

Glico Group Financial Results

For the Second Quarter of Fiscal Year ending March 31,2017

November 16, 2016
Ezaki Glico Co., Ltd.
Securities Code - 2206

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I. FYE March 2017 Second Quarter Earnings Report

Status of Net Sales and Income

(Unit:100 million yen)

	FYE March'16 1H	FYE March'17 1H					
	Results	Forecast	Results	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Net sales	1,802	1,945	1,862	61	3.4	-83	-4.2
Operating income	126	127	164	38	30.4	37	29.3
Ordinary income	143	133	163	20	13.7	30	22.6
Net income	102	95	116	14	13.3	21	21.6

Note 1) Forecasts are figures released on May 13 , 2016 . Latest forecasts are figures released on November 7 , 2016 (same applies to all slides).

Status of Operating Income

(Unit:100 million yen)

	FYE March'16 1H		FYE March'17 1H			
	Results	%	Forecast	%	Results	%
Net sales	1,802	100.0	1,945	100.0	1,862	100.0
Cost of sales	973	54.0	1,052	54.1	993	53.3
Gross profit	829	46.0	893	45.9	869	46.7
Freight and charges	164	9.1	178	9.1	161	8.7
Sales promotion	263	14.6	298	15.3	271	14.6
Advertising expenses	66	3.7	71	3.6	58	3.1
Salaries and benefits	135	7.5	141	7.3	141	7.6
Expenses and depreciation	74	4.1	79	4.0	73	3.9
Total	703	39.0	766	39.4	705	37.9
Operating income	126	7.0	127	6.5	164	8.8

Factors behind change in operating income	Vs. 16/3	Vs. Forecast
Total	38	37
(1) Change due increase/decrease in net sales	13	-18
(2) Change due to fluctuation in cost-to-sales ratio	13	14
(3) Change due to fluctuation in freight and charges ratio	8	9
(4) Change due to increase/decrease in sales promotion ratio / advertising expenses	9	27
(5) Change due to increase/decrease in SG&A	-5	6

Calculation method
(1) Change in sales x marginal income ratio
(2) Net sales x difference in cost-to-sales ratio
(3) Net sales x difference in freight and charges ratio
(4) Net sales x difference in sales promotion ratio + advertising expenses
(5) Increase/decrease in SG&A
(Note) Loss (negative number) if % for each expense item increases or expense amount increases

Status of Net Sales by Segment

(Unit:100 million yen)

	FYE March'16 1H	FYE March'17 1H					
		Forecast	Results	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Total	1,802	1,945	1,862	61	3.4	-83	-4.2
Confectioneries	570	591	541	-29	-5.1	-50	-8.4
(Of which, is domestic confectioneries)	348	352	346	-2	-0.6	-6	-1.6
Ice Cream	504	583	591	86	17.1	8	1.3
(Of which, is domestic ice cream)	504	579	586	82	16.3	7	1.3
Milk and Dairy Products	536	543	504	-32	-5.9	-39	-7.2
(Of which, is domestic milk and dairy products)	536	543	500	-36	-6.6	-43	-7.9
Food Products	103	104	97	-5	-5.3	-7	-6.5
Food Ingredients	57	63	56	-1	-0.9	-7	-10.7
Other	32	61	73	41	129.5	12	19.7

*Above figures for domestic and non-domestic segments

Total	1,802	1,945	1,862	61	3.4	-83	-4.2
Domestic	1,579	1,702	1,659	80	5.0	-43	-2.5
Overseas	223	243	203	-19	-8.6	-40	-16.4

<Reference> China & Thailand results and forecasts are calculated by using the rates indicated to the right.

	FYE March '16 1H Results	FYE March '17 1H Forecast	FYE March '17 1H Results
China	1CNY = ¥19.73	1CNY = ¥17.00	1CNY = ¥15.46
Thailand	1THB = ¥3.62	1THB = ¥3.20	1THB = ¥2.93

Status of Operating Income by Segment

(Unit:100 million yen)

	FYE March'16 1H	FYE March'17 1H					
		Forecast	Results	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Total	126	127	164	38	30.4	37	29.3
Confectioneries	43	39	46	4	8.6	7	18.3
(Of which, is domestic confectioneries)	18	22	23	5	30.8	1	6.0
Ice Cream	59	60	84	25	41.9	24	39.9
(Of which, is domestic ice cream)	59	62	85	26	43.6	23	38.0
Milk and Dairy Products	25	26	29	4	14.7	3	11.3
(Of which, is domestic milk and dairy products)	25	26	28	3	12.2	2	8.8
Food Products	1	1	4	3	227.3	3	227.3
Food Ingredients	3	6	5	2	52.2	-1	-18.8
Other	-5	-5	-3	2	-	2	-

*Above figures for domestic and non-domestic segments

Total	126	127	164	38	30.4	37	29.3
Domestic	101	111	141	40	40.0	30	27.1
Overseas	25	16	23	-2	-8.6	7	44.7

<Reference> China & Thailand results and forecasts are calculated by using the rates indicated to the right.

	FYE March '16 1H Results	FYE March '17 1H Forecast	FYE March '17 1H Results
China	1CNY = ¥19.73	1CNY = ¥17.00	1CNY = ¥15.46
Thailand	1THB = ¥3.62	1THB = ¥3.20	1THB = ¥2.93

Impact of Raw Material Price Fluctuations on Costs

◆ **FYE March 2017 Cumulative Second Quarter**: Although the price of cacao beans and other chocolate raw materials increased, the impact of the drop in prices for dairy products was significant, resulting in a year-on-year decline of approximately 1.5 billion yen.

◆ **FYE March 2017 full-year forecast**: Although we expect the price of dairy products to rise as we head into the latter half of the fiscal year, overall we forecast a year-on-year decline of approximately 1.5 billion yen.

(Unit: one million yen)

	FYE March'17 1H Results		FYE March'17 Full year Forecast
	Change from Previous period*1	Change from Forecast*2	Change from Previous period*3
Group total (including overseas subsidiaries)	-1,513	-1,613	-1,515

Note) includes impact of currency

*1) (1H/FY2016 actual prices - 1H/FY2015 actual prices) x 1H/FY2016 volume used

*2) (1H/FY2016 actual prices - 1H/FY2016 original price forecast) x 1H/FY2016 volume used

*3) (FY2016 full-year price forecasts - FY2015 full-year actual prices) x FY2016 full-year projected volume

Capital Investments, Depreciation, and R&D Expenditures

◆FYE March 2017 cumulative second quarter capital investments increased by 1.0 billion yen year on year.

◆Our FYE March 2017 full-year capital investment forecast is a reduction of 4.8 billion yen compared to plans due to the postponement of investment projects.

(Unit:100 million yen)	FYE March'16 1H	FYE March'17 1H
	Results	Results
Confectioneries - Domestic	14	12
Confectioneries - Overseas	4	7
Ice Cream - Domestic	24	58
Ice Cream - Overseas	0	1
Milk and Dairy Products	16	13
Food Products	1	2
Food Ingredients	1	1
Other	25	2
Capital investment	85	95
Unconsolidated subsidiaries •investment and lending	5	0

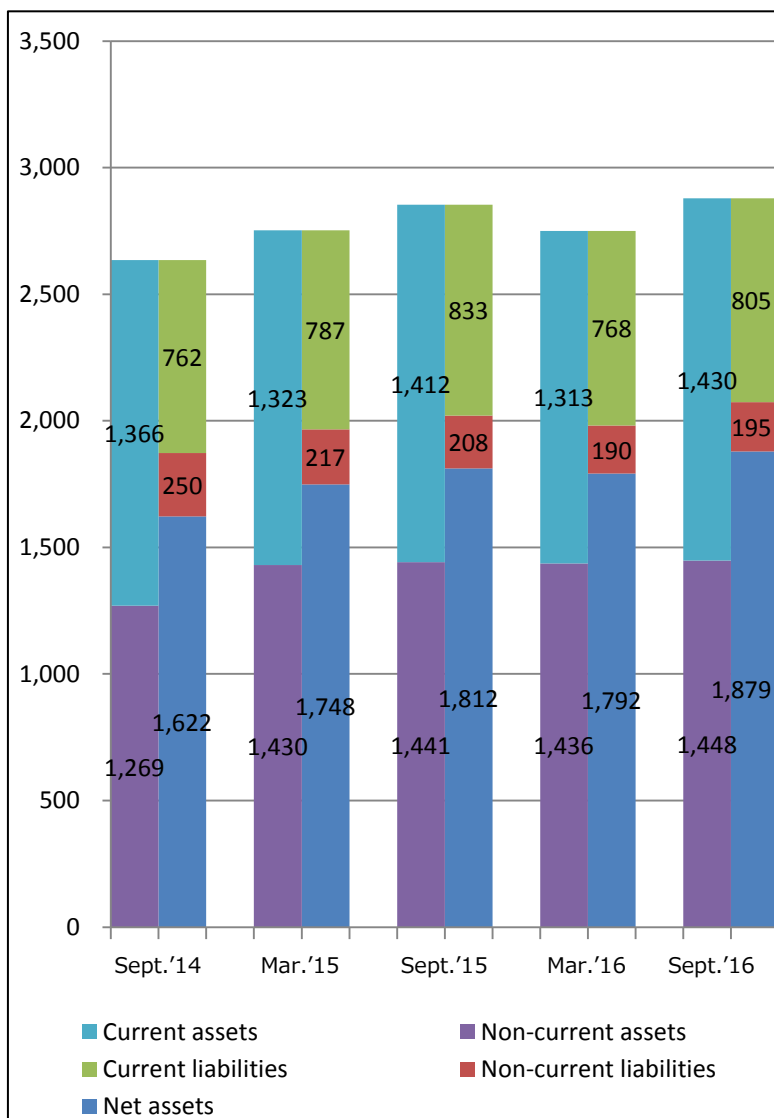
FYE March'16 Full year	FYE March'17 Full year	
	Forecast	Latest Forecast
Results		
32	36	23
9	23	11
76	123	108
2	1	4
18	25	11
2	3	2
1	2	1
26	2	7
166	215	167
9	8	15

Depreciation	55	51
R&D expenditures	23	26

108	100	116
51	58	58

Status of Balance Sheet

- ◆Cash and deposits increased on MMF reimbursements, etc.
- ◆An increase in retained earnings resulted in our capital ratio increasing from 63.1% to 63.4%.



