Roundtable Discussion with Outside Directors

As Calbee looks ahead to 2035, it has established a new vision and growth strategy. The outside directors who were closely involved in shaping them share their perspectives on the Company's medium- to long-term challenges and outlook.



(From left)
Hatsunori Kiriyama
Independent Outside Director
Takako Suzuki
Independent Outside Director
Hiroaki Sugita
Independent Outside Director

Calbee's Strengths and Challenges from an Outside Perspective

Sugita My impression of Calbee was that it had strong brands and was well loved by consumers. What stood out to me was the depth of its involvement in agriculture. The unique value chain it has built, connecting producers to consumers, has created a barrier to entry for competitors and supported the Company's leading market share in Japan. However, the situation is different in overseas markets, which we see as the foundation for future growth. We cannot simply follow the same path as in the past. We need to define an agenda to succeed overseas, and the Board of Directors intends to remain actively involved in that process.

Suzuki From the outside, Calbee struck me as a company with strong marketing capabilities. After joining the Board as an outside director, however, I came to see it more as a manufacturer with a genuine commitment to quality, great taste, and reliable supply. The robust manufacturing base Calbee has established over its long history is a major strength in terms of sustaining its operations over the long term as a manufacturer. At the same time, however, I am concerned that the Company may have become too product-led and rely too heavily on in-house capabilities. To achieve a step change in growth, we need to become more marketing-oriented, consider from the consumer's perspective what kinds of products will be needed in the coming era, and consider how to make up for any internal shortcomings. I believe one of my roles as an outside director is to offer observations and provide advice in these areas.

Kiriyama Calbee's supply chain is certainly a significant strength that has helped us establish ourselves as the industry leader. However, having maintained the top market share in Japan for many years, we have had relatively little exposure to external pressure, and at times, I feel we lack a sufficient sense of urgency. To achieve sustainable growth, we will need the resolve to take risks and make clear choices on where to focus our efforts. In fact, in our overseas markets to date, we have at times moved forward without sufficient clarity on which markets and segments we want to compete in. I believe this could be one reason we have not seen the results we expected in our overseas expansion. The structural reforms undertaken as part of our previous growth strategy, *Change 2025*, have led to improvements through initiatives such as S&OP. However, when it comes to delivering tangible results, I feel that we are only partway there. At the same time, the considerable room for improvement also points to considerable room for growth. As an outside director, I believe it is my responsibility to continue providing the executive team candid feedback and supporting its efforts.

Sugita Introducing S&OP and gaining visibility into our profit structure was a significant step forward. However, I feel we have yet to examine the issues it brought to light in sufficient depth. Reforms are progressing at each stage, but further work is needed before we can confidently say they will improve profitability. Given our strategy focuses on strengthening domestic earnings power and linking this to overseas growth, I think the challenge we face in our new growth strategy lies in balancing the two.

Suzuki I agree with both of you. At the same time, I see the swift decision to switch to two-color packaging in anticipation of supply risks as an encouraging sign. It reflects a growing awareness that we must change. However, this is still only the starting point. Going forward, I believe it is important for Calbee to evolve into an organization that proactively takes strategic risks, rather than only when forced to by external conditions.

Roundtable Discussion with Outside Directors

New Vision and Growth Strategy Refined Through Continual Dialogue

Sugita I also see signs of change in our discussions around strategy. Our 2035 Vision and the new growth strategy are clear examples of that. In particular, I was encouraged to see snacking emerge as our new strategic direction. To me, the idea of creating positive opportunities for consumers reflects Calbee's willingness to evolve its positioning and the value it provides.

Suzuki I think the most significant outcome of the discussions on the new growth strategy was reaching an agreement that North America should be a priority region in our overseas strategy. While outside directors were aligned on this from the outset, the executive side tended to approach this issue from a more traditional perspective. Through our discussions, however, we reached a shared understanding that we need to be more selective and focused on how we allocate resources. There is still room to further refine our strategy for winning in North America, but I see this as a major step forward. We are also making progress on M&A through greater visibility into the process and more extensive discussion at the Board level, including through initiatives such as the development of a long list of candidates and the prioritization of opportunities. I believe these developments reflect a growing recognition within the Board that inorganic growth opportunities require thorough discussion upfront.

