Harvest the Power of Nature.

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Financial Book 2025

Fiscal year ended March 31, 2025

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Note : This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

11-Year Summary

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2025 US$
For the Year: (Note5)												(Note1)
Net sales	322,564	303,027	279,315	245,419	266,745	255,938	248,655	251,575	252,420	246,129	222,150	2,157,336
Operating profit	29,066	27,304	22,233	25,135	27,064	27,664	26,964	26,828	28,841	28,125	24,183	194,397
Operating margin (%)	9.0	9.0	8.0	10.2	10.1	10.8	10.8	10.7	11.4	11.4	10.9	—
Net income attributable to owners of parent	20,874	19,886	14,772	18,053	17,682	17,539	19,429	17,330	18,605	16,799	14,114	139,611
Net income margin (%)	6.5	6.6	5.3	7.4	6.6	6.9	7.8	6.9	7.4	6.8	6.4	—
ROE (%)	10.5	10.9	8.5	10.3	10.4	11.1	13.2	13.0	14.9	14.6	13.7	—
Research and development costs	4,232	3,910	3,681	3,319	2,706	2,745	2,660	2,469	2,168	2,195	2,052	28,306
Capital expenditures	29,514	31,187	26,716	13,515	11,341	9,004	9,945	11,009	9,763	21,229	15,290	197,393
Depreciation and amortization	12,144	10,594	10,047	9,189	9,051	8,449	8,023	7,845	7,297	7,570	6,232	81,225
Per Share(¥/$):												
Net income attributable to owners of parent	167.11	159.22	115.16	136.25	132.30	131.22	145.39	129.72	139.24	125.88	105.82	1.11
Net assets	1,642.27	1,535.49	1,393.74	1,358.25	1,312.24	1,221.19	1,151.71	1,043.37	958.60	905.20	821.97	10.98
Cash dividends	58.00	56.00	52.00	52.00	50.00	50.00	48.00	42.00	42.00	35.00	28.00	0.38
Dividend payout ratio (%)	34.7	35.2	45.2	38.2	37.8	38.1	33.0	32.4	30.2	27.8	26.5	—
At Year-End:												
Total assets	319,169	292,158	239,095	236,598	238,978	214,967	202,750	192,034	181,945	174,837	161,917	2,134,624
Net assets	215,067	201,086	182,686	183,458	182,740	169,632	160,490	146,667	135,056	131,469	118,800	1,438,386
Working capital (Note2)	78,132	73,377	53,307	72,912	80,892	83,066	77,815	68,950	58,214	54,832	52,672	522,556
Interest-bearing debt (Note3)	36,560	27,042	1,855	2,005	6,604	1,363	1,274	1,511	1,596	555	563	244,520
Equity ratio (%) (Note4)	64.3	65.6	72.8	74.1	73.4	75.9	75.9	72.6	70.4	69.2	67.7	—
Debt to equity ratio (Times)	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—
Number of consolidated subsidiaries	22	21	24	23	24	24	26	27	27	24	22	—
Number of employees	5,138	4,939	4,839	4,398	4,311	4,053	3,763	3,798	3,860	3,728	3,477	—
Cash Flows:												
Cash flows from operating activities	39,100	24,350	19,310	22,327	30,450	40,449	27,620	9,358	25,958	22,541	22,266	261,507
Cash flows from investing activities	(28,604)	(35,307)	(20,329)	3,643	(32,069)	(13,462)	(28,347)	(6,258)	(13,404)	(14,270)	(9,422)	(191,311)
Cash flows from financing activities	2,541	16,850	(20,004)	(25,168)	(7,635)	(6,278)	(6,227)	(5,450)	(14,711)	(2,859)	(2,878)	16,997
Cash and cash equivalents at end of year	51,019	37,718	30,292	49,670	47,282	55,742	35,425	42,195	44,627	47,323	42,572	341,223

Note

1. U.S. dollar amounts are presented, for convenience only, at a conversion rate of ¥149.52 = US$1, the approximate Tokyo foreign exchange market rate as of March 31, 2025.
2. Working capital comprises current assets less current liabilities.
3. Interest-bearing debt includes long-and short-term debt, leasing obligations and other interest bearing debt.
4. Shareholders' equity as presented above consists of total net a sets exclusive of subscription rights and non-controlling interests.
5. The Company applied the "Accounting Standard for Revenue Recognition" (Business Accounting Standards No. 29) from the beginning of the fiscal year ended March 2022. Major consolidated management indicators, etc. for this fiscal year are indicators, etc. after applying such accounting standards.

Management's Discussion and Analysis

Operating results

(1) Overview of business performance

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

During the fiscal year under review, the global economy continued to face uncertainties due to ongoing geopolitical risk resulting from conflicts and international disputes, as well as changes in monetary policy and administrations in various countries, but showed signs of a gradual recovery in the second half of the year, due in part to the calming of inflation in Europe and the United States and the Chinese economic downturn having been arrested. The Japanese economy has been on a recovery track due to an increase in corporate capital investment, a gradual recovery in personal consumption, and an increase in inbound tourism demand due to an increase in tourists from abroad, amid a continuing rise in prices. Furthermore, with regard to the social issues around our Group, as competition for resources intensifies on environmental changes such as global warming, there is a strong demand for greater consideration of environmental impact and human rights in the supply chain. Amid this business environment, Calbee Group has advanced a business restructuring aimed at achieving the next stage of growth based on our Vision for 2030 and Growth Strategy.

In our domestic core businesses, we implemented balanced product development in line with changing consumer needs, strengthened fan marketing, and utilized DX to advance data-driven profit improvement initiatives. In January 2025, the Setouchi Hiroshima Factory began operations as a state-of-the-art mother factory with excellent green performance, higher productivity, and an improved working environment. In our overseas businesses, we are strengthening our regional portfolio structure by employing human resources with the expertise we have developed in Japan and proactively allocating other resources such as capital and facilities to growth areas, which is helping to build a foundation for sustainable growth. Additionally, in the new business area of food and health, we worked to increase awareness of *Body Granola*, a personal food program. And in collaboration with the Shiretoko Shari Agricultural Cooperative, to ensure a stable supply of potatoes, we have also decided to fully enter the frozen food agribusiness, which is a type of agribusiness.

To further promote sustainability management, Calbee Group is identifying materiality and engaging in actions related to climate change, conservation of biodiversity, and respect for human rights. With the aim of disclosing TNFD for the fiscal year ending March 31, 2026, we have grasped the dependencies and impacts at the interface between our business and nature and clarified risks and opportunities over the past year. In addition, to improve agricultural sustainability, we will make efforts to reduce the use of phosphate fertilizer through appropriate fertilization in potato cultivation, contributing to preserve natural capital and mitigate climate change. As part of our efforts to reduce GHG emissions, we interviewed contract potato producers and worked with Japan's Ministry of Agriculture, Forestry and Fisheries to improve visibility, which is a key point in encouraging emissions reductions. Regarding Scope 1 and 2 GHG emissions, we have accelerated our reduction efforts across the group and completed the calculation of emissions in 2024 at all overseas facilities.

Consolidated net sales for the fiscal year under review were ¥322,564 million (up 6.4%). In the domestic business, revenue increased on the effect of price and content revisions, as well as improved brand value through continued marketing, steady demand gained through sales activities, and increased demand for gift snack items. In the overseas business, sales rose due to sales growth in Europe, the US, Indonesia and other regions, despite continued sluggish performance in Greater China.

Operating profit was ¥29,066 million (up 6.5%), and operating margin was 9.0%, on par with that of the previous fiscal year. In the domestic business, raw material prices continued to rise throughout the fiscal year, but this was offset by price and content revisions, and profit rose on higher sales volume. Ordinary profit was ¥29,844 million (down 4.2%) due to the recording of foreign exchange losses in non-operating expenses. Profit attributable to owners of parent was ¥20,874 million (up 5.0%) on factors including the application of tax benefits.

Results by business are as follows.

Millions of yen, rounded down

		FY ended March 31, 2024	FY ended March 31, 2025	
		Amount	Amount	Growth (%)
Domestic production and sale of snack and other foods business		229,887	243,202	+5.8
	Domestic snack foods	214,642	225,398	+5.0
	Domestic cereals	26,194	29,417	+12.3
	Domestic, others	15,565	16,869	+8.4
	Deduction of rebates, etc.	(26,515)	(28,483)	—
Overseas production and sale of snack and other foods business		73,140	79,362	+8.5
Total, production and sale of snack and other foods business		303,027	322,564	+6.4

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

<u>Production and sale of snack and other foods business</u>
Sales in the production and sale of snack and other foods business increased on growth in both the domestic and overseas businesses.

<u>Domestic production and sale of snack and other foods business</u>
・Domestic snack foods:
Domestic snack foods sales increased.

Sales by product are as follows.

Millions of yen, rounded down

	FY ended March 31, 2024	FY ended March 31, 2025	
	Amount	Amount	Growth (%)
Potato Chips	98,274	102,818	+4.6
JagaRico	45,353	48,282	+6.5
Other snacks	71,014	74,297	+4.6
Total, domestic snack foods	214,642	225,398	+5.0

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

- Sales of *Potato Chips* increased amid a sufficient Hokkaido potato harvest in 2024, driven primarily by sales of regular items such as *Usu-Shio-Aji* and *Kataage Potato*. The renewal of existing items *Potato Chips The Atsugiri* and *Super Thin Potato*, as sub-brands also contributed to higher sales.
- Strong demand for *JagaRico* continued, especially for regular items. Even having expanded production capacity in 2023, we maintained a high utilization rate, resulting in higher sales.
- As for other snacks, sales of *Crisp*, a fabricated potato chips that is a renewal of an existing product, grew. In addition, sales of gift snack items such as *Jaga Pokkuru* continued to rise due to an increase in domestic and international tourists. Sales of flour-based and corn/bean-based snacks were also strong overall.

・Domestic cereals:
Sales of domestic cereals were ¥29,417 million (up 12.3%) due to various collaborative products with other companies, strengthened sales activities in conjunction with marketing activities and by growth in the cereal market.

・Domestic, others:
Sales in other domestic businesses were ¥16,869 million (up 8.4%) due to growth in the sweet potato business and *Body Granola*, a personal food program that focuses on the intestinal microbiome.

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

	FY ended March 31, 2024	FY ended March 31, 2025		
	Amount	Amount	Growth (%)	Growth on local currency basis (%)
Europe/Americas	36,485	42,639	+16.9	+10.1
North America	23,473	28,308	+20.6	+14.2
Asia/Oceania	45,968	47,576	+3.5	(0.1)
Greater China	18,568	17,075	(8.0)	(12.5)
Deduction of rebates, etc.	(9,313)	(10,853)	―	―
Total, overseas production and sale of snack and other foods business	73,140	79,362	+8.5	+3.5

* Europe/Americas: North America and United Kingdom, etc.
** Asia/Oceania: Greater China, Indonesia, South Korea, Thailand, Singapore, 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 increased on expanded distribution of flagship bean-based snack *Harvest Snaps* and brands of Japanese origin. For brands of Japanese origin, this was due in part to the expanded product lineup, such as *Takoyaki Ball*, and localization of products. In the UK, sales rose due to expanded sales of Seabrook brand products at national retail chains.
- In Asia/Oceania, sales grew in all regions except Greater China, where e-commerce channel sales remained sluggish due to the continued impact of the economic downturn and tightening customs regulations, resulting in lower sales. However, sales to retail stores, our focus segment, rose on higher sales of *Jagabee* produced locally on a contract basis, snack foods imported from surrounding factories, and *Frugra* exported from Japan. Sales grew in all other regions, particularly in Indonesia, where we expanded production capacity.

(2) Financial Indices

The status of indices useful for evaluating the progress of our Group's management policies and strategies is as follows.

	Growth guidance (3 year)	FY ended March 31, 2024	FY ended March 31, 2025	2-year cumulative total
Organic sales growth rate	+4-6%	+8%	+6%	+7%
Consolidated profit growth rate	+6-8%	+23%	+6%	+14%
ROE	Over 10%	10.9%	10.5%	-

Financial Position

Total assets as of March 31, 2025 increased by ¥27,010 million to ¥319,169 million, mainly due to an increase in property, plant and equipment, primarily due to construction of the Setouchi Hiroshima Factory.

Liabilities increased by ¥13,028 million to ¥104,101 million on an increase in long-term borrowings.

Net assets increased by ¥13,981 million to ¥215,067 million due to an increase in retained earnings.

As a result, the shareholders' equity ratio was 64.3%, down 1.3 percentage

Cash Flows

Cash and cash equivalents as of March 31, 2025 were ¥51,019 million, an increase of ¥13,300 million.

(1) Cash Flows from Operating Activities

Operating activities resulted in a net cash inflow of ¥39,100 million, an increase of ¥14,749 million. This was mainly due to an increase in trade receivables on a delay in receipt of payments as the last day of the previous fiscal year was a bank holiday.

(2) Cash Flows from Investing Activities

Investing activities resulted in a net cash outflow of ¥28,604 million, a decrease of ¥6,702 million, mainly due to an increase in proceeds from withdrawal of time deposits.

(3) Cash Flows from Financing Activities

Financing activities resulted in a net cash inflow of ¥2,541 million, a decrease of ¥14,308 million, mainly due to a net decrease in long-term borrowing.

(4) Information Regarding Capital Resources and Shareholders' equity 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.

<u>Details of capital requirements</u>

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 the end of the fiscal year under review is as follows.

Millions of yen, rounded down

	3-year plan	FY ended March 31, 2024	FY ended March 31, 2025	2-year cumulative total	Progress (%)
Growth investment	80,000	10,779	7,420	18,200	22.8
Efficiency investment	60,000	22,118	22,350	44,468	74.1
Shareholder returns	25,000	6,504	7,005	13,509	54.0
Total	165,000	39,402	36,776	76,178	46.2

・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.

Capital Expenditures

For the fiscal year ended March 31, 2025, capital expenditures for tangible and intangible assets totaled ¥29,514 million. Of this total, ¥25,362 million went to domestic operations and ¥4,152 million went to overseas operations. Capital expenditures in the domestic business were mainly for the construction of Setouchi Hiroshima Factory which aims to achieve superior environmental performance, increased productivity, and an improved work environment. Capital expenditures in the overseas business were mainly for the acquisition of machinery and equipment to strengthen the production system in the U.K.

