



**Calbee**

# Calbee Group Financial Results

First half of fiscal year ending March 31, 2023

April 1, 2022 – September 30, 2022

※カルビーの代表産地である北海道で撮影しています。

TSE code : 2229  
**Calbee, Inc.**  
Nov. 7, 2022

- 1. FY2023/3 Review of first half results**
2. Revised FY2023/3 Full year forecasts
3. Share buyback

# FY2023/3 H1: Results highlights

## Summary

Although sharp rises in costs due to the weakening of the yen and other factors were greater than initially expected, operating profit was largely in line with plan due to strong domestic and overseas snack sales

Implemented domestic and overseas price/content revisions in response to sharp rise in costs

- Net sales** Domestic: Strong sales of snacks on recovery in travel demand, etc.  
 Overseas: Strong sales in North America/UK/Indonesia
- Operating profit** Domestic: Achieved plan on strong sales, but profit fell as price/content revisions were unable to absorb the sharp rise in costs  
 Overseas: North America contributed, Greater China didn't achieve plan  
 Domestic: Sharp rise in costs: -¥5.3bn, price/content revision effect: +¥2.3bn  
 Overseas: Sharp rise in costs: -¥1.9bn, price/content revision effect: +¥2.6bn
- Net profit** Foreign exchange gains of ¥2.4bn (+¥2.2bn YoY, +¥2.4bn vs plan)

(Billion yen)

	FY2023/3 H1	FY2022/3 H1	Change	FY2023/3 H1 Target	vs. plan Ratio
<b>Net sales</b>	<b>133.2</b>	<b>120.4</b>	<b>+10.6%</b>	<b>128.9</b>	<b>103.3%</b>
Domestic	97.8	93.4	+4.6%	96.0	101.9%
Overseas	35.4	27.0	+31.3%	32.9	107.7%
<b>Operating profit</b>	<b>10.2</b>	<b>13.3</b>	<b>-23.0%</b>	<b>10.3</b>	<b>99.5%</b>
Operating margin	<b>7.7%</b>	<b>11.0%</b>	<b>-3.4pts</b>	<b>8.0%</b>	<b>-0.3pts</b>
Domestic	8.9	12.2	-27.1%	8.8	101.0%
Overseas	1.3	1.1	+22.2%	1.5	90.4%
<b>Ordinary profit</b>	<b>12.7</b>	<b>13.6</b>	<b>-6.4%</b>	<b>10.1</b>	<b>126.5%</b>
Extraordinary income/loss	-0.0	-0.2	-	-0.3	-
<b>Net profit *</b>	<b>8.3</b>	<b>9.2</b>	<b>-9.4%</b>	<b>6.2</b>	<b>134.1%</b>

\*Profit attributable to owners of parent

# FY2023/3 H1: Domestic business

- **Net sales** (Snacks) Gift snack items recovered and snack demand was firm  
Sales of *Potato Chips* were lower on having restrained sales promotions until August due to the potato shortage

(Cereals) New products contributed

(Others) Firm sales in the sweet potato business
- **Operating profit** Fell as higher sales and the effect of price/content revisions were unable to absorb the sharp rise in raw material and energy prices

(Billion yen)

	FY2023/3 H1		
		Change(YoY)	
<b>Domestic sales</b>	<b>97.8</b>	<b>+4.3</b>	<b>+4.6%</b>
Snacks	90.1	+2.4	+2.7%
<i>Potato Chips</i>	40.6	-0.5	-1.2%
<i>Jagarico</i>	19.0	+1.1	+6.0%
Products with new value/other snacks	30.5	+1.8	+6.2%
Cereals	13.4	+0.3	+2.0%
Others (Sweet potatoes, Potatoes, Services)	5.6	+0.7	+14.8%
Rebates deducted from sales	-11.3	+1.0	—
<b>Domestic operating profit</b>	<b>8.9</b>	<b>-3.3</b>	<b>-27.1%</b>
Operating margin	<b>9.1%</b>	<b>-4.0pts</b>	—

\*Amounts for sales of Snacks, Cereals and Others (Sweet potatoes, Potatoes, Services) are prior to deduction of rebates, etc.

