

The background of the slide is a photograph of several shelves in a store, densely packed with various Calbee snack products. The products include bags of Jagabee, Mino, and Potato Chips in many different flavors and packaging designs. The shelves are white, and the products are arranged in neat rows.

Calbee Group Financial Results

First quarter of fiscal year ending
March 31, 2022

April 1, 2021 – June 30, 2021

TSE code : 2229
Calbee, Inc.
2021.8.5

Due to the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), effective from the beginning of the first quarter of the fiscal year ending March 31, 2022, certain selling expenses(rebates) that were previously recorded as SG&A expenses are now deducted from gross sales.

Gross sales: sales figures before deducting certain selling expenses

Net sales: sales figures after deducting certain selling expenses

The treatment of this change in this document is as follows.

| | FY2022/3 Q1 | FY2021/3 Q1 |
|-----------------------------|--|---|
| Gross sales | | |
| Sales by product | As before | As before |
| Sales by region | | |
| Rebates deducted from sales | Certain selling expenses deducted from gross sales | None (included in SG&A) |
| Net sales | Deducted certain selling expenses from gross sales | None |
| Operating profit | As before | As before |
| Operating margin | Calculated using gross sales as denominator | Calculated using gross sales as denominator |

FY2022/3 Q1: Results highlights

Summary

- **Gross sales** Increased due to strong snack sales both in domestic and overseas
- **Operating profit** Domestic: Increased due to higher sales and lower selling expenses
Overseas: Achieved plan despite decrease in profit due to the absence of nesting demand in the prior fiscal year and fewer opportunities for sales promotions
- **Net income** Rose significantly on growth in operating income, foreign exchange gains and decrease in taxes paid

(Billion yen)

| | FY'2022/3 Q1 | FY'2021/3 Q1 | Change | FY'2022/3 Q1 Target | vs. plan Ratio |
|------------------------------------|----------------|--------------|----------------|---------------------|----------------|
| Gross sales | 67.4 | 64.4 | +4.6% | 65.7 | 102.5% |
| Net sales | 59.9 | — | — | 58.1 | 103.1% |
| Gross domestic sales | 52.3 | 51.5 | +1.6% | 51.3 | 101.9% |
| Net sales | 46.5 | — | — | 45.5 | 102.0% |
| Gross overseas sales | 15.1 | 12.9 | +16.7% | 14.4 | 104.9% |
| Net sales | 13.4 | — | — | 12.5 | 107.2% |
| Operating profit | 6.9 | 6.6 | +5.9% | 6.3 | 110.1% |
| Operating margin (for gross sales) | * 10.3% | 10.2% | +0.1pts | 9.6% | +0.7pts |
| Domestic | 6.3 | 5.6 | +13.2% | 5.7 | 111.1% |
| Overseas | 0.6 | 0.9 | -37.2% | 0.6 | 101.1% |
| Ordinary profit | 7.0 | 6.4 | +9.7% | 6.2 | 113.8% |
| Extraordinary income/loss | -0.0 | -0.1 | — | -0.1 | — |
| Net profit ** | 5.0 | 4.1 | +22.3% | 4.0 | 123.8% |

*Operating margin (for net sales) was 11.6%

**Profit attributable to owners of parent

FY2022/3 Q1: Domestic business

■ Gross sales

<Snacks> Sales increased with *Jagarico* contributing significantly through launch of limited time products and diversification of packaging

<Cereals for domestic consumers> Sales decreased due to the absence of last fiscal year's nesting demand

<Cereals for overseas export> Sales declined by 0.4 billion yen due to a change in commercial distribution (on transfer of sales to Chinese subsidiary)

<Others> Expanded sweet potato business

■ Operating profit

Increased due to higher sales and reduced selling expenses for snacks, despite the sharp rise in the price of palm oil