Significant Accounting Policies and Estimates

The accompanying consolidated financial statements have been prepared on the basis of accounting principles generally accepted in Japan.
The preparation of these consolidated financial statements requires management to create fiscal estimates.
Although management makes reasonable judgments regarding these estimates by comprehensively considering historical experience and current conditions, actual results may differ from these estimates due to uncertainties inherent in the estimates.
In addition, the significant accounting policies adopted in the preparation of these consolidated financial statements are described in Notes to Consolidated Financial Statements; 3. Significant accounting estimates. We believe that the following significant accounting policies significantly impact the judgments and estimates in the preparation of consolidated financial statements.

(1) Impairment of Fixed Assets

When indicators of impairment are identified due to a continuous loss in earnings from operations or a significant decline in market prices, our Group assesses the recognition of impairment losses by considering future business plans and other factors, and recognizes impairment losses to recoverable amounts as necessary.
If the business plan is revised due to future deterioration in market conditions or other factors, we may record an impairment loss.
The main intangible assets of our Group are goodwill resulting from the acquisition of Calbee Kaitsuka Sweet Potato, Inc. The accounting estimates for this are described in Notes to Consolidated Financial Statements; 3. Significant accounting estimates.

(2) Inventory valuation

Our Group uses the cost method of inventory valuation (the book value of inventories written down to reflect any declines in profitability). If the net selling price at the end of the fiscal year has declined from the acquisition cost, the net selling price at the end of the fiscal year is presented as the balance sheet value.
Inventories that have become excessive or stagnant due to changes in demand may be written down to an appropriate value.

Business Risks

Business risks associated with the execution of the Calbee Group's strategies, businesses and other activities are described below. Risks are major factors that management recognize as having the potential to significantly impact investor decisions. In addition, the risks described below are not exhaustive of all the risks of the Calbee Group; there are other risks that may have an impact on the decisions of investors. The following details and forward-looking statements are based on our judgment as of the end of the fiscal year ended March 31, 2025.

We have built a compliance and risk management system based on our “Basic policy on the development of an internal control system.” The Ethics and Risk Management Committee examines and decides solutions and manages status. If the possibility of risk arises or grows, we establish an emergency response committee as needed to reduce risk. However, if risk manifests, it may have an impact on our operating results or financial position.

1. Product Safety Risk

Providing safe and reliable products is our most important social responsibility, and we continue to work tirelessly to build relationships of trust with customers. In the unexpected event that an issue occurs with the potential to threaten the health of customers, we give top priority to the safety of customers and respond promptly.

To avoid product risk, Calbee Group reviews the design of standards and audits the raw materials procurement and production processes. In addition, we have built a quality assurance system that involves conducting quality inspections to determine whether products are meeting standards. We also have achieved traceability throughout the supply chain from procurement of raw materials through production, logistics, product distribution, retail stores, and customers. We strive to make improvements throughout the entire supply chain through listening to our customers' voices and analyzing details to reduce reported issues.

However, in the event that quality problems arise and there is doubt about the safety of a product, we may have to recall or discontinue its sale, which could result in loss of customer confidence and have an impact on our operating results and financial position

2. Product Development

Under the Next Calbee & Beyond Vision for 2030, Calbee Group conducts research and development activities to provide both domestic and overseas customers with unique, value-added products that maximize the nutritional content and flavor of natural ingredients for development of products to drive our growth. Meanwhile, there are considerable changes occurring in the business environment owing to diversifying customer tastes, growing health awareness, environmental issues, etc. For our business expansion, we need to respond quickly to these changes in the market and develop high value-added and health-conscious products. We conduct research and development activities in the areas of new product development, existing brand improvements, quality improvement, cost reduction and basic research in accordance with annual plans.

However, if we are unable to respond appropriately to the needs of our customers and business partners and develop products in a timely manner, this could have an impact on our operating results and financial position

3. Raw Materials and Packaging Materials Procurement Risk

(1) Potato Procurement Risk (unseasonable weather and decreasing number of potato farmers)

Our main products are potato-based snacks made primarily from raw potatoes, such as Potato Chips and *JagaRico*. To ensure a stable supply of domestic potatoes in terms of quality, quantity and price, we have built a procurement system through contract cultivation and decentralization of production areas. In anticipation of a decrease in domestic potato farmers, we also provide farmers with support for cultivation, harvesting and labor saving. Although in principle, it is not permitted to import raw potatoes under the Plant Protection Act in Japan, we have developed factory facilities that are capable of handling imported raw potatoes in preparation for a potential shortage of domestic potatoes.

However, depending on crop conditions, we may not be able to secure sufficient quantities of potatoes, which may result in losing sales opportunities and costs arising from urgent procurement. This could have an impact on our operating results and financial position.

(2) Potato Procurement Risk (potato cyst nematodes)

Potato cyst nematodes are a species of nematode found in soil and are designated as important pests under the Plant Protection Act. It is prohibited to produce seed potatoes in a field where they exist. To prevent the spread of potato cyst nematodes, we need to switch to a more resistant variety of potatoes. We have established a project to reform our potato variety mix, raising the percentage of nematode-resistant varieties to 50% by 2025 and to 100% by 2030 while achieving quality that satisfies customers. However, since it is only necessary to reduce the procurement volume of non-resistant varieties after the introduction of nematode-resistant varieties is complete, the target year for achieving a 100% nematode-resistant variety ratio has been changed from 2030 to 2035.

Nevertheless, there are some risks. For example, that we are unable to develop new varieties that meet quality conditions for acrylamide content or product color in a timely manner, that the new varieties will not thrive in our production areas, or that potato cyst nematodes expand at a faster rate than anticipated. If these risks materialize and the conversion to nematode-resistant varieties is delayed, we may not be able to procure seed potatoes. This could result in decreases in potato crop yields and lower quality of potato-based products, potentially impacting our operating results and financial position.

(3) Other Raw Materials and Packaging Materials Risk

With regard to imported raw materials from overseas and packaging materials used in Calbee Group products, we are working to stabilize procurement by diversifying and decentralizing suppliers and strengthening appropriate inventories, considering all procurement risks such as natural disasters, geopolitics and other factors.

However, further increases in raw material and packaging material prices beyond expectations or changes in import destinations and import routes could have an impact on our operating results and financial position.

4. Stagnation in Domestic Product Supply Risk

As represented by the ‘2024 Problem’ in the transportation and logistics industry, there are concerns about a shortage of logistics vehicles caused by a decline in the working population due to the lower birthrate and aging population, an increase in the number of deliveries with the expansion of e-commerce, and the long working hours unique to the logistics industry. In order to secure stable logistics and delivery vehicles, Calbee Group is promoting ‘white logistics activities,’ using AI and automation to reduce wait time for drivers, reduce the frequency of deliveries, consolidate delivery destinations, promote pallet transportation, etc. Through this, we aim to be the logistics client of choice for drivers. Additionally, in response to unforeseen fluctuations in raw material yields due to climate change or sudden changes in sales, we are developing a value chain optimization system to enable swift and effective company-wide decision-making.

However, failure to secure transportation vehicles at appropriate costs in the future, unexpected increases in transportation and delivery costs, or delays in implementing measures to optimize the value chain may impact our operating results and financial position.

5. Information Security Risk

In the event that a malicious attacker enters a computer system or network and an information security incident occurs, we have established an incident response system centered on our CSIRT (Computer Security Incident Response Team). To prevent loss, misuse, or falsification of confidential information, we have implemented appropriate security measures for information management including information systems.

However, in the event of cyberterrorism, computer virus infection, loss of information due to unauthorized access or falsification of data, leakage of personal information or confidential company information, power outage, disaster, or defects in software and equipment, the shutdown or temporary disruption of information systems and disruptions to production and logistics operations could have an impact on our operating results, financial position and social credibility.

6. Securing Global Human Resources Risk

As the foundation that supports our business, Calbee Group is strengthening investment in human resources from a medium- to long-term perspective and promoting corporate reform that can achieve sustainable profit growth. In particular, to support the expansion of overseas business, one of the key policies of our Change 2025 growth strategy, we are rapidly introducing Global Talent Management, a new system for recruitment, placement, training and evaluation.

However, if we are unable to hire sufficient global human resources due to changes in the employment situation, or if there are delays in developing global human resources, it could have an impact on our operating results and financial position.

7. Compliance Risk

Calbee Group is subject to a range of legal regulations, including Japan’s Food Sanitation Act, Act Against Unjustifiable Premiums and Misleading Representations, Measurement Act, Unfair Competition Prevention Act, Plant Protection Act, and Consumer Safety Act. In addition, overseas group companies are subject to the laws and regulations of each country in which they operate. Based on Calbee Group's fundamental policy, we have established a Calbee Group Code of Conduct on social values, ethics, laws and social responsibilities. Through educational activities such as rank-specific training in Japan and each country where we operate, we strive to ensure compliance with ethics, social norms, laws and internal rules and to reduce the likelihood of violations of laws and social norms.
However, violations of laws or social norms due to revisions or unexpected enactment may result in sanctions or cancellation of legal authorization, lawsuits or a loss of trust from customers and other stakeholders. Any of these could have an impact on our operating results and financial position.

8. Intellectual Property Rights Risk

Calbee Group has established a specialized department to thoroughly protect and manage various intellectual property rights, and makes every effort not to infringe on rights held by third parties.
However, if our intellectual property rights were improperly used by third parties, or if we were pursued by third parties for infringement of intellectual property rights, it could have an impact on our operating results and financial position.

9. Geopolitical risks of Overseas Businesses

Calbee Group operates in multiple countries and regions. We avoid risk by considering and implementing measures in advance to deal with possible conflict, decoupling, pandemic, and other geopolitical risk in the countries and regions in which we have established operations.
However, in the event of supply difficulty due to these risks having been greater or more prolonged than expected, this could have an impact on our operating results and financial position.

10. Climate Change Risk

Following the adoption of the Paris Agreement at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) and its ratification, efforts to reduce greenhouse gases causing climate change and global warming are advancing on a global scale. Our target is to reduce greenhouse gas emissions by 30% by the fiscal year ending March 31, 2031 compared to their level for the fiscal year ended March 31, 2019. Furthermore, we are aiming for net zero emissions in 2050 (covering Scope 1* and 2**). To achieve these targets, we are working to improve energy conservation and utilize renewable energy.
In February 2020, we endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) established by the Financial Stability Board and analyzed climate change scenarios. The results of the analysis showed that there was significant risk of direct damage to factories and raw material producing areas due to severe disasters, changes in consumer behavior due to heightened environmental awareness, and a decrease in potato yields due to insufficient hours of sunlight. In response, we will strive to reduce greenhouse gas emissions, develop and adopt new potato varieties, and diversify production areas. In addition, we believe that responding to ethical consumption and product development using sustainable raw materials will create opportunities.
However, depending on the progress of efforts to reduce greenhouse gas emissions, the introduction of a carbon tax could impact our business activities. Furthermore, consumers' purchasing behavior may change, the quality of potatoes may deteriorate, and damage to manufacturing facilities, suspension of operations and supply chain disruption caused by typhoons and heavy rains may increase. Any of these cases could have an impact on our operating results and financial position.
**Scope1 refers to direct emissions of CO2 from the use of fuel in the company (factories, offices, vehicles, etc.).*
***Scope2 refers to indirect emissions of CO2 from the use of electricity, heat, and steam purchased by the company.*

11. Natural Disaster or Pandemic Risk

Calbee Group has diversified its production bases and suppliers of raw materials in order to reduce the risk of natural disasters such as large earthquakes, windstorms and floods. We have also promoted an

all-hazard BCP (Business Continuity Plan) in response that anticipates scenarios involving the simultaneous occurrence of infectious disease outbreaks and other complex events as well as natural disasters. By strengthening our BCP, we are working to secure a resilient business structure, including the early resumption of supply of priority products. In the fiscal year ended March 31, 2025, all Calbee factories (excluding the new Setouchi Hiroshima Factory) acquired certifications as contributors to national resilience as recommended by the Cabinet Secretariat.
However, if supply chain disruptions caused by disasters are prolonged and we are unable to supply products to our business partners, if extended restoration of machinery, equipment or facilities or significant costs are incurred, or if further increases in raw material prices or difficulties in securing raw materials are greater than anticipated, it could have an impact on our operating results and financial position.

12. Relationships with Major Shareholders

As of March 31, 2025, PepsiCo, Inc. (hereinafter "PepsiCo") held 21.41% (after dilution) of Calbee shares through Frito-Lay Global Investments B.V. (hereinafter "FLGI"), PepsiCo’s 100%-owned subsidiary, and Calbee is an equity-method affiliate of PepsiCo. FLGI, which directly owns the Calbee shares, is a wholly owned PepsiCo subsidiary, and as such PepsiCo effectively makes all decisions regarding the exercise of common share voting rights. PepsiCo is one of the world’s largest food and beverage makers and is listed on the NASDAQ.
In addition, PepsiCo operates globally in the same snack food field as Calbee via Group companies, primarily its subsidiary Frito-Lay North America, Inc.
On July 9, 2009, Calbee, Pepsico and FLGI concluded a strategic alliance agreement based on the understanding that combining management capabilities to generate synergies was necessary to deliver sustained growth for both Calbee and PepsiCo. In order to reinforce the partnership with PepsiCo, Calbee allocated new shares to PepsiCo’s wholly owned subsidiary FLGI via a private placement and, at the same time, acquired all the shares of PepsiCo’s subsidiary Japan Frito-Lay Ltd. Under our strategic partnership, PepsiCo has agreed not to operate a savoury snack food business in the Japanese market and therefore does not compete with Calbee in Japan. In addition, because Calbee’s overseas business operations are not restricted in any way, we recognize that this Agreement does not impose any limitations on Calbee’s management decisions or business expansion.
Calbee intends to maintain this strategic partnership and work toward boosting corporate value. However, in the future it may no longer be possible to generate synergies from the partnership in the event that PepsiCo makes changes to its management policy and business strategy. Furthermore, the PepsiCo Group could become a competitor in the Japanese market in the event that the partnership is dissolved.
In addition, PepsiCo's shareholding ratio in Calbee may change in the future due to changes in PepsiCo's or Calbee's management policies or business strategies, changes in the business environment, or other factors.

