I am Tanabe, and I am in charge of Finance, Accounting, and Investor Relations. I would like to explain our financial results for Q1 of the fiscal year ending March 2025.

Q1 results executive summary

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- **Q1 sales rose by ¥4.5bn, operating income rose by ¥0.4bn, up YoY and exceeding plan, and setting Q1 profit record**
- **Domestic sales started with good momentum, rising on the realization of price/content revisions and volume growth**
  Volume trends post-June price/content revisions are progressing as expected
  Profit decreased on flattening of marketing investment and investment for growth, but still exceeded the plan
- **Overseas, sales remained weak in Greater China but grew in North America and other regions, setting a quarterly profit record**
- **Executed capex as planned, Setouchi Hiroshima Factory was received from the builder on June 28**

Please look at slide one, Executive Summary.

Consolidated net sales increased by JPY4.5 billion and income increased by JPY0.4 billion in Q1, reaching a record high in Q1 from April to June. For the fiscal year ending March 2025, we plan to achieve record profits for the full year, and we have exceeded that Q1 plan.

Since the end of the previous year, we have maintained solid momentum through a variety of measures in Japan. In Q1, various marketing and sales initiatives were implemented together, resulting in an increase in revenue. Volume trends since the June price revision this year have been within expectations.

Operating profit, on the other hand, decreased YoY, although the cost increase due to the effect of the revision was offset. The reason for the decrease in profit was due to the spreading out of marketing and growth-oriented investments deliberately that concentrated in Q4 of the previous fiscal year. Operating profit exceeded the plan due in part to sales growth versus the plan.

Sales and profits increased in the overseas business. Although sales in Greater China remained sluggish, growth in North America and other regions drove the overall overseas business. Operating profit achieved a record-high quarterly profit.

Capital investment was executed as planned, and the delivery of the new Setouchi Hiroshima Plant building was completed on June 28.

FY2025/3 Q1 Results highlights

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Net sales ¥77.7bn (+¥4.5bn YoY, +¥1.2bn vs. plan)
Operating profit ¥7.7bn (+¥0.4bn YoY, +¥0.6bn vs. plan)
Net profit ¥7.1bn (+¥0.8bn YoY, +¥2.6bn vs. plan)

(Billion yen)	FY2024/3 Q1	FY2025/3 Q1	Change	FY2025/3 Q1 Plan	vs. plan Ratio
Net sales	**73.2**	**77.7**	**+6.2%**	**76.5**	**101.5%**
Domestic	55.2	58.1	+5.2%	56.7	102.4%
Overseas	18.0	19.6	+9.2%	19.8	99.0%
Operating profit	**7.2**	**7.7**	**+5.9%**	**7.1**	**108.1%**
Operating margin	9.9%	9.9%	-0.0pts	9.3%	+0.6pts
Domestic	6.3	6.1	-2.8%	5.9	103.8%
Overseas	0.9	1.5	+64.3%	1.2	129.1%
Ordinary profit	**9.4**	**9.3**	**-1.2%**	**6.9**	**135.2%**
Net profit*	**6.3**	**7.1**	**+13.1%**	**4.5**	**157.2%**

*Profit attributable to owners of parent

YoY
- Net sales rose on domestic sales growth and foreign exchange effects
- Operating profit rose driven by overseas, domestically fell YoY on flattening of costs and investment despite price/content revisions offsetting higher costs
- Net profit rose YoY despite a reduction in foreign exchange gains through leveraging tax measures encouraging pay raises, etc.

