

# Financial and Non-Financial Highlights

## Flavor and Fun for All Generations

### Brand Japan 2019

#### “Friendly” division\*

We were selected as the top food and beverage company in the “Friendly” division for brand valuation, which is evaluated by consumers.

\* Nikkei BP Consulting  
Factor-Specific Assessment “Friendly” of Consumer Markets (BtoC)

No. 1

### Food communication

To ensure the healthy growth of children of the future, we carry out food education and factory tours as part of our responsibility as a food company.



Participants in the snack school  
(Cumulative total of five years from 2014–2018)

289,802 people



Factory tour participants  
(Cumulative total of five years from 2014–2018)

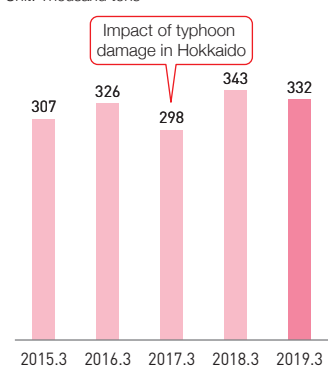
117,654 people

## Succession of the Gift of Nature and Wealth through Co-Creation

### Domestic potato procurement

We are working to ensure stable procurements of potato by diversifying production areas and cultivating partners, while both crop area and crop yields of potatoes are declining in Japan.

Unit: Thousand tons



332 thousand tons

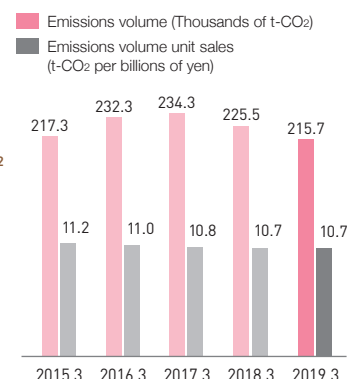
### CO<sub>2</sub> emissions Domestic Calbee Group Companies

In order to reduce greenhouse gas emissions, we are taking initiatives such as improving productivity of our factories and switching from crude oil to other energy sources.

#### CO<sub>2</sub> emissions

215.7 thousand t-CO<sub>2</sub>

CO<sub>2</sub> emissions per unit sales  
10.7 ton-CO<sub>2</sub> per billions of yen

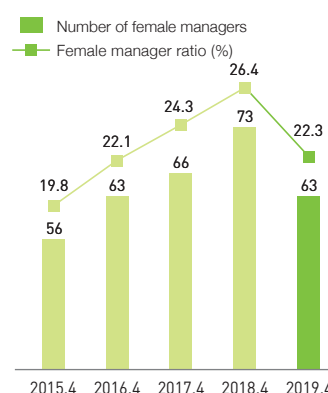


## A Motivating and Fulfilling Environment for All Employees through Diversity and Inclusion

### Female manager ratio

As part of our diversity management, we aim to achieve a female manager ratio of 30% for the fiscal year ending March 31, 2022.

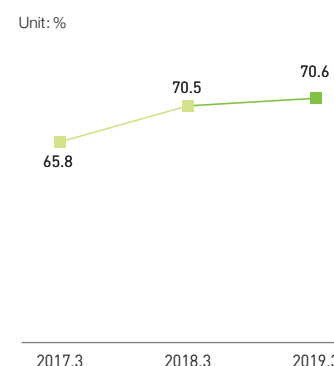
22.3%  
As of April 2019



### Rate of annual paid holidays taken

We encourage employees to take paid holidays to improve their work-life balance and create an environment in which all employees can work enthusiastically.

