Calbee
Harvest the Power of Nature.

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2025

April 1, 2024 to June 30, 2024

Calbee, Inc.

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

SUMMARY OF FINANCIAL STATEMENTS (consolidated)

First Quarter Results for the Fiscal Year Ending March 31, 2025

Calbee, Inc. **August 2, 2024**

Stock exchange listings: Prime Market of Tokyo, code number 2229
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Telephone: +81-3-5220-6222
Representative: Makoto Ehara, President & CEO, Representative Director
Scheduled date for distribution of dividends: --
Availability of supplementary explanatory material for the first quarter results: Available
Quarterly results presentation meeting: Yes (conference call for institutional investors and analysts)

1) Consolidated results for the first three months (April 1, 2024 to June 30, 2024) of the fiscal year ending March 31, 2025

(1) Consolidated Operating Results

Millions of yen, rounded down

	Three months ended June 30, 2023		Three months ended June 30, 2024	
		% change		% change
Net sales	73,156	12.0	77,656	6.2
Operating profit	7,244	35.1	7,674	5.9
Ordinary profit	9,444	35.8	9,327	(1.2)
Profit attributable to owners of parent	6,252	37.3	7,071	13.1
Earnings per share (¥)	50.05		56.63	
Earnings per share (diluted) (¥)	—		—	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.
2. Comprehensive income: Three months ended June 30, 2024: ¥10,672 million (6.7%)
Three months ended June 30, 2023: ¥9,999 million (26.9%)

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2024	As of June 30, 2024
Total assets	292,158	308,222
Net assets	201,086	204,719
Shareholders' equity/total assets (%)	65.6	63.1

Shareholders' equity: As of June 30, 2024: ¥194,558 million
As of March 31, 2024 ¥191,751 million

2) Dividends

Yen

	FY ended March 31, 2024	FY ending March 31, 2025(forecast)
Interim period per share	0.00	0.00
Year-end dividend per share	56.00	58.00
Annual dividend per share	56.00	58.00

Note: Changes from the most recently announced dividend forecast: None

3) Consolidated forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Millions of yen

		% change
Net sales	320,000	5.6
Operating profit	28,900	5.8
Ordinary profit	28,000	(10.1)
Profit attributable to owners of parent	18,000	(9.5)
Earnings per share (¥)	144.14	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.
2. Changes from the most recently announced results forecast: None

Notes

(1) Significant changes in the scope of consolidation during the period: None
New companies: None Excluded companies: None

(2) Use of special accounting procedures: None

(3) Changes in accounting policy, changes in accounting estimates, and restatements:
1. Changes in accounting policies following revisions of accounting standards: Yes
2. Changes in accounting policies other than 1: None
3. Changes in accounting estimates: None
4. Restatements: None

(4) Number of outstanding shares (common stock)

	As of March 31, 2024:	As of June 30, 2024:
1. Number of outstanding shares (including treasury shares)	133,929,800 shares	133,929,800 shares
2. Number of treasury shares	9,050,500 shares	9,050,500 shares
	Three months to June 30, 2023:	Three months to June 30, 2024:
3. Average number of shares during the period	124,926,999 shares	124,879,300 shares

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 288,055 of these shares as of June 30, 2024 and 288,055 of these shares as of March 31, 2024, and the average number of shares excludes 288,055 treasury shares in the three months to June 30, 2024, and 240,396 treasury shares in the three months to June 30, 2023.

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

Appropriate use of financial forecasts and other items

1. Forecasts, etc., recorded in this document include forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For details of forecasts, please see Page 8, 1. Operating results (3) Consolidated forecasts for the fiscal year ending March 31, 2025.
2. The earnings per share forecast for the fiscal year ending March 31, 2025 is calculated using 124,879,300 shares as the expected average number of shares for the period.
3. Calbee, Inc. has scheduled a financial results conference for institutional investors and analysts for August 2, 2024. An audio recording of the conference will be made available on our Japanese website after the conference.

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1. Operating results

(1) Summary of business performance

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

Net sales during the three-month period of the current fiscal year totaled ¥77,656 million (up 6.2%). Sales in the domestic business were ¥58,055 million (up 5.2%), increasing on the effects of price and content revisions implemented in the previous fiscal year and in June, as well as due to strong sales of cereals and growth in snack foods such as gift snack items. Sales in the overseas business were ¥19,600 million (up 9.2%), growing in North America, the UK, and Indonesia despite being sluggish in Greater China.

Operating profit was ¥7,674 million (up 5.9%), and operating margin was 9.9%, the same level year on year. In the domestic business, profits decreased due to rising costs, ongoing marketing investments and other investments, despite the effect of price and content revisions. However, profits grew in the overseas business, mainly in North America, resulting in an increase in profits overall. Ordinary profit was ¥9,327 million (down 1.2%) due to a decrease in foreign exchange gains from the weak yen year on year, and profit attributable to owners of parent was ¥7,071 million (up 13.1%).

