



# Calbee Group Fiscal 2012 First Quarter Results

April 1, 2011 — June 30, 2011

**CALBEE, Inc.** August 3, 2011



***Calbee***

Harvest the Power of Nature.

# First Quarter Results for the fiscal year ending March 31, 2012

---

**Isao Hirakawa**

**Executive Officer  
General Manager of Finance and Accounting Group**

# FY2012 Q1: Results highlights

	FY2011 Q1	FY2012 Q1	Percentage change (Y-on-Y)	Percentage of plan achieved
Net sales	¥ million 39,033	¥ million 35,690	% - 8.6	% 99.1
Gross profit	16,021	14,444	- 9.8	100.3
SG&A expenses	13,253	13,059	- 1.5	101.5
Cost of sales	4,652	4,487	-3.5	98.9
Distribution expense	2,839	2,902	+2.2	109.0
HR expense	3,715	3,740	+0.7	99.7
Other	2,045	1,928	- 5.7	100.4
Operating income	2,768	1,384	-50.0	90.5
Ordinary income	2,746	1,271	-53.7	83.1
Extraordinary income/loss	438	15	-96.5	—
Net income	1,612	566	-64.8	69.3

## Sales and earnings down on impact of earthquake

### Net sales

Revenues down in all products excluding certain corn-based snack products and others

### Gross profit

Profits down on reduced revenues  
Capacity utilization ratio declined

### SG&A expenses

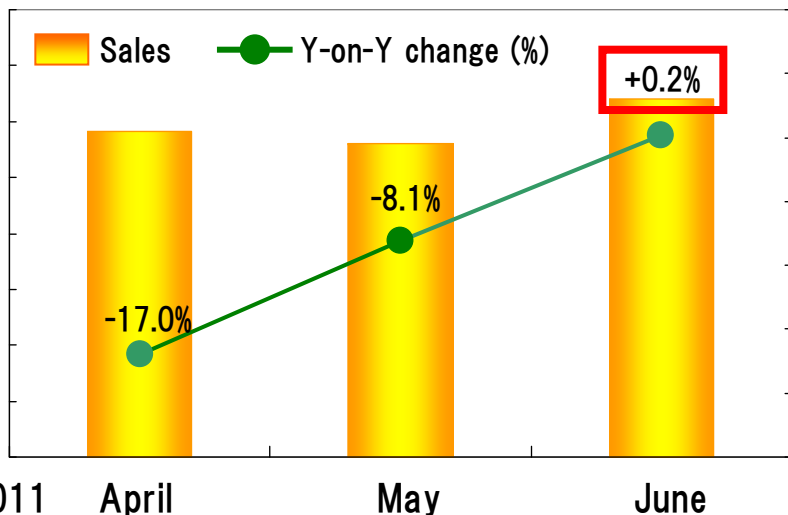
Pursued costs reductions  
Distribution and other costs increased

### Extraordinary income/loss

Subsidies income: + ¥230 million  
Reversal of provision  
for loss on disaster: + ¥128 million  
Loss on disaster: - ¥252 million

# FY2012 Q1: Factors reducing revenues

## ■ Monthly sales ¥ million



## ■ Revenue drivers by product ¥ million

Net sales	-3,342
<i>Potato chips</i>	-1,155
<i>Jagarico</i>	-860
Total potato-based snacks	-2,410
Flour-based snacks	-1,086
Corn-based snacks	+234
Overseas, new products	+527
Other	-609