Kiriyama Formulating the vision and strategy is not the end of it. We are now entering a phase in which we need to strengthen the substance of both. Alongside executing strategy, another priority is addressing inefficient non-core assets. We will facilitate decision-making to ensure that these assets are reviewed at the right time and that appropriate actions are taken when necessary. For overseas growth, one of our strategic priorities, it is essential to monitor our execution framework, including human resources. We should not simply stop at sending people abroad or allocating a budget. We need to continuously monitor whether the right people are working within the right structure.

Sugita One concern I have is that we are still too Japan-focused when it comes to talent allocation. I believe we need to shift our mindset from "Japan" to "global." Japan has a strong competitive position, supported by secure access to raw materials and well-established brands. We should therefore be able to commit more resources to overseas growth without difficulty. I think it is imperative that we proactively send more of our top talent overseas and give them opportunities to gain experience.

Kiriyama To strengthen our global talent base, we need to start by reassessing our approach from the recruitment stage. We need to reexamine whether the type of talent Calbee has traditionally sought aligns with our future vision and growth strategy. We should also systematically give employees stretch assignments early in their careers to help them realize their potential. At the same time, including through our evaluation and compensation systems, we need to transform Calbee into an organization that can compete both in Japan and overseas.

Expectations for Sustainable Growth and the Role We Must Play

Kiriyama For Calbee to successfully compete in global markets, we need to further advance our governance. Starting with how we set the Board's agenda, we intend to engage in more substantive discussions. In addition, as an outside director, I also intend to become more deeply involved in the Company's strategic choices and decisions. We are committed to tackling a range of important challenges, including following through on actions regarding non-core assets, even when



doing so requires taking risks, strengthening marketing in growth markets, and strengthening human capital.

Suzuki If I were to add one more challenge, it would be that the pace at which we are moving is falling short of expectations. As an outside director, the pace of progress will also be a key focus of my oversight. One aspect of our talent strategy that I am particularly encouraged by is the introduction of two talent profiles, α talent and β talent, under the new HR system. I believe that strategically developing this system can further enhance our growth potential.

Sugita Going forward, the key for Calbee will be maximizing corporate value over the medium to long term. Financial targets such as sales and profits alone will not be sufficient; we also need to present the capital markets with a concrete and convincing growth scenario. I view the inclusion of total shareholder return (TSR) in executive compensation evaluations as a significant step toward governance with greater emphasis on corporate value. The first few years will be critical in determining whether we can establish a foundation for growth and a winning formula under the new growth strategy. I therefore hope to be even more actively involved and help drive the reforms needed to break away from traditional ways of thinking.

Strengthening Corporate Governance

Evolving Governance to Support Value Creation

The Calbee Group's vision is to earn the respect, admiration, and love, firstly of customers, suppliers, and distributors, secondly of employees and their families, thirdly of the community, and finally of stockholders. We believe that management that prioritizes consumers and business partners will ultimately maximize profits for our shareholders, and we place great importance on meeting the trust and expectations of all stakeholders. We regard corporate governance as a vital management foundation for realizing this vision and creating sustainable value. While complying with laws and regulations and the Corporate Governance Code, we work to enhance management transparency and strengthen our internal control and compliance systems. We also continuously review and evolve our governance system in response to the expectations of markets and society.

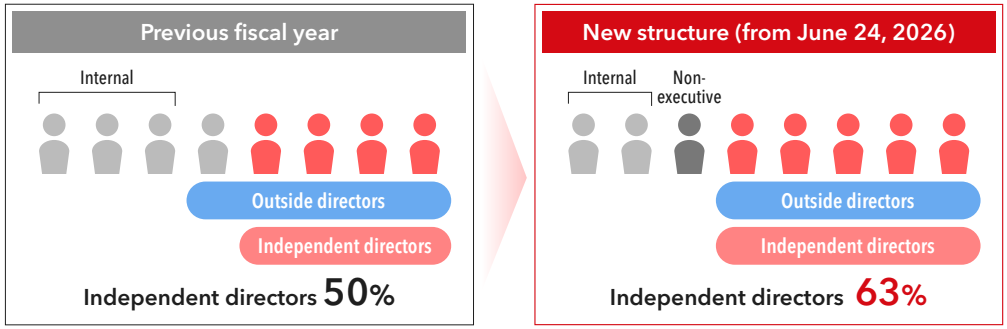
Review of the Board Structure and Strengthening of Independence

