



**Summary of Business Performance
for the Fiscal Year Ended December 31, 2020
~ The World's No. 1 Brand Across the Five Continents ~**

HOSHIZAKI CORPORATION
(Stock code: 6465 Tokyo Stock Exchange First Section
and Nagoya Stock Exchange First Section)

February 8, 2021

HOSHIZAKI

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I . Financial Results for FY 2020

HOSHIZAKI

Foreign Exchange Rates

	FY 2019 results		FY 2020 results		Forecast of FY 2020, Nov. 9th, 2020	
	Average of period	End of period	Average of period	End of period	Average of period	End of period
US dollar	109.0	109.5	106.7	103.5	107.0	107.0
Pound	139.1	143.4	137.0	139.8	136.3	136.3
Euro	122.0	122.5	121.8	126.9	121.5	121.5
Singapore dollar	79.9	81.0	77.4	78.0	77.3	77.3
Chinese yuan	15.7	15.6	15.4	15.8	15.4	15.4
Denmark krone	16.3	16.4	16.3	17.0	16.3	16.3
Taiwan dollar	3.5	3.6	3.6	3.6	3.6	3.6
Hong Kong dollar	13.9	14.0	13.7	13.3	13.8	13.8
Indian rupee	1.56	1.54	1.45	1.42	1.46	1.46
South Korean won	0.0937	0.0946	0.0907	0.0952	0.0899	0.0899
Brazilian real	27.6	27.1	20.9	19.9	20.8	20.8
Indonesian Rupiah	0.0077	0.0079	0.0074	0.0074	0.0074	0.0074
Thai Baht	3.5	3.6	3.4	3.4	3.4	3.4
Malaysia Ringgito	26.3	26.5	25.4	25.6	25.4	25.4
Viet Nam Dong	0.0047	0.0047	0.0046	0.0044	0.0046	0.0046
Philippine Peso	2.12	2.17	2.17	2.18	2.17	2.17



Summary of Financial Results for FY 2020

■ Sales: 238.3 billion yen (17.9% decreased year-on-year)

- Japan: 166.1 billion yen (12.5% decreased)
- Overseas: 72.1 billion yen (27.9% decreased) Overseas sales ratio: 30.3% (4.2pt decreased)
*Calculated based on reporting segments: "Americas" and "Europe and Asia"
- In Japan: Sales decreased due to the impact of the new coronavirus infections, despite the resumption of sales activities.
- In Overseas: Sales decreased in all segments due to the spread of new coronavirus infections.

■ Operating Income: 18.4 billion yen (43.5% decreased / Operating income percentage 7.7%)

- Japan: 14.3 billion yen (34.1% decreased / Operating income percentage 8.6%)
- Overseas: 4.4 billion yen (60.6% decreased / Operating income percentage 6.2%)
*Calculated based on reporting segments: "Americas" and "Europe and Asia"
- In Japan and Overseas: Implemented thorough cost reduction measures in response to the significant decline in profit caused by new coronavirus infections.

■ Ordinary Income: 17.4 billion yen (49.1% decreased)

- Foreign exchange losses of 2.3 billion yen from deposits in foreign currencies were recorded as non-operating expense.
(0.4 billion yen of foreign exchange losses were recorded in the previous fiscal year.)

■ Profit Attributable to Owners of Parent: 11.4 billion yen (53.2% decreased)



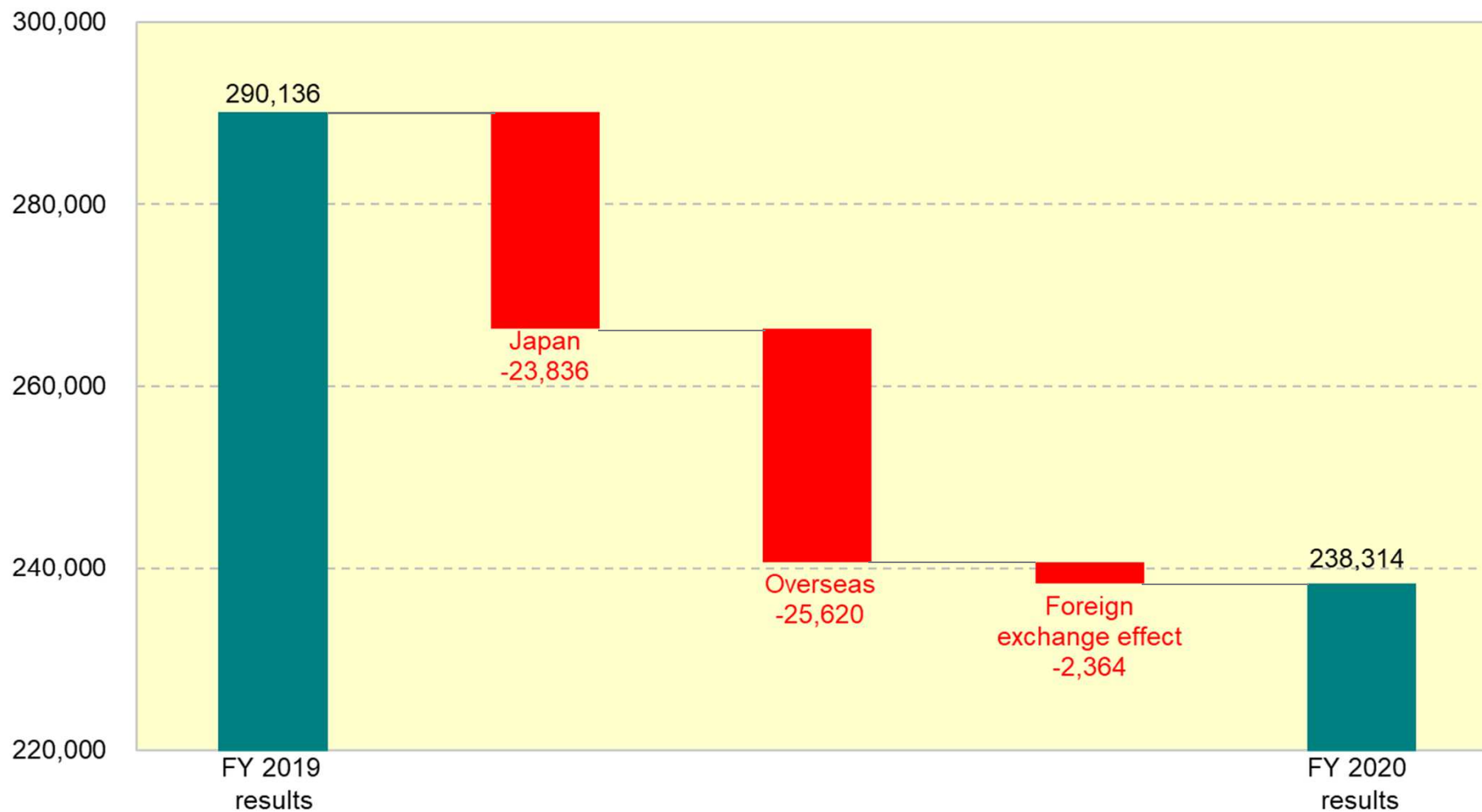
Consolidated Business Performance for FY 2020

	FY 2019 results		FY 2020 forecast Nov. 9th, 2020		FY 2020 results					
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year		Over forecast	
							Change (Millions of yen)	Percent age (%)	Change (Millions of yen)	Percentage (%)
Sales	290,136	100.0	235,000	100.0	238,314	100.0	-51,821	82.1	3,314	101.4
Cost of sales	180,671	62.3	147,500	62.8	149,261	62.6	-31,410	82.6	1,761	101.2
Gross profit	109,464	37.7	87,500	37.2	89,053	37.4	-20,410	81.4	1,553	101.8
Selling, general and administrative expenses	76,799	26.5	71,000	30.2	70,605	29.6	-6,194	91.9	-394	99.4
Operating income	32,664	11.3	16,500	7.0	18,447	7.7	-14,216	56.5	1,947	111.8
Ordinary income	34,224	11.8	16,000	6.8	17,420	7.3	-16,803	50.9	1,420	108.9
Profit attributable to owners of parent	24,437	8.4	11,000	4.7	11,442	4.8	-12,995	46.8	442	104.0

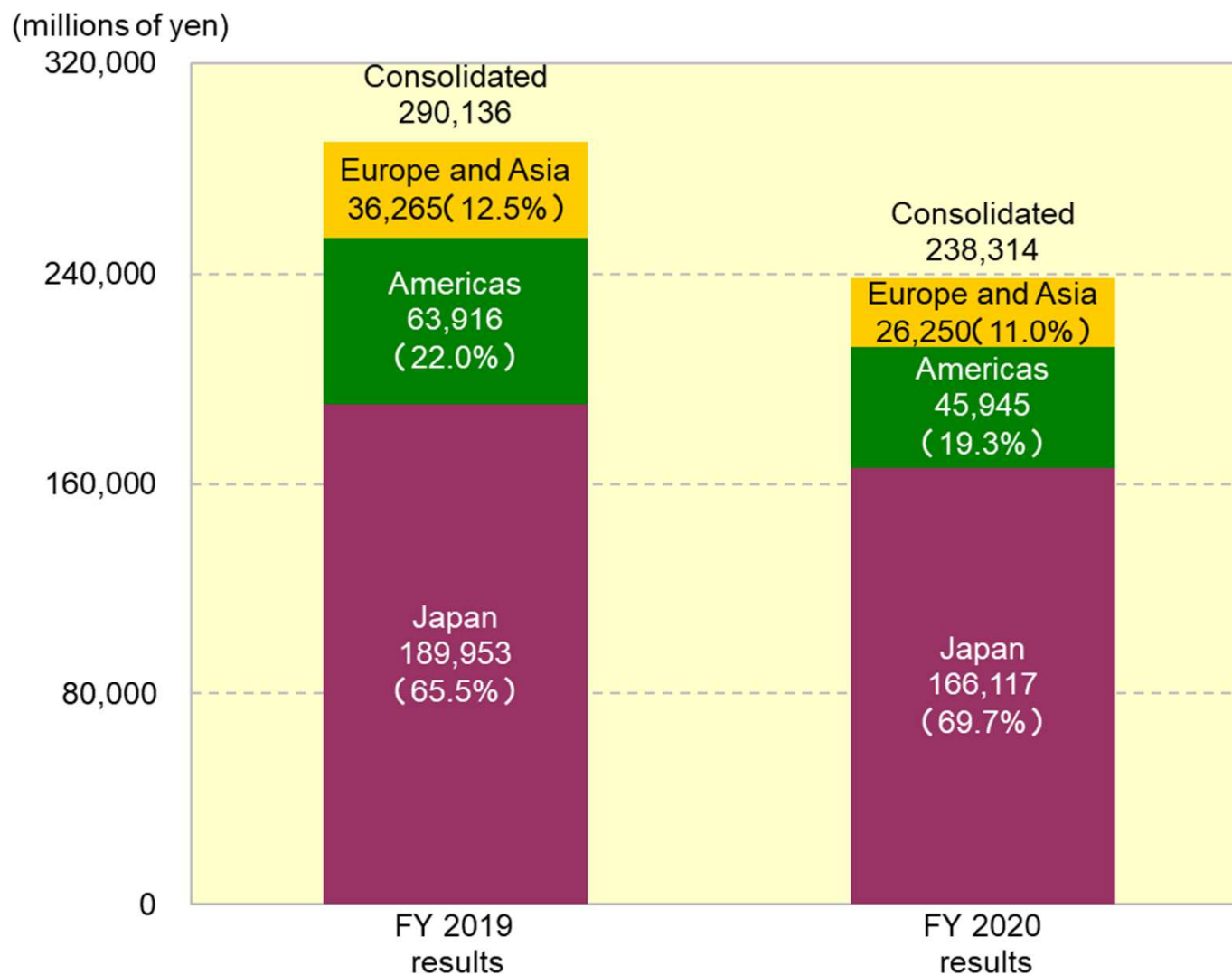


Factors for Change in Consolidated Sales by Japan and Overseas

(Millions of yen)



Year-on-Year Comparison of Sales by Reporting Segments



*Figures in parenthesis indicate component percentages.

