Calbee
Harvest the Power of Nature.

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

April 1, 2024 to December 31, 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)

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

Calbee, Inc. **February 6, 2025**

Stock exchange listings: Prime Market of Tokyo, code number 2229

URL: https://www.calbee.co.jp/en/

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Representative: Makoto Ehara, President & CEO, Representative Director
Scheduled date for distribution of dividends: --
Availability of supplementary explanatory material for the third quarter results: Available
Quarterly results presentation meeting: Yes (conference call for institutional investors and analysts)

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

(1) Consolidated Operating Results

Millions of yen, rounded down

	Nine months ended December 31, 2023		Nine months ended December 31, 2024	
		% change		% change
Net sales	227,339	9.0	243,777	7.2
Operating profit	23,715	31.3	25,249	6.5
Ordinary profit	26,031	36.6	26,395	1.4
Profit attributable to owners of parent	17,165	37.0	18,352	6.9
Earnings per share (¥)	137.43		146.92	
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: Nine months ended December 31, 2024: ¥21,364 million (4.4%)
Nine months ended December 31, 2023: ¥20,471 million (40.5%)

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2024	As of December 31, 2024
Total assets	292,158	316,591
Net assets	201,086	215,546
Shareholders' equity/total assets (%)	65.6	64.9

Shareholders' equity: As of December 31, 2024: ¥205,412 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: No

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 December 31, 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
	Nine months to December 31, 2023:	Nine months to December 31, 2024:
3. Average number of shares during the period	124,906,279 shares	124,911,808 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 December 31, 2024 and 288,055 of these shares as of March 31, 2024, and the average number of shares excludes 255,477 treasury shares in the nine months to December 31, 2024, and 261,112 treasury shares in the nine months to December 31, 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 124,918,041 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 February 6, 2025. 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 nine months of the current fiscal year totaled ¥243,777 million (up 7.2%) due to growth in both the domestic and overseas businesses. Sales in the domestic business were ¥183,582 million (up 6.5%), rising on the effect of price revisions, as well as growth in snack foods and cereals. Sales in the overseas business were ¥60,194 million (up 9.4%), due to growth in Europe/Americas.

Operating profit increased in both the domestic and overseas businesses to ¥25,249 million (up 6.5%), and operating margin was 10.4% (down 0.1 percentage points). In the domestic business, price and content revisions were implemented in response to rising costs linked to factors including the depreciation of the yen, while the effective marketing measures have succeeded in maintaining firm sales. In the overseas business, profits were driven by the Asia/Oceania, particularly Greater China. Ordinary profit was ¥26,395 million (up 1.4%), and profit attributable to owners of parent was ¥18,352 million (up 6.9%).

Results by business are as follows.

Millions of yen, rounded down

		Q3 FY ended March 31, 2024	Q3 FY ending March 31, 2025	
		Amount	Amount	Growth (%)
Domestic production and sale of snack and other foods business		172,333	183,582	＋6.5
	Domestic snack foods	160,252	169,289	＋5.6
	Domestic cereals	19,483	22,721	＋16.6
	Domestic, others	11,468	12,223	＋6.6
	Deduction of rebates, etc.	(18,870)	(20,651)	－
Overseas production and sale of snack and other foods business		55,005	60,194	＋9.4
Total, production and sale of snack and other foods business		227,339	243,777	＋7.2

* 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

	Q3 FY ended March 31, 2024	Q3 FY ending March 31, 2025	
	Amount	Amount	Growth (%)
Potato Chips	73,728	77,403	＋5.0
JagaRico	33,276	35,917	＋7.9
Other snacks	53,247	55,967	＋5.1
Total, domestic snack foods	160,252	169,289	＋5.6

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

- Sales of *Potato Chips* increased due to firm sales of staple products such as *Usushio-Aji* and *Kataage Potato*, as well as contributions from sub-brands *Potato Chips The Atsugiri* and *Super Thin Potato*.

