



Summary of Business Performance
The First Quarter of Fiscal Year Ending December 31, 2021
~ 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)

May 12, 2021

HOSHIZAKI

Table of contents

I . Financial Results for FY 2021 1Q : P.2-14

II . Key Factors of Financial Results for FY 2021 1Q : P.15-22

III . Business Forecast for FY 2021 : P.23-25

IV . Company Profile and Overview of Business : P.26-32





I . Financial Results for FY 2021 1Q

HOSHIZAKI

Foreign Exchange Rates

	FY 2020 3 months ('20/1-3)		FY 2020 ('20/1-12)		FY 2021 3 months ('21/1-3)		Forecast of FY 2021, Feb. 8th, 2021	
	Average of period	End of period	Average of period	End of period	Average of period	End of period	Average of period	End of period
US dollar	108.8	108.8	106.7	103.5	106.0	110.7	100.0	100.0
Pound	139.4	133.3	137.0	139.8	146.2	152.2	134.0	134.0
Euro	120.1	119.5	121.8	126.9	127.8	129.8	120.0	120.0
Singapore dollar	78.6	76.3	77.4	78.0	79.5	82.2	78.0	78.0
Chinese yuan	15.5	15.3	15.4	15.8	16.3	16.8	15.2	15.2
Denmark krone	16.0	16.0	16.3	17.0	17.1	17.4	16.3	16.3
Taiwan dollar	3.6	3.6	3.6	3.6	3.7	3.8	3.6	3.6
Hong Kong dollar	14.0	14.0	13.7	13.3	13.6	14.2	13.8	13.8
Indian rupee	1.52	1.46	1.45	1.42	1.46	1.52	1.41	1.41
South Korean won	0.0914	0.0892	0.0907	0.0952	0.0953	0.0978	0.0892	0.0892
Brazilian real	24.5	20.9	20.9	19.9	19.3	19.4	20.7	20.7
Indonesian Rupiah	0.0077	0.0067	0.0074	0.0074	0.0075	0.0077	0.0076	0.0076
Thai Baht	3.4	3.3	3.4	3.4	3.5	3.5	3.5	3.5
Malaysia Ringgito	26.0	25.1	25.4	25.6	26.0	26.6	25.1	25.1
Viet Nam Dong	0.0046	0.0046	0.0046	0.0044	0.0045	0.0047	0.0046	0.0046
Philippine Peso	2.16	2.16	2.17	2.18	2.22	2.30	2.17	2.17



Summary of Financial Results for FY 2021 1Q

■ Sales : 68.5 billion yen (decreased 5.5% year-on-year)

- Japan : 46.9 billion yen (decreased