



Calbee

Calbee Group Financial Results

Third quarter of fiscal year ending March 31, 2023

April 1, 2022 – December 31, 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.
Feb. 6, 2023

FY2023/3 Q3: Results highlights (three months)



Summary (three months)

Sales and profit rose on firm domestic and overseas demand for snacks after price revisions
 Sharp rise in raw material/energy costs were within expectations

- Net sales** Domestic: Rose on effect of price revisions and higher demand for snacks
 Overseas: Strong sales in North America/UK
- Operating profit** Domestic: Sharp rise in costs offset by effect of price/content revisions and higher sales volumes
 Overseas: Underperformed plan on deterioration of the market environment in Greater China due to a resurgence of COVID-19
 Domestic: Sharp rise in costs: -¥3.4bn, price/content revision effect: +¥3.9bn
 Overseas: Sharp rise in costs: -¥0.8bn, price/content revision effect: +¥1.6bn
- Net profit** Foreign exchange loss of ¥1.4bn (-¥1.9bn YoY, -¥1.7bn vs plan)

(Billion yen)

	FY2023/3 Q3	FY2022/3 Q3	Change	FY2023/3 Q3 Target	vs. plan Ratio
Net sales	75.3	65.0	+15.8%	73.3	102.7%
Domestic	56.5	49.8	+13.4%	53.8	105.0%
Overseas	18.8	15.2	+23.6%	19.5	96.4%
Operating profit	7.8	7.6	+3.1%	7.4	105.7%
Operating margin	10.4%	11.7%	-1.3pts	10.1%	+0.3pts
Domestic	7.1	7.2	-0.8%	6.0	117.9%
Overseas	0.7	0.4	+70.1%	1.4	51.9%
Ordinary profit	6.3	8.0	-20.6%	7.7	82.8%
Extraordinary income/loss	-0.1	0.3	—	-0.2	—
Net profit *	4.2	5.5	-23.6%	4.6	92.4%

*Profit attributable to owners of parent

FY2023/3 Q3: Domestic business (three months)



- Net sales**
 - Snacks:** Grew in each sales channel for items that underwent price revisions
Strong sales of gift snack items amid recovery in travel demand
 - Cereals:** Demand fell after price revisions
 - Others:** Sales firmed in the sweet potato business

- Operating profit** Higher sales volumes and the effect of price/content revisions compensated for sharp rise in raw material and energy prices

(Billion yen)

	FY2023/3 Q3		
		Change(YoY)	
Domestic sales	56.5	+6.7	+13.4%
Snacks	53.3	+6.1	+12.9%
<i>Potato Chips</i>	26.1	+3.1	+13.4%
<i>Jagarico</i>	10.7	+1.6	+17.2%
Products with new value/other snacks	16.5	+1.4	+9.4%
Cereals	5.2	-0.5	-8.5%
Others (Sweet potatoes, Potatoes, Services)	4.4	+0.7	+20.4%
Rebates deducted from sales	-6.4	+0.3	—
Domestic operating profit	7.1	-0.1	-0.8%
Operating margin	12.6%	-1.8pts	—

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

FY2023/3 Q3: Domestic business (three months)

*:YoY

Snacks

■ **Potato Chips:**

- Sales volumes grew after price revisions in September on larger Hokkaido potato harvest and firm demand
- Strong sales of renewed *Kataage Potato* on its 30th anniversary and large size products during high-demand year end season

■ **Jagarico:**

- Strong sales of regular products on all channels; increased number of limited-time products also contributed

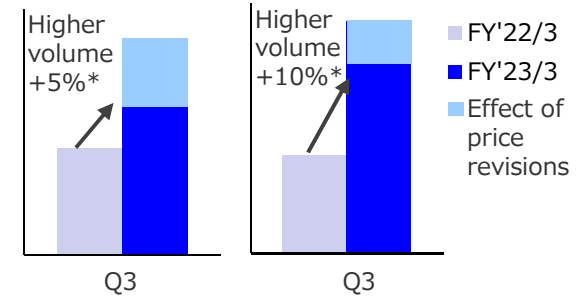
■ **Products with new value and other snacks:**

