

SECTION 5 Data History of the Calbee Group

The cornerstone for growth grounded in our founder's ideals

Founding

Matsuo Food Processing Co., Ltd., established in Hiroshima Prefecture 1949

Company name changed to Calbee Confectionery Co., Ltd. 1955

Utsunomiya Factory begins operations 1968

Chitose Factory (now Hokkaido Factory) begins operations 1969

Company name changed to Calbee, Inc. 1973

Establishing a potato business in harmony with the land and producers

Growth

Calbee Potato, Inc., established to manage raw materials (potato) 1980

Potato-maru launched, world's first dedicated potato-carrying vessel 1984

Snack Food Service Co., Ltd., (now Calbee Logistics, Inc.) established to handle logistics 1990

1949-1974

1955

Kappa Arare

Developed Japan's first wheat arare (Japanese cracker) using unused food resources



1964

Kappa Ebisen

Developed a nutritious snack made from fresh whole shrimp



1972

Sapporo Potato

Developed a dough snack out of a mixture of potatoes and vegetables



1975-2009

1975

Potato Chips

Entered the potato chip business, inspired by the boom in the U.S. market



Utilizing unused food resources



Founder Takashi Matsuo

Founder Takashi Matsuo decided to make it his lifelong mission to produce food products that benefit people's health. Calbee's name, a portmanteau of "calcium" and "vitamin B₁," reflects that determination.

In 1955, using cheaply imported wheat flour in place of rationed rice, he created the *Kappa Arare* wheat cracker, and, in 1964, began selling the *Kappa Ebisen* snack, made with fresh whole shrimp. Both products were first-of-their-kind foods created from unused resources.

Creating a system for the stable supply of fresh ingredients



A Calbee factory at the time of *Kappa Ebisen* launch

To expand sales of *Kappa Ebisen*—then produced in western Hiroshima Prefecture—to eastern Japan and deliver freshly made products to stores, a new factory was built in Utsunomiya, Tochigi Prefecture. To keep up with its expanding production, the Calbee Group established a system by which a stable supply of fresh shrimp could be procured and delivered to factories. This system would serve as the cornerstone for the Group's future value chain.

Entering into the potato chip business



A Calbee factory at the time of *Potato Chips* launch

Calbee began selling its *Potato Chips* in 1975—but initial sales were weaker than expected. To ensure the freshness and flavor of products on store shelves, Calbee began to set up factories near markets where its products were being consumed and switched from making bulk deliveries to more frequent small-lot deliveries. These measures were the foundation of a system that facilitated the sale of fresh products and paid off when *Potato Chips* became a hit product across Japan.

IT-driven potato field management inaugurated 2002

R&DDE Center (now R&D Center) established as a research and development hub 2004

Daring to enter new fields

Reform

Listed on the First Section of Tokyo Stock Exchange 2011

PT. Calbee-Wings Food (Indonesia) established 2013

Calbee (UK) Ltd (now Calbee Group (UK) Ltd) (United Kingdom) established 2014

Calbee E-commerce, Ltd. (Hong Kong) established 2015

Calbee (Hangzhou) Foods Co., Ltd. (China) established 2018

Acquired UK-based Seabrook Crisps Business 2018

Acquired 80% of shares in US-based Warnock Food Products, Inc 2019

Calbee (China) Co., Ltd. established 2020

Acquired all shares of Potato Kaitsuka Ltd. 2020

Acquired 75% of the issued shares of Thailand-based Greenday Global Co., Ltd. 2022

1995

Jagarico
Developed a handy, portable snack-in-a-cup



2003

Jaga Pokkuru
Created new points of contact with customers in Hokkaido's souvenir markets



2010-

2011

Fruga
(Released in 1991 as *Fruits Granola*, later renamed *Fruga*)
Developed a new style of quick and healthy breakfast



Key Overseas Products



North America



United Kingdom



Greater China



Indonesia

Building a strong value chain in the potato business
To match the sales growth of *Potato Chips*, Calbee began to overhaul its potatoes procurement production. Calbee's fieldmen (specialists in potatoes) worked with production areas and producers to create a system for the cultivation, procurement, and storage of potatoes and built a unique value chain that managed each process—from production to distribution and sales—in a vertically integrated manner.



