Growth Strategy

2035 Growth Strategy Slogan

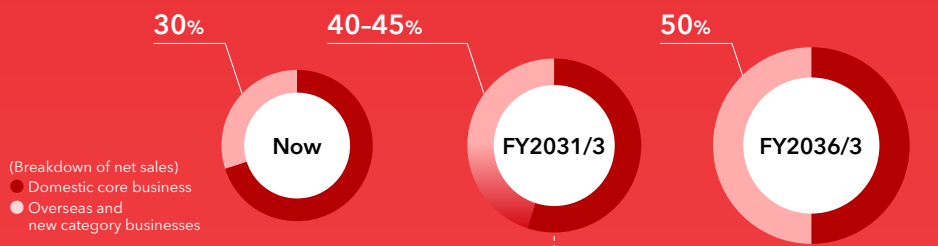
Accelerate the Future

—Smiles from all our stakeholders—

The Calbee Group aims to enhance corporate value by expanding our product and service offerings and creating new value, thereby continuing to bring smiles to people worldwide.

We are committed to achieving sustainable growth and strengthening resilience across the Group.

2035 Growth Strategy: Business Growth and Portfolio Transformation



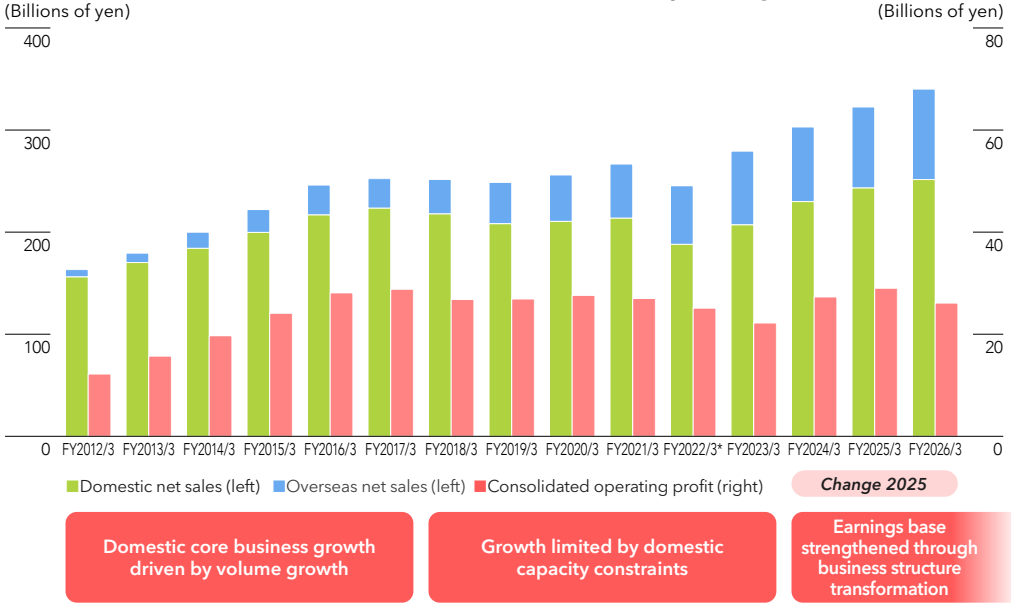
	Growth investment phase	Value creation phase
Domestic business	● Enhance added value of domestic core business and invest in developing next-generation foundation	● Leverage existing assets of domestic core business
Overseas business	● OPEX investment in foundation for growth in North American business	● Expand cash flow generation in North American business ● Business growth in Asian regions
Inorganic growth	● Conduct M&A in growth areas to enable portfolio transformation (Expansion into new domestic categories and overseas snack business)	

Growth Strategy Overview

Our Growth Trajectory and Shift Toward Qualitative Growth

Since going public, we have pursued growth by evolving our strategy to meet the needs of each stage of development. We rebuilt our domestic earnings base, expanded our overseas footprint, and invested in priority regions and M&A. From FY2012/3 to FY2017/3, our domestic core business drove our growth, supported by stronger sales capabilities and improved factory utilization. At the same time, we expanded our overseas operations, steadily increasing net sales. From FY2018/3, we accelerated investments and M&A in our four priority regions overseas, thus increasing the share of net sales generated in international markets. However, growth in operating profit was constrained by changes in our business environment, including the impact of the COVID-19 pandemic and rising raw material costs. These challenges highlighted a structural issue in our domestic core business: the limitations of an earnings model driven primarily by volume expansion. Against this backdrop, under our previous growth strategy, *Change 2025*, we worked to strengthen profitability, transform our business portfolio, and reinforce our business foundation. We also began to transform our business structure to support sustainable growth.

Domestic and Overseas Net Sales and Consolidated Operating Profit



* Effective from FY2022/3, the Company adopted the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29). As a result, certain selling expenses previously recorded in selling, general and administrative expenses (SG&A), including rebates, are now deducted from net sales.

Growth Strategy Overview

Change 2025: Achievements and Challenges

Under the growth guidance set out in *Change 2025*, we achieved our three-year organic net sales growth rate target, while our consolidated operating profit growth rate came close to its target. However, we fell short of our ROE target for FY2026/3. Despite delivering record-high results in FY2024/3 and FY2025/3, we were unable to fully offset the impact of a smaller potato harvest in Hokkaido in FY2026/3 through our overseas business.

In our domestic core business, we worked to strengthen profitability by shifting our focus from volume to quality through timely price revisions and initiatives to enhance brand value. Overseas, we strengthened our business foundations across regions and expanded our regional portfolio, but growth fell short of expectations, and we did not establish the management foundation needed to drive medium- to long-term growth. As a result, our portfolio transformation remains a work in progress. In new business areas, we made steady progress in expanding awareness of *Body Granola* within our Food and Health business.

Growth Guidance Under *Change 2025* and Key KPI Results

	FY2024/3	FY2025/3	FY2026/3	FY2024/3 to FY2026/3	Growth guidance (3 years)	Achievement status
Organic net sales growth rate	+8%	+6%	+5%	+6.8%	**+4–6%**	Exceeded
Consolidated operating profit growth rate	+23%	+6%	–10%	+5.6%	**+6–8%**	Partially achieved
ROE	10.9%	10.5%	8.3%	–	**10% or higher**	Not achieved
Domestic operating profit growth rate	+22%	+9%	–15%	+4.0%	**+6–8%**	Not achieved
Overseas sales ratio	24%	25%	26%	–	**30–35%**	Not achieved
New areas sales ratio	4.3%	4.3%	4.8%	–	**5%**	Partially achieved

Our Roadmap to 2035 Under *Accelerate the Future*

We launched our new growth strategy, *Accelerate the Future*, in April 2026. Under this strategy, we will accelerate the pace of transformation, expand the scope of our products and services, and create new value in order to enhance corporate value. As a company that delivers value globally, we will pursue the creation of both economic and social value.

While preserving financial soundness, we will work to enhance our earnings power, capital efficiency, and growth expectations to sustain growth in corporate value. EBITDA margin will be the primary performance indicator for our domestic core business, while EBITDA will serve as the key indicator for our overseas business. By improving profitability, we will support future growth investments and reinforce our business foundations.

Growth Guidance Under *Accelerate the Future*

			FY2024/3–FY2026/3 results	FY2027/3–FY2031/3 (growth investment phase)	FY2032/3–FY2036/3 (value creation phase)
Economic value	Strengthen earnings power	Organic net sales growth rate	+7%	+7% or higher	+7% or higher
		EBITDA growth rate	+8%	+10% or higher	+10% or higher
		EBITDA margin	12.7% (FY2026/3)	14% or higher (FY2031/3)	16% or higher (FY2036/3)
	Portfolio transformation	Growth areas (overseas/new categories) sales ratio	31% (FY2026/3)	40–45% (FY2031/3)	50% (FY2036/3)
	Improve capital efficiency	ROE	8.3% (FY2026/3)	10% or higher (FY2031/3)	15% (FY2036/3)
		Net profit growth rate	+5%	+10% or higher	+14% or higher
		ROIC	8.0% (FY2026/3)	8% or higher (FY2031/3)	13% or higher (FY2036/3)
Social value	Employees	Strengthen human capital management	Calbee human capital index 79.90 (FY2025/3) → 81.28 (FY2031/3)		
	Society	Promote sustainability management	Priority themes based on five material issues (see "Materiality List (Opportunities and Risks)" on page 44)		

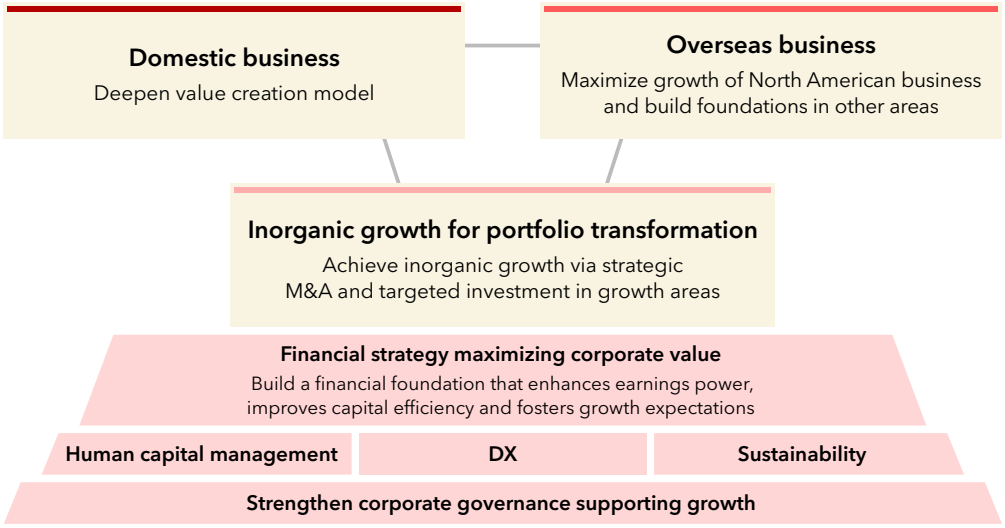
Growth Strategy Overview

Priorities for Business Growth and Portfolio Transformation

To achieve our 2035 Vision of becoming a global snacking company, we will expand the ways we deliver the joy of food to people, extending our traditional focus on snacks and cereals to the broader snacking and light meal markets. This transformation begins by shifting to an approach focused on creating value from the consumer's perspective. Moving away from our previous product-driven approach, we will deepen our understanding of consumer needs and eating occasions, and sharpen our brand positioning to strengthen our brands, while enhancing our operational capabilities. By creating new value across regions, consumer needs, and product categories, we will strengthen our existing businesses and drive new growth.

Through these initiatives, we will shift from a Japan-centered business structure to a portfolio driven by overseas and new category businesses. We aim to increase the share of net sales generated by these businesses to 40–45% by FY2031/3 and 50% by FY2036/3. To achieve these targets, we will position the five-year period beginning in FY2027/3 as the growth investment phase. During this phase, we will continue to shift our domestic product portfolio toward high-value-added, high-margin offerings, thereby enhancing our cash-generating capabilities. In our overseas business, we will focus on North America, where snacking demand is strong and where we can leverage our strengths. By reinvesting cash generated in Japan into our North American business, we will strengthen our foundation for growth and expand our business operations. In addition, we will leverage inorganic growth opportunities, including M&A, to achieve sustainable growth and strengthen our resilience.

