

Center of Deliciousness, Foremost Reassurance.

Financial Results for Q1 2025



LIFEDRINK COMPANY

August 13 , 2024

Executive Summary: Q1 FY2025

**(FY2025)
Increased
production
&Revenue**

**Decreased
Operating
Profit**

- Increased production quantity (+9% YoY) due to improved operating rates at existing factories, increased capacity at Nitto Beverage, and the start of production at the Gotemba factory.
- Revenue increased(+13% YoY) due to securing sales channels in response to increased production quantities and adjusting prices to address cost increases.
- Although there was an increase in revenue, operating profit decreased by 11% compared to the previous period due to fixed costs at Gotemba factory and miscellaneous expenses associated with M&A.
- We are making generally steady progress toward our performance forecast for the fiscal period ending in March 2025.

**Initiatives
Progress**

**Generally
Progressing
Well**

- The new Gotemba factory, which started operations in April 2024, is making steady progress toward full production, including starting tea production following water production.
- Nitto Beverage is advancing efforts to increase production and improve profitability, including concrete plans for equipment investment aimed at enhancing in-house production rates and consideration of line expansions.
- The acquisition of Carbonated water production business, aimed at securing production capacity, was completed as scheduled in June 2024, and PMI is progressing.

1.FY2025 Q1 Performance

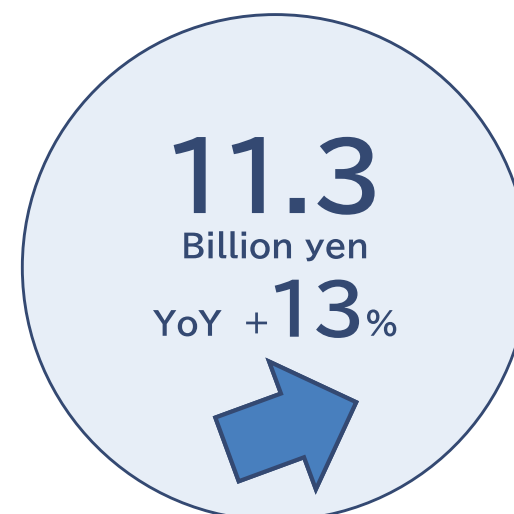
2.(Reference) Company Introduction

Highlights : Q1 FY2025

Production quantity*1



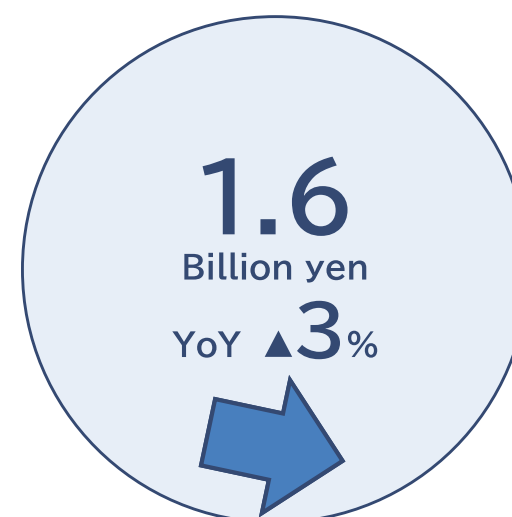
Revenue



Operating profit



EBITDA



*1: Incl, Nitto Beverage, but not incl, Ikoma meisui.

