



[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.

Glico Group Financial Results For the First-Half of the Fiscal Year Ending December 31, 2023

Ezaki Glico Co., Ltd.

Securities Code: 2206

August 04, 2023

Supplemental Materials "P33" added on August 28, 2023.
"Dairy Foods Business" renamed "Dairy Business" on August 28, 2023.

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I. FYE December 2023 First-Half Earnings Report

1. First-Half performance showed increases in sales and profits.

- Net sales: Increases in all businesses, including overseas business, up 10.1% year on year.
- Operating income: Significant increase in overseas profit in China and other countries despite increases in sales promotion/advertising expenses in Japan, up 17.6% year on year.

2. The full-year forecast for net sales was revised upward.

- Net sales: Upward revision from the initial forecast (increase of +7.6% year on year)
- Operating income: No change from the initial forecast (increase of +24.6% year on year)

3. Progress Report for the Mid-Term Business Plan

- Sales progressed better than originally forecasted.
- Efforts to develop and launch new products with value in Japan must be accelerated to improve profitability.

Status of Consolidated Performance



- Net sales: Increased in all businesses, including overseas business, up 10.1% year on year.
- Operating income: Significant increase in overseas profit in China and other countries despite increases in sales promotion/advertising expenses in Japan, up 17.6% year on year.

(Unit: 100 million yen)

	FYE Dec. 2022	FYE Dec. 2023	
	First-Half Results	First-Half Results	Change from previous period
Net sales	1,391	1,531	+10.1%
Operating income	68	80	+17.6%
Ordinary income	79	102	+28.4%
Net income	47	78	+65.5%

Operating income margin	4.9%	5.3%	—
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Status of Operating Income

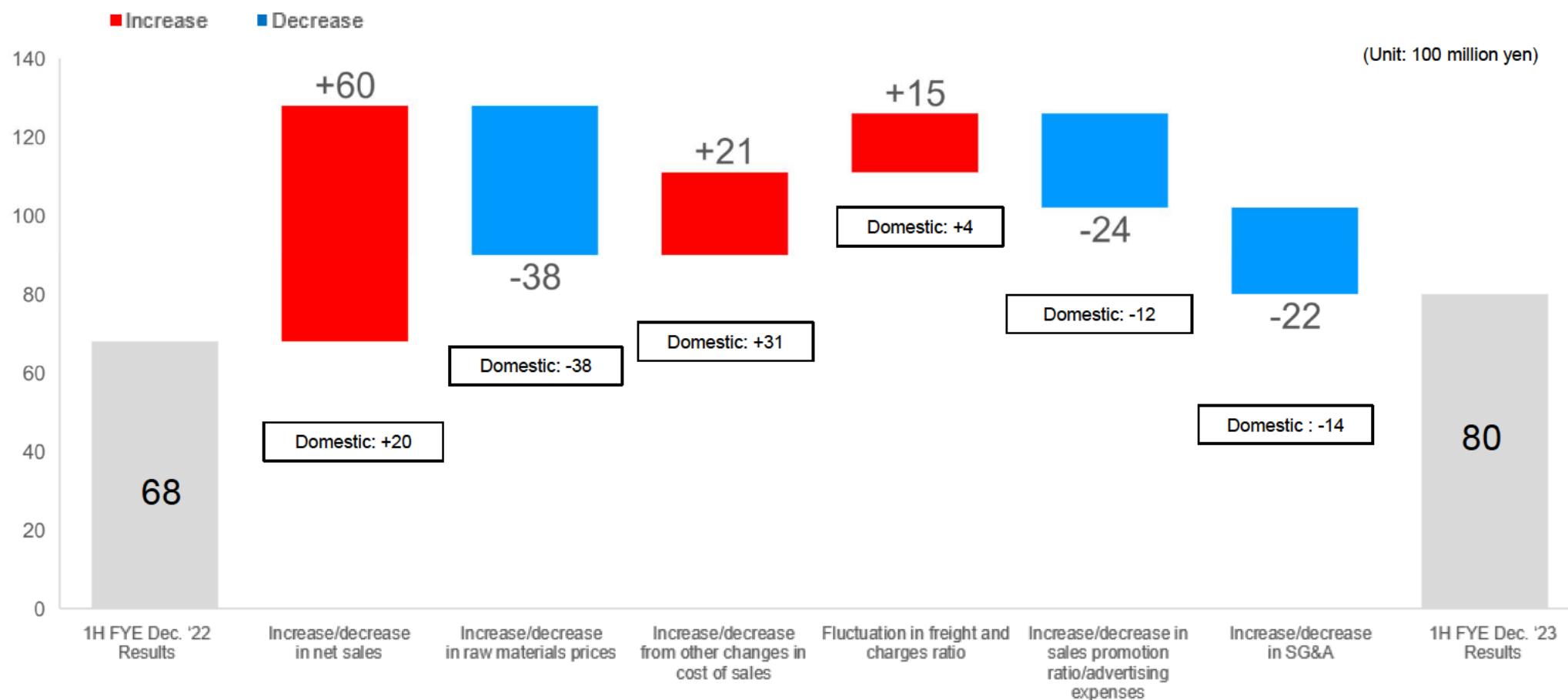


(Unit: 100 million yen)

	FYE Dec. 2022		FYE Dec. 2023	
	First-Half Results	Sales Ratio	First-Half Results	Sales Ratio
Net sales	1,391	100.0%	1,531	100.0%
Cost of sales	876	63.0%	960	62.7%
Gross profit	514	37.0%	570	37.3%
Freight and charges	127	9.2%	124	8.2%
Sales promotion	39	2.8%	47	3.1%
Advertising expenses	37	2.7%	53	3.5%
Salaries and benefits	147	10.6%	155	10.2%
Expenses and depreciation	94	6.8%	108	7.1%
SGA total	445	32.0%	489	32.0%
Operating income	68	4.9%	80	5.3%

Factors of Increases (Decreases) in Operating Income

- Domestic: Decreased due to rising raw material prices and increases in sales promotion and advertising expenses and SG&A expenses.
- Overseas: Increased as a result of sales growth and an improved freight and charges ratio among other factors.



Status of Net Sales by Segment



- Domestic: Increased in all business, +4.3% year on year
- Overseas: Increased due to factors that include a rebounding increase in China, which had been affected by lockdowns in the same period of the previous fiscal year; +36.8% year on year.

