

Calbee Group Financial Results

First quarter of fiscal year ending March 31, 2024
April 1, 2023 – June 30, 2023

TSE code : 2229
Calbee, Inc.
Aug. 3, 2023

Q1 results executive summary

- Q1 saw net sales rise by ¥7.8bn and operating profit rise by ¥1.9bn. Achieved plan.
- Higher sales volume and the effect of price/content revisions absorbed sharply higher costs.
- Domestically, snack demand was firm. Sales volume temporarily downed after price/content revisions for the third time in June. Additional marketing activities planned.
- Overseas, the key regions of North America and Greater China struggled.
Both sales and profit rose on strong sales in the UK, Indonesia, etc.

FY2024/3 Q1 Results highlights



Summary

Net sales ¥73.2bn (+ ¥7.8bn YoY, + ¥2.0bn vs. plan)

Operating profit ¥7.2bn (+ ¥1.9bn YoY, + ¥0.7bn vs. plan)

YoY: Domestic: in addition to higher sales volume of snacks, the effect of price/content revisions exceeded sharply higher costs
Overseas: the UK and Indonesia were strong, domestic business recovered in Thailand, and the consolidation of a Thai company (from last July) contributed too

Vs. plan: Both net sales and operating profit exceeded plan due to higher sales volume of domestic snacks and having controlled sales promotion expenses

(Billion yen)

	FY2024/3 Q1	FY2023/3 Q1	Change	FY2024/3 Q1 Target	vs. plan Ratio
Net sales	73.2	65.3	+12.0%	71.1	102.9%
Domestic	55.2	48.2	+14.4%	51.8	106.5%
Overseas	18.0	17.1	+5.1%	19.3	93.0%
Operating profit	7.2	5.4	+35.1%	6.5	111.5%
Operating margin	9.9%	8.2%	+1.7pts	9.1%	+0.8pts
Domestic	6.3	4.7	+33.4%	5.6	112.5%
Overseas	0.9	0.6	+47.9%	0.9	104.8%
Ordinary profit	9.4	7.0	+35.8%	6.4	148.0%
Net profit*	6.3	4.6	+37.3%	4.1	152.5%