(Billion yen)

| | FY2022/3 Q1 | | |
|---|-------------|-------------|---------------|
| | | Change(YoY) | |
| Gross domestic sales | 52.3 | +0.8 | +1.6% |
| Snacks | 42.9 | +1.5 | +3.7% |
| Potato Chips | 19.6 | +0.1 | +0.7% |
| Jagarico | 9.0 | +1.2 | +14.7% |
| Products with new value/other snacks | 14.2 | +0.2 | +1.5% |
| Cereals (for domestic consumers) | 6.3 | -0.9 | -12.9% |
| Cereals (for overseas export) | 0.3 | -0.4 | -54.4% |
| Others (Sweet potatoes, Potatoes, Services) | 2.8 | +0.6 | +30.0% |
| Rebates deducted from sales | -5.8 | — | — |
| Domestic operating profit | 6.3 | +0.7 | +13.2% |
| Operating margin | *12.1% | +1.2pts | — |

*Operating margin (for net sales) was 13.7%

FY2022/3 Q1: Domestic business

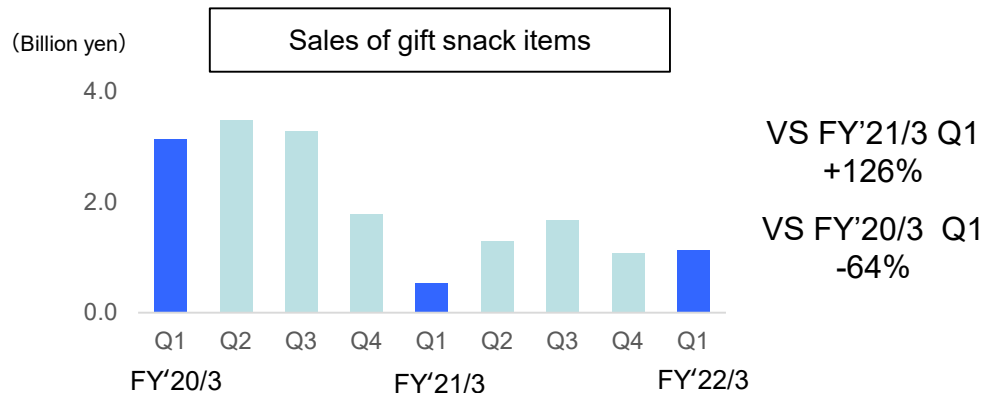
Snacks

Potato Chips: Market share recovered through intensified sales promotions from late May,
When potato ingredient shortage concerns were resolved
High demand for *Kataage Potato(Kettle Chips)* continued

Jagarico: Sales increased due to proactive launches of limited time products and diversification of the packaging formats of products such as *Jagarico Salad bits Omori(large-bag type)* and *Otonano Jagarico (that go well with alcohol)*



Other Snacks: Invested in TV commercials for *Miino(bean-based snack)* and sales were strong
Sales of gift snack items continued to be weak due to the decrease in inbound and domestic tourists, but rose YoY on the proactive opening of booths at product exhibitions



FY2022/3 Q1: Domestic business

Cereals

- Sales fell due to the absence of last year's nesting demand, a boom in oatmeal and intensified competition
- Firm sales in cereals with health and nutritional appeal
- From Q2 continue focus on cereals with health and nutritional appeal and aim to capture snack demand with *Frugra Bits*



