

# Calbee Group Financial Results

**Fiscal year ended March 31, 2020**

April 1, 2019 – March 31, 2020

TSE code : 2229

**Calbee, Inc.**

2020.5.15

**1. FY2020/3 Financial Results and FY2021/3 Full Year Forecast**

**Koichi Kikuchi Senior Managing Director and CFO**

**2. Summary and Future Management Policy**

**Shuji Ito President and CEO**

**3. Future Action for Overseas Business**

**Makoto Ehara Vice President**

# **FY2020/3 Financial Results and FY2021/3 Full Year Forecast**

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**Koichi Kikuchi**  
**Senior Managing Director and CFO**

# **FY2020/3 financial results and FY2021/3 full year forecasts**

## **Contents**

**(1) FY2020/3 financial results**

**(2) FY2021/3 full year forecasts**

**(3) Investment and shareholder return policy**

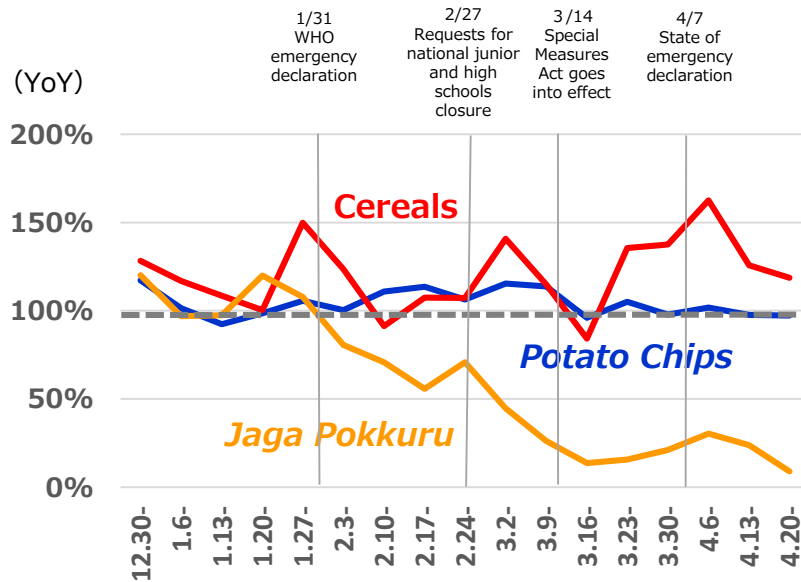
# **(1) FY2020/3 financial results**

# Impact of COVID-19 in FY2020/3 Q4

**No significant contribution to profit due to factors including decreased sales of high-margin gift products despite of net sales is higher than expected**

- Sales (Domestic) (+) Increased demand for *Potato Chips* and cereals via general channels  
 (–) Decreased sales of gift snack products such as *Jaga Pokkuru* and company-owned shops sales
- (Overseas) (+) North America: Increased snacks demand  
 China: Increased sales via e-commerce  
 (–) China: Decreased sales at retail stores  
 Indonesia: Decreased sales, mainly at small stores

Sales by domestic products (Week / YoY)



※Data is preliminary value of Calbee, Inc. only

Q4 Sales

	YoY	Vs. revised plan
Net sales	+4%	+1%
Domestic net sales	+2%	+1%
<i>Potato Chips</i>	+7%	+6%
<i>Jaga Pokkuru</i>	-42%	-45%
Cereals domestic consumption	+23%	+10%
Overseas net sales	+13%	+4%
North America (except Warnock)	-11%	+18%
Greater China	+20%	+4%
Indonesia	-3%	-6%

# FY2020/3: Results highlights

## Summary vs. last fiscal year

- Sales: (Domestic) Snacks were strong, increased cereals demand in Q4  
(Overseas) Increased sales at acquisitions Warnock in US (+¥1.7 bn) and Seabrook\* in UK (+¥2.6bn)  
Expanded sales in Greater China via e-commerce \* Currently integrated into Calbee Group (UK) Ltd.
- Operating profit: Increased profit through effect of expansion of overseas sales despite decreased profit in domestic due to higher costs for raw materials, distribution, etc.
- Ordinary profit: Impact of exchange rates (+¥0.4bn last year, -¥0.4bn this year)
- Extraordinary losses: Impairment losses on facilities, etc., recorded both in Japan and overseas, -¥0.6bn in North America, -¥1.0bn in Indonesia  
(Last fiscal year, an extraordinary income of ¥2.4bn was recorded on the transfer of shares of a consolidated subsidiary)






	FY2019/3		FY2020/3		Change
	(Million yen)	Ratio to net sales(%)	(Million yen)	Ratio to net sales(%)	(%)
Net sales	248,655	100.0	<b>255,938</b>	100.0	+2.9
Domestic net sales (Change excl. impact of sale of consolidated subsidiary)	208,193	83.7	<b>210,470</b>	82.2	+1.1 (+1.5)
Overseas net sales	40,461	16.3	<b>45,468</b>	17.8	+12.4
Operating profit	26,964	10.8	<b>27,664</b>	10.8	+2.6
Ordinary profit	27,432	11.0	<b>27,391</b>	10.7	-0.1
Extraordinary income/loss	1,037	-	<b>-1,648</b>	-	-
Net profit	19,429	7.8	<b>17,539</b>	6.9	-9.7

# FY2020/3: Results highlights

## Summary vs. revised plan (Q3 revision)

Revised full-year plan in Q3 (Net sales: -¥3.0bn, operating profit: +¥0.5bn)

- Sales exceeded the revised plan on higher demand caused by COVID-19
- Operating margin landed in-line with the revised plan

	FY'20/3 Target Full year (Plan at start of year)	FY'20/3 Target Full year (Revised plan)	FY'20/3 Results	Results
Net sales growth ratio	+ 3.8%	+ 2.6%	<b>+2.9%</b>	
Overseas net sales growth ratio	+ 18.9%	+ 11.2%	<b>+12.4%</b>	
Cost of sales ratio	55.5%	54.9%	<b>55.0%</b>	
Selling costs ratio	15.7%	16.0%	<b>15.9%</b>	
Operating margin	10.5%	10.8%	<b>10.8%</b>	



- **Sales** <Snacks> Sales of *Potato Chips* and flour-based snacks rose  
                   <Cereals> Due to higher demand caused by COVID-19 in Q4, sales for domestic consumption increased YoY
- **Operating profit** Profit decreased due to higher costs for distribution (-¥1.0bn), packaging (-¥0.7bn), etc.

(Million yen)

		FY2020/3	
		YoY	
<b>Domestic net sales</b> (Change excl. impact of sale of consolidated subsidiary*)	<b>210,470</b>	<b>+2,277</b> <b>(+ 3,054)</b>	<b>+1.1%</b> <b>(+1.5%)</b>
Snacks	182,086	+ 1,586	+ 0.9%
<i>Potato Chips</i>	86,189	+ 2,059	+ 2.4%
<i>Jagarico</i>	36,390	-1,011	-2.7%
Other snacks than that above	59,507	+538	+0.9%
Cereals (of which overseas consumption)	25,157 (1,965)	+1,340 (+193)	+5.6%
<b>Domestic operating profit</b> (Operating margin)	<b>26,693</b> (12.7%)	<b>-376</b>	<b>-1.4%</b> (-0.3pts)

\*All shares of CalNeCo (production/sale of promotional tools) were transferred in September 2018

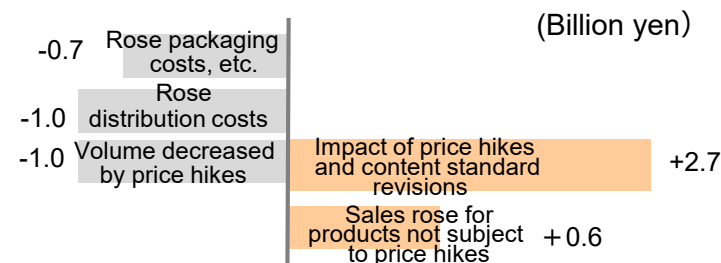
## Snacks

### ■ Price hikes and cost impact

Implemented price hikes and content standard revisions on some snack products from the end of May 2019

- Volume for products which underwent price hikes decreased mostly as expected (-5.5% YoY)
- Deterioration of profits due to higher costs and volume decreased were absorbed by the effect of price hikes and increased volume for products excluded from price hikes

Operating profit : Price hikes and cost impact



### ■ Jagarico

Sales by brand (YoY)

- *Jagarico* +¥0.1bn
- Others (*Tomorico*, *Edamarico*, etc.) -¥1.0bn

## Cereals

- Domestic consumption remained flat until Q3, demand in Q4 rose due to the impact of COVID-19
  - Regular *Frugra* product (+¥0.5bn YoY)
  - Frugra Less Carbohydrates* (+¥0.7bn YoY)
- Continually launched new brands
  - Total sales of new brand products: ¥1.6bn
  - Aiming for food scene expansion, launched *Currygra* and *Calbits*

New cereal products launched this fiscal year

Ingredient product



Granola

Functional products



Granola+

Kids' product



Chocogra

Snack product



Currygra



Calbits

# FY2020/3: Overseas business

- In North America, sales in existing businesses fell (-11% YoY), despite higher sales from the addition of Warnock to the scope of consolidation

- Achieved higher sales and profit in key regions other than North America

(Million yen)

<Business results by region>		FY2020/3		
		YoY		Change ex. forex in %
<b>Overseas net sales</b>	<b>45,468</b>	<b>+5,006</b>	<b>+ 12.4%</b>	<b>+15.8%</b>
North America	10,576	+634	+6.4%	+7.7%
Greater China	12,771	+1,431	+12.6%	+16.0%
United Kingdom	6,047	+1,854	+44.2%	+51.7%
Indonesia	4,351	+496	+12.9%	+14.4%
Other regions	11,721	+589	+5.3%	+9.9%
<b>Overseas operating profit</b> (Operating margin)	<b>970</b> (2.1%)	<b>+1,076</b>	<b>—</b> (+ 2.4pts)	<b>—</b>
North America	-410	-481	—	—
Greater China	903	+542	—	—
United Kingdom	-29	+414	—	—
Indonesia	-522	+262	—	—
Other regions	1,029	+337	—	—
<Net sales by product>		FY2020/3		
		YoY		
Snacks	38,998	+3,819		+10.9%
Cereals overseas real consumption (of which, overseas consumption included in domestic sales)	8,435 (1,965)	+1,379 (+193)		+19.5%

# FY2020/3: Overseas business

## North America

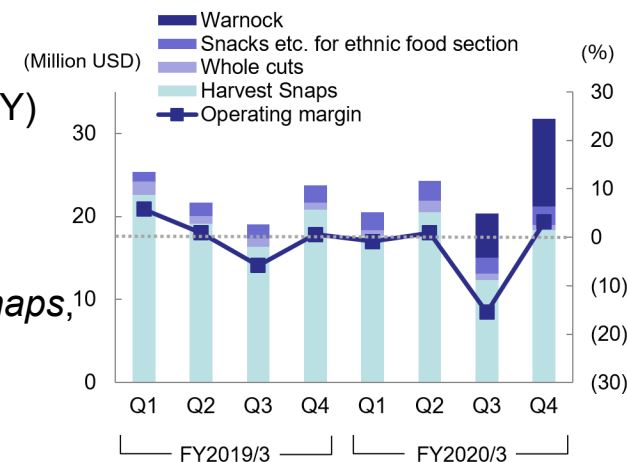
### ■ Sales

- Weak demand for *Harvest Snaps* among major customers (-13% YoY)
- *Frugra* and snacks for ethnic foods sections grew (+26% YoY)
- Warnock was stable after the acquisition

### ■ Operating profit

Profit fell due to factors including the effect of lower sales of *Harvest Snaps*, and expenses associated with the acquisition of Warnock (¥160mn)

North America net sales and operating margin



\*excl. amortization of goodwill

## Greater China

### ■ Sales

(Cereals) • Expanded e-commerce sales

Sales expansion by enhanced *Frugra* product lineup, conducted big sales promotion events despite of intensifying competition as local firms enter the market

- Retail channel in China sales decreased

(Snacks) • Expanded sales of *Jaga Pokkuru*, etc.

