Calbee Group Financial Results
Fiscal year ended March 31, 2022
April 1, 2021 – March 31, 2022
1. FY2022/3 Financial results and FY2023/3 Full year forecast
   Chisa Hayakawa, Managing Executive Officer and CFO

2. Calbee Group’s Medium-term business plan Progress and Challenges
   Shuji Ito, President and CEO
FY2022/3 Financial results and FY2023/3 Full year forecast

Chisa Hayakawa
Managing Executive Officer and CFO
Ⅰ. FY2022/3 Financial results

Ⅱ. FY2023/3 Full year forecasts

Ⅲ. Capital investment and Shareholder returns
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 ended 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.

<table>
<thead>
<tr>
<th></th>
<th>FY2021/3</th>
<th>FY2022/3</th>
<th>FY2023/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross sales</td>
<td>As before</td>
<td>As before</td>
<td>As before</td>
</tr>
<tr>
<td>Sales by product</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales by region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebates deducted from sales</td>
<td>None</td>
<td>Certain selling expenses deducted from gross sales</td>
<td>Certain selling expenses deducted from gross sales</td>
</tr>
<tr>
<td>(included in SG&amp;A)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td></td>
<td>Deducted certain selling expenses from gross sales</td>
<td>Deducted certain selling expenses from gross sales</td>
</tr>
<tr>
<td>Operating profit</td>
<td>As before</td>
<td>As before</td>
<td>As before</td>
</tr>
<tr>
<td>Operating margin</td>
<td>Calculated using gross sales as denominator</td>
<td>Calculated using gross sales as denominator *</td>
<td>Calculated using net sales as denominator</td>
</tr>
</tbody>
</table>

* Comparisons to FY23/3 plan are calculated with net sales as the denominator
I. FY2022/3 Financial results
## FY2022/3 Financial results

### Summary

- **Gross sales**: Rose on strong sales overseas
- **Operating profit**: Fell as price and content revisions were unable to compensate for the sharp rise in both domestic and overseas raw material and energy prices (impact of higher costs YoY: Domestic: -¥4.0bn, Overseas: -¥2.0bn)
- **Net profit**: Rose on foreign exchange gains, gain on forgiveness of debt, etc.

### Palm oil FOB Malaysian market price

<table>
<thead>
<tr>
<th>Year</th>
<th>FY'22/3</th>
<th>FY'21/3</th>
<th>FY'20/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>400</td>
<td>800</td>
<td>1,200</td>
</tr>
<tr>
<td>2Q</td>
<td>1,600</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>3Q</td>
<td>1,200</td>
<td>1,600</td>
<td></td>
</tr>
<tr>
<td>4Q</td>
<td>800</td>
<td>1,200</td>
<td></td>
</tr>
</tbody>
</table>

### FY2022/3 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>FY2022/3 (Billion yen)</th>
<th>FY2021/3 (Billion yen)</th>
<th>Change</th>
<th>Revised forecast</th>
<th>vs. plan ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>245.4</td>
<td>233.3</td>
<td>—</td>
<td>243.0</td>
<td>101.0%</td>
</tr>
<tr>
<td><strong>Gross domestic sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>188.0</td>
<td>—</td>
<td>—</td>
<td>186.7</td>
<td>100.7%</td>
</tr>
<tr>
<td><strong>Gross overseas sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>57.4</td>
<td>—</td>
<td>—</td>
<td>56.3</td>
<td>101.9%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating margin (for gross sales)</td>
<td>* 9.0%</td>
<td>10.1%</td>
<td>-1.1pts</td>
<td>9.2%</td>
<td>-0.2pts</td>
</tr>
<tr>
<td>Domestic</td>
<td>23.2</td>
<td>24.7</td>
<td>-6.2%</td>
<td>23.3</td>
<td>99.4%</td>
</tr>
<tr>
<td>Overseas</td>
<td>2.0</td>
<td>2.4</td>
<td>-16.4%</td>
<td>2.2</td>
<td>90.1%</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraordinary income/loss</td>
<td>-0.2</td>
<td>-1.1</td>
<td>—</td>
<td>0.0</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net profit</strong> **</td>
<td>18.1</td>
<td>17.7</td>
<td>+2.1%</td>
<td>17.5</td>
<td>103.2%</td>
</tr>
</tbody>
</table>

*Operating margin (for net sales) was 10.2%
**Profit attributable to owners of parent
FY2022/3 Domestic business

- **Gross sales**
  - **(Snacks)** Sales rose as despite lower sales of *Potato Chips* due to a smaller potato harvest, we focused on selling products with new value and other snacks.
  - **(Cereals for domestic consumers)** Sales fell on the absence of last year's nesting demand.
  - **(Cereals for overseas export)** Sales fell by ¥2.1bn due to a change in distribution (on transfer of sales to Chinese subsidiary).
  - **(Others)** Sweet potato business grew.

- **Operating profit**
  Profit fell due to sharp rise in raw material and energy prices (-¥4.0bn) despite having controlled rebates for snacks due to the potato shortage.

