

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.

Glico Group Financial Results For the First-Half of the Fiscal Year Ending December 31, 2024

Ezaki Glico Co., Ltd.

Securities Code: 2206

These materials are posted on August 14, 2024.
Financial results briefing is held on August 15, 2024.

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I. FYE December 2024 First-Half Earnings Report

I . FYE December 2024 First-Half Earnings Report

- Net sales: Increased in the overseas business, up 0.6% year on year, despite the impact of the suspension of chilled product shipments
- Operating income: Increased mainly in the overseas business, up 9.7% year on year

II . FYE December 2024 Full-Year Earnings Forecast

- Net sales: 336 billion yen (Increase of +1.0% year on year, -4.3% compared to the initial forecast)
- Operating income: 14 billion yen (Decrease of -24.8% year on year, -26.3% compared to the initial forecast)

III . Progress Report for the Mid-Term Business Plan

- Although shipments of chilled products are gradually being resumed, it is difficult to achieve the target of average annual growth rate for the current fiscal year.
- Initiatives to provide food people habitually eat are making progress owing to products with “higher value.”

■ Background

- With the aim of developing a value chain that enables continuous value realization for customers and making a quick management decision, a core system integrating information on procurement, production, logistics, finance, etc. was established.
- On April 3, 2024, after the core system was completely migrated, due to failures in linkage between the handy terminals used for picking operations in the logistics center which handles chilled products and the system, a delay in delivery or non-delivery of chilled products occurred, and shipping operations were temporarily stopped on April 14.
- The system failures were corrected and the system partially operated again on April 18, but in the logistics center, inconsistency in shipping-related data, etc. occurred. Regarding chilled products which have short expiration dates and high transaction frequency, data adjustment at the time of occurrence of errors for more-than-estimated number of items ordered was too late for delivery deadlines, so shipments were suspended again on April 19.

■ Measures taken

- For stable supply of products, the data inconsistency was corrected and the system was improved. In addition, operations in the logistics center were reviewed and day-long tests were conducted twice at the logistics center.
- Based on the aforementioned measures taken, shipments of chilled products resumed in stages since late June.

■ Forecast of impact on FYE December 2024 Earnings

- FYE December 2024: Decrease in net sales of approximately 25 billion yen and decrease in operating income of approximately 6.5 billion yen
 - FYE December 2024 First-Half: Decrease in net sales of approximately 15.1 billion yen, decrease in operating income of approximately 3.6 billion yen and increase in extraordinary loss of approximately 5.7 billion yen (including allowances)
- * Shipments of room-temperature and frozen products continued even after the system migration, and there was no impact of the system failures on earnings.

Status of Consolidated Performance



- Net sales: Increased in the overseas business, up 0.6% year on year, despite the impact of the suspension of chilled product shipments
- Operating income: Increased mainly in the overseas business, up 9.7% year on year

(Unit: 100 million yen)

	FYE Dec. 2023	FYE Dec. 2024	
	First-Half Results	First-Half Results	Change from previous period
Net sales	1,531	1,540	+0.6%
Operating income	80	88	+9.7%
Ordinary income	102	96	-5.9%
Net income	78	36	-53.1%
Operating income margin	5.3%	5.8%	—

Status of Operating Income

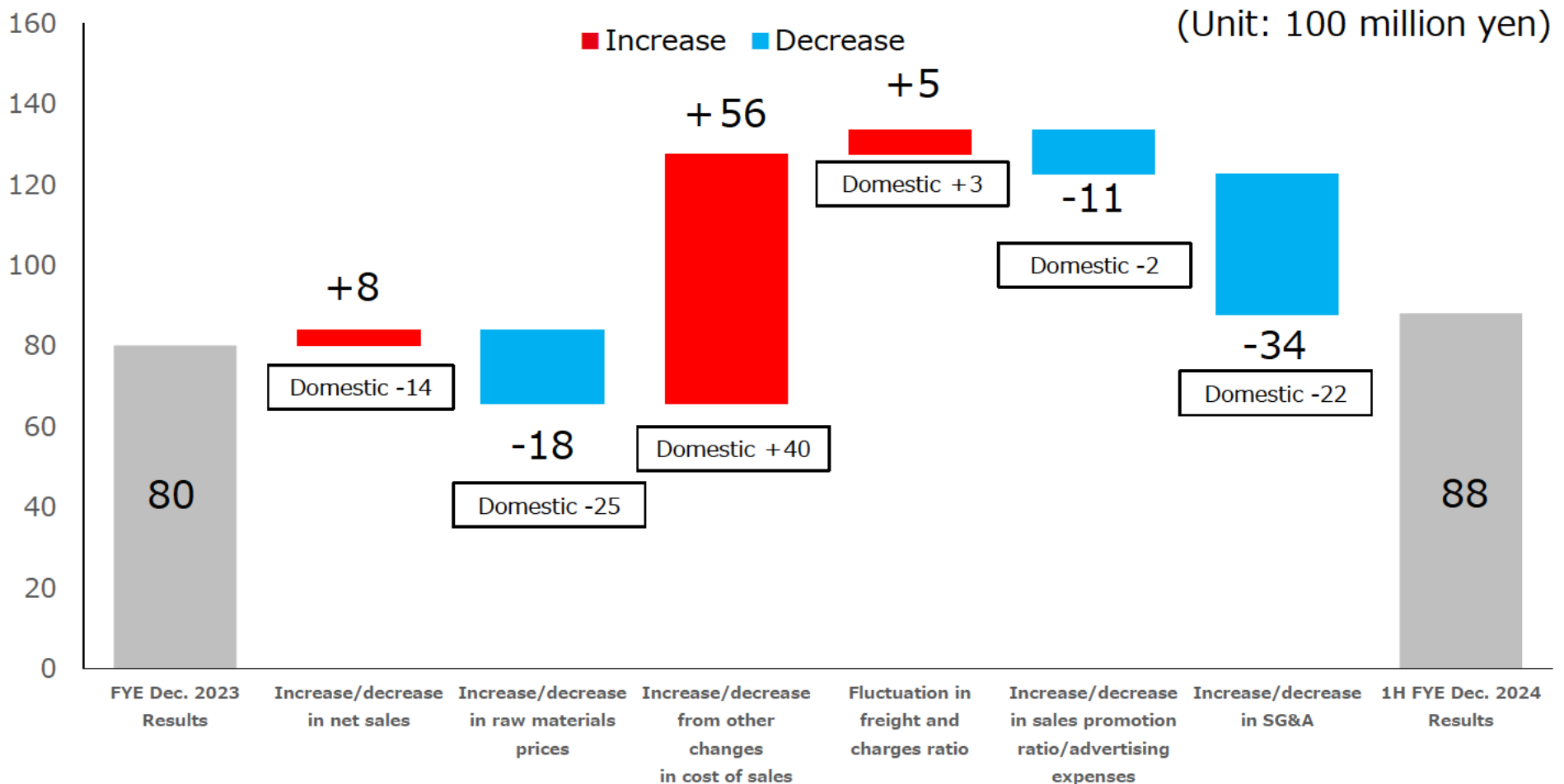


(Unit: 100 million yen)

	FYE Dec. 2023		FYE Dec. 2024	
	First-Half Results	Sales Ratio	First-Half Results	Sales Ratio
Net sales	1,531	100.0%	1,540	100.0%
Cost of sales	960	62.7%	921	59.8%
Gross profit	570	37.3%	618	40.2%
Freight and charges	124	8.2%	119	7.8%
Sales promotion	47	3.1%	49	3.2%
Advertising expenses	53	3.5%	62	4.1%
Salaries and benefits	155	10.2%	167	10.9%
Expenses and depreciation	108	7.1%	131	8.5%
SGA total	489	32.0%	530	34.4%
Operating income	80	5.3%	88	5.8%

