



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.

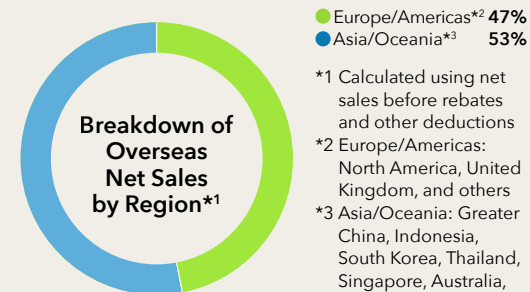
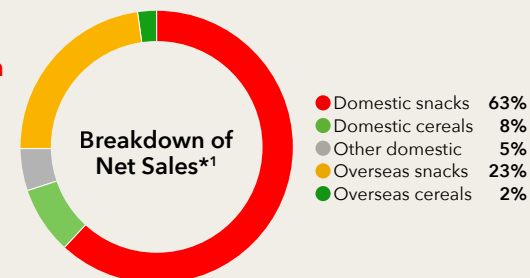
Results for FY2025/3

Consolidated net sales
¥322.6 billion

Consolidated operating profit
¥29.1 billion

ROE
10.5%

EBITDA
¥43.5 billion



*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

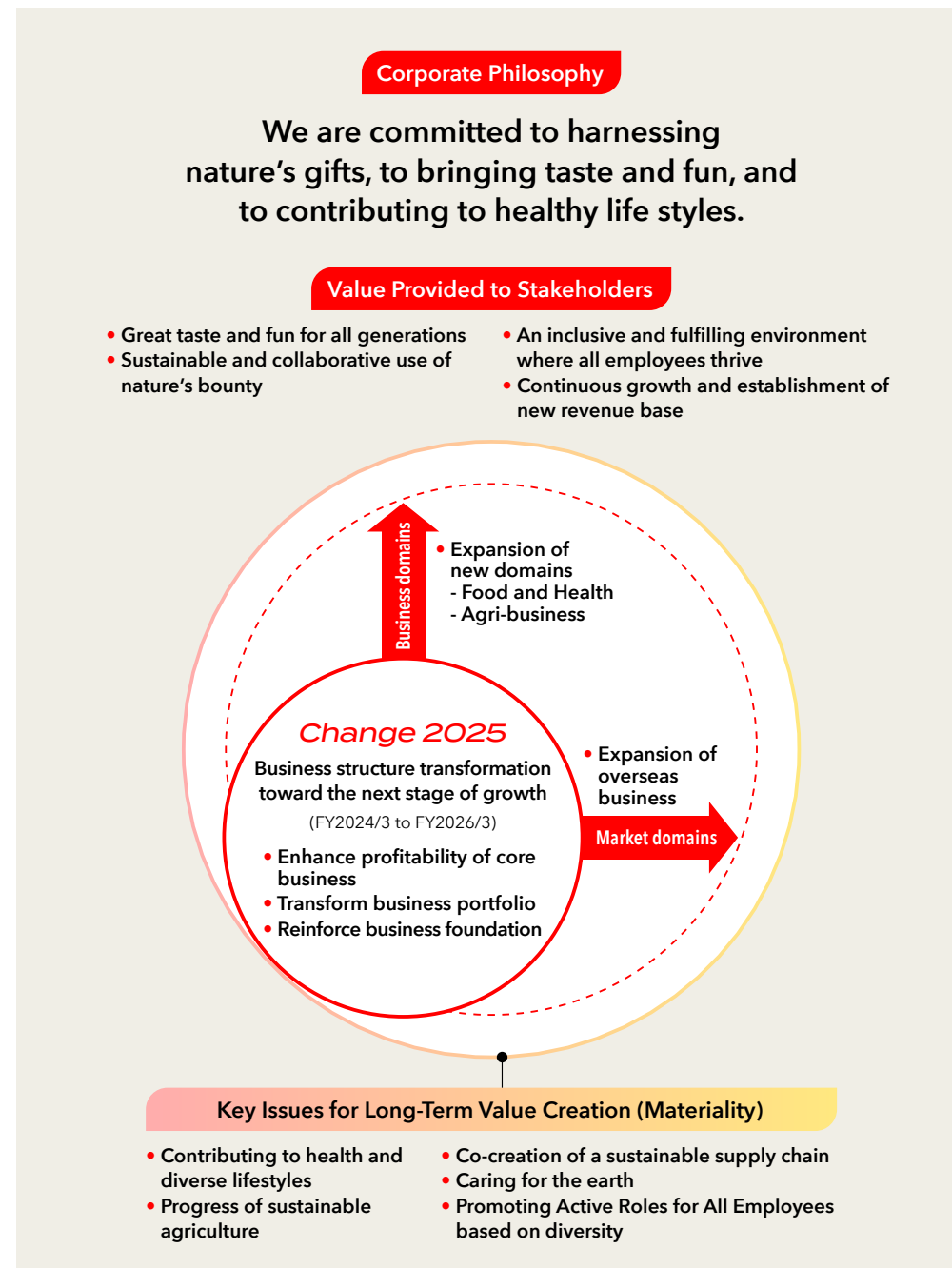
Overview of Our Value Creation Strategy

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.

