Calbee
Harvest the Power of Nature.

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

April 1, 2024 to September 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 Half Results for the Fiscal Year Ending March 31, 2025

Calbee, Inc. **November 1, 2024**

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

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

(1) Consolidated Operating Results

Millions of yen, rounded down

	Six months ended September 30, 2023		Six months ended September 30, 2024	
		% change		% change
Net sales	147,071	10.4	157,070	6.8
Operating profit	13,514	31.9	14,926	10.5
Ordinary profit	16,635	30.9	14,801	(11.0)
Profit attributable to owners of parent	10,864	30.7	10,633	(2.1)
Earnings per share (¥)	86.97		85.13	
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: Six months ended September 30, 2024: ¥9,806 million (-38.0%)
Six months ended September 30, 2023: ¥15,804 million (22.4)

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2024	As of September 30, 2024
Total assets	292,158	300,779
Net assets	201,086	203,988
Shareholders' equity/total assets (%)	65.6	64.6

Shareholders' equity: As of September 30, 2024: ¥194,369 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	323,000	6.6
Operating profit	29,500	8.0
Ordinary profit	29,000	(6.9)
Profit attributable to owners of parent	19,500	(1.9)
Earnings per share (¥)	156.10	

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: Yes

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 September 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	8,992,716 shares
	Six months to September 30, 2023:	Six months to September 30, 2024:
3. Average number of shares during the period	124,919,826 shares	124,899,101 shares

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 230,145 of these shares as of September 30, 2024 and 288,055 of these shares as of March 31, 2024, and the average number of shares excludes 268,212 treasury shares in the six months to September 30, 2024, and 247,566 treasury shares in the six months to September 30, 2023.

Financial Statements are not subject to audit by a certified public accountant or audit firm

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 124,918,041 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 November 1, 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 first six months of the current fiscal year totaled ¥157,070 million (up 6.8%) due to growth in both the domestic and overseas businesses. Sales in the domestic business were ¥117,623 million (up 6.6%), rising on the effects of price and content revisions and growth in snack foods and cereals. Sales in the overseas business were ¥39,447 million (up 7.3%), growing in Europe/Americas and Asia/Oceania despite being sluggish in Greater China.

Operating profit was ¥14,926 million (up 10.5%), and operating margin was 9.5% (up 0.3 percentage points). In the domestic business, we implemented price and content revisions in response to rising costs including higher logistics costs and others linked to the depreciation of the yen, while marketing investment led to higher sales volume, resulting in increased profit. Furthermore, the overseas business saw increased profit, primarily in Indonesia, resulting in an overall increase in profit. Ordinary profit was ¥14,801 million (down 11.0%) due to a decrease in foreign exchange gains from the weak yen, and profit attributable to owners of parent was ¥10,633 million (down 2.1%).

Results by business are as follows.

Millions of yen, rounded down

		H1 FY ended March 31, 2024	H1 FY ending March 31, 2025	
		Amount	Amount	Growth (%)
Domestic production and sale of snack and other foods business		110,315	117,623	＋6.6
	Domestic snack foods	102,908	108,960	＋5.9
	Domestic cereals	13,182	15,173	＋15.1
	Domestic, others	6,419	6,799	＋5.9
	Deduction of rebates, etc.	(12,194)	(13,310)	－
Overseas production and sale of snack and other foods business		36,755	39,447	＋7.3
Total, production and sale of snack and other foods business		147,071	157,070	＋6.8

* 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

	H1 FY ended March 31, 2024	H1 FY ending March 31, 2025	
	Amount	Amount	Growth (%)
Potato Chips	46,096	49,367	＋7.1
JagaRico	21,363	23,209	＋8.6
Other snacks	35,448	36,383	＋2.6
Total, domestic snack foods	102,908	108,960	＋5.9

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

- Sales of *Potato Chips* rose due to sales being driven by staple products such as *Usu-Shio-Aji*, as well as the launch of *Potato Chips The Atsugiri* and *Super Thin Potato*, which are rebrands of existing products.

