



[Notes of caution]

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Glico Group Financial Results For the Fiscal Year Ended December 31, 2019

Ezaki Glico Co., Ltd.

Securities Code: 2206

February 27, 2020

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I. FYE December 2019 Earnings Report

Summary of FYE December 2019 Performance



1. Both domestic and overseas business achieved increases, and consolidate net sales increased by 1.2% YoY.

- Although Milk and Dairy Products continued to struggle in FYE Dec. 2019, domestic business achieved growth with contributions increased revenue from “Pocky”, “Pretz”, and other Confectioneries as well as Ice Cream including ice cream wholesale. Consolidated net sales rose 1.2% compared to the previous year.

2. Second-half consolidated net sales rose 3.9% YoY and consolidated operating income rose 58% YoY.

- Second half consolidated performance (October to December in Japan, July to December overseas) showed an increase of 3.9% due to recovery in domestic business, particularly in Ice Cream. Additionally, second-half consolidated operating income achieved growth as a result of contributions from overseas business.

3. Overseas business and the Health Business continued to grow.

- For overseas business, although growth slowed in China due to increases in price (+3.3%), strong growth was maintained in ASEAN at +17.7% and the U.S.A. +12.7% (converted for local currency). In the Other segment, which includes the Health Business category, growth was robust at 6.5%, primarily due to the contribution of “Almond Koka”.

Status of Net Sales and Income



- Net sales: Both domestic and overseas business achieved increases, and a YoY increase of 1.2% was posted for the entire consolidated Group.
- Operating income: Operating income fell -2.1% YoY, in part due to decreased revenues in the Ice Cream business in the first half.

(Unit: 100 million yen)

	*FYE Mar. 2019 Results (following adjustment)	FYE Dec. 2019 Forecast	FYE Dec. 2019 Results	Change from Previous Period (%)	Change from Forecast (%)
Net sales	2,848	2,860	2,882	+ 1.2	+ 0.8
Operating income	159	162	156	- 2.1	- 3.7
Ordinary income	184	176	170	- 7.8	- 3.4
Net income	119	120	120	+ 1.4	+ 0.4
Operating profit margin (%)	5.6	5.7	5.4	—	—

* FYE March 2019 full-year results (following adjustment) are cumulative totals for April to December 2018 in the case of domestic business and January to December 2018 in the case of overseas business (the same applies to all pages).

Status of Operating Income



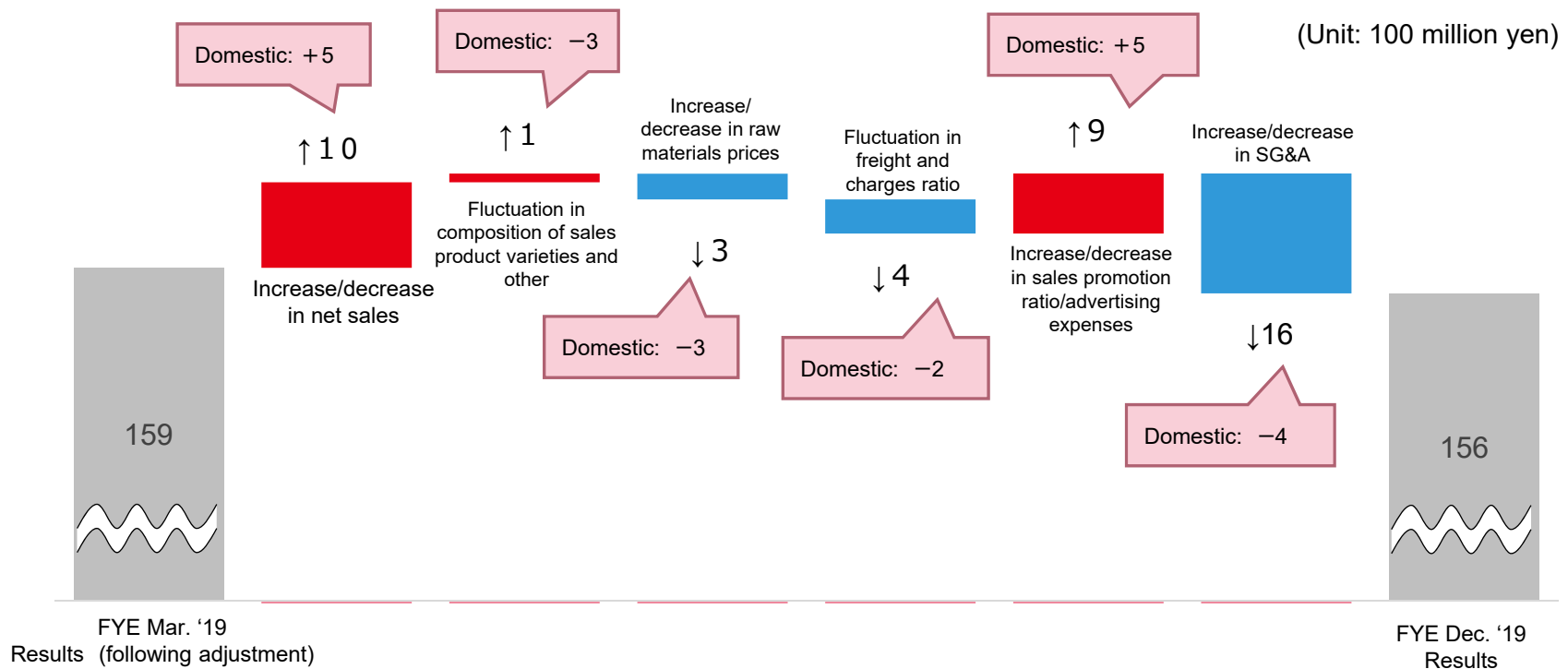
(Unit: 100 million yen)

	FYE Mar. 2019		FYE Dec. 2019	
	Results (following adjustment)	Sales Ratio %	Results	Sales Ratio %
Net sales	2,848	100.0	2,882	100.0
Cost of sales	1,484	52.1	1,501	52.1
Gross profit	1,365	47.9	1,381	47.9
Freight and charges	242	8.5	249	8.6
Sales promotion	456	16.0	458	15.9
Advertising expenses	122	4.3	117	4.1
Salaries and benefits	224	7.9	232	8.0
Expenses and depreciation	162	5.7	170	5.9
SGA total	1,205	42.3	1,225	42.5
Operating income	159	5.6	156	5.4

Factors of Increases (Decreases) in Operating Income

Change from previous period

- On the domestic side, although increased net sales, a lower sales promotion ratio, and lower advertising expenses were factors that increased operating income, fluctuations in raw material prices and increased SG&A expenses resulted in lower operating income overall.
- On the overseas side, although increased net sales were a factor that pushed operating income up, it was largely unchanged as a result of active SG&A investment.



Impact of Raw Material Cost Fluctuations on Costs



■ FYE Dec. '19 results

Although prices decreased for oils and fats and sugars, overall procurement costs for the Group rose by 300 million yen YoY due to increased prices for paper containers, cardboard, etc.

■ FYE Dec. '20 forecast

Price increases are anticipated for cacao, oils and fats, dairy products, etc., it is expected that procurement costs will increase by 800 million YoY for the entire Group.

(Unit: 100 million yen)

	FYE Dec. 2019 Results	FYE Dec. 2020 Forecast
	Change from Previous Period ^{*1}	Change from Previous Period ^{*2}
Group total (including overseas subsidiaries)	+3	+8

Note: Including impact of fluctuations in foreign exchange rates

^{*1} (FYE Dec. 2019 actual unit price - FYE Mar. 2019 actual unit price) × FYE Dec. 2019 actual volume used

^{*2} (FYE Dec. 2020 unit price forecast - FYE Dec. 2019 actual unit price) × FYE Dec. 2020 projected volume used

Status of Net Sales by Segment



- Despite severe results for Milk and Dairy Products, domestic business achieved an increase of 0.7% YoY that was driven by Confectioneries and Ice Cream.
- Overseas business continued to post an increase from the previous period (4.1% growth based on local currencies) despite a slowdown in sales growth in China due to the implementation of increases in price .

