



[Notes of caution]

This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

Glico Group Financial Results For the Fiscal Year ended March 31, 2019

Ezaki Glico Co., Ltd.

Securities Code: 2206

May 23, 2019

Contents



I. FYE March 2019 Earnings Report	P. 3 - 28
II. FYE December 2019 Earnings Forecast	P.29 - 37
(Supplemental Materials)	P.38 - 39

I. FYE March 2019 Earnings Report

Summary of FYE March 2019 Performance

1. Domestic performance was severe, as consolidated net sales fell 0.9% YoY.

- During FYE March 2019, consolidated net sales of Pocky, Pretz, BifiX Yoghurt, Cafe Ole, and other mainstay brands showed a decrease of 0.9% compared to the previous year.

2. The health business category continued to be strong (increase of 25.6% YoY).

- The health business category posted a significant increase of 25.6% compared to the previous year. The effects brought by SUNAO and Almond Koka were strong and drove the creation and expansion of a new reduced-sugar market and almond milk market.

3. The overseas segment's net sales grew substantially with a 13% increase YoY (based on local currencies).

- Marketing investment and other measures proved successful overseas, and the overseas segment's net sales grew substantially at 13% compared to the previous year based on local currencies.

Status of Net Sales and Income



■ Net sales:

While the overseas segment continued to be strong, it could not cover the difficulties faced in the domestic segment, and thus net sales fell 0.9% on a consolidated basis compared to the previous year.

■ Operating income:

Operating income fell 17.8% on a consolidated basis compared to the previous year as a result of decreased revenues in the overseas segment, which is actively making investments, and decreased revenues in the domestic segment.

(Unit: 100 million yen)

	FYE Mar 2018 Results	FYE Mar 2019 Forecast	FYE Mar 2019 Results	Change from Previous Period (%)	Change from Forecast (%)
Net sales	3,534	3,580	3,503	-0.9	-2.2
Operating income	204	180	167	-17.8	-7.0
Ordinary income	220	199	192	-12.6	-3.4
Net income	152	136	118	-22.2	-12.9
Operating profit margin (%)	5.8	5.0	4.8	-	-

Note: Forecasts for FYE March 2019 are figures released on October 31, 2019 (same applies to all slides).

Status of Operating Income



(Unit: 100 million yen)

	FYE Mar 2018 Results	Sales ratio(%)	FYE Mar 2019 Forecast	Sales ratio (%)	FYE Mar 2019 Results	Sales ratio (%)
Net sales	3,534	100.0	3,580	100.0	3,503	100.0
Cost of sales	1,872	53.0	1,877	52.4	1,842	52.6
Gross profit	1,662	47.0	1,703	47.6	1,661	47.4
Freight and charges	300	8.5	308	8.6	306	8.7
Sales promotion	555	15.7	567	15.8	557	15.9
Advertising expenses	136	3.9	151	4.2	144	4.1
Salaries and benefits	281	7.9	288	8.0	285	8.2
Expenses and depreciation	187	5.3	209	5.8	201	5.7
SGA total	1,459	41.3	1,523	42.5	1,494	42.6
Operating income	204	5.8	180	5.0	167	4.8

Factors of Increases (Decreases) in Operating Income

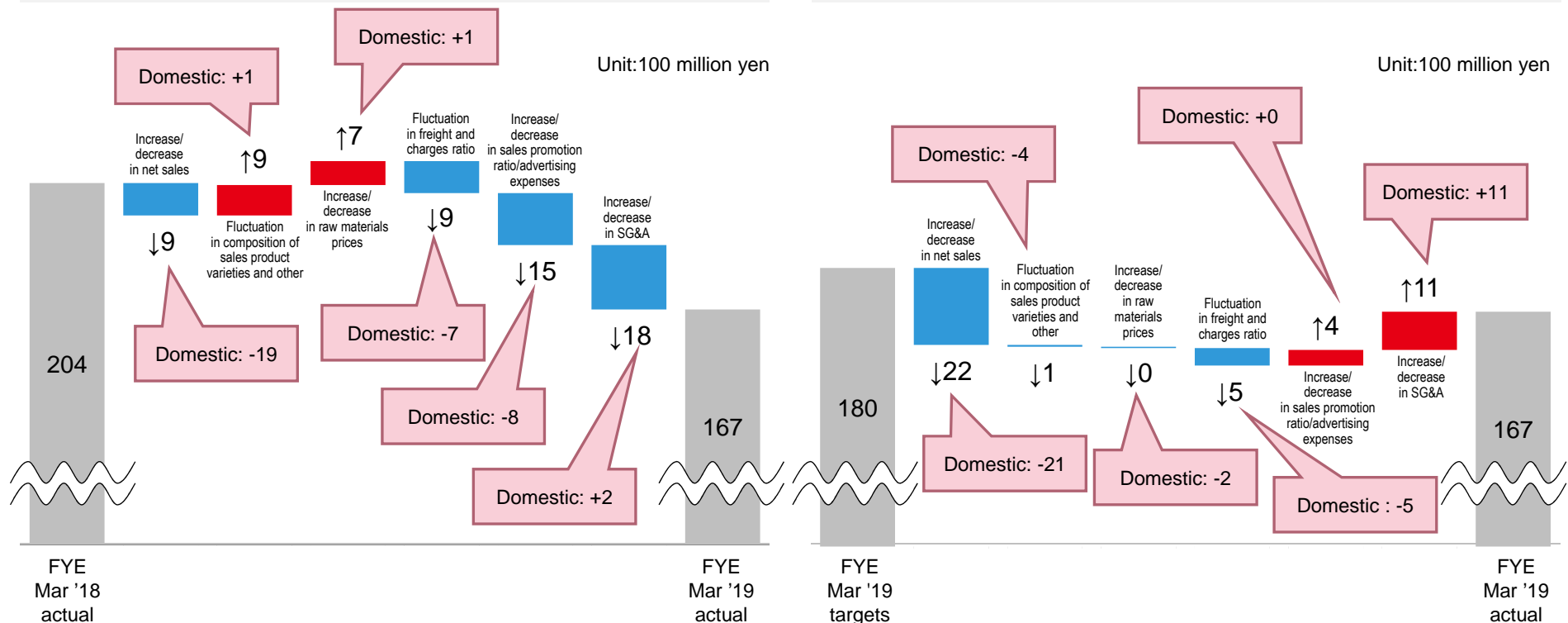


<Change from previous period>

- Revenues decreased by 900 million yen due to a year-on-year decrease in net sales.
- Sales promotion ratio/advertising expenses decreased by 1.5 billion yen and SG&A expenses decreased by 1.8 billion yen due to increased investments in Japan and overseas.

<Change from forecast>

- There was a 2.2 billion yen decrease in revenues because net sales fell below plans.
- However, there was a 1.1 billion yen increase in profits that was attributable to efforts to control SG&A expenses.



Impact of Raw Material Price Fluctuations on Costs

■ FYE March 2019 Results

Although prices increased for fruit juices and fruits, overall procurement costs for the Group fell by 700 million yen due to lower prices for oils and fats and sugars.

■ FYE December 2019 Targets

A decrease in procurement costs of 100 million yen is forecasted for the Group.

* In terms of foreign exchange sensitivity, it is anticipated that raw material procurement costs will decrease by roughly 200 million yen with appreciation of one yen to the dollar.
(Conversely, if a one-yen depreciation occurs, raw material procurement costs will increase by roughly 200 million yen.)

(Unit: 100 million yen)

	FYE Mar 2019 Results		FYE Dec 2019 Targets
	Change from previous period ^{*1}	Change from forecast ^{*2}	Change from previous period ^{*3}
Group total (including overseas subsidiaries)	- 7	0	- 1

Note: Includes impact of currency

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

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

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

Status of Net Sales by Segment



- The overseas segment continued to perform well following the first half. (Growth of 13% based on local currencies)
- However, the domestic segment had a year-on-year decrease of 2.3%, as, although the health business achieved two-digit growth, the Confectionaries and Food Products segment and Milk and Dairy Products segment struggled.

(Unit: 100 million yen)

	FYE Mar 2018 Results	FYE Mar 2019 Forecast	FYE Mar 2019 Results	Change from Previous Period (%)	Change from Forecast (%)
Total	3,534	3,580	3,503	-0.9	-2.2
Confectioneries and Food Products	993	1,002	949	-4.4	-5.3
Confectioneries	788	794	752	-4.6	-5.3
Food products	205	208	197	-3.7	-5.1
Ice Cream	871	853	850	-2.4	-0.3
Milk and Dairy Products	936	908	901	-3.7	-0.7
Food Ingredients	107	111	108	0.2	-2.8
Overseas business	477	518	516	8.2	-0.4
Other	150	189	178	18.7	-5.6

Reference: The following exchange rates are used.

