

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

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Executive Officer and CFO**

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My name is Ehara, Representative Director. Thank you very much for attending the financial results briefing of our group today. We would like to thank you again for your continued understanding and support of our activities.

I would like to summarize our financial results for H1 of FY2025, and report on the progress of our growth strategy, Change 2025.

- **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

See slide three. This is the summary we will explain today.

First, let me summarize the H1 results. Consolidated results for H1 of FY2025 showed an increase of JPY10 billion in net sales and JPY1.4 billion in operating profit, with both net sales and operating income reaching record highs for H1 of the year. Solid domestic sales and strong overseas operations, especially in Indonesia, contributed to the better-than-planned results.

Based on the above favorable H1 performance and H2 initiatives, we have revised upward our full-year forecasts for net sales by JPY3 billion, operating income by JPY600 million, and net profit by JPY1.5 billion. Mr. Tanabe will explain the details of the revisions to the H1 results and outlook later in the presentation.

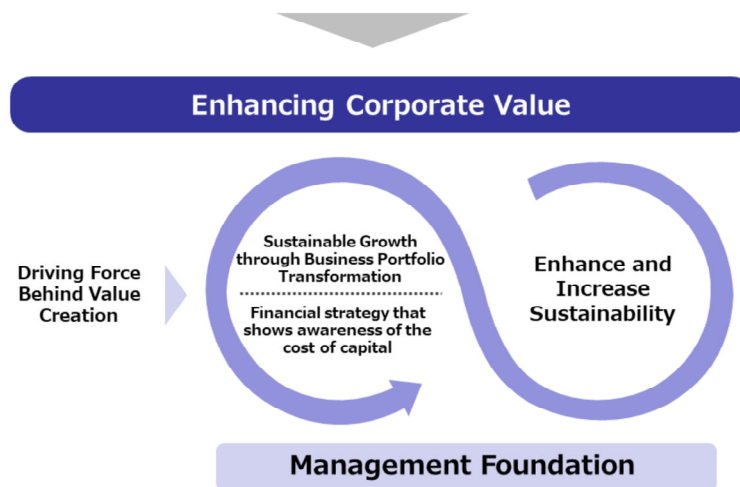
In H2 of the year, we will continue to invest for sustainable growth in the next fiscal year and beyond and accelerate our efforts to address the key issues of our growth strategy called *Change 2025*.

We will continue to enhance both business growth and promotion of sustainability management to improve our corporate value over the medium to long term.

From the next page, we will explain the progress of our growth strategy.

Corporate Philosophy

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



First, I would like to reiterate our approach toward our vision for 2030.

"We are committed to harnessing nature's gifts, to bringing taste and fun, and to contributing to healthy life styles." Based on this corporate philosophy, we aim to continuously enhance our corporate value by strengthening our sustainable growth through business portfolio transformation, our financial strategy to support this growth, and our sustainability by strengthening sustainability.

From the next page, I will explain the progress of *Change 2025*, our strategy to enhance corporate value.

Change 2025 growth strategy progress recap

	Priority themes	Progress	Initiatives and issues
Enhance profitability	<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Identify areas with significant growth opportunities over the medium/long-term and proactively invest resources (staff, capital, equipment, etc.) <ul style="list-style-type: none"> ✓ Global, especially North America, China ✓ Agri-business including potatoes, sweet potatoes, beans ✓ Food and health 		<ul style="list-style-type: none"> 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 <i>Body Granola</i>, 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	<ul style="list-style-type: none"> Reform organization to enable speedy management in response to change Develop/strengthen human resources (management/global/DX) Practice and promote sustainable management 		<ul style="list-style-type: none"> 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)

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See slide five. This is a progress summary of the Growth Strategy *Change 2025*. *Change 2025*'s three-year transformation plan has three key themes: Enhancing profitability, transforming the business portfolio, and strengthening the business base.

With regard to enhancing profitability, we believe that we can make a certain assessment that we have been able to maintain good momentum through strategic price revisions, marketing strategies, and strengthening of cooperation between marketing and sales, based on our performance up to H1 of the fiscal year. Further efforts will be made to qualitatively strengthen the brand, operate next-generation factories, and establish a value chain optimization system for S&OP.

