

[Notes of caution]

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February 13, 2024

Summary of Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended December 31, 2023

Listed company name: Ezaki Glico Co., Ltd.

Listed stock exchange: Tokyo Stock Exchange

Securities code: 2206 URL: <https://www.glico.com/jp/>

Representative: Katsuhisa Ezaki, Chairman

Scheduled date of Annual Shareholders' Meeting: March 26, 2024

Scheduled filing date of securities report: March 27, 2024

Scheduled commencement date of dividend payments: March 7, 2024

Preparation of explanatory materials for financial results: Yes

Holding of a briefing on financial results: Yes

(Amounts less than ¥ million are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 - December 31, 2023)

(1) Consolidated results of operations

(The percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
December 31, 2023	332,590	9.4	18,622	45.0	21,285	56.0	14,133	74.5
December 31, 2022	303,921	-	12,845	(33.5)	13,646	(37.1)	8,099	(40.1)

(Note) Comprehensive Income: Fiscal year ended December 31, 2023: ¥23,458 million [66.2 %]

Fiscal year ended December 31, 2022: ¥14,113 million [(38.2) %]

Fiscal year ended	Earnings per share (basic)	Earnings per share (diluted)	Return on equity	Ordinary profit to total asset ratio	Operating profit to net sales ratio
	¥	¥	%	%	%
December 31, 2023	222.25	-	5.6	5.6	5.6
December 31, 2022	126.59	-	3.3	3.8	4.2

(Reference) Share of profit of entities accounted for using equity method: Fiscal year ended December 31, 2023: ¥813 million

Fiscal year ended December 31, 2022: ¥460 million

(Note) From the beginning of the fiscal year ended December 31, 2022, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations. Therefore, the percentage indicating the year-on-year change in net sales compared to the fiscal year ended December 31, 2021, which was before the application of the said standard, is not presented.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	¥ million	¥ million	%	¥
December 31, 2023	395,743	263,116	66.3	4,128.69
December 31, 2022	369,056	244,760	66.2	3,841.62

(Reference) Shareholders' equity: As of December 31, 2023: ¥262,543 million

As of December 31, 2022: ¥244,291 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
December 31, 2023	28,063	(8,613)	(6,179)	94,691
December 31, 2022	16,802	(20,140)	(10,284)	79,917

2. Dividend Status

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	1Q end	2Q end	3Q end	Year end	Total			
Fiscal year ended	¥	¥	¥	¥	¥	¥ million	%	%
December 31, 2022	-	40.00	-	40.00	80.00	5,087	63.2	2.1
December 31, 2023	-	40.00	-	40.00	80.00	5,087	36.0	2.0
Fiscal year ending December 31, 2024 (Forecast)	-	45.00	-	45.00	90.00		38.2	

(Note) Dividends for the second quarter of the fiscal year ended December 31, 2022: Ordinary dividends: ¥35

Commemorative dividends: ¥5

Dividends for the year end of the fiscal year ended December 31, 2022: Ordinary dividends: ¥35

Commemorative dividends: ¥5

3. Consolidated Performance Forecasts for the Fiscal Year Ending December 31, 2024 (January 1, 2024 - December 31, 2024)

(The percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	351,000	5.5	19,000	2.0	21,500	1.0	15,000	6.1	235.89

*Notes to the Consolidated Financial Statements

(1) Transfers of important subsidiaries during fiscal year (transfers of designated subsidiaries incidental to changes in scope of consolidation): None

New – Company (company name)

Eliminated – Company (company name)

(2) Changes in accounting practices, changes in accounting estimates, retrospective restatements

(i) Changes in accounting practices due to a revision of accounting standards, etc.: Yes

(ii) Changes in accounting practices other than (i): None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(3) Number of shares issued (common stock)

(i) Number of shares issued as of term-end (including treasury shares)

As of December 31, 2023 68,468,569 shares

As of December 31, 2022 68,468,569 shares

(ii) Number of treasury shares as of term-end

As of December 31, 2023 4,878,498 shares

As of December 31, 2022 4,877,747 shares

(iii) Average number of shares during fiscal year

Fiscal year ended December 31, 2023 63,590,399 shares

Fiscal year ended December 31, 2022 63,984,620 shares

* Summaries of financial results are exempt from audit conducted by certified public accountants or an audit corporation.