# FY2023/3 H1: Domestic business

\*:YoY

## Snacks

### ■ **Potato Chips:**

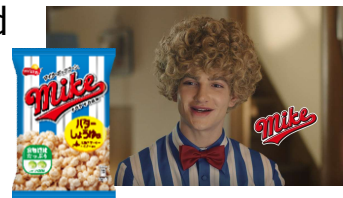
- Sales fell until August on having restrained sales promotion activities, but sales quantities recovered with resumption of promotions in September
- 2022 Hokkaido potato harvest expected to be larger

### ■ **Jagarico:**

- Sales of L-size and limited time products at convenience stores grew

### ■ **Products with new value and other snacks:**

- Gift snack items such as *Jaga-Pokkuru* recovered
- Sales of other snacks saw shift in demand from *Potato Chips*, as well as contribution from new products and successful marketing activities



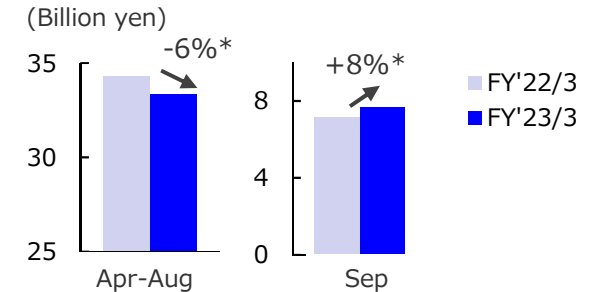
Mike Popcorn commercial

## Cereals

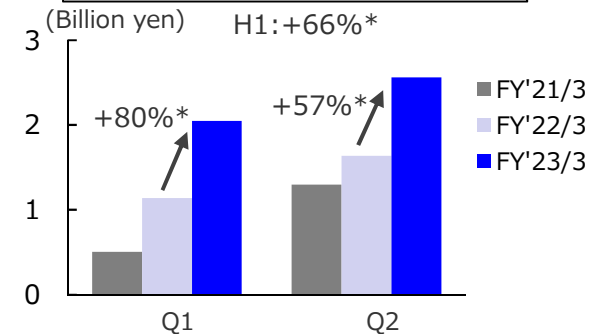
*Baked Oats*, a new product in response to demand for oatmeal, and *Berry Cacao*, the second *Frugra Less Carbohydrates* product, contributed



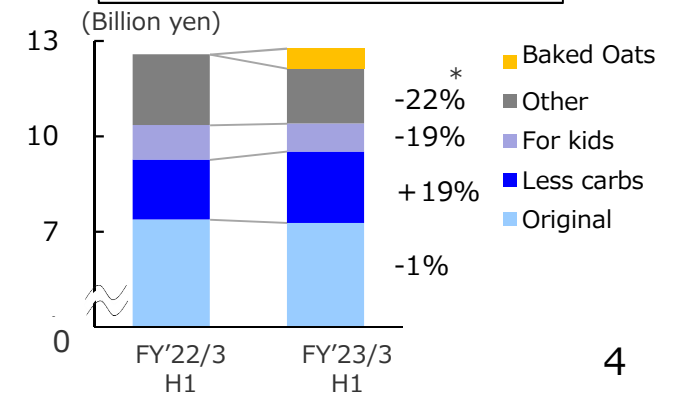
### Sales of *Potato Chips*



### Sales of gift snack items



### Sales of cereals (domestic consumption)



# FY2023/3 H1: Overseas business

(Billion yen)

