

Calbee

Harvest the Power of Nature.



Calbee Group Financial Results

Third quarter of fiscal year ending March 31, 2013
April 1, 2012 — December 31, 2012

CALBEE, Inc. January 30, 2013

Third Quarter Results for the fiscal year ending March 31, 2013

Koichi Kikuchi

Executive Officer

General Manager of Finance and Accounting Group

FY2013 3Q (Three months): Results highlights

	3Q year ended 3/2012	3Q year ending 3/2013	Change in %	Comparison with plan
	Million yen	Million yen	%	%
Net sales	44,028	47,684	+ 8.3	+ 4.5
Gross profit	19,557	21,848	+11.7	+ 5.7
SG&A expenses	14,781	16,020	+ 8.4	+ 3.5
Selling	5,645	6,631	+17.5	+ 2.3
Distribution	3,289	3,266	- 0.7	+ 1.0
Labor	3,979	4,116	+ 3.4	+ 4.0
Other	1,866	2,006	+ 7.5	+11.5
Operating income	4,775	5,828	+22.0	+12.3
Ordinary income	4,903	6,682	+36.3	+29.8
Extraordinary income/loss	- 5	- 668	—	—
Net income	2,553	3,601	+41.1	+23.3

Renewed sales and profit records

Net sales

Driven by potato-based snacks, *Vegips*, cereals, overseas sales

Gross profit

Gross margin up 1.4 percentage points due to effects of cost reductions

SG&A expenses

Active investment in selling expenses aimed to expand domestic market share

Non operating income

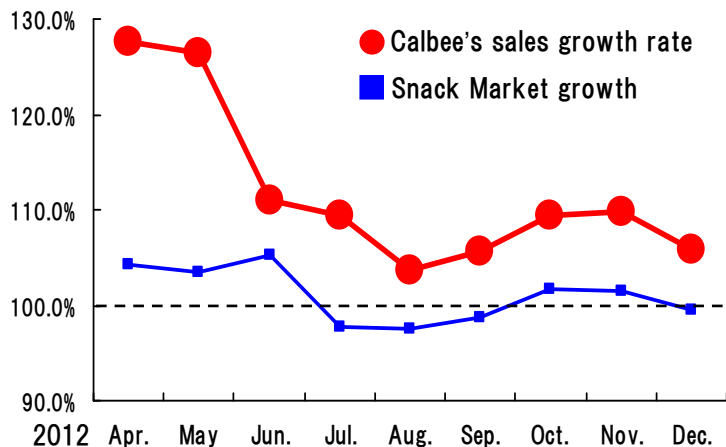
Foreign exchange gains: 853 million yen

Extraordinary loss

Product recall related costs: 364 million yen
Loss on revised of outsourcing agreement: 279 million yen

FY2013 3Q (Three months): Factors increasing sales

■ Y-on-Y change in consolidated sales



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

■ Y-on-Y comparison of sales by product

Million yen

Sales	+	3,656
<i>Potato chips</i>	+	1,209
<i>Jagarico</i>	+	446
Potato-based snacks	+	1,906
New products (<i>Vegips</i> , etc.)	+	979
Overseas	+	367
Cereals	+	477
Others	-	75

■ Potato-based snacks

Potato chips

Promotional activities led to boost in sales of the three core products

Jagarico

Strong sales of core products



■ New products

Began nationwide sales of *Vegips* in Oct.