Next, I would like to discuss business portfolio transformation. Overseas, the portfolio has been strengthened through region management and the investment of human, financial, and equipment resources. In new areas, we are expanding recognition and transactions for *Body Granola*, which was launched in April last year, and we believe it is necessary to accelerate the cultivation of the next buds.

With regard to the financial strategy that we announced in May of this year, we are building the groundwork to enhance its execution by changing specific KPI settings and promoting its internal penetration.

Finally, I would like to discuss the strengthening of our business base. Since April last year, the Company has been holding round-table meetings at each of its bases in Japan and overseas. At these meetings, we have been engaged in face-to-face dialogue with every single employee. As a result, we feel that we are beginning to see the seeds of a change in employee awareness. We will continue our efforts to foster a sense of change as well as human resource development. With regard to the implementation of sustainability management, we will promote not only stable procurement of potato, but also environmental consideration initiatives and expanded disclosure.

The following pages will explain each of these initiatives.

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



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See slide six. First, among the efforts to strengthen the profitability of our core domestic business, we are working on improving our brand value.

We aim to be the brand of choice. The market environment is changing in various ways, and we will respond to these changes while working to enhance our brand value from the consumer's perspective, aiming to become the brand of choice.

The market is experiencing sluggish growth in disposable income and a growing preference for lower prices. On the other hand, we are also seeing a trend toward so-called polarization of consumption, with valuable items getting ahead. In response, we will continue to evolve our portfolio structure to one in which each brand has a distinct value and price to meet the needs of consumers.

In response to the diversification of food values, consumers' growing interest in a sustainable society, and changes in purchasing behavior characteristics due to digital penetration, the Company aims to raise the overall value of its brands by promoting its commitment to raw materials and manufacturing, a competitive advantage it has cultivated over many years, and by improving customer loyalty.

I would like to explain two specific initiatives.

We are promoting measures to increase awareness of our company's social value by appealing to consumers about our longstanding efforts to work together with potato growers. Since June of this year, we have been distributing content called *Jagai-Mono*, which features various people involved in the potato production process, while also utilizing social networking and other services.

In addition to strengthening fan marketing and collaborating with other companies such as Oriental Land to increase the support of loyal customers, we are also working to further expand customer contact points by encouraging consumers themselves to use social networking and other means to communicate with us.

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

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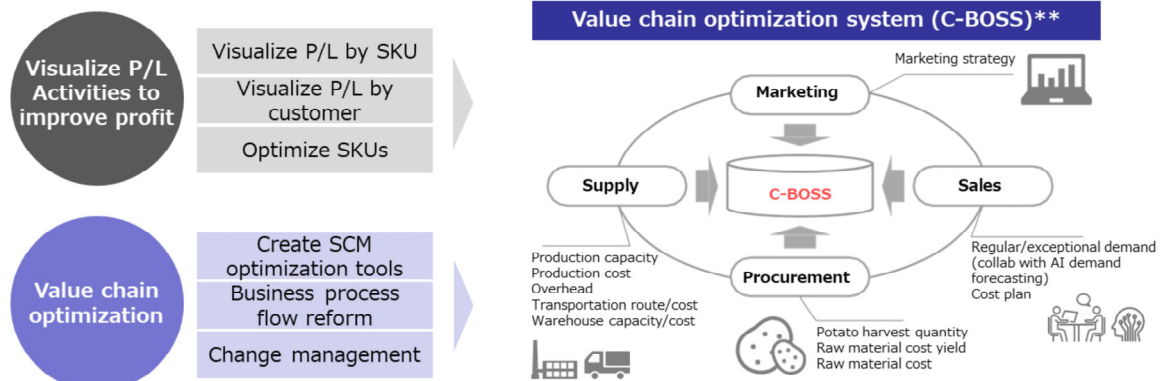
See slide seven. This initiative is about building the foundation for next-generation factories.

The Setouchi Hiroshima Factory, which will be our state-of-the-art mother factory, is steadily installing line facilities in preparation for operation in January 2025.

This plant is a next-generation factory that offers superior environmental performance, increased productivity, and an improved work environment; and is capable of producing approximately JPY28 billion per year of products such as *Potato Chips* and *Jagabee*. The operation of this plant will enable us to increase our supply capacity, which is currently an issue.

