

[Notes of caution]

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July 29, 2016

Summary of Consolidated Financial Results (Japanese Accounting Standards) for the First Quarter of the Fiscal Year Ending March 31, 2017

Listed company name: Ezaki Glico Co., Ltd.
 Securities Code : 2206 URL: <https://www.glico.com/jp/>
 Representative: Katsuhisa Ezaki , President and CEO
 Scheduled filing date of quarterly report: August 1, 2016
 Scheduled commencement date of dividend payments: -
 Preparation of explanatory materials for financial results: None
 Holding of a briefing on financial results: None

Listed stock exchange: Tokyo Stock Exchange

(Amounts less than ¥ million are rounded down.)

1. Consolidated Financial Results for the Cumulative First Quarter of the Fiscal Year Ending March 31, 2017 (April 1, 2016 to June 30, 2016)

(1) Consolidated results of operations

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three months ended June 30, 2016	88,747	4.2	7,840	36.6	7,462	15.5	5,558	22.5
June 30, 2015	85,167	8.0	5,739	24.6	6,459	29.5	4,537	-58.9

(Note)Comprehensive Income: Three months ended June 30, 2016: ¥4,856million (4.2%)

Three months ended June 30, 2015: ¥4,660million (-60.9%)

	Net income per share(basic)	Net income per share(diluted)
	¥	¥
Three months ended June 30, 2016	84.73	-
June 30, 2015	69.20	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of June 30, 2016	280,170	182,815	63.2	2,700.38
As of March 31, 2016	274,974	179,151	63.1	2,646.45

(Reference)Shareholders' equity: As of June 30, 2016: ¥177,189million

As of March 31, 2016: ¥173,591million

2. Dividend Status

	Annual dividends				
	1Q end	2Q end	3Q end	Year end	Total
	¥	¥	¥	¥	¥
Fiscal year ended March 31, 2016	-	20.0	-	20.0	40.0
Fiscal year ending March 31, 2017	-				
Fiscal year ending March 31, 2017(Forecast)		20.0	-	20.0	40.0

(Note) Revisions to dividend forecasts published most recently: None

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

(Note) Revisions to financial forecasts published most recently: None

* Notes to the Consolidated Financial Statements

(1) Transfers of important subsidiaries during the current quarterly consolidated cumulative period (changes in designated subsidiaries due to a change in the scope of consolidation): None

New – Company (company name), Eliminated – Company (company name)

(2) Application of special accounting treatments for the creation of the quarterly consolidated financial statements: None

(3) 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

(4) Shares issued (common stock)

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

As of June 30, 2016 69,430,069 shares

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

(ii) Treasury shares as of term-end

As of June 30, 2016 3,813,683 shares

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

(iii) Average shares during fiscal year (quarterly cumulative total)

Three months ended June 30, 2016 65,602,547 shares

Three months ended June 30, 2015 65,571,828 shares

*Notations concerning implementation status of quarterly review procedures

This summary of quarterly financial results is not applicable to quarterly review procedures stipulated in the Financial Instruments and Exchange Law and review procedures for quarterly financial statements required in accordance with the Financial Instruments and Exchange Law has not been completed at the time of disclosure of this summary of quarterly financial results.

*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. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	50,941	54,566
Notes and accounts receivable - trade	35,113	38,265
Securities	11,395	9,289
Merchandise and finished goods	12,451	14,160
Work in process	865	876
Raw materials and supplies	13,578	13,892
Others	7,042	5,681
Allowance for doubtful accounts	-54	-61
Total current assets	131,335	136,670
Non-current assets		
Property, plant & equipment		
Buildings and structures, net	22,489	22,269
Machinery, equipment and vehicles , net	28,379	27,845
Land	15,711	15,750
Construction in progress	12,025	11,813
Others,net	3,972	3,926
Total property, plant and equipment	82,577	81,605
Intangible assets		
Others	4,053	4,709
Total intangible assets	4,053	4,709
Investments and other assets		
Investment securities	37,922	38,385
Real estate for investment, net	12,402	12,394
Others	6,735	6,455
Allowance for doubtful accounts	-52	-50
Total investments and other assets	57,008	57,184
Total non-current assets	143,639	143,499
Total assets	274,974	280,170