Vs. plan
- Domestically maintained firm momentum, offsetting higher costs
- Overseas profit also exceeded plan
- Net profit significantly exceeded plan on booking foreign exchange gains

Reference: Month-end forex rates (¥/$)

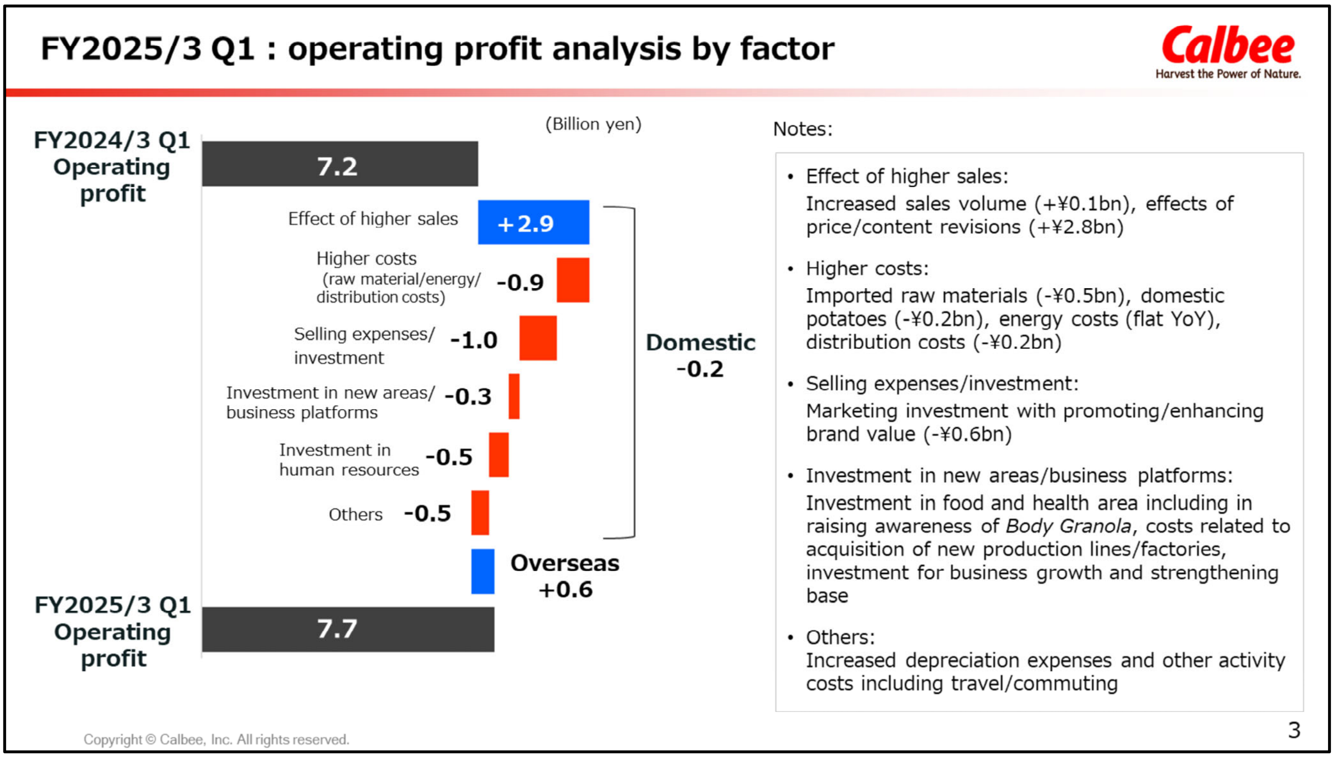
	March 31	June 30	Planned rate
2023	133.53	144.99	–
2024	151.41	161.07	142.0

Please see slide two. I would like to explain our consolidated financial results for FY3/2025 Q1.

Sales were JPY77.7 billion, up 6.2% YoY and up 1.5% from the plan. Operating profit was JPY7.7 billion, up 5.9% YoY and up 8.1% from the plan. Net profit was JPY7.1 billion, up 13.1% YoY and up 57.2% from the plan.

Compared to the same period of the previous year, domestic sales increased and profits decreased, while overseas sales and profits increased. Net sales increased due to sales volume growth in Japan and foreign exchange effects overseas.
Operating profit increased, driven by overseas. Although foreign exchange gains decreased YoY, net profit increased due to the utilization of tax credits to promote wage increases and other benefits.

