

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.

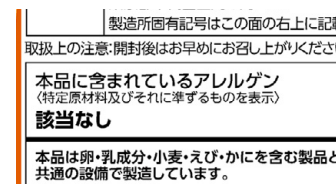
Due to varying import and export regulations, mandatory package labeling, and other standards in each country, we have established management systems tailored to local requirements. We also conduct regular audits at factories of raw materials imported from overseas. If these materials do not meet our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

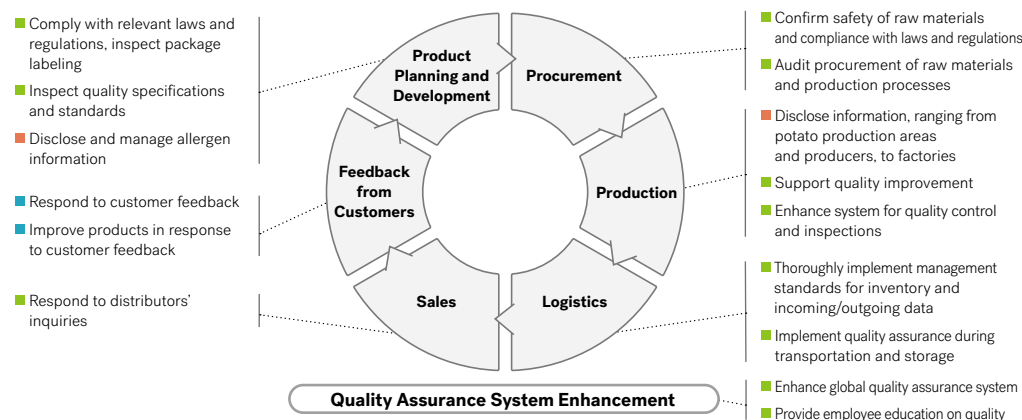
Eliminating the risk of food allergies is an issue that food companies must address with utmost care. Factories are thoroughly sanitized to prevent allergen contamination. Product packaging is standardized so information is easy to understand at a glance. Allergen information is also posted on our website.



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.

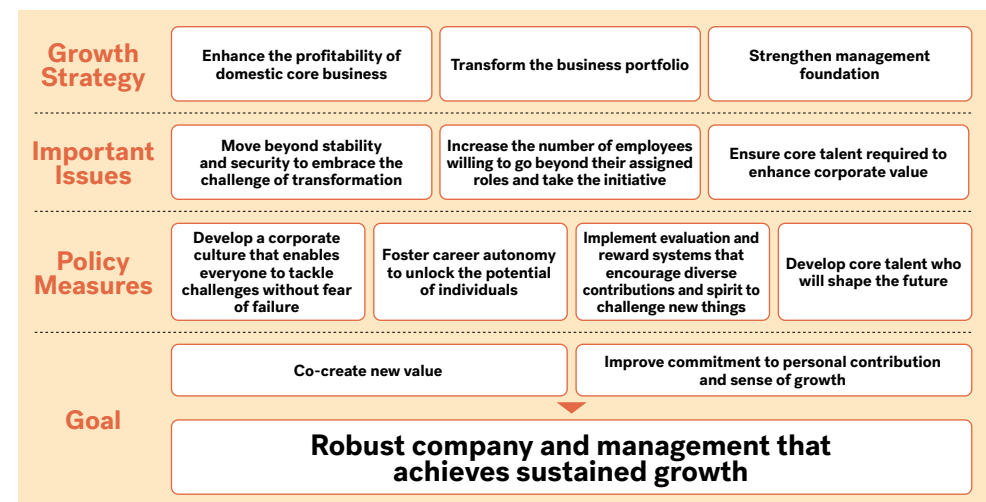
The strengths of the Calbee Group's organization and people lie in our supportive culture, strong teamwork, and sincere and honest approach to manufacturing. We believe these qualities form the DNA of the Calbee Group and developed as we continuously refined our "10 Processes" value chain—what we call 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.