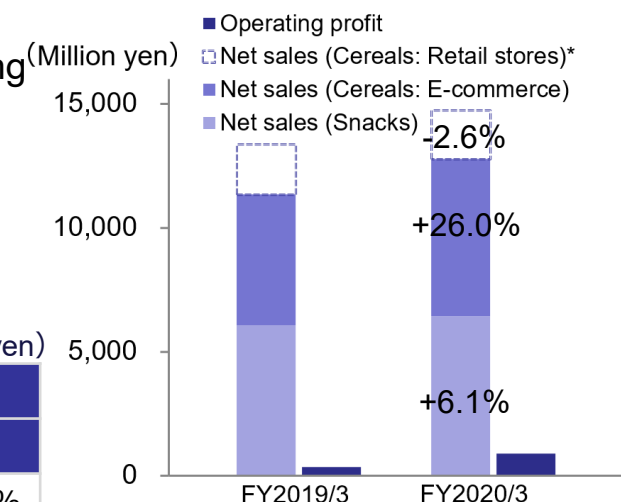
### ■ Operating profit

- Profit rose on expanded sales in e-commerce

Cereals net sales by channels (Million yen)

		FY2020/3	
			YoY
EC	6,345	+1,308	+26.0%
Retail stores *	1,965	-53	-2.6%

Greater China results



\*Retail store sales are recorded under domestic sales

# FY2020/3: Overseas business

**Calbee**

Harvest the Power of Nature.

## UK

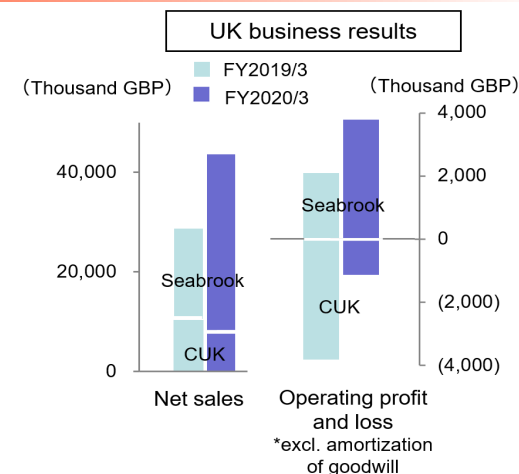
### ■ Sales

- Strong sales of Seabrook brand potato chips
- Calbee UK\* (CUK)'s bean-based snack *Yushoi* began showing recovery after renewal

\*Currently, Seabrook and CUK are integrated into Calbee Group (UK) Ltd.

### ■ Operating profit

Profit increased due to reduced indirect costs through the integration of CUK and Seabrook



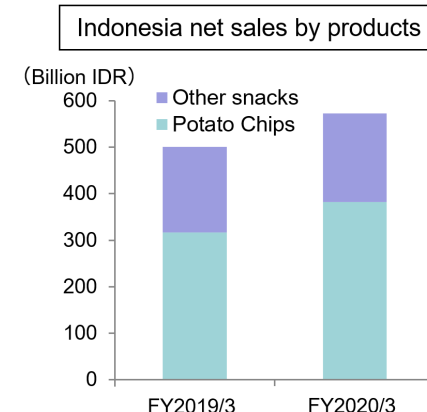
## Indonesia

### ■ Sales

- Launched *Japota* flat-type potato chips this year
- Competitive environment intensified again with entry into flat-type potato chips market

### ■ Operating profit

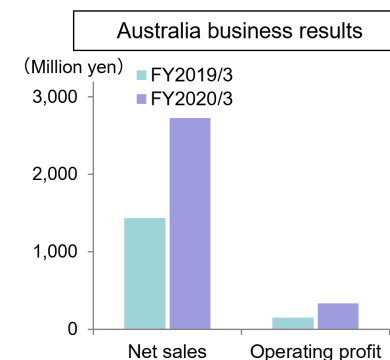
Costs improved due to reduction in price of potatoes and effect of the end of increased volume sales promotions in the previous fiscal year in H1



## Other region

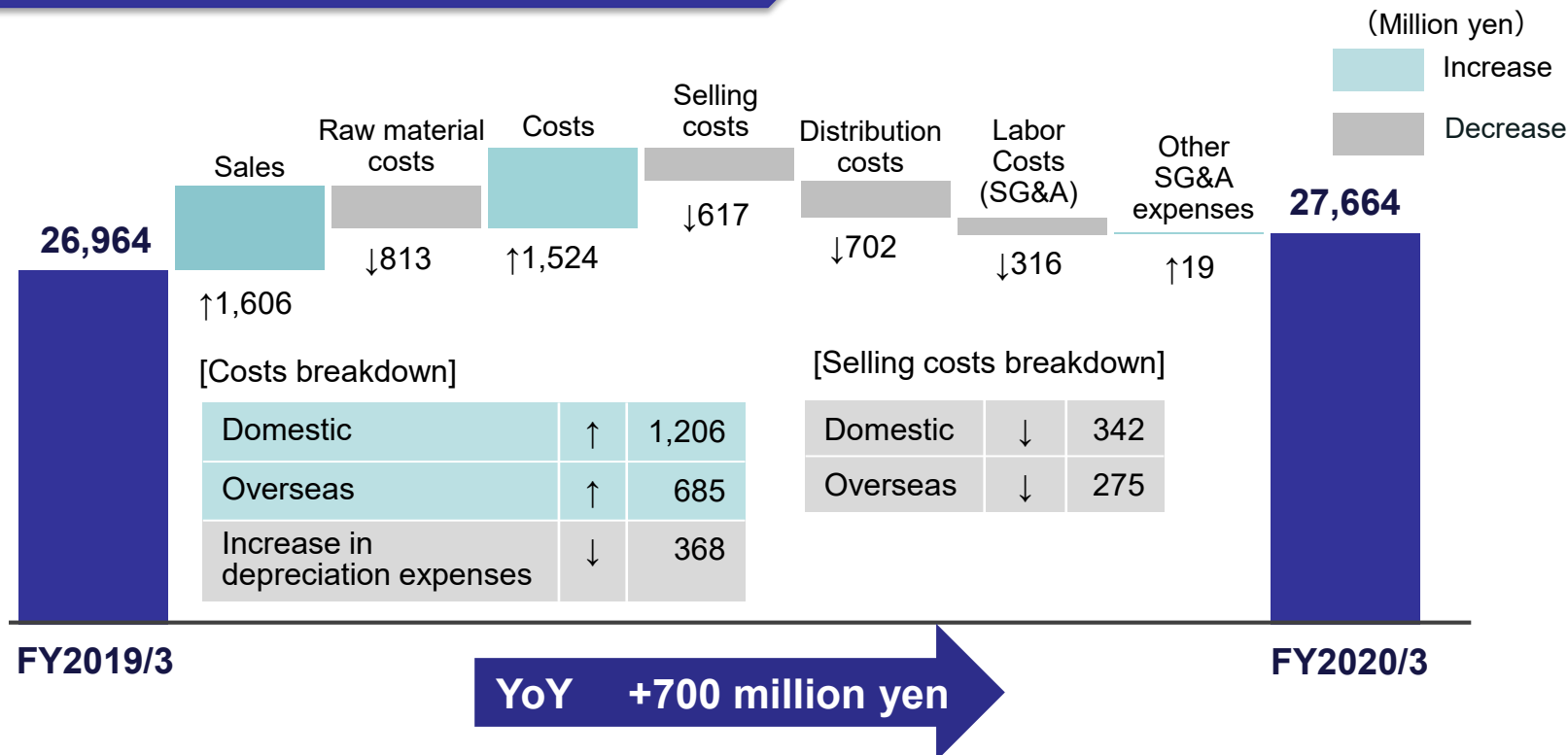
### ■ Australia

Expanded *Harvest Snaps* product lineup and retail outlets  
(Sales +90%, profit + ¥ 180mn YoY)



# FY2020/3 : Factors increasing operating profit

## Change in operating profit (YoY)



Raw material costs: Higher packaging costs, improved *Frugra* raw material costs

Costs: (Domestic) Improved cost ratio with price hike mainly

(Overseas) Cost improvements in North America and Indonesia

Selling costs: (Domestic) Spending advertising expenses for new products, etc. for the next term

(Overseas) Invested in promotional expenses for North America, e-commerce in Greater China

Distribution costs: Domestic distribution costs rose

Labor costs: Increased of bonus, etc.

## **(2) FY2021/3 full year forecasts**

# FY2021/3 full year forecasts

## Premises

Continue to work on key initiatives in the Medium-term Management Plan while prioritizing crisis measures in response to the impact of COVID-19

Priority Issues		Policy details
Domestic Existing business	①Secure profitability in snacks business	<ul style="list-style-type: none"> <li>Strengthen SCM while maintaining high utilization ratios</li> <li>Invest sales expenses effectively and advance reforms in distribution</li> </ul>
	②Grow granola customer base	<ul style="list-style-type: none"> <li>Strengthen flagship products to seize growth opportunities in cereals market</li> <li>Develop products focused on growth of the food scene, etc.</li> </ul>
	③Promote cost reduction measures	<ul style="list-style-type: none"> <li>Review raw materials</li> <li>Automation, labor savings in production processes</li> </ul>
Overseas business		Expand business in 4 key regions
New businesses		Pursue synergies with Potato Kaitsuka

(Million yen)

	FY2020/3 results	FY2021/3 forecasts *Excluding the effects of COVID-19	YoY (%)	FY2021/3 forecasts *Including the effects of COVID-19	YoY (%)
<b>Net sales</b>	255,938	275,000	+ 7.4	270,000	+ 5.5
Domestic	210,470	220,500	+ 4.8	216,600	+2.9
Overseas	45,468	54,500	+ 19.9	53,400	+17.4
<b>Operating profit</b>	27,664	28,000	+ 1.2	24,500	-11.4
Domestic	26,693	26,380	-1.2	23,680	-11.3
Overseas	970	1,620	+ 66.9	820	-15.5
Operating margin (Consolidated)	10.8%	10.2%	-0.6pts	9.1%	-1.7pts
<b>Net profit</b>	17,539	18,000	+2.6	15,700	-10.5



## Impact of Influence of COVID-19

At present, we expect risk to sales of -¥5bn and to operating profit of -¥3.5 billion for FY2021/3

- \*Unexpected risks at present including supply chain impacts due to delay of procurement, etc. may arise depending upon COVID-19's future spread and regulation of each countries, etc. in which case we will revise forecasts as information becomes available

### <Plan premises>

- Incorporates any currently foreseeable risks such as changes in demand throughout the fiscal year
- The current status of and outlook for each business are as shown below

		Current status	Forecast
Domestic (demand)	Snacks/ cereals	Increased demand due to "nesting demand"	• Demand returns to normal
	Gift snack products (Jaga Pokkuru, etc.)	Significantly fall in sales demand due to decreases in domestic tourists and inbound demand	<ul style="list-style-type: none"> <li>• For the time being, inbound demand is expected to continue to fall sharply</li> <li>• Domestic tourists demand is expected to gradually recover and be resolved by fiscal year-end</li> </ul>
Overseas (demand)		<ul style="list-style-type: none"> <li>• Increased demand mainly with China e-commerce</li> <li>• Demand returns to normal in North America</li> <li>• Lower demand in other countries due to lockdown measures</li> </ul>	Both positive and negative impacts to gradually subside and be resolved by fiscal year-end

# FY2021/3 forecasts : Factors increasing operating profit **Calbee**

Harvest the Power of Nature.