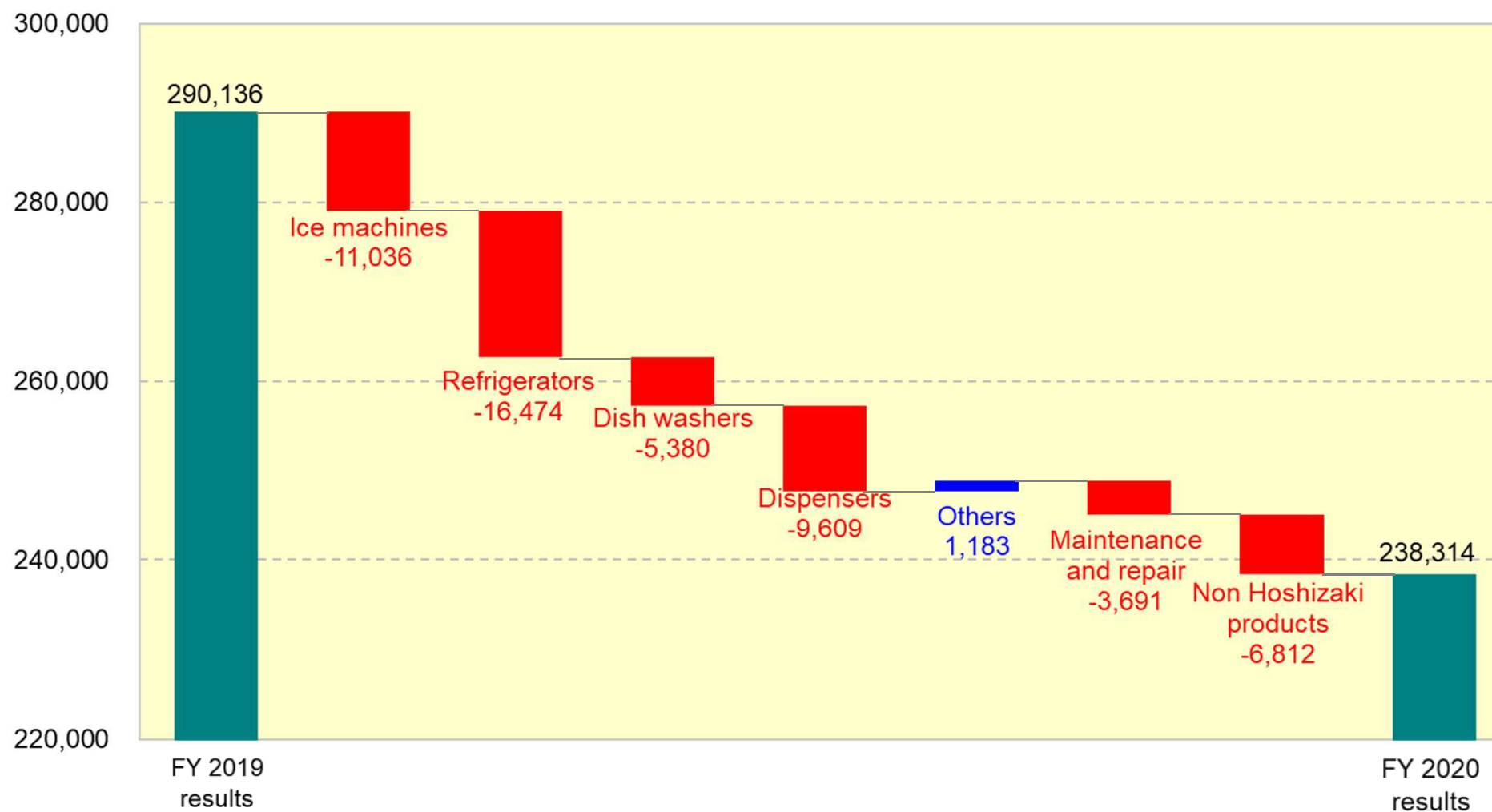
Classified according to the location of the head offices. (e.g. Lancer Europe is included in "Americas")

(This is a classification for internal management control, and we use the same classification for reporting segments in the quarterly report.)

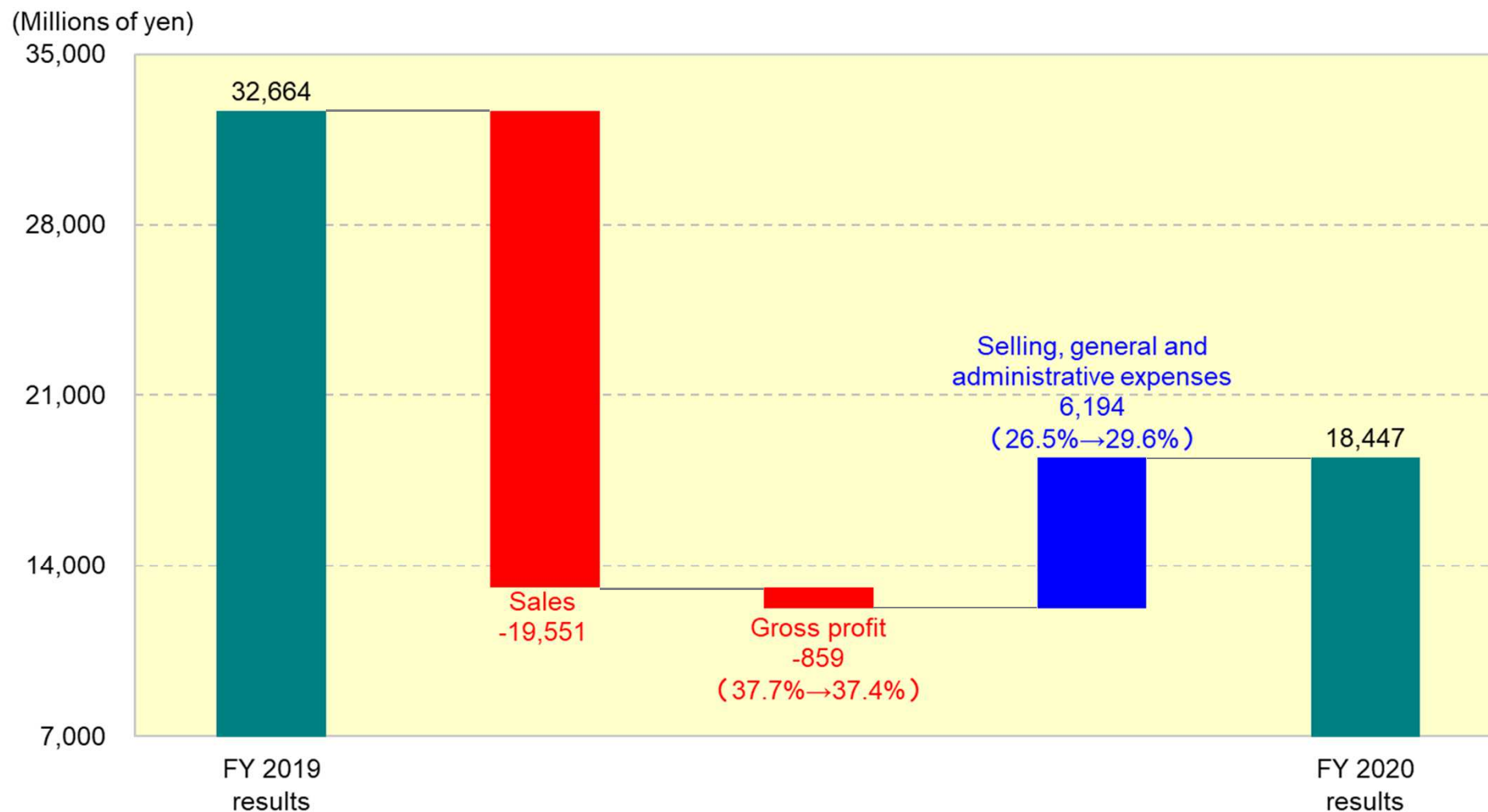


Factors for Change in Consolidated Sales by Product Groups

(Millions of yen)



Factors for Change in Consolidated Operating Income

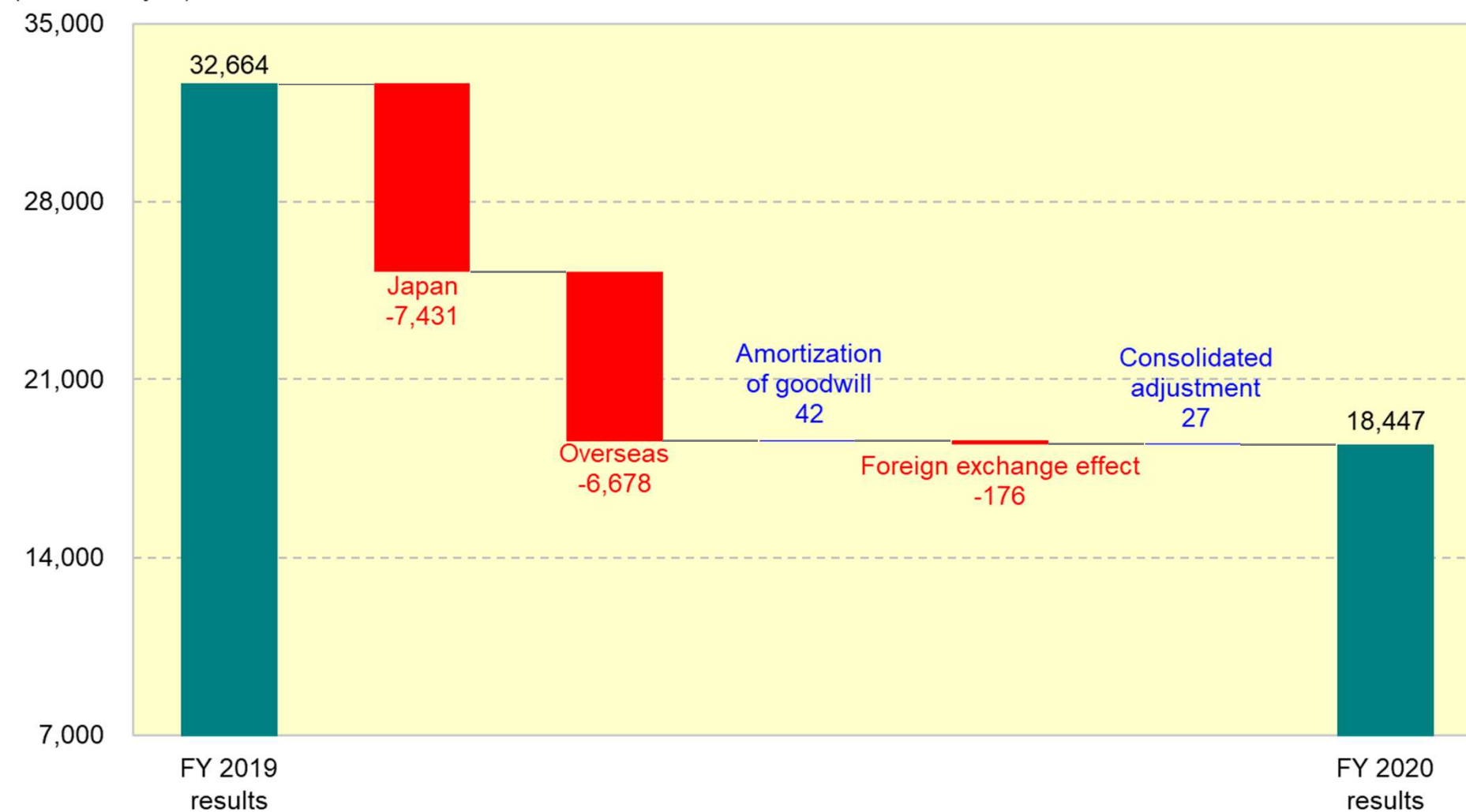


*Percentages in parenthesis indicates the ratio to sales.