4 *2: 1box = 12L is calculated

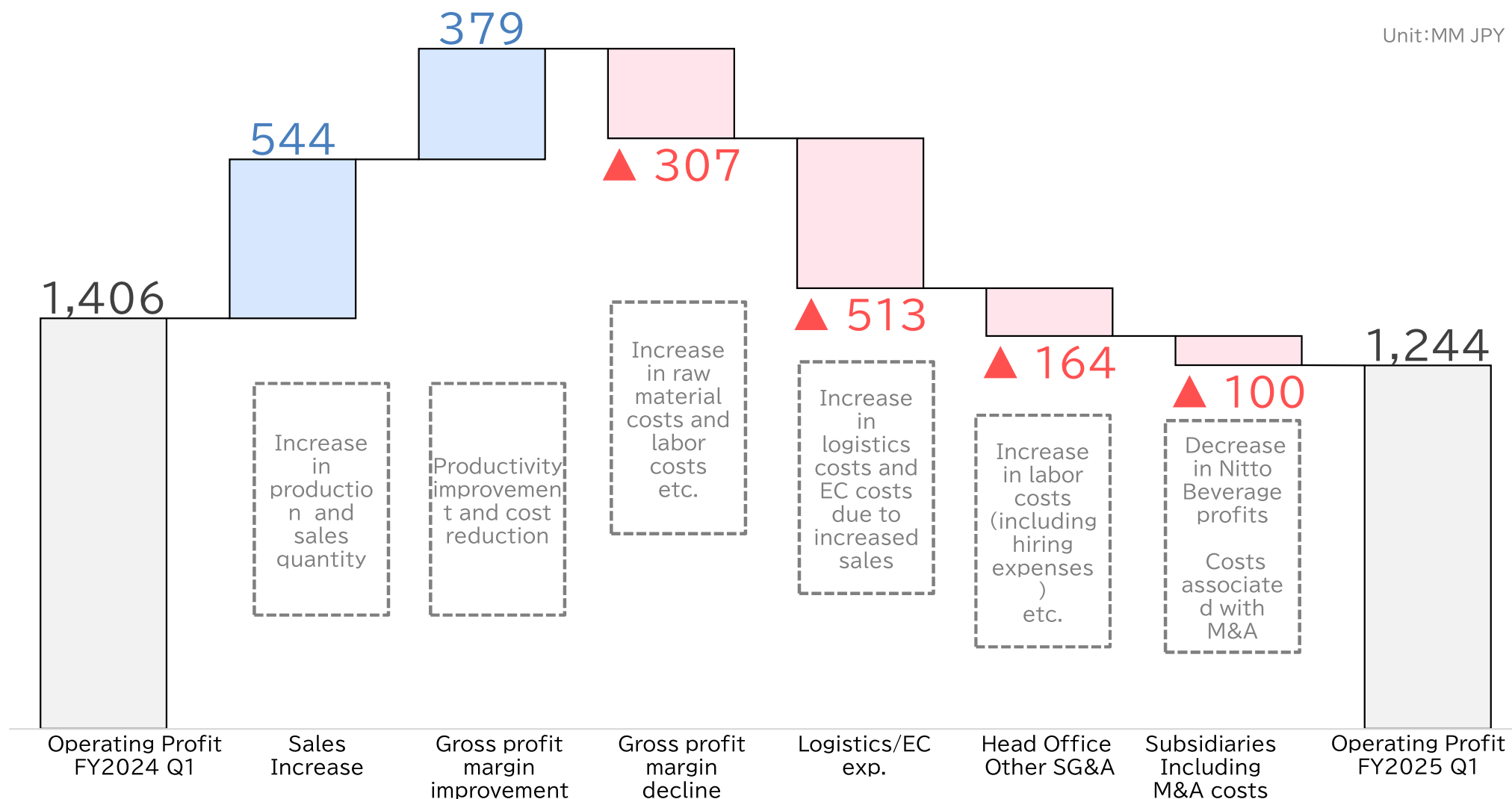
Financial Results : Q1 FY2025

Although increased production quantity and revenue, operating income decreased by 160 million yen compared to the prior fiscal year due to fixed costs at the Gotemba factory and M&A costs.

Unit:MM(JPY)	FY2024 Q1	FY2025 Q1	Variance (YoY)	YoY%
Revenue	9,971	11,308	+1,336	+13%
Operating profit %	1,406 (14.1%)	1,244 (11.0%)	▲161 (▲3.1pt)	▲11%
Profit % EPS	947 (9.5%) (73.06円)	851 (7.5%) (65.22円)	▲96 (▲2.0pt) (▲7.84円)	▲10%
EBITDA %	1,692 (17.0%)	1,632 (14.4%)	▲60 (▲2.5pt)	▲3%

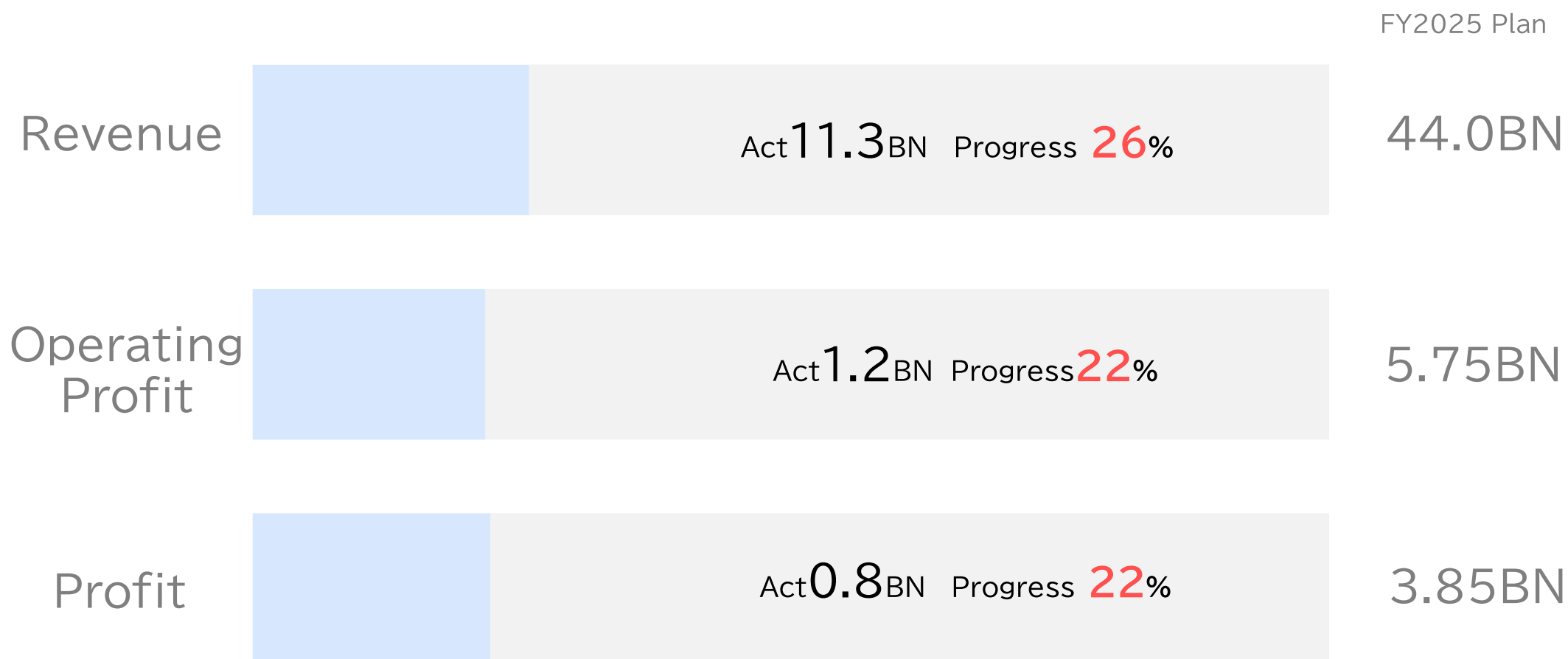
Analysis of Operating Profit: Q1 FY2025

Although revenue increased, we were unable to cover the fixed costs of the Gotemba factory and miscellaneous expenses associated with M&A, resulting in a decrease in operating profit.