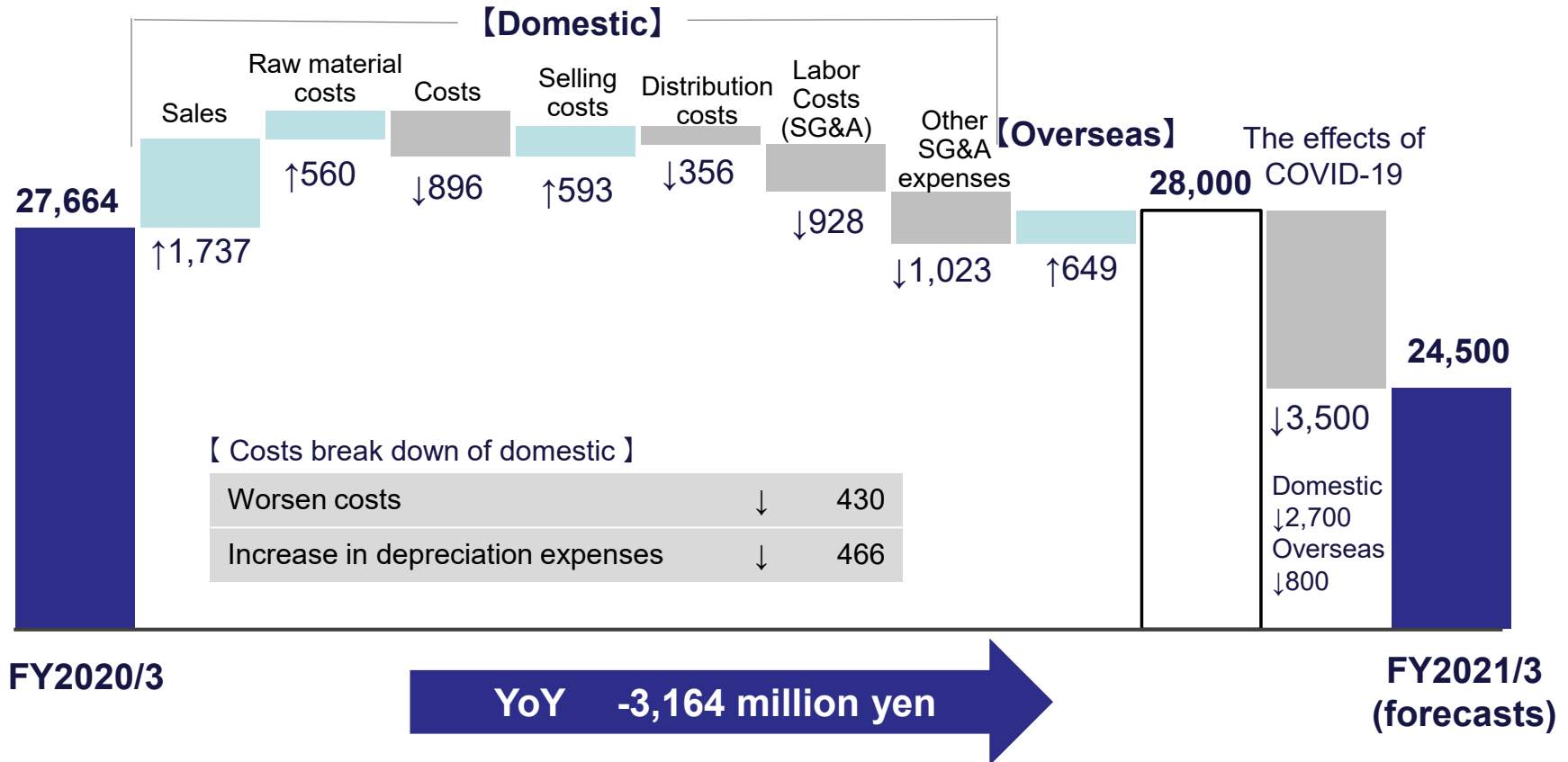
## Change in operating profit (YoY)

\*Impact of Potato Kaitsuka (made subsidiary in April 2020) excluding amortization of goodwill is included within "Domestic sales", but not in specific categories

(Million yen)

Increased profit

Decreased profit



## **(3) Investment and shareholder return policy**

# Investment and shareholder return policy

**Calbee**

Harvest the Power of Nature.

## Investment

Medium-term management plan (5 years)

Capital investment of ¥60 billion

Growth investment of ¥80 billion

### ■ FY2020/3

Capital Investment (existing businesses) : ¥8.8bn

Growth Investment \*(new businesses and DX, and M&A, etc.)  
: ¥7.5bn \*including CAPEX

Warnock in North America ¥7.3bn

### ■ FY2021/3 (forecast)

Capital Investment (forecast) : ¥8.0bn

Growth Investment

Acquired shares of Potato Kaitsuka ¥13.8bn

(concluded a contract in February 2020)

## Shareholder return

Distribute profits consistently with a target consolidated payout ratio of over 40%

### ■ FY2020/3

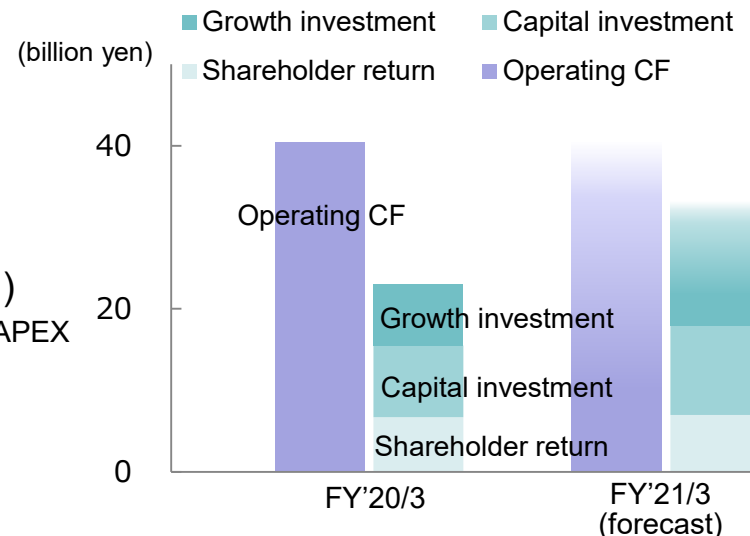
Annual dividend per share ¥50 as planned (¥2 increase YoY)

### ■ FY2021/3 (forecast)

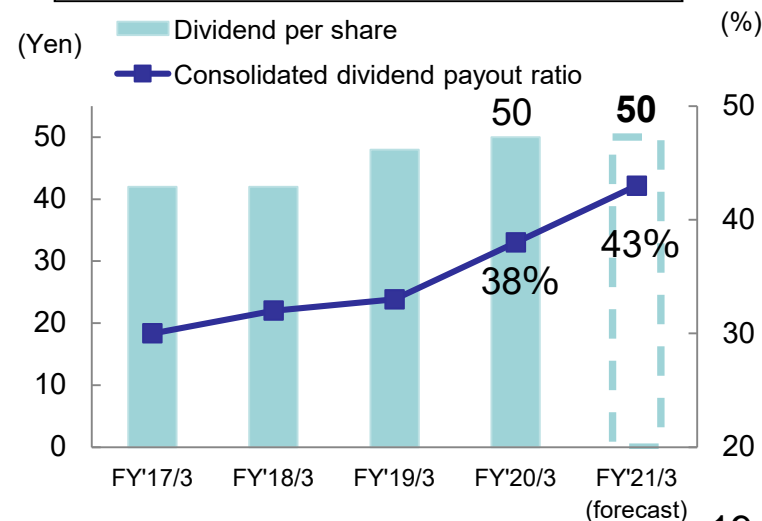
Leave unchanged YoY an annual dividend per share ¥50

Expect to raise consolidated dividend payout ratio to 43%

Operating CF, expenditures and dividend amount



Dividend (Annual dividend per share)



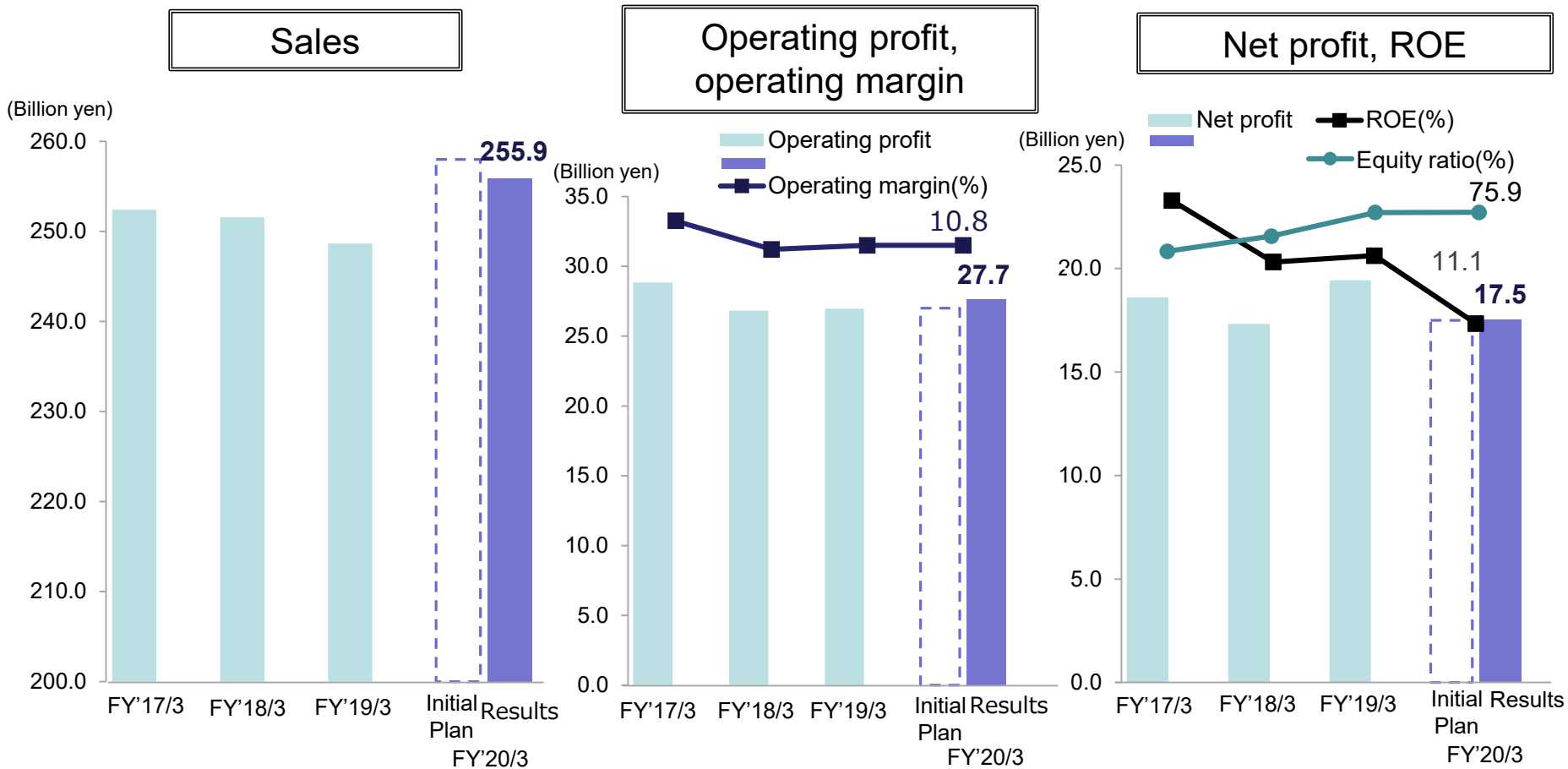
# **Summary and Future Management Policy**

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**Shuji Ito**  
**President and CEO**

## Performance summary

- In FY2020/3, the first year of the Medium-term Management Plan, profit targets were reached, but sales targets were not



# Achievements and Challenges (1)

## Med.-term plan (FY2024/3 targets)

## FY2020/3 targets

## Achievements and challenges for FY2020/3

### Domestic business

Create new value,  
realize high profit

Domestic operating  
margin  
**15%**

Strengthen profitability of  
existing domestic business

- Revision of snack prices/content standards
- Expansion of cereals customer base

Domestic operating  
margin  
**12.2%**

- Implementation of snack price revisions, suppression of cost increases
- Growth of new cereal brands

Domestic  
operating margin  
**12.7%**

### Overseas business

Establish profit bases in  
4 key regions

Overseas sales  
**¥80bn**

Expand business in key  
regions  
(North America, Greater China,  
UK, Indonesia)

Overseas sales  
**¥48.1bn**

North America: Warnock acquisition  
Slump in existing business  
UK: Demonstration of cost synergies through  
organizational integration

Overseas sales  
**¥45.5bn**

### New

Establish businesses in new food areas

Potato Kaitsuka was acquired with the  
intention of entering into the sweet potato  
business