Against the plan, both net sales and operating profit achieved the plan.
Two factors are responsible for this. The first was the contribution of increased profits from sales growth by the maintenance of solid momentum in the domestic business. The second is the upswing in overseas operating profit. Net profit exceeded the plan due to foreign exchange gains resulting from the depreciation of the yen.



Please refer to slide three. I will discuss the breakdown of changes in operating profit.

Overall consolidated profit increased by JPY0.4 billion YoY. The breakdown is as follows: domestic business minus JPY0.2 billion and overseas business plus JPY0.6 billion.

In the domestic business, profit decreased due to continued marketing investments to strengthen the brand, as well as investments in new infrastructure, human resources, and other areas for growth, although volume growth and the effect of revisions offseted cost increases caused by yen depreciation and inflation.

The main reason for the soaring costs is imported raw materials due to the weak yen. The numbers are as you can see.

FY2025/3 Q1 Domestic business

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(Billion yen)	FY2025/3 Q1	Change(YoY)	
Domestic sales	**58.1**	**+2.9**	**+5.2%**
Snacks	53.2	+2.1	+4.0%
Potato Chips	23.7	+0.7	+3.2%
JagaRico	11.2	+0.8	+7.2%
Other snacks	18.3	+0.6	+3.2%
Cereals	7.7	+1.1	+16.2%
Others (Agri, Food and health, Services)	3.4	+0.2	+4.9%
Rebates deducted from sales	-6.3	-0.4	–
Domestic operating profit	**6.1**	**-0.2**	**-2.8%**
Operating margin	10.6%	-0.9pts	–
Gift snack items **	3.9	+0.3	+9.5%

*Amounts for sales of Snacks, Cereals and Others (Agri, Food and health, Services) are prior to deduction of rebates, etc.
**Gift snack items: Figures for the prior year have been reclassified due to the organizational integration of the gift business

■ **Snacks**
- Demand remained firm
- Reaping the results of price/content revisions steadily, exceeded last year's high level of sales
- Gift snack items remained strong due to high travel demand

■ **Cereals**
- Maintained the strong momentum of last year's due to continuous marketing and sales activities

■ **Others**
- Grew sales of *Body Granola*, launched in April of the previous year, etc.

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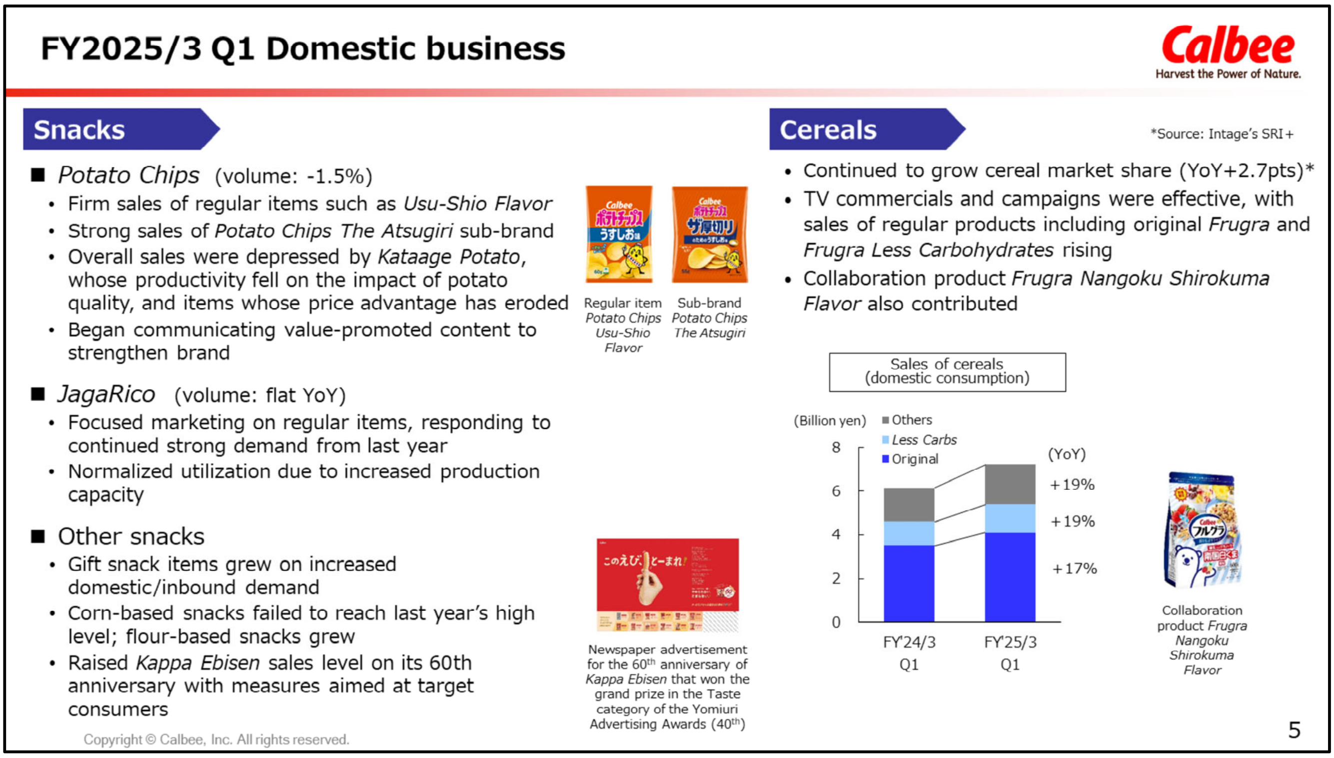
Please refer to slide four.
Next, I will explain sales by product in the domestic business.

