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 25, 2016

To Our Shareholders,

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

Notice of Convocation of the 41st Annual General Meeting of Shareholders

You are cordially invited to attend the 41st Annual General Meeting of Shareholders of DyDo DRINCO, INC. ("the Company") to be held as described below.

If you are unable to attend the meeting, you can exercise voting rights by either of the following methods. Please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights before 5:30 p.m., Thursday, April 14, 2016 (JST).

[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.

[Exercising voting rights electronically (via the Internet, etc.)]

Please read the "Instructions for the Exercise of Voting Rights via the Internet, etc." on page 2 and exercise your voting rights by the time and date stated above.

1. **Date and Time:** 10:00 a.m., Friday, April 15, 2016
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 41st term (from January 21, 2015 to January 20, 2016)
2. The non-consolidated financial statements for the 41st term (from January 21, 2015 to January 20, 2016)

Matters to be resolved

Proposal 1: Appropriation of Surplus
Proposal 2: Approval for Execution of a Contract on Absorption-type Company Split
Proposal 3: Partial Amendments to the Articles of Incorporation
Proposal 4: Election of Six (6) Directors
Proposal 5: Determination of the Amounts and Details of Performance-based Stock Compensation System for Directors

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

Any modifications to the business report, the consolidated financial statements, the non-consolidated financial statements and the Reference Documents for General Meeting of Shareholders will be posted on the Company's website (http://www.dydo.co.jp/).

[Instructions for Exercising Voting Rights via the Internet, etc.]

Please note the following matters in advance when exercising voting rights via the Internet, etc.

1. Voting website

You can only exercise your voting rights via the Internet by accessing the following dedicated voting website designated by the Company.

Dedicated voting website address: http://www.web54.net/

2. Handling of votes

(1) When exercising your voting rights via the Internet, input the "voting right exercise code" and "password" written in the enclosed voting card, and indicate your approval or disapproval of each proposal by following the on-screen instructions.

(2) The deadline for voting is 5:30 p.m., Thursday, April 14, 2016. An early exercise of your vote would be very much appreciated.

(3) If you duplicate the vote by exercising the voting rights both in writing and via the Internet, etc., only the Internet vote will be valid.

(4) If you exercise your voting rights more than once via the Internet, only the latest vote will be valid.

(5) Any fees for Internet providers and telecommunication companies (connection fees, etc.) incurred by shareholders in using the dedicated voting website are to be borne by the shareholder.

3. Safekeeping of passwords

(1) The password is important for authenticating the identity of shareholders. Please handle it with care in the same way as you would your seal and PIN number.

Please note that the Company cannot respond to password inquiries.

(2) If you enter your password incorrectly more than a certain number of times, the password will be locked. If you wish to have your password reissued, please complete the procedures by following the on-screen instructions.

(3) Passwords provided on the voting card will only be valid for this meeting.

4. Inquiries

(1) Regarding the operation of a PC, mobile phone, etc. for exercising your voting rights:

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.)

(2) Other inquiries

a. Shareholders with an account with a securities company

Please contact the securities company where you opened your account.

b. Shareholders without an account with a securities company (shareholders with a special account)

Stock Transfer Agency Administration Center, Sumitomo Mitsui Trust Bank, Limited

Tel: 0120-782-031 (available from 9:00 a.m. to 5:00 p.m., except weekends and holidays)

5. To institutional investors

The electronic voting platform operated by ICJ, Inc., is available for exercising your voting rights.

Reference Documents for General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

1. Year-end Dividend

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 end-of-year 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.

(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: ¥497,026,500

(3) Effective date of dividends from surplus
April 18, 2016

2. Other Appropriation of Surplus

In order to contribute to the development of a rich and robust society, the Company will promote activities which promote co-existence and co-prosperity within the regional community. Based on the Group philosophy of "striving to achieve happiness and prosperity together with people and society as a whole" and in order to utilize the contributions to regional community activities, the Company proposes to reserve the amount of ¥100,000,000 as stated below for the Local Community Contribution Fund:

(1) Item to be decreased and amount of decrease
Retained earnings carried forward: ¥100,000,000

(2) Item to be increased and amount of increase
Local Community Contribution Fund: ¥100,000,000

Proposal 2: Approval for Execution of a Contract on Absorption-type Company Split

1. Reasons for executing absorption-type company split

Under the new DyDo Group Philosophy and Group Vision, the DyDo Group (hereinafter referred to as the "Group") is promoting the mid-term business plan, "Challenge the Next Stage," ending in FY2018, with a focus on four themes: "Challenge to grow existing businesses," "Challenge to enhance product strength," "Challenge to expand overseas businesses," and "Challenge to establish new business foundations." Under the mid-term business plan, the Group is working to achieve the mid-term management objectives of increasing sales to 200 billion yen and the operating margin to 4% in FY2018.

The market trends surrounding the beverage industry have changed dramatically since the consumption tax increase in April 2014. Beverage manufacturers are facing an extremely difficult management environment for securing profits in light of such factors as the increase in price-consciousness among consumers and enhanced negotiation power of distribution chains in sales and promotion activities as a result of mergers and consolidations and other similar factors, as well as intensified price competition due to the further growth of competitive private brands.