○Current assets – Major account items

(Unit: 100 million yen)

	Sept. '15	Mar. '16	Sept. '16	Vs Sept. '15	Vs Mar. '16
Cash and deposits	446	509	609	163	100
Notes and accounts receivable-trade	377	351	403	26	52
Securities	236	114	91	-145	-23
Inventories	281	269	266	-15	-3

○Non-current assets – Major account items

	Sept. '15	Mar. '16	Sept. '16	Vs Sept. '15	Vs Mar. '16
Property, plant and equipment	782	826	831	49	5
Intangible assets	32	41	51	19	11
Investment securities	419	379	384	-35	4

○Current liabilities – Major account items

	Sept. '15	Mar. '16	Sept. '16	Vs Sept. '15	Vs Mar. '16
Notes and accounts payable- trade	336	284	335	-1	51
Short-term loans payable					
Current portion of long-term loans payable	89	57	22	-67	-35

○Non-current liabilities – Major account items

	Sept. '15	Mar. '16	Sept. '16	Vs Sept. '15	Vs Mar. '16
Long-term loans payable	10	5	11	2	6

○Net assets – Major account items

	Sept. '15	Mar. '16	Sept. '16	Vs Sept. '15	Vs Mar. '16
Shareholders' equity	1,615	1,640	1,751	136	111

II. Progress Report on FYE March 2017 Initiatives

Chocolate category

FYE March 2017 Plan : Sales of 40.7 billion yen, a YoY increase of 103.2%

FYE March 2017 forecast : Sales of 43.1 billion yen, a YoY increase of 109.1%

- ◆ Launched new products for mainstay brands. Sales were favorable on strong performance of mainstay brands.
 - ✓ Released strawberry flavor for Caplico no atama series under the Caplico brand (8/23)
 - ✓ Launched Pocky Trinity, a new highly value-added product under the Pocky brand < MSRP (taxes not included) 265 yen (9/20)
- ◆ Both the health-oriented chocolate Libera and GABA outperformed plans.
 - ✓ Launched a revamped version of GABA as a Food with Functional Claim (9/27)
 - > Package labeling promotes stress relief function as a product characteristic

<Pocky Trinity>



<Caplico no atama>

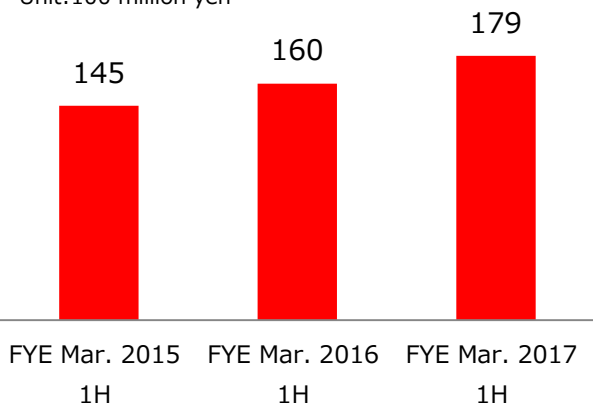


<GABA>



Transitions in net sales - Chocolate category total -

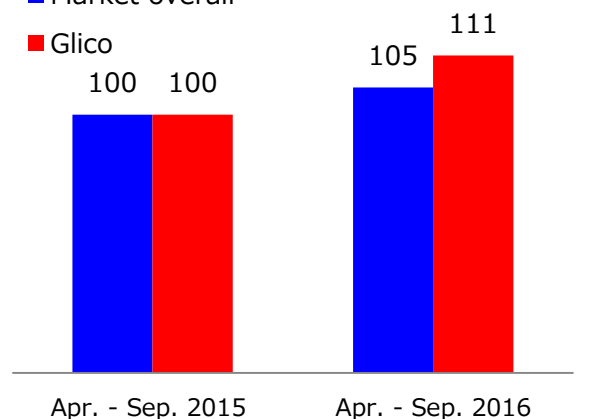
Unit: 100 million yen



Chocolate market

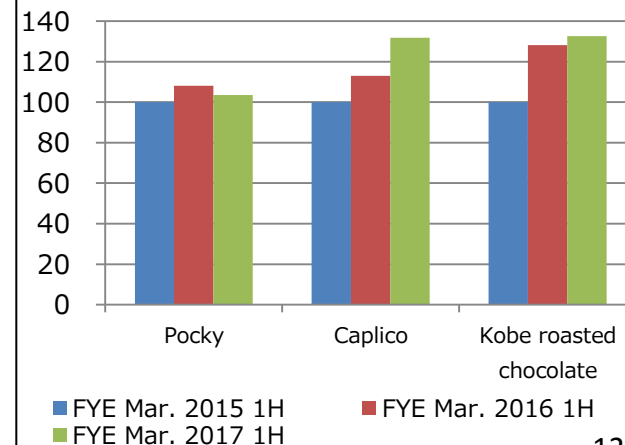
(If Apr. - Sep. 2015 set as 100. Intage SRI)

■ Market overall
■ Glico



Brand-specific transitions in net sales

(If 1H/FYE Mar.2015 results are set as 100)



Cookies category

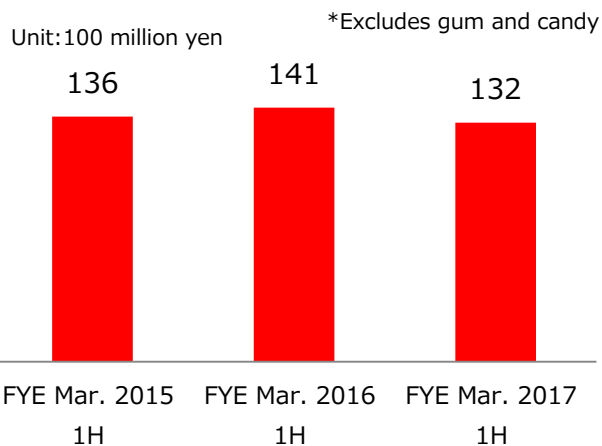
FYE March 2017 Plan : Sales of 29.0 billion yen, a YoY increase of 106.2%

FYE March 2017 forecast : Sales of 29.5 billion yen, a YoY increase of 108.0%

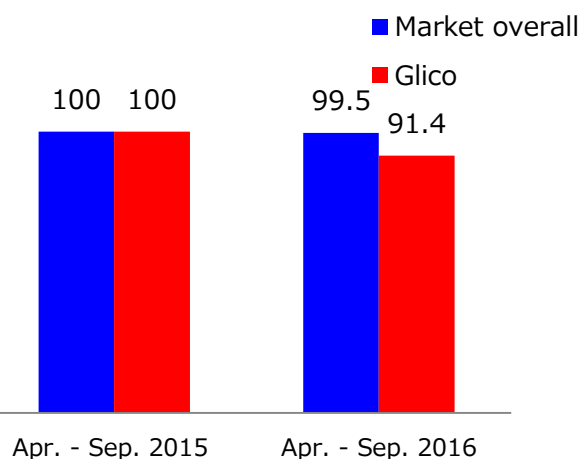
- ◆ Total sales of mainstay brands (Pretz, Bisco, Collon) largely unchanged from the previous year.
- ◆ Sales of Cheeza, Cratz, and other snacks did not recovery despite implementing in-store measures.
 - ✓ Launched revamped version of Cheeza Camembert (5/17)



Transitions in net sales - Cookies category total -

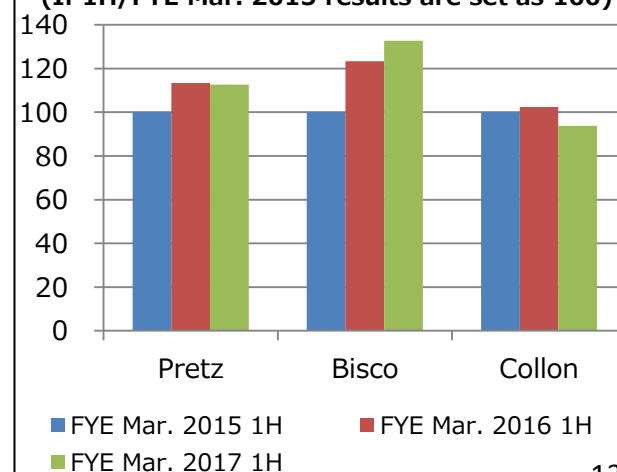


Cookies market (If Apr. - Sep. 2015 set as 100. Intage SRI)



Brand-specific transitions in net sales

(If 1H/FYE Mar. 2015 results are set as 100)



Ice cream category

FYE March 2017 Plan : Sales of 89.6 billion yen, a YoY increase of 110.6%

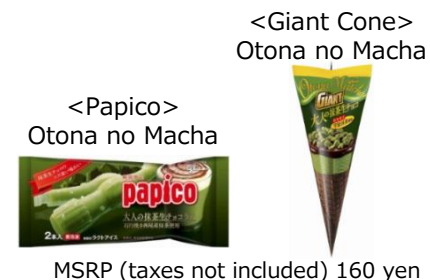
FYE March 2017 forecast : Sales of 91.4 billion yen, a YoY increase of 112.9%

- ◆ Net sales increased significantly thanks mainly to sales of mainstay brands (Papico, Giant Cone, 17 Ice, etc.). Existing brands (Ice no mi, Panap, Bokujo Shibori) also propelled sales.
 - > Increased sales of Papico, Ice no mi, etc., resulted in improvement for product mix.

