

FY2025/3 Q1 Results Presentation Q&A August 2, 2024

Q1 Do you think the Q1 earnings uptick be carried into the full-year results?

At this stage we envisage this being a contributing upside factor. Although we will need to assess the situation with respect to this year's potato harvest, we do not currently foresee any major problems with potato procurement.

Q2 How do you expect sales to trend, taking into account the price and content revisions you implemented in June?

Mainly basic products of *Potato Chips*, we have been able to generate growth in our target areas. Although there was weakness in some products from April to mid-May due to raw material quality, this has been resolved. The impact of price and content revisions has been stronger than expected and we think there is still room for further improvement.

Q3 What are the factors behind the increase in profit from the domestic business compared to plan?

The increase in domestic business profit was due to higher sales volume and the effect of revisions. Overall sales volume of snacks increased slightly less than 1% compared to plan. Although there were increases in selling, raw material, and other costs, these were offset by volume growth and an improved sales mix.

Q4 Selling expenses have increased year on year. Are you seeing results from this?

The scale of selling expenses was in line with the plan at the beginning of the period. The previous year's expenses were heavily weighted toward the second half of the year, but this year's expenses are balanced. Ongoing marketing investments have helped maintain good momentum for both snacks and cereals.

Q5 What impact on earnings would you expect if the yen continues to strengthen?

At the ¥150/US\$ level, we do not expect any significant impact on operating income.

Q6 What regions of your overseas business are growing?

In North America, the double-digit growth in *Harvest Snaps* and Brands of Japanese origin contributed and we will work to maintain this momentum. Profitability in Indonesia improved due to cost reductions and an improved sales mix. Other regions also generally performed well.