- Sales of gift snack items such as *Jaga-Pokkuru* rose significantly on increased domestic travel due to nationwide programs to support travel and recovery in inbound demand due to the relaxation of border policies
- As price revisions were not implemented for corn-based snacks in the fall, demand shifted here from other products and sales rose

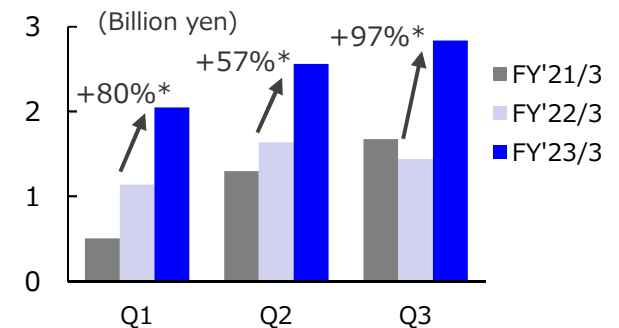
Cereals

- Sales fell despite TV commercials, an increased volume campaign, etc., as price revisions caused market-wide weakening of demand
- Aim to recover by adding functionality to the original *Frugra*, etc.

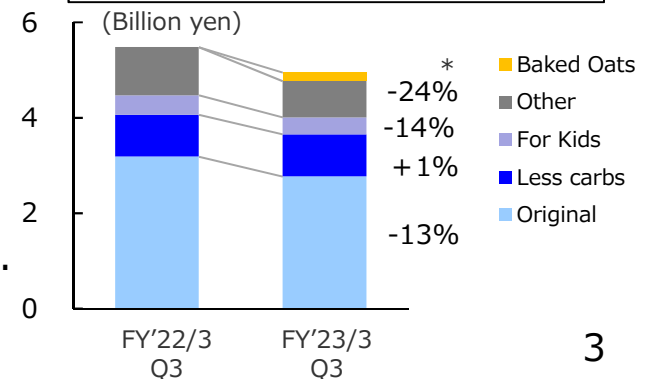
Sales of Potato Chips Sales of Jagarico



Sales of gift snack items



Sales of cereals (domestic consumption)



FY2023/3 Q3 : Overseas business (three months)



(Billion yen)

<Business results by region>	FY2023/3 Q3			
		Change(YoY)		Change ex. forex in %
Overseas sales	18.8	+3.6	+23.6%	+10.9%
North America	5.6	+1.6	+41.8%	+15.7%
Greater China	6.6	+0.9	+15.1%	+2.3%
Other regions	9.3	+1.9	+26.1%	+15.0%
Rebates deducted from sales	-2.7	-0.8	—	—
Overseas operating profit	0.71	+0.29	+70.1%	—
Operating margin	3.8%	+1.0pts	—	—
North America	0.15	+0.27	—	—
Greater China	0.31	+0.07	+27.6%	—
Other regions	0.25	-0.05	-15.4%	—

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

FY2023/3 Q3 : Overseas business (three months)

North America

■ Sales

- Sales of *Harvest Snaps* continue to be strong on the effects of marketing activities and price revisions

■ Operating profit

- Strong sales of *Harvest Snaps* covered lower profit from OEMs

Greater China

■ Sales

- Sales did not grow in-line with plan due to the spread of COVID-19 and related lockdowns
- In snacks, *Jagabee* and products for the babies and kids segment grew
- In cereals, sales fell as the market shrank despite contributions from *Frugra Less Carbohydrates* and muesli made by local OEMs

