

FY2024/3 Results Presentation Q&A May 9, 2024

Q1: What is the message behind the 28.9 billion yen operating profit forecast for FY2025/3?

The target is in line with our growth guidance and exceeds our record-high profit level.

Q2: What will the impact on earnings be if the yen continues to depreciate from the assumed exchange rate of 142 yen/USD?

The impact will be limited if the yen remains in the low 150 yen/USD range. Even if the yen depreciates further, we will maintain the level of our earnings forecast at the net profit level.

Q3: In which businesses/regions do you see room for raising your FY2025/3 forecast?

We would expect an increase in domestic sales volume because of the strong coordination between marketing, production, and sales. Although much depends on the post-price and content revisions sales situation, we believe there is still room for high added value products such as *Jagarico* and gift snack items to grow.

Q4: What is the background behind the decrease in domestic profit in Q4 FY2024/3?

This was due to planned investment in marketing activities to maintain sales momentum in preparation for price and content revisions scheduled for June 2024.

Q5: What is your approach to selling expenses for this fiscal year?

There is no change in our policy of curbing rebates and aggressively investing in marketing. Sales promotion activities will not change significantly from last year, but we expect a partial return of rebates that had been restrained last year and increased expenses associated with our collaboration with Oriental Land Co., Ltd.

Q6: Will you continue to invest in new areas in this fiscal year and beyond?

During the implementation period of our growth strategy, we will conduct investment while also generating profits.

Q7: What is your view of domestic operating profit growth this fiscal year?

The good sales momentum from the second half of last fiscal year will continue. We expect an increase in sales from last year's high. We will monitor consumer trends following price and content revisions.

Q8: If the yen continues to depreciate, what are your thoughts on further price rises?

We will consider this flexibly depending on the situation.

Q9: Do you think that the North American business has entered a phase of sustained growth?

We believe that the PB/OEM business has bottomed out. We aim to improve profitability by improving quality and cost structure and by acquiring new orders. We will expand sales of national brand *Harvest Snaps* and brands from Japan beyond those of last year.

Q10: What is the time frame for the Greater China region to return to a growth track?

We will start local OEM production during this fiscal year, sell *Jagabee* and *Frugra* at competitive prices, and aim for an earnings recovery next fiscal year.

Q11: Can we expect further growth in the UK and Indonesia?

Both regions are structurally improving profitability, and we can expect growth in both regions in the future.

Q12: You said that you are reviewing the direction of your financial strategy. What did you change?

We are at the stage of presenting the direction, and going forward will proceed with specific studies and discussions internally.

Q13: Are there any changes to the shareholder returns policy?

There is no change in our policy of aiming for a total return ratio of 50% and stably increasing dividends with a target DOE of 4%. We will continue to invest capital in growth, but will make decisions flexibly as long as there are no major capital needs, such as for M&A.