

# Financial Book 2026

Fiscal year ended March 31, 2026

## **Contents**

11-Year Summary.....	2
Management's Discussion and Analysis .....	3
Business Risks .....	9
Material Contracts, etc. ....	13
Research and Development Activities .....	15
Status of Shareholdings .....	16
Consolidated Balance Sheets .....	22
Consolidated Statements of Income .....	24
Consolidated Statements of Comprehensive Income .....	25
Consolidated Statements of Changes in Net Assets .....	26
Consolidated Statements of Cash Flows .....	28
Notes to Consolidated Financial Statements .....	30

Note : This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

# 11-Year Summary

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>For the Year:</b>											
Net sales	340,151	322,564	303,027	279,315	245,419	266,745	255,938	248,655	251,575	252,420	246,129
Operating profit	26,173	29,066	27,304	22,233	25,135	27,064	27,664	26,964	26,828	28,841	28,125
Operating margin(%)	7.7	9.0	9.0	8.0	10.2	10.1	10.8	10.8	10.7	11.4	11.4
Net income attributable to owners of parent	17,329	20,874	19,886	14,772	18,053	17,682	17,539	19,429	17,330	18,605	16,799
Net income margin(%)	5.1	6.5	6.6	5.3	7.4	6.6	6.9	7.8	6.9	7.4	6.8
ROE(%)	8.3	10.5	10.9	8.5	10.3	10.4	11.1	13.2	13.0	14.9	14.6
<b>Research and development costs</b>											
Research and development costs	4,512	4,232	3,910	3,681	3,319	2,706	2,745	2,660	2,469	2,168	2,195
Capital expenditures	24,973	29,514	31,187	26,716	13,515	11,341	9,004	9,945	11,009	9,763	21,229
Depreciation and amortization	14,812	12,144	10,594	10,047	9,189	9,051	8,449	8,023	7,845	7,297	7,570
<b>Per Share(¥/\$):</b>											
Net income attributable to owners of parent	139.98	167.11	159.22	115.16	136.25	132.30	131.22	145.39	129.72	139.24	125.88
Net assets	1,732.10	1,642.27	1,535.49	1,393.74	1,358.25	1,312.24	1,221.19	1,151.71	1,043.37	958.60	905.20
Cash dividends	66.00	58.00	56.00	52.00	52.00	50.00	50.00	48.00	42.00	42.00	35.00
Dividend payout ratio(%)	47.2	34.7	35.2	45.2	38.2	37.8	38.1	33.0	32.4	30.2	27.8
<b>At Year-End:</b>											
Total assets	327,609	319,169	292,158	239,095	236,598	238,978	214,967	202,750	192,034	181,945	174,837
Net assets	221,774	215,067	201,086	182,686	183,458	182,740	169,632	160,490	146,667	135,056	131,469
Working capital <sup>(Note1)</sup>	66,743	78,132	73,377	53,307	72,912	80,892	83,066	77,815	68,950	58,214	54,832
Interest-bearing debt <sup>(Note2)</sup>	38,044	36,560	27,042	1,855	2,005	6,604	1,363	1,274	1,511	1,596	555
Equity ratio <sup>(%)</sup> <sup>(Note3)</sup>	64.3	64.3	65.6	72.8	74.1	73.4	75.9	75.9	72.6	70.4	69.2
Debt to equity ratio(Times)	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Number of consolidated subsidiaries</b>											
Number of consolidated subsidiaries	23	22	21	24	23	24	24	26	27	27	24
<b>Number of employees<sup>(Note4)</sup></b>											
Number of employees <sup>(Note4)</sup>	6,974	5,138	4,939	4,839	4,398	4,311	4,053	3,763	3,798	3,860	3,728
<b>Cash Flows:</b>											
Cash flows from operating activities	35,596	39,100	24,350	19,310	22,327	30,450	40,449	27,620	9,358	25,958	22,541
Cash flows from investing activities	(26,211)	(28,604)	(35,307)	(20,329)	3,643	(32,069)	(13,462)	(28,347)	(6,258)	(13,404)	(14,270)
Cash flows from financing activities	(17,002)	2,541	16,850	(20,004)	(25,168)	(7,635)	(6,278)	(6,227)	(5,450)	(14,711)	(2,859)
Cash and cash equivalents at end of year	45,581	51,019	37,718	30,292	49,670	47,282	55,742	35,425	42,195	44,627	47,323

- Note
1. Working capital comprises current assets less current liabilities.
  2. Interest-bearing debt includes long-and short-term debt, leasing obligations and other interest bearing debt.
  3. Shareholders' equity as presented above consists of total net a sets exclusive of subscription rights and non-controlling interests.
  4. Starting this fiscal year, 1,481 employees with indefinite-term contracts have been included in our headcount. These employees were previously excluded from the workforce.
  5. The Company applied the "Accounting Standard for Revenue Recognition" (Business Accounting Standards No. 29) from the beginning of the fiscal year ended March 2022. Major consolidated management indicators, etc. for this fiscal year are indicators, etc. after applying such accounting standards.

# Management's Discussion and Analysis

---

## Operating results

### (1) Overview of business performance

(All comparisons are with the same period of the previous fiscal year, unless stated otherwise.)

During the fiscal year under review, the global economy showed signs of gradual recovery, supported by AI-related investment primarily in the United States and domestic demand in certain emerging markets, although growth continued to be weighed down by uncertainty such as the impact of U.S. trade policy and ongoing geopolitical risk arising from international conflicts. Toward the end of the fiscal year, however, the economic situation became increasingly uncertain due to heightened tensions in the Middle East. The Japanese economy experienced continued price increases, while wage growth also progressed and personal consumption remained firm, resulting in a moderate recovery driven by domestic demand. Under these business conditions, Calbee Group promoted structural business reforms targeting the next stage of growth, based on our "Change 2025" growth strategy, which concluded at the end of the fiscal year.

In our domestic business, we strengthened brand power through product development aligned with changes in consumer needs and cross-brand marketing initiatives, while also advancing data-driven activities to improve profit via DX. The Setouchi Hiroshima Factory, which commenced operation in January 2025, steadily increased its operating rate as planned and approached the initially projected level by the end of 2025, contributing to increased production capacity and higher productivity. Furthermore, to minimize the impact of lower potato yields in the second half of the fiscal year, we worked to expand sales of products using alternative ingredients and to suppress costs. In our overseas business, amid increasing uncertainty due to U.S. tariff policy and political tensions in various countries, we expanded operations by expanding sales supported by enhanced supply capabilities in each region and by promoting cross-regional enhancement of global brands. As a result, stability across the overall overseas business improved through complementary relationships among regions, reinforcing a foundation for sustainable growth. In the new business area of food and health, we acquired Hodo, Inc., a North American manufacturer of tofu and soybean-based processed foods, as a consolidated subsidiary and entered the manufacturing and sale of plant-based protein foods. To further promote sustainability management, we identified material issues and have been addressing climate change, conservation of natural capital, and respect for human rights. In October 2025, we implemented an "integrated information disclosure based on the TCFD and TNFD frameworks," analyzing dependencies and impacts at the interface between business and nature and clarifying associated risks and opportunities. From the perspective of addressing climate change and conserving natural capital—which are considered closely interrelated—we also organized various initiatives, including efforts to enhance sustainability in agriculture. We enhanced the efficacy of initiatives to reduce GHG emissions by redefining our target of reducing total emissions by 30% by the fiscal year ending March 31, 2031 to a 50% reduction for Scope 1 and Scope 2 emissions and 22% for Scope 3 emissions.

Consolidated net sales for the fiscal year under review were ¥340,151 million (up 5.5%). In the domestic business, although sales of *Potato Chips* were flat year on year due to the impact of lower potato yields in Hokkaido, sales rose on the effects of price revisions and higher sales volumes of snack foods using non-potato ingredients and cereals. Strengthened marketing through revamped promotional activities and proactive sales efforts contributed to these results. In the overseas business, sales rose in both Europe and the US, as well as Asia and Oceania, resulting in higher overall revenue. Operating profit was ¥26,173 million (down 10.0%), and operating margin was 7.7% (down 1.3 percentage points). In the domestic business, despite profit growth driven by increased sales volumes and the effects of price and content revisions, profit declined due to higher fixed costs, including depreciation expenses associated with the operation of the Setouchi Hiroshima Factory, as well as continued cost increases caused by inflation. The overseas business recorded higher profit, led by North America and Greater China.

As a result, ordinary profit was ¥27,091 million (down 9.2%) and profit attributable to owners of parent was ¥17,329 million (down 17.0%) due to a rebound effect following the application of tax benefits in the prior fiscal year.

Results by business are as follows.

*Millions of yen, rounded down*

	FY ended March 31, 2025	FY ended March 31, 2026	
	Amount	Amount	Growth (%)
Domestic production and sale of snack and other foods business	243,202	251,546	+3.4
Domestic snack foods	225,398	234,221	+3.9
Domestic cereals	29,417	30,067	+2.2
Domestic, others	16,869	17,183	+1.9
Deduction of rebates, etc.	(28,483)	(29,926)	-
Overseas production and sale of snack and other foods business	79,362	88,604	+11.6
Total, production and sale of snack and other foods business	322,564	340,151	+5.5

\*Sales of "Domestic snack foods," "Domestic cereals" and "Domestic, others" are before deduction of rebates, etc.

#### Production and sale of snack and other foods business

Sales in the production and sale of snack and other foods business increased on growth in both the domestic and overseas businesses.

#### Domestic production and sale of snack and other foods business

• Domestic snack foods:

Domestic snack foods sales increased.

Sales by product are as follows.

*Millions of yen, rounded down*

	FY ended March 31, 2025	FY ended March 31, 2026	
	Amount	Amount	Growth (%)
<i>Potato Chips</i>	102,818	102,504	(0.3)
<i>JagaRico</i>	48,282	50,326	+4.2
Other snacks	74,297	81,391	+9.5
Total, domestic snack foods	225,398	234,221	+3.9

\* Net sales by product are before deduction of rebates, etc.

- Sales of *Potato Chips* were flat year on year, as sales promotion activities in the second half were restrained due to reduced potato yields.
- *JagaRico* sales fell in the second half of the year due to the impact of reduced potato yields; however, higher sales in the first half offset this decline, resulting in higher sales year on year.
- Other snacks achieved higher sales year on year, as sales increased across corn/bean-based snacks, flour-based snacks, and gift snack items. Increased sales volumes in response to the reduced potato yields, along with ongoing promotional activities for molded potato chips *Crisp* and bean-based snack *miino*, contributed to these results.

• Domestic cereals:

Sales of domestic cereals were ¥30,067 million (up 2.2%) due to steady sales of core products such as Original *Frugra* and *Mygra*, as well as contributions from various collaborative products developed in partnership with other companies.

• Domestic, others:

Sales in other domestic businesses were ¥17,183 million (up 1.9%) due mainly to growth of the *Body Granola* personal food program.

#### Overseas production and sale of snack and other foods business

Sales increased in the overseas production and sale of snack and other foods business.

Sales by region are as follows.

*Millions of yen, rounded down*

	FY ended March 31, 2025	FY ended March 31, 2026		
	Amount	Amount	Growth (%)	Growth on local currency basis (%)
Europe/Americas	42,639	46,664	+9.4	+8.7
North America (existing)	28,308	28,463	+0.5	+1.6
Asia/Oceania	46,058	51,120	+11.0	+11.4
Greater China	15,558	17,549	+12.8	+12.4
Deduction of rebates, etc.	(9,335)	(9,180)	—	—
Total, overseas production and sale of snack and other foods business	79,362	88,604	+11.6	+11.5

\* Europe/Americas: North America (including Food and Health business) and the UK. North America (existing) is exclusive of Food and Health business.

\*\* Asia/Oceania: Greater China, Indonesia, South Korea, Thailand, Singapore, Australia, etc.

\*\*\* Greater China: China and Hong Kong

\*\*\*\* Net sales by region are before deduction of rebates, etc.

\*\*\*\*\* Starting from the fiscal year ended March 2026, we have changed the method of recording sales before deduction of rebates, etc., for Greater China. Accordingly, we have also adjusted sales for the previous year. There is no change in sales after deduction of rebates, etc.

- In Europe/Americas, sales rose in both North America and the UK. In North America, although sales of brands of Japanese origin remained sluggish, net sales rose due to factors including increased sales of *Harvest Snaps* and locally manufactured potato chips *Asian Style Chips*. In the UK, sales of Seabrook brand products expanded at nationwide retail chains, supported by increased production capacity for potato chips. Hodo, Inc., which was made a consolidated subsidiary in August 2025, also contributed to higher net sales.
- In Asia/Oceania, higher net sales were recorded in all regions. In Greater China, we expanded retail store sales, mainly for *Jagabee*, supported by an established system supplying from local operations and surrounding countries. In addition, local contract manufacturing of cereal product *Mygra* commenced in November 2025. Outside Greater China, net sales rose across regions where proactive sales promotion activities were conducted, particularly in Australia/New Zealand.

## **(2) Financial Indices**

The status of indices useful for evaluating the progress of our Group's management policies and strategies is as follows.

	Growth guidance (3 year)	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	3-year cumulative total
Organic sales growth rate	+4-6%	+8%	+6%	+5%	+7%
Consolidated profit growth rate	+6-8%	+23%	+6%	(10%)	+6%

ROE	Over 10%	10.9%	10.5%	8.3%	—
-----	----------	-------	-------	------	---

## Financial Position

Total assets as of March 31, 2026, increased by ¥8,440 million to ¥327,609 million, mainly due to an increase in property, plant and equipment. The increase in property, plant and equipment was primarily due to the purchase of land for the new Kanto Factory.

Liabilities increased by ¥1,733 million to ¥105,835 million, mainly due to an increase in asset retirement obligations.

Net assets rose by ¥6,706 million to ¥221,774 million due to an increase in retained earnings.

As a result, the shareholders' equity ratio was 64.3%, the same as at the end of the previous fiscal year.

## Cash Flows

Cash and cash equivalents as of March 31, 2026 were ¥45,581 million, a decrease of ¥5,437 million.

### (1) Cash Flows from Operating Activities

Operating activities resulted in a net cash inflow of ¥35,596 million, a decrease of ¥3,504 million. This was mainly due to receipts being shifted to the previous consolidated fiscal year because the last day of the fiscal year ended March 2024 fell on a bank holiday.

