



[Notes of caution]

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< Full Version >

Glico Group Financial Results For the Fiscal Year Ended December 31, 2021

Ezaki Glico Co., Ltd.

Securities Code: 2206

February 21, 2022

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I. FYE December 2021 Earnings Report

Summary for FYE December 2021



1. Overseas, revenues increased by 19.6% year-on-year due to robust performance in China and the U.S.A. However, in Japan, revenues continued to decrease at -5.3% year-on-year. Consolidated net sales decreased by -1.6% compared to the previous year.

- Overseas, revenue increased as a result of continuing strong online sales in China and expanded sales in retail in the U.S.A. However, In Japan, revenue continued to decrease in Confectioneries and Food Products and other sectors.
- COVID-19 had negative impacts on business performance. In Japan, negative effects included decreases in the special demand rebound of the previous year and demand associated with going outdoors. And in overseas business they included lockdowns in ASEAN and the disruption of container transport in the U.S.A.

2. The Health Business achieved an increase of +18.5% compared to the previous year as a result of value creation in Health category.

- “Almond Koka” again achieved a significant increase that was attributable to the creation of the almond milk market amid growing demand for health value. An increase of +18.5% was achieved in the Health category as a whole.

3. Consolidated operating income increased by +4.2% YoY due to the effects of increased profits in Health category and overseas business.

- Consolidated operating income rose by +800 million yen (+4.2%) YoY due to the effects of increases in the Health category of Other and overseas.

Status of Consolidated Performance



- Net sales: Despite increases in overseas business, net sales decreased by -1.6% YoY due to difficulties in Japan.
- Operating income: There was a 4.2% increase YoY that was attributable to increases in the domestic Health category and overseas business.

(Unit: 100 million yen)

	FYE Dec. 2020	FYE Dec. 2021			
	Results	Forecast	Results	Change from previous period	Change from forecast
Net sales	3,440	3,440	3,386	-1.6%	-1.6%
Operating income	185	190	193	+4.2%	+1.6%
Ordinary income	196	195	217	+10.5%	+11.3%
Net income	118	120	135	+14.2%	+12.7%
Operating profit margin	5.4%	5.5%	5.7%	-	-

Status of Operating Income



(Unit: 100 million yen)

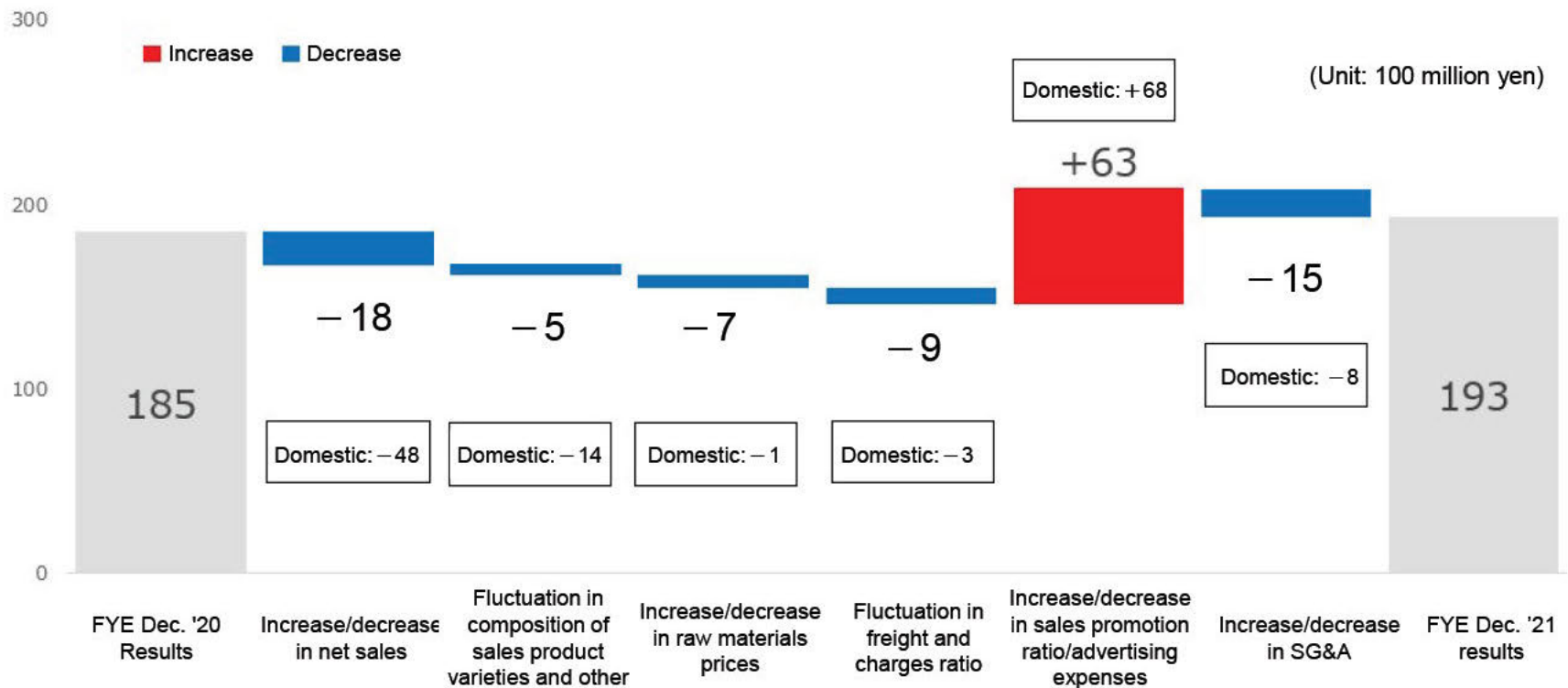
	FYE Dec. 2020		FYE Dec. 2021	
	Results	Sales Ratio	Results	Sales Ratio
Net sales	3,440	100.0%	3,386	100.0%
Cost of sales	1,816	52.8%	1,805	53.3%
Gross profit	1,624	47.2%	1,580	46.7%
Freight and charges	315	9.2%	319	9.4%
Sales promotion	528	15.4%	479	14.1%
Advertising expenses	121	3.5%	100	3.0%
Salaries and benefits	289	8.4%	287	8.5%
Expenses and depreciation	186	5.4%	203	6.0%
SGA total	1,439	41.8%	1,387	41.0%
Operating income	185	5.4%	193	5.7%

Factors of Increases (Decreases) in Operating Income



<Change from previous period>

- In Japan, despite a significant decrease in sales promotion ratio and advertising expenses, operating income fell due to a decrease in net sales and fluctuations in the composition of sales product varieties.
- Overseas operating income increased, primarily due to increases in net sales.



Status of Net Sales by Segment



- Despite posting increases in Other, including Health category, the domestic segment had a year-on-year decrease of -5.3% due to poor performance in Confectioneries and Food Products.
- The overseas segment performed well in China and the U.S.A. and posted a year-on-year increase of 19.6% (in terms of JPY).
- There was a -1.6% decrease in revenue compared to the previous year throughout the consolidated Group. However, there was a +1.6% increase in the fourth quarter alone. (Unit: 100 million yen)

	FYE Dec. 2020	FYE Dec. 2021			
	Results	Forecast	Results	Change from previous period	Forecast
Total	3,440	3,440	3,386	-1.6%	-1.6%
(Domestic)	2,930	2,815	2,776	-5.3%	-1.4%
Confectioneries and Food Products	893	810	792	-11.3%	-2.3%
(Confectioneries)	702	649	632	-10.0%	-2.6%
(Food products)	191	161	159	-16.4%	-1.0%
Ice Cream	923	897	878	-4.9%	-2.2%
Milk and Dairy Products	834	801	799	-4.3%	-0.3%
Food Ingredients	101	108	105	+4.6%	-2.6%
Overseas business	510	625	610	+19.6%	-2.4%
Other	180	199	202	+12.6%	+1.7%
(Health category)	129	147	153	+18.5%	+4.2%

Reference:

Exchange rate	FYE Dec. 2020 Results	FYE Dec. 2021 Forecast	FYE Dec. 2021 Results
China (CNY)	1 CNY=15.44 JPY	1 CNY=16.85 JPY	1 CNY=17.03 JPY
Thailand (THB)	1 THB=3.42 JPY	1 THB=3.46 JPY	1 THB=3.43 JPY
U.S.A (USD)	1 USD=106.67 JPY	1 USD=109.05 JPY	1 USD=109.84 JPY

Status of Operating Income by Segment



- Despite a decrease in sales promotion and advertising expenses, the domestic segment posted a year-on-year decrease of -500 million yen due to decreased sales.
- The overseas segment posted a year-on-year increase of 1.3 billion yen that was attributable to the effects of increased income, etc.

