

# Calbee Group Growth Strategy

—Corporate Transformation until now and in the future—

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- 1. Towards 2030**
- 2. Looking Back**
- 3. Target Business Structure in 2030/Roadmap**
- 4. Change 2025: 3 Year Transformation Plan/Key Direction**
- 5. Change 2025: Business Strategy Outline**

# Towards 2030

## Corporate Message

**Calbee**

Harvest the Power of Nature.

## Corporate Philosophy

We are committed to harnessing nature's gifts, to bringing taste and fun, and to contributing to healthy life styles.

## Group Vision

We must earn respect, admiration and love firstly of our customers, suppliers and distributors, secondly of our employees and their families, thirdly of the communities, and finally of our stockholders.

### Growing health consciousness



### Climate change



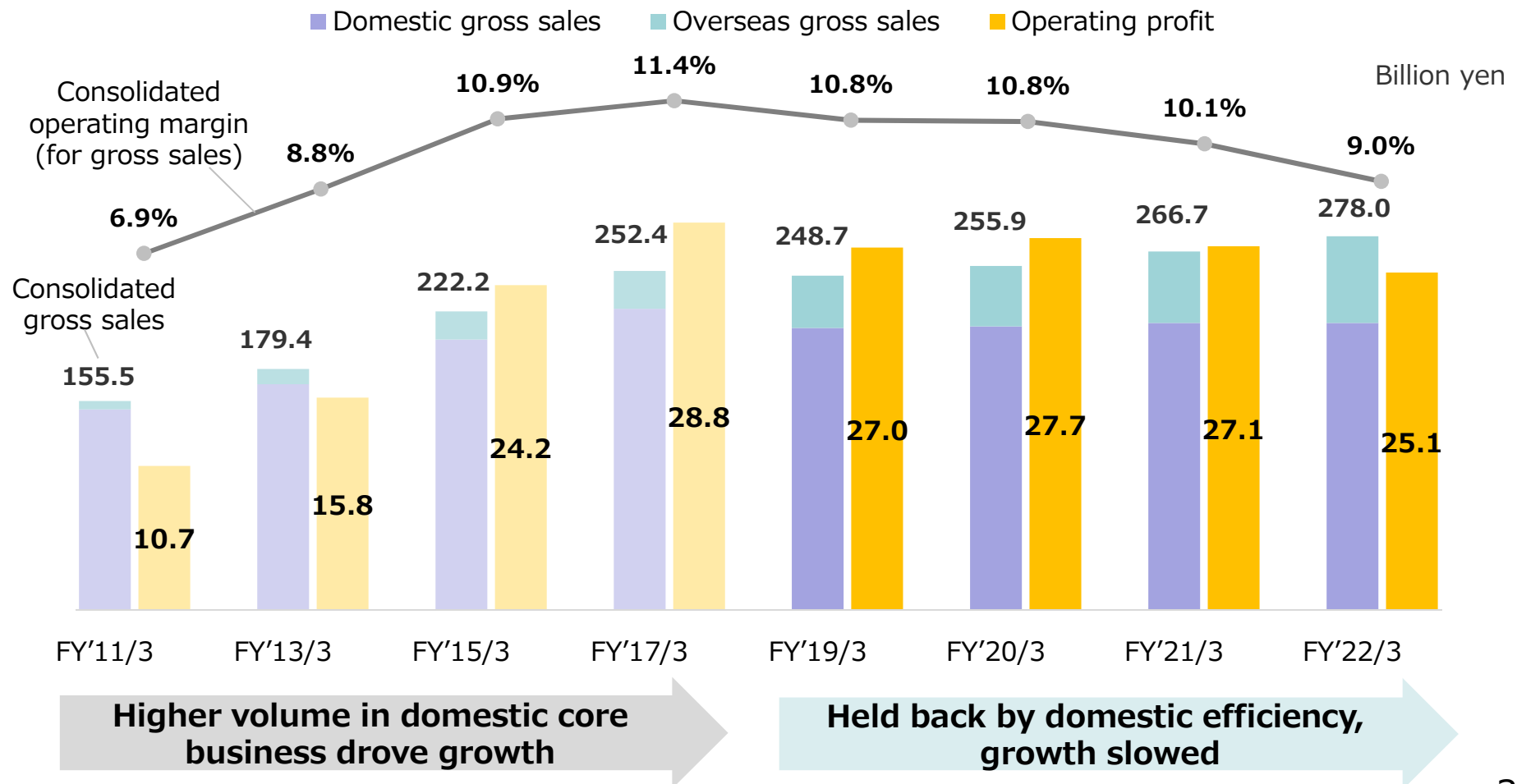
### Labor shortage and flexible workstyle needs



**Under our unchanged Corporate Philosophy and Group Vision, respond to various stakeholders' issues and embark on transformation towards the next stage of our growth**

# Looking Back: Why Business Results Were Stagnant

Although the overseas business grew, as domestic core business growth reliant on higher volume came to an end we had not changed over to a new profit structure



# Looking Back: Company Issues

1. **Inability to shift from quantitative growth strategy** based on SKU expansion and discount selling on failure to raise value added through creation of new value



Enhance profitability

2. **Insufficient investment of resources in new growth fields** due to excessive allocation of resources domestically



Business portfolio transformation

3. **Business base and initiatives were insufficient to enact reforms** due a conservative, inward-facing corporate culture and weak ability to effect change



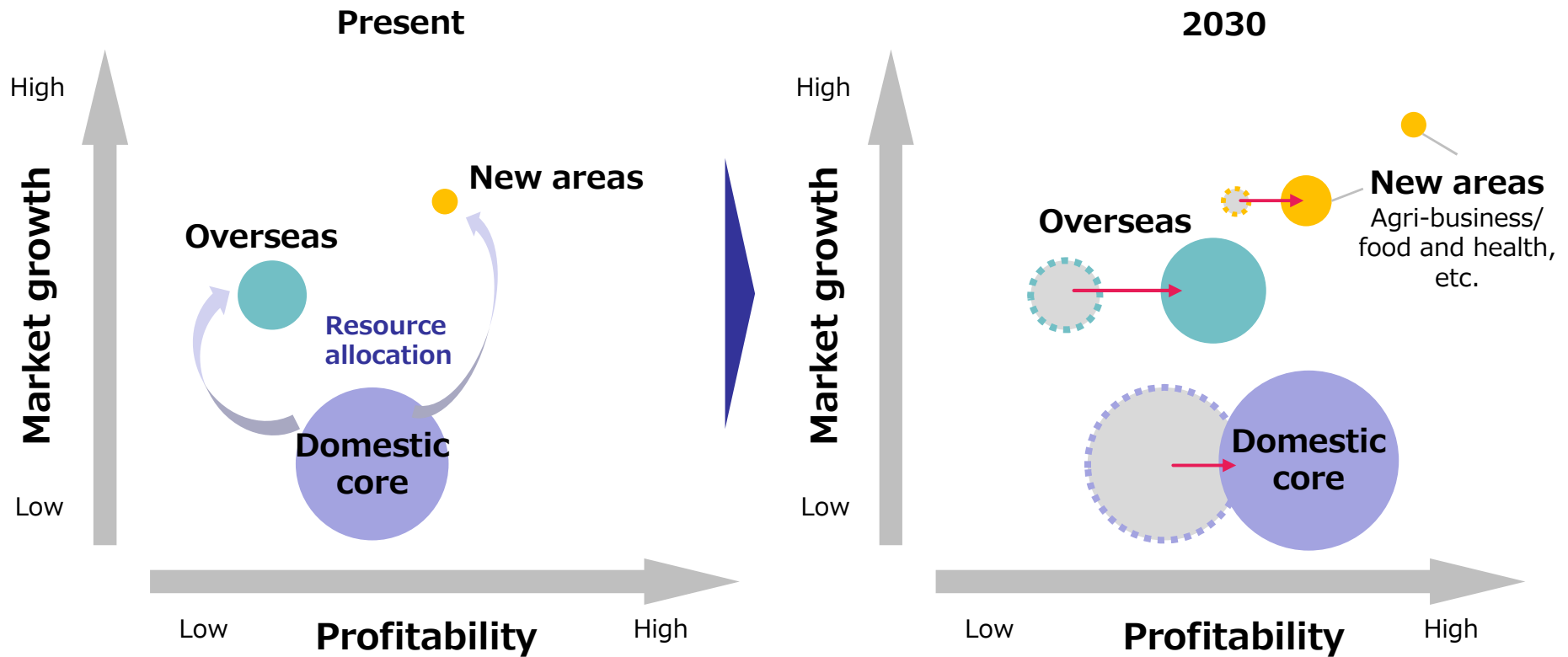
Strengthen business base



Change Calbee Group into a company that can continue to grow through redefining strategy across the Group and enacting corporate transformation

# Target Business Structure in 2030

Improve profitability of domestic core business and encourage growth overseas and in new areas by shifting investment to growth areas.  
By 2030, change our business portfolio to one that can continue to grow



