

# Calbee

Harvest the Power of Nature.



## Calbee Group Financial Results

First quarter of fiscal year ending March 31, 2013

April 1, 2012 — June 30, 2012

**CALBEE, Inc.** July 31, 2012

# First Quarter Results for the fiscal year ending March 31, 2013

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**Koichi Kikuchi**

**Executive Officer**

**General Manager of Finance and Accounting Group**

# FY2013 Q1: Results highlights

	FY2012 Q1	FY2013 Q1	Change In %	Comparison with plan
	Million Yen	Million Yen	%	%
Net Sales	35,690	43,295	+21.3	+ 6.1
Gross Profit	14,444	18,801	+30.2	+11.9
SG&A	13,059	15,015	+15.0	+ 2.8
Selling	4,487	5,982	+33.3	+ 6.8
Distribution	2,902	2,972	+ 2.4	- 1.9
Labor	3,740	3,816	+ 2.0	- 2.1
Others	1,928	2,244	+16.4	+ 8.4
Operating income	1,384	3,785	+173.4	+72.1
Ordinary income	1,271	3,596	+182.7	+63.5
Extraordinary income /loss	15	- 57	—	—
Net Profit	566	2,073	+265.9	+77.2

**Substantial increase in profit compared to the same period of last fiscal year, which was affected by the Great East Japan Earthquake**

## Net sales

Large increases in each category

## Gross profit

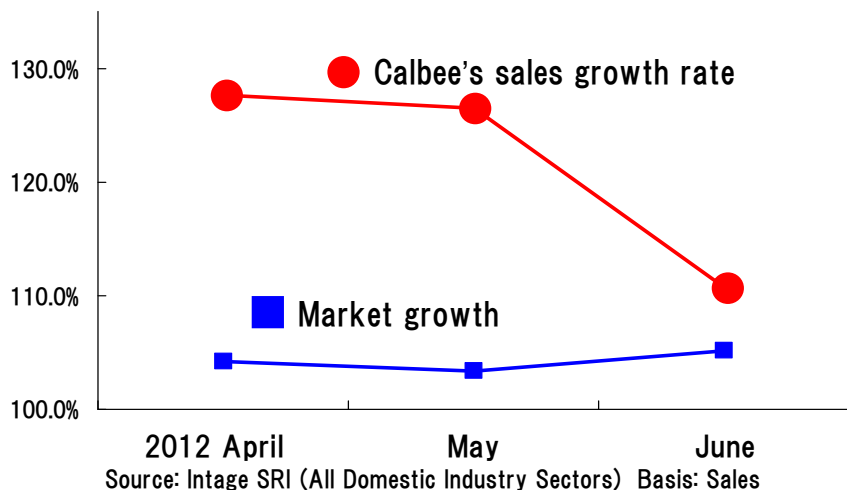
Gross margin up 2.9 percentage points due to sales growth and cost reductions

## SG&A expenses

Increased selling expenses to grow domestic market share

# FY2013 Q1: Factors increasing sales

## Y-on-Y change in consolidated sales



## Items of increasing sales

Million yen

Sales	+	7,604
<i>Potato chips</i>	+	1,813
<i>Jagarico</i>	+	1,357
Patato-based snacks	+	3,920
Flour-based Snacks	+	1,421
Overseas	+	750
Cereals	+	907
Others	+	605

## Potato-based snacks

### Potato Chips

Increasing promotional activities and proactively launching time-limited or Locality-limited products



### Jagarico

Year-round sales began for *Tarako Butter*, which became a hit time-limited product last year