Material Contracts, etc.

(Agreement on the Right to Nominate Director Candidates)
Calbee has entered into an agreement with its shareholder, Frito-Lay Global Investments B.V. (hereinafter "FLGI"), and FLGI's parent company, PepsiCo, Inc. (hereinafter "PepsiCo"), regarding the right of FLGI and PepsiCo to nominate candidates to Calbee's Board of Directors. The details of the agreement are as follows:

(1) Summary of the Agreement

Date of Agreement	Counterparty Name	Counterparty Address	Content of Agreement
July 9, 2009	PepsiCo,Inc. Frito-Lay Global Investments B.V.	New York, USA Utrecht, Netherlands	Agreement granting FLGI and PepsiCo the right to nominate, in principle, candidates for Calbee's Board of Directors in proportion to its holding of Calbee common stock, being currently one candidate for Calbee's Board of Directors.

(2) Purpose of the Agreement

At the end of the current consolidated fiscal year, PepsiCo held 21.41% of Calbee shares through FLGI, PepsiCo's 100%owned subsidiary, and Calbee is an equity-method affiliate of PepsiCo.
On July 9, 2009, in connection with Calbee's acquisition of PepsiCo's Frito-Lay Japan business, Calbee, PepsiCo and FLGI concluded a strategic alliance agreement (hereinafter this "Agreement"), based on the understanding that combining management capabilities to generate synergies was necessary to deliver sustained growth for both Calbee and PepsiCo. Upon completion of that acquisition, Calbee became the exclusive licensee in connection with the production, marketing, distribution and sale of PepsiCo's Frito-Lay snack food products in Japan.

(3) Deliberation Status at the Board of Directors and the Decision-Making Process Leading to the Agreement

At the Board of Directors meeting held on June 15, 2009, after thoroughly reviewing the post-alliance business structure, the outline of this Agreement, and the shareholder composition following the capital alliance, it was resolved to enter into this Agreement.

(4) Impact of the Agreement on Calbee's Corporate Governance

Calbee has established a Board of Directors composed of half or more independent outside directors, ensuring a highly transparent and independent corporate governance system. In the selection of director candidates, we have established a Nomination Committee chaired by an independent outside director and composed of a majority of independent outside directors, selecting candidates with diverse expertise and experience.

Furthermore, under the strategic alliance, PepsiCo has agreed not to operate a savoury snack food business in the Japanese market and therefore does not compete with Calbee in Japan. In addition, because Calbee's overseas business operations are not restricted in any way, we recognize that this Agreement does not impose any limitations on Calbee's management decisions or business expansion.

Moreover, transactions involving competition with directors, transactions between the company and directors, and transactions where the interests of the company and directors conflict are resolved by the Board of Directors. The terms of such transactions are determined in accordance with appropriate procedures to ensure that the joint interests of the company and its shareholders are not harmed, and the details of these transactions are disclosed and monitored by the Board of Directors. In addition, Calbee has in place appropriate safeguards to control the sharing with PepsiCo of competitively sensitive information in relation to our overseas business.
Based on the above, Calbee recognizes that this Agreement does not affect its corporate governance.

(Loan Agreement with Financial Covenants)
Our company has entered into a loan agreement with financial covenants.
The details of the contract are as follows.

(1) Contract Date
November 28, 2023

(2) Attributes of the Counterparties to the Loan Agreement
City banks and other financial institutions

(3) Year-end Balance and Repayment Deadline of the Debt Under the Loan Agreement and Details of Collateral Attached to the Debt

1. Year-end balance of the debt under this loan agreement: 25,000 million yen (as of March 31, 2025)
2. Repayment deadline of the debt under this loan agreement: December 1, 2027-May 31, 2029
3. No collateral attached to the debt

(4) Content of Financial Covenants

1. From the fiscal year ended March 31, 2024 onwards, maintain net assets on the consolidated balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the consolidated balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the consolidated balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.
2. From the fiscal year ended March 31, 2024 onwards, maintain net assets on the standalone balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the standalone balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the standalone balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.
3. For the two consecutive fiscal year starting with the fiscal year ended March 31, 2024, ensure that the ordinary income in the consolidated income statement and the ordinary income shown in the standalone income statement do not generate losses for two consecutive years.

Research and Development Activities

Calbee Group’s corporate philosophy is “We are committed to harnessing nature’s gifts, to bringing taste and fun, and to contributing to healthy life styles.” Under this corporate philosophy, we are engaged in research and development activities to provide unique and valuable products by maximizing the nutritional and flavor qualities of natural ingredients.
Our R&D Division conducts everything from basic research and product and technology development to product commercialization at a pilot plant attached to our research facility.
In the field of basic research as part of research on the stable procurement and quality improvement of potatoes, we conduct intermediate breeding development in the Potato Genetic Resource Development Course, which was established in collaboration with Obihiro University of Agriculture and Veterinary Medicine. In order to prevent declines in crop yield and quality caused by the abnormal weather in recent years, we are conducting research on gene expression in potatoes under drought stress, with the results being disseminated through various conference presentations and publications. Additionally, as part of our research on the effects and benefits of granola, we are examining how the effects of granola containing prebiotic ingredients tailored to an individual’s intestinal environment influences their gut health and mood. We are also conducting research on dietary fiber and Chrono-Nutrition.. Furthermore, for those with chronic kidney disease and receiving dialysis, granola has been shown to reduce salt intake and lower blood pressure. In addition, for dialysis patients, it has been confirmed to improves the gut biome and reduces intestinal toxins. These findings have been published in academic papers. We are advancing research that contributes to building evidence supporting the health benefits of granola in collaboration with many research institutions.

In product development, we are addressing changes in consumer preferences and diverse tastes both domestically and internationally, while also focusing on the development of new products that emphasize sustainability. We have launched products that allow consumers to enjoy the natural flavors of ingredients without added salt in Potato Chips, *Jagabee*, *miino*. Additionally, in response to demand for snacks that can be enjoyed with your pet dog, we have launched *Gran Deli Sapporo Potato for Dogs* developed in collaboration with Unicharm Corporation.

In the field of technology development, we are providing added value through new raw materials and exploring new processing technologies. *Fruits Snack Frutz* is made using the neo oven method (non-frying) which preserves the natural color and flavor of the ingredients, making it easy to enjoy the taste of fruit. Using the same manufacturing process,
we have also reviewed the texture of *Vege-Fru Ring* relaunching it targeting children aged one and above.
Regarding packaging containers, we are advancing the development of packaging materials and technologies with the goal of replacing and reducing petroleum-derived plastic packaging by 50% by the fiscal year ending
March 31, 2031 (compared to the fiscal year ended March 31, 2019) and using 100% environmentally friendly materials by the fiscal year ending March 31, 2051. In the fiscal year ended March 31, 2025, we gradually switched some single-serving stand pack products to a new packaging form without zippers. This initiative is expected to reduce the annual use of petroleum-based plastics by approximately 40 tons.
Aiming to further expand into new food areas, we initiated a collaboration with Pegasus Tech Ventures in the United States in May 2024 to foster innovation. We aim to leverage our global network in the field of open innovation to discover technologies and services that will serve as seeds for next-generation product development and create new value.

The total amount of research and development expenses for the fiscal year ended March 31, 2025 was ¥4,232 million.

Status of Shareholdings

(1) Criteria and approach for classifying investment shares

Calbee classifies shares held for the purpose of earning profit from market value fluctuations or dividends as investment shares for pure investment purposes, and other shares as investment shares for purposes other than pure investment (i.e. cross-shareholdings).

(2) Investment shares held for purposes other than pure investment

a) Calbee's policy on holding, method for verifying the rationality of said holding, and content of verification by the Board of Directors, etc., regarding the appropriateness of holding individual shares

In principle, our policy is to not hold cross-shareholdings. However, each fiscal year, we review the need for such holdings, and only continue to hold them if deemed necessary as part of our business strategy, such as business alliances for new business creation, or if it is clear that maintaining and strengthening relationships with companies we have business dealings with will serve to develop our business.

b) Investment shares held for purposes other than pure investment

	Number of issues	Balance sheet amount Total amount (million yen)
Unlisted shares	8	247
Shares other than unlisted shares	14	1,310

(Shares whose holdings were increased in the fiscal year under review)

	Number of issues	Total acquisition cost for increased shares (million yen)	Reason for the increase in the number of shares
Unlisted shares	1	150	To strengthen support for the development of waste plastic recycling technology.
Shares other than unlisted shares	5	4	For acquisition by a stockholding association to strengthen relationships and for share splits.

(Shares whose holdings were decreased in the fiscal year under review)

	Number of shares	Total sales amount for repurchased shares (million yen)
Unlisted shares	-	-
Shares other than unlisted shares	5	202

c) Information on the number of shares, balance sheet amount, etc., for each specific shares and deemed shares held by the company
Specific investment shares

Stock	Fiscal year under review	Previous fiscal year	Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.	Whether the investee also holds Calbee shares
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
Seven & i Holdings Co., Ltd.	266,845	265,863	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of holding shares are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holding is individually verified based on the necessity for maintaining and strengthening transactions, including the confirmation of transaction amounts. During the fiscal year ended March 31, 2025, the number of shares held has increased due to acquisitions through the business partner shareholding association.	No
	577	586		
RIKEN VITAMIN CO., LTD.	200,000	300,000	We engage in procurement activities and hold the shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of holding shares are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holding is individually verified based on the necessity for maintaining and strengthening transactions, including the confirmation of transaction amounts. During the fiscal year ended March 31, 2025, the number of shares held decreased due to the partial sale of owned shares.	No
	483	773		
Four Seas Mercantile Holdings Limited	1,000,000	1,000,000	The company is a joint venture partner in our Group's Hong Kong operations, and we hold shares with the aim of enhancing corporate value through the maintenance and strengthening of our business partnership.	No
	49	48		

Stock	Fiscal year under review Number of shares (shares) Balance sheet amount (million yen)	Previous fiscal year Number of shares (shares) Balance sheet amount (million yen)	Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.	Whether the investee also holds Calbee shares
THE TORIGOE CO., LTD	49,000	49,000	We engage in procurement activities and hold the shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of holding shares are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holding is individually verified based on the necessity for maintaining and strengthening transactions, including the confirmation of transaction amounts.	Yes
	40	34		
ARCS COMPANY, LIMITED	11,524	11,524	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts.	No
	33	36		
AEON Co., Ltd.	8,005	7,832	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2025, the number of shares held has increased due to acquisitions through our business partner shareholding association.	No
	30	28		
UNQ Holdings Limited	590,000	590,000	The company is a joint venture partner in our Group's China EC operations, and we hold shares with the aim of enhancing corporate value through the maintenance and strengthening of our business partnership.	No
	23	13		

Stock	Fiscal year under review Number of shares (shares) Balance sheet amount (million yen)	Previous fiscal year Number of shares (shares) Balance sheet amount (million yen)	Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.	Whether the investee also holds Calbee shares
MatsukiyoCocokara & Co.	9,845 23	9,540 23	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2025, the number of shares held has increased due to acquisitions through our business partner shareholding association.	No
YAMANAKA CO., LTD.	40,749 22	39,473 26	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2025, the number of shares held has increased due to acquisitions through our business partner shareholding association.	No
Valor Holdings Co., Ltd.	5,280 12	5,280 13	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts.	No

Stock	Fiscal year under review Number of shares (shares) Balance sheet amount (million yen)	Previous fiscal year Number of shares (shares) Balance sheet amount (million yen)	Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.	Whether the investee also holds Calbee shares
RETAIL PARTNERS CO., LTD.	3,000	20,039	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2025, the number of shares held decreased due to the sale of a portion of owned shares.	No
	4	36		
Maruyoshi Center Inc.	1,000	1,000	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts.	No
	3	3		
COSMOS Pharmaceutical Corporation	400	200	We engage in transactions involving the sale of products and hold their shares with the aim of facilitating operating activities and enhancing relationships to raise our corporate value. Although quantitative effects of shares held are not disclosed due to the confidentiality of business dealings with our partners, the rationale for holdings is individually verified based on the necessity for maintaining and strengthening transactions, including confirmation of transaction amounts. During the fiscal year ended March 31, 2025, the number of shares held has increased due to a share split.	No
	3	2		
Hong Kong Food Investment Holdings Limited	377,000	377,000	The company is a joint venture partner in our Group's Hong Kong operations, and we hold their shares with the aim of enhancing corporate value through maintaining and strengthening our business partnership.	No
	2	3		

<table>
<tr><td rowspan="3">Stock</td><td>Fiscal year under review</td><td>Previous fiscal year</td><td rowspan="3">Purpose of shareholding, outline of business alliance, quantitative holding effect, reason for the increase, etc.</td><td rowspan="3">Whether the investee also holds Calbee shares</td></tr>
<tr><td>Number of shares (shares)</td><td>Number of shares (shares)</td></tr>
<tr><td>Balance sheet amount (million yen)</td><td>Balance sheet amount (million yen)</td></tr>
<tr><td rowspan="2">FUJI CO., LTD</td><td>—</td><td>25,472</td><td rowspan="2">—</td><td rowspan="2">No</td></tr>
<tr><td>—</td><td>47</td></tr>
<tr><td rowspan="2">Kansai Food Market Ltd.</td><td>—</td><td>3,960</td><td rowspan="2">—</td><td rowspan="2">No</td></tr>
<tr><td>—</td><td>7</td></tr>
<tr><td rowspan="2">Central Forest Group, Inc.</td><td>—</td><td>3,000</td><td rowspan="2">—</td><td rowspan="2">No</td></tr>
<tr><td>—</td><td>6</td></tr>
</table>

(Note) “-” indicates that the share is not held.

Deemed shares held
No applicable items.