Bubble size: Gross sales  
Profitability: Operating margin

# Roadmap to 2030



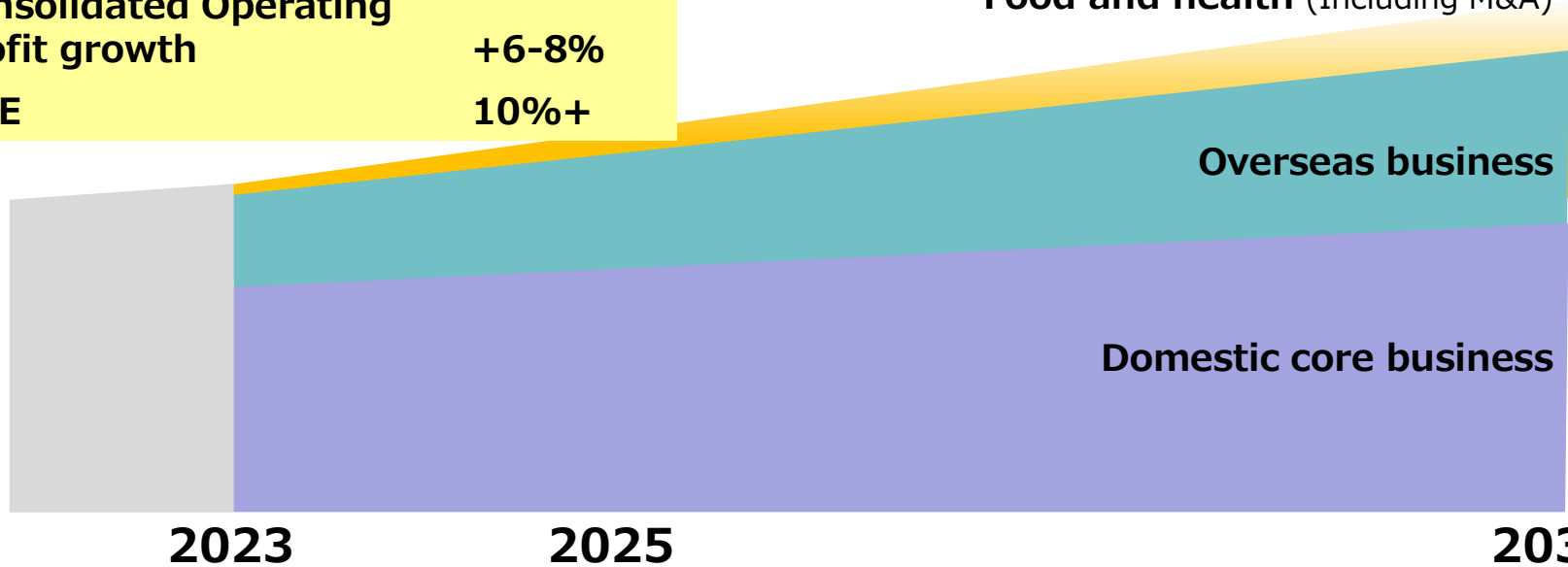
## Change 2025

**Business structure transformation towards the next stage of growth**

Organic sales growth ratio	+4-6%
Consolidated Operating profit growth	+6-8%
ROE	10%+

Envisioned growth in gross sales

**New areas such as Agri-business/  
Food and health** (Including M&A)



## Business structure transformation towards the next stage of growth

### Enhance profitability

- Shift from quantitative growth and increase added value by strengthening marketing/brand
- Optimize marketing and operation plans to maximize profits by utilizing limited assets/resources

### Business portfolio transformation

- Identify major areas for medium- to long-term growth opportunities and proactively invest resources (staffing/funds/capex, etc.)
  - ✓ Global, especially North America and China
  - ✓ Agri-business including potatoes, sweet potatoes and beans
  - ✓ Food and health

### Strengthen business base

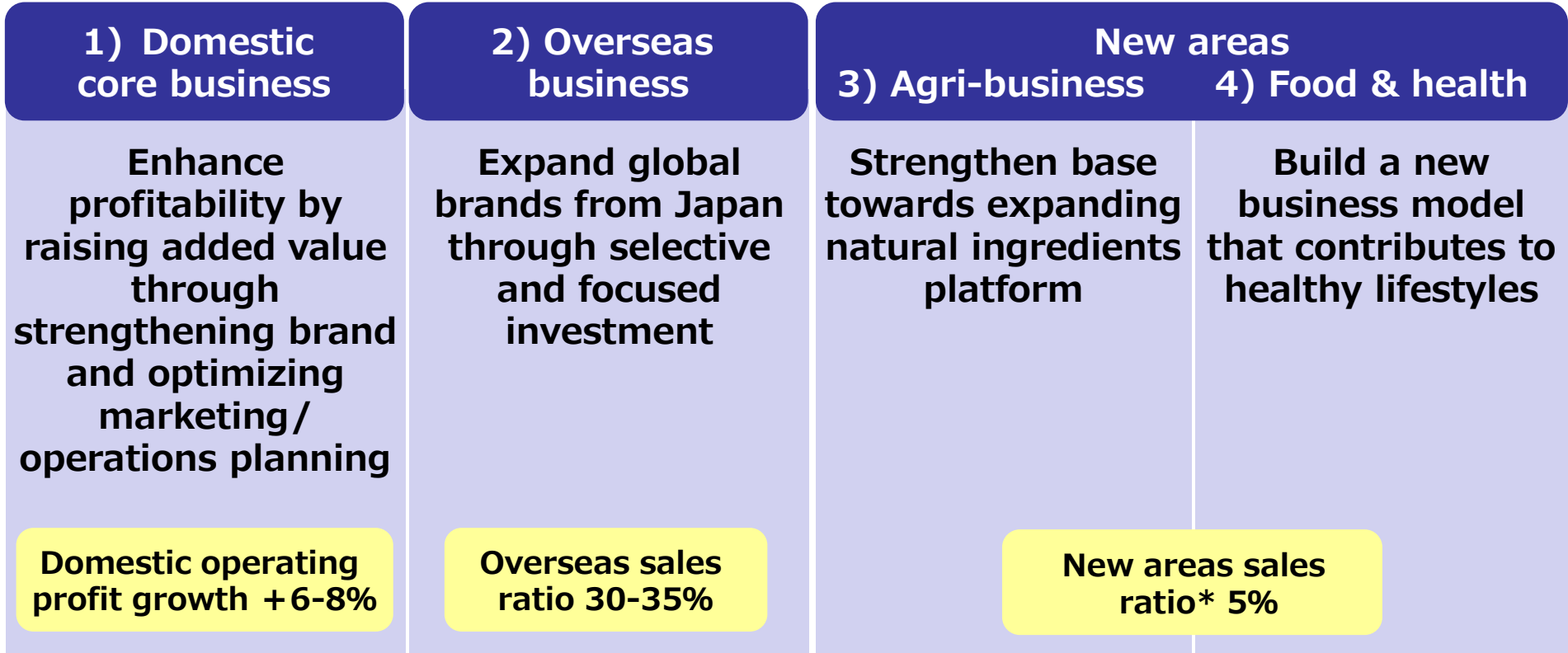
- Respond to changes and transform organization into one that can manage with speed
- Enhance training to develop strategic human resources
- Develop and implement sustainability management



# Change 2025: Key Direction for 4 Businesses **Calbee**



## Main KPIs



\*Aiming to make Agri-business/food and health new areas



# 1) Domestic Core Business

Target KPI: Domestic operating profit growth (3 year) **+6-8%**

**Enhance profitability by raising added value through strengthening brand and optimizing marketing/operations planning**

Brand/  
marketing

**Raising added value through strengthening brand**

Aim to maximize the value provided by each brand from the consumers' perspective

**Enhance profitability by optimizing marketing/operations planning**

Sales

**Advance innovation in distribution and reform sales organization**

Develop strategic partnerships and strengthen capabilities for sales propositions

Production/distribution

**Build base for next-generation factories**

Raise productivity via automation/labor saving, improve environmental performance, enact reforms in working environment

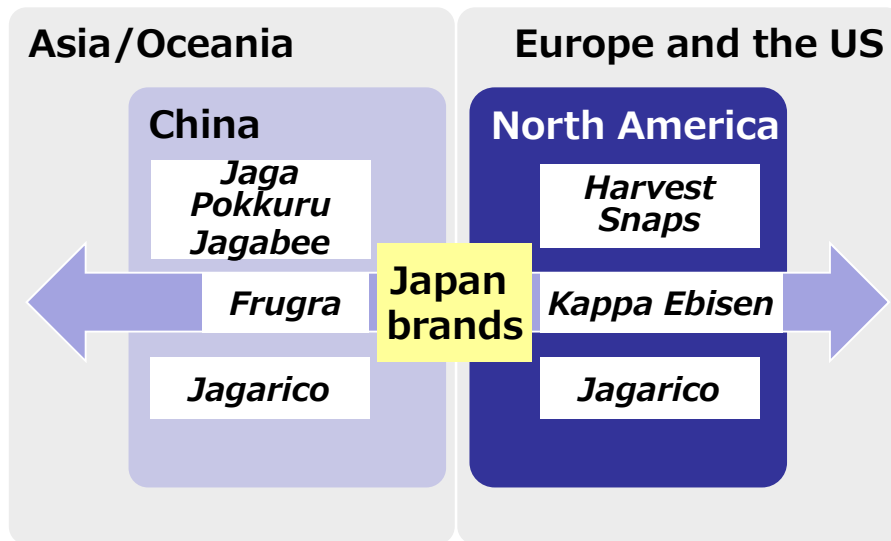
# 2) Overseas Business

Target KPI: Overseas sales ratio 30-35% (FY2026/3)

Expand global brands from Japan through selective and focused investment

Develop Japan brands mainly in China and North America, with their significant growth opportunities  
Cultivate *Jagarico* into a global brand over the medium- to long-term

