

Business Overview

As a general food service equipment manufacturer, the Hoshizaki Group provides products and services around the world to resolve issues facing customers and society, aiming to realize its Purpose of a more comfortable and efficient eating environment.

The Group is using its unique technologies to expand its portfolio of high-quality products, such as ice makers, commercial refrigerators, dishwashers, dispensers, cooking devices, hygiene management equipment, etc. as well as enhancing domestic sales networks and strengthening the global business operations by merging and acquiring overseas companies.

Product category

Main products

Ice makers

In 1964, Hoshizaki developed Japan's first fully automatic ice makers, establishing Hoshizaki's solid foundation. In 2024, Hoshizaki launched sales of ice makers using natural refrigerants (see p. 03) in the Japanese market and has been gradually expanding the product lineup. The products are highly capable of making ice, durable, and user-friendly, have excellent energy-saving performance, and are being developed overseas as a main product for the Group.



- Cube ice maker
- Cubelet ice maker
- Flake ice maker
- Pecial shape ice makers, etc.

Commercial refrigerators

In 1972, the Group started the sale of refrigerators based on the cooling technology developed in ice makers. In 2005, the Group launched the industry's first* inverter-controlled commercial refrigerator. In the Japanese market, the Group also began the sale of refrigerators using natural refrigerants in 2022 and announced a switch to such refrigerators for a full lineup by 2024, striving to provide energy-saving and eco-friendly products. *Based on internal research



- Commercial refrigerator
- Undercounter refrigerator/freezer
- Glass door refrigerator
- High humidity refrigerator
- Walk-in refrigerator/freezer, etc.

Dishwashers

Although production was temporarily discontinued following development of a dishwasher in 1973, the Group resumed the production of dishwashers in 1981, identifying the growth of the restaurant industry and need for improvement in operational efficiency and labor saving. The product is recognized for its high ability and speed of washing that can only come from a commercial-use machine. It also reduced environmental burdens by saving water, etc. In addition, the Group's undercounter dishwasher (in 2023) and compact dishwasher (in 2024) won the Good Design Award.



- Dishwashers
- Rack-conveyor dishwasher
- Warewasher, etc.

Dispensers

Hoshizaki handled tea servers using tea leaves developed in 1973, as well as cubelet ice dispensers using ice maker technology and draft beer dispensers. The tea dispenser using powdered tea leaves (in 2009) and the cubelet ice dispenser (in 2021) won the Good Design Award.



- Cubelet ice dispenser
- Draft beer dispenser
- Tea dispenser
- Liquid dispenser
- Carbonated drink dispenser, etc.

Other products

We provide systems and solutions meeting customers' needs, including cooking devices such as steam convection ovens, as well as hygienic control using electrolyzed water.



- Water electrolyzer
- Induction cooker
- Steam convection oven
- Blast chillers and shock freezer
- Dual-temperature food service cart
- Reheating food service cart
- Liquid freezers
- Vacuum packer
- Sushi display case
- Deep freezers
- Supplies, etc.

Maintenance/Repair

In addition to product sales, the complete service system for maintenance and repair has been in place to ensure that products can be used with peace of mind. Maintenance/repair has contributed to stabilizing revenue, accounting for approximately 15% of consolidated net sales.



- Maintenance contracts
- Periodic inspection/maintenance
- Recovery of CFCs/HCFCs/HFCs
- Repair parts supply, etc.

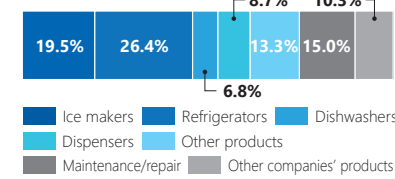
Other companies' products

Based on the Purpose, "we present innovative proposals for a more comfortable and efficient eating environment and offer responsive, high quality services," we are selling other companies' products in response to customers' needs.

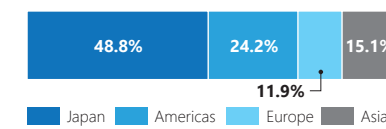


- Gas equipment
- Kitchen sinks
- Kitchen work tables
- Kitchen shelves, etc.