### (2) Cash Flows from Investing Activities

Investing activities resulted in a net cash outflow of ¥26,211 million, a decrease of ¥2,393 million. This was primarily due to a decrease in spending on the purchase of property, plant and equipment.

### (3) Cash Flows from Financing Activities

Financing activities resulted in a net cash outflow of ¥17,002 million, an increase of ¥19,544 million. This was mainly due to a decrease in proceeds from long-term borrowings, coupled with an increase in spending related to the repurchase of treasury shares.

### (4) Information Regarding Capital Resources and Shareholders' Equity Liquidity

#### • Developments in capital requirements

Calbee Group's capital requirements for operating activities include expenditures for costs related to manufacturing, such as raw materials, labor and production expenses, and for sales activities, such as selling, labor, distribution, etc. Expenditures for investing activities are primarily for capital investment and growth investment and expenditures for financing activities are primarily for capital requirements related to the payment of dividends by the parent company. In response to these capital requirements, based on the "Change 2025" growth strategy, in addition to the cash flows from operating activities generated over the three fiscal years from the fiscal year ended March 2024 to the fiscal year ended March 2026, we have made use of cash on hand and borrowings.

#### Details of capital requirements

Growth investment: Capital investment for growing domestic and overseas business, investment in new areas, M&A for strengthening overseas bases, etc.

Efficiency investment: Support for ESG, capital investment in areas including automation/labor-saving, to raise productivity

Shareholder returns: Aim for total return ratio over 50% and DOE 4% on a consolidated basis

The status of cash outlays as of the end of the fiscal year under review is as follows.

*Millions of yen, rounded down*

	3-year plan	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	Cumulative total	Progress (%)
Growth investment	80,000	10,779	7,420	12,644	30,845	38.6
Efficiency investment	60,000	22,118	22,350	14,519	58,988	98.3
Shareholder returns	25,000	6,504	7,005	17,257	30,766	123.1
Total	165,000	39,402	36,776	44,421	120,600	73.1

• **Fund-raising methods**

In principle, Calbee Group raises funds by using borrowings from financial institutions in addition to cash provided by operating activities. We and our domestic consolidated subsidiaries have introduced a cash management system (CMS) to centrally manage funds within the Group, thereby centrally managing surplus funds, securing liquidity and improving funding efficiency. In addition, Calbee has entered into overdraft agreements with several financial institutions with the aim of further supplementing our liquidity, and we recognize that we have sufficient liquidity to fund our business operations.

**Capital Expenditures**

For the fiscal year ended March 31, 2026, capital expenditures for tangible and intangible assets totaled ¥24,973 million. Of this total, ¥21,095 million went to domestic operations, and ¥3,878 million went to overseas operations. The main part of capital expenditures for domestic operations was allocated to acquiring land for a new factory. The construction of this facility is intended to optimize supply-demand balance across domestic regions and create a more efficient supply chain. Capital expenditures in the overseas business were mainly for the acquisition of machinery and equipment to strengthen the production system in the U.K.

**Significant Accounting Policies and Estimates**

The accompanying consolidated financial statements have been prepared on the basis of accounting principles generally accepted in Japan. The preparation of these consolidated financial statements requires management to create fiscal estimates. Although management makes reasonable judgments regarding these estimates by comprehensively considering historical experience and current conditions, actual results may differ from these estimates due to uncertainties inherent in the estimates. In addition, the significant accounting policies adopted in the preparation of these consolidated financial statements are described in Notes to Consolidated Financial Statements; 3. Significant accounting estimates. We believe that the following significant accounting policies significantly impact the judgments and estimates in the preparation of consolidated financial statements.

**(1) Impairment of Fixed Assets**

When indicators of impairment are identified due to a continuous loss in earnings from operations or a significant decline in market prices, our Group assesses the recognition of impairment losses by considering future business plans and other factors, and recognizes impairment losses to recoverable amounts as necessary. If the business plan is revised due to future deterioration in market conditions or other factors, we may record an impairment loss.

The main intangible assets of our Group are goodwill resulting from the acquisition of Calbee Kaitsuka Sweet Potato, Inc. The accounting estimates for this are described in Notes to Consolidated Financial Statements; 3. Significant accounting estimates.

**(2) Inventory valuation**

Our Group uses the cost method of inventory valuation (the book value of inventories written down to reflect any declines in profitability). If the net selling price at the end of the fiscal year has declined from the acquisition cost, the net selling price at the end of the fiscal year is presented as the balance

sheet value. Inventories that have become excessive or stagnant due to changes in demand may be written down to an appropriate value.

# Business Risks

---

Business risks associated with the execution of the Calbee Group's strategies, businesses and other activities are described below. Risks are major factors that management recognizes as having the potential to significantly impact investor decisions. In addition, the risks described below are not exhaustive of all the risks of the Calbee Group; there are other risks that may have an impact on the decisions of investors. The following details and forward-looking statements are based on our judgment as of the end of the fiscal year ended March 31, 2026.

We have built a compliance and risk management system based on our "Basic policy on the development of an internal control system." The Ethics and Risk Management Committee examines and decides on solutions and manages status. If the possibility of risk arises or grows, we establish an emergency response committee as needed to reduce risk. However, if risk manifests, it may have an impact on our operating results or financial position.

## 1. Product Safety Risk

Providing safe and reliable products is our most important social responsibility, and we continue to work tirelessly to build relationships of trust with customers. In the unexpected event that an issue occurs with the potential to threaten the health of customers, we give top priority to the safety of customers and respond promptly.

To avoid product risk, Calbee Group reviews the design of standards and audits the raw materials procurement and production processes. In addition, we have built a quality assurance system that involves conducting quality inspections to determine whether products are meeting standards. We also have achieved traceability throughout the supply chain from procurement of raw materials through production, logistics, product distribution, retail stores, and customers. We strive to make improvements throughout the entire supply chain through listening to our customers' voices and analyzing details to reduce reported issues.

However, in the event that quality problems arise and there is doubt about the safety of a product, we may have to recall or discontinue its sale, which could result in loss of customer confidence and have an impact on our operating results and financial position.

## 2. Product Development

Calbee Group conducts research and development activities to provide both domestic and overseas customers with unique, value-added products that maximize the nutritional content and flavor of natural ingredients, thereby driving our growth. Meanwhile, there are considerable changes occurring in the business environment owing to diversifying customer tastes, growing health awareness, environmental issues, etc. For our business expansion, we need to respond quickly to these changes in the market and develop high-value-added and health-conscious products. We conduct research and development activities in the areas of new product development, existing brand improvements, quality improvement, cost reduction and basic research in accordance with annual plans.

However, if we are unable to respond appropriately to the needs of our customers and business partners and develop products in a timely manner, this could have an impact on our operating results and financial position.

## 3. Raw Materials and Packaging Materials Procurement Risk

### (1) Potato Procurement Risk (unseasonable weather and decreasing number of potato farmers)

Our main products are potato-based snacks made primarily from raw potatoes, such as Potato Chips and *JagaRico*. To ensure a stable supply of domestic potatoes in terms of quality, quantity and price, we have built a procurement system through contract cultivation and decentralization of production areas. In anticipation of a decrease in domestic potato farmers, we also provide farmers with support for cultivation, harvesting and labor saving. Although, in principle, it is not permitted to import raw potatoes under the Plant Protection Act in Japan, we have developed factory facilities that are capable of handling imported raw potatoes in preparation for a potential shortage of domestic potatoes.

However, depending on crop conditions, we may not be able to secure sufficient quantities of potatoes, which may result in losing sales opportunities and costs arising from urgent procurement. This could have an impact on our operating results and financial position.

## **(2) Potato Procurement Risk (potato cyst nematodes)**

Potato cyst nematodes are a species of nematode found in soil and are designated as important pests under the Plant Protection Act. It is prohibited to produce seed potatoes in a field where they exist. To prevent the spread of potato cyst nematodes, we need to switch to a more resistant variety of potatoes. We have established a project to reform our potato variety mix, aiming to achieve 100% nematode-resistant varieties by 2035 while maintaining quality that satisfies customers.

However, if certain risks materialize, such as delays in developing new varieties that meet quality standards for acrylamide content or product color, poor adaptation of new varieties across our production areas, or a faster-than-expected spread of potato cyst nematodes, and the transition to nematode-resistant varieties is delayed, we may not be able to procure seed potatoes. This could result in decreases in potato crop yields and lower quality of potato-based products, potentially impacting our operating results and financial position.

## **(3) Other Raw Materials and Packaging Materials Risk**

With regard to imported raw materials from overseas and packaging materials used in the Calbee Group products, we are working to stabilize procurement by diversifying and decentralizing suppliers and strengthening appropriate inventories, considering all procurement risks such as natural disasters, geopolitics and other factors.

However, further increases in raw material and packaging material prices beyond expectations or changes in import destinations and import routes could have an impact on our operating results and financial position.

## **4. Stagnation in Domestic Product Supply Risk**

As represented by the '2024 Problem' in the transportation and logistics industry, there are concerns about a shortage of logistics vehicles caused by a decline in the working population due to the lower birthrate and aging population, an increase in the number of deliveries with the expansion of e-commerce, and the long working hours unique to the logistics industry. In order to secure stable logistics and delivery vehicles, Calbee Group is promoting 'white logistics activities,' through supply chain management reforms using AI and automation to reduce wait time for drivers, reduce the frequency of deliveries, consolidate delivery destinations, promote pallet transportation, etc. Through this, we aim to be the logistics client of choice for drivers. Additionally, in response to unforeseen fluctuations in raw material yields due to climate change or sudden changes in sales, we are developing a value chain optimization system and processes to enable swift and effective company-wide decision-making.

However, failure to secure transportation vehicles at appropriate costs in the future, unexpected increases in transportation and delivery costs, or delays in implementing measures to optimize the value chain may impact our operating results and financial position.

## **5. Information Security Risk**

In the event that a malicious attacker enters a computer system or network and an information security incident occurs, we have established an incident response system centered on our CSIRT (Computer Security Incident Response Team). To prevent loss, misuse, or falsification of confidential information, we have implemented appropriate security measures for information management, including information systems.

However, in the event of cyberterrorism, computer virus infection, loss of information due to unauthorized access or falsification of data, leakage of personal information or confidential company information, power outage, disaster, or defects in software and equipment, the shutdown or temporary disruption of information systems and disruptions to production and logistics operations could have an impact on our operating results, financial position and social credibility.

## **6. Securing Global Human Resources Risk**

As the foundation that supports our business, Calbee Group is strengthening investment in human resources from a medium- to long-term perspective and promoting corporate reform that can achieve sustainable profit growth. In particular, to support the expansion of overseas business, one of the key policies of the Calbee Group growth strategy, "Accelerate the Future," we are rapidly introducing Global Talent Management, a new system for recruitment, placement, training, and evaluation.

However, if we are unable to hire sufficient global human resources due to changes in the employment situation, or if there are delays in developing global human resources, it could have an impact on our operating results and financial position.

## **7. Compliance Risk**

Calbee Group is subject to a range of legal regulations, including Japan's Food Sanitation Act, Act Against Unjustifiable Premiums and Misleading Representations, Measurement Act, Unfair Competition Prevention Act, Plant Protection Act, and Consumer Safety Act. In addition, overseas group companies are subject to the laws and regulations of each country in which they operate. Based on Calbee Group's corporate philosophy, we have established the Calbee Group Code of Conduct on social values, ethics, laws and social responsibilities. Through educational activities in Japan and each country where we operate, we strive to ensure compliance with ethics, social norms, laws, and internal rules, and to reduce the likelihood of violations of laws and social norms.

However, violations of laws or social norms due to revisions or unexpected enactment may result in sanctions or cancellation of legal authorization, lawsuits or a loss of trust from customers and other stakeholders. Any of these could have an impact on our operating results and financial position.

## **8. Intellectual Property Rights Risk**

Calbee Group has established a specialized department to thoroughly protect and manage various intellectual property rights, and makes every effort not to infringe on rights held by third parties.

However, if our intellectual property rights were improperly used by third parties, or if we were pursued by third parties for infringement of intellectual property rights, it could have an impact on our operating results and financial position.

## **9. Geopolitical Risks of Overseas Businesses**

Calbee Group operates in multiple countries and regions. We avoid risk by considering and implementing measures in advance to deal with possible conflict, decoupling, pandemic, and other geopolitical risks in the countries and regions in which we have established operations.

However, in the event of supply difficulty due to these risks having been greater or more prolonged than expected, this could have an impact on our operating results and financial position.

## **10. Climate Change Risk**

Following the adoption of the Paris Agreement at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) and its ratification, efforts to reduce greenhouse gases causing climate change and global warming are advancing on a global scale. Our target is to reduce greenhouse gas emissions by 30%\* by the fiscal year ending March 31, 2031 compared to their level for the fiscal year ended March 31, 2019. Furthermore, we are aiming for net zero emissions in 2050 (covering Scope 1 and 2). To achieve these targets, we are working to improve energy conservation and utilize renewable energy.

In February 2020, we endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) established by the Financial Stability Board and analyzed climate change scenarios. The results of the analysis showed that there was a significant risk of direct damage to factories and raw material producing areas due to severe disasters, changes in consumer behavior due to heightened environmental awareness, and a decrease in potato yields due to insufficient hours of sunlight. In response, we will strive to reduce greenhouse gas emissions, develop and adopt new potato varieties, and diversify production areas. In addition, we believe that responding to ethical consumption and product development using sustainable raw materials will create opportunities.

However, depending on how efforts to reduce greenhouse gas emissions progress, the introduction of a carbon tax could impact our business activities. Furthermore, consumers' purchasing behavior may change, the quality of potatoes may deteriorate, and damage to manufacturing facilities, suspension of operations and supply chain disruption caused by typhoons and heavy rains may occur. Any of these cases could have an impact on our operating results and financial position.