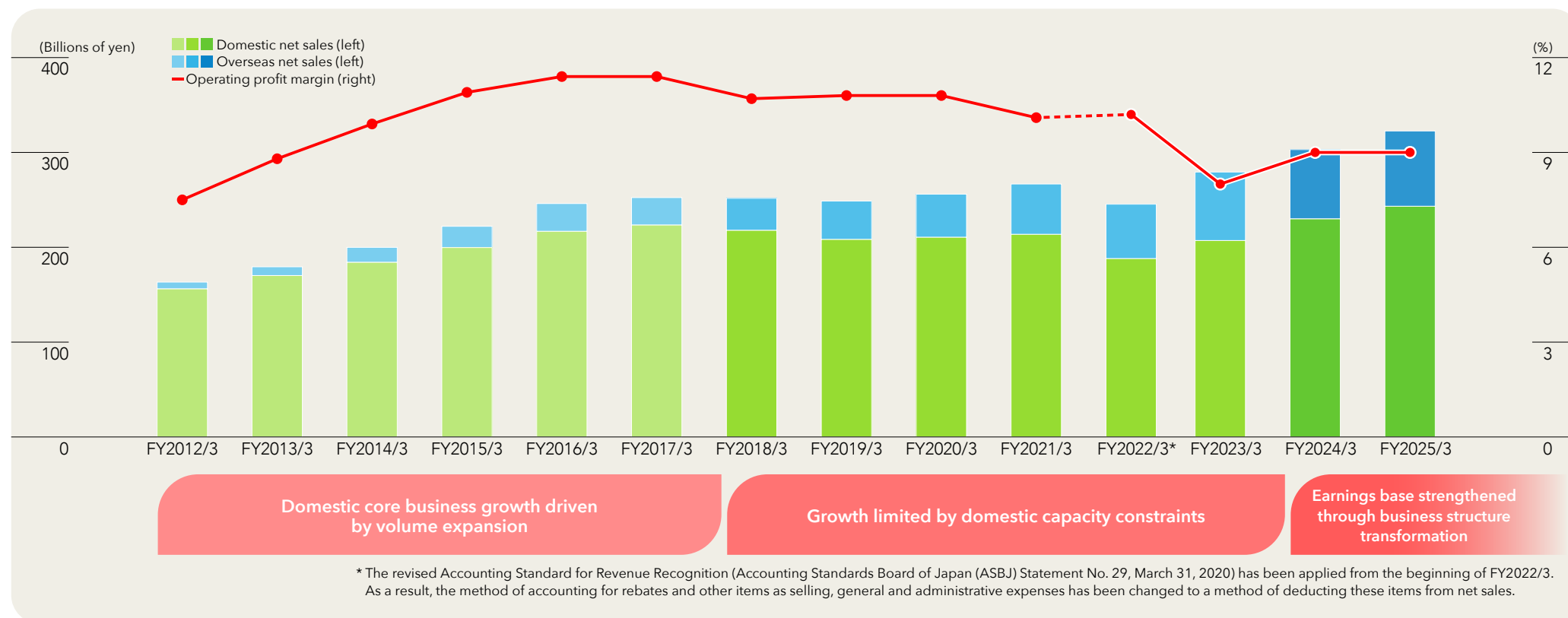


Overview of Value Creation Strategy

Management Resources Driving Our Value Creation

Type of capital	Management resources	Key issues	Response policy	Value created (outcome)
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	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
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.	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%
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	Economic value - Consolidated net sales ¥322.6 billion - Consolidated operating profit ¥29.1 billion - Operating cash flow ¥39.1 billion - ROE 10.5%

Transitions in Business Strategy



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

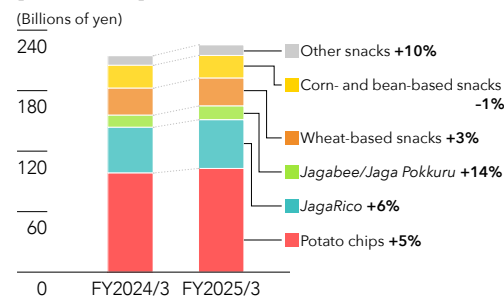
Steady Progress on Addressing Issues

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.

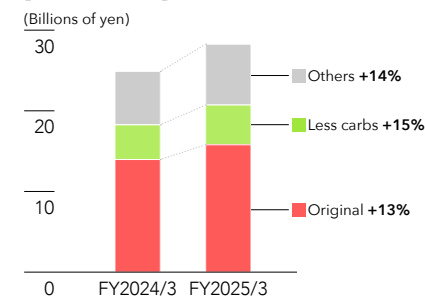
On the downstream side, competition is intensifying against a backdrop of inflation. We are responding by expanding our lineup of products for cost-conscious consumers, while promoting activities to build greater brand recognition. This includes highlighting Calbee's distinct commitments, such as careful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



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



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.

