

Healthier days,  
Wellbeing for life



**[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.

---

# <Excerpted Version>

## Glico Group Financial Results For the Fiscal Year ended December 31, 2022

Ezaki Glico Co., Ltd.

Securities Code: 2206

February 14, 2023

I. FYE December 2022 Earnings Report	P.3 ~ 11
II. FYE December 2023 Earnings Forecast	P.12 ~ 13
(Supplemental Materials)	P.14 ~ 15

# I. FYE December 2022 Earnings Report

---

# Summary for the FYE December 2022



1. Full-year net sales reached +3.9%, which was within the target set in the medium-term plan. Net sales of overseas business reached +20.0%, in part due to the effects of foreign exchange rates. Though gradual, domestic net sales also gradually improved to +0.6% year-on-year (-0.6% YoY in 1H, +1.6% YoY in 2H).

- Domestically, net sales decreased -5.3% year-on-year in FY2021 but improved to +0.6% in FY2022.
- In overseas business, net sales increased +20% year-on-year due to recovery following lockdowns in China in the second half, growth in ASEAN and the U.S.A., and the effects of foreign exchange rates.

2. Operating income fell -33.5%.

- Domestic operating income decreased -24.3% due to soaring raw material prices and other factors.
- Overseas operating income decreased -69.6% year-on-year due to lockdowns in Shanghai and increased logistics-related costs in the U.S.A.

3. Focus points for Glico going forward

- In domestic business, accelerate the launch of new products with value creation for consumers and improve profitability in ways that include price revisions.
- Overseas, further accelerate overseas business growth with the Indonesian plant's startup.

# Status of Consolidated Performance



- Net sales: Achieved +3.9% increase despite lockdowns in China, due to the effects of foreign exchange rates.
- Operating income: Decreased -33.5% due to the effects of soaring raw material prices and lockdowns in China.

(Unit: 100 million yen)

	FYE Dec. 2021 (previous standards)	FYE Dec. 2021 (new standards)	FYE Dec. 2022 (new standards)			
	Results	Results	Forecast*	Results	Change from previous period	Change from forecast
Net sales	3,386	2,926	3,010	3,039	+3.9%	+1.0%
Operating income	193	193	150	128	▲33.5%	▲14.4%
Ordinary income	217	217	160	136	▲37.1%	▲14.7%
Net income	135	135	110	81	▲40.1%	▲26.4%
Operating income margin	5.7%	6.6%	5.0%	4.2%	-	-

\*Announced on August 23, 2022

# Status of Operating Income



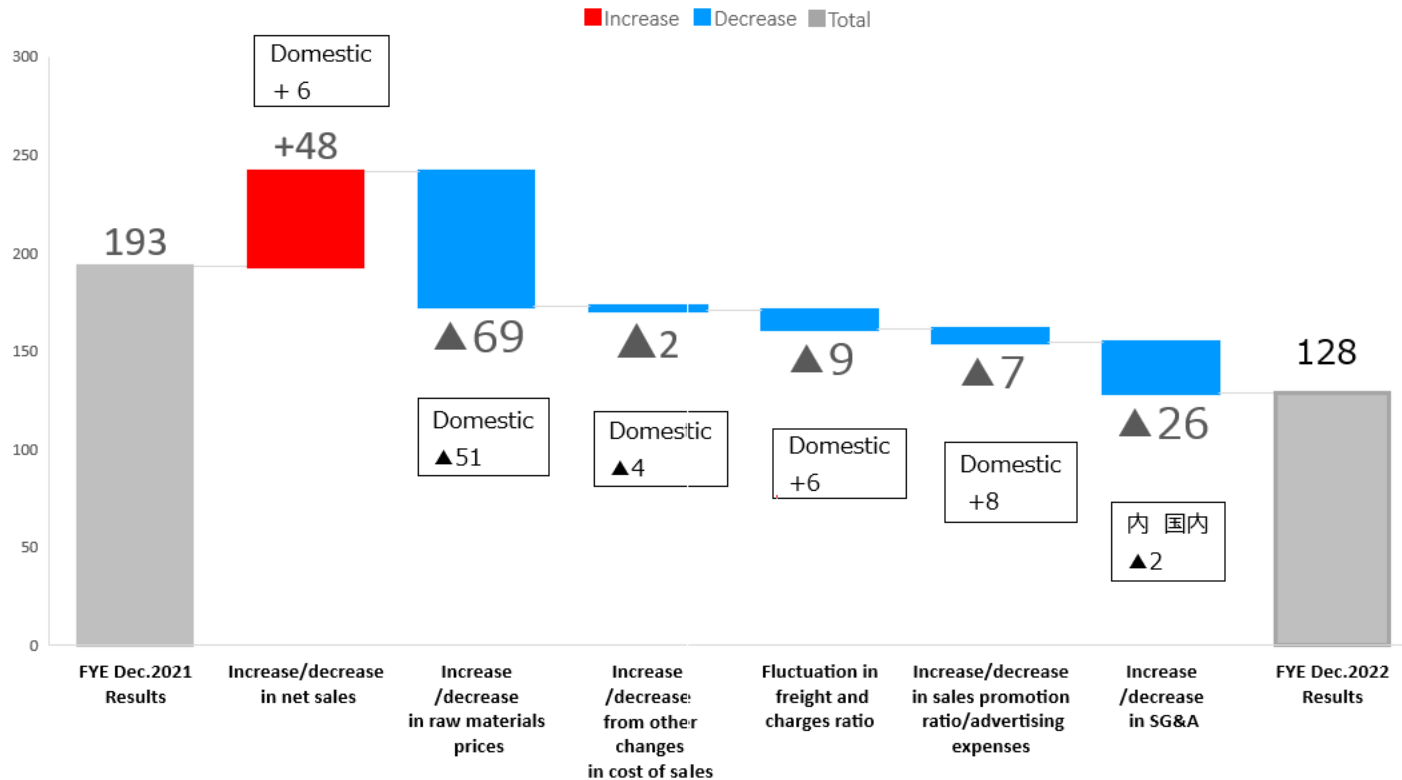
(Unit: 100 million yen)