(Billion yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change(YoY)</td>
</tr>
<tr>
<td><strong>Gross domestic sales</strong></td>
<td>213.6</td>
</tr>
<tr>
<td>Snacks</td>
<td>176.9</td>
</tr>
<tr>
<td><em>Potato Chips</em></td>
<td>83.4</td>
</tr>
<tr>
<td><em>Jagarico</em></td>
<td>34.9</td>
</tr>
<tr>
<td>Products with new value/other snacks</td>
<td>58.6</td>
</tr>
<tr>
<td>Cereals (for domestic consumers)</td>
<td>23.6</td>
</tr>
<tr>
<td>Cereals (for overseas export)</td>
<td>1.1</td>
</tr>
<tr>
<td>Others (Sweet potatoes, Potatoes, Services)</td>
<td>12.0</td>
</tr>
<tr>
<td>Rebates deducted from sales</td>
<td>-25.6</td>
</tr>
<tr>
<td><strong>Domestic operating profit</strong></td>
<td>23.2</td>
</tr>
<tr>
<td>Operating margin</td>
<td>*10.8%</td>
</tr>
</tbody>
</table>

*Operating margin (for net sales) was 12.3%
FY2022/3 Domestic business

Snacks

**Potato Chips/Jagarico:**
Sales fell on product launch delays/cancellations and having controlled sales promotions, due to the smaller potato harvest
Additionally, implemented price/content revisions in January 2022 in response to sharp rise in both raw material and energy prices

**Products with new value and other snacks:**
Sales rose of bean-based snack miino on investment in TV commercials, and of Potato Deluxe on expansion of sales areas
Sales of gift snack items increased due to proactive promotion at events and product exhibitions
Other snacks saw a shift in demand on restrained sales promotions for Potato Chips and Jagarico

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<table>
<thead>
<tr>
<th>Sales of gift snack items</th>
<th>(Billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY’20/3</td>
<td>15.0</td>
</tr>
<tr>
<td>FY’21/3</td>
<td>11.0</td>
</tr>
<tr>
<td>FY’22/3</td>
<td>10.0</td>
</tr>
</tbody>
</table>

YoY +15 %
FY2022/3 Domestic business

Cereals

- H1 sales fell due to the absence of the previous year's nesting demand
  Recovered in H2 due to expanded lineup of medium-size products
- Continued strong sales of Less Carbohydrates, which have health appeal (+10% YoY)
- Share fell due to expansion of competitors' oatmeal

![Cartoons of cereals]

Others

Sweet potato business: Expanded procurement and saw strong sales via wholesale, company-owned shop, and e-commerce channels

![Picture of sweet potatoes]

Potato Kaitsuka's original brand
Benitenshi

Assorted gift box
## FY2022/3 Overseas business

### Business results by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Gross overseas sales</th>
<th>Change(YoY)</th>
<th>Change ex. forex in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Billion yen)</td>
<td>+11.3</td>
<td>+21.3%</td>
</tr>
<tr>
<td>North America</td>
<td>16.2</td>
<td>+1.7</td>
<td>+11.9%</td>
</tr>
<tr>
<td>Greater China</td>
<td>19.6</td>
<td>+4.5</td>
<td>+29.5%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8.0</td>
<td>+1.5</td>
<td>+23.3%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>6.2</td>
<td>+2.1</td>
<td>+51.9%</td>
</tr>
<tr>
<td>Other regions</td>
<td>14.5</td>
<td>+1.5</td>
<td>+11.8%</td>
</tr>
</tbody>
</table>

Rebates deducted from sales: -7.1

Overseas operating profit: 1.98

Operating margin: *3.1% -1.4pts -16.4%

North America: -0.04 -0.67
Greater China: 0.98 +0.36 +59.1%
United Kingdom: 0.05 -0.11 -71.3%
Indonesia: -0.41 +0.10
Other regions: 1.41 -0.07 -4.7%

### Gross sales by product

<table>
<thead>
<tr>
<th>Product</th>
<th>FY2022/3</th>
<th>Change(YoY)</th>
<th>Change ex. forex in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snacks</td>
<td>56.4</td>
<td>+10.0</td>
<td>+21.4%</td>
</tr>
<tr>
<td>Cereals</td>
<td>8.1</td>
<td>+1.4</td>
<td>+20.6%</td>
</tr>
</tbody>
</table>

*Operating margin (for net sales) was 3.5%
FY2022/3 Overseas business

North America

■ Sales
  • Sales of Harvest Snaps rose, mainly in dollar store channels
  • Sales of snacks for ethnic foods area flat YoY due to container shortages
  • Warnock PB sales grew but OEM sales struggled

■ Operating profit
  • Decreased due to lower ratio of high margin products
  • Implemented price revisions sequentially from December 2021

Greater China

■ Sales
  • Strong sales of snacks such as Jagabee and Honey Butter Chip via both e-commerce and retail stores
  • Sales of cereals via e-commerce fell in the absence of last year’s nesting demand
  • Sales to retail stores grew

■ Operating profit
  • Rose on higher sales
FY2022/3 Overseas business

UK

- **Sales**
  - *Potato Chips* sales grew due to expanded distribution areas
  - Snack sales rose due to start of distribution of Seabrook brand *Loaded Fries* and *Loaded Bites* to major retailers, etc.