Sales increased in all categories, including snacks, cereals, and other businesses. Overall snack sales increased by JPY2.1 billion YoY. *Potato Chips* grew by JPY0.7 billion, *JagaRico* by JPY0.8 billion, and other snacks by JPY0.6 billion, with growth in all categories.

Demand remained strong, and the company was able to reap the benefits of the price revisions and exceed the high sales level of the previous year. Gift snack items remained strong due to rising demand for travel and other factors.

Cereals sales increased by JPY1.1 billion and maintained high momentum due to the success of marketing and sales activities that have been implemented since the previous fiscal year.

Sales in the other business segment increased by JPY0.2 billion, with growth coming from such products as Body Granola, which was launched in April of the previous year. The factors for these results are presented in the next slide.



Please refer to slide five.

Sales of *Potato Chips* increased YoY due to strong sales of standard products such as *Usu-Shio flavor,* and *Potato Chips The Atsugiri,* which was sub-branded and newly launched in March of this year. On the other hand, sales volume declined slightly YoY. *Kataage Potato*, whose productivity fell on the impact of potato quality harvested last fall, and products with a diminished price advantage, such as large bags, brought the overall volume down.
As part of our efforts to strengthen our brand, in June we began distributing *"Jagaimono"*, a content promoting Calbee's commitment to potatoes. We will continue to work to raise the level of the *Potato Chips* brand.

JagaRico sales increased YoY, and in response to continued strong demand, we concentrated on the production and sales of standard products. Volume was on par YoY, maintaining the high sales volume that has continued from last year.

Sales of other snacks increased due to strong sales of gift snack items and wheat-based snacks such as *Kappa Ebisen*. Gift snack items grew due to an increase in domestic travel and inbound demand. *Kappa Ebisen*'s measures implemented since the previous fiscal year, such as newspaper advertisements featuring the 60th anniversary of the company and other measures tailored to the target generation, boosted overall sales.

Cereal sales increased YoY. Calbee's share of the cereal market was up 2.7 percentage points YoY. Increased sales of Calbee continued to drive the cereal market. Thanks to the effects of TV commercials and campaigns, sales of standard products and sugar-free products increased. *Frugra Nangoku Shirokuma Flavor*, a limited-time-only collaboration product, also made a contribution.

