time to halt the execution of countermeasures because constituent members of the Board of Directors cannot be replaced all at once). Furthermore, resolutions to remove Directors do not have additional requirements for resolution such as requiring a special resolution.

Major Shareholders as of January 20, 2023

Shareholder Name	Number of Shares Held (Thousand shares)	Percentage of number of shares held in the total number of shares issued (%)
HighWood Co. Ltd.	2,470	15.54
Santomi	2,011	12.65
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,032	6.49
Taita Corporation	638	4.01
Tomihiro Takamatsu	495	3.11
Tomiya Takamatsu	495	3.11
Akira Takamatsu	494	3.10
Custody Bank of Japan, Ltd. (Trust Account)	279	1.75
Lemongas Kagoshima Co., Ltd.	250	1.57
Lemongas Kumamoto Co., Ltd.	223	1.40
Total	8,387	52.78

Notes: 1. The percentage of number of shares held in the total number of issued shares is calculated after deducting 675,820 treasury shares, which does not include the 91,900 shares held by the Board Benefit Trust (BBT) and the 109,800 shares held by the trust account exclusive for the Employee Shareholding Incentive Plan (E-Ship®), and rounded down to two decimal places.

2. Numbers of shares held have been rounded down to the nearest 1,000 shares.

Basic Policy on Corporate Governance

1. Basic Approach to Corporate Governance

“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 Philosophy inspires us in our ongoing quest to ensure proper, upstanding business practices and rigid compliance with relevant laws and regulations. It motivates us to constantly improve management efficiency and transparency, and to promote the Group’s mutual benefits with all of our stakeholders, including our customers, our employees, our business partners, our communities, and our shareholders. It is the very cornerstone of our corporate governance, which is geared toward generating sustainable growth and improving corporate value over the medium and long term.

DyDo Group Philosophy	
Creating happiness and prosperity, together with people and with society. To achieve this goal, the DyDo Group will continue to embrace new challenges in a dynamic way.	
DyDo Group 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 society.	Bringing together all DyDo’s resources in the entire Group’s product development and corporate activities, we will help build a rich and vibrant society.
Together with the next generation.	We will create a DyDo standard for the next generation that transcends national borders and conventional frameworks.
Together with our people.	We will tirelessly embrace the DyDo Challenge of bringing happiness to all whose lives are touched by the DyDo Group.

Our core business is the domestic beverage business and, as approximately 80% of our sales for this segment come from vending machines in the local community, it is fair to say that our products are familiar parts of consumers’ everyday lives. Moreover, our operations are conducted under a “fabless management” system, which means we have no plants of our own and instead outsource work in close cooperation with producers and distributors nationwide to make and deliver products. We concentrate our resources on more specific roles, such as product planning and development, and vending machine operations. We have one of the largest networks of vending machines in the industry, which are maintained by the Group employees and the DyDo Vending Partner Association (vending machine operators that handle DyDo products).

It is a rather unique business model that depends on the trust of our stakeholders. As such, we believe “creating happiness and prosperity, together with people and with society” is more than just a nice phrase for a corporate philosophy—it is our duty, and the overriding objective of our business activities. Our corporate governance serves as a mechanism for carrying out transparent, fair, swift, and bold decision-making and forms the bedrock upon which we “will continue to embrace new challenges in a dynamic way” and we believe our efforts to continually improve corporate governance contribute to common interests of shareholders.

2. How We Put the Japan's Corporate Governance Code

(1) Securing the Rights and Equal Treatment of Shareholders

At the Group, DyDo Group Philosophy of “creating happiness and prosperity, together with people and with society” guides us to work in close partnership with a broad range of stakeholders. For instance, we endeavor to effectively secure the rights of our shareholders, and to prepare an environment in which they can exercise those rights appropriately.

(2) Appropriate Cooperation with Stakeholders Other Than Shareholders

We are keenly aware that our efforts to generate sustainable growth and improve corporate value over the medium and long term (as enshrined in DyDo Group Philosophy of “creating happiness and prosperity, together with people and with society”) are reliant on the valuable resources and contributions of a broad spectrum of stakeholders, including our customers, our employees, our business partners, and our communities. Moreover, we are proud to work in close partnership with our stakeholders, and we proactively incorporate their feedback into the running of the Group.