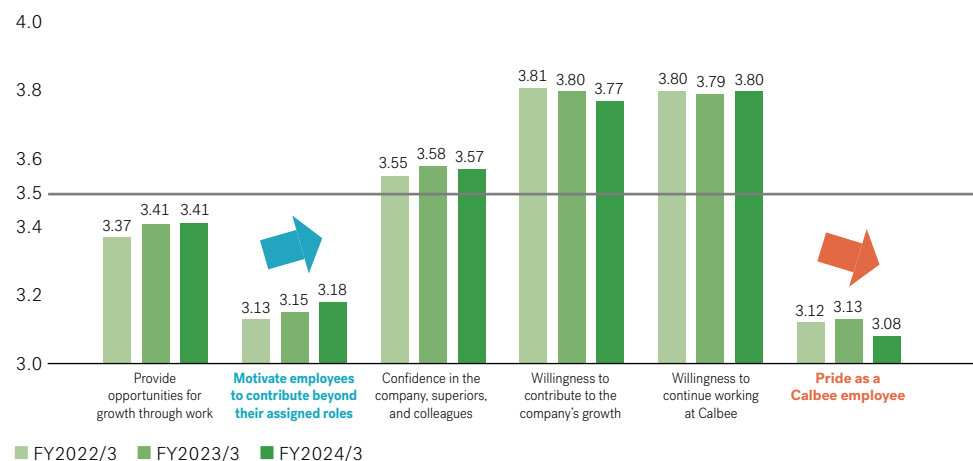
The second key area we are addressing is increasing the number of employees willing to go beyond their assigned roles and take the initiative. To instill motivation, it is crucial for employees to formulate their own career plans, for the Company to have a system in place enabling employees to independently 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

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.

► Engagement Survey Result Trends



Note: Average score out of 5 points, where 1 = Barely applicable and 5 = Very applicable

► 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

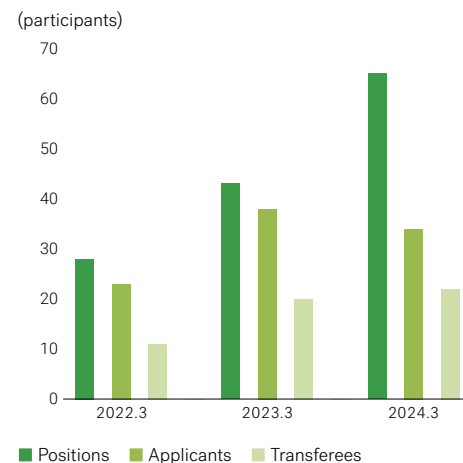
At the Calbee Group, we believe that encouraging every employee to seek growth and take the initiative in shaping their own careers will foster a culture of taking on new challenges and enhance job satisfaction. In FY2023/3, we upgraded our self-evaluation mechanism to the Career Exploration Notes, an 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.

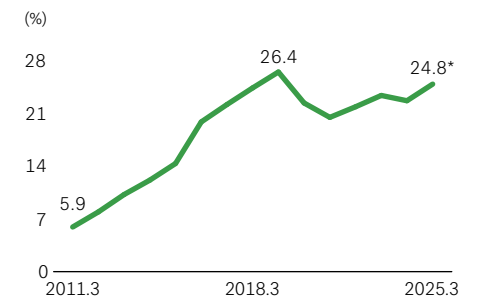


Kurumaza (roundtable) Meeting

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

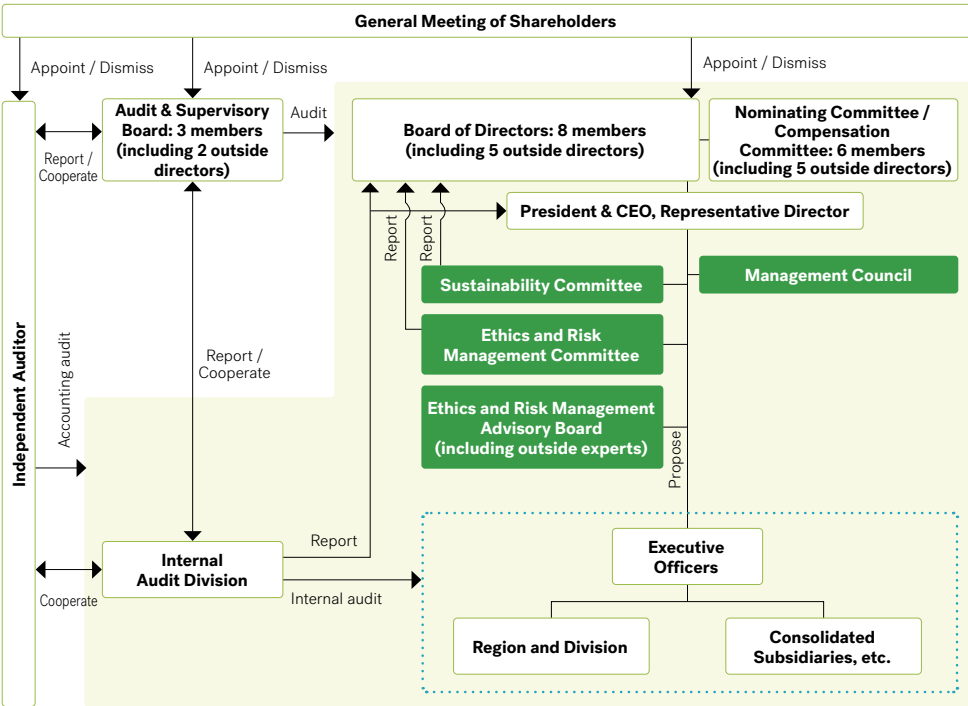
	Purpose	Measures taken
2001	Separation of supervision and business execution	<ul style="list-style-type: none"> Adopted an executive officer system Appointed outside directors
2009	Enhancement of supervisory and monitoring functions Promotion of diversity of the Board of Directors	<ul style="list-style-type: 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