- ◆ Launched high value-added "Otona Series" this year to aim to record a profit for the second half (October - March).

✓ Launched Otona no Macha Nama Choco as the first product in the Otona series (9/12)

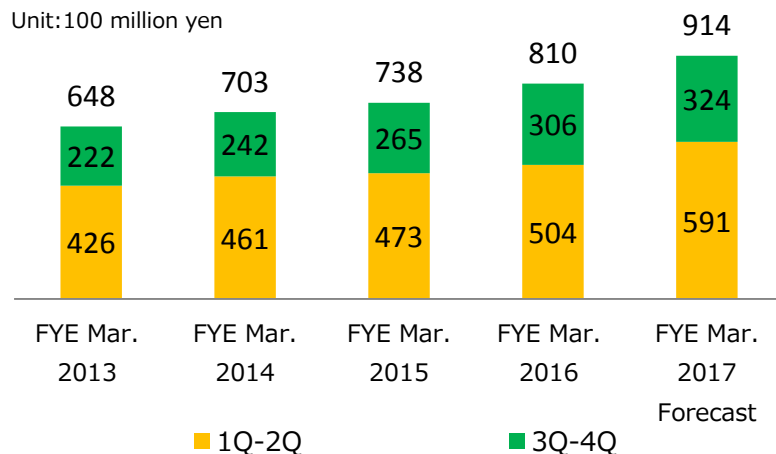
✓ The second product in the series is Otona no Chocolat (gradual release since 10/31)



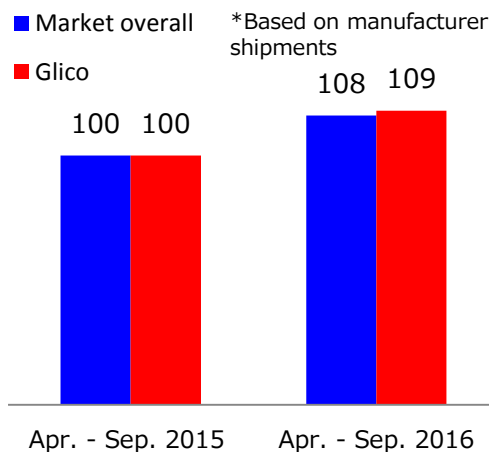
MSRP (taxes not included) 160 yen

Transitions in net sales and forecast - Ice cream category total -

Unit: 100 million yen

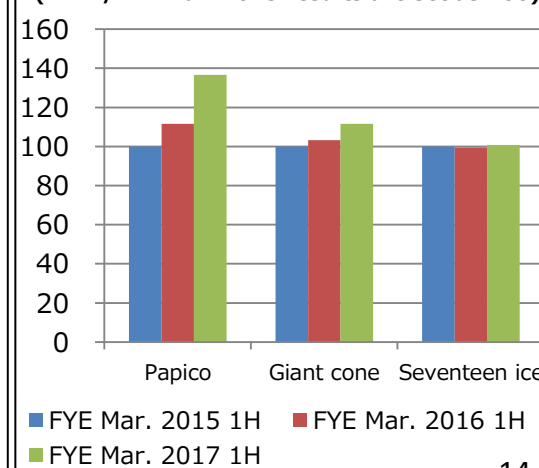


Ice cream market (If Apr. - Sep. 2015 set as 100)



Brand-specific transitions in net sales

(If 1H/FYE Mar. 2015 results are set as 100)



Yogurt category

FYE March 2017 Plan : Sales of 28.0 billion yen, a YoY increase of 111.5%

FYE March 2017 forecast : Sales of 25.9 billion yen, a YoY increase of 103.3%

- ◆ Launched revamped version of mainstay brand BifiX Yogurt series.
(gradual release since 9/12)

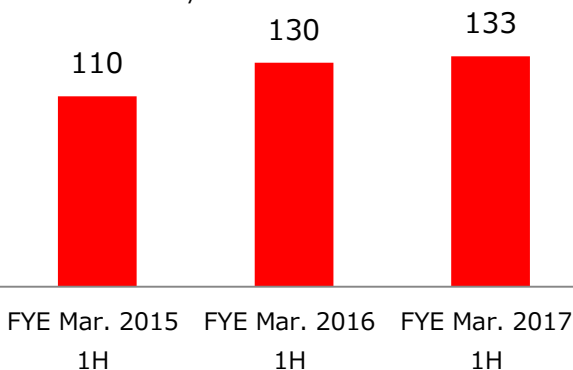
> Changed package from notification labeling to "increases in your stomach to improve your enteral environment" and also added "improves regularity" to more simply promote the functional properties of BifiX.

- ◆ Improving sales promotion costs and other cost management to promote the effective use of resources.



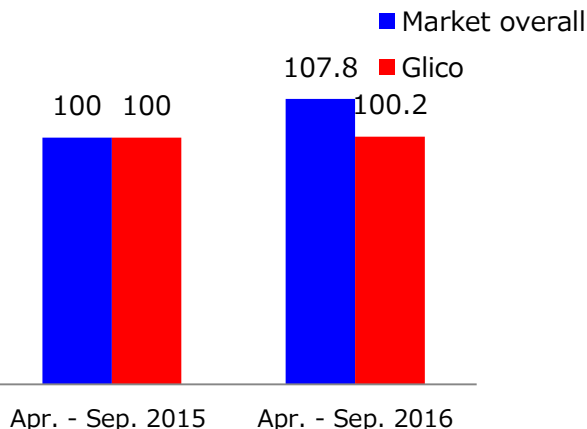
Transitions in net sales - Yogurt category total -

Unit: 100 million yen



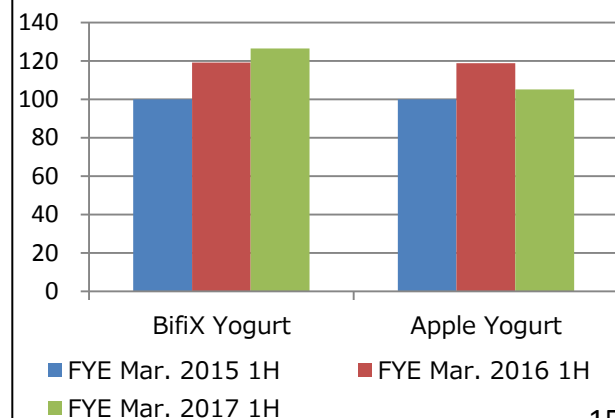
Yogurt market

(If Apr. - Sep. 2015 set as 100. Intage SRI)



Brand-specific transitions in net sales

(If 1H/FYE Mar. 2015 results are set as 100)



Drinking milk category

FYE March 2017 Plan : Sales of 35.5 billion yen, a YoY increase of 110.1%

FYE March 2017 forecast : Sales of 31.8 billion yen, a YoY increase of 98.7%

- ◆ Focused on core brands, particularly the Cafe au Lait series. Introduced seasonal products.
 - ✓ Launched summer seasonal product Mild Cafe au Lait Ice Chocolat (7/11)
 - ✓ Launched autumn seasonal product Mild Cafe au Cafe Marron (9/5)

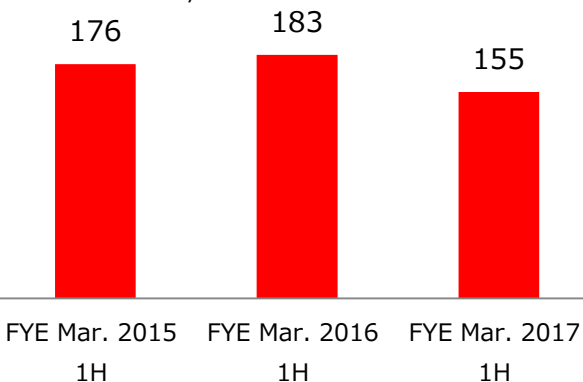
- ◆ Net sales declined due in part to the impact of a reduction in business-specific products.

