Press Release September 13, 2024
Calbee, Inc.

## Calbee Expanding Sales in China with Locally Produced 'Jagabee' Snacks OEM production commences after more than 100 prototypes

Calbee, Inc. ("Calbee") announced today it has started selling locally made 'Jagabee' snacks in China. Until now, the company has imported all its 'Jagabee' products from Japan. However, its new local OEM setup enables it to better meet popular demand by securing a stable supply of potatoes and offering competitive pricing that resonates with local consumers, driving sales growth.

Calbee has been expanding its overseas business under its three-year transformation plan, <u>Change 2025</u>, with China as a priority market. As part of its strategy, and to boost its recognition as a Japanese brand, Calbee plans to not only import products from Japan but also supply them from its production bases in China and other parts of Asia. Locally producing 'Jagabee' in China is central to this.

'Jagabee' was first launched in Japan in 2006, where it is beloved for capturing the natural taste of potatoes. The snack uses whole, unpeeled potatoes to deliver a unique, crispy yet fluffy texture that embodies the essence of potatoes.

Calbee began importing 'Jagabee' into China in 2018, where it also quickly became a hit. However, popular demand led to supply challenges. To address this, Calbee launched a project in May 2023 to ensure more consumers can enjoy the snack. It subsequently entered into an outsourcing agreement with a Chinese snack manufacturer that owns potato fields, establishing a local OEM production system.

To maintain the quality 'Jagabee' is known for, Calbee requires a stable supply of raw potatoes, efficient production processes, and rigorous quality control. A major challenge the company faced was establishing a production operation that could handle the differences in the types of potatoes between Japan and China. With the help of local partners and after testing over 100 prototypes, Calbee has successfully created locally produced versions.

Locally made 'Jagabee' products will be available in supermarkets and convenience stores across China starting in late May 2024.

## [About the Calbee Group]

Since 1949, we have embraced our corporate philosophy of "harnessing nature's gifts, bringing taste and fun, and contributing to healthy lifestyles." As a company that provides essential goods, we place sustainability at the core of our management approach, creating the future of food by solving social issues through our corporate activities. (https://www.calbee.co.ip/en/)