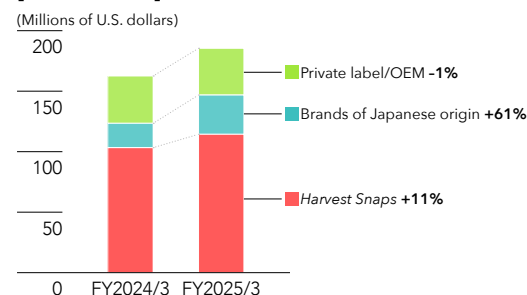
Positioning the North American Market as a Global Growth Driver

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.

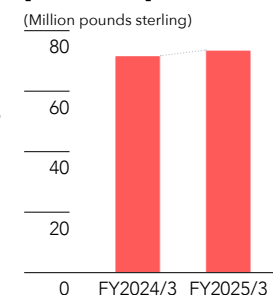
Against this backdrop, our strategy for the Europe and Americas markets is to expand our presence in the “Better For You” category and Asian-style snacks, while stabilizing earnings. We have positioned North America in particular as a priority market going forward, and will concentrate our management 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 will 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.

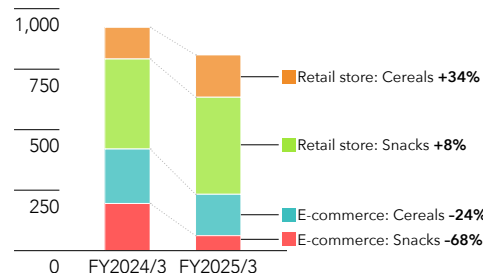
Furthermore, as the Group advances its global expansion, unifying our brands across every region, including in Europe and the Americas, will be essential. We see this as another important objective in our region. Guided by our policy of growing the Calbee brand to contribute to the health and well-being 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]

(Millions of RMB)

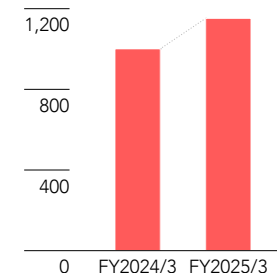


Indonesia Net Sales

(Local Currency Basis)

[+15% YoY]

(Billions of Indonesian rupiah)



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

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

Raise corporate value
& ROE

ROIC

Raising EBITDA

Maximize profits
in the domestic
core businessExpand sales in
the overseas business
and new areasInvestment in
structural reform
(efficiency/
labor savings)Growth
investmentEfficiency
investmentCost investment
optimization

Optimize capital investment

Reduce cost of capital

Target: Approx. 6%
Net D/E ratio: 0.5

- Reduce cost of capital through an optimal capital structure
- Engage in dialogue and exchange opinions with investors and shareholders through IR and SR
- Realize an optimal shareholder composition from a long-term perspective (retail investors, etc.)
- Optimize procurement cost through SDG financing and other means

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.

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

Three-year
cash allocationGrowth investment
About ¥80 billionEfficiency investment
About ¥60 billionShareholder returns
About ¥25 billionFY2024/3 and FY2025/3
cumulative resultsEfficiency investment
¥44.5 billionGrowth investment
¥18.2 billionShareholder returns
¥13.5 billion

	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,

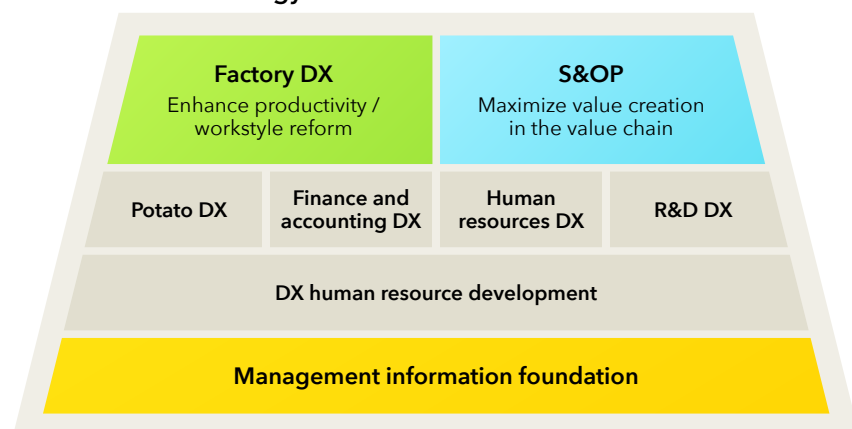
aligned with our company-wide strategy. This also led to a greater understanding that Calbee's transformation will be driven by information and digital technologies, and DX will become part of our daily work.

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.

