

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2024

April 1, 2023 to March 31, 2024

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)

Full Year Results for the Fiscal Year Ended March 31, 2024

Calbee, Inc.

May 9, 2024

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

Stock exchange listings: Prime Market of Tokyo, code number 2229
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Representative: Makoto Ehara, President & CEO, Representative Director
Scheduled date for the General Meeting of Shareholders: June 25, 2024
Scheduled date for distribution of dividends: June 26, 2024
Scheduled date for submission of the full year financial report: June 25, 2024
Availability of supplementary explanatory material : Available
Results presentation meeting: Yes (for institutional investors and analysts)

1) Consolidated results for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

Millions of yen, rounded down

	FY ended March 31, 2023		FY ended March 31, 2024	
		% change		% change
Net sales	279,315	13.8	303,027	8.5
Operating profit	22,233	(11.5)	27,304	22.8
Ordinary profit	23,460	(12.9)	31,155	32.8
Profit attributable to owners of parent	14,772	(18.2)	19,886	34.6
Earnings per share (¥).....	115.16		159.22	
Earnings per share (diluted) (¥)	-		-	
Return on equity (%)	8.5		10.9	
Ordinary profit to total assets ratio (%)	9.9		11.7	
Operating profit to sales ratio (%)	8.0		9.0	

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

2. Comprehensive income: FY ended March 31, 2024: ¥26,373million (up 46.9%)

FY ended March 31, 2023: ¥17,953 million (down 16.9%)

4. Share of profit (loss) of entities accounted for using equity method: FY ended March 31, 2024: ¥17 million

FY ended March 31, 2023: ¥23 million

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2023	As of March 31, 2024
Total assets.....	239,095	292,158
Net assets	182,686	201,086
Shareholders' equity/total assets (%).....	72.8	65.6
Net assets per share (¥).....	1,393.74	1,535.49

Shareholders' equity: As of March 31, 2024: ¥191,751 million

As of March 31, 2023: ¥174,112 million

(3) Consolidated Cash Flows

Millions of yen, rounded down

	FY ended March 31, 2023	FY ended March 31, 2024
Cash flows from operating activities	19,310	24,350
Cash flows from investing activities	(20,329)	(35,307)
Cash flows from financing activities	(20,004)	16,850
Cash and cash equivalents at end of period	30,292	37,718

2) Dividends

Yen

	FY ended March 31, 2023	FY ended March 31, 2024	FY ending March 31, 2025 (forecast)
Interim period per share	0.00	0.00	0.00
Year-end dividend per share.....	52.0	56.0	58.0
Annual dividend per share	52.0	56.0	58.0
Total dividend amount (millions of yen).....	6,508	7,009	—
Dividend payout ratio (consolidated) (%).....	45.2	35.2	40.2
Net assets to dividends ratio (consolidated) (%)	3.8	3.8	—

Note: Total dividend amounts for FYs ended March 31, 2023 and March 31, 2024 include dividends of ¥12 million and ¥16 million, respectively, for Calbee shares held in trust

3) Consolidated forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Millions of yen

		% change
Net sales	320,000	5.6
Operating profit	28,900	5.8
Ordinary profit	28,000	(10.1)
Profit attributable to owners of parent	18,000	(9.5)
Earnings per share (¥).....	144.14	

Notes

- (1) Transfers of important subsidiaries during the period (transfers of specified subsidiaries resulting in changes in the scope of consolidation): Yes
Excluded companies: 1 (Calbee North America, LLC)
- (2) 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
- (3) Number of outstanding shares (common stock)

	As of March 31, 2023:	As of March 31, 2024:
1. Number of outstanding shares (including treasury shares)	133,929,800 shares	133,929,800 shares
2. Number of treasury shares	9,005,241 shares	9,050,500 shares
	Fiscal year to March 31, 2023:	Fiscal year to March 31, 2024:
3. Average number of shares during the period	128,274,133 shares	124,899,573 shares

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 288,055 of these shares as of March 31, 2024 and 242,865 of these shares as of March 31, 2023, and the average number of shares excludes 267,811 treasury shares during the year to March 31, 2024, and 253,153 treasury shares during the year to March 31, 2023.