### Society

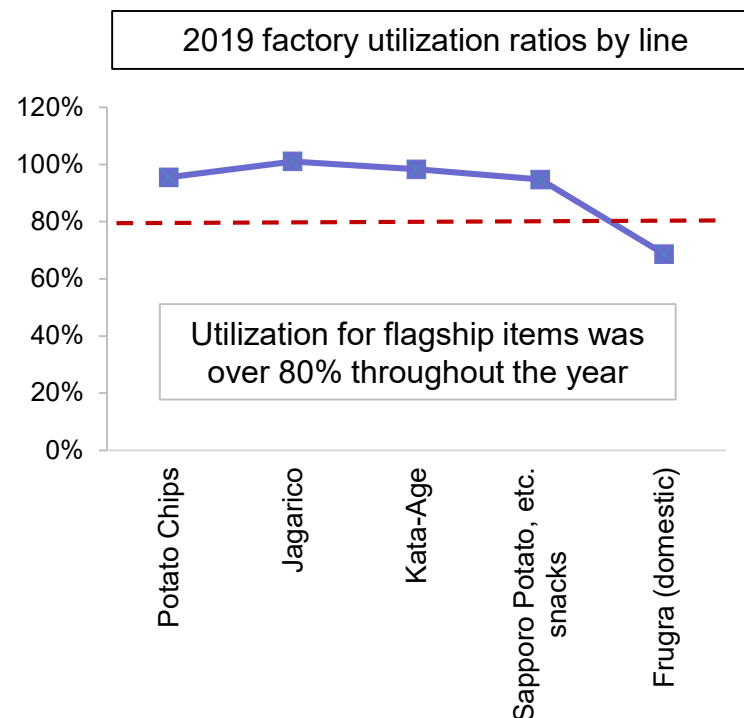
- Further deepen partnerships with producers (increase supply of high quality domestic raw materials)
- Advance sustainable supply chain initiatives

- Taking initiatives aiming for a 400,000-ton potato procurement
- Extension of expiration dates, display year/month only to reduce food loss
- Started initiatives for sustainable palm oil procurement (as RSPO member)

# Achievements and Challenges (2)

## Issues in Achieving Med.-term Plan

- Domestic business: Although the current high utilization ratio results in high profitability, it also brings various issues
  - ✓ Unable to meet increases in demand, opportunities are lost
  - ✓ Greater operational burden on and lower productivity in all sectors—marketing, production, distribution, sales—due to changes, adjustments, etc.
  - ✓ Could obstruct medium- to long-term initiatives for improving production efficiency, new development, etc.
- Overseas business: Acquire target markets and customers reliably to expand sales in 4 key regions
- New businesses: Start new raw material sweet potato business, immediately focus on creating synergies and establish strong value chain
- Rise of new COVID-19 response issues  
(also an opportunity for BCP, changes/shifts over the short- and long-term)





Need to **rapidly develop a next generation business base (production/distribution structure)** to respond to market changes and realize sustainable growth

Incorporate **changing to a sustainable business base** into our current Medium-term Management Plan and resolve both short- and long-term issues towards realizing our vision for 2030

- ✓ Strengthen collaboration with domestic SCMs, promote investment to reduce labor burden, automation/labor saving to raise productivity, improve responsiveness to market
- ✓ Develop and deepen brand and SCM strategies to accomplish targets in overseas 4 key region
- ✓ Continuously explore new businesses as new food areas
- ✓ Raise corporate sustainability through BCP investment for reconstruction of business base with a balancing between concentration and decentralization

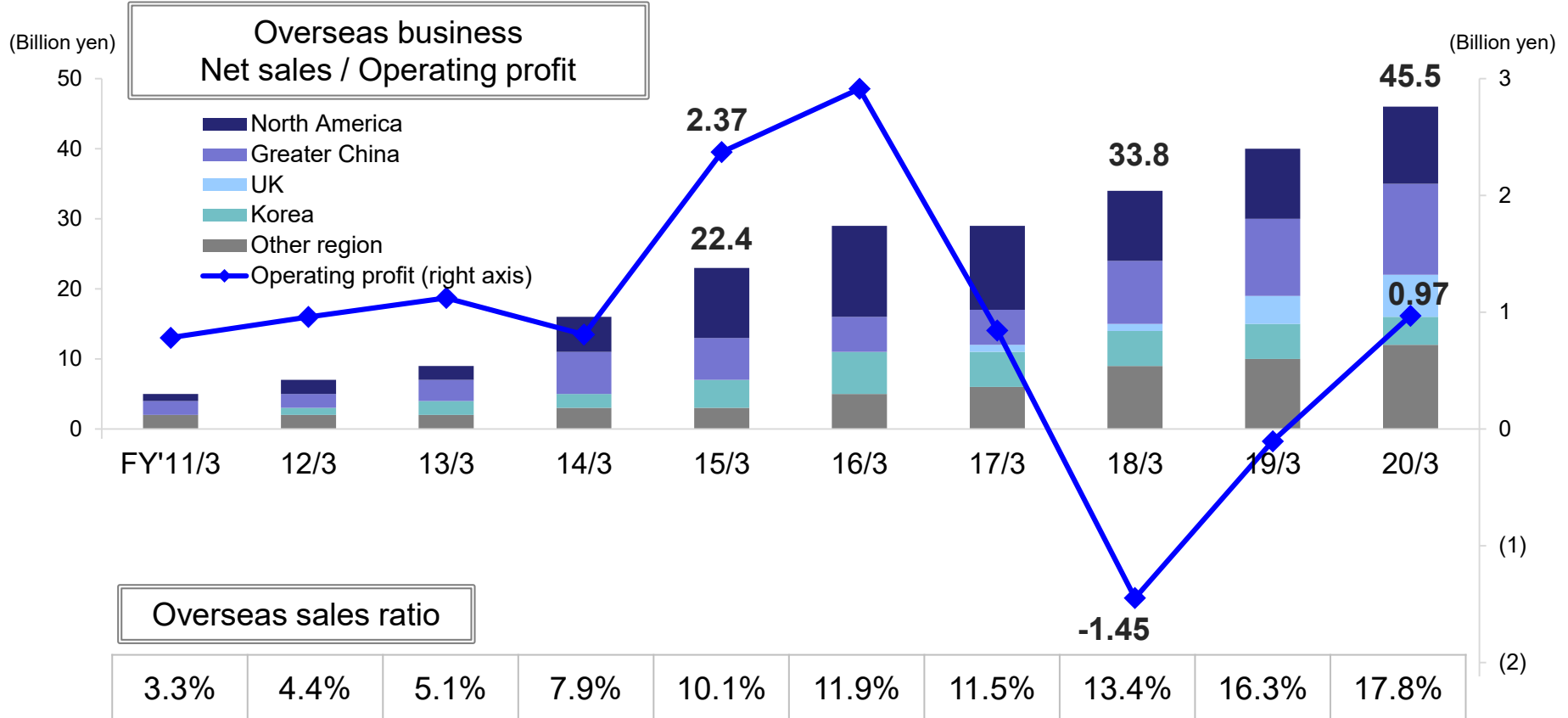


# **Future Action for Overseas Business**

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**Makoto Ehara**  
**Vice President**

# Trends in Results in Overseas Business



Business status

**South Korea: Honey Butter Chip a hit**

**North America: Driving growth and profit**

**Greater China: E-commerce driving growth**

**Acceleration in company establishments**

**North America: Business slump**

JV dissolutions/  
business withdrawals

China  
(Hangzhou)

Taiwan  
(Taipei)

Spain

Philippines

# Calbee's Competitive Advantages in Overseas

## Texture

Unique texture accompanying superb processing technology



## Variations

Abundance of processing variations



## Flavor

Unique flavors through ingredient combinations



## Improvement ability

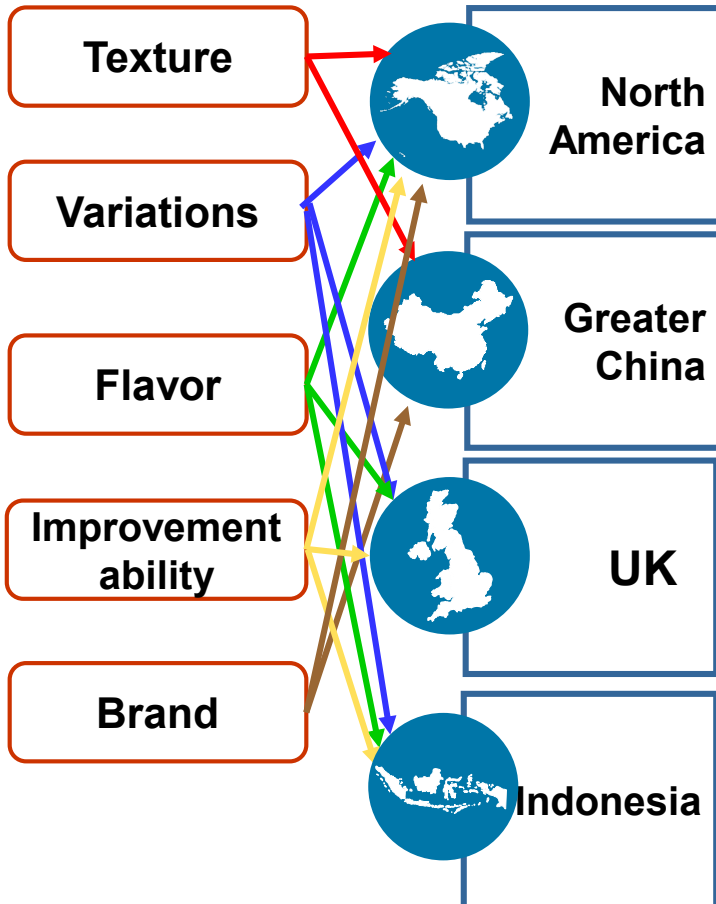
High quality and cost reductions based on ability for improvement

## Brand

Brand recognition in Asia

# Selection of 4 key regions

## Competitive advantages of Calbee







Market scale	Market growth (annual growth rate)	Market features
<b>North America</b> <ul style="list-style-type: none"> <li>• Snacks market ¥2.5tn</li> <li>• BFY* &amp; Premium ¥500bn</li> </ul>	+ 4%	<ul style="list-style-type: none"> <li>• Growing BFY &amp; Premium and Asian markets</li> <li>• High sensitivity to new products</li> </ul>
<b>Greater China</b> <ul style="list-style-type: none"> <li>• Snacks market ¥1tn (High-end ¥100bn)</li> <li>• RTE* cereals ¥100bn</li> </ul>	+ 4%	<ul style="list-style-type: none"> <li>• Liking for new things</li> <li>• High ratio of e-commerce purchasing</li> <li>• High recognition of Calbee</li> </ul>
<b>UK</b> <ul style="list-style-type: none"> <li>• Snacks market ¥500bn                             <ul style="list-style-type: none"> <li>– Potato chips market ¥300bn</li> <li>– Puff snacks market ¥150bn</li> </ul> </li> </ul>	+ 3%	<ul style="list-style-type: none"> <li>• Strong affinity for potato chips</li> <li>• Low product variation</li> </ul>
<b>Indonesia</b> <ul style="list-style-type: none"> <li>• Snacks market ¥100bn</li> </ul>	+ 8%	<ul style="list-style-type: none"> <li>• Growth in traditional market</li> </ul>

\*BFY : Better for you

\*RTE : Ready to eat

# Medium-term measures of 4 key regions

	Medium-term strategy	Targets (sales growth)	Medium-term measures	Short-term measures
 <b>North America</b> Recovering	<ul style="list-style-type: none"> <li>• Recover profitability through restructuring</li> <li>• Enhance portfolio</li> <li>• Expand sales in Asian market</li> </ul>	<ul style="list-style-type: none"> <li>• BFY &amp; Premium market/Asian market +¥6bn</li> <li>• Warnock +¥5bn</li> </ul>	<ul style="list-style-type: none"> <li>• Realize synergistic effects with Warnock</li> <li>• Reorganize sales/marketing functions</li> </ul>	<ul style="list-style-type: none"> <li>• Expand sales channels to e-commerce business</li> </ul>
 <b>Greater China</b> Competing	<ul style="list-style-type: none"> <li>• Proactive e-commerce marketing</li> <li>• Establish and grow retail store sales channels</li> </ul>	<ul style="list-style-type: none"> <li>• Cultivate new e-commerce customers +¥12bn</li> <li>• From affluent to mass market</li> </ul>	<ul style="list-style-type: none"> <li>• Measures for cereals competitiveness</li> <li>• Consolidate sales structure with Chinese subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Steadily capture demand via proactive investment in marketing</li> </ul>
 <b>UK</b> Accelerating	<ul style="list-style-type: none"> <li>• Maximize synergies from integration</li> <li>• Launch rich variety of products</li> </ul>	<ul style="list-style-type: none"> <li>• Entire UK domestic market beyond heartland areas +¥4bn</li> </ul>	<ul style="list-style-type: none"> <li>• Sell products made using existing facilities</li> <li>• Enhance production ability</li> <li>• Brand penetration</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain stable utilization</li> </ul>
 <b>Indonesia</b> Investing	<ul style="list-style-type: none"> <li>• Continue to grow potato snack products share</li> <li>• Improve cost structure</li> <li>• Promote exports to Greater China/ Oceania, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Traditional market +¥5bn</li> <li>• Greater China/Oceania</li> </ul>	<ul style="list-style-type: none"> <li>• Brand penetration</li> <li>• Supply potatoes domestically</li> <li>• Develop core products beyond potato chips</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain stable utilization</li> </ul>

