



FY2023 (Year Ending January 20, 2024) 1st Quarter Financial Highlights

DyDo Group Holdings, Inc.

(Prime Market of the Tokyo Stock Exchange: 2590)

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

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

- **In the first quarter of fiscal 2023, influenced by the contributions of our new subsidiaries, sales totaled 4.71 billion yen (34.9%)**

On the profit front, price revisions in each segment helped to minimize losses

- ✓ The contributions made by our new subsidiaries that come with the establishment of a new company, Dynamic Vending Network, Inc., have led to major increases in revenue
- ✓ Price revisions carried out last October by the Domestic Beverage Business have made steady progress (costs are predicted to continue rising, and so from May onward we are implementing additional price increases)
- ✓ In the Turkish beverage business, the main driver of the International Beverage Business, high costs continued under the prevailing inflationary environment, but our strategic price revisions ensured we returned to profitability on an operational basis*. In the first quarter, we achieved record operating profit
- ✓ In the Pharmaceutical-related Business, inquiries into contract manufacturing for drinkable preparations and pouch products were strong, and the utilization rates at our plants have risen in response. Sales also grew, with record sales in the first quarter. While costs associated with plant operations rose—due to increased energy costs and other factors—these were covered by increased sales
- ✓ The Food Business saw revenue and profit decrease due to a reduction in the special demand we saw last year

* Before application of hyperinflation accounting



01 FY2023 (Year Ending January 20, 2024) 1st Quarter Financial Highlights

Overview of Consolidated Financial Results for FY2023 1st Quarter



Revenue increased, thanks to the contributions made by the Domestic Beverage Business, through the effects of its new subsidiaries, and the International Beverage Business, through strategic price revisions

In each segment, there was some impact of price revisions which helped to further minimize losses on a consolidated basis

- Even discounting the effects of our new subsidiaries, the Domestic Beverage Business increased revenue
- In the International Beverage Business, there was a return to profit on an operational basis, before application of hyperinflation accounting

Millions of yen

	1st quarter (1/21~4/20)							Full year (Before application of hyperinflation accounting)						
	FY2022*		FY2023					FY2022		FY2023 (Forecasts)				
		Component ratio		Component ratio	% (YoY)	Amount (YoY)	(Ref) Before application of hyperinflation accounting	Impact on performance		Component ratio	Component ratio	% (YoY)	Amount (YoY)	
Net sales	34,912	100.0%	47,102	100.0%	34.9%	12,190	47,035	66	159,561	100.0%	212,800	100.0%	33.4%	53,238
Operating profit (loss)	(986)	(2.8%)	(539)	(1.1%)	—	447	(217)	(321)	1,851	1.2%	2,700	1.3%	45.8%	848
Ordinary profit (loss)	(1,130)	(3.2%)	(442)	(0.9%)	—	688	(118)	(323)	2,015	1.3%				
Profit (loss) attributable to owners of parent	(1,551)	(4.4%)	(296)	(0.6%)	—	1,254	27	(323)	1,276	0.8%				
EPS	(99.09yen)		(18.90yen)		80.19yen									

* Since the second quarter of fiscal 2022, we have been applying criteria set out in IAS 29, Financial Reporting in Hyperinflationary Economies. Figures for the first quarter of fiscal 2022 have had these criteria applied retroactively

FY2023 1st Quarter Consolidated Earnings (by Segment)