(Unit: ¥ million)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,396	33,190
Short-term loans payable	5,218	5,245
Current portion of long-term loans payable	501	478
Accrued expenses	25,107	24,103
Income taxes payable	2,179	2,062
Provision for sales promotion expenses	1,675	1,632
Provision for directors' bonuses	41	-
BIP stock benefit allowance	56	-
ESOP distribution allowance	1,366	1,417
Others	12,253	10,321
Total current liabilities	76,795	78,451
Long-term liabilities		
Long-term loans payable	501	239
Net defined benefit liability	10,927	10,912
Others	7,598	7,751
Total long-term liabilities	19,027	18,903
Total liabilities	95,822	97,355
Net assets		
Shareholders' equity		
Capital stock	7,773	7,773
Capital surplus	7,816	7,860
Retained earnings	155,190	159,435
Treasury shares	-6,811	-6,721
Total shareholders' equity	163,968	168,348
Other comprehensive income		
Valuation difference on available-for-sale securities	7,949	8,326
Foreign currency translation adjustment	2,646	1,403
Remeasurements of defined benefit plans	-973	-888
Total other comprehensive income	9,623	8,841
Non-controlling interests	5,560	5,626
Total net assets	179,151	182,815
Total liabilities and net assets	274,974	280,170

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	April 1, 2015- June 30, 2015	April 1, 2016- June 30, 2016
Net sales	85,167	88,747
Cost of sales	45,998	47,477
Gross profit	39,169	41,269
Selling, general and administrative expenses		
Transportation and warehousing expenses	7,794	7,770
Promotion expenses	10,561	10,615
Provision for sales promotion expenses	1,553	1,632
Advertising expenses	2,988	2,666
Retirement benefit expenses	237	266
ESOP distribution allowance allocation amount	-	51
Others	10,295	10,426
Total selling, general and administrative expenses	33,430	33,428
Operating income	5,739	7,840
Non-operating income		
Interest income	102	96
Dividend income	370	359
Others	392	357
Total non-operating income	866	814
Non-operating expenses		
Interest expenses	48	32
Foreign exchange loss	-	1,033
Others	97	126
Total non-operating expenses	146	1,192
Ordinary Income	6,459	7,462
Extraordinary income		
Gain on bargain purchase	-	313
Gain on redemption of investment securities	206	-
Total extraordinary income	206	313
Extraordinary losses		
Loss on step acquisitions	-	12
Total extraordinary losses	-	12
Income before income taxes and minority interests	6,666	7,763
Income taxes - current	1,129	2,015
Income taxes - deferred	781	-95
Total income taxes	1,910	1,920
Net income	4,755	5,843
(Breakdown)		
Net income attributable to owners of parent	4,537	5,558
Net income attributable to non-controlling interests	217	284
Other comprehensive income		
Valuation difference on available-for-sale securities	13	376
Foreign currency translation adjustment	91	-1,351
Remeasurements of defined benefit plans	51	85
Share of other comprehensive income of entities accounted for using equity method	-251	-96
Total other comprehensive income	-94	-986
Comprehensive income	4,660	4,856
(Breakdown)		
Comprehensive income attributable to owners of parent	4,378	4,776
Comprehensive income attributable to non-controlling interests	282	80

(Segment Information, etc.)

[Segment Information]

I. First three months of the Previous consolidated fiscal year(April 1, 2015- June 30, 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 quarterly consolidated P/L statement and statement of comprehensive income (Note 3)
	Confec- tionaries	Ice Cream	Food Products	Milk and Dairy Products	Food Ingre- dients	Subtotal				
Net sales										
Sales to third parties	27,872	21,613	5,022	26,225	2,869	83,603	1,564	85,167	-	85,167
Inter-segment sales and transfers	76	-	-	139	37	252	752	1,005	-1,005	-
Total	27,948	21,613	5,022	26,365	2,907	83,856	2,316	86,172	-1,005	85,167
Segment income	2,216	2,457	-28	1,322	160	6,128	-43	6,085	-345	5,739

(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 -345 million yen in segment income includes 241 million yen for the elimination of intersegment transactions and other adjustment amounts of -586 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 the quarterly consolidated P/L statement and statement of comprehensive income.

2. Impairment losses on fixed assets and information concerning goodwill, etc., for each reporting segment.

Not applicable.

II. First three months of the consolidated fiscal year under review (April 1, 2016- June 30, 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 quarterly consolidated P/L statement and statement of comprehensive income (Note 3)
	Confec- tionaries	Ice Cream	Food Products	Milk and Dairy Products	Food Ingre- dients	Subtotal				
Net sales										
Sales to third parties	28,464	25,213	4,283	24,509	2,797	85,268	3,478	88,747	-	88,747
Inter-segment sales and transfers	1	-	-	17	47	66	1,356	1,423	-1,423	-
Total	28,465	25,213	4,283	24,526	2,845	85,335	4,835	90,170	-1,423	88,747
Segment income or losses	3,131	3,113	-124	1,542	227	7,890	44	7,935	-95	7,840

(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 -95 million yen in segment income includes 251 million yen for the elimination of intersegment transactions and other adjustment amounts of -346 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 the quarterly consolidated P/L statement and statement of comprehensive income.

2. Impairment losses on fixed assets and information concerning goodwill, etc., for each reporting segment.

Omitted due to lack of significance.