■ Operating profit

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

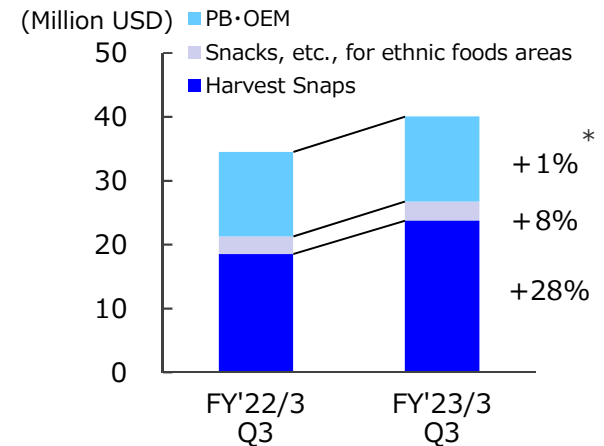


A new product for the babies and kids segment

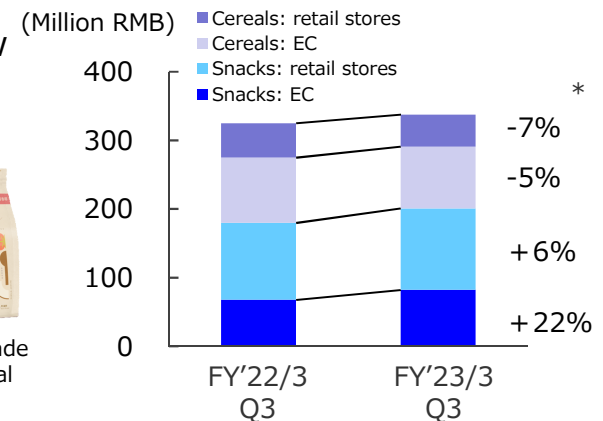


Muesli made by a local OEM

Sales in North America (+16%*)



Sales in Greater China (+2%*)

