

Glico Group Financial Results

For the Second Quarter of Fiscal Year ending March 31,2018

November 15, 2017

EZAKI GLICO CO., LTD.

Securities Code - 2206

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I. FYE March 2018 Second Quarter Earnings Report and Progress Report on FYE March 2018 Initiatives

Status of Net Sales and Income

(Unit:100 million yen)

| | FYE March'17 1H | FYE March'18 1H | | | | | |
|------------------|-----------------------|-----------------------|---------|--------------------------------|---------------|-------------------------|---------------|
| | Results | Forecast | Results | Change from Previous period | | Change from Forecast | |
| | | | | Amount | Change (%) | Amount | Change (%) |
| Net sales | 1,862 | 1,958 | 1,876 | 14 | 0.7 | -82 | -4.2 |
| Operating income | 164 | 153 | 155 | -9 | -5.6 | 2 | 1.3 |
| Ordinary income | 163 | 161 | 167 | 4 | 2.2 | 6 | 3.5 |
| Net income | 116 | 112 | 114 | -2 | -1.7 | 2 | 1.4 |

Note 1) Forecasts are figures released on May 15 , 2017 . Latest forecasts are figures released on October 31 , 2017 (same applies to all slides).

Status of Operating Income

(Unit:100 million yen)

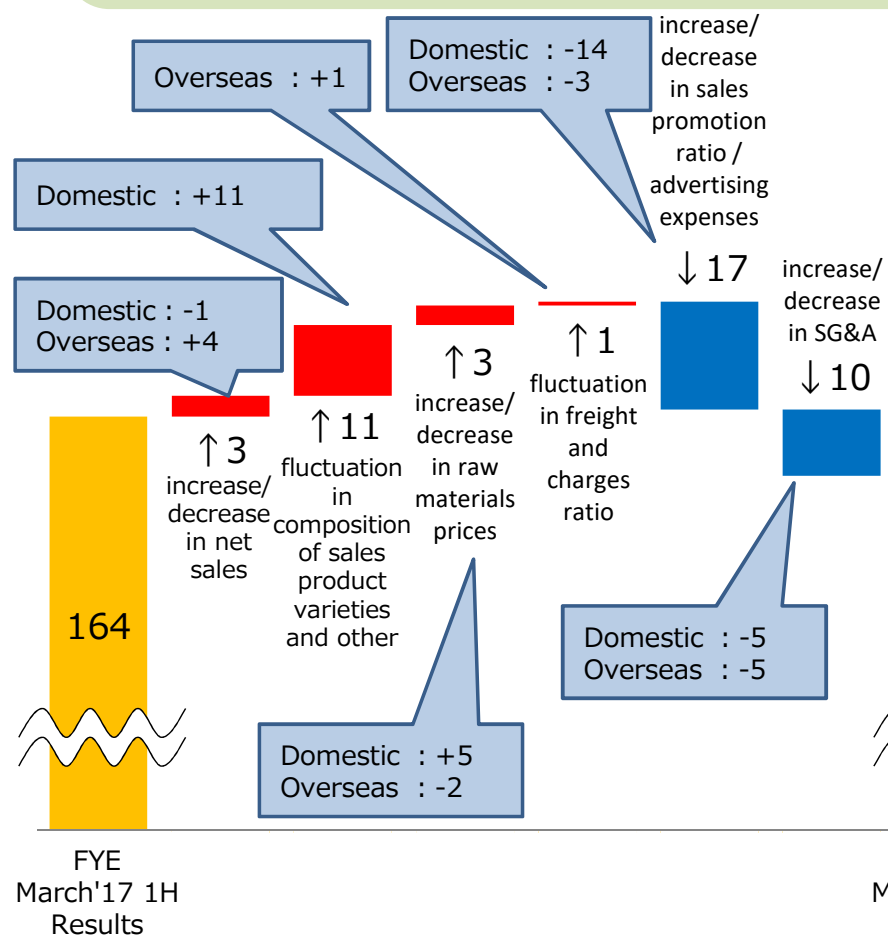
| | FYE March'17 1H | | FYE March'18 1H | | | |
|---------------------------|--------------------|-------|--------------------|-------|---------|-------|
| | Results | % | Forecast | % | Results | % |
| Net sales | 1,862 | 100.0 | 1,958 | 100.0 | 1,876 | 100.0 |
| Cost of sales | 993 | 53.3 | 1,021 | 52.2 | 986 | 52.6 |
| Gross profit | 869 | 46.7 | 937 | 47.8 | 890 | 47.4 |
| Freight and charges | 161 | 8.7 | 177 | 9.0 | 162 | 8.6 |
| Sales promotion | 271 | 14.6 | 300 | 15.3 | 281 | 15.0 |
| Advertising expenses | 58 | 3.1 | 76 | 3.9 | 67 | 3.6 |
| Salaries and benefits | 141 | 7.6 | 143 | 7.3 | 140 | 7.4 |
| Expenses and depreciation | 73 | 3.9 | 87 | 4.4 | 85 | 4.5 |
| SGA Total | 705 | 37.9 | 784 | 40.0 | 735 | 39.1 |
| Operating income | 164 | 8.8 | 153 | 7.8 | 155 | 8.3 |

Factors of increases (decreases) in operating income

(Unit: 100 million yen)

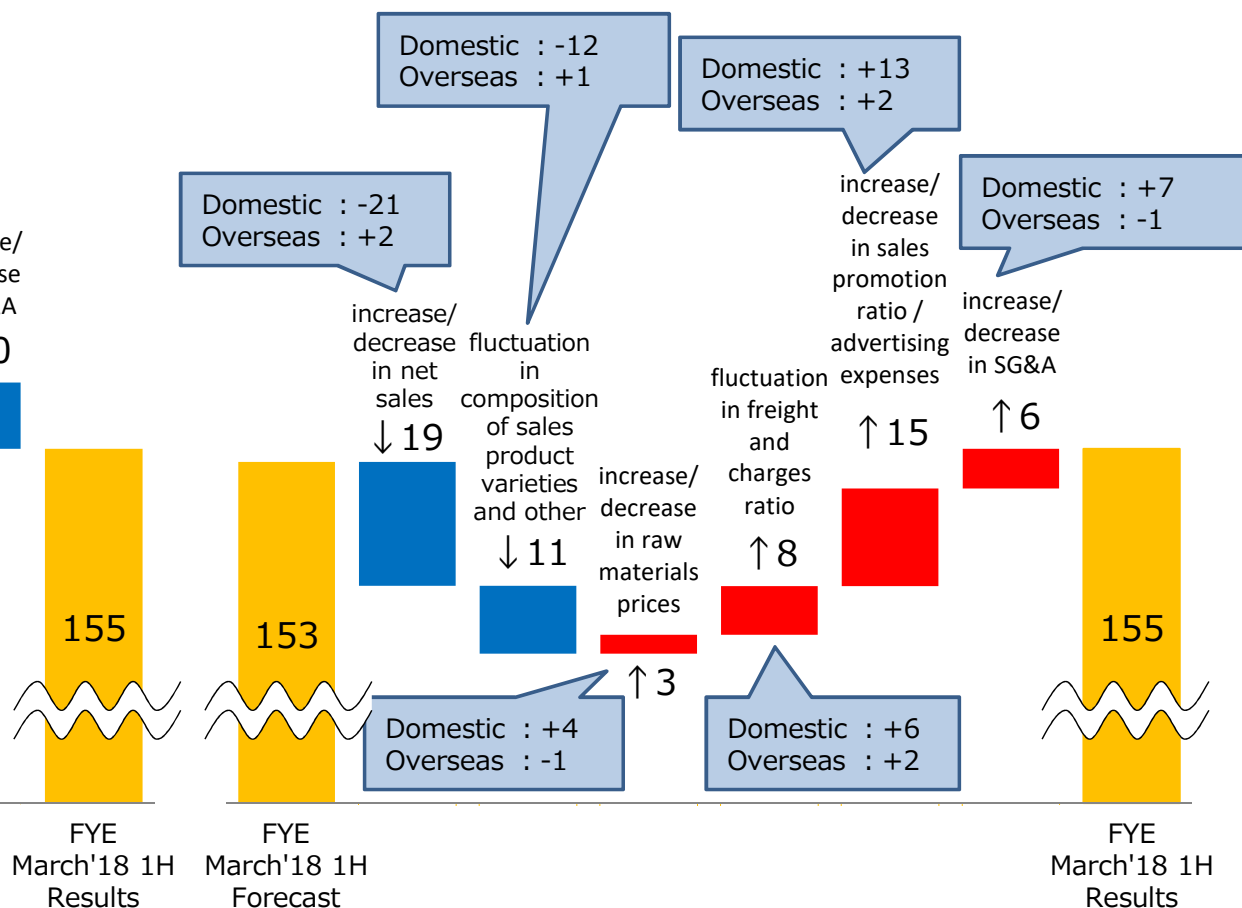
vs. Previous period

- ✓ Changes in sales product composition resulted in increased income of 1.1 billion yen but the increased ratio of sales promotion expenses and higher advertising expenses resulted in a 1.7 billion yen decrease in income.



vs. Forecast

- ✓ 1.9 billion yen decline in income due to revenues being 8.2 billion yen below target.
- ✓ On the other hand, the ratio of sales promotion expenses and advertising expenses were below targets, resulting in increased income of 1.5 billion yen.



Status of Net Sales by Segment

(Unit:100 million yen)

| | FYE March'17 1H | FYE March'18 1H | | | | | |
|---|--------------------|--------------------|---------|--------------------------------|--------|-------------------------|--------|
| | Results | Forecast | Results | Change from Previous period | | Change from Forecast | |
| | | | | Amount | Change | Amount | Change |
| Total | 1,862 | 1,958 | 1,876 | 14 | 0.7 | -82 | -4.2 |
| Confectioneries | 541 | 573 | 563 | 22 | 4.1 | -10 | -1.7 |
| (Of which, is domestic confectioneries) | 346 | 371 | 350 | 4 | 1.1 | -22 | -5.8 |
| Ice Cream | 591 | 591 | 569 | -21 | -3.6 | -22 | -3.7 |
| (Of which, is domestic ice cream) | 586 | 587 | 566 | -20 | -3.5 | -21 | -3.7 |
| Milk and Dairy Products | 504 | 542 | 506 | 2 | 0.3 | -36 | -6.7 |
| (Of which, is domestic milk and dairy products) | 500 | 536 | 502 | 2 | 0.5 | -34 | -6.3 |
| Food Products | 97 | 101 | 97 | -1 | -0.6 | -4 | -4.3 |
| Food Ingredients | 56 | 64 | 60 | 4 | 6.5 | -4 | -6.3 |
| Other | 73 | 87 | 81 | 8 | 11.1 | -6 | -6.7 |

※Above figures for domestic and overseas segments

| | | | | | | | |
|----------|-------|-------|-------|----|------|-----|------|
| Domestic | 1,659 | 1,747 | 1,656 | -3 | -0.2 | -91 | -5.2 |
| Overseas | 203 | 211 | 220 | 17 | 8.2 | 9 | 4.2 |

<Reference>

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

| | FYE March '17 1H Results | FYE March '18 1H Forecast | FYE March '18 1H Results |
|----------|-----------------------------|------------------------------|-----------------------------|
| China | 1CNY = ¥ 15.46 | 1CNY = ¥ 15.00 | 1CNY = ¥ 16.49 |
| Thailand | 1THB = ¥ 2.93 | 1THB = ¥ 3.00 | 1THB = ¥ 3.29 |

Status of Operating Income by Segment

(Unit:100 million yen)

| | FYE March'17 1H | FYE March'18 1H | | | | | |
|---|--------------------|--------------------|---------|--------------------------------|--------|-------------------------|--------|
| | Results | Forecast | Results | Change from Previous period | | Change from Forecast | |
| | | | | Amount | Change | Amount | Change |
| Total | 164 | 153 | 155 | -9 | -5.6 | 2 | 1.3 |
| Confectioneries | 46 | 36 | 43 | -4 | -7.8 | 7 | 18.2 |
| (Of which, is domestic confectioneries) | 23 | 21 | 23 | 0 | 0.4 | 2 | 7.5 |
| Ice Cream | 84 | 74 | 72 | -12 | -13.9 | -2 | -2.3 |
| (Of which, is domestic ice cream) | 85 | 76 | 74 | -11 | -12.6 | -1 | -1.8 |
| Milk and Dairy Products | 29 | 32 | 30 | 1 | 2.0 | -2 | -7.7 |
| (Of which, is domestic milk and dairy products) | 28 | 31 | 29 | 1 | 3.3 | -2 | -7.1 |
| Food Products | 4 | 5 | 4 | 1 | 16.1 | -1 | -16.2 |
| Food Ingredients | 5 | 7 | 8 | 3 | 54.8 | 1 | 7.7 |
| Other | -3 | -1 | -1 | 2 | - | -0 | - |

※Above figures for domestic and overseas segments

| | | | | | | | |
|----------|-----|-----|-----|----|-------|----|------|
| Domestic | 141 | 140 | 137 | -4 | -3.0 | -2 | -1.7 |
| Overseas | 23 | 13 | 18 | -5 | -22.0 | 4 | 32.9 |

<Reference>

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

| | FYE March '17 1H Results | FYE March '18 1H Forecast | FYE March '18 1H Results |
|----------|-----------------------------|------------------------------|-----------------------------|
| China | 1CNY = ¥ 15.46 | 1CNY = ¥ 15.00 | 1CNY = ¥ 16.49 |
| Thailand | 1THB = ¥ 2.93 | 1THB = ¥ 3.00 | 1THB = ¥ 3.29 |

Impact of Raw Material Price Fluctuations on Costs

◆ **FYE March 2018 1H Results**: Prices for overseas dairy products increased but prices for cacao beans and other chocolate raw materials, almonds, and sugar, etc., decline, resulting in an overall decline in costs of approximately 300 million yen compared to the previous year.

◆ **FYE March 2018 Full year targets**: In addition to the expectation that overseas dairy product prices will continue to increase, we also forecast increases in the prices of cacao beans and other chocolate raw materials as well as almonds.

