

Consolidated Financial Statements for the First Half of the Fiscal Year Ending March 31, 2023

April 1, 2022 to September 30, 2022

Calbee, Inc.

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

SUMMARY OF FINANCIAL STATEMENTS (consolidated)

First Half Results for the Fiscal Year Ending March 31, 2023

Calbee, Inc.

November 7, 2022

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

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

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Scheduled date for submission of the first half financial report: November 10, 2022

Scheduled date for distribution of dividends: --

Availability of supplementary explanatory material for the first half results: Available

Quarterly results presentation meeting: Yes (conference call for institutional investors and analysts)

1) Consolidated results for the first six months (April 1, 2022 to September 30, 2022) of the fiscal year ending March 31, 2023

(1) Consolidated Operating Results

| | Six months ended September 30, 2021 | | Six months ended September 30, 2022 | |
|--|--|----------|--|----------|
| | | % change | | % change |
| Net sales | 120,440 | — | 133,212 | 10.6 |
| Operating profit..... | 13,302 | 2.2 | 10,246 | (23.0) |
| Ordinary profit..... | 13,574 | 6.5 | 12,711 | (6.4) |
| Profit attributable to owners of parent..... | 9,178 | 11.6 | 8,311 | (9.4) |
| Earnings per share (¥)..... | 68.68 | | 64.37 | |
| Earnings per share (diluted) (¥)..... | — | | — | |

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.

2. Comprehensive income: Six months ended September 30, 2022: ¥12,907 million (39.4%)

Six months ended September 30, 2021: ¥9,257 million (5.3%)

3. As Calbee applied the "Accounting Standard for Revenue Recognition" (Business Accounting Standards No. 29) from the beginning of the fiscal year ended March 2022, the percentage change in net sales from the same period of the previous fiscal year is not shown. Assuming that the same accounting standard as before was applied to sales for the first half of the fiscal year ended March 2022, the percentage of change from the same period of the previous fiscal year is 4.0%, excluding the impact of the application of this accounting standard.

(2) Consolidated Financial Position

| | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| | Total assets | 236,598 |
| Net assets | 183,458 | 190,585 |
| Shareholders' equity/total assets (%)..... | 74.1 | 73.4 |

Shareholders' equity: As of September 30, 2022: ¥180,745 million

As of March 31, 2022: ¥175,379 million

2) Dividends

| | FY ended March 31, 2022 | FY ending March 31, 2023 (forecast) |
|-----------------------------------|--------------------------------|--|
| | Interim period per share | 0.00 |
| Year-end dividend per share | 52.00 | 52.00 |
| Annual dividend per share..... | 52.00 | 52.00 |

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

3) Consolidated forecasts for the fiscal year ending March 31, 2023(April 1, 2022 to March 31, 2023)

| | Millions of yen | |
|--|-----------------|----------|
| | | % change |
| Net sales | 274,000 | 11.6 |
| Operating profit..... | 22,000 | (12.5) |
| Ordinary profit..... | 25,000 | (7.2) |
| Profit attributable to owners of parent..... | 15,500 | (14.1) |
| Earnings per share (¥)..... | 120.03 | |

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.

2. Changes from the most recently announced results forecast: Yes

Notes

- (1) Transfers of important subsidiaries during the period (transfers of specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Use of special accounting procedures: None
- (3) Changes in accounting policy, changes in accounting estimates, and restatements:
 1. Changes in accounting policies following revisions of accounting standards: None
 2. Changes in accounting policies other than 1: None
 3. Changes in accounting estimates: None
 4. Restatements: None
- (4) Number of outstanding shares (common stock)

| | As of March 31, 2022: | As of September 30, 2022: |
|---|-----------------------------------|-----------------------------------|
| 1. Number of outstanding shares (including treasury shares) | 133,929,800 shares | 133,929,800 shares |
| 2. Number of treasury shares | 4,808,426 shares | 4,794,416 shares |
| | Six months to September 30, 2021: | Six months to September 30, 2022: |
| 3. Average number of shares during the period | 133,649,299 shares | 129,126,339 shares |

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 249,165 of these shares as of September 30, 2022 and 263,265 of these shares as of March 31, 2022, and the average number of shares excludes 258,257 treasury shares in the six months to September 30, 2022, and 279,574 treasury shares in the six months to September 30, 2021.

