

## Business Partnership with PepsiCo, Inc. of North America

**Tokyo, September 20, 2012**—CALBEE North America, LLC, a subsidiary of Calbee, Inc. (“Calbee”) today announced that they have entered into a business partnership with PepsiCo, Inc. for business expansion in the North American market.

### 1. Reason and aims of the Business Partnership:

In line with our global strategy, we have entered into a business partnership with PepsiCo, Inc., which has a powerful sales force in the North American market. Through this partnership we aim to expand product sales and market share in North America, the world’s largest snack and confectionary market.

From April 2013, Calbee subsidiary, Calbee North America, LLC, will manufacture *Jagabee* and PepsiCo Group has exclusive distribution rights in North America and will handle sales and marketing. This alliance will generate synergies by leveraging Calbee’s strength in product development and PepsiCo’s strength in marketing and sales.

*Jagabee: Launched in 2006 in Japan, Jagabee is a popular potato-based snack. As of March 31, 2012, net sales of Jagabee were ¥8,394 million yen.*

### 2. Outline of partner company:

(1) Company name	PepsiCo, Inc.						
(2) Location	New York, U.S.A.						
(3) Chairman of the Board and Chief Executive Officer	Indra K.Nooyi						
(4) Main business	Manufacture and sale of food and beverage						
(5) Capital	US \$31 million (December 2012)						
(6) Date established	1965						
(7) Net assets	US \$20,899 million (December 2012)						
(8) Total assets	US \$72,882 million (December 2012)						
(9) Main shareholders and shareholder ratio	<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">THE VANGUARD GROUP, INC.</td> <td style="text-align: right;">4.83%</td> </tr> <tr> <td>BlackRock Institutional Company</td> <td style="text-align: right;">2.66%</td> </tr> <tr> <td>Capital World Investors</td> <td style="text-align: right;">2.19%</td> </tr> </table>	THE VANGUARD GROUP, INC.	4.83%	BlackRock Institutional Company	2.66%	Capital World Investors	2.19%
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(10) Relationship with Calbee	Capital relationship	PepsiCo indirectly holds 20% of Calbee shares (after full dilution) though its wholly owned subsidiary FRITO-LAY GLOBAL INVESTMENTS B.V. Calbee is an equity method affiliate of PepsiCo.
	Personal relationship	Calbee has invited Umran Beba, PepsiCo, Inc. Asia Pacific Region President, to assume the position of Outside Director
	Business relationship	There are no material transactional relationships between Calbee and PepsiCo., nor are there any material transactional relationships between people or companies affiliated with Calbee and people or companies affiliated with PepsiCo.
	Status of related parties	An affiliation exists between PepsiCo and Calbee. PepsiCo indirectly holds 20% of Calbee shares (after full dilution).

### 3. Changes to the organizational structure

In March 1970, Calbee established Calbee America, Inc., and developed business through products such as *Kappa Ebisen* and *Snapea Crisps*. In August 2006, Calbee established RDO – CALBEE FOODS, LLC, a joint venture company with R.D. Offutt Company, one of America's largest potato producer, and began production of *Jagabee* potato dough and exports to Japan and Asia.

In order further expand business in North America, all North American snack operations will be unified under Calbee North America, LLC (formerly RDO – CALBEE FOODS, LLC. prior to name change in June 2012). Calbee CEO, Akira Matsumoto (Chairman of the Board & CEO, CALBEE, Inc.), has been appointed CEO and Gene Jensen (President, RDO – CALBEE FOODS, LLC.) has been appointed President.

Looking ahead, Calbee North America, LLC will endeavor to expand the North American business by fully leveraging its regional resources.

#### Calbee North America, LLC

(1) Company name	Calbee North America, LLC
(2) Location	Oregon, U.S.A.
(3) Representatives	Akira Matsumoto, CEO Gene Jensen, President
(4) Main business	Manufacture and sale of snack foods in North America
(5) Capital	US\$ 18 million (August 31, 2012)
(6) Main shareholders	CALBEE, Inc.: 50% R.D. Offutt Company: 50%

### 4. Forecast:

By fiscal year ending March 31, 2019, we aim to have achieved a total of 50 billion yen in net sales in North America. Expansion of our North American business is expected to contribute to financial results over the medium term.

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