Calbee

Calbee Group Integrated Report 2025

Calbee's Values

Corporate Philosophy

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

Founding Spirit

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

Calbee was founded during the food shortages following the Second World War, with a desire to improve nutrition by turning unused resources into nourishing snacks. Even today, this spirit continues to guide the products we make, inspired by the passion of Calbee's founder, Takashi Matsuo.

Takashi Matsuo, the founder of Calbee (right)

Group Vision

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

Contents

Key Point 1 CEO Makoto Ehara discusses how our commitment to consumers underpins our strategy and shapes our priorities for sustainable growth.

Key Point 2 Leaders and employees highlight how they are pioneering the next decade amid accelerating changes in our operating environment.

Key Point 3 CSO Keiei Sho outlines Calbee's global growth trajectory and introduces case studies of value creation in North America.

Key Point 4 CHRO Yasumasa Hitomi explains the aspirations behind Calbee's Active Roles for All Employees philosophy along with its unique indicators and key challenges.

Editorial Policy

Calbee's Integrated Report 2025 has been designed to share our value creation story and strategies with shareholders and investors, while showing employees how their daily work contributes to the Group's long-term goals. We have positioned this edition as a platform for deeper dialogue with stakeholders on sustainable value creation, and will continue to strengthen our reporting to provide clearer insight into Calbee's strategic direction.

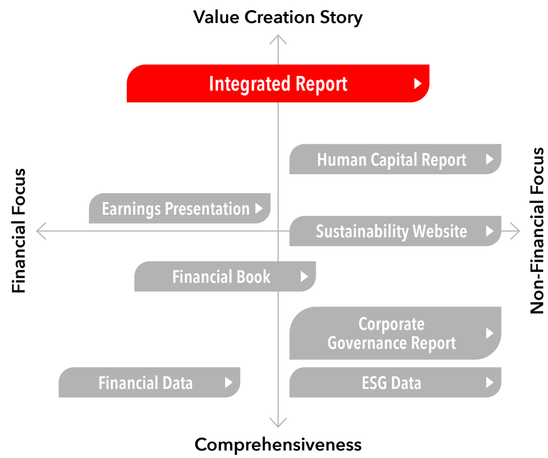
Period covered	April 1, 2024 to March 31, 2025 (Information from outside this period is presented where appropriate.)
Organizational scope	Calbee Group, comprising Calbee, Inc. and its consolidated subsidiaries
Issue date	September 2025

Presentation of company names in the text
Throughout this report, "Calbee" and "the Company" refer to the Calbee Group, while "Calbee, Inc." refers to Calbee, Inc. as a standalone company.

Guidelines used for reference
Ministry of Economy, Trade and Industry (METI): Guidance for Integrated Corporate Disclosure

Concerning descriptions regarding forward-looking statements
In addition to past and present facts about Calbee, this report includes forward-looking statements such as plans and forecasts as of the issue date. These forward-looking statements reflect our judgment based on information available at the time of writing. Various factors could cause the results of future business activities and other phenomena to differ materially from expectations.

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



The Value We Create

& Beyond

–Bringing Joy and Happiness to Our Consumers

Consumers' values regarding food are continually evolving. That's why we never settle for the status quo and are constantly striving to improve what we do, bringing joy and happiness to our consumers. Through innovations that exceed expectations, we are advancing our vision for 2030, Next Calbee & Beyond. By creating products that both taste great and are fun, while supporting healthier lifestyles, we aim to build a brand that is loved worldwide.

The Value We Create

Market share in Japan*1
No. 1
Snacks 51.9%
Cereals 37.8%

Calbee "Lbee" app*2 downloads
1.06 million
(as of June 30, 2025)

Brands with sales of ¥10 billion or more
7

Countries and regions of operation
12

Value created for consumers

We are committed to putting our corporate philosophy into practice by building our value chain together with our stakeholders, and serving as a bridge between growers and consumers. Through co-creation, we will provide products that taste great and are fun, while fostering a positive cycle that benefits nature and supports healthier living.

Value created for growers and the environment

Contracted potato farms
Approx. **1,600**

Procurement of approx. **19**% of Japan's potato production
Potatoes procured in Japan 371,000 tonnes

Products with RSPO*3 labeling
31 products

*1 INTAGE Inc. SRI+ based on cumulative sales value for all retail formats nationwide; FY2025/3: April 2024 to March 2025; Snack market share: Total for Calbee, Inc. and Japan Frito-Lay Ltd.

*2 A program in which participants fold up product packages and scan the package information using a special app to collect "Lbee" points, which can be used to apply for experience events and promotions
*3 RSPO: Roundtable on Sustainable Palm Oil certification
Note: Figures without a stated period are current as of FY2025/3.

CEO Message

1

Makoto Ehara
President & CEO

To deliver greater joy to our consumers, we are pursuing innovation and creating new value.

1 Final Calbee Fan Meeting of 2024

Innovating to Create Demand

Since our founding, Calbee has pursued great taste and fun, values that form the foundation of our innovation. Our commitment to contributing to people's health also stems from our origins in postwar Japan, when we set out to address malnutrition at a time when food was scarce. We believe this commitment will only grow in importance in the years ahead, and we will continue to position it as a core theme of our innovation.

As a market leader, Calbee has long focused on innovation that creates new demand, uncovering latent consumer needs through products that surprise and delight. But changes in our operating environment are accelerating, from climate change and demographic shifts to increasingly diverse dietary preferences. As a result, we recognize that consumer needs are evolving in ever-shorter cycles and in more varied ways than before. To respond, we are building a culture that empowers people to think freely, enjoy their work, and create new value—thereby accelerating our ability to innovate.

This mindset underpins Next Calbee & Beyond, our vision for 2030. Our vision is about responding to changing times while strengthening our ability to create new demand that no one has imagined before. The phrase "& Beyond" reflects our determination to not just pass on the baton to future generations but instead shape the future ourselves, leveraging speed and new ideas. Calbee is uniquely positioned to achieve this vision through our strengths as a manufacturer (*monozukuri*), which enable us to maximize the inherent taste of natural ingredients, and through our efforts to build a broad fan base by understanding their needs.

CEO Message

And our consumers are ultimately the foundation of our growth. Even our most established and best-loved products are not guaranteed to remain popular, so we must continue to work diligently to create added value. In order to surpass consumer expectations, we must be proactive, embrace challenges, and welcome change. I believe this approach will enable us to drive sustainable growth and strengthen corporate value.

Completing *Change 2025*

At present, we are advancing our three-year growth strategy, *Change 2025*. To maintain our strong domestic market share, it is essential that we anticipate change and respond in an agile manner. This is because consumer needs are evolving every day, and staying competitive requires us to consistently maintain a consumer-centric perspective. While many of our long-selling brands in Japan continue to be loved by consumers, the domestic market is expected to slow over the long term due to Japan's aging and declining population. That is why we have to build on the strengths we have developed so far to establish new growth pillars. At the same time, our brands are still gaining recognition overseas, representing significant growth potential.

In this environment, and under *Change 2025*, we are transforming Calbee through three core pillars: enhancing the profitability of our domestic core business, transforming our business portfolio by expanding into new fields and overseas markets, and reinforcing our business foundation by developing talent and systems to support these initiatives. We are already beginning to see results.

In particular, through our digital transformation (DX) strategy, we improved profit in our domestic core business by approximately ¥1 billion in FY2024/3. Factory DX activities are steadily boosting productivity while supply chain optimization, focusing on profitability per SKU*, is progressing well. Going forward, we will continue to enhance profitability by cultivating DX talent and reinforcing our management information infrastructure. We have also set medium- to long-term milestones and are monitoring progress continuously to ensure the effectiveness of our strategy.

2 Setouchi Hiroshima Factory started operations in January 2025

However, to fully leverage digital transformation in order to strengthen our core domestic business, and develop overseas and new businesses as future growth pillars, we must also encourage new ways of thinking.

Since becoming CEO in 2023, I have prioritized dialogue with employees, and have continued to host regular *Kurumaza* (roundtable) Meetings. Starting in April 2024, we opened these up to all employees, and over the course of a year, I spoke with approximately 3,500 employees across 56 sessions. These meetings encourage employees to take greater ownership of our management policy by reflecting on the value we create, our purpose as a company, and addressing the fundamental question, "Why do we need to transform now?" I believe that if all of us work together with the aspiration to grow Calbee well beyond its first 100 years, we can truly transform Calbee.

In the past, ambitious numerical targets without a clear framework to implement our strategy or a shared understanding among employees led to a decline in motivation. To address this, I focused on building successful experiences. I continually encourage employees to move forward steadily, earnestly, and thoroughly, advancing step by step with determination. As a result, we achieved record-high

CEO Message

performance in FY2025/3. I believe the experiences we accumulated have strengthened confidence across the Company and created a virtuous cycle that inspires us all to take on new challenges.

* SKU: Stock Keeping Unit, the minimum management unit for receiving or writing orders and managing inventories

The Challenge of Sustainable Growth

For Calbee to continue growing sustainably beyond our 100th anniversary, reinforcing our business foundation is essential. In particular, organizational and human capital strategies, together with sustainability management, will be critical.

The biggest challenge I see for our organization and people is fostering a spirit of taking on challenges without fear of failure. Without this, we cannot expect to innovate or grow. By encouraging everyone to step outside of their comfort zones to embrace new challenges, I believe we can cultivate a mindset that will shape the future.

Calbee has long led the domestic snack and cereal markets as the industry's top manufacturer. However, to expand globally and into new fields, we have to move beyond traditional approaches and adopt a challenger mindset. I believe facing difficulties truly strengthens an organization and the unique qualities that set it apart. To support this, we will introduce a new personnel system in April 2026 under our human resources vision, Active Roles for All Employees. This system is designed to encourage both personal growth and diverse contributions. I see it as my responsibility to create a culture where everyone can take on challenges boldly and positively.

In addition, Calbee's businesses are closely tied to natural capital such as agricultural and marine products, and addressing climate change and human rights is particularly important to our sustainability efforts. Potatoes, the main ingredient in some of the snacks we produce, are susceptible to climatic conditions, which affects both yield and quality. This impact will be increasingly felt with the aging and shrinking number of agricultural workers. To mitigate future risk, we are focusing on supporting growers by developing potato varieties that resist pests and environmental change, diversifying production areas, and developing contractor services to assist farmers with production and harvesting.

Our Setouchi Hiroshima Factory, which began operations in January 2025, also integrates a sustainable production system designed to reduce our environmental footprint, using renewable energy and a system that converts waste potato parts into energy and other resources. Going forward, we will maintain our commitment to building a sustainable society at the core of our management approach and, in collaboration with stakeholders, we will further strengthen our initiatives to address the material issues in our business activities.

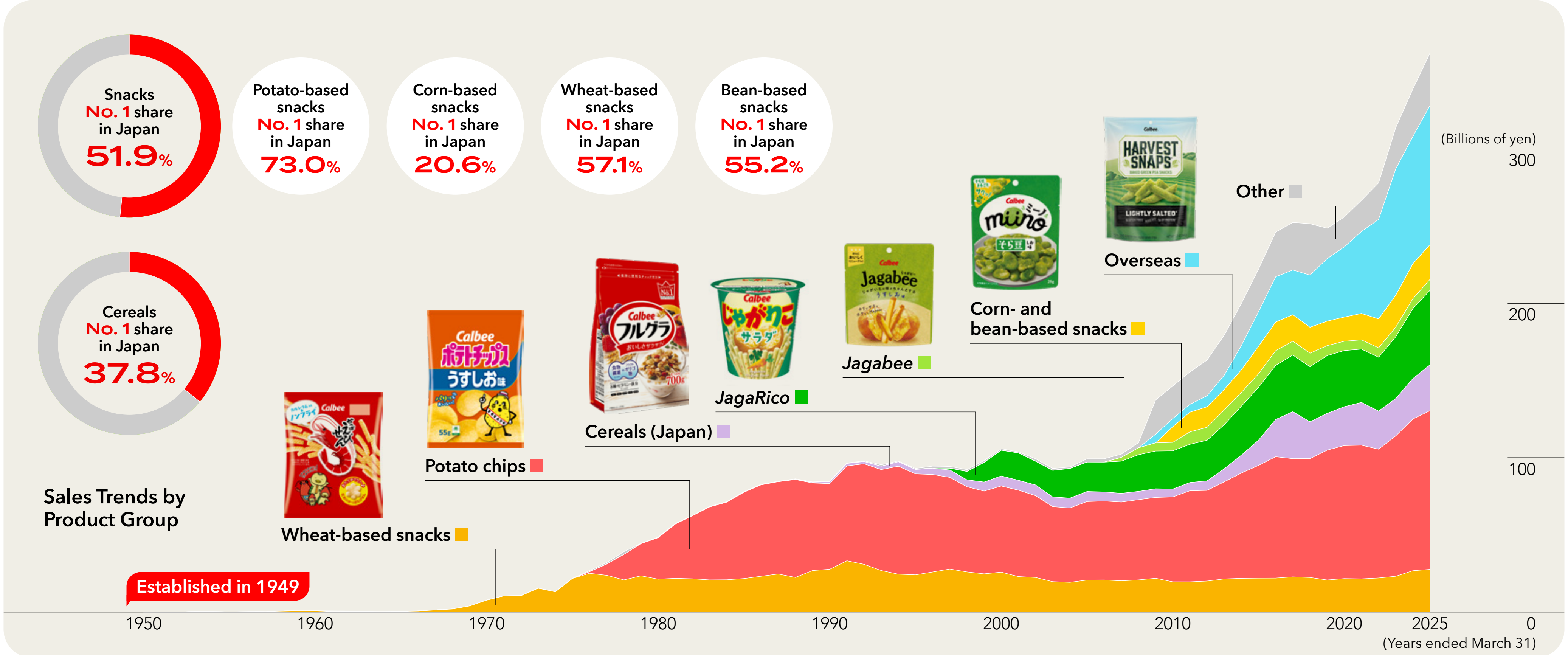
Guided by our corporate philosophy, we are working to create new value, pursue innovation, and deliver joy and happiness to more consumers by building our presence in global markets. To achieve this, we are encouraging every employee to embrace transformation and to act with speed in advancing our business structure reforms, paving the way for the next growth stage. To all our stakeholders, including shareholders and investors, we ask for your continued understanding and support, and hope you share our high expectations for Calbee.

3


4


3 Third year of *Kurumaza* Meetings in Japan
4 *Kurumaza* Meeting at Calbee America, Inc.

Creating Value through Manufacturing and Winning Fans



Note: INTAGE Inc. SRI+ based on cumulative sales value for all retail formats nationwide; FY2025/3: April 2024 to March 2025; Snack market share: Total for Calbee, Inc. and Japan Frito-Lay Ltd.; Market share by snack category: Share by raw material
[Raw materials] Potato-based snacks: raw potatoes, wheat-based snacks: wheat, corn-based snacks: corn, bean-based snacks: beans

Product Evolution in Response to Consumer Needs

Founding–1960s

Used wheat in an era where rice-based crackers were the norm, and later blended in fresh shrimp to create our first hit product.

1964 *Kappa Ebisen*
Developed a highly nutritious snack made from fresh whole shrimp

1970s–1980s

Developed products using raw potatoes as the main ingredient, then entered the potato chips business, becoming a leading player in Japan's snack culture.

1975 *Potato Chips*
Built a unique value chain starting from the cultivation of potatoes

1990s–2000s

Responded to rising demand for new textures and more health-focused foods, a trend accelerated by the growth of convenience stores.

1995 *JagaRico*
Proposed a snack-in-a-cup that is easy to carry and eat

2010s Onward

Adapted to diversifying consumer preferences by creating products with new taste experiences, while also expanding into overseas markets.

2017 *miino*
Development of a series of nutritious, balanced snacks made primarily from beans

Creating Value through Manufacturing and Winning Fans

Manufacturing The Source of Calbee's Strengths

Since our founding, Calbee has focused on delivering great tasting, fun products by combining our expertise in raw materials with processing technologies that create unique textures. Potatoes, the source of over 50% of our sales, can be harvested only once per year. To ensure stable procurement of potatoes, we established Calbee Potato, Inc. in 1980, and have since built a vertically integrated value chain extending from farms through to provision of products to our consumers. Today, we have contracted approximately 1,600 growers throughout Japan, from Kyushu to Hokkaido, and procure approximately 19% of Japan's potato production (371,000 tonnes per year for FY2025/3).

To bring out the full flavors of natural ingredients, we have developed a wide range of manufacturing techniques. This includes refining our frying technologies, which can be used with whole unprocessed ingredients, and our processing technologies, which blend whole ingredients to create distinctive textures. To ensure we provide safe and reliable products to consumers, we also provide opportunities for all employees to hear feedback from consumers every year, strengthening their commitment to quality.

Our DNA—The Origin of the Calbee Name

Calbee was established by our founder, Takashi Matsuo, at a time when food was scarce. Matsuo made it his mission to use underutilized food resources to create products that would improve people's health. The Company name, Calbee, is a combination of Cal from calcium and B from vitamin B_1. His vision of using underutilized resources and contributing to healthier lives remains part of Calbee's DNA to this day.

Strength Expertise in Raw Materials

For more than 40 years, we have supported contracted growers through potato cultivation experts known as "fieldmen," with approximately 50 stationed across Japan. We develop proprietary potato varieties more resistant to climate change and pests, have introduced advanced technologies to support cultivation, and developed a system to maintain freshness by leveraging proprietary technologies and some of the largest storage facilities in Japan. In the coming years, we aim to further improve our production quality by providing contacted growers with feedback on the quality of the products manufactured at our plants.


A fieldman and a contracted grower check the growth of potatoes

Strength Textures

By focusing on the quality of our raw materials and manufacturing methods, Calbee develops products with diverse textures reflecting the characteristics of natural ingredients. Even for long-selling brands such as potato chips and *Kappa Ebisen*, we have continued to innovate, adjusting thickness and shape to produce a wide variation of textures. We carefully account for differences in varieties, production areas, and seasons, fine-tuning our processing temperature and time, as well as cutting methods. This enables us to develop products tailored to different generations and occasions, providing consumers with great tasting and fun products.

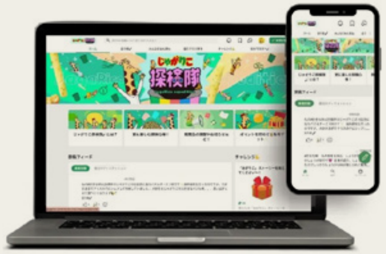
Creating Value through Manufacturing and Winning Fans

Manufacturing Products and Creating Fans Creating Added Value Sought by Consumers

Calbee has built products loved by generations of consumers by using natural ingredients and adapting tastes and textures to evolving preferences. Our success is rooted in our product development capabilities, which leverage a deep understanding of consumer needs, alongside fan engagement activities across multiple contact points. Recently, we have been employing digital technology to communicate with consumers, including through our Calbee "Lbee" program, social media, and fan meetings, among other methods. The feedback we receive through these initiatives helps us unlock new value in product development and through quality improvements.

JagaRico: Co-creating Brand Value with Fans

We have promoted initiatives to foster fan engagement through our *JagaRico* brand since before the advent of social media, including the launch of a fan website in 2007. More recently, we are deepening our connection with fans through co-creation, including the planning and development of 30th anniversary products based on ideas collected from within the community. These initiatives have strengthened brand affinity, and by listening to consumer experiences, we are creating a virtuous cycle that drives brand value through increased recognition and credibility.

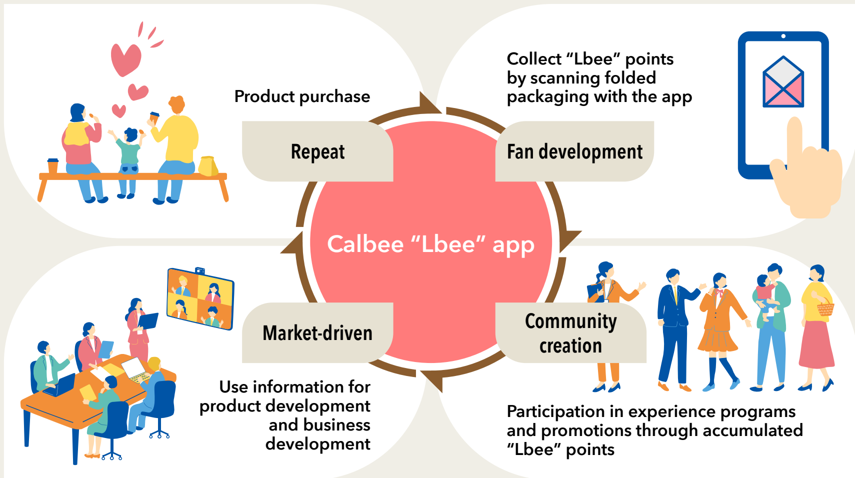


A new fan community: *JagaRico* Explorers

JagaRico Citizen Vote to create a 30th anniversary product

Consumer-Centric Product Development

To better understand consumer needs, we gather feedback through a variety of touchpoints, including consumer service centers, in-store activities, and official social media accounts. We reflect these insights in our product development and quality improvement processes. Through our Calbee "Lbee" app (1.06 million downloads as of June 30, 2025), we capture data such as which products people buy and how often. This enables us to analyze and understand individual preferences and consumption habits. Beyond digital channels, we hosted fan meetings with over 600 consumers in FY2025/3 in 17 locations throughout Japan, organized through our app. This provided marketing and R&D departments with real-world opportunities to interact with consumers and leverage their experiences in product development and marketing activities.



Conducting activities across a wide variety of consumer contact points, such as nationwide fan meetings and potato harvesting experiences

Future Direction of Calbee's Manufacturing and Business Evolution

Agricultural and Environmental Trends

- Changes in agricultural environment driven by global warming, declining birthrate, and aging population
- Increased competition for resources due to climate change and geopolitical risk
- Heightened concerns over environmental impact, human rights, and biodiversity in the supply chain

01 Raw Material Procurement P.12 >>
02 Research and Development P.14 >>
03 Marketing P.16 >>

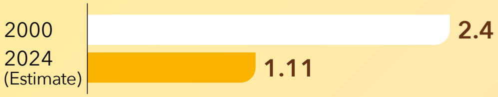
Consumer Trends

- Increased awareness of health, wellness and environmental sustainability
- Diversification of values related to food and advances in personalization
- Polarization between lower-priced and high-added-value offerings

Accelerating Change in Our External Environment

Global warming and the increased frequency of natural disasters have significantly affected agriculture in recent years. In Japan, the combined challenges of a declining and aging farming population make it essential to work together with growers to ease workloads and increase crop yields.

Core Agricultural Workers (Millions)

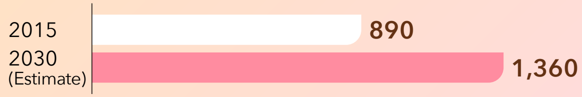


Source: Created by the Company based on "White Paper on Food, Agriculture and Rural Areas in FY2024 (Summary)" (Ministry of Agriculture, Forestry and Fisheries of Japan) (https://www.maff.go.jp/j/wpaper/w_maff/r6/pdf/r6_gaiyou_all.pdf)

Calbee aims to create a virtuous cycle between nature and healthier living by bridging nature and people through products grounded in natural ingredients. We see changes in our external operating environment not only as risks, but also as opportunities to create a more sustainable future. In Japan, lifestyles are becoming more diverse and spending patterns increasingly polarized. Overseas, demand for snacks is expected to rise alongside the expansion of the middle-income segment in emerging markets, while in developed markets, growing health awareness is driving new business opportunities. By anticipating evolving consumer trends and developing value-added solutions in response to changing dietary needs, Calbee is working to achieve sustained global growth. Moreover, we are leveraging our expertise in natural ingredients and technology to expand into new food areas.

In Japan, population decline, aging demographics, and an increase in single-person households are leading to greater demand for both single-person meals and greater convenience. Meanwhile, global population growth is driving increased food demand, while interest in health and environmental issues is rising in advanced markets in particular.

Global Food Market (Trillions of yen)



Source: Created by the Company based on "Estimated Size of the Global Food and Beverage Market" (Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries of Japan) (https://www.maff.go.jp/primaff/seika/attach/pdf/190329_01.pdf)

Future Direction of Calbee's Manufacturing and Business Evolution

Raw Material Procurement

Expanding the Cycle of Sustainable Agriculture and Business Growth

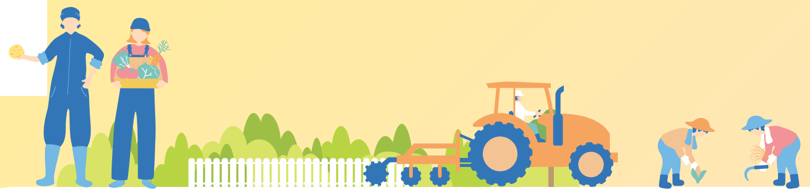
Calbee's raw materials primarily consist of agricultural products such as potatoes. Because these raw materials are sensitive to climatic conditions and can be harvested only once a year, we work closely with growers to secure stable supply. We also collaborate with growers to enhance the value of the agricultural produce itself by improving cultivation and storage methods, as well as developing new varieties.

In recent years, we have been developing a more stable and predictable environment for growers, enabling them to continue to farm with confidence, while developing and selling new types of products that bring out the appeal of their agricultural produce. A leading example is our collaboration with the Shiretoko Shari Agricultural Cooperative ("JA Shiretoko Shari"), which delivers meaningful value for both Calbee and the cooperative. The project enables Calbee to secure 40,000 tonnes of raw potatoes annually. In addition, JA Shiretoko Shari will build a frozen processing facility for Calbee to explore new product possibilities such as frozen foods. For the growers, the project secures a stable sales channel for potatoes. It also enables them to transition from other crops, creating opportunities to enhance their profitability.

By connecting growers and consumers, Calbee creates a virtuous cycle of sustainable value creation, helping to stabilize farmers' operations and ensuring long-term procurement of high-quality raw materials. Going forward, we will build on this initiative to include other ingredients, such as sweet potatoes, expanding this cycle of sustainable agriculture and business growth.

For further details on our relationship with nature and our assessment of dependencies and impacts, please refer to page 43 "Response to TNFD Recommendations."

Initiatives to Create the Future of Potatoes



Contributing to sustainable agriculture

Contracted growers

Purchase of potatoes

Cultivation proposals

Production and harvesting support

Calbee Potato, Inc.

Fieldmen
Community-based cultivation support

Relaying feedback from growers

Sharing technical support and knowledge

Potato Research Institute
Research conducted with universities and at testing sites on new varieties and cultivation techniques

Support for contracted growers

Support for potato cultivation
Development of disease-resistant varieties and promotion of science-based cultivation techniques

Support for labor-saving in agriculture to counter aging and the declining population of farmers
Contractor business (contracted cultivation and harvesting operations, etc.) and support for introduction of highly efficient harvesting machines, etc.