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

Appropriate use of financial forecasts and other items

1. Forecasts, etc., recorded in this document include forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For details of forecasts, please see Page 9, 1. Operating results (3) Consolidated forecasts for the fiscal year ending March 31, 2023.
2. The earnings per share forecast for the fiscal year ending March 31, 2023 is calculated using 129,130,849 shares as the expected average number of shares for the period.
3. Calbee, Inc. has scheduled a financial results conference for institutional investors and analysts for November 7, 2022. An audio recording of the conference will be made available on our Japanese website after the conference.

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1. Operating results

(1) Summary of business performance

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

Net sales during the six-month period under review were ¥133,212 million (up 10.6%) due to growth in both domestic and overseas business on higher demand as well as price revisions implemented in response to accelerating cost inflation. Sales in the domestic business were ¥97,782 million (up 4.6%): gift snack items and convenience store sales grew in line with recovery in domestic travel demand and the lifting of COVID restrictions, despite a significant impact from having restrained sales promotion activities on last year's shortage of Hokkaido-grown potatoes. Sales in the overseas business were ¥35,429 million (up 31.3%) due to growth in sales of snack foods in North America, Greater China, the United Kingdom, Indonesia and other regions.

Operating profit was ¥10,246 million (down 23.0%), and operating margin was 7.7%, a decrease of 3.4 percentage points as contributions from increased sales could not offset the negative impact of rising raw material costs (cooking oils, imported potatoes, packaging, etc.) and energy costs. Ordinary profit was ¥12,711 million (down 6.4%) on the recognition of foreign exchange gains accompanying the ongoing depreciation of the yen. Profit attributable to owners of parent was ¥8,311 million (down 9.4%).

Results by business are as follows.

Millions of yen, rounded down

| | H1 FY ended March 31, 2022 | H1 FY ending March 31, 2023 | |
|---|-------------------------------|--------------------------------|------------|
| | Amount | Amount | Growth (%) |
| Domestic production and sale of snack and other foods business | 93,449 | 97,782 | +4.6 |
| Domestic snack foods | 87,674 | 90,051 | +2.7 |
| Domestic cereals | 13,163 | 13,432 | +2.0 |
| Domestic, others | 4,896 | 5,619 | +14.8 |
| Deduction of rebates, etc. | (12,284) | (11,320) | — |
| Overseas production and sale of snack and other foods business | 26,991 | 35,429 | +31.3 |
| Total, production and sale of snack and other foods business | 120,440 | 133,212 | +10.6 |

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

Production and sale of snack and other foods business

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

Domestic production and sale of snack and other foods business

• Domestic snack foods:

Domestic snack foods sales increased.

Sales by product are as follows.

Millions of yen, rounded down

| | H1 FY ended March 31, 2022 | H1 FY ending March 31, 2023 | |
|--|-------------------------------|--------------------------------|------------|
| | Amount | Amount | Growth (%) |
| <i>Potato Chips</i> | 41,099 | 40,622 | (1.2) |
| <i>Jagarico</i> | 17,895 | 18,964 | +6.0 |
| Products with new value / other snacks | 28,679 | 30,464 | +6.2 |
| Total, domestic snack foods | 87,674 | 90,051 | +2.7 |

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

** “Potato-based snacks (*Jagabee / Jaga Pokkuru*)”, “Flour-based snacks”, “Corn-and bean-based snacks” and “Other snacks”, which had been presented separately until the previous fiscal year, have been included in “Products with new value / other snacks” from this fiscal year. The figures for the previous fiscal year have also been reclassified accordingly.

- Sales of *Potato Chips* decreased due to prolonged restraint in sales promotion activities in response to the impact of last year’s shortage of Hokkaido-grown potatoes, despite measures such as increasing imported products. From September onward, *Potato Chips* have been recovering as we resumed sales promotion activities in conjunction with the start of this year’s potato harvest in Hokkaido.
- Sales of *Jagarico* increased due to strong sales of L-size and limited time products at convenience stores, reflecting higher demand related to outings.
- Sales of products with new value / other snacks increased due to a shift in consumption resulting from restrained sales promotions for *Potato Chips* and growth in gift snack items. Marketing activities, such as new product launches and TV commercials, also contributed.

• Domestic cereals:

Sales of domestic cereals were ¥13,432 million (up 2.0%) due to contributions from *Baked Oats*, a new product responding to rising demand for oatmeal, and *Frugra Less Carbohydrates*, which added a second new product.

