

Calbee Group Financial Results

First quarter of fiscal year ending

March 31, 2025

April 1, 2024 – June 30, 2024

TSE code : 2229

Calbee, Inc.

Aug 2, 2024

- **Q1 sales rose** by ¥4.5bn, **operating income rose** by ¥0.4bn, up YoY and exceeding plan, and setting Q1 profit record
- **Domestic sales started with good momentum, rising on the realization of price/content revisions and volume growth**
Volume trends post-June price/content revisions are progressing as expected
Profit decreased on flattening of marketing investment and investment for growth, but still exceeded the plan
- **Overseas, sales remained weak in Greater China but grew in North America and other regions, setting a quarterly profit record**
- **Executed capex as planned, Setouchi Hiroshima Factory was received from the builder on June 28**

FY2025/3 Q1 Results highlights

Net sales ¥77.7bn (+¥4.5bn YoY, +¥1.2bn vs. plan)

Operating profit ¥7.7bn (+¥0.4bn YoY, +¥0.6bn vs. plan)

Net profit ¥7.1bn (+¥0.8bn YoY, +¥2.6bn vs. plan)

(Billion yen)	FY2024/3 Q1	FY2025/3 Q1	Change	FY2025/3 Q1 Plan	vs. plan Ratio
Net sales	73.2	77.7	+6.2%	76.5	101.5%
Domestic	55.2	58.1	+5.2%	56.7	102.4%
Overseas	18.0	19.6	+9.2%	19.8	99.0%
Operating profit	7.2	7.7	+5.9%	7.1	108.1%
Operating margin	9.9%	9.9%	-0.0pts	9.3%	+0.6pts
Domestic	6.3	6.1	-2.8%	5.9	103.8%
Overseas	0.9	1.5	+64.3%	1.2	129.1%
Ordinary profit	9.4	9.3	-1.2%	6.9	135.2%
Net profit*	6.3	7.1	+13.1%	4.5	157.2%

*Profit attributable to owners of parent

YoY

- Net sales rose on domestic sales growth and foreign exchange effects
- Operating profit rose driven by overseas, domestically fell YoY on flattening of costs and investment despite price/content revisions offsetting higher costs
- Net profit rose YoY despite a reduction in foreign exchange gains through leveraging tax measures encouraging pay raises, etc.

