

Glico Group Financial Results

For the Fiscal Year ended March 31,2018

May 24, 2018

Ezaki Glico Co., Ltd.

Securities Code - 2206

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I . FYE March 2018 Earnings Report

Status of Net Sales and Income

(Unit:100 million yen)

	FYE March'17	FYE March'18					
	Results	Forecast	Results	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Net sales	3,532	3,670	3,534	2	0.1	-136	-3.7
Operating income	243	220	204	-39	-16.0	-16	-7.4
Ordinary income	264	239	220	-44	-16.6	-19	-8.0
Net income	181	162	152	-29	-16.2	-10	-6.1

Note) Forecasts are figures released on October 31, 2017 (same applies to all slides).

Status of Operating Income

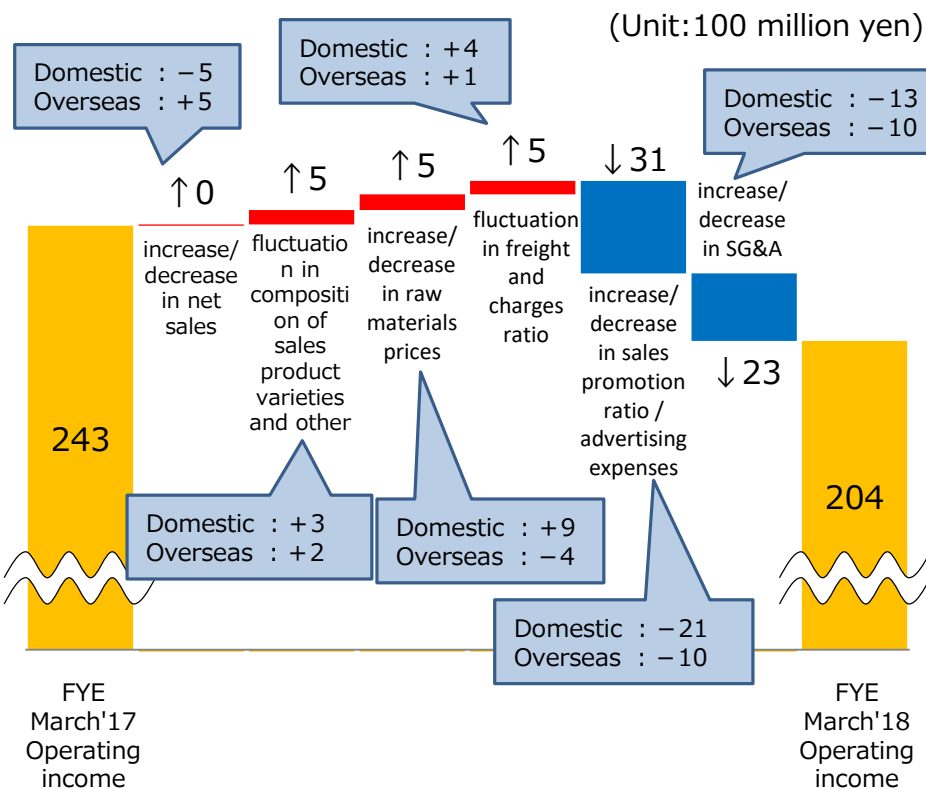
(Unit:100 million yen)

	FYE March'17		FYE March'18			
	Results	%	Forecast	%	Results	%
Net sales	3,532	100.0	3,670	100.0	3,534	100.0
Cost of sales	1,881	53.2	1,953	53.2	1,872	53.0
Gross profit	1,651	46.8	1,717	46.8	1,662	47.0
Freight and charges	304	8.6	315	8.6	300	8.5
Sales promotion	543	15.4	575	15.7	555	15.7
Advertising expenses	117	3.3	143	3.9	136	3.9
Salaries and benefits	280	7.9	286	7.8	281	7.9
Expenses and depreciation	165	4.7	178	4.9	187	5.3
SGA Total	1,409	39.9	1,497	40.8	1,459	41.2
Operating income	243	6.9	220	6.0	204	5.8

Factors of increases (decreases) in operating income

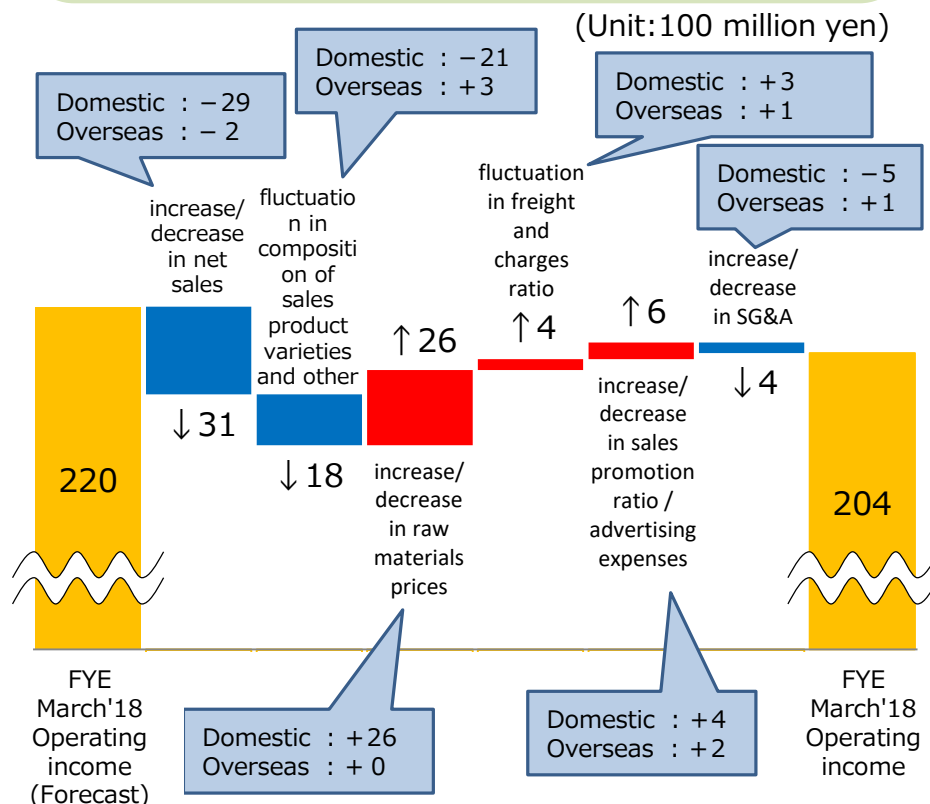
<FYE March 2018 (YoY)>

- ✓ Sales promotion ratio/advertising expenses increased by 3.1 billion yen due to aggressive sales promotions, etc.
- ✓ SG&A expenses increased by 2.3 billion yen due to internal infrastructure development aimed at strengthening our management platform.



<FYE March 2018 (vs. Plan)>

- ✓ Raw material prices were 2.6 billion yen below plans but revenues decreased due to net sales declining by 3.1 billion yen.



Status of Net Sales by Segment

(Unit:100 million yen)

	FYE March'17	FYE March'18					
	Results	Forecast	Results	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Total	3,532	3,670	3,534	2	0.1	-136	-3.7
Confectioneries	1,211	1,306	1,249	38	3.2	-57	-4.3
(Of which, is domestic confectioneries)	776	845	788	13	1.6	-56	-6.7
Ice Cream	924	885	879	-46	-4.9	-6	-0.7
(Of which, is domestic ice cream)	916	876	871	-45	-4.9	-5	-0.5
Milk and Dairy Products	949	1,005	944	-5	-0.5	-61	-6.1
(Of which, is domestic milk and dairy products)	939	996	936	-4	-0.4	-60	-6.1
Food Products	202	208	205	2	1.2	-3	-1.6
Food Ingredients	104	112	107	3	3.0	-5	-4.0
Other	142	154	150	9	6.1	-4	-2.4

※Above figures for domestic and overseas segments

Domestic	3,079	3,190	3,057	-22	-0.7	-133	-4.2
Overseas	453	480	477	24	5.2	-3	-0.6

<Reference>

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

	FYE March '17 Results	FYE March '18 Forecast	FYE March '18 Results
China	1CNY = ¥ 16.76	1CNY = ¥ 16.96	1CNY = ¥ 17.29
Thailand	1THB = ¥ 3.24	1THB = ¥ 3.38	1THB = ¥ 3.45

Status of Operating Income by Segment

(Unit:100 million yen)

	FYE March'17	FYE March'18					
	Results	Forecast	Results	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Total	243	220	204	-39	-16.0	-16	-7.4
Confectioneries	105	96	99	-7	-6.5	3	2.7
(Of which, is domestic confectioneries)	67	72	73	6	8.7	2	2.1
Ice Cream	84	63	61	-24	-27.9	-2	-3.3
(Of which, is domestic ice cream)	87	68	66	-21	-24.0	-2	-3.2
Milk and Dairy Products	48	53	39	-9	-18.6	-14	-26.3
(Of which, is domestic milk and dairy products)	47	53	38	-9	-18.6	-14	-27.1
Food Products	8	9	8	-0	-4.3	-1	-10.2
Food Ingredients	10	10	12	2	21.5	2	21.8
Other	-13	-11	-14	-1	-	-4	37.0

※Above figures for domestic and overseas segments

Domestic	206	206	183	-23	-11.3	-23	-11.2
Overseas	36	14	21	-16	-42.7	7	49.9

<Reference>

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

	FYE March '17 Results	FYE March '18 Forecast	FYE March '18 Results
China	1CNY = ¥ 16.76	1CNY = ¥ 16.96	1CNY = ¥ 17.29
Thailand	1THB = ¥ 3.24	1THB = ¥ 3.38	1THB = ¥ 3.45

Impact of Raw Material Price Fluctuations on Costs

◆ **Review of FYE March 2017** : Although dairy product prices increased compared to the previous fiscal year, the impact of price drops for almonds, cacao beans, cocoa butter, etc. was significant, resulting in an overall decline in raw material prices.