- **Operating profit**
  - Decreased due to higher raw material prices (cooking oil, packaging materials, etc.)
  - Implemented price and content revisions in January 2022

Indonesia

- **Sales**
  - *Potato Chips* sales grew on proactive promotional spending following a competitor’s withdrawal
  - Snack sales rose on firm sales of *Krisbee* and new-texture product *Guribee*

- **Operating profit**
  - Higher sales and efficient allocation of rebates reduced operating loss

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FY2022/3 Factors decreasing operating profit

Change in operating profit (YoY)

【Domestic】
- Rebates deducted from sales: Controlled Potato Chips and Jagarico rebates due to potato shortage
- Raw material costs: Sharp rise in price of cooking oil (-¥1.8bn), imported potatoes (-¥1.0bn)
- Costs: Sharp rise in energy prices (-¥0.8bn), depreciation (-¥0.5bn), decrease in exports etc. (+¥0.9bn)
- Other: Decrease in advertising opportunities due to potato shortage

【Overseas】
- Sharp rise in raw material prices (-¥2.0bn)

(Billion yen)

Increase
Decrease

FY’21/3
Sales ↓0.01
Rebates deducted from sales ↑1.47
Raw material costs ↓3.22
Costs ↓0.36
Distribution costs ↓0.1
Labor costs (SG&A) ↑0.12
Other SG&A expenses ↑0.56
FY’22/3
Sales ↓0.01
Rebates deducted from sales ↑1.47
Raw material costs ↓3.22
Costs ↓0.36
Distribution costs ↓0.1
Labor costs (SG&A) ↑0.12
Other SG&A expenses ↑0.56

Sharp rise in raw material prices (-¥2.0bn)

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Ⅱ. FY2023/3 Full year forecasts
In response to further rises in raw material and energy prices, we will implement price and content revisions as well as measures to grow profit.

We forecast a 9% increase in sales and a 1% increase in operating profit.

Expect impact from sharp rise in raw material and energy prices (Domestic: -¥9.0bn, Overseas: -¥3.2bn YoY)

### Summary

<table>
<thead>
<tr>
<th>FY2023/3 Full year forecasts</th>
</tr>
</thead>
</table>

#### Summary

**In response to further rises in raw material and energy prices, we will implement price and content revisions as well as measures to grow profit.**

**We forecast a 9% increase in sales and a 1% increase in operating profit.**

Expect impact from sharp rise in raw material and energy prices (Domestic: -¥9.0bn, Overseas: -¥3.2bn YoY)

#### FY2023/3 Full year forecasts

<table>
<thead>
<tr>
<th></th>
<th>FY2022/3 Results</th>
<th>FY2023/3 Forecasts</th>
<th>Change</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross sales</strong></td>
<td>278.0</td>
<td>304.0</td>
<td>+26.0</td>
<td>+9.3%</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>245.4</td>
<td>268.0</td>
<td>+22.6</td>
<td>+9.2%</td>
</tr>
<tr>
<td><strong>Gross domestic sales</strong></td>
<td>213.6</td>
<td>226.4</td>
<td>+12.8</td>
<td>+6.0%</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>188.0</td>
<td>199.5</td>
<td>+11.5</td>
<td>+6.1%</td>
</tr>
<tr>
<td><strong>Gross overseas sales</strong></td>
<td>64.4</td>
<td>77.6</td>
<td>+13.2</td>
<td>+20.4%</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>57.4</td>
<td>68.5</td>
<td>+11.1</td>
<td>+19.4%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>25.1</td>
<td>25.5</td>
<td>+0.4</td>
<td>+1.4%</td>
</tr>
<tr>
<td><strong>Operating margin (for net sales)</strong></td>
<td>10.2%</td>
<td>9.5%</td>
<td>-0.7pts</td>
<td>-</td>
</tr>
<tr>
<td>Domestic</td>
<td>23.2</td>
<td>21.7</td>
<td>-1.5</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Overseas</td>
<td>2.0</td>
<td>3.8</td>
<td>+1.8</td>
<td>+91.7%</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td>26.9</td>
<td>25.0</td>
<td>-1.9</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Extraordinary income/loss</td>
<td>-0.2</td>
<td>-0.5</td>
<td>-0.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Profit</strong>*</td>
<td>18.1</td>
<td>15.5</td>
<td>-2.6</td>
<td>-14.1%</td>
</tr>
</tbody>
</table>

*Billion yen*

*Profit attributable to owners of parent*
# FY2023/3 Full year forecasts
## Domestic business