Millions of yen

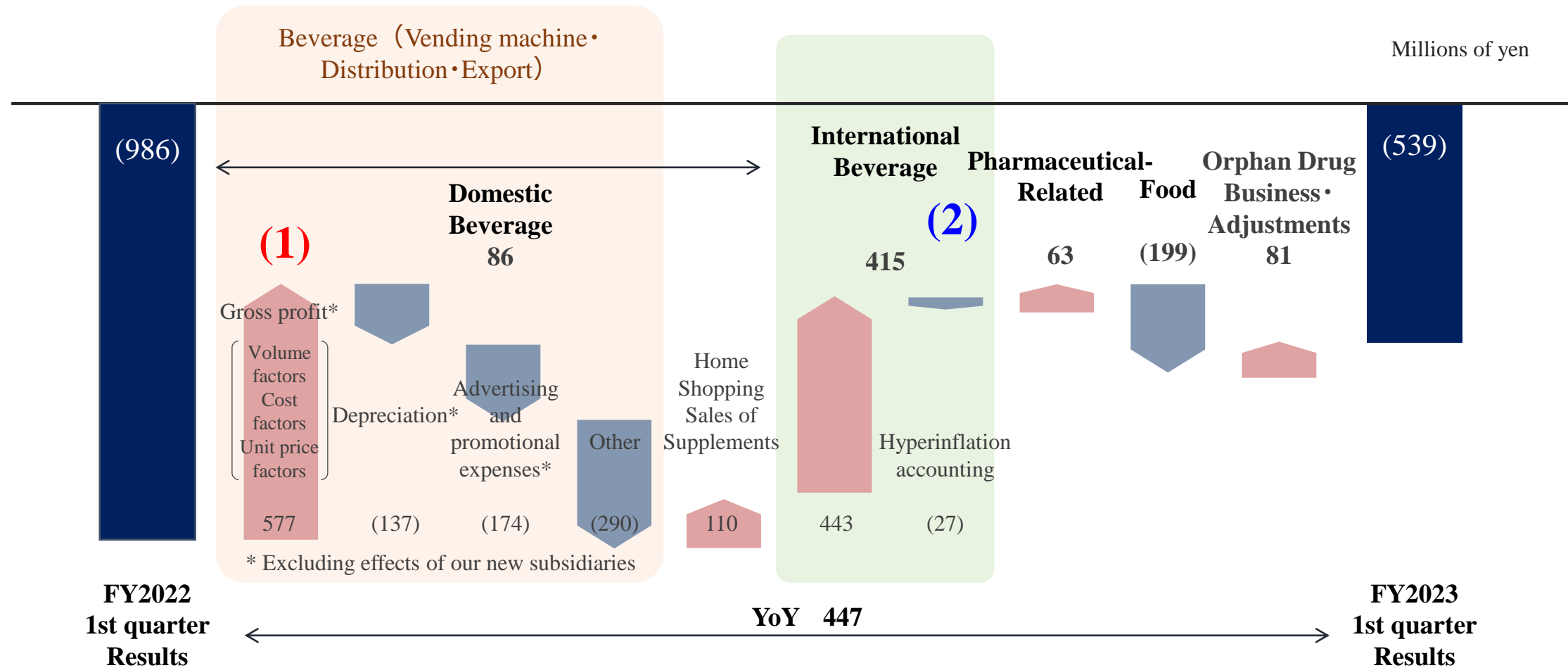
	1st quarter (1/21~4/20)								Full year			
	Hyperinflation accounting				Before application of hyperinflation accounting				Before application of hyperinflation accounting			
	FY2022*	FY2023	% (YoY)	Amount (YoY)	FY2022	FY2023	% (YoY)	Amount (YoY)	FY2022 Results	FY2023 Forecasts	% (YoY)	Amount (YoY)
Domestic Beverage Business	24,773	34,728	40.2%	9,955	24,773	34,728	40.2%	9,955	109,770	154,400	40.7%	44,629
International Beverage Business	3,108	5,286	70.1%	2,177	2,992	5,219	74.4%	2,227	18,339	26,700	45.6%	8,360
Pharmaceutical-related Business	2,851	3,035	6.5%	184	2,851	3,035	6.5%	184	12,522	13,000	3.8%	477
Food Business	4,312	4,128	(4.3%)	(184)	4,312	4,128	(4.3%)	(184)	19,565	19,300	(1.4%)	(265)
Orphan Drug Business	—	—	—	—	—	—	—	—	—	—	—	—
Adjustment	(134)	(77)	—	57	(134)	(77)	—	57	(636)	(600)	—	36
Total net sales	34,912	47,102	34.9%	12,190	34,795	47,035	35.2%	12,239	159,561	212,800	33.4%	53,238
Domestic Beverage Business	(325)	(238)	—	86	(325)	(238)	—	86	2,758	4,700	70.4%	1,941
International Beverage Business	(499)	(84)	—	415	(205)	237	—	443	52	300	466.6%	247
Pharmaceutical-related Business	(28)	34	—	63	(28)	34	—	63	347	200	(42.5%)	(147)
Food Business	234	34	(85.2%)	(199)	234	34	(85.2%)	(199)	765	700	(8.6%)	(65)
Orphan Drug Business	(96)	(133)	—	(37)	(96)	(133)	—	(37)	(499)	(1,000)	—	(500)
Adjustment	(270)	(151)	—	118	(270)	(151)	—	118	(1,573)	(2,200)	—	(626)
Total operating profit (loss)	(986)	(539)	—	447	(692)	(217)	—	474	1,851	2,700	45.8%	848