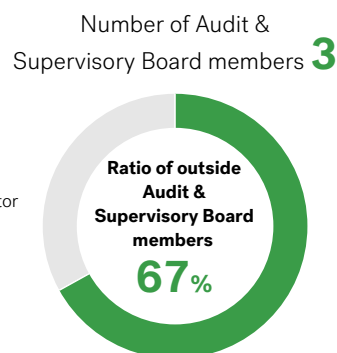
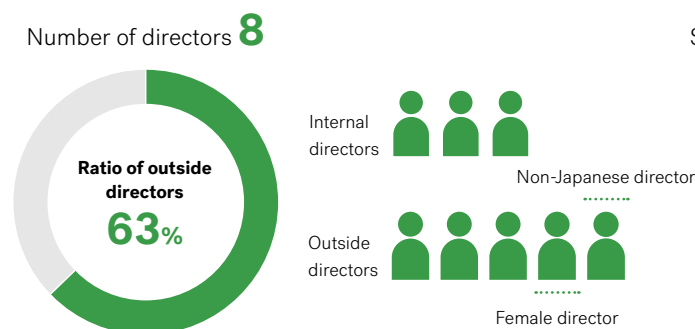
Corporate Governance

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.



► 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.

	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

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>25%</div> <div>15%</div> </div> <div>Profit attributable to owners of parent</div> <div>Sustainability targets</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.

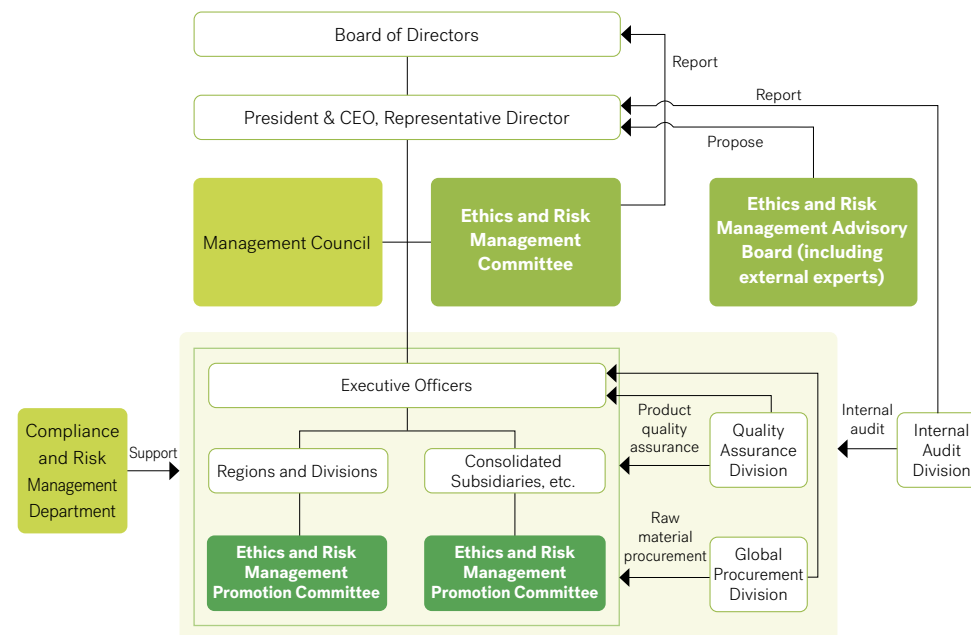
Risk management system

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)