

Announcement of Transfer of Shares in the Philippines Joint Venture and Changes in a Specified Subsidiaries

Tokyo, September 28, 2018 — Calbee, Inc. (hereafter “Calbee”) announces its decision to transfer all the shares of Calbee-URC, Inc. (hereinafter CURC), which is a consolidated subsidiary of Calbee, to Universal Robina Corporation (hereinafter URC), and signed the Share Transfer Agreement with URC on 25 September, 2018.

1. Reason for transfer of shares

On April 2014, Calbee established a joint venture company with URC which has strong sales and brands in the Philippine market where we regarded as one of the promising snack foods markets. The joint venture aimed to grow sales of Calbee products and expand market share in the Philippines. However, after 3 years passed from the start of production and sales of CURC products, based on the review of overseas business strategy of Calbee and by reviewing the profitability of the business, Calbee discussed with URC and mutually agreed that URC would take over the joint venture business. Calbee transfers all the owned shares of CURC to URC, and terminates the joint venture agreement. As the snack market in the Philippines is still promising and expecting to grow continuously, even after closing the joint venture agreement, Calbee agreed with URC that Calbee continued the licensing to URC to produce and sell Calbee brand products.

2. Outline of subsidiary to undergoing transfer

(1)	Name	Calbee-URC, Inc.		
(2)	Location	Quezon City, Metro Manila, Philippines		
(3)	Representative Director	Tetsuya Takiguchi (President & COO)		
(4)	Main business	Production and Sales of snack foods		
(5)	Capital	PHP 654 million (As of March 31, 2018)		
(6)	Date of establishment	April 2014		
(7)	Main shareholders and ownership ratio	Calbee, Inc.	50%	
		Universal Robina Corporation	50%	
(8)	Relationship with Calbee	Capital relationship	Consolidated subsidiary of Calbee.	
		Personal relationship	The President and one of the directors (non-executive) are Calbee’s employees, and one of the directors (non-executive) concurrently serves as an executive officer of Calbee.	
		Business relationship	There are no business relationship between Calbee and CURC.	
(9)	Latest 3 years Financial status of CURC (Unit: PHP)			
	Fiscal year	December 2015	December 2016	December 2017
	Net assets	549,567,746	464,230,909	368,584,651
	Total assets	820,533,724	670,489,775	655,404,131
	Net Sales	214,340,650	204,479,834	227,322,053
	Net loss	(100,388,298)	(85,336,837)	(95,655,840)

3. Outline of counterparty in transfer of shares

(1)	Name	Universal Robina Corporation	
(2)	Location	Quezon City, Metro Manila, Philippines	
(3)	Representative Director	Chairman, LANCE Y. GOKONGWEI	
(4)	Main business	Production and Sales of snack foods and beverages	
(5)	Capital	PHP 20.9 million (As of March 31, 2018)	
(6)	Date of establishment	September 28, 1954	
(7)	Net assets	PHP 79.7 billion (As of June 30, 2018)	
(8)	Total assets	PHP 150.1 billion (As of June 30, 2018)	
(9)	Main shareholders and ownership ratio	JG Summit	55.24% (As of August 31, 2018)
(10)	Relationship with Calbee	Capital relationship	There are no capital relationship between Calbee and URC.
		Personal relationship	There are no personal relationship between Calbee and CURC.
		Business relationship	There are no business relationship between Calbee and CURC.
		Status of related parties	URC is not an affiliate of Calbee.

4. Number of shares to be transferred, transfer price and number of shares held by Calbee before and after the transfer

(1)	Number of shares before the transfer	32,700,000 shares (number of voting rights:3, ownership percentage: 50.0%)
(2)	Number of shares to be transferred	32,700,000 shares (number of voting rights: 3)
(3)	Transfer price (estimated)	PHP 170,603,409 *
(4)	Number of shares after the transfer	0 shares (ownership percentage: - %)

*There is a possibility to be changed the transfer price afterward based on the financial closing at the end of September 2018.

5. Schedule

Date of signing of the share transfer agreement: September 25, 2018

Date of closing of the transfer: September 30, 2018 (planned)

Termination date of the joint venture: September 30, 2018 (planned)

6. Impact of forecasts of Calbee

Due to the transfer of shares, CURC will no longer exist as a consolidated subsidiary of Calbee. This is not expected to have a material impact on Calbee's consolidated business result. There are no changes to the consolidated forecasts for the fiscal year ending March 31, 2019.

(Reference)

The consolidated forecasts for the fiscal year ending March 31, 2019 issued May 11, 2018 and consolidated results for the fiscal year ended March 31, 2018.

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Forecast for FY March 2019	255,000	29,500	29,000	19,000
Results for FY March 2018	251,575	26,828	26,179	17,330

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