



Calbee

Calbee Group Integrated Report 2024

Contents

Enhancing Corporate Value



Editorial Policy

At the Calbee Group, we aim to enhance our corporate value by strengthening the driving force behind our value creation, developed through our corporate activities, while promoting continuous business growth and sustainability management. In line with this approach, our Integrated Report for FY 2024 highlights the strengths developed through our value chain, as well as our growth strategies, financial strategies, and efforts to promote sustainability and strengthen our management foundation. Through this report, we hope all our stakeholders will gain a better understanding of the Calbee Group's initiatives to enhance corporate value.

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Period covered	April 1, 2023, to March 31, 2024 (Information from outside this period is presented where appropriate.)
Organizational scope	Calbee Group, comprising Calbee, Inc., and its consolidated subsidiaries
Issue date	October 2024

Guidelines used for reference

Ministry of Economy, Trade and Industry (METI):
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation

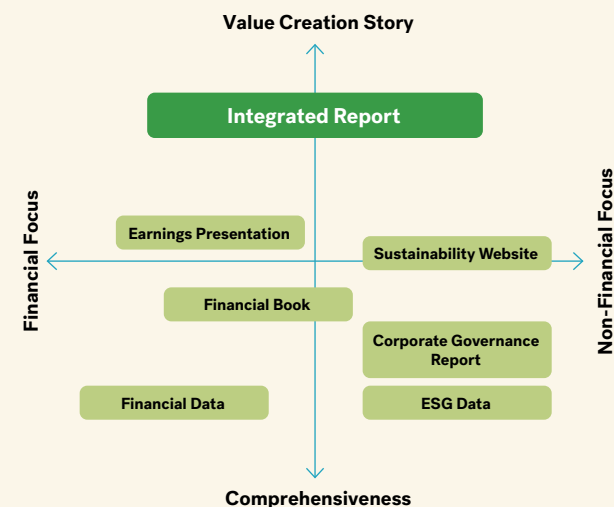
International Integrated Reporting Council (IIRC):
International Integrated Reporting Framework

Concerning descriptions regarding forward-looking statements

In addition to facts about the Calbee Group, this report includes forward-looking statements based on information available to Calbee, Inc., at the time they were written. Various factors could cause actual results to differ materially from expectations.

Information Disclosure System

This report focuses on the most important financial and non-financial information from the perspective of Calbee Group's value creation. For more comprehensive information, please refer to our other disclosure materials.





Founding Spirit

To be a company that gathers knowledge in order to create products that are healthy, safe, and affordable, and that utilize unused food resources



Founder Takashi Matsuo (right)

During World War II, when food supplies were extremely scarce, Calbee's founder Takashi Matsuo began making and selling dumplings by extracting germ from rice bran, which was usually discarded as waste at the time, and blending it with sweet potatoes or wild plants. His desire to utilize unused resources to create food products that contribute to healthy lives remains in Calbee's DNA to this day.

Corporate Philosophy

We are committed to harnessing nature's gifts, to bringing taste and fun, and to contributing to healthy life styles.



History of Value Creation

Consolidated
net sales
¥303.0
billion
FY2024/3

Continuous Business Growth

Founding

Cornerstone for Growth Grounded in Our Founder's Ideals

Since our founding, we have consistently developed products based on the idea of effectively using unused food resources. This idea gave birth to our long-term best-selling brand, *Kappa Ebisen*.

Growth

Establishing a Potato Business in Harmony with the Land and Producers

Our entry into the potato chip business in 1975 marked the establishment of Calbee's potato business, which has since generated many long-term, best-selling products tailored to contemporary trends and consumer needs. Through this process, we have worked closely with producers to build a unique value chain, from potato development and planting to the delivery of products to customers.

Reform

Daring to Enter New Fields

We have expanded our business by incorporating new ingredients, including our cereal business to meet health and time-saving needs, our protein-focused bean-based snacks, and the launch of our sweet potato business. Additionally, we are growing our business overseas by leveraging the strengths we have cultivated in Japan to achieve continuous growth.

1955

Kappa Arare

Developed Japan's first wheat arare (Japanese cracker) using unused food resources



1964

Kappa Ebisen

Developed a nutritious snack made from fresh whole shrimp



1975

Potato Chips

Entered the potato chip business, inspired by the boom in the U.S. market



1995

Jagarico

Developed a handy, portable snack-in-a-cup



2003

Jaga Pokkuru

Created new points of contact with customers in Hokkaido's souvenir markets


2011
Frugra

Developed a new style of a quick and healthy breakfast
(Released in 1991 as *Fruits Granola*, later renamed *Frugra*)



2013

Harvest Snaps

Developed a healthy snack that allows primarily North American consumers to enjoy the authentic taste of beans


2017
miino

Developed a protein-rich snack using whole beans



Founding 1949-1974

1973

- First in the domestic confectionery industry to display date of manufacture on packaging

Growth 1975-2009

1983

- First in the domestic confectionery industry to adopt aluminum vapor deposition film to improve quality

1996

- Added date of manufacture and expiration date on the front of the packaging
- Began filling packaging with nitrogen gas to prevent oil oxidation and maintain a freshly cooked taste

Reform 2010-

2017

- Registered *Poroshiri* as the Group's new proprietary potato variety to facilitate stable potato procurement

2020

- Endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and joined the TCFD Consortium

2022

- Identified materiality and strengthened sustainability management promotion
- Completed switch to certified palm oil at all factories in Japan
- Began displaying the RSPO Label* on mainstay products

* RSPO Label: A logo only granted to products that have obtained Roundtable on Sustainable Palm Oil (RSPO) supply chain certification for use in accordance with specified rules. It is used to indicate products that contribute to sustainable palm oil production.

Promoting
Sustainability
Management



Driving Force Behind Value Creation

➡ P.14

For details, please see the Special Feature: Three Key Strengths of the Calbee Group.

The Calbee Group has created a unique value chain that starts from the development of natural ingredients as raw materials and consistently delivers high-quality products. Going forward, we will continue to leverage our three strengths, which serve as the driving force behind value creation, to identify social issues and environmental changes and contribute to healthy lifestyles.



Expertise

**in potatoes and
other ingredients**

We have supported contract growers for more than 40 years, mainly through experts in potato cultivation known as “fieldmen.” By developing and planting proprietary potato varieties more resistant to climate change and pests, introducing cutting-edge technologies to support cultivation, and creating a system to manage the largest storage facility in Japan, we are making efforts to ensure stable raw material procurement and sustainable agriculture. We aim to expand our natural materials platform by applying expertise cultivated in the potato business to the sweet potato business.



Processing technology

**that utilizes natural
ingredients**

As the sugar content and flavor of potatoes differ depending on the variety, as well as the region where they are grown and the season in which they are processed, we make the most of the quality of each ingredient by selecting and processing the appropriate varieties for each product. To provide new value that meets diverse needs, we are developing a wide range of products with different textures and shapes, even when made using the same variety of potato, by modifying cutting techniques, frying temperatures, cooking times, and other processing methods.



Product planning and development capabilities

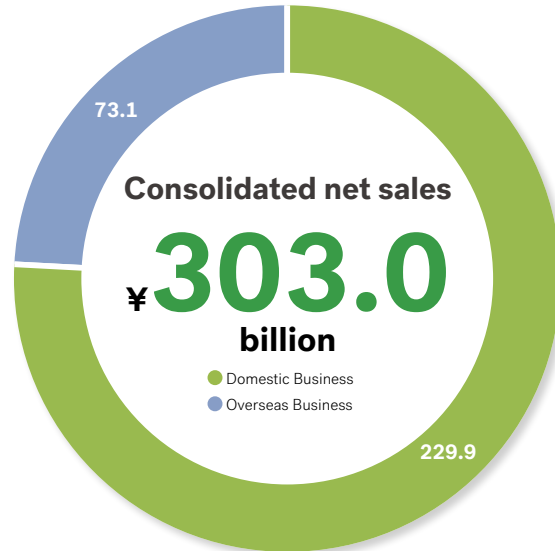
**aligned with changing times and
diverse needs**

We have created new value through products that address social trends and customer needs, such as *Kappa Ebisen*, made with whole raw shrimp, and *Jagarico* snack-in-a-cup. We are also adding value in response to evolving consumer awareness, such as by displaying the RSPO label on our mainstay products. This demonstrates our commitment to procuring raw materials that respect the environment and human rights.



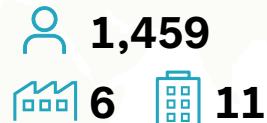
The Calbee Group Today (FY2024/3)

At the Calbee Group, we have created many long-selling brands in the snack food and cereal business, and we are further developing our business in Japan and overseas. We are working to create new value through the establishment of a sustainable value chain based on solid relationships with producers.

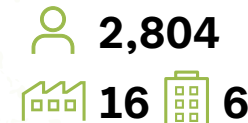


Global operations in **10** countries and regions (including Japan)

Asia/Oceania



Japan



Europe/Americas



Number of employees
 Number of production sites
 Number of consolidated subsidiaries

Domestic market share **No.1** ^{*1}

Snack foods

51.7%



Cereals

36.1%



Number of brands with sales of ¥10 billion or more

6



Number of contract potato farms

Approx. **1,700**

Number of products with RSPO labeling

30 products ^{*2}

*2 Combined total for Calbee, Inc., and Japan Frito-Lay Ltd.

Domestic procurement volume of potatoes

Approx. **379,000** tons

(Domestic potato production volume Equivalent to approximately 19%)



*1 Source: INTAGE Inc., SRI+ based on cumulative sales value nationwide, all retail formats, for the fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024). Snack food market share: Total for Calbee, Inc., and Japan Frito-Lay Ltd.



The Calbee Group's Ideal Positioning

The Calbee Group's mission is to create social value through our corporate activities, achieve continuous business growth, and contribute to building a sustainable society. Guided by our enduring corporate philosophy, we aim to address medium- and long-term social issues, seize business opportunities, and implement reforms focused on our next stage of growth. Our goal is to achieve our 2030 vision and continue growing with our stakeholders as we approach our 100-year milestone and beyond.

FY2024/3-FY2026/3

Structural transformation

Change 2025

Transform Our Business Structure for the Next Stage of Growth

Growth Guidance (FY2024/3-FY2026/3)

- ▶ Organic sales growth ratio **+4%-6%**
- ▶ Consolidated operating profit growth **+6%-8%**
- ▶ ROE **10%+**

[⇒ P.19](#)

Return to growth

Move to the next stage of growth through business portfolio transformation

Toward 2030

Establish our pivotal growth drivers in overseas markets and new food domains

Overseas Business
New Business Areas

[⇒ P.24](#)

[⇒ P.27](#)

2050

Become a company that continues to grow beyond 100 years since its founding

Promoting Sustainability Management [⇒ P.33](#)

Makoto Ehara

President & CEO

SECTION

01 CEO's Message

Enhancing corporate value through continuous business growth and sustainability management



Reviewing the first year of our growth strategy: *Change 2025*

In the 18 months since I became president and CEO, I believe FY2024/3 was crucial—it was the first year of *Change 2025*, our strategy to return the Calbee Group to a growth path. I am pleased to share that in terms of business performance, we significantly exceeded our three-year growth guidance, which I consider a positive step forward.

Change 2025 is a three-year plan designed to lay the foundation for Calbee's future growth. It clarifies what we need to do to achieve this growth, where to focus our resources, and how to reform our business portfolio. In addition to expanding our global business, it sets the groundwork for our next core growth pillars: the Agri-business, which leverages the strengths of our value chain, and the Food and Health business, a new and emerging area.

To enable these growth pillars, however, we must first enhance the profitability of our domestic core business. We have unified our production and sales organizations, which previously operated as separate functions, into a region-based system, providing clearer direction for the business. Additionally, we have been developing a new Sales & Operations Planning (S&OP) system to optimize asset and resource allocation, reduce waste and inconsistencies, enhance product development efficiency, and ensure customers receive products when they want them. The new S&OP system visualizes and shares information across the value chain, accelerating decision making

CEO's Message

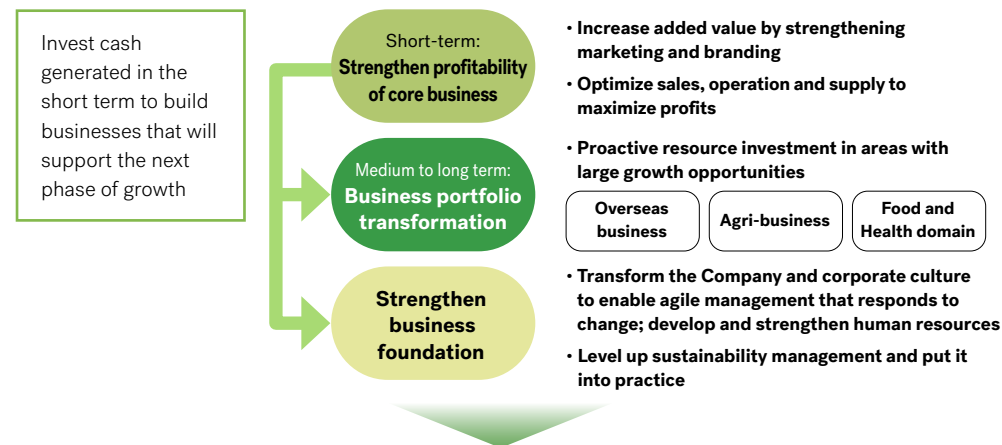
and optimizing our unique “10 Processes” value chain. This, in turn, enables us to maximize profitability across the entire value chain—from procurement to production and shipment to customers. We are already seeing positive results, including in optimizing our high number of SKUs*, one of our key challenges.

Maximizing our brand value in Japan is also crucial. While we are proud of the strong support the Calbee brand receives from our customers in Japan, we believe we can still do more to promote its true value. We are increasing awareness of our commitment to quality ingredients and manufacturing methods, helping our customers to fully appreciate the value of our products.

* Stock Keeping Unit: The smallest unit of measure in which stock and orders are managed.

As for our overseas business, we not only expanded sales but achieved profits in all our business regions, reinforcing our belief in the strong growth potential of this business segment. However, challenges remain in our priority regions of North America and China. In North America, our OEM business is sluggish, and in China, business is at a standstill due to customs regulations. Despite these challenges, the size and growth potential of the North American market and our brand strength in Asia indicate considerable medium- to long-term growth potential in both regions. We believe that there is a significant opportunity to promote Calbee's manufacturing capabilities as a brand originating from Japan and to increase customer recognition globally.

During the year, we further embraced the challenge of developing new business models in emerging areas. In the Food and Health business, we aim to build a comprehensive food solutions platform, and in April 2023 we began by offering *Body Granola*, a personalized service that provides granola tailored to individual intestinal flora. In the Agri-business, we are expanding our sweet potato business, and we will continue to add value by leveraging synergies with our potato business and other areas of the Calbee Group. As we go forward, we will continue to promptly and strategically allocate our resources to grow these future business pillars.



Reflecting on the First Year of Change 2025

Priority themes	Progress	Issues
Strengthen profitability of core business (P.21)	<ul style="list-style-type: none"> • Established foundation for visualizing profit by SKU • Built foundation for optimizing value chain through DX 	<ul style="list-style-type: none"> • Room to raise Calbee brand value • Further promote DX strategy (S&OP)
Business portfolio transformation (P.24) Overseas Business (P.27) New Business Areas	<ul style="list-style-type: none"> • Achieved record profit (yen basis) in the overseas business by shifting strategies in response to changes in the business environment • Expanded the sweet potato business, launched <i>Body Granola</i>, and other new initiatives 	<ul style="list-style-type: none"> • Sustainable sales growth in the overseas business • Revise financial strategy in support of portfolio transformation
Strengthen business foundation (P.41)	<ul style="list-style-type: none"> • Clarified responsibilities and improved flexibility of implementation by introducing regional business structure • Prepared the foundation for changing awareness through Kurumaza (roundtable) Meetings 	<ul style="list-style-type: none"> • Strengthened collaboration across organizations • Ensured sufficient number of core employees, cultivated human resources (managers, global human resources, and digitally literate human resources) • Engaged in ongoing initiatives to encourage employees to make transformation and the taking on of challenges a personal matter



Challenges toward our 2030 goals

Currently, our domestic business accounts for three-quarters of total Group sales and an even-larger share of operating profit. However, we believe it will be challenging to

CEO's Message

further expand sales in the domestic market due to Japan's declining birthrate and aging population.

In contrast, we see significant potential for growth outside of Japan. In North America, for example, our flagship *Harvest Snaps* brand is well-recognized in the health-conscious "Better For You" snacks category. It is currently driving growth, with operating profit margins exceeding double digits. We will continue to leverage this brand to expand our product lineup, and by improving the efficiency of existing facilities,

we aim to increase both sales and profits in this region.

We also aim to expand our sales in Asia and Oceania, where we have already established a certain level of brand recognition. In China, we will promote local manufacturing on an OEM basis because we believe it is crucial to provide products that meet local needs at competitive price points. In Thailand, we will maintain a diverse range of cost-competitive production

lines, and we intend to use these as a global production hub to increase earnings from overseas operations as a whole. In Indonesia, a market with significant growth potential, we will expand our business by reinforcing our production lines and making other strategic investments.

As a result, over the medium to long term, we aim to grow our overseas business to account for approximately 40% of total Group sales and approximately 30% of Group operating profit.

In our strategic road map, we have positioned the fiscal year ended March 2027 and beyond as the period for renewed growth. We are promptly executing reforms after the fiscal year ended March 2025 and will fine-tune our efforts in the fiscal year ended March 2026 to set the stage for renewed growth.



As we expand our business, it is essential that we address climate change, biodiversity, human rights, and other pressing global issues. For example, a high proportion of our business depends on natural raw materials such as potato crops, which have been seriously impacted by climate change in recent years. Agricultural production is vulnerable to changes in temperature, and potato crops are no exception. The sustainability of the agricultural industry is also a concern as the average age of farmers continues to increase. At the Calbee Group, we are working together with stakeholders to address these issues from a variety of angles. As well as developing new varieties of potato, such as *Poroshiri*, which are more resistant to pests and environmental changes, we are focusing on supporting farmers. One such example is the development of a contractor business that undertakes part of the cultivation and harvesting work on behalf of farmers.

We are keenly aware of changing consumer sentiment, with more people seeking out products that take human rights and the preservation of natural resources into consideration. We have introduced environmentally and human rights-conscious certified palm oil to all Calbee Group plants in Japan—achieving our 2030 target of using 100% certified palm oil ahead of schedule. The packaging of some core products now displays the RSPO label. We believe that a major challenge for the Group is to continue to address these issues promptly while advancing both business growth and sustainability management.



Building capabilities and fostering innovation through diversity

We believe that our people are key to enhancing the value of our domestic core business and creating new value in our global and emerging business. We also believe that leveraging diversity will drive innovation within the Company. While it is becoming increasingly difficult to create "blockbuster" new products in any industry as consumer tastes diversify, we can draw on the Calbee Group's long history of innovation.

CEO's Message

I believe that management should not only take the lead in driving innovation but also strongly support ideas that emerge from within the Company. Our past experiences show that even when good ideas emerged, few people stepped up when it was time to act on them, and, as a result, these ideas never came to fruition.

In the previous fiscal year, we launched the Innovation & Beyond Award to help address this issue. We received entries from colleagues both in Japan and overseas, many of which had real commercial potential. This experience reinforced my belief in the latent value that we have within our organization and strengthened our commitment to providing the support needed to bring more great ideas and businesses to market.

As I mentioned earlier, the diversity of our people is key to innovation. We have long been committed to gender equity and have set a goal of increasing the ratio of women in management positions to more than 30% of our total workforce. However, we believe that the true catalyst for innovation is diversity in all its forms—including gender, nationality, and life experience. Our aim is to become a company where diverse talent can gather and grow together in friendly competition. For example, we introduced a side-job system that enables us to learn from people in different industries who, while maintaining their full-time jobs at their companies, join us on a part-time basis. We will continue to invest in our people and promote diversity throughout our organization.



Pursuing continuous growth for 100 years and beyond

Calbee was founded in 1949. I want the Group to continue to grow even after more than 100 years since its founding, building on the core values expressed in our corporate philosophy and Group Vision. The backbone of Calbee lies in our founding spirit: contributing to healthy lifestyles. However, continuous growth requires continuous change. In any organization, there are always some people who prefer to keep things the way they are, but we must never be satisfied with the status quo. One of my goals

is to create a culture that encourages every employee to embrace and reflect changes in society and the business environment.

After becoming president, one of my first initiatives to spread awareness of the need to change was to introduce Kurumaza (roundtable) Meetings, in which employees and management engage in direct dialogue. Although we are still in the midst of this process, I have already met many employees who have shown a strong willingness to adapt and grow. Ultimately, we aim to become a company where self-motivated people pursue change rather than wait for it to be imposed on them by others.

Although 100 years may seem like a long time, I still view it as a mere milestone. We intend to keep growing and evolving even after our first century, which means that sustainability management will be essential. As stated in our Vision, we are committed to sustainable growth for our four key stakeholder groups: customers and suppliers, employees and their families, communities, and shareholders. On behalf of the Board, I want to thank all our stakeholders for their ongoing support. We will do our best to understand and meet your expectations as we work together to transform the Calbee Group.

Group Vision

**We must earn respect,
admiration and love
firstly of our customers, suppliers
and distributors, secondly of our
employees and their families,
thirdly of the communities,
and finally of our stockholders.**

Makoto Ehara
President & CEO
October 2024

SECTION 02

Driving Force Behind Value Creation

We have established a unique value chain that spans from the development of natural raw materials to the delivery of finished products to our customers. This enables us to deliver great tasting, fun, and healthier offerings that harness the best of nature's gifts. Our value chain is the driving force behind our continuous business growth, the promotion of sustainability management, and the creation of new value.

Enhancing Corporate Value

SECTION 02 Driving Force Behind Value Creation

SECTION 03
Continuous Business Growth

SECTION 04
Promoting Sustainability Management

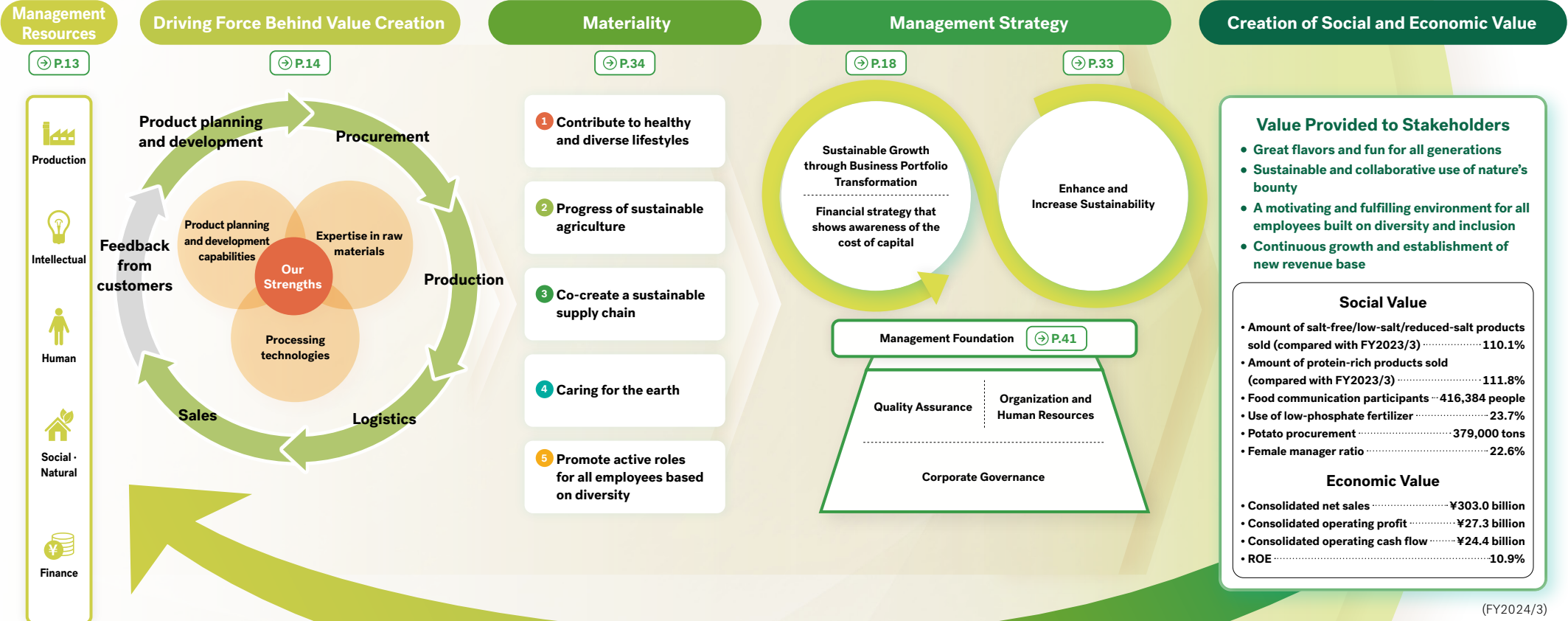
SECTION 05 Management Foundation



Value Creation Process

Corporate Philosophy

We are committed to harnessing nature's gifts, to bringing taste and fun, and to contributing to healthy life styles.



