

# Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2025

April 1, 2024 to June 30, 2024

## **Calbee, Inc.**

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

## SUMMARY OF FINANCIAL STATEMENTS (consolidated)

First Quarter Results for the Fiscal Year Ending March 31, 2025

**Calbee, Inc.**

**August 2, 2024**

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

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

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Representative: Makoto Ehara, President & CEO, Representative Director

Scheduled date for distribution of dividends: --

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

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

### **1) Consolidated results for the first three months (April 1, 2024 to June 30, 2024) of the fiscal year ending March 31, 2025**

#### (1) Consolidated Operating Results

*Millions of yen, rounded down*

|  | Three months ended<br>June 30, 2023 |          | Three months ended<br>June 30, 2024 |          |
|--|-------------------------------------|----------|-------------------------------------|----------|
|  |                                     | % change |                                     | % change |
| Net sales .....                              | 73,156                              | 12.0     | 77,656                              | 6.2      |
| Operating profit.....                        | 7,244                               | 35.1     | 7,674                               | 5.9      |
| Ordinary profit.....                         | 9,444                               | 35.8     | 9,327                               | (1.2)    |
| Profit attributable to owners of parent..... | 6,252                               | 37.3     | 7,071                               | 13.1     |
| Earnings per share (¥).....                  | 50.05                               |          | 56.63                               |          |
| Earnings per share (diluted) (¥).....        | —                                   |          | —                                   |          |

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

2. Comprehensive income: Three months ended June 30, 2024: ¥10,672 million (6.7%)

Three months ended June 30, 2023: ¥9,999 million (26.9%)

#### (2) Consolidated Financial Position

*Millions of yen, rounded down*

|  | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| Total assets.....                          | 292,158              | 308,222             |
| Net assets .....                           | 201,086              | 204,719             |
| Shareholders' equity/total assets (%)..... | 65.6                 | 63.1                |

Shareholders' equity: As of June 30, 2024: ¥194,558 million

As of March 31, 2024 ¥191,751 million

### **2) Dividends**

*Yen*

|                                   | FY ended<br>March 31, 2024 | FY ending<br>March 31, 2025(forecast) |
|-----------------------------------|----------------------------|---------------------------------------|
| Interim period per share .....    | 0.00                       | 0.00                                  |
| Year-end dividend per share ..... | 56.00                      | 58.00                                 |
| Annual dividend per share.....    | 56.00                      | 58.00                                 |

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

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

*Millions of yen*

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

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

2. Changes from the most recently announced results forecast: None

## **Notes**

- (1) Significant changes in the scope of consolidation during the period: None  
New companies: None Excluded companies: None
- (2) Use of special accounting procedures: None
- (3) Changes in accounting policy, changes in accounting estimates, and restatements:
  1. Changes in accounting policies following revisions of accounting standards: Yes
  2. Changes in accounting policies other than 1: None
  3. Changes in accounting estimates: None
  4. Restatements: None
- (4) Number of outstanding shares (common stock)

|   | As of March 31, 2024:          | As of June 30, 2024:           |
|---|--------------------------------|--------------------------------|
| 1. Number of outstanding shares (including treasury shares) | 133,929,800 shares             | 133,929,800 shares             |
| 2. Number of treasury shares                                | 9,050,500 shares               | 9,050,500 shares               |
|   | Three months to June 30, 2023: | Three months to June 30, 2024: |
| 3. Average number of shares during the period               | 124,926,999 shares             | 124,879,300 shares             |

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 288,055 of these shares as of June 30, 2024 and 288,055 of these shares as of March 31, 2024, and the average number of shares excludes 288,055 treasury shares in the three months to June 30, 2024, and 240,396 treasury shares in the three months to June 30, 2023.

## **Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)**

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

1. Forecasts, etc., recorded in this document include forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For details of forecasts, please see Page 8, 1. Operating results (3) Consolidated forecasts for the fiscal year ending March 31, 2025.
2. The earnings per share forecast for the fiscal year ending March 31, 2025 is calculated using 124,879,300 shares as the expected average number of shares for the period.
3. Calbee, Inc. has scheduled a financial results conference for institutional investors and analysts for August 2, 2024. An audio recording of the conference will be made available on our Japanese website after the conference.