(Reference) Non-consolidated results for the fiscal year ended March 31, 2024**(1) Non-consolidated operating results**

Millions of yen, rounded down

	FY ended March 31, 2023		FY ended March 31, 2024	
		% change		% change
Net sales	186,677	8.6	204,346	9.5
Operating profit	17,941	(16.6)	23,117	28.8
Ordinary profit	20,294	(14.3)	27,008	33.1
Net profit	13,896	(32.7)	23,613	69.9
Earnings per share (¥)	108.33		189.06	
Earnings per share (diluted) (¥)	-		-	

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

(2) Non-consolidated financial position

Millions of yen, rounded down

	As of March 31, 2023	As of March 31, 2024
Total assets	207,344	256,719
Net assets	162,021	179,347
Shareholders' equity/total assets (%)	78.1	69.9
Net assets per share (¥)	1,296.95	1,436.17

Shareholders' equity: As of March 31, 2024: ¥179,347 million, As of March 31, 2023: ¥162,021 million

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 further information on assumptions used in forecasts, please see Page 9 Overview of Operating Results (4) Consolidated forecasts.
2. The earnings per share forecast for the fiscal year ending March 31, 2025 is calculated using 124,879,300 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 May 9, 2024. A video recording of the conference will be made available on our Japanese website after the conference.

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1. Overview of operating results

(1) Overview of business performance

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

During the fiscal year under review, while the outlook for the world economy remained uncertain due to the prolonged Russia-Ukraine conflict, geopolitical risks such as issues in the Middle East, and the economic downturn in China, there were also positive signs, including the steady growth of the US economy. In Japan's economy, although costs remained high due to the continued depreciation of the yen, economic normalization has progressed due to the downgrading of COVID-19 and the Bank of Japan's having transitioned away from its negative interest rate policy at the beginning of 2024.

Under this business environment, and in response to soaring raw material costs, Calbee Group continued to implement price and content revisions in Japan from last year. Based on the Vision for 2030 and Growth Strategy we announced in February 2023, we advanced business structure reform towards the next stage of our growth with results exceeding guidance. Overseas, while responding to the effects of global inflation, mainly in Europe and the US, and weakening business confidence in China, we worked to expand our business in other regions.

In the domestic business, after implementing price and content revisions we strove to effect an early sales recovery, and worked to increase profits by raising sales volume through continuous marketing activities and by capturing travel demand. We also made steady progress in increasing production capacity by expanding production lines for mainstay products and in the construction of the new Setouchi Hiroshima Factory, which is scheduled to begin operation in the fiscal year ending March 2025.

In the overseas business, while responding to changes in the business environment in North America and Greater China we worked to expand business in other regions. In North America, while improving the profitability of our contract manufacturing business, we strengthened the sales structure of mainstay brand Harvest Snaps and brands of Japanese origin and expanded sales to major local retailers. In Greater China, in response to growing consumer frugality and a decline in sales due to the tightening of customs regulations on mainstay snacks related to an issue with treated water, we have begun pursuing local production through manufacturing outsourcing and import substitution from surrounding regional bases. In other regions, we expanded our business by launching new products and increasing production capacity, primarily in the UK and Indonesia.

As part of our sustainability management efforts, we promoted the calculation of GHG emissions at overseas group companies through a project structure, while simultaneously confirming the current situation regarding water, palm oil, paper, and plastic. In Japan, in line with the roadmap established last year in the Ministry of the Environment's Model Project for Supporting Achievement of the Decarbonization Targets of the Entire Supply Chains, we went beyond just our own reductions to identify emissions from potatoes (a project supported by the Ministry of Agriculture, Forestry and Fisheries), a Scope 3 Category 1 raw material, conduct interviews with contracted farmers, etc. Regarding other raw materials, we have strengthened cooperation as we determine the current situation through supplier assessments. Based on the reaffirmed materialities of biodiversity and human rights issues, we are preparing to disclose TNFD information in the fall of 2025. We have also developed a group environmental policy and human rights policy, signed the United Nations Global Compact, and expanded our commitments globally.