*\*The targets cover Scope 1, Scope 2, and Scope 3 categories 1, 3, 4, 5, 6, 7, 9, and 12. Scope 1 refers to direct emissions of CO<sub>2</sub> from the use of fuel in the company (factories, vehicles, etc.). Scope 2 refers to indirect emissions of CO<sub>2</sub> from the use of electricity, heat, and steam purchased by the company. Scope 3 refers to all indirect emissions other than Scopes 1 and 2.*

## **11. Natural Disaster or Pandemic Risk**

Calbee Group has diversified its production bases and suppliers of raw materials in order to reduce the risk of natural disasters such as large earthquakes, windstorms and floods. We have also promoted an all-hazard BCP (Business Continuity Plan) in response that anticipates scenarios involving the simultaneous occurrence of infectious disease outbreaks and other complex events as well as natural disasters. By strengthening our BCP, we are working to secure a resilient business structure, including the early resumption of supply of priority products. In the fiscal year ended March 31, 2026, all Calbee factories (excluding the new Setouchi Hiroshima Factory) held certifications as contributors to national resilience as recommended by the Cabinet Secretariat.

However, if supply chain disruptions caused by disasters are prolonged and we are unable to supply products to our business partners, if extended restoration of machinery, equipment or facilities or significant costs are incurred, or if further increases in raw material prices or difficulties in securing raw materials are greater than anticipated, it could have an impact on our operating results and financial position.

## **12. Relationships with Major Shareholders**

As of March 31, 2026, PepsiCo, Inc. (hereinafter "PepsiCo") held 22.01% (after dilution) of Calbee shares through Frito-Lay Global Investments B.V. (hereinafter "FLGI"), PepsiCo's 100%-owned subsidiary, and Calbee is an equity-method affiliate of PepsiCo. FLGI, which directly owns the Calbee shares, is a wholly owned PepsiCo subsidiary, and as such PepsiCo effectively makes all decisions regarding the exercise of common share voting rights. PepsiCo is one of the world's largest food and beverage makers and is listed on the NASDAQ.

In addition, PepsiCo operates globally in the same snack food field as Calbee via Group companies, primarily its subsidiary Frito-Lay North America, Inc.

On July 9, 2009, Calbee, PepsiCo and FLGI concluded a strategic alliance agreement based on the understanding that combining management capabilities to generate synergies was necessary to deliver sustained growth for both Calbee and PepsiCo. In order to reinforce the partnership with PepsiCo, Calbee allocated new shares to PepsiCo's wholly owned subsidiary FLGI via a private placement and, at the same time, acquired all the shares of PepsiCo's subsidiary Japan Frito-Lay Ltd. Under our strategic partnership, PepsiCo has agreed not to operate a savory snack food business in the Japanese market and therefore does not compete with Calbee in Japan. In addition, because Calbee's overseas business operations are not restricted in any way, we recognize that this Agreement does not impose any limitations on Calbee's management decisions or business expansion.

Calbee intends to maintain this strategic partnership and work toward boosting corporate value. However, in the future it may no longer be possible to generate synergies from the partnership in the event that PepsiCo makes changes to its management policy and business strategy. Furthermore, the PepsiCo Group could become a competitor in the Japanese market in the event that the partnership is dissolved. In addition, PepsiCo's shareholding ratio in Calbee may change in the future due to changes in PepsiCo's or Calbee's management policies or business strategies, changes in the business environment, or other factors.

## Material Contracts, etc.

---

### (Agreement on the Right to Nominate Director Candidates)

Calbee has entered into an agreement with its shareholder, Frito-Lay Global Investments B.V. (hereinafter "FLGI"), and FLGI's parent company, PepsiCo, Inc. (hereinafter "PepsiCo"), regarding the right of FLGI and PepsiCo to nominate candidates to Calbee's Board of Directors. The details of the agreement are as follows:

#### (1) Summary of the Agreement

Date of Agreement	Counterparty Name	Counterparty Address	Content of Agreement
July 9, 2009	PepsiCo, Inc. Frito-Lay Global Investments B.V.	New York, USA Utrecht, Netherlands	Agreement granting FLGI and PepsiCo the right to nominate, in principle, candidates for Calbee's Board of Directors in proportion to its holding of Calbee common stock, being currently one candidate for Calbee's Board of Directors

#### (2) Purpose of the Agreement

At the end of the current consolidated fiscal year, PepsiCo held 22.01% of Calbee shares through FLGI, PepsiCo's 100% owned subsidiary, and Calbee is an equity-method affiliate of PepsiCo.

On July 9, 2009, in connection with Calbee's acquisition of PepsiCo's Frito-Lay Japan business, Calbee, PepsiCo and FLGI concluded a strategic alliance agreement (hereinafter this "Agreement"), based on the understanding that combining management capabilities to generate synergies was necessary to deliver sustained growth for both Calbee and PepsiCo. Upon completion of that acquisition, Calbee became the exclusive licensee in connection with the production, marketing, distribution and sale of PepsiCo's Frito-Lay snack food products in Japan.

#### (3) Deliberation Status at the Board of Directors and the Decision-Making Process Leading to the Agreement

At the Board of Directors meeting held on June 15, 2009, after thoroughly reviewing the post-alliance business structure, the outline of this Agreement, and the shareholder composition following the capital alliance, it was resolved to enter into this Agreement.

#### (4) Impact of the Agreement on Calbee's Corporate Governance

Calbee has established a Board of Directors composed of half or more independent outside directors, ensuring a highly transparent and independent corporate governance system. In the selection of director candidates, we have established a Nomination Committee chaired by an independent outside director and composed of a majority of independent outside directors, selecting candidates with diverse expertise and experience.

Furthermore, under the strategic alliance, PepsiCo has agreed not to operate a savoury snack food business in the Japanese market and therefore does not compete with Calbee in Japan. In addition, because Calbee's overseas business operations are not restricted in any way, we recognize that this Agreement does not impose any limitations on Calbee's management decisions or business expansion.

Moreover, transactions involving competition with directors, transactions between the company and directors, and transactions where the interests of the company and directors conflict are resolved by the Board of Directors. The terms of such transactions are determined in accordance with appropriate procedures to ensure that the joint interests of the company and its shareholders are not harmed, and the details of these transactions are disclosed and monitored by the Board

of Directors. In addition, Calbee has in place appropriate safeguards to control the sharing with PepsiCo of competitively sensitive information in relation to our overseas business. Based on the above, Calbee recognizes that this Agreement does not affect its corporate governance.

(Loan Agreement with Financial Covenants)

Our company has entered into a loan agreement with financial covenants.

The details of the contract are as follows.

(1) Contract Date

November 28, 2023

(2) Attributes of the Counterparties to the Loan Agreement

City banks and other financial institutions

(3) Year-end Balance and Repayment Deadline of the Debt Under the Loan Agreement and Details of Collateral Attached to the Debt

1. Year-end balance of the debt under this loan agreement: ¥25,000 million (as of March 31, 2026)
2. Repayment deadline of the debt under this loan agreement: December 1, 2027-May 31, 2029
3. No collateral attached to the debt

(4) Content of Financial Covenants

1. From the fiscal year ended March 31, 2024 onwards, maintain net assets on the consolidated balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the consolidated balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the consolidated balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.
2. From the fiscal year ended March 31, 2024 onwards, maintain net assets on the standalone balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the standalone balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the standalone balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.
3. For the two consecutive fiscal years starting with the fiscal year ended March 31, 2024, ensure that the ordinary income in the consolidated income statement and the ordinary income shown in the standalone income statement do not generate losses for two consecutive years.

## Research and Development Activities

---

Calbee Group's corporate philosophy is "We are committed to harnessing nature's gifts, to bringing taste and fun, and to contributing to healthy life styles." Under this corporate philosophy, we are engaged in research and development activities to provide unique and valuable products by maximizing the nutritional and flavor qualities of natural ingredients.

Our R&D Division conducts everything from basic research and product and technology development to product commercialization at a pilot plant attached to our research facility.

In the field of basic research as part of research on the stable procurement and quality improvement of potatoes, we conduct intermediate breeding development in the Potato Genetic Resource Development Course, which was established in collaboration with Obihiro University of Agriculture and Veterinary Medicine. In order to prevent declines in crop yield and quality caused by the abnormal weather in recent years, we are conducting research on gene expression in potatoes under drought stress, with the results being disseminated through various conference presentations and publications. Regarding research on the effects and benefits of granola, findings from a study examining the relationship between granola and gut condition using personalized nutrition were featured in a scientific publication. We are also conducting research on dietary fiber and Chrono-Nutrition. Furthermore, for those with chronic kidney disease and receiving dialysis, granola has been shown to reduce salt intake and lower blood pressure. In addition, for dialysis patients, it has been confirmed to improve the gut biome and reduce intestinal toxins. These findings have been published in academic papers. We are advancing research that contributes to building evidence supporting the health benefits of granola in collaboration with many research institutions.

In product development, we are addressing changes in consumer preferences and diverse tastes both domestically and internationally, while also focusing on the development of new products that emphasize sustainability. In November 2025, we launched *Noriyan*, born from the idea of upcycling potato starch, a byproduct of potato chips and other snack manufacturing, and using it as a substitute for dried seaweed. We also began local production in China of *MyGra*, a granola that highlights the natural flavors of the ingredients, with no added dried fruit. Sales started in November 2025.

In the field of technology development, we launched *Yoi no Kataage Potato: Dashi Soy Sauce Flavor* in May 2025, which takes our standard *Kataage Potato* one step further by applying our special soy sauce infusion method.

Regarding packaging containers, we are advancing the development of packaging materials and technologies with the goal of replacing and reducing petroleum-based plastic packaging by 50% by the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2019) and using 100% environmentally friendly materials by the fiscal year ending March 31, 2051. We reduced our annual use of petroleum-based plastics by approximately 130 tons in the fiscal year ended March 31, 2026, by switching to biomass PET and changing the bag sizes for *Potato Chips BIGBAG* and *Frugra*.

In April 2025, a new research building was completed at our R&D Center in Utsunomiya City, Tochigi Prefecture, with the aim of strengthening our research infrastructure. With approximately three times the floor space of the previous facility, the new building is designed to enhance our capabilities in basic, applied, quality, and taste research. Moreover, with the aim of further expanding into new food areas, we initiated a collaboration with Pegasus Tech Ventures in the United States in May 2024 to foster innovation. In September 2025, we established a corporate venture capital (CVC) fund with the company. We aim to leverage our global network in the field of open innovation to discover technologies and services that will serve as seeds for next-generation product development and create new value. We also established a Global Product Development Department to utilize our R&D expertise to accelerate overseas expansion. By assigning development personnel to each region and sharing technical and product information, we aim to drive continued growth.

The total amount of research and development expenses for the fiscal year ended March 31, 2026, was ¥4,512 million.

## Status of Shareholdings

### (1) Criteria and approach for classifying investment shares

Calbee classifies shares held for the purpose of earning profit from market value fluctuations or dividends as investment shares for pure investment purposes, and other shares as investment shares for purposes other than pure investment (i.e. cross-shareholdings).

### (2) Investment shares held for purposes other than pure investment

a) Calbee's policy on holding, method for verifying the rationality of said holding, and content of verification by the Board of Directors, etc., regarding the appropriateness of holding individual shares In principle, our policy is to not hold cross-shareholdings. However, each fiscal year, we review the need for such holdings, and only continue to hold them if deemed necessary as part of our business strategy, such as business alliances for new business creation, or if it is clear that maintaining and strengthening relationships with companies we have business dealings with will serve to develop our business.

#### b) Investment shares held for purposes other than pure investment

	Number of issues	Total amount on balance sheet (million yen)
Unlisted shares	8	37
Shares other than unlisted shares	12	860

#### (Shares whose holdings were increased in the fiscal year under review)

	Number of issues	Total acquisition cost associated with the increase in the number of shares (million yen)	Reason for the increase in the number of shares
Unlisted shares	-	-	-
Shares other than unlisted shares	4	4	For acquisition by a stockholding association to strengthen relationships and due to a stock split.

#### (Shares whose holdings were decreased in the fiscal year under review)

	Number of issues	Total sales proceeds associated with the decrease in the number of shares (million yen)
Unlisted shares	-	-
Shares other than unlisted shares	2	295

c) Information on the number of shares, balance sheet amount, etc., for each specific shares and deemed shares held by the company  
 Specific investment shares

Stock	Fiscal year under review	Previous fiscal year	Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.	Whether the investee also holds Calbee shares
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
Seven & i Holdings Co., Ltd.	267,940	266,845	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of holding shares are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holding is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2026, the number of shares held has increased due to acquisitions through our business partner shareholding association.	No
	568	577		
Four Seas Mercantile Holdings Limited	1,000,000	1,000,000	The company is a joint venture partner in our Group's Hong Kong operations, and we hold shares with the aim of enhancing corporate value through the maintenance and strengthening of our business partnership.	No
	55	49		
THE TORIGOE CO., LTD	49,000	49,000	We engage in procurement activities and hold the shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of holding shares are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts.	Yes
	53	40		

Stock	Fiscal year under review	Previous fiscal year	Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.	Whether the investee also holds Calbee shares
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
AEON Co., Ltd.	24,347	8,005	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2026, the number of shares held has increased due to a stock split and acquisitions through our business partner shareholding association.	No
	45	30		
ARCS COMPANY, LIMITED	11,524	11,524	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts.	No
	43	33		
UNQ Holdings Limited	590,000	590,000	The company is a joint venture partner in our Group's China EC operations, and we hold shares with the aim of enhancing corporate value through the maintenance and strengthening of our business partnership.	No
	29	23		
MatsukiyoCocokara & Co.	10,105	9,845	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2026, the number of shares held has increased due to acquisitions through our business partner shareholding association.	No
	25	23		

Stock	Fiscal year under review	Previous fiscal year	Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.	Whether the investee also holds Calbee shares
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
YAMANAKA CO., LTD.	42,267	40,749	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2026, the number of shares held has increased due to acquisitions through our business partner shareholding association.	No
	22	22		
Maruyoshi Center Inc.	1,000	1,000	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts.	No
	4	3		
Hong Kong Food Investment Holdings Limited	377,000	377,000	The company has invested in a joint venture partner of our Group's Hong Kong operations, and we hold their shares with the aim of enhancing corporate value through maintaining and strengthening our business partnership.	No
	3	2		
RETAIL PARTNERS CO., LTD.	3,000	3,000	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts.	No
	3	4		

Stock	Fiscal year under review	Previous fiscal year	Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.	Whether the investee also holds Calbee shares
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
COSMOS Pharmaceutical Corporation	400	400	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts.	No
	2	3		
RIKEN VITAMIN CO., LTD.	-	200,000	-	No
	-	483		
Valor Holdings Co., Ltd.	-	5,280	-	No
	-	12		

(Note) "-" indicates that the share is not held.