(Billion yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2023/3</th>
<th>Change(YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross domestic sales</td>
<td>226.4</td>
<td>+12.8</td>
</tr>
<tr>
<td>Snacks</td>
<td>187.9</td>
<td>+11.0</td>
</tr>
<tr>
<td>Potato Chips</td>
<td>92.2</td>
<td>+8.8</td>
</tr>
<tr>
<td>Jagarico</td>
<td>36.7</td>
<td>+1.8</td>
</tr>
<tr>
<td>Products with new value/other snacks</td>
<td>59.0</td>
<td>+0.4</td>
</tr>
<tr>
<td>Cereals</td>
<td>25.0</td>
<td>+0.3</td>
</tr>
<tr>
<td>Others (Sweet potatoes, Potatoes, Services)</td>
<td>13.5</td>
<td>+1.5</td>
</tr>
<tr>
<td>Rebates deducted from sales</td>
<td>-26.9</td>
<td>-1.3</td>
</tr>
<tr>
<td>Net sales</td>
<td>199.5</td>
<td>+11.5</td>
</tr>
<tr>
<td>Operating profit</td>
<td>21.7</td>
<td>-1.5</td>
</tr>
<tr>
<td>Operating margin (for net sales)</td>
<td>10.9%</td>
<td>-1.4pts</td>
</tr>
</tbody>
</table>
In response to sharp increases in raw material and energy prices, conduct price and content revisions in all product categories to ensure revenue.

- Strengthen promotions and launch more new items to avoid reduction in sales volume due to revisions.
- Aim to improve product mix on the recovery of gift snack items and launch of high value-added items.
- Launched new product *Baked Oats* in April 2022 in response to higher demand for oatmeal; aim to capture share in the oats market.

**New businesses**

- Sweet potato business
  - Aim to leverage synergies with the Group, expand procurement areas and raise production capacity to match increased procurement.
  - Aim to increase sales in core wholesale, as well as in company-owned shop and e-commerce channels.
## FY2023/3 Full year forecasts

### Overseas business

<table>
<thead>
<tr>
<th>Business results by region</th>
<th>FY2023/3</th>
<th>Change(YoY)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross overseas sales</strong></td>
<td>77.6</td>
<td>+13.2</td>
<td>+20.4%</td>
</tr>
<tr>
<td>North America</td>
<td>18.3</td>
<td>+2.1</td>
<td>+13.1%</td>
</tr>
<tr>
<td>Greater China</td>
<td>26.3</td>
<td>+6.7</td>
<td>+34.4%</td>
</tr>
<tr>
<td>Other regions</td>
<td>33.0</td>
<td>+4.3</td>
<td>+15.0%</td>
</tr>
<tr>
<td>Rebates deducted from sales</td>
<td>-9.1</td>
<td>-2.0</td>
<td>+28.7%</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>68.5</td>
<td>+11.1</td>
<td>+19.4%</td>
</tr>
<tr>
<td><strong>Overseas operating profit</strong></td>
<td>3.8</td>
<td>+1.82</td>
<td>+91.7%</td>
</tr>
<tr>
<td>Operating margin (for net sales)</td>
<td>5.5%</td>
<td>+2.1pts</td>
<td>—</td>
</tr>
<tr>
<td>North America</td>
<td>0.45</td>
<td>+0.49</td>
<td>—</td>
</tr>
<tr>
<td>Greater China</td>
<td>2.08</td>
<td>+1.10</td>
<td>+112.1%</td>
</tr>
<tr>
<td>Other regions</td>
<td>1.28</td>
<td>+0.23</td>
<td>+21.8%</td>
</tr>
</tbody>
</table>
Implement price and content revisions in all regions with the aim of increasing profit beyond the impact of higher costs

**North America**

- For *Harvest Snaps*, enhance product lineup and expand sales outlets
- In products for ethnic foods areas, strengthen the Japanese Calbee brand and launch North America original brands
- Expand Warnock’s PB and OEM business
  In addition, improve revenue by increasing ratio of high margin products

**Greater China**

- In snacks, enter the baby and kids’ market in a full-scale with our strong “safe and secure” brand image, and enhance product lineup
  Leverage existing Chinese domestic facilities to promote sales of *Potato Chips* which are priced for middle class consumers
- In cereals, grow customer base by making *Frugra Less Carbohydrates* and other regular products and expanding sales areas
  Begin production of muesli for middle class consumers by leveraging OEMs in China

**Other Regions**

- In the UK, expand distribution region for *Potato Chips* and introduce *Harvest Snaps* at major retailers
- In Indonesia, cultivate new customers through renewal of *Potato Chips* and new flavor launches
  Proactively develop *Guribee*, which has a high margin
FY2023/3 Full year forecasts
Factors increasing operating profit

Change in operating profit (YoY)

(Billion yen)

Increase
Decrease

[Domestic]
-1.4

- Soaring raw materials and energy prices ↓9.0
- Effects of prices and content revisions ↑7.2
- Sales volume ↑1.3
- Other costs ↓0.9

[Overseas]
+1.8

- Soaring raw materials and energy prices ↓3.2
- Effects of prices and content revisions ↑4.0
- Sales growth, etc. ↑1.0