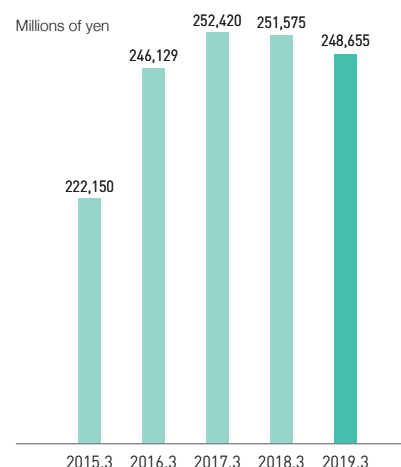
70.6%



## Achieving Sustainable Growth and a High Profitability Structure

### Net sales

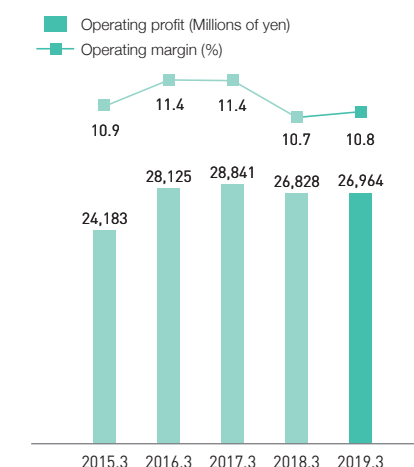
¥248,655 million



### Operating profit and Operating margin

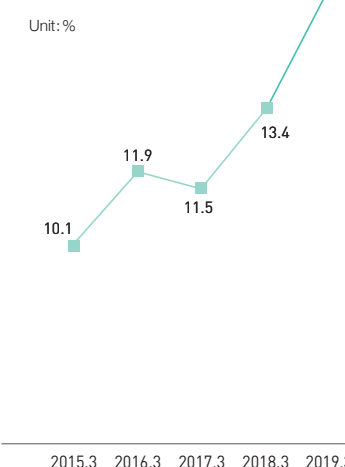
Operating profit ¥26,964 million

Operating margin 10.8%



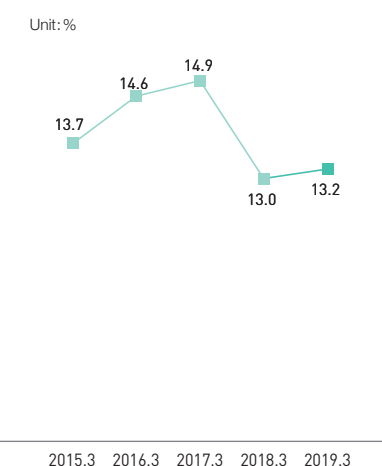
### Overseas sales ratio

16.3%



### ROE

13.2%

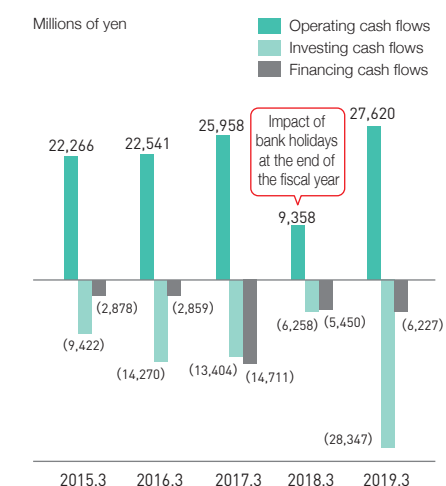


### Cash flows

Operating CF ¥27,620 million

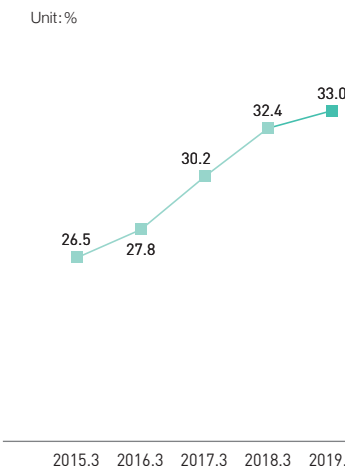
Investing CF ¥(28,347) million

Financing CF ¥(6,227) million














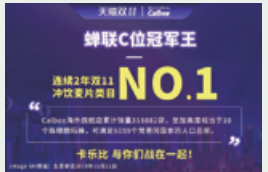



### Consolidated dividend payout ratio

33.0%



Business Topics

	April–June 1Q of the fiscal year ended March 31, 2019	July–September 2Q	October–December 3Q	January–March 4Q	April–June 1Q of the fiscal year ending March 31, 2020	
Domestic business	<p><b>[April]</b> Partial transfer of shares of Garden Bakery Co., Ltd. (production and sale of breads and snack foods)</p> <p><b>[April]</b> Launch of <i>Tomorico</i>, a new ingredient snack under the <i>Jagarico</i> brand</p> 	<p><b>[July]</b> Launch of <i>Edamarico</i>, a new ingredient snack under the <i>Jagarico</i> brand</p>  <p><b>[September]</b> Transfer of all shares of sales subsidiary CalNeCo, Inc. (production and sale of sales promotional tools)</p>	<p><b>[October]</b> Launch of <i>Potato Chips</i> using new potato variety Poroshiri *</p>  <p>* This is the first variety developed by the Calbee Group over a decade. It is suitable for potato chip processing and resilient to disease.</p> <p><b>[October]</b> Launch of <i>Potato Chips</i> with the taste of local flavors in 47 prefectures "Love Japan" (First in October, Second in January, Third in March)</p>  <p><b>[November]</b> Launch of <i>Potato Delux</i>, Calbee's the thickest potato chips (Niigata and Nagano prefectures only)</p> 	<p><b>[March]</b> Launch of <i>Jagarico Salad bits</i> in standing pouch* package * Stand-alone package with a chuck</p> <p><b>[March]</b> Acceptance the application of new variety of potato <i>Natsu-gasumi</i></p> 	<p><b>[June]</b> Launch of nutrition and function food <i>Granola+(Granola Plus)</i> as new cereal brand</p>  <p><b>[June]</b> Extension of expiration date of <i>Potato Chips</i> to reduce food loss and improve work efficiency</p> <p><b>[June]</b> Renewal of <i>Potato Chips Usushio-aji</i>, which are reduced salt by about 5% used for the products annually</p>	