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



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**C-BOSS: Abbreviation for "Calbee Business Optimization Simulation System"

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See slide eight. We will provide an overview of the S&OP initiative and its progress.

Under *Change 2025*, we are moving forward with a focus on improving the efficiency of our supply chain, from procurement to supply. We will promote profit improvement activities by creating tools to visualize profit/loss by SKU and by customer, and by introducing a precise decision-making process using these tools.

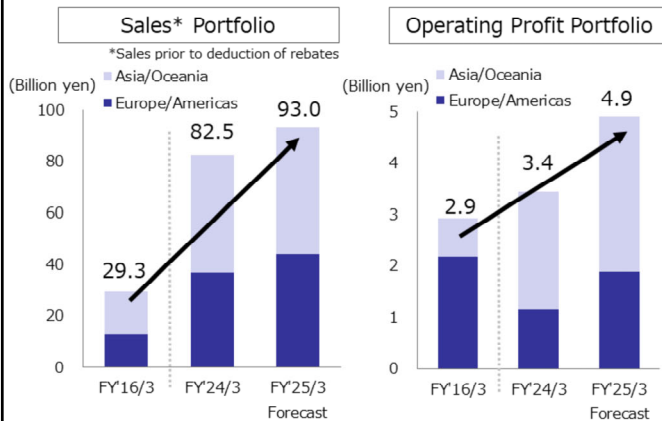
We will create a unique Calbee value chain optimization system called C-BOSS to streamline the supply chain through a rapid, data-driven decision-making process that leverages DX. We will also continue to examine functions to strengthen the promotion of marketing and sales transformation with the aim of further optimizing the value chain. In the previous fiscal year, we created a tool to visualize profit/loss by SKU and have been working to improve profitability by utilizing this tool since the current fiscal year.

In addition, we are currently in the process of building C-BOSS. We aim to test C-BOSS in H2 of the current fiscal year, and to implement the functionality in the next fiscal year in our annual plan and operations during the fiscal year. S&OP's efforts to optimize the value chain will continue beyond *Change 2025*. We will work to sustainably strengthen profitability by deepening and broadening the structure we have established at this time.

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



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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

See slide nine. Next, I will explain our efforts in overseas business among our business portfolio reforms.

Overseas, the past performance of both net sales and operating income was dominated by North America, but now the Company is shifting to a business growth structure in all regions. We believe that the three main initiatives in *Change 2025* are behind the realization of this goal.

The first is to implement region-based decision making and speed up execution. The second is to strengthen management by deploying top talent and appointing local human resources. The third is to invest capital in response to market growth. These efforts have strengthened our portfolio structure and created a foundation for sustainable growth.

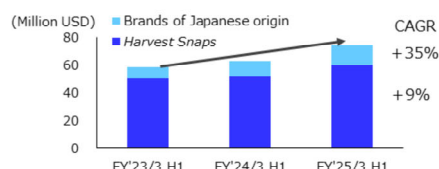
On the following pages, we will introduce specific initiatives in each region.

Europe/Americas

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

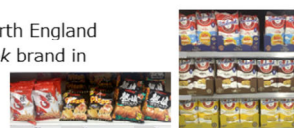
■ North America:

- 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

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Asia/Oceania

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

■ Greater China:

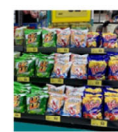
- In-line with changes in the business environment, optimize investment while building a base for future growth
- Develop *Jagabee* based on price competitiveness by launching local OEM production and expanding imports from nearby countries
- Expand sales of *Frugra* at retail stores
- Continue to aim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

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See slide 10.

In Europe and Americas, we are promoting sustained expansion of existing core products and growth of brands of Japanese origin. In North America, we are strengthening our organizational capabilities by sending people from Japan to various areas such as management, marketing, development, and manufacturing. In addition, sales personnel are being promoted and strengthened by appointing local personnel. This has led to increased sales for both *Harvest Snaps* and brands of Japanese origin.