Amid such radical changes in the management environment, the Group has determined that it needs to implement Group-wide corporate governance reform to facilitate decision-making process that is transparent and fair as well as prompt and decisive for the purpose of achieving sustainable future growth and improvement of medium- and long-term corporate value.

The Company will therefore shift to a holding company structure in order to strengthen the corporate governance of the Group, clarify the responsibility and authority of each business, and achieve continuous growth of cash flows from the core domestic beverage business.

In order for the Company to adapt to major changes in the business environment and achieve sustainable profit growth and improvement of Group-wide capital efficiency, the Company faces important challenges of working toward continuous growth of cash flows from existing businesses, and capturing new business fields with high profitability and growth potential, such as the healthcare field, by effectively utilizing internal reserves we have accumulated thus far. Accordingly, we will develop an organizational framework designed to enable the Group to adopt a flexible M&A strategy and proactively explore M&A opportunities.

Toward this end, the Company proposes to obtain approval for transferring its beverage business to DyDo DRINCO Split Preparation Co., Ltd. (said corporate name is scheduled to be changed to "DyDo DRINCO, INC." as of January 21, 2017) through an absorption-type company split that will take effect on January 21, 2017 (scheduled), subject to approval of Proposal 3, "Partial Amendments to the Articles of Incorporation," and the effectuation of the absorption-type company split contract. DyDo DRINCO Split Preparation Co., Ltd. is a wholly-owned subsidiary of the Company.

2. Overview of the Contents of the Absorption-type Company Split Contract

Absorption-type company split contract (Copy)

February 26, 2016

[The splitting company in absorption-type company split (the "Splitting Company")]
2-2-7 Nakanoshima, Kita-ku, Osaka
DyDo DRINCO, INC.
Tomiya Takamatsu, President and Representative Director

[The successor company in absorption-type company split (the "Successor Company")]
2-2-7 Nakanoshima, Kita-ku, Osaka
DyDo DRINCO Split Preparation Co., Ltd.
Tomiya Takamatsu, President and Representative Director

DyDo DRINCO, INC. (hereinafter referred to as the "Splitting Company") and DyDo DRINCO Split Preparation Co., Ltd. (hereinafter referred to as the "Successor Company") have entered into the following

contract regarding an absorption-type company split (hereinafter referred to as the "Absorption-type Company Split"), whereby the beverage business of the Splitting Company (hereinafter referred to as the "Business") is split off and transferred to the Successor Company:

IN WITNESS WHEREOF, the Splitting Company and the Successor Company have prepared one original of the Contract by affixing their respective names and seal impressions, and the Splitting Company keeps the original and the Successor Company keeps a copy thereof, respectively.

(Absorption-type Company Split)

Article 1

1. The Splitting Company shall split and transfer the Business to the Successor Company, and the Successor Company shall accept the transfer of the Business.
2. The corporate names and legal addresses of the Splitting Company and the Successor Company under the Absorption-type Company Split are as follows:

(1) The Splitting Company

Corporate name: DyDo DRINCO, INC. (said corporate name is scheduled to be changed to "DyDo GROUP HOLDINGS, INC." as of January 21, 2017)

Legal address: 2-2-7 Nakanoshima, Kita-ku, Osaka

(2) The Successor Company

Corporate name: DyDo DRINCO Split Preparation Co., Ltd. (said trade name is scheduled to be changed to "DyDo DRINCO, INC." as of January 21, 2017)

Legal address: 2-2-7 Nakanoshima, Kita-ku, Osaka

(Rights and Duties to Be Transferred)

Article 2

1. In connection with the Absorption-type Company Split, the Successor Company shall succeed to the Splitting Company's assets, liabilities, and contractual status related to the Business, as well as accompanying rights and obligations, which are determined based on the balance sheet values and other figures as of January 20, 2016, along with any additions or deductions that occur before the effective date of the Absorption-type Company Split, under the attached document: Itemized Statement of Rights and Obligations to Be Transferred.
2. The succession to any liability shall be undertaken with a cumulative liability-taking method, and the Splitting Company shall continue to assume all liabilities, which are succeeded by the Successor Company from the Splitting Company through the Absorption-type Company Split, jointly and severally with the Successor Company. However, in such case, the final liabilities between the Splitting Company and the Successor Company shall be borne by the Successor Company. When the Splitting Company has performed or otherwise incurred any charges with respect to the liabilities to be succeeded to, the Splitting Company is entitled to claim reimbursement of the full amount of each such performance or charge against the Successor Company.

(Delivery of Consideration for Absorption-type Company Split)

Article 3

In connection with the Absorption-type Company Split, the Successor Company shall newly issue 1,800 shares of common stock and allocate all of them to the Splitting Company.

(Matters Pertaining to Amount of Capital Stock and Legally Required Reserves)

Article 4

The amount of capital stock and legally required reserves of the Successor Company to be increased through the Absorption-type Company Split shall be as follows:

(1) Capital stock:	90,000,000 yen
(2) Legally required reserves:	0 yen
(3) Legally required retained earnings:	0 yen

(Effective Date)

Article 5

1. The Absorption-type Company Split shall take effect on January 21, 2017. However, the Splitting Company and the Successor Company may change such date by mutual consultation where necessary, during the course of the Absorption-type Company Split, or for other reasons.
2. With Respect to the proviso stipulated in the preceding paragraph, the Splitting Company shall make a public notice of the revised effective date on or before the date immediately prior to January 21, 2017 (in cases where the revised effective date falls on a date prior to the original effective date, such changed effective date).