(Unit: 100 million yen)

	FYE Dec. 2020	FYE Dec. 2021			
	Results	Forecast	Results	Change from Previous Period	Change from Forecast
Total	185	190	193	+8	+3
(Domestic)	159	147	154	▲5	+7
Confectioneries and Food Products	50	46	51	+1	+5
(Confectioneries)	41	41	46	+5	+5
(Food products)	9	5	5	▲3	+0
Ice Cream	61	56	38	▲23	▲18
Milk and Dairy Products	25	21	21	▲4	▲0
Food Ingredients	9	9	9	+0	+0
Overseas business	26	43	39	+13	▲4
Other	3	8	15	+12	+7
Adjustment	12	7	20	+8	+13

Reference:

Exchange rate	FYE Dec. 2020 Results	FYE Dec. 2021 Forecast	FYE Dec. 2021 Results
China (CNY)	1 CNY=15.44 JPY	1 CNY=16.85 JPY	1 CNY=17.03 JPY
Thailand (THB)	1 THB=3.42 JPY	1 THB=3.46 JPY	1 THB=3.43 JPY
U.S.A (USD)	1 USD=106.67 JPY	1 USD=109.05 JPY	1 USD=109.84 JPY

Domestic Business: Situation by Category



Category	FYE Dec. 2021 Results (full year)	
	Net sales (% of previous period)	
Chocolate	39.9 billion yen (− 10.2%)	Net sales decreased due to poor performance by “Kobe Roasted Chocolate,” “Pocky,” and other brands.
Cookies	21.8 billion yen (− 9.1%)	Net sales decreased due to poor performance by “Pretz,” “BISCO,” and other brands.
Ice Cream	87.8 billion yen ^{*1} (− 4.9%)	The cold confectionery products “Ice no mi” and “PAPICO” struggled due to the effects of the rainy season, long spells of rain, and cool summer. “Seventeen Ice” and wholesale subsidiaries posted increases.
Yoghurt	16.9 billion yen (− 13.3%)	“BifiX yogurt,” “Apple Yoghurt,” and other brands performed poorly overall, in part due to a contracting yoghurt market.
Baby Care	4.9 billion yen (− 6.9%)	Infant Formula struggled in January-March, in part due to a depressed market.
Health	15.3 billion yen (+ 18.5%)	The mainstay brand “Almond Koka” (drink) maintained strong performance with significant increases.

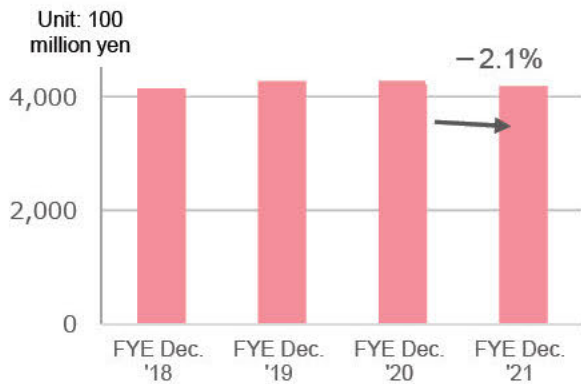
*1 Includes net sales of wholesale subsidiaries

Domestic Business: Situation by Category (Chocolate/Cookies)



Chocolate category

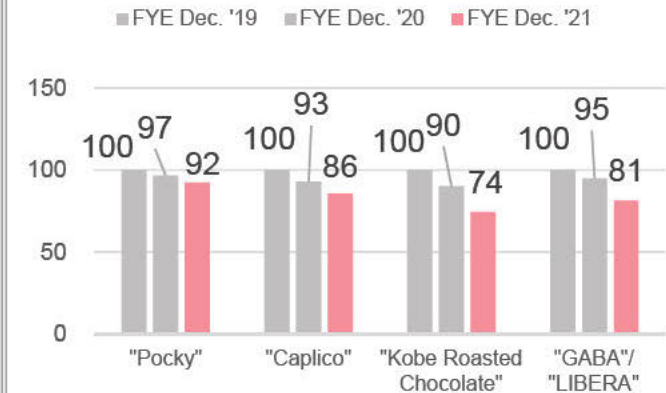
Chocolate Market
(Intage SRI+)



Net Sales Result - Chocolate category -



Net Sales by Brand
(When FYE Dec. 2019 net sales are set as 100)

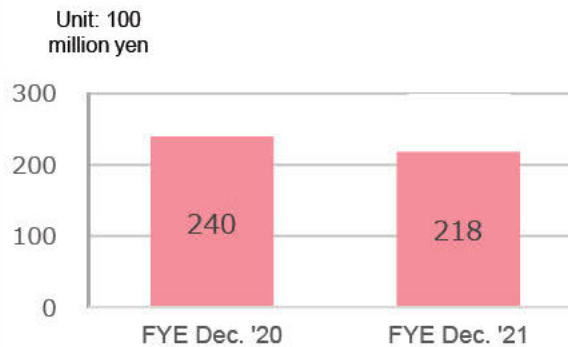


Cookies category

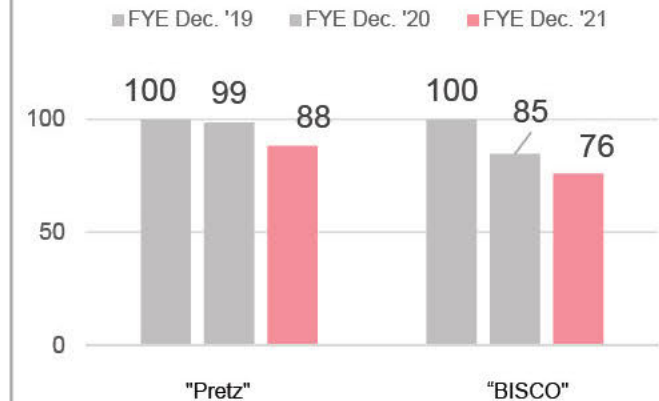
Cookies Market
(Intage SRI+)



Net Sales Result - Cookies category -



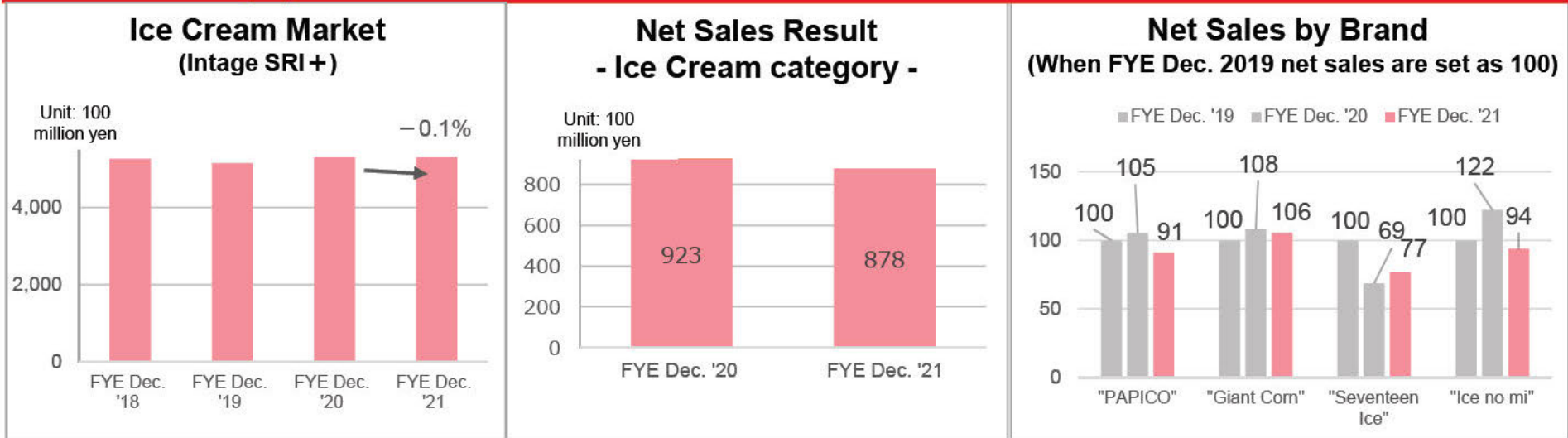
Net Sales by Brand
(When FYE Dec. 2019 net sales are set as 100)