The executives and Board of Directors are charged with leading the creation and maintenance of a corporate culture that demands respect for the rights and positions of stakeholders and firm adherence to corporate ethics.

(3) Ensuring Appropriate Information Disclosure and Transparency

In line with our policy of transparency, fairness, and long-term focus, we provide shareholders, investors, and all other stakeholders with the information they need to make informed decisions. This includes financial information such as financial position and operating results, and non-financial information such as management strategies and issues and information related to risks and governance. Indeed, we consider our legal obligation to disclose pertinent information promptly and appropriately to be a serious matter. In addition, however, we are also eager to publish information that encourages correct understanding of the Company to the furthest possible extent.

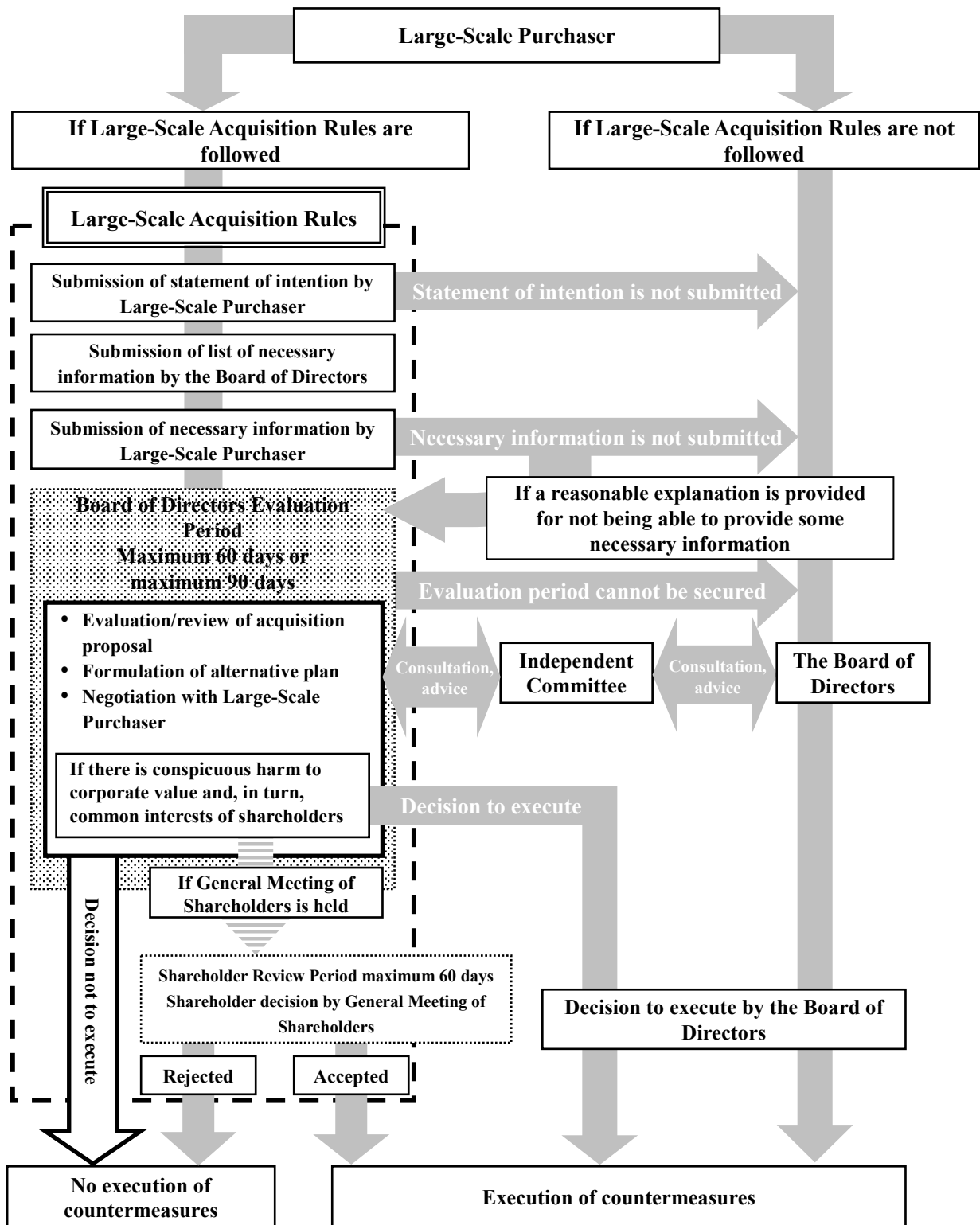
(4) Responsibilities of the Board of Directors, etc.