Development of products that add value to raw materials

Development, manufacture, and sale of high-quality products derived from nature
Sustainable growth through long-selling brands

Expansion into the frozen foods business
Opening new markets and ensuring stable procurement through collaboration with JA Shiretoko Shari

Application of expertise to other ingredients
Leveraging expertise in stable procurement of high-quality raw materials acquired through the potato business, and expanding it to other ingredients such as sweet potatoes

Future Direction of Calbee's Manufacturing and Business Evolution

& Beyond Tackling Challenges for the Decade Ahead

Developing New Potato Varieties to Meet Future Social Challenges

When Calbee entered the potato chips business in 1975, the potatoes that we procured often had quality issues such as burning easily during processing. Recognizing the need to learn more about potatoes in order to provide high-quality, great-tasting potato chips, in 1985, we launched the Potato Research Institute in Memuro Town, Hokkaido Prefecture. Its missions are diverse, including searching for and selecting varieties most suitable for potato chips, introducing and evaluating promising varieties from overseas, and researching potato cultivation and storage techniques. Notably, Calbee is the only snack manufacturer in Japan that is developing new varieties through hybrid breeding.

Potatoes present a wide range of challenges at every stage, from cultivation and harvesting to storage and processing. Developing a new variety can often resolve many of these issues at once. For example, in 2016, we began the cultivation of *Poroshiri*, which Calbee Potato, Inc. registered as a new proprietary processing potato in 2017. Not only does this variety taste good in the form of potato chips, it is also more resistant against diseases and pests, such as common scab, potentially enabling higher harvest yields. Its uniform size also makes it easier to harvest and sort, reducing the workload of growers. This has made it a popular choice, particularly in Hokkaido, where it has been widely adopted.

It takes, however, approximately 15 years to develop a new variety to the point it can be commercially cultivated (refer to the diagram on the right). Therefore, when defining its research priorities, the Potato Research Institute looks 20 to 30 years ahead, anticipating environmental changes and preparing for potential challenges.

We are particularly focused on the increasing frequency of abnormal weather events caused by global warming. High summer temperatures reduce the proportion of starch and other solids, raising concerns over deteriorating quality during processing. To address this, we are developing varieties that can accumulate higher starch content. Similarly, weather patterns such as alternating drought and heavy rainfall can destabilize the moisture content of the soil, which can harm crop growth. This creates a need for a variety that is more resistant to fluctuations in moisture levels.

Meanwhile, the declining number of growers is also a serious problem. As a countermeasure, we aim to improve their work efficiency through large-scale harvesting and sorting equipment. However, this kind of equipment can also physically impact potatoes, resulting in damage known as bruising, which changes their tissue. We are, therefore, also working on developing bruise-resistant varieties.

In this way, Calbee works to develop new varieties from many different angles, but what matters most is creating value for all of our stakeholders. As Director of the Potato Research Institute, my mission is to create varieties that make everyone happy: the contracted growers who cultivate the potatoes, the Calbee employees who process and sell them, and the consumers who eat our products. It is a mission that I find extremely fulfilling.

Toshiya Igarashi
Director of the Potato Research Institute, Calbee Potato, Inc.

Process of Developing a New Potato Variety (Example)

Year	Process	Number selected
1	Start of crossbreeding	Number of seeds: 100,000
2	Seedlings are grown from seed. Superior plants are selected, propagated as potato tubers, and maintained as breeding lines.	25,000 potato tubers
3		800 lines
4	Breeding lines are evaluated for disease resistance, yield, quality, and agronomic traits.	100
5		20
6		8
7		3
8	Field trials are conducted to confirm yield and quality over a period of 8 years or more.	1-2
9		1
10		0-1 line
11		
12-14	Production of seed potatoes	
15-	Start of cultivation by contracted growers	

Future Direction of Calbee's Manufacturing and Business Evolution

Research and Development: Aiming to Drive Innovation in Diverse Fields

Masae Nakano
Managing Executive Officer, CTO, in charge of Research & Development Division and New Business Advancement Division

Promoting Research and Development from Short- and Longer-Term Perspectives

Quality management and safety
- Ensuring safety and peace of mind for consumers (proactive measures through risk assessments)
- Ensuring consistent quality management (development of new analysis methods)
- Extending shelf life (development of environmentally friendly packaging and improving processing methods)
- Securing stable raw material sourcing and procurement

Great taste and fun
- Developing products with low salt, high protein, low fat, and reduced carbohydrates
- Advancing processing technologies that combine new technologies and ingredients
- Providing personalized foods
- Making taste and preferences visible and measurable

Well-being
- Supporting longer, healthier living (through nutrition, chewing, and eating habits)
- Developing and improving agricultural produce with high nutritional value (raw material exploration and improvement of varieties, etc.)
- Supporting mental health (research into hormones connected with happiness and feelings of contentment)
- Conducting research on stress reduction

At Calbee, innovation is about more than just product and technology development. It is about driving evolution across a wide range of fields—from creating new value for consumers to streamlining business processes and caring for the environment. That's why our ability to innovate will play a decisive role in shaping the entire Group's future.

Recognizing this, as CTO, I am focused on diversifying the areas in which we innovate. Until now, our R&D organization has concentrated on enhancing the safety and quality of our core ingredients, such as potatoes, wheat, and oils. While this will always remain fundamental to our value proposition, R&D functions today are expected to also advance sustainability. For Calbee to transition to a sustainable business portfolio, we must build on our traditional research in quality management and safety by pursuing more evidence-based approaches to enhance taste and enjoyment, and by creating value in a wider range of fields such as well-being.

One of the biggest challenges in promoting new innovations is how to make effective use of resources inside and outside the Company. To address this, we are focusing on three areas: 1) harnessing open innovation by strengthening cooperation with other industries and startups to incorporate new ideas and technologies; 2) promoting digital transformation (DX) by utilizing and analyzing data with the latest digital technologies, including the transfer of technical expertise; and 3) developing talent that uses advanced knowledge and values creativity and flexibility to drive innovation. In line with this, we built a new research building at our R&D Center in April 2025. This will enhance our core R&D capabilities and modernize how our teams work.

To accelerate innovation across multiple fronts, in addition to strengthening our R&D framework, we also need to further reform our organization and shift mindsets across the Group. As CTO, I am committed to setting clear strategies, accelerating technological innovation, and strengthening use of intellectual property. Equally important, I will strive to transform our internal culture, such as enhancing communication throughout the Group, fostering a spirit of taking on challenges without fear of failure, and creating an environment where ideas can take shape. If we are to deliver great tasting and fun products that truly excite consumers, we must ourselves be a company that creates them with a genuine sense of excitement and joy. Guided by this belief, I am committed to driving innovation throughout the Group.

Future Direction of Calbee's Manufacturing and Business Evolution

& Beyond Tackling Challenges for the Decade Ahead

Focus on Value Creation to Compete in Global Markets

My division aims to enhance the value and growth overseas of global brands such as *Kappa Ebisen*, *JagaRico*, and *Frugra*. Even within the same brand, consumer preferences can differ between Japan and other countries. This creates challenges such as developing products with textures and flavors tailored to local tastes, all while maintaining quality in mass production. For example, in the case of *GuriBee*, which is experiencing growing sales in Indonesia, members of the R&D team visited the market to assess product quality firsthand and propose improvements to manufacturing processes, rules, and equipment. By quickly adapting taste and texture to local preferences, we have been able to strengthen the brand's value.

Through these initiatives, we are pivoting from a Japan-centric mindset and strengthening our capabilities to support overseas expansion. To achieve this, we will continue to focus on enhancing the value of existing brands in Japan, while encouraging our team members to take personal ownership and proactively engage in overseas projects. To further build on the value of our global brands, it is essential that every individual has both the mindset and confidence to successfully compete globally. By fostering a spirit of initiative across both domestic and international operations, we aim to drive future-oriented growth.

GuriBee, a four-layered corn snack, is seeing growing sales in Indonesia

Miho Hashiguchi
Director of Product Development Department 2,
Research & Development Division

Sharing Value by Quantifying Food Texture

Calbee has long regarded food texture as a key element of product value. For example, while potato chips offer diverse textural variations, these qualities are often subjective and abstract, making it challenging to ensure the intention of the product developer is being conveyed to the consumer. To communicate the appeal of Calbee products more accurately, we launched an initiative to visualize food texture. In March 2024, we completed the development of an app that measures and graphs changes in food texture using the Temporal Dominance of Sensations (TDS) method.*

During development, we worked hard to ensure the team shared the same understanding of sensory terms, such as "crispy" and "crunchy."

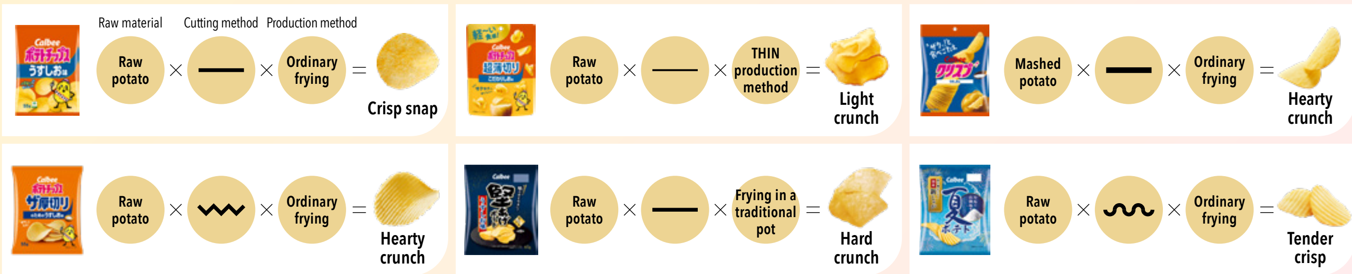
With the app, information on the textures of Calbee products can now be shared more precisely and smoothly. For example, at the research lab, it has become easier for veteran technicians to share their visions with their junior team members. In marketing, the app makes it easier to clearly communicate the concept of a new product to consumers. In fact, developers have praised the tool, noting that it is persuasive because it is based on a scientific method, and that it captures the flavor and texture they envisioned. As a result, we are now using the app to promote the appeal of our products.

Looking ahead, growing overseas will require us to share and align on the food texture preferences across different regions, languages, and cultures. In Japan, too, consumer preferences are diversifying across generations and genders, making it increasingly important to understand in detail who prefers what kinds of food textures. By using the app, we have made progress in collecting and analyzing this kind of data. We are confident that, in turn, we can use it to develop products more strategically, and are now further enhancing its functions.

* An evaluation method that can capture the change over time in multiple sensory attributes from a single measurement

Io Umebara
Quality Research Section,
Research Department,
Research & Development Division

Realizing Diverse Food Textures That Can Draw Out the Full Delicious Taste of a Potato



Future Direction of Calbee's Manufacturing and Business Evolution

Marketing | Creating Value That Brings Consumers Joy

Yuki Araki
General Manager of the Marketing Division, Calbee Japan Region

Marketing is central to bringing joy and happiness to consumers' lives. A critical aspect of this is being able to truly understand them. The 40-year journey of Calbee's cereal business, for example, illustrates the importance of understanding the value consumers seek.

In 1988, when Calbee entered this market, we initially targeted young working women, reflecting the growing participating of women in the workforce at the time. However, we struggled to gain traction, partially because cereal had not yet gained a foothold in Japan. We then expanded our target to working families in their 30s and 40s. While adjusting the flavor to suit Japanese tastes, we leveraged media opportunities to focus on creating consumption experiences and improving the image of cereal. Subsequently, as the values of convenience and nutrition became more prominent in the market, sales grew sharply in the early 2010s.

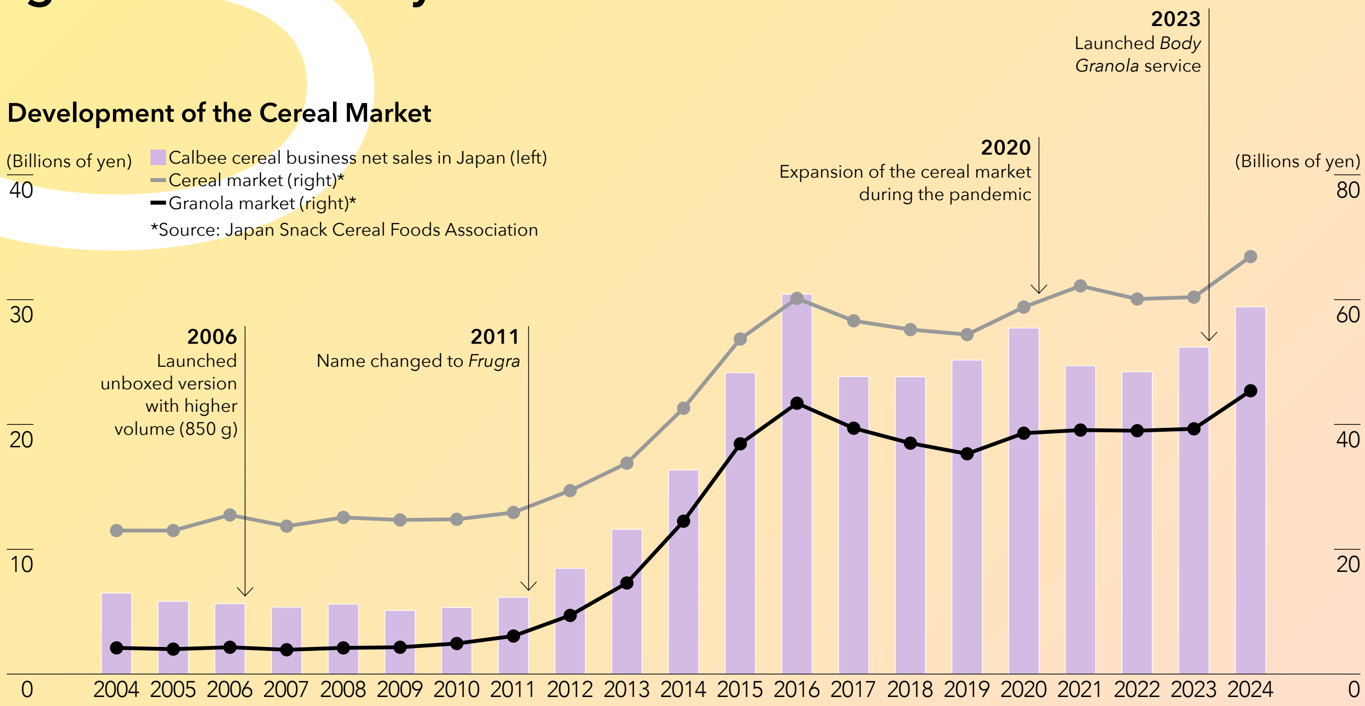
Later, as growth began to show signs of leveling off, we focused on developing the market further by expanding our target segments and consumption occasions, such as snacking between meals and creating products for children. In 2020, during the pandemic, cereal was again recognized for its convenience and nutrition, but also as a stockpile food, driving renewed growth. And more recently, in response to rising demand for healthier products, we launched *Body Granola*, a personalized granola subscription service tailored to each individual's gut health.

Our success in creating, establishing, and expanding this market over the long term—and embedding cereal in Japan's breakfast culture—is the result of understanding the value sought by consumers. Drawing on this experience, Calbee is now promoting marketing reforms in three key areas to enable sustainable growth even as Japan's population continues to decline.

The first is deepening our understanding of consumers. By leveraging Calbee's fan club, the "Lbee" program, we are strengthening our collection and analysis of data in response to increasingly diverse lifestyles and evolving preferences. The second is enhancing our brand value. We are clarifying Calbee's brand story and values, and proactively promoting aspects such as our Group's history and commitment to quality. Finally, we are improving our consumer experience by fostering greater two-way communication.

At its core, marketing is about developing and creating products that bring joy and happiness to consumers' daily lives. I consider it my mission as General Manager of the Marketing Division to create the policies and strategic framework needed to achieve this.

Development of the Cereal Market



Note: The graph shows the net sales of Calbee's cereal business in Japan by fiscal year with the cereal market and granola market by calendar year.

Future Direction of Calbee's Manufacturing and Business Evolution

& Beyond Tackling Challenges for the Decade Ahead

Creating New Value by Crossing Boundaries

One of the keys to living a fuller life is understanding our own health and adjusting our daily diets to fit our lifestyles. This idea gave rise to *Body Granola*, a service that tests and analyzes an individual's intestinal flora, before providing regular deliveries of personalized granola. In just two years since we began this service in April 2023, we have surpassed 30,000 registered users.

In developing *Body Granola*, we focused on using both prebiotic ingredients that help to nurture intestinal bacteria, and creating flavors that consumers can continue to enjoy on a daily basis. Our model for this was our cereal brand *Frugra*, which we have continuously improved over more than 30 years. *Frugra* is popular among consumers because of its enduring taste and Calbee's commitment to safety and quality. The same technology and approach underpins *Body Granola*.

However, to provide new value in the form of personalized nutrition, we needed to design a completely new type of business model. *Body Granola* presented a number of elements that are new to Calbee, such as personalized product development, which is distinct from conventional mass-produced products, and establishing a subscription-based sales channel, which also differs from in-store sales. Another vital aspect was co-creation with start-up companies in Japan specializing in intestinal flora. As a result, we had to redesign our operations across almost every function, from product design to production and quality control, distribution and logistics, system coordination, and legal compliance.

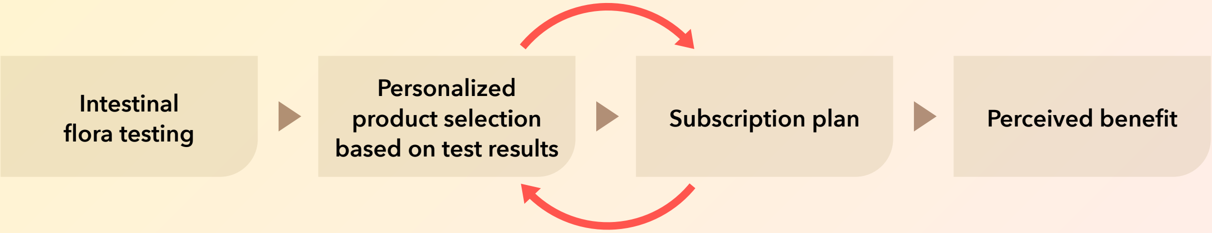
Central to this effort was creating a team designed to work beyond boundaries. We established a flat team structure that enabled us to discuss matters openly and on an equal footing across internal divisions and external partners, building consensus point by point. While this process took time, it provided a strong sense of accomplishment and demonstrates how new value emerges when diverse knowledge and cultures intersect. I believe this process itself embodies the spirit of Next Calbee & Beyond.

Going forward, Calbee will continue to create new value for society in the field of Food and Health by co-creating across internal and external boundaries, thereby helping to realize Next Calbee & Beyond.

Tetsuya Kaneko
Brand Manager of the Body Granola Team, Cereal Department, Marketing Division

Overview of the *Body Granola* Service

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



Leveraging Our Value Creation Capabilities for Overseas Growth

Keiei Sho
Director, Senior Managing Executive Officer & CSO, President of Calbee Europe & Americas Region

Drawing on Lessons Accumulated Overseas

Calbee currently operates in 12 countries and regions, leveraging the strengths we have developed in Japan to manufacture and market snacks and cereals tailored to local preferences. Our global journey has been one of learning, marked by both successes and setbacks, each progressively deepening our understanding of individual markets.

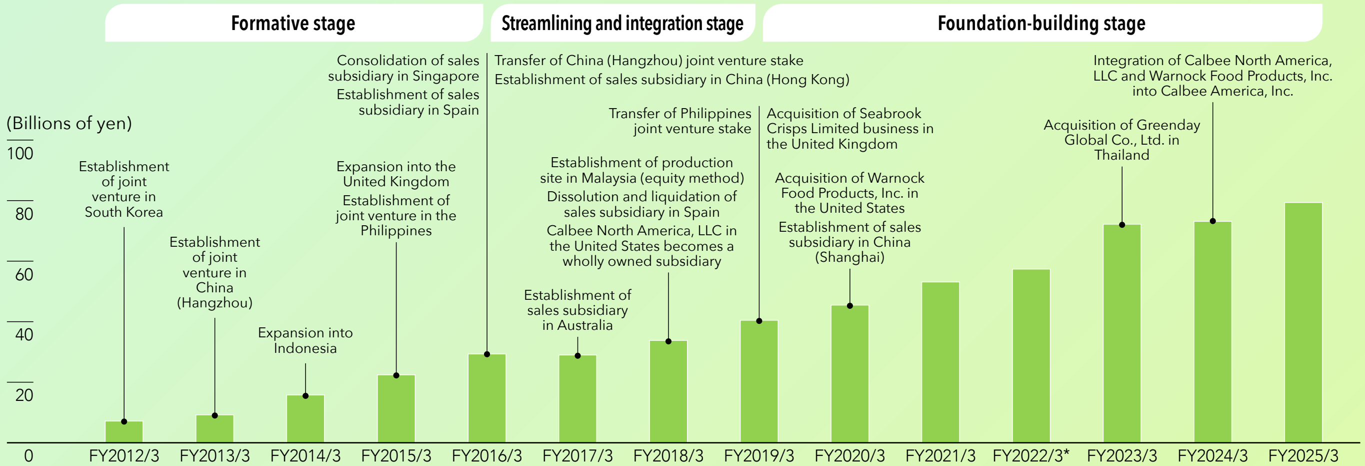
Beginning in 2010, as profitability in our domestic business improved, we reinvested those gains to pursue a localization strategy, entering new countries and regions primarily through joint ventures with partners that had established local sales networks. While we ambitiously pursued international growth, however, at the time we lacked sufficient global talent to drive our overseas operations. As a result, we were unable to fully leverage the strengths and expertise developed in Japan, and with our resources spread too thin, overall performance remained limited.

To overcome this sense of stagnation and achieve sustainable growth, we instead opted for a strategy of "selection and concentration," withdrawing from unprofitable operations and restructuring our business portfolio. As part of this, in 2015, we dissolved a joint venture in China after determining it held limited potential future synergies. Immediately after transferring our stake, we initiated discussions with a leading local e-commerce company. We then established a sales subsidiary in Hong Kong, and committed to accelerating growth in the Chinese market through e-commerce, which was growing rapidly. By strengthening sales of our popular *Jagabee* and *Frugra* products, we were subsequently also able to expand brand recognition efficiently. Today, we continue to take steps to further drive sales growth, while seeking the optimal balance between e-commerce and physical retail.

Meanwhile, in Indonesia, which we entered through a joint venture, we chose to continue operations despite challenging market conditions. Independent retailers make up 70% of the local snack market, and it is widely recognized that it can take up to five years just to secure shelf space and another five years to generate profits. However, with population growth expected to drive strong market growth, we determined it was important to persist with this business for the long term. By developing products more suited to local tastes and leveraging synergies with our joint venture partner, we have steadily built brand recognition. In a market of over 280 million people, gaining recognition will help lay the groundwork for growth over the next 10 to 20 years.

In North America, we launched *Harvest Snaps*, adapted from Japan's *Sayaendo*, in 2013. Given significant competition in mainstream snack aisles, we positioned the product in the fresh produce aisle under the "Better for You" category, successfully capturing growing demand for health-conscious products. Subsequently, to broaden our product portfolio, we then acquired a U.S. snack manufacturer in 2019. We further responded to growing demand for Asian foods, particularly among younger consumers, by expanding our distribution of brands of Japanese origin from Asian food specialty retailers to the ethnic food aisles of major U.S. supermarkets.

Overseas Expansion and Overseas Net Sales Growth



* The revised Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) has been applied from the beginning of FY2022/3. As a result, the method of accounting for rebates and other items as selling, general and administrative expenses has been changed to a method of deducting these items from net sales.

Leveraging Our Value Creation Capabilities for Overseas Growth

We also expanded in the United Kingdom through an acquisition. To broaden our product portfolio beyond the "Better for You" category, we acquired a well-known local potato chips brand, *Seabrook*. This provided a foothold to expand our product lineup and establish a more sustainable platform to drive growth in the market.

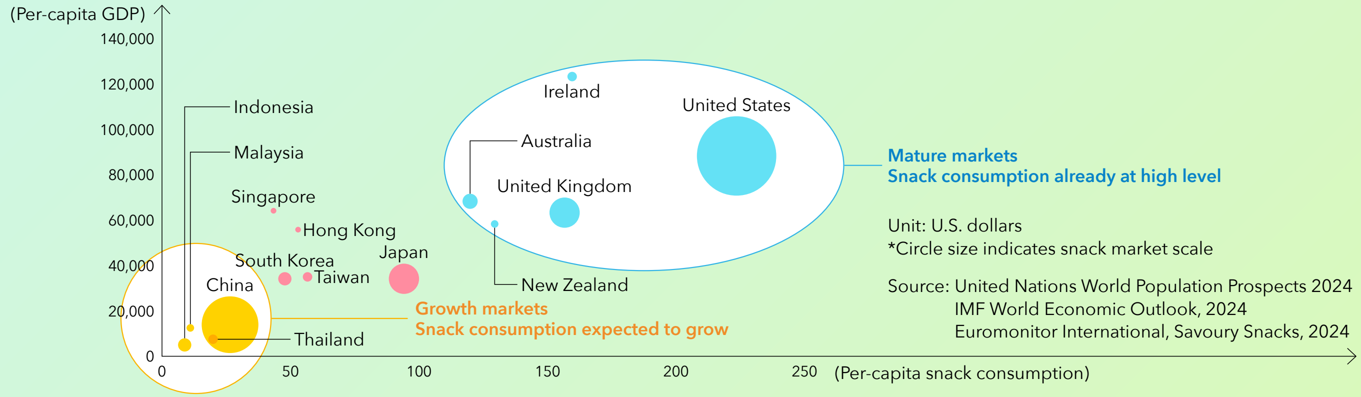
Aiming for Global Growth

Looking ahead, our overseas strategy will not only focus on pursuing profitability in each region, but also positioning Calbee as a company that can generate earnings at a truly global scale. Previously, our approach centered on "local production for local consumption." Today, we see greater potential in moving beyond this concept. For example, after 40 years in Thailand, we have established a strong base capable of steady, low-cost and high-quality production, alongside extensive export experience. By leveraging these strengths to expand our exports to higher-margin regions such as North America and Australia, we aim to revitalize our overseas business as a whole. Allocating and managing resources globally will be a key driver of our business strategy going forward.

At the same time, expanding our business requires us to strengthen our core functions in each market, such as finance, development, marketing, supply chain management (SCM), and human resources. In Japan, employees primarily concentrated on our core domestic business, but there are signs this is now shifting significantly. Growth in overseas sales and the adoption of a regional management structure have increased interest in and proactive engagement with our overseas business.