*Profit attributable to owners of parent

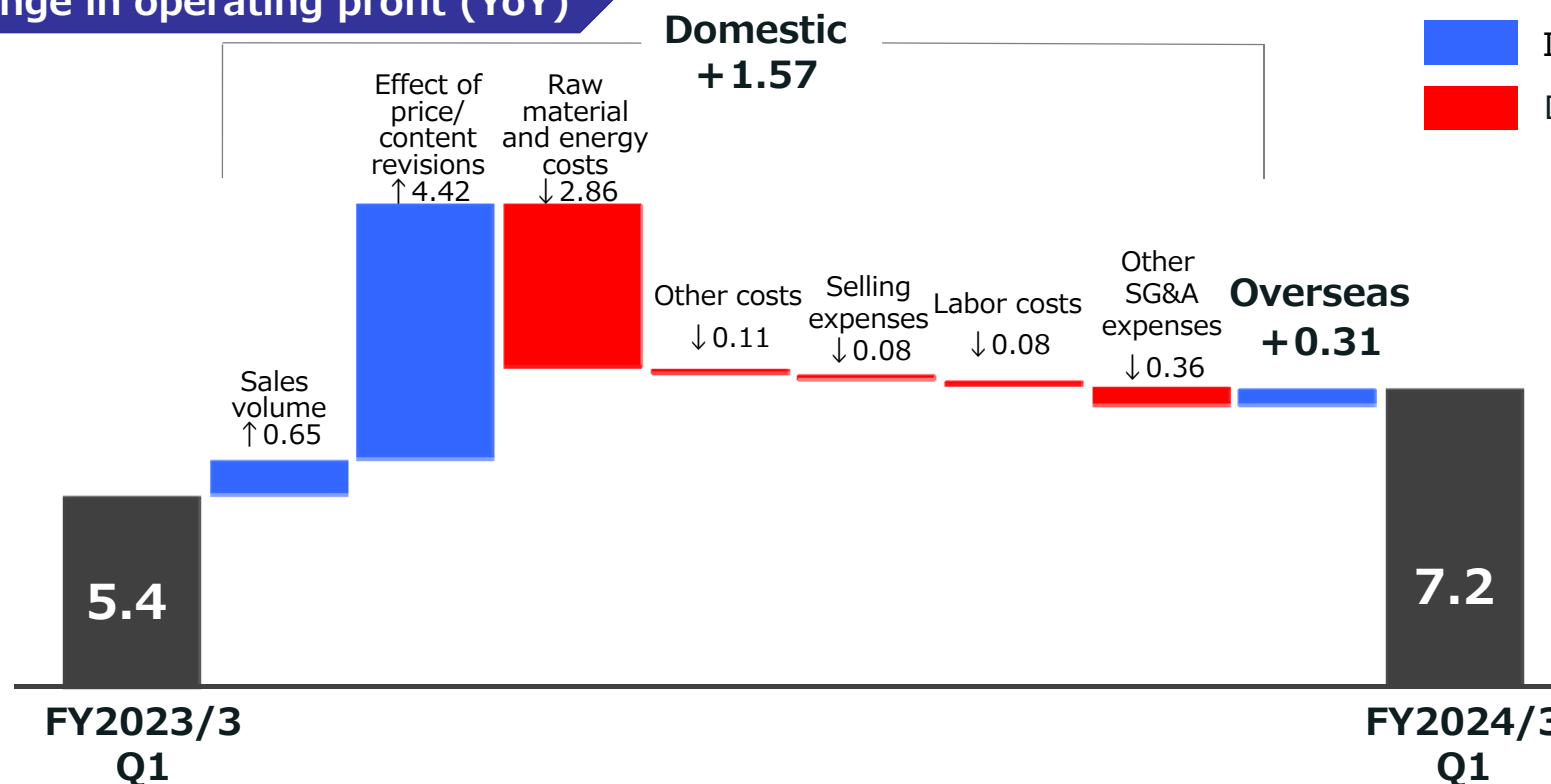
FY2024/3 Q1 Results highlights



Change in operating profit (YoY)

(Billion yen)

Blue bar: Increase
Red bar: Decrease



Domestic

Sales volume: Volume increased due to strong snacks sales

Raw material/energy costs: Imported raw materials (-¥0.8bn), packaging (-¥0.8bn), cooking oil (-¥0.6bn), domestic potatoes (-¥0.2bn), energy costs (-¥0.3bn)

Other costs: Increased labor costs in response to labor shortage

Sales promotion costs: Investment in marketing (-¥0.1bn)

Other expenses: System investment and increased travel expenses due to normalization of social activities

Overseas

Effect of price/content revisions (+¥0.7bn), raw material and energy costs (-¥0.5bn)

FY2024/3 Q1 Domestic business



- **Snacks:** Sales rose significantly due to continued strong snack demand as well as the effect of price/content revisions
 Sales of *Potato Chips* rose, rebounding from last year's potato shortage
 Sales of gift snack items and *Jagarico* rose in tandem with increased people flows
- **Cereals:** Sales were flat YoY amid a contraction in the cereals market, with sales of original *Frugra* and *Frugra Less Carbohydrates* maintained
- **Others:** Firm sales in the sweet potato business continued

		FY2024/3 Q1		(Billion yen)
			Change(YoY)	
Domestic sales		55.2	+7.0	+14.4%
Snacks		51.1	+7.2	+16.3%
	Potato Chips	22.9	+3.5	+17.9%
	Jagarico	10.5	+1.0	+10.0%
	Other snacks	17.7	+2.7	+18.3%
Cereals		6.7	+0.0	+0.1%
Others (Agri, Food and health, Services)		3.3	+0.4	+13.9%
Rebates deducted from sales		-5.9	-0.6	—
Domestic operating profit		6.3	+1.6	+33.4%
Operating margin		11.4%	+1.6pts	—

*Amounts for sales of Snacks, Cereals and Others (Agri, Food and health, Services) are prior to deduction of rebates, etc.

FY2024/3 Q1 Domestic business

Snacks

■ Potato Chips:

- Demand firmed since the resolution of last year's potato shortage
- Sales of regular items such as *Usu-Shio-Aji* and *Kataage Potato* increased.