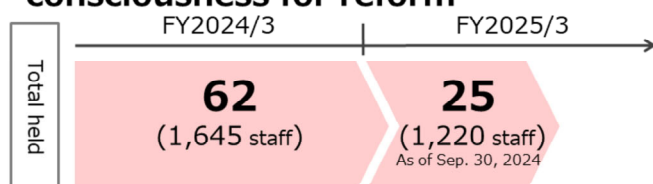
In the UK, we are promoting and managing the company by appointing talented local human resources. We have leveraged high recognition in north England to realize the placement of the *Seabrook* brand in national chains, while also launching brands of Japanese origin. We will continue to invest in the future while aiming for sales growth.

In Asia and Oceania, we are strengthening brands of Japanese origin in accordance with the characteristics of each region. In Greater China, due to changes in the business environment, we are in the process of optimizing investments and building a foundation for future growth. We are proceeding to develop our products at competitive prices by local OEM products and imports from neighboring countries to meet the market environment in China. *Frugra* sales to retail outlets are expanding. We will continue to move forward with our efforts to expand sales to retail outlets by enhancing our sales structure and strengthening the input of Japanese knowledge.

In Indonesia, we are sending human resources from Japan to strengthen human resources in management and manufacturing. As a result, the Company has improved its management and manufacturing techniques for potato production, resulting in significant cost improvements. While responding to the robust potato chips market, the Company is also executing investments in additional capacity at *Guribee*, where sales are strong, to achieve sales growth.

Thailand serves as an export hub base, taking advantage of its high quality and location. We are also strengthening our sales structure to increase our presence in the domestic market. Sales have increased as a result of product enhancements through renewal of existing brands such as *Kappa Ebisen* and *Bun Bun*, as well as enhanced in-store activities. We have also started selling *Frugra* in Q2. We will continue to aim for expansion in both the domestic and export markets.

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



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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

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See slide 11.

We will explain our human capital strategy initiatives. The roundtable meeting is the first initiative Calbee has undertaken since I became president in April 2023, when I realized that the organizational culture at Calbee was such that many people were hesitant to take the plunge into new things on their own.

In the FY2024/3, we held 62 face-to-face meetings with more than 1,600 employees in Japan and overseas. In FY2025/3, we have corresponded with more than 1,200 employees on 25 occasions through the end of September. As a result, the state of psychological safety, which is a prerequisite for an organizational culture geared to challenges, improved in the engagement survey conducted in FY2024/3.

In addition, according to S&OP's Change Management Survey conducted in September, more than 90% of all respondents believe that they themselves need to change in response to the Company's transformation, indicating that awareness of change is spreading.

Human resources will be the driving force for future growth. We will continue our efforts to further instill in each and every employee a sense of challenge and change.

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



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

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

See slide 12.

Finally, we would like to introduce some of our efforts to promote sustainability management. For many years, the Calbee Group has worked together with contract growers on an ongoing basis to ensure stable procurement of potato.

As a result, the planted area has been expanded, and we expect to secure sufficient amount of potato crop in this fiscal year as well. The Calbee Group uses potato as a main ingredient in many of its products. It is very important to promote environmentally friendly practices with regard to this potato.

The Calbee Group is also committed to GHG reduction and conservation of natural capital through the production of potato. Regarding GHG reduction, we are working with the Ministry and with the cooperation of contracted producers to reduce GHG emissions from potato. In the conservation of natural capital, we work with various stakeholders to promote appropriate fertilization activities by focusing on and analyzing phosphoric acid in soil and using scientific evidence.

In addition, we aim to disclose our natural capital conservation efforts in line with the TNFD Framework by 2025. We will continue to address environmental and social issues and promote activities for a sustainable future.

That is all from me. Thank you for your attention.

**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

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I'm the CFO, Tanabe. I would like to explain our H1 and full-year forecasts.

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

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See slide 14. I would like to explain our consolidated financial results for H1 of FY2025.

Net sales were JPY157.1 billion, up 6.8% YoY and 100.5% of the plan;
operating profit was JPY14.9 billion, up 10.5% YoY and 107.4% of the plan;
and net profit was JPY10.6 billion, down 2.1% YoY and 122.2% of the plan.

Compared to the same period last year, both domestic and overseas sales and profits increased, and record profits were achieved in H1 of the year. Net profit was below the previous year's level due to the impact of the appreciation of the yen against the US dollar.

Both net sales and operating profit achieved the plan. We were able to maintain strong momentum in Japan, and the timing of some of its activities also exceeded projections. Overseas, Europe and the US did not reach their high targets, but this was offset by strong performance in Indonesia and other factors.