(Unit: 1 million yen)

| | FYE March'17 1H Results | | FYE March'18 Full year Latest Forecast | |
|--|-------------------------------|------------------------|--|------------------------|
| | Change from Previous period*1 | Change from Forecast*2 | Change from Previous period*3 | Change from Forecast*4 |
| Group total (including overseas subsidiaries) | -304 | -273 | 1,659 | -241 |

Note) includes impact of currency

*1) $(1H/FY2017 \text{ actual prices} - 1H/FY2016 \text{ actual prices}) \times 1H/FY2017 \text{ volume used}$

*2) $(1H/FY2017 \text{ actual prices} - 1H/FY2017 \text{ original price forecast}) \times 1H/FY2017 \text{ volume used}$

*3) $(FY2017 \text{ full-year price forecasts} - FY2016 \text{ full-year actual prices}) \times FY2017 \text{ full-year projected volume}$

*4) $(FY2017 \text{ full-year price forecasts} - FY2017 \text{ full-year original price forecast}) \times FY2017 \text{ full-year projected volume}$

Capital Investments, Depreciation, and R&D Expenditures

(Unit:100 million yen)

| | FYE March'17 1H | FYE March'18 1H |
|--|--------------------|--------------------|
| | Results | Results |
| Confectioneries - Domestic | 12 | 23 |
| Confectioneries - Overseas | 7 | 2 |
| Ice Cream - Domestic | 58 | 65 |
| Ice Cream - Overseas | 1 | 4 |
| Milk and Dairy Products | 13 | 8 |
| Food Products | 2 | 2 |
| Food Ingredients | 1 | 1 |
| Other | 2 | 3 |
| Capital investment | 95 | 107 |
| Unconsolidated subsidiaries •investment and lending | 0 | 0 |
| System investment | 14 | 5 |
| Total | 109 | 112 |

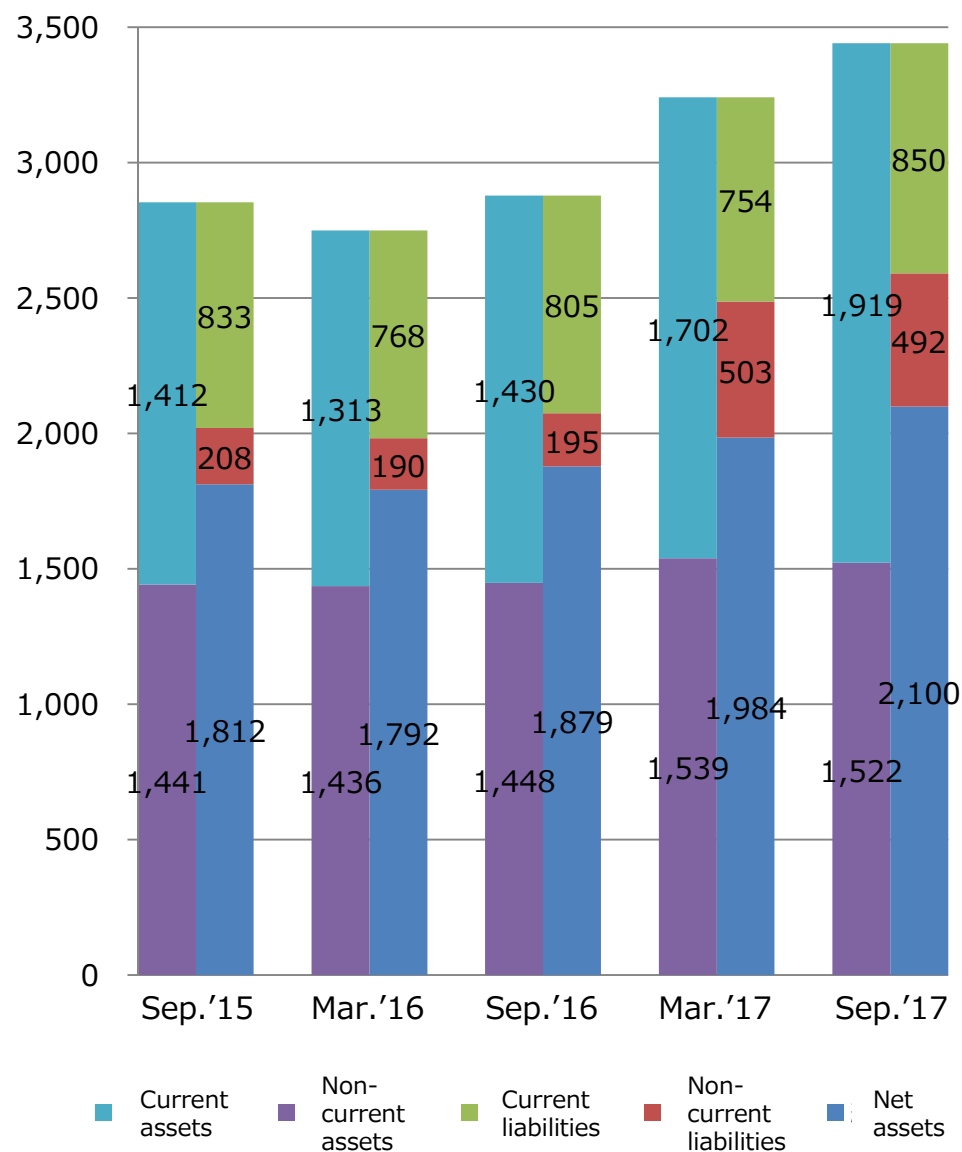
| | | |
|------------------|----|----|
| Depreciation | 51 | 65 |
| R&D expenditures | 26 | 30 |

| FYE March'17 Full year | FYE March'18 Full year | |
|---------------------------|---------------------------|--------------------|
| Results | Previous Forecast | Latest Forecast |
| 28 | 51 | 39 |
| 11 | 28 | 4 |
| 114 | 78 | 76 |
| 2 | 3 | 8 |
| 12 | 21 | 15 |
| 2 | 1 | 1 |
| 1 | 3 | 2 |
| 8 | 33 | 34 |
| 177 | 218 | 179 |
| 5 | 0 | 0 |
| 24 | 15 | 15 |
| 206 | 233 | 194 |

| | | |
|-----|-----|-----|
| 111 | 130 | 130 |
| 55 | 58 | 60 |

Status of Balance Sheet

◆Net worth ratio (%): 59.4% → 59.1%



○Non-current assets – Major account items (Unit:100 million yen)

| | Sep.'16 | Mar.'17 | Sep.'17 | Vs Sep. '16 | Vs Mar.'17 |
|-------------------------------------|---------|---------|---------|----------------|---------------|
| Cash and deposits | 609 | 960 | 1,068 | 459 | 108 |
| Notes and accounts receivable-trade | 403 | 368 | 457 | 54 | 88 |
| Securities | 91 | 32 | 65 | -26 | 32 |
| Inventories | 266 | 278 | 268 | 2 | -10 |

○Non-current assets – Major account items

| | Sep.'16 | Mar.'17 | Sep.'17 | Vs Sep. '16 | Vs Mar.'17 |
|-------------------------------|---------|---------|---------|----------------|---------------|
| Property, plant and equipment | 831 | 894 | 879 | 48 | -15 |
| Intangible assets | 51 | 57 | 56 | 5 | -1 |
| Investment securities | 384 | 398 | 415 | 31 | 17 |

○Current liabilities – Major account items

| | Sep.'16 | Mar.'17 | Sep.'17 | Vs Sep. '16 | Vs Mar.'17 |
|--|---------|---------|---------|----------------|---------------|
| Notes and accounts payable- trade | 335 | 292 | 397 | 62 | 105 |
| Short-term loans payable | | | | | |
| Current portion of long-term loans payable | 22 | 16 | 13 | -9 | -3 |

○Non-current liabilities – Major account items

| | Sep.'16 | Mar.'17 | Sep.'17 | Vs Sep. '16 | Vs Mar.'17 |
|-------------------------|---------|---------|---------|----------------|---------------|
| Convertible Bond | 0 | 301 | 301 | 301 | -0 |
| Long-term loans payable | 11 | 6 | 5 | -6 | -1 |

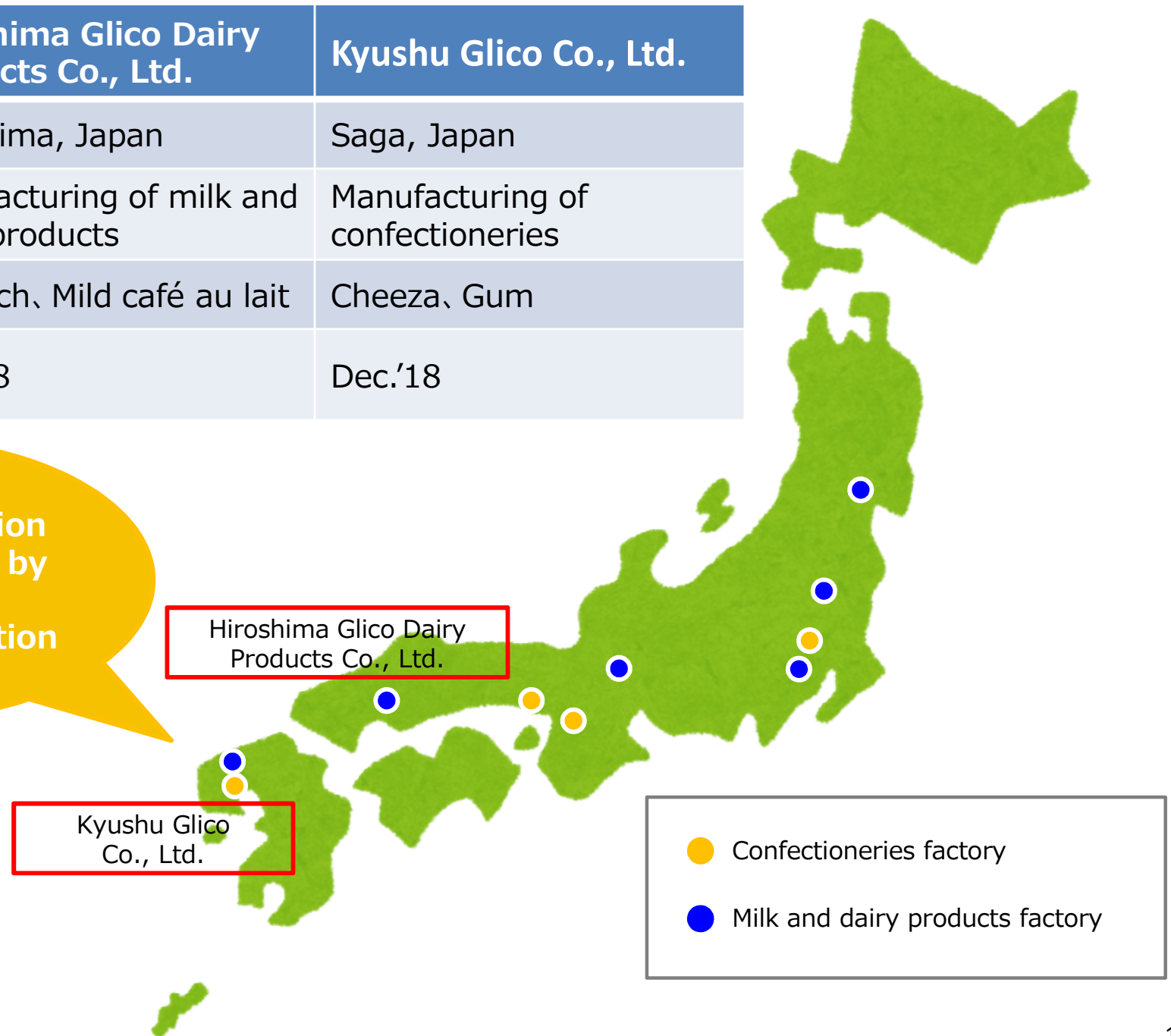
○Net assets – Major account items

| | Sep.'16 | Mar.'17 | Sep.'17 | Vs Sep. '16 | Vs Mar.'17 |
|----------------------|---------|---------|---------|----------------|---------------|
| Shareholders' equity | 1,751 | 1,804 | 1,900 | 149 | 96 |

Production Center (Confectioneries, Milk and dairy products) Restructuring

| Name | Hiroshima Glico Dairy Products Co., Ltd. | Kyushu Glico Co., Ltd. |
|---------------------------|--|----------------------------------|
| Location | Hiroshima, Japan | Saga, Japan |
| Business | Manufacturing of milk and dairy products | Manufacturing of confectioneries |
| Main products | Dororich, Mild café au lait | Cheeza, Gum |
| Planned end of production | Sep.'18 | Dec.'18 |

Strengthen
production division
competitiveness by
consolidating
domestic production
structure