Building on this momentum, we aim to accelerate our development in overseas markets by leveraging the technologies and expertise we have developed in Japan, particularly in creating great-tasting and fun products, to tailor textures and tastes to local preferences. As we deploy the know-how we have accumulated in Japan to overseas markets, we will build a stronger global foundation by strategically allocating resources, such as personnel, capital, and equipment, to our overseas operations, while strengthening cross-functional capabilities across the Group.

Scale of Snack Market in Countries Where Calbee Operates (2024)



Strength

Expertise in Raw Materials

Consistent Quality by Focusing on Raw Materials

Calbee products are made from agricultural produce, which can vary in quality, size, flavor, and other aspects due to environmental factors such as weather. To ensure consistent quality, we work closely with growers to select the right varieties and harvest areas, enabling us to procure raw materials of reliable quality. We are expanding this approach overseas as well. For example, both Calbee, Inc. and Calbee America, Inc. source potatoes from the same suppliers in North America. By applying our expertise in raw materials cultivated in Japan and upholding the same quality standards used domestically, we ensure that we consistently procure high-quality raw materials worldwide.

Leveraging Our Value Creation Capabilities for Overseas Growth

Strength Textures

Knowledge for Creating Desired Textures

Consumer preferences for texture differ from country to country. For example, in North America, harder textures are preferred, while snacks that tend to stick to teeth, such as rice crackers, are less popular. Calbee has developed extensive expertise in textures. By selecting the optimal raw materials and production processes to achieve the desired texture, we can develop products that match the preferences of each market.

Asian Style Chips launched in November 2024

Takuro Tatsumi
R&D,
Calbee America, Inc.

Strengthening Product Development Based on Local Preferences

North America is one of the world's largest snack markets and is expected to continue growing. Rising health consciousness and growing interest in Asian cultures are creating new opportunities for Calbee, making this a focus market within our overseas business. Because consumer preferences differ from those in Japan, simply exporting brands of Japanese origin is not enough to compete effectively. To address this, we established the R&D Innovation Center in California in January 2025.

With North American consumers coming from highly diverse backgrounds, accurately understanding the trends of each target segment and setting clear directions for product development are critical. With this in mind, we recently strengthened our development of products in the "Better for You" category to meet health-conscious demand. As North American consumers consume significant amounts of snacks, they are also very conscious of factors such as the gluten content, oil levels, and protein. In response, we have bolstered our lineup of *Harvest Snaps*, which is gaining recognition as a gluten-free snack made from beans, and also developed *Crunchy Loops*, a lentil-based product. Although beans are rich in dietary fiber and protein, and therefore more difficult to process, we successfully tested optimal processing conditions to create their puffed form, making it possible to mass produce them.

In November 2024, we also released *Asian Style Chips*, a new brand differentiated through its authentic Asian-style flavors. To appeal to North American consumers, we increased the intensity of both the colors and flavors compared to our products for the Japanese market, and they have subsequently been well received. Going forward, an important theme for overseas R&D will be to continue drawing on technologies developed in Japan while adapting products to local consumer preferences.

R&D Innovation Center opening ceremony

Employees working in R&D





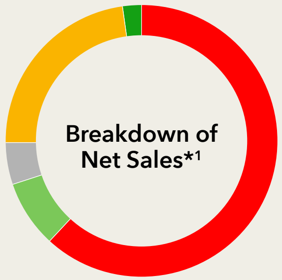


Our Value Creation Strategy

At Calbee, we aim to establish overseas markets and new food domains as core pillars of growth by 2030. Our long-term ambition is to become one of the top three snack makers globally and the undisputed No. 1 in Asia. To continuously strengthen our ability to create value, we have positioned sustainability at the core of our management approach and are advancing initiatives aligned with our priority materiality issues.

Results for FY2025/3

Consolidated net sales
¥322.6 billion

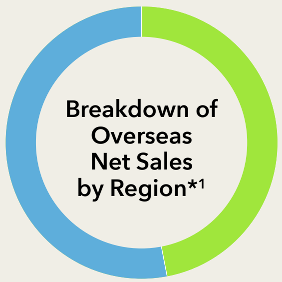


- Domestic snacks 63%
- Domestic cereals 8%
- Other domestic 5%
- Overseas snacks 23%
- Overseas cereals 2%

Consolidated operating profit
¥29.1 billion

ROE
10.5%

EBITDA
¥43.5 billion



- Europe/Americas*2 47%
- Asia/Oceania*3 53%

*1 Calculated using net sales before rebates and other deductions
*2 Europe/Americas: North America, United Kingdom, and others
*3 Asia/Oceania: Greater China, Indonesia, South Korea, Thailand, Singapore, Australia, and others

Overview of Our Value Creation Strategy

Expanding Markets and Business Domains Where Calbee Provides Value

Calbee has built a unique value chain that extends from the development of natural raw materials all the way to consumers. We make full use of our management resources to create products that taste great, are fun, and contribute to healthier lifestyles. In today's rapidly changing environment, however, sustaining growth requires us to address increasingly important natural capital as well as global challenges such as climate change and consideration for human rights.

In response to changes in our operating environment and the key challenges we face as a company, our three-year growth strategy, *Change 2025*, focuses on reforming our business structure to drive the next phase of growth. We will reinvest cash generated by enhancing profitability in our domestic core business in overseas expansion and new food domains, with the goal of building a business portfolio that delivers sustainable growth. We aim to foster an inclusive environment where diverse talent thrives, bring the great taste and joy of food to all generations, and promote co-creation that harnesses the bounty and richness of nature to pass on to the next generation. In this way, we will further enhance the value we provide to stakeholders.

Under the continued guidance of our corporate philosophy, we will place sustainability at the core of our management and expand the markets and business domains where we create value, aiming to sustain growth well beyond our 100th anniversary milestone.

Short term

Enhance profitability of core business

DX strategy

- Shift focus from volume growth and increase added value by strengthening brands
- Optimize marketing, operations, and supply that utilize DX (S&OP)
- Build foundation for next-generation factories

Medium to long term

Transform business portfolio

- Identify fields with significant growth opportunities for the medium to long term and proactively invest resources (staffing, funds, capital expenditures, etc.)
- Expand overseas development of brands of Japanese origin
- Focus on Food and Health business and agri-business

Reinforce business foundation

Financial strategy | Organizational and human capital strategy

Sustainability management

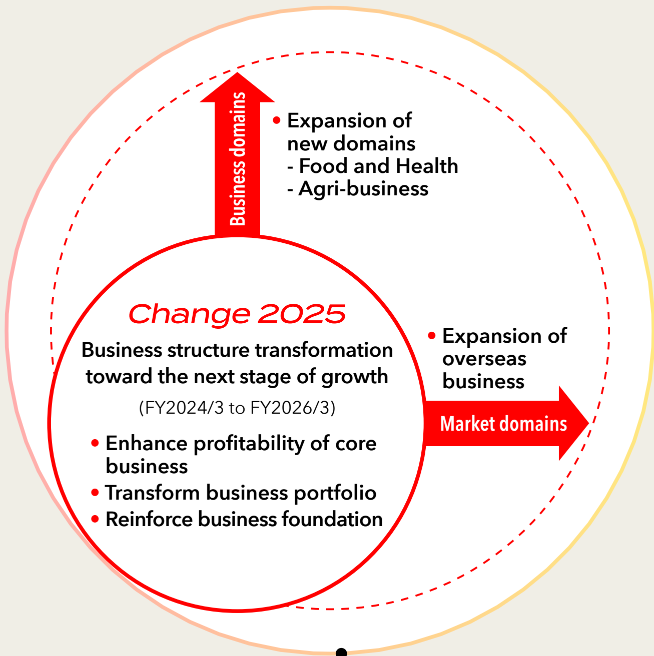
- Optimize investment in growth while ensuring financial soundness
- Build human capital base for the next generation
- Advance and evolve sustainability management

Corporate Philosophy

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

Value Provided to Stakeholders

- Great taste and fun for all generations
- Sustainable and collaborative use of nature's bounty
- An inclusive and fulfilling environment where all employees thrive
- Continuous growth and establishment of new revenue base



Key Issues for Long-Term Value Creation (Materiality)

- Contributing to health and diverse lifestyles
- Progress of sustainable agriculture
- Co-creation of a sustainable supply chain
- Caring for the earth
- Promoting Active Roles for All Employees based on diversity

Overview of Value Creation Strategy

Management Resources Driving Our Value Creation

Type of capital	Management resources	Key issues	Response policy
Financial capital	• Stable operating cash flow • Approx. ¥80 billion allocated for investment in growth	• Proactive investment and financing to execute growth strategies • Improving asset efficiency and use of financial leverage	• Improve earnings quality while maintaining a sound financial position • Ensure appropriate shareholders returns
Manufacturing capital	• 17 domestic production sites located in consumer areas in Japan • Domestic facilities capable of processing imported potatoes • 12 overseas production sites	• Ensuring food safety and security • Increasing supply capacity at domestic and overseas factories, advancing automation and labor-saving measures	• Increase added value by enhancing brand, and optimizing sales, operations, and supply chains • Build foundation for next-generation factories in Japan • Improve efficiency of existing facilities overseas
Intellectual capital	• Proprietary processing technology that takes advantage of natural ingredients • Expertise related to raw materials • Expertise in improving productivity • Long-selling products familiar to and loved by multiple generations	• Providing new value in response to diversifying consumer awareness • Expand processing technologies and product development capabilities overseas • Acquiring technologies and expertise in new fields	• Deploy knowledge and experience nurtured in Japan globally • Develop business and drive expansion using business alliances, M&As, etc.
Human capital	• Employees active in 12 countries and regions including Japan • Flat and open corporate culture	• Shifting away from mindset and complacency • Increasing the number of employees who step beyond their own boundaries and take initiative • Securing sufficient core talent to enhance corporate value	• Foster an organizational culture where everyone can take on challenges, supported by HR system reforms, career autonomy programs, and core talent development • Promote DE&I management, pass down Calbee's philosophy and DNA, and promote mental and physical health
Social and relationship capital / Natural capital	• Collaborative ties with production regions, growers, governments, universities, and others • Development of new potato and sweet potato varieties	• Sustainable raw material production and responsible procurement practices that respect the environment and human rights • Conservation of natural capital • Initiatives to achieve carbon neutrality, reducing the environmental impact of plastics, and promoting a circular economy	• Promote raw material procurement that respects human rights and natural capital • Support contracted growers during harvest time

Value created (outcome)

Value provided to stakeholders

- Great taste and fun for all generations
- Sustainable and collaborative use of nature's bounty
- An inclusive and fulfilling environment where all employees thrive
- Continuous growth and establishment of new revenue base

Social value

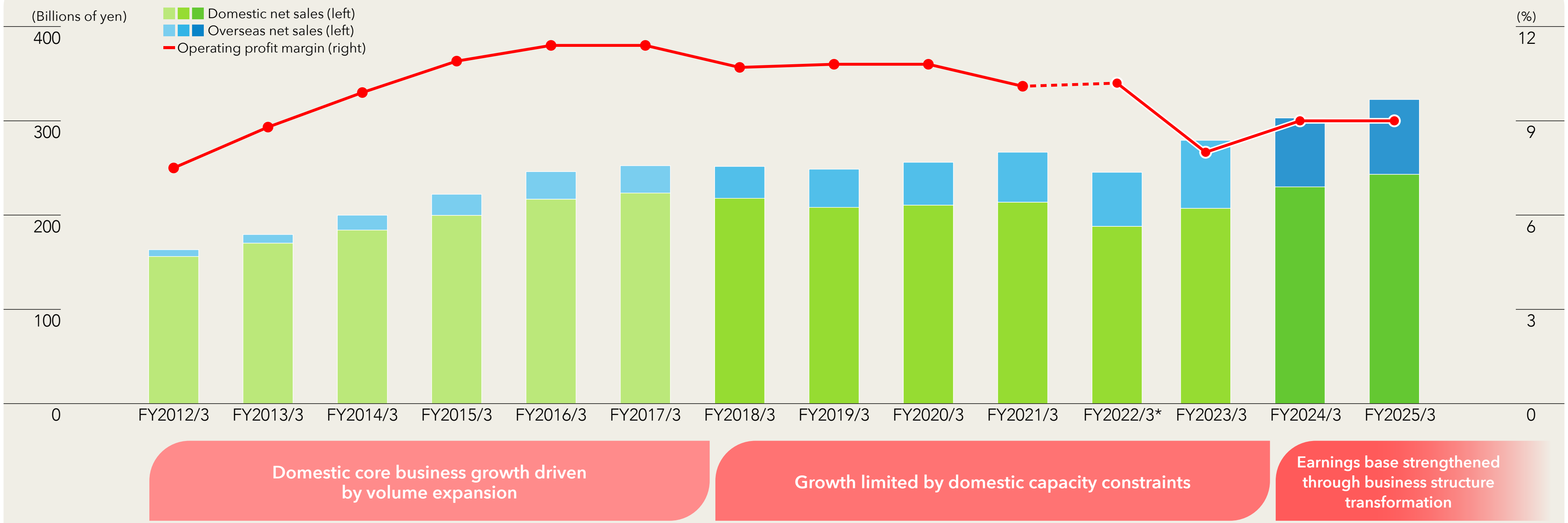
- Sales of salt-free/low-salt/reduced-salt products (compared with FY2023/3) **120.5%**
- Sales of protein-rich products (compared with FY2023/3) **116.0%**
- Food communication participants **120,430 people**
- Adoption rate of low-phosphate fertilizer **30.7%**
- Potato procurement in Japan **371,000 tonnes**
- Ratio of women in management **24.8%**

Economic value

- Consolidated net sales **¥322.6 billion**
- Consolidated operating profit **¥29.1 billion**
- Operating cash flow **¥39.1 billion**
- ROE **10.5%**

(FY2025/3)

Transitions in Business Strategy



* The revised Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) has been applied from the beginning of FY2022/3. As a result, the method of accounting for rebates and other items as selling, general and administrative expenses has been changed to a method of deducting these items from net sales.

First Stage (FY2012/3 to FY2017/3)

Domestic Strengthened sales and improved utilization at previously underperforming factories, resulting in significant improvement in profitability

Overseas Proactively expanded into nine countries and regions, driving rapid sales growth

New Exploration of new domains

Second Stage (FY2018/3 to FY2023/3)

Domestic Strengthened profitability through measures such as price and product specification revisions in response to unprecedented cost increases, and expanding strategic partnerships with distribution partners. However, earnings remained flat due to factors such as lower potato harvest yields caused by climate change and the COVID-19 pandemic

Overseas Designated four key regions and expanded sales through focused resource allocation and M&A

New Entry into the sweet potato business (April 2020)

Third Stage (FY2024/3 Onward)

Domestic Earnings increased due to enhanced brand equity, strategic product price and specification revisions, and activities to improve profitability of individual SKUs

Overseas Achieved sales growth, the top priority across our portfolio

New Expanded recognition of *Body Granola* in the Food and Health business. Decided to enter into the frozen foods business in the agri-business

Overview of *Change 2025*

Our Growth Strategy: *Change 2025*

Through *Change 2025*, we aim to transition to a new profit structure that will lead to sustainable growth. To achieve this, we are implementing structural reforms focused on three pillars of growth: enhancing the profitability of our core business, transforming our business portfolio, and reinforcing our business foundation.

To enhance the profitability of our core business, we are strengthening our brand equity in order to create added value, and leveraging DX to optimize marketing, operations, and supply. Through our next-generation factories, we are also increasing productivity, reducing our environmental impact, and improving work environments.

In transforming our business portfolio, we are concentrating our management resources in areas with high growth potential. Overseas, we are strengthening already established brands that address local needs and preferences, while expanding the reach of our brands of Japanese origin. At the same time, we are advancing into new areas through our Food and Health business and agri-business.

To strengthen our business foundation, we are pursuing optimal investments for growth while ensuring a sound financial position. We are also working to achieve sustainable management by strengthening our organization and talent, and by addressing key sustainability issues.

The status of our progress on *Change 2025* for FY2025/3 is as follows.

Growth Guidance

	FY2024/3 results	FY2025/3 results (average over 2 years)	Growth guidance (3 years)
Organic net sales growth rate	+8%	**+7%**	**+4-6%**
Consolidated operating profit growth rate	+23%	**+14%**	**+6-8%**
ROE	10.9%	**10.5%*1**	**10% or higher**

Main KPIs

	FY2024/3 results	FY2025/3 results (average over 2 years)	Growth guidance (3 years)
Domestic operating profit growth rate	+22%	**+15%**	**+6-8%**
Overseas sales ratio	24%	**25%*1**	**30-35%*2**
New areas sales ratio	4.3%	**4.3%*1**	**5%*2**

*1 FY2025/3 *2 As of FY2026/3

Progress to Date and Policy Going Forward

While initiatives to enhance the profitability of our core business are yielding results, we continue to face challenges in transforming our business portfolio. We are now advancing our efforts to fully deliver on the goals of *Change 2025*.

In enhancing the profitability of our core business, we have strengthened the competitiveness of our brands through effective marketing initiatives, and improved collaboration across the organization with the introduction of the region-based system. This enabled us to grow our sales volume even after revisions to product pricing and specifications. Through our DX strategy, we improved earnings by approximately ¥1 billion in FY2025/3 as a result of being able to visualize profit and loss for each SKU. To promote the next phase of growth, we will focus company-wide on enhancing our brand power and further advancing DX, including at overseas locations.

Meanwhile, in transforming our business portfolio, our region-based system has enabled greater delegation of authority, accelerating decision-making and execution. While driving sales growth in our overseas business, however, our overseas sales ratio in FY2025/3 remained below our initial guidance at 25%. To achieve our goal of becoming one of the top three snack makers globally and the undisputed No. 1 in Asia, we are deploying top talent from Japan internationally, proactively investing in marketing and our facilities, and pursuing growth opportunities including M&As. Our goal is to accelerate our sales growth even further.

In new areas, we are developing and expanding into business domains to promote medium- to long-term growth, including by raising recognition of *Body Granola* and improving earnings in the sweet potato business.

When it comes to strengthening our business foundation through initiatives related to our organization and talent, we are preparing to launch a new human resources system from April 2026 under our Active Roles for All Employees policy. Our aim is to encourage diverse talent to contribute and grow in order to execute on our growth strategy.

In terms of our financial strategy, we are now transitioning to management based on ROIC from FY2026/3, in order to place greater emphasis on business growth and the creation of added value. At the same time, to lower our cost of capital, we plan to implement effective capital policies such as an optimal capital structure.

In sustainability management, we are working to expand the cyclical model of addressing social issues and creating economic value, including through collaboration with JA Shiretoko Shari to secure a stable supply of potatoes.

Going forward, we will continue to solidify our domestic business as our foundation for growth and accelerate the growth of our overseas business, while promoting the development and expansion of new business areas. Through these efforts, we aim to achieve the targets of *Change 2025* and realize sustainable growth.

Strategy for the Domestic Core Business

Establishing an organizational framework to address internal and external environmental changes and enhance profitability

Akira Imoto
Director, Senior Managing Executive Officer & CPO, President of Calbee Japan Region

Three Key Reforms to Enhance Profitability

In our domestic core business, we are shifting our focus from volume expansion to enhancing profitability by advancing company-wide marketing reforms, profit structure reforms, and sales transformation.

Through our company-wide marketing reforms, we are shifting back to a consumer-centric perspective, with the goal of providing products with real value. To embed this approach throughout the Company, we are strengthening specialist training for marketers to enhance our strategic planning capabilities, while encouraging closer collaboration between product brands.

Central to our profit structure reforms is our S&OP*[1] system being developed under our DX strategy. We are building our value chain optimization system, C-BOSS,*[2] to run simulations to enhance the efficiency of all our processes, from raw materials to sales. Furthermore, by visualizing past performance, we can now assess profitability at the SKU level. In FY2025/3, we succeeded in improving earnings by approximately ¥1 billion through initiatives such as revising pricing and processes for low-margin items or by eliminating them altogether. Going forward, we will broaden the scope of these measures and make further improvements.

The core focus of our sales transformation initiative is to improve productivity within our sales division by optimizing support staff allocation. We will narrow our focus to key items, promoting sales areas in coordination with marketing initiatives, while considering how to increase the brand value of our staple products as part of planning. Furthermore, we are revising the allocation of roles within the sales division and promoting a shift to more creative operations, such as proposing improvements to consumers based on data analysis.

*1 S&OP: Sales and Operations Planning
*2 C-BOSS: Calbee Business Optimization Simulation System

Steady Progress on Addressing Issues

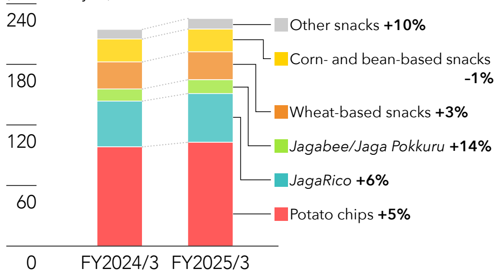
Across our upstream supply chain, challenges such as climate change, labor shortages in farming, environmental impact, and biodiversity considerations are becoming more evident. The key challenge we face is how do we address these agriculture-related issues while ensuring a stable supply of potatoes. To hedge risks, we are expanding production areas and importing potatoes from overseas. In parallel, we are stabilizing supply by adjusting transaction prices in line with changes in cultivation costs, and through measures such as reducing workloads to sustain motivation in farming operations.

On the downstream side, competition is intensifying against a backdrop of inflation. We are responding by expanding our lineup of products for cost-conscious consumers, while promoting activities to build greater brand recognition. This includes highlighting Calbee's distinct commitments, such as careful attention to raw materials and manufacturing, and environmental responsibility.

To establish a foundation for next-generation factories, we launched operations at the Setouchi Hiroshima Factory, our state-of-the-art mother factory, in January 2025. With an annual production capacity of approximately ¥28 billion, it is capable of producing potato chips, *Jagabee*, and wheat-based snacks. This new facility combines advanced environmental performance with automation that leverages DX technology, improved productivity through labor savings, and an improved work environment. In addition, in the Kanto region, we plan to construct a new factory in Shimotsuma City, Ibaraki Prefecture, and begin operations in FY2029/3. In transferring functions of the existing Shimotsuma Factory (Shimotsuma City, Ibaraki Prefecture) to the new facility, we will increase our production capacity in undersupplied product categories. These initiatives will help optimize the supply-demand balance between regions across Japan and strengthen our supply chain efficiency, aiming to enhance both profitability and competitiveness.

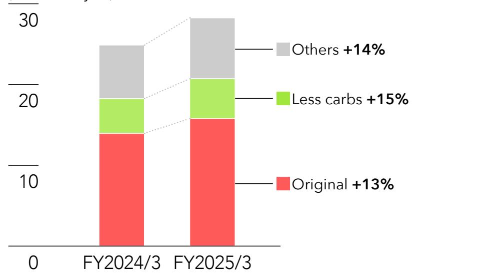
Snack Net Sales [+5% YoY]

(Billions of yen)



Cereal Net Sales (Domestic Consumption) [+14% YoY]

(Billions of yen)



Strategy for Overseas Business (Europe/Americas)

Keiei Sho
Director, Senior Managing Executive Officer & CSO, President of Calbee Europe & Americas Region

Expanding our presence and driving innovation to boost our recognition in local markets

Building a Foundation for Growth across Multiple Fronts

The keys to future growth in Europe and the Americas are expanding our market presence and driving innovation. To broaden our presence, we will invest in raising awareness of Calbee products, and strengthen the organizations and functions that support our retail channels. On the innovation front, we will focus on the "Better For You" category in response to rising health consciousness. To become the leader in this space, it is essential we enhance our organizational capabilities and product development systems in order to broaden our lineup.

In North America, we are expanding our lineup of *Harvest Snaps*, our flagship brand in the "Better For You" category. We are steadily building brand recognition by developing products tailored to local market preferences, such as *Crunchy Loops* and *Crunchy Puffs*, as well as launching products that broaden our target audience, such as *Harvest Snaps Kids*. At the same time, we are strengthening the presence of Calbee's brands of Japanese origin, including *Kappa Ebisen* and *JagaRico*. Supported by rising interest in Asian food culture, these brands are gaining greater visibility in Asian grocery stores and Asian food sections in major U.S. retail chains. In the United Kingdom, we will continue to grow the *Seabrook* brand, which enjoys high recognition in certain areas of the country, while promoting our brands of Japanese origin and products in the "Better For You" category.

To increase sales in both categories, we believe that, rather than relying on imports from Japan, we have to establish the capabilities to respond quickly to local market and consumer needs. This includes enhancing our local R&D functions and production systems. In addition, as our business grows in scale, we must further reinforce our corporate functions, including supply chain management, finance, and human resources. Therefore, we will focus investments not only on facilities but also on people.

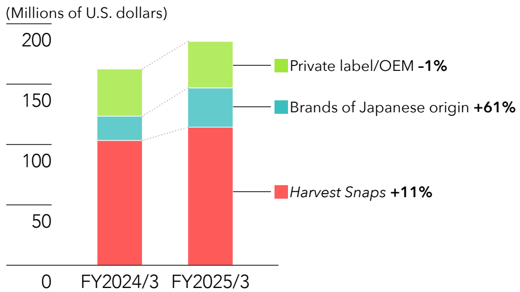
Positioning the North American Market as a Global Growth Driver

Our external operating environment in FY2026/3 has become increasingly uncertain. Rising prices are dampening purchasing frequency, and we are closely monitoring the impact this is having on our strategic *Harvest Snaps* brand, as well as our brands of Japanese origin. In North America, potential changes in U.S. tariff policies are also a concern. However, given the fluid nature of the situation, we believe moving hastily could cause unnecessary disruptions, and we will therefore monitor the situation closely and respond appropriately.

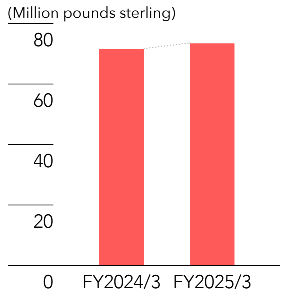
Against this backdrop, our strategy for the Europe and Americas markets is to expand our presence in the "Better For You" category and Asian-style snacks, while stabilizing earnings. We have positioned North America in particular as a priority market going forward, and will concentrate our management resources there, including capital investment and personnel with expertise gained in Japan. Using the cash generated by improving the efficiency of our *Harvest Snaps* production system, we will invest in raising awareness of products in the "Better For You" category and brands of Japanese origin, and strategically allocate capital to strengthen our production system. By developing a stronger base to drive sales, we aim to accelerate top-line growth.

To achieve our goal of becoming one of the world's top three snack makers, we will further pursue investments in inorganic growth opportunities, such as M&A, in close cooperation with Head Office corporate divisions. Equally important will be fostering a culture in which everyone involved in the overseas business recognizes the central role they play in our growth strategy and works together as a team.