Deemed shares held  
No applicable items.

### (3) Investment shares held for pure investment purposes

Category	Fiscal year under review		Previous fiscal year	
	Number of issues	Total amount on balance sheet (million yen)	Number of issues	Total amount on balance sheet (million yen)
Unlisted shares	-	-	-	-
Shares other than unlisted shares	1	420	1	218

Category	Fiscal year under review		
	Total amount of dividends received (million yen)	Gains or losses on sales (million yen)	Valuation gains or losses (million yen)
Unlisted shares	-	-	-
Shares other than unlisted shares	1	-	320

(Note) The issue of investment shares held for pure investment purposes (shares other than unlisted shares) is in TRIAL Holdings, Inc.

**(4) Shares whose holding purpose was changed from other than pure investment to pure investment during the fiscal year under review**

Share	Number of shares	Balance sheet amount (million yen)
-	-	-

**(5) Shares whose holding purpose was changed from other than pure investment to pure investment during the previous four fiscal years and the fiscal year under review**

Share	Number of shares	Balance sheet amount (million yen)	Fiscal year of change	Reason for change and policy regarding holding or sale after change
TRIAL Holdings, Inc.	100,000	420	Fiscal year ended March 31, 2024	The purpose of holding the company's shares has been changed to pure investment, aiming to gain profits from market price fluctuations and dividends, as the company is expected to continue growing. Per our policy regarding holding or sale, we regularly review the necessity of sale based on the sale criteria we have set. We also have a policy of considering the sale of the company's shares in the event of a dividend reduction or similar occurrence.

# Consolidated Balance Sheets

Calbee, Inc. and Consolidated Subsidiaries  
Consolidated Balance Sheets  
Years ended March 31, 2026 and 2025

	Millions of yen	
	2026	2025
<b>Assets</b>		
Current assets:		
Cash and deposits	51,548	56,755
Notes receivable – trade	885	888
Accounts receivable	42,947	40,730
Inventories	29,092	25,136
Others	7,386	10,449
Allowance for doubtful accounts	(174)	(122)
Total current assets	<u>131,684</u>	<u>133,837</u>
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	129,272	120,971
Accumulated depreciation	(55,673)	(50,685)
Buildings and structures, net	<u>73,598</u>	<u>70,285</u>
Machinery, equipment and vehicles	159,866	148,936
Accumulated depreciation	(107,038)	(99,887)
Machinery, equipment and vehicle, net	<u>52,827</u>	<u>49,049</u>
Land	21,331	16,226
Lease assets	2,484	1,007
Accumulated depreciation	(1,309)	(410)
Leased assets, net	<u>1,174</u>	<u>596</u>
Construction in progress	4,048	7,194
Others	8,764	8,063
Accumulated depreciation	(6,282)	(5,633)
Other, net	<u>2,482</u>	<u>2,429</u>
Total property, plant and equipment	<u>155,463</u>	<u>145,782</u>
Intangible assets:		
Goodwill	20,987	20,548
Other	3,757	3,659
Total intangible assets	<u>24,745</u>	<u>24,207</u>
Investments and other assets		
Investment securities	2,987	3,263
Deferred tax assets	4,481	5,064
Retirement benefit asset	6,197	5,202
Other	2,061	1,810
Allowance for doubtful accounts	(12)	(1)
Total investments and other assets	<u>15,715</u>	<u>15,340</u>
Total non-current assets	<u>195,924</u>	<u>185,331</u>
Total assets	<u>327,609</u>	<u>319,169</u>

	Millions of yen	
	2026	2025
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable - trade	14,739	13,358
Short-term borrowings	1,766	883
Current portion of long-term borrowings	10,000	—
Lease obligations	399	203
Account payable - other	10,945	13,588
Accrual expenses	13,687	16,118
Income taxes payable	4,154	3,829
Provision for bonuses	5,860	6,456
Provision for bonuses for directors (and other officers)	159	153
Provision for share-based remuneration	43	105
Provision for shareholder benefit program	82	—
Asset retirement obligations	24	—
Other	3,076	1,008
Total current liabilities	<u>64,941</u>	<u>55,705</u>
Non-current liabilities:		
Long-term borrowings	25,000	35,000
Lease obligations	872	468
Deferred tax liabilities	2,417	1,903
Provision for retirement benefits for directors (and other officers)	125	98
Provision for share-based remuneration for directors (and other officers)	294	297
Retirement benefit liabilities	8,687	8,853
Asset retirement obligations	3,272	1,545
Others	224	229
Total non-current liabilities	<u>40,894</u>	<u>48,396</u>
Total liabilities	<u>105,835</u>	<u>104,101</u>
<b>Net assets:</b>		
Share capital:	12,046	12,046
Capital surplus	2,514	2,514
Retained earnings	215,641	205,571
Treasury shares	(34,668)	(24,783)
Total shareholders' equity	<u>195,533</u>	<u>195,348</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sales securities	653	616
Foreign currency translation adjustment	13,601	9,372
Remeasurements of defined benefit plans	814	(158)
Total accumulated other comprehensive income	<u>15,069</u>	<u>9,831</u>
Non-controlling interests	<u>11,171</u>	<u>9,887</u>
Total net assets	<u>221,774</u>	<u>215,067</u>
Total liabilities and net assets	<u>327,609</u>	<u>319,169</u>

# Consolidated Statements of Income

Calbee, Inc. and Consolidated Subsidiaries  
 Consolidated Statements of Income  
 Years ended March 31, 2026 and 2025

	Millions of yen	
	2026	2025
Net sales	340,151	322,564
Cost of sales	229,346	212,686
Gross profit	110,804	109,878
Selling, general and administrative expenses	84,630	80,812
Operating profit	26,173	29,066
Non-operating income		
Interest income	453	494
Dividend income	37	43
Share of profit of entities accounted for using equity method	23	16
Foreign exchange gains	387	-
Gain on investments in investment partnerships	200	515
Other	391	414
Total non-operating income	1,494	1,484
Non-operating expenses		
Interest expenses	388	357
Foreign exchange losses	-	203
Depreciation	58	72
Other	129	73
Total non-operating expenses	575	705
Ordinary profit	27,091	29,844
Extraordinary income		
Gain on sale of non-current assets	12	2
Gain on sales of investment securities	302	150
Subsidy income	89	65
Other	44	0
Total extraordinary income	448	219
Extraordinary losses		
Loss on sale of non-current assets	19	4
Loss on retirement of non-current assets	715	437
Impairment loss	15	17
Loss on valuation of investment securities	209	125
Settlement payments	135	—
Loss on disposal of inventory	66	76
Other	188	4
Total extraordinary losses	1,350	666
Profit before income taxes	26,189	29,397
Income taxes – current	8,103	7,384
Income taxes – deferred	510	507
Total income taxes	8,614	7,892
Profit	17,574	21,505
Profit attributable to non-controlling interests	245	631
Profit attributable to owners of parent	17,329	20,874

# Consolidated Statements of Comprehensive Income

---

Calbee, Inc. and Consolidated Subsidiaries  
Consolidated Statements of Comprehensive Income  
Years ended March 31, 2026 and 2025

	Millions of yen	
	2026	2025
Profit	17,574	21,505
Other comprehensive income:		
Valuation difference on available-for-sales securities	36	(179)
Foreign currency translation adjustments	4,919	(658)
Remeasurements of defined benefit plans	973	(68)
Total other comprehensive income	5,929	(906)
Comprehensive income	23,503	20,599
Comprehensive income attributable to:		
Owners of parent	22,567	20,248
Non-controlling interests	936	350

# Consolidated Statements of Changes in Net Assets

Calbee, Inc. and Consolidated Subsidiaries  
 Consolidated Statements of Changes in Net Assets  
 Years ended March 31, 2026 and 2025

April 1, 2024 to March 31, 2025

Millions of yen, rounded down

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,046	2,514	191,706	(24,972)	181,293
Changes of items during period					
Dividends of surplus			(7,009)		(7,009)
Profit attributable to owners of parent			20,874		20,874
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				189	189
Net change of items other than shareholders' equity					
Total changes of items during period	–	–	13,865	189	14,054
Balance at end of current period	12,046	2,514	205,571	(24,783)	195,348

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	796	9,751	(89)	10,457	9,335	201,086
Changes of items during period						
Dividends of surplus						(7,009)
Profit attributable to owners of parent						20,874
Purchase of treasury shares						(0)
Disposal of treasury shares						189
Net change of items other than shareholders' equity	(179)	(378)	(68)	(625)	552	(73)
Total changes of items during period	(179)	(378)	(68)	(625)	552	13,981
Balance at end of current period	616	9,372	(158)	9,831	9,887	215,067

April 1, 2025 to March 31, 2026

Millions of yen, rounded down

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,046	2,514	205,571	(24,783)	195,348
Changes of items during period					
Dividends of surplus			(7,259)		(7,259)
Profit attributable to owners of parent			17,329		17,329
Purchase of treasury shares				(9,999)	(9,999)
Disposal of treasury shares				114	114
Net change of items other than shareholders' equity					
Total changes of items during period	—	—	10,069	(9,885)	184
Balance at end of current period	12,046	2,514	215,641	(34,668)	195,533

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	616	9,372	(158)	9,831	9,887	215,067
Changes of items during period						
Dividends of surplus						(7,259)
Profit attributable to owners of parent						17,329
Purchase of treasury shares						(9,999)
Disposal of treasury shares						114
Net change of items other than shareholders' equity	36	4,228	973	5,238	1,284	6,522
Total changes of items during period	36	4,228	973	5,238	1,284	6,706
Balance at end of current period	653	13,601	814	15,069	11,171	221,774

# Consolidated Statements of Cash Flows

Calbee, Inc. and Consolidated Subsidiaries  
 Consolidated Statements of Cash Flows  
 Years ended March 31, 2026 and 2025

	Millions of yen	
	2026	2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	26,189	29,397
Depreciation	14,812	12,144
Impairment loss	15	17
Amortization of goodwill	2,281	2,152
Increase (decrease) in allowance for doubtful accounts	52	46
Increase (decrease) in provision for bonuses	(628)	(151)
Increase (decrease) in provision for bonuses for directors (and other officers)	(5)	40
Increase (decrease) in provision for share awards	40	99
Increase (decrease) in provision for share awards for directors	8	113
Increase (decrease) in provision for shareholder benefit program	82	—
Increase (decrease) in retirement benefit liability	661	423
Decrease (increase) in retirement benefit asset	(434)	(355)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	26	(1)
Interest and dividend income	(491)	(538)
Interest expenses	388	357
Foreign exchange losses (gains)	(311)	925
Subsidies income	(89)	(65)
Gain on investments in investment partnerships (gains)	(200)	(515)
Loss on abandonment of inventories	66	76
Share of loss (profit) of entities accounted for using equity method	(23)	(16)
Loss (gain) on sales of investment securities	(302)	(150)
Loss (gain) on valuation of investment securities	209	125
Loss (gain) on sales of non-current assets	7	1
Loss on retirement of non-current assets	715	437
Decrease (increase) in trade receivables	(659)	12,181
Decrease (increase) in inventories	(3,116)	(3,102)
Increase (decrease) in trade payables	608	940
Increase (decrease) in account payable	(898)	(465)
Increase (decrease) in accrued expenses	107	(288)
Other	4,615	(4,873)
Subtotal	<u>43,727</u>	<u>48,959</u>
Interest and dividends received	490	537
Interest paid	(406)	(335)
Income taxes paid	(8,215)	(10,060)
Net cash provided by (used in) operating activities	<u>35,596</u>	<u>39,100</u>

**Cash flows from investing activities**

Purchase of property, plant and equipment	(23,395)	(28,106)
Proceeds from sale of property, plant and equipment	22	10
Purchase of intangible assets	(1,577)	(1,407)
Purchase of investment securities	(4)	(260)
Proceeds from sale of investment securities	597	353
Proceeds from collection of loans receivable	-	100
Payment into time deposits	(20,491)	(22,221)
Proceeds from withdrawal of time deposits	20,697	22,991
Payments for guarantee deposits	(184)	(352)
Proceeds from refund of guarantee deposits	15	109
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,191)	—
Proceeds from subsidy income	89	65
Proceeds from distributions from investment partnerships	205	109
Other, net	5	3
Net cash provided by (used in) investing activities	<u>(26,211)</u>	<u>(28,604)</u>

**Cash flows from financing activities**

Net increase (decrease) in short-term borrowings	819	(504)
Proceeds from long-term borrowings	—	10,000
Purchase of treasury shares	(9,999)	(0)
Proceeds from share issuance to non-controlling shareholders	—	286
Dividends paid	(7,257)	(7,005)
Dividends paid to non-controlling interests	(108)	(85)
Repayments for lease obligations	(456)	(150)
Net cash provided (used in) financing activities	<u>(17,002)</u>	<u>2,541</u>

**Effect of exchange rate changes on cash and cash equivalents**

	<u>2,180</u>	<u>263</u>
--	--------------	------------

**Net increase (decrease) in cash and cash equivalents**

	<u>(5,437)</u>	<u>13,300</u>
--	----------------	---------------

**Cash and cash equivalents at beginning of period**

	<u>51,019</u>	<u>37,718</u>
--	---------------	---------------

**Cash and cash equivalents at end of period**

	<u>45,581</u>	<u>51,019</u>
--	---------------	---------------

# Notes to Consolidated Financial Statements

---

Calbee, Inc. and Consolidated Subsidiaries  
Notes to Consolidated Financial Statements  
Year ended March 31, 2026

## 1. Basis of Presentation

The accompanying consolidated financial statements of Calbee, Inc. (the "Company") and its consolidated subsidiaries have been prepared from the consolidated financial statements filed with the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Law of Japan and in conformity with generally accepted accounting principles and practices in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. Accordingly, International Financial Reporting Standards are not applied in preparing the accompanying consolidated financial statements. The consolidated financial statements are not intended to present the financial position, results of operations or cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to present the information in a form familiar to readers outside Japan. The accounts and the financial statements of the Company and its subsidiaries are maintained in Japanese yen.

As permitted, amounts of less than one million yen are rounded down. As a result, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sum of the individual amounts.

## 2. Summary of Significant Accounting Policies

### (a) Basis of consolidation and accounting for investments in affiliates

The accompanying consolidated financial statements include the accounts of the Company and subsidiaries in which the Company holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. The consolidated financial statements consist of the Company and its 23 (22 in 2025) subsidiaries as listed below.