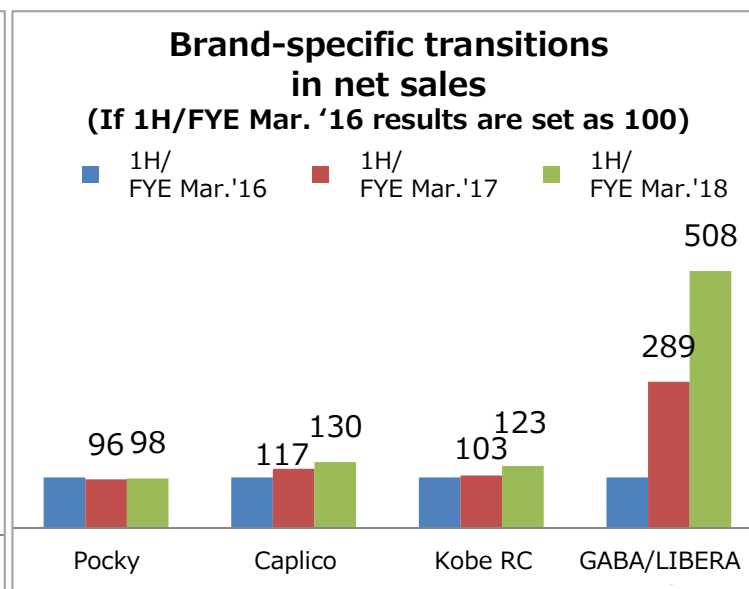
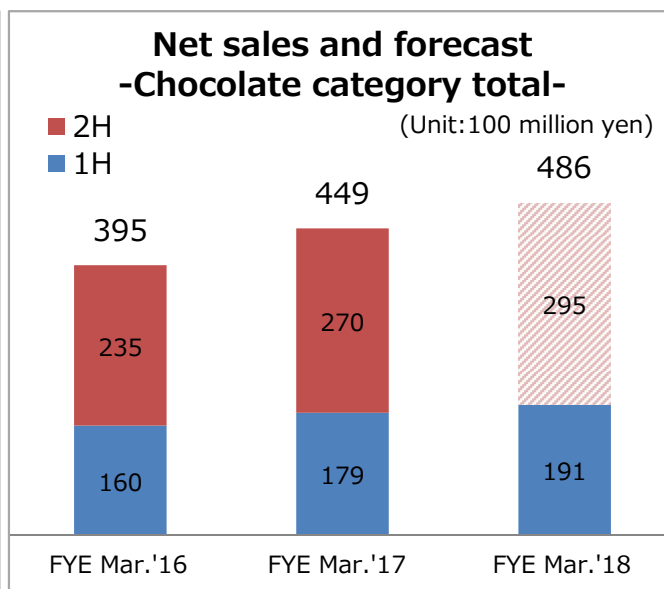
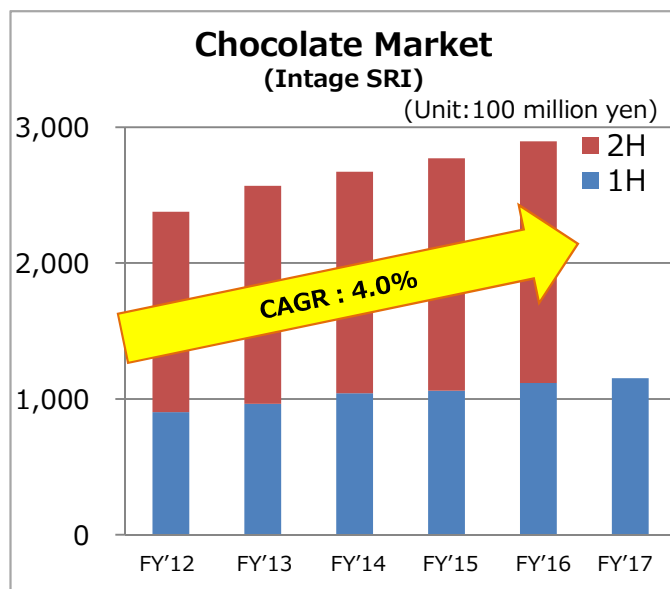


Status of Progress by Category

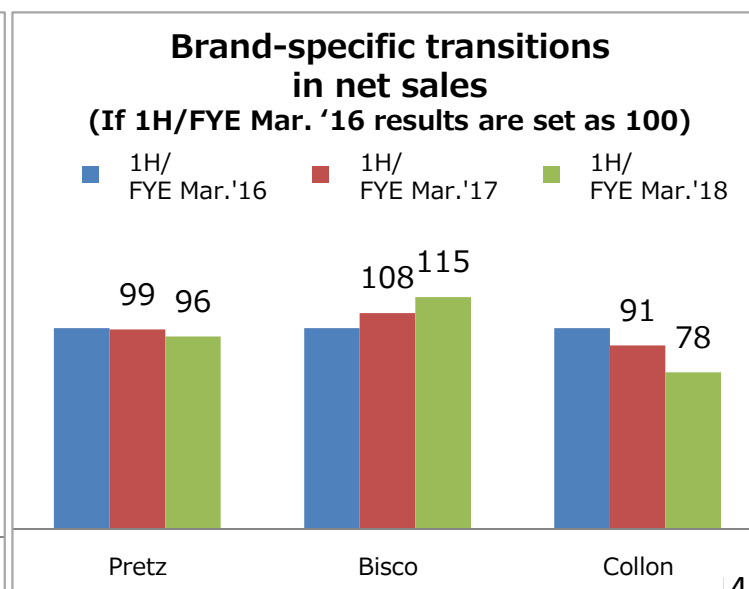
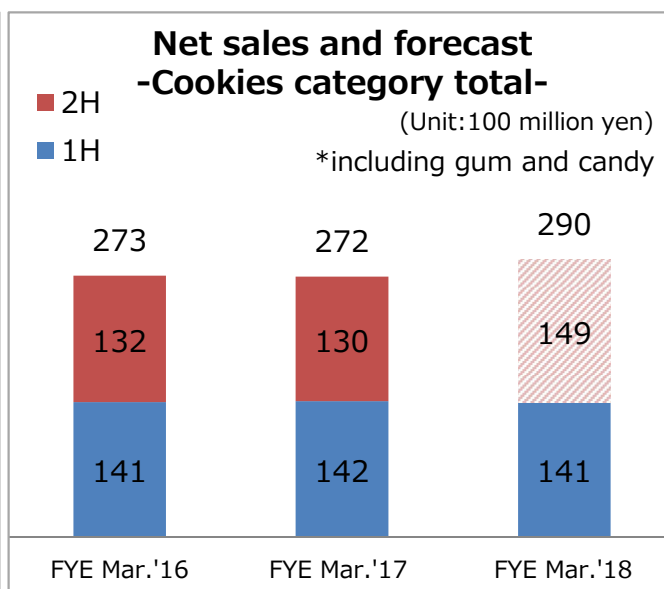
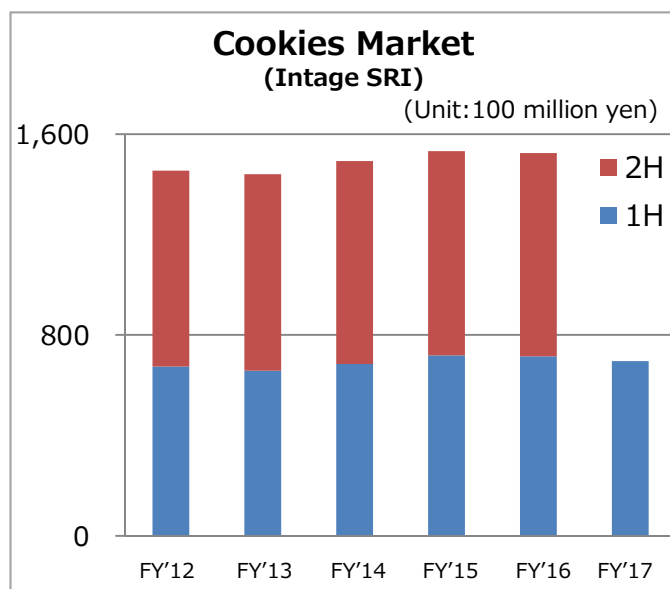
| Category | FYE March'18 Full year Previous forecast | ⇒ | FYE March'18 Full year Latest forecast | Status of First-Half Progress |
|---------------|--|---|--|---|
| Chocolate | Net sales ¥46.4 billion (103.4% compared to previous year) | ⇒ | Net sales ¥48.6 billion (108.2% compared to previous year) | -Revenue pillars Pocky and Caprico grew. Also saw contributions from growing brands such as Kobe Roasted Chocolate, and the food with function claims GABA and LIBERA. |
| Cookies | Net sales ¥32.5 billion (119.8% compared to previous year) | ⇒ | Net sales ¥29.0 billion (106.6% compared to previous year) | -Mainstay product Pretz experienced a slight decline in revenues but Bisco, for which we expanded our production line, performed relatively favorably and was able to cover that decline in revenues. |
| Ice cream | Net sales ¥89.5 billion (97.7% compared to previous year) | ⇒ | Net sales ¥87.6 billion (95.6% compared to previous year) | -Despite the impact of bad weather in August, mainstay products such as Papico and Giant Cone saw increased revenues as net sales excluding wholesale subsidiaries increased by 2.7%. Overall, revenues declined by 4.4% due to decreased revenues at wholesale subsidiaries incidental to reorganization in the distribution industry. |
| Yogurt | Net sales ¥27.0 billion (106.5% compared to previous year) | ⇒ | Net sales ¥26.2 billion (103.4% compared to previous year) | -The yogurt market saw decreased revenues. Heading into this year, a year on year decline in sales has continued and sales of our mainstay BifiX were lower. On the other hand, sales of Choshoku Ringo Yogurt were relatively favorable. |
| Drinking milk | Net sales ¥32.3 billion (114.2% compared to previous year) | ⇒ | Net sales ¥32.2 billion (114.0% compared to previous year) | -Sales of our mainstay Cafe au Lait declined slightly but overall sales of products to corporate customers increased and the category as a whole saw revenues increased by 8.9%. |

Status of Progress by Category

Chocolate category

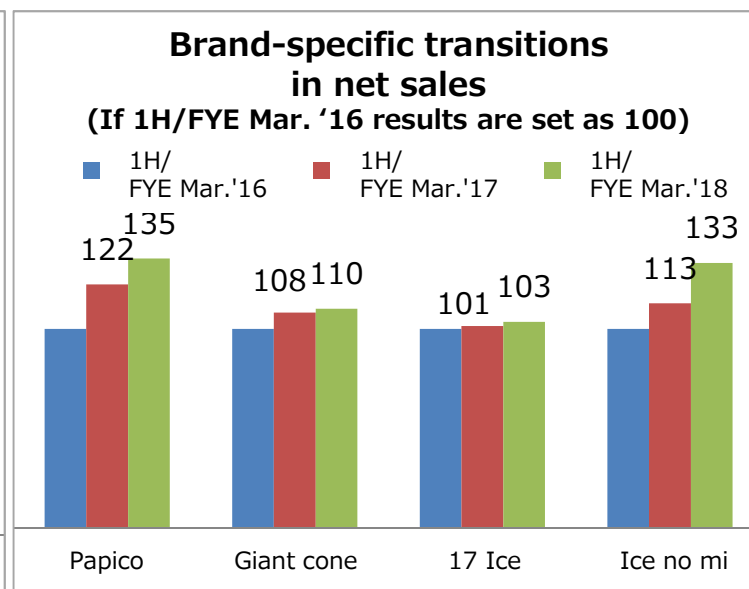
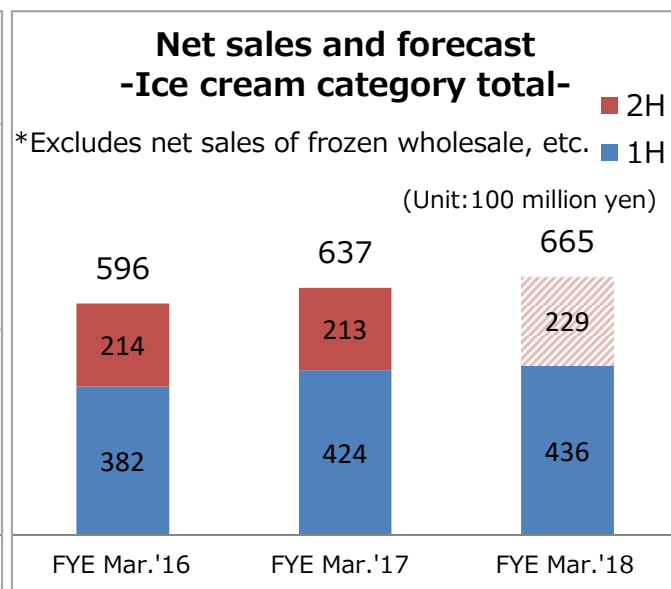
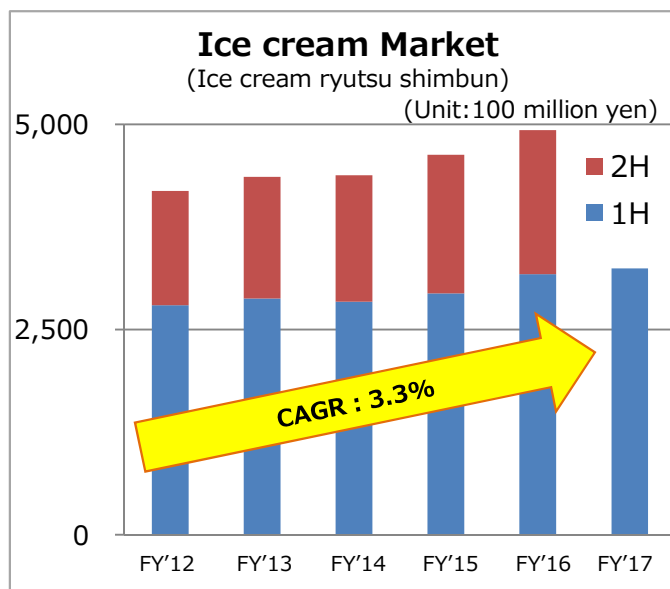