To ensure that the Board of Directors fully exercises its supervisory function in enhancing corporate value, we define the roles and expertise expected of directors in a skill matrix and review it as appropriate. In March 2026, we redesigned the Board structure to further strengthen its monitoring function by revising the skill matrix and promoting an appropriate separation between the Board and the executive management team.

As part of this review, we added HR/human capital development as an essential skill for executing and supervising the new growth strategy, recognizing the importance of evaluating human capital strategy and monitoring its progress in ways that directly contribute to enhancing corporate value. We also added two directors with practical experience in corporate finance and engagement with capital markets, areas we also consider important. This strengthened our ability to appropriately evaluate and supervise the progress and results of the growth strategy from the perspective of shareholders and investors.

As a result of these initiatives, following the Ordinary General Meeting of Shareholders in June 2026, the proportion of independent directors rose from 50% through the previous fiscal year to 63%, further strengthening the Board's independence.

Clarifying the Separation of Supervision and Execution



Expected Skills Matrix (Roles and Areas of Specialization)

❶ Corporate management	In order to enhance the corporate value of the Company, it is necessary for the Board of Directors, composed of members with deep knowledge of corporate management, to perform its oversight function over business execution and make appropriate strategic decisions.
❷ Global	In order for the Company to achieve growth in overseas business, it is necessary for the Board of Directors to have a thorough understanding of domestic business, be well-versed in overseas business, and appropriately oversee and make decisions regarding the execution of overseas business strategies based on a global perspective and a deep understanding of diverse values and cultures.
❸ Marketing/ Brand strategy	In order for the Company to respond quickly to customer needs and provide high-value-added products and services, it is necessary for the Board of Directors to have an understanding of domestic and overseas markets and knowledge of brand management, and appropriately oversee and make decisions regarding the execution of marketing and brand strategies.
❹ New area/ Innovation/DX	In order for the Company to expand its business domain, it is necessary for the Board of Directors to have experience in creating new businesses, as well as knowledge of digital technologies and AI, and appropriately oversee and make decisions regarding the execution of new areas and DX strategies.
❺ HR/ Human capital development	In order for the Company to implement its growth strategy, it is essential to create an environment and management system that allows diverse talent to demonstrate their abilities. This requires the Board of Directors to possess knowledge of human capital and to appropriately oversee and make decisions regarding the execution of strategies.
❻ Sustainability	In order for the Company to achieve sustainable growth, it is essential to engage in co-creation with stakeholders, such as society, local communities, and the global environment, through business activities. This requires the Board of Directors to possess knowledge of sustainability management and to appropriately oversee and make decisions regarding the execution of strategies.
❼ Finance/ Investment	In order for the Company to enhance corporate value, it is essential to implement financial strategies and growth investments that balance capital efficiency and financial soundness. This requires the Board of Directors to possess knowledge of finance and accounting, as well as a deep understanding of the capital markets, and appropriately oversee and make decisions regarding the execution of financial strategies and growth investments.
❽ Legal/Risk management	In order for the Company to improve the resilience of its operations, it is necessary for the Board of Directors to have a deep understanding of relevant laws and regulations, establish an appropriate governance system, possess knowledge and experience in risk management, and appropriately oversee and make decisions regarding risk management policies.

