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About the Acquisition of Shares of Three Beverage Manufacturing Subsidiaries of Turkish Manufacturer Yildiz Holding A.Ş. by DyDo DRINCO

Challenge

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<The presentation materials>

September 24, 2015

DyDo DRINCO, Incorporated

(First Section of the Tokyo Stock Exchange: 2590)

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1. About the Turkish Market

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Size of the Turkish market

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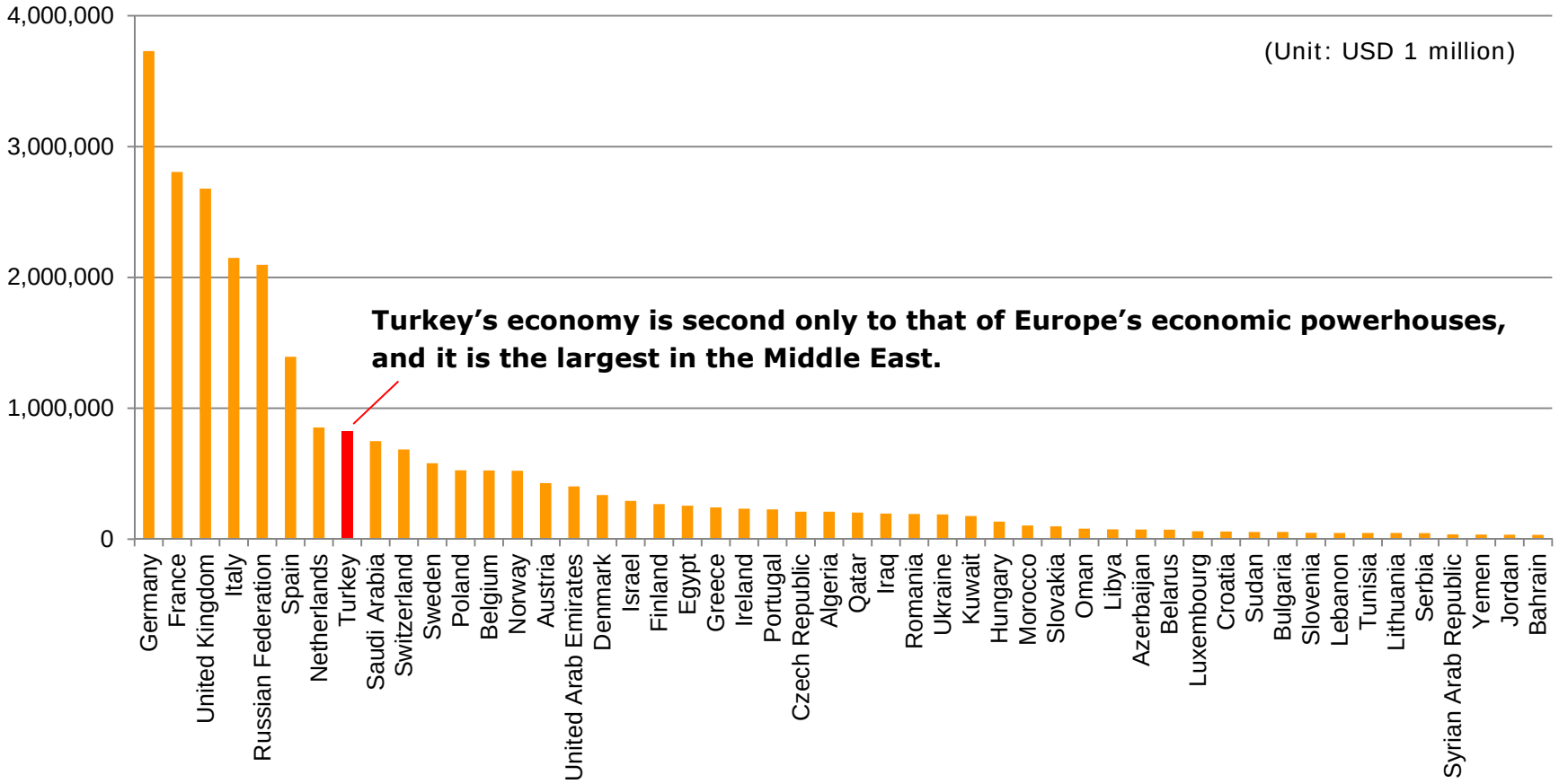
- **Turkey has the largest market of any country in the Middle East.**

GDP of countries in the EU, Middle East, and North Africa



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Rate of growth in the Turkish market