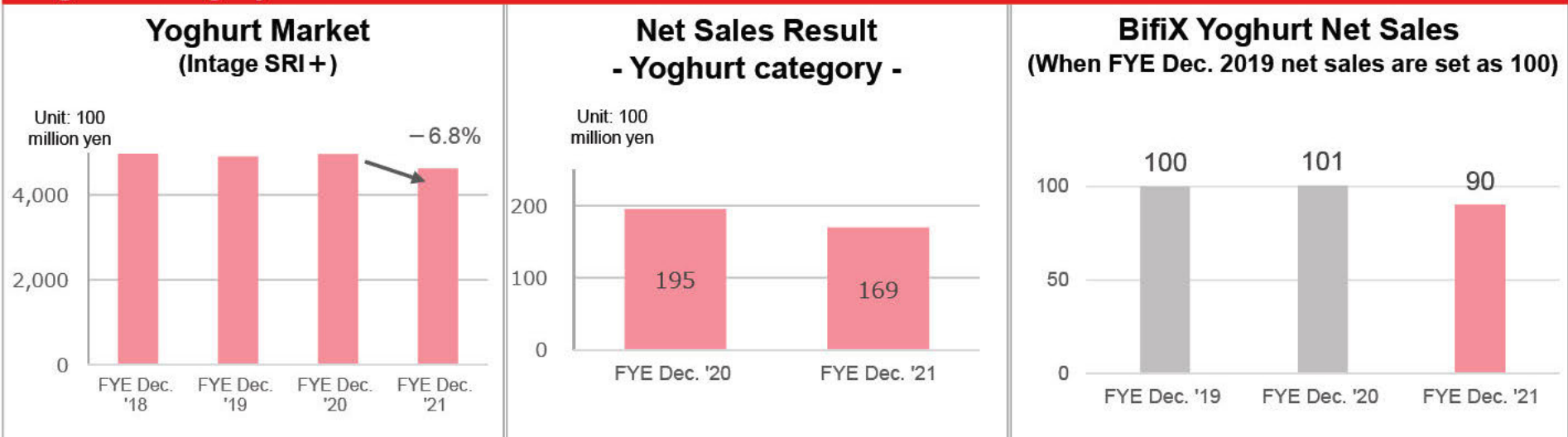
Domestic Business: Situation by Category (Ice Cream/Yoghurt)



Ice Cream category



Yoghurt category

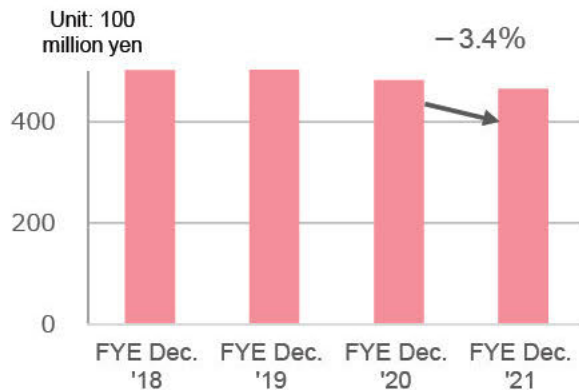


Domestic Business: Situation by Category (Drinking Milk/Health Business category)



Infant Formula category

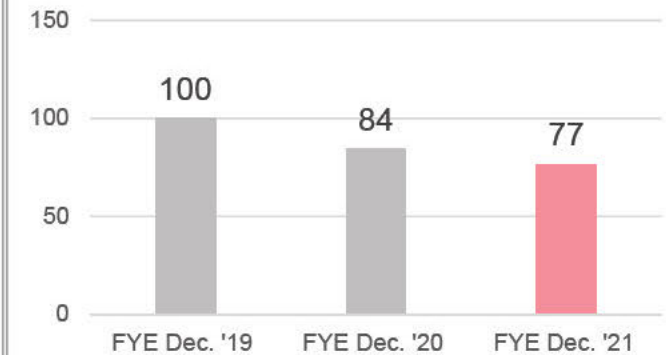
Infant Formula Market
(Intage SDI/SCI+)



Net Sales Result
- Infant Formula category -

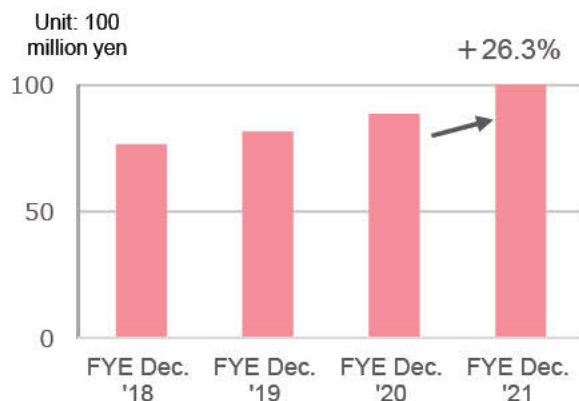


Icreo (Infant Formula) Net Sales
(When FYE Dec. 2019 net sales are set as 100)

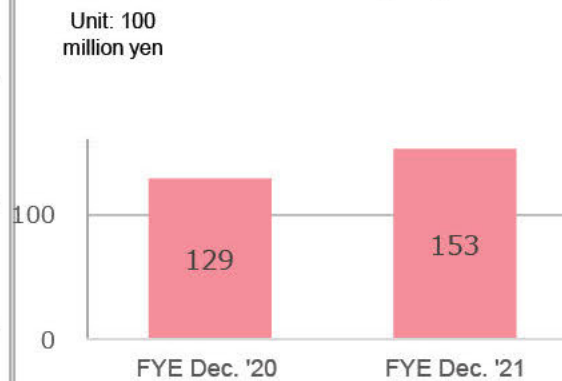


Health category

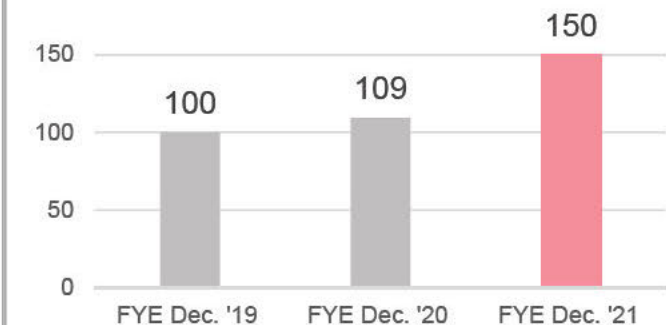
Almond Milk Market
(Intage SRI+)



Net Sales Result
- Health category -



“Almond Koka” (Drink) Net Sales
(When FYE Dec. 2019 net sales are set as 100)



Overseas Business: Region-Specific Net Sales and Operating Income



◆ China

(Unit: 1 million CNY)

	FYE Dec. 2020	FYE Dec. 2021			
	Results	Forecast	Results	Change from Previous Period	Change from Forecast
Net sales	1,705	1,949	1,899	+ 11.3%	- 2.6%
Operating income	150	182	141	- 6.3%	- 22.5%

◆ ASEAN *

(Unit: 1 million USD)

	FYE Dec. 2020	FYE Dec. 2021			
	Results	Forecast	Results	Change from Previous Period	Change from Forecast
Net sales	128	137	132	+ 2.9%	- 4.2%
Operating income	- 9	- 8	- 8	—	—

◆ U.S.A.*

(Unit: 1 million USD)

	FYE Dec. 2020	FYE Dec. 2021			
	Results	Forecast	Results	Change from Previous Period	Change from Forecast
Net sales	71	98	91	+ 27.8%	- 7.0%
Operating income	20	28	24	+ 19.3%	- 14.5%

*Concerning the accounting terms for ASEAN countries, figures were converted with the real full-year exchange rate for FYE December 2021 for each country.

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

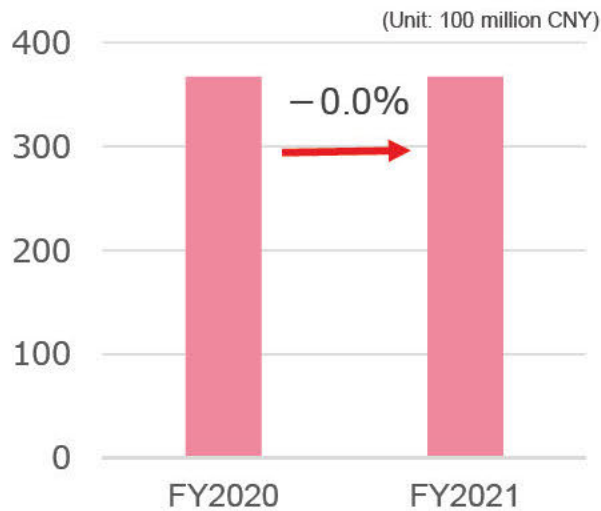
*Figures for local currency-denominated performance in overseas business are rounded down to the nearest million CNY and USD.

China



- Over the full year of 2021, China’s cookie market (POS) performed at roughly the same level as the previous year.
- Glico’s net sales (shipments) grew +11.3% compared to the previous year based on local currencies. Demand via consumer purchasing channels changed and sales at local supermarkets increased due to the COVID-19 pandemic. Online sales remained strong. On the other hand, operating income decreased as a result of the loss of COVID-19-related tax breaks from the previous year, higher raw material prices, and active marketing investment.
- Looking at specific brands, the top three main products (“Pejoy,” “Pocky,” and “Pretz”) posted year-on-year increases. “Pretz” saw increases in a new product (“Pretz at Night”). Additionally, “Pocky” placed “Slim Pocky,” a product with a smaller sugar content, on the market in the second half.