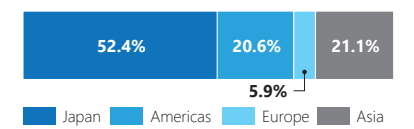
Composition of net sales by product



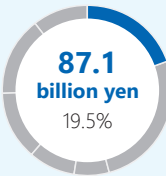
Composition of net sales by region



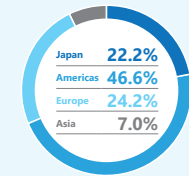
Composition of operating profit before adjustment by region



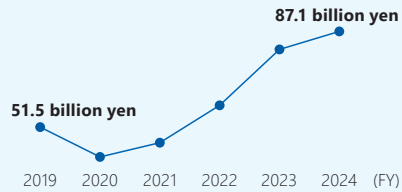
Composition of net sales



Ratio of net sales by region

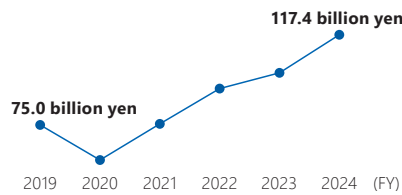
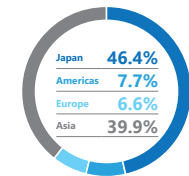
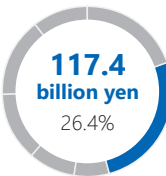


Changes in net sales

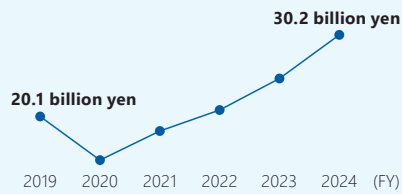
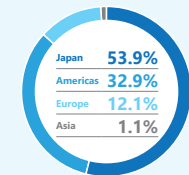
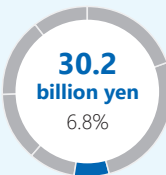


Business overview

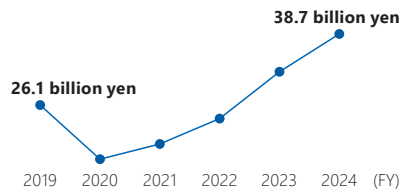
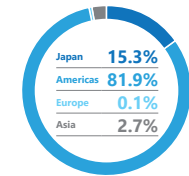
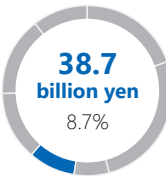
In 2024, the strong performance in Japan due to an increase in inbound demand and the business performance of Hoshizaki America contributed significantly to net sales increasing by 8.2% compared to the previous fiscal year. The competition in the ice maker business is limited, but the Group's market share both in Japan and globally is top-class.



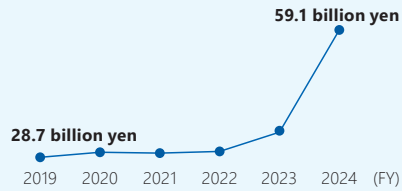
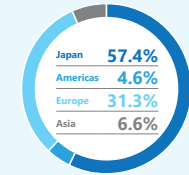
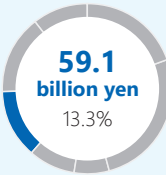
In 2024, the strong performance in Japan due to an increase in inbound demand and by Western in India, with the effects of market growth, contributed to net sales increasing by 18.0% compared to the previous fiscal year. Hoshizaki boasts a top-class share of the domestic market, and growth overseas is also expanding. Coordination between Group companies in Europe will also be strengthened, and we are aiming to develop the volume zone of the market.



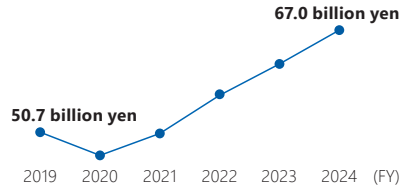
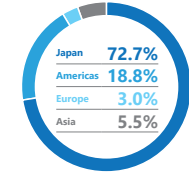
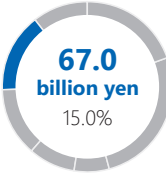
Dishwashers are being manufactured and sold in Japan and mainly by Jackson in the Americas. In 2024, an increase in sales due to the rising need for labor-saving products to address labor shortages, particularly in Japan, among other factors contributed to sales increasing by 21.4% compared to the previous fiscal year.



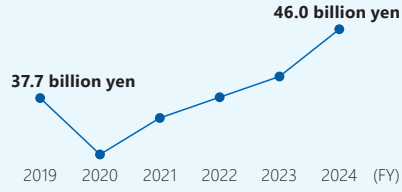
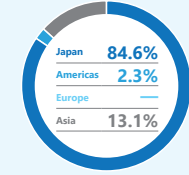
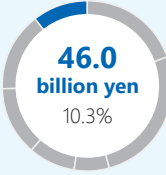
Dispensers are being manufactured and sold in Japan and mainly by Lancer in the Americas. In 2024, an increase in the sales of beverage dispensers to customers, mainly major beverage manufacturers overseas, contributed to net sales increasing by 20.8% compared to the previous fiscal year.



