

Annual Report 2024

(Fiscal year ended 31st December, 2024)

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Five-Year Summary

Consolidated

	Millions of yen					Thousands of U.S. dollars
	December 2024	December 2023	December 2022	December 2021	December 2020	December 2024
	Net sales	331,129	332,590	303,921	338,571	344,048
Profit before income taxes	12,212	19,943	13,936	20,806	19,683	77,203
Profit attributable to owners of the parent	8,113	14,133	8,099	13,519	11,836	51,289
	Yen					
Per share of common stock:						
Profit *	127.53	222.25	126.59	208.44	182.48	0.80
Cash dividends	90.00	80.00	80.00	70.00	65.00	0.56
	Millions of yen					
Balance sheet data:						
Shareholders' equity	230,343	230,089	221,046	223,470	213,682	1,456,208
Total assets	377,771	395,743	369,056	356,745	340,081	2,388,234

* Diluted profit per share has not been disclosed because no dilutive potential shares with dilutive effect existed.

* 'Accounting Standard for Revenue Recognition' (Accounting Standards Board of Japan ('ASBJ') Statement No. 29, 31st March, 2020) and implementation guidance have been applied from the beginning of the year ended 31st December, 2022. Major management indicators for the year ended 31st December, 2022 and thereafter represent figures after applying the accounting standard and implementation guidance.

* Fractional amounts of less than one million yen and one thousand U.S. dollars are rounded off.

Message from the President

The forward-looking statements herein are based on judgments made as of the end of the fiscal year under review.

The Japanese economy in the fiscal year under review followed a gradual recovery trend on the back of various policy measures as the employment and income environments improved. Having said that, the outlook remains uncertain due to factors including rising cost of living, global instability, and downside risks to overseas economic conditions due to high interest rates in Europe and the U.S.

In light of this situation, our corporate group has worked to strengthen value creation in order to realize our Purpose, “Healthier days, Wellbeing for life.” To this end, we have focused on the following initiatives: 1) providing the value of health and constructing a customer-oriented value chain, 2) concentrating research investment in priority areas, and 3) expanding overseas business.

To build our value chain and accelerate our management decision-making, we implemented a switch of our Company’s core system. However, due to a system failure, we had to temporarily suspend shipping operations of chilled (refrigerated) products. Following the restoration of the system, we have been gradually resuming shipments, and have resumed shipments of all products by the end of the fiscal year under review.

Consequently, although sales in our Overseas Business and other segments posted year-on-year growth, sales in our Dairy Business fell significantly due to the impact of the suspension of chilled product shipments resulting from the system failure. As a result, consolidated net sales amounted to ¥331,129 million, a decrease of 0.4% from the ¥332,590 million total of the previous fiscal year.

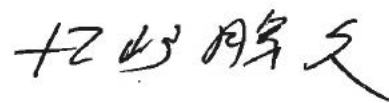
Regarding earnings, our cost-to-sales ratio decreased by 1.4 points from the previous fiscal year due to a fall in earnings in our Overseas Business in China, the ASEAN region, and the U.S. Selling, general and administrative expenses increased due to increases in expenses such as advertising expenses, salaries and allowances, and depreciation and amortisation.

As a result, operating income amounted to ¥11,065 million, a decrease of ¥7,556 million from the previous fiscal year (¥18,622 million). Ordinary income was ¥13,348 million, a decrease of ¥7,937 million from the previous fiscal year (¥21,285 million) due mainly to the decrease of operating income and foreign exchange losses. Profit attributable to owners of the parent was ¥8,113 million, due mainly to system failure response costs, resulting in a decrease of ¥6,019 million from the previous fiscal year (¥14,133 million).

Although we expect increasing difficulties in our business environment, we will unite the efforts of all Group companies to improve performance and meet the expectations of our shareholders.

Your continuing support will be deeply appreciated.

May 2025



Katsuhisa Ezaki, Chairman

1. Operating Results and Financial Position

(1) Operating Results

The operating results of each segment are as follows.

(Unit: millions of yen, %)

Segment	Net Sales				Operating Income			
	Previous fiscal year	Fiscal year under review	vs. Previous fiscal year	YoY (%)	Previous fiscal year	Fiscal year under review	vs. Previous fiscal year	YoY (%)
Health and Food Business	50,499	46,682	(3,816)	(7.6)	2,064	(167)	(2,232)	—
Dairy Business	69,675	56,077	(13,597)	(19.5)	529	(6,368)	(6,897)	—
Nutritional Confectionery Business	61,890	64,737	2,847	4.6	6,525	5,199	(1,326)	(20.3)
Food Ingredients Business	13,348	13,934	585	4.4	2,427	2,090	(337)	(13.9)
Other Domestic Business	65,962	67,381	1,418	2.2	2,047	(2)	(2,050)	—
Overseas Business	71,214	82,316	11,102	15.6	4,165	8,388	4,222	101.4
Adjusted amount	—	—	—	—	862	1,926	1,064	123.4
Total	332,590	331,129	(1,460)	(0.4)	18,622	11,065	(7,556)	(40.6)

Note: The adjusted amount in the above table includes the eliminated amount of intersegment transactions and company-wide expenses not allocated to any reporting segment. The company-wide expenses mainly include the selling, general and administrative expenses not allocated to any reporting segment.

[Health and Food Business]

While sales of ‘Papico’ and ‘Ice no Mi’ increased from the previous fiscal year, the shipping suspension of chilled products caused sales of ‘Almond Koka’ and ‘Infant Drink’ to decrease from the previous fiscal year. As a result, segment sales amounted to ¥46,682 million, a 7.6% decrease from the previous fiscal year (¥50,499 million).

In segment profits, due primarily to the decrease in gross profit resulting from the decrease in sales, operating loss was ¥167 million, a decrease of ¥2,232 million from the previous fiscal year (¥2,064 million in operating income).

[Dairy Business]

While sales of ‘Giant Cone’ and ‘Seventeen Ice’ increased from the previous fiscal year, the shipping suspension of chilled products caused sales of ‘Café au Lait’ and ‘BifiX’ yogurt to decrease from the previous fiscal year. As a result, segment sales totaled ¥56,077 million, a 19.5% decrease from the previous fiscal year (¥69,675 million).

In segment profits, due primarily to the decrease in gross profit resulting from the decrease in sales, operating loss was ¥6,368 million, a decrease of ¥6,897 million compared to the previous fiscal year (¥529 million in operating income).

[Nutritional Confectionery Business]

While sales of ‘Torori Cream-On’ decreased from the previous fiscal year due to the shipping suspension of chilled products, sales of ‘Pocky’ and ‘Bisco’ increased from the previous fiscal year. As a result, segment sales totaled ¥64,737 million, an increase of 4.6% from the previous fiscal year (¥61,890 million).

In segment profits, due primarily to the increase in selling, general and administrative expenses, operating income was ¥5,199 million, a decrease of ¥1,326 million from the previous fiscal year (¥6,525 million).

[Food Ingredients Business]

Sales of wheat protein and fine chemicals increased from the previous fiscal year. As a result, segment sales were ¥13,934 million, a 4.4% increase from the previous fiscal year (¥13,348 million).

In segment profits, due primarily to the increase in the cost-to-sales ratio, operating income was ¥2,090 million, a decrease of ¥337 million from the previous fiscal year (¥2,427 million).

[Other Domestic Business]

In sales, although the shipping suspension of chilled products caused consignment sales for Kirin Beverage Company, Limited to decrease from the previous fiscal year, Greenspoon Inc. became a consolidated subsidiary during the fiscal year under review, posting a net increase in net sales. Furthermore, net sales of wholesale subsidiaries and sales of 'Office Glico' increased from the previous fiscal year. As a result, segment sales were ¥67,381 million, a 2.2% increase from the previous fiscal year (¥65,962 million).

In segment profits, due primarily to the increase in advertising expenses, operating loss was ¥2 million, a decrease of ¥2,050 million from the previous fiscal year (¥2,047 million in operating income).

[Overseas Business]

Sales by region in China and the ASEAN region increased from the previous fiscal year. As a result, segment sales were ¥82,316 million, a 15.6% increase from the previous fiscal year (¥71,214 million).

In segment profits, due primarily to the increase in sales and the decrease in the cost-to-sales ratio, operating income was ¥8,388 million, an increase of ¥4,222 million from the previous fiscal year (¥4,165 million).

(2) Financial Position

Assets

As of 31st December, 2024, current assets were ¥165,424 million, a decrease of ¥23,040 million from the end of the previous fiscal year. The main component of this decrease was a ¥36,955 million decrease in cash and deposits, despite a ¥3,791 million increase in merchandise and finished goods. Non-current assets were ¥212,347 million, an increase of ¥5,068 million from the end of the previous fiscal year. The main components of this increase were increases in software and machinery and vehicles. Consequently, total assets were ¥377,771 million, a decrease of ¥17,971 million compared to the end of the previous fiscal year.

Liabilities

As of 31st December, 2024, current liabilities were ¥86,612 million, a decrease of ¥29,378 million from the end of the previous fiscal year. Long-term liabilities were ¥18,560 million, an increase of ¥1,925 million from the end of the previous fiscal year. The main cause of this increase was a decrease in the current portion of convertible bonds. Consequently, total liabilities were ¥105,173 million, a decrease of ¥27,453 million compared to the end of the previous fiscal year.

Net Assets

As of 31st December, 2024, net assets were ¥272,598 million, an increase of ¥9,482 million compared to the end of the previous fiscal year. Main contributors to this increase included a profit attributable to owners of the parent amounting to ¥8,113 million and an increase of ¥7,734 million in translation adjustments, which were offset by a decrease of ¥5,405 million due to cash dividends. Consequently, shareholders' equity ratio was 72.0%, up 5.7 percentage points from the end of the previous fiscal year.

(3) Cash flows

Cash flows during the fiscal year under review

(Unit: millions of yen)

	Previous fiscal year	Fiscal year under review	Increase (Decrease)
Cash flows from operating activities	28,063	1,812	(26,251)
Cash flows from investing activities	(8,613)	(10,255)	(1,641)
Cash flows from financing activities	(6,179)	(39,246)	(33,067)
Balance of cash and cash equivalents at beginning of current period	79,917	94,691	14,774
Balance of cash and cash equivalents at end of current period	94,691	56,610	(38,080)

As of 31st December, 2024, cash and cash equivalents totaled ¥56,610 million, a decrease of ¥38,080 million compared to the end of the previous fiscal year. The main reason for this decrease was because net cash used in investing activities and financing activities exceeded net cash provided by operating activities.

Cash flows and reasons for changes during the fiscal year under review are as follows:

Cash flows from operating activities

Cash flows from operating activities totaled ¥1,812 million in the fiscal year under review. The main components of cash flows included profit before income taxes amounting to ¥12,212 million recorded during the fiscal year under review and depreciation and amortisation of ¥16,754 million, while there was an increase in inventories of ¥(6,621) million, a decrease in notes and accounts payable, trade of ¥(960) million, and a decrease in refund liability of ¥(1,128) million.

Cash flows from investing activities

Cash flows from investing activities totaled ¥(10,255) million in the fiscal year under review. The main components of cash flows included proceeds from sales and redemption of investments in securities of ¥7,134 million, while there were purchases of property, plant and equipment of ¥(10,624) million and purchases of intangible assets of ¥(6,851) million.

Cash flows from financing activities

Cash flows from financing activities totaled ¥(39,246) million in the fiscal year under review. The main components of cash flows included redemption of convertible bonds of ¥(30,000) million and cash dividends paid of ¥(5,405) million.

(4) Outlook for the Next Fiscal Year

The Japanese economy is expected to continue its gradual recovery on the back of various policies as the employment and income environments improve. However, the future outlook is predicted to remain uncertain due to factors that include a downside risk for overseas economies due to high interest rates in Europe and the U.S., the rising cost of living, and fluctuations in the financial and capital markets.

In light of this situation, we expect net sales of ¥370,000 million in the next fiscal year (twelve-month period from 1st January, 2025 until 31st December, 2025). Our profit projections are as follows: operating income of ¥18,000 million, ordinary income of ¥19,500 million, and profit attributable to owners of the parent of ¥12,000 million.

2. Basic Policy for Selection of Accounting Standards

As a basic policy for the time being, our corporate group will prepare our consolidated financial statements in accordance with Japanese accounting standards based on the consideration of the comparability between accounting periods and between entities.