#### Consolidated subsidiaries

- Calbee Potato, Inc.
- Calbee Logistics, Inc.
- Calbee Eatalk Co., Ltd.
- Japan Frito-Lay Ltd.
- Studio Socio, Inc.
- Calbee Kaitsuka Sweet Potato, Inc.
- Kaitsuka Farm Co., Ltd.
- Calbee America, Inc. (Note 1)
- CFSS Co. Ltd. (Note 1)
- Calbee (Hangzhou) Foods Co., Ltd. (Note 1)
- Calbee (China) Co., Ltd. (Note 1)
- Calbee Four Seas Co., Ltd.
- Calbee E-commerce Limited (Note 1)
- Calbee Group (UK) Ltd (Note 1)
- Calbee Ireland Limited (Note 1)
- PT. Calbee-Wings Food (Note 1)
- Haitai-Calbee Co., Ltd. (Note 1)
- Calbee Tanawat Co., Ltd. (Note 1)
- Greenday Global Co., Ltd. (Note 1)
- Calbee Moh Seng Pte. Ltd. (Note 1)
- Calbee Australia Pty Limited (Note 1)
- Calbee New Zealand Limited (Note 1)
- Hodo, Inc. (Note 1,2)

#### (Notes)

- (1) The fiscal year-end of these subsidiaries is December 31.
- (2) The Company acquired shares of Hodo, Inc. This company has been included in the scope of consolidation from the year ended March 31, 2026.

For the year ended March 31, 2026 and 2025, all subsidiaries are consolidated and there is one affiliate (Calbee URC Malaysia Sdn. Bhd.) that is accounted for by the equity method.

For the years ended March 31, 2026 and 2025, two affiliates, Potato Foods Co., Ltd., and Hiroshima Agricultural Produce Distributors Cooperative are not accounted for using the equity method as they are not significant in terms of net income and retained earnings of the consolidated financial statements.

Accounts of subsidiaries whose year-ends differ by three months from March 31 have been included using pro forma financial information prepared as of March 31.

**(b) Marketable and investment securities**

Marketable and investment securities are classified and valued as follows:

(1) Held-to-maturity debt securities

Amortized cost method (straight-line method)

(2) Available-for-sale securities

Securities for which fair values are readily available:

Marked-to-market, with any changes in unrealized holding gains or losses, net of applicable income taxes, included directly in net assets. Cost of securities sold is determined using the moving average method.

Securities for which fair values are not readily available:

Stated at cost based on the moving-average method.

**(c) Inventories**

Inventories are stated at cost using the average method for finished goods and work-in-process. The moving-average method is applied for commercial goods, raw materials and supplies. The book value of inventories is written down to reflect any declines in profitability.

**(d) Property, plant and equipment (except for leases)**

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets.

The useful lives of buildings, machinery and equipment are as follows:

	Useful lives (years)
Buildings	15 to 31 years
Machinery and equipment	10 years

**(e) Intangible assets (except for leases)**

Intangible assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over the estimated useful life of five years.

**(f) Leases**

Finance lease assets that do not transfer ownership of the property to the lessee are depreciated using the straight-line method over the lease term with no residual value.

**(g) Allowance for doubtful accounts**

Allowance for doubtful accounts is provided based on the Company's actual historical experience of credit loss for active accounts and on an individual basis after an analysis of collectability for certain doubtful accounts.

**(h) Provision for bonuses**

Provision for bonuses is provided for the bonus payments to employees and directors in the estimated bonus amount attributable to the current fiscal year.

**(i) Provision for share-based remuneration**

To prepare for future awards of the Company's shares to Group employees, provision for stock payments is provided for stock award debt based on predetermined regulations for awarding stock.

**(j) Provision for shareholders benefit program**

To prepare for future expenses related to the shareholder benefit program, we have recorded the expected amount as of the end of the fiscal year ended March 31, 2026.

**(k) Provision for retirement benefits for directors (and other officers)**

To provide for the payment of directors' retirement benefit, the amount payable under internal regulations at the consolidated balance sheet date is recorded.

**(l) Provision for share-based remuneration for directors (and other officers)**

To prepare for future awards of the Company's shares to the Company's directors, etc, provision for stock payments is provided for stock award debt based on predetermined regulations for awarding stock.

**(m) Recognition of revenues and expenses**

Our group primarily sells snack foods and cereals and recognizes revenue upon the transfer of control of these promised goods or services to customers in the amount that we expect to receive in exchange for those goods or services. In domestic sales of goods or products, when the period until the time of inspection by the customer is considered reasonable for each transaction practice in light of the number of days required for shipment and delivery in Japan, we recognize revenue at the time of shipment.

The payment for the promised goods or services is generally within two months of the time the control has moved to the customer, and there is no significant financing component in the amount of the payment.

A portion of transaction prices includes variable consideration such as rebates. Variable consideration is the estimate of the most probable amount. The transaction price only include amount for sales subject to variable consideration to the extent that it is highly probable that there will not be a significant reversal of cumulative revenue after the uncertainty associated with variable consideration is resolved.

There are no material returns except that we are responsible for the returns such as product failure.

**(n) Accounting method for retirement benefits**

(1) Period allocation methodology for the estimated retirement benefit amount

The retirement benefit obligation is calculated by allocating the estimated retirement benefit amount until the end of the current fiscal year on a benefit formula basis.

(2) Amortization of net unrecognized actuarial gains (losses) and unrecognized past service cost

Net unrecognized actuarial gains (losses) are amortized beginning in the following fiscal year by the straight-line method over a specified number of years (12 years) within the average remaining service period of employees at the time the difference arose.

Unrecognized past service cost is amortized by the straight-line method over a specified number of years (5 years) within the average remaining service period of employees at the time the cost incurred.

(3) Application of the simplified method for small businesses

For part-time employees of the Company, amount payable at the fiscal year-end in accordance with internal regulations is provided for.

For certain consolidated subsidiaries, a simplified method is applied for the calculation of retirement benefit obligations and retirement benefit expenses in which the necessary retirement benefit provisions for voluntary resignations at the end of the fiscal year are recorded as retirement benefit obligations.

**(o) Business commencement expenses**

Business commencement expenses are expensed as incurred.

**(p) Foreign currency translation**

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rate in effect at the balance sheet date and gains or losses arising from such translation are credited or charged to income.

Assets and liabilities of overseas subsidiaries are translated into yen at the exchange rate in effect at the balance sheet date, whereas shareholders' equity of such subsidiaries is translated at the historical rate that prevailed on the date of their acquisition. Income and expenses of overseas subsidiaries are translated into

yen using the average exchange rate during the fiscal year. Translation adjustments are included in foreign currency translation adjustments and non-controlling interests in net assets section of the accompanying consolidated balance sheets.

**(q) Goodwill**

Goodwill is amortized using the straight-line method over the estimated effective period of the investment. The estimated effective period are as follows.

	Estimated effective period (years)
Calbee Kaitsuka Sweet Potato, Inc. (the sweet potato business)	15 years
Calbee America, Inc.	15 years
Calbee Group (UK) Ltd	15 years
Greenday Group Co., Ltd.	15 years
Hodo, Inc.	11 years

**(r) Cash and cash equivalents**

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash on hand, deposits with banks available for withdrawal on demand and short-term highly liquid investments with an original maturity of three months or less which are readily convertible into cash and subject to insignificant risk of changes in value.

**3. Significant accounting estimates**

(Necessity of recognizing loss on the goodwill impairment of the sweet potato business)

**(1) Amount recorded in the consolidated financial statements**

	Millions of yen	
	2026	2025
Goodwill	8,753	9,726

**(2) Information related to significant accounting estimates for identified items**

**(a) Calculation methods of estimates**

When indicators of impairment are identified due to a continuous loss in earnings from operations or a significant decline in market prices, our Group assesses the recognition of impairment losses by considering future business plans and other factors, and recognizes impairment losses to recoverable amounts as necessary.

The main portion of our intangible assets is goodwill arising from the acquisition of Calbee Kaitsuka Sweet Potato, Inc. The sweet potato business has seen continuous negative operating income after amortization of goodwill due to the increase in purchase price and other factors, and there was an indication of goodwill impairment. We determined that no impairment loss was recognized because the total amount of the estimated undiscounted future cash flows from the sweet potato business exceeded the carrying value of the asset group including goodwill.

The undiscounted future cash flows were calculated based on the company's business plan and take into account future uncertainties. The undiscounted future cash flows also include the recoverable amount of other assets at the end of the remaining economic life of the goodwill, but estimating the sales growth rate and discount rate used to measure this amount requires a high level of expertise in calculation methods.

**(b) Key assumptions used in the calculation of estimate**

The undiscounted future cash flows used for the recognition of impairment loss were based on the sweet potato business plan and make the key assumptions that there will be a continuous increase in sales and procurement volume and an improvement in gross profit ratio primarily due to an increase in the sales volume of processed products.

(c) Impact on consolidated financial statements for the next consolidated fiscal year

Calbee Group carefully considered the identification of indications of impairment and the recognition and measurement of impairment loss at the end of the fiscal year and we believe that the above estimates of future cash flows are reasonable. However, shifts in market conditions may lead to changes being made in the assumptions and estimate bases, which could have a significant impact on the consolidated financial statements for the next consolidated fiscal year.

## 4. Unapplied Accounting Standards, etc.

### Accounting Standard for Leases

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

#### (1) Overview

The Accounting Standards Board of Japan, as part of efforts to align Japanese standards with international standards, has been examining the development of accounting standards for leases that recognize assets and liabilities for all leases based on international accounting standards. The basic policy is to base the standards on a single accounting model from IFRS 16 Leases, but only incorporating the main provisions. The aim is to create a simplified and user-friendly standard, ensuring that no fundamental adjustments are necessary when using IFRS 16 Leases provisions in individual financial statements, and the lease accounting standards, have been published with this goal in mind.

For the lessee's accounting treatment, regarding the method of expense allocation for the lessee's leases, a single accounting model is applied, similar to IFRS 16 Leases. This model records depreciation of right-of-use assets and interest equivalent amounts on lease liabilities for all leases, regardless of whether the lease is a finance or an operating lease.

#### (2) Scheduled Effective Date

Calbee Group plans to apply these accounting standards from the beginning of the fiscal year ending March 31, 2028.

#### (3) Effect of adoption of this accounting standard

The impact of adopting these accounting standards was still under evaluation when these consolidated financial statements were prepared.

### Accounting Standard for Subsequent Events

- Accounting Standard for Subsequent Events (ASBJ Statement No. 41, January 9, 2026)
- Implementation Guidance on Accounting Standard for Subsequent Events (ASBJ Guidance No. 35, January 9, 2026)

#### (1) Overview

The "Accounting Standard for Subsequent Events," etc. establishes accounting treatments and disclosure requirements for subsequent events, while treating as a priority issue the establishment of a comprehensive accounting standard covering the definition of subsequent events, accounting treatment, and disclosure. Based on the basic policy of, in principle, carrying over the accounting-related content set forth in Practical Guideline No. 1, "Audit Treatment Relating to Subsequent Events," of Auditing Standards Committee Statement No. 560 issued by the Japanese Institute of Certified Public Accountants, and transferring such content to the Accounting Standards Board of Japan, the standard revises certain expressions, clarifies the evaluation period for subsequent events, and newly requires disclosure regarding the approval of the issuance of financial statements.

#### (2) Scheduled Effective Date

Calbee Group plans to apply these accounting standards from the beginning of the fiscal year ending March 31, 2028.

## 5. Changes in Presentation

### Consolidated Statement of Income

In the previous fiscal year “Commission for syndicated loans” (1 million yen for the previous fiscal year) which were presented under “non-operating expenses,” have been included in “Other” under non-operating expenses in the current consolidated fiscal year due to decreased materiality.

## 6. Changes in accounting estimates

### Change in Estimate of Asset Retirement Obligations

With respect to the change in the estimate of asset retirement obligations for the current fiscal year, the same information is disclosed in the note on asset retirement obligations; therefore, this note has been omitted.

## 7. Additional Information

### Employee Stock Ownership Plan (ESOP) Trust

The Company awards the Company’s own stock to the employees of our Group through a trust.

#### (1) Transaction summary

On March 7, 2014, the Employee Stock Ownership Plan (ESOP) Trust was introduced as an employee incentive plan with the aim of improving long-term corporate value. By raising awareness of our financial results and share price among employees, the Company aims to further promote corporate activities that improve financial results. The Company has established the Trust by contributing funds for acquisition of the Company’s stocks for those employees who satisfy certain requirements. Based on predetermined regulations for awarding stocks, the Trust will acquire the estimated number of the Company’s stocks to be awarded to employees from the stock market during the predetermined stock acquisition period. Funds required for the Trust to purchase the aforementioned stocks will be provided by the Company. The employees will bear no liabilities.

Introducing the Trust will enable employees to profit from a rise in stock prices, and will promote awareness of the stock price among employees as they fulfill their duties and is thereby expected to improve employee motivation. Further, the voting rights of the Company’s stocks held in the Trust will be executed within a structure that will reflect the will of the employees who are potential beneficiaries and is an effective way to improve corporate value by promoting employees’ participation in management planning.

#### (2) The Company’s own stock in the Trust

The Company’s own stock in the Trust is recorded in treasury stock under net assets based on the book value in the trust (excluding ancillary expenses). The book value and the number of these treasury stock as of March 31, 2026 and 2025 were ¥141 million and 46,775 shares, and ¥243million and 80,445 shares, respectively.

### Performance-linked Stock Compensation Plan

The Company awards stock to board members (excluding outside and part-time directors) and executives contractually bound to the Company including Executive Officers (hereinafter “Board Members”) through the Trust.

#### (1) Transaction summary

On August 6, 2014, the Company introduced a performance-linked stock compensation plan (hereinafter the “Plan”) with the goal of increasing awareness of the importance of contributing to further enhancing the Company’s corporate value and performance over the medium-to-long-term. The Plan is highly transparent and objective and closely linked with the Company’s performance for Board Members.

The Plan is the performance-linked stock compensation plan under which the Company’s shares are acquired through the Board Incentive Plan Trust (hereafter “BIP Trust”) with the funds of remuneration contributed by the Company and the Company’s shares are awarded to the Company’s Board Members in accordance with performance targets achieved. Upon their retirement, Board Members will receive the Company’s stocks in principle.

