



# Calbee Group Financial Results

## Third quarter of fiscal year ending March 31, 2012

The period April 1, 2011 to December 31, 2011

**CALBEE, Inc.** February 1, 2012



**Calbee**  
Harvest the Power of Nature.

**Third quarter results for the fiscal year ending March 31, 2012**

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**Isao Hirakawa**

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

# FY2012 3Q (Three months): Results highlights

	3Q year ended 3/2011	3Q year ending 3/2012	Change in %	Comparison with plan
	Million yen	Million yen	%	%
Net sales	42,077	44,028	+ 4.6	100.1
Gross profit	18,528	19,557	+ 5.6	105.9
SG&A expenses	14,073	14,781	+ 5.0	103.3
Selling	5,364	5,645	+5.2	105.5
Distribution	2,995	3,289	+9.8	104.4
Labor	3,839	3,979	+3.6	105.8
Other	1,874	1,866	-0.4	91.6
Operating income	4,454	4,775	+ 7.2	114.5
Ordinary income	4,303	4,903	+14.0	118.4
Extraordinary income/loss	- 160	- 5	—	—
Net income	2,353	2,553	+ 8.5	102.8

## Renewed sales and profit records

### Net sales

Potato, flour-based ⇒ steady  
New products (*Vegips*), overseas ⇒ strong

### Gross profit

Gross margin up 0.4 percentage points due to effects of cost reductions

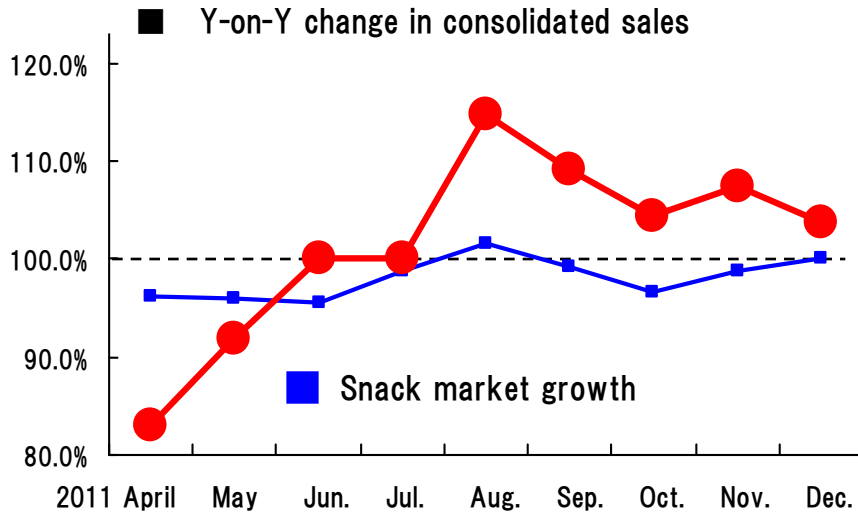
### SG&A expenses

SG&A and Distribution costs increased  
Other expenses decreased benefiting from cost reductions

### Non operating income

Foreign exchange gain      71 million yen

# FY2012 3Q (Three months): Factors increasing revenues



Source: Intage SRI, All Domestic Industry Sectors, Base: Sales

■ Breakdown of sales by product Million yen

Sales	+	1,950
<i>Jagarico</i>	+	400
<i>Jagabee</i>	+	210
Potato-based snacks	+	260
Flour-based snacks	+	382
New products ( <i>Vegips</i> , etc.)	+	352
Overseas	+	475
Other	+	480

