

DyDo GROUP HD Recognized Impairment Loss—Will Watch the Performance Trend of Domestic Beverage Business

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the revision to earnings forecast for the fiscal year ended January 2026 (FY2025) made by DyDo GROUP HOLDINGS, INC. (security code: 2590).

- (1) On February 16, DyDo GROUP HOLDINGS, INC. (the "Company") made downward revisions to its earnings forecast for FY2025. Profitability of the vending machine channel, the core business in the Domestic Beverage Business, declined and the Company will recognize an impairment loss of 29.8 billion yen for the vending machines and other related business assets. For FY2025, the profit attributable to owners of parent was revised downward significantly from 3 billion yen in the red, the previous forecast, to 30.7 billion yen in the red.
- (2) In response to the net loss reported this time, the equity capital will be impaired by approximately 30%, and deterioration in the financial structure is expected. Furthermore, decline in the earning capacity is noticeable as indicated that the Domestic Beverage Business is expected to incur an operating loss for FY2025 due to decreased sales volume of beverages and soaring various raw material prices including coffee beans. JCR has not drawn the conclusion that an immediate rating review is required based on this but will monitor the performance trend of the Domestic Beverage Business and reflect the outcome in the rating.

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<Reference>

Issuer: DyDo GROUP HOLDINGS, INC.

Long-term Issuer Rating: A- Outlook: Stable

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