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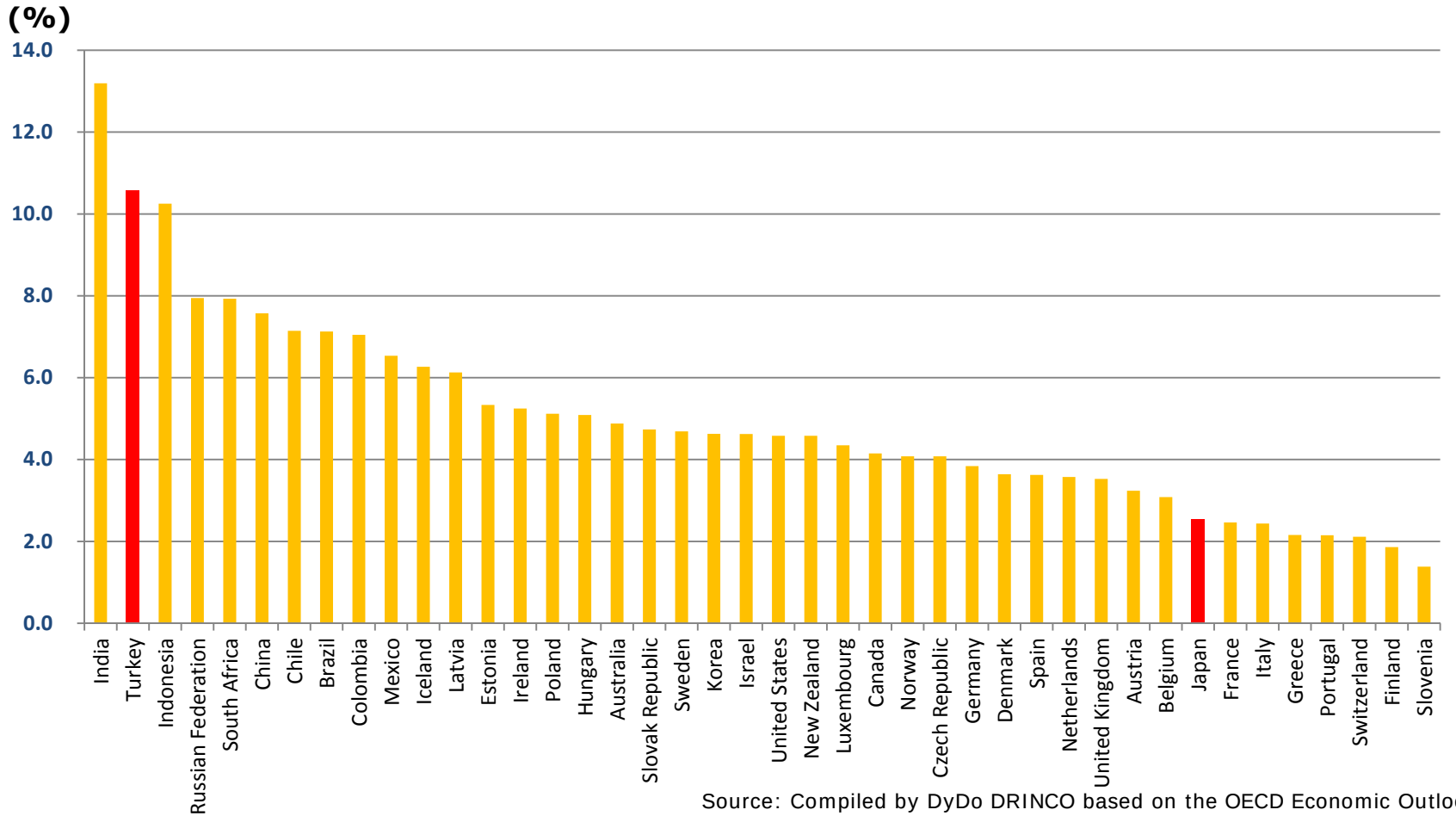
- **The Turkish market is growing at one of the fastest rates of any OECD member country.**

Nominal GDP growth rates of OECD member countries (2016 outlook)



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Breakdown of principal components of Turkey's GDP