(Unit: 100 million yen)

	FYE Mar. 2019 Results (following adjustment)	FYE Dec. 2019 Forecast	FYE Dec. 2019 Results	Change from Previous Period (%)	Change from Forecast (%)
Total	2,848	2,860	2,882	+ 1.2	+ 0.8
Confectioneries and Food Products	705	711	718	+ 1.9	+ 1.0
Confectioneries	555	568	573	+ 3.2	+ 0.9
Food products	150	143	145	− 3.1	+ 1.5
Ice Cream	710	718	734	+ 3.2	+ 2.2
Milk and Dairy Products	697	666	670	− 3.8	+ 0.6
Food Ingredients	85	84	83	− 1.9	− 1.2
Overseas business	514	535	532	+ 3.5	− 0.6
Other	138	146	145	+ 5.4	− 0.4

Exchange rates	FYE Mar. 2019 Results (following adjustment)	FYE Dec. 2019 (forecast)	FYE Dec. 2019 (results)
China (CNY)	1 CNY = 16.16 JPY	1 CNY = 16.00 JPY	1 CNY = 15.85 JPY
Thailand (THB)	1 THB = 3.41 JPY	1 THB = 3.30 JPY	1 THB = 3.52 JPY
U.S.A (USD)	1 USD = 111.00 JPY	1 USD = 111.00 JPY	1 USD = 109.37 JPY

Status of Operating Income by Segment



- Despite a strong showing by Confectioneries, the domestic segment posted a year-on-year decrease of 200 million yen that was partly the result of a decrease in Ice Cream attributable to the cool summer in the first half.

(Unit: 100 million yen)

	FYE Mar. 2019 Results (following adjustment)	FYE Dec. 2019 Forecast	FYE Dec. 2019 Results	Change from Previous Period	Change from Forecast
Total	159	162	156	−3	−6
Confectioneries and Food Products	49	52	52	+4	+0
Confectioneries	45	48	50	+5	+2
Food products	4	4	3	−1	−1
Ice Cream	71	64	62	−9	−2
Milk and Dairy Products	26	26	24	−2	−2
Food Ingredients	8	7	6	−2	−1
Overseas business	13	12	13	−1	+1
Other	0	1	3	+2	+1
Adjustment	−8	−0	−4	+4	−4

Exchange rates	FYE Mar. 2019 Results (following adjustment)	FYE Dec. 2019 (forecast)	FYE Dec. 2019 (results)
China (CNY)	1 CNY = 16.16 JPY	1 CNY = 16.00 JPY	1 CNY = 15.85 JPY
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U.S.A (USD)	1 USD = 111.00 JPY	1 USD = 111.00 JPY	1 USD = 109.37 JPY

Domestic Business: Situation by Category

Category	FYE Dec. 2019 Results	
	*1 Net sales (% of previous period)	
Chocolate	34.8 billion yen (+ 5.4%)	Year-on-year growth was achieved, driven in part by net sales by the mainstay product “Pocky” red box. Health-oriented products such as “GABA” and “LIBERA” continued to show strong growth, while “Kobe Roasted Chocolate” was also robust.
Cookies	20.0 billion yen (+ 1.6%)	Increases for the mainstay product “Pretz” were driven in part by the basic flavor’s first renewal in ten years.
Ice Cream	73.4 billion yen (+ 3.2%) *2	Increases by wholesale subsidiaries made a contribution. Looking at specific brands, “Ice no mi” and “Panapp” were strong; however, “PAPICO”, etc., struggled due to the effects of lower sales attributable to the cool summer.
Yoghurt	15.7 billion yen (−5.7%)	Revenue decreased compared to the previous year due to declines for “BifiX yoghurt” and other mainstay brands.
Drinking Milk	20.6 billion yen (−8.3%)	The mainstay brand “Cafe Ole” struggled, and revenue showed a year-on-year decrease.
Infant Formula	4.0 billion yen (+ 16.5%)	The “Infant Milk” category as a whole produced a year-on-year increase in revenue, in part due to the contribution of liquid milk.
Health	9.8 billion yen (+ 4.4%)	“Almond Koka” continued to show strong performance, and “SUNAO” also posted a year-on-year increase.

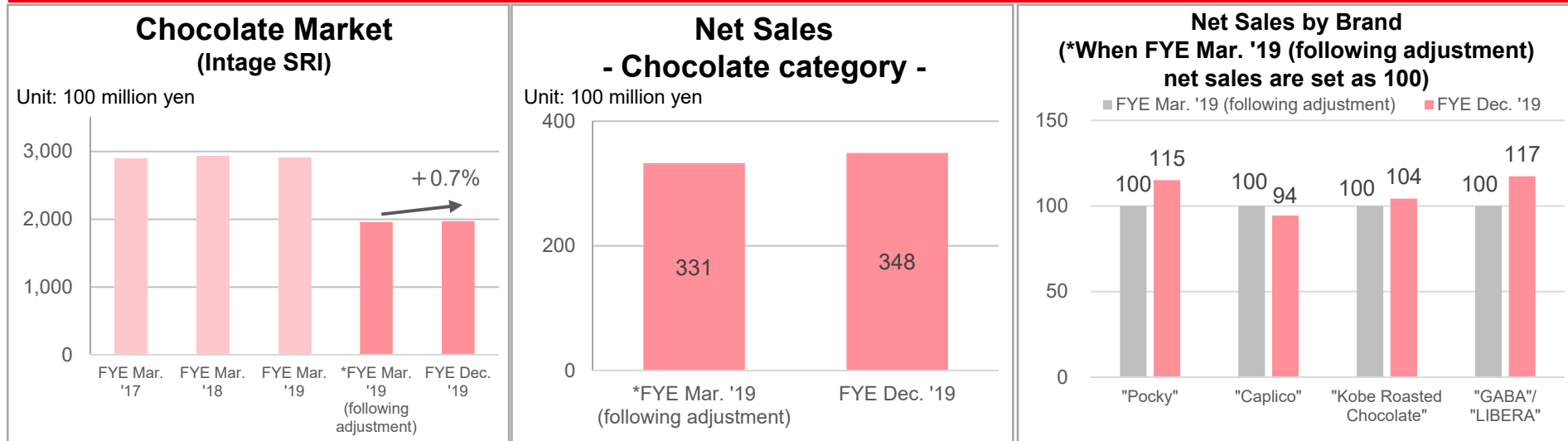
*1: Comparison with FYE March 2019 results (following adjustment)

*2: Includes net sales of ice cream wholesale, etc.