Others

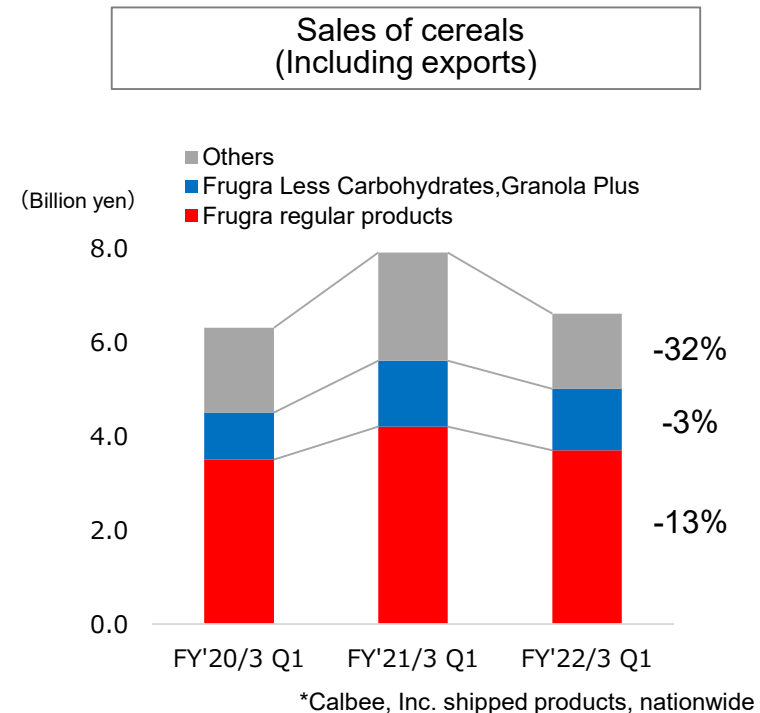
Sweet potato business : Both wholesale sales and sales at company-owned shops increased due to television appearances



Potato Kaitsuka's original brand
『Benitenshi』



Company-owned shops



FY2022/3 Q1: Overseas business



Harvest the Power of Nature.

(Billion yen)

| <Business results by region> | FY2022/3 Q1 | | | |
|----------------------------------|-------------|--------------|---------------|-----------------------|
| | | Change(YoY) | | Change ex. forex in % |
| Gross overseas sales | 15.1 | +2.2 | +16.7% | +7.9% |
| North America | 4.0 | +0.4 | +12.6% | +10.3% |
| Greater China | 4.2 | +0.2 | +4.3% | -4.3% |
| United Kingdom | 1.9 | +0.4 | +23.6% | +7.1% |
| Indonesia | 1.4 | +0.5 | +59.7% | +49.2% |
| Other regions | 3.6 | +0.7 | +22.4% | +10.3% |
| Rebates deducted from sales | -1.7 | — | — | — |
| Overseas operating profit | 0.6 | -0.35 | -37.2% | — |
| Operating margin | * 3.9% | -3.4pts | — | — |
| North America | 0.05 | -0.06 | -50.9% | — |
| Greater China | 0.26 | -0.23 | -46.7% | — |
| United Kingdom | -0.02 | -0.04 | — | — |
| Indonesia | -0.05 | +0.01 | — | — |
| Other regions | 0.35 | -0.05 | -11.9% | — |
| <Gross sales by product> | | | | |
| Snacks | 13.3 | +2.3 | +21.2% | — |
| Cereals | 1.8 | -0.2 | -8.5% | — |

*Operating margin (for net sales) was 4.4%

FY2022/3 Q1: Overseas business

Calbee

Harvest the Power of Nature.

North America

■ Sales

- Strong sales of Harvest Snaps through expanded supplies of small package items to dollar store channels
- Warnock sales grew through increase of number of store brand (PB) items

■ Operating profit

- Profit decreased due to fewer sales promotional opportunities last year

Greater China

■ Sales

(Snacks)

- Strong sales of *Honey Butter Chips* and *Jagabee* via both e-commerce and retail stores

(Cereals)

- Sales fell due to the absence of last fiscal year's nesting demand and intensified competition

