

# Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023

April 1, 2022 to March 31, 2023

## **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, 2023

Calbee, Inc.

May 9, 2023

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

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

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Scheduled date for the General Meeting of Shareholders: June 21, 2023

Scheduled date for distribution of dividends: June 22, 2023

Scheduled date for submission of the full year financial report: June 22, 2023

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, 2023 (April 1, 2022 to March 31, 2023)

### (1) Consolidated Operating Results

	FY ended March 31, 2022		FY ended March 31, 2023	
		% change		% change
Net sales .....	245,419	—	279,315	13.8
Operating profit .....	25,135	(7.1)	22,233	(11.5)
Ordinary profit .....	26,938	(2.1)	23,460	(12.9)
Profit attributable to owners of parent .....	18,053	2.1	14,772	(18.2)
Earnings per share (¥).....	136.25		115.16	
Earnings per share (diluted) (¥) .....	-		-	
Return on equity (%)	10.3		8.5	
Ordinary profit to total assets ratio (%)	11.3		9.9	
Operating profit to sales ratio (%)	10.2		8.0	

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

2. As the Company 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 previous fiscal year is not shown. Assuming that the same accounting standard as before was applied to sales for the fiscal year ended March 2022, the percentage of change from the previous fiscal year is 4.2%, excluding the impact of the application of this accounting standard.

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

FY ended March 31, 2022: ¥21,594 million (up 9.3%)

4. Share of profit (loss) of entities accounted for using equity method: FY ended March 31, 2023: ¥23 million

FY ended March 31, 2022: ¥19 million

### (2) Consolidated Financial Position

	As of March 31, 2022		As of March 31, 2023	
	Total assets.....	236,598		239,095
Net assets .....	183,458		182,686	
Shareholders' equity/total assets (%).....	74.1		72.8	
Net assets per share (¥).....	1,358.25		1,393.74	

Shareholders' equity: As of March 31, 2023: ¥174,112 million

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

### (3) Consolidated Cash Flows

	FY ended March 31, 2022		FY ended March 31, 2023	
	Cash flows from operating activities	22,327		19,310
Cash flows from investing activities	3,643		(20,329)	
Cash flows from financing activities	(25,168)		(20,004)	
Cash and cash equivalents at end of period	49,670		30,292	

## 2) Dividends

	Yen		
	FY ended March 31, 2022	FY ended March 31, 2023	FY ending March 31, 2024 (forecast)
Interim period per share .....	0.00	0.00	0.00
Year-end dividend per share.....	52.0	52.0	54.0
Annual dividend per share .....	52.0	52.0	54.0
Total dividend amount (millions of yen).....	6,728	6,508	—
Dividend payout ratio (consolidated) (%).....	38.2	45.2	45.0
Net assets to dividends ratio (consolidated) (%)	3.9	3.8	—

Note: Total dividend amounts for FYs ended March 31, 2022 and March 31, 2023 include dividends of ¥13 million and ¥12 million, respectively, for Calbee shares held in trust

### 3) Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Millions of yen

		% change
Net sales .....	293,000	4.9
Operating profit .....	24,000	7.9
Ordinary profit .....	23,500	0.2
Profit attributable to owners of parent .....	15,000	1.5
Earnings per share (¥).....	120.07	

#### Notes

- (1) Transfers of important subsidiaries during the period (transfers of specified subsidiaries resulting in changes in the scope of consolidation): Yes  
One company added to scope of consolidated: Greenday Global Co., Ltd.
- (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, 2022:	As of March 31, 2023:
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	9,005,241 shares
	Fiscal year to March 31, 2022:	Fiscal year to March 31, 2023:
3. Average number of shares during the period	132,502,953 shares	128,274,133 shares

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 242,865 of these shares as of March 31, 2023 and 263,265 of these shares as of March 31, 2022, and the average number of shares excludes 253,153 treasury shares during the year to March 31, 2023, and 271,442 treasury shares during the year to March 31, 2022.