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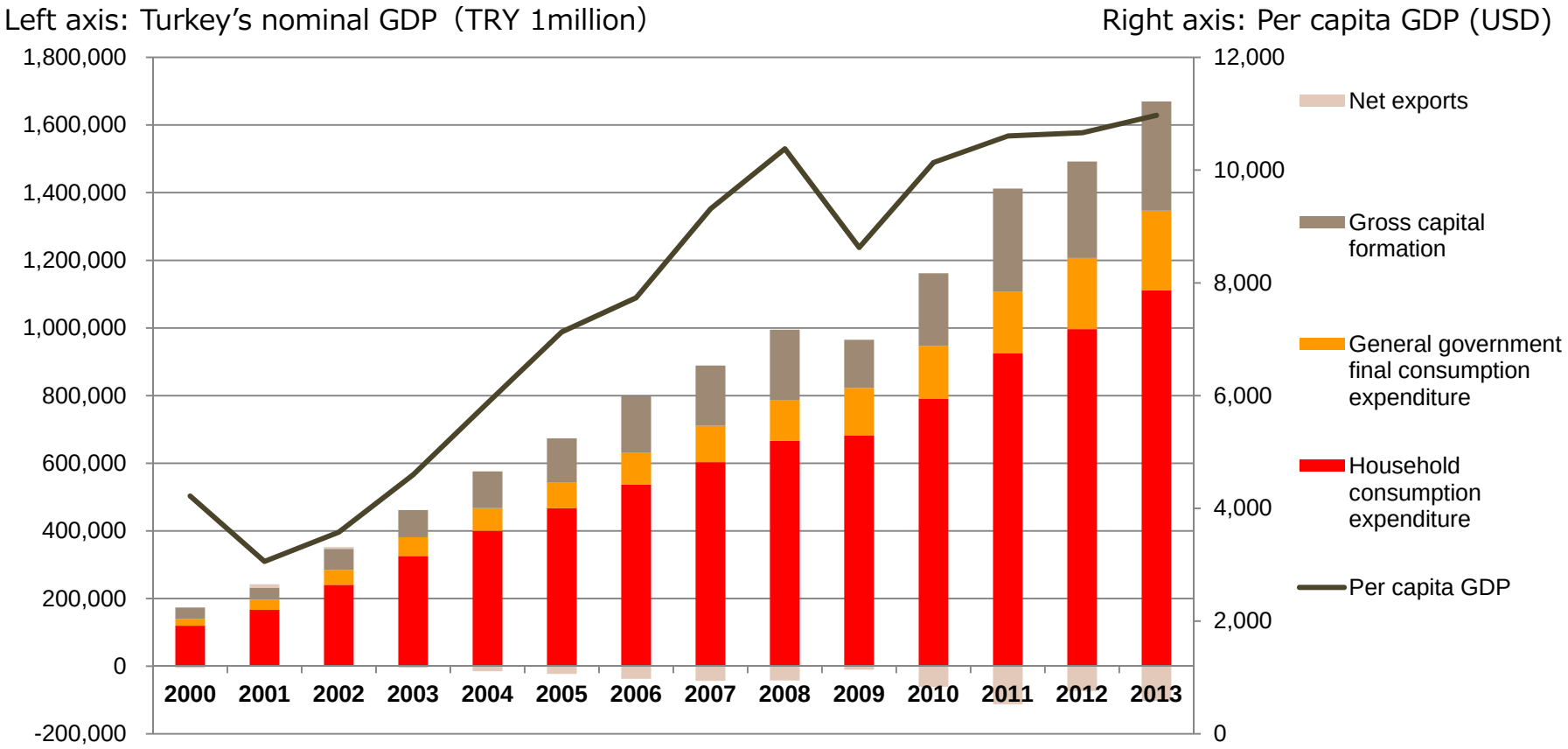
- **The principal driver of growth in Turkey's GDP is rising consumer spending, which accounts for 70% of GDP.**
- **The proportion of consumer spending is high despite per capita GDP in excess of $10,000.**

Trend in breakdown of Turkey's nominal GDP and trend in per capita GDP



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Turkey's population

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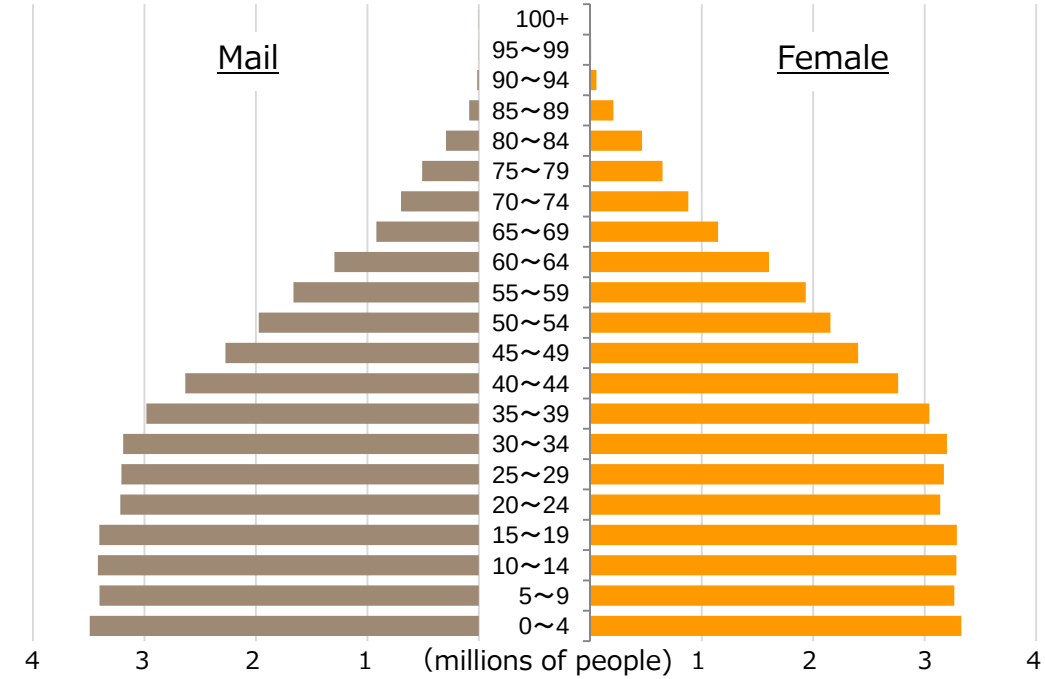
- **Young people make up a large proportion of the population in Turkey, which can be expected to exhibit additional growth in the future.**
  - **The average age is about 30 years (Japan: about 47 years).**
  - **The population is expected to increase by an average of at least 500,000 people per year (from 2015 to 2040).**
  - **Production-age people (age 15 to 64 years) make up a large proportion of the total population.**
  - **Participation of women in the labor force is rising (at an annual rate of 3.7% [averaged over the last 5 years]).**