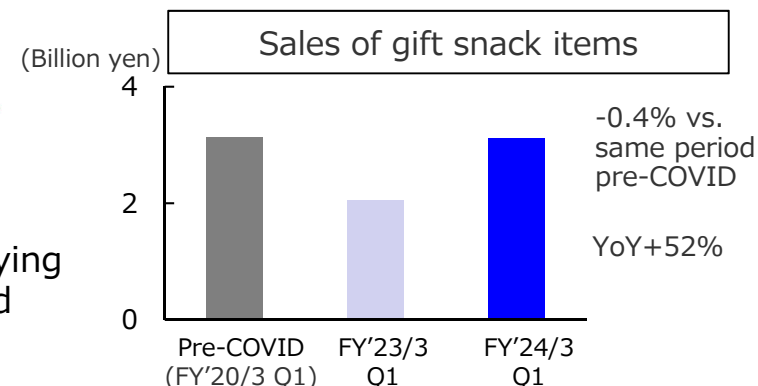
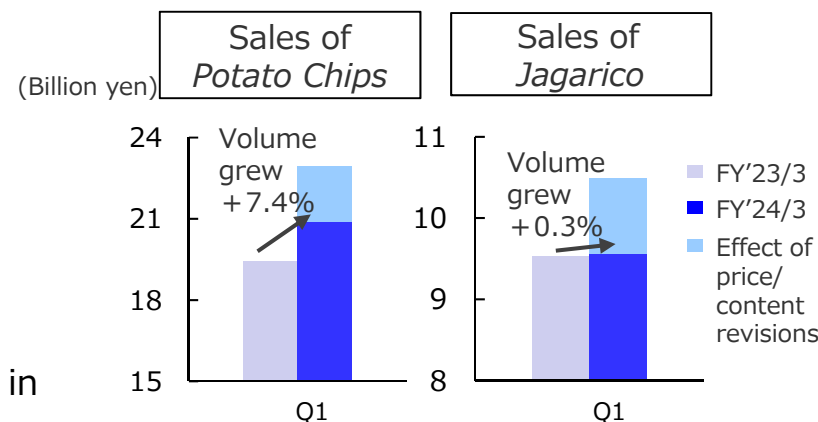
■ Jagarico:

- Strong demand since Q1 last year continued on increase in outings
- Focused marketing on regular products and postponed launches of limited-time products; succeeded with young people in logo changes on packaging of regular products too



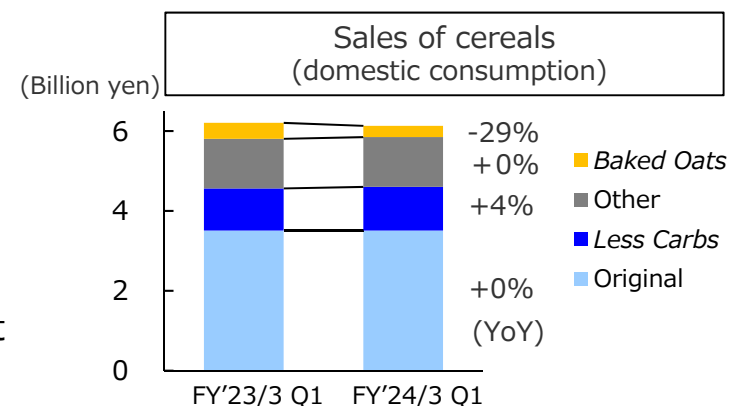
■ Other snacks:

- Gift snack items recovered to pre-COVID levels accompanying increased domestic travel and recovery in inbound demand
- Sales of wheat-based snacks grew due to a sense of comparative affordability



Cereals

- In the cereals market, the oatmeal boom calmed, and the overall market trend was contraction
- Sales of *Baked Oats*, launched last April, fell YoY
- Lower sales volumes of original *Frugra* and *Frugra Less Carbohydrates* were covered by the effect of price/content revisions



FY2024/3 Q1 Overseas business



- **North America** Sales fell YoY due to slump in PB and OEM despite being underpinned by *Harvest Snaps* and products from Japan
- **Greater China** Both retail store and e-commerce sales decreased
- **Other** The UK: Expanded *Potato Chips* distribution and launch of new pellet snack items contributed
 Indonesia: In addition to higher sales of *Potato Chips*, etc., improved raw material costs contributed
 Thailand: Increased demand on higher domestic people flows and last July's consolidation of Greenday Global contributed

<Business results by region>		FY2024/3 Q1			(Billion yen)
			Change(YoY)	Change ex. forex in %	
Overseas sales	18.0	+0.9	+5.1%	+0.5%	
North America	5.7	+0.1	+1.4%	-5.2%	
Greater China	5.1	-0.5	-9.4%	-10.6%	
Other regions	9.6	+1.4	+16.8%	+11.9%	
Rebates deducted from sales	-2.4	-0.1	—	—	
Overseas operating profit	0.94	+0.31	+47.9%	—	
Operating margin	5.3%	+1.5pts	—	—	
North America	0.28	-0.10	-26.9%	—	
Greater China	0.19	-0.06	-24.2%	—	
Other regions	0.47	+0.47	+9941.9%	—	