Direction for expanding overseas business towards 2030

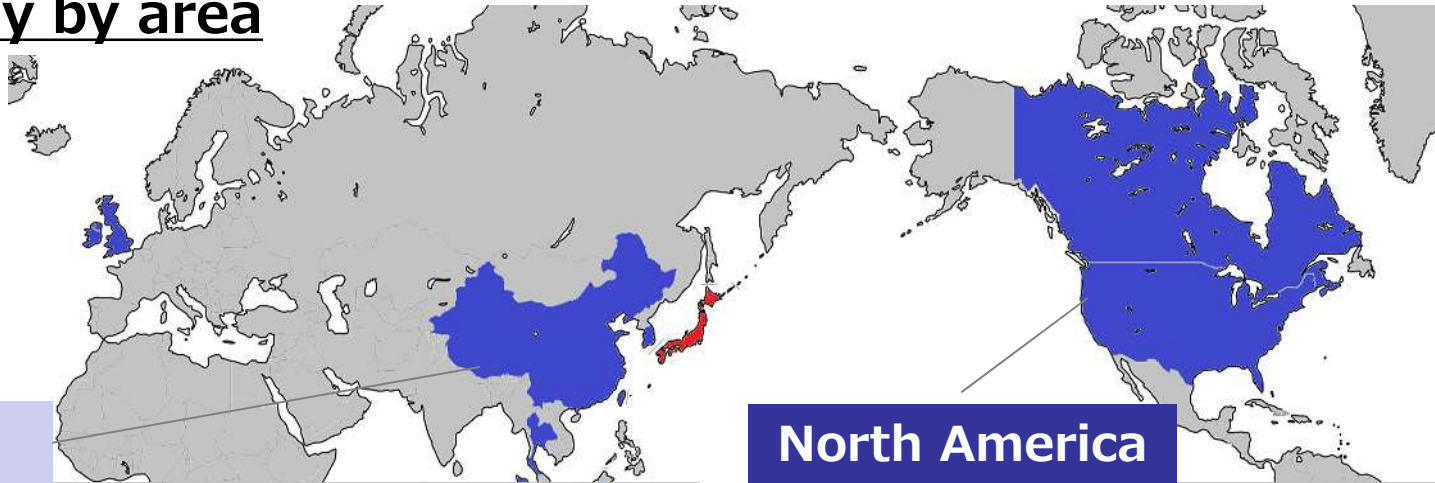


Differentiated by unique texture, authentic ingredients and delicious taste

Significantly differentiated by original production techniques

## 2) Overseas Business

### Strategy by area



#### China

**Highlight value of Japanese potato sticks and expand *Frugra*, which meets local needs**

- Leverage awareness of Calbee brand, expand investment in communication, i.e., social media/KOLs, fan club
- Aim to expand supplies from within China and production facilities elsewhere in Asia, not just exports from Japan

#### North America

**Intensify development of Japan products centered on *Harvest Snaps***

- Enhance *Harvest Snaps* brand product line-up and intensify expansion of *Kappa Ebisen*, *Jagarico*, etc.
- Strengthen sales structure by hiring people proficient in snack sales

**Advance localization of marketing/development,  
raise awareness of Japan brands**

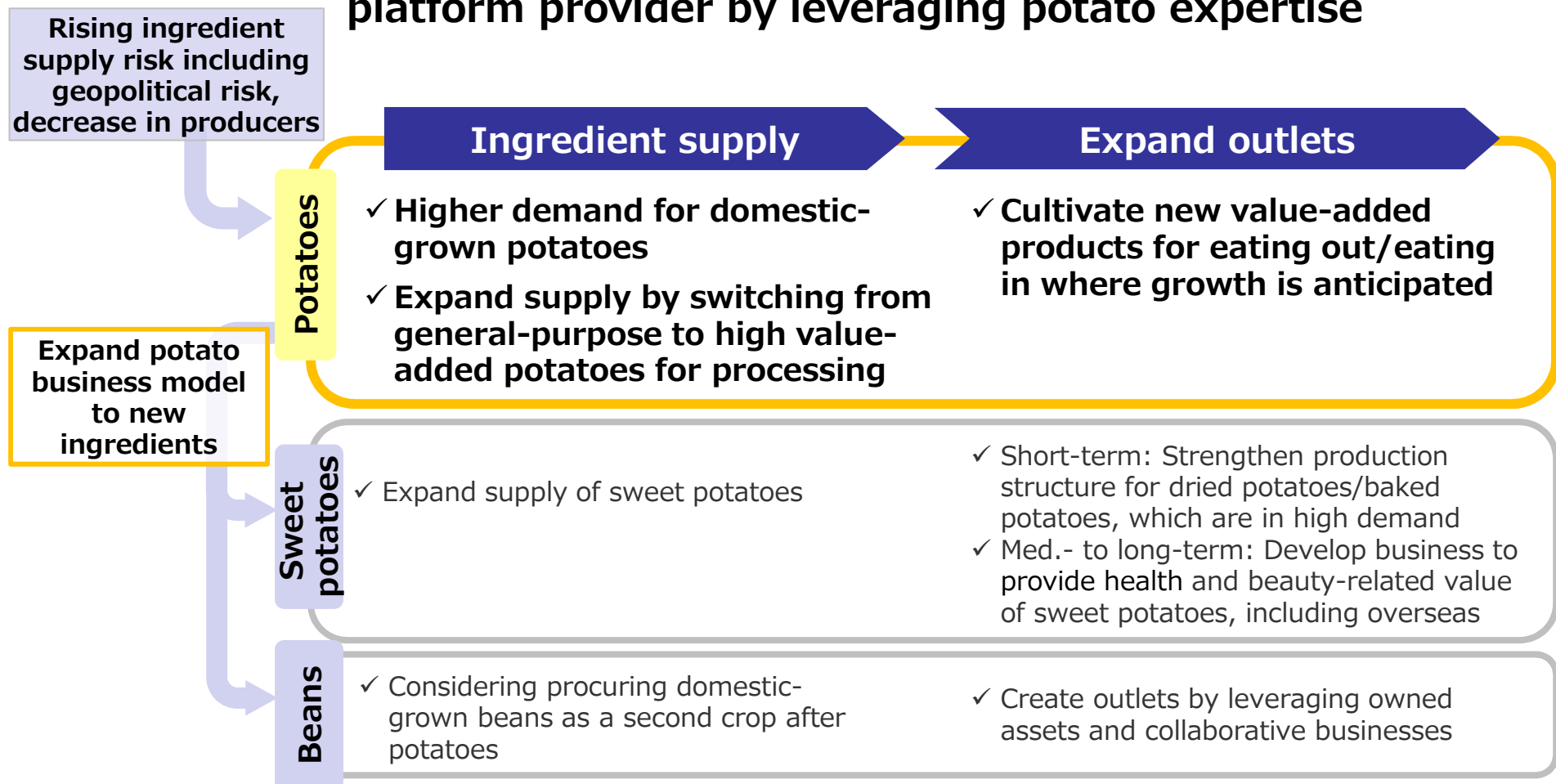
**Cultivate *Jagarico* into a global brand over the medium- to long-term** 11

# 3 ) Agri-business

Target KPI: New areas sales ratio 5% (FY2026/3)

## Strengthen base towards expanding natural ingredients platform

Aim to secure/expand business as a natural ingredients platform provider by leveraging potato expertise

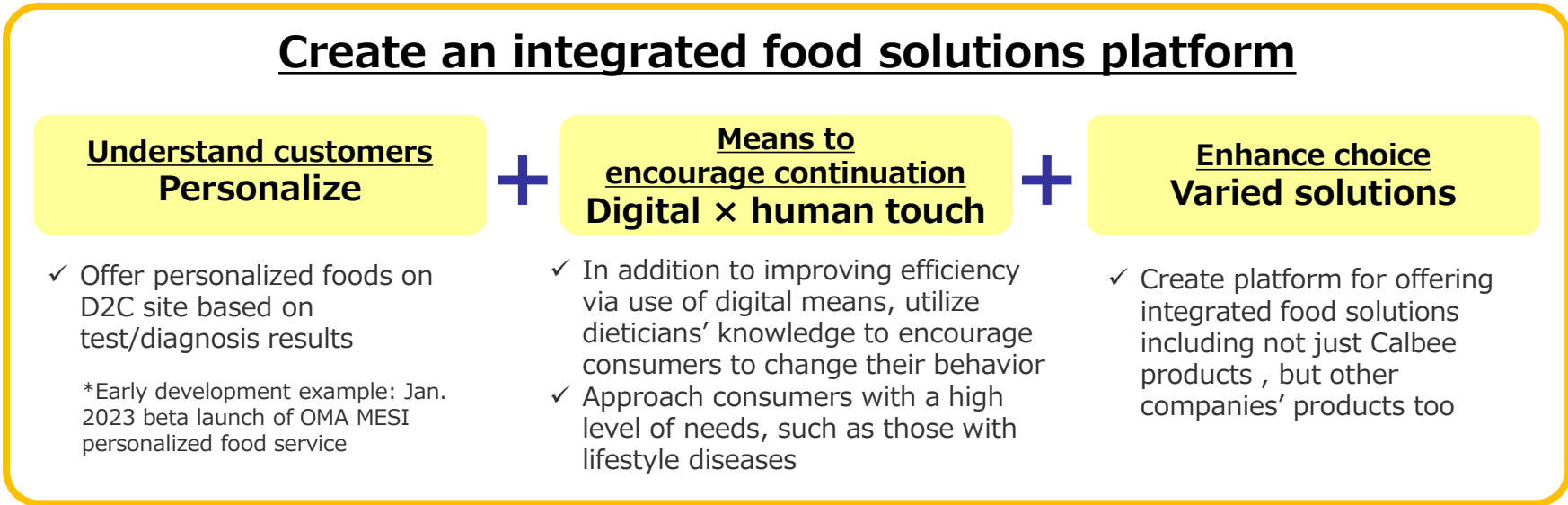


# 4) Food and health

Target KPI: New areas sales ratio 5% (FY2026/3)

**Build a new business model that contributes to healthy lifestyles**

Regardless of internal development, proactively consider opportunities for tie-ups, M&A, etc., with promising startups and commercialize them



**Enhance basic research, including collaboration with external institutions**  
Research on intestinal flora, sleep, chrononutrition, etc.