◆ **FYE March 2019 targets** : Forecasting 400 million yen increase in raw material prices for the entire Group due to price increases for dairy products, etc.

(Unit:100 million yen)

	FYE March'18 Results		FYE March'19 Forecast
	Change from Previous period*1	Change from Forecast*2	Change from Previous period*3
Group total (including overseas subsidiaries)	-5	-26	4

Note) includes impact of currency

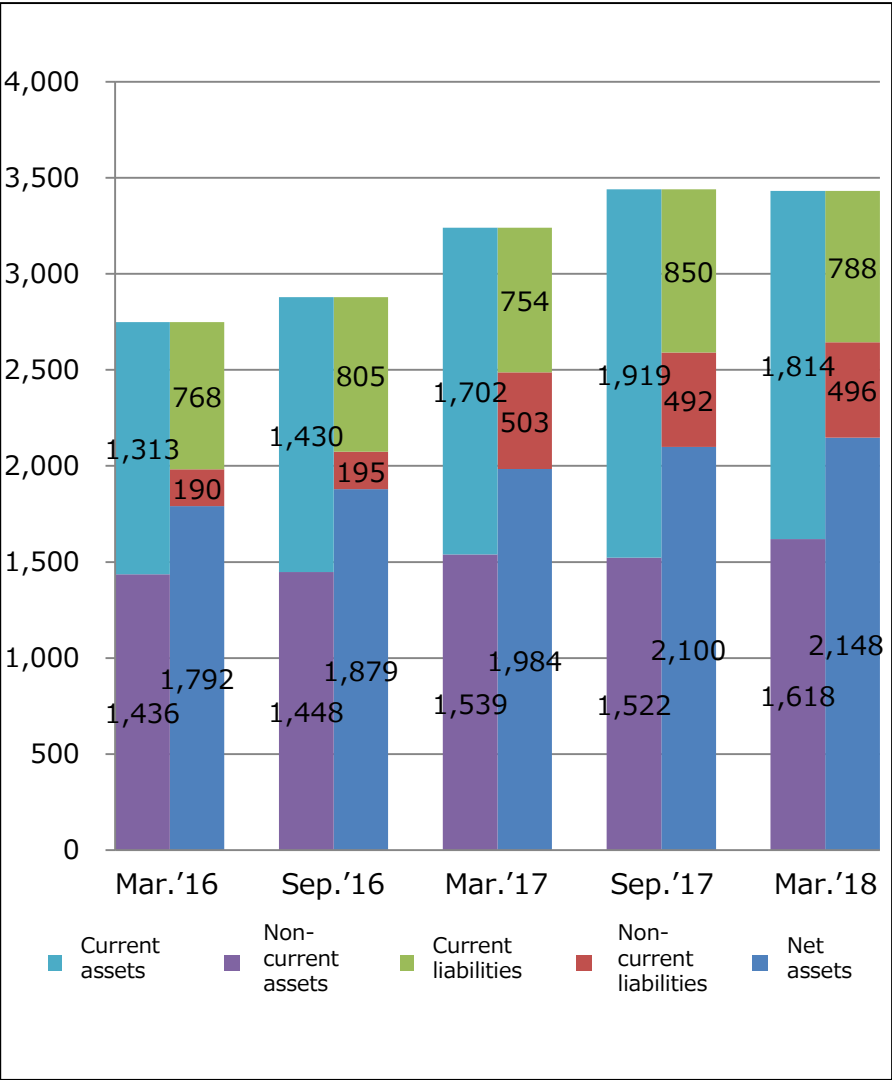
*1(FYE March 2018 actual unit price - FYE March 2017 actual unit price) × FYE March 2018 actual volume used

*2(FYE March 2018 actual unit price - FYE March 2018 projected unit price) × FYE March 2018 actual volume used

*3(FYE March 2019 projected unit price - FYE March 2018 actual unit price) × FYE March 2019 projected volume used

Status of Balance Sheet

- The issuance of ¥30 billion in convertible bonds resulted in a significant increase in "Cash and deposits" and "Long-term liabilities".
- Net worth ratio (%): 59.4% → 60.7%



○Current assets – Major account items (Unit:100 million yen)

	Mar.'17	Sep.'17	Mar.'18	VS Mar.'17	VS Sep.'17
Cash and deposits	960	1,068	1,043	83	-25
Notes and accounts receivable	368	457	414	45	-43
Securities	32	65	22	-10	-42
Inventories	278	268	275	-3	7

○Non-current assets – Major account items

	Mar.'17	Sep.'17	Mar.'18	VS Mar.'17	VS Sep.'17
Property, plant and equipment	894	879	918	24	39
Intangible assets	57	56	96	39	40
Investment securities	398	415	430	31	15

○Current liabilities – Major account items

	Mar.'17	Sep.'17	Mar.'18	VS Mar.'17	VS Sep.'17
Notes and accounts payable- trade	292	397	339	47	-58
Short-term loans payable	16	13	8	-8	-5
Current portion of long-term loans payable					

○Non-current liabilities – Major account items

	Mar.'17	Sep.'17	Mar.'18	VS Mar.'17	VS Sep.'17
Convertible Bond	301	301	301	-0	-0
Long-term loans payable	6	5	4	-2	-1

○Net assets – Major account items

	Mar.'17	Sep.'17	Mar.'18	VS Mar.'17	VS Sep.'17
Shareholders' equity	1,804	1,900	1,927	123	27

Status of Cash flows

(Unit:100 million yen)

	FYE March'14	FYE March'15	FYE March'16	FYE March'17	FYE March'18		Main reasons for gains/losses	
	Results	Results	Results	Results	Results	YoY		YoY
Cash flows from operating activities	225	245	177	296	315	19	Net income before income taxes and minority interests decreased	-40
							Depreciation expenses increased	25
							Changes in assets and liabilities related to retirement benefits	24
							Changes in trade receivables	-23
							Changes in trade payables	38
							Subtotal	24
Cash flows from investing activities	-149	-79	-138	-141	-250	-110	Changes in revenues from term deposit reimbursements	-52
							Decrease in gains on sale of investment securities	-11
							Acquisition of new consolidated subsidiary stock	-42
							Decrease in acquisitions of intangible fixed assets	13
							Subtotal	- 92
Free cash flows	76	166	39	155	64	-91		
Cash flows from financing activities	-89	-132	-101	242	-45	-287	Issued new bonds with warrants in FYE March 2017	-300
							Decrease in short-term loan repayments	30
							Subtotal	-270
Cash and cash equivalents at end of year	542	594	520	902	930	28		

Domestic business: FYE March 2018 Results

*1 Source: Intage SRI

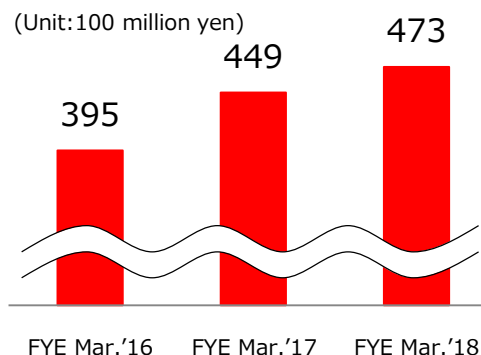
*2 Source: Ice Cream Ryutsu Shimbu

Category	FYE March'18 Forecast	FYE March'18 Results	
Chocolate	Net sales ¥48.6 billion (108.2% compared to previous year)	<ul style="list-style-type: none"> ◆ Market scale (FY2017)*1 101.1% compared to previous year ◆ Glico(FYE March'18 Results) ¥47.3 billion (105.4% compared to previous year) 	Achieved growth rate that significantly outperformed the market thanks to increased revenues for mainstay products Pocky and Caprico as well as significant increases in revenues from our Foods with Function Claims GABA and LIBERA.
Cookies	Net sales ¥29.0 billion <small>*excluding gum, candy</small> (106.6% compared to previous year)	<ul style="list-style-type: none"> ◆ Market scale (FY2017)*1 98.8% compared to previous year ◆ Glico(FYE March'18 Results) ¥27.6 billion (101.6% compared to previous year) 	Amid stagnant market growth, BISCO transitioned favorably on increased sales thanks to the injection of new productions. On the other hand, PRETZ and COLLON struggled, overall resulting in only minor growth year on year.
Ice cream	Net sales ¥87.6 billion <small>*including wholesale subsidiaries</small> (95.6% compared to previous year)	<ul style="list-style-type: none"> ◆ Market scale (FY2017)*2 101.7% compared to previous year ◆ Glico(FYE March'18 Results) ¥87.1 billion (95.1% compared to previous year) 	Although revenues declined due to the impact of reorganization in the distribution industry, net sales excluding wholesale subsidiaries grew on par with the market thanks to favorable sales of mainstay products.
Yogurt	Net sales ¥26.2 billion (103.4% compared to previous year)	<ul style="list-style-type: none"> ◆ Market scale (FY2017)*1 95.8% compared to previous year ◆ Glico(FYE March'18 Results) ¥24.6 billion (97.0% compared to previous year) 	Amid stagnant year-on-year growth for the yogurt market, revenues declined due to lower turnaround for our mainstay product Bifix. On the other hand, single pack Apple Yogurt maintain the favorable performance levels of the previous year.
Drinking milk	Net sales ¥32.2 billion (114.0% compared to previous year)	<ul style="list-style-type: none"> ◆ Market scale (FY2017)*1 96.4% compared to previous year ◆ Glico(FYE March'18 Results) ¥30.9 billion (109.5% compared to previous year) 	Amid severe competition on the drinking milk market, our mainstay Cafe Ole product struggled and year-on-year revenues decreased. Overall, category revenues increased by 9.5% thanks to contributions from commercial product sales.

