

Press Release

February 21, 2023

Calbee, Inc.

Announcing plans to build a new factory in Hiroshima, where our company originated

State-of-the art “mother factory” with excellent environmental performance, increased productivity, and improved work environment

Calbee, Inc. (“Calbee”) is pleased to announce its ongoing plan to construct a new factory (Saeki-ku, Hiroshima City, Hiroshima Prefecture), which is scheduled to become operational in March 2025.

The new factory will reduce environmental impact and boost production efficiency by introducing digital transformation (DX) and eco-friendly equipment. The required investment is forecast at approximately 52 billion yen. The new factory will not only increase capacity to produce existing products, but also play its role as a hub for developing human capital to establish a next-generation production system while exploring new technologies and new business opportunities.



Concept illustration of new factory

Embracing its new growth strategy, Calbee remains committed to building a solid foundation in its birthplace of Hiroshima that can adapt to changes in the business environment, and to realizing sustainable growth through innovation and challenges.

New factory's concept and characteristics

A factory that creates smiles for people and the planet and shapes the future

• Excellent environmental performance

At the new factory, we will effectively use waste heat, waste water, and other waste, and reduce environmental impact by introducing renewable energy sources and a circular energy system. The new factory will contribute to achieving the Calbee Group's 2030 goals (a 30% reduction in total greenhouse gas emissions, a 10% reduction in waste generation, and a 10% reduction in total water consumption compared to the fiscal year ended March 31, 2019). In addition to generating electricity at the own site, purchase of renewable-sourced “CO2 free electricity” enables the new factory to fully cut its CO2 emissions.

• Increased productivity

We will make use of cutting-edge technologies such as digital transformation, and introduce automated and labor-saving production lines. We will apply a next-generation factory model using IoT technology, which is currently implemented at the “Konan Factory” (Konan City, Shiga Prefecture), at the new factory, and promote more advanced quality control, high-mix low-volume manufacturing with higher efficiency, and in the future, remote work through remote monitoring of production lines. Introduction of these measures is expected to increase labor productivity per employee by approximately 60%.

• Improved work environment

We will create a safe, diverse, and employee-friendly work environment, and more specifically, we will reduce the amount of lifting heavy loads, set a comfortable temperature in the workplace, and provide LGBTQ-friendly staff welfare facilities.

Overview of new factory

Name	New Hiroshima Factory (provisional name)
Location	1-2-3 Itsukaichiko, Saeki-ku, Hiroshima City, Hiroshima Prefecture
Site area	100,010 m ²
Buildings	Two buildings, one for manufacturing (4-story steel-frame building with total floor space of 51,164 m ²) and one for raw materials supply (1-story steel-frame building with total floor space of 3,675 m ²).
Capital investment	Approximately ¥52.0 billion (land: ¥3.8 billion, buildings and structures: ¥24.5 billion, machinery, equipment and vehicles: ¥22.0 billion, software and others: ¥1.7 billion)
Scheduled construction start date	Around April 2023
Scheduled start of operations	Scheduled to begin operations sequentially from December 2024 (through relocation and expansion of current Hiroshima-Nishi Factory) *Hiroshima Factory to be relocated and integrated in or after 2037.
Main products to be manufactured	Potato Chips, Jagabee, and wheat-based snack products
Production capacity	¥28.0 billion per year

Future outlook

The new factory is scheduled to become operational in March 2025, and its impact on Calbee's profit and loss for this fiscal year will be insignificant. With the opening of the new factory, Calbee will strive to increase production capacity, reduce manufacturing costs, and strengthen competitiveness.

Related link

Agreement with Hiroshima Prefecture to Build State-of-the-Art Factory Construction to begin in its birthplace in 2023, Factory to become operational in 2024

<https://www.calbee.co.jp/en/news/pdf/58-07134.pdf>

<About the Calbee Group>

About the Calbee Group

Since 1949, we embrace a corporate philosophy of “harnessing nature's gifts, bringing taste and fun, and contributing to healthy lifestyles.” As a company that provides essential goods, the Calbee Group is placing sustainability at the core of our management and creating the future of food by solving social issues through its corporate activities. (<https://www.calbee.co.jp/en/>)