Population by gender and age in 2014



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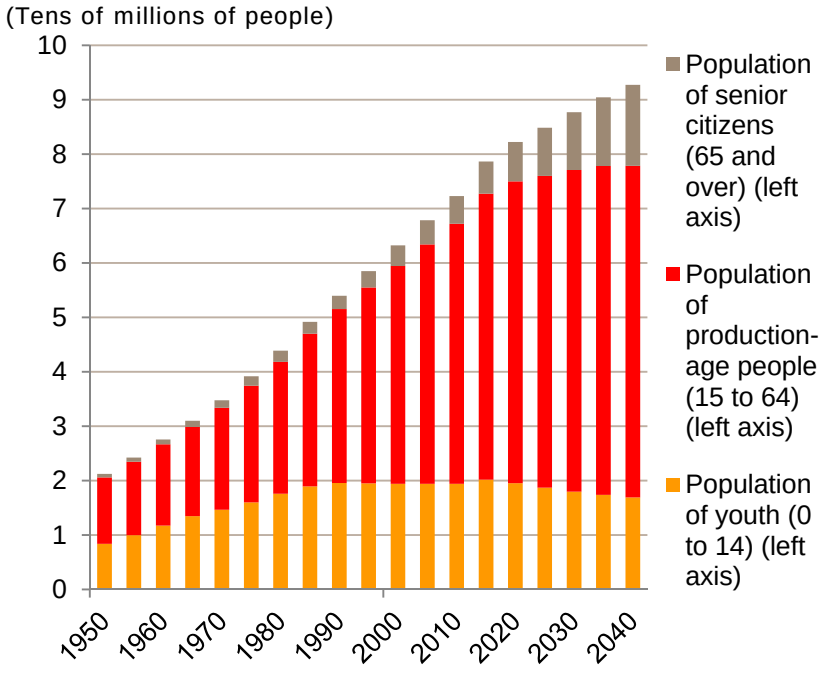
Trend in population by age group (including outlook)



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Growth in Turkey's beverage market

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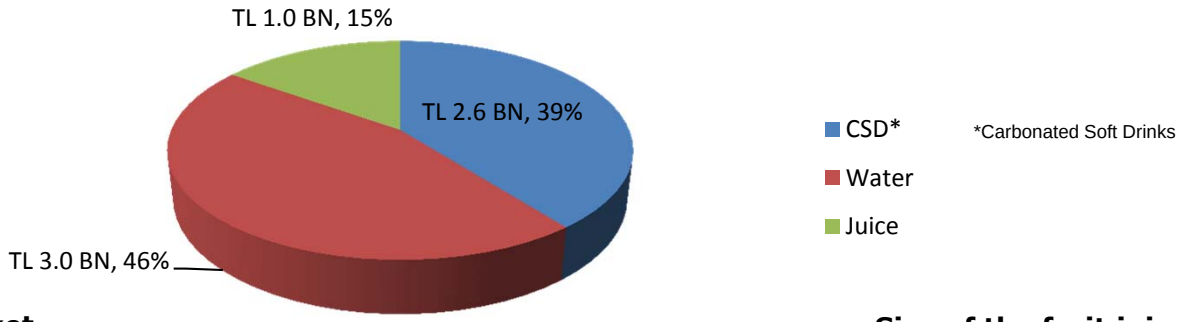
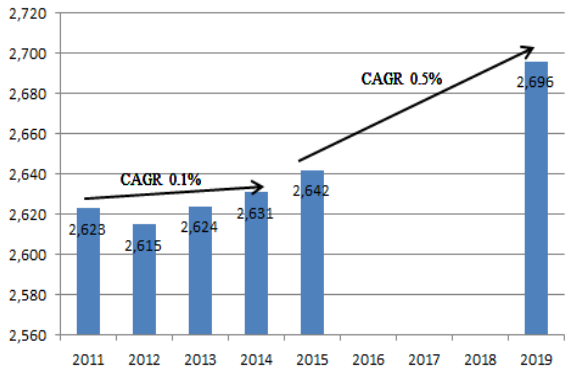
- **Turkey's beverage market can be expected to continue to grow thanks to support from growth in the larger Turkish market.**
  - ➢ **The beverage market has grown at an average annual rate of 2.3% over the last five years.**
  - ➢ **The beverage market as a whole is expected to grow at an annual rate of at least 1.9% over the next five years.**

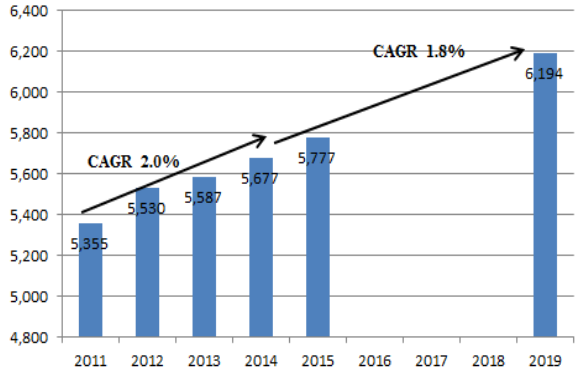
Size of Turkey's beverage market (billions of TRY)



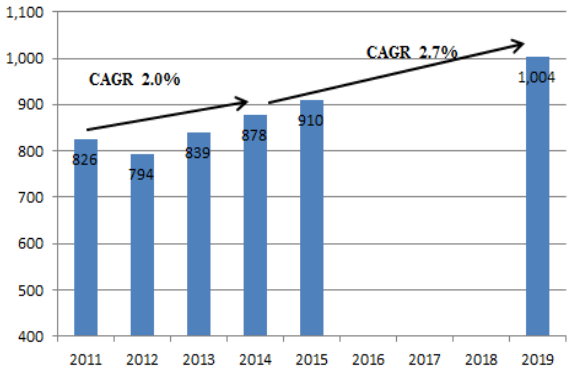
Size of the CSD market (millions of liters)



Size of the water market (millions of liters)



Size of the fruit juice market (millions of liters)



Source: Compiled by DyDo DRINCO based on data provided by Yildiz.