FY2025/3 Q1 Overseas business

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(Billion yen)	FY2025/3 Q1	Change(YoY)		Change ex. forex in %
Overseas sales	**19.6**	**+1.6**	**+9.2%**	**-1.7%**
Europe/Americas	11.0	+2.3	+27.0%	+11.6%
North America	7.2	+1.5	+26.9%	+12.0%
Asia/Oceania	11.3	-0.4	-3.1%	-10.9%
Greater China	4.0	-1.1	-21.6%	-29.2%
Rebates deducted from sales	-2.7	-0.3	–	–
Overseas operating profit	**1.55**	**+0.61**	**+64.3%**	**–**
Operating margin	7.9%	+2.7pts	–	–
Europe/Americas	0.53	+0.13	+31.6%	–
North America	0.31	+0.03	+10.0%	–
Asia/Oceania	1.02	+0.48	+88.5%	–
Greater China	0.30	+0.11	+57.9%	–

*Sales by region are amounts prior to deduction of rebates, etc.

■Europe/Americas

- Sales and profit rose in both North America and the UK
- Sales of existing brands and brands of Japanese origin remained firm
- Aiming to expand sales by increasing facilities in both North America and the UK.

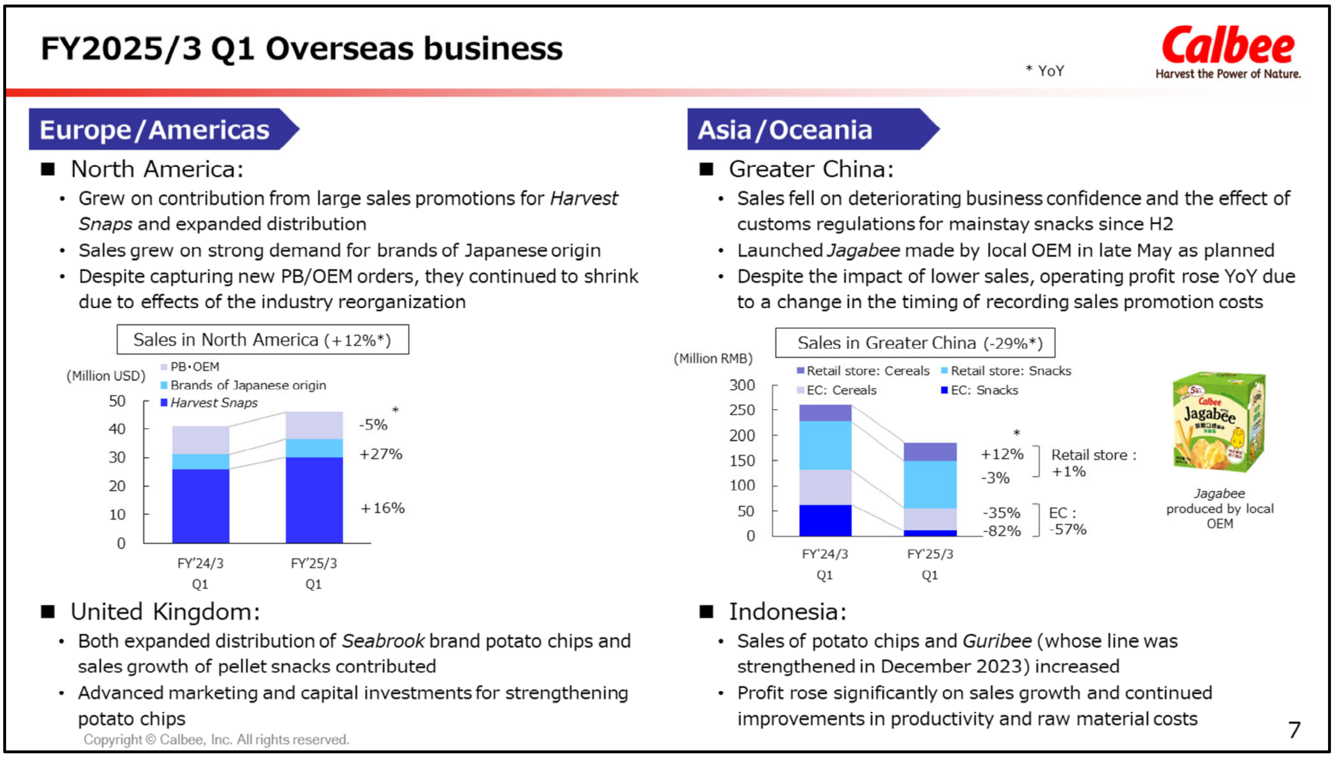
■Asia/Oceania

- Lower sales in Greater China were partially offset by higher sales in other regions
- In Indonesia especially, profit rose significantly on higher sales and cost improvements

Please refer to slide six. I would like to explain the performance of our overseas business by region.

Europe and Americas reported an increase of plus JPY2.3 billion in sales and an increase of JPY0.1 billion in profit. Both sales and profits increased in North America and the UK. Existing mainstay brands such as Harvest Snaps in North America and the Seabrook brand in the UK performed well, boosting overall sales. In addition, the high growth of brands of Japanese origin is also encouraging. Both North America and the UK have expanded their facilities and are aiming to increase sales in the future.

Next is Asia and Oceania. Sales were down 3% YoY, with the rest of the world outside of Greater China holding steady, but Greater China saw a decline overall. Operating profit increased by JPY0.5 billion, driven especially by Indonesia.



Please refer to slide seven. We will provide details on our main areas of focus.