	FYE Mar 2018 Results	FYE Mar 2019 Forecast	FYE Mar 2019 Results
China (CNY)	1 CNY = 17.29 yen	1 CNY = 16.50 yen	1 CNY = 16.16 yen
Thailand (THB)	1 THB = 3.45 yen	1 THB = 3.50 yen	1 THB = 3.41 yen
U.S.A (USD)	1 USD = 113.00 yen	1 USD = 113.57 yen	1 USD = 111.00 yen

Status of Operating Income by Segment



- Operating income decreased compared to the previous year in all segments except Ice Cream and Other.

(Unit: 100 million yen)

	FYE Mar 2018 Results	FYE Mar 2019 Forecast	FYE Mar 2019 Results	Change from Previous Period (%)	Change from Forecast (%)
Total	204	180	167	-17.8	-7.0
Confectioneries and Food Products	81	78	61	-24.6	-21.4
Confectioneries	73	70	56	-23.4	-19.5
Food products	8	8	5	-34.9	-37.3
Ice Cream	66	69	69	4.0	-0.3
Milk and Dairy Products	38	34	28	-26.6	-16.2
Food Ingredients	12	13	9	-20.9	-32.1
Overseas business	21	6	14	-32.3	129.5
Other	2	2	3	36.3	52.1
Adjustment	-17	-22	-17	-	-

Reference: The following exchange rates are used.

	FYE Mar 2018 Results	FYE Mar 2019 Forecast	FYE Mar 2019 Results
China (CNY)	1 CNY = 17.29 yen	1 CNY = 16.50 yen	1 CNY = 16.16 yen
Thailand (THB)	1 THB = 3.45 yen	1 THB = 3.50 yen	1 THB = 3.41 yen
U.S.A (USD)	1 USD = 113.00 yen	1 USD = 113.57 yen	1 USD = 111.00 yen

Domestic Business: Situation by Category

Category	FYE March 2019 Results	
	Net sales (% of previous period)	
Chocolate	46.2 billion yen (97.6%)	Health-oriented products, such as LIBERA and GABA, as well as Caplico and Kobe Roasted Chocolate grew. However, mainstay products Pocky and Almond Chocolate struggled, leading to a year-on-year decrease. However, Pocky improved to post a double-digit year-on-year increase in the fourth quarter only with the launch of the new sub-brand Gogo-no-Zeitaku.
Cookies	25.5 billion yen (92.6%)	Although BISCO remained strong throughout the year, there was a year-on-year decrease because Pretz and COLLON struggled.
Ice Cream	85.0 billion yen*1 (97.6%)	Revenue showed a year-on-year decline throughout the Ice Cream category as a result of decreases in ice cream wholesaling and commercial products. However, BISCO, Icenomi, and other mainstay products remained strong, and thus there was a 2.4% year-on-year increase in revenue for the Glico brand.
Yoghurt	22.8 billion yen (92.4%)	Revenue decreased compared to the previous year due to declines for BifiX yoghurt, Choshoku Apple Yoghurt, and other mainstay brands.
Drinking Milk	29.8 billion yen (96.2%)	The mainstay brand Cafe Ole struggled, and revenue showed a year-on-year decrease.
Infant Formula	4.6 billion yen (107.8%)	Net sales increased year on year throughout the Infant Formula category, as growth in Balance Milk, which gained greater recognition with the launch of liquid milk, compensated for reduced revenue by Follow-Up Milk that resulted from falling demand among visitors to Japan.
Health	11.9 billion yen (125.6%)	Almond Koka and SUNAO continued to show strong performance, leading to a double-digit year-on-year increase.

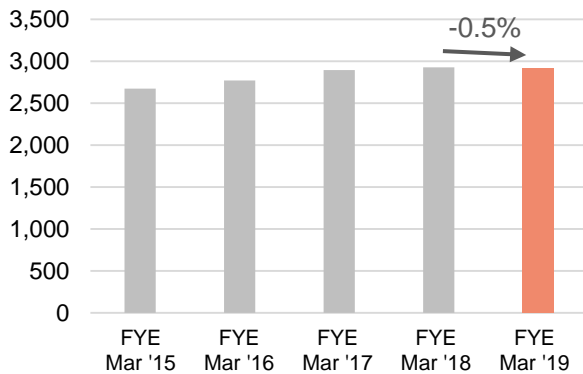
Domestic Business: Situation by Category (Chocolate/Cookies)



Chocolate category

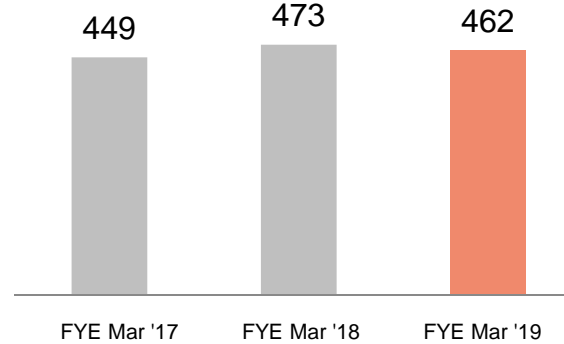
Chocolate Market (Intage SRI)

Unit: 100 million yen



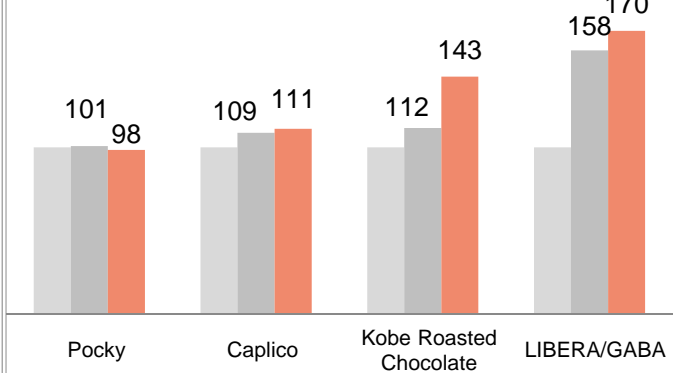
Net Sales - Chocolate category -

Unit: 100 million yen



Net Sales by Brand (When FYE March 2017 net sales are set as 100)

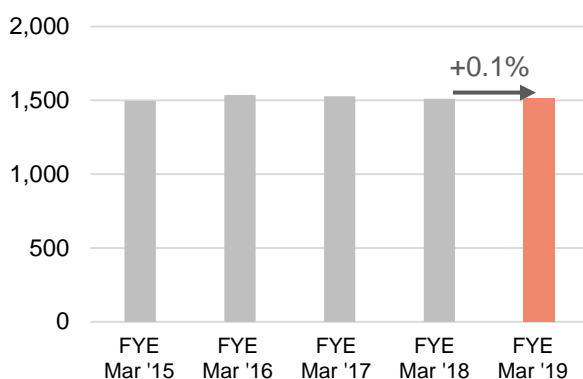
■ FYE Mar '17 ■ FYE Mar '18 ■ FYE Mar '19



Cookies category

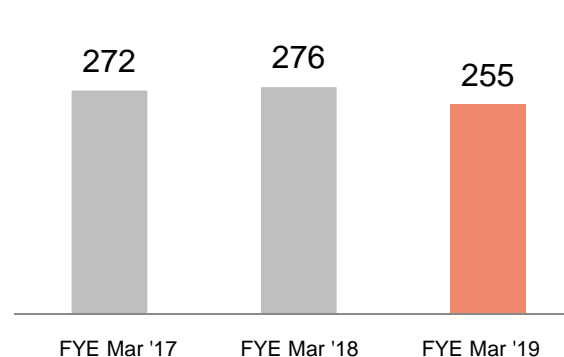
Cookie Market (Intage SRI)

Unit: 100 million yen



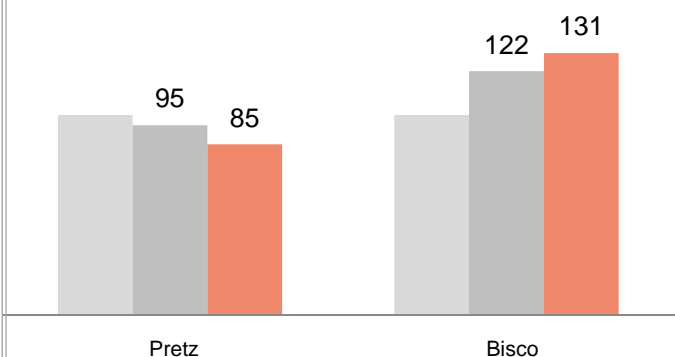
Net Sales - Cookies category -

Unit: 100 million yen



Net Sales by Brand (When FYE March 2017 net sales are set as 100)