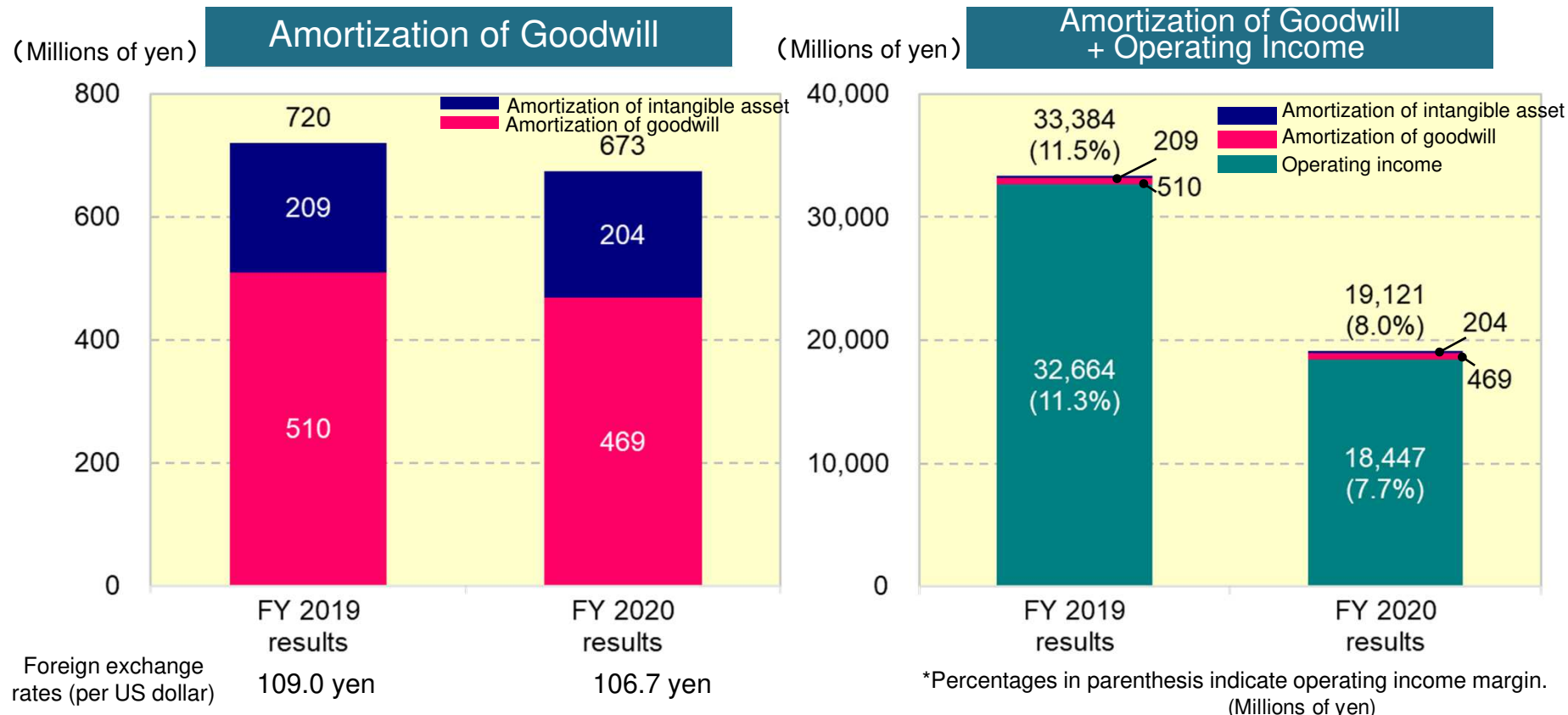


Factors for Change in Consolidated Operating Income by Japan and Overseas

(Millions of yen)



Impact of Goodwill Amortization



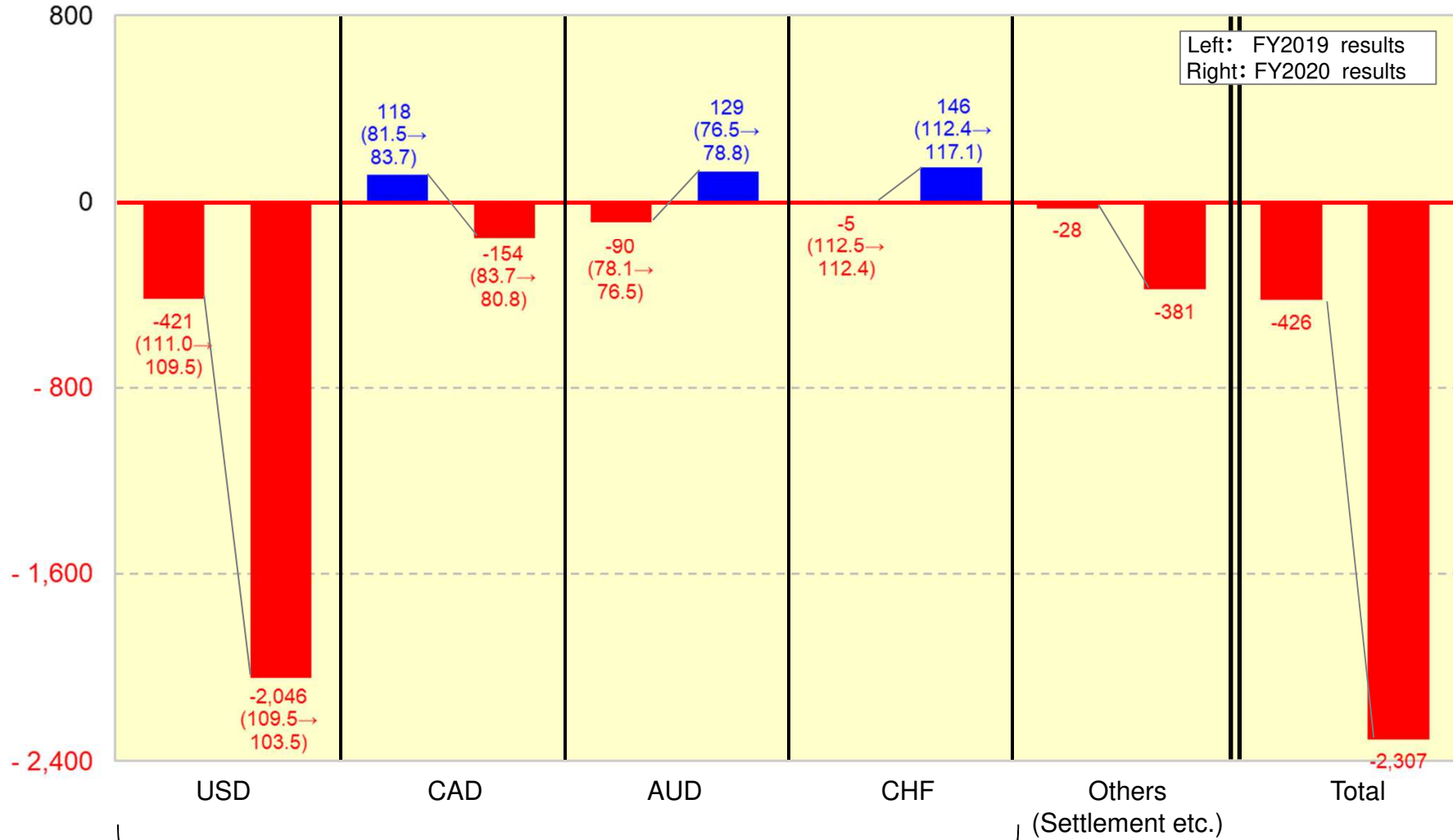
The recognition of goodwill and intangible assets		Amortization of goodwill and intangible assets impairment	
•LANCER	(Feb.2006 M&A : 17,451 Amortized over 10-year period)	•Macom	(in 2014 : 3,186)
•GRAM	(Sep.2008 M&A : 6,759 Amortized over 12-year period)		(in 2015 : 1,791)
•Western	(Jan.2013 M&A : 2,198 Amortized over 10-year period)	•GRAM	(in 2017 : 1,800)
•"	(" : 2,439 One-time amortization)		
•"	(" : 473 One-time amortization)		
•Jackson	(Jan.2013 M&A : 1,006 One-time amortization)		
•"	(" : 2,020 Amortized over 12-year period)		
•Macom	(Jul.2013 M&A : 6,690 Amortized over 15-year period)		

※The amount of goodwill and intangible assets are calculated using the foreign exchange rates at the time of the acquisitions



Breakdown of Foreign Exchange Gain and Loss

(Millions of yen)



* Figures in parenthesis indicate the movements of foreign exchange rates from the end of the previous FY to the end of the current FY.