(Unit: 100 million yen)

	FYE Dec. 2022	FYE Dec. 2023	
	First-Half Results	First-Half Results	Change from previous period
Total	1,391	1,531	+10.1%
(Domestic)	1,145	1,194	+4.3%
Health and Food Business	215	218	+1.8%
Dairy Business	315	323	+2.4%
Nutritional Confectionery Business	274	285	+4.0%
Food Ingredients Business	52	62	+18.2%
Other Domestic Business	286	303	+6.0%
Overseas business	246	337	+36.8%

Reference:	Exchange rate	FYE Dec. 2022 1H Cum Total (Results)	FYE Dec. 2023 1H Cum Total (Results)
	China (CNY)	1 CNY = 18.98 JPY	1 CNY = 19.47 JPY
	Thailand (THB)	1 THB = 3.63JPY	1 THB = 3.94 JPY
	U.S.A. (USD)	1 USD = 123.16 JPY	1 USD = 135.99 JPY

Status of Operating Income by Segment



- Domestic: Decreased -1 billion-yen year on year due to higher sales promotion and advertising expenses and other expenditures.
- Overseas: Increased due to a rebounding increase in China, which had been affected by lockdowns in the same period of the previous fiscal year, rising +2.2 billion-yen year on year.

(Unit: 100 million yen)

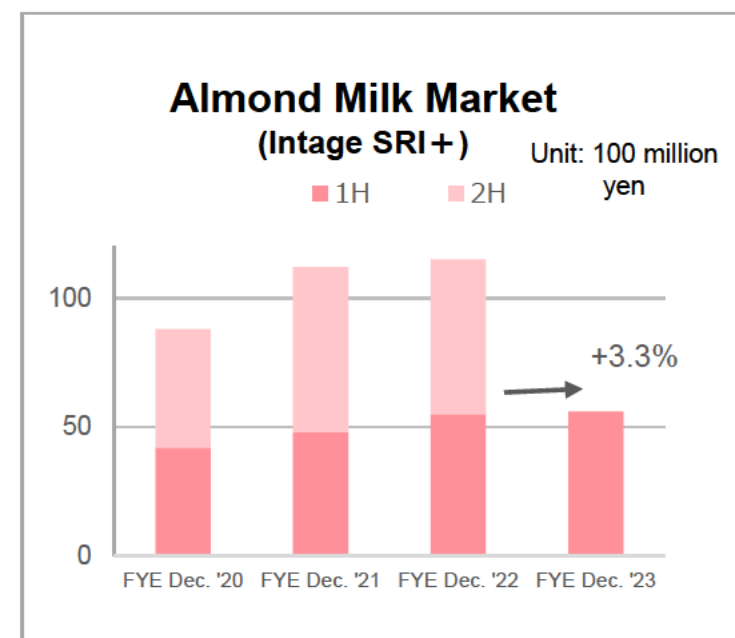
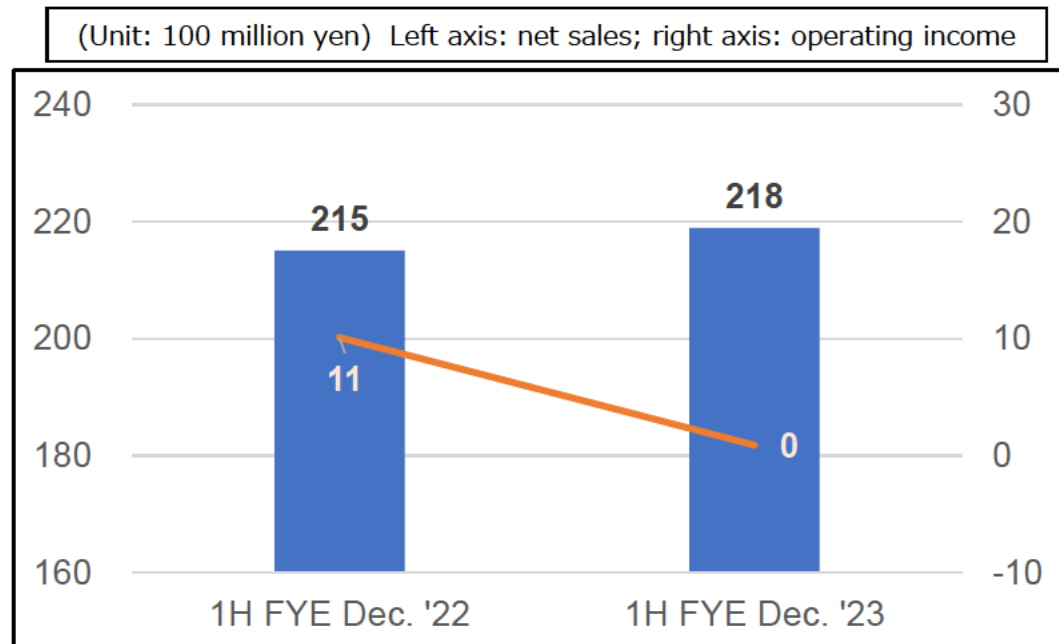
	FYE Dec. 2022	FYE Dec. 2023	
	First-Half Results	First-Half Results	Change from previous period
Total	68	80	12
(Domestic)	71	61	- 10
Health and Food Business	11	0	- 10
Dairy Business	2	- 2	- 5
Nutritional Confectionery Business	26	28	2
Food Ingredients Business	6	10	3
Other Domestic Business	3	8	5
Adjustment	22	16	- 5
Overseas business	- 3	19	22

Reference:	Exchange rate	FYE Dec. 2022 1H Cum Total (Results)	FYE Dec. 2023 1H Cum Total (Results)
	China (CNY)	1 CNY = 18.98 JPY	1 CNY = 19.47 JPY
	Thailand (THB)	1 THB = 3.63JPY	1 THB = 3.94 JPY
	U.S.A. (USD)	1 USD = 123.16 JPY	1 USD = 135.99 JPY

By Segment: Health and Food Business



- Main brands in the Health and Food Business segment:
→ “Almond Koka,” “SUNAO,” “PAPICO,” “Ice no mi,” “DONBURI-TEI”
- Segment net sales: Increased, +1.8% year on year to +21.8 billion-yen
- Segment income: Decreased, -1.01 billion-yen year on year to 0.08 billion-yen
→ Sales did not reach the planned target despite strengthened efforts in advertising and sales promotion centered on the Health Business category.
- By product: “DONBURI-TEI” and “SUNAO” struggled but “Almond Koka” Increased.

