

Center of Deliciousness, Foremost Reassurance.

Financial Results for FY2024



LIFEDRINK COMPANY

May 14 , 2024

Executive summary : FY2024

(FY2024) Increased production, revenue & Operating profit

- Increased production quantity (+12% YoY) due to investments to increase production capacity at existing factories and additional production quantity of Nitto Beverage.
- Securing customers as production volume increases and price revisions in response to cost increases. Sales increased by 26% due to the addition of Nitto Beverage sales.
- Increased Operating Profit (+51% YoY) as higher sales and cost reductions/improved productivity covered higher raw material costs and labor costs.

Initiatives progress

- The Gotemba factory has started operations in April 2024 as planned.
- The collaboration with Nitto Beverage is progressing smoothly, including streamlining procurement, selling products through the LD online store, and increasing operating hours through human resource recruitment. In addition, investment to increase production (approx. 3 billion yen investment) has been completed.

(FY2025) Performance Forecast

- We aim to increase production (+15%), increase sales (+15%), and increase profits (+22%) through the operation of the Gotemba factory and Nitto Beverage's efforts to increase production.

1.FY2024 Performance

2.FY2025 Performance forecast

(Reference) Company Introduction

Highlights : FY2024

Production quantity*1

64
Million cases*2

YoY +**12%**



Revenue

38.2
Billion yen

YoY +**26%**



Operating profit

4.7
Billion yen

YoY +**51%**



Operating profit margin

12.3%

YoY +**2.0**pt



ROE*3

32.4%

YoY +**6.9**pt



4 *1: Incl, Nitto Beverage, but not incl, Ikoma meisui *2: 1 box = 12L is calculated *3 "We have been preparing consolidated financial statements since the fiscal year ending March 2023. Therefore, the Return on Equity (ROE) for the fiscal year ending March 2023 is calculated based on the year-end equity."

Financial results : FY2024

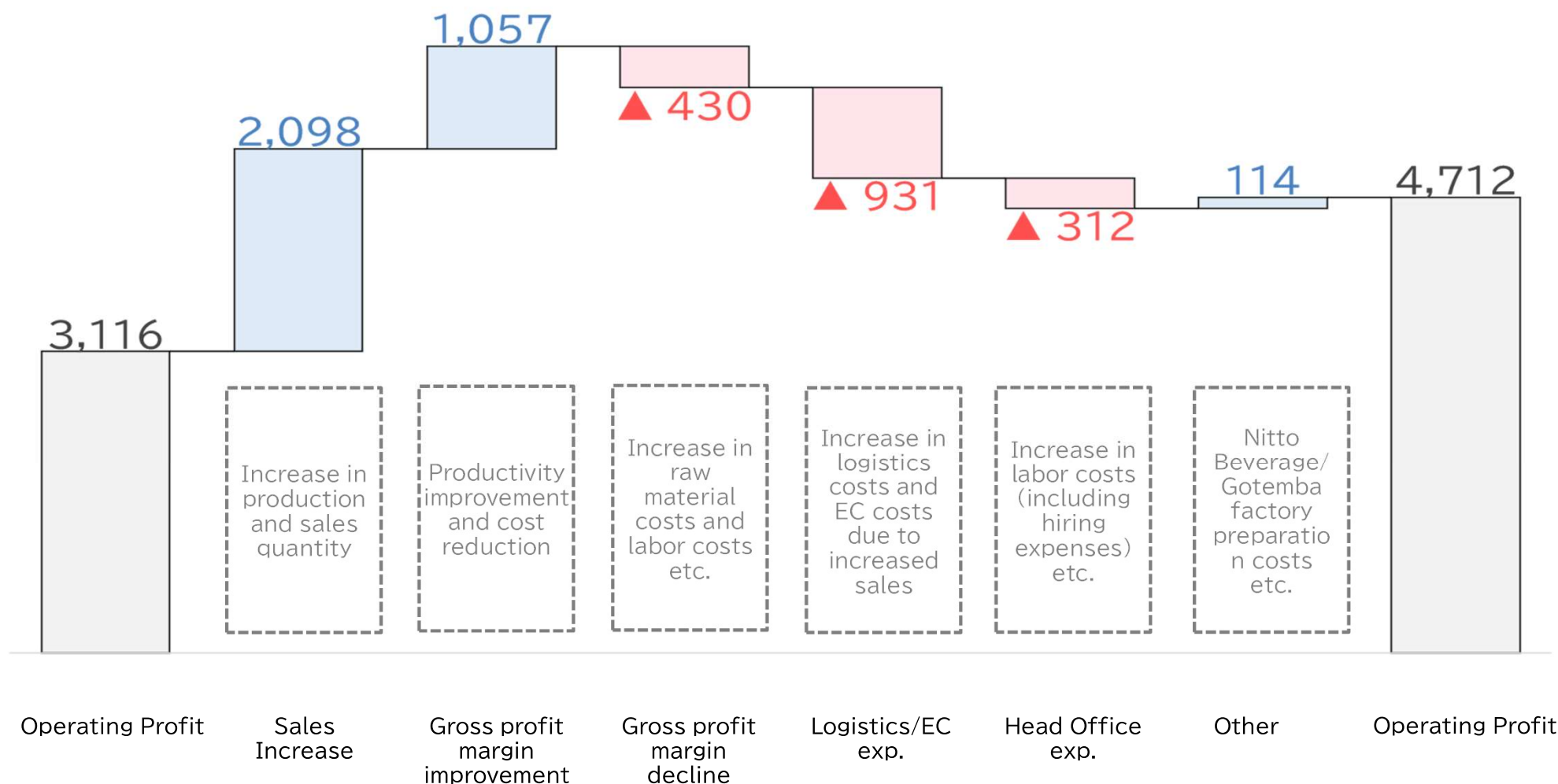
Increased production quantity*1 (+12% YoY) contributed to an increase in sales of 79.0 BN (+26%). Operating profit increased (+51%) as higher sales and cost reduction measures covered various cost increases.

