



Calbee Group Financial Results

First half of fiscal year ending
March 31, 2025
April 1, 2024 – September 30, 2024

TSE code : 2229
Calbee, Inc.
Nov. 1, 2024

- 1. FY2025/3 H1 recap and
Change 2025 growth strategy progress**

Makoto Ehara

Representative Director, President & CEO

- 2. FY2025/3 H1 financial results and
revised full year forecasts**

Kazuhiro Tanabe

Executive Officer and CFO

**1. FY2025/3 H1 recap and
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- **Net sales and operating profit** increased and reached **record highs** in H1 due to firm domestic sales and strong results in overseas business, especially in Indonesia

Net sales ¥157.1bn (+¥10.0bn YoY, +¥0.8bn vs plan)

Operating profit ¥14.9bn (+¥1.4bn YoY, +¥1.0bn vs plan)

- Based on our H1 results and initiatives for H2, we have **upwardly revised** our full year forecasts

Net sales ¥323.0bn (vs. initial plan +¥3.0bn)

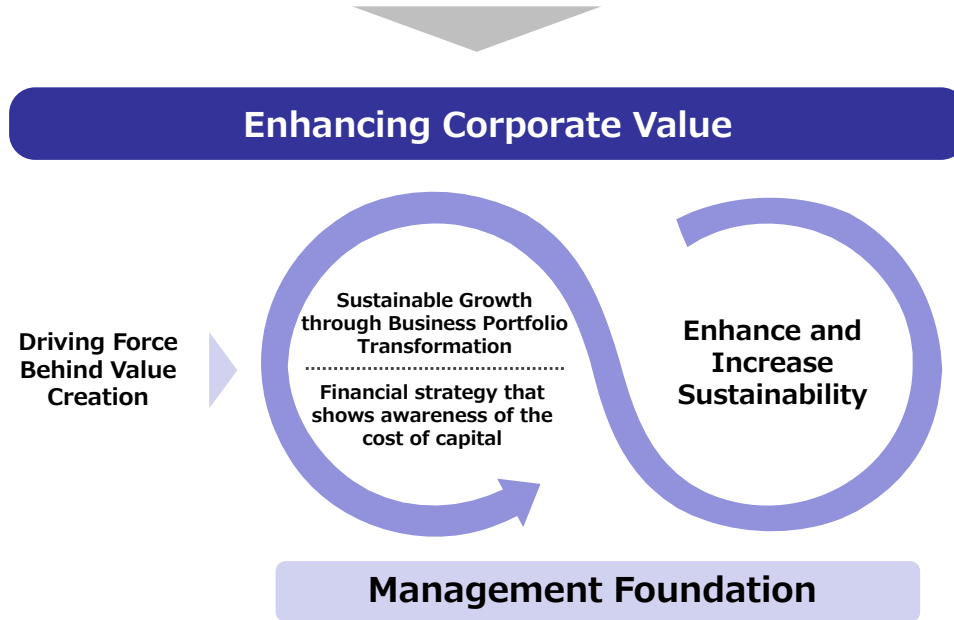
Operating profit ¥29.5bn (vs. initial plan +¥0.6bn)

Net profit ¥19.5bn (vs. initial plan +¥1.5bn)

- In H2, we will continue investment and accelerate initiatives for Change 2025 priority issues towards sustained growth from next year onwards
- We will continue to advance and heighten both business growth and sustainability management with the aim of raising our corporate value over the medium- to long-term

Corporate Philosophy

**We are committed to harnessing nature's gifts,
to bringing taste and fun, and to contributing to healthy life styles.**



Change 2025 growth strategy progress recap

Priority themes

Progress

Initiatives and issues

Enhance profitability

- Add value by moving away from quantitative expansion and strengthening marketing and branding
- Optimize sales, operation and supply to maximize profit with limited assets and resources



- Continue good momentum from strategic price revisions and marketing strategy and enhanced marketing-sales collaboration
- Further initiatives needed to improve brand quality (See P.6)
- Construction of next generation factory proceeding well (See P.7)
- S&OP is progressing on-track to creating a value chain optimization system (See P.8)

Business portfolio transformation

- Identify areas with significant growth opportunities over the medium/long-term and proactively invest resources (staff, capital, equipment, etc.)
 - ✓ Global, especially North America, China
 - ✓ Agri-business including potatoes, sweet potatoes, beans
 - ✓ Food and health



- Overseas, strengthen portfolio via investment in regional management and resources (staff, capital, equipment, etc.) (See P.9-10)
- In new areas, despite making progress in raising awareness of *Body Granola*, need to accelerate cultivation of the next new business
- To raise effectiveness of financial strategy, consider setting specific KPIs and aim for companywide inculcation

Strengthen business base

- Reform organization to enable speedy management in response to change
- Develop/strengthen human resources (management/global/DX)
- Practice and promote sustainable management



- Advance reform of staff consciousness through roundtables we have been holding since last year (See P.11)
- Enhance strategic human resources training system; currently securing staff
- In addition to a stable supply of potatoes, also advance environmental initiatives and expand disclosure to enhance sustainability management (See P.12)

Aim to be a “nominated brand” by advancing consumer-centric initiatives to raise brand value while responding to changes in the environment

Market environment

- ✓ Weak disposable income growth has led to a growing preference for lower prices. There is also a trend towards polarization of consumption
- ✓ Diversification of values around food and growing interest in a sustainable society
- ✓ Changes in consumption/purchasing behavior characteristics due to penetration of digital technology

Initiatives

■ Evolve a balanced brand portfolio that meets consumer needs



■ Raise brand value by promoting the competitive supremacy developed over many years and increasing customer loyalty

- Aim to increase loyalty by highlighting initiatives for growing potatoes together with producers
- Through intensification of fan marketing and collaborative business, work to expand customer touchpoints by gaining support from loyal customers and via social media communications, etc.

