FY2027/3 Q1 Results Presentation Q&A
July 30, 2026

Q1. While Q1 operating income increased year on year, it was only slightly above plan. Given the impact of the situation in the Middle East, how do you view future earnings trends?
In Q1, we achieved growth in both sales and profit and met our plan. However, we expect the impact of the situation in the Middle East to become most pronounced in Q2, with a relatively larger effect on profit. We expect the rise in supply prices to peak in Q2, and do not anticipate an increase in H2 on the same scale as in Q2. Even after our price revisions in October, we intend to work to improve profitability while striving to maintain sales momentum. Taking the impact of the situation in the Middle East into account, we will work toward achieving our full-year plan.

Q2. Is there any change to your projected negative impact of ¥3.0 billion on operating income due to the situation in the Middle East? If raw material prices are expected to stabilize from Q3 onward, is there a possibility that this figure could decrease? What is your outlook for the full fiscal year?
At present, we have not revised the projected impact on operating income from the situation in the Middle East. In Q1, while the impact in Japan was smaller than expected, the impact overseas was somewhat larger than expected, and overall results are trending slightly below plan. However, as the outlook remains uncertain, we are maintaining our previous full-year assumptions. We are working company-wide to minimize the impact through procurement measures and price/content revisions. We will review the full-year outlook as necessary, taking into account future potato harvest conditions and other factors.

Q3. How do you view current domestic consumption trends and consumer acceptance of the price revisions scheduled from October onward?
We see current sales trends generally holding up well. While we plan to implement price revisions in Q3, this will also coincide with a peak demand period. We will intensify marketing activities from Q2 and strive to maintain and improve sales momentum.

Q4. In North America, you have begun initiatives aimed at a new growth strategy, including strengthening the business foundation. Are there any initiatives likely to show results in the near future or measures worth noting? Also, how should we interpret the decline in PB and OEM sales?
In North America, in Q1 we made upfront investments for future growth, such as strengthening sales and marketing personnel. We are also proceeding with preparations for expanding our product lineup and implementing digital marketing initiatives to drive growth from H2. We expect the effects of these measures to gradually become apparent in H2 and beyond.

Regarding PB and OEM, the primary cause of the sales decline was our efforts to improve the profit structure by eliminating low-margin SKUs and reviewing transaction terms; we see the impact on profit as being limited. Regarding the decline in profit in North America, while this was influenced by costs associated with strengthening our organization to support our growth strategy and increases in some distribution expenses, profit was still above plan, and we are advancing initiatives aimed at recovering profit and improving productivity.

Q5. What is the background behind the decline in sales and profit in the UK business? Will this trend continue?
In the UK, sales of our flagship Seabrook brand were weak amid a challenging market environment. In terms of profit, this was not due to production issues, but was influenced by a decline in sales combined with rising costs resulting from factors such as the situation in the Middle East.

On the other hand, we are seeing interest in Better For You products driven by consumer trends linked to GLP-1, as well as in Asian snacks, and have identified new sales opportunities, albeit limited, at major retailers. From Q2, our plan is to work toward improving profit through measures such as price revisions.

Q6. Profit in Asia/Oceania was strong in Q1. How do you view the sustainability of this momentum going forward?

Greater China, Thailand, and Australia/New Zealand are driving profit growth, continuing a trend seen since H2 of last year. In Greater China in particular, sales through retail stores and of *Jagabee* are growing. However, with the impact of the situation in the Middle East becoming apparent, we do not expect the profit growth rate of Q1 to continue.

Q7. You seem to be increasing rebates across all overseas markets, and their ratio to sales also seems to be rising. What is your aim?

Regarding rebates, we are utilizing them as planned in North America, Greater China, and Australia/New Zealand as sales initiatives to drive sales growth. In North America in particular, we are utilizing them to expand sales of *Harvest Snaps* and to support sales recovery of legacy brands (brands of Japanese origin) such as *Kappa Ebisen*.

Q8. If the ban on imports of U.S.-grown potatoes is lifted, how would it affect Calbee's business?

At present, we do not believe this will have a significant impact on our business environment. We have been importing and using overseas-grown potatoes for some time now. We also possess a certain level of expertise in dealing with pests and diseases. On the other hand, due to the weak yen, the price gap between imported and domestically grown potatoes has widened recently. Thus, from a profitability perspective, careful judgment is required when importing foreign potatoes to manufacture snacks domestically. To ensure stable product supply, we are continuing our policy of sourcing a portion of our potatoes from overseas with the aim of diversifying procurement risk.