Consolidated net sales for the fiscal year under review were ¥303,027 million (up 8.5%). In the domestic business, sales rose on steady capture of demand in addition to the effect of price and content revisions, the resolution of marketing constraints from the potato shortage in the first half of the previous year, increasing demand for gift products due to a recovery in people flows, marketing to strengthen the brand, and marketing activities and added production capacity. In the overseas business, sales increased as slumps in North America and Greater China were offset by sales in other regions including the UK and Indonesia.

Operating profit was ¥27,304 million (up 22.8%), and operating margin was 9.0%, an increase of 1.1 percentage points. In the domestic business, although raw material prices continued to rise

throughout the year, this was offset by price and content revisions, and profit increased on sales volume growth. In addition, the overseas business achieved record high profits. Ordinary profit was ¥31,155 million (up 32.8%) due to the recording of foreign exchange gains on the depreciation of the yen in non-operating income, and profit attributable to owners of parent was ¥19,886 million (up 34.6%).

Results by business are as follows.

Millions of yen, rounded down

	FY ended March 31, 2023	FY ended March 31, 2024	
	Amount	Amount	Growth (%)
Domestic production and sale of snack and other foods business	207,116	229,887	+11.0
Domestic snack foods	194,031	214,642	+10.6
Domestic cereals	24,210	26,194	+8.2
Domestic, others	13,729	15,565	+13.4
Deduction of rebates, etc.	(24,854)	(26,515)	—
Overseas production and sale of snack and other foods business	72,198	73,140	+1.3
Total, production and sale of snack and other foods business	279,315	303,027	+8.5

* 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

	FY ended March 31, 2023	FY ended March 31, 2024	
	Amount	Amount	Growth (%)
<i>Potato Chips</i>	90,932	98,274	+8.1
<i>Jagarico</i>	39,990	45,353	+13.4
Snack food products with new value / other snacks	63,108	71,014	+12.5
Total, domestic snack foods	194,031	214,642	+10.6

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

** The category “Snack food products with new value / other snacks” was renamed “Other snacks” from the current period.

- Sales of *Potato Chips* increased, driven mainly by sales of regular items such as *Usu-Shio-Aji* and *Kataage Potato*. This was due to a stable supply of raw materials from large potato harvests, continuous marketing, and successful related sales activities.
- Sales of *JagaRico* increased as demand remained strong for regular products due to a recovery in people flows and increased production capacity. The launch of new product *The Skinny JagaRico Salad* also contributed.
- Sales of other snacks increased due to significant growth in gift snack items (*Jaga Pokkuru*, etc.) related to an increase in tourists in Japan. There were also positive impacts from steady sales of flour-based and corn/bean-based snacks and higher sales of *Kappa Ebisen* on the 60th anniversary of its launch.

• Domestic cereals:

Sales of domestic cereals were ¥26,194 million (up 8.2%) due to the success of sales promotion activities such as an increased volume campaign and a project product named *Furugra Black Thunder*

Flavor from the second half of the fiscal year, driving increased demand.

• Domestic, others:

Sales in other domestic businesses were ¥15,565 million (up 13.4%), on strong sales in the wholesale 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

	FY ended March 31, 2023	FY ended March 31, 2024		
	Amount	Amount	Growth (%)	Growth on local currency basis (%)
North America	22,228	23,473	+5.6	(1.3)
Greater China	23,405	18,568	(20.7)	(23.3)
Other regions	36,227	40,411	+11.6	+4.3
Deduction of rebates, etc.	(9,662)	(9,313)	—	—
Total, overseas production and sale of snack and other foods business	72,198	73,140	+1.3	(4.7)

* 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.