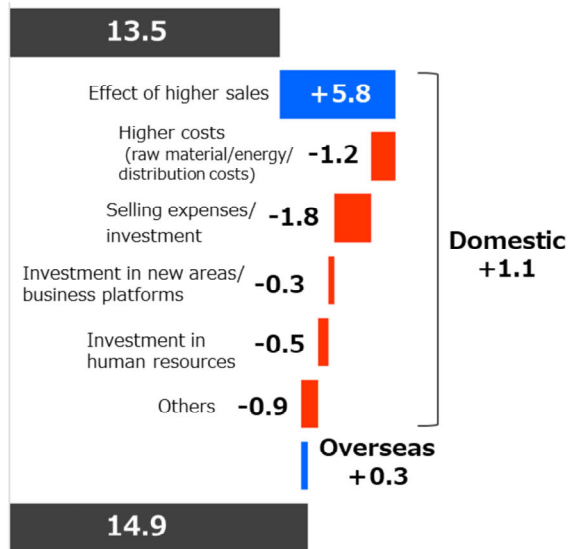
FY2025/3 H1: Operating profit analysis by factor

FY2024/3 H1
Operating
profit

(Billion yen)

Notes:

FY2025/3 H1
Operating
profit



- 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

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See slide 15. I will explain the analysis of the increase in operating profit.

Overall consolidated profit increased by JPY1.4 billion YoY. The breakdown is as follows: Domestic business plus JPY1.1 billion and overseas business plus JPY300 million. In Japan, cost increases caused by yen depreciation and inflation were offset by the effects of revisions. The increase in sales volume and profit was due to continued marketing investments to strengthen the brand.

The effect of the revision includes the following factors:

The first is the effect of profit increase due to volume growth;

second is the improvement due to changes in the sales mix;

and third is the profit improvement by utilizing the P&L by SKU, which is being promoted by S&OP.

FY2025/3 H1: Domestic business

(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

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See slide 16. I will explain sales by product in Japan. Sales increased in all categories, including snacks, cereals, and other businesses.

Overall snack sales increased by JPY6.1 billion YoY, with *Potato Chips* up JPY3.3 billion, *JagaRico* up JPY1.8 billion, and other snacks up JPY900 million. Thus, we have growth in all categories.

Thanks in part to the marketing activities that we have been focusing on since H2 of last year, demand has remained strong since the June revision.

Souvenir products continue to be strong due to rising demand for inbound and domestic travel. The planned volume of Hokkaido potatoes for the fall of 2024 is expected to be secured.

Cereal sales increased by JPY2 billion, and we were able to maintain the high momentum from the previous year by implementing measures such as brand consolidation, collaboration projects, TV commercials, and volume increases to stimulate and maintain consumer demand.

The other businesses segment reported a JPY400 million increase in sales, with contributions from *Body Granola*, which was launched in April of the previous year, and growth in other businesses. The factors are explained on the next slide.

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

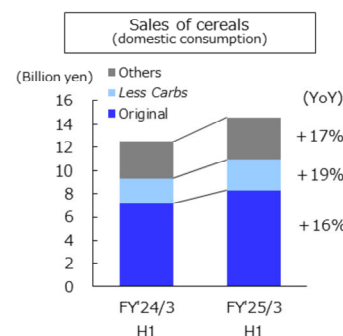


Potato Chips Crisp renewed with a new shape

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



Collaborative product *Frugra Nangoku Shirokuma Flavor*

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See slide 17.

Potato Chips sales increased YoY. Sales volumes of standard products such as *Usu-Shio Flavor* were firm, with contributions from sub-brand products such as *Potato Chips The Atsugiri* and *Super Thin Potato*, which contributed to sales volume growth.

Production of *Kata-Age Potato* declined in April and May due to the quality of the potato harvested last fall. Productivity recovered with the switch to new potatoes in mid-May. Demand for products with diminishing price advantages declined slightly but is on a recovery trend for large bags and other products, due in part to summer vacation demand.

Sales of *JagaRico* increased YoY. In response to continued strong demand, we concentrated on manufacturing and selling standard products. Utilizing the increased production capacity, volume increased from the previous year.