Strengthening Corporate Governance

Board of Directors and Audit & Supervisory Board Members (As of June 24, 2026)

Directors










Audit & Supervisory Board Members





Name	Position/Background	Years in office	Members of each institution (● is the head of the institution)				Expected roles and expertise							
			Board of Directors	Nominating Committee	Compensation Committee	Audit & Supervisory Board	Corporate management	Global	Marketing/ Brand strategy	New area/ Innovation/DX	HR/Human capital development	Sustainability	Finance/ Investment	Legal/Risk management
1 **Makoto Ehara**	President & CEO, Representative Director	7 years	●				○	○	○	○	○	○		
2 **Kazuhiro Tanabe**	Director, Executive Officer, CFO & CDXO	New	○				○	○		○			○	○
3 **Weiwei Yao** Non-executive	President, International Beverages, Franchise & Greater China, PepsiCo, Inc.	1 year	○		○		○	○	○					
4 **Yoshihiko Miyauchi** Outside Independent	Senior Chairman, ORIX Corporation	9 years	○	●	○		○	○			○		○	
5 **Hatsunori Kiriyama** Outside Independent	Representative Director, for GL Inc.	3 years	○	○	●		○	○	○		○			
6 **Hiroaki Sugita** Outside Independent	Professor, Graduate School of Business and Finance, Waseda University	1 year	○	○			○	○		○	○			
7 **Takako Suzuki** Outside Independent	Chair, S.T. CORPORATION	1 year	○	○			○	○	○			○		
8 **Sachio Matsumoto** Outside Independent	Former Chairman, LIXIL Corporation	New	○		○		○	○					○	○
1 **Yumiko Okafuji**	Full-Time Audit & Supervisory Board Member	4 years	○			●		○				○	○	○
2 **Nagako Oe** Outside Independent	Partner, TMI Associates	10 years	○			○		○						○
3 **Yutaka Usami** Outside Independent	Representative Director, Management Power Exchange Ltd.; President, Usami Certified Public Accountant Office	3 years	○			○		○					○	○

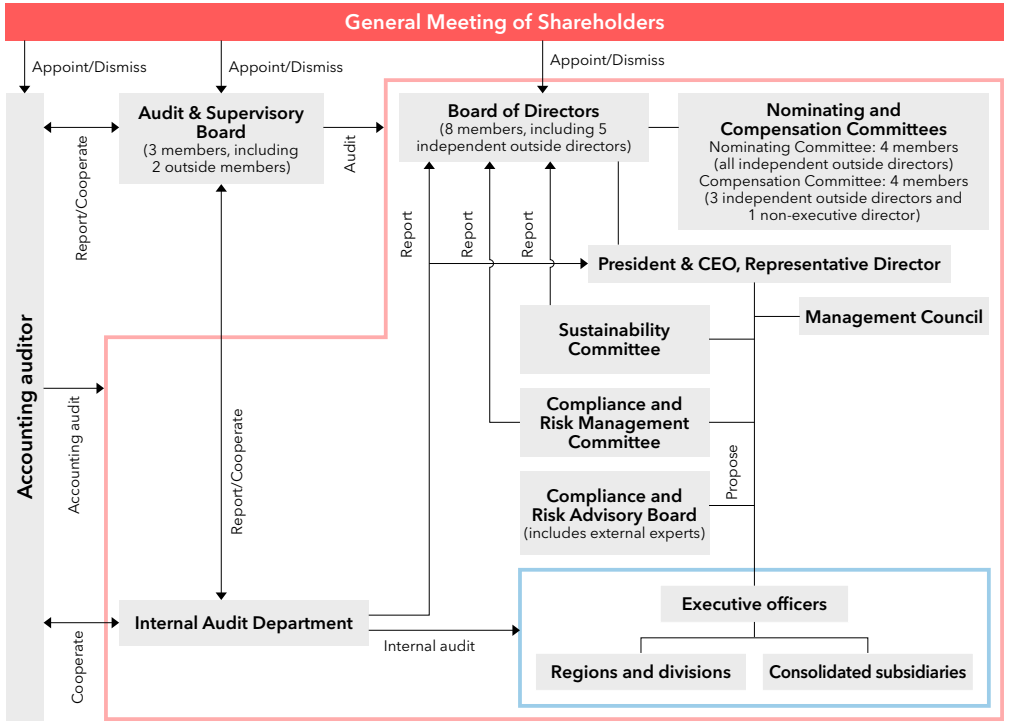
Strengthening Corporate Governance

Corporate Governance System

Calbee's corporate governance system includes a Board of Directors with eight members, including five outside directors, and an Audit & Supervisory Board responsible for supervising and monitoring management. By introducing an executive officer system, we separate business execution from supervisory functions, enhance management transparency, clarify management responsibilities, expedite decision-making, and strengthen the management oversight function.