## ■ Potato-based snacks

### *Potato chips, Jagarico*

Focused on staple products

Voluntarily constrained in-store promotions

Reduced sales

### *Jagabee*

Sales of box-type temporarily suspended



## ■ Corn-based snacks

Strong sales of *Mike Popcorn*, *Cheetos*, *Doritos*



## ■ Other

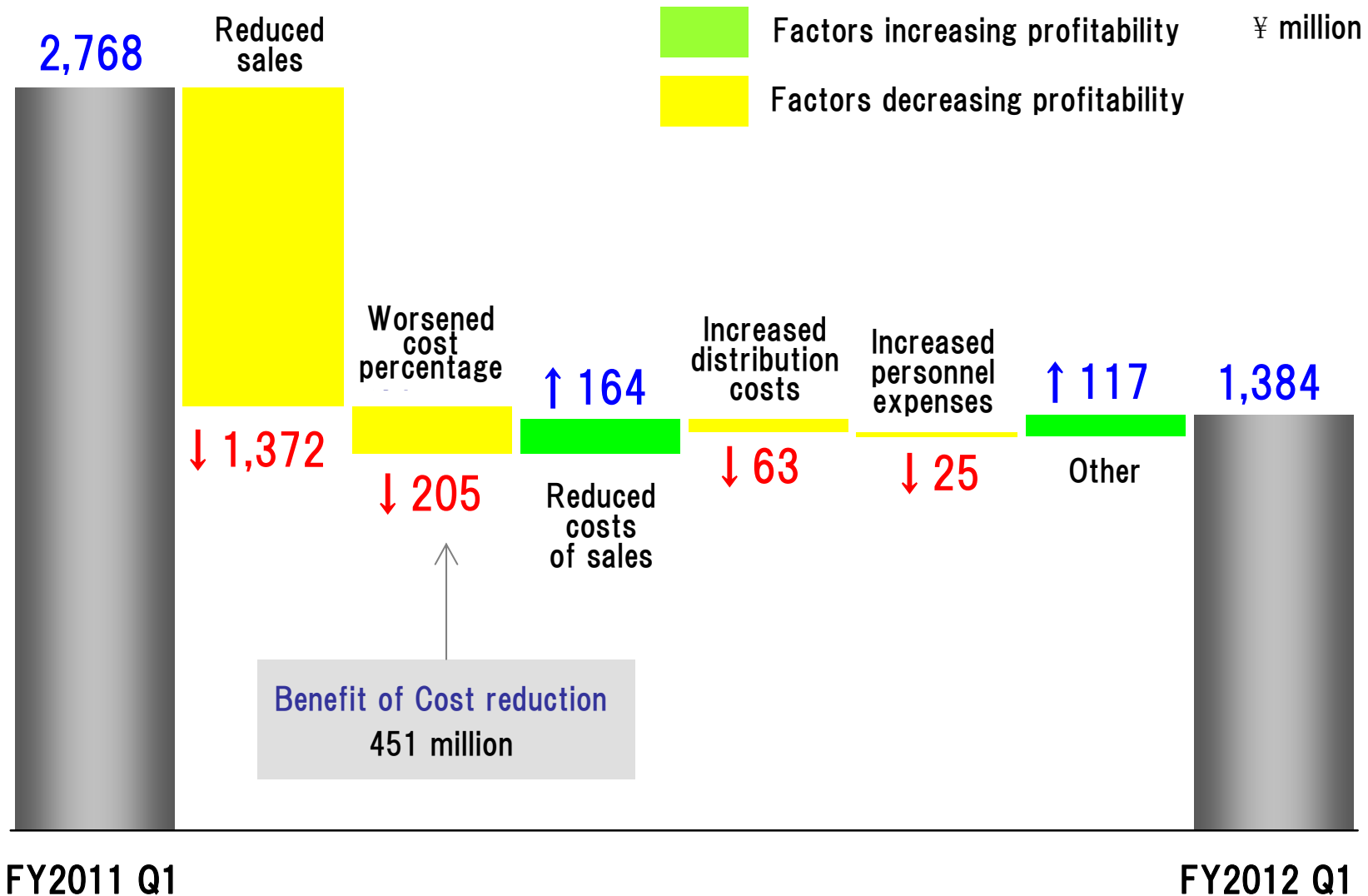
### ▪ *Vegips*

Shipments restarted early May

### ▪ Strong sales in Thailand



# FY2012 Q1: Causes of reduced profitability



# Recovery plan to achieve targets

---

**Shoji Tobayama**

**Senior Executive Officer, General Manager of  
Strategic Planning & New Business Development Group**

## Review

Supply problems following the earthquake led to:

- Self-imposed restraint on in-store promotions
- Focus on staple products
- Delayed promotion of new product launches

▶ Largely recovered market share to pre-quake levels in June, after falls in April and May

## Recovery plan

- Restart and strengthen in-store promotions
- Expand sales of new products (*Jagabee, Vegips, Hitokuchi Bizen*)
- Further cost reduction

# Restart and strengthen in-store promotions

## Number of new product launches No. of products

	FY 2011 July – Sept.	FY 2012 July – Sept. (Forecasts)	Change
Supermarkets	22	33	+11
Convenience stores	25	33	+8

## Potato chips

New product launches + staple product promotions



Launched  
June 20



Launched  
June 27

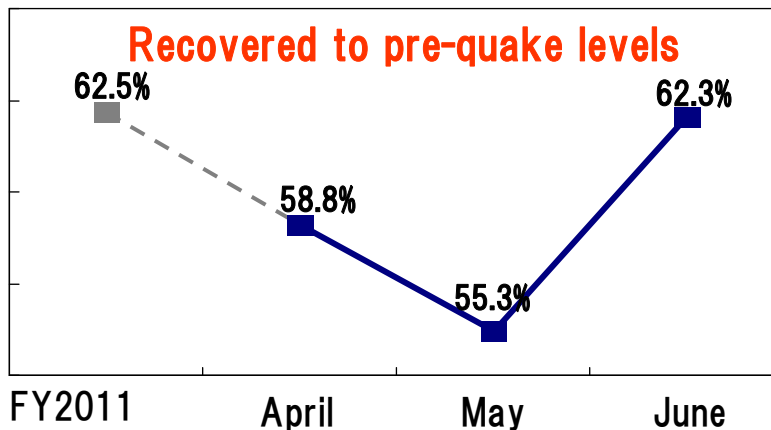


Launched  
June 27



Launched  
July 11

## Potato chips market share



Source: Intage SRI, Nationwide, all retail formats, Base: Sales value

## Jagabee

- Run TV ads
- Launch party-sized boxes
- Expand sales areas





## ■ Vegips

Expanding sales area and channels

- June 13: Launched in central Japan
- August 8: To launch in western Japan (Kinki region), CVS



## ■ Hitokuchi Bizen

- Full-fledged development from May onwards due to impact of recent disaster
- Aiming to establish the *Hitokuchi Bizen* brand through TV ads and in-store sampling



## Strengthening the sales network

- Reorganized operating structure in April 2011  
Categorized branches to multiple areas and deployed sales teams to each area
- Strengthening in-store activity  
Doubling number of calls →  
Strengthening communications with customers

## Cost reducing

- Rigorously controlling costs
- Reducing raw material waste
- Reducing raw material costs through centralizing procurement and reviewing specifications
- Introducing summertime system to reduce overtime costs

# Reference materials

# Breakdown of net sales