Five-Year Priority Policies (FY2027/3–FY2031/3)

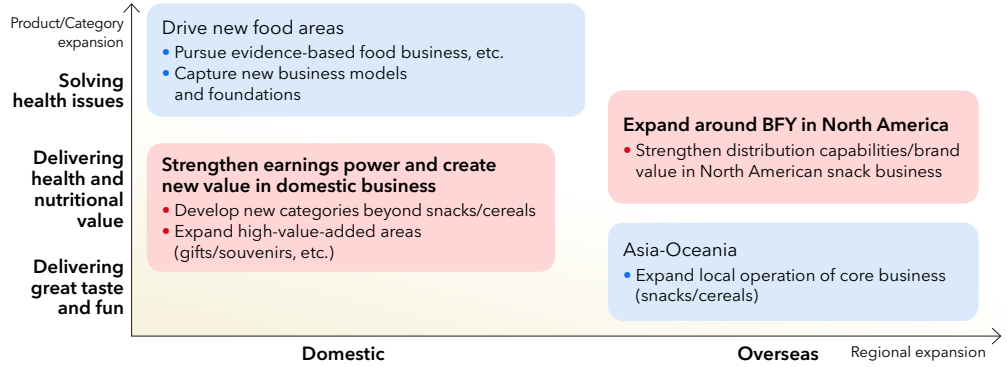


Basic Policy for Inorganic Growth and M&A

While growing our existing businesses, we will actively leverage M&A as a means to accelerate growth. Over the next five years, we plan to invest more than ¥100 billion on a cumulative basis (see "Financial Strategy" on page 37), with priority areas including strengthening our Better For You (BFY) snack business in North America and expanding our domestic business through new categories and gifts and souvenirs. In these areas, we will focus on opportunities that complement our existing businesses and offer meaningful synergies, enabling us to capture inorganic growth opportunities.

Furthermore, to improve investment outcomes and returns, we will strengthen our investment execution framework and our investment decision-making and monitoring processes. We will enhance the quality of investment decisions by forming and developing an M&A team, conducting rigorous review and discussions at Investment Evaluation Committee and Management Council meetings, and conducting reviews with the Board of Directors. At the same time, we will establish a management framework capable of effectively executing post-merger integration (PMI) to maximize investment value.

Priority Areas for Inorganic Growth



Investment Decision/Monitoring Process

- **Execute M&A transactions that strengthen and complement existing businesses and create synergies**
- **Strengthen M&A process to maximize ROI**
  - Form and develop an M&A team
  - Conduct rigorous review and discussions at Management Council and Investment Evaluation Committee meetings
  - Board of Directors review
- **Establish a management framework to ensure effective post-merger integration (PMI)**

Strengthening Domestic Foundation

Basic Strategy for Our Domestic Business

Calbee's domestic business boasts numerous long-selling brands with strong consumer support. However, from a medium- to long-term perspective, we expect the market to slow due to factors such as market maturity and population decline. In response to these changes in our business environment, we have shifted our focus from volume-based growth to enhancing profitability. Over the three years under our previous growth strategy, *Change 2025*, we advanced three transformation initiatives: our company-wide marketing reform, profit structure reform, and sales reform, thereby establishing a foundation for more profitable growth.

Under our new growth strategy, *Accelerate the Future*, we will build on this foundation while pursuing three initiatives: value creation based on consumer needs, strengthening operational capabilities, and expanding into new categories. By further evolving our value creation model, we aim to maximize profit margins.

Value Creation Based on Consumer Needs

Progress and Challenges Under the Previous Growth Strategy

As population decline and market maturity make the quality of growth increasingly important, we need to move beyond price competition by clearly communicating the value of our products and the appeal of our brands, as well as by building lasting relationships that encourage consumers to continue choosing our products. With this in mind, during the three years under our previous growth strategy, we began to shift from a product-led approach to a consumer-centric one as part of our company-wide marketing reform.

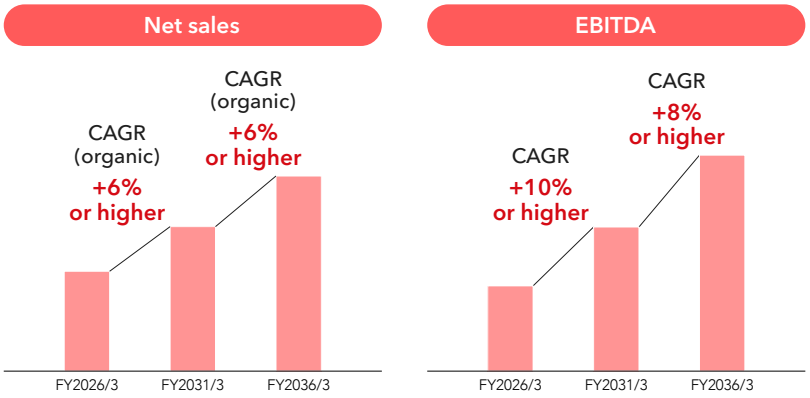
Our traditional product-led approach was based on the premise of volume growth. Although new product launches and promotional activities drove sales, several limitations became increasingly apparent. First, our interactions with consumers were often limited to the point of purchase, making it difficult to build ongoing relationships. Second, our understanding of consumers, including their needs, wants, and reasons for purchasing, often remained superficial. Third, sales growth primarily depended on increasing the number of products and promotional initiatives, making it difficult to improve the quality of growth. Based on these three challenges, we concluded that for consumers to continue choosing Calbee, we would require a shift in our mindset and behavior, starting with the value we create for consumers.

As one example, we have launched the Lbee program* (1.37 million app downloads as of the end of July 2026). By extending the experience beyond the point of purchase and consumption, the program has evolved into a platform that enables us to maintain ongoing engagement with consumers. Through the Lbee program, we can better observe consumer behavior and capture feedback, enabling us to move from a fragmented view of consumers to a more continuous and well-rounded understanding. In addition, we are increasing opportunities for dialogue with highly engaged consumers by expanding digital touchpoints through social media and fan sites, while also strengthening connections through in-person engagements such as fan meetings. Through these initiatives, we are developing a system to incorporate consumer feedback into product development and marketing, and to co-create value with our consumers.

Although we have expanded our touchpoints with consumers and deepened our understanding of them, challenges remain in systematically analyzing the information we collect to uncover latent consumer values and emerging consumption occasions. To achieve further growth, we believe it is important not only to understand consumer behavior and feedback, but also gain deeper insights and use this to create new value.

* A program in which participants fold up product packages and scan the package information using a dedicated app to collect Lbee points, which can be used to apply for experiential events and campaigns

Domestic Business Growth Guidance



Deepen our value creation model through three initiatives to maximize profitability

- Transform product portfolio through **value creation based on consumer needs**, strengthening domestic business resilience
- **Strengthen operational capabilities** by evolving business models, including through DX
- **Expand into new categories** beyond our existing snacks and cereals by leveraging our strengths

Key Initiatives Under Our New Growth Strategy

Under our new growth strategy, we have identified four priority markets based on consumer insights and anticipated changes in the snacking and light-meal market.

The first is our existing market, built around the concept of "fun and easy." In response to trends such as declining leisure time and growing information fatigue, we aim to maintain our leading market share by expanding our lower-priced offerings

Strengthening Domestic Foundation

and broadening format options, such as multipacks. The second is "special occasions": the "small indulgences" market. We defined this market in response to growing fatigue with and declining interest in standard products, and aim to create high-value-added, high-margin products that serve as a small treat consumers can indulge in. The third is "healthy living": the health-focused market. To respond to growing health awareness, we will offer products with benefits that support both physical and mental well-being. The fourth is "for people you care about": the gift and souvenir snack market. As people place renewed importance on in-person engagement, including gift-giving, we will develop products that provide greater appeal as gifts while also exploring new sales channels.

By defining these markets based on consumers' needs and usage situations, we have been able to develop a more detailed understanding of what we previously viewed collectively as the snack market. As a result, we have gained greater clarity on the type of value we should deliver in each market, which we believe will lead to a more sophisticated approach to product development, sales, and promotional activities.

Going forward, we will continue to deepen our presence in the existing market while stepping up our efforts in the other three markets, where we have yet to fully capture demand. Through this approach, we will shift toward a portfolio of products with higher margins and greater profitability. To support this effort, we will strengthen our product development and marketing capabilities, starting with consumer insights for each of the above markets. In addition, we will continue to analyze consumer feedback and behavioral data, while enhancing our high-value-added product offerings and developing new sales channels.

For developing specific initiatives, we have developed a structure in which the relevant divisions, such as marketing, sales, production, and logistics, coordinate to increase mutual understanding and alignment. This enables a consistent approach to value creation, from product development to in-store execution.

Four Market Strategies Built Around Consumer Value

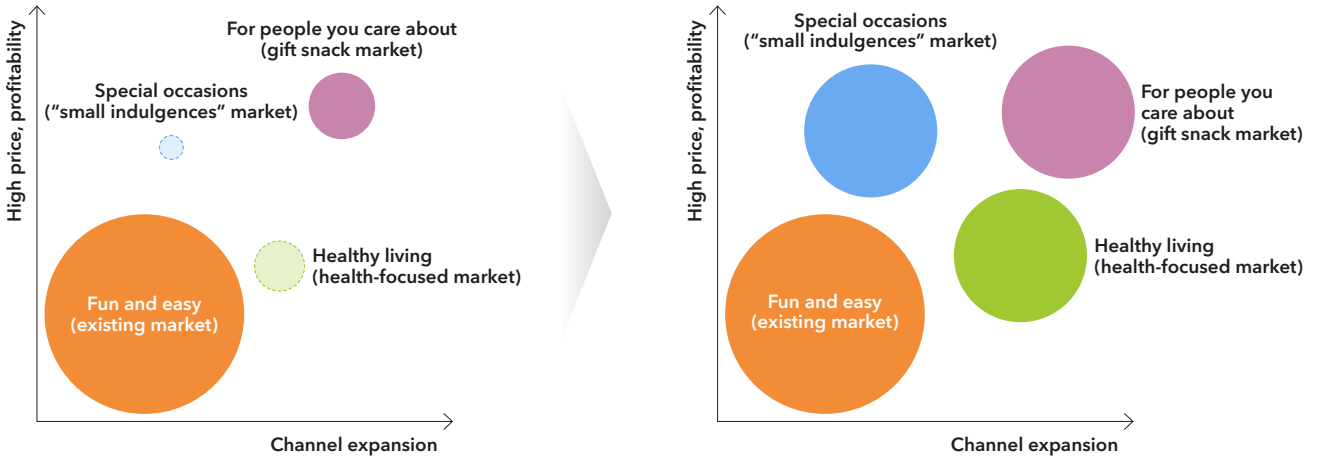
Issues/Changes in Japan	4 market strategies in response to snacking demand	
• Less time to relax and spend with family • Fatigue from constant exposure to complex information	Fun and easy (existing market)	**Maintain dominant share** • Expand lower-price offerings and packaging formats, e.g., multipacks
• Fatigue with conventional products • Declining interest in snacks	Special occasions ("small indulgences" market)	**Develop high-margin products** • Expand premium product lines for self-reward occasions
• Rising awareness of health, well-being, and self-care	Healthy living (health-focused market)	**Offer new functional value** • Expand offerings that support snacking habits
• Place greater value on in-person communication	For people you care about (gift snack market)	**Develop new channels** • Develop new savory gift snacks and cultivate channels

Marketing/sales reform

- Transform from product-focused to consumer-centric approach (i.e., where and how we sell)
- Expand occasions through Calbee's value proposition (taste, fun, health)
- Build product planning/development framework to create new products

Our Target Product Portfolio for 2035

Expand from existing market to domains where we provide value, grow portfolio of high-price, high-profitability products → **Increase sales price per kg**



Strengthening Domestic Foundation

Strengthening Operational Capabilities

Progress and Challenges Under the Previous Growth Strategy

Under our previous growth strategy, we pursued profit structure reforms aimed at improving our earning power. The key driver behind these efforts was DX. Through DX initiatives across both sales and production, including the introduction of S&OP*1 to optimize the entire value chain, and Factory DX to improve manufacturing productivity, we have strengthened our operational capabilities across the Company and are improving profitability.

*1 S&OP: Sales and Operations Planning

(1) Improving Our Profit Structure Through S&OP

By establishing the S&OP system, we have gained visibility into our profit structure at the SKU*2 level, enabling us to manage each product based on its profitability. Specifically, for low-profitability SKUs, we implement improvements through one of three measures: changing manufacturing method or production site, revising prices, or discontinuation. We have also set a target number of SKUs and are reducing the overall number accordingly, resulting in improvements in unit prices and gross profit across our entire domestic business.

