

# Consolidated Financial Statements for the First Half of the Fiscal Year Ending March 31, 2023

April 1, 2022 to September 30, 2022

## **Calbee, Inc.**

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

# SUMMARY OF FINANCIAL STATEMENTS (consolidated)

First Half Results for the Fiscal Year Ending March 31, 2023

Calbee, Inc.

November 7, 2022

URL: <https://www.calbee.co.jp/en/>

Stock exchange listings: Prime Market of Tokyo, code number 2229

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Scheduled date for submission of the first half financial report: November 10, 2022

Scheduled date for distribution of dividends: --

Availability of supplementary explanatory material for the first half results: Available

Quarterly results presentation meeting: Yes (conference call for institutional investors and analysts)

## 1) Consolidated results for the first six months (April 1, 2022 to September 30, 2022) of the fiscal year ending March 31, 2023

### (1) Consolidated Operating Results

	Six months ended September 30, 2021		Six months ended September 30, 2022	
		% change		% change
Net sales .....	120,440	—	133,212	10.6
Operating profit.....	13,302	2.2	10,246	(23.0)
Ordinary profit.....	13,574	6.5	12,711	(6.4)
Profit attributable to owners of parent.....	9,178	11.6	8,311	(9.4)
Earnings per share (¥).....	68.68		64.37	
Earnings per share (diluted) (¥).....	—		—	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.

2. Comprehensive income: Six months ended September 30, 2022: ¥12,907 million (39.4%)

Six months ended September 30, 2021: ¥9,257 million (5.3%)

3. As Calbee applied the "Accounting Standard for Revenue Recognition" (Business Accounting Standards No. 29) from the beginning of the fiscal year ended March 2022, the percentage change in net sales from the same period of the previous fiscal year is not shown. Assuming that the same accounting standard as before was applied to sales for the first half of the fiscal year ended March 2022, the percentage of change from the same period of the previous fiscal year is 4.0%, excluding the impact of the application of this accounting standard.

### (2) Consolidated Financial Position

	As of March 31, 2022	As of September 30, 2022
	Total assets .....	236,598
Net assets .....	183,458	190,585
Shareholders' equity/total assets (%).....	74.1	73.4

Shareholders' equity: As of September 30, 2022: ¥180,745 million

As of March 31, 2022: ¥175,379 million

## 2) Dividends

	FY ended March 31, 2022	FY ending March 31, 2023 (forecast)
	Interim period per share .....	0.00
Year-end dividend per share .....	52.00	52.00
Annual dividend per share.....	52.00	52.00

Note: Changes from the most recently announced dividend forecast: None

## 3) Consolidated forecasts for the fiscal year ending March 31, 2023(April 1, 2022 to March 31, 2023)

	Millions of yen	
		% change
Net sales .....	274,000	11.6
Operating profit.....	22,000	(12.5)
Ordinary profit.....	25,000	(7.2)
Profit attributable to owners of parent.....	15,500	(14.1)
Earnings per share (¥).....	120.03	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.

2. Changes from the most recently announced results forecast: Yes

## **Notes**

- (1) Transfers of important subsidiaries during the period (transfers of specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Use of special accounting procedures: None
- (3) Changes in accounting policy, changes in accounting estimates, and restatements:
  1. Changes in accounting policies following revisions of accounting standards: None
  2. Changes in accounting policies other than 1: None
  3. Changes in accounting estimates: None
  4. Restatements: None
- (4) Number of outstanding shares (common stock)

	As of March 31, 2022:	As of September 30, 2022:
1. Number of outstanding shares (including treasury shares)	133,929,800 shares	133,929,800 shares
2. Number of treasury shares	4,808,426 shares	4,794,416 shares
	Six months to September 30, 2021:	Six months to September 30, 2022:
3. Average number of shares during the period	133,649,299 shares	129,126,339 shares

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 249,165 of these shares as of September 30, 2022 and 263,265 of these shares as of March 31, 2022, and the average number of shares excludes 258,257 treasury shares in the six months to September 30, 2022, and 279,574 treasury shares in the six months to September 30, 2021.