* Since the second quarter of fiscal 2022, we have been applying criteria set out in IAS 29, Financial Reporting in Hyperinflationary Economies. Figures for the first quarter of fiscal 2022 have had these criteria applied retroactively

Factors Contributing to Changes in Operating Profit in FY2023 1st Quarter : Compared to the Previous Year

Price revisions have had some effect in the Domestic Beverage Business, and gross profit has improved (1)

The International Beverage Business was affected by the application of hyperinflation accounting, but strategic price revisions and controls on cost rises meant that profitability improved greatly (2)





02 Segment Overview

Sales grew due to the effects of our new subsidiaries, and segment losses shrank

Excluding the effects of the new subsidiaries—unit price improvements contributed to increased revenue

Millions of yen

	1st quarter					Full year						
	FY2022		FY2023			FY2022		FY2023 (Ref)				
	Results	Component ratio	Results	Component ratio	% (YoY)	Amount (YoY)	Results	Component ratio	Forecasts	Component ratio	% (YoY)	Amount (YoY)
Net sales	24,773	—	34,728	—	40.2%	9,955	109,770	—	154,400	—	40.7%	44,629
Operating profit (loss)	(325)	(1.3%)	(238)	(0.7%)	—	86	2,758	2.5%	4,700	3.0%	70.4%	1,941
Depreciation	1,095		1,246		13.8%	150	4,632		5,000		10.1%	367
Amortization of goodwill	—		25		—	25	—		100		—	100

(From January 21st to April 20th)

- The contributions made by our new subsidiaries that come with the establishment of Dynamic Vending Network, Inc., have led to major increases in revenue
- Even the standard, excluding the effects of our new subsidiaries, showed higher sales unit prices and increased revenue, as a result of improvements to the mix of sales channels and products
- In the distribution channel, our campaign bore fruit and sales increased. While the competitive environment is worsening, we are promoting efforts as a company that clients can come to for a second opinion or counterproposal
- For home shopping sales of supplements, the competitive environment is getting more severe, but maintaining a customer base has had some impact. We will conduct initiatives toward continued growth and contributing to overall revenue

Sales by channel

Millions of yen / Thousands of bottles

	FY2022	FY2023		
		% (YoY)	Amount (YoY)	
Net sales	Vending machine	21,320	30,692 44.0%	9,371
	Distribution • Export	2,365	2,925 23.7%	560
	Home Shopping Sales of Supplements	1,087	1,110 2.1%	23
	Total	24,773	34,728 40.2%	9,955
Bottles	Vending machine	243,849	320,082 31.3%	76,233
	Distribution	46,878	53,045 13.2%	6,166
	Total	290,727	373,127 28.3%	82,399

In Turkey, we responded to rapid inflation and improved profitability on an operational basis, before application of hyperinflation accounting