The Board of Directors seeks to discharge its responsibility and accountability to shareholders by pursuing a three-pronged strategy for consistent improvement of the Group's earning power and capital efficiency so as to achieve sustainable growth and improve corporate value over the medium and long term. Those three facets are: 1) set the direction for implementation of the Group's corporate strategy; 2) establish a platform for executives to take calculated risks; and 3) appropriately fulfill roles and responsibilities primarily by instituting effective oversights of executives and Directors from an independent and objective standpoint.

(5) Dialogue with Shareholders

Constructive dialogue with shareholders is an integral part of our IR strategy, which is geared toward our goal of sustainable growth and improved corporate value over the medium and long term. Such communication not only fosters correct understanding of the Group, but it also generates valuable feedback that serves as a frank appraisal of our true trustworthiness and corporate value.

Outline of the Plan



Note: The figure is a diagram of the flow of typical procedures to contribute to the understanding of the Plan, and not all of the procedures are presented. Refer to the main text for details.

Outline of the Independent Committee

1. Entity authorized to establish and disband the committee

The Independent Committee shall be established and disbanded by Board of Directors resolution.

2. Constituent members

The Independent Committee shall consist of at least three members appointed, by Board of Directors resolution, from among Outside Directors, Outside Corporate Auditors, and outside experts (corporate managers with extensive experience with management, parties well versed in investment banking operations, attorneys, certified public accountants, academic experts, and equivalent parties).

3. Parties authorized to convene the committee

Each member of the Independent Committee and the Board of Directors can convene a meeting of the Independent Committee when necessary.

4. Requirements for passing resolutions

Independent Committee resolutions, as a general rule, shall pass with a majority vote at meetings that all members are in attendance.

5. Advice

In response to consultation by the Board of Directors, the Independent Committee shall provide advice along with the reason and basis for the decisions. Each member of the Independent Committee shall make advice from the perspective of whether it contributes to the corporate value of the Company and, in turn, common interests of its shareholders.

6. Authority and duties of the committee

- (1) The Independent Committee can demand that the Board of Directors submit explanations and material necessary to make appropriate decisions.
- (2) If the information submitted by Large-Scale Purchasers is insufficient or it is determined that supplementary information in addition to the submitted information is necessary, the Independent Committee can request that Large-scale Purchasers provide information that the committee deems rational either directly or through the Board of Directors.
- (3) The Independent Committee can request advice from investment banks, securities companies, attorneys, and other independent experts when necessary, and the Company shall pay for that.

7. Board of Directors' duty to respect Independent Committee's recommendations

The Board of Directors shall give the utmost respect possible to the advice of the Independent Committee.

Career Summary of Candidates for Members of the Independent Committee

Shinji Mori

Career summary:

Apr. 1972 Joined the Legal Training and Research Institute of Japan
Apr. 1974 Appointed as a judge, Yokohama District Court
Apr. 1986 Appointed as a judge, Kyoto District Court
May 1989 Registered as a member of the Osaka Bar Association
May 1989 Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.) (incumbent)
Apr. 2001 Outside Corporate Auditor, the Company
Jun. 2010 Outside Corporate Auditor, OSAKA SODA CO., LTD. (incumbent)
Jun. 2010 Auditor, CREDIT GUARANTEE CORPORATION OF OSAKA (incumbent)
Apr. 2014 Outside Director, the Company (incumbent)

Sachie Kato

Career summary:

Apr. 1969 Joined the Legal Training and Research Institute of Japan
Apr. 1971 Appointed as a public prosecutor, Tokyo District Public Prosecutors Office
May 1974 Registered as a member of the Osaka Bar Association
Mar. 1983 Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.) (incumbent)
Apr. 2014 Outside Corporate Auditor, the Company (incumbent)
Jun. 2022 Outside Corporate Auditor, Takamiya Co., Ltd. (incumbent)