Value Creation Process

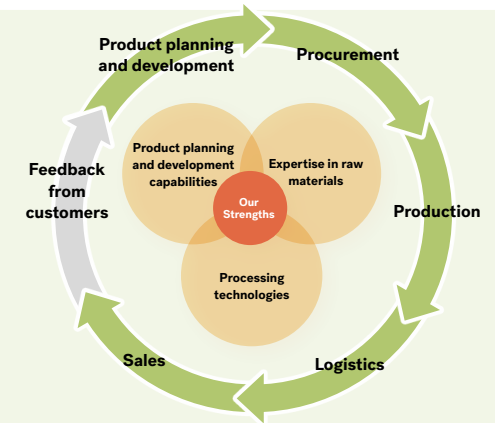
Management Resources and Value Provided

Capital Classification	Management Resources	Issues and Response Policy	Related Materiality
 Production	<ul style="list-style-type: none"> 16 production sites in domestic consumer areas Domestic manufacturing bases capable of processing imported potatoes 12 overseas production sites 	<p>Issues</p> <ul style="list-style-type: none"> Ensuring food safety and security Increasing supply capacity at domestic factories, support for automation and labor-saving measures <p>Response Policy</p> <ul style="list-style-type: none"> Increase added value through brand enhancements, promote the optimization of sales, operations, and supply chains Build foundation for next-generation factories, streamline existing facilities overseas 	<ul style="list-style-type: none"> 1 Contribute to healthy and diverse lifestyles 3 Co-create a sustainable supply chain
 Intellectual	<ul style="list-style-type: none"> Proprietary processing technology that takes advantage of natural ingredients Expertise related to raw materials Expertise in improving productivity Long-selling products loved by multiple generations 	<p>Issues</p> <ul style="list-style-type: none"> Provide new value in response to diversifying consumer awareness Expand processing technologies and product development capabilities overseas Acquire technologies and expertise in new fields <p>Response Policy</p> <ul style="list-style-type: none"> Deploy knowledge and experience nurtured in Japan globally Acquire new technologies and expertise through collaborations with external organizations and M&As 	<ul style="list-style-type: none"> 1 Contribute to healthy and diverse lifestyles
 Human	<ul style="list-style-type: none"> Employees in 10 countries and regions including Japan Human resource system that promotes active participation of all employees Flat and open corporate culture 	<p>Issues</p> <ul style="list-style-type: none"> Promotion of diversity and inclusion Support for workstyle diversity Organizational culture reforms, lack of employees who think outside the box and take the initiative, insufficient core human resources <p>Response Policy</p> <ul style="list-style-type: none"> Foster an organizational culture where everyone can take on challenges, support career autonomy, and develop core human resources Revise evaluation systems 	<ul style="list-style-type: none"> 5 Promote active roles for all employees based on diversity
 Social · Natural	<ul style="list-style-type: none"> Collaborative ties with production regions, producers, governments, and universities Development of potato and sweet potato varieties 	<p>Issues</p> <ul style="list-style-type: none"> Sustainable raw material production, responsible procurement that respects the environment and human rights Conservation of natural capital Achieve carbon neutrality, reduce the environmental impact of plastics, promote a recycling society <p>Response Policy</p> <ul style="list-style-type: none"> Promote raw material procurement that respects human rights and natural capital Support for contract growers during harvest time 	<ul style="list-style-type: none"> 2 Progress of sustainable agriculture 3 Co-create a sustainable supply chain 4 Care for the earth
 Finance	<ul style="list-style-type: none"> Stable cash flow from operating activities Growth investment of approx. ¥80 billion 	<p>Issues</p> <ul style="list-style-type: none"> Proactive investment and fundraising to execute growth strategies Improve asset efficiency and utilize financial leverage <p>Response Policy</p> <ul style="list-style-type: none"> Improve earnings quality and ensure a sound financial position Return profits to shareholders appropriately 	—

Special
Feature

Three Key Strengths of the Calbee Group

The Calbee Group has built a unique value chain that integrates everything from the development of potatoes and other natural ingredients to the commercialization of products. We leverage three key strengths developed through this process as the driving force behind our business activities in Japan and overseas. By utilizing our advanced technological capabilities and expertise in harnessing the power of nature, we will continue to enhance our value chain through co-creation both within and outside the Company.



Strength 1 Expertise in Potatoes



Kazuya Tasaki

President,
Calbee Potato, Inc.

Closely Cooperating with Contract Growers to Sustainably Procure Potatoes

In recent years, the impact of climate change on agricultural crops has become more significant, and the number of farmers in Japan is expected to continue shrinking due to the country's aging society and declining birthrate. At the same time, demand for potatoes for processing is increasing. We believe that the stable procurement of potatoes is crucial for the sustainable growth of the Calbee Group's business and will also lead to improved agricultural sustainability, which is one of our key materiality themes.

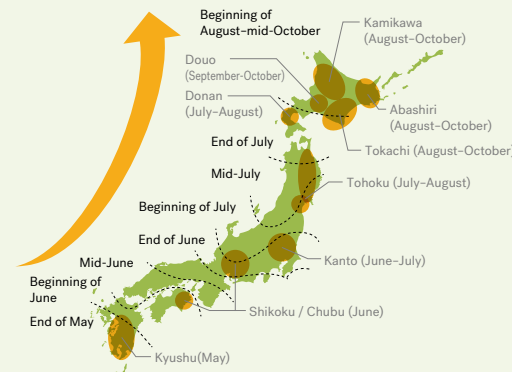
The Calbee Group procured 379,000 tons of domestically produced potatoes in FY2024/3 from contracted production areas across the country, from Kyushu to Hokkaido, which was the equivalent of approximately 19% of domestically produced potatoes.

In addition to our procurement system, we deploy "fieldmen" (experts in potato cultivation) throughout the country. To ensure we can sustainably procure potatoes, we believe it is important to address the various issues faced by contract growers and support the revitalization of domestic agriculture. Calbee fieldmen gather information on these issues and have built strong relationships with contract growers over the years. They work together to find solutions, contributing specialist perspectives to produce better potatoes. Their expertise serves as a unique and important foundation for potato procurement.

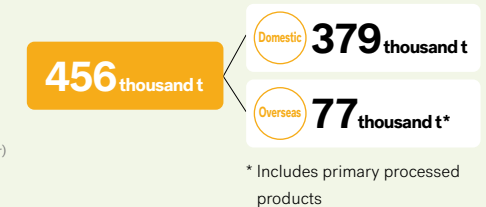
Beyond simply strengthening raw material procurement, we are also focusing on developing proprietary potato varieties that are resistant to climate change, pests, and diseases. The potato varieties for processing that Calbee has developed in-house have become popular and are now widely used by many contract growers due to their resistance to pests and diseases. We believe the development of these varieties is one measure that will help resolve issues faced by producers and pave the way for the future of agriculture.

At present, the environment surrounding agriculture is becoming increasingly severe, characterized by labor shortages and climate change. However, it is precisely this type of environment in which the Calbee Group can draw on the expertise it has cultivated until now. By maintaining close partnerships with contract growers, we will continue to procure high-quality potatoes and support the sustainable growth of the Calbee Group.

Major domestic potato-producing regions and harvest seasons



Amount of potatoes procured by the Calbee Group



Special
Feature

Three Key Strengths of the Calbee Group

Strength 1 Expertise in Potatoes

— Developing Varieties Resistant to Climate Change and Pests

The Calbee Group's Potato Research Institute develops new potato varieties that are more resistant to heat and disease and can be cultivated in different seasons to better adapt to climate change. Each year, we plant 25,000 seed potato varieties (strains) and cultivate them over approximately 15 years to develop new varieties. Due to the lengthy breeding process, only three of these new varieties have been commercialized so far. One such variety is *Poroshiri*, which was registered in 2017 and is unique to the Calbee Group. *Poroshiri* is now more widely used, especially in Hokkaido, and is expected to offer greater resistance to pests and diseases, as well as higher yields compared to conventional varieties.

Looking ahead, we will continue to collaborate with research institutions both in Japan and overseas, with the goal of registering four new potato varieties by 2030.



Cultivation experiment at the Potato Research Institute

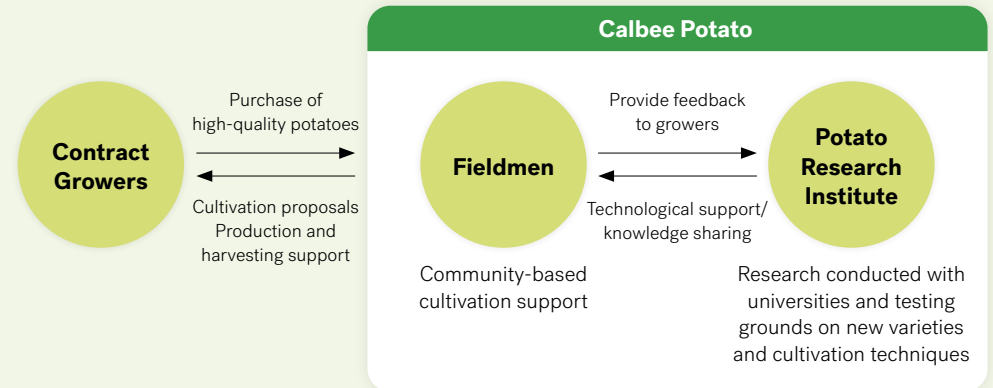

Poroshiri, a proprietary variety harvested in Hokkaido

— Fieldmen: Calbee's Potato Cultivation Experts

As potato cultivation is labor intensive, Calbee has dispatched 40 potato cultivation experts, known as "fieldmen," across Japan to support growers in their cultivation and harvesting efforts. These fieldmen visit contract growers daily, providing data-driven guidance on cultivation techniques and labor-saving agricultural methods. By improving quality and increasing yields per unit area, this initiative not only raises procurement volumes but also leads to higher income for contract growers, significantly contributing to the revitalization of domestic agriculture.



Mutually Beneficial Relationships with Contract Growers



Special
Feature

Three Key Strengths of the Calbee Group

Strength 1 Expertise in Potatoes

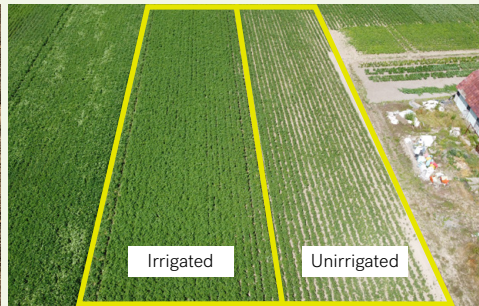
Promoting Digital Transformations in Agriculture

The Calbee Group promotes potato cultivation techniques grounded in scientific evidence, linking together information on contract growers, fields, cultivation practices, storage, and other factors with meteorological data. For example, to maintain optimal soil moisture levels, we have installed soil moisture meters in fields. We then provide recommended irrigation timings to contract growers via a smartphone app, resulting in increased potato yields. A demonstration experiment conducted in 2022 showed that yields were approximately 1.2 to 1.5 times higher than in unirrigated areas reliant solely on rainfall, confirming the effectiveness of this system. From 2024, we have been working on installing soil moisture meters in multiple regions across Hokkaido and will propose optimal cultivation methods based on the collected data.

Looking ahead, we intend to expand the use of this platform to crops other than potatoes, while continuing to promote scientific cultivation and labor-saving agricultural practices.



Soil moisture meter installed in a potato field



Comparison of irrigated and unirrigated land as optimized by a soil moisture meter

Expanding and Decentralizing Potato Production Areas to Ensure Stable Procurement

Due to the impact of climate change in recent years, damage from torrential rainstorms, typhoons, and droughts has increased year by year. For the Calbee Group, expanding and decentralizing production areas to ensure the stable procurement of potatoes is a critical issue. In Hokkaido, which supplies around 80% of the potatoes Calbee procures, we are working with the Hokuren Federation of Agricultural Cooperatives to supply seed potatoes and expand production to areas outside the main Tokachi region. Even in regions such as Tohoku and northern Kyushu, where potatoes were rarely cultivated in the past, efforts are being made to convert rice paddies to fields in order to expand potato production.

Furthermore, although the import of raw potatoes from overseas is generally prohibited by law, potatoes imported from the United States have been allowed since 2006. There are various conditions placed on the import of potatoes, such as the areas where they can be brought in and their intended use. Only Calbee's Kagoshima and Hiroshima factories meet these conditions, importing approximately 34,000 tons of raw potatoes per year.

Storage Technologies That Maintain High Quality throughout the Year

Although potatoes are only harvested once a year, Calbee has established storage technologies that enable us to maintain harvest quality and ensure stable supplies throughout the year. Calbee potatoes are stored in more than 40 storage facilities across Hokkaido. In addition, because the quality of potatoes varies depending on the field and they are constantly breathing, it is important to assess quality when they are delivered and manage them appropriately according to their quality. We determine the length of storage according to quality, and constantly monitor storage temperatures, humidity, carbon dioxide concentrations, and other conditions to manage freshness, creating a system that enables us to supply the highest-quality ingredients when they are needed.

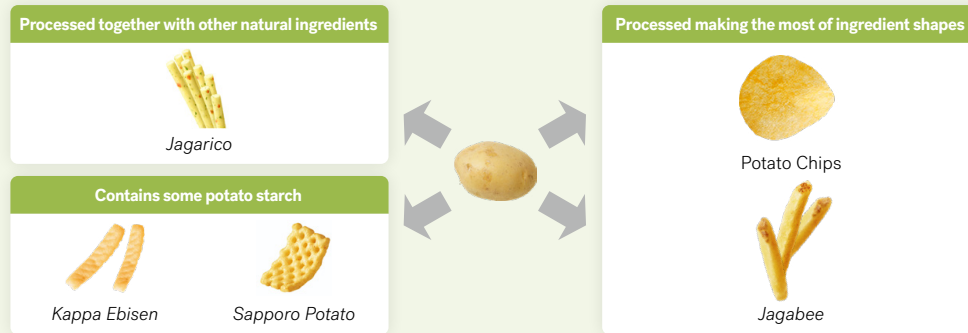


Special
Feature

Three Key Strengths of the Calbee Group

Strength 2 Processing technology that utilizes natural ingredients

The sugar content, umami, and other characteristics of potatoes differs based on their variety, place of origin, and season. To maximize the quality of each ingredient, we carefully select and process the most suitable potato variety for each product. To provide new value that meets diverse needs, we are developing products with a variety of textures and shapes, all made using the same potato ingredients, by modifying cutting techniques, frying temperatures, cooking times, and other processing methods.



Proprietary Production Method That Slices Potatoes Extremely Thin

Super Thin Potato Chips, rebranded and launched in 2024, offer an enjoyable, light texture achieved through Calbee's proprietary production method of slicing potatoes as thinly as possible. When thinly sliced potatoes are fried using conventional methods, they absorb a large amount of oil, resulting in oily potato chips. Accordingly, we developed Calbee's first original frying technology, using 100% sunflower oil, and after repeated attempts over a six-year period to achieve the thinnest slices possible, we finally created this product's unique shape and light texture.



Super Thin Potato Chips



Potato slices before frying
Left: *Super Thin Potato Chips*
Right: *Basic Potato Chips*
Super Thin Potato Chips are so thin that the letters on the packaging can be seen through the chips when the packaging is placed on a flat surface.

Strength 3 Product planning and development capabilities aligned with changing times and diverse needs

To gain a deeper understanding of customer needs, the Calbee Group maintains numerous points of contact with customers, including customer service centers, in-store activities at retailers, directly managed antenna shops, and official social media. We proactively engage with customers and utilize their feedback to improve product planning, development, and quality through our integrated value chain, from raw materials development to commercialization.

Leveraging Data to Approach Customers and Co-create

The Calbee "Lbee" Program app is an important digital touchpoint for our customers. Since its release in September 2020, it has been downloaded over 650,000 times as of April 2024. This app allows us to gather detailed purchasing data for each individual customer, including customer type and product purchase volumes. We leverage this data to enhance customer loyalty through communications tailored to each customer segment, which also informs future product development.

Beyond digital touchpoints, we facilitate face-to-face interactions through fan meetups, engaging domestic employees from our Marketing and Research and Development departments. Under the "Fan With! Project," we have organized fan meetups in 17 locations across Japan, welcoming over 600 customers who applied through the Lbee Program. These events, which include product creation experiences with employees, help us better understand our customers.

The feedback we receive is instrumental in improving product planning, development, quality, and communication, creating a virtuous cycle throughout our entire value chain.



Customers and Calbee employees interacting with each other at a fan meetup

SECTION 03

Continuous Business Growth

By understanding the changes and challenges in our business environment, we aim to transform Calbee into a company capable of continuous growth. Our Change 2025 growth strategy includes reshaping our business portfolio and implementing financial strategies that are mindful of capital costs - an approach will support our future growth.



Enhancing Corporate Value

SECTION 02

Driving Force
Behind Value
Creation

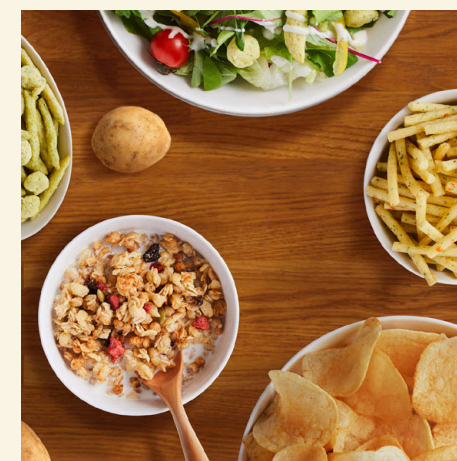
SECTION 03

**Continuous
Business
Growth**

SECTION 04

Promoting
Sustainability
Management

SECTION 05 Management Foundation





CSO's Message

Keiei Sho

Director,
Senior Managing Executive Officer,
Chief Strategy Officer (CSO),
and General Manager, Headquarters
for Group Business Strategy Management

Q. What progress did Calbee make in the first year of its *Change 2025* growth strategy?

Our strategic priority in Japan is to strengthen the profitability of our core businesses. Therefore, in FY2024/3, we revised the pricing and specifications of our products in response to rising raw materials and other costs. Despite higher prices, many of our customers continued to recognize the value of our products. Initially, we were concerned about the impact these revisions would have on our domestic sales volume, but it turned out to be much lighter than we expected. I believe this outcome reflects our ability to leverage Calbee's inherent strengths.

Overseas, we aim to expand global brands from Japan. In North America, we achieved steady sales of Japanese brands such as *Kappa Ebisen*, *Jagarico*, and other products. Asian food culture is widespread in the United States, with snacks from Asia, particularly Japan, growing in popularity. In China, while maintaining our brand recognition, sales declined significantly due to restrictions on imports from Japan in FY2024/3. However, we were able to offset this decline through profits from Indonesia and other regions, while achieving record-high operating profit in our overseas business.

In new business areas, we strive to build new business models. Aiming to establish a comprehensive food solution platform in the Food and Health area, we launched our *Body Granola* subscription service in April 2023, providing granola tailored to individual intestinal flora. In Agri-business, our sweet potato business is expanding, and we will maintain efforts to increase

the value of our products going forward by leveraging overall Group strengths, including synergies with the potato business.

Q. What challenges does Calbee face in its “Return to growth” phase from FY2027/3 onward?

In the medium-to-long term, one of our key challenges is transforming our business portfolio, which is heavily reliant on domestic operations at present. Additionally, we must consider how we allocate resources to overseas markets and new business areas, where significant growth opportunities exist. To achieve this, we have to address three priorities in the remaining two years of our *Change 2025* strategy.

The first is to quickly increase the productivity and profitability of our domestic core business. To this end, it is essential we advance our digital transformation initiatives. Our top priority is to advance our Sales & Operations Planning (S&OP) initiative, which we began in earnest during FY2024/3. We will continue to develop this foundation with the goal of achieving tangible results from FY2027/3 onward.

The second priority is to create a foundation for expanding our overseas business sales. Going forward, we aim to increase our overseas sales ratio to approximately 40%, which is a challenging target as it requires more than double the current sales. We will steadily increase the number of our overseas production sites, and, when the opportunity arises, we will consider M&A and other investments to accelerate growth.

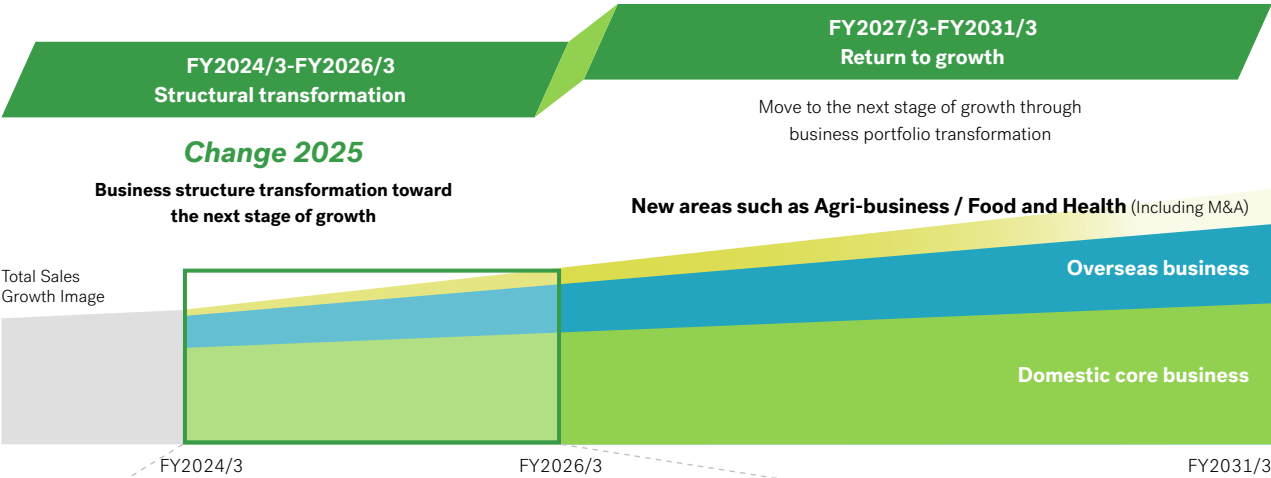
Third, we will cultivate talent capable of addressing challenges globally and in new business areas. We have also increased the number of personnel dispatched to overseas offices from Japan, and the number of employees involved in overseas business is now at its highest. Additionally, we are transforming our organization to ensure that cross-functional teams in R&D, production, and technology operate with a stronger global perspective and support growth in each area. It is important that talent who have developed their expertise in Japan understand our overseas business and share their expertise.

For Calbee to truly transform itself through our *Change 2025* strategy, we have to develop the mindset of all our employees. To achieve our goals, we must constantly consider “how we make things possible” and advance forward. Instilling a strong desire for growth in each and every employee will be critical to achieving Calbee's transformation.