Performance Progress:Q1 FY2025

Since the first quarter is the start-up period of the Gotemba factory, the progress rate for both operating income and net income against the full-year forecast is 22%. Furthermore, we believe that progress is generally going well compared to our expectations.



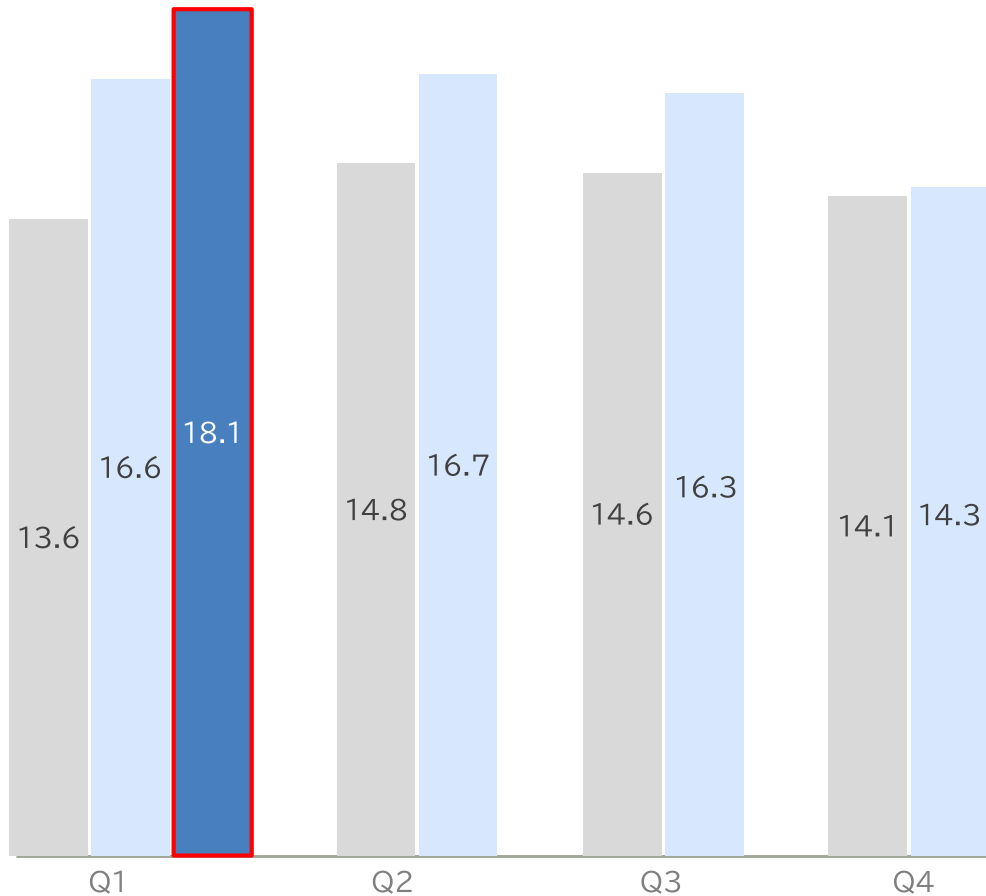
[Reference] Quarterly Performance Trends (1)

■ FY2023
■ FY2024
■ FY2025

Unit: million cases*1

Production quantity

+1.5mn
(+9%)