(3) Investment shares held for pure investment purposes

Category	Fiscal year under review		Previous fiscal year	
	Number of issues	Balance sheet amount (million yen)	Number of issues	Balance sheet amount (million yen)
Unlisted shares	-	-	-	-
Shares other than unlisted shares	1	218	1	289

Category	Fiscal year under review		
	Total amount of dividends received (million yen)	Gains or losses on sales (million yen)	Valuation gains or losses (million yen)
Unlisted shares	-	-	-
Shares other than unlisted shares	1	-	118

(Note) The issue of investment shares held for pure investment purposes (shares other than unlisted shares) is in TRIAL Holdings, Inc.

(4) Shares whose holding purpose was changed from other than pure investment to pure investment during the fiscal year under review

Share	Number of shares	Balance sheet amount (million yen)
-	-	-

(5) Shares whose holding purpose was changed from other than pure investment to pure investment during the previous four fiscal years and the fiscal year under review

Share	Number of shares	Balance sheet amount (million yen)	Fiscal year of change	Reason for change and policy regarding holding or sale after change
TRIAL Holdings, Inc.	100,000	218	Fiscal year ended March 31, 2024	The purpose of holding the company's shares has been changed to pure investment, aiming to gain profits from market price fluctuations and dividends, as the company is expected to continue growing. Per our policy regarding holding or sale, we regularly review the necessity of sale based on the sale criteria we have set. We also have a policy of considering the sale of the company's shares in the event of a dividend reduction or similar occurrence.

Consolidated Balance Sheets

Calbee, Inc. and Consolidated Subsidiaries
Consolidated Balance Sheets
Years ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Assets			
Current assets:			
Cash and deposits	¥56,755	¥44,295	$379,583
Notes receivable – trade	888	922	5,944
Accounts receivable	40,730	53,196	272,406
Inventories	25,136	22,208	168,114
Others	10,449	7,309	69,888
Allowance for doubtful accounts	(122)	(78)	(819)
Total current assets	133,837	127,853	895,117
Non-current assets:			
Property, plant and equipment:			
Land	16,226	16,265	108,526
Buildings and structures	120,971	86,754	809,066
Machinery, equipment and vehicles	148,936	131,794	996,098
Lease assets	1,007	980	6,740
Construction in progress	7,194	29,851	48,115
Others	8,063	7,020	53,926
	302,400	272,667	2,022,474
Accumulated depreciation	(156,617)	(149,009)	(1,047,469)
Property, plant and equipment, net	145,782	123,657	975,004
Investments and other assets:			
Investment securities	3,263	3,183	21,828
Deferred tax assets	5,064	5,408	33,872
Retirement benefit asset	5,202	4,505	34,796
Goodwill	20,548	22,650	137,426
Others	5,470	4,901	36,585
Allowance for doubtful accounts	(1)	(1)	(8)
Total investments and other assets	39,548	40,647	264,501
Total non-current assets	185,331	164,305	1,239,506
Total assets	¥319,169	¥292,158	$2,134,624

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Liabilities			
Current liabilities:			
Notes and accounts payable - trade	¥13,358	¥12,535	$89,344
Short-term borrowings	883	1,433	5,908
Lease obligations	203	169	1,360
Account payable - other	13,588	11,736	90,880
Accrual expenses	16,118	13,537	107,801
Income taxes payable	3,829	6,743	25,612
Provision for bonuses	6,456	6,606	43,179
Provision for bonuses for directors (and other officers)	153	116	1,026
Provision for share-based remuneration	105	98	702
Others	1,008	1,498	6,744
Total current liabilities	55,705	54,475	372,560
Non-current liabilities:			
Long-term borrowings	35,000	25,000	234,084
Lease obligations	468	433	3,131
Deferred tax liabilities	1,903	1,854	12,733
Provision for retirement benefits for directors (and other officers)	98	100	658
Provision for share-based remuneration for directors (and other officers)	297	280	1,992
Retirement benefit liabilities	8,853	8,017	59,211
Asset retirement obligations	1,545	755	10,334
Others	229	155	1,533
Total non-current liabilities	48,396	36,596	323,676
Total liabilities	104,101	91,072	696,237
Net assets :			
Shareholders' equity:			
Common stock:			
Authorized 2025 - 176,000,000 shares			
Authorized 2024 - 176,000,000 shares			
Issued 2025 - 133,929,800 shares			
Issued 2024 - 133,929,800 shares	12,046	12,046	80,566
Capital surplus	2,514	2,514	16,814
Retained earnings	205,571	191,706	1,374,878
Treasury shares - 8,992,816 shares in 2025			
9,050,500 shares in 2024	(24,783)	(24,972)	(165,753)
Total shareholders' equity	195,348	181,293	1,306,506
Accumulated other comprehensive income:			
Valuation difference on available-for-sales securities	616	796	4,124
Foreign currency translation adjustment	9,372	9,751	62,686
Remeasurements of defined benefit plans	(158)	(89)	(1,057)
Total accumulated other comprehensive income	9,831	10,457	65,753
Non-controlling interests	9,887	9,335	66,127
Total net assets	215,067	201,086	1,438,386
Total liabilities and net assets	¥319,169	¥292,158	$2,134,624

Consolidated Statements of Income

Calbee, Inc. and Consolidated Subsidiaries
Consolidated Statements of Income
Years ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Net sales	¥322,564	¥303,027	$2,157,336
Cost of sales	212,686	201,068	1,422,462
Gross profit	109,878	101,959	734,873
Selling, general and administrative expenses	80,812	74,654	540,476
Operating profit	29,066	27,304	194,397
Non-operating income	-	-	-
Interest income	494	445	3,307
Dividend income	43	43	291
Share of profit of entities accounted for using equity method	16	17	110
Foreign exchange gains	-	3,509	-
Gain on investments in investment partnerships	515	28	3,445
Other	414	331	2,770
Total non-operating income	1,484	4,376	9,925
Non-operating expenses	-	-	-
Interest expenses	357	250	2,389
Foreign exchange losses	203	-	1,359
Depreciation	72	146	483
Commission for syndicated loans	1	52	11
Other	71	75	477
Total non-operating expenses	705	525	4,721
Ordinary profit	29,844	31,155	199,601
Extraordinary income	-	-	-
Gain on sale of non-current assets	2	7	18
Gain on liquidation of subsidiaries	-	88	-
Gain on sales of investment securities	150	75	1,008
Subsidies income	65	78	437
Other	0	-	3
Total extraordinary income	219	250	1,468
Extraordinary losses	-	-	-
Loss on sale of non-current assets	4	236	28
Loss on retirement of non-current assets	437	372	2,925
Impairment loss	17	377	114
Loss on disposal of inventory	76	124	513
Loss on valuation of investment securities	125	71	842
Other	4	19	30
Total extraordinary losses	666	1,201	4,454
Profit before income taxes	29,397	30,204	196,615
Income taxes – current	7,384	10,128	49,387
Income taxes – deferred	507	(389)	3,395
Total income taxes	7,892	9,739	52,782
Profit	21,505	20,465	143,832
Profit attributable to non-controlling interests	631	579	4,220
Profit attributable to owners of parent	¥20,874	¥19,886	$139,611

Consolidated Statements of Comprehensive Income

Calbee, Inc. and Consolidated Subsidiaries
Consolidated Statements of Comprehensive Income
Years ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Profit	¥21,505	¥20,465	$143,832
Other comprehensive income:			
Valuation difference on available-for-sales securities	(179)	307	(1,199)
Foreign currency translation adjustments	(658)	5,357	(4,405)
Remeasurements of defined benefit plans	(68)	243	(456)
Total other comprehensive income	(906)	5,907	(6,061)
Comprehensive income	¥20,599	¥26,373	$137,771
Comprehensive income attributable to:			
Owners of parent	¥20,248	¥24,961	$135,425
Non-controlling interests	¥350	¥1,411	$2,345

Consolidated Statements of Changes in Net Assets

Calbee, Inc. and Consolidated Subsidiaries
Consolidated Statements of Changes in Net Assets
Years ended March 31, 2025 and 2024

		Millions of yen				
		Shareholders' Equity				
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
BALANCE AT APRIL 1, 2023	133,929,800	¥12,046	¥3,242	¥178,329	(¥24,886)	¥168,730
Dividends of surplus				(6,508)		(6,508)
Profit attributable to owners of parent				19,886		19,886
Purchase of treasury shares					(240)	(240)
Disposal of treasury shares					154	154
Purchase of shares of consolidated subsidiaries			(728)			(728)
Net changes of items other than shareholders' equity						
BALANCE AT MARCH 31, 2024	133,929,800	¥12,046	¥2,514	¥191,706	(¥24,972)	¥181,293
Dividends of surplus				(7,009)		(7,009)
Profit attributable to owners of parent				20,874		20,874
Purchase of treasury shares					(0)	(0)
Disposal of treasury shares					189	189
Purchase of shares of consolidated subsidiaries						
Net changes of items other than shareholders' equity						
BALANCE AT MARCH 31, 2025	133,929,800	¥12,046	¥2,514	¥205,571	(¥24,783)	¥195,348

	Millions of yen					
	Accumulated Other Comprehensive Income					
	Unrealized Holding Gain on Securities	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Non-controlling Interests	Total Net Assets
BALANCE AT APRIL 1, 2023	¥488	¥5,225	(¥332)	¥5,381	¥8,574	¥182,686
Dividends of surplus						(6,508)
Profit attributable to owners of parent						19,886
Purchase of treasury shares						(240)
Disposal of treasury shares						154
Purchase of shares of consolidated subsidiaries						(728)
Net changes of items other than shareholders' equity	307	4,525	243	5,075	760	5,836
BALANCE AT MARCH 31, 2024	¥796	¥9,751	(¥89)	¥10,457	¥9,335	¥201,086
Dividends of surplus						(7,009)
Profit attributable to owners of parent						20,874
Purchase of treasury shares						(0)
Disposal of treasury shares						189
Purchase of shares of consolidated subsidiaries						
Net changes of items other than shareholders' equity	(179)	(378)	(68)	(625)	552	(73)
BALANCE AT MARCH 31, 2025	¥616	¥9,372	(¥158)	¥9,831	¥9,887	¥215,067

		Thousands of U.S. Dollars				
		Shareholders' Equity				
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
BALANCE AT APRIL 1, 2024	133,929,800	$80,566	$16,814	$1,282,146	($167,020)	$1,212,506
Dividends of surplus				(46,879)		(46,879)
Profit attributable to owners of parent				139,611		139,611
Purchase of treasury shares					(2)	(2)
Disposal of treasury shares					1,269	1,269
Purchase of shares of consolidated subsidiaries						
Net changes of items other than shareholders' equity						
BALANCE AT MARCH 31, 2025	133,929,800	$80,566	$16,814	$1,374,878	($165,753)	$1,306,506

	Thousands of U.S. Dollars					
	Accumulated Other Comprehensive Income					
	Unrealized Holding Gain on Securities	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Non-controlling Interests	Total Net Assets
BALANCE AT APRIL 1, 2024	$5,324	$65,215	($601)	$69,938	$62,433	$1,344,878
Dividends of surplus						(46,879)
Profit attributable to owners of parent						139,611
Purchase of treasury shares						(2)
Disposal of treasury shares						1,269
Purchase of shares of consolidated subsidiaries						
Net changes of items other than shareholders' equity	(1,199)	(2,529)	(456)	(4,185)	3,694	(491)
BALANCE AT MARCH 31, 2025	$4,124	$62,686	($1,057)	$65,753	$66,127	$1,438,386

Consolidated Statements of Cash Flows

Calbee, Inc. and Consolidated Subsidiaries
Consolidated Statements of Cash Flows
Years ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Cash flows from operating activities			
Profit before income taxes	¥29,397	¥30,204	$196,615
Depreciation	12,144	10,594	81,225
Impairment loss	17	377	114
Amortization of goodwill	2,152	2,081	14,397
Increase (decrease) in allowance for doubtful accounts	46	(43)	308
Increase (decrease) in provision for bonuses	(151)	1,185	(1,011)
Increase (decrease) in provision for bonuses for directors (and other officers)	40	11	267
Increase (decrease) in provision for share awards	99	95	668
Increase (decrease) in provision for share awards for directors	113	103	759
Increase (decrease) in retirement benefit liability	423	(17)	2,834
Decrease (increase) in retirement benefit asset	(355)	(260)	(2,377)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1)	(223)	(10)
Interest and dividend income	(538)	(488)	(3,599)
Interest expense	357	250	2,389
Foreign exchange losses (gains)	925	(2,854)	6,193
Loss (gain) on liquidation of subsidies	-	(88)	-
Subsidies income	(65)	(78)	(437)
Gain on investments in investment partnerships (gains)	(515)	(28)	(3,445)
Loss on abandonment of inventories	76	124	513
Share of loss (profit) of entities accounted for using equity method	(16)	(17)	(110)
Loss (gain) on sales of investment securities	(150)	(75)	(1,008)
Loss (gain) on valuation of investment securities	125	71	842
Loss (gain) on sales of non-current assets	1	228	9
Loss on retirement of non-current assets	437	372	2,925
Decrease (increase) in trade receivables	12,181	(15,768)	(81,470)
Decrease (increase) in inventories	(3,102)	1,824	(20,752)
Increase (decrease) in trade payables	940	(1,571)	6,288
Increase (decrease) in account payable - other	(465)	3,401	(3,110)
Other, net	(5,161)	1,419	34,520
Subtotal	48,959	30,830	203,623
Interest and dividends received	537	485	3,595
Interest paid	(335)	(210)	(2,245)
Income taxes paid	(10,060)	(6,754)	(67,283)
Net cash provided by (used in) operating activities	39,100	24,350	261,507
Cash flows from investing activities			
Purchase of property, plant and equipment	(28,106)	(30,591)	(187,980)
Proceeds from sale of property, plant and equipment	10	140	70
Purchase of intangible assets	(1,407)	(595)	(9,413)
Purchase of investment securities	(260)	(246)	(1,745)
Proceeds from sale of investment securities	353	226	2,364
Proceeds from collection of loans receivable	100	-	668
Payment into time deposits	(22,221)	(11,996)	(148,617)
Proceeds from withdrawal of time deposits	22,991	7,676	153,768
Payments for guarantee deposits	(352)	(33)	(2,354)
Proceeds from refund of guarantee deposits	109	17	731
Proceeds from subsidy income	65	78	437
Proceeds from distributions from investment partnerships	109	-	773
Other, net	3	18	24
Net cash provided by (used in) investing activities	(28,604)	(35,307)	(191,311)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(504)	41	(3,373)
Proceeds from long-term borrowings	10,000	25,000	66,880
Purchase of treasury shares	(0)	(240)	(2)

Proceeds from share issuance to non-controlling shareholders	286	279	1,918
Dividends paid	(7,005)	(6,504)	(46,850)
Dividends paid to non-controlling interests	(85)	(96)	(569)
Repayments for lease obligations	(150)	(159)	(1,004)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(1,470)	-
Net cash provided (used in) financing activities	2,541	16,850	16,997
Effect of exchange rate changes on cash and cash equivalents	263	1,533	1,762
Net increase (decrease) in cash and cash equivalents	13,300	7,426	88,956
Cash and cash equivalents at beginning of period	37,718	30,292	252,267
Cash and cash equivalents at end of period	¥51,019	¥37,718	$341,223

Notes to Consolidated Financial Statements

Calbee, Inc. and Consolidated Subsidiaries
Notes to Consolidated Financial Statements
Year ended March 31, 2025

1. Basis of Presentation

The accompanying consolidated financial statements of Calbee, Inc. (the "Company") and its consolidated subsidiaries have been prepared from the consolidated financial statements filed with the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Law of Japan and in conformity with generally accepted accounting principles and practices in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. Accordingly, International Financial Reporting Standards are not applied in preparing the accompanying consolidated financial statements. The consolidated financial statements are not intended to present the financial position, results of operations or cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to present the information in a form familiar to readers outside Japan. The accounts and the financial statements of the Company and its subsidiaries are maintained in Japanese yen.