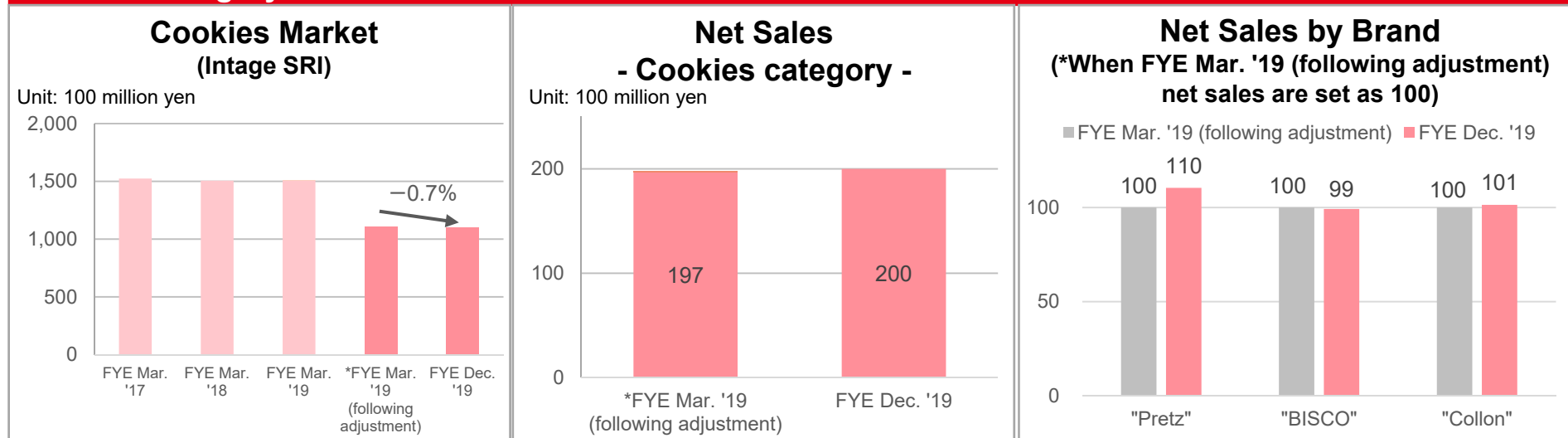
Domestic Business: Situation by Category (Chocolate/Cookies)



Chocolate category



Cookies category



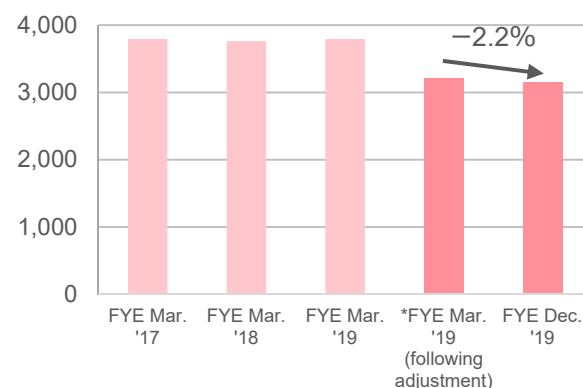
Domestic Business: Situation by Category (Ice Cream/Yoghurt)



Ice Cream category

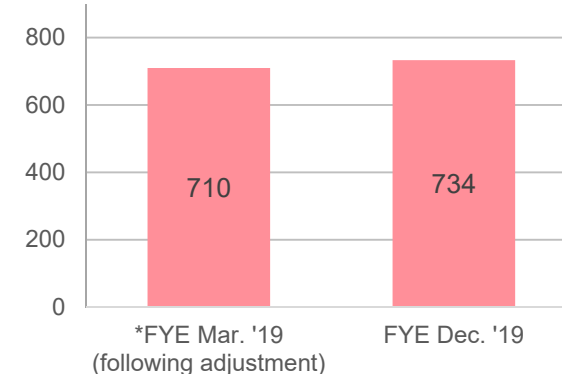
Ice Cream Market (Intage SRI)

Unit: 100 million yen

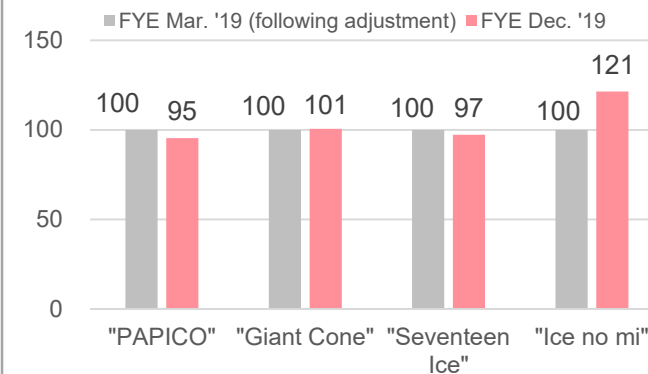


Net Sales - Ice Cream category -

Unit: 100 million yen



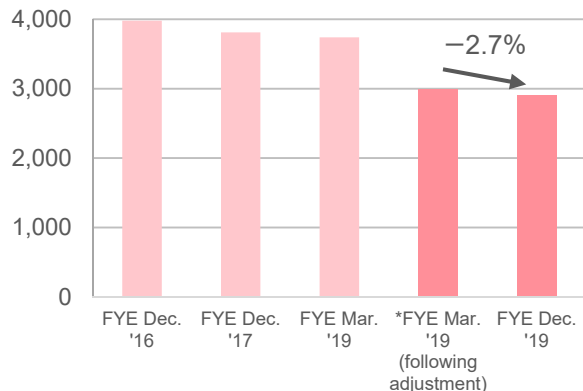
Net Sales by Brand (*When FYE Mar. '19 (following adjustment) net sales are set as 100)



Yoghurt category

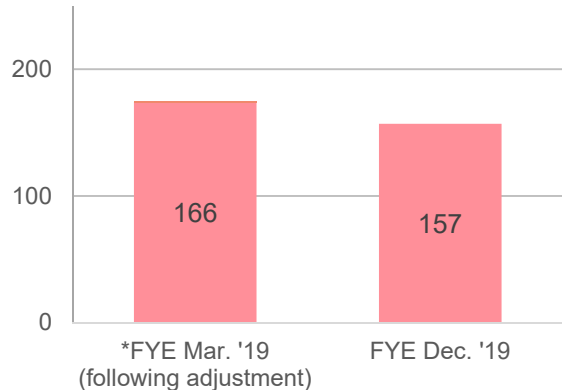
Yoghurt Market (Intage SRI)

Unit: 100 million yen

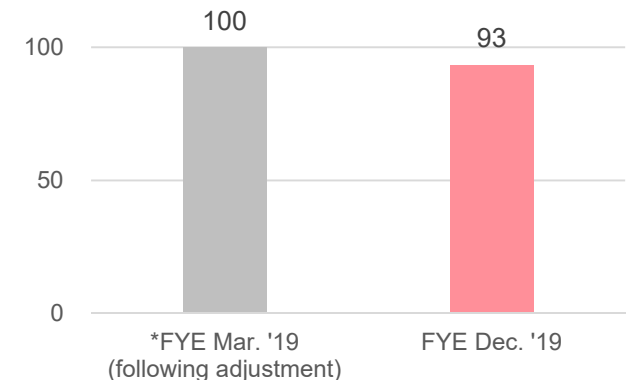


Net Sales - Yoghurt category -

Unit: 100 million yen



BifiX Yoghurt Net Sales (*When FYE Mar. '19 (following adjustment) net sales are set as 100)



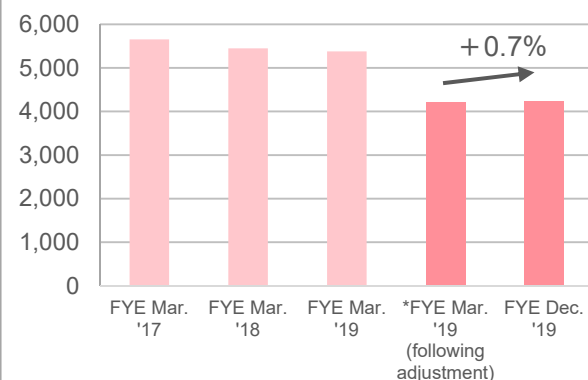
Domestic Business: Situation by Category (Drinking Milk/Infant Formula)