* Explanation of appropriate use of earnings projections, other explanatory notes

Earnings projections and other forward-looking statements indicated in these materials are based on information available to the Company at the time of preparing the materials and on certain assumptions deemed reasonable. These statements do not represent any guarantee of achievement by the Company. Furthermore, there is the possibility of significant changes in actual earnings due to various factors.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	91,705	97,199
Notes and accounts receivable - trade	45,372	48,433
Securities	226	—
Merchandise and finished goods	17,861	16,724
Work in process	891	1,009
Raw materials and supplies	14,093	16,109
Prepaid expenses	987	1,272
Other	7,143	7,814
Allowance for doubtful accounts	(113)	(98)
Total current assets	178,168	188,464
Non-current assets		
Property, plant and equipment		
Buildings and structures	85,851	87,480
Accumulated depreciation and impairment	(44,626)	(47,276)
Buildings and structures, net	41,225	40,203
Machinery, equipment and vehicles	132,874	140,499
Accumulated depreciation and impairment	(98,336)	(104,914)
Machinery, equipment and vehicles, net	34,538	35,585
Tools, furniture and fixtures	26,853	28,295
Accumulated depreciation and impairment	(22,151)	(23,119)
Tools, furniture and fixtures, net	4,702	5,175
Land	15,984	16,069
Leased assets	3,970	4,436
Accumulated depreciation and impairment	(1,809)	(2,814)
Leased assets, net	2,161	1,621
Construction in progress	11,426	12,803
Total property, plant and equipment	110,038	111,459
Intangible assets		
Software	4,401	3,758
Software in progress	16,746	22,477
Goodwill	352	306
Other	181	367
Total intangible assets	21,682	26,909
Investments and other assets		
Investment securities	39,265	46,840
Long-term loans receivable	13	89
Long-term prepaid expenses	125	730
Retirement benefit asset	4,432	5,639
Investment property	12,648	12,701
Accumulated depreciation and impairment	(433)	(476)
Investment property, net	12,214	12,224
Deferred tax assets	1,473	1,674
Other	1,682	1,765
Allowance for doubtful accounts	(39)	(55)
Total investments and other assets	59,168	68,909
Total non-current assets	190,888	207,278
Total assets	369,056	395,743

(Unit: ¥ million)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,430	38,326
Accrued expenses	24,789	25,837
Income taxes payable	2,562	3,181
Refund liability	7,256	8,383
Current portion of convertible bond-type bonds with share acquisition rights	—	30,001
Provision for bonuses for directors (and other officers)	73	80
Provision for share awards	—	45
Other	8,762	10,133
Total current liabilities	79,875	115,991
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	30,023	—
Retirement benefit liability	1,350	1,426
Deferred tax liabilities	6,633	8,977
Other	6,414	6,231
Total non-current liabilities	44,421	16,635
Total liabilities	124,296	132,626
Net assets		
Shareholders' equity		
Share capital	7,773	7,773
Capital surplus	9,894	9,894
Retained earnings	217,184	226,230
Treasury shares	(13,806)	(13,809)
Total shareholders' equity	221,046	230,089
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,945	14,604
Deferred gains or losses on hedges	(59)	164
Foreign currency translation adjustment	11,756	16,573
Remeasurements of defined benefit plans	602	1,111
Total accumulated other comprehensive income	23,245	32,454
Non-controlling interests	468	572
Total net assets	244,760	263,116
Total liabilities and net assets	369,056	395,743

(2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales	303,921	332,590
Cost of sales	193,172	208,740
Gross profit	110,749	123,850
Selling, general and administrative expenses		
Transportation and storage costs	27,122	26,144
Promotion expenses	8,956	10,877
Advertising expenses	10,257	12,737
Provision of allowance for doubtful accounts	37	(1)
Salaries and allowances	18,590	20,294
Bonuses	5,806	5,323
Provision for bonuses for directors (and other officers)	73	80
Provision for share awards	—	45
Retirement benefit expenses	272	448
Welfare expenses	5,889	5,894
Depreciation	3,425	3,406
Other	17,470	19,977
Total selling, general and administrative expenses	97,903	105,228
Operating profit	12,845	18,622
Non-operating income		
Interest income	550	651
Dividend income	657	605
Royalty income	321	514
Foreign exchange gains	—	261
Share of profit of entities accounted for using equity method	460	813
Rental income from real estate	552	603
Subsidy income	425	441
Other	533	493
Total non-operating income	3,500	4,384
Non-operating expenses		
Interest expenses	96	93
Donations	143	710
Foreign exchange losses	1,002	—
Loss on investments in investment partnerships	170	268
Loss on abandonment of non-current assets	294	22
Loss on retirement of non-current assets	218	117
Depreciation of inactive non-current assets	116	98
Loss on guarantees	123	—
Other	534	410
Total non-operating expenses	2,699	1,720
Ordinary profit	13,646	21,285