In order to ensure the neutrality of the Company’s management, voting rights for the Company’s stocks in the Trust shall not be exercised while in the Trust.

## (2) The Company's own stock in the Trust

The Company's own stock in the Trust is recorded in treasury stock under net assets based on the book value in the Trust (excluding ancillary expenses). The book value and the number of treasury stock in the Trust as of March 31, 2026 and 2025 were ¥524 million and 146,300 shares, and ¥536 million and 149,800 shares, respectively.

## Matters Related to the Acquisition of Treasury Stock

At the meeting of the Board of Directors held on November 21, 2025, the Company resolved, pursuant to Article 156 of the Companies Act of Japan as applied mutatis mutandis pursuant to Article 165, paragraph 3 of the same Act, to acquire its own shares and to determine the specific method of acquisition, and carried out the acquisition of treasury stock on November 25, 2025. The acquisition of treasury stock was conducted using an accelerated share repurchase method (Accelerated Share Repurchase; hereinafter, the "Method"). As the Method falls under a case where the relevant accounting standards, etc. do not clearly prescribe the accounting treatment, the Company has accounted for it as follows.

### (1) Overview of the Method

In the treasury share acquisition through ToSTNeT-3, of the 3,386,330 shares acquired, 3,286,330 shares were purchased from Daiwa Securities Co. Ltd. ("Daiwa Securities") at ¥2,953 per share (the acquisition of treasury shares from Daiwa Securities is referred to as the "Treasury Share Acquisition (ASR)"). With respect to the portion acquired from Daiwa Securities, the Company will conduct an adjustment transaction using its own shares with Daiwa Securities, the allottee of the stock acquisition rights issued by the Company in connection with the ASR transaction, so that the Company's effective acquisition price per share will be equal to the amount obtained by multiplying 99.85% by the average of the volume-weighted average prices of ordinary trading of the Company's shares on the Tokyo Stock Exchange during a certain period after the Treasury Share Acquisition (ASR), and then adding the amount of dividends per share for a certain period (hereinafter, the "Average Share Price").

On June 2, 2026, the stock acquisition rights were exercised by Daiwa Securities. Because the Average Share Price exceeded ¥2,953, upon the exercise of the stock acquisition rights, the Company has delivered to the allottee a number of the Company's shares calculated by subtracting from the "number of the Company's common shares sold by the allottee for its own account in this purchase" (hereinafter, the "Base Number of Shares") the "number of shares obtained by dividing the Base Amount (the sale proceeds from the sale of the Company's common shares by the allottee in this purchase) by the Average Share Price."

### (2) Principles and Procedures of Accounting Treatment

The Company's shares acquired through ToSTNeT-3 are recorded as "treasury shares" in the net assets section of the consolidated balance sheet at acquisition cost. Upon delivery of shares as a result of the exercise of the stock acquisition rights, in the first quarter of the fiscal year ending March 31, 2027, the book value of the shares delivered will be deducted from treasury shares in the net assets section of the consolidated balance sheet, and the difference between the reduced book value of treasury shares and the amount paid in upon exercise of the stock acquisition rights is scheduled to be deducted from capital surplus.

Based on this accounting policy, ¥9,999 million was recorded as "treasury shares" in the net assets section of the consolidated balance sheet for the current consolidated fiscal year.

## 8. Inventories

The breakdown of inventories as of March 31, 2026 and 2025 is as follows:

	Millions of yen	
	2026	2025
Finished goods and commercial goods	10,421	9,231
Work in process	2,803	2,705
Raw materials and supplies	15,867	13,200

Valuation losses (reversal) due to declines in profitability included in cost of sales for the years ended March 31, 2026 and 2025 were ¥37 million and ¥(67) million, respectively.

## 9. Financial Covenants

The long-term loans payable are subject to the following financial covenants:

- (1) From the fiscal year ended March 31, 2024 onwards, maintain net assets on the consolidated balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the consolidated balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the consolidated balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.
- (2) From the fiscal year ended March 31, 2024 onwards, maintain net assets on the standalone balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the standalone balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the standalone balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.
- (3) From the fiscal year ended March 31, 2024 onwards, maintain net assets on the consolidated balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the consolidated balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the consolidated balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.

The outstanding loan balances subject to financial covenants as of March 31, 2026 and 2025 are as follows:

	Millions of yen	
	2026	2025
Long-term loans payable	25,000	25,000

## 10. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2026 and 2025 are as follows:

	Millions of yen	
	2026	2025
Sales promotion expenses	5,647	5,075
Advertisement expenses	6,865	7,502
Freight expenses	19,201	17,748
Salaries and other allowances	17,483	16,491
Provision for retirement benefits for directors (and other officers)	30	42
Provision for bonuses	3,676	4,194
Provision for bonuses for directors (and other officers)	159	154
Provision for stock payments	40	99
Provision for share-based remuneration for directors (and other officers)	8	113
Retirement benefit expense	1,021	941
Allowance for doubtful accounts	70	57

## 11. Research and Development Costs

Research and development costs included in Selling, general and administrative expenses and Manufacturing expenses for the years ended March 31, 2026 and 2025 are as follows:

	Millions of yen	
	2026	2025
Selling, general and administrative expenses	4,478	4,209
Manufacturing expenses	33	22
Total	4,512	4,232

## 12. Sale and retirement of Non-current Assets

Gain on sales of non-current assets for the year ended March 31, 2026 mainly consists of gain from the sales of Machinery, equipment and vehicles. Gain on sales of non-current assets for the year ended March 31, 2025 mainly consists of gain from the sales of Machinery, equipment and vehicles.

Loss on sales of non-current assets for the year ended March 31, 2026 mainly consists of loss from the sales of Machinery, equipment and vehicles. Loss on sales of non-current assets for the year ended March 31, 2025 mainly consists of loss from the sales of Machinery, equipment and vehicles.

Loss on retirement of non-current assets for the year ended March 31, 2026 mainly consists of losses from the retirement of Machinery, equipment and vehicles. Loss on retirement of non-current assets for the year ended March 31, 2025 mainly consists of losses from the retirement of Machinery, equipment and vehicles, and Construction in progress.

### 13. Impairment Loss

For the year ended March 31, 2026, the Company recognized impairment loss of ¥15 million on the business assets for which there is no intended future use. With regard to business assets, the Company has reduced the book value to the recoverable amount, since the Company decided to withdraw from the businesses.

For the purpose of impairment testing, assets are generally grouped based on region; however, idle assets with no plans for the future usage are grouped by each asset.

The recoverable amount is higher of its fair value less costs of disposal and its value in use. Fair value less costs of disposal for which sales or other usage is unlikely, is recorded as having no value.

The details of impairment loss recognized are as follows:

(For the year ended March 31, 2026)

Location	Purpose of use	Type of asset	Amount
			Millions of yen
Hodo, Inc. (California, USA)	Business assets	Machinery, equipment and vehicles	15

For the year ended March 31, 2025, the Company recognized impairment loss of ¥17 million on the business assets for which there is no intended future use. With regard to business assets, the Company has reduced the book value to the recoverable amount, since the Company decided to withdraw from the businesses.

### 14. Other Comprehensive Income

Reclassification adjustments and tax effects related to other comprehensive income for the years ended March 31, 2026 and 2025 are as follows:

	Millions of yen	
	2026	2025
Other comprehensive income		
Unrealized holding gain on securities		
Amount during the year	349	(227)
Reclassification adjustments	302	(24)
Amount before tax effects	47	(252)
Tax effects	(11)	72
Total	36	(179)
Foreign currency translation adjustments		
Amount during the year	4,919	(660)
Reclassification adjustments	—	1
Amount before tax effects	4,919	(658)
Tax effects	—	—
Total	4,919	(658)
Remeasurements of defined benefit plans		
Amount during the year	1,324	(238)
Reclassification adjustments	96	136
Amount before tax effects	1,421	(101)
Tax effects	(448)	33
Total	973	(68)
Total	5,929	(906)

## 15. Net Assets

### (1) Movements of number of common stock issued and outstanding during the Years ended March 31, 2026 and 2025 are as follows:

	Number of shares	
	2026	2025
Balance at beginning of year	133,929,800	133,929,800
Increase	—	—
Decrease	—	—
Balance at end of year	133,929,800	133,929,800

### (2) Movements of number of treasury stock during the Years ended March 31, 2026 and 2025 are as follows:

	Number of shares	
	2026	2025
Balance at beginning of year	8,992,816	9,050,500
Increase	3,386,300	126
Decrease	(37,170)	(57,810)
Balance at end of year	12,341,946	8,992,816

Note: The breakdown of the increase and decrease during the year ended March 31, 2026 is as follows:

Increase due to acquisition of treasury stock resolved at the Board of Directors meeting held on November 5, 2025	3,386,300 shares
Decrease due to issuance of treasury shares by the trust	37,170 shares

The breakdown of the increase and decrease during the year ended March 31, 2025 is as follows:

Increase due to purchase of holder of shares less than one unit	126 shares
Decrease due to issuance of treasury shares by the trust	57,810 shares

### (3) As of March 31, 2026 and 2025, the outstanding balance of subscription rights provided for as stock options amounted to nil.

### (4) Cash dividends

• Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2025	Common stock	7,259	58	March 31, 2025	June 26, 2025

The total amount of dividends paid includes dividends of ¥13 million paid to the Company's shares held by trusts.

• Dividends accompanied by a record date in the reporting period and an effective date after the end of the reporting period The Company is scheduled to make a proposal at the Ordinary General Meeting of Shareholders to be held on June 24, 2026, are as follows:

Resolution	Class of shares	Source of dividends	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 24, 2026	Common stock	Retained earnings	8,037	66	March 31, 2026	June 25, 2026

The total amount of dividends paid includes dividends of ¥12 million paid to the Company's shares held by trusts.

## 16. Supplemental Cash Flow Information

The reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and deposits in the consolidated balance sheets as of March 31, 2026 and 2025 is as follows:

	Millions of yen	
	2026	2025
Cash and deposits	51,548	56,755
Time deposits maturing over three months	(5,966)	(5,735)
Cash and cash equivalents	<u>45,581</u>	<u>51,019</u>

Major components of assets and liabilities of a company newly included in the scope of consolidation through share acquisition

During the current consolidated fiscal year, as a result of newly consolidating Hodo, Inc. following the acquisition of its shares, the breakdown of assets and liabilities at the commencement of consolidation, as well as the relationship between the acquisition cost of the shares and the expenditures for the acquisition (net increase), are as follows:

	Millions of yen
Current assets	714
Non-current assets	1,126
Goodwill	1,779
Current liabilities	(321)
Non-current liabilities	(427)
Non-controlling interests	(456)
Acquisition cost of shares	2,416
Cash and cash equivalents	(225)
Net: expenditures for acquisition	<u>2,191</u>

## 17. Lease transaction

Operating lease transaction

(Borrower)

Future lease payments for non-cancelable operating lease transactions:

	Millions of yen	
	2026	2025
Within a year	1,743	1,589
Over a year	12,344	9,842
Total	<u>14,088</u>	<u>11,432</u>

## 18. Financial Instruments

### (1) Policy for financial instruments

The Company's fund management policy is to use highly secure financial instruments, such as term deposits, with purchases of financial instruments carried out in accordance with internal regulations including the fund management policy. As for funding, domestic consolidated subsidiaries are principally prohibited from borrowing from third parties and are only allowed to borrow from the Company. The Company borrows necessary funds from third parties if necessary. The Company uses derivatives in order to hedge foreign exchange risk and does not enter into derivative transactions for speculative or trading purposes.

### (2) Nature of financial instruments and the related risks and risk management

Trade receivables consist of notes and accounts receivable and are exposed to customers' credit risk. In order to reduce such risk, the Company monitors the credit standing, due dates and outstanding balance by individual customer in accordance with our Group credit management policy.

Marketable securities consist of commercial paper and jointly-managed money trust and are highly safe financial instruments held for short-term investment. The Company considers their credit risk to be insignificant.

Investment securities consist of shares of companies with business relationships and debt securities for surplus fund management, and are exposed to market volatility risk. In order to reduce such risk, the Company reviews the market values and the financial position of the issuers on a regular basis.

Trade payables consist of notes and accounts payable and other payable are exposed to liquidity risk. The Company manages such risk by preparing fund management plans on a monthly basis. Also, the Company enhanced its centralized funding and cash management functions by implementing a cash management system.

To hedge exchange rate volatility risk related to monetary receivables and payables denominated in foreign currencies, the Company uses forward foreign exchange contracts. These derivative transactions are executed and managed in accordance with the internal regulations governing the transaction authorizations. The Company considers that credit risk arising from non-performance of counterparties is minimal because the counterparties to the derivative transactions are limited to domestic banks with high credit standing.

Long-term loans payable is procured at fixed interest rates to avoid interest rate fluctuation risk. In addition, the finance division prepares and updates funding plans in a timely manner and manages liquidity risk by maintaining liquidity on hand.

### (3) Supplementary explanation of the estimated fair value of financial instruments

The fair value may change depending on the different presumptions adopted, since variable factors are taken into account in determining the fair value. The contract amount of derivative transactions shown in Note 22 Derivative Financial Instruments does not represent market risk.

### (4) Fair values of financial instruments

Carrying amount, estimated fair value and the difference between them for financial instruments as of March 31, 2026 and 2025 are shown in the following table.

(As of March 31, 2026)	Millions of yen		
	Carrying Amount	Estimated Fair Value	Difference
<b>Assets</b>			
Investment securities			
Available-for-sale	1,280	1,280	—
<b>Total assets</b>	<b>1,280</b>	<b>1,280</b>	<b>—</b>
<b>Liabilities</b>			
Long-term borrowings	35,000	34,080	(919)
<b>Total liabilities</b>	<b>35,000</b>	<b>34,080</b>	<b>(919)</b>
<b>Derivative transactions</b>			
Hedge accounting not applied	(564)	(564)	—
<b>Total derivative transactions</b>	<b>(564)</b>	<b>(564)</b>	<b>—</b>

\* The note of "Cash" is omitted. "Deposits", "Notes receivable", "Accounts receivable", "Notes and accounts payable-trade", "Short-term loans payable" and "Accounts payable-other" are omitted because their fair values approximate their carrying amounts due to their short-term settlement.