- Sales of *JagaRico* rose by focusing on regular items amid continued strong demand.
- Sales of other snacks increased due to growth in gift snack items such as *Jaga Pokkuru* due to factors including an increase in tourists from overseas, and the molded *Potato Chips Crisp* which was relaunched in March 2024. In addition, sales of *Kappa Ebisen*, which celebrated its 60th anniversary in 2024, also increased steadily.

・Domestic cereals:

Sales of domestic cereals were ¥22,721 million (up 16.6%), rising year on year on the growth of regular items such as original *Frugra* and *Frugra Less Carbohydrates*, as well as the contribution of a project item.

・Domestic, others:

Sales in other domestic businesses were ¥12,223 million (up 6.6%) on growth of *Body Granola*, a service launched in April 2023.

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

	Q3 FY ended March 31, 2024	Q3 FY ending March 31, 2025		
	Amount	Amount	Growth (%)	Growth on local currency basis (%)
Europe/Americas	26,689	32,308	＋21.1	＋12.2
North America	17,241	21,395	＋24.1	＋15.9
Asia/Oceania	35,158	35,950	＋2.3	(2.7)
Greater China	14,378	13,355	(7.1)	(12.8)
Deduction of rebates, etc.	(6,841)	(8,064)	－	－
Total, overseas production and sale of snack and other foods business	55,005	60,194	＋9.4	+2.9

* 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, both North America and the UK saw growth. In North America, sales rose on growth of mainstay product bean-based snack *Harvest Snaps,* brands of Japanese origin such as *Kappa Ebisen* and *Takoyaki Ball,* as well as increased contract manufacturing sales of snack foods. In the UK, sales increased due to increased sales of pellet snacks.
- In Asia/Oceania, sales increased on higher sales in Indonesia, Australia/New Zealand, Thailand, etc., despite continued sluggish performance in Greater China. In Greater China, sales of both snack foods and cereal foods rose at retail stores where we have been enhancing sales, but fell overall due to a decline in e-commerce sales caused by the impact of worsening economic sentiment and stricter customs regulations. In Indonesia, sales remained firm, mainly around *Guribee*, whose production line was expanded in October, while in Thailand, sales increased due to an enhanced sales structure and higher domestic sales following the renewal of *Kappa Ebisen* in July.

(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 December 31, 2024 increased by ¥24,432 million to ¥316,591 million, mainly due to an increase in property, plant and equipment. The main factor in the rise in property, plant and equipment was the construction of the new *Setouchi Hiroshima Factory*.

Liabilities increased by ¥9,972 million to ¥101,044 million on an increase in long-term borrowings.

Net assets increased by ¥14,460 million to ¥215,546 million, mainly due to an increase in retained earnings for the recognition of net income attributable to owners of the parent.

As a result, the shareholders' equity ratio was 64.9%, down 0.8 percentage points.

2. Overview of cash flows

Cash and cash equivalents as of December 31, 2024 were ¥27,637 million, a decrease of ¥10,081 million.

Cash flows from operating activities

Operating activities resulted in a net cash inflow of ¥8,922 million, an increase of ¥5,278 million compared to the same period of the previous fiscal year. This was mainly due to a decrease in trade receivable from a delay in receipt of payments as the end of the previous fiscal year was a bank holiday, while there were increases in inventories and in income taxes paid.

Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥31,028 million, an increase of ¥2,495 million compared to the same period of the previous fiscal year, mainly due to an increase in expenditures for the acquisition of property, plant and equipment such as the *Setouchi Hiroshima Factory*.

Cash flows from financing activities

Financing activities resulted in a net cash inflow of ¥11,264 million, a decrease of ¥9,473 million compared to the same period of the previous fiscal year, mainly due to a net decrease in 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 December 31, 2024 is as follows.