#### (Reference) Non-consolidated results for the fiscal year ended March 31, 2023

##### (1) Non-consolidated operating results

Millions of yen, rounded down

	FY ended March 31, 2022		FY ended March 31, 2023	
		% change		% change
Net sales	171,858	-	186,677	8.6
Operating profit	21,510	(8.0)	17,941	(16.6)
Ordinary profit	23,682	(1.6)	20,294	(14.3)
Net profit	20,637	24.0	13,896	(32.7)
Earnings per share (¥)	155.75		108.33	
Earnings per share (diluted) (¥)	-		-	

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

2. As the Company 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 previous fiscal year is not shown. Assuming that the same accounting standard as before was applied to sales for the fiscal year ended March 2022, the percentage of change from the previous fiscal year is -0.5%, excluding the impact of the application of this accounting standard.

##### (2) Non-consolidated financial position

Millions of yen, rounded down

	As of March 31, 2022	As of March 31, 2023
Total assets	208,494	207,344
Net assets	166,728	162,021
Shareholders' equity/total assets (%)	80.0	78.1
Net assets per share (¥)	1,291.25	1,296.95

Shareholders' equity: As of March 31, 2023: ¥162,021 million, As of March 31, 2022: ¥166,728 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 11 Overview of Operating Results (4) Consolidated forecasts.
2. The earnings per share forecast for the fiscal year ending March 31, 2024 is calculated using 124,924,559 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, 2023. 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, the global economic outlook remained challenging due to uncertainty. This was mainly due to soaring raw material and energy prices caused by factors including the Russian invasion of Ukraine, as well as turmoil in the Chinese market caused by the COVID-19 pandemic. The Japanese economy was also affected by the sharp rise in raw material and energy costs and the rapid depreciation of the yen, but showed signs of a moderate recovery amid progress in balancing COVID-19 controls with economic activity.

Against this backdrop, based on our long-term vision (Vision for 2030) and medium-term business plan (for the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2024), Calbee Group promoted business activities aimed at sustainable growth and the creation of social value, implemented flexible price and content revisions in response to soaring raw material prices and other factors to improve profitability, and worked to expand business overseas and in new food domains. In February 2023, we formulated and announced a new three-year growth strategy from the fiscal year ending March 31, 2024.

In the domestic business, in the first half of the fiscal year, we expanded sales of snacks not made with potatoes, such as corn and bean-based snacks, to minimize the impact of the raw material potato shortage. From autumn, when potato shortage concerns were resolved, the snack foods business as a whole resumed sales promotion activities and launched new products in an effort to raise demand. We also implemented price and content revisions in stages across all categories in response to rising costs.

In the overseas business, we focused on expansion in key regions including North America, and Greater China. In North America, under the holding company structure, we strengthened collaboration in sales, marketing and development, and improved management efficiency. In Greater China, we worked to raise Calbee brand awareness by strengthening promotional activities, and made progress in establishing a production base in China and neighboring countries to enhance our product lineup. We conducted price and content revisions in North America, the United Kingdom and elsewhere while assessing market characteristics and competitive conditions, and improved earnings while absorbing cost increases.

With regard to promotion of sustainable management, we promoted activities aimed at reducing total greenhouse gas emissions such as the effective use of renewable energy and smart energy network businesses at production facilities and participating in the Model Project for Supporting Achievement of the Decarbonization targets of the Entire Supply Chains, which is supported by Japan's Ministry of the Environment. In initiatives related to sustainable procurement, we have begun supplier assessments to encourage engagement with our suppliers. At the same time, following the completion of the switch to RSPO certified palm oil (mass balance method) at all Calbee Group domestic plants, in September 2022 we launched products with the RSPO Certification Mark. We also strengthened specific initiatives for BCP, with two domestic plants acquiring resilience certification. Finally, in light of changes in the external environment, we are reviewing our materiality and adding important topics such as human rights and biodiversity issues.