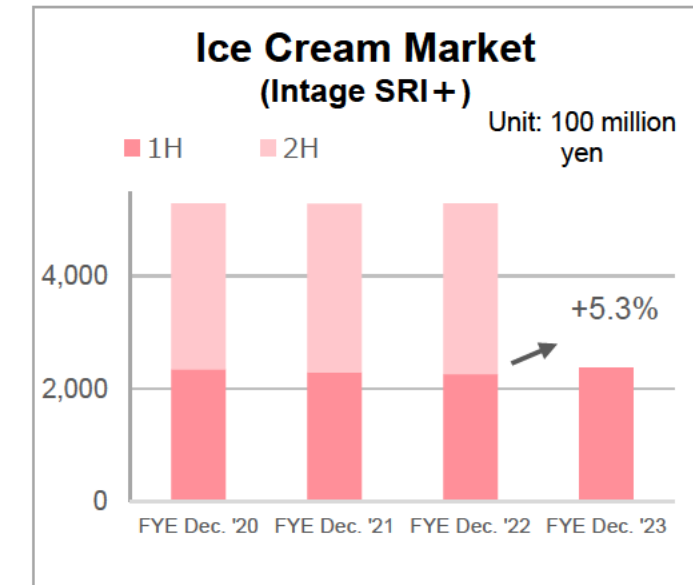
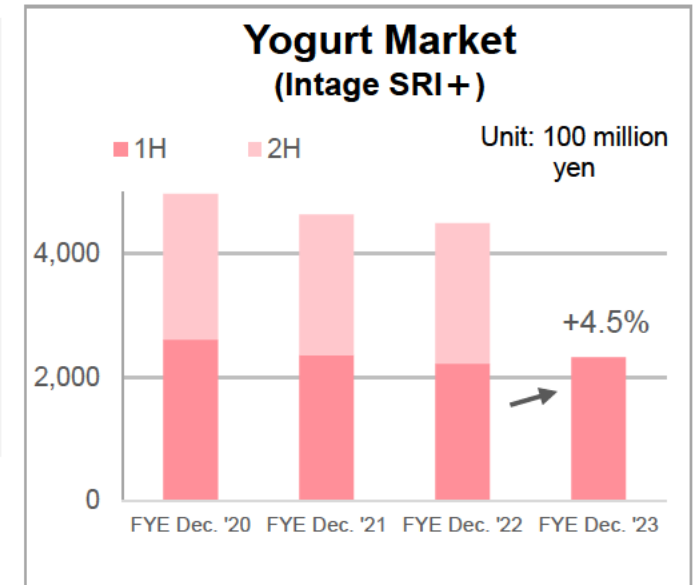
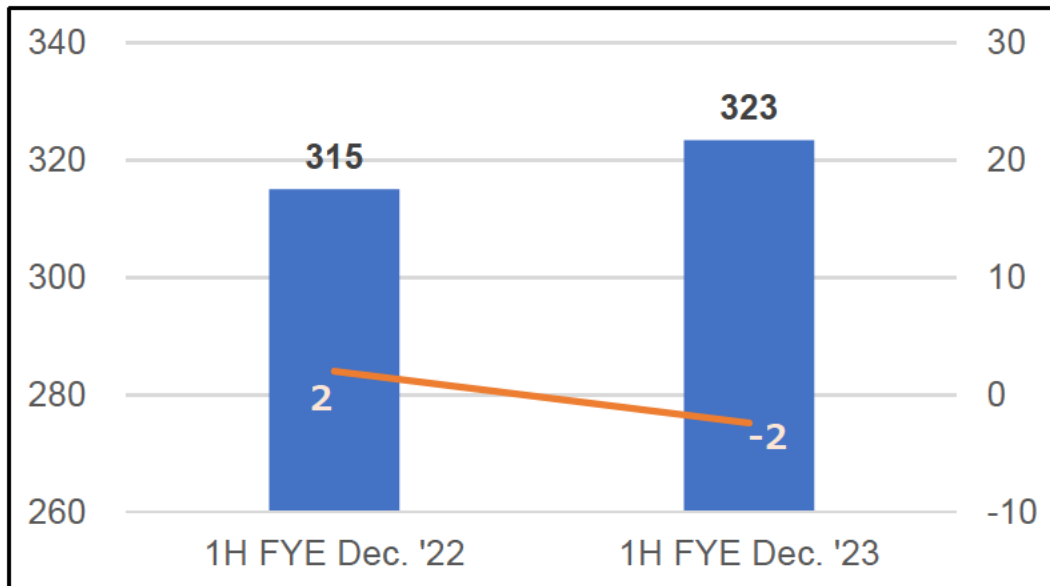