	FYE Dec. 2021 (previous standards)		FYE Dec. 2021 (new standards)		FYE Dec. 2022 (new standards)	
	Results	Sales ratio	Results	Sales ratio	Results	Sales ratio
Net sales	3,386	100.0%	2,926	100.0%	3,039	100.0%
Cost of sales	1,805	53.3%	1,805	61.7%	1,932	63.6%
Gross profit	1,580	46.7%	1,120	38.3%	1,107	36.4%
Freight and charges	319	9.4%	252	8.6%	271	8.9%
Sales promotion	479	14.1%	85	2.9%	90	2.9%
Advertising expenses	100	3.0%	100	3.4%	102	3.4%
Salaries and benefits	287	8.5%	287	9.8%	306	10.1%
Expenses and depreciation	203	6.0%	203	6.9%	209	6.9%
SGA total	1,387	41.0%	927	31.7%	979	32.2%
Operating income	193	5.7%	193	6.6%	128	4.2%

# Factors of Increases (Decreases) in Operating Income

## Change from previous period

- Domestic operating income decreased primarily due to soaring raw material prices.
- Overseas operating income decreased, as the effects of higher sales were more than offset by increased expenses primarily attributable to the lockdown in Shanghai and higher logistics-related costs in the U.S.A.



# Status of Net Sales by Segment (based on new standard)

- Looking at domestic segments, Milk and Dairy Products posted decreased net sales, but Confectioneries and Food Products, Ice Cream, and other segments posted increases for a year-on-year increase of 0.6%.
- Overseas segments are an increase of +20.0% YoY, in part due to strong performance in ASEAN and the U.S.A. and the effects of foreign exchange rates.
- There was a +3.9% increase in net sales compared to the previous year throughout the consolidated Group.

(Unit: 100 million yen)

	FYE Dec. 2021	FYE Dec. 2022			
	Results	Forecast*	Results	Change from previous period	Forecast
Total	2,926	3,010	3,039	+3.9%	+1.0%
(Domestic)	2,426	2,409	2,440	+0.6%	+1.3%
Confectioneries and Food Products	656	645	667	+1.6%	+3.4%
(Confectioneries)	536	527	540	+0.8%	+2.4%
(Food products)	121	118	127	+5.5%	+7.9%
Ice Cream	772	782	801	+3.7%	+2.4%
Milk and Dairy Products	705	672	674	▲4.5%	+0.2%
Food Ingredients	105	115	112	+6.3%	▲3.0%
Overseas business	499	601	599	+20.0%	▲0.3%
Other	187	195	187	▲0.3%	▲4.2%
(Health)	138	143	135	▲2.3%	▲5.4%

\*Announced on August 23, 2022

Reference:  
Exchange rates

	FYE Dec. 2021 Results	FYE Dec. 2022 Forecast	FYE Dec. 2022 Results
China (CNY)	1 CNY = 17.03 JPY	1 CNY = 19.63 JPY	1 CNY = 19.38 JPY
Thailand (THB)	1 THB = 3.43 JPY	1 THB = 3.73 JPY	1 THB = 3.72 JPY
U.S.A. (USD)	1 USD = 109.84 JPY	1 USD = 129.40 JPY	1 USD = 130.77 JPY



# Status of Operating Income by Segment



- Domestic segments posted a decrease of -3.7 billion-yen YoY that resulted from the effects of soaring raw materials prices and other factors.
- Overseas segments posted a year-on-year decrease of -2.7 billion yen that was attributable to lockdowns in China, soaring sea freight rates, and other factors.

