

Establishment of Korean Joint Venture Company

Tokyo, May 10, 2011—CALBEE, Inc. (hereafter “Calbee”) has decided to establish a joint venture in Korea. Details are as follows:

1. Purpose of joint venture

In 2003, Calbee formed a licensing contract for the Korean domestic market with HAITAI Confectionery & Foods Co., Ltd. (hereafter “HAITAI Confectionery & Foods”). Since then, HAITAI Confectionery & Foods has used its sales force to make measurable progress with licensed products in the market.

In line with Calbee’s global strategy, Calbee has decided to establish a joint venture with HAITAI Confectionery & Foods, aiming to leverage Calbee’s expertise to introduce more products, grow sales and market share, and realize the potential the Korea market holds as a snack food market in Asia.

2. Outline of joint venture

(1) Name	HAITAI-CALBEE Co., Ltd.
(2) Location	Wonju-si, Gangwon-do, Republic of Korea
(3) Representative Directors	CEO: Toshihiko Onishi, COO: Chang Min Hahm
(4) Main business	Manufacture and sale of snack and other foods
(5) Capital	23.2 billion won
(6) Date of establishment	June 27, 2011 (planned)
(7) Fiscal year end	December
(8) Ownership ratio	CALBEE, Inc. : 50% HAITAI Confectionery & Foods Co., Ltd. : 50%
(9) Start of business (planned)	July 1, 2011 (planned)

3. Outline of HAITAI Confectionery & Foods

(1) Name	HAITAI Confectionery & Foods Co., Ltd.
(2) Location	Cheonan-si, Chungnam, Republic of Korea
(3) Representative Director	Executive Managing Director & CEO Jeonghun Shin
(4) Main business	Manufacture and sale of confectioneries, ice cream, frozen confectioneries and frozen foods
(5) Capital	11.9 billion won
(6) Date of established	July 11, 2001
(7) Net assets	180.7 billion won
(8) Total assets	631.7 billion won
(9) Main shareholder and percentage of shares held	CROWN Confectionery Co., LTD.: 65.29% (common shares)



Harvest the Power of Nature.

(10) Relationship with Calbee	Capital relationship	There is no materials capital relationship between Calbee and HAITAI Confectionery & Foods, nor are there any material capital relationships between people or companies affiliated with Calbee and people or companies affiliated with HAITAI Confectionery & Foods.
	Personal relationship	There are no material personnel relationships between Calbee and HAITAI Confectionery & Foods, nor are there any material personnel relationships between personnel or companies affiliated with Calbee and personnel or companies affiliated with HAITAI Confectionery & Foods.
	Business relationship	Calbee is receiving royalties from HAITAI Confectionery & Foods.
	Status of related parties	HAITAI Confectionery & Foods is not an affiliate of Calbee and no HAITAI Confectionery & Foods related parties or affiliate companies are affiliated parties to Calbee.

4. Business performance target of joint venture

Business will be pursued with the aim of achieving annual net sales of at least ¥3.0 billion within the next five years.

5. Impact on forecasts of Calbee

It is planned that the joint venture will be made a consolidated subsidiary during the year ending March 31, 2012. The establishment of the joint venture is not expected to have a material impact on business results for the current fiscal year, but is being undertaken with the aim of contributing to improved performance over the medium to long term.