As for the application of the International Financial Reporting Standards (IFRS), we will handle the matter appropriately by taking into account the situations inside and outside of Japan.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Financial Statements

Year ended 31st December, 2024

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Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet

31st December, 2024

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 1)</i>
Assets			
Current assets:			
Cash and deposits <i>(Notes 3, 4 and 20)</i>	¥ 60,243	¥ 97,199	\$ 380,850
Notes and accounts receivable, trade <i>(Notes 4 and 7)</i>	49,973	48,433	315,924
Inventories <i>(Note 8)</i>	41,410	33,843	261,790
Other current assets	13,898	9,087	87,861
Less allowance for doubtful accounts	(100)	(98)	(632)
Total current assets	<u>165,424</u>	<u>188,464</u>	<u>1,045,795</u>
Property, plant and equipment <i>(Notes 10, 15 and 23):</i>			
Land	16,597	16,069	104,924
Buildings and structures	91,031	87,480	575,489
Machinery and vehicles	149,065	140,499	942,375
Tools, furniture and fixtures	29,532	28,295	186,698
Leased assets	5,426	4,436	34,302
Construction in progress	2,848	12,803	18,004
	<u>294,502</u>	<u>289,584</u>	<u>1,861,815</u>
Less accumulated depreciation	(182,655)	(178,125)	(1,154,728)
Property, plant and equipment, net	<u>111,846</u>	<u>111,459</u>	<u>707,080</u>
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates <i>(Note 4)</i>	8,093	7,381	51,163
Investments in securities <i>(Notes 4 and 6)</i>	38,600	39,459	244,025
Long-term loans receivable	72	89	455
Deferred tax assets <i>(Note 18)</i>	1,507	1,674	9,527
Asset for retirement benefits <i>(Note 13)</i>	7,273	5,639	45,979
Real estate for investment, net <i>(Note 21)</i>	12,224	12,224	77,279
Software	26,175	3,758	165,476
Software in progress	2,098	22,477	13,263
Goodwill <i>(Notes 20 and 23)</i>	1,767	306	11,170
Other assets	2,725	2,864	17,227
Less allowance for doubtful accounts	(37)	(55)	(233)
Total investments and other assets	<u>100,500</u>	<u>95,819</u>	<u>635,352</u>
Total assets <i>(Note 23)</i>	<u>¥ 377,771</u>	<u>¥ 395,743</u>	<u>\$ 2,388,234</u>

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet (continued)

31st December, 2024

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 1)</i>
Liabilities and Net Assets			
Current liabilities:			
Notes and accounts payable, trade <i>(Notes 4 and 5)</i>	¥ 38,680	¥ 38,326	\$ 244,531
Short-term loans payable <i>(Note 12)</i>	10	–	63
Current portion of convertible bonds <i>(Notes 4, 12 and 24)</i>	–	30,001	–
Current portion of lease obligation <i>(Note 12)</i>	1,142	892	7,219
Accrued expenses	26,926	25,837	170,223
Income taxes payable <i>(Note 18)</i>	1,113	3,181	7,036
Provision for bonuses of directors and audit and supervisory board members	86	80	543
Provision for stock-based compensation	–	45	–
Provision for system failure response costs	834	–	5,272
Refund liability	7,597	8,383	48,027
Other current liabilities <i>(Note 13)</i>	10,221	9,241	64,616
Total current liabilities	<u>86,612</u>	<u>115,991</u>	<u>547,553</u>
Long-term liabilities:			
Long-term debt <i>(Note 12)</i>	2,213	1,691	13,990
Liability for retirement benefits <i>(Note 13)</i>	1,289	1,426	8,148
Deferred tax liabilities <i>(Note 18)</i>	10,438	8,977	65,988
Other long-term liabilities	4,619	4,540	29,200
Total long-term liabilities	<u>18,560</u>	<u>16,635</u>	<u>117,334</u>
Net assets:			
Shareholders' equity <i>(Note 14)</i> :			
Common stock:			
Authorised – 270,000,000 shares in 2024 and 2023			
Issued – 68,468,569 shares in 2024 and 2023	7,773	7,773	49,140
Capital surplus	7,230	9,894	45,707
Retained earnings	228,938	226,230	1,447,325
Treasury stock – 4,803,666 shares in 2024 and 4,878,498 shares in 2023	(13,598)	(13,809)	(85,965)
Total shareholders' equity	<u>230,343</u>	<u>230,089</u>	<u>1,456,208</u>
Accumulated other comprehensive income:			
Net unrealised holding gain on securities	15,203	14,604	96,112
Deferred gain on hedges	392	164	2,478
Translation adjustments	24,307	16,573	153,666
Retirement benefits liability adjustments	1,757	1,111	11,107
Total accumulated other comprehensive income	<u>41,661</u>	<u>32,454</u>	<u>263,377</u>
Non-controlling interests	593	572	3,748
Total net assets <i>(Note 24)</i>	<u>272,598</u>	<u>263,116</u>	<u>1,723,340</u>
Total liabilities and net assets	<u>¥ 377,771</u>	<u>¥ 395,743</u>	<u>\$ 2,388,234</u>

See accompanying notes to the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

Year ended 31st December, 2024

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 1)</i>
Net sales <i>(Notes 22 and 23)</i>	¥ 331,129	¥ 332,590	\$ 2,093,368
Cost of sales <i>(Note 8)</i>	203,461	208,740	1,286,262
Gross profit	<u>127,668</u>	<u>123,850</u>	<u>807,105</u>
Selling, general and administrative expenses <i>(Notes 16 and 17)</i>	<u>116,602</u>	<u>105,228</u>	<u>737,147</u>
Operating income <i>(Note 23)</i>	<u>11,065</u>	<u>18,622</u>	<u>69,951</u>
Other income (expenses):			
Interest and dividend income	1,657	1,257	10,475
Interest expense	(92)	(93)	(581)
Gain on sales of property, plant and equipment	222	17	1,403
Loss on impairment of fixed assets <i>(Notes 10 and 23)</i>	(72)	(1,018)	(455)
Royalty income	551	514	3,483
Gain on sales of investments in securities <i>(Note 9)</i>	4,086	49	25,831
Share of profit of entities accounted for using equity method	973	813	6,151
Rental income on real estate <i>(Note 21)</i>	656	603	4,147
Subsidy income	594	441	3,755
(Loss) gain on foreign exchange, net	(749)	261	(4,735)
Gain on change in equity	–	400	–
Gain on step acquisitions <i>(Note 20)</i>	1,563	–	9,881
Depreciation of inactive fixed assets	(73)	(98)	(461)
Donation	(269)	(710)	(1,700)
Loss on investments in investment partnerships	(181)	(268)	(1,144)
Loss on disposal of property, plant and equipment	(567)	(139)	(3,584)
Loss on devaluation of investments in securities <i>(Note 6)</i>	(532)	(742)	(3,363)
Loss on liquidation of subsidiaries	–	(30)	–
System failure response costs <i>(Note 11)</i>	(6,403)	–	(40,479)
Other, net <i>(Note 21)</i>	(216)	65	(1,365)
Other income, net	<u>1,146</u>	<u>1,321</u>	<u>7,244</u>
Profit before income taxes	<u>12,212</u>	<u>19,943</u>	<u>77,203</u>
Income taxes <i>(Note 18)</i> :			
Current	3,256	5,340	20,584
Deferred	798	383	5,044
	<u>4,054</u>	<u>5,724</u>	<u>25,629</u>
Profit	<u>¥ 8,157</u>	<u>¥ 14,219</u>	<u>\$ 51,567</u>
Profit attributable to:			
Owners of the parent <i>(Note 24)</i>	¥ 8,113	¥ 14,133	\$ 51,289
Non-controlling interests	44	86	278

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income (continued)

Year ended 31st December, 2024

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 1)</i>
Other comprehensive income <i>(Note 19)</i> :			
Net unrealised holding gain on securities	¥ 598	¥ 3,659	\$ 3,780
Deferred gain on hedges	227	224	1,435
Translation adjustments	7,326	4,421	46,314
Retirement benefits liability adjustments	639	515	4,039
Share of other comprehensive income of affiliates accounted for by the equity method	392	417	2,478
Total other comprehensive income	<u>9,184</u>	<u>9,238</u>	<u>58,060</u>
Comprehensive income	<u>¥ 17,342</u>	<u>¥ 23,458</u>	<u>\$ 109,634</u>
Comprehensive income attributable to:			
Owners of the parent	¥ 17,320	¥ 23,342	\$ 109,495
Non-controlling interests	22	116	139

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Changes in Net Assets

Year ended 31st December, 2024

	Shareholders' equity					Accumulated other comprehensive income						Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealised holding gain on securities	Deferred gain (loss) on hedges	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Non-controlling interests	
	<i>(Millions of yen)</i>											
Balance at 1st January, 2023	¥ 7,773	¥ 9,894	¥ 217,184	¥ (13,806)	¥ 221,046	¥ 10,945	¥ (59)	¥ 11,756	¥ 602	¥ 23,245	¥ 468	¥ 244,760
Cash dividends	–	–	(5,087)	–	(5,087)	–	–	–	–	–	–	(5,087)
Profit attributable to owners of the parent	–	–	14,133	–	14,133	–	–	–	–	–	–	14,133
Acquisition of treasury stock	–	–	–	(2)	(2)	–	–	–	–	–	–	(2)
Disposition of treasury stock	–	–	–	–	–	–	–	–	–	–	–	–
Change in ownership interest of parent due to transaction with non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–
Net changes in items other than those in shareholders' equity	–	–	–	–	–	3,659	224	4,816	508	9,208	103	9,312
Balance at 1st January, 2024	7,773	9,894	226,230	(13,809)	230,089	14,604	164	16,573	1,111	32,454	572	263,116
Cash dividends	–	–	(5,405)	–	(5,405)	–	–	–	–	–	–	(5,405)
Profit attributable to owners of the parent	–	–	8,113	–	8,113	–	–	–	–	–	–	8,113
Acquisition of treasury stock	–	–	–	(6)	(6)	–	–	–	–	–	–	(6)
Disposition of treasury stock	–	113	–	216	329	–	–	–	–	–	–	329
Change in ownership interest of parent due to transaction with non-controlling interests	–	(2,777)	–	–	(2,777)	–	–	–	–	–	–	(2,777)
Net changes in items other than those in shareholders' equity	–	–	–	–	–	598	227	7,734	646	9,207	20	9,227
Balance at 31st December, 2024	¥ 7,773	¥ 7,230	¥ 228,938	¥ (13,598)	¥ 230,343	¥ 15,203	¥ 392	¥ 24,307	¥ 1,757	¥ 41,661	¥ 593	¥ 272,598

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries
Consolidated Statement of Changes in Net Assets (continued)

Year ended 31st December, 2024

	Shareholders' equity					Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealised holding gain on securities	Deferred gain (loss) on hedges	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Non- controlling interests	Total net assets
	<i>(Thousands of U.S. dollars) (Note 1)</i>											
Balance at 1st January, 2024	\$ 49,140	\$ 62,548	\$ 1,430,206	\$ (87,299)	\$ 1,454,602	\$ 92,325	\$ 1,036	\$104,773	\$ 7,023	\$ 205,171	\$ 3,616	\$1,663,396
Cash dividends	–	–	(34,169)	–	(34,169)	–	–	–	–	–	–	(34,169)
Profit attributable to owners of the parent	–	–	51,289	–	51,289	–	–	–	–	–	–	51,289
Acquisition of treasury stock	–	–	–	(37)	(37)	–	–	–	–	–	–	(37)
Disposition of treasury stock	–	714	–	1,365	2,079	–	–	–	–	–	–	2,079
Change in ownership interest of parent due to transaction with non-controlling interests	–	(17,555)	–	–	(17,555)	–	–	–	–	–	–	(17,555)
Net changes in items other than those in shareholders' equity	–	–	–	–	–	3,780	1,435	48,893	4,083	58,205	126	58,332
Balance at 31st December, 2024	\$ 49,140	\$ 45,707	\$ 1,447,325	\$ (85,965)	\$ 1,456,208	\$ 96,112	\$ 2,478	\$153,666	\$11,107	\$ 263,377	\$ 3,748	\$1,723,340

See accompanying notes to the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows

Year ended 31st December, 2024

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 1)</i>
Cash flows from operating activities:			
Profit before income taxes	¥ 12,212	¥ 19,943	\$ 77,203
Adjustments:			
Depreciation and amortisation	16,754	14,016	105,917
Loss on impairment of fixed assets	72	1,018	455
Net changes in asset and liability for retirement benefits	(845)	(685)	(5,342)
Increase in provision for bonuses of directors and audit and supervisory board members	6	6	37
(Decrease) increase in provision for stock-based compensation	(45)	45	(284)
(Decrease) increase in allowance for doubtful accounts	(7)	6	(44)
Increase in provision for system failure response costs	834	–	5,272
Interest and dividend income	(1,657)	(1,257)	(10,475)
Interest expense	92	93	581
Loss on investments in investment partnerships	181	268	1,144
Share of profit of entities accounted for using equity method	(973)	(813)	(6,151)
Loss on foreign exchange, net	922	75	5,828
Gain on sales of property, plant and equipment	(222)	(17)	(1,403)
Loss on disposal of property, plant and equipment	567	139	3,584
Gain on sales of investments in securities	(4,086)	(49)	(25,831)
Loss on devaluation of investments in securities	532	742	3,363
Decrease (increase) in notes and accounts receivable, trade	36	(2,086)	227
Increase in inventories	(6,621)	(366)	(41,857)
(Decrease) increase in notes and accounts payable, trade	(960)	1,251	(6,069)
(Decrease) increase in refund liability	(1,128)	942	(7,131)
Other, net	(6,837)	(483)	(43,222)
Subtotal	8,826	32,793	55,797
Income taxes paid	(7,014)	(4,729)	(44,341)
Net cash provided by operating activities	1,812	28,063	11,455

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows (continued)