## **Financial Statements are not subject to audit by a certified public accountant or audit firm**

### **Appropriate use of financial forecasts and other items**

1. Forecasts, etc., recorded in this document include forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For details of forecasts, please see Page 9, 1. Operating results (3) Consolidated forecasts for the fiscal year ending March 31, 2023.
2. The earnings per share forecast for the fiscal year ending March 31, 2023 is calculated using 129,130,849 shares as the expected average number of shares for the period.
3. Calbee, Inc. has scheduled a financial results conference for institutional investors and analysts for November 7, 2022. An audio recording of the conference will be made available on our Japanese website after the conference.

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## 1. Operating results

### (1) Summary of business performance

(All comparisons are with the same period of the previous fiscal year, unless stated otherwise.)

Net sales during the six-month period under review were ¥133,212 million (up 10.6%) due to growth in both domestic and overseas business on higher demand as well as price revisions implemented in response to accelerating cost inflation. Sales in the domestic business were ¥97,782 million (up 4.6%): gift snack items and convenience store sales grew in line with recovery in domestic travel demand and the lifting of COVID restrictions, despite a significant impact from having restrained sales promotion activities on last year's shortage of Hokkaido-grown potatoes. Sales in the overseas business were ¥35,429 million (up 31.3%) due to growth in sales of snack foods in North America, Greater China, the United Kingdom, Indonesia and other regions.

Operating profit was ¥10,246 million (down 23.0%), and operating margin was 7.7%, a decrease of 3.4 percentage points as contributions from increased sales could not offset the negative impact of rising raw material costs (cooking oils, imported potatoes, packaging, etc.) and energy costs. Ordinary profit was ¥12,711 million (down 6.4%) on the recognition of foreign exchange gains accompanying the ongoing depreciation of the yen. Profit attributable to owners of parent was ¥8,311 million (down 9.4%).

Results by business are as follows.

*Millions of yen, rounded down*

	H1 FY ended March 31, 2022	H1 FY ending March 31, 2023	
	Amount	Amount	Growth (%)
Domestic production and sale of snack and other foods business	93,449	97,782	+4.6
Domestic snack foods	87,674	90,051	+2.7
Domestic cereals	13,163	13,432	+2.0
Domestic, others	4,896	5,619	+14.8
Deduction of rebates, etc.	(12,284)	(11,320)	—
Overseas production and sale of snack and other foods business	26,991	35,429	+31.3
Total, production and sale of snack and other foods business	120,440	133,212	+10.6

\* Sales of "Domestic snack foods", "Domestic cereals" and "Domestic, others" are before deduction of rebates, etc.

### Production and sale of snack and other foods business

Sales in the production and sale of snack and other foods business increased on growth in both the domestic and overseas businesses.

### Domestic production and sale of snack and other foods business

#### • Domestic snack foods:

Domestic snack foods sales increased.

Sales by product are as follows.

*Millions of yen, rounded down*

	H1 FY ended March 31, 2022	H1 FY ending March 31, 2023	
	Amount	Amount	Growth (%)
<i>Potato Chips</i>	41,099	40,622	(1.2)
<i>Jagarico</i>	17,895	18,964	+6.0
Products with new value / other snacks	28,679	30,464	+6.2
Total, domestic snack foods	87,674	90,051	+2.7

\* Net sales by product are before deduction of rebates, etc.

\*\* “Potato-based snacks (*Jagabee / Jaga Pokkuru*)”, “Flour-based snacks”, “Corn-and bean-based snacks” and “Other snacks”, which had been presented separately until the previous fiscal year, have been included in “Products with new value / other snacks” from this fiscal year. The figures for the previous fiscal year have also been reclassified accordingly.

- Sales of *Potato Chips* decreased due to prolonged restraint in sales promotion activities in response to the impact of last year’s shortage of Hokkaido-grown potatoes, despite measures such as increasing imported products. From September onward, *Potato Chips* have been recovering as we resumed sales promotion activities in conjunction with the start of this year’s potato harvest in Hokkaido.
- Sales of *Jagarico* increased due to strong sales of L-size and limited time products at convenience stores, reflecting higher demand related to outings.
- Sales of products with new value / other snacks increased due to a shift in consumption resulting from restrained sales promotions for *Potato Chips* and growth in gift snack items. Marketing activities, such as new product launches and TV commercials, also contributed.