Vs. plan

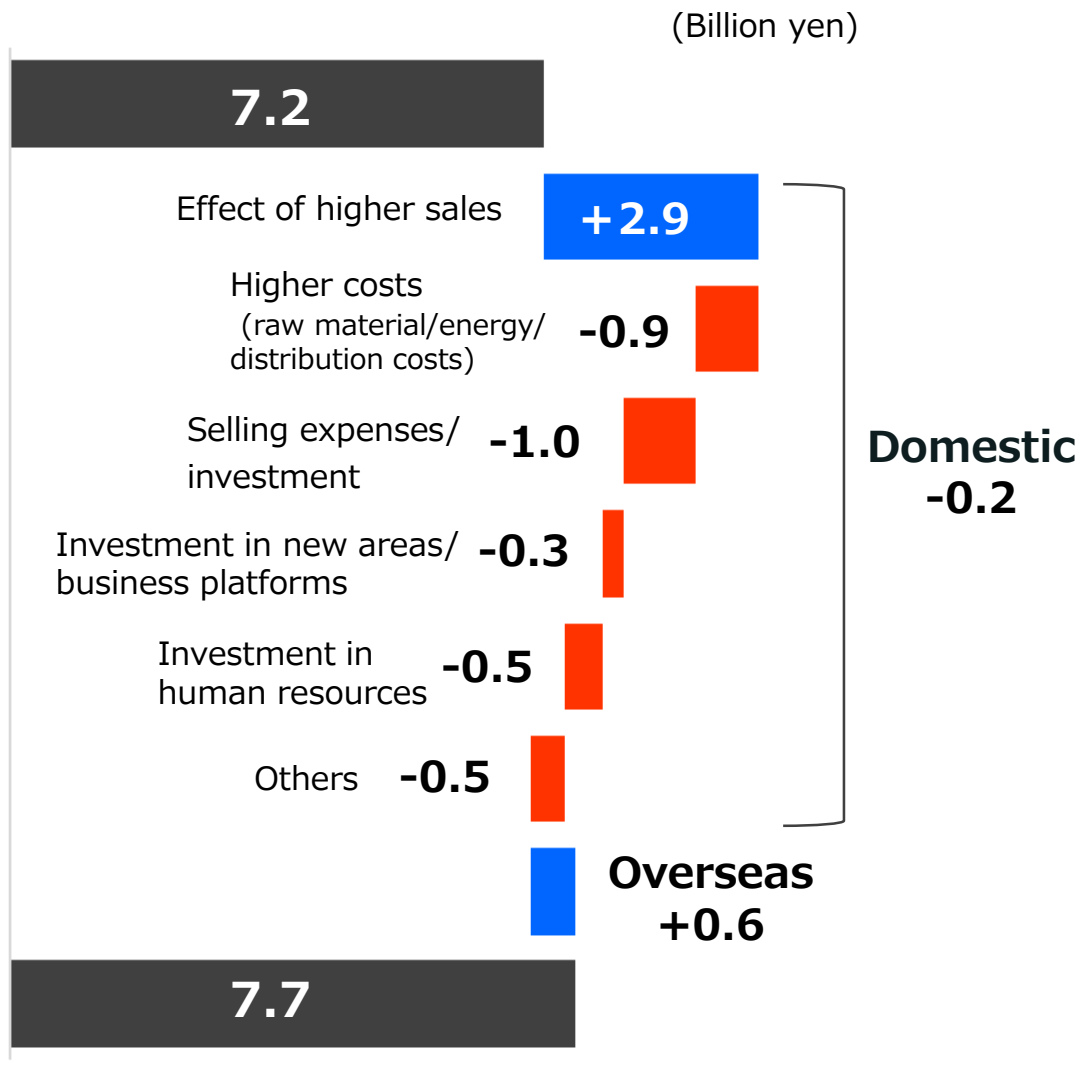
- Domestically maintained firm momentum, offsetting higher costs
- Overseas profit also exceeded plan
- Net profit significantly exceeded plan on booking foreign exchange gains

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

	March 31	June 30	Planned rate
2023	133.53	144.99	—
2024	151.41	161.07	142.0

FY2025/3 Q1 : operating profit analysis by factor

FY2024/3 Q1
Operating profit



Notes:

- Effect of higher sales:
Increased sales volume (+¥0.1bn), effects of price/content revisions (+¥2.8bn)
- Higher costs:
Imported raw materials (-¥0.5bn), domestic potatoes (-¥0.2bn), energy costs (flat YoY), distribution costs (-¥0.2bn)
- Selling expenses/investment:
Marketing investment with promoting/enhancing brand value (-¥0.6bn)
- 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:
Increased depreciation expenses and other activity costs including travel/commuting

FY2025/3 Q1 Domestic business

(Billion yen)	FY2025/3 Q1		
		Change(YoY)	
Domestic sales	58.1	+2.9	+5.2%
Snacks	53.2	+2.1	+4.0%
<i>Potato Chips</i>	23.7	+0.7	+3.2%
<i>JagaRico</i>	11.2	+0.8	+7.2%
Other snacks	18.3	+0.6	+3.2%
Cereals	7.7	+1.1	+16.2%
Others (Agri, Food and health, Services)	3.4	+0.2	+4.9%
Rebates deducted from sales	-6.3	-0.4	—
Domestic operating profit	6.1	-0.2	-2.8%
Operating margin	10.6%	-0.9pts	—

Gift snack items **	3.9	+0.3	+9.5%
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*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

- Demand remained firm
- Reaping the results of price/content revisions steadily, exceeded last year's high level of sales
- Gift snack items remained strong due to high travel demand

■ Cereals

- Maintained the strong momentum of last year's due to continuous marketing and sales activities

■ Others

- Grew sales of *Body Granola*, launched in April of the previous year, etc.