Consolidated net sales for the fiscal year under review were ¥279,315 million (up 13.8%). In the domestic business, sales rose due to strong demand for snack foods, even after price and content revisions, and a rebound in demand for gift snack items stemming from the relaxation of behavioral and immigration restrictions, despite the impact of restrained sales promotions due to a potato shortage in the first half of the fiscal year. Sales in the overseas business increased due to expanded sales of snack foods in North America, Greater China, the United Kingdom, Indonesia and other countries.

Operating profit was ¥22,233 million (down 11.5%) due to the sharp rise in raw material prices and energy costs, despite price and content revisions offsetting the negative impact of rising costs in the second half of the fiscal year. Operating margin was 8.0% (down 2.3 percentage points). Profit attributable to owners of parent was ¥14,772 million (down 18.2%).

Results by business are as follows.

*Millions of yen, rounded down*

	FY ended March 31, 2022	FY ended March 31, 2023	
	Amount	Amount	Growth (%)
Domestic production and sale of snack and other foods business	188,048	207,116	+ 10.1
Domestic snack foods	176,888	194,031	+ 9.7
Domestic cereals	24,696	24,210	(2.0)
Domestic, others	12,018	13,729	+ 14.2
Deduction of rebates, etc.	(25,553)	(24,854)	—
Overseas production and sale of snack and other foods business	57,370	72,198	+ 25.8
Total, production and sale of snack and other foods business	245,419	279,315	+ 13.8

\* 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, 2022	FY ended March 31, 2023	
	Amount	Amount	Growth (%)
<i>Potato Chips</i>	83,434	90,932	+ 9.0
<i>Jagarico</i>	34,871	39,990	+ 14.7
Snack food products with new value / other snacks	58,582	63,108	+ 7.7
Total, domestic snack foods	176,888	194,031	+ 9.7

\* 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 “Snack food 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* increased on price and content revisions as well as higher sales volume as the autumn Hokkaido potato harvest was in-line with the plan. *Kataage Potato*, which was renewed and promoted on the 30th anniversary of its launch, and the expansion of imported products in response to the potato shortage in the first half of the year, also contributed.
- Sales of *Jagarico* increased due to growth in sales at convenience stores against the backdrop of rising demand related to outings, as well as the success of TV commercials and package renewals.
- Sales of snack food products with new value / other snacks increased on strong sales of corn-based snacks and gift snack items. Sales of corn-based snacks rose as they were the focus of sales during the potato shortage and higher demand due to relative affordability. Sales of gift snack items such as *Jaga-Pokkuru* were also strong, reflecting a rebound in domestic travel demand and the resumption of foreign tourism.

• Domestic cereals:  
Sales of domestic cereals were ¥24,210 million (down 2.0%) due to lower sales of core products, despite increased sales around the launch of *Baked Oats*.

- Domestic, others:

Sales in other domestic businesses were ¥13,729 million (up 14.2%) 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*

	FY ended March 31, 2022	FY ended March 31, 2023		
	Amount	Amount	Growth (%)	Growth on local currency basis (%)
North America	16,156	22,228	+ 37.6	+ 15.0
Greater China	19,590	23,405	+ 19.5	+ 6.0
Other regions	28,692	36,227	+ 26.3	+ 15.1
Deduction of rebates, etc.	(7,069)	(9,662)	—	—
Total, overseas production and sale of snack and other foods business	57,370	72,198	+ 25.8	+ 11.3

\* 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 mainstay bean-based snack *Harvest Snaps* grew on the effect of price revisions, package renewals and expansion of the product lineup. Sales of products originating in Japan, such as *Kappa-Ebisen*, increased due to firm demand in ethnic foods areas and expansion of sales channels.

- In Greater China, sales increased due to a strengthened product lineup and expansion of sales channels, despite delays in product launch schedules and development in retail channels caused by the zero-COVID policy lockdowns. In snack foods, sales of *Honey Butter Chip* and products for the babies and kids segment, which was launched in the fiscal year under review, contributed. In cereals, the launch of muesli, sales growth of *Frugra Less Carbohydrates* and entry into new e-commerce channels contributed to sales growth.