Factors of Increases (Decreases) in Operating Income

- Domestic: Decreased due to a decrease in net sales and an increase in raw material prices and SG&A despite an increase from other changes in cost of sales.
- Overseas: Increased due to an increase in net sales and other changes in cost of sales



Status of Net Sales by Segment



- Domestic: Decreased in the businesses which contain a high proportion of chilled products, -4.1% year on year
- Overseas: Increased mainly in China, etc., +17.0% year on year

(Unit: 100 million yen)

	FYE Dec. 2023	FYE Dec. 2024	
	First-Half Results	First-Half Results	Change from previous period
Total	1,531	1,540	+0.6%
(Domestic)	1,194	1,145	-4.1%
Health and Food Business	218	206	-5.8%
Dairy Business	323	272	-15.7%
Nutritional Confectionery Business	285	299	+4.8%
Food Ingredients Business	62	66	+6.6%
Other Domestic Business	303	301	-0.9%
Overseas Business	337	394	+17.0%

<Reference>
Exchange rate

FYE Dec. 2023
First-half results

FEY Dec. 2024
First-half results

China (CNY)
Thailand (THB)
U.S.A. (USD)

1 CHY = 19.47 JPY
1 THB = 3.94 JPY
1 USD = 135.99 JPY

1 CHY = 21.06 JPY
1 THB = 4.22 JPY
1 USD = 152.31 JPY

Status of Operating Income by Segment



- Domestic: Decreased mainly due to a decrease in net sales in the Dairy Business, down 33.6% year on year
- Overseas: Increased mainly due to an increase in net sales in China among other factors, up 150.2% year on year

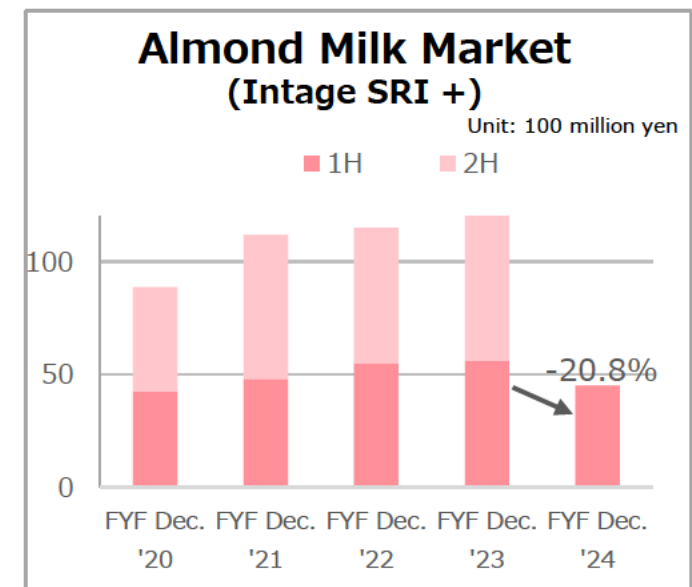
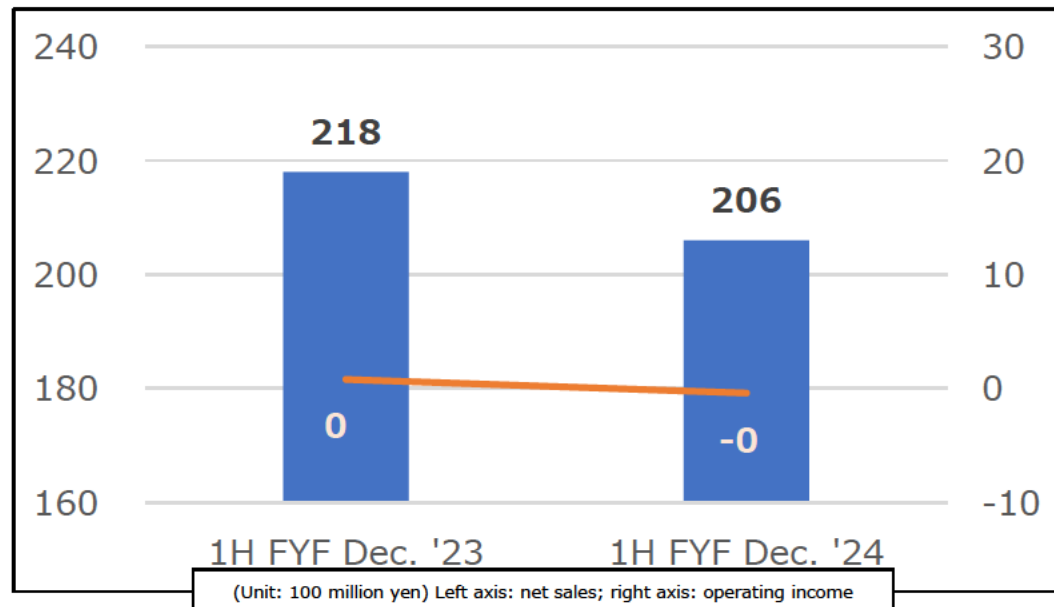
(Unit: 100 million yen)

	FYE Dec. 2023	FYE Dec. 2024	
	First-Half Results	First-Half Results	Change from previous period
Total	80	88	+9.7%
(Domestic)	61	41	-33.6%
Health and Food Business	0	-0	—
Dairy Business	-2	-23	—
Nutritional Confectionery Business	28	28	+1.6%
Food Ingredients Business	10	9	-6.0%
Other Domestic Business	8	2	-66.7%
Adjustment	16	23	+45.0%
Overseas Business	19	47	+150.2%