Cookies category

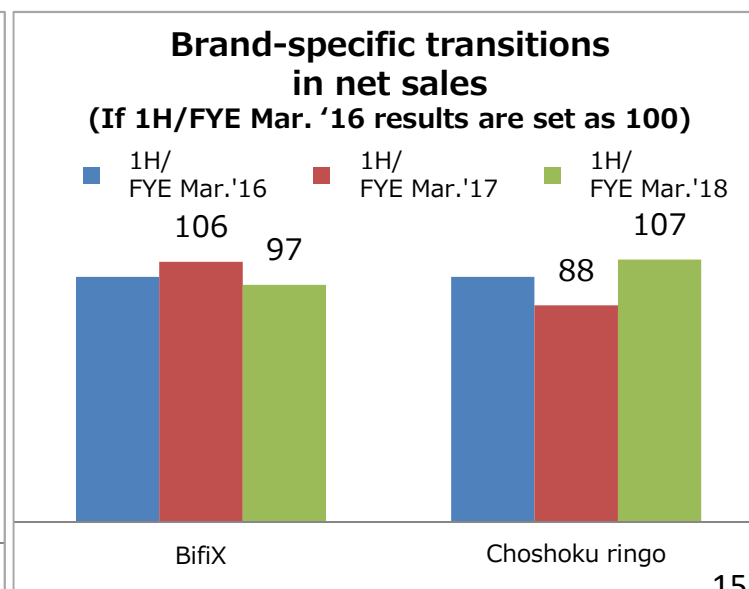
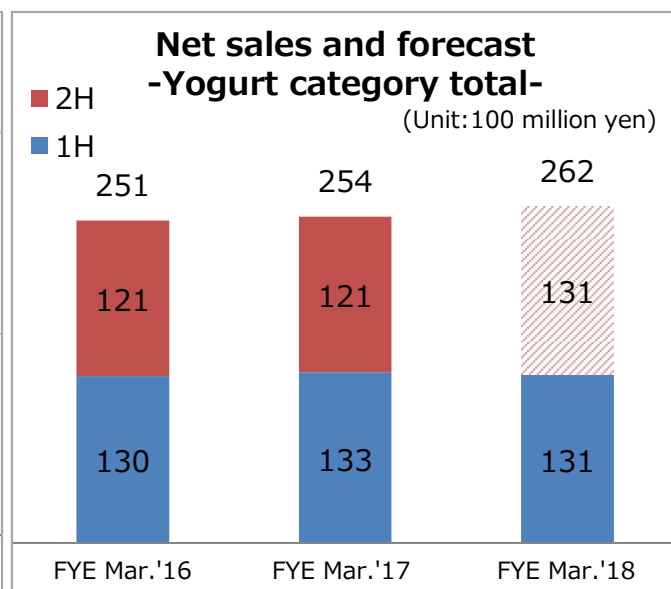
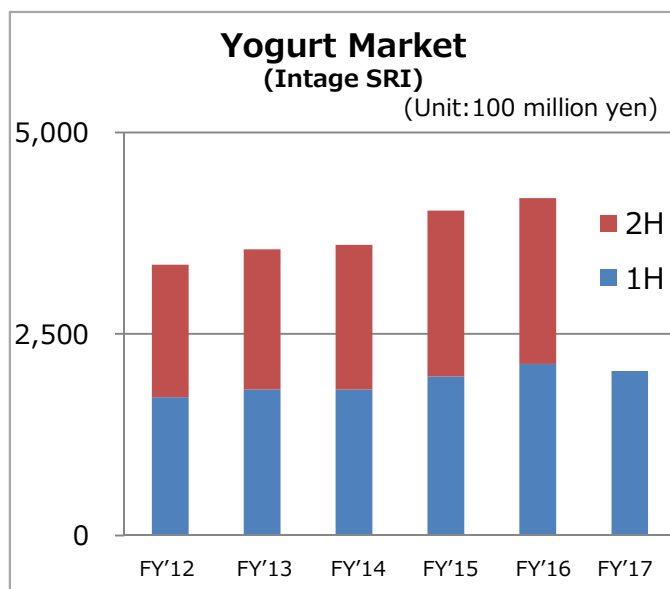


Status of Progress by Category

Ice cream category

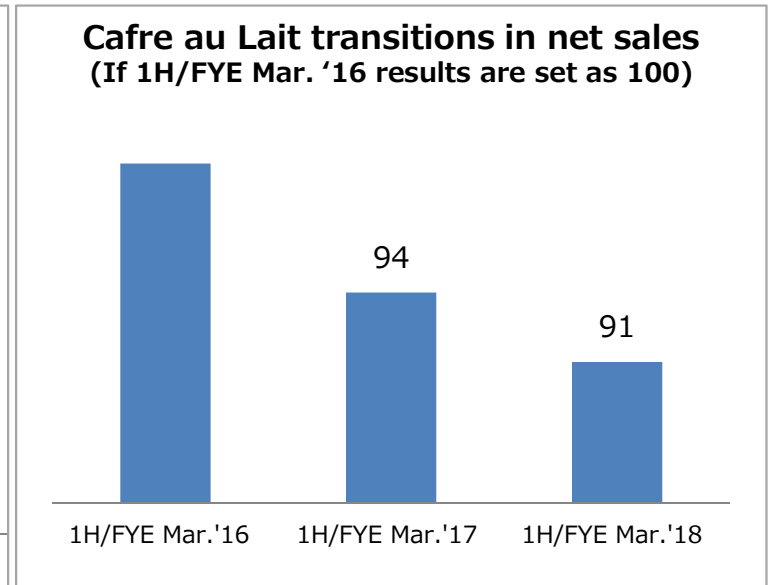
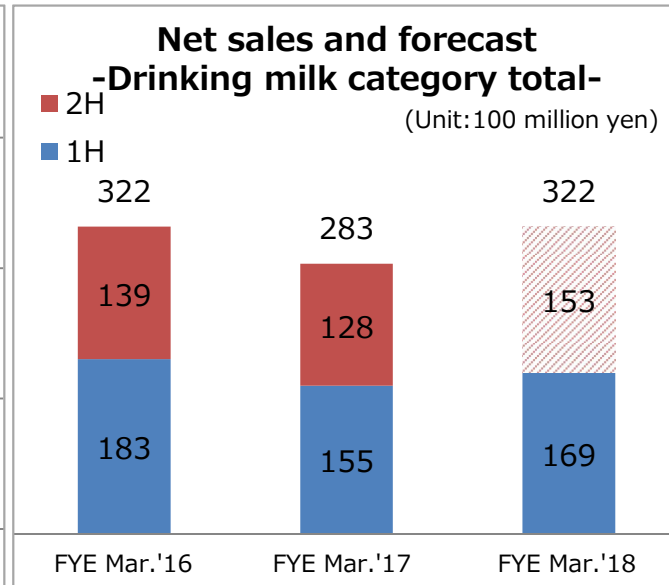
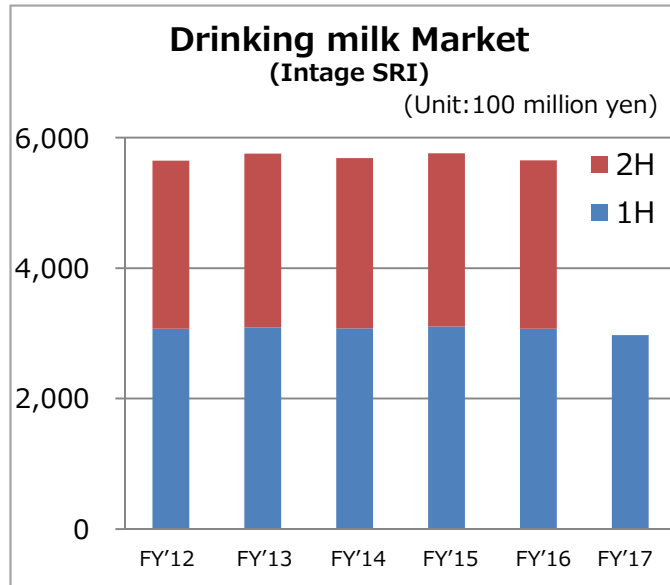


Yogurt category



Status of Progress by Category

Drinking milk category



II. FYE March 2018 Full-Year Earnings Forecast and Overseas Business Earnings Report

Full-Year Plan and Forecast

(Unit:100 million yen)

| | FYE March'17 Full year | FYE March'18 Full year | | | | | |
|------------------|---------------------------|---------------------------|--------------------|--------------------------------|------------|----------------------|------------|
| | Results | Previous Forecast | Latest Forecast | Change from Previous period | | Change from Forecast | |
| | | | | Amount | Change (%) | Amount | Change (%) |
| Net sales | 3,532 | 3,750 | 3,670 | 138 | 3.9 | -80 | -2.1 |
| Operating income | 243 | 250 | 220 | -23 | -9.3 | -30 | -12.0 |
| Ordinary income | 264 | 262 | 239 | -25 | -9.4 | -23 | -8.8 |
| Net income | 181 | 178 | 162 | -19 | -10.7 | -16 | -9.0 |

Operating Income Forecast

(Unit:100 million yen)

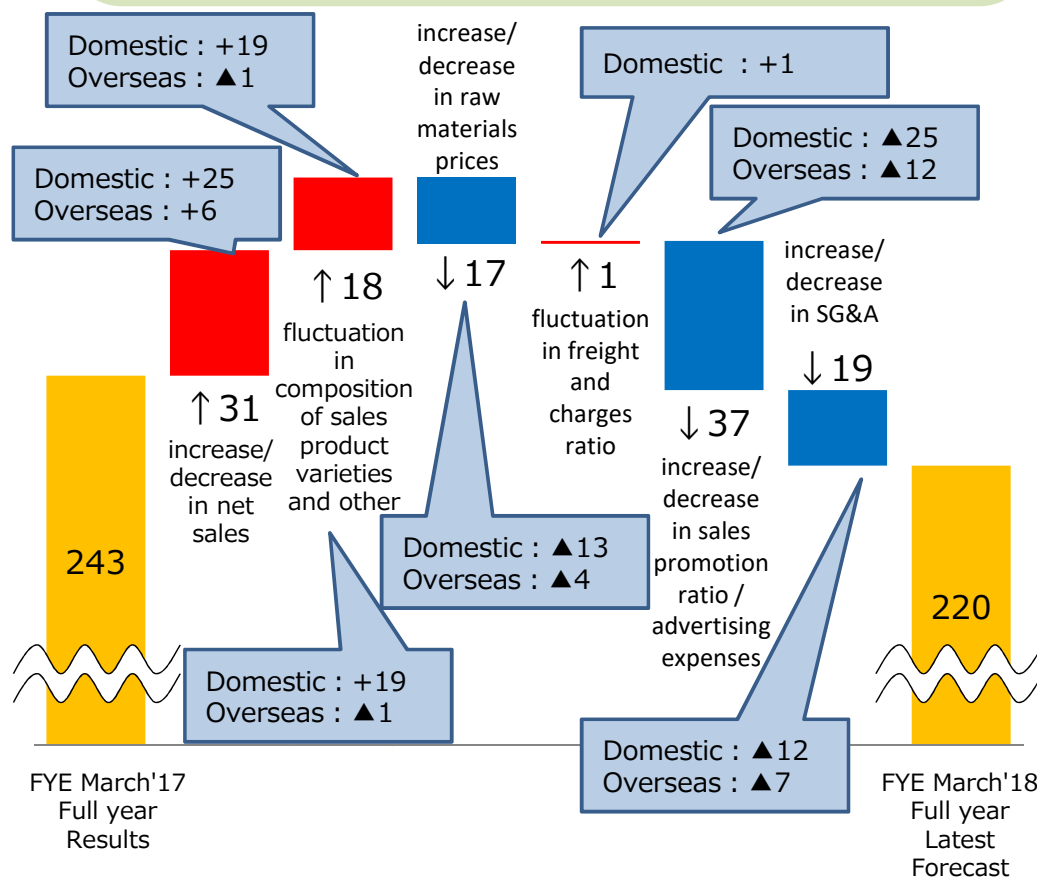
| | FYE March'17 Full year | | FYE March'18 Full year | | | |
|---------------------------|------------------------|-------|------------------------|-------|-----------------|-------|
| | Results | % | Previous Forecast | % | Latest Forecast | % |
| Net sales | 3,532 | 100.0 | 3,750 | 100.0 | 3,670 | 100.0 |
| Cost of sales | 1,881 | 53.2 | 1,975 | 52.7 | 1,953 | 53.2 |
| Gross profit | 1,651 | 46.8 | 1,775 | 47.3 | 1,717 | 46.8 |
| Freight and charges | 304 | 8.6 | 329 | 8.8 | 315 | 8.6 |
| Sales promotion | 543 | 15.4 | 590 | 15.7 | 575 | 15.7 |
| Advertising expenses | 117 | 3.3 | 139 | 3.7 | 143 | 3.9 |
| Salaries and benefits | 280 | 7.9 | 288 | 7.7 | 286 | 7.8 |
| Expenses and depreciation | 165 | 4.7 | 179 | 4.8 | 178 | 4.9 |
| SGA Total | 1,409 | 39.9 | 1,525 | 40.7 | 1,497 | 40.8 |
| Operating income | 243 | 6.9 | 250 | 6.7 | 220 | 6.0 |

Factors of increases (decreases) operating income

(Unit:100 million yen)

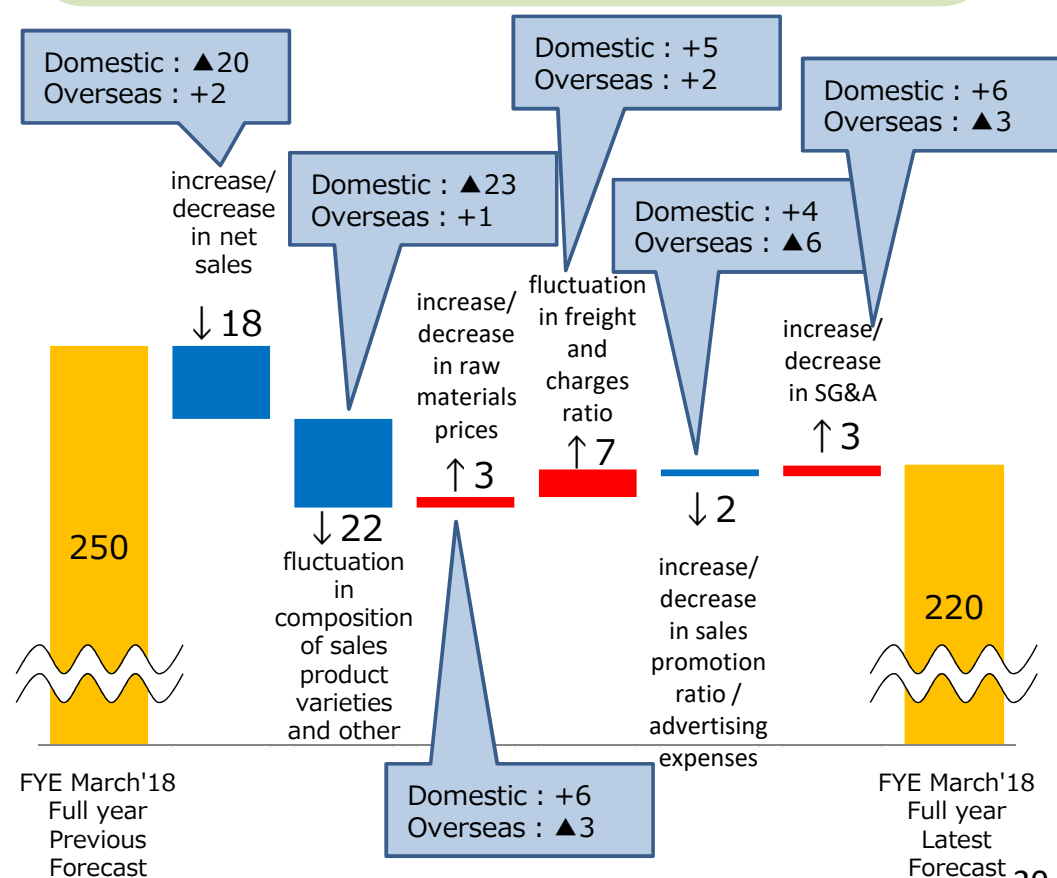
vs. Previous period

- ✓ Income increased by 3.1 billion thanks to increased net sales of 13.8 billion.
- ✓ The increase ratio of sales promotion expenses (+0.3%) and increased advertising expenses caused income to decline by 3.7 billion yen.



vs. Previous Forecast

- ✓ A 1.8 billion yen decline in income as net sales did not reach original targets.
- ✓ The ratio of sales promotion expenses was largely unchanged but advertising expenses increased, causing income to decline by 200 million yen.