• In North America, while sales of bean-based snack *Harvest Snaps* and brands of Japanese origin such as *Kappa Ebisen* and *JagaRico* grew due to expanded distribution, overall sales decreased on a local currency basis due to a decline in snack foods contract manufacturing sales.

• In Greater China, sales decreased amid sluggish sales to retail stores and via e-commerce channels due to deteriorating business confidence and tightened customs regulations.

• In Other regions, sales increased due to factors such as business expansion in the UK and Indonesia, throughout the fiscal year. In the UK, sales rose on expanded distribution of Seabrook brand products and the launch of new products, and in Indonesia, sales rose due to increased production capacity for dough snacks and higher sales overall.

(2) Overview of financial position

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

Total assets as of March 31, 2024 increased by ¥53,063 million to ¥292,158 million, mainly due to increases in property, plant and equipment as well as accounts receivable-trade. The main reasons for the increase in property, plant and equipment were the construction of the new Setouchi Hiroshima Factory and new *JagaRico* manufacturing facilities. The increase in accounts receivable-trade was due to delayed collection until the following month as the last day of March was a bank holiday.

Liabilities increased by ¥34,663 million to ¥91,072 million on an increase in long-term borrowings.

Net assets increased by ¥18,399 million to ¥201,086 million due to an increase in retained earnings.

As a result, the shareholders' equity ratio was 65.6%, down 7.2 percentage points.

(3) Overview of cash flow

Cash and cash equivalents as of March 31, 2024 were ¥37,718 million, an increase of ¥7,426 million.

Cash flows from operating activities

Operating activities resulted in a net cash inflow of ¥24,350 million, an increase of ¥5,039 million. This was mainly due to an increase in profit before income taxes.

Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥35,307 million, an increase of ¥14,977 million, mainly due to a decrease in proceeds from the redemption of securities and an increase in expenditures for the purchase of property, plant and equipment.

Cash flows from financing activities

Financing activities resulted in a net cash inflow of ¥16,850 million, an increase of ¥36,855 million, mainly due to a net increase in long-term borrowings and a decrease in expenditures for the acquisition of treasury stock.

Information pertaining to financial resources and capital liquidity

· Developments in capital requirements

Calbee Group’s capital requirements for operating activities include expenditures for costs related to manufacturing, such as raw materials, labor and production expenses, and 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 requirements related to the payment of dividends by the parent company.

In response to these capital requirements, we plan to allocate cash flows from operating activities, cash on hand, and borrowings.

Details of capital requirements

Growth investment: Capital investment for growing domestic and overseas business, investment in new areas, M&A for strengthening overseas bases, etc.

Efficiency investment: Support for ESG, capital investment in areas including automation/labor-saving, to raise productivity

Shareholder returns: Aim for total return ratio over 50% and DOE 4% on a consolidated basis

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

Millions of yen, rounded down

	FY ended March 31, 2024	3-year plan	Progress (%)
Growth investment	10,779	80,000	13.5
Efficiency investment	22,118	60,000	36.9
Shareholder returns	6,504	25,000	26.0
Total	39,402	165,000	23.9

· Fund-raising methods

In principle, Calbee Group raises funds by using borrowings from financial institutions in addition to cash provided by operating activities. We and our domestic consolidated subsidiaries have introduced a cash management system (CMS) to centrally manage funds within the Group, thereby centrally 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.

(4) Consolidated forecasts

Under our 2030 vision “Next Calbee & Beyond,” Calbee Group has set forth the “Change 2025” growth strategy (from the fiscal year ending March 2024 to the fiscal year ending March 2026), positioning this as a period of structural reform. We will continue to work to establish a foundation for future growth.