Jagai-Mono MOVIE



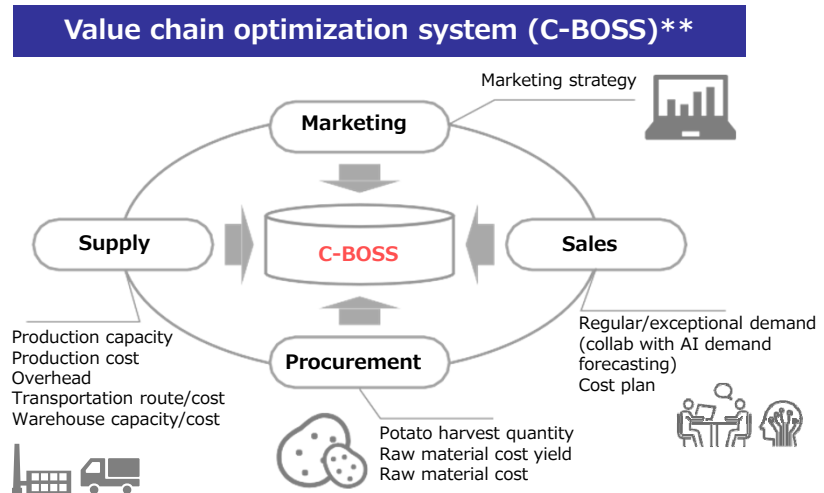
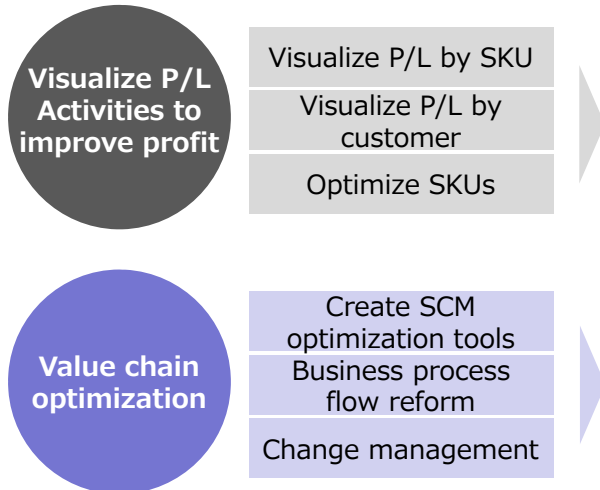
Making good progress towards commencing operations at Setouchi-Hiroshima state-of-the-art mother factory in January 2025



- Features: A state-of-the-art mother factory that will realize lessened environmental impact, higher productivity and an improved work environment
- Production capacity: Approx. ¥28bn per year
- Main products: *Potato Chips*, *Jagabee*, flour-based snacks

In Change 2025, focus on improving supply chain efficiency from procurement to supply

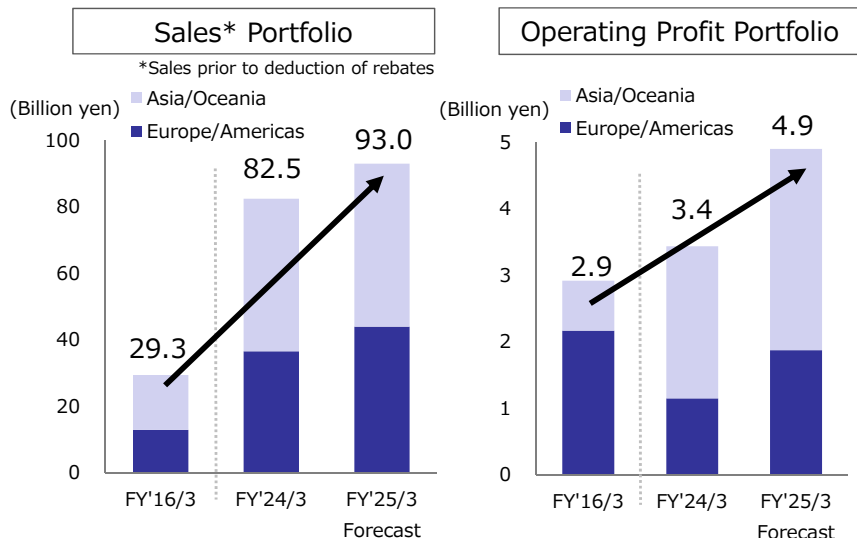
- Drive activities to improve profit by making decision-making more granular via visualization of PL by SKU and by customer/SKU
- Improve supply chain efficiency with data-driven rapid decision-making processes that use DX
- Considering functions to enhance marketing and sales reform with the aim of further value chain optimization