Millions of yen

	1st quarter						Full year (Before application of hyperinflation accounting)							
	FY2022*		FY2023				FY2022		FY2023 (Ref)					
	Results	Component ratio	Results	Component ratio	% (YoY)	Amount (YoY)	Results	Impact on performance	Results	Component ratio	Forecasts	Component ratio	% (YoY)	Amount (YoY)
Net sales	3,108	—	5,286	—	70.1%	2,177	5,219	66	18,339	—	26,700	—	45.6%	8,360
Segment profit (loss)	(499)	(16.1%)	(84)	(1.6%)	—	415	237	(321)	52	0.3%	300	1.1%	466.6%	247
Depreciation	159		195		22.7%	36	103	92	384		500		30.2%	115
JPY per TRY	8.35yen		6.99yen		(1.36yen)		7.05yen		7.95yen		7.00yen		(0.95yen)	
JPY per CNY	18.54yen		19.43yen		0.89yen		-		19.52yen		19.50yen		(0.02yen)	

* For the Turkish lira, the average (assumed) rate for the period is used before the application of hyperinflation accounting and the rate at the end of the period is used after the application of hyperinflation accounting.

(From January 1st to March 31st)

➤ Turkey

- Even as inflation continued, we pressed ahead with price revisions that look to the future, and sales were approx. 210% of the previous year's figures on a local currency basis. Strategic sales measures meant that sales volume remained similar to the previous year
- We returned to profitability on an operational basis thanks to various sales measures and stable crude oil prices. In the first quarter, we achieved record operating profit by that standard
- Even after the application of hyperinflation accounting, losses shrank on a Japanese yen basis
- While the earthquake in February did not cause any direct damage to our plants or infrastructure, it did affect part of our sales area, and we will continue to make decisions based on the current situation

➤ Other countries

- In China, sales grew, including for locally manufactured products

■ Performance on a by a local currency basis

Compared to the Previous Year	1 Q	2 Q	3 Q	4 Q	Total
Net sales	+106%				+106%
Sales volume	+0.1%				+0.1%

*hyperinflation accounting

Orders for pouch products continued to be strong, and demand for drinkable preparations recovered, resulting in increased revenue and returned to profit

Millions of yen

	1st quarter						Full year					
	FY2022		FY2023				FY2022		FY2023 (Ref)			
	Results	Component ratio	Results	Component ratio	% (YoY)	Amount (YoY)	Results	Component ratio	Forecasts	Component ratio	% (YoY)	Amount (YoY)
Net sales	2,851	—	3,035	—	6.5%	184	12,522	—	13,000	—	3.8%	477
Operating profit (loss)	(28)	(1.0%)	34	1.1%	—	63	347	2.8%	200	1.5%	(42.5%)	(147)
Depreciation	294		287		(2.4%)	(7)	1,170		1,200		2.5%	29

(From January 21st to April 20th)

DAIDO Yakuhin's Plants

	Product format	Yearly production capacity	
		Number of plants	Capacity
Nara plant	Bottles	4	350 million units
	Pouches	1	30 million units
Kanto plant	Bottles	1	150 million units



Types of container DAIDO Yakuhin is able to contract manufacture

- Continuing on from the previous fiscal year, revenue increased to a recovery in drinkable preparations and positive performance for pouch products, meaning that in the first quarter, we achieved record sales
- Increased orders have led to higher factory utilization rates and more efficient production systems.
- For pouch products, we predict the production system will continue to operate at a higher level
- Raw material prices rose, but the increase in orders ensured that per-unit costs were minimized. Increased sales led to return to profitability

Revenue decreased due to a reduction in the special demand that we saw last year, and profit decreased due to dramatic price increases for raw materials and costs associated with plant operations

