

July 31, 2019

## Summary of Consolidated Financial Results (Japanese Accounting Standards) for the First Quarter of the Fiscal Year Ending December 31, 2019

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 5, 2019  
Scheduled commencement date of dividend payments: -  
Preparation of explanatory materials for financial results: Yes  
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 First Quarter of the Fiscal Year Ending December 31, 2019 (April 1, 2019 to June 30, 2019)

#### (1) Consolidated results of operations

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
June 30, 2019	89,028	0.6	5,263	(12.2)	6,375	(13.4)	4,107	(16.8)
June 30, 2018	88,484	(0.4)	5,995	(8.7)	7,358	(1.7)	4,937	(5.7)

(Note) Comprehensive Income: Three months ended June 30, 2019: ¥2,516 million [(57.8)%]  
Three months ended June 30, 2018: ¥5,960 million [(8.6)%]

	Earnings per share (basic)	Earnings per share (diluted)
Three months ended	¥	¥
June 30, 2019	62.96	-
June 30, 2018	75.06	-

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	¥ million	¥ million	%
As of June 30, 2019	345,681	216,115	60.4
As of March 31, 2019	348,452	220,853	61.4

(Reference) Shareholders' equity: As of June 30, 2019: ¥208,848 million  
As of March 31, 2019: ¥213,893 million

### 2. Dividend Status

	Annual dividends				
	1Q end	2Q end	3Q end	Year end	Total
	¥	¥	¥	¥	¥
Fiscal year ended March 31, 2019	-	25.00	-	35.00	60.00
Fiscal year ending December 31, 2019	-				
Fiscal year ending December 31, 2019 (Forecast)	-	30.00	-	30.00	60.00

## 3. Consolidated Performance Forecasts for the Fiscal Year Ending December 31, 2019 (April 1, 2019 - December 31, 2019)

(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	%	¥
2Q end (Cumulative)	190,000	2.2	11,500	(10.7)	12,500	(15.1)	7,800	(21.5)	118.52
Full year	292,000	-	16,200	-	17,600	-	12,000	-	182.34

(Note) The Company has changed its fiscal year end from March 31 to December 31 effective the fiscal year 2020 under approval of the proposed “Partial Amendment of Articles of Incorporation” that was held at the 114th Annual Shareholders Meeting on June 25, 2019. Due to this change, subsidiaries whose fiscal year end is already December 31, as their period for consolidated accounting will be as before, their fiscal year shall be from January 1, 2019 until December 31, 2019. Therefore, the percentages indicating year-on-year changes are not presented for the full year.

## \* 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) 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.: None

(ii) Changes in accounting practices other than (i): Yes

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(4) Number of shares issued (common stock)

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

As of June 30, 2019 69,414,469 shares

As of March 31, 2019 69,414,469 shares

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

As of June 30, 2019 4,538,179 shares

As of March 31, 2019 3,602,394 shares

(iii) Average number of shares during fiscal year

Three months ended June 30, 2019 65,245,149 shares

Three months ended June 30, 2018 65,783,885 shares

\* Quarterly summaries of financial results are exempt from review 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 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, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	103,601	92,182
Notes and accounts receivable - trade	40,128	43,806
Securities	1,645	3,661
Merchandise and finished goods	16,237	17,507
Work in process	768	815
Raw materials and supplies	14,106	14,268
Other	3,733	3,671
Allowance for doubtful accounts	(50)	(53)
Total current assets	180,171	175,860
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,659	41,549
Machinery, equipment and vehicles, net	35,019	36,687
Tools, furniture and fixtures, net	3,165	3,231
Land	15,584	15,599
Leased assets, net	615	546
Construction in progress	12,421	3,862
Total property, plant and equipment	99,465	101,477
Intangible assets		
Software	4,688	4,354
Goodwill	3,874	3,760
Other	914	1,351
Total intangible assets	9,477	9,466
Investments and other assets		
Investment securities	41,799	41,823
Retirement benefit asset	1,336	1,403
Real estate for investment, net	12,296	12,288
Other	3,959	3,415
Allowance for doubtful accounts	(53)	(53)
Total investments and other assets	59,338	58,877
Total non-current assets	168,281	169,820
Total assets	348,452	345,681

(Unit: ¥ million)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	33,831	38,444
Short-term loans payable	417	222
Accrued expenses	30,128	28,550
Income taxes payable	2,651	1,879
Provision for sales promotion expenses	2,448	2,529
Provision for bonuses for directors (and other officers)	38	-
Provision for share-based remuneration	44	-
Other	12,188	12,813
Total current liabilities	81,749	84,441
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	30,103	30,098
Long-term loans payable	220	131
Retirement benefit liability	5,286	5,394
Deferred tax liabilities	5,098	4,506
Other	5,140	4,993
Total non-current liabilities	45,849	45,124
Total liabilities	127,598	129,565
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,773	7,773
Capital surplus	8,999	8,999
Retained earnings	190,892	192,694
Treasury shares	(6,566)	(11,501)
Total shareholders' equity	201,098	197,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,551	10,315
Deferred gains or losses on hedges	73	(116)
Foreign currency translation adjustment	395	891
Remeasurements of defined benefit plans	(225)	(206)
Total accumulated other comprehensive income	12,794	10,883
Non-controlling interests	6,960	7,266
Total net assets	220,853	216,115
Total liabilities and net assets	348,452	345,681