Millions of yen, rounded down

	FY ended March 31, 2024	Q3 FY ending March 31, 2025	3-year plan	Progress (%)
Growth investment	10,779	6,926	80,000	22.1
Efficiency investment	22,118	22,897	60,000	75.0
Shareholder returns	6,504	7,004	25,000	54.0
Total	39,402	36,828	165,000	46.2

* 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 November 1, 2024

2. Consolidated financial statements and key notes

(1) Consolidated balance sheets

Millions of yen, rounded down

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	44,295	36,155
Notes and accounts receivable - trade	54,118	60,072
Inventories	22,208	27,649
Other	7,309	9,878
Allowance for doubtful accounts	(78)	(164)
Total current assets	127,853	133,591
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,670	39,419
Machinery, equipment and vehicles, net	36,500	37,162
Land	16,265	16,380
Construction in progress	29,851	49,360
Other, net	2,370	2,785
Total property, plant and equipment	123,657	145,107
Intangible assets		
Goodwill	22,650	21,585
Other	2,620	2,857
Total intangible assets	25,271	24,442
Investments and other assets		
Investments and other assets, gross	15,377	13,451
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	15,376	13,450
Total non-current assets	164,305	182,999
Total assets	292,158	316,591

Millions of yen, rounded down

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,535	14,378
Short-term borrowings	1,433	9,941
Income taxes payable	6,743	1,927
Provision for bonuses	6,606	4,214
Provision for bonuses for directors (and other officers)	116	119
Provision for share-based remuneration	98	67
Other	26,941	23,289
Total current liabilities	54,475	53,937
Non-current liabilities		
Long-term borrowings	25,000	35,000
Provision for retirement benefits for directors (and other officers)	100	86
Provision for share-based remuneration for directors (and other officers)	280	276
Retirement benefit liability	8,017	8,020
Asset retirement obligations	755	773
Other	2,443	2,949
Total non-current liabilities	36,596	47,106
Total liabilities	91,072	101,044
Net assets		
Shareholders' equity		
Share capital	12,046	12,046
Capital surplus	2,514	2,514
Retained earnings	191,706	203,049
Treasury shares	(24,972)	(24,783)
Total shareholders' equity	181,293	192,826
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	796	716
Foreign currency translation adjustment	9,751	11,887
Remeasurements of defined benefit plans	(89)	(18)
Total accumulated other comprehensive income	10,457	12,585
Non-controlling interests	9,335	10,134
Total net assets	201,086	215,546
Total liabilities and net assets	292,158	316,591

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

Millions of yen, rounded down

	April 1, 2023 to December 31, 2023	April 1, 2024 to December 31, 2024
Net sales	227,339	243,777
Cost of sales	149,717	158,758
Gross profit	77,621	85,018
Selling, general and administrative expenses	53,905	59,768
Operating profit	23,715	25,249
Non-operating income		
Interest income	284	356
Dividend income	41	41
Share of profit of entities accounted for using equity method	29	34
Foreign exchange gains	2,092	355
Gain on investments in investment partnerships	28	482
Other	232	241
Total non-operating income	2,707	1,511
Non-operating expenses		
Interest expenses	155	266
Depreciation	129	50
Other	106	48
Total non-operating expenses	391	365
Ordinary profit	26,031	26,395
Extraordinary income		
Gain on sales of non-current assets	7	2
Gain on liquidation of subsidiaries and associates	88	—
Gain on sales of investment securities	75	150
Subsidy income	36	27
Other	—	0
Total extraordinary income	207	180
Extraordinary losses		
Loss on sales of non-current assets	3	4
Loss on retirement of non-current assets	181	170
Loss on abandonment of inventories	124	76
Other	0	—
Total extraordinary losses	309	251
Profit before income taxes	25,930	26,325
Income taxes - current	6,897	5,239
Income taxes - deferred	1,334	2,164
Total income taxes	8,231	7,404
Profit	17,698	18,921
Profit attributable to non-controlling interests	533	568
Profit attributable to owners of parent	17,165	18,352