North America Net Sales
(Local Currency Basis)
[+14% YoY]



United Kingdom Net Sales
(Local Currency Basis)
[+3% YoY]



Strategy for Overseas Business (Asia/Oceania)

Promoting timely and flexible measures that take into account the business environment and challenges in each region

Teiichiro Morioka
Managing Executive Officer,
President of Calbee
Asia-Oceania Region

Promoting Strategies Aligned with Challenges in Each Region

In the Asia and Oceania region, which is home to a diverse mix of people and food cultures, our guiding principle is to bring joy to people, regardless of where we are. To achieve this, we focus on understanding the unique characteristics of each market, while respecting its people and cultures. In addition, it is important to enjoy local food cultures ourselves as well. When faced with uncertainty, we return to these fundamentals.

On the other hand, since the level of social and economic development differs from region to region, our task is to assess their respective characteristics and issues, and respond to them appropriately. In the Greater China region, where geopolitical risks are a concern, our policy is to mitigate these risks by enhancing our distribution capabilities to retail stores and promoting local production for local consumption. To this end, we are strengthening our production capacity and improving quality assurance systems at OEM manufacturing partners, and concentrating on strengthening our sale divisions, which are responsible for sales promotion. In Thailand and Indonesia, which have local production sites, we will make use of our competitive advantages in quality and cost, aiming to grow sales both in local markets and exports. Particularly in Indonesia, where the market is growing rapidly, we plan to strengthen our potato chip production lines and optimize our production lines for the multi-layered snack *GuriBee*. These steps will increase supply capacity and support potential future expansion into other countries. In Oceania, where health consciousness is increasing along with Europe and the Americas, we will focus on the "Better For You" category, and work to increase recognition of our *Harvest Snaps* brand, including our new product *Scoopers*.

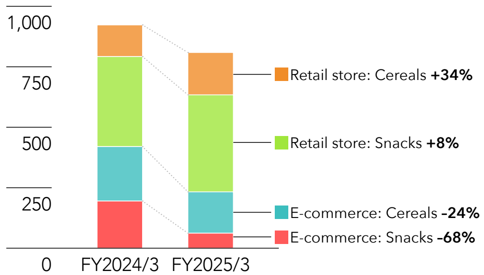
Achieving Growth in Each Region while Strengthening Our Common Foundation

Going forward, we will steadily implement strategies and measures tailored to our operating environment in each region. In China, where the outlook is becoming increasingly uncertain, we will avoid high-risk equity investments, and instead seek to expand local production and consumption through alliances with local partners. In Thailand, where labor costs are rising, we wil streamline our production sites, while leveraging its geographic location to further strengthen its role as a production hub for the ASEAN region. As Indonesia continues to experience economic growth, we expect the competitive environment to become more intense and raw material costs to rise sharply, and will make steady efforts to enhance our competitiveness.

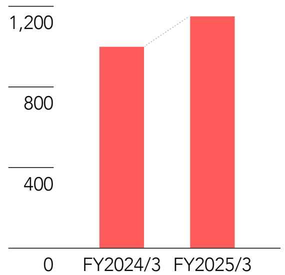
While responding to the various challenges of each region to ensure stable growth, we will also address common issues throughout Asia and Oceania. One such issue is the stable procurement of potatoes, a key raw material in every market, particularly in Indonesia, where national policy emphasizes food and resource self-sufficiency. To address this, we will leverage the knowledge and expertise we have cultivated in Japan to assess how we can create a framework that improves the quality and quantity of the potato supply system.

Furthermore, as the Group advances its global expansion, unifying our brands across every region, including in Europe and the Americas, will be essential. We see this as another important objective in our region. Guided by our policy of growing the Calbee brand to contribute to the health and well-being of people around the world, we will continue to drive initiatives aimed at turning Calbee into one of the top three snack makers globally and the undisputed No. 1 in Asia.

Greater China Net Sales
(Local Currency Basis)
[-12% YoY]



Indonesia Net Sales
(Local Currency Basis)
[+15% YoY]



Financial Strategy

Balancing investments in growth and shareholder returns to sustainably enhance corporate value

Kazuhiro Tanabe
Executive Officer, CFO, CDXO and General Managing Director of the Finance Division

Our Financial Health and Challenges

I believe Calbee's products bring small moments of joy to our consumers' everyday lives, and it is their continued support that defines our corporate value. Long-time favorites like potato chips and *Frugra* have created a stable earnings structure that resembles a subscription model: their quality and taste drive repeat purchases, while word-of-mouth attracts new consumers, resulting in steady recurring profits. This stability enables us to deliver dependable dividends, strengthen retained earnings, and establish a robust and healthy financial foundation.

In the domestic market, our brand power and solid business fundamentals, from supply chain to marketing and sales, serve as a foundation that ensures both business stability and reliable profitability. Overseas, our businesses are now at last establishing the footholds needed to also build a subscription-style earnings structure. In the Europe and Americas region, our *Harvest Snaps* brand in North America and *Seabrook* brand in the U.K. serve as core market drivers, and with a system in place to expand our brands of Japanese origin in these regions, we have built a solid platform for future growth. In the Asia and Oceania region, the Calbee brand is steadily gaining recognition, leveraging our reputation in Japan and the trust associated with Japanese quality.

To unlock the full potential of our brands and grow sustainably, we must proactively invest in expanding our production, strengthening our sales capabilities and pursuing M&A, while carefully assessing market demand. To fund these initiatives, in turn, we recognize our top priority now is to provide the strategic financial support needed to put our growth strategy firmly in motion.

Formulating Our Financial Strategy Policy and Plan

I joined Calbee in July 2023 at the invitation of CEO Makoto Ehara to assume the role of CFO and help drive the Company's growth. I view it as my responsibility and purpose to drive Calbee's growth through a robust financial strategy. From the outset, I've firmly believed that without enhancing our financial strategy, Calbee cannot achieve sustainable growth. In the past, the Company emphasized a debt-free management approach and pursued cost leadership. However, as we reached the limits of our production capacity, it became clear we urgently needed to review our overall, fundamental strategy.

In May 2024, we set out a new policy to serve as the framework of our financial strategy. Then, in May 2025, we announced a financial strategy based on "Action to Implement Management that is Conscious of Cost of Capital and Stock Price." Over this period, we conducted simulations to determine the optimal capital structure from a five- to ten-year perspective. By modeling several scenarios, we examined where, when, and how much to invest, and projected investment returns. This process enabled us to shape a clear financial strategy to support the structural transformation of our business portfolio. As a result, we have established a framework that allows management decisions to be made with full awareness of cost of capital, while maintaining a sound balance between growth investment and shareholder returns.

Financial Strategy Policy

Continuously improve corporate value

Raise quality of profit	• Make optimal growth investment to realize business portfolio growth • Make investment decisions and pursue positive returns with cost of capital in mind • Implement management that aims to improve profitability of capital
Ensure sound financial position	• Manage financial risk and ensure fiscal soundness • Rationalize cost of capital level with optimized capital structure • Secure fund-raising methods for implementing strategy across the Company
Implement appropriate shareholder returns	• Continuous and stable shareholder returns • Raise shareholder returns from a medium- to long-term perspective - Implement flexible capital policy (dividend policy, share buybacks)

Financial Strategy

Approach to Business Management Indicators

In FY2025/3, we again achieved record highs in sales and operating profit, with most of our initiatives progressing as planned. However, our overseas business, while undergoing reforms, fell short of capital market expectations in terms of the speed of growth and earnings. One of the underlying factors for this was insufficient investment in growth abroad. To address this, we have to move beyond our more cautious corporate culture shaped by past investment constraints, and instead shift to a more growth-oriented mindset, one in which our employees take more ownership, identify investment opportunities that genuinely excite them, and embrace calculated risks.

To support this transformation, we have adopted return on invested capital (ROIC) as our core management indicator. At the regional and subsidiary level, we are now using earnings before interest, taxes, depreciation and amortization (EBITDA) as our key goal indicator (KGI) and allocating appropriate resources in order to achieve our business transformation goals and advance business growth. This will enable us to move away from a management approach focused on operating profit margins to one that emphasizes growth and value creation. By designing key performance indicators (KPI) based on the ROIC tree model, we are driving alignment around key metrics and enhancing execution, while looking ahead, we are also considering introducing economic value added (EVA), calculated as Invested Capital x (ROIC - WACC), as we continue building financial literacy and investment discipline across the organization.

Investing in Growth While Delivering Shareholder Returns

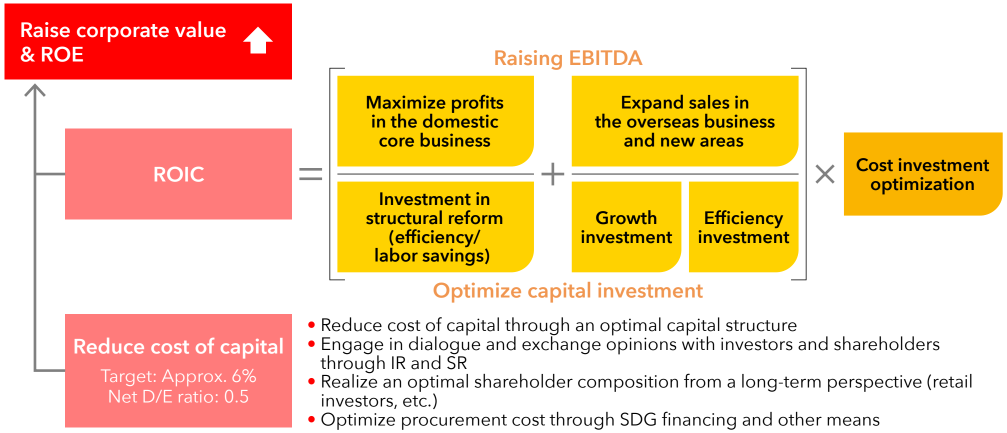
Since introducing our regional business division system in April 2023, we have been able to substantially accelerate decision-making. Regional CFOs were then appointed in April 2024, and as of April 2025, we have delegated greater authority for investment decisions to them. At the corporate level, we enhanced our processes to regularly assess whether given investments are delivering expected returns. These assessment results inform future resource allocation, ensuring more effective investments.

From FY2026/3 onward, we expect funding requirements will increase, which will require even greater execution efficiency. To achieve sustainable growth toward 2030 and even 2035, we will continue to proactively make investments. At the same time, while positioning shareholder returns as one of our top management priorities, we are reviewing and enhancing our shareholder return policy in preparation for our next growth strategy. As CFO, I see it as my core responsibility to balance growth investments with shareholder returns, executing at the right timing and responding effectively to future demand for funding—all with the aim of maximizing our corporate value.

Specific Plans

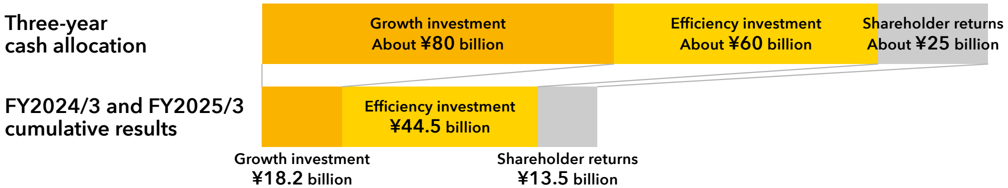
Specific policies

- Introduce ROIC indicators to strengthen added-value creation capabilities
- Aim for cost of capital of approximately 6% by optimizing capital structure
- Promote business growth by setting EBITDA as a KGI for each region and country



Three-Year Cash Allocation Policy and Results

Growth investment	Capital investment for growing domestic and overseas businesses, growth investment in new areas such as M&A
Efficiency investment	Support for ESG, capital investment in automation/labor savings, etc. to raise productivity
Shareholder returns	Aim for DOE of 4% and total return ratio of over 50%, and continually grow dividends over the medium term



	FY2023/3 results	FY2024/3 results	FY2025/3 results	FY2026/3 plan
Total return ratio	125.3%	35.2%	34.7%	36.6%
DOE	3.8%	3.8%	3.7%	3.5%
Dividend per share	¥52	¥56	¥58	¥60

DX Strategy

Kazuhiro Tanabe
Executive Officer, CFO, CDXO and General Managing Director of the Finance Division

Working with colleagues on the ground to make Calbee more competitive and achieve our 2030 vision

DX Strategy to Realize the Calbee Dream

In April 2024, in addition to my role as CFO, I also assumed the role of Chief DX Officer. I saw this as a valuable opportunity to put into practice my belief that a CFO should work side by side with people on the ground.

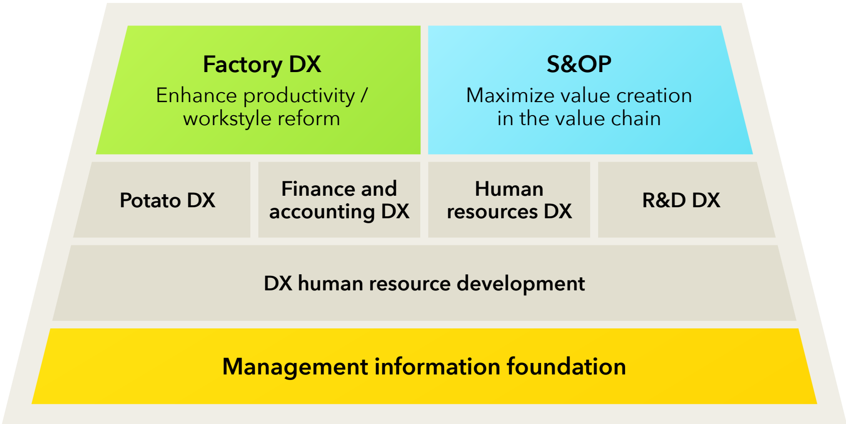
I believe that for Calbee to achieve sustainable growth, it must transform its management foundation. Immediately after my appointment, I began identifying the Company's challenges. I found this process personally very energizing. Through open discussions with colleagues from divisions involved in information systems and DX, we examined root issues, considered the mindset and actions required of us as an organization, and shared our visions and dreams for the future. At the time, we were finalizing the framework of our new financial strategy, and we shared our quantitative goals for 2030 along with a clear vision of Calbee's transformation. This provided us with the momentum to broaden what had primarily been DX and IT initiatives focused on strengthening our domestic operations to a global scope, aligned with our company-wide strategy. This also led to a greater understanding that Calbee's transformation will be driven by information and digital technologies, and DX will become part of our daily work.

To realize our vision for 2030, we drew on both our in-house expertise and input from employees in the field to identify our medium- to long-term challenges. We then mapped out concrete, phased solutions to address those challenges, resulting in a DX roadmap reflecting the aspirations of our people.

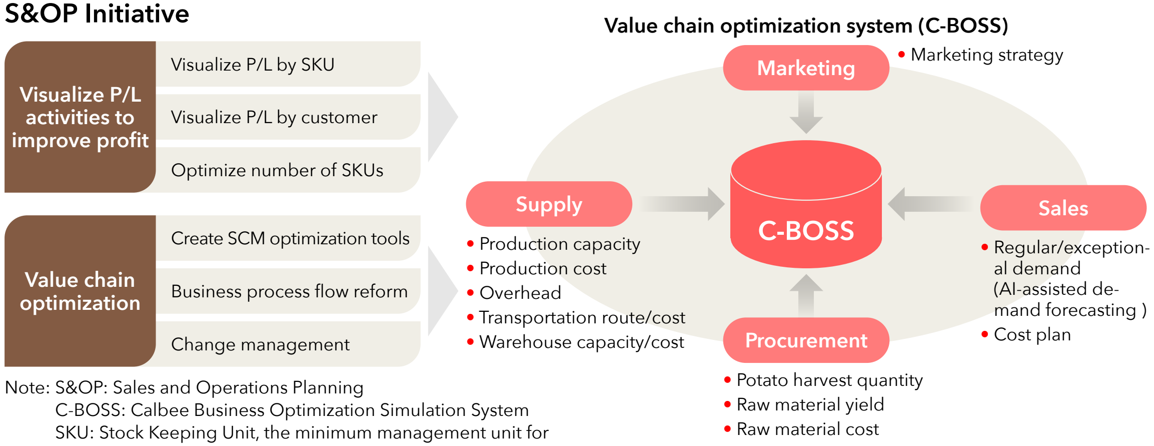
Calbee's DX efforts began around 2019 as a bottom-up initiative focused on digitization of our factories. Since April 2023, we have advanced top-down initiatives as well, including building our S&OP process, and our proprietary simulation system, C-BOSS, to optimize our supply chain. Furthermore, through our "Potato DX" initiative, we are integrating data on cultivation, harvesting, storage, inventory management, and supply and demand, leveraging AI to generate projections. Linking this to our factory DX and S&OP systems, we will optimize operations company-wide.

At the core of our company-wide DX initiatives, including "Finance and accounting DX", we are working to reduce the dependence of our work processes on individual skills and expertise. By standardizing and streamlining operations, we aim to improve productivity company-wide and foster greater innovation. Going forward, I will continue to combine the financial perspective of a CFO with the operational perspective of a CDXO, driving Calbee's growth and transformation.

The Calbee DX Strategy



S&OP Initiative



Note: S&OP: Sales and Operations Planning
C-BOSS: Calbee Business Optimization Simulation System
SKU: Stock Keeping Unit, the minimum management unit for receiving or writing orders and managing inventories

DX Strategy

An Incremental Approach to 2030

Our DX roadmap prioritizes steadily improving the profitability of our domestic core business. To achieve this, we aim to develop systems that maximize the productivity of every employee. Guided by this approach, we are advancing S&OP in three phases.

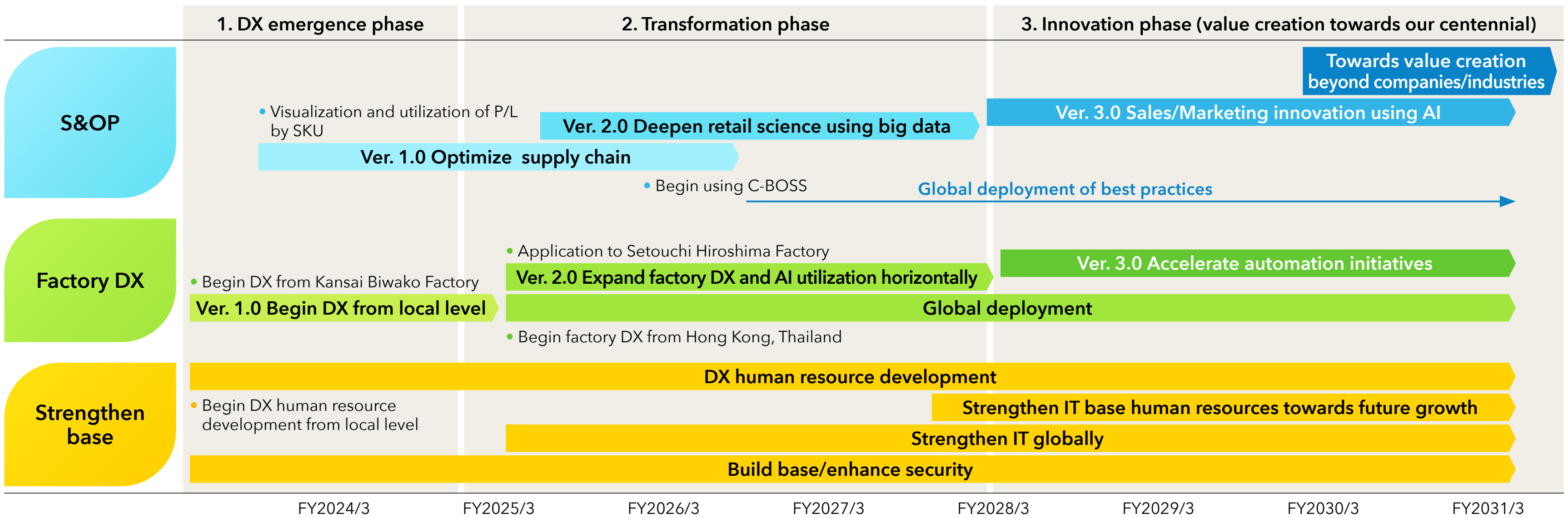
Phase 1 focuses on supply chain optimization. In addition to visualizing profit and loss by SKU and by customer, through C-BOSS, we are developing a system to simulate cost-efficient production and supply plans using AI-assisted demand forecasting, an initiative we have been working on since 2021. Through continuous improvements, our AI-assisted demand projections are becoming more granular and accurate, including a better understanding of demand elasticity. In Phase 2, we focused on visualizing return on investment (ROI) in marketing and sales promotions, leveraging the knowledge accumulated through AI-assisted demand projection. We are exploring new possibilities for ROI analysis and projections in more complex marketing and sales initiatives. In Phase 3, we aim to integrate our accumulated demand forecasting data with big data such as marketing and sales ROI to develop tools that maximize salesforce productivity. This initiative, in turn, aims to help increase sales and operating profit per person. Through these three phases, we are progressing from optimizing production to advancing our sales strategy and upskilling our personnel—charting a course to enhancing our earnings structure.

Our factory DX initiatives began with systemizing the expertise accumulated in our factories in Japan, before clarifying standardized factory DX implementation steps, and visualizing the progress at each site. In 2025, we began rolling out our DX initiatives globally, first at our Hong Kong subsidiary in February and then in Thailand in March.

Another important pillar of our DX strategy is human resource development. Today, 123 employees are involved in DX, and we plan to increase this number to 500 by 2030 through a structured certification process. We are cultivating key members in each factory to serve as hubs, enhancing on-site DX promotion structure.

At Calbee, DX is simultaneously about driving efficiency and shifting our focus to higher value-added work. We are first addressing the challenges of our domestic businesses and then extending best practices to overseas markets. Through these initiatives, we are building an environment in which employees can realize their ideal workstyles and focus on value-added work through their own initiative. In doing so, Calbee is strengthening its competitiveness and enhancing corporate value—both of which are key objectives of DX.

Roadmap to 2030




Calbee AI Academy to learn AI technology and address factory challenges


Factory DX (Kansai Biwako Factory)

Organizational and Human Capital Strategy

Sharing our vision behind Active Roles for All Employees and harnessing the power of diverse talent to drive value creation

Yasumasa Hitomi
Executive Officer, CHRO and General Manager of the HR & GA Division

Promoting Active Roles for All Employees

At Calbee, our people are our greatest source of value creation. In order to achieve our goal of becoming a company that can sustain growth for more than 100 years, every employee across our organizations both in Japan and overseas must be empowered to make the most of their talent and energy.

To ensure all employees share this understanding, we adopted Active Roles for All Employees as our human capital vision and set "promote Active Roles for All Employees based on diversity" as one of our material issues identified in 2022. However, without a clear definition, this concept did not fully take hold across the organization. Therefore, in June 2025, we defined it as "empowering diverse talent to use their strengths and to experience pride and joy in contributing to Calbee, to society, and to their personal growth." We have since communicated this definition with employees.

To realize this vision, we need more than a shift in employee mindsets—we must also evolve our human resource (HR) functions. One of our key priorities is to adopt a more global perspective. With Japan's population declining and domestic growth expected to slow over the long term, we must strengthen our HR capabilities in order to support business growth overseas. Traditionally, our HR policies and systems have centered on Calbee as a standalone, domestically focused entity. Going forward, we will enhance talent management—from recruitment and development through to evaluation and mobility—from both group-wide and global perspectives to sharpen our competitive advantage. With this approach, we are already laying the foundations for HR systems that support the growth of our overseas business. At the same time, we value integrating employees with diverse backgrounds and perspectives working together to create new value. To enable this, we are embedding Calbee's management philosophy and DNA across the organization and fostering a greater sense of connection. This effort will be driven not only by HR functions, but also corporate functions including corporate planning and corporate communications.

Domestically, however, our talent management practices also still have room for improvement. A key challenge is the wide gap in capabilities among workplace leaders resulting from underinvestment in their development. Developing and implementing programs that raise the overall capabilities of this group has become an urgent priority. In terms of executive talent development, we are focusing especially on current section managers who we view as potential candidates to become division heads over the next 10 years. Through a combination of rotations, assignments, and training, we aim to cultivate individuals with broader perspectives and stronger strategic thinking. Leaders also play a vital role in connecting day-to-day work with Company management. They are instrumental in promoting Active Roles for All Employees. By understanding each of their team members' abilities, aspirations, and character, and by motivating them to take on stretch assignments, leaders can foster greater motivation to contribute to growth. To support this, we will continue enhancing leadership's skills.

Calbee's Definition of Active Roles for All Employees

Empowering diverse talent to use their strengths and to experience pride and joy in contributing to Calbee, to society, and to their personal growth.

Our founding spirit—the desire to help people live healthier lives by creating products that make use of underutilized food resources—remains alive today. By viewing our entire value chain as encompassing 10 processes from raw materials to stores and into the hands of consumers, we have continually enhanced our value. To deliver great taste and fun to people around the world, we highly value the following types of talent. The first are people who steadily build the future through continuous effort, ingenuity, and improvement. The second are people who pioneer the future by challenging existing frameworks. At Calbee, diverse talent who share our corporate philosophy and vision will continue to grow alongside the organization, respecting, appreciating, and challenging one another while contributing to healthier lives for all.

Organizational and Human Capital Strategy

Calbee's Unique Active Roles for All Employees Index (Human Capital Index)

Based on our definition of Active Roles for All Employees, we have developed our own human capital index, a proprietary metric to quantify progress toward this goal. This index enables us to assess, in measurable terms, how human capital management contributes to corporate value.

The index combines an empowerment score for α talent (those who steadily build the future through continuous effort, ingenuity, and improvement, mainly active in our core domestic business) and β talent (those who pioneer the future by challenging existing frameworks, mainly active in overseas and new businesses). These are then multiplied by a mutual trust score that captures the synergistic effect between the two groups. Calbee's Active Roles for All Employees Index rose from 78.22 in FY2024/3 to 79.90 in FY2025/3.

While this rise reflects progress in human capital management, both α and β talent scored relatively low in career autonomy. Although we launched career-related initiatives in 2022, we will continue efforts to develop employee mindsets and behavior.

α Talent

Talent that steadily builds the future through continuous effort, ingenuity, and improvement

Empowerment score

FY2024/3 10.06 → FY2025/3 **10.24**

+

β Talent

Talent that pioneers the future by challenging existing frameworks

Empowerment score

FY2024/3 11.79 → FY2025/3 **11.71**

×

Mutual trust score

FY2024/3 3.58 → FY2025/3 **3.64**

=

Calbee's Active Roles for All Employees Index

FY2024/3 78.22 → FY2025/3 **79.90**

	α: Active Roles for All Employees status score	α: Career autonomy score	α: Psychological safety score	β: Active Roles for All Employees status score	β: Career autonomy score	β: Psychological safety score
FY2024/3	3.55	3.11	3.40	4.04	3.72	4.03
FY2025/3	3.62	3.15	3.47	4.05	3.66	4.00

Active Roles for All Employees status score + Career autonomy score + Psychological safety score = Empowerment score

We believe that true value creation and Active Roles for All Employees are achieved when both α and β talent demonstrate their strengths in their respective roles while working together—not apart—with a spirit of altruism, mutual respect, and collaboration.

