



Calbee Group Financial Results

**Fiscal year ended March 31, 2024
April 1, 2023 – March 31, 2024**

TSE code : 2229
Calbee, Inc.
May 9, 2024

**1. FY2024/3 Financial Results and
FY2025/3 Full Year Forecast**

**Kazuhiro Tanabe
Executive Officer and CFO**

**2. Change 2025 Growth Strategy Progress
and Future Initiatives Toward 2030**

**Makoto Ehara
Representative Director, President & CEO**

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I. FY2024/3 Financial Results

FY2024/3 Recap

In FY2024/3, the first year of our growth strategy, sales and profit rose, significantly exceeding guidance, driven by the domestic business

(Billion yen)

Growth guidance	FY2023/3 results	FY2024/3 Initial forecast	FY2024/3 Revised forecast	FY2024/3 results	Appraisal	Growth guidance (3 year)
Consolidated net sales	279.3	293.0	298.0	303.0		–
Organic growth rate	+14%	+5%	+7%	+8%		+ 4-6%
Consolidated operating profit	22.2	24.0	26.0	27.3		–
Consolidated profit growth rate	-12%	+8%	+17%	+23%		+ 6-8%
Net profit	14.8	15.0	18.0	19.9	–	–
ROE (ROE after forex adjustments)	8.5% (8.0%)	8.3% (8.3%)	–	10.9% (9.5%)		Over 10%
Main KPIs						
Domestic operating profit growth	-15%	+6%	+14%	+22%		+ 6-8%
Overseas sales ratio	26%	27%	25%	24%		30-35% (FY2026/3)
Ratio of sales in new areas	3.9%	4.3%	–	4.3%		5% (FY2026/3)

FY2024/3 Results highlights

Summary

Net sales ¥303.0bn (+¥23.7bn YoY, +¥5.0bn vs revised plan)
Operating profit ¥27.3bn (+¥5.1bn YoY, +¥1.3bn vs revised plan)
Net profit ¥19.9bn (+¥5.1bn YoY, +¥1.9bn vs revised plan)

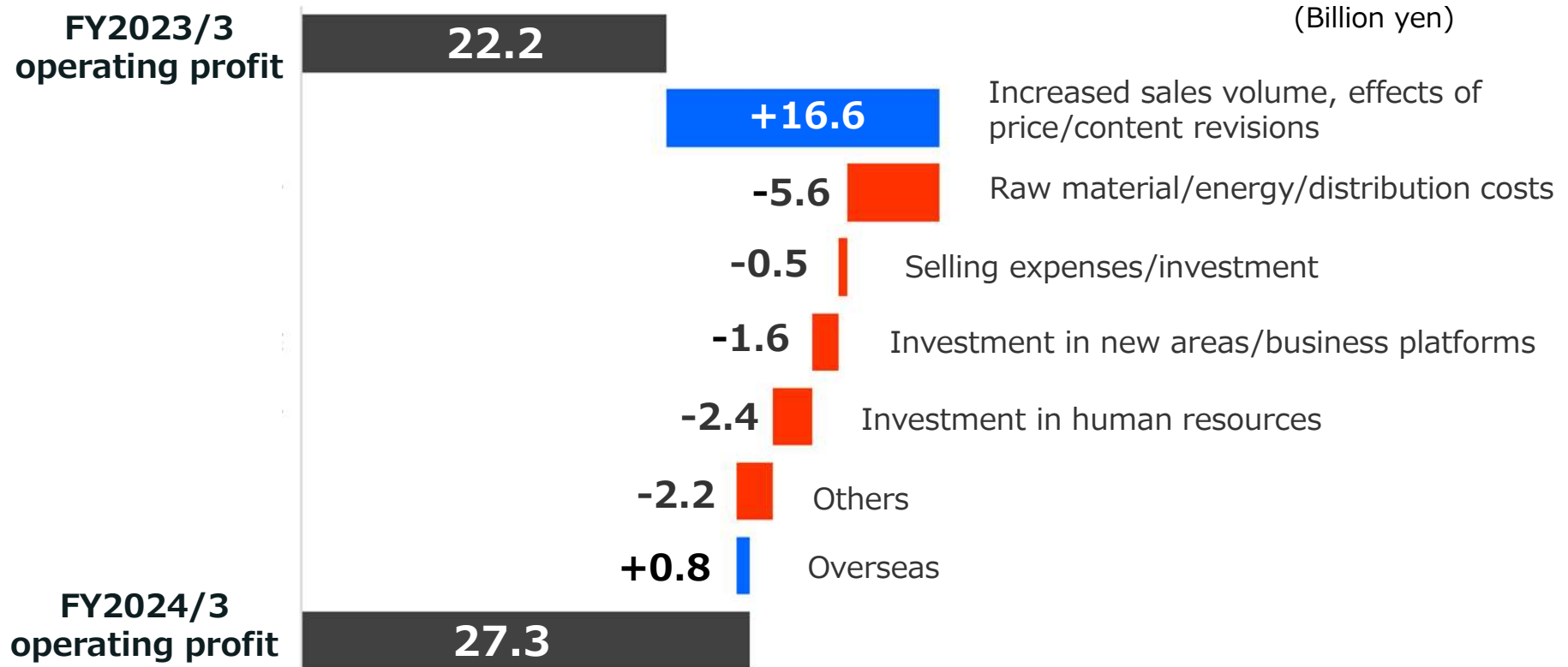
- Strong domestic sales drove increased profit both YoY and vs revised plan
- Overseas, achieved record profit on a yen basis as a slump in North America and Greater China was covered by other regions
- Net profit rose significantly on booking foreign exchange gains from the weaker yen (USD1=¥133.53 at end of FY2023/3; ¥151.41 at end of FY2024/3)

(Billion yen)

	FY2024/3	FY2023/3	Change	FY2024/3 Revised forecast	vs. plan Ratio
Net sales	303.0	279.3	+8.5%	298.0	101.7%
Domestic	229.9	207.1	+11.0%	223.0	103.1%
Overseas	73.1	72.2	+1.3%	75.0	97.5%
Operating profit	27.3	22.2	+22.8%	26.0	105.0%
Operating margin	9.0%	8.0%	+1.1pts	8.7%	+0.3pts
Domestic	23.9	19.6	+21.5%	22.3	107.0%
Overseas	3.4	2.6	+32.4%	3.7	92.8%
Ordinary profit	31.2	23.5	+32.8%	28.5	109.3%
Net profit*	19.9	14.8	+34.6%	18.0	110.5%

*Profit attributable to owners of parent

FY2024/3 Results: operating profit analysis by factor



Note: Increased sales volume, effects of price/content revisions: Increased volume (+¥1.5bn), effects of price/content revisions (+¥15.1bn)
 Raw material/energy/distribution costs: Imported raw materials (-¥2.8bn), packaging (-¥1.8bn), domestic potatoes (-¥0.8bn), cooking oil (-¥0.6bn), energy costs (+¥0.8bn), distribution costs (-¥0.03bn)
 Selling expenses/investment: Improved sales promotion costs (+¥1.0bn), marketing investment (-¥1.6bn)
 Investment in new areas/business platforms: Investment in food and health area including investment in raising awareness of *Body Granola*, investment in business platforms for S&OP and business growth
 Others: Higher supplies and repairs expenses, lower profitability of Kaitsuka (sweet potato business), systems investment, increased travel expenses due to normalization of social activities

FY2024/3 Domestic business



- Snacks:** Revenue increased in all categories due to the effect of price and content revisions and strong sales throughout the year
 A larger Hokkaido potato harvest in 2023 and strong sales of gift snack items and *JagaRico* due to a pickup in people flows contributed
 Relative price affordability amid food market inflation acted as tailwind
- Cereals:** Successful marketing measures led to growth in the second half, especially in large-volume products
- Others:** Sweet potato business continued to perform well

(Billion yen)

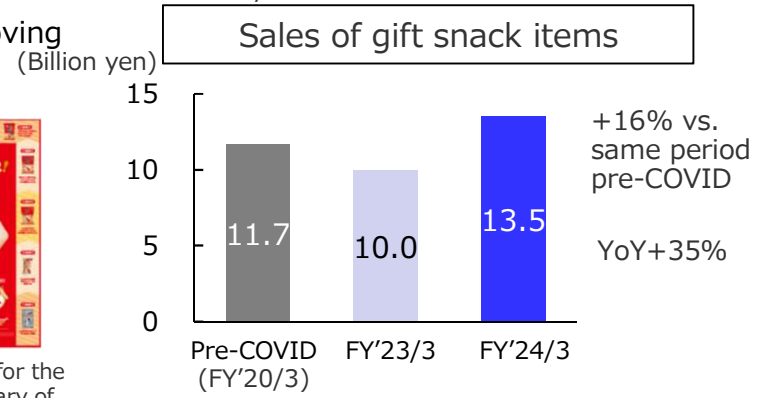
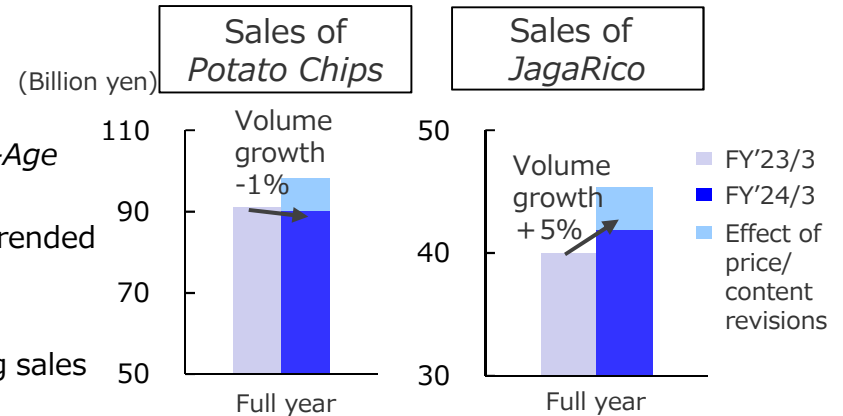
	FY2024/3		
		Change(YoY)	
Domestic sales	229.9	+22.8	+11.0%
Snacks	214.6	+20.6	+10.6%
<i>Potato Chips</i>	98.3	+7.3	+8.1%
<i>JagaRico</i>	45.4	+5.4	+13.4%
Other snacks	71.0	+7.9	+12.5%
Cereals	26.2	+2.0	+8.2%
Others (Agri, Food and health, Services)	15.6	+1.8	+13.4%
Rebates deducted from sales	-26.5	-1.7	—
Domestic operating profit	23.9	+4.2	+21.5%
Operating margin	10.4%	+0.9pts	—

*Amounts for sales of Snacks, Cereals and Others (Agri, Food and health, Services) are prior to deduction of rebates, etc.

FY2024/3 Domestic business

Snacks

- **Potato Chips:**
 - Grew sales of standard products such as *Usu-Shio Flavor* and *Kata-Age Potato*
 - Market share of comparatively high-priced large-volume products trended downwards
- **JagaRico:**
 - Responded to strong demand throughout the year by concentrating sales on standard products
 - Achieved higher sales by introducing a new production line and improving production efficiency
- **Other snacks:**
 - Sales of gift snack items exceeded their pre-pandemic level due to increased domestic and inbound demand
 - Grew sales of wheat-, corn- and bean-based snacks
 - *Kappa Ebisen* sales volume continued to rise on its 60th anniversary supported by measures aimed at target consumers



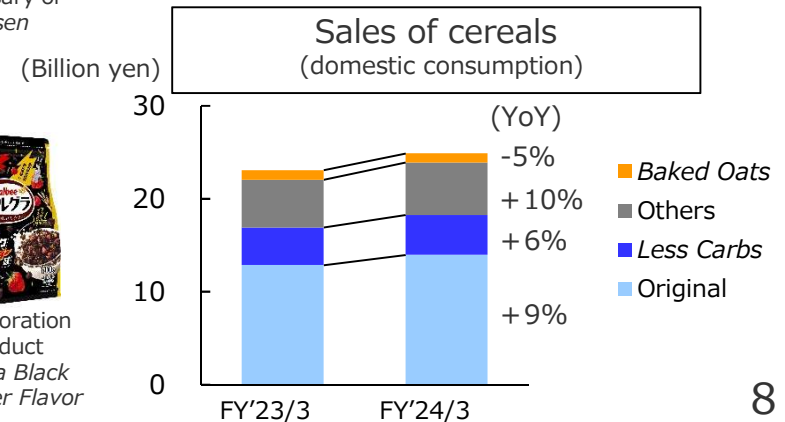
Newspaper ad for the 60th anniversary of *Kappa Ebisen*

Cereals

- Cereal market expanded slightly: market share grew +2.8pts*
- Continuous marketing and sales activities such as promotions for increased volume, TV commercials, and the launch of special products stimulated demand from H2 onward



Collaboration product *Fruga Black Thunder Flavor*



FY2024/3 Overseas business

- **North America:** *Harvest Snaps* sales declined on a local currency basis due to continued weakness in PB and OEM sales, despite strong demand for brands of Japanese origin
- **Greater China:** Significant decrease in both retail store and e-commerce sales
- **Other regions:**
 - UK: Continued strong sales on Seabrook brand potato chips and expanded product lineup
 - Indonesia: Returned to profitability due to additional *Guribee* production lines and improved raw material cost ratio
 - Korea: Recovered from a loss in the previous fiscal year on growth mainly in potato chips

<Business results by region>	FY2024/3			
		Change(YoY)		Change ex. forex in %
Overseas sales	73.1	+0.9	+1.3%	-4.7%
North America	23.5	+1.2	+5.6%	-1.3%
Greater China	18.6	-4.8	-20.7%	-23.3%
Other regions	40.4	+4.2	+11.6%	+4.3%
Rebates deducted from sales	-9.3	+0.3	-	-
Overseas operating profit	3.44	+0.84	+32.4%	-
Operating margin	4.7%	+1.1pts	-	-
North America	0.31	-0.48	-61.0%	-
Greater China	0.40	-0.53	-56.9%	-
Other regions	2.73	+1.85	+209.7%	-

*Sales by region are amounts prior to deduction of rebates, etc.