- 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* and the molded snack *Potato Chip Crisp* which was relaunched in March.

・Domestic cereals:
Sales of domestic cereals were ¥15,173 million (up 15.1%) 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 ¥6,799 million (up 5.9%) due to increased sales of *Body Granola*, a service launched in April 2023, and others.

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

	H1 FY ended March 31, 2024	H1 FY ending March 31, 2025		
	Amount	Amount	Growth (%)	Growth on local currency basis (%)
Europe/Americas	17,693	21,389	＋20.9	＋11.3
North America	11,563	14,111	＋22.0	＋13.2
Asia/Oceania	23,986	23,431	(2.3)	(7.5)
Greater China	10,275	8,350	(18.7)	(24.1)
Deduction of rebates, etc.	(4,924)	(5,374)	―	―
Total, overseas production and sale of snack and other foods business	36,755	39,447	＋7.3	＋0.3

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

- In Europe/Americas, there was growth in both North America and the UK. In North America, although contract manufacturing sales of snack foods decreased, sales rose due to sustained sales growth of mainstay product bean-based snack *Harvest Snaps* and brands of Japanese origin such as *JagaRico* and *Kappa-Ebisen.* In the UK, sales rose on the expansion of sales channels for *Seabrook* brand potato chips and increased sales of pellet snacks.
- In Asia/Oceania, sales increased in Indonesia and other regions, but fell overall due to sluggish performance in Greater China. In Greater China, we made progress in stabilizing supply and expanding distribution of *Jagabee*, which is produced in China through outsourced manufacturing, but sales decreased on the continued impact of worsening economic sentiment and stricter customs regulations. In Indonesia, sales rose due to strong sales of potato chips and the increased production capacity of pellet snacks achieved in the prior 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 September 30, 2024 increased by ¥8,620 million to ¥300,779 million, mainly due to a decrease in notes and accounts receivable-trade and an increase in tangible fixed assets. The decrease in notes and accounts receivable-trade was due to delayed collection until the following month as the last day of March was a bank holiday. The increase in tangible fixed assets was primarily due to construction of the new *Setouchi-Hiroshima Factory*.

Liabilities increased by ¥5,718 million to ¥96,790 million on an increase in long-term borrowings.

Net assets increased by ¥2,901 million to ¥203,988 million mainly due to an increase in retained earnings from the recognition of net income attributable to owners of parent.

As a result, the shareholders' equity ratio was 64.6%, down 1.0 percentage points.

2. Overview of cash flows

Cash and cash equivalents as of September 30, 2024 were ¥46,719 million, an increase of ¥9,000 million.

Cash flows from operating activities

Operating activities resulted in a net cash inflow of ¥27,393 million, an increase of ¥22,074 million. The increase was mainly due to an increase in trade receivables resulting from a delay in receipt of payments at the end of the same period of the previous fiscal year as it was a bank holiday.

Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥21,344 million, a decrease of ¥11,092 million, mainly due to an increase in expenditures for the purchase of property, plant and equipment including the *Setouchi-Hiroshima Factory*.

Cash flows from financing activities

Financing activities resulted in a net cash inflow of ¥3,330 million, a decrease of ¥3,843 million, mainly due to a net decrease in short-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 September 30, 2024 is as follows.

Millions of yen, rounded down

	FY ended March 31, 2024	H1 FY ending March 31, 2025	3-year plan	Progress (%)
Growth investment	10,779	4,650	80,000	19.3
Efficiency investment	22,118	18,916	60,000	68.4
Shareholder returns	6,504	7,002	25,000	54.0
Total	39,402	30,569	165,000	42.4

* 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

The consolidated forecasts for the fiscal year ending March 31, 2025 have been revised as follows, in accordance with the results for the six-month period under review and the latest performance trends.

Net sales and operating profit are expected to exceed the initial forecasts, mainly due to increased domestic sales and increased profit both domestically and overseas during the six-month period under review. Based on these factors, ordinary profit and profit attributable to owners of parent are both expected to exceed the initial forecasts.