Millions of yen

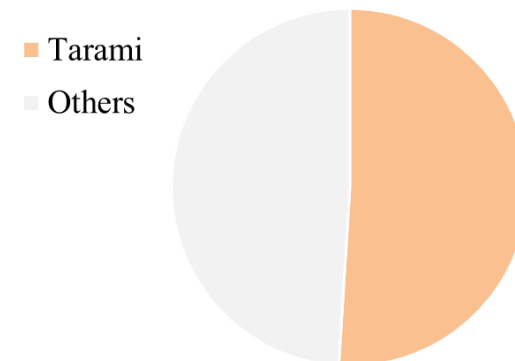
	1st quarter					Full year						
	FY2022		FY2023			FY2022		FY2023 (Ref)				
	Results	Component ratio	Results	Component ratio	% (YoY)	Amount (YoY)	Results	Component ratio	Forecasts	Component ratio	% (YoY)	Amount (YoY)
Net sales	4,312	—	4,128	—	(4.3%)	(184)	19,565	—	19,300	—	(1.4%)	(265)
Operating profit before subtracting amortization of goodwill, etc.	322	7.5%	122	3.0%	(61.9%)	(199)	1,117	5.7%	1,051	5.4%	(5.9%)	(65)
Amortization of goodwill, etc.	87	2.0%	87	2.1%	0.0%	0	351	1.8%	351	1.8%	0.0%	0
Operatint profit	234	5.4%	34	0.8%	(85.2%)	(199)	765	3.9%	700	3.6%	(8.6%)	(65)
Depreciation*	209		218		4.6%	9	848		1,000		17.8%	151

*Depreciation includes a portion of Amortization of goodwill etc.

(From January 1st to March 31st)

- Compared to the previous fiscal year, the dry jelly market shrank by 3% and the konjac pouch jelly market grew by 15%
- Revenue decreased due to a reduction in the special demand that we saw last year, which had been fueled by demand among those recuperating at home and by rising prices for other food categories
- On the expenses front, due to dramatic price increases for raw materials such as fruit and sugar resulting from the weakness of the Japanese yen and the effects of inflation, as well as rising costs associated with plant operations—including energy costs—profit decreased