■ Cereals

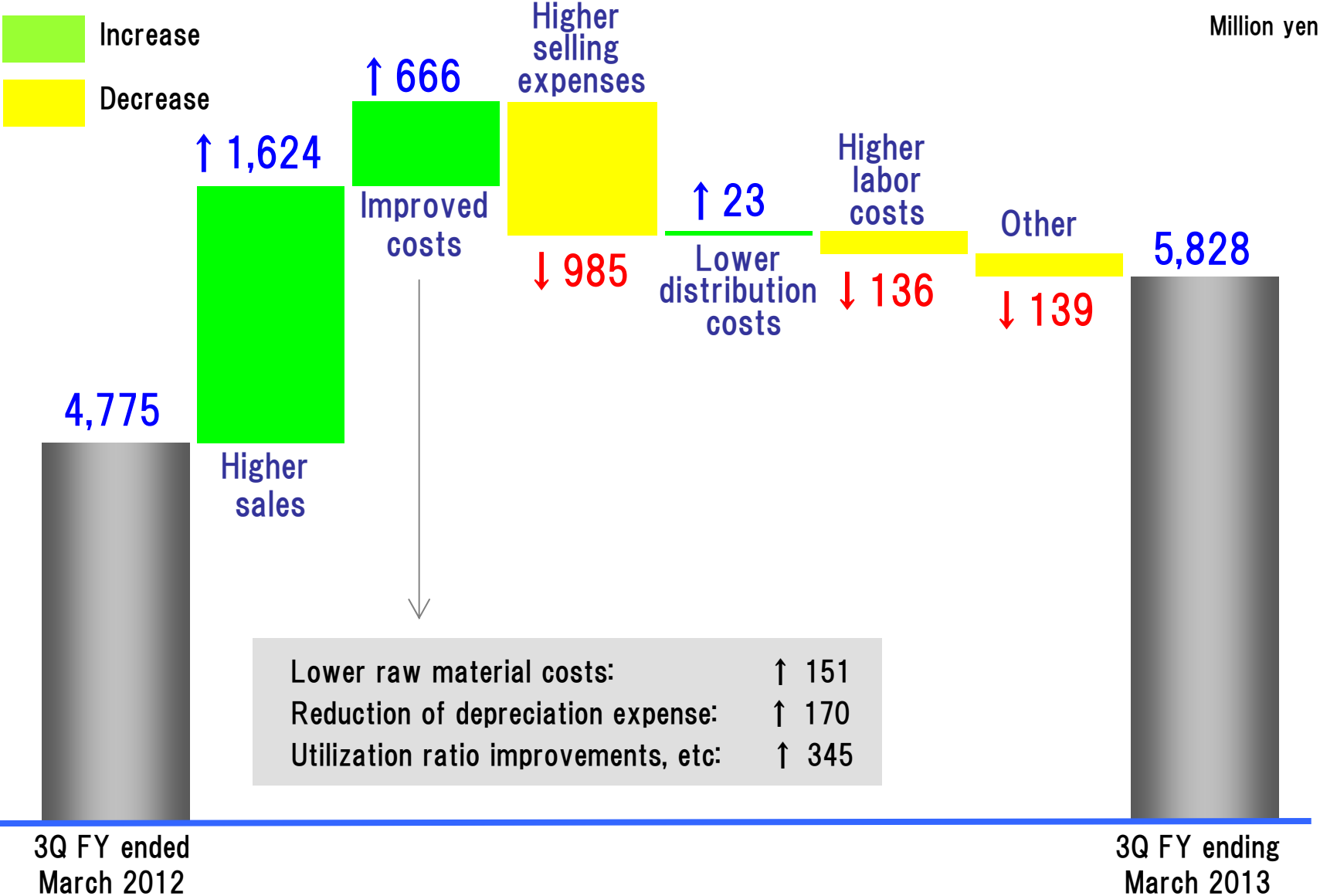
Strengthened marketing and increased stores carrying *Fruits Granola* led to strong sales



■ Overseas

Increased sales in all overseas markets

FY2013 3Q (Three months): Factors increasing operating income



FY2013 3Q (Nine months): Results highlights

	3Q year ended 3/2012	3Q year ending 3/2013	Change in %	Comparison with plan
	Million yen	Million yen	%	%
Net sales	120,013	133,759	+11.5	+ 1.6
Gross profit	50,467	58,846	+16.6	+ 2.1
SG&A expenses	41,797	46,310	+10.8	+ 1.2
Selling	15,333	18,736	+22.2	+ 0.8
Distribution	9,085	9,186	+ 1.1	+ 0.4
Labor	11,495	11,899	+ 3.5	+ 1.4
Other	5,883	6,488	+10.3	+ 3.3
Operating income	8,669	12,536	+44.6	+ 5.4
Ordinary income	8,402	13,163	+56.7	+13.2
Extraordinary income /loss	53	- 705	—	—
Net income	4,325	7,384	+70.7	+10.2

Revisions to FY2013 forecast

	Year ended March 2012	Year ending March 2013 (Revised plan as of Nov. 1, 2012)	Change in %
	Million yen	Million yen	%
Net sales	163,268	173,300	+ 6.1
Operating income	12,247	15,200	+24.1
Ordinary income	12,486	14,900	+19.3
Net income	7,096	8,500	+19.8



	Year ending March 2013 (revised forecast)	Change in %
	Million yen	%
Net sales	175,300	+ 7.4
Operating income	15,800	+29.0
Ordinary income	16,400	+31.3
Net income	8,700	+22.6

Anticipating extraordinary loss in 4th quarter
Loss on disposal of fixed assets, etc: 700 million yen

On track to achieve plans

Satoshi Eguchi

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

Outcomes

■ Grew domestic market share

- Potato Chips market share: (FY2012) 63.2% → (3Q FY2013) **68.5%**
- Confectionary market share: (FY2012) 48.9% → (3Q FY2013) **53.8%**

■ Cost reduction

- COGS (target) 54.7% → (actual) **54.2 %**

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

FY2012: Total of April 2011-March 2012 3Q FY2013: Total of October-December 2012

Future initiatives

- Advance overseas strategy
- Further expand domestic market share
- Grow sales of *Fruits Granola* and new products (*Vegips*, etc)
- Achieve further cost reductions

Expanding domestic market share

Actively developing new flavors



Launched
Jan. 7



Launched
Jan. 21



Launched
Jan. 21

Vegips

- Sales temporarily suspended in East Japan

Suspension period:

Onion, pumpkin, potato

Nov. 5 to Jan. 13

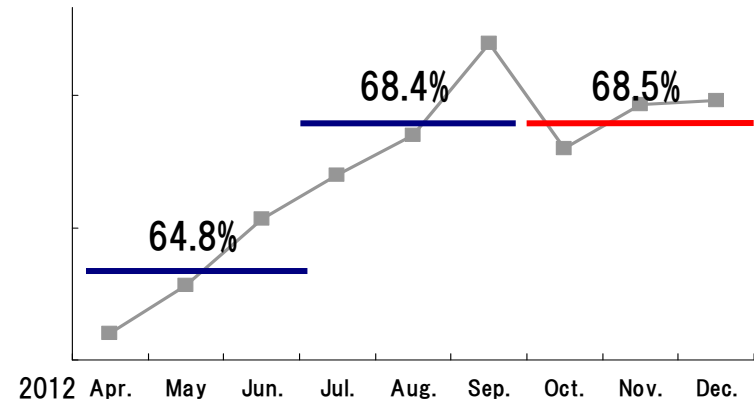
Sweet potato, pumpkin

Nov. 5 to Nov. 25



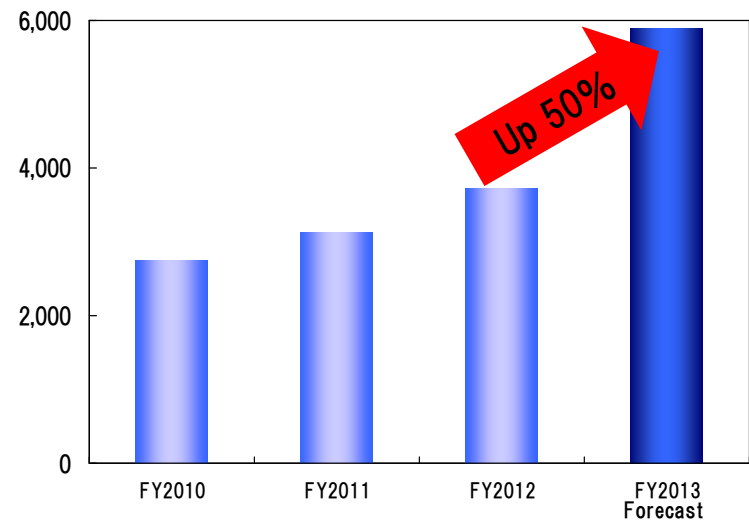
- Started giveaway campaign in the Kinki and Chukyo region (Jan. 14 to Apr. 15)

Potato chips market share



Data: Intage SRI; nationwide retail sales
Potato chips market: Total of potato chips (thick- and thin-sliced), shoestring and kettle types

Trends in sales of *Fruits Granola* Million yen



■ Net sales by country

FY2013 3Q(Three months)

Million yen

	Amount	Change in %
Thailand	518	+13.2%
Hong Kong	492	+17.6%
South Korea	479	+38.6%
North America	395	+12.8%
China	213	+8.6%
Taiwan	38	—
Total	2,139	+20.8%



Update by country

■ Thailand, Hong Kong

Expanded sales by strengthening marketing

■ South Korea

Strong sales of *Jagabee* launched Jan. 2012

■ North America

On track to launch *Jagabee* in Apr. 2013

■ China

Focusing on Hangzhou aiming to launch business there in Apr. 2013

■ Taiwan

Started operations and launched *Jagabee* in Dec. 2012

Reference material

Sales by product

Million yen

	FY2012 3Q (three months)		FY2013 3Q (three months)		
	Amount	Composition	Amount	Composition	Change in %
Potato-based snacks	26,176	59.5%	28,082	58.9%	+7.3%
<i>Potato chips</i>	16,224	36.8%	17,433	36.6%	+7.5%
<i>Jagarico</i>	6,981	15.9%	7,427	15.6%	+6.4%
<i>Jagabee</i>	2,382	5.4%	2,532	5.3%	+6.3%
Flour-based snacks	5,825	13.2%	5,728	12.0%	-1.7%
Corn-based snacks	3,492	7.9%	3,614	7.6%	+3.5%
<i>Vegips</i> , other new snacks	643	1.5%	1,623	3.4%	+152.3%
Overseas	1,771	4.0%	2,139	4.5%	+20.8%
Other	718	1.6%	909	1.9%	+26.5%
Snacks	38,627	87.7%	42,098	88.3%	+9.0%
Bread	3,393	7.7%	3,151	6.6%	-7.1%
Cereals	1,377	3.1%	1,855	3.9%	+34.7%
Other foods	4,771	10.8%	5,007	10.5%	+4.9%
Services	628	1.4%	578	1.2%	-8.0%
Total Sales	44,028	100.0%	47,684	100.0%	+8.3%