

FY2026/3 Results Presentation Q&A

May 14, 2026

Q1 Excluding the impact of the situation in the Middle East you forecast profit in the overseas business rising by 700 million yen this year, but that includes 300 million yen lower profit in North America. In which regions outside North America do you forecast higher profit? And are there regions where issues remain for making them profit base?

In Asia and Oceania, we will drive top-line growth while generating cash. In the UK, we expect profit margins to recover as we resolve issues at our newly expanded factory. In North America, we expect profit to fall due to growth investment; however, the Madera Plant we acquired is becoming profitable, and our underlying profit base is improving.

One challenge is that, overall, our overseas operations do not have as strong a management foundation as our domestic operations. Therefore, our response to the situation in the Middle East and inflation must proceed sequentially, taking into account the specific circumstances of each country, rather than relying solely on price revision.

Q2 What is the likelihood of achieving the current fiscal year's targets for the North American business?

We are not aware of any major issues in North America related to the situation in the Middle East, and at this point, we believe we will be able to achieve the projected sales and profits.

In the previous fiscal year, supply chain disruptions caused by trade policy at the beginning of the period prevented us from conducting sales activities as planned. This fiscal year, we will expand the Better for You product lineup and strengthen sales heading into H2. Additionally, in the Indulgence segment, we will focus on *Kappa Ebisen* and locally developed products to drive sales growth not only through traditional sales activities but also through marketing initiatives based on customer insights.

Q3 Do you plan to change your target markets in North America?

Regarding Better for You products, we have traditionally focused only on the core segment, which accounts for only about 20–30% of the total market. The market surrounding Better for You is much broader, and we plan to expand our focus to include that segment in the future.

Regarding the Indulgence category, sales are currently centered on Asian food sections, and the target customer base is limited. Going forward, we will invest in expanding our reach to snack sections to drive growth across the entire category.

Q4 What are your recovery measures in response to the impact of the situation in the Middle East? Also, are the price revisions planned for September part of those recovery measures?

The price revisions announced today are not in response to the impact of the situation in the Middle East. We will implement recovery measures in response to the impact of that situation through price/content revisions, cost controls, and efficiency improvements.

Q5 While this fiscal year will see an impact on profit due to the situation in the Middle East, will you be able to offset this in the next year and beyond through measures such as passing on price increases?

Although we will not be able to fully offset the higher costs during the current fiscal year, we will strive to do so on a full-year basis. We have factored in the impact of higher prices on sales volume to a certain extent, but even taking that into account, we believe we will be able to offset the costs for the full year.

Q6 As you see a decline in market share for potato chips, are there any major concerns regarding future price/content revisions?

We have factored in the impact of price increases on sales volume but do not believe there is a serious problem with our market share.

Q7 In the plan for the current fiscal year, what effect do you see S&OP and the stable operation of the Setouchi Hiroshima Factory having?

Through S&OP, we have advanced the visualization of P&L by SKU, resulting in an improvement of approximately 1.1 billion yen in the year before last and approximately 1.0 billion yen last year. As this year marks the transition to full-scale operation of C-BOSS and is positioned as a phase for advancing overall optimization, these effects have not been significantly factored into the plan. Operations at the Setouchi Hiroshima Factory are already at a high level, and the current plan has been formulated based on that assumption.

Q8 Regarding other costs in the domestic business within the operating profit analysis, these costs have increased over the past two years even when excluding depreciation at the Setouchi Hiroshima Factory. What are the reasons for this?

There is no single cause; rather, it is the cumulative effect of multiple factors, including increases in various expenses due to inflation, depreciation at facilities other than the Setouchi Hiroshima Factory, and higher labor costs resulting from a review of our HR system. Based on this understanding, we have formulated a growth strategy with the recognition that we need to work on reducing overall fixed costs, including sales, manufacturing, and head office expenses.

Regarding labor costs, we believe a certain degree of increase is unavoidable, as it is becoming increasingly difficult to secure on-site staff. We are currently implementing personnel reforms.