China’s cookie market size (offline/EC)



(Unit: 100 million CNY)

Source: Glico data

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Offline store in-store sales campaign: “Pocky Day”



Launch of low-GI “Slim Pocky”
From left, “Matcha” flavor, “Strawberry” flavor, “Milk” flavor



“Pretz at Night”

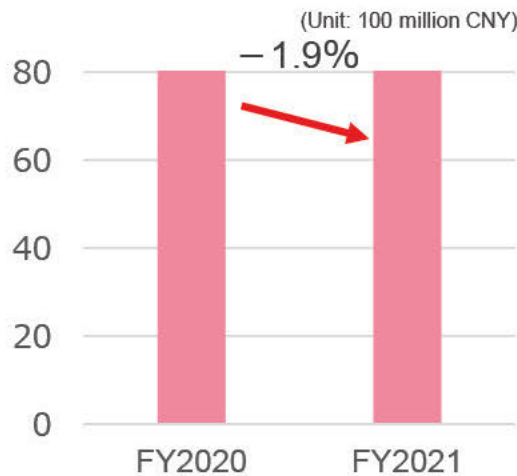


China: Online



- In 2021, the EC (POS) market in China’s cookie market shrank -1.9% compared to the previous year.
- Glico’s EC business is growing faster than the market. (+37.5% growth based on the local currency) The EC business grew to accounted for 14.8% of our total China business.
- We are maintaining strong performance in both Alibaba and JD.com by strengthening marketing activities targeting various events. For the first time, we became the No. 1 manufacturer in terms of gross merchandise value in the Cookies category on T-mall during Double 11.
- We launched sales EC-site sales of “Almond Koka” in August and “BISCO” in October. Amid growing health consciousness, we aim to help promote health through food by proposing new eating habits to Chinese customers.

China’s cookie market size (EC) (POS)



Glico’s EC net sales and EC ratio



“Almond Koka” for EC websites in China
From left, “Original,” “Sugarless,” “Aromatic Cacao”



“BISCO” for EC websites in China
From left, “Milk,” “Strawberry”



Source: Glico data

ASEAN



- In ASEAN, despite negative effects on our supply chain that came from delays in procuring raw materials and transport from sluggish demand attributable to COVID-19 in the first half, our sales recovered in the second half and we posted a +2.9% increase for the full year throughout ASEAN.
- Thailand's Cookie Market struggled in the first half amid lockdowns but showed recovery in the second half. We posted increased revenue in the second half as we focused on expanding distribution to traditional trade as well as the health-oriented "Pocky Wholesome" and "Pretz Harvest."
- Indonesia's Cookie Market showed recovery in the second half. Despite negative effects on our supply chain brought by delays in procuring raw materials and transport, we expanded distribution to traditional trade in the second half and our sales recovered significantly. We achieved a two-digit increase over the full year.
- In Malaysia, sales of "Pocky" grew steadily, allowing us to secure increased sales. However, sales decreased in Vietnam and the Philippines due to economic stagnation brought by COVID-19.

"Pocky Wholesome"

From left, "Blueberry Yoghurt,"
"Chocolate Almond"



"Pretz Harvest"

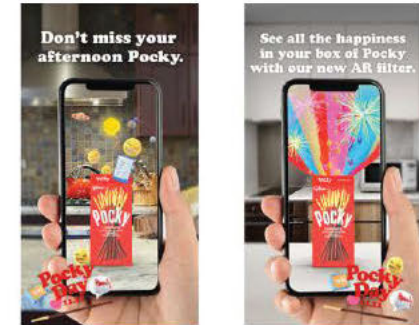
From left, "Purple Yam," "Apple"



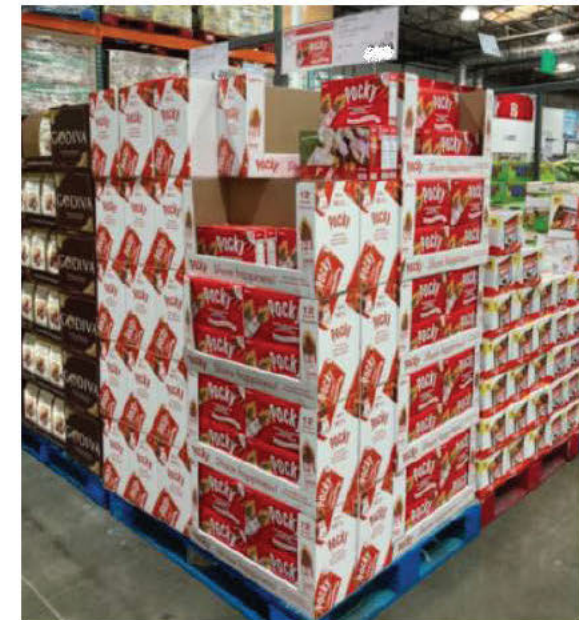
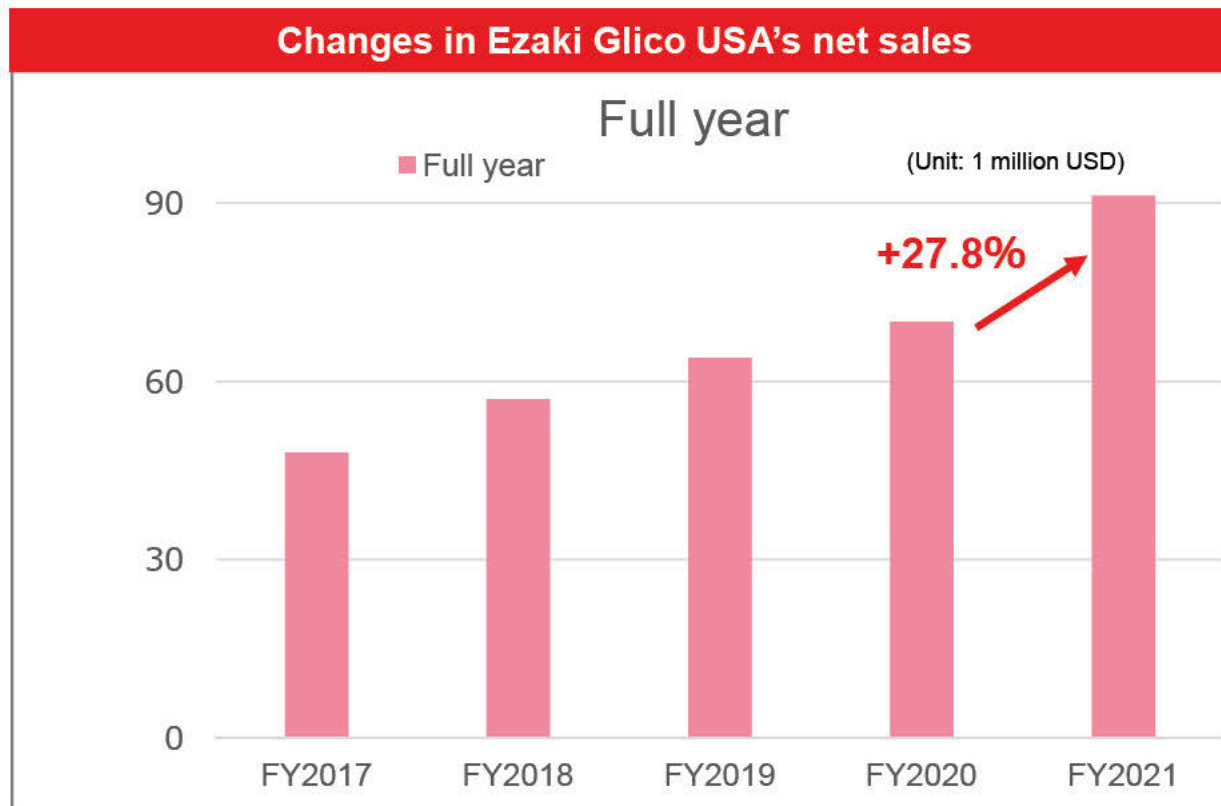
U.S.A.



- In FYE Dec. 2021, net sales of Ezaki Glico USA, Glico's local subsidiary in the U.S. confectionery business, increased by +27.8% year on year to 91 million USD based on local currencies.
- Sales expanded at Walmart, an American retail store, with increased distribution of Glico products to ordinary product shelves and greater display surface with the addition of "Pocky Strawberry."
- Additionally, higher revenue was obtained through better turnover rates at existing stores and higher numbers of repeat customers.
- Growth slowed in the second half due to distribution disruptions attributable to COVID-19. However, demand continues to be strong as a result of marketing activities, etc.