FY2024/3 Overseas business

*YoY

North America

■ Sales

- Expanded distribution of derivative brands contributed to strong sales of *Harvest Snaps*
- Sales of brands of Japanese origin grew due to broadening of product range, and expansion of sales channels to US supermarkets, etc., to capture increased demand
- Although the PB and OEM industry was significantly affected by restructuring, received new orders from December onward

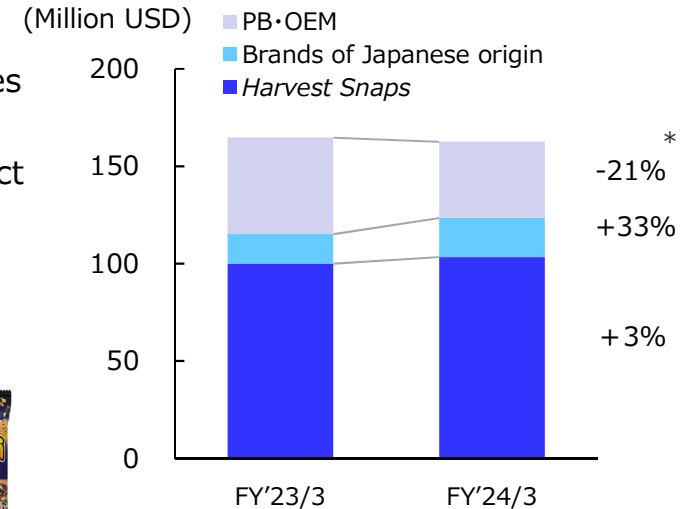
■ Operating profit

- Profit decreased due to lower PB and OEM sales



JagaRico and *Takoyaki Ball* sales growing in the North American market

Sales in North America (-1%*)



Greater China

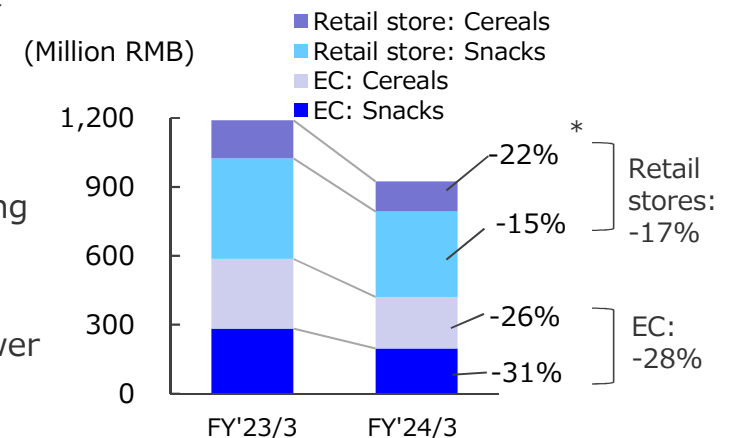
■ Sales

- Further decline in sales level from H2 due to deteriorating business confidence, expanding deflationary mindset, and stricter customs regulations for mainstay snacks
- Will launch local OEM products and increase production in neighboring countries in FY2025/3

■ Operating profit

- Selling expenses were reduced but could not offset the impact of lower sales, resulting in a decrease in profit

Sales in Greater China (-23%*)



II. FY2025/3 Full Year Forecast

FY2025/3 Forecast

Target +6% sales and +6% operating income growth in FY2025/3

Planned exchange rate: USD1 = JPY142 (Billion yen)

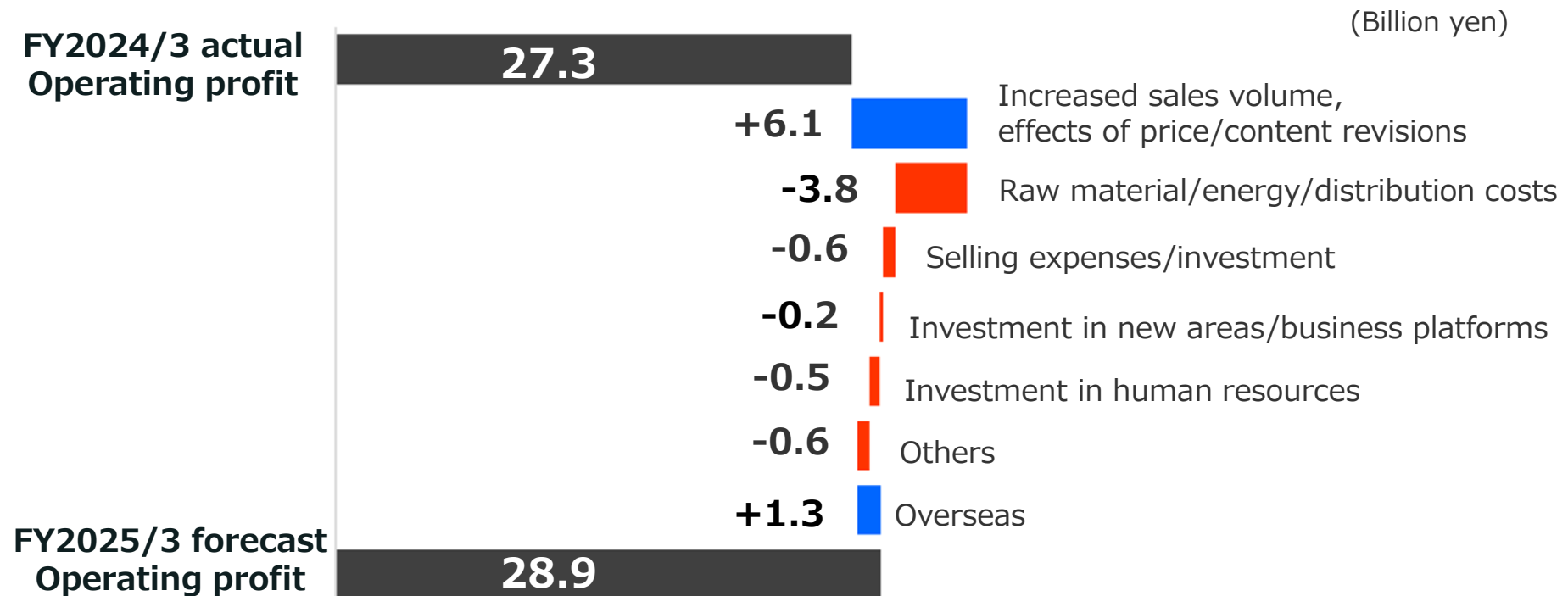
Growth guidance	FY2023/3 Results	FY2024/3 Results	FY2025/3 Forecast	FY2024/3 – FY2025/3 Two-year average	Growth guidance (3 years)
Consolidated net sales	279.3	303.0	320.0	–	–
Organic growth rate	+14%	+8%	+6%	+7%	+ 4-6%
Consolidated operating profit	22.2	27.3	28.9	–	–
Consolidated profit growth rate	-12%	+23%	+6%	+14%	+ 6-8%
Net profit	14.8	19.9	18.0*	–	–
ROE (ROE after forex adjustments)	8.5% (8.0%)	10.9% (9.5%)	9.1% (9.1%)	–	Over 10%

Main KPIs

Domestic operating profit growth	-15%	+22%	+1%	+11%	+ 6-8%
Overseas sales ratio	26%	24%	26%	–	30-35% (FY2026/3)
Ratio of sales in new areas	3.9%	4.3%	4.4%	–	5% (FY2026/3)

FY2025/3 Forecast: Factors affecting operating profit

Offset soaring costs by price and content revisions
Continue to invest in portfolio transformation and strengthening of business foundation



Note: Increased sales volume, effects of price/content revisions: Increased volume (+¥0.4bn), effects of price/content revisions (+¥5.7bn)
 Raw material/energy/distribution costs: Raw materials (-¥1.8bn), energy costs (-¥0.8bn), distribution costs (-¥1.2bn)
 Others: Increase in depreciation expenses

FY2025/3 Forecast Domestic business



Major initiatives in domestic core businesses

- Implement product development and measures tailored to the values of the current generation and concentrated marketing investment in priority and key brands
- Expand through increased production and new development of gift snack items
- Expand production capacity while monitoring demand
- Promote S&OP* by reducing SKUs, establishing efficient production system, etc. *S&OP: Sales & Operation Planning

Major initiatives in new areas

- Agri-business: Expand profitability of the sweet potato business through synergies
 - ✓ Expand sales by leveraging the *Benitenshi* brand
 - ✓ Advance supply chain enhancement
- Food and Health: Expand *Body Granola* and food and health platform

	FY2025/3		
	(Billion yen)	Change(YoY)	
Domestic sales	237.0	+7.1	+3.1%
Snacks	220.9	+6.3	+2.9%
<i>Potato Chips</i>	100.6	+2.3	+2.4%
<i>JagaRico</i>	48.9	+3.5	+7.8%
Other snacks	71.4	+0.4	+0.5%
Cereals	26.2	+0.0	+0.0%
Others (Agri, Food and health, Services)	16.9	+1.3	+8.6%
Rebates deducted from sales	-27.0	-0.5	—
Domestic operating profit	24.2	+0.3	+1.4%
Operating margin	10.2%	-0.2pts	—
Gift snack items **	17.4	+1.8	+11.4%

**Gift snack items: Figures for the prior year have been reclassified due to the organizational integration of the gift business

FY2025/3 Forecast Overseas business

Major initiatives in overseas business

Europe / Americas

- North America: Launch new *Harvest Snaps* products and expand distribution of brands of Japanese origin at US retailers. Increase utilization rate by starting production brands of Japanese origin at the Madera Factory, etc.
- UK: Strengthen potato chips production line to reinforce products and expand distribution

Asia / Oceania

- Greater China: Start local OEM production of *Jagabee*, *Frugra*, etc., and expand sales personnel for retail store
- ASEAN / Oceania:
 - ✓ Indonesia: Launch new *Potato Chips* products and expand *Guribee* sales
 - ✓ Other: Contribute to overall overseas profitability by leveraging Thailand's production capacity and strengthening cooperation with sales bases

<Forecasts by region>	FY2025/3		
	(Billion yen)	Change(YoY)	
Overseas sales	83.0	+9.9	+13.5%
Europe/Americas	44.0	+7.5	+20.5%
North America	28.6	+5.2	+22.0%
Asia/Oceania	50.0	+4.1	+8.8%
Greater China	18.9	+0.4	+2.0%
Rebates deducted from sales	-11.0	-1.7	—
Overseas operating profit	4.7	+1.26	+36.8%
Operating margin	5.7%	+1.0pts	—
Europe/Americas	2.17	+1.03	+89.7%
North America	1.01	+0.71	+231.6%
Asia/Oceania	2.53	+0.24	+10.4%
Greater China	0.40	+0.00	+1.1%