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2. Yildiz Holding A.Ş. and Its Beverage Manufacturing Subsidiaries and Beverage Brands

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Overview of Yildiz

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YILDIZ ★ HOLDING

Turkey's largest food products manufacturer with group
Core business of sweets such as cookies and chocolates
Expanding its business globally by means of an active M&A program

GODIVA
Belgium 1926

Purchased by Yildiz in November 2007

ÜLKER

Turkey's largest manufacturer of sweets and candy with net sales of ¥115.2 billion
(Listed on the Istanbul Stock Exchange)

UB
United Biscuits

Net sales of ¥221.6 billion (FY2014) Listed on the London Stock Exchange and part of the FTSE 100 Index
⇒ Purchased by Yildiz in November 2014

In addition, Yildiz has group companies that are involved in a broad range of businesses, including containers and packaging, gum, real estate, frozen foods, and IT.

Target business

Beverage business

Broad range of brands with CSD, water, and juice products

Note: Calculated based on exchange rates as of September 18 (TRY 1 = JPY 39.86, GBP1 = JPY 186.66).
Sources: Ulker FY2014 Annual Report, United Biscuits Group Accounts 2014, media coverage of Yildiz's purchase of Godiva

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Target beverage manufacturing subsidiaries and the brands they deal with

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***Net sales and operating income figures reflect business results for the fiscal year ended December 2014.**

	Della Gıda Sanayi ve Ticaret A.Ş.	Bahar Su Sanayi ve Ticaret A.Ş.	İlk Mevsim Meyve Suları Pazarlama A.Ş.
Business	Manufacture of carbonated soft drinks and bottled mineral water	Manufacture of bottled sparkling mineral water	Manufacture of fruit juice
Net sales	TRY 181,154,000	TRY 18,409,000	TRY 134,939,000
Operating income	TRY 3,861,000	TRY 687,000	TRY 5,480,000
Brands	Cola Turka, Çamlıca, Saka Su, Sunny, Maltana	Eskipazar, Flores	Link

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Visualization of future brand lineup

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- **The companies whose businesses are being transferred have a strong line of brands fronted by Camlica, one of Turkey's leading beverage brands.**
- **By adding coffee, tea, energy drinks, and other products made possible by its product development capabilities, DyDo will complement and expand the acquired companies' product lines.**

CSD	Water	Fruit Juice	Tea	Other
CAMLICA Turkey's top-selling lemon-lime flavored CSD brand cola turka A cola brand that has long been loved by the Turkish people sunny Mallana	Mineral Saka Natural Alkaline Water The most profitable brand A good fit with the trend in Turkey toward healthy living (high pH level) Sparkling FLORES ESKİPAZAR Flavored miu レモン&オレンジ	ÜLKER LINK Low-priced yet highly profitable juice products	贅沢香茶 ZEITAKU KOCHA Ti-Ha 手摘みリーフ	  

Acquired brands

DyDo product line (partial)

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Future Image of Overseas Deployment