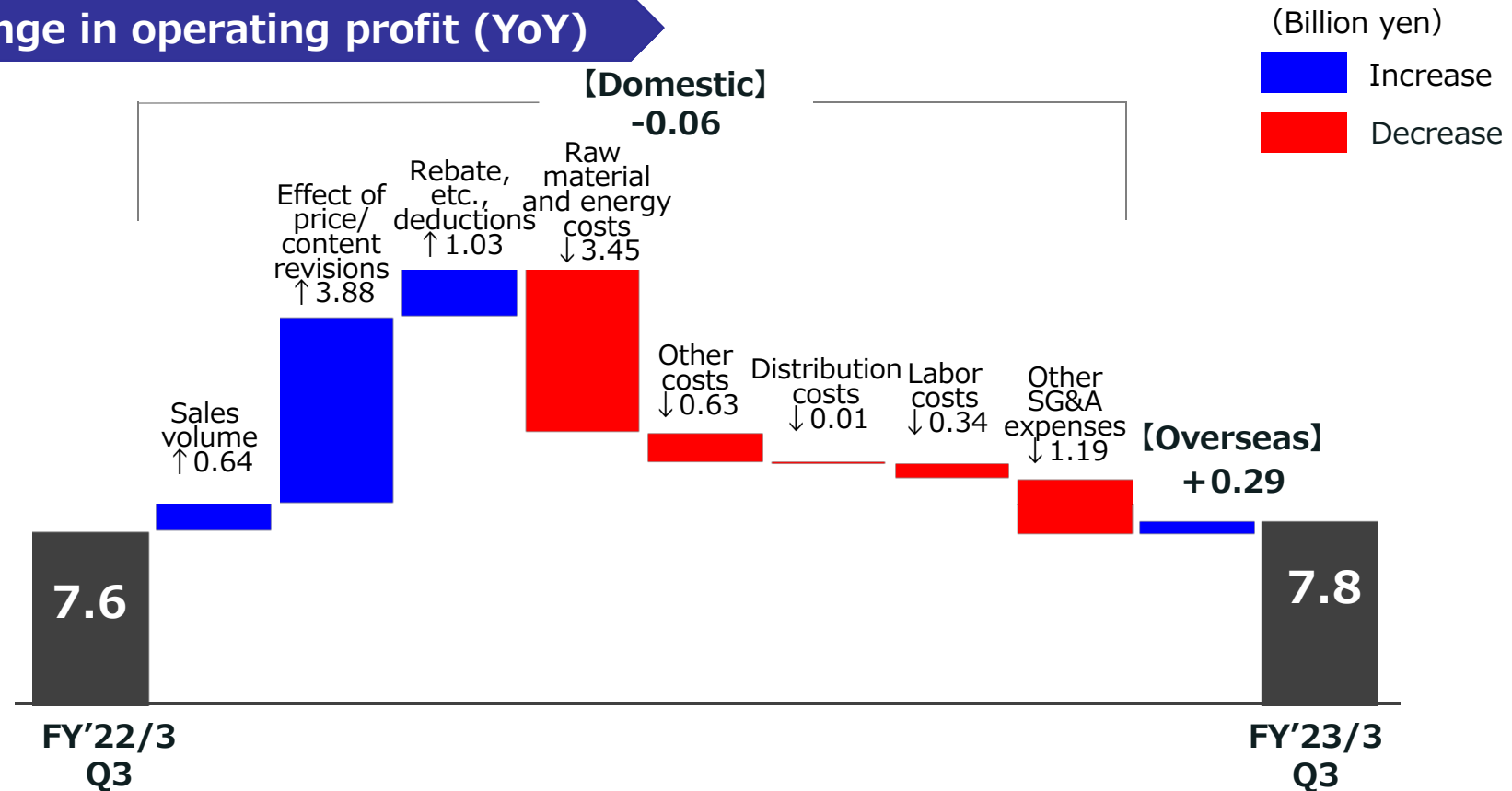


Other regions

- Sales were strong in the UK and Indonesia, and making Greenday Global Co., Ltd. in Thailand a consolidated subsidiary also contributed
- Operating profit fell as price/content revisions were unable to cover freight costs and the sharp rise in raw material costs

FY2023/3 Q3: Factors increasing operating profit (three months)

Change in operating profit (YoY)



Domestic

Rebate, etc., deductions: Continuous efforts to improve sales promotion costs were successful
 Raw material/energy costs: Cooking oil (-¥0.9bn), packaging (-¥0.6bn), domestic potatoes (-¥0.2bn), imported raw materials (-¥0.2bn), energy costs (-¥0.9bn)

Other costs: Higher labor costs in response to a chronic labor shortage (-¥0.4bn)

Other: Invested in advertising coinciding with price/content revisions (-¥0.5bn), Recategorization of rebate, etc., deductions accompanying direct transactions (-¥0.3bn)

Overseas

Effect of price/content revisions (+¥1.6bn), raw material and energy costs (-¥0.8bn)

FY2023/3 Q3: Results highlights (nine months)



(Billion yen)