- In Other regions, sales increased due to growth in the UK and Indonesia and the consolidation of Greenday Global Co., Ltd. (which manufactures and sells snacks) in Thailand. In the UK, *Potato Chips* price revisions and sales growth of *Harvest Snaps* contributed. In Indonesia, all product categories, especially *Potato Chips* and flour-based snack *KrisBee*, etc., grew.

## (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, 2023 increased by ¥2,496 million to ¥239,095 million. This was mainly due to an increase in inventories and accounts receivable accompanying sales growth, as well as the purchase of property, plant and equipment. The main reason for the increase in property, plant and equipment was the construction of a new plant in Hiroshima.

Liabilities increased by ¥3,268 million to ¥56,408 million. This was mainly due to an increase in notes and accounts payable - trade accompanying sales growth.

Net assets decreased by ¥771 million to ¥182,686 million. This was mainly due to the purchase of treasury shares with the aim of further the distributing profits to shareholders and improving capital efficiency.

As a result, the shareholders' equity ratio was 72.8%, down 1.3 percentage points.



### (3) Overview of cash flow

Cash and cash equivalents as of March 31, 2023 were ¥30,292 million, a decrease of ¥19,378 million.

#### Cash flows from operating activities

Operating activities resulted in a net cash inflow of ¥19,310 million, a decrease of ¥3,016 million, mainly due to a decrease in profit before income taxes.

#### Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥20,329 million, an increase of ¥23,973 million, 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 ¥20,004 million, a decrease of ¥5,163 million, mainly due to the conversion of Potato Kaitsuka's long-term debt to an internal loan.

#### 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 the sum of cash flows from operating activities, cash on hand and borrowings.

#### Details of capital requirements

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 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, 2020	FY ended March 31, 2021	FY ended March 31, 2022	FY ended March 31, 2023
Capital investment	8,751	11,205	12,123	25,668
Growth investment	7,558	13,330	1,492	2,604
Shareholder returns	6,425	6,693	18,691	18,723
Total	22,735	31,229	32,307	46,996

##### · 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**

Based on the changes in the business environment, Calbee Group has formulated a vision for 2030 and our growth strategy (fiscal year ending March 31, 2024 to fiscal year ending March 31, 2026). Under the vision for 2030 “Next Calbee & Beyond,” the three-year period growth strategy is called “Change 2025” and is positioned as a period of structural reform to establish a foundation for the next stage of growth.

In the fiscal year ending March 31, 2024, although challenges in the business environment are expected to continue due to persistent high raw material prices and other costs, as well as weakening consumer confidence caused by inflation, the economy is expected to recover due to the normalization of social activities and recovery of inbound tourism.

In this environment, the domestic business will implement additional price and content revisions and expand sales of high added value products, such as gift snack items. Furthermore, we will strengthen profitability by enhancing our brand value through strengthening marketing and product development and formulating and implementing sales and operational plans that maximize efficiency. In overseas business, we will invest selectively and concentrate our resources in China and North America as key regions. We will aim to enhance recognition of our Japan products and brands while focusing on expanding our business by strengthening sales and marketing functions, developing new customers, and expanding our product lineup.

In addition, as the foundation that supports our business, we will strengthen investments both in human resources and in areas necessary to tackle social and environmental issues from a medium-to long-term perspective, and will transform ourselves into a company that can achieve sustainable profit growth.

As a result, consolidated net sales for the year ending March 31, 2024 are forecast to be ¥293,000 million (up 4.9%), operating profit to be ¥24,000 million (up 7.9%), and profit attributable to owners of parent to be ¥15,000 million (up 1.5%).

The main exchange rates used as basis for this forecast are 1USD=¥133, 1RMB=¥19.