Results by business are as follows.

Millions of yen, rounded down

		Q1 FY ended March 31, 2024	Q1 FY ending March 31, 2025	
		Amount	Amount	Growth (%)
Domestic production and sale of snack and other foods business		55,201	58,055	＋5.2
	Domestic snack foods	51,146	53,206	＋4.0
	Domestic cereals	6,655	7,735	＋16.2
	Domestic, others	3,262	3,423	＋4.9
	Deduction of rebates, etc.	(5,862)	(6,309)	－
Overseas production and sale of snack and other foods business		17,955	19,600	＋9.2
Total, production and sale of snack and other foods business		73,156	77,656	＋6.2

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

Production and sale of snack and other foods business

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

Domestic production and sale of snack and other foods business

・Domestic snack foods:

Domestic snack foods sales increased.

Sales by product are as follows.

Millions of yen, rounded down

	Q1 FY ended March 31, 2024	Q1 FY ending March 31, 2025	
	Amount	Amount	Growth (%)
Potato Chips	22,920	23,663	＋3.2
JagaRico	10,489	11,240	＋7.2
Other snacks	17,736	18,302	＋3.2
Total, domestic snack foods	51,146	53,206	＋4.0

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

- Sales of *Potato Chips* increased due in part to launch of new product *Potato Chips The Atsugiri*.
- Sales of *JagaRico* increased by focusing on regular items amid continued strong demand.

- Sales of other snacks increased due to continued growth in gift snack items such as *Jaga-Pokkuru* as well as strong sales of *Kappa Ebisen*, which celebrated its 60th anniversary this year.

・Domestic cereals:
Sales of domestic cereals were ¥7,735 million (up 16.2%) due to the growth of regular items such as original *Frugra* and *Frugra Less Carbohydrates* and the launch of a project item.

・Domestic, others:
Sales in other domestic businesses were ¥3,423 million (up 4.9%) due to increased sales of *Body Granola*, a service launched in April of the previous year and so on.

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

Sales by region are as follows.

Millions of yen, rounded down

	Q1 FY ended March 31, 2024	Q1 FY ending March 31, 2025		
	Amount	Amount	Growth (%)	Growth on local currency basis (%)
Europe/Americas	8,634	10,968	＋27.0	＋11.6
North America	5,669	7,196	＋26.9	＋12.0
Asia/Oceania	11,711	11,345	(3.1)	(10.9)
Greater China	5,108	4,005	(21.6)	(29.2)
Deduction of rebates, etc.	(2,390)	(2,714)	―	―
Total, overseas production and sale of snack and other foods business	17,955	19,600	＋9.2	(1.7)

* Europe/Americas: North America and United Kingdom
** Asia/Oceania: Greater China, Indonesia, South Korea, Thailand, Singapore and Australia
*** Greater China: China and Hong Kong
**** Net sales by region are before deduction of rebates, etc.

- In Europe/Americas, both North America and the UK saw growth. In North America, although contract manufacturing sales of snack foods are still recovering, increased sales of bean-based snack *Harvest Snaps* and brands of Japanese origin such as *JagaRico* and *Kappa-Ebisen* led to higher sales. In the UK, steady sales of *Seabrook* brand potato chips and increased sales of pellet snacks contributed.
- In Asia/Oceania, sales grew in Indonesia, South Korea and Australia, but declined in Greater China. The decline in Greater China reflected the impact of deteriorating business confidence and stricter customs regulations continuing from the second half of the previous year, even amid the start of outsourced local production of part of certain products. In Indonesia, sales increased due to strong sales of potato chips and increase in production capacity of pellet snacks implemented in last fiscal year.

(2) Analysis of financial position

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

1. Overview of assets, liabilities and net assets

Total assets as of June 30, 2024 increased by ¥16,063 million to ¥308,222 million, mainly due to an increase in property, plant and equipment on the construction of a new plant in Hiroshima.

Liabilities increased by ¥12,430 million to ¥103,502 million on an increase in long-term borrowings.

Net assets increased by ¥3,632 million to ¥204,719 million due to an increase in foreign currency translation adjustments resulting from the weaker yen.

As a result, the shareholders' equity ratio was 63.1%, down 2.5 percentage points.

2. Overview of cash flows

Cash and cash equivalents as of June 30, 2024 were ¥34,998 million, a decrease of ¥2,720 million.

Cash flows from operating activities

Operating activities resulted in a net cash inflow of ¥1,541 million, a decrease of ¥6,255 million. This was mainly due to a decrease in accounts payable - other.

Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥7,605 million, a decrease of ¥1,273 million, mainly due to an increase in payments into time deposits.