Unit:MM(JPY)	FY2023	FY2024	Variance (YoY)	YoY%
Revenue	30,250	38,236	+7,986	+26%
Operating profit %	3,116 10.3%	4,712 12.3%	+1,596 +2.0%pt	+51%
Profit % EPS	2,076 6.9% 162.57円	3,155 8.3% 242.71円	+1,079 1.4%pt 80.14円	+52%
EBITDA %	4,251 14.1%	5,841 15.3%	+1,589 +1.2%pt	+37%

Analysis of operating profit: FY2024

Increased costs in raw materials and labor were covered by higher revenue and productivity improvements/cost reductions. As a result, the operating profit reached 15.9 billion, representing a gain compared to the prior year.

Unit:MM JPY

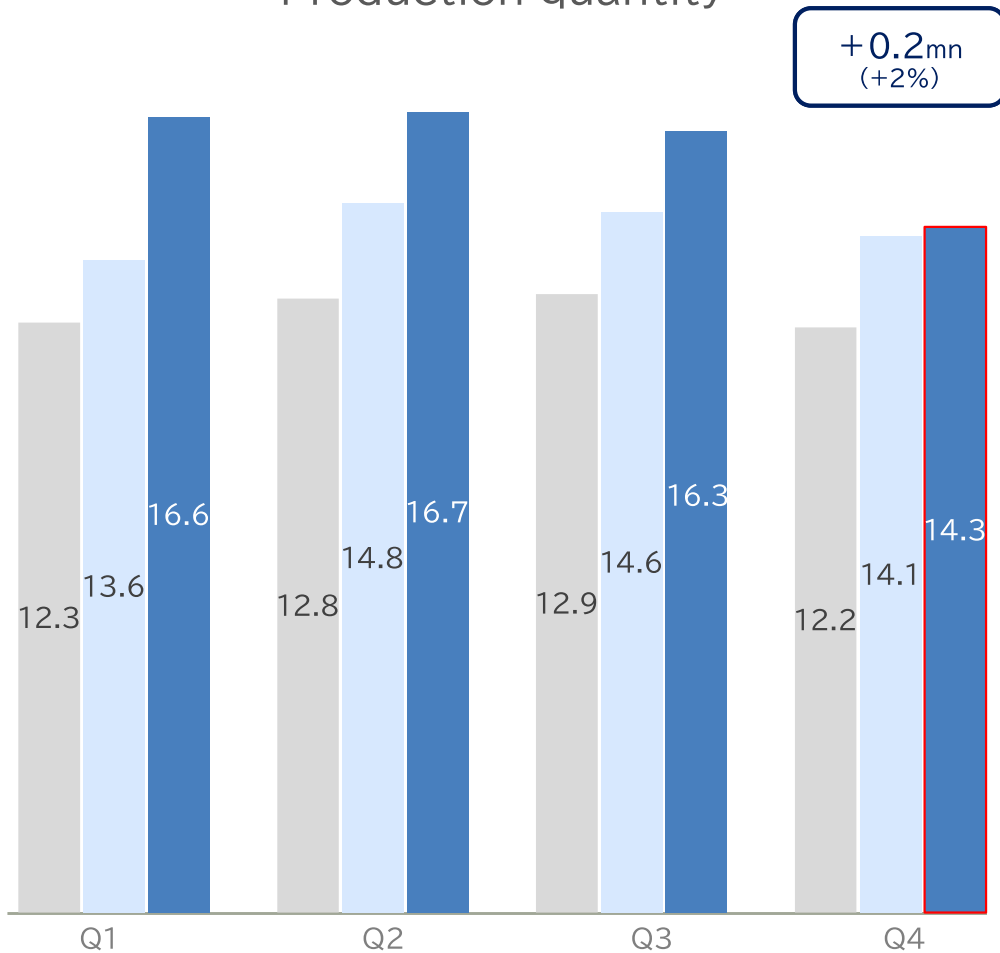


[Reference] Quarterly performance trends (1)