(Unit: 100 million yen)

	FYE Dec. 2021	FYE Dec. 2022			
	Results	Forecast*	Results	Change from Previous Period	Change from Forecast
Total	193	150	128	▲65	▲22
(Domestic)	154	131	117	▲37	▲14
Confectioneries and Food Products	51	47	50	▲1	+3
(Confectioneries)	46	45	46	+0	+1
(Food products)	5	2	4	▲1	+2
Ice Cream	38	39	27	▲11	▲12
Milk and Dairy Products	21	9	▲3	▲24	▲12
Food Ingredients	9	9	12	+3	+3
Overseas business	39	19	12	▲27	▲7
Other	15	8	5	▲10	▲3
Adjustment	20	19	24	+5	+5

\*Announced on August 23, 2022

Reference:  
Exchange rates

	FYE Dec. 2021 Results	FYE Dec. 2022 Forecast	FYE Dec. 2022 Results
China (CNY)	1 CNY = 17.03 JPY	1 CNY = 19.63 JPY	1 CNY = 19.38 JPY
Thailand (THB)	1 THB = 3.43 JPY	1 THB = 3.73 JPY	1 THB = 3.72 JPY
U.S.A. (USD)	1 USD = 109.84 JPY	1 USD = 129.40 JPY	1 USD = 130.77 JPY

# Domestic Business: Situation by Category

Category	FYE December 2022 Results	
	Net sales (% of previous period)	
Chocolate	33.1 billion yen (▲1.9%)	“Pocky” posted an increase, but net sales fell because “Kobe Roasted Chocolate” and other brands struggled.
Cookies	19.5 billion yen (+5.3%)	Net sales grew due to increases achieved by “Pretz” and other brands.
Ice Cream	80.1 billion yen <sup>*1</sup> (+3.7%)	Although “Giant Cone” and “Ice no mi” struggled, net sales increased due to strong performance by “Seventeen Ice” and wholesale subsidiaries.
Yoghurt	12.3 billion yen (▲15.1%)	Net sales fell due to poor performance by “BifiX yogurt” and other brands together with a contracting yoghurt market.
Baby Care	4.4 billion yen (▲2.2%)	Net sales fell due to poor performance by “Follow-Up Milk.”
Health	13.5 billion yen (▲2.3%)	Although the mainstay product “Almond Koka” (drink) posted an increase, net sales fell amid poor performance by “SUNAO.”

\*1 Includes net sales of wholesale subsidiaries

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



## ◆China

(Unit: 1 million CNY)

	FYE Dec. 2021 (new standards)	FYE Dec. 2022 (new standards)			
	Results	Forecast	Results	Change from previous period	Change from forecast
Net sales	1,410	1,210	1,261	▲10.5%	+4.3%
Operating income	141	23	60	▲56.8%	+159.3%

## ◆ASEAN \*

(Unit: 1 million USD)

	FYE Dec. 2021 (new standards)	FYE Dec. 2022 (new standards)			
	Results	Initial forecast	Results	Change from previous period	Change from forecast
Net sales	98	115	113	+14.9%	▲1.8%
Operating income	▲7	▲12	▲13	—	—

## ◆U.S.A.\*

(Unit: 1 million USD)

	FYE Dec. 2021	FYE Dec. 2022			
	Results	Initial forecast	Results	Change from previous period	Change from forecast
Net sales	91	117	108	+18.5%	▲7.5%
Operating income	24	28	17	▲25.2%	▲35.4%

\*Concerning the accounting terms for ASEAN countries, figures were converted with the actual exchange rate for FYE December 2022 for each country.

\*Figures for the U.S.A. are based on consolidated results.

\*Forecasts are figures announced on August 23, 2022.

## II. FYE December 2023 Earnings Forecast

---

# Consolidated Earnings Forecast



Net sales: We again forecast a double-digit year-on-year increase by overseas business and forecast a year-on-year increase of 1.6% by domestic business.

We forecast a 4.3% year-on-year increase for the entire consolidated Group.

Operating income: We forecast a 24.6% year-on-year increase for the entire consolidated Group.

This will come from the effects of increases resulting primarily from recovery of our China business.