By Segment: Health and Food Business



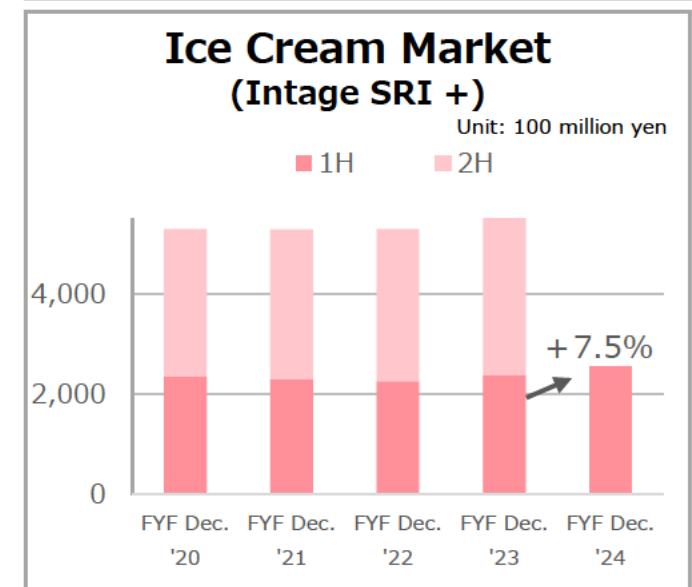
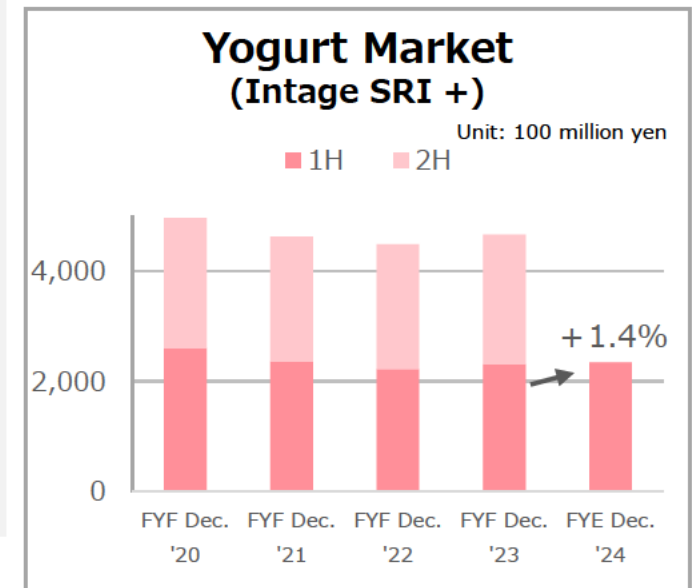
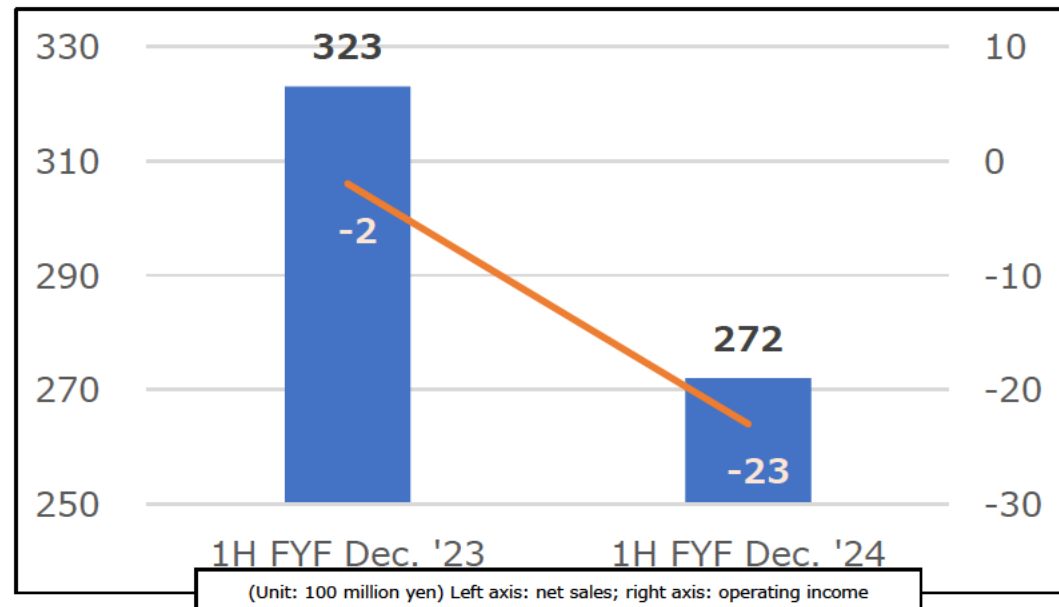
- Main brands in the Health and Food Business segment:
→ "Almond Koka," "SUNAO," "PAPICO," "Ice no mi," "DONBURI-TEI"
- Segment net sales: Decreased, -5.8% year on year to 20.6 billion yen
- Segment income: Decreased, -0.13 billion yen year on year to -0.04 billion yen
→ Suspension of shipments of Almond Koka due to system failures had a significant impact
- By product: Net sales of "Almond Koka" decreased, and net sales of "PAPICO," "Ice no mi" and "SUNAO Ice" increased



By Segment: Dairy Business

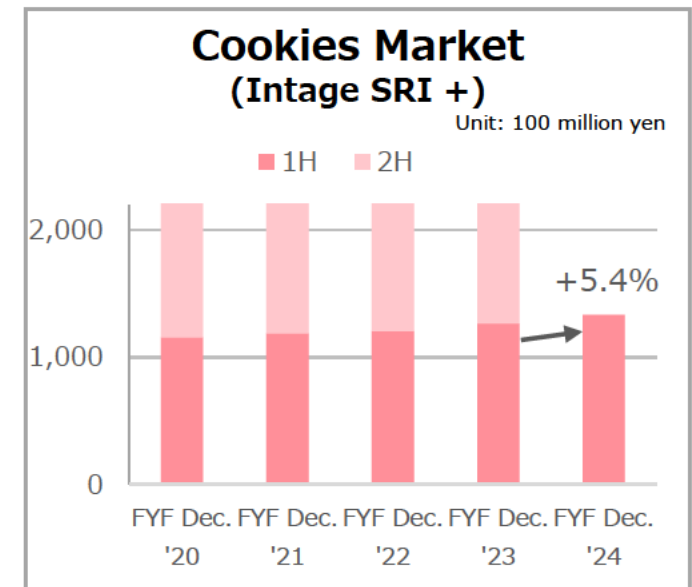
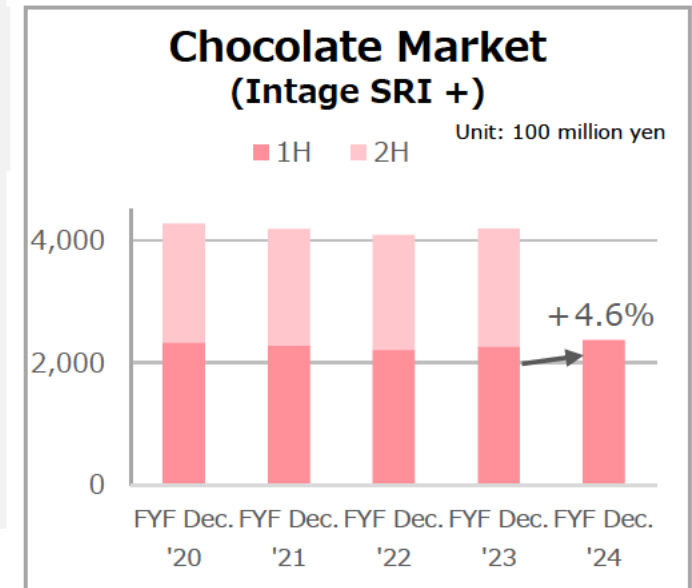
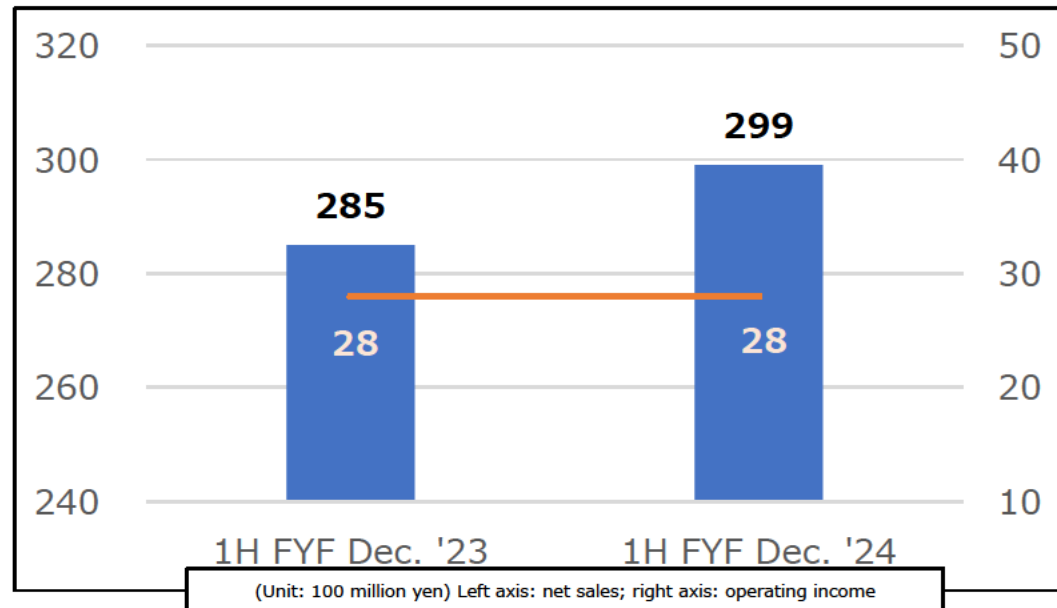