Drinking Milk category

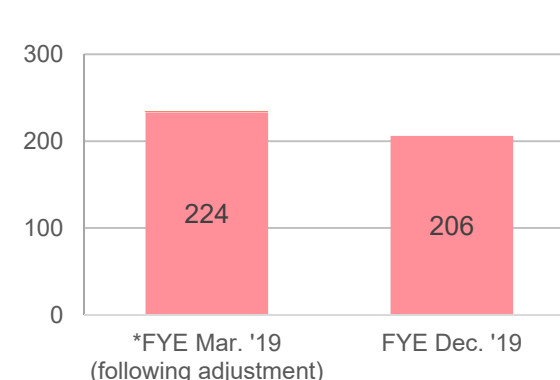
Drinking Milk Market (Intage SRI)

Unit: 100 million yen

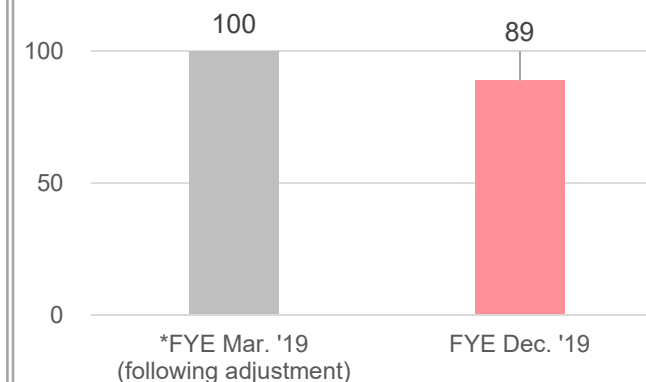


Net Sales - Drinking milk category -

Unit: 100 million yen



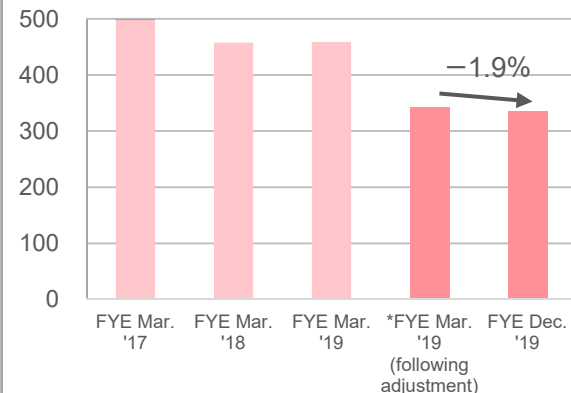
Cafe Ole Net Sales (*When FYE Mar. '19 (following adjustment) net sales are set as 100)



Infant Formula category

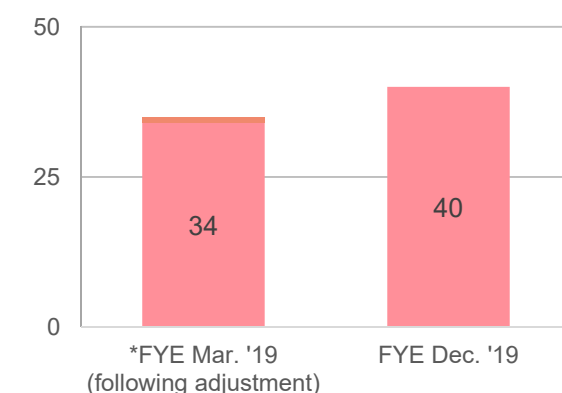
Infant Formula Market (Intage SRI/SCI estimates)

Unit: 100 million yen

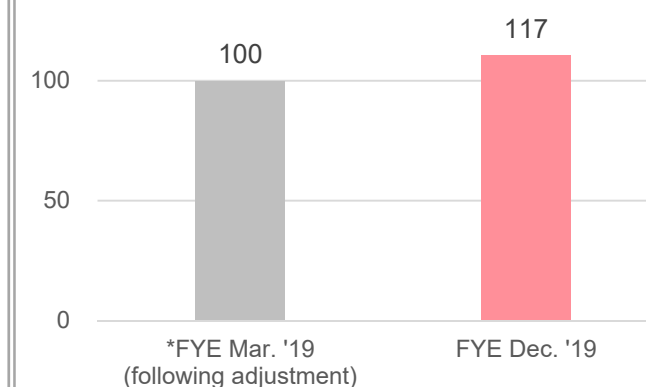


Net Sales - Infant Formula category -

Unit: 100 million yen



Icreo (Infant Formula) Net Sales (*When FYE Mar. '19 (following adjustment) net sales are set as 100)



Overseas Business: Region-Specific Net Sales and Operating Income



◆ China

(Unit: 1 million CNY)

	FYE Dec. 2018 Results	FYE Dec. 2019 Forecast	FYE Dec. 2019 Results	Change from Previous Period (%)	Change from Forecast (%)
Net sales	1,598	1,642	1,652	+ 3.3	+ 0.6
Operating income	78	71	99	+ 26.8	+ 39.8

◆ ASEAN

(Unit: 1 million USD)

	FYE Dec. 2018 Results	FYE Dec. 2019 Forecast	FYE Dec. 2019 Results	Change from Previous Period (%)	Change from Forecast (%)
Net sales	126	152	149	+ 17.7	− 1.9
Operating income	− 13	− 11	− 9	-	-

◆ U.S.A.

(Unit: 1 million USD)

	FYE Dec. 2018 Results	FYE Dec. 2019 Forecast	FYE Dec. 2019 Results	Change from Previous Period (%)	Change from Forecast (%)
Net sales	57	64	64	+ 12.7	+ 0.1
Operating income	17	18	17	+ 1.9	− 4.6

*Concerning FYE December 2018 and FYE December 2019 data for ASEAN, figures were converted with the FYE December 2019 Result rate for each country.

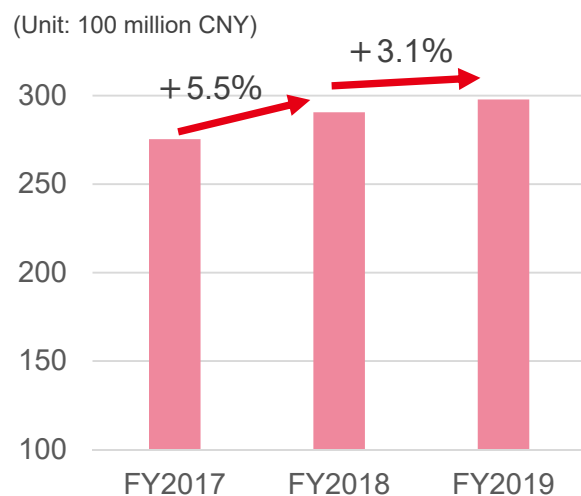
*Exports from Japan to Hong Kong and exports to Vietnam will be included in China and ASEAN, respectively, beginning in FYE December 2019.