	Overseas business	<p><b>[April]</b> <b>Indonesia</b> Launch of <i>KrisBee Krunchy</i>, a new corn-based snacks</p>  <p><b>[April]</b> <b>Greater China</b> Start of sales of <i>Frugra</i> through Chinese domestic e-commerce (general e-commerce)</p>	<p><b>[July]</b> <b>North America</b> Launch of <i>Harvest Snaps Organic</i>, which focuses on organic ingredients</p>  <p><b>[August]</b> <b>Greater China</b> Start of production of <i>Frugra</i> at Kyoto Factory and start of shipment to China</p> 	<p><b>[October]</b> <b>United Kingdom</b> Acquisition of Seabrook Crisps Limited, a long-established manufacturer of potato chips</p>  <p><b>[November]</b> <b>Greater China</b> Sales of <i>Frugra</i> from Single Day in Alibaba's T-mall ranked first in the cereal category for the second consecutive year</p> 	<p><b>[October]</b> <b>North America</b> Launch of <i>Popper Duos</i>, a new of bean-based snack</p> 	<p><b>[December]</b> <b>Indonesia</b> Expansion of production lines for potato chips</p>  <p><b>[February]</b> <b>Australia</b> Launch of <i>Harvest Snaps Black Bean</i>, a bean-based snack</p> 



Business Review

Percentage of Net Sales  
(Fiscal Year Ended March 31, 2019)

Overseas 16.3%

Other businesses 1.5%

Net sales  
¥248,655  
million

Domestic snack foods 72.6%

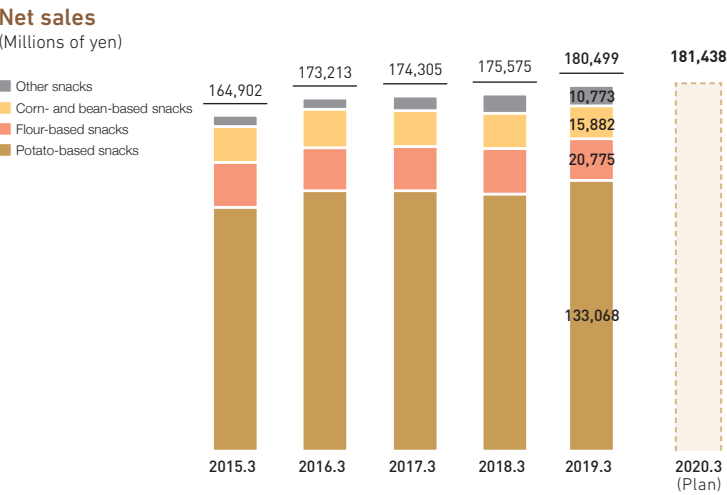
Domestic cereals 9.6%

We mainly manufacture and sell potato-based snacks, flour-based snacks, corn- and bean-based snacks and cereals.

For domestic business, we have more than a 50% share of the snack market, and have maintained a particularly high share of more than 70% in potato-based snacks. In the cereal market, *Frugra* is driving market expansion and we have the top share of the cereal market.

For overseas business, we currently operate in nine countries and regions. Utilizing the processing technologies of natural raw materials cultivated in Japan, we produce and sell snacks and cereals tailored to local consumer needs.