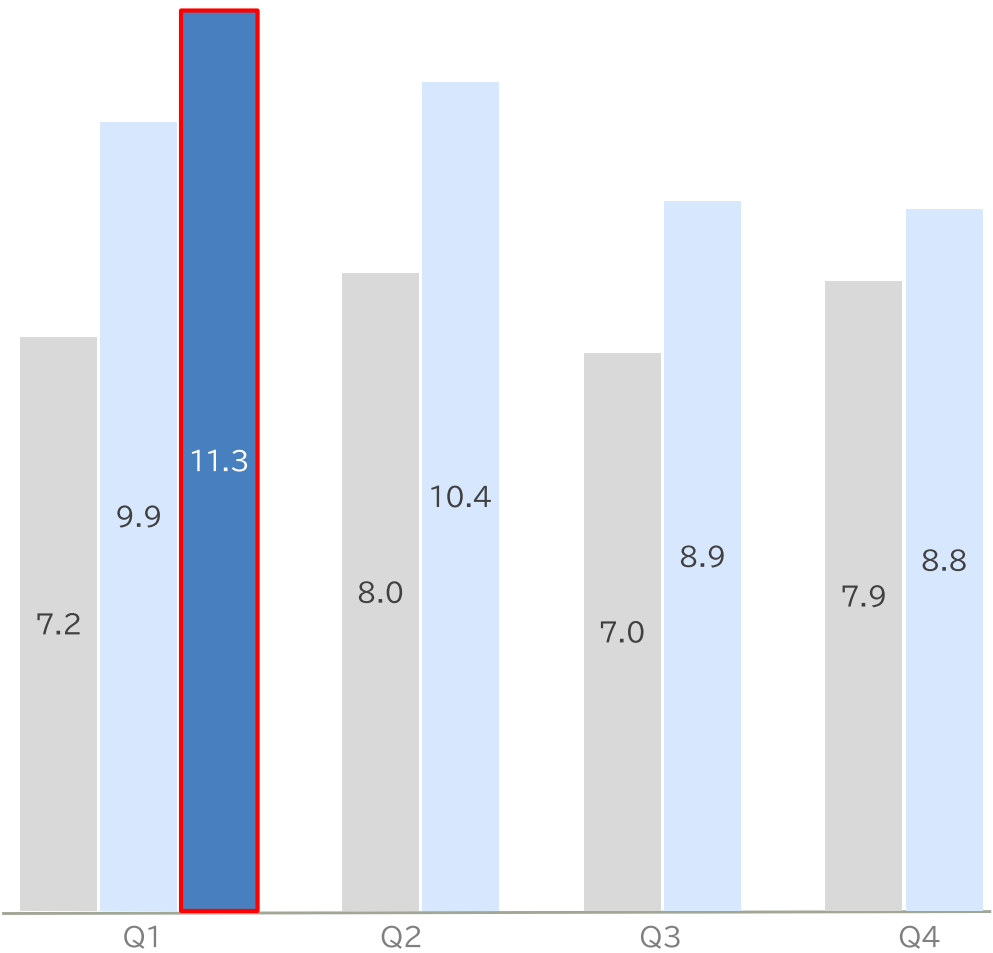


■ FY2023
■ FY2024
■ FY2025

Unit: bn JPY

Revenue

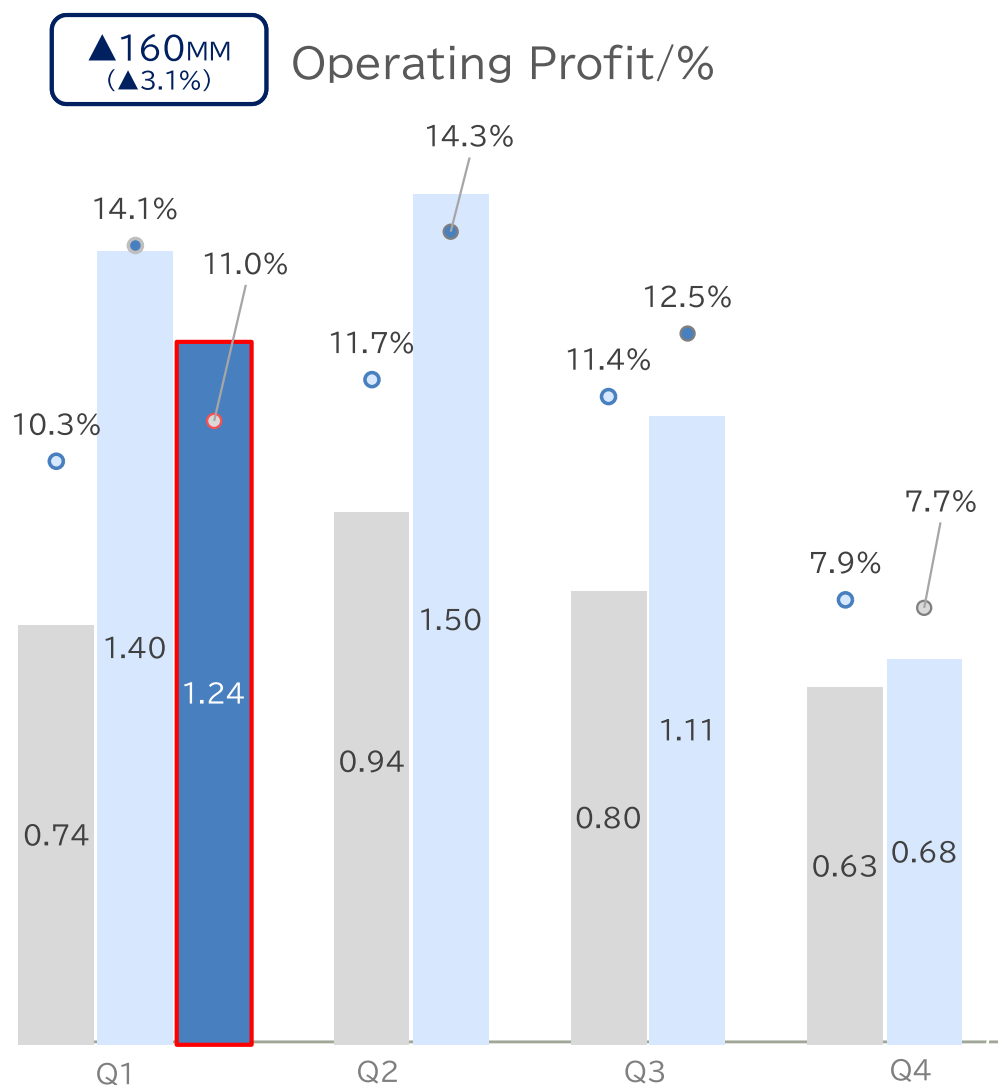
+1.4bn
(+13%)



[Reference] Quarterly Performance Trends(2)