• Domestic, others:

Sales in other domestic businesses were ¥5,619 million (up 14.8%) on growth in the sweet potato business.

Overseas production and sale of snack and other foods business

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

Sales by region are as follows.

Millions of yen, rounded down

| | H1 FY ended March 31, 2022 | H1 FY ending March 31, 2023 | | |
|---|-------------------------------|--------------------------------|------------|--|
| | Amount | Amount | Growth (%) | Growth on local currency basis (%) |
| North America | 7,649 | 11,194 | +46.3 | +20.8 |
| Greater China | 9,109 | 11,477 | +26.0 | +8.3 |
| Other regions | 13,699 | 17,526 | +27.9 | +15.5 |
| Deduction of rebates, etc. | (3,467) | (4,768) | — | — |
| Total, overseas production and sale of snack and other foods business | 26,991 | 35,429 | +31.3 | +14.2 |

* Greater China: China and Hong Kong

** Other regions: United Kingdom, Indonesia, South Korea, Thailand, Singapore and Australia

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

**** The United Kingdom and Indonesia, which had been presented separately until the previous fiscal year, have been included in "Other regions" from this fiscal year. The figures for the previous fiscal year have been reclassified.

- In North America, sales of bean-based snack *Harvest Snaps* increased due to price revisions, package renewals and expansion of the product lineup. Sales also grew of *Kappa Ebisen* and other products for ethnic foods areas.
- In Greater China, sales increased on the strengthening of e-commerce through promotional activities, despite the impact of lockdowns on product launch scheduling and expansion in retail channels. In snack foods, sales of *Honey Butter Chip* and products for the babies and kids segment grew, and in cereals, sales of *Frugra Less Carbohydrates* grew.
- In Other regions, the United Kingdom and Indonesia drove higher sales. In the United Kingdom, sales of *Potato Chips* increased due to price revisions, and promotional activities for *Harvest Snaps* were also successful. In Indonesia, all product categories, including *Potato Chips* and flour-based snack *KrisBee*, grew faster than the snack food market as a whole.

(2) Analysis of financial position

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

1. Overview of assets, liabilities and net assets

Total assets as of September 30, 2022 were ¥246,171 million, an increase of ¥9,572 million. This was mainly due to an increase in inventories and property, plant and equipment. The increase in inventories was due to a rise in raw material purchases on the potato harvest arriving in Hokkaido, the largest domestic production area. The increase in property, plant and equipment was implemented to expand our domestic core business, including the establishment of new *Jagarico* manufacturing facilities.

Liabilities increased by ¥2,445 million to ¥55,585 million. This was mainly due to increases in raw material purchases and in notes and accounts payable - trade accompanying the potato harvest.

Net assets increased by ¥7,126 million to ¥190,585 million. This was mainly due to an increase in foreign currency translation adjustments resulting from the yen's depreciation.

As a result, the shareholders' equity ratio was 73.4%, down 0.7 percentage points.

2. Overview of cash flows

Cash and cash equivalents as of September 30, 2022 were ¥50,797 million, an increase of ¥1,126 million.

Cash flows from operating activities

Operating activities resulted in a net cash inflow of ¥9,383 million, a decrease of ¥3,409 million.

This was mainly due to an increase in inventories on a rise in raw material purchases on the potato harvest arriving and an increase in sales, as well as an increase in foreign exchange gains due to the depreciation of the yen.

Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥4,154 million, an increase of ¥18,102 million. This was mainly due to a decrease in proceeds from redemption of securities.

Cash flows from financing activities

Financing activities resulted in a net cash outflow of ¥6,010 million, a decrease of ¥6,095 million.

This was mainly due to the conversion of long-term borrowings of Potato Kaitsuka Ltd. to internal loans and to the absence of payments from changes in ownership interests in subsidiaries that do not result in a change in scope of consolidation caused by the purchase of additional shares of Warnock Food Products, Inc., both of which were conducted in the same period of the previous fiscal year.

Information pertaining to financial resources and capital liquidity

• Developments in demand for capital

Calbee Group's capital needs for operating activities include expenditures for costs related to manufacturing, such as raw materials, labor and production expenses, and expenditures 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 needs related to payment of dividends by the parent company.