Domestic business: FYE March 2018 Results

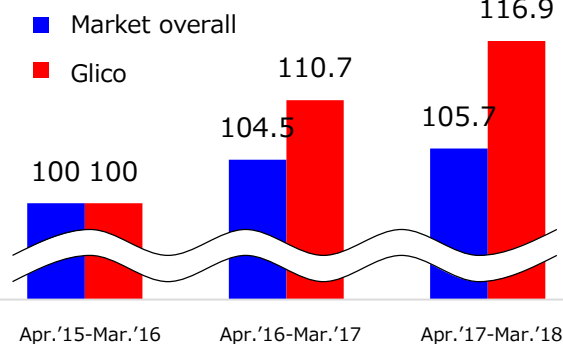
Chocolate category

Transitions in net sales -Chocolate category total-



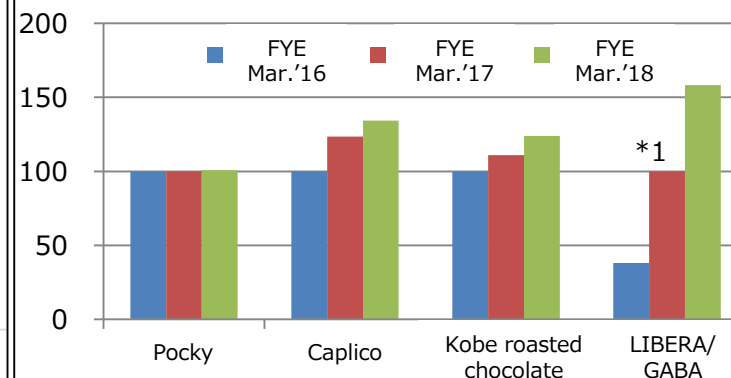
Chocolate Market

(When April 2015-March 2016 is set as 100. Intage SRI)



Transitions in Net Sales by Brand

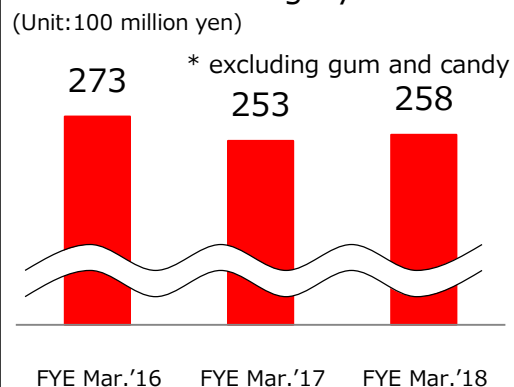
(When FYE March 2016 net sales are set as 100.)



*1:When FYE March 2017 net sales are set as 100.

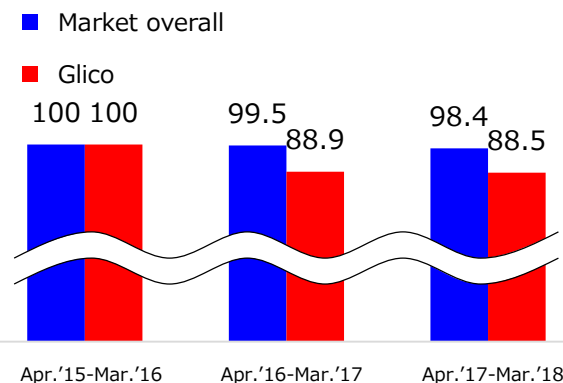
Cookies category

Transitions in net sales -Cookies category total-



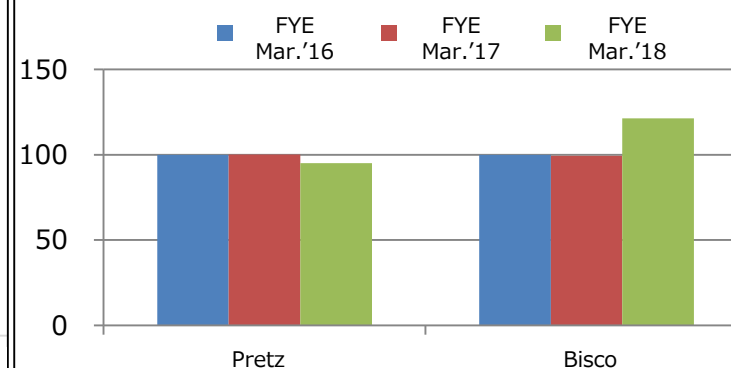
Cookies Market

(When April 2015-March 2016 is set as 100. Intage SRI)



Transitions in Net Sales by Brand

(When FYE March 2016 net sales are set as 100.)



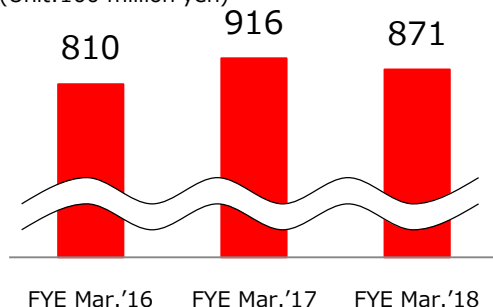
Domestic business: FYE March 2018 Results

Ice cream category

Transitions in net sales -Ice cream category total-

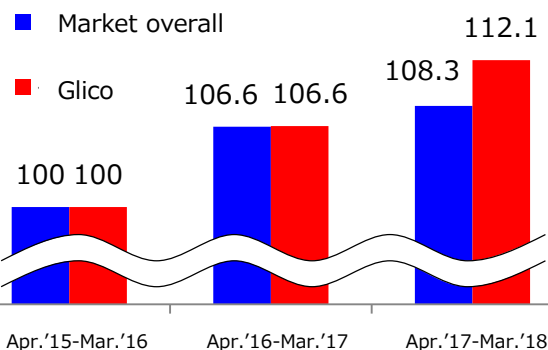
*including wholesale subsidiaries

(Unit:100 million yen)



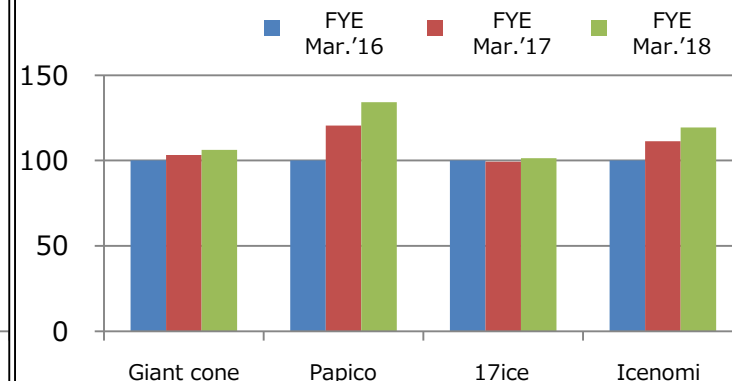
Ice cream Market

(When April 2015-March 2016 is set as 100. Ice cream ryutsu shimbun)



Transitions in Net Sales by Brand

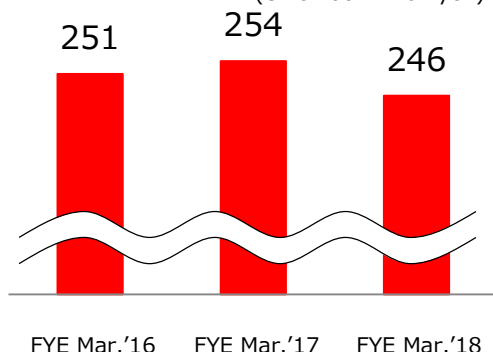
(When FYE March 2016 net sales are set as 100.)



Yogurt category

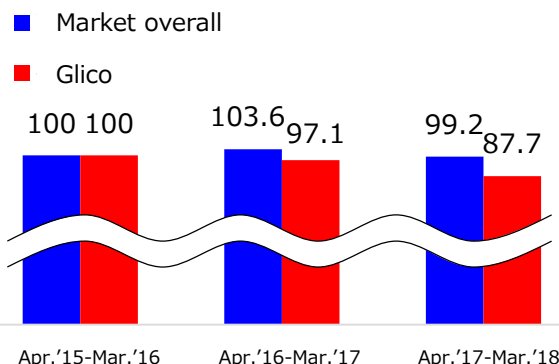
Transitions in net sales -Yogurt category total-

(Unit:100 million yen)



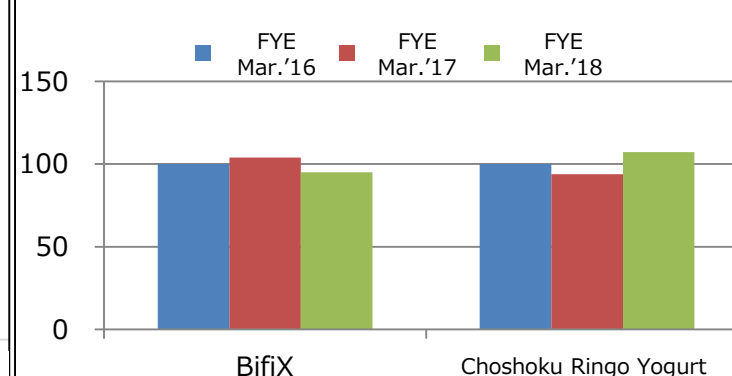
Yogurt Market

(When April 2015-March 2016 is set as 100. Intage SRI)



Transitions in Net Sales by Brand

(When FYE March 2016 net sales are set as 100.)