Marketing on social media
Using VR on "Pocky Day"



Products sold at Costco



1. Environmental initiatives

- Presentation of the Glico Group Environmental Vision 2050 (March 2021): Sets targets and KPIs for 100% reduction of greenhouse gases, water consumption, plastic containers/recycling, and food waste



2. Social initiatives

- Promotion of “Co-Sodate Month” Receipt of the “Ikumen Company Award 2020,” mention as a case example at the UN Global Compact Leaders Summit (June 2021)
- Implementation of D&I Week to promote diversity and inclusion (September 2021), acquirement of the bronze rating in the PRIDE Index
- Promotion of internal penetration activities following the formulation of a human rights policy and quality policy in 2020



3. Governance-related initiatives

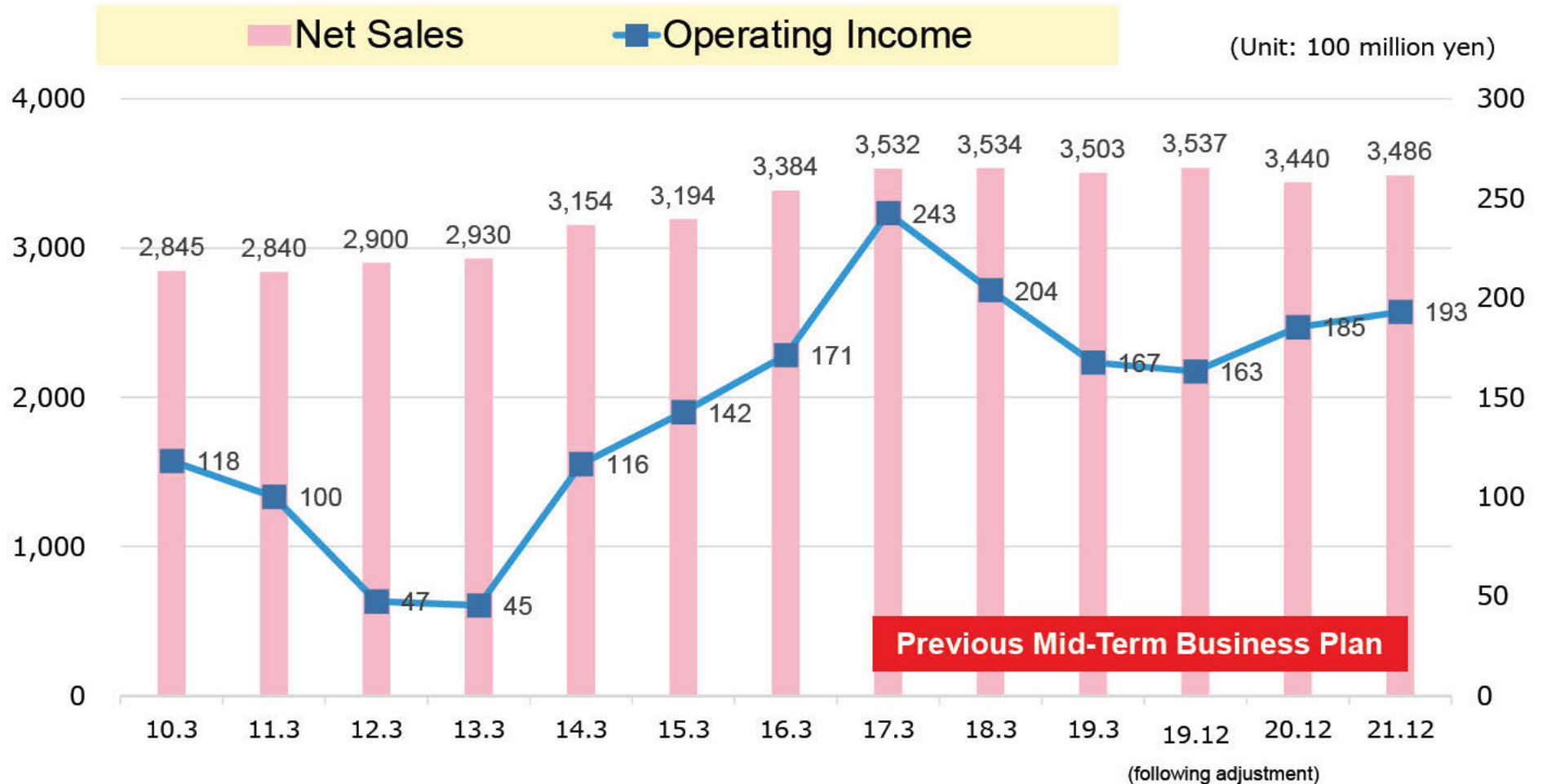
- Management under the supervision of a board consisting of at least half outside directors
- Compliance: Establishment of a hotline

II. Mid-Term Business Plan

Changes in Net Sales and Operating Income



- Net sales grew in the launch of the Category Management system in Japan.
- Sales have been decreasing in recent years as domestic business has stagnated. However, overseas business and Health category are performing strongly.



*Figures for FYE Dec. 2019 are adjusted ones due to change of accounting terms

Review of the Previous Mid-Term Business Plan (Quantitative)



◆ Mid-Term Business Plan < FY2018 – 2020 >

Item	2020 Target	2021 Result
Net sales	Compound average growth rate of at least 5%	Compound average growth rate – 1.1% (FY2018-2021)
Operating income	At least 30.0 billion yen	19.3 billion yen

*ROE: 5.8% in FY2021, compared to the target of at least 10%

*Payout ratio: 33.6% in FY2021, compared to the target of at least 25%

Review of the Previous Mid-Term Business Plan (Qualitative)



1. Strengthen competitiveness through “selection and concentration” of management resources.

- (1) Strengthen core brands and accelerate innovation.
- (2) Accelerate growth through the global involvement of the Health business.
- (3) Establish a foundation for overseas business growth and promote the expansion of global brands.

2. Strengthen the management platform for sustainable growth.

- (1) Strengthen human resources and become a “company worth working for.”
- (2) Strengthen the organizational capabilities and functions of each department, promote digitalization, and optimize operations.
- (3) Promote CSR initiatives by all employees and raise corporate brand value.

1.

- (1) Domestic performance struggled mainly due to the impacts of COVID-19 and some key brands. The share of key brands in net sales grew.
- (2) The Health category achieved a +12.8% annual net sales growth rate, mainly due to the growth of “Almond Koka” and “SUNAO.”
- (3) In overseas business, the compound net sales growth rate rose to 6.3% and operating profit margin increased from 4.4% to 6.4% overall. (In terms of JPY) By region, revenue in China rose by +8.0% per year, revenue in the U.S. increased by +17.6% per year, and revenue in ASEAN increased by 5.9% per year. (Local currencies)

2.

- (1) Glico’s company-wide initiatives were recognized and the company was certified as one of the “White 500” enterprises of the “2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program” (Ministry of Economy, Trade and Industry).
- (2) A foundation for the creation of innovation was established through a reorganization of R&D organizations and leadership/digital training.
- (3) Cross-organizational initiatives were launched by the CSR Committee. Glico published a CSR Report summarizing the company’s CSR activities. And the company established the “Glico Group Environmental Vision 2050.”



Three pillars of the new Mid-Term Strategy



Three pillars of the new Mid-Term Strategy

Offering “Great Taste and Good Health”




Taste and health value with scientific evidence

Realization of a customer-driven value chain



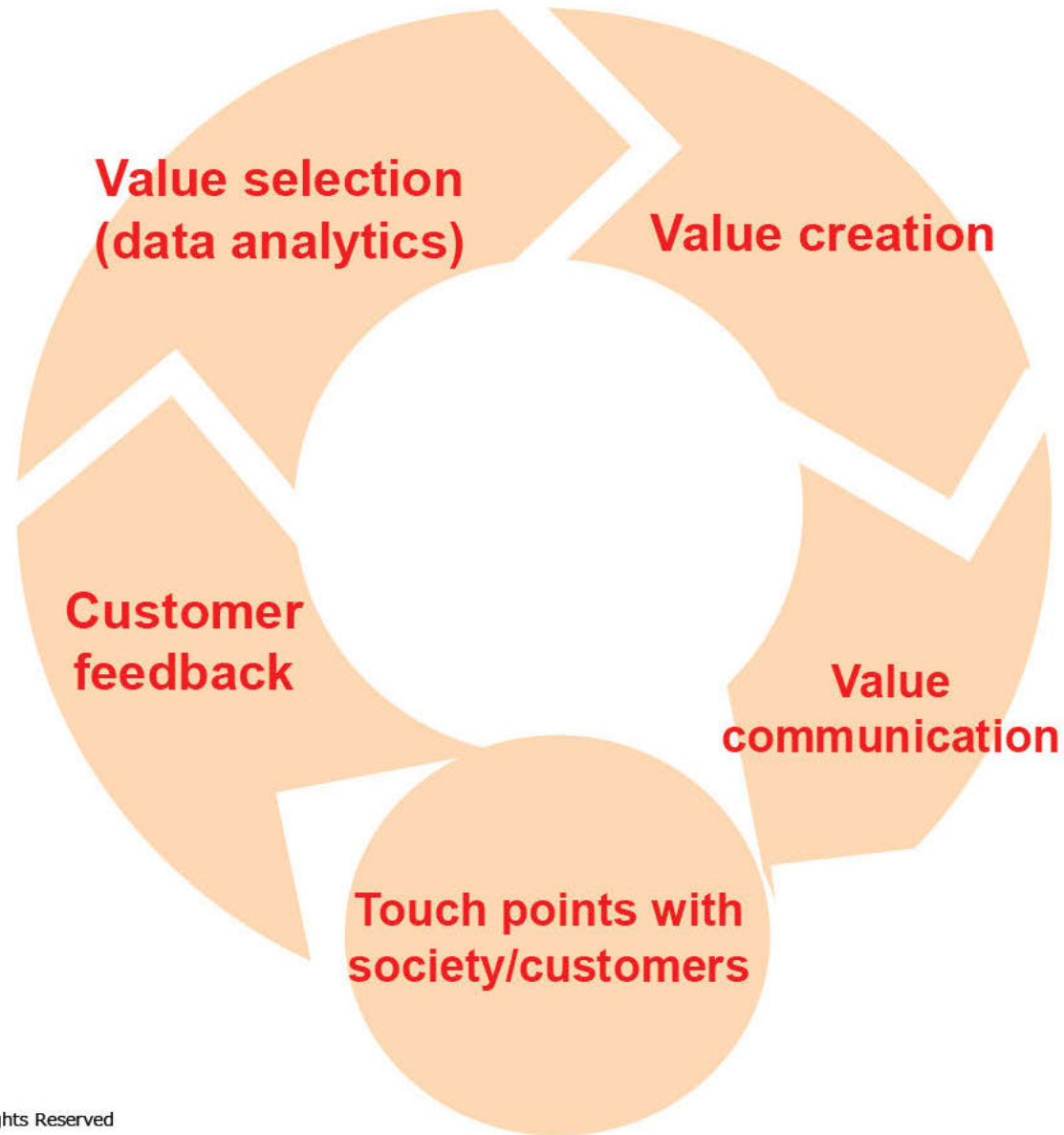
Implementation of globally evolved value chain