(General Meeting of Shareholders for the Approval of the Company Split)

Article 6

1. The Splitting Company shall hold a general meeting of shareholders on or before the date immediately prior to the effective date of the Absorption-type Company Split, and seek approval of the Contract and the matters necessary for the Absorption-type Company Split.
2. The Successor Company shall seek resolutions at a general meeting of shareholders for the approval of the Contract and the matters necessary for the Absorption-type Company Split (including the cases where resolutions of the general meeting of shareholders are deemed to have been made according to the provisions of Paragraph 1, Article 319 of the Companies Act) on or before the date immediately prior to the effective date of the Absorption-type Company Split.

(Exemption from Duty not to Compete)

Article 7

The Splitting Company shall not be subject to the duty not to compete provided for in Article 21 of the Companies Act with respect to the Business, even after the Absorption-type Company Split becomes effective.

(Duty of Due Care of a Prudent Manager for Company's Property)

Article 8

From the day of execution of the Contract until the effective date of the Absorption-type Company Split, the Splitting Company and the Successor Company shall conduct their respective businesses and manage and operate their respective properties with the due care of a prudent manager. Any acts which may have a material impact on the property and rights and obligations shall only be performed based on mutual consultation and agreement between the Splitting Company and the Successor Company.

(Modification of Conditions of the Company Split and Termination of the Absorption-type Company Split Contract)

Article 9

During the period between the execution of the Contract and the effective date of the Absorption-type Company Split, the Splitting Company and the Successor Company may modify the conditions of the split, or terminate the Contract, upon mutual consultation, in the event of any material change occurring in the assets or management of the Splitting Company or the Successor Company due to a force majeure or other events, or in the event that any material hidden defects are discovered.

(Validity of the Company-Split Contract)

Article 10

The Contract shall cease to be valid in the event that approval by each organization, or relevant authorities stipulated in laws and regulations, fails to be obtained by the Splitting Company or the Successor Company.

(Matters not Stipulated in the Contract)

Article 11

The Splitting Company and the Successor Company shall consult and determine, in accordance with the purpose of the Contract, the matters stipulated in the Contract and other necessary matters in relation to the Absorption-type Company Split.

[Attached document: Itemized Statement of Rights and Obligations to Be Transferred]

The Successor Company shall succeed to the below-listed assets, liabilities, employment contracts, and other rights and obligations belonging to the Business of the Splitting Company by means of the Absorption-type Company Split.

Assets and liabilities included in rights and obligations to be transferred shall be determined based on the balance sheet values and other figures as of January 20, 2016, along with any additions or deductions that occur before the effective date of the Absorption-type Company Split.

1. Assets to Be Transferred

(1) Current Assets

Cash and cash equivalents, accounts receivable, merchandise, accounts receivable–other and other current assets owned by the Splitting Company in connection with the Business on the effective date. However, this shall exclude current assets, such as cash and cash equivalents, securities and short-term loans receivable from subsidiaries and related entities pertaining to the Splitting Company's group corporate management business.

(2) Fixed Assets

Tools, equipment and machinery, leased assets and other fixed assets owned by the Splitting Company in connection with the Business on the effective date. However, this shall exclude fixed assets, such as investment securities, shares of subsidiaries and related entities, investments in capital of subsidiaries and related entities and long-term loans receivable from subsidiaries and related entities pertaining to the Splitting Company's group corporate management business.

2. Liabilities to Be Transferred

(1) Current liabilities

Accounts payable, short term leased obligations, accounts payable, current portion of long-term loans and other current liabilities owned by the Splitting Company in connection with the Business on the effective date. However, this shall exclude current liabilities, such as accrued income taxes, accrued consumption taxes and current portion of long-term loans related to the Splitting Company's group corporate management business.

(2) Fixed liabilities

Long term lease obligations, bonds, long-term loans, long-term guarantee deposits and other fixed liabilities owned by the Splitting Company in connection with the Business on the effective date. However, this shall exclude fixed liabilities, such as bonds and long-term loans related to the Splitting Company's group corporate management business.

3. Employment Contracts, etc., to Be Transferred

(1) Employment contracts

The contractual status under employment contracts concerning all employees of the Splitting Company (including temporary employees, part-time employees, non-regular workers, and employees seconded to affiliated companies or other companies) and all rights and obligations that arise out of or in connection with said contracts.

(2) Labor agreements, etc.

All labor agreements and various rules concluded by the Splitting Company with the DyDo Labor Union based on mutual consent.

4. Other Rights and Obligations to Be Transferred, etc.

(1) Intellectual Property Rights

The rights in connection with trademark rights, patent rights, and other intellectual property rights belonging to the Business shall not be transferred to the Successor Company.

(2) Contracts Other than Employment Contracts

All rights and obligations that arise in the contracts and the contractual status thereof, in relation to purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts, and other contracts concluded by the Splitting Company relating to the Business. However, this shall exclude contracts listed in the following items and contracts whose transfer is not permitted as it would change corporate legal status; nontransferable contracts; permits, licenses and other items requiring re-acquisition for which necessary actions were not completed by the effective date of the Absorption-type Company Split; and contracts that must continue to be held by the Splitting Company.