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

Overview of Framework



Main Agenda Items for the Board of Directors and Each Committee

Board of Directors

In addition to deliberating and deciding on important management matters, including management policies and investment projects, the Board of Directors discusses and considers the progress of the growth strategy from a medium- to long-term perspective and the formulation of new growth strategies. It also receives reports on issues related to the management foundation, including sustainability, and deliberates on measures to strengthen its supervisory function.

Discussion details: Development of the growth strategy

In formulating the new growth strategy, *Accelerate the Future*, which we announced in March 2026, the Board of Directors devoted considerable time to repeated discussion and consideration.

The main opinions were as follows:

- When developing the growth strategy, Calbee must clearly identify where it intends to compete, including the segments, categories, countries, and regions it will target.
- To clarify the gap between the current situation and the desired future state, Calbee needs to define clearly what it aims to become in five and ten years.
- Calbee can create new value by pursuing forms of differentiation unique to the Company. The strategy should incorporate elements such as channel policies tailored to consumers' lifestyles and usage occasions.
- Looking at the types of eating occasions in which Calbee can offer differentiated value will reveal market opportunities.
- To earn recognition from the capital markets, Calbee needs to present a clear vision of what it aims to become three to ten years from now. From a financial perspective, it must define its desired position in areas such as ROE, credit ratings, accounting standards, and governance structure, and thoroughly discuss the overall framework.
- To achieve the level of corporate value targeted in the new growth strategy, Calbee must strengthen and evolve its governance.

Nominating and Compensation Committees

The Nominating Committee deliberated on the skills directors need to strengthen the Board of Directors' monitoring function and enhance corporate value. It also selected director candidates, including outside director candidates; evaluated whether to reappoint the CEO; considered the composition of the Nominating and Compensation Committees; and deliberated on the appointment of executive officers and the executive management structure.

The Compensation Committee deliberated on revisions to the executive compensation system so that it would provide incentives to realize the medium- to long-term growth strategy while also reflecting alignment with the capital markets.

Strengthening Corporate Governance

Enhancing Board Operations Through Effectiveness Evaluations

We evaluate the effectiveness of the Board of Directors once a year. The evaluation focuses primarily on whether the Board makes decisions from the shareholders' perspective that contribute to enhancing corporate value and whether it independently exercises an effective supervisory function over the executive management team. We conduct questionnaires and individual interviews with directors and Audit & Supervisory Board members, analyze the results, and use the findings to strengthen the Board's supervisory function.

Evaluation process

- A third-party organization conducted a questionnaire of all directors and Audit & Supervisory Board members
- The organization aggregated and analyzed the questionnaire results
- The Board of Directors' Secretariat and Audit & Supervisory Board members conducted individual interviews of directors

Main focus areas of the questionnaire and interviews

- Board composition (size, number of members, expertise, and diversity)
- Board operations (quality and volume of reporting materials, time allocated for deliberation, etc.)
- Board agenda (content of agenda items submitted and effectiveness of discussions)
- Other matters (effectiveness of the Nominating Committee and Compensation Committee, etc.)

Specific Outcomes of the Effectiveness Evaluation: Strengthening the Nominating Committee's Functions

The FY2025/3 effectiveness evaluation identified the need to deepen discussions on the succession plan within the Nominating Committee and make the executive nomination process more transparent. In response, during FY2026/3, the committee deliberated on whether to reappoint the CEO based on an evaluation of performance under the growth strategy and regularly reviewed progress in developing successors, thereby strengthening the resilience of the management structure. Calbee also redefined the skill matrix and established a structure that enhances the Board of Directors' independence and transparency while strengthening its supervisory function over business execution.

To further strengthen the Nominating Committee's functions, Calbee has made all committee members independent directors, enhancing the committee's effectiveness and transparency.