Domestic snack foods



**Results for the Fiscal Year Ended March 31, 2019**

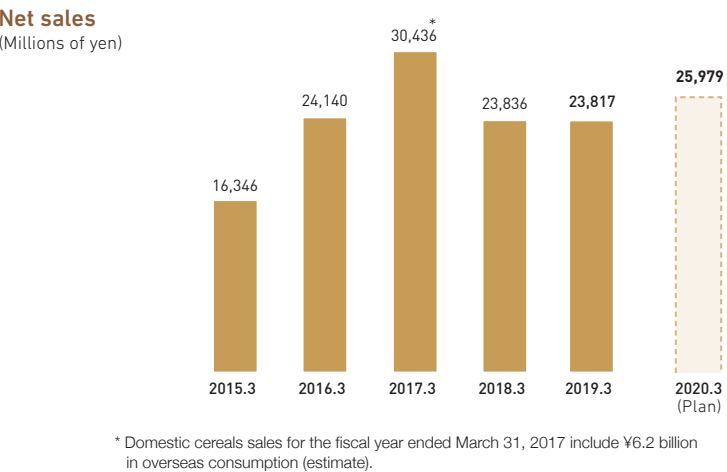
Sales of domestic snack foods increased 2.8% to ¥180,499 million.

Sales of *Potato Chips* increased as a result of securing sufficient supplies of potatoes and conducting proactive sales promotional activities, such as increased volume campaigns.

Sales increased for *Jagarico*, due to sales of *Tomorico* and *Edamico* individual portion snacks, which were launched nationwide with a TV commercial. However, sales of *Jagabee*, flour-based snacks and corn-based snacks, and bean-based snacks decreased due to a weak recovery from the negative effect of increased demand for *Potato Chips*.

- Initiatives for the Fiscal Year Ending March 31, 2020**
- Implement price hike and content standard revisions of *Potato Chips* and other products
  - Initiative to strengthen *Jagarico* marketing
  - Strengthen product lineup to meet diverse needs such as texture variants and new food scenes

Domestic cereals



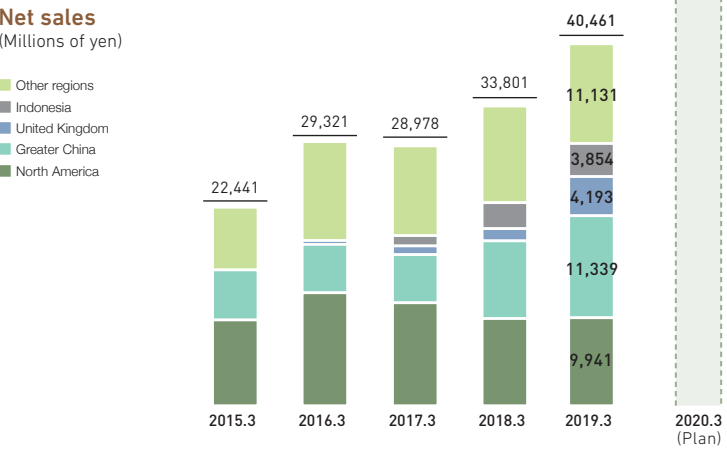
**Results for the Fiscal Year Ended March 31, 2019**

Sales of domestic cereals declined 0.1% to ¥23,817 million.

Domestic demand did not increase despite enhancement of the *Frugra* product lineup, including Small size and individual portion size—whose purpose is to generate new domestic customers—the renewal of *Frugra Less Carbohydrates*, and continuous investment in limited time products.

- Initiatives for the Fiscal Year Ending March 31, 2020**
- Launch of new granola products focused on functionality and portability
  - Encourage repeat buying with medium size lineup

Overseas



**Results for the Fiscal Year Ended March 31, 2019**

Sales of overseas business increased 19.7% to ¥40,461 million. Sales in North America were sluggish despite the launch of *Harvest Snaps* made using organic beans due to delays in its introduction. In Greater China, sales increased due to the launch of *Frugra* in Chinese domestic e-commerce, in addition to cross-border e-commerce. In the United Kingdom, sales increased significantly on the acquisition of Seabrook Crisps Limited in October 2018.

In Indonesia, sales increased driven by the contributions of *Potabee* potato chips and *KrisBee Krunchy*, a corn-based snack.

- Initiatives for the Fiscal Year Ending March 31, 2020**
- North America: Strengthen sales of *Harvest Snaps* to major customers  
Continuously invest in new products and enhance product other than snacks
- Greater China: Strengthen sales and marketing through utilization of e-commerce partner's platform  
Strengthen sales for retail channels
- United Kingdom: Aim for cost synergy and sales synergy via integration of Calbee (UK) and Seabrook
- Indonesia: Improvement of factory utilization on launch of new *Potato Chips* products, and cost reductions in raw materials