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## 1. Operating results

### (1) Summary of business performance

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

Net sales during the three-month period of the current fiscal year totaled ¥77,656 million (up 6.2%). Sales in the domestic business were ¥58,055 million (up 5.2%), increasing on the effects of price and content revisions implemented in the previous fiscal year and in June, as well as due to strong sales of cereals and growth in snack foods such as gift snack items. Sales in the overseas business were ¥19,600 million (up 9.2%), growing in North America, the UK, and Indonesia despite being sluggish in Greater China.

Operating profit was ¥7,674 million (up 5.9%), and operating margin was 9.9%, the same level year on year. In the domestic business, profits decreased due to rising costs, ongoing marketing investments and other investments, despite the effect of price and content revisions. However, profits grew in the overseas business, mainly in North America, resulting in an increase in profits overall. Ordinary profit was ¥9,327 million (down 1.2%) due to a decrease in foreign exchange gains from the weak yen year on year, and profit attributable to owners of parent was ¥7,071 million (up 13.1%).

Results by business are as follows.

*Millions of yen, rounded down*

|  | Q1 FY ended<br>March 31, 2024 | Q1 FY ending<br>March 31, 2025 |            |
|--|-------------------------------|--------------------------------|------------|
|  | Amount                        | Amount                         | Growth (%) |
| Domestic production and sale of snack and other foods business | 55,201                        | 58,055                         | +5.2       |
| Domestic snack foods   | 51,146                        | 53,206                         | +4.0       |
| Domestic cereals   | 6,655                         | 7,735                          | +16.2      |
| Domestic, others   | 3,262                         | 3,423                          | +4.9       |
| Deduction of rebates, etc.                                     | (5,862)                       | (6,309)                        | —          |
| Overseas production and sale of snack and other foods business | 17,955                        | 19,600                         | +9.2       |
| Total, production and sale of snack and other foods business   | 73,156                        | 77,656                         | +6.2       |

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

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

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

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

• Domestic snack foods:

Domestic snack foods sales increased.

Sales by product are as follows.

*Millions of yen, rounded down*

|                             | Q1 FY ended<br>March 31, 2024 | Q1 FY ending<br>March 31, 2025 |            |
|-----------------------------|-------------------------------|--------------------------------|------------|
|                             | Amount                        | Amount                         | Growth (%) |
| <i>Potato Chips</i>         | 22,920                        | 23,663                         | +3.2       |
| <i>JagaRico</i>             | 10,489                        | 11,240                         | +7.2       |
| Other snacks                | 17,736                        | 18,302                         | +3.2       |
| Total, domestic snack foods | 51,146                        | 53,206                         | +4.0       |

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

- Sales of *Potato Chips* increased due in part to launch of new product *Potato Chips The Atsugiri*.
- Sales of *JagaRico* increased by focusing on regular items amid continued strong demand.

- Sales of other snacks increased due to continued growth in gift snack items such as *Jaga-Pokkuru* as well as strong sales of *Kappa Ebisen*, which celebrated its 60th anniversary this year.

• Domestic cereals:

Sales of domestic cereals were ¥7,735 million (up 16.2%) due to the growth of regular items such as original *Frugra* and *Frugra Less Carbohydrates* and the launch of a project item.

• Domestic, others:

Sales in other domestic businesses were ¥3,423 million (up 4.9%) due to increased sales of *Body Granola*, a service launched in April of the previous year and so on.

Overseas production and sale of snack and other foods business

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

Sales by region are as follows.