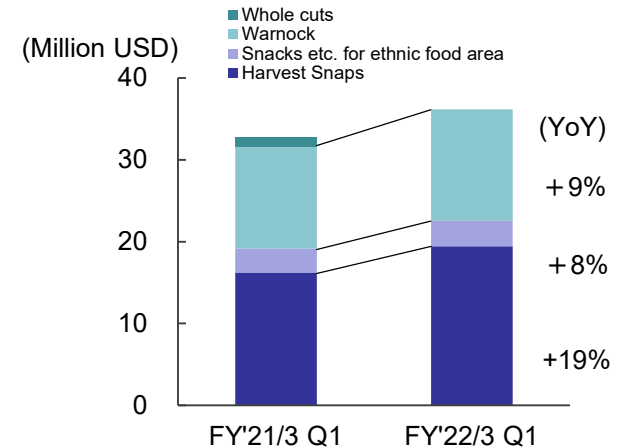
■ Operating profit

- Decreased due to the impact of lower sales and enhanced promotions using KOLs

■ Recovery measures

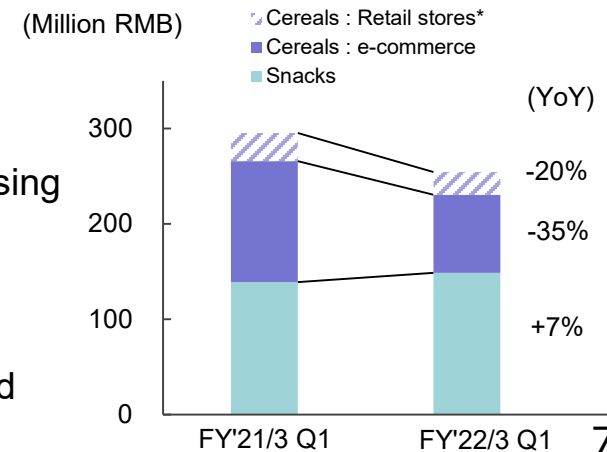
- Launched snack assortments for large membership-only supermarkets
- Stimulated *Frugra* sales with appointment of well-known advocates (brand advisors)

Sales by products in
North America (YoY +10%)



Sales by products in
Greater China (YoY -4%*)

*Including last year's exports from Japan: -14%



FY2022/3 Q1: Overseas business

UK

■ Sales

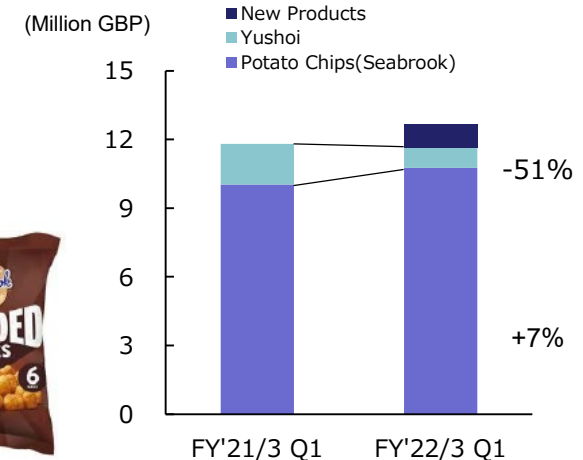
- Firm sales of Seabrook brand potato chips
- Sales of snacks grew too with the support of new products *Loaded Fries* and *Loaded Bites*

■ Operating profit

- Decreased due to higher raw material prices



Sales by products in UK
(YoY +7%)



Indonesia

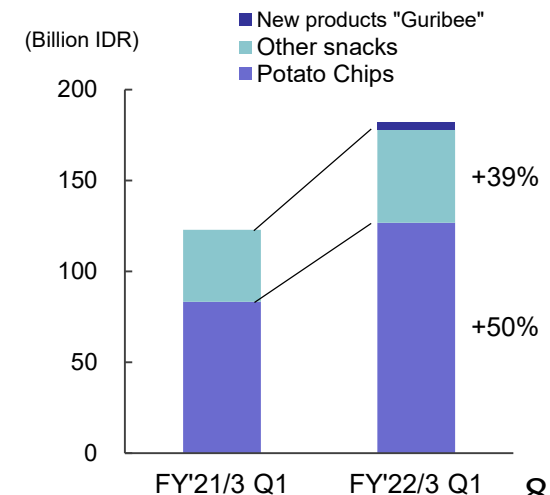
■ Sales

- Sales grew on launch of new flavor of *Japota* and strong sales of *Potabee* potato chips
- Last year there were delays in procurement of raw materials due to the COVID-19 pandemic
- Launched new product *Guribee* but there are issues with supply

■ Operating profit

- Decreased losses due to increased potato chips sales

Sales by products in Indonesia
(YoY +49%)