Strengthen overseas business portfolio structure, create base for sustained growth

Change in business results

Shift from unipolar structure in North America to grow business in all regions



Change 2025 initiatives

1. Implement region-based decision-making and speed up execution

2. Strengthen management by deploying top talent and appointing local human resources

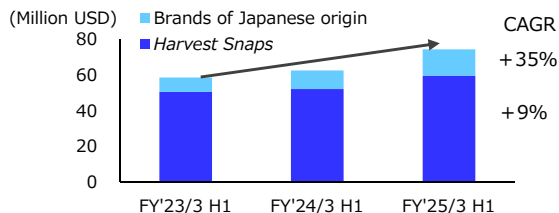
3. Invest capital in response to market growth

Europe/Americas

Promote continued growth of current mainstay products and brands of Japanese origin

■ North America:

- Strengthen organization through dispatching management, marketing, R&D and production staff
- Strengthen local management resources and straightforward sales activities to grow *Harvest Snaps*
- Leverage relationships gained from sales of *Harvest Snaps* and trust in high Japanese quality to promote growth of brands of Japanese origin



■ UK:

- Leverage high recognition in north England to realize placement of *Seabrook* brand in national chains
- Launch sales of brands of Japanese origin



Calbee product placement in national chains



Asia/Oceania

Strengthen brands of Japanese origin according to each region's characteristics

■ Greater China:

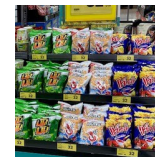
- In-line with changes in the business environment, optimize investment while building a base for future growth
- Develop *Jagabee* based on price competitiveness by launching local OEM production and expanding imports from nearby countries
- Expand sales of *Frugra* at retail stores
- Continue to aim to grow sales at retail stores by promoting input of expertise from Japan and strengthening management resources

■ Indonesia:

- Improve production technology and potato management through technology transfer from Japan
- Invest in growing *Guribee* while responding to the robust potato chips market
- Continue strengthening management resources

■ Thailand:

- Leverage high quality and location to function as an export hub
- To elevate domestic market presence, expand sales by enhancing sales structure and renewing existing brands
- Launch sales of *Frugra*

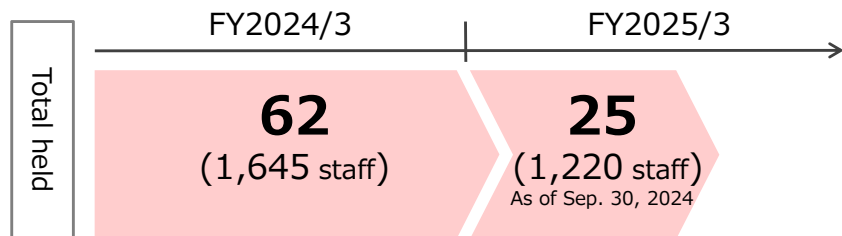


Mass display in stores

Strengthen business base: human resources strategy

Continue holding roundtable meetings to foster a corporate culture of mutual growth

Promote a corporate culture of undertaking challenges and heighten consciousness for reform



Roundtable meetings



Psychological safety

FY2023/3	FY2024/3	Target
3.46	3.48	3.50

D/S: Engagement survey

Consciousness for reform

In reforming the company, do you believe you personally need to change? (total of "agree" and "strongly agree" responses)

93.7%

D/S: Sep. 2024 S&OP change management survey

Towards increasing potato supplies over the medium/long term, continuously pursue stable supplies and strive to reduce GHG emissions and conserve natural capital

Caring for the Earth (achieving carbon neutrality)

Initiatives to reduce GHG emissions in collaboration with contract producers (initiatives for reducing Scope 3 emissions)

FY2023/3:

Participated in Ministry of the Environment's model support project
Established roadmap for initiatives to reduce GHG emissions in Scope 3 category 1

FY2024/3:

Started "potato visualization" demonstration project with Ministry of Agriculture, Forestry and Fisheries

Raise sustainability of agriculture (conservation of natural capital)

Promote science-based cultivation technology to conserve natural capital

- Collaborate with stakeholders including producers, agricultural cooperatives and universities to promote measures for phosphate reduction



Phosphate reduction

Disclosure and initiatives in line with the TNFD framework

- Based on an evaluation of dependencies and impacts and an assessment of risks and opportunities, create a roadmap, advance our responses to issues and work towards making a TNFD disclosure in 2025



For details on these initiatives, please refer to the Calbee Group Integrated Report 2024

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2. **FY2025/3 H1 financial results and
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FY2025/3 H1: Results highlights

Net sales ¥157.1bn (+¥10.0bn YoY, +¥0.8bn vs. plan)

Operating profit ¥14.9bn (+¥1.4bn YoY, +¥1.0bn vs. plan)

Net profit ¥10.6bn (-¥0.2bn YoY, +¥1.9bn vs. plan)