#### **2. Basic policy for profit distribution and dividends for the fiscal years ended March 31, 2023 and March 31, 2024**

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 ending 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 ¥52 per share, for a consolidated dividend payout ratio of 45.2%. This will be discussed at the 74th Annual General Meeting of Shareholders to be held on June 21, 2023.

For the fiscal year ended March 31, 2024, we plan to pay an annual dividend of ¥54 per share with a consolidated dividend payout ratio of 45.0%.

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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	35,005	32,167
Notes receivable - trade	750	715
Accounts receivable	31,832	36,405
Securities	23,999	—
Inventories	18,001	23,352
Other	5,588	6,439
Allowance for doubtful accounts	(6)	(110)
Total current assets	<u>115,171</u>	<u>98,970</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	77,798	80,247
Accumulated depreciation	(43,777)	(45,673)
Buildings and structures, net	<u>34,020</u>	<u>34,574</u>
Machinery, equipment and vehicles	118,704	120,702
Accumulated depreciation	(84,880)	(88,944)
Machinery, equipment and vehicles, net	<u>33,824</u>	<u>31,758</u>
Land	11,977	16,330
Leased assets	733	849
Accumulated depreciation	(274)	(368)
Leased assets, net	<u>458</u>	<u>480</u>
Construction in progress	1,255	16,796
Other	5,992	6,392
Accumulated depreciation	(4,550)	(4,798)
Other, net	<u>1,442</u>	<u>1,593</u>
Total property, plant and equipment	<u>82,979</u>	<u>101,533</u>
Intangible assets		
Goodwill	23,550	23,222
Other	2,529	2,709
Total intangible assets	<u>26,079</u>	<u>25,932</u>
Investments and other assets		
Investment securities	2,408	2,597
Long-term loans receivable	100	100
Deferred tax assets	5,178	4,955
Retirement benefit asset	2,895	3,434
Other	1,785	1,572
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	<u>12,368</u>	<u>12,658</u>
Total non-current assets	<u>121,427</u>	<u>140,124</u>
Total assets	<u>236,598</u>	<u>239,095</u>

As of March 31, 2022 As of March 31, 2023

Liabilities		
Current liabilities		
Notes and accounts payable – trade	11,849	13,553
Short-term borrowings	1,447	1,290
Lease obligations	160	156
Accounts payable – other	8,229	8,441
Income taxes payable	4,242	3,702
Provision for bonuses	4,625	5,398
Provision for bonuses for directors (and other officers)	93	99
Provision for share-based remuneration	45	37
Other	11,565	12,983
Total current liabilities	42,259	45,663
Non-current liabilities		
Lease obligations	375	403
Deferred tax liabilities	906	1,287
Provision for retirement benefits for directors (and other officers)	334	323
Provision for share-based remuneration for directors (and other officers)	323	297
Retirement benefit liability	8,049	7,523
Asset retirement obligations	749	748
Other	142	163
Total non-current liabilities	10,881	10,745
Total liabilities	53,140	56,408
Net assets		
Shareholders' equity		
Share capital	12,046	12,046
Capital surplus	3,232	3,242
Retained earnings	170,284	178,329
Treasury shares	(12,959)	(24,886)
Total shareholders' equity	172,604	168,730
Accumulated other comprehensive income		
Valuation difference on available-for-sales securities	436	488
Foreign currency translation adjustment	3,232	5,225
Remeasurements of defined benefit plans	(893)	(332)
Total accumulated other comprehensive income	2,775	5,381
Non-controlling interests	8,078	8,574
Total net assets	183,458	182,686
Total liabilities and net assets	236,598	239,095

