



I am Tanabe, and I am in charge of finance, accounting, and investor relations.

I would like to explain our financial results for Q1 of FY2024/3.

## 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.

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Please look at slide one. First, here is today's overview.

In Q1, consolidated net sales increased by JPY7.8 billion, and income increased by JPY1.9 billion, exceeding the previous year's results and the plan. The main factors for the increase were the effect of sales volume growth of JPY0.6 billion and the effect of price/content revisions of JPY4.4 billion. However, this was partially offset by ongoing cost increases of JPY2.9 billion in raw material, power, and other costs.

Demand for domestic snacks remains strong. In June, we launched the third price/content revision, and sales volume dropped temporarily. Additional marketing activities will be implemented and reinforced from Q2 onward.

Overseas, sales and profits increased overall due to strong sales in the UK, Indonesia, and other regions, although sales in North America and Greater China, our key regions, were below the previous year's levels.

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

\*Profit attributable to owners of parent

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Please move on to slide two. I would like to explain our consolidated financial results for Q1 of FY2024/3.

Sales were JPY73.2 billion, up 12.0% YoY and up 2.9% from the plan. Operating profit was JPY7.2 billion, up 35.1% YoY and up 11.5% from the plan. Net profit was JPY6.3 billion, up 37.3% YoY and up 52.5% from the plan, due to foreign exchange gains and other factors.

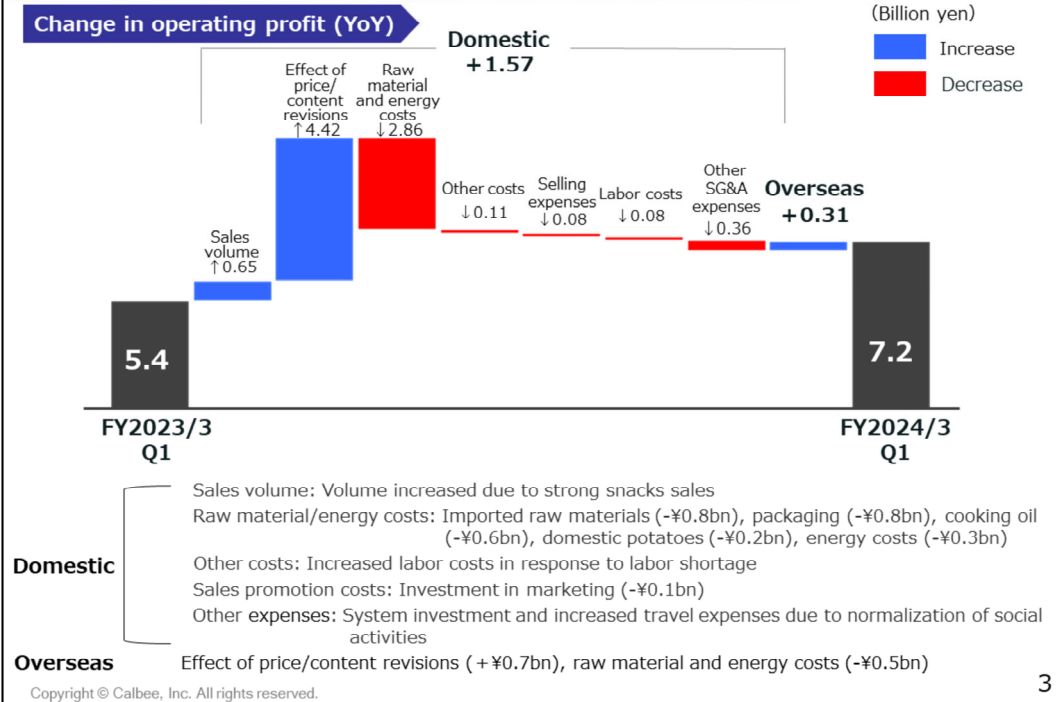
Compared to the previous year, both domestic and overseas sales and profits increased. In Japan, the sales volume of snacks grew, and the effect of price/content revisions exceeded the higher cost. Overseas, the addition of Greenday Global as a consolidated subsidiary in July of the previous year contributed to the increase, along with the recovery of our plants in the UK and Indonesia, and in Thailand.

Compared to the plan, both net sales and operating profit achieved the plan due to growth in the sales volume of domestic snacks and curbing of sales promotion expenses.

# FY2024/3 Q1 Results highlights



## Change in operating profit (YoY)



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Please refer to slide three. I will explain the factors for the increase in operating profit.