In the fiscal year ending March 31, 2025, a difficult economic environment is expected due to continued soaring raw material prices, new cost-increasing factors such as rising logistics costs accompanying regulatory changes, and moves to transition from a policy of monetary easing. The economy is expected to continue to recover, albeit at a gradual pace, due to increased corporate appetite for capital investment and the first significant wage increases in 30 years.

Under these circumstances, in the domestic business, we will strengthen our profitability by implementing price and content revisions in response to cost increases as in the previous fiscal year, strengthening the brand by promoting Calbee’s unique competitive advantages, improving our earnings structure by strengthening our gift snack business, and optimizing our value chain based on DX. In the overseas business, we will invest in each region in line with changes in the business environment and expand our business in each region, including the key regions of North America and Greater China.

Furthermore, by investing in human resources from a medium- to long-term perspective as the foundation that supports our business, and making investments to tackle social and environmental issues (i.e., through sustainability management), we will strengthen our base for sustainable growth.

As a result, consolidated net sales for the year ending March 31, 2025 are forecast to be ¥320,000 million (up 5.6%), operating profit to be ¥28,900 million (up 5.8%), and profit attributable to owners of parent to be ¥18,000 million (down 9.5%) as foreign exchange gains recorded as non-operating income in the previous fiscal year are not expected to occur in the current fiscal year.

The main exchange rates used as the basis for this forecast are 1USD=¥142, 1RMB=¥19.9.

2. Basic policy for profit distribution and dividends for the fiscal years ended March 31, 2024 and March 31, 2025

Calbee recognizes the distribution of profits to our shareholders as a top management priority. The cash flows generated over the three-year period from fiscal year ended March 31, 2024 to fiscal year ending March 31, 2026 will be allocated to growth-oriented investments, efficiency-oriented investments, and shareholder returns after utilizing cash on hand and borrowings. For shareholder returns, we aim to stably increase dividends with a total return ratio of 50% and more and DOE of 4%.

We plan to pay a fiscal year-end dividend of ¥56 per share, for a consolidated dividend payout ratio of 35.2%. This will be discussed at the 75th Annual General Meeting of Shareholders to be held on June 25, 2024.

For the fiscal year ended March 31, 2025, we plan to pay an annual dividend of ¥58 per share with a consolidated dividend payout ratio of 40.2%.

As prescribed by Article 454 Clause 5 of the Companies Act, the Articles of Incorporation stipulate that Calbee is able to pay interim dividends. However, Calbee, will pay dividends once per annum upon review of certain factors including the annual results.

3. Basic approach to selection of accounting standards

With the aims of enhancing management of the business and enabling international comparison of financial information in capital markets through the unification of accounting standards, Calbee is considering the adoption of International Financial Reporting Standards (IFRS).

4. Consolidated financial statements and key notes

(1) Consolidated balance sheets

Millions of yen, rounded down

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	32,167	44,295
Notes receivable - trade	715	922
Accounts receivable	36,405	53,196
Inventories	23,352	22,208
Other	6,439	7,309
Allowance for doubtful accounts	(110)	(78)
Total current assets	98,970	127,853
Non-current assets		
Property, plant and equipment		
Buildings and structures	80,247	86,754
Accumulated depreciation	(45,673)	(48,084)
Buildings and structures, net	34,574	38,670
Machinery, equipment and vehicles	120,702	131,794
Accumulated depreciation	(88,944)	(95,294)
Machinery, equipment and vehicles, net	31,758	36,500
Land	16,330	16,265
Leased assets	849	980
Accumulated depreciation	(368)	(446)
Leased assets, net	480	534
Construction in progress	16,796	29,851
Other	6,392	7,020
Accumulated depreciation	(4,798)	(5,185)
Other, net	1,593	1,835
Total property, plant and equipment	101,533	123,657
Intangible assets		
Goodwill	23,222	22,650
Other	2,709	2,620
Total intangible assets	25,932	25,271
Investments and other assets		
Investment securities	2,597	3,183
Long-term loans receivable	100	—
Deferred tax assets	4,955	5,408
Retirement benefit asset	3,434	4,505
Other	1,572	2,280
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	12,658	15,376
Total non-current assets	140,124	164,305
Total assets	239,095	292,158