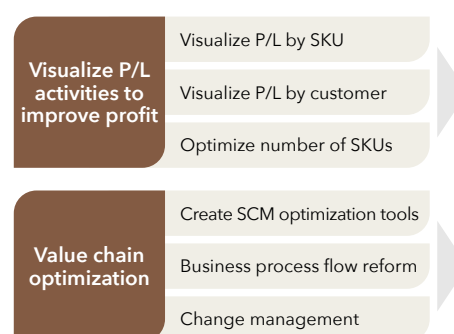
Calbee's DX efforts began around 2019 as a bottom-up initiative focused on digitization of our factories. Since April 2023, we have advanced top-down initiatives as well, including building our S&OP process, and our proprietary simulation system, C-BOSS, to optimize our supply chain. Furthermore, through 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

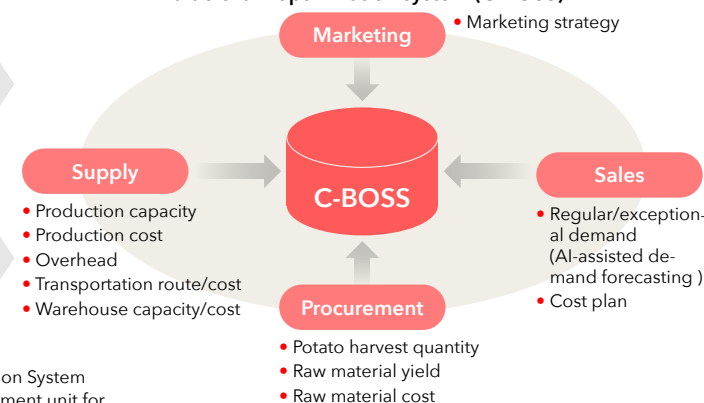


S&OP Initiative



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

Value chain optimization system (C-BOSS)



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

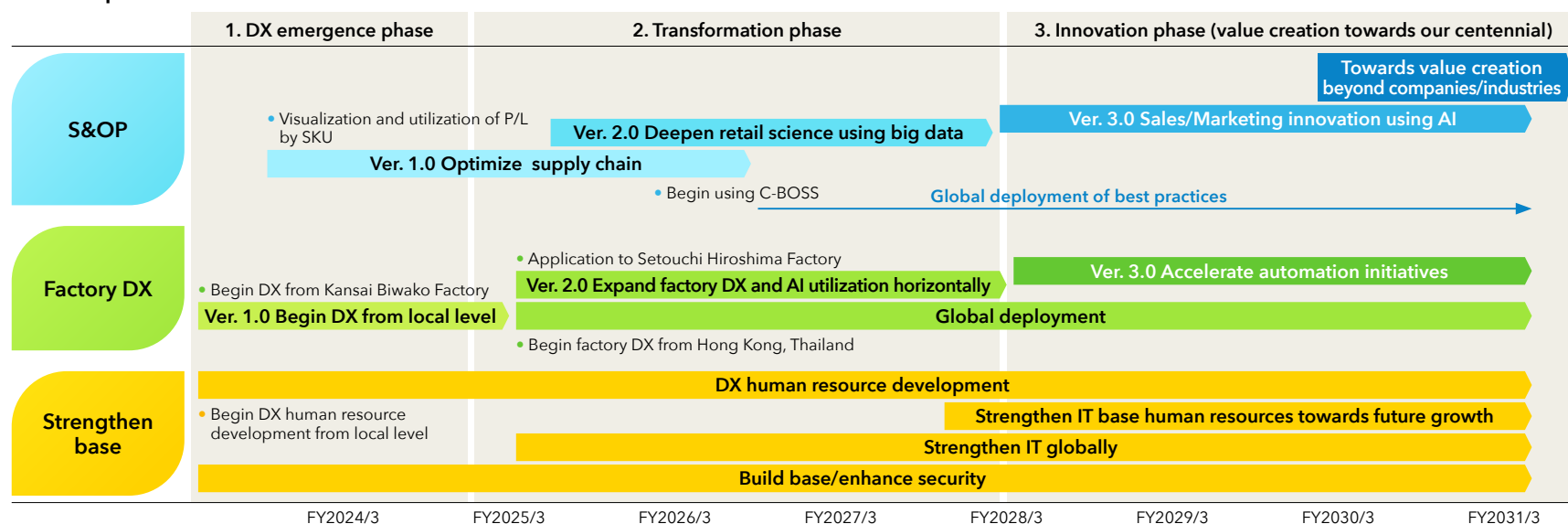
production to advancing our sales strategy and upskilling our personnel—charting a course to enhancing our earnings structure.