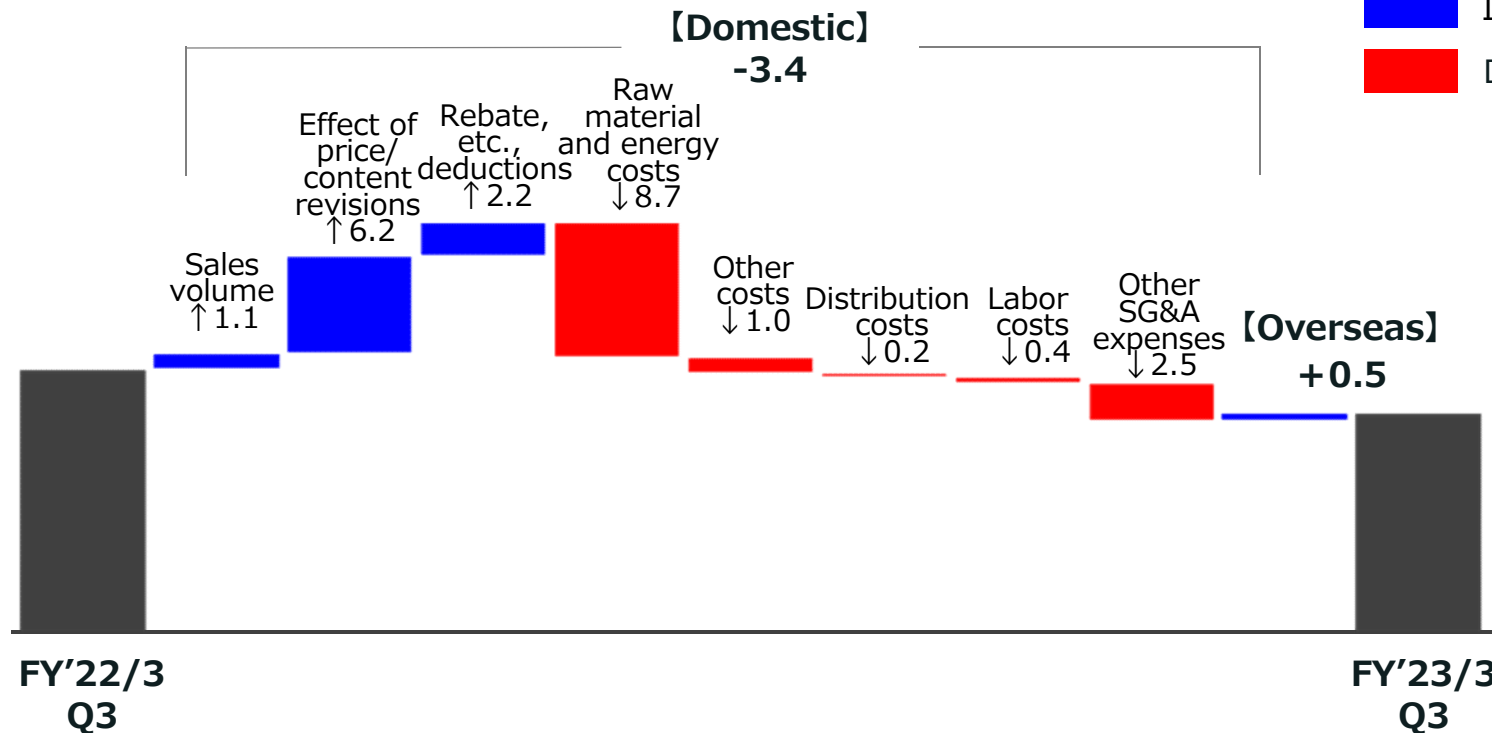
	FY2023/3 Q3	FY2022/3 Q3	Change	FY2023/3 Q3 Target	vs. plan Ratio
Net sales	208.5	185.5	+12.4%	206.5	101.0%
Domestic	154.3	143.3	+7.7%	151.6	101.8%
Overseas	54.2	42.2	+28.5%	54.9	98.7%
Operating profit	18.1	20.9	-13.5%	17.6	102.4%
Operating margin	8.7%	11.3%	-2.6pts	8.5%	+0.1pts
Domestic	16.0	19.4	-17.4%	14.9	107.2%
Overseas	2.1	1.5	+35.4%	2.7	75.7%
Ordinary profit	19.1	21.6	-11.6%	20.4	93.5%
Extraordinary income/loss	-0.1	0.1	-	-0.3	-
Net profit *	12.5	14.7	-14.8%	12.9	97.3%

*Profit attributable to owners of parent

FY2023/3 Q3: Factors decreasing operating profit (nine months)

Change in operating profit (YoY)

(Billion yen)
■ Increase
■ Decrease







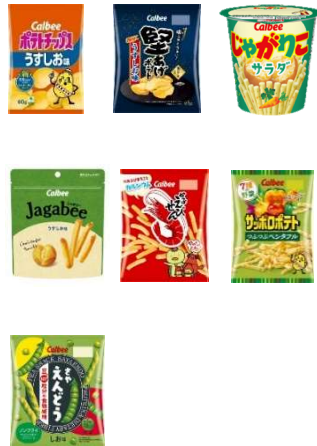
Domestic

- Rebate, etc., deductions: Restrained selling costs due to potato shortage and continuously improved sales promotion costs
- Raw material/energy costs: Cooking oil (-¥1.5bn), packaging (-¥1.5bn), imported raw materials (-¥1.3bn), domestic potatoes (-¥0.5bn), energy costs (-¥2.0bn)
- Other costs: Higher labor costs in response to a chronic labor shortage (-¥0.8bn), depreciation (-¥0.2bn)
- Other: Invested in advertising coinciding with price/content revisions (-¥0.7bn), Recategorization of rebate, etc., deductions accompanying direct transactions (-¥0.7bn), higher expenditures due to normalization of socio-economic activity

