Tokyo May 14, 2019 — Calbee, Inc. (“the Group” hereafter, Head Office: Chiyoda-ku, Tokyo, President and CEO: Shuji Ito) has formulated a long-term vision,(2030 Vision) and 5-year Medium-term Business Plan from fiscal year ending March 2020 to fiscal year ending March 2024 to realize the long-term vision.

**Long-term vision (2030 Vision)**

In the medium-to long-term business environment surrounding the Group, economic growth in emerging countries is expected to narrow the economic gap between developed and emerging countries and raise living standards. As a result, competition for securing business resources intensifies, natural resource depletion and environmental problems are expected to become more serious. In addition, there are concerns that social problems such as widening disparities between the rich and the poor in both developed and emerging countries will spread. In Japan, declining birthrate, aging population, a worsening labor shortage and an increase in the proportion of single-person households are expected. It is therefore important to meet diversifying consumers’ needs, while resolving social issues through co-creation with society and digital technologies.

In order to achieve sustainable growth in this changing business environment, we have formulated 2030 Vision "Next Calbee. Harvest the Power of Nature, Creating the Future of Foods" which envisions what the Group would do by the year 2030. We will continue to identify diversifying customer needs and provide new value, accelerate growth in overseas businesses and take on the challenge of expanding our business into new food areas. At the same time, we will also work to solve social issues and realize a sustainable global environment by promoting co-creation with society. We will establish our pivotal growth drivers in overseas markets and new food domains and aim to achieve overseas sales ratio of more than 40% and sales ratio in new food areas of more than 20% by 2030.

**Medium-term Business Plan (Fiscal year ending March 2020 – Fiscal year ending March 2024)**

As a step toward achieving our long-term vision, Medium-term Business Plan is formulated with six key initiatives. Its basic policy is defined as "Transformation and challenge toward achieving next generation growth. " Through building a foundation that responds to changes in the business environment, we will realize sustainable growth with innovation and challenge.
The six key initiatives of the Medium-Term Management Plan are as follows.

1. **Existing domestic businesses**
   We will create new value and realize high profit in our domestic snack and cereal businesses. We will innovate the snack business to develop a number of new value-added products that meet diverse consumer needs and improve profitability. We will go beyond snacks to offer “fine snack”, a healthy light food that offers delicious taste and fun. At the same time, we will develop a product portfolio that balances protein, fat, and carbohydrates. In addition, we will enhance the cereal business by strengthening the brands as well as shifting from “Morning Fruguru Business” to “Lifestyle Support Food Business”, which supports consumers' diverse lifestyles by increasing added value, such as functionality and ease of use. To reinforce our business foundation to support these initiatives, we will optimize production and supply by strengthening supply chain, improve productivity and create a more pleasant working environment through digital transformation, and maximize the value of our customers' experiences through strategic partnerships with our distribution partners.

2. **Overseas businesses**
   We have designated North America, Greater China, the United Kingdom, and Indonesia as our four key regions, and will establish revenue-generating bases in these regions. In addition to promoting the penetration of our brand while matching market characteristics, we will expand sales channels in each market and strengthen and improve the efficiency of our business foundation. In addition, we will leverage our processing technology and flexibly utilize external resources to develop a new product lineup other than snack and cereal.

3. **New businesses**
   We will take on the challenge of establishing businesses in new food areas. First, we will establish new businesses at raw materials’ point of origin, such as expanding our business domains in the potato business. We also develop new original processing technologies that leverage the nature of raw materials. In addition, we will build service-oriented businesses as a new profit-generating business model, and create businesses in new food areas to meet the needs and expectations of future customers.

4. **Management bases**
   We will strengthen our management base to support global management and sustainable growth. We will promote decentralization and enhance the development of human resources and management personnel through autonomous execution. In addition, we will reinforce governance for global management and IT personnel. Furthermore, we will deepen work style reforms and promote not only diversity management through the promotion of women's participation, but also inclusion to fully leverage individual employees' abilities. We will enhance our R&D capabilities and optimize R&D sites, and build an agile product development system that meets customer needs with agility through open innovation.

5. **Co-creation with society**
   We will implement various initiatives to realize both sustainable societies and business growth with achieving the Sustainable Development Goals (SDGs). With regard to the procurement of raw materials for agricultural products, which is an important factor for our business, we will further strengthen our partnerships with producers, increase the volume of raw materials procurement domestically, and support agricultural activities. In order to realize healthy lifestyles for people, we will continue to deepen our relationships with customers through our food education activities. In addition, we will promote social contribution activities centered on contributions to local communities. We will also promote sustainable supply chain initiatives, such as reducing greenhouse gas emissions, reducing food losses by extending the shelf lives, and promoting human-rights centered procurement.
6. Collaboration with PepsiCo

We will explore ways to strengthen collaboration with PepsiCo through new business alliances by leveraging the business foundations and resources of the two companies. Specifically, we will strengthen sales of the Frito-Tray brand in Japan, utilize PepsiCo’s sales network overseas, and promote information sharing and technology collaboration for initiatives for a sustainable society.

Management targets for the fiscal year ending March 2024 are as follows.

- **Financial Indicators**

<table>
<thead>
<tr>
<th>Calbee group</th>
<th>Efficiency</th>
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<tbody>
<tr>
<td>Sales (consolidated)</td>
<td>¥310.0bn (Operating Margin)</td>
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<tr>
<td>Operating profit (consolidated)</td>
<td>¥40.0bn 13%</td>
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<table>
<thead>
<tr>
<th>Domestic</th>
<th>Overseas</th>
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<tbody>
<tr>
<td>Operating margin</td>
<td>Sales (Sales ratio)</td>
</tr>
<tr>
<td>15%</td>
<td>25%</td>
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</tbody>
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- **Non-financial indices**

  - Salt equivalent in products: 20% reduction
  - Protein-rich product sales ratio: 10%
  - Female manager ratio: Over 30%
  - Domestic Procurement volume of potatoes: 400K tons
  - Food communication** 5-years participants: 400K people
  - Food products losses: 20% reduction
  - 2030 Greenhouse gas emissions: 30% reduction

  *Product containing 13% of more of protein in nutrients that produce energy **Food education activities including Calbee Snack School and factory tour

  The Group will continue to be committed to harnessing nature’s gifts, to bringing taste and fun, and to contributing to healthy life styles.

  ***ENDS***