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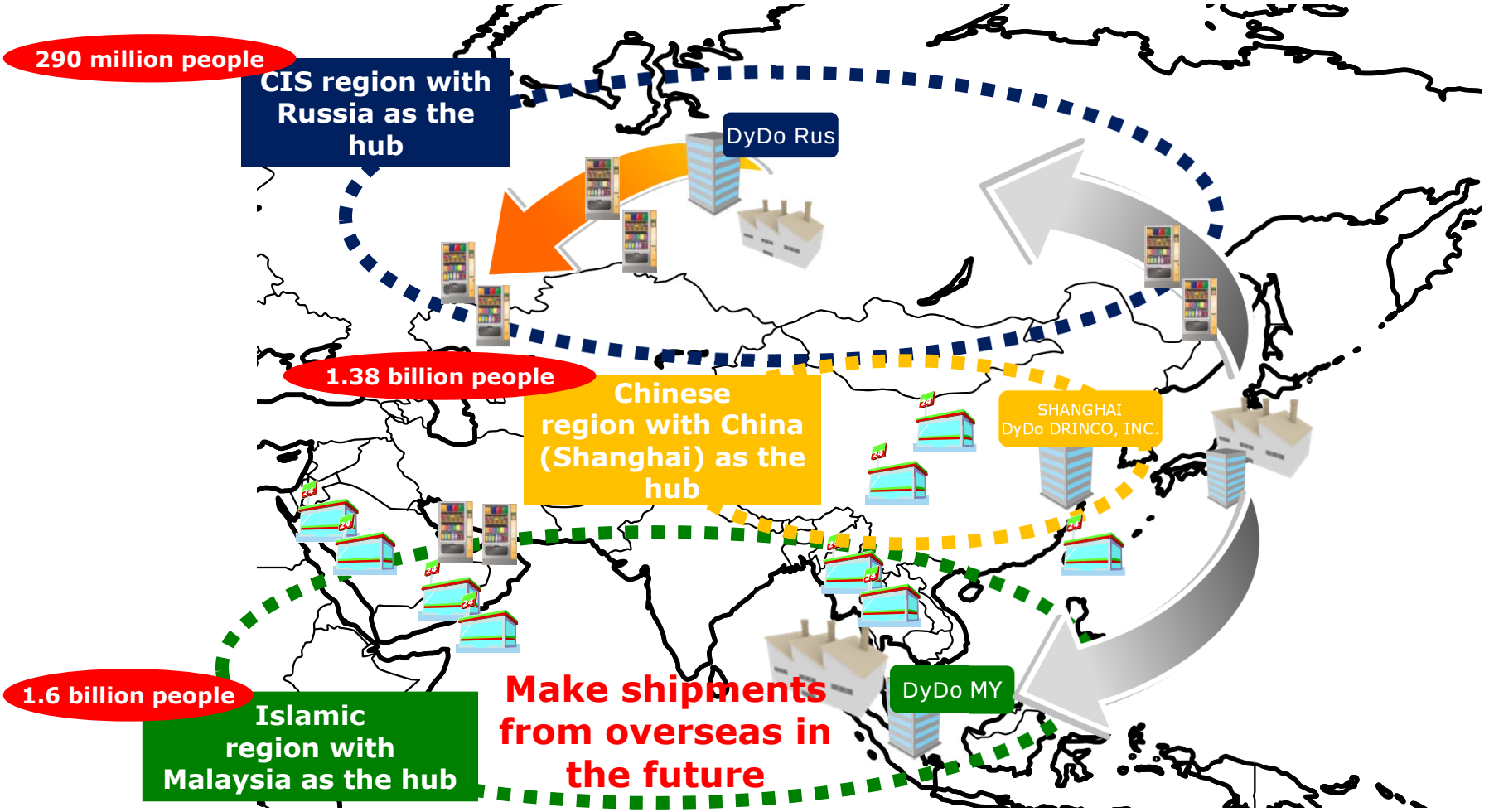
Expand into **the CIS region with Russia as the hub; the Islamic region with Malaysia as the hub; the Chinese region with Shanghai as the hub.**



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Mid-term Business Plan: "Challenge the Next Stage"

- Four Challenges to the Next Stage - Next Stage

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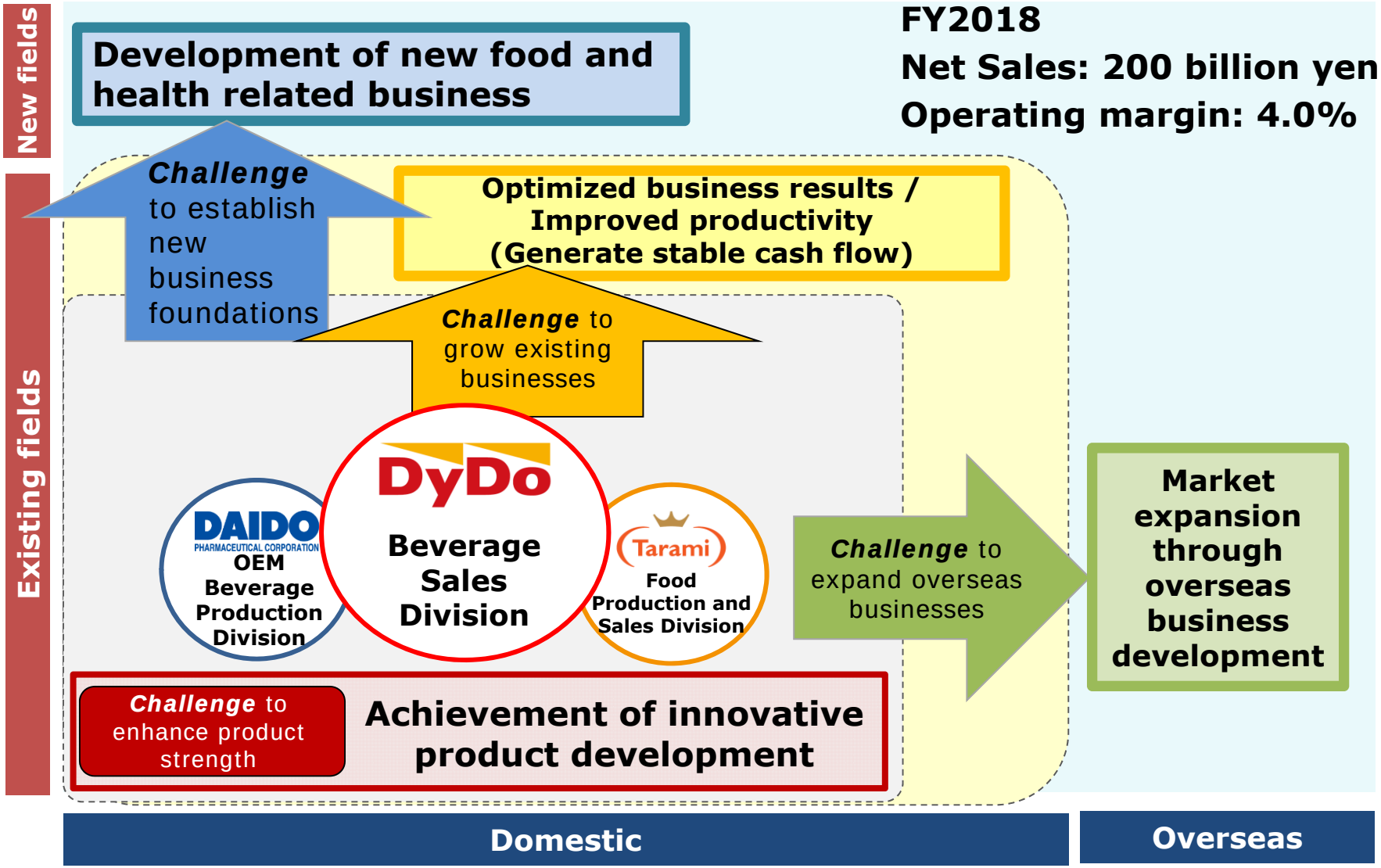