## (2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	88,484	89,028
Cost of sales	46,403	46,590
Gross profit	42,081	42,437
Selling, general and administrative expenses		
Transportation and warehousing expenses	7,719	8,059
Promotion expenses	11,035	11,033
Provision for sales promotion expenses	1,812	2,529
Advertising expenses	3,797	3,858
Retirement benefit expenses	121	165
Other	11,599	11,528
Total selling, general and administrative expenses	36,086	37,174
Operating profit	5,995	5,263
Non-operating income		
Interest income	141	120
Dividend income	420	375
Foreign exchange gains	177	-
Subsidy income	512	548
Other	503	495
Total non-operating income	1,755	1,538
Non-operating expenses		
Interest expenses	3	0
Foreign exchange losses	-	86
Loss on abandonment of non-current assets	-	58
Loss on disposal of non-current assets	100	-
Other	289	279
Total non-operating expenses	392	426
Ordinary profit	7,358	6,375
Extraordinary losses		
Special retirement expenses	7	19
Business structure improvement expenses	4	75
Total extraordinary losses	11	95
Profit before income taxes	7,346	6,280
Income taxes - current	1,639	1,617
Income taxes - deferred	546	389
Total income taxes	2,186	2,006
Profit	5,160	4,274
Profit attributable to		
Profit attributable to owners of parent	4,937	4,107
Profit attributable to non-controlling interests	223	166
Other comprehensive income		
Valuation difference on available-for-sale securities	1,948	(2,236)
Deferred gains or losses on hedges	24	(189)
Foreign currency translation adjustment	(1,010)	662
Remeasurements of defined benefit plans, net of tax	(25)	18
Share of other comprehensive income of entities accounted for using equity method	(137)	(12)
Total other comprehensive income	799	(1,757)
Comprehensive income	5,960	2,516
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,846	2,195
Comprehensive income attributable to non-controlling	113	320

interests  
(Segment Information, etc.)  
[Segment Information]

I. Three months ended June 30, 2018 (April 1, 2018- June 30, 2018)

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

(Unit: ¥ million)

	Reportable Segment						Others (Note) 1	Total	Adjusted amount (Note) 2	Amounts indicated on quarterly consolidated financial statements (Note 3)
	Confec- tionaries and Food- Products	Ice Cream	Dairy	Food Ingredients	Overseas	Subtotal				
Net sales										
Sales to third parties	21,412	23,669	23,796	2,927	11,916	83,722	4,762	88,484	-	88,484
Inter-segment sales and transfers	199	60	43	51	-	355	869	1,225	(1,225)	-
Total	21,612	23,730	23,839	2,978	11,916	84,077	5,632	89,709	(1,225)	88,484
Segment profit	1,210	2,397	862	310	1,282	6,064	(182)	5,881	114	5,995

(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 negative ¥114 million in segment profit or losses includes ¥602 million for the elimination of intersegment transactions and other adjustment amounts of negative ¥488 million in companywide expenses not allocated to any reporting segment.
3. The total amount for segment income is adjusted based on the operating profit recorded for quarterly consolidated financial statements.

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

Not applicable.

II. Three months ended June 30, 2019 (April 1, 2019- June 30, 2019)

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

(Unit: ¥ million)

	Reportable Segment						Others (Note) 1	Total	Adjusted amount (Note) 2	Amounts indicated on quarterly consolidated financial statements (Note 3)
	Confec- tionaries and Food- Products	Ice Cream	Dairy	Food Ingredients	Overseas	Subtotal				
Net sales										
Sales to third parties	21,461	24,033	22,431	2,831	13,237	83,995	5,032	89,028	-	89,028
Inter-segment sales and transfers	187	31	21	60	-	301	1,323	1,625	(1,625)	-
Total	21,649	24,065	22,452	2,892	13,237	84,297	6,356	90,653	(1,625)	89,028
Segment profit	921	2,551	668	280	412	4,833	(125)	4,708	554	5,263

(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 negative ¥554 million in segment profit or losses includes ¥594 million for the elimination of intersegment transactions and other adjustment amounts of negative ¥39 million in companywide expenses not allocated to any reporting segment.
  3. The total amount for segment profit is adjusted based on the operating profit recorded for quarterly consolidated financial statements.
2. Impairment losses on fixed assets and information concerning goodwill, etc., for each reporting segment.  
Not applicable.

# **Supplementary Information**

For the Fiscal Year Ending December 31, 2019

Ezaki Glico Co.,Ltd.