In 2024, with the contribution from Öztiryakiler (an equity method affiliate since 2019 and consolidated since 2024) of Türkiye, which manufactures and sells food service equipment, net sales increased by 69.9% compared to the previous fiscal year. In Japan, products contributing to labor-saving are being offered, and steam convection ovens, dual-temperature food service carts, etc., are contributing to the performance.



Net sales in 2024 rose by 8.8% compared to the previous fiscal year. There are roughly 430 sales offices in Japan, and we are expanding our own service business through the acquisition of sales channels overseas, such as in Southeast Asia. In Japan, we will also place emphasis on creating new services using IoT and supporting the efficient operations of our customers.

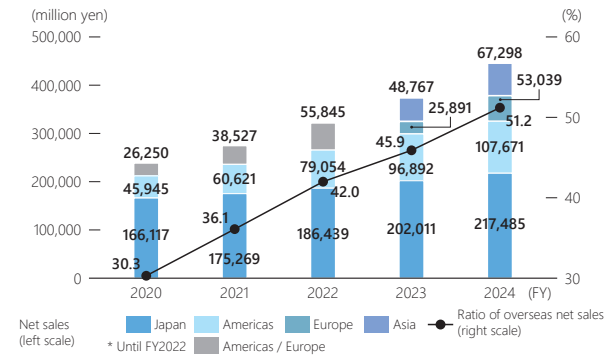


For the new construction and renovation of largescale projects down to those for individual shop owners, we make proposals and accept orders for full kitchens that include products outside of the company's manufacturing lineup.

Financial/ESG Information Highlights

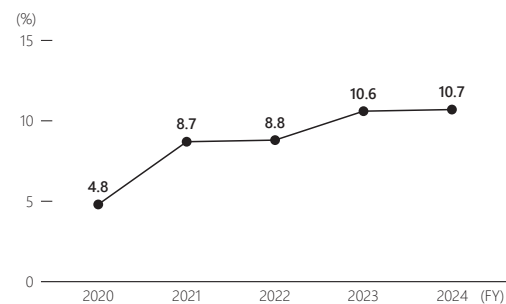
Financial Information Highlights

► Net Sales by Region and Ratio of Overseas Net Sales



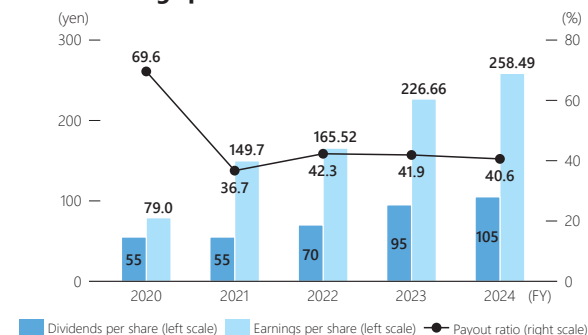
The consolidated net sales were 445.4 billion yen, up by 19.3% year-on-year. The domestic net sales rose by 7.7% year-on-year to 217.4 billion yen, while the overseas net sales significantly grew to 228.0 billion yen, up 32.9% year-on-year (up 11.1% year-on-year in the Americas, up 104.9% year-on-year in Europe, and up 38.0% year-on-year in Asia). As a result, the ratio of overseas net sales was 51.2% (up 5.3 points year-on-year), hitting a record high.

► Consolidated ROE (see p. 11)



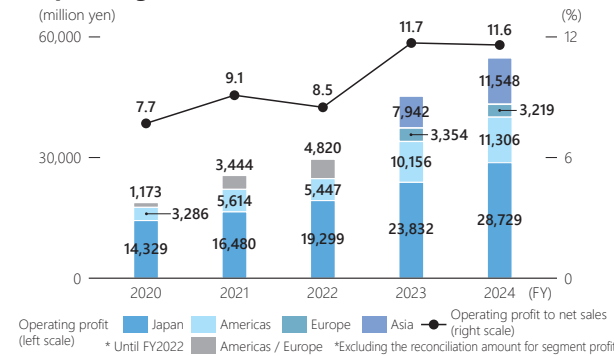
Consolidated ROE increased to 10.7% (up 0.1 points year-on-year). This is because while profit attributable to owners of parent grew by 13.2% year-on-year to 37.1 billion yen due to the recovery in operating profit and other factors, the average net assets over the past two years increased by only 14.4% year-on-year to 357.8 billion yen.