As permitted, amounts of less than one million yen are rounded down. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

2. Summary of Significant Accounting Policies

(a) Basis of consolidation and accounting for investments in affiliates

The accompanying consolidated financial statements include the accounts of the Company and subsidiaries in which the Company holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. The consolidated financial statements consist of the Company and its 22 (21 in 2024) subsidiaries as listed below.

Consolidated subsidiaries

- Calbee Potato, Inc.
- Calbee Logistics, Inc.
- Calbee Eatalk Co., Ltd.
- Japan Frito-Lay Ltd.
- Studio Socio, Inc.
- Calbee Kaitsuka Sweet Potato,Inc.
- Kaitsuka Farm Co., Ltd.
- Calbee America, Inc. (Note 1)
- CFSS Co. Ltd. (Note 1)
- Calbee (Hangzhou) Foods Co.,Ltd. (Note 1)
- Calbee (China) Co., Ltd. (Note 1)
- Calbee Four Seas Co., Ltd.
- Calbee E-commerce Limited (Note 1)
- Calbee Group (UK) Ltd (Note 1)
- Calbee Ireland Limited (Note 1)
- PT. Calbee-Wings Food (Note 1)
- Haitai-Calbee Co., Ltd. (Note 1)
- Calbee Tanawat Co., Ltd. (Note 1)
- Greenday Global Co., Ltd. (Note 1)
- Calbee Moh Seng Pte. Ltd. (Note 1)
- Calbee Australia Pty Limited (Note 1)
- Calbee New Zealand Limited (Note 1)

(Notes)
(1) The fiscal year-end of these subsidiaries is December 31.
(2) Calbee Inc. established Calbee Ireland Limited and Calbee New Zealand Limited. These companies were included in the scope of consolidation during the year ended March 31, 2025.
(3) Greenday Group Co., Ltd. has been excluded from the scope of consolidation during the year ended March 31, 2025 due to its liquidation.

For the year ended March 31, 2025 and 2024, all subsidiaries are consolidated and there is one affiliate (Calbee URC Malaysia Sdn. Bhd.) that is accounted for by the equity method.

For the years ended March 31, 2025 and 2024, two affiliates, Potato Foods Co., Ltd., and Hiroshima Agricultural Produce Distributors Cooperative are not accounted for using the equity method as they are not significant in terms of net income and retained earnings of the consolidated financial statements.

Accounts of subsidiaries whose year-ends differ by three months from March 31 have been included using pro forma financial information prepared as of March 31.

(b) Marketable and investment securities

Marketable and investment securities are classified and valued as follows:

(1) Held-to-maturity debt securities

Amortized cost method (straight-line method)

(2) Available-for-sale securities

Securities for which fair values are readily available:

Marked-to-market, with any changes in unrealized holding gains or losses, net of applicable income taxes, included directly in net assets. Cost of securities sold is determined using the moving average method.

Securities for which fair values are not readily available:

Stated at cost based on the moving-average method.

(c) Inventories

Inventories are stated at cost using the average method for finished goods and work-in-process. The moving-average method is applied for commercial goods, raw materials and supplies. The book value of inventories is written down to reflect any declines in profitability.

(d) Property, plant and equipment (except for leases)

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets.

The useful lives of buildings, machinery and equipment are as follows:

	Useful lives (years)
Buildings	15 to 31 years
Machinery and equipment	10 years

(e) Intangible assets (except for leases)

Intangible assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over the estimated useful life of five years.

(f) Leases

Finance lease assets that do not transfer ownership of the property to the lessee are depreciated using the straight-line method over the lease term with no residual value.

(g) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the Company's actual historical experience of credit loss for active accounts and on an individual basis after an analysis of collectability for certain doubtful accounts.

(h) Provision for bonuses

Provision for bonuses is provided for the bonus payments to employees and directors in the estimated bonus amount attributable to the current fiscal year.

(i) Provision for share-based remuneration

To prepare for future awards of the Company's shares to Group employees, provision for stock payments is provided for stock award debt based on predetermined regulations for awarding stock.

(j) Provision for retirement benefits for directors (and other officers)

To provide for the payment of directors' retirement benefit, the amount payable under internal regulations at the consolidated balance sheet date is recorded.

(k) Provision for share-based remuneration for directors (and other officers)

To prepare for future awards of the Company's shares to the Company's directors, etc, provision for stock payments is provided for stock award debt based on predetermined regulations for awarding stock.

(l) Recognition of revenues and expenses

Our group primarily sells snack foods and cereals and recognizes revenue upon the transfer of control of these promised goods or services to customers in the amount that we expect to receive in exchange for those goods or services. In domestic sales of goods or products, when the period until the time of inspection by the customer is considered reasonable for each transaction practice in light of the number of days required for shipment and delivery in Japan, we recognize revenue at the time of shipment.

The payment for the promised goods or services is generally within two months of the time the control has moved to the customer, and there is no significant financing component in the amount of the payment.

A portion of transaction prices includes variable consideration such as rebates. Variable consideration is the estimate of the most probable amount. The transaction price only include amount for sales subject to variable consideration to the extent that it is highly probable that there will not be a significant reversal of cumulative revenue after the uncertainty associated with variable consideration is resolved.

There are no material returns except that we are responsible for the returns such as product failure.

(m) Accounting method for retirement benefits

(1) Period allocation methodology for the estimated retirement benefit amount

The retirement benefit obligation is calculated by allocating the estimated retirement benefit amount until the end of the current fiscal year on a benefit formula basis.

(2) Amortization of net unrecognized actuarial gains (losses) and unrecognized past service cost

Net unrecognized actuarial gains (losses) are amortized beginning in the following fiscal year by the straight-line method over a specified number of years (12 years) within the average remaining service period of employees at the time the difference arose.

Unrecognized past service cost is amortized by the straight-line method over a specified number of years (5 years) within the average remaining service period of employees at the time the cost incurred.

(3) Application of the simplified method for small businesses

For part-time employees of the Company, amount payable at the fiscal year-end in accordance with internal regulations is provided for.

For certain consolidated subsidiaries, a simplified method is applied for the calculation of retirement benefit obligations and retirement benefit expenses in which the necessary retirement benefit provisions for voluntary resignations at the end of the fiscal year are recorded as retirement benefit obligations.

(n) Business commencement expenses

Business commencement expenses are expensed as incurred.

(o) Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rate in effect at the balance sheet date and gains or losses arising from such translation are credited or charged to income.

Assets and liabilities of overseas subsidiaries are translated into yen at the exchange rate in effect at the balance sheet date, whereas shareholders' equity of such subsidiaries is translated at the historical rate that prevailed on the date of their acquisition. Income and expenses of overseas subsidiaries are translated into yen using the average exchange rate during the fiscal year. Translation adjustments are included in foreign currency translation adjustments and non-controlling interests in net assets section of the accompanying consolidated balance sheets.

(p) Goodwill

Goodwill is amortized using the straight-line method over the estimated effective period of the investment. The estimated effective period are as follows.

	Estimated effective period (years)
Calbee Kaitsuka Sweet Potato,Inc. (the sweet potato business)	15 years
Calbee America, Inc.	15 years
Calbee Group (UK) Ltd	15 years
Greenday Group Co., Ltd.	15 years

(q) Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash on hand, deposits with banks available for withdrawal on demand and short-term highly liquid investments with an original maturity of three months or less which are readily convertible into cash and subject to insignificant risk of changes in value.

3. Significant accounting estimates

(Necessity of recognizing loss on the goodwill impairment of the sweet potato business)

(1) Amount recorded in the consolidated financial statements as of March 31, 2025

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Goodwill	¥ 9,726	¥ 10,699	$ 65,052

(2) Information related to significant accounting estimates for identified items

(a) Calculation methods of estimates

When indicators of impairment are identified due to a continuous loss in earnings from operations or a significant decline in market prices, our Group assesses the recognition of impairment losses by considering future business plans and other factors, and recognizes impairment losses to recoverable amounts as necessary.

The main portion of our intangible assets is goodwill arising from the acquisition of Calbee Kaitsuka Sweet Potato, Inc. The sweet potato business has seen continuous negative operating income after amortization of goodwill due to the increase in purchase price、the disposal of raw materials and other factors, and there was an indication of goodwill impairment. We determined that no impairment loss was recognized because the total amount of the estimated undiscounted future cash flows from the sweet potato business exceeded the carrying value of the asset group including goodwill.

The undiscounted future cash flows were calculated based on the company's business plan and take into account future uncertainties. The undiscounted future cash flows also include the recoverable amount of other assets at the end of the remaining economic life of the goodwill, but estimating the sales growth rate and discount rate used to measure this amount requires a high level of expertise in calculation methods.

(b) Key assumptions used in the calculation of estimate

The undiscounted future cash flows used for the recognition of impairment loss were based on the sweet potato business plan and make the key assumptions that there will be a continuous increase in sales and procurement volume and an improvement in gross profit ratio primarily due to an increase in the sales volume of processed products.

(c) Impact on consolidated financial statements for the next consolidated fiscal year

Calbee Group carefully considered the identification of indications of impairment and the recognition and measurement of impairment loss at the end of the fiscal year and we believe that the above estimates of future cash flows are reasonable. However, shifts in market conditions may lead to changes being made in the assumptions and estimate bases, which could have a significant impact on the consolidated financial statements for the next consolidated fiscal year.

4. Changes in accounting policies

(Application of “Accounting Standard for Current Income Taxes”, etc.)

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.

(Application of “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to Global Minimum Tax Rules”)

We have applied the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (ASBJ PITF No. 46, March 22, 2024) from the beginning of the fiscal year.

5. Unapplied Accounting Standards, etc.

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

(1) Overview

The Accounting Standards Board of Japan, as part of efforts to align Japanese standards with international standards, has been examining the development of accounting standards for leases that recognize assets and liabilities for all leases based on international accounting standards. The basic policy is to base the standards on a single accounting model from IFRS 16 Leases, but only incorporating the main provisions. The aim is to create a simplified and user-friendly standard, ensuring that no fundamental adjustments are necessary when using IFRS 16 Leases provisions in individual financial statements, and the lease accounting standards, have been published with this goal in mind.

For the lessee's accounting treatment, regarding the method of expense allocation for the lessee's leases, a single accounting model is applied, similar to IFRS 16 Leases. This model records depreciation of right-of-use assets and interest equivalent amounts on lease liabilities for all leases, regardless of whether the lease is a finance or an operating lease.

(2) Scheduled Effective Date

Calbee Group plans to apply these accounting standards from the beginning of the fiscal year ending March 31, 2028.

(3) Effect of adoption of this accounting standard

The impact of adopting these accounting standards was still under evaluation when these consolidated financial statements were prepared.

6. Changes in Presentation

Consolidated Balance Sheet

In the “Current liabilities” section, “Accrued expenses” (13,537 million yen for the previous fiscal year) was included in “Other” in the previous fiscal year. Due to an increase in financial materiality, it is presented separately in the current fiscal year (16,118 million yen).

Consolidated Statement of Income
In the “Non-operating income” section, “Gain on investments in investment partnerships” (28 million yen for the previous fiscal year) was included in “Other” in the previous fiscal year. Due to an increase in financial materiality, it is presented separately in the current fiscal year (515 million yen).
In the “Extraordinary losses” section, “Loss on valuation of investment securities” (71 million yen for the previous fiscal year) was included in “Other” in the previous fiscal year. Due to an increase in financial materiality, it is presented separately in the current fiscal year (125 million yen).

7. Additional Information

Employee Stock Ownership Plan (ESOP) Trust

The Company awards the Company’s own stock to the employees of our Group through a trust.

(1) Transaction summary

On March 7, 2014, the Employee Stock Ownership Plan (ESOP) Trust was introduced as an employee incentive plan with the aim of improving long-term corporate value. By raising awareness of our financial results and share price among employees, the Company aims to further promote corporate activities that improve financial results. The Company has established the Trust by contributing funds for acquisition of the Company’s stocks for those employees who satisfy certain requirements. Based on predetermined regulations for awarding stocks, the Trust will acquire the estimated number of the Company’s stocks to be awarded to employees from the stock market during the predetermined stock acquisition period. Funds required for the Trust to purchase the aforementioned stocks will be provided by the Company. The employees will bear no liabilities.
Introducing the Trust will enable employees to profit from a rise in stock prices, and will promote awareness of the stock price among employees as they fulfill their duties and is thereby expected to improve employee motivation. Further, the voting rights of the Company’s stocks held in the Trust will be executed within a structure that will reflect the will of the employees who are potential beneficiaries and is an effective way to improve corporate value by promoting employees’ participation in management planning.