(i) Contracts signed with the accounting Auditors
(ii) Shareholder Registry Administrator Services Agreement signed with the shareholder registry administrator
(iii) Listing agreements executed in connection with listing of securities issued by the Splitting Company to the Tokyo Stock Exchange, Inc.
(iv) Advisory agreements with attorneys, tax accountants, and other advisors pertaining to the group corporate management business
(v) Agreements signed with securities companies
(vi) Agreements pertaining to the employees' share ownership trust
(vii) Insurance contracts pertaining to corporate officers
(viii) Contracts incidental to or relating to the assets and liabilities not transferrable to the Successor Company
(ix) All contracts or agreements that are related to the preceding items

(3) Permits and Licenses, etc.

Permits, licenses, approvals, registrations, notifications, and other items that can be transferred under the laws and regulations and are related to the Business. However, this shall exclude items that must continue to be held by the Splitting Company and permits and licenses, and the like, requiring re-acquisition for which necessary actions were not completed by the effective date of the Company Split.

5. Others

The Splitting Company and the Successor Company may change the rights and obligations of the transferrable rights and obligations where necessary, upon mutual consultation and agreement, if the transfer of such rights and obligations is proved to be difficult under the laws and regulations after the Contract is signed (including those proved to result in unexpected losses to the Splitting Company or the Successor Company as a result of transfer of such rights and obligations).

3. Overview of the Contents Prescribed in Each Item of Article 183 of the Ordinance for Enforcement of the Companies Act

(1) Appropriateness of matters pertaining to the number of shares to be issued by the Successor Company to the Company in connection with the absorption-type company split and the calculation method.

The Company, through the absorption-type company split with an effective date of January 21, 2017 (hereinafter referred to as the "Absorption-type Company Split"), has resolved to transfer rights and obligations pertaining to its beverage business to its wholly-owned subsidiary DyDo DRINCO Split Preparation Co., Ltd. (hereinafter referred to as the "Successor Company"), in accordance with the Absorption-type Company Split Contract between the two companies, dated February 26, 2016.

Upon the Absorption-type Company Split, the Successor Company will issue 1,800 new shares of common stock and allocate all of them to the Company.

In regards to the number of shares to be delivered to the Company, since there will be no changes to the Company's net assets as a result of the Absorption-type Company Split and since all of the shares that the Successor Company will issue upon the Absorption-type Company Split will be delivered to the Company, the number of shares to be delivered to the Company may be fixed at an arbitrary number. Accordingly, since such number will be determined based on consultation between the Company and the Successor Company, the number shall be deemed to be appropriate.

(2) Appropriateness of matters pertaining to the amount of capital stock and legally required reserves

The Successor Company will increase the amount of capital stock and legally required reserves upon the Absorption-type Company Split as below. These amounts are deemed appropriate in accordance with the business contents following the Absorption-type Company Split and the rights and obligations to be succeeded from the Company.

Capital stock:	90,000,000 yen
Legally required reserves:	0 yen
Legally required retained earnings:	0 yen

(3) Contents of the non-consolidated financial statements of the previous fiscal year of the Successor Company

The Successor Company was established on February 24, 2016. As such, it has not completed the first fiscal year and does not have a previous fiscal year. The Company's balance sheet as of the date of establishment is as follows:

(Millions of yen)

Account title	Amount	Account title	Amount
Assets		Liabilities	
Current assets	10	Current liabilities	–
Cash and cash equivalents	10	Net assets	
Fixed assets	–	Capital stock	10
Total assets	10	Liabilities / net assets total	10

(4) Matters concerning the disposal of important property, etc., that have occurred after the last day of the most recent fiscal year or the establishment date of companies involved in the Absorption-type Company Split.

(i) The Company

At the Board of Directors meeting held on September 24, 2015, the Company approved the acquisition of 90% of shares held by Yildiz Holding A.Ş., a major food products manufacturer group in

Turkey, in its three beverage manufacturing subsidiaries (Della Gıda Sanayi ve Ticaret A.Ş., Bahar Su Sanayi ve Ticaret A.Ş., and İlk Mevsim Meyve Suları Pazarlama A.Ş.) in order to convert these companies into subsidiaries. On February 3, 2016, the Company acquired the shares.

(ii) The Successor Company

After the day the Successor Company was established, no events that would materially impact the status of company property, including disposal of important property or the incurring of significant debt, have occurred.

Proposal 3: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendments

(1) The Company is scheduled to become a holding company as of January 21, 2017, subject to shareholder approval of Proposal 2 "Approval for Execution of a Contract on Absorption-type Company Split." Together with this, Article 1 (Corporate Name) of the Company's Articles of Incorporation shall be changed, effective as of January 21, 2017. In addition, the business purposes provided for in Article 2 (Purposes) of the current Articles of Incorporation shall be amended or have additional language included in order to prepare for business development of the Company and its subsidiaries after the transition to a holding company structure. Item numbers in the Articles of Incorporation shall be adjusted accordingly following the addition of new provisions.

(2) The Company has decided to reduce the number of Directors set forth in the Articles of Incorporation from nine to seven for the purpose of enhancing and energizing deliberations by the Board of Directors, and accordingly proposes to modify Article 22 (Number of Directors) of the current Articles of Incorporation.