Growth Strategy *Change 2025*

In February 2023, the Calbee Group formulated a new growth strategy aimed at realizing “Toward 2030”. Based on sustainability management, this strategy aims to transform Calbee for long-term growth, embracing the changes in our business environment and addressing the challenges facing our Group.

We have designated the first three years of the strategy, from FY2024/3 to FY2026/3, as a period of structural transformation. The subsequent years, from FY2027/3 to FY2031/3, will be a period of returning to growth. During the structural reform period, named “*Change 2025*,” we will lay the foundations for the next stage of growth.



In FY2024/3, the first year of our growth strategy, our performance greatly exceeded guidance, with growth in both sales and profit.

- In the domestic core business, sales volumes increased, and price and content revisions absorbed rising costs, significantly improving profits.
- In our overseas business, the United Kingdom and Indonesia performed solidly, although sales declined sharply in China.
- In new areas, sales in the sweet potato business increased and we proactively invested in the Food and Health area to promote awareness and expand recognition.

Progress in FY2024/3

Growth Guidance	FY2023/3 Results	FY2024/3 Results	Growth Guidance (3 Years)
Organic sales growth ratio	+14%	+8%	+4%–6%
Consolidated operating profit growth	(12%)	+23%	+6%–8%
ROE (after forex adjustments*)	8.5% (8.0%)	10.9% (9.5%)	10%+

Main KPIs

Domestic operating profit growth ratio	(15%)	+22%	+6%–8%
Overseas sales ratio	26%	24%	30%–35% (FY2026/3)
New areas sales ratio	3.9%	4.3%	5% (FY2026/3)

* Excludes impact of foreign exchange gains recorded as non-operating profits/losses

Key Direction for Four Businesses

1 Domestic core business

Enhance profitability by raising added value through strengthening brand and optimizing marketing / operations planning

2 Overseas business

Expand global brands from Japan through selective and focused investment

3 Agri-business

Strengthen base toward expanding natural ingredients platform

4 Food and Health

Build a new business model that contributes to healthy lifestyles

New areas

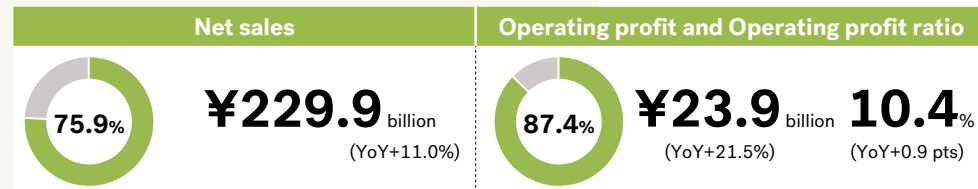
Overview and Initiatives by Business Segment

Domestic Core Business (Snack and Cereal products)

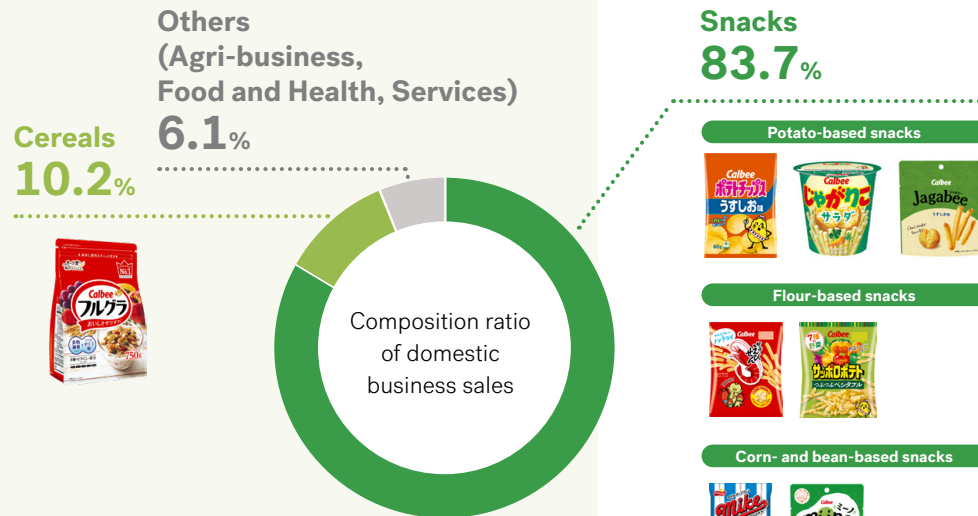
Business Outline

We use primarily natural ingredients to produce and sell snacks made from potato, flour, corn, bean bases, and cereals. In the cereal market, our product *Frugra* has driven market expansion, placing us at the top in market share.

Performance of Domestic Business in FY2024/3 (Including New Business Areas)



Note: The above graphs display net sales and operating profit ratio within overall consolidated earnings.



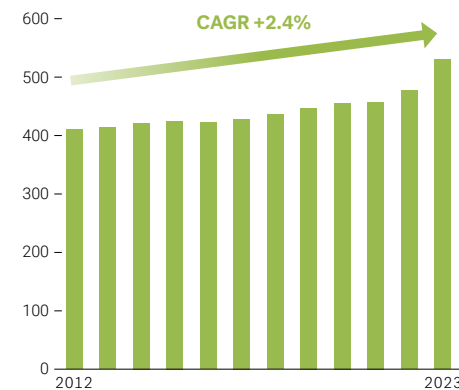
Note: Sales by business segment are calculated based on sales before rebates and other deductions.

Business Environment

Opportunities	Risks
<ul style="list-style-type: none"> Diversifying dietary choices Growing interest building a sustainable society Increasing travel and inbound demand 	<ul style="list-style-type: none"> Declining demand due to low birthrate and aging population Shrinking workforce Potato supply risks due to natural disasters and fewer producers Increased raw material, energy, logistics, and other costs Reduced consumer spending due to inflation

Domestic snack market

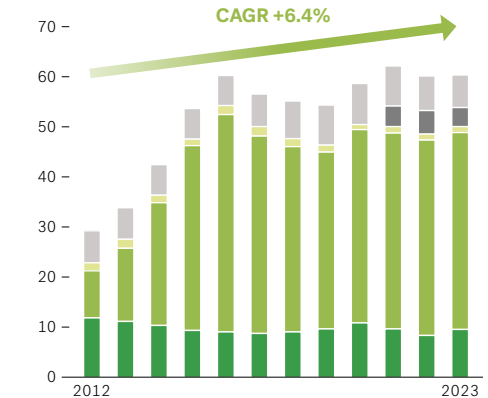
(Billions of yen)



Source: All Nippon Kashi Association

Domestic cereal market

(Billions of yen)



■ Corn flakes ■ Granola ■ Brown-rice flakes
 ■ Oatmeal ■ Others

Source: Japan Snack Cereal Foods Association

Overview and Initiatives by Business Segment

Domestic Core Business (Snack and Cereal Products)



Akira Imoto

Director, Senior Managing Executive Officer,
President of Calbee Japan Region

Issues and Strategies

We face multiple challenges in our domestic core business. In addition to risks impacting our future business, such as a declining birthrate, an aging population, and a shrinking workforce, we are currently dealing with issues like lower potato procurement volumes due to climate change, insufficient production capacity, and an excessive number of SKUs. Going forward, we will transition our focus from quantitative growth to strengthening profitability by maximizing the use of our limited assets and resources.

As our priorities we are focusing on “adding value by strengthening our brands” and “boosting profitability by optimizing our sales, operations, and supply capabilities.” For the first goal, we

will prioritize investments in certain brands to increase their value. We aim to become an even more preferred brand for customers by not only offering great taste and fun but also clearly communicating the competitive advantages that the Calbee Group has developed over many years. These advantages include our potato-related initiatives and our commitment to quality manufacturing. Additionally, in the gift business, which has significant growth opportunities due to rising inbound demand, we will consolidate the businesses of each Group company to maximize synergies across the Group.

To optimize our sales, operations, and supply, we aim to streamline our extensive range of SKUs and focus our resources on developing higher-value products to maximize profits. As part of this effort, we are advancing our Sales and Operations Planning (S&OP) initiative through digital transformation (DX).

Additionally, in FY2025/3, we will begin operations at the Setouchi Hiroshima Factory in Hiroshima City. This next-generation facility reflects new workstyles and environmental considerations, enhances production efficiency, and addresses issues such as production capacity shortages and a declining labor force, all while striving for sustainable growth.



Commencing Operations at the Setouchi Hiroshima State-of-the-Art Mother Factory in 2025

The construction of the Setouchi Hiroshima Factory was completed as originally planned, and the facility was handed over on June 28, 2024. This factory will have an annual production capacity valued at approximately ¥28.0 billion, including Potato Chips, *Jagabee*, and wheat-based snack products. The state-of-the-art mother factory, which will achieve excellent environmental performance, increase productivity, and improve the working environment, is scheduled to commence operations sequentially from January 2025. In conjunction with our existing facilities and a new factory planned for construction in the Kanto area (Shimotsuma City, Ibaraki Prefecture), we aim to optimize the overall supply and demand balance among regions in Japan and establish a more efficient value chain.



Setouchi Hiroshima factory after the handover

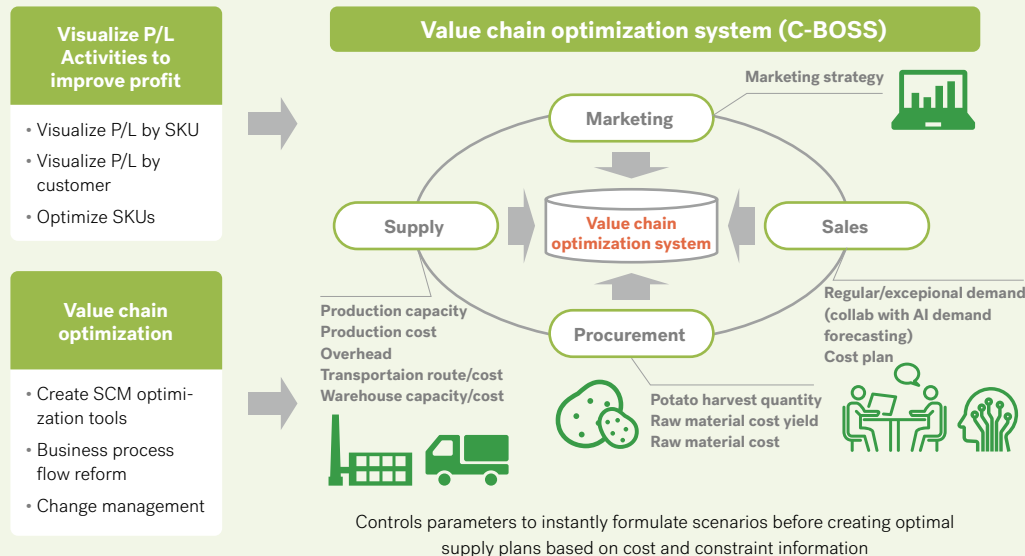
Overview and Initiatives by Business Segment

Domestic Core Business (Snack and Cereal Products)

Enhancing Profitability Through Our Digital Transformation Strategy

In our domestic core business, we aim to strengthen profitability by focusing our assets and resources—such as raw materials, production facilities, and human capital—on developing higher-value products. To achieve this, it is important that we create an environment where optimal decisions can be made quickly across the entire company, leveraging our digital transformation (DX) as a key enabler. The Calbee Group's DX strategy combines top-down initiatives to establish a Sales and Operations Planning (S&OP) system and bottom-up initiatives to broaden the scope of DX.

S&OP is a mechanism for visualizing information along the value chain and quickly formulating optimal solutions to maximize profits. We are advancing this through two major initiatives. The first initiative focuses on improving profitability by visualizing and refining profit and loss by SKU and customer. This enables us to clarify the profit structure of the entire value chain and supports decision-making beyond departmental boundaries, such as formulating company-wide marketing strategies and reforming our manufacturing and distribution processes. We are



expanding this initiative to visualize profit and loss by individual customer for each SKU, leading to more detailed and mutually beneficial sales strategies, both internally and for our customers.

The second initiative involves constructing a unique value chain optimization system (C-BOSS)* that formulates minimum-cost supply plans and simulates profitability based on sales forecasts. C-BOSS will enhance the accuracy and speed of our decision-making for revenue expansion, even as the business environment and customer trends evolve. It will also help us resolve cross-organizational management issues. In our potato business, which accounts for more than 50% of our sales, the yield and quality of potatoes—the main raw material—vary due to factors such as climate change. Therefore, it is vital we control the entire value chain in close coordination with the condition of raw materials and demand trends. We will achieve this through a data-driven approach using C-BOSS, while accelerating the PDCA (Plan-Do-Check-Act) cycle.

Our bottom-up DX initiatives began with digitalizing the workplace. By developing our human resources, our front-line teams have always led the way in improving operations through digitalization. This includes digitizing daily reports and information on raw potato materials, as well as creating demand forecasting tools using AI. Integrating data generated from this bottom-up approach with our system helps facilitate the simulation of our sales, operations, and supply planning.

The S&OP Promotion Division was established in April 2023 and has been advancing rapidly under strong management leadership. In FY2024/3, we focused on visualizing profits and losses by SKU and laying the groundwork for value chain optimization. Going forward, we will continue to leverage these profit and loss visualization tools and expand their scope of implementation. We also plan to quickly build and test the C-BOSS system in a smaller area, before aiming to roll it out to all core businesses in Japan. Additionally, to effectively promote S&OP through our DX initiatives, we must also reform our business processes and develop internal awareness.

* Calbee Business Optimization System (C-BOSS)



Using the Konan Factory as a model to drive operational reforms through digital transformation (DX)

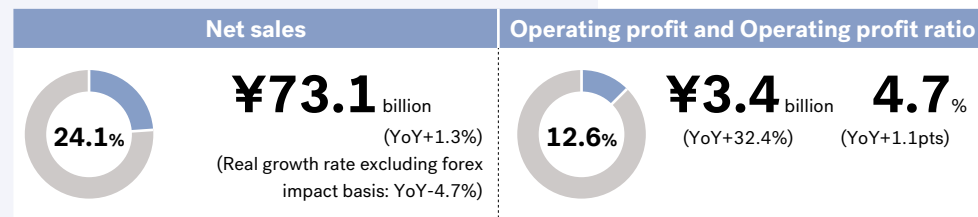
Overview and Initiatives by Business Segment

Overseas Business

Business Outline

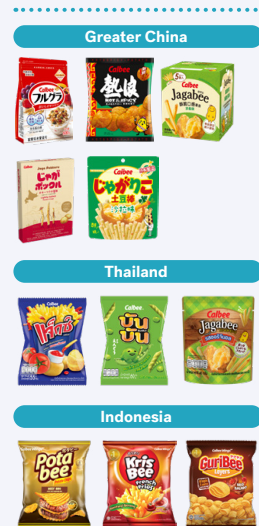
Leveraging product processing technologies developed in Japan, we create products in nine different countries and regions, taking into account market conditions, consumer needs, and other factors. We also established a global supply chain that manages the import and export of products between countries. We have positioned North America and Greater China as priority regions, and we promote to implement specific measures tailored to their respective market environments.

Performance of Overseas Business in FY2024/3

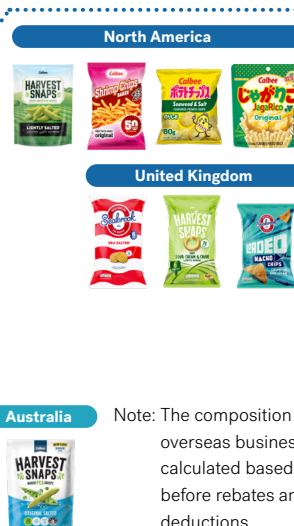


Note: The above graph displays net sales and operating profit ratio within overall consolidated earnings.

Asia/Oceania 55.8%



Europe/Americas 44.2%



Composition ratio
of overseas
business sales

Note: The composition ratio of overseas business sales is calculated based on sales before rebates and other deductions.

History of the Calbee Group's Overseas Expansion

Founding and
Growth
~2000s

- 1970** Entered the North American market
- 1980** Entered the Thai market
- 1994** Entered the Hong Kong market
- 2002** Established a manufacturing subsidiary in China



Calbee America, Inc. at the time of its entering the North American market.

Reform
2010~

- 2011** Established a joint venture company in South Korea
- 2012** Established Calbee (Hangzhou) Foods Co., Ltd.
- 2013** Entered the Indonesian market
- 2014** Entered the U.K. market
Established a joint venture company in the Philippines
- 2015** Consolidated a sales subsidiary in Singapore
Established a sales subsidiary in Spain
Established a sales subsidiary in Hong Kong
Conducted transfer of equity interest for Calbee (Hangzhou) Foods Co., Ltd.
- 2016** Established a sales subsidiary in Australia
- 2017** Established a production base in Malaysia (equity method)
Dissolved and liquidated a sales subsidiary in Spain
- 2018** Conducted transfer of shares for joint venture company in the Philippines
Acquired Seabrook, in the United Kingdom
- 2019** Acquired Warnock, in the United States
Established a sales subsidiary in China (Shanghai)
- 2022** Acquired Greenday Global Co. Ltd. (Thailand)



Exterior view of PT. Calbee-Wings Food's factory (Indonesia)



Overview and Initiatives by Business Segment

Overseas Business **Europe/Americas****Ryo Tsutsumi**

Executive Officer,
President of Calbee
Europe/Americas Region

Business Outline

In North America, we primarily sell *Harvest Snaps*, which are bean-based healthy snacks leveraging Japanese *Sayaendo* product manufacturing technologies, as well as brands of Japanese origin, such as *Kappa Ebisen*, Potato Chips, and *Jagarico*.

In the United Kingdom, we are expanding sales of *Harvest Snaps* in addition to the long-standing potato chip brand *Seabrook*, which we acquired in October 2018.

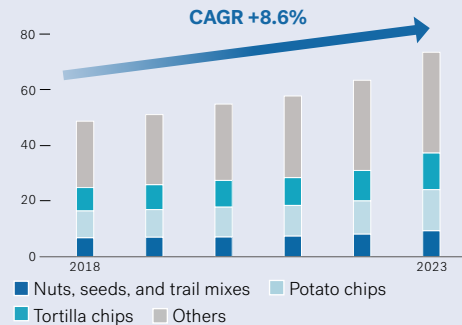
Performance of Europe and Americas Region in FY2024/3

Net sales	Operating profit and Operating profit ratio	
¥36.5 billion (YoY+12.3%) (Real growth rate excluding forex impact: YoY +3.6)	¥1.1 billion (YoY+7.2%)	3.1% (YoY-0.2pts)

Note: Sales amount before rebates and other deductions

▶ North American snack market

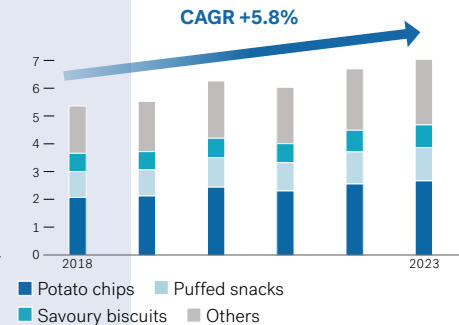
(Billions of U.S. dollars)



Source: Euromonitor International

▶ United Kingdom snack market

(Billion pounds sterling)

**Business Environment**

Opportunities	Risks
<ul style="list-style-type: none"> Continued growth of the snack market Increasing health consciousness Growing interest in Asian food culture 	<ul style="list-style-type: none"> Leading manufacturers with high market shares Shift to rated products (private brands) due to inflation Soaring labor costs

Issues and Strategies

Thorough differentiation is key to growth in Europe and the Americas, where major manufacturers hold significant market shares. In line with rising health awareness, interest in the "Better For You" category is also growing in both regions. We are expanding sales by differentiating our *Harvest Snaps* brand in the Better For You category, as well as unique brands of Japanese origin such as *Kappa Ebisen*, Potato Chips, and *Jagarico*.



Crunchy Loops,
a brand derived from
Harvest Snaps

In North America, *Harvest Snaps* are now available in the produce sections of supermarkets. As the product is based on beans and also gluten free, it has gained significant recognition in the Better For You category. *Crunchy Loops*, a brand derived from *Harvest Snaps* and relaunched in FY2022/3, is made with lentils and contributed to sales growth thanks to its well-received chewy texture.

In response to growing demand for Asian foods, especially among younger consumers, products including *Kappa Ebisen*, Potato Chips, and *Jagarico* have been moved from the world food section to the snack aisle of major American supermarkets. These products are experiencing high growth rates. We will continue to strengthen our sales, marketing, and development systems while expanding our product lineups and distribution to further increase our market share.

In the United Kingdom, sales growth is driven by the *Seabrook* brand, which enjoys high recognition in certain areas of the country. We will leverage this recognition while enhancing the brand by expanding our product lineup with corn and pellet snack ingredients and innovative manufacturing methods. Additionally, we will increase production capacity to pursue higher profitability.

Overview and Initiatives by Business Segment

Overseas Business Asia/Oceania



Teiichiro Morioka

Managing Executive Officer,
President of Calbee
Asia-Oceania Region

Business Outline

In Asia and Oceania, we operate in several regions, including sales bases in China, Singapore, and Australia etc, and production facilities in Thailand and Indonesia etc. In China, we manage snacks and cereals, and import and sell brands of Japanese origin such as *Frugra* and *Jagabee*. In other regions, our business primarily focuses on snacks, including products made in Thailand that are supplied to North America and Australia.

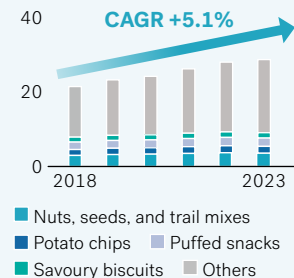
Performance of Asia and Oceania Region in FY2024/3

Net sales	Operating profit and Operating profit ratio	
¥46.0 billion (YoY-6.9%) (Real growth rate excluding forex impact: YoY -10.9%)	¥2.3 billion (YoY+50.1%)	5.0 % (YoY+1.9pts)

Note: Sales amount before rebates and other deductions

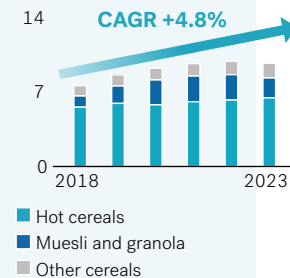
Chinese snack market

(10 billion RMB)



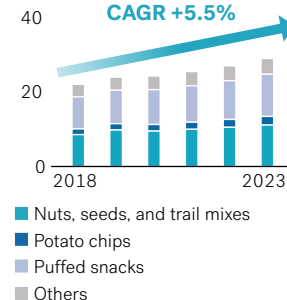
Chinese cereal market (retail store sales)

(Billion RMB)



Indonesian snack market

(Trillion Indonesian rupiah)



Note: The scope of calculations for the Chinese snack market changed from FY2022/3.

Source: Euromonitor International

Business Environment

Opportunities	Risks	
• High trust in Japanese brand names and quality	• Rise of startups	• Risk of imitations, technology leaks
• High market growth rates	• Geopolitical risks	• Rising labor costs
• Rising income levels	• Business regulations	

Issues and Strategies

In Asia and Oceania, we identified China as a priority market due to its market size, growth rate, and the high level of Calbee's brand awareness developed through inbound tourism to Japan. Our goal is to expand our brands of Japanese origin in this region. Initially, we aimed for rapid growth through concentrated investments in China, but we are now revising our investment plans in light of worsening economic conditions and stricter regulations implemented since FY2024/3. While preparing for future growth in China, we will at the same time invest resources in other regions to achieve sustainable growth throughout Asia and Oceania.

We are establishing competitive production sites across Asia. Our manufacturing base in Thailand is particularly cost competitive and features production lines for a wide variety of high-quality products. We will leverage this advantage to strengthen exports, particularly to North America and Australia, and expand our supply capacity as a global hub. In Indonesia, a region with a high market growth rate, we will invest in expanded production capacity, continuously launch new potato chip products, and promote sales of *Guribee* in order to increase sales at a rate that exceeds the market growth rate.

