

Annual Report 2025

(Fiscal year ended 31st December, 2025)

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Five-Year Summary

Consolidated

	Millions of yen					Thousands of U.S. dollars
	December 2025	December 2024	December 2023	December 2022	December 2021	December 2025
Net sales	361,390	331,129	332,590	303,921	338,571	2,308,322
Profit before income taxes	8,099	12,212	19,943	13,936	20,806	51,731
Profit attributable to owners of the parent	5,036	8,113	14,133	8,099	13,519	32,172
	Yen					
Per share of common stock:						
Profit *	79.12	127.53	222.25	126.59	208.44	0.50
Cash dividends	95.00	90.00	80.00	80.00	70.00	0.60
	Millions of yen					
Balance sheet data:						
Shareholders' equity	229,646	230,343	230,089	221,046	223,470	1,466,830
Total assets	394,129	377,771	395,743	369,056	356,745	2,517,433

* 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, requiring vigilance regarding the risk of an economic downturn due to factors including persistently rising cost of living, global instability, and volatility in financial and capital markets.

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.

Consequently, although sales in our Food Ingredients Business declined year-on-year, sales in our Dairy Business, which had been significantly impacted by the suspension of chilled product shipments in the previous year, as well as in our Other Domestic Business and Overseas Business posted year-on-year growth. As a result, consolidated net sales amounted to ¥361,390 million, an increase of 9.1% from the ¥331,129 million total of the previous fiscal year.

Regarding earnings, our cost-to-sales ratio increased by 1.2 points from the previous fiscal year due to a rise primarily in the Dairy Business and Overseas Business in the U.S. and other regions. Regarding selling, general and administrative expenses, expenses such as sales promotion expenses and depreciation and amortisation increased.

As a result, operating income amounted to ¥8,736 million, a decrease of ¥2,329 million from the previous fiscal year (¥11,065 million). Ordinary income was ¥11,645 million, a decrease of ¥1,702 million from the previous fiscal year (¥13,348 million) due mainly to the decrease of operating income and foreign exchange losses. Profit attributable to owners of the parent was ¥5,036 million, due mainly to loss on impairment of fixed assets, resulting in a decrease of ¥3,076 million from the previous fiscal year (¥8,113 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 2026



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	46,682	47,859	1,177	2.5	(167)	(1,513)	(1,345)	—
Dairy Business	56,077	66,492	10,415	18.6	(6,368)	(7,145)	(776)	—
Nutritional Confectionery Business	64,737	65,950	1,212	1.9	5,199	4,376	(822)	(15.8)
Food Ingredients Business	13,934	13,172	(762)	(5.5)	2,090	2,256	166	8.0
Other Domestic Business	67,381	77,212	9,831	14.6	(2)	698	701	—
Overseas Business	82,316	90,702	8,386	10.2	8,388	8,234	(153)	(1.8)
Adjusted amount	—	—	—	—	1,926	1,829	(97)	(5.1)
Total	331,129	361,390	30,261	9.1	11,065	8,736	(2,329)	(21.0)

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’ and other products decreased from the previous fiscal year, sales of ‘Almond Koka’ and other products, which had been impacted by the suspension of chilled product shipments in the previous year, increased from the previous fiscal year. As a result, segment sales amounted to ¥47,859 million, a 2.5% increase from the previous fiscal year (¥46,682 million). In segment profits, due primarily to the increase in the cost-to-sales ratio, operating loss was ¥1,513 million, a decrease of ¥1,345 million from the previous fiscal year (¥167 million in operating loss).

[Dairy Business]

While sales of ‘Panapp’ and other products decreased from the previous fiscal year, sales of ‘Pucchin Pudding’, ‘Café au Lait’ and other products, which had been impacted by the suspension of chilled product shipments in the previous year, increased from the previous fiscal year. As a result, segment sales totaled ¥66,492 million, an 18.6% increase from the previous fiscal year (¥56,077 million).

In segment profits, due primarily to the increase in the cost-to-sales ratio, operating loss was ¥7,145 million, a decrease of ¥776 million compared to the previous fiscal year (¥6,368 million in operating loss).

[Nutritional Confectionery Business]

While sales of ‘Caplico’, ‘Kobe Roasted Chocolat’ and other products decreased from the previous fiscal year, sales of ‘Torori Cream-On’ which had been impacted by the suspension of chilled product shipments in the previous year, ‘Pretz’ and other products increased from the previous fiscal year. As a result, segment sales totaled ¥65,950 million, an increase of 1.9% from the previous fiscal year (¥64,737 million).

In segment profits, due primarily to the increase in the cost-to-sales ratio, operating income was ¥4,376 million, a decrease of ¥822 million from the previous fiscal year (¥5,199 million).

[Food Ingredients Business]

Sales of wheat protein and fine chemicals decreased from the previous fiscal year. As a result, segment sales were ¥13,172 million, a 5.5% decrease from the previous fiscal year (¥13,934 million).

In segment profits, due primarily to the decrease in the cost-to-sales ratio, operating income was ¥2,256 million, an increase of ¥166 million from the previous fiscal year (¥2,090 million).

[Other Domestic Business]

In sales, a net increase in net sales posted because Greenspoon Inc. became a consolidated subsidiary during the previous fiscal year. Furthermore, consignment sales for Kirin Beverage Company, Limited which was impacted by the suspension of chilled product shipments in the previous year, as well as net sales of wholesale subsidiaries increased from the previous fiscal year. As a result, segment sales were ¥77,212 million, a 14.6% increase from the previous fiscal year (¥67,381 million).

In segment profits, due primarily to the increase in gross profit resulting from the increase in sales, operating income was ¥698 million, an increase of ¥701 million from the previous fiscal year (¥2 million in operating loss).

[Overseas Business]

Sales by region in China and other regions increased from the previous fiscal year. As a result, segment sales were ¥90,702 million, a 10.2% increase from the previous fiscal year (¥82,316 million).

In segment profits, due primarily to the increase in the cost-to-sales ratio, operating income was ¥8,234 million, a decrease of ¥153 million from the previous fiscal year (¥8,388 million).

(2) Financial Position

Assets

As of 31st December, 2025, current assets were ¥180,388 million, an increase of ¥14,963 million from the end of the previous fiscal year. The main components of this increase were increases in cash and deposits, and raw materials and supplies.

Non-current assets were ¥213,741 million, an increase of ¥1,394 million from the end of the previous fiscal year. The main component of this increase was an increase in investment securities, despite a decrease in machinery and vehicles.

Consequently, total assets were ¥394,129 million, an increase of ¥16,357 million compared to the end of the previous fiscal year.

Liabilities

As of 31st December, 2025, current liabilities were ¥95,252 million, an increase of ¥8,639 million from the end of the previous fiscal year. The main component of this increase was an increase in notes and accounts payable, trade.

Long-term liabilities were ¥20,344 million, an increase of ¥1,783 million from the end of the previous fiscal year. The main component of this increase was an increase in deferred tax liabilities.

Consequently, total liabilities were ¥115,597 million, an increase of ¥10,423 million compared to the end of the previous fiscal year.

Net Assets

As of 31st December, 2025, net assets were ¥278,532 million, an increase of ¥5,933 million compared to the end of the previous fiscal year. The main components of this increase were increases in net unrealised holding gain on securities and translation adjustments.

Consequently, shareholders' equity ratio was 70.5%, down 1.5 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	1,812	27,279	25,467
Cash flows from investing activities	(10,255)	(13,852)	(3,596)
Cash flows from financing activities	(39,246)	(7,037)	32,208
Balance of cash and cash equivalents at beginning of current period	94,691	56,610	(38,080)
Balance of cash and cash equivalents at end of current period	56,610	64,737	8,126

As of 31st December, 2025, cash and cash equivalents totaled ¥64,737 million, an increase of ¥8,126 million compared to the end of the previous fiscal year. The main reason for this increase was because net cash provided by operating activities exceeded net cash used in investing activities and financing 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 ¥27,279 million in the fiscal year under review. The main components of cash flows included profit before income taxes amounting to ¥8,099 million recorded during the fiscal year under review and depreciation and amortisation of ¥19,603 million, despite an increase in inventories with a cash flow equivalent of ¥(9,328) million.