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

FY2024/3 Q1 Overseas business

*YoY



North America

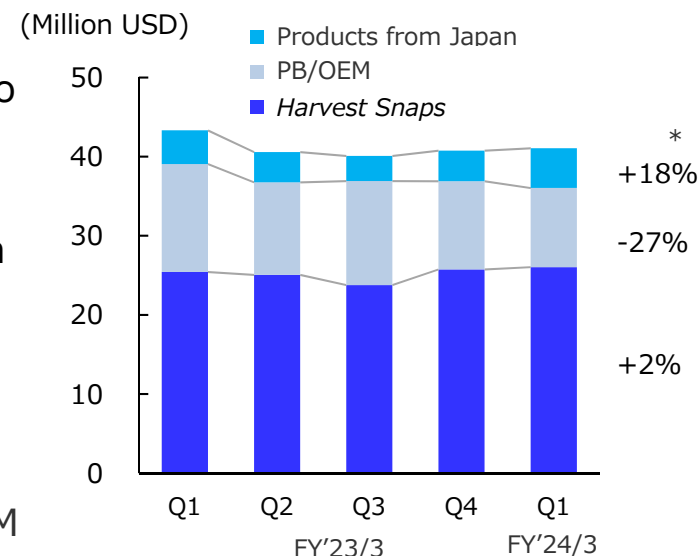
■ Sales

- Continued decline in orders from existing customers due to restructuring in the PB/OEM industry
- Although sales volume of *Harvest Snaps* underperformed last year's Q1 due to delayed sales activities, sales rose on the effect of price revisions
- Sales of products from Japan rose on expansion of sales channels

■ Operating profit

- Profit fell on deterioration in costs ratio from lower PB/OEM sales

Sales in North America (-5%*)



Greater China

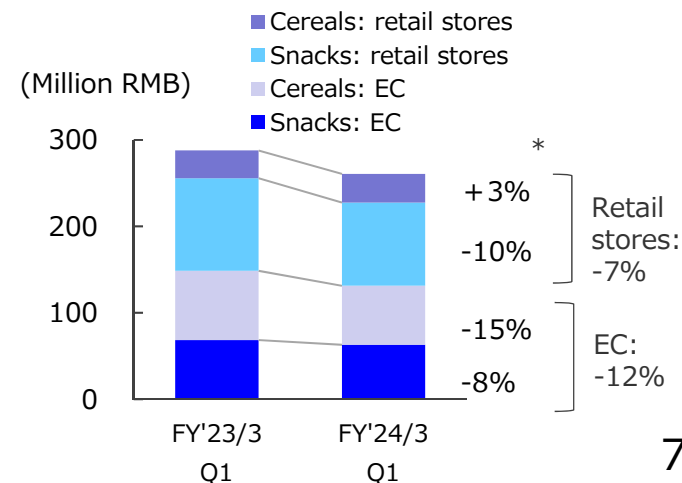
■ Sales

- For retail stores, orders decreased due to time required for distributors to digest inventory
- For e-commerce, sales fell compared to the special demand from lockdowns in last year's Q1, although sales in growth channels including TikTok grew

■ Operating profit





















- Profit fell in-line with lower sales

Sales in Greater China (-11%*)



Aug.-Oct. 2023 price/content revisions **Calbee**

Harvest the Power of Nature.

Effective date	FY'22/3	FY'23/3				FY'24/3
	Jan.-Feb. 2022	Jun.-Jul. 2022	Sep.-Oct. 2022	Nov. 2022	Jun. 2023	Aug.-Oct. 2023
Target products	 	    	       	  	      	 <p>Gift snack items (partial)</p>
Sales of target products	¥80.0bn	¥23.0bn	¥120.0bn	¥18.0bn	¥82.0bn	¥7.0bn
Revisions	Content : -5% Price : + 7-10%	Content : -10% Price : + 10-20%	Price : + 10-20%	Price : + 10-20%	Price : + 3-15%	Price : + 5-20%