#### • Domestic cereals:

Sales of domestic cereals were ¥13,432 million (up 2.0%) due to contributions from *Baked Oats*, a new product responding to rising demand for oatmeal, and *Frugra Less Carbohydrates*, which added a second new product.

#### • Domestic, others:

Sales in other domestic businesses were ¥5,619 million (up 14.8%) on growth in the sweet potato business.

### Overseas production and sale of snack and other foods business

Sales increased in the overseas production and sale of snack and other foods business.

Sales by region are as follows.

Millions of yen, rounded down

	H1 FY ended March 31, 2022	H1 FY ending March 31, 2023		
	Amount	Amount	Growth (%)	Growth on local currency basis (%)
North America	7,649	11,194	+46.3	+20.8
Greater China	9,109	11,477	+26.0	+8.3
Other regions	13,699	17,526	+27.9	+15.5
Deduction of rebates, etc.	(3,467)	(4,768)	—	—
Total, overseas production and sale of snack and other foods business	26,991	35,429	+31.3	+14.2

\* Greater China: China and Hong Kong

\*\* Other regions: United Kingdom, Indonesia, South Korea, Thailand, Singapore and Australia

\*\*\* Net sales by region are before deduction of rebates, etc.

\*\*\*\* The United Kingdom and Indonesia, which had been presented separately until the previous fiscal year, have been included in "Other regions" from this fiscal year. The figures for the previous fiscal year have been reclassified.

- In North America, sales of bean-based snack *Harvest Snaps* increased due to price revisions, package renewals and expansion of the product lineup. Sales also grew of *Kappa Ebisen* and other products for ethnic foods areas.
- In Greater China, sales increased on the strengthening of e-commerce through promotional activities, despite the impact of lockdowns on product launch scheduling and expansion in retail channels. In snack foods, sales of *Honey Butter Chip* and products for the babies and kids segment grew, and in cereals, sales of *Frugra Less Carbohydrates* grew.
- In Other regions, the United Kingdom and Indonesia drove higher sales. In the United Kingdom, sales of *Potato Chips* increased due to price revisions, and promotional activities for *Harvest Snaps* were also successful. In Indonesia, all product categories, including *Potato Chips* and flour-based snack *KrisBee*, grew faster than the snack food market as a whole.

## (2) Analysis of financial position

(All comparisons are with the end of the previous fiscal year, unless stated otherwise.)

### 1. Overview of assets, liabilities and net assets

Total assets as of September 30, 2022 were ¥246,171 million, an increase of ¥9,572 million. This was mainly due to an increase in inventories and property, plant and equipment. The increase in inventories was due to a rise in raw material purchases on the potato harvest arriving in Hokkaido, the largest domestic production area. The increase in property, plant and equipment was implemented to expand our domestic core business, including the establishment of new *Jagarico* manufacturing facilities.

Liabilities increased by ¥2,445 million to ¥55,585 million. This was mainly due to increases in raw material purchases and in notes and accounts payable - trade accompanying the potato harvest.

Net assets increased by ¥7,126 million to ¥190,585 million. This was mainly due to an increase in foreign currency translation adjustments resulting from the yen's depreciation.

As a result, the shareholders' equity ratio was 73.4%, down 0.7 percentage points.

### 2. Overview of cash flows

Cash and cash equivalents as of September 30, 2022 were ¥50,797 million, an increase of ¥1,126 million.

#### Cash flows from operating activities

Operating activities resulted in a net cash inflow of ¥9,383 million, a decrease of ¥3,409 million.

This was mainly due to an increase in inventories on a rise in raw material purchases on the potato harvest arriving and an increase in sales, as well as an increase in foreign exchange gains due to the depreciation of the yen.

#### Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥4,154 million, an increase of ¥18,102 million. This was mainly due to a decrease in proceeds from redemption of securities.

#### Cash flows from financing activities

Financing activities resulted in a net cash outflow of ¥6,010 million, a decrease of ¥6,095 million.

This was mainly due to the conversion of long-term borrowings of Potato Kaitsuka Ltd. to internal loans and to the absence of payments from changes in ownership interests in subsidiaries that do not result in a change in scope of consolidation caused by the purchase of additional shares of Warnock Food Products, Inc., both of which were conducted in the same period of the previous fiscal year.