Cash flows from investing activities

Cash flows from investing activities totaled ¥(13,852) million in the fiscal year under review. The main components of cash flows included proceeds from sales and redemption of investments in securities of ¥2,507 million, while there were purchases of property, plant and equipment of ¥(10,126) million and purchases of investments in securities of ¥(4,665) million.

Cash flows from financing activities

Cash flows from financing activities totaled ¥(7,037) million in the fiscal year under review. The main components of cash flows included cash dividends paid of ¥(5,729) 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 ¥380,000 million in the next fiscal year (twelve-month period from 1st January, 2026 until 31st December, 2026). Our profit projections are as follows: operating income of ¥14,000 million, ordinary income of ¥17,000 million, and profit attributable to owners of the parent of ¥10,000 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, 2025

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Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet

31st December, 2025

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars) (Note 1)</i>
Assets			
Current assets:			
Cash and deposits <i>(Notes 3 and 4)</i>	¥ 68,631	¥ 60,243	\$ 438,370
Notes and accounts receivable, trade <i>(Notes 4 and 7)</i>	50,484	49,973	322,460
Inventories <i>(Note 8)</i>	50,917	41,410	325,227
Other current assets	10,512	13,898	67,148
Less allowance for doubtful accounts	(157)	(100)	(1,008)
Total current assets	<u>180,388</u>	<u>165,424</u>	<u>1,152,197</u>
Property, plant and equipment <i>(Notes 10, 17 and 25)</i> :			
Land	16,548	16,597	105,701
Buildings and structures	92,106	91,031	588,311
Machinery and vehicles	151,184	149,065	965,662
Tools, furniture and fixtures	29,507	29,532	188,475
Leased assets	5,756	5,426	36,767
Construction in progress	3,972	2,848	25,371
	<u>299,075</u>	<u>294,502</u>	<u>1,910,290</u>
Less accumulated depreciation	(193,794)	(182,655)	(1,237,831)
Property, plant and equipment, net	<u>105,280</u>	<u>111,846</u>	<u>672,458</u>
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates <i>(Note 4)</i>	8,377	8,093	53,507
Investments in securities <i>(Notes 4 and 6)</i>	47,445	38,600	303,048
Long-term loans receivable <i>(Note 4)</i>	2,277	72	14,546
Deferred tax assets <i>(Note 20)</i>	1,600	1,507	10,220
Asset for retirement benefits <i>(Note 15)</i>	9,229	7,273	58,949
Real estate for investment, net <i>(Note 23)</i>	12,193	12,224	77,886
Software	22,943	26,175	146,544
Software in progress	673	2,098	4,301
Goodwill <i>(Notes 25)</i>	1,337	1,767	8,541
Other assets	2,430	2,725	15,521
Less allowance for doubtful accounts	(45)	(37)	(292)
Total investments and other assets	<u>108,461</u>	<u>100,500</u>	<u>692,776</u>
Total assets <i>(Note 25)</i>	<u>¥ 394,129</u>	<u>¥ 377,771</u>	<u>\$ 2,517,433</u>

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet (continued)

31st December, 2025

	2025		2024		2025
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars) (Note 1)</i>
Liabilities and Net Assets					
Current liabilities:					
Notes and accounts payable, trade <i>(Notes 4 and 5)</i>	¥	44,268	¥	38,680	282,754
Short-term loans payable <i>(Note 14)</i>		46		10	297
Current portion of lease obligation <i>(Note 14)</i>		801		1,142	5,117
Accrued expenses		26,202		26,926	167,361
Income taxes payable <i>(Note 20)</i>		1,259		1,113	8,043
Provision for bonuses of directors and audit and supervisory board members		86		86	554
Provision for system failure response costs		355		834	2,269
Provision for product recall-related expenses		1,030		—	6,584
Refund liability		9,302		7,597	59,416
Other current liabilities		11,899		10,221	76,007
Total current liabilities		95,252		86,612	608,406
Long-term liabilities:					
Long-term debt <i>(Note 4 and 14)</i>		1,797		2,213	11,478
Liability for retirement benefits <i>(Note 15)</i>		1,279		1,289	8,172
Deferred tax liabilities <i>(Note 20)</i>		12,659		10,438	80,860
Other long-term liabilities		4,608		4,619	29,437
Total long-term liabilities		20,344		18,560	129,950

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet (continued)

31st December, 2025

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars) (Note 1)</i>
Net assets:			
Shareholders' equity <i>(Note 16)</i> :			
Common stock:			
Authorised — 270,000,000 shares in 2025 and 2024			
Issued — 68,468,569 shares in 2025 and 2024	7,773	7,773	49,653
Capital surplus	7,230	7,230	46,182
Retained earnings	228,245	228,938	1,457,881
Treasury stock — 4,807,116 shares in 2025 and 4,803,666 shares in 2024	(13,603)	(13,598)	(86,887)
Total shareholders' equity	229,646	230,343	1,466,830
Accumulated other comprehensive income:			
Net unrealised holding gain on securities	18,178	15,203	116,109
Deferred gain on hedges	671	392	4,289
Translation adjustments	26,762	24,307	170,940
Retirement benefits liability adjustments	2,645	1,757	16,898
Total accumulated other comprehensive income	48,257	41,661	308,238
Non-controlling interests	627	593	4,008
Total net assets <i>(Note 26)</i>	278,532	272,598	1,779,076
Total liabilities and net assets	¥ 394,129	¥ 377,771	\$ 2,517,433

See accompanying notes to the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

Year ended 31st December, 2025

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 1)</i>
Net sales <i>(Notes 24 and 25)</i>	¥ 361,390	¥ 331,129	\$ 2,308,322
Cost of sales <i>(Note 8)</i>	226,273	203,461	1,445,284
Gross profit	135,117	127,668	863,037
Selling, general and administrative expenses <i>(Notes 18 and 19)</i>	126,380	116,602	807,233
Operating income <i>(Note 25)</i>	8,736	11,065	55,803
Other income (expenses):			
Interest and dividend income	1,612	1,657	10,298
Interest expense	(118)	(92)	(756)
Gain on sales of property, plant and equipment	67	222	428
Loss on impairment of fixed assets <i>(Notes 10 and 25)</i>	(3,399)	(72)	(21,712)
Royalty income	713	551	4,554
Gain on sales of investments in securities <i>(Note 9)</i>	1,842	4,086	11,768
Loss on sales of investments in securities	(1)	—	(9)
Share of profit of entities accounted for using equity method	1,032	973	6,594
Rental income on real estate <i>(Note 23)</i>	698	656	4,460
Subsidy income	723	594	4,620
(Loss) gain on foreign exchange, net	(823)	(749)	(5,257)
Gain on change in equity	148	—	950
Gain on step acquisitions	—	1,563	—
Depreciation of inactive fixed assets	(64)	(73)	(409)
Donation	(509)	(269)	(3,257)
Loss on investments in investment partnerships	(54)	(181)	(347)
Loss on disposal of property, plant and equipment	(409)	(567)	(2,618)
Loss on devaluation of investments in securities <i>(Note 6)</i>	(330)	(532)	(2,109)
System failure response costs <i>(Note 11)</i>	—	(6,403)	—
Business restructuring expenses <i>(Note 12)</i>	(533)	—	(3,404)
Product recall-related expenses <i>(Note 13)</i>	(1,340)	—	(8,564)
Other, net <i>(Note 23)</i>	109	(216)	697
Other income, (expenses) net	(637)	1,146	(4,072)
Profit before income taxes	8,099	12,212	51,731
Income taxes <i>(Note 20)</i> :			
Current	3,083	3,256	19,692
Deferred	(69)	798	(444)
	3,013	4,054	19,248
Profit	¥ 5,085	¥ 8,157	\$ 32,483
Profit attributable to:			
Owners of the parent <i>(Note 26)</i>	¥ 5,036	¥ 8,113	\$ 32,172
Non-controlling interests	48	44	310

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income (continued)

Year ended 31st December, 2025

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars) (Note 1)</i>
Other comprehensive income (Note 21):			
Net unrealised holding gain on securities	¥ 2,974	¥ 598	\$ 19,001
Deferred gain on hedges	279	227	1,783
Translation adjustments	2,257	7,326	14,421
Retirement benefits liability adjustments	888	639	5,673
Share of other comprehensive income of affiliates accounted for by the equity method	207	392	1,323
Total other comprehensive income	<u>6,607</u>	<u>9,184</u>	<u>42,203</u>
Comprehensive income	<u>¥ 11,693</u>	<u>¥ 17,342</u>	<u>\$ 74,687</u>
Comprehensive income attributable to:			
Owners of the parent	¥ 11,633	¥ 17,320	\$ 74,307
Non-controlling interests	59	22	379