Overseas

Effect of price/content revisions (+¥4.3bn), raw material and energy costs (-¥2.7bn)

Jun. 2023 price/content revisions

Effective date	FY'22/3	FY'23/3			FY'24/3
	Jan-Feb. 2022	Jun-Jul. 2022	Sep-Oct. 2022	Nov. 2022	Jun. 2023
Target products					
Sales of target products	¥80.0bn	¥23.0bn	¥120.0bn	¥18.0bn	¥82.0bn
Revisions	Content : -5% Price : +7-10%	Content : -10% Price : +10-20%	Price : +10-20%	Price : +10-20%	Price : +3-15%

Reference materials

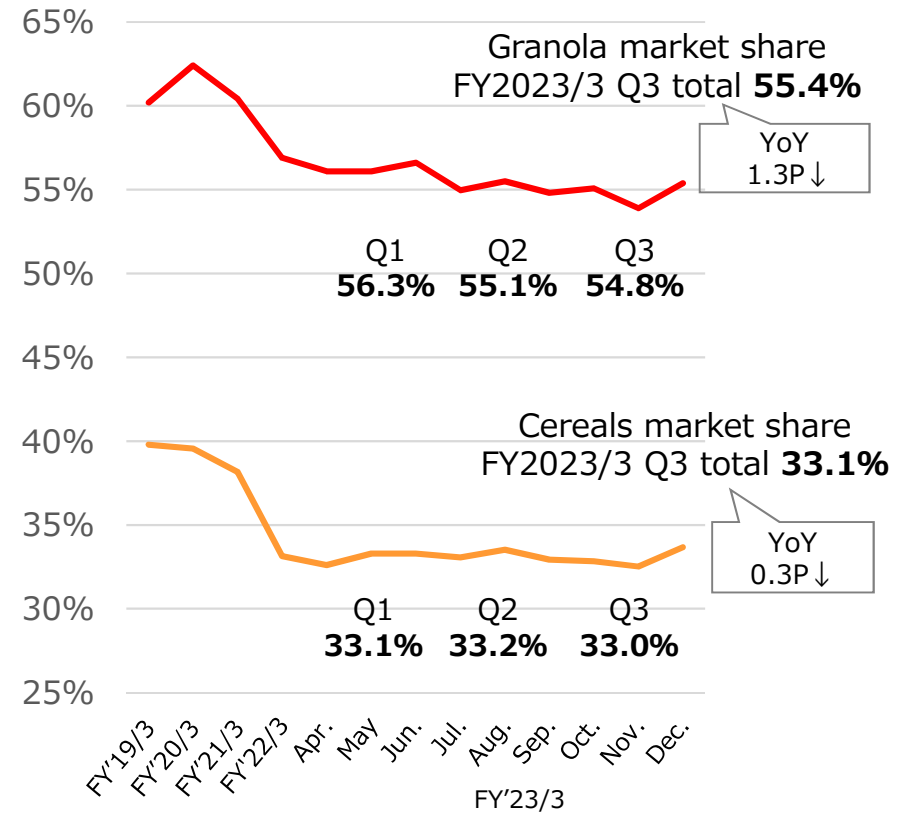
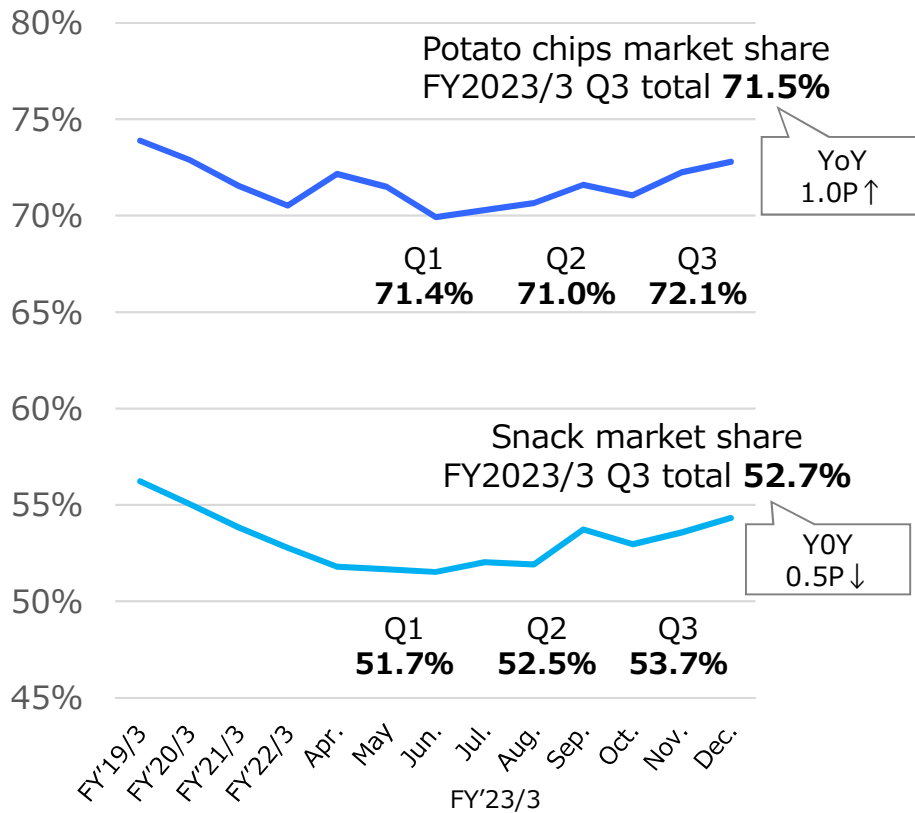
Consolidated profit and loss statement