<Business results by region>	FY2023/3 H1			
		Change(YoY)		Change ex. forex in %
<b>Overseas sales</b>	<b>35.4</b>	<b>+8.4</b>	<b>+31.3%</b>	<b>+14.2%</b>
North America	11.2	+3.5	+46.3%	+20.8%
Greater China	11.5	+2.4	+26.0%	+8.3%
Other regions	17.5	+3.8	+27.9%	+15.5%
Rebates deducted from sales	-4.8	-1.3	-	-
<b>Overseas operating profit</b>	<b>1.35</b>	<b>+0.25</b>	<b>+22.2%</b>	<b>-</b>
Operating margin	<b>3.8%</b>	<b>-0.3pts</b>	<b>-</b>	<b>-</b>
North America	0.59	+0.54	+1,050.6%	-
Greater China	0.46	-0.19	-28.9%	-
Other regions	0.30	-0.11	-27.3%	-

\*Sales by region are amounts prior to deduction of rebates, etc.

# FY2023/3 H1: Overseas business

\*:YoY

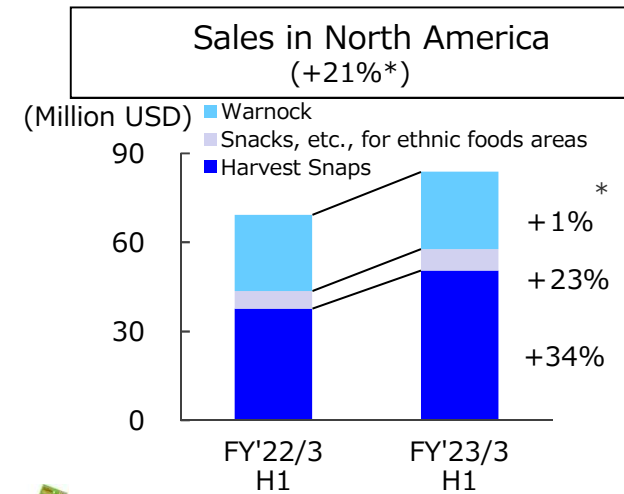
## North America

### ■ Sales

- Sales of *Harvest Snaps* rose on marketing activities, such as packaging renewal and product lineup enhancement, and the effect of price revisions
- In ethnic food areas, sales of *Kappa Ebisen* were strong

### ■ Operating profit

- Profit rose on higher sales and price/content revisions



## Greater China

### ■ Sales

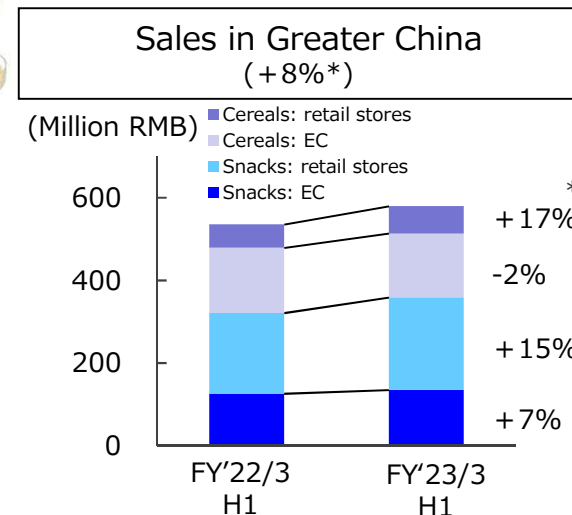
- In snacks, sales of *Honey Butter Chip* and products for the babies and kids segment grew
- In cereals, sales of *Frugra Less Carbohydrates* grew
- Some product launches and expansions at retail stores were delayed due to lockdowns



For babies & kids

### ■ Operating profit

- Funds to promote branding and enhance marketing efforts were invested as planned