In North America, both sales and profit increased. Sales of mainstay *Harvest Snaps* grew due to contributions from large-scale sales promotions and increased cargo distribution. Strong demand continued for brands of Japanese origin such as *Kappa-Ebisen* and *JagaRico,* and sales expanded in both Asian and American supermarkets. In PB and OEM, new orders were received, but the impact of the decline in orders due to the industry-wide restructuring that continued until H2 of last year did not run its course, resulting in a decline in sales.

The UK also reported an increase in both sales and profit. In the mainstay *Seabrook* brand, increased sales of pellet snacks contributed to the increase in sales, in addition to expanded distribution of potato chips. We will promote capital investment and marketing activities to strengthen our potato chips business.

In Greater China, sales declined and profit increased. Sales declined due to deteriorating business confidence and the impact of customs restrictions on mainstay snacks that have persisted since H2 of the previous year. As for local OEM production, sales of *Jagabee* started as planned in late May. Operating profit exceeded the previous year's level, despite the impact of lower sales, due to the delayed timing of posting of sales promotion expenses.

Finally, I would like to explain about Indonesia, which has grown the most in the Asia-Oceania region. Potato chips and *Guribee*, for which a new production line started operation in December of the previous year, saw sales increase. Operating profit increased significantly due to sales growth, a revised product portfolio, and continued improvements in raw material costs.

This is the end of my presentation. Thank you for your attention.

Reference material

Consolidated profit and loss statement

(Million yen)	FY2025/3 Q1 Results				FY2025/3 Forecast		
		Percent of total(%)	Change (YoY) (%)	vs. Forecast (%)		Percent of total(%)	Change (YoY) (%)
Net sales	77,656	100.0	+6.2	101.5	320,000	100.0	+5.6
Gross profit	27,048	34.8	+10.8	102.1	109,200	34.1	+7.1
SG&A	19,373	24.9	+12.9	99.9	80,300	25.1	+7.6
Selling	3,177	4.1	+22.6	87.8	14,100	4.4	+11.9
Distribution	5,851	7.5	+8.8	103.7	24,500	7.7	+8.3
Labor	6,215	8.0	+13.6	100.4	25,600	8.0	+4.7
Others	4,129	5.3	+10.9	104.8	16,100	5.0	+7.4
Operating profit	7,674	9.9	+5.9	108.1	28,900	9.0	+5.8
Ordinary profit	9,327	12.0	-1.2	135.2	28,000	8.8	-10.1
Extraordinary income/loss	-1	—	—	—	-500	—	—
Net profit*	7,071	9.1	+13.1	157.2	18,000	5.6	-9.5

