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DyDo

Offering delicious products
for sound mind and body



December 21, 2023

Company: DyDo Group Holdings, Inc.
Representative: Tomiya Takamatsu, President
(Code 2590 on the Tokyo Stock Exchange Prime Market)
Inquiries: Makiko Mihara, General Manager of Corporate Communication Department

Announcement of Acquisition of Shares in Wosana S.A., Making it a Subsidiary

DyDo Group Holdings, Inc. (the Company) announces that the Board Resolution dated today to acquire 100% of the shares of Wosana S.A., a soft drink manufacturing and sales company in the Republic of Poland ("Poland"), and to make Wosana S.A. a subsidiary of the Company.

1. Reasons and Background of the Share Acquisition

The Company established, as our vision for 2030, DyDo Group Mission 2030, "For DyDo Group to create enjoyable, healthy lifestyles for people around the world", in which an expansion of overseas business is one of the key subjects. To date, while we have been engaged in stabilizing business operations in the Republic of Turkey ("Turkey") which we started in 2016 through a M&A of a local company, have been investigating new business areas.

Wosana S.A. owns plants in Poland for the production of fruit juices, mineral water and other soft drinks, and is operating the production and sale of its own branded products, as well as the contract production of private label products for major retailers and products for other beverage companies. The Company generates stable profits on the strength from its highly automated production lines and multiple business models. In addition, Poland has experienced sustained economic growth, with an average annual GDP growth rate of 6% over the last ten years.

The Company has concluded that it will be able to strengthen the profit base of its overall international beverage business by acquiring Wosana S.A., of which business model will generate stable profits in Poland where sustained economic growth is expected to continue. In the future, the Company will also seek the possibility of collaboration with Wosana S.A. and other group companies, particularly with the subsidiary in Turkey, as well as expansion of its business in Europe using this opportunity as a foothold in the region.

2. Outline of the Said Company

(1) Name	Wosana S.A.		
(2) Location	ul. Batorego 35A, 34-120 Andrychów Poland		
(3) Title and Name of Representative	Andrzej Odzioba, Chief Executive Officer		
(4) Description of Business	Manufacture, marketing, and sale of soft drinks		
(5) Capital	13,548,969 PLN (498 million JPY)		
(6) Year of Establishment	1991		
(7) Major shareholders and ownership ratios	Avallon MBO II S.À R.L. (100%)		
(8) Relationship between the listed company and the said company	Capital relation-ship	None	
	Personal relation-ship	None	
	Business relation-ship	None	
	Status as a related party	None	
(9) Operating results and financial positions of said company for the last three years	(Thousand of PLN)		
Fiscal year ended	2020/12	2021/12	2022/12
Net Asset	47,254 (1,738 million JPY)	56,689 (2,086 million JPY)	63,705 (2,344 million JPY)
Total Asset	128,667 (4,734 million JPY)	135,964 (5,003 million JPY)	146,251 (5,382 million JPY)
Book-value Per Share	3.49 PLN (128 JPY)	4.18 PLN (153 JPY)	4.70 PLN (173 JPY)
Net Sales	145,972 (5,371 million JPY)	202,157 (7,439 million JPY)	293,163 (10,788 million JPY)
Operating Profit	6,491 (238 million JPY)	11,901 (437 million JPY)	12,066 (444 million JPY)
Ordinary Profit	5,051 (185 million JPY)	11,726 (431 million JPY)	8,841 (325 million JPY)
Net Profit	4,203 (154 million JPY)	9,435 (347 million JPY)	7,016 (258 million JPY)
Earnings Per Share	0.31 PLN (11 JPY)	0.70 PLN (25 JPY)	0.52 PLN (19 JPY)

* Information filled with the range of knowledge at this moment. The numbers are based on the accounting practice in Poland.

* Calculated at 1 PLN = 36.8 JPY (closing price on 1 December)