By Segment: Dairy Business



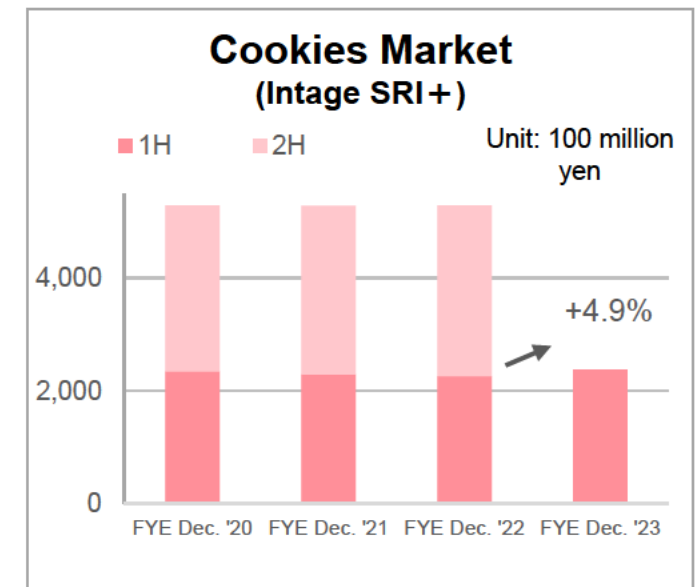
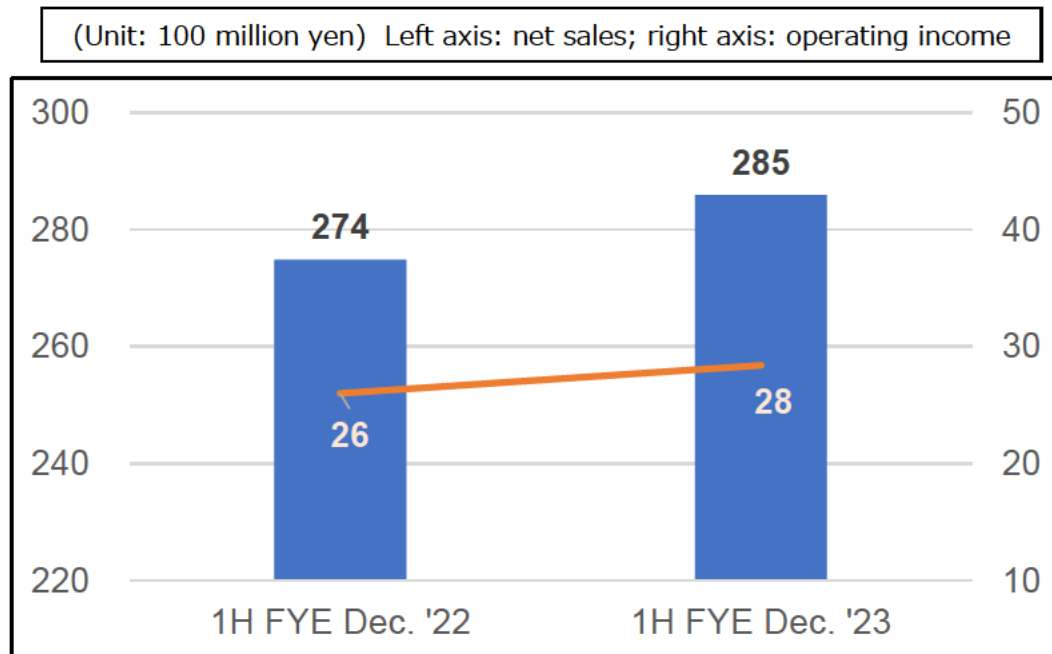
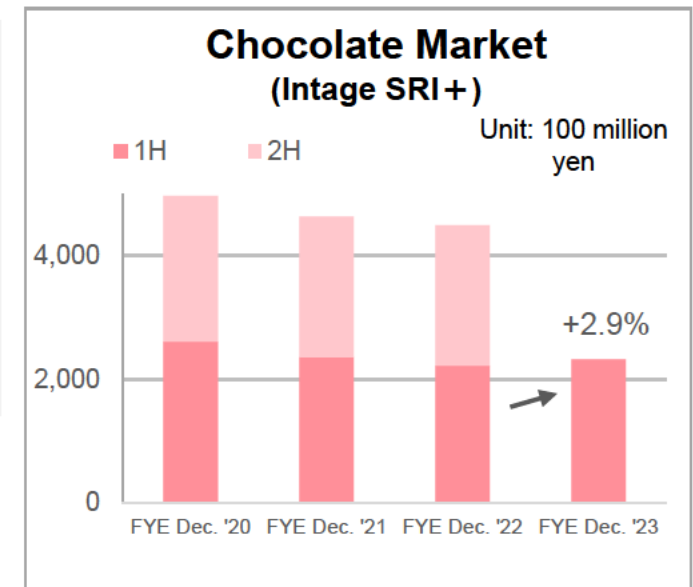
- Main brands in this segment:
→ “BifiX Yogurt,” “Giant Cone,” “Seventeen Ice,” “Cafe au lait,” “Pucchin Pudding”
- Segment net sales: Increased, +2.4% year on year to +32.3 billion-yen
- Segment income: Decreased, , -0.53 billion-yen year on year to -0.25 billion-yen
→ Strengthened advertising/sales promotion centered on “BifiX Yogurt,”
- By product: “Giant Cone” and “Seventeen Ice” were strong.

(Unit: 100 million yen) Left axis: net sales; right axis: operating income



By Segment: Nutritional Confectionery Business *Glico*

- Main brands in this segment:
→ “Pocky,” “BISCO,” “Pretz,” “Caplico”
- Segment net sales: Increased, +4.0% year on year to +28.5 billion-yen
- Segment income: Increased, , +0.22 billion-yen year on year to 2.83 billion-yen
→ The cost rate improved due to the effects of price revisions.
- By product: “Pretz” and “GABA” were strong, while “Pocky” remained steady.



By Segment: Overseas Business



◆ China

(Unit: 1 million CNY)

	FYE Dec. 2022	FYE Dec. 2023	
	First-Half Results	First-Half Results	Change from previous period
Net sales	430	694	+61.2%
Operating income	-47	56	—

◆ ASEAN *

(Unit: 1 million USD)

	FYE Dec. 2022	FYE Dec. 2023	
	First-Half Results	First-Half Results	Change from previous period
Net sales	56	68	+19.6%
Operating income	-3	-0	—

◆ U.S.A. *

(Unit: 1 million USD)

	FYE Dec. 2022	FYE Dec. 2023	
	First-Half Results	First-Half Results	Change from previous period
Net sales	54	58	+8.5%
Operating income	13	9	-32.6%

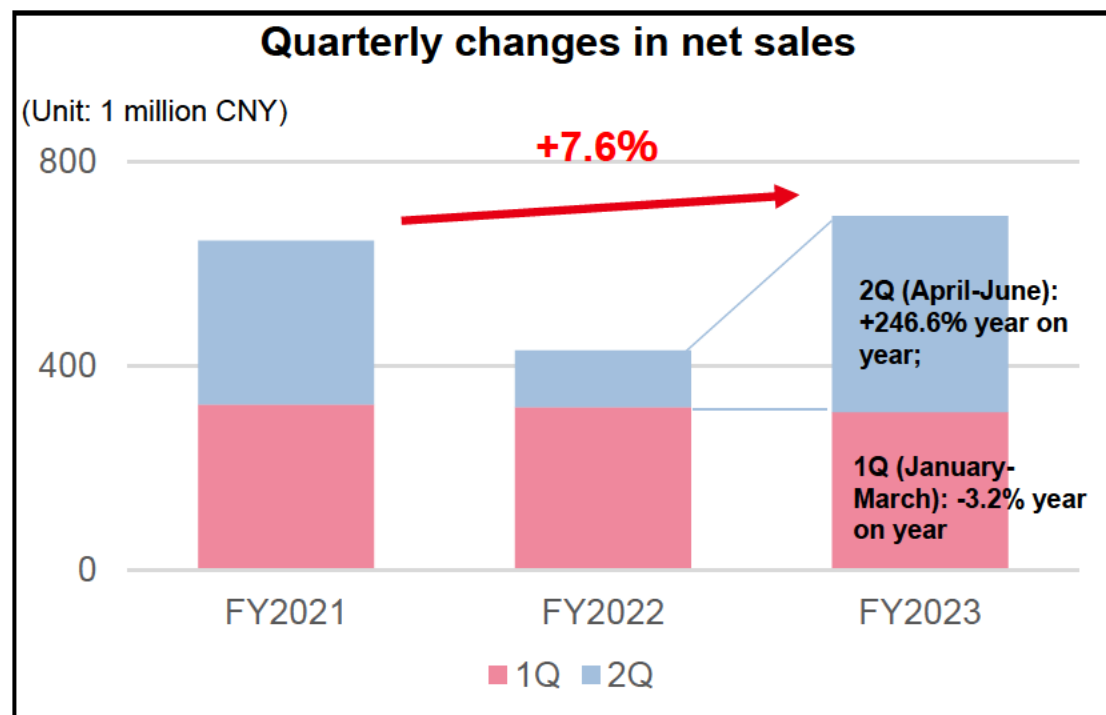
*Concerning the accounting terms for ASEAN countries, figures were converted with the real exchange rate for the 1H FYE December 2023 total of each country.