Target score: **81.28**
Passing line: **73.50**

We have set a benchmark of 3.50 for each of Active Roles for All Employees status score, career autonomy score, and psychological safety score and mutual trust score. Scores above 3.50 are considered to indicate strong positive responses. Our 2030 target is to raise all scores currently below 3.50 to at least that level.

Organizational and Human Capital Strategy

Identifying Key Organizational and Human Capital Issues

To promote Active Roles for All Employees, we must first understand the current state and challenges of our talent base, and how to address these. Since FY2023/3, we have held monthly Talent Development Meetings between executive officers and HR. Through these discussions, we have identified three key challenges.

The first is helping employees overcome a sense of complacency. Limited internal mobility and seniority-based evaluation and compensation systems have reinforced the status quo. We are now revising these systems.

The second is encouraging employees to step beyond their boundaries and take initiative. We aim to foster autonomy and growth by strengthening leadership, creating psychologically safe workplaces, and offering opportunities to look beyond one's immediate organization.

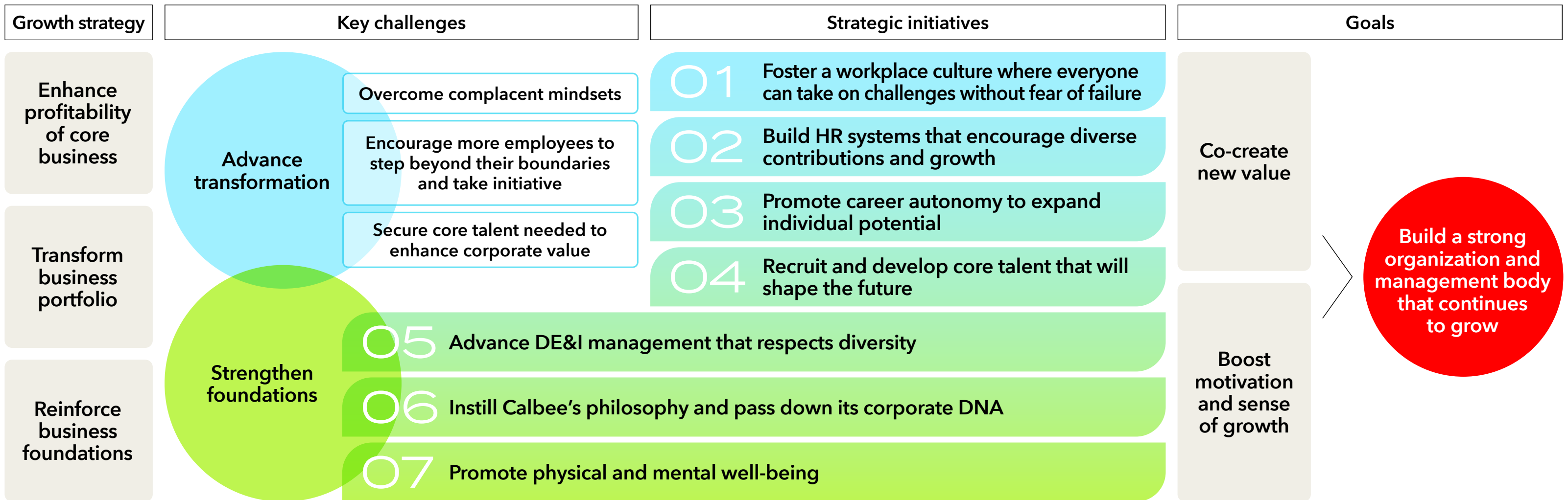
The third is securing the core talent needed to enhance corporate value. We will clarify the skills and scale of talent needed for future value creation and take a deliberate approach to acquisition and development.

Transformational and Foundational Initiatives

Calbee is advancing both transformational initiatives and foundational enhancements to address key challenges, with the goals of creating new value through co-creation, enhancing employees' motivation and sense of growth, and building a strong organization and management body that continues to grow. Despite the uncertainty of our future environment, we remain committed to developing products that taste great, are fun, and contribute to mental and physical well-being. Achieving this requires us to take on new challenges and embark on step-change growth that goes beyond incremental improvements of the status quo. Among our most important initiatives is revising our HR systems to enable diverse contributions and employee growth.

We are preparing to launch new HR systems in April 2026 guided by the following principles: eliminate seniority-based elements in favor of role- and merit-based contributions; evaluate not just results but also teamwork and processes; and implement flexible ways of working tailored to job types and workplaces, rather than a uniform company-wide system. These reforms are designed to unlock employee creativity, strengthen organizational capabilities, and build an HR foundation that supports growth. HR plays a vital role in bridging management and employees. We will continue to build mutual trust and apply our area of expertise as we strengthen the HR foundation that underpins Calbee's global growth.

Creating Value through Human Capital



Issued Calbee's First Human Capital Report

For more details on our organizational and human capital strategies, please refer to the Calbee Group's Human Capital Report 2025.
https://www.calbee.co.jp/en/ir/pdf/2025/humancapitalreport2025_en.pdf

Key Issues for Long-Term Value Creation

Calbee's Commitment to Sustainability Management

Sustainability is central to Calbee's management approach. By addressing environmental and human rights issues across our value chain, we aim to contribute to a sustainable society. Our mission is to ensure the sustainability of raw materials sourced from nature, such as agricultural produce and marine products, and to continue providing them to consumers around the world.

As our external environment around sustainability evolves, including the growing importance of natural capital and the emergence of human rights issues, we conducted a review of our materiality in 2022 and identified five material issues and 13 priority themes. In March 2024, we established the Calbee Group Human Rights Policy to advance our initiatives in these priority themes. We also endorsed the UN Global Compact and are now extending our activities worldwide.

The Board of Directors is responsible for supervising sustainability management, while the Sustainability Committee, established in 2019, promotes its implementation. The Sustainability Committee is chaired by the president and CEO and meets twice a year in principle. It identifies material issues, sets priority themes, deliberates and reviews the progress of roadmaps developed by subcommittees, and regularly reports its findings to the Board of Directors.

For details regarding the Group's materiality identification and review process, please refer to the following web page.
https://www.calbee.co.jp/sustainability/en/materiality.php

Sustainability Management Framework

Board of Directors
Advice
Report
Sustainability Committee
Theme identification/monitoring
Strategy decisions/progress reports
Priority theme subcommittees (promoting execution of strategy)

Materiality	Priority themes	Person responsible
Contribute to healthy and diverse lifestyles	Assurance of food safety	CRO
	Contribution to healthy lifestyles	CMO
	Providing new value in response to diversifying consumer needs	CEO
Progress of sustainable agriculture	Sustainable production of raw materials	President of Calbee Potato, Inc.
	Conservation of natural capital	President of Calbee Potato, Inc.
Co-create a sustainable supply chain	Responsible procurement that respects human rights and the environment	CRO
	Environment- and people-friendly logistics	CPO
Caring for the earth	Achieving carbon neutrality	CPO
	Promoting a recycling society	CPO
	Reducing the environmental burden caused by plastics	CPO
	Conservation of natural capital	CEO
	Contributions to local communities	CEO
Promote Active Roles for All Employees based on diversity	Responding to diverse workstyles	CHRO
	Promotion of diversity, equity, and inclusion	CHRO

CLOSE-UP

Importance of Food Communication

Calbee creates opportunities to engage with people of all generations through its "food communication" initiatives, with a particular focus on children, who will lead the future. These initiatives aim to share the joy, importance and correct knowledge of food.

To date, we have conducted food education classes, factory tours, and snack contests, with more than 1.6 million participants in total. We will continue to adapt our content to the needs of the times, deepening our connections with our stakeholders through meaningful food-related experiences.

Food education classes

Snack contest

Key Issues for Long-Term Value Creation

Materiality List

Materiality (Correspondence with SDGs)	Priority themes	Promoted themes	KPIs (targets) and process indicators			FY2023/3 result	FY2024/3 result	FY2025/3 result
			Indicator	Achievement timeframe	Target			
Contribute to healthy and diverse lifestyles	**Assurance of food safety**	• Prevention and monitoring for safety and quality • Initiatives for providing peace of mind	–	–	**–**	–	–	**–**
	Contribution to healthy lifestyles	• Expand salt-free/low-salt/reduced-salt products • Expand protein-rich products	Amount of salt-free/low-salt/reduced-salt products*1 sold (compared with FY2023/3)	FY2031/3	**200%**	–	110.1%	**120.5%**
			Amount of protein-rich products*2 sold (compared with FY2023/3)			–	111.8%	**116.0%**
	Providing new value in response to diversifying consumer needs	• Expand Calbee Snack School (food education) • Invigorate and promote factory tours	Annual food communication participants*3	FY2025/3 (continue every year)	**100,000 people or higher**	137,062	115,209	**120,430**
Progress of sustainable agriculture	**Sustainable production of raw materials**	• Develop new varieties • Promote scientific cultivation • Reduce agricultural labor • Diversify production areas	–	–	**–**	• Developed heat-resistant varieties to cope with climate change and new varieties with disease resistance • Expanded contracting business • Diversified production areas in Hokkaido and expanded to new production areas in Tohoku and Northern Kyushu		
	Conservation of natural capital	• Fertilize appropriately based on soil analysis	Usage rate of low-phosphate fertilizer (Hokkaido area)	FY2028/3	**80%**	–	23.7%	**30.7%**
Co-create a sustainable supply chain	**Responsible procurement that respects human rights and the environment**	• Engage with suppliers through supplier assessments and promote procurement that takes into account the environment and human rights	–	–	**–**	• Switched and continued to use palm oil certified using the mass balance method as part of responsible palm oil procurement • Expanded lineup carrying the RSPO certification label		
	Environment- and people-friendly logistics	• Improve work environments by increasing logistics efficiency • Reduce greenhouse gas emissions (Scope 3, categories 4 and 9)	–	–	**–**	• Pursued optimal logistics operations, including rebuilding of logistics hub and reviewing transportation routes • Reduced average driver waiting time at in-house centers (by an average of 16 minutes versus FY2025/3 target of 30 minutes)		

*1 Reference value of Nutrition Claims (Food Labeling Standard, Article 7, Paragraph 1, Appended Tables 12 and 13)
*2 Products selected based on Calbee's criteria, reference value of Nutrition Claims (Food Labeling Standard, Article 7, Paragraph 1, Appended Tables 12 and 13)
*3 Calbee Snack School, factory tours, snack contests, and other food education activities

Key Issues for Long-Term Value Creation

Materiality (Correspondence with SDGs)	Priority themes	Promoted themes	KPIs (targets) and process indicators: Indicator	Achievement timeframe	Target	FY2023/3 result	FY2024/3 result	FY2025/3 result
Caring for the earth	**Achieving carbon neutrality**	• Scope 1, 2 reductions Switch energy suppliers, promote energy-saving activities and on-site power generation at plants, etc. • Scope 3 reductions - Change sizes of cardboard boxes, reduce delivery frequencies, improve loading rates - Supplier engagement - Visualization of CO_2 emissions from potatoes	Total greenhouse gas emissions*4 (compared with FY2019/3)	FY2031/3	**30% reduction**	6.4% reduction	6.9% reduction	**6.7% reduction**
	Promoting a recycling society	• Reduce product food losses • Reduce total water consumption • Promote "3Rs"	Reduction of product food loss*5 (compared with FY2023/3, three-year moving average)	FY2031/3	**30% reduction**	–	14.2% reduction	**6.1% reduction**
			Reduction of total water usage*5 (compared with FY2019/3)	FY2031/3	**10% reduction**	2.9% increase	1.7% increase	**4.5% increase**
			Reduction of waste generated*5 (compared with FY2019/3)	FY2031/3	**10% reduction**	1.3% increase	6.1% increase	**8.0% increase**
	Reducing the environmental burden caused by plastics	• Reduce use of plastic packaging • Use environmentally friendly materials	Replacement and reduction of petroleum-based plastic packaging (compared with FY2019/3)	FY2031/3	**50% reduction**	0.3% replacement or reduction	0.9% replacement or reduction	**1.0% replacement or reduction**
	Conservation of natural capital	• Implement risk assessment according to the TNFD framework (present a roadmap)	–	–	**–**	• Made integrated information disclosures based on the TCFD/TNFD frameworks in early October 2025		
	Contributions to local communities	• Fully participate in social contribution activities • Expand environmental initiatives - Promote forest conservation activities - Support and participate in coastal and river conservation activities	–	–	**–**	• July 2024 Started participating the Hachioji Kamikawanosato forest conservation project		
Promote Active Roles for All Employees based on diversity	**Responding to diverse workstyles**	• Foster a workplace culture where everyone can take on challenges without fear of failure • Build HR systems that encourage diverse contributions and growth • Promote career autonomy to expand individual potential • Recruit and develop core talent that will shape the future	Ratio of women in management	FY2031/3	**Over 30%**	23.3%	22.6%	**24.8%**
			Ratio of female executives, etc. (executive officers and general managing directors)	FY2031/3	**Over 30%**	–*6	12.8%	**19.5%**
	Promotion of diversity, equity, and inclusion		Ratio of male employees taking childcare leave*7	FY2031/3	**100%**	111%	109%	**133%**
			Percentage of employees with disabilities	FY2031/3	**3.60%**	2.65%	2.62%	**2.80%**

*4 Target scopes are Scopes 1, 2 and 3 (categories 1, 3, 4, 5, 6, 7, 9, 12).
*5 Applies to the production sites (excluding collaborating factories) of Calbee, Inc. (non-consolidated) and the Koga Plant of Japan Frito-Lay Ltd.
*6 Marked as "–" as no KPIs were set for FY2023/3
*7 From FY2023/3, calculated based on the total number of employees who took childcare leave and the total number of employees who used leave systems for the purpose of childcare.

Key Issues for Long-Term Value Creation

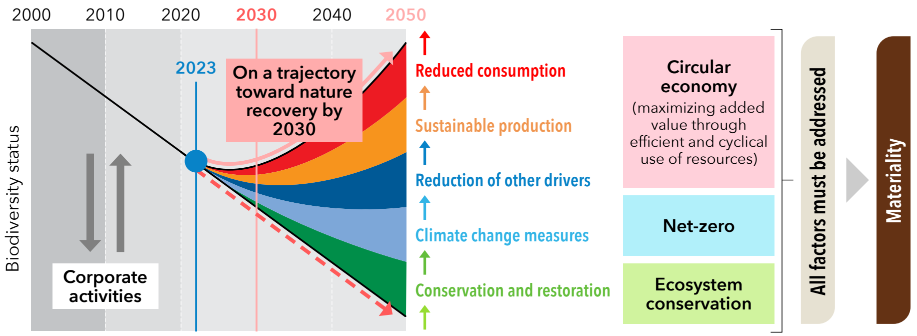
CLOSE-UP Integrated Initiatives on Climate and Nature (Toward Nature Positive)

Our products rely on natural capital such as soil, water, climate, and biodiversity. Protecting these resources is essential to both the stable growth of our business and the realization of a sustainable society. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have assessed the business risks and opportunities associated with climate change, and actively advanced initiatives to reduce greenhouse gas emissions, including energy-saving activities and the adoption of renewable energy. At the same time, climate change and biodiversity are closely interconnected. Shifts in temperature and rainfall patterns can affect crop yields, while the destruction of ecosystems can undermine the stable supply of food through soil degradation and the loss of pollination. Preventing biodiversity loss and working toward its recovery require not only conserving and restoring ecosystems, but also addressing climate change, promoting sustainable production, and reducing consumption.

Against this backdrop, Calbee plans to provide integrated disclosures on our dependence and impact on natural capital, and related risks and opportunities, in line with both the Taskforce on Nature-related Financial Disclosures (TNFD) and the TCFD. As a company closely connected to agriculture, this process has provided us the opportunity to consider more deeply the relationship between climate change and all forms of natural capital, and to identify new possibilities.

We aspire to be a company that protects and nurtures nature while passing on its value to future generations. By promoting sustainable management that balances the environment, society, and the economy—with coexistence with nature as a central guiding axis principle—we will fulfill our responsibility, together with our stakeholders, to hand down a rich natural environment to the next generation.

Nature-Positive Scenarios and the Positioning of Our Materiality



Nature-positive scenarios

Source: Produced by Calbee, based on *Global Biodiversity Outlook 5*, Ministry of the Environment
https://www.cbd.int/gbo/gbo5/publication/gbo-5-en.pdf

Case Study 1 Appropriate Fertilization Based on Soil Analysis

Nitrogen, phosphate, and potassium are known as the three elements of fertilizer, and they are indispensable in potato cultivation as well. Calbee promotes soil analysis, recognizing that soil composition varies by field and condition, and provides recommendations for appropriate fertilization in collaboration with the Hokuren Federation of Agricultural Cooperatives.

Since 2013, we have also conducted joint research with Obihiro University of Agriculture and Veterinary Medicine to improve crop yield and quality through fertilization practices. We regularly hold joint research presentation sessions with the university and share outcomes with contracted growers and other agricultural stakeholders, helping to disseminate cultivation techniques. Based on this research, we are pursuing the KPI of an 80% adoption rate of phosphate reduction based on soil analysis in the Hokkaido area.

Appropriate fertilization plays a vital role in improving crop yield and quality, but also in reducing GHG emissions—a major driver of climate change—and in conserving natural capital.

Case Study 2 Reducing GHG Emissions from Potato Cultivation

In FY2024/3, Calbee contributed data and verification to the Ministry of Agriculture, Forestry and Fisheries' "Visualization of Potatoes" project, which used a simplified calculation form to estimate GHG emissions. This revealed that the primary sources of GHG emissions in potato cultivation are fuel, fertilizer, and agrochemicals, with fuel for agricultural machinery accounting for about 50% of total emissions. We are now gathering information and exploring the potential of new fuels such as hydrogen and synthetic methane, not only as alternative fuels for our factories but also for use in agriculture.

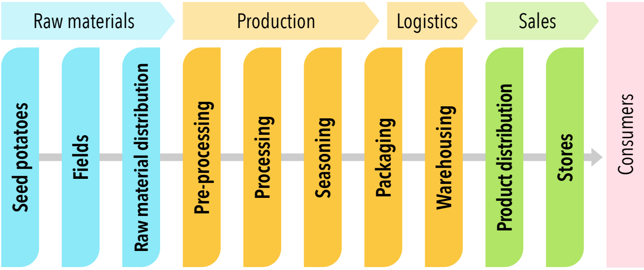
Progress on Priority Themes

Ensuring Food Safety and Reliability

Strengthening Quality Assurance and Traceability

Providing safe and reliable products is Calbee's foremost social responsibility. We strictly implement and comply with quality controls based on the international standard for food safety management systems (FSSC 22000), and verify compliance through internal audits and periodic audits. Within the 10 processes that make up Calbee's unique value chain, we have established specifications and standards at each process to ensure 100% quality for the subsequent stage. By fully linking these processes together, we are able to provide consumers with quality assurance and traceability. We also continuously listen to consumer feedback, using it to improve our offerings in an effort to create products that earn our consumers' trust and satisfaction.

Calbee's 10 Processes



Quality Control and Inspections in the Manufacturing Process

To ensure consumers receive safe, reliable products, we implement measures to prevent contamination, such as installing X-ray inspection systems, metal detectors, and monitoring cameras in our manufacturing process. In some factories, we have also installed near-infrared cameras on production lines to automatically collect data in real time and remove non-standard products, thereby ensuring thorough quality control.

Sustainable Production of Raw Materials

Stable Procurement of Japan-Grown Potatoes

Stable procurement of potatoes is essential to the sustainable growth of Calbee's business. For this reason, we regard sound agricultural management as critical and have identified "progress of sustainable agriculture" as one of our material issues. The environment for agriculture is becoming increasingly challenging due to factors such as labor shortages and climate change, among other factors. Leveraging our accumulated expertise, we are developing original potato varieties and providing support for cultivation and harvesting.

Contribution to Labor-Saving in Agriculture

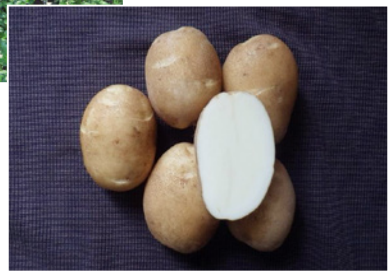
The number of farmers in Japan is expected to continue to decline due to the falling birthrate and aging population. Securing the required number of agricultural workers and stabilizing their income are pressing social issues, including in terms of Japan's food self-sufficiency. Potatoes in particular require a heavier workload to cultivate compared to other crops, making labor reduction especially important. To address this, Calbee operates a contracting business that undertakes part of the cultivation and harvesting process, promoting the shared use of large-scale agricultural machinery by small groups of producers. Through these initiatives, we are working to support contracted growers and contribute to labor-saving in agriculture.


Irrigation


Harvesting

Promoting Production Area Diversification

Climate change effects such as heavy rain, typhoons, and high temperatures are having a greater impact on potato cultivation each year. Recently, in 2021, the volume of potatoes procured dropped sharply due to the impact of drought in parts of Hokkaido. To mitigate these risks, we are expanding and diversifying production areas in Hokkaido, as well as contracted potato cultivation areas in Tohoku and the central Hokkaido growing region. In these regions, we assign potato cultivation experts referred to as "fieldmen" to be stationed locally. Drawing on data collected to date, they provide guidance on cultivation technology and labor-saving agricultural practices tailored to the local conditions of each area.


Poroshiri, a variety of potato uniquely developed by Calbee Potato, Inc.

Progress on Priority Themes

Responsible Procurement That Respects the Environment and Human Rights

Promoting Procurement That Respects the Environment and Human Rights

In raw materials procurement, supply chains face a range of risks, including climate change, natural disasters, human rights issues, and geopolitical developments. Calbee revised the Calbee Group Code of Conduct in 2021 and revised the Calbee Group Procurement Policy accordingly the following year. Through these frameworks, we are addressing issues in areas such as human rights and the environment, and working with our suppliers to help realize a sustainable society.

▸ Expanding the Scope of Supplier Assessments

In addition to assessing the quality of suppliers' raw materials, we also conduct CSR self-assessments, asking them to evaluate their practices regarding issues such as human rights, the environment, and legal compliance, thereby integrating CSR considerations into procurement.

Revisions to the Calbee Group Code of Conduct and Polices and Assessments Conducted by Year

	Company's policy	Assessment (results)
FY2022/3	• Revision of Calbee Group Code of Conduct	
FY2023/3	• Revision of Calbee Group Procurement Policy • Formulation of Palm Oil Procurement Policy	• Conducted self-assessments (58 companies)
FY2024/3	• Formulation of Calbee Group Human Rights Policy	• Human rights follow-up • Strengthened engagement on GHGs (2 companies), palm oil (4 companies), and paper (2 companies)
FY2025/3		• Expanded self-assessments (54 companies) • Started on-site checks when conducting procurement assessments (101 companies) • Translated the self-assessment sheet into multiple languages (English and Chinese) • Continued initiatives on GHGs (2 companies), palm oil (4 companies), and paper (2 companies)

▸ Status of Initiatives for RSPO Certification and Switch to Palm Oil

In April 2022, we completed a switchover to RSPO-certified palm oil (mass balance method) at all factories in Japan, and as of the end of March 2025, we were selling 31 products displaying the RSPO label, as part of our efforts to promote environmental communication with consumers.

January 2020	Joined RSPO
May 2020	Started purchasing RSPO credits equivalent to the amount of palm oil used in domestic factories under the Book and Claim* system
March 2021	Acquired certification using the mass balance system
July 2021	Switched to certified palm oil at certain domestic factories
April 2022	Switched to mass balance certified palm oil at all Calbee domestic factories using palm oil (14 locations)
September 2022	Started displaying the RSPO label on packages on six items across four of our core product lines

* A system in which RSPO Credits are traded online between palm oil producers and end-product manufacturers/sellers. The system supports certified palm oil producers by issuing RSPO Credits based on the volume of certified palm oil that they produce, with end users purchasing these credits.

Achieving Carbon Neutrality

Progress on Reduction of Scope 1 and 2 Emissions

In FY2025/3, we reduced Scope 1 and 2 emissions by 33.2% compared with FY2019/3. The main initiatives for achieving this were energy-saving activities in factories, switching to renewable energy, and participation in a smart energy project in Kiyohara Industrial Park, Utsunomiya City.

In addition, in FY2025/3, we completed calculation of emissions for manufacturing sites in Japan and 12 sites overseas, along with third-party verification. We will continue to advance these initiatives across the entire Calbee Group.

Kiyohara Smart Energy Center

▸ Purchase of Electricity from Renewable Energy Sources

Since FY2020/3, we have been switching over to CO_2-free electricity derived from renewable energy sources, and purchasing electricity with non-fossil fuel certificates. Calbee has completed the switch to renewable energy at 11 of its 17 domestic production sites, including the Setouchi Hiroshima Factory, which started operations in January 2025. The three factories participating in the smart energy project are saving energy and switching over to renewable energy as well.

Progress on Priority Themes

Promoting Reduction in Scope 3 Emissions

Scope 3 emissions increased by 4.4% in FY2025/3 compared with FY2019/3. One of the main drivers of this increase was an increase in the volume of raw materials used (category 1) due to increased production volume compared to the base year.

Initiatives to reduce category 1 factors require engagement across the entire supply chain. For our key raw material, potatoes, we conducted interviews with contracted growers to visualize their GHG emissions in potato cultivation. This analysis identified fuel (diesel fuel), fertilizer, and agrochemicals as the primary sources of emissions. We used this data to contribute to the drafting of a simplified GHG emissions calculation form for potato cultivation by the Ministry of Agriculture, Forestry and Fisheries. We are now working with a wide range of stakeholders to address these sources of emissions.

CLOSE-UP

Setouchi Hiroshima Factory —The Next-Generation Standard

The Setouchi Hiroshima Factory, which began operations in January 2025, is a cutting-edge "mother factory" built around the concept of "a factory that brings smiles to people and the planet, shaping the future." To minimize its environmental impact, the factory will utilize a renewable energy and a circular energy system that makes effective use of waste heat, wastewater, and other forms of waste. Calbee aims to use this technology to reduce total GHG emissions by 50%, waste output by 50%, and water usage by 30%, all per unit of product weight (compared to the Hiroshima Hatsukaichi Factory in FY2019/3). The Setouchi Hiroshima Factory will also enable Calbee to raise the labor productivity of individual workers by 60% through the use of advanced technologies, including the latest digital transformation (DX) initiatives. It will also provide a safe and inclusive working environment through measures such as easing the burden of heavy labor, ensuring effective management of high temperatures in facilities, and creating facilities that accommodate the needs of LGBTQ employees.