3. Overview of the Counterparty to the Acquisition of Shares

(1) Name	Avallon MBO II S.À R.L.	
(2) Location	6 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg	
(3) Basis of Establishment	Luxembourg Law	
(4) Purpose of Formation	Capital Investment	
(5) Year of Formation	2012	
(6) Total Investment Amount	109 million EUR (17,407 million JPY)	
(7) Overview of the Investors	<p>The parent entity is Avallon MBO Fund II CV – the private equity fund with the following LPs:</p> <ol style="list-style-type: none"> 1. European Investment Fund (22.93%) 2. European Bank for Reconstruction and Development (24.77%) 3. EuroChoice V L.P. (14.67) 4. Idinvest Secondary Fund IV (9.17%) 5. USEC V Catalyst (4.58%) 6. Alfred I DuPont Charitable Trust (9.17%) 7. BMO Global Private Equity Trust plc (2.75%) 8. F&C European Capital Partners II L.P. (3.67%) 9. Försäkrings Ab Alandia (0.91%) 10. Försäkrings Liv-Alandia (0.91%) 11. Veritas (2.75%) 12. MBO Partners Sp. z o.o. (3.67%) 	
(8) Business Executives Members	Name	Avallon Partners II B.V.
	Location	Basisweg 10, 1043AP Amsterdam
	Title and Name of representative	Piotr Miller, Director A Intertrust Management BV, Director B Tomasz Stamirowski, Director A Robert Wieclawski, Director A Mextrust BV, Director B Ronald Rosenboom, Director B
	Description of Business	Fund management
	Capital	1,000 EUR (159,700 JPY)
(9) Relationship between the listed company and the said company	Capital relation-ship	None
	Personal relation-ship	None
	Business relation-ship	None
	Status as a related party	None

* Calculated at 1 EUR = 159.7 JPY (closing price on 1 December)

4. Number of Shares Acquired, Status of Shares Held before and after Acquisition and Acquisition Price

(1) Number of shares held before the change	0 (Unit of voting right : 0) (Ownership ratio : 0%)
(2) Number of shares to be acquire	13,548,969 (Unit of voting right : 13,548,969)
(3) Number of shares after acquisition	13,548,969 (Unit of voting right : 13,548,969) (Ownership ratio : 100%)
(4) Acquisition price	Approx. 45.5 million EUR (Approx. 7,266 million JPY) Calculated at 1 EUR = 159.7 JPY (closing price on 1 December)

4. Schedule

(1) Date of resolution at the meeting of the Board of Director	21 December 2023
(2) Date of conclusion of the agreement	21 December 2023
(3) Date of commencement of share transfer	29 February 2024. (Planned)

5. Future outlook

The performance of Wosana S.A. will be included in the Group's consolidated results from the year ending 20 January 2025. The impact of the acquisition for the performance is under scrutiny.



(Reference) Announcement of Acquisition of Shares in Wosana S.A., Making it a Subsidiary

DyDo Group Holdings, Inc.

(Prime Market of the Tokyo Stock Exchange: 2590)

21 December, 2023

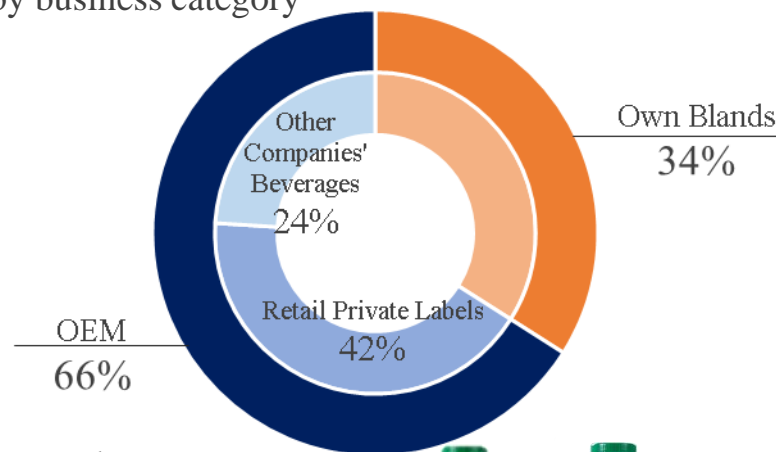
Polish-based producer and distributor of soft drinks, including fruit juices and mineral water etc. In addition to the production and sale of own-brand products, the Company is also involved in the contract manufacturing of private brands of major domestic companies and other companies' beverages.

Company profile

Name	Wosana.S.A 
Year of Establishment	1991
Description of Business	Manufacture, marketing, and sale of soft drinks
Location	ul. Batorego 35A, 34-120 Andrychów Poland
Capital	13,548 thousand PLN (498 million JPY)
Performance (FY2022)	Net Sales : 293,162 thousand PLN (10,788 million JPY) Operating Profit : 12,066 million PLN (444 million JPY)
Number of employees	Approx. 280

*1 PLN = 36.8 JPY (closing price on 1 December 2023)

Percentage of sales by business category



Percentage of sales by product category



Owns three factories in Poland. The Andrychów factory has an aseptic filling line and also made a major investment in 2019 to automate the production system.

Factories



Factories	Number of production lines	Completion year	Products
Damnica	2	2000 2009	Mineral water, etc.
Turów	2	2008 2017	Mineral water
Andrychów	1	2014	Other beverages
	3 (Aseptic filling lines)	2016 2017 2019	Fruit juice drinks and smoothies

Poland is experiencing stable growth and is expected to continue to grow.

The Polish beverage market is worth approximately 800 billion yen, with carbonated drinks, mineral water and fruit juices accounting for 80% of the market.

