

**Announcement of Acquisition of Warnock Food Products, Inc
by US Subsidiary (Share Acquisition with Change in Subsidiaries)**

Tokyo, October 29, 2019 - Calbee, Inc. (hereafter referred to as “Calbee”) announces that Calbee America, Inc. (hereafter “CAI”), Calbee’s subsidiary company in USA, concluded agreement for the sale and purchase of the business of Warnock Food Products, Inc. (hereafter “Warnock”) with major shareholders and completed the acquisition of 80% of the shares on October 25, 2019. Details are as follows:

1. Purpose of the acquisition

Calbee has positioned the expansion of its overseas business as one of the growth strategies, and North American market is one of the key regions. Calbee North America, LLC (hereafter “CNA”) , which is established as a subsidiary of CAI in August 2006, strategizes to expand its business by manufacturing and selling Calbee’s unique snacks by means of ingredient focused technologies in the North America, led by bean-based snack brand “Harvest Snaps”. Warnock, founded in 1986, is a US contracted savory snack manufacturer that produces a wide variety of snacks including potato chips, tortilla chips and puff snacks. Through the acquisition of Warnock, we aim to expand Calbee’s product portfolio in the US snack market, the world largest market, leveraging its product development capability and distribution. With a close collaboration between Warnock and CNA, we will broaden our presence and aim to expand Calbee group business in the North America.

2. Outline of CAI

(1) Company Name	Calbee America, Inc	
(2) Location	Fairfield, California, USA	
(3) Representative Director	CEO, Makoto Ehara	
(4) Main Business	Investment in and holding of equity interest	
(5) Capital	USD 84M (as of March 31,2019)	
(6) Date of incorporation	March 12, 1970	
(7) Main shareholder and ownership ratio	Calbee, Inc.	100%
(8) Relationship with Calbee	Capital relationship	Consolidated subsidiary of Calbee
	Personal relationship	Two Directors concurrently serve as Representative Director and Executive Vice President and Senior Managing Director of Calbee, respectively.
	Business relationship	Receiving funding from Calbee



Harvest the Power of Nature.

3. Outline of Warnock

(1) Company Name	Warnock Food Products, Inc		
(2) Location	Madera, California, USA		
(3) Representative Director	CEO, Kraig Rawls		
(4) Main Business	Production and Sales of Snack foods		
(5) Capital	USD 100k (as of December 31, 2018)		
(6) Date of incorporation	June 1, 1991		
(7) Main shareholder and ownership ratio	Kraig Rawls (CEO) 52%	Jaap Langenberg (Head of Sales)	30%
(8) Relationship with Calbee	There is no capital, personal or business relationship to be described between the company and Calbee.		

4. Recent results of operations and financial condition of Warnock
(Fiscal year ended December 2018)

Sales	USD	41.7MM
Total assets	USD	13.9MM

5. Schedule

Date of signing contract:	October 25, 2019
Date of closing of the transfer:	October 25, 2019

6. Impact of forecast of Calbee

The impact on the consolidated earnings forecast for the fiscal year ending March 31, 2020 due to the acquisition (change in subsidiary) is minor. There are no changes to the consolidated forecasts for the fiscal year ending March 31, 2020 that announced on May 14, 2019.

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