With regard to these capital needs, we plan to allocate the sum of cash flows from operating activities forecast for the five years from FY2020/3 to FY2024/3 and cash on hand, etc., based on the medium-term business plan.

Details of capital needs

Capital investment: Sustainable growth in and improving productivity of existing businesses and strengthening our overseas manufacturing structure.

Growth investment: New businesses, DX, M&A, etc., to acquire a foundation for growth.

Shareholder returns: Aim for total return ratio over 50% and DOE4% on a consolidated basis.

The status of cash outlays as of the end of first half of the current fiscal year under review is as follows.

Millions of yen, rounded down

| | FY ended March 31, 2020 | FY ended March 31, 2021 | FY ended March 31, 2022 | H1 FY ending March 31, 2023 | Medium-term business plan | Progress (%) |
|---------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------------|------------------------------|-----------------|
| Capital investment | 8,751 | 11,205 | 12,123 | 5,478 | 60,000 | 62.6 |
| Growth investment | 7,558 | 13,330 | 1,492 | 1,549 | 80,000 | 29.9 |
| Shareholder returns | 6,425 | 6,693 | 18,691 | 6,721 | 50,000 | 77.1 |
| Total | 22,735 | 31,229 | 32,307 | 13,749 | 190,000 | 52.6 |

- Fund-raising methods

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

(3) Consolidated forecasts

The consolidated forecasts for the fiscal year ending March 31, 2023 have been revised as follows, in accordance with the results for the six months under review and latest performance trends.

Net sales are expected to exceed the initial forecast due to strong sales of snack foods in both the domestic and overseas businesses. However, the forecast for operating profit has been revised as, despite progress in reducing manufacturing costs and SG&A expenses, operating profit is expected to be lower than initially forecast due to higher-than-expected raw material and energy prices resulting from the depreciation of the yen and prolongation of the situation in Russia and Ukraine. The forecasts for ordinary profit and profit attributable to owners of parent are unchanged due to higher-than-expected foreign exchange.

The exchange rate assumption used in this forecast is 1USD=¥140.28 (up from ¥122 in the initial forecast announced at the beginning of the fiscal year).

Millions of yen, rounded down

| | Revised forecast (A) | Previous forecast (B) | Change (A-B) | Change (%) |
|---|-------------------------|--------------------------|--------------|------------|
| Net sales | 274,000 | 268,000 | +6,000 | +2.2 |
| Operating profit | 22,000 | 25,500 | (3,500) | (13.7) |
| Ordinary profit | 25,000 | 25,000 | — | — |
| Profit attributable to owners of parent | 15,500 | 15,500 | — | — |

2. Consolidated financial statements and key notes

(1) Consolidated balance sheets

Millions of yen, rounded down

| | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 35,005 | 37,355 |
| Notes and accounts receivable - trade | 32,582 | 33,944 |
| Securities | 23,999 | 19,999 |
| Inventories | 18,001 | 23,219 |
| Other | 5,588 | 5,345 |
| Allowance for doubtful accounts | (6) | (52) |
| Total current assets | 115,171 | 119,812 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 34,020 | 35,065 |
| Machinery, equipment and vehicles, net | 33,824 | 32,869 |
| Land | 11,977 | 12,645 |
| Construction in progress | 1,255 | 4,104 |
| Other, net | 1,901 | 1,975 |
| Total property, plant and equipment | 82,979 | 86,659 |
| Intangible assets | | |
| Goodwill | 23,550 | 24,419 |
| Other | 2,529 | 2,785 |
| Total intangible assets | 26,079 | 27,205 |
| Investments and other assets | | |
| Investments and other assets, gross | 12,369 | 12,495 |
| Allowance for doubtful accounts | (1) | (1) |
| Total investments and other assets | 12,368 | 12,494 |
| Total non-current assets | 121,427 | 126,358 |
| Total assets | 236,598 | 246,171 |