- Main brands in this segment:
→ "BifiX Yogurt," "Giant Cone," "Seventeen Ice," "Cafe au lait," "Pucchin Pudding"
- Segment net sales: Decreased, -15.7% year on year to 27.2 billion yen
- Segment income: Decreased, -2.0 billion yen year on year to -2.3 billion yen
→ Suspension of shipments of yogurt, dairy products, etc. due to system failures had a significant impact
- By product: Net sales of "Giant Cone," "Seventeen Ice," etc. increased



By Segment: Nutritional Confectionery Business

- Main brands in this segment:
→ "Pocky," "Bisco," "Pretz," "Caplico"
- Segment net sales: Increased, +4.8% year on year to 29.9 billion yen
- Segment income: Increased, +1.6% year on year to 2.8 billion yen
→ Income from products with higher value such as "Pocky" and "Bisco" was robust
- By product: Increase in net sales of "Pocky," "Bisco," "Pretz," etc.



By Segment: Overseas Business



◆ China

(Unit: million CNY)

	FYE Dec. 2023	FYE Dec. 2024	
	First-Half Results	First-Half Results	Change from previous period
Net sales	694	898	+29.3%
Operating income	56	139	+147.6%

◆ ASEAN*

(Unit: million USD)

	FYE Dec. 2023	FYE Dec. 2024	
	First-Half Results	First-Half Results	Change from previous period
Net sales	64	64	-0.7%
Operating income	-0	0	-0%

◆ U.S.A. **

(Unit: million USD)

	FYE Dec. 2023	FYE Dec. 2024	
	First-Half Results	First-Half Results	Change from previous period
Net sales	58	50	-14.3%
Operating income	9	15	+65.4%

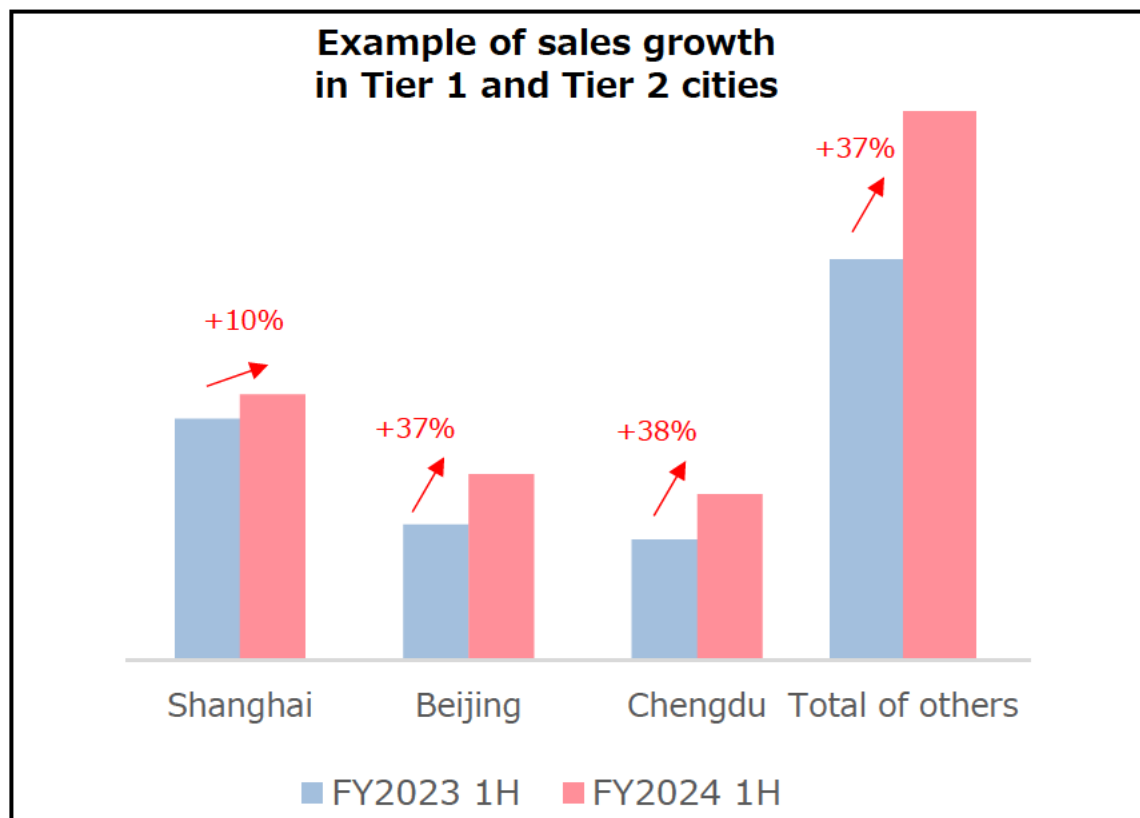
* Concerning the accounting terms for ASEAN countries, figures were converted with the actual exchange rate for 1H FYE December 2024 for each country.

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

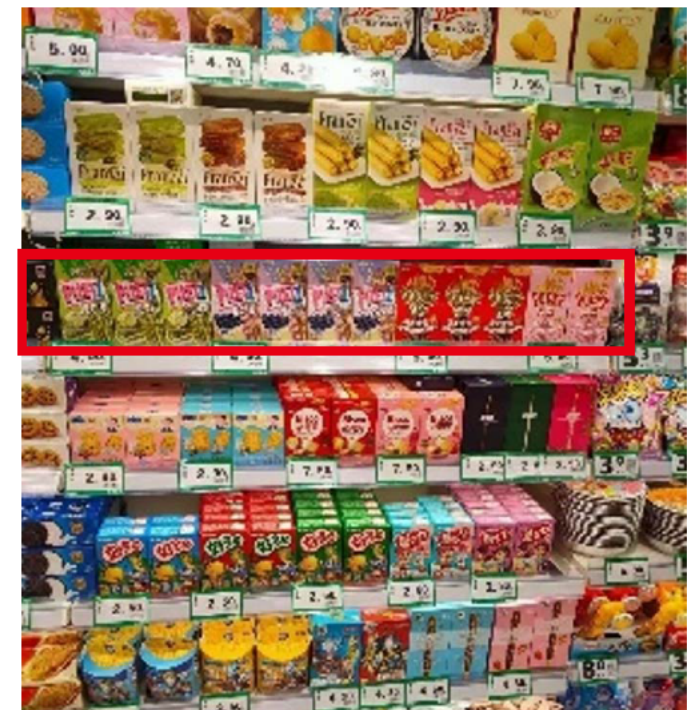
By Segment: Overseas Business (China)



- Market environment: Biscuit Market (offline) declined -9.0% year on year.
- Net sales: 898 million CNY based on shipments and local currencies. Increase of +29.3% year on year.
- Operating income: 139 million CNY. Increase of +147.6% year on year.
- By region: Net sales increased due to sales expansion to Tier 1 and Tier 2 cities as well as strong channels (small shop), in addition to the impact of the Chinese New Year.