► Annual Dividends per Share, Payout Ratio, and Earnings per Share



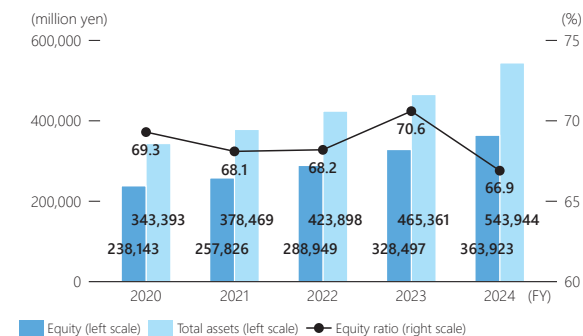
Annual dividends per share were 105 yen, a 10 yen increase year-on-year, and the payout ratio was 40.6%. For the shareholder return policy, we will provide a shareholder return that is proportionate to profit growth, with a target of at least 40% in total payout ratio, while trying to maintain continuous and stable dividends. We performed a two-for-one stock split of common shares on July 1, 2022, and retroactively adjusted the dividends per share and earnings per share.

► Operating Profit by Region and Operating Profit to Net Sales



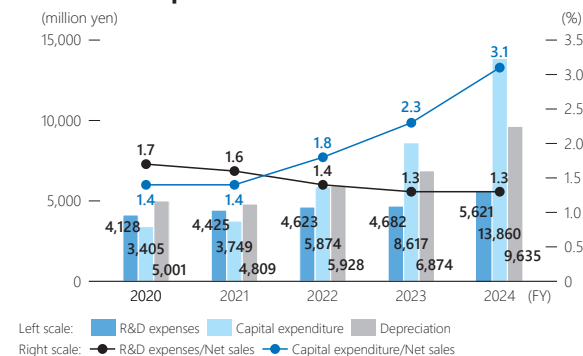
The consolidated operating profit was 51.4 billion yen, up 18.3% year-on-year, and operating profit to net sales was 11.6% (down 0.1 points year-on-year). The domestic operating profit was 28.7 billion yen, up 20.5% year-on-year, and the overseas operating profit was 26.1 billion yen, up 22.2% year-on-year. Accordingly, the domestic operating profit to net sales was 13.2% (up 1.4 points year-on-year), and overseas operating profit to net sales was 11.4% (down 1.0 point year-on-year).

► Total Assets, Equity, and Equity Ratio



The equity ratio was 66.9% (down 3.7 points year-on-year). The total assets increased to 543.9 billion yen, up by 16.9% from the end of the previous fiscal year with the increase in the working capital caused by the recovery of business results. The equity was 363.9 billion yen, up by 10.8% from the end of the previous fiscal year. Cash and deposits at the end of the fiscal year reached 239.0 billion yen (43.9% of total assets), decreasing by 15.4 billion yen from the end of the previous fiscal year.

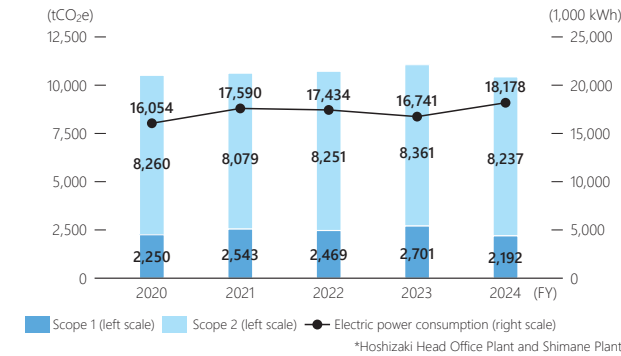
► Capital Expenditure, Depreciation, and R&D Expenses



The capital expenditure increased by 5.2 billion yen year-on-year to 13.8 billion yen (capital expenditure/net sales at 3.1%). Depreciation increased by 2.7 billion yen year-on-year to 9.6 billion yen. The R&D expenses remained flat at 5.6 billion yen (R&D expenses/net sales at 1.3%), showing a stable growth. The major capital expenditures were the rationalization and renewal of production facilities in Japan and overseas and the construction of a new warehouse in the USA.