In addition, we developed C-BOSS*3, a simulation platform that supports S&OP by optimizing the entire process, from raw material procurement through sales. With capacity utilization at our factories already reaching its upper limit, maximizing profitability while making effective use of limited equipment and raw materials requires more precise decision-making that takes both demand fluctuation and profitability into account. With C-BOSS, we can compare multiple scenarios, enabling us to make better-informed management decisions more quickly.

To further enhance S&OP, we need to improve demand-forecasting accuracy and strengthen our ability to execute in stores based on those forecasts. While the initial development of C-BOSS is now complete, we need to enhance its accuracy and effectiveness through full-scale implementation.

*2 SKU: Stock Keeping Unit, the minimum management unit for receiving or writing orders and managing inventories
*3 C-BOSS: Calbee Business Optimization Simulation System

(2) Improving Productivity Through Factory DX

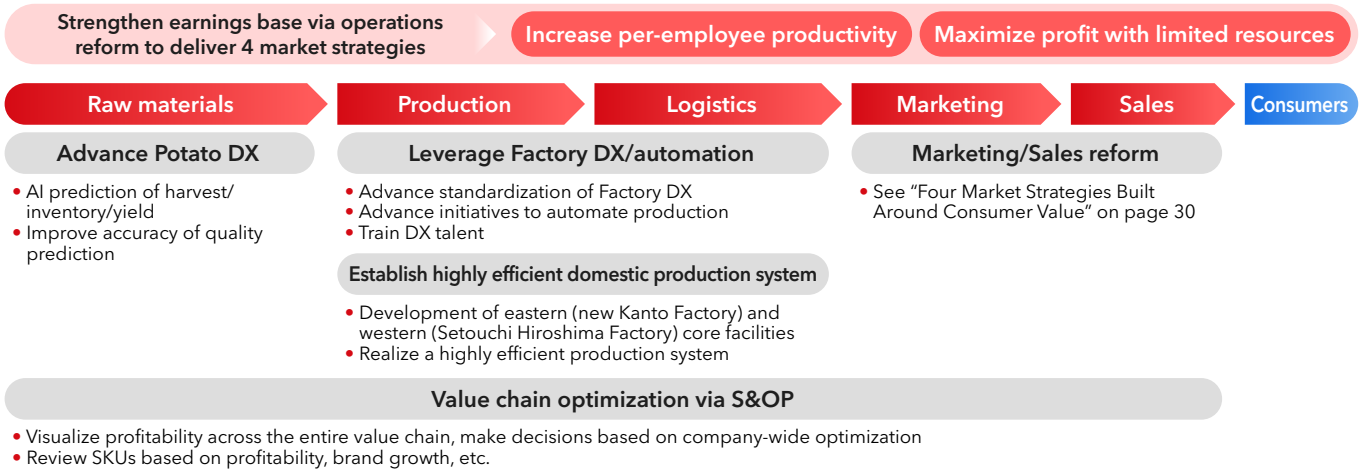
At Calbee, Factory DX is not simply about digitizing tasks, but a means to transform our operating model. By pursuing both labor savings and greater efficiency while creating a more comfortable working environment, we aim not only to improve productivity but also to address the risk of future labor shortages.

Under our previous growth strategy, we expanded initiatives proven through a PoC*4 model case conducted at the Kansai Biwako Factory to other factories. Today, multiple factories have implemented initiatives such as collecting operational data using an IoT platform, automating the management of production metrics, and digitizing daily reports. These initiatives are beginning to be used in a series of continuous improvement efforts led by frontline employees. In addition, we are combining DX-driven data analysis with continuous improvement practices and developing DX talent capable of solving challenges at production sites.

Through these initiatives, digital technologies now support manual checking processes, helping prevent errors and reducing employees' mental workload. At the same time, we face two challenges. The first is integrating data across the Company and making it available in real time. Currently, data is used primarily within each individual factory and on a daily basis, leaving room to further optimize operations as a whole by connecting production, supply and demand, and logistics. The second is alignment of frontline operations. While C-BOSS is improving our planning capabilities, there is still room to improve the accuracy with which these plans are aligned with equipment capacity, workforce availability, and other operating constraints. Another challenge going forward is to expand the operating model being developed at our state-of-the-art Setouchi Hiroshima Factory, which is designed around data utilization and automation, to other factories.

*4 PoC: Abbreviation for "Proof of Concept," referring to the limited-scope testing of the effectiveness of a new technology or idea

Operations Reform in Our Value Chain



Strengthening Domestic Foundation

Key Initiatives Under Our New Growth Strategy

To execute the aforementioned market strategies, we will strengthen our earnings base through operational reforms, building on the foundation established under our previous growth strategy. We will continue advancing DX, with the next phase focused on creating systems that directly connect management decision-making with frontline operations.

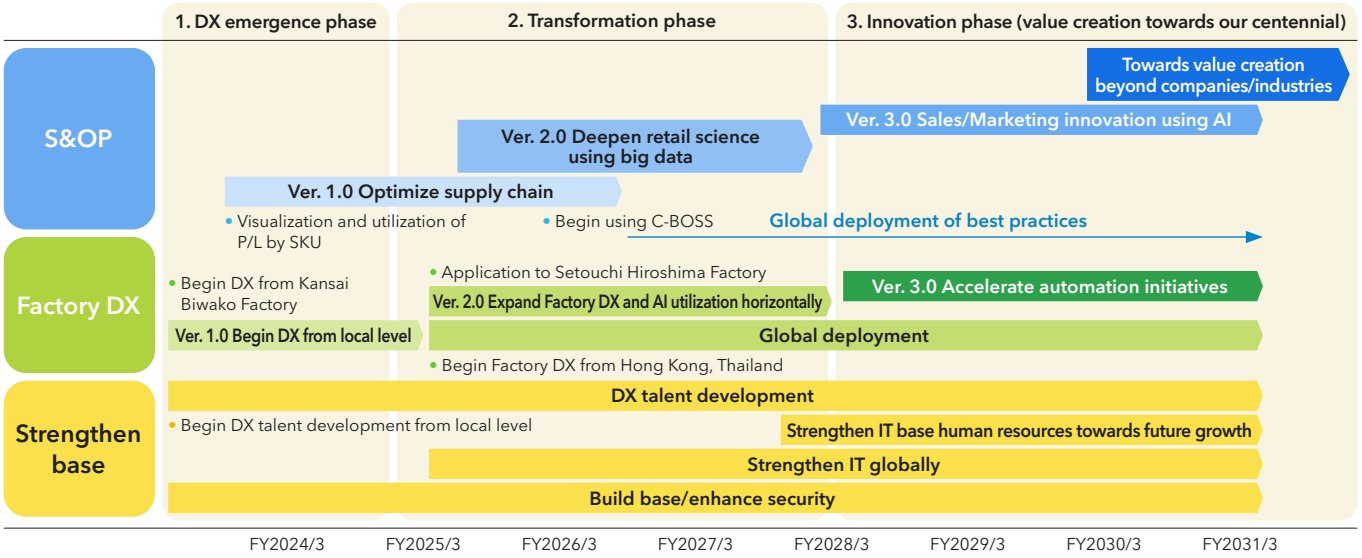
The scope of our operations reform encompasses the entire value chain, from raw material procurement and production to delivering products to consumers. In raw material procurement, we are strengthening Potato DX initiatives to address upstream risks such as climate change and changes in agriculture. By leveraging AI-driven forecasts, we aim to optimize potato yields and quality.

In production, we will further advance Factory DX by integrating data on equipment, quality, and employee tasks. This will enable us to better detect abnormalities and expand automation capabilities. We will also automate daily reports and other administrative tasks, transforming our operations from "factories that have relied on experience and intuition" to "data-driven factories that identify potential issues and opportunities for improvement and support optimal decision-making." In addition, we will also establish a highly efficient production system centered on the two strategically located production hubs: the new Kanto Factory in eastern Japan and the Setouchi Hiroshima Factory in western Japan. This will strengthen supply capacity and improve logistics efficiency by reducing the supply-demand imbalance between eastern and western Japan.

In logistics, we will optimize supply and demand operations to improve loading rates and reduce stockouts and excess inventory. We will also address changes in the logistics environment through initiatives such as automated warehouse operations and the use of AI to improve labor productivity.

Beyond these initiatives in each area, we will leverage S&OP to optimize the entire value chain, thereby increasing productivity per employee and maximizing profitability while making the most effective use of limited resources.

DX Strategy Roadmap to 2030



Expansion into New Categories

Under our new growth strategy, we will accelerate our expansion into new categories where we can leverage our strengths to achieve sustainable growth in our domestic business. As consumer preferences become increasingly diverse, particularly around personalization and health consciousness, we will strengthen our ability to deliver products and services based on individual needs and supported by scientific evidence. One example is *Body Granola*, a subscription-based personal food program (D2C service) that recommends granola based on an individual's gut microbiome test results. Through services such as *Body Granola*, we are creating new consumer value by addressing growing health and wellness needs. We will also broaden our product portfolio beyond traditional snacks and cereals, growing our sweet potato and frozen food businesses while expanding into new business areas through partnerships and M&A. Furthermore, we will expand our markets and consumer reach through co-creation with other companies. These initiatives include an exclusive distribution agreement with Perfetti Van Melle, whose brands enjoy strong consumer recognition in Japan.

Business Expansion Leveraging Our Strengths

Capture new consumer needs
Personalization and evidence-based foods



Body Granola



Pote Cera

Expansion of product portfolio
Categories beyond snacks/cereals



Baked and dried sweet potatoes



Sweet potato beverage



Breath mints and candy



Frozen food products

Accelerating Overseas Growth

Growth Shaped by Our Overseas Experience

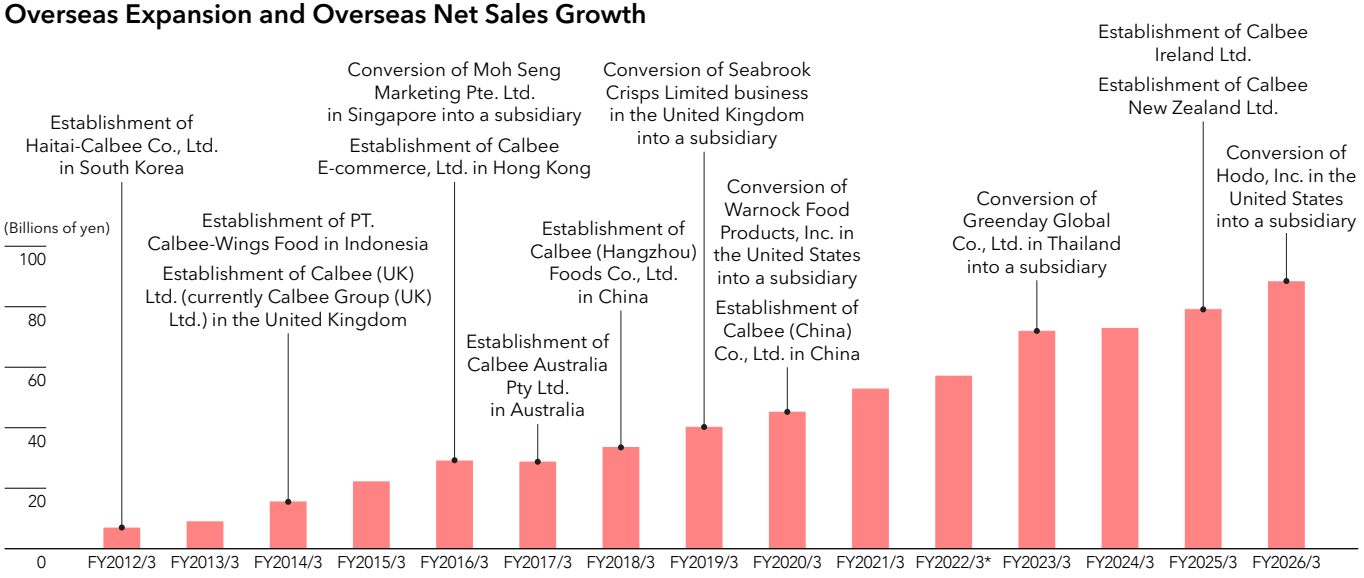
Since 2011, Calbee has accelerated its overseas growth using cash generated by its domestic business and expanded its business base by working with local partners in each country. At times, however, our results have been constrained by talent shortages and resources being spread too thinly across our businesses. In response, we have restructured our business portfolio by consolidating operations with limited growth potential and focusing resources on priority areas ("selection and concentration"). In the United States and the United Kingdom, for example, we expanded our product portfolio through M&A and other measures, while in China, following the dissolution of a joint venture, we reestablished our presence through an e-commerce business. At the same time, we shifted our focus from optimizing individual regions to optimizing our global operations, such as by leveraging Thailand as a manufacturing hub for export products. By applying the insights gained through these efforts across our markets, further strengthening our core capabilities, and optimizing resource allocation, we aim to now evolve into a global company capable of delivering sustainable growth.