(Unit: ¥ million)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Extraordinary income		
Gain on change in equity	—	400
Gain on sale of investment securities	3,519	49
Total extraordinary income	3,519	450
Extraordinary losses		
Impairment losses	419	1,018
Loss on valuation of investment securities	2,163	742
Loss on liquidation of subsidiaries	—	30
Loss on COVID-19	647	—
Total extraordinary losses	3,229	1,792
Profit before income taxes	13,936	19,943
Income taxes - current	5,955	5,340
Income taxes - deferred	(176)	383
Total income taxes	5,779	5,724
Profit	8,156	14,219
Profit attributable to		
Profit attributable to owners of parent	8,099	14,133
Profit attributable to non-controlling interests	56	86
Other comprehensive income		
Valuation difference on available-for-sale securities	(332)	3,659
Deferred gains or losses on hedges	(313)	224
Foreign currency translation adjustment	6,659	4,421
Remeasurements of defined benefit plans, net of tax	(426)	515
Share of other comprehensive income of entities accounted for using equity method	370	417
Total other comprehensive income	5,956	9,238
Comprehensive income	14,113	23,458
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,024	23,342
Comprehensive income attributable to non-controlling interests	88	116

(Segment Information, etc.)

[Segment Information]

From the beginning of the fiscal year ended December 31, 2023, the Company has changed its reportable segments from "Confectioneries and Food Products" "Ice Cream" "Dairy" "Food Ingredients" "Overseas" to "Health and Food Business" "Dairy Business" "Nutritional Confectionery Business" "Food Ingredients Business" "Other Domestic Business""Overseas Business" due to reorganization. The segment information for the fiscal year ended December 31, 2022 has been presented based on the segment classifications after the change.

I. Previous fiscal year (January 1, 2022- December 31, 2022)

Information on net sales, profit or loss, assets and other items by reportable segment

(Unit: ¥ million)

	Reportable Segment							Adjusted amount (Note)1	Amounts indicated on consolidated financial statements (Note)2
	Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total		
Net sales									
Revenue from contracts with customers	47,808	66,016	57,847	11,158	61,189	59,902	303,921	—	303,921
Other revenues	—	—	—	—	—	—	—	—	—
Sales to third parties	47,808	66,016	57,847	11,158	61,189	59,902	303,921	—	303,921
Inter-segment sales and transfers	—	—	—	226	12,606	—	12,833	(12,833)	—
Total	47,808	66,016	57,847	11,384	73,796	59,902	316,754	(12,833)	303,921
Segment profit	2,044	267	4,751	1,238	906	1,192	10,400	2,445	12,845
Segment assets	28,029	38,914	50,364	7,812	17,900	54,691	197,713	171,343	369,056
Other items									
Depreciation	1,563	3,402	2,905	206	1,634	2,770	12,483	1,413	13,896
Amount of increases in property, plant and equipment and intangible assets	1,722	3,749	3,200	281	2,384	8,313	19,651	7,060	26,712

(Notes)

1. The Adjusted amount of ¥2,445 million in segment profit includes ¥1,798 million for the elimination of inter-segment transactions and other adjustment amounts, and companywide expenses, etc. of ¥646 million which are not allocated to any reporting segment. Companywide expenses, etc. are mainly selling, general and administrative expenses that are not attributable to any reportable segment. The Adjusted amount of ¥171,343 million in Segment assets represents corporate assets that are not attributable to any reportable segment. The Adjusted amount of ¥1,413 million in Depreciation and ¥7,060 million in Amount of increases in property, plant and equipment and intangible assets under Other items represent corporate amortization and corporate assets acquired that are not attributable to any reportable segment.
2. The total amount for segment profit is adjusted based on the operating profit in the consolidated financial statements.