The exchange rate assumed for this forecast is 1USD=¥142, which remains unchanged from the previous forecast.

Millions of yen

	Revised forecast (A)	Previous forecast (B)	Change (A-B)	Change (%)
Net sales	323,000	320,000	＋3,000	＋0.9
Operating profit	29,500	28,900	＋600	＋2.1
Ordinary profit	29,000	28,000	＋1,000	＋3.6
Profit attributable to owners of parent	19,500	18,000	＋1,500	＋8.3

2. Consolidated financial statements and key notes

(1) Consolidated balance sheets

Millions of yen, rounded down

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	44,295	51,538
Notes and accounts receivable - trade	54,118	37,804
Inventories	22,208	26,947
Other	7,309	5,553
Allowance for doubtful accounts	(78)	(152)
Total current assets	127,853	121,690
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,670	37,976
Machinery, equipment and vehicles, net	36,500	35,271
Land	16,265	16,235
Construction in progress	29,851	49,732
Other, net	2,370	2,497
Total property, plant and equipment	123,657	141,714
Intangible assets		
Goodwill	22,650	21,284
Other	2,620	2,673
Total intangible assets	25,271	23,958
Investments and other assets		
Investments and other assets, gross	15,377	13,416
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	15,376	13,415
Total non-current assets	164,305	179,088
Total assets	292,158	300,779

Millions of yen, rounded down

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,535	16,631
Short-term borrowings	1,433	1,917
Income taxes payable	6,743	3,208
Provision for bonuses	6,606	4,748
Provision for bonuses for directors (and other officers)	116	83
Provision for share-based remuneration	98	44
Other	26,941	23,654
Total current liabilities	54,475	50,290
Non-current liabilities		
Long-term borrowings	25,000	35,000
Provision for retirement benefits for directors (and other officers)	100	77
Provision for share-based remuneration for directors (and other officers)	280	245
Retirement benefit liability	8,017	7,889
Asset retirement obligations	755	756
Other	2,443	2,531
Total non-current liabilities	36,596	46,500
Total liabilities	91,072	96,790
Net assets		
Shareholders' equity		
Share capital	12,046	12,046
Capital surplus	2,514	2,514
Retained earnings	191,706	195,330
Treasury shares	(24,972)	(24,783)
Total shareholders' equity	181,293	185,107
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	796	721
Foreign currency translation adjustment	9,751	8,582
Remeasurements of defined benefit plans	(89)	(42)
Total accumulated other comprehensive income	10,457	9,261
Non-controlling interests	9,335	9,619
Total net assets	201,086	203,988
Total liabilities and net assets	292,158	300,779

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

Millions of yen, rounded down

	April 1, 2023 to September 30, 2023	April 1, 2024 to September 30, 2024
Net sales	147,071	157,070
Cost of sales	98,709	103,189
Gross profit	48,362	53,880
Selling, general and administrative expenses	34,848	38,953
Operating profit	13,514	14,926
Non-operating income		
Interest income	173	256
Dividend income	24	24
Share of profit of entities accounted for using equity method	46	31
Foreign exchange gains	2,912	―
Gain on investments in investment partnerships	27	457
Other	149	148
Total non-operating income	3,334	918
Non-operating expenses		
Interest expenses	98	176
Foreign exchange losses	―	810
Depreciation	82	24
Other	33	33
Total non-operating expenses	213	1,044
Ordinary profit	16,635	14,801
Extraordinary income		
Gain on sales of non-current assets	7	2
Gain on sales of investment securities	75	148
Subsidy income	36	27
Other	1	0
Total extraordinary income	120	177
Extraordinary losses		
Loss on sales of non-current assets	1	4
Loss on retirement of non-current assets	82	80
Loss on abandonment of inventories	―	85
Total extraordinary losses	84	169
Profit before income taxes	16,671	14,809
Income taxes - current	4,590	2,102
Income taxes - deferred	820	1,555
Total income taxes	5,410	3,657
Profit	11,261	11,151
Profit attributable to non-controlling interests	396	517
Profit attributable to owners of parent	10,864	10,633