(3) The Company has decided to shorten the term of office of Directors from two years to one year to clarify the management responsibility of Directors and build a flexible management framework to respond promptly to the changes in the management environment. Accordingly, a change is proposed to Paragraph 1, Article 24 (Term of Office of Directors) of the current Articles of Incorporation.

(4) Under the "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014) effective from May 1, 2015, the scope of Officers with whom liability limitation agreements may be entered has changed. Accordingly, the Company proposes to make necessary amendments to Paragraph 2 of Article 32 (Exemption of Directors from Liabilities) and Paragraph 2 of Article 42 (Exemption of Corporate Auditors from Liabilities) of the current Articles of Incorporation pursuant to the provision of Paragraph 1, Article 427 of the Companies Act, in order to allow Directors who are not Executive Directors and Corporate Auditors to fulfill their expected roles and enable the Company to continuously attract appropriate human resources. The amendment of Paragraph 2, Article 32 (Exemption of Directors from Liabilities) of the current Articles of Incorporation has been agreed to by all Corporate Auditors.

(5) Subject to the approval of Proposal 3, the Company proposes to establish supplementary provisions to make the amendments effective from January 21, 2017.

(6) In addition, the Company shall make necessary insertions, deletions or amendments of provisions or language.

2. The details of amendments

The details of amendments of the Articles of Incorporation are as follows:

(Amended parts are indicated by underlining)

Current Articles of Incorporation	Proposed Amendments
(Corporate Name) Article 1 The name of the Company shall be DyDo DRINCO Kabushiki Kaisha, expressed as DyDo DRINCO, INC. (hereinafter referred to as the "Company") in English.	(Corporate Name) Article 1 The name of the Company shall be DyDo GROUP HOLDINGS Kabushiki Kaisha, expressed as DyDo GROUP HOLDINGS, INC. (hereinafter referred to as the "Company") in English.
(Purposes) Article 2 1. The purposes of the Company shall be to engage in the following business activities:	(Purposes) Article 2 1. The purposes of the Company shall be to control or manage business activities of companies (including domestic and foreign companies), partnerships (including foreign equivalents), and other entities, which are engaged in one or more of the businesses listed below, through the holding of shares or other equity interests in these entities:
(1) Manufacture and sale of soft drinks (2) Manufacture and sale of various foods (3) Manufacture and sale of drugs, quasi-drugs and cosmetics (4) Sale of soft drinks, various foods and a variety of merchandise through vending machines	(1) - (4) (unchanged)
(Newly established)	(5) Provision of various services through vending machines
(5) Sale of tobacco and alcoholic beverages (6) Operation of restaurants (7) Sale of and provision of maintenance services for various vending machines (8) Any and all business activities incidental or related to any of the preceding items	(6) Sale of tobacco and alcoholic beverages (7) Operation of restaurants (8) Sale of and provision of maintenance services for various vending machines (9) Any and all business activities incidental or related to any of the preceding items
(Newly established)	2. The Company may engage in any and all business activities incidental or related to any of the preceding items.
Article 3-11 (Omitted)	Article 3-11 (Unchanged)
(Shareholder registry administrator) Article 12 1. (Omitted) 2. (Omitted) 3. The administration of the register of shareholders and the register of share options of the Company, including the preparation and keeping of the shareholder registry and share option registry, shall be entrusted to the shareholder registry administrator and shall not be handled by the Company.	(Shareholder registry administrator) Article 12 1. (Unchanged) 2. (Unchanged) 3. The administration of the register of shareholders and the register of share options of the Company, including the preparation and keeping of the shareholder registry and share option registry, shall be entrusted to the shareholder registry administrator and shall not be handled by the Company.
Article 13 (Omitted)	Article 13 (Unchanged)
(Convocation) Article 14 The Annual General Meeting of Shareholders of the Company shall be convened in April each year, and the Extraordinary Meeting of Shareholders shall be convened whenever necessary.	(Convocation) Article 14 The Annual General Meeting of Shareholders of the Company shall be convened within three (3) months after the end of each fiscal year, and the Extraordinary Meeting of Shareholders shall be convened whenever necessary.
Article 15-21 (Omitted)	Article 15-21 (Unchanged)
(Number of Directors) Article 22 The Company shall have nine (9) or less Directors.	(Number of Directors) Article 22 The Company shall have seven (7) or less Directors.
Article 23 (Omitted)	Article 23 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
(Term of Office of Directors) Article 24 1. The term of office of a Director shall expire at the conclusion of the Annual General Meeting of Shareholders with respect to the last fiscal year ending within two (2) years after his or her election. 2. (Omitted)	(Term of Office of Directors) Article 24 1. The term of office of a Director shall expire at the conclusion of the Annual General Meeting of Shareholders with respect to the last fiscal year ending within one (1) year after his or her election. 2. (Unchanged)
(Representative Director and Executive Directors) Article 25 1. (Omitted) 2. The Board of Directors may elect, by its resolution, one (1) Chairman and Director, one (1) President and Director, several Vice Presidents and Directors, Executive Directors, Managing Directors and Senior Advisors, respectively.	(Representative Director and Executive Directors) Article 25 1. (Unchanged) 2. The Board of Directors may elect, by its resolution, one (1) President and Director, and where necessary, one (1) Chairman and Director and several Vice Presidents and Directors, Executive Directors, Managing Directors and Senior Advisors, respectively.
Article 26-27 (Omitted)	Article 26-27 (Unchanged)
(Method of Adopting Resolutions of the Board of Directors) Article 28 1. Resolutions of the Board of Directors shall be adopted by a majority of the Directors present at each Board of Directors meeting where a majority of the Directors who may participate in the resolution is present. 2. (Omitted)	(Method of Adopting Resolutions of the Board of Directors) Article 28 1. Resolutions of the Board of Directors shall be adopted by the majority of the Directors present at each Board of Directors meeting where a majority of the Directors who may participate in the resolution is present. 2. (Unchanged)
Article 29-31 (Omitted)	Article 29-31 (Unchanged)
(Exemption from Liability for Directors) Article 32 1. (Omitted) 2. The Company may, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, enter into an agreement with Outside Directors limiting their liability for damages due to negligence in performing their duties. However, the maximum amount of liability for damages based on such agreement shall be the liability amount prescribed in laws and regulations.	(Exemption from Liability for Directors) Article 32 1. (Unchanged) 2. The Company may, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, enter into an agreement with Directors (excluding Executive Directors, etc.) limiting their liability for damages due to negligence in performing their duties. However, the maximum amount of liability for damages based on such agreement shall be the liability amount prescribed in laws and ordinances.
Article 33-41 (Omitted)	Article 33-41 (Unchanged)
(Exemption from Liability for Corporate Auditors) Article 42 1. (Omitted) 2. The Company may, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, enter into an agreement with Outside Corporate Auditors limiting their liability for damages due to negligence in performing their duties. However, the maximum amount of liability for damages based on such agreement shall be the liability amount prescribed in laws and regulations.	(Exemption from Liability for Corporate Auditors) Article 42 1. (Unchanged) 2. The Company may, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, enter into an agreement with Corporate Auditors limiting their liability for damages due to negligence in performing their duties. However, the maximum amount of liability for damages based on such agreement shall be the liability amount prescribed in laws and regulations.
Article 43-45 (Omitted)	Article 43-45 (Unchanged)
(Dispensation from Payment of Dividend) Article 46 1. (Omitted)	(Dispensation from Payment of Dividend) Article 46 1. (Unchanged)
(Newly established)	2. Unpaid dividends shall not earn interest.
(Newly established)	(Supplementary Provision) The amendments to Articles 1 (Corporate Name) and Article 2 (Purposes) shall be effective from January 21, 2017. These supplementary provisions shall cease to have any effect after the effective date.