Millions of yen, rounded down

|  | Q1 FY ended<br>March 31,<br>2024 | Q1 FY ending<br>March 31, 2025 |            |  |
|--|----------------------------------|--------------------------------|------------|--|
|  | Amount                           | Amount                         | Growth (%) | Growth on local<br>currency basis<br>(%) |
| Europe/Americas  | 8,634                            | 10,968                         | +27.0      | +11.6                                    |
| North America  | 5,669                            | 7,196                          | +26.9      | +12.0                                    |
| Asia/Oceania   | 11,711                           | 11,345                         | (3.1)      | (10.9)                                   |
| Greater China  | 5,108                            | 4,005                          | (21.6)     | (29.2)                                   |
| Deduction of rebates, etc.   | (2,390)                          | (2,714)                        | —          | —  |
| Total, overseas production and sale<br>of snack and other foods business | 17,955                           | 19,600                         | +9.2       | (1.7)                                    |

\* Europe/Americas: North America and United Kingdom

\*\* Asia/Oceania: Greater China, Indonesia, South Korea, Thailand, Singapore and Australia

\*\*\* Greater China: China and Hong Kong

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

- In Europe/Americas, both North America and the UK saw growth. In North America, although contract manufacturing sales of snack foods are still recovering, increased sales of bean-based snack *Harvest Snaps* and brands of Japanese origin such as *JagaRico* and *Kappa-Ebisen* led to higher sales. In the UK, steady sales of *Seabrook* brand potato chips and increased sales of pellet snacks contributed.
- In Asia/Oceania, sales grew in Indonesia, South Korea and Australia, but declined in Greater China. The decline in Greater China reflected the impact of deteriorating business confidence and stricter customs regulations continuing from the second half of the previous year, even amid the start of outsourced local production of part of certain products. In Indonesia, sales increased due to strong sales of potato chips and increase in production capacity of pellet snacks implemented in last fiscal year.

## (2) Analysis of financial position

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

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

Total assets as of June 30, 2024 increased by ¥16,063 million to ¥308,222 million, mainly due to an increase in property, plant and equipment on the construction of a new plant in Hiroshima.

Liabilities increased by ¥12,430 million to ¥103,502 million on an increase in long-term borrowings.

Net assets increased by ¥3,632 million to ¥204,719 million due to an increase in foreign currency translation adjustments resulting from the weaker yen.

As a result, the shareholders' equity ratio was 63.1%, down 2.5 percentage points.

### 2. Overview of cash flows

Cash and cash equivalents as of June 30, 2024 were ¥34,998 million, a decrease of ¥2,720 million.

#### Cash flows from operating activities

Operating activities resulted in a net cash inflow of ¥1,541 million, a decrease of ¥6,255 million. This was mainly due to a decrease in accounts payable - other.

#### Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥7,605 million, a decrease of ¥1,273 million, mainly due to an increase in payments into time deposits.

#### Cash flows from financing activities

Financing activities resulted in a net cash inflow of ¥2,559 million, a decrease of ¥1,577 million, mainly due to a net decrease in short-term borrowings, despite an increase in proceeds from long-term borrowings.

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

##### · Developments in capital requirements

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

In response to these capital requirements, based on our Change 2025 growth strategy we plan to allocate cash flows from operating activities to be generated over the three-year period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026, cash on hand, and borrowings.

#### Details of capital requirements

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

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

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

The status of cash outlays as of June 30, 2024 is as follows.

*Millions of yen, rounded down*

|                       | FY ended<br>March 31, 2024 | Q1 FY ending<br>March 31, 2025 | 3-year plan | Progress (%) |
|-----------------------|----------------------------|--------------------------------|-------------|--------------|
| Growth investment     | 10,779                     | 1,991                          | 80,000      | 16.0         |
| Efficiency investment | 22,118                     | 4,111                          | 60,000      | 43.7         |
| Shareholder returns   | 6,504                      | 6,884                          | 25,000      | 53.6         |
| Total                 | 39,402                     | 12,987                         | 165,000     | 31.8         |

\* 3-year plan: period from FY ended March 31, 2024 to FY ending March 31, 2026

- Fund-raising methods

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

**(3) Consolidated forecasts**

There is no change in the consolidated forecasts for the fiscal year ending March 31, 2025 announced on May 9, 2024.