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

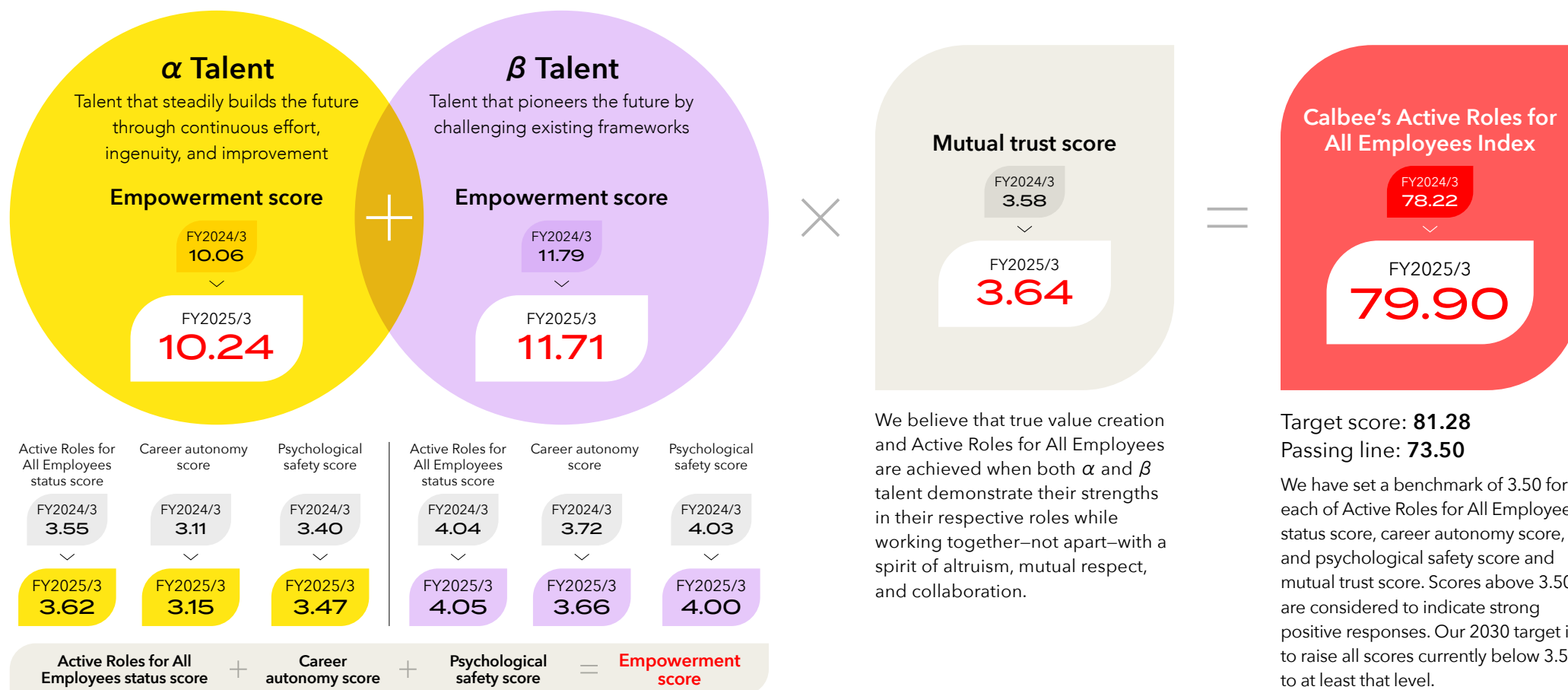
Calbee's Unique Active Roles for All Employees Index (Human Capital Index)

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.



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.

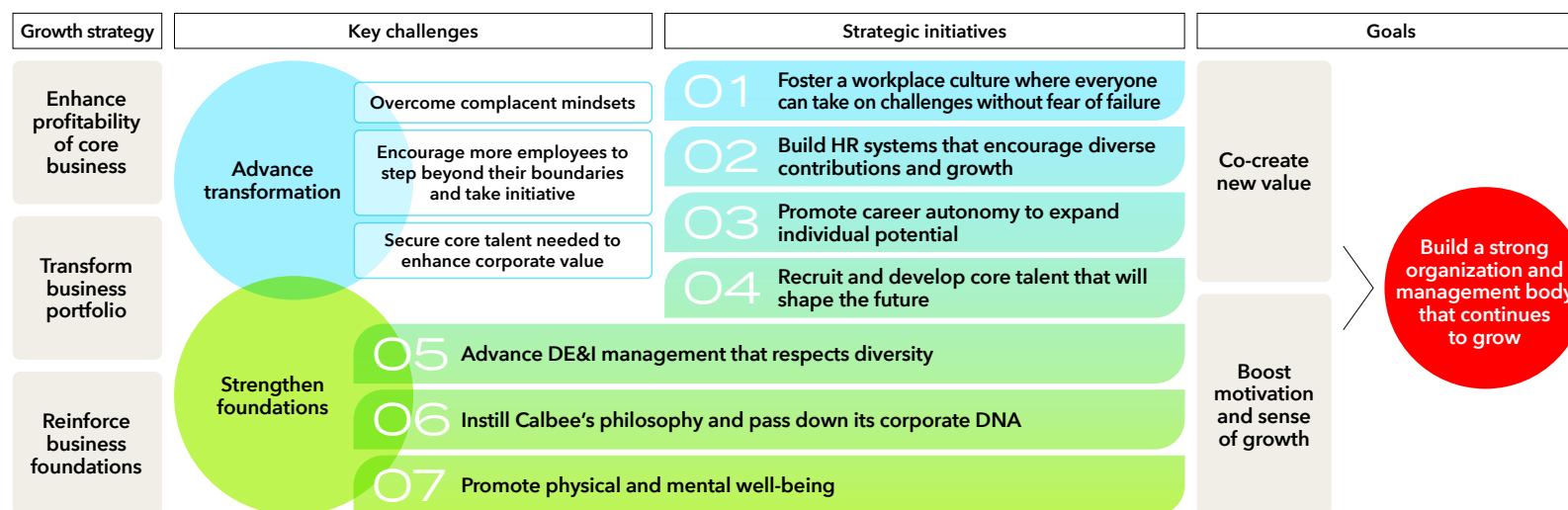
The third is securing the core talent needed to enhance corporate value. We will clarify the skills and scale of talent needed for future value creation and take a deliberate approach to acquisition and development.