## Other regions

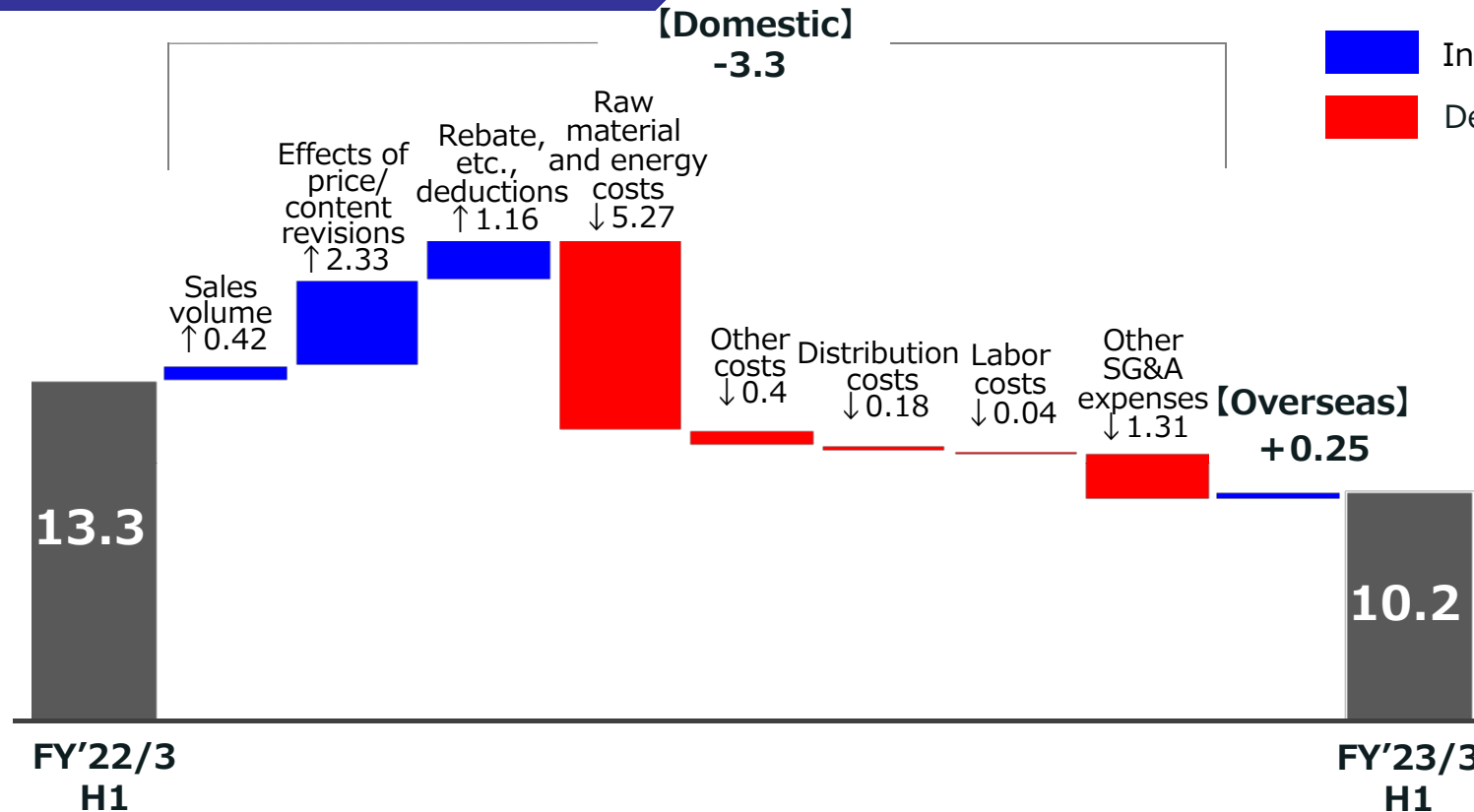
- The UK and Indonesia contributed to sales
- Operating profit fell as price/content revisions were unable to cover freight costs and the sharp rise in raw material costs

# FY2023/3 H1: Factors decreasing operating profit

## Change in operating profit (YoY)

(Billion yen)

■ Increase  
■ Decrease



### Domestic

Rebate, etc., deductions: Restrained selling costs for *Potato Chips* due to potato shortage  
 Raw material/energy costs: Cooking oil (-¥0.6bn), imported raw materials (-¥1.1bn), domestic potatoes (-¥0.6bn), packaging (-¥0.9bn), energy costs (-¥1.2bn)  
 Other costs: Depreciation (-¥0.2bn), productivity (-¥0.2bn)  
 Other: Higher expenditures due to normalization of socio-economic activity