Year ended 31st December, 2024

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 1)</i>
Cash flows from investing activities:			
Payment into time deposits	(3,344)	–	(21,140)
Proceeds from withdrawal of time deposits	2,644	9,948	16,715
Purchases of investments in securities	(2,147)	(2,435)	(13,573)
Proceeds from sales and redemption of investments in securities	7,134	133	45,100
Proceeds from distribution of investments in investment partnerships	173	94	1,093
Purchases of property, plant and equipment	(10,624)	(11,821)	(67,163)
Proceeds from sales of property, plant and equipment	461	24	2,914
Purchases of intangible assets	(6,851)	(6,556)	(43,311)
Proceeds from rental of real estate for investment	597	537	3,774
Increase in loans receivable	(213)	–	(1,346)
Collection of loans receivable	31	23	195
Interest and dividends received	2,118	1,753	13,389
Other, net	(235)	(316)	(1,485)
Net cash used in investing activities	(10,255)	(8,613)	(64,831)
Cash flows from financing activities:			
Decrease in short-term loans payable, net	(26)	–	(164)
Redemption of convertible bonds	(30,000)	–	(189,657)
Interest paid	(92)	(93)	(581)
Cash dividends paid	(5,405)	(5,087)	(34,169)
Cash dividends paid to non-controlling interests	(8)	(5)	(50)
Proceeds from sales of treasury stock	0	–	0
Purchase of treasury stock	(6)	(2)	(37)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,777)	–	(17,555)
Other, net	(929)	(991)	(5,873)
Net cash used in financing activities	(39,246)	(6,179)	(248,109)
Effect of exchange rate changes on cash and cash equivalents	9,280	1,504	58,667
Net (decrease) increase in cash and cash equivalents	(38,408)	14,774	(242,811)
Cash and cash equivalents at beginning of the year	94,691	79,917	598,628
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	327	–	2,067
Cash and cash equivalents at end of the year <i>(Note 3)</i>	¥ 56,610	¥ 94,691	\$ 357,883

See accompanying notes to the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

31st December, 2024

1. Basis of Presentation

The accompanying consolidated financial statements of Ezaki Glico Co., Ltd. (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) are prepared on the basis of accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”), and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, the notes to the accompanying consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Yen figures less than one million yen are rounded down to the nearest million yen and U.S. dollar figures less than one thousand dollars are rounded down to the nearest thousand dollars, except for per share data. As a result, the totals shown in the accompanying consolidated financial statements in yen and U.S. dollars do not necessarily agree with the sums of the individual amounts.

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥158.18 = U.S. \$1.00, the approximate rate of exchange in effect on 31st December, 2024, has been utilised. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realised or settled in U.S. dollars at that or any other rate.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies

(a) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and its 24 significant subsidiaries at 31st December, 2024 and the Company and its 23 significant subsidiaries at 31st December, 2023. The Company executed a loan to Greenspoon Inc., which was its affiliate accounted for by the equity method during the fiscal year under review. With the said loan resulting in constituting more than half of Greenspoon Inc.'s total fund procurement amount, Greenspoon Inc. became a subsidiary based on the substantial control criteria and was included in the scope of consolidation.

Two subsidiaries are excluded from the scope of consolidation because the effect of their total assets, net sales, profit or loss, and retained earnings (each amount of profit or loss and retained earnings in proportion to the interest held by the Company) on the accompanying consolidated financial statements are not significant.

The number of affiliates accounted for by the equity method was two at 31st December, 2024 and three at 31st December, 2023. Greenspoon Inc., which had been an affiliate accounted for by the equity method of the Company during the previous fiscal year, was excluded from the scope of affiliates accounted for by the equity method, because Greenspoon Inc. became a consolidated subsidiary from the fiscal year under review.

Investments in two unconsolidated subsidiaries and an affiliate are not accounted for by the equity method but stated at cost, because the effect of their profit or loss and retained earnings (each amount in proportion to the interest held by the Company) on the accompanying consolidated financial statements are not significant individually or in the aggregate.

(b) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates in effect at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated at the average exchange rate in effect during the period. The resulting exchange gains and losses are credited or charged to profit.

The revenue and expense accounts of the foreign subsidiaries are translated into yen at the average exchange rate in effect during the period. Except for the components of net assets excluding non-controlling interests, the balance sheet accounts are also translated into yen at the rates of exchange in effect at the balance sheet date. The components of net assets excluding non-controlling interests are translated at their historical exchange rates. Differences arising from the translation are presented as translation adjustments and non-controlling interests in the consolidated balance sheet.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(c) Cash and cash equivalents

For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, bank deposits available for withdrawal on demand, and short-term investments which are readily convertible to cash subject to an insignificant risk of any changes in value and which were purchased with an original maturity of three months or less.

(d) Allowance for doubtful accounts

The allowance for doubtful accounts is provided to cover possible losses on collection. With respect to normal accounts receivables, loan receivables and others, allowance for doubtful accounts is stated at an amount based on the actual rate of historical bad debts, and for certain doubtful receivable, the uncollectible amount has been individually estimated.

(e) Marketable securities and investments in securities

The accounting standard applicable to financial instruments requires that securities be classified into three categories: trading securities, held-to-maturity debt securities or other securities. Trading securities are carried at fair value, and gain or loss, both realised and unrealised, is credited or charged to profit. Held-to-maturity debt securities are carried at amortised cost. Securities with quoted market prices classified as other securities are carried at fair value with any changes in unrealised holding gain or loss, net of the applicable income taxes, reported as a separate component of net assets. Securities without quoted market prices classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method. For hybrid financial instruments containing an embedded derivative that cannot be reliably identified and measured separately, the entire hybrid financial instrument as a whole is measured at fair value.

(f) Inventories

Inventories are stated at the lower of cost, determined principally by the gross average method, or net realisable value.

(g) Property, plant and equipment and real estate for investment (except for leased assets)

Property, plant and equipment and real estate for investment are stated at cost. Depreciation is determined by the straight-line method over the estimated useful lives of the respective assets.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(h) Software (except for leased assets)

Expenditures relating to the cost of computer software intended for internal use are charged to profit as incurred, except if these are deemed to contribute to the generation of future income or cost savings. Such expenditures are capitalised and amortised by the straight-line method over an estimated useful life of five years.

(i) Goodwill

Goodwill is amortised by the straight-line method principally over a period of five to ten years.

(j) Leased assets

Leased assets under finance lease contracts that do not transfer ownership to the lessee are depreciated to a residual value of nil by the straight-line method using the term of the contract as the useful life.

(k) Provision for bonuses of directors and audit and supervisory board members

Provision for bonuses of directors and audit and supervisory board members is provided at the estimated amount of bonuses to be paid to directors and audit and supervisory board members subsequent to the balance sheet date for services rendered in the current fiscal year.

(l) Provision for stock-based compensation

Provision for stock-based compensation in accordance with the restricted stock unit plan is provided using the stock price at the end of the current fiscal year.

(m) Provision for system failure response costs

Provision for system failure response costs is provided at the estimated amount of additional costs (raw material and product disposal costs, compensation expenses, etc.), which arise to respond to system failures that occurred when switching the Company's core system.

(n) Research and development costs

Research and development costs are expensed as incurred.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(o) Income taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(p) Retirement benefits

Liability for retirement benefits has been provided at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date. The retirement benefit obligation is attributed to each period by the benefit formula method over the remaining years of service of the eligible employees.

Prior service cost is amortised in the period in which it is recognised by the straight-line method over a period of five years, which is within the average remaining years of service of the eligible employees.

Actuarial gain or loss is amortised from the following year in which the gain or loss is recognised by the straight-line method over a period of five years, which is within the average remaining years of service of the eligible employees.

Certain consolidated subsidiaries have calculated their retirement benefit obligation and retirement benefit expenses based on the amount which would be payable at the year-end if all eligible employees terminated their services voluntarily (the “simplified method”).

(q) Significant revenue and expenses

The Group engages primarily in production and sales of confectionaries, food products, dairy products and food ingredients. For the sales of these products, the Group, in principle, concludes that a customer obtains control of the products and its performance obligation is satisfied at the point in time when the products are delivered to a customer, and accordingly recognises revenue at the time of delivery of products. Revenue is measured at the amount of consideration promised in the contract with the customer, less discounts, rebates and other consideration payable to the customer. The expected amount of refund to the customer deductible from the amount of consideration promised in the contract with the customer is recognised as refund liability, which is calculated based on the terms of the contract, past performance and other factors. The promised consideration is generally received within a year from the time of satisfaction of the performance obligation and contains no significant financing component.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(r) *Derivative financial instruments and hedging activities*

The Group enters into derivative transactions to effectively hedge foreign exchange fluctuation risk related to assets held, in accordance with the Company's internal policies.

Hedging instruments are forward exchange contracts and hedged items are accounts payable denominated in foreign currencies and forecasted transactions denominated in foreign currencies related to the import of raw materials.

All derivatives are stated at fair value with any changes in fair value included in profit or loss for the period in which they arise, except for derivatives which qualify as hedges and meet the criteria for deferral hedge accounting under which unrealised gain or loss, net of the applicable income taxes, is deferred as a component of net assets.

Hedge effectiveness is evaluated by comparing the cumulative changes in cash flows or fair value of the hedging instruments and the hedged items.

(s) *Group tax sharing system*

The Company and certain domestic consolidated subsidiaries have adopted the group tax sharing system.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(i) Significant accounting estimate

(Refund liability)

- (1) The amount recorded in the consolidated balance sheet at 31st December, 2024 and 2023

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Refund liability	¥ 7,597	¥ 8,383	\$ 48,027

- (2) Information on the nature of significant accounting estimates for identified items

The Group recognises a refund liability related to the consideration promised in the contracts with the customers, which is calculated based on the terms of contract, past performance and other factors at the estimated amount to be paid to customers subsequent to the balance sheet date. Refund liability includes a variable consideration, which is a portion of the consideration promised in the contract with the customer subject to change. The Group has recorded ¥4,722 million (\$29,852 thousand) as a refund liability, which is the amount for which the payment obligation is undetermined at the end of the current fiscal year.

Variable consideration includes sales incentives, which may be paid at a fixed rate over a certain period of time, at a variable rate depending on sales performance over a certain period of time, or based on conditions stipulated under the contracts from time to time. With regard to sales incentives are also characterised by the fact that the amount payable is fixed after a certain period of time has elapsed from the point of sales. The Group used significant assumptions such as the estimated sales amount during the sales promotion period and payment rate based on past performance in accordance with the contract with each sales customer in estimating the refund liability.

The rate estimated based on the estimated sales amount during the promotion period and the past performance at each sales destination is subject to a high degree of uncertainty. If the estimated sales amount differs from the actual amount due to unforeseeable events, it may affect profit or loss in the following fiscal year.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(u) Changes in accounting policies that are difficult to distinguish from changes in accounting estimates

(Changes in the depreciation method of property, plant and equipment)

The Company and its domestic consolidated subsidiaries had previously mainly adopted the declining-balance method as the depreciation method of property, plant and equipment (except for leased assets) but have changed to the straight-line method from the fiscal year under review.

Following the relocation of the powdered milk production site from the aging Kaibara Factory to a new factory in Gifu Prefecture, the Company reviewed the usage situation of property, plant and equipment and reconsidered the depreciation method. As a result, the Company determined that the straight-line method, which allocates acquisition costs to expenses equally over the estimated period of use, will more appropriately reflect the actual usage situation of the property, plant and equipment since the new factory is expected to operate stably for a long period in the future.

As a result of this change, operating income and profit before income taxes for the fiscal year under review increased by ¥1,875 million (\$11,853 thousand), respectively, compared to the previous method.

(v) Accounting standards issued but not yet effective

(Accounting Standard for Current Income Taxes, etc.)

Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, 28th October, 2022, ASBJ)

Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, 28th October, 2022, ASBJ)

Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, 28th October, 2022, ASBJ)

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(v) Accounting standards issued but not yet effective (continued)

(1) Overview

In February 2018, the ASBJ issued ASBJ Statement No. 28, “Partial Amendments to Accounting Standard for Tax Effect Accounting” and others (“ASBJ Statement No. 28, etc.”), which completed the transfer of practical guidelines on tax effect accounting at the JICPA to the ASBJ. In deliberations during that process, however, the following two matters were reconsidered following the issuance of ASBJ Statement No. 28, etc. and then further deliberated and announced.

- Classification of tax expenses (taxation on other comprehensive income)
- Tax effect on the sale of shares of subsidiaries, etc. (shares of subsidiaries or affiliates) when the group corporate tax system is applied.

(2) Scheduled date of adoption

The accounting standards and guidance will be adopted from the beginning of the fiscal year ending 31st December, 2025.

(3) Impact of adoption of the accounting standards and implementation guidance

The Company is currently evaluating the impact of adopting the accounting standards and implementation guidance on the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(v) Accounting standards issued but not yet effective (continued)

(Accounting Standard for Leases, etc.)

Accounting Standard for Leases (ASBJ Statement No. 34, 13th September, 2024, ASBJ)

Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, 13th September, 2024, ASBJ)

(1) Overview

As part of the initiatives to make Japanese GAAP consistent with international standards, ASBJ conducted a study based on international accounting standards to develop an accounting standard relating to leases that will have lessees recognise assets and liabilities for all leases, and issued an accounting standard for leases, etc. While the basic policy of the standard is based on a single lessee accounting model of IFRS 16, by only adopting the main provisions instead of the whole of IFRS 16, the standard aimed to be simple and highly convenient, basically requiring no revision when applying the provisions of IFRS 16 in non-consolidated financial statements.