<Ice Chocolat> <Cafe Marron>



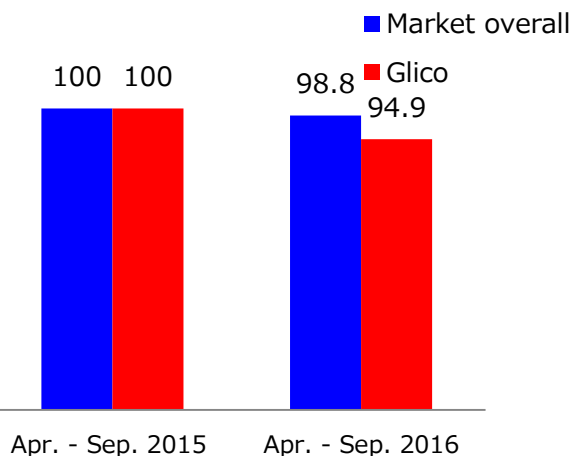
Transitions in net sales - Drinking milk category total -

Unit: 100 million yen



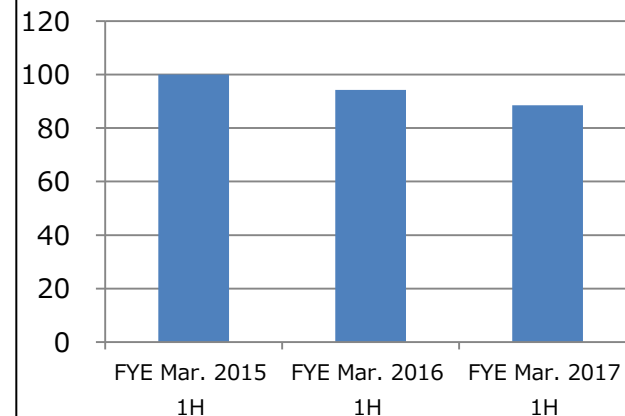
Drinking milk market

(If Apr. - Sep. 2015 set as 100. Intage SRI)



Cafe au Lait transitions in net sales

(If 1H/FYE Mar. 2015 results are set as 100)



Office Glico Business, directly-owned stores

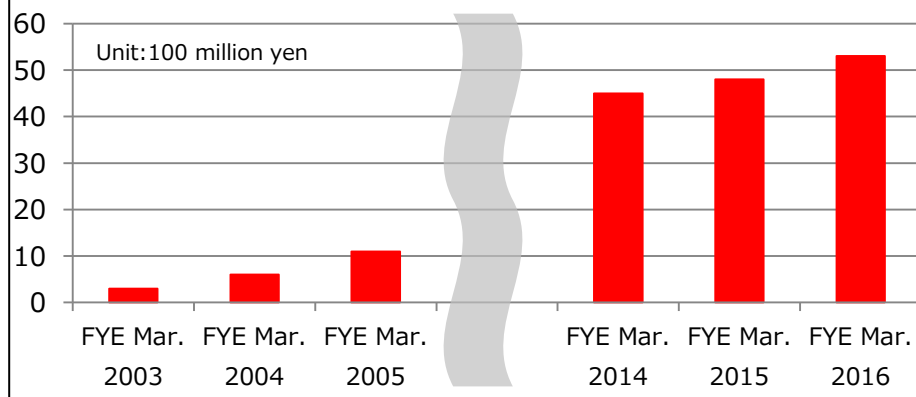
- ◆ On June 1, 2016, we established Glico Channel Create Inc., conducting a split of an existing business division to form a new company that will operate the Office Glico business and directly-owned stores. The new company will focus on developing new sales channels.

Office Glico business

- ✓ Office Glico is a service we have started since 1999 that offers confectionery installations for offices.
- ✓ Currently, we provided approximately 130,000 confectionery and beverage boxes (refrigerators) in approximately 110,000 businesses around the country. Box and refrigerator installation is free of charge. Office Glico staff visit offices regularly to refill products and collect fees.



Transitions in net sales for Office Glico

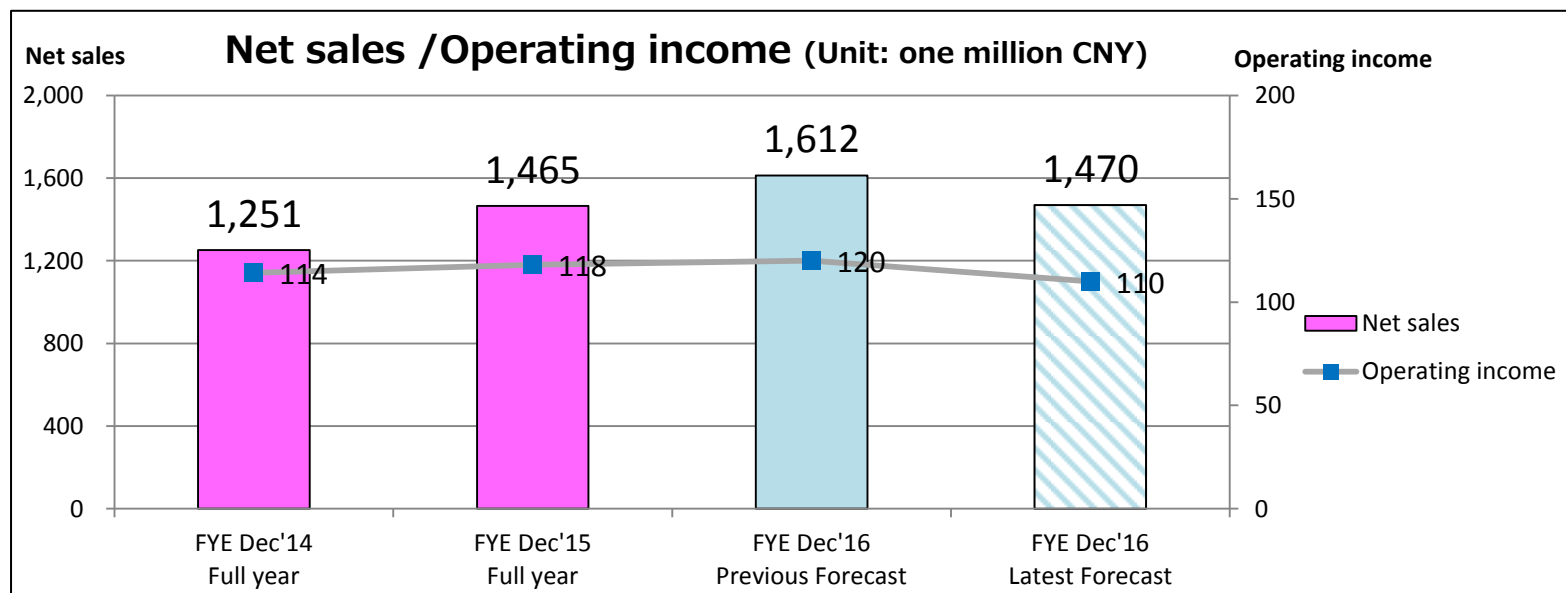


Directly-owned stores

- ① Baton d'or
Baton d'or stick sweets are sold at department stores. Currently operating 4 stores mainly in the Kansai region.
- ② Caramel kitchen
Sales of fresh caramel made in-store
- ③ Glico-ya Kitchen Shin-Osaka
Sales of freshly fried Pritta pretzels made in-store



China(Glico Shanghai) : Status of Net Sales and Income



(Unit: one million CNY)

	FYE Dec'14 Full year	FYE Dec'15 Full year	FYE Dec'16					
			1H		Full year			
			Forecast	Results	Previous Forecast	Latest Forecast	Change from Forecast	
							Amount	(%)
Net sales	1,251	1,465	787	694	1,612	1,470	-142	-8.8
Operating income	114	118	72	71	120	110	-10	-8.3
Ordinary income	116	122	71	72	119	113	-6	-5.0
Net income	100	98	76	74	101	82	-19	-18.8

*Figures based on local accounting. Refer to ending notes regarding currency rates.

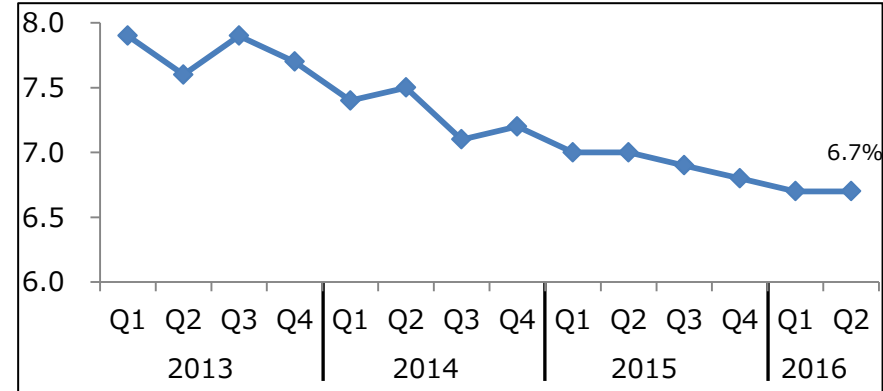
China(Glico Shanghai): Slowdown of biscuit market growth

■ Macro economic environment has transitioned to stable growth. Biscuit market on trend of lower purchasing volume but purchasing price increasing due to stabilization at higher prices. Since 2016, purchasing prices largely unchanged.

■ Amid a slowdown in market growth, our market share has transitions from growth to a trend of largely unchanged.