| | As of March 31, 2022 | As of September 30, 2022 |
|---|-------------------------|-----------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 11,849 | 15,321 |
| Short-term borrowings | 1,447 | 2,077 |
| Current portion of long-term borrowings | — | 38 |
| Income taxes payable | 4,242 | 3,415 |
| Provision for bonuses | 4,625 | 3,818 |
| Provision for bonuses for directors (and other officers) | 93 | 87 |
| Provision for share-based remuneration | 45 | — |
| Other | 19,955 | 19,112 |
| Total current liabilities | 42,259 | 43,871 |
| Non-current liabilities | | |
| Long-term borrowings | — | 408 |
| Provision for retirement benefits for directors (and other officers) | 334 | 316 |
| Provision for share-based remuneration for directors (and other officers) | 323 | 324 |
| Retirement benefit liability | 8,049 | 8,135 |
| Asset retirement obligations | 749 | 753 |
| Other | 1,424 | 1,775 |
| Total non-current liabilities | 10,881 | 11,714 |
| Total liabilities | 53,140 | 55,585 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 12,046 | 12,046 |
| Capital surplus | 3,232 | 3,232 |
| Retained earnings | 170,284 | 171,868 |
| Treasury shares | (12,959) | (12,910) |
| Total shareholders' equity | 172,604 | 174,237 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 436 | 457 |
| Foreign currency translation adjustment | 3,232 | 7,008 |
| Remeasurements of defined benefit plans | (893) | (957) |
| Total accumulated other comprehensive income | 2,775 | 6,508 |
| Non-controlling interests | 8,078 | 9,839 |
| Total net assets | 183,458 | 190,585 |
| Total liabilities and net assets | 236,598 | 246,171 |

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

| | <i>Millions of yen, rounded down</i> | |
|---|---|---|
| | April 1, 2021 to September 30, 2021 | April 1, 2022 to September 30, 2022 |
| Net sales | 120,440 | 133,212 |
| Cost of sales | 78,351 | 90,436 |
| Gross profit | 42,089 | 42,776 |
| Selling, general and administrative expenses | 28,787 | 32,529 |
| Operating profit | 13,302 | 10,246 |
| Non-operating income | | |
| Interest income | 45 | 54 |
| Dividend income | 20 | 19 |
| Share of profit of entities accounted for using equity method | 11 | 18 |
| Foreign exchange gains | 207 | 2,402 |
| Gain on sale of goods | 44 | 15 |
| Other | 73 | 92 |
| Total non-operating income | 403 | 2,603 |
| Non-operating expenses | | |
| Interest expenses | 46 | 66 |
| Share of loss of entities accounted for using equity method | — | 1 |
| Depreciation | 49 | 52 |
| Other | 35 | 18 |
| Total non-operating expenses | 131 | 138 |
| Ordinary profit | 13,574 | 12,711 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 3 | 11 |
| Subsidies income | 16 | 71 |
| Subsidy income related to COVID-19 | — | 77 |
| Gain on sales of investment securities | 46 | — |
| Other | 4 | 1 |
| Total extraordinary income | 69 | 161 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 22 | 1 |
| Loss on retirement of non-current assets | 111 | 168 |
| Loss on valuation of investment securities | 54 | — |
| Loss on sale of investment securities | 8 | — |
| Loss on business restructuring | 34 | — |
| Other | 2 | — |
| Total extraordinary losses | 233 | 169 |
| Profit before income taxes | 13,410 | 12,704 |
| Income taxes - current | 3,240 | 3,227 |
| Income taxes - deferred | 874 | 905 |
| Total income taxes | 4,114 | 4,132 |
| Profit | 9,295 | 8,571 |
| Profit attributable to non-controlling interests | 117 | 259 |
| Profit attributable to owners of parent | 9,178 | 8,311 |

Consolidated statements of comprehensive income

| | <i>Millions of yen, rounded down</i> | |
|---|--|--|
| | April 1, 2021 to September 30, 2021 | April 1, 2022 to September 30, 2022 |
| Profit | 9,295 | 8,571 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 186 | 21 |
| Foreign currency translation adjustment | (146) | 4,378 |
| Remeasurements of defined benefit plans, net of tax | (78) | (64) |
| Total other comprehensive income | (38) | 4,335 |
| Comprehensive income | 9,257 | 12,907 |
| Comprehensive income attributable to | | |
| Owners of parent | 9,209 | 12,045 |
| Non-controlling interests | 48 | 862 |