Investment results and forecast

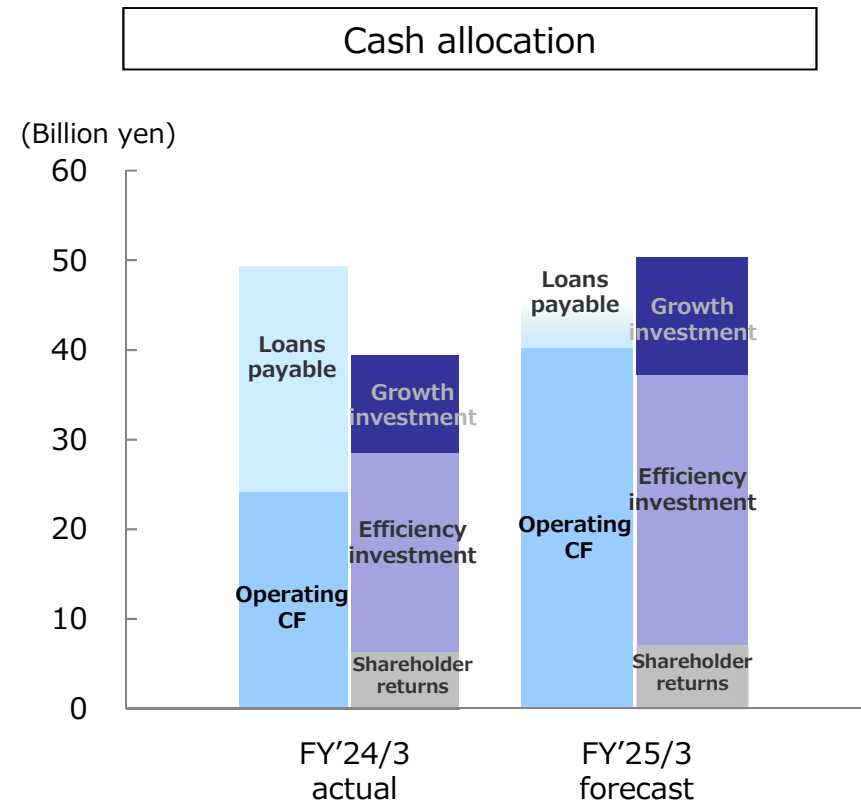
Borrowed in FY2024/3 for the first time since listing
Invest in production efficiency improvement, growth areas, etc.,
using cash on hand and borrowings as well as operating cash flow

■ FY2024/3

- Investment for growth: 10.8 billion yen
 - ✓ Expand domestic production capacity, including a new *JagaRico* line
 - ✓ Investment and capital increase to strengthen overseas and new business areas
- Efficiency investment: 22.1 billion yen
 - ✓ Build new Setouchi Hiroshima Factory
- Shareholder returns: 6.5 billion yen

■ FY2025/3 (forecast)

- Growth investment: Investment to increase production capacity in Japan and overseas, strengthen development functions, and invest in new business areas
- Efficiency investment: Investment in productivity improvement (Setouchi Hiroshima Factory, etc.) and DX



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Roadmap to 2030



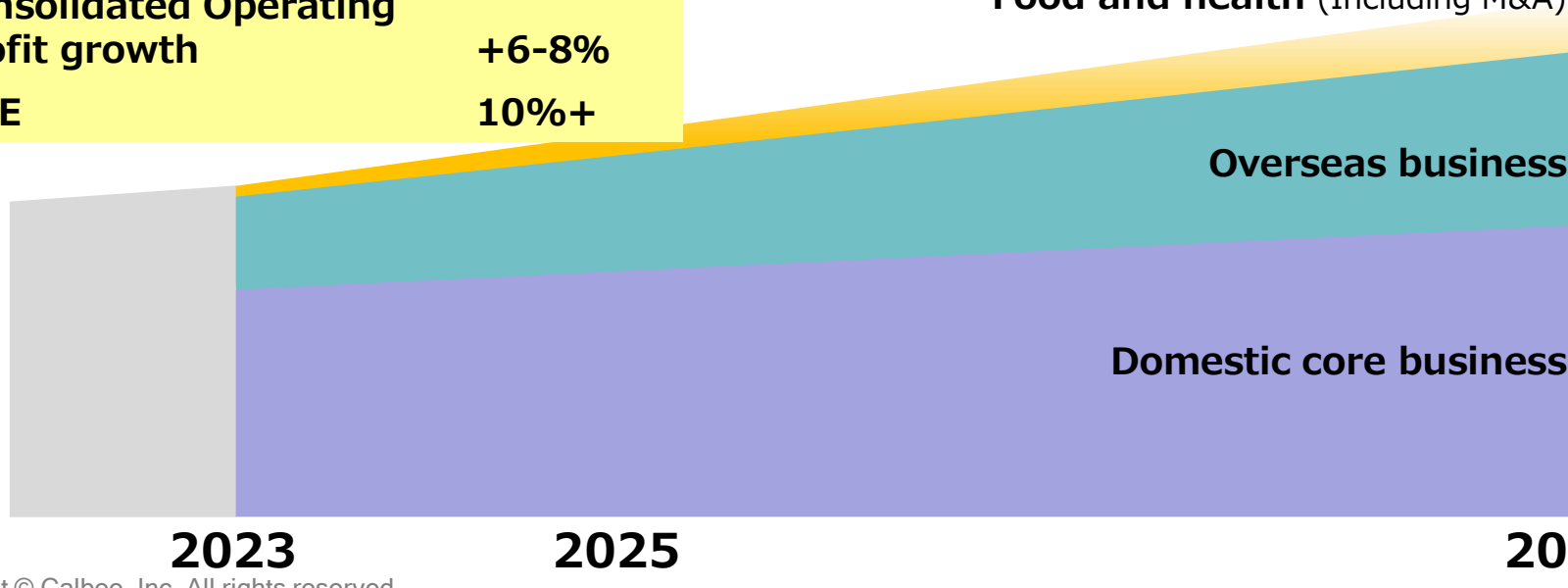
Change 2025

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)



Change 2025: Recap

Progress

Issues

Enhance profitability

- Marketing activities were successful, volume grew post-revision too
- Built foundation for optimizing value chain through DX
 - ✓ Optimized SKUs
 - ✓ Promoted S&OP

- Room to raise Calbee brand value
 - ✓ Corporate brand
 - ✓ Individual product brands
- Create system for optimizing value chain and introduce incrementally
(start small, grow big)

Business portfolio transformation

- Progress in rebalancing overseas business profit portfolio by country
- Began new initiatives in new areas
 - ✓ Expanded synergies with sweet potato business
 - ✓ Launched *Body Granola*

- Sustainable sales growth for enhancing overseas business profitability
- Review financial strategy in support of portfolio transformation

Strengthen business base

- Clarified responsibilities and improved flexibility of implementation by introducing regional business structure
- Prepared and implemented changes in consciousness
 - ✓ Roundtable meetings
 - ✓ Challenge Targets

- Strengthen collaboration across organizations
- Various strategic human resources training
(strategic human resources in both quality and quantity)
- Continuous initiatives to make transformation and challenging oneself personal matters

Corporate Philosophy

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



Raise Calbee Group's corporate value

Sustainable growth through business portfolio transformation



Financial strategy that shows awareness of the cost of capital



Long-lasting businesses through sustainability enhancement

Future initiatives: Enhance profitability



Through 3 main initiatives, enhance quality of profitability in domestic core business

Further raise brand value

- Promote Calbee's competitive supremacy and aim to differentiate
 - ✓ Initiatives for potatoes over many years
 - ✓ Particular about raw materials and production



Launched "Particular about Potato Chips" webpage

- Utilize S&OP structure to implement balanced pricing and marketing strategies

Advance value chain optimization

- Prepare and implement S&OP based on DX strategy
→Details on next page

Raise added value of differentiated products

- Strive to increase profit of gift snack business, a domestic growth market
 - ✓ Aim to maximize group synergies through organizational integration
 - ✓ Strengthen initiatives with external parties



Signed sponsor contract with Oriental Land Co., Ltd. ©Disney

Future initiatives: DX strategy (bottom-up DX)



Bottom-up DX promotes frontline-led DX while developing digitally literate human resources, which plays a role in steadily expanding the base of DX

Expand bottom-up DX, which started with the use of IT tools to solve on-site problem awareness through digitalization, into new areas using AI, etc.

DX human resources training

Horizontally develop success cases



DX pilot factory
Konan Factory
(Shiga Pref.)

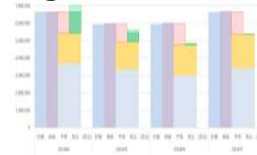
Expand horizontally
to Group factories
across Japan



Setouchi Hiroshima
Factory
(scheduled to begin
operation in FY2025/3)



Potato demand
prediction
Potato
management



AI demand
prediction



Sharing success cases



Plan and implement internal
events such as the DX
Conference and Idea Workshop

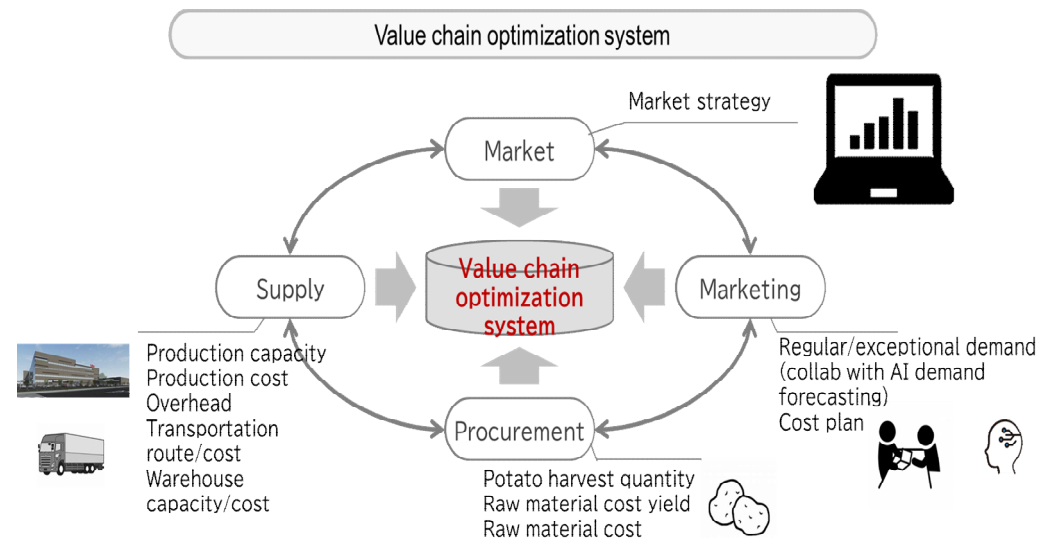
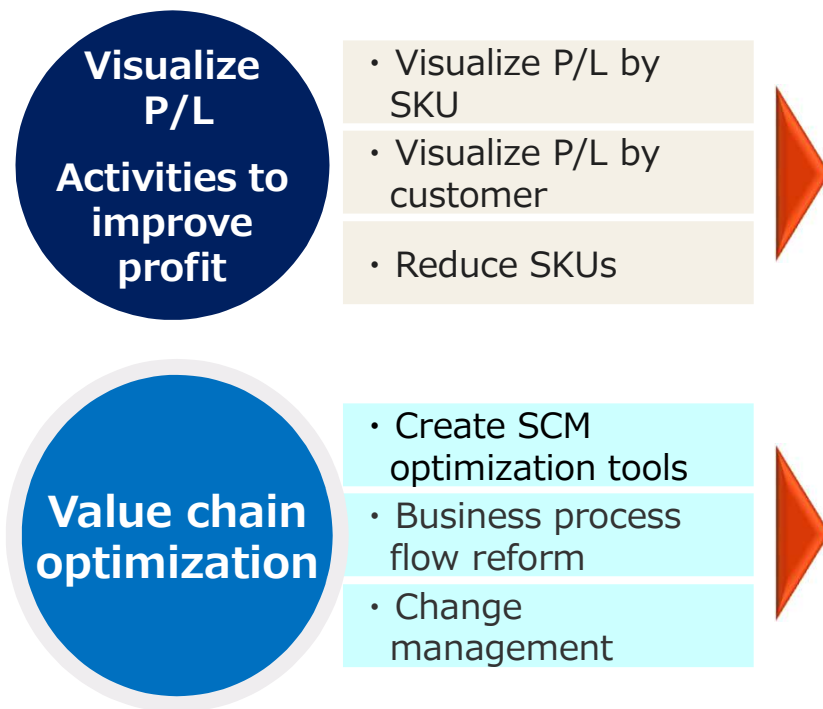
Future initiatives: DX strategy (top-down DX - S&OP)



*S&OP: Sales & Operation Planning

In S&OP*, create an environment that visualizes and shares data across the entire supply chain to accelerate decision making and optimize implementation of Calbee's proprietary supply chain 10 Processes

Implement S&OP in concert with digital transformation



- Calbee proprietary value chain optimization simulation system
- Aim to instantly formulate scenarios by manipulating parameters and develop optimal supply plans on the system based on data on cost and constraints

