



[Notes of caution]

This documents 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.

<Excerpt Version>

**Glico Group Financial Results
For the First Half of the Fiscal Year Ending
December 31, 2020**

Ezaki Glico Co., Ltd.

Securities Code: 2206

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Contents



I. FYE December 2020 First Half Earnings Report	P. 3 – 10
II. FYE December 2020 Full-Year Earnings Forecast	P. 11 – 12
(Supplemental Materials)	P. 13 – 14



I. FYE December 2020 First Half Earnings Report

Summary for the First Half FYE December 2020



1. Consolidated net sales fell slightly by -0.3% YoY, in part due to overseas struggles associated with the COVID-19 pandemic.

- In Japan, increases in revenues were achieved due to strong performance by the Ice Cream business. This was in spite of difficulties in the Confectionery business that were attributable to the effects of the COVID-19 pandemic. Overseas, decreases in revenues resulting from the COVID-19 pandemic were seen in the first quarter in China, first half in ASEAN, and second quarter in the U.S.A.

2. Consolidated operating income rose substantially by +63.2% YoY in the current first half.

- Primarily in Japan, income increased substantially due to suppressed travel and transport expenditure attributable to the COVID-19 pandemic and the postponement of operational expenses, advertising expenses, and sales promotion expenses until the second half. Overseas, although income did not meet planned targets, it achieved an increase YoY due to the fact that the previous FY posted a deficit.

3. The Ice Cream business posted increased earnings (+12.3% YoY).
The Health Business category continued achieving increases in revenues as a result of value creation in the health segment (+3.7% YoY).

- The Ice Cream business achieved increases in revenues due to strong performance by “Ice no mi,” “Giant Cone,” “PAPICO,” and other products.
- In the Health Business category, “Almond Koka” maintained growth due to the creation of the almond milk market, and the “SUNAO” brand achieved growth in the reduced-sugar market.

Status of Consolidated Performance



- Net Sales: Domestic businesses achieved increased revenue while overseas businesses struggled. There was a slight -0.3% decrease in revenue compared to the previous year throughout the consolidated Group.
- Operating income: There was a +63.2% increase YoY resulting from suppressed SG&A expenses and postponements to the second half, primarily in Japan.

(Unit: 100 million yen)

	1H FYE Dec. 2019	1H FYE Dec. 2020			
	Cum Total	Forecast	Results	Change from Previous Period (%)	Change from Forecast (%)
	Results (following adjustment)				
Net sales	1,664	1,705	1,660	-0.3	-2.7
Operating income	53	54	87	+63.2	+61.7
Ordinary income	63	60	97	+52.8	+61.2
Net income	37	43	63	+70.9	+46.1
Operating profit margin (%)	3.2	3.2	5.3	-	-

Status of Operating Income



(Unit: 100 million yen)