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

By Segment: Overseas Business(China)



- Market environment: China's Cookies Market (offline) grew +0.8% year on year in the first half.
- Net sales: 694 million CNY based on shipments and local currencies Increase of +61.2% year on year
- Operating income: 56 million CNY Increase of +103 million CNY year on year
→ Rebounding increase following a lockdown in Shanghai in the mid-March-May of last year
- By product: "Pocky" posted strong sales for "Tsubu-Tsubu" and "Nut Crush" with the addition of the whole grain product that was updated in spring. "Pejoy" underwent aggressive promotion through commercial investments featuring new personalities, etc.



Mid-year "618" sales campaign on e-commerce sites



By Segment: Overseas Business(ASEAN)



- Market environment: the Cookies Market grew +6.7% year on year in Thailand and +3.4% year on year in Indonesia in the first half.
- Net sales: 68 million USD based on shipments and local currencies, an increase of +19.6% year on year
- Operating income: - 0.6 million USD, an increase of +2.8 million USD year on year
- By region: In Thailand, the number of travelers is recovering and various promotions have been successful. In Indonesia, the Ramadan sales season was sluggish, including in the market.
- Topic: Glico's New Plant in Indonesia Begins Shipments

In-store campaign for "Pocky"



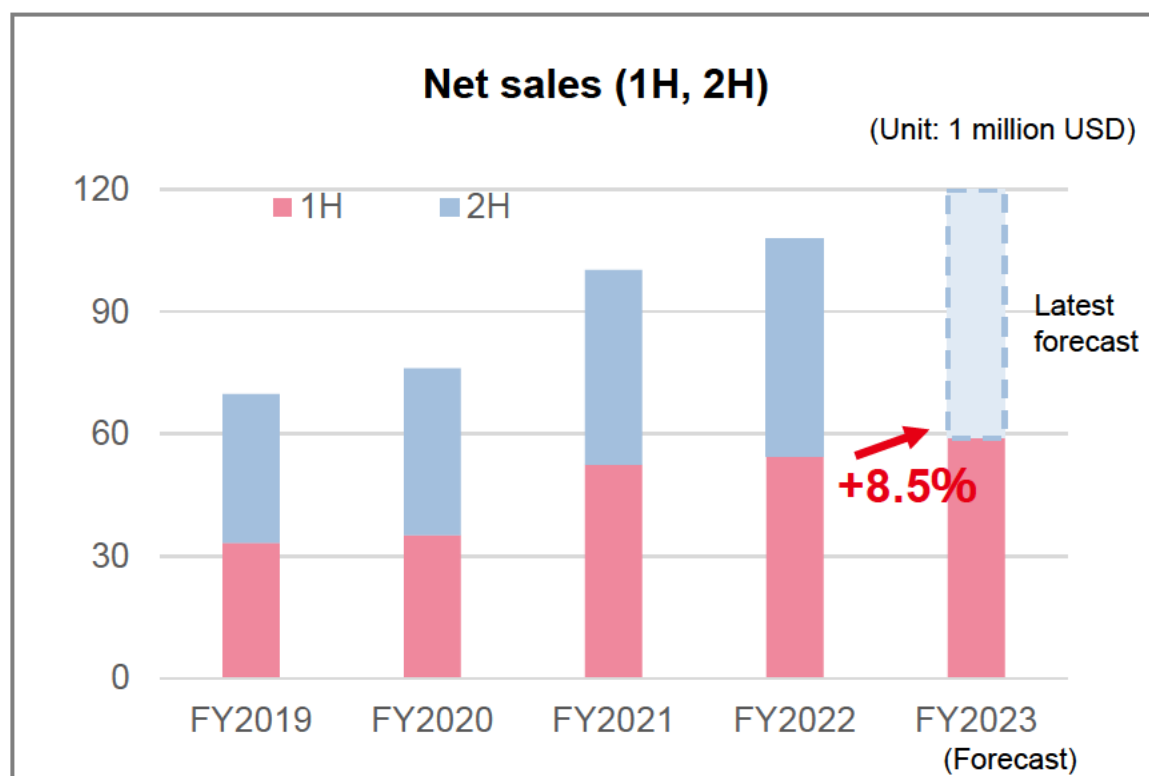
Public relations event for "Almond Koka"



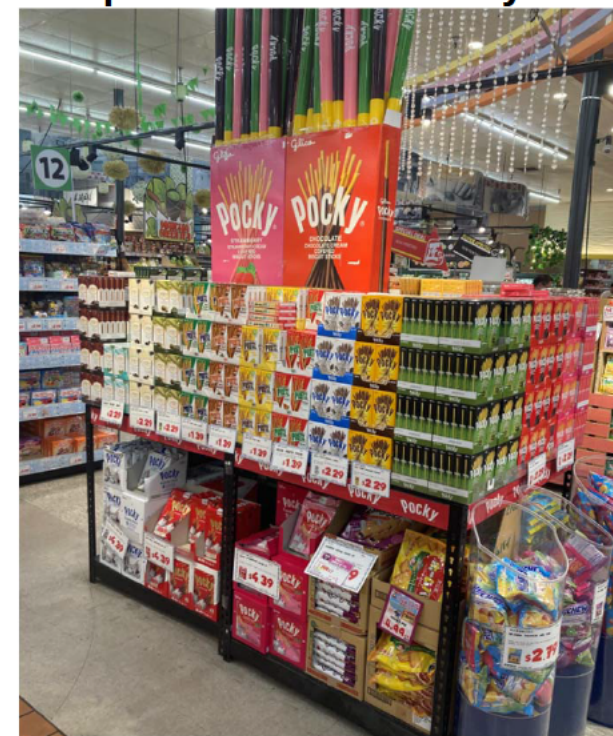
By Segment: Overseas Business(U.S.A.)



- Market environment: the Chocolate Market grew +9.2% year on year in the first half.
- Net sales: 58 million USD based on shipments and local currencies, an increase of +8.5% year on year
- Operating income: 9.1 million USD, a year-on-year decrease of -4.4 million USD due to an increase in inventory costs
- By product: Despite a greater number of outlets carrying the mainstay “Pocky” brand, the market’s growth rate slowed due to restrained consumption.
- Other: Imports of “Pocky” from the new plant in Indonesia began.