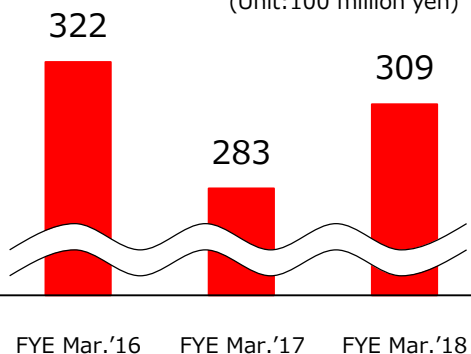


Domestic business: FYE March 2018 Results

Drinking milk category

Transitions in net sales -Drinking milk category total-

(Unit:100 million yen)

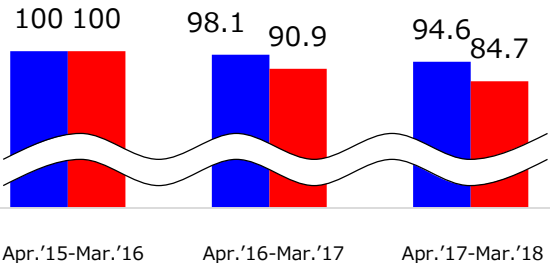


Drinking milk Market

(When April 2015-March 2016 is set as 100. Intage SRI)

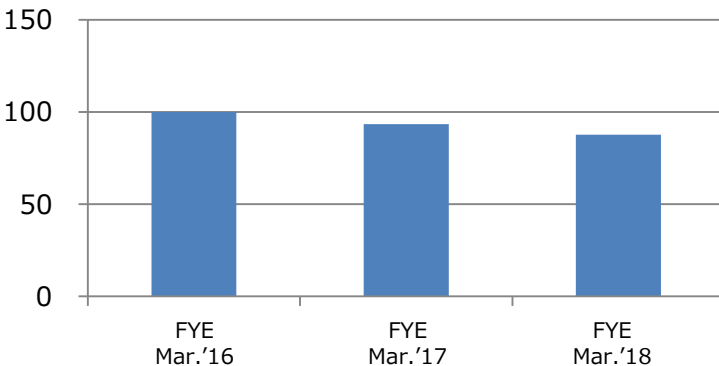
■ Market overall

■ Glico



Cafre au Lait transitions in net sales

(When FYE March 2016 net sales are set as 100.)



II. FYE March 2019 Full-Year Earnings Forecast

Full-Year Plan and Forecast

(Unit:100 million yen)

	FYE March'17	FYE March'18		FYE March'19			
	Full year	2Q	Full year	2Q		Full year	
	Results	Results	Results	Forecast	Change from Previous period	Forecast	Change from Previous period
					Change(%)		Change(%)
Net sales	3,532	1,876	3,534	1,920	2.3	3,640	3.0
Operating income	243	155	204	115	-25.8	180	-11.7
Ordinary income	264	167	220	125	-25.0	199	-9.5
Net income	181	114	152	88	-22.5	136	-10.6

Operating Income Forecast

(Unit:100 million yen)

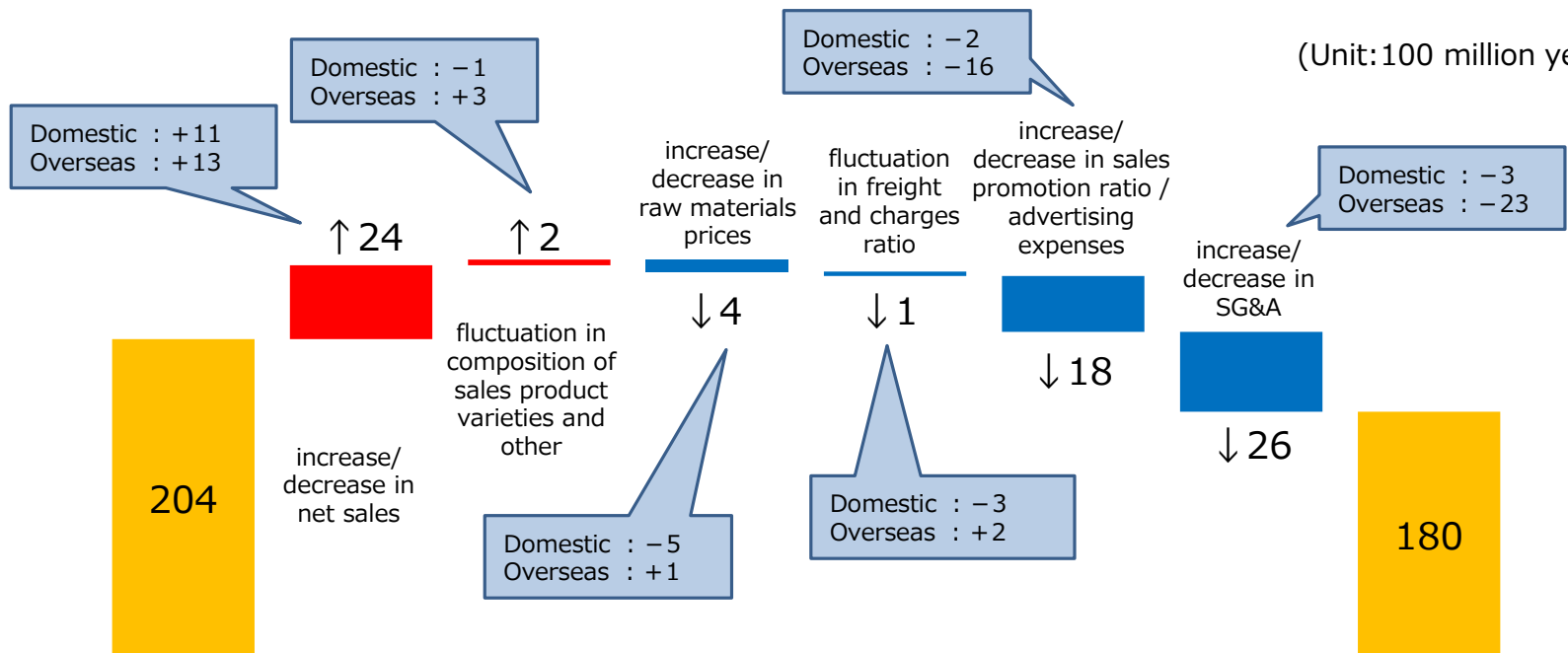
	FYE March'17		FYE March'18		FYE March'19	
	Results	%	Results	%	Forecast	%
Net sales	3,532	100.0	3,534	100.0	3,640	100.0
Cost of sales	1,881	53.2	1,872	53.0	1,930	53.0
Gross profit	1,651	46.8	1,662	47.0	1,710	47.0
Freight and charges	304	8.6	300	8.5	310	8.5
Sales promotion	543	15.4	555	15.7	580	15.9
Advertising expenses	117	3.3	136	3.9	146	4.0
Salaries and benefits	280	7.9	281	7.9	289	7.9
Expenses and depreciation	165	4.7	187	5.3	205	5.6
SGA Total	1,409	39.9	1,459	41.3	1,530	42.0
Operating income	243	6.9	204	5.8	180	4.9

Factors of increases (decreases) operating income

<FYE March 2019 Plan (YoY)>

- ✓ Despite increased income of 2.4 billion yen due to increased revenues, we are planning on decreased revenues of 2.4 billion yen due to higher sales promotion and advertising expenses (1.8 billion yen) and increased SG&A expenses (2.6 billion yen).

(Unit:100 million yen)



FYE March'18
Operating
income

FYE March'19
Operating
income
(Plan)

Segment category changes

<Before change>

Reporting segment	Main categories, companies
Confectioneries	<ul style="list-style-type: none"> •Chocolate category •Cookies category •Overseas subsidiaries/Confectioneries •Export
Ice Cream	<ul style="list-style-type: none"> •Ice cream category •Wholesale subsidiaries •Overseas subsidiary/Ice cream
Milk and Dairy Products	<ul style="list-style-type: none"> •Yogurt category •Drinking milk category •Fruit juices, carbonated drinks category •Western confections category •Icreo Co., Ltd. •Export/Infant formula
Food Products	<ul style="list-style-type: none"> •Food Products category
Food Ingredients	<ul style="list-style-type: none"> •Glico Nutrition Co., Ltd.
Other	<ul style="list-style-type: none"> •Office glico •Health business category

< After change>

Reporting segment	Main categories, companies
Confectioneries and Food Products	<ul style="list-style-type: none"> •Chocolate category •Cookies category •Food Products category
Ice Cream	<ul style="list-style-type: none"> •Ice cream category •Wholesale subsidiaries
Milk and Dairy Products	<ul style="list-style-type: none"> •Yogurt category •Drinking milk category •Fruit juices, carbonated drinks category •Western confections category •Icreo Co., Ltd.
Food Ingredients	<ul style="list-style-type: none"> •Glico Nutrition Co., Ltd.
Overseas business	<ul style="list-style-type: none"> •Overseas subsidiaries/Confectioneries and Ice cream •Export
Other	<ul style="list-style-type: none"> •Office glico •Health business category

Net Sales Forecast by Segment

(Unit:100 million yen)

	FYE March'17	FYE March'18		FYE March'19			
	Full year	2Q	Full year	2Q		Full year	
	Results	Results	Results	Forecast	Change from Previous period	Forecast	Change from Previous period
					Change(%)		Change(%)
Total	3,532	1,876	3,534	1,920	2.3	3,640	3.0
Confectioneries and Food Products	978	446	993	457	2.3	1,009	1.6
(Of which, is confectioneries)	776	350	788	356	1.7	804	2.0
(Of which, is Food Products)	202	97	205	101	4.6	205	0.2
Ice Cream	916	566	871	567	0.2	880	1.0
Milk and Dairy Products	939	502	936	502	-0.1	948	1.3
Food Products	104	60	107	61	2.3	109	1.4
Overseas business	453	220	477	248	12.8	531	11.4
Other	142	81	150	85	4.2	163	8.5

<Reference> Results and forecasts are calculated by using the rates indicated below.