(2) The Company’s own stock in the Trust

The Company’s own stock in the Trust is recorded in treasury stock under net assets based on the book value in the trust (excluding ancillary expenses). The book value and the number of these treasury stock as of March 31, 2025 and 2024 were ¥243 million ($1,628 thousand) and 80,445 shares, and ¥337 million and 111,395 shares, respectively.

Performance-linked Stock Compensation Plan

The Company awards stock to board members (excluding outside and part-time directors) and executives contractually bound to the Company including Executive Officers (hereinafter “Board Members”) through the Trust.

(1) Transaction summary

On August 6, 2014, the Company introduced a performance-linked stock compensation plan (hereinafter the “Plan”) with the goal of increasing awareness of the importance of contributing to further enhancing the Company’s corporate value and performance over the medium-to-long-term. The Plan is highly transparent and objective and closely linked with the Company’s performance for Board Members.
The Plan is the performance-linked stock compensation plan under which the Company’s shares are acquired through the Board Incentive Plan Trust (hereafter “BIP Trust”) with the funds of remuneration contributed by the Company and the Company’s shares are awarded to the Company’s Board Members in accordance with performance targets achieved. Upon their retirement, Board Members will receive the Company’s stocks in principle.
In order to ensure the neutrality of the Company’s management, voting rights for the Company’s stocks in the Trust shall not be exercised while in the Trust.

(2) The Company’s own stock in the Trust

The Company’s own stock in the Trust is recorded in treasury stock under net assets based on the book value in the Trust (excluding ancillary expenses). The book value and the number of treasury stock in the Trust as of March 31, 2025 and 2024 were ¥536 million ($3,588 thousand) and 149,800 shares, and ¥632 million and 176,660 shares, respectively.

8. U.S. Dollar Amounts

For the convenience of the reader, the accompanying consolidated financial statements are also presented in U.S. dollars by converting Japanese yen amounts at the rate of ¥149.52 = $1, the approximate rate in effect on March 31, 2025. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

9. Inventories

The breakdown of inventories as of March 31, 2025 and 2024 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Finished goods and commercial goods	¥ 9,231	¥ 7,580	$ 61,738
Work in process	2,705	2,253	18,091
Raw materials and supplies	13,200	12,374	88,284

Valuation losses (reversal) due to declines in profitability included in cost of sales for the years ended March 31, 2025 and 2024 were ¥(67) million ($(453) thousand) and ¥ 63million, respectively.

10. Financial Covenants

The long-term loans payable are subject to the following financial covenants:

(1) From the fiscal year ended March 31, 2024 onwards, maintain net assets on the consolidated balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the consolidated balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the consolidated balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.

(2) From the fiscal year ended March 31, 2024 onwards, maintain net assets on the standalone balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the standalone balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the standalone balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.

(3) From the fiscal year ended March 31, 2024 onwards, maintain net assets on the consolidated balance sheet at the end of each fiscal year and half-year at a level 75% of net assets on the consolidated balance sheet as of the end of the fiscal year ended March 31, 2023, or 75% of net assets on the consolidated balance sheet as of the most recent fiscal year-end or half-year-end, whichever is higher.

The outstanding loan balances subject to financial covenants as of March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Long-term loans payable	¥ 25,000	¥ 15,000	$ 167,201

11. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Sales promotion expenses	¥ 5,075	¥ 4,765	$ 33,942
Advertisement expenses	7,502	6,018	50,174
Freight expenses	17,748	17,033	118,701
Salaries and other allowances	16,491	15,591	110,296
Provision for retirement benefits for directors (and other officers)	42	35	284
Provision for bonuses	4,194	3,990	28,052
Provision for bonuses for directors (and other officers)	154	116	1,030
Provision for stock payments	99	95	668
Provision for share-based remuneration for directors (and other officers)	113	103	759
Retirement benefit expense	941	769	6,295
Allowance for doubtful accounts	57	-	381

12. Research and Development Costs

Research and development costs included in Selling, general and administrative expenses and Manufacturing expenses for the years ended March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Selling, general and administrative expenses	¥ 4,209	¥ 3,901	$ 28,156
Manufacturing expenses	22	8	149
Total	¥ 4,232	¥ 3,910	$ 28,306

13. Sale and retirement of Non-current Assets

Gain on sales of non-current assets for the year ended March 31, 2025 mainly consists of gain from the sales of Machinery, equipment and vehicles. Gain on sales of non-current assets for the year ended March 31, 2024 mainly consists of gain from the sales of Machinery, equipment and vehicles.
Loss on sales of non-current assets for the year ended March 31, 2025 mainly consists of loss from the sales of Machinery, equipment and vehicles. Loss on sales of non-current assets for the year ended March 31, 2024 mainly consists of losses from the sales of Buildings and structures, and Land.
Loss on retirement of non-current assets for the year ended March 31, 2025 mainly consists of losses from the retirement of Machinery, equipment and vehicles, and Construction in progress. Loss on retirement of non-current assets for the year ended March 31, 2024 mainly consists of losses from the retirement of Machinery, equipment and vehicles, and Buildings and structures.

14. Impairment Loss

For the year ended March 31, 2025, the Company recognized impairment loss of ¥17 million ($114 thousand) on the business assets for which there is no intended future use. With regard to business assets, the Company has reduced the book value to the recoverable amount, since the Company decided to withdraw from the businesses.
For the year ended March 31, 2024, the Company recognized impairment loss of ¥377 million on the business assets for which there is no intended future use. With regard to business assets, the Company has reduced the book value to the recoverable amount, since the Company decided to withdraw from the businesses.
For the purpose of impairment testing, assets are generally grouped based on region; however, idle assets with no plans for the future usage are grouped by each asset.
The recoverable amount is higher of its fair value less costs of disposal and its value in use. Fair value less costs of disposal for which sales or other usage is unlikely, is recorded as having no value.
The details of impairment loss recognized are as follows:

(For the year ended March 31, 2025)

Location	Purpose of use	Type of asset	Amount	
			Millions of yen	Thousands of U.S. dollars
Calbee,Inc.. (Kakamigahara City, Gifu Prefecture etc.)	Business assets	Machinery, equipment and vehicles	¥ 16	$ 111
Calbee,Inc.. (Konan City, Shiga Prefecture)	Business assets	Buildings and structures	¥ 0	$ 2

15. Other Comprehensive Income

Reclassification adjustments and tax effects related to other comprehensive income for the years ended March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Other comprehensive income			
Unrealized holding gain on securities			
Amount during the year	(¥ 227)	¥ 445	($ 1,519)
Reclassification adjustments	(24)	(3)	(165)
Amount before tax effects	(252)	442	(1,685)
Tax effects	72	(135)	486
Total	(¥ 179)	¥ 307	($ 1,199)

Foreign currency translation adjustments			
Amount during the year	(¥660)	¥5,426	($4,418)
Reclassification adjustments	1	(88)	13
Amount before tax effects	(658)	5,337	(4,405)
Tax effects	-	19	-
Total	(¥658)	¥5,357	($4,405)
Remeasurements of defined benefit plans			
Amount during the year	(¥238)	¥488	($1,595)
Reclassification adjustments	136	(138)	915
Amount before tax effects	(101)	350	(679)
Tax effects	33	(107)	223
Total	(¥68)	¥243	($456)
Total	(¥906)	¥5,907	($6,061)

16. Net Assets

(1) Movements of number of common stock issued and outstanding during the Years ended March 31, 2025 and 2024 are as follows:

	Number of shares	
	2025	2024
Balance at beginning of year	133,929,800	133,929,800
Increase	-	-
Decrease	-	-
Balance at end of year	133,929,800	133,929,800

(2) Movements of number of treasury stock during the Years ended March 31, 2025 and 2024 are as follows:

	Number of shares	
	2025	2024
Balance at beginning of year	9,050,500	9,005,241
Increase	126	87,669
Decrease	(57,810)	(42,410)
Balance at end of year	8,992,816	9,050,500

Note: The breakdown of the increase and decrease during the year ended March 31, 2025 is as follows:

Increase due to purchase of holder of shares less than one unit	126 shares
Decrease due to issuance of treasury shares by the trust	57,810 shares

The breakdown of the increase and decrease during the year ended March 31, 2024 is as follows:

Increase due to purchase of treasury shares by the trust	87,600 shares
Increase due to purchase of holder of shares less than one unit	69 shares
Decrease due to issuance of treasury shares by the trust	42,410 shares

(3) As of March 31, 2025 and 2024, the outstanding balance of subscription rights provided for as stock options amounted to nil.

(4) Cash dividends

・Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2024	Common stock	7,009	56	March 31, 2024	June 26, 2024

The total amount of dividends paid includes dividends of ¥16 million paid to the Company's shares held by trusts.

・Dividends accompanied by a record date in the reporting period and an effective date after the end of the reporting period The Company is scheduled to make a proposal at the Ordinary General Meeting of Shareholders to be held on June 25, 2025, are as follows:

Resolution	Class of shares	Source of dividends	Total amount of dividends (million yen)	Thousands of U.S. dollars	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 25, 2025	Common stock	Retained earnings	7,259	$48,553	58	March 31, 2025	June 26, 2025

The total amount of dividends paid includes dividends of ¥13 million ($89 thousand) paid to the Company's shares held by trusts.

17. Supplemental Cash Flow Information

The reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and deposits in the consolidated balance sheets as of March 31, 2025 and 2024 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Cash and deposits	¥56,755	¥44,295	$379,584
Time deposits maturing over three months	(5,735)	(6,576)	(38,360)
Cash and cash equivalents	¥51,019	¥37,718	$341,224

18. Lease transaction

Operating lease transaction

(Borrower)

Future lease payments for non-cancelable operating lease transactions:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Within a year	¥1,589	¥980	$10,630
Over a year	9,842	3,543	65,829
Total	¥11,432	¥4,524	$76,459

19. Financial Instruments

(1) Policy for financial instruments

The Company's fund management policy is to use highly secure financial instruments, such as term deposits, with purchases of financial instruments carried out in accordance with internal regulations including the fund management policy. As for funding, domestic consolidated subsidiaries are principally prohibited from borrowing from third parties and are only allowed to borrow from the Company. The Company borrows necessary funds from third parties if necessary. The Company uses derivatives in order to hedge foreign exchange risk and does not enter into derivative transactions for speculative or trading purposes.

(2) Nature of financial instruments and the related risks and risk management

Trade receivables consist of notes and accounts receivable and are exposed to customers' credit risk. In order to reduce such risk, the Company monitors the credit standing, due dates and outstanding balance by individual customer in accordance with our Group credit management policy.

Marketable securities consist of commercial paper and jointly-managed money trust and are highly safe financial instruments held for short-term investment. The Company considers their credit risk to be insignificant.

Investment securities consist of shares of companies with business relationships and debt securities for surplus fund management, and are exposed to market volatility risk. In order to reduce such risk, the Company reviews the market values and the financial position of the issuers on a regular basis.

Trade payables consist of notes and accounts payable and other payable are exposed to liquidity risk. The Company manages such risk by preparing fund management plans on a monthly basis. Also, the Company enhanced its centralized funding and cash management functions by implementing a cash management system.

To hedge exchange rate volatility risk related to monetary receivables and payables denominated in foreign currencies, the Company uses forward foreign exchange contracts. These derivative transactions are executed and managed in accordance with the internal regulations governing the transaction authorizations. The Company considers that credit risk arising from non-performance of counterparties is minimal because the counterparties to the derivative transactions are limited to domestic banks with high credit standing. Long-term loans payable is procured at fixed interest rates to avoid interest rate fluctuation risk. In addition, the finance division prepares and updates funding plans in a timely manner and manages liquidity risk by maintaining liquidity on hand.

(3) Supplementary explanation of the estimated fair value of financial instruments

The fair value may change depending on the different presumptions adopted, since variable factors are taken into account in determining the fair value. The contract amount of derivative transactions shown in Note 21 Derivative Financial Instruments does not represent market risk.

(4) Fair values of financial instruments

Carrying amount, estimated fair value and the difference between them for financial instruments as of March 31, 2025 and 2024 are shown in the following table.

	Millions of yen		
(As of March 31, 2025)	Carrying Amount	Estimated Fair Value	Difference
Assets			
Investment securities			
Available-for-sale	1,528	1,528	—
Total assets	¥ 1,528	¥ 1,528	—
Liabilities			
Long-term borrowings	35,000	34,445	(554)
Total liabilities	¥ 35,000	¥ 34,445	¥ (554)
Derivative transactions			
Hedge accounting not applied	446	446	—
Total derivative transactions	¥ 446	¥ 446	—

	Thousands of U.S. dollars		
(As of March 31, 2025)	Carrying Amount	Estimated Fair Value	Difference
Assets			
Investment securities			
Available-for-sale	10,224	10,224	—
Total assets	$ 10,224	$ 10,224	—
Liabilities			
Long-term borrowings	234,082	230,374	(3,708)
Total liabilities	$ 234,082	$ 230,374	$ (3,708)
Derivative transactions			
Hedge accounting not applied	2,988	2,988	—
Total derivative transactions	$ 2,988	$ 2,988	—

* The note of "Cash" is omitted. "Deposits", "Notes receivable", "Accounts receivable", "Notes and accounts payable-trade", "Short-term loans payable" and "Accounts payable-other" are omitted because their fair values approximate their carrying amounts due to their short-term settlement.
* Receivables and payables arising from derivative transactions are presented in net amount, with the net liability amount presented in parenthesis.
* Equity securities without market price are unlisted shares. It is not included in "Investment securities". The carrying amount is ¥450 million ($3,012 thousand).

* Investment in unions and other similar entities whose share equivalent to the net amount is recorded in the consolidated balance sheet is omitted. The carrying amount is ¥1,284 million ($8,591 thousand).