### Overseas

Effects of price/content revisions (+¥2.6bn), raw material and energy costs (-¥1.9bn)



1. FY2023/3 Review of first half results
- 2. Revised FY2023/3 Full year forecasts**
3. Share buyback

# FY2023/3: Revised forecasts

## Summary

Despite strong domestic and overseas snack sales, sharp rises in energy and raw material prices exceeded initial forecasts due to the weakening yen and prolongation of the situation in Russia/Ukraine

Sales: revised +¥6.0bn, Operating profit: revised -¥3.5bn, Net profit: no change

- ◆ Effect on full year profit    Sharp rise in costs: Domestic -¥13.3bn, Overseas -¥4.0bn,  
Foreign exchange gains: +¥2.7bn    \*Exchange rate assumption: \$1:(FY)¥140.28, (H2)¥148.26
- ◆ Actions for H2    •Launch products and promote sales to achieve sales targets  
•Expand exports to Greater China, etc.  
•Reduce manufacturing costs and SG&A expenses  
•Consider price/content revisions next fiscal year and beyond

(Billion yen)

	FY2023/3 (Initial Plan)	FY2023/3 (Revised Forecast)	Change (vs Initial Plan)
<b>Net sales</b>	<b>268.0</b>	<b>274.0</b>	<b>+6.0</b>
Domestic	199.5	201.3	+1.8
Overseas	68.5	72.7	+4.2
<b>Operating profit</b>	<b>25.5</b>	<b>22.0</b>	<b>△3.5</b>
Operating margin	9.5%	8.0%	-1.5pts
Domestic	21.7	18.2	△3.5
Overseas	3.8	3.8	-
<b>Ordinary profit</b>	<b>25.0</b>	<b>25.0</b>	<b>-</b>
Extraordinary income/loss	△0.5	△0.5	-
<b>Net profit*</b>	<b>15.5</b>	<b>15.5</b>	<b>-</b>

\*Profit attributable to owners of parent

1. FY2023/3 Review of first half results
2. Revised FY2023/3 Full year forecasts
- 3. Share buyback**

# Share buyback

Resolved to acquire treasury stock up to 12 billion yen at the meeting of the Board of Directors held on Nov. 7, 2022

## ■ Purpose

To enhance distribution of profit and raise capital efficiency

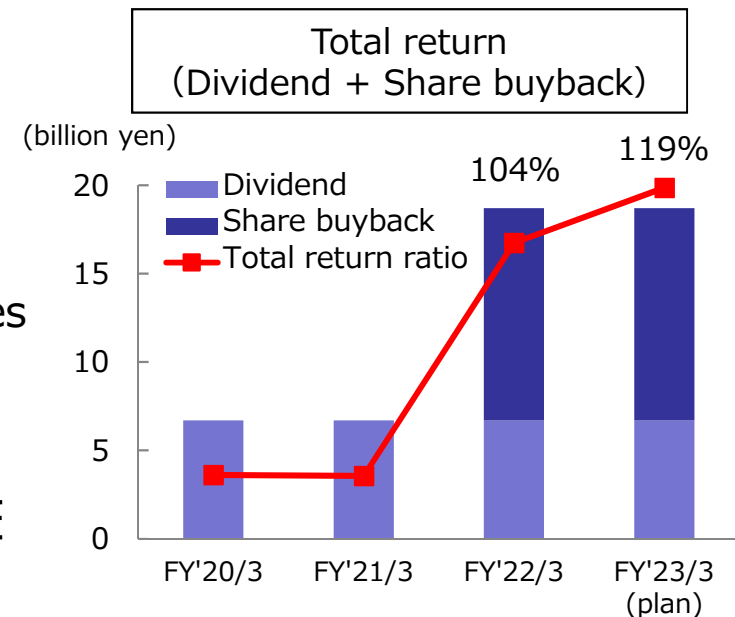
## ■ Details

Cost : Up to ¥12 billion

Number of shares: Up to 5,500,000  
(3.87% of total number of outstanding shares  
(excluding treasury stock))