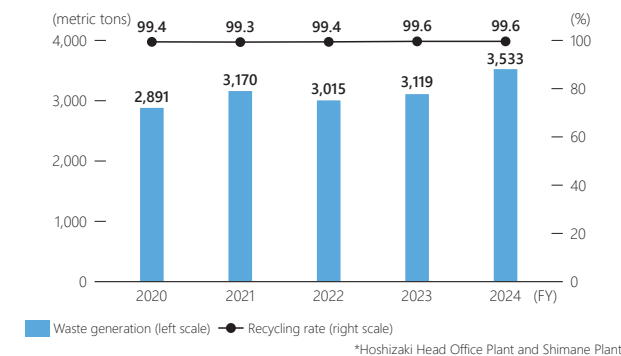
ESG Information Highlights

► CO₂ Emissions and Electric Power Consumption at Domestic Locations



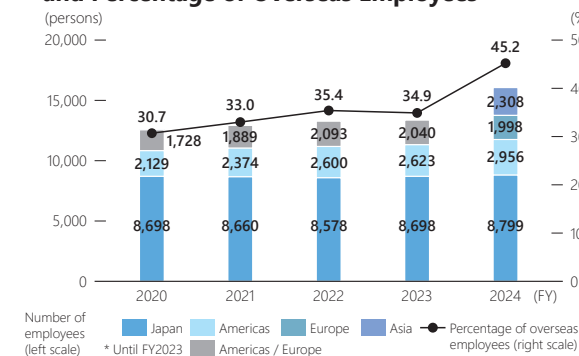
CO₂ emissions at domestic locations (Scope 1 and 2) were 10,429 tCO₂e, down 5.7% year-on-year. Electric power consumption was 18,178,000 kWh, up by 8.6% year-on-year due to the increase in the supply of components for use overseas. However, emissions were lower than in the previous fiscal year because of the introduction of solar power and a decrease in the CO₂ emission factor of the electricity retailer.

► Waste Generation and Recycling Rate at Domestic Locations



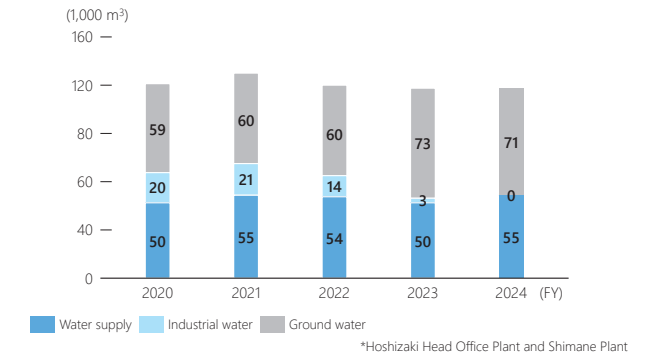
The waste generated at domestic locations increased by 13.2% year-on-year to 3,533 metric tons. Although the rate increased year-on-year due to an increase in the production volume, by promoting the separation and recycling of waste, the waste recycling rate reached 99.6%, almost reaching 100%.

► Number of Employees of Consolidated Companies, Number of Employees by Region, and Percentage of Overseas Employees



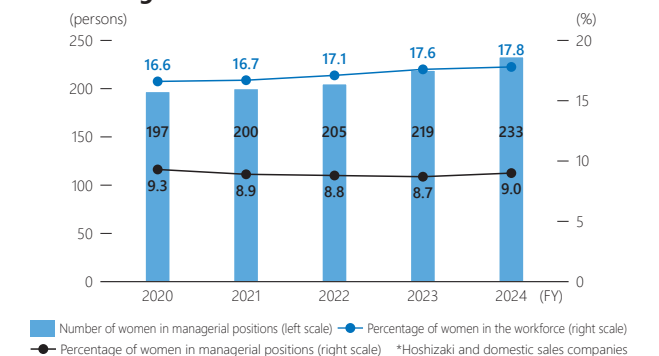
The number of employees of 60 consolidated Group companies is 16,061, up 20.2% year-on-year. The number of overseas employees increased by 2,266 in Europe and Asia and 333 in the Americas.

► Water Intake at Domestic Locations



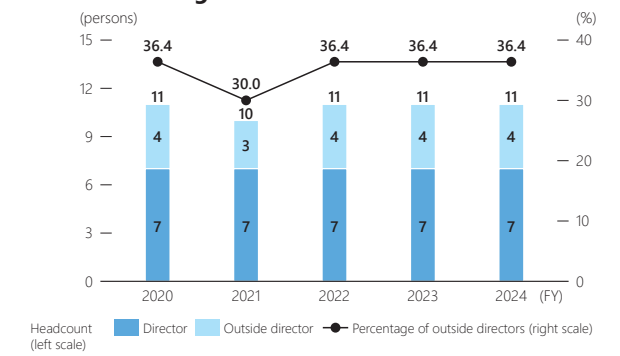
The water intake at domestic locations was 126,000 m³, the same level as in the previous year. Even as the production volume increased, we were able to lower the water intake with the success of initiatives undertaken to raise productivity.

► Number and Percentage of Women in Managerial Positions and in the Workforce



The total number of employees of Hoshizaki Corporation and domestic sales companies is 7,787. Of these, 1,385 are employees who are women, and the percentage of which increased by 1.2 points from five years ago to 17.8%. In addition, the number of women in positions at or above assistant manager level is 233, increasing by 36 from five years ago. The percentage of women in positions at or above assistant manager level also increased to 9.0%.