As of March 31, 2023 As of March 31, 2024

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	13,553	12,535
Short-term borrowings	1,290	1,433
Lease obligations	156	169
Accounts payable – other	8,441	11,736
Income taxes payable	3,702	6,743
Provision for bonuses	5,398	6,606
Provision for bonuses for directors (and other officers)	99	116
Provision for share-based remuneration	37	98
Other	12,983	15,035
Total current liabilities	45,663	54,475
Non-current liabilities		
Long-term borrowings	–	25,000
Lease obligations	403	433
Deferred tax liabilities	1,287	1,854
Provision for retirement benefits for directors (and other officers)	323	100
Provision for share-based remuneration for directors (and other officers)	297	280
Retirement benefit liability	7,523	8,017
Asset retirement obligations	748	755
Other	163	155
Total non-current liabilities	10,745	36,596
Total liabilities	56,408	91,072
Net assets		
Shareholders' equity		
Share capital	12,046	12,046
Capital surplus	3,242	2,514
Retained earnings	178,329	191,706
Treasury shares	(24,886)	(24,972)
Total shareholders' equity	168,730	181,293
Accumulated other comprehensive income		
Valuation difference on available-for-sales securities	488	796
Foreign currency translation adjustment	5,225	9,751
Remeasurements of defined benefit plans	(332)	(89)
Total accumulated other comprehensive income	5,381	10,457
Non-controlling interests	8,574	9,335
Total net assets	182,686	201,086
Total liabilities and net assets	239,095	292,158

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

	<i>Millions of yen, rounded down</i>	
	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024
Net sales	279,315	303,027
Cost of sales	189,115	201,068
Gross profit	90,200	101,959
Selling, general and administrative expenses	67,967	74,654
Operating profit	22,233	27,304
Non-operating income		
Interest income	140	445
Dividend income	39	43
Share of profit of entities accounted for using equity method	25	17
Foreign exchange gains	1,125	3,509
Other	263	360
Total non-operating income	1,594	4,376
Non-operating expenses		
Interest expenses	162	250
Share of loss of entities accounted for using equity method	1	—
Depreciation	112	146
Commission for syndicated loans	—	52
Expenses for acquisition of treasury stock	10	—
Other	80	75
Total non-operating expenses	366	525
Ordinary profit	23,460	31,155
Extraordinary income		
Gain on sale of non-current assets	14	7
Gain on liquidation of subsidiaries	—	88
Gain on sales of investment securities	54	75
Subsidies income	109	78
Subsidy income related to COVID-19	85	—
Reversal of provision for retirement benefits	68	—
Other	2	—
Total extraordinary income	336	250
Extraordinary losses		
Loss on sale of non-current assets	35	236
Loss on retirement of non-current assets	491	372
Impairment loss	610	377
Loss on disposal of inventory	—	124
Loss on cancellation of outsourcing agreement	18	—
Other	—	91
Total extraordinary losses	1,155	1,201
Profit before income taxes	22,641	30,204
Income taxes – current	7,451	10,128
Income taxes – deferred	216	(389)
Total income taxes	7,667	9,739
Profit	14,973	20,465
Profit attributable to non-controlling interests	201	579
Profit attributable to owners of parent	14,772	19,886

Consolidated statements of comprehensive income

Millions of yen, rounded down

	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024
Profit	14,973	20,465
Other comprehensive income		
Valuation difference on available-for-sale securities	52	307
Foreign currency translation adjustment	2,366	5,357
Remeasurements of defined benefit plans, net of tax	560	243
Total other comprehensive income	2,980	5,907
Comprehensive income	17,953	26,373
Comprehensive income attributable to:		
Owners of parent	17,378	24,961
Non-controlling interests	575	1,411