The overall consolidated profit increased by JPY1.9 billion from the previous year, of which JPY1.6 billion was from domestic operations, and JPY0.3 billion was from overseas operations.

Domestic sales increased by JPY1.6 billion. The effect of sales volume growth of JPY0.6 billion and the effect of price/content revisions of JPY4.4 billion were partially offset by soaring raw material and power costs of JPY2.9 billion. The main raw material prices are for imported raw materials, packaging materials, cooking oil, and domestic potatoes. The breakdown is as shown.

Overseas, income increased by JPY0.3 billion. The price/content revision effect of JPY0.7 billion was partially offset by soaring costs of JPY0.5 billion.

## 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%	
<i>Potato Chips</i>	22.9	+3.5	+17.9%	
<i>Jagarico</i>	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.

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Please move on to slide four. This section describes sales by product in Japan.

Overall snack sales increased by JPY7.2 billion from the previous year. *Potato Chips* grew by JPY3.5 billion, *Jagarico* by JPY1 billion, and other snacks by JPY2.7 billion, with growth in all categories.

Cereal sales were flat YoY, while other business sales increased by JPY0.4, mainly due to the contribution of the sweet potato business.

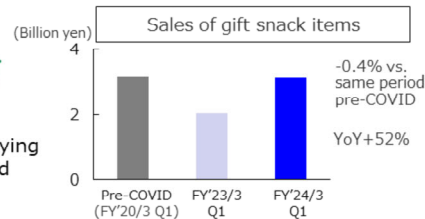
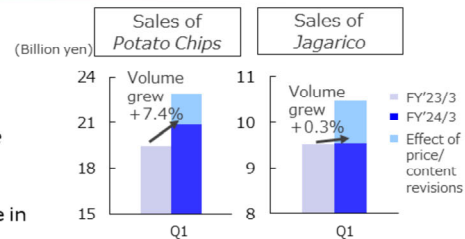
The factors for these results are presented in the next slide.

# FY2024/3 Q1 Domestic business



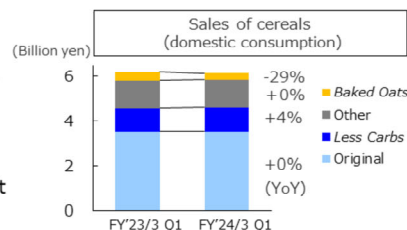
## Snacks

- **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



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Please refer to slide five.

*Potato Chips* sales increased YoY. Sales were weak in the previous year due to curbs on sales promotion activities caused by the potato shortage, but demand has been strong since then. In particular, sales of standard products such as lightly salted *Potato Chips* and *Kataage Potato* increased.

Sales of *Jagarico* increased YoY due to continued strong demand from Q1 of the previous year. The main factors were an increase in demand for highly portable packaged products due to an increase in outings, as well as a limited-time release of packages with a different logo for standard products, which helped raise the purchase rate among younger consumers. On the supply side, in order to respond to high demand, the Company has also focused on the production of regular products by discontinuing some limited-time sales.

Sales of other snacks increased, including gift snack items and wheat-based snacks. Sales of gift snack items recovered to the level before the spread of COVID-19. Wheat-based snacks were well received for their relative affordability, and sales expanded.

Cereals were on par with the previous year. In the domestic market, the oatmeal boom since 2021 has calmed down, and the overall market is shrinking. In this context, Calbee succeeded in partially offsetting the impact of lower sales of baked oats with an increase factor due to the effect of the price/content revision of original and *Less Carbohydrates*.



## 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 %	
<b>Overseas sales</b>	<b>18.0</b>	<b>+0.9</b>	<b>+5.1%</b>	<b>+0.5%</b>	
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	-	-	
<b>Overseas operating profit</b>	<b>0.94</b>	<b>+0.31</b>	<b>+47.9%</b>	-	
Operating margin	<b>5.3%</b>	<b>+1.5pts</b>	-	-	
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.

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Please move on to slide six. I would like to explain the performance of our overseas business by region.

Sales in North America declined 5% on a local currency basis. Operating profit decreased by JPY0.10 billion. *Harvest Snaps* and products originating in Japan supported the results, but PB and OEM products were sluggish, resulting in a YoY decline.

In Greater China, sales to retail outlets and e-commerce both declined, with net sales down 9% YoY and operating income down JPY0.06 billion.