Basic Strategy for Overseas Business

We have positioned North America as a key growth driver of our overseas business in the coming decade. The region's large market size and growing demand for snacking provide significant opportunities for further expansion. Moreover, generally high health awareness has driven growing demand for products that emphasize ingredients and quality. Calbee's longstanding focus on natural ingredients and quality is well aligned with these market needs, making North America a market where we can leverage our strengths.

Based on this assessment, we have clarified resource allocation priorities under our new growth strategy and designated North America as a priority market, reflecting the region's growth potential and our competitive strengths. During the first five years of our 2035 growth strategy, we will prioritize investment in North America, including through M&A, to maximize sales and drive growth of the overseas

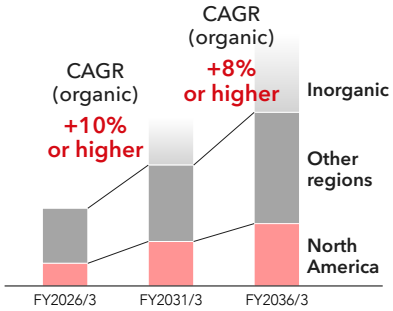
Overseas Expansion and Overseas Net Sales Growth



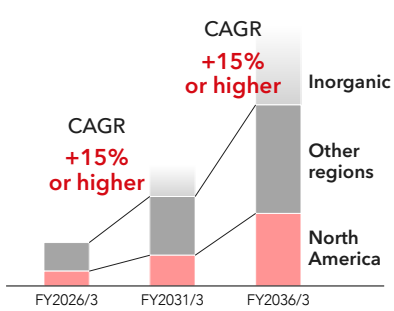
* Effective from FY2022/3, the Company adopted the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29). As a result, certain selling expenses previously recorded in selling, general and administrative expenses (SG&A), including rebates, are now deducted from net sales.

Growth Guidance for the Overseas Business

Net sales



EBITDA



Asset/resource investment

North America ▶ Asia

Position North America as a focal region to maximize sales growth based on its significant market opportunities and our ability to fully leverage our strengths

- Position North America, where snacking demand is high and Calbee's strengths can be fully leveraged, as a key growth region
- **Concentrate asset/resource investment in North America** over the next 5 years, including M&A to acquire functions, prioritizing maximization of sales
- In other regions including China, **maximize utilization of existing assets to build a foundation** and create medium-term growth opportunities

business overall. Meanwhile, in other regions such as China, we will focus on efficiently leveraging existing assets to pursue medium- to long-term growth opportunities.

North America

Accelerating Growth Through Two Target Markets

Focusing on Two Markets with High Growth Potential

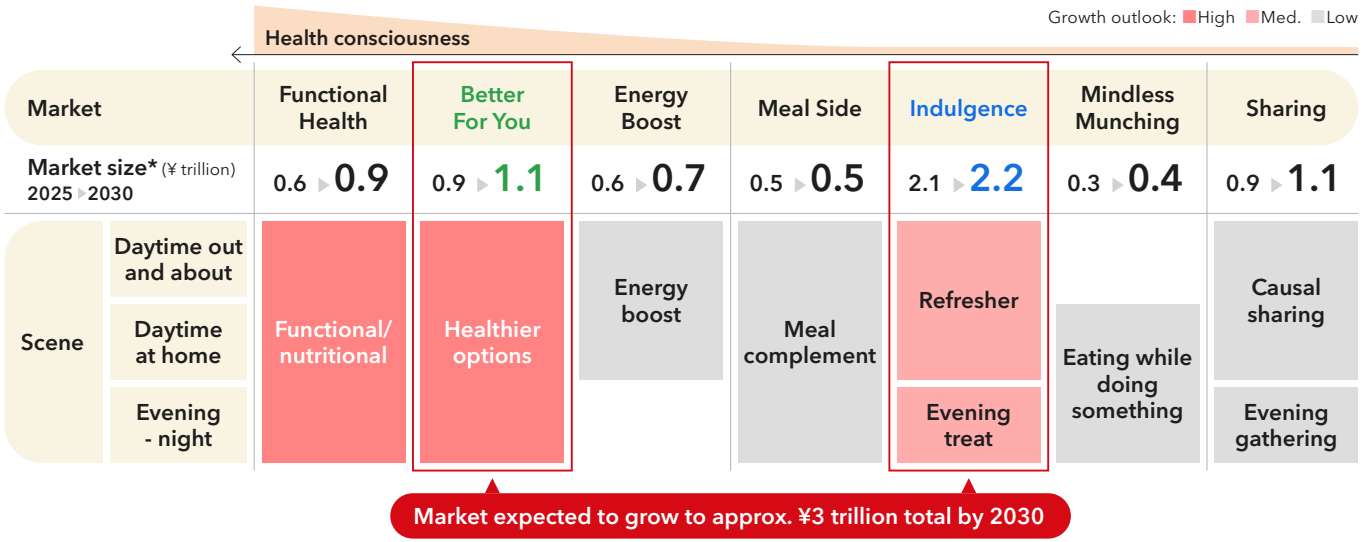
In recent years, lifestyles and eating habits in North America have evolved significantly, particularly among younger generations, with snacking becoming increasingly common as people eat smaller portions more frequently throughout the day. As part of this trend, demand is increasing for both more health-conscious choices as well as products that provide moments of refreshment or personal indulgence. In response to these shifts, our new growth strategy focuses on two target markets, Better For You and Indulgence, where we can respond to changing consumer needs by leveraging the strengths we have developed over time.

Better For You refers to products that respond to health-conscious needs more directly than conventional snacks, for example, by taking salt, sugar, and oil content into consideration. Taking a broader view of this market, we will target consumers who want to make even slightly healthier choices, highlighting our focus on health benefits and quality ingredients alongside great taste. Specifically, we are developing products with added dietary fiber and protein, as well as products made with nutrient-rich avocado oil.

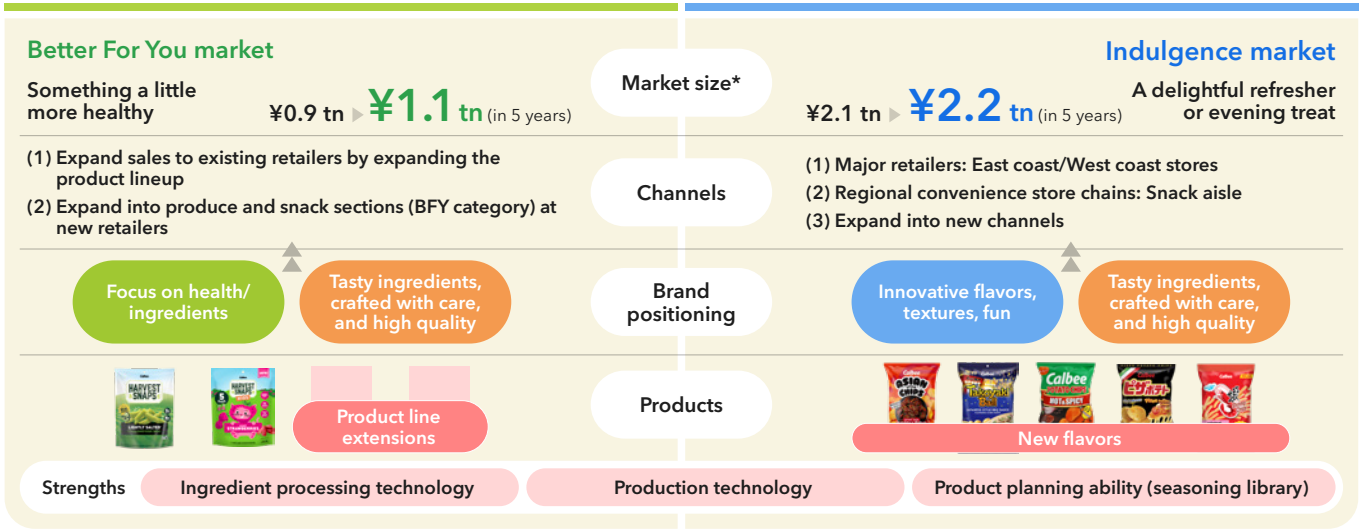
Indulgence is a major category of snacks in the North American market, where products are often consumed as a pick-me-up or as a treat at the end of the day. For Gen Z and Millennial consumers, whose preferences are evolving beyond traditional flavors to include Asian and Latin-inspired offerings, we will introduce innovative flavors, textures and fun experiences that create new ways to enjoy food.

As one of the world's largest markets, North America offers substantial growth opportunities in both segments. Given our relatively low market share today, we see considerable room for growth. By leveraging the insights and technological

North American Snacks Market



Value Creation in the North American Market



* Source: Company research

Accelerating Overseas Growth

capabilities we have developed to date, we will expand our share in these markets and drive significant long-term growth.

Strengthening Our Organization to Drive Sales

A key feature of Calbee's North American business is the presence of all major capabilities, including marketing, product development, production, and sales. In addition, over the past few years we have improved coordination with the CSO and Corporate Planning Division at headquarters, while strengthening support from Japan across functions such as production, R&D, and HR. We have also increased the presence of expatriate employees from headquarters, enabling us to leverage the insights and expertise developed in Japan to enhance our execution capabilities. By combining our local capabilities with our global support framework, we aim to accelerate growth in both target markets.

As a first step, we are strengthening our marketing division as we transition from a conventional push strategy to a marketing-led growth model. As part of this, we have reorganized the division into two dedicated teams with local leaders, each responsible for developing medium- to long-term growth strategies for their respective target markets. In line with this, we will also reorganize the sales division from a region-based structure to a customer-focused structure, enhancing our ability to engage customers.

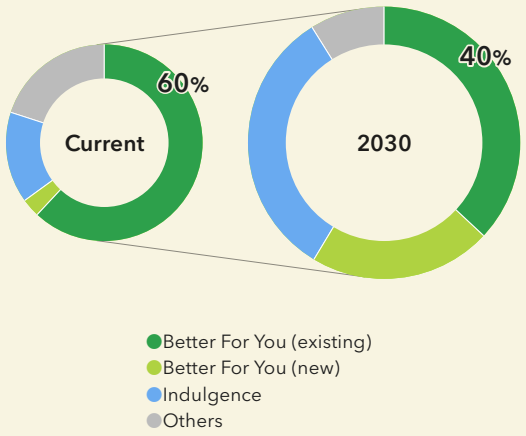
Specific to our brand strategy, we will enhance brand recognition of *Harvest Snaps*, our flagship brand in the Better For You market, while clarifying the brand positioning of our Japanese legacy brands such as *Potato Chips* and *Kappa Ebisen*. To this end, we will strengthen our consumer insight-driven marketing capabilities and focus investments in these areas. We will also track the growth of each brand by adopting leading indicators on top of sales and profits, including brand recognition and inventory turnover rate by region.

In product development, we are strengthening local talent and assigning personnel from Japan. By giving these employees dual responsibilities within the North American business and Global R&D function at headquarters, we are developing an organization that can more flexibly draw on the expertise of our R&D organization while accelerating product development. We are also increasing investment in R&D to support product innovation aligned with the strategies developed by the marketing division.