For the accounting treatment of lessees, lessees shall adopt the single lessee accounting model as the method to allocate expenses arising from leases. As with IFRS 16, the model shall record depreciation on right-of-use assets and interests on lease liabilities for all leases, regardless of a finance lease or an operating lease.

(2) Scheduled date of adoption

The accounting standard and guidance will be adopted from the beginning of the fiscal year ending 31st December, 2028.

(3) Impact of adoption of the accounting standard and implementation guidance

The Company is currently evaluating the impact of adopting the accounting standard and implementation guidance on the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Cash and Cash Equivalents

The balances of cash and deposits in the consolidated balance sheet at 31st December, 2024 and 2023 are reconciled to the balances of cash and cash equivalents as presented in the consolidated statement of cash flows for the years then ended as follows:

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Cash and deposits	¥ 60,243	¥ 97,199	\$ 380,850
Time deposits with original maturities in excess of three months included in cash and deposits	(3,633)	(2,507)	(22,967)
Cash and cash equivalents	¥ 56,610	¥ 94,691	\$ 357,883

4. Financial Instruments

Policy for financial instruments

The Group utilises internal sources or bank borrowings for working capital and regarding mid- to long-term funding for capital investments and others, the Group utilises internal sources, bank borrowings and bond issuances taking into consideration its capital investment plan and other long-term capital needs. The Group manages cash surpluses through highly liquid financial instruments, low-risk financial instruments like bonds issued by issuers with high credit ratings and stocks of other companies with which the Group has business relationships. Derivative transactions are utilised to reduce the risks described below; however, the Group does not enter into derivatives for speculative trading purposes.

Types of financial instruments and related risk

Trade receivables such as notes and accounts receivable are exposed to credit risk of customers. Marketable securities and investments in securities consist of bonds other than held-to-maturity debt securities and stocks; and those securities are exposed to credit risk, market fluctuation risk and interest rate fluctuation risk.

Trade payables such as notes and accounts payable are mostly due within six months. Long-term bank loans are utilised for the purpose of funding for working capital.

As for derivative financial instruments, forward exchange contracts are utilised for the purpose of reducing foreign exchange fluctuation risk from transactions denominated in foreign currencies. For information on hedge accounting policies of the Group, see Note 2 Summary of Significant Accounting Policies, (r) Derivative financial instruments and hedging activities.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Risk management for financial instruments

(1) Monitoring of credit risk (the risk that customers or counterparties may default)

The Group manages the due dates of collection and the balances of trade receivables in accordance with the credit management internal rules of each component, and regularly monitors the status of customers to identify an early point and mitigate the risk of bad debt from customers having financial difficulties. In addition, the Group utilises business credit insurance for some trade receivables.

In addition, the Group deals with only highly rated financial institutions to reduce counterparty risk in conducting derivative transactions.

(2) Monitoring of market risk (the risks arising from fluctuations in foreign exchange rates or interest rates)

Marketable securities and investments in securities consist of stocks and investments in investment partnerships, and are exposed to market fluctuation risk and credit risk of the issuers. For listed stocks, the Group periodically reviews the fair values of such stocks and reports them to the Board of Directors. Execution and management of derivative transactions are conducted under the internal policies, which set forth the delegation of authority. The officer in charge periodically reports actual transaction data to the Board of Directors.

(3) Monitoring of liquidity risk (the risk that the Company cannot meet its obligations on scheduled due dates)

The Company and its main domestic consolidated subsidiaries have introduced a treasury management system. Based on the business plan of the Company and each subsidiary, the finance department prepares and updates its cash flow plans taking into consideration actual operating results.

Supplementary explanation of the fair value of financial instruments

Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. In addition, regarding the contract amounts, etc. of derivative transactions in Note 5 “Derivative Financial Instruments,” the amounts themselves do not indicate the market risk associated with the derivative transactions.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments

Carrying value of financial instruments on the consolidated balance sheet, estimated fair value and the differences between them at 31st December, 2024 and 2023 are shown in the following table.

	2024		
	Carrying value	Estimated fair value	Difference
	<i>(Millions of yen)</i>		
Assets:			
Marketable securities and investments in securities (*2)	¥ 24,259	¥ 24,259	¥ –
Total assets	¥ 24,259	¥ 24,259	¥ –
Liabilities:			
Long-term bank loans	¥ 155	¥ 151	¥ (4)
Total liabilities	¥ 155	¥ 151	¥ (4)
Derivative financial instruments (*3)	¥ 565	¥ 565	¥ –
	2023		
	Carrying value	Estimated fair value	Difference
	<i>(Millions of yen)</i>		
Assets:			
Marketable securities and investments in securities (*2)	¥ 27,985	¥ 27,985	¥ –
Total assets	¥ 27,985	¥ 27,985	¥ –
Liabilities:			
Current portion of convertible bonds	¥ 30,001	¥ 29,925	¥ (76)
Total liabilities	¥ 30,001	¥ 29,925	¥ (76)
Derivative financial instruments (*3)	¥ 237	¥ 237	¥ –

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments (continued)

	2024		
	Carrying value	Estimated fair value	Difference
	<i>(Thousands of U.S. dollars)</i>		
Assets:			
Marketable securities and investments in securities (*2)	\$ 153,363	\$ 153,363	\$ –
Total assets	\$ 153,363	\$ 153,363	\$ –
Liabilities:			
Long-term bank loans	\$ 979	\$ 954	\$ (25)
Total liabilities	\$ 979	\$ 954	\$ (25)
Derivative financial instruments (*3)	\$ 3,571	\$ 3,571	\$ –

(*1) “Cash and deposits” are omitted in the table above, because they are cash and because deposits are settled within a short term and their fair value approximates the carrying value. “Notes and accounts receivable, trade,” “Notes and accounts payable, trade” and “Short-term loans payable” are omitted in the table above, since they are generally settled within a short term, and therefore their fair value approximates the carrying value.

(*2) Unquoted securities and investments in partnerships are not included in “Marketable securities and investments in securities.” The carrying amounts of these financial instruments are as follows:

	2024	2023	2024
	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Unlisted stocks	¥ 1,562	¥ 1,687	\$ 9,874
Subsidiary stocks and affiliated stocks	¥ 8,093	¥ 7,381	\$ 51,163
Investments in partnerships	¥ 12,778	¥ 9,787	\$ 80,781

Unlisted stocks are not subject to fair value disclosure in accordance with Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, 13th September, 2024). Investments in partnerships are not subject to fair value disclosure in accordance with Paragraph 24-16 of the “Implementation Guidance on Fair Value Measurement Standard.”

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments (continued)

(*3) Assets and liabilities arising from derivative financial instruments are shown at net value with the amount in parentheses representing net liability position.

The redemption schedule at 31st December, 2024 for cash and deposits, trade receivables and securities with maturity dates is summarised as follows:

	2024			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	<i>(Millions of yen)</i>			
Cash and deposits	¥ 60,243	¥ –	¥ –	¥ –
Notes and accounts receivable, trade	49,973	–	–	–
Marketable securities and investments in securities:				
Bonds	–	0	–	–
Other securities	–	5,776	7,002	–
Total	¥ 110,216	¥ 5,776	¥ 7,002	¥ –
	2024			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	<i>(Thousands of U.S. dollars)</i>			
Cash and deposits	\$ 380,850	\$ –	\$ –	\$ –
Notes and accounts receivable, trade	315,924	–	–	–
Marketable securities and investments in securities:				
Bonds	–	0	–	–
Other securities	–	36,515	44,266	–
Total	\$ 696,775	\$ 36,515	\$ 44,266	\$ –

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments (continued)

The redemption schedule at 31st December, 2024 for lease obligations and long-term bank loans is summarised as follows:

	2024					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	<i>(Millions of yen)</i>					
Lease obligations	¥ 1,142	¥ 701	¥ 357	¥ 277	¥ 142	¥ 578
Long-term bank loans	10	46	6	2	–	100
Total	<u>¥ 1,153</u>	<u>¥ 747</u>	<u>¥ 363</u>	<u>¥ 280</u>	<u>¥ 142</u>	<u>¥ 678</u>

	2024					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	<i>(Thousands of U.S. dollars)</i>					
Lease obligations	\$ 7,219	\$ 4,431	\$ 2,256	\$ 1,751	\$ 897	\$ 3,654
Long-term bank loans	63	290	37	12	–	632
Total	<u>\$ 7,289</u>	<u>\$ 4,722</u>	<u>\$ 2,294</u>	<u>\$ 1,770</u>	<u>\$ 897</u>	<u>\$ 4,286</u>

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments (continued)

Fair values of financial instruments are classified into the following three levels based on the observability and materiality of the inputs used for fair value measurement.

Level 1: Fair value measured using quoted market prices for the assets or liabilities in active markets among observable valuation inputs

Level 2: Fair value measured using inputs for the calculation of observable fair value other than Level 1 inputs

Level 3: Fair value measured using unobservable inputs

When several inputs that have significant impact on fair value measurement are used and those inputs are categorised into different levels, the fair value is categorised into the lowest hierarchy level for fair value measurement among those in which each of the inputs belongs.

Financial instruments measured at fair value by level within the fair value hierarchy at 31st December, 2024 and 2023 are as follows:

	2024			Total
	Fair value			
	Level 1	Level 2	Level 3	
	<i>(Millions of yen)</i>			
Marketable securities and investments in securities:				
Other securities				
Stock	¥ 24,259	¥ –	¥ –	¥ 24,259
Total assets	¥ 24,259	¥ –	¥ –	¥ 24,259
Derivative financial instruments:				
Foreign exchange contracts (*)	¥ –	¥ 565	¥ –	¥ 565

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments (continued)

	2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(Millions of yen)</i>			
Marketable securities and investments in securities:				
Other securities				
Stock	¥ 27,985	¥ –	¥ –	¥ 27,985
Total assets	<u>¥ 27,985</u>	<u>¥ –</u>	<u>¥ –</u>	<u>¥ 27,985</u>
Derivative financial instruments:				
Foreign exchange contracts (*)	¥ –	¥ 237	¥ –	¥ 237
	2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(Thousands of U.S. dollars)</i>			
Marketable securities and investments in securities:				
Other securities				
Stock	\$ 153,363	\$ –	\$ –	\$ 153,363
Total assets	<u>\$ 153,363</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 153,363</u>
Derivative financial instruments:				
Foreign exchange contracts (*)	\$ –	\$ 3,571	\$ –	\$ 3,571

(*) Assets and liabilities arising from derivative financial instruments are shown at net value with the amount in parentheses representing net liability position.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments (continued)

Financial instruments other than those measured at fair value:

		2024			
		Fair value			
		Level 1	Level 2	Level 3	Total
		<i>(Millions of yen)</i>			
Long-term bank loans	¥	–	¥ 151	¥ –	¥ 151
Total liabilities	¥	–	¥ 151	¥ –	¥ 151
		2023			
		Fair value			
		Level 1	Level 2	Level 3	Total
		<i>(Millions of yen)</i>			
Current portion of convertible bonds	¥	–	¥ 29,925	¥ –	¥ 29,925
Total liabilities	¥	–	¥ 29,925	¥ –	¥ 29,925
		2024			
		Fair value			
		Level 1	Level 2	Level 3	Total
		<i>(Thousands of U.S. dollars)</i>			
Long-term bank loans	\$	–	\$ 954	\$ –	\$ 954
Total liabilities	\$	–	\$ 954	\$ –	\$ 954

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments (continued)

Description of valuation techniques used to measure for fair value and inputs related fair value measurement:

Marketable securities and investments in securities:

Listed stocks are measured by using quoted market prices. Since listed stocks are traded in active markets, their fair values are classified into Level 1.

Convertible bonds:

The fair value of convertible bonds is determined based on the prices provided by the financial institutions and classified into Level 2.

Long-term bank loans:

The fair value of long-term bank loans is determined by discounting the total amount of principal and interest by an interest rate assumed to be applied if a new similar loan was executed and classified into Level 2.