(Billion yen)	FY2024/3 H1	FY2025/3 H1	Change	FY2025/3 H1 Plan	vs. plan Ratio
Net sales	147.1	157.1	+6.8%	156.3	100.5%
Domestic	110.3	117.6	+6.6%	115.9	101.5%
Overseas	36.8	39.4	+7.3%	40.4	97.6%
Operating profit	13.5	14.9	+10.5%	13.9	107.4%
Operating margin	9.2%	9.5%	+0.3pts	8.9%	+0.6pts
Domestic	11.6	12.7	+9.3%	11.6	109.4%
Overseas	1.9	2.3	+17.3%	2.3	97.4%
Ordinary profit	16.6	14.8	-11.0%	13.5	109.6%
Net profit *	10.9	10.6	-2.1%	8.7	122.2%

*Profit attributable to owners of parent

YoY

- Record H1 profit on increased sales and profit both domestically and overseas
- Net profit fell YoY on forex impact of the stronger yen

Vs. plan

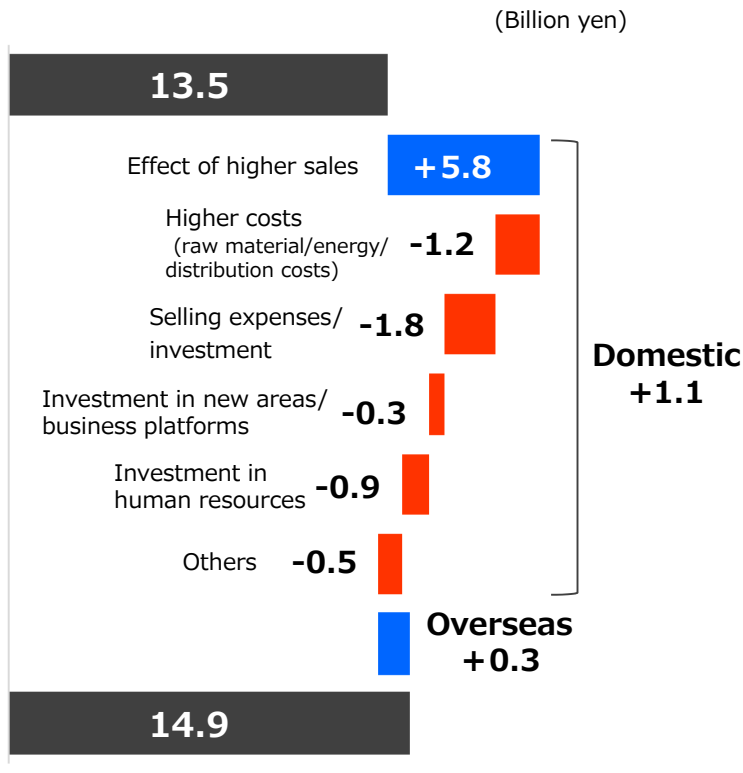
- Domestically, exceeded plan on having maintained firm sales momentum and deferred some activities
- Overseas, Europe/North America missed high targets despite continued firmness in Indonesia, etc.

Reference: Month-end forex rates (¥/\$)

	Mar. 31	Sep. 30	Planned rate
2023	133.53	149.58	—
2024	151.41	142.73	142.0

FY2025/3 H1: Operating profit analysis by factor

**FY2024/3 H1
Operating
profit**



Notes:

- Effect of higher sales:
Increased sales volume (+¥0.8bn), effect of improved sales unit price including S&OP effect and improved MIX (+¥5.0bn)
- Higher costs:
Imported raw materials (-¥0.6bn), domestic potatoes (-¥0.2bn), energy costs (-¥0.2bn), distribution costs (-¥0.3bn)
- Selling expenses/investment:
Marketing investment for promoting/enhancing brand value (-¥1.0bn)
- Investment in new areas/business platforms:
Investment in food and health area including in raising awareness of *Body Granola*, costs related to acquisition of new production lines/factories, investment for business growth and strengthening base
- Others:
Despite reduced losses in the sweet potato business, depreciation expenses and other activity costs including travel/commuting increased

(Billion yen)	FY2025/3 H1		
		Change(YoY)	
Domestic sales	117.6	+7.3	+6.6%
Snacks	109.0	+6.1	+5.9%
<i>Potato Chips</i>	49.4	+3.3	+7.1%
<i>JagaRico</i>	23.2	+1.8	+8.6%
Other snacks	36.4	+0.9	+2.6%
Cereals	15.2	+2.0	+15.1%
Others (Agri, Food and health, Services)	6.8	+0.4	+5.9%
Rebates deducted from sales	-13.3	-1.1	—
Domestic operating profit	12.7	+1.1	+9.3%
Operating margin	10.8%	+0.3pts	—
Gift snack items **	8.6	+0.9	+12.0%

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

**Gift snack items: Figures for the prior year have been reclassified due to the organizational integration of the gift business

■ Snacks

- 2024 Hokkaido potato harvest quantity expected to meet the plan
- Firm demand continued since June price/content revisions, due in part to impact of marketing activities
- Gift snack items remained strong due to high travel demand