Example of display at a small shop with good distribution



By Segment: Overseas Business (ASEAN)

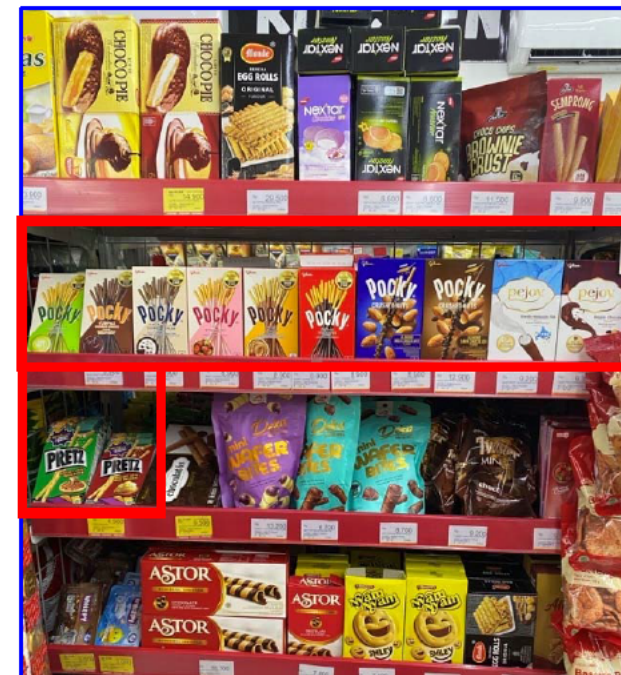


- Market environment: Biscuit Market grew +8.9% year on year in Thailand and +4.7% year on year in Indonesia.
- Net sales: 64 million USD based on shipments and local currencies, a decrease of -0.7% year on year
1Q: Decrease of -11.2% year on year, 2Q: Increase of +12.5% year on year
- Operating income: 60 thousand USD, an increase of +950 thousand USD year on year, returning to profitability.
- By region: In Thailand, sales growth slowed down, but sales of “Pocky Premium” remained strong.
In Indonesia, net sales increased in the second quarter due to expansion of product distribution to new retail shops.

“Pocky Premium” is being promoted (Thailand)



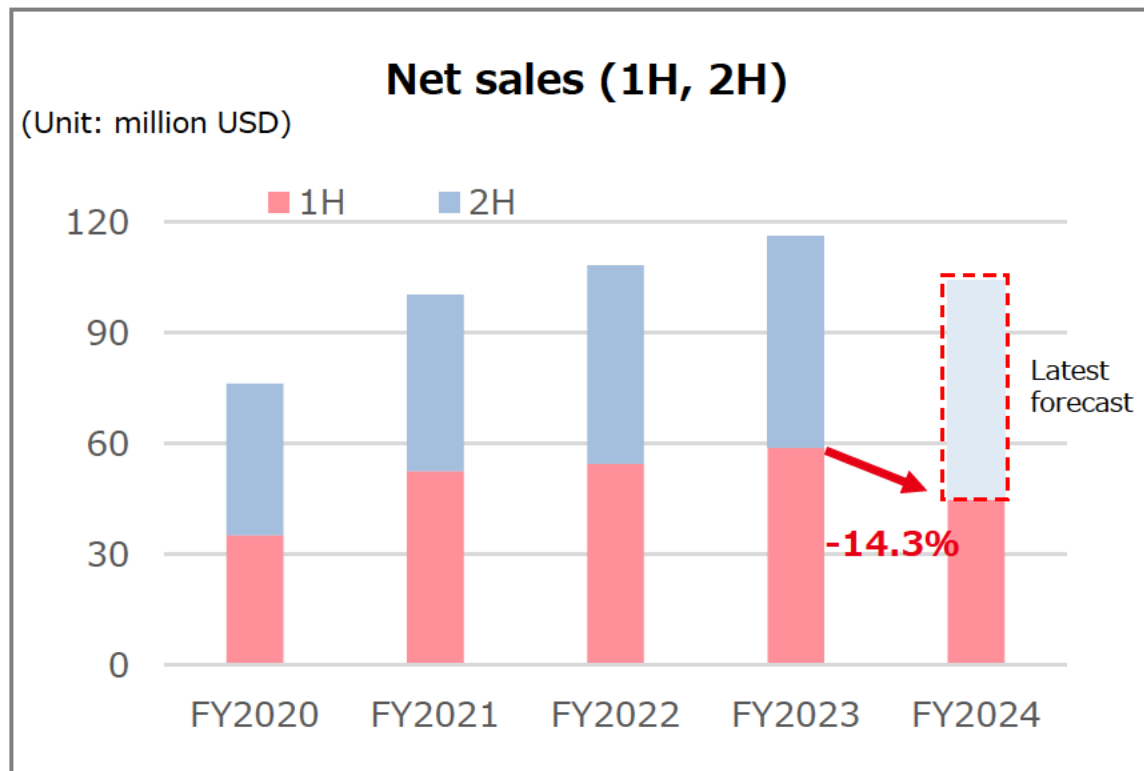
Distribution of products to new retail shops (Indonesia)



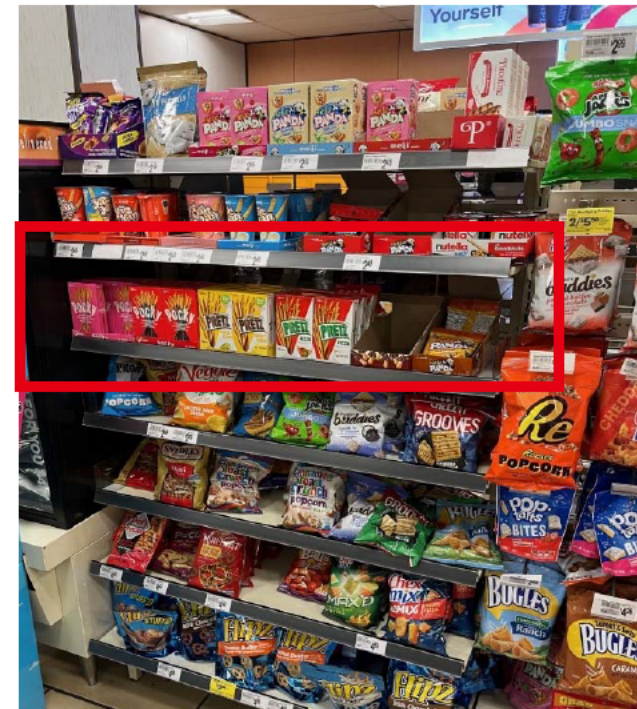
By Segment: Overseas Business (U.S.A.)



- Market environment: Chocolate Market shrank -0.2% year on year
- Net sales: 50 million USD based on shipments and local currencies, a decrease of -14.3% year on year
- Operating income: 15 million USD, an increase of +65.4% year on year.
- By product: Net sales of the mainstay “Pocky” brand decreased.
- Other: Net sales slowed down because budget-minded consumers are increasing due to prolonged inflation.



