

Company: DyDo GROUP HOLDINGS, INC.
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(Code 2590 on the Tokyo Stock Exchange Prime Market)
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Notice Regarding Recognition of Extraordinary Loss (Impairment Loss) and Revision to Full-Year Earnings Forecasts

DyDo GROUP HOLDINGS, INC. (the Company) announced today that it expects to record an impairment loss on fixed assets for the fiscal year ended January 2026 (January 21, 2025 to January 20, 2026), and that it has revised its forecasts for the same fiscal year announced on August 27, 2025 as follows to reflect the latest trends in its business performance.

1. Recognition of Extraordinary Loss (Consolidated)

In the Domestic Beverage Business, our core segment, profitability in the vending machine channel has declined due to recent increases in raw material prices and a growing consumer preference for saving. In response to these conditions, the Company has worked to improve profitability through initiatives such as expanding the “Heart Price” value-priced product line up and strategically withdrawing from unprofitable vending machine locations.

However, the impact of declining beverage sales volumes and the significant rise in raw material costs, including coffee beans, has been substantial, and the Domestic Beverage Business is expected to record an operating loss for the current fiscal year. Furthermore, as this challenging market environment is expected to continue into the next fiscal year and beyond, the Company has decided to reduce the book value of vending machines and other related business assets to their recoverable amounts and record an impairment loss of 29,826 million yen in the fourth quarter of the fiscal year.

The Company will continue working toward restoring profitability in the vending machine business. Details of these initiatives are scheduled to be disclosed in the earnings announcement for the fiscal year ended January 2026, which is planned for release on March 4, 2026.

2. Recognition of Extraordinary Loss (Non-Consolidated)

Due to the recognition of an impairment loss at DyDo DRINCO, INC., a major consolidated subsidiary in the Domestic Beverage Business, the Company will record 466 million yen as a loss on valuation of shares of subsidiaries and associates in its non-consolidated financial statements. The Company will also record 26,169 million yen as a provision of allowance for doubtful accounts on loans extended to the same subsidiary, based on an assessment of their recoverability.

These extraordinary losses will be eliminated in the consolidated financial statements and will not affect the consolidated results.

3. Revision to Consolidated Financial Forecasts for FY2025 (January 21, 2025 to January 20, 2026)

(Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit (Loss)	Profit (Loss) Attributable to Owners of Parent	Earnings Per Share
Prior Forecast (A)	243,400	1,800	(400)	(3,000)	(94.84 yen)
Revised Forecast (B)	241,200	4,100	1,400	(30,700)	(970.00 yen)
Difference (B-A)	(2,200)	2,300	1,800	(27,700)	
Difference (%)	(0.1%)	128%	—	—	
(For ref.) Consolidated Results for FY2024	237,189	4,789	3,023	3,804	120.66 yen

Note: The Group has made accounting adjustments to performance forecasts in line with criteria set in IAS 29 Financial Reporting in Hyperinflationary Economies. As a result, the Group has included the following impacts of this adjustment in the forecasts: net sales will increase by 2.8 billion yen, operating profit will decrease by 0.7 billion yen, ordinary profit will decrease by 2.7 billion yen, and profit attributable to owners of parent will decrease by 2.6 billion yen.

4. Reasons for Revisions

In the Domestic Beverage Business, profitability has continued to come under pressure as various costs, including raw material prices, have risen and consumers remain strongly focused on saving. In contrast, the International Beverage Business, driven mainly by the strong performance of the Turkish Beverage Business, has exceeded expectations. This outperformance has more than offset the decline in the Domestic Beverage Business and has pushed consolidated operating profit and ordinary profit above the initial forecast.

However, profit attributable to owners of parent has been revised downward from the initial forecast, reflecting the recognition of the impairment loss described above as an extraordinary loss.

Note 1: Earnings forecasts are based on available information and the reasonable judgment of management at the time of this document's publication. Actual performance may differ materially from forecasts for a variety of reasons.

Note 2: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.