Net Sales Forecast by Segment

(Unit:100 million yen)

| | FYE March'17 Full year | FYE March'18 Full year | | | | | |
|---|---------------------------|---------------------------|--------------------|--------------------------------|--------|-------------------------|--------|
| | Results | Previous Forecast | Latest Forecast | Change from Previous period | | Change from Forecast | |
| | | | | Amount | Change | Amount | Change |
| Total | 3,532 | 3,750 | 3,670 | 138 | 3.9 | -80 | -2.1 |
| Confectioneries | 1,211 | 1,311 | 1,306 | 95 | 7.8 | -5 | -0.4 |
| (Of which, is domestic confectioneries) | 776 | 864 | 845 | 69 | 8.9 | -20 | -2.3 |
| Ice Cream | 924 | 904 | 885 | -39 | -4.2 | -19 | -2.1 |
| (Of which, is domestic ice cream) | 916 | 895 | 876 | -40 | -4.4 | -19 | -2.2 |
| Milk and Dairy Products | 949 | 1,023 | 1,005 | 56 | 5.9 | -18 | -1.8 |
| (Of which, is domestic milk and dairy products) | 939 | 1,011 | 996 | 57 | 6.0 | -15 | -1.5 |
| Food Products | 202 | 210 | 208 | 6 | 2.9 | -2 | -1.0 |
| Food Ingredients | 104 | 128 | 112 | 8 | 7.3 | -16 | -12.5 |
| Other | 142 | 174 | 154 | 12 | 8.8 | -20 | -11.5 |

※Above figures for domestic and overseas segments

| | | | | | | | |
|----------|-------|-------|-------|-----|-----|-----|------|
| Domestic | 3,079 | 3,282 | 3,190 | 111 | 3.6 | -92 | -2.8 |
| Overseas | 453 | 468 | 480 | 27 | 5.9 | 12 | 2.6 |

<Reference>

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

| | FYE March '17 Results | FYE March '18 Previous Forecast | FYE March '18 Latest Forecast |
|----------|--------------------------|------------------------------------|----------------------------------|
| China | 1CNY = ¥ 16.76 | 1CNY = ¥ 15.00 | 1CNY = ¥ 16.96 |
| Thailand | 1THB = ¥ 3.24 | 1THB = ¥ 3.00 | 1THB = ¥ 3.38 |

Operating Income Forecast by Segment

(Unit:100 million yen)

| | FYE March'17 Full year | FYE March'18 Full year | | | | | |
|---|---------------------------|---------------------------|--------------------|--------------------------------|--------|-------------------------|--------|
| | Results | Previous Forecast | Latest Forecast | Change from Previous period | | Change from Forecast | |
| | | | | Amount | Change | Amount | Change |
| Total | 243 | 250 | 220 | -23 | -9.3 | -30 | -12.0 |
| Confectioneries | 105 | 105 | 96 | -9 | -9.0 | -9 | -8.6 |
| (Of which, is domestic confectioneries) | 67 | 75 | 72 | 4 | 6.4 | -4 | -5.0 |
| Ice Cream | 84 | 70 | 63 | -21 | -25.4 | -7 | -10.0 |
| (Of which, is domestic ice cream) | 87 | 73 | 68 | -19 | -21.5 | -5 | -6.9 |
| Milk and Dairy Products | 48 | 55 | 53 | 5 | 10.4 | -2 | -3.2 |
| (Of which, is domestic milk and dairy products) | 47 | 55 | 53 | 5 | 11.5 | -2 | -3.5 |
| Food Products | 8 | 9 | 9 | 1 | 6.6 | 0 | 0.0 |
| Food Ingredients | 10 | 14 | 10 | -0 | -0.2 | -5 | -32.1 |
| Other | -13 | -3 | -11 | 3 | - | -8 | - |

※Above figures for domestic and overseas segments

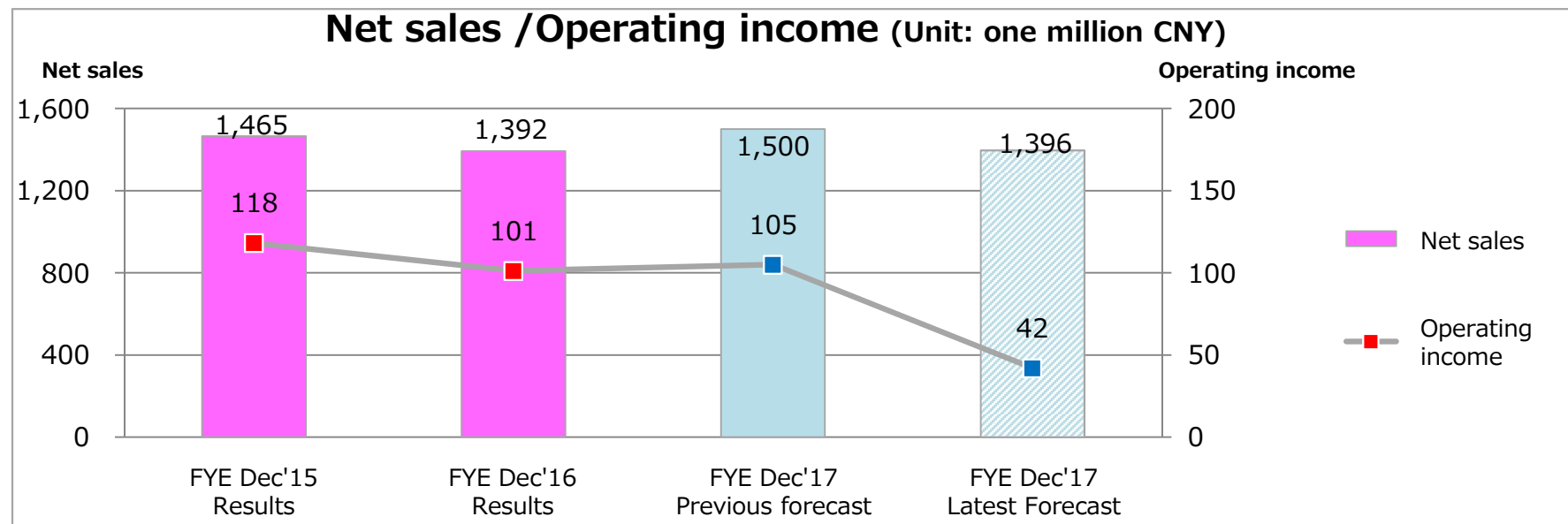
| | | | | | | | |
|----------|-----|-----|-----|-----|-------|-----|-------|
| Domestic | 206 | 223 | 206 | -0 | 0.0 | -17 | -7.7 |
| Overseas | 36 | 27 | 14 | -22 | -61.8 | -13 | -48.0 |

<Reference>

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

| | FYE March '17 Results | FYE March '18 Previous Forecast | FYE March '18 Latest Forecast |
|----------|--------------------------|------------------------------------|----------------------------------|
| China | 1CNY = ¥ 16.76 | 1CNY = ¥ 15.00 | 1CNY = ¥ 16.96 |
| Thailand | 1THB = ¥ 3.24 | 1THB = ¥ 3.00 | 1THB = ¥ 3.38 |

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



(Unit: one million CNY)

| | FYE Dec'15 Full year | FYE Dec'16 Full year | FYE Dec'17 | | | | | | | |
|------------------|-------------------------|-------------------------|------------|---------|----------------------|--------------------|--------------------------------|-------|-------------------------|-------|
| | | | 1H | | Full year | | | | | |
| | | | Forecast | Results | Previous Forecast | Latest Forecast | Change from Previous period | | Change from Forecast | |
| | | | | | | | Amount | (%) | Amount | (%) |
| Net sales | 1,465 | 1,392 | 774 | 670 | 1,500 | 1,396 | 4 | 0.3 | -104 | -6.9 |
| Operating income | 118 | 101 | 70 | 46 | 105 | 42 | -59 | -58.5 | -63 | -60.0 |
| Ordinary income | 122 | 99 | 70 | 50 | 105 | 49 | -50 | -50.3 | -56 | -53.3 |
| Net income | 98 | 88 | 58 | 65 | 79 | 54 | -34 | -38.5 | -25 | -31.6 |

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

China(Glico Shanghai): Cookies market environment in China

■ The Chinese cookies market (offline) for the cumulative six month period between January and June 2017 was 101% year on year as stagnancy continues.

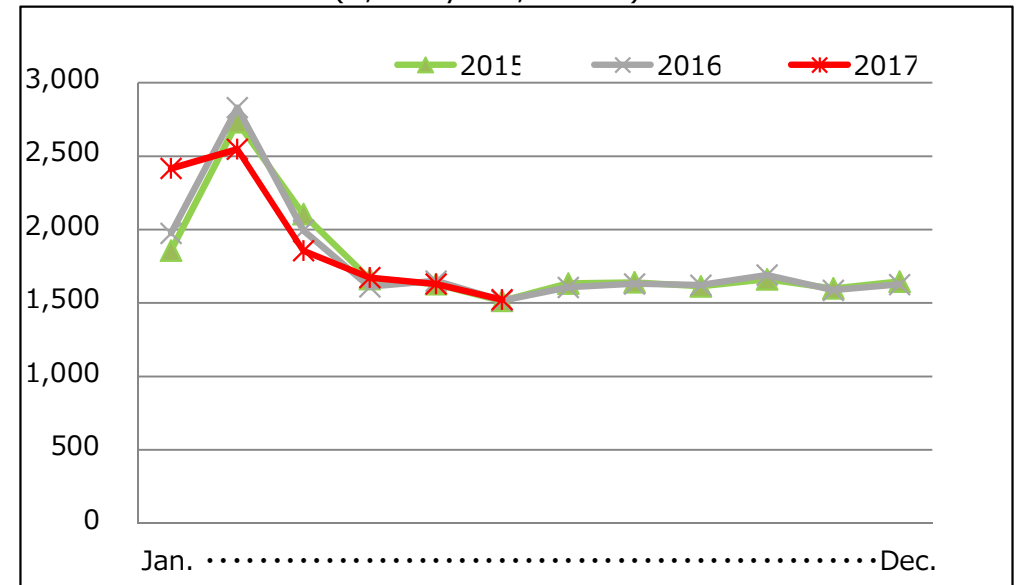
■ Looking at market share by manufacturer as of June, our share was largely unchanged.

Year on year, market share was -1.4% for A Corp. and -1.0% for B Corp. as market leaders also struggle.

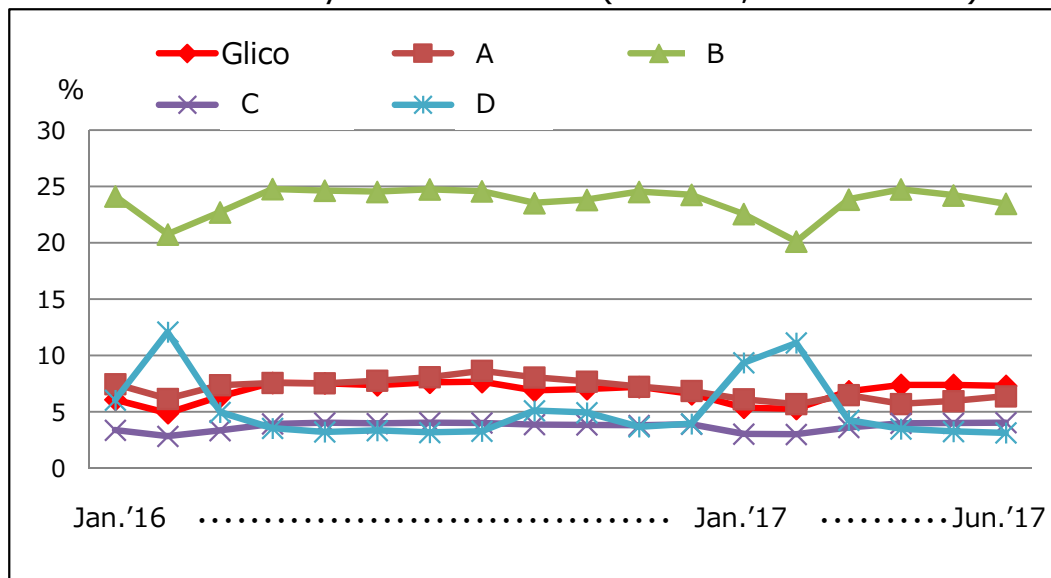
■ Sales at hyper-markets in the 4 largest cities was 92% year on year for the cumulative six month period between January and June 2017. The shift of sales channels from hyper-markets to CVS and other channels is continuing.