In China, we aim to enhance the appeal of our products and build a production system in support of this goal. In parallel, we are strengthening our sales structure to drive future sales growth. By producing brands of Japanese origin such as *Frugra* and *Jagabee* locally on an OEM basis, we will continue to offer high-quality products at affordable price points. Additionally, we will revise our sales structure to expand distribution, shifting our focus mainly from e-commerce sites to include retail stores.

Overview and Initiatives by Business Segment

New Business Areas

Business Outline

We have identified Agri-business and Food and Health as new focus areas in our growth strategy, and are now exploring business opportunities with significant growth potential. In Agri-business, we will leverage our expertise in the potato industry to advance our business as a provider of natural ingredients, encompassing everything from the procurement of raw materials to product development and sales. In Food and Health, we aim to build a comprehensive food solution platform that promotes healthy lifestyles. In addition to in-house development, we will proactively pursue partnerships with external organizations and start-ups.

Sweet Potato Business

The Calbee Group handles more sweet potatoes than any other domestic company and is expanding sales from Japan to the rest of the world. Primarily dealing with mass market retailers, we sell our original brand of sweet potato, *Beni-Tenshi*, which is marketed as suitable for baking, through directly operated stores and mail-order services that offer sweets and gifts. Until now, we have expanded our potato business and deepened our expertise through what we call the “10 Processes,” our comprehensive value chain spanning from upstream fields to downstream stores that are familiar to consumers. The value chains for sweet potatoes and potatoes are highly compatible, and the Calbee Group will continue to expand sweet potato procurement and sales while leveraging the knowledge and networks cultivated through our potato business.



Original sweet potato brand
Beni-Tenshi

Similarities between the Value Chains for Potatoes and Sweet Potatoes



Food and Health Business

The Calbee Group is promoting Food and Health as a new focus area. We aim to create a system that encourages repeat sales through personalized offerings based on the results of individual tests. Our ultimate goal is to establish a platform that goes beyond supplying only Calbee products to offer comprehensive food solutions. In April 2024, we launched *Body Granola*, a personalized food program that provides granola customized to individual intestinal flora, along with a meal coaching service* utilizing registered dietitians. Going forward, we will continue to enhance these services, raise awareness, and expand our business.

* The personal online meal coaching service offers advice from a registered dietitian on how to change eating habits to fit individual lifestyles. It also provides guidance on selecting ingredients and cooking methods that best suit individual intestinal environments.



Special
Feature

The Future of Food and Health Envisioned by Calbee



Makoto Ehara
President & CEO

Shinji Fukuda
President / CEO
Metagen, Inc.

Dialogue

Contributing to Healthy Lifestyles with *Body Granola*

Calbee launched *Body Granola* in April 2023, establishing a new business model in the area of Food and Health. In this section, Shinji Fukuda, president/CEO of Metagen, Inc., one of our joint development partners and a leading researcher in intestinal flora in Japan, and Makoto Ehara, president & CEO of Calbee, discuss the background and future prospects of *Body Granola*.

Developmental Background

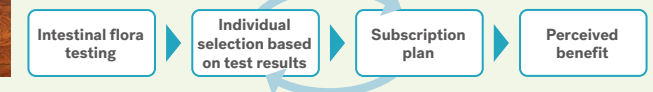
Fukuda I first met Mr. Ehara in 2020 amid the pandemic. During this time of heightened global interest in immunity, our company was hosting webinars on the impact of intestinal flora on immune health. There are various types of bacteria living in the intestines, which are called intestinal flora. Scientific evidence proves that intestinal flora is closely related to the immune system. I had the opportunity to meet Mr. Ehara after having first exchanged opinions with Mr. Otsuka from Calbee, who at that time was manager of the New Business Development Department.

Ehara That's right. I heard about the webinar in advance and was personally very interested. To target intestinal bacteria itself would require the development of new products, such as yogurt or other fermented foods. However, one of our main products is granola, which is particularly beneficial for intestinal bacteria. Additionally, while we have always marketed granola as a health-conscious product, the appeal of providing *Body Granola* is that it also enables us to sell our products in an evidence-based way. I hope this will be an opportunity for Calbee to establish a new genre called "Evidence-Based Food."

Overview of *Body Granola* Service



- D2C subscription service enabling consumers to choose granola types based on their individual intestinal flora analysis results
- Joint venture with Metagen, Inc. (R&D support), and Cykinso, Inc. (intestinal flora testing and analysis)



Special
Feature

The Future of Food and Health Envisioned by Calbee

Opportunities and Challenges

Fukuda As a matter of fact, it is said that only around 10% of people who regularly take supplements realize their benefits. This is mainly because supplements are not tailored to individual differences. As each person's intestinal flora differs, products adapted to individual intestinal flora are essential. In this respect, granola can be tailored to individual differences by combining various ingredients, which I believe will enable a wide range of people to experience the benefits.

Ehara The development of *Body Granola* is directly in line with our corporate philosophy, and in addition to our efforts aimed at expanding sales, I believe we have a responsibility to promote approaches that take individual differences into account. We will continue to improve our service so it is stress-free and customers can fully experience the benefits.

Fukuda More than a year has passed since we launched this service, and currently, more than

20,000 customers use it. This means that many people have had their intestinal flora tested, and that in itself has great value. For example, we know that intestinal flora changes when you become ill, thus getting tested even once while healthy can help prevent future illness.

Ehara While awareness has significantly increased, I feel that our efforts to promote it are still insufficient. We need to inform more people about *Body Granola*. First, we need to identify our target generation and then implement focused promotions tailored to that generation. By adopting different approaches from the past, I believe we can increase the number of users.



Fukuda Metagen aims to “realize zero disease” from intestinal flora. To this end, we must create a culture in which intestinal flora testing becomes the norm. Calbee is a company that has impacted cultural habits through its products. For example, *Frugra* is a product loved by many people. I heard that by suggesting that people include *Frugra* in their breakfast meals, sales increased significantly. We are fortunate to have been able to develop *Body Granola* with a company that boasts such a solid track record.



Developments Going Forward

Ehara In the future, we want to expand this service overseas. For example, in Southeast Asia, the number of middle- and high-income earners is on the rise, and there is a growing interest in health awareness. Thus, we expect demand for services such as *Body Granola* to increase going forward.

Fukuda I feel the same way. We have a branch office in Singapore, and in Southeast Asia, there has been an increase in colorectal cancer and ulcerative colitis caused by the Westernization of traditional diets. We want to grow the market for *Body Granola* in these countries and aim to help eliminate disease from intestinal flora overseas as well.

Ehara As I mentioned at the beginning, we would like to use *Body Granola* as a starting point for the development of new evidence-based food services that go beyond mere breakfast cereal. There are many possibilities, for example, in testing pet intestinal flora and providing appropriate pet food based on test results. To this end, it is important that we first deliver *Body Granola* to as many people as possible. As there still is room for improvement in the *Body Granola* service, I am excited about continuing our collaboration to improve this service.

Special
Feature

The Future of Food and Health Envisioned by Calbee

Maintaining the Joy of Eating

The Calbee Group has identified Food and Health as one of its new focus areas and is currently exploring related business opportunities that have potential for future growth.

For many people, eating is considered one of life's greatest pleasures. In recent years, however, the rise in diabetes and other lifestyle-related diseases has prevented an increasing number of people from enjoying unrestricted eating. The foundation for enjoying food lies in both mental and physical fitness. To be healthy, it is important to first understand your own health condition, then choose a diet that is beneficial to your health and comfortably maintain it.

Among Calbee's efforts related to Food and Health and in line with our corporate philosophy, we aim to build a comprehensive food solution platform based on scientific evidence to help more people achieve healthy lifestyles.

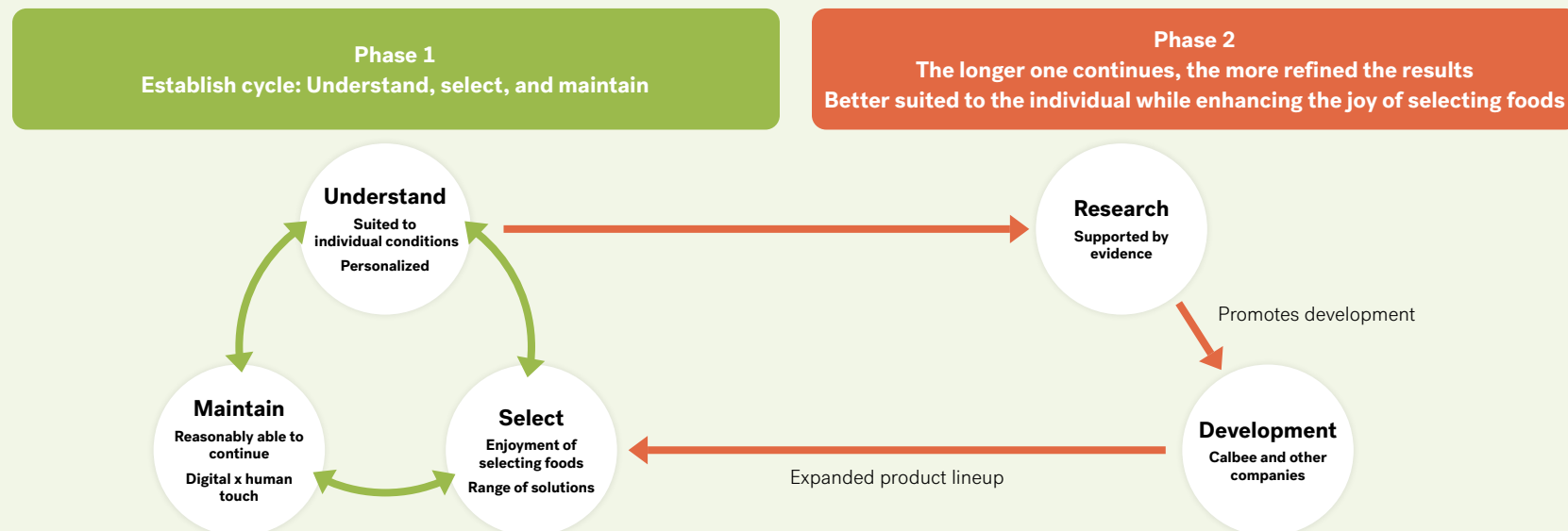
Creating an Integrated Food Solution Platform

As an example of our efforts, we launched the *Body Granola* service in April 2023. This service enables customers to test their intestinal flora before receiving regular deliveries of personalized granola products. We aim to establish a cycle in which customers learn about their intestinal flora, choose a suitable granola product, and then continue to use these products.

Using the data we accumulate from this service, we plan to conduct additional research to develop new products and, in the future, expand our lineup to include products from other companies.

Having launched *Body Granola*, Calbee will focus on creating an integrated food solution platform that offers personalized foods based on health tests and diagnostic results. This platform will incorporate expert knowledge and AI to create a system that is easy for customers to use and maintain. Through this new business model, we aim to contribute to healthy living while strengthening our partnerships with external organizations and promising start-ups.

Integrated Food Solution Platform Concept



Financial Strategy

Kazuhiro Tanabe

Executive Officer,
CFO and
General Manager of
Investor Relations,
Finance and
Accounting Division

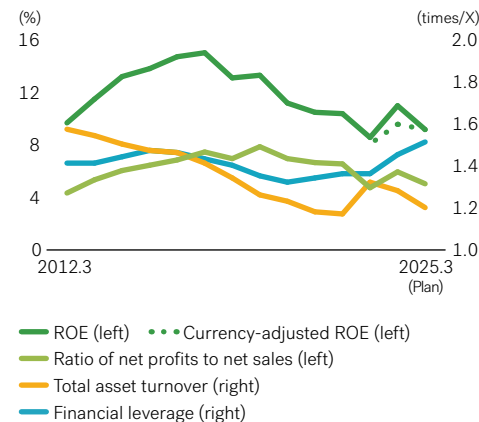


Improving corporate value by investing in growth and ensuring financial soundness

Changing our financial strategy

The Calbee Group previously prioritized expanding earnings through quantitative growth, mainly in Japan, by effectively using existing assets. However, with the domestic market maturing due to Japan's declining birthrate and aging population, along with increased growth opportunities overseas, we adopted a new strategy called *Change 2025* to transform our growth trajectory. As CFO, my responsibility is to develop and implement a financial strategy that ensures the successful execution and acceleration of our new growth strategy.

► Change in ROE and its components



Change 2025 will require us to make significant investments in reforming our business portfolio and strengthening our business foundation, which will necessitate new funding. Furthermore, to sustainably increase corporate value, we will need to shift from conventional management practices that emphasize periodic profits and losses to an approach that is more conscious of the cost of capital.

Financial strategies that support transformation to increase corporate value

Our financial strategy to sustainably enhance our corporate value is based on three policies.

The first policy is to improve the quality of our earnings. We are making significant changes to our business portfolio by proactively investing in growth areas. Specifically, as outlined in *Change 2025*, our financial strategy aims to help enhance the profitability of our domestic core business while increasing investments in our overseas and new business growth areas.

In our domestic core business, following the Setouchi Hiroshima Factory, which is scheduled to begin operations in January 2025, we will invest in a new factory in the Kanto area. This will enable us to establish a system that supports our domestic business through two key factories, located in the east and west of Japan.

In parallel, we are increasing investments in overseas businesses with high growth potential in order to drive top-line growth. In pursuit of medium- and long-term returns, we are increasing investments in new business areas such as Agri-business and Food and Health. To accelerate our transformation, we structurally reformed our organization in the previous fiscal year and introduced a new three-region system (Japan, Europe/Americas, and Asia/Oceania), facilitating faster decision-making in order to accelerate the investment and recovery cycle.

Until now, we have used operating profit as a key indicator for business growth and efficiency. Moving forward, we will use EBITDA as a key indicator to measure how much cash we are generating from operations, as we invest in growth areas to transform our business portfolio.

The second policy is to ensure financial soundness. In December 2023, the Company raised funds through Positive Impact Finance—our first long-term interest-bearing debt financing since going public. Going forward, we will strive to implement an optimal capital structure, including borrowings, and work proactively to improve capital efficiency and optimize capital cost levels while maintaining financial soundness.

Financial Strategy

Financial Strategy Policy

Raise quality of profit

- Make optimal growth investment to realize business portfolio growth
- Make investment decisions and pursue returns with capital costs in mind
- Implement management that aims to improve profitability of capital

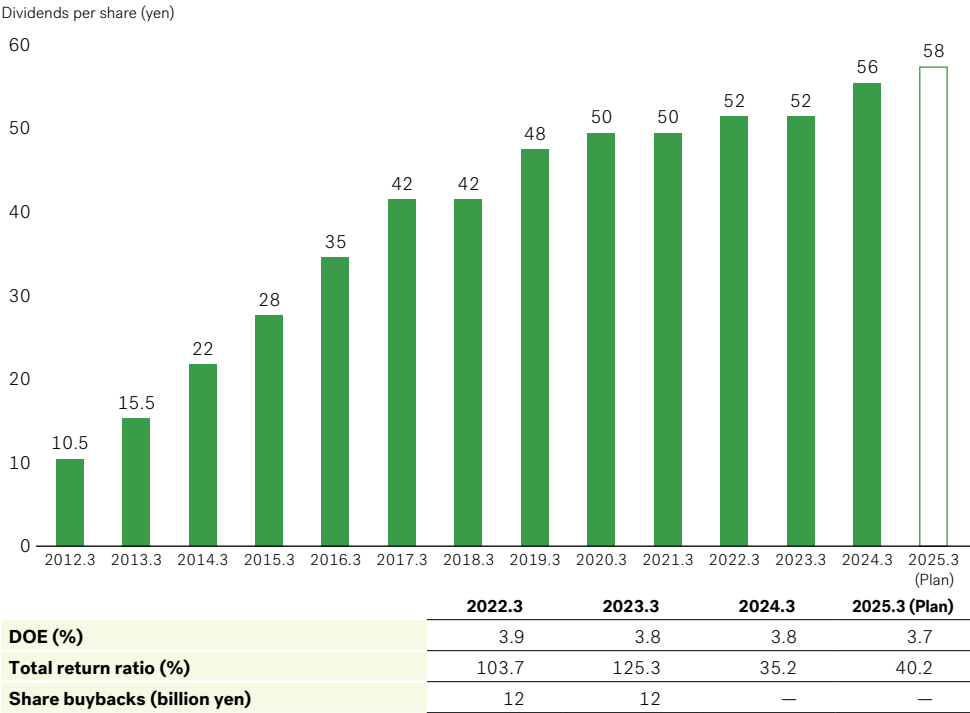
Ensure sound financial position

- Manage financial risk and ensure fiscal soundness
- Rationalize capital cost level with optimized capital structure
- Secure fund raising methods for implementing strategy across the Company

Implement appropriate shareholder returns

- Offer continuous and stable shareholder returns
- Raise shareholder returns from a medium- to long-term perspective
- Implement flexible capital policy (dividend policy, share buybacks)

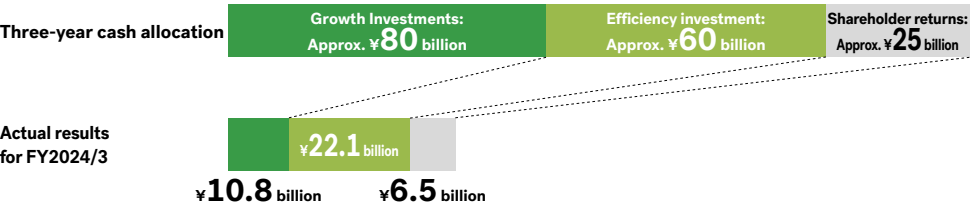
Dividends, DOE, Total Return Ratio, and Share Buybacks



The third policy is the implementation of appropriate shareholder returns. In our dialogues with market participants, we are often asked, “How will you revise shareholder returns as you pursue growth?” We believe that it is important to enhance shareholder returns while also making strategic investments. For future shareholder returns, we will implement a stable dividend increase targeting a DOE of 4% and a total return ratio of at least 50%. Additionally, we will operate a flexible capital policy, including share buybacks, while taking into consideration the liquidity of the stock.

Three-year Cash Allocation Policy and Progress

- **Growth investment** ... Capital investment for growing domestic and overseas business, growth investment in new areas such as M&A
- **Efficiency investment** ... Support for ESG, capital investment in automation/labor-saving, etc. to raise productivity
- **Shareholder returns** ... Aim for DOE 4%, total return ratio over 50% and continually grow dividend



Cost of capital-conscious management practices

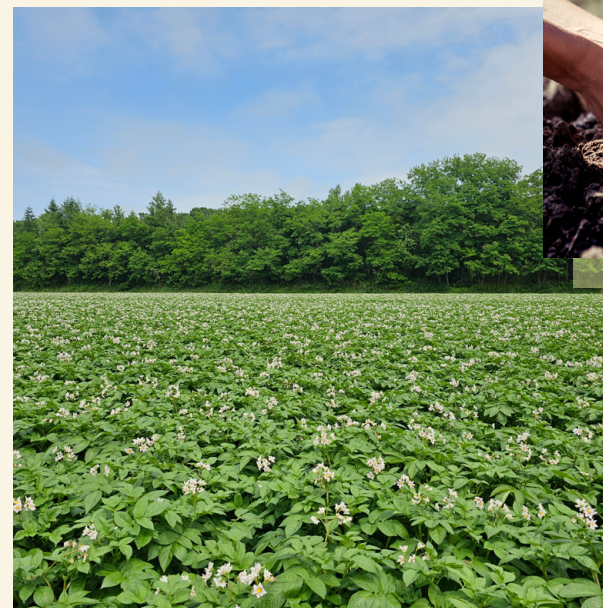
To generate returns that exceed the cost of capital and achieve sustainable growth in corporate value, we will promote initiatives to make ROIC function as a key management indicator. When investing in or exiting a business, we will establish a system that sets hurdle rates for each country and each business based on the cost of capital, ensuring more informed investment decisions and effective monitoring. The Calbee Group as a whole endeavors to achieve an optimal capital structure over the medium to long term and intends to keep the cost of capital to a level of around 6%.

Transforming the Calbee Group requires that our financial strategy is embraced across the organization and integrated into the change-related activities and processes of each individual. I sense a strong belief in the strength of our products and brands within our Company, and a desire to transform this belief into growth. I believe that our organizational culture is an important element in encouraging the adoption of new indicators throughout the Company and will be a driving force for change. We will continue to promote management practices that are conscious of the cost of capital and, by instilling this mindset throughout the Company, aim to continuously improve corporate value.

SECTION 04

Promoting Sustainability Management

We are committed to sustainability management, creating new value with our stakeholders by addressing environmental, social, and economic challenges. By tackling these key challenges, such as responsibly managing our natural capital, we aim to deliver the benefits of nature's gifts to our customers.



Enhancing Corporate Value

SECTION 02

Driving Force
Behind Value
Creation

SECTION 03

Continuous
Business Growth

SECTION 04

Promoting
Sustainability
Management

SECTION 05 Management Foundation



Five Material Issues (Materiality)

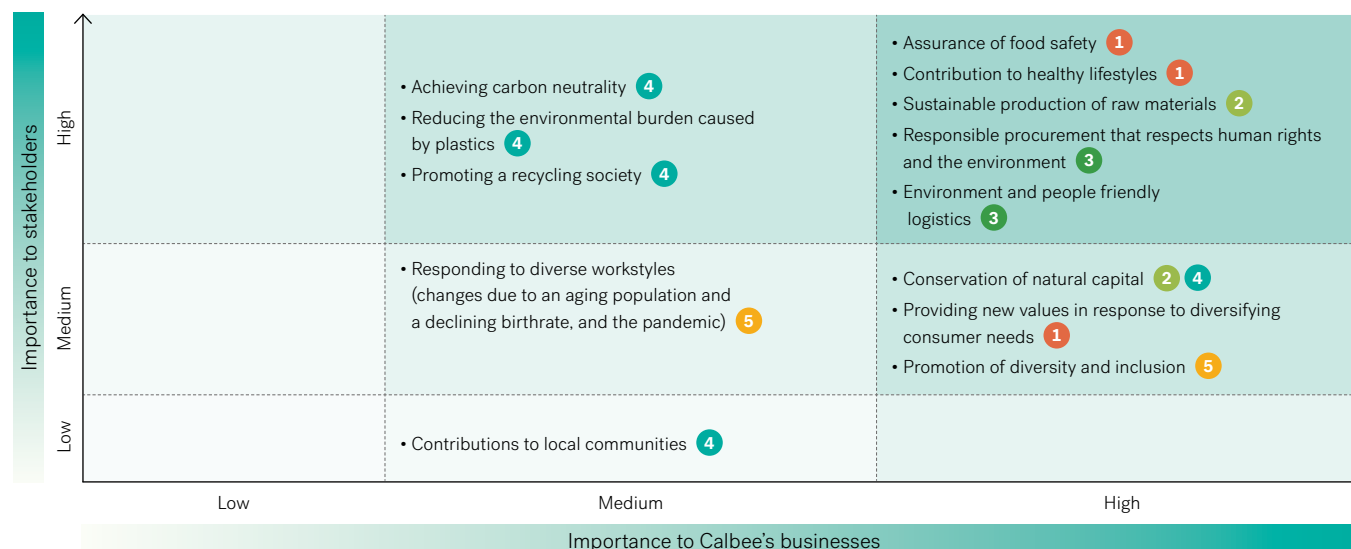
The Calbee Group places sustainability at the core of our management and aims to realize a sustainable society by addressing environmental and human rights issues in the supply chain. Our mission is to ensure the sustainability of raw materials, which are nature's gifts derived from agricultural produce, marine products, and other natural capital, and to continue providing these to customers around the world.