A farming partner and Calbee fieldman

Developing cereal into a second pillar of business



Cereal product *Fruga*

Calbee changed the name of *Fruits Granola*, launched in 1991, to *Fruga* in 2011, and it began to gain traction, especially among working women who turned to it as an easy and consistent source of nutrition even during busy mornings. *Fruga* has established a new style of eating breakfast in Japan and now Calbee is actively promoting sales in Greater China and other areas overseas.

Accelerating Overseas Expansion



Employees of Calbee North America, LLC

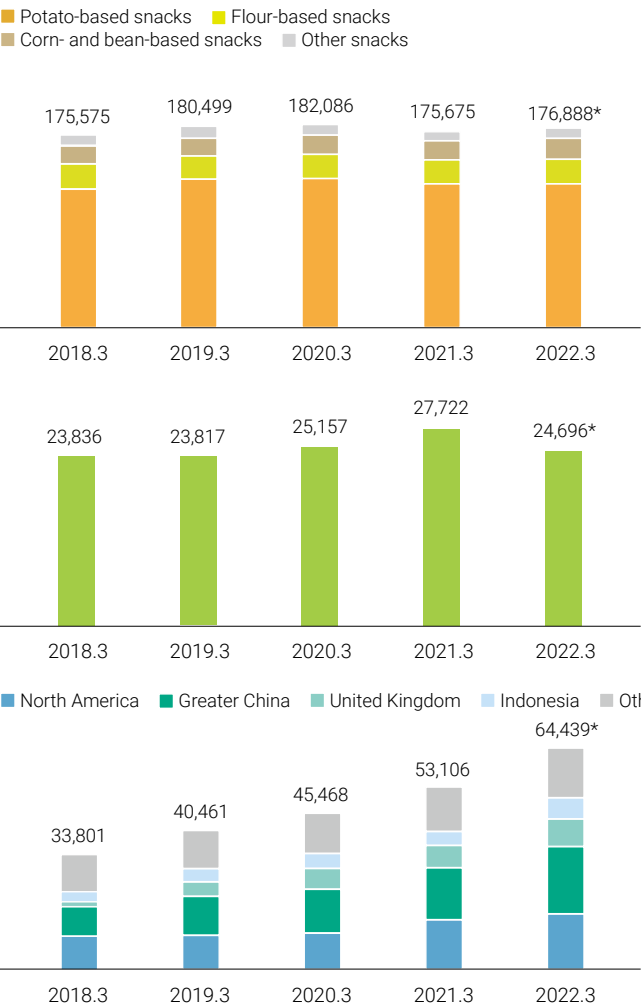
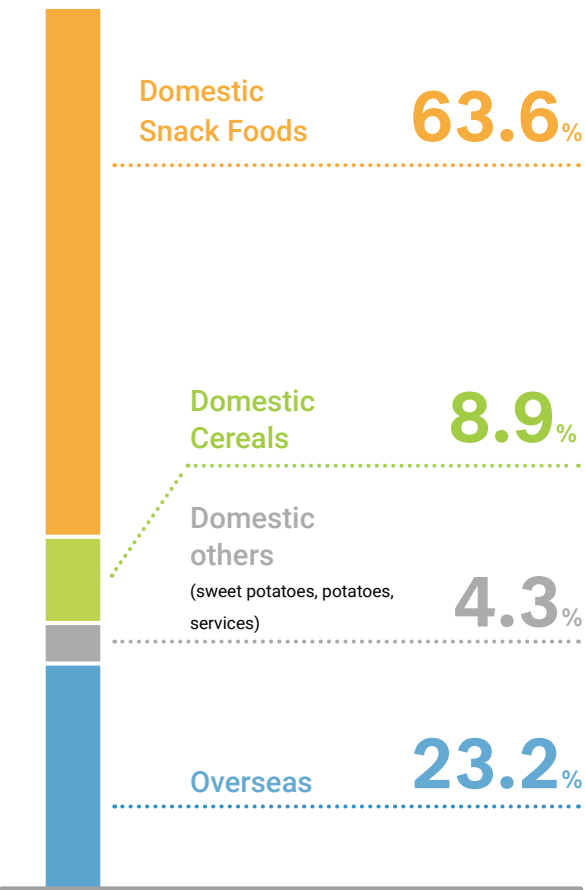
Since 2010, Calbee has positioned the growth of its overseas business as a key issue and has accelerated its expansion in these markets. We have set North America, Greater China, the United Kingdom, and Indonesia as our four key regions, and tailor our products to suit the needs of the local market and consumers. Going forward, we will build a solid business foundation and develop our global brands.