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

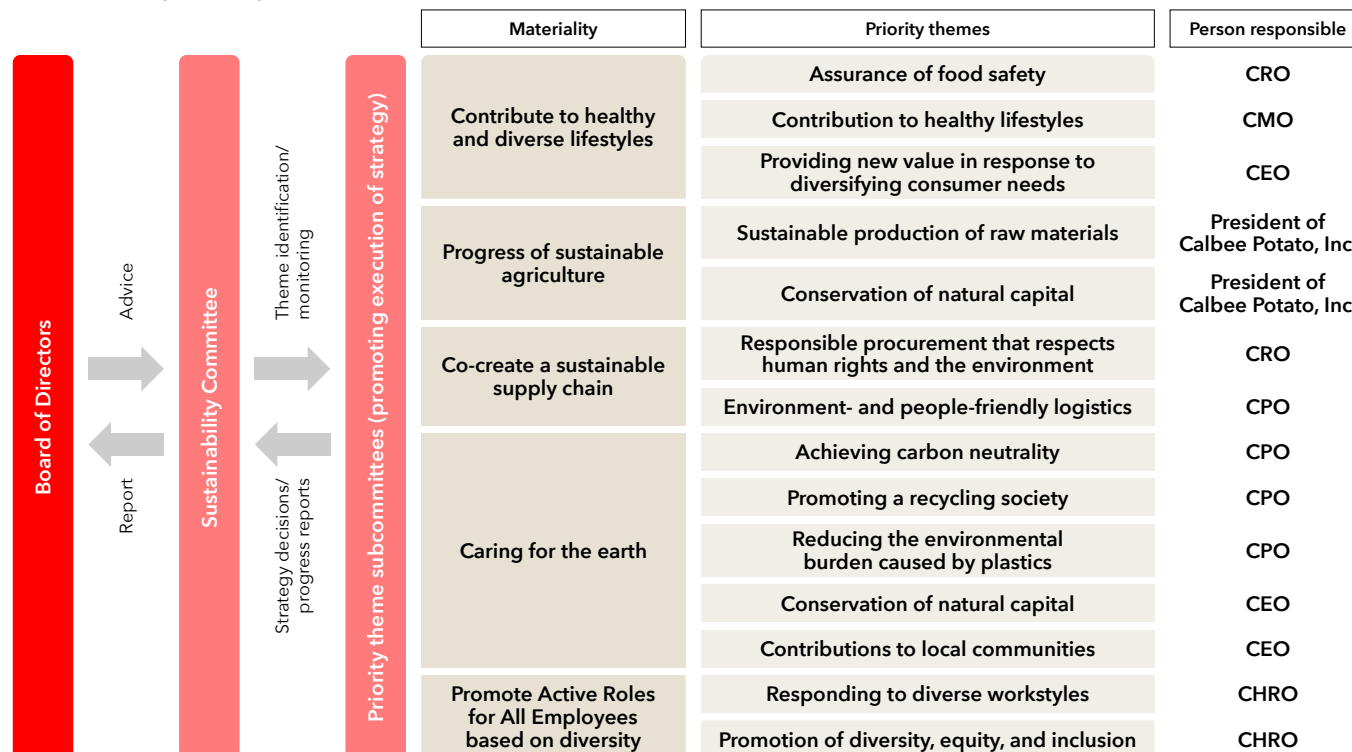
these priority themes. We also endorsed the UN Global Compact and are now extending our activities worldwide.