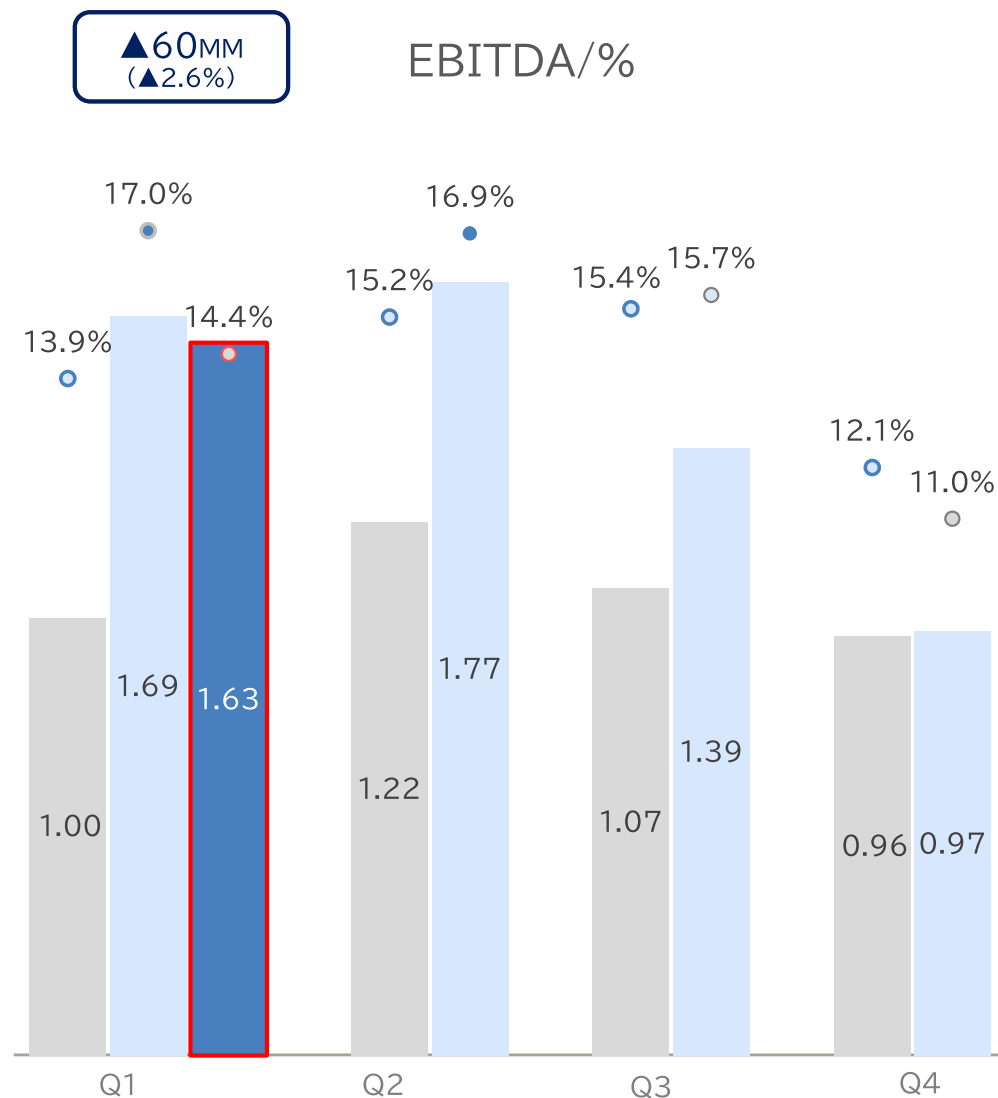
■ FY2023
■ FY2024
■ FY2025

Unit:bn JPY



■ FY2023
■ FY2024
■ FY2025

Unit:bn JPY



Balance Sheet: Q1 FY2025

The completion of equipment investment at the Gotemba factory and new M&A activities have increased fixed assets by 1.3 billion yen. Additionally, the increase in net interest-bearing debt is due to financing the investment in the Gotemba factory through bank loans.

Unit:MM [JPY]	FY2024		FY2025 Q1		
	Amount	%	Amount	%	Variance
Current assets	11,753	38%	15,346	43%	+3,592
[Cash and deposits]	3,736	12%	5,311	15%	+1,574
Non-current assets	18,893	62%	20,208	57%	+1,314
Total assets	30,646	100%	35,554	100%	+4,907
Current liabilities	7,645	25%	11,540	32%	+3,895
Non-current liabilities	11,657	38%	12,192	34%	+534
[Interest-bearing debt]	13,740	45%	18,423	52%	+4,683
Total liabilities	19,303	63%	23,733	67%	+4,429
Net assets	11,342	37%	11,820	33%	+478
Total liabilities and net assets	30,646	100%	35,554	100%	+4,907
【Reference】 [Net debt EBITDA ratio]*1	1.7x	-	2.2x	-	

*1: Calculated based on the last twelve months EBITDA

Growth Investment Results and Future Plans:Q1 FY2025

The investment in the new No. 1 production line at the Gotemba factory has been completed. Going forward, we plan to advance growth investments, including enhancing profitability investments in subsidiaries, expanding the production lines at the Gotemba factory and in the Nitto beverage sector, and pursuing new M&A opportunities.