## 2. Consolidated financial statements and key notes

### (1) Consolidated balance sheets

Millions of yen, rounded down

|  | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| <b>Assets</b>                          |                      |                     |
| Current assets                         |                      |                     |
| Cash and deposits                      | 44,295               | 44,612              |
| Notes and accounts receivable - trade  | 54,118               | 51,861              |
| Inventories                            | 22,208               | 24,786              |
| Other                                  | 7,309                | 7,588               |
| Allowance for doubtful accounts        | (78)                 | (114)               |
| Total current assets                   | 127,853              | 128,734             |
| Non-current assets                     |                      |                     |
| Property, plant and equipment          |                      |                     |
| Buildings and structures, net          | 38,670               | 39,238              |
| Machinery, equipment and vehicles, net | 36,500               | 36,185              |
| Land                                   | 16,265               | 16,383              |
| Construction in progress               | 29,851               | 45,264              |
| Other, net                             | 2,370                | 2,552               |
| Total property, plant and equipment    | 123,657              | 139,623             |
| Intangible assets                      |                      |                     |
| Goodwill                               | 22,650               | 22,847              |
| Other                                  | 2,620                | 2,671               |
| Total intangible assets                | 25,271               | 25,519              |
| Investments and other assets           |                      |                     |
| Investments and other assets, gross    | 15,377               | 14,346              |
| Allowance for doubtful accounts        | (1)                  | (1)                 |
| Total investments and other assets     | 15,376               | 14,345              |
| Total non-current assets               | 164,305              | 179,487             |
| Total assets                           | 292,158              | 308,222             |

|   | As of March 31,<br>2024 | As of June 30,<br>2024 |
|---|-------------------------|------------------------|
| <b>Liabilities</b>  |                         |                        |
| Current liabilities   |                         |                        |
| Notes and accounts payable - trade  | 12,535                  | 12,859                 |
| Short-term borrowings   | 1,433                   | 985                    |
| Income taxes payable  | 6,743                   | 1,936                  |
| Provision for bonuses   | 6,606                   | 2,521                  |
| Provision for bonuses for directors (and other officers)                  | 116                     | 64                     |
| Provision for share-based remuneration                                    | 98                      | 121                    |
| Other   | 26,941                  | 38,269                 |
| Total current liabilities   | 54,475                  | 56,758                 |
| Non-current liabilities   |                         |                        |
| Long-term borrowings  | 25,000                  | 35,000                 |
| Provision for retirement benefits for directors (and other officers)      | 100                     | 67                     |
| Provision for share-based remuneration for directors (and other officers) | 280                     | 310                    |
| Retirement benefit liability  | 8,017                   | 7,779                  |
| Asset retirement obligations  | 755                     | 755                    |
| Other   | 2,443                   | 2,831                  |
| Total non-current liabilities   | 36,596                  | 46,743                 |
| Total liabilities   | 91,072                  | 103,502                |
| <b>Net assets</b>   |                         |                        |
| Shareholders' equity  |                         |                        |
| Share capital   | 12,046                  | 12,046                 |
| Capital surplus   | 2,514                   | 2,514                  |
| Retained earnings   | 191,706                 | 191,769                |
| Treasury shares   | (24,972)                | (24,972)               |
| Total shareholders' equity  | 181,293                 | 181,356                |
| Accumulated other comprehensive income                                    |                         |                        |
| Valuation difference on available-for-sale securities                     | 796                     | 751                    |
| Foreign currency translation adjustment                                   | 9,751                   | 12,516                 |
| Remeasurements of defined benefit plans                                   | (89)                    | (65)                   |
| Total accumulated other comprehensive income                              | 10,457                  | 13,201                 |
| Non-controlling interests   | 9,335                   | 10,160                 |
| Total net assets  | 201,086                 | 204,719                |
| Total liabilities and net assets  | 292,158                 | 308,222                |