*Profit attributable to owners of parent

Financial condition and Cash flows

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(Million yen)	As of March 31, 2024	As of June 30, 2024	Change	
Total assets	292,158	308,222	+16,063	
Current assets	127,853	128,734	+881	
Non-current assets	164,305	179,487	+15,182	*1
Total liabilities	91,072	103,502	+12,430	
Current liabilities	54,475	56,758	+2,283	
Non-current liabilities	36,596	46,743	+10,147	*2
Net assets	201,086	204,719	+3,632	
Net Cash	10,676	-1,593	-12,269	
Equity ratio	65.6%	63.1%	-2.5pts	

(Million yen)	As of June 30, 2023	As of June 30, 2024	Change	
Cash flows from operating activities	7,796	1,541	-6,255	*3
Cash flows from investing activities	-6,332	-7,605	-1,273	
Cash flows from financing activities	4,137	2,559	-1,577	

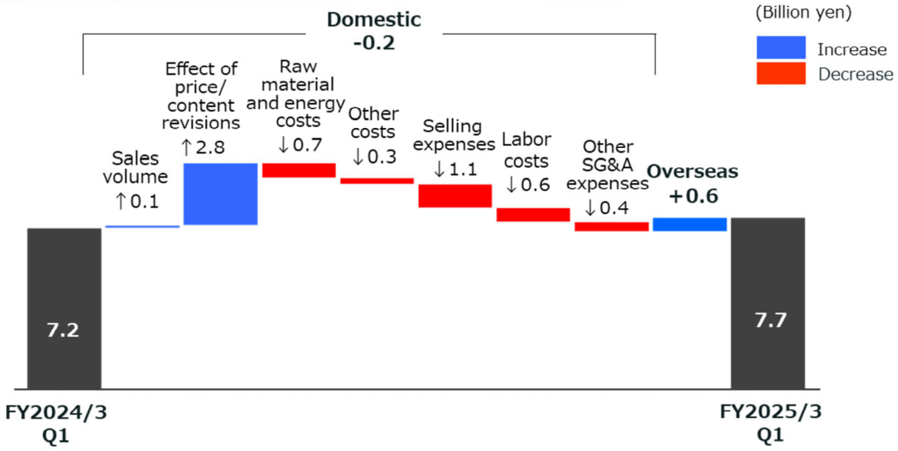
Notes: (Million yen)

*1 Non-current assets: Property, plant and equipment +15,965 (mainly relating to construction of the Setouchi Hiroshima Factory)

*2 Non-current liabilities: Long-term borrowings +10,000

*3 Cash flows from operating activities: Decrease in accounts payable – other -3,036

FY2025/3 Q1 : operating profit analysis by category



Notes: Raw material/energy costs: Imported raw materials (-¥0.5bn), domestic potatoes (-¥0.2bn)
Other costs: Human resources investment in response to labor shortage, etc.
Selling expenses: Marketing investment (-¥0.7bn) (including investment in new areas)
Other SG&A expenses: Distribution costs (-¥0.2bn), expenses for strengthening base, etc.

Domestic market share

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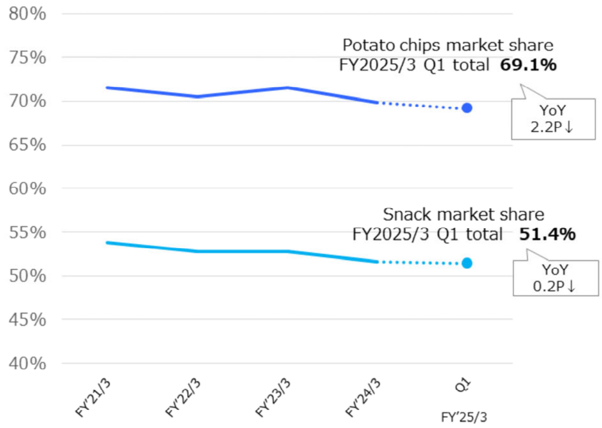