(3) Consolidated statements of changes in shareholders' equity

April 1, 2022 to March 31, 2023

Millions of yen, rounded down

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,046	3,232	170,284	(12,959)	172,604
Changes of items during period					
Dividends of surplus			(6,728)		(6,728)
Profit attributable to owners of parent			14,772		14,772
Purchase of treasury shares				(11,999)	(11,999)
Disposal of treasury shares				72	72
Purchase of shares of consolidated subsidiaries		9			9
Net change of items other than shareholders' equity					
Total changes of items during period	—	9	8,044	(11,927)	(3,873)
Balance at end of current period	12,046	3,242	178,329	(24,886)	168,730

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	436	3,232	(893)	2,775	8,078	183,458
Changes of items during period						
Dividends of surplus						(6,728)
Profit attributable to owners of parent						14,772
Purchase of treasury shares						(11,999)
Disposal of treasury shares						72
Purchase of shares of consolidated subsidiaries						9
Net change of items other than shareholders' equity	52	1,993	560	2,606	495	3,102
Total changes of items during period	52	1,993	560	2,606	495	(771)
Balance at end of current period	488	5,225	(332)	5,381	8,574	182,686

April 1, 2023 to March 31, 2024

Millions of yen, rounded down

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,046	3,242	178,329	(24,886)	168,730
Changes of items during period					
Dividends of surplus			(6,508)		(6,508)
Profit attributable to owners of parent			19,886		19,886
Purchase of treasury shares				(240)	(240)
Disposal of treasury shares				154	154
Purchase of shares of consolidated subsidiaries		(728)			(728)
Net change of items other than shareholders' equity					
Total changes of items during period	—	(728)	13,377	(85)	12,563
Balance at end of current period	12,046	2,514	191,706	(24,972)	181,293

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	488	5,225	(332)	5,381	8,574	182,686
Changes of items during period						
Dividends of surplus						(6,508)
Profit attributable to owners of parent						19,886
Purchase of treasury shares						(240)
Disposal of treasury shares						154
Purchase of shares of consolidated subsidiaries						(728)
Net change of items other than shareholders' equity	307	4,525	243	5,075	760	5,836
Total changes of items during period	307	4,525	243	5,075	760	18,399
Balance at end of current period	796	9,751	(89)	10,457	9,335	201,086

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

	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024
Cash flows from operating activities		
Profit before income taxes	22,641	30,204
Depreciation	10,047	10,594
Impairment Loss	610	377
Amortization of goodwill	1,979	2,081
Increase (decrease) in allowance for doubtful accounts	86	(43)
Increase (decrease) in provision for bonuses	763	1,185
Increase (decrease) in provision for bonuses for directors (and other officers)	6	11
Increase (decrease) in provision for share awards	40	95
Increase (decrease) in provision for share awards for directors	(3)	103
Increase (decrease) in retirement benefit liability	(20)	(17)
Decrease (increase) in retirement benefit asset	(256)	(260)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(11)	(223)
Interest and dividend income	(179)	(488)
Interest expenses	162	250
Foreign exchange losses (gains)	(1,341)	(2,854)
Loss(gain) on liquidation of subsidiaries	—	(88)
Subsidies income	(58)	(78)
Share of loss (profit) of entities accounted for using equity method	(23)	(17)
Loss (gain) on sale of investment securities	(54)	(75)
Loss (gain) on sale of non-current assets	21	228
Loss on retirement of non-current assets	491	372
Decrease (increase) in trade receivables	(3,987)	(15,768)
Decrease (increase) in inventories	(4,915)	1,824
Increase (decrease) in trade payables	1,213	(1,571)
Increase (decrease) in accounts payable - other	(353)	3,401
Other, net	616	1,587
Subtotal	27,473	30,830
Interest and dividend received	189	485
Interest paid	(169)	(210)
Income taxes paid	(8,182)	(6,754)
Net cash provided by (used in) operating activities	19,310	24,350