FYE March'17 Full year Results	FYE March'18 2Q Results	FYE March'18 Full year Results	FYE March'19 2Q Results	FYE March'19 Full year Results
1CNY = ¥16.76	1CNY = ¥16.49	1CNY = ¥17.29	1CNY = ¥17.14	1CNY = ¥17.14
1THB = ¥3.24	1THB = ¥3.29	1THB = ¥3.45	1THB = ¥3.43	1THB = ¥3.43
			1USD = ¥109.00	1USD = ¥109.00

Operating Income Forecast by Segment

(Unit:100 million yen)

	FYE March'17	FYE March'18		FYE March'19			
	Full year	2Q	Full year	2Q		Full year	
	Results	Results	Results	Forecast	Change from Previous period	Forecast	Change from Previous period
					Change(%)		Change(%)
Total	243	155	204	115	-25.8	180	-11.7
Confectioneries and Food Products	76	27	81	24	-10.4	77	-5.3
(Of which, is confectioneries)	69	23	73	20	-15.1	69	-6.4
(Of which, is Food Products)	7	4	8	5	15.4	8	4.6
Ice Cream	87	74	66	64	-14.2	73	10.0
Milk and Dairy Products	47	29	38	18	-40.0	43	13.0
Food Products	10	8	12	6	-17.9	11	-5.0
Overseas business	36	18	21	6	-69.1	0	-
Other	-13	-1	-14	-2	-	-24	66.8

<Reference> Results and forecasts are calculated by using the rates indicated below.

FYE March'17 Full year Results	FYE March'18 2Q Results	FYE March'18 Full year Results	FYE March'19 2Q Results	FYE March'19 Full year Results
1CNY = ¥16.76	1CNY = ¥16.49	1CNY = ¥17.29	1CNY = ¥17.14	1CNY = ¥17.14
1THB = ¥3.24	1THB = ¥3.29	1THB = ¥3.45	1THB = ¥3.43	1THB = ¥3.43
			1USD = ¥109.00	1USD = ¥109.00

Region-specific net sales and operating income targets

◆China

(Unit:1 million CNY)

	FYE Dec'17		FYE Dec'18			
	2Q Results	Full year Results	2Q Forecast	Full year Forecast	Change from Previous period	
					Amount	Change(%)
Net Sales	670	1,394	736	1,526	132	9.5
Operating Income	46	60	54	54	-6	-9.7

◆ASEAN

(Unit:1 million USD)

	FYE Dec'17		FYE Dec'18			
	2Q Results	Full year Results	2Q Forecast	Full year Forecast	Change from Previous period	
					Amount	Change(%)
Net Sales		101	57	122	21	20.3
Operating Income		-5	-3	-13	-8	-

◆USA * Ezaki Glico USA

(Unit:1 million USD)

	FYE Dec'17		FYE Dec'18			
	2Q Results	Full year Results	2Q Forecast	Full year Forecast	Change from Previous period	
					Amount	Change(%)
Net Sales	23	48	25	54	7	13.9
Operating Income	3	5	3	4	-1	-18.3

Enhancing initiatives in ASEAN markets

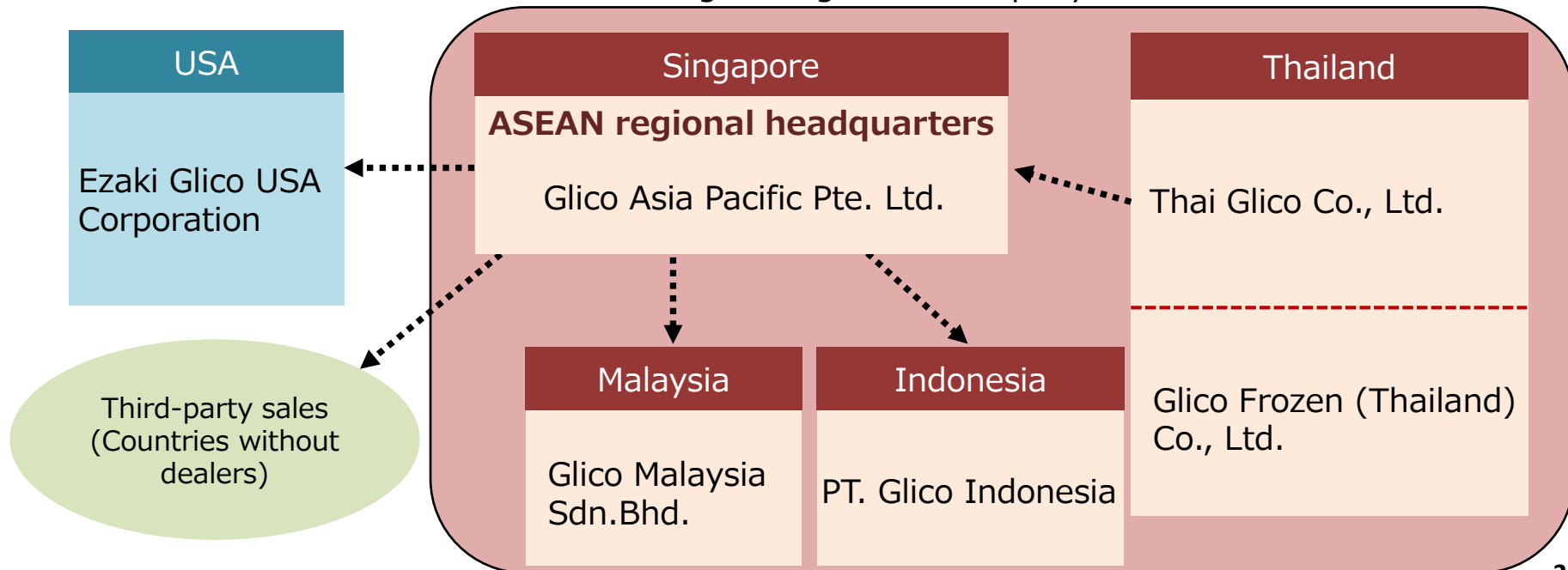
■ We launched the following initiatives to promote business expansion in ASEAN markets, a core region.

(1) In October 2017, we established Glico Asia Pacific Pte. Ltd. to serve as the regional headquarters for all operating companies in the ASEAN region.

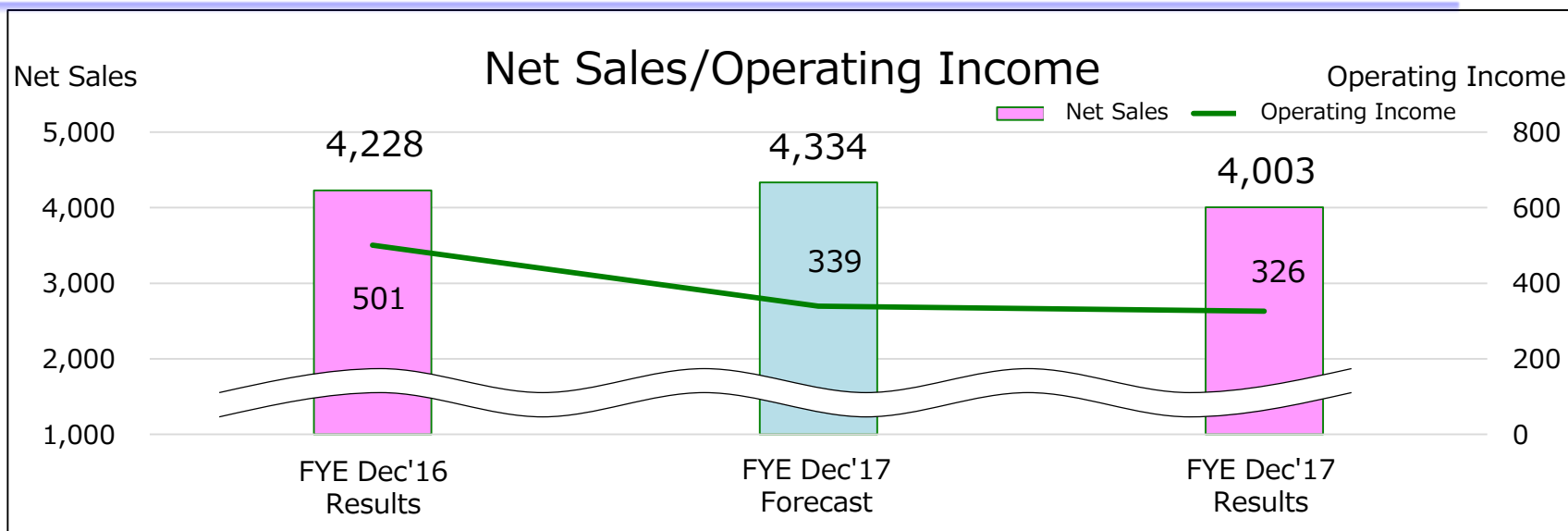
(2) Shifted performance management from the previous system of company-specific management to a system of managing all of ASEAN as a single business unit (country x business). Using regional headquarters to oversee the centralized management of marketing functions, we will establish a consumer-supported brand and accelerate business expansion in the growing ASEAN markets.