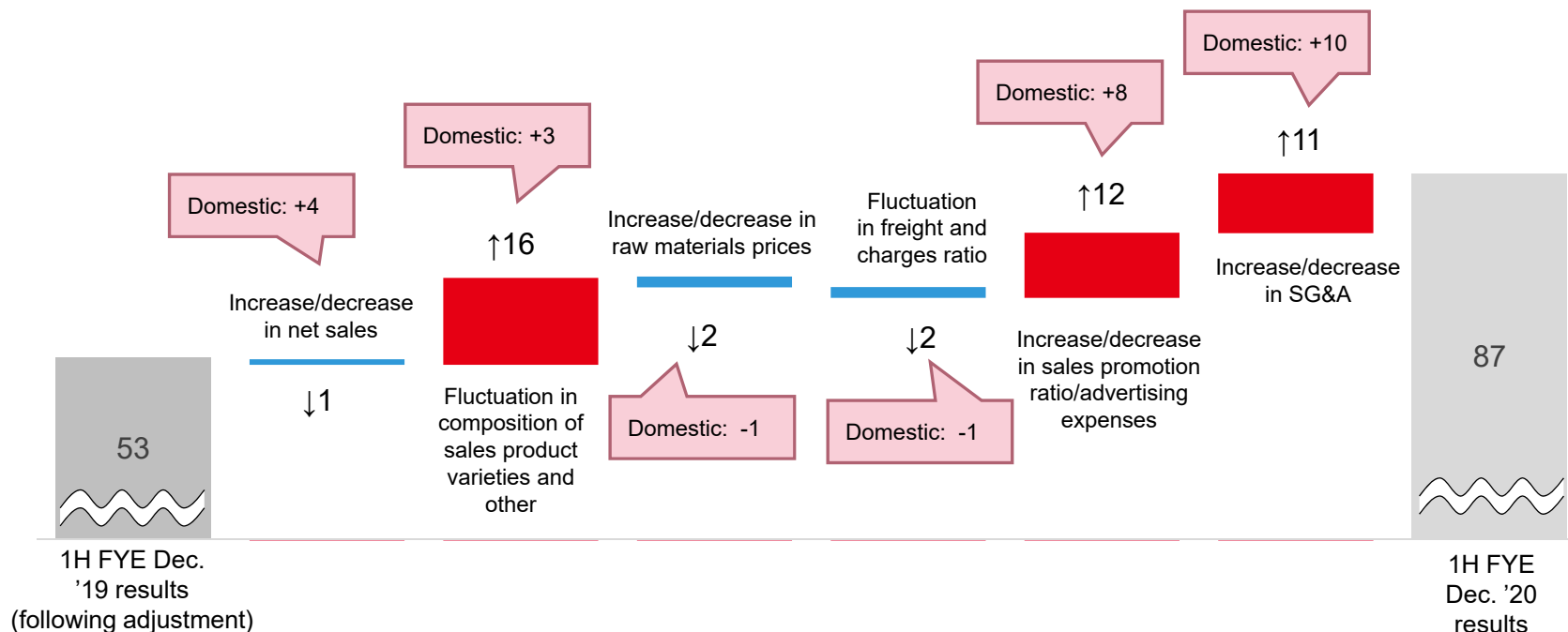
	1H FYE Dec. 2019 Cum Total		1H FYE Dec. 2020 Cum Total	
	Results (following adjustment)	Sales Ratio %	Results	Sales Ratio %
Net sales	1,664	100.0	1,660	100.0
Cost of sales	876	52.7	860	51.8
Gross profit	788	47.3	799	48.2
Freight and charges	152	9.1	153	9.2
Sales promotion	268	16.1	264	15.9
Advertising expenses	70	4.2	61	3.7
Salaries and benefits	143	8.6	144	8.7
Expenses and depreciation	102	6.1	89	5.4
SGA total	734	44.1	712	42.9
Operating income	53	3.2	87	5.3

Factors of Increases (Decreases) in Operating Income



Change from previous period

- “Fluctuation in composition of sales product varieties and other” rose by 1.6 billion yen as a result of lower cost of sales, primarily overseas.
- Sales promotion/advertising expenses and SG&A expenses rose by 2.3 billion yen as a result of the postponement (partial reduction) of expenditures to the second half.



Status of Net Sales by Segment



- Despite severe results for Confectioneries and Milk and Dairy Products, the domestic segment achieved an increase of +0.8% YoY that was driven by Ice Cream.
- The overseas segment slowed as a result of the COVID-19 pandemic and posted a year-on-year decrease in revenues (-2.8% based on local currencies).

(Unit: 100 million yen)

	1H FYE Dec. 2019 Cum Total	1H FYE Dec. 2020 Cum Total			
	Results (following adjustment)	Forecast	Results	Change from Previous Period (%)	Change from Forecast (%)
Total	1,664	1,705	1,660	-0.3	-2.7
Confectioneries and Food Products	459	457	443	-3.5	-3.0
Confectioneries	371	372	346	-6.6	-6.9
Food Products	88	85	97	+9.5	+13.9
Ice Cream	380	398	427	+12.3	+7.4
Milk and Dairy Products	429	408	415	-3.1	1.8
Food Ingredients	51	52	49	-4.2	-5.6
Overseas business	253	293	237	-6.3	-19.0
Other	91	97	87	-4.3	-10.0
Health	60	66	62	+3.7	-5.5

	1H FYE Dec. 2019 Cum Total (Results)	1H FYE Dec. 2020 Cum Total (Forecast)	1H FYE Dec. 2020 Cum Total (Results)
China (CNY)	1 CNY = 16.22 JPY	1 CNY = 15.50 JPY	1 CNY = 15.37 JPY
Thailand (THB)	1 THB = 3.47 JPY	1 THB = 3.40 JPY	1 THB = 3.45 JPY
U.S.A (USD)	1 USD = 110.12 JPY	1 USD = 109.00 JPY	1 USD = 108.43 JPY

Status of Operating Income by Segment



- The domestic segment posted an increase of 2.3 billion yen YoY that resulted from suppressed SG&A and postponement to the second half due to the COVID-19 pandemic, among other factors.
- The overseas segment posted an increase of 1.1 billion yen that was attributable to lower ratio of costs of sales, etc.