Working to expand candy shelves at shops amid tough business competition



II. FYE December 2024 Full-Year Earnings Forecast

Full-Year Plan and Forecast



- Net sales: 336 billion yen, an increase of +1.0% year on year
- Operating income: 14 billion yen, a decrease of -24.8% year on year

(Unit: 100 million yen)

	FYE Dec. 2023	FYE Dec. 2024			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Net sales	3,325	3,510	3,360	+1.0%	- 4.3%
Operating income	186	190	140	- 24.8%	- 26.3%
Ordinary income	212	215	160	- 24.8%	- 25.6%
Net income	141	150	110	- 22.2%	- 26.7%
Operating income margin	5.6%	5.4%	4.2%	—	—

Operating Income Forecast



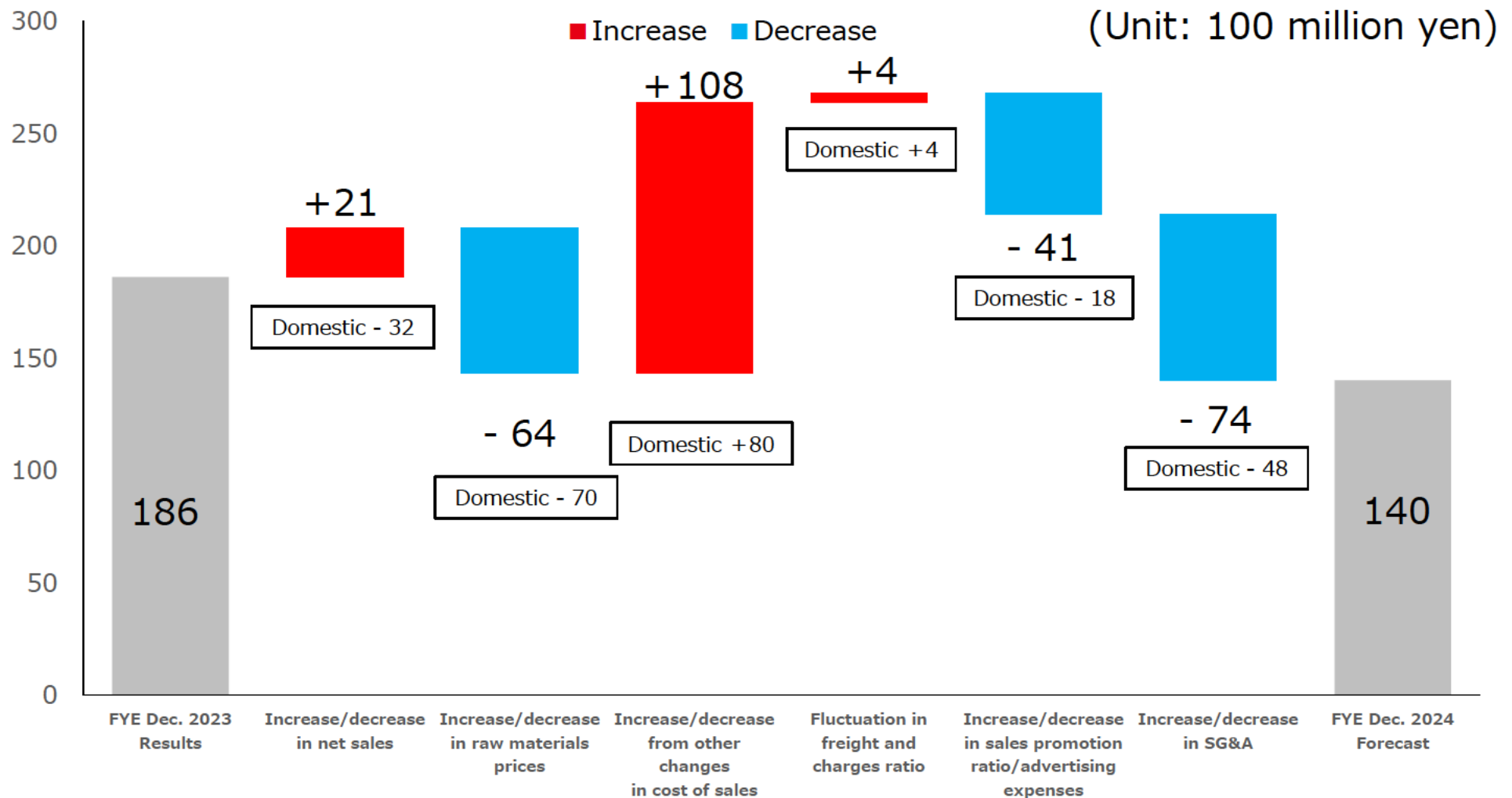
(Unit: 100 million yen)

	FYE Dec. 2023		FYE Dec. 2024		
	Results	Sales ratio	Initial forecast	Latest forecast	Sales ratio
Net sales	3,325	100.0%	3,510	3,360	100.0%
Cost of sales	2,087	62.8%	2,158	2,053	61.1%
Gross profit	1,238	37.2%	1,352	1,307	38.9%
Freight and charges	261	7.9%	273	260	7.7%
Sales promotion	108	3.3%	124	119	3.6%
Advertising expenses	127	3.8%	147	158	4.7%
Salaries and benefits	320	9.6%	333	341	10.1%
Expenses and depreciation	233	7.0%	285	288	8.6%
SGA total	1,052	31.6%	1,162	1,167	34.7%
Operating income	186	5.6%	190	140	4.2%

Factors of Increases (Decreases) in Operating Income



- Domestic: Decrease due to a decrease in net sales resulting from system failures, and due also to an increase in raw materials prices and SG&A
- Overseas: Increase due to an increase in net sales and improvement in the cost ratio, etc.



Net Sales Forecast by Segment



- Domestic: Decrease due to suspension of chilled product shipments in the Dairy Business, etc., -4.0% year on year
- Overseas: Increase mainly in China, etc., +19.4% year on year

(Unit: 100 million yen)

	FYE Dec. 2023	FYE Dec. 2024			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Total	3,325	3,510	3,360	+ 1.0%	- 4.3%
(Domestic)	2,613	2,700	2,510	- 4.0%	- 7.0%
Health and Food Business	504	535	485	- 4.0%	- 9.3%
Dairy Business	696	725	600	- 13.9%	- 17.2%
Nutritional Confectionery Business	618	637	632	+2.1%	- 0.8%
Food Ingredients Business	133	137	137	+2.6%	0%
Other Domestic Business	659	666	656	- 0.6%	- 1.5%
Overseas Business	712	810	850	+19.4%	+4.9%

Reference: Exchange rates	FYE Dec. 2023 Results	FYE Dec. 2024 Initial forecast	FYE Dec. 2024 Full-year forecast
China (CNY)	1 CHY = 19.80 JPY	1 CHY = 19.50 JPY	1 CHY = 21.51 JPY
Thailand (THB)	1 THB = 4.04 JPY	1 THB = 4.00 JPY	1 THB = 4.28 JPY
U.S.A. (USD)	1 USD = 140.54 JPY	1 USD = 148.00 JPY	1 USD = 156.35 JPY

Operating Income Forecast by Segment



- Domestic: Decrease of -8.4 billion yen year on year due to an increase in depreciation expenses associated with the core system update in addition to the impact of suspension of chilled product shipments.
- Overseas: Increase of 3.8 billion yen year on year due to an increase in income in China, U.S.A. and ASEAN.

(Unit: 100 million yen)

	FYE Dec. 2023	FYE Dec. 2024			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Total	186	190	140	- 46	- 50
(Domestic)	144	120	60	- 84	- 60
Health and Food Business	20	24	8	- 12	- 16
Dairy Business	5	6	- 33	- 38	- 39
Nutritional Confectionery Business	65	57	48	- 17	- 9
Food Ingredients Business	24	20	20	- 3	0
Other Domestic Business	20	15	11	- 8	- 3
Adjustment	8	- 4	4	- 4	+8
Overseas Business	41	70	80	+38	+10

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



◆ China

(Unit: 1 million CNY)

	FYE Dec. 2023	FYE Dec. 2024			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Net sales	1,482	1,666	1,845	+24.5%	+10.7%
Operating income	143	176	225	+57.0%	+27.4%

◆ ASEAN*

(Unit: million USD)

	FYE Dec. 2023	FYE Dec. 2024			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Net sales	124	148	133	+6.9%	- 10.5%
Operating income	- 9	0	0	-%	-%

◆ U.S.A. **

(Unit: million USD)

	FYE Dec. 2023	FYE Dec. 2024			
	Results	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Net sales	114	124	104	- 8.1%	- 15.6%
Operating income	21	29	25	+20.8%	- 13.9%

* Concerning the accounting terms for ASEAN countries, figures were converted with the forecasted exchange rate for FYE December 2024 for each country.