## Flour-based snacks

Core products, *Kappa Ebisen* and *Sapporo Potato* selling well

## Cereals

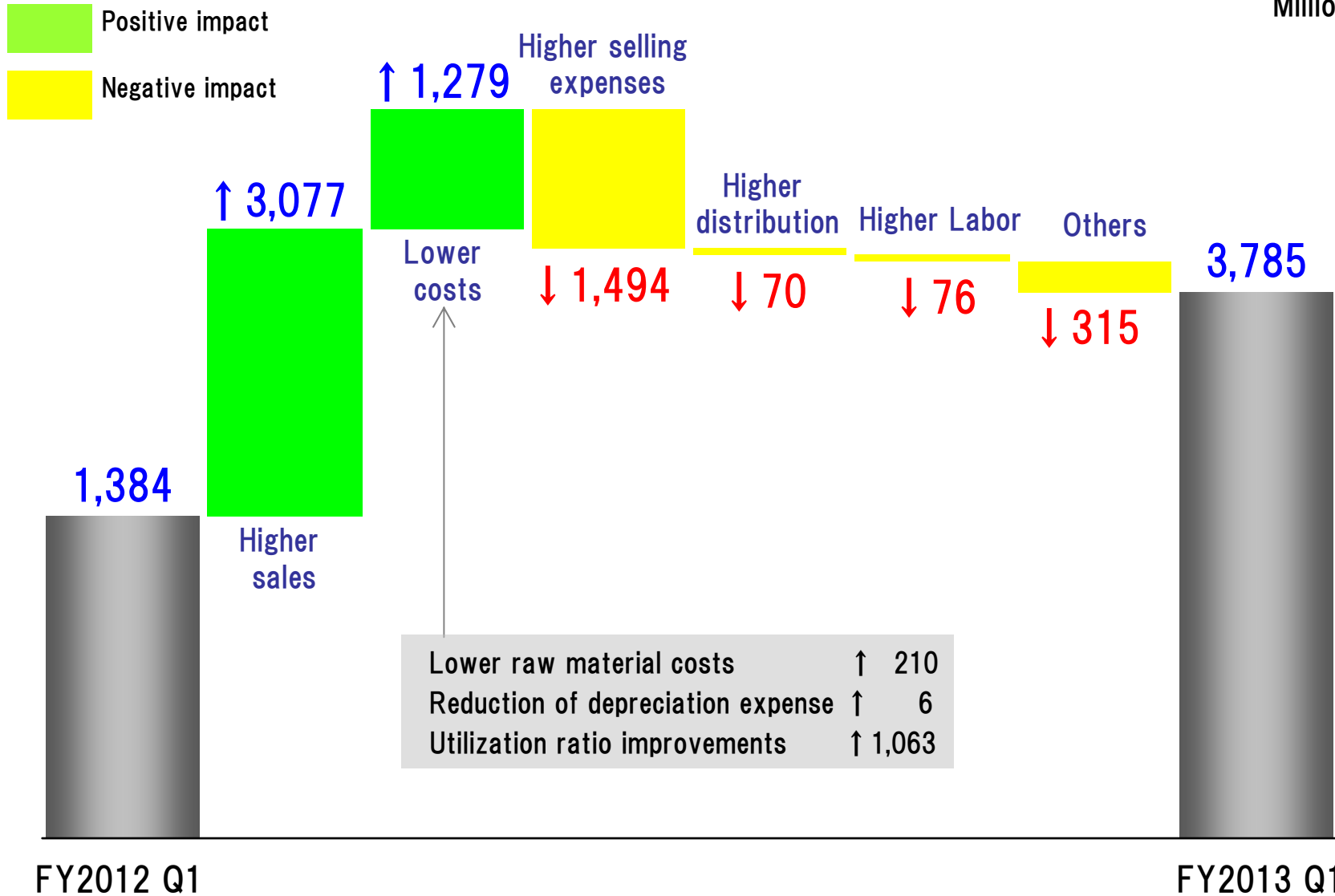
Sales of *Fruits Granola* grew rapidly due to more intensive PR activities and more stores handling the products

## Overseas

North America and South Korea contributed to growth

# FY2013 Q1: Factors increasing operating income

Million Yen



# Revisions to FY2013 H1 forecast

	FY 2012 H1 results	FY2013 H1 previous forecast	Change over FY2012 H1
	Million Yen	Million Yen	%
Net Sales	75,985	82,800	+ 9.0
Operating income	3,893	5,100	+31.0
Ordinary income	3,499	5,100	+45.7
Net Profit	1,772	2,750	+55.1



	FY2013 H1 revised forecast	Change over FY2012 H1
	Million Yen	%
Net Sales	85,300	+12.3
Operating income	6,600	+69.5
Ordinary income	6,400	+82.9
Net Profit	3,650	+105.9

# **Aiming to achieve plans**

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**Satoshi Eguchi**

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

## Outcomes

### ■ Grew domestic market share

- Potato Chips market share: (March 2012) 63.2% → (June 2012) 64.8%
- Confectionary market share: (March 2012) 48.9% → (June 2012) 49.6%

### ■ Cost reductions

- COGS (target) 58.8% → (actual) 56.6%

Data: Intage SRI; nationwide retail sales

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

Potato chips market: Total of potato chips (thick- and thin-sliced), shoestring and kettle types

March 2012: Total of April 2011-March 2012    June 2012: Total of April-June 2012