FY2022
FY2023
FY2024

Unit: million cases*1

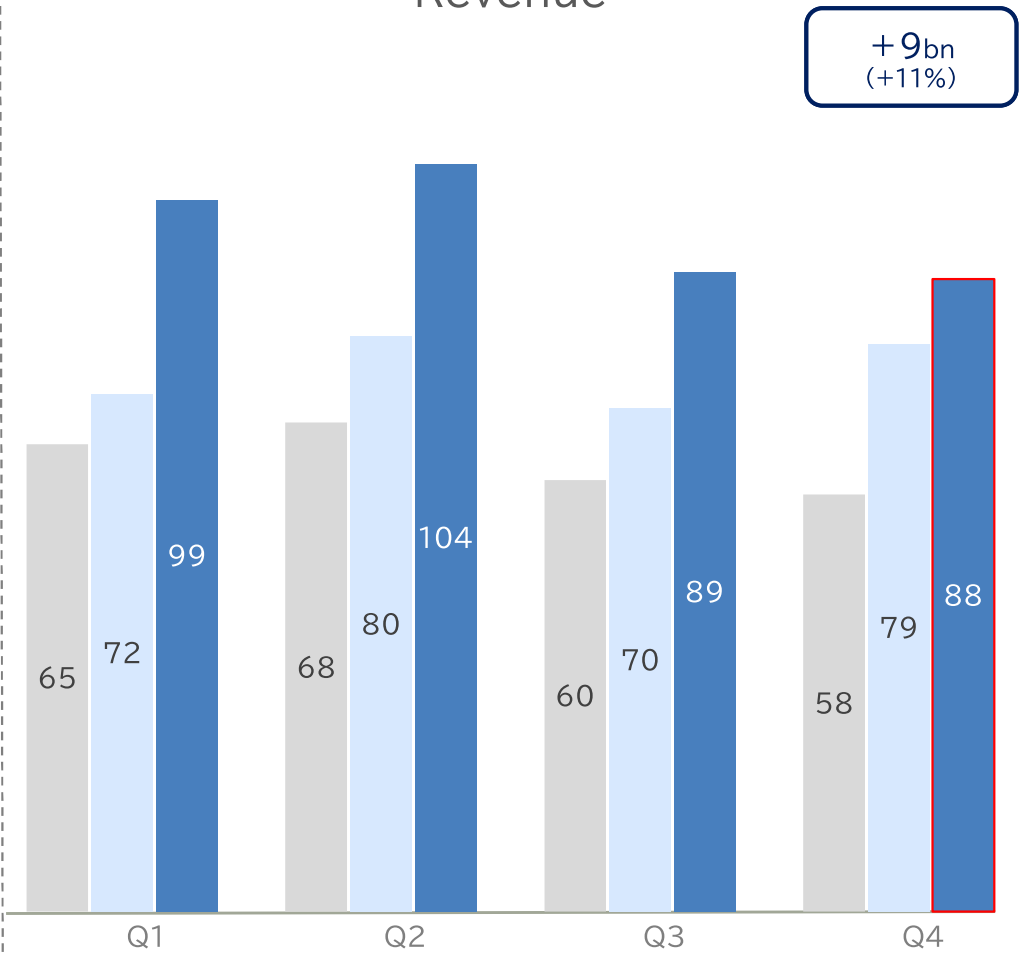
Production quantity



FY2022
FY2023
FY2024

Unit: bn JPY

Revenue



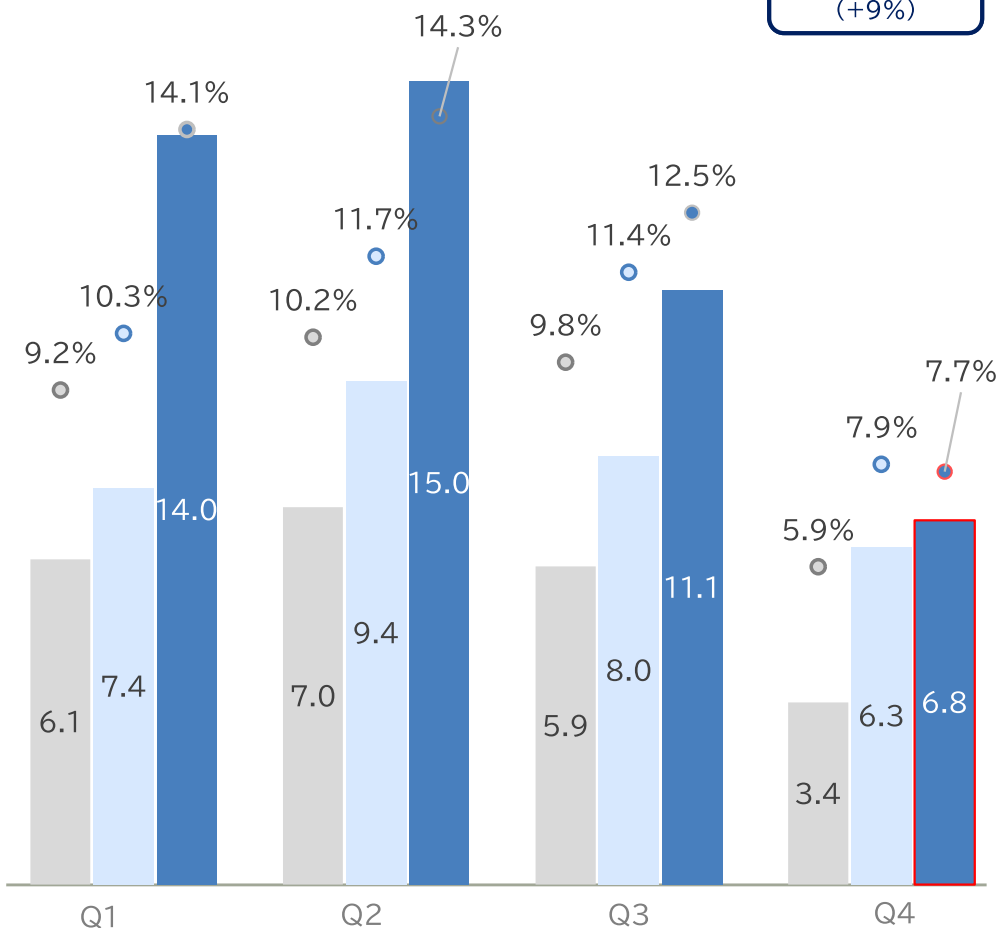
[Reference] Quarterly performance trends(2)

FY2022
FY2023
FY2024

Unit:bn JPY

Operating profit/%

+0.5BN
(+9%)