FY2026/3 Evaluation Results and Future Initiatives

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

Key issues and initiatives from the FY2025/3 effectiveness evaluation	FY2026/3 effectiveness evaluation	Key Issues and Future Initiatives
❶ We will optimize the selection of agenda items and provide an environment that enables sufficient deliberation of medium- to long-term strategies as well as areas related to the business foundation, such as organizational and human capital strategy, risk management, and internal controls	❶ Allocation of Board time and agenda items • Although agenda items requiring a short-term response remain important, the Board needs to secure sufficient time to deliberate on important matters related to medium- to long-term corporate value. • The Board should also consider how to reflect directors' views in setting its agenda.	❶ Transition to a more independent and transparent organization and Board composition • Maintain a Board composition in which independent outside directors constitute a majority. • Exclude internal directors who concurrently serve as executive officers from the Nominating Committee and Compensation Committee.
❷ We will improve the accuracy of proposed agenda items and enhance the provision of information such as market intelligence	❷ Improving opportunities for discussion and the quality and content of explanations • The Company needs forums separate from formal Board agenda items where directors can deepen their understanding of markets and discuss how to capture market opportunities. • The Board should discuss how to shift the mindset regarding business operations that are greatly impacted by raw material procurement. • The Company should clarify whether it has identified and addressed the issues that it must resolve to improve TSR. • For investment strategy, the Company should present the overall picture and explain how each investment fits within it, together with the cost of capital and future cash flows.	❷ Enhance Board agenda items and opportunities for discussion • Establish agenda items and forums for discussing the enhancement of corporate value throughout the year, including forums outside Board meetings. • Streamline monthly financial reporting and review agenda items that the Board can delegate to the executive management team. • Deepen discussions on growth investment projects and enhance the decision-making process.
❸ For M&A and large-scale investment projects, we will optimize the scheduling of discussions to ensure thorough deliberation, while enhancing financial discussions with a clear focus on cost of capital	❸ Functions of the Nominating Committee • The Nominating Committee appropriately conducts the director candidate selection process, which plays an important role in governance. • The Company needs criteria for the management talent it seeks and must establish a process that emphasizes human capital, including succession planning.	❸ Promote more active discussion by the Nominating Committee and Compensation Committee • Discuss the succession plan. • Implement a highly transparent and effective director candidate selection process.
❹ We will continue to examine the composition of the Board of Directors and the design of our organization. Within the Nominating Committee, we will deepen succession plan discussions to ensure greater transparency in the executive nomination process		

Strengthening Corporate Governance

Succession Planning and Next-Generation Management Talent

To strengthen management continuity and sustainable competitiveness, Calbee has established a company-wide succession plan and systematically selects, develops, and evaluates the talent who will lead the next generation of management. The Nominating Committee deliberates on whether to reappoint the CEO based on qualitative and quantitative evaluations of performance under the growth strategy and regularly reviews progress in developing successors, thereby strengthening the resilience of the management structure.

Policy and Framework for Developing Management Talent

Calbee regards the development of management talent as an important management issue in achieving sustainable growth and enhancing corporate value over the medium to long term. The Nominating Committee deliberates on the CEO succession plan and systematically manages the entire process, from selecting successor candidates and formulating development plans to implementing development initiatives and conducting assessments.

For executive officer (CxO) succession plans, the Talent Development Meeting, which comprises Managing Executive Officers and above, including the President, follows the same process to continuously strengthen the management talent pipeline.

Development Process Based on Management Talent Requirements

Calbee has defined six management talent requirements that describe the talent needed to lead the Company now and in the future: (1) envision the future and connect generations, (2) apply intellectual curiosity to formulate strategy, (3) take risks and make decisive choices, (4) focus on value and drive progress, (5) win people's hearts and minds, and (6) strengthen organizational capabilities.

Based on these requirements, Calbee selects and evaluates successor candidates with a 10-year horizon in mind, then formulates and implements development plans to close identified gaps.

Priority Areas for Development Initiatives

Our most important development initiative is providing stretch experience opportunities. Global experience, secondments and experience at other companies, and experience across diverse functions help participants develop a management perspective. Experience at different stages of a business also strengthens their decision-making capabilities and ability to drive transformation.