Snacks

- Potato Chips** (volume: -1.5%)
 - Firm sales of regular items such as *Usu-Shio Flavor*
 - Strong sales of *Potato Chips The Atsugiri* sub-brand
 - Overall sales were depressed by *Kataage Potato*, whose productivity fell on the impact of potato quality, and items whose price advantage has eroded
 - Began communicating value-promoted content to strengthen brand
- JagaRico** (volume: flat YoY)
 - Focused marketing on regular items, responding to continued strong demand from last year
 - Normalized utilization due to increased production capacity
- Other snacks**
 - Gift snack items grew on increased domestic/inbound demand
 - Corn-based snacks failed to reach last year's high level; flour-based snacks grew
 - Raised *Kappa Ebisen* sales level on its 60th anniversary with measures aimed at target consumers



Regular item Potato Chips Usu-Shio Flavor
Sub-brand Potato Chips The Atsugiri



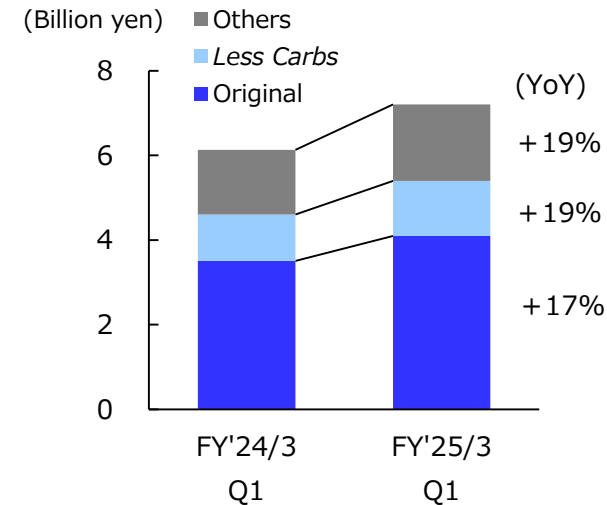
Newspaper advertisement for the 60th anniversary of *Kappa Ebisen* that won the grand prize in the Taste category of the Yomiuri Advertising Awards (40th)

Cereals

*Source: Intage's SRI+

- Continued to grow cereal market share (YoY+2.7pts)*
- TV commercials and campaigns were effective, with sales of regular products including original *Frugra* and *Frugra Less Carbohydrates* rising
- Collaboration product *Frugra Nangoku Shirokuma Flavor* also contributed

Sales of cereals (domestic consumption)



Collaboration product *Frugra Nangoku Shirokuma Flavor*

(Billion yen)	FY2025/3 Q1			
		Change(YoY)		Change ex. forex in %
Overseas sales	19.6	+1.6	+9.2%	-1.7%
Europe/Americas	11.0	+2.3	+27.0%	+11.6%
North America	7.2	+1.5	+26.9%	+12.0%
Asia/Oceania	11.3	-0.4	-3.1%	-10.9%
Greater China	4.0	-1.1	-21.6%	-29.2%
Rebates deducted from sales	-2.7	-0.3	—	—
Overseas operating profit	1.55	+0.61	+64.3%	—
Operating margin	7.9%	+2.7pts	—	—
Europe/Americas	0.53	+0.13	+31.6%	—
North America	0.31	+0.03	+10.0%	—
Asia/Oceania	1.02	+0.48	+88.5%	—
Greater China	0.30	+0.11	+57.9%	—

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

■ Europe/Americas

- Sales and profit rose in both North America and the UK
- Sales of existing brands and brands of Japanese origin remained firm
- Aiming to expand sales by increasing facilities in both North America and the UK.