# Reference material

# Consolidated profit and loss statement (FY2020/3 financial results and FY2021/3 full year forecasts)

**Calbee**

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(Million yen)

	FY2020/3				FY2021/3 forecast *Excluding the effects of COVID-19			FY2021/3 forecasts *Including the effects of COVID-19		
		Percent of total(%)	YoY (%)	vs. plan at Start of year		Percent of total(%)	YoY (%)		Percent of total(%)	YoY (%)
Net sales	255,938	100.0	+2.9	99.2	275,000	100.0	+7.4	270,000	100.0	+5.5
Gross profit	115,086	45.0	+3.6	100.2	122,300	44.5	+6.3	—	—	—
SG&A	87,422	34.2	+3.9	99.6	94,300	34.3	+7.9	—	—	—
Selling	40,812	15.9	+4.5	100.8	42,800	15.6	+4.9	—	—	—
Distribution	18,435	7.2	+7.0	98.6	20,000	7.3	+8.5	—	—	—
Labor	17,948	7.0	+1.8	96.5	19,700	7.2	+9.8	—	—	—
Others	10,225	4.0	-0.2	102.3	11,800	4.3	+15.4	—	—	—
Operating profit	27,664	10.8	+2.6	102.5	28,000	10.2	+1.2	24,500	9.1	-11.4
Ordinary profit	27,391	10.7	-0.1	103.4	27,500	10.0	+0.4	24,000	8.9	-12.4
Extraordinary income/loss	-1,648	—	—	—	-500	—	—	—	—	—
Net profit*	17,539	6.9	-9.7	100.2	18,000	6.5	+2.6	15,700	5.8	-10.5



## Reference:

# Sales by product/Areas forecasts excluding the effects of COVID-19

※Excluding the effects of COVID-19

(Million yen)

	FY2021/3 forecast		
		YoY	
<b>Domestic net sales</b>	<b>220,500</b>	<b>+ 10,029</b>	<b>+ 4.8%</b>
Snacks	184,400	+ 2,313	+ 1.3%
<i>Potato Chips</i>	86,600	+ 410	+ 0.5%
<i>Jagarico</i>	37,100	+ 709	+ 2.0%
Other snacks than that above	60,700	+1,192	+2.0%
Cereals	26,300	+ 1,142	+ 4.5%
Other foods (include Potato Kaitsuka)	8,100	+6,719	+486.8%
<b>Domestic operating profit</b> (Operating margin)	<b>26,380</b> (12.0%)	<b>-313</b>	<b>-1.2%</b> (-0.7ts)

(Million yen)

	FY2021/3 forecast		
		YoY	
<b>Net sales</b>	<b>54,500</b>	<b>+ 9,031</b>	<b>+ 19.9%</b>
Snacks	47,700	+ 8,701	+ 22.3%
Cereals	6,800	+ 330	+ 5.1%
Business results by region			
North America	14,600	+ 4,023	+38.0%
Greater China	14,600	+ 1,828	+14.3%
United Kingdom	6,900	+852	+14.1%
Indonesia	6,100	+1,748	+40.2%
<b>Operating profit</b> (Operating margin)	<b>1,620</b> (3.0%)	<b>+ 649</b>	<b>+66.9%</b> (+0.9pts)

Exchange rate  
(FY2021/3 forecast)  
1USD = ¥109  
1RMB = ¥15.60  
1GBP = ¥143  
1IDR = ¥0.0079

# Cash flows and financial condition

(Numbers in parentheses are change from March 31, 2019)

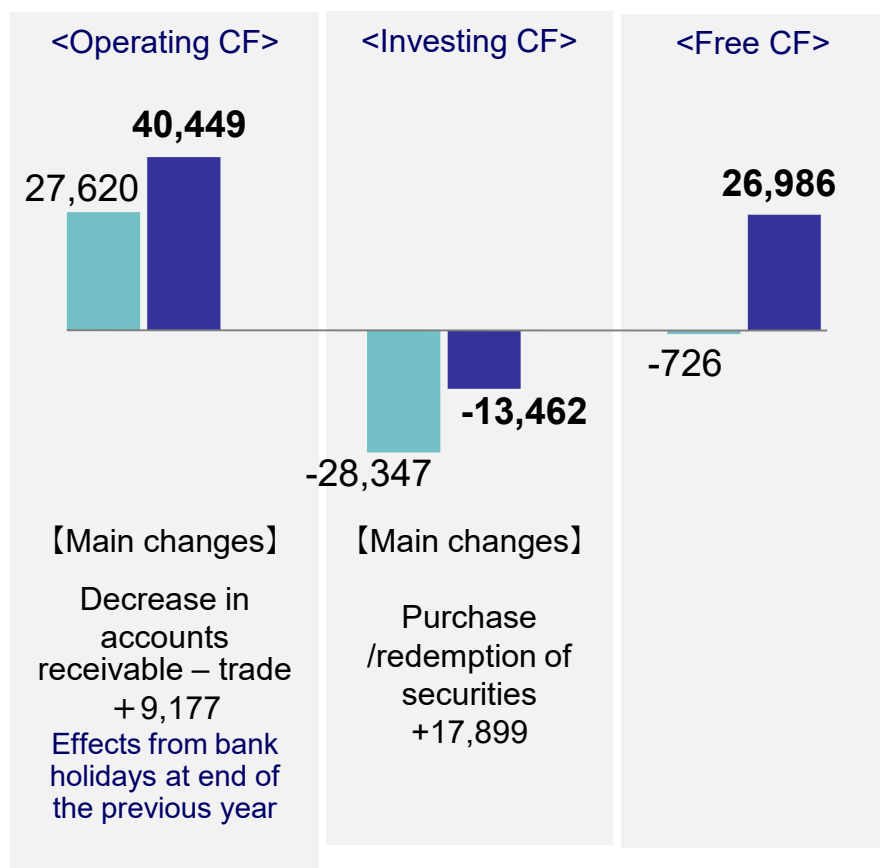
## ■ Consolidated cash flows

### Cash and cash equivalents

March 31, 2019 35,425 ▶ March 31, 2020 **55,742**  
(+20,317)

(Million yen)

■ FY2019/3 ■ FY2020/3

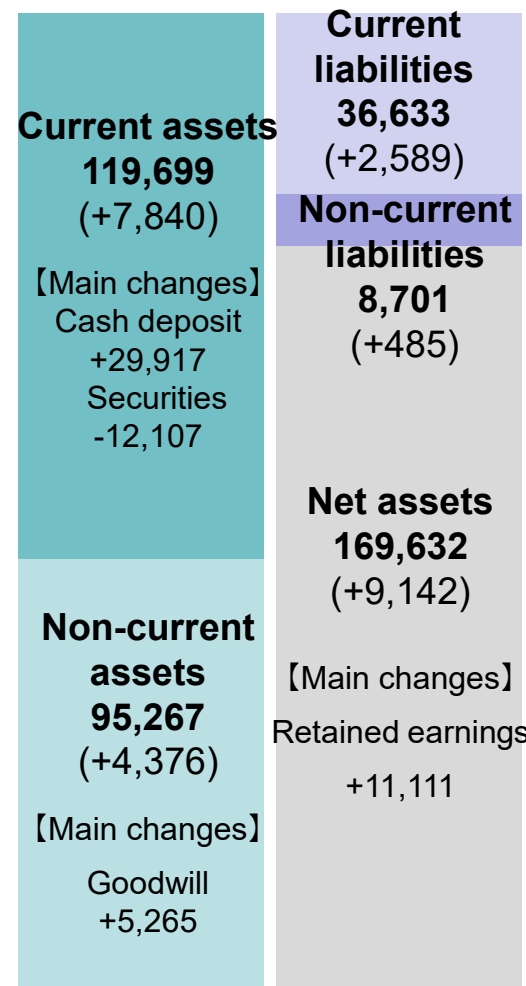


## ■ Consolidated balance sheets

As of March 31, 2020

**Total assets 214,967** (+12,217)

(Million yen)



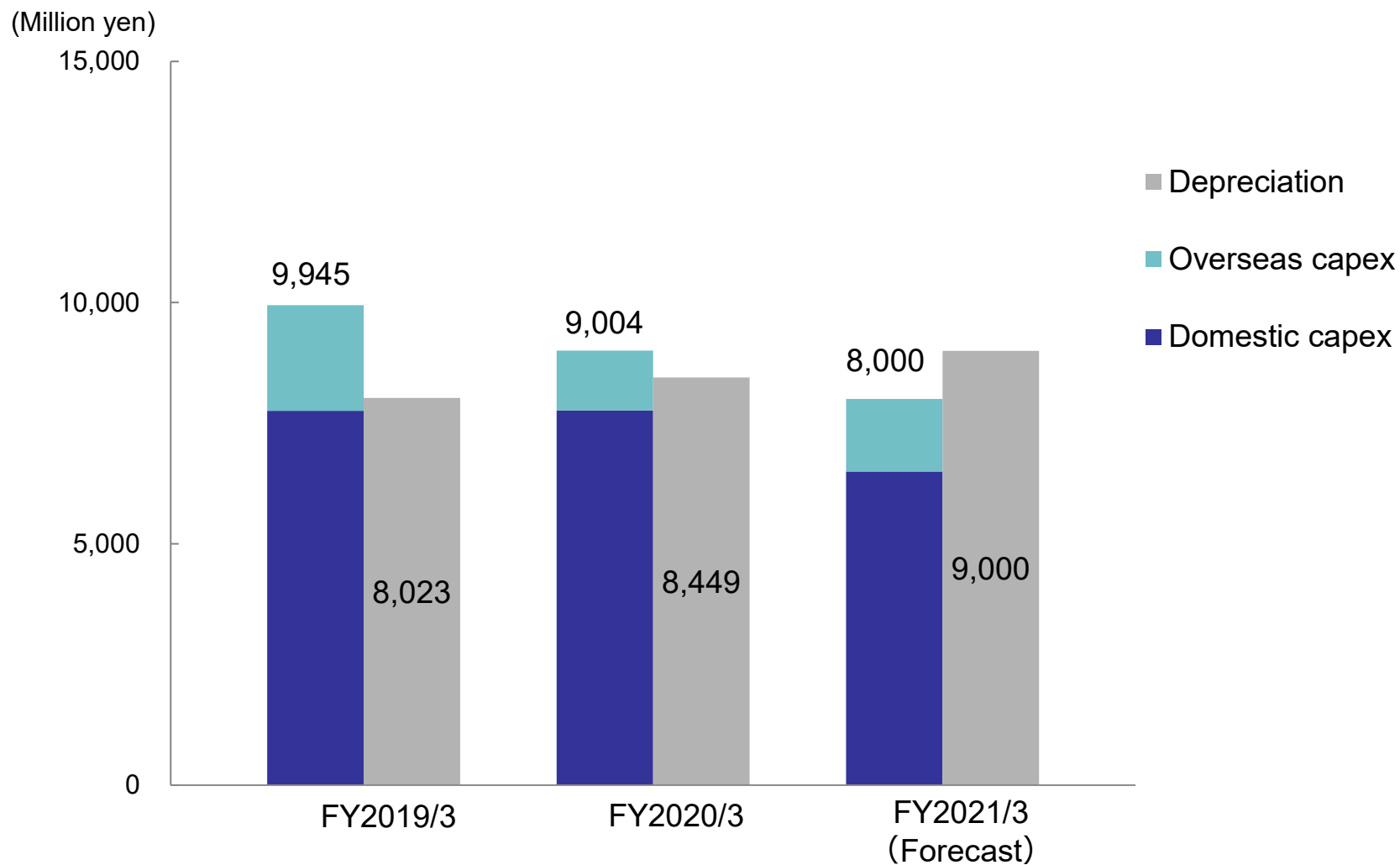
**【Main changes】**  
Accounts payable +1,423