Example of a store sales promotion for “Pocky”



II. FYE December 2023 Full-Year Earnings Forecast

Full-Year Plan and Forecast



- Net sales: Adjusted upward, +3.2% compared to initial forecast
- Operating income: No change from initial forecast

(Unit: 100 million yen)

	FYE Dec. 2022	FYE Dec. 2023			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Net sales	3,039	3,170	3,270	+7.6%	+3.2%
Operating income	128	160	160	+24.6%	—
Ordinary income	136	170	170	+24.6%	—
Net income	80	100	100	+23.5%	—
Operating income margin	4.2%	5.0%	4.9%	—	—

Operating Income Forecast



(Unit: 100 million yen)

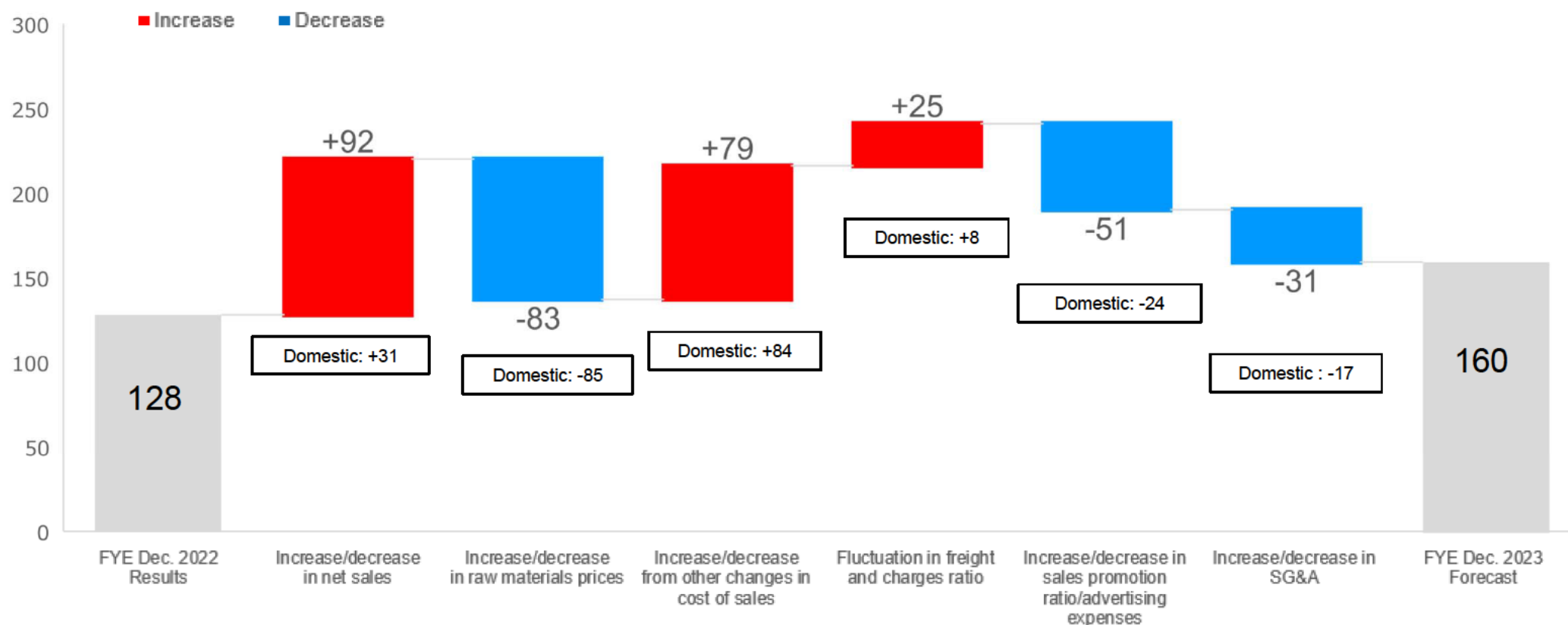
	FYE Dec. 2022		FYE Dec. 2023		
	Results	Sales ratio	Initial forecast	Latest forecast	Sales ratio
Net sales	3,039	100.0%	3,170	3,270	100.0%
Cost of sales	1,931	63.6%	1,997	2,053	62.8%
Gross profit	1,107	36.4%	1,173	1,217	37.2%
Freight and charges	271	8.9%	267	266	8.1%
Sales promotion	89	2.9%	96	110	3.4%
Advertising expenses	102	3.4%	121	134	4.1%
Salaries and benefits	306	10.1%	309	324	9.9%
Expenses and depreciation	209	6.9%	220	223	6.8%
SGA total	979	32.2%	1,013	1,057	32.3%
Operating income	128	4.2%	160	160	4.9%

Factors of Increases (Decreases) in Operating Income



- Domestic: Decreased due to rising raw material prices and increases in sales promotion and advertising expenses and other expenditures despite sales growth and change in the composition of sales product varieties.
- Overseas: Increased as a result of sales growth and an improved freight and charges ratio among other factors.

(Unit: 100 million yen)



Net Sales Forecast by Segment



- Domestic: Increased in all businesses, +3.4% year on year
- Overseas: Rose in China, ASEAN, and U.S.A., +24.7% year on year.

(Unit: 100 million yen)

	FYE Dec. 2022	FYE Dec. 2023			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Total	3,039	3,170	3,270	+7.6%	+3.2%
(Domestic)	2,440	2,480	2,523	+3.4%	+1.7%
Health and Food Business	478	500	491	+2.7%	-1.8%
Dairy Business	660	665	680	+3.0%	+2.3%
Nutritional Confectionery Business	578	582	592	+2.3%	+1.7%
Food Ingredients Business	111	117	124	+11.1%	+6.0%
Other Domestic Business	611	616	636	+3.9%	+3.2%
Overseas Business	599	690	747	+24.7%	+8.3%

Reference: Exchange rates

	FYE Dec. 2022 Results	FYE Dec. 2023 Initial forecast	FYE Dec. 2023 Latest forecast
China (CNY)	1 CNY = 19.38 JPY	1 CNY = 19.20 JPY	1 CNY = 19.69 JPY
Thailand (THB)	1 THB = 3.72 JPY	1 THB = 3.70 JPY	1 THB = 4.00 JPY
U.S.A. (USD)	1 USD = 130.77 JPY	1 USD = 129.00 JPY	1 USD = 140.14 JPY

Operating Income Forecast by Segment



- Domestic: Decrease of -300 million yen year on year due to rising raw material prices, increased investment in advertising and other areas, and higher expenditures.
- Overseas: Increase of +3.5 billion yen due to sales growth that included a rebounding increase in China.