Shigeyuki Moriuchi

Career summary:

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

- Notes:
1. There are no special interests between any of the candidates for members of the Independent Committee and the Company.
 2. Mr. Shinji Mori and Ms. Sachie Kato are currently working for Chuo Sogo Law Office, P. C., to which the Group commissions business. The Group receives legal advice as required from lawyers of this office other than Mr. Shinji Mori and Ms. Sachie Kato, and the annualized advisory fee that the Group pays to said law office is less than ¥10 million.
 3. Mr. Shinji Mori concurrently serves as Outside Corporate Auditor of OSAKA SODA CO., LTD. and Auditor of CREDIT GUARANTEE CORPORATION OF OSAKA, Ms. Sachie Kato concurrently serves as Outside Corporate Auditor of Takamiya Co., Ltd., and Mr. Shigeyuki Moriuchi concurrently serves as Outside Director (Audit and Supervisory Committee Member) of KOSHIDAKA HOLDINGS Co., LTD. There are no special relationships between the Company and the companies where the candidates hold concurrent positions.
 4. Mr. Shigeyuki Moriuchi serves as Outside Corporate Auditor of KATO SANGYO CO., LTD. The Company does have a trading relationship with KATO SANGYO CO., LTD., however for the past three years, the amount of such trade was less than 2% of the consolidated net sales of either the Company or KATO SANGYO CO., LTD., and accordingly, KATO SANGYO CO., LTD. is not considered a major business partner of the Company.
 5. The Company has notified Mr. Shinji Mori, Ms. Sachie Kato, and Mr. Shigeyuki Moriuchi as independent officers as prescribed by the Tokyo Stock Exchange.

Outline of the Gratis Allotment of Stock Acquisition Rights

1. Shareholders who are entitled to receive the gratis allotment of stock acquisition rights

The Company shall allot one stock acquisition right for each share of the Company's common stock held by shareholders recorded in the last shareholders registry on the record date stipulated by the Company's Board of Directors (this does not apply to the Company's common stock held by the Company), and the stock acquisition rights shall be allotted gratis.

2. Class and number of shares for stock acquisition rights

The class of stock to be used for stock acquisition rights shall be the Company's common stock, and the total number of shares to be used for stock acquisition rights shall not exceed the total number of authorized shares on the record date stipulated by the Company's Board of Directors minus the total number of issued shares of the Company's common stock (excluding the Company's common stock held by the Company). The number of shares for each stock acquisition right shall be set separately by the Company's Board of Directors. In addition, necessary adjustments shall be made in the case of a stock split or reverse split.

3. Total number of stock acquisition rights to be issued

The total number of stock acquisition rights to be issued shall be set by the Company's Board of Directors separately. The Company's Board of Directors may allot stock acquisition rights multiple times.

4. Value of assets to be contributed when exercising one stock acquisition right (amount to be paid in)

The value of assets to be contributed when exercising one stock acquisition right (amount to be paid in) shall be the amount stipulated by the Company's Board of Directors (at least one yen).

5. Restrictions on transfer of stock acquisition rights

The approval of the Company's Board of Directors is required to transfer stock acquisition rights.

6. Conditions on exercising stock acquisition rights

Conditions for exercising stock acquisition rights include not belonging to a specified shareholder group that holds 20% or more of voting rights (this does not apply to parties approved by the Company's Board of Directors in advance). Details of conditions for exercising stock acquisition rights are stipulated separately by the Company's Board of Directors.

7. Stock acquisition rights exercise period, etc.

The date the allotment of stock acquisition rights becomes effective, exercise period, special provisions for acquisition, and other necessary items shall be stipulated separately by the Company's Board of Directors. Special provisions for acquisition may be set to make it possible for the Company to acquire stock acquisition rights held by parties other than those not permitted to exercise stock acquisition rights because of conditions for exercising rights in 6. above and to provide the Company's common stock, the number of which stipulated by the Company's Board of Directors, for each stock acquisition right. In addition, it is not envisioned that cash will be paid to acquire the stock acquisition rights held by parties not permitted to exercise the rights.