■ FYE Mar '17 ■ FYE Mar '18 ■ FYE Mar '19



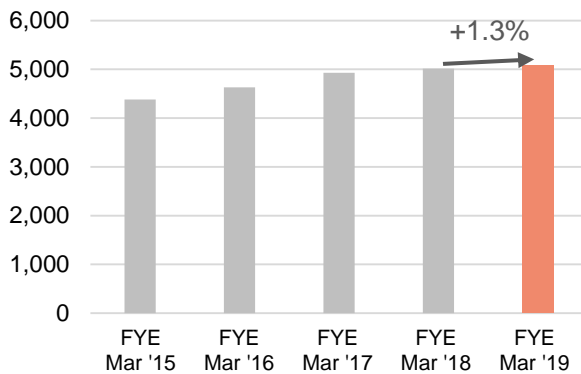
Domestic Business: Situation by Category (Ice Cream/Yoghurt)



Ice Cream category

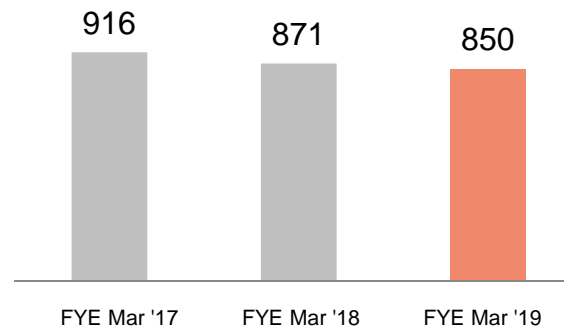
Ice Cream Market
(Ice Cream Marketing News)

Unit:100 million yen



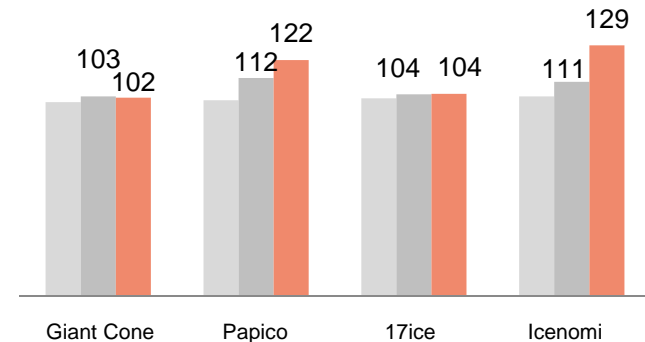
Net Sales
- Ice Cream category -

Unit:100 million yen



Net Sales by Brand
(When FYE March 2017 net sales are set as 100)

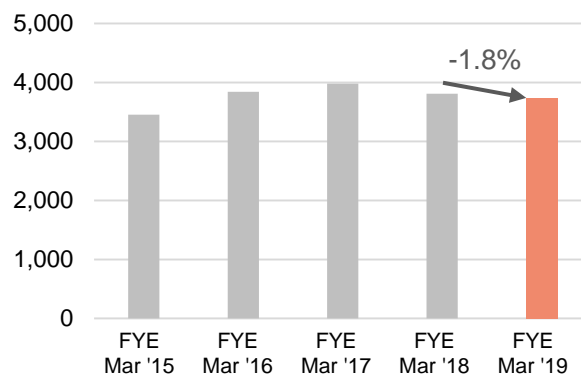
■ FYE Mar '17 ■ FYE Mar '18 ■ FYE Mar '19



Yogurt category

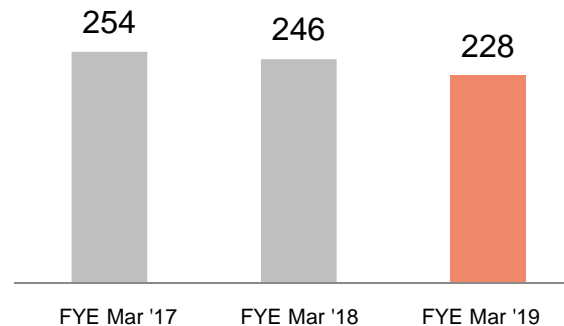
Yoghurt Market
(Intage SRI)

Unit:100 million yen

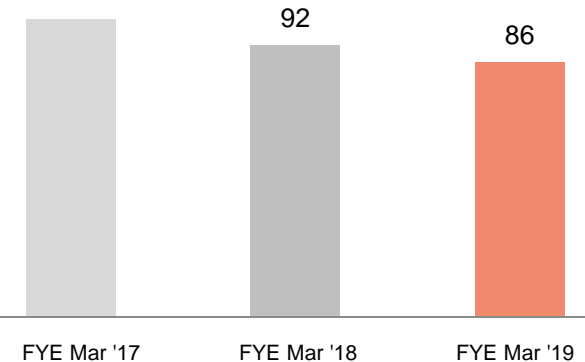


Net Sales
- Yogurt category -

Unit:100 million yen



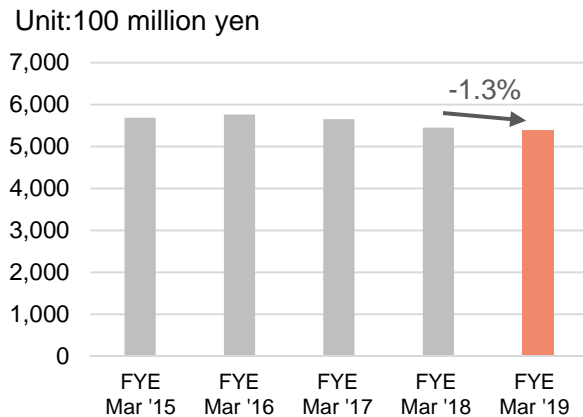
BifiX Yoghurt Net sales
(When FYE March 2017 net sales are set as 100)



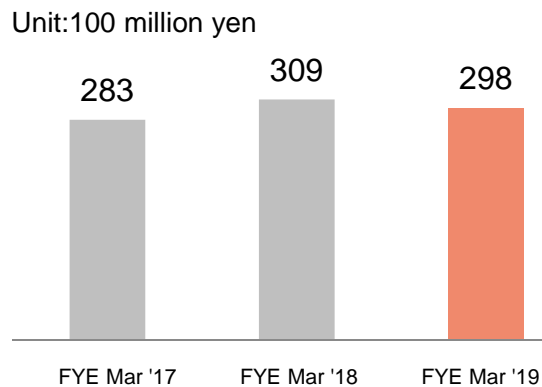
Domestic Business: Situation by Category (Drinking Milk/Infant Formula) *Glico*

Drinking milk category

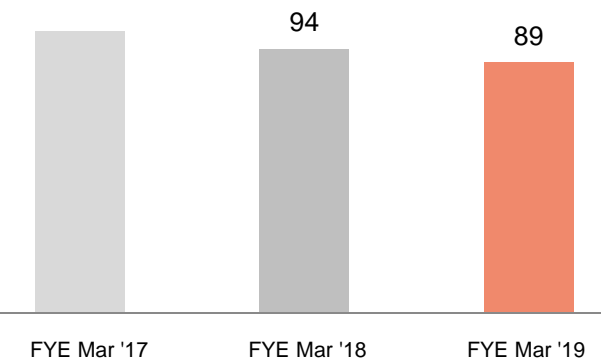
Drinking Milk Market (Intage SRI)



Net Sales - Drinking milk category -

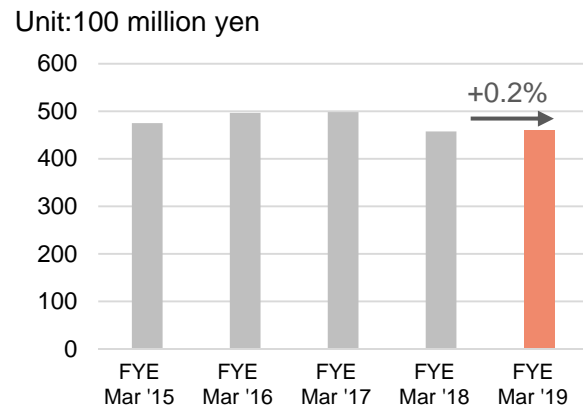


Cafe Ole Net Sales (When FYE March 2017 net sales are set as 100)

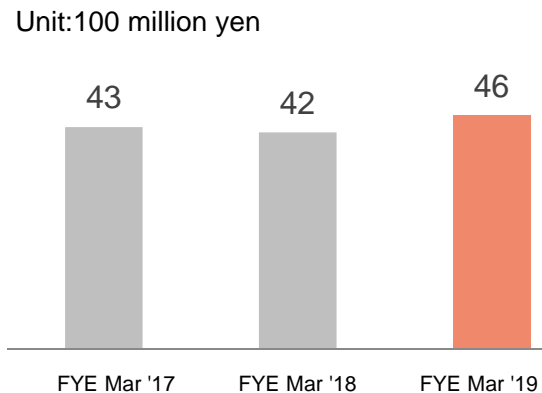


Infant Formula category

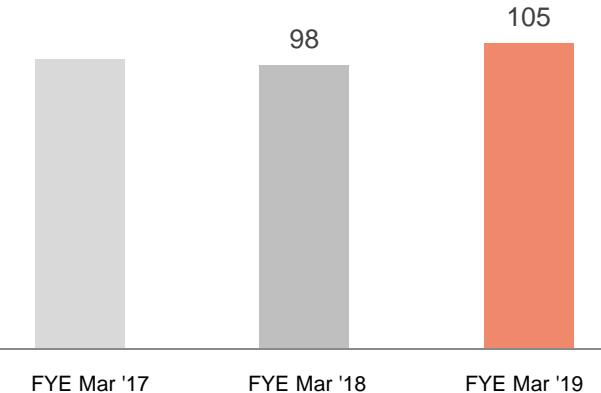
Infant Formula Market (Intage SRI/SCI estimate)



Net Sales - Infant Formula category -



Icreo (Infant Formula) Net Sales (When FYE March 2017 net sales are set as 100)



Overseas Business: Region-Specific Net Sales and Operating Income



- Double-digit year-on-year growth was achieved in China, ASEAN, and U.S.A.