(Unit: 100 million yen)

	FYE Dec. 2022	FYE Dec. 2023	
	Results	Forecast	Change from previous period
Net sales	3,039	3,170	+4.3%
Operating income	128	160	+24.6%
Ordinary income	136	170	+24.6%
Net income	81	100	+23.5%
Operating income margin	4.2%	5.0%	-

# TTM Currency Rate

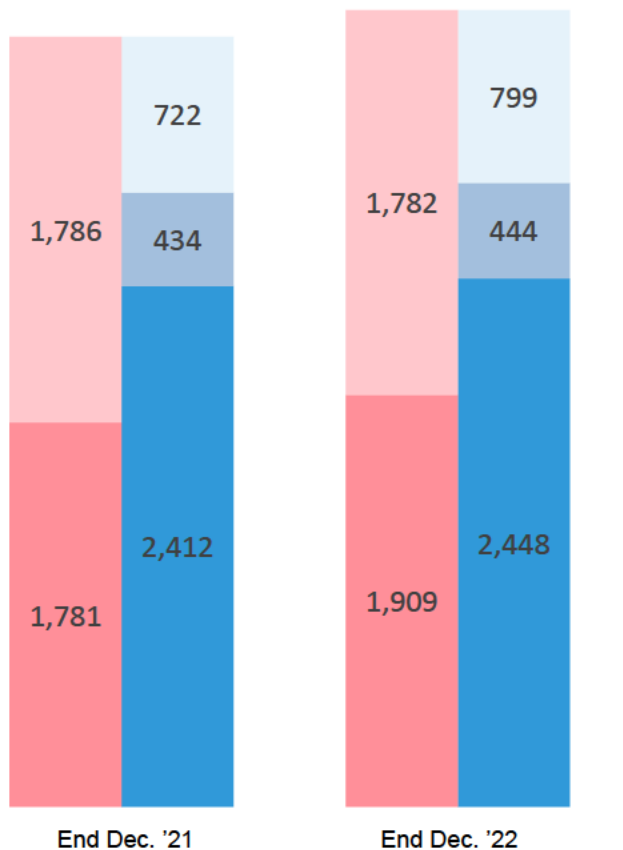
		USD	EUR	THB	CNY	100KRW	100IDR
2019	3/31	110.99	124.56	3.49	16.47	9.80	0.78
	6/30	107.79	122.49	3.50	15.69	9.33	0.77
	9/30	107.92	118.02	3.53	15.13	8.99	0.76
	12/31	109.56	122.54	3.63	15.67	9.46	0.79
2020	3/31	108.83	119.55	3.34	15.31	8.92	0.67
	6/30	107.74	121.08	3.49	15.23	9.00	0.76
	9/30	105.80	124.17	3.34	15.54	9.08	0.72
	12/31	103.50	126.95	3.44	15.88	9.52	0.74
2021	3/31	110.71	129.80	3.54	16.84	9.78	0.77
	6/30	110.58	131.58	3.44	17.11	9.78	0.77
	9/30	111.42	129.11	3.26	17.15	9.37	0.73
	12/31	115.02	130.51	3.43	18.06	9.73	0.81
2022	3/31	122.39	136.70	3.68	19.26	10.13	0.86
	6/30	136.68	142.67	3.85	20.38	10.52	0.92
	9/30	144.81	142.32	3.81	20.37	10.12	0.95
	12/31	132.70	141.47	3.80	19.01	10.55	0.85

# Status of Balance Sheet



- Net worth ratio: 67.5% (end of December 2021)  
⇒ 66.2% (end of December 2022)

(Unit: 100 million yen)



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

AssetsMajor account items		End of December 2021	End of December 2022	Change from previous period
Current assets	Cash and deposits	1,020	917	▲103
	Notes and accounts receivable	429	454	+25
	Securities	2	2	+0
	Inventories	282	328	+47
	<b>Total current assets</b>	<b>1,786</b>	<b>1,782</b>	<b>▲5</b>
Non-current assets	Property, plants and equipment	1,011	1,100	+90
	Intangible assets	160	217	+57
	Investment securities	416	393	▲24
	<b>Total non-current assets</b>	<b>1,781</b>	<b>1,909</b>	<b>+128</b>

Liabilities and net assetsMajor account items		End of December 2021	End of December 2022	Change from previous period
Current liabilities	Notes and accounts payable, trade	324	364	+41
	Short-term loans payable Current portion of long-term loans payable	2	0	▲2
	<b>Total current liabilities</b>	<b>722</b>	<b>799</b>	<b>+77</b>
Non-current liabilities	Convertible bonds	300	300	▲0
	Long-term loans payable	1	0	▲1
	<b>Total non-current liabilities</b>	<b>434</b>	<b>444</b>	<b>+10</b>
Net assets	Shareholders' equity	2,235	2,210	▲24
	<b>Total net assets</b>	<b>2,412</b>	<b>2,448</b>	<b>+36</b>

## [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.

Address inquiries to:

Keiichi Sakakibara General Manager, IR Division

Ezaki Glico Co., Ltd.

TEL : 06-6477-8167

E-mail : [ir-division@glico.com](mailto:ir-division@glico.com)