See accompanying notes to the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Changes in Net Assets

Year ended 31st December, 2025

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	<i>(Millions of yen)</i>				
Balance at 1st January, 2024	¥ 7,773	¥ 9,894	¥ 226,230	¥ (13,809)	¥ 230,089
Cash dividends	—	—	(5,405)	—	(5,405)
Profit attributable to owners of the parent	—	—	8,113	—	8,113
Acquisition of treasury stock	—	—	—	(6)	(6)
Disposition of treasury stock	—	113	—	216	329
Change in ownership interest of parent due to transaction with non-controlling interests	—	(2,777)	—	—	(2,777)
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Balance at 1st January, 2025	7,773	7,230	228,938	(13,598)	230,343
Cash dividends	—	—	(5,729)	—	(5,729)
Profit attributable to owners of the parent	—	—	5,036	—	5,036
Acquisition of treasury stock	—	—	—	(4)	(4)
Disposition of treasury stock	—	0	—	0	0
Change in ownership interest of parent due to transaction with non-controlling interests	—	—	—	—	—
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Balance at 31st December, 2025	7,773	7,230	228,245	(13,603)	229,646

Accumulated other comprehensive income

	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>(Millions of yen)</i>						
Balance at 1st January, 2024	¥ 14,604	¥ 164	¥ 16,573	¥ 1,111	¥ 32,454	¥ 572	¥ 263,116
Cash dividends	—	—	—	—	—	—	(5,405)
Profit attributable to owners of the parent	—	—	—	—	—	—	8,113
Acquisition of treasury stock	—	—	—	—	—	—	(6)
Disposition of treasury stock	—	—	—	—	—	—	329
Change in ownership interest of parent due to transaction with non-controlling interests	—	—	—	—	—	—	(2,777)
Net changes in items other than those in shareholders' equity	598	227	7,734	646	9,207	20	9,227
Balance at 1st January, 2025	15,203	392	24,307	1,757	41,661	593	272,598
Cash dividends	—	—	—	—	—	—	(5,729)
Profit attributable to owners of the parent	—	—	—	—	—	—	5,036
Acquisition of treasury stock	—	—	—	—	—	—	(4)
Disposition of treasury stock	—	—	—	—	—	—	0
Change in ownership interest of parent due to transaction with non-controlling interests	—	—	—	—	—	—	—
Net changes in items other than those in shareholders' equity	2,974	279	2,454	887	6,596	34	6,630
Balance at 31st December, 2025	18,178	671	26,762	2,645	48,257	627	278,532

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Changes in Net Assets (continued)

Year ended 31st December, 2025

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	<i>(Thousands of U.S. dollars) (Note 1)</i>				
Balance at 1st January, 2025	\$ 49,653	\$ 46,182	\$ 1,462,307	\$ (86,860)	\$ 1,471,281
Cash dividends	—	—	(36,597)	—	(36,597)
Profit attributable to owners of the parent	—	—	32,172	—	32,172
Acquisition of treasury stock	—	—	—	(27)	(27)
Disposition of treasury stock	—	0	—	0	1
Change in ownership interest of parent due to transaction with non-controlling interests	—	—	—	—	—
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Balance at 31st December, 2025	<u>\$ 49,653</u>	<u>\$ 46,182</u>	<u>\$ 1,457,881</u>	<u>\$ (86,887)</u>	<u>\$ 1,466,830</u>

	Accumulated other comprehensive income						Total net assets
	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>(Thousands of U.S. dollars) (Note 1)</i>						
Balance at 1st January, 2025	\$ 97,107	\$ 2,505	\$ 155,263	\$ 11,227	\$ 266,103	\$ 3,789	\$ 1,741,174
Cash dividends	—	—	—	—	—	—	(36,597)
Profit attributable to owners of the parent	—	—	—	—	—	—	32,172
Acquisition of treasury stock	—	—	—	—	—	—	(27)
Disposition of treasury stock	—	—	—	—	—	—	1
Change in ownership interest of parent due to transaction with non-controlling interests	—	—	—	—	—	—	—
Net changes in items other than those in shareholders' equity	19,001	1,783	15,677	5,671	42,134	218	42,353
Balance at 31st December, 2025	<u>\$ 116,109</u>	<u>\$ 4,289</u>	<u>\$ 170,940</u>	<u>\$ 16,898</u>	<u>\$ 308,238</u>	<u>\$ 4,008</u>	<u>\$ 1,779,076</u>

See accompanying notes to the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows

Year ended 31st December, 2025

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars) (Note 1)</i>
Cash flows from operating activities:			
Profit before income taxes	¥ 8,099	¥ 12,212	\$ 51,731
Adjustments:			
Depreciation and amortisation	19,603	16,754	125,212
Loss on impairment of fixed assets	3,399	72	21,712
Net changes in asset and liability for retirement benefits	(683)	(845)	(4,368)
Increase in provision for bonuses of directors and audit and supervisory board members	0	6	2
(Decrease) increase in provision for stock-based compensation	—	(45)	—
(Decrease) increase in allowance for doubtful accounts	58	(7)	376
Increase (decrease) in provision for system failure response costs	(478)	834	(3,057)
Increase (decrease) in Provision for product recall-related expenses	1,030	—	6,584
Interest and dividend income	(1,612)	(1,657)	(10,298)
Interest expense	118	92	756
Loss on investments in investment partnerships	54	181	347
Share of profit of entities accounted for using equity method	(1,032)	(973)	(6,594)
Loss on foreign exchange, net	330	922	2,109
Gain on sales of property, plant and equipment	(67)	(222)	(428)
Loss on disposal of property, plant and equipment	409	567	2,618
Gain on sales of investments in securities	(1,840)	(4,086)	(11,758)
Loss on devaluation of investments in securities	330	532	2,109
Decrease (increase) in notes and accounts receivable, trade	(147)	36	(941)
Increase in inventories	(9,328)	(6,621)	(59,585)
(Decrease) increase in notes and accounts payable, trade	5,642	(960)	36,040
(Decrease) increase in refund liability	1,484	(1,128)	9,481
Other, net	3,314	(6,837)	21,171
Subtotal	28,685	8,826	183,222
Income taxes paid	(1,405)	(7,014)	(8,978)
Net cash provided by operating activities	27,279	1,812	174,244

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows (continued)

Year ended 31st December, 2025

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars) (Note 1)</i>
Cash flows from investing activities:			
Payment into time deposits	(3,671)	(3,344)	(23,453)
Proceeds from withdrawal of time deposits	3,518	2,644	22,472
Purchases of investments in securities	(4,665)	(2,147)	(29,803)
Proceeds from sales and redemption of investments in securities	2,507	7,134	16,017
Proceeds from distribution of investments in investment partnerships	87	173	560
Purchases of property, plant and equipment	(10,126)	(10,624)	(64,680)
Proceeds from sales of property, plant and equipment	109	461	699
Purchases of intangible assets	(2,270)	(6,851)	(14,503)
Proceeds from rental of real estate for investment	655	597	4,189
Increase in loans receivable	(2,053)	(213)	(13,115)
Collection of loans receivable	39	31	254
Interest and dividends received	2,229	2,118	14,239
Other, net	(212)	(235)	(1,356)
Net cash used in investing activities	(13,852)	(10,255)	(88,477)
Cash flows from financing activities:			
Decrease in short-term loans payable, net	(10)	(26)	(65)
Redemption of convertible bonds	—	(30,000)	—
Interest paid	(118)	(92)	(756)
Cash dividends paid	(5,729)	(5,405)	(36,597)
Cash dividends paid to non-controlling interests	(25)	(8)	(160)
Proceeds from sales of treasury stock	0	0	1
Purchase of treasury stock	(4)	(6)	(27)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(2,777)	—
Other, net	(1,150)	(929)	(7,346)
Net cash used in financing activities	(7,037)	(39,246)	(44,953)
Effect of exchange rate changes on cash and cash equivalents	1,737	9,280	11,095
Net (decrease) increase in cash and cash equivalents	8,126	(38,408)	51,908
Cash and cash equivalents at beginning of the year	56,610	94,691	361,591
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	327	—
Cash and cash equivalents at end of the year (Note 3)	¥ 64,737	¥ 56,610	\$ 413,499

See accompanying notes to the consolidated financial statements.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

31st December, 2025

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 ¥156.56 = U.S. \$1.00, the approximate rate of exchange in effect on 31st December, 2025, 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 25 significant subsidiaries at 31st December, 2025 and the Company and its 24 significant subsidiaries at 31st December, 2024. Glico Europe B.V. was newly established during the fiscal year under review and has been 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, 2025 and two at 31st December, 2024.