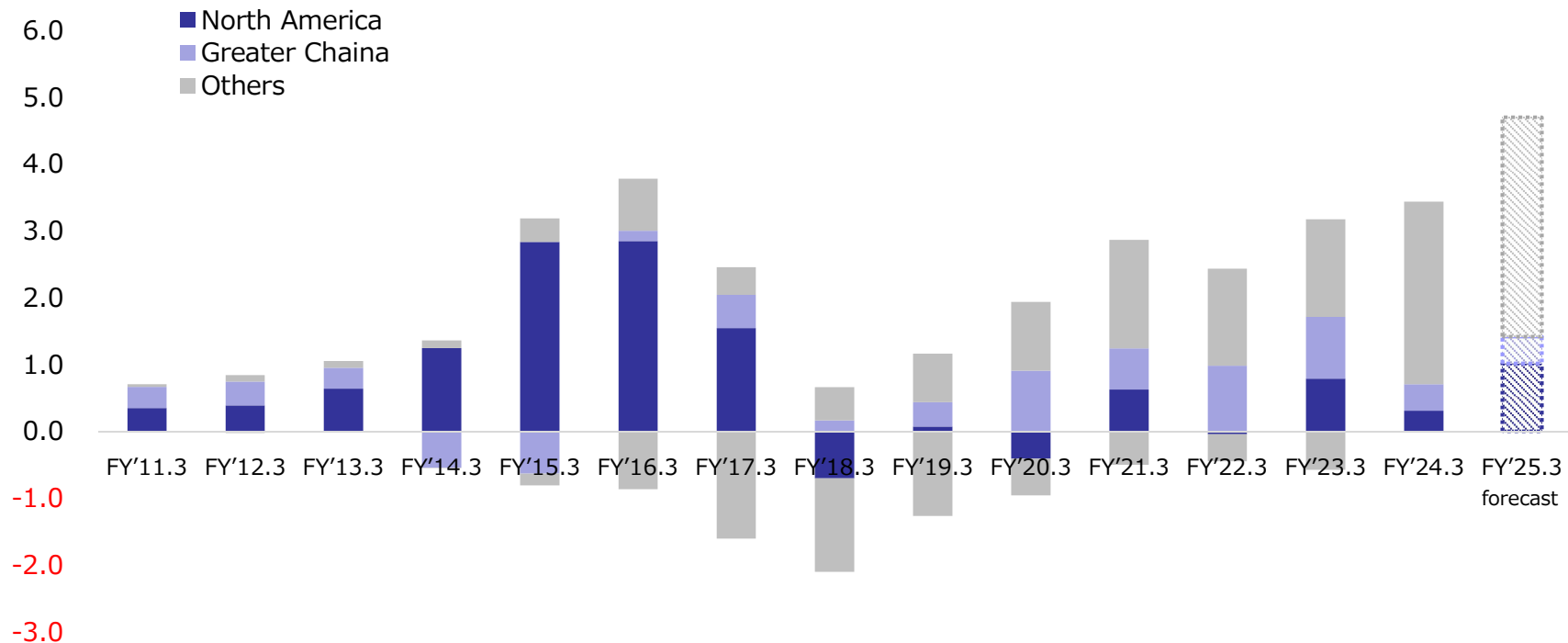
Future initiatives: Business portfolio transformation (overseas business)



Adjust overseas business profit structure

- Achieve profitability in loss-making locations
- Shift away from unipolar structure in North America to create a mutually-reinforcing portfolio

(Billion yen) **Operating profit trend in the overseas business**



Future initiatives: Business portfolio transformation (overseas business)



Continue policy of expanding brands of Japanese origin, mainly in North America and Greater China

Aim to enhance overseas business portfolio by shifting investment capital from concentrating on China to regions where results are firm, (i.e., UK, Indonesia)

Europe/Americas

Pursue higher profit while strengthening existing brands and growing brands from Japan

- North America:
 - Brand extension of *Harvest Snaps*
 - Expand distribution of brands of Japanese origin at US retailers
 - Aim to expand in snack shelves by strengthening sales personnel
 - Improve profit by effectively utilizing Madera Factory
- UK:
 - Brand extension of *Seabrook*
 - Raise profitability by expanding supply capability

Asia/Oceania

Advance preparations for future growth in China and expand sales in Asia/Oceania overall

- China:
 - Expand sales at retail stores by localizing products/production and enhancing sales structure
- Other:
 - In Thailand, etc., where we are cost competitive, make quality and diverse production lines our competitive strengths and raise supply capacity globally
 - Strengthen collaboration between production and sales locations
 - Invest in regions where market growth is expected, such as Indonesia

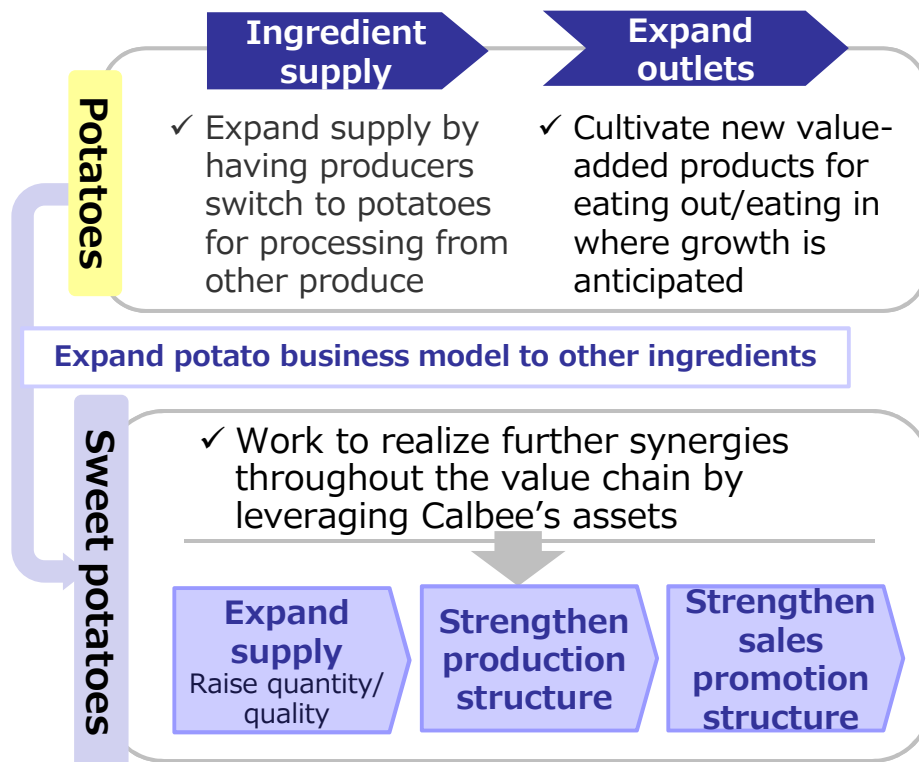
Future initiatives: Business portfolio transformation (new areas)



Accelerate business by continuing to invest resources (staffing/capex/funds) in new areas

Agri-business

Strengthen base for expanding natural ingredients platform



Food and health

Build a new business model that contributes to healthy lifestyles

Create an integrated food solutions platform

Understand customers
Personalize

Means to encourage continuation
Digital x human touch

Enhance choice
Varied solutions

Enhance basic research, including collaboration with external institutions

Intestinal flora research, sleep research, time nutrition, etc.

- ✓ Expand *Body Granola*, launched in April 2023
- ✓ Advance collaboration with external institutions for creation of new businesses

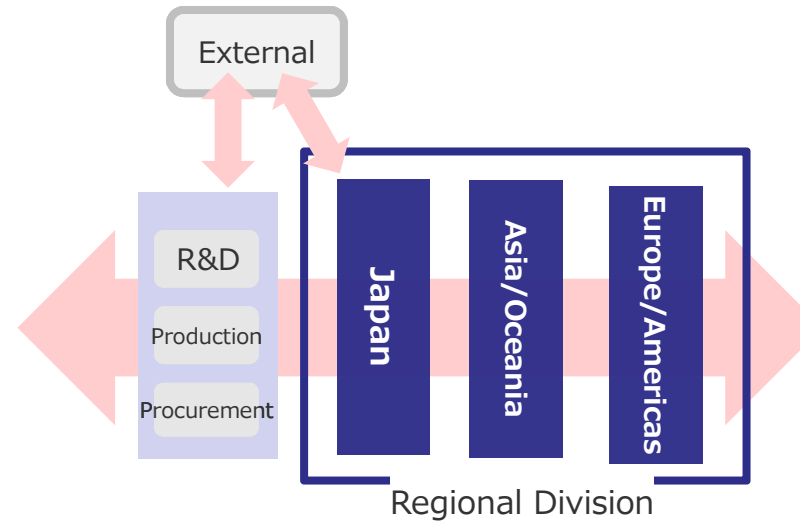
Future initiatives: Strengthen business foundation (organization/human resources)



Create framework promoting reform and challenges to foster corporate culture

Organization

Enhance horizontal and external collaboration to elevate organizational capability Group-wide



Human resources training

Enhance training of strategic human resources (management/global/DX) and transform consciousness to promote reform and undertaking challenges

Initiatives for helping all employees excel

3 human resources training policies

1. Enhance training of management/global/ DX human resources

2. Support each employee's individual growth and career independence

3. Foster a corporate culture of mutual growth

Review of direction of financial strategy



Improve corporate value by promoting optimal investment for growth while ensuring financial position

Background

- **Change 2025 implementation**
Investment necessary for portfolio reform and to strengthen business base
- **Change capital structure**
Fund-raising necessary for strategic investment
Conducted first borrowings since listing
- **Low ROE**
Raise capital efficiency
Need to use financial leverage

Direction of financial strategy

Continuously improve corporate value

Raise quality of profit

- Make optimal growth investment to realize business portfolio growth
- Make investment decisions and pursue returns with capital costs in mind
- Implement management that aims to improve profitability of capital

Ensure sound financial position

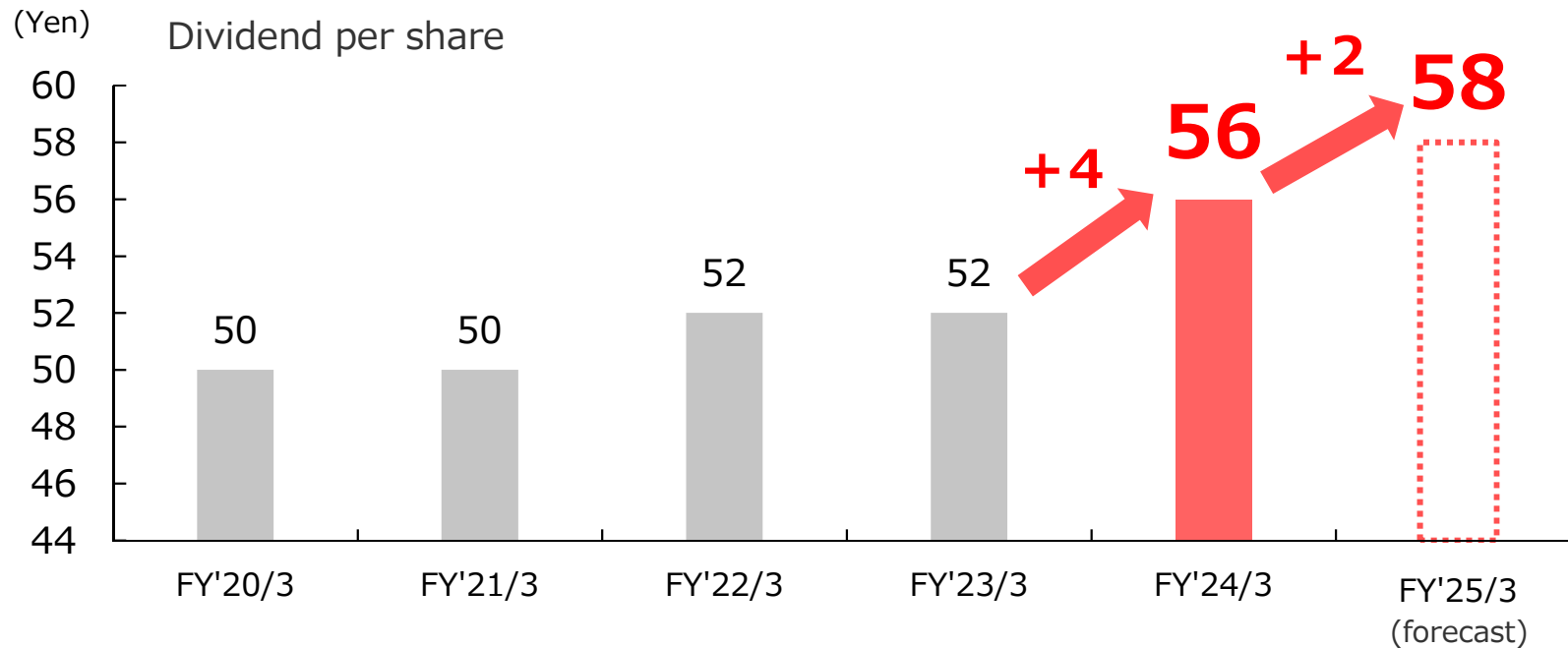
- Manage financial risk and ensure fiscal soundness
- Rationalize capital cost level with optimized capital structure
- Secure fund-raising methods for implementing strategy across the company

Implement appropriate shareholder returns

- Continuous and stable shareholder returns
- Raise shareholder returns from a medium- to long-term perspective
 - Implement flexible capital policy (dividend policy, share buybacks)

Shareholder returns

Aim to stably increase dividends with a total return ratio of 50% and more and DOE of 4%.