Derivative financial instruments:

The fair value of forward exchange contracts is determined based on the prices provided by the financial institutions and classified into Level 2.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Derivative Financial Instruments

Derivative financial instruments to which hedge accounting is applied for the years ended 31st December, 2024 and 2023 are summarised as follows:

For the year ended 31st December, 2024

Method of hedge accounting	Type of derivative financial instruments	Primary hedged items	Contract amount (Millions of yen / Thousands of U.S. dollars)	Contract amount due after one year (Millions of yen)	Estimated fair value (Millions of yen / Thousands of U.S. dollars)
Deferred hedge accounting	Forward exchange contracts Buying U.S. dollars	Accounts payable	¥ 11,055 (\$ 69,888)	¥ –	¥ 565 (\$3,571)

For the year ended 31st December, 2023

Method of hedge accounting	Type of derivative financial instruments	Primary hedged items	Contract amount (Millions of yen)	Contract amount due after one year (Millions of yen)	Estimated fair value (Millions of yen)
Deferred hedge accounting	Forward exchange contracts Buying U.S. dollars	Accounts payable	¥ 11,149	¥ –	¥ 237

There were no derivative financial instruments to which hedge accounting is not applied for the years ended 31st December, 2024 and 2023, respectively.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Marketable Securities and Investments in Securities

Marketable securities classified as other securities at 31st December, 2024 and 2023 are summarised as follows:

	2024		
	Carrying value	Acquisition cost	Difference
	<i>(Millions of yen)</i>		
Securities whose carrying value exceeds their acquisition cost:			
Stock	¥ 24,239	¥ 7,330	¥ 16,909
Subtotal	<u>24,239</u>	<u>7,330</u>	<u>16,909</u>
Securities whose carrying value does not exceed their acquisition cost:			
Stock	19	23	(3)
Subtotal	<u>19</u>	<u>23</u>	<u>(3)</u>
Total	<u>¥ 24,259</u>	<u>¥ 7,353</u>	<u>¥ 16,906</u>
	2023		
	Carrying value	Acquisition cost	Difference
	<i>(Millions of yen)</i>		
Securities whose carrying value exceeds their acquisition cost:			
Stock	¥ 27,967	¥ 10,383	¥ 17,584
Subtotal	<u>27,967</u>	<u>10,383</u>	<u>17,584</u>
Securities whose carrying value does not exceed their acquisition cost:			
Stock	17	22	(4)
Subtotal	<u>17</u>	<u>22</u>	<u>(4)</u>
Total	<u>¥ 27,985</u>	<u>¥ 10,405</u>	<u>¥ 17,579</u>

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Marketable Securities and Investments in Securities (continued)

	2024		
	Carrying value	Acquisition cost	Difference
	<i>(Thousands of U.S. dollars)</i>		
Securities whose carrying value exceeds their acquisition cost:			
Stock	\$ 153,236	\$ 46,339	\$ 106,897
Subtotal	153,236	46,339	106,897
Securities whose carrying value does not exceed their acquisition cost:			
Stock	120	145	(18)
Subtotal	120	145	(18)
Total	\$ 153,363	\$ 46,485	\$ 106,878

The proceeds from sales and gross realised gain and loss on securities classified as other securities for the years ended 31st December, 2024 and 2023 are summarised as follows:

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Proceeds from sales:			
Stock	¥ 7,134	¥ 133	\$ 45,100
Gross realised gain:			
Stock	¥ 4,086	¥ 49	\$ 25,831
Gross realised loss:			
Stock	¥ –	¥ –	\$ –

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Marketable Securities and Investments in Securities (continued)

The Group recognises loss on devaluation of investment securities in cases where the fair value at the balance sheet date of a security declines by more than 50% from its carrying value. The Group also recognises loss on devaluation of unquoted securities by considering the recoverability of fair value and so forth when the fair value at the balance sheet date declines by more than 30% and less than 50% from its carrying value.

The Group recognised ¥532 million (\$3,363 thousand) and ¥742 million of loss on devaluation of investment in securities classified as other securities for the years ended 31st December, 2024 and 2023, respectively.

7. Notes and Accounts Receivable, Trade

Receivables arising from contracts with customers included in notes and accounts receivable, trade at 31st December, 2024 and 2023 are as follows:

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Notes receivable, trade	¥ 613	¥ 536	\$ 3,875
Accounts receivable, trade	49,359	47,896	312,043
	¥ 49,973	¥ 48,433	\$ 315,924

8. Inventories

Inventories at 31st December, 2024 and 2023 consisted of the following:

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Finished goods and commercial goods	¥ 20,516	¥ 16,724	\$ 129,700
Work in process	1,173	1,009	7,415
Raw materials and supplies	19,720	16,109	124,668
	¥ 41,410	¥ 33,843	\$ 261,790

Cost of sales included loss on devaluation of inventories of ¥41 million (\$259 thousand) and ¥121 million for the years ended 31st December, 2024 and 2023, respectively.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Gain on Sales of Investments in Securities

Gain on sale of investments in securities of ¥4,086 million (\$25,831 thousand) and ¥49 million for the years ended 31st December, 2024 and 2023, respectively, is recorded as other income due to the sale of a portion of investment securities held pursuant to the holding policy of investment securities other than pure investment purposes (cross-shareholding).

10. Loss on Impairment of Fixed Assets

Property, plant and equipment are grouped based on each unit which has decision-making authority for investing activities. Idle assets are grouped individually.

As to the grouping method of assets, for business assets, loss on impairment is recognised and measured based on the smallest grouping of assets that generate cash flows that are essentially independent classified by business segment, and for idle assets, loss on impairment is recognised and measured based on each individual unit. For goodwill, loss on impairment is recognised and measured based on each company.

The Group recognised loss on impairment of fixed assets of ¥72 million (\$455 thousand) for the year ended 31st December, 2024 as follows:

- Ezaki Glico Headquarters
For idle assets at Ezaki Glico Headquarters not expected to be utilised in the future, the book value of such assets was written down to their recoverable amounts. Loss on impairment consisted of machinery and vehicles of ¥49 million (\$309 thousand). These recoverable amounts were measured at net realisable value. Net realisable value was measured at zero.
- TCHO Ventures, Inc.
For business assets at TCHO Ventures, Inc., as its business performance significantly decreased from the initial projection, the book value of such assets was written down to their recoverable amounts. Loss on impairment consisted of machinery and vehicles of ¥22 million (\$139 thousand) and tools, furniture and fixtures of ¥0 million (\$0 thousand). These recoverable amounts were measured at value in use. Since the future cash flow is expected to be negative amount, the value in use was measured at zero.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Loss on Impairment of Fixed Assets (continued)

The Group recognised loss on impairment of fixed assets of ¥1,018 million for the year ended 31st December, 2023 as follows:

- Ezaki Glico Headquarters
For idle assets at Ezaki Glico Headquarters not expected to be utilised in the future, the book value of such assets was written down to their recoverable amounts. Loss on impairment consisted of machinery and vehicles of ¥226 million. These recoverable amounts were measured at net realisable value. Net realisable value was measured at zero.
- Shanghai Ezaki Glico Foods Co., Ltd.
For idle assets at Shanghai Ezaki Glico Foods Co., Ltd. not expected to be utilised in the future as a result of the reconstruction of the manufacturing sites, the book value of such assets was written down to their recoverable amounts. Loss on impairment consisted of buildings and structures of ¥56 million and machinery and vehicles of ¥55 million. These recoverable amounts were measured at net realisable value. Net realisable value was measured at zero.
- Thai Glico Co., Ltd.
For business assets for the ice cream business at Thai Glico Co., Ltd., as its business performance significantly decreased from the initial projection, the book value of such assets was written down to their recoverable amounts. Loss on impairment consisted of machinery and vehicles of ¥1 million, tools, furniture and fixtures of ¥5 million, and leased assets of ¥502 million. These recoverable amounts were measured at net realisable value. Net realisable value was measured at memorandum value since sale or conversion to other use is practically difficult.
- TCHO Ventures, Inc.
For business assets at TCHO Ventures, Inc., as its business performance significantly decreased from the initial projection, the book value of such assets was written down to their recoverable amounts. Loss on impairment consisted of buildings and structures of ¥2 million, machinery and vehicles of ¥167 million, and tools, furniture and fixtures of ¥0 million. These recoverable amounts were measured at value in use. Since the future cash flow is expected to be negative amount, the value in use was measured at zero.

11. System Failure Response Costs

Additional costs (raw material and product disposal costs, compensation expenses, etc.), which arise to respond to system failures that occurred when switching the Company's core system, are recorded as system failure response costs under other income (expenses) of ¥6,403 million (\$40,479 thousand) for the year ended 31st December, 2024.

There were no system failure response costs for the year ended 31st December, 2023.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Short-Term Loans Payable, Long-Term Debt and Convertible Bonds

Short-term loans payable principally represent bank loans of the consolidated subsidiary. The average interest rate on outstanding loans at 31st December, 2024 was 1.5% to 2.16%. There were no outstanding loans at 31st December, 2023.

Long-term debt at 31st December, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Unsecured bank loans at average interest rates of 0.5% to 2.16%, due within 2026 to 2031	¥ 165	¥ –	\$ 1,043
Lease obligations	<u>3,200</u>	<u>2,583</u>	<u>20,230</u>
	3,366	2,583	21,279
Less current portion:			
Bank loans	(10)	–	(63)
Lease obligations	<u>(1,142)</u>	<u>(892)</u>	<u>(7,219)</u>
Long-term debt	<u><u>¥ 2,213</u></u>	<u><u>¥ 1,691</u></u>	<u><u>\$ 13,990</u></u>

The aggregate annual maturities of long-term debt subsequent to 31st December, 2024 are summarised below:

<u>Year ending 31st December,</u>	<u>Bank loans</u>		<u>Lease obligations</u>	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2025	¥ 10	\$ 63	¥ 1,142	\$ 7,219
2026	46	290	701	4,431
2027	6	37	357	2,256
2028	2	12	277	1,751
2029 and thereafter	<u>100</u>	<u>632</u>	<u>721</u>	<u>4,558</u>
	<u><u>¥ 165</u></u>	<u><u>\$ 1,043</u></u>	<u><u>¥ 3,200</u></u>	<u><u>\$ 20,230</u></u>

Convertible bonds at 31st December, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Euro-Yen denominated zero coupon convertible bonds due 2024 (with stock acquisition rights)	¥ –	¥ 30,001	\$ –

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Short-Term Loans Payable, Long-Term Debt and Convertible Bonds (continued)

The details of the above convertible bonds are as follows:

	Euro-Yen denominated convertible bonds due 2024
Class of shares to be issued	Common stock
Total issue price of stock acquisition rights	Nil
Initial conversion price	¥7,796.8 per share
Total issue price	¥30,000 million
Total issue price of shares issued upon the exercise of stock acquisition rights	—
Percentage of stock acquisition rights granted	100.0%
Exercise period	13th February, 2017 through 16th January, 2024

There are no convertible bonds due within five years subsequent to 31st December, 2024.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Retirement Benefits

The Company and certain of its domestic consolidated subsidiaries (Glico Nutrition Co., Ltd., and Koei Information Systems Co., Ltd.) have defined benefit plans, i.e., corporate pension fund plans in addition to lump-sum payment plans. Certain consolidated subsidiaries only have lump-sum payment plans as defined benefit plans. The Company and four domestic consolidated subsidiaries have defined contribution pension plans. A retirement benefit trust has been set up for some of the lump-sum payment plans.

The changes in the retirement benefit obligation for the years ended 31st December, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Beginning balance of retirement benefit obligation	¥ 17,216	¥ 17,330	\$ 108,838
Service cost	837	876	5,291
Interest cost	220	213	1,390
Actuarial (gain) loss	(500)	183	(3,160)
Benefits paid	(1,714)	(1,490)	(10,835)
Others	14	103	88
Ending balance of retirement benefit obligation	<u>¥ 16,074</u>	<u>¥ 17,216</u>	<u>\$ 101,618</u>

Retirement benefit obligation calculated by the simplified method is included in the above table.

The changes in plan assets at fair value for the years ended 31st December, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Beginning balance of plan assets at fair value	¥ 21,429	¥ 20,412	\$ 135,472
Expected return on plan assets	535	510	3,382
Actuarial gain	920	1,193	5,816
Contributions by the employers	315	319	1,991
Retirement benefits paid	(1,142)	(1,006)	(7,219)
Ending balance of plan assets at fair value	<u>¥ 22,058</u>	<u>¥ 21,429</u>	<u>\$ 139,448</u>

The Company and certain subsidiaries set up the retirement benefit trust.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Retirement Benefits (continued)

The reconciliation of the ending balances of the retirement benefit obligation and plan assets to the asset and liability for retirement benefits recognised in the consolidated balance sheet at 31st December, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Funded retirement benefit obligation	¥ 14,989	¥ 16,195	\$ 94,759
Plan assets at fair value	(22,058)	(21,429)	(139,448)
	(7,069)	(5,233)	(44,689)
Unfunded retirement benefit obligations	1,084	1,020	6,852
Net asset for retirement benefits	(5,984)	(4,212)	(37,830)
Liability for retirement benefits	1,289	1,426	8,148
Asset for retirement benefits	(7,273)	(5,639)	(45,979)
Net asset for retirement benefits	¥ (5,984)	¥ (4,212)	\$ (37,830)

Retirement benefit obligation calculated by the simplified method is included in the above table.

The components of retirement benefit expenses for the years ended 31st December, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Service cost	¥ 837	¥ 876	\$ 5,291
Interest cost	220	213	1,390
Expected return on plan assets	(535)	(510)	(3,382)
Amortisation:			
Actuarial gain	(482)	(266)	(3,047)
Prior service cost	0	0	0
Others	147	188	929
Retirement benefit expenses	¥ 188	¥ 502	\$ 1,188

(Note) Retirement benefit expenses calculated by the simplified method are included in “Service cost” of the above table.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Retirement Benefits (continued)

The components of retirement benefit liability adjustments included in other comprehensive income (before tax effect) are as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Prior service cost	¥ 0	¥ 0	\$ 0
Actuarial gain	938	744	5,929
Total	<u>¥ 939</u>	<u>¥ 744</u>	<u>\$ 5,936</u>

The components of retirement benefit liability adjustments included in accumulated other comprehensive income (before tax effect) are as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Unrecognised prior service cost	¥ (0)	¥ (1)	\$ (0)
Unrecognised actuarial gain	2,521	1,582	15,937
Total	<u>¥ 2,521</u>	<u>¥ 1,581</u>	<u>\$ 15,937</u>

The fair value of plan assets, by major category, as a percentage of total plan assets as of 31st December, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Bonds	49%	52%
Equities	29	28
General accounts at life insurance companies	6	6
Other	16	14
Total	<u>100%</u>	<u>100%</u>

The total amount of plan assets includes 23.1% and 22.0% of the retirement benefit trust for lump-sum payment plans at 31st December 2024 and 2023, respectively.