Promoting a Recycling Society

Reducing Product Food Loss

Against our target of a 30% reduction in product food loss by FY2031/3 (compared to a three-year moving average from FY2021/3), we achieved a reduction of 6.1% in FY2025/3. This progress reflects a series of initiatives aimed at augmenting product quality, which led to a decrease in losses due to product defects. As we work to reduce product food loss while focusing on quality, we will continue to conduct general inspections at each stage of the manufacturing process, operate in line with Calbee, Inc.'s specification standards, and introduce equipment designed to maintain and improve quality.

Reducing Water Consumption

Water consumption in FY2025/3 increased 4.5% compared with FY2019/3. The main drivers included higher water usage for washing potatoes and water used in test operations involved in the commissioning of the Setouchi Hiroshima Factory. Calbee's water reduction initiatives focus on regulating water consumption and recycling. Within these, we plan to introduce a water recycling system at the Setouchi Hiroshima Factory, which started operations in FY2025/3. After the effectiveness is confirmed, we will look at deploying the system at other factories.

Promoting "3Rs": Reuse of Potato Residue

Much of the waste generated in the production process consists of animal and plant residues, including potato residue, and sludge generated by wastewater treatment. Calbee is working to reduce these by recovering starch more efficiently. We also reuse waste as a resource, using residues for animal feed and sludge for compost. At some of our factories, potato residue is fermented to create methane, which is captured as a biogas and used as boiler fuel.

Methane fermentation plant at the Setouchi Hiroshima Factory

Reducing Petroleum-Based Plastic Packaging

In 1983, we became the first company in the snack industry to use packaging that incorporated a layer of aluminum vapor-deposited film (plastic film with aluminum adhered to it). This multi-layered plastic significantly improved the prevention of oil oxidation; however, in recent years, plastic has also been identified as a contributor to environmental issues.

We have taken steps to reduce plastic film usage, such as reducing the thickness of the film itself and scaling down packaging containers. We are also working with the other companies on reusing plastic as a resource.

From July 2024, we adopted zipless packaging for some of our stand-up pouch products. By changing the container shape, we have reduced the amount of petroleum-based plastic by approximately 11% compared to our previous product.

Response to TNFD Recommendations

Endorsement of TNFD Recommendations

Guided by our corporate philosophy of harnessing nature's gifts, we aim to understand the processes through which we depend on and impact natural capital, and to contribute to the healthy circulation of natural capital and the preservation and enhancement of ecosystems.

Our Connections with Nature

Using the ENCORE nature-related assessment tool, we conducted a comprehensive analysis of the Calbee Group's entire value chain to identify our points of connection with nature. The chart at the top right organizes our main interactions with natural capital across the value chain and visualizes the overall picture of our ties to nature.

Evaluation of Dependencies and Impacts on Nature

In addition to mapping the overall value chain, we evaluated the degree of dependency and impact specifically in the processes of procurement, production, and packaging, which are particularly important in our value chain. The results are shown in the table to the right. These evaluations serve as the foundation for prioritizing risks and opportunities and for formulating responses.

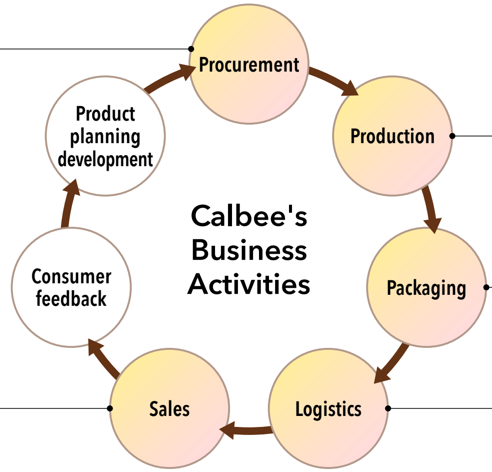
Risks Related to Climate and Nature

The table on page 44 summarizes the risks arising from climate change and changes related to natural capital. These risks were identified by considering the degree of dependency and impact, geographical connections, and the potential effects on business operations.

Points of Connection with Nature

Dependencies	Impacts
• Supply of agricultural and marine products • Climate conditions • Water supply • Water flow regulation • Water purification • Soil quality maintenance • Pollination • Pest and disease control functions • Habitat maintenance	• Freshwater/water use • Land use • GHG emissions • Fertilizer use • Solid waste

Dependencies	Impacts
• Climate conditions	• GHG emissions • Water use



Dependencies	Impacts
• Climate conditions • Water supply • Water flow regulation • Water purification	• Freshwater/water use • GHG emissions • Solid waste

Dependencies	Impacts
• Supply of timber • Climate conditions • Water supply • Water purification • Soil quality maintenance	• Freshwater/water use • GHG emissions • Land use • Fertilizer use • Solid waste

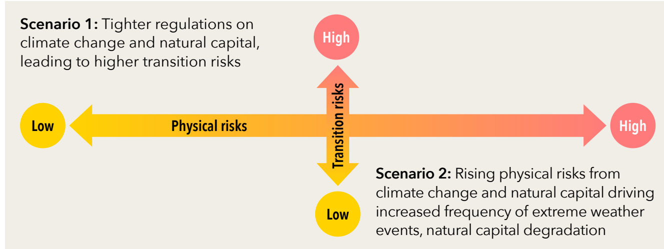
Dependencies	Impacts
• Climate conditions • Soil quality maintenance • Flood control	• GHG emissions • Air pollutant emissions • Invasion of non-native species

Scale of Dependencies and Impacts

Very high / High / Medium or lower / N/A

	Procurement					Production	Packaging		Details of dependencies and impacts rated very high
	Potatoes	Sweet potatoes	Palm oil	Oats	Shrimp		Film	Paper, cardboard	
Natural capital and ecosystem services we depend on:									
Supply of agricultural and marine products (biomass provisioning)	Very high	Very high	Very high	Very high	Very high	Medium or lower / N/A	Medium or lower / N/A	Very high	Securing raw materials for products and packaging depends on natural supply services
Climate conditions (global climate regulation, local climate regulation, rainfall pattern regulation)	Very high	Very high	Very high	Very high	Very high	Medium or lower / N/A	Medium or lower / N/A	Very high	Agricultural crops depend on climate conditions such as sunlight hours, rainfall, and temperature
Water supply/flow regulation/purification	Very high	Very high	Very high	Very high	Medium or lower / N/A	Very high	Very high	High	Stable water quantity and quality are essential in crop cultivation and product production
Soil quality maintenance (soil quality regulation)	Very high	Very high	Very high	Very high	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Very high	Crop cultivation and forest resource development rely on stable soils supported by vegetation and microorganisms
Pollination	Medium or lower / N/A	Medium or lower / N/A	Very high	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Palm cultivation depends on natural pollinators (other crops rely on self-pollination or vegetative propagation)
Pest and disease control functions (biological control)	Medium or lower / N/A	Medium or lower / N/A	High	High	High	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	
Habitat maintenance (Nursery population and habitat maintenance)	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Very high	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Shrimp depend on marine habitats
Activities impacting natural capital and ecosystem services:									
Freshwater/water use (areas and amounts of freshwater use)	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	High	High	High	
GHG emissions	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	Very high	Medium or lower / N/A	Use of petroleum-derived film materials results in GHG emissions
Land use (area of land use)	High	High	High	High	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	High	
Fertilizer use (emissions of nutrient pollutants to water and soil)	Very high	High	High	High	Medium or lower / N/A	Medium or lower / N/A	Medium or lower / N/A	High	Fertilizer use results in nitrogen and phosphorus runoff
Solid waste (generation and release of solid waste)	Medium or lower / N/A	High	High	High	High	Medium or lower / N/A	Medium or lower / N/A	High	

Response to TNFD Recommendations



Climate- and Nature-Related Risks

Procurement of potatoes | Procurement of sweet potatoes | Procurement of palm oil | Procurement of oats | Procurement of shrimp | Production | Packaging

●●High likelihood of occurring under the scenario ○Moderate likelihood of occurring under the scenario

	Dependencies and impacts	Target	Category	Risk	Scenario 1	Scenario 2	Target	Risk countermeasures
Transition risks	Fertilizer use		Nature	If regulations on farmland development, pesticide/herbicide use, and chemical fertilizers are strengthened, additional countermeasures will be required, leading to higher procurement costs	●			Implement appropriate fertilization based on soil analysis; promote adoption through incentive mechanisms Strengthen supplier engagement and supplier assessments; use RSPO-certified palm oil
	Solid waste		Nature	If regulations on agricultural waste and wastewater management are tightened, additional countermeasures will be required, leading to higher procurement costs	●			
	GHG emissions		Climate, nature	If stricter regulations are imposed on virgin plastics derived from petroleum, packaging costs will increase, while growing consumer awareness is expected to drive greater demand for biomass and recycled plastics	●			Reduce petroleum-based plastic packaging while maintaining product quality; shift to alternative raw materials and promote recycling
			Nature	If regulations such as the EU Deforestation Regulation (EUDR) on paper cups and cartons are strengthened, compliance costs will rise	●			Use renewable energy; utilize hydrogen, etc. Promote decarbonization across the entire value chain
			Climate	If carbon taxes are introduced, costs related to factory operations and raw materials will increase	●			
	Freshwater/water use		Nature	If water resources continue to decline and water-related taxation is implemented, operating costs will rise	●			Conserve water and promote water recycling
	General		Climate, nature	As climate change progresses, consumer demand is expected to shift further toward environmentally responsible products	●			Promote environmentally friendly certified products
Physical risks	Supply of agricultural and marine products Climate conditions		Climate, nature	Rising temperatures and changing rainfall and weather patterns are likely to lower raw material quality and reduce yields, resulting in higher procurement costs. In addition, stronger storms may cause greater field damage	○	●		Secure import routes for overseas potatoes
								Develop and switch crop varieties; establish cultivation techniques
								Diversify production regions
	Soil quality maintenance		Climate, nature	If soil quality continues to decline, raw material quality will deteriorate and yields will fall, leading to higher procurement costs	○	●		Implement appropriate fertilization based on soil analysis; promote adoption through incentive mechanisms; establish cultivation techniques
								Strengthen supplier engagement and assessments; promote the use of RSPO-certified palm oil
	Pollination		Nature	If pollinator populations decline, investment in artificial pollination equipment will be required, driving up procurement costs		●		Promote the use of RSPO-certified palm oil
	Pest and disease control functions		Nature	If pests and diseases increase, raw material quality will decline and yields will fall, resulting in higher procurement costs		●		Develop new crop varieties and update pest control calendars
								Strengthen supplier engagement and assessments; promote the use of RSPO-certified palm oil
	Supply of agricultural and marine products		Climate, nature	If production volumes of raw materials for packaging fluctuate, procurement costs will rise		●		Adjust cardboard sizes and specifications; shift to alternative materials and promote recycling
	Water supply/flow regulation/ purification		Nature	If natural disasters cause factory damage or prolonged disruptions to logistics, procurement, production, and supply volumes will decrease		●		Formulate BCPs assuming extreme weather; construct factories based on hazard maps; secure supply from overseas group factories
			Nature	If water sources become depleted, business operations may become restricted		●		Conserve water and promote water recycling

Response to TNFD Recommendations

Climate- and Nature-Related Opportunities

We have identified opportunities across our value chain in response to climate change and natural capital issues. These include promoting sustainable agriculture, such as regenerative farming, responding to ethical consumption, utilizing waste generated in the production process, and sourcing sustainable raw materials. Going forward, we will continue to regularly review risks and opportunities, further specify countermeasures, and reflect them in our medium- to long-term management strategies.

Results of Target Indicators

As part of our response to climate change and natural capital issues, we have set metrics and targets as shown in the table at the lower right. For greenhouse gases, we aim to reduce total emissions by 30% by FY2031/3 compared with FY2019/3, and achieve net-zero GHG emissions for Scopes 1 and 2 by 2050. For natural capital, we are targeting an 80% adoption rate of phosphate reduction in the Hokkaido area, promoting appropriate fertilization based on soil analysis. To avoid or mitigate the impacts of climate change and environmental changes, we are also working to develop new potato varieties and expanding contracted potato acreage in the Tohoku and central Hokkaido regions.

Climate- and Nature-Related Opportunities

Procurement of potatoes · Procurement of sweet potatoes · Procurement of palm oil · Procurement of oats · Procurement of shrimp · Production · Packaging

Dependencies and impacts	Target	Category	Opportunities
General		Climate, nature	Increased sales through efforts to offer environmentally responsible and certified products (e.g., use of RSPO-certified palm oil, sales of RSPO-labeled products)
		Climate, nature	Enhanced external evaluations and corporate valuation through initiatives to reduce and replace plastics
		Climate, nature	Improved corporate brand image by developing products aligned with ethical consumption
Supply of agricultural and marine products		Climate, nature	Greater efficiency and expansion in raw material procurement through labor-saving agriculture
		Climate, nature	Stable procurement by promoting sustainable agriculture, forestry, and fisheries
Climate conditions		Climate, nature	Expanded areas suitable for potato cultivation due to climate change, leading to increased procurement
Freshwater/water use		Nature	Reduced water usage by utilizing wastewater in factories
GHG emissions		Climate	Reduced greenhouse gas emissions from logistics by increasing domestic sourcing of raw materials
		Climate, nature	Contribution to building a circular plastics society through collection and recycling, including participation in R Plus Japan activities
Solid waste		Climate, nature	Reduced waste and greater utilization of unused resources by reducing product food loss and recycling raw material waste
		Climate, nature	Reduced consumer waste through the development of long-shelf-life foods

Metrics and Targets

	Countermeasures	Target years	Targets	FY2025/3 results
Fertilizer use	Implement appropriate fertilization based on soil analysis; promote adoption through incentive mechanisms	FY2028/3	Achieve 80% adoption rate of phosphate reduction (Hokkaido area)	30.7%
Solid waste	Capture opportunities through recycling of raw material waste; reduce waste and utilize unused resources	FY2031/3	Reduce product food loss by 30% (3-year average compared to FY2021/3-FY2023/3)	6.1% reduction
		FY2031/3	Reduce total waste emissions by 10% (compared to FY2019/3)	8.0% increase
GHG emissions	Use renewable energy Utilize hydrogen, etc.	FY2031/3	Reduce total GHG emissions by 30% (compared to FY2019/3)	6.7% reduction Scope 1, 2: 33.2% reduction Scope 3: 4.4% increase
		FY2051/3	Net-zero GHG emissions for Scopes 1 and 2	
	Reduce petroleum-based plastic packaging while maintaining product quality; shift to alternative raw materials and promote recycling	FY2031/3	Replace or reduce petroleum-based plastic packaging by 50% (compared to FY2019/3)	1.0% replacement and reduction
		FY2051/3	Achieve 100% use of environmentally friendly materials	
Soil quality maintenance	Secure import routes for overseas potatoes Develop new varieties and establish cultivation techniques	FY2031/3	Register four new potato varieties adapted to climate change Expand contracted potato acreage in the Tohoku and central Hokkaido regions, etc.	Contracted acreage expanding as planned, mainly in the central Hokkaido, Abashiri, and northern Kyushu regions
Supply of agricultural and marine products, climate conditions				
Pest and disease control functions	Develop new varieties and update pest control calendars			
Freshwater/water use	Conserve water and promote water recycling	FY2031/3	Reduce total water usage by 10% (compared to FY2019/3)	4.5% increase

Response to TNFD Recommendations

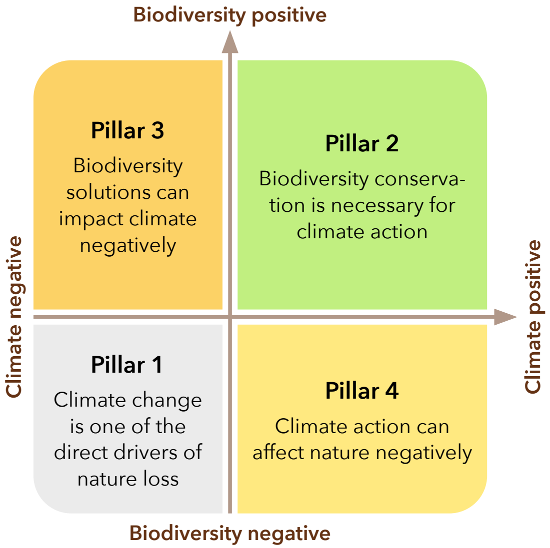
Organizing Climate- and Nature-Related Interactions

Many of Calbee's initiatives to address risks and seize opportunities generate positive outcomes for both climate change and natural capital. Therefore, to structure our initiatives, we are applying the framework presented in *Unlocking the biodiversity-climate nexus: A practitioner's guide for financial institutions* (Finance for Biodiversity Foundation, 2023).

For Pillar 2, initiatives that have positive impacts on both climate change and biodiversity include implementing appropriate fertilization through soil analysis, developing new crop varieties and updating pest control calendars as part of sustainable agricultural practices, reducing product food loss and waste, and reducing plastic use.

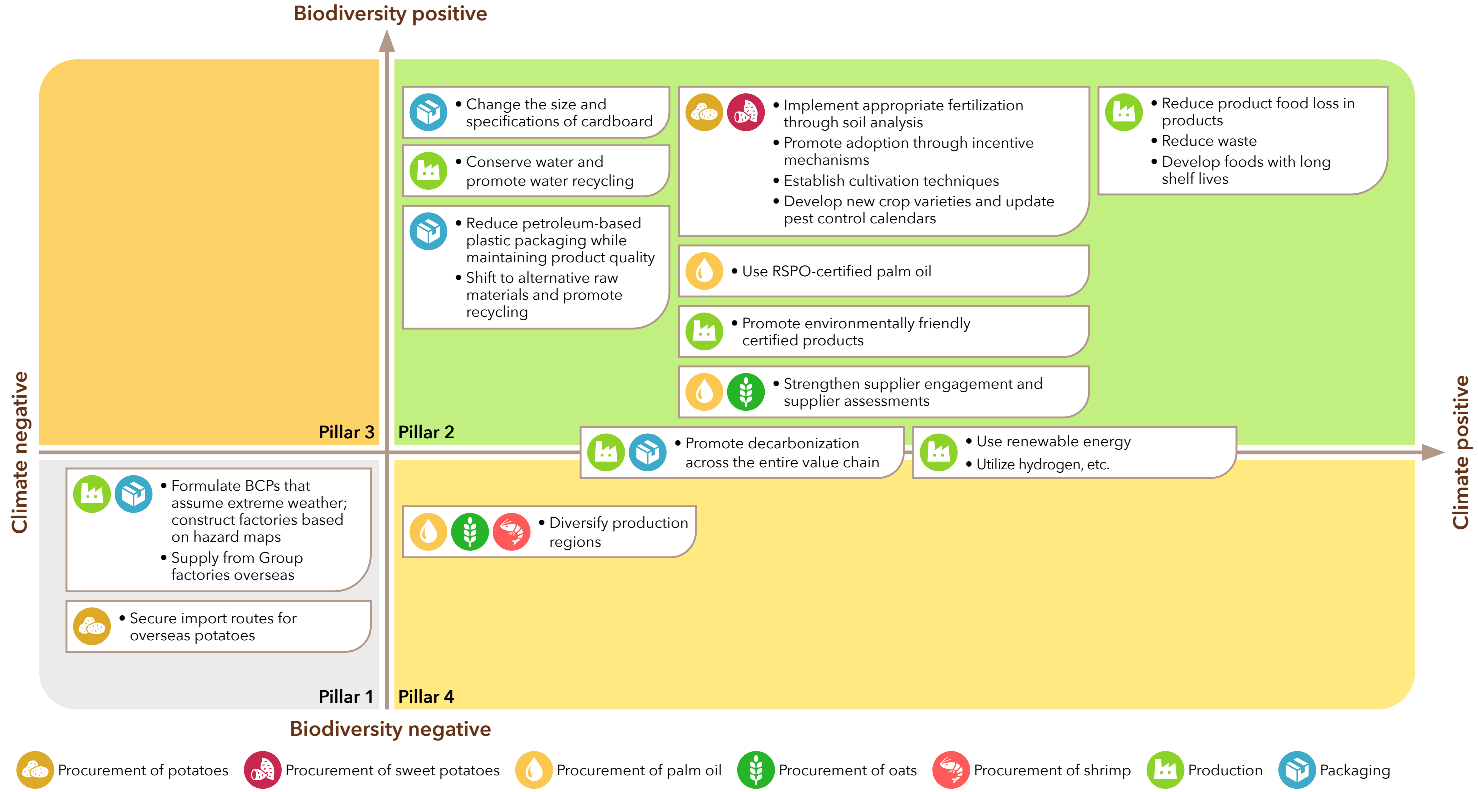
Initiatives placed in Pillar 1 may impose burdens on climate change responses or biodiversity, and those in Pillar 4 on biodiversity. These include responses such as BCP measures assuming extreme weather, imports from overseas factories, and diversification of raw material production regions, all of which are necessary for stable procurement and production. We will continue to advance measures that positively contribute to both climate change and biodiversity, while striving to minimize burdens on climate and nature that may arise as trade-offs.

Conceptual Diagram of the Unlocking the Biodiversity-Climate Nexus Framework



Source: Created by Calbee based on *Unlocking the biodiversity-climate nexus: A practitioner's guide for financial institutions* (Finance for Biodiversity Foundation, 2023)

Using the Conceptual Diagram of the Unlocking the Biodiversity-Climate Nexus Framework



Respect for Human Rights

Launching Project to Promote Respect for Human Rights

Calbee recognizes that all its business activities may directly or indirectly affect human rights, and is committed to fulfilling its responsibility to respect the rights of all people involved in its business. In 2021, we incorporated "respect for human rights" into the Calbee Group Code of Conduct, and in 2022, we revised and established the Calbee Group Procurement Policy and the Calbee Group Palm Oil Procurement Policy to advance concrete actions. Furthermore, in March 2024, we established the Calbee Group Human Rights Policy. In April of the same year, we launched the cross-functional Human Rights Respect Promotion Project, spearheaded by the president and CEO and involving the risk management, procurement, corporate planning, HR, and sustainability divisions, among others. Through this project, we have been working to build mechanisms and frameworks to carry out initiatives on an ongoing basis.

Identifying Priority Issues

In formulating the Calbee Group Human Rights Policy, we held our first human rights workshop in 2023, primarily involving general managing directors of relevant divisions. Participants brought forward (1) potential human rights risks that may arise in the future, and (2) human rights risks that had already occurred (or were close to occurring) in their own areas of responsibility. These were discussed, and with input from experts, the four priority issues shown below were identified and reported to the Board of Directors. Based on further fact-finding, we subsequently designated human rights issues in the supply chain, the rights of foreign workers, and harassment as our central themes going forward. We will continue to broaden the scope of our understanding through human rights due diligence and periodically review these issues.

Establishing the Human Rights Committee

In FY2025/3, we implemented projects designed to build mechanisms for ongoing human rights initiatives and to implement human rights due diligence. In April 2025, we established the Human Rights Committee, chaired by the president and CEO. The committee, which in principle meets twice a year, deliberates on responses to priority issues, formulates roadmaps for overall activities, and clarifies the committee's role and positioning within corporate governance. In addition, the committee advances the development of grievance mechanisms, dialogue with stakeholders, and education and awareness-raising activities.

For details on the human rights due diligence carried out in FY2025/3, please see our website:
https://www.calbee.co.jp/sustainability/en/supplychain/humanrights.php

Calbee's Identified Priority Issues

Calbee priority issues
Human rights issues in the supply chain: child labor, forced labor within suppliers, harassment between business partners
Rights of foreign workers: discriminatory treatment in wages, working hours, or other conditions
Harassment*: sexual harassment, workplace bullying, maternity/paternity harassment, etc.
Working hours: excessive or inappropriate working hours in violation of Article 36 agreements, obstructing rest breaks

General human rights issues			
Inadequate wages	**Working hours**	Occupational health and safety	Right to social security
Harassment	Forced labor	Freedom of residence and movement	Freedom of association
Rights of foreign workers	Child labor	Human rights issues related to technology and AI	Right to privacy
Consumer safety and right to know	Discrimination	Gender-related human rights issues	Freedom of expression
Rights of indigenous peoples and local communities	Human rights issues related to environment and climate change	Intellectual property rights	Bribery and corruption
Human rights issues in the supply chain	Right to access remedies		

Source: Prepared by Calbee based on response to *"Business and Human Rights" Issues Required of Enterprises: "Business and Human Rights Survey and Research" Report (Digest Version)*, February 2021, Ministry of Justice
* Harassment includes sexual harassment, workplace bullying, maternity and paternity harassment, caregiving harassment, etc.

Composition of the Human Rights Committee

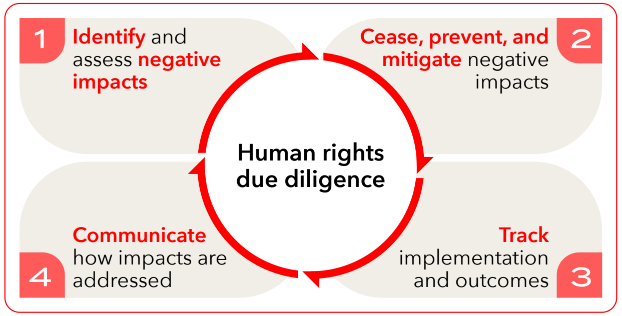
Chairperson: President & CEO

Members:
CRO; General Managing Director, Corporate Risk Management Division (also Secretariat Director); General Managing Director, HR & GA Division; General Managing Director, Sustainability Management Division; General Managing Director, Global Procurement Division; General Managing Director, Corporate Planning Division

Secretariat: 2 members

Frequency:
Twice a year (in principle)

Overall Framework for Human Rights Initiatives



Development of grievance mechanisms and remedies

Dialogue and discussion with stakeholders

Education and awareness-raising activities

Monitoring and information disclosure

Board of Directors and Audit & Supervisory Board Members

1 
3 
5 
7 
1 
3 
2 
4 
6 
8 
2 

Directors

(As of July 1, 2025)

	Name	Position/Background	Years in office	Members of each institution (**●** is the head of the institution): Board of Directors	Nominating Committee	Compensation Committee	Audit & Supervisory Board	Expected roles and expertise: Corporate management	Global	Marketing and brand strategy	New area/ Innovation	Production/DX	Sustainability	Finance/ Investment	Legal/Risk management
1	Makoto Ehara	President & CEO, Representative Director	6 years	**●**	●	●		●	●	●	●		●		
2	Akira Imoto	Director, Senior Managing Executive Officer & CPO, President of Calbee Japan Region	2 years	●				●	●			●	●		
3	Keiei Sho	Director, Senior Managing Executive Officer & CSO, President of Calbee Europe & Americas Region	1 year	●				●	●		●			●	
4	Yoshihiko Miyauchi Outside Independent	Senior Chairman, ORIX Corporation	8 years	●	**●**	**●**		●	●					●	
5	Hatsunori Kiriyama Outside Independent	Representative Director, GL Inc.	2 years	●	●	●		●	●	●					
6	Hiroaki Sugita Outside Independent	Professor, Graduate School of Business and Finance, Waseda University	New	●	●	●		●	●		●				
7	Takako Suzuki Outside Independent	Chair, S.T. CORPORATION	New	●	●	●		●	●	●					
8	Weiwei Yao Outside	President, International Beverage Franchise, PepsiCo, Inc.	New	●	●	●		●	●	●					

Audit & Supervisory Board Member

	Name	Position/Background	Years in office	Members of each institution (**●** is the head of the institution): Board of Directors	Nominating Committee	Compensation Committee	Audit & Supervisory Board	Expected roles and expertise: Corporate management	Global	Marketing and brand strategy	New area/ Innovation	Production/DX	Sustainability	Finance/ Investment	Legal/Risk management
1	Yumiko Okafuji	Full-Time Audit & Supervisory Board Member	3 years	●			**●**		●				●	●	●
2	Nagako Oe Outside Independent	Partner, TMI Associates	9 years	●			●		●						●
3	Yutaka Usami Outside Independent	Representative Director, Management Power Exchange Ltd.; President, Usami Certified Public Accountant Office	2 years	●			●		●					●	

Message from an Outside Director

Objectively supporting value creation, in Japan and overseas, leveraging our strengths in manufacturing

Yoshihiko Miyauchi
Outside Director
(independent director)

Strengthening Governance to Support Value Creation

I believe the purpose of a company is to create value over the medium to long term and deliver that value to society. This is both its responsibility and essential to its license to operate. The board of directors' role is to ensure this is carried out, and at its core, governance is about asking, "Will the company grow under its current management team?" This is where my focus lies.