DOE	3.9%	3.8%	3.8%	3.8%
Total return ratio	103.7%	125.3%	35.2%	40.2%
Total dividend amount (Billion yen)	6.7	6.5	7.0	7.3
Total share repurchase amount (Billion yen)	12.0	12.0	-	-

Sustainability initiatives



Initiatives for sustainable raw materials procurement

Strive for stable supply of domestic potatoes while responding to climate change and producer shortage

- **Disperse production areas and expand acreage**
Disperse production in Hokkaido and develop in Tohoku/northern Kyushu
- **Expand use of Calbee-developed *Poroshiri* variety**
Highly resistant to disease, less labor-consuming to harvest

Poroshiri variety developed by Calbee



- **Advance agricultural labor-saving initiatives**
Support harvests with large equipment (2 row harvesters)

Co-creation of a sustainable supply chain

Strive for responsible raw materials procurement that respects the environment and human rights

- **Expand responsible palm oil procurement**
 - Achieved 2030 target of using 100% certified palm oil domestically in 2022, ahead of schedule*1
 - Expanding RSPO*2 labeled products (30*3 as of March 2024)
Strengthen engagement with suppliers
 - Expand initiatives to overseas locations



*1 All domestic plants use certified palm oil certified under the mass balance method (in which certified and non-certified oil is mixed in the production and distribution process. The scheme physically includes non-certified oil but guarantees the quantity of certified oil purchased).

*2 RSPO: Roundtable on Sustainable Palm Oil. A non-profit organization established by the WWF and stakeholders in the palm oil industry (manufacturers, retailers, environmental organizations, etc.).

*3 Applies to Calbee and Japan Frito-Lay

In conclusion

- Towards 2030, we plan to raise corporate value by enhancing both sustainable growth via business portfolio reform and sustainability through relevant initiatives
- By steadily accomplishing key Change 2025 policies and implementing our financial strategy, we will increase the effectiveness and speed of business portfolio reform and pursue business growth that exceeds guidance
- We will continue to proactively engage with shareholders and investors and to reflect these discussions in initiatives to raise corporate value



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

Reference material

Consolidated profit and loss statement



(Million yen)

	FY2024/3 Results				FY2025/3 Forecast		
		Percent of total(%)	Change (YoY) (%)	vs. Revised forecast (%)		Percent of total(%)	Change (YoY) (%)
Net sales	303,027	100.0	+8.5	101.7	320,000	100.0	+5.6
Gross profit	101,959	33.6	+13.0	103.3	109,200	34.1	+7.1
SG&A	74,654	24.6	+9.8	102.7	80,300	25.1	+7.6
Selling	12,598	4.2	+14.9	107.7	14,100	4.4	+11.9
Distribution	22,625	7.5	+4.4	99.7	24,500	7.7	+8.3
Labor	24,446	8.1	+12.2	101.9	25,600	8.0	+4.7
Others	14,983	4.9	+10.7	104.8	16,100	5.0	+7.4
Operating profit	27,304	9.0	+22.8	105.0	28,900	9.0	+5.8
Ordinary profit	31,155	10.3	+32.8	109.3	28,000	8.8	-10.1
Extraordinary income/loss	-951	-	-	-	-500	-	-
Net profit*	19,886	6.6	+34.6	110.5	18,000	5.6	-9.5

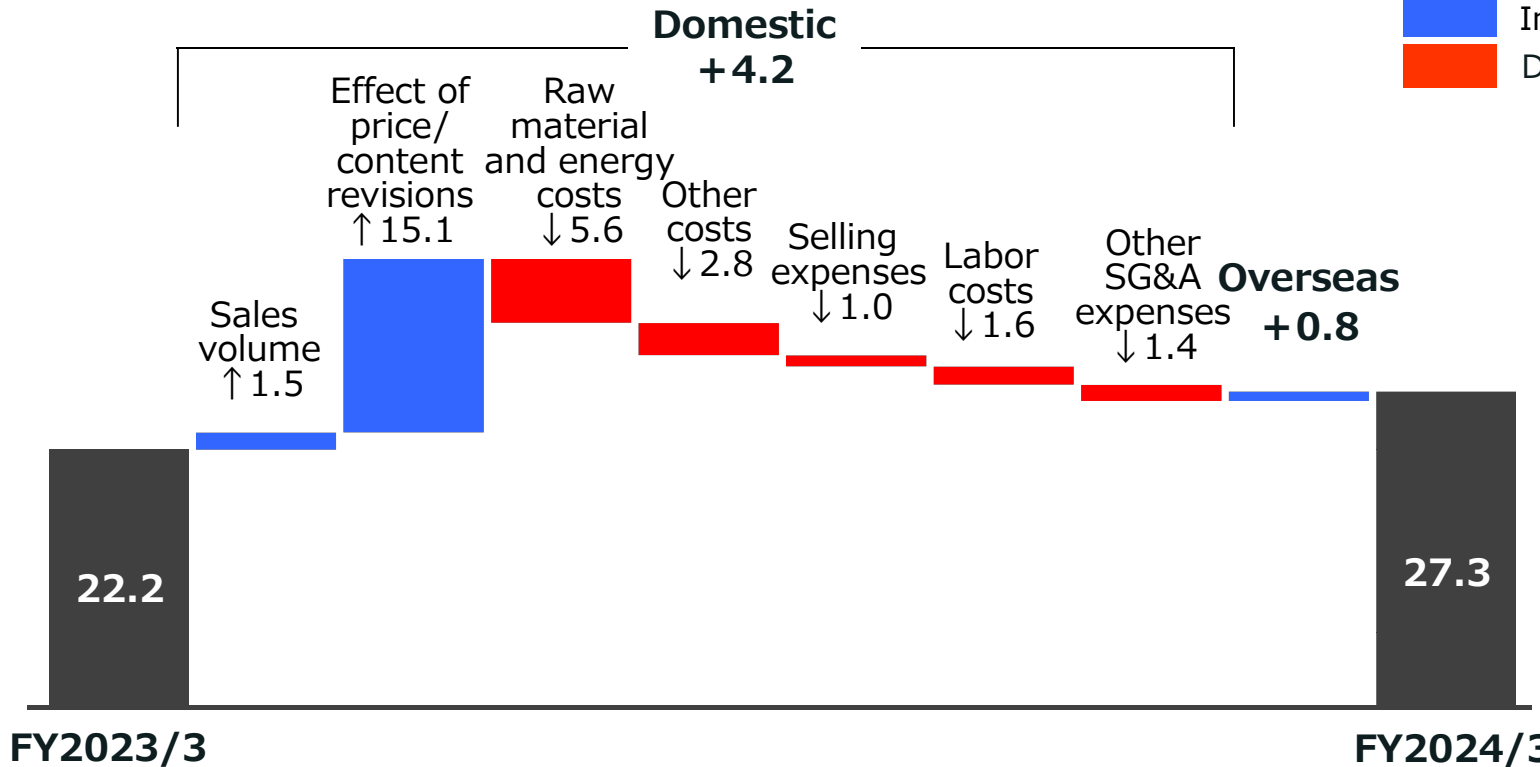
*Profit attributable to owners of parent

FY2024/3 Results: operating profit analysis

Change in operating profit (YoY)

(Billion yen)

■ Increase
■ Decrease



Domestic

- Raw material/energy costs: Imported raw materials (-¥2.8bn), packaging (-¥1.8bn), domestic potatoes (-¥0.8bn), cooking oil (-¥0.6bn), energy costs (+¥0.8bn)
- Other costs: Increased labor costs in response to labor shortage, increased supplies and repairs expenses, lower profitability of Kaitsuka (sweet potato business), etc.
- Selling expenses: Improved sales promotion costs (+¥1.0bn), marketing investment in domestic core and new areas (-¥2.0bn)
- Other expenses: systems investment, increased travel expenses due to normalization of social activities, etc.

Overseas

Effect of price/content revisions (+¥1.5bn), raw material and energy costs (-¥0.5bn)

FY2025/3 Forecast

Summary

(Billion yen)

	FY2024/3 Results	FY2025/3 Forecast	Change(YoY)	
Net sales	303.0	320.0	+17.0	+5.6%
Domestic	229.9	237.0	+7.1	+3.1%
Overseas	73.1	83.0	+9.9	+13.5%
Operating profit	27.3	28.9	+1.6	+5.8%
Operating margin	9.0%	9.0%	+0.0pts	-
Domestic	23.9	24.2	+0.3	+1.4%
Overseas	3.4	4.7	+1.3	+36.8%
Ordinary profit	31.2	28.0	-3.2	-10.1%
Net profit*	19.9	18.0	-1.9	-9.5%

*Profit attributable to owners of parent

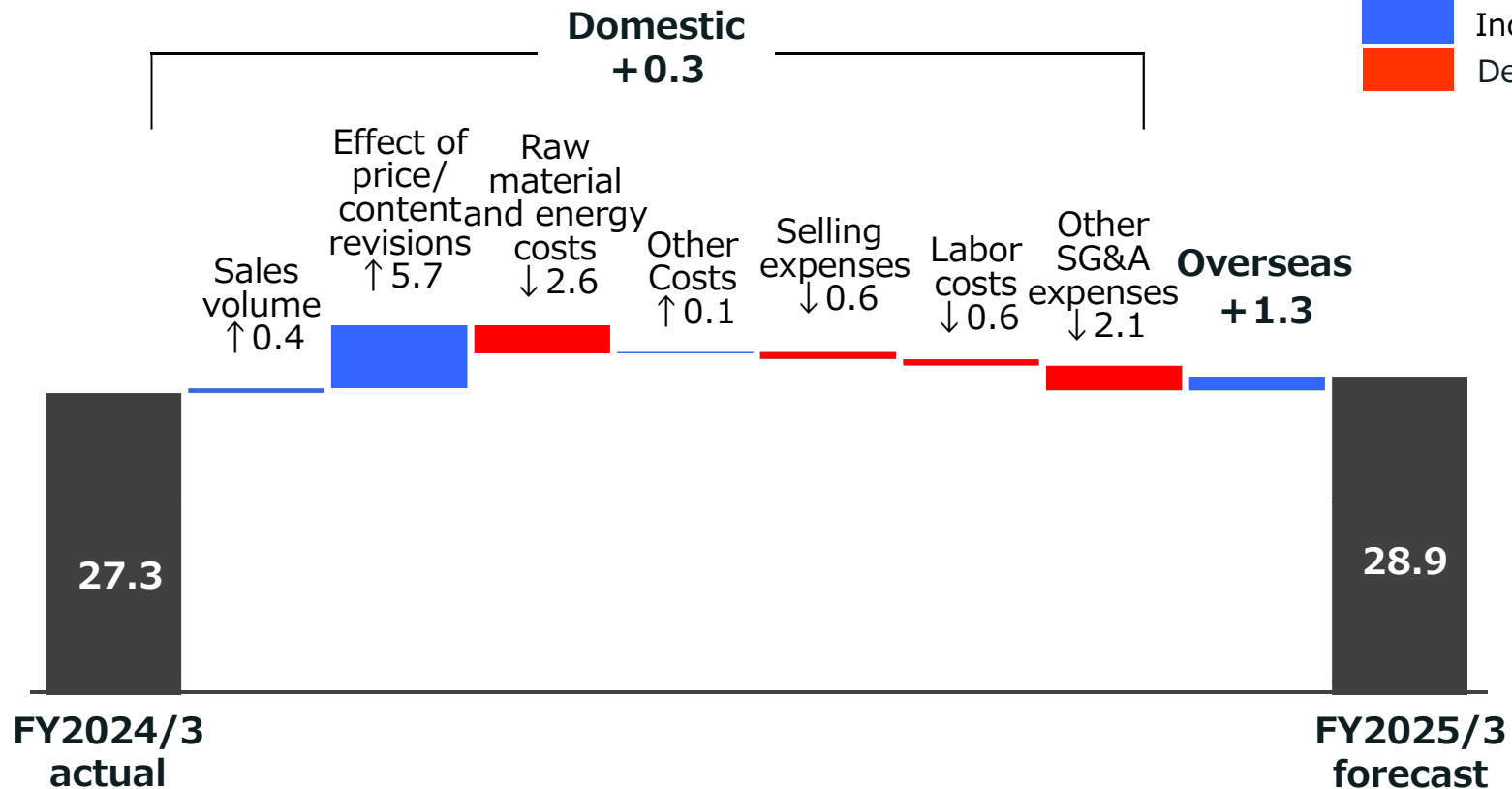
FY2025/3 Forecast: operating profit analysis



Change in operating profit (YoY)

(Billion yen)

■ Increase
■ Decrease



Domestic

- Raw material/energy costs: Raw materials (-¥1.8bn), energy costs (-¥0.8bn)
- Other costs: Offset increase in labor cost and depreciation expenses with loss reductions and higher productivity
- Other expenses: Distribution costs (-¥1.2bn), expenses before operation of new plant, invest in new areas and DX, etc.