FY’22/3
25.1

FY’23/3
25.5

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Ⅲ. Capital investment and Shareholder returns
Capital investment and Shareholder returns

Capital investment

- **FY2022/3**
  - Capital investment
    - Domestic business: ¥9.5bn (automated warehouse facilities, *Kataage Potato* production line expansion)
    - Overseas business: ¥2.6bn (Warnock acquisition of land and buildings)
  - Growth investment: ¥1.5bn (DX investment, capital investment in products with new value)
  - Shareholder returns: ¥18.7bn (share buyback: ¥12.0bn, dividends: ¥6.7bn)
- **FY2023/3 (plan)**
  - Invest in continued growth of core businesses and higher productivity
  - Invest in products with new value and new businesses based on a long-term perspective; invest in DX

Shareholder returns

Aim for total return ratio over 50%, DOE 4%, maintain stable dividend growth and conduct agile share buybacks

- **FY2021/3**: ¥50 per share (unchanged YoY)
- **FY2022/3**: ¥52 per share (¥2 increase YoY)
  - Total return ratio 103.7%, DOE 3.9%
- **FY2023/3 (plan)**: ¥52 per share (unchanged YoY)
  - Total return ratio 43.3%
FY2024/3 Management target
5years operating cash flow allocation

- In addition to capital investment, allocate resources to new businesses and growth investment with a medium- to long-term perspective
- Proactively and continuously implement shareholder returns to raise capital efficiency

《5years FY2020/3〜FY2024/3》

<table>
<thead>
<tr>
<th>Operating cash flow</th>
<th>Capital Investment</th>
<th>Growth Investment</th>
<th>Shareholder Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. ¥150.0bn</td>
<td>Approx. ¥60.0bn</td>
<td>Approx. ¥80.0bn</td>
<td>¥50.0bn or more</td>
</tr>
</tbody>
</table>

- Invest to continually grow/raise productivity in domestic core businesses and strengthen overseas production structure
- Invest in new businesses, M&A, etc., to acquire foundation for growth
- Invest in intangible assets towards medium- to long-term growth (R&D, human resources, promotion of DX, etc.)
- Aim for total return ratio over 50%, DOE 4 %, maintain stable dividend growth and conduct agile share buybacks
Calbee Group’s Medium-term business plan
Progress and Challenges

Shuji Ito
President and CEO
Medium-term business plan progress

- Steady progress in sales due to expansion of overseas business and entry into the sweet potato business
- Profit progress has been substantially delayed due to external factors including the COVID-19 pandemic, soaring raw material costs and a potato shortage

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Gross Sales (Billion yen)</th>
<th>Operating Profit (Billion yen)</th>
<th>Operating Margin (for gross sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY'20/3</td>
<td>207.2</td>
<td>27.7</td>
<td>12.7%</td>
</tr>
<tr>
<td>FY'21/3</td>
<td>203.4</td>
<td>27.1</td>
<td>11.6%</td>
</tr>
<tr>
<td>FY'22/3</td>
<td>201.6</td>
<td>25.1</td>
<td>10.8%</td>
</tr>
<tr>
<td>FY'24/3 target</td>
<td>310.0</td>
<td>40.0</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

Impact of COVID-19: soaring raw material costs, potato shortage
Medium-term business plan:
Policy for improving operating profit

- Aim to improve profitability by flexibly implementing price and content revisions in response to rising raw material costs, etc.
- Work to build a foundation for overseas business and new food domains, which will be axes for future growth

Changes in operating profit

Improving profit toward medium- to long-term growth
- Create a next-generation production structure
- Expand business in new domains

Profit improvement from FY'23/3 to FY'24/3

 Fiscal year (FY) 22/3
Result
- Soaring raw material costs, etc.
- Decrease in gift snack sales
- Cost reduction, etc.

Profit improvement
- Soaring raw material costs, etc.
- Price and content revision
- Domestic high-value added products
- Overseas profit improvement

Target
- New BZ
- Overseas BZ
- Domestic BZ

(Billion yen)
Medium-term business plan: Key initiatives (domestic core business)

**Improve profitability through dynamic price and content revisions**
- Counter soaring raw material and other costs by passing increases on through dynamic price/content revisions in all categories
- Introduce new standard products and others to avoid impact from volume reductions due to revisions

**Develop products with new value and promote high value-added products**
- Strengthen development of products with new value that meet the demands of changing consumer behavior
- Restore sales of gift snack items and promoting sales measures that do not rely on tourism demand

---

Health-conscious  “Craft” preference  Expand “occasions”

Handmade taste / Commitment  Go well with alcohol  Portable

---

Gift snack item sales
(Billion yen)

Ratio with FY'20/3 set at 100%

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Medium-term business plan: Key initiatives (overseas business)

**Strengthen revenue base in North America**

**Once more strengthen *Harvest Snaps* and introduce new BFY products**

- Expand *Harvest Snaps* variations and increase sales outlets
- Introduce new products leveraging Warnock production facilities and Calbee's R&D capabilities

**Strengthen sales in ethnic food areas**

- Capture growth opportunities in ethnic food areas (Asian supermarkets)
- Expand brands originating from Japan such as *Jagarico* and *Kappa Ebisen*
Medium-term business plan: Key initiatives (overseas business)

Expand products in Greater China and ASEAN and augment production facilities

Enhance product lineup centered on appeal to middle-class consumers

**Potato-based snacks**
Pursue Calbee brand recognition and value from product differentiation

**Cereals**
Launch in Frugra functional product line-up and products targeting the middle class

**Snacks for kids**
Grow by leveraging the strength of our safe and secure brand image

Enhance production/development capabilities in the region
Augment production facilities and utilize OEMs near China (Thailand, Indonesia, Hong Kong, etc.)

