

[Notes of caution]

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May 13, 2016

Summary of Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2016

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, President and CEO

Scheduled date of Annual Shareholders' Meeting: June 29, 2016

Scheduled filing date of securities report: June 30, 2016

Scheduled commencement date of dividend payments: June 7, 2016

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 March 31, 2016

(April 1, 2015 to March 31, 2016)

(1) Consolidated results of operations

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

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal year ended March 31, 2016	338,437	6.0	17,110	20.1	19,229	9.2	13,903	-34.0
March 31, 2015	319,393	1.3	14,247	22.3	17,610	30.1	21,068	90.9

(Note)Comprehensive Income: Fiscal year ended March 31, 2016: ¥7,462million (-75.1%)

Fiscal year ended March 31, 2015: ¥29,969million (74.4%)

	Net income per share(basic)	Net income per share(diluted)	Return on Equity	Ordinary income to total asset ratio	Operating income to net sales ratio
	¥	¥	%	%	%
Fiscal year ended March 31, 2016	212.00	-	8.1	7.0	5.1
March 31, 2015	321.35	-	13.6	6.8	4.5

(Reference) Share of profit of entities accounted for using equity method: Fiscal year ended March 31, 2016: ¥183million

Fiscal year ended March 31, 2015: ¥271million

(Note) A 2-for-1 reverse stock split of common shares was conducted on October 1, 2014. As such, the calculation of net income per share reflects an assumption that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of March 31, 2016	274,974	179,151	63.1	2,646.45
As of March 31, 2015	275,302	174,838	61.5	2,582.19

(Reference)Shareholders' equity: As of March 31, 2016: ¥173,591million

As of March 31, 2015: ¥169,312million

(3) Consolidated cash flows

	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
Fiscal year ended March 31, 2016	17,658	-13,773	-10,061	52,010
March 31, 2015	24,520	-7,876	-13,202	59,406

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 March 31, 2015	¥ -	¥ 5.0	¥ -	¥ 30.0	¥ -	¥ million 2,622	% 12.4	% 1.7
Fiscal year ended March 31, 2016	-	20.0	-	20.0	40.0	2,625	18.9	1.5
Fiscal year ending March 31, 2017(Forecast)	-	20.0	-	20.0	40.0		18.7	

(Note) We conducted a 2-for-1 reverse stock split of common shares on October 1, 2014. For the end of the second quarter of FYE March 31, 2015, actual cash dividends prior to said reverse stock split are indicated. The year-end dividend amount for FYE March 31, 2015 calculated on the post-stock split basis would be 40 yen.

3. Consolidated Performance Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 - March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
2Q end (Cumulative)	194,500	7.9	12,700	0.8	13,300	-7.2	9,500	-6.9	144.83
Full year	370,000	9.3	20,000	16.9	21,000	9.2	14,000	0.7	213.43

* Notes to the Consolidated Financial Statements

(1) Transfers of important subsidiaries during fiscal period (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) Shares issued (common stock)

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

As of March 31, 2016 69,430,069 shares

As of March 31, 2015 69,430,069 shares

(ii) Treasury shares as of term-end

As of March 31, 2016 3,836,000 shares

As of March 31, 2015 3,860,644 shares

(iii) Average shares during fiscal year

Fiscal year ended March 31, 2016 65,581,965 shares

Fiscal year ended March 31, 2015 65,561,700 shares

(Note) A 2-for-1 reverse stock split of common shares was conducted on October 1, 2014. As such, the calculation of average shares during fiscal year reflects an assumption that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

*Indications concerning implementation status of audit procedures

This financial earnings summary is not applicable to audit procedures set forth in the Financial Instruments and Exchange Law and as of the disclosure of this earnings summary audit procedures related to consolidated financial statements were underway.

