

[Key Q&A] Conference Call on Financial Results
for the fiscal year ended December 31, 2024

[Company-level]

Q. I would like to check the overall earnings for FY2025. Will you reset the targets in the medium-term management plan?

A. We will continue to work towards achieving the targets of our current medium-term management plan. The forecast for operating income in FY2025 is an increase of 0.5% year on year, partly due to the expected decrease in Japan segment profit. We will strive for further growth in revenue and operating income toward FY2026.

Q. Achieving 9% ROE will require double-digit profit growth in FY2026 and beyond. How will you achieve this?

A. We recognize that 9% ROE is a high target given our FY2025 earnings forecast. In order to achieve this, we will intensify our efforts to increase revenue generation and margins, and we will focus more than ever on innovation to create new value and deliver value-added products to our customers. Of course, we will also continue to explore inorganic growth opportunities.

[Japan]

Q. The margin for FY2025 is expected to decline. What measures are you taking to improve profitability?

A. Amid a continuing challenging cost environment for raw materials, distribution costs, etc., we will continue to focus on profitability rather than volume share. In addition, we will strive for profit growth by strengthening our activities for core brands to firmly enhance brand value; expanding high-value-added products, including small-size products and *Tokucha*; continuing to focus on new value and demand creation; accelerating the transformation of the vending machine business; and further tightening cost management, including the supply chain.

Q. It seems that you are watching the timing of price revisions. What profit level are you targeting?

A. We will first aim to consistently achieve the profit level of around 50 billion yen, the level in and before FY2019, taking into account the significant impact of higher costs, including raw materials. In addition to continuing to make every effort internally, we will pay close attention to the cost environment and customer response, and will always consider price revisions as a way to improve earnings.

[Overseas]

Q. What was the actual impact of high raw material prices in FY2024 and what is the outlook for FY2025?

A. The actual impact in FY2024 was 12 billion yen. The forecast for FY2025 is 20 billion yen. Overseas, the main causes are the sharp increases in orange and packaging material prices. In Europe, we can be relatively flexible in considering price revisions. In addition, we will continue our efforts to minimize the impact of cost increases by reducing supply chain costs, expenses and fixed costs while improving efficiency.

Q. What are the non-recurring items in APAC and Europe in FY2025 forecast? Are you expecting your investments to contribute to FY2026?

A. Non-recurring items in APAC are the January to June preparatory costs for the manufacture and sale of alcoholic RTDs in Oceania, which is scheduled to commence on July 1, 2025. Non-recurring items in Europe are project costs to improve production efficiency. Benefits such as cost reductions are expected to be realized from FY2026 onwards.