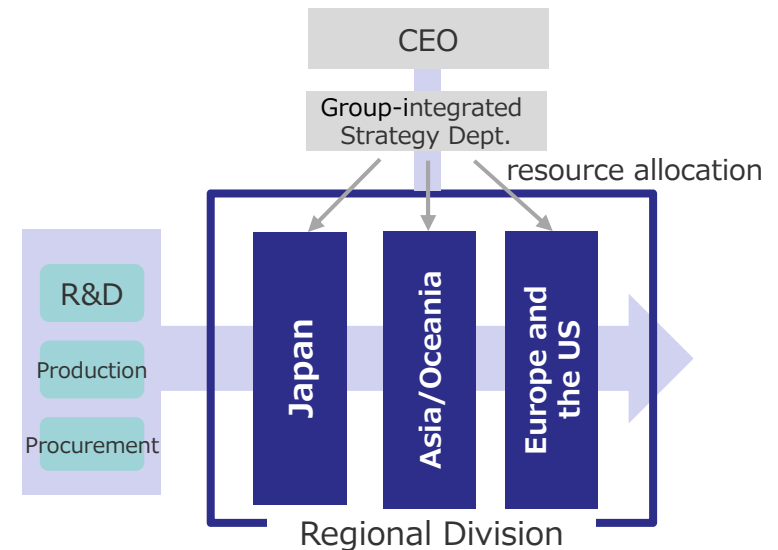
# Business Base: Organization/Human Resources Development

**Advance structural reform to enable management to swiftly respond to changes and foster employees eager for new challenges**

## Organization

**Implement structural reform to establish a 3-region business structure**

- ✓ Clarify P/L responsibility and accelerate management decision-making
- ✓ Promote horizontal collaboration, encourage cross-regional knowledge-sharing



## Human resources development

**After leveraging diversity so that all employees can excel, enhance training of strategic human resources (management/global/DX human resources)**

- ✓ Specify key positions and select/train candidates for management human resources
- ✓ Dispatch employees with Calbee's DNA worldwide, expand talent pool via overseas employee training programs, etc.
- ✓ Train digitally literate employees who can leverage digital technology and create value/reform our business model

### Initiatives for helping all employees can excel

Support for employees' career independence

Attract new employees through offering diverse workstyles (side job system, Calbee New Workstyle)

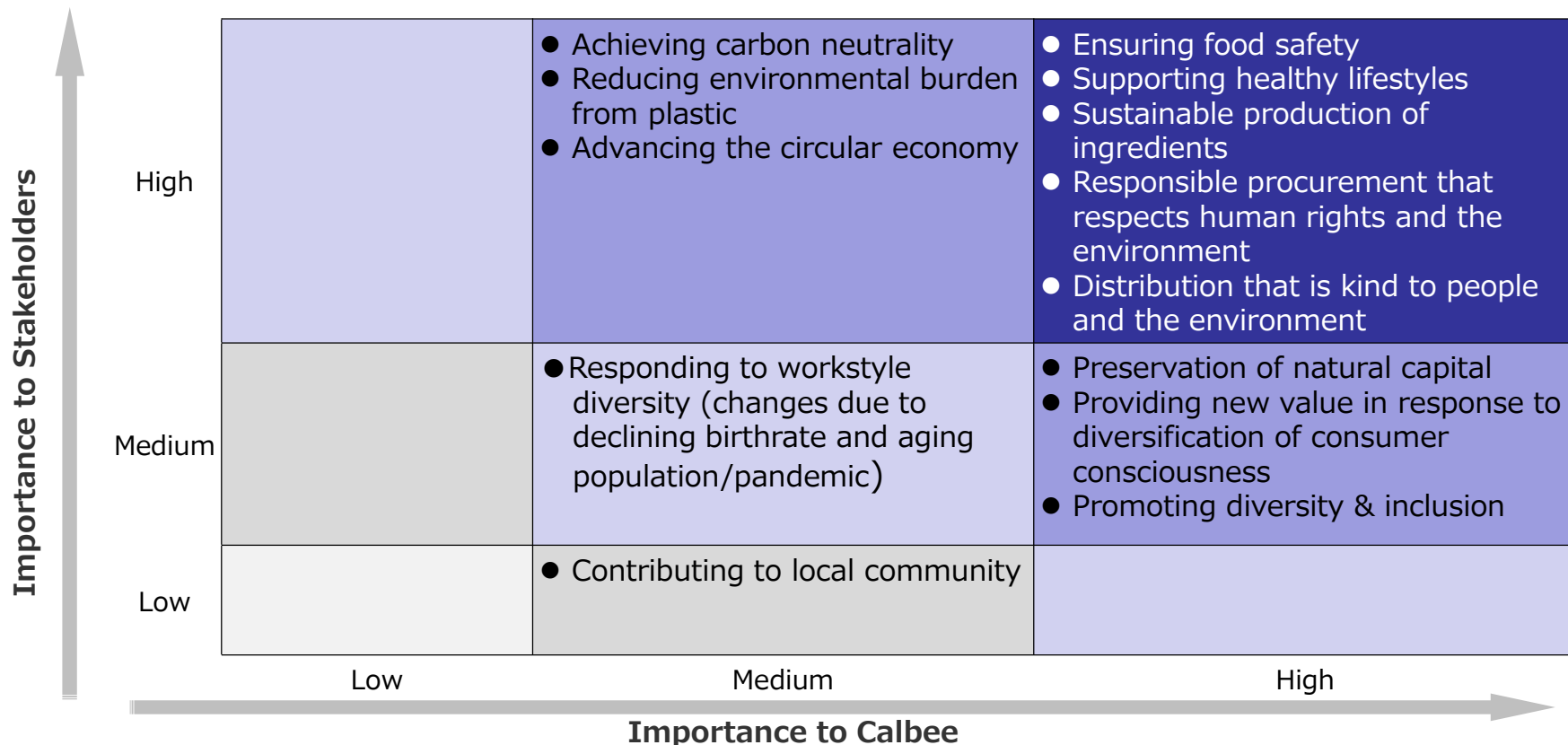
Diversity & inclusion

# Business Base: Sustainable Management

## Evolve sustainable management as a base for sustainable growth

Re-establish the 5 materialities and 13 key issues by assessing the external environment and reviewing current materialities and KPIs to add themes of high importance such as human rights and biodiversity issues

- |  |   |   |                                |   |
|--|---|---|--------------------------------|---|
| <b>1. Contributing to healthy and diverse lifestyles</b> | <b>2. Progress of sustainable agriculture</b> | <b>3. Co-creation of a sustainable supply chain</b> | <b>4. Caring for the earth</b> | <b>5. Promote active roles for all employees based on diversity</b> |
|--|---|---|--------------------------------|---|