*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 at the time and on certain assumptions deemed reasonable at the time. 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 March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	37,110	50,941
Notes and accounts receivable - trade	33,078	35,113
Securities	29,248	11,395
Merchandise and finished goods	11,060	12,451
Work in process	859	865
Raw materials and supplies	13,144	13,578
Advance payments - trade	706	657
Prepaid expenses	247	156
Short-term loans receivable	91	108
Deferred tax assets	2,246	2,563
Others	4,606	3,556
Allowance for doubtful accounts	(78)	(54)
Total current assets	132,322	131,335
Non-current assets		
Property, plant & equipment		
Buildings and structures	69,042	61,765
Accumulated depreciation and impairment loss	(46,667)	(39,276)
Buildings and structures, net	22,374	22,489
Machinery, equipment and vehicles	128,512	102,204
Accumulated depreciation and impairment loss	(100,240)	(73,825)
Machinery, equipment and vehicles, net	28,271	28,379
Tools, furniture and fixtures	23,732	23,660
Accumulated depreciation and impairment loss	(19,822)	(20,103)
Tools, furniture and fixtures, net	3,909	3,557
Land	13,933	15,711
Leased assets	1,089	1,180
Accumulated depreciation and impairment loss	(643)	(764)
Leased assets, net	446	415
Construction in progress	3,771	12,025
Total property, plant and equipment	72,707	82,577
Intangible assets		
Software	1,939	2,365
Others	1,264	1,687
Total intangible assets	3,203	4,053
Investments and other assets		
Investment securities	47,534	37,922
Long-term loans receivable	334	1,142
Long-term prepaid expenses	143	141
Net defined benefit asset	2,746	1,963
Real estate for investment	12,639	12,673
Accumulated depreciation and impairment loss	(236)	(270)
Real estate for investment, net	12,402	12,402
Deferred tax assets	810	406
Others	3,152	3,080
Allowance for doubtful accounts	(57)	(52)
Total investments and other assets	67,068	57,008
Total non-current assets	142,979	143,639
Total assets	275,302	274,974

(Unit: ¥ million)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,564	28,396
Short-term loans payable	7,621	5,218
Current portion of long-term loans payable	4,000	501
Accrued expenses	22,121	25,107
Income taxes payable	5,401	2,179
Provision for sales promotion expenses	1,509	1,675
Provision for directors' bonuses	44	41
BIP stock benefit allowance	-	56
ESOP distribution allowance	-	1,366
Others	8,468	12,253
Total current liabilities	78,729	76,795
Long-term liabilities		
Long-term loans payable	1,343	501
Net defined benefit liability	10,281	10,927
Provision for business structure improvement	105	-
Deferred tax liabilities	5,176	3,104
Others	4,828	4,494
Total long-term liabilities	21,734	19,027
Total liabilities	100,464	95,822
Net assets		
Shareholders' equity		
Capital stock	7,773	7,773
Capital surplus	7,484	7,816
Retained earnings	144,566	155,190
Treasury shares	(6,626)	(6,811)
Total shareholders' equity	153,198	163,968
Other comprehensive income		
Valuation difference on available-for-sale securities	11,875	7,949
Foreign currency translation adjustment	4,281	2,646
Remeasurements of defined benefit plans	(42)	(973)
Total other comprehensive income	16,114	9,623
Non-controlling interests	5,526	5,560
Total net assets	174,838	179,151
Total liabilities and net assets	275,302	274,974

(2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	Fiscal year ended March 31, 2015 (April 1,2014- March 31,2015)	Fiscal year ended March 31, 2016 (April 1,2015- March 31,2016)
Net sales	319,393	338,437
Cost of sales	177,782	183,904
Gross profit	141,610	154,533
Selling, general and administrative expenses		
Transportation and warehousing expenses	27,912	29,983
Promotion expenses	46,655	50,404
Provision for sales promotion expenses	1,509	1,675
Advertising expenses	10,945	12,168
Provision of allowance for doubtful accounts	(26)	(21)
Salaries and allowances	15,259	15,930
Bonuses	4,508	4,870
Provision for directors' bonuses	44	41
BIP stock benefit allowance allocation amount	-	56
Retirement benefit expenses	988	898
Welfare expenses	4,934	5,066
ESOP distribution allowance allocation amount	-	1,366
Depreciation	2,358	1,901
Others	12,273	13,082
Total selling, general and administrative expenses	127,363	137,422
Operating income	14,247	17,110
Non-operating income		
Interest income	410	380
Dividend income	643	1,756
Foreign exchange gains	1,435	-
Real estate rent	181	476
Others	1,700	1,498
Total non-operating income	4,370	4,112
Non-operating expenses		
Interest expenses	240	170
Loss on retirement of non-current assets	234	259
Depreciation of inactive non-current assets	114	174
Foreign exchange loss	-	653
Others	419	736
Total non-operating expenses	1,008	1,993
Ordinary Income	17,610	19,229
Extraordinary income		
Gain on sales of investment securities	1,052	1,414
Gain on redemption of investment securities	425	402
Gain on sales of non-current assets	11,948	-
Others	96	-
Total extraordinary income	13,523	1,816
Extraordinary losses		
Impairment loss	15	83
Others	4	0
Total extraordinary losses	20	83
Income before income taxes and minority interests	31,113	20,962
Income taxes - current	7,312	6,272
Income taxes - deferred	1,825	325
Total income taxes	9,137	6,598
Net income	21,975	14,364
(Breakdown)		
Net income attributable to parent company shareholders	21,068	13,903
Net income attributable to non-controlling interests	907	461
Other comprehensive income		
Valuation difference on available-for-sale securities	4,397	(3,925)
Foreign currency translation adjustment	2,604	(1,736)
Remeasurements of defined benefit plans	780	(930)