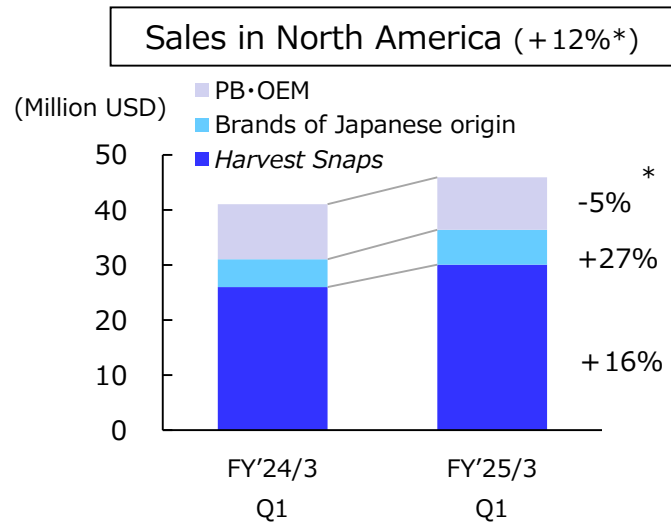
■ Asia/Oceania

- Lower sales in Greater China were partially offset by higher sales in other regions
- In Indonesia especially, profit rose significantly on higher sales and cost improvements

Europe / Americas

North America:

- Grew on contribution from large sales promotions for *Harvest Snaps* and expanded distribution
- Sales grew on strong demand for brands of Japanese origin
- Despite capturing new PB/OEM orders, they continued to shrink due to effects of the industry reorganization



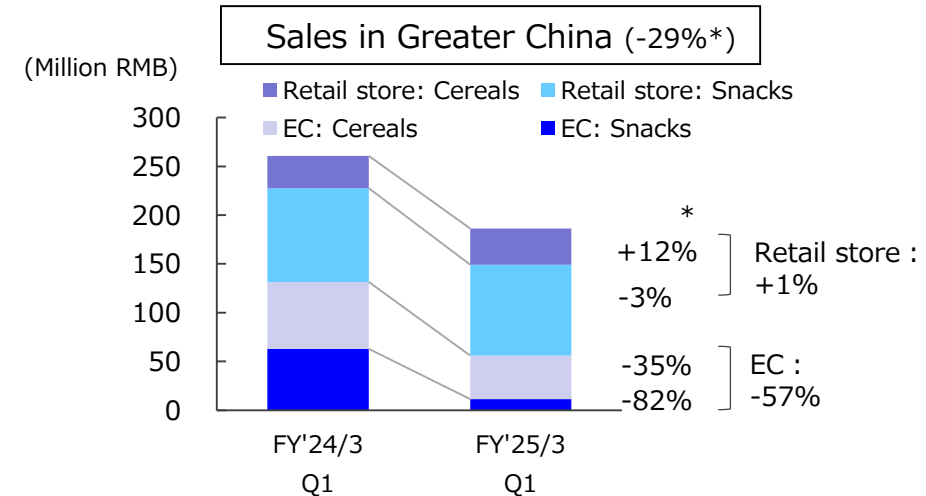
United Kingdom:

- Both expanded distribution of *Seabrook* brand potato chips and sales growth of pellet snacks contributed
- Advanced marketing and capital investments for strengthening potato chips

Asia / Oceania

Greater China:

- Sales fell on deteriorating business confidence and the effect of customs regulations for mainstay snacks since H2
- Launched *Jagabee* made by local OEM in late May as planned
- Despite the impact of lower sales, operating profit rose YoY due to a change in the timing of recording sales promotion costs



Jagabee
produced by local OEM

Indonesia:

- Sales of potato chips and *Guribee* (whose line was strengthened in December 2023) increased
- Profit rose significantly on sales growth and continued improvements in productivity and raw material costs

Reference material

Consolidated profit and loss statement

(Million yen)	FY2025/3 Q1 Results				FY2025/3 Forecast		
		Percent of total(%)	Change (YoY) (%)	vs. Forecast (%)		Percent of total(%)	Change (YoY) (%)
Net sales	77,656	100.0	+6.2	101.5	320,000	100.0	+5.6
Gross profit	27,048	34.8	+10.8	102.1	109,200	34.1	+7.1
SG&A	19,373	24.9	+12.9	99.9	80,300	25.1	+7.6
Selling	3,177	4.1	+22.6	87.8	14,100	4.4	+11.9
Distribution	5,851	7.5	+8.8	103.7	24,500	7.7	+8.3
Labor	6,215	8.0	+13.6	100.4	25,600	8.0	+4.7
Others	4,129	5.3	+10.9	104.8	16,100	5.0	+7.4
Operating profit	7,674	9.9	+5.9	108.1	28,900	9.0	+5.8
Ordinary profit	9,327	12.0	-1.2	135.2	28,000	8.8	-10.1
Extraordinary income/loss	-1	-	-	-	-500	-	-
Net profit*	7,071	9.1	+13.1	157.2	18,000	5.6	-9.5