◆ China

(Unit: 1 million CNY)

	FYE Dec 2017 Results	FYE Dec 2018 Forecast	FYE Dec 2018 Results	Change from Previous Period (%)	Change from Forecast (%)
Net sales	1,394	1,526	1,598	14.7	4.7
Operating income	60	54	78	30.3	44.3

◆ ASEAN

(Unit: 1 million USD)

	FYE Dec 2017 Results	FYE Dec 2018 Forecast	FYE Dec 2018 Results	Change from Previous Period (%)	Change from Forecast (%)
Net sales	101	122	116	14.9	-4.6
Operating income	-5	-13	-13	-	-

◆ U.S.A. * Results of Ezaki Glico USA

(Unit: 1 million USD)

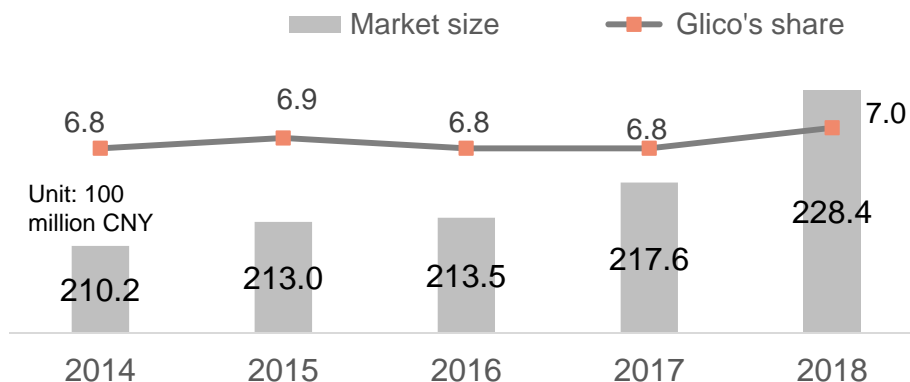
	FYE Dec 2017 Results	FYE Dec 2018 Forecast	FYE Dec 2018 Results	Change from Previous Period (%)	Change from Forecast (%)
Net sales	48	54	57	18.6	4.1
Operating income	5	4	6	18.6	45.2

China (1)

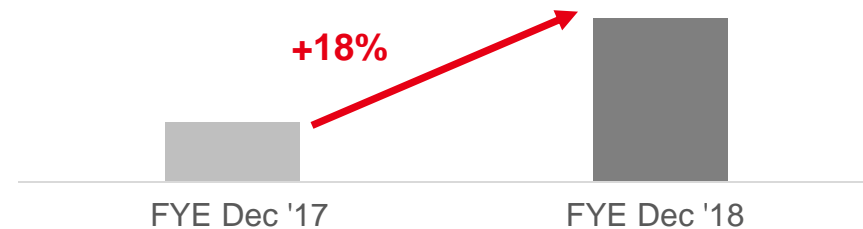


- In 2018, China's cookie market (off-line) grew 5% compared to the previous year.
- Customer-specific managed sales centered on the Key Account Sales Division (KA Division) came into full operation in FYE December 2018 to expand shipments of mainstay brands to Tier 1 and 2 cities.
- Resources are being focused on Pocky, Pretz, and Pejoy.
- Additionally, new efforts toward the standardization and visualization of shipments are being implemented and performance management was started to improve shipment quality.
- As a result, Glico's off-line net sales achieved a revenue increase of 10.4% compared to the previous year, greatly surpassing the market's growth.

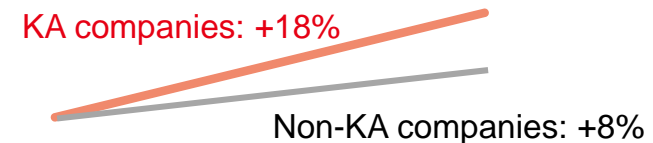
China's cookie market size and Glico's share (off-line)



Net sales growth rate
Total net sales of Pocky, Pretz, and Pejoy
(off-line + EC)



Net sales growth rates for KA and non-KA companies (off-line)



FYE Dec '17

FYE Dec '18

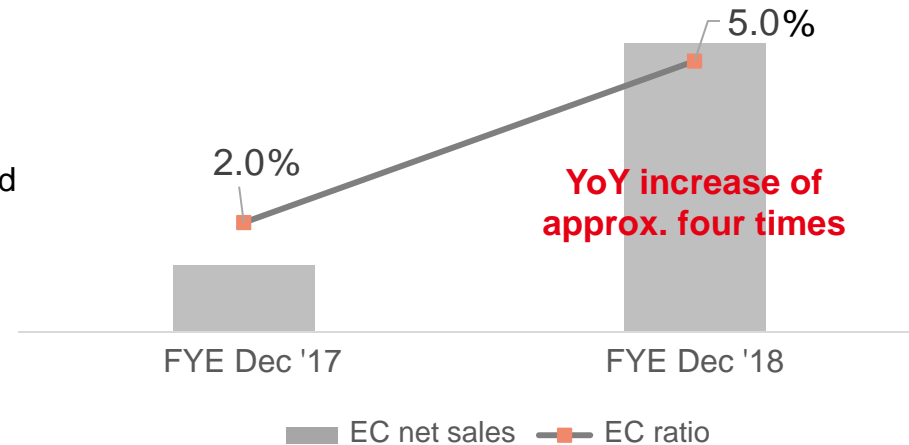


China (2)



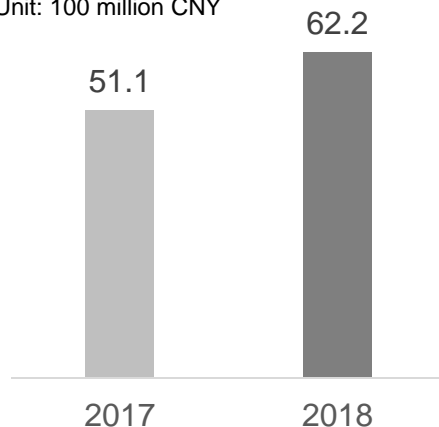
- In 2018, the EC market in China's cookie market grew 22% compared to the previous year, continuing a strong growth trend.
- Glico expanded its lineup of products that include "Sakura Pocky," a product sold only on T-Mall through collaboration with Alibaba, other EC-only products, and gift products.
- Use of digital advertising led to more touchpoints with customers and stronger brand equity.
- The start of sales of flagship store-only products on November 11 led to stronger brand recognition and higher sales of regular products.
- As a result, Glico's EC net sales increased dramatically to four times the level of the previous year.

Glico's EC net sales and EC share

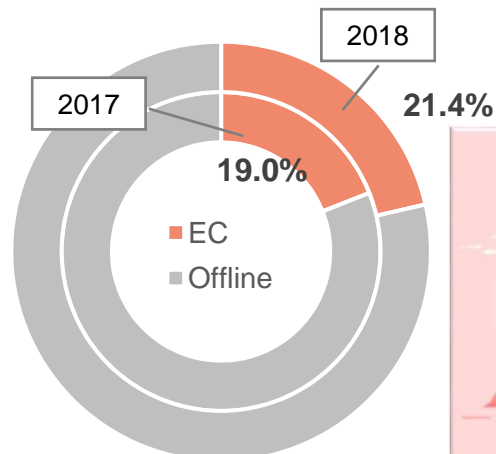


China's cookie market size (EC)