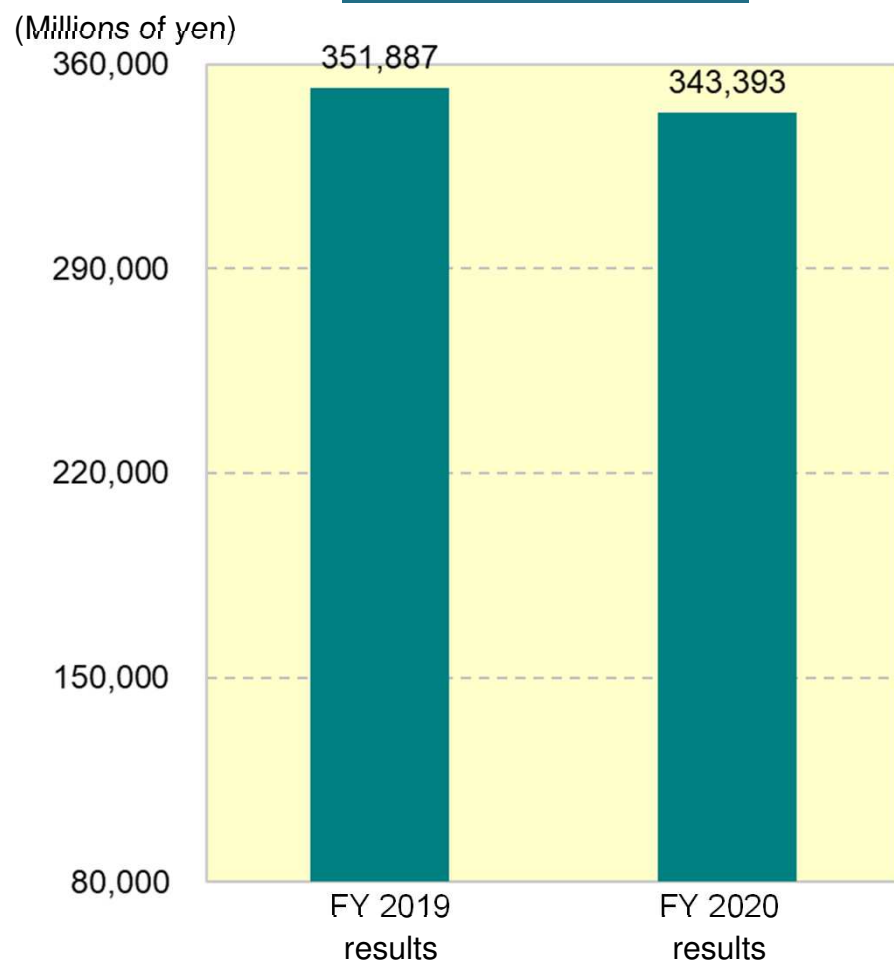
Consolidated Balance Sheet

	FY 2019 results		FY 2020 results		
	Amount (Millions of yen)	Component percentage (%)	Amount (Millions of yen)	Component percentage (%)	Change (Millions of yen)
Current assets	281,343	80.0	277,241	80.7	-4,102
(Cash and cash equivalents)	215,314	61.2	217,727	63.4	2,413
(Notes and accounts receivable-trade)	31,708	9.0	27,122	7.9	-4,585
(Inventory)	30,336	8.6	28,405	8.3	-1,930
Non-current assets	70,543	20.0	66,152	19.3	-4,390
Total assets	351,887	100.0	343,393	100.0	-8,493
Current liabilities	86,878	24.7	80,265	23.4	-6,613
(Notes and accounts payable-trade)	16,555	4.7	16,052	4.7	-502
(Advance received)	26,829	7.6	26,070	7.6	-758
Non-current liabilities	22,970	6.5	23,416	6.8	446
Total liabilities	109,848	31.2	103,681	30.2	-6,167
Total net assets	242,038	68.8	239,711	69.8	-2,326
Total liabilities and net assets	351,887	100.0	343,393	100.0	-8,493
Cash and deposits (including long-term deposits)	215,093		217,215		2,122

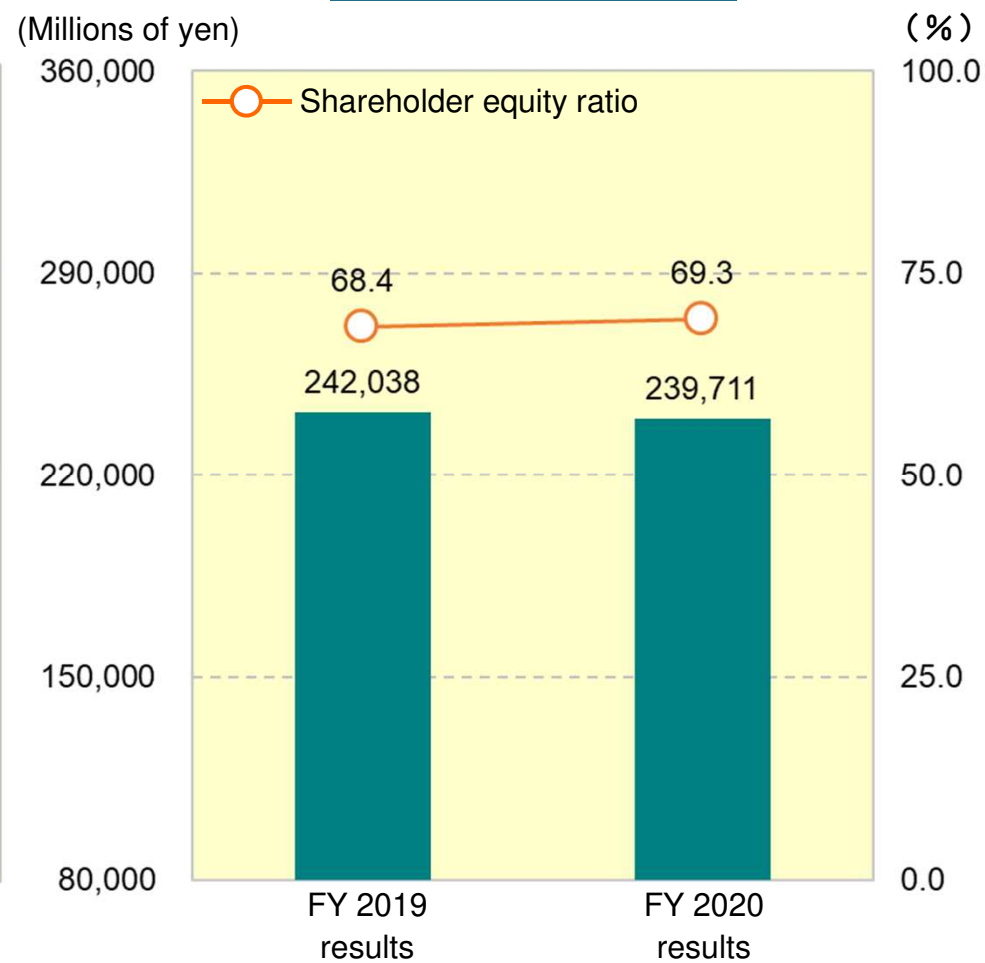


Comparison of Consolidated Total Assets and Net Assets

Total Assets

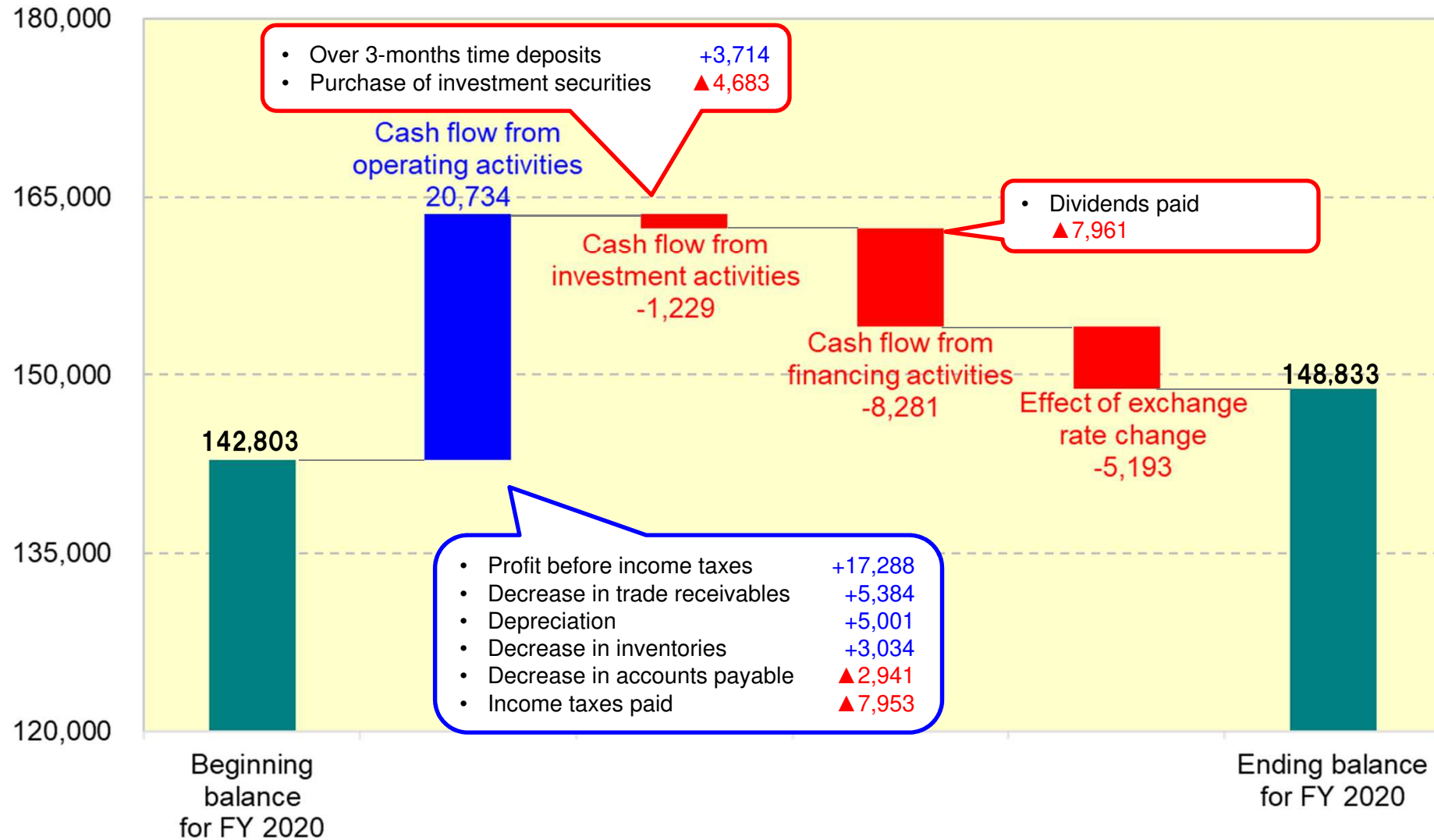


Net Assets



Factors for Change in Consolidated Cash Flow

(Millions of yen)

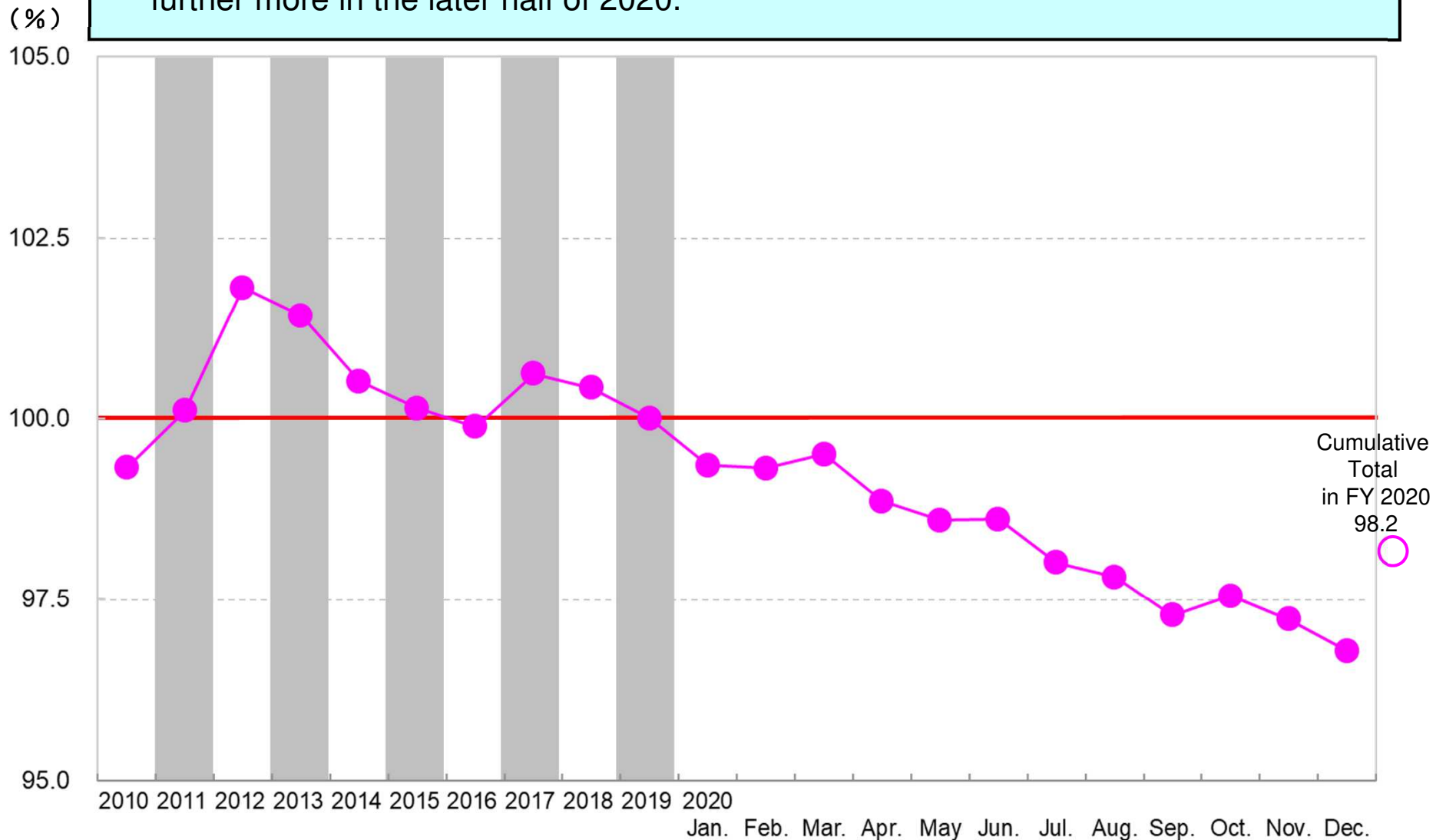




Ⅱ . Key Factors of Financial Results FY 2020

Japan : Number of Major Restaurant Chains (Year-on-year Change)

- The total number of stores were decreasing trend in 2020, it has been dropped further more in the later half of 2020.