**【Main changes】**  
Retained earnings +11,111

**【Main changes】**  
Cash deposit +29,917  
Securities -12,107

**【Main changes】**  
Goodwill +5,265

# Capex and depreciation



## Outline of Potato Kaitsuka

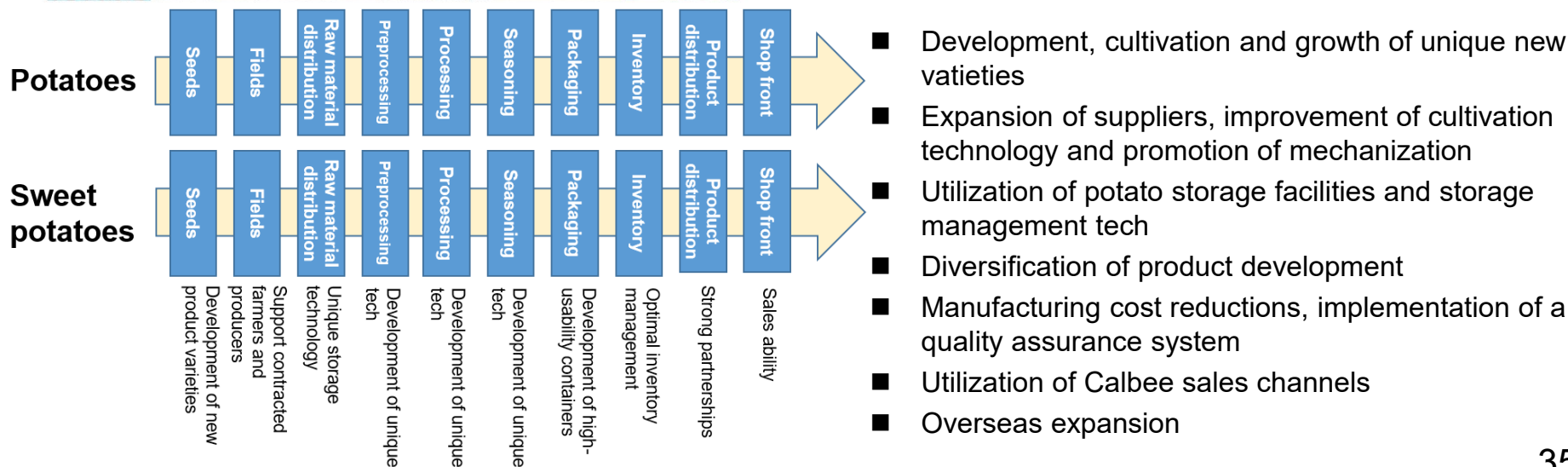
- Company name: Potato Kaitsuka Co. Ltd.
- Main Business: Processing, wholesale, and retail sale of sweet potatoes
- Closing date of stock transfer: April 1, 2020
- ✓ Established in 1967 as a wholesale company specializing in sweet potatoes. Today, based mainly on their original brand of sweet potato, “*Beni-Tenshi*”, they engage in the sale of raw materials for baked sweet potato to retail stores as well as the direct sales of baked sweet potato, etc.
- ✓ Ibaraki Prefecture, where Potato Kaitsuka is located, ranks second in terms of domestic sweet potato yields in 2018, and Potato Kaitsuka is in a position of high share of sweet potato handled



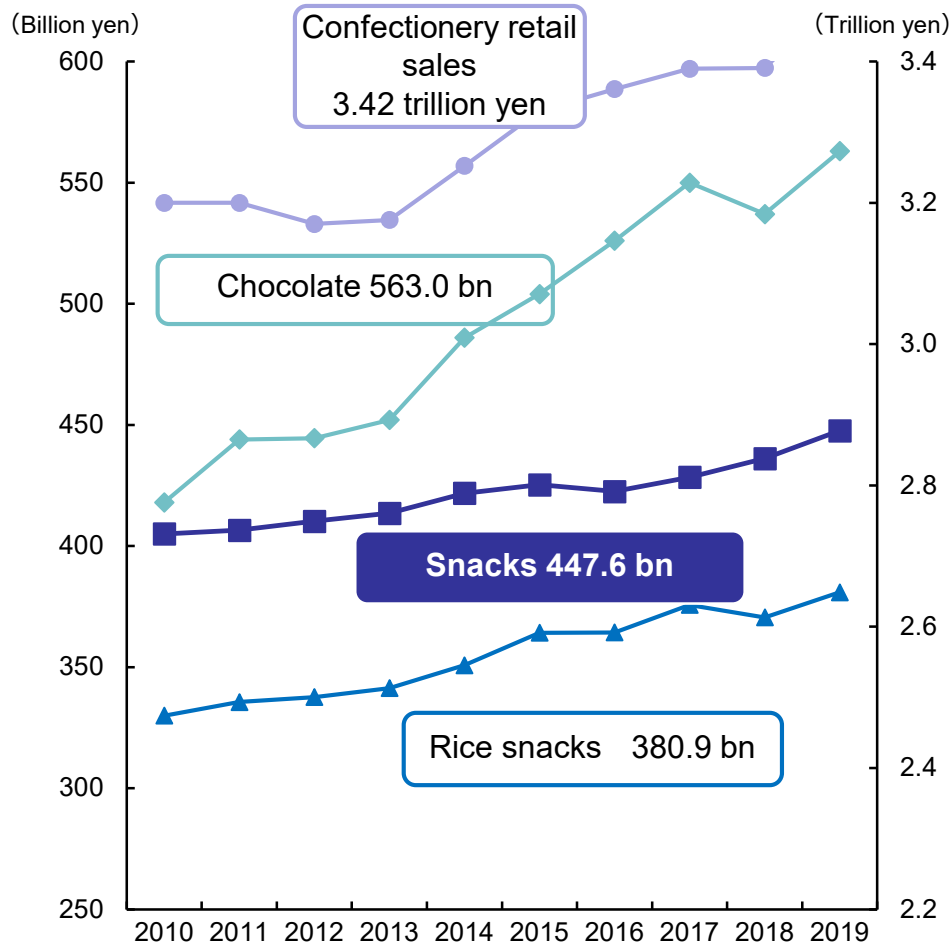
ポテトかいつか



## Synergies and future possibilities with Potato Kaitsuka

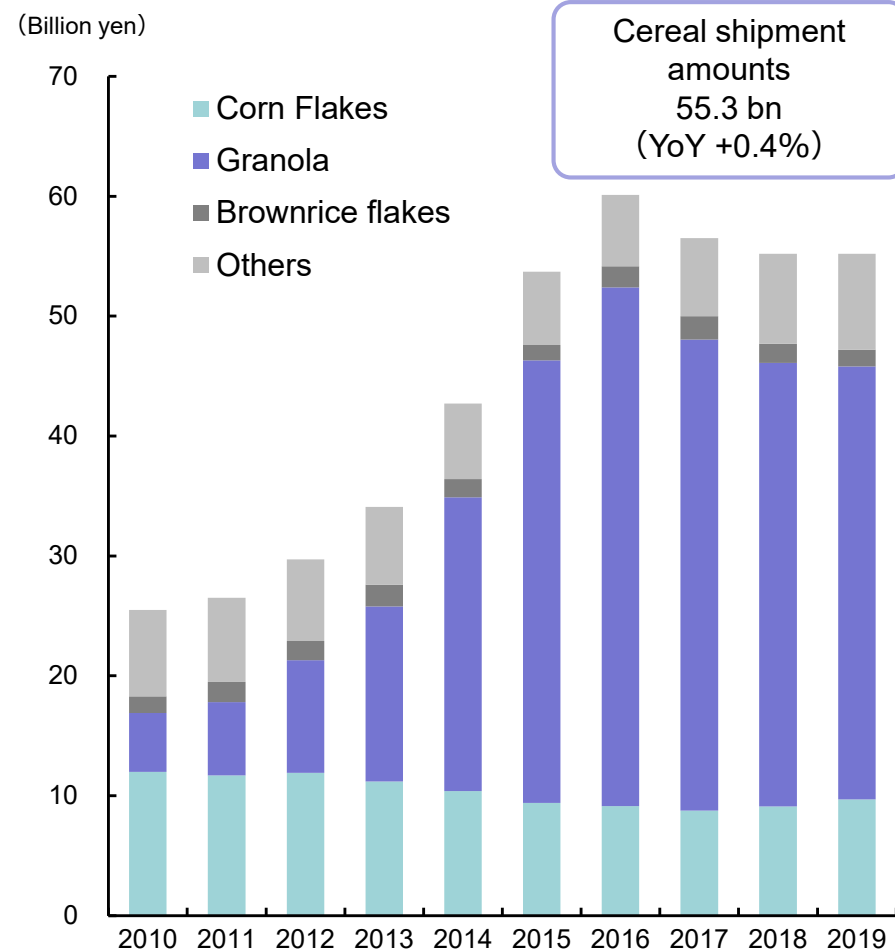


## ■ Domestic confectionery market



Source: All Nippon Kashi Association

## ■ Domestic cereal market



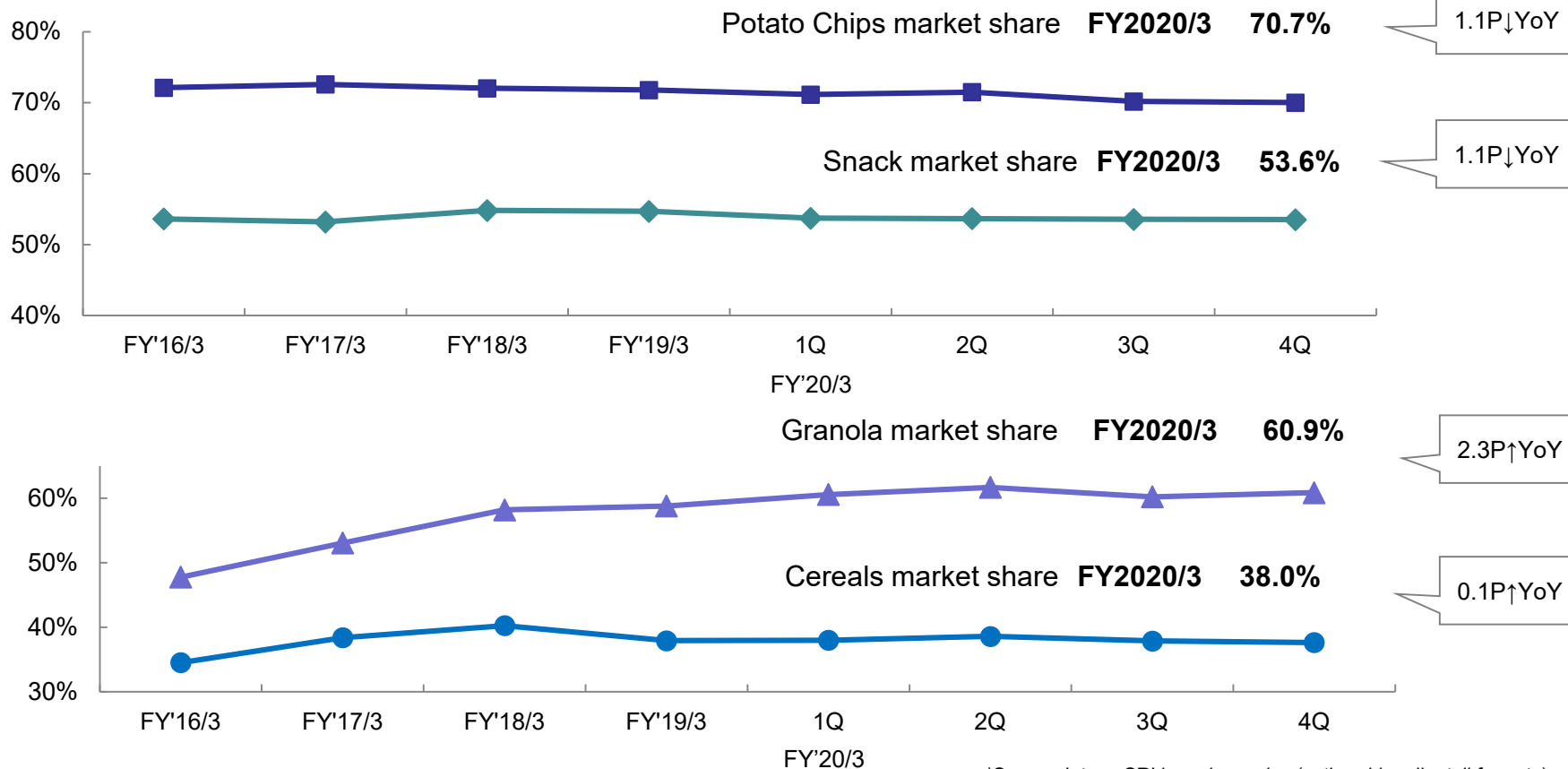
Source: Japan Snack Cereal Foods Association