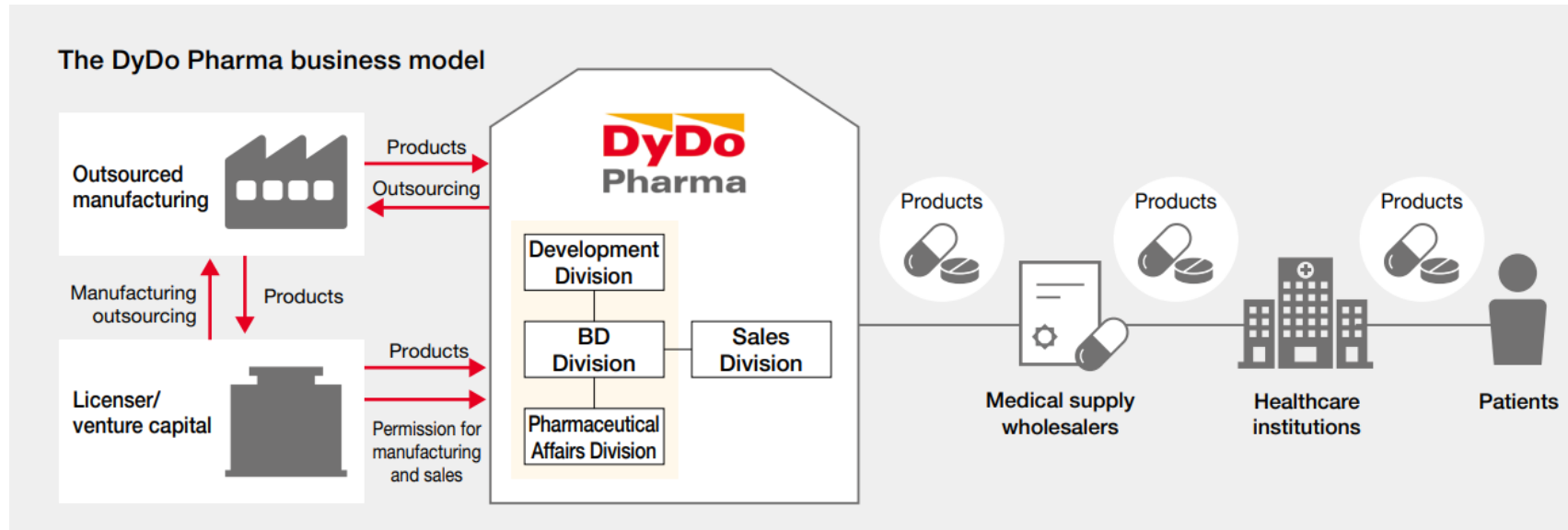
Tarami's share of the dry jelly market



* Including Private Brand/Based on our own research

Cultivate "Orphan drug Business" as main drivers of future profit from a long-term perspective

Business model



Development pipeline (as of January 2023)

- DYD-701

Expected indication : Familial LCAT deficiency

A physician-led test is now being conducted at Chiba University targeting patients with familial LCAT deficiency

- DYD-301 (amifampridine)

Expected indication : Lambert-Eaton myasthenic syndrome (LEMS)

Amifampridine has been designated an orphan drug by the MHLW, and currently in Japan it has been placed on a list of drugs in development or clinical development that seek pharmaceutical approval



03 Reference Materials

Application of revised restatements regulated in *Financial Reporting in Hyperinflationary Economies*

For financial statements for our subsidiary in Turkey, a major country for our International Beverage Business, since the second consolidated quarter we have been adding adjustments to our accounting in line with criteria set in IAS 29, *Financial Reporting in Hyperinflationary Economies*. In these materials, we refer to this as “**hyperinflation accounting.**”

Relevant segment
International Beverage
Business

Overview of IAS 29 *Financial Reporting in Hyperinflationary Economies*

- (1) An economy is deemed to be hyperinflationary if its cumulative inflation rate for a period of three years approaches to, or exceeds, 100% (in Turkey’s case, the rate for March 2022 exceeded 100%)
- (2) When converting Turkish lira amounts to Japanese yen, assets/liabilities and revenue/expenses must be converted using the rate on the day of settlement

	Conventional standards	After application of IAS 29 criteria
Balance sheet items	Rate on day of settlement	Rate on day of settlement
Profit/loss statement items	Average rate during period	

- (3) Fluctuations in price indices must be reflected in financial statements
 - Impact on balance sheets
 - Revised restatements for inventories; property, plant and equipment; intangible assets; and other non-monetary investment assets; take into account fluctuations in price indices from the day of acquisition to the end of the fiscal year. For capital, this period is from the time of investment to the end of the fiscal year
 - Retained earnings reflect cumulative effects to the end of the period
 - Impact on profit/loss statements
 - All items are, in principle, revised based on fluctuations in price indices from the time of the individual transaction to the end of the fiscal year

Major impacts of the application of hyperinflation accounting

This page offers a simplified representation of parts of the hyperinflation accounting process.



Major impacts on balance sheets

Financial assets	Interest-bearing debt
Accounts receivable	Accounts payable
Inventories (1)	Other
• Property, plant and equipment	Net assets
Intangible assets	Capital (2) (3)
Other	Retained earnings

- (1) Revised restatements in line with fluctuations in price indices between the day of acquisition/transaction and the end of the fiscal year
- (2) Revised restatements in line with fluctuations in price indices between the time of investment and the end of the fiscal year
- (3) Reflects cumulative effects to the end of the period

Major impacts on profit/loss statements

(Millions of yen)	Impact amount on consolidated profit/loss statements (difference from conventional standards)
Net sales	66
Cost of sales	
Gross profit	
SG&A	
Depreciation	
Operating profit	(321)
Non-operating income	(2)
Ordinary profit	(323)
Corporation tax, etc.	
Net profit	(323)

Multiplied by monthly inflation rates to create local financial statements

Based on post-revision assets, depreciation (manufacturing cost prices/SG&A), etc., are recalculated

The impact of inflation on net monetary position is recorded as a loss

Increase in adjustment amounts for corporation tax, etc.

Sales and cost accounting (prior to conversion into yen)