\* Receivables and payables arising from derivative transactions are presented in net amount, with the net liability amount presented in parenthesis.

\* Equity securities without market price are unlisted shares. It is not included in "Investment securities". The carrying amount is ¥264 million.

\* Investment in unions and other similar entities whose share equivalent to the net amount is recorded in the consolidated balance sheet is omitted. The carrying amount is ¥1,442 million.

(As of March 31, 2025)	Millions of yen		
	Carrying Amount	Estimated Fair Value	Difference
<b>Assets</b>			

Investment securities			
Available-for-sale	1,528	1,528	—
Total assets	<u>1,528</u>	<u>1,528</u>	<u>—</u>
Liabilities			
Long-term borrowings	35,000	34,445	(554)
Total liabilities	<u>35,000</u>	<u>34,445</u>	<u>(554)</u>
Derivative transactions			
Hedge accounting not applied	446	446	—
Total derivative transactions	<u>446</u>	<u>446</u>	<u>—</u>

\* The note of "Cash" is omitted. "Deposits", "Notes receivable", "Accounts receivable", "Notes and accounts payable-trade", "Short-term loans payable" and "Accounts payable-other" are omitted because their fair values approximate their carrying amounts due to their short-term settlement.

\* Receivables and payables arising from derivative transactions are presented in net amount, with the net liability amount presented in parenthesis.

\* Equity securities without market price are unlisted shares. It is not included in "Investment securities". The carrying amount is ¥450 million.

\* Investment in unions and other similar entities whose share equivalent to the net amount is recorded in the consolidated balance sheet is omitted. The carrying amount is ¥1,284 million.

Notes 1 Redemption schedule of monetary receivables and marketable securities with maturities after March 31, 2026 and 2025.

(As of March 31, 2026)	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	51,548	—	—	—
Notes Receivable - trade	885	—	—	—
Accounts receivable	42,947	—	—	—
Total	<u>95,380</u>	<u>—</u>	<u>—</u>	<u>—</u>

(As of March 31, 2025)	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	56,755	—	—	—
Notes Receivable - trade	888	—	—	—
Accounts receivable	40,730	—	—	—
Total	<u>98,374</u>	<u>—</u>	<u>—</u>	<u>—</u>

Notes 2 Repayment schedule of long-term borrowings, lease obligations, and other interest-bearing liabilities after March 31, 2026 and 2025.

March 31 2026	(Millions of yen)					
	2026	2027	2028	2029	2030	2031 and beyond
Long-term borrowings	10,000	10,000	8,400	6,600	—	—
Short-term Borrowings	1,766	—	—	—	—	—
Lease obligations	399	333	219	187	106	24
Total	12,166	10,333	8,619	6,787	106	24

(Millions of yen)

March 31 2025	2025	2026	2027	2028	2029	2030 and beyond
Long-term borrowings	—	10,000	10,000	8,400	6,600	—
Short-term Borrowings	883	—	—	—	—	—
Lease obligations	203	199	125	76	56	9
Total	1,086	10,199	10,125	8,476	6,656	9

##### (5) Breakdown of the Fair Value of Financial Instruments by Level

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs to the determination of fair value:

- Level 1 fair value: Of inputs for determining observable fair value, fair value calculated using market prices for assets or liabilities that are formed in active markets and are subject to such fair value calculations
- Level 2 fair value: Fair value calculated using inputs for determining observable fair value other than inputs for Level 1
- Level 3 fair value: Fair values calculated using inputs for determining fair values that are unobservable

If we use multiple inputs that are significant to the determination of fair value, we categorize fair value into the level in which each of these inputs has the lowest priority in determining fair value.

##### • Financial instruments recorded in the consolidated balance sheets at fair value

Millions of yen				
2026				
Fair values				
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale				
Equity securities	1,280	—	—	1,280
Derivatives				
Related to currency	—	(564)	—	(564)
Asset Total	1,280	(564)	—	715

Millions of yen				
2025				
Fair values				
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale				
Equity securities	1,528	—	—	1,528
Derivatives				
Related to currency	—	446	—	446
Asset Total	1,528	446	—	1,975

##### • Financial instruments except financial instruments recorded in the consolidated balance sheets at fair value As of March 31, 2026

Millions of yen				
2026				
Fair values				
	Level 1	Level 2	Level 3	Total
Long-term borrowings (Including current portion of long-term borrowings)	—	34,080	—	34,080
Liabilities Total	—	34,080	—	34,080

As of March 31, 2025

	Millions of yen			
	2025			
	Fair values			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	—	34,445	—	34,445
Liabilities Total	—	34,445	—	34,445

Note: Description of valuation techniques used to determine fair value and inputs for determining fair value

Available-for-sale

Listed stocks are valued using quoted prices. Listed stocks are traded in an active market and, therefore, their fair values are classified as Level 1 fair values.

Derivative transactions

The fair value of foreign currency forward contracts is determined using the discounted present value method using observable inputs such as interest rates and foreign currency exchange rates and is classified as Level 2 fair value.

Long-term borrowings

The fair value of Long-term borrowings is determined using the discounted present method based on the total amount of principal and interest, the remaining period of the issue, the interest rate that takes into account credit risk and is classified as Level 2 fair value.

## 19. Marketable and Investment Securities

(1) The summary of acquisition cost and carrying value of held to maturity and available-for-sale securities as of March 31, 2026 and 2025 is as follows:

### Held-to-maturity

As of March 31, 2026 and 2025

No applicable items.

### Available-for-sale

	Millions of yen		
	2026		
	Carrying amount	Acquisition cost	Unrealized gains (losses)
(Securities with carrying value exceeding acquisition cost)			
Equity securities	1,254	338	915
(Securities with carrying value not exceeding acquisition cost)			
Equity securities	25	31	(5)
Total	1,280	369	910

	Millions of yen		
	2025		
	Carrying amount	Acquisition cost	Unrealized gains (losses)
(Securities with carrying value exceeding acquisition cost)			
Equity securities	1,503	635	867
(Securities with carrying value not exceeding acquisition cost)			
Equity securities	25	30	(5)
Total	1,528	666	862

Note: Unlisted shares and investments in partnerships, etc., which are recorded on the consolidated balance sheet at the net amount of the Company's equity interest, with carrying values of ¥1,480 million and ¥1,532 million as of March 31, 2026 and 2025, respectively, are not included in the above table as their market value is not readily available.

## (2) Sales of available-for-sale securities

	Millions of yen		
	2026		
	Sales amount	Gain on sales	Loss on sales
Equity securities	597	302	-
Total	597	302	-

	Millions of yen		
	2025		
	Sales amount	Gain on sales	Loss on sales
Equity securities	353	150	-
Total	353	150	-

## (3) Impairment loss on available-for-sale securities

The Company recognizes impairment loss for the full amount of securities when the fair value declines below 50% of the acquisition cost, and for amounts deemed necessary after consideration of recoverability when the fair value declines by 30 to 50% of the acquisition cost. During the year ended March 31, 2026 and 2025, impairment losses recognized on equity securities classified as available-for-sale securities were ¥209 million and ¥125 million.

## 20. Derivative Financial Instruments

Information on derivative transactions of the Company that do not meet the criteria for hedge accounting as of March 31, 2026 and 2025 is as follows:

	Millions of yen			
	2026			
	Contract amount	Maturity over one year	Fair value	Revaluation gain/loss
Non-exchange transactions				
Forward foreign exchange contracts				
USD Sell	4,222	-	(28)	(28)
GBP Sell	4,864	-	(685)	(685)
USD Buy	5,556	-	148	148
Total	14,643	-	(564)	(564)

	Millions of yen			
	2025			
	Contract amount	Maturity over one year	Fair value	Revaluation gain/loss
Non-exchange transactions				
Forward foreign exchange contracts				
USD Sell	4,339	-	(59)	(59)
GBP Sell	4,152	4,152	(56)	(56)
USD Buy	5,199	-	563	563
Total	13,690	4,152	446	446

\* Fair value is determined based on the price provided by the financial institutions that are counterparties to the transactions

## 21. Retirement Benefits for Employees

The Company and its 2 domestic consolidated subsidiaries have corporate pension plans and lump-sum payment plans that are multi-employer plans as defined benefit pension plans. Other domestic consolidated subsidiaries and certain foreign consolidated subsidiaries have lump-sum payment plans or defined

contribution pension plans. The Company adopts defined contribution pension plans and prepaid retirement allowance plans.

Charges for net defined benefit liability and retirement benefit expenses for a portion of the Company's retirement benefit plans, the defined benefit pension plans for consolidated subsidiaries and the retirement lump-sum payment plans are calculated using the simplified accounting method.

Notes relating to retirement benefits based on defined benefit plans include the portion related to multi-employer plans.

**(1) The changes in the retirement benefit obligation for the years ended March 31, 2026 and 2025 are as follows:**

(excluding the plans to which the simplified accounting method is applied)

	Millions of yen	
	2026	2025
Balance at beginning of year	15,945	15,671
Service cost	817	785
Interest cost	319	214
Actuarial loss (gain)	(1,331)	2
Retirement benefits paid	(905)	(737)
Past service cost	47	9
Retirement benefit obligations at end of year	14,892	15,945

**(2) The changes in plan assets for the years ended March 31, 2026 and 2025 are as follows:**

(excluding the plans to which the simplified accounting method is applied)

	Millions of yen	
	2026	2025
Balance at beginning of year	13,571	13,451
Expected return on plan assets	203	201
Actuarial gain (loss)	40	(226)
Employer's contribution	564	539
Retirement benefits paid	(496)	(394)
Plan assets at end of year	13,883	13,571

**(3) Changes to balance of net defined benefit liability of the plans, to which the simplified accounting method is applied, at beginning and end of year**

	Millions of yen	
	2026	2025
Balance at beginning of year	1,276	1,291
Retirement benefit expense	279	198
Retirement benefits paid	(96)	(167)
Contribution to the plans	(14)	(13)
Increase (decrease) due to foreign currency translation	35	(31)
Net defined benefit liability at end of year	1,480	1,276

**(4) Reconciliation of the ending balances of retirement benefit obligations and plan assets with the net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheet**

	Millions of yen	
	2026	2025
Funded retirement benefit obligations	7,706	8,645
Plan assets	(14,159)	(13,832)
	<u>(6,452)</u>	<u>(5,186)</u>
Unfunded retirement benefit obligations	8,942	8,837
Net liabilities (assets) recorded on the consolidated balance sheet	<u>2,489</u>	<u>3,650</u>
Net defined benefit liability	8,687	8,853
Net defined benefit asset	(6,197)	(5,202)
Net liabilities (assets) recorded on the consolidated balance sheet	<u>2,489</u>	<u>3,650</u>

**(5) Retirement benefit expenses and breakdown of amounts**

	Millions of yen	
	2026	2025
Service cost	817	785
Interest cost	319	214
Expected return on plan assets	(203)	(201)
Amortization of actuarial loss	89	133
Amortization of past service cost	7	2
Retirement benefit expense using the simplified method	279	198
Additional severance payments, etc.	-	3
Retirement benefit expense related to the defined benefit plans	<u>1,309</u>	<u>1,136</u>

**(6) Remeasurements of defined benefit plans**

The breakdowns of items recorded under remeasurements of defined benefit plans (before deduction of tax) are as follows:

	Millions of yen	
	2026	2025
Past service cost	(39)	(6)
Actuarial gain (loss)	1,461	(95)
Total	<u>1,421</u>	<u>(101)</u>

**(7) Accumulated remeasurements of defined benefit plans**

The breakdowns of items recorded under accumulated remeasurements of defined benefit plans (before deduction of tax) are as follows:

	Millions of yen	
	2026	2025
Unrecognized past service cost	52	12
Unrecognized actuarial loss	(1,250)	211
Total	<u>(1,197)</u>	<u>224</u>

## (8) Items related to plan assets

### (a) Breakdown of main items

Allocation of main plan asset items comprising the total is as follows:

	2026	2025
Domestic bonds	18.1%	21.1%
Domestic equity	7.8	2.8
Foreign bonds	21.6	20.8
Foreign equity	6.5	7.0
Alternative investments*	21.2	20.2
General life insurance accounts	12.4	12.5
Other	12.4	15.6
Total	100.0%	100.0%

\* Alternative investments are mainly managed by the investment advisory company with the deposits of investment fund.

### (b) Method for determining the long-term expected rate of return

In determining the long-term expected rate of return, conservative estimates are made of the assumed interest rate for the corporate pension, the current and expected allocation of plan assets, and the current and future long-term expected rate of return from the various assets that compose the plan assets.

## (9) Items related to actuarial calculations

Main components used in actuarial calculations are as follows:

	2026	2025
	(%)	(%)
Discount rate	2.9	2.0
Long-term expected rate of return	1.5	1.5
Expected salary increase rate	7.1	6.6

### Defined contribution plans

The amounts of required contributions to the defined contribution plans of the Company and consolidated subsidiaries for the years ended March 31, 2026 and 2025 were ¥480 million and ¥403 million, respectively.

## 22. Stock Options

No applicable items.

## 23. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to several types of taxes: corporate tax, local inhabitant taxes and enterprise taxes, which in the aggregate resulted in a statutory tax rate of approximately 30.5% for the fiscal years ended March 31, 2026 and 2025, respectively. Overseas subsidiaries are subject to income and other taxes of the respective countries in which they operate.