#### Information pertaining to financial resources and capital liquidity

##### • Developments in demand for capital

Calbee Group's capital needs for operating activities include expenditures for costs related to manufacturing, such as raw materials, labor and production expenses, and expenditures for sales activities, such as selling, labor, distribution, etc. Expenditures for investing activities are primarily for capital investment and growth investment, and expenditures for financing activities are primarily for capital needs related to payment of dividends by the parent company.

With regard to these capital needs, we plan to allocate the sum of cash flows from operating activities forecast for the five years from FY2020/3 to FY2024/3 and cash on hand, etc., based on the medium-term business plan.

##### Details of capital needs

Capital investment: Sustainable growth in and improving productivity of existing businesses and strengthening our overseas manufacturing structure.

Growth investment: New businesses, DX, M&A, etc., to acquire a foundation for growth.

Shareholder returns: Aim for total return ratio over 50% and DOE4% on a consolidated basis.



The status of cash outlays as of the end of first half of the current fiscal year under review is as follows.

*Millions of yen, rounded down*

	FY ended March 31, 2020	FY ended March 31, 2021	FY ended March 31, 2022	H1 FY ending March 31, 2023	Medium-term business plan	Progress (%)
Capital investment	8,751	11,205	12,123	5,478	60,000	62.6
Growth investment	7,558	13,330	1,492	1,549	80,000	29.9
Shareholder returns	6,425	6,693	18,691	6,721	50,000	77.1
Total	22,735	31,229	32,307	13,749	190,000	52.6

- Fund-raising methods

In principle, Calbee Group raises funds by using cash from operating activities, and temporary shortages of funds are generally financed by short-term borrowings from financial institutions. We and our domestic consolidated subsidiaries have introduced a cash management system (CMS) to centrally manage funds within the Calbee Group, thereby managing surplus funds, securing liquidity and improving funding efficiency. In addition, Calbee has entered into overdraft agreements with several financial institutions with the aim of further supplementing our liquidity, and we recognize that we have sufficient liquidity to fund our business operations.

### (3) Consolidated forecasts

The consolidated forecasts for the fiscal year ending March 31, 2023 have been revised as follows, in accordance with the results for the six months under review and latest performance trends.

Net sales are expected to exceed the initial forecast due to strong sales of snack foods in both the domestic and overseas businesses. However, the forecast for operating profit has been revised as, despite progress in reducing manufacturing costs and SG&A expenses, operating profit is expected to be lower than initially forecast due to higher-than-expected raw material and energy prices resulting from the depreciation of the yen and prolongation of the situation in Russia and Ukraine. The forecasts for ordinary profit and profit attributable to owners of parent are unchanged due to higher-than-expected foreign exchange.

The exchange rate assumption used in this forecast is 1USD=¥140.28 (up from ¥122 in the initial forecast announced at the beginning of the fiscal year).

*Millions of yen, rounded down*

	Revised forecast (A)	Previous forecast (B)	Change (A-B)	Change (%)
Net sales	274,000	268,000	+6,000	+2.2
Operating profit	22,000	25,500	(3,500)	(13.7)
Ordinary profit	25,000	25,000	—	—
Profit attributable to owners of parent	15,500	15,500	—	—

## 2. Consolidated financial statements and key notes

### (1) Consolidated balance sheets

Millions of yen, rounded down

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	35,005	37,355
Notes and accounts receivable - trade	32,582	33,944
Securities	23,999	19,999
Inventories	18,001	23,219
Other	5,588	5,345
Allowance for doubtful accounts	(6)	(52)
<b>Total current assets</b>	<b>115,171</b>	<b>119,812</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	34,020	35,065
Machinery, equipment and vehicles, net	33,824	32,869
Land	11,977	12,645
Construction in progress	1,255	4,104
Other, net	1,901	1,975
<b>Total property, plant and equipment</b>	<b>82,979</b>	<b>86,659</b>
<b>Intangible assets</b>		
Goodwill	23,550	24,419
Other	2,529	2,785
<b>Total intangible assets</b>	<b>26,079</b>	<b>27,205</b>
<b>Investments and other assets</b>		
Investments and other assets, gross	12,369	12,495
Allowance for doubtful accounts	(1)	(1)
<b>Total investments and other assets</b>	<b>12,368</b>	<b>12,494</b>
<b>Total non-current assets</b>	<b>121,427</b>	<b>126,358</b>
<b>Total assets</b>	<b>236,598</b>	<b>246,171</b>