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.

(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 receivable, 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 receivables, the uncollectible amount has been individually estimated.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies *(continued)*

(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.

(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.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(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) Provision for product recall-related expenses

Provision for the expenses (such as return and recall expenses) arising from the voluntary recall of chocolate products has been recorded.

(o) Research and development costs

Research and development costs are expensed as incurred.

(p) 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.

(q) 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").

(r) 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)

(s) 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.

(t) 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)

(u) Significant accounting estimate

(Refund liability)

(1) The amount recorded in the consolidated balance sheet at 31st December, 2025 and 2024

	<u>2025</u>		<u>2024</u>		<u>2025</u>
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>
Refund liability	¥ 9,302		¥ 7,597		\$ 59,416

(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 ¥6,605 million (\$42,192 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, they are also characterised by the fact that the amount payable is fixed after a certain period of time has elapsed from the point of sale. 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) Significant accounting estimate (continued)

(Loss on Impairment of Fixed Assets in the Dairy Business)

(1) Amounts recognised in the consolidated financial statements for the fiscal year under review

The Group has identified indications of loss on impairment for each asset group pertaining to the assets used in its Dairy Business, as profits and losses arising from operating activities have remained negative on a continuous basis, and has assessed the need to recognise a loss on impairment by comparing the total undiscounted future cash flows expected to be generated from these assets with their book value. Consequently, as it was determined that the total undiscounted future cash flows from the business assets related to infant formula were below their book value, a loss on impairment of ¥3,393 million has been recognised as an extraordinary loss.

(2) Information regarding significant accounting estimates relating to the identified items

The future cash flows used in determining whether to recognise a loss on impairment and in measuring such a loss are based on business plans. Additionally, the measurement of a loss on impairment is based on value in use, calculated using estimated discounted future cash flows.

The business plan is based on projected trends in net sales that take into account forecasts for market growth rates and market share, and is established within a range deemed reasonable in light of changes in the competitive environment and demand trends surrounding the relevant market. Additionally, business profitability is based on the operating income to net sales ratio and is determined by taking into account recent market trends and projected changes in the composition of expenses deemed necessary for business strategy.

The significant assumptions used in these estimates may be affected by fluctuations in the uncertain future economic environment. Should a review of these assumptions become necessary, additional loss on impairment may arise in the consolidated financial statements for the next fiscal year.

(v) Changes in accounting policies

(Application of the Accounting Standard for Current Income Taxes, etc.)

The 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), and Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, 28th October, 2022, ASBJ) have been applied from the beginning of the fiscal year under review.

There is no impact on the consolidated financial statements resulting from this change in accounting policy.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(w) Accounting standards issued but not yet effective

(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.

3. Cash and Cash Equivalents

The balances of cash and deposits in the consolidated balance sheet at 31st December, 2025 and 2024 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:

	2025		2024		2025
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>
Cash and deposits	¥	68,631	¥	60,243	\$ 438,370
Time deposits with original maturities in excess of three months included in cash and deposits		(3,893)		(3,633)	(24,870)
Cash and cash equivalents	¥	64,737	¥	56,610	\$ 413,499

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

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, (s) Derivative financial instruments and hedging activities.

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 and long-term loans receivable 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. Long-term loans receivable are loans granted to business partners and are exposed to credit risk, whereby the recovery of principal and interest may become impossible due to a deterioration in the borrower's creditworthiness. 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.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Risk management for financial instruments (continued)

(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.

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, 2025 and 2024 are shown in the following table.

	2025		
	Carrying value	Estimated fair value	Difference
	<i>(Millions of yen)</i>		
Assets:			
Marketable securities and investments in securities (*2)	¥ 27,447	¥ 27,447	¥ —
Long-term loans receivable	2,277	2,277	—
Total assets	¥ 29,724	¥ 29,724	¥ —
Liabilities:			
Long-term bank loans	¥ 108	¥ 100	¥ (8)
Total liabilities	¥ 108	¥ 100	¥ (8)
Derivative financial instruments (*3)	¥ 967	¥ 967	¥ —
	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	¥ —

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Financial Instruments (continued)

Estimated fair value of financial instruments (continued)

	2025		
	Carrying value	Estimated fair value	Difference
	<i>(Thousands of U.S. dollars)</i>		
Assets:			
Marketable securities and investments in securities (*2)	\$ 175,314	\$ 175,314	\$ —
Long-term loans receivable	14,546	14,546	—
Total assets	\$ 189,861	\$ 189,861	\$ —
Liabilities:			
Long-term bank loans	\$ 696	\$ 642	\$ (54)
Total liabilities	\$ 696	\$ 642	\$ (54)
Derivative financial instruments (*3)	\$ 6,178	\$ 6,178	\$ —

(*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:

	2025	2024	2025
	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Unlisted stocks	¥ 4,224	¥ 1,562	\$ 26,983
Subsidiary stocks and affiliated stocks	¥ 8,377	¥ 8,093	\$ 53,507
Investments in partnerships	¥ 15,773	¥ 12,778	\$ 100,750

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, 2025 for cash and deposits, trade receivables and securities with maturity dates is summarised as follows:

	2025			
	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	¥ 68,631	¥ —	¥ —	¥ —
Notes and accounts receivable, trade	50,484	—	—	—
Marketable securities and investments in securities:				
Bonds	—	0	—	—
Other securities	—	5,473	10,300	—
Long-term loans receivable	20	2,254	22	—
Total	¥ 119,135	¥ 7,728	¥ 10,322	¥ —

	2025			
	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	\$ 438,370	\$ —	\$ —	\$ —
Notes and accounts receivable, trade	322,460	—	—	—
Marketable securities and investments in securities:				
Bonds	—	0	—	—
Other securities	—	34,960	65,790	—
Long-term loans receivable	127	14,402	143	—
Total	\$ 760,958	\$ 49,362	\$ 65,934	\$ —

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, 2025 for lease obligations and long-term bank loans is summarised as follows:

	2025					
	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	¥ 801	¥ 468	¥ 365	¥ 208	¥ 80	¥ 566
Long-term bank loans	46	6	2	—	—	100
Total	¥ 847	¥ 474	¥ 367	¥ 208	¥ 80	¥ 666
	2025					
	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	\$ 5,117	\$ 2,990	\$ 2,331	\$ 1,329	\$ 513	\$ 3,617
Long-term bank loans	297	39	17	—	—	638
Total	\$ 5,414	\$ 3,030	\$ 2,349	\$ 1,329	\$ 513	\$ 4,255

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, 2025 and 2024 are as follows:

	2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(Millions of yen)</i>			
Marketable securities and investments in securities:				
Other securities				
Stock	¥ 27,447	¥ —	¥ —	¥ 27,447
Total assets	¥ 27,447	¥ —	¥ —	¥ 27,447
Derivative financial instruments:				
Foreign exchange contracts (*)	¥ —	¥ 967	¥ —	¥ 967

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				
		Fair value				
		Level 1	Level 2	Level 3	Total	
		<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

		2025				
		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	\$	175,314	\$	—	\$	175,314
Total assets	\$	175,314	\$	—	\$	175,314
Derivative financial instruments:						
Foreign exchange contracts (*)	\$	—	\$	6,178	\$	6,178

(*) 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:

2025				
Fair value				
Level 1	Level 2	Level 3	Total	
<i>(Millions of yen)</i>				
Long-term loans receivable	¥ —	¥ 2,277	¥ —	¥ 2,277
Total assets	¥ —	¥ 2,277	¥ —	¥ 2,277
Long-term bank loans	¥ —	¥ 100	¥ —	¥ 100
Total liabilities	¥ —	¥ 100	¥ —	¥ 100

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

2025				
Fair value				
Level 1	Level 2	Level 3	Total	
<i>(Thousands of U.S. dollars)</i>				
Long-term loans receivable	\$ —	\$ 14,546	\$ —	\$ 14,546
Total assets	\$ —	\$ 14,546	\$ —	\$ 14,546
Long-term bank loans	\$ —	\$ 642	\$ —	\$ 642
Total liabilities	\$ —	\$ 642	\$ —	\$ 642

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 as Level 1.