Transformation toward focused business fields

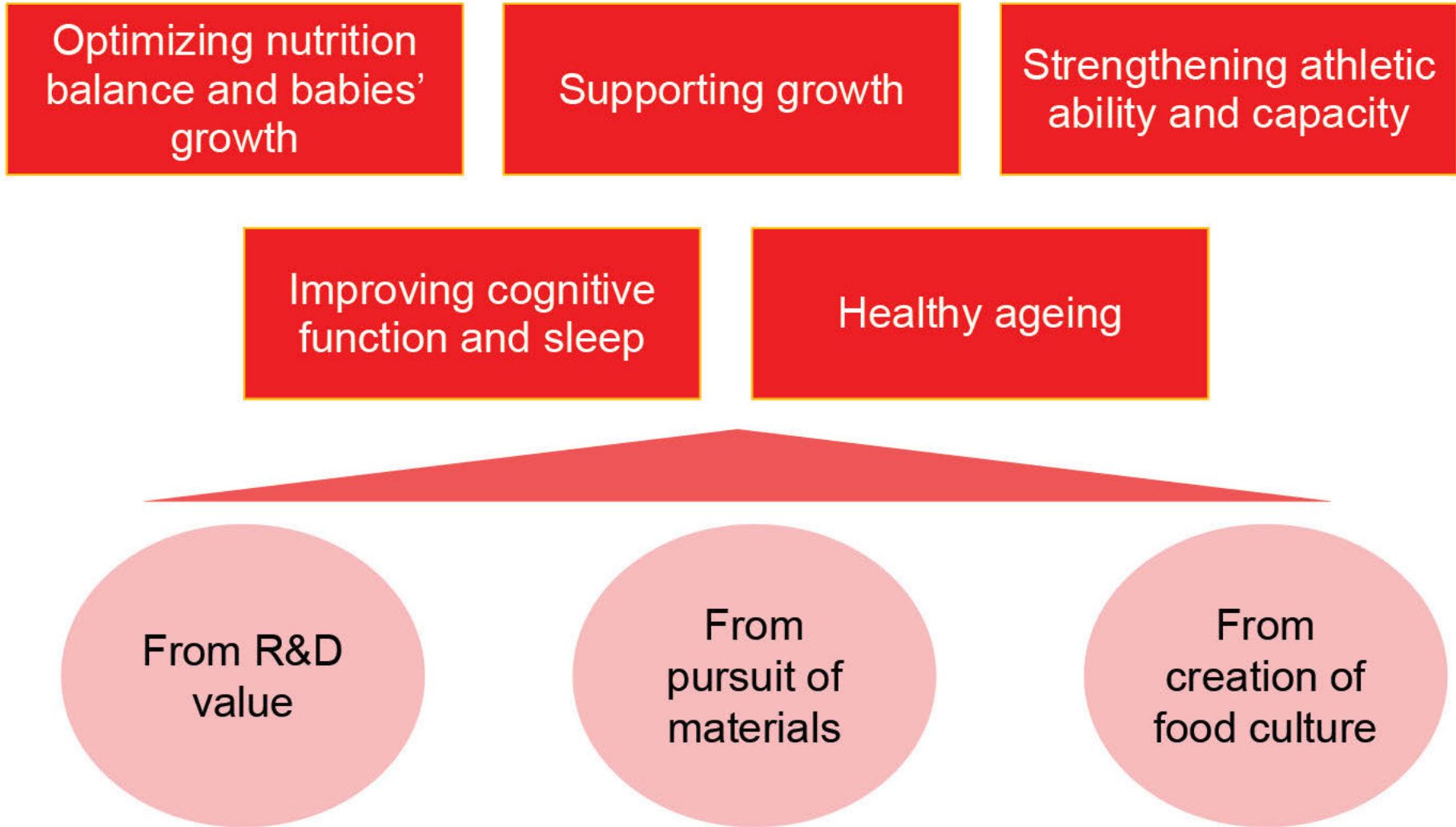


Transformation from “Category marketing” management to “focused business fields” wise management

Realizing a customer-driven value chain



Five focus areas for value proposition



Transformation from category marketing to business unit management

Category management

- Health
- Chocolate
- Cookies
- Ice Cream
- Milk and Dairy Products
- Western Confections
- Food Products
- Baby Care

- Others

Business unit management



- Continue achieving significant acceleration in priority regions (China, ASEAN, China).
- Invest in the creation and expansion of added-value health markets for further growth.
- Strive to expand earnings together with net sales growth.

◆ China: Annual net sales growth rate of 15%

1. Remain active in online (EC) business. Also accelerate efforts to strengthen offline business.
2. Move into added-value health markets.

◆ ASEAN: Annual growth rate of 15%, profitable operating income

1. Expand sales in existing markets (Thailand and Indonesia) by engaging in customer-driven development.
2. Actively move into new regions and markets (e.g., added-value health markets, etc.).
3. Achieve significant expansion of supply capacity with the new factory start-up in Indonesia.

◆ U.S.A.: Annual net sales growth rate of 10%

1. Actively expand distribution to new retail chains and regions. Achieve significant sales expansion.
2. Increase turnover by further enhancing recognition and engaging in customer-driven development of new products.

New Mid-Term Business Plan

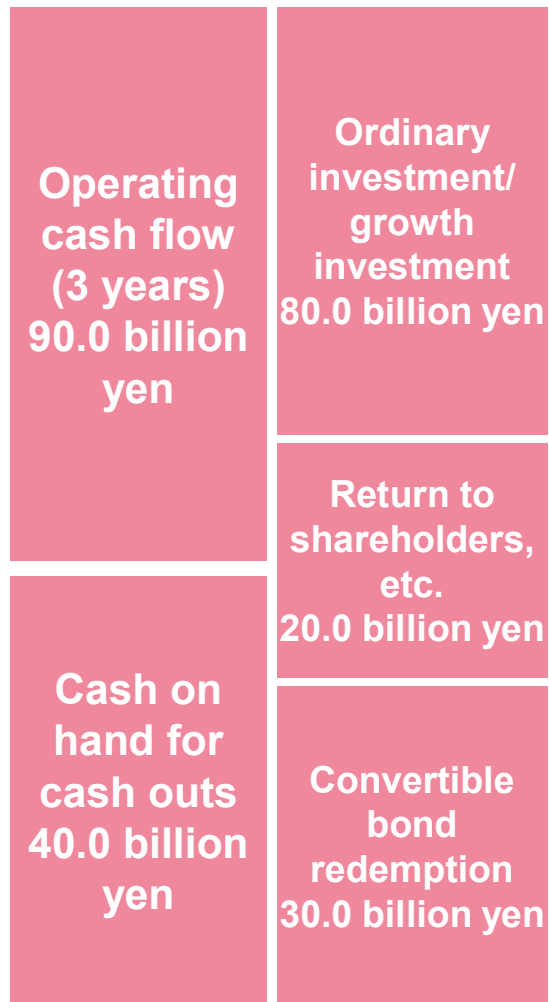


	2021	2024
	Result	Forecast
Net sales	338.6 billion yen	Compound average growth rate+ 3 to 5%
Operating income	19.3 billion yen	Compound average growth rate + 5 to 10%

Capital Policy (Basic Policy for Profit Allocation)



- Proactively invest to achieve growth while providing stable returns to shareholders in line with profit growth.



- **Ordinary investment/growth investment: 80.0 billion yen**

- Normal capital investments (total of 30.0 billion yen)
- Growth investment (total of 50.0 billion yen)
 - (1) Investment in growth fields/growth markets
 - (2) Investment/contributions in R&D to achieve the Mid-Term Strategy

- **Returns to shareholders/employees**

- Aim to continue increasing dividends in line with profit growth, with a target payout ratio of 35%.
- Scheduled to buy back about 5 billion yen of treasury stock.
- *Study the use of incentive plans for executives and regular employees.