Unit:bn JPY	Before FY2024*1	FY2025		Note
		Q1 results	Full-year forecast	
LDC				<ul style="list-style-type: none"> Completion of capacity enhancement and productivity improvement investments
Existing Factory	3.4	-	-	<ul style="list-style-type: none"> In the future, the focus will be on facility maintenance and renewal(Approx. 1 billion yen/year) and reducing logistics costs (warehouses, etc.)
Gotemba Factory	8.4	1.0	1.0	<ul style="list-style-type: none"> Construction of new No. 1 production line completed in FY2025Q1 Considering adding No. 2 production line
Nitto Beverage*2	2.4	0.2	1.6	<ul style="list-style-type: none"> Capacity expansion (increased production) of No. 1 production line completed in the previous fiscal year Improvements to No. 2 production line (improving in-house production rate) to be implemented this fiscal year Considering expansion of drinking water production line (increased production)
O Beverage*2	-	0.6	1.0	<ul style="list-style-type: none"> Investment in improving existing lines (to increase in-house production rate) is under consideration (scheduled for completion in Q1 of FY2026)
Total	14.2	1.8	3.6	

*1:Accumulated growth investment amount from FY2021 onwards .

*2: Also includes the amount of investment required to acquire the company or business.

Q1 FY2025 Topics: Start of Gotemba Factory Operations

The factory is progressing smoothly towards full production by the first half of the year.

Overview of the new Gotemba factory

Location	736-1 Itazuma, Gotemba City, Shizuoka Prefecture
Production item	Beverages (Water・Tea)
Production capacity	Approx. 8 million case/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

Features of the new Gotemba factory

High efficiency*1

- Improved BPM*2 through the introduction of high-performance equipment
- Achieving labor savings through process automation

Environmental Considerations

- Introduction of solar power generation system (CO2 reduction)
- Adoption of the green aseptic method
- Achieving lighter and smaller bottles and materials



Q1 FY2025 Topics:EC Business Initiatives

We had launched a new product (Green tea) at Nitto Beverage. Our main EC brand 「ZAO SODA」 won the 1ST prize in Drink genre at Rakuten Half-Term Ranking for four consecutive years.

Sales of New Products

Nitto Beverage's functional drink "Green Tea" launched from May 2024 on the LIFEDRINK Online Store.



Award

LIFEDRINK Online Store Rakuten Market Shop

Rakuten Half-Term RANKING 2024*1
Drink genre No.1



Q1 FY2025 Topics:Acquisition of Carbonated Water Manufacturing Business

In order to expand production and acquire a carbonated water manufacturing base in the Kyushu region, we acquired a carbonated water manufacturing business and began production on June 3, 2024.

Overview of O Beverage

Name	O Beverage Co., Ltd.
Location	763-1 Sakauzu, Ishii-cho, Hita City, Oita Prefecture
Production item	Manufacture and sale of 500ml carbonated water
Production capacity	Up to 2 million CS with current facilities



PMI

Collaboration in production, procurement, and sales is underway with the goal of contributing to profits in the fiscal year ending March 2026

Production

- Increased operating hours through recruitment of new personnel
- Reduce downtime due to problems by implementing regular and preventive maintenance
- Improved profitability through in-house production of PF processes

Procurement・other

- Reducing procurement costs through joint purchasing
- Improving logistics efficiency with an increase in production bases

Sales

- Sold at LD Online Store
- Introduction to existing business partners

Supplementary Explanation) Stock Split

Split our stock with the aim of improving the liquidity of our stock and expanding our investor base by reducing the amount per investment unit of our stock.

- Overview: 4-for-1 common stock split
- Number of Shares
 - Total number of issued shares before the stock split :13,064,966
 - Total number of issued shares after the stock split:52,259,864
 - Total number of issuable shares after the stock split:179,600,000
- Schedule
 - Record date :September 30, 2024
 - Effective date :October 1, 2024
- Revision of Dividend Forecast Due to Stock Split
 - Previous (May 14, 2024) forecast:45.00yen/shares
 - This revised forecast (after the stock split):11.25yen/shares

1. FY2025 Q1 Performance

2.(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),O Beverage(Oita)
Number of Employees*1	656(170) as of June 2024
Other	<ul style="list-style-type: none">• Tokyo Stock Exchange Prime Market (Securities Code: 2585)

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 • Sold Yamachu Unyu (transportation business) LIFEDRINK COMPANY
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 • Established O Beverage and acquired the carbonated water manufacturing business

