

**Announcement of Acquisition of Shares of Potato Kaitsuka Co. Ltd.**  
**(Making Them a Subsidiary)**

**Tokyo, February 28, 2020** - Calbee, Inc. (hereafter referred to as “Calbee”) announces today that Calbee reached a definitive agreement and entered into a stock purchase agreement with J-GIA I Limited Partnership, which founded by Japan Growth Investments Alliance, Inc. and individual shareholders of Potato Kaitsuka Co. Ltd. (hereafter referred to as “Potato Kaitsuka”) . We will make the company a wholly owned subsidiary by acquiring all of the issued common stock and stock acquisition rights of Potato Kaitsuka. Details of this agreement does not fall under the standards stipulated in the disclosure obligation based on the listing regulations. Details are as follows:

1. Purpose of the acquisition

Under our long-term vision (Vision for 2030) announced in May 2019, we aim to establish overseas markets and new food domains as growth pillars. At the same time, we have positioned "Establish businesses in new food areas" as one of the key initiative in our medium-term business plan. The entry into the sweet potato business by making Potato Kaitsuka a subsidiary will strengthen our efforts to tackle this key initiative.

Potato Kaitsuka started operation in 1967 as a wholesale company specializing in sweet potatoes. Today, based mainly on their original brand of sweet potato, “Beni-Tenshi”, they engage in the sale of raw materials for baked sweet potato to retail stores as well as the direct sales of baked sweet potato etc.

In the domestic sweet potato market, demand for the varieties of sweet potatoes with sweetness is rising as the variety improvement. In addition, demand for sweet potatoes is expanding due to the introduction and utilization of baking potato machines in retail stores. Furthermore, the amount of exports is also increasing in recent years due to increase in recognition of baked sweet potato in Greater China and South Asia. Ibaraki Prefecture, where Potato Kaitsuka is located, ranks second in terms of domestic sweet potato yields in 2018, and Potato Kaitsuka is in a position of high share of sweet potato handled.

Through the acquisition, we will strive to expand our sweet potato business by utilizing both Potato Kaitsuka’s expertise and technologies for sweet potatoes and Calbee’s assets for potatoes such as variety development and storage technologies.

2. Outline of subsidiary to be transferred

|                                          |                                                                                                       |
|------------------------------------------|-------------------------------------------------------------------------------------------------------|
| (1) Company name                         | Potato Kaitsuka Co. Ltd.                                                                              |
| (2) Location                             | 240-18 Ogami, Kasumigaura, Ibaraki                                                                    |
| (3) Representative director              | President and Representative Director, Miyuki Kaitsuka                                                |
| (4) Main Business                        | Processing, wholesale, and retail sale of sweet potatoes                                              |
| (5) Capital                              | ¥100 million (as of August 31,2019)                                                                   |
| (6) Date of incorporation                | February 15, 2017 (Founded 1967)                                                                      |
| (7) Main shareholder and ownership ratio | J-GIA I Limited Partnership 70%<br>and others                                                         |
| (8) Relationship with Calbee             | There is no capital, personal or business relationship to be described between the company and Calbee |

| (9) Results of operations and financial condition for the last three years |                |                |                |
|----------------------------------------------------------------------------|----------------|----------------|----------------|
| Fiscal year end                                                            | August 2017    | August 2018    | August 2019    |
| Net assets                                                                 | ¥2,278 million | ¥2,377 million | ¥2,688 million |
| Total assets                                                               | ¥6,149 million | ¥6,006 million | ¥7,370 million |
| Net assets per share                                                       | ¥8,439.74      | ¥8,806.72      | ¥9,958.39      |
| Net sales                                                                  | ¥495 million   | ¥4,272 million | ¥5,206 million |
| Operating profit (loss)                                                    | - ¥196 million | ¥321 million   | ¥486 million   |
| Ordinary profit (loss)                                                     | - ¥213 million | ¥281 million   | ¥505 million   |
| Net profit(loss)                                                           | - ¥421 million | ¥98 million    | ¥250 million   |
| Per share net profit (loss)                                                | -¥1,559.95     | ¥366.61        | ¥928.01        |

\*The figures of the fiscal year ended August 2017 are from substantial 2-month settlement, because new company (currently Potato Kaitsuka) was established and the group recognition implemented through merger with the new company as surviving company (an effective date of July 1, 2017).

### 3. Outline of the counterparty to the share acquisition

|                                                              |                                                                                                         |                                                      |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| (1) Fund name                                                | J-GIA I Limited Partnership                                                                             |                                                      |
| (2) Location                                                 | 5-13-1, Toranomom, Minato-ku, Tokyo                                                                     |                                                      |
| (3) Basis of establishment, etc.                             | Limited Partnership Act for Investment                                                                  |                                                      |
| (4) Purpose of composition                                   | To earn profits from investing in businesses                                                            |                                                      |
| (5) Date of composition                                      | December 27, 2016                                                                                       |                                                      |
| (6) Total amount of investment                               | ¥17.3 billion                                                                                           |                                                      |
| (7) Shareholder and ownership ratio, outline of shareholders | Not open to the public                                                                                  |                                                      |
| (8) Outline of managing partner                              | Name                                                                                                    | Japan Growth Investments Alliance, Inc.              |
|                                                              | Location                                                                                                | 5-13-1, Toranomom, Minato-ku, Tokyo                  |
|                                                              | Representative title and name                                                                           | Koichi Tateno, President and Representative Director |
|                                                              | Main business                                                                                           | Management of the fund's assets                      |
|                                                              | Capital                                                                                                 | ¥15 million (as of February 28, 2020)                |
| (9) Relationship with Calbee                                 | There is no relationship to be described between the fund, the managing partner of the fund and Calbee. |                                                      |

\*The names and addresses of individual shareholders other than the above will not be disclosed based on confidentiality obligations with each individual.

### 4. Number of shares to be acquired, acquisition price, and shareholdings before and after the acquisition

|                                           |                                                                                                                                       |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| (1) Shares owned prior to the transaction | 0 shares (Percentage of voting rights: 0%)                                                                                            |
| (2) Shares acquired                       | Common stock: 270 thousand shares<br>Stock acquisition rights: 120 thousand units                                                     |
| (3) Acquisition cost                      | Share acquisition cost: ¥13,800 million<br>Advisory expenses (estimated): ¥181 million<br>Total (approximate amount): ¥13,981 million |
| (4) Shares owned after the transaction    | Common stock: 270 thousand shares (100.0% of voting rights)<br>Stock acquisition rights: 120 thousand units                           |



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5. Schedule

Date of signing contract: February 28, 2020

Date of closing of the transfer: April 1, 2020 (planned)

6. Impact of forecast of Calbee

The acquisition of shares has no impact on consolidated results for the year ending March 31, 2020. We believe the acquisition will contribute to improving the performance of Calbee Group over the medium- to long-term.

\*\*\*ENDS\*\*\*