Calbee also sends participants to external programs, including MBA programs, to help them develop a management perspective and build networks outside the Company, thereby developing talent who will lead management in the future.

Securing Core Talent Who Will Create the Future (Management Talent Development)

Management talent requirements

Knowledge and behavioral attributes required of Calbee management

- Envision the future and connect generations
- Apply intellectual curiosity to formulate strategy
- Take risks and make decisive choices
- Focus on value and drive progress
- Win people's hearts and minds
- Strengthen organizational capabilities

Overall succession planning framework



	Advisory body	Transfers and assignments	Off-the-job training
CEO / Executive officers (CxOs)	Nominating Committee	• Provide opportunities for stretch experiences	• Executive coach
General managing directors / Directors / Managers and mid-level employees	Talent Development Meetings	**Multiple areas** • Global experience • Secondments/experience at other companies • Diverse work experience **Different business stages** • Launch • Growth • Wind-down	• Calbee Next Executive Program (Talks by external business leaders and other activities) • Participation in external programs • Calbee Next Leader Program (Selective program designed to develop global leaders)

Strengthening Corporate Governance

Executive Compensation Linked to Medium- to Long-Term Value Creation

Calbee's executive compensation system is designed to encourage contributions to continuous business growth and the advancement of sustainability management, and to clearly reflect those contributions, as the Company works to realize its growth strategy, *Accelerate the Future*. Specifically, the Board of Directors determines executive compensation in accordance with the policies below, following deliberation by the Compensation Committee, to enhance transparency and objectivity.

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

In addition, to further strengthen their commitment to contributing to medium- to long-term corporate value enhancement, directors other than outside directors and non-executive directors will endeavor to continuously hold Calbee shares with a value at or above a specified level. Specifically, including potential shareholdings represented by vested points under the stock benefit trust, the President and Representative Director will aim to hold shares worth at least 2.0 times base compensation, while other directors will aim to hold shares worth at least 1.0 time base compensation.

Background and Key Points of the Executive Compensation System Revision

The launch of the new growth strategy prompted us to review the entire executive compensation system, following approval at the June 2026 Ordinary General Meeting of Shareholders. Calbee's executive compensation is determined after consultation with the Compensation Committee, which is chaired by an outside director and consists of a majority of outside directors.

The review focused most heavily on further strengthening the sharing of both the benefits of share price increases and the risks of share price declines with shareholders, and on strengthening incentives that contribute to medium- to long-term corporate value.

Category	Main revisions
Bonuses	• Revised the system so that the Board of Directors can make decisions after consulting the Compensation Committee, enabling flexible responses to changes in economic conditions and the business environment • Revised the system so that bonuses reflect achievement against the growth strategy's performance indicators and individual performance targets based on each officer's rank and responsibilities
Performance-linked stock compensation	• Discontinued retirement bonuses and redirected the associated funds to performance-linked stock compensation to strengthen the link with the share price • Introduced relative TSR as an evaluation indicator to strengthen alignment of interests with shareholders • Introduced performance indicators from the growth strategy to strengthen commitment to medium- to long-term corporate value enhancement