# Domestic business status

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## ■ Market share\*



## ■ Market share by snack category\*

	Potato-based snacks	Flour-based snacks	Corn-based snacks	Fabricated potato
FY2020/3	74.4%	56.7%	23.1%	10.1%

\*Source: Intage SRI based on sales (nationwide, all retail formats)

FY2020/3: April 2019 – March 2020

FY2016/3-FY2020/3: April 2015 – March 2020

Snack market share:

Total of Calbee and Japan Frito-Lay

Potato chips: Total of potato chips (thick- and thin-sliced), shoestring and kettle types;

includes private brand products

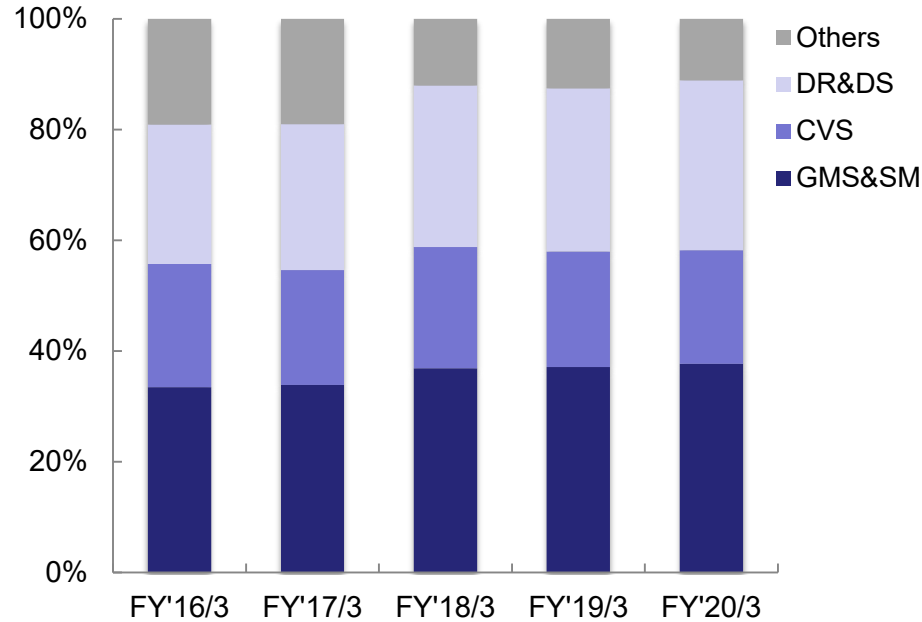
Granola: Granola category of Cereals market

Potato-based snacks: Raw material of fresh potatoes

Flour-based snacks: Raw material of flour

Corn-based snacks: Raw material of corn

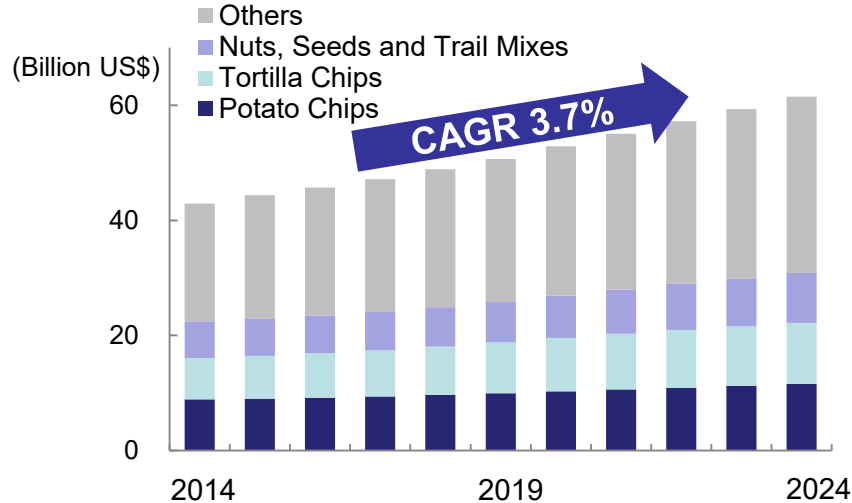
## ■ Sales composition by business



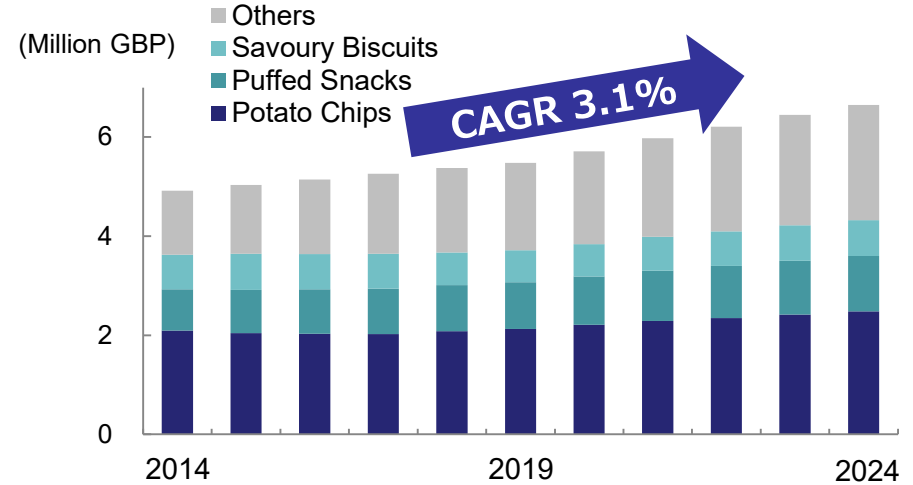
\* Calbee alone (manufacturer shipped goods basis)

# Overseas market by country

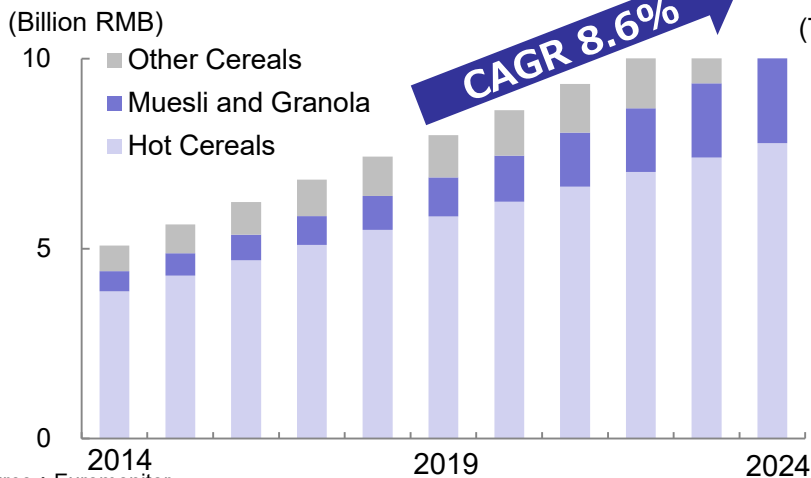
## ■ USA Snack market



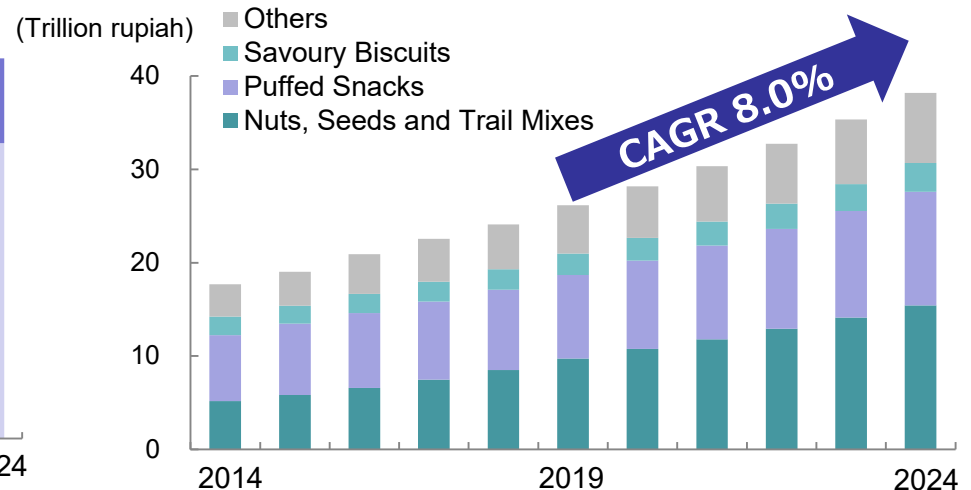
## ■ UK snack market



## ■ China cereal market



## ■ Indonesia snack market



Source : Euromonitor

Snack : Savory Snacks (Nuts, Seeds and Trail Mixes, Salty Snacks, Savoury Biscuits, Popcorn, Pretzels, Other Savory Snacks)

Cereal : Breakfast Cereals (Hot Cereals, RTE Cereals)