Long-term loans receivable:

As the long-term loans receivable bear variable interest rates and their fair value closely approximates their book value due to their ability to reflect market interest rates within a short period, their fair values are classified as 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 as 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 as 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, 2025 and 2024 are summarised as follows:

For the year ended 31st December, 2025

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	¥ 12,322 (\$ 78,706)	¥ —	¥ 967 (\$ 6,178)

For the year ended 31st December, 2024

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	¥ 11,055	¥ —	¥ 565

There were no derivative financial instruments to which hedge accounting is not applied for the years ended 31st December, 2025 and 2024, 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, 2025 and 2024 are summarised as follows:

	2025		
	Carrying value	Acquisition cost	Difference
	<i>(Millions of yen)</i>		
Securities whose carrying value exceeds their acquisition cost:			
Stock	¥ 27,434	¥ 7,178	¥ 20,255
Subtotal	27,434	7,178	20,255
Securities whose carrying value does not exceed their acquisition cost:			
Stock	13	15	(2)
Subtotal	13	15	(2)
Total	¥ 27,447	¥ 7,194	¥ 20,253
	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	24,239	7,330	16,909
Securities whose carrying value does not exceed their acquisition cost:			
Stock	19	23	(3)
Subtotal	19	23	(3)
Total	¥ 24,259	¥ 7,353	¥ 16,906

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Marketable Securities and Investments in Securities (continued)

	2025		
	Carrying value	Acquisition cost	Difference
	<i>(Thousands of U.S. dollars)</i>		
Securities whose carrying value exceeds their acquisition cost:			
Stock	\$ 175,231	\$ 45,849	\$ 129,381
Subtotal	175,231	45,849	129,381
Securities whose carrying value does not exceed their acquisition cost:			
Stock	83	101	(18)
Subtotal	83	101	(18)
Total	\$ 175,314	\$ 45,951	\$ 129,363

The proceeds from sales and gross realised gain and loss on securities classified as other securities for the years ended 31st December, 2025 and 2024 are summarised as follows:

	2025		2024		2025	
	<i>(Millions of yen)</i>		<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>	
Proceeds from sales:						
Stock	¥ 2,013		¥ 7,134		\$ 12,858	
Gross realised gain:						
Stock	¥ 1,842		¥ 4,086		\$ 11,768	
Gross realised loss:						
Stock	¥ 1		¥ —		\$ 9	

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 ¥330 million (\$2,109 thousand) and ¥532 million of loss on devaluation of investment in securities classified as other securities for the years ended 31st December, 2025 and 2024, respectively.

7. Notes and Accounts Receivable, Trade

Receivables arising from contracts with customers included in notes and accounts receivable, trade at 31st December, 2025 and 2024 are as follows:

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Notes receivable, trade	¥ 405	¥ 613	\$ 2,592
Accounts receivable, trade	50,078	49,359	319,867
	<u>¥ 50,484</u>	<u>¥ 49,973</u>	<u>\$ 322,460</u>

8. Inventories

Inventories at 31st December, 2025 and 2024 consisted of the following:

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Finished goods and commercial goods	¥ 21,243	¥ 20,516	\$ 135,690
Work in process	1,368	1,173	8,740
Raw materials and supplies	28,305	19,720	180,796
	<u>¥ 50,917</u>	<u>¥ 41,410</u>	<u>\$ 325,227</u>

Cost of sales included loss on devaluation of inventories of ¥565 million (\$3,609 thousand) and ¥41 million for the years ended 31st December, 2025 and 2024, 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 ¥1,842 million (\$11,765 thousand) and ¥4,086 million for the years ended 31st December, 2025 and 2024, 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 ¥3,399 million (\$21,710 thousand) for the year ended 31st December, 2025 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 ¥6 million (\$39 thousand). These recoverable amounts were measured at net realisable value. Net realisable value was measured at zero.

- Ezaki Glico Gifu Factory

With regard to the business assets related to infant formula at Ezaki Glico Co., Ltd. Gifu, it was determined that there were indications of impairment due to the continued recognition of operating losses, and a review was conducted to determine whether a loss on impairment should be recognised. As a result, it was concluded that the undiscounted future cash flows would fall short of the book value of said assets, and the book value of these assets was written down to their recoverable amount. Loss on impairment consisted of buildings and structures of ¥1,451 (\$9,270 thousand) million, machinery and vehicles of ¥1,823 (\$11,645 thousand) million, tools, furniture and fixtures of ¥34 (\$223 thousand) million, and software of ¥83 (\$533 thousand) million. These recoverable amounts were measured at value in use and calculated by discounting future cash flows at a rate of 8.55%.

The Group recognised loss on impairment of fixed assets of ¥72 million 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. 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 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.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. System Failure Response Costs

There were no system failure response costs for the year ended 31st December, 2025.

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 for the year ended 31st December, 2024.

12. Business Restructuring Expenses

Expenses arising from Thai Glico Co., Ltd.'s withdrawal from the frozen confectionery business have been recorded as business restructuring expenses under extraordinary losses of ¥533 million (\$3,404 thousand) for the year ended 31st December, 2025.

There were no business restructuring expenses for the year ended 31st December, 2024.

13. Product Recall-Related Expenses

Expenses arising from the voluntary recall of chocolate products have been recorded as product recall-related expenses under extraordinary losses of ¥1,340 million (\$8,564 thousand) for the year ended 31st December, 2025.

There were no product recall-related expenses for the year ended 31st December, 2024.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Short-Term Loans Payable and Long-Term Debt

Short-term loans payable principally represent bank loans of the consolidated subsidiary. The average interest rate on outstanding loans at 31st December, 2025 was 0.5% to 2.16%.

Long-term debt at 31st December, 2025 and 2024 consisted of the following:

	2025		2024		2025
	<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	¥	155	¥	165	\$ 993
Lease obligations		2,489		3,200	15,899
		<u>2,644</u>		<u>3,366</u>	<u>16,893</u>
Less current portion:					
Bank loans		(46)		(10)	(297)
Lease obligations		(801)		(1,142)	(5,117)
Long-term debt	¥	<u>1,797</u>	¥	<u>2,213</u>	\$ <u>11,478</u>

The aggregate annual maturities of long-term debt subsequent to 31st December, 2025 are summarised below:

Year ending 31st December,	Bank loans		Lease obligations	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2026	¥ 46	\$ 297	¥ 801	\$ 5,117
2027	6	39	468	2,990
2028	2	17	365	2,331
2029	—	—	208	1,329
2030 and thereafter	100	638	646	4,130
	<u>¥ 155</u>	<u>\$ 993</u>	<u>¥ 2,489</u>	<u>\$ 15,899</u>

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. 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, 2025 and 2024 are as follows:

	2025		2024		2025	
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>	
Beginning balance of retirement benefit obligation	¥	16,074	¥	17,216	\$	102,671
Service cost		782		837		5,000
Interest cost		273		220		1,743
Actuarial (gain) loss		(925)		(500)		(5,911)
Benefits paid		(1,400)		(1,714)		(8,944)
Others		114		14		734
Ending balance of retirement benefit obligation	¥	14,919	¥	16,074	\$	95,294

(Note) 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, 2025 and 2024 are as follows:

	2025		2024		2025	
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>	
Beginning balance of plan assets at fair value	¥	22,058	¥	21,429	\$	140,895
Expected return on plan assets		551		535		3,522
Actuarial gain		1,148		920		7,334
Contributions by the employers		318		315		2,032
Retirement benefits paid		(1,207)		(1,142)		(7,713)
Ending balance of plan assets at fair value	¥	22,868	¥	22,058	\$	146,071

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

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. 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, 2025 and 2024 is as follows:

	2025		2024		2025	
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>	
Funded retirement benefit obligation	¥	13,673	¥	14,989	\$	87,336
Plan assets at fair value		(22,868)		(22,058)		(146,071)
		(9,195)		(7,069)		(58,734)
Unfunded retirement benefit obligations		1,245		1,084		7,957
Net asset for retirement benefits		(7,949)		(5,984)		(50,776)
Liability for retirement benefits		1,279		1,289		8,172
Asset for retirement benefits		(9,229)		(7,273)		(58,949)
Net asset for retirement benefits	¥	(7,949)	¥	(5,984)	\$	(50,776)

