

**[Key Q&A] Conference Call on Financial Results  
for the fiscal year ending December 31, 2025**

**Date and time:** Tuesday, May 13, 2025, at 5:30 p.m.

**Speaker:** Naoto Okinaka, Senior Managing Executive Officer,  
Division COO, Corporate Strategy Division

**[Company-level]**

Q. How would you evaluate the results for Q1 FY2025?

A. Results in Japan, Europe, and the Americas were as expected. However, the deteriorating market environment in APAC, especially in Vietnam, and the unfavorable weather conditions and air pollution in Thailand, were unexpected.

Q. What is your view on the impact of US reciprocal tariffs?

A. At this point, we do not anticipate a significant impact from the tariffs. We are more concerned about the effects on the macroeconomic environment and consumer behavior rather than the tariff rates themselves.

Q. Please provide the estimated amount of cost increases in Japan and overseas.

A. Currently, we estimate a deterioration of 4.0 billion yen in Japan and 2.0 billion yen overseas.

**[Japan]**

Q. Your sales volume declined more sharply than that of the overall beverage market. What measures will you take to reverse this trend?

A. Our sales volume declined due to the impact of price revisions. However, we believe our product portfolio, which includes *Iyemon*, *BOSS Sekaino TEA*, and more, is well prepared to address this issue.

Q. What discussions led to the decision to implement the price revisions planned in October 2025?

A. We decided to implement the October price revisions due to the significant impact of various supply chain costs on our business. In addition to the price revisions, we will promote demand creation through innovation.

Q. How do you view the decline in demand and the rise of private brands in relation to the price revisions planned for October 2025 and beyond? Will you continue to implement price revisions after October? What is your future pricing strategy?

A. Although we have experienced sales volume declines due to price revisions in the past, substantial declines in sales volume could undermine our brand strength. We will continue to create value to encourage customers to purchase our products, even just one item, and Jihanpi is a good example of our initiatives.

**[Overseas]**

Q. Please provide a breakdown of the decline in segment profit for each country in APAC and Europe (on a currency neutral basis).

A. The main factor behind the decline in APAC's segment profit was Vietnam. The beverage business and the health supplement business in Thailand also saw a slight decline. In Europe, France experienced a decline, while the UK and other countries were up slightly.

Q. Please provide an overview of the challenges and improvement measures for APAC. I would also like more information about the beverage businesses in Vietnam and Thailand.

A. Not all countries experienced the expected growth. Going forward, we will discuss and implement measures such as introducing new products and strengthening promotions. Additionally, we aim to offset the decline from the first quarter not only within the same region, but also through gains from other regions. In Vietnam, we faced intensified competition from local players in the tea category as well as changes in distribution channels. We will advance structural transformation to adapt to changes in the market structure. In Thailand, we attribute the decline to unfavorable weather conditions and air pollution.