

## FY2024/3 Q3 Results Presentation Q&A February 6, 2024

### **Q1 Based on the Q3 results, what is your view on the performance level forecast for this and the next fiscal year?**

We believe that it is important to maintain the momentum through Q3 in Q4 and beyond. For this reason, we expect to implement all measures as planned, including investment in marketing. Based on the three-year guidelines in our growth strategy, we will aim to keep up the momentum and grow profit in the next fiscal year.

### **Q2 What is the purpose of the marketing investments you plan to implement in Q4?**

In Q3, the effective implementation of investment in marketing created strong momentum across all snacks. In preparation for price revisions next fiscal year, we will continue to invest in marketing in Q4 to stimulate demand and secure planned sales volumes.

### **Q3 What is the average range of price revisions you expect for next fiscal year?**

We are currently considering the details in our plan for next fiscal year. We anticipate that the price revisions in this and next fiscal year will absorb the cost burden of factors such as rising raw material prices, etc.

### **Q4 What is the outlook for the Greater China business in the next fiscal year?**

Conditions in Greater China remain difficult, and we believe it will be hard to effect a recovery in sales in the short-term. The deflationary mindset of Chinese consumers is also particularly affecting our sales. In the short-term, we will respond by importing products from Group companies in Southeast Asia. Furthermore, we are working to secure contract manufacturers to meet the needs of Chinese consumers and are preparing to launch localized *Jagabee* and *Frugra* product line-ups in the market, and have begun initiatives for the next fiscal year.

### **Q5 What is the progress of investment in building the foundations of overseas business as explained in the growth strategy?**

We are steadily advancing investments in each overseas region. In North America, in addition to quality improvement and cost reduction initiatives at the Madera plant, we aim to realize local production of brands originating from Japan. In Greater China, we must change the original plan in view of the current situation, and we are making efforts to supply products through local manufacturing outsourcing. In the UK and Indonesia, we are expanding our production lines, although not on a large scale.

### **Q6 Are you concerned that labor costs will rise more than expected in the next fiscal year?**

We expect our manufacturing labor costs continue increasing. Considering given the social situation, we believe that it is necessary to assume that personnel costs also will rise to a certain extent.