Strategic Shift in the North America Business

	Until now	Going forward
Target/Needs	• Market size of ¥0.4 trillion - *Harvest Snaps*: Better For You core segment (¥0.2 trillion) - Legacy brands (brands of Japanese origin): Focus on Asian food sections at supermarkets on both coasts (¥0.2 trillion)	• **Expand the target market size to ¥3 trillion**
Brand positioning	• *Harvest Snaps* have strong presence in produce sections • As there are many legacy brands, they lack a clear focus	• **Raise recognition of *Harvest Snaps* and increase their profile in snack sections** • **Rebuild strengths in legacy brands and clarify brand positioning**
Marketing and sales	• Sales-driven, push-based strategy with limited consumer insight • Challenges with snack inventory allocation and turnover • Lack of sustained investment in raising brand awareness and encouraging repeat consumers	• **Shift to a marketing-driven growth model** • **Make targeted marketing investment**
Organizational capabilities	• Organizational structure designed to support *Harvest Snaps* (¥20 billion), primarily through the North American subsidiary	• **Strengthening sales and digital marketing capabilities to support consumer-centric initiatives**

Sales growth and composition in North America



Accelerating Overseas Growth

China and Other Markets

Refining Our Business Model and Strengthening Our Foundation

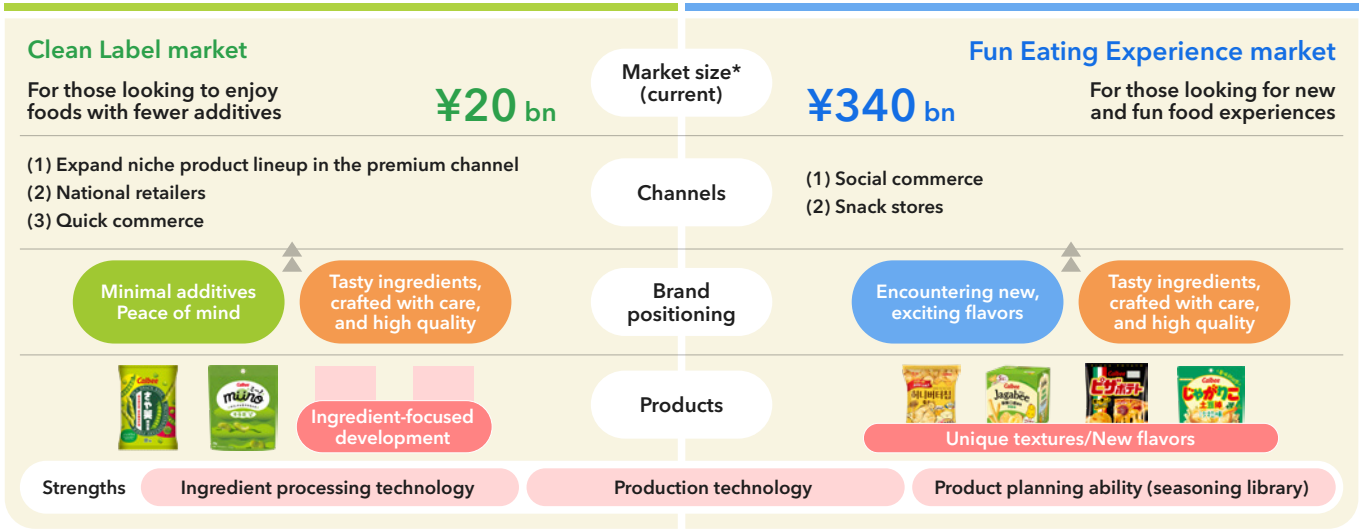
China Business Strategy

Sustained global growth will depend on expanding our business in China, given the significant scale of its market. At the same time, due to the market's considerable volatility and risks, we must reduce our dependence on imports from Japan and further localize our operations. Under our new growth strategy, therefore, we will continue developing and expanding our locally sourced supply networks through OEM (contracted manufacturing) partnerships, leveraging this period to prepare for full-scale growth in the future.

However, leveraging OEM while protecting intellectual property, such as manufacturing methods, presents challenges. In addition, relying on local companies can also limit our ability to respond flexibly to growing demand. To address these challenges, we will therefore diversify our supply base while also evaluating opportunities requiring limited capital investments. In terms of sales, rather than relying too heavily on membership-based distribution models, which have become popular recently, we will also broaden our product offerings to meet the needs of different channels, as well as strengthen distribution through general retail channels and snack chains, with the goal of expanding our presence throughout China.

Our product strategy focuses on target markets where we can leverage our strengths over the short, medium and long term. In the "Fun Eating Experience" market, which is expected to expand over the short term, we will grow our market share by leveraging our expertise in diverse food textures and flavors to deliver value to younger generations seeking new, fun eating experiences. Meanwhile, in the "Clean Label" market, which we view as a medium- to long-term opportunity, we will respond to the growing number of middle- to high-income consumers looking for foods with fewer additives. By leveraging the quality and product development expertise cultivated in Japan, we aim to enhance the value of our brands by providing high-quality products that offer peace of mind.

Value Creation in the China Market



* Source: Company research

Strategy for Other Regions

In other regions, we aim to grow sales by employing strategies tailored to local market characteristics and evolving consumer needs. We also aim to improve Group profitability by optimizing our production and supply network from a broader perspective.

A key focus of our new growth strategy is applying successful initiatives and expertise across regions. For example, as in North America, demand for healthier products as well as new flavors and textures is growing in markets such as the United Kingdom. This creates an opportunity for us to apply the expertise we have developed in Japan and North America. In particular, we aim to leverage the product and brand development expertise we have built in North America in the Better For You and Indulgence categories to accelerate growth in these markets. As part of this, we have already introduced products in both categories in the United Kingdom and will consider local production as the business grows, depending on demand trends. In Australia and New Zealand, *Harvest Snaps* has also gained market recognition. By leveraging our relationships with major distributors, we aim to develop new supply channels and expand our market share.

In Thailand and Indonesia, we will strengthen existing brands to capture market growth driven by population growth. We will also expand the region's role as a global product supply hub, including exports to neighboring countries. In Thailand in particular, we will lower supply costs through factory-level initiatives to improve gross profit and increase capacity utilization, supporting profit and earnings growth across the Group and improving investment efficiency. At the same time, to address low domestic market share, we will increase our presence by expanding sales channels tailored to local needs. In Indonesia, improving costs remains a priority due to intensifying price competition. We will dispatch and conduct exchanges with specialized personnel from Japan, drawing on their expertise, while also advancing the development of highly profitable and differentiated products.

Financial Strategy

Positioning Our Financial Strategy Within Our Corporate Value Enhancement Model

We have established a Corporate Value Enhancement Model (see the "CFO Message" on page 8) as the overarching framework for *Accelerate the Future*, our growth strategy for achieving our 2035 Vision. Through this model, we aim to enhance corporate value by implementing management that is conscious of cost of capital and stock price, and by strengthening earnings power, improving capital efficiency, and fostering growth expectations. Our financial strategy serves as the foundation for realizing this model, focusing on three areas: accelerating growth through disciplined investment, providing stable and disciplined shareholder returns, and earning the trust of shareholders and investors and fostering growth expectations.

To date, our strong business foundation has enabled us to consistently generate profits and build a sound financial position. At the same time, realizing our 2035 Vision will require us to effectively capture growth opportunities in Japan and overseas and accelerate investment. To support these efforts, we will pursue growth investments using the cash we generate and retained earnings, as well as financial leverage where appropriate.

Going forward, we will continue to preserve financial soundness while enhancing corporate value through strategic investment and capital allocation.

Accelerating Growth Through Disciplined Investment

To enhance corporate value, we aim to maximize the ROIC–WACC spread through both our business and financial strategies. We have positioned ROIC as a company-wide management metric and EBITDA growth as a key indicator of business growth, as we pursue both growth and capital efficiency.

Management Framework for Disciplined Investment in Growth

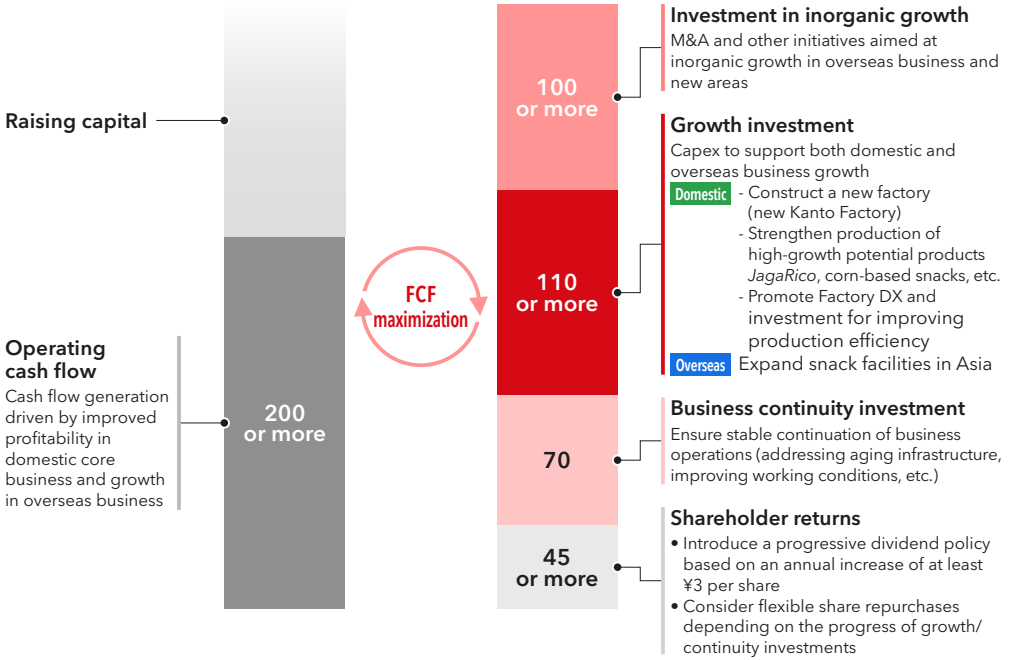
We will actively invest to accelerate growth. At the same time, expanding investment requires disciplined decision-making. To support this, we have established a management framework that reinforces investment discipline, improves the effectiveness of growth investments, and supports sustainable cash generation. With a clear awareness of the cost of capital, we updated WACC for each country in 2025 and made ROIC exceeding WACC an explicit criterion for investment decisions. For inorganic growth investment such as M&A, we have established a separate review process from the one used for capital investments. Before making an investment, we conduct thorough discussions, including an assessment of potential synergies. Following an investment, we seek to maximize results through disciplined PMI implementation and ongoing monitoring. We also plan to review businesses, including the possibility of exit, if their returns remain below WACC and we determine that they are unlikely to contribute to future growth.

Cash Allocation to Drive a Virtuous Cycle of Investment and Growth

We will reinvest cash generated by our domestic and overseas businesses in growth areas to further strengthen our cash-generating capability. By channeling the resulting gains to fund further growth investment, we aim to establish a virtuous cycle that supports sustainable growth. We will also make appropriate use of financial leverage, pursuing M&A in growth areas and investing to strengthen the competitiveness of our domestic business, with the goal of maximizing free cash flow in the future.

Five-Year Cash Allocation Policy (FY2027/3–FY2031/3)

(Billions of yen)



Financial Strategy

Capital Structure Optimization While Preserving Financial Soundness

To support continued growth investment, we manage financial risk appropriately. In using financial leverage, we have set a net D/E ratio ceiling of 0.5x to preserve financial soundness. We have also defined an equity ratio of around 55% as our optimal capital structure over the medium to long term. By achieving this structure, we aim to reduce our current cost of capital of approximately 7% by around one percentage point and maximize the ROIC–WACC spread.