Share of other comprehensive income of entities accounted for using equity method	212	(308)
Total other comprehensive income	7,993	(6,901)
Comprehensive income	29,969	7,462
(Breakdown)		
Comprehensive income attributable to parent company shareholders	28,488	7,411
Comprehensive income attributable to non-controlling interests	1,480	50

(Segment Information, etc.)

[Segment Information]

I. Previous consolidated fiscal year(April 1,2014- March 31,2015)

1. Information on net sales and income or losses by reportable segment

(Unit: ¥ million)

	Reportable Segment						Others (Note) 1	Total	Adjusted amount (Note) 2	Amounts indicated on consolidated financial statements (Note 3)
	Confec- tionaries	Ice Cream	Food Products	Milk and Dairy Products	Food Ingre- dients	Subtotal				
Net sales										
Sales to third parties	113,757	73,808	22,313	94,389	9,463	313,733	5,659	319,393	-	319,393
Inter-segment sales and transfers	498	-	-	240	141	880	3,390	4,271	(4,271)	-
Total	114,255	73,808	22,313	94,630	9,605	314,614	9,050	323,664	(4,271)	319,393
Segment income	8,170	3,039	669	2,300	267	14,447	264	14,712	(465)	14,247

(Notes)

1. The “Other” category indicates business segments not included in the scope of reporting segments, and includes the Sports Foods, Office Glico, Systems Maintenance & Development businesses.

2. The adjusted amount of -465 million yen in segment income includes 1,440 million yen for the elimination of intersegment transactions and other adjustment amounts of -1,905 million yen in companywide expenses not allocated to any reporting segment. Companywide expenses mainly includes sales and general administration expenses not attributable to any particular reporting segment.

3. The total amount for segment income is adjusted based on the operating income recorded for consolidated financial statements.

II. Consolidated fiscal year under review (April 1,2015- March 31,2016)

1. Information on net sales and income or losses by reportable segment

(Unit: ¥ million)

	Reportable Segment						Others (Note) 1	Total	Adjusted amount (Note) 2	Amounts indicated on consolidated financial statements (Note 3)
	Confec- tionaries	Ice Cream	Food Products	Milk and Dairy Products	Food Ingre- dients	Subtotal				
Net sales										
Sales to third parties	121,157	81,004	20,183	97,821	10,242	330,408	8,029	338,437	-	338,437
Inter-segment sales and transfers	542	-	-	603	160	1,306	4,453	5,760	(5,760)	-
Total	121,699	81,004	20,183	98,425	10,403	331,715	12,482	344,198	(5,760)	338,437
Segment income or losses	9,206	5,478	112	4,516	492	19,806	(41)	19,765	(2,654)	17,110

(Notes)

1. The “Other” category is a business segment not included in reporting segments, and includes the Health segment (includes former Sports Foods segment), Office Glico segment, and the Systems Maintenance & Development Business segment.

2. The adjusted amount of -2,654 million yen in segment income or losses includes 1,472 million yen for the elimination of intersegment transactions and other adjustment amounts of -4,126 million yen in companywide expenses not allocated to any reporting segment. Companywide expenses mainly includes sales and general administration expenses not attributable to any particular reporting segment, which include the ESOP distribution allowance allocation amount and expenses related to the Glico Dairy Products Co. Ltd. merger.

3. The total amount for segment income or losses is adjusted based on the operating income recorded for consolidated financial statements.