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,849	15,321
Short-term borrowings	1,447	2,077
Current portion of long-term borrowings	—	38
Income taxes payable	4,242	3,415
Provision for bonuses	4,625	3,818
Provision for bonuses for directors (and other officers)	93	87
Provision for share-based remuneration	45	—
Other	19,955	19,112
<b>Total current liabilities</b>	<b>42,259</b>	<b>43,871</b>
<b>Non-current liabilities</b>		
Long-term borrowings	—	408
Provision for retirement benefits for directors (and other officers)	334	316
Provision for share-based remuneration for directors (and other officers)	323	324
Retirement benefit liability	8,049	8,135
Asset retirement obligations	749	753
Other	1,424	1,775
<b>Total non-current liabilities</b>	<b>10,881</b>	<b>11,714</b>
<b>Total liabilities</b>	<b>53,140</b>	<b>55,585</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	12,046	12,046
Capital surplus	3,232	3,232
Retained earnings	170,284	171,868
Treasury shares	(12,959)	(12,910)
<b>Total shareholders' equity</b>	<b>172,604</b>	<b>174,237</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	436	457
Foreign currency translation adjustment	3,232	7,008
Remeasurements of defined benefit plans	(893)	(957)
<b>Total accumulated other comprehensive income</b>	<b>2,775</b>	<b>6,508</b>
<b>Non-controlling interests</b>	<b>8,078</b>	<b>9,839</b>
<b>Total net assets</b>	<b>183,458</b>	<b>190,585</b>
<b>Total liabilities and net assets</b>	<b>236,598</b>	<b>246,171</b>

**(2) Consolidated statements of income and comprehensive income**  
**Consolidated statements of income**

	<i>Millions of yen, rounded down</i>	
	April 1, 2021 to September 30, 2021	April 1, 2022 to September 30, 2022
Net sales	120,440	133,212
Cost of sales	78,351	90,436
Gross profit	42,089	42,776
Selling, general and administrative expenses	28,787	32,529
Operating profit	13,302	10,246
Non-operating income		
Interest income	45	54
Dividend income	20	19
Share of profit of entities accounted for using equity method	11	18
Foreign exchange gains	207	2,402
Gain on sale of goods	44	15
Other	73	92
Total non-operating income	403	2,603
Non-operating expenses		
Interest expenses	46	66
Share of loss of entities accounted for using equity method	—	1
Depreciation	49	52
Other	35	18
Total non-operating expenses	131	138
Ordinary profit	13,574	12,711
Extraordinary income		
Gain on sales of non-current assets	3	11
Subsidies income	16	71
Subsidy income related to COVID-19	—	77
Gain on sales of investment securities	46	—
Other	4	1
Total extraordinary income	69	161
Extraordinary losses		
Loss on sales of non-current assets	22	1
Loss on retirement of non-current assets	111	168
Loss on valuation of investment securities	54	—
Loss on sale of investment securities	8	—
Loss on business restructuring	34	—
Other	2	—
Total extraordinary losses	233	169
Profit before income taxes	13,410	12,704
Income taxes - current	3,240	3,227
Income taxes - deferred	874	905
Total income taxes	4,114	4,132
Profit	9,295	8,571
Profit attributable to non-controlling interests	117	259
Profit attributable to owners of parent	9,178	8,311

## Consolidated statements of comprehensive income

	<i>Millions of yen, rounded down</i>	
	April 1, 2021 to September 30, 2021	April 1, 2022 to September 30, 2022
Profit	9,295	8,571
Other comprehensive income		
Valuation difference on available-for-sale securities	186	21
Foreign currency translation adjustment	(146)	4,378
Remeasurements of defined benefit plans, net of tax	(78)	(64)
Total other comprehensive income	(38)	4,335
Comprehensive income	9,257	12,907
Comprehensive income attributable to		
Owners of parent	9,209	12,045
Non-controlling interests	48	862