(3) We will promote the adoption of digital technology in marketing and all other organizations to improve management capabilities and strengthen governance through a system of regional headquarters.

<Distribution after establishing management company in ASEAN>



Glico Thailand :Status of Net Sales and Income



(Unit:1 million THB)

	FYE Dec'16	FYE Dec'17					
	Full year Results	Full year Forecast	Full year Results	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Net Sales	4,228	4,334	4,003	-225	-5.3	-331	-7.6
Operating Income	501	339	326	-175	-34.9	-13	-3.7

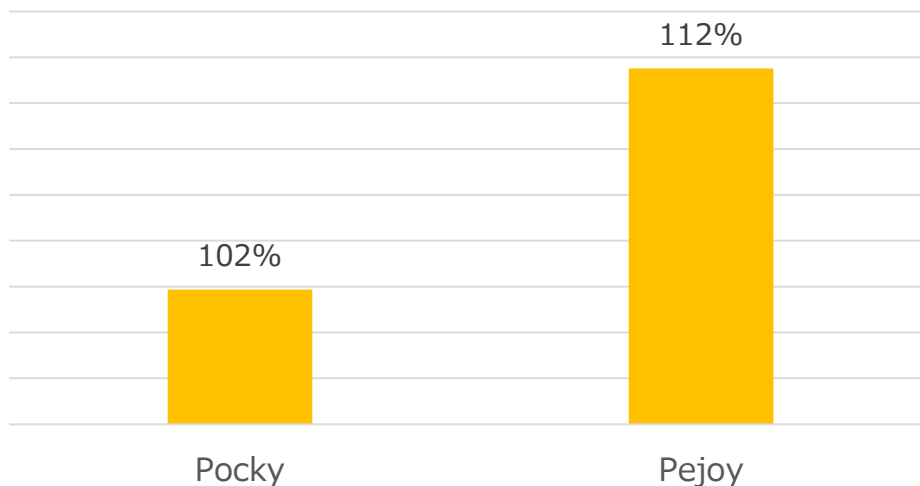
*Includes exports to Indonesia and other nearby countries

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

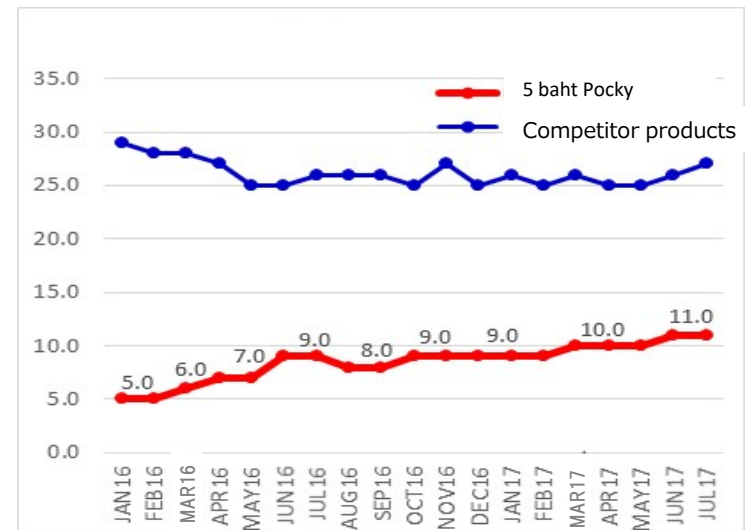
Glico Thailand :Lull in Thai domestic market

- The Thai domestic cookie market continued approx. 5% annual growth since FY2013 but FY2017 YoY growth peaked at 102%.
- Amid an severe market environment, we secured sales growth for Pocky and Pejoy concentrating on core products and promoted sales in 14 major rural cities outside the Bangkok area. However, revenues for the overall cookie market decreased to 98% YoY due in part to the launch of Ultra-Thin Pretz the previous year.
- The MT market recorded lower revenues due to the impact of partially suspending storefront measures at franchises with high operating costs. However, TT market revenues increased thanks to sales promotion activities. We will aim to reduce discount expenses and focus on the TT market to increase sales.

(1) Growth rate by brand (YoY)

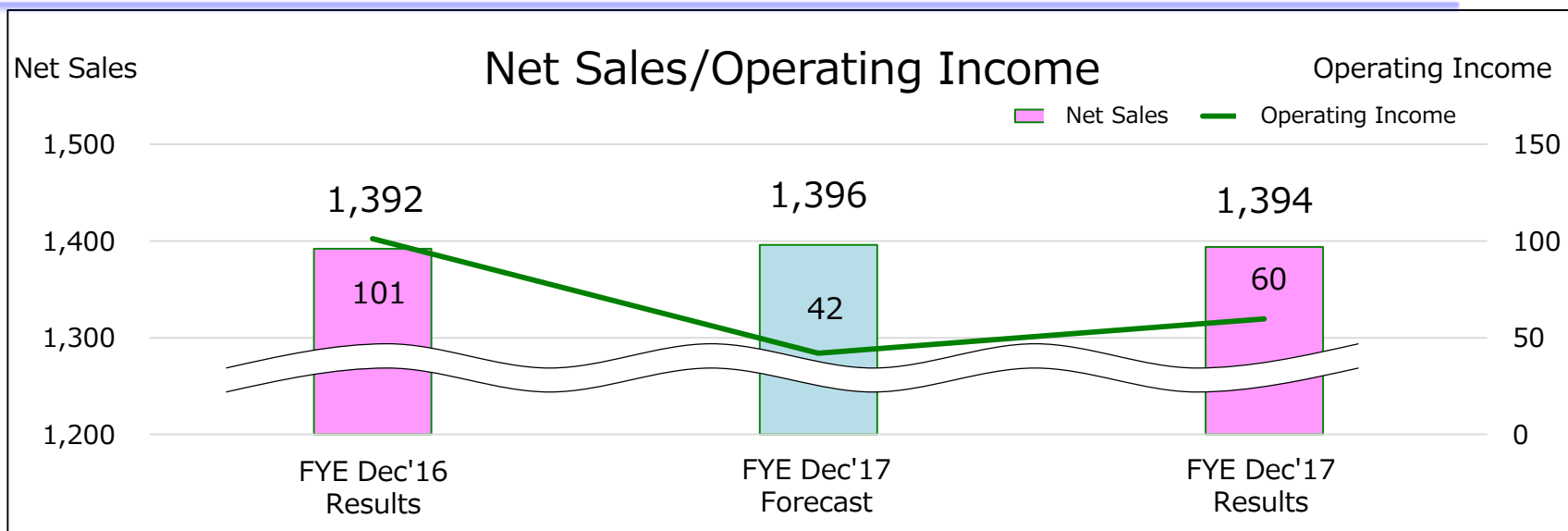


(2) Transitions in TT market shipment rates



(Source)Glico research

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



(Unit:1 million CNY)

	FYE Dec'16	FYE Dec'17					
	Full year Results	Full year Forecast	Full year Results	Change from Previous period		Change from Forecast	
				Amount	Change (%)	Amount	Change (%)
Net Sales	1,392	1,396	1,394	2	0.1	-2	-0.1
Operating Income	101	42	60	-41	-40.9	18	42.4

*Includes exports to Indonesia and other nearby countries

China(Glico Shanghai) :China cookie market

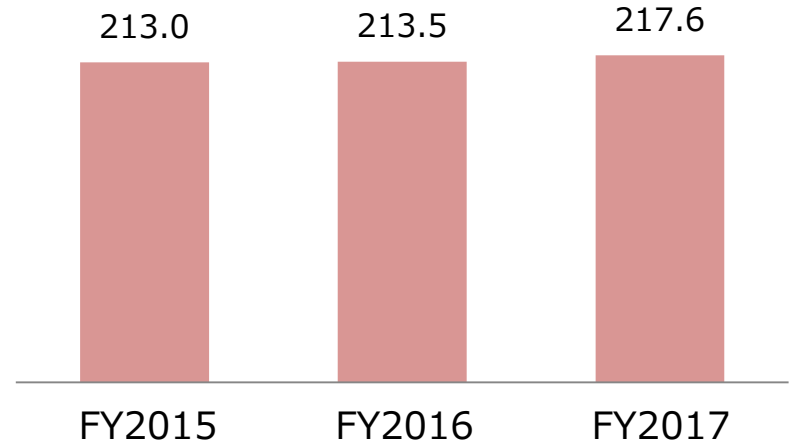
■ The scale of the China cookie market (offline) in FY2017 was largely unchanged at 101.9% YoY.

■ By manufacturer, market share (offline) for Glico was largely unchanged.