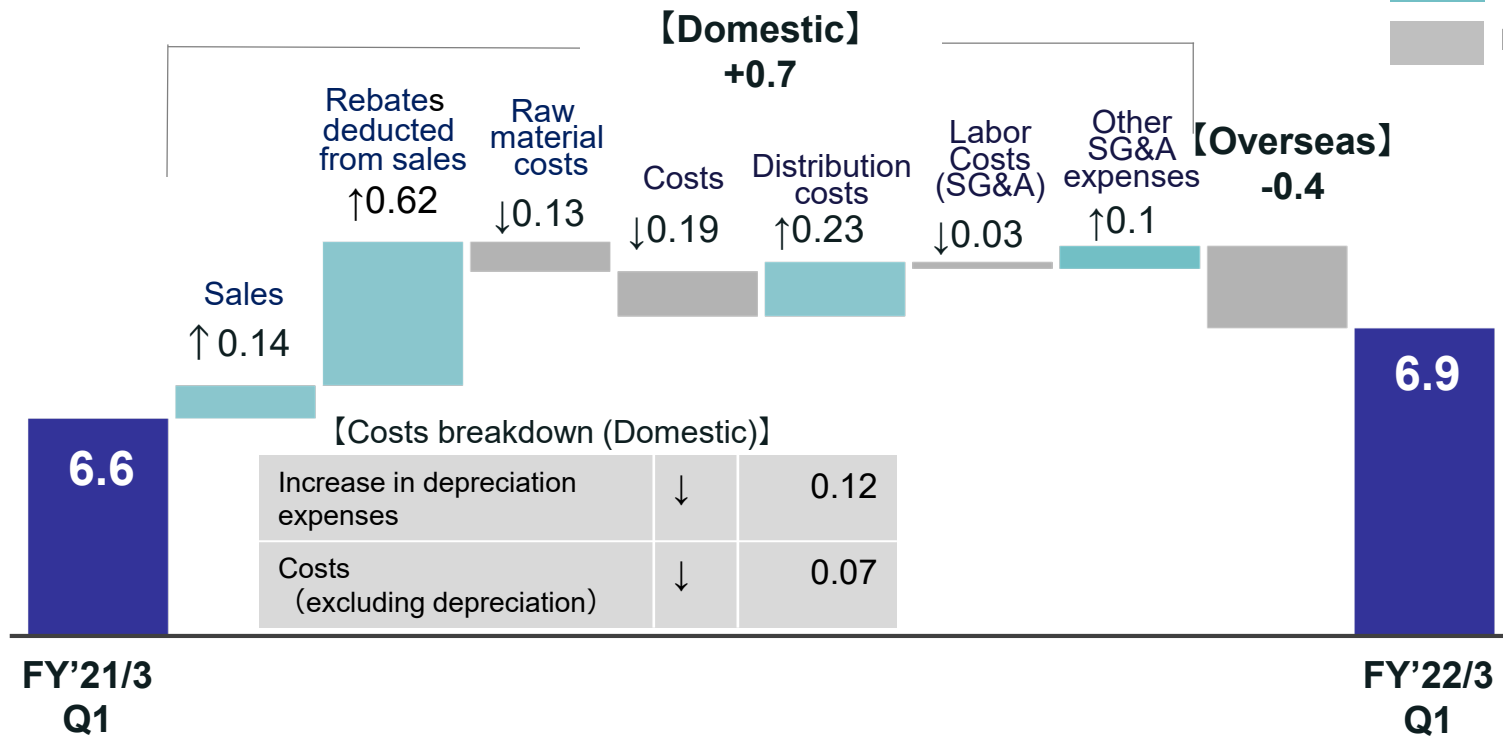


FY2022/3 Q1: Factors increasing operating profit

Change in operating profit (YoY)

(Billion yen)

■ Increase
■ Decrease



Domestic

Rebates deducted from sales: Controlled snack selling expenses
 Raw material costs: Worsened on sharp rise in price of palm oil
 Distribution costs: Additional costs due to Potato Chips shortages and sales suspension (last year)