The assumptions used in accounting for the above plans are as follows:

	<u>2024</u>	<u>2023</u>
Discount rates	0.0%~2.1%	0.0%~1.6%
Expected long-term rate of return on plan assets	2.5%	2.5%
Expected rates of future salary increase	7.4%~14.0%	7.4%~14.0%

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Retirement Benefits (continued)

The expected long-term rate of return on plan assets is determined as a result of consideration of both the portfolio allocation at present and in the future and expected long-term rate of return from multiple plan assets at present and in the future.

The amount of plan assets transferred to the defined contribution pension plans as a result of the transfer of a portion of the lump-sum payment plans to the defined contribution pension plan was ¥3,927 million (\$24,826 thousand). The transfer was conducted for four years from the beginning of the transfer and was completed at 31st December, 2024.

The amounts to be paid to the defined contribution plans by the Company and certain consolidated subsidiaries were ¥259 million (\$1,637 thousand) and ¥259 million for the years ended 31st December, 2024 and 2023, respectively.

14. Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.

The legal reserve of the Company, which is included in retained earnings, amounted to ¥1,943 million (\$12,283 thousand) at 31st December, 2024 and 2023, respectively.

Movements in issued shares of common stock and treasury stock during the years ended 31st December, 2024 and 2023 are summarised as follows:

For the year ended 31st December, 2024

	Number of Shares			31st December, 2024
	1st January, 2024	Increase	Decrease	
Issued shares:				
Common stock	68,468,569	–	–	68,468,569
Treasury stock	4,878,498	1,731	76,563	4,803,666

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Shareholders' Equity (continued)

The increase in treasury stock of 1,731 shares was due to the acquisition of fractional shares of less than one voting unit of 1,425 shares and the acquisition of shares free of charge through restricted stock incentives for the employee shareholding association of 306 shares. The decrease in treasury stock of 76,563 shares was due to the sales of fractional shares of less than one voting unit of 45 shares, issuance of treasury stock through restricted stock incentives for the employee shareholding association of 65,518 shares, and granting from the Restricted Stock Unit Plan to Directors of 11,000 shares.

For the year ended 31st December, 2023

	Number of Shares			
	Year ended 31st December, 2023			
	1st January, 2023	Increase	Decrease	31st December, 2023
Issued shares:				
Common stock	68,468,569	–	–	68,468,569
Treasury stock	4,877,747	751	–	4,878,498

The increase in treasury stock of 751 shares was due to the acquisition of fractional shares of less than one voting unit.

Information on stock acquisition rights and treasury stock acquisition rights during the years ended 31st December, 2024 and 2023 is as follows:

For the year ended 31st December, 2024

Company name	Details	Type of stock subject to acquisition rights	Number of shares subject to stock acquisition rights			31st December, 2024 (Millions of yen / Thousands of U.S. dollars)
			1st January, 2024	Increase	Decrease	
The Company	Euro-Yen denominated zero coupon convertible bonds due 2024 (with stock acquisition rights)	Common stock	3,847,732	–	3,847,732	–

(Note) The decrease during the fiscal year under review was due to the expiration of the exercise period.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Shareholders' Equity (continued)

For the year ended 31st December, 2023

Company name	Details	Type of stock subject to stock acquisition rights	Number of shares subject to stock acquisition rights			31st December, 2023 (Millions of yen / Thousands of U.S. dollars)
			1st January, 2023	Increase	Decrease	
The Company	Euro-Yen denominated zero coupon convertible bonds due 2024 (with stock acquisition rights)	Common stock	3,802,715	(Note 1) 45,017	–	3,847,732 (Note 2) –

- (Notes) 1. The increase in the Euro-Yen denominated zero coupon convertible bonds due 2024 (with stock acquisition rights) was due to the adjustment of the conversion price.
2. Convertible bonds are accounted for using the lump-sum method, by which the bond portion and a stock acquisition right portion are treated as non-separable.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Shareholders' Equity (continued)

Information on dividend payments and the effective date for the years ended 31st December, 2024 and 2023 is as follows:

For the year ended 31st December, 2024

Dividend payment:

<u>Resolution</u>	<u>Type of shares</u>	<u>Dividends paid (Millions of yen/ Thousands of U.S. dollars)</u>	<u>Dividend per share (Yen/ U.S. dollars)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on 13th February, 2024	Common stock	¥ 2,543 (\$ 16,076)	¥ 40 (\$ 0.25)	31st December, 2023	7th March, 2024
Board of Directors' meeting held on 14th August, 2024	Common stock	¥ 2,862 (\$ 18,093)	¥ 45 (\$ 0.28)	30th June, 2024	5th September, 2024

Dividend payment with an effective date in the following year:

<u>Resolution</u>	<u>Type of shares</u>	<u>Dividends paid (Millions of yen/ Thousands of U.S. dollars)</u>	<u>Source of dividend</u>	<u>Dividend per share (Yen/ U.S. dollars)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on 13th February, 2025	Common stock	¥ 2,864 (\$ 18,105)	Retained earnings	¥ 45 (\$ 0.28)	31st December, 2024	10th March, 2025

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Shareholders' Equity (continued)

For the year ended 31st December, 2023

Dividend payment:

<u>Resolution</u>	<u>Type of shares</u>	<u>Dividends paid (Millions of yen/ Thousands of U.S. dollars)</u>	<u>Dividend per share (Yen/ U.S. dollars)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on 14th February, 2023	Common stock	¥ 2,543	¥ 40	31st December, 2022	8th March, 2023
Board of Directors' meeting held on 3rd August, 2023	Common stock	¥ 2,543	¥ 40	30th June, 2023	4th September, 2023

Dividend per share pursuant to the resolution by the Board of Directors' meeting held on 14th February, 2023 included a commemorative dividend of ¥5 (the commemorative dividend for the centennial anniversary of the Company's founding).

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. Leases

Leased assets under finance lease transactions which do not transfer ownership to the lessee mainly consist of tools, furniture and fixtures, vehicles and software.

As described in Note 2 “Summary of Significant Accounting Policies, (j) Leased assets,” leased assets under finance lease transactions which do not transfer ownership to the lessee are capitalised and depreciated to a residual value of nil by the straight-line method using the term of the contracts as the useful life.

Future minimum lease payments under non-cancellable operating leases subsequent to 31st December, 2024 for operating leases are summarised as follows:

Year ending 31st December,	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2025	¥ 369	\$ 2,332
2026 and thereafter	645	4,077
Total	¥ 1,015	\$ 6,416

16. Selling, General and Administrative Expenses

The components of selling, general and administrative expenses for the years ended 31st December, 2024 and 2023 were as follows:

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Freight and warehouse expenses	¥ 27,248	¥ 26,144	\$ 172,259
Sales promotion expenses	11,611	10,877	73,403
Advertising expenses	15,805	12,737	99,917
(Reversal) provision of allowance for doubtful accounts	(6)	(1)	(37)
Salaries	21,971	20,294	138,898
Bonuses	5,764	5,323	36,439
Provision for bonuses of directors and audit and supervisory board members	86	80	543
Provision for stock-based compensation	–	45	–
Retirement benefit expenses	189	448	1,194
Welfare expenses	6,260	5,894	39,575
Depreciation and amortisation	6,099	3,406	38,557
Other	21,571	19,977	136,369
Total	¥ 116,602	¥ 105,228	\$ 737,147

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses for the years ended 31st December, 2024 and 2023 amounted to ¥6,258 million (\$39,562 thousand) and ¥5,949 million, respectively.

18. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to several types of taxes: corporate taxes, local inhabitants taxes and enterprise taxes, which in aggregate resulted in a statutory tax rate of approximately 30.6% for the years ended 31st December, 2024 and 2023. Overseas subsidiaries are subject to the income and other taxes of the respective countries in which they operate.

The reconciliation between effective tax rate and the statutory tax rate for the years ended 31st December, 2024 and 2023 is as follows:

	2024	2023
Statutory tax rate	30.6%	30.6%
Permanent non-deductible expenses	3.6	2.5
Permanent non-taxable dividend income	(4.1)	(2.8)
Inhabitants' per capita taxes	0.6	0.4
Change in valuation allowance	4.8	1.3
Tax credits	(1.4)	(2.9)
Undistributed earnings of overseas subsidiaries	6.4	2.1
Other	(7.3)	(2.5)
Effective tax rate	33.2%	28.7%

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Income Taxes (continued)

The significant components of deferred tax assets and liabilities of the Company and its consolidated subsidiaries at 31st December, 2024 and 2023 are summarised as follows:

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Deferred tax assets:			
Accrued bonuses	¥ 506	¥ 565	\$ 3,198
Accrued expenses	1,362	1,226	8,610
Liability for retirement benefits	161	38	1,017
Loss on impairment of fixed assets	1,507	1,550	9,527
Loss on devaluation of investments in securities	1,948	1,933	12,315
Tax loss carryforwards	3,541	4,197	22,385
Depreciation	505	553	3,192
Other	1,718	1,313	10,861
Total deferred tax assets	11,253	11,379	71,140
Less valuation allowance for tax loss carryforwards	(3,389)	(3,700)	(21,424)
Less valuation allowance for total deductible temporary differences and others	(3,749)	(3,819)	(23,700)
Total valuation allowance	(7,139)	(7,519)	(45,132)
Offset by deferred tax liabilities	(2,606)	(2,186)	(16,474)
Net deferred tax assets	¥ 1,507	¥ 1,674	\$ 9,527
Deferred tax liabilities:			
Asset for retirement benefits	¥ (747)	¥ –	\$ (4,722)
Net unrealised holding gain on securities	(6,299)	(5,803)	(39,821)
Reserve for deferred gain on property for tax purposes	(2,670)	(2,676)	(16,879)
Deferred gain on hedges	(172)	(72)	(1,087)
Undistributed earnings of overseas subsidiaries	(3,087)	(2,610)	(19,515)
Other	(67)	(0)	(423)
Total deferred tax liabilities	(13,045)	(11,163)	(82,469)
Offset by deferred tax assets	2,606	2,186	16,474
Net deferred tax liabilities	¥(10,438)	¥ (8,977)	\$ (65,988)

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Income Taxes (continued)

Tax loss carryforwards and the related deferred tax assets expire as follows:

At 31st December, 2024

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years	Total
	<i>(Millions of yen)</i>						
Tax loss carryforwards (Note (a))	¥ 43	¥151	¥597	¥451	¥339	¥ 1,957	¥ 3,541
Less valuation allowance for tax loss carryforwards	(35)	(97)	(597)	(451)	(339)	(1,869)	(3,389)
Net deferred tax assets related to tax loss carryforwards	<u>¥ 8</u>	<u>¥ 54</u>	<u>¥ -</u>	<u>¥ -</u>	<u>¥ -</u>	<u>¥ 88</u>	<u>¥ 151</u>
	(Note (b))						
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years	Total
	<i>(Thousands of U.S. dollars)</i>						
Tax loss carryforwards (Note (a))	\$ 271	\$ 954	\$3,774	\$2,851	\$2,143	\$ 12,371	\$ 22,385
Less valuation allowance for tax loss carryforwards	(221)	(613)	(3,774)	(2,851)	(2,143)	(11,815)	(21,424)
Net deferred tax assets related to tax loss carryforwards	<u>\$ 50</u>	<u>\$ 341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 556</u>	<u>\$ 954</u>
	(Note (b))						

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Income Taxes (continued)

(Notes) (a) The tax loss carryforwards in the table above are measured by multiplying the corresponding tax loss carryforwards by the statutory tax rate.

(b) Net deferred tax assets related to tax loss carryforwards of ¥151 million (\$954 thousand) were recorded on tax loss carryforwards of ¥3,541 million (\$22,385 thousand) (the amount multiplied by the statutory tax rate). Net deferred tax assets related to tax loss carryforwards of ¥151 million (\$954 thousand) were recognised for the balance of ¥151 million (\$954 thousand) of tax loss carryforwards (the amount multiplied by the statutory tax rate), for the Company and one consolidated subsidiary. The Company does not recognise a valuation allowance for part of the tax loss carryforwards that the Company considers recoverable in light of future taxable income.

At 31st December, 2023

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years	Total
	<i>(Millions of yen)</i>						
Tax loss carryforwards (Note (a))	¥ 15	¥ 57	¥ 88	¥361	¥321	¥ 3,353	¥ 4,197
Less valuation allowance for tax loss carryforwards	(13)	(14)	(37)	(340)	(279)	(3,015)	(3,700)
Net deferred tax assets related to tax loss carryforwards	<u>¥ 2</u>	<u>¥ 42</u>	<u>¥ 51</u>	<u>¥ 20</u>	<u>¥ 42</u>	<u>¥ 338</u>	<u>¥ 497</u>
	(Note (b))						

(Notes) (a) The tax loss carryforwards in the table above are measured by multiplying the corresponding tax loss carryforwards by the statutory tax rate.