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



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) - Incorporate 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			FY2023/3 result	FY2024/3 result	FY2025/3 result
			Indicator	Achievement timeframe	Target			
Caring for the earth 7 7 RENEWABLE ENERGY 12 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 13 CLIMATE ACTION 14 14 LIFE BELOW WATER 15 15 LIFE ON LAND	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 CO₂ 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 3 3 GOOD HEALTH AND WELL-BEING 5 5 GENDER EQUALITY 8 8 DECENT WORK AND ECONOMIC GROWTH 9 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 10 REDUCED INEQUALITIES	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%
	Promotion of diversity, equity, and inclusion		Ratio of female executives, etc. (executive officers and general managing directors)	FY2031/3	Over 30%	—* ⁶	12.8%	19.5%
			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

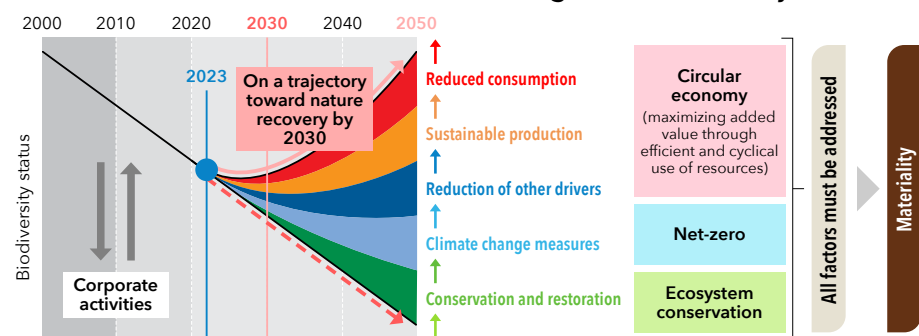
CLOSE-UP Integrated Initiatives on Climate and Nature (Toward Nature Positive)

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**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.

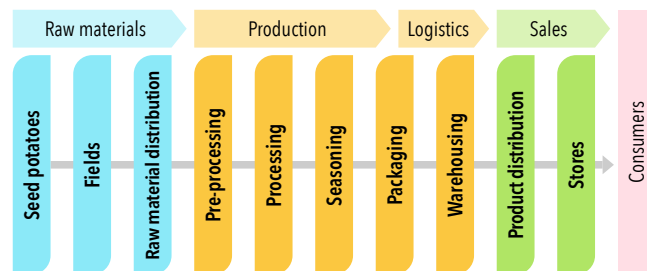
Progress on Priority Themes

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.

► 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.



Revisions to the Calbee Group Code of Conduct and Policies 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)

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 CO₂-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.

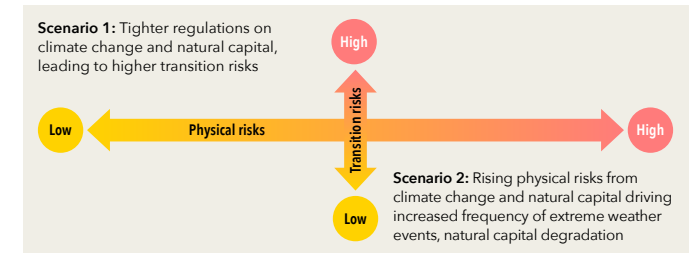
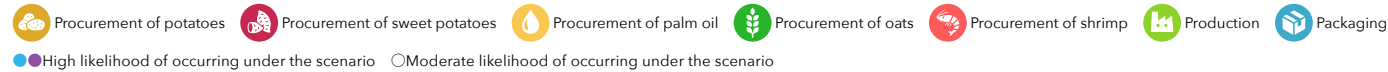


From July 2024, we adopted zipless packaging for some of our stand-up pouch products. By changing the container shape, we have reduced the amount of petroleum-based plastic by approximately 11% compared to our previous product.

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Response to TNFD Recommendations

Climate- and Nature-Related Risks



	Dependencies and impacts	Target	Category	Risk	Scenario		Target	Risk countermeasures
					1	2		
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
	Solid waste		Nature	If regulations on agricultural waste and wastewater management are tightened, additional countermeasures will be required, leading to higher procurement costs	●			Strengthen supplier engagement and supplier assessments; use RSPO-certified palm oil
	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
	Pollination		Nature	If pollinator populations decline, investment in artificial pollination equipment will be required, driving up procurement costs		●		Strengthen supplier engagement and assessments; 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
	Supply of agricultural and marine products		Climate, nature	If production volumes of raw materials for packaging fluctuate, procurement costs will rise		●		Strengthen supplier engagement and assessments; promote the use of RSPO-certified palm oil
	Water supply/flow regulation/purification		Nature	If natural disasters cause factory damage or prolonged disruptions to logistics, procurement, production, and supply volumes will decrease		●		Adjust cardboard sizes and specifications; shift to alternative materials and promote recycling
			Nature	If water sources become depleted, business operations may become restricted		●		Formulate BCPs assuming extreme weather; construct factories based on hazard maps; secure supply from overseas group factories
								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
		FY2051/3	Net-zero GHG emissions for Scopes 1 and 2	Scope 1, 2: 33.2% reduction Scope 3: 4.4% increase
	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	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	Develop new varieties and establish cultivation techniques			
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