Reference material

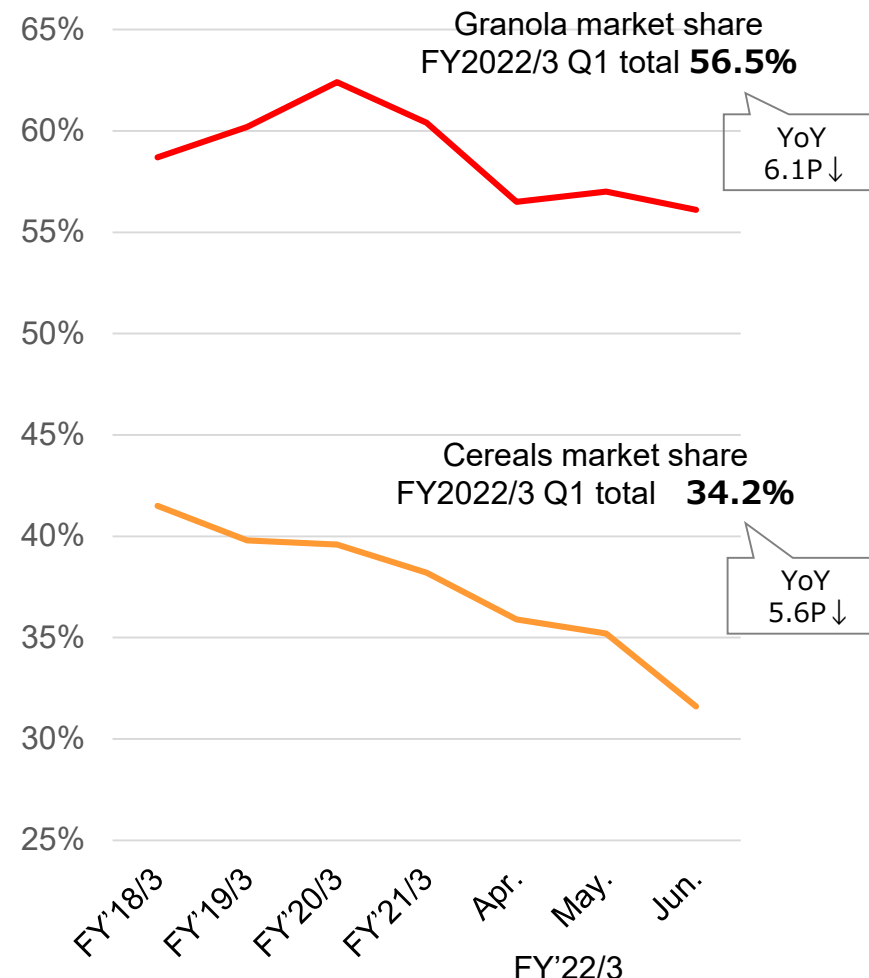
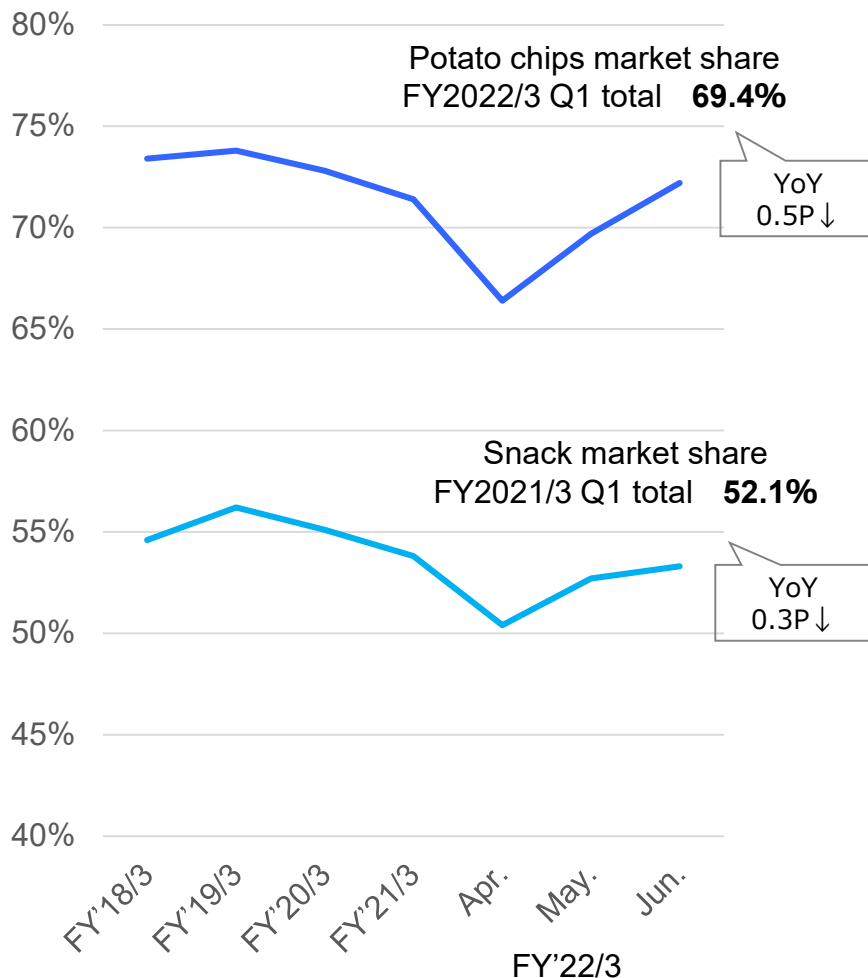
Consolidated profit and loss statement