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

Corporate Philosophy

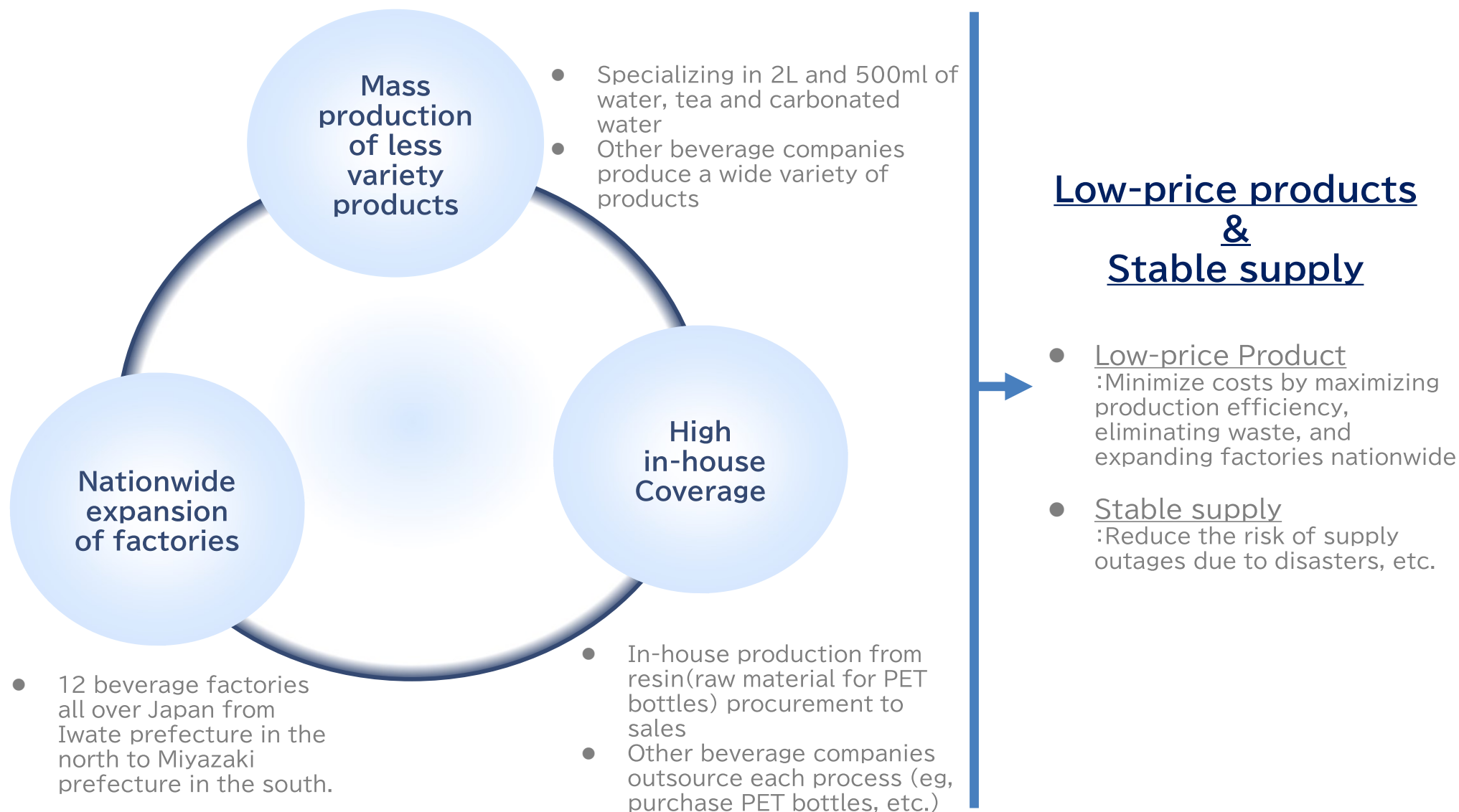
Based on our corporate philosophy, “Center of Deliciousness, Foremost Reassurance”, we conduct according to action guidelines, “Only what you want your loved ones to drink”.