Period: 2022/11/8 – 2023/3/31

Method: Market purchase on the TSE



# Reference materials

# Consolidated profit and loss statement

(Million yen)

	FY2023/3 Q2				FY2023/3 H1			
		Percent of total(%)	Change (YoY) (%)	vs. plan Ratio (%)		Percent of total(%)	Change (YoY) (%)	vs. plan Ratio (%)
Net sales	67,888	100.0	+12.1	101.9	133,212	100.0	+10.6	103.3
Gross profit	21,649	31.9	+3.7	99.9	42,776	32.1	+1.6	101.2
SG&A	16,766	24.7	+15.5	101.7	32,529	24.4	+13.0	101.8
Selling	2,735	4.0	+39.1	93.0	5,004	3.8	+25.9	95.1
Distribution	5,360	7.9	+9.1	100.0	10,686	8.0	+10.6	103.0
Labor	5,329	7.8	+6.3	101.7	10,329	7.8	+5.6	100.2
Others	3,340	4.9	+27.3	113.6	6,508	4.9	+21.2	108.1
Operating profit	4,883	7.2	-23.3	93.9	10,246	7.7	-23.0	99.5
Ordinary profit	5,755	8.5	-12.0	113.5	12,711	9.5	-6.4	126.5
Extraordinary income/loss	+31	-	-	-	-7	-	-	-
Net profit*	3,758	5.5	-11.0	121.2	8,311	6.2	-9.4	134.1