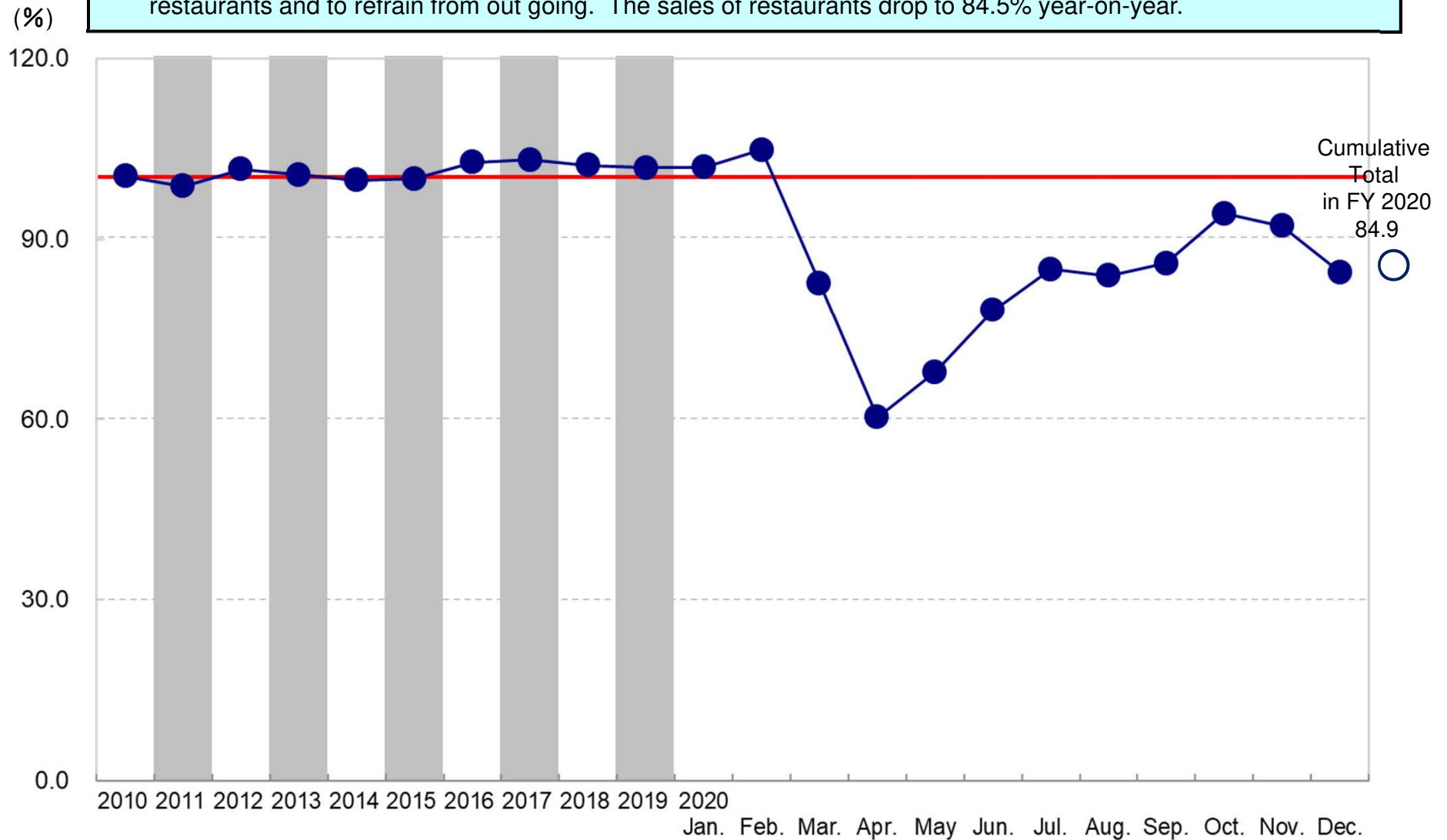


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



Japan : Sales of Major Restaurant Chains (Year-on-year Change)

- In December, Go To Travel campaign has been stopped due to re-expanding COVID-19 infections. Also customer traffic rapidly decreased, because the central and local government have requested reductions of business time to restaurants and to refrain from out going. The sales of restaurants drop to 84.5% year-on-year.

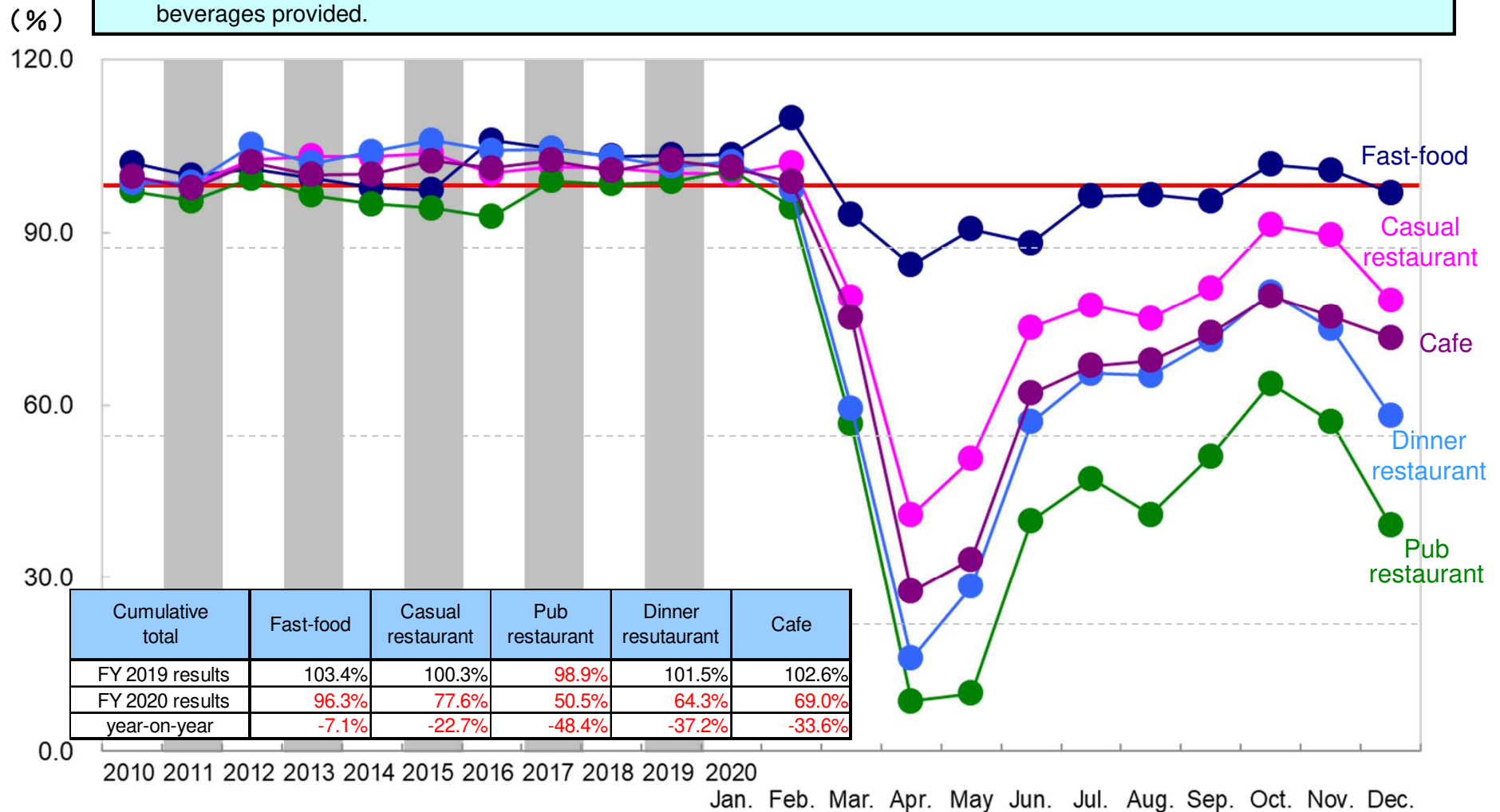


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



Japan : Sales by Type of Business in Major Restaurant Chains (Year-on-year Change)

● Number of customers in the fast-food restaurants have decreased due to re-expanding COVID-19 infection. However the sales has been boosted by the demands such as taking out service and delivery. For cafes, sales have decreased due to decrease number of customers both in cities and suburbs. For casual/dinner restaurants and bar/pubs, sales related year end parties and year end travels have disappeared because the government requested reduction the time of alcoholic beverages provided.