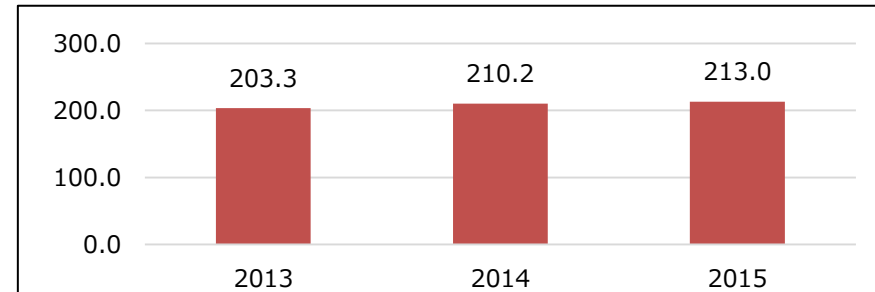
■ We will increase rate of direct transactions with distributors to increase visualization of distributor inventory and allow for flexible responses to demand fluctuations.

➤ Actual GDP growth rates (YoY comparison)

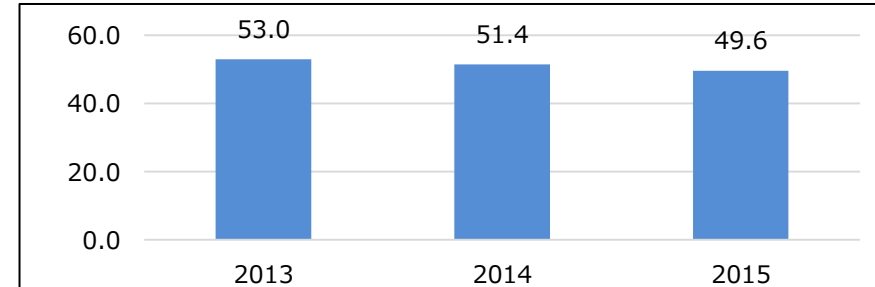


(Source) China National Bureau of Statistics

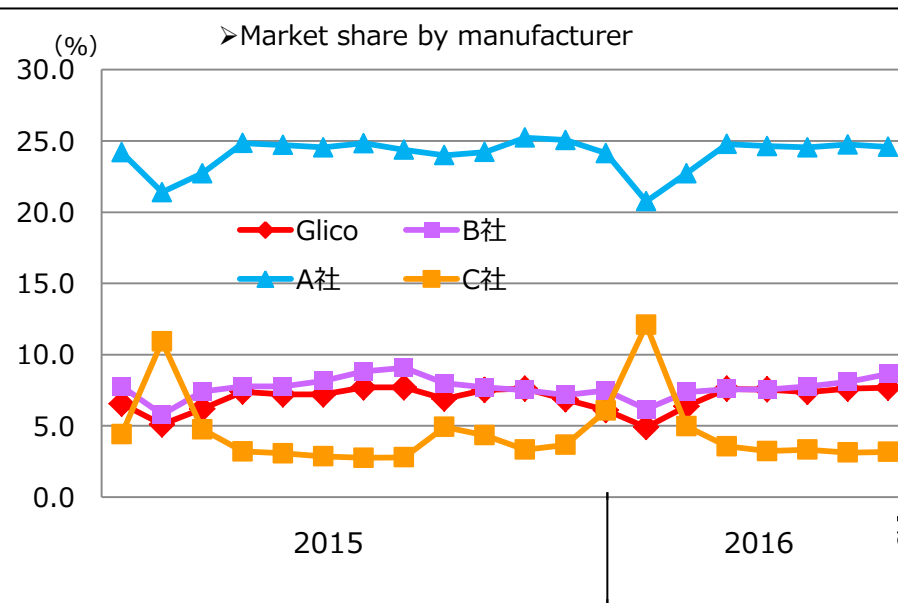
➤ China nationwide biscuit net sales (100M yuan, excludes EC)



➤ China nationwide biscuit sales volume (100M tons, excludes EC)



(Source) Glico research₁₉



(Source) Glico research

China(Glico Shanghai): Development of Inland China and new demand forecast

- Major distributors are progressing with the development of stores in inland regions in response to economic development in Inland China.
- Growth rate for distributors is transitioning from being driven by GMS/SM to being driven by CVS.
- We will response to changes in the distribution industry while responding to previously untapped needs. We are generating demand by injecting gift items and EC-limited products.



<Pocky Cans>



<pejoy Cans>



<巧国>

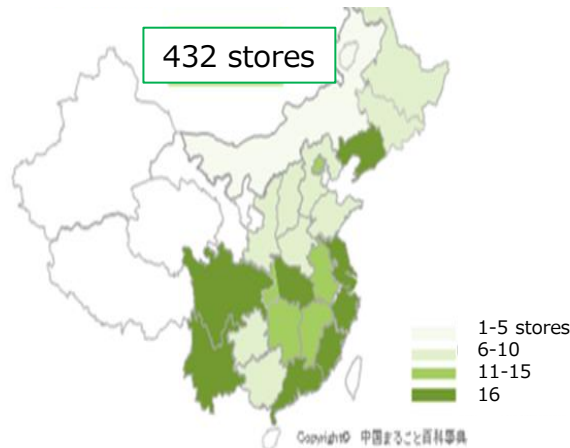


<EC-limited pejoy>

➤ Walmart store distribution ('06)

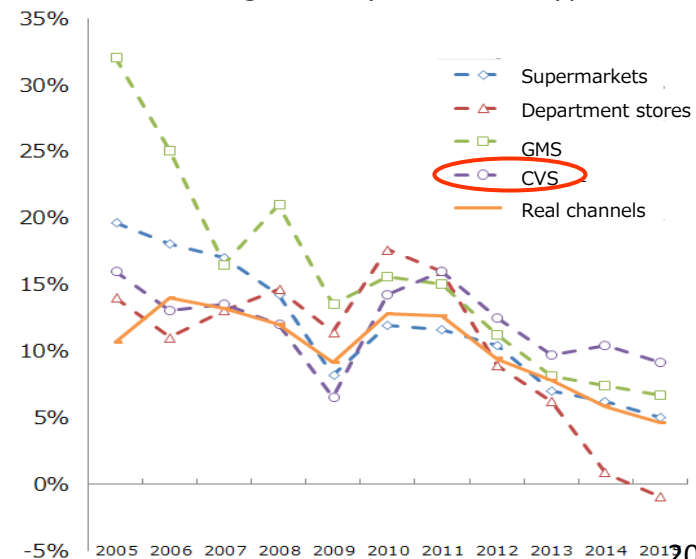


➤ Walmart store distribution ('15)

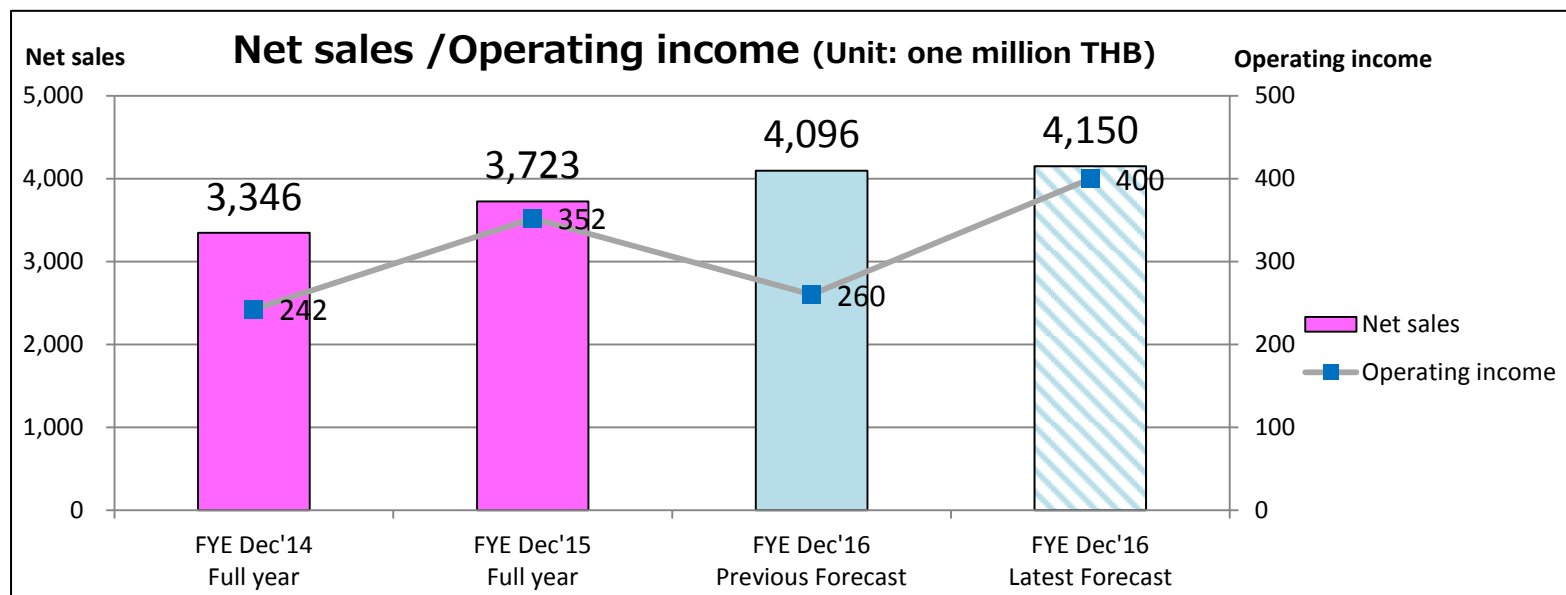


(Source) 聯商網 (provided by SMBC)

➤ Market scale growth by distributor type



Thailand(Glico Thailand): Status of Net Sales and Income



(Unit: one million THB)

	FYE Dec'14 Full year	FYE Dec'15 Full year	FYE Dec'16					
			2Q		Full year			
			Forecast	Results	Previous Forecast	Latest Forecast	Change from Forecast	
							Amount	(%)
Net sales	3,346	3,723	2,137	2,000	4,096	4,150	54	1.3
Operating income	242	352	107	286	260	400	140	53.8
Ordinary income	950	385	88	285	225	390	165	73.4
Net income	950	365	66	285	180	290	110	61.2

*Includes exports to Indonesia and other nearby countries

*Figures based on local accounting. Refer to ending notes regarding currency rates.