For the Board of Directors to fulfill its expected role, it must have the authority to replace those in leadership. When assessing Calbee's governance from this perspective, the Board of Directors consists of three inside directors and five outside directors, including four independent directors. I believe this structure ensures sufficient transparency and independence.

During board meetings, outside directors including, myself, use our respective expertise to point out challenges and risks that may be less visible internally. For example, there may be times when we ask the executive officers to reconsider or revise investment proposals. While this may put pressure on them, it also compels deeper analysis and helps mitigate risks.

Supporting Overseas Operations: A Second Founding Era

Since I joined the board as an outside director in 2017, I have watched Calbee grow under three CEOs. Under Akira Matsumoto, Calbee expanded domestically, securing the No. 1 position in the snack and cereal markets, while actively developing its business overseas. Under Shuji Ito, as domestic market share approached its limit, Calbee shifted its focus to diversification to sustain growth. And under Makoto Ehara, as of April 2023, the Company is now actively exploring new growth areas, a direction the Board of Directors fully supports.

The most pressing priority today is accelerating Calbee's overseas expansion. With Japan's population decreasing, we wholeheartedly endorse this effort, while recognizing how demanding this work will be. Overseas growth requires significant upfront investment, which is funded by the profits of our domestic businesses. Successfully balancing Calbee's ability to maintain strong market share and earnings in Japan while pursuing new opportunities abroad will be the greatest challenge of CEO Ehara's leadership team. In this sense, we see the current transformation as a true "second founding."

The board has increasingly focused its discussions on Calbee's overseas strategy. For example, while China's market is attractive given its large population, in practice, we encountered higher-than-anticipated entry barriers and investment risks. As a result, in addition to our focus on North America, we are also shifting more of our attention to Southeast Asia. Going forward, while maintaining our overall direction, we recognize the need to be flexible and respond to local market conditions. Calbee's outside directors, including myself, bring extensive overseas business experience, which we are using to provide targeted advice and constructive oversight.

Refining the Value of Manufacturing

Having observed Calbee over a long period, its greatest strength lies in its firm commitment to manufacturing. Its dedication to its core business, from pursuing research and development on a daily basis to its confidence in its product quality, is the driving force behind its leading share in the domestic snack and cereal markets, and reflects its pride as a true corporate leader.

Message from an Outside Director

But the strengths we have built in Japan do not always translate abroad. Since I became an outside director of Calbee, I have made it a habit of studying the snack shelves of retailers in foreign markets. In some regions, consumers prioritize volume and price over flavor and quality, underscoring the challenge of entering these markets. For employees who have dedicated themselves to creating subtle differences in flavor, this may come as challenging. Ultimately, though, I believe what matters the most is the identity we have been building over the years.

Successful Japanese companies abroad, such as leading automakers, have thrived by staying true to their identity in the long run. I expect there will be continuous challenges in helping local consumers understand the value of Calbee products, but overcoming them will elevate the Company to a higher level. We don't need to succeed in the entire world at once—earning recognition in just one region can change our trajectory, and that is where I believe we should begin.

Even if we look across all our sites in Japan, the number of Calbee employees who can excel abroad is currently limited. Looking ahead, it will be important to recruit strong local talent, place them in meaningful roles, and ensure they understand and embrace Calbee's corporate culture. Creating a work environment in which locally hired employees can perform at their best will be more crucial than ever. That said, I have confidence in Calbee's track record of bringing together internal talent with external expertise, including on the board.

Importance of Management over the Medium to Long Term

Companies are expected to continuously grow, but growth is rarely a straight line. Progress often comes through steps taken forward and back, with failures offering valuable lessons for success. If a company focuses only on short-term results, we risk underinvesting in the future and slowing its growth. Corporate growth should be managed with a medium- to long-term perspective. I believe the true purpose of a company is to create a virtuous cycle in which employees' personal growth and joy leads to overall corporate growth, and vice versa.

The Board of Directors is responsible for ensuring the executive team is carrying out corporate activities with sincerity and without complacency, while offering positive encouragement. When the board is functioning well in its role, I believe we will earn the recognition of a broad range of stakeholders that governance at Calbee is functioning effectively.

Specifics Discussed in Board Meetings (FY2025/3)

The Board of Directors deliberates and makes decisions on management policies, investment targets, and other important topics. It also reviews the medium- to long-term progress of growth strategies and fundamental management issues, such as sustainability, while discussing ways to reinforce its oversight function. Specifically, this includes:

- Medium- to long-term growth strategy aligned with the Company's vision
- Progress and challenges of key growth strategy priorities
- Research and development and businesses investments in new fields, including major capital expenditures
- Progress with business strategies with a focus on priority markets abroad
- Financial strategy focusing on cost of capital (including shareholder returns and capital policies)
- Selection of directors, Audit & Supervisory Board members, and executive candidates following deliberation by the Nominating Committee
- Basic policy on executive compensation following deliberation by the Compensation Committee
- Progress in priority issues and themes in sustainability management

Corporate Governance

Fundamental Approach

Our vision is to become a company that is respected, admired, and loved—first by consumers and business partners, then by our employees and their families, followed by the communities we serve, and finally by shareholders. We believe that putting our consumers and business partners first ultimately leads to maximizing shareholder value. At the same time, we recognize strong corporate governance is essential to earning the trust of all stakeholders and enhancing corporate value. Guided by this approach, we are committed to enhancing management transparency and to reinforcing our internal control systems and compliance framework.

In line with the application of Japan's Corporate Governance Code to listed companies in 2015, we have established our own Corporate Governance Code to formalize our fundamental approach to corporate governance.

For more details, please refer to our Corporate Governance Code:
https://www.calbee.co.jp/en/ir/pdf/2025/governance_code.pdf

Evolution of Our Corporate Governance Framework

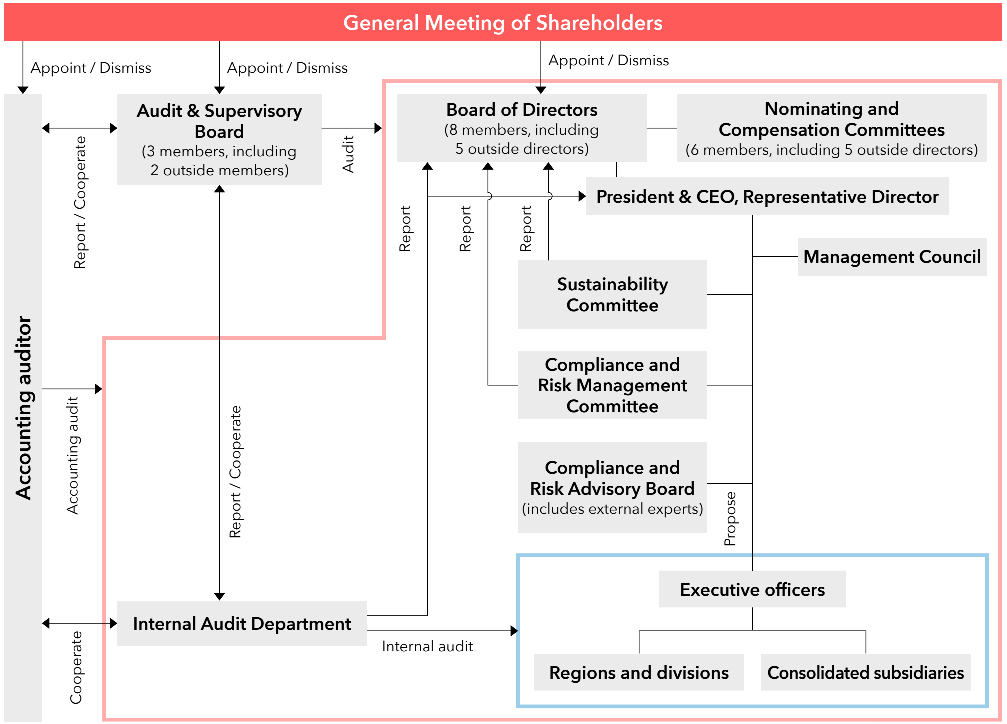
	Objective	Initiatives
2001	• Separation of supervision and execution	• Introduced executive officer system • Appointed outside directors
2009	• Strengthening of oversight functions • Promotion of diversity on the Board of Directors	• Reduced number of internal directors from nine to two • Increased number of outside directors from two to five • Appointed first non-Japanese director
2010	• Enhancement of transparency and soundness	• Established the Advisory Board (now the Nominating and Compensation Committees)
2014	• Clarification of management responsibility	• Shortened director terms from two years to one year
2019	• Strengthening of management structure • Clarification of committee functions	• Increased the number of internal directors by two, expanding the Board from six to eight people • Transitioned from the Advisory Board to the Nominating and Compensation Committees, each chaired by outside directors
2023	• Clarification of the independence of outside officers	• Established Calbee's own independence standards for outside officers

Corporate Governance Framework

Our corporate governance framework comprises an eight-member Board of Directors, including five outside directors (four independent) and three internal directors, together with an Audit & Supervisory Board that oversees management. By implementing an executive officer system, we have separated supervisory and executive functions to improve transparency, clarify responsibility, accelerate decision-making, and strengthen oversight.

Our framework functions as follows: the General Meeting of Shareholders serves as the highest decision-making body; executive officers are responsible for business execution; the Board of Directors supervises execution; and the Audit & Supervisory Board audits and monitors the performance of directors.

Overview of Framework



Directors and Audit & Supervisory Board Member Nomination Policy and Procedures

[Policy] Composition of the Board of Directors

The majority of our board consists of independent directors. We actively promote diversity by considering differences in background, gender, nationality, and other factors. Candidates are drawn from a diverse range of fields, including the food industry, broader industries, and academia, providing a balanced mix of perspectives. Independence is determined based on our internal standards, which are aligned with the requirements of the Tokyo Stock Exchange.

Composition of the Board of Directors and the Audit & Supervisory Board (as of June 25, 2025)

Expected Roles and Areas of Expertise (as of June 25, 2025)

Category		Number of applicable directors and Audit & Supervisory Board members
Corporate management	Experience and knowledge in corporate management	8 people
Global	Experience in international business or corporate management related to global business development	11 people
Marketing and brand strategy	Expertise in providing products and services that meet consumer needs and branding	4 people
New areas/Innovation	Expertise in creating and developing new businesses and business innovation	3 people
Production/DX	Expertise in improving and optimizing productivity and strategic use of digital technology	1 person
Sustainability	Expertise required to sustainably develop both companies and society	3 people
Finance/Investment	Expertise in financial accounting and investment strategies	4 people
Legal/Risk management	Expertise in legal affairs and risk management	2 people

[Policy] Nomination of Outside Directors and Audit & Supervisory Board Members

We place importance on the following factors when considering candidates, evaluating comprehensively whether they will contribute to sound and efficient corporate management. Independence is assessed in accordance with our internal standards, which are aligned with the Tokyo Stock Exchange's requirements for independent officers.

- The candidate can draw on extensive knowledge and experience in corporate management, both in Japan and internationally, to provide objective and constructive advice and oversight
- The candidate can draw on deep insight and specialized knowledge in their field to provide valuable, objective, and impartial advice and supervision

[Process] Nomination of Outside Directors and Audit & Supervisory Board Members

Nominations for outside directors are considered by the Nominating Committee, a voluntary advisory committee, before they are proposed by the Board of Directors and approved at the General Meeting of Shareholders. Candidates for outside members of the Audit & Supervisory Board are nominated by the Board of Directors based on expertise in fields such as finance, accounting, and law, and their commitment to fulfilling the mandate entrusted by shareholders. Their nomination requires the consent of the Audit & Supervisory Board and approval at the General Meeting of Shareholders.

Key Deliberations by the Nominating Committee and the Compensation Committee (FY2025/3)

The Nominating Committee deliberated on the selection of director candidates, the skills required of directors and others, the appointment of executive officers, and matters related to the executive structure. The committee also discussed the succession plan, and following a review of the previous fiscal year's execution of duties, whether to recommend reappointing the CEO.

The Compensation Committee reviewed the executive compensation policy and compensation structure to ensure they align with the Company's medium- to long-term growth strategy and reflect market trends.

With the lead independent outside director serving as chair of both the Nominating Committee and Compensation Committee, we have established a structure that enhances the independence, objectivity, and transparency of these committees.

Corporate Governance

Evaluating the Board of Directors' Effectiveness

We conduct an annual evaluation of the effectiveness of the Board of Directors. The evaluation focuses on whether the board makes decisions that contribute to enhancing corporate value from the perspective of shareholders, and whether it effectively oversees executive management from an independent standpoint. To this end, we conduct surveys and individual interviews with directors and Audit & Supervisory Board members, and then analyze the results to strengthen the board's supervisory function.

Evaluation process	Main focus areas of the questionnaire and interviews
• A third-party organization conducted a questionnaire of all directors and Audit & Supervisory Board members • The organization aggregated and analyzed the questionnaire results • The Board of Directors' Secretariat and Audit & Supervisory Board members conducted individual interviews of directors	• Board composition (size, number of members, expertise, and diversity) • Board operations (quality and volume of reporting materials, time allocated for deliberation, etc.) • Board agenda (content of agenda items submitted and effectiveness of discussions) • Other matters (effectiveness of the Nominating Committee and Compensation Committee, etc.)

FY2025/3 Evaluation Results and Future Initiatives

Based on the third-party's analysis of the questionnaire and the results of the interviews, we concluded that the Board of Directors is effective. Key findings and future initiatives are outlined below.

Key issues and initiatives from the FY2024/3 effectiveness evaluation

(1) We will continue to examine the composition of the Board of Directors and the organizational design in order to accelerate our growth strategy and strengthen governance.
(2) We will streamline information provided and optimize the scheduling of agenda items in order to enhance discussions centered on our growth strategy.
(3) We will deepen discussions on strengthening our business foundation for sustainable value creation, as well as on financial strategies incorporating cost of capital.
(4) We will hold meetings of the Nominating Committee and Compensation Committee in an orchestrated manner to ensure transparency in the processes of executive nomination and compensation decisions.

FY2025/3 effectiveness evaluation

(1) Board composition
- Ensured diversity among outside directors in terms of gender, nationality, area of expertise, etc.
- Identified room for improvement in the number of times outside officers are reappointed and in the proportion of female directors

(2) Operation of the board
- Maintained high attendance rate by continuing to hold hybrid meetings
- Strengthened the role of outside officers and stimulated discussions through opportunities to exchange opinions outside of board meetings, such as factory visits and internal events
- Ensured outside officers could provide advice and objections at board meetings based on their own knowledge and experience

(3) Agenda items
- Provided regular opportunities to discuss management policy and medium- to long-term strategy
- Recognized the need to improve the scheduling of agenda items and provision of background information, such as industry trends, competitive environment, and risks, in order to deepen discussions
- Recognized the need to engage in in-depth discussions on how business foundations—such as human capital, digital transformation (DX), and sustainability—support growth strategy

(4) Other
- Clarified the roles of the Nominating Committee and Compensation Committee, resulting in more active discussions on matters such as executive structure

Key issues and future initiatives

(1) We will optimize the selection of agenda items and provide an environment that enables sufficient deliberation of medium- to long-term strategies as well as areas related to the business foundation, such as human capital strategy, risk management, and internal controls
(2) We will improve the accuracy of proposed agenda items and enhance the provision of information such as market intelligence
(3) For M&A and large-scale investment projects, we will optimize the scheduling of discussions to ensure thorough deliberation, while enhancing financial discussions with a clear focus on cost of capital
(4) We will continue to examine the composition of the Board of Directors and the design of our organization. Within the Nominating Committee, we will deepen succession plan discussions to ensure greater transparency in the executive nomination process

Key Discussions by the Board of Directors

Based on the board's evaluation, in FY2025/3, the Board of Directors strengthened its focus on medium- to long-term strategy. Key reporting and discussion items are as follows.

Agenda items	Details of major reporting and discussion items
Review of priority items under the *Change 2025* growth strategy	**Reporting details** The general managing director in charge reported key achievements, such as results that exceeded growth expectations despite a challenging environment marked by cost pressures and tighter regulations, and progress in enhancing profitability by optimizing the number of SKUs. The report also touched on the need to strengthen earning power over the medium to long term and to pursue growth in key overseas regions. **Discussion details** Discussions focused on concentrating resources in key overseas regions and developing strategies tailored to regional characteristics. The board also emphasized the importance of branding and innovation to differentiate and expand the portfolio of high-value-added products.
Calbee's organizational and human capital strategies	**Reporting details** The general managing director in charge reported on progress in human capital management, and outlined issues and potential solutions related to developing global talent. **Discussion details** Discussions focused on the importance of aligning organizational and human capital strategies with the growth strategy, the need to foster talent and an organizational culture that generate innovation, and the importance of establishing a system that draws out employees' motivation to take on challenges and leverage their creative abilities.

Corporate Governance

Executive Compensation

Calbee's executive compensation is designed to motivate individuals to drive continuous business growth and advance sustainability management in support of the Company's 2030 vision: "To establish our pivotal growth drivers in overseas markets and new food domains." Specifically, to enhance transparency and objectivity, the Board of Directors makes decisions according to the policies below after deliberation by the Compensation Committee.

- The compensation system should incentivize both short-term performance and medium- to long-term performance and the enhancement of corporate value
- Compensation should be directly tied to management strategy and vary significantly based on Company performance and corporate value
- Compensation should align the interests of management with shareholders
- Compensation should be set at a level that allows Calbee to recruit and retain top talent with diverse capabilities

To determine compensation for individual directors, the Compensation Committee conducts a multifaceted review that includes maintaining consistency with established policies. The Board of Directors generally respects the committee's recommendations and considers its decisions to be aligned with these policies.

Directors (excluding outside directors) are expected to continuously hold a certain value of Calbee shares to reinforce their commitment to enhancing medium- to long-term corporate value enhancement. Specifically, the Company has set certain targets including potential shareholdings (i.e., confirmed points under the share-based compensation trust). For instance, the president and CEO is expected to hold shares equivalent to at least 2.0 times their base compensation, while other directors are expected to hold shares equivalent to at least 1.0 time their base compensation.

Overview of Executive Compensation

Calbee's executive compensation consists of fixed base compensation and performance-linked compensation, including bonuses, performance-linked stock compensation, and retirement benefits. Approximately half of the total compensation is performance-linked, designed not only to drive continuous performance improvement each fiscal year, but also to incentivize medium- to long-term growth and align with shareholder interests.

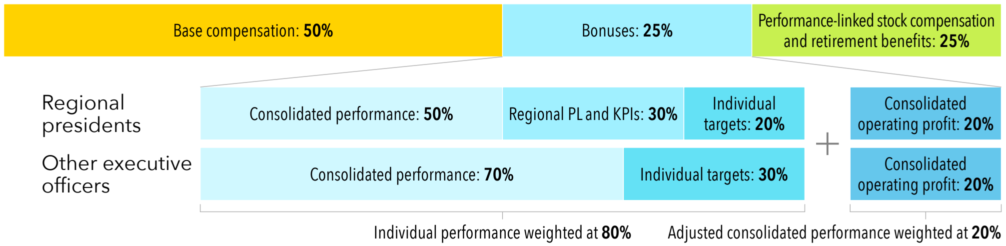
Outside directors receive compensation composed entirely of fixed base compensation.

Types of compensation		Overview
Fixed	**Base compensation**	• This remuneration is paid as compensation for the execution of duties corresponding to each position • Base compensation is determined by taking into account an executive's position, nature of responsibilities, and level of accountability
Variable	**Bonuses**	• Bonuses are paid annually based on the degree of achievement of performance indicators • Performance indicators include consolidated business targets (net sales, operating profit, and profit attributable to owners of parent) and individual performance goals; bonuses are awarded according to position, responsibilities, and achievement level • Of the individual performance goals, 50% must relate to human resource development and organizational development that contribute to sustainable growth
	Performance-linked stock compensation	• This non-monetary compensation, which is awarded upon retirement, is based on a point system (number of Calbee shares) granted each fiscal year according to position, level of achievement against consolidated performance indicators, and sustainability targets*
	Retirement benefits	• This compensation is paid in a lump sum upon retirement, accrued annually at an amount equivalent to one-half of the executive bonus level

* Sustainability targets: (1) expansion of products focused on salt and protein, (2) appropriate fertilization (low-phosphate fertilizer), (3) reduction of total GHG emissions, (4) reduction of water consumption, (5) ratio of women in management, and (6) employee engagement

For details on the calculation method of performance-linked compensation, please refer to Calbee's latest Annual Securities Report (available only in Japanese).
https://www.calbee.co.jp/ir/library/fs/

Structure of Executive Compensation



FY2025/3 Results

Category		Number of recipients	Total compensation (millions of yen)	Total compensation by type (millions of yen)			
				Base compensation	Bonuses	Performance-linked stock compensation	Retirement benefits
Directors		9	339	205	56	49	28
	Outside directors	5	72	72	–	–	–
Audit & Supervisory Board members		3	58	58	–	–	–
	Outside Audit & Supervisory Board members	2	28	28	–	–	–
Total		12	397	264	56	49	28
	Outside officers	7	100	100	–	–	–

Notes: The number of directors includes one director who retired at the conclusion of the 75th Annual General Meeting of Shareholders held on June 25, 2024.
The amount listed under performance-linked stock compensation includes ¥49 million recorded during the fiscal year as provision for share-based compensation. The amount listed under retirement benefits includes ¥28 million recorded during the fiscal year as provision for retirement benefits.

Corporate Governance

Risk Management

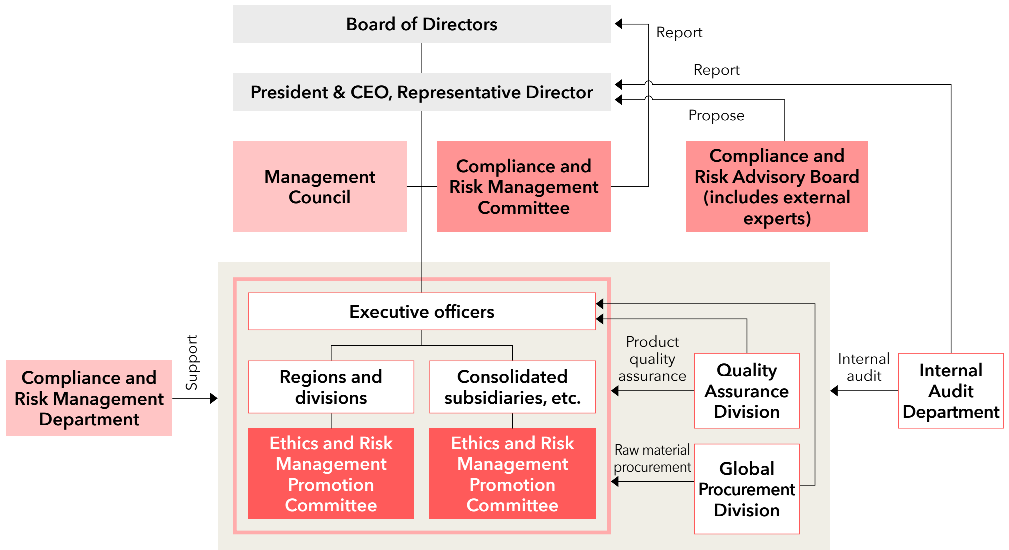
To address the wide range of management risks surrounding the Company—such as product safety and quality, raw material procurement, natural disasters, pandemics, information security, and compliance—we have established crisis management regulations. Also, as part of the process of building our internal control system, each division and Group company identifies and assesses management risks. We promote a business continuity framework that aims to preempt risks, minimize damage when risks materialize, and facilitate rapid recovery. In particular, the Quality Assurance Division and Global Procurement Division take the lead in implementing preventive measures and establishing systems for rapid response to risks related to product safety and raw material procurement. To address cyberattacks and other information security risks, we have established the Computer Security Incident Response Team (CSIRT). At the same time, we continue to educate and raise awareness among employees, implementing both system-based and human-centered prevention and response measures.

Risk Management Structure

The Calbee Group has built a compliance and risk management structure based on its Basic Policy on the Development of Internal Control Systems. The Compliance and Risk Management Committee deliberates and decides on countermeasures and manages progress on those actions. Furthermore, if the likelihood of a risk materializing increases or if a risk does in fact materialize, we will establish an emergency response headquarters as necessary to mitigate the risk.