► Numbers of Directors and Outside Directors, and Percentage of Outside Directors



There are four outside directors out of 11 directors. The percentage of outside directors is 36.4%, fulfilling the requirement of the corporate governance code stipulated by the Tokyo Stock Exchange (one-third or more).

Financial Data in Past Eleven Years

Unit: Million yen

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Business Performance	Net sales	233,252	260,174	265,548	282,215	292,774	290,136	238,314	274,419	321,338	373,563	445,495
	Cost of sales	142,161	159,319	161,918	173,849	182,224	180,671	149,261	174,727	209,642	237,501	279,046
	Gross profit	91,090	100,854	103,630	108,365	110,549	109,464	89,053	99,691	111,695	136,062	166,449
	Selling, general and administrative expenses	64,106	69,135	69,054	72,299	74,103	76,799	70,605	74,760	84,317	92,541	114,969
	Operating profit	26,984	31,719	34,575	36,065	36,446	32,664	18,447	24,931	27,378	43,520	51,479
	Ordinary profit	31,235	30,864	34,140	37,086	36,372	34,224	17,420	31,165	37,226	50,322	57,823
	Profit before income taxes	26,678	29,077	33,737	35,302	36,090	34,263	17,288	31,231	34,095	48,378	55,291
	Profit attributable to owners of parent	15,011	16,971	21,430	23,144	25,717	24,437	11,442	21,679	23,977	32,835	37,170
	Earnings per share (Yen)*	207.65	234.47	295.95	319.62	355.14	337.45	158.00	299.35	165.52	226.66	258.49
Key financial indicators	Operating profit to net sales (%)	11.6	12.2	13.0	12.8	12.4	11.3	7.7	9.1	8.5	11.7	11.6
	Gross profit to net sales (%)	39.1	38.8	39.0	38.4	37.8	37.7	37.4	36.3	34.8	36.4	37.4
	Net income to net sales (%)	6.4	6.5	8.1	8.2	8.8	8.4	4.8	7.9	7.5	8.8	8.3
	ROA (%)	5.9	6.2	7.4	7.3	7.7	6.9	3.3	5.7	5.7	7.1	6.8
	ROE (%)	9.7	10.1	11.9	11.9	12.0	10.6	4.8	8.7	8.8	10.6	10.7
	Total assets turnover (Times)	0.91	0.95	0.92	0.89	0.87	0.82	0.69	0.73	0.76	0.80	0.82
Revenue breakdown by region	Japan	159,416	170,010	176,158	186,621	191,239	189,953	166,117	175,269	186,439	202,011	217,485
	Americas	51,377	62,370	60,868	65,415	65,564	63,916	45,945	60,621	79,054	96,892	107,671
	Europe	Combined total for Europe and Asia up to FY2022	27,792	28,521	30,179	35,970	36,265	26,250	38,527	55,845	25,891	53,039
	Asia										48,767	67,298
	Total	233,252	260,174	265,548	282,215	292,774	290,136	238,314	274,419	321,338	373,563	445,495
	Ratio of overseas net sales (%)	31.6	34.6	33.6	33.8	34.7	35.3	30.8	36.1	42.0	45.9	51.2
Net sales by product	Ice makers	40,379	46,203	46,563	49,578	51,007	51,528	40,491	45,725	59,689	80,455	87,090
	Refrigerators	59,359	66,220	68,474	71,471	76,306	75,038	58,564	75,528	92,153	99,514	117,435
	Dishwashers	15,337	17,646	17,760	23,716	21,387	20,104	14,723	18,300	20,980	24,836	30,162
	Dispensers	27,134	32,320	30,016	29,379	28,744	26,139	16,530	19,243	23,798	32,045	38,725
	Other companies' products	27,958	30,713	31,932	33,512	37,620	37,799	30,986	35,321	37,892	40,337	46,008
	Maintenance/Repair	39,757	42,874	44,865	47,132	49,560	50,763	47,072	50,579	56,631	61,620	67,018
	Other products	23,326	24,194	25,935	27,424	28,146	28,763	29,946	29,721	30,192	34,754	59,053
Financial position	Total assets	256,412	273,655	289,967	315,981	334,879	351,887	343,393	378,469	423,898	465,361	543,944
	Net assets	164,533	176,545	187,179	206,900	223,510	242,038	239,711	259,862	292,500	332,937	382,677
	Equity	162,835	173,864	185,573	204,967	222,238	240,531	238,143	257,826	288,949	328,497	363,923
	Net cash	129,334	147,854	162,641	186,655	204,103	214,203	216,508	239,966	224,168	251,792	229,981
	Equity ratio (%)	63.5	63.5	64.0	64.9	66.4	68.4	69.3	68.1	68.2	70.6	66.9
	Net assets per share (Yen)*	2,250.99	2,400.96	2,562.66	2,830.48	3,068.86	3,321.31	3,288.35	3,559.85	1,994.67	2,267.49	2,558.12
Dividends	Dividends per share (Yen)	25	30	35	35	40	55	55	55	70	95	105
	Total cash dividends	3,616	4,344	5,069	5,069	5,793	7,966	7,966	7,966	10,140	13,762	15,000
	Payout ratio (%)	24.1	25.6	23.7	21.9	22.5	32.6	69.6	36.7	42.3	41.9	40.6
Capital expenditure, etc.	Capital expenditure	4,529	5,482	6,387	5,827	4,246	5,216	3,405	3,749	5,874	8,617	13,860
	Depreciation	5,343	5,631	4,892	5,104	5,122	4,643	5,001	4,809	5,928	6,874	9,635
	R&D expenses	3,862	3,894	3,906	4,000	4,130	4,232	4,128	4,425	4,623	4,682	5,621
Cash flows	Cash flows from operating activities	22,002	30,424	30,611	34,877	30,203	30,455	20,734	27,343	5,170	37,698	47,344
	Cash flows from investing activities	(21,888)	(11,306)	(34,865)	(34,066)	16,478	29,645	(1,229)	5,238	1,941	3,286	(37,373)
	Free cash flow	114	19,118	(4,254)	811	46,681	60,100	19,505	32,581	7,111	40,984	9,971
	Cash flows from financing activities	(2,042)	(4,665)	(5,010)	(4,966)	(5,047)	(5,908)	(8,281)	(8,122)	(13,349)	(10,355)	(40,171)
	Cash and cash equivalents at end of period	51,769	64,822	53,733	49,906	89,256	142,803	148,833	181,615	186,669	227,072	214,391