Sales in Greater China
(Billion yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Plan</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY’20/3</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>FY’21/3</td>
<td>15.1</td>
<td></td>
</tr>
<tr>
<td>FY’22/3</td>
<td>19.6</td>
<td></td>
</tr>
<tr>
<td>FY’23/3</td>
<td>26.3</td>
<td></td>
</tr>
<tr>
<td>FY’24/3</td>
<td>25.0</td>
<td></td>
</tr>
</tbody>
</table>

Product supply facilities for mainland China

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Develop business in new food domains at natural ingredients’ point of origin

Expand sweet potato business

- Advance augmentation of procurement area/production facilities
- Enhance company-owned shop and e-commerce sales
- Promote overseas expansion

Develop new business at ingredients’ point of origin

Focus on new business development in beans and oats following the sweet potato business

Aim to accelerate business development through M&A/alliances that seize on growth opportunities

Sales in sweet potato (Billion yen)

Over +20% growth

FY’22/3 FY’23/3 plan FY’24/3 target
In conclusion: Towards implementing the Medium-term business plan

Future policy

- Dynamic price/content revisions in response to higher raw material costs
- Invest management resources in North America, Greater China and ASEAN
- Enhance development of business in new food domains at ingredients’ point of origin

Put Calbee Group back on a growth trajectory towards achieving our 2030 Vision

Calbee in 2030
Establish our pivotal growth drivers in overseas and new food domains
Reference material

For detailed figures for sales by product, sales by overseas country/region, etc., please refer to FY2022/3 Supplementary Information.
## Consolidated profit and loss statement
**(FY2022/3 financial results and FY2023/3 full year forecasts)**

### (Million yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2022/3</th>
<th>FY2023/3 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent of total (%)</td>
<td>Change (YoY) (%)</td>
</tr>
<tr>
<td>Net sales</td>
<td>245,419</td>
<td>100.0</td>
</tr>
<tr>
<td>Gross profit</td>
<td>83,954</td>
<td>34.2</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>58,818</td>
<td>24.0</td>
</tr>
<tr>
<td>Selling</td>
<td>8,278</td>
<td>3.4</td>
</tr>
<tr>
<td>Distribution</td>
<td>20,044</td>
<td>8.2</td>
</tr>
<tr>
<td>Labor</td>
<td>19,584</td>
<td>8.0</td>
</tr>
<tr>
<td>Others</td>
<td>10,911</td>
<td>4.4</td>
</tr>
<tr>
<td>Operating profit</td>
<td>25,135</td>
<td>10.2</td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>26,938</td>
<td>11.0</td>
</tr>
<tr>
<td>Extraordinary income/loss</td>
<td>-190</td>
<td>—</td>
</tr>
<tr>
<td>Net profit**</td>
<td>18,053</td>
<td>7.4</td>
</tr>
</tbody>
</table>

* Revised plan as of third quarter of the fiscal year ended March 2022

**Profit attributable to owners of parent
### Cash flows and financial condition

#### Consolidated cash flows

<table>
<thead>
<tr>
<th></th>
<th>Operating CF</th>
<th>Investing CF</th>
<th>Free CF</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2021</td>
<td>30,450</td>
<td>-32,069</td>
<td>-1,619</td>
</tr>
<tr>
<td>March 31, 2022</td>
<td>22,327</td>
<td>3,643</td>
<td>25,971</td>
</tr>
</tbody>
</table>

**Main changes**
- Foreign exchange gains: -1,987
- Increase in trade receivables: -1,697
- Purchase/redeemption of Securities: -32,069

#### Consolidated balance sheets

<table>
<thead>
<tr>
<th></th>
<th>FY2021/3</th>
<th>FY2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>238,977</td>
<td>236,598</td>
</tr>
<tr>
<td>Current assets</td>
<td>116,327</td>
<td>115,171</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>121,427</td>
<td>121,427</td>
</tr>
<tr>
<td>Net assets</td>
<td>183,458</td>
<td>183,458</td>
</tr>
</tbody>
</table>

**Main changes**
- Short-term loans payable: -1,468
- Long-term loans payable: -3,166
- Treasury shares: -11,913
- Retained earnings: +10,733

