

FY2026/3 Q1 Results Presentation Q&A

August 1, 2025

Q1 What pace of profit growth will be required from Q2 onward in order to achieve the full-year plan?

The profit level in Q1 may represent a YoY decrease, but we are still progressing according to plan. The domestic market is expected to remain strong from Q2 onwards. While Europe/Americas need to achieve their ambitious targets, any small shortfalls can be offset by strong domestic performance.

Q2 What is the background behind the decline in production efficiency in the U.K. and Indonesia?

Our expanded product portfolio in the U.K. led to a temporary decline in production efficiency but is expected to improve in H2. In Indonesia, profits were squeezed by rising promotion expenses for competitive measures, and the deterioration of costs due to potato and other cost increases. We will continue to respond to the re-entry of major competitors by strengthening our promotion and distribution channels.

Q3 What is the outlook for hitting the targets in the overseas business plan?

While there is some uncertainty in Europe/Americas around the future of U.S. tariffs, recovery measures are being implemented to realize our overall overseas business plan.

Q4 Is the overseas revenue base becoming stronger?

Our most important market is the U.S., with productivity improvements to the Madera factory and insourcing leading to improved profitability. There are still tariff risks, so we will continue to proceed with our insourcing efforts.

The decline in productivity in the U.K. and Indonesia arose during our efforts to grow sales, the top priority of the overseas business. We will continue to respond flexibly to the market and competitive environment as we work to make improvements in H2.

Q5 Domestic sales are strong, but how do you view the market for snacks and potato chips?

Domestic sales remained strong, driving market growth. Potato chips also saw volume growth, continuing their good momentum.

Q6 Domestic business expenses seem to be higher than what was outlined in the full-year plan; are expenses such as production and selling expenses still on track for the full-year?

Although there were some temporary factors that affected expenses in Q1, they were generally in line with the plan. While we may flexibly use sales expenses as necessary to increase sales volume, we are aiming for profits that exceed our full-year plan in the domestic business.

Q7 What is the change in the quarterly recording for promotion expenses?

Approximately 400 million yen of domestic selling expenses are being shifted between financial quarters, mainly between Q1 and Q4. There will be no impact on the full year.

Q8 Are there any weather-related risks to potato procurement?

There are no apparent risks at this stage. Recent precipitation and temperatures in Hokkaido are improving. We will continue to monitor the weather closely.

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