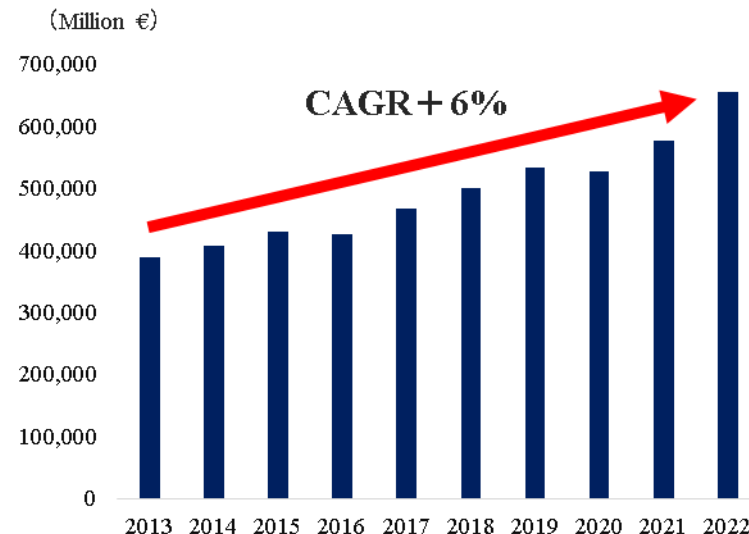
Economic scale of Poland

- GDP has grown at an average annual rate of 6% over the last 10 years
- GDP per capita is less than half the EU average and further consumption growth is expected

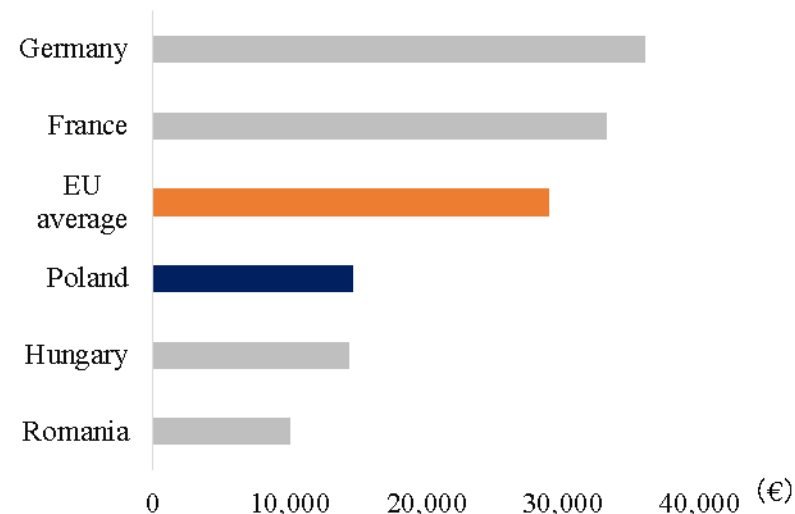
Beverage market in Poland

- Carbonated drinks, mineral water and fruit juices account for 80% of all drinks

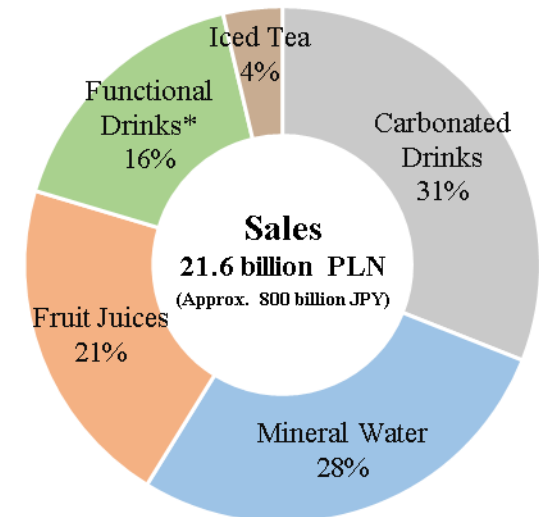
GDP trends in Poland



Real GDP per capita in European countries



Polish beverage market sales by category



[Compiled by the Company based on published Eurostat data.]

*Energy drinks, sports drinks, vitamin drinks.

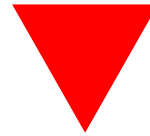
Strengthen the stable profit base of the International Beverage Business as a whole.

Direct reasons for the decision to acquire.

- **Sustainable growth of the Polish beverage market.**
- **Stable profit generation potential of Wosana**
(Highly automated production lines/Multiple business models)

Initiatives to be considered in the medium to long term

- **Cooperation with group companies**
(Mainly Turkey)
- **Expanding business in Europe with Wosana as a foothold**



**Stable and stronger earnings for
the International Beverage Business as a whole.**