*Profit attributable to owners of parent

Financial condition and Cash flows

(Million yen)	As of March 31, 2024	As of June 30, 2024	Change
Total assets	292,158	308,222	+16,063
Current assets	127,853	128,734	+881
Non-current assets	164,305	179,487	+15,182 *1
Total liabilities	91,072	103,502	+12,430
Current liabilities	54,475	56,758	+2,283
Non-current liabilities	36,596	46,743	+10,147 *2
Net assets	201,086	204,719	+3,632
Net Cash	10,676	-1,593	-12,269
Equity ratio	65.6%	63.1%	-2.5pts

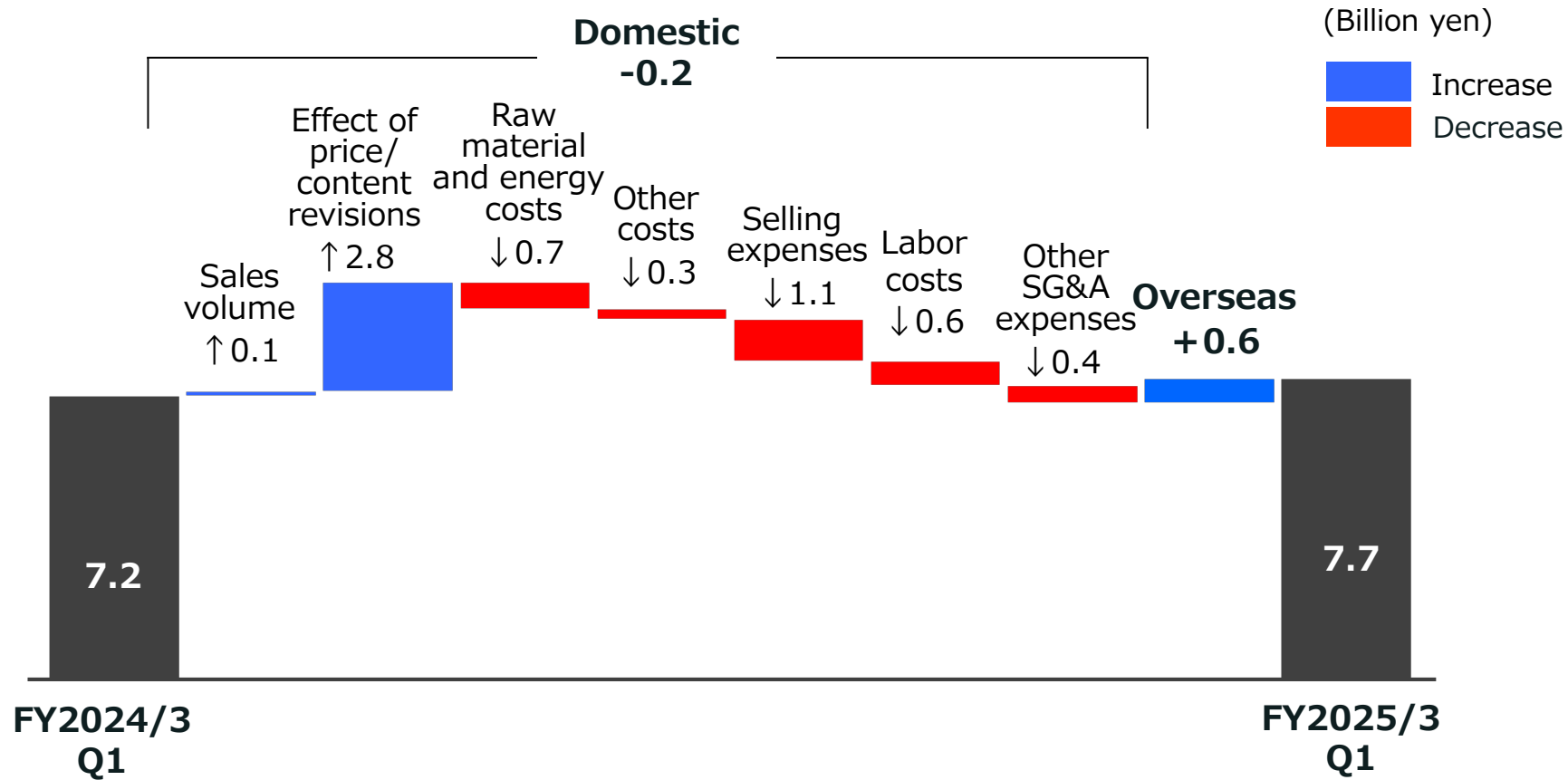
(Million yen)	As of June 30, 2023	As of June 30, 2024	Change
Cash flows from operating activities	7,796	1,541	-6,255 *3
Cash flows from investing activities	-6,332	-7,605	-1,273
Cash flows from financing activities	4,137	2,559	-1,577