(b) Net deferred tax assets related to tax loss carryforwards of ¥497 million were recorded on tax loss carryforwards of ¥4,197 million (the amount multiplied by the statutory tax rate). Net deferred tax assets related to tax loss carryforwards of ¥497 million were recognised for the balance of ¥497 million of tax loss carryforwards (the amount multiplied by the statutory tax rate), for 6 consolidated subsidiaries. The Company does not recognise a valuation allowance for part of the tax loss carryforwards that the Company considers recoverable in light of future taxable income.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Income Taxes (continued)

(Accounting treatment of corporate tax and local corporate taxes or tax effect accounting)

The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system, and corporate tax and local corporate taxes, as well as their tax effects, are accounted for and disclosed under the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Issues Task Force No. 42, 12th August, 2021).

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

19. Other Comprehensive Income (Loss)

Other comprehensive income (loss) related to reclassification adjustments and tax effects allocated to each comprehensive income (loss) for the years ended 31st December, 2024 and 2023 are summarised as follows:

	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Net unrealised holding gain on securities:			
Amount arising during the year	¥ 5,180	¥ 5,221	\$ 32,747
Reclassification adjustments	(4,086)	(49)	(25,831)
Amount before income tax effect	1,094	5,171	6,916
Income tax effect	(496)	(1,512)	(3,135)
Total	598	3,659	3,780
Deferred gain on hedges:			
Amount arising during the year	1,932	1,546	12,213
Reclassification adjustments	(1,604)	(1,222)	(10,140)
Amount before income tax effect	327	323	2,067
Income tax effect	(100)	(98)	(632)
Total	227	224	1,435
Translation adjustments:			
Amount arising during the year	7,326	4,328	46,314
Reclassification adjustments	-	93	-
Total	7,326	4,421	46,314
Retirement benefits liability adjustments:			
Amount arising during the year	1,421	1,010	8,983
Reclassification adjustments	(481)	(265)	(3,040)
Amount before income tax effect	939	744	5,936
Income tax effect	(299)	(229)	(1,890)
Total	639	515	4,039
Share of other comprehensive income of affiliates accounted for by the equity method:			
Adjustments arising during the year	392	417	2,478
Total other comprehensive income	¥ 9,184	¥ 9,238	\$ 58,060

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Business Combination

Business combination by acquisition

1. Overview of business combination

(1) Name and details of business of the acquired company

Name of the acquired company: Greenspoon Inc. (“GS”)

Details of business: Planning, production, and sales of vegetable one step meal “GREEN SPOON”

(2) Main reasons for business combination

GS has established a D2C business through speedy product development and outstanding digital marketing in the frozen food business. Therefore, the Company has determined that it can expect an expansion of the Group’s business base by strengthening competitiveness by sharing of GS’s business know-how and resources.

(3) Date of business combination

30th April, 2024

(4) Legal form of business combination

Making the acquired company a subsidiary based on the substantial control criteria

(5) Name of the company after business combination

The name of the company after business combination remains the same.

(6) Percentage of voting rights acquired

Percentage of voting rights held immediately before the acquisition: 41.47%

Percentage of voting rights acquired on the date of business combination: –%

Percentage of voting rights after the acquisition: 41.47%

(7) Main basis for determining the company to be acquired

Since the Company was to execute a loan that would constitute more than half of GS’s total fund procurement amount, based on the substantial control criteria, GS became a consolidated subsidiary from an affiliate accounted for by the equity method of the Company.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Business Combination (continued)

Business combination by acquisition (continued)

2. Period of performance of the acquired company included in the consolidated financial statements

From 1st May, 2024 to 31st December, 2024

Performance from 1st January, 2024 to 30th April, 2024 is recorded as share of profit of entities accounted for using equity method.

3. Acquisition cost for the acquired company and breakdown of the consideration by type

Consideration for the acquisition	Fair value of shares held immediately before the business combination on the date of the business combination:	¥1,882 million (\$11,897 thousand)
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4. Details and amount of major acquisition-related expenses

Not applicable

5. Difference between the acquisition cost for the acquired company and the total amount of acquisition cost by each transaction that led to the acquisition

Gain on step acquisitions: ¥1,563 million (\$9,881 thousand)

6. Amount of goodwill incurred, reasons thereof, and method and period of amortisation

- (1) Amount of goodwill incurred

¥1,771 million (\$11,196 thousand)

- (2) Reasons for the goodwill incurred

Due to the extra earning potential expected from the future development of business

- (3) Method and period of amortisation

Amortised using the straight-line method over five years

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Business Combination (continued)

Business combination by acquisition (continued)

7. Amount of assets accepted and liabilities assumed on the date of business combination and main breakdown thereof

	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Current assets	¥ 991	\$ 6,265
Fixed assets	64	404
Total assets	<u>¥ 1,056</u>	<u>\$ 6,675</u>
Current liabilities	¥ 721	\$ 4,558
Long-term liabilities	365	2,307
Total liabilities	<u>¥ 1,086</u>	<u>\$ 6,865</u>

8. Amount allocated to intangible assets other than goodwill, breakdown by type, and amortisation period

- (1) Amount allocated to intangible assets

¥212 million (\$1,340 thousand)

- (2) Breakdown by type

Customer-related intangible assets: ¥212 million (\$1,340 thousand)

- (3) Amortisation period

Three years

9. Estimated amount of effect on the consolidated statement of comprehensive income for the fiscal year under review assuming that the business combination was completed at the beginning of the fiscal year, and the method for calculating such amount

	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Net sales	¥ 1,029	\$ 6,505
Operating loss	¥ 337	\$ 2,130

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)

20. Business Combination (continued)

Business combination by acquisition (continued)

(Calculation method of estimated amount)

The estimated amount of effect is the difference between net sales and profit and loss information calculated assuming that the business combination was completed at the beginning of the fiscal year and net sales and profit and loss information in the consolidated statement of comprehensive income of the Company. Such difference includes the amount of amortisation of goodwill corresponding to the period from the beginning of the fiscal year to the date of the business combination.

The estimated amount of effect is not certified by the audit.

Transactions, etc. under common control

(Additional acquisition of subsidiary shares)

1. Overview of transactions

(1) Name of company in business combination and details of business

Name of company in business combination: Greenspoon Inc. (“GS”)

Details of business: Planning, production, and sales of vegetable one step meal “GREEN SPOON”

(2) Date of business combination

3rd June, 2024 (deemed acquisition date: 30th June, 2024)

(3) Legal form of business combination

Share purchase from non-controlling interests

(4) Name of the company after business combination

The name of the company after business combination remains the same.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Business Combination (continued)

Transactions, etc. under common control (continued)

(5) Other matters regarding the overview of transactions

The percentage of voting rights for the shares additionally acquired is 58.53%, and GS became a wholly owned subsidiary of the Company as a result of this transaction.

The additional acquisition was conducted to further enhance the Company's business growth and the Group-wide corporate value by further strengthening business ties and cooperation with GS.

2. Overview of the accounting treatment implemented

The transaction has been treated as a transaction with non-controlling interests of common control transactions, etc. based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, 16th January, 2019) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, 16th January, 2019).

3. Matters regarding additional acquisition of subsidiary shares

Acquisition cost and breakdown of the consideration by type

Consideration for the acquisition	Cash and deposits:	¥2,777 million (\$17,555 thousand)
Acquisition cost		¥2,777 million (\$17,555 thousand)

4. Matters regarding changes in equity interests of the Company relating to transactions with non-controlling interests

(1) Main factors for changes in capital surplus

Acquisition of subsidiary shares

(2) Decreased amount of capital surplus due to transactions with non-controlling interests

¥2,777 million (\$17,555 thousand)

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

21. Investment and Rental Property

The Company owns rental office buildings, rental commercial facilities and others in Tokyo, Japan and other areas.

Rental revenues are recorded under “Rental income on real estate” and rental costs are recorded mainly under “Other, net” in the consolidated statement of comprehensive income for the years ended 31st December, 2024 and 2023. Net rental income, net of rental cost, for the years ended 31st December, 2024 and 2023 was ¥360 million (\$2,275 thousand) and ¥367 million, respectively.

The carrying value in the consolidated balance sheet and corresponding fair value of investment and rental properties as of 31st December, 2024 and 2023 are as follows:

	<i>Carrying value</i>		<i>Fair value</i>
	1st January, 2024	Net change	31st December, 2024
	<i>(Millions of yen)</i>		
Investment and rental property	¥ 12,631	¥ (33)	¥ 12,597
			¥ 18,755
	<i>Carrying value</i>		<i>Fair value</i>
	1st January, 2023	Net change	31st December, 2023
	<i>(Millions of yen)</i>		
Investment and rental property	¥ 12,424	¥ 206	¥ 12,631
			¥ 19,675
	<i>Carrying value</i>		<i>Fair value</i>
	1st January, 2024	Net change	31st December, 2024
	<i>(Thousands of U.S. dollars)</i>		
Investment and rental property	\$ 79,852	\$ (208)	\$ 79,637
			\$ 118,567

The carrying value represents the acquisition costs less accumulated depreciation and accumulated impairment loss.

For major property, the fair value is determined based on the real-estate appraisal assessed by external real-estate appraisers. For other property, the fair value is determined based on the land price index issued by government authorities and others. However, unless the appraisal or indicators that are regarded to reflect the fair value of the property appropriately change significantly since the date of acquisition or the date of the latest appraisal, the Company and certain consolidated subsidiaries measure the fair value of the property based on such appraisal or indicators obtained previously and adjusted as appropriate.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

22. Revenue Recognition

Revenue from contracts with customers is not separately presented from other revenue in net sales. The amount of revenue from contracts with customers is included in Note 23 “Segment Information.”

- (1) Information on the disaggregated revenue from contracts with customers

Information on the disaggregated revenue from contracts with customers is included in Note 23 “Segment Information.” The entire amount of sales to third parties in the note represents the revenue from contracts with customers.

- (2) Information serving as a basis for understanding revenue from contracts with customers

Information serving as a basis for understanding revenue from contracts with customers is disclosed in Note 2 “Summary of Significant Accounting Policies, (q) Significant revenue and expenses.”

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information

Summary of reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group consists of business segments categorised by the products and services based on focus areas and businesses as well as countries and regions. The Group classifies its businesses into six reportable segments: Health and Food Business, Dairy Business, Nutritional Confectionery Business, Food Ingredients Business, Other Domestic Business and Overseas Business.

The Health and Food Business produces and sells health-related products, retort-packed foods, ice creams and others.

The Dairy Business produces and sells milk, dairy products, western-style fresh confectioneries, ice cream and others.

The Nutritional Confectionery Business produces and sells chocolate, cookies and others.

The Food Ingredients Business produces and sells wheat protein, modified starch, food colouring, fine chemical materials and others.

The Other Domestic Business engages in directly-managed store business, Office Glico business, wholesale business, production and sales of food products, etc., information system maintenance and operation and others.

The Overseas Business produces and sells chocolate, cookies and others in overseas markets.

Calculation methods of sales, income or loss, assets and other items by reportable segment

The accounting policies of the reportable segments are generally the same as those described in the Note 2 “Summary of Significant Accounting Policies,” except for the valuation method of inventory. Certain inventories are valued at the amounts used in inter-segment sales transactions before application of lower of cost or net realisable value. Segment income is determined based on operating income. Inter-segment transactions are determined based on market prices.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

(Changes in the depreciation method of property, plant and equipment)

As stated in “Changes in accounting policies that are difficult to distinguish from changes in accounting estimates,” the Company and its domestic consolidated subsidiaries had previously mainly adopted the declining-balance method as the depreciation method of property, plant and equipment (except for leased assets) but have changed to the straight-line method from the fiscal year under review.