(Numbers in parentheses are change from March 31, 2021)
Domestic market

**Domestic confectionery market**

- Confectionery retail sales: 3.29 trillion yen
- Chocolate: 552.0 bn yen
- Snacks: 457.0 bn yen
- Rice snacks: 377.7 bn yen

*Source: All Nippon Kashi Association*

**Domestic cereal market**

- Cereal shipment amounts: 62.2 bn (YoY +5.7%)

*Source: Japan Snack Cereal Foods Association*
Domestic market share

Market share*

Potato chips market share FY2022/3 total 70.4%

Snack market share FY2022/3 total 52.8%

Market share by snack category**

<table>
<thead>
<tr>
<th></th>
<th>Potato-based snacks</th>
<th>Flour-based snacks</th>
<th>Corn-based snacks</th>
<th>Bean-based snacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2022/3 (YoY)</td>
<td>73.5% (1.3P↓)</td>
<td>54.8% (0.5P↓)</td>
<td>22.3% (1.1P↓)</td>
<td>55.2% (7.7P↑)</td>
</tr>
</tbody>
</table>

* From FY2021/3 Intage's SRI+ has changed how it conducts planning and estimation; prior figures have been revised to reflect the new method.

* * Source: Intage SRI+ based on sales (nationwide, all retail formats)
FY2022/3: April 2021 – March 2022
FY2018/3-FY2022/3: April 2017 – March 2022
Snack foods, potato-based snack, corn-based snack, bean-based 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
Four-based snacks : Raw material of flour
Corn-based snacks : Raw material of corn
Bean-based snacks : Raw material of bean

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Domestic business status

■ Sales composition by business

* Calbee alone (manufacturer shipped goods basis)
Overseas market by country

**USA snack market**

- Others
- Tortilla Chips
- Potato Chips
- Nuts, Seeds and Trail Mixes

**UK snack market**

- Others
- Savoury Biscuits
- Puffed Snacks
- Potato Chips

**Indonesia snack market**

- Others
- Nuts, Seeds and Trail Mixes
- Puffed Snacks
- Savoury Biscuits

**China snack market**

- Other Snacks
- Savoury Biscuits
- Puffed Snacks
- Potato Chips
- Nuts, Seeds and Trail Mixes

**China cereal market (For retail store sales)**

- Other Cereals
- Muesli and Granola
- Hot Cereals

Source: Euromonitor International
Category: Snack (Savory Snacks: Nuts, Seeds and Trail Mixes, Salty Snacks, Savory Biscuits, Popcorn, Pretzels, Other Savory Snacks) Cereal: Breakfast Cereals (Hot Cereals, RTE Cereals) 2022-2026: Forecast

* The aggregation range of the Chinese snack market has been changed from the fiscal year ended March 2022.
Overseas business status

- **Overseas locations** (as of March 31, 2022)
  Expanded to 9 countries/regions

  - **UK**: Calbee Group (UK)
  - **China**: Yantai Calbee, CFSS, Calbee (Hangzhou), Calbee (China)
  - **South Korea**: Haitai-Calbee
  - **Thailand**: Calbee Tanawat
  - **Hong Kong**: Calbee Four Seas, Calbee E-commerce
  - **Singapore**: Calbee Moh Seng
  - **Indonesia**: PT. Calbee-Wings Food
  - **Australia**: Calbee Australia
  - **North America**: Calbee America, Calbee North America, Warnock Food Products

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FY2023/3 Full year forecasts
Factors increasing operating profit

Change in operating profit (YoY)

<table>
<thead>
<tr>
<th></th>
<th>FY22'/3</th>
<th>FY23'/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>↑3.11</td>
<td></td>
</tr>
<tr>
<td>Rebates deducted from sales</td>
<td>↑0.18</td>
<td></td>
</tr>
<tr>
<td>Raw material costs</td>
<td>↓3.6</td>
<td></td>
</tr>
<tr>
<td>Costs</td>
<td>↑0.9</td>
<td></td>
</tr>
<tr>
<td>Distribution costs</td>
<td>↑0.44</td>
<td></td>
</tr>
<tr>
<td>Labor costs (SG&amp;A)</td>
<td>↓0.69</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>↓1.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>25.5</td>
</tr>
</tbody>
</table>

【Domestic】
-1.4

【Overseas】
+1.8

(Billion yen)
Increase
Decrease

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## Medium-term business plan progress (Non-financial indices)