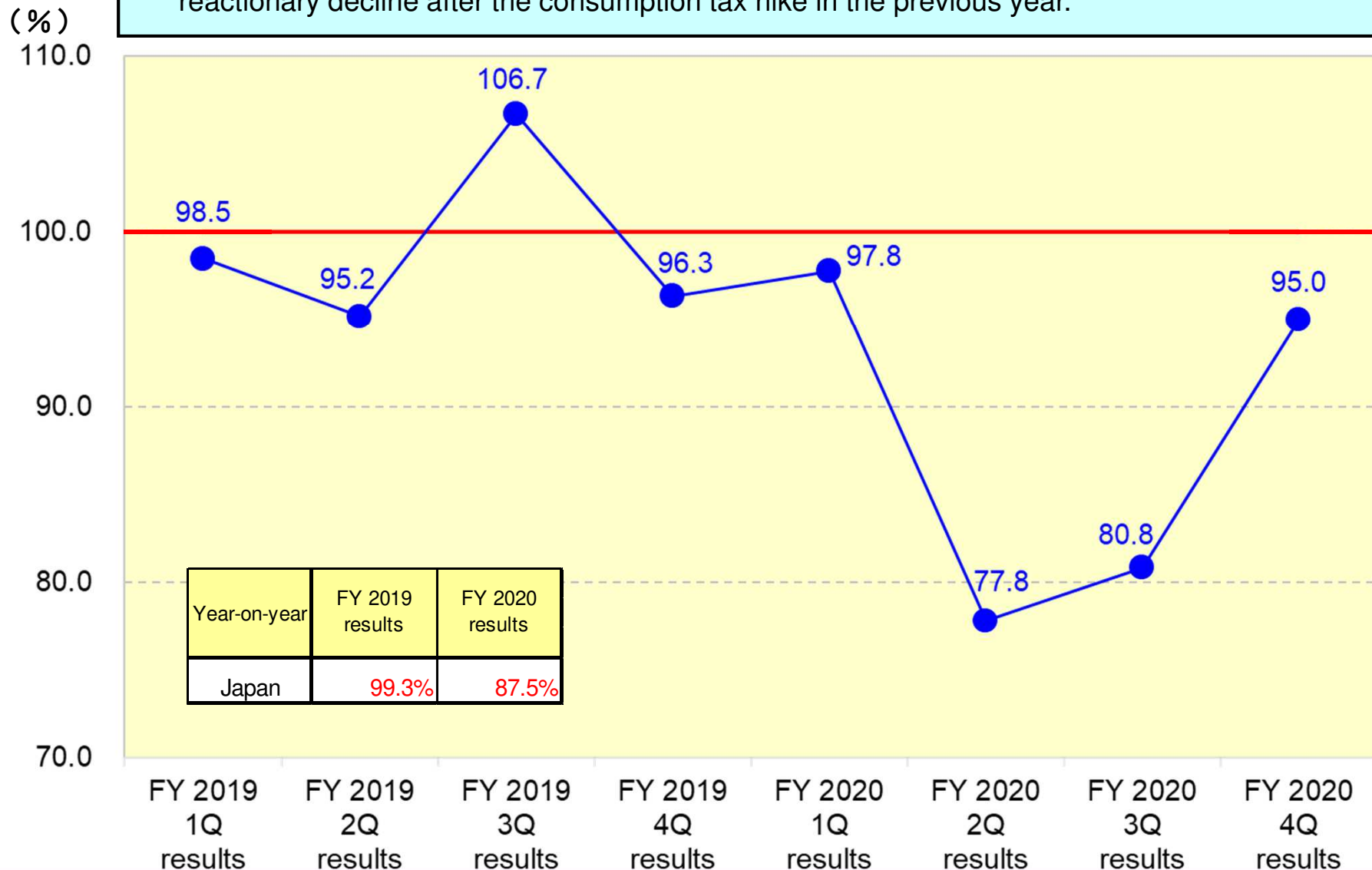


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

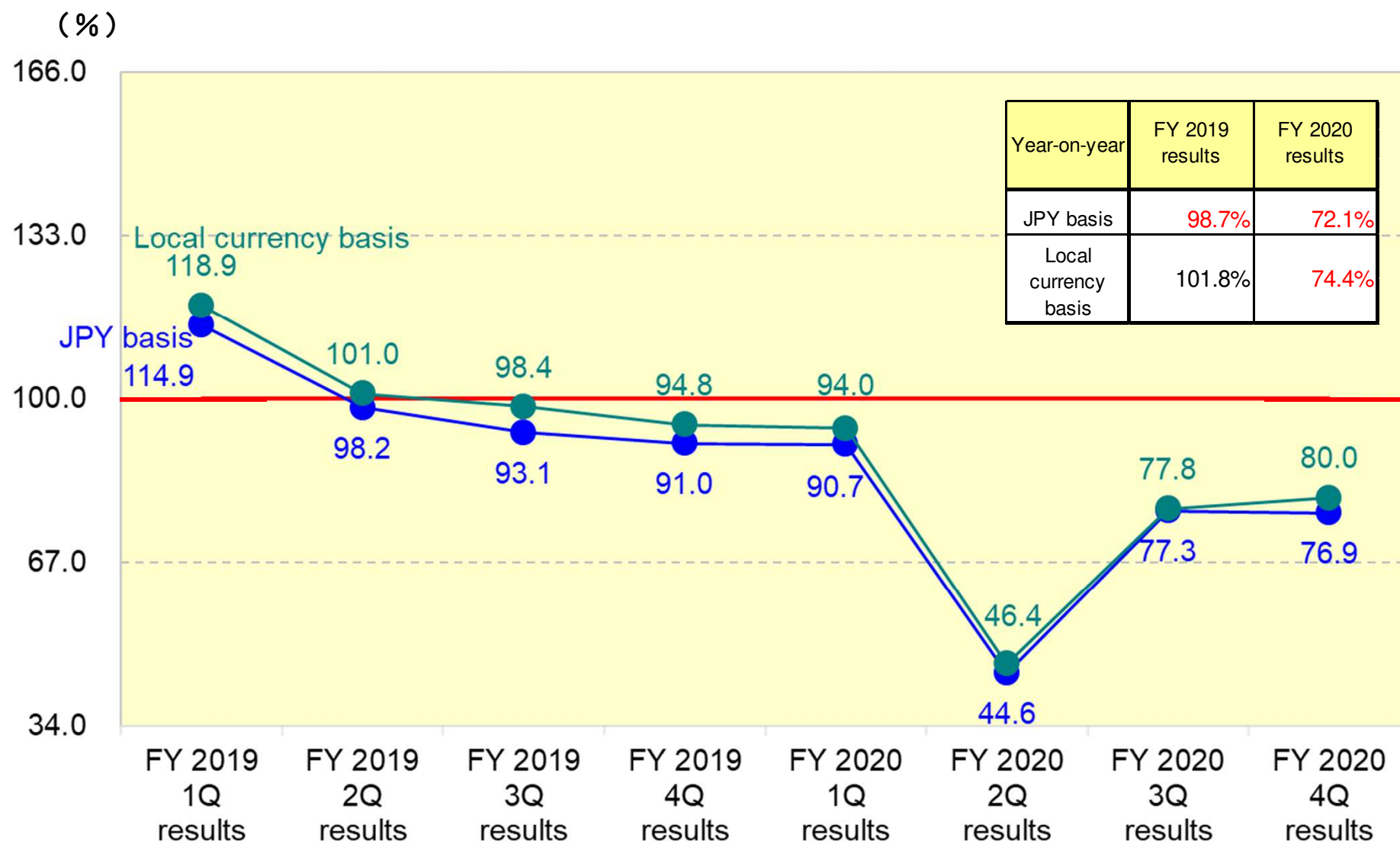


Japan: Year-on-Year Change in Sales

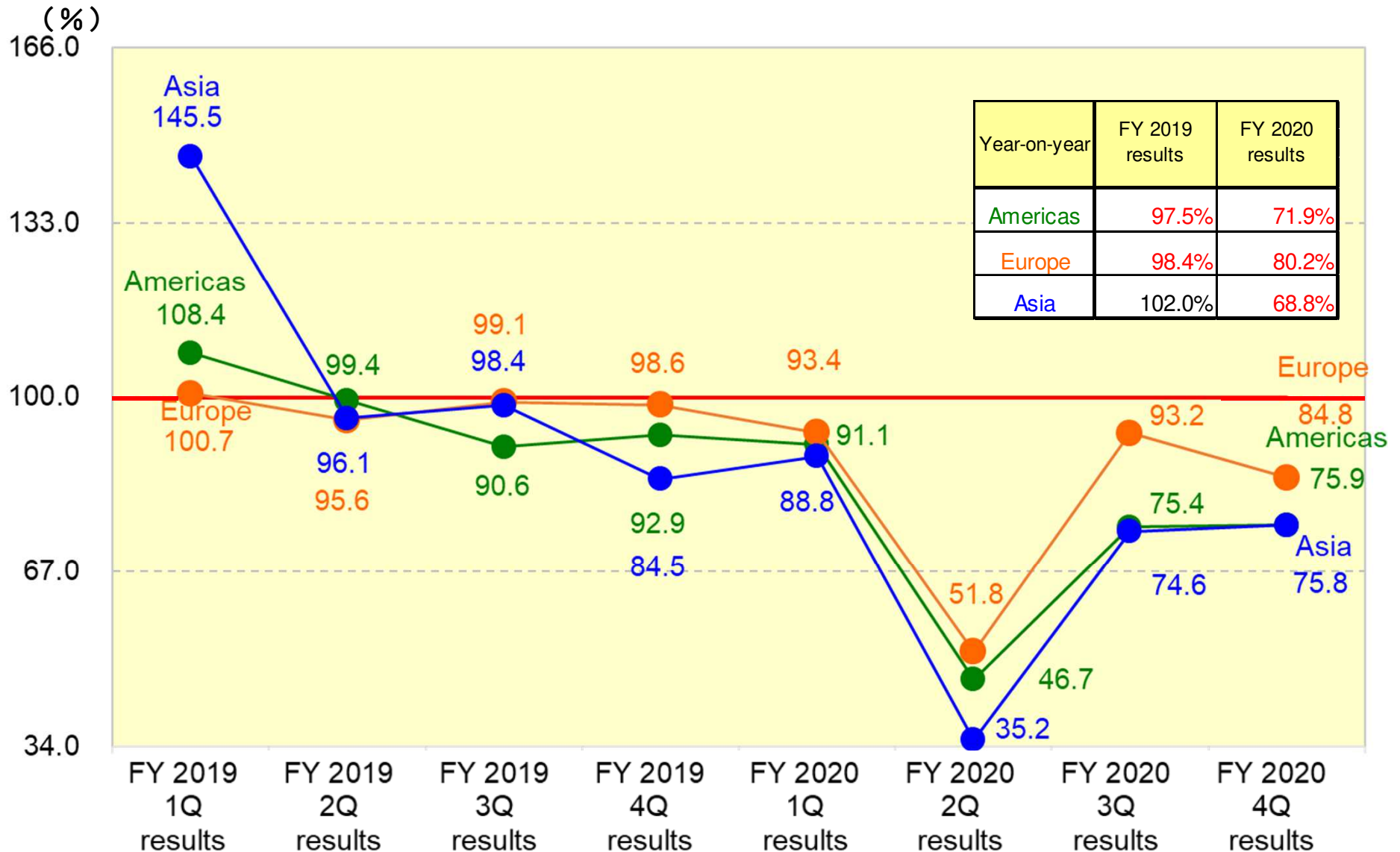
- Sales are on a recovery trend with the resumption of sales activities. The impact includes the reactionary decline after the consumption tax hike in the previous year.