1. Consolidated results of operations (Cumulative)

(1) Status of Net Sales and Profit Unit:1 million yen

	FYE Mar. '19 1Q Results	FYE Dec. '19 1Q Results	Change from previous period	
			Amount	%
Net sales	88,484	89,028	543	0.6
Operating profit	5,995	5,263	(731)	(12.2)
Ordinary profit	7,358	6,375	(982)	(13.4)
Profit	4,937	4,107	(829)	(16.8)

(2) Status of Net Sales by Geographic Segment Unit:1 million yen

	FYE Mar. '19 1Q Results	FYE Dec. '19 1Q Results	Change from previous period	
			Amount	%
Japan	76,568	75,791	(777)	(1.0)
China	6,975	7,282	306	4.4
Southeast Asia	3,155	3,729	574	18.2
Others	1,785	2,225	439	24.6
Total	88,484	89,028	89,028	0.6

\*Sales information is based on the geographical location of customers, and it is classified by country or region.

(3) Status of Operating Profit Unit:1 million yen

	FYE Mar. '19 1Q Results		FYE Dec. '19 1Q Results	
	Results	%	Results	%
Net sales	88,484	100.0	89,028	100.0
Cost of sales	46,403	52.4	46,590	52.3
Gross profit	42,081	47.6	42,437	47.7
Freight and charges	7,719	8.7	8,059	9.1
Sales promotion	12,847	14.5	13,563	15.2
Advertising expenses	3,797	4.3	3,858	4.3
Salaries and benefits	7,085	8.0	6,961	7.8
Expenses and depreciation	4,636	5.3	4,731	5.3
Total	36,086	40.8	37,174	41.8
Operating profit	5,995	6.8	5,263	5.9

Factors behind change in operating income	vs FYE Mar. '19 1Q Results	Of which, is domestic
(1) Change due increase/decrease in net sales	169	(221)
(2) Change due to fluctuation in composition of sales product varieties and other	(98)	2
(3) Change due to increase/decrease in raw materials prices	161	132
(4) Change due to fluctuation in freight and charges ratio	(293)	(298)
(5) Change due to increase/decrease in sales promotion ratio / advertising expenses	(698)	53
(6) Change due to increase/decrease in SG&A	28	471
Total	(731)	138

## (4) Status of Net Sales by Segment

Unit:1 million yen

	FYE Mar. '19 1Q Results	FYE Dec. '19 1Q Results	Change from previous period	
			Amount	%
Confectioneries and Food Products	21,412	21,461	49	0.2
(Of which, is confectioneries)	17,131	17,369	237	1.4
(Of which, is food products)	4,281	4,092	(188)	(4.4)
Ice Cream	23,669	24,033	364	1.5
Dairy	23,796	22,431	(1,364)	(5.7)
Food Ingredients	2,927	2,831	(95)	(3.3)
Overseas	11,916	13,237	1,320	11.1
Other	4,762	5,032	269	5.7
Total	88,484	89,028	543	0.6

## (5) Status of Operating Profit by Segment

Unit:1 million yen

	FYE Mar. '19 1Q Results	FYE Dec. '19 1Q Results	Change from previous period	
			Amount	%
Confectioneries and Food Products	1,210	921	(289)	(23.9)
(Of which, is confectioneries)	1,152	1,211	59	5.1
(Of which, is food products)	58	(290)	(348)	-
Ice Cream	2,397	2,551	153	6.4
Dairy	862	668	(194)	(22.5)
Food Ingredients	310	280	(30)	(9.7)
Overseas	1,282	412	(870)	(67.9)
Other	(182)	(125)	57	-
Adjustment	114	554	440	386.7
Total	5,995	5,263	(731)	(12.2)

&lt;Reference&gt;

The following rates have been used for currency conversion.

FYE Mar. '19 1Q Results	FYE Dec. '19 1Q Results
1CNY = 16.92YEN	1CNY = 16.37YEN
1THB = 3.40YEN	1THB = 3.48YEN
1USD = 106.24YEN	1USD = 110.46YEN

## 2. Consolidated financial position

Unit:1 million yen

	Mar. '19	June '19	Change		Mar. '19	June '19	Change
Total current assets	180,171	175,860	(4,310)	Total current liabilities	81,749	84,441	2,692
Cash and deposits	103,601	92,182	(11,418)	Notes and accounts payable-trade	33,831	38,444	4,612
Notes and accounts receivable-trade	40,128	43,806	3,677	Short-term loans payable	417	222	(194)
Inventories	31,112	32,591	1,478	Other	47,500	45,774	(1,726)
Other	5,328	7,280	1,951	Total non-current liabilities	45,849	45,124	(725)
Total non-current assets	168,281	169,820	1,539	Convertible bond-type bonds with share acquisition rights	30,103	30,098	(5)
Property, plant and equipment	99,465	101,477	2,011	Long-term loans payable	220	131	(89)
Intangible assets	9,477	9,466	(10)	Retirement benefit liability	5,286	5,394	108
Investment securities	41,799	41,823	23	Other	10,238	9,499	(739)
Real estate for investment	12,296	12,288	(8)	Total liabilities	127,598	129,565	1,966
Other	5,241	4,765	(476)	Total net assets	220,853	216,115	(4,737)
				Shareholders' equity	201,098	197,965	(3,132)
				Accumulated other comprehensive income	12,794	10,883	(1,911)
				Non-controlling interests	6,960	7,266	306
Total assets	348,452	345,681	(2,770)		348,452	345,681	(2,770)