Financial Information

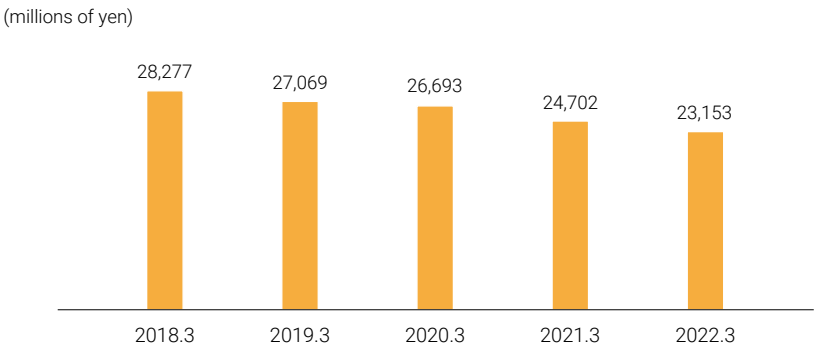
Overview by Business Segment

Consolidated net sales
¥245,419 (millions of yen)

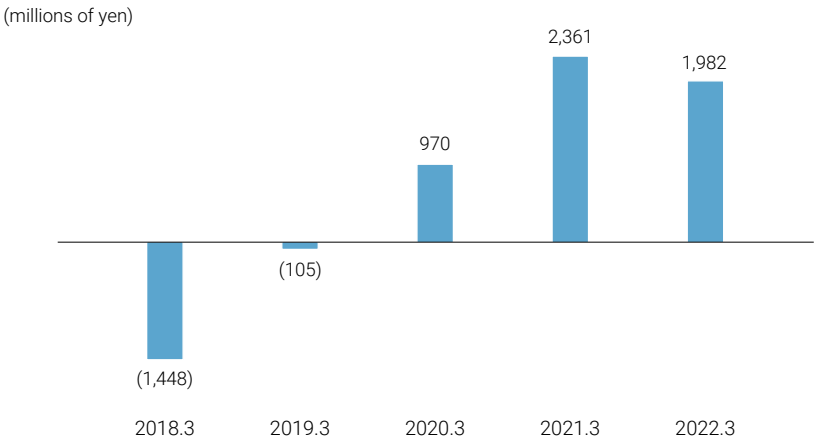
Net Sales by business segments



Domestic operating profit



Overseas operating profit



* The revised Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been applied from the beginning of the fiscal year ended March 31, 2022. Net sales for the domestic snacks, domestic cereals, and overseas business segments have been presented prior to deducting rebates and other items.

10-Year Summary

	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	(Millions of yen) 2022.3
Net sales*1	179,411	199,941	222,150	246,129	252,420	251,575	248,655	255,938	266,745	245,419
Gross profit*1	78,522	87,209	97,561	107,033	111,573	108,904	111,120	115,086	117,810	83,954
Selling, general and administrative expenses*1	62,731	67,492	73,378	78,908	82,732	82,075	84,156	87,422	90,746	58,818
Operating profit	15,790	19,717	24,183	28,125	28,841	26,828	26,964	27,664	27,064	25,135
Ordinary profit	17,127	20,782	25,615	26,545	28,625	26,179	27,432	27,391	27,522	26,938
Profit attributable to owners of parent	9,440	12,086	14,114	16,799	18,605	17,330	19,429	17,539	17,682	18,053
Total assets*2	124,705	140,909	161,917	174,837	181,945	192,034	202,750	214,967	238,978	236,598
Net assets	92,685	104,466	118,800	131,469	135,056	146,667	160,490	169,632	182,740	183,458
Working capital*3	33,607	47,458	52,672	54,832	58,214	68,950	77,815	83,066	80,892	72,912
Interest-bearing debt*4	302	186	563	555	1,596	1,511	1,274	1,363	6,604	2,005
Equity ratio (%)*5	70.2	69.1	67.7	69.2	70.4	72.6	75.9	75.9	73.4	74.1
Debt to equity ratio (Times)*5	0	0	0	0	0	0	0	0	0	0
Research and development costs	2,288	2,161	2,052	2,195	2,168	2,469	2,660	2,745	2,706	3,319
Capital expenditures	7,298	6,392	15,290	21,229	9,763	11,009	9,945	9,004	11,341	13,515