Unit: 100 million CNY



EC's share of China's cookie market



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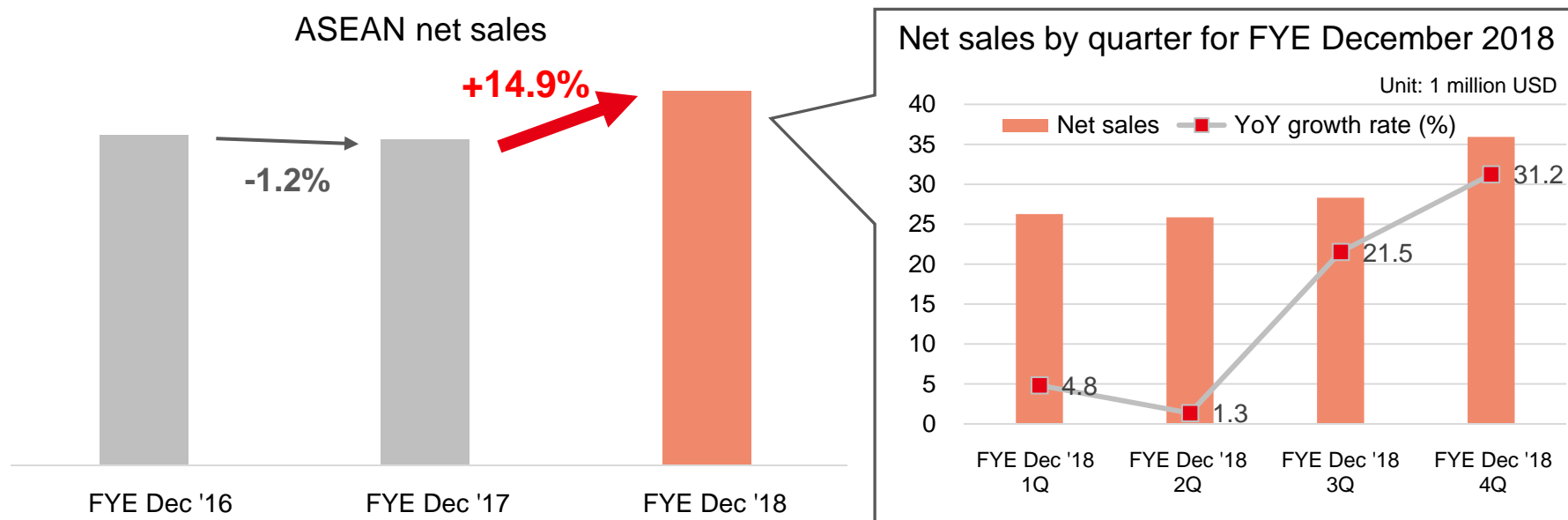
Source: Glico data



ASEAN (1)



- During FYE December 2018, the company made aggressive marketing investment to solidify its business foundation in ASEAN. While FYE December 2017 net sales showed negative year-on-year growth of -1.2%, FYE December 2018 net sales grew considerably by 14.9%.
- Particularly noteworthy was the fourth quarter, in which net sales showed a significant year-on-year increase of 31.2%.
- The Thai ice cream business and Indonesian and Malaysian confectionery business achieved double-digit growth throughout the business year. The Thai confectionery business saw net sales fall below the previous year's level in the first half due to focusing of measures-related costs; however, net sales recovered in the second half and showed an increase for the full business year.



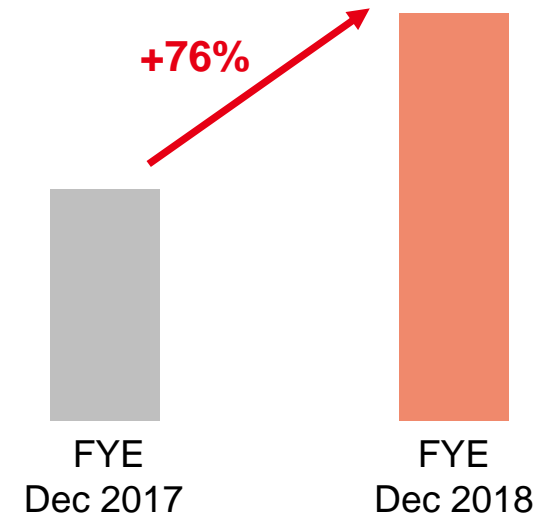
ASEAN (2)

- Confectionery Business in Indonesia -



- The Indonesian cookie market grew 2% year on year in FYE December 2018. Meanwhile, Glico's net sales in Indonesia for FYE December 2018 grew significantly at 76% year on year with greater distribution that resulted from a stronger sales organization.
- Sales of Pocky Cookie & Cream, which went on the market at the end of last fiscal year, were strong, and its share in Indonesia grew to 1.6% (0.5 point increase).
- Glico's presence in the domestic market rose due to aggressive marketing investment in television commercials and other areas.

Confectionery business in Indonesia:
net sales



Pocky Cookie & Cream



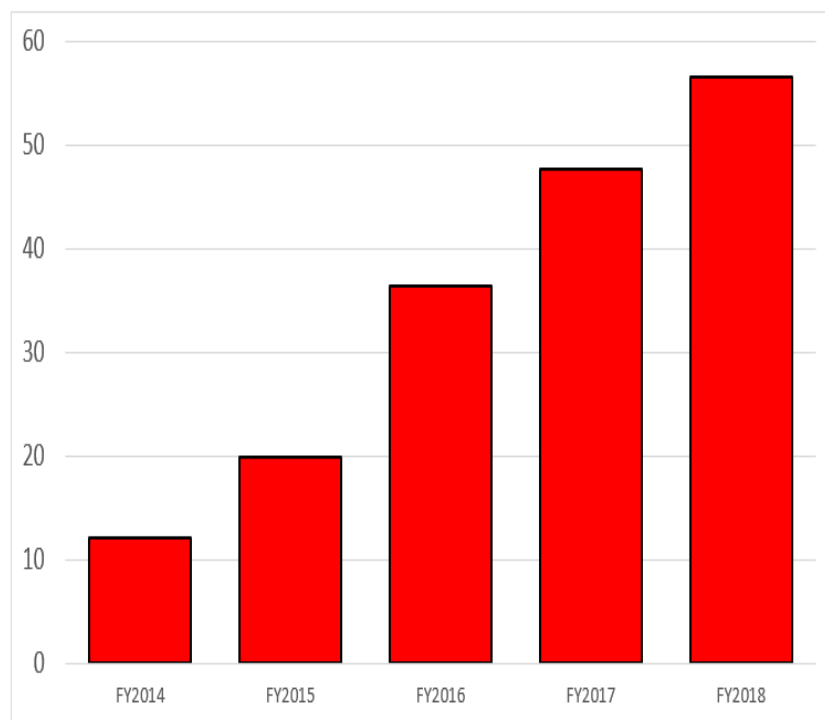
U.S.A.



- FY2018 net sales for American confectionery subsidiary Ezaki Glico USA reached roughly five times the FY2014 level as a result of expanded shipments to American retailers.
- The company is promoting digitalization and other aggressive marketing activities and reinforcing its brand power. It is also establishing Costco as a channel for approaching targeted customers and using the store to expand Pocky's fan base.

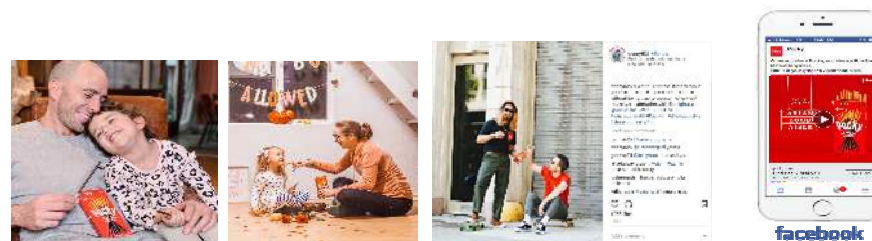
(1) Changes in Ezaki Glico USA's net sales

(Unit: 1 million USD)



(2) Marketing activities

Raising brand power and recognition rates through a digital media campaign focused on Pocky's target customers (mothers with children)



(3) Channel development



Raising brand power and expanding sales through end displays and sampling of Pocky at Costco.

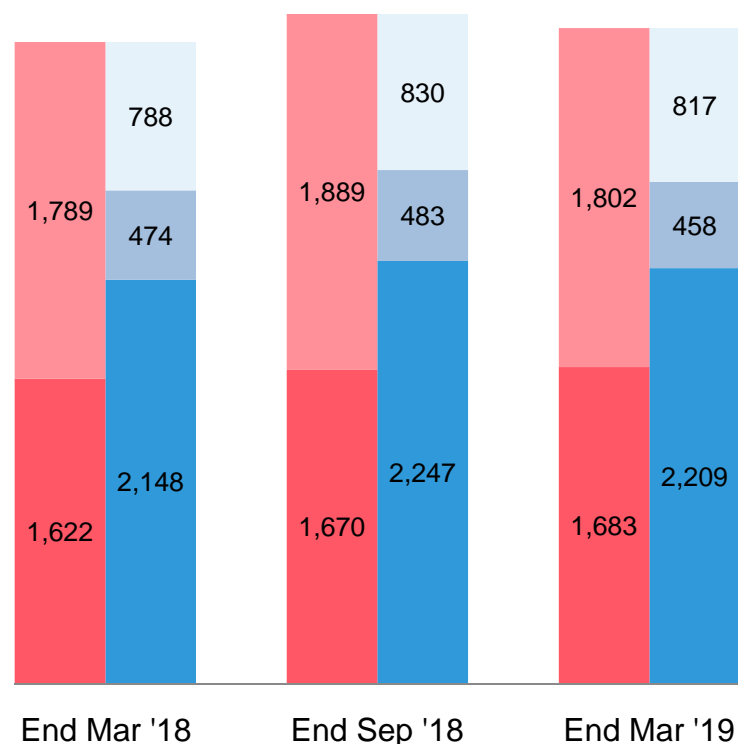
* Number of stores receiving shipments in April 2017: 425