Financial condition and Cash flows

	As of March 31, 2023	As of March 31, 2024	Change
Total assets	239,095	292,158	+53,063
Current assets	98,970	127,853	+28,882
Non-current assets	140,124	164,305	+24,180
Total liabilities	56,408	91,072	+34,663
Current liabilities	45,663	54,475	+8,812
Non-current liabilities	10,745	36,596	+25,851
Net assets	182,686	201,086	+18,399
Net Cash	30,311	17,253	-13,057
Equity ratio	72.8%	65.6%	-7.2pts

	As of March 31, 2023	As of March 31, 2024	Change
Cash flows from operating activities	19,310	24,350	+5,039
Cash flows from investing activities	-20,329	-35,307	-14,977
Cash flows from financing activities	-20,004	16,850	+36,855

Main factors of increases / decreases

(Million yen)

Notes and accounts receivable - trade +16,996
(Due to the last day of December being a bank holiday)

Property, plant and equipment +22,123

(Main capital investment)
• Setouchi Hiroshima plant
• New *JagaRico* production line

Long-term borrowings +25,000

Retained earnings +13,377

Main factors of increases / decreases

Increase in profit before income taxes +7,563

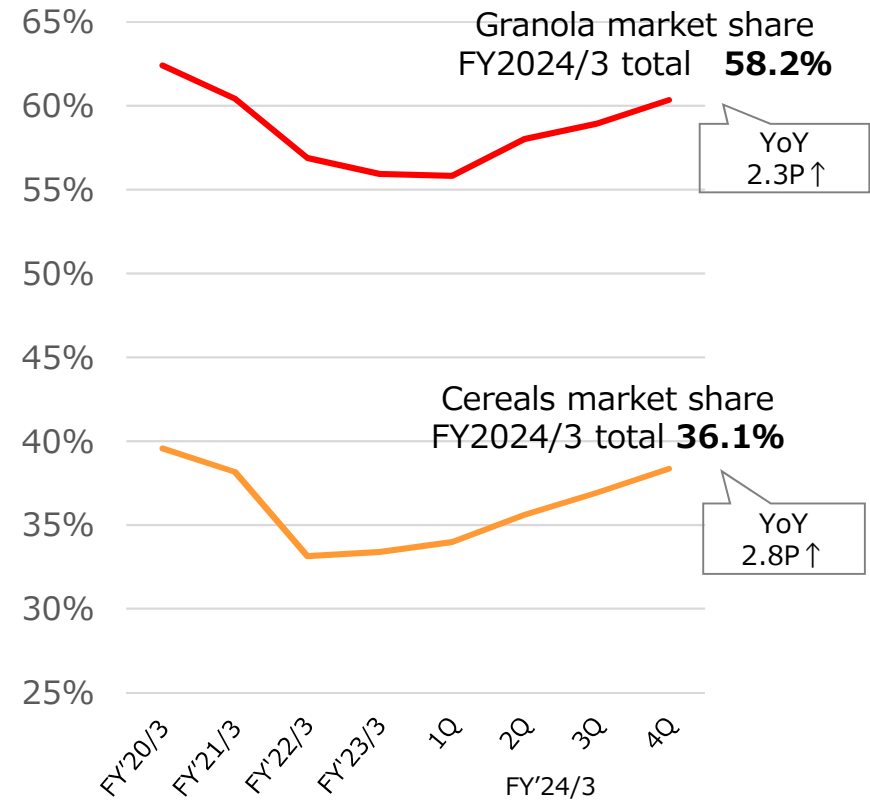
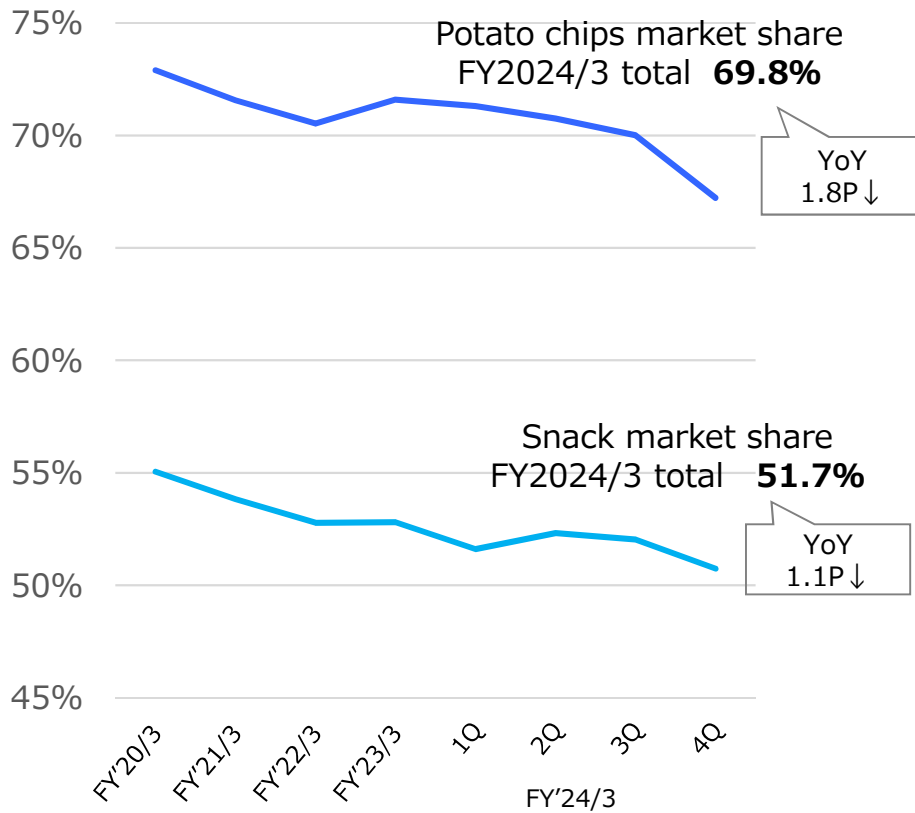
Decrease in proceeds from the redemption of securities -9,001

Increase in expenditures for the purchase of property, plant and equipment -4,841

Net increase in long-term borrowings +25,000

Decrease in expenditures for the acquisition of treasury stock +11,759

Domestic market share



Market share by snack category

	Potato-based snacks	Flour-based snacks	Corn-based snacks	Bean-based snacks
FY2024/3 (YoY)	73.1% (1.4P ↓)	54.8% (1.2P ↑)	21.2% (0.2P ↓)	56.1% (1.1P ↑)

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

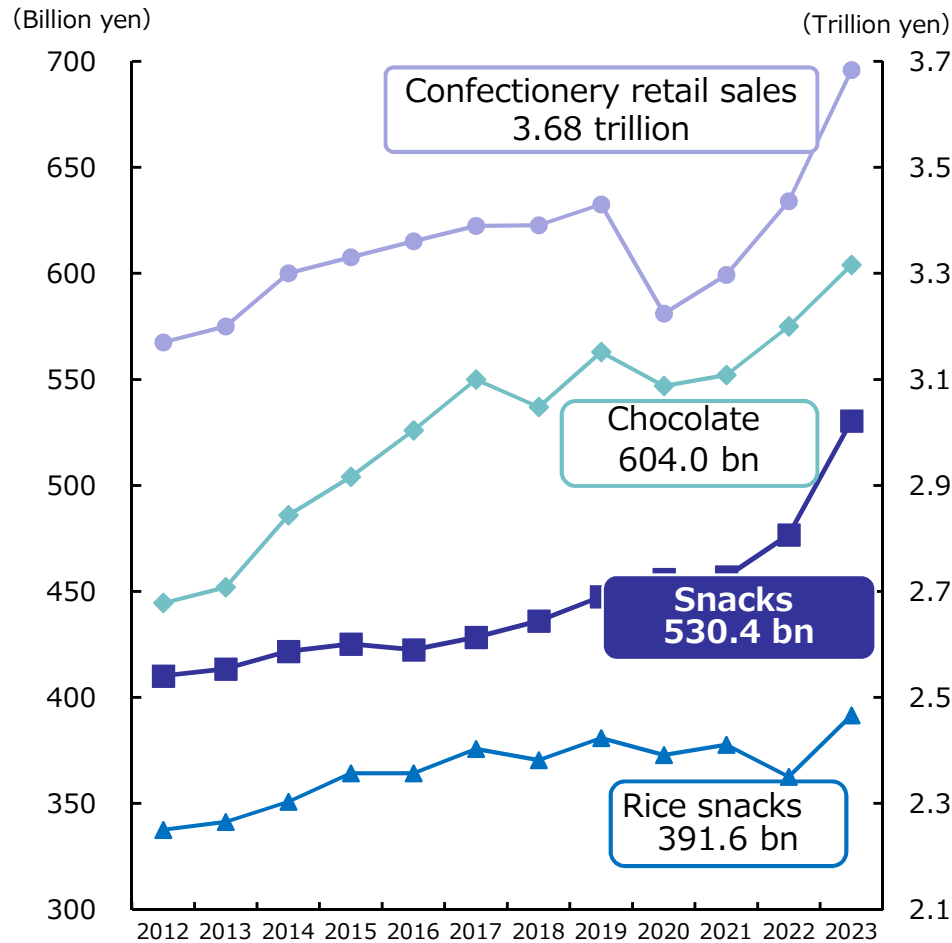
FY2024/3: April 2023 – March 2024
 FY'20/3-FY'23/3: April 2019 – March 2023

Snack foods, potato-based snack, corn-based snack, bean-based 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
 Potato-based snacks: Raw material of fresh potatoes
 Flour-based snacks: Raw material of flour
 Corn-based snacks: Raw material of corn
 Bean-based snacks: Raw material of bean