■ Cereals

- Maintained last year's high momentum by arousing/maintaining consumer demand via measures including brand consolidation, collaborative projects, TV commercials and increased volume
- Marketing measures in-line with lifestyle dynamics in the new fiscal year were successful too

■ Others

- New food and health business *Body Granola* and other businesses grew

Snacks (sales +6%)

■ *Potato Chips* (volume grew 4%)

- *Usu-Shio Flavor* and other mainstay products were steady
- The development of sub-brands for *Potato Chips* also contributed
- Productivity for *Kata-Age Potato* recovered through use of new potatoes
- Despite continued low demand for products with a slim price advantage, there was a recovery trend for large bags due to summer vacation demand



■ *JagaRico* (volume grew 1%)

- Focused on selling mainstay products to meet the strong demand that has continued since the prior fiscal year
- Growth in volume on increased production capacity

■ Other snacks

- Gift snack items grew due to domestic/inbound demand increase
- Low-priced *Potato Chips Crisp* has continued to sell well since its March relaunch
- Sales of wheat- and corn-based snacks fell, failing to surpass the high sales level of the previous year



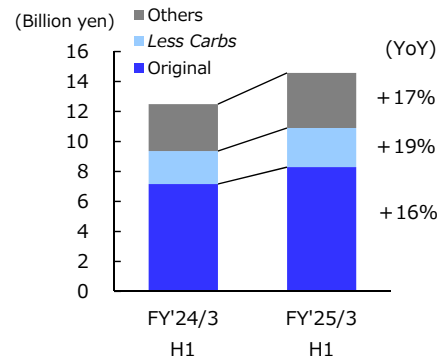
Potato Chips Crisp renewed with a new shape

Cereals (sales +15%)

*Source: INTAGE SRI+

- Continued to grow market share amid increasingly active cereal market (+1.9pts YoY)(*)
- Marketing measures such as campaigns and increased volume have led to a return of customers, and sales of mainstay products such as Original and *Less Carbs* products have increased
- Collaborative product *Frugra Nangoku-Shirokuma Flavor* also contributed to capture of new customers

Sales of cereals
(domestic consumption)



Collaborative product
Frugra Nangoku-Shirokuma Flavor

(Billion yen)	FY2025/3 H1			
		Change(YoY)		Change ex. forex in %
Overseas sales	39.4	+2.7	+7.3%	+0.3%
Europe/Americas	21.4	+3.7	+20.9%	+11.3%
North America	14.1	+2.5	+22.0%	+13.2%
Asia/Oceania	23.4	-0.6	-2.3%	-7.5%
Greater China	8.4	-1.9	-18.7%	-24.1%
Rebates deducted from sales	-5.4	-0.4	—	—
Overseas operating profit	2.25	+0.33	+17.3%	—
Operating margin	5.7%	+0.5pts	—	—
Europe/Americas	0.42	-0.16	-27.3%	—
North America	0.04	-0.19	-84.3%	—
Asia/Oceania	1.83	+0.49	+36.3%	—
Greater China	0.60	+0.13	+26.4%	—

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

■ Europe/Americas

- Sales in North America and the UK continued to grow
- Firm sales of existing brands and brands of Japanese origin continued
- Operating profit was affected by one-time costs in North America, etc.

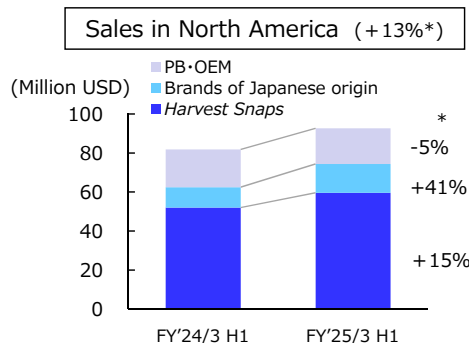
■ Asia/Oceania

- Lower sales in Greater China were partially offset by increases in other regions such as Indonesia
- Indonesia in particular contributed to operating profit

Europe/Americas

■ North America:

- Sales of *Harvest Snaps* grew on the effect of sales promotions and expanded distribution
- Sales for brands of Japanese origin continued to rise on strong demand
- Profit fell due to one-time costs associated with infrastructure development and higher transportation costs
- Planning to expand sales and improve profit by increasing efficiency through local production of brands of Japanese origin, etc.



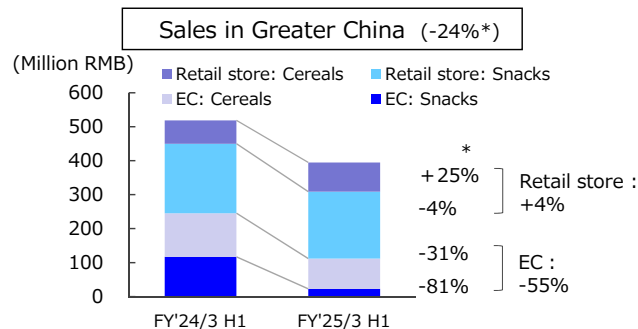
■ UK:

- Sales of *Seabrook* brand potato chips and pellet snacks rose on the expansion of sales channels
- Will invest in marketing and capex to strengthen Potato Chips in H2

Asia/Oceania

■ Greater China:

- Sales decreased on the continued impact of worsening economic sentiment and stricter customs regulations for mainstay snacks
- Working to expand retail sales through locally produced OEM products and imports from nearby countries



■ Indonesia:

- Sales rose in all categories, particularly for *Guribee*
- Continued improvement in cost rate in H1 contributed greatly to increased profit
- In H2, aiming to raise sales and profit while controlling raw material costs and to increase production of *Guribee* with the launch of a new third line

Revised FY2025/3 forecast: Summary

Upwardly revised forecasts for net sales +¥3.0bn, operating profit +¥6.0bn, and net profit +¥1.5bn

- Expecting an upturn in domestic sales and overseas results
- A portion of the cash earned will be used for investment in future growth
- Reflects an upswing from the tax effect realized in H1

*Exchange rate: 1USD = ¥142
(unchanged)

(Billion yen)	FY2025/3 (Initial Plan)	FY2025/3 (Revised Forecast)	Change (vs Initial Plan)
Net sales	320.0	323.0	+3.0
Domestic	237.0	241.0	+4.0
Overseas	83.0	82.0	-1.0
Operating profit	28.9	29.5	+0.6
Operating margin	9.0%	9.1%	+0.1pts
Domestic	24.2	24.6	+0.4
Overseas	4.7	4.9	+0.2
Ordinary profit	28.0	29.0	+1.0
Net profit*	18.0	19.5	+1.5

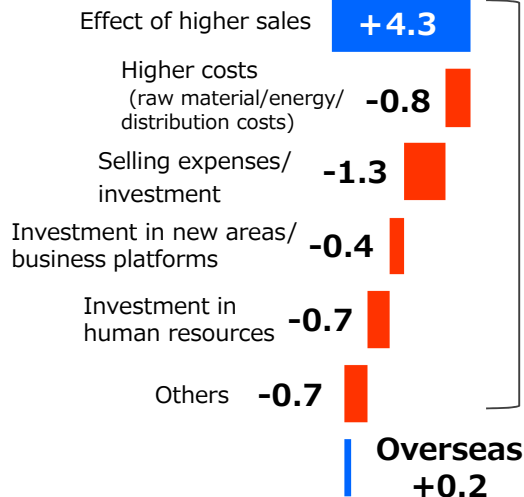
*Profit attributable to owners of parent

Revised FY2025/3 forecast: Operating profit analysis

**FY2025/3
Initial Plan
Operating Profit**

28.9

(Billion yen)



Actions for H2

■ Domestic:

- Against the backdrop of a sufficient yield of Hokkaido potatoes, effectively utilize our supply capacity to reliably meet demand and counteract rising costs
- Invest in marketing to maintain sales momentum and strengthen growing brands
- Advance forward-looking investment in human resources, our base, and new areas towards growth in the medium/long-term

■ Overseas:

- Aim to grow sales by increasing production capacity
- In Europe/Americas, while aiming to expand sales of firm brands and brands of Japanese origin, also strive to increase production through investment and improve costs























Notes:

- Higher costs: Mainly higher raw material costs, especially for cooking oil, imported raw materials, domestic potatoes, etc.
- Selling expenses/investment: Marketing investment (-¥0.6bn)
- Others: Parts and repair expenses, storage costs due to larger potato yields, higher costs accompanying increased business activity, etc.

**FY 2025/3
Revised Forecasts
Operating Profit**

29.5

Price/content revisions in Feb. 2025

Effective date	FY'22/3	FY'23/3			FY'24/3		FY'25/3	
	Jan.-Feb. 2022	Jun.-Jul. 2022	Sep.-Oct. 2022	Nov. 2022	Jun. 2023	Aug.-Oct. 2023	Jun. 2024	Feb. 2025
Target products	 	   	   	  	   	 <p>Gift snack items (partial)</p>	   	
Revisions	Content : -5% Price : +7-10%	Content : -10% Price : +10-20%	Price : +10-20%	Price : +10-20%	Price : +3-15%	Price : +5-20%	Price : +3-10%	Content : -7-10%

Reference material

Consolidated profit and loss statement

(Million yen)	FY2025/3 H1 Results				FY2025/3 Initial plan		
		Percent of total(%)	Change (YoY) (%)	vs. Plan (%)		Percent of total(%)	Change (YoY) (%)
Net sales	157,070	100.0	+6.8	100.5	320,000	100.0	+5.6
Gross profit	53,880	34.3	+11.4	100.3	109,200	34.1	+7.1
SG&A	38,953	24.8	+11.8	97.8	80,300	25.1	+7.6
Selling	6,617	4.2	+26.6	88.7	14,100	4.4	+11.9
Distribution	11,584	7.4	+8.7	98.8	24,500	7.7	+8.3
Labor	12,627	8.0	+8.4	100.1	25,600	8.0	+4.7
Others	8,123	5.2	+10.9	101.4	16,100	5.0	+7.4
Operating profit	14,926	9.5	+10.5	107.4	28,900	9.0	+5.8
Ordinary profit	14,801	9.4	-11.0	109.6	28,000	8.8	-10.1
Extraordinary income/loss	+7	—	—	—	-500	—	—
Net profit*	10,633	6.8	-2.1	122.2	18,000	5.6	-9.5