Thailand(Glico Thailand): aim for double-digit sales growth amid slow economic growth

■ Economic growth in Thailand has slowed to around 3%/year due to drought and lower tourism revenue because of terrorism. The biscuit market growth rate was around 104% YoY.

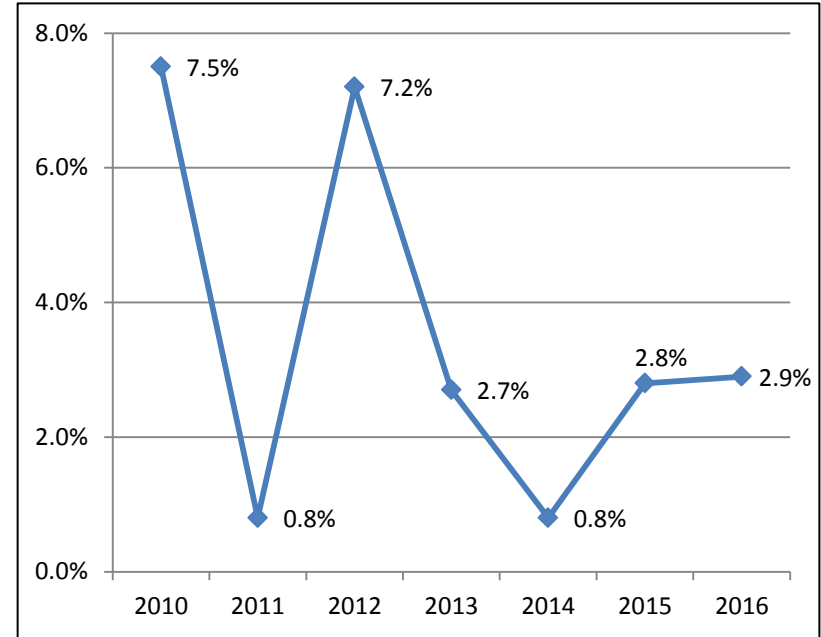
■ Amid such economic conditions, sales in Thailand and Malaysia as well as US exports recorded double-digit growth and propelled growth for Glico Thailand.

■ In July, we released CHOKOLA on the Thai market. This new chocolate brand features a 10% cacao mix that melts in the mouth.

We will concentrate investments on various tie-up projects and marketing.

■ Due to the death of the King of Thailand we are forecasting a temporary 10% decline in sales but expect a quick recovery of sales.

➤ GDP growth rate



(Source) IMF



CHOKOLA



Promotions in Malaysia

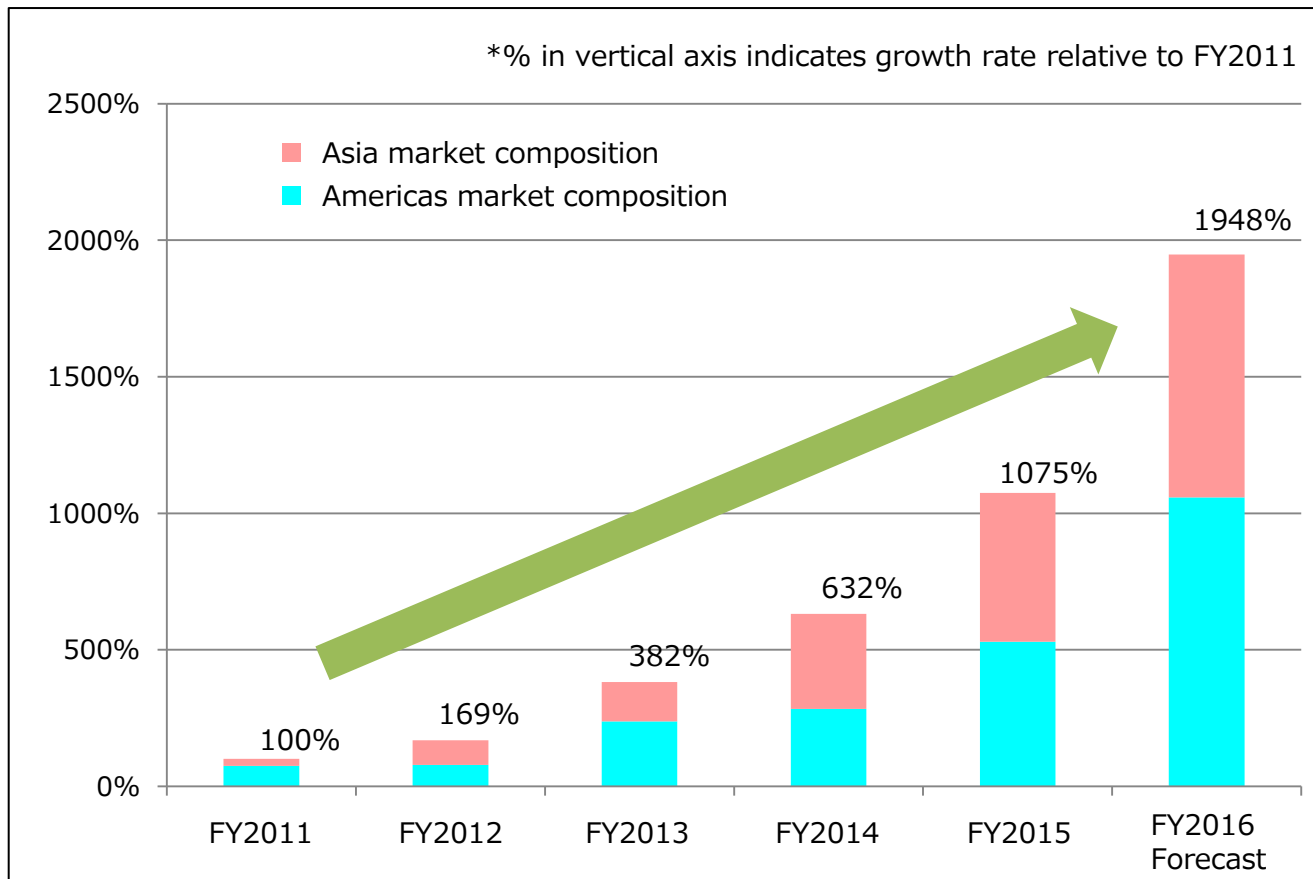


Exhibit in the USA

Overseas Business : Confectionery business in America

- The confectionery business in America continues to grow annually, particularly in the west coast where Pocky is widely recognized. Sales of our US subsidiary Ezaki Glico USA last fiscal year have grown nearly ten-fold compared to FY2011. We also are forecasting nearly two-fold growth this fiscal year.
- In particular, this fiscal year we are seeing significant growth in major American channels such as Costco and Walmart.