(Unit: 100 million yen)

	FYE Dec. 2022	FYE Dec. 2023			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Total	128	160	160	+31	—
(Domestic)	116	118	113	-3	-5
Health and Food Business	20	28	19	-1	-9
Dairy Business	2	6	-1	-3	-7
Nutritional Confectionery Business	47	49	52	+4	+3
Food Ingredients Business	12	13	17	+4	+4
Other Domestic Business	9	14	18	+8	+4
Adjustment	24	8	8	-16	+0
Overseas Business	11	42	47	+35	+5

Reference: Exchange rates

	FYE Dec. 2022 Results	FYE Dec. 2023 Initial forecast	FYE Dec. 2023 Latest forecast
China (CNY)	1 CNY = 19.38 JPY	1 CNY = 19.20 JPY	1 CNY = 19.69 JPY
Thailand (THB)	1 THB = 3.72 JPY	1 THB = 3.70 JPY	1 THB = 4.00 JPY
U.S.A. (USD)	1 USD = 130.77 JPY	1 USD = 129.00 JPY	1 USD = 140.14 JPY

Overseas Business: Latest Forecasts of Region-Specific Net Sales and Operating Income



◆ China

(Unit: 1 million CNY)

	FYE Dec. 2022	FYE Dec. 2023			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Net sales	1,261	1,516	1,569	+24.3%	+3.5%
Operating income	60	163	163	+168.1%	—

◆ ASEAN *

(Unit: 1 million USD)

	FYE Dec. 2022	FYE Dec. 2023			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Net sales	112	131	135	+19.8%	+3.1%
Operating income	-13	-12	-10	—	—

◆ U.S.A.*

(Unit: 1 million USD)

	FYE Dec. 2022	FYE Dec. 2023			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Net sales	108	120	120	+11.5%	—
Operating income	17	24	24	+35.6%	—

*Concerning the accounting terms for ASEAN countries, figures were converted with the exchange rate (latest forecast) for FYE December 2023 for each country.

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

III. Progress Report for the Mid–Term Business Plan

Three pillars of the new Mid-Term Strategy



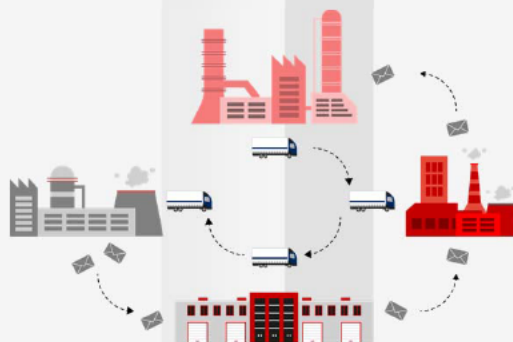
Three pillars of the new Mid-Term Strategy

Offering “Great Taste and Good Health”



Taste and health value with scientific evidence

Realization of a customer-driven value chain



Implementation of a globally evolved value chain

Transformation toward focused business fields



Transformation from “category marketing” management to “focused business fields”-wise management

Five focus areas for value proposition



Optimizing nutrition
balance and babies'
growth

Supporting growth

Strengthening
athletic ability and
capacity

Improving cognitive
function and sleep

Healthy ageing



From R&D
value

From
pursuit of
materials

From
creation of
food
culture

Activities in the Dairy Business



■ “BifiX Yogurt”: Raising Brand awareness among consumers

<Online commercial for “BifiX Yogurt”>



■ Launch of new product “BifiX Drink” (scheduled for August 14)



Activities in the Dairy Business



- "Bokujo Shibori": Pursuing taste and ingredients. Initial launch in Hokkaido followed by nationwide sales in the fall.



- “Giant Cone”: Freshness-related initiatives

<Holding of “Giant Cone Tokyo Factory” event at Tokyo Station>



<“Fresh-made Giant Cone” campaign on Twitter>



← ツイート

固定されたツイート
ジャイアントコーンJapan
@glico_giant

／
しあわせが、とまらない!
#できたてのジャイアントコーン
フォロー&RTキャンペーン

＼
#できたてのしあわせを感じる
できたて品を抽選で100名様にプレゼント

<応募方法>
1 @glico_giant をフォロー
2 この投稿をリツイートで応募完了

応募は7/8(土)まで!
注意事項はスレッドへ

Activities in the Health and Food Business and Nutritional Confectionery Business



- Commercial presentation and collaborative project for “Almond Koka”

＜”Almond Koka” commercial＞



＜Menu created in collaboration with a shopping complex＞

東京・池袋サンシャインシティ 飲食店21店舗限定コラボ企画



- 2023 Spring Pocky Travel Campaign: A collaborative project linking “Pocky” and JTB



Activities in Overseas Business



- PT Glico Manufacturing Indonesia (shipments started in FY2023)
Production and stable supply of “Pocky” to the Southeast Asian and North American markets

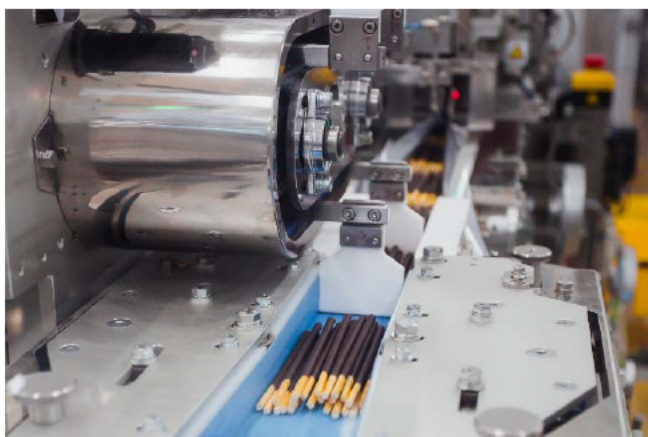
<New plant in Indonesia>



<Tunnel-shaped oven for baking “Pocky” biscuit sticks>



<“Pocky” coming in from the production line>



<Packing “Pocky” in cardboard boxes>



<Product after packing>



(Supplemental Materials)

Net Sales by Category

(Unit: 100 million yen)