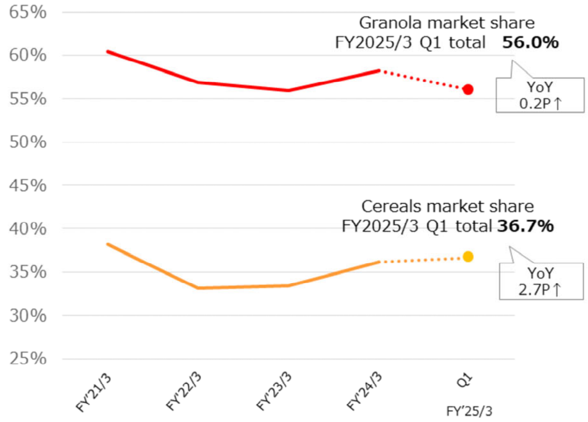

Source: Intage SRI+ based on sales amount (nationwide, all retail formats)

FY2025/3 Q1 total: April 2024 - June 2024
Comparison period: April 2023 - June 2023
FY'21/3-FY'24/3: April 2020 - March 2024

Snack market share: Total of Calbee and Japan Frito-Lay
Potato chips: Total of potato chips (thick- and thin-sliced), shoestring and kettle types; includes private brand products
Granola: Granola category of Cereals market

Contact details for IR inquiries:
Calbee, Inc. Investor Relations
E-mail: 2229ir@calbee.co.jp
https://www.calbee.co.jp/en/ir/

- The Company's fiscal year ends on March 31. The fiscal year ending March 31, 2025 is referred to throughout this report as "FY2025/3 (FY'25/3)," and other fiscal years are referred to in a corresponding manner. References to years not specified as being fiscal years are to calendar years.
- This document contains Calbee's current plans, outlook and strategies. Items which are not historical facts are forecasts pertaining to future performance, and are discretionary and based on information currently available to Calbee. This document does not purport to provide any guarantee of actual results. Actual results may differ significantly from forecasts due to various factors.
- This document also contains unaudited figures for reference purposes only.

FY2025/3 Q1 Results Presentation Q&A
August 2, 2024

Q1 Do you think the Q1 earnings uptick be carried into the full-year results?
At this stage we envisage this being a contributing upside factor. Although we will need to assess the situation with respect to this year's potato harvest, we do not currently foresee any major problems with potato procurement.

Q2 How do you expect sales to trend, taking into account the price and content revisions you implemented in June?
Mainly basic products of *Potato Chips*, we have been able to generate growth in our target areas. Although there was weakness in some products from April to mid-May due to raw material quality, this has been resolved. The impact of price and content revisions has been stronger than expected and we think there is still room for further improvement.

Q3 What are the factors behind the increase in profit from the domestic business compared to plan?
The increase in domestic business profit was due to higher sales volume and the effect of revisions. Overall sales volume of snacks increased slightly less than 1% compared to plan. Although there were increases in selling, raw material, and other costs, these were offset by volume growth and an improved sales mix.

Q4 Selling expenses have increased year on year. Are you seeing results from this?
The scale of selling expenses was in line with the plan at the beginning of the period. The previous year's expenses were heavily weighted toward the second half of the year, but this year's expenses are balanced. Ongoing marketing investments have helped maintain good momentum for both snacks and cereals.

Q5 What impact on earnings would you expect if the yen continues to strengthen?
At the ¥150/US$ level, we do not expect any significant impact on operating income.

Q6 What regions of your overseas business are growing?
In North America, the double-digit growth in *Harvest Snaps* and Brands of Japanese origin contributed and we will work to maintain this momentum. Profitability in Indonesia improved due to cost reductions and an improved sales mix. Other regions also generally performed well.