Sales of other snacks increased due to strong sales of souvenir products and *Potato Chips Crisp*, while sales of souvenir products grew due to increased domestic travel and inbound demand. The low-priced *Potato Chips Crisp* has maintained strong sales since its relaunch in March.

Cereal sales increased YoY. Calbee's market share increased for the seventh consecutive quarter, up 1.9 points YoY. Strengthening of product capabilities and timely implementation of campaigns and other marketing initiatives led to growth in sales of standard products such as original and *Less Carbs* products. The limited-time collaboration product, *Frugra Nangoku Shirokuma Flavor*, was also well received. The cereal market has been on an upward trend since H2 of last fiscal year, driven overall by Calbee's measures, which has the largest share of the cereal market.

FY2025/3 H1: Overseas business

(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

See slide 18. I will explain the performance of our overseas business by region.

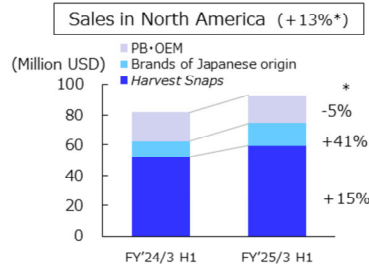
Sales in Europe and the US increased plus JPY3.7 billion, and both North America and the UK continued to increase. Existing mainstay brands such as *Harvest Snaps* in North America, *Seabrook* brand in the UK, as well as brands from Japan, continued to perform well. Operating income decreased by JPY200 million, mainly due to one-time costs in North America.

Asia and Oceania. Sales were down 2% YoY, and the decline in Greater China was not fully offset by other regions such as Indonesia. Operating income increased by JPY500 million, driven especially by an increase in income from Indonesia.

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:

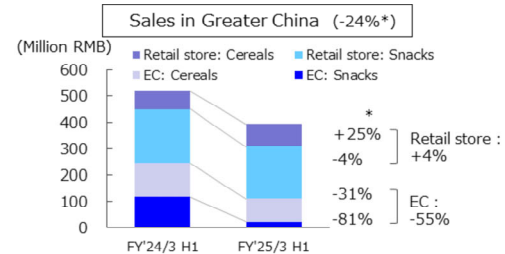
- Sales of *Seabrook* brand potato chips and pellet snacks rose on the expansion of sales channels
- Will invest in marketing and capex to strengthen Potato Chips in H2

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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

19

See slide 19. We will provide details on our main areas of focus.

In North America, both sales and profits increased. Sales of mainstay *Harvest Snaps* grew due to sales promotions and expanded distribution. Sales of brand of Japanese origin such as *Ebisen* and *JagaRico* continued to experience strong demand, and the addition of items such as *Takoyaki Ball* led to increased sales in both Asian and US supermarkets. Operating income, on the other hand, declined due to soaring transportation costs and one-time costs from infrastructure development. We will continue to expand sales and improve profits by improving costs through local production of brands of Japanese origin.

In the UK, both sales and income increased. Sales of *Seabrook* brand potato chips and dough snacks grew as major national chains expanded their distribution. In H2 of the fiscal year, we will strengthen marketing activities with a focus on potato chips, for which we will expand production.

In Greater China, both sales and income declined. Sales declined due to deteriorating business confidence and the impact of customs restrictions on mainstay snacks that have persisted since H2 of the previous year. Operating income exceeded the previous year's level, despite the impact of lower sales, due to a one-time delay in timing of sales promotion expenses. We will continue to expand sales to retail outlets by utilizing local OEM production and products imported from neighboring countries.

Finally, I would like to explain about Indonesia, which has grown the most in the Asia-Oceania region. Sales increased in each category, led by *Guribee*, for which a new line was added last December. In H1 of the year, in addition to increased sales, profits increased due to an improved product mix and the utilization of inexpensive potatoes. In H2 of the fiscal year, we will aim to increase sales and profits by increasing production of *Guribee*, for which a new third line will start operation, and by controlling raw materials.

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

See slide 20. I would like to explain the revision of the full-year plan for FY2025.

Reflecting the H1 results and the measures taken in H2 of the fiscal year, we have upwardly revised net sales by JPY3 billion; operating profit by JPY600 million; and net profit by JPY1.5 billion, respectively.