Overseas : Year-on-Year Change in Sales on JPY Basis and Local Currency Basis



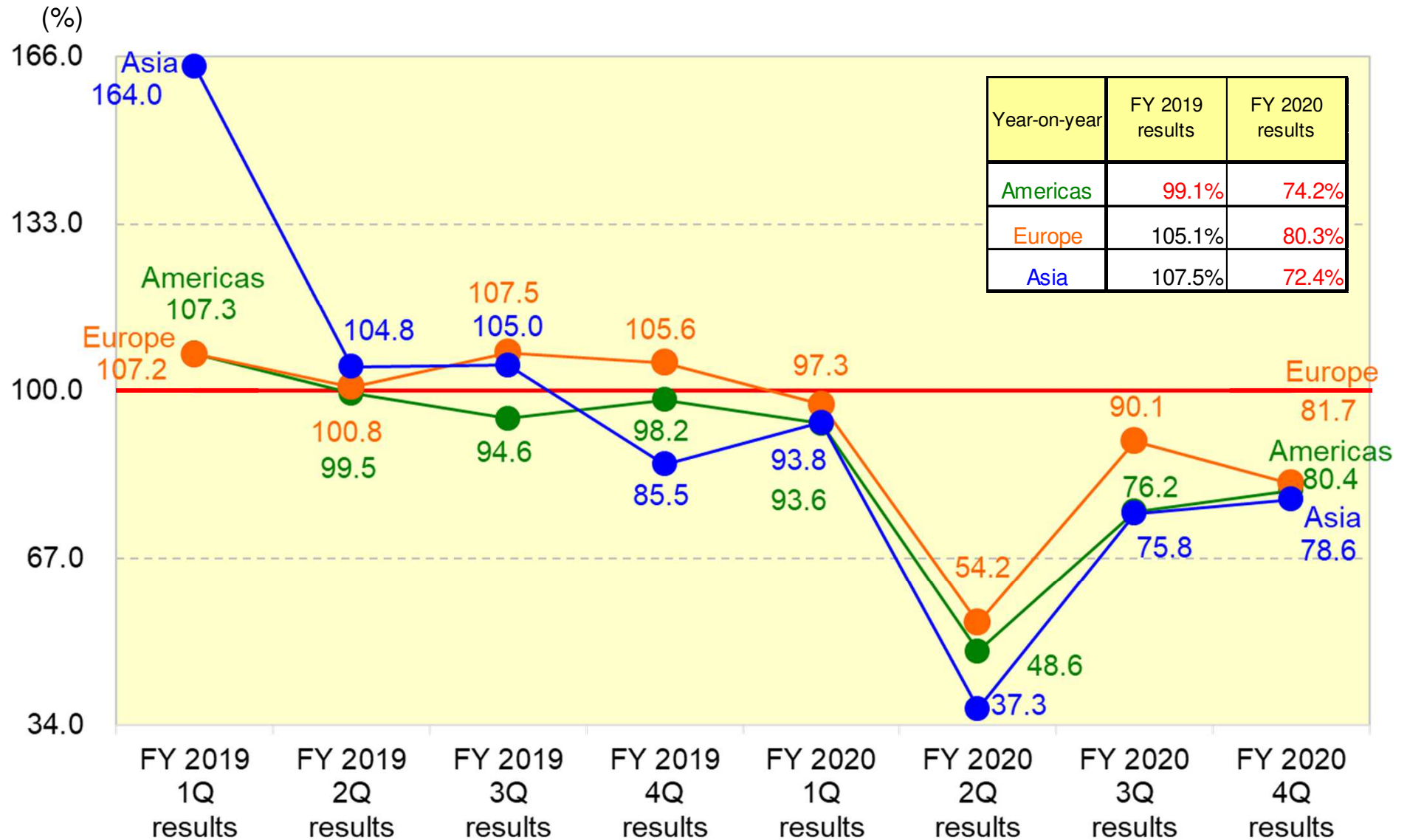
Overseas : *Year-on-Year Change in Sales by Area on Japanese Yen Basis



*Classified according to the location of the head offices. (e.g. Lancer Europe is included in Americas)
 (This is a classification for internal management control, and we use the same classification for reporting segments in the quarterly report.)



Overseas : * Year-on-Year Change in Sales by Area on Local Currency Basis



*Classified according to the location of the head offices. (e.g. Lancer Europe is included in Americas)
 (This is a classification for internal management control, and we use the same classification for reporting segments in the quarterly report.)





Ⅲ. Business Forecast for FY 2021

HOSHIZAKI

Summary of Business Forecast in FY 2021

- **Sales: 250.0 billion yen (Increase by 4.9% year-on-year)**
 - Japan: Sales 171.2 billion yen (Increase by 3.1%)
 - Overseas: Sales 78.8 billion yen (Increase by 9.1%)
 - Overseas sales ratio: 31.5% (Increase by 1.2pt)
 - In Japan, the negative effect to economic activities will be extended for a long period because it is unclear when COVID-19 situation gets resolved. However, year-on-year sales will be assumed 103.1% due to digging into restaurant market and developing new markets such as non-restaurant market.
 - In overseas, economies in some countries have picked up and started vaccination against COVID-19. However, negative impacts such as uncertain conditions of economies, and yen rate appreciation against other currencies were taken into account. Year-on-year sales will be assumed 109.1%.
 - Major exchange rates (average of the period) : 100 yen per US dollar, 120 yen per Euro, 1.41 yen per Indian Rupee

- **Operating Income: 20.0 billion yen (Increase by 8.4%)**
 - Be committed to continuing to effectiveness of work and improvement of production, moreover be implemented to operate for the cost-down activities.

- **Ordinary Income: 20.5 billion yen (Increase by 17.7%)**
 - We do not include future foreign exchange gains and losses on deposits in foreign currencies. (We posted foreign exchange losses of 2.3 billion yen in fiscal 2020)

- **Profit attributable to owners of parent: 14.3 billion yen (Increase by 25.0%)**



Business Forecast for FY 2021

	FY 2019 results		FY 2020 results		FY 2021 forecast: Feb 8 th , 2021			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
							Change (Million of yen)	Rate (%)
Sales	290,136	100.0	238,314	100.0	250,000	100.0	11,685	104.9
Gross profit on sales	109,464	37.7	89,053	37.4	94,400	37.8	5,346	106.0
Selling, general and administrative expenses	76,799	26.5	70,605	29.6	74,400	29.8	3,794	105.4
Operating income	32,664	11.3	18,447	7.7	20,000	8.0	1,552	108.4
Ordinary income	34,224	11.8	17,420	7.3	20,500	8.2	3,079	117.7
Profit attributable to owners of parent	24,437	8.4	11,442	4.8	14,300	5.7	2,857	125.0





IV. Company Profile and Overview Business

HOSHIZAKI

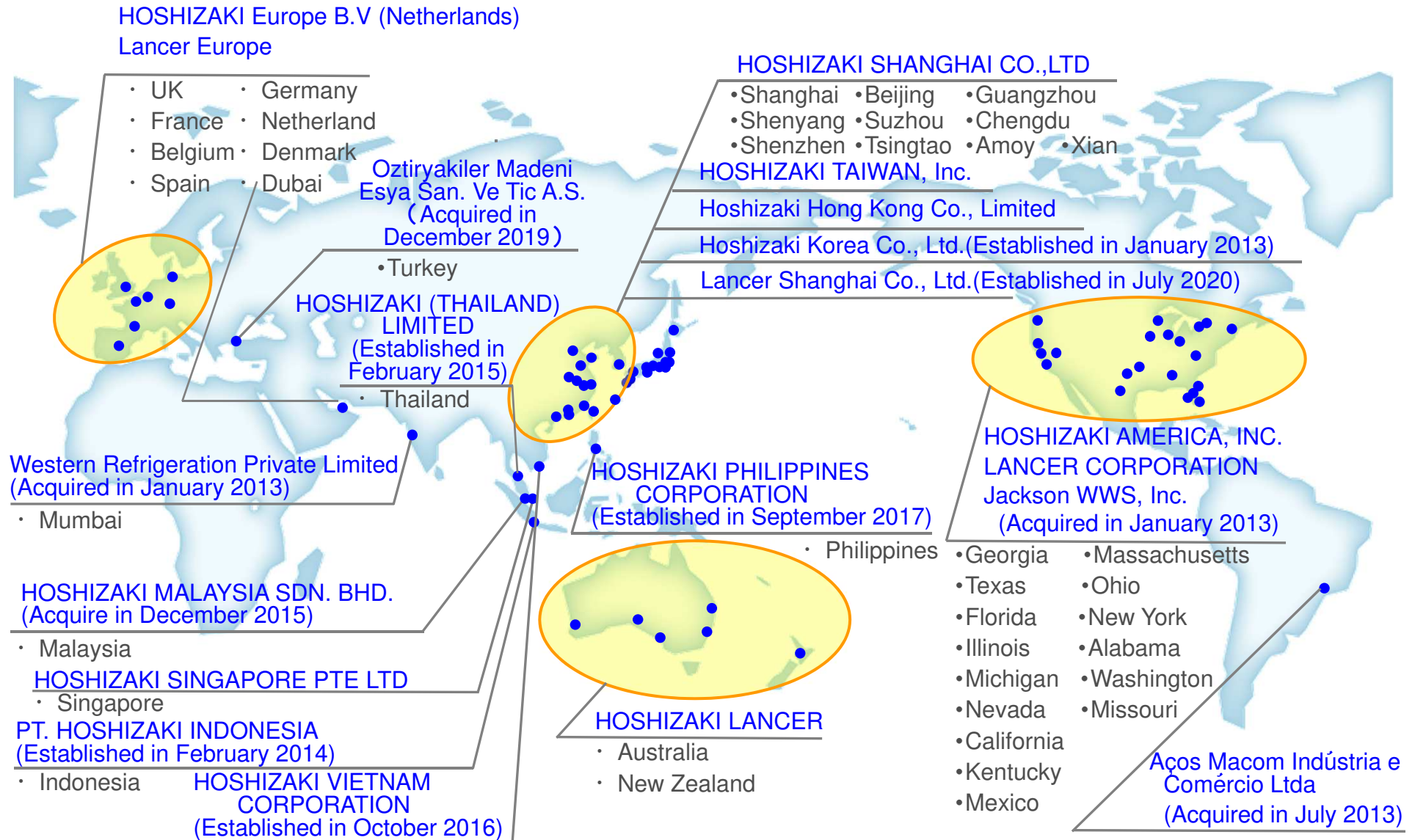
Company Profile



- Company name : HOSHIZAKI CORPORATION
- Head Office : 3-16 Minamiyakata, Sakae-cho, Toyoake-shi, Aichi
- Representative : Yasuhiro Kobayashi,
Representative Director, President & COO
- Establishment : February 1947
- Business : Research and development, manufacturing and sales of commercial kitchen appliances & equipment.
- Capital stock : 8,021 million yen (December 31, 2020)
- Consolidated business performance : Sales : 238,314 million yen
(Fiscal Year ended December 31, 2020) Operating profit : 18,447 million yen
Profit attributable to owners of parent : 11,442 million yen
- Number of consolidated group companies : 51 companies
(18 companies in Japan, 13 companies in Americas, 20 companies in Europe and Asia)
(December 31, 2020 *Including HOSHIZAKI CORPORATION)
- Number of employees : 1,197 persons (HOSHIZAKI CORPORATION)
12,555 persons (Group total) (December 31, 2020)
- Number of sales offices in Japan : 435 places (December 31, 2020)