* The Company conducted a stock split at a ratio of two-for-one stock with July 1, 2022 as the effective date. Net assets per share are calculated based on the assumption that the stock split took place at the beginning of FY2014.

Corporate and Stock Profiles

Corporate Profile (as of December 31, 2024)

Company Name: HOSHIZAKI CORPORATION
Address: Head Office 3-16 Sakae-cho Minamiyakata, Toyoake, Aichi, 470-1194, Japan
Phone: +81-(0)562-97-2111
Date of Founding: February 5, 1947
Exchange Listing: The Prime Market of Tokyo Stock Exchange and the Premier Market of Nagoya Stock Exchange
Paid-in Capital: ¥8,138 million
Business Description: Research, development, manufacture, sales and maintenance of food service equipment
Fiscal Year-end: December 31
Number of Employees: 16,061 (consolidated)
1,155 (non-consolidated)
Number of Consolidated Subsidiaries: 19 domestic 40 overseas (59 total)
Method Affiliate: 1 overseas



Global Network

(as of December 31, 2024)

Japan

- HOSHIZAKI CORPORATION (the Company)
- HOSHIZAKI SHONAN CO., LTD.
- HOSHIZAKI KITAKYU CO., LTD.
- HOSHIZAKI SALES CO., LTD.
- HOSHIZAKI HOKUSHINETSU CO., LTD.
- HOSHIZAKI NANKYU CO., LTD.
- HOSHIZAKI HOKKAIDO CO., LTD.
- HOSHIZAKI TOKAI CO., LTD.
- HOSHIZAKI OKINAWA CO., LTD.
- HOSHIZAKI TOHOKU CO., LTD.
- HOSHIZAKI KEIHAN CO., LTD.
- HOSHIZAKI HANSHIN CO., LTD.
- HOSHIZAKI KANTO CO., LTD.
- HOSHIZAKI CHUGOKU CO., LTD.
- HOSHIZAKI KANSAI CO., LTD.
- HOSHIZAKI SHIKOKU CO., LTD.
- HOSHIZAKI TOKYO CO., LTD.
- NESTOR CORPORATION
- SANSEI ELECTRIC CO., LTD.
- NAOMI Co., Ltd.

Europe

- Hoshizaki Europe Holdings B.V.
- HOSHIZAKI EUROPE LIMITED
- Hoshizaki Europe B.V.
- Brema Group S.p.A.
- Öztiryakiler Madeni Eşya Sanayi ve Ticaret Anonim Şirketi

Asia

- Western Refrigeration Private Limited
- HOSHIZAKI SOUTHEAST ASIA HOLDINGS PTE. LTD.
- HOSHIZAKI (THAILAND) LIMITED
- HOSHIZAKI MALAYSIA SDN. BHD.
- HOSHIZAKI SINGAPORE PTE LTD.
- HOSHIZAKI VIETNAM CORPORATION
- PT. HOSHIZAKI INDONESIA
- HOSHIZAKI PHILIPPINES CORPORATION
- TECHNOLUX EQUIPMENT AND SUPPLY CORPORATION

Americas

- HOSHIZAKI USA HOLDINGS, INC.
- HOSHIZAKI AMERICA, INC.
- Jackson WWS, Inc.
- LANCER CORPORATION
- HOSHIZAKI MACOM Ltda.
- Fogel Company Inc.