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

|   | <i>Millions of yen, rounded down</i> |                                   |
|---|--------------------------------------|-----------------------------------|
|   | April 1, 2023 to<br>June 30, 2023    | April 1, 2024 to<br>June 30, 2024 |
| Net sales   | 73,156                               | 77,656                            |
| Cost of sales   | 48,747                               | 50,607                            |
| Gross profit  | 24,408                               | 27,048                            |
| Selling, general and administrative expenses                  | 17,164                               | 19,373                            |
| Operating profit  | 7,244                                | 7,674                             |
| Non-operating income  |                                      |                                   |
| Interest income   | 73                                   | 108                               |
| Dividend income   | 23                                   | 23                                |
| Share of profit of entities accounted for using equity method | 37                                   | 13                                |
| Foreign exchange gains  | 2,029                                | 1,433                             |
| Other   | 115                                  | 191                               |
| Total non-operating income                                    | 2,278                                | 1,769                             |
| Non-operating expenses  |                                      |                                   |
| Interest expenses   | 48                                   | 87                                |
| Depreciation  | 20                                   | 12                                |
| Other   | 8                                    | 16                                |
| Total non-operating expenses                                  | 77                                   | 116                               |
| Ordinary profit   | 9,444                                | 9,327                             |
| Extraordinary income  |                                      |                                   |
| Gain on sales of non-current assets                           | 0                                    | 1                                 |
| Gain on sales of investment securities                        | —                                    | 25                                |
| Other   | 0                                    | —                                 |
| Total extraordinary income                                    | 0                                    | 27                                |
| Extraordinary losses  |                                      |                                   |
| Loss on sales of non-current assets                           | 0                                    | 4                                 |
| Loss on retirement of non-current assets                      | 43                                   | 24                                |
| Other   | 0                                    | —                                 |
| Total extraordinary losses                                    | 43                                   | 28                                |
| Profit before income taxes                                    | 9,401                                | 9,326                             |
| Income taxes - current  | 2,228                                | 604                               |
| Income taxes - deferred                                       | 750                                  | 1,258                             |
| Total income taxes  | 2,979                                | 1,863                             |
| Profit  | 6,422                                | 7,463                             |
| Profit attributable to non-controlling interests              | 169                                  | 391                               |
| Profit attributable to owners of parent                       | 6,252                                | 7,071                             |

## Consolidated statements of comprehensive income

|   | <i>Millions of yen, rounded down</i> |                                   |
|---|--------------------------------------|-----------------------------------|
|   | April 1, 2023 to<br>June 30, 2023    | April 1, 2024 to<br>June 30, 2024 |
| Profit  | 6,422                                | 7,463                             |
| Other comprehensive income                            |                                      |                                   |
| Valuation difference on available-for-sale securities | 87                                   | (44)                              |
| Foreign currency translation adjustment               | 3,532                                | 3,229                             |
| Remeasurements of defined benefit plans, net of tax   | (43)                                 | 23                                |
| Total other comprehensive income                      | 3,577                                | 3,209                             |
| Comprehensive income                                  | 9,999                                | 10,672                            |
| Comprehensive income attributable to                  |                                      |                                   |
| Owners of parent                                      | 9,262                                | 9,816                             |
| Non-controlling interests                             | 737                                  | 855                               |

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

|  | April 1, 2023 to<br>June 30, 2023 | April 1, 2024 to<br>June 30, 2024 |
|--|-----------------------------------|-----------------------------------|
| Cash flows from operating activities   |                                   |                                   |
| Profit before income taxes   | 9,401                             | 9,326                             |
| Depreciation   | 2,528                             | 2,720                             |
| Amortization of goodwill   | 508                               | 543                               |
| Increase (decrease) in allowance for doubtful accounts   | 3                                 | 30                                |
| Increase (decrease) in provision for bonuses   | (2,888)                           | (4,100)                           |
| Increase (decrease) in provision for bonuses for directors<br>(and other officers)             | (46)                              | (54)                              |
| Increase (decrease) in provision for share-based remuneration                                  | –                                 | 22                                |
| Increase (decrease) in provision for share-based remuneration<br>for directors                 | 30                                | 29                                |
| Increase (decrease) in retirement benefit liability  | (248)                             | (191)                             |
| Decrease (increase) in retirement benefit asset  | (59)                              | (85)                              |
| Increase (decrease) in provision for retirement benefits for<br>directors (and other officers) | (39)                              | (32)                              |
| Interest and dividend income   | (96)                              | (131)                             |
| Interest expenses  | 48                                | 87                                |
| Foreign exchange losses (gains)  | (1,993)                           | (1,312)                           |
| Share of loss (profit) of entities accounted for using equity<br>method                        | (37)                              | (13)                              |
| Loss (gain) on sales of investment securities  | –                                 | (25)                              |
| Loss (gain) on sales of non-current assets   | 0                                 | 2                                 |
| Loss on retirement of non-current assets   | 43                                | 24                                |
| Decrease (increase) in trade receivables   | 2,025                             | 2,963                             |
| Decrease (increase) in inventories   | 21                                | (2,212)                           |
| Increase (decrease) in trade payables  | (687)                             | 25                                |
| Increase (decrease) in accounts payable - other  | (879)                             | (3,915)                           |
| Other, net   | 3,528                             | 2,944                             |
| Subtotal   | 11,164                            | 6,644                             |
| Interest and dividends received  | 95                                | 127                               |
| Interest paid  | (48)                              | (115)                             |
| Income taxes paid  | (3,415)                           | (5,115)                           |
| Net cash provided by (used in) operating activities  | 7,796                             | 1,541                             |