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

	<i>Millions of yen, rounded down</i>	
	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Net sales	245,419	279,315
Cost of sales	161,465	189,115
Gross profit	83,954	90,200
Selling, general and administrative expenses	58,818	67,967
Operating profit	25,135	22,233
Non-operating income		
Interest income	84	140
Dividend income	39	39
Share of profit of entities accounted for using equity method	19	25
Foreign exchange gains	1,712	1,125
Other	242	263
Total non-operating income	2,098	1,594
Non-operating expenses		
Interest expenses	99	162
Share of loss of entities accounted for using equity method	—	1
Depreciation	99	112
Expenses for acquisition of treasury stock	35	10
Other	61	80
Total non-operating expenses	295	366
Ordinary profit	26,938	23,460
Extraordinary income		
Gain on sale of non-current assets	6	14
Gain on forgiveness of debts	394	—
Gain on sales of investment securities	69	54
Subsidies income	67	109
Subsidy income related to COVID-19	—	85
Reversal of provision for retirement benefits	—	68
Other	5	2
Total extraordinary income	542	336
Extraordinary losses		
Loss on sale of non-current assets	23	35
Loss on retirement of non-current assets	407	491
Impairment loss	—	610
Loss on cancellation of outsourcing agreement	180	18
Loss on valuation of investment securities	76	—
Other	46	—
Total extraordinary losses	733	1,155
Profit before income taxes	26,748	22,641
Income taxes – current	8,024	7,451
Income taxes – deferred	445	216
Total income taxes	8,470	7,667
Profit	18,277	14,973
Profit attributable to non-controlling interests	224	201
Profit attributable to owners of parent	18,053	14,772

## Consolidated statements of comprehensive income

*Millions of yen, rounded down*

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Profit	18,277	14,973
Other comprehensive income		
Valuation difference on available-for-sale securities	136	52
Foreign currency translation adjustment	3,251	2,366
Remeasurements of defined benefit plans, net of tax	(71)	560
Total other comprehensive income	3,316	2,980
Comprehensive income	21,594	17,953
Comprehensive income attributable to:		
Owners of parent	20,788	17,378
Non-controlling interests	805	575

**(3) Consolidated statements of changes in shareholders' equity**

April 1, 2021 to March 31, 2022

*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	4,777	159,551	(1,045)	175,329
Cumulative effects of changes in accounting policies			(623)		(623)
Restated balance at the beginning of the year reflecting changes in accounting policies	12,046	4,777	158,928	(1,045)	174,706
Changes of items during period					
Dividends of surplus			(6,696)		(6,696)
Profit attributable to owners of parent			18,053		18,053
Purchase of treasury shares				(12,000)	(12,000)
Disposal of treasury shares				86	86
Purchase of shares of consolidated subsidiaries		(1,545)			(1,545)
Net change of items other than shareholders' equity					
Total changes of items during period	—	(1,545)	11,356	(11,913)	(2,101)
Balance at end of current period	12,046	3,232	170,284	(12,959)	172,604

	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	300	562	(822)	39	7,371	182,740
Cumulative effect of changes in accounting policies						(623)
Balance at the beginning of the year reflecting changes in accounting policies	300	562	(822)	39	7,371	182,117
Changes of items during period						
Dividends of surplus						(6,696)
Profit attributable to owners of parent						18,053
Purchase of treasury shares						(12,000)
Disposal of treasury shares						86
Purchase of shares of consolidated subsidiaries						(1,545)
Net change of items other than shareholders' equity	136	2,670	(71)	2,735	707	3,442
Total changes of items during period	136	2,670	(71)	2,735	707	1,341
Balance at end of current period	436	3,232	(893)	2,775	8,078	183,458

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
Cumulative effects of changes in accounting policies					—
Restated balance at the beginning of the year reflecting changes in accounting policies	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
Cumulative effects of changes in accounting policies						—
Restated balance at the beginning of the year reflecting changes in accounting policies	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