There are three main factors.

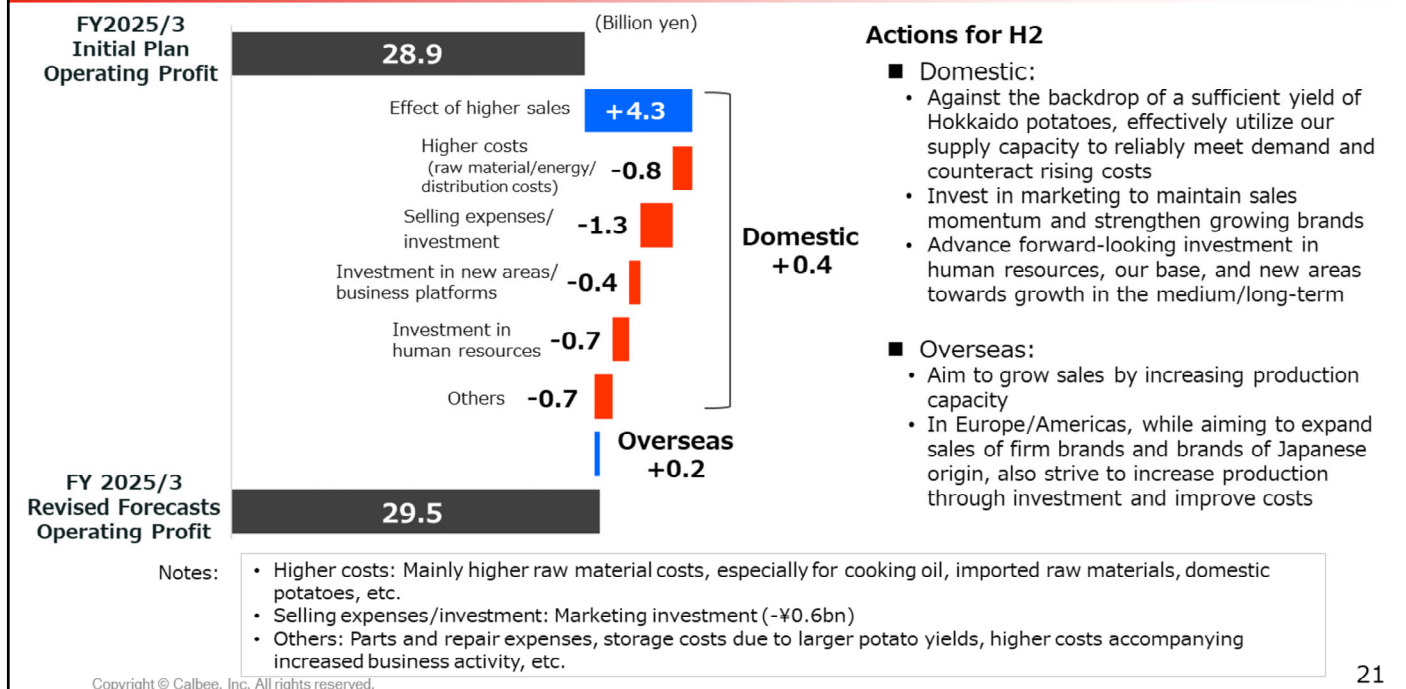
The first is that the procurement of potato in 2024 is expected to exceed the planned and previous year's levels.

Second, domestic sales growth is expected to continue the sales growth of H1 of the year.

Third, we expect an upturn in overseas performance.

A portion of the cash generated in Japan will be used for investments that will contribute to future growth and lead to sustainable growth. The figures are as shown.

Revised FY2025/3 forecast: Operating profit analysis



21

See slide 21. I would like to explain our revised operating income plan for the fiscal year ending JPY2025.









In the current fiscal year, raw material and power costs are expected to continue to soar due to factors such as volatile exchange rates. The plan is to make effective use of the ample amount of potato and to beat back the cost increase by steadily increasing sales.

In Q4 of this fiscal year, our state-of-the-art mother factory, Setouchi Hiroshima Factory, will begin operations. To take full advantage of this expanded supply capacity, we will strengthen marketing investments to maintain and expand sales momentum in H2 of the year and beyond.