Cash flows from financing activities

Financing activities resulted in a net cash inflow of ¥2,559 million, a decrease of ¥1,577 million, mainly due to a net decrease in short-term borrowings, despite an increase in proceeds from long-term borrowings.

Information pertaining to financial resources and capital liquidity

・Developments in capital requirements

Calbee Group's capital requirements for operating activities include expenditures for costs related to manufacturing, such as raw materials, labor and production expenses, and for sales activities, such as selling, labor, distribution, etc. Expenditures for investing activities are primarily for capital investment and growth investment and expenditures for financing activities are primarily for capital requirements related to the payment of dividends by the parent company.

In response to these capital requirements, based on our Change 2025 growth strategy we plan to allocate cash flows from operating activities to be generated over the three-year period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026, cash on hand, and borrowings.

Details of capital requirements

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

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

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

The status of cash outlays as of June 30, 2024 is as follows.

Millions of yen, rounded down

	FY ended March 31, 2024	Q1 FY ending March 31, 2025	3-year plan	Progress (%)
Growth investment	10,779	1,991	80,000	16.0
Efficiency investment	22,118	4,111	60,000	43.7
Shareholder returns	6,504	6,884	25,000	53.6
Total	39,402	12,987	165,000	31.8

* 3-year plan: period from FY ended March 31, 2024 to FY ending March 31, 2026

・Fund-raising methods

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

(3) Consolidated forecasts

There is no change in the consolidated forecasts for the fiscal year ending March 31, 2025 announced on May 9, 2024.

2. Consolidated financial statements and key notes

(1) Consolidated balance sheets

Millions of yen, rounded down

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	44,295	44,612
Notes and accounts receivable - trade	54,118	51,861
Inventories	22,208	24,786
Other	7,309	7,588
Allowance for doubtful accounts	(78)	(114)
Total current assets	127,853	128,734
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,670	39,238
Machinery, equipment and vehicles, net	36,500	36,185
Land	16,265	16,383
Construction in progress	29,851	45,264
Other, net	2,370	2,552
Total property, plant and equipment	123,657	139,623
Intangible assets		
Goodwill	22,650	22,847
Other	2,620	2,671
Total intangible assets	25,271	25,519
Investments and other assets		
Investments and other assets, gross	15,377	14,346
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	15,376	14,345
Total non-current assets	164,305	179,487
Total assets	292,158	308,222

Millions of yen, rounded down

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,535	12,859
Short-term borrowings	1,433	985
Income taxes payable	6,743	1,936
Provision for bonuses	6,606	2,521
Provision for bonuses for directors (and other officers)	116	64
Provision for share-based remuneration	98	121
Other	26,941	38,269
Total current liabilities	54,475	56,758
Non-current liabilities		
Long-term borrowings	25,000	35,000
Provision for retirement benefits for directors (and other officers)	100	67
Provision for share-based remuneration for directors (and other officers)	280	310
Retirement benefit liability	8,017	7,779
Asset retirement obligations	755	755
Other	2,443	2,831
Total non-current liabilities	36,596	46,743
Total liabilities	91,072	103,502
Net assets		
Shareholders' equity		
Share capital	12,046	12,046
Capital surplus	2,514	2,514
Retained earnings	191,706	191,769
Treasury shares	(24,972)	(24,972)
Total shareholders' equity	181,293	181,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	796	751
Foreign currency translation adjustment	9,751	12,516
Remeasurements of defined benefit plans	(89)	(65)
Total accumulated other comprehensive income	10,457	13,201
Non-controlling interests	9,335	10,160
Total net assets	201,086	204,719
Total liabilities and net assets	292,158	308,222

(2) Consolidated statements of income and comprehensive income
Consolidated statements of income

Millions of yen, rounded down

	April 1, 2023 to June 30, 2023	April 1, 2024 to June 30, 2024
Net sales	73,156	77,656
Cost of sales	48,747	50,607
Gross profit	24,408	27,048
Selling, general and administrative expenses	17,164	19,373
Operating profit	7,244	7,674
Non-operating income		
Interest income	73	108
Dividend income	23	23
Share of profit of entities accounted for using equity method	37	13
Foreign exchange gains	2,029	1,433
Other	115	191
Total non-operating income	2,278	1,769
Non-operating expenses		
Interest expenses	48	87
Depreciation	20	12
Other	8	16
Total non-operating expenses	77	116
Ordinary profit	9,444	9,327
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	―	25
Other	0	―
Total extraordinary income	0	27
Extraordinary losses		
Loss on sales of non-current assets	0	4
Loss on retirement of non-current assets	43	24
Other	0	―
Total extraordinary losses	43	28
Profit before income taxes	9,401	9,326
Income taxes - current	2,228	604
Income taxes - deferred	750	1,258
Total income taxes	2,979	1,863
Profit	6,422	7,463
Profit attributable to non-controlling interests	169	391
Profit attributable to owners of parent	6,252	7,071