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Visualization of sales breakdown for beverage sales division

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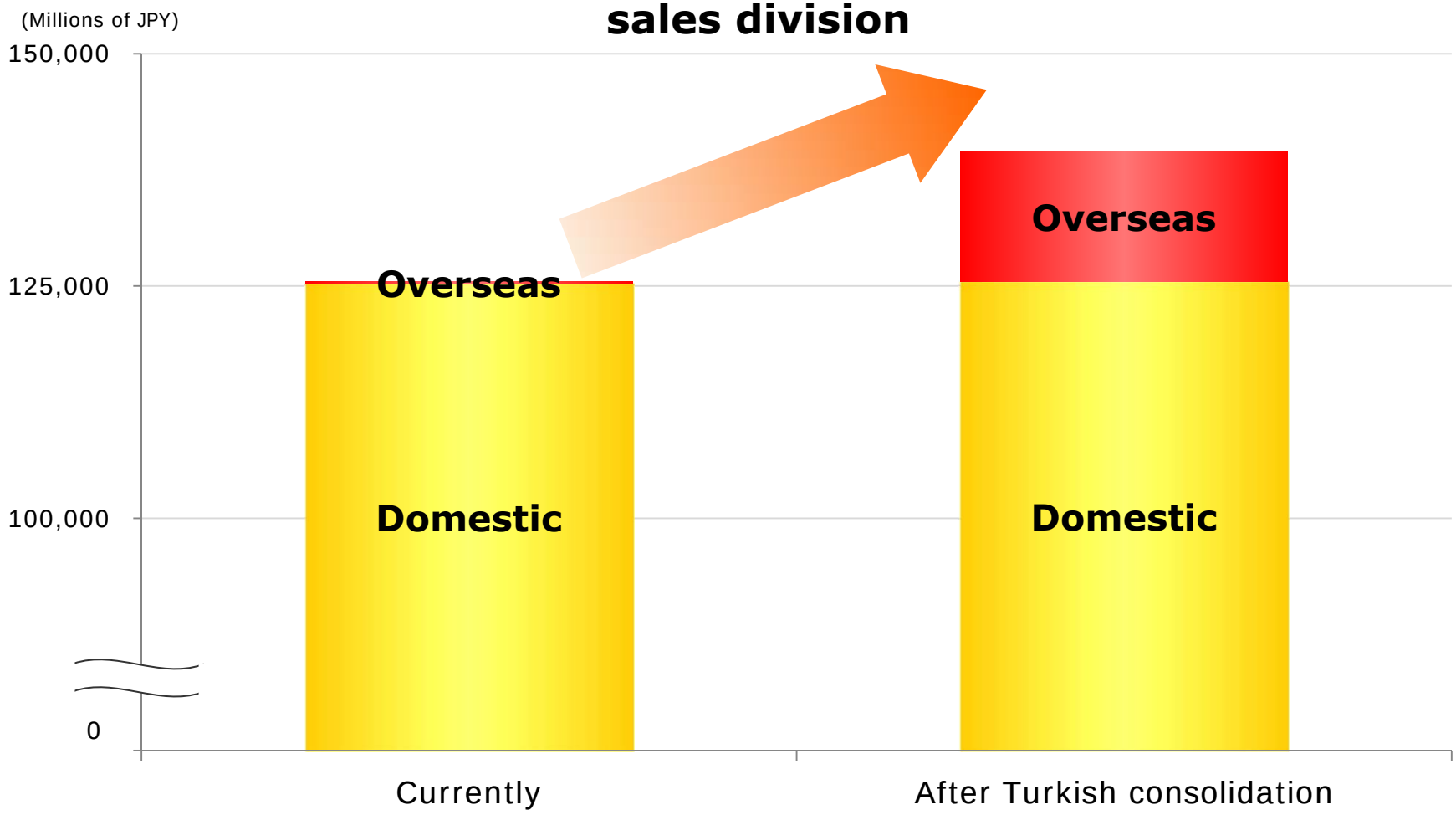
Visualization of sales breakdown for the beverage sales division