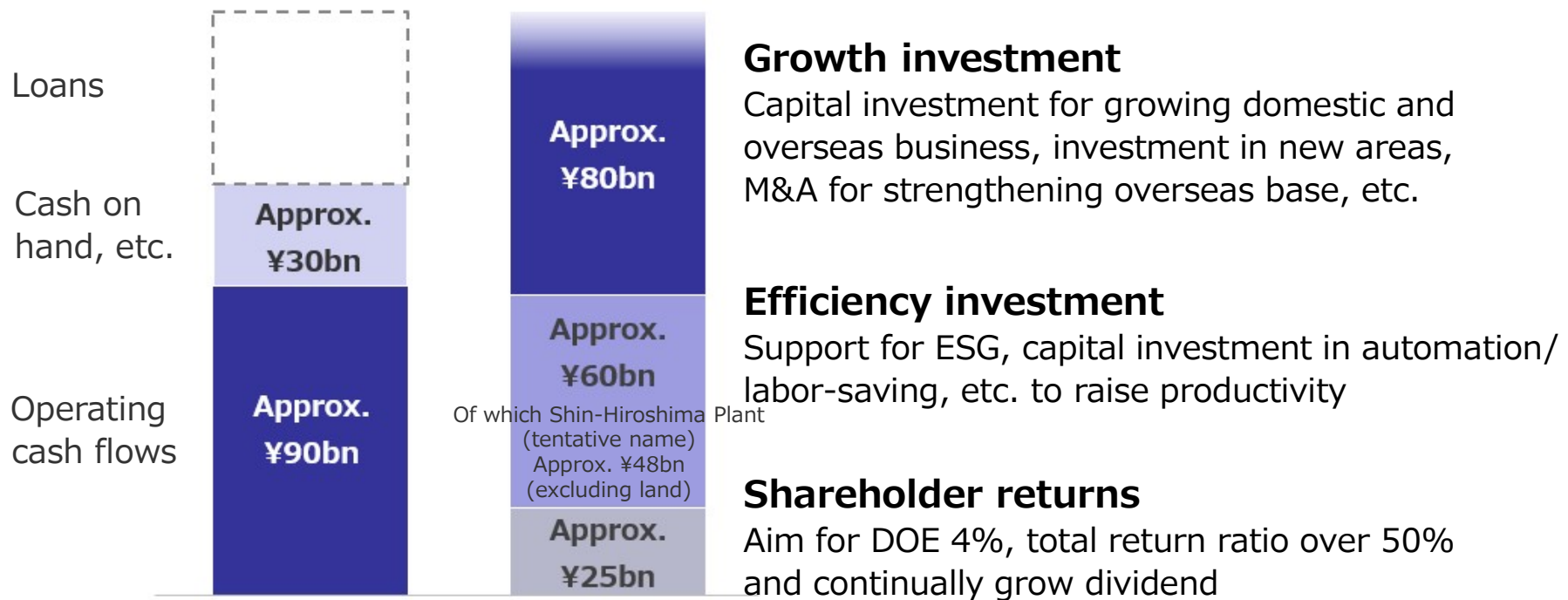


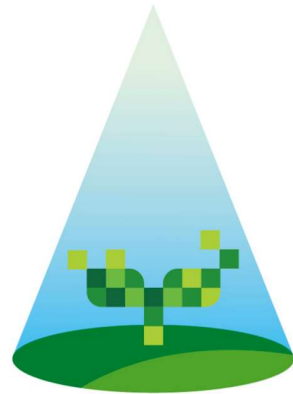


# Business Base: Financial Strategy

Enhance domestic cash generation ability and conduct investment connected to portfolio transformation to strengthen business base

3-year (FY2024/3-FY2026/3)  
cash allocation





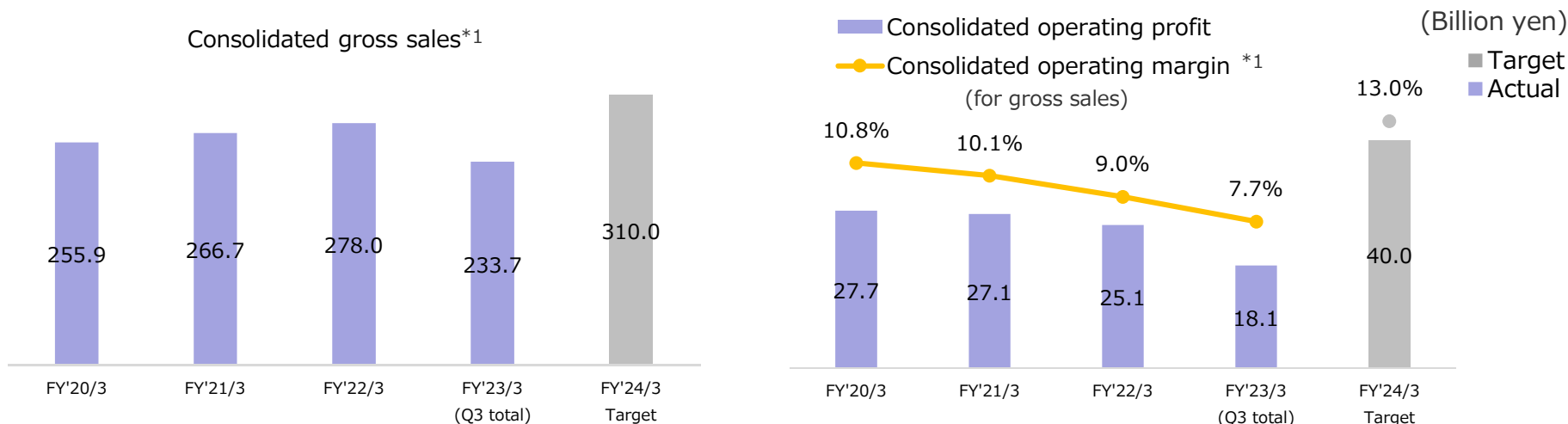
# NEXT Calbee & Beyond

**We aim to return to a growth trajectory by concentrating management resources/intelligence and working together with employees to advance reform initiatives**

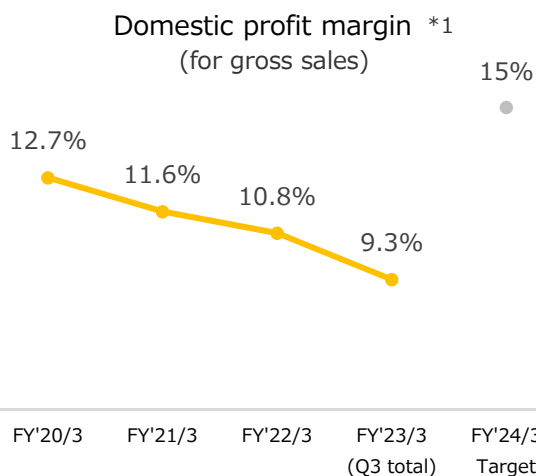
# Reference materials

# Looking back of mid-term business plan (formulated in FY2020/3)

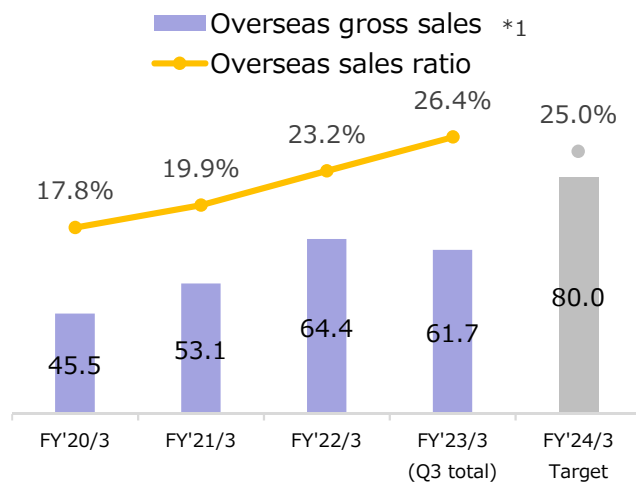
## Calbee Group



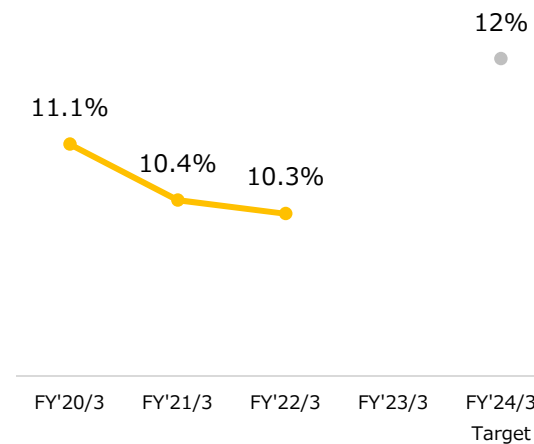
## Domestic business



## Overseas business



## ROE



\*1 The above figures are calculated for/by gross sales. The revised Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been applied from the beginning of the fiscal year ended March 31, 2022. The figures shown are amounts prior to applying the standard

# Looking back of mid-term business plan (formulated in FY2020/3)

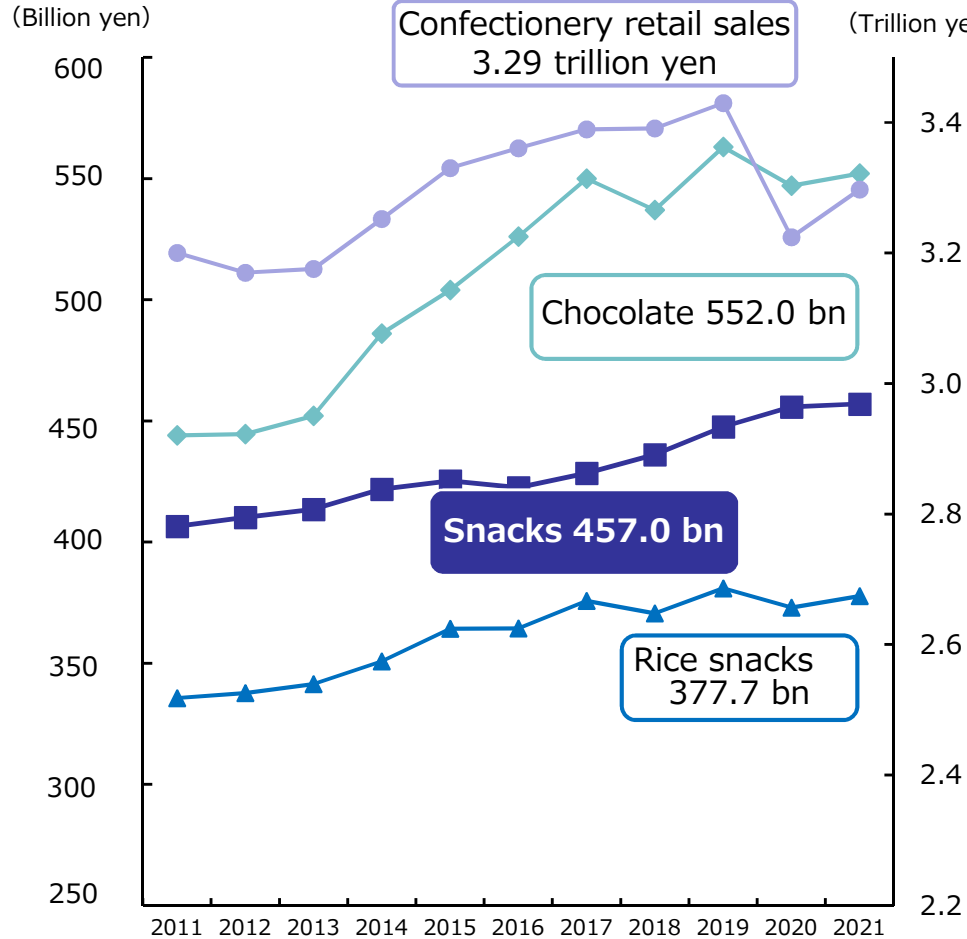


	FY'20/3	FY'21/3	FY'22/3	FY'24/3 (Targets)
Salt equivalent in products (compared with FY'19/3)	-1.8%	-5.4%	-6.9%	20% reduction
Protein-rich product sales ratio	4.1%	4.8%	5.8%	10%
Female manager ratio	20.4% (as of '20/4)	21.8% (as of '21/4)	23.3% (as of '22/4)	Over 30%
Domestic Procurement volume of potatoes	373K tons	342K tons	319K tons	400K tons*
Food communication Participants (accumulated number in 5 years)	77K people	108K people	164K people	400K people
Product Food losses (compared with FY'19/3)	-20%	+74%	-12%	20% reduction
Greenhouse gas emissions	+1.4%	+0.6%	-11.4%	30% Reduction*