A reconciliation of the statutory tax rate to the effective tax rates for the years ended March 31, 2026 and 2025 is as follows:

	2026	2025
	(%)	(%)
Statutory tax rate	30.5	30.5
Adjustments:		
Entertainment and other permanently non-deductible expenses	0.5	0.4
Dividend and other permanently non-taxable income	(0.0)	(0.0)
Special tax credit for income tax	(0.7)	(5.8)
Per capital inhabitant tax	0.4	0.3
Changes in valuation allowances	0.4	(0.8)
Amortization of goodwill	2.7	2.3
Others	(0.7)	0.1
Effective tax rates	33.0	26.9

Significant components of deferred tax assets and liabilities as of March 31, 2026 and 2025 are as follows:

	Millions of yen	
	2026	2025
Deferred tax assets:		
Allowance for doubtful accounts	36	39
Provision for bonuses	1,784	1,917
Accrued expenses	2,209	2,176
Enterprise tax payable	247	252
Provision for share-based remuneration	13	31
Provision for share-based remuneration for directors (and other officers)	92	93
Retirement benefit liabilities	2,574	2,645
Provision for retirement benefits for directors (and other officers)	3	2
Depreciation	1,385	1,494
Impairment loss	217	211
Asset retirement obligations	1,084	454
Carryforward tax loss (Note 2)	1,075	953
Others	1,002	733
Deferred tax assets – subtotal	11,726	11,006
Valuation reserve for carryforward tax loss (Note 2)	(489)	(387)
Valuation reserve for deductible temporary differences	(362)	(187)
Valuation reserve – total (Note 1)	(852)	(574)
Deferred tax assets – total	10,873	10,432
Deferred tax liabilities:		
Valuation difference on available-for-sales securities	(279)	(267)
Deferred gains on property, plant and equipment	(350)	(366)
Asset retirement obligations	(873)	(288)
Deferred gain on reorganization	(2,210)	(1,918)
Retirement benefit asset	(1,954)	(1,639)
Others	(3,141)	(2,790)
Deferred tax liabilities – total	(8,810)	(7,271)
Net deferred tax assets	2,063	3,160

(Note) 1. Valuation reserve increased by ¥ 278 million, due to increase for the consolidated subsidiaries with significant carryforward tax loss in the fiscal year.

2. Carryforward tax loss and its deferred tax assets by expiration periods

(Millions of yen)							
March 31 2026	2027	2028	2029	2030	2031	2032 and beyond	Total
Carryforward tax loss (a)	45	88	—	—	239	701	1,075
Valuation reserve	(45)	(88)	—	—	(239)	(116)	(489)
Net deferred tax assets	—	—	—	—	—	585	(b) 585

(a) Carryforward tax loss shown in the above table is after multiplying the statutory tax rate.

(b) The net deferred tax assets of ¥ 1,075 million for carryforward tax loss of ¥ 585 million in consolidated subsidiaries was available for reduction of future taxable income respectively.

(Millions of yen)							
March 31 2025	2026	2027	2028	2029	2030	2031 and beyond	Total
Carryforward tax loss (a)	125	44	85	—	10	688	953
Valuation reserve	(125)	(44)	(85)	—	(4)	(127)	(387)
Net deferred tax assets	—	—	—	—	5	560	(b) 566

(a) Carryforward tax loss shown in the above table is after multiplying the statutory tax rate.

- (b) The net deferred tax assets of ¥ 953 million for carryforward tax loss of ¥ 566 million in consolidated subsidiaries was available for reduction of future taxable income respectively.

## 24. Business combination and other related matters

### Business combination by acquisition

Calbee acquired 58% of the outstanding shares of Hodo, Inc. (hereinafter "Hodo"), a U.S.-based manufacturer of tofu and soy-based processed foods, from its primary shareholder with the objective of acquiring Hodo on August 7, 2025.

#### (1) Overview of business combination

##### a) Name of the acquired enterprise and its business activities

Name of the acquired enterprise: Hodo, Inc.

Business activities: Manufacture and sale of tofu and soy-based processed foods

##### b) Main reasons for the business combination

Hodo is a leading producer of high-quality tofu, yuba, and other plant-based foods in the U.S. market. The company is highly regarded by health-conscious consumers amid the growing demand for sustainable foods. In particular, tofu is rich in plant-based protein and is attracting attention in the U.S. market, where interest in health and environmental issues is increasing, as a minimally processed food close to its raw ingredients. Expanding our overseas operation is a key strategic priority, with the U.S. market identified as a major area of focus. We are also establishing food and health as a new pillar of growth by developing business models that promote healthy lifestyles. Incorporating Hodo as a consolidated subsidiary enables us to accelerate the expansion of our new food and health business, built on plant-based proteins, in the U.S. market.

##### c) Date of business combination

August 7, 2025 (stock acquisition date)

##### d) Legal form of business combination

Share acquisition

##### e) Name of the combined entity

No change.

##### f) Percentage of voting rights acquired

58%

##### g) The main basis for determining the acquired enterprise

We acquired the company in exchange for cash.

#### (2) Period of performance of the acquired enterprise included in the consolidated financial statements

From August 7, 2025, to March 31, 2026

#### (3) Breakdown of the acquisition cost of the acquired enterprise by type of consideration

Type of consideration	Cash	¥2,416 million
Acquisition cost		¥2,416 million

#### (4) Details and amount of major acquisition-related expenses

Advisory fees, etc. ¥452 million

#### (5) Amount of goodwill recognized, reason for recognition, amortization method, and amortization period

##### a) Amount of goodwill recognized

¥1,779 million

##### b) Reason for recognition

This is based on the future excess earning power expected from the planned business expansion.

##### c) Amortization method and amortization period

Straight-line depreciation over 11 years

#### (6) Amount of assets acquired and liabilities assumed as of the date of business combination, and the major breakdown thereof

Current assets	¥714 million
----------------	--------------

Non-current assets	¥1,126 million
Total assets	¥1,841 million
Current liabilities	¥321 million
Non-current liabilities	¥427 million
Total liabilities	¥748 million

(7) Approximate amounts of impact of the business combination on the consolidated statements of income for the current fiscal year assuming the business had completed on the commencement date of the fiscal year, and the calculation method thereof

This information has been omitted as it is considered immaterial. Please note that the estimated amount has not been audited.

## 25. Asset Retirement Obligations

For the fiscal year ended March 31, 2025

Description is omitted because of lack of materiality.

For the fiscal year ended March 31, 2026

Asset retirement obligations recorded in the consolidated balance sheet are as follows:

### (1) Overview of the asset retirement obligations

These obligations mainly represent restoration costs and other obligations associated with real estate lease agreements for buildings.

### (2) Method for calculating the amount of the asset retirement obligations

The amount of asset retirement obligations is calculated by estimating the expected period of use to be from 15 years to 36 years and 9 months from acquisition and applying discount rates ranging from 0.0% to 2.9%.

### (3) Changes in the total amount of asset retirement obligations

	2026
	Millions of yen
Balance at beginning of year	1,545
Increase due to acquisition of property, plant and equipment	42
Adjustment due to passage of time	22
Decrease due to settlement of asset retirement obligations	(0)
Increase due to change in estimate	1,663
Other changes, net	24
Balance at end of year	3,297

### (4) Change in Estimate of the Amount of the Asset Retirement Obligation

During the current consolidated fiscal year, the Company revised its estimate of restoration costs under real estate lease agreements as a result of obtaining new information relevant to the estimate.

The increase of ¥1,663 million resulting from this change in estimate has been added to the balance of the asset retirement obligation before the change.

As the impact on the consolidated financial statements for the following consolidated fiscal year and thereafter is immaterial, disclosure has been omitted.

## 26. Revenue Recognition

### 1. Breakdown of revenue from contracts with customers

	Millions of yen	
	2026	2025
Domestic production and sale of snack and other foods business	251,546	243,202
Overseas production and sale of snack and other foods business	88,604	79,362
Total	340,151	322,564

## 2. Underlying information to understand revenues

Underlying information to understand revenues is provided in “Notes to Consolidated financial statements Summary of Significant Accounting Policies (m) Recognition of revenues and expenses”.

3. Information on the relationship between fulfillment of obligations under contracts with customers and cash flows resulting from such contracts, and the amount and timing of proceeds expected to be recognized in the following fiscal year or later from contracts with customers that exist at the end of this fiscal year

### (1) Contract balances

	Millions of yen	
	2026	2025
Receivables arising from an entity’s contracts with customers (Beginning balance)	41,619	54,118
Receivables arising from an entity’s contracts with customers (Ending balance)	43,832	41,619

The amount of revenue recognized from performance obligations satisfied (or partially satisfied) in prior fiscal year was immaterial in the fiscal year.

### (2) Transaction price allocated to the remaining performance obligations

There is no transaction price allocated to the remaining performance obligations in our group.

## 27. Segment Information

For the years ended March 31, 2026 and 2025, information on operating segments is not disclosed as the Company has only one reporting segment, “Production and sale of snacks and other foods.”

### [Related information]

#### (1) Sales by product and service

	Millions of yen					
	2026					
	Snacks	Other foods	Other	Sub-Total	Deduction of rebates, etc.	Total
Sales to third parties	323,662	53,734	1,862	379,258	(39,107)	340,151
	Millions of yen					
	2025					
	Snacks	Other foods	Other	Sub-Total	Deduction of rebates, etc.	Total
Sales to third parties	307,583	50,972	1,827	360,384	(37,819)	322,564

Starting from the fiscal year ended March 2026, we have changed the method of recording sales before deduction of rebates, etc., for Greater China. Accordingly, we have also adjusted sales for the previous year. There is no change in sales after deduction of rebates, etc.

#### (2) Information by region

Information about sales by region is as follows:

	Millions of yen				
	2026				
	Japan	America	China	Others	Total
Sales	251,546	27,626	11,929	49,049	340,151

	2025				
	Japan	America	China	Others	Total
Sales	243,202	24,718	9,939	44,704	322,564

Information about property, plant and equipment by region is as follows:

	Millions of yen				
	2026				
	Japan	America	China	Others	Total
Property, plant and equipment	123,608	12,849	608	18,396	155,463

	Millions of yen				
	2025				
	Japan	America	China	Others	Total
Property, plant and equipment	118,214	10,705	675	16,187	145,782

### (3) Sales by major customers

Sales by major customers for the year ended March 31, 2026 and 2025 are omitted because there are no customers more than 10% of net sales.

### (4) Impairment loss on fixed assets by reporting segment

	Millions of yen				
	2026				
	Reporting segment		Other	Corporate / elimination	Total
	Production and sale of snacks and other foods	Total			
Impairment loss	15	15	-	-	15

	Millions of yen				
	2025				
	Reporting segment		Other	Corporate / elimination	Total
	Production and sale of snacks and other foods	Total			
Impairment loss	17	17	-	-	17

### (5) Amortization and unamortized balance of goodwill by reporting segment

	Millions of yen				
	2026				
	Reporting segment		Other	Corporate / elimination	Total
	Production and sale of snacks and other foods	Total			
Amortization	2,281	2,281	-	-	2,281
Balance at end of year	20,987	20,987	-	-	20,987

(Note) The amount of amortization and balance at end of year are mainly related to acquisition of stock of Calbee Kaitsuka Sweet Potato, Inc. as follows.

Amortization	¥972 million
Balance at end of year	¥8,753 million

	Millions of yen				
	2025				
	Reporting segment		Other	Corporate / elimination	Total
	Production and sale of snacks and other foods	Total			
Amortization	2,152	2,152	-	-	2,152
Balance at end of year	20,548	20,548	-	-	20,548

(Note) The amount of amortization and balance at end of year related to acquisition of stock of Calbee Kaitsuka Sweet Potato, Inc. are as follows.

Amortization	¥972 million
Balance at end of year	¥9,726 million

## 28. Related Party Transactions

The following summarizes related party transactions for the years ended March 31, 2026 and 2025.

- (1) For the year ended March 31, 2026  
No applicable items.
- (2) For the year ended March 31, 2025  
No applicable items.

## 29. Per Share Information

Per share information as of March 31, 2026 and 2025 and for the years then ended is as follows:

	Yen	
	2026	2025
Net assets per share	1,732.10	1,642.27
Net income per share	139.98	167.11

Basis for calculation of net assets per share is as follows:

	Millions of yen	
	2026	2025
Total net assets	221,774	215,067
Net assets attributable to common stock	210,602	205,180
Major components of the difference		
Non-controlling interests	11,171	9,887

	Number of shares	
	2026	2025
Number of common stock issued and outstanding	133,929,800	133,929,800
Treasury stock of common stock	12,341,946	8,992,816
Number of common shares used in calculation of net assets per share	121,587,854	124,936,984

Basis for calculation of net income per share is as follows:

	Millions of yen	
	2026	2025
Basis for calculation of net income per share		
Net income attributable to owners of parent	17,329	20,874
Amount not attributable to common shareholders	-	-
Net income attributable to common shareholders of the parent	17,329	20,874

	Number of shares	
	2026	2025
Average number of shares outstanding during the year	123,802,134	124,918,029

Note: The Company's own stock in the trust recorded as treasury stock under shareholders' equity includes treasury shares excluded from the average number of shares during the period used for calculating net income per share and treasury shares excluded from the number of shares outstanding at the end of the fiscal year used for calculating net assets per share. 205,403 treasury shares (249,242 shares in 2025) were excluded from the average number of shares during the year used for calculating net income per share for the year ended March 31, 2026 and 193,075 treasury shares (230,245 shares in 2025) were excluded from the number of shares outstanding used for calculating net assets per share at March 31, 2026. Diluted net income is not presented since there are no dilutive securities.

## 30. Subsequent events

No applicable items.

### 31. Short-Term Borrowings and Long-Term Debt

The outstanding balance of short-term borrowings, long-term debt, lease obligations and other interest-bearing liabilities as of March 31, 2026 and 2025 are as follows:

	Millions of yen		Average interest rate
	2026	2025	2026 (%)
Short-term borrowings	1,766	883	5.7
Current portion of long-term borrowings	10,000	-	0.4
Current portion of lease obligations	399	203	-
Long-term borrowings, excluding current portion	25,000	35,000	0.6
Lease obligations, excluding current portion	872	468	-
Other interest-bearing liabilities	5	5	0.2
<b>Total</b>	<b>38,044</b>	<b>36,560</b>	<b>-</b>

Note: "Average interest rate" represents the weighted average interest rate on the respective ending balance. The average interest rate for lease obligations is not disclosed as lease obligations include the interest component of the lease payments and it is not practicable to calculate average interest rate.

The aggregate annual maturities of lease obligations and long-term borrowings are summarized below:

Years ending March 31,	Millions of yen	Millions of yen
	Long-Term Borrowings	Lease obligations
2027	10,000	399
2028	10,000	333
2029	8,400	219
2030	6,600	187
2031	-	106

### 32. Schedule of Asset retirement obligations

Classification	Balance at beginning of year (Millions of yen)	Increase during the year (Millions of yen)	Decrease during the year (Millions of yen)	Balance at end of year (Millions of yen)
Restoration obligations associated with real estate lease agreements	1,487	1,699	0	3,186
Asbestos removal costs pursuant to the Ordinance on Prevention of Health Impairment due to Asbestos	57	53	-	111
<b>Total</b>	<b>1,545</b>	<b>1,753</b>	<b>0</b>	<b>3,297</b>