For more information on business-related and other risk factors facing the Company, please see the latest Annual Securities Report (available only in Japanese).
https://www.calbee.co.jp/ir/library/fs/

Compliance and Risk Management Structure



Major Risks and Responses

	Risk		Potential risk	Response
1	**Product safety**		• Product recalls and suspension of sales • Loss of trust	• Build quality assurance systems • Achieve traceability across the entire supply chain
2	**Product development**		• Inability to develop products in a timely manner due to failure to respond properly to needs of consumers and business partners	• Systematically conduct new product development, refresh brands, improve quality, reduce costs, and engage in R&D activities in fundamental research fields
3	**Raw material procurement**	**(1) Potato procurement risk** (weather instability and decrease in number of potato growers)	• Loss of sales opportunities due to inability to secure volume of potatoes • Cost increase driven by urgent procurement	• Build a procurement system through contracted growers and diversify production areas • Support cultivation and harvesting and assist with labor-reduction measures • Build factories that can handle imported potatoes
		(2) Potato procurement risk (spread of potato cyst nematodes)	• Failure to develop and popularize new varieties that meet requirements • New varieties fail to achieve widespread adoption in production areas • Faster-than-expected spread of potato cyst nematodes	• Promote a switch to nematode-resistant potato varieties
		(3) Other foodstuff and raw material procurement risks	• Higher-than-expected increases in prices of raw materials and supplies • Increased procurement costs due to changes in import sources and routes	• Establish a network of multiple and diverse suppliers • Reinforce efforts to maintain appropriate inventory levels

Corporate Governance

Risk	Potential risk	Response
4 **Product supply in Japan**	• Inability to secure appropriately priced transportation vehicles • Higher-than-expected transportation costs • Excesses/shortages of raw materials due to climate change and sudden changes in sales	• Use automation and AI to reduce wait times through supply chain management reforms • Promote "white logistics" by reducing delivery frequency, consolidating delivery destinations, and using pallets • Establish a value chain optimization system
5 **Information security**	• Cyber terrorism and computer virus infection • Loss of information due to unauthorized access and data tampering • Leakage of personal information or confidential company information	• Establish an incident response system centered on CSIRT • Conduct appropriate security countermeasures for information management
6 **Securing global human resources**	• Inability to recruit sufficient global talent • Delays in global human resource development	• Promote global talent management that achieve systematic recruitment, placement, development, and evaluation
7 **Compliance**	• Actions that violate laws or social norms that could result in penalties, revocation of permits and licenses, lawsuits, and loss of trust	• Established the Calbee Group Code of Conduct and promoted compliance through level-based training and other educational activities to ensure employee compliance with ethical and social norms, laws and regulations, internal rules, etc.
8 **Intellectual property rights**	• Illegal use of Calbee's intellectual property by third parties • Pursuit of the Company by third parties for intellectual property right infringements	• Establish a department dedicated to thoroughly protecting and managing various intellectual property rights • Work to avoid third-party intellectual property right infringements
9 **Geopolitical impacts on overseas expansion**	• Risks becoming greater and more protracted than expected, causing supply shortages	• Consider and implement advance measures to address geopolitical risks, such as anticipated conflicts, decoupling, and pandemics
10 **Climate change**	• Introduction of carbon taxes, based on the progress of initiatives to reduce greenhouse gas emissions • Changes in consumer purchasing behavior • Potential deterioration in potato quality • Damage to production equipment, interrupted operation, and supply chain disruptions due to typhoons, torrential rain, etc.	• Energy conservation and use of renewable energy • Support the TCFD recommendations and analyze risks and opportunities related to climate change
11 **Natural disasters and pandemics**	• Prolonged disruption of the supply chain resulting in inability to supply products • Long lead times and significant costs incurred for repairs or upgrades of machinery, equipment, and facilities • Sharp increases in raw material prices and difficulty in securing raw materials	• Promote diversification of suppliers for production sites and raw materials, as well as multiple sourcing • Strive for early restoration of supply systems based on an all-hazards business continuity plan (BCP)
12 **Major shareholders**	• If changes occur in PepsiCo, Inc.'s management policies or business strategies, it may not be possible to realize the synergies of the alliance • If the agreement is terminated, a competitive relationship may arise with the PepsiCo Group within Japan • Changes may occur in PepsiCo, Inc.'s shareholding ratio in Calbee	• Maintain the strategic alliance with PepsiCo, Inc.

Financial Highlights

Please refer to the following website for details on performance and financial data.
https://www.calbee.co.jp/en/ir/finance/

Operating Results for FY2025/3

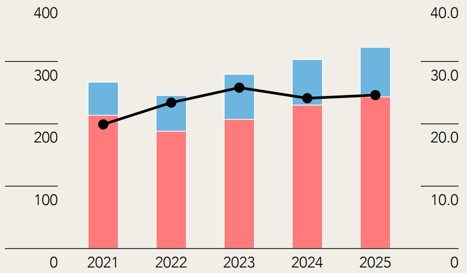
In FY2025/3, we delivered our strongest results since our founding, with net sales of ¥322.6 billion, operating profit of ¥29.1 billion, and profit attributable to owners of parent of ¥20.9 billion, while advancing structural reforms to position Calbee for the next stage of growth.

The domestic core business achieved growth in both sales and profit. While implementing strategic product price and content revisions in response to ongoing cost increases, sales volumes of both snacks and cereals grew as a result of bolstering brand marketing, strengthening sales capabilities, and capturing growing travel-related demand. Revenue also benefited from data-driven improvements through DX initiatives, while in January 2025, we also began operations at the new state-of-the-art Setouchi Hiroshima Factory. In the overseas business, demand remained sluggish in Greater China, but increased in Europe, the U.S., Indonesia, and other regions, leading to overall growth in sales. In new business areas, sales of the sweet potato business and *Body Granola*, a personalized food program, also grew.

Total assets amounted to ¥319.2 billion, mainly due to an increase in property, plant and equipment resulting from the construction of the Setouchi Hiroshima Factory, and cash flows from operating activities was ¥39.1 billion.

Net Sales, Overseas Sales Ratio

(Billions of yen) (%)

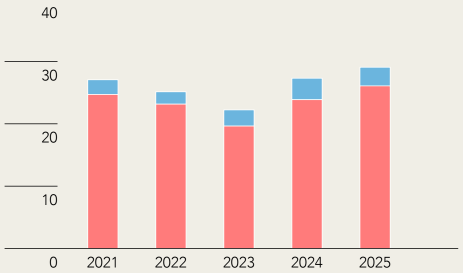


(Fiscal year ended March 31)

Net sales*1 (left scale)
Domestic sales Overseas sales
Overseas sales ratio (right scale)

Operating Profit

(Billions of yen)

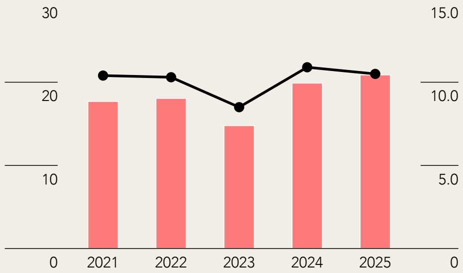


(Fiscal year ended March 31)

Domestic operating profit
Overseas operating profit

Profit Attributable to Owners of Parent, ROE

(Billions of yen) (%)

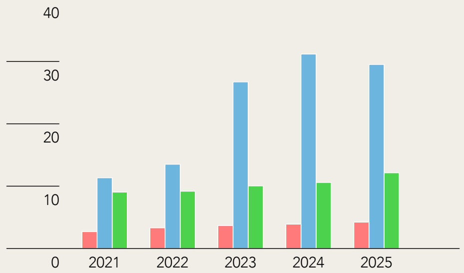


(Fiscal year ended March 31)

Profit attributable to owners of parent (left scale)
ROE (right scale)

Capital Expenditures, Depreciation, Research and Development Expenses

(Billions of yen)

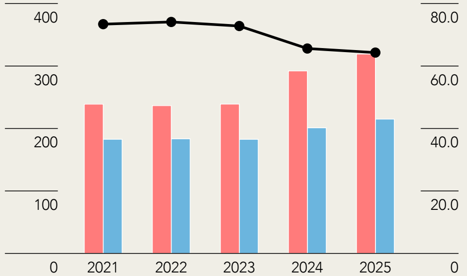


(Fiscal year ended March 31)

Research and development expenses
Capital expenditures
Depreciation

Total Assets, Net Assets, Equity Ratio

(Billions of yen) (%)

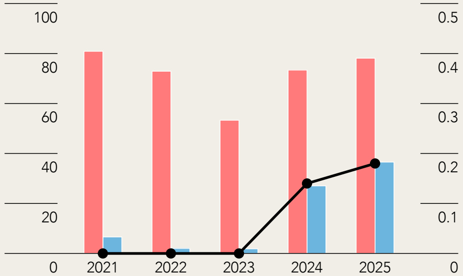


(Fiscal year ended March 31)

Total assets (left scale)
Net assets (left scale)
Equity ratio (right scale)

Working Capital, Interest-Bearing Debt, D/E Ratio

(Billions of yen) (Multiple)

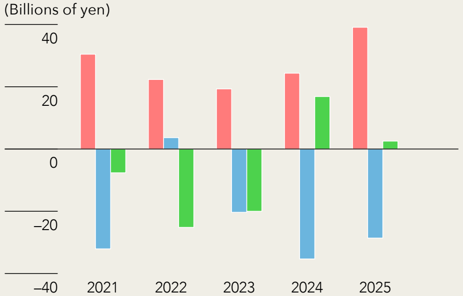


(Fiscal year ended March 31)

Working capital*2 (left scale)
Interest-bearing debt*3 (left scale)
D/E ratio (right scale)

Cash Flows

(Billions of yen)

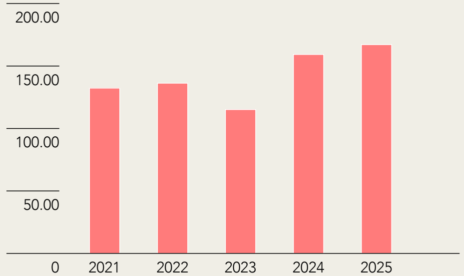


(Fiscal year ended March 31)

Cash flows from operating activities
Cash flows from investing activities
Cash flows from financing activities

EPS

(Yen)



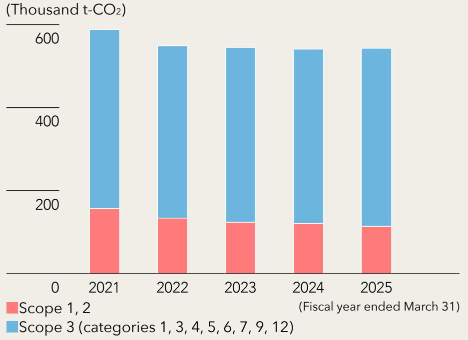
(Fiscal year ended March 31)

*1 The revised Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) has been applied from the beginning of FY2022/3. As a result, the method of accounting for rebates and other items as selling, general and administrative expenses has been changed to a method of deducting these items from net sales.
*2 Current assets less current liabilities *3 Includes long-term and short-term borrowings, lease obligations, and other interest-bearing debt

Non-Financial Highlights

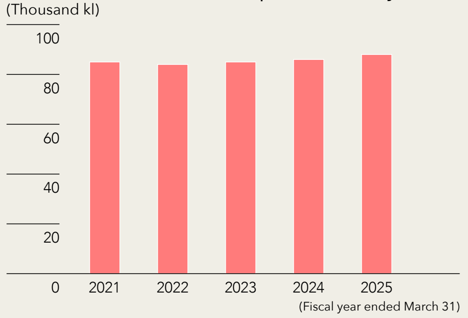
Please refer to the following website for details on ESG data.
https://www.calbee.co.jp/sustainability/en/esg-data.php

CO₂ Emissions
(Non-consolidated)



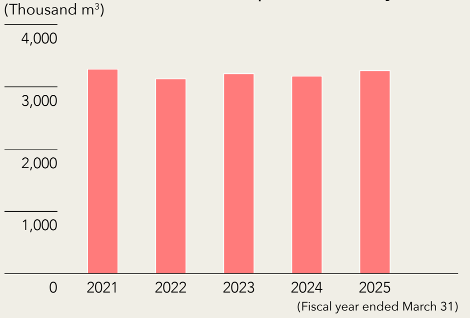
We are advancing the conversion of our production plants to renewable energy sources and pursuing efforts to reduce CO_2 emissions through raw materials, including the visualization of CO_2 emissions from potatoes.

Energy Consumption (Crude Oil Equivalent)
(Non-consolidated + Japan Frito-Lay Ltd.)



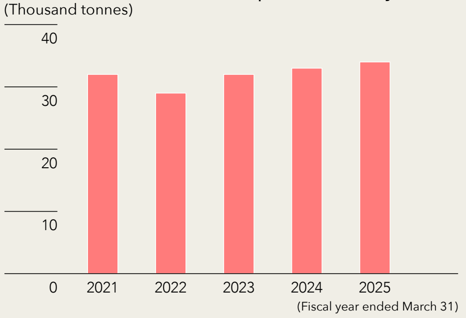
We are participating in the Kiyohara Smart Energy Center energy-saving project, which integrates energy management across business sites, while also promoting measures such as the adoption of LED lights at each factory.

Water Consumption
(Non-consolidated + Japan Frito-Lay Ltd.)



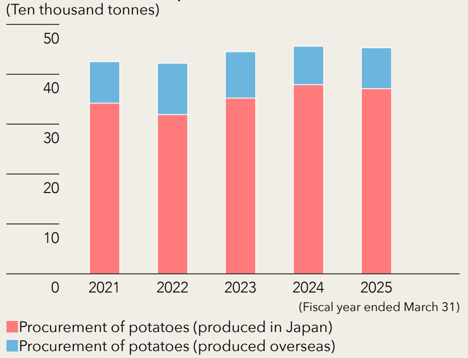
We are reducing water consumption by optimizing water usage and recycling. To this end, we are conducting visualization and improving efficiency of water consumption of each manufacturing facility.

Volume of Waste
(Non-consolidated + Japan Frito-Lay Ltd.)



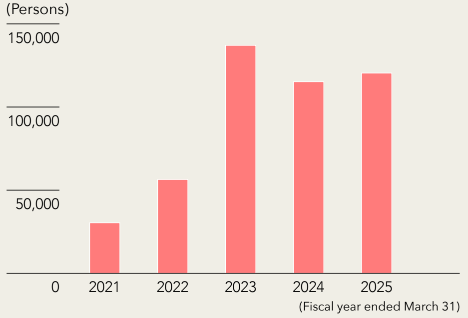
We are working to ensure that losses generated in the production process do not become waste. Instead, we are working to convert them into quality products, monetize them, and reduce their overall volume.

Procurement of Potatoes*
(Domestic Group)



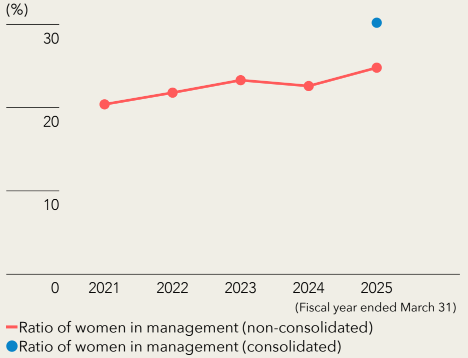
We are developing new uses for domestically grown potatoes and working to improve the sustainability of agriculture through potatoes by developing new varieties and promoting science-based cultivation.

Food Communication
(Non-consolidated)



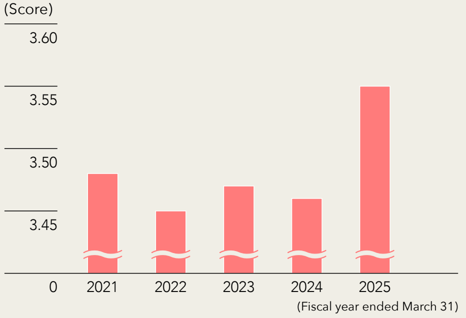
In addition to outreach classes on nutrition, factory tours, and snack contests, we are developing new programs to provide diverse and comprehensive experiences centered on food.

Ratio of Women in Management
(Non-consolidated/Consolidated)



We have set a target of increasing the ratio of female managers to over 30% by FY2031/3, aiming to bring this in line with our ratio of female employees, who make up about half of our workforce.

Overall Engagement Survey Score
(Non-consolidated)



As a result of initiatives such as management-led *Kurumaza* Meetings and other activities, our score in FY2025/3 increased to 3.55 (up 0.09 year on year), the highest in the past five years.

*Including primary processed products and commodities

Corporate Information

Company Data (as of March 31, 2025)

Company Name	Calbee, Inc.
Head Office	Marunouchi Trust Tower Main, 22F, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo
Date of Establishment	April 30, 1949
Business	Production and sales of snacks and other food products
Fiscal Year-End	March 31
Paid-In Capital	¥12,046 million
Number of Employees	Consolidated: 5,138 Non-consolidated: 2,290

External Evaluations

2025

Sompo Sustainability Index

Sompo Sustainability Index
Sompo Asset Management's index of companies with high ESG (Environmental, Social and Governance) ratings
(As of June 2025)

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index (WIN)*1
MSCI's index of companies selected for their gender diversity
(As of November 2024 update)

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index*1
MSCI's index of companies with high ESG (Environmental, Social and Governance) ratings
(As of November 2024 update)

Morningstar® Japan ex-REIT Gender Diversity Tilt Index℠*2
Morningstar's index of companies with the highest ratings for gender and diversity initiatives
(As of December 23, 2024)

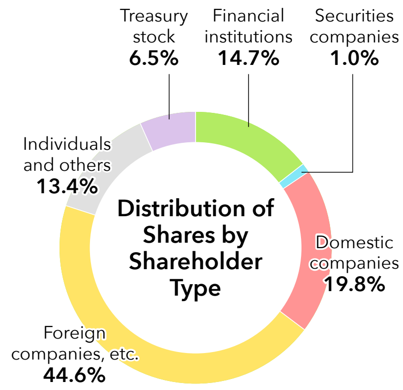
iSTOXX® MUTB Japan Platinum Career 150 Index
Index jointly developed by Mitsubishi UFJ Trust and Banking Corporation and STOXX Limited to select companies that are proactive in building employee careers
(As of June 2025)

***1 Disclaimer**
THE INCLUSION OF CALBEE, INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF CALBEE, INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

***2 Disclaimer**
Morningstar, Inc. and/or its affiliates (individually and collectively, "Morningstar") has authorized Calbee, Inc. to use the Morningstar® Japan ex-REIT Gender Diversity Tilt logo (the "Logo") to reflect the fact that Calbee, Inc. "ranked in the top quantile of stocks comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt Index (the "index ") for gender diversity in the workplace in the specified ranking year." Morningstar has authorized the use of the Logo by Calbee, Inc. for informational purposes only. Use of the Logo by Calbee, Inc. does not constitute an endorsement by Morningstar of Calbee, Inc. or a recommendation, offer, or solicitation to purchase, sell, or subscribe for any securities related to Calbee, Inc. While the Index is designed to reflect gender diversity in the Japanese workplace, Morningstar does not guarantee the accuracy, completeness, or timeliness of the Index or the data contained in the Index. Morningstar makes no express or implied warranties with respect to the Index or the Logo, and expressly disclaims any warranties of merchantability and fitness for a particular purpose or use with respect to the Index, the data contained in the Index or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or its third-party content providers be liable for any damages (whether direct or indirect) resulting from use of or reliance on the Index or Logo by either party, even if Morningstar has been made aware of the possibility of such damages. The Morningstar name, Index name, and Logo are trademarks or service marks of Morningstar, Inc. Past performance is no guarantee of future results.

Stock Information (as of March 31, 2025)

Securities Code	2229
Stock Listing	Tokyo Stock Exchange Prime Market
Number of Shares per Unit	100 shares
Fiscal Year	From April 1 of each year to March 31 of the following year
Ordinary General Meeting of Shareholders	Held every June
Total Number of Shares Authorized	176,000,000 shares
Total Number of Shares Issued	133,929,800 shares
Total Number of Shareholders	33,800



Major Shareholders

Name of shareholder	Number of shares (thousands)	Ownership ratio (%)*4
Frito-Lay Global Investments B.V.*3	26,800	21.41
General Incorporated Association Miki-no-Kai	18,230	14.56
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,094	10.46
JP MORGAN CHASE BANK 385864	5,564	4.45
JP MORGAN CHASE BANK 385632	4,232	3.38
Custody Bank of Japan, Ltd. (Trust Account)	3,621	2.89
GIC PRIVATE LIMITED - C	3,059	2.44
Calbee Employees Shareholding Association	2,060	1.65
THE TORIGOE CO., LTD.	1,936	1.55
THE BANK OF NEW YORK MELLON 140051	1,702	1.36

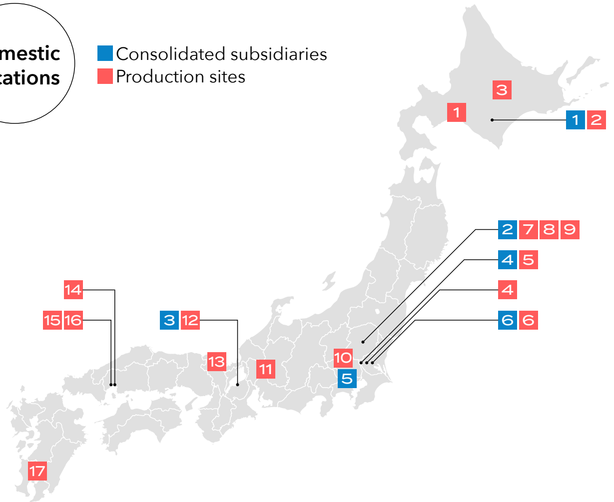
*3 Frito-Lay Global Investments B.V. is a wholly owned subsidiary of PepsiCo, Inc.
*4 Ownership ratios are calculated excluding treasury stock (8,762,571 shares). The ownership ratios are calculated including 80,445 shares held by the Employee Stock Ownership Plan (ESOP) trust account and 149,800 shares held by the Board Incentive Plan (BIP) trust account.

Corporate Information

Group Companies and Production Sites (as of April 1, 2025)

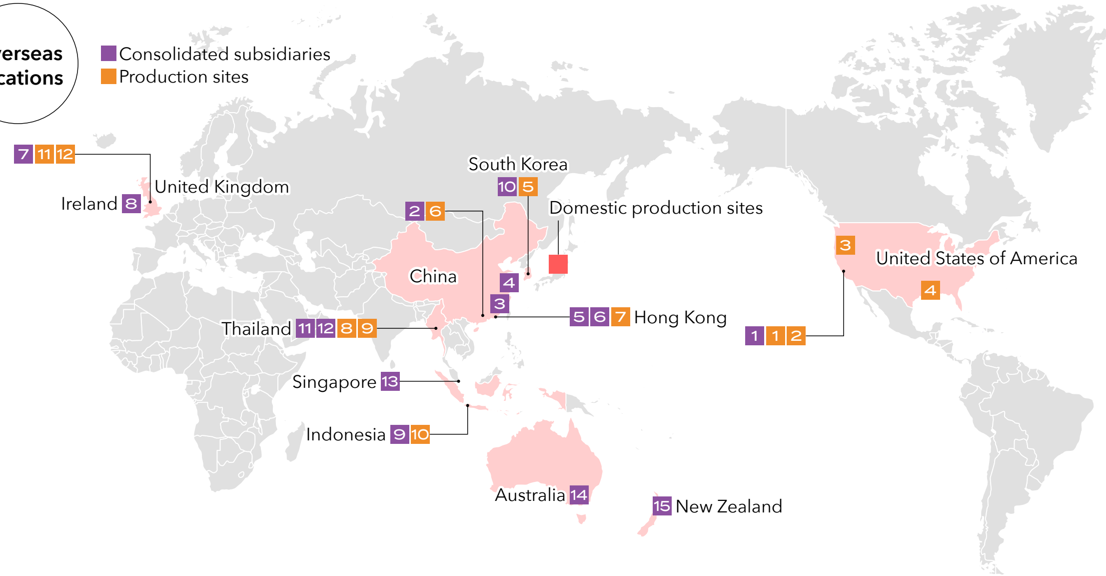
Domestic Locations

■ Consolidated subsidiaries
■ Production sites



Overseas Locations

■ Consolidated subsidiaries
■ Production sites



Consolidated Subsidiaries

1 Calbee Potato, Inc.
2 Calbee Logistics, Inc.
3 Calbee Eatalk Co., Ltd.
4 Japan Frito-Lay Ltd.
5 Studio Socio Inc.
6 Calbee Kaitsuka Sweet Potato, Inc.

Production Sites

1 Hokkaido Factory
2 Obihiro Factory
3 Factory (Hokkaido Foods Co., Ltd.)*
4 Shimotsuma Factory
5 Koga Factory (Japan Frito-Lay Ltd.)
6 Factories 1-4 (Calbee Kaitsuka Sweet Potato, Inc.)
7 Shin-Utsunomiya Factory
8 Kiyohara Factory
9 R&D Center
10 Higashimatsuyama Factory (Potato Foods Co., Ltd.)*
11 Gifu Kakamigahara Factory
12 Kansai Biwako Factory
13 Kyoto Factory
14 Setouchi Hiroshima Factory
15 Hiroshima Miyajima Factory
16 Hiroshima Hatsukaichi Factory
17 Kagoshima Factory

*Factories operated in cooperation with the Calbee Group

Consolidated Subsidiaries

1 Calbee America, Inc. (United States)
2 CFSS Co. Ltd. (China)
3 Calbee (Hangzhou) Foods Co., Ltd. (China)
4 Calbee (China) Co., Ltd. (China)
5 Calbee Four Seas Co., Ltd. (Hong Kong, China)
6 Calbee E-commerce, Ltd. (Hong Kong, China)
7 Calbee Group (UK) Ltd. (United Kingdom)
8 Calbee Ireland Ltd. (Ireland)
9 PT. Calbee-Wings Food (Indonesia)
10 Haitai-Calbee Co., Ltd. (South Korea)
11 Calbee Tanawat Co., Ltd. (Thailand)
12 Greenday Global Co., Ltd. (Thailand)
13 Calbee Moh Seng Pte. Ltd. (Singapore)
14 Calbee Australia Pty Ltd. (Australia)
15 Calbee New Zealand Ltd. (New Zealand)

Production Sites

Calbee America, Inc.
- 1 Fairfield Factory (California, United States)
- 2 Madera Factory (California, United States)
- 3 Boardman Factory (Oregon, United States)
- 4 Senatobia Factory (Mississippi, United States)

5 Haitai-Calbee Co., Ltd.
Munmak First Factory, Munmak Second Factory (South Korea)
6 CFSS Co. Ltd. (Guangdong, China)
7 Calbee Four Seas Co., Ltd. (Hong Kong)
8 Calbee Tanawat Co., Ltd. (Thailand)
9 Greenday Global Co., Ltd. (Thailand)
10 PT. Calbee-Wings Food (Indonesia)
Calbee Group (UK) Ltd.
- 11 Deeside Factory (United Kingdom)
- 12 Bradford Factory (United Kingdom)

Harvest the Power of Nature.

Calbee, Inc.

Marunouchi Trust Tower Main, 22F,
1-8-3 Marunouchi, Chiyoda-ku,
Tokyo 100-0005, Japan

https://www.calbee.co.jp/en/