Consolidated statements of comprehensive income

Millions of yen, rounded down

	April 1, 2023 to December 31, 2023	April 1, 2024 to December 31, 2024
Profit	17,698	18,921
Other comprehensive income		
Valuation difference on available-for-sale securities	30	(79)
Foreign currency translation adjustment	2,872	2,451
Remeasurements of defined benefit plans, net of tax	(131)	71
Total other comprehensive income	2,772	2,443
Comprehensive income	20,471	21,364
Comprehensive income attributable to		
Owners of parent	19,461	20,480
Non-controlling interests	1,009	884

(3) Consolidated statements of cash flows

Millions of yen, rounded down

	April 1, 2023 to December 31, 2023	April 1, 2024 to December 31, 2024
Cash flows from operating activities		
Profit before income taxes	25,930	26,325
Depreciation	7,796	8,483
Amortization of goodwill	1,550	1,617
Increase (decrease) in allowance for doubtful accounts	(19)	80
Increase (decrease) in provision for bonuses	(1,036)	(2,415)
Increase (decrease) in provision for bonuses for directors (and other officers)	(15)	2
Increase (decrease) in provision for share-based remuneration	(3)	62
Increase (decrease) in provision for share-based remuneration for directors	89	92
Increase (decrease) in retirement benefit liability	(173)	217
Decrease (increase) in retirement benefit asset	(190)	(263)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(235)	(13)
Interest and dividend income	(325)	(397)
Interest expenses	155	266
Foreign exchange losses (gains)	(733)	572
Subsidies income	(36)	(27)
Loss (gain) on investments in investment partnerships	(28)	(482)
Loss on abandonment of inventories	124	76
Share of loss (profit) of entities accounted for using equity method	(29)	(34)
Loss (gain) on sales of investment securities	(75)	(150)
Loss (gain) on sales of non-current assets	(3)	2
Loss on retirement of non-current assets	181	170
Decrease (increase) in trade receivables	(17,875)	(5,454)
Decrease (increase) in inventories	(585)	(5,164)
Increase (decrease) in trade payables	(1,323)	1,614
Increase (decrease) in accounts payable - other	32	(3,246)
Other, net	(3,233)	(3,301)
Subtotal	9,936	18,632
Interest and dividends received	325	385
Interest paid	(156)	(293)
Income taxes paid	(6,460)	(9,802)
Net cash provided by (used in) operating activities	3,644	8,922

Millions of yen, rounded down

	April 1, 2023 to December 31, 2023	April 1, 2024 to December 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,281)	(28,711)
Proceeds from sales of property, plant and equipment	22	9
Purchase of intangible assets	(492)	(908)
Purchase of investment securities	(244)	(207)
Proceeds from sales of investment securities	225	353
Proceeds from collection of loans	―	100
Payments into time deposits	(5,854)	(16,667)
Proceeds from withdrawal of time deposits	3,051	15,109
Payments of guarantee deposits	(30)	(242)
Proceeds from refund of guarantee deposits	14	105
Proceeds from subsidy income	36	27
Other, net	19	3
Net cash provided by (used in) investing activities	(28,532)	(31,028)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,000	8,473
Proceeds from long-term borrowings	25,000	10,000
Purchase of treasury shares	(240)	(0)
Proceeds from share issuance to non-controlling shareholders	279	―
Dividends paid	(6,497)	(7,004)
Dividends paid to non-controlling interests	(96)	(85)
Repayments of lease obligations	(108)	(118)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(598)	―
Net cash provided by (used in) financing activities	20,738	11,264
Effect of exchange rate change on cash and cash equivalents	892	759
Net increase (decrease) in cash and cash equivalents	(3,257)	(10,081)
Cash and cash equivalents at beginning of period	30,292	37,718
Cash and cash equivalents at end of period	27,034	27,637

(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.