

Comprehensive Business Alliance Agreement Concerning Vending Machine Business with DyDo DRINCO, Inc.

Creating synergies from the integration of direct sales channels in the vending machine business, cross-selling, the OEM strategy, and the collaboration in the environmental area

Asahi Soft Drinks Co., Ltd. (Head Office: Tokyo, President: Taichi Yoneme) has entered into a comprehensive business alliance agreement for vending machine business with DyDo DRINCO, Inc. (Head Office: Osaka, President: Takanori Nakashima), effective September 15, 2022.

The four contents of the agreement are the integration of direct sales channels in the vending machine business, cross-selling, the OEM strategy, and the collaboration in the environmental area.

In January 2023, Asahi Soft Drinks and DyDo DRINCO will newly establish Dynamic Vending Network, Inc. (hereinafter "NewCo"), which will operate vending machine business. At the same time, NewCo will be established through a joint stock transfer and make its subsidiaries DyDo Beverage Service, Inc., DyDo Beverage Shizuoka, Inc., and DyDo Vending Japan, Inc., which are DyDo DRINCO's 100% subsidiaries, and Asahi Soft Drink Sales Co., Ltd., Michinoku, Ltd., and Kyushu Asahi Soft Drink Sales, Ltd., which are Asahi Soft Drinks' 100% subsidiaries.

1. The integration of direct sales channels in the vending machine business

NewCo, which will be established through a joint stock transfer, will aim to integrate direct sales channels in the vending machine business, with developing mart operations utilizing IoT technology, in which DyDo DRINCO has expertise, to not only improve operational speed, quality control capabilities, and productivity, but also to solve the social issues of future labor shortages and retaining employment by reducing workloads.

2. Cross-selling

Both Asahi Soft Drinks and DyDo DRINCO have been mutually distributing their main brands. "Mitsuya Cyder" and "Calpis Water" have been vended in DyDo DRINCO's vending machines since March 2018, and "DyDo Blend Supervised by the World's Top Barista*" has been vended in Asahi Soft Drinks' vending machines since March 2019.

"Wilkinson Lemon" and "Monster Energy" will be newly vended in DyDo DRINCO's vending machines, and "DyDo Blend Demitasse Premium" will be newly vended in Asahi Soft Drinks' vending machines from March 2023. We will expand contact with consumers of both companies' core brands through mutual products distribution to further increase drinking opportunities and enhance the attractiveness of purchases from vending machines.

3. The OEM strategy

Both Asahi Soft Drinks and DyDo DRINCO will continue to have discussions to reduce manufacturing costs by outsourcing the production of some of DyDo DRINCO brand products to Asahi Soft Drinks' plants around 2023 and beyond.

4. The collaboration in the environmental area

Both Asahi Soft Drinks and DyDo DRINCO will commit to efficient resource recovery and to solve social issues such as improving the horizontal recycling rate of PET bottles with the aim of reducing environmental impact.

■ Overview of "NewCo"

Company Name	Dynamic Vending Network, Inc.
Location	2-2-7 Nakanoshima, Kita-ku, Osaka, Japan
Representative and Title	Katsuji Kasai
Business Description	Outsourcing / contracting vending machine operation services
Capital	JPY 50 million
Date of Foundation	23 January, 2023
Fiscal Period	20 January
Equity Position	DyDo DRINCO (66.6%), Asahi Soft Drinks (33.4%)

■ (Reference) Overview of the six companies that will become part of NewCo

Name	DyDo Beverage Service, Inc.
Address	2-2-7 Nakanoshima, Kita-ku, Osaka, Japan
Name and title of representative	Kenichi Ohori, President and Representative Director

Name	DyDo Beverage Shizuoka, Inc.
Address	1-1 Tokumitsu, Fukuroi, Shizuoka
Name and title of representative	Toru Nagasawa, President and Representative Director

Name	DyDo Vending Japan, Inc.
Address	2887-2 Ryomitsuyanagi, Yonago, Tottori, Japan
Name and title of representative	Mitsuharu Noguchi, President and Representative Director

Name	Asahi Soft Drink Sales Co., Ltd.
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Address	7-12-14 Ueno, Taito-ku, Tokyo
Name and title of representative	Genichiro Endo, President and Representative Director

Name	Kyushu Asahi Soft Drink Sales, Ltd.
Address	3-14-1 Beppu, Shime-machi, Kasuya-gun, Fukuoka
Name and title of representative	Hitoshi Sasaki, President and Representative Director

Name	Michinoku, Ltd.
Address	3-84, Mizusawa Industrial Park, Mizusawa-ku, Oshu-shi, Iwate
Name and title of representative	Akinori Ueno, President and Representative Director