■ Looking at sales channels, hyper-markets, which previously had driven the market, struggled as sales fell below the previous year. On the other hand, CVS, etc., are on the rise but we are seeing a delay in responses to market changes.

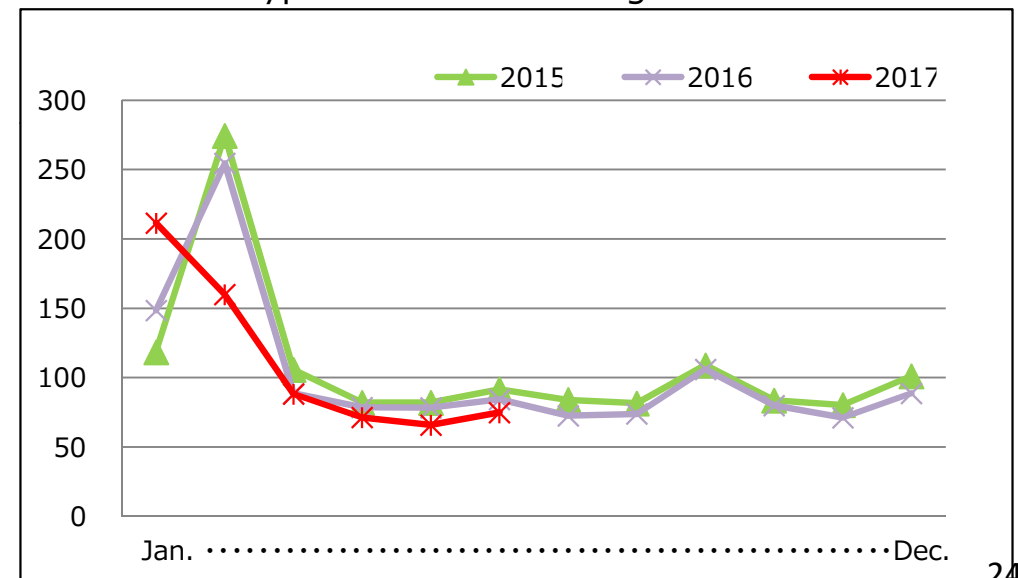
① Cookies market - Nationwide, All channels, Monthly sales (1,000 yuan, offline)



② Market share by manufacturer (cookies, all channels)



③ Sales at hyper-markets in 4 largest cities



China(Glico Shanghai): EC growth and diversification of consumer preferences

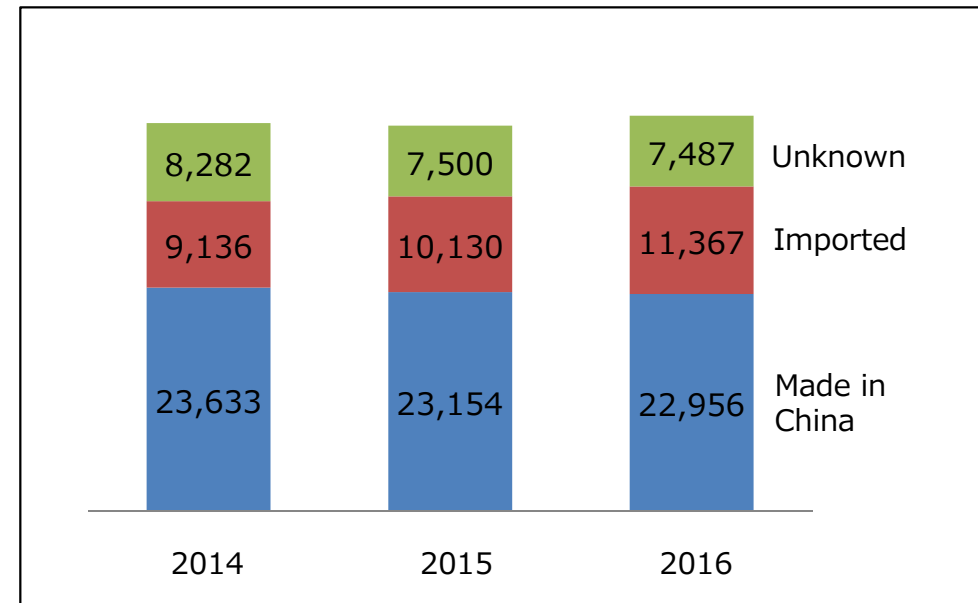
- In addition to increasing purchasing power among Chinese consumers, preferences are diversifying, leading to a growing trend of purchasing imported goods.

- On the Chinese cookies market, offline market sales were largely unchanged but the EC market saw 40% year on year growth.

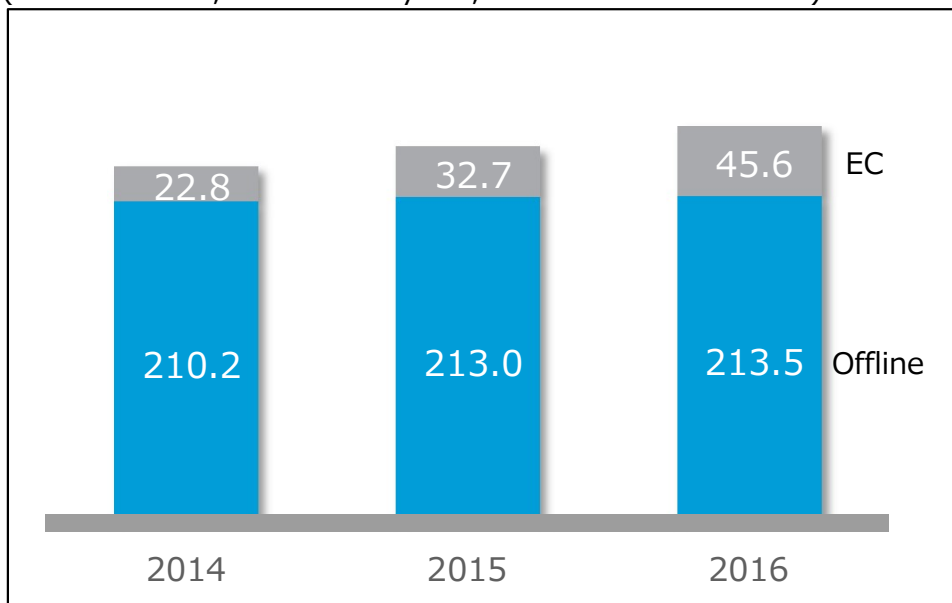
- Since 2015, the Chinese cookies market excluding EC has remained largely unchanged as growth has lulled. During this period, our response to capture EC channels was not timely.

- Last year in August, we established a flagship shop on Tmall and on JD.COM in April. Compared to 1H/FY2016, 1H/FY2017 net sales grew by more than 500%. We will continue to enhance initiatives related to EC.

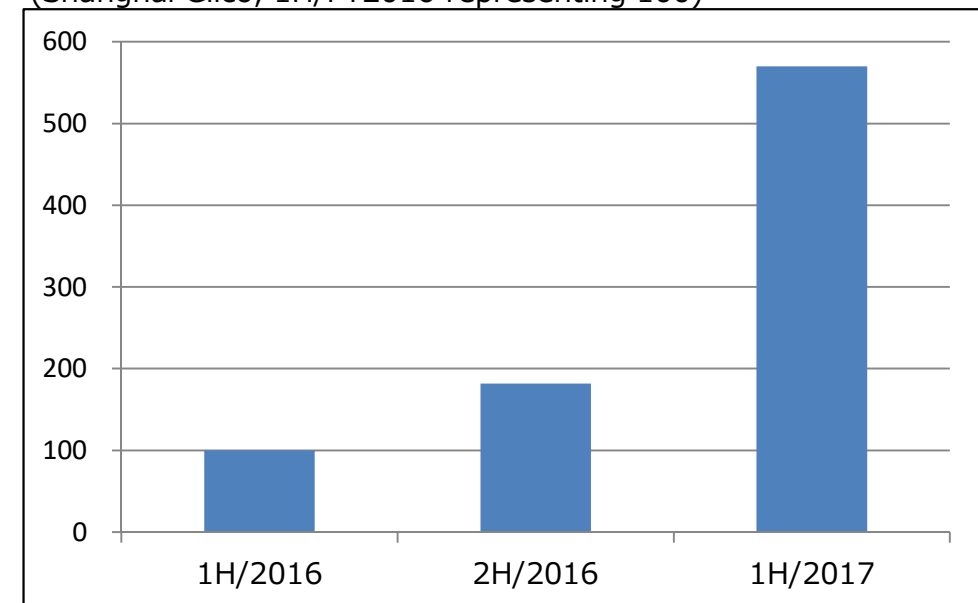
① Chinese residential cookie consumption
(domestic/imported, 1 million yuan, source: Glico research)



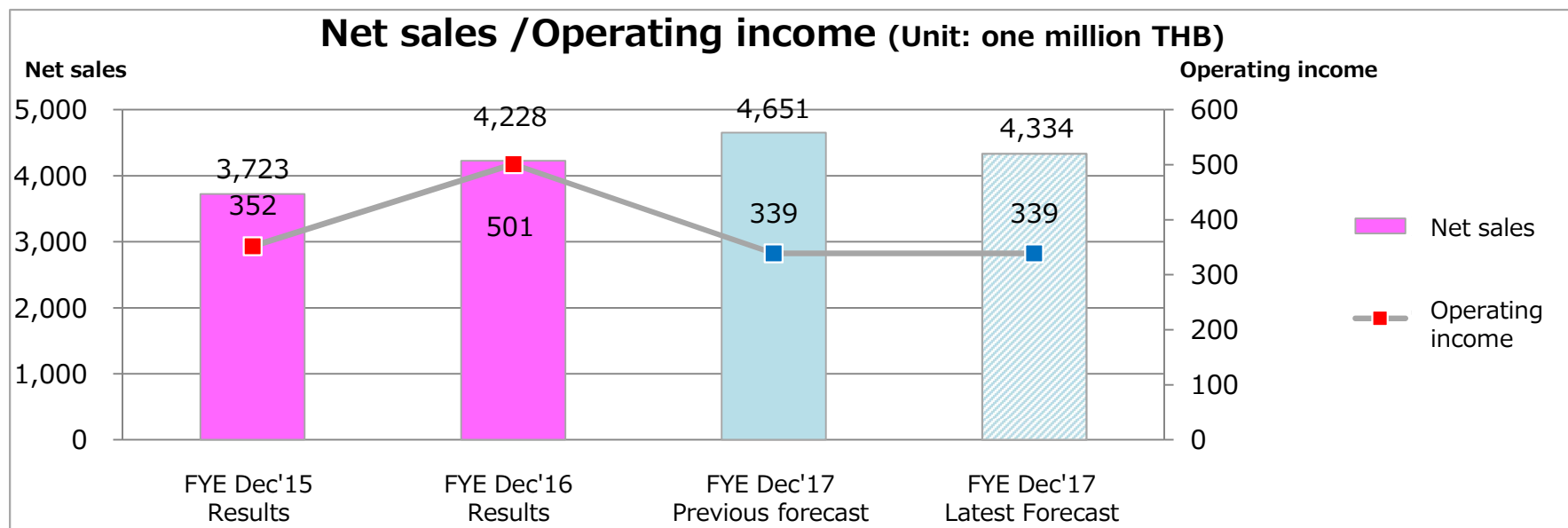
② Transitions in Chinese cookies market scope
(EC and offline, 100 million yuan, source: Glico research)



③ Transitions in EC net sales
(Shanghai Glico, 1H/FY2016 representing 100)



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



(Unit: one million THB)

| | FYE Dec'15 Full year | FYE Dec'16 Full year | FYE Dec'17 | | | | | | | |
|------------------|-------------------------|-------------------------|------------|---------|----------------------|--------------------|--------------------------------|-------|-------------------------|------|
| | | | 1H | | Full year | | | | | |
| | | | Forecast | Results | Previous Forecast | Latest Forecast | Change from Previous period | | Change from Forecast | |
| | | | | | | | Amount | (%) | Amount | (%) |
| Net sales | 3,723 | 4,228 | 2,157 | 2,043 | 4,651 | 4,334 | 106 | 2.5 | -317 | -6.8 |
| Operating income | 352 | 501 | 158 | 226 | 339 | 339 | -162 | -32.3 | 0 | 0.0 |
| Ordinary income | 365 | 533 | 158 | 223 | 339 | 329 | -204 | -38.3 | -10 | -2.9 |
| Net income | 365 | 409 | 100 | 223 | 240 | 263 | -146 | -35.8 | 23 | 9.6 |

*Includes exports to Indonesia and other nearby countries

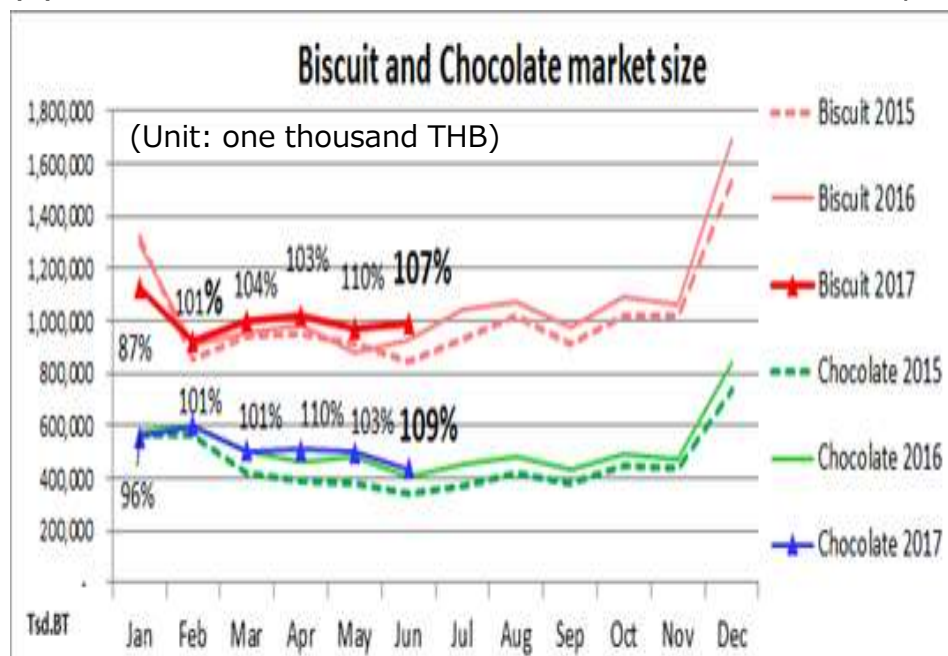
*Figures based on local accounting. Refer to ending notes regarding currency rates.