*Profit attributable to owners of parent

Revised FY2025/3 forecast: Consolidated profit and loss statement

(Million yen)	FY2024/3		FY2025/3 (Initial plan)			FY2025/3 (Revised forecast)	
		Percent of total(%)		Percent of total(%)			Percent of total(%)
Net sales	303,027	100.0	320,000	100.0		323,000	100.0
Gross profit	101,959	33.6	109,200	34.1		110,800	34.3
SG&A	74,654	24.6	80,300	25.1		81,300	25.2
Selling	12,598	4.2	14,100	4.4		14,000	4.3
Distribution	22,625	7.5	24,500	7.7		24,400	7.6
Labor	24,446	8.1	25,600	8.0		26,100	8.1
Others	14,983	4.9	16,100	5.0		16,800	5.2
Operating profit	27,304	9.0	28,900	9.0		29,500	9.1
Ordinary profit	31,155	10.3	28,000	8.8		29,000	9.0
Net profit*	19,886	6.6	18,000	5.6		19,500	6.0

*Profit attributable to owners of parent

Revised FY2025/3 forecast: Summary

(Billion yen)

Growth guidance	FY2023/3 Results	FY2024/3 Results	FY2025/3 Initial plan	FY2025/3 Revised forecast	FY2024/3 – FY2025/3 Two-year average	Growth guidance (3 years)
Consolidated net sales	279.3	303.0	320.0	323.0	–	–
Organic growth rate	+14%	+8%	+6%	+7%	+8%	+ 4~6%
Consolidated operating profit	22.2	27.3	28.9	29.5	–	–
Consolidated profit growth rate	-12%	+23%	+6%	+8%	+15%	+ 6~8%
Net profit	14.8	19.9	18.0	19.5	–	–
ROE (ROE after forex adjustments)	8.5% (8.0%)	10.9% (9.5%)	9.1% (9.1%)	9.8% (10.0%)	–	Over 10%
Main KPIs						
Domestic operating profit growth	-15%	+22%	+1%	+3%	+12%	+ 6~8%
Overseas sales ratio	26%	24%	26%	25%	–	30~35% (FY2026/3)
Ratio of sales in new areas	3.9%	4.3%	4.4%	4.3%	–	5% (FY2026/3)

Financial condition and Cash flows

(Million yen)	As of March 31, 2024	As of September 30, 2024	Change
Total assets	292,158	300,779	+8,620
Current assets	127,853	121,690	-6,162
Non-current assets	164,305	179,088	+14,782 *1
Total liabilities	91,072	96,790	+5,718
Current liabilities	54,475	50,290	-4,185
Non-current liabilities	36,596	46,500	+9,903 *2
Net assets	201,086	203,988	+2,901
Net Cash	10,676	9,256	-1,420
Equity ratio	65.6%	64.6%	-1.0pts

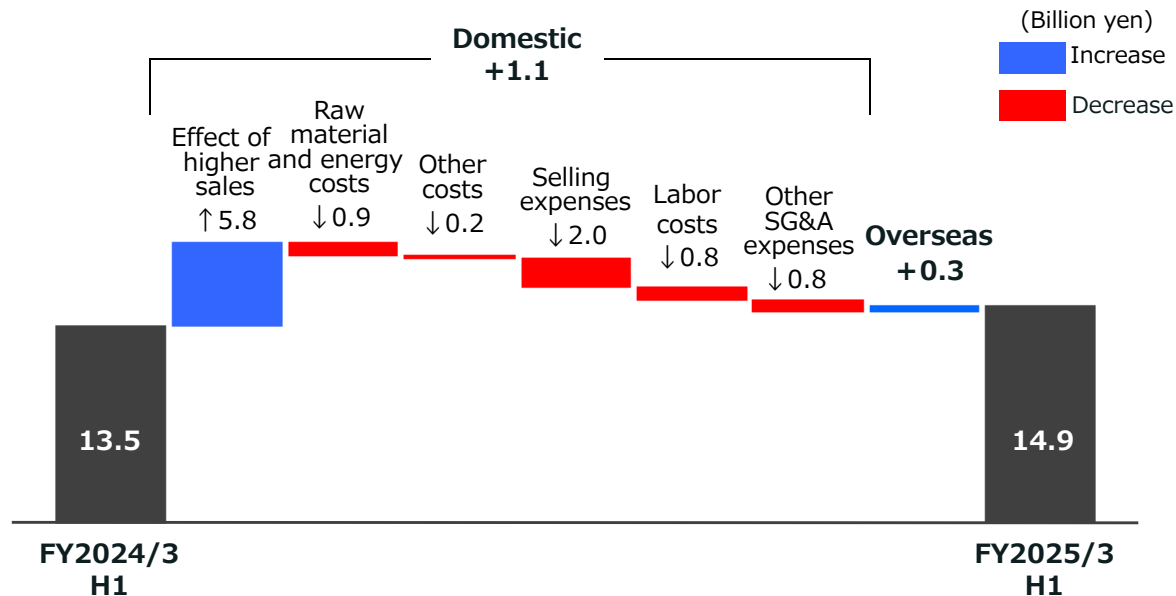
(Million yen)	As of September 30, 2023	As of September 30, 2024	Change
Cash flows from operating activities	5,318	27,393	+22,074 *3
Cash flows from investing activities	-10,251	-21,344	-11,092 *1
Cash flows from financing activities	7,173	3,330	-3,843