Consolidated statements of comprehensive income

Millions of yen, rounded down

	April 1, 2023 to June 30, 2023	April 1, 2024 to June 30, 2024
Profit	6,422	7,463
Other comprehensive income		
Valuation difference on available-for-sale securities	87	(44)
Foreign currency translation adjustment	3,532	3,229
Remeasurements of defined benefit plans, net of tax	(43)	23
Total other comprehensive income	3,577	3,209
Comprehensive income	9,999	10,672
Comprehensive income attributable to		
Owners of parent	9,262	9,816
Non-controlling interests	737	855

(3) Consolidated statements of cash flows

Millions of yen, rounded down

	April 1, 2023 to June 30, 2023	April 1, 2024 to June 30, 2024
Cash flows from operating activities		
Profit before income taxes	9,401	9,326
Depreciation	2,528	2,720
Amortization of goodwill	508	543
Increase (decrease) in allowance for doubtful accounts	3	30
Increase (decrease) in provision for bonuses	(2,888)	(4,100)
Increase (decrease) in provision for bonuses for directors (and other officers)	(46)	(54)
Increase (decrease) in provision for share-based remuneration	–	22
Increase (decrease) in provision for share-based remuneration for directors	30	29
Increase (decrease) in retirement benefit liability	(248)	(191)
Decrease (increase) in retirement benefit asset	(59)	(85)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(39)	(32)
Interest and dividend income	(96)	(131)
Interest expenses	48	87
Foreign exchange losses (gains)	(1,993)	(1,312)
Share of loss (profit) of entities accounted for using equity method	(37)	(13)
Loss (gain) on sales of investment securities	–	(25)
Loss (gain) on sales of non-current assets	0	2
Loss on retirement of non-current assets	43	24
Decrease (increase) in trade receivables	2,025	2,963
Decrease (increase) in inventories	21	(2,212)
Increase (decrease) in trade payables	(687)	25
Increase (decrease) in accounts payable - other	(879)	(3,915)
Other, net	3,528	2,944
Subtotal	11,164	6,644
Interest and dividends received	95	127
Interest paid	(48)	(115)
Income taxes paid	(3,415)	(5,115)
Net cash provided by (used in) operating activities	7,796	1,541

Millions of yen, rounded down

	April 1, 2023 to June 30, 2023	April 1, 2024 to June 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,217)	(4,714)
Proceeds from sales of property, plant and equipment	0	4
Purchase of intangible assets	(195)	(300)
Purchase of investment securities	(1)	(206)
Proceeds from sales of investment securities	―	58
Proceeds from collection of loans	―	100
Payments into time deposits	(1,043)	(6,695)
Proceeds from withdrawal of time deposits	1,128	4,141
Payments of guarantee deposits	(11)	(12)
Proceeds from refund of guarantee deposits	7	18
Other, net	1	0
Net cash provided by (used in) investing activities	(6,332)	(7,605)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10,300	(482)
Proceeds from long-term borrowings	―	10,000
Purchase of treasury shares	(0)	―
Proceeds from share issuance to non-controlling shareholders	279	―
Dividends paid	(6,378)	(6,884)
Dividends paid to non-controlling interests	(15)	(30)
Repayments of lease obligations	(48)	(44)
Net cash provided by (used in) financing activities	4,137	2,559
Effect of exchange rate change on cash and cash equivalents	1,281	784
Net increase (decrease) in cash and cash equivalents	6,882	(2,720)
Cash and cash equivalents at beginning of period	30,292	37,718
Cash and cash equivalents at end of period	37,175	34,998

(4) Notes to consolidated financial statements

(Notes related to going concern assumption)

No applicable items.

(Notes on occurrence of significant changes to shareholders' equity)

No applicable items.

(Changes in accounting policies)

We have applied the "Accounting Standards for Corporate Taxes, Local Resident Taxes, Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; "2022 Revised Accounting Standards") and other standards from the beginning of this first quarter consolidated accounting period.

Regarding the amendment to the classification of corporate taxes, etc. (taxation on other comprehensive income), we are following the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the "Guidelines for the Implementation of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; "2022 Revised Implementation Guidelines"). There are no impacts of this change in accounting policy on the consolidated financial statements.

In addition, the 2022 Revised Implementation Guidelines for the treatment of profits and losses on sales of subsidiary shares between consolidated companies that are deferred for tax purposes have been applied from the beginning of this first quarter consolidated accounting period. This change in accounting policy has been applied retroactively to the consolidated financial statements for the same quarter of the previous fiscal year and the full previous fiscal year. There are no impacts of this change in accounting policy on the consolidated financial statements for the same quarter of the previous fiscal year and the full fiscal year.

(Notes of segment Information, etc.)

[Segment information]

Segment information is not disclosed as Calbee Group has only one reporting segment, "Production and sale of snacks and other foods" with little significance.