Proposal 4: Election of Six (6) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this meeting. Accordingly, the Company proposes to reduce the number of Directors by one (1) and elect six (6) Directors, for the purpose of enhancing and energizing deliberations by the Board of Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	(Upper row) Career summary, positions and areas of responsibilities in the Company, and significant concurrent positions (Lower row) Reasons for election	Number of the Company's shares held
1	Tomiya Takamatsu (June 26, 1976)	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) 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 Group Philosophy and Group Vision. In addition to implementing radical reforms that go beyond the existing paradigm, identifying new challenges, and working to reform existing businesses, he launched an intensive drive to develop the group's businesses overseas. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.	495,000 shares
2	Tomihiro Takamatsu (January 16, 1948)	Mar. 1971 Joined DAIDO PHARMACEUTICAL CORPORATION Jan. 1975 Managing Director following the Company's establishment May 1984 Executive Director, the Company Jun. 1990 Vice-President and Director, the Company Apr. 1992 Vice-President and Representative Director, the Company Apr. 1994 President and Representative Director, the Company Apr. 2014 Chairman and Director, the Company (incumbent) Having guided the Company as its President for 20 years, Mr. Takamatsu brings a wealth of experience as well as a proven track record to the table. In his current position as Chairman and Director, he fulfills a range of roles as appropriate, including strengthening the foundation of the Group's management in areas such as governance, deciding important issues, and overseeing execution of business operations. In addition, he has worked tirelessly to revitalize the local communities in which the Company does business by orchestrating its community service activities over many years. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.	495,000 shares