➤ Transitions in sales growth for Ezaki Glico USA



Costco stores



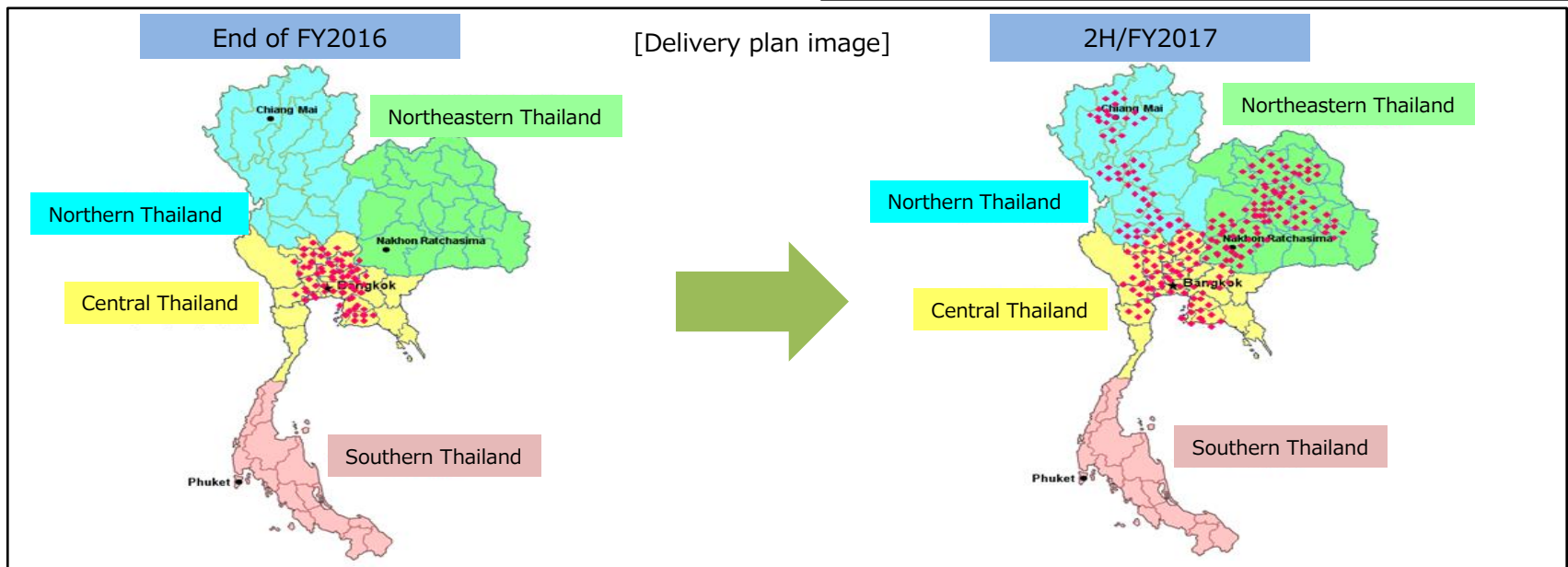
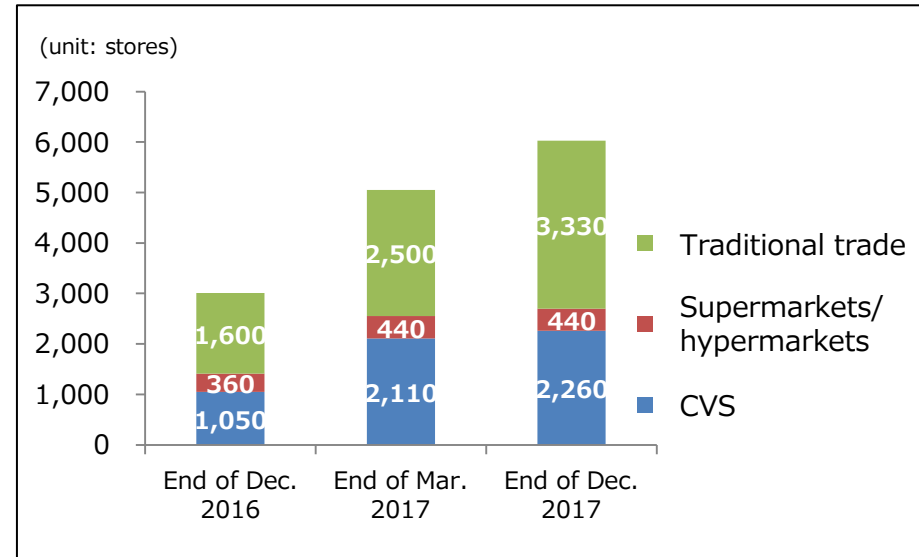
Of their nearly 500 stores in the USA, we deliver to 221 stores (as of end of August). Planning to further expand deliveries



Overseas Business: Thailand Ice Cream business continuing to record favorable results

- Since the start of business this year in January, synergy with the confectionery business is driving favorable performance.
- Beginning of year brings concerns of a lack of supply relative to strong demand. We expanded deliveries with focus on Bangkok metro area.
- Currently, supply capacity problem improving thanks to cooperation from manufacturing vendors. We will further expand deliveries to provinces near Bangkok.

[Distribution plans]



III. FYE March 2017 Full-Year Earnings Forecast

Full-Year Plan and Forecast

(Unit: 100 million yen)

	FYE March'16 Full year	FYE March'17 Full year					
	Results	Previous Forecast	Latest Forecast	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Net sales	3,384	3,700	3,585	201	5.9	-115	-3.1
Operating income	171	200	225	54	31.5	25	12.5
Ordinary income	192	210	230	38	19.6	20	9.5
Net income	139	140	160	21	15.1	20	14.3

Operating Income Forecast

(Unit: 100 million yen)

	FYE March'16 Full year		FYE March'17 Full year			
	Results	%	Previous Forecast	%	Latest Forecast	%
Net sales	3,384	100.0	3,700	100.0	3,585	100.0
Cost of sales	1,839	54.3	2,018	54.5	1,927	53.8
Gross profit	1,545	45.7	1,682	45.5	1,658	46.2
Freight and charges	300	8.9	332	9.0	314	8.8
Sales promotion	521	15.4	576	15.6	561	15.7
Advertising expenses	122	3.6	135	3.6	126	3.5
Salaries and benefits	282	8.3	282	7.6	283	7.9
Expenses and depreciation	150	4.4	158	4.3	148	4.1
Total	1,374	40.6	1,482	40.1	1,433	40.0
Operating income	171	5.1	200	5.4	225	6.3

Factors behind change in operating income	Vs. 16/3	Vs. Previous Forecast
Total	54	25
(1) Change due increase/decrease in net sales	43	-24
(2) Change due to fluctuation in cost-to-sales ratio	21	28
(3) Change due to fluctuation in freight and charges ratio	3	7
(4) Change due to increase/decrease in sales promotion ratio / advertising expenses	-14	5
(5) Change due to increase/decrease in SG&A	1	9

Calculation method
(1) Change in sales x marginal income ratio
(2) Net sales x difference in cost-to-sales ratio
(3) Net sales x difference in freight and charges ratio
(4) Net sales x difference in sales promotion ratio + advertising expenses
(5) Increase/decrease in SG&A
(Note) Loss (negative number) if % for each expense item increases or expense amount increases

Net Sales Forecast by Segment

(Unit:100 million yen)

	FYE March'16 Full year	FYE March'17 Full year					
		Previous Forecast	Latest Forecast	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Total	3,384	3,700	3,585	201	5.9	-115	-3.1
Confectioneries	1,212	1,295	1,203	-8	-0.7	-92	-7.1
(Of which, is domestic confectioneries)	765	800	787	22	2.8	-13	-1.7
Ice Cream	810	904	914	104	12.9	10	1.1
(Of which, is domestic ice cream)	810	896	906	96	11.8	10	1.1
Milk and Dairy Products	978	1,048	991	13	1.3	-57	-5.4
(Of which, is domestic milk and dairy products)	978	1,048	982	4	0.4	-66	-6.3
Food Products	202	205	202	0	0.1	-3	-1.5
Food Ingredients	102	118	109	7	6.6	-9	-7.5
Other	80	130	165	85	105.7	35	27.0

*Above figures for domestic and non-domestic segments

Total	3,384	3,700	3,585	201	5.9	-115	-3.1
Domestic	2,938	3,197	3,151	213	7.2	-46	-1.4
Overseas	446	503	434	-12	-2.7	-69	-13.7

<Reference> China & Thailand results and forecasts are calculated by using the rates indicated below.

	FYE March '16 Full year Results	FYE March '17 Full year Previous Forecast	FYE March '17 Full year Latest Forecast
China	1CNY = ¥18.36	1CNY = ¥17.00	1CNY = ¥15.14
Thailand	1THB = ¥3.34	1THB = ¥3.20	1THB = ¥2.91

Operating Income Forecast by Segment

(Unit:100 million yen)

	FYE March'16 Full year	FYE March'17 Full year					
		Previous Forecast	Latest Forecast	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Total	171	200	225	54	31.5	25	12.5
Confectioneries	92	93	91	-1	-1.1	-2	-2.1
(Of which, is domestic confectioneries)	54	61	59	5	9.1	-3	-4.1
Ice Cream	55	56	77	23	41.2	21	38.1
(Of which, is domestic ice cream)	55	59	79	24	43.5	21	35.4
Milk and Dairy Products	45	46	42	-3	-6.2	-4	-8.0
(Of which, is domestic milk and dairy products)	45	46	42	-3	-	-4	-
Food Products	1	2	6	5	474.1	4	221.5
Food Ingredients	5	8	10	5	93.7	2	19.1
Other	-27	-5	-2	25	-	3	-

*Above figures for domestic and non-domestic segments

Total	171	200	225	54	31.5	25	12.5
Domestic	134	171	194	61	45.5	23	13.6
Overseas	38	29	31	-7	-18.4	2	5.8

<Reference> China & Thailand results and forecasts are calculated by using the rates indicated below.

	FYE March '16 Full year Results	FYE March '17 Full year Previous Forecast	FYE March '17 Full year Latest Forecast
China	1CNY = ¥18.36	1CNY = ¥17.00	1CNY = ¥15.14
Thailand	1THB = ¥3.34	1THB = ¥3.20	1THB = ¥2.91

The Philosophy of Glico

<The Philosophy of Glico>

"A WHOLESOME LIFE IN THE BEST OF TASTE"

Be inspired by tastefulness!
Provide delight through wholesomeness!
Glory in the resplendence of life!

At Glico,
we are inspired to contribute
to a tastefully wholesome delight
in the resplendence of human life.



<The Glico Spirit>

ACHIEVE... INNOVATION! CHEERFULNESS! THE THRILL OF THE POSITIVE!

Taking full pleasure in innovation,
Let us boldly undertake all actions.
Through that which is interesting,
That which is fresh,
That which is delightful,
That which is excellent and
That which challenges ingenuity.
We will experience the thrill of the positive.
Even more, everyone will experience the thrill of the positive.