■ We worked to maximize cost-effectiveness, particularly for core companies in Tier 1 and Tier 2 cities, while conducting sales promotions by increasing storefront exposure.

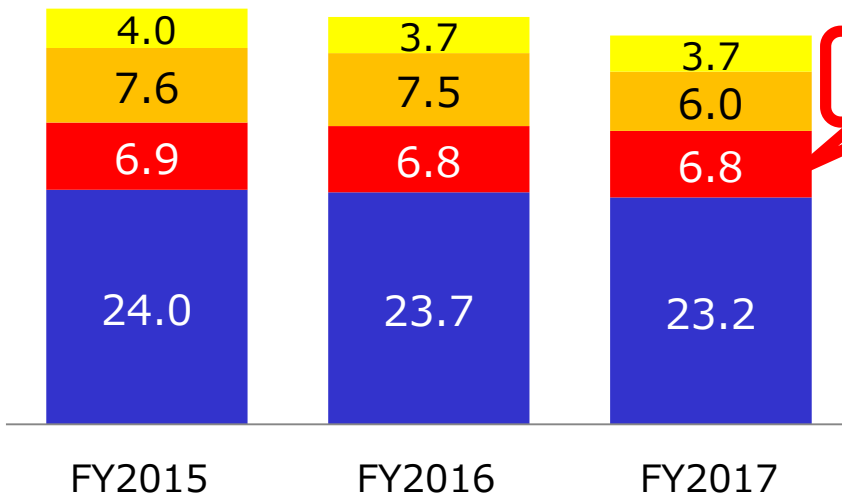
We also released sub-brands of Pocky for kids to respond to new needs among children as we focused on expanding our target customer.

(1) Transitions in cookie market (offline) scale (100M CNY)



(Source)Glico research

(2) China cookie market share by manufacturer (offline)



(Source)Glico research

(3) Released Pocky for kids



China(Glico Shanghai) :Response to China EC

■ On the China cookie market, the EC market has continued to record double-digit growth in recent years. In FY2017, this has come to represent a major market with 5.78 billion CNY in sales (approx. +27% YoY).

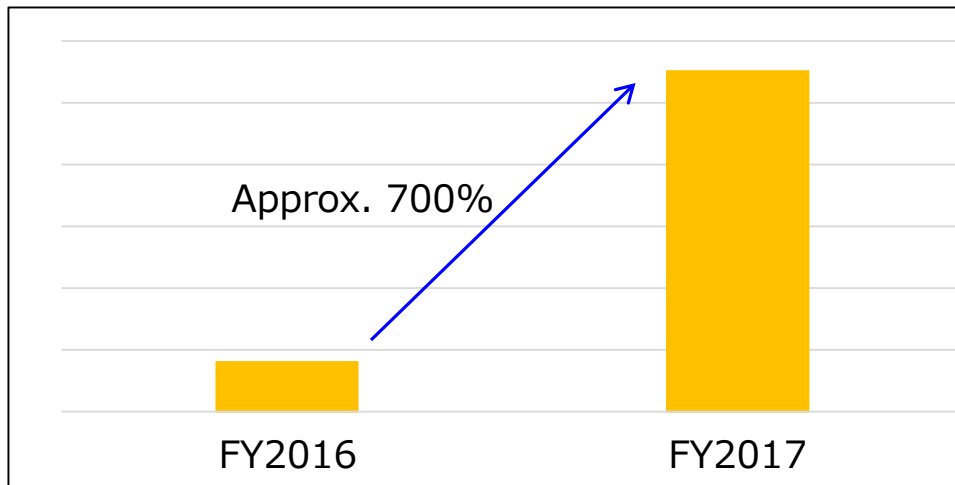
■ Through efforts to catch up after a delayed push into the EC market, net sales for our EC channel increased by approx. 700% YoY.

■ For the first time, Pocky was selected for Super Brand Day on T-Mall. In April of this year, we launched Sakura Pocky as an exclusive product for T-Mall. We will continue to increase our presence on the EC market.

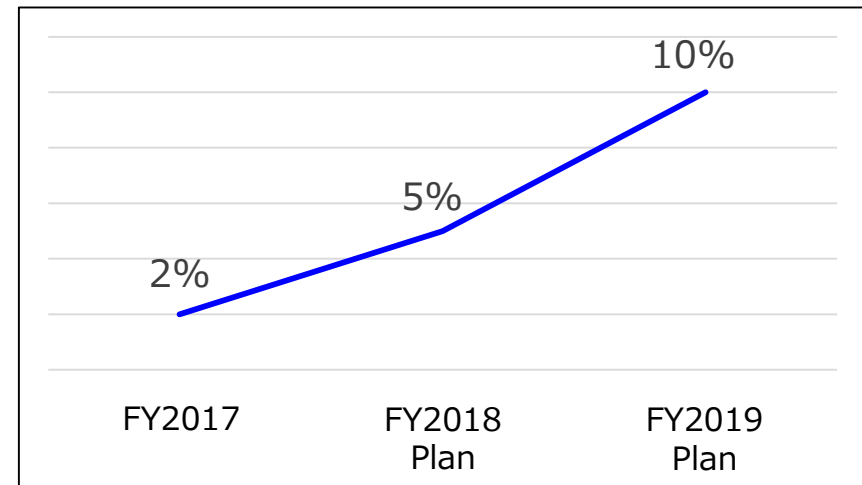
(1) Sakura Pocky exclusive for T-Mall



(2) Transitions in Glico online net sales



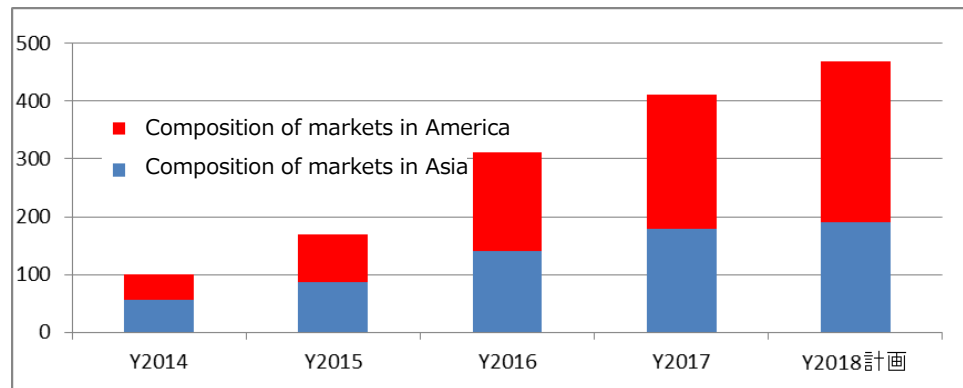
(3) Glico online net sales ratio



Confectionery business in America

- FY2017 net sales for American confectionery subsidiary Ezaki Glico USA outperformed results from 3 years prior (FY2014) by over 400%.
- In FY2018 we plan to continue double-digit YoY growth with a focus on the west coast.

(1) Transitions in Ezaki Glico USA net sales (Y2014=100)



Sales increased at major US retailers such as Costco and Walmart

(2) Pocky Day SNS campaign



Above indicates strong performing ads.
In addition to Pocky Day in November, we conducted event-specific SNS-based promotions for occasions such as Christmas and Valentines.