Providing Stable and Disciplined Shareholder Returns

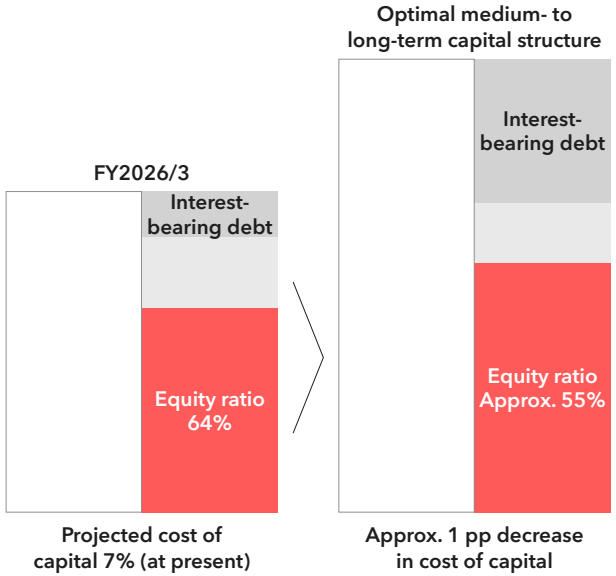
We regard returning profits to shareholders as one of our key management priorities. To date, we have worked to enhance shareholder returns through consistent dividend increases. Going forward, we will provide more stable and disciplined returns while balancing them with growth investment. For the five years from FY2027/3 through FY2031/3, we will adopt a progressive dividend policy under which dividends will increase at least ¥3 per share each year. We will also consider flexible share repurchases based on the progress of growth and continuity investments.

Earning the Trust of Shareholders and Investors and Fostering Growth Expectations

Enhancing corporate value requires not only steady execution of our growth strategy, but also building relationships of trust with shareholders and investors while fostering growth expectations. We aim to do this by communicating our growth story and its progress clearly and consistently, while steadily delivering results. Through our IR and SR activities, we are enhancing disclosure and expanding communication to promote understanding of our initiatives. We also incorporate the views and insights gained through constructive dialogue with shareholders and investors into management. By using this feedback to improve the quality of our management strategy and change employee mindsets, we are strengthening our ability to execute our growth strategy. We are also strengthening our corporate governance framework, which supports corporate value enhancement, by increasing the number of directors with expertise in finance and accounting and a deep understanding of the capital markets (see “Strengthening Corporate Governance” on page 50).

Going forward, we will continue to deepen mutual understanding with shareholders and investors and earn their trust. By fostering expectations for future growth, we aim to enhance corporate value over the medium to long term.

Optimal Capital Structure



Implementation measures

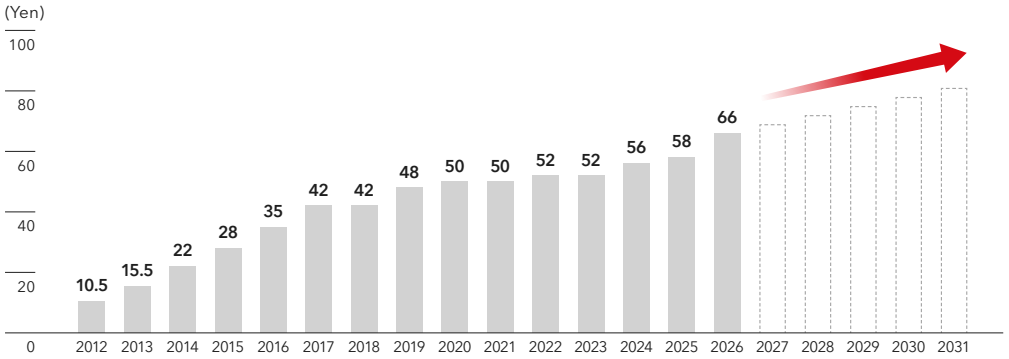
- Leverage debt for growth investment and M&A (Ensure financial soundness with a net D/E ratio cap of 0.5x)
- Provide shareholder returns through progressive dividends

Shareholder Return Policy

Five-year period (FY2027/3–FY2031/3)

- Introduce a progressive dividend policy based on an annual increase of at least ¥3 per share
- Consider flexible share repurchases depending on the progress of growth/continuity investments

Dividend per share over time



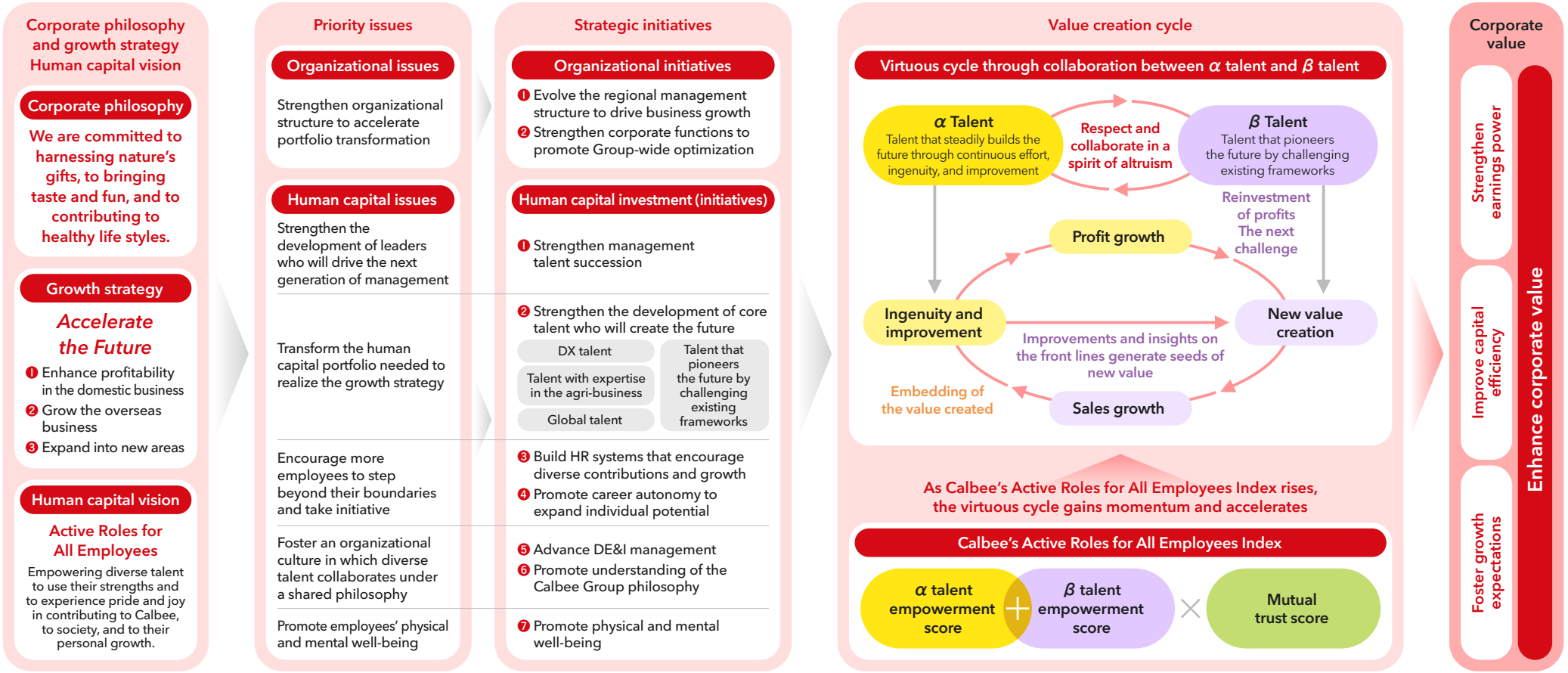
(Fiscal year ended March 31)

Strengthening Human Capital Management

For more details, please refer to Human Capital Report 2026 (HCR 2026).
Priority Issues and Strategic Initiatives — Please see page 19 of HCR 2026 for details.
Virtuous Cycle Through Collaboration Between α Talent and β Talent — Please see page 6 of HCR 2026 for details.

To realize the Calbee Group growth strategy, *Accelerate the Future*, we have made Active Roles for All Employees the most important policy for our human capital management, building on the spirit of altruism that has guided Calbee since its founding. We systematically advance initiatives to transform our people and organization in response to the priority issues derived from the growth strategy. Through these initiatives, we aim to create a value creation cycle in which α talent (talent that steadily builds the future through continuous effort, ingenuity, and improvement) and β talent (talent that pioneers the future by challenging existing frameworks) work together in a spirit of altruism. This value creation cycle drives profit growth and sales growth. We have also defined Calbee's Active Roles for All Employees Index as a measure of the conditions that accelerate this virtuous cycle. By raising the index, we will further accelerate the value creation cycle and achieve the goals set out in the growth strategy of strengthening earnings power, improving capital efficiency, and fostering growth expectations, ultimately enhancing corporate value.

Creating Value Through Human Capital



Strengthening Human Capital Management

Visualizing the Human Capital Needed to Execute the Growth Strategy

Calbee's Active Roles for All Employees Index (human capital index) is our unique KPI that shows how far we have progressed toward realizing Active Roles for All Employees, the most important policy for our human capital management.

We calculate the index by adding together empowerment scores for α talent and β talent and multiplying the total by the mutual trust score. The empowerment scores measure each employee's sense of growth and contribution through their day-to-day efforts from three perspectives: Active Roles for All Employees status, career autonomy, and psychological safety. The mutual trust score measures the extent to which employees respect one another and collaborate in a spirit of altruism.

As the empowerment score rises, employees become more active in demonstrating ingenuity, making improvements, and taking on new challenges. As the mutual trust score rises, the culture of collaboration grows stronger and the virtuous cycle accelerates.

The index reached 80.67 in FY2026/3, marking its third consecutive annual increase. The improvement in the mutual trust score was the main driver of the overall increase. Empowerment scores increased for both α talent and β talent. However, the career autonomy score remained relatively low for both groups, and we will address this as a priority issue going forward.

α Talent

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

Empowerment score

FY2024/3	10.06
FY2025/3	10.24
FY2026/3	10.30 +0.06 pp

β Talent

Talent that pioneers the future by challenging existing frameworks

Empowerment score

FY2024/3	11.79
FY2025/3	11.71
FY2026/3	11.74 +0.03 pp

	Active Roles for All Employees status score	Career autonomy score	Psychological safety score
FY2024/3	3.55	3.11	3.40
FY2025/3	3.62	3.15	3.47
FY2026/3	3.64	3.17	3.49

	Active Roles for All Employees status score	Career autonomy score	Psychological safety score
FY2024/3	4.04	3.72	4.03
FY2025/3	4.05	3.66	4.00
FY2026/3	4.06	3.70	3.98

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

Note: Calculated using the engagement survey score

Mutual trust score

FY2024/3	3.58
FY2025/3	3.64
FY2026/3	3.66 +0.02 pp

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

Calbee's Active Roles for All Employees Index

FY2024/3	78.22
FY2025/3	79.90
FY2026/3	80.67 +0.77 pp

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

We have set a benchmark of 3.50 for each of Active Roles for All Employees status score, career autonomy score, psychological safety score, and mutual trust score. Scores above 3.50 are considered to indicate strong positive responses. Our 2030 target is to raise all scores that were below 3.50 as of FY2025/3 to at least that level.

Strengthening Human Capital Management

Identifying Core Talent to Support Sustained Growth

The Calbee Group's businesses face an increasingly challenging environment in which conventional approaches to growth are no longer sufficient, due to factors such as market contraction from Japan's declining population, falling birth rate and aging society, growing health consciousness, diversifying eating behaviors, and increasing raw material procurement risks caused by climate change.

In response to these changes in the business environment, under our 2035 growth strategy, *Accelerate the Future*, we have established three strategic directions: enhance the profitability of our domestic business, grow our overseas business, and expand into new areas. We are pursuing a transformation of our business portfolio with the goal of increasing the sales ratio of overseas and new category businesses to 50%. To successfully achieve this transformation, it is essential that we also transform our human capital portfolio in alignment with our strategy.

Based on this approach, we have identified four types of core talent that we need to prioritize in securing: DX talent, talent with expertise in the agri-business, global talent, and talent that pioneers the future by challenging existing frameworks (β talent). Through the systematic acquisition and development of these types of talent, we are building a human capital portfolio that supports sustainable growth.