Glico's long-term vision (toward FYE March 31, 2021)

- Goal (1): Aim to secure stable operating profit margin domestic and overseas.
 - Domestic: Operating profit margin of **5% and higher**
 - Overseas: Operating profit margin of **10% and higher**
- Goal (2): Aim to maintain ROE of **10%** and higher (excluding extraordinary gains or losses).
- Initiatives to Achieve Goals

(1) Strong product categories (Create growth engines)

- Categories that will drive future growth > Brand strategy
- Concentrate investments to secure strong business scope



Chocolate



Ice Cream



Cookies



Western confections



Yogurt





















Health field

(2) Aggressive overseas expansion

- Promote overseas expansion with focus on Asia
 - (1) Expand and solidify position in East Asia, Southeast Asia, Europe, and America
 - (2) Target overseas net sales of 100 billion yen (including nonconsolidated affiliates)
 - (3) Secure stable operating income overseas

Glico Group Overview

Segment	Category	Main products	Main group company
Confectioneries	Chocolate (including Pocky)	    	<div>THAI GLICO CO.,LTD.</div> <div>SHANGHAI EZAKI GLICO FOODS CO.,LTD.</div>
	Cookies (including Pretz)		
	Gum,caramel,candy		
	Overseas		
	Other		
Ice Cream	Personal,multi,vending machine,etc.	  	<div>EZAKI GLICO CO.,LTD.</div> <div>Wholesale subsidiaries - 3 companies</div> <div>GLICO FROZEN (THAILAND) ,LTD.</div>
	Overseas	  	
Milk and Dairy Products	Western confections	   	<div>ICREO CO., LTD.</div>
	Yogurt		
	Drinking milk		
	Fruit juices, carbonated drinks		
	Infant formula		
	Other		
Food Products	Roux and boil-in-bag	 	EZAKI GLICO CO.,LTD.
	Other		
Food Ingredients	Gluten,starch,dyes,etc.		GLICO NUTRITION CO.,LTD.
Other	Sport foods,office glico,etc.		GLICO CHANNEL CREATE,INC

Net Sales by Category

(Unit:100 million yen)

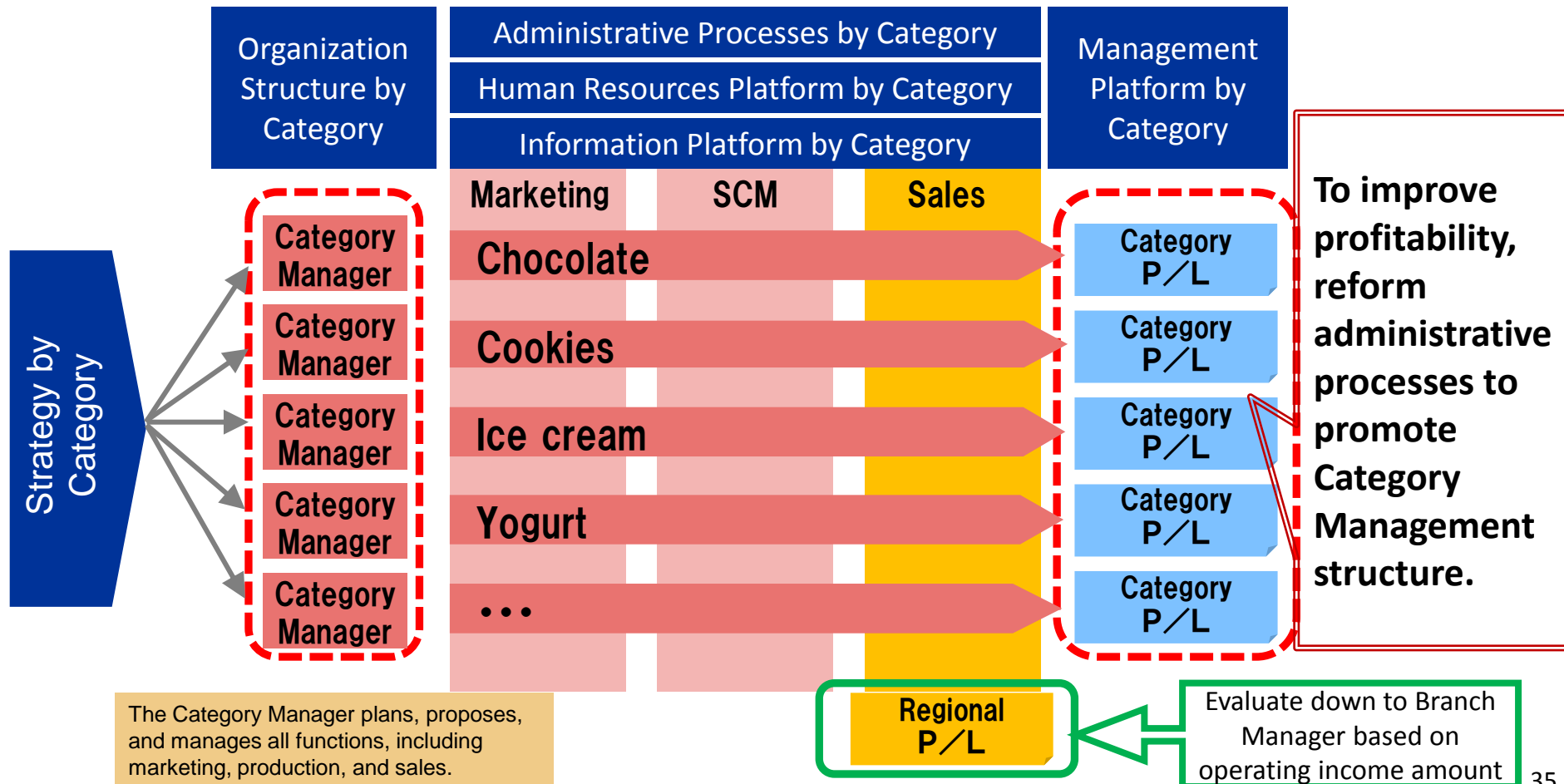
Segment	Category	FYE March'15	FYE March'16	FYE March'17		
		Results	Results	Latest Forecast	Change from Previous period	
					Amount	Change
Confectioneries	Chocolate (including Pocky)	361	395	431	36	9.1
	Cookies (including Pretz)	248	273	295	22	8.0
	Gum,caramel,candy	48	45	0	-45	-100.0
	Overseas	409	446	417	-30	-6.7
	Other	71	52	62	9	17.5
	Total	1,138	1,212	1,203	-8	-0.7
Ice Cream	Personal,multi,vending machine,etc.	738	810	906	96	11.8
	Overseas	-	-	8	8	-
	Total	738	810	914	104	12.9
Milk and Dairy Products	Western confections	118	109	107	-2	-2.2
	Yogurt	226	251	259	8	3.3
	Drinking milk	322	322	318	-4	-1.3
	Fruit juices, carbonated drinks	228	246	245	-0	-0.2
	Infant formula(Domestic)	33	45	45	-0	0.0
	Infant formula(Export)	-	-	9	9	-
	Other	16	4	16	12	264.4
	Total	944	978	991	13	1.3
Food Products	Roux and boil-in-bag	223	202	202	0	0.1
	Total	223	202	202	0	0.1
Food Ingredients	Gluten,starch,dyes,etc.	95	102	109	7	6.6
	Total	95	102	109	7	6.6
Other	Sport foods,office glico,etc.	57	80	165	85	105.7
	Total	57	80	165	85	105.7
Total		3,194	3,384	3,585	201	5.9

TTM Currency Rate

		USD	EUR	THB	CNY	100KRW	100IDR
2013	3/31	94.05	120.73	3.20	15.16	8.48	0.98
	6/30	98.59	128.53	3.16	16.05	8.62	1.00
	9/30	97.75	131.87	3.11	15.98	9.09	0.85
	12/31	105.39	145.05	3.20	17.36	10.00	0.86
2014	3/31	102.92	141.65	3.17	16.59	9.67	0.91
	6/30	101.36	138.31	3.12	16.32	10.02	0.85
	9/30	109.45	138.87	3.38	17.73	10.38	0.90
	12/31	120.55	146.54	3.67	19.35	10.98	0.97
YoY as of Dec. 31		114.38%	101.03%	114.69%	111.46%	109.80%	112.79%
2015	3/31	120.17	130.32	3.70	19.36	10.87	0.92
	6/30	122.45	137.23	3.62	19.73	10.94	0.92
	9/30	119.96	134.97	3.29	18.96	10.06	0.82
	12/31	120.61	131.77	3.34	18.36	10.33	0.88
YoY as of Dec. 31		100.05%	89.92%	91.01%	94.88%	94.08%	90.72%
2016	3/31	112.68	127.70	3.19	17.39	9.86	0.85
	6/30	102.91	114.39	2.93	15.46	8.96	0.79
	9/30	101.12	113.36	2.91	15.14	9.17	0.78

Category management

- (1) Category operating income amount is the highest priority business management target.
- (2) Manage sales and promotion expenses, advertising expenses, etc. based on percentage of net sales.
- (3) Expand income-based sales activities and business management to regional level (each branch)
- (4) Concentrate management resources required for categories and brands to be enhanced on a Group-wide level in order to strengthen profitability.



[Notes of caution]

*Current Glico and Glico Group plans, forecasts, and initiatives indicated in these materials reflect determinations made based on information available at the time. As such, this information may include major risks and uncertainties. Please note that actual performance may differ significantly from these predictions due to a number of factors.

*Examples of such factors include economic decline, currency rate fluctuations, changes in legal code or administrative systems, pressure from competitor pricing or product strategies, decline in the marketability of new or existing Glico products, production stoppages, an infringement of Glico intellectual property rights, sudden technological innovation, unfavorable decisions in major lawsuits, and other factors. However, factors that influence earnings are not limited to these factors.