In response to sustainability, including the increasing importance of natural capital, climate change measures, and the emergence of human rights issues, we reviewed Calbee's materiality in 2022 and identified five materiality issues and 13 priority themes. In March 2024, we established the Calbee Group Human Rights Policy to further our initiatives addressing priority themes. We also endorsed the UN Global Compact and are today expanding our activities around the world.

Five Material Issues (Materiality)

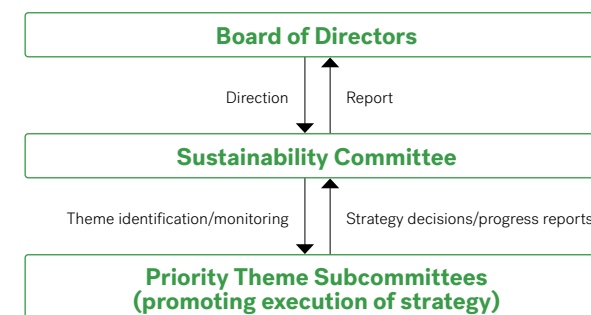
- 1 Contribute to healthy and diverse lifestyles
- 2 Progress of sustainable agriculture
- 3 Co-create a sustainable supply chain
- 4 Caring for the Earth
- 5 Promote active roles for all employees based on diversity

Materiality Map



Sustainability Management Promotion Structure

The Board of Directors is responsible for supervising sustainability management, and the Sustainability Committee, established in 2019, is responsible for promoting it. The Sustainability Committee is overseen by the president & CEO and, in principle, meets twice a year. The committee identifies materiality issues, sets priority themes, discusses and reviews the progress of priority theme road maps promoted by subcommittees, and regularly reports these activities to the Board of Directors.



Five Material Issues (Materiality)

Priority Themes and Major Measures

Materiality	Priority themes	Key measures aimed at reaching targets	Targets (KPIs)	Results for FY2024/3	Correspondence with the SDGs
1 Contribute to healthy and diverse lifestyles	Assurance of food safety	<ul style="list-style-type: none"> Prevention of safety and quality incidents Initiatives for monitoring security 	—	—	
	Contribution to healthy lifestyles	<ul style="list-style-type: none"> Expand salt-free/low-salt/reduced-salt products Expand protein-rich products 	FY2031/3 <ul style="list-style-type: none"> Amount of salt-free/low-salt/reduced-salt products*1 sold 200% (compared with FY2023/3) Amount of protein-rich products*2 sold 200% (compared with FY2023/3) 	➡ 110.1% ➡ 111.8%	
	Providing new values in response to diversifying consumer needs	<ul style="list-style-type: none"> Expand Calbee Snack School (food education) Invigorate and promote factory tours 	FY2024/3 <ul style="list-style-type: none"> Food communications number of participants*3 (5 years cumulative since April 2019) 400,000 (equivalent to 4% of the national population of elementary school students in grades 3–6 over a 5 year period) 	➡ 416,384 participants	
2 Progress of sustainable agriculture	Sustainable production of raw materials	<ul style="list-style-type: none"> Promote scientific cultivation, develop new varieties, reduce agricultural labor, and disperse production areas to increase domestic potato yields 	—	—	
	Conservation of natural capital	<ul style="list-style-type: none"> Conduct appropriate fertilization based on soil analysis 	FY2028/3 <ul style="list-style-type: none"> Use of low-phosphate fertilizer 80% (Hokkaido area) 	➡ 23.7%	
3 Co-create a sustainable supply chain	Responsible procurement that respects human rights and the environment	<ul style="list-style-type: none"> Promote procurement that takes into account the environment and human rights through supply chain assessments 	—	—	
	Environment and people friendly logistics	<ul style="list-style-type: none"> Improve work environments by increasing logistics efficiency Reduce greenhouse gas emissions (Scope 3, categories 4 and 9) 	—	—	
4 Caring for the Earth	Achieving carbon neutrality	<ul style="list-style-type: none"> Scopes 1, 2 eliminations Switch energy suppliers, promote energy-saving activities and on-site power generation at plants, etc. Scope 3 eliminations Change sizes of cardboard boxes, reduce delivery frequencies, improve loading rates Supplier engagement Visualization of GHG emissions from potatoes 	FY2031/3 <ul style="list-style-type: none"> Total greenhouse gas emissions 30% reduction (compared with FY2019/3) 	➡ Total: 3.5% increase Scope 1: 11.6% reduction Scope 2: 57.3% reduction Scope 3: 16.3% increase Note: Scope 3, category 1 emissions coefficient changed to IDEA (Version 3.2)	

Five Material Issues (Materiality)

Priority Themes and Major Measures

Materiality	Priority themes	Key measures aimed at reaching targets	Targets (KPIs)	Results for FY2024/3	Correspondence with the SDGs
4 Caring for the Earth	Promoting a recycling society	<ul style="list-style-type: none"> Reduce product food losses Reduce water consumption Promote "3Rs" 	FY2024/3 • Total product food loss 20% reduction (compared with FY2019/3) FY2031/3 • Total water consumption 10% reduction (compared with FY2019/3) FY2031/3 • Total waste generated 10% reduction (compared with FY2019/3)	➡ 10.6% reduction ➡ 2.7% increase ➡ 6.9% increase	
	Reducing the environmental burden caused by plastics	<ul style="list-style-type: none"> Reduce petroleum-based plastic packaging Switch to alternative materials and encourage recycling 	FY2031/3 • Reduce and replace petroleum-based plastic packaging 50% (compared with FY2019/3) FY2051/3 • Use of environmentally friendly materials 100%	➡ 0.9% replacement or reduction	
	Conservation of natural capital	<ul style="list-style-type: none"> Implement a risk assessment according to the TNFD framework (presented milestones) 	—	—	
	Contributions to local communities	<ul style="list-style-type: none"> Participation of all employees in social contribution activities Expansion of activities in environmental domain (support and participate in forestry volunteer efforts and beach and river conservation activities) 	—	—	
5 Promote active roles for all employees based on diversity	Responding to diverse workstyles	<ul style="list-style-type: none"> Active roles for all employees Establish education system to promote understanding of diversity Promote and normalize one-on-one meetings 	—	—	
	Promotion of diversity and inclusion	<ul style="list-style-type: none"> Promote diversity and inclusion Enhance human resource development Workstyle reforms 	FY2024/3 • Ratio of women in management Over 30% • Ratio of male employees taking childcare leave*4 100% • Ratio of employment of people with disabilities 2.5%	➡ 22.6% ➡ 109.0% ➡ 2.62%	

*1 Reference value of Nutrition Claims (Food Labeling Standard, Article 7, Paragraph 1, Appended Tables 12 and 13)

*2 Products selected based on Calbee's criteria, reference value of Nutrition Claims (Food Labeling Standard, Article 7, Paragraph 1, Appended Tables 12 and 13)

*3 Calbee Snack School, factory tours, snack contests, and other food educational activities

*4 From FY2023/3, calculated based on the total number of employees who took childcare leave and the total number of employees who used leave systems for the purpose of childcare.

Special
Feature

Natural Capital for the Future

The Calbee Group's business activities are closely related to agriculture and depend on natural capital throughout the entire supply chain. These activities impact key components of natural capital, including land, fresh water, seawater, and the atmosphere. Among our five key material issues, conserving natural capital is most closely associated with advancing sustainable agriculture, co-creating a sustainable supply chain, and caring for the earth.

To clarify the relationship between the Calbee Group's business activities and natural capital, we assessed our dependence on and the impact of our key raw materials—potatoes, palm oil, and film—as shown in the diagram below. For example, the production of potatoes and palm oil relies on natural capital such as farmland and water. Therefore, the amount procured will have an impact on natural capital. We will address such priority issues both internally and alongside

producers, suppliers, and other stakeholders to ensure the preservation of natural capital for the future. Additionally, to further ensure the sustainable procurement of raw materials, we plan to conduct risk assessments in line with the TNFD framework and disclose TNFD information incorporating the TCFD recommendations in 2025. We will work toward a sustainable future through initiatives focused on economic value as well as engagement with environmental and social issues.

► Please see our corporate website for details regarding disclosure based on the TCFD framework. It is scheduled to be released around December 2024.

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

Five Material Issues (Materiality)

- 1 Contribute to healthy and diverse lifestyles
- 2 Progress of sustainable agriculture
- 3 Co-create a sustainable supply chain
- 4 Caring for the Earth
- 5 Promote active roles for all employees based on diversity

The Connection between Calbee's Business and Natural Capital

Value chain			Natural capital							
			Land		Fresh water		Seawater		Atmosphere	
			Dependence	Impact	Dependence	Impact	Dependence	Impact	Dependence	Impact
Raw material procurement	(1) Potatoes	Field	Achieving carbon neutrality	Conservation of natural capital * Progress of sustainable agriculture	Rainwater used for cultivation			Conservation of natural capital * Progress of sustainable agriculture		Achieving carbon neutralit
	(2) Palm oil	Plantation		Expanded use of certified palm oil	Rainwater used for cultivation					Responsible procurement that respects human rights and the environment
	(3) Film	Suppliers	Reducing the environmental burden caused by plastics		Water used in manufacturing processes	Wastewater generated by manufacturing processes		Reducing the environmental burden caused by plastics		
Transport (upstream)		From suppliers to factories	Achieving carbon neutrality	Promoting a recycling-based society	Promoting a recycling-based society			Promoting a recycling-based society		Achieving carbon neutralit
Production		Factories								
Transport (downstream)		From factories to stores								
Stores		Stores		Land use						

Special
Feature

Natural Capital for the Future

(1) Sustainably Procuring Potatoes

For the Calbee Group, which harnesses nature's gifts, addressing global warming and conserving natural capital are urgent issues. We are working with approximately 1,700 contract growers and stakeholders in Japan to ensure the stable quality and the procurement of potatoes, our main raw material, and to enhance sustainability.

Risks and Opportunities

The procurement of potatoes, like other crops, is greatly affected by climatic conditions such as sunlight hours, temperature, and rainfall. These factors can lead to risks such as insufficient yields and quality degradation. To address these risks, we view measures against global warming and the preservation of natural capital as opportunities and are actively working on them.

— Reducing Greenhouse Gases in Collaboration with Contract Growers

Since 2018, the Calbee Group in Japan has been calculating, verifying, and working to reduce its greenhouse gas emissions. In FY2023/3, we reduced Scope 1 and 2 emissions by 27.5%, out of approximately 620,000 tons of total greenhouse gas emissions. However, Scope 3 emissions are increasing year by year due to business growth. Accordingly, we focused on reducing greenhouse gas emissions from raw materials (Scope 3, Category 1), which account for 46.0% of total emissions.

In FY2023/3, we participated in the Ministry of the Environment's Model Support Project and formulated a road map for reducing greenhouse gas emissions from raw materials (Scope 3, Category 1).

In FY2024/3, we participated in a project with the Ministry of Agriculture, Forestry and Fisheries titled "Visualizing Potato GHG Emissions," contributing to the data and verification of the simplified calculation sheet.

As part of this project, we visited contract growers, investigated whether greenhouse gases were being emitted during each cultivation process, and verified our own calculations. Going forward, we will continue to contribute to reducing greenhouse gas emissions in potato cultivation.

KPI Total greenhouse gas emissions:

30% reduction by FY2031/3 (compared with FY2019/3)

Use of low-phosphate fertilizer (Hokkaido area): 80% by FY2028/3

— Appropriate Fertilization Based on Soil Analysis for Preserving Natural Capital

Nitrogen, phosphorus, and potassium are said to be the three most important elements in fertilizers for crops to grow. These elements are also essential for growing potatoes. In collaboration with the Hokuren Federation of Agricultural Cooperatives, the Calbee Group conducts soil analysis of fields with different soil types and conditions, and recommends appropriate fertilizers for each field.

As part of our efforts to improve scientifically based cultivation techniques, we are focused on the role of phosphate in fertilizers. Through Hokuren, we are conducting joint research with Obihiro University of Agriculture and Veterinary Medicine, using the scientific evidence we have obtained to reduce phosphate usage.

Furthermore, based on the standards for reducing phosphate fertilizers, we have developed a corresponding fertilizer brand in collaboration with Hokuren and are working to popularize the developed fertilizer brand in the Hokkaido area.

To conserve natural capital, we will continue to promote scientifically based cultivation techniques in collaboration with stakeholders.



Special
Feature

Natural Capital for the Future

(2) Promoting Sustainable and Certified Palm Oil

The Calbee Group's domestic factories procure approximately 40,000 tons of palm oil annually for frying potato chips and other products. Approximately 80% of our palm oil is produced in Indonesia and Malaysia. In recent years, the development of illegal palm plantations in these regions, however, has led to major social issues such as environmental destruction and human rights violations, including child labor.

As an industry leader, Calbee will proactively work with stakeholders to address palm oil sustainability issues.

Risks and Opportunities

The cultivation and production of palm oil poses risks including deforestation resulting from the development of plantations, loss and degradation of biodiversity due to the development of new peatlands, and human rights issues such as forced and child labor. We see these initiatives to address environmental and human rights risks as an opportunity to communicate value not only to our customers, but to our entire value chain.

Switching to RSPO-Certified Palm Oil and Strengthening Supplier Engagement

The Calbee Group aims to use 100% environmentally friendly and human rights-conscious RSPO-certified palm oil by 2030. In July 2021, we began introducing certified palm oil in our factories in Japan using the mass-balance method.*¹ By April 2022, all domestic factories had completed the switch to certified palm oil using this method. We also began displaying the RSPO label on the packaging of some of our products in September 2022.

Going forward, we will promote the use of certified palm oil in raw materials that contain palm oil, build a due diligence system through closer engagement with oil suppliers, and expand the use of certified palm oil that can be traced back to oil mills and plantations.

*¹ A model for assuring the amount of certified palm oil supplied from certified plantations and oil mills in blends containing certified and non-certified palm oil

Promoting the Value of Sustainable Raw Materials to Customers

As part of our environmental communication efforts, we display the RSPO label on the packaging of some of our main products to promote the value of certified palm oil to our customers. As of March 31, 2024, the RSPO label was displayed on 30 products, including both Calbee and Japan Frito-Lay Ltd. products.

In addition, a video summarizing how the use of RSPO-certified palm oil contributes to solving environmental and human rights issues in palm oil producing regions has been posted on the Calbee Sustainability website. As of March 2024, the video has been viewed 200,000 times.

Through this approach, we are working with palm oil suppliers to tackle environmental and human rights issues, and leveraging this opportunity to communicate the value we provide.

We are expanding our approach to include other initiatives, such as the forest certification mark for paper, and Biomass logo.*²

*² Biomass logo: Indicates environmentally friendly products that utilize organic material resources (biomass) and comply with laws, regulations, and standards related to quality and safety (Japan Organics Recycling Association)



Natural Capital for the Future

(3) Reducing Plastic Use

The Calbee Group uses plastic in its packaging to protect its products and ensure they are safe to consume. However, marine plastic waste, the depletion of oil resources, and greenhouse gas emissions caused by plastics are significant social issues. Therefore, we are working to reduce the amount of plastic used in our product packaging, replace it with environmentally friendly materials, and recycle it. Our goal is to ensure that our packaging materials are sustainable.

Risks and Opportunities

Recognizing the risks to sustainable procurement posed by marine plastic pollution, the depletion of oil resources, and greenhouse gas emissions from fossil fuels, we are actively working to reduce the amount of plastic used in product packaging and replace it with environmentally friendly materials. As part of these efforts, we believe that recycling is key to achieving a circular economy, and we are seizing opportunities to collaborate on the development of recycling technologies.

— Reducing and Replacing Petroleum-Based Plastic Packaging

In 1983, Calbee became the first in the industry to adopt aluminum vapor deposition film to maintain product quality, helping to keep its products fresh. However, the film's multi-layer structure makes it difficult to separate the materials from each other, complicating the process of horizontal recycling.

To address this, we have set targets for reducing and replacing plastic packaging in line with the milestones outlined in the Resource Circulation Strategy for Plastics, announced by the Japanese government in May 2019. As part of our efforts, we are also making packaging film thinner and smaller for some of our products, as well as incorporating biomass plastics and other materials.

KPI **Reduce and replace petroleum-based plastic packaging:** 50% by FY2031/3
(compared with FY2019/3)

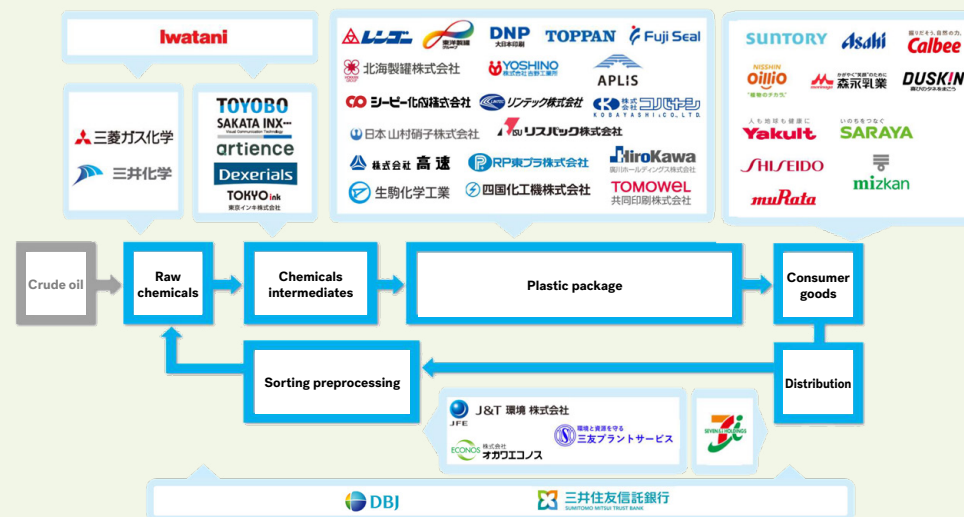
Use of environmentally friendly materials: 100% by FY2051/3

— Collaborating with across-Industry joint company to Recycle Plastic

Since February 2021, Calbee has invested in R Plus Japan Ltd., and collaborates with them on recycling used plastics.

Using technologies that facilitate the processing of waste in a shorter amount of time than conventional chemical recycling, we aim to reduce greenhouse gas emissions, curb energy requirements, and more efficiently recycle used plastics.

To improve plastic resource recycling in the future, we are working with other companies to promote the collection and reuse of waste plastics.



R Plus Japan Ltd. and participating companies (as of May 2024)

SECTION 05

Management Foundation

To enhance corporate value, we have implemented quality assurance systems to ensure food safety and security. Additionally, we promote organizational and human resource initiatives to maximize employee capabilities, and are strengthening governance to build a robust management foundation that supports continuous business growth and sustainability.



Enhancing Corporate Value

SECTION 02

Driving Force
Behind Value
Creation

SECTION 03

Continuous
Business Growth

SECTION 04

Promoting
Sustainability
Management

SECTION 05 Management Foundation



Quality Assurance

Providing safe and reliable products is Calbee's foremost social responsibility. We rigorously implement and comply with quality controls based on international standards for food safety management systems (FSSC22000). Our quality assurance system spans the entire value chain, from production to the end customer. Additionally, we strive to earn our customers' trust and satisfaction by actively listening to their feedback and incorporating it to improve our products.

Assurance of Food Safety

The Calbee Group Believes in Offering Safe, Reliable Products

We provide to our customers are safe and reliable, including installing X-ray inspection devices and metal detectors to prevent contamination, and surveillance cameras at our manufacturing sites. Additionally, we have installed and are using an error prevention checking system in our domestic some production lines which checks whether the product content matches its packaging.



Implementing product quality inspection

Managing a Traceability System for Individual Bags

To respond quickly to customer inquiries on purchased products, we introduced multiple monitoring devices in our manufacturing process at select production lines at the Konan Factory in 2022. We also operate a traceability system that centrally manages information on a per-bag basis through data linkage. We plan to expand this system to other factories.

Quality Control Support for Overseas Group Companies and Overseas Suppliers

The Quality Assurance Division and Overseas Business Division work together to enhance Calbee's quality management system. We conduct food hygiene audits at overseas Group company factories based on Calbee Group food hygiene standards and are expanding our quality assurance approach internationally.

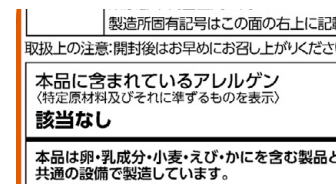
Due to varying import and export regulations, mandatory package labeling, and other standards in each country, we have established management systems tailored to local requirements. We also conduct regular audits at factories of raw materials imported from overseas. If these materials do not meet our quality requirements, we provide guidance for improvement, establishing a system that guarantees product quality.



The farm of imported raw materials to be audited

Addressing Food Allergies

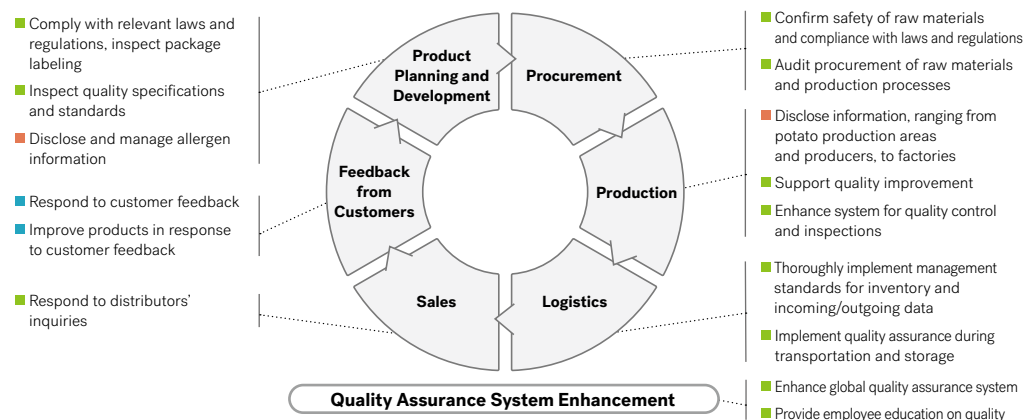
Eliminating the risk of food allergies is an issue that food companies must address with utmost care. Factories are thoroughly sanitized to prevent allergen contamination. Product packaging is standardized so information is easy to understand at a glance. Allergen information is also posted on our website.



Allergen labeling in Japanese

► A quality assurance system that supports our value chain

■ Prevention of safety and quality incidents ■ Initiatives for monitoring security ■ Product improvements reflecting customer feedback



Organization and Human Resources



Yasumasa Hitomi
CHRO and General Manager
of HR & GA Division

Uncovering the Potential of Our Organization and Human Resources to Further Enhance Corporate Value

Driving Corporate Transformation: Actively Engaging Employees and the Role of the CHRO

Since announcing *Change 2025*, we have been significantly transforming the Calbee Group to achieve the next stage of our growth. The success of our transformation depends on the collective effort of all our employees, in Japan and internationally, working together toward common goals. As we adopt a more global outlook, I recognize the importance of my role as CHRO in proposing and implementing bold measures to help us break away from convention, fully leverage the Calbee Group's strengths, and drive transformational change.

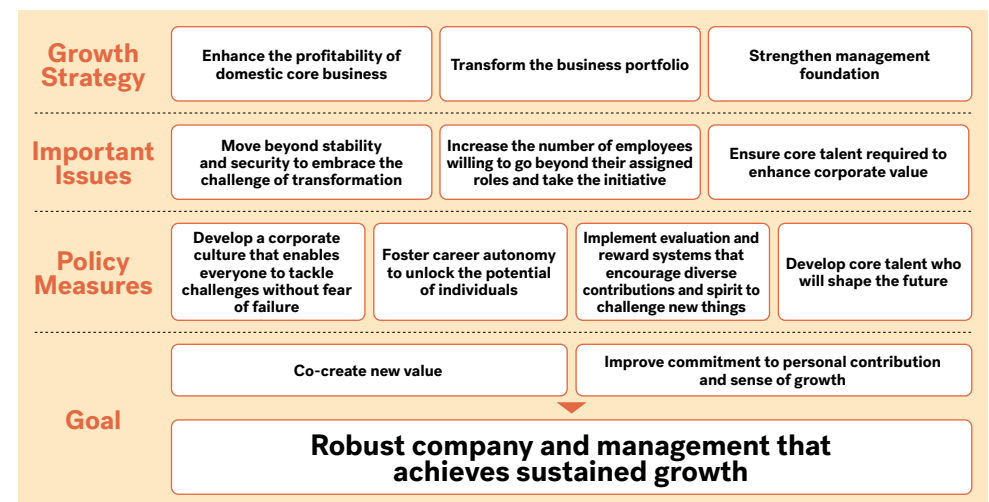
The strengths of the Calbee Group's organization and people lie in our supportive culture, strong teamwork, and sincere and honest approach to manufacturing. We believe these qualities form the DNA of the Calbee Group and developed as we continuously refined our "10 Processes" value chain—what we call our vertically integrated business model. This system ensures our people work closely together across all 10 processes, from material procurement to product delivery, while showing genuine appreciation for nature's gifts. I am confident that by continuously promoting these values, Calbee will grow both up to and beyond *Change 2025*.