Notes:

(Million yen)

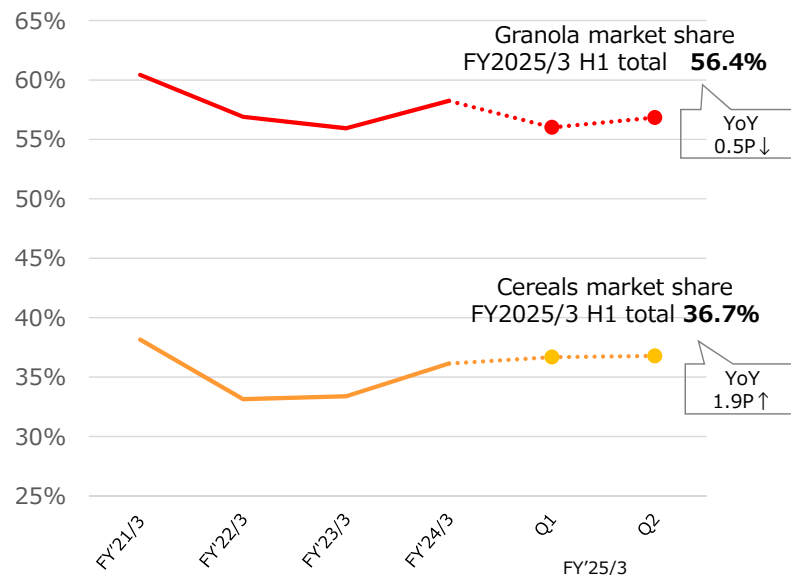
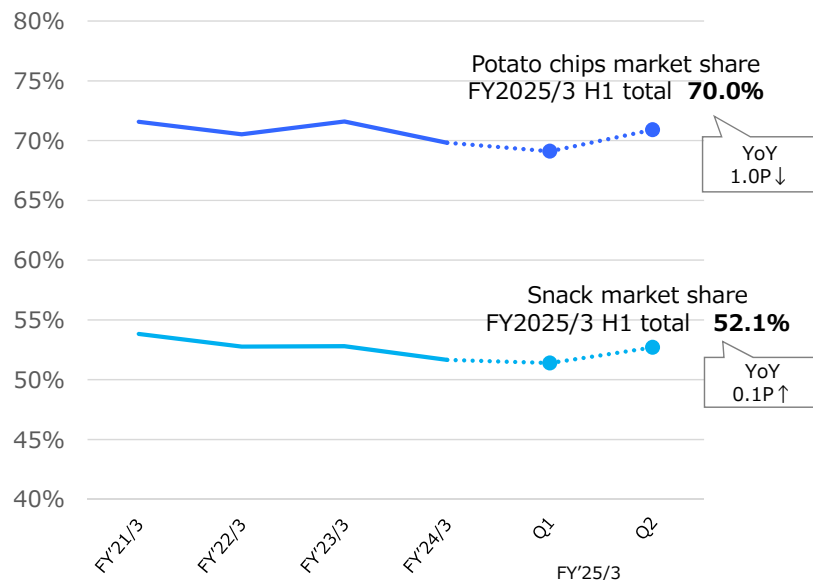
- *1 Non-current assets: Property, plant and equipment +18,057
Cash flows from investing activities -13,597 (mainly relating to construction of the Setouchi-Hiroshima Factory)
- *2 Non-current liabilities: Long-term borrowings +10,000
- *3 Cash flows from operating activities: Decrease in notes and accounts receivable +27,837 (accounts receivable payment delay due to the final day of the previous term being a bank holiday)

FY2025/3 H1: Operating profit analysis by category



- Notes:**
- Raw material/energy costs: Imported raw materials (-¥0.6bn)、domestic potatoes (-¥0.2bn)、energy costs (-¥0.2bn)
 - Other costs: Human resources investment in response to labor shortage and increased depreciation were offset by productivity improvements and reduced losses in sweet potato business
 - Selling expenses: Marketing investment (-¥1.2bn) (including investment in new areas)
 - Other expenses: Distribution costs (-¥3.0bn), expenses for strengthening base, etc.

Domestic market share



Source: INTAGE SRI+ based on sales amount (nationwide, all retail formats)

FY2025/3 H1 total: April 2024 - September 2024
Comparison period: April 2023 - September 2023
FY'21/3-FY'24/3: April 2020 - March 2024

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

Contact details for IR inquiries:
Calbee, Inc. Investor Relations
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 ending March 31, 2025 is referred to throughout this report as "FY2025/3 (FY'25/3)," 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.