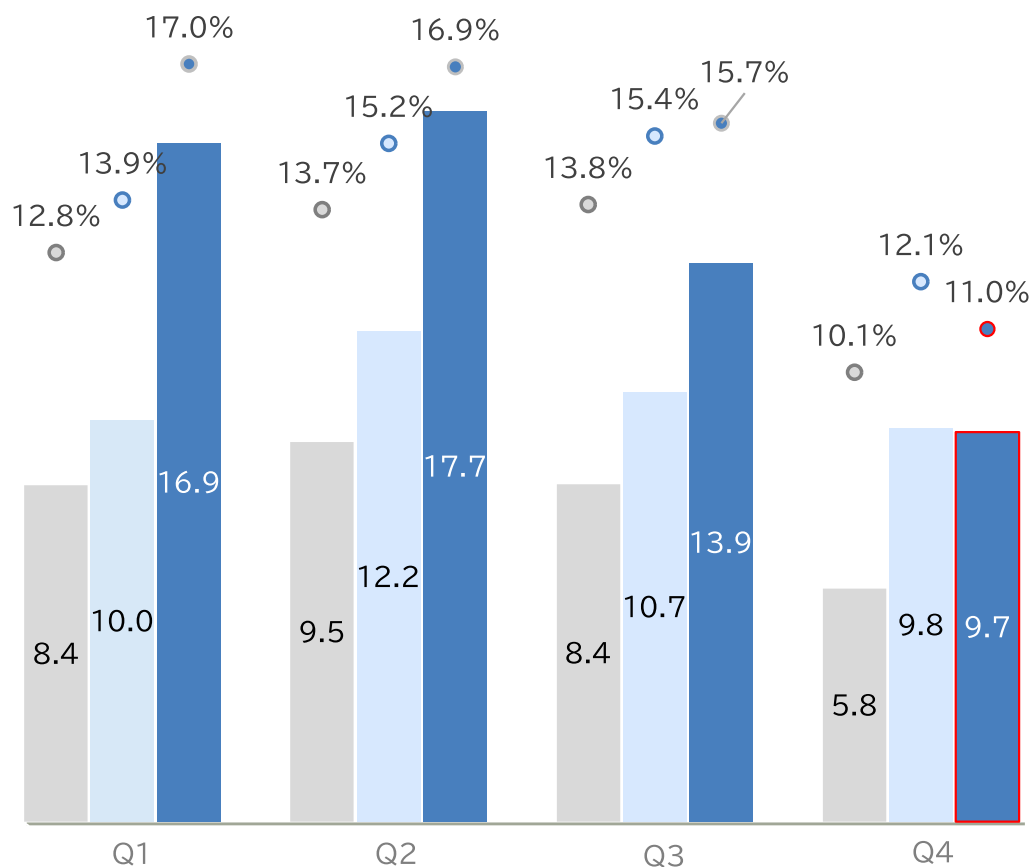


FY2022
FY2023
FY2024

Unit:bn JPY

EBITDA/EBITDA Margin

+0.1BN
(+2%)



Balance sheet: FY2024

Fixed assets increased by 76 billion yen due to investments such as the construction of Gotemba factory. Additionally, net interest-bearing debt increased by 46 billion yen due to financing for this investment.

Unit:MM [JPY]	FY2023		FY2024		
	Amount	%	Amount	%	Variance
Current assets	10,905	49%	11,753	38%	+848
[Cash and deposits]	4,326	20%	3,736	12%	(589)
Non-current assets	11,260	51%	18,893	62%	+7,632
Total assets	22,165	100%	30,646	100%	+8,480
Current liabilities	8,397	38%	7,645	25%	(751)
Non-current liabilities	5,610	25%	11,657	38%	+6,047
[Interest-bearing debt]	9,717	44%	13,740	45%	+4,023
Total liabilities	14,007	63%	19,303	63%	+5,295
Net assets	8,157	37%	11,342	37%	+3,184
Total liabilities and net assets	22,165	100%	30,646	100%	+8,480
【Reference】					
[Net debt EBITDA ratio]*1	1.3x	-	1.7x	-	+0.4pt

Cash flow statement : FY2024

Operating cash flow increased by 8 billion yen compared to the prior period, reaching 46 billion yen, driven by profit growth. Investment cash flow, on the other hand, incurred an expenditure of 87 billion yen, up by 37 billion yen compared to the prior period, due to growth investments such as the establishment of the Gotemba factory.

Unit:MM [JPY]	FY2023	FY2024	Variance
Cash flows from operating activities	3,774	4,610	+835
Cash flows from investing activities	(5,003)	(8,770)	(3,767)
(Capital investment)*1	(3,505)	(8,814)	(5,308)
Net Increase (decrease) in cash and cash equivalents	(1,228)	(4,159)	(2,931)
Cash flows from financing activities	1,659	3,553	+1,894
(Increase/decrease in interest-bearing debt)	1,951	3,929	+1,978
(Dividend payment)	(326)	(363)	(37)
Net increase /decrease in cash and cash equivalents	4,326	3,736	(589)

Progress of major capital investment: FY2024

The main growth investments for the fiscal year are the construction of a new Gotemba factory and investment to increase production at Nitto Beverage. The capacity expansion project for Nitto Beverage was completed in March 2024.

Purpose	Factory	Investment(MM JPY)				States
		Total Amount	FY2022 Payment	FY2023 Payment	FY2024 Payment	
Increased production	Owase	58	20	-	-	Completed(FY2022)
	Tochigi	135	72	-	-	Completed(FY2022)
	Minoh	125	125	-	-	Completed(FY2022)
	Yuasa	270	270	-	-	Completed(FY2022)
	Iwate	90	60	30	-	Completed(FY2022)
	Zao	190	122	68	-	Completed(FY2022)
	Gotemba	9,440	8	820	7,657	To be Completed (FY2024)
	Nitto Beverage	300	-	-	66	Completed (FY2024)
Increased production & Labor saving	Fuji	553	76	477	-	Completed(FY2023)
Labor saving	7 factories	420	270	64	-	Completed(FY2023)
Logistics saving	Tochigi	1,615	714	856	-	Completed(FY2023)
making a subsidiary *1	Nitto Beverage	2,116	-	2,116	-	Completed(FY2023)
Total		15,012	1,737	4,431	7,723	

*1: Acquisition price of Nitto Beverage shares and real estate for Nitto Beverage business

Financial & dividend policy

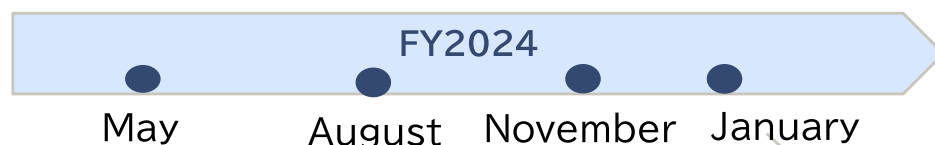
While prioritizing growth investments, etc., we plan to pay a dividend of 37.0 yen per share for the fiscal year ending March 2024, an increase of 9.0 yen from the previous fiscal year (total dividend of 4.8 billion yen).

policy	Measures		FY2024
1. Strengthen growth investment	<ul style="list-style-type: none">● Actively implement growth investments<ul style="list-style-type: none">– Increase production capacity of existing factory– New factory construction– M&A		Growth investment amount 77.2bn (YoY +32.9bn)
2. Financial stability	<ul style="list-style-type: none">● Increase debt financing ability for future growth investments through profit growth and reduction of interest-bearing dept, etc.		NET Debt* ¹ /EBITDA 1.7x (YoY +0.4xpt)
3. Shareholder returns	<ul style="list-style-type: none">● Prioritize growth investment /Financial stability● Aiming for a dividend payout ratio of 20% as a constant shareholder return		Dividends per share(planned) 37.0yen (YoY +9.0yen) Dividend amount(planned) 4.8billion yen

FY2024 Topics:EC initiatives

In the fiscal year ending March 2024, we had launched 4 products including Nitto Beverage products. In addition, “LIFEDRINK Online Store Rakuten Market Store” won the “Rakuten SOY2023” Water/Soft Drink Genre Grand Prize for the first time.