Three Key Areas to Drive Transformation

Promoting corporate transformation is not easy, and we must overcome numerous challenges impeding it. In FY2024/3, we identified three key organizational and human resource-related issues that we must address to transform Calbee. We identified these issues based on the results of an engagement survey and discussions by the Human Resources Development Committee, where executive officers meet to discuss our succession plans and human resource strategies.

The first key area we identified is the need to move beyond stability and security to embrace the challenges that lead to true transformation. We must evolve the mindset and behavior of employees who believe it is enough to simply perform tasks as instructed or who cling on to past successes and are afraid of failure and change. This outlook prevents them from taking on new challenges, and we see it in the low scores of our annual engagement surveys in the areas of "going beyond expectations to contribute to the Company," and "taking pride in working at the Calbee Group."

To overcome these challenges, we emphasize workplace communication, proactively encourage one-on-one meetings between managers and team members, and focus on evolving the mindset

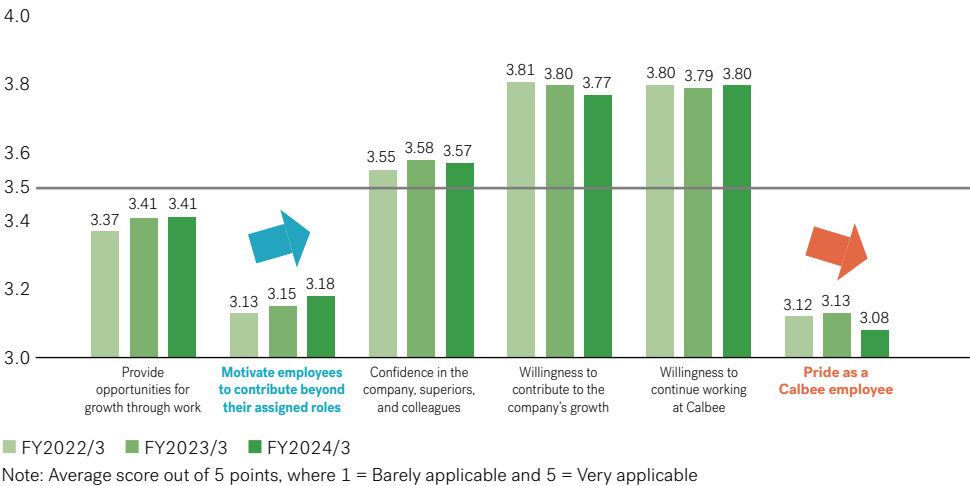


Organization and Human Resources

of entire teams, particularly managers. We also hold Kurumaza (roundtable) Meetings in Japan and internationally to create opportunities for management and employees to engage. During these meetings, we share our management direction and policies, and aim to foster a sense of participation in management. In an increasingly unpredictable business environment, where the pace and scope of change are both increasing, our current human resource system, which is premised on continuous growth, may also no longer be suitable. Accordingly, we will fundamentally revise our human resource systems, including grades, evaluations, and compensation. Regarding our management system for personal targets, in particular, labor and management are collaborating to implement a new point-based system. This system will value the extent to which each employee proactively takes on new and difficult challenges, rather than awarding or deducting points based on results.

The second key area we are addressing is increasing the number of employees willing to go beyond their assigned roles and take the initiative. To instill motivation, it is crucial for employees to formulate their own career plans, for the Company to have a system in place enabling employees to independently take control of their own career paths, and for managers to support employees who are ready to take the next step forward. We will continue supporting employees in their

Engagement Survey Result Trends



career pursuits through systems enabling employees to regularly communicate their career plans to supervisors and apply for internal job postings. Furthermore, we aim to overcome inward-looking tendencies and broaden our horizons through a system that increases opportunities for employees to hold meaningful exchanges with people outside the Company.

The third key area is to ensure we have the core talent needed to enhance corporate value. While it is important for every employee to steadily implement small improvements in their own workplaces, to fully transform ourselves, we require a multilayered structure of core talent in areas such as management, global operations, and digital transformation (DX). We are committed to developing talent with a broad perspective, both within and outside Japan. Specifically, we are formulating succession plans for key positions involved in our transformation, considering the number of people needed and adequacy rates, and systematically engaging in training and talent acquisition. Additionally, we have created and continuously implement training programs to help employees acquire the necessary mindset and skills.

We will continue to uncover the diverse potential of our people, and work to create an organization and environment where everyone can contribute, leading to further growth and creating corporate value for the entire Calbee Group.

Progress on Human Capital Management KPIs

Policy measures	Measures taken	Targets	Results (FY2024/3)
Develop a corporate culture that enables everyone to tackle challenges without fear of failure	Engagement survey: Psychological safety	3.50	3.48
	Ratio of women in management	Over 30%	22.6%
Implement evaluation and reward systems that encourage diverse contributions and spirit to challenge new things	Engagement survey: All employees actively contributing	60%	45%
Foster career autonomy to unlock the potential of individuals	Engagement survey: Career autonomy	3.50	3.19
	Number of participants in selective training programs	1,000 people	781 people
	Adequacy rate of candidates for key strategic positions	500%	800%
Develop core talent who will shape the future	Percentage of employees who are motivated to contribute globally	30%	24%
	Number of DX Academy participants	1,800 people	1,719 people
Promote a healthy body and mind	Average ratio of paid leave taken	80%	84.9%
	Hours of overtime worked	15 hours/month	17.2 hours/month
	Comprehensive health checkup rate	100%	100%

Organization and Human Resources

Policies to develop future talent

Fostering Next-Generation Leaders with Global Mindsets and Experience

To establish our overseas business as one of our growth pillars, our management team is committed to developing the next generation of leaders with global mindsets and business acumen.

Through programs such as the Calbee Next Leader Program (CNLP) for managers, and the Global Mindset Building Program for junior personnel, we are developing a new generation of leaders who can actively perform on the global stage. In addition to programs aimed at developing global mindsets, literacy, and intercultural communication skills—such as holding dialogues and negotiating, etc.—the CNLP offers practical training. This includes visits to international subsidiaries, venture companies, and universities to facilitate an understanding of local business environments and how to operate in a global environment. We will expand our pool of candidates for global management positions through the CNLP.

We have also introduced a system that enables employees from overseas subsidiaries to come to Japan to learn about Calbee's unique manufacturing methods. This initiative aims to develop these employees into future executives at our overseas subsidiaries. Under the overseas trainee system, junior and mid-career employees are posted to overseas subsidiaries for a period of one year, enabling them to acquire practical experience abroad and understand the skills and mindset required overseas. Even after returning to Japan, we continue to provide these employees with opportunities to acquire the experience needed to become candidates for global positions.



CNLP visit to a factory in Thailand

VOICE



Ryuji Yoshida

Manager,
Quality Assurance Section,
Hiroshima-Nishi Factory
West Japan Business Division
Calbee Japan Region

What I Believe Expatriate Employees Need to Thrive

My visits to local subsidiaries and venture companies in Thailand through the CNLP had a significant impact on me. During these visits, I realized the necessity of developing expertise in multiple areas rather than focusing on a single one, the need for flexibility to work in different cultures, and the importance of passion. Up to now, I have built my career around quality assurance, but seeing other Japanese expatriates handling a wide range of tasks on their own, including management, human resources, and production, I realized the importance of developing multiple areas of expertise. I was also inspired by the way local employees had grown by embracing different cultures and working passionately to resolve issues. These experiences fueled my desire to develop and contribute to the local subsidiary's business in the same way. After completing the CNLP, I have proactively engaged in areas other than quality assurance, become more aware of the need to further enhance my strengths, and noticed a change in my own behavior.

VOICE



Konoka Miyamoto

Branding Team,
Europe/Americas Group
Calbee
Europe/Americas Region

My Experience Working at a U.S. Subsidiary for One Year

I volunteered as a trainee at Calbee America, Inc., for one year. From the day I arrived, I was treated as a regular employee, not a trainee, and I learned a lot from people in various departments. While there, I was in charge of projects such as the renewal of *Harvest Snaps* and the introduction of new production equipment. I gained a wealth of experience both professionally and personally, including understanding the differences in working culture and business practices between the United States and Japan, as well as Calbee's position in the U.S. snack food market. Through this experience, I believe I have become more resilient in the face of adversity than before. After returning to Japan, I was tasked with supporting local subsidiaries from Japan. I aim to leverage my experience as a trainee to serve as a bridge between Calbee and its local subsidiaries, helping to resolve the issues they face and delivering Calbee products to a wide range of overseas customers.

Organization and Human Resources

Policies to foster career autonomy and unlock the potential of individuals

Promoting Career Autonomy through Dialogues Between Supervisors and Team Members

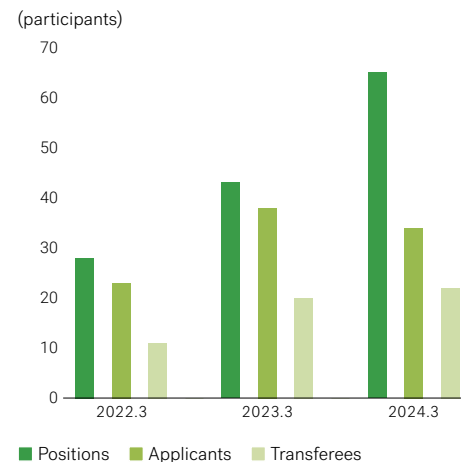
At the Calbee Group, we believe that encouraging every employee to seek growth and take the initiative in shaping their own careers will foster a culture of taking on new challenges and enhance job satisfaction. In FY2023/3, we upgraded our self-evaluation mechanism to the Career Exploration Notes, an initiative designed to promote career autonomy. Employees are now required to articulate their career visions and transfer requests for the following year and beyond. Supervisors and team members conduct one-on-one meetings based on this to support personal growth and career development. If desired, employees can consult with in-house career counselors to proactively consider their own careers.



Supporting Employee Career Visions Through the Career Encouragement System

To help employees realize their career visions, we launched the Career Encouragement System in FY2024/3, an enhancement of our previous internal employee recruitment system. We are further increasing opportunities for employees to take on new challenges and achieve greater career autonomy, such as by identifying positions that are essential to achieving Calbee's future business through discussions with general managers, and by expanding the number of positions available for employees to apply to.

► Career Encouragement Positions, Applicants, and Transferees



Policies to develop a corporate culture that enables everyone to tackle challenges without fear of failure

Encouraging Transformational Challenges through Kurumaza (roundtable) Meetings

In conjunction with the launch of our new management structure in April 2023, we began holding Kurumaza (roundtable) Meetings limited to around 30 people. These aim to promote a deeper understanding of the Calbee Group's medium-term Company-wide policies and strategies, and increase employee motivation to proactively participate in transforming Calbee. Management visited various locations in Japan and overseas a total of 62 times in one year, engaging 1,645 people (as of the end of FY2024/3). Through in-person discussions and Q&A sessions, we encourage employees to make it a personal priority to help transform Calbee, aiming to create a company culture where everyone can contribute and take on new challenges without fear of failure.

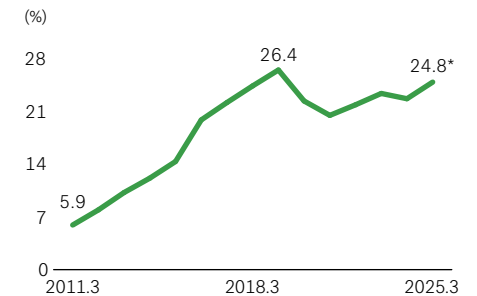


Kurumaza (roundtable) Meeting

Proactively Empowering Women in Management and Developing Leadership Talent

Under the strong leadership of senior management, the ratio of female managers rose to 26.4% in FY2019/3. However, the rapid pace of promotions revealed some gaps in prior preparation, which limited certain managers from fully leveraging their abilities. In response, worksite managers, local human resource departments, and the Head Office Human Resources Division collaborated closely to: (1) identify and enhance the strengths and abilities of each candidate, (2) ensure job placements and rotations that foster growth opportunities, and (3) cultivate awareness around positions and career development. These efforts have contributed to stabilizing the female manager ratio at 24.8%.

Female managers who were initially hesitant to take on managerial roles are now better equipped, both in terms of mindset and capabilities, and we have seen an improvement in the quality of their performance since their promotion. Going forward, we remain committed to developing our pool of next-generation leaders, ensuring they are well-prepared to succeed post-promotion, and establishing a system that enables them to take on even more senior positions. Our goal is to achieve a female manager ratio of over 30%.



— Ratio of women in management

* Figures are as of April 2024.

Corporate Governance

Basic policy on corporate governance

The Calbee Group has a vision of earning the respect, admiration, and love, firstly of customers, suppliers, and distributors, secondly of employees and their families, thirdly of the community, and finally of stockholders. We believe management that prioritizes customers and business partners will maximize profits for our shareholders. Furthermore, we believe enhancing corporate governance is crucial to living up to the trust and expectations of all stakeholders and increasing corporate value, and, based on this, we intend to increase management transparency while building up our internal control and compliance systems.

► We have formulated Calbee's Corporate Governance Code, which systematizes our basic policy on corporate governance.

Calbee's Corporate Governance Code
<https://www.calbee.co.jp/en/ir/management/governance/>

► Transition of corporate governance system enhancement

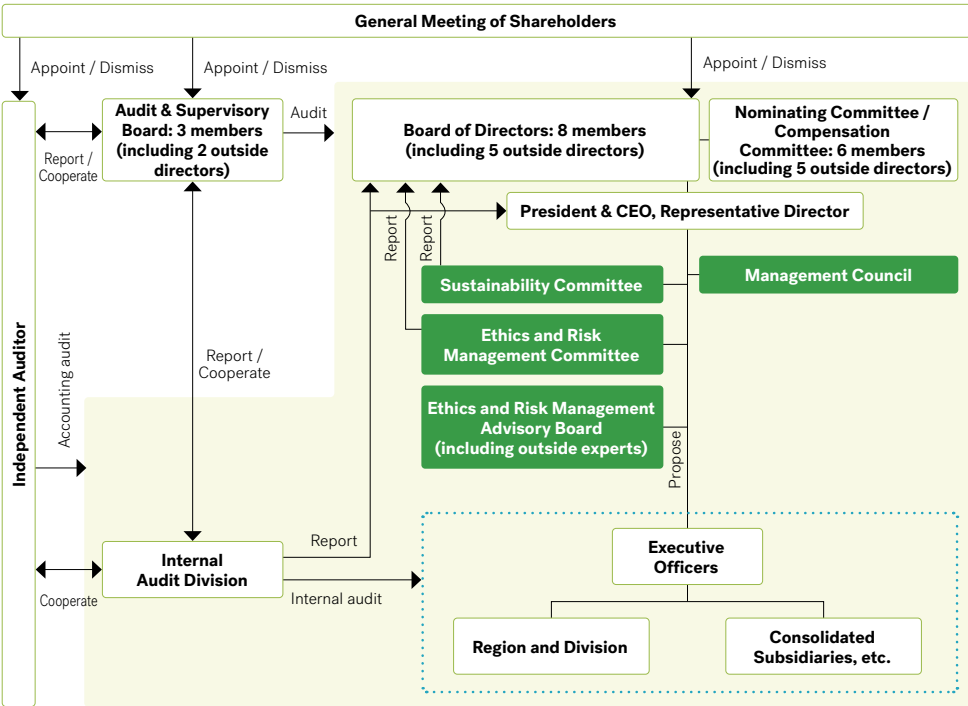
	Purpose	Measures taken
2001	Separation of supervision and business execution	<ul style="list-style-type: none"> Adopted an executive officer system Appointed outside directors
2009	Enhancement of supervisory and monitoring functions Promotion of diversity of the Board of Directors	<ul style="list-style-type: none"> Reduced the number of internal directors from nine to two Increased the number of outside directors from two to five Appointed the first non-Japanese director
2010	Enhancement of management transparency and soundness	<ul style="list-style-type: none"> Established the Advisory Board (currently the Nominating Committee / Compensation Committee)
2014	Clarification of management responsibility	<ul style="list-style-type: none"> Reduced director terms from two years to one year
2019	Strengthening of management structure	<ul style="list-style-type: none"> Increased the number of internal directors by two; the Board of Directors increased from six to eight
	Clarification of the function of committees	<ul style="list-style-type: none"> Changed the Advisory Board into the Nominating Committee / Compensation Committee, chaired by an outside director

Corporate governance system

Calbee's corporate governance system includes a Board of Directors with eight members, comprising five outside directors and three internal directors, and an Audit & Supervisory Board responsible for supervising and monitoring management. Through the introduction of an executive officer system, we aim to separate business execution from supervisory functions in order to enhance management transparency, clarify management responsibilities, expedite decision-making, and strengthen the management oversight function.

We have established the following corporate governance system, with the General Meeting of Shareholders as the highest decision-making body, the Board of Directors overseeing the execution of duties and status of execution by executive officers, and the Audit & Supervisory Board monitoring and auditing the execution of duties by the Board of Directors.

► Organization of corporate governance



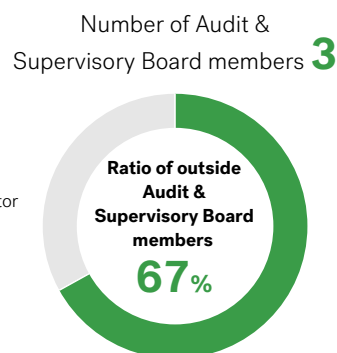
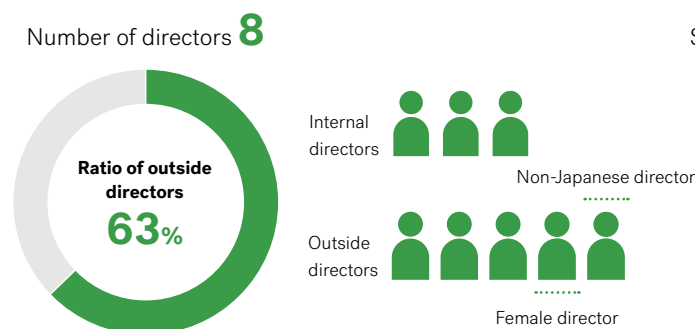
Corporate Governance

Policies and processes for appointing Directors and Audit & Supervisory Board Members

Policy

► Composition of the Board of Directors

The Board of Directors will be composed of at least half independent directors. We actively promote diversity by appointing directors with varied personal backgrounds, genders, and nationalities. Additionally, we ensure that outside directors bring diverse perspectives and areas of expertise.



	Expected role and area of expertise	Number of applicable directors and Audit & Supervisory Board members
Corporate management	Expertise and experience in corporate management	8 people
Global	Expertise in international business or corporate management related to global business development	11 people
Marketing	Expertise in providing products and services that meet customer needs	3 people
Production/IT	Expertise in increasing and optimizing productivity	3 people
Sustainability	Expertise required to achieve sustainable corporate and societal development	4 people
Finance	Expertise in finance and accounting	4 people
Legal affairs	Expertise in legal affairs	1 person

► Policy on appointing Outside Directors and Outside Audit & Supervisory Board members

We place emphasis on the following points and comprehensively consider whether candidates will contribute to sound and efficient corporate management. Independence is determined based on internal standards that take into account the requirements for independent directors set out by the Tokyo Stock Exchange.

- Expectations for useful, objective, and fair advice and supervision based on thorough knowledge and experience of corporate management, and a high level of knowledge in the food industry
- Expectations for useful, objective, and fair advice and supervision based on a high level of knowledge in a specific field

Processes

The nomination of outside directors is approved at the General Meeting of Shareholders following a review by the Nominating Committee, a discretionary advisory body, and a recommendation from the Board of Directors. For outside Audit & Supervisory Board members, candidates must demonstrate a strong commitment to fulfilling their responsibilities to shareholders and possess expertise in finance, accounting, and/or law. Candidates are recommended by the Board of Directors, approved by the Audit & Supervisory Board, and then decided upon at the General Meeting of Shareholders.

Corporate Governance

Evaluating the Board of Directors' Effectiveness

Calbee conducts annual evaluations of the Board of Directors' effectiveness to enhance its supervisory function.

Evaluation process

- A third-party organization issues questionnaires to all directors and Audit & Supervisory Board members.
- The same third-party organization tabulates and analyzes questionnaire responses.
- The Board of Directors' Secretariat and Audit & Supervisory Board members conduct individual interviews with directors.

Focus of questionnaires and individual interviews

- Composition of the Board of Directors (structure, number of members, expertise, and diversity)
- Management of the Board of Directors (quality and quantity of reporting materials, time allocated to deliberation, etc.)
- Agenda of the Board of Directors (content of agenda items and effectiveness of discussions)
- Other (effectiveness of the Nominating Committee / Compensation Committee, etc.)

Evaluation results and initiatives

Issues Raised in the FY2023/3 Effectiveness Evaluation

- Continuous review of the Board's composition with an emphasis on independence and diversity
- Enhancing discussions on medium- to long-term growth strategies
- Clarifying the roles and enhancing the activities of the Nominating Committee / Compensation Committee

FY 2024/3 Evaluation Results

• Board Composition

- The Board is diverse in terms of age, gender, nationality, and expertise, fostering lively discussions.
- There is an ongoing need to continually review the Board's composition, emphasizing independence and diversity.

• Board Operations

- We are working to ensure outside directors can effectively fulfill their roles and invigorate discussions through hybrid meetings that include the exchange of opinions outside of Board meetings.
- New outside directors attend internal briefings, visit workplaces, and are provided with other opportunities to better understand the Calbee Group's business environment and corporate culture.

• Board Agenda

- The agenda continues to be reorganized, leading to more discussions on medium- and long-term strategies.
- To deepen discussions, we need to improve the scheduling of agenda items and provision of background information (related to the industry, competitive environments, risks, and other issues).
- We need to conduct in-depth discussions on the relationship between business foundations and growth strategies related to human resources, DX, and sustainability.

• Others (discretionary committee functions, etc.)

- We clarified the roles of the Nominating Committee / Compensation Committee, and held lively discussions on Calbee's management structure and other issues.

Issues and Efforts Going Forward

- We will continue to review the Board's composition and Calbee's organizational design to accelerate growth strategies and strengthen governance.
- To enhance discussions, particularly those related to growth strategies, we will optimize briefing materials and proposal schedules.
- We will deepen discussions related to our business foundation to sustainably enhance corporate value and financial strategies that take capital costs into consideration.
- The Nominating Committee / Compensation Committee will meet regularly to ensure transparent processes for selecting officers and determining compensation.

Board of Directors' Main Discussions

Based on the effectiveness evaluation, the Board of Directors' meetings in FY2024/3 focused on deepening discussions on medium- and long-term strategies. The main reports and discussion points are as follows.