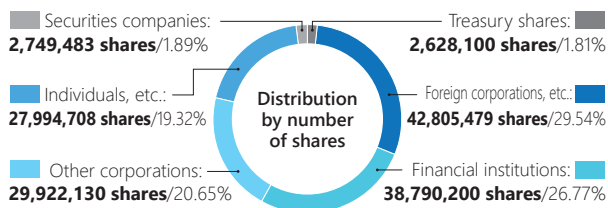
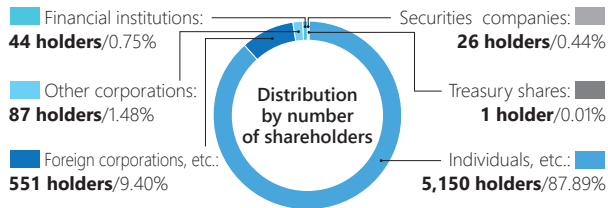
● Companies with manufacturing functions

Stock Profile (as of December 31, 2024)

Share status

Authorized number of shares: 500,000,000 shares
Total number of issued shares: 144,890,100 shares
Number of shareholders: 5,859

Distribution of shares

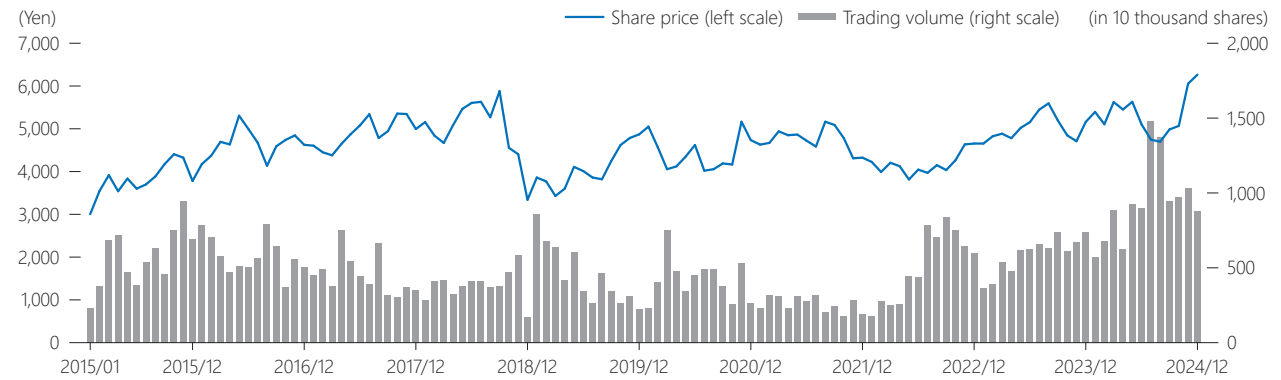


Major shareholders

Shareholder Name	Number of Shares Held (thousand shares)	Percentage Stake (%)
The Master Trust Bank of Japan, Ltd. (trust account)	19,485	13.69
Sakamoto Donation Foundation	12,406	8.72
Hoshizaki Green Foundation	11,900	8.36
JP MORGAN CHASE BANK 380055 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	8,978	6.31
Custody Bank of Japan, Ltd. (trust account)	6,649	4.67
Hoshizaki Group Employees Stock Ownership Plan	4,562	3.20
Hoshizaki Shinsei Foundation	3,398	2.38
State Street Bank and Trust Company 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	2,445	1.71
Miyuki Sakamoto	2,271	1.59
State Street Bank West Client Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	2,013	1.41

Notes 1. The Company holds 2,628,100 treasury shares but is not included in the above list of major shareholders.
2. Treasury shares were excluded in the calculation of the percentage stake figures.

Historical Share Prices and Trading Volume in the Past Decade (January 2015 to December 2024)



Share Price Performance Comparison (TSR (p. 34)/unit: %, including dividends)

	Past 1 year (December 2023 to December 2024)	Past 3 years (December 2021 to December 2024)	Past 5 years (December 2019 to December 2024)	Past 10 years (December 2014 to December 2024)
Hoshizaki	23.2	50.8	36.4	133.9
TOPIX	20.5	50.7	82.5	148.8
Machinery Index	22.8	49.6	91.0	146.7

ESG-Related External Recognition



FTSE Blossom
Japan Sector
Relative Index