Millions of yen, rounded down

	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,750)	(30,591)
Proceeds from sale of property, plant and equipment	12	140
Purchase of intangible assets	(966)	(595)
Purchase of securities	(13,998)	—
Proceeds from redemption of securities	23,000	—
Purchase of investment securities	(209)	(246)
Proceeds from sale of investment securities	248	226
Collection of loans receivable	78	—
Payments into time deposits	(5,243)	(11,996)
Proceeds from withdrawal of time deposits	3,713	7,676
Payments for guarantee deposits	(86)	(33)
Proceeds from refund of guarantee deposits	71	17
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,555)	—
Proceeds from subsidy income	58	78
Other, net	296	18
Net cash provided by (used in) investing activities	<u>(20,329)</u>	<u>(35,307)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(235)	41
Net increase (decrease) in long-term borrowings	—	25,000
Repayments of long-term borrowings	(535)	—
Purchase of treasury shares	(11,999)	(240)
Proceeds from share issuance to non-controlling shareholders	445	279
Dividends paid	(6,723)	(6,504)
Dividends paid to non-controlling interests	(754)	(96)
Repayments of lease obligations	(201)	(159)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(0)	(1,470)
Net cash provided by (used in) financing activities	<u>(20,004)</u>	<u>16,850</u>
Effect of exchange rate change on cash and cash equivalents	1,645	1,533
Net increase (decrease) in cash and cash equivalents	<u>(19,378)</u>	<u>7,426</u>
Cash and cash equivalents at beginning of period	<u>49,670</u>	<u>30,292</u>
Cash and cash equivalents at end of period	<u>30,292</u>	<u>37,718</u>

(5) Notes to consolidated financial statements
Notes related to going concern assumption
 No applicable items

Segment information and other

The Company has only one segment, "Production and sale of snacks and other foods", and consequently does not disclose information for operating segments.

Per Share Information

	FY ended March 31, 2023	FY ended March 31, 2024
Net assets per share (¥)	1,393.74	1,535.49
Earnings per share (¥)	115.16	159.22

Notes: 1) Earnings per share (diluted) is not stated because there are no dilutive shares.

2) Net assets per share were calculated based on the following:

	FY ended March 31, 2023	FY ended March 31, 2024
Total net assets on consolidated balance sheet (¥ million)	182,686	201,086
Amount attributable to common stock (¥ million)	174,112	191,751
Main differences (¥ million)		
Non-controlling interests	8,574	9,335
Number of shares of common stock outstanding (shares)	133,929,800	133,929,800
Number of shares of common stock as treasury stock (shares)	9,005,241	9,050,500
Number of common shares used for calculating net assets per share (shares)	124,924,559	124,879,300

3) Earnings per share were calculated based on the following:

	FY ended March 31, 2023	FY ended March 31, 2024
Profit attributable to owners of parent (consolidated) (¥ million)	14,772	19,886
Profit attributable to owners of parent attributable to common stock (¥ million)	14,772	19,886
Amount not belonging to common shareholders (¥ million)	—	—
Average number of shares during the period (shares)	128,274,133	124,899,573

4) The Company's own stock in the trust recorded as treasury shares under shareholders' equity includes treasury shares excluded from the average number of shares during the period used for calculating earnings per share and treasury shares excluded from the number of shares outstanding at the end of the fiscal year used for calculating net assets per share.

During the previous consolidated fiscal year, 253,153 treasury shares, and during the current consolidated fiscal year 267,811 treasury shares, were excluded from the average number of shares during the period used for calculating earnings per share and 242,865 treasury shares at the end of the previous fiscal year and 288,055 treasury shares at the end of the current fiscal year were excluded from the number of shares outstanding used for calculating net assets per share.

Subsequent events

No applicable items.