Issues	Main reporting and discussion details
Change 2025 growth strategy priority themes	<p>Report details</p> <p>The CSO reported that under the growth strategy <i>Change 2025</i>, the Corporate Transformation Promotion Division will serve as the PMO for eight projects to address four priority areas: strengthening the profitability of the domestic core business, cultivating global brands, promoting Agri-business, and advancing the Food and Health business.</p> <p>Discussion details</p> <p>For overseas business expansion, the Board discussed various approaches to capital investment, including leveraging existing production bases and outsourced manufacturing, considering medium- to long-term country risks. It also discussed the need for evaluation and compensation systems to develop global talent and facilitate external recruitment.</p>
Business foundation measures (S&OP) for the promotion of growth strategies	<p>Report details</p> <p>The assigned division general manager reported on the promotion of the interdivisional collaboration mechanism (S&OP) aimed at maximizing profit per raw material and enhancing decision-making. The report addressed current issues, measures, milestones, and target values for initiatives such as visualizing revenue by SKU and brand, optimizing the value chain, and optimizing sales.</p> <p>Discussion details</p> <p>Points discussed included the need for the entire Group to invest resources urgently and for the management team to strengthen internal collaborations and communication to ensure smooth operations.</p>

Corporate Governance

Executive remuneration

To enhance management transparency, remuneration paid to directors undergoes a process of discussion by the Compensation Committee, resolution by the Board of Directors, and approval at the General Meeting of Shareholders. Remuneration for senior executive officers goes through a process of discussion by the Compensation Committee and then resolution by the Board of Directors. The remuneration of the Company's directors and senior executive officers comprises 1) basic remuneration (fixed remuneration), 2) bonuses (variable remuneration), 3)

performance-based stock compensation (variable remuneration), and 4) a retirement bonus (variable remuneration). Approximately one-half of the remuneration is performance-based to promote medium- to long-term growth in addition to continued and improved performance every fiscal year and to connect remuneration to shareholder interests.

Outside directors and Audit & Supervisory Board members are limited to fixed remuneration only, as they are in positions independent from business execution.

Directors (excluding outside directors) Executive officers	Basic remuneration 50%		Bonuses 25%	Performance-based stock compensation Retirement bonus 25%
	1. Basic remuneration	2. Bonuses	3. Performance-based stock compensation	4. Retirement bonus
Purpose	Compensation for executive duties	Short-term incentive Linked to results during the fiscal year	Medium- to long-term incentive	Linked to results during the period of appointment
Payment form	Cash	Cash	Shares	Cash
Overview	<ul style="list-style-type: none"> Payment of compensation based on operational execution duties for specific ranks Compensation amounts decided through comprehensive assessment of ranks, duties, and responsibilities 	<ul style="list-style-type: none"> Annual compensation linked to degree of accomplishment of targets set for evaluation indicators Payments based on duties and degree of accomplishment of targets for personal performance indicators and consolidated performance indicators (net sales, operating profit, and profit attributable to owners of parent) 50% of individual performance targets focused on human resource and organizational development to drive sustainable growth 	<ul style="list-style-type: none"> Non-monetary remuneration issued at time of resignation based on points (shares of Company stock) allocated each year in accordance with rank and degree of accomplishment of consolidated performance targets and sustainability indicators 	<ul style="list-style-type: none"> One-half of the annual bonus amount set aside and paid in one lump sum upon retirement
Regional presidents Other officers	Rate of Influence of Evaluations on Bonuses			Evaluation Indicators for Performance-Based Stock Compensation
	<div> <div>Consolidated performance 50%</div> <div>Region P/L/KPI 30%</div> <div>Personal performance 20%</div> </div> <div>Consolidated performance 70%</div> <div>Personal performance 30%</div> <div>Personal performance 80% conversion</div>			<div> <div>Consolidated sales 20%</div> <div>Consolidated operating profit 40%</div> <div>Profit attributable to owners of parent 25%</div> <div>Sustainability targets 15%</div> </div> <div>Consolidated operating profit</div> <div>Consolidated performance 20% conversion</div>
Outside directors / Audit & Supervisory Board members	Basic remuneration 100%			

Corporate Governance

Risk management

To manage various business risks such as product safety and quality, raw material procurement, natural disasters, pandemics, information security, and compliance, we have established comprehensive crisis management policies. As part of building an internal control system, we are identifying and assessing management risks for each division and Group company. We are also promoting a business continuity system that aims to prevent risks, minimize damage, and ensure quick recovery. For risks related to product safety and raw material procurement, the Quality Assurance Division and the Global Procurement Division take the lead in implementing preventive measures and establishing rapid response systems. Regarding cyberterrorism and other information security risks, we have an internal Computer Security Incident Response Team (CSIRT) to handle incidents. Additionally, we continue to educate and raise awareness among employees and develop preventative and response measures beyond system-based solutions.

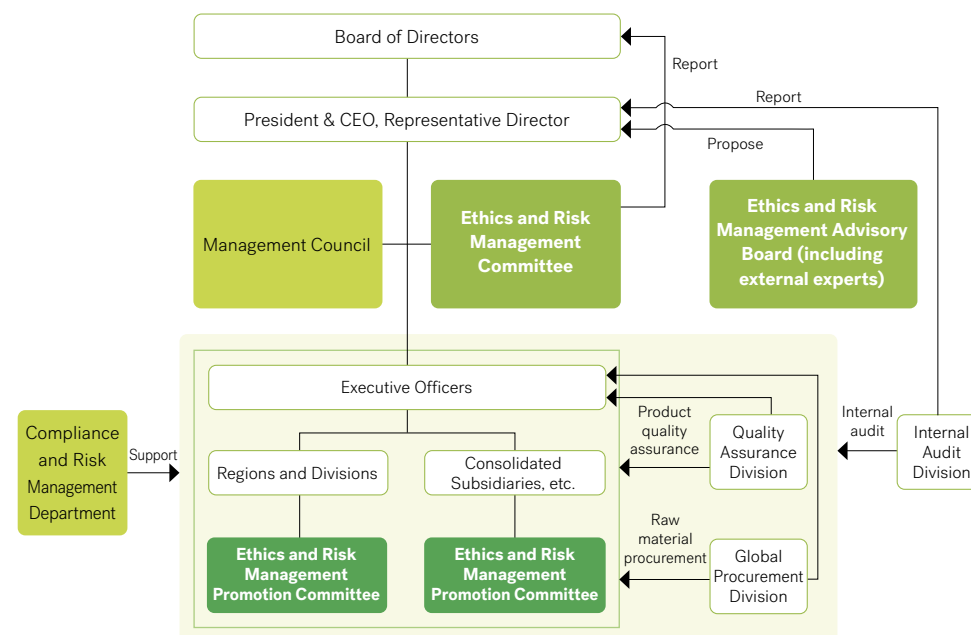
Risk management system

In accordance with the Basic Policy of Internal Control Systems, the Group established a compliance and risk management system, with the Ethics and Risk Management Committee deliberating, determining, and managing the progress of countermeasures. Furthermore, if the possibility of a risk occurring increases, or if a risk materializes, we will set up an emergency response headquarters if necessary to mitigate said risks.

► For more information on business-related and other risk factors facing the Company, please see the latest Annual Securities Report (Japanese only).

<https://www.calbee.co.jp/ir/library/fs/>

► Organization of compliance and risk management



Corporate Governance

Risk		Potential risk	Response
1	Product safety	<ul style="list-style-type: none"> Product recalls and sales suspensions Loss of trust 	<ul style="list-style-type: none"> Build quality assurance systems Realize traceability across the entire supply chain
2	Product development	<ul style="list-style-type: none"> Inability to develop products in time due to failure to properly respond to needs of customers and business partners 	<ul style="list-style-type: none"> Systematically implement new product development, brand renewals, quality improvements, cost reductions, and R&D activities in foundational research fields
3	Raw material procurement		
	① Potato procurement risk (Weather instability and decrease in potato growers)	<ul style="list-style-type: none"> Loss of sales opportunities due to inability to secure volume of potatoes Cost increase driven by urgent procurement 	<ul style="list-style-type: none"> Build a procurement system through contract growers, disperse production areas Support cultivation and harvest, and assist with measures for reducing labor Prepare plant facilities that can handle imported potatoes
	② Potato procurement risk (Spread of potato cyst nematodes)	<ul style="list-style-type: none"> New varieties that meet requirements will not be developed and popularized New varieties are not being widely adopted throughout production areas Potato cyst nematodes could spread faster than anticipated 	<ul style="list-style-type: none"> Promote a switch to nematode-resistant varieties of potato
	③ Other raw material and input procurement risk	<ul style="list-style-type: none"> Further increase in raw materials and supplies prices beyond expectations Increased procurement costs due to changes in import sources and routes 	<ul style="list-style-type: none"> Establish a network of multiple and diverse suppliers Reinforce appropriate inventory
4	Product supply in Japan	<ul style="list-style-type: none"> Inability to secure transportation vehicles at an appropriate cost Higher transportation costs than expected Changes and fluctuations such as surpluses and shortages in raw material yields and sudden increases or decreases in sales due to climate change 	<ul style="list-style-type: none"> Reduce waiting time through supply chain management reforms utilizing automation and AI Promote "white logistics" by reducing delivery frequency, consolidating delivery destinations, and using pallets Establish a value chain optimization system
5	Information security	<ul style="list-style-type: none"> Cyber terrorism, computer virus infection Loss of information due to unauthorized access, data tampering Leakage of personal information or confidential company information 	<ul style="list-style-type: none"> Establish an incident response system centered on a CSIRT Conduct appropriate security countermeasures for information management
6	Securing global human resources	<ul style="list-style-type: none"> Unable to sufficiently recruit global talent Global human resource development delays 	<ul style="list-style-type: none"> Promote global talent management that systematizes recruitment, placement, development, and evaluations

Corporate Governance

	Risk	Potential risk	Response
7	Compliance	<ul style="list-style-type: none"> Actions that violate laws or social norms could result in penalties, revocation of permits and licenses, lawsuits, and loss of trust. 	<ul style="list-style-type: none"> We established the Calbee Group Code of Conduct and promote compliance through level-based training and other educational activities to ensure employee compliance with ethical and social norms, laws and regulations, and internal rules, etc.
8	Intellectual property rights	<ul style="list-style-type: none"> Illegal use of Group intellectual property rights by a third party Pursuit by a third party for intellectual property rights infringement 	<ul style="list-style-type: none"> Establish a specialized division to thoroughly protect and manage various intellectual property rights Strive to avoid third-party intellectual property rights infringement
9	Geopolitical impacts on overseas expansion	<ul style="list-style-type: none"> Risks remain for longer and increase more than expected, causing supply shortages 	<ul style="list-style-type: none"> Consider and implement measures in advance to deal with geopolitical risks, such as anticipated conflicts, decoupling, and pandemics
10	Climate change	<ul style="list-style-type: none"> Carbon tax introduction, depending on progress on initiatives to reduce greenhouse gas emissions Change in consumer purchasing behavior Potential for deteriorating potato quality Production equipment damage, operation halts, and supply chain interruptions due to typhoons and torrential rain, etc. 	<ul style="list-style-type: none"> Energy conservation and use of renewable energy Support the recommendations put forth by the TCFD and analyze risks and opportunities related to climate change
11	Natural disasters and pandemics	<ul style="list-style-type: none"> Inability to supply products due to delays in parts of the supply chain Repairs for equipment, facilities, etc., may require long periods of time and major expenses High prices and difficulty in securing raw materials 	<ul style="list-style-type: none"> Disperse production sites and procurement providers for raw materials Work to restart the supply system quickly based on a comprehensive BCP and other means
12	Major shareholders	<ul style="list-style-type: none"> The Company may become unable to realize synergy effects from the alliance if: <ol style="list-style-type: none"> 1) PepsiCo, Inc., changes its management direction or business strategy 2) the agreement were canceled and the Company would enter a competitive relationship with the PepsiCo Group in Japan 3) there were a change in PepsiCo's ownership ratio of the Company. 	<ul style="list-style-type: none"> Maintain strategic alliance with PepsiCo, Inc.

Corporate Governance

Board of Directors and Audit & Supervisory Board Members

(As of July 1, 2024)

Directors



Makoto Ehara

President & CEO,
Representative Director

Apr. 1981 Joined ITOCHU Corporation
Apr. 2001 Joined Johnson & Johnson K.K.
Apr. 2008 Vice President & General Manager of Business Operations
Mar. 2011 Joined the Company, Senior Executive Officer, the Company
Apr. 2011 President and Representative Director, Japan Frito-Lay Ltd.
Apr. 2014 Managing Executive Officer, the Company, and President and Representative Director, Japan Frito-Lay, Ltd.
Apr. 2015 Executive Vice President, the Company
Apr. 2019 Vice President, Overseas Company, President and Assistant to the President
Jun. 2019 Executive Vice President
Apr. 2022 Executive Vice President & COO
Apr. 2023 President & CEO, Representative Director (current position)



Akira Imoto

Director, Senior Managing
Executive Officer

Apr. 1987 Joined the Company
Apr. 2011 Executive Officer, General Managing Director of Quality Assurance Division
Apr. 2016 Senior Executive Officer
Apr. 2019 Managing Executive Officer, President of Production Company
Apr. 2023 Senior Managing Executive Officer, President of Calbee Japan Region
Jun. 2023 Senior Managing Director, President of Calbee Japan Region
Apr. 2024 Director, Senior Managing Executive Officer, President of Calbee Japan Region (current position)



Keiei Sho

Director, Senior Managing
Executive Officer and CSO

Apr. 1989 Joined ITOCHU Corporation
Apr. 2013 Joined the Company
Executive Officer, General Managing Director of Overseas Business Division 1
Apr. 2016 Executive Officer, General Managing Director of Overseas Business Division
Apr. 2020 Managing Executive Officer, Overseas Company President
Apr. 2023 Senior Managing Executive Officer and CSO
Jun. 2024 Director, Senior Managing Executive Officer, CSO and General Manager of Headquarters for Group Business Strategy Management (current position)



Yuzaburo Mogi

Outside Director

Apr. 1958 Joined KIKKOMAN CORPORATION
Mar. 1979 Director, KIKKOMAN CORPORATION
Mar. 1982 Managing Director, KIKKOMAN CORPORATION
Oct. 1985 Representative Director and Managing Director, KIKKOMAN CORPORATION
Mar. 1989 Representative Director and Senior Managing Director, KIKKOMAN CORPORATION
Mar. 1994 Representative Director, Director and Deputy President, KIKKOMAN CORPORATION
Feb. 1995 Representative Director, President and CEO, KIKKOMAN CORPORATION
Jun. 2001 Audit & Supervisory Board Member, TOBU RAILWAY CO., LTD. (current position)
Jun. 2004 Representative Director, Chairman and CEO, KIKKOMAN CORPORATION
Jun. 2009 Director, the Company (current position)
Jun. 2011 Honorary CEO and Chairman of the Board of Directors, KIKKOMAN CORPORATION (current position)
Jun. 2016 Director, ORIENTAL LAND CO., LTD. (current position)
Jun. 2020 Director who is an Audit & Supervisory Committee Member, FUJI MEDIA HOLDINGS, INC. (current position)



Atsuko Fukushima

Outside Director

Apr. 1985 Joined CHUBU-NIPPON BROADCASTING CO., LTD.
Apr. 1988 Anchorperson, Japan Broadcasting Corporation (NHK)
Oct. 1993 Anchorperson, Tokyo Broadcasting System Inc. (TBS, currently TOKYO BROADCASTING SYSTEM TELEVISION, INC.)
Apr. 2005 Anchorperson for economics program, TV TOKYO Corporation
Apr. 2006 Member of Management Council, Shimane University
Dec. 2006 Management Advisor for Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)
Jul. 2012 Director, Hulic Co., Ltd. (current position)
Jun. 2015 Director, Nagoya Railroad Co., Ltd. (current position)
Jun. 2015 Director, the Company (current position)
Feb. 2022 Director, Kewpie Corporation (current position)



Yoshihiko Miyauchi

Outside Director

Aug. 1960 Joined Nichimen & Co., Ltd. (currently Sojitz Corporation)
Apr. 1964 Joined Orient Leasing Co., Ltd. (currently ORIX CORPORATION)
Mar. 1970 Director, Orient Leasing Co., Ltd.
Dec. 1980 Representative Executive Officer, President and Chief Executive Officer, Orient Leasing Co., Ltd.
Apr. 2000 Representative Executive Officer, Chairman and Chief Executive Officer, ORIX CORPORATION
Jun. 2003 Director, Representative Executive Officer, Chairman and Chief Executive Officer, ORIX CORPORATION
Apr. 2006 Executive Director, ACCESS CO., LTD. (current position)
Jun. 2014 Senior Chairman, ORIX CORPORATION (current position)
Jun. 2017 Director, the Company (current position)
Oct. 2019 Director, RAKSUL INC. (current position)
May 2020 Director, Nitori Holdings Co., Ltd. (current position)



Wern Yuen Tan

Outside Director

Jul. 2001 Senior Police Officer, Singapore Police Force
Jun. 2005 Senior Assistant Director, Singapore Ministry of Trade and Industry
Feb. 2006 Associate, Boston Consulting Group
Jan. 2010 Principal, Boston Consulting Group
Jun. 2011 Senior Director of Strategy & Insights, Asia Pacific Middle East & Africa, McDonald's Corp.
Jun. 2012 Vice President of Strategy & Insights, Asia Pacific Middle East & Africa, McDonald's Corp.
Mar. 2013 Managing Director, Taiwan McDonald's Corp.
Jan. 2017 President, Walmart Stores China, Walmart Inc.
Jan. 2018 President & CEO, China, Walmart Inc.
Jun. 2020 CEO, Asia Pacific Australia & New Zealand and China, PepsiCo, Inc. (current position)
Jun. 2022 Director, the Company (current position)



Hatsunori Kiriya

Outside Director

Apr. 1985 Joined P&G Far East Inc. (currently The P&G Japan Limited)
Jul. 2002 Vice President and Director of Sales Department, P&G Northeast Asia
Jul. 2005 Vice President, P&G Global Skincare
Jun. 2007 President and Representative Director, The P&G Japan Limited
Jun. 2012 President and Chief Executive Officer, The Procter & Gamble Company (USA) and Head of Asia
Sep. 2017 Representative Director for GL Inc (current position)
June 2023 Director, the Company (current position)
Jun. 2024 Director, MITSUBISHI MATERIALS CORPORATION (current position)

Corporate Governance

Board of Directors and Audit & Supervisory Board Members

(As of July 1, 2024)

Audit & Supervisory Board Members



Apr. 1988 Joined Hitachi Chemical Co., Ltd. (now Resonac Corporation)
 Apr. 2013 Executive Director (Treasurer), Hitachi Powdered Metals (USA), Inc. (now Resonac Powdered Metals America, Inc.)
 Oct. 2016 Joined Calbee, Inc., Manager, IR Division, Corporate Planning and IR Departments
 Apr. 2019 Executive Officer, General Manager, IR Department and Manager, ESG Promotion Office
 Apr. 2021 Executive Officer, General Manager, Procurement Division and Manager, Sustainability Promotion Office
 Apr. 2022 Strategic Risk Management Department
 Jun. 2022 Audit & Supervisory Board Member (current position)
 Jun. 2023 Director, KUREHA CORPORATION (current position)

Yumiko Okafuji

Audit & Supervisory Board
Member (full-time)



Apr. 1998 Registered as attorney at law
 Apr. 1998 Joined Toranomon Sougoh Law Office
 Sep. 2004 Joined Kramer Levin Naftalis & Frankel LLP, New York (foreign trainee)
 Sep. 2005 Joined Asahi Koma Law Offices (associate)
 Feb. 2007 Joined TMI Associates (associate)
 Jan. 2008 Partner, TMI Associates (current position)
 Jun. 2016 Audit & Supervisory Board Member, the Company (current position)
 Mar. 2018 Auditor, WingArc1st Inc. (current position)

Nagako Oe

Outside Audit & Supervisory
Board Member



Oct. 1984 Joined Tetsuzo Ohta & Co. (now Ernst & Young ShinNihon LLC)
 Aug. 1988 Registered as CPA
 May 2005 Representative Partner, Shin Nihon & Co. (now Ernst & Young ShinNihon LLC)
 Nov. 2006 Representative Director, Management Power Exchange Ltd. (current position)
 Jan. 2007 President, Usami Certified Public Accountant Office (current position)
 Jun. 2010 Head of Usami Certified Public Tax Accountant Office (current position)
 Jun. 2015 Auditor, Toshiba Machine Co., Ltd. (currently SHIBAURA MACHINE CO., LTD.)
 Jun. 2019 Outside Director, Toshiba Machine Co., Ltd. (member of the Audit Committee)
 May 2020 Auditor, CHIYODA CO. LTD. (current position)
 Oct. 2022 Supervisory Board Member, Industrial & Infrastructure Fund Investment Corporation (current position)
 Jun. 2023 Audit & Supervisory Board Member, the Company (current position)

Yutaka Usami

Outside Audit & Supervisory
Board Member

Executive Officers

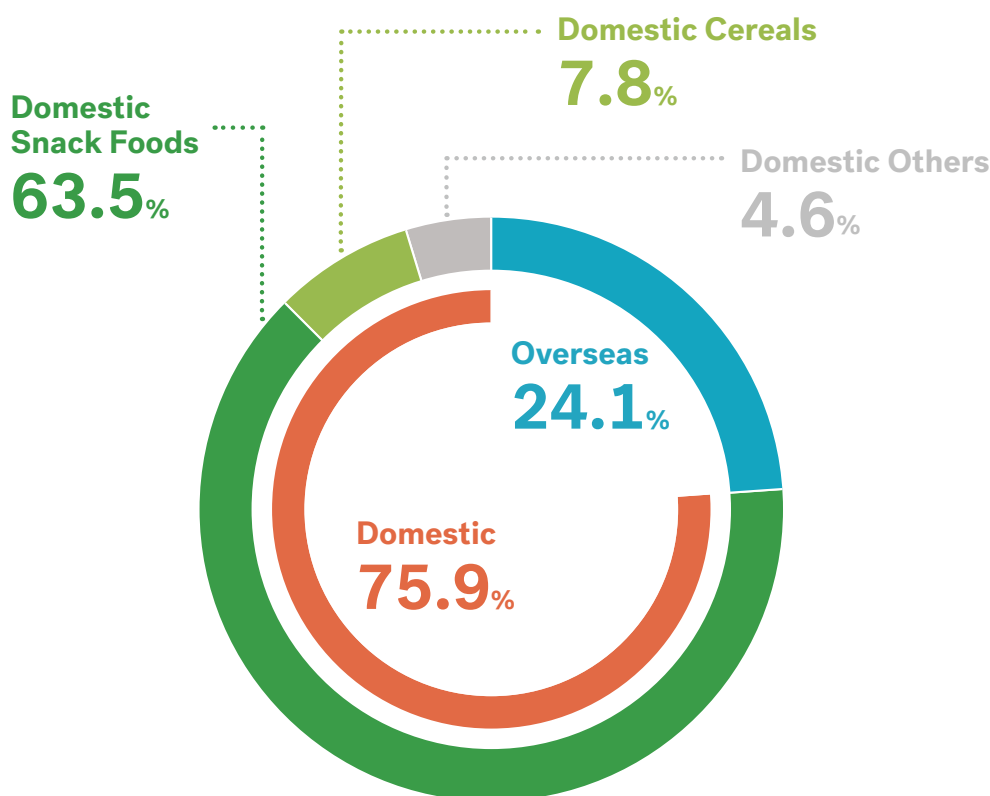
Position	Name	Job title
Managing Executive Officer	Teiichiro Morioka	President of Calbee Asia-Oceania Region
Managing Executive Officer	Masae Nakano	CRO (Chief Risk Officer) CTO (Chief Technology Officer) General Manager of Research & Development Division In charge of Corporate Risk Management Division and Quality Assurance Division
Executive Officer	Hiroshi Sakai	CPO (Chief Product Officer) General Manager of Production Division In charge of Sustainability Promotion Division, Global Procurement Division, Next-Generation Production Project and Engineering Division
Executive Officer	Ryo Tsutsumi	President of Calbee Europe/Americas Region
Executive Officer	Chisa Hayakawa	CFO (Chief Financial Officer) of Calbee Asia-Oceania Region
Executive Officer	Kazuhiro Tanabe	CFO CDXO (Chief Digital Transformation Officer), General Manager of Investor Relations, Finance and Accounting Division, S&OP Development Division In charge of IT System Division
Executive Officer	Yukio Kanemitsu	CFO of Calbee Europe/Americas Region and Calbee America, Inc.
Executive Officer	Kenichi Ono	General Manager of Next-Generation Production Project
Executive Officer	Saori Watanabe	CMO (Chief Marketing Officer)

SECTION 06 Data

Performance Highlights by Business Segment

Consolidated net sales^{*1} ¥303,027 (millions of yen)

Net sales by business segment^{*2}



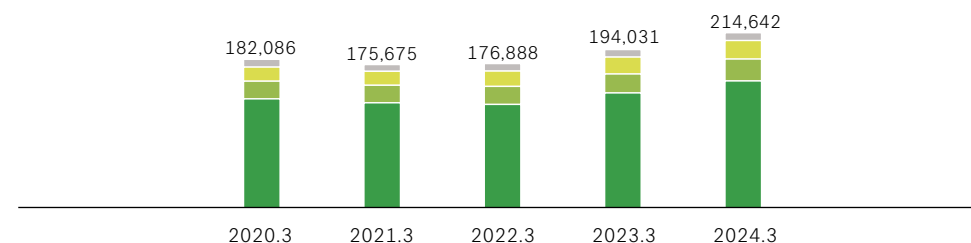
^{*1} The revised Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been applied since the beginning of FY2022/3. As a result, rebates and other items were previously accounted for as selling, general and administrative expenses, but the Company has changed to a method of deducting these items from net sales.