(Note) 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, 2025 and 2024 are as follows:

	2025		2024		2025	
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>	
Service cost	¥	782	¥	837	\$	5,000
Interest cost		273		220		1,743
Expected return on plan assets		(551)		(535)		(3,522)
Amortisation:						
Actuarial gain		(742)		(482)		(4,745)
Prior service cost		0		0		2
Others		169		147		1,079
Retirement benefit expenses	¥	(69)	¥	188	\$	(441)

(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)

15. Retirement Benefits (continued)

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

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Prior service cost	¥ 0	¥ 0	\$ 2
Actuarial gain	1,330	938	8,500
Total	¥ 1,331	¥ 939	\$ 8,502

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

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Unrecognised prior service cost	¥ -	¥ (0)	\$ -
Unrecognised actuarial gain	3,852	2,521	24,606
Total	¥ 3,852	¥ 2,521	\$ 24,606

The fair value of plan assets, by major category, as a percentage of total plan assets as of 31st December, 2025 and 2024 are as follows:

	2025	2024
Bonds	47%	49%
Equities	31	29
General accounts at life insurance companies	6	6
Other	16	16
Total	100%	100%

(Note) The total amount of plan assets includes 22.7% and 23.1% of the retirement benefit trust for lump-sum payment plans at 31st December 2025 and 2024, respectively.

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

	2025	2024
Discount rates	0.0%~3.1%	0.0%~2.1%
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)

15. 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. 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 (\$1,654 thousand) and ¥259 million for the years ended 31st December, 2025 and 2024, respectively.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

16. 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 (\$12,413 thousand) at 31st December, 2025 and 2024, respectively.

Movements in issued shares of common stock and treasury stock during the years ended 31st December, 2025 and 2024 are summarised as follows:

For the year ended 31st December, 2025

	Number of Shares			
	Year ended 31st December, 2025			
	1st January, 2025	Increase	Decrease	31st December, 2025
Issued shares:				
Common stock	68,468,569	—	—	68,468,569
Treasury stock	4,803,666	3,494	43	4,807,117

The increase in treasury stock of 3,494 shares was due to the acquisition of fractional shares of less than one voting unit of 910 shares and the acquisition of shares free of charge through restricted stock incentives for the employee shareholding association of 2,584 shares. The decrease in treasury stock of 43 shares was due to the sales of fractional shares of less than one voting unit of 43 shares.

For the year ended 31st December, 2024

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

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.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

16. Shareholders' Equity (continued)

Information on stock acquisition rights and treasury stock acquisition rights during the years ended 31st December, 2025 and 2024 is as follows:

For the year ended 31st December, 2025

There are no applicable matters.

For the year ended 31st December, 2024

Company name	Details	Type of stock subject to stock 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)

16. Shareholders' Equity (continued)

Information on dividend payments and the effective date for the years ended 31st December, 2025 and 2024 is as follows:

For the year ended 31st December, 2025

Dividend payment:

Resolution	Type of shares	Dividends paid (Millions of yen/ Thousands of U.S. dollars)	Dividend per share (Yen/ U.S. dollars)	Record date	Effective date
Board of Directors' meeting held on 13th February, 2025	Common stock	¥ 2,864 (\$ 18,299)	¥ 45 (\$ 0.28)	31st December, 2024	10th March, 2025
Board of Directors' meeting held on 6th August, 2025	Common stock	¥ 2,864 (\$ 18,298)	¥ 45 (\$ 0.28)	30th June, 2025	5th September, 2025

Dividend payment with an effective date in the following year:

Resolution	Type of shares	Dividends paid (Millions of yen/ Thousands of U.S. dollars)	Source of dividend	Dividend per share (Yen/ U.S. dollars)	Record date	Effective date
Board of Directors' meeting held on 13th February, 2026	Common stock	¥ 3,183 (\$ 20,331)	Retained earnings	¥ 50 (\$ 0.31)	31st December, 2025	9th March, 2026

For the year ended 31st December, 2024

Dividend payment:

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

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. 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, 2025 for operating leases are summarised as follows:

Year ending 31st December,	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2026	¥ 360	\$ 2,299
2027 and thereafter	542	3,461
Total	¥ 903	\$ 5,767

18. Selling, General and Administrative Expenses

The components of selling, general and administrative expenses for the years ended 31st December, 2025 and 2024 were as follows:

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Freight and warehouse expenses	¥ 29,602	¥ 27,248	\$ 189,080
Sales promotion expenses	14,397	11,611	91,959
Advertising expenses	16,079	15,805	102,703
(Reversal) provision of allowance for doubtful accounts	57	(6)	369
Salaries	23,568	21,971	150,541
Bonuses	5,881	5,764	37,568
Provision for bonuses of directors and audit and supervisory board members	86	86	554
Retirement benefit expenses	(4)	189	(31)
Welfare expenses	6,722	6,260	42,936
Depreciation and amortisation	7,494	6,099	47,870
Other	22,494	21,571	143,681
Total	¥ 126,380	¥ 116,602	\$ 807,233

19. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses for the years ended 31st December, 2025 and 2024 amounted to ¥6,016 million (\$38,426 thousand) and ¥6,258 million, respectively.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. 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, 2025 and 2024. 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, 2025 and 2024 is as follows:

	2025	2024
Statutory tax rate	30.6%	30.6%
Permanent non-deductible expenses	5.3	3.6
Permanent non-taxable dividend income	(5.8)	(4.1)
Inhabitants' per capita taxes	0.9	0.6
Change in valuation allowance	10.0	4.8
Tax credits	(5.1)	(1.4)
Undistributed earnings of overseas subsidiaries	9.5	6.4
Other	(8.3)	(7.3)
Effective tax rate	37.2%	33.2%

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Income Taxes (continued)

The significant components of deferred tax assets and liabilities of the Company and its consolidated subsidiaries at 31st December, 2025 and 2024 are summarised as follows:

	2025		2024		2025
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>
Deferred tax assets:					
Accrued bonuses	¥	566	¥	506	\$ 3,619
Accrued expenses		1,566		1,362	10,004
Liability for retirement benefits		—		161	—
Loss on impairment of fixed assets		2,554		1,507	16,314
Loss on devaluation of investments in securities		1,692		1,948	10,813
Tax loss carryforwards		3,640		3,541	23,253
Depreciation		535		505	3,419
Other		2,063		1,718	13,178
Total deferred tax assets		12,619		11,253	80,603
Less valuation allowance for tax loss carryforwards		(3,436)		(3,389)	(21,949)
Less valuation allowance for total deductible temporary differences and others		(4,132)		(3,749)	(26,395)
Total valuation allowance		(7,568)		(7,139)	(48,344)
Offset by deferred tax liabilities		(3,450)		(2,606)	(22,038)
Net deferred tax assets	¥	1,600	¥	1,507	\$ 10,220
Deferred tax liabilities:					
Asset for retirement benefits	¥	(1,281)	¥	(747)	\$ (8,185)
Net unrealised holding gain on securities		(7,966)		(6,299)	(50,881)
Reserve for deferred gain on property for tax purposes		(2,743)		(2,670)	(17,520)
Deferred gain on hedges		(295)		(172)	(1,889)
Undistributed earnings of overseas subsidiaries		(3,754)		(3,087)	(23,981)
Other		(68)		(67)	(440)
Total deferred tax liabilities		(16,109)		(13,045)	(102,899)
Offset by deferred tax assets		3,450		2,606	22,038
Net deferred tax liabilities	¥	(12,659)	¥	(10,438)	\$ (80,860)

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Income Taxes (continued)

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

At 31st December, 2025

	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))	¥ 122	¥ 353	¥ 464	¥ 332	¥ 395	¥ 1,972	¥ 3,640
Less valuation allowance for tax loss carryforwards	(69)	(353)	(419)	(332)	(383)	(1,878)	(3,436)
Net deferred tax assets related to tax loss carryforwards	¥ 52	¥ —	¥ 45	¥ —	¥ 11	¥ 94	¥ 204
							(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))	\$ 784	\$ 2,255	\$ 2,967	\$ 2,120	\$ 2,525	\$ 12,600	\$ 23,253
Less valuation allowance for tax loss carryforwards	(446)	(2,255)	(2,678)	(2,120)	(2,449)	(11,997)	(21,949)
Net deferred tax assets related to tax loss carryforwards	\$ 337	\$ —	\$ 288	\$ —	\$ 75	\$ 602	\$ 1,303
							(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 ¥204 million (\$1,303 thousand) were recorded on tax loss carryforwards of ¥3,640 million (\$23,253 thousand) (the amount multiplied by the statutory tax rate). Net deferred tax assets related to tax loss carryforwards of ¥204 million (\$1,303 thousand) were recognised for the balance of ¥204 million (\$1,303 thousand) of tax loss carryforwards (the amount multiplied by the statutory tax rate), for the Company and four 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.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Income Taxes (continued)

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	¥ 8	¥ 54	¥ —	¥ —	¥ —	¥ 88	¥ 151
							(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 ¥151 million were recorded on tax loss carryforwards of ¥3,541 million (the amount multiplied by the statutory tax rate). Net deferred tax assets related to tax loss carryforwards of ¥151 million were recognised for the balance of ¥151 million 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.