\*Profit attributable to owners of parent

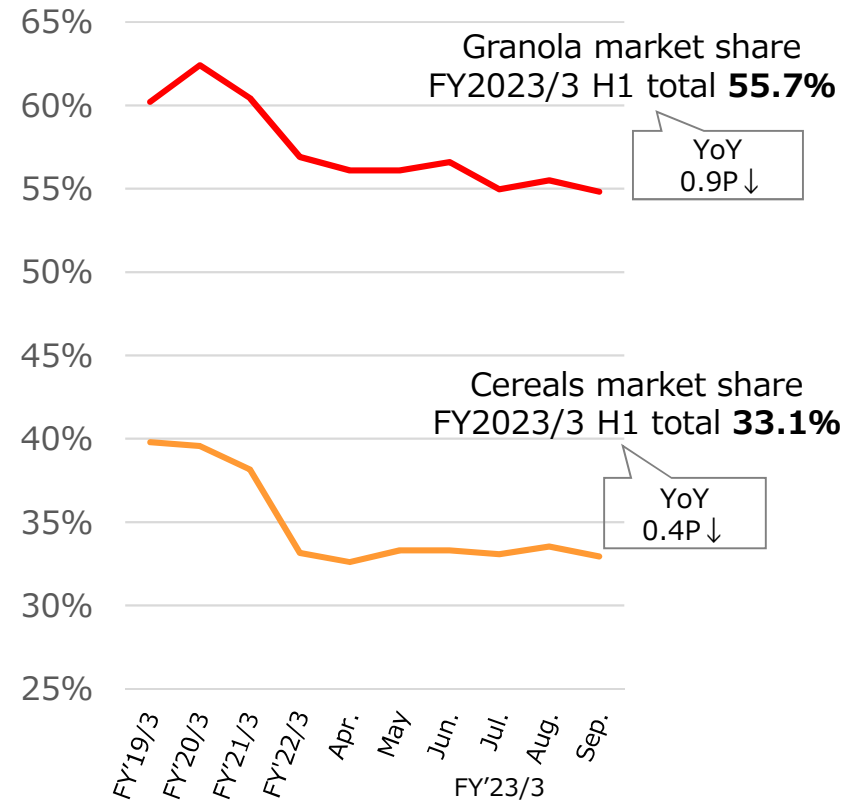
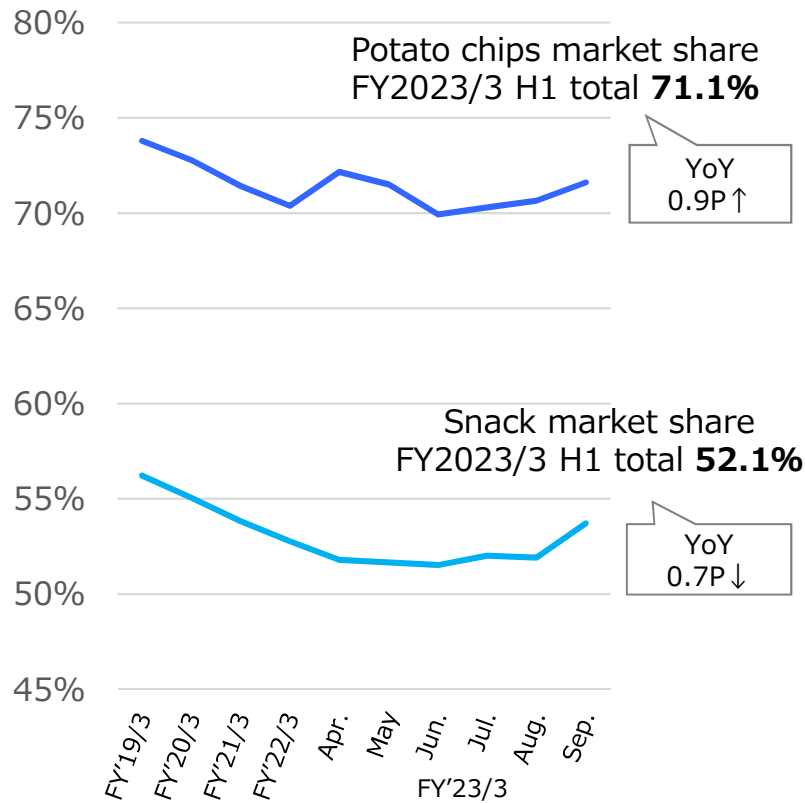
# Revised FY2023/3 full year forecasts: Consolidated profit and loss statement

(Million yen)

	FY2022/3		FY2023/3 (Initial plan)		FY2023/3 (Revised forecast)	
		Percent of total(%)		Percent of total(%)		Percent of total(%)
Net sales	245,419	100.0	268,000	100.0	274,000	100.0
Gross profit	83,954	34.2	89,700	33.5	86,200	31.5
SG&A	58,818	24.0	64,200	24.0	64,200	23.4
Selling	8,278	3.4	10,600	4.0	10,600	3.9
Distribution	20,044	8.2	21,000	7.8	21,000	7.7
Labor	19,584	8.0	20,900	7.8	20,900	7.6
Others	10,911	4.4	11,700	4.4	11,700	4.3
Operating profit	25,135	10.2	25,500	9.5	22,000	8.0
Ordinary profit	26,938	11.0	25,000	9.3	25,000	9.1
Extraordinary income/loss	△190	—	△500	—	△500	—
Net profit*	18,053	7.4	15,500	5.8	15,500	5.7

\*Profit attributable to owners of parent

# Domestic market share



Source: Intage SRI+ based on sales amount (nationwide, all retail formats)  
 FY2023/3 H1 total: April 2022 - September 2022  
 Comparison period: April 2021 - September 2021  
 FY'19/3-FY'22/3: April 2018 - March 2022

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

- The Company's fiscal year ends on March 31. The fiscal year ending March 31, 2023 is referred to throughout this report as "FY2023/3 (FY'23/3)," and other fiscal years are referred to in a corresponding manner. References to years not specified as being fiscal years are to calendar years.
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- This document also contains unaudited figures for reference purposes only.