## ■ Potato-based snacks

### *Jagarico*

Big hit with limited-period product  
*Salted cod roe & Butter* flavor



### *Jagabee*

Expanded sales area for new  
flavor *Pepper and Salt*



## ■ New product *Vegips*

Strong sales in the  
Chubu and Kinki regions

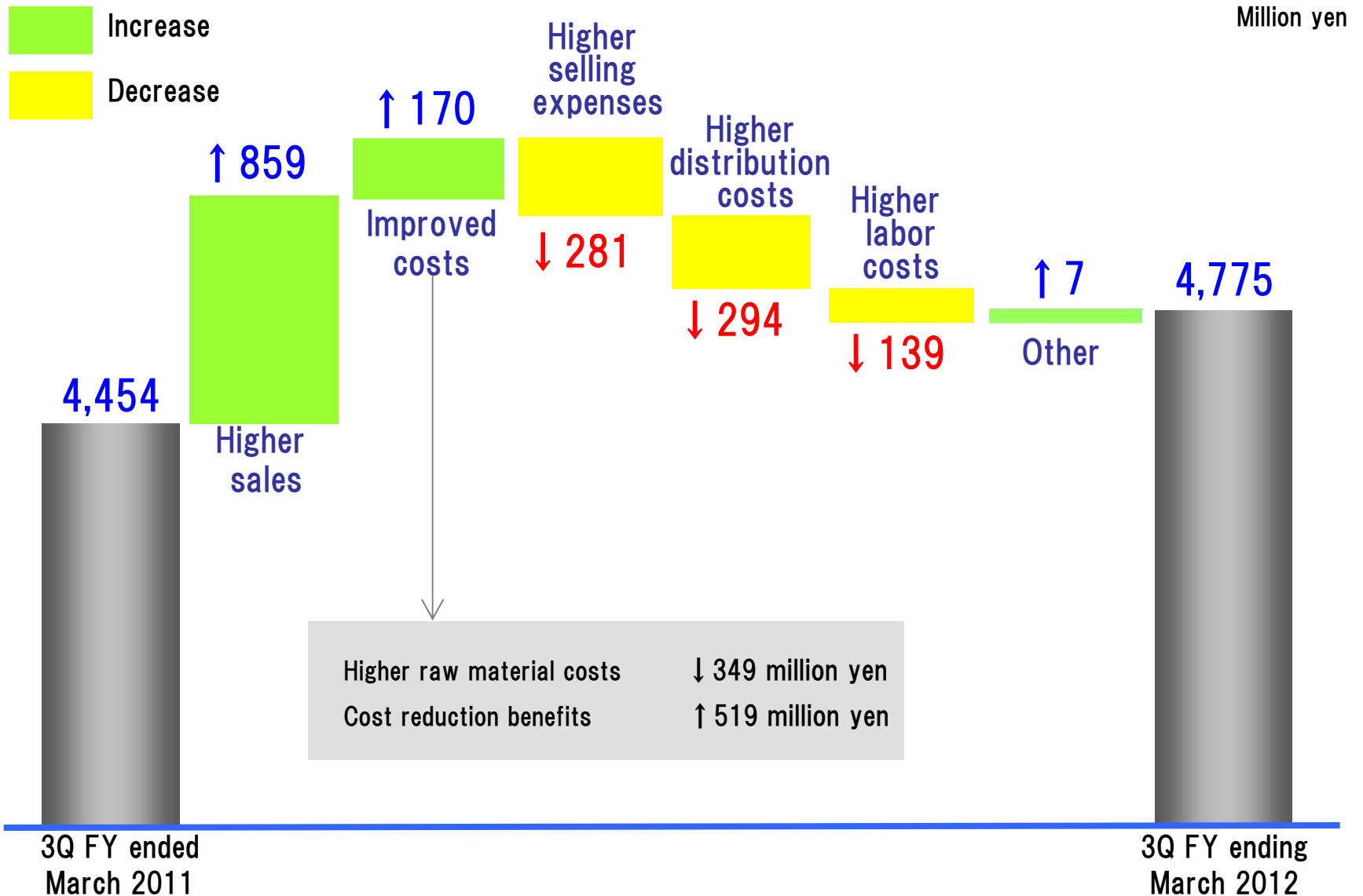


## ■ Overseas

Strong sales in Korea, Thailand, US



FY2012 3Q (Three months): Breakdown of changes in operating income



# FY2012 3Q (Nine months): Results Highlights

	3Q year ended 3/2011	3Q year ending 3/2012	Change in %	Comparison with plan
	Million yen	Million yen	%	%
<b>Net sales</b>	118,343	120,013	+ 1.4	100.0
<b>Gross profit</b>	49,961	50,467	+ 1.0	102.2
<b>SG&amp;A expenses</b>	40,866	41,797	+ 2.3	101.2
Selling	15,024	15,333	+ 2.1	102.0
Distribution	8,608	9,085	+ 5.5	101.5
Labor	11,243	11,495	+ 2.2	101.9
Other	5,990	5,883	- 1.8	97.2
<b>Operating income</b>	9,094	8,669	- 4.7	107.5
<b>Ordinary income</b>	8,859	8,402	- 5.1	110.0
Extraordinary income /loss	160	53	- 66.6	90.2
<b>Net income</b>	4,789	4,325	- 9.7	101.6

# Aiming to achieve plans

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**Shoji Tobayama**

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

## Outcomes

### ■ Grew share of domestic market

- *Potato chips* market share: Sep. 2011: 64.7% → Dec. 2011: 65.7%
- Confectionary market share: Sep. 2011: 50.6% → Dec. 2011: 52.6%

Data: Intage SRI; nationwide retail sales

Snack market share: Total of Calbee and Japan Frito-Lay

### ■ Decreased cost to sales ratio

- COGS (target) 58.0% → (actual) 55.6%

## Initiatives going forward

- Proactive marketing measures  
Actively develop new flavors / Implement campaigns
- Expand sales of new products (*Jagabee, Vegips*)
- Advance overseas strategy
- Achieve further cost reductions



# Actively develop new flavors / Carry out campaigns



Launched Jan. 16



Launched Jan. 30



Launched Jan. 23



To be launched Feb. 06

## ■ *Let's go on a Calbee excursion!* campaign (Early Feb. to late May)

- A gift in the form of a *Calbee dream trip* + *Calbee excursion goods* for a total of 10,000 people

\*For staple products including *Potato Chips, Jagabee*



## Expanding sales of new products

### ■ Jagabee

- Released TV ads in line with the campaign for the Calbee excursion
- Launched new cheese potato flavor: Limited to convenience stores in the Tokyo metropolitan area



### ■ Vegips

- Anticipate achieving planned sales of ¥1.0 billion for FY ending March 2012
- FY 2013 investment plans for nationwide sales ↓

March 2012: Planned start of Konan factory  
Autumn 2012 : Planned start of Shimotsuma and Kakamigahara factories



## Advancing overseas development

### ■ Korea

Jan. 2012: Launched *Jagabee*

### ■ North America

Strong sales of *Snapea Crisps*  
Trader Joe's, Wal-Mart, Costco



## Reducing costs

- Rigorously controlling costs
- Reducing raw material waste
- Reducing raw material costs through centralizing procurement and reviewing specifications

# Reference materials

# Sales Breakdown