No.	Name (Date of birth)	(Upper row) Career summary, positions and areas of responsibilities in the Company, and significant concurrent positions (Lower row) Reasons for election	Number of the Company's shares held
3	Kenji Adachi (July 19, 1955)	Mar. 1980 Joined the Company Apr. 2002 Director, the Company Apr. 2012 Managing Director, the Company (incumbent) Jan. 2013 President and Representative Director, DyDo BUSINESS SERVICE, INC. (incumbent) Mr. Adachi, who is involved in an extensive range of operations related to the Company's core vending machine business, brings a wealth of experience and a proven track record to the table. Currently, as the Director in charge of business reforms, he is playing a central role in implementing a radical reform of the vending machine business's fixed cost structure in an effort to achieve the goals set forth in the mid-term business plan. In addition, as the Director in charge of public relations, he is working hard to facilitate the robust development of the entire soft drink beverage industry. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.	10,800 shares
4	Makoto Nakagawa (August 8, 1956)	Jan. 1980 Joined the Company Apr. 2006 Director, the Company Apr. 2012 Managing Director, the Company (incumbent) Mr. Nakagawa, who is involved in an extensive range of operations that span the entire soft drink beverage business, from product development, production procurement, and marketing to sales activities in the vending machine and distribution channels, brings a wealth of experience and a proven track record to the table. Currently, in addition to leading the Company's sales teams as the manager of the Sales Administration Division and pursuing initiatives to improve profitability, he is working hard to strengthen relationships with key business partners. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.	5,300 shares
5	Shinji Mori (May 22 1946)	Apr. 1972 Joined the Supreme Court Legal Training and Research Institute Apr. 1974 Appointed as a judge, Yokohama District Court Apr. 1986 Appointed as a judge, Kyoto District Court Apr. 1989 Registered as a member of the Osaka Bar Association Apr. 2001 Corporate Auditor, the Company Apr. 2014 Director, the Company (incumbent) (Significant concurrent positions) Outside Auditor, OSAKA SODA CO., LTD. Auditor, CREDIT GUARANTEE CORPORATION OF OSAKA Mr. Mori has extensive experience and an advanced level of specialized knowledge as an attorney, and he has served the Company for 13 years as an Outside Corporate Auditor and for 2 years as an Outside Director. Based on that experience, and due to his ability to further strengthen the oversight function of the Board of Directors by offering advice and suggestions as to the Company's management from an independent perspective, 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 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.	100 shares

No.	Name (Date of birth)	(Upper row) Career summary, positions and areas of responsibilities in the Company, and significant concurrent positions (Lower row) Reasons for election	Number of the Company's shares held
*6	Masataka Inoue (October 12, 1954)	Apr. 1978 Joined Nakano Sumise Co., Ltd. Apr. 2005 Director, the head office of Mizkan Group Corporation May 2007 Managing Director, Mizkan Group Corporation Oct. 2009 Standing 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 Plans to retire from Mizkan Holdings Co., Ltd. Mr. Inoue has a wealth of knowledge and experience in the food industry. Based on his auditing experience in areas such as business development through overseas M&As and overseas subsidiaries, and due to his ability to strengthen the oversight function of the Board of Directors by offering advice and suggestions from an independent perspective concerning such issues as accelerated development of the Company's business overseas and expanding its business domain, he has been put forward as a candidate for service as an Outside Director on the Board of Directors.	–

Notes: 1. The candidates marked with an asterisk (*) are new candidates.

2. There are no special interests between any of the candidates and the Company.

3. Messrs. Shinji Mori and Masataka Inoue are candidates for Outside Directors.

4. The Company has concluded agreement with Mr. Shinji Mori pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act to limit the amount of his liability to damages as provided for in Article 425, Paragraph 1 of the same Act. If the election of Mr. Masataka Inoue is approved, the Company plans to conclude the same agreement.

5. The Company has notified Mr. Shinji Mori as an independent officer as prescribed by the Tokyo Stock Exchange. If the election of Mr. Shinji Mori is approved, the Company plans to maintain his position as independent officer. In addition, Mr. Masataka Inoue meets the criteria for independent officer as prescribed by the Tokyo Stock Exchange. If the election of Mr. Masataka Inoue is approved, the Company will notify the Exchange of his position as an independent officer.

Proposal 5: Determination of the Amounts and Details of Performance-based Stock Compensation System for Directors

1. Reasons for the proposal and reasons justifying such compensation

The Company has decided to shift to a holding company structure as of January 21, 2017, subject to shareholder approval of Proposal 2, "Approval for Execution of a Contract on Absorption-type Company Split". (More specifically, following the transition to a holding company structure, the Company is scheduled to change its corporate name to "DyDo GROUP HOLDINGS, INC." as of the same date and maintain its listing status as a holding company that will continue to conduct business management of the Group companies).

Together with the transition to the above-mentioned holding company structure, following the transition the Company intends to introduce anew a performance-based incentive system (hereinafter referred to as the "System") for Directors (excluding Outside Directors and Part-time Directors) and Executive Officers (hereinafter collectively referred to as "Directors and Officers of the Holding Company") and Directors (excluding Outside Directors and Part-time Directors) and Executive Officers (hereinafter collectively referred to as "Directors and Officers of the Target Subsidiaries) of wholly-owned subsidiaries of the holding company (the Holding Company). (The Target Subsidiaries include (i) a joint-stock company established as DyDo DRINCO Split Preparation Co., Ltd. and is scheduled to succeed to the Company's beverage business as of January 21, 2017,with a corporate name change to DyDo DRINCO, INC. to occur on the same); (ii) DAIDO PHARMACEUTICAL CORPORATION; (iii) TARAMI Corporation; and (iv) an overseas beverage management company (corporate name is undetermined at this time) scheduled to be established as a wholly-owned subsidiary of the Holding Company after its establishment. These four companies are referred to individually or collectively as the "Target Subsidiaries"). Accordingly, the Company asks the shareholders to approve the payment of compensation to Directors of the Holding Company based on the System. The Company requests that shareholders leave the decision on the details of such payment of compensation to the Board of Directors' resolution within the scope described in 2. below.

The introduction of the System is aimed at raising the awareness of Directors and Officers of the Holding Company and Directors and Officers of the Target Subsidiaries for contributing to the Group's earnings improvement and corporate value enhancement over the medium- and long-term. As such, the introduction of the System is considered appropriate.

