

Q&A from Small Meeting on Growth Strategy May 22, 2026

Q1. After announcing your medium- to long-term growth strategy in March, what additional issues have been identified through dialogue with investors? Also, what aspects did you focus on updating in the business strategy presentation in May?

While we initially identified growth as our top priority, discussions with investors highlighted the need for greater visibility of profit levels. In response, we have introduced net profit as an additional KPI.

In addition, as our explanation of the North American business was limited as of March, we provided a more detailed update on our initiatives in May.

Q2. When do you expect profits in overseas businesses to grow?

In North America, we will invest in growth to drive sales expansion. As a result, profit and EBITDA growth are expected to be limited during the first five years. Following this period of sales growth, we expect expansion in EBITDA and profit margins. Thereafter, China and Asia are expected to become key drivers of growth.

Q3. You have implemented various initiatives to strengthen the North American business in the past. How is the current strategy different, and can it deliver tangible results?

While we have achieved a certain level of sales growth, our defensive capabilities were insufficient, and profits did not accumulate adequately, leading to earnings volatility.

We have been strengthening our personnel and organizational functions, and we believe our capabilities have improved. However, we recognize that insufficient marketing investment has been a key factor behind our inability to achieve higher growth.

The most significant difference this time is the full-scale investment in marketing. We will reinvest profits generated in Japan into North America and commit to EBITDA growth with clear accountability. In addition, we will strengthen support from headquarters.

Q4. Has coordination between headquarters and local operations improved? Please explain changes in organizational management.

Coordination has steadily improved. For example, the brand owner of *Harvest Snaps* is based in North America, and management is shifting from a Japan-centric approach to a more collaborative structure between headquarters and local teams.

Q5. What does a marketing-driven growth model in North America specifically entail?

In North America, we have identified two focus areas—Better For You (BFY) and Indulgence—based on market needs and our competitive strengths.

We will initially focus on BFY, while continuing to prepare for future growth in Indulgence.

We will strengthen our marketing and sales talent and invest not only in push-based strategies but also in pull-based marketing. Pull-based marketing has been insufficient to date and represents a key area for enhancement. Through initiatives such as ambassador programs and social media engagement, we aim to improve brand awareness and increase product turnover.

Given available production capacity, we believe that expanding sales will also lead to profit growth.

Q6. The specialty snack retail channel is expanding in China. How do you plan to address this market?

In response to changing purchasing behavior, particularly among younger consumers, we are placing greater emphasis on specialty retail channels. To enhance price competitiveness, we are progressing localization of production. We will expand sales through products tailored to these channels, including line extensions of *Jagabee* and *Frugra*.

Q7. In Japan, what kind of company do you aim to become in the long term beyond a portfolio centered on potato chips? How do you position the snacking strategy?



Harvest the Power of Nature.

We expect demand for snacking to grow as flexible eating habits that are not constrained by time become more widespread.

At the same time, health consciousness is increasing. We aim to become a company that delivers value in both snacking and health.

Q8. Do you expect the positioning of snacks in Japan to change as snacking occasions expand?

Yes. We believe there will be changes. In practice, there has been an increase in instances where snacks are consumed as light meals, particularly among younger consumers, reflecting shifts in eating habits.

Q9. Similar to the Better For You segment in North America, what is your view on the growth potential of “Healthy living” in Japan?

The Japanese market tends to follow trends in North America, and we expect similar expansion in Japan going forward. We are also developing healthier yet tasty products, including potato chip offerings.

Q10. Is the organizational structure in place to promote a value-creation model in Japan?

We believe that we have largely established the necessary talent base. Going forward, to drive new initiatives it will be essential to strengthen a market-in mindset rather than a product-out approach. We will further strengthen our efforts by better anticipating and responding to unmet customer needs.

Q11. Has your ability to create hit products weakened? What is your perspective going forward?

With increasing diversification in consumer choices, it has become more difficult to achieve blockbuster hit products than in the past. We will instead aim to drive growth by accumulating a series of smaller hit products.

Q12. How did you recover from the impact of the smaller potato harvest, and what lessons have you learned?

We controlled promotional activities to avoid stockouts and resumed promotions in the latter half of February while monitoring potato inventory levels. In addition, we expanded sales of products that do not rely on fresh potatoes. Through these measures, we were able to achieve our revised plan. Going forward, we will address this by optimizing promotional activities and improving the accuracy of yield forecasts through initiatives such as strengthening collaboration with contract farmers and leveraging digital technologies. We will also continue efforts to implement varietal changes and advance variety development over the medium- to long-term.

Q13. Will potato breeding contribute to improved resilience against climate change, and when will new varieties be introduced?

New potato varieties are scheduled to be introduced from next year, and we expect improvements in weather resistance and disease resistance. Over the medium- to long-term, these efforts will contribute to risk reduction.

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