Sales of new products



Nitto Beverage's Functional “Black Oolong Tea”released



Aya-mizu(Water) Labelless released



Aya-cha series:
Launch of barley tea and green tea (labelless)



Expansion of Product Offering for Subscription Services

New



Awards

ZAO SODA

Rakuten Annual Ranking 2023*1
1st Place

Water & Soft Drink Genre Award



LIFEDRINK Online Store Rakuten Market Shop

Winner of the Water & Soft Drink Genre Award

Rakuten Shop of the Year 2023*2

(First-time Winner of the Grand Prize)



*1:Calculation period: September 11, 2022 to September 10, 2023 Sales ranking for all products listed on Rakuten Market *2:
This is an annual ranking of the best shops selected from approximately 57,000 nationwide stores on the Rakuten Ichiba marketplace (as of November 2023), based on comprehensive evaluation criteria including user popularity votes and store sales

Other topics :Start of Gotemba factory operations

Gotemba factory, with a total investment of 94 billion yen, started operations as planned in April 2024. We are working towards full production.

Location	736-1 Itazuma, Gotemba City, Shizuoka Prefecture
Production item	Beverage (Water・Tea)
Production capacity	Approx. 8 million cases/Year
Site area /total floor area	51,077.88m ² / 17,838.47m ²
Total construction cost	Approx. 9.4 billion yen
Beginning of operation	April 1, 2024

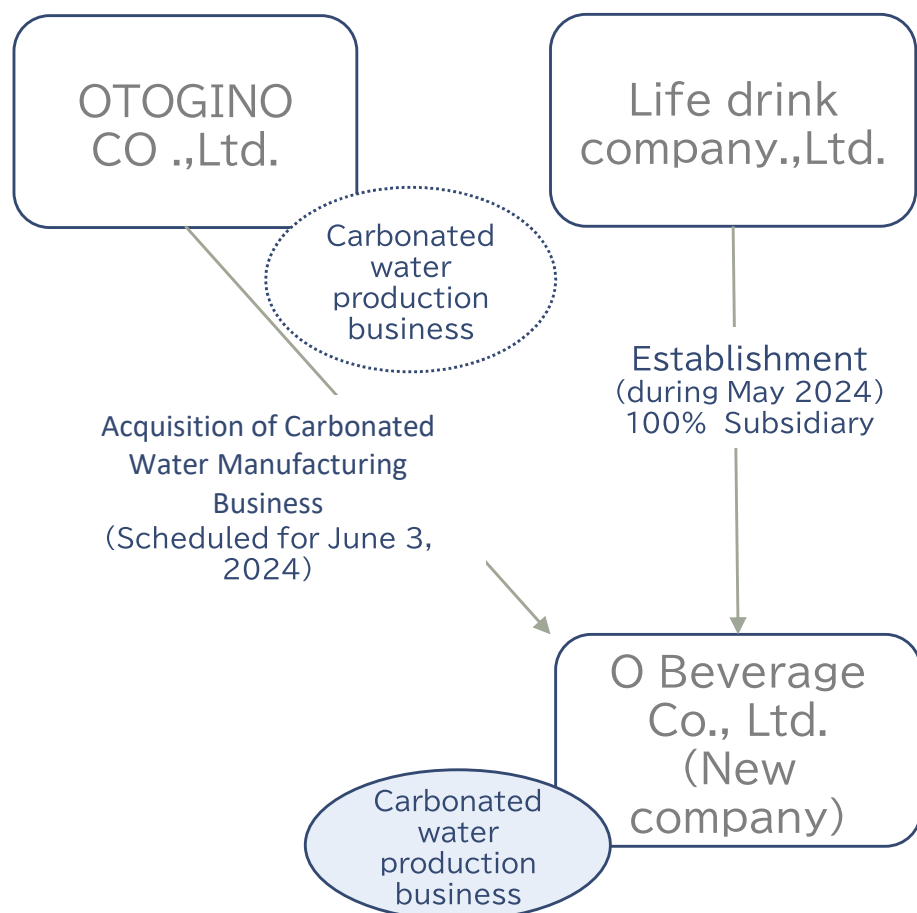


*1

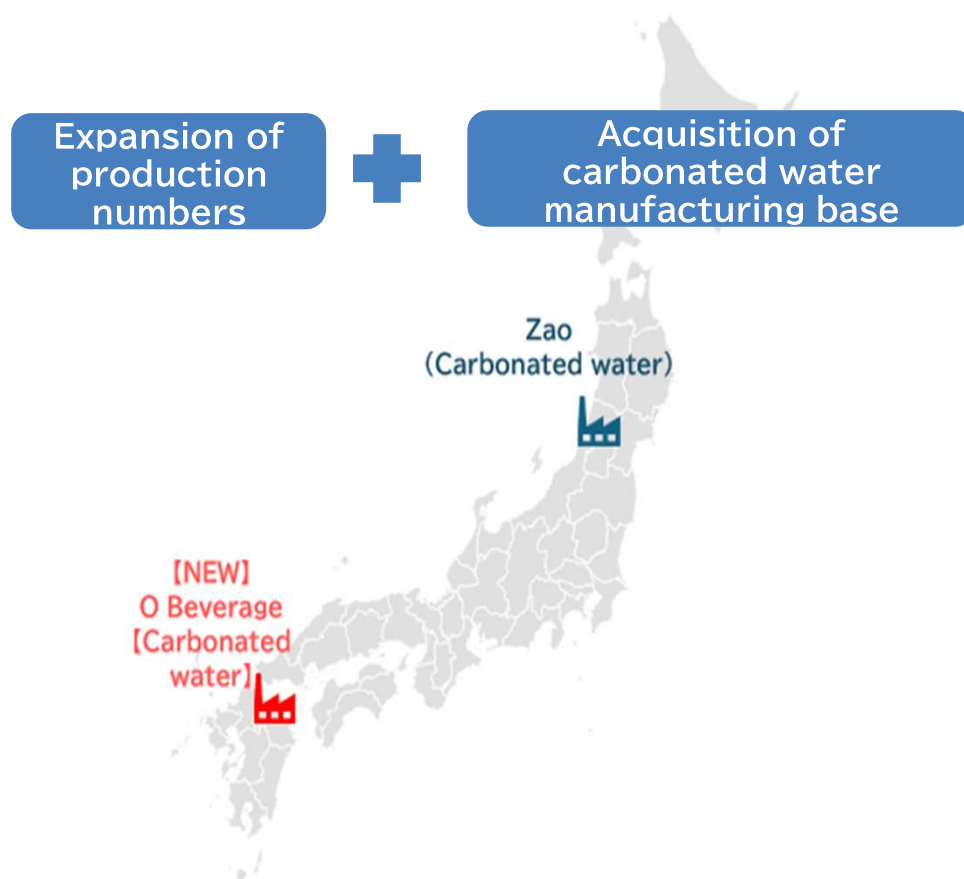
Other topics :Acquisition of carbonated water manufacturing business

We concluded a business transfer agreement for the carbonated water manufacturing business on May 2, 2024, with the aim of expanding production and acquiring a carbonated water manufacturing base in the Kyushu region.