China



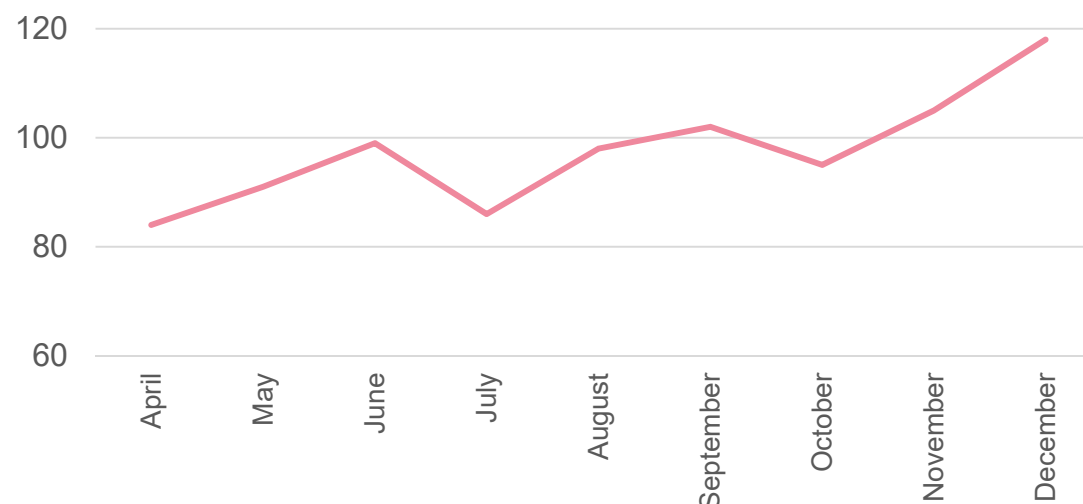
- In 2019, China's cookie market grew 3.1% compared to the previous year. Glico's net sales posted 1,652 million CNY or +3.3% compared to the previous year based on local currencies.
- During FY2019, the prices of "Pejoy"(April), "Pretz"(July), and "Pocky"(August) were raised. There was opposition to the price increases among some retailers and small/medium wholesalers before and after they were implemented and thus some decrease in sales growth was seen. However, sales showed recovery in the latter half of the second half.
- Overall off-line net sales fell -0.6% compared to the previous term due to the effects of price increases for "Pocky", "Pretz", and "Pejoy" that were implemented in FY2019. Nonetheless, "Pocky Day" and the year-end shopping season were strong.

**China's cookie market size
(offline/EC)**



Source: Glico research

2019 sales of the three mainstay products ("Pocky", "Pretz", and "Pejoy") (monthly comparison with same month of previous year)



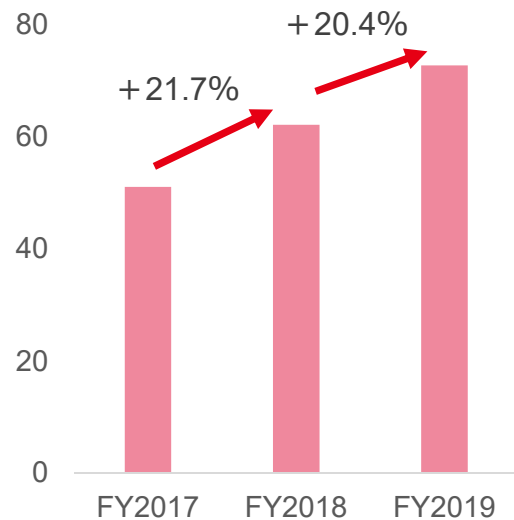
China: Online



- In 2019, the EC market in China's cookie market grew 20.4% compared to the previous year.
- Campaigns within Alibaba, JD.com, and other sites were actively obtained by leveraging Glico's marketing and innovation. This simultaneously brought higher sales/brand recognition and brand equity.
- Glico's EC business expanded by 82.4% compared to the previous year. Glico's EC net sales ratio rose to 8.4%.

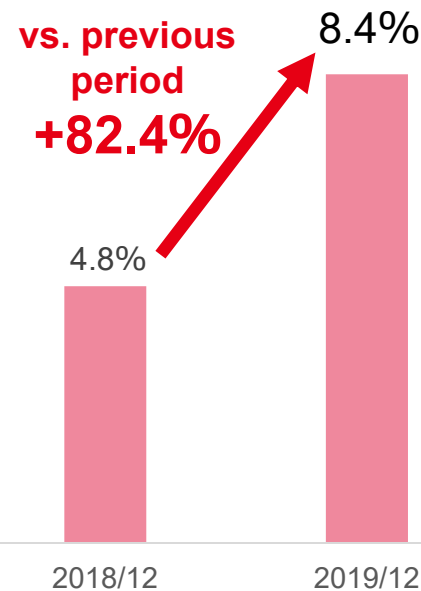
China's cookie market size (EC)

(Unit: 100 million CNY)



Source: Glico research

Glico's EC net sales and EC ratio



Commercials for “Pocky” rank high in searches on Weibo, China’s largest social networking service.



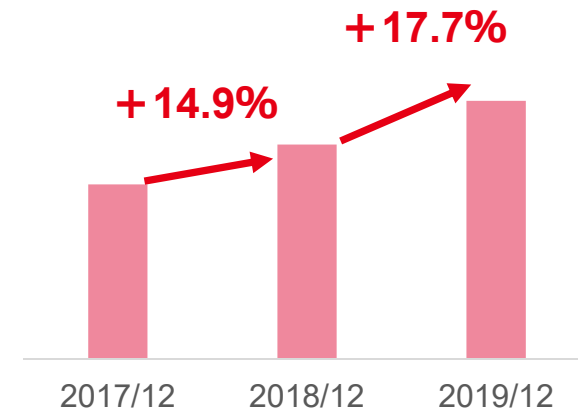
ASEAN



- The company continued aggressive marketing investment to solidify its business foundation during FY2019. Net sales continued their trend from the first half by also achieving double-digit growth in the second half. Full-year net sales achieved 17.7% growth compared to the previous year.
- Particularly in Indonesia, where net sales growth has been exceptionally strong, active marketing investment that includes television commercials and good progress in shifting to new distributors has brought significant net sales growth.
- On the other hand, net sales have struggled in Thailand amid intensifying competition with other companies. The company will strive to regain strength by executing more effective marketing activities in FY2020.

Net sales in ASEAN

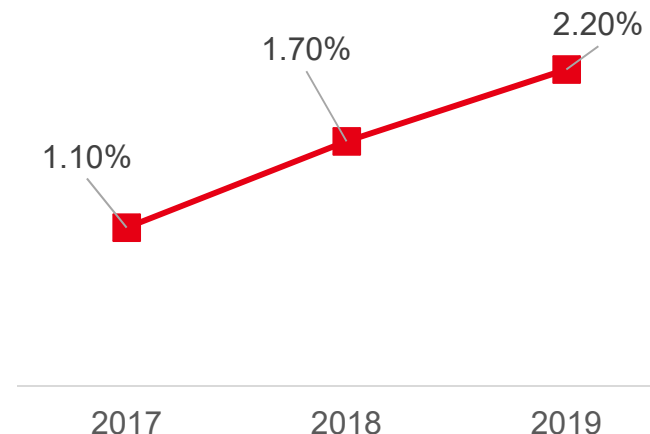
(Includes powdered milk in Vietnam)



Products sold in Indonesia and other countries of ASEAN



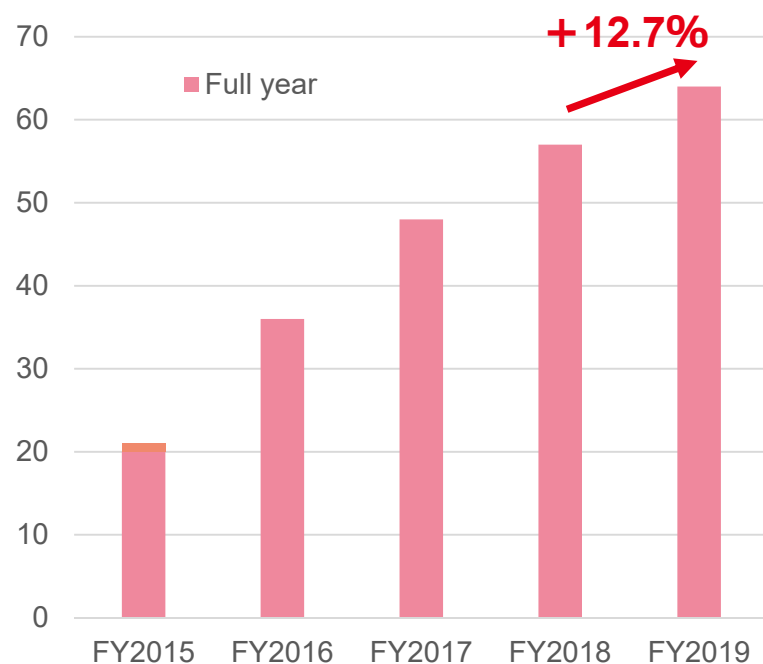
Share of Indonesia's confectionery market



- The FY2019 net sales of Ezaki Glico USA, Glico's local subsidiary in the U.S. confectionery business, increased by 12.7% year on year to 64 million USD based on local currencies, as the company continued to expand distribution to American retailers.
- The company implemented active marketing activities that included promotion of digital marketing, and as a result orders associated with "Pocky Day" and Christmas grew.
- Looking at membership store-based channels, high distribution rates and turnover were maintained, particularly at Costco.