	Millions of yen		
(As of March 31, 2024)	Carrying Amount	Estimated Fair Value	Difference
Assets			
Investment securities			
Available-for-sale	1,981	1,981	—
Total assets	¥ 1,981	¥ 1,981	—
Liabilities			
Long-term borrowings	25,000	25,036	36
Total liabilities	¥ 25,000	¥ 25,036	¥ 36
Derivative transactions			
Hedge accounting not applied	1,804	1,804	—
Total derivative transactions	¥ 1,804	¥ 1,804	—

* The note of "Cash" is omitted. "Deposits", "Notes receivable", "Accounts receivable", "Notes and accounts payable-trade", "Short-term loans payable" and "Accounts payable-other" are omitted because their fair values approximate their carrying amounts due to their short-term settlement.
* Receivables and payables arising from derivative transactions are presented in net amount, with the net liability amount presented in parenthesis.
* Equity securities without market price are unlisted shares. It is not included in "Investment securities". The carrying amount is ¥409 million.
* Investment in unions and other similar entities whose share equivalent to the net amount is recorded in the consolidated balance sheet is omitted. The carrying amount is ¥792 million.

Notes 1 Redemption schedule of monetary receivables and marketable securities with maturities after March 31, 2025 and 2024.

	Millions of yen			
(As of March 31, 2025)	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 56,755	—	—	—
Notes Receivable - trade	888	—	—	—
Accounts receivable	40,730	—	—	—
Total	¥ 98,374	—	—	—

	Thousands of U.S. dollars			
(As of March 31, 2025)	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	$ 379,583	—	—	—
Notes Receivable - trade	5,944	—	—	—
Accounts receivable	272,406	—	—	—
Total	$ 657,934	—	—	—

	Millions of yen			
(As of March 31, 2024)	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 44,295	—	—	—
Notes Receivable - trade	922	—	—	—
Accounts receivable	53,196	—	—	—
Total	¥ 98,413	—	—	—

Notes 2 Repayment schedule of long-term borrowings, lease obligations, and other interest-bearing liabilities after March 31, 2025 and 2024.

(Millions of yen)

March 31 2025	2025	2026	2027	2028	2029	2030 and beyond
Long-term borrowings	—	10,000	10,000	8,400	6,600	—
Short-term Borrowings	883	—	—	—	—	—
Lease obligations	203	199	125	76	56	9
Total	1,086	10,199	10,125	8,476	6,656	9

(Thousands of U.S. dollars)

March 31 2025	2025	2026	2027	2028	2029	2030 and beyond
Long-term borrowings	—	66,880	66,880	56,179	44,141	—
Short-term Borrowings	5,908	—	—	—	—	—
Lease obligations	1,360	1,332	841	514	378	63
Total	7,286	68,212	67,722	56,694	44,519	63

(Millions of yen)

March 31 2024	2024	2025	2026	2027	2028	2029 and beyond
Long-term borrowings	—	—	10,000	10,000	5,000	—
Short-term Borrowings	1,433	—	—	—	—	—
Lease obligations	169	164	95	82	53	37
Total	1,602	164	10,095	10,082	5,053	37

(5) Breakdown of the Fair Value of Financial Instruments by Level

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs to the determination of fair value:

Level 1 fair value: Of inputs for determining observable fair value, fair value calculated using market prices for assets or liabilities that are formed in active markets and are subject to such fair value calculations

Level 2 fair value: Fair value calculated using inputs for determining observable fair value other than inputs for Level 1

Level 3 fair value: Fair values calculated using inputs for determining fair values that are unobservable

If we use multiple inputs that are significant to the determination of fair value, we categorize fair value into the level in which each of these inputs has the lowest priority in determining fair value.

・Financial instruments recorded in the consolidated balance sheets at fair value

	Millions of yen			
	2025			
	Fair values			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale				
Equity securities	¥ 1,528	—	—	¥ 1,528
Derivatives				
Related to currency	—	¥ 446	—	446
Asset Total	¥ 1,528	¥ 446	—	¥ 1,975

	Thousands of U.S. dollars			
	2025			
	Fair values			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale				
Equity securities	$ 10,224	—	—	$ 10,224
Derivatives				

	Level 1	Level 2	Level 3	Total
Related to currency	–	$ 2,988	–	2,988
Asset Total	$ 10,224	$ 2,988	–	$ 13,212

	Millions of yen			
	2024			
	Fair values			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale				
Equity securities	¥ 1,981	–	–	¥ 1,981
Derivatives				
Related to currency	–	¥ 1,804	–	1,804
Asset Total	¥ 1,981	¥ 1,804	–	¥ 3,786

・Financial instruments except financial instruments recorded in the consolidated balance sheets at fair value

As of March 31, 2025

	Millions of yen			
	2025			
	Far values			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	¥ 34,445	–	¥ 34,445
Liabilities Total	–	¥ 34,445	–	¥ 34,445

	Thousands of U.S. dollars			
	2025			
	Far values			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	$ 230,374	–	$ 230,374
Liabilities Total	–	$ 230,374	–	$ 230,374

As of March 31, 2024

	Millions of yen			
	2024			
	Far values			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	¥ 25,036	–	¥ 25,036
Liabilities Total	–	¥ 25,036	–	¥ 25,036

Note: Description of valuation techniques used to determine fair value and inputs for determining fair value

Available-for-sale

Listed stocks are valued using quoted prices. Listed stocks are traded in an active market and, therefore, their fair values are classified as Level 1 fair values.

Derivative transactions

The fair value of foreign currency forward contracts is determined using the discounted present value method using observable inputs such as interest rates and foreign currency exchange rates and is classified as Level 2 fair value.

Long-term borrowings

The fair value of Long-term borrowings is determined using the discounted present method based on the total amount of principal and interest, the remaining period of the issue, the interest rate that takes into account credit risk and is classified as Level 2 fair value.

20. Short-Term Borrowings and Long-Term Debt

The outstanding balance of short-term borrowings, long-term debt, lease obligations and other interest-bearing liabilities as of March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars	Average interest rate
	2025	2024	2025	2025
				(%)
Short-term borrowings	¥883	¥1,433	$5,908	6.7
Current portion of lease obligations	203	169	1,360	-

Long-term borrowings	35,000	25,000	234,082	0.6
Lease obligations, excluding current portion	468	433	3,131	-
Other interest-bearing liabilities	5	5	38	0.0
Total	¥36,560	¥27,042	$244,520	-

Note: "Average interest rate" represents the weighted average interest rate on the respective ending balance. The average interest rate for lease obligations is not disclosed as lease obligations include the interest component of the lease payments and it is not practicable to calculate average interest rate.

The aggregate annual maturities of lease obligations and long-term borrowings are summarized below:

	Millions of yen	Thousands of U.S. dollars	Millions of yen	Thousands of U.S. dollars
Years ending March 31,	Long-Term Borrowings		Lease obligations	
2027	10,000	66,880	199	1,332
2028	10,000	66,880	125	841
2029	8,400	56,179	76	514
2030	6,600	44,141	56	378

21. Marketable and Investment Securities

(1) The summary of acquisition cost and carrying value of held to maturity and available-for-sale securities as of March 31, 2025 and 2024 is as follows:

Held-to-maturity

As of March 31, 2025 and 2024

No applicable items.

Available-for-sale

	Millions of yen			Thousands of U.S. dollars		
	2025			2025		
	Carrying amount	Acquisition cost	Unrealized gains (losses)	Carrying amount	Acquisition cost	Unrealized gains (losses)
(Securities with carrying value exceeding acquisition cost)						
Equity securities	¥1,503	¥635	¥867	$10,053	$4,249	$5,804
(Securities with carrying value not exceeding acquisition cost)						
Equity securities	25	30	(5)	170	205	(35)
Total	¥1,528	¥666	¥862	$10,224	$4,455	$5,768

	Millions of yen		
	2024		
	Carrying amount	Acquisition cost	Unrealized gains (losses)
(Securities with carrying value exceeding acquisition cost)			
Equity securities	¥ 1,968	¥ 846	¥1,121
(Securities with carrying value not exceeding acquisition cost)			
Equity securities	13	20	(7)
Total	¥ 1,981	¥ 867	¥1,114

Note: Unlisted shares and investments in partnerships, etc., which are recorded on the consolidated balance sheet at the net amount of the Company's equity interest, with carrying values of ¥1,532 million ($10,247 thousand) and ¥1,015 million as of March 31, 2025 and 2024, respectively, are not included in the above table as their market value is not readily available.

(2) Sales of available-for-sale securities

	Millions of yen			Thousands of U.S. dollars		
	2025			2025		
	Sales amount	Gain on sales	Loss on sales	Sales amount	Gain on sales	Loss on sales
Equity securities	¥ 353	¥150	-	$ 2,364	$ 1,008	-
Total	¥ 353	¥150	-	$ 2,364	$ 1,008	-

	Millions of yen		
	2024		
	Sales amount	Gain on sales	Loss on sales
Equity securities	¥ 217	¥74	-
Total	¥ 217	¥74	-

(3) Impairment loss on available-for-sale securities

The Company recognizes impairment loss for the full amount of securities when the fair value declines below 50% of the acquisition cost, and for amounts deemed necessary after consideration of recoverability when the fair value declines by 30 to 50% of the acquisition cost. During the year ended March 31, 2025 and 2024, impairment losses recognized on equity securities classified as available-for-sale securities were ¥125 million ($842 thousand) and ¥71 million.

22. Derivative Financial Instruments

Information on derivative transactions of the Company that do not meet the criteria for hedge accounting as of March 31, 2025 and 2024 is as follows:

	Millions of yen			
	2025			
	Contract amount	Maturity over one year	Fair value	Revaluation gain/loss
Non-exchange transactions				
Forward foreign exchange contracts				
USD Sell	¥ 4,339	-	¥ (59)	¥ (59)
GBP Sell	4,152	¥ 4,152	(56)	(56)
USD Buy	5,199	-	563	563
Total	¥ 13,690	¥ 4,152	¥ 446	¥446

	Thousands of U.S. dollars			
	2025			
	Contract amount	Maturity over one year	Fair value	Revaluation gain/loss
Non-exchange transactions				
Forward foreign exchange contracts				
USD Sell	$ 29,019	-	$ (400)	$ (400)
GBP Sell	27,773	$ 27,773	(378)	(378)
USD Buy	34,772	-	3,767	3,767
Total	$ 91,565	$27,773	$ 2,988	$ 2,988

	Millions of yen			
	2024			
	Contract amount	Maturity over one year	Fair value	Revaluation gain/loss
Non-exchange transactions				
Forward foreign exchange contracts				
GBP Sell	¥ 4,219	-	¥ (48)	¥ (48)
EUR Buy	375		21	21
USD Buy	11,403	¥5,186	1,831	1,831
Total	¥ 15,998	¥ 5,186	¥ 1,804	¥1,804

* Fair value is determined based on the price provided by the financial institutions that are counterparties to the transactions

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23. Retirement Benefits for Employees

The Company and its 2 domestic consolidated subsidiaries have corporate pension plans and lump-sum payment plans that are multi-employer plans as defined benefit pension plans. Other domestic consolidated subsidiaries and certain foreign consolidated subsidiaries have lump-sum payment plans or defined contribution pension plans. The Company adopts defined contribution pension plans and prepaid retirement allowance plans.

Charges for net defined benefit liability and retirement benefit expenses for a portion of the Company's retirement benefit plans, the defined benefit pension plans for consolidated subsidiaries and the retirement lump-sum payment plans are calculated using the simplified accounting method.

Notes relating to retirement benefits based on defined benefit plans include the portion related to multi-employer plans.

(1) The changes in the retirement benefit obligation for the years ended March 31, 2025 and 2024 are as follows:

(excluding the plans to which the simplified accounting method is applied)

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Balance at beginning of year	¥15,671	¥15,158	$104,812
Service cost	785	754	5,250
Interest cost	214	165	1,434
Actuarial loss (gain)	2	98	15
Retirement benefits paid	(737)	(764)	(4,933)
Past service cost	9	-	63
Increase resulting from changes from the simplified method to the principle method	-	236	-
Other	-	21	-
Retirement benefit obligations at end of year	¥15,945	¥15,671	$106,642

(2) The changes in plan assets for the years ended March 31, 2025 and 2024 are as follows:

(excluding the plans to which the simplified accounting method is applied)

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Balance at beginning of year	¥13,451	¥12,576	$ 89,961
Expected return on plan assets	201	188	1,349
Actuarial gain (loss)	(226)	587	(1,516)
Employer's contribution	539	509	3,608
Retirement benefits paid	(394)	(410)	(2,635)
Plan assets at end of year	¥13,571	¥13,451	$90,767

(3) Changes to balance of net defined benefit liability of the plans, to which the simplified accounting method is applied, at beginning and end of year

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Balance at beginning of year	¥1,291	¥1,506	$8,637
Retirement benefit expense	198	225	1,325
Retirement benefits paid	(167)	(242)	(1,122)
Contribution to the plans	(13)	(13)	(89)
Increase (decrease) due to foreign currency translation	(31)	50	(211)
Increase resulting from changes from the simplified method to the principle method	-	(236)	-
Net defined benefit liability at end of year	¥1,276	¥1,291	$8,539

(4) Reconciliation of the ending balances of retirement benefit obligations and plan assets with the net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheet

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Funded retirement benefit obligations	¥8,645	¥9,198	$57,820
Plan assets	(13,832)	(13,703)	(92,510)
	(5,186)	(4,505)	(34,690)
Unfunded retirement benefit obligations	8,837	8,017	59,104
Net liabilities (assets) recorded on the consolidated balance sheet	3,650	3,512	24,414
Net defined benefit liability	8,853	8,017	59,211
Net defined benefit asset	(5,202)	(4,505)	(34,796)
Net liabilities (assets) recorded on the consolidated balance sheet	¥3,650	¥3,512	$24,414

(5) Retirement benefit expenses and breakdown of amounts

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Service cost	¥785	¥754	$5,250
Interest cost	214	165	1,434
Expected return on plan assets	(201)	(188)	(1,349)
Amortization of actuarial loss	133	204	895
Amortization of past service cost	2	(342)	19
Retirement benefit expense using the simplified method	198	225	1,325
Additional severance payments, etc.	3	23	22
Retirement benefit expense related to the defined benefit plans	¥1,136	¥843	$7,599

(6) Remeasurements of defined benefit plans

The breakdowns of items recorded under remeasurements of defined benefit plans (before deduction of tax) are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Past service cost	¥ (6)	¥ (342)	$ (43)
Actuarial gain (loss)	(95)	692	(636)
Total	¥ (101)	¥ 350	$ (679)

(7) Accumulated remeasurements of defined benefit plans

The breakdowns of items recorded under accumulated remeasurements of defined benefit plans (before deduction of tax) are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Unrecognized past service cost	¥ 12	¥ 5	$ 82
Unrecognized actuarial loss	211	116	1,416
Total	¥ 224	¥ 122	$ 1,498

(8) Items related to plan assets

(a) Breakdown of main items

Allocation of main plan asset items comprising the total is as follows:

	2025	2024
Domestic bonds	21.1%	16.6%
Domestic equity	2.8	3.3
Foreign bonds	20.8	26.2
Foreign equity	7.0	7.3
Alternative investments*	20.2	20.1
General life insurance accounts	12.5	12.5
Other	15.6	14.0
Total	100.0%	100.0%

* Alternative investments are mainly managed by the investment advisory company with the deposits of investment fund.