Status of Balance Sheet



- Net worth ratio: 61.1% (end of March 2018) \Rightarrow 61.4% (end of March 2019)

(Unit:100 million yen)



■ Current assets ■ Non-current assets ■ Current liabilities
■ Non-current liabilities ■ Net assets

Assets Major account items		End Mar '18	End Sep '18	End Mar '19	Vs. End Mar '18
Current assets	Cash and deposits	1,043	1,103	1,036	-7
	Notes and accounts receivable	414	444	401	-12
	Securities	22	16	16	-6
	Inventories	275	288	311	36
Non-current assets	Property, plants and equipment	918	929	995	77
	Intangible assets	98	92	95	-3
	Investment securities	430	469	418	-12

Liabilities and net assets Major account items		End Mar '18	End Sep '18	End Sep '19	Vs. End Mar '18
Current liabilities	Notes and accounts payable, trade	339	386	338	-0
	Short-term loans payable	8	2	4	-4
	Current portion of long-term loans payable				
Non-current liabilities	Convertible bonds	301	301	301	-0
	Long-term loans payable	4	3	2	-2
Net assets	Status of Cash Flows	1,927	2,007	2,011	84

Status of Cash Flows



- Revenue from operating activities decreased as a result of a decrease in net income before income taxes and minority interests.
However, free cash flows increased by 5.2 billion yen because expenditure fell as a result of decrease in investing activities.

(Unit:100 million yen)

	FYE Mar 2015 Results	FYE Mar 2016 Results	FYE Mar 2017 Results	FYE Mar 2018 Results	FYE Mar 2019 Results	Change from previous period	Main reasons for gains/losses	Change from previous period
Cash flows from operating activities	245	177	296	315	203	-112	Net income before income taxes and minority interests decreased Changes in assets and liabilities related to retirement benefits Decrease/increase in inventories	-37 -8 -45
Cash flows from investing activities	-79	-138	-141	-250	-87	163	Payments into term deposits Revenues from term deposit reimbursements	63 60
Free cash flows	166	39	155	64	116	52		
Cash flows from financing activities	-132	-101	242	-45	-46	-1		
Cash and cash equivalents at end of year	594	520	902	930	992	62		

Capital Investments, Depreciation, and R&D Expenditures



■ FYE March 2019 Results

Aggressive capital investments according to plan, primarily in the confectionery segment.

■ FYE December 2019 Targets

Forecasting capital investments of 19.7 billion yen for the full business year from increased expenditure for new head office construction.

(Unit: 100 million yen)

	FYE Mar 2018 Results	FYE Mar 2019 Forecast	FYE Mar 2019 Results	FYE Dec 2019 Forecast
Capital investment	183	193	169	197
Confectioneries and Food Products	43	81	80	52
Ice Cream	80	37	38	34
Milk and Dairy Products	15	30	24	29
Food Ingredients	2	2	2	1
Overseas business	11	36	19	21
Other	32	7	6	61
Investment and lending to unconsolidated subsidiaries	0	0	0	0
System investment	11	36	16	34
Total of capital investments, investment and lending to unconsolidated subsidiaries, and system investment	194	229	185	232
Depreciation	136	141	136	112
R&D expenditures	47	61	55	45

Mainstays of the Growth Strategy

1. Maximize continuous growth of core brands
2. Create new markets based on dramatic growth of added-value health brands

A Look back at FYE March 2019



Focus on core brands: Continuous growth, particularly of long-selling brands



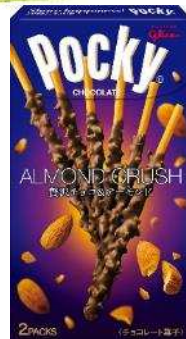
FYE December 2019 Initiatives



Focus on core brands: Continuous growth, particularly of long-selling brands



Base + Added health value
Acceleration of innovation



Base SKU innovation
Maximizing Gogo-no-Zeitaku
“Pocky: Share Happiness”
Marketing innovation



Pretz: Base SKU
Renewal + “Super crunchy” innovation
Cafe Ole: Base SKU
Renewal + Lineup reinforcement

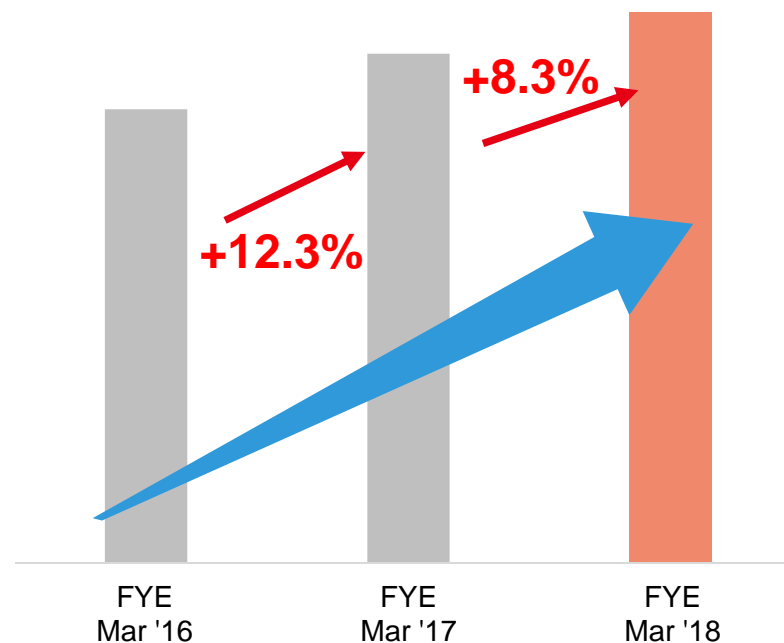
Review of FYE March 2019 and Initiatives for FYE December 2019



Create new markets based on dramatic growth of added-value health brands



<Net sales of added-value health brands>



* Total net sales of GABA, LIBERA, BISCO, BifiX, SUNAO (ice cream and confectioneries), and Almond Koka (drinks and confectioneries)

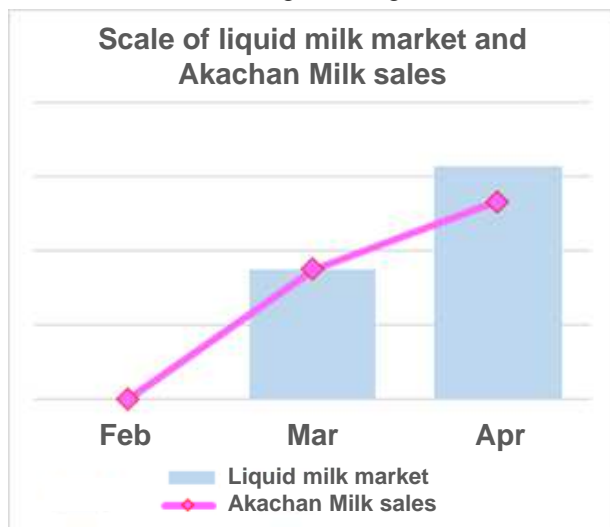
Review of FYE March 2019 and Initiatives for FYE December 2019



Development of products oriented toward solving social issues
⇒ sales of liquid milk for infants to alleviate child-rearing problems

- We began development in 2016 with an eye to preparing for disasters and alleviating the burden of parenting.
- We quickened the pace toward commercialization after manufacturing and marketing in Japan became possible in August 2018.
- We received approval to manufacture liquid milk from MHLW in January 2019 and gained permission to label the product a “food for special dietary uses” from the Consumer Affairs Agency in March.
- We began sales of liquid milk in Japan for the first time on March 5, 2019. (Nationwide sales began on March 11.)

▽ Creation of a new liquid milk market and strong sales growth



<Intage SDI infant milk>

▽ Icreo Akachan Milk



- Icreo Akachan Milk appeared in a *Nikkei Trendy* article on anticipated hit products of the Reiwa era.
- The product is increasingly being stocked and handled by local governments and Michi-no-Eki facilities.

II. FYE December 2019 Earnings Forecast

Change in the Fiscal Year End (Final Day of Business Year)



- Beginning in FY2019, we are changing the accounting term so that it will end in December.*

This is to promote integrated operation of global business and bring transparency to management through timely and appropriate disclosure of management information.

- The consolidated period for FY2019 as the phase-in period will be as follows.