(1) Changes in Ezaki Glico USA's net sales

(Unit: 1 million USD)

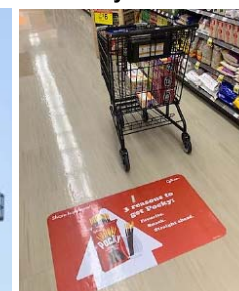


(2) Marketing activities

Outdoor Pocky advertising



In-store advertising guiding customers to Pocky shelves



In-store of Pocky shelves



Display at a Costco



Digital advertising for Christmas, etc.



II. FYE December 2020 Earnings Forecast

Three Mainstays of Glico's Growth Strategy

- 1. Rebuild by concentrating on core brands and aiming for continuous growth of long-selling brands**
- 2. Achieve continuous growth of sales of added-value health brands.**
- 3. Create and expand new habitual markets to resolve social issues.**

FYE December 2019 Initiatives (1)



Concentration on core brands: Rebuilding to achieve continuous growth of long-selling brands

1. Fundamental product renewal of base SKU

V-shaped recovery with Pretz flagship 3SKU
Double-digit sales growth through the full year

2. Marketing innovation of base SKU

“Pocky”: Double-digit sales growth through the full year



3. Recovery of ice cream brands following poor sales attributable to cool summer

Second half
Year-on-year increase for “PAPICO”
Double-digit growth for “Giant Cone” and “Ice no mi”



FYE December 2019 Initiatives (1): Brands to Receive Special Attention



Concentration on core brands: Rebuilding to achieve continuous growth of long-selling brands

“BifiX”

Through renewal to “rejuvenate the intestines” with BifiX bacteria × dietary fiber inulin, further accelerate base + added-function innovation in consideration of the bottoming-out trend that began in the third quarter.



“Cafe Ole”

Added-value health SKU

“Pretz-grade” innovation of base SKU in marketing is urgently needed.



FYE December 2019 Initiatives (2)



Achieve continuous growth of sales of added-value health brands

- (1) Double-digit growth through the full year for “GABA” and “LIBERA”
- (2) Double-digit growth for the fifth consecutive year and market share of at least 90% for “Almond Koka”
- (3) Recovery from poor sales attributable to cool summer for “SUNAO” ice cream



FYE December 2019 Initiatives (3)



NEW

Winner of the “2019 Nikkei Superior Products and Services Award and Nikkei MJ Award of Excellence”

Lower childcare burden

Disaster preparedness

What the examiners had to say:

- A product that instantly eliminates troublesome tasks.
- Although popular as milk for emergencies when water cannot be boiled, it is also handy during ordinary times
- In the past, mothers were under considerable stress because they had to make their hungry, crying babies wait as they dissolved powdered milk in hot water. This product is commendable for addressing the child-raising generation's anxieties.

NEW

Winner of The Japan Food Journal's “Hit Food Product Award” and “New Technology/Food Development Award”

Lower childcare burden

Disaster preparedness



Reasons for selection

- A technology that drives new development in the food industry.
- A new product in the food industry that generates active demand in the industry, benefits the logistics sector that handles it, and stimulates the market.

Other awards won in the past



Nikkei Trendy Included in a ranking of hit products for 2019!

Woman of the Year Award for 2020

Yuriko Mizukoshi, Brand Manager of the Babies & Childcare Marketing Department of Ezaki Glico's Marketing Headquarters was named a “Woman of the Year 2020” by Nikkei Woman, a distinction presented to successful women in 2019. Ms. Mizukoshi was recognized for developing and marketing Japan's first infant milk and for giving peace of mind to mothers and their infants in Japan, a nation prone to disasters.



Sales of a “milk carton nipple” that lets babies drink liquid milk straight from the package

Lower childcare burden

“Chu-Chu Nipple for Milk Cartons” by JEX Co., Ltd., a general manufacturer of medical supplies, went on sale exclusively at Akachan Honpo stores nationwide on Friday, November 29. Glico held a workshop coinciding with the product's launch at Akachan Honpo's TOC store. Because using the nipple with “Icreo” shortens feeding time and reduces the number of things carried when going out, Glico is promoting both products' use in everyday activities.



A service area event on the best “liquid milk” when out of the house

Lower childcare burden

On Saturday, December 14, Glico held an educational event on the proper use of liquid milk at an expressway service area.



Net Sales and Income Forecast



- Net sales: We forecast a significant increase in net sales by overseas business. For domestic business, we forecast increases in net sales particularly in Ice Cream and Confectioneries.
We forecast a 3.5% increase year on year throughout the consolidated Group.
- Operating income: For domestic business, we forecast an increase primarily in Ice Cream. We forecast a 10.7% increase year on year for the entire consolidated Group when overseas increases are added in.

* We anticipate that the FY2020 performance goal of “net sales and average annual growth rates of at least 5% and at least 30 billion yen in operating income” that was established in the Medium-Term Management Plan presented in May 2018 will not be attained due to delayed progress of the domestic-focused brand strategy and other factors.

(Unit: 100 million yen)

	FYE Dec. 2019 1H Results (following adjustment)	FYE Dec. 2019 Results (following adjustment)	FYE Dec. 2020 1H Forecast	Change from Previous Period (%)	FYE Dec. 2020 Forecast	Change from Previous Period (%)
Net sales	1,664	3,537	1,705	+ 2.5	3,660	+ 3.5
Operating income	53	163	54	+ 0.9	180	+ 10.7
Ordinary income	63	175	60	− 5.2	185	+ 5.6
Net income	37	121	43	+ 17.0	125	+ 3.1
Operating profit margin (%)	3.2	4.6	3.2	-	4.9	-

*1: 1H FYE December 2019 Results (following adjustment) are cumulative totals for January to June 2019 for both domestic and overseas business (the same applies to all pages).

*2: FYE December 2019 Results (following adjustment) are cumulative totals for January to December 2019 for both domestic and overseas business (the same applies to all pages).