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

III. Progress Report for the Mid-Term Business Plan

- Glico Group's initiatives based on the Purpose

Purpose

Healthier days, Wellbeing for life



Vision (what we aim to deliver)

Through the creative development of high-quality ingredients, the Glico Group provides "Great Taste and Good Health" for people to live satisfying lives.

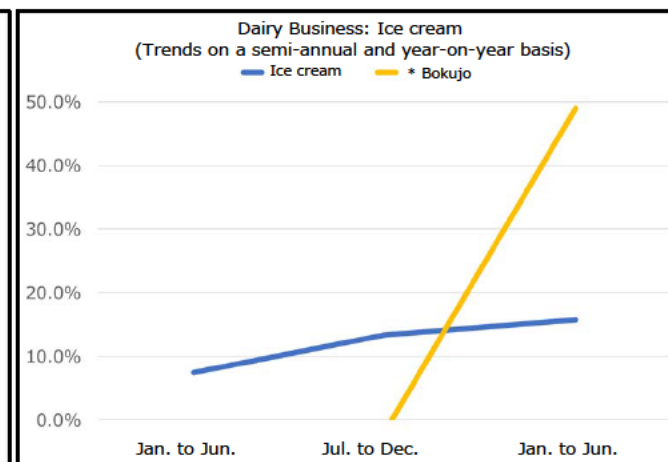
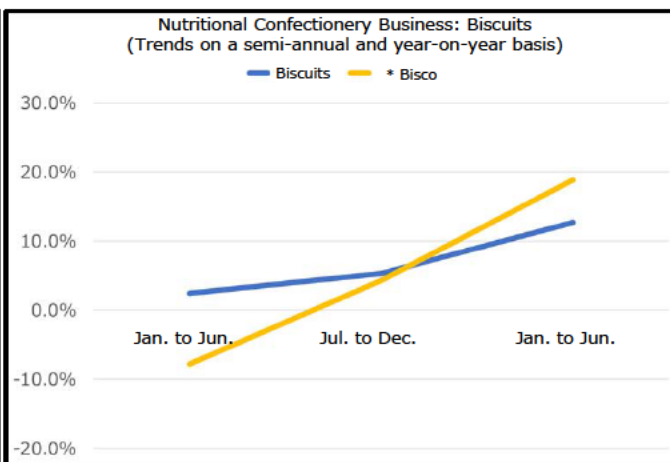
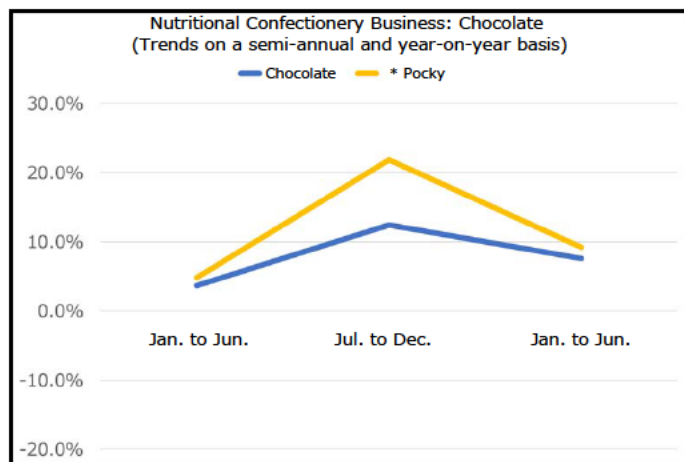


Make efforts to continuously increase net sales and income by evolving to "daily essential products people habitually eat"

New Products with “higher Value” Contribute to the Business



- New products that increased the value of “Great Taste and Good Health derived from materials” lead the business expansion
On a year-on-year basis: “Pocky” +9.2%, “Bisco” +18.9% and “Bokujo Shibori” +49.0%



Pocky Cacao 60%
Sales commencement: September 2023



Bisco <Maple><Strawberry>
Sales commencement: August 2023



Bokujo Shibori (renewal)
Nationwide sales: September 2023
* pre-sale: April 2023

Initiatives to Provide Products People Habitually Eat (Expansion of SUNAO)



- Expand the lineup of the "SUNAO" brand, which strikes a balance between Great Taste and adequate carbohydrate (*)

Launch rich-tasting frozen raw pasta, resulting in 24 kinds in total for food and sweets

* Carbohydrate intake per serving is designed based on meal of 20 - 40g or less and between-meal snacks of 10g or less (Eat & Fun Health Association)



"SUNAO" brand expanded to 24 kinds

Our goals: Society where everyone enjoys eating and maintains good health of both the mind and body

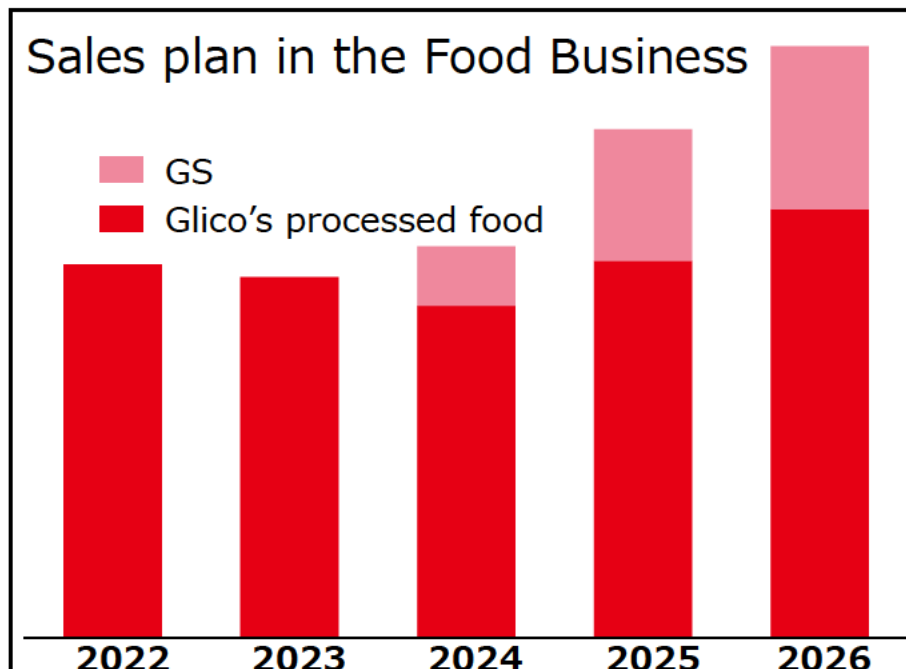
Staple food: Eight kinds of pasta / Sweets: Ten kinds of ice cream and six kinds of biscuits

* Provide home-delivery services for companies, limiting to a special area

Initiatives to Provide Products People Habitually Eat (Acquisition of GS)



- Provide new value to more customers in the area of main and side dishes people routinely eat through Greenspoon's participation in the Group



Strengthen product development in the food area and digital marketing

- Greenspoon's vision "to live a life where you can continue to love yourself" aligns with the Glico's Purpose.
- Create new value of "Great Taste and Good Health" by combining Greenspoon's "speedy product development and excellent digital marketing" with Glico's strengths.

Improvement of ROE and PBR, and the Direction of the Next Mid-Term Business Plan



- Continuously create products and businesses with a higher value of “Great Taste and Good Health” that are unique to Glico and realize mid- and long-term growth as a company that is essential to our customers’ lives.
 - Accelerate the business strategy, R&D strategy and human resources strategy based on the long-term strategy.
 - Aim to achieve ROE of 8%, based on management with awareness of capital costs and stock prices.