(3) List of overseas offices in the North America area

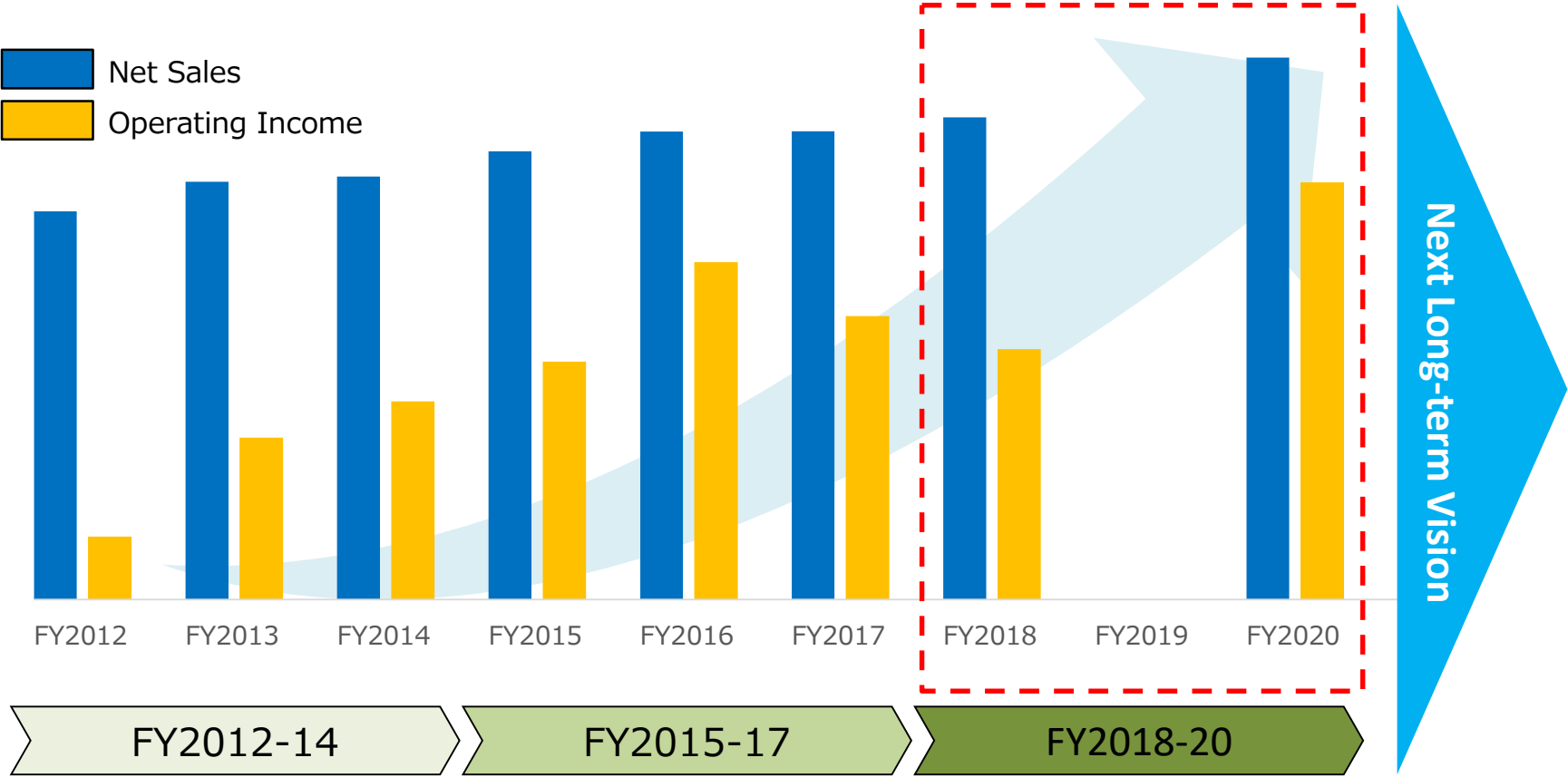


We made Glico Canada a 100% subsidiary in November 2017. Also, in February 2018, we purchased TCHO Ventures, a company with high-quality chocolate brands.

III. Overview of Mid-Term Business Plan

Mid-Term Business Plan <FY2018-20>

New start on solidifying our platform to promote continuous growth for the Glico Group



Mid-Term Business Plan Quantitative goals

<FY2020 Consolidated earnings goals >

Item	Goal
Net Sales	Average annual growth rate of 5% and higher
Operating Income	30 billion yen and higher
R O E	10% and higher

Mid-Term Business Plan Basic Policies

Mid-Term Business Plan Basic Policies

1. Improve competitiveness through selection and concentration for management resources

- (1) Enhance core brands and accelerate innovation
- (2) Accelerate growth through global expansion of health business
- (3) Establish growth platform for overseas business and promote expansion of global brand

2. Strengthen management platform for sustainable growth

- (1) Strengthen personnel assets and create a motivating business culture
- (2) Enhance organizational capabilities and functions of each department, promote adoption of digital technology, and optimize operations
- (3) Promote CSR activities by all employees to improve corporate brand value

Capital Investments, Depreciation, and R&D Expenditures

(Unit:100 million yen)

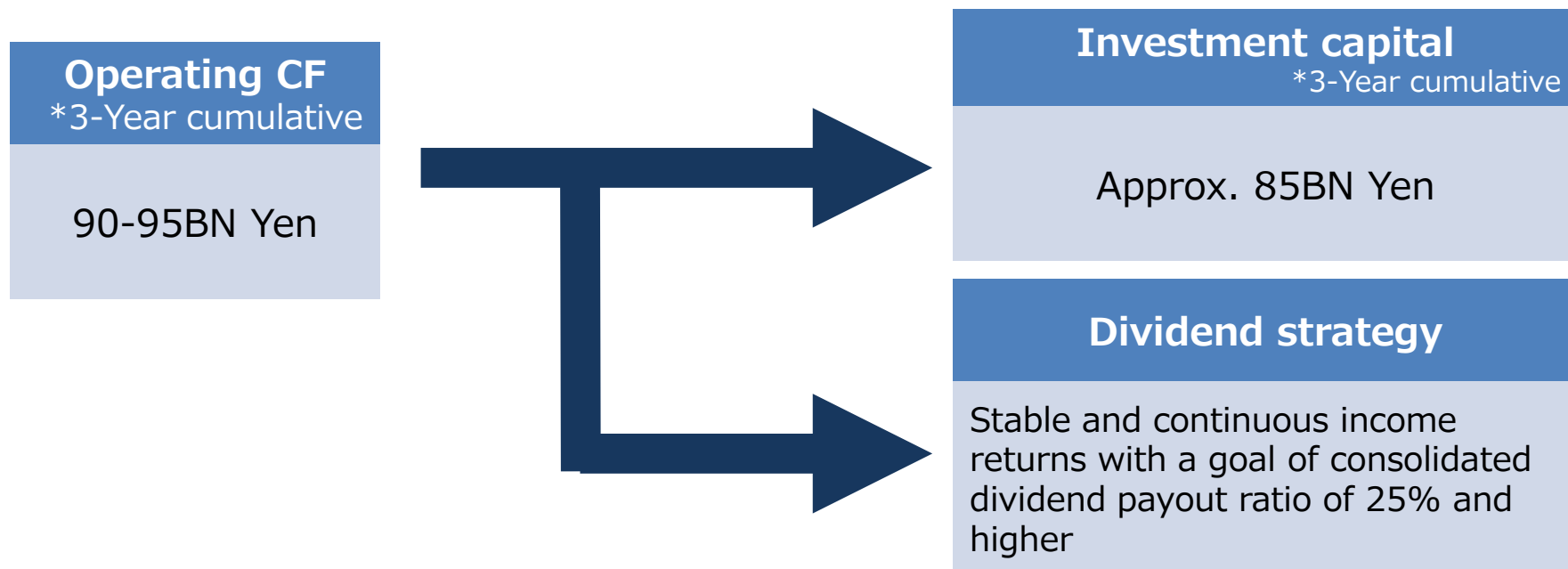
	FYE March'17 Full year	FYE March'18 Full year		FYE March'19 Full year	Total (FYE March'19~ FYE March'21)
	Results	Forecast	Results	Forecast	Forecast
Capital investment	177	179	183	193	759
Confectioneries and Food Products	30	40	43	81	195
Ice Cream	114	76	80	37	101
Milk and Dairy Products	12	15	15	30	240
Food Ingredients	1	2	2	2	7
Overseas business	13	12	11	36	113
Other	8	34	32	7	103
Unconsolidated subsidiaries • investment and lending	5	0	0	0	0
System investment	24	15	11	36	74
Unconsolidated subsidiaries • investment and lending	206	194	194	229	833
Depreciation	111	130	136	141	436
R&D expenditures	55	60	47	61	191

Income distribution basic policies (capital strategy)





















1. Prioritize growth investments and aim for **long-term maximization** of corporate value.
2. Conduct stable and continuous income returns with a goal of consolidated **dividend payout ratio of 25% and higher**.

*However, in the event of significant extraordinary losses, dividend amounts will be decided based on consideration of the impact of losses.

<Cash flow plan summary for Mid-Term Management Plan (FY2018-2020)>



Glico Group Overview

Segment	Category	Main products	Main group company
Confectioneries and Food Products	Chocolate (including Pocky)	   	Ezaki Glico Co., Ltd.
	Cookies (including Pretz)		
	Food Products		
	Other		
Ice Cream	Icecream, Wholesale subsidiaries	  	Wholesale subsidiaries -3 Companies
Milk and Dairy Products	Yogurt	    	Icreo Co., Ltd.
	Drinking milk		
	Fruit juices, Carbonated drinks		
	Western confections		
	Infant formula		
	Other		
Food Ingredients	Food Ingredients		Glico Nutrition Co., Ltd.
Overseas business	Overseas subsidiaries·Export	     	Glico Asia Pacific Thai Glico
			Shanghai Ezaki Glico Foods Co., Ltd. Glico Frozen(Thailand) Ezaki Glico USA
Other	Office glico,Health Business,etc.	 	Ezaki Glico Co., Ltd. Glico Channel Create, Inc.

Net Sales by Category

(Unit:100 million yen)

Segment	Category	FYE March'17	FYE March'18	FYE March'19		
		Results	Results	Forecast	Change from Previous period	
					Amount	Change
Confectioneries and Food Products	Chocolate (including Pocky)	449	473	484	11	2.3
	Cookies (including Pretz)	272	276	280	4	1.5
	Food Products	202	205	205	0	0.2
	Other	55	40	40	0	1.2
	Total	978	993	1,009	16	1.6
Ice Cream	Icecream, Wholesale subsidiaries	916	871	880	9	1.0
	Total	916	871	880	9	1.0
Milk and Dairy Products	Yogurt	254	246	253	7	2.8
	Drinking milk	283	309	311	2	0.5
	Fruit juices, carbonated drinks	250	225	225	0	0.1
	Western confections	104	106	109	3	2.5
	Infant formula	43	42	43	1	1.9
	Other	6	7	7	0	4.1
	Total	939	936	948	12	1.3
Food Ingredients	Food Ingredients	104	107	109	2	1.4
	Total	104	107	109	2	1.4
Overseas business	Overseas subsidiaries・Export	453	477	531	54	11.4
	Total	453	477	531	54	11.4
Other	Office glico,Health Business,etc.	142	150	163	13	8.5
	Total	142	150	163	13	8.5
Total		3,532	3,534	3,640	106	3.0

TTM Currency Rate

		USD	EUR	THB	CNY	100KRW	100IDR
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
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
	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
YoY as of Dec. 31		97.00%	109.98%	106.48%	103.16%	109.71%	96.55%

[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.