## Future initiatives

### ■ Proactive marketing measures

Actively develop new flavors / Implement sales campaigns

### ■ Strengthen the *Fruits Granola* cereal brand

### ■ Advance overseas strategy

### ■ Achieve further cost reductions



## ■ Actively developing new flavors



Launched  
Jun. 25



Launched  
Jul. 2

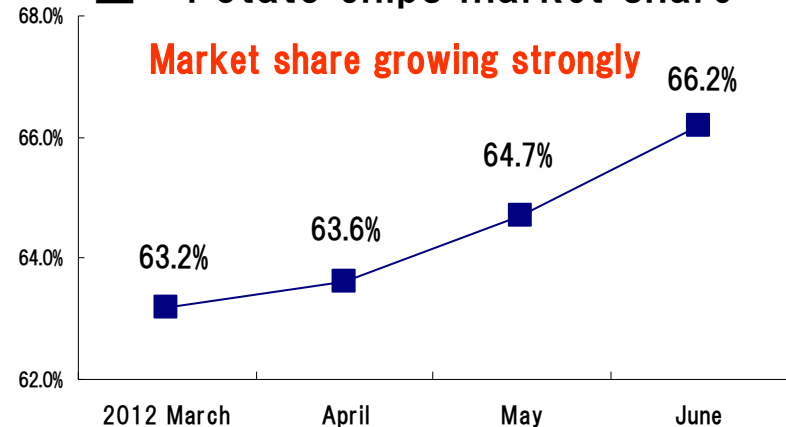


Launched  
Jul. 16



Launched  
Jul. 23

## ■ Potato chips market share



Market share growing strongly

Data: Intage SRI; Potato chips market: Total of potato chips (thick- and thin-sliced), shoestring and kettle types  
Total of April-June 2012 All domestic business categories  
Base: Sales amount

## ■ Calbee SMILE Harvest Festival campaign (Sep.-Dec.)



-A gift set of 3kg of *Hokkaido potatoes* and an *original apron* for 100,000 people

\* For all Calbee and Frito Lay Japan products with an entry form



## Strengthening *Fruits Granola*

### A top brand in the cereal market

- Intensify of PR activities
- Offering samples
- Progressively investing in sales promotion



Increasing recognition, in-store presence and sales

## Reducing costs

- Reducing raw material costs by centralizing procurement and reviewing specifications
- Improving capacity utilization ratio
- Rigorously controlling costs

## Advancing overseas development

### Net sales by country

FY2013 Q1

million yen

	Sales	Growth
U.S.	573	+46.2%
Thailand	483	+2.6%
Hong Kong	476	+18.2%
South Korea	420	-
China	242	+35.0%
<b>Total</b>	<b>2,196</b>	<b>+51.9%</b>

### ■ North America

Continuing strong sales of *Snapea Crisps*

Beginning construction of *Jagabee* production line

### ■ China

Working towards planned Jan. 2013 launch

# Reference material

# Sales by product

Millions of yen

	FY2012 1Q		FY2013 1Q		
	Amount	Composition	Amount	Composition	Change in %
Potato-based snacks	20,833	58.4%	24,754	57.2%	+18.8%
<i>Potato chips</i>	13,077	36.6%	14,890	34.4%	+13.9%
<i>Jagarico</i>	5,576	15.6%	6,933	16.0%	+24.3%
<i>Jagabee</i>	1,764	4.9%	2,317	5.4%	+31.3%
Flour-based snacks	3,632	10.2%	5,053	11.7%	+39.1%
Corn-based snacks	3,599	10.1%	3,458	8.0%	- 3.9%
<i>Vegips</i> , other new snacks	346	1.0%	836	1.9%	+141.6%
Overseas	1,446	4.1%	2,196	5.1%	+51.9%
Other	610	1.7%	533	1.2%	- 12.6%
<b>Snack Foods</b>	<b>30,467</b>	<b>85.4%</b>	<b>36,833</b>	<b>85.1%</b>	<b>+20.9%</b>
Bread	3,354	9.4%	3,497	8.1%	+4.3%
Cereals	1,391	3.9%	2,299	5.3%	+65.3%
Other foods	4,745	13.3%	5,796	13.4%	+22.1%
Service	477	1.3%	665	1.5%	+39.6%
<b>Total Sales</b>	<b>35,690</b>	<b>100.0%</b>	<b>43,295</b>	<b>100.0%</b>	<b>+21.3%</b>