*Unit price adjustments based on the transfer pricing implemented in FY2017 resulted in lower revenues and income of 268 million baht in the FYE December 2017 plan.

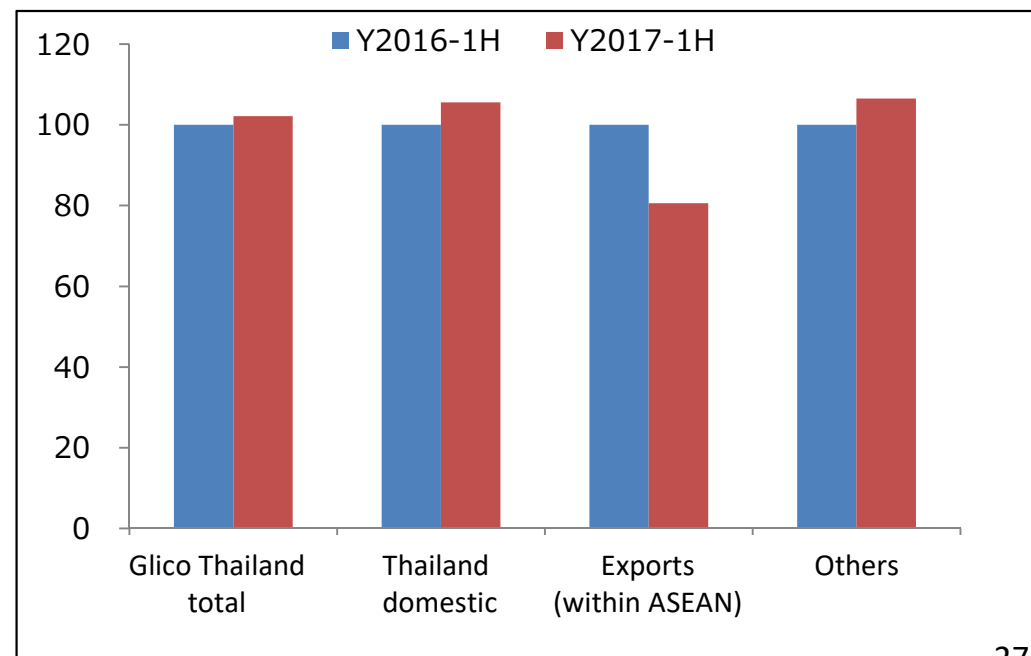
Thailand(Glico Thailand): Cookies & chocolate market environment

- The Thai cookies market for the cumulative six month period between January and June 2017 was 101% year on year and the chocolate market was 103%, both showing gradual growth.
- Glico Thailand net sales for 1H/FY2017 were 102% year on year. Although the sales growth exceeded the market growth within Thailand and exports outside the ASEAN region were relatively successful ,due to weakness of exports within the ASEAN region, sales fell below the target scheme as a whole.
- We forecast FY2017 full-year net sales of 102.5%. We forecast recovery for exports to the ASEAN region during the second half but the Thailand market is struggling to grow and the country held funeral ceremonies for the King in October. We are forecasting sales to fall below targets due to the impact of an expected decline in consumer enthusiasm.

(1) Transitions in Thailand cookies/chocolate market scope



(2) Glico Thailand Sales growth rate (by sales region)

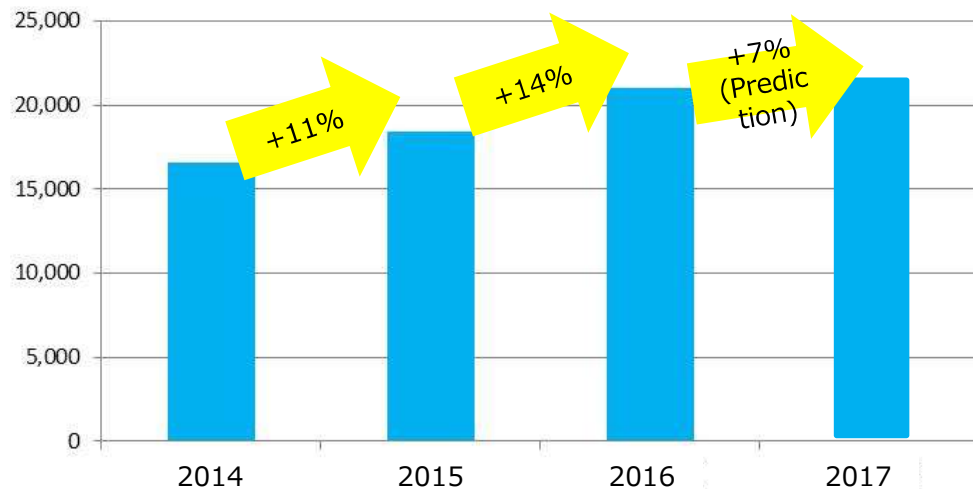


Confectionery business in Indonesia

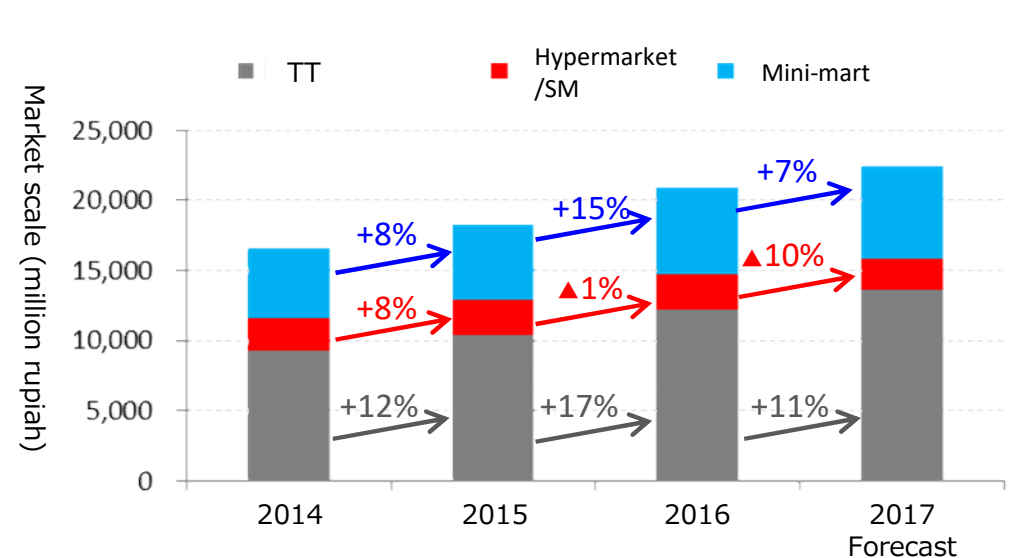
■ Indonesian cookies market growth slowing. However, MT is showing a high growth rate at mini-marts* such as Indomaret and Alfamart, so we will focus on expanding sales at mini-marts.

*Mini-mart... small-scale retail chains based on local capital. Unlike CVS, they have limited offerings of fresh foods and daily foods, which can be difficult to manage.

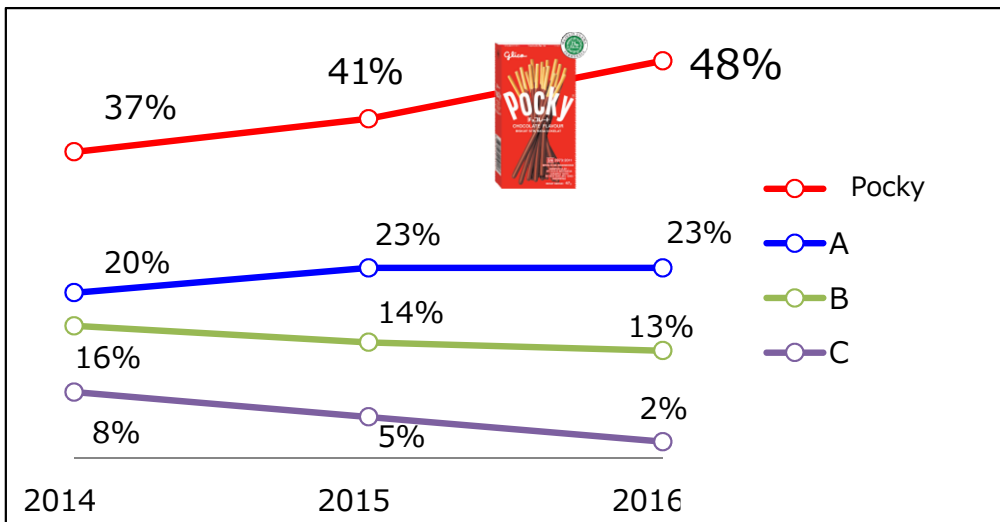
■ Transitions in nationwide cookies market (million rupiah) Glico research



■ Transitions in sales by retail format (million rupiah) Glico research



■ MT mini-mart "small box cookies" products - Brand share Glico research



Party packs for the Lebaran holiday



Cross sales promotion with AQUA drinking water



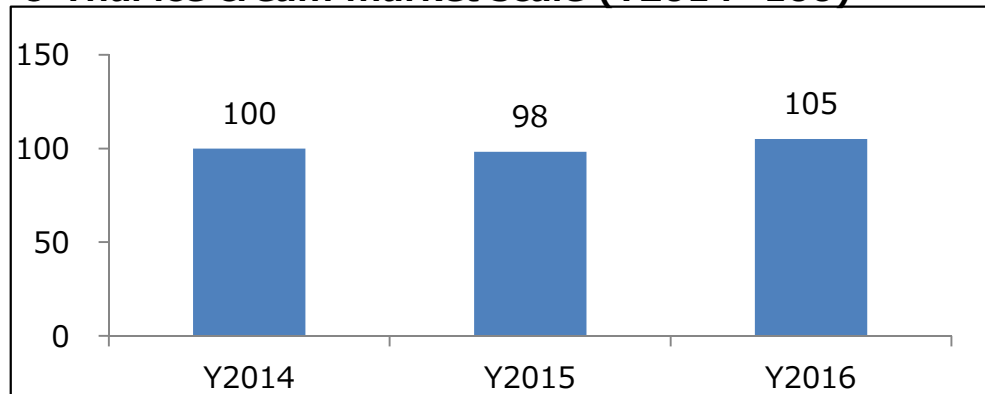
Ice cream business in Thailand and Indonesia

Glico frozen Thailand

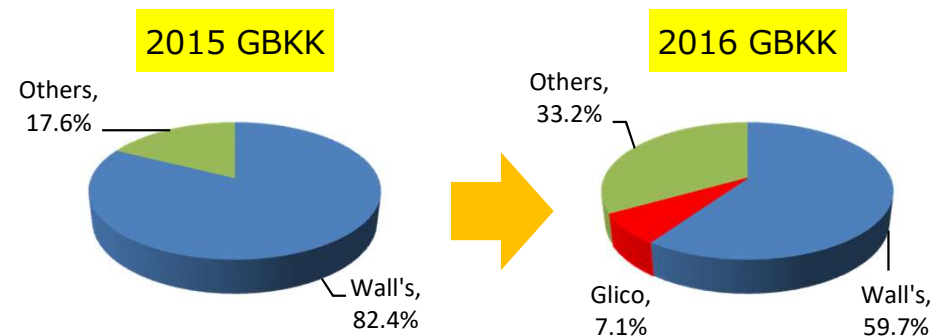
■ The Thai ice cream market has seen an increase in consumer purchasing intent and significant growth in overall market size due to the end of exclusive contracts between top manufacturers and major retailers, which has increased storefront competition.

■ In its first fiscal year in the market, Glico Frozen Thailand captured a 7% share of the market in the Bangkok metropolitan area.

① Thai ice cream market scale (Y2014=100)



② Bangkok Metropolitan area Transitions in frozen market share

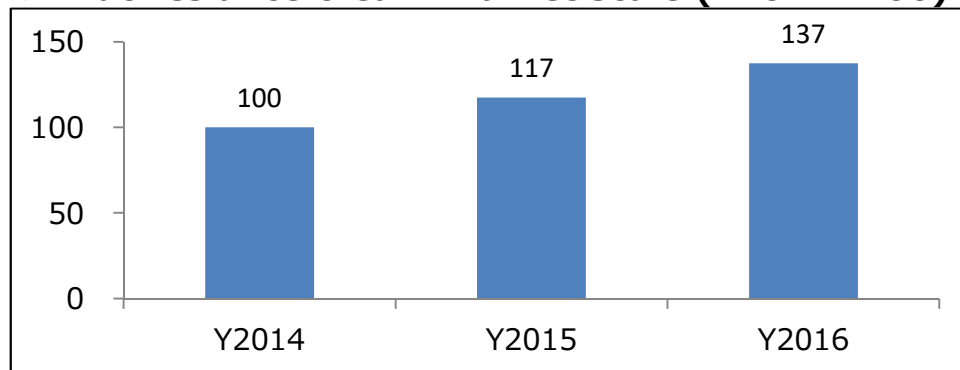


Glico wings(application of equity method)

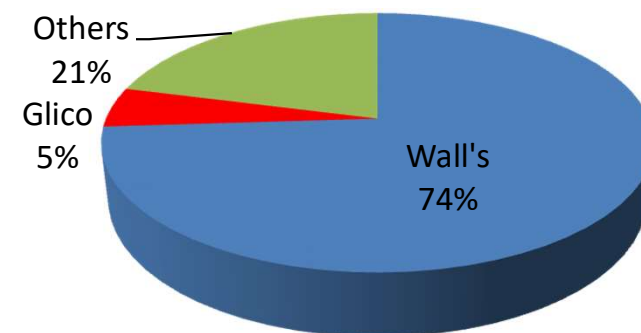
■ The ice cream merger company established in Indonesia launched sales in November 2016.