\*Target achievement year: FY'31/3

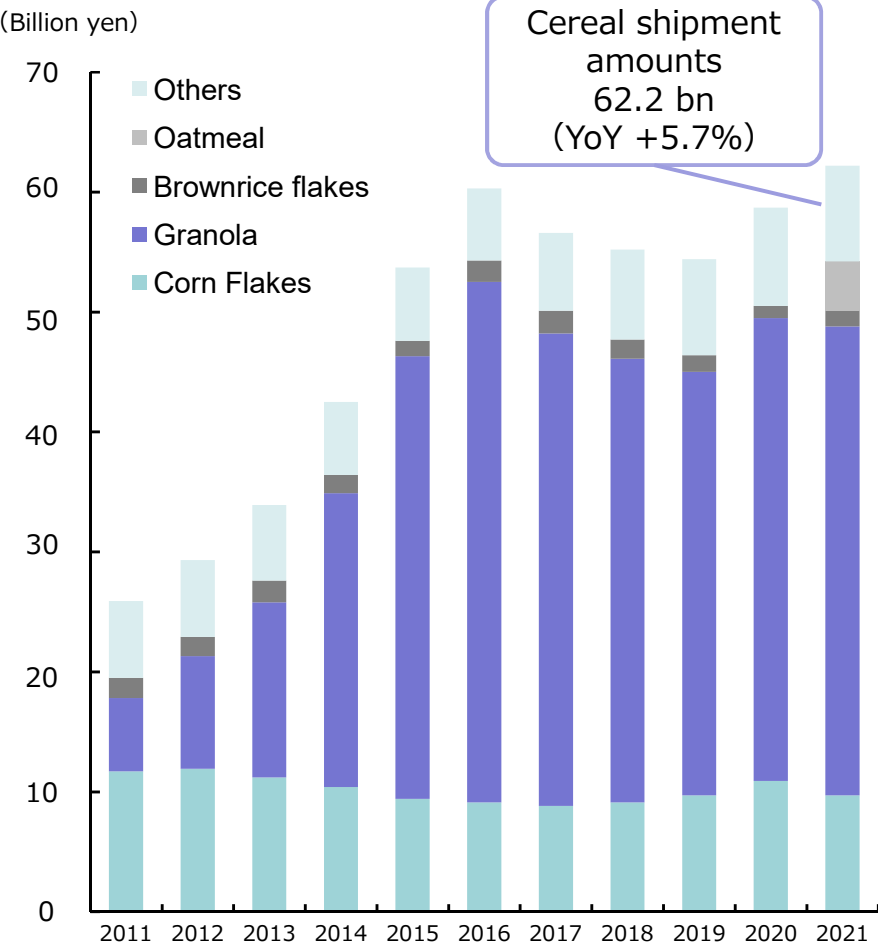
# Domestic market ①

## Domestic confectionery market



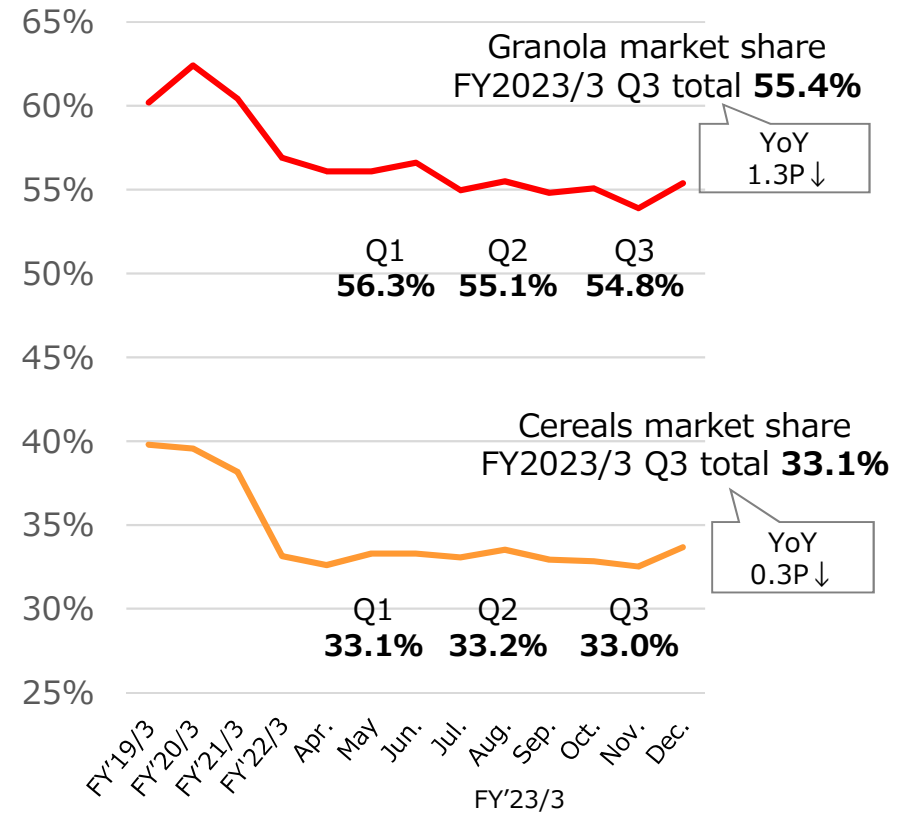
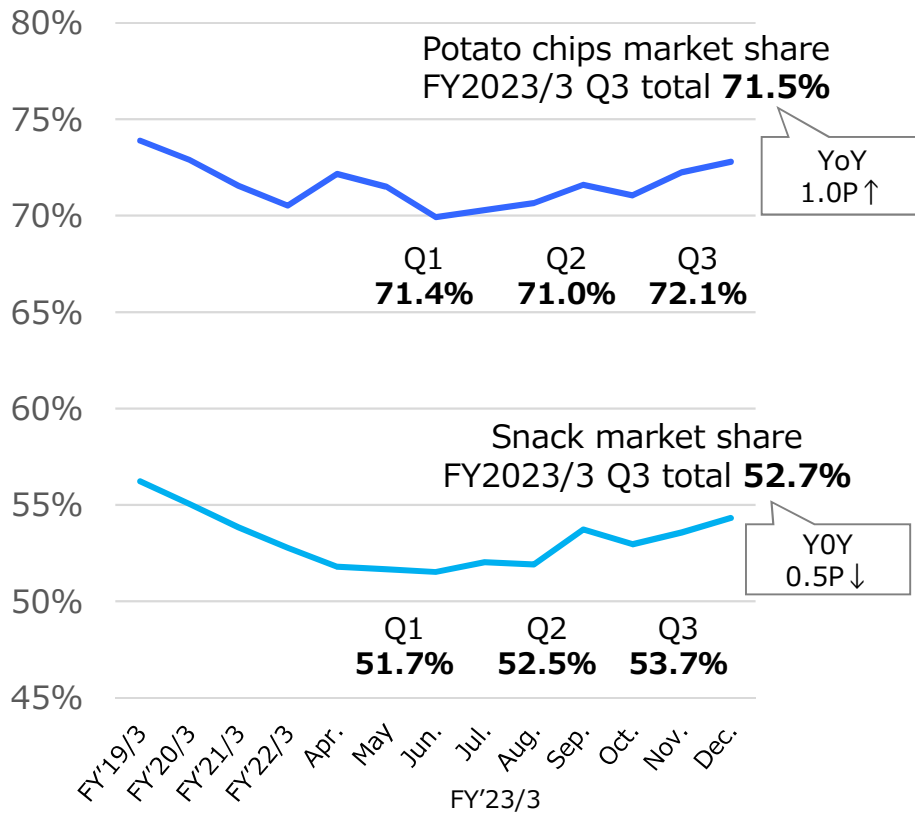
Source: All Nippon Kashi Association

## Domestic cereal market



Source: Japan Snack Cereal Foods Association

# Domestic market ②



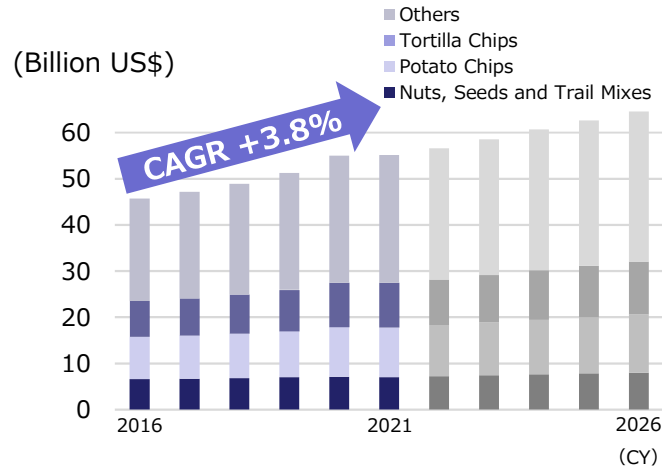
Source: Intage SRI+ based on sales amount (nationwide, all retail formats)  
From FY2023/3 Q3 Intage SRI+ has changed the scope of its statistics; prior figures have been revised to reflect the new scope.