Segment	Classification	FYE Dec. 2022	FYE Dec. 2023					
		First-Half Results	Results	First-Half Results	Initial forecast	Latest forecast	Change from Previous Period (%)	Change from Forecast (%)
Health and Food Business	Health	60	128	61	153	135	+ 5.2%	- 11.8%
	Ice cream	73	177	81	196	197	+ 11.0%	+ 0.5%
	Other	80	172	76	151	159	- 7.7%	+ 5.3%
	Total	215	478	218	500	491	+ 2.7%	- 1.8%
Dairy Business	Yogurt	62	123	59	128	125	+ 1.6%	- 2.3%
	Ice cream	118	258	127	267	276	+ 6.8%	+ 3.4%
	Other	134	278	136	270	279	+ 0.1%	+ 3.3%
	Total	315	660	323	665	680	+ 3.0%	+ 2.3%
Nutritional Confectionery Business	Chocolate	157	330	162	335	338	+ 2.2%	+ 0.9%
	Cookies	93	195	95	194	197	+ 1.0%	+ 1.5%
	Other	24	52	27	53	57	+ 8.0%	+ 7.5%
	Total	274	578	285	582	592	+ 2.3%	+ 1.7%
Food Ingredients Business		52	111	62	117	124	+ 11.1%	+ 6.0%
Other Domestic Business		286	611	303	616	636	+ 3.9%	+ 3.2%
Overseas Business		246	599	337	690	747	+ 24.7%	+ 8.3%
Total		1,391	3,039	1,531	3,170	3,270	+ 7.6%	+ 3.2%

Net Sales by Category

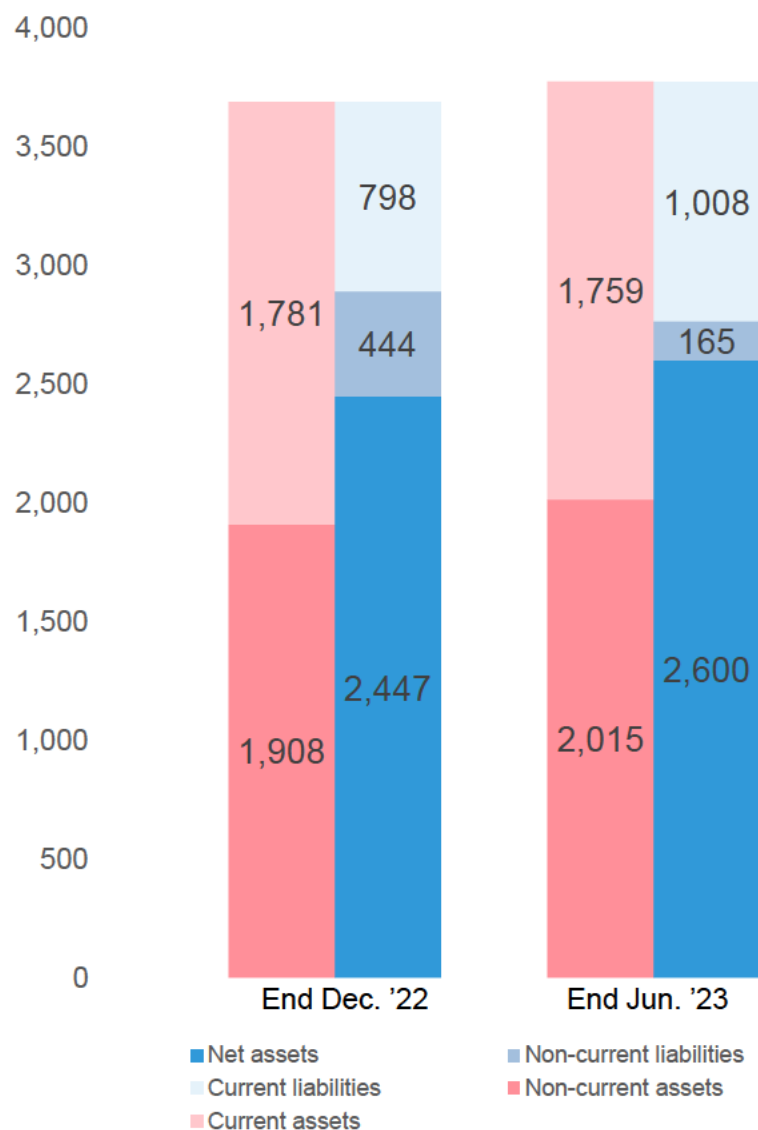
*Added for reference on August 28, 2023.

(Unit: 100 million yen)

Segment	Classification	FYE Dec. 2022				FYE Dec. 2023	
		(Jan. to Mar.)	(Jan. to June)	(Jan. to Sept.)	(Jan. to Dec.)	(Jan. to Mar.)	(Jan. to June)
Health and Food Business	Health	27	60	96	128	28	61
	Ice cream	23	73	149	177	26	81
	Other	40	80	126	172	39	76
	Total	91	215	373	478	94	218
Dairy Business	Yogurt	30	62	93	123	27	59
	Ice cream	45	118	207	258	49	127
	Other	64	134	207	278	65	136
	Total	140	315	509	660	142	323
Nutritional Confectionery Business	Chocolate	81	157	218	330	85	162
	Cookies	44	93	144	195	43	95
	Other	11	24	39	52	12	27
	Total	137	274	402	578	142	285
Food Ingredients Business		22	52	83	111	26	62
Other Domestic Business		129	286	466	611	136	303
Overseas Business		132	246	424	599	167	337
Total		654	1,391	2,259	3,039	710	1,531

Status of Balance Sheet

◆ Net worth ratio: → 66.2% (end of December 2022)
⇒ 68.8% (end of June 2023)



(Unit: 100 million yen)

Assets Major account items		End of December 2022	End of June 2023	Vs. end of December 2022
Current assets	Cash and deposits	917	866	- 50
	Notes and accounts receivable	453	421	- 32
	Securities	2	2	+0
	Inventories	328	376	+ 47
	Total current assets	1,781	1,759	- 22
Non-current assets	Property, plants and equipment	1,100	1,114	+ 14
	Intangible assets	216	230	+ 14
	Investment securities	392	463	+ 70
	Total non-current assets	1,908	2,015	+ 106

Liabilities and net assets Major account items		End of December 2022	End of June 2023	Vs. end of December 2022
Current liabilities	Notes and accounts payable, trade	364	329	- 34
	Short-term loans payable	—	—	—
	Convertible bonds	—	300	+ 300
	Total current liabilities	798	1,008	+ 209
Non-current liabilities	Convertible bonds	300	—	- 300
	Long-term loans payable	—	—	—
	Total non-current liabilities	444	165	- 278
Net assets	Shareholders' equity	2,210	2,263	+ 52
	Total net assets	2,447	2,600	+ 152

TTM Currency Rate

		USD	EUR	THB	CNY	100KRW	100IDR
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
2023	3/31	133.53	145.72	3.91	19.42	10.31	0.89
	6/30	144.99	157.60	4.07	19.94	11.00	0.97

[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.

*The amounts appearing in this document are rounded down to the nearest unit indicated.

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