(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).

(Adjustment to the amounts of deferred tax assets and deferred tax liabilities due to changes in corporate tax rates, etc.)

Following the enactment by the Diet on 31st March, 2025 of the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025), the “Special Defense Corporate Tax” will be levied from the fiscal year commencing on or after 1st April, 2026. Consequently, deferred tax assets and deferred tax liabilities relating to temporary differences expected to be resolved in fiscal years commencing on or after 1st January, 2027 are calculated using a statutory effective tax rate of 31.5%, as opposed to the previous rate of 30.6%.

The impact of this change in tax rate is immaterial.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

21. 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, 2025 and 2024 are summarised as follows:

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Net unrealised holding gain on securities:			
Amount arising during the year	¥ 6,482	¥ 5,180	\$ 41,405
Reclassification adjustments	(1,840)	(4,086)	(11,758)
Amount before income tax effect	4,641	1,094	29,646
Income tax effect	(1,666)	(496)	(10,644)
Total	2,974	598	19,001
Deferred gain on hedges:			
Amount arising during the year	563	1,932	3,598
Reclassification adjustments	(161)	(1,604)	(1,028)
Amount before income tax effect	402	327	2,569
Income tax effect	(123)	(100)	(785)
Total	279	227	1,783
Translation adjustments:			
Amount arising during the year	2,257	7,326	14,421
Reclassification adjustments	—	—	—
Total	2,257	7,326	14,421
Retirement benefits liability adjustments:			
Amount arising during the year	2,073	1,421	13,245
Reclassification adjustments	(742)	(481)	(4,742)
Amount before income tax effect	1,331	939	8,502
Income tax effect	(442)	(299)	(2,829)
Total	888	639	5,673
Share of other comprehensive income of affiliates accounted for by the equity method:			
Adjustments arising during the year	207	392	1,323
Total other comprehensive income	¥ 6,607	¥ 9,184	\$ 42,203

22. Business Combination

There are no applicable matters.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. 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, 2025 and 2024. Net rental income, net of rental cost, for the years ended 31st December, 2025 and 2024 was ¥416 million (\$2,657 thousand) and ¥360 million, respectively.

The carrying value in the consolidated balance sheet and corresponding fair value of investment and rental properties as of 31st December, 2025 and 2024 are as follows:

	<i>Carrying value</i>			<i>Fair value</i>
	1st January, 2025	Net change	31st December, 2025	31st December, 2025
	<i>(Millions of yen)</i>			
Investment and rental property	¥ 12,597	¥ 263	¥ 12,860	¥ 21,225
	<i>Carrying value</i>			<i>Fair value</i>
	1st January, 2024	Net change	31st December, 2024	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, 2025	Net change	31st December, 2025	31st December, 2025
	<i>(Thousands of U.S. dollars)</i>			
Investment and rental property	\$ 80,461	\$ 1,679	\$ 82,141	\$ 135,571

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)

24. 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 25 “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 25 “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, (r) Significant revenue and expenses.”

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. 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.”. 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)

25. Segment Information (continued)

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

	Year ended 31st December, 2025								
	Reportable segments						Total	Adjustments and eliminations	Consolidated
	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	¥ 47,859	¥ 66,492	¥ 65,950	¥ 13,172	¥ 77,212	¥ 90,702	¥ 361,390	¥ —	¥ 361,390
Other revenues	—	—	—	—	—	—	—	—	—
Sales to third parties	¥ 47,859	¥ 66,492	¥ 65,950	¥ 13,172	¥ 77,212	¥ 90,702	¥ 361,390	¥ —	¥ 361,390
Inter-segment sales and transfers	—	—	—	306	7,942	—	8,248	(8,248)	—
Total	¥ 47,859	¥ 66,492	¥ 65,950	¥ 13,478	¥ 85,155	¥ 90,702	¥ 369,639	¥ (8,248)	¥ 361,390
Segment income (loss)	¥ (1,513)	¥ (7,145)	¥ 4,376	¥ 2,256	¥ 698	¥ 8,234	¥ 6,907	¥ 1,829	¥ 8,736
Segment assets	34,273	58,411	57,224	7,488	21,005	58,892	237,295	156,833	394,129
Other items:									
Depreciation and amortisation	3,280	6,768	4,528	214	863	3,771	19,425	177	19,603
Increase in property, plant and equipment and intangible assets	1,551	3,200	2,141	301	738	4,420	12,353	0	12,353

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. 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

	Reportable segments						Total	Adjustments and eliminations	Consolidated
	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	¥ 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)	¥ 331,129
Segment income (loss)	¥ (167)	¥ (6,368)	¥ 5,199	¥ 2,090	¥ (2)	¥ 8,388	¥ 9,139	¥ 1,926	¥ 11,065
Segment assets	38,040	61,293	54,970	7,670	18,690	57,286	237,951	139,820	377,771
Other items:									
Depreciation and amortisation	2,914	5,011	4,078	180	767	3,508	16,462	292	16,754
Increase in property, plant and equipment and intangible assets	3,134	5,389	4,386	230	795	3,830	17,766	137	17,904

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. Segment Information (continued)

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

	Year ended 31st December, 2025							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>(Thousands of U.S. dollars)</i>									
Sales, income or loss and assets by reportable segment:									
Net sales:									
Revenue from contracts with customers	\$ 305,697	\$ 424,712	\$ 421,244	\$ 84,134	\$ 493,184	\$ 579,349	\$ 2,308,322	\$	\$ 2,308,322
Other revenues	—	—	—	—	—	—	—	—	—
Sales to third parties	\$ 305,697	\$ 424,712	\$ 421,244	\$ 84,134	\$ 493,184	\$ 579,349	\$ 2,308,322	\$	\$ 2,308,322
Inter-segment sales and transfers	—	—	—	1,956	50,730	—	52,686	(52,686)	—
Total	\$ 305,697	\$ 424,712	\$ 421,244	\$ 86,090	\$ 543,914	\$ 579,349	\$ 2,361,009	\$ (52,686)	\$ 2,308,322
Segment income (loss)	\$ (9,667)	\$ (45,638)	\$ 27,954	\$ 14,411	\$ 4,461	\$ 52,596	\$ 44,118	\$ 11,685	\$ 55,803
Segment assets	218,918	373,092	365,509	47,832	134,166	376,165	1,515,685	1,001,748	2,517,433
Other items:									
Depreciation and amortisation	20,950	43,231	28,924	1,367	5,512	24,089	124,076	1,136	125,212
Increase in property, plant and equipment and intangible assets	9,907	20,444	13,678	1,924	4,716	28,232	78,905	0	78,905

The adjustments and eliminations for segment income in the amounts of ¥1,829 million (\$11,685 thousand) and ¥1,926 million consisted of the elimination of inter-segment transactions and other adjustments of ¥1,959 million (\$12,516 thousand) and ¥1,910 million and corporate expenses not allocated to each reportable segment of ¥(130) million (\$830 thousand) and ¥15 million for the years ended 31st December, 2025 and 2024, respectively.

Corporate expenses were mainly related to selling, general and administrative expenses not attributable to reportable segments for the years ended 31st December, 2025 and 2024. The adjustments and eliminations for segment assets in the amount of ¥156,833 million (\$1,001,748 thousand) and ¥139,820 million at 31st December, 2025 and 2024, respectively, consisted of corporate assets not attributable to reportable segments.