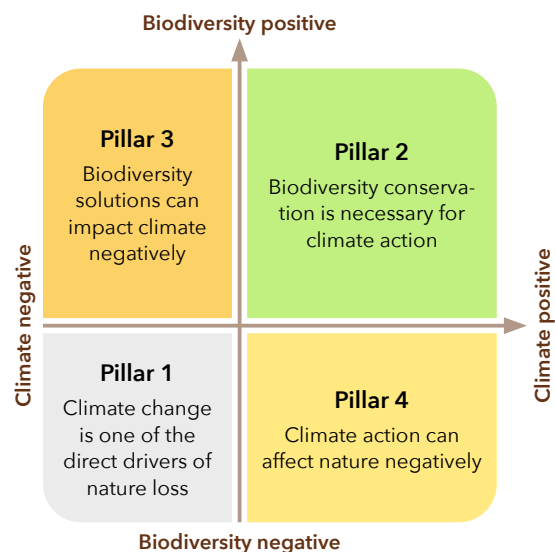
Organizing Climate- and Nature-Related Interactions

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.

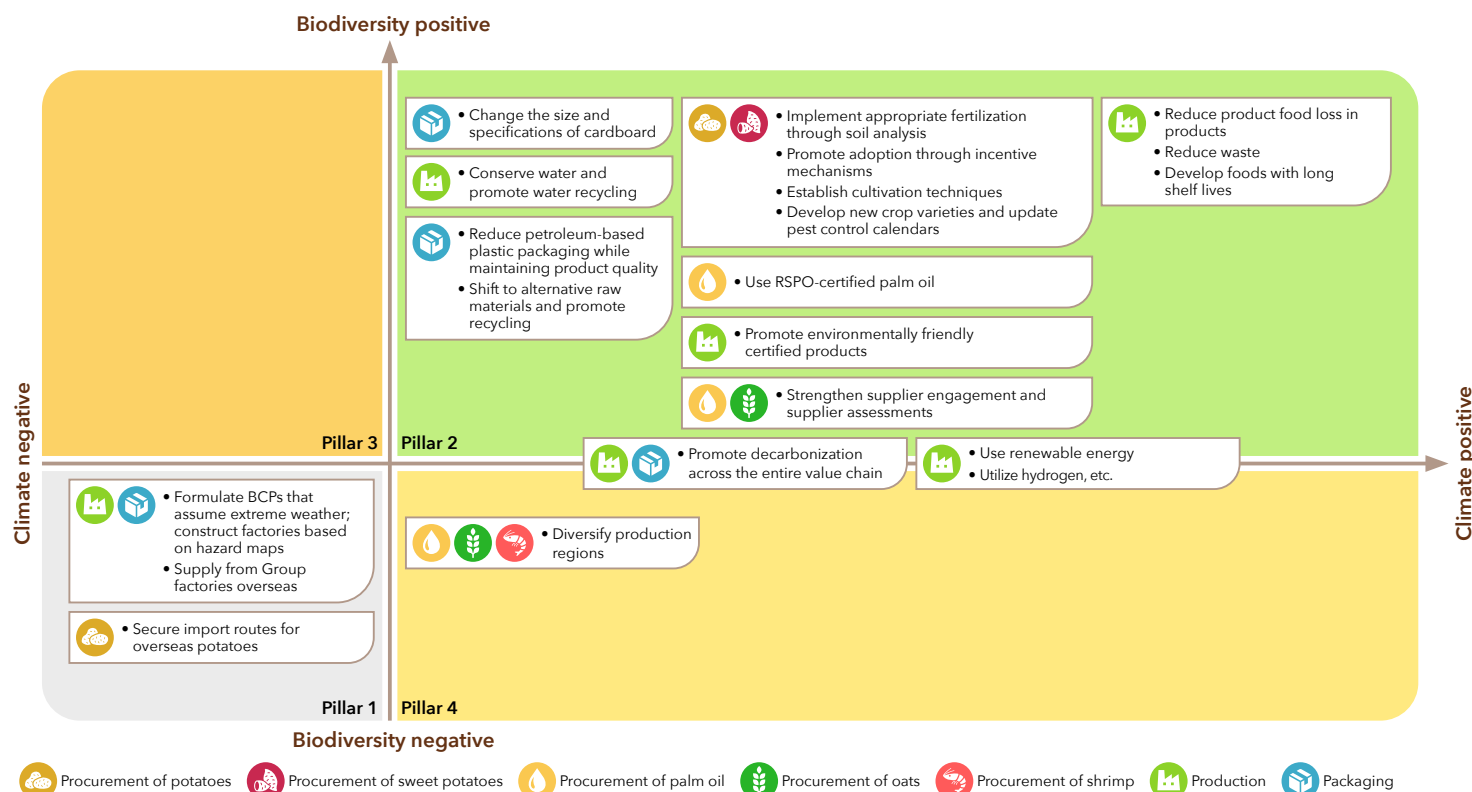
Initiatives placed in Pillar 1 may impose burdens on climate change responses or biodiversity, and those in Pillar 4 on biodiversity. These include responses such as BCP measures assuming extreme weather, imports from overseas factories, and diversification of raw material production regions, all of 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

Calbee's Identified Priority Issues

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

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.

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>

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