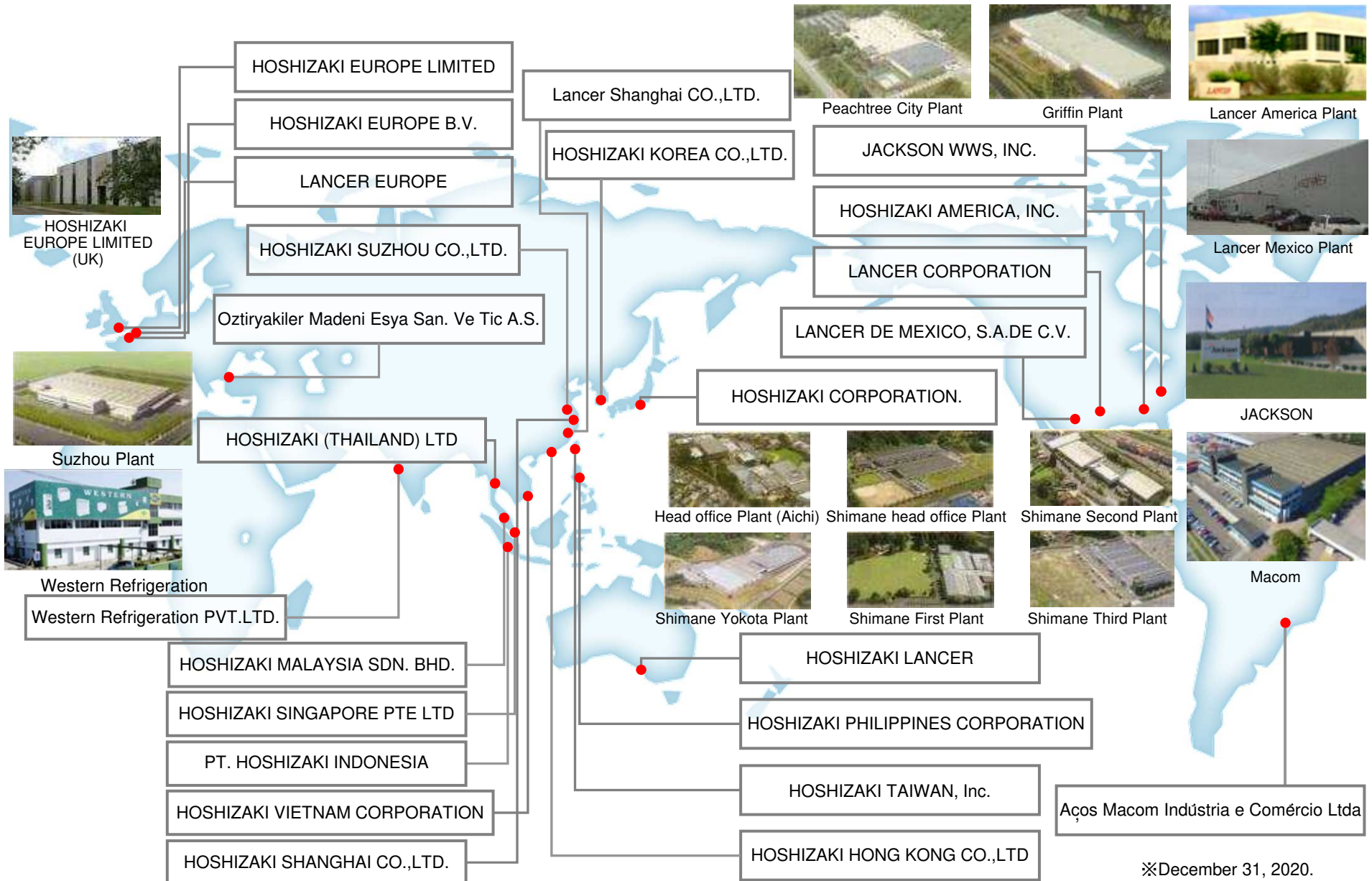
Overseas : Expanding the Sales Networks



※ December 31, 2020.



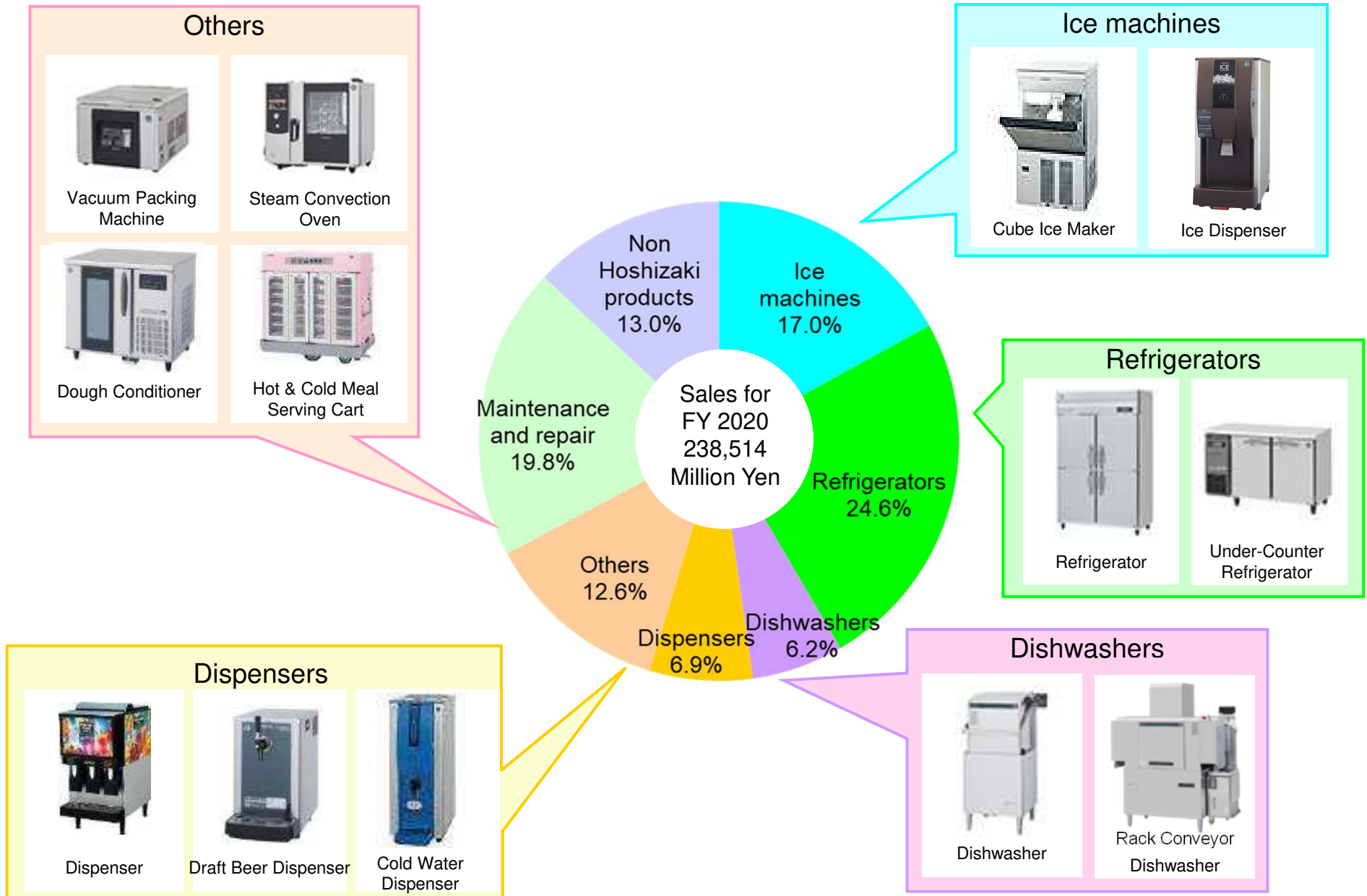
Global Network, Production and Sales Offices



※December 31, 2020.



Main Product Group and Sales Breakdown



Long-term Business Performance Consolidated Basis

(Millions of Yen)

300,000

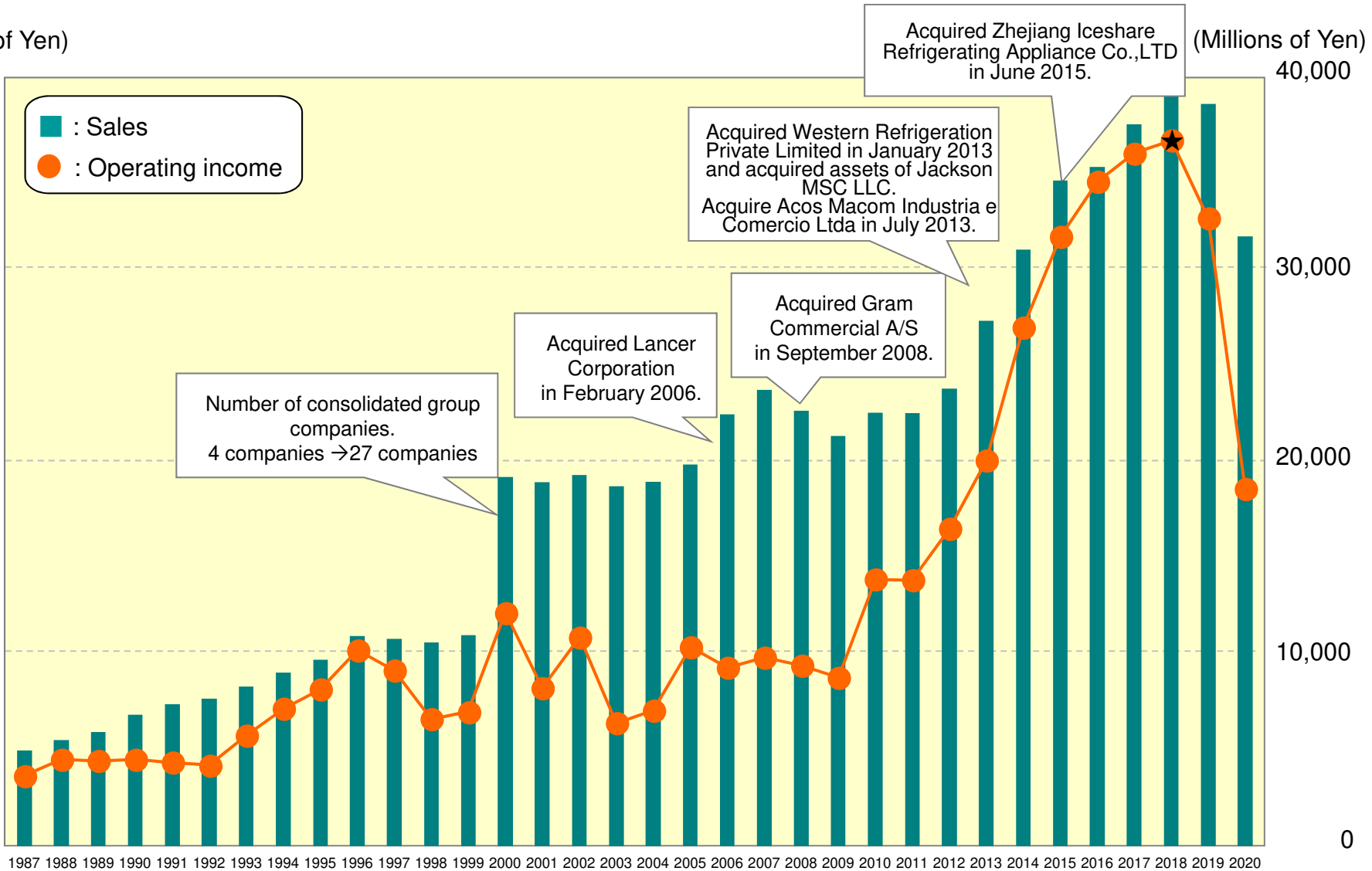
■ : Sales
● : Operating income

225,000

150,000

75,000

0



Number of consolidated group companies.
4 companies → 27 companies

Acquired Lancer Corporation in February 2006.

Acquired Gram Commercial A/S in September 2008.

Acquired Western Refrigeration Private Limited in January 2013 and acquired assets of Jackson MSC LLC. Acquire Acos Macom Industria e Comercio Ltda in July 2013.

Acquired Zhejiang Ice share Refrigerating Appliance Co., LTD in June 2015.

★ Recorded a record sales and operating income.



Notes on the Appropriate Use of this Document

- This document includes the forward-looking statements and data concerning business performances, strategies, and business plans of HOSHIZAKI CORPORATION (“the Company”).
- The forward-looking statements and data in this document are not historical facts, but the Company’s forecast based on currently available information.
- Because potential risks and uncertain factors, such as economic trends, competition with other companies, are included in this document, please be noted that actual business performance, business development, and financial situation of the Company may differ significantly from the forecast due to various factors, such as future economic trends, competition in the industry, market demand, other economic, social, and political situations.
- This presentation is an English translation of the material initially written in Japanese, which should be considered to be the primary version.

If you have any inquiries concerning this document and our IR activities, please contact as below:

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