Structure



Purpose



1. FY2024 Performance

2. FY2025 Performance forecast

(Reference) Company Introduction

Initiatives for FY2025

Our company aims to increase production capacity through expansion and acquisition, venture into the EC/D2C model, and enhance productivity to elevate corporate value.

Evolution and deepening of max production and max sales =Increase/acquire production capacity

- Increase production capacity by updating and improving facilities at existing plants
- Enhancement of production capacity at existing factories
- Acquisition of production capacity through M&A

Productivity

- Review the location of the logistics center
- Using IT for business process optimization

Challenge to EC/D2C model

- Expansion of products and services sold at the LDC online store
- Attracting customers through advertising and promotional spending

Performance forecast:FY2025

We anticipate an increase in production, revenue, and profit through initiatives such as the operation of the Gotemba factory and the expansion of production at Nittobe Beverage. Additionally, we have incorporated price adjustments for products to offset various cost increases.

Unit: MM(JPY)	FY2024 (Performance)	FY2025 (Forecast)	increase/ decrease	Rate of change	Points
Production quantity*1 Million cases	64	74	+10	+15%	● Increase in production quantity due to the operation of the Gotemba factory and the expansion of production at Nitto Beverage
Revenue	38,236	44,000	+5,763	+15%	
Operating profit	4,712	5,750	+1,037	+22%	
Rate	12.3%	13.1%	+0.7%pt	-	● Increase in revenue through securing sales channels to accommodate the increased production volume mentioned above
Net income	3,155	3,850	+724	+22%	
Rate	8.3%	8.8%	+0.5%pt	-	
EPS	242.71円	294.87円	+52.16円	-	● Price adjustments for products in response to various cost increases
EBITDA	5,841	7,500	+1,658	+28%	
	15.3%	17.0%	+1.8%pt	-	
Dividend amount*2	483	587	+104	+22%	
DPS	37.00円	45.00円	+8.00円	-	

1. FY2024 Performance
 2. FY2025 Performance forecast
- (Reference) Company Introduction**

About us

Our head office is located in Osaka, and our main business is the drink and leaf business that manufactures and sells Mineral water, tea, and carbonated drinks.

Issuer	LIFEDRINK COMPANY, INC. (“LDC”)
President and CEO	Kuniaki Okano
Founded	1950 (Established:1972)
Head office	Osaka-shi, Osaka
Business	<ul style="list-style-type: none">• Drinks / Leaves Business<ul style="list-style-type: none">– Mineral water, tea, carbonated drinks, and tea leaf products
Offices & Plants	<ul style="list-style-type: none">• Head Office: Osaka, Branch Office: Tokyo• 10 plants (Beverage = Iwate, Zao (Yamagata), Tochigi, Fuji (Yamanashi), Gotemba(Shizuoka), Owase (Mie), Miyama (Kyoto), Yuasa (Wakayama), Minoh (Fukuoka), Others = Chiran (Kagoshima)• Consolidated subsidiary: Nitto Beverage(Toyama)
Number of Employees*1	587(146) as of March 2024
Other	<ul style="list-style-type: none">• Tokyo Stock Exchange Prime Market (Securities Code: 2585)

*1 The consolidated number of employees includes the total workforce (including secondees from external organizations). The number of temporary employees (part-timers, temporary staffing agency workers) is reported as an annual average figure

Corporate Philosophy

Based on our corporate philosophy, “Center of Deliciousness, Foremost Reassurance”, we conduct according to action guidelines, “Only what you want your loved ones to drink”.

Center of Deliciousness,
Foremost Reassurance

To “always” be close to our customers
from babies to the elderly,

We pursue “standard of deliciousness” and “reliable safety”
and

We provide products with taste and quality
that can be chosen in all aspects of daily life,
from waking up in the morning
to going to sleep at night

History

Our company is 52 years of establishment. Listed on the prime market in June 2023.

- Soji Tanaka incorporated Ryokkaen (tea wholesaler), founded by Tanaka Tane in 1950, and established **Asamiya** in 1972

Asamiya

2015	• Formed a capital and business alliance with Sunrise Capital, sub-advised by CLSA Capital Partners Japan
2016	• Established the Fuji Meisui Ashikaga factory (currently the Tochigi factory)
2017	• Changed the company name to Life Drink Company LIFEDRINK COMPANY • Sold Yamachu Unyu (transportation business)
2019	• Sold Aquapia (ice business) • Sold solar power business
2020	• Opened an online store on Rakuten Ichiba and started selling ZAOSODA • Liquidation of Hokusei Menpun (dried noodles and instant noodles)
2021	• Listed on the Second Section of the Tokyo Stock Exchange
2023	• Acquired Nitto Beverage • Sold the sauce business (Ibaraki Factory) • Listed on the “prime market” of the Tokyo Stock Exchange
2024	• Established the Gotemba factory

Foundation
(1950)