Specifically, the Company asks for shareholder approval to grant shares of the Holding Company (the Company) as a new performance-based incentive to Directors and Officers (excluding Outside Directors and Part-time Directors) of the Holding Company (the Company) in the first fiscal year following the transition to the holding company structure on January 21, 2017 and thereafter, which is separate from the maximum total amount of Directors' remuneration approved at the 16th Annual General Meeting of Shareholders held on April 18, 1991.

If Proposal 4, "Election of Six (6) Directors", is approved in its original form, a total of seven Directors and Officers will be eligible for the System; three Directors and Officers of the Holding Company and four Directors and Officers of the Target Subsidiaries.

2. The Amounts and Details, etc., of Remuneration under the System

(1) Overview of the System

The System is a performance-based incentive system in which the Holding Company (the Company) will contribute funds in a maximum amount (2) below to a trust which will acquire and distribute shares of the Holding Company (the Company) to Directors and Officers of the Holding Company and Directors and Officers of the Target Subsidiaries according to their respective performance. In principle, Directors and Officersof the Holding Company and Directors and Officers of the Target Subsidiaries will receive shares when they retire.

(2) Maximum amount of trust money to be contributed by the Holding Company (the Company)

The Holding Company (the Company) will introduce the System for five fiscal years starting with the fiscal year starting on January 21, 2017 through and including the fiscal year ending on January 20, 2022

(such five-fiscal-year period and each five-fiscal-year period that begin after the expiration of the initial five-fiscal-year period shall hereinafter be referred to respectively as the "Target Period") as well as each subsequent Target Period. In this System, the Holding Company (the Company) will establish a trust for Directors and Officers of the Holding Company and Directors and Officers of the Target Subsidiaries who meet the conditions of the Beneficiaries (hereinafter referred to as the "Trust") by contributing up to 550,000,000 yen for acquisition of shares to be distributed to Directors and Officers of the Holding Company and Directors and Officers of the Target Subsidiaries based on the System in respect to the initial Target Period. The Holding Company (the Company) may contribute up to a total limit of 550,000,000 yen during the initial Target Period as additional funds for the acquisition of shares.

After the expiration of the initial Target Period, the Holding Company (the Company) will make additional contributions up to 550,000,000 yen to the Trust for each Target Period until the end of the System. Upon making such additional contributions, if any of the Holding Company's (the Company's) shares (excluding the Holding Company's (the Company's) shares corresponding to the points granted to the Directors and Officers of the Holding Company and Directors and Officers of the Target Subsidiaries but not yet given to such Target Directors (for the explanation of points, refer to (3) below)) and money (hereinafter referred to as the "Remaining Shares, etc.") in the trust assets on the date immediately before the start of the Target Period during which the said additional contributions are to be made, the Remaining Shares, etc., will be allocated to the funds for the distribution based on the System during subsequent Target Periods. In that case, the upper limit of the monetary amount which the Holding Company (the Company) may additionally contribute during said Target Period will be calculated by deducting the monetary amount of the Remaining Shares, etc., (for shares, the monetary amount converted to the market value equivalent on the date immediately before the start of said Target Period) from the total of 550,000,000 yen.

(3) The Calculation Method for the Number of Shares of the Holding Company (the Company) to Be Granted to the Target Directors, etc., under the System

For each fiscal year, Directors and Officers of the Holding Company and Directors and Officers of the Target Subsidiaries will be granted a number of points determined based on their respective positions and achievements in each fiscal year during each Target Period. Each point granted to the Target Directors, will be converted into one (1) share of the Holding Company's (the Company's) common stock at the time of the provision of shares described in (4) below. (Note, however, that if a share split, allotment of shares without contribution, or consolidation of shares, etc., is carried out after shareholders' approval of this Proposal is obtained, the conversion ratio will be adjusted in a reasonable manner proportionate to the relevant ratio, for the share split, allotment of shares without contribution, or consolidation of shares.)

On each March 31 following the end of each fiscal year during the Target Period, Directors and Officers of the Holding Company and Directors and Officers of the Target Subsidiaries will be granted a number of points determined by multiplying the base points (i.e., the points which are determined according to their respective positions for each fiscal year ended on January 20 of the same year) by a performance-based coefficient set according to achievements of individual Target Directors. Such performance-based coefficient will be calculated based on the percentage achievement of ordinary income and net sales on a consolidated basis projected at the beginning of each fiscal year and disclosed in financial statements. (For FY2018, the percentage achievement of the mid-term business plan will also be taken into account.)

(4) The Method of Acquiring the Shares through the Trust

The Trust will acquire the shares of the Holding Company (the Company) through the stock market or by underwriting the disposition of the Holding Company's (the Company's) treasury shares using the money contributed by the Holding Company (the Company).

(5) Grant of Shares to the Target Directors, of the System

When Directors and Officers of the Holding Company or Directors and Officers of the Target Subsidiaries retire, they may receive a distribution of shares of the Holding Company (the Company)

from the Trust corresponding to the number of shares equivalent to the accumulated points of the retiring person by carrying out the beneficiary certification procedures.

(6) Exercise of Voting Rights of Shares in the Trust

The holders of shares of the Holding Company (the Company) acquired from the Trust through the System may not exercise any voting rights attached to such shares.