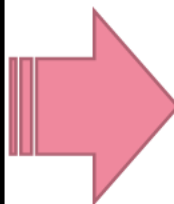
(Present data analysis * FY23E)

■ Capital profitability and market’s evaluation

- ROE: 5.6%
- PBR: 1.0x
- PER: 18.8x

■ Balance Sheet efficiency

- Strategically-held shares: 11.3%
- Capital ratio: 66.3%



Direction of the next mid-term business plan aiming at achieving ROE of 8%

■ (Profitability = Net income / Net sales) Generate profits by creating value

- Strengthen focus areas and improve profitability
- Accelerate growth investment (research and development, human resources, digital)

■ (Efficiency = Net sales / Total assets) Promote improvement in asset efficiency

- Review working capital or non-business use assets
- Reduce cross-shareholdings (10% or less)

■ (Financial leverage = Total assets / Shareholders’ equity) Growth with shareholders

- Raise the total payout ratio

Aim at continuous improvement of ROE and PBR
by generating profits through value creation

*Supplemental Materials

Net Sales by Category



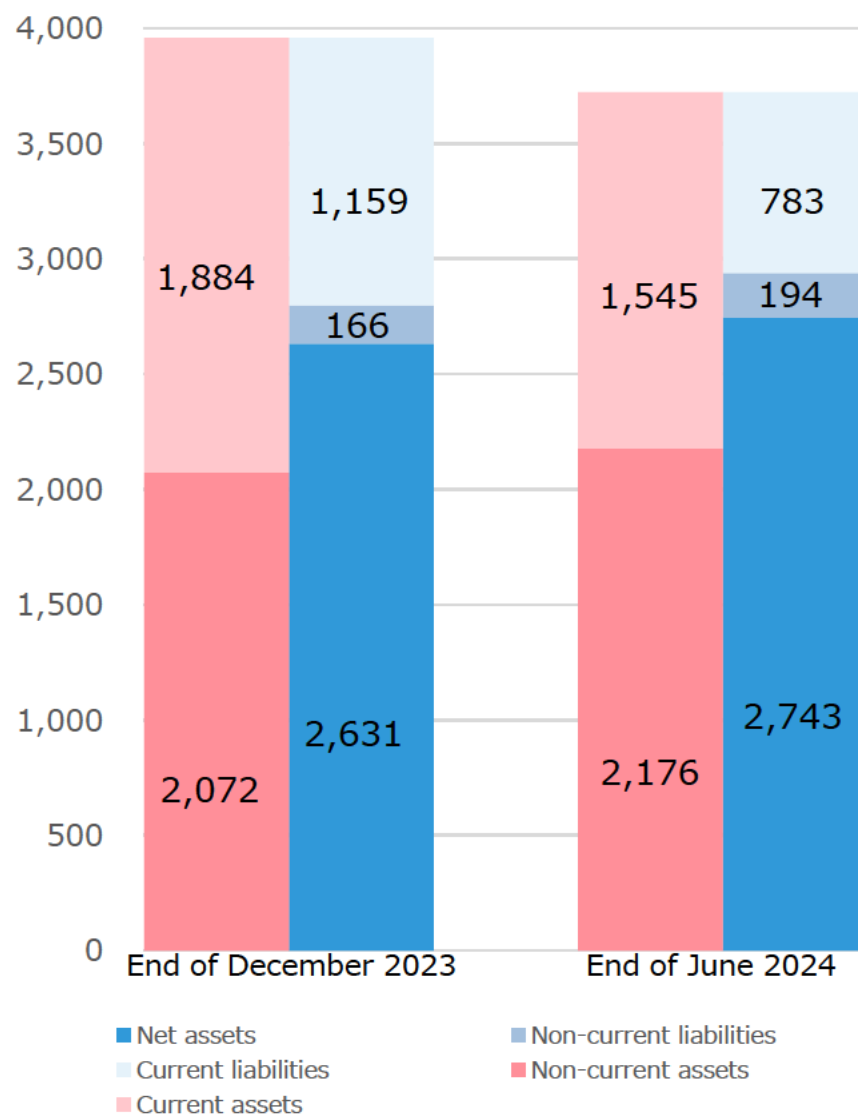
(Unit: 100 million yen)

Segment	Classification	FYE Dec. 2023				FYE Dec. 2024					
		Jan. – Mar.	Jan. – Jun.	Jan. – Sep.	Jan. – Dec.	Jan. – Mar.	Jan. – Jun.	Initial forecast	Latest forecast	Change from previous period	Change from forecast
Health and Food Business	Health	28	61	96	127	28	43	150	125	-2.0%	-16.7%
	Ice Cream	26	81	176	209	29	94	220	225	+7.5%	+2.3%
	Other	39	76	119	168	41	68	165	135	-19.7%	-18.2%
	Total	94	218	391	504	99	206	535	485	-4.0%	-9.3%
Dairy Business	Yogurt	27	59	91	120	28	32	130	80	-33.6%	-38.5%
	Ice Cream	49	127	227	286	56	147	300	310	+8.4%	+3.3%
	Other	65	136	215	290	68	92	295	210	-27.7%	-28.8%
	Total	142	323	534	696	153	272	725	600	-13.9%	-17.2%
Nutritional Confectionery Business	Chocolate	85	162	230	357	98	175	370	375	+4.8%	+1.4%
	Cookies	43	95	147	202	52	107	210	222	+9.5%	+5.7%
	Other	12	27	44	58	13	16	57	35	-39.9%	-38.6%
	Total	142	285	421	618	164	299	637	632	+2.1%	-0.8%
Food Ingredients Business		26	62	99	133	27	66	137	137	+2.6%	0%
Other Domestic Business		136	303	500	659	147	301	666	656	-0.6%	-1.5%
Overseas		167	337	517	712	196	394	810	850	+19.4%	+4.9%
Total		710	1,531	2,465	3,325	789	1,540	3,510	3,360	+1.0%	-4.3%

Status of Balance Sheet



(Unit: 100 million yen)



Assets: Major account items		End of December 2023	End of June 2024	Increase/decrease
Current assets	Cash and deposits	971	614	-357
	Notes and accounts receivable	484	409	-75
	Securities	-	-	-
	Inventories	338	404	+66
	Total current assets	1,884	1,545	-339
Non-current assets	Property, plants and equipment	1,114	1,118	+3
	Intangible assets	269	307	+38
	Investment securities	468	532	+63
	Total non-current assets	2,072	2,176	+104

Liabilities and net assets: Major account items		End of December 2023	End of June 2024	Increase/decrease
Current liabilities	Notes and accounts payable, trade	383	367	-15
	Short-term loans payable	-	0	+0
	Convertible bonds	300	-	-300
	Total current liabilities	1,159	783	-376
Non-current liabilities	Convertible bonds	-	-	-
	Long-term loans payable	-	1	+1
	Total non-current liabilities	166	194	+28
Net assets	Shareholder's equity	2,300	2,284	-16
	Total net assets	2,631	2,743	+112

TTM Currency Rate

		USD	EUR	THB	CNY	100KRW	100IDR
<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	115.02	130.51	3.43	18.06	9.73	0.81
<u>2022</u>	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
<u>2023</u>	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
	9/30	149.58	158.00	4.09	20.46	11.11	0.97
	12/31	141.83	157.12	4.13	19.93	11.05	0.92
<u>2024</u>	3/31	151.41	163.24	4.16	20.83	11.25	0.96
	6/30	161.07	172.33	4.36	22.04	11.64	0.99

[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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