II. Current fiscal year (January 1, 2023- December 31, 2023)

Information on net sales, profit or loss, assets and other items by reportable segment

(Unit: ¥ million)

	Reportable Segment							Adjusted amount (Note)1	Amounts indicated on consolidated financial statements (Note)2
	Health and Food Business	Dairy Business	Nutritional Confectionery Business	Food Ingredients Business	Other Domestic Business	Overseas Business	Total		
Net sales									
Revenue from contracts with customers	50,499	69,675	61,890	13,348	65,962	71,214	332,590	—	332,590
Other revenues	—	—	—	—	—	—	—	—	—
Sales to third parties	50,499	69,675	61,890	13,348	65,962	71,214	332,590	—	332,590
Inter-segment sales and transfers	—	—	—	301	12,586	—	12,888	(12,888)	—
Total	50,499	69,675	61,890	13,649	78,549	71,214	345,478	(12,888)	332,590
Segment profit	2,064	529	6,525	2,427	2,047	4,165	17,759	862	18,622
Segment assets	26,326	50,993	39,666	8,952	22,406	50,478	198,825	196,917	395,743
Other items									
Depreciation	1,585	3,459	2,725	223	1,491	3,158	12,643	1,373	14,016
Amount of increases in property, plant and equipment and intangible assets	1,314	2,867	2,259	231	1,837	5,266	13,776	6,239	20,016

(Notes)

1. The Adjusted amount of ¥862 million in segment profit includes ¥2,003 million for the elimination of inter-segment transactions and other adjustment amounts, and companywide expenses, etc. of negative ¥1,140 million which are not allocated to any reporting segment. Companywide expenses, etc. are mainly selling, general and administrative expenses that are not attributable to any reportable segment. The Adjusted amount of ¥196,917 million in Segment assets represents corporate assets that are not attributable to any reportable segment. The Adjusted amount of ¥1,373 million in Depreciation and ¥6,239 million in Amount of increases in property, plant and equipment and intangible assets under Other items represent corporate amortization and corporate assets acquired that are not attributable to any reportable segment.
2. The total amount for segment profit is adjusted based on the operating profit in the consolidated financial statements.

Supplementary Information

For the Fiscal Year Ended December 31, 2023

Ezaki Glico Co., Ltd.

Consolidated results of operations (Cumulative)

*Amounts less than one million yen, one million yuan and one million USD are each rounded down.

(1) Status of Net Sales and Profit

Unit: 1 million yen

	FYE Dec. '22 (Jan. to Dec.)	FYE Dec. '23 (Jan. to Dec.)	Change from previous period	
			Amount	%
Net sales	303,921	332,590	28,668	9.4
Operating profit	12,845	18,622	5,776	45.0
Ordinary profit	13,646	21,285	7,639	56.0
Profit	8,099	14,133	6,033	74.5

(2) Status of Operating Profit

Unit: 1 million yen

	FYE Dec. '22		FYE Dec. '23	
	(Jan. to Dec.)	%	(Jan. to Dec.)	%
Net sales	303,921	100.0	332,590	100.0
Cost of sales	193,172	63.6	208,740	62.8
Gross profit	110,749	36.4	123,850	37.2
Freight and charges	27,122	8.9	26,144	7.9
Promotion expenses	8,956	2.9	10,877	3.3
Advertising expenses	10,257	3.4	12,737	3.8
Salaries and benefits	30,633	10.1	32,087	9.6
Expenses and depreciation	20,934	6.9	23,382	7.0
Total	97,903	32.2	105,228	31.6
Operating profit	12,845	4.2	18,622	5.6

Factors behind change in operating profit	vs FYE Dec. '22 (Jan. to Dec.)	
		Of which, is domestic
(1) Change due increase/decrease in net sales	11,519	6,584
(2) Change due to increase/decrease in raw materials prices	(7,781)	(8,161)
(3) Change due to increase/decrease from other changes in cost of sales *	6,806	8,396
(4) Change due to fluctuation in freight and charges ratio	3,536	1,309
(5) Change due to increase/decrease in sales promotion expenses / advertising expenses	(4,401)	(2,306)
(6) Change due to increase/decrease in SG&A expenses	(3,903)	(3,020)
Total	5,776	2,802