(Million yen)

| | FY2022/3 Q1 | | | | FY2022/3 forecast | | |
|-----------------------------|-------------|---------------------|------------------|--------------------|-------------------|---------------------|------------------|
| | | Percent of total(%) | Change (YoY) (%) | vs. plan Ratio (%) | | Percent of total(%) | Change (YoY) (%) |
| Gross sales | 67,353 | 100.0 | — | 102.5 | 275,000 | 100.0 | — |
| Rebates deducted from sales | 7,457 | 11.1 | — | 97.7 | 35,000 | 12.7 | — |
| Net sales | 59,896 | 88.9 | — | 103.1 | 240,000 | 87.3 | — |
| Gross profit | 21,208 | 31.5 | — | 103.2 | 87,800 | 31.9 | — |
| SG&A | 14,269 | 21.2 | — | 100.1 | 59,800 | 21.7 | — |
| Selling | 2,008 | 3.0 | — | 100.4 | 8,400 | 3.1 | — |
| Distribution | 4,751 | 7.1 | -2.6 | 101.3 | 19,800 | 7.2 | +2.9 |
| Labor | 4,764 | 7.1 | +4.7 | 101.2 | 20,100 | 7.3 | +4.0 |
| Others | 2,745 | 4.1 | +1.8 | 96.0 | 11,500 | 4.2 | +8.4 |
| Operating profit | 6,938 | 10.3 | +5.9 | 110.1 | 28,000 | 10.2 | +3.5 |
| Ordinary profit | 7,034 | 10.4 | +9.7 | 113.8 | 27,500 | 10.0 | -0.1 |
| Extraordinary income/loss | -38 | — | — | — | -500 | — | — |
| Net profit* | 4,953 | 7.4 | +22.3 | 123.8 | 18,000 | 6.5 | +1.8 |

* Profit attributable to owners of parent

■ Market share



Source: Intage SRI+ based on sales amount (nationwide, all retail formats)
From FY2012/3 Intage's SRI+ has changed how it conducts planning and estimation; prior figures have been revised to reflect the new method.

FY'22/3 Q1 total :April 2021 – June 2021
Comparison period: April 2020 – June 2020
FY'18/3-FY'22/3: April 2017 – June 2021

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

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- The Company's fiscal year ends on March 31. The fiscal year ending March 31, 2022 is referred to throughout this report as "FY2022/3," 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.