■ By FY2020, establish double-digit share on the growing Indonesian market to increase sales to 1 trillion rupiah/year.

① Indonesia ice cream market scale (Y2014=100)

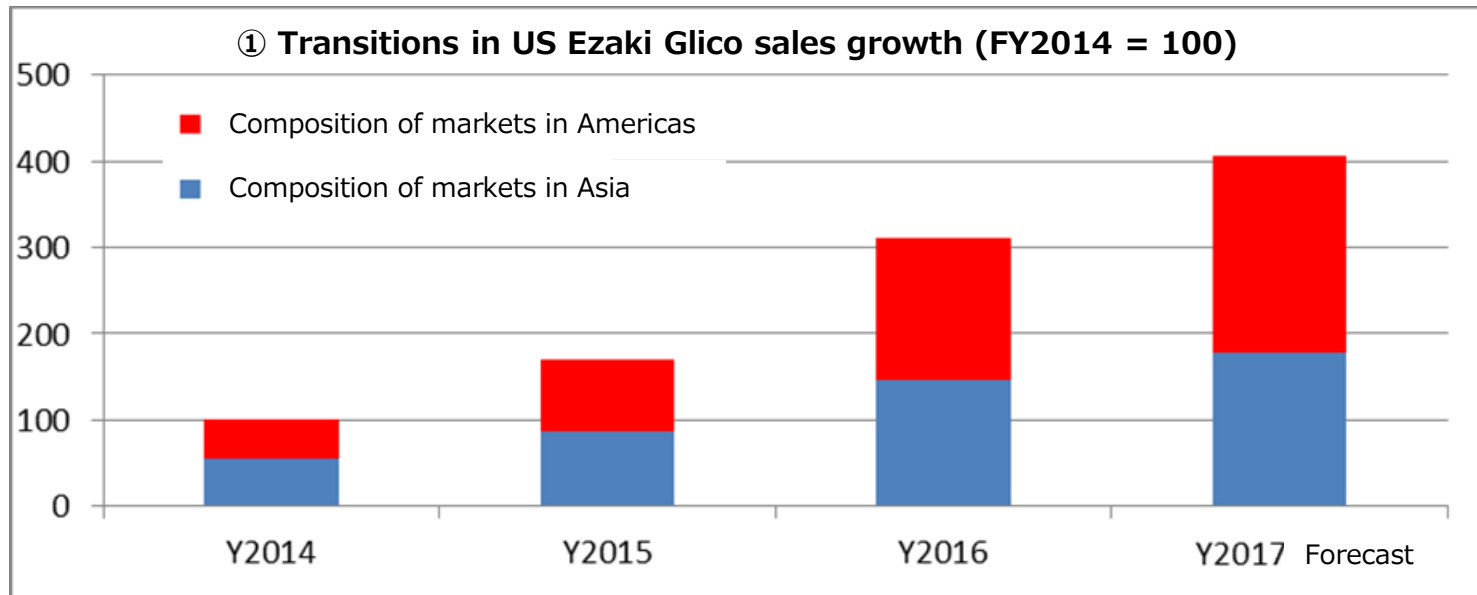


② Indonesian frozen market share by manufacturer (as of end of June 2017)



Confectionery business in America

- The US confectionery business has achieved steady sales growth. Forecasting firm sales growth FY2017, approximately 400% compared to 3 years prior (Y2014).
- Expand distribution to top US retailers such as Costco, Walmart, and Kroger to achieve significant growth in US markets.



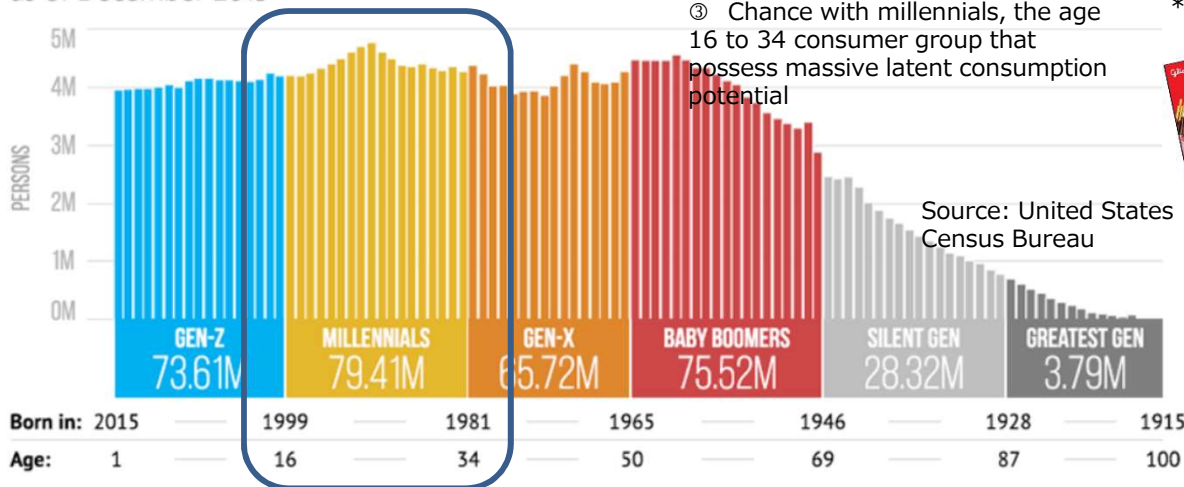
② Run continuous campaigns utilizing SNS



Ex.) Pocky photo contest based on summer vacation themes

Total US Population by Age and Generation

as of December 2015



③ Chance with millennials, the age 16 to 34 consumer group that possess massive latent consumption potential

④ Display at Costco

*Dedicated package



















Expand deliveries (138% year on year) to 360 US Costco stores, a major distribution channel. Strengthen brand recognition among target customers to increase trials and purchases.

⑤ Walmart lane-end shelves



Display next to registers to increase exposure

Glico Group Overview

| Segment | Category | Main products | Main group company |
|-------------------------|-------------------------------------|--|---|
| Confectioneries | Chocolate (including Pocky) |    |  |
| | Cookies (including Pretz) | | |
| | Gum,caramel,candy | | |
| | Overseas | | |
| | Other | | |
| Ice Cream | Personal,multi,vending machine,etc. |    |  |
| | Overseas | | |
| Milk and Dairy Products | Western confections |   |  |
| | Yogurt | | |
| | Drinking milk | | |
| | Fruit juices, carbonated drinks | | |
| | Infant formula | | |
| | Other | | |
| Food Products | Roux and boil-in-bag |   |  |
| | Other | | |
| Food Ingredients | Gluten,starch,dyes,etc. |  |  |
| Other | Sport foods,office glico,etc. | | |

THAI GLICO CO.,LTD.

SHANGHAI EZAKI GLICO FOODS CO.,LTD.

Wholesale subsidiaries - 3 companies

GLICO FROZEN (THAILAND) ,LTD.

EZAKI GLICO CO.,LTD.

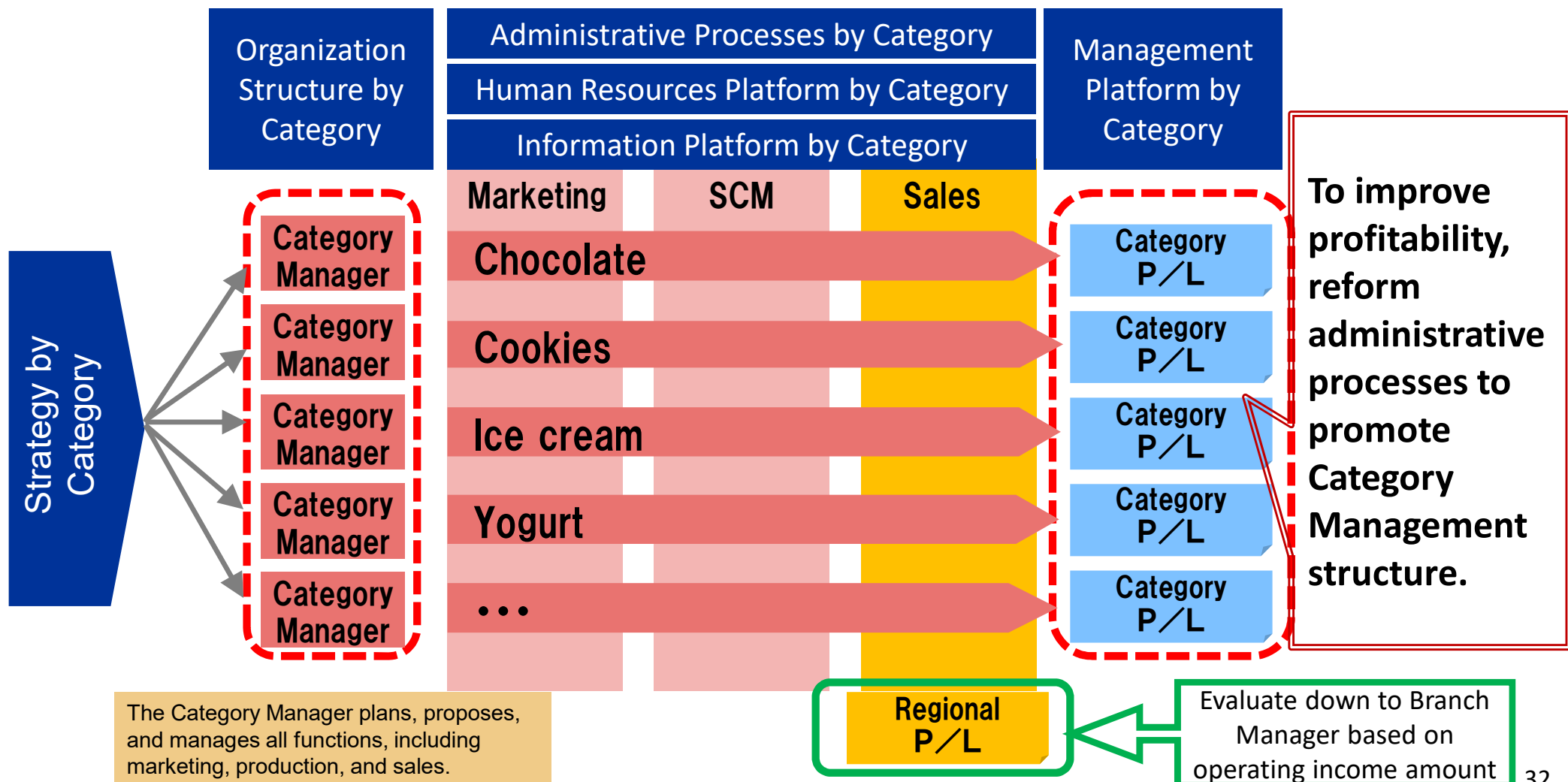
ICREO CO., LTD.

EZAKI GLICO CO.,LTD.

GLICO NUTRITION CO.,LTD.

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.



Net Sales by Category

(Unit:100 million yen)

| Segment | Category | FYE March'16 | FYE March'17 | FYE March'18 | | | |
|----------------------------|-------------------------------------|-----------------|-----------------|----------------------|--------------------|--------------------------------|--------|
| | | Results | Results | Previous Forecast | Latest Forecast | Change from Previous period | |
| | | | | | | Amount | Change |
| Confectioneries | Chocolate (including Pocky) | 395 | 449 | 464 | 486 | 37 | 8.2 |
| | Cookies (including Pretz) | 273 | 272 | 325 | 290 | 18 | 6.6 |
| | Gum,caramel,candy | 45 | - | - | - | - | - |
| | Overseas | 446 | 435 | 447 | 461 | 26 | 6.0 |
| | Other | 52 | 55 | 75 | 69 | 14 | 24.9 |
| | Total | 1,212 | 1,211 | 1,311 | 1,306 | 95 | 7.8 |
| Ice Cream | Personal,multi,vending machine,etc. | 810 | 916 | 895 | 876 | -40 | -4.4 |
| | Overseas | - | - | 9 | 9 | 1 | - |
| | Total | 810 | 924 | 904 | 885 | -39 | -4.2 |
| Milk and Dairy Products | Western confections | 109 | 104 | 120 | 123 | 19 | 17.9 |
| | Yogurt | 251 | 254 | 270 | 262 | 9 | 3.4 |
| | Drinking milk | 322 | 283 | 323 | 322 | 40 | 14.0 |
| | Fruit juices, carbonated drinks | 246 | 250 | 248 | 235 | -15 | -6.0 |
| | Infant formula(Domestic) | 45 | 43 | 45 | 44 | 1 | 2.5 |
| | Infant formula(Export) | - | - | 12 | 9 | -0 | - |
| | Other | 4 | 6 | 5 | 9 | 3 | 63.3 |
| | Total | 978 | 949 | 1,023 | 1,005 | 56 | 5.9 |
| Food Products | Roux and boil-in-bag | 202 | 202 | 210 | 208 | 6 | 2.9 |
| | Total | 202 | 202 | 210 | 208 | 6 | 2.9 |
| Food Ingredients | Gluten,starch,dyes,etc. | 102 | 104 | 128 | 112 | 8 | 7.3 |
| | Total | 102 | 104 | 128 | 112 | 8 | 7.3 |
| Other | Sport foods,office glico,etc. | 80 | 142 | 174 | 154 | 12 | 8.8 |
| | Total | 80 | 142 | 174 | 154 | 12 | 8.8 |
| Total | | 3,384 | 3,532 | 3,750 | 3,670 | 138 | 3.9 |

Note) From FYE March 2017, we have eliminated the Gum and Candy category and transferred products to the Chocolate category, Cookies category, and Other segments.

TTM Currency Rate

| | | USD | EUR | THB | CNY | 100KRW | 100IDR |
|-------------------|-------|---------|--------|--------|--------|--------|--------|
| 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 |
| 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 |
| | 12/31 | 116.49 | 122.70 | 3.24 | 16.76 | 9.68 | 0.87 |
| YoY as of Dec. 31 | | 96.58% | 93.12% | 97.01% | 91.29% | 93.71% | 98.86% |
| 2017 | 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 |

[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.