Operating Income Forecast



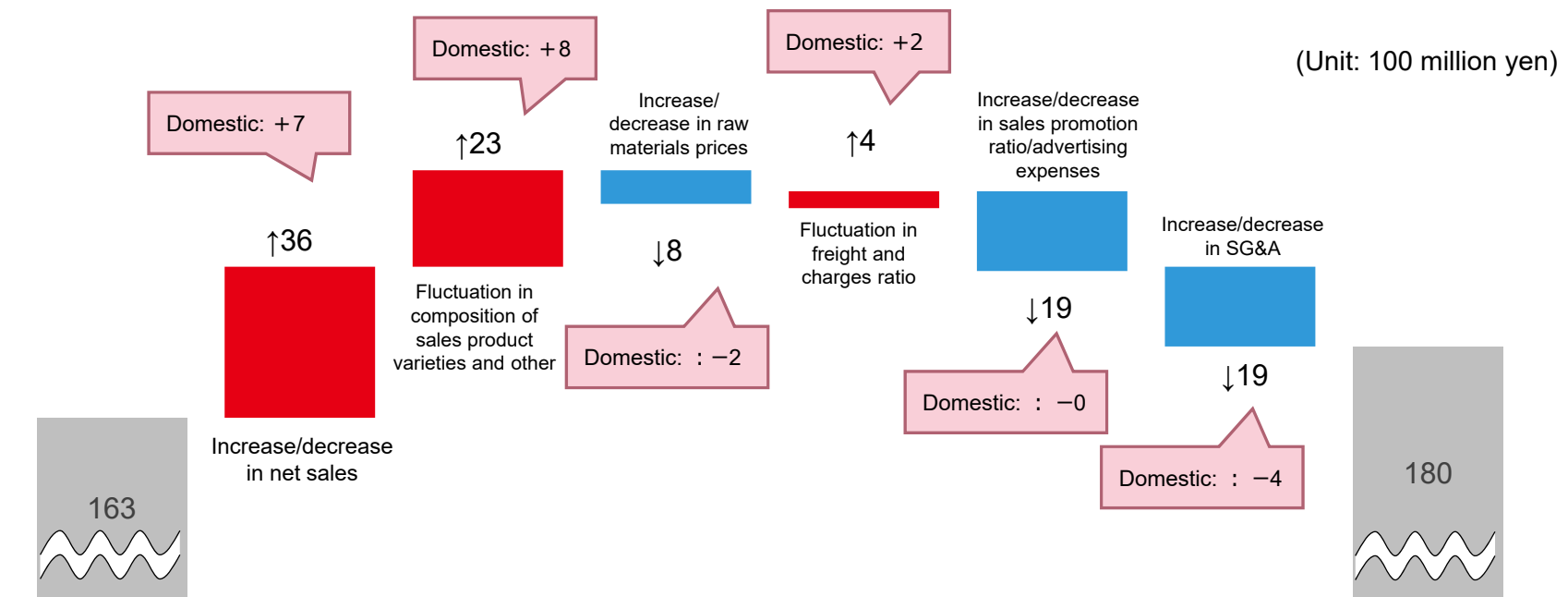
(Unit: 100 million yen)

	FYE Dec. 2019 Results (following adjustment)	Sales Ratio %	FYE Dec. 2020 Forecast	Sales Ratio %
Net sales	3,537	100.0	3,660	100.0
Cost of sales	1,860	52.6	1,902	52.0
Gross profit	1,677	47.4	1,758	48.0
Freight and charges	313	8.8	320	8.7
Sales promotion	559	15.8	583	15.9
Advertising expenses	139	3.9	153	4.2
Salaries and benefits	294	8.3	299	8.2
Expenses and depreciation	210	6.0	224	6.1
SGA total	1,514	42.8	1,578	43.1
Operating income	163	4.6	180	4.9

Factors of Increases (Decreases) in Operating Income *Glico*

Change from previous period

- Domestically, although SG&A expenses are expected to increase, higher profits are forecasted overall due to increased earnings attributable to higher net sales and cost reductions from “fluctuation in composition of sales product varieties and other.”
- Overseas, although costs are expected to rise due to active investment of SG&A investment and other factors, higher profits are forecasted overall due to increased earnings attributable to higher net sales and cost reductions from “fluctuation in composition of sales product varieties and other.”



FYE Dec. '19 Results
(following adjustment)

FYE Dec. '20 Forecast

Net Sales Forecast by Segment



- For domestic business, we forecast increases primarily in the Confectioneries, Ice Cream and Other segments.
- The Overseas segment will strive to achieve significant increases.

(Unit: 100 million yen)

	FYE Dec. 2019 1H Results (following adjustment)	FYE Dec. 2019 Results (following adjustment)	FYE Dec. 2020 1H Forecast	Change from Previous Period (%)	FYE Dec. 2020 Forecast	Change from Previous Period (%)
Total	1,664	3,537	1,705	+ 2.5	3,660	+ 3.5
Confectioneries and Food Products	459	962	457	−0.5	970	+ 0.8
Confectioneries	371	770	372	+ 0.3	779	+ 1.2
Food products	88	192	85	−3.8	191	−0.8
Ice Cream	380	874	398	+ 4.6	912	+ 4.4
Milk and Dairy Products	429	876	408	−4.8	837	−4.5
Food Ingredients	51	106	52	+ 1.5	108	+ 1.8
Overseas business	253	534	293	+ 15.7	631	+ 18.1
Other	91	185	97	+ 6.4	202	+ 9.2

Exchange rates	FYE Dec. 2019 (results)	FYE Dec. 2020 1H/full-year (forecast)
China (CNY)	1 CNY = 15.85 JPY	1 CNY = 15.50 JPY
Thailand (THB)	1 THB = 3.52 JPY	1 THB = 3.40 JPY
U.S.A (USD)	1 USD = 109.37 JPY	1 USD = 109.00 JPY

Operating Income Forecast by Segment



- Although we expect operating income to decrease in the Milk and Dairy Products segment, we forecast increases in the Confectioneries and Food Products, Ice Cream, and Overseas segments and a year-on-year increase of 1.7 billion yen for the entire consolidated Group.

(Unit: 100 million yen)

	FYE Dec. 2019 1H Results (following adjustment)	FYE Dec. 2019 Results (following adjustment)	FYE Dec. 2020 1H Forecast	Change from Previous Period	FYE Dec. 2020 Forecast	Change from Previous Period
Total	53	163	54	+1	180	+17
Confectioneries and Food Products	24	66	21	-2	70	+4
Confectioneries	25	62	20	-5	64	+2
Food products	-1	4	2	+3	6	+2
Ice Cream	23	60	21	-2	69	+9
Milk and Dairy Products	10	26	4	-6	21	-5
Food Ingredients	4	8	4	+0	8	+0
Overseas business	-2	12	11	+14	17	+6
Other	1	4	-6	-7	5	+1
Adjustment	-5	-13	-2	+3	-11	+3

Exchange rates	FYE Dec. 2019 (results)	FYE Dec. 2020 1H/full-year (forecast)
China (CNY)	1 CNY = 15.85 JPY	1 CNY = 15.50 JPY
Thailand (THB)	1 THB = 3.52 JPY	1 THB = 3.40 JPY
U.S.A (USD)	1 USD = 109.37 JPY	1 USD = 109.00 JPY

Overseas Business: Region-Specific Net Sales and Operating Income Forecast



◆China

(Unit: 1 million CNY)

	FYE Dec. 2019 1H Results (Jan. to Jun. 2019)	FYE Dec. 2019 Results (Jan. to Dec. 2019)	FYE Dec. 2020 1H Forecast (Jan. to Jun. 2020)	Change from Previous Period (%)	FYE Dec. 2020 Forecast (Jan. to Dec. 2020)	Change from Previous Period (%)
Net sales	785	1,652	975	+24.2	2,041	+23.6
Operating income	-2	99	84	-	135	+36.7

◆ASEAN

(Unit: 1 million USD)

	FYE Dec. 2019 1H Results (Jan. to Jun. 2019)	FYE Dec. 2019 Results (Jan. to Dec. 2019)	FYE Dec. 2020 1H Forecast (Jan. to Jun. 2020)	Change from Previous Period (%)	FYE Dec. 2020 Forecast (Jan. to Dec. 2020)	Change from Previous Period (%)
Net sales	67	145	81	+20.5	176	+21.4
Operating income	-3	-9	-6	-	-11	-

◆U.S.A.

(Unit: 1 million USD)

	FYE Dec. 2019 1H Results (Jan. to Jun. 2019)	FYE Dec. 2019 Results (Jan. to Dec. 2019)	FYE Dec. 2020 1H Forecast (Jan. to Jun. 2020)	Change from Previous Period (%)	FYE Dec. 2020 Forecast (Jan. to Dec. 2020)	Change from Previous Period (%)
Net sales	30	64	33	+9.0	70	+9.0
Operating income	10	17	8	-13.7	16	-5.7

*Concerning FYE December 2019 and FYE December 2020 data for ASEAN, figures were converted with the FYE December 2020 initial plan rate for each country.