Reference material

Consolidated profit and loss statement **Calbee**

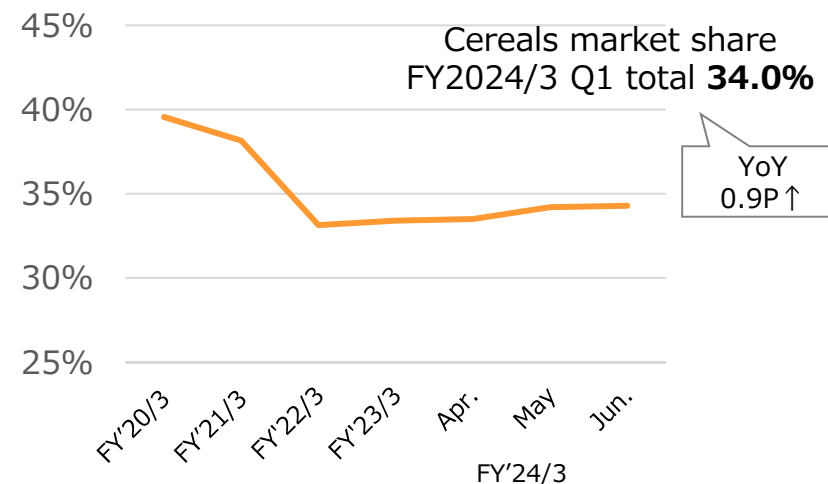
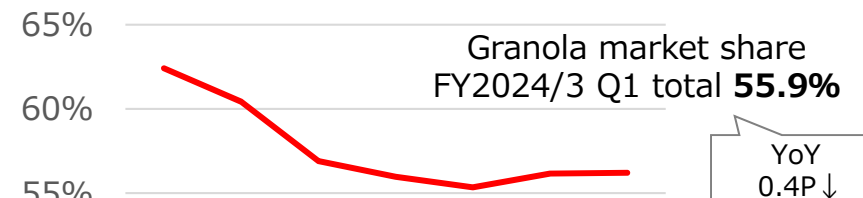
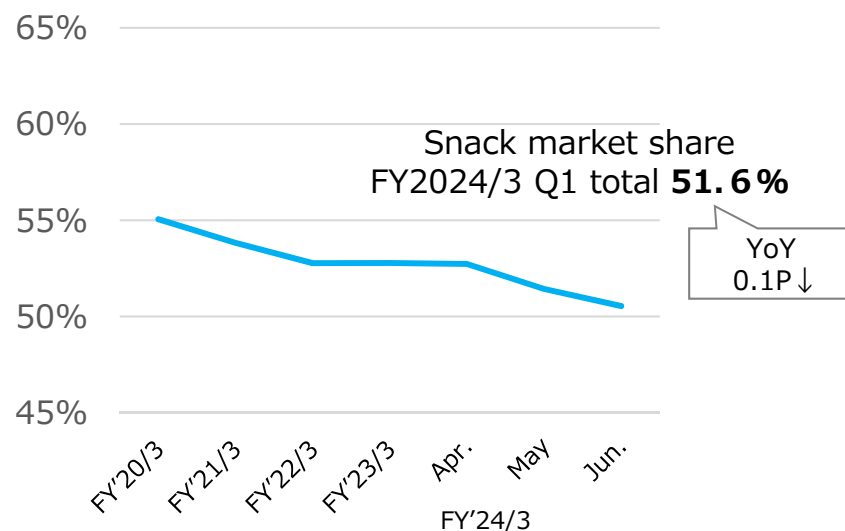
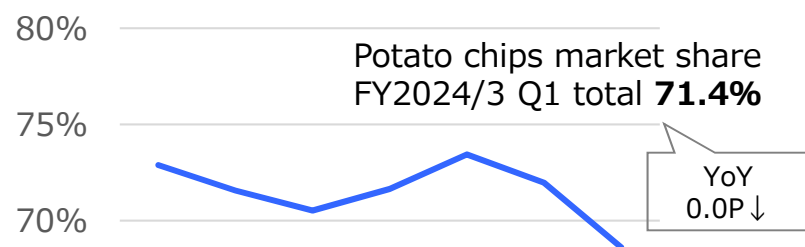
Harvest the Power of Nature.

(Million yen)

	FY2024/3 Q1				FY2024/3 Forecasts		
		Percent of total(%)	Change (YoY) (%)	vs. plan Ratio (%)		Percent of total(%)	Change (YoY) (%)
Net sales	73,156	100.0	+12.0	102.9	293,000	100.0	+4.9
Gross profit	24,408	33.4	+15.5	103.1	95,700	32.7	+6.1
SG&A	17,164	23.5	+8.9	99.9	71,700	24.5	+5.5
Selling	2,591	3.5	+14.2	90.6	11,800	4.0	+7.6
Distribution	5,378	7.4	+1.0	99.2	22,800	7.8	+5.2
Labor	5,472	7.5	+9.4	102.5	23,400	8.0	+7.4
Others	3,722	5.1	+17.5	104.6	13,700	4.7	+1.2
Operating profit	7,244	9.9	+35.1	111.5	24,000	8.2	+7.9
Ordinary profit	9,444	12.9	+35.8	148.0	23,500	8.0	+0.2
Extraordinary income/loss	-43	—	—	—	-500	—	—
Net profit*	6,252	8.5	+37.3	152.5	15,000	5.1	+1.5

*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.
FY2024/3 Q1 total: April 2023 - June 2023
Comparison period: April 2022 - June 2022
FY'20/3-FY'23/3: April 2019 - March 2023

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, 2024 is referred to throughout this report as "FY2024/3 (FY'24/3)," 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.