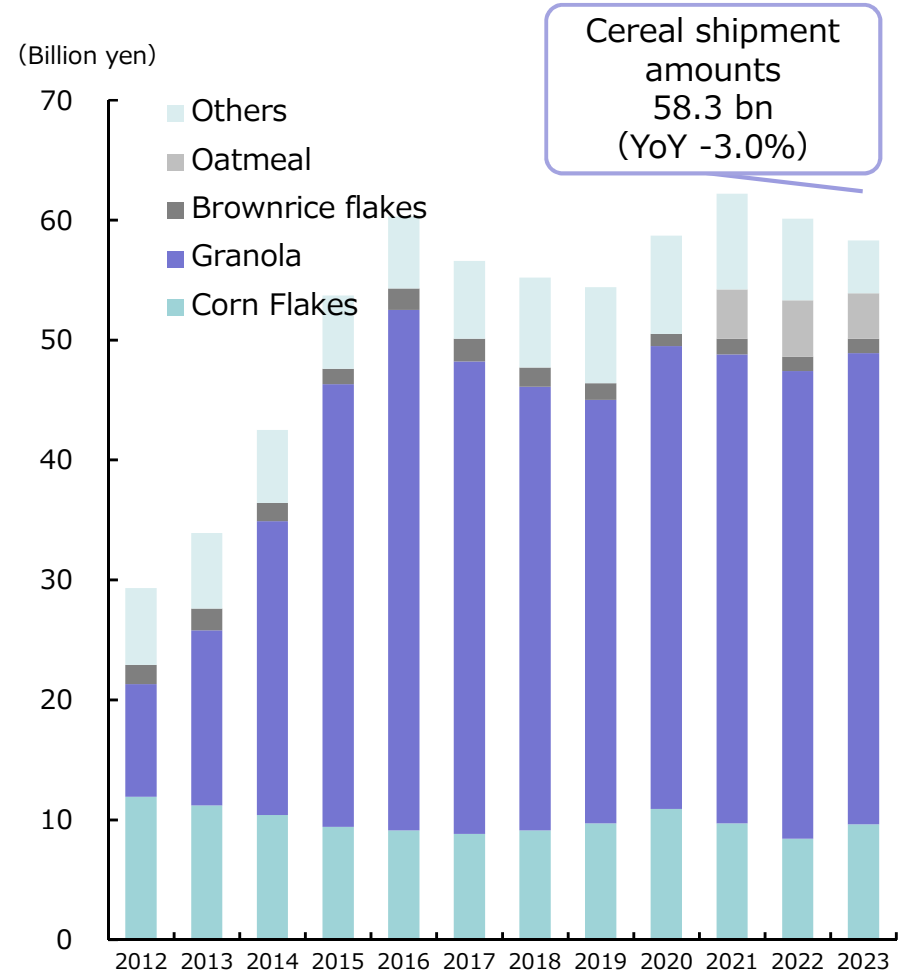
Domestic market

Domestic confectionery market



Source: All Nippon Kashi Association

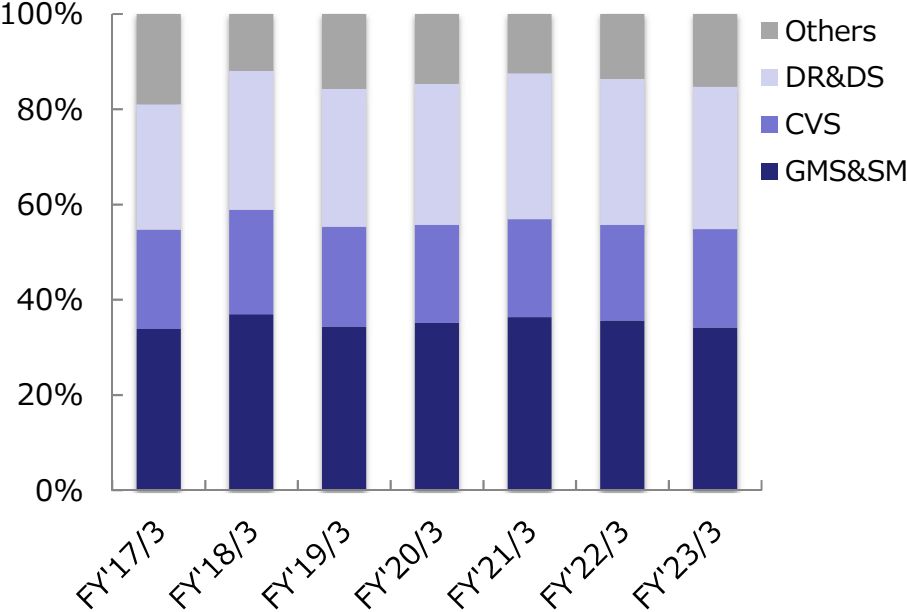
Domestic cereal market



Source: Japan Snack Cereal Foods Association

Domestic business status

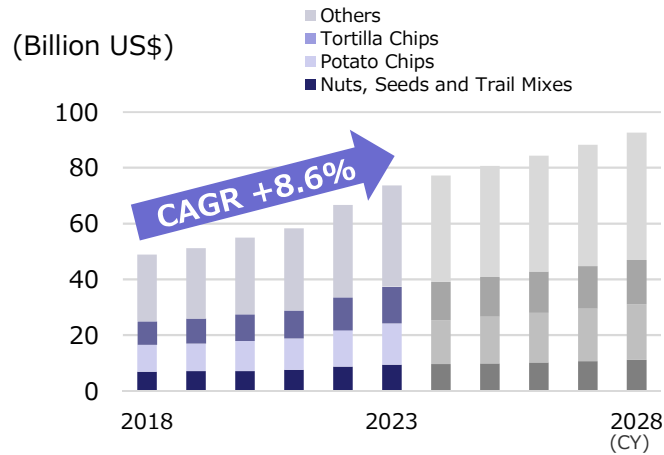
■ Sales composition by business



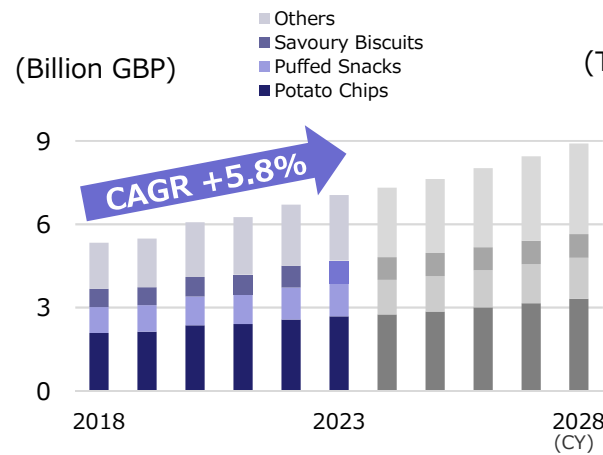
* Calbee alone (manufacturer shipped goods basis)

Overseas market by country

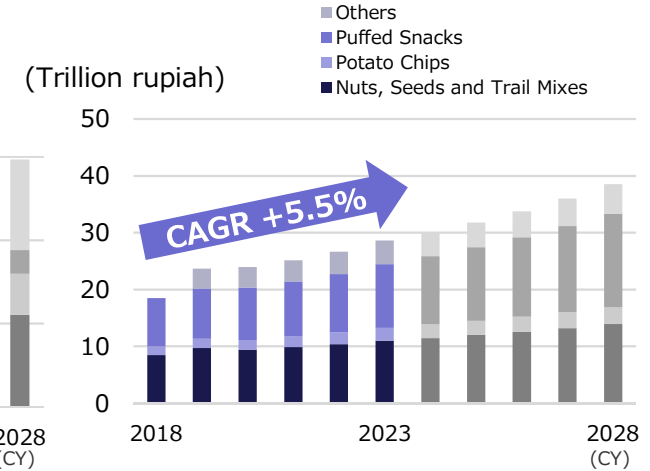
USA snack market



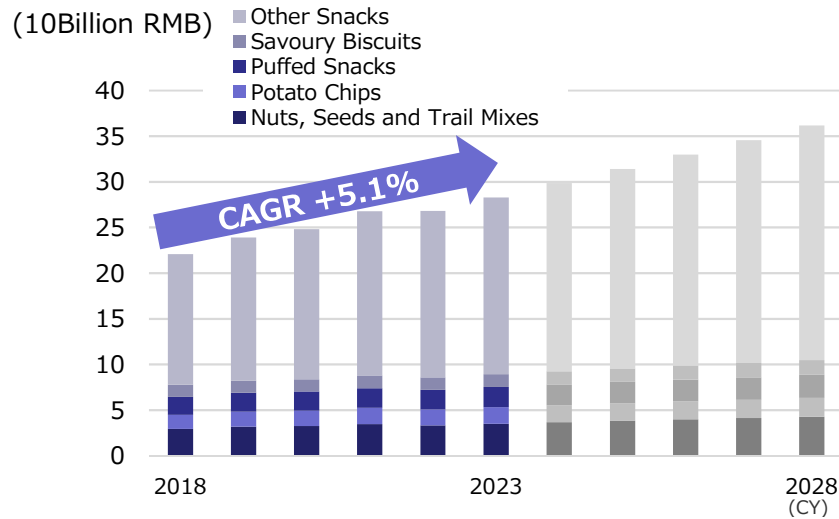
UK snack market



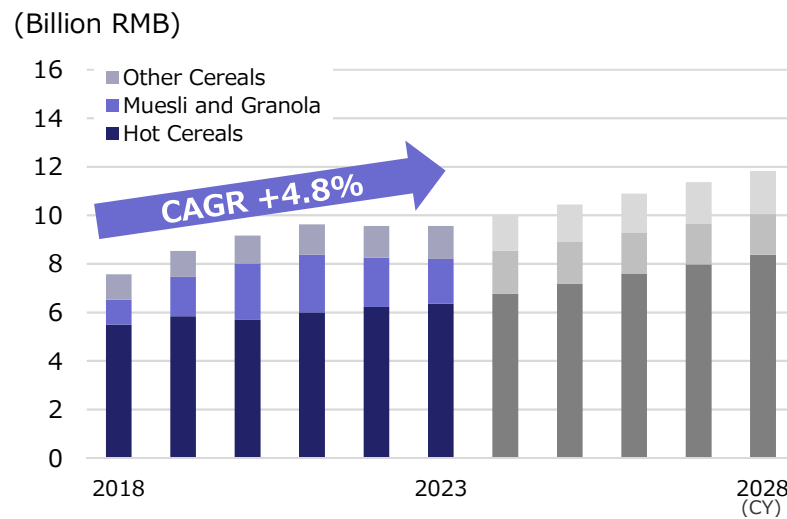
Indonesia snack market



China snack market



China cereal market (For retail store sales)



Source : Euromonitor International

Category : Snack (Savory Snacks : Nuts, Seeds and Trail Mixes, Salty Snacks, Savory Biscuits, Popcorn, Pretzels, Other Savory Snacks) Cereal : Breakfast Cereals (Hot Cereals, RTE Cereals) 2023-2027: Forecast

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

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Overseas business status

Overseas locations

9 countries/regions

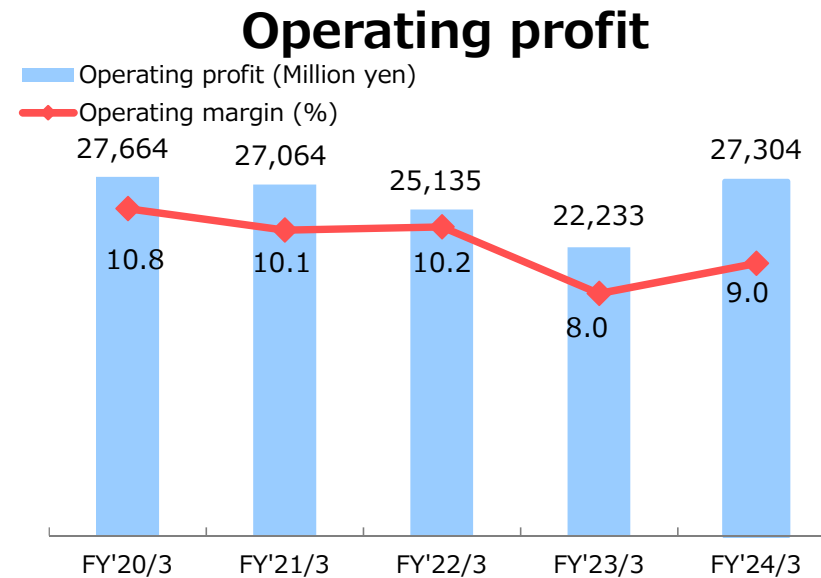
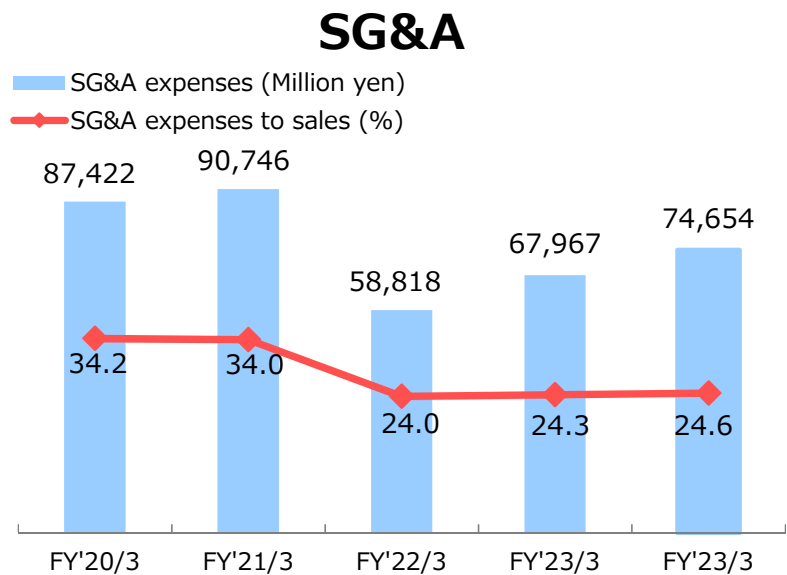
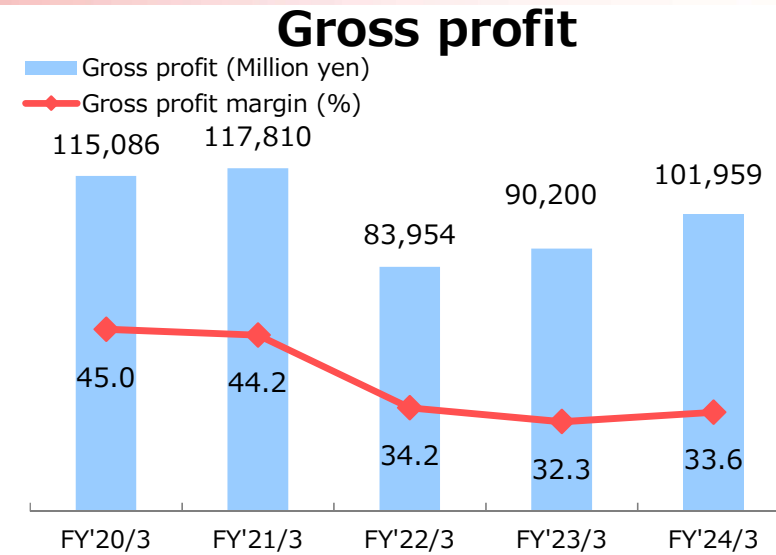
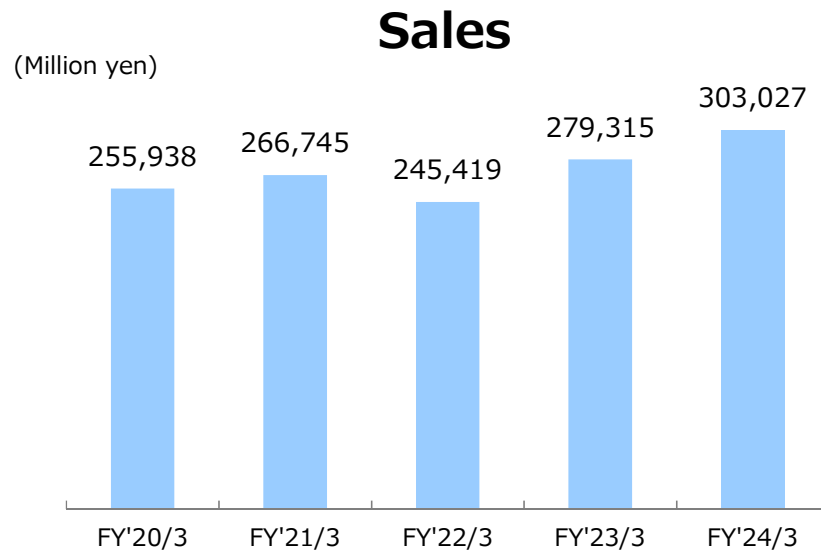
Overseas sales ratio