(b) Method for determining the long-term expected rate of return

In determining the long-term expected rate of return, conservative estimates are made of the assumed interest rate for the corporate pension, the current and expected allocation of plan assets, and the current and future long-term expected rate of return from the various assets that compose the plan assets.

(9) Items related to actuarial calculations

Main components used in actuarial calculations are as follows:

	2025	2024
	(%)	(%)
Discount rate	2.0	1.4
Long-term expected rate of return	1.5	1.5
Expected salary increase rate	6.6	5.9

The amounts of required contributions to the defined contribution plans of the Company and consolidated subsidiaries for the years ended March 31, 2025 and 2024 were ¥403 million ($2,695 thousand) and ¥370 million, respectively.

24. Stock Options

No applicable items.

25. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to several types of taxes: corporate tax, local inhabitant taxes and enterprise taxes, which in the aggregate resulted in a statutory tax rate of approximately 30.5% for the fiscal years ended March 31, 2025 and 2024, respectively. Overseas subsidiaries are subject to income and other taxes of the respective countries in which they operate.

With the Japanese Diet's enactment of The Act for Partial Revision of the Income Tax Act, etc. on March 31, 2025, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities (settlement made on or after April 1, 2026) change from 30.5% to 31.4%.
As a result, deferred tax assets (after offsetting deferred tax liabilities) increased by ¥5 million ($39 thousand) and income taxes-deferred decreased by ¥11 million ($79 thousand) as of and for the year ended March 31, 2025.

A reconciliation of the statutory tax rate to the effective tax rates for the years ended March 31, 2025 and 2024 is as follows:

	2025	2024
	(%)	(%)
Statutory tax rate	30.5	30.5
Adjustments:		
Entertainment and other permanently non-deductible expenses	0.4	0.6
Dividend and other permanently non-taxable income	(0.0)	(0.0)
Special tax credit for income tax	(5.8)	(0.3)
Per capital inhabitant tax	0.3	0.3
Changes in valuation allowances	(0.8)	(0.7)
Amortization of goodwill	2.3	2.1
Others	0.1	(0.2)
Effective tax rates	26.9	32.2

Significant components of deferred tax assets and liabilities as of March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Deferred tax assets:			
Allowance for doubtful accounts	¥39	¥24	$264
Provision for bonuses	1,917	1,962	12,821
Accrued expenses	2,176	2,380	14,554
Enterprise tax payable	252	356	1,685
Provision for share-based remuneration	31	30	213
Provision for share-based remuneration for directors (and other officers)	93	85	624
Retirement benefit liabilities	2,645	2,314	17,693
Provision for retirement benefits for directors (and other officers)	2	1	14
Depreciation	1,494	1,709	9,997
Impairment loss	211	358	1,413
Asset retirement obligations	454	207	3,042
Carryforward tax loss (Note 2)	953	905	6,378
Others	733	666	4,906
Deferred tax assets – total	11,006	11,002	73,611
Valuation reserve for carryforward tax loss (Note 2)	(387)	(542)	(2,589)
Valuation reserve for deductible temporary differences	(187)	(448)	(1,251)
Valuation reserve – total (Note 1)	(574)	(991)	(3,841)
Net deferred tax assets	10,432	10,010	69,770
Deferred tax liabilities:			
Valuation difference on available-for-sales securities	(267)	(340)	(1,792)
Deferred gains on property, plant and equipment	(366)	(371)	(2,451)
Asset retirement obligations	(288)	(39)	(1,926)
Deferred gain on reorganization	(1,918)	(2,050)	(12,828)
Retirement benefit asset	(1,639)	(1,380)	(10,967)
Others	(2,790)	(2,274)	(18,664)
Deferred tax liabilities – total	(7,271)	(6,457)	(48,631)
Net deferred tax assets	¥3,160	¥3,553	$21,138

(Note) 1. Valuation reserve decreased by ¥ 417 million, due to decrease for the consolidated subsidiaries with significant carryforward tax loss in the fiscal year.

2. Carryforward tax loss and its deferred tax assets by expiration periods

(Millions of yen)

March 31 2025	2026	2027	2028	2029	2030	2031 and beyond	Total
Carryforward tax loss (a)	125	44	85	–	10	688	953
Valuation reserve	(125)	(44)	(85)	–	(4)	(127)	(387)
Net deferred tax assets	–	–	–	–	5	560	(b) 566

(Thousands of U.S. dollars)

March 31 2025	2026	2027	2028	2029	2030	2031 and beyond	Total
Carryforward tax loss (a)	837	295	571	–	71	4,603	6,378
Valuation reserve	(837)	(295)	(571)	–	(32)	(852)	(2,589)
Net deferred tax assets	0	0	0	–	38	3,750	(b)3,789

(a) Carryforward tax loss shown in the above table is after multiplying the statutory tax rate.

(b) The net deferred tax assets of ¥ 953 million ($6,378 thousand) for carryforward tax loss of ¥ 566 million ($3,789 thousand) in consolidated subsidiaries was available for reduction of future taxable income respectively.

(Millions of yen)

March 31 2024	2025	2026	2027	2028	2029	2030 and beyond	Total
Carryforward tax loss (a)	141	132	46	90	4	490	905
Valuation reserve	(141)	(132)	(46)	(90)	(4)	(128)	(542)
Net deferred tax assets	-	-	-	-	-	362	(b) 362

(a) Carryforward tax loss shown in the above table is after multiplying the statutory tax rate.
(b) The net deferred tax assets of ¥ 362 million for carryforward tax loss of ¥ 905 million in consolidated subsidiaries was available for reduction of future taxable income respectively.

26. Revenue Recognition

1. Breakdown of revenue from contracts with customers

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Domestic production and sale of snack and other foods business	¥243,202	¥229,887	$1,626,554
Overseas production and sale of snack and other foods business	79,362	73,140	530,782
Total	¥322,564	¥303,027	$2,157,336

2. Underlying information to understand revenues

Underlying information to understand revenues is provided in “Notes to Consolidated financial statements Summary of Significant Accounting Policies (p) Recognition of revenues and expenses”.

3. Information on the relationship between fulfillment of obligations under contracts with customers and cash flows resulting from such contracts, and the amount and timing of proceeds expected to be recognized in the following fiscal year or later from contracts with customers that exist at the end of this fiscal year

(1) Contract balances

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Receivables arising from an entity’s contracts with customers (Beginning balance)	¥54,118	¥37,121	$361,945
Receivables arising from an entity’s contracts with customers (Ending balance)	41,619	54,118	278,351

The amount of revenue recognized from performance obligations satisfied (or partially satisfied) in prior fiscal year was immaterial in the fiscal year.

(2) Transaction price allocated to the remaining performance obligations

There is no transaction price allocated to the remaining performance obligations in our group.

27. Segment Information

For the years ended March 31, 2025 and 2024, information on operating segments is not disclosed as the Company has only one reporting segment, “Production and sale of snacks and other foods.”

[Related information]

(1) Sales by product and service

	Millions of yen					
	2025					
	Snacks	Other foods	Other	Sub-Total	Deduction of rebates, etc.	Total
Sales to third parties	¥ 308,099	¥ 51,974	¥ 1,827	¥ 361,901	¥ (39,336)	¥ 322,564

	Thousands of U.S. dollars					
	2025					
	Snacks	Other foods	Other	Sub-Total	Deduction of rebates, etc.	Total
Sales to third parties	$2,060,589	$347,608	$12,225	$2,420,423	$(263,087)	$2,157,336

	Millions of yen					
	2024					
	Snacks	Other foods	Other	Sub-Total	Deduction of rebates, etc.	Total
Sales to third parties	¥ 289,813	¥ 47,265	¥ 1,777	¥ 338,857	¥ (35,829)	¥ 303,027

(2) Information by region

Information about sales by region is as follows:

	Millions of yen				
	2025				
	Japan	America	China	Others	Total
Sales	¥ 243,202	¥ 24,718	¥ 9,939	¥ 44,704	¥ 322,564

	Thousands of U.S. dollars				
	2025				
	Japan	America	China	Others	Total
Sales	$1,626,554	$165,316	$66,478	$298,986	$2,157,336

	Millions of yen				
	2024				
	Japan	America	China	Others	Total
Sales	¥ 229,887	¥ 21,526	¥ 10,760	¥ 40,853	¥ 303,027

Information about property, plant and equipment by region is as follows:

	Millions of yen				
	2025				
	Japan	America	China	Others	Total
Property, plant and equipment	¥ 118,214	¥ 10,705	¥ 675	¥ 16,187	¥ 145,782

	Thousands of U.S. dollars				
	2025				
	Japan	America	China	Others	Total
Property, plant and equipment	$780,624	$71,600	$4,516	$108,263	$975,004

	Millions of yen				
	2024				
	Japan	America	China	Others	Total
Property, plant and equipment	¥ 97,181	¥ 10,360	¥ 650	¥ 15,464	¥ 123,657

(3) Sales by major customers

Sales by major customers for the year ended March 31, 2025 and 2024 are omitted because there are no customers more than 10% of net sales.

(4) Impairment loss on fixed assets by reporting segment

	Millions of yen				
	2025				
	Reporting segment				
	Production and sale of snacks and other foods	Total	Other	Corporate / elimination	Total
Impairment loss	¥ 17	¥ 17	-	-	¥ 17

	Thousands of U.S. dollars				
	2025				
	Reporting segment				
	Production and sale of snacks and other foods	Total	Other	Corporate / elimination	Total
Impairment loss	$ 114	$ 114	-	-	$ 114

	Millions of yen				
	2024				
	Reporting segment				
	Production and sale of snacks and other foods	Total	Other	Corporate / elimination	Total
Impairment loss	¥ 377	¥ 377	-	-	¥ 377

(5) Amortization and unamortized balance of goodwill by reporting segment

	Millions of yen				
	2025				
	Reporting segment				
	Production and sale of snacks and other foods	Total	Other	Corporate / elimination	Total
Amortization	¥ 2,152	¥ 2,152	-	-	¥ 2,152
Balance at end of year	¥ 20,548	¥ 20,548	-	-	¥ 20,548

	Thousands of U.S. dollars				
	2025				
	Reporting segment				
	Production and sale of snacks and other foods	Total	Other	Corporate / elimination	Total
Amortization	$ 14,397	$ 14,397	-	-	$ 14,397
Balance at end of year	$ 137,426	$ 137,426	-	-	$ 137,426

(Note) The amount of amortization and balance at end of year are mainly related to acquisition of stock of Calbee Kaitsuka Sweet Potato,Inc.as follows.

Amortization ¥972 million (US$6,505 thousand)
Balance at end of year ¥9,726 million (US$65,052 thousand)

	Millions of yen				
	2024				
	Reporting segment				
	Production and sale of snacks and other foods	Total	Other	Corporate / elimination	Total
Amortization	¥ 2,081	¥ 2,081	-	-	¥ 2,081
Balance at end of year	¥ 22,650	¥ 22,650	-	-	¥ 22,,650

(Note) The amount of amortization and balance at end of year related to acquisition of stock of Calbee Kaitsuka Sweet Potato,Inc. are as follows.

Amortization ¥972 million
Balance at end of year ¥10,699 million

28. Related Party Transactions

The following summarizes related party transactions for the years ended March 31, 2025 and 2024.

(1) For the year ended March 31, 2025
No applicable items.

(2) For the year ended March 31, 2024
No applicable items.

29. Per Share Information

Per share information as of March 31, 2025 and 2024 and for the years then ended is as follows:

	Yen		U.S. dollars
	2025	2024	2025
Net assets per share	¥1,642.27	¥1,535.49	$10.98
Net income per share	¥ 167.11	¥ 159.22	$ 1.11

Basis for calculation of net assets per share is as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Total net assets	¥215,067	¥201,086	$1,438,386
Net assets attributable to common stock	¥205,180	¥191,751	$1,372,259
Major components of the difference			
Non-controlling interests	¥ 9,887	¥ 9,335	$ 66,127

	Number of shares	
	2025	2024
Number of common stock issued and outstanding	133,929,800	133,929,800
Treasury stock of common stock	8,992,816	9,050,500
Number of common shares used in calculation of net assets per share	124,936,984	124,879,300

Basis for calculation of net income per share is as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Basis for calculation of net income per share			
Net income attributable to owners of parent	¥20,874	¥19,886	$139,611
Net income attributable to owners of parent attributable to common stock	¥20,874	¥19,886	$139,611
Net income attributable to owners of parent to common stock	-	-	-

	Number of shares	
	2025	2024
Average number of shares outstanding during the year	124,918,029	124,899,573

Note: The Company's own stock in the trust recorded as treasury stock under shareholders' equity includes treasury shares excluded from the average number of shares during the period used for calculating net income per share and treasury shares excluded from the number of shares outstanding at the end of the fiscal year used for calculating net assets per share.
249,242 treasury shares (267,811 shares in 2024) were excluded from the average number of shares during the year used for calculating net income per share for the year ended March 31, 2025 and 230,245 treasury shares (288,055 shares in 2024) were excluded from the number of shares outstanding used for calculating net assets per share at March 31, 2025.
Diluted net income is not presented since there are no dilutive securities.

30. Subsequent events

No applicable items.

31. Contingent Liabilities

No applicable items.

32. Business combination and other related matters

Description is omitted because of lack of materiality.