(Unit: 100 million yen)

	1H FYE Dec. 2019 Cum Total	1H FYE Dec. 2019 Cum Total			
	Results (following adjustment)	Forecast	Results	Change from Previous Period	Change from Forecast
Total	53	54	87	+ 34	+ 33
Confectioneries and Food Products	24	21	26	+ 3	+ 5
Confectioneries	25	20	21	- 3	+ 2
Food Products	- 1	2	5	+ 6	+ 3
Ice Cream	23	21	29	+ 6	+ 8
Milk and Dairy Products	10	4	12	+ 3	+ 9
Food Ingredients	4	4	4	+ 0	- 0
Overseas business	- 2	11	9	+ 11	- 3
Other	1	- 6	- 2	- 3	+ 4
Adjustment	- 5	- 2	9	+ 14	+ 11

Reference: The following exchange rates are used.

	1H FYE Dec. 2019 Cum Total (Results)	1H FYE Dec. 2020 Cum Total (Forecast)	1H FYE Dec. 2020 Cum Total (Results)
China (CNY)	1 CNY = 16.22 JPY	1 CNY = 15.50 JPY	1 CNY = 15.37 JPY
Thailand (THB)	1 THB = 3.47 JPY	1 THB = 3.40 JPY	1 THB = 3.45 JPY
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Domestic Business: Situation by Category



Category	1H FYE Dec. 2020	
	*1 Net sales (% of previous period)	
Chocolate	21.6 billion yen (-6.9%)	The mainstay product “Pocky” posted a decrease resulting from decreased sales, which included items sold as souvenirs, as a result of the COVID-19 pandemic. The category generally struggled despite strong performance by the health-oriented product “GABA.”
Cookies	12.1 billion yen (-2.1%)	Although the mainstay product “Pretz” maintained an upward trend resulting from its renewal last year and other factors, the category posted a decrease compared to the previous year because “BISCO” struggled.
Ice Cream	42.7 billion yen (+12.3%) *2	“Ice no mi,” “Giant Cone,” “PAPICO,” and “Panapp” performed well. However, “Seventeen Ice” struggled, in part due to the effects of the COVID-19 pandemic. Wholesale subsidiaries posted an increase.
Yoghurt	10.4 billion yen (-2.3%)	“BifiX yoghurt” achieved a year-on-year increase. However, the category posted a decrease compared to the previous year due to depressed sales of single pack “Apple Yoghurt” and other products.
Drinking Milk	12.2 billion yen (-5.8%)	The mainstay brand “Cafe Ole” posted a year-on-year increase following a basic product overhaul. However, milk and other products saw decreases.
Baby care	2.6 billion yen (-3.9%)	Infant Formula posted a decrease, in part due to a depressed market in the second quarter.
Health	6.2 billion yen (+3.7%)	“Almond Koka” continued to perform robustly, and “SUNAO” also posted a year-on-year increase.

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

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



II. FYE December 2020 Full-Year Earnings Forecast

Full-Year Plan and Forecast



- Net sales: We anticipate a decrease of -2.2% compared to the initial plan and increase of +1.2% compared to the previous year for the entire consolidated Group, reflecting decreases primarily attributable to the COVID-19 pandemic.
- Operating income: Decreases caused by decreased sales will be offset by decreases in expenditure, and therefore operating income will remain unchanged from the initial plan.

(Unit: 100 million yen)

	FYE Dec. 2019 (full year)	FYE Dec. 2020 (full year)			
	Results (following adjustment)	Forecast	Latest Forecast	Change from Previous Period (%)	Change from Forecast (%)
Net sales	3,537	3,660	3,580	+ 1.2	-2.2
Operating income	163	180	180	+ 10.7	-
Ordinary income	175	185	185	+ 5.6	-
Net income	121	125	125	+ 3.1	-
Operating profit margin (%)	4.6	4.9	5.0	-	-