(Million yen)

	FY2023/3 Q3 (three months)				FY2023/3 Q3 (nine months)			
		Percent of total(%)	Change (YoY) (%)	vs. plan Ratio (%)		Percent of total(%)	Change (YoY) (%)	vs. plan Ratio (%)
Net sales	75,287	100.0	+15.8	102.7	208,499	100.0	+12.4	101.0
Gross profit	25,672	34.1	+13.0	108.9	68,448	32.8	+5.6	103.2
SG&A	17,855	23.7	+18.0	110.4	50,384	24.2	+14.7	103.5
Selling	3,356	4.5	+47.9	110.9	8,361	4.0	+33.9	104.1
Distribution	5,625	7.5	+7.0	105.8	16,312	7.8	+9.3	101.9
Labor	5,488	7.3	+14.8	105.9	15,817	7.6	+8.7	102.0
Others	3,384	4.5	+19.9	128.1	9,893	4.7	+20.8	108.1
Operating profit	7,817	10.4	+3.1	105.7	18,063	8.7	-13.5	102.4
Ordinary profit	6,349	8.4	-20.6	82.8	19,060	9.1	-11.6	93.5
Extraordinary income/loss	-101	-	-	-	-109	-	-	-
Net profit*	4,219	5.6	-23.6	92.4	12,531	6.0	-14.8	97.3

*Profit attributable to owners of parent

Domestic market share



Source: Intage SRI+ based on sales amount (nationwide, all retail formats)
From FY2023/3 Q3 Intage SRI+ has changed the scope of its statistics; prior figures have been revised to reflect the new scope.

FY2023/3 Q3 total: April 2022 - December 2022
Comparison period: April 2021 - December 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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- 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.
- 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.