2020-2024: Forecast

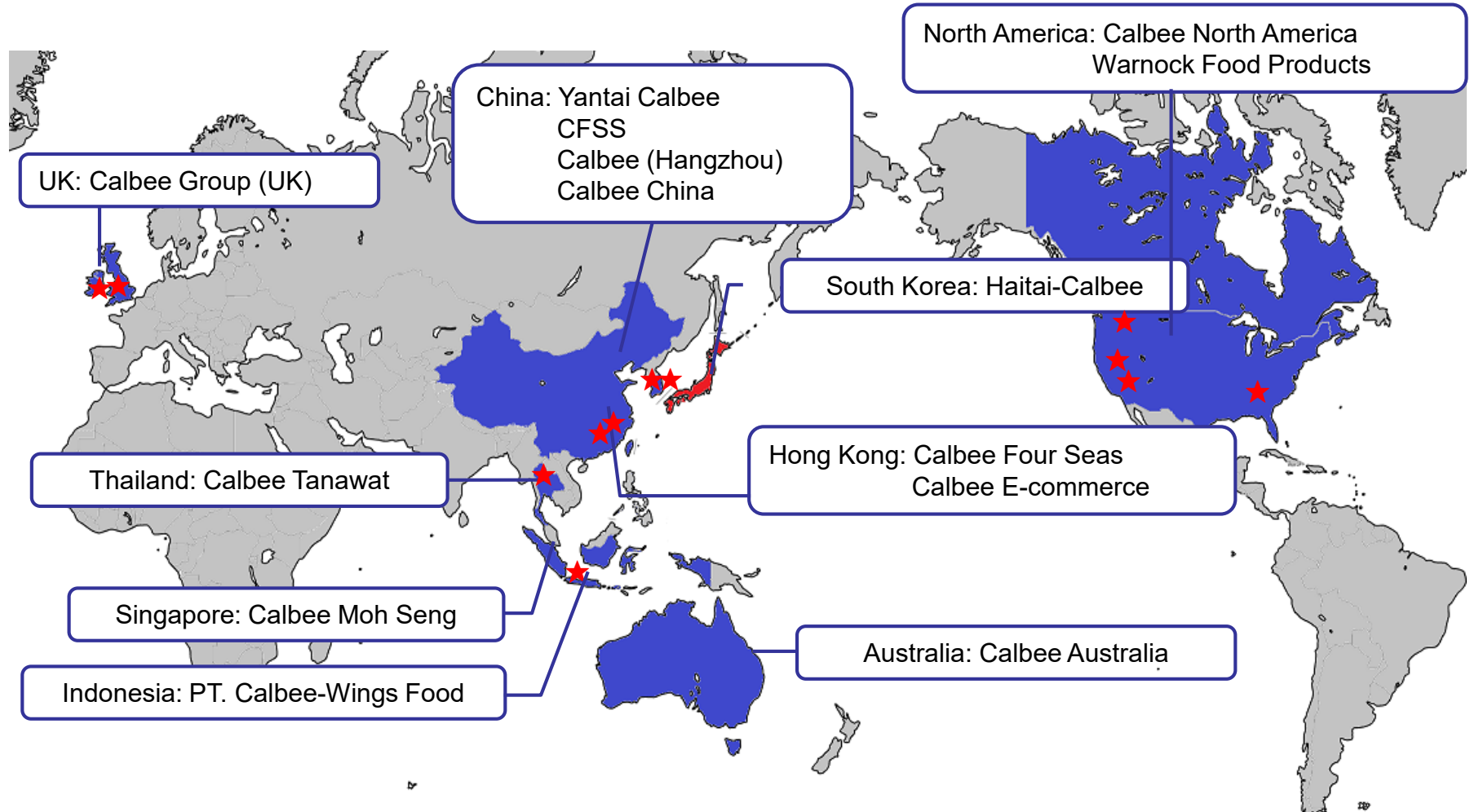


# Overseas business status

## ■ Overseas locations (as of March 31, 2020)

Expanded to 9 countries/regions

★ Production facilities

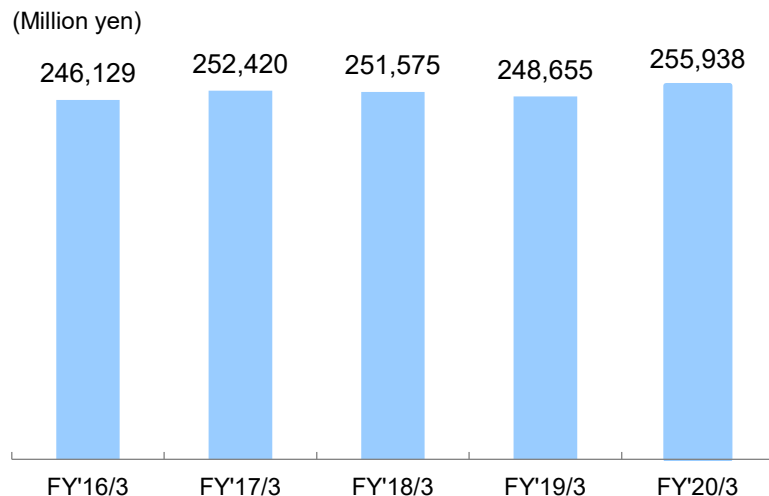


# Financial highlights ①

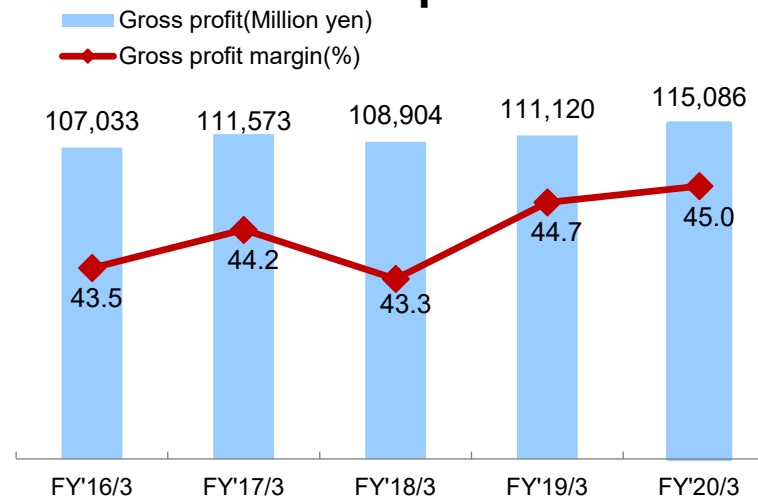
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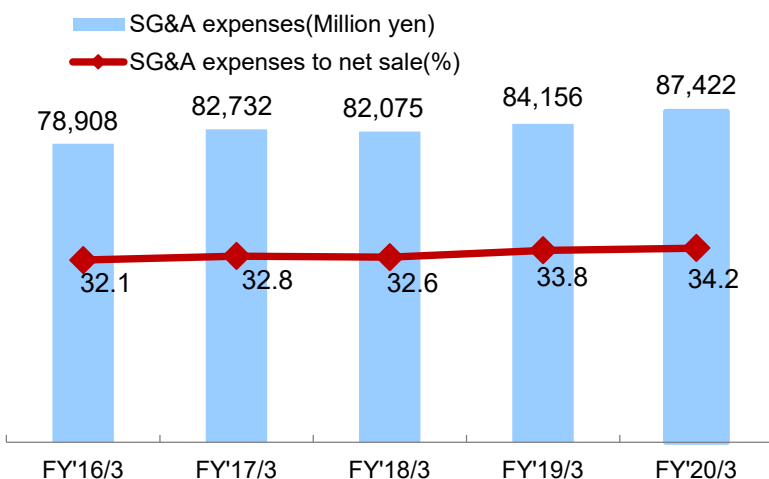
## Net sales



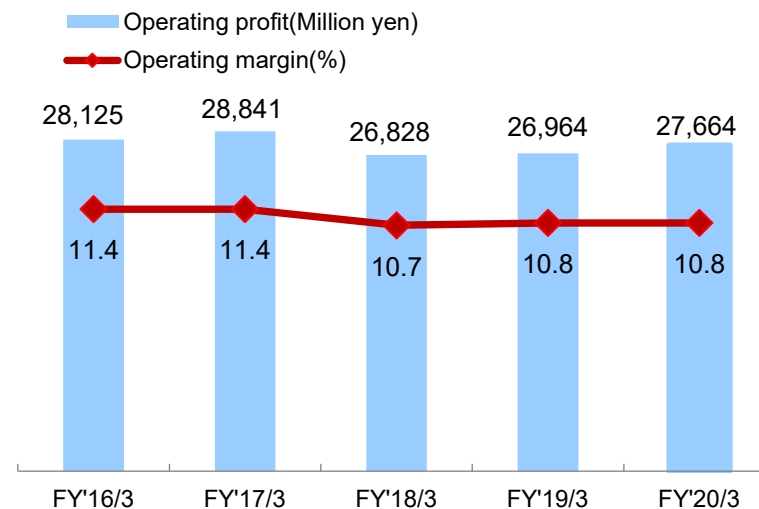
## Gross profit



## SG&A



## Operating profit

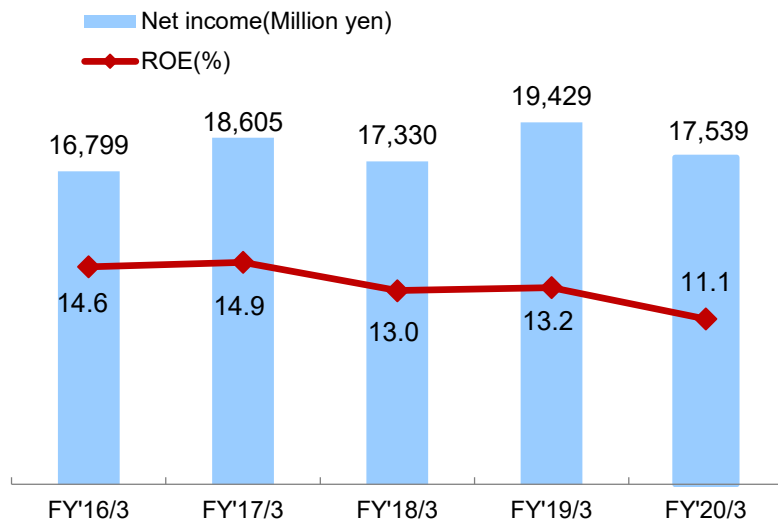


# Financial highlights ②

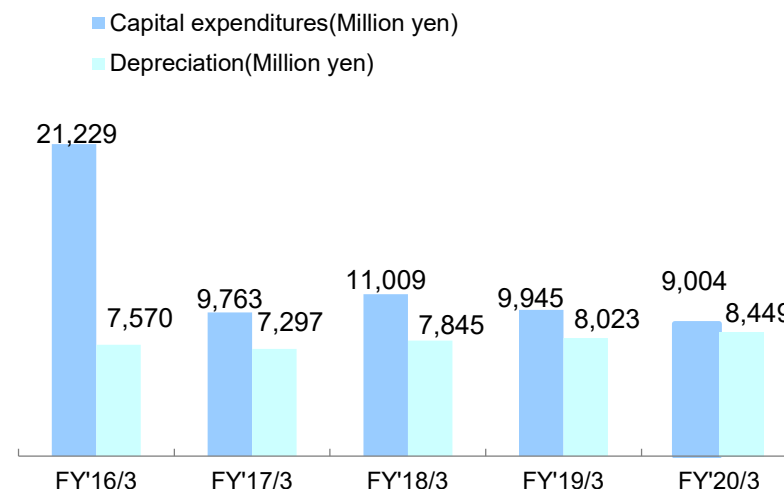
**Calbee**

Harvest the Power of Nature.

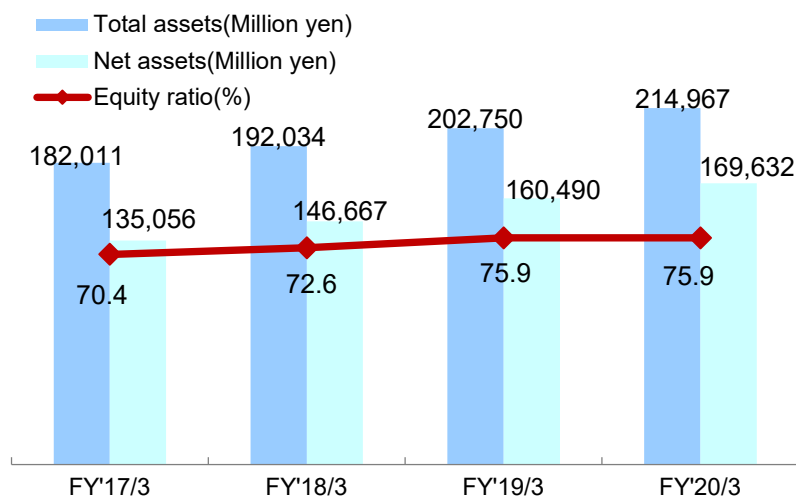
## Net income/ROE



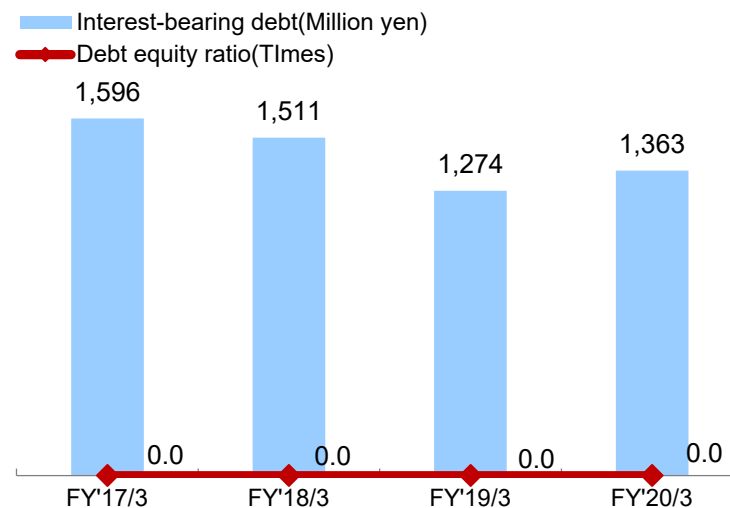
## Capital expenditures/Depreciation



## Equity ratio



## Debt to equity ratio



Contact details for IR inquiries:

Calbee, Inc. IR Group

E-mail: [2229ir@calbee.co.jp](mailto:2229ir@calbee.co.jp)

<https://www.calbee.co.jp/en/ir/>

- The Company's fiscal year ends on March 31. The fiscal year ended March 31, 2020 is referred to throughout this report as "FY2020/3," and other fiscal years are referred to in a corresponding manner. References to years not specified as being fiscal years to calendar years.
- This document contains Calbee's current plans, outlook and strategies. Items which are not historical facts are forecasts pertaining to future performance, and are discretionary and based on information currently available to Calbee. This document does not purport to provide any guarantee of actual results. Actual results may differ significantly from forecasts due to various factors.
- This document also contains unaudited figures for reference purposes only.