- **Convertible bonds with share acquisition rights maturing at the end of 2023**

- Scheduled redemption of 30.0 billion yen

III. FYE December 2022 Earnings Forecast

*As Glico will apply the “Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29) beginning with the first quarter of FYE December 31, 2022., the following earnings forecasts are based on said accounting standards.

*Some selling expenses (rebates, etc.) that were previously recorded as selling, general, and administrative expenses are now deducted from net sales.

Consolidated Earnings Forecast



- Net sales: Although we forecast a double-digit year-on-year increase by overseas business, and we anticipate a 0.8% year-on-year increase by domestic business. We forecast a 3.7% year-on-year increase for the consolidated Group.
- Operating income: Operating income: Although we anticipate rising raw materials expenses, we forecast a 6.2% increase in operating income for the consolidated Group due to the effect of increased sales by overseas business.

	FYE Dec. 2021 (previous standards)	FYE Dec. 2021 (new standards)	FYE Dec. 2022 (new standards)	
	Results	Results	Forecast	Change from previous period
Net sales	3,386	2,926	3,033	3.7%
Operating income	193	193	205	6.2%
Ordinary income	217	217	220	1.3%
Net income	135	135	140	3.6%
Operating profit margin	5.7%	6.6%	6.8%	—

Basic Policy for FY2022



As the first year of the Mid-Term Business Plan, strengthen value creation to realize Glico's corporate philosophy of "A Wholesome Life in the Best of Taste."

1. Provide health value and build a customer-driven value chain

- Launch new products with health function and accelerate the growth of "Almond Koka," "SUNAO," and other health-value brands.
- Build a feed-back loop through direct relationships with customers, explore high-quality materials and develop products using them, and effectively communicate provided value.
- Train "digital human resources" and build a platform for digital transformation (DX).



2. Concentrate R&D resources in focus areas

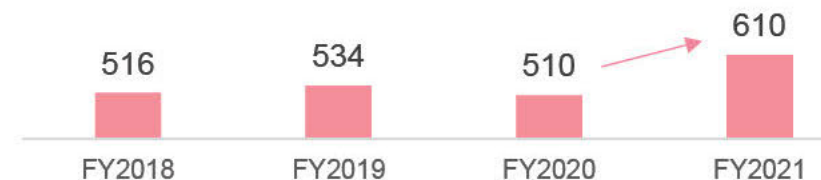
- Develop and enhance internal systems for the value creation processes.
- Accelerate commercialization and operation by further selecting and concentrating management resources and effectively utilizing external resources.



3. Expand overseas business

- Globally develop and accelerate the growth of brands providing health value.
- Enhance the global production and supply chain (start-up of the new confectionery plant in Indonesia).

Changes in overseas business net sales (new standards) (Unit: 100 million yen)



Operating Income Forecast



(Unit: 100 million yen)

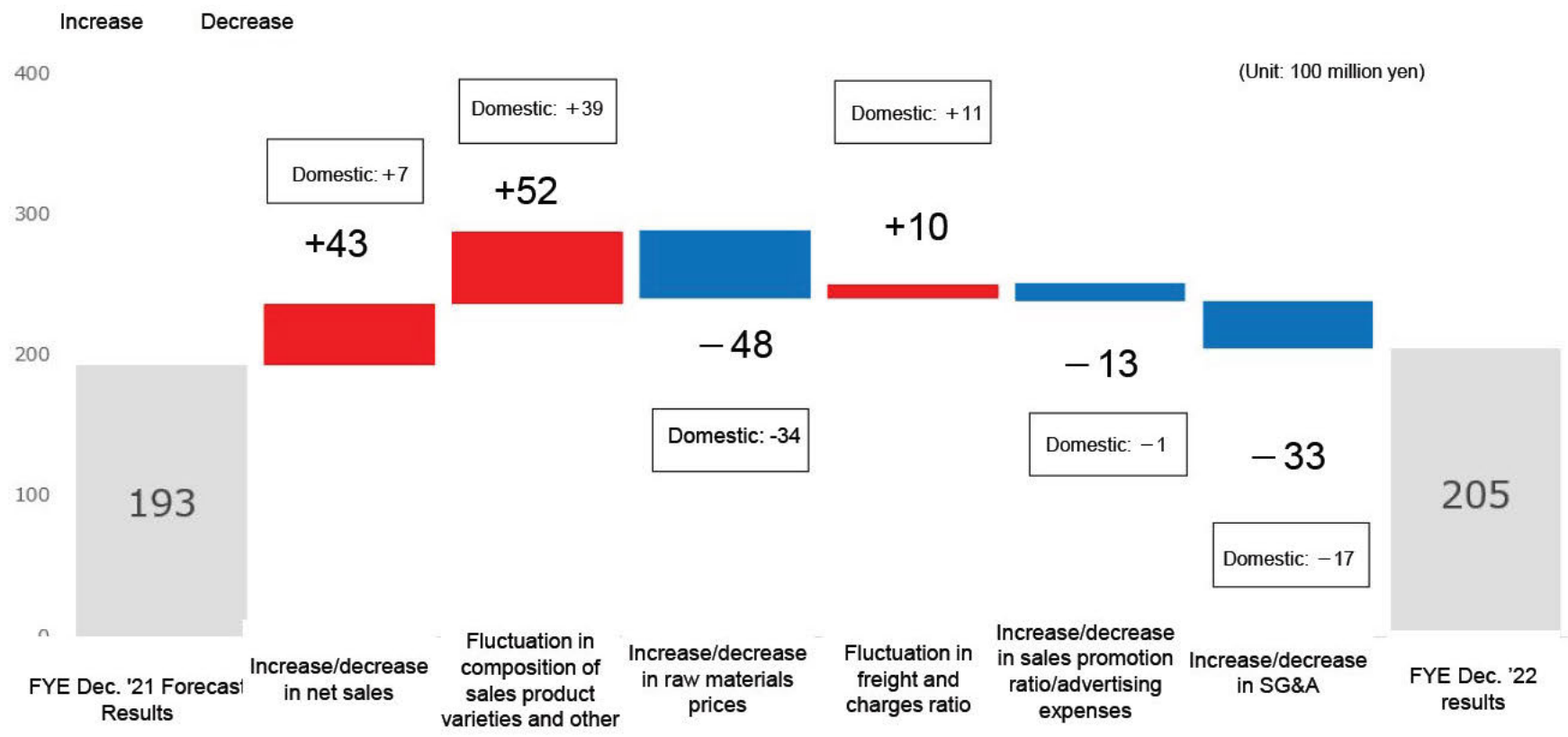
	FYE Dec. 2021 (previous standards)		FYE Dec. 2021 (new standards)		FYE Dec. 2022 (new standards)	
	Results	Sales Ratio	Results	Sales Ratio	Forecast	Sales Ratio
Net sales	3,386	100.0%	2,926	100.0%	3,033	100.0%
Cost of sales	1,805	53.3%	1,805	61.7%	1,853	61.1%
Gross profit	1,580	46.7%	1,120	38.3%	1,180	38.9%
Freight and charges	319	9.4%	252	8.6%	251	8.3%
Sales promotion	479	14.1%	85	2.9%	85	2.8%
Advertising expenses	100	3.0%	100	3.4%	116	3.8%
Salaries and benefits	287	8.5%	287	9.8%	293	9.7%
Expenses and depreciation	203	6.0%	203	6.9%	230	7.6%
SGA total	1,387	41.0%	927	31.7%	975	32.1%
Operating income	193	5.7%	193	6.6%	205	6.8%

Factors of Increases (Decreases) in Operating Income (New Standards)



<Change from previous period>

- In the domestic segment, although SG&A expenses and raw material price fluctuations are expected to increase, higher income is forecasted overall owing to increases in “increase/decrease in net sales” and “fluctuation in composition of sales product varieties and other,” increased income from a lower freight and charges ratio, etc.
- In the overseas segment, although SG&A expenses and raw material price fluctuations are expected to increase, higher income is forecasted overall due to increased earnings attributable to higher net sales, etc.



Net Sales Forecast by Segment



- In the domestic segment, although net sales are expected to increase mainly in Health category in Other, an overall year-on-year increase of just +0.8% is forecast due to struggles in Confectioneries and Food Products and Milk and Dairy Products.
- The overseas segment is expected to see an increase of +17.8% YoY amid strong performance in China, ASEAN, and the U.S.A.

(Unit: 100 million yen)

	FYE Dec. 2021 (previous standards)	FYE Dec. 2021 (new standards)	FYE Dec. 2022 (new standards)	
	Results	Results FYE Dec. 2021	Forecast FYE Dec. 2021	Change from previous period
Total	3,386	2,926	3,033	3.7%
(Domestic)	2,776	2,426	2,445	0.8%
Confectioneries and Food Products	792	656	638	-2.8%
(Confectioneries)	632	536	526	-1.8%
(Food products)	159	121	112	-7.3%
Ice Cream	878	772	796	3.0%
Milk and Dairy Products	799	705	689	-2.3%
Food Ingredients	105	105	110	4.8%
Overseas business	610	499	588	17.8%
Other	202	187	212	13.2%
(Health category)	153	138	158	14.1%

Reference: Exchange rates

Exchange rate	FYE Dec. 2021 Results	FYE Dec. 2022 Forecast
China (CNY)	1 CNY=17.03 JPY	1 CNY= 18.00 JPY
Thailand (THB)	1 THB=3.43 JPY	1 THB= 3.50 JPY
U.S.A (USD)	1 USD=109.84 JPY	1 USD= 115.00 JPY

Operating Income Forecast by Segment



- We forecasts a +500 million yen for domestic business, and a +700 million yen for overseas business.
- We forecast a +1200 million yen year-on-year increase for the entire consolidated Group.