Entering Soft Drink Business
Diversification of Business through M&A

Capital
participation
by Sunrise

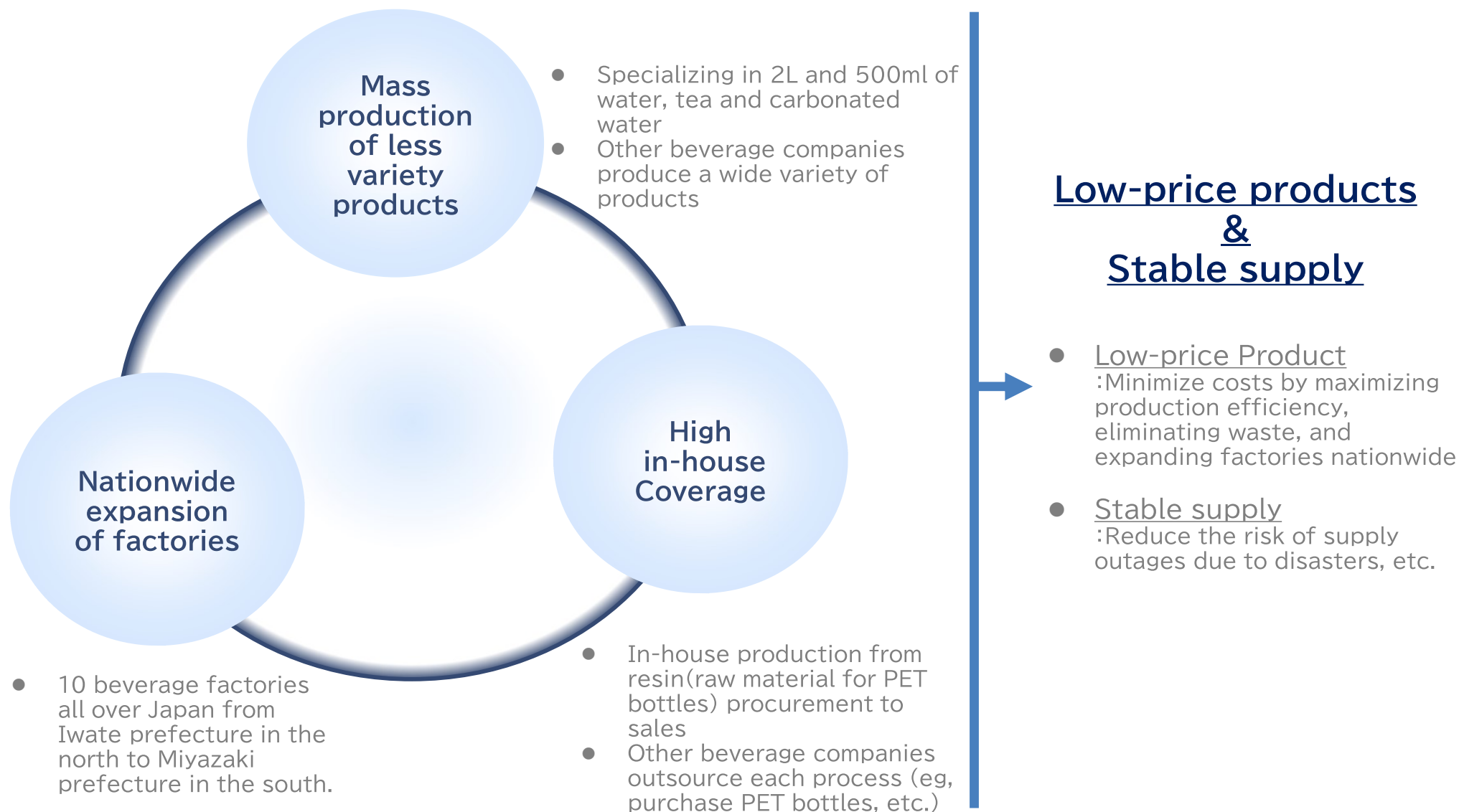
Selection & Concentration
(Return to being a
beverage manufacturer)

Regrowth

2001	• Acquired Seihou Beverage (currently the Minou Plant) for tea beverages business	2008	• Established Yuasa Meisui Corporation (currently the Yuasa Plant) • Acquired Higashi Choco for chocolate business (withdrew from chocolate business in 2013, liquidation completed in 2017)
2002	• Acquired Miyama Meisui (currently the Miyama Plant)	2010	• Established Fuji Meisui Corporation (currently the Fuji Plant) • Acquired Popeye Food Industries (currently the Ibaraki Plant) for seasonings (sauces) business
2004	• Acquired Iwate Soy Sauce (now Iwate Plant) (withdrew from soy sauce business in 2018) • Acquired Daikokuya for rice crackers business (merged with Higashi Choco in 2009, liquidation completed in 2014) • Established the Shizuoka Plant for canned coffee business	2011	• Acquired Hokusei Menpun for dried noodles and instant noodles business • Acquired Fujiko for frozen noodles business
2005	• Acquired Aquapia for ice business	2012	• Acquired Yamachu Unyu for transportation business
2006	• Established Owase Meisui (currently the Owase Plant)	2013	• Acquired Tohoku Beverage (currently the Zao Plant) for carbonated water business

Features and strengths

We have the advantage of offering "low-price products" and ensuring "stable supply" through "mass production of fewer varieties," "high in-house coverage," and "nationwide expansion of factories."



Features and strengths (Mass Production of less variety products)

The liquids available are water, tea, and carbonated water, with capacities concentrated in 2 liters or 500 milliliters.

We aim to minimize waste in each process.