- ✓ 1st quarter settlement: Corporations settling in Mar: Apr - Jun; Corporations settling in December: Jan - Mar
- ✓ 2nd quarter settlement: Corporations settling in March: Apr - Sep; Corporations settling in December: Jan - Jun
- ✓ End-of-term settlement: Corporations settling in Mar: Apr - Dec (9 months); Corporations settling in Dec: Jan - Dec (12 months)

★ The consolidated period concept

	2018				2019				2020			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
		FY18 (FYE Mar 2019)				FY19 (FYE Dec 2019)			(FYE Dec 2020)			
Corporations settling in Mar (Ezaki Glico and domestic subsidiaries)		FY18 1Q	FY18 2Q	FY18 3Q	FY18 4Q	FY19 1Q	FY19 2Q	FY19 3Q	FY20 1Q	FY20 2Q	FY20 3Q	FY20 4Q
		9 months				9 months						
Corporations settling in Dec (Overseas subsidiaries)	FY18 1Q	FY18 2Q	FY18 3Q	FY18 4Q	FY19 1Q	FY19 2Q	FY19 3Q	FY19 3Q	FY20 1Q	FY20 2Q	FY20 3Q	FY20 4Q
	12 months				12 months							



From the following page, reference values calculated by matching FY2018 results to the FY2019 settlement period and adjusting corporations settling in March to the nine-month period will be displayed as **“FYE March 2019 results (following adjustment).”**

* Conditional on approval of “Partial Revision of the Articles of Incorporation” by the 114th General Meeting of Shareholders.

(Note) Full-Year Plan and Forecast



■ Net sales:

We forecast a 2.5% increase in revenue year on year throughout the consolidated Group.

■ Operating income:

We forecast increased profits for both domestic and overseas businesses.

(Unit: 100 million yen)

	FYE Mar 2019 1H Results	FYE Mar 2019 Results (Following Adjustment)	FYE Dec 2019 1H Forecast	Change from Previous Period (%)	FYE Dec 2019 Forecast	Change from Previous Period (%)*
Net sales	1,860	2,848	1,900	2.2	2,920	2.5
Operating income	129	159	115	-10.7	162	1.6
Ordinary income	147	184	<u>125</u>	<u>-15.1</u>	176	-4.5
Net income	99	119	78	-21.5	120	1.0
Operating profit margin (%)	6.9	5.6	6.1	-	5.5	-

*Comparison with FYE March 2019 results (following adjustment)

(Note) In regards to the consolidated financial forecast, there was an input erroring in the December 2019 period second quarter consolidated total of the consolidated financial forecast released on May 13, 2019 in the "March 2019 Period Financial Results". We have corrected that error. There have been no changes in the values for the consolidated financial forecast for the full financial year. Changes have been underlined.

Operating Income Forecast



(Unit:100 million yen)

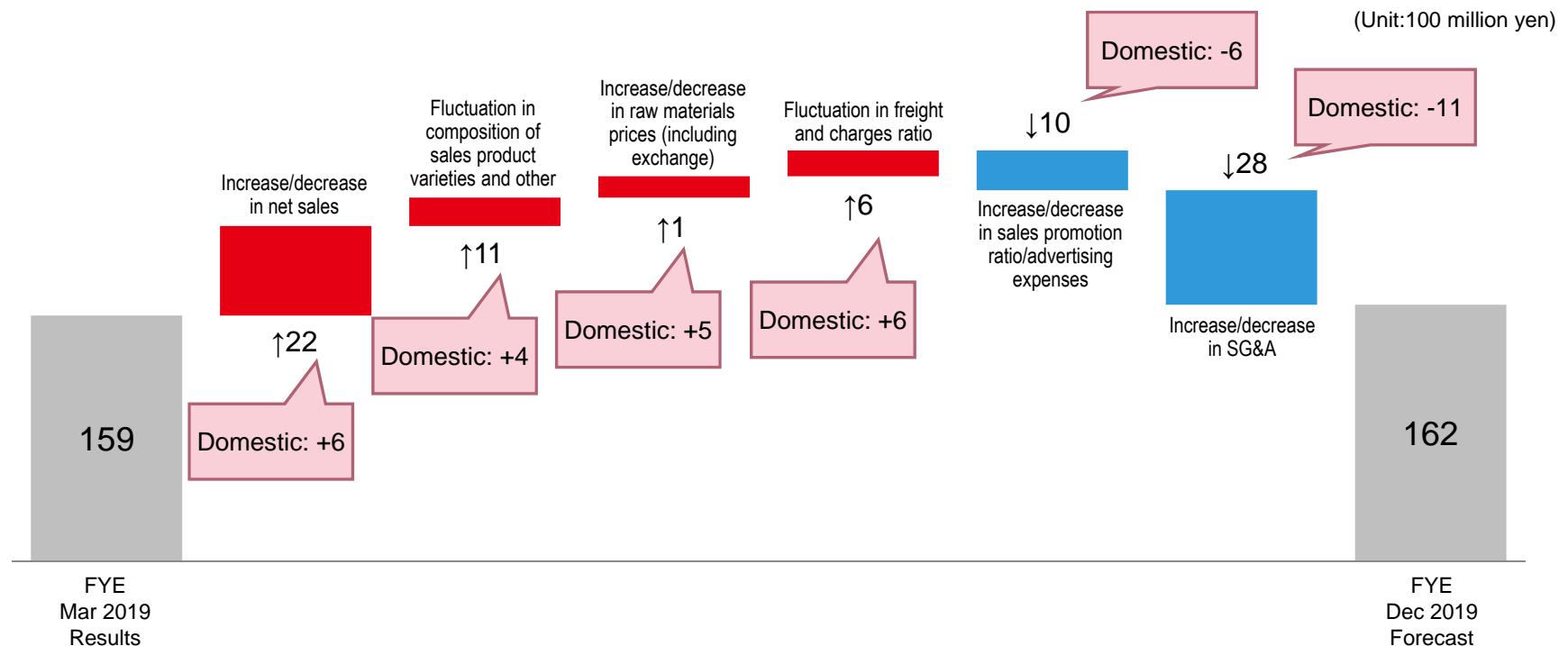
	FYE Mar 2019 Results (Following Adjustment)	Sales ratio (%)	FYE Dec 2019 Forecast	Sales ratio (%)
Net sales	2,848	100.0	2,920	100.0
Cost of sales	1,484	52.1	1,504	51.5
Gross profit	1,365	47.9	1,416	48.5
Freight and charges	242	8.5	242	8.3
Sales promotion	456	16.0	474	16.2
Advertising expenses	122	4.3	125	4.3
Salaries and benefits	224	7.9	231	7.9
Expenses and depreciation	162	5.7	182	6.2
SGA total	1,205	42.3	1,254	42.9
Operating income	159	5.6	162	5.5

Factors of Increases (Decreases) in Operating Income



<Change from previous period>

- Profits will increase by 2.2 billion yen due to a year-on-year increase in net sales.
- There will be a 600-million-yen increase in profits attributable to lower freight and charges ratio accompanying a lower sales weight in the Milk and Dairy Products segment.
- Investments will increase in Japan and overseas, there will be a 1-billion-yen decline in profits due to sales promotion ratio/advertising expenses, and there will be a 2.8 billion-yen decline in profits due to SG&A expenses.



Net Sales Forecast by Segment



- Increased revenue is forecasted in all segments except the Milk and Dairy Products segment. A year-on-year increase of 2.5% is forecasted for the entire consolidated Group.
- The overseas segment will continue to aim for double-digit growth.

(Unit:100 million yen)

	FYE Mar 2019 1H Results	FYE Mar 2019 Results (Following Adjustment)	FYE Dec 2019 1H Forecast	Change from Previous Period (%)	FYE Dec 2019 Forecast	Change from Previous Period (%)*
Total	1,860	2,848	1,901	2.2	2,920	2.5
Confectioneries and Food Products	431	705	438	1.6	721	2.3
Confectioneries	335	555	342	1.9	568	2.3
Food products	95	150	96	0.7	153	2.3
Ice Cream	556	710	568	2.2	728	2.5
Milk and Dairy Products	477	697	455	-4.6	657	-5.7
Food Ingredients	58	85	59	1.8	85	0.3
Overseas business	242	514	267	10.2	567	10.3
Other	95	138	113	18.7	162	17.8

*Comparison with FYE March 2019 results (following adjustment)

Reference: The following exchange rates are used.

	FYE March 2019 Results	FYE March 2019 Results (Following Adjustment)	FYE December 2019 1H/Full-Year Forecast
China (CNY)	1 CNY = 16.16 yen	1 CNY = 16.16 yen	1 CNY = 16.00 yen
Thailand (THB)	1 THB = 3.41 yen	1 THB = 3.41 yen	1 THB = 3.30 yen
U.S.A (USD)	1 USD = 111.00 yen	1 USD = 111.00 yen	1 USD = 111.00 yen

Operating Income Forecast by Segment



- Although expenditures are expected to increase for all companies, increased profits are forecasted in the Ice Cream segment and Confectioneries and Food Products segment, and a year-on-year increase in profits of 1.6% is forecasted for the entire consolidated Group.