|  | April 1, 2023 to<br>June 30, 2023 | April 1, 2024 to<br>June 30, 2024 |
|--|-----------------------------------|-----------------------------------|
| <b>Cash flows from investing activities</b>                  |                                   |                                   |
| Purchase of property, plant and equipment                    | (6,217)                           | (4,714)                           |
| Proceeds from sales of property, plant and equipment         | 0                                 | 4                                 |
| Purchase of intangible assets                                | (195)                             | (300)                             |
| Purchase of investment securities                            | (1)                               | (206)                             |
| Proceeds from sales of investment securities                 | —                                 | 58                                |
| Proceeds from collection of loans                            | —                                 | 100                               |
| Payments into time deposits                                  | (1,043)                           | (6,695)                           |
| Proceeds from withdrawal of time deposits                    | 1,128                             | 4,141                             |
| Payments of guarantee deposits                               | (11)                              | (12)                              |
| Proceeds from refund of guarantee deposits                   | 7                                 | 18                                |
| Other, net   | 1                                 | 0                                 |
| Net cash provided by (used in) investing activities          | (6,332)                           | (7,605)                           |
| <b>Cash flows from financing activities</b>                  |                                   |                                   |
| Net increase (decrease) in short-term borrowings             | 10,300                            | (482)                             |
| Proceeds from long-term borrowings                           | —                                 | 10,000                            |
| Purchase of treasury shares                                  | (0)                               | —                                 |
| Proceeds from share issuance to non-controlling shareholders | 279                               | —                                 |
| Dividends paid   | (6,378)                           | (6,884)                           |
| Dividends paid to non-controlling interests                  | (15)                              | (30)                              |
| Repayments of lease obligations                              | (48)                              | (44)                              |
| Net cash provided by (used in) financing activities          | 4,137                             | 2,559                             |
| Effect of exchange rate change on cash and cash equivalents  | 1,281                             | 784                               |
| Net increase (decrease) in cash and cash equivalents         | 6,882                             | (2,720)                           |
| Cash and cash equivalents at beginning of period             | 30,292                            | 37,718                            |
| Cash and cash equivalents at end of period                   | 37,175                            | 34,998                            |

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

(Notes related to going concern assumption)

No applicable items.

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

No applicable items.

(Changes in accounting policies)

We have applied the "Accounting Standards for Corporate Taxes, Local Resident Taxes, Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; "2022 Revised Accounting Standards") and other standards from the beginning of this first quarter consolidated accounting period.

Regarding the amendment to the classification of corporate taxes, etc. (taxation on other comprehensive income), we are following the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the "Guidelines for the Implementation of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; "2022 Revised Implementation Guidelines"). There are no impacts of this change in accounting policy on the consolidated financial statements.

In addition, the 2022 Revised Implementation Guidelines for the treatment of profits and losses on sales of subsidiary shares between consolidated companies that are deferred for tax purposes have been applied from the beginning of this first quarter consolidated accounting period. This change in accounting policy has been applied retroactively to the consolidated financial statements for the same quarter of the previous fiscal year and the full previous fiscal year. There are no impacts of this change in accounting policy on the consolidated financial statements for the same quarter of the previous fiscal year and the full fiscal year.

(Notes of segment Information, etc.)

[Segment information]

Segment information is not disclosed as Calbee Group has only one reporting segment, "Production and sale of snacks and other foods" with little significance.