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Realizing sustainable growth

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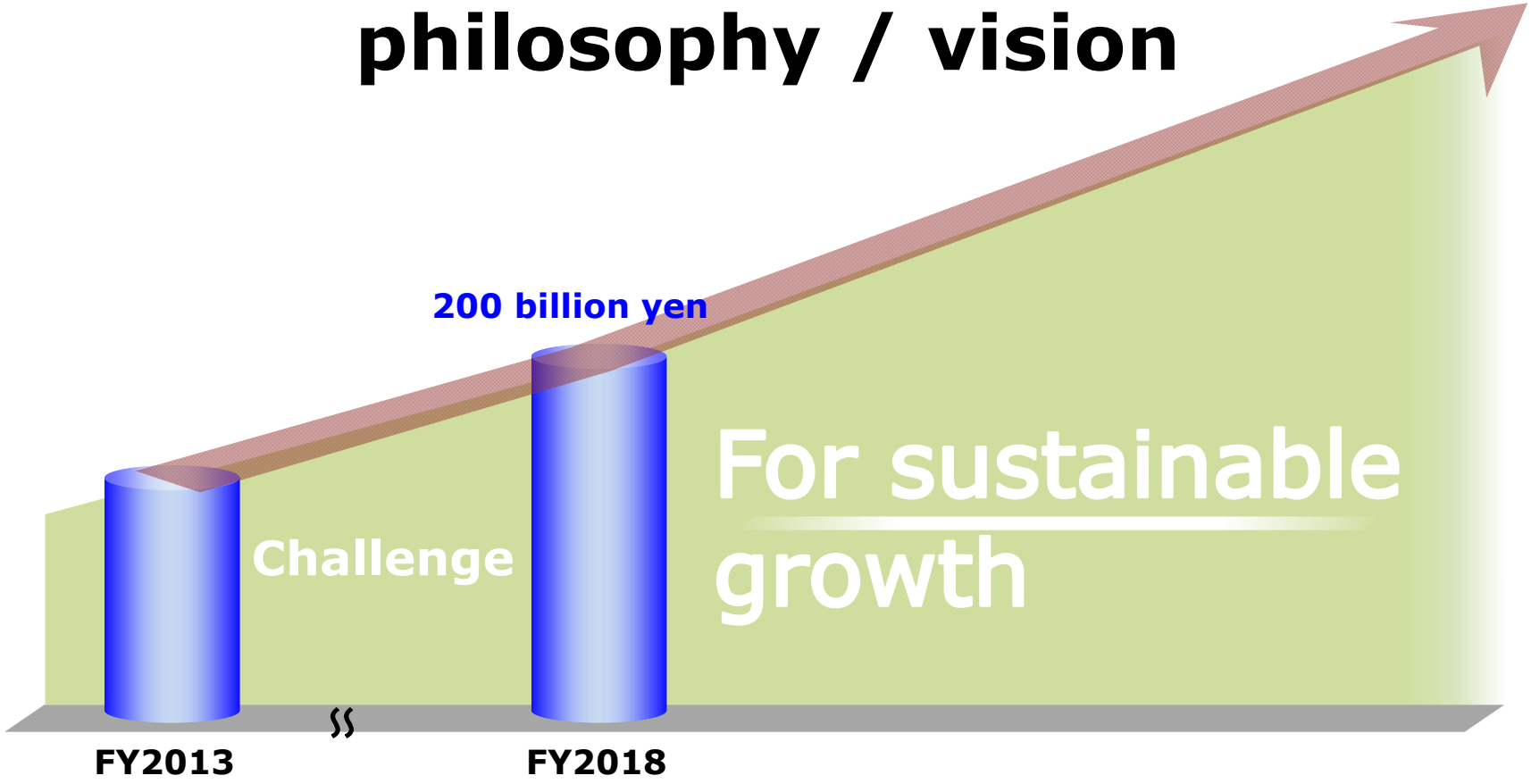
Specific corporate philosophy / vision



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APPENDIX

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Overseas development of DyDo's beverage sales division: Russia

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Promoting the installation of vending machines in Moscow, Russia





DyDo vending machine inside the Aero Express station from Sheremetyevo International Airport, Russia's second-largest airport, to the central city.



Subway



Gas station



Bus terminal



Train station



Cinema

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Overseas development of DyDo's beverage sales division: Malaysia

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Capital participation in the beverages business division of the Malaysian food giant Mamee, making a joint venture company

Mamee-Double Decker(M) Sdn. Bhd.

MAMEE

Business Overview:
Manufacture and sale of snacks and confectionery, instant noodles, beverages, and chilled drinks



Pacific Food Products Sdn. Bhd.

Manufacturing company MDD Beverage Sdn. Bhd. (MDD Bev)

Sales companies Milk Specialities Distribution Sdn. Bhd.(MSD)

49% equity

51% equity

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Overseas development of DyDo's food production and sales division: Indonesia

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Early April

Putting on sale three types of Tarami Fruit Market jellies in Indonesia

- Production using factories of our local partner as the first step in overseas market entry
- Aiming at sales of 100 million yen in the first fiscal year







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