(Unit:100 million yen)

	FYE Mar 2019 1H Results	FYE Mar 2019 Results (Following Adjustment)	FYE Dec 2019 1H Forecast	Change from Previous Period (%)	FYE Dec 2019 Forecast	Change from Previous Period (%)*
Total	129	159	115	-10.7	162	1.6
Confectioneries and Food Products	22	49	18	-15.0	54	10.7
Confectioneries	19	45	15	-21.6	48	7.0
Food products	3	4	4	28.1	6	51.8
Ice Cream	68	71	76	11.3	80	13.4
Milk and Dairy Products	19	26	19	2.4	24	-7.2
Food Ingredients	5	8	5	-8.5	8	1.5
Overseas business	14	13	4	-74.8	14	3.0
Other	0	0	1	191.7	2	414.1
Adjustment	1	-8	-8	-	-21	-

Reference: The following exchange rates are used.

*Comparison with FYE March 2019 results (following adjustment)

	FYE March 2019 Results	FYE March 2019 Results (Following Adjustment)	FYE December 2019 1H/Full-Year Forecast
China (CNY)	1 CNY = 16.16 yen	1 CNY = 16.16 yen	1 CNY = 16.00 yen
Thailand (THB)	1 THB = 3.41 yen	1 THB = 3.41 yen	1 THB = 3.30 yen
U.S.A (USD)	1 USD = 111.00 yen	1 USD = 111.00 yen	1 USD = 111.00 yen

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

◆ China

(Unit: 1 million CNY)

	FYE Dec 2018 1H results (Jan-June '18)	FYE Dec 2018 Results (Jan-Dec '18)	FYE Dec 2019 1H forecast (Jan-June '19)	Change from previous period %	FYE Dec 2019 Forecast (Jan-Dec '19)	Change from previous period %
Net sales	768	1,598	863	12.3	1,790	12.0
Operating income	36	78	44	20.9	99	26.4

◆ ASEAN

(Unit: 1 million USD)

	FYE Dec 2018 1H results (Jan-June '18)	FYE Dec 2018 Results (Jan-Dec '18)	FYE Dec 2019 1H forecast (Jan-June '19)	Change from previous period %	FYE Dec 2019 Forecast (Jan-Dec '19)	Change from previous period %
Net sales	52	116	64	23.7	140	20.0
Operating income	0	-13	-5	-	-11	-

◆ U.S.A. * Results of Ezaki Glico USA (based on Ezaki Glico consolidated data)

(Unit: 1 million USD)

	FYE Dec 2018 1H results (Jan-June '18)	FYE Dec 2018 Results (Jan-Dec '18)	FYE Dec 2019 1H forecast (Jan-June '19)	Change from previous period %	FYE Dec 2019 Forecast (Jan-Dec '19)	Change from previous period %
Net sales	26	57	28	6.7	63	11.2
Operating income	8	17	8	-3.5	16	-4.4

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

Return to Shareholders



1. We shall put priority on long-term investment and aim for long-term maximization of our corporate value.
2. For our dividend policy, we shall return profits to shareholders in a stable and continuous manner toward a goal of achieving a consolidated dividend payout ratio of at least 25%.

*However, in the event that a large amount of extraordinary profit or loss arises, this will be decided after considering its effects.

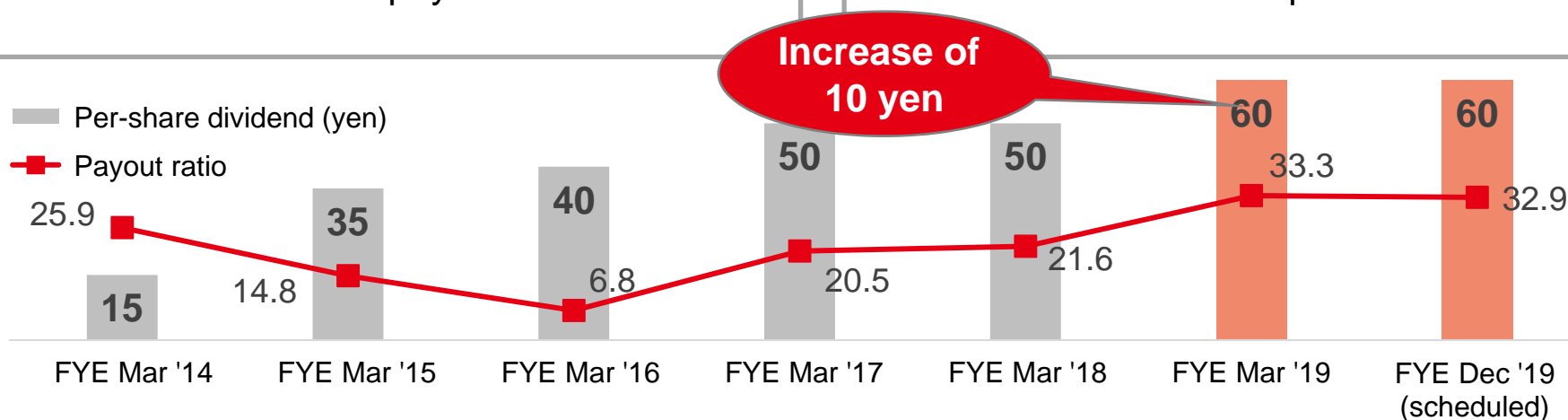
Strengthening our Return to Shareholders

Measure (1): Increased dividends

- 10-yen increase of the per-share dividend for FYE March 2019
- ⇒ Increase to 33.3% payout ratio

Measure (2): Acquisition of own shares

- Decision to acquire 5.0 billion yen (maximum) of own shares
- ⇒ Plan to cancel all acquired shares



* Two shares of common stock were consolidated into one share on October 1, 2014.

TTM Currency Rate



		USD	EUR	THB	CNY	100KRW	100IDR
<u>2016</u>	Mar 31	112.68	127.70	3.19	17.39	9.86	0.85
	Jun 30	102.91	114.39	2.93	15.46	8.96	0.79
	Sep 30	101.12	113.36	2.91	15.14	9.17	0.78
	Dec 31	116.49	122.70	3.24	16.76	9.68	0.87
<u>2017</u>	Mar 31	112.19	119.79	3.26	16.29	10.04	0.84
	Jun 30	112.00	127.97	3.29	16.49	9.81	0.84
	Sep 30	112.73	132.85	3.38	16.96	9.89	0.84
	Dec 31	113.00	134.94	3.45	17.29	10.62	0.84
<u>2018</u>	Mar 31	106.24	130.52	3.40	16.92	9.99	0.78
	Jun 30	110.54	127.91	3.33	16.66	9.88	0.77
	Sep 30	113.57	132.14	3.50	16.50	10.23	0.76
	Dec 31	111.00	127.00	3.41	16.16	9.94	0.77
<u>2019</u>	Mar 31	110.99	124.56	3.49	16.47	9.80	0.78
	Jun 30						
	Sep 30						
	Dec 31						

Net Sales by Category



(Unit: 100 million yen)

Segment	Category	FYE Mar 2019 1H results	FYE Mar 2019 Results	FYE Mar 2019 Results (Following Adjustment)	FYE Dec 2019 1H Forecast	Change from Previous Period %	FYE December 2019 Forecast	Change from previous period %*
Confectioneries and Food Products	Chocolate (including Pocky)	186	462	331	201	7.6	354	7.1
	Cookies (including Pretz)	132	255	197	125	-5.2	187	-5.2
	Food products	95	197	150	96	0.7	153	2.3
	Other	17	35	27	16	-5.8	27	-0.5
	Total	431	949	705	438	1.6	721	2.3
Ice Cream	Ice cream, wholesale subsidiaries	556	850	710	568	2.2	728	2.5
	Total	556	850	710	568	2.2	728	2.5
Milk and Dairy Products	Yoghurt	120	228	174	109	-9.2	158	-8.9
	Drinking milk	161	298	233	132	-17.7	192	-17.8
	Fruit juices, carbonated drinks	125	221	175	133	6.4	185	5.7
	Western confections	46	104	76	50	8.6	74	-2.1
	Infant formula	21	46	34	27	29.0	43	25.0
	Other	4	6	5	3	-13.7	5	2.7
	Total	477	901	697	455	-4.7	657	-5.7
Food Ingredients	Food ingredients	58	108	85	59	1.8	85	0.3
	Total	58	108	85	59	1.8	85	0.3
Overseas business	Overseas subsidiaries, export	242	516	514	267	10.2	567	10.3
	Total	242	516	514	267	10.2	567	10.3
Other	Office glico, Health Business, etc.	95	178	138	113	18.7	162	17.8
	Total	95	178	138	113	18.7	162	17.8
Total		1,860	3,503	2,848	1,900	2.2	2,920	2.5

**“Infant drinks” included in Yoghurt and Drinking Milk will be moved to Fruit Juices, Carbonated Drinks beginning with FYE December 2019.

*Comparison with FYE March 2019 results (following adjustment)

[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.

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