**(3) Consolidated statements of cash flows***Millions of yen, rounded down*

	April 1, 2021 to September 30, 2021	April 1, 2022 to September 30, 2022
Cash flows from operating activities		
Profit before income taxes	13,410	12,704
Depreciation	4,447	4,943
Amortization of goodwill	902	973
Increase (decrease) in allowance for doubtful accounts	8	26
Increase (decrease) in provision for bonuses	(1,011)	(832)
Increase (decrease) in provision for bonuses for directors (and other officers)	(11)	(8)
Increase (decrease) in provision for share awards	(1)	3
Increase (decrease) in provision for share-based remuneration for directors	58	1
Increase (decrease) in retirement benefit liability	(181)	16
Decrease (increase) in retirement benefit asset	(114)	(125)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(30)	(18)
Interest and dividend income	(66)	(73)
Interest expenses	46	66
Foreign exchange losses (gains)	(789)	(2,263)
Subsidies income	(16)	(19)
Share of loss (profit) of entities accounted for using equity method	(11)	(17)
Loss (gain) on sales of investment securities	(37)	—
Loss (gain) on valuation of investment securities	54	—
Loss (gain) on sales of non-current assets	18	(10)
Loss on retirement of non-current assets	111	168
Decrease (increase) in trade receivables	650	(319)
Decrease (increase) in inventories	(2,787)	(4,426)
Increase (decrease) in trade payables	3,225	2,724
Increase (decrease) in accounts payable - other	(1,678)	(1,213)
Other, net	1,317	1,268
Subtotal	17,512	13,568
Interest and dividends received	50	84
Interest paid	(44)	(73)
Income taxes paid	(4,726)	(4,194)
Net cash provided by (used in) operating activities	12,792	9,383

*Millions of yen, rounded down*

	April 1, 2021 to September 30, 2021	April 1, 2022 to September 30, 2022
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,448)	(5,483)
Proceeds from sales of property, plant and equipment	5	10
Purchase of intangible assets	(506)	(482)
Purchase of securities	(5,000)	(5,000)
Proceeds from redemption of securities	25,900	9,000
Purchase of investment securities	(199)	(157)
Proceeds from sales of investment securities	128	46
Loan advances	(100)	—
Collection of loans receivable	120	77
Payments into time deposits	(493)	(1,688)
Proceeds from withdrawal of time deposits	492	579
Payments of guarantee deposits	(21)	(51)
Proceeds from refund of guarantee deposits	51	31
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,061)
Proceeds from subsidy income	16	19
Other, net	4	5
<b>Net cash provided by (used in) investing activities</b>	<b>13,947</b>	<b>(4,154)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(500)	465
Repayments of long-term borrowings	(3,465)	(86)
Purchase of treasury shares	(0)	(0)
Proceeds from share issuance to non-controlling shareholders	461	445
Dividends paid	(6,684)	(6,721)
Dividends paid to non-controlling interests	(14)	(41)
Repayments of lease obligations	(21)	(72)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,882)	—
<b>Net cash provided by (used in) financing activities</b>	<b>(12,106)</b>	<b>(6,010)</b>
Effect of exchange rate change on cash and cash equivalents	115	1,908
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>14,749</b>	<b>1,126</b>
Cash and cash equivalents at beginning of period	47,282	49,670
Cash and cash equivalents at end of period	62,032	50,797

#### **(4) Notes to consolidated financial statements**

(Notes related to going concern assumption)

No applicable items

(Notes on occurrence of significant changes to shareholders' equity)

No applicable items

(Subsequent events)

Acquisition of Treasury Stock

Calbee, Inc. at a meeting of the Board of Directors held on November 7, 2022, resolved to acquire treasury stock pursuant to the provisions of Article 156 of the Companies Act of Japan, as applied mutatis mutandis under Article 165, Paragraph 3 of the Companies Act of Japan.

1. Purpose of Acquisition of Treasury Stock

To enhance distribution of profit and raise capital efficiency.

2. Details of Acquisition

(1) Class of shares to be acquired	Common shares
(2) Total number of shares to be acquired	Up to 5,000,000 shares
(3) Total acquisition cost	Up to 12,000 million yen
(4) Period of acquisition	November 8, 2022 to March 31, 2023
(5) Method of acquisition	Market purchase on the Tokyo Stock Exchange