In other regions, sales increased 17%, led by the UK, Indonesia, and Thailand. Business profit increased by JPY0.47 billion.

In the UK, the expanded distribution of *Potato Chips* and the launch of new pellet snacks contributed to the growth. In Indonesia, sales of *Potato Chips* and other products grew, and an improvement in raw material costs contributed to the increase. In Thailand, both sales and profit increased due to an increase in domestic demand resulting from a recovery in human flow and the addition of one consolidated subsidiary in July of the previous year.

## FY2024/3 Q1 Overseas business

\*YoY



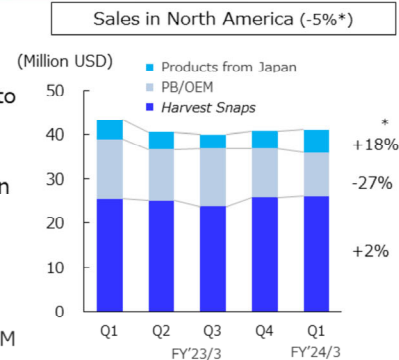
### North America

#### ■ 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



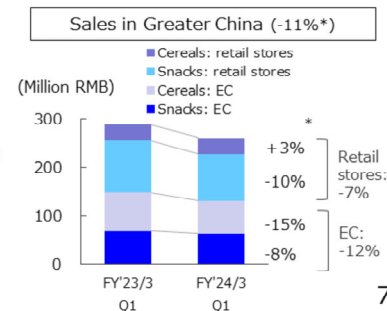
### Greater China

#### ■ 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



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Please move on to slide seven. Here are a few more details about North America and Greater China.

In the North American market, sales declined on a local currency basis, and operating profit also decreased. Although PBs and OEMs are moving toward acquiring new customers, orders from existing customers continue to decline due to industry-wide restructuring.

Harvest Snaps' sales volume was below the previous year's level due to two factors, but overall sales increased due to the effect of price/content revisions. The first of the two factors contributing to the drop in sales volume was a review of the timing of sales promotions by large customers. Secondly, we were unable to exceed the sales volume of the previous year's Q1 when we expanded sales.

Products from Japan, such as *Kappa-Ebisen*, have continued to do well.

Both sales and profit decreased in Greater China. Orders from retail stores decreased due to time-consuming inventory adjustments at major customers.

E-commerce sales expanded through growing platforms such as TikTok but were unable to surpass the special demand for lockdowns in the previous year's Q1.



## 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						 Gift snack items (partial)
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%

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Please move on to slide eight. Finally, I will explain the price/content revisions for the August-October period.

The second revision of domestic gift snack items, including *Jaga Pokkuru*, will be implemented at any time from August to October this year. Sales of the subject products amounted to JPY7 billion. The revision rate is 5-20%.

This is the end of my presentation.

## **Reference material**

# Consolidated profit and loss statement

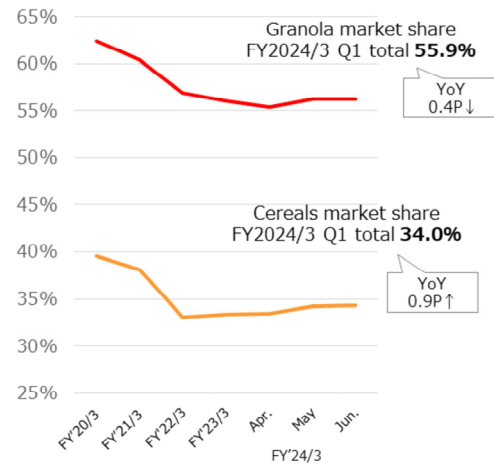
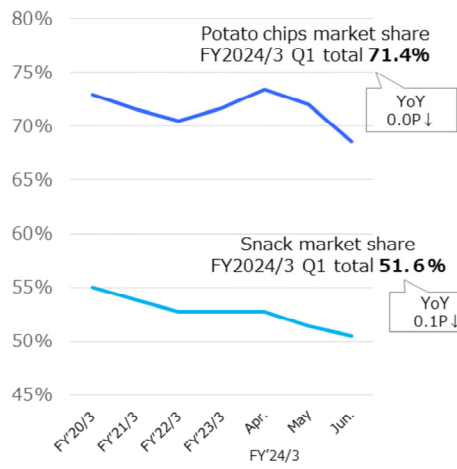
Harvest the Power of Nature.

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

- 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.
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