	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	(Millions of yen) 2022.3
Depreciation and amortization	6,318	5,960	6,232	7,570	7,297	7,845	8,023	8,449	9,051	9,189
ROE (%)	11.4	13.1	13.7	14.6	14.9	13.0	13.2	11.1	10.4	10.3
Earnings per share (EPS) (Yen)*6	72.18	91.46	105.82	125.88	139.24	129.72	145.39	131.22	132.30	136.25
Net assets per share (Yen)*6	664.55	729.93	821.97	905.20	958.60	1,043.37	1,151.71	1,221.19	1,312.24	1,358.25
Cash dividends per share (Yen)*6	15.50	22.00	28.00	35.00	42.00	42.00	48.00	50.00	50.00	52.00
Dividend payout ratio (%)	21.5	24.1	26.5	27.8	30.2	32.4	33.0	38.1	37.8	38.2
Cash flows from operating activities	17,328	23,478	22,266	22,541	25,958	9,358	27,620	40,449	30,450	22,327
Cash flows from investing activities	(12,999)	(17,041)	(9,422)	(14,270)	(13,404)	(6,258)	(28,347)	(13,462)	(32,069)	3,643
Cash flows from financing activities	607	(383)	(2,878)	(2,859)	(14,711)	(5,450)	(6,227)	(6,278)	(7,635)	(25,168)
Number of consolidated subsidiaries	21	22	22	24	27	27	26	24	24	23
Number of employees	3,352	3,341	3,477	3,728	3,860	3,798	3,763	4,053	4,311	4,398

*1 The revised Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been applied from the beginning of the fiscal year ended March 31, 2022. As a result, rebates and other items were previously accounted for as selling, general and administrative expenses, but the Company has changed to a method of deducting these items from net sales.

*2 Upon application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" (According Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018 (hereinafter, "Statement No. 28")), from the beginning of fiscal year ended March 31, 2019, the figures for the consolidated financial position are those after the said standards are applied retroactively.

*3 Working capital comprises current assets less current liabilities.

*4 Interest-bearing debt includes long- and short-term debt, leasing obligations, and other interest-bearing debt.

*5 Shareholders' equity as presented above consists of total net assets exclusive of subscription rights and non-controlling interests.

*6 A 4-for-1 share split was implemented on October 1, 2013. Per-share figures were retroactively adjusted to reflect these stock splits.

Corporate Information

Corporate Data

(As of March 31, 2022)

▶ Company Name	Calbee, Inc.	▶ Business	Production and sale of snacks and other foods
▶ Head Office	Marunouchi Trust Tower Main, 22nd Floor, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan	▶ Fiscal Year-End	March 31
▶ Date of Establishment	April 30, 1949	▶ Paid-In Capital	¥12,046 million
▶ Representative President & CEO	Shuji Ito	▶ Number of Employees	4,398 on a consolidated basis 1,883 on a parent basis

Stock Information

(As of March 31, 2022)

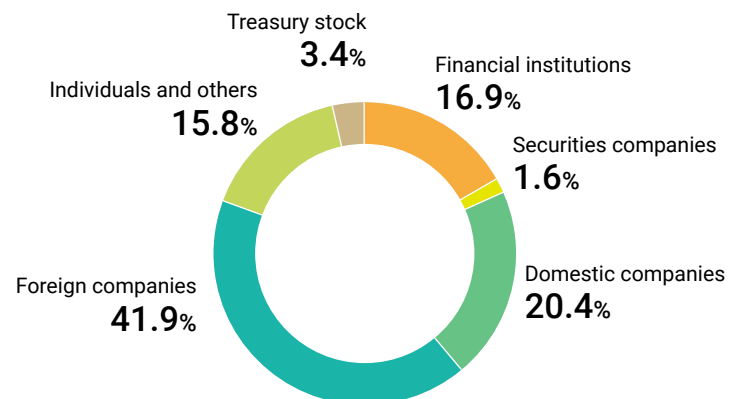
☐ **Stock Listing** Tokyo Stock Exchange, Prime Market

☐ **Securities Code** 2229

☐ **Stock Information**

- ▶ Number of shares authorized 176,000,000 shares
- ▶ Number of shares issued 133,929,800 shares
(including 4,545,161 shares of treasury stock)
- ▶ Number of shareholders 39,880 people