^{*2} Net sales by domestic products and overseas regions are presented prior to deducting rebates and other items.

^{*3} Sales before rebates and other deductions

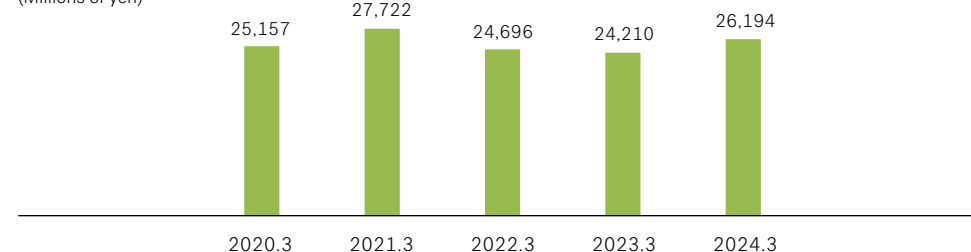
Domestic snack food sales^{*3}

(Millions of yen) ■ Potato-based snacks ■ Flour-based snacks ■ Corn- and bean-based snacks ■ Other snacks



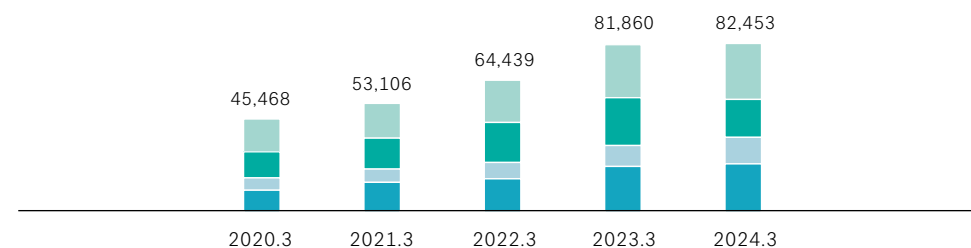
Domestic cereal sales^{*3}

(Millions of yen)



Overseas business sales^{*3}

(Millions of yen) ■ North America ■ United Kingdom ■ Greater China ■ Asia/Oceania (excluding Greater China)



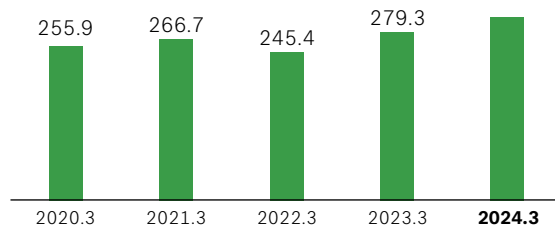
Financial Highlights

* Regarding consolidated net sales, the revised Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been applied from the beginning of FY2022/3. As a result, rebates and other items were previously accounted for as selling, general and administrative expenses, but the Company has changed to a method of deducting these items from net sales.

Consolidated net sales*

(Billions of yen)

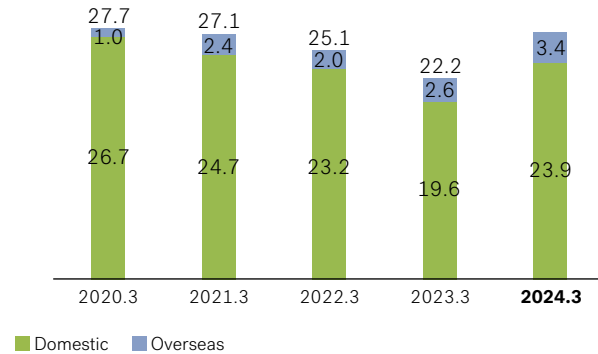
Consolidated net sales **¥303.0 billion**



Consolidated operating profit

(%)

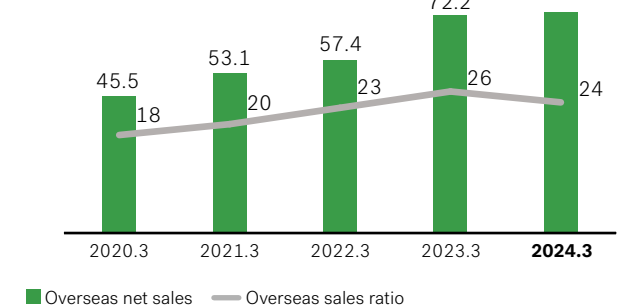
Consolidated operating profit **¥27.3 billion**



Overseas net sales* / Overseas sales ratio*

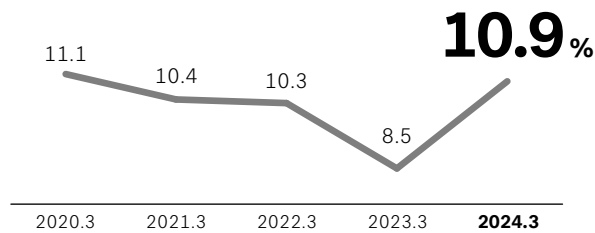
(Billions of yen)

¥73.1 billion



ROE

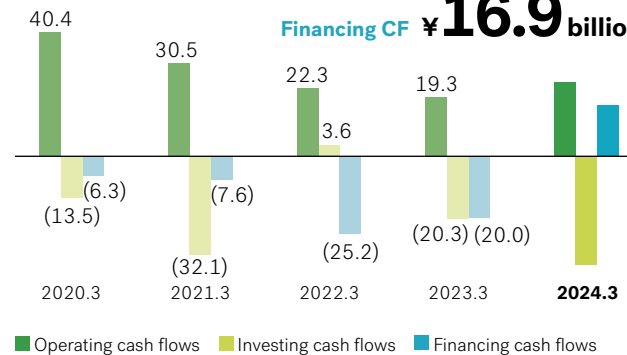
(%)



Cash flows (CF)

(Billions of yen)

Operating CF **¥24.4 billion**
Investing CF **¥(35.3) billion**
Financing CF **¥16.9 billion**



Dividends per share / Dividend payout ratio / Total return ratio

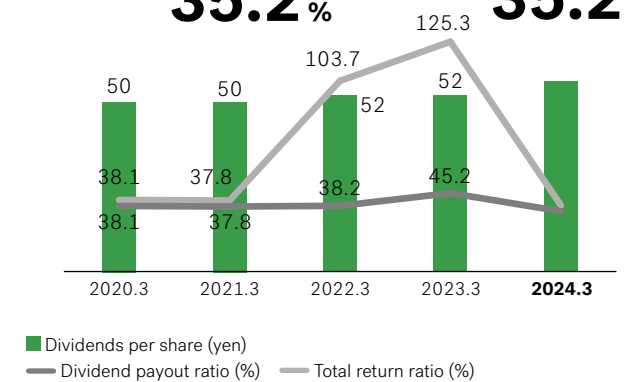
Dividend per share **¥56**

Dividends payout ratio

35.2 %

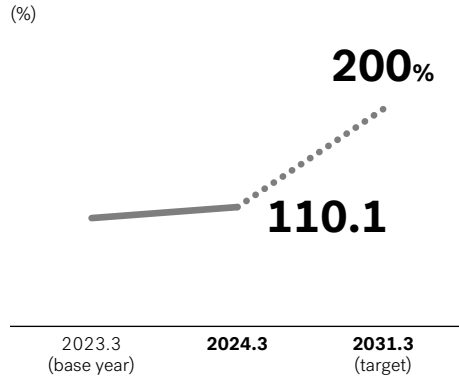
Total return ratio

35.2 %

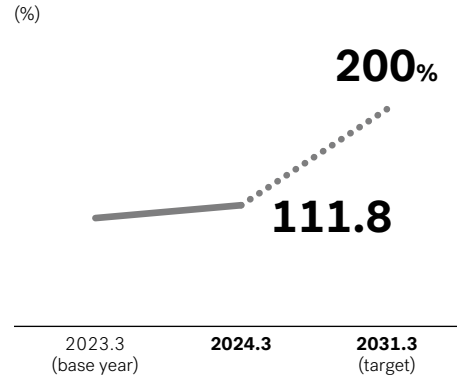


Non-Financial Highlights

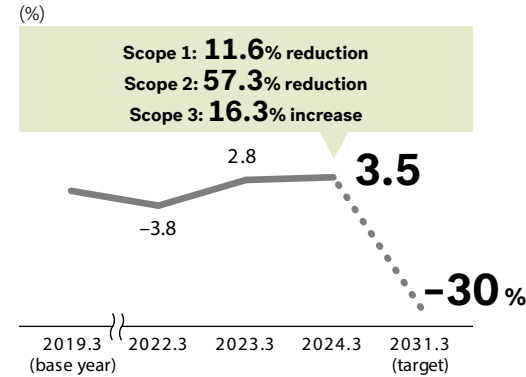
Amount of salt-free / low-salt / reduced-salt products sold^{*1}



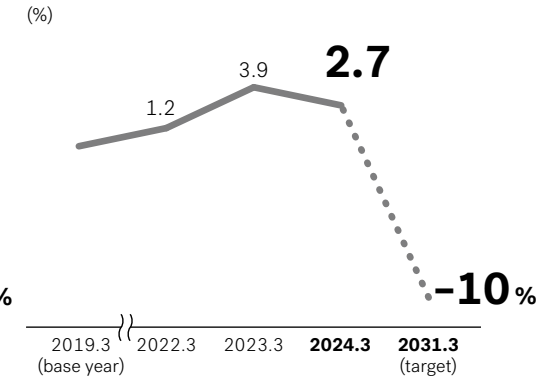
Amount of protein-rich products^{*2} sold



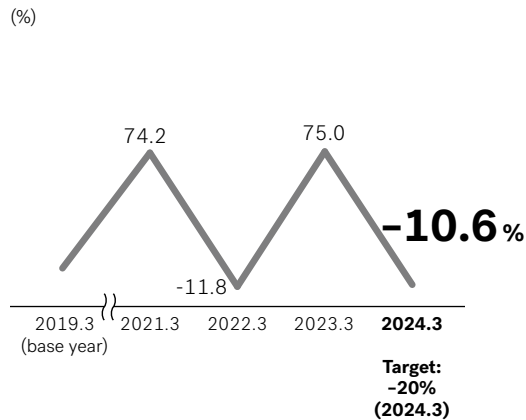
Greenhouse gas emissions total reduction rate



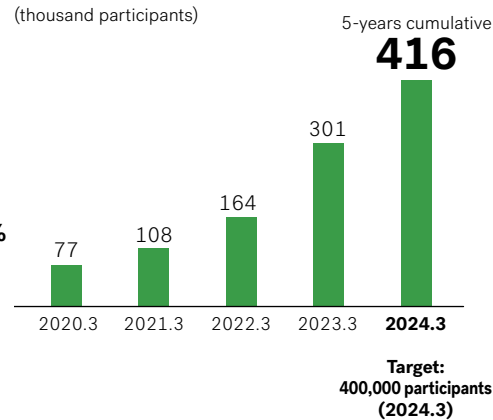
Total water consumption reduction rate



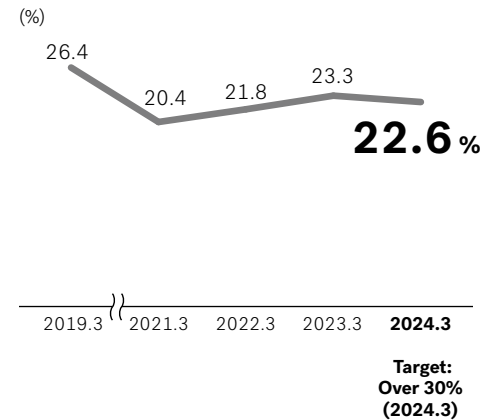
Product food loss reduction rate



Food communications number of participants^{*3} (five-year cumulative)



Ratio of women in management



Note: Product food loss reductions apply to the Calbee domestic Group, excluding Calbee Kaitsuka Sweet Potato, Inc.; other indices apply to Calbee, Inc.

^{*1} Reference value of Nutrition Claims (Food Labeling Standard, Article 7, Paragraph 1, Appended Tables 12 and 13)

^{*2} Products selected based on Calbee's criteria, reference value of Nutrition Claims (Food Labeling Standard, Article 7, Paragraph 1, Appended Tables 12 and 13)

^{*3} Calbee Snack School, factory tours, snack contests, and other food education activities

► For detailed ESG data, refer to the corporate website.

<https://www.calbee.co.jp/sustainability/en/esg-data.php>

11-Year Summary

(Millions of yen)

	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3
Net sales*¹	199,941	222,150	246,129	252,420	251,575	248,655	255,938	266,745	245,419	279,315	303,027
Gross profit	87,209	97,561	107,033	111,573	108,904	111,120	115,086	117,810	83,954	90,200	101,959
Selling, general and administrative expenses*¹	67,492	73,378	78,908	82,732	82,075	84,156	87,422	90,746	58,818	67,967	74,654
Operating profit	19,717	24,183	28,125	28,841	26,828	26,964	27,664	27,064	25,135	22,233	27,304
Ordinary profit	20,782	25,615	26,545	28,625	26,179	27,432	27,391	27,522	26,938	23,460	31,155
Profit attributable to owners of parent	12,086	14,114	16,799	18,605	17,330	19,429	17,539	17,682	18,053	14,772	19,886
Total assets*²	140,909	161,917	174,837	181,945	192,034	202,750	214,967	238,978	236,598	239,095	292,158
Net assets	104,466	118,800	131,469	135,056	146,667	160,490	169,632	182,740	183,458	182,686	201,086
Working capital*³	47,458	52,672	54,832	58,214	68,950	77,815	83,066	80,892	72,912	53,307	73,377
Interest-bearing debt*⁴	186	563	555	1,596	1,511	1,274	1,363	6,604	2,005	1,855	27,042
Equity ratio (%)*⁵	69.1	67.7	69.2	70.4	72.6	75.9	75.9	73.4	74.1	72.8	65.6
Debt to equity ratio (Times)*⁵	0	0	0	0	0	0	0	0	0	0	0.1
Research and development costs	2,161	2,052	2,195	2,168	2,469	2,660	2,745	2,706	3,319	3,681	3,910
Capital expenditures	6,392	15,290	21,229	9,763	11,009	9,945	9,004	11,341	13,515	26,716	31,187



11-Year Summary

	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	(Millions of yen) 2024.3
Depreciation and amortization	5,960	6,232	7,570	7,297	7,845	8,023	8,449	9,051	9,189	10,047	10,594
Cash flows from operating activities	23,478	22,266	22,541	25,958	9,358	27,620	40,449	30,450	22,327	19,310	24,350
Cash flows from investing activities	(17,041)	(9,422)	(14,270)	(13,404)	(6,258)	(28,347)	(13,462)	(32,069)	3,643	(20,329)	(35,307)
Cash flows from financing activities	(383)	(2,878)	(2,859)	(14,711)	(5,450)	(6,227)	(6,278)	(7,635)	(25,168)	(20,004)	16,850
Cash and cash equivalents	31,592	42,572	47,323	44,627	42,195	35,425	55,742	47,282	49,670	30,292	37,718
ROE (%)	13.1	13.7	14.6	14.9	13.0	13.2	11.1	10.4	10.3	8.5	10.9
Earnings per share (EPS) (Yen)*⁶	91.46	105.82	125.88	139.24	129.72	145.39	131.22	132.30	136.25	115.16	159.22
Net assets per share (Yen)*⁶	729.93	821.97	905.20	958.60	1,043.37	1,151.71	1,221.19	1,312.24	1,358.25	1,393.74	1,535.49
Cash dividends per share (Yen)*⁶	22.00	28.00	35.00	42.00	42.00	48.00	50.00	50.00	52.00	52.00	56.00
Dividend payout ratio (%)	24.1	26.5	27.8	30.2	32.4	33.0	38.1	37.8	38.2	45.2	35.2
Number of consolidated subsidiaries	22	22	24	27	27	26	24	24	23	24	21
Number of employees	3,341	3,477	3,728	3,860	3,798	3,763	4,053	4,311	4,398	4,839	4,939

*1 The revised Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29) has been applied from the beginning of FY2022/3. As a result, rebates and other items were previously accounted for as selling, general and administrative expenses, but the Company has changed to a method of deducting these items from net sales.

*2 Upon application of Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018), from the beginning of FY2019/3, the figures for the consolidated financial position are those after the said standards are applied retroactively.

*3 Working capital comprises current assets less current liabilities.

*4 Interest-bearing debt includes long- and short-term debt, leasing obligations, and other interest-bearing debt.

*5 Shareholders' equity as presented above consists of total net assets exclusive of subscription rights and non-controlling interests.

*6 A 4-for-1 share split was implemented on October 1, 2013. Per-share figures were retroactively adjusted to reflect these stock splits.

Corporate Information

Corporate Data

(As of March 31, 2024)

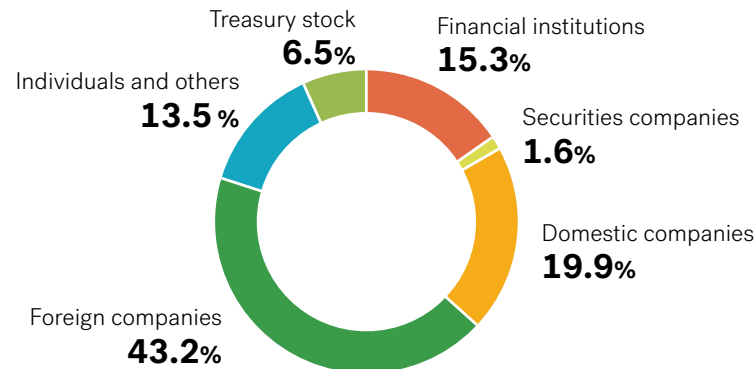
▶ Company Name	Calbee, Inc.	▶ Business	Production and sale of snacks and other foods
▶ Head Office	Marunouchi Trust Tower Main, 22nd Floor, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan	▶ Fiscal Year-End	March 31
▶ Date of Establishment	April 30, 1949	▶ Paid-In Capital	¥12,046 million
▶ Representative President & CEO	Makoto Ehara	▶ Number of Employees	4,939 on a consolidated basis 2,148 on a parent basis

Stock Information

(As of March 31, 2024)

▶ Stock Listing	Tokyo Stock Exchange, Prime Market
▶ Securities Code	2229
▶ Stock Information	<div>▶ Number of shares authorized 176,000,000 shares</div> <div>▶ Number of shares issued 133,929,800 shares (including 8,762,445 shares of treasury stock)</div> <div>▶ Number of shareholders 31,555 people</div>

▶ Share Breakdown by Shareholder Type



▶ Principal Shareholders

Name of shareholder	Investment in the Company	
	Number of shares (thousands)	Ownership ratio (%)*2
FRITO-LAY GLOBAL INVESTMENTS B.V.*1	26,800	21.41
General Incorporated Association Miki-no-Kai	18,280	14.60
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,776	11.01
JP MORGAN CHASE BANK 385632	4,321	3.45
JP MORGAN CHASE BANK 380072	4,019	3.21
Custody Bank of Japan, Ltd. (Trust Account)	3,681	2.94
GIC PRIVATE LIMITED - C	2,858	2.28
THE BANK OF NEW YORK MELLON 140051	2,673	2.14
Calbee Employees Shareholding Association	2,137	1.71
THE TORIGOE CO., LTD.	1,936	1.55

*1 Ownership ratios are calculated excluding 8,762,445 shares held by the Company as treasury stock.

*2 The ownership ratio is calculated including 111,395 shares held by the Employee Stock Ownership Plan (ESOP) Trust and 176,660 shares held by the Board Incentive Plan (BIP) Trust.

Corporate Information (As of April 1, 2024)

Consolidated Subsidiaries

Japan

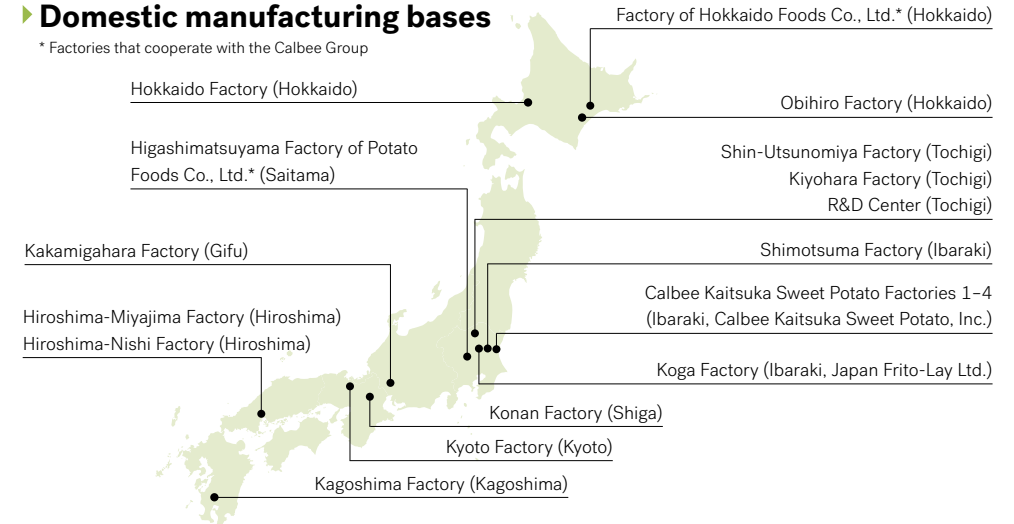
Calbee Potato, Inc.	Japan Frito-Lay Ltd.
Calbee Logistics, Inc.	Studio Socio Inc.
Calbee Eatalk Co., Ltd.	Calbee Kaitsuka Sweet Potato, Inc.

Overseas (): Country or region

Calbee America, Inc. (United States)	Calbee Group (UK) Ltd (United Kingdom)
CFSS Co. Ltd. (China)	PT. Calbee-Wings Food (Indonesia)
Calbee (Hangzhou) Foods Co., Ltd. (China)	Haitai-Calbee Co., Ltd. (South Korea)
Calbee (China) Co., Ltd. (China)	Calbee Tanawat Co., Ltd. (Thailand)
Calbee Four Seas Co., Ltd. (Hong Kong, China)	Greenday Global Co., Ltd. (Thailand)
Calbee E-commerce, Ltd. (Hong Kong, China)	Calbee Moh Seng Pte., Ltd. (Singapore)
	Calbee Australia Pty Ltd. (Australia)

Domestic manufacturing bases

* Factories that cooperate with the Calbee Group



Overseas manufacturing bases