<table>
<thead>
<tr>
<th></th>
<th>FY’20/3</th>
<th>FY’21/3</th>
<th>FY’22/3</th>
<th>FY’24/3 (Targets)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt equivalent in products (compared with FY’19/3)</td>
<td>-1.8%</td>
<td>-5.4%</td>
<td>-6.9%</td>
<td>20% reduction</td>
</tr>
<tr>
<td>Protein-rich product sales ratio</td>
<td>4.1%</td>
<td>4.8%</td>
<td>5.8%</td>
<td>10%</td>
</tr>
<tr>
<td>Female manager ratio</td>
<td>20.4%</td>
<td>21.8%</td>
<td>23.3%</td>
<td>Over 30%</td>
</tr>
<tr>
<td>(as of ’20/4)</td>
<td>(as of ’21/4)</td>
<td>(as of ’22/4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Procurement volume of potatoes</td>
<td>373K tons</td>
<td>342K tons</td>
<td>319K tons</td>
<td>400K tons*</td>
</tr>
<tr>
<td>Food communication Participants (accumulated number in 5 years)</td>
<td>77K people</td>
<td>108K people</td>
<td>164K people</td>
<td>400K people</td>
</tr>
<tr>
<td>Product Food losses (compared with FY’19/3)</td>
<td>-20%</td>
<td>+74%</td>
<td>-12%</td>
<td>20% reduction</td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>+1.4%</td>
<td>+0.6%</td>
<td>–</td>
<td>30% Reduction*</td>
</tr>
</tbody>
</table>

*Target achievement year: FY’31/3
## Sustainability initiatives

### Initiatives to support sustainable growth

Create social and economic value through a sustainable, virtuous cycle, continually advancing initiatives for materiality key themes with a long-term perspective

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reductions of greenhouse gas emissions</strong></td>
<td>Besides smart energy, advance shift to CO₂ free electricity derived from renewable energy sources</td>
</tr>
<tr>
<td><strong>Switch to RSPO-certified oil</strong></td>
<td>Began buying RSPO-certified oil (mass balance calculation) from July 2021</td>
</tr>
<tr>
<td><strong>Reduction of petroleum-derived plastic packaging</strong></td>
<td>Products using biomass PET</td>
</tr>
<tr>
<td><strong>In FY2022 all domestic Group factories to use certified palm oil only</strong></td>
<td>For packaging, advance use of biomass PET, switch to biomass ink, etc.</td>
</tr>
</tbody>
</table>

**30% reduction by 2030**  
(Scope 1, 2, 3, vs. FY2019)

**Use 100% certified oil by 2030**

**Use Environmentally Conscious raw materials for 50% by 2030**
Financial highlights

* Effective from the beginning of fiscal year ended March 31, 2022, the Group adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and changed the method to deduct a portion of selling expenses (rebates, etc.) from sales, which was previously recorded in selling, general and administrative expenses.

---

Sales

Gross profit

Operating profit

SG&A

* FY'18/3 FY'19/3 FY'20/3 FY'21/3 FY'22/3

Gross profit (Million yen)

Operating profit (Million yen)

SG&A expenses (Million yen)

Sales

Gross profit margin (%)

Operating margin (%)

SG&A expenses to net sale (%)

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Financial highlights ②

### Net income/ROE

<table>
<thead>
<tr>
<th>FY'18/3</th>
<th>FY'19/3</th>
<th>FY'20/3</th>
<th>FY'21/3</th>
<th>FY'22/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income(Million yen)</td>
<td>17,330</td>
<td>19,429</td>
<td>17,539</td>
<td>17,682</td>
</tr>
<tr>
<td>ROE(%)</td>
<td>13.0</td>
<td>13.2</td>
<td>11.1</td>
<td>10.4</td>
</tr>
</tbody>
</table>

### Capital expenditures/Depreciation

<table>
<thead>
<tr>
<th>FY'18/3</th>
<th>FY'19/3</th>
<th>FY'20/3</th>
<th>FY'21/3</th>
<th>FY'22/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures(Million yen)</td>
<td>11,009</td>
<td>7,845</td>
<td>9,945</td>
<td>9,004</td>
</tr>
<tr>
<td>Depreciation(Million yen)</td>
<td>9,051</td>
<td>8,023</td>
<td>8,449</td>
<td>8,449</td>
</tr>
</tbody>
</table>

### Equity ratio

<table>
<thead>
<tr>
<th>FY'18/3</th>
<th>FY'19/3</th>
<th>FY'20/3</th>
<th>FY'21/3</th>
<th>FY'22/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets(Million yen)</td>
<td>192,034</td>
<td>202,750</td>
<td>214,967</td>
<td>238,978</td>
</tr>
<tr>
<td>Net assets(Million yen)</td>
<td>146,667</td>
<td>160,490</td>
<td>169,632</td>
<td>182,740</td>
</tr>
<tr>
<td>Equity ratio(%)</td>
<td>72.6</td>
<td>75.9</td>
<td>75.9</td>
<td>73.4</td>
</tr>
</tbody>
</table>

### Debt to equity ratio

<table>
<thead>
<tr>
<th>FY'18/3</th>
<th>FY'19/3</th>
<th>FY'20/3</th>
<th>FY'21/3</th>
<th>FY'22/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing debt(Million yen)</td>
<td>1,511</td>
<td>1,274</td>
<td>1,363</td>
<td>0.0</td>
</tr>
<tr>
<td>Debt equity ratio(Times)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
Contact details for IR inquiries:
Calbee, Inc. Investor Relations Department
E-mail: 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, 2022 is referred to throughout this report as “FY2022/3 (FY’22/3),” and other fiscal years are referred to in a corresponding manner. References to years not specified as being fiscal years are 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.