(Unit: 100 million yen)

	FYE Dec. 2021 (previous standards)	FYE Dec. 2021 (new standards)	FYE Dec. 2022 (new standards)	
	Results	Results	Forecast	Change from Previous Period
Total	193	193	205	+12
(Domestic)	154	154	159	+5
Confectioneries and Food Products	51	51	52	+1
(Confectioneries)	46	46	47	+1
(Food products)	5	5	5	-0
Ice Cream	38	38	45	+7
Milk and Dairy Products	21	21	18	-3
Food Ingredients	9	9	9	-0
Overseas business	39	39	46	+7
Other	15	15	19	+4
Adjustment	20	20	16	-4

Exchange rate	FYE Dec. 2021 Results	FYE Dec. 2022 Forecast
China (CNY)	1 CNY=17.03 JPY	1 CNY= 18.00 JPY
Thailand (THB)	1 THB=3.43 JPY	1 THB= 3.50 JPY
U.S.A (USD)	1 USD=109.84 JPY	1 USD= 115.00 JPY

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



◆ China

(Unit: 1 million CNY)

	FYE Dec. 2021 (previous standards)	FYE Dec. 2021 (new standards)	FYE Dec. 2022(new standards)	
	Results	Results	Forecast	Change from Previous Period
Net sales	1,899	1,410	1,583	+12.3%
Operating income	141	141	183	+30.4%

◆ ASEAN *

(Unit: 1 million USD)

	FYE Dec. 2021 (previous standards)	FYE Dec. 2021 (new standards)	FYE Dec. 2022(new standards)	
	Results	Results	Forecast	Change from Previous Period
Net sales	127	103	113	+9.6%
Operating income	-9	-9	-18	-

◆ U.S.A.*

(Unit: 1 million USD)

	FYE Dec. 2021	FYE Dec. 2021	FYE Dec. 2022	
	Results	Results	Forecast	Change from Previous Period
Net sales	91	91	105	+ 15.1%
Operating income	24	24	30	+ 25.8%

*Concerning the accounting terms for ASEAN countries, figures were converted with the exchange rate for FYE December 2021 for each country.

*Figures for the U.S.A. are based on consolidated results. Traditionally applied US GAAP.

Beginning with this term, figures for local currency-denominated performance in overseas business are rounded down to the nearest million CNY and USD.

TTM Currency Rate



		USD	EUR	THB	CNY	100KRW	100IDR
<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	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
<u>2021</u>	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	105.02	130.51	3.43	18.06	9.73	0.81

Net Sales by Category



(Unit: 100 million yen)

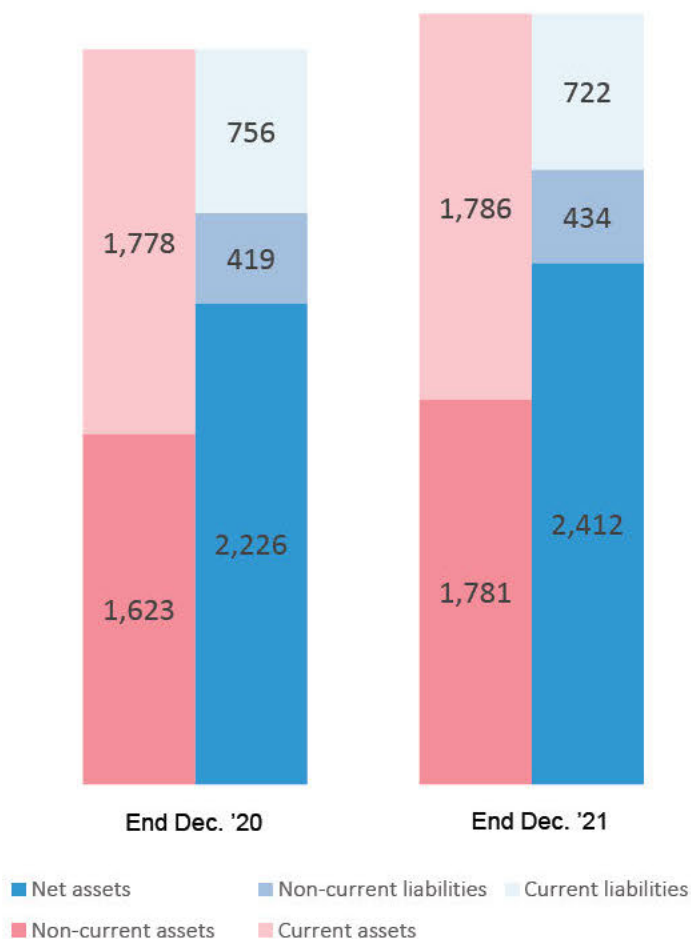
Segment	Category	FYE Dec. 2020 (previous standards)	FYE Dec. 2021 (previous standards)	FYE Dec. 2021 (new standards)	FYE Dec. 2022 (new standards)	
		Results	Results	Results	Forecast	Change from Previous Period (%)
Confectioneries and Food Products	Chocolate	445	399	337	329	▲2.3%
	Cookies	240	218	185	183	▲1.2%
	Food products	191	159	121	112	▲7.3%
	Other	17	15	13	14	+4.3%
	Total	893	792	656	638	▲2.8%
Ice Cream	Ice cream, wholesale subsidiaries	923	878	772	796	+3.0%
	Total	923	878	772	796	+3.0%
Milk and Dairy Products	Yoghurt	195	169	145	147	+1.4%
	Drinking milk	256	241	215	201	▲6.4%
	Fruit juices, Carbonated drinks	218	225	201	196	▲2.3%
	Western confections	113	115	100	100	▲0.1%
	Baby care	52	49	45	45	+0.8%
	Total	835	799	705	689	▲2.3%
Food Ingredients	Food ingredients	101	105	105	110	+4.8%
	Total	101	105	105	110	+4.8%
Overseas	Overseas subsidiaries, export	510	610	499	588	+17.8%
	Total	510	610	499	588	+17.8%
Other	Health	129	153	138	158	+14.1%
	Total	180	202	187	212	+13.2%
	Total	3,440	3,386	2,926	3,033	+3.7%

Status of Balance Sheet



- Net worth ratio: 65.2% (end of December 2020)
→ 67.5% (end of December 2021)

(Unit: 100 million yen)



Assets		End Dec. '20	End Dec. '21	Change from previous period
Major account items				
Current assets	Cash and deposits	979	1,020	+41
	Notes and accounts receivable	435	429	-6
	Securities	7	2	-5
	Inventories	289	282	-7
	Total current assets	1,778	1,786	+8
Non-current assets	Property, plants and equipment	976	1,011	+35
	Intangible assets	107	160	+53
	Investment securities	354	416	+62
	Total non-current assets	1,623	1,781	+159

Liabilities and net assets		End Dec. '20	End Dec. '21	Change from previous period
Major account items				
Current liabilities	Notes and accounts payable, trade	326	324	-2
	Short-term loans payable			
	Current portion of long-term loans payable	2	2	+0
	Total current liabilities	756	722	-34
Non-current liabilities	Convertible bonds	301	300	-0
	Long-term loans payable	3	1	-3
	Total non-current liabilities	419	434	+15
Net assets	Shareholders' equity	2,137	2,235	+98
	Total net assets	2,226	2,412	+186

Status of Cash Flows

(Unit: 100 million yen)

	FYE Mar. 2018 Results	FYE Mar. 2019 Results	FYE Dec. 2019 Results	FYE Dec. 2020 Results	FYE Dec. 2021 Results
Cash flows from operating activities	315	203	173	172	287
Cash flows from investing activities	-250	-87	-90	-124	-292
FCF (Free cash flows)	64	116	83	48	-5
Cash flows from financing activities	-45	-46	-96	-97	-49
Cash and cash equivalents at end of year	930	992	980	924	895

Capital Investments, Depreciation, and R&D Expenditures



(Unit: 100 million yen)

	FYE Dec. 2019 Results	FYE Dec. 2020 Results	FYE Dec. 2021 Results	FYE Dec. 2022 Forecast
Capital investment total	163	109	166	202
Confectioneries and Food Products	36	28	22	21
Ice Cream	34	20	25	27
Milk and Dairy Products	24	15	13	65
Food Ingredients	3	3	3	5
Overseas business	10	40	75	78
Other	57	4	28	6
System investments	22	56	70	100
Total of capital investments, investment and lending to unconsolidated subsidiaries, and system investment	185	165	235	301
Depreciation	108	146	142	145
R&D expenditures	41	55	51	63

[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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