24.1%

The Calbee Group's Global Supply Chain



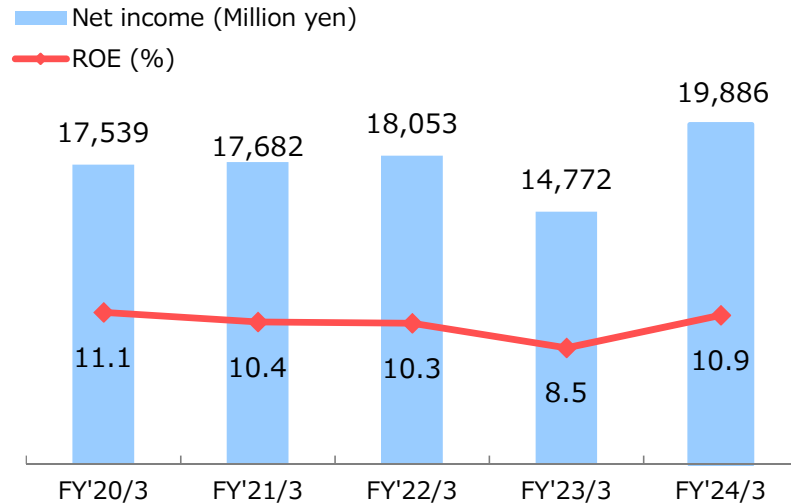
Financial highlights 1



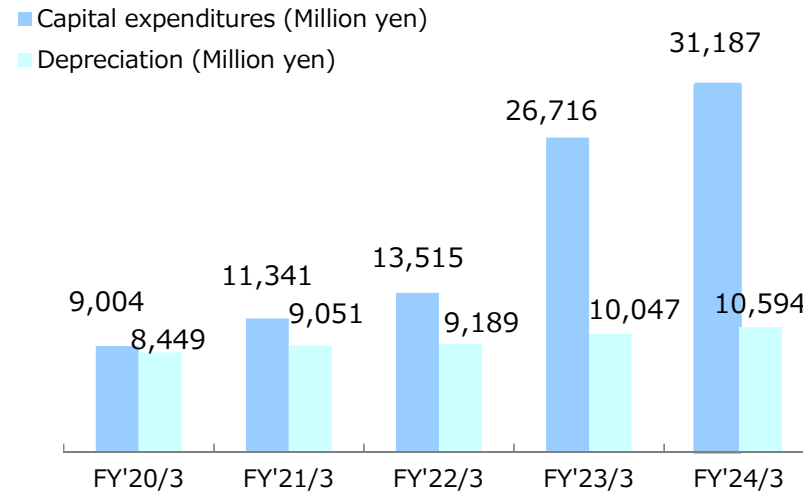
* Effective from the beginning of fiscal year ended March 31, 2022, the Group adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and changed the method to deduct a portion of selling expenses (rebates, etc.) from sales, which was previously recorded in selling, general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

Financial highlights 2

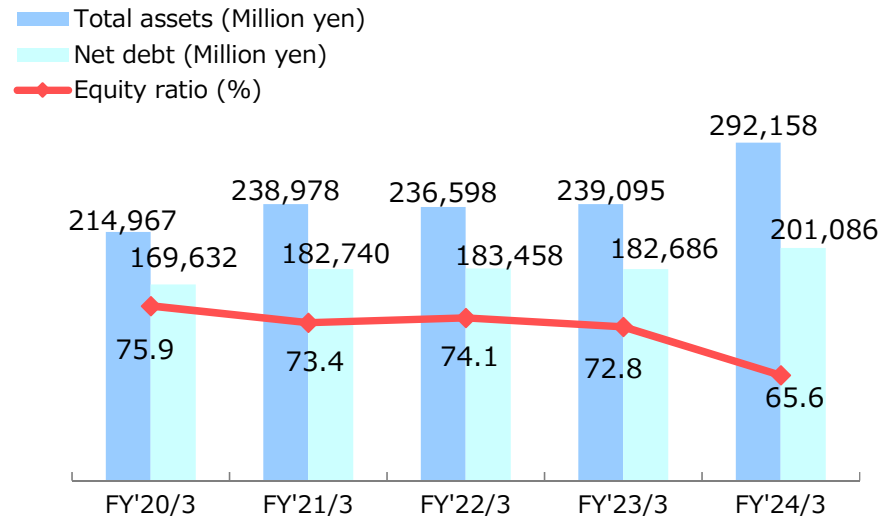
Net income/ROE



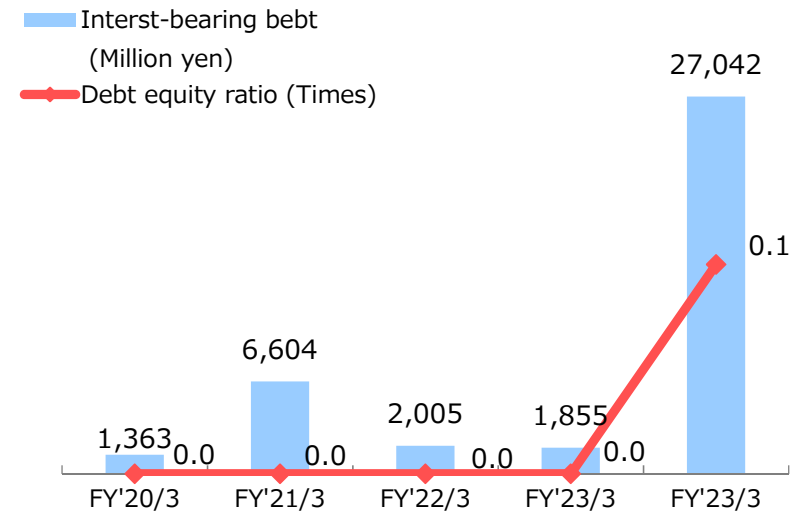
Capital expenditures/Depreciation



Equity ratio



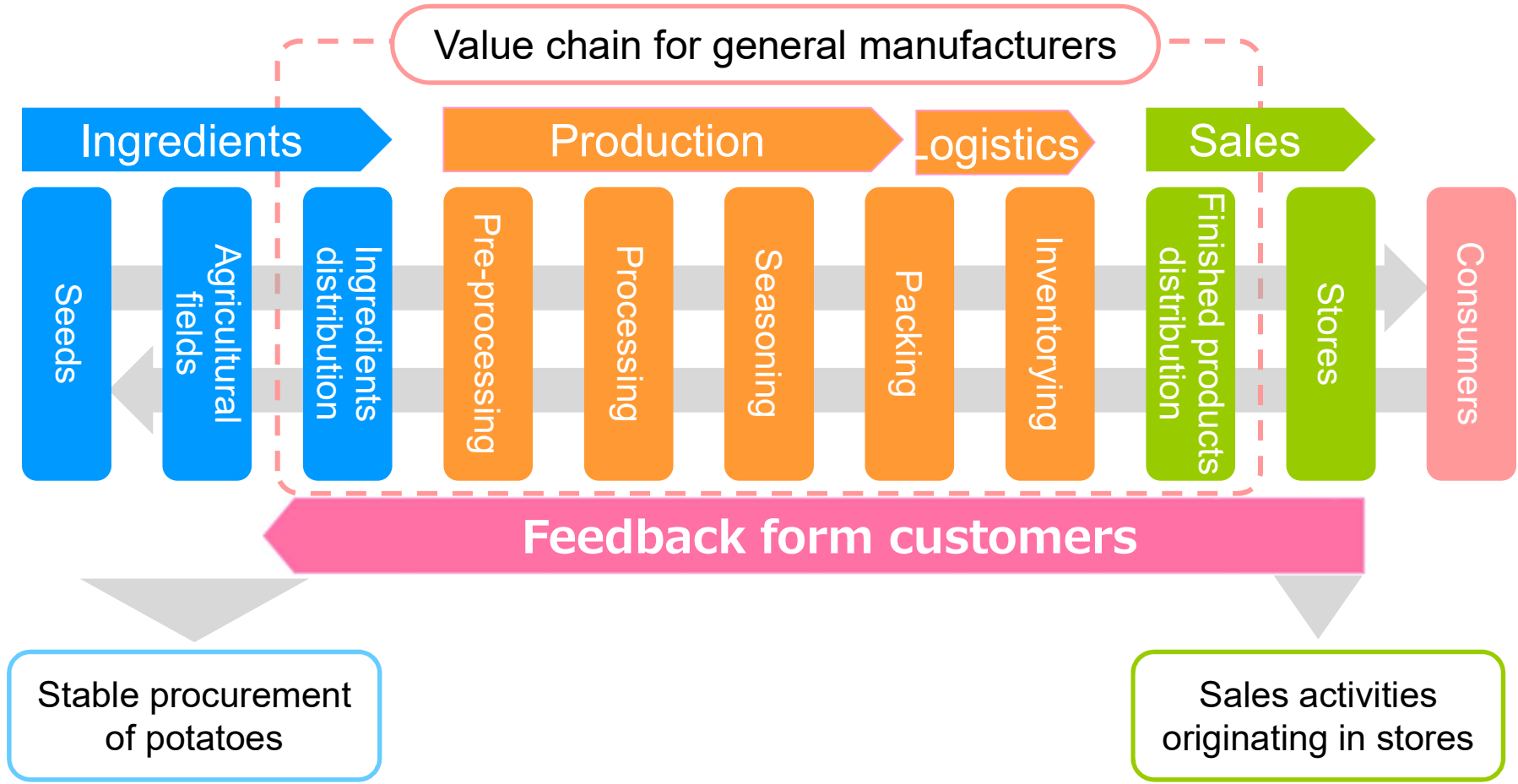
Debt to equity ratio








Price/content revisions after FY2022/3

Effective date	FY'22/3	FY'23/3			FY'24/3		FY'25/3
	Jan.-Feb. 2022	Jun.-Jul. 2022	Sep.-Oct. 2022	Nov. 2022	Jun. 2023	Aug.-Oct. 2023	Jun. 2024
Target products						Gift snack items (partial)	
Revisions	Content : -5% Price : +7-10%	Content : -10% Price : +10-20%	Price : +10-20%	Price : +10-20%	Price : +3-15%	Price : +5-20%	Price : +3-10%

Calbee Group Value Chain "10 Processes"



Materiality and Priority themes

Materiality	Priority themes	Correspondence with the SDGs
Contribute to healthy and diverse lifestyles	Assurance of food safety Contribution to healthy lifestyles Providing new values in response to diversifying consumer needs	
Progress of sustainable agriculture	Sustainable production of raw materials Conservation of natural capital	
Co-create a sustainable supply chain	Responsible procurement that respects human rights and the environment Logistics that is kind to both the environment and people	
Caring for the earth	Achieving carbon neutrality Reducing the environmental burden caused by plastics Promoting a recycling society Conservation of natural capital Contribution to local communities	
Promote active roles for all employees based on diversity	Responding to diverse workstyles Promotion of diversity and inclusion	

Contact details for IR inquiries:
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<https://www.calbee.co.jp/en/ir/>

- The Company's fiscal year ends on March 31. The fiscal year ended March 31, 2024 is referred to throughout this report as "FY2024/3 (FY'24/3)," 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.