FY2023/3 Q3 total: April 2022 - December 2022  
Comparison period: April 2021 - December 2021  
FY'19/3-FY'22/3: April 2018 - March 2022

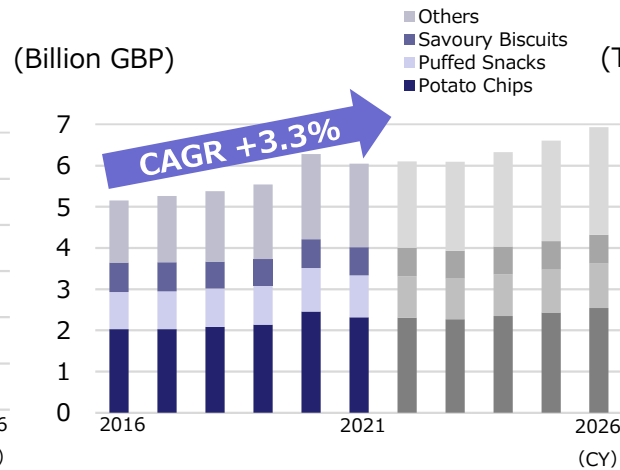
Snack market share: Total of Calbee and Japan Frito-Lay  
Potato chips: Total of potato chips (thick- and thin-sliced), shoestring and kettle types; includes private brand products  
Granola: Granola category of Cereals market

# Overseas market

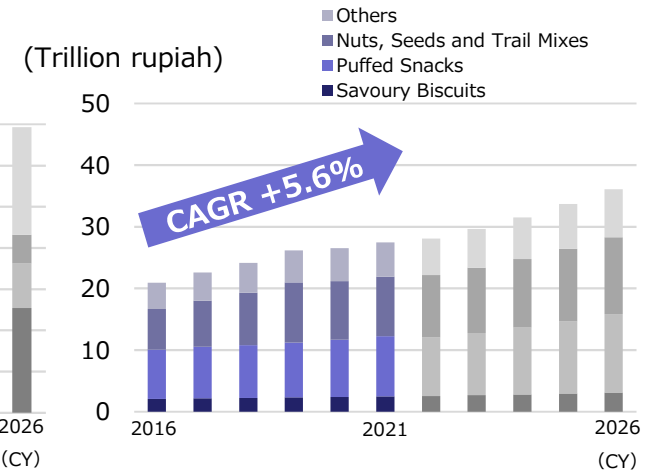
## USA snack market



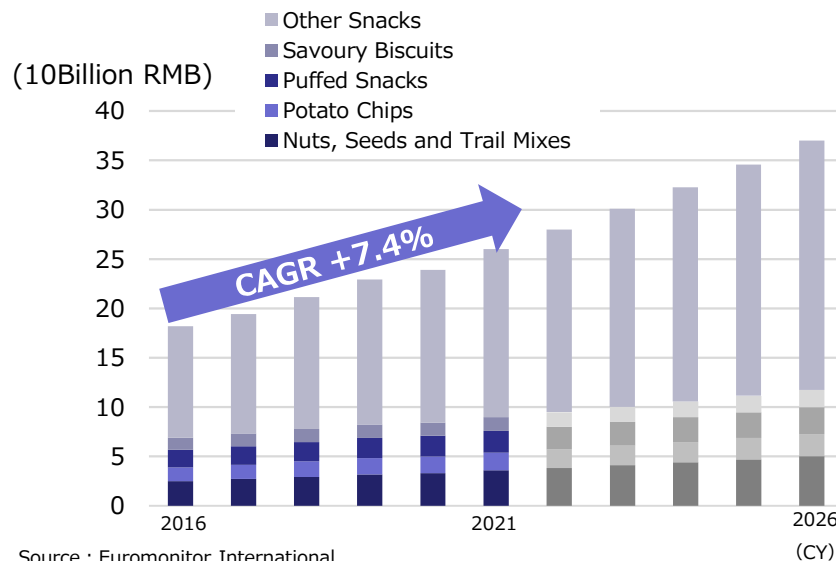
## UK snack market



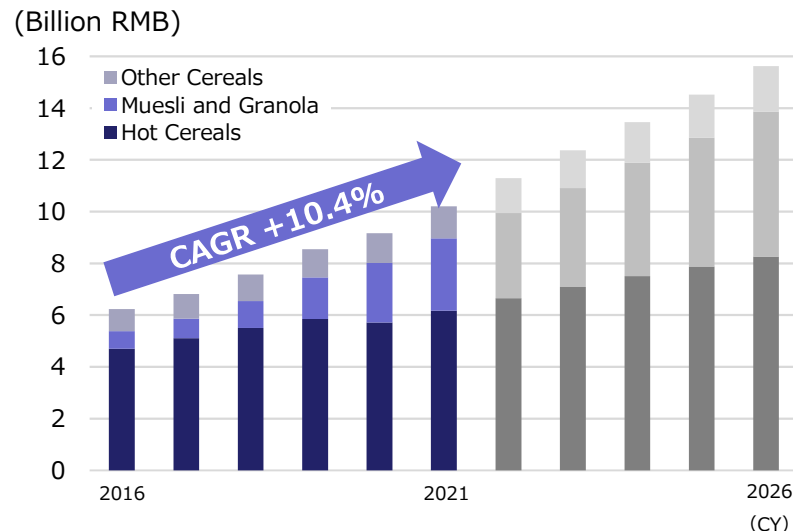
## Indonesia snack market



## China snack market



## China cereal market (For retail store sales)



Source : Euromonitor International

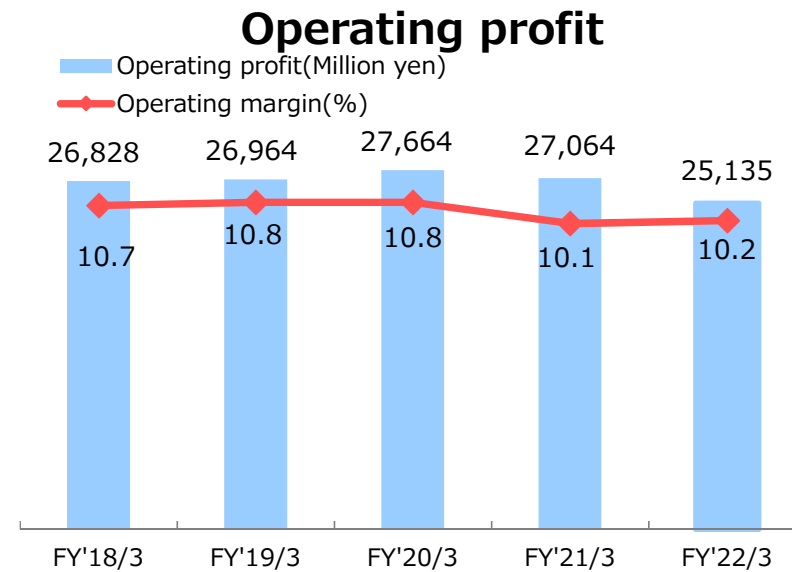
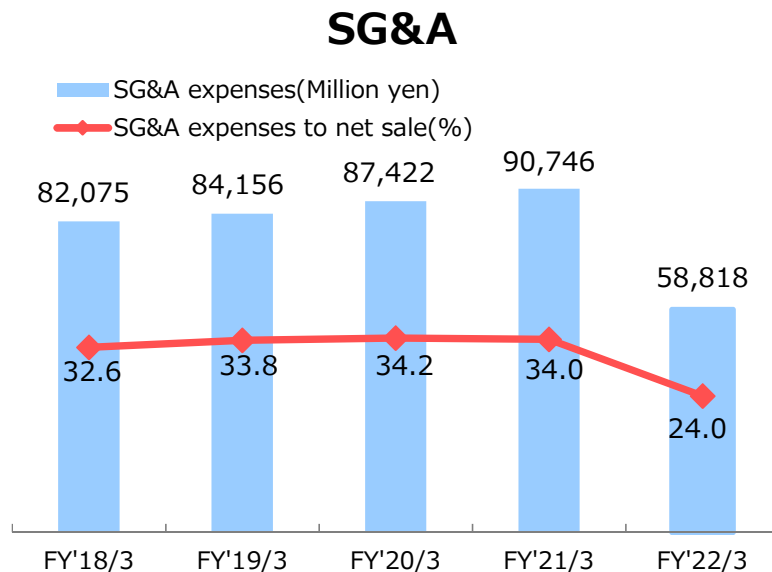
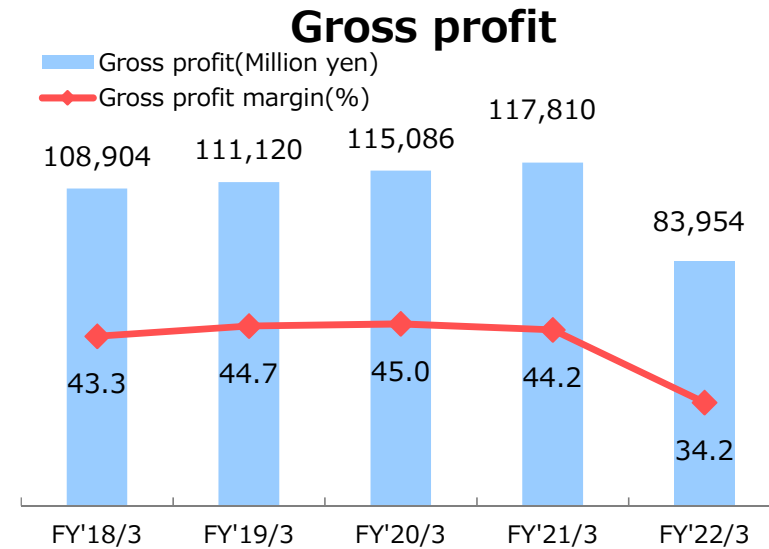
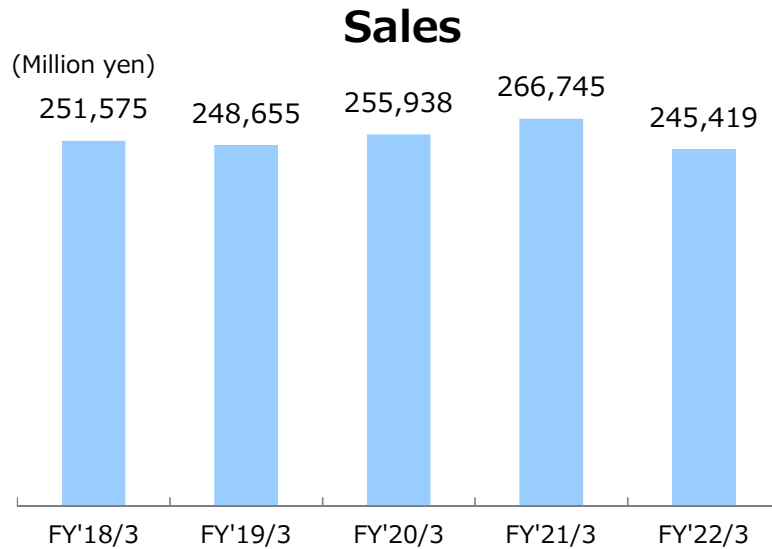
Category : Snack (Savory Snacks : Nuts, Seeds and Trail Mixes, Salty Snacks, Savoury Biscuits, Popcorn, Pretzels, Other Savory Snacks) Cereal : Breakfast Cereals (Hot Cereals, RTE Cereals)  
2022-2026: Forecast