Four Types of Core Talent to Be Secured

Enhance profitability in the domestic business | Grow the overseas business | Expand into new areas

	DX talent	Talent with expertise in the agri-business	Global talent	Talent that pioneers the future by challenging existing frameworks (β talent)
Dependencies on and impacts of human capital	Dependence on talent with expertise in DX and AI	Dependence on talent with expertise in the agri-business	Dependence on talent who can transfer Calbee's unique value and strengths overseas	Dependence on talent who can envision the future and step beyond boundaries
Human capital-related opportunities and risks	**Opportunities** Improvement of quality and productivity through the use of DX **Risks** Decline in productivity and competitive advantage due to a shortage of DX talent	**Opportunities** Stable supply and sustained business operations through accumulation of raw material expertise and strengthening of procurement capabilities **Risks** Instability of raw material supply due to climate change, shortages of specialists, and delays in knowledge transfer	**Opportunities** Acceleration of overseas growth through an increase in global talent **Risks** Loss of growth opportunities due to a shortage of talent to transfer knowledge overseas	**Opportunities** Creation of new value and growth areas **Risks** Stagnation of value creation due to a shortage of talent for challenge and transformation
Human capital strategy	• Investment in DX talent development • Establishment of a DX talent certification system	• Definition of requirements for agri-business specialists in potato operations and establishment of a development framework	• Investment in global talent development • Linkage with succession planning	• Acquisition of new experiences and knowledge • Identification of potential talent (development of α/β talent assessments)
Human capital-related metrics and targets	**Number of DX talent** FY2031/3: 500 people (including 182 certified talent) FY2041/3: 1,000 people (including 400 certified talent)	To be determined	**Key position fulfillment rate** Identify overseas positions required in five years ⇒ Triple the talent pool	**Ratio of β talent** Increase in the percentage of talent demonstrating β capabilities Specific metrics to be determined going forward

For more details, please refer to HCR 2026.

DX Talent

Please see page 9 of HCR 2026 for details.

As DX advances through the use of cutting-edge technologies, including AI, a shortage of DX talent capable of leveraging these technologies to lead problem-solving efforts directly translates into a decline in the Company's competitiveness. Particularly in Japan, where population decline is expected, enhancing productivity and profitability through initiatives such as Factory DX and supply chain optimization using S&OP* is essential. This requires the development of talent who can drive these initiatives.

* S&OP: Sales & Operations Planning

Talent with Expertise in the Agri-Business

Please see page 10 of HCR 2026 for details.

For Calbee, which operates businesses utilizing natural ingredients, talent with expertise in the agri-business who support stable harvest volumes through initiatives such as developing new potato varieties, labor-saving cultivation, and the advancement of storage and transportation technologies are an important foundation supporting sustainable business operations. We will first focus on potatoes, a key raw material, and proceed with defining the requirements for these specialists and establishing a development framework.

Global Talent

Please see page 11 of HCR 2026 for details.

To accelerate the growth of our overseas business, it is essential to establish an active strategic execution framework that works in close collaboration with local organizations in each region, leveraging the technologies, expertise, and brand value cultivated in Japan. To achieve this, we are strengthening the development of global talent who can deploy Calbee's unique value and strengths across overseas locations and lead growth in each market.

β Talent

As changes in the business environment and society accelerate, realizing sustainable growth requires not only strengthening the competitiveness of our existing businesses but also creating new value and growth opportunities. To achieve this, we will focus on identifying and developing β talent—individuals who embrace unknown areas and change with a positive mindset and who pioneer the future by challenging existing frameworks, including through market development and the creation of new technologies and systems.

Promoting Sustainability Management

The Future We Aim to Create Through Our Sustainability Strategy

Our goal is to sustain nature's gifts for future generations while continuing to bring the joy of food and well-being to people around the world.

A healthy and thriving natural environment is fundamental to how we create value. That's why we are committed to protecting and restoring natural capital, strengthening its long-term sustainability, and building lasting relationships of trust with the people and communities connected to our business.

By building safe, resilient and sustainable food value chains, and by pursuing innovation rooted in Calbee's unique strengths, we aim to create a future where sustainability and business growth go hand in hand.

Our business environment strongly demands that we address various social issues, such as global warming, biodiversity loss, and supply chain human rights issues, and take initiatives to realize a sustainable society. Since its foundation, Calbee has bridged the gap between nature and people, working to resolve various social issues in line with its corporate philosophy. Our approach to sustainability management is to take global environmental and social issues seriously and address them by creating new value and building a sustainable future through co-creation with society. These initiatives will strengthen our business foundation by increasing our stable procurement of raw materials and productivity and reducing the cost of capital, leading to sustainable growth and increased corporate value.

Integrated Initiatives on Climate and Nature

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

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

Please refer to our website for integrated disclosure based on the TCFD/TNFD frameworks.
https://www.calbee.co.jp/sustainability/en/tcfd_tnfd.php

Transition Risks

Risk	Impact on business	Impact*				Risk countermeasures
		2030		2050		
		2°C	4°C	2°C	4°C	
Increase in carbon pricing	If carbon taxes are introduced, costs related to factory operations and raw materials will increase	Small	Small	Medium	Small	Use renewable energy, utilize hydrogen, etc., and promote decarbonization across the entire value chain
Consumer behavior change due to increased environmental awareness	As climate change progresses, consumer demand is expected to shift further toward environmentally responsible products	Medium	Medium	Large	Large	Promote environmentally responsible and certified products
Regulation on use of petroleum-based plastics	Increase in packaging prices due to regulation on petroleum-based materials Growing consumer awareness and increase in selection of biomass-based plastics	Medium	Small	Large	Small	Reduce petroleum-based plastic packaging while maintaining product quality; shift to alternative raw materials and promote recycling

* Operating profit High: Over ¥5.0 billion, medium: ¥2.0–5.0 billion, low under ¥2.0 billion

Promoting Sustainability Management

Initiatives to Create the Future of Potatoes

Calbee's main raw material is potatoes, which can be harvested only once a year. This means that establishing stable procurement through cooperation with growers is an important management priority. By improving cultivation and storage techniques, and promoting better varieties, we have been working to improve the quality of our raw materials and stabilize supply.

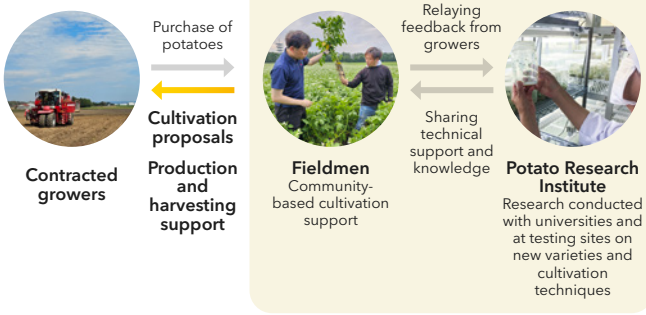
We have also been focused on the development of new products that showcase the appeal of agricultural products, aiming to create an environment where growers can conduct sustainable agriculture. In our collaboration project with the Shiretoko Shari Agricultural Cooperative ("JA Shiretoko Shari"), we procure 40,000 tonnes of raw potatoes annually and utilize the cooperative's frozen processing facility to explore new product possibilities such as frozen foods. In this way, we are building a mutually beneficial co-creation relationship that enables us to widen our business domains while offering opportunities for growers to have stable buyers and improve their profitability.

Materiality Identification and Promotion Structure

Considering the growing importance of natural capital and demands related to climate change and sustainable procurement, we reviewed our materiality in 2022 and identified five material issues and 13 priority themes (currently 12 priority themes, following the integration of two themes into one—Maximization of human capital toward realizing Active Roles for All Employees—in June 2026). The Board of Directors supervises our promotion of these issues, which is carried out mainly by the Sustainability Committee. The committee is chaired by the CEO and meets twice a year in principle. It identifies material issues, sets priority themes, deliberates and reviews the progress of roadmaps developed by subcommittees, and regularly reports its findings to the Board of Directors, thereby enhancing the effectiveness of our initiatives.

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

Contributing to Sustainable Agriculture



Support for contracted growers

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

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

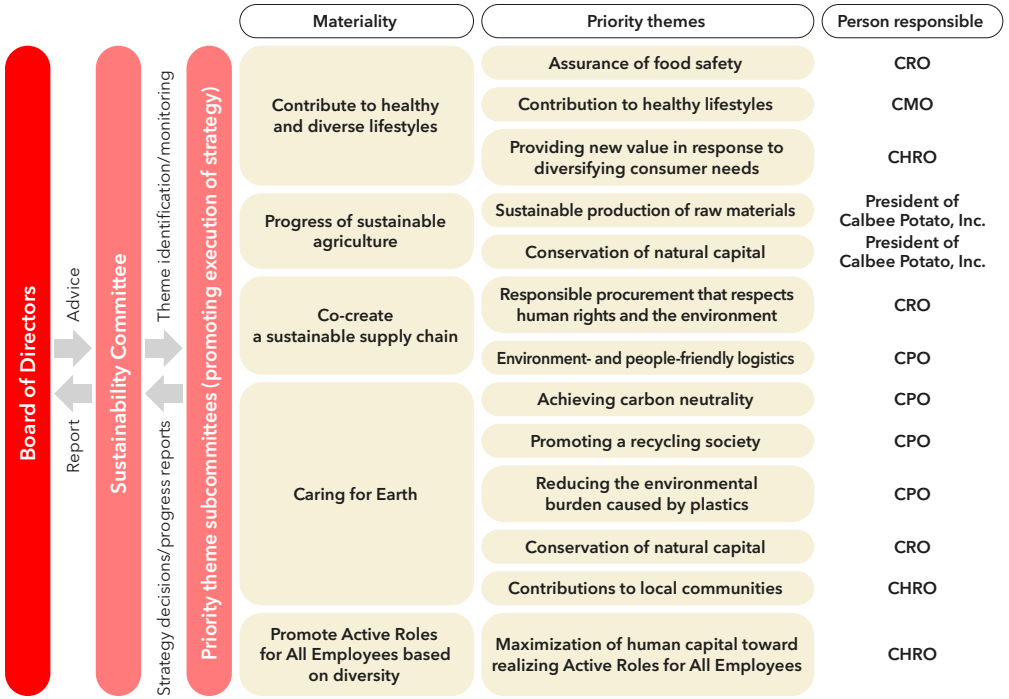
Development of products that add value to raw materials

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

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

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

Sustainability Management Framework



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

Promoting Sustainability Management

Materiality List (Opportunities and Risks)

Materiality (Correspondence with SDGs)	Priority themes	Opportunities for promoting business growth	Risks to business sustainability	Promoted themes	KPIs (targets) and process indicators: Indicator	Achievement timeframe	Target	FY2026/3 results
Contribute to healthy and diverse lifestyles	Path to 2050	Increased food safety and security awareness and health consciousness are driving rapid diversification in lifestyles and enjoyment of food. We will meet consumers' needs by delivering new products and value that exceed expectations, supporting everyone in leading a healthy lifestyle with confidence and ease.						
	Assurance of food safety	• Consumers all over the world are able to confidently access products • Receive support from consumers who value safety and quality	• Loss of credibility with consumers and costs incurred due to product recalls, etc. • Administrative measures such as suspension of operations and restrictions on business expansion due to regulatory differences in each country	• Prevention and monitoring for safety and quality • Initiatives for providing peace of mind	• Steady promotion of stronger quality assurance across the entire value chain from production areas to consumers			
	Contribution to healthy lifestyles	• Against a backdrop of rising health consciousness, creation of new markets for not only nutrition and functionality, but also speed and convenience • Provision of products and services that are full of great taste and fun while also supporting mental health • Technological and planning capabilities for providing healthy and delicious products • Deep knowledge of raw materials such as potatoes and sweet potatoes • Development and use of unused resources	• Loss of sales opportunities due to insufficient response to consumer needs • Reduced competitive advantage as differentiation from other companies becomes difficult • Spread of negative image of snacks • Social phenomena such as popularity of so-called "weight-loss drugs" • Tighter regulation of salt and fat content, etc. (intake and advertising)	• Reduction in product salt content and provision of protein-rich products	Amount of salt-free/low-salt/reduced-salt products*2 sold (compared with FY2023/3)*1	FY2031/3	**200%**	**121.8%**
					Amount of protein-rich products*3 sold (compared with FY2023/3)*1	FY2031/3	**200%**	**126.2%**
	Providing new value in response to diversifying consumer needs	• Increased consumer motivation for purchasing environmentally responsible and certified products • Communication of the importance of food and the transparency of our manufacturing process through food education and factory tours enhances consumers' sense of familiarity and gains their trust	• Incorrect understanding of the importance of food and healthy diets • Persistent misconception that snacks are bad	• Expand Calbee Snack School (food education) • Invigorate and promote factory tours	Annual food communication participants*4	Every year	**100,000 people or higher**	**117,890**
Progress of sustainable agriculture	Path to 2050	Maintaining and expanding domestic agriculture is essential for food security, and the importance of securing agricultural land and increasing productivity is unchanged. Stable procurement of raw materials such as potatoes is a top priority for the Company. By cooperating with growers and others to conserve and restore natural capital, we contribute to sustainable agriculture.						
	Sustainable production of raw materials	• Ability to stably procure high-quality potatoes, our main raw material • Reduce logistics burden by shifting to domestic production of raw materials • Retention and spread of knowledge about sustainable agriculture • Promotion of sound crop rotation systems and expansion to crops other than potatoes	• Decline in potato quality and yields due to weather pattern changes, resulting in higher procurement costs • Unstable potato procurement making operations impossible to maintain (loss of sales opportunities) • Decrease in harvests due to declining farmer population and worker shortages	• Promote scientific cultivation to support sustainable procurement of domestically grown potatoes • Develop new varieties • Reduce agricultural labor • Diversify production areas	• Development of varieties with heat and disease resistance • Expanded contracting business • Diversified production areas in Hokkaido and expanded to new production areas in Tohoku and Northern Kyushu			

