

[Key Q&A] Conference Call on Financial Results for the Third Quarter of 2024

[Company-level]

- Q. What is the reason for the low profit assumption for the fourth quarter (October-December)?
- A. The main reason for the lower profit assumption for Japan in the fourth quarter (October-December) is that we will continue to make marketing investments, including advertising expenses, mainly for our core brands. Given the current situation, we have expectations for Japan to exceed the forecast, and we will strive to do so.
- Q. What is the likelihood of revising the medium-term management plan in early 2025, including the explanation of ROE targets and cash flow?
- A. We recognize cash flow and ROE as important management indicators, and we will continue to consider their disclosure.

[Japan]

- Q. Regarding the domestic price revision implemented in October, what is the level of penetration in terms of volume and price? Has there been any change in the estimated value effect of the price revision?
- A. The October price revision was the fourth of its kind, and we expected a volume impact, but due in part to favorable weather conditions, sales volume for the single month of October remained almost unchanged and exceeded our plan. With the recent drop in temperatures, it is difficult to forecast the volume impact in November and December, but we think that the price revision implemented in October is progressing as planned.
- Q. Given the price revision implemented in October, has there been any change in the estimated value effect of the price revision for this fiscal year?
- A. The profit effect through the third quarter was approximately in line with our plan, at approximately 5 billion yen. If we include the profit effect of the October price revision, we expect it to be approximately 9 billion yen on a full-year basis.

Q. What is the outlook for the impact of cost increases, including high raw material prices and exchange rates, in the current and next fiscal year?

A. We originally estimated the impact of cost increases for the current fiscal year to be around 12 billion yen, but it is likely to be around 9 billion yen as the effect of price revisions will offset the impact of cost increases. We will refrain from commenting on the details for the next fiscal year, but coffee and orange prices have recently risen significantly, and the impact of higher logistics and labor costs is expected. The impact of cost increases is likely to be greater than the effect of price revisions for the next fiscal year.

[Overseas]

Q. In APAC, segment profit on an organic basis increased by 600 million yen in the third quarter (July-September). What was the contribution of each country to the total?

A. Vietnam was affected by unstable weather conditions in the third quarter (July-September), but this was a one-time effect. In Thailand, both the beverage and health supplement businesses continue to perform well, with the health supplement business in particular seeing a significant improvement in conditions due to increased marketing activities and will continue to contribute next year. In Oceania, the increasingly competitive environment for energy drinks is a concern. We will continue to monitor the situation of *V*, our main product, and further strengthen our activities.

Q. In Europe, segment profit in the third quarter (July-September) increased significantly to 4.9 billion yen on a currency neutral basis. What is the situation in the three key countries?

A. The main contributor was the UK's improvement in profit with the recovery of the product supply system. In France and Spain, revenue growth was challenged by persistent inflation and a difficult consumer environment, as well as unstable weather conditions, but profit increased due to cost management.