\* The aggregation range of the Chinese snack market has been changed from the fiscal year ended March 2022.



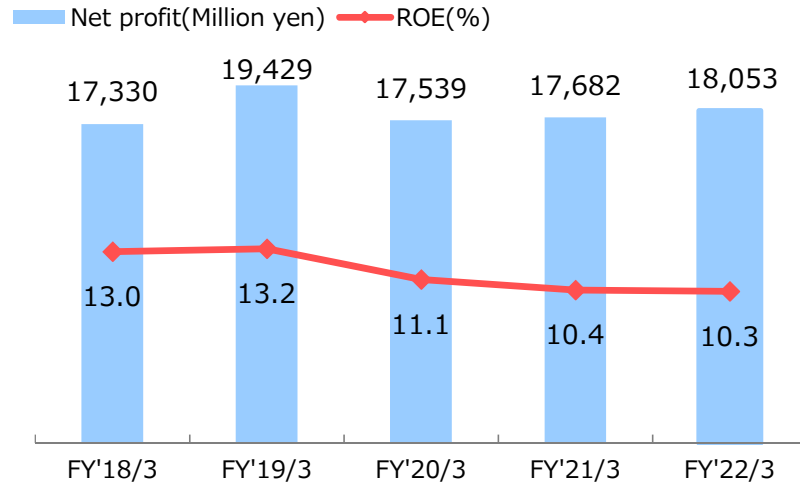
# Financial highlights ①

\* Effective from the beginning of fiscal year ended March 31, 2022, the Group adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and changed the method to deduct a portion of selling expenses (rebates, etc.) from sales, which was previously recorded in selling, general and administrative expenses.

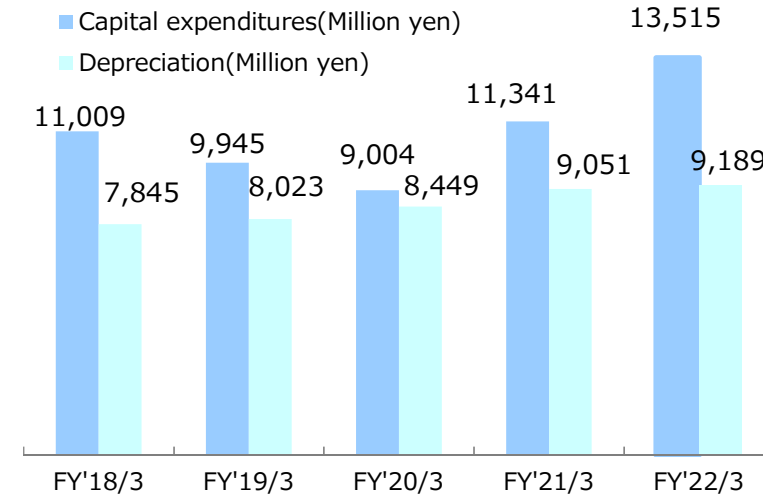


# Financial highlights ②

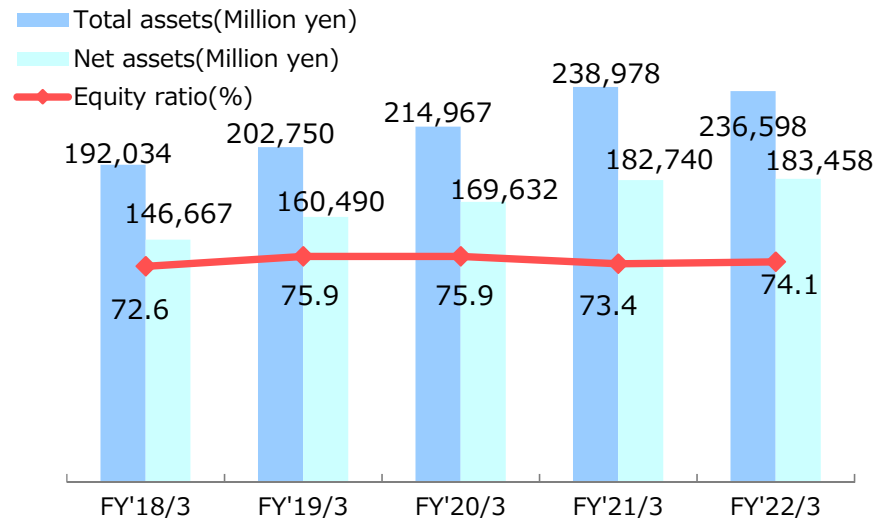
## Net profit/ROE



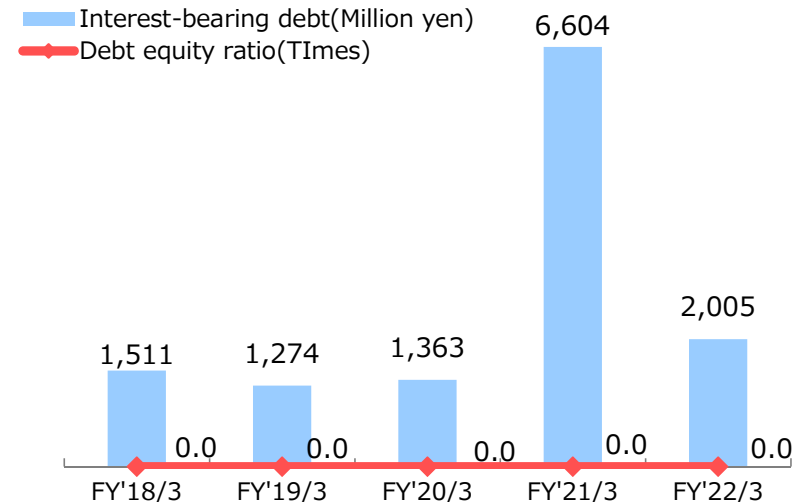
## Capital expenditures/Depreciation



## Equity ratio



## Debt to equity ratio



Contact details for IR inquiries:  
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E-mail: 2229ir@calbee.co.jp  
<https://www.calbee.co.jp/en/ir/>

- The Company's fiscal year ends on March 31. The fiscal year ending March 31, 2023 is referred to throughout this report as "FY'23/3," and other fiscal years are referred to in a corresponding manner. References to years not specified as being fiscal years are to calendar years.
- This document contains Calbee's current plans, outlook and strategies. Items which are not historical facts are forecasts pertaining to future performance, and are discretionary and based on information currently available to Calbee. This document does not purport to provide any guarantee of actual results. Actual results may differ significantly from forecasts due to various factors.
- This document also contains unaudited figures for reference purposes only.