TTM Currency Rate



		USD	EUR	THB	CNY	100KRW	100IDR
<u>2016</u>	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
	12/31	116.49	122.70	3.24	16.76	9.68	0.87
<u>2017</u>	3/31	112.19	119.79	3.26	16.29	10.04	0.84
	6/30	112.00	127.97	3.29	16.49	9.81	0.84
	9/30	112.73	132.85	3.38	16.96	9.89	0.84
	12/31	113.00	134.94	3.45	17.29	10.62	0.84
<u>2018</u>	3/31	106.24	130.52	3.40	16.92	9.99	0.78
	6/30	110.54	127.91	3.33	16.66	9.88	0.77
	9/30	113.57	132.14	3.50	16.50	10.23	0.76
	12/31	111.00	127.00	3.41	16.16	9.94	0.77
<u>2019</u>	3/31	110.99	124.56	3.49	16.47	9.80	0.78
	6/30	107.79	122.49	3.50	15.69	9.33	0.77
	9/30	107.92	118.02	3.53	15.13	8.99	0.76
	12/31	109.56	122.54	3.63	15.67	9.46	0.79

Net Sales by Category



(Unit: 100 million yen)

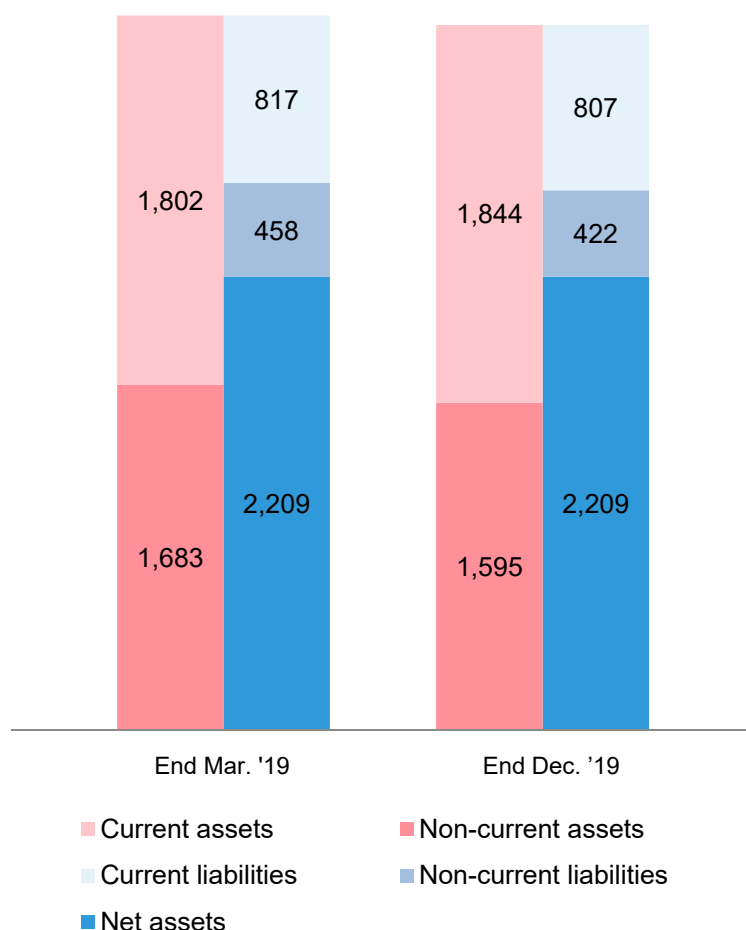
Segment	Category	FYE Dec. 2019 (following adjustment)		FYE Dec. 2020			
		1H Results	FYE Dec. 2019 Results	1H Forecast	Change from Previous Period (%)	FYE Dec. 2020 Forecast	Change from Previous Period (%)
Confectioneries and Food Products	Chocolate (including "Pocky")	232	479	231	-0.5	485	+1.2
	Cookies (including "Pretz")	124	259	125	+1.1	261	+0.8
	Food products	88	192	85	-3.8	191	-0.8
	Other	15	31	16	+7.6	33	+5.7
	Total	459	962	457	-0.5	970	+0.8
Ice Cream	Ice cream, wholesale subsidiaries	380	874	398	+4.6	912	+4.4
	Total	380	874	398	+4.6	912	+4.4
Milk and Dairy Products	Yoghurt	106	208	101	-4.8	198	-4.8
	Drinking Milk	130	268	124	-4.3	254	-5.1
	Fruit juices, Carbonated drinks	112	230	104	-7.3	218	-5.3
	Western confections	56	111	52	-6.4	106	-4.6
	Baby care (Infant formula & others)	25	59	27	+6.7	61	+2.8
	Total	429	876	408	-4.8	837	-4.5
Food Ingredients	Food Ingredients	51	106	52	+1.5	108	+1.8
	Total	51	106	52	+1.5	108	+1.8
Overseas	Overseas subsidiaries, export	253	534	293	+15.7	631	+18.1
	Total	253	534	293	+15.7	631	+18.1
Other	Office Glico, Health Business, etc.	91	185	97	+6.4	202	+9.2
	Total	91	185	97	+6.4	202	+9.2
Total		1,664	3,537	1,705	+2.5	3,660	+3.5

Status of Balance Sheet



- Net worth ratio : 61.4% (end of March 2019) → 62.0% (end of December 2019)

(Unit: 100 million yen)



Assets Major account items		End Mar. '19	End Dec. '19	Vs. end Mar. '19
Current assets	Cash and deposits	1,036	996	−40
	Notes and accounts receivable	401	438	+ 37
	Securities	16	60	+ 43
	Inventories	311	299	−12
Non-current assets	Property, plants and equipment	995	998	+ 3
	Intangible assets	95	70	−25
	Investment securities	418	353	−65

Liabilities and net assets Major account items		End Mar. '19	End Dec. '19	Vs. end Mar. '19
Current liabilities	Notes and accounts payable, trade	338	360	+ 22
	Short-term loans payable			
	Current portion of long-term loans payable	4	2	−2
Non-current liabilities	Convertible bonds	301	301	−0
	Long-term loans payable	2	0	−2
Net assets	Shareholders' equity	2,011	2,042	+ 31

Status of Cash Flows



(Unit: 100 million yen)

	FYE Mar. 2016 Results	FYE Mar. 2017 Results	FYE Mar. 2018 Results	FYE Mar. 2019 Results	FYE Dec. 2019 Results
Cash flows from operating activities	177	296	315	203	174
Cash flows from investing activities	-138	-141	-250	-87	-91
FCF (free cash flows)	39	155	64	116	83
Cash flows from financing activities	-101	242	-45	-46	-96
Cash and cash equivalents at end of year	520	902	930	992	980

Capital Investments, Depreciation, and R&D Expenditures

(Unit: 100 million yen)

	FYE Mar. 2019 Results	FYE Dec. 2019 Forecast	FYE Dec. 2019 Results	FYE Dec. 2020 Forecast
Capital investment total	169	197	163	133
Confectioneries and Food Products	80	52	36	46
Ice Cream	38	34	34	32
Milk and Dairy Products	24	29	24	24
Food Ingredients	2	1	3	3
Overseas business	19	21	10	21
Other	6	61	57	6
Investment and lending to unconsolidated subsidiaries	0	0	0	0
System investments	16	34	22	43
Total of capital investments, investment and lending to unconsolidated subsidiaries, and system investments	185	232	185	176
Depreciation	136	112	108	158
R&D expenditures	55	45	41	56

[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 present 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, infringement of Glico intellectual property rights, sudden technological innovation, and unfavorable decisions in major lawsuits and other factors. However, factors that influence earnings are not limited to these factors.

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