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

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



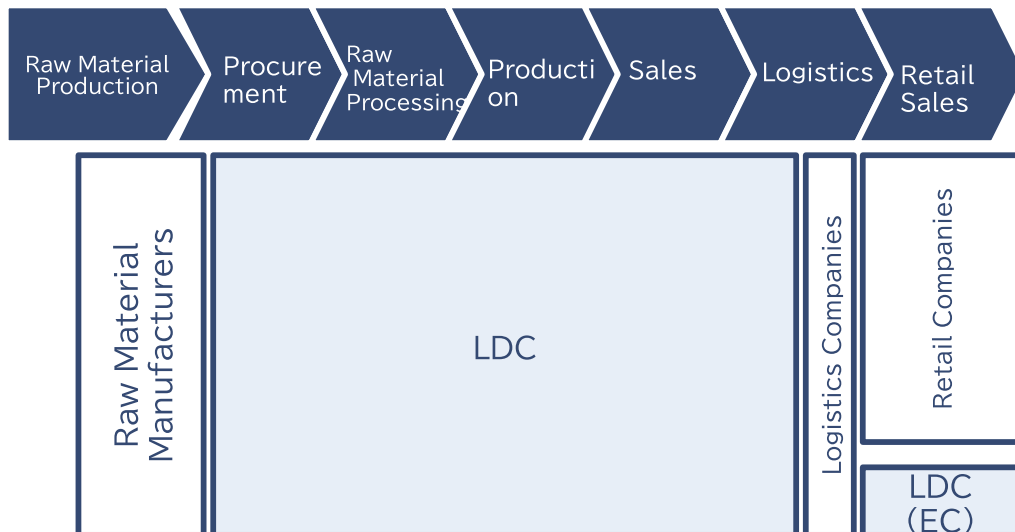
Natural mineral water
for EC 500ml/ 2L

Green tea
for EC 500ml

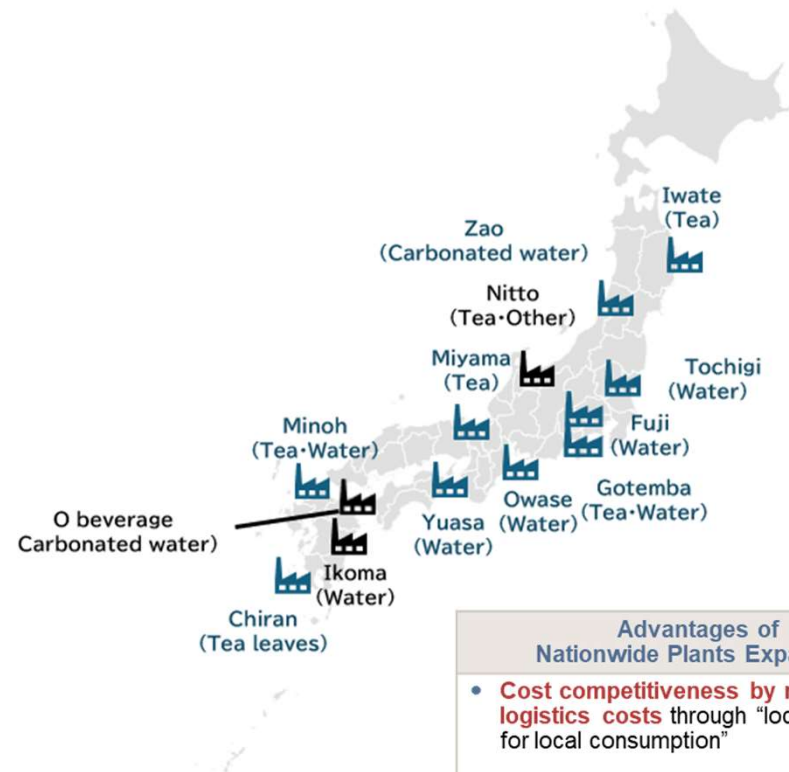
Features and Strengths (In-house/Nationwide Expansion of Factories)

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

Main products

Strongly carbonated water
「ZAO SODA」



Rakuten annual ranking 2021*1

1st overall



Store

- Own EC
- Rakuten
- Yahoo! shopping
- d-shopping
- amazon
- Qoo10
- auPAY

LD Online Store
Rakuten Ichiba Store
「Rakuten Shop of the Year 2023*2」
- Drink genre -
Grand Prize



※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.

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 factories*1
- Enhancement of production capacity at existing factories*1
- 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

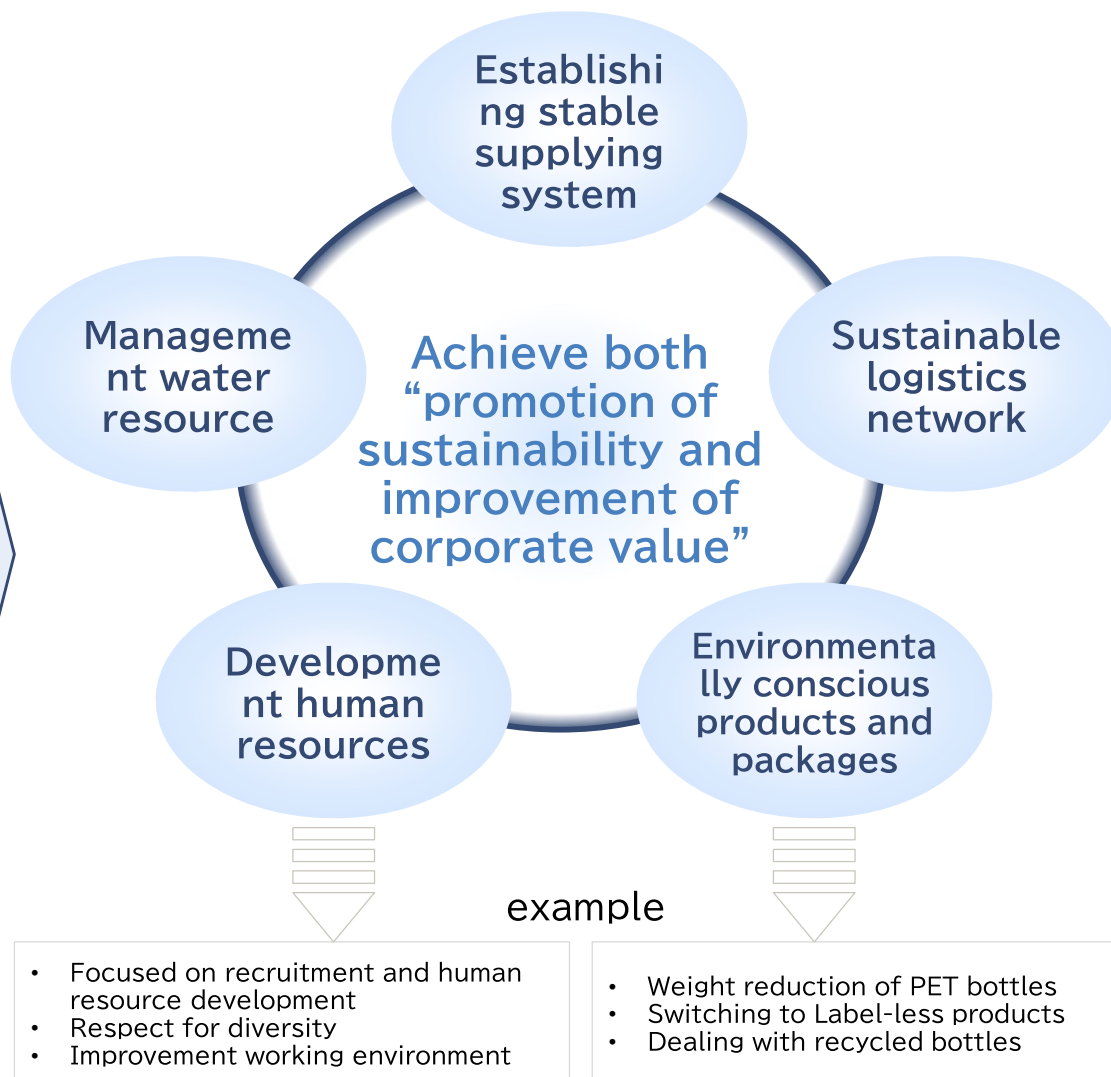
*1: Our beverage factory and Nitto Beverage

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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