* Including fluctuation in composition of sales product varieties and other

(3) Status of Net Sales by Segment

Unit: 1 million yen

	FYE Dec. '22 (Jan. to Dec.)	FYE Dec. '23 (Jan. to Dec.)	Change from previous period		
			Results	%	
Health and Food Business	Health	12,831	12,756	(74)	(0.6)
	Ice cream	17,753	20,932	3,178	17.9
	Other	17,222	16,809	(413)	(2.4)
	Total	47,808	50,499	2,690	5.6
Dairy Business	Yoghurt	12,305	12,046	(258)	(2.1)
	Ice cream	25,844	28,602	2,757	10.7
	Other	27,867	29,026	1,159	4.2
	Total	66,016	69,675	3,658	5.5
Nutritional Confectionery Business	Chocolate	33,057	35,786	2,728	8.3
	Cookies	19,511	20,279	768	3.9
	Other	5,278	5,824	545	10.3
	Total	57,847	61,890	4,042	7.0
Food Ingredients Business		11,158	13,348	2,190	19.6
Other Domestic Business		61,189	65,962	4,773	7.8
Overseas Business		59,902	71,214	11,312	18.9
Total	303,921	332,590	28,668	9.4	

(4) Status of Operating Profit by Segment

Unit: 1 million yen

	FYE Dec. '22 (Jan. to Dec.)	FYE Dec. '23 (Jan. to Dec.)	Change from previous period	
			Amount	%
Health and Food Business	2,044	2,064	20	1.0
Dairy Business	267	529	262	98.1
Nutritional Confectionery Business	4,751	6,525	1,774	37.3
Food Ingredients Business	1,238	2,427	1,189	96.0
Other Domestic Business	906	2,047	1,140	125.8
Overseas Business	1,192	4,165	2,973	249.4
Adjustment	2,445	862	(1,583)	(64.7)
Total	12,845	18,622	5,776	45.0

(5) Status of overseas Business: Region-Specific Net Sales and Operating Income

*The following figures are based on management accounting and differ from the figures in the consolidated financial statements. Geographic segment also differ from those in the figures in the consolidated financial statements.

◆ China

Unit: 1 million CNY

	FYE Dec. '22 (Jan. to Dec.)	FYE Dec. '23 (Jan. to Dec.)	Change from previous period	
			Amount	%
Net sales	1,261	1,482	220	17.5
Operating profit	60	143	82	135.8

◆ ASEAN

Unit: 1 million USD

	FYE Dec. '22 (Jan. to Dec.)	FYE Dec. '23 (Jan. to Dec.)	Change from previous period	
			Amount	%
Net sales	112	131	18	16.3
Operating profit	(13)	(10)	3	-

*Actual results for the 4Q of the fiscal year ended December 31, 2022 have been replaced by the average rate for the 4Q of the fiscal year ended December 31, 2023.

◆ U.S.A.

Unit: 1 million USD

	FYE Dec. '22 (Jan. to Dec.)	FYE Dec. '23 (Jan. to Dec.)	Change from previous period	
			Amount	%
Net sales	108	114	5	5.5
Operating profit	17	21	3	17.8

*The figures for the U.S.A. are on a consolidated basis.

Forecast of Consolidated Financial Results

*Amounts less than one million yen, one million yuan and one million USD are each rounded down.

(1) Net Sales Forecast by Segment

Unit:1 million yen

	FYE Dec. '23 (Jan. to Dec.)	FYE Dec. '24 (Jan. to Dec.)	Change from previous period	
	Results	Forecast	Amount	%
Health and Food Business	50,499	53,500	3,000	5.9
Dairy Business	69,675	72,500	2,824	4.1
Nutritional Confectionery Business	61,890	63,700	1,809	2.9
Food Ingredients Business	13,348	13,700	351	2.6
Other Domestic Business	65,962	66,600	637	1.0
Overseas Business	71,214	81,000	9,785	13.7
Total	332,590	351,000	18,409	5.5

(2) Operating Profit Forecast by Segment

Unit:1 million yen

	FYE Dec. '23 (Jan. to Dec.)	FYE Dec. '24 (Jan. to Dec.)	Change from previous period	
	Results	Forecast	Amount	%
Health and Food Business	2,064	2,430	365	17.7
Dairy Business	529	600	70	13.4
Nutritional Confectionery Business	6,525	5,790	(735)	(11.3)
Food Ingredients Business	2,427	2,090	(337)	(13.9)
Other Domestic Business	2,047	1,540	(507)	(24.8)
Overseas Business	4,165	7,000	2,834	68.0
Adjustment	862	(450)	(1,312)	-
Total	18,622	19,000	377	2.0