The adjustments and eliminations for depreciation and amortisation of ¥177 million (\$1,136 thousand) and ¥292 million and increase in property, plant and equipment and intangible assets of ¥0 million (\$0 thousand) and ¥137 million for the years ended 31st December, 2025 and 2024, 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)

25. 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, 2025 and 2024 are summarised as follows:

Year ended 31st December, 2025

Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total
<i>(Millions of yen)</i>						
¥ 47,859	¥ 66,492	¥ 65,950	¥ 13,172	¥ 77,212	¥ 90,702	¥ 361,390

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>						
¥ 46,682	¥ 56,077	¥ 64,737	¥ 13,934	¥ 67,381	¥ 82,316	¥ 331,129

Year ended 31st December, 2025

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>						
\$ 305,697	\$ 424,712	\$ 421,244	\$ 84,134	\$ 493,184	\$ 579,349	\$2,308,322

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. 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, 2025 and 2024 are summarised as follows:

Year ended 31st December, 2025					
Japan	China	Southeast Asia	U.S.A.	Others	Total
<i>(Millions of yen)</i>					
¥ 270,688	¥ 47,595	¥ 20,194	¥ 15,942	¥ 6,971	¥ 361,390
Year ended 31st December, 2024					
Japan	China	Southeast Asia	U.S.A.	Others	Total
<i>(Millions of yen)</i>					
¥ 248,812	¥ 39,309	¥ 19,832	¥ 16,344	¥ 6,830	¥ 331,129
Year ended 31st December, 2025					
Japan	China	Southeast Asia	U.S.A.	Others	Total
<i>(Thousands of U.S. dollars)</i>					
\$ 1,728,973	\$ 304,004	\$ 128,988	\$ 101,827	\$ 44,528	\$ 2,308,322

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. 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, 2025 and 2024 are summarised as follows:

2025					
Japan	China	Southeast Asia	U.S.A.	Others	Total
<i>(Millions of yen)</i>					
¥ 72,184	¥ 13,408	¥ 18,968	¥ 363	¥ 355	¥ 105,280
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
2025					
Japan	China	Southeast Asia	U.S.A.	Others	Total
<i>(Thousands of U.S. dollars)</i>					
\$ 461,063	\$ 85,641	\$ 121,159	\$ 2,322	\$ 2,271	\$ 672,458

Of Southeast Asia, Indonesia was ¥16,290 million (\$104,050 thousand) as of 31st December, 2025.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. Segment Information (continued)

Related information (continued)

Information on loss on impairment of fixed assets

		Year ended 31st December, 2025						
		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	¥ 3,397	¥ 0	¥ —	¥ 0	¥ —	¥ 3,399

		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, 2025						
		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	\$	1	\$ 21,702	\$ 4	\$ —	\$ 3	\$ —	\$ 21,712

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. Segment Information (continued)

Related information (continued)

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

Year ended 31st December, 2025														
	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	¥	—	¥	—	¥	—	¥	—	¥	354	¥	79	¥	433
Remaining unamortised balance	¥	—	¥	—	¥	—	¥	—	¥	1,181	¥	156	¥	1,337
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, 2025														
	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	\$	—	\$	—	\$	—	\$	—	\$	2,263	\$	505	\$	2,768
Remaining unamortised balance	\$	—	\$	—	\$	—	\$	—	\$	7,544	\$	997	\$	8,541

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

26. Amounts per Share

Amounts per share at 31st December, 2025 and 2024 and for the years ended 31st December, 2025 and 2024 were as follows:

	2025		2024		2025
	<i>(Yen)</i>				<i>(U.S. dollars)</i>
Profit attributable to owners of the parent	¥	79.12	¥	127.53	\$ 0.50
Cash dividends	¥	95.00	¥	90.00	\$ 0.60
Net assets	¥	4,365.35	¥	4,272.45	\$ 27.88

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, 2025 and 2024 has not been disclosed because no dilutive potential shares with dilutive effect existed for the years ended 31st December, 2025 and 2024, 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.

The financial data used in the computation of profit attributable to owners of the parent per share for the years ended 31st December, 2025 and 2024 is summarised as follows:

	2025		2024		2025
	<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>
Profit attributable to owners of the parent	¥	5,036	¥	8,113	\$ 32,172

	2025	2024
	<i>(Thousands of shares)</i>	
Weighted-average number of shares of common stock	63,662	63,619

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

27. Significant Subsequent Events

(Conversion to affiliate accounted for by the equity method through the acquisition of additional shares)

Pursuant to a resolution passed at the Board of Directors' meeting held on 12th March, 2025, the Company has converted Oro de Cacao AG, ODC Lizenz AG and Freienbach Immobilien AG into affiliates accounted for by the equity method by acquiring additional shares in each company through Glico Europe B.V., a consolidated subsidiary of the Company, in March 2026.

(1) Reason for the acquisition of shares

The shares were acquired with the aim of further strengthening the collaborative relationship between the Group and said companies.

(2) Overview of companies whose shares were acquired

1) Name	2) Capital	3) Business activities
Oro de Cacao AG	1.1 million Swiss francs	chocolate manufacturing business, etc.
ODC Lizenz AG	0.1 million Swiss francs	
Freienbach Immobilien AG	4.7 million Swiss francs	

(3) Date of share acquisition

19th March, 2026

(4) Details of share acquisition

1) Name	2) Number of shares before acquisition	3) Number of shares acquired	4) Number of shares after acquisition
Oro de Cacao AG	124,111 shares	124,111 shares	248,222 shares
ODC Lizenz AG	12,411 shares	12,411 shares	24,822 shares
Freienbach Immobilien AG	521,267 shares	521,267 shares	1,042,534 shares

As a result of the share acquisition, the voting rights ratio held by the Group in each of these companies has reached 19.89% and, pursuant to the influence criterion, they have been classified as affiliates accounted for by the equity method.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

27. Significant Subsequent Events (continued)

(Acquisition of treasury stock)

At the Board of Directors' meeting held on 13th February, 2026, a resolution was made on matters pertaining to the acquisition of treasury stock in accordance with the provisions of the Articles of Incorporation pursuant to Article 459, Paragraph 1 of the Companies Act.

(1) Reason for the acquisition of treasury stock

Treasury stock is being acquired with the aim of enhancing shareholder returns and enabling the execution of flexible capital policies in response to changes in the business environment.

(2) Matters concerning the acquisition

1) Class of shares to be acquired:	Common stock of the Company
2) Total number of shares to be acquired:	4,600,000 shares (upper limit) 7.23% of the total number of common shares issued (excluding treasury stock)
3) Total acquisition price:	25,000 million (\$159,683 thousand) (upper limit)
4) Period of acquisition:	From 1st March, 2026 to 30th December, 2026
5) Method of acquisition	Market buying on the Tokyo Stock Exchange

(3) Other matters

Part of the funds required for this acquisition are expected to be raised through borrowing.

Following the acquisition of the treasury stock, all shares acquired are expected to be cancelled.

Ezaki Glico Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

Corporate Information

Board of Directors and Statutory Auditors (as of 24th March, 2026)

Chairman

Katsuhisa Ezaki

President

Etsuro Ezaki

Directors

Takashi Kuriki
Yutaka Honzawa
Kanoko Oishi
George Hara
Hiroko Takiguchi
Hanako Muto

Standing Audit and Supervisory Board Members

Toshiaki Yoshida
Akira Onuki

Audit and Supervisory Board Members

Minoru Kudo
Satoru Teramoto
Fumio Naito

Corporate Data (as of 31st December, 2025)

Head Office

6-5, Utajima, 4-chome,
Nishiyodogawa-ku, Osaka 555-8502, Japan
Tel: (06)6477-8352
Fax: (06)6477-8250

Number of Employees

1,456

Stock Exchange Listing

Tokyo

Tokyo Branch

10-18, Takanawa, 4-chome, Minato-ku,
Tokyo 108-0074, Japan

Transfer Agents

Sumitomo Mitsui Trust Bank, Limited.
5-33, Kitahama, 4-chome, Chuo-ku,
Osaka 541-0041, Japan

Paid-in Capital

¥7,773 million
(U.S. \$49,653 thousand)

Established

1922