(3) Consolidated statements of cash flows*Millions of yen, rounded down*

| | April 1, 2021 to September 30, 2021 | April 1, 2022 to September 30, 2022 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 13,410 | 12,704 |
| Depreciation | 4,447 | 4,943 |
| Amortization of goodwill | 902 | 973 |
| Increase (decrease) in allowance for doubtful accounts | 8 | 26 |
| Increase (decrease) in provision for bonuses | (1,011) | (832) |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (11) | (8) |
| Increase (decrease) in provision for share awards | (1) | 3 |
| Increase (decrease) in provision for share-based remuneration for directors | 58 | 1 |
| Increase (decrease) in retirement benefit liability | (181) | 16 |
| Decrease (increase) in retirement benefit asset | (114) | (125) |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | (30) | (18) |
| Interest and dividend income | (66) | (73) |
| Interest expenses | 46 | 66 |
| Foreign exchange losses (gains) | (789) | (2,263) |
| Subsidies income | (16) | (19) |
| Share of loss (profit) of entities accounted for using equity method | (11) | (17) |
| Loss (gain) on sales of investment securities | (37) | — |
| Loss (gain) on valuation of investment securities | 54 | — |
| Loss (gain) on sales of non-current assets | 18 | (10) |
| Loss on retirement of non-current assets | 111 | 168 |
| Decrease (increase) in trade receivables | 650 | (319) |
| Decrease (increase) in inventories | (2,787) | (4,426) |
| Increase (decrease) in trade payables | 3,225 | 2,724 |
| Increase (decrease) in accounts payable - other | (1,678) | (1,213) |
| Other, net | 1,317 | 1,268 |
| Subtotal | 17,512 | 13,568 |
| Interest and dividends received | 50 | 84 |
| Interest paid | (44) | (73) |
| Income taxes paid | (4,726) | (4,194) |
| Net cash provided by (used in) operating activities | 12,792 | 9,383 |

Millions of yen, rounded down

| | April 1, 2021 to September 30, 2021 | April 1, 2022 to September 30, 2022 |
|--|---|---|
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (6,448) | (5,483) |
| Proceeds from sales of property, plant and equipment | 5 | 10 |
| Purchase of intangible assets | (506) | (482) |
| Purchase of securities | (5,000) | (5,000) |
| Proceeds from redemption of securities | 25,900 | 9,000 |
| Purchase of investment securities | (199) | (157) |
| Proceeds from sales of investment securities | 128 | 46 |
| Loan advances | (100) | — |
| Collection of loans receivable | 120 | 77 |
| Payments into time deposits | (493) | (1,688) |
| Proceeds from withdrawal of time deposits | 492 | 579 |
| Payments of guarantee deposits | (21) | (51) |
| Proceeds from refund of guarantee deposits | 51 | 31 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | — | (1,061) |
| Proceeds from subsidy income | 16 | 19 |
| Other, net | 4 | 5 |
| Net cash provided by (used in) investing activities | 13,947 | (4,154) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (500) | 465 |
| Repayments of long-term borrowings | (3,465) | (86) |
| Purchase of treasury shares | (0) | (0) |
| Proceeds from share issuance to non-controlling shareholders | 461 | 445 |
| Dividends paid | (6,684) | (6,721) |
| Dividends paid to non-controlling interests | (14) | (41) |
| Repayments of lease obligations | (21) | (72) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (1,882) | — |
| Net cash provided by (used in) financing activities | (12,106) | (6,010) |
| Effect of exchange rate change on cash and cash equivalents | 115 | 1,908 |
| Net increase (decrease) in cash and cash equivalents | 14,749 | 1,126 |
| Cash and cash equivalents at beginning of period | 47,282 | 49,670 |
| Cash and cash equivalents at end of period | 62,032 | 50,797 |

(4) Notes to consolidated financial statements

(Notes related to going concern assumption)

No applicable items

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

No applicable items

(Subsequent events)

Acquisition of Treasury Stock

Calbee, Inc. at a meeting of the Board of Directors held on November 7, 2022, resolved to acquire treasury stock pursuant to the provisions of Article 156 of the Companies Act of Japan, as applied mutatis mutandis under Article 165, Paragraph 3 of the Companies Act of Japan.

1. Purpose of Acquisition of Treasury Stock

To enhance distribution of profit and raise capital efficiency.

2. Details of Acquisition

| | |
|---|---|
| (1) Class of shares to be acquired | Common shares |
| (2) Total number of shares to be acquired | Up to 5,000,000 shares |
| (3) Total acquisition cost | Up to 12,000 million yen |
| (4) Period of acquisition | November 8, 2022 to March 31, 2023 |
| (5) Method of acquisition | Market purchase on the Tokyo Stock Exchange |