Natural mineral water
500ml/ 2L



Carbonated water ZAO SODA
for EC 500ml



Green tea
500ml/ 2L



Oolong tea
500ml/ 2L



Natural mineral water
for EC 500ml/ 2L

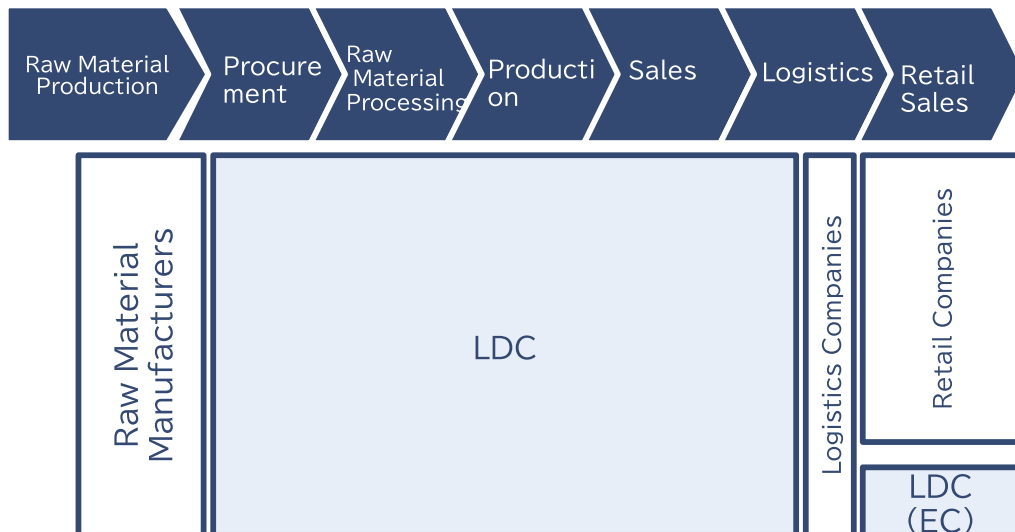


Green tea
for EC 500ml

Features and strengths (In-house/Nationwide expansion of factories)

In-house production mainly reduces manufacturing costs, and nationwide expansion of factories reduces distribution costs.

In-house production from procurement to sales



Nationwide expansion of factories



Advantages of Nationwide Plants Expansion

- **Cost competitiveness by reducing logistics costs** through "local production for local consumption"
- Expand relationships with major retail companies expanding nationwide by **nationwide stable supply**
- **Reduce the risk of supply interruptions** due to natural disasters

Sales channels

We build relationships with major retailers in each channel.

Our e-commerce business is steadily expanding, with our main products and directly managed stores each winning the Rakuten Ranking Grand Prize.

Strong partnership with retailers



Expansion of direct channels through EC development



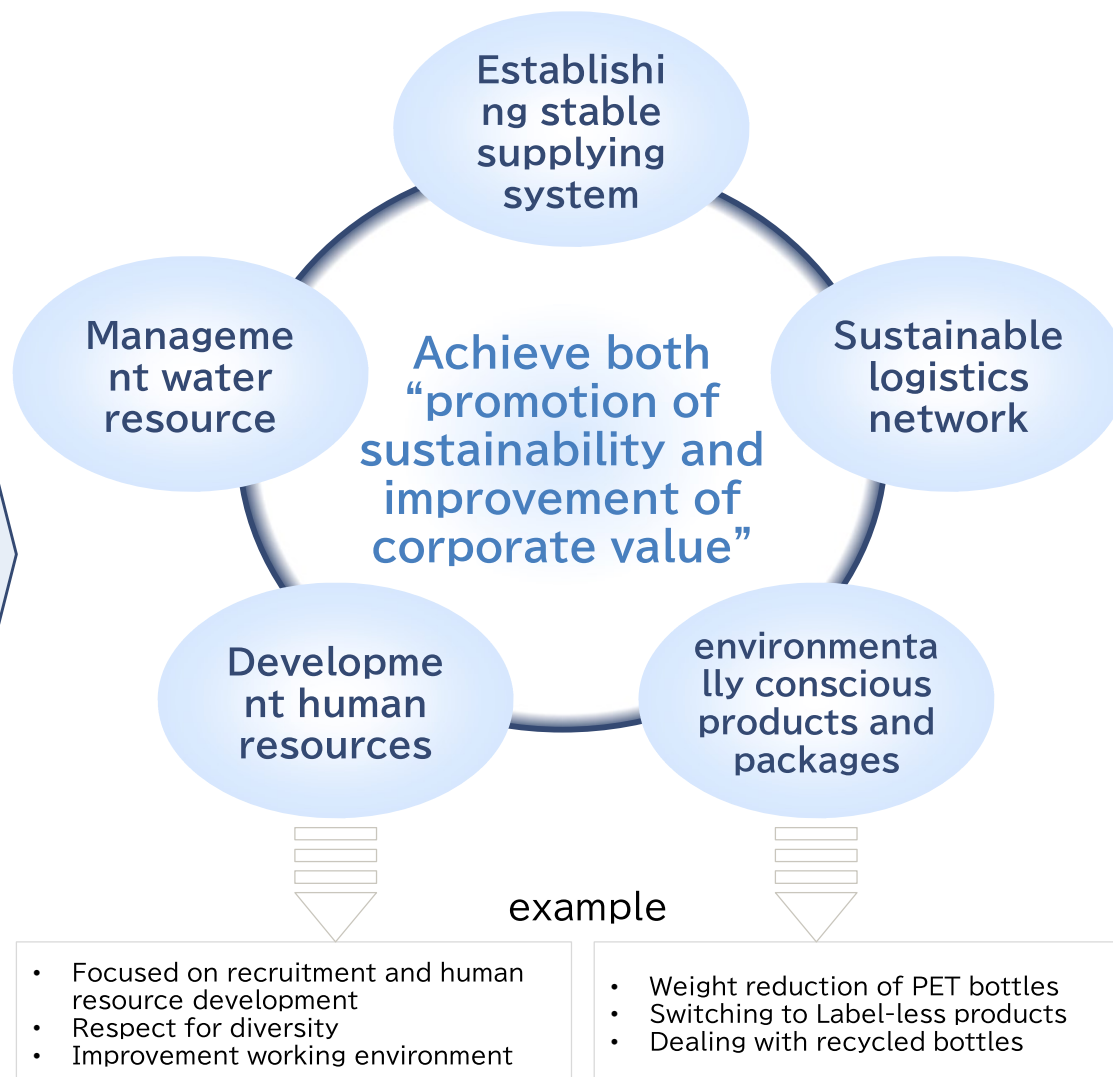
※1 This is a sales ranking for all products listed on the Rakuten marketplace during the aggregation period from September 25, 2020, to September 24, 2021.※2 The calculation period encompasses approximately 57,000 nationwide stores on Rakuten Ichiba (as of November 2023), evaluating user popularity votes and store sales to comprehensively select the annual best shops.

Sustainability policy and materiality

Based on our sustainability policy, we aim to achieve both the promotion of sustainability and the improvement of corporate value from a long-term perspective.

Sustainability Policy

Fulfill our social responsibility that support consumer's life and infrastructure continuously through stable supplying high quality and reliable safety beverages and foods.



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