We will also continue to invest in human resources by investing in new areas to expand new businesses for the next stage of growth, and by implementing training programs and hiring to strengthen our strategic human resources.

As a result, we are targeting JPY29.5 billion in operating income, an increase of JPY600 million from the previous plan. We will implement actions in H2 of the fiscal year to steadily achieve the plan and lead to the next stage of growth.

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						 Gift snack items (partial)		
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%

See slide 22. Finally, I would like to explain the price and standard revisions announced today.

In February 2025, the second revision of the main cereal products in Japan will be implemented. The revision entails a 7% to 10% reduction in content.

This concludes the explanation. Thank you for your attention.

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)

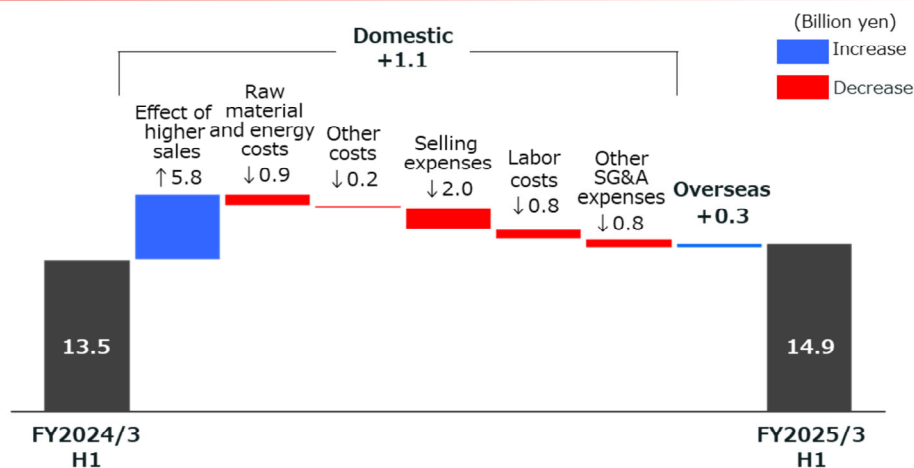
*1 Non-current assets: Property, plant and equipment +18,057

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)

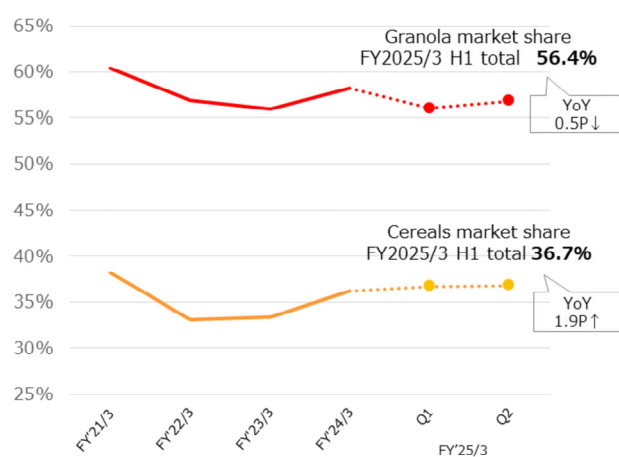
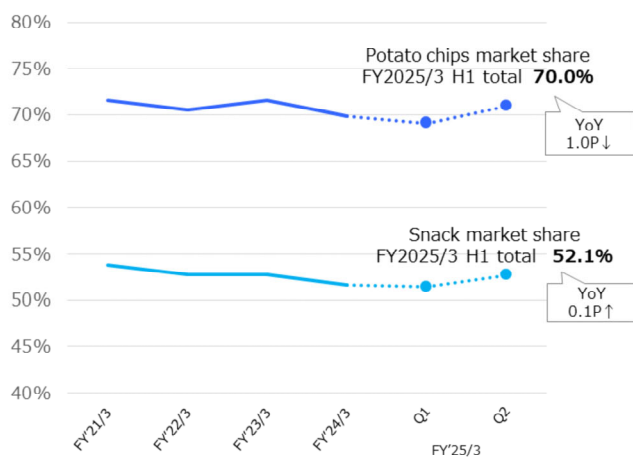
FY2025/3 H1: Operating profit analysis by category



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
FY21/3-FY24/3: 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.
- This document also contains unaudited figures for reference purposes only.