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

Promoting Sustainability Management

Materiality (Correspondence with SDGs)	Priority themes	Opportunities for promoting business growth	Risks to business sustainability	Promoted themes	KPIs (targets) and process indicators: Indicator	Achievement timeframe	Target	FY2026/3 results
	Conservation of natural capital	• Stable procurement of raw materials enabled by promoting sustainable agriculture • Accumulation and spread of efficient, low-environmental-impact agricultural technologies	• Increase in cost of countermeasures and procurement due to stronger regulation on farmland development and use of pesticide/herbicide and chemical fertilizers • Heavy reliance on chemical fertilizers increases susceptibility to geopolitical turmoil and supply disruption • Loss of natural capital, which is the foundation of farming	• Fertilize appropriately based on soil analysis	Usage rate of low-phosphate fertilizer (Hokkaido area)	FY2028/3	**80%**	**45.0%**
Co-create a sustainable supply chain	Path to 2050	As supply chains become more diverse and complex, the challenges around them are also becoming more complex and widespread. We will build sustainable, robust supply chains by forging responsible relationships with our suppliers to address emergent risks such as climate change, natural disasters, human rights issues, and labor shortages.						
	Responsible procurement that respects human rights and the environment	• Secure long-term stable supplies of raw materials • Receive consumer support through the provision of products that are trusted by society	• Insufficient raw material procurement • Inadequate identification of human rights violations and environmental damage due to insufficient supplier engagement, and attendant loss of public trust • Delayed response to tighter regulations and growing public concern over environmental damage, human rights issues, and other matters	• Engage with suppliers through supply chain assessments and promote procurement that takes into account the environment and human rights	• Assessment and investigation conducted regarding the status of human rights, the environment, and legal compliance (over 100 suppliers in Japan and overseas) • Switch to, and continued use of, RSPO-certified palm oil using the mass balance method as part of responsible palm oil procurement • Expansion of lineup carrying the RSPO certification label			
	Environment- and people-friendly logistics	• Pursuit of efficiency gains focused on loading rates leads to logistics business growth • Increasing logistics worker job satisfaction and motivation secures high-quality human resources and maintains logistics systems	• Logistics service requirements, including cost, time, and delivery requirements, are expected to become more stringent, and failure to adapt could make it difficult to secure logistics workers	• Improve work environments by increasing logistics efficiency • Reduce greenhouse gas emissions (Scope 3, categories 4 and 9)	• Pursuit of optimal logistics operations, including rebuilding of logistics hub and reviewing transportation routes • Continued efforts to keep driver standby time at in-house centers inside 30 minutes			
Caring for Earth	Path to 2050	An abundant and stable natural environment is essential to our lives, society, and the economy. We will accurately identify the relationship between economic activities and natural capital, and work to reduce environmental impacts and restore biodiversity with a view to protecting and regenerating natural capital while growing the Company.						
	Achieving carbon neutrality	• Establishment of a production system using efficient energy with low environmental impact • Development and sale of new products using raw materials and manufacturing processes with low environmental impact • Realize sustainable procurement across the supply chain and secure stable supplies	• Cost increase driven by carbon tax introduction • Operating restrictions due to tighter environmental regulation	• Scope 1, 2 reductions - Switch energy suppliers, promote energy-saving activities and on-site power generation at plants, etc. • Scope 3 reductions - Change sizes of cardboard boxes, reduce delivery frequencies, improve loading rates - Supplier engagement - Visualization of CO_2 emissions from potatoes	Total greenhouse gas emissions (compared with FY2019/3)*1	FY2031/3	**30% reduction**	**11.9% reduction**

*1 Applies to Calbee, Inc.

Promoting Sustainability Management

For details regarding the Group's priority themes and key initiatives based on materiality, please refer to the following web page.
https://www.calbee.co.jp/sustainability/en/materiality.php

Materiality (Correspondence with SDGs)	Priority themes	Opportunities for promoting business growth	Risks to business sustainability	Promoted themes	KPIs (targets) and process indicators			FY2026/3 results
					Indicator	Achievement timeframe	Target	
	Promoting a recycling society	• Maintain sustainable production systems that enable water recycling, reuse of waste as a resource, and waste reduction • Utilization of unused resources	• Reduction of production volume due to water use restrictions • Increase in water cost • Increase in cost of waste treatment	• Reduce product food losses • Reduce water consumption • Promoting the "3Rs"	Reduction of product food losses (compared with the three-year moving average from FY2021/3)*1	FY2031/3	**30% reduction**	**13.8% reduction**
					Reduction of water usage*2 (compared with FY2019/3)*1	FY2031/3	**10% reduction**	**13.5% increase**
					Reduction of total waste generated*2 (compared with FY2019/3)*1	FY2031/3	**10% reduction**	**16.3% increase**
	Reducing the environmental burden caused by plastics	• Differentiation from other companies by realizing packaging with low environmental impact • Contribution to building a circular plastics society	• Increase in packaging cost due to tightening of virgin plastic regulations • Raw materials are finite petroleum resources; however, plastic performance is needed to maintain quality and ensure shelf life over long periods	• Reduce use of plastic packaging • Use environmentally friendly materials	Replacement and reduction of plastic packaging (compared with FY2019/3)	FY2031/3	**50% replacement or reduction**	**1.4% replacement or reduction**
	Conservation of natural capital	• Ability to clarify approach to natural capital and policy on initiatives • Leverage potato expertise to develop new business as an agricultural produce platform provider	• More susceptible to the power of natural capital than other companies due to using large amounts of agricultural produce as a main raw material	• Implement risk assessment according to the TNFD framework (present a roadmap)	• October 2025 Made integrated information disclosures based on the TCFD/TNFD frameworks			
	Contributions to local communities	• Maintain cooperative relationships with local communities and strengthen collaboration • Employees sense the social significance of their company, increasing motivation	–	• Promote individual activities to contribute to society • Cultivate a social contribution mindset (promote sustainability management test) • Expand activities to environmental fields (water resource conservation, biodiversity protection, etc.)	• Watershed conservation activities conducted at Calbee Nuppuku Riverbank (Obihiro City, Hokkaido) • Promotion of Mangrove Conservation Project in Thailand			
Promote Active Roles for All Employees based on diversity	Path to 2050	The business environment is changing dramatically, with population decline and aging, the diversification of eating habits, the advance of DX, and climate change. By realizing Active Roles for All Employees, Calbee aims to enable its diverse human resources to demonstrate their strengths and collaborate effectively, realizing consistent value in the future while continuing to create new value.						
	Maximization of human capital toward realizing Active Roles for All Employees	• Acceleration of a virtuous cycle of value creation through collaboration between α talent, who steadily build the future through continuous effort, ingenuity, and improvement, and β talent, who pioneer the future by challenging existing frameworks • Rebuilding of the talent portfolio to realize the business portfolio transformation in our growth strategy	• Increasing difficulty in stable business continuity due to staff shortages associated with decrease in working population and increase in hiring costs • Stall in business transformation and sustainable growth due to delayed talent portfolio transformation required for our growth strategy	• Strengthen management talent succession • Strengthen the development of core talent who will create the future • Build HR systems that encourage diverse contributions and growth • Promote career autonomy to expand individual potential • Advance DE&I management • Promote understanding of the Calbee Group philosophy • Promote physical and mental well-being	Calbee's Active Roles for All Employees Index (human capital index)*3	FY2031/3	**81.28**	**80.67**

*1 Applies to Calbee, Inc. and Japan Frito-Lay Ltd.
*2 Changed to management per unit of main raw material usage
*3 Applies to Calbee, Inc.

Promoting Sustainability Management

Initiatives To Address Respect for Human Rights

Strengthening Human Rights Management Through the Human Rights Committee

Calbee recognizes that all its business activities may directly or indirectly affect human rights, and is committed to fulfilling its responsibility to respect the rights of all people involved in its business. In 2024, we established the Calbee Group Human Rights Policy and identified human rights issues in the supply chain, the rights of foreign workers, and harassment as priority issues. We continue to conduct human rights due diligence on these issues.

In April 2025, we established the Human Rights Committee, chaired by the CEO, to strengthen our company-wide human rights management structure. The committee meets twice a year in principle. It addresses priority issues, formulates a roadmap for human rights initiatives as a whole, and clarifies its role in corporate governance. It also promotes the development of grievance mechanisms, dialogue with stakeholders, and education and awareness-raising activities.

For details on our human rights due diligence, please see our website:
https://www.calbee.co.jp/sustainability/en/humanrights.php

Progress on Priority Human Rights Issues

For human rights issues in the supply chain, we continued exploring how to use the results of the CSR self-assessments launched in 2022 for major suppliers and how to operate the initiative on a sustainable and stable basis. Since 2024, the Procurement Department has supplemented the self-assessment results through direct dialogue with suppliers, requested improvements from suppliers whose responses were insufficient, and followed up with them individually. We also interviewed around 10 other companies to develop a clearer vision for future system use and the operating framework needed to support it. In light of risks associated with palm oil procurement, including deforestation, forced labor, and child labor, we continue to engage in dialogue with suppliers, obtain mill lists, and conduct on-site inspections of plantations and palm oil mills. For the rights of foreign workers, as part of human rights due diligence covering domestic factories and affiliated companies, we review working hours, working conditions, the technical intern training program, discrimination, and other matters. We also interview workers and their supervisors and provide explanations in multiple languages. For harassment, we have established internal and external reporting and consultation channels and work to prevent incidents and detect them at an early stage through human rights training and internal awareness-raising activities, including email magazines and newsletters.

Calbee's Identified Priority Issues

Calbee priority issues

Human rights issues in the supply chain:
child labor, forced labor at suppliers, harassment between business partners

Rights of foreign workers:
discriminatory treatment in wages, working hours, or other conditions

Harassment*:
sexual harassment, workplace bullying, maternity/paternity harassment, etc.

General human rights issues

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

Source: Prepared by Calbee based on response to *"Business and Human Rights" Issues Required of Enterprises: "Business and Human Rights Survey and Research" Report (Digest Version)*, March 2021, Ministry of Justice

* Harassment includes sexual harassment, workplace bullying, maternity and paternity harassment, caregiving harassment, etc.

Human Rights Activity Roadmap

Our aspiration
Respecting the human rights of all people as we strive to become a company that earns the respect, admiration, and love of its stakeholders

FY2026/3	FY2027/3	FY2028/3
Embed the Human Rights Policy and conduct human rights due diligence		
• Establish a framework to promote human rights initiatives • Establish a grievance mechanism	• Conduct a deeper examination of human rights issues • Strengthen the grievance mechanism	• Review priority human rights issues
Enhance stakeholder engagement		