As a result of this change, segment income for the fiscal year under review increased by ¥213 million (\$1,346 thousand) in the Health and Food Business, ¥1,166 million (\$7,371 thousand) in the Dairy Business, ¥385 million (\$2,433 thousand) in the Nutritional Confectionary Business, ¥38 million (\$240 thousand) in the Food Ingredients Business, and ¥71 million (\$448 thousand) in the Other Domestic Business, compared to the previous method.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Information on sales, income or loss, assets and other items, and disaggregated revenue by reportable segment

	Year ended 31st December, 2024						Adjustments and eliminations	Consolidated
	Reportable segments							
	Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total	
	<i>(Millions of yen)</i>							
Sales, income or loss and assets by reportable segment:								
Net sales:								
Revenue from contracts with customers	¥ 46,682	¥ 56,077	¥ 64,737	¥ 13,934	¥ 67,381	¥ 82,316	¥ 331,129	¥ 331,129
Other revenues	–	–	–	–	–	–	–	–
Sales to third parties	¥ 46,682	¥ 56,077	¥ 64,737	¥ 13,934	¥ 67,381	¥ 82,316	¥ 331,129	¥ 331,129
Inter-segment sales and transfers	–	–	–	319	12,944	–	13,264	(13,264)
Total	¥ 46,682	¥ 56,077	¥ 64,737	¥ 14,253	¥ 80,325	¥ 82,316	¥ 344,394	¥ (13,264)
Segment income (loss)	¥ (167)	¥ (6,368)	¥ 5,199	¥ 2,090	¥ (2)	¥ 8,388	¥ 9,139	¥ 1,926
Segment assets	38,040	61,293	54,970	7,670	18,690	57,286	237,951	139,820
Other items:								
Depreciation and amortisation	2,914	5,011	4,078	180	767	3,508	16,462	292
Increase in property, plant and equipment and intangible assets	3,134	5,389	4,386	230	795	3,830	17,766	137

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Information on sales, income or loss, assets and other items, and disaggregated revenue by reportable segment (continued)

	Year ended 31st December, 2023							Adjustments and eliminations	Consolidated
	Reportable segments						Total		
	Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business			
	<i>(Millions of yen)</i>								
Sales, income or loss and assets by reportable segment:									
Net sales:									
Revenue from contracts with customers	¥ 50,499	¥ 69,675	¥ 61,890	¥ 13,348	¥ 65,962	¥ 71,214	¥ 332,590	¥ –	¥ 332,590
Other revenues	–	–	–	–	–	–	–	–	–
Sales to third parties	¥ 50,499	¥ 69,675	¥ 61,890	¥ 13,348	¥ 65,962	¥ 71,214	¥ 332,590	¥ –	¥ 332,590
Inter-segment sales and transfers	–	–	–	301	12,586	–	12,888	(12,888)	–
Total	¥ 50,499	¥ 69,675	¥ 61,890	¥ 13,649	¥ 78,549	¥ 71,214	¥ 345,478	¥ (12,888)	¥ 332,590
Segment income	¥ 2,064	¥ 529	¥ 6,525	¥ 2,427	¥ 2,047	¥ 4,165	¥ 17,759	¥ 862	¥ 18,622
Segment assets	26,326	50,993	39,666	8,952	22,406	50,478	198,825	196,917	395,743
Other items:									
Depreciation and amortisation	1,585	3,459	2,725	223	1,491	3,158	12,643	1,373	14,016
Increase in property, plant and equipment and intangible assets	1,314	2,867	2,259	231	1,837	5,266	13,776	6,239	20,016

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Information on sales, income or loss, assets and other items, and disaggregated revenue by reportable segment (continued)

	Year ended 31st December, 2024						Adjustments and eliminations	Consolidated	
	Reportable segments								
	Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total		
	<i>(Thousands of U.S. dollars)</i>								
Sales, income or loss and assets by reportable segment:									
Net sales:									
Revenue from contracts with customers	\$ 295,119	\$ 354,513	\$ 409,261	\$ 88,089	\$ 425,976	\$ 520,394	\$ 2,093,368	\$ –	\$ 2,093,368
Other revenues	–	–	–	–	–	–	–	–	–
Sales to third parties	\$ 295,119	\$ 354,513	\$ 409,261	\$ 88,089	\$ 425,976	\$ 520,394	\$ 2,093,368	\$ –	\$ 2,093,368
Inter-segment sales and transfers	–	–	–	2,016	81,830	–	83,853	(83,853)	–
Total	\$ 295,119	\$ 354,513	\$ 409,261	\$ 90,106	\$ 507,807	\$ 520,394	\$ 2,177,228	\$ (83,853)	\$ 2,093,368
Segment income (loss)	\$ (1,055)	\$ (40,257)	\$ 32,867	\$ 13,212	\$ (12)	\$ 53,028	\$ 57,775	\$ 12,176	\$ 69,951
Segment assets	240,485	387,488	347,515	48,489	118,156	362,157	1,504,305	883,929	2,388,234
Other items:									
Depreciation and amortisation	18,422	31,679	25,780	1,137	4,848	22,177	104,071	1,845	105,917
Increase in property, plant and equipment and intangible assets	19,812	34,068	27,727	1,454	5,025	24,212	112,315	866	113,187

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Information on sales, income or loss, assets and other items, and disaggregated revenue by reportable segment (continued)

The adjustments and eliminations for segment income in the amounts of ¥1,926 million (\$12,176 thousand) and ¥862 million consisted of the elimination of inter-segment transactions and other adjustments of ¥1,910 million (\$12,074 thousand) and ¥2,003 million and corporate expenses not allocated to each reportable segment of ¥15 million (\$94 thousand) and ¥(1,140) million for the years ended 31st December, 2024 and 2023, respectively.

Corporate expenses were mainly related to selling, general and administrative expenses not attributable to reportable segments for the years ended 31st December, 2024 and 2023. The adjustments and eliminations for segment assets in the amount of ¥139,820 million (\$883,929 thousand) and ¥196,917 million at 31st December, 2024 and 2023, respectively, consisted of corporate assets not attributable to reportable segments.

The adjustments and eliminations for depreciation and amortisation of ¥292 million (\$1,845 thousand) and ¥1,373 million and increase in property, plant and equipment and intangible assets of ¥137 million (\$866 thousand) and ¥6,239 million for the years ended 31st December, 2024 and 2023, respectively, consisted of depreciation and amortisation and acquisition of corporate assets not attributable to reportable segments.

Segment income corresponds to operating income in the consolidated statement of comprehensive income.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Related information

Information by products and services

Sales to third parties categorised by products and services for the years ended 31st December, 2024 and 2023 are summarised as follows:

Year ended 31st December, 2024						
<u>Health and Food Business</u>	<u>Dairy Business</u>	<u>Nutritional Confectionery Business</u>	<u>Food Ingredients Business</u>	<u>Other Domestic Business</u>	<u>Overseas Business</u>	<u>Total</u>
<i>(Millions of yen)</i>						
¥ 46,682	¥ 56,077	¥ 64,737	¥ 13,934	¥ 67,381	¥ 82,316	¥ 331,129
Year ended 31st December, 2023						
<u>Health and Food Business</u>	<u>Dairy Business</u>	<u>Nutritional Confectionery Business</u>	<u>Food Ingredients Business</u>	<u>Other Domestic Business</u>	<u>Overseas Business</u>	<u>Total</u>
<i>(Millions of yen)</i>						
¥ 50,499	¥ 69,675	¥ 61,890	¥ 13,348	¥ 65,962	¥ 71,214	¥ 332,590
Year ended 31st December, 2024						
<u>Health and Food Business</u>	<u>Dairy Business</u>	<u>Nutritional Confectionery Business</u>	<u>Food Ingredients Business</u>	<u>Other Domestic Business</u>	<u>Overseas Business</u>	<u>Total</u>
<i>(Thousands of U.S. dollars)</i>						
\$ 295,119	\$ 354,513	\$ 409,261	\$ 88,089	\$ 425,976	\$ 520,394	\$ 2,093,368

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Related information (continued)

Geographical information

(1) Net sales

Net sales categorised by countries and regions based on locations of customers of the Group for the years ended 31st December, 2024 and 2023 are summarised as follows:

Year ended 31st December, 2024					
<u>Japan</u>	<u>China</u>	<u>Southeast Asia</u>	<u>U.S.A.</u>	<u>Others</u>	<u>Total</u>
<i>(Millions of yen)</i>					
¥ 248,812	¥ 39,309	¥ 19,832	¥ 16,344	¥ 6,830	¥ 331,129
Year ended 31st December, 2023					
<u>Japan</u>	<u>China</u>	<u>Southeast Asia</u>	<u>U.S.A.</u>	<u>Others</u>	<u>Total</u>
<i>(Millions of yen)</i>					
¥ 261,375	¥ 29,217	¥ 18,544	¥ 16,865	¥ 6,587	¥ 332,590
Year ended 31st December, 2024					
<u>Japan</u>	<u>China</u>	<u>Southeast Asia</u>	<u>U.S.A.</u>	<u>Others</u>	<u>Total</u>
<i>(Thousands of U.S. dollars)</i>					
\$ 1,572,967	\$ 248,508	\$ 125,376	\$ 103,325	\$ 43,178	\$ 2,093,368

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Related information (continued)

Geographical information (continued)

(2) Property, plant and equipment

Property, plant and equipment categorised by countries and regions as of 31st December, 2024 and 2023 are summarised as follows:

2024					
Japan	China	Southeast Asia	U.S.A.	Others	Total
<i>(Millions of yen)</i>					
¥ 78,876	¥11,899	¥ 20,604	¥ 134	¥ 331	¥ 111,846
2023					
Japan	China	Southeast Asia	U.S.A.	Others	Total
<i>(Millions of yen)</i>					
¥ 80,401	¥10,603	¥ 19,964	¥ 66	¥ 424	¥ 111,459
2024					
Japan	China	Southeast Asia	U.S.A.	Others	Total
<i>(Thousands of U.S. dollars)</i>					
\$ 498,647	\$ 75,224	\$ 130,256	\$ 847	\$ 2,092	\$ 707,080

Of Southeast Asia, Indonesia was ¥17,794 million (\$112,492 thousand) as of 31st December, 2024.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Related information (continued)

Information on loss on impairment of fixed assets

		Year ended 31st December, 2024						
		Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total
		<i>(Millions of yen)</i>						
Loss on impairment of fixed assets		¥ 0	¥ 36	¥ 1	¥ –	¥ 10	¥ 23	¥ 72
		Year ended 31st December, 2023						
		Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total
		<i>(Millions of yen)</i>						
Loss on impairment of fixed assets		¥ 7	¥25	¥ 2	¥ –	¥191	¥791	¥1,018
		Year ended 31st December, 2024						
		Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total
		<i>(Thousands of U.S. dollars)</i>						
Loss on impairment of fixed assets		\$ 0	\$ 227	\$ 6	\$ –	\$ 63	\$ 145	\$ 455

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Segment Information (continued)

Related information (continued)

Information on amortisation of goodwill and remaining unamortised balance by reportable segment

	Year ended 31st December, 2024						
	Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total
	<i>(Millions of yen)</i>						
Amortisation for the year	¥ –	¥ –	¥ –	¥ –	¥ 236	¥ 82	¥ 318
Remaining unamortised balance	¥ –	¥ –	¥ –	¥ –	¥ 1,535	¥ 231	¥ 1,767
	Year ended 31st December, 2023						
	Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total
	<i>(Millions of yen)</i>						
Amortisation for the year	¥ –	¥ –	¥ –	¥ –	¥ –	¥ 75	¥ 75
Remaining unamortised balance	¥ –	¥ –	¥ –	¥ –	¥ –	¥ 306	¥ 306
	Year ended 31st December, 2024						
	Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total
	<i>(Thousands of U.S. dollars)</i>						
Amortisation for the year	\$ –	\$ –	\$ –	\$ –	\$ 1,491	\$ 518	\$ 2,010
Remaining unamortised balance	\$ –	\$ –	\$ –	\$ –	\$ 9,704	\$ 1,460	\$ 11,170

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

24. Amounts per Share

Amounts per share at 31st December, 2024 and 2023 and for the years ended 31st December, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Yen)</i>		<i>(U.S. dollars)</i>
Profit attributable to owners			
of the parent	¥ 127.53	¥ 222.25	\$ 0.80
Cash dividends	¥ 90.00	¥ 80.00	\$ 0.56
Net assets	¥ 4,272.45	¥ 4,128.69	\$ 27.01

Profit attributable to owners of the parent per share has been computed based on the profit available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during each respective year. Net assets per share have been computed based on the net assets available for distribution to the shareholders of common stock and the number of shares of common stock outstanding at the balance sheet date.

Diluted profit per share for the years ended 31st December, 2024 and 2023 has not been disclosed because no dilutive potential shares with dilutive effect existed for the years ended 31st December, 2024 and 2023, respectively.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective fiscal years together with the interim cash dividends paid.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

24. Amounts per Share (continued)

The financial data used in the computation of profit attributable to owners of the parent per share for the years ended 31st December, 2024 and 2023 is summarised as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Profit attributable to owners of the parent	¥ 8,113	¥ 14,133	\$ 51,289
	<u>2024</u>	<u>2023</u>	
	<i>(Thousands of shares)</i>		
Weighted-average number of shares of common stock	63,619	63,590	

Descriptions of dilutive potential shares that were not included in the computation of diluted profit per share for the years ended 31st December, 2024 and 2023 because of no dilutive effect are as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Euro-Yen denominated convertible bonds due 2024	¥ –	¥ 30,000	\$ –
	<u>2024</u>	<u>2023</u>	
	<i>(Shares)</i>		
Number of stock acquisition rights	–	3,000	

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)

Corporate Information

Board of Directors and Statutory Auditors (as of 26th March, 2025)

<p><u>Chairman</u> Katsuhisa Ezaki</p> <p><u>President</u> Etsuro Ezaki</p> <p><u>Directors</u> Takashi Kuriki Yutaka Honzawa Kanoko Oishi George Hara Hiroko Takiguchi Hanako Muto</p>	<p><u>Standing Audit and Supervisory Board Members</u> Toshiaki Yoshida Akira Onuki</p> <p><u>Audit and Supervisory Board Members</u> Minoru Kudo Satoru Teramoto Fumio Naito</p>
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Corporate Data (as of 31st December, 2024)

<p>Head Office 6-5, Utajima, 4-chome, Nishiyodogawa-ku, Osaka 555-8502, Japan Tel: (06)6477-8352 Fax: (06)6477-8250</p> <p>Tokyo Branch 10-18, Takanawa, 4-chome, Minato-ku, Tokyo 108-0074, Japan</p> <p>Paid-in Capital ¥7,773 million (U.S. \$49,140 thousand)</p>	<p>Number of Employees 1,452</p> <p>Stock Exchange Listing Tokyo</p> <p>Transfer Agents Sumitomo Mitsui Trust Bank, Limited. 5-33, Kitahama, 4-chome, Chuo-ku, Osaka 541-0041, Japan</p> <p>Established 1922</p>
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