TTM Currency Rate



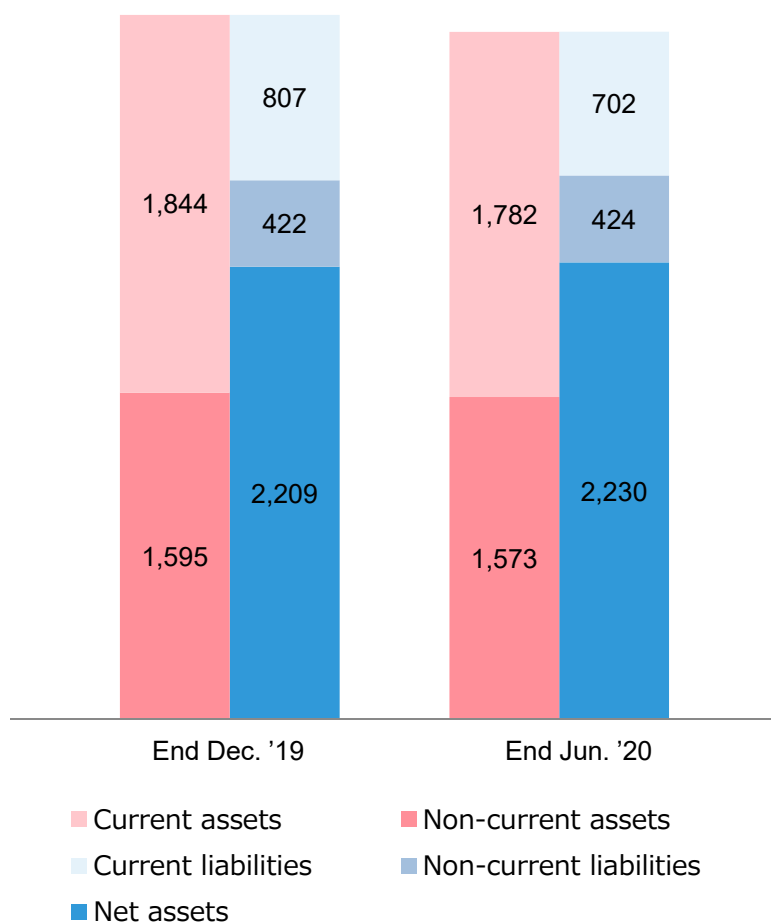
		USD	EUR	THB	CNY	100KRW	100IDR
<u>2017</u>	3/31	112.19	119.79	3.26	16.29	10.04	0.84
	6/30	112.00	127.97	3.29	16.49	9.81	0.84
	9/30	112.73	132.85	3.38	16.96	9.89	0.84
	12/31	113.00	134.94	3.45	17.29	10.62	0.84
<u>2018</u>	3/31	106.24	130.52	3.40	16.92	9.99	0.78
	6/30	110.54	127.91	3.33	16.66	9.88	0.77
	9/30	113.57	132.14	3.50	16.50	10.23	0.76
	12/31	111.00	127.00	3.41	16.16	9.94	0.77
<u>2019</u>	3/31	110.99	124.56	3.49	16.47	9.80	0.78
	6/30	107.79	122.49	3.50	15.69	9.33	0.77
	9/30	107.92	118.02	3.53	15.13	8.99	0.76
	12/31	109.56	122.54	3.63	15.67	9.46	0.79
<u>2020</u>	3/31	108.83	119.55	3.34	15.31	8.92	0.67
	6/30	107.74	121.08	3.49	15.23	9.00	0.76
	9/30						
	12/31						

Status of Balance Sheet



◆ Net worth ratio: 62.0% (end of December 2019) → 64.2% (end of June 2020)

(Unit: 100 million yen)



Assets		End Dec. '19	End Jun. '20	Vs. end Dec. '19
Major account items				
Current assets	Cash and deposits	996	943	- 53
	Notes and accounts receivable	438	408	- 30
	Securities	60	31	- 28
	Inventories	299	336	37
Non-current assets	Property, plants and equipment	998	970	- 28
	Intangible assets	70	85	15
	Investment securities	353	342	- 11
Liabilities and net assets				
Major account items				
Current liabilities	Notes and accounts payable, trade	360	330	- 30
	Short-term loans payable			
	Current portion of long-term loans payable	2	4	1
Non-current liabilities	Convertible bonds	301	301	- 0
	Long-term loans payable	0	5	5
Net assets	Shareholders' equity	2,042	2,086	45

[Notes of caution]

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

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

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