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

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Cash flows from operating activities		
Profit before income taxes	26,748	22,641
Depreciation	9,189	10,047
Impairment Loss	—	610
Amortization of goodwill	1,819	1,979
Increase (decrease) in allowance for doubtful accounts	1	86
Increase (decrease) in provision for bonuses	(298)	763
Increase (decrease) in provision for bonuses for directors (and other officers)	(26)	6
Increase (decrease) in provision for share awards	44	40
Increase (decrease) in provision for share awards for directors	58	(3)
Increase (decrease) in retirement benefit liability	(27)	(20)
Decrease (increase) in retirement benefit asset	(229)	(256)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(23)	(11)
Interest and dividend income	(123)	(179)
Interest expenses	99	162
Foreign exchange losses (gains)	(2,013)	(1,341)
Subsidies income	(67)	(58)
Share of loss (profit) of entities accounted for using equity method	(19)	(23)
Loss (gain) on sale of investment securities	(60)	(54)
Loss (gain) on valuation of investment securities	76	—
Loss (gain) on sale of non-current assets	17	21
Loss on retirement of non-current assets	407	491
Decrease (increase) in trade receivables	(1,221)	(3,987)
Decrease (increase) in inventories	(2,780)	(4,915)
Increase (decrease) in trade payables	1,002	1,213
Increase (decrease) in accounts payable - other	(114)	(353)
Other, net	(1,209)	616
Subtotal	31,248	27,473
Interest and dividend received	120	189
Interest paid	(106)	(169)
Income taxes paid	(8,934)	(8,182)
Net cash provided by (used in) operating activities	22,327	19,310

*Millions of yen, rounded down*

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,491)	(25,750)
Proceeds from sale of property, plant and equipment	15	12
Purchase of intangible assets	(1,024)	(966)
Purchase of securities	(26,998)	(13,998)
Proceeds from redemption of securities	43,900	23,000
Purchase of investment securities	(435)	(209)
Proceeds from sale of investment securities	218	248
Loan advances	(100)	—
Collection of loans receivable	180	78
Payments into time deposits	(925)	(5,243)
Proceeds from withdrawal of time deposits	922	3,713
Payments for guarantee deposits	(54)	(86)
Proceeds from refund of guarantee deposits	382	71
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,555)
Proceeds from subsidy income	52	58
Other, net	2	296
Net cash provided by (used in) investing activities	3,643	(20,329)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,300)	(235)
Repayments of long-term borrowings	(3,465)	(535)
Purchase of treasury shares	(12,000)	(11,999)
Proceeds from share issuance to non-controlling shareholders	461	445
Dividends paid	(6,692)	(6,723)
Dividends paid to non-controlling interests	(222)	(754)
Repayments of lease obligations	(67)	(201)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,882)	(0)
Net cash provided by (used in) financing activities	(25,168)	(20,004)
Effect of exchange rate change on cash and cash equivalents	1,585	1,645
Net increase (decrease) in cash and cash equivalents	2,388	(19,378)
Cash and cash equivalents at beginning of period	47,282	49,670
Cash and cash equivalents at end of period	49,670	30,292

**(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, 2022	FY ended March 31, 2023
Net assets per share (¥)	1,358.25	1,393.74
Earnings per share (¥)	136.25	115.16

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, 2022	FY ended March 31, 2023
Total net assets on consolidated balance sheet (¥ million)	183,458	182,686
Amount attributable to common stock (¥ million)	175,379	174,112
Main differences (¥ million)		
Non-controlling interests	8,078	8,574
Number of shares of common stock outstanding (shares)	133,929,800	133,929,800
Number of shares of common stock as treasury stock (shares)	4,808,426	9,005,241
Number of common shares used for calculating net assets per share (shares)	129,121,374	124,924,559

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

	FY ended March 31, 2022	FY ended March 31, 2023
Profit attributable to owners of parent (consolidated) (¥ million)	18,053	14,772
Profit attributable to owners of parent attributable to common stock (¥ million)	18,053	14,772
Amount not belonging to common shareholders (¥ million)	—	—
Average number of shares during the period (shares)	132,502,953	128,274,133

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, 271,442 treasury shares, and during the current consolidated fiscal year 253,153 treasury shares, were excluded from the average number of shares during the period used for calculating earnings per share and 263,265 treasury shares at the end of the previous fiscal year and 242,865 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.