☐ **Share Breakdown by Shareholder Type**



▶ **Principal Shareholders**

Name of shareholder	Investment in the Company	
	Number of shares (Thousands)	Ownership ratio (%)
FRITO-LAY GLOBAL INVESTMENTS B.V.	26,800	20.71
General Incorporated Association Miki-no-Kai	18,560	14.34
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,004	11.60
GIC PRIVATE LIMITED-C	6,054	4.68
THE BANK OF NEW YORK MELLON 140051	5,160	3.99
Custody Bank of Japan, Ltd. (Trust Account)	4,066	3.14
Calbee Employees Shareholding Association	2,080	1.61
THE TORIGOE CO., LTD.	1,936	1.50
THE BANK OF NEW YORK 133612	1,600	1.24
BANQUE DE LUXEMBOURG-CLIENT ACCOUNT	1,283	0.99

Note: Ownership ratios are calculated excluding 4,545,161 shares held by the Company as treasury stock. In addition, the ownership ratio is calculated including 67,565 shares held by the Employee Stock Ownership Plan (ESOP) Trust and 195,700 shares held by the Board Incentive Plan (BIP) Trust.

Consolidated Subsidiaries

(As of September 30, 2022)

Japan

Calbee Potato, Inc.	Japan Frito-Lay Ltd.
Calbee Logistics, Inc.	Studio Socio Inc.
Calbee Eatalk Co., Ltd.	Potato Kaitsuka Ltd.

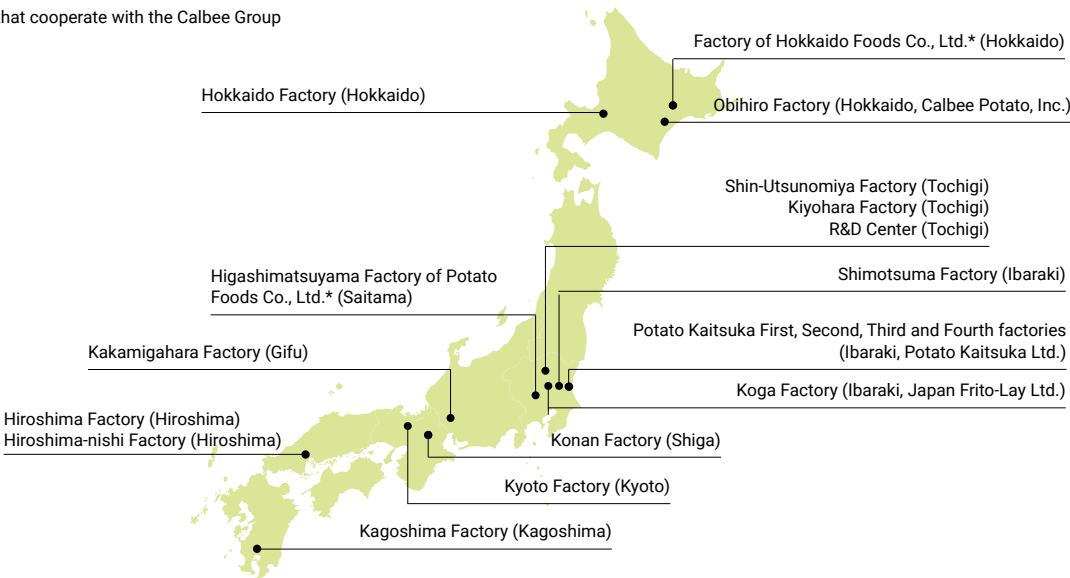
Oversea (): Country or region

Calbee America, Inc. (United States)	Calbee Four Seas Co., Ltd. (Hong Kong)
Calbee North America, LLC (United States)	Calbee E-commerce, Ltd. (Hong Kong)
Warnock Food Products, Inc (United States)	Calbee Group (UK) Ltd (United Kingdom)
Yantai Calbee Co., Ltd. (China)	PT. Calbee-Wings Food (Indonesia)
CFSS Co. Ltd. (China)	Haitai-Calbee Co., Ltd. (South Korea)
Calbee (Hangzhou) Foods Co., Ltd. (China)	Calbee Tanawat Co., Ltd. (Thailand)
Calbee (China) Co., Ltd. (China)	Greenday Global Co., Ltd. (Thailand)
	Calbee Moh Seng Pte., Ltd. (Singapore)
	Calbee Australia Pty Ltd. (Australia)

Location of Factories

(As of September 30, 2022)

Japan * Factories that cooperate with the Calbee Group



Overseas