Notes:

(Million yen)

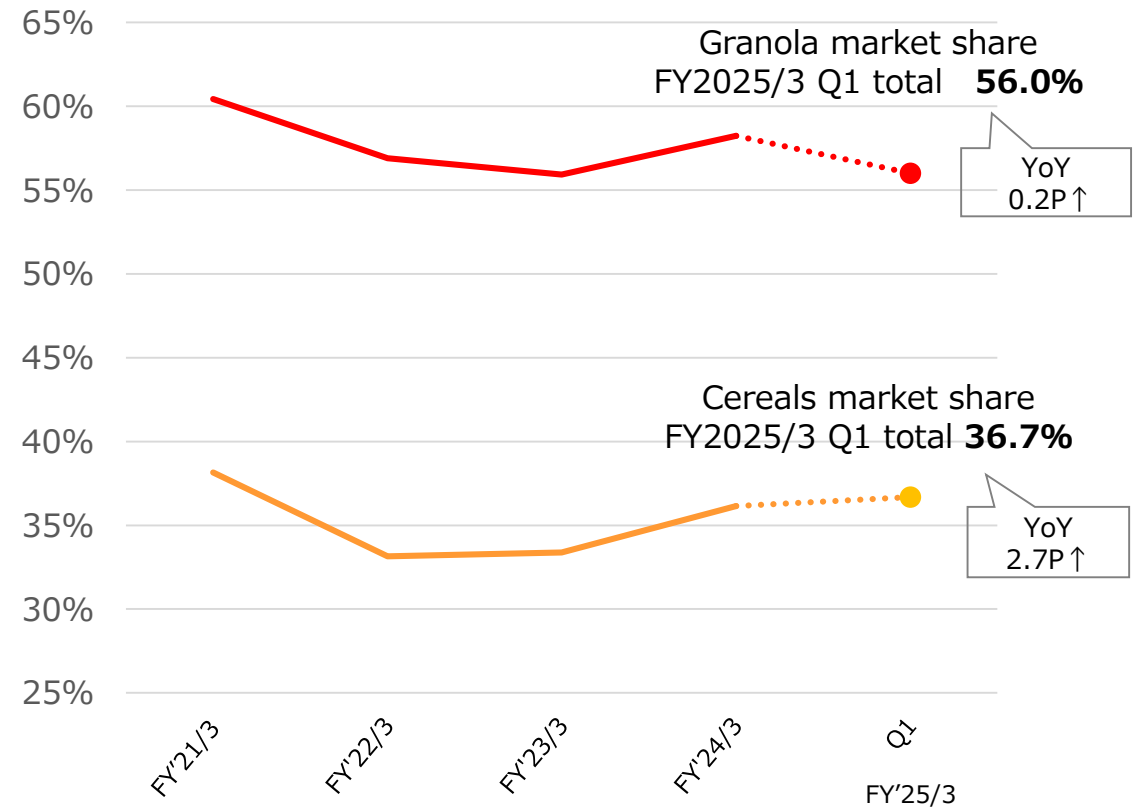
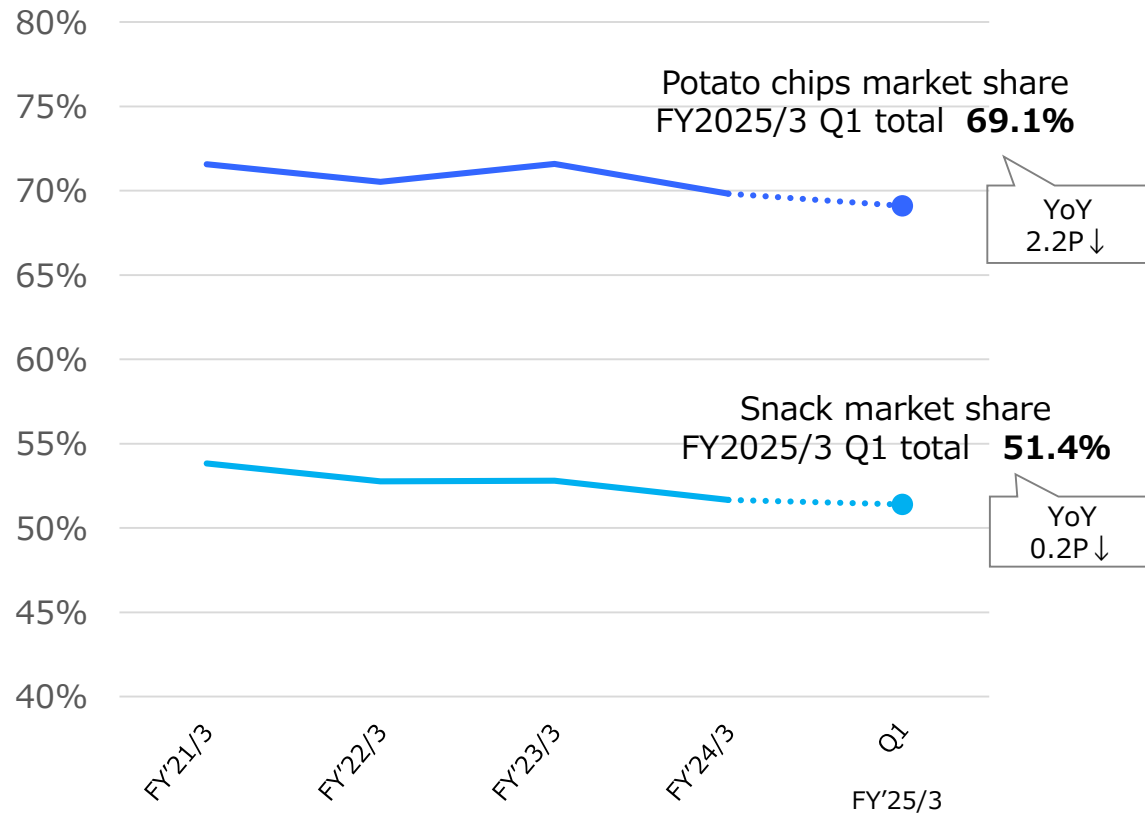
- *1 Non-current assets: Property, plant and equipment +15,965 (mainly relating to construction of the Setouchi Hiroshima Factory)
- *2 Non-current liabilities: Long-term borrowings +10,000
- *3 Cash flows from operating activities: Decrease in accounts payable – other -3,036

FY2025/3 Q1 : operating profit analysis by category



Notes: Raw material/energy costs: Imported raw materials (-¥0.5bn), domestic potatoes (-¥0.2bn)
 Other costs: Human resources investment in response to labor shortage, etc.
 Selling expenses: Marketing investment (-¥0.7bn) (including investment in new areas)
 Other SG&A expenses: Distribution costs (-¥0.2bn), expenses for strengthening base, etc.

Domestic market share



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

FY2025/3 Q1 total: April 2024 - June 2024
 Comparison period: April 2023 - June 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

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- 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.
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