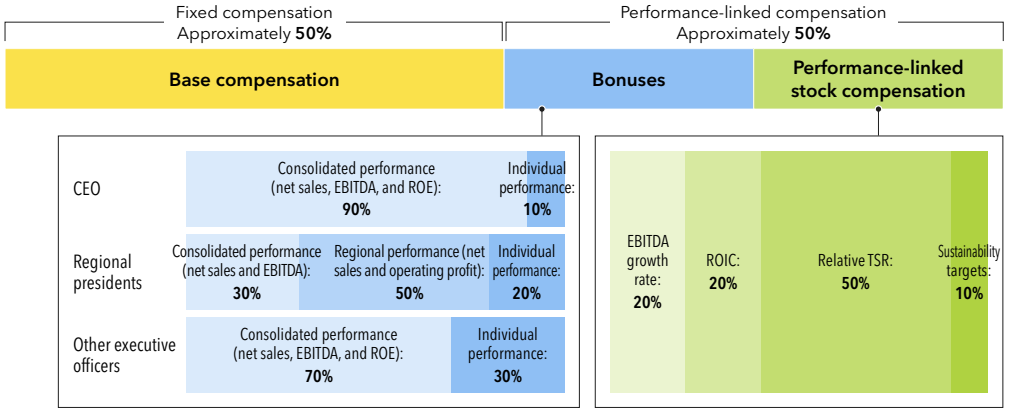
Overview of Executive Compensation

Calbee's executive compensation consists of fixed base compensation and performance-linked compensation, including bonuses and performance-linked stock compensation. Outside directors and non-executive directors receive compensation composed entirely of fixed base compensation.

Types of compensation		Overview
Fixed	**Base compensation**	• This remuneration is paid monthly as a fixed amount as compensation for the execution of duties corresponding to each position
Variable	**Bonuses**	• Bonuses are paid annually in line with each officer's role and achievement against the performance targets for the evaluation indicators • Evaluation indicators comprise consolidated performance targets (consolidated net sales, EBITDA, and ROE) and individual performance targets • Vary from 0% to 192% depending on achievement against the targets
	Performance-linked stock compensation	• Upon retirement, officers receive Calbee shares and cash equivalent to the proceeds from converting Calbee shares into cash, in line with each officer's role and achievement against the performance targets for the evaluation indicators • Evaluation indicators comprise consolidated performance indicators (EBITDA, ROIC, and relative TSR) and sustainability indicators • Calbee sets the achievement thresholds for EBITDA and ROIC at the target levels established at the beginning of each fiscal year • The benchmark for relative TSR is the growth rate of TOPIX, including dividends • The sustainability indicators are the human capital index and total greenhouse gas emissions, with achievement thresholds set at the target levels established at the beginning of each fiscal year • Vary from 0% to 145% depending on achievement against the targets for each evaluation indicator

For actual executive compensation paid in FY2026/3, please refer to Calbee's latest Annual Securities Report (available only in Japanese).
https://www.calbee.co.jp/ir/library/fs/

Structure of Executive Compensation



Strengthening Corporate Governance

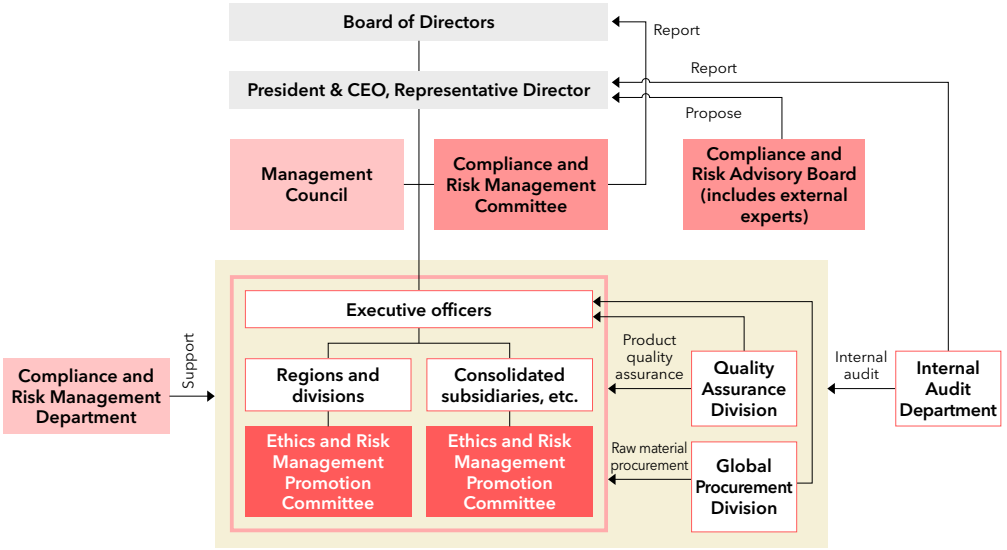
Risk Management

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

Risk Management Structure

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

Compliance and Risk Management Structure



Major Risks and Responses

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

Strengthening Corporate Governance

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