Consolidated statements of comprehensive income

Millions of yen, rounded down

	April 1, 2023 to September 30, 2023	April 1, 2024 to September 30, 2024
Profit	11,261	11,151
Other comprehensive income		
Valuation difference on available-for-sale securities	44	(75)
Foreign currency translation adjustment	4,586	(1,317)
Remeasurements of defined benefit plans, net of tax	(87)	47
Total other comprehensive income	4,543	(1,344)
Comprehensive income	15,804	9,806
Comprehensive income attributable to		
Owners of parent	14,684	9,437
Non-controlling interests	1,120	369

(3) Consolidated statements of cash flows

Millions of yen, rounded down

	April 1, 2023 to September 30, 2023	April 1, 2024 to September 30, 2024
Cash flows from operating activities		
Profit before income taxes	16,671	14,809
Depreciation	5,079	5,502
Amortization of goodwill	1,029	1,076
Increase (decrease) in allowance for doubtful accounts	(17)	83
Increase (decrease) in provision for bonuses	(710)	(1,849)
Increase (decrease) in provision for bonuses for directors (and other officers)	(33)	(32)
Increase (decrease) in provision for share-based remuneration	(3)	40
Increase (decrease) in provision for share-based remuneration for directors	57	60
Increase (decrease) in retirement benefit liability	(261)	23
Decrease (increase) in retirement benefit asset	(124)	(169)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(243)	(22)
Interest and dividend income	(197)	(281)
Interest expenses	98	176
Foreign exchange losses (gains)	(1,676)	943
Subsidies income	(36)	(27)
Loss (gain) on investments in investment partnerships	(27)	(457)
Loss on abandonment of inventories	–	85
Share of loss (profit) of entities accounted for using equity method	(46)	(31)
Loss (gain) on sales of investment securities	(75)	(148)
Loss (gain) on sales of non-current assets	(5)	2
Loss on retirement of non-current assets	82	80
Decrease (increase) in trade receivables	(11,814)	16,022
Decrease (increase) in inventories	(889)	(4,932)
Increase (decrease) in trade payables	1,596	4,189
Increase (decrease) in accounts payable - other	(1,789)	(3,181)
Other, net	2,077	814
Subtotal	8,738	32,778
Interest and dividends received	197	274
Interest paid	(100)	(149)
Income taxes paid	(3,517)	(5,509)
Net cash provided by (used in) operating activities	5,318	27,393

Millions of yen, rounded down

	April 1, 2023 to September 30, 2023	April 1, 2024 to September 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,214)	(22,811)
Proceeds from sales of property, plant and equipment	22	8
Purchase of intangible assets	(259)	(551)
Purchase of investment securities	(192)	(205)
Proceeds from sales of investment securities	225	347
Proceeds from collection of loans	―	100
Payments into time deposits	(3,278)	(9,512)
Proceeds from withdrawal of time deposits	2,424	11,190
Payments of guarantee deposits	(28)	(40)
Proceeds from refund of guarantee deposits	10	103
Proceeds from subsidy income	36	27
Other, net	3	0
Net cash provided by (used in) investing activities	(10,251)	(21,344)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	13,800	488
Proceeds from long-term borrowings	―	10,000
Purchase of treasury shares	(240)	(0)
Proceeds from share issuance to non-controlling shareholders	279	―
Dividends paid	(6,493)	(7,002)
Dividends paid to non-controlling interests	(96)	(85)
Repayments of lease obligations	(75)	(69)
Net cash provided by (used in) financing activities	7,173	3,330
Effect of exchange rate change on cash and cash equivalents	1,618	(379)
Net increase (decrease) in cash and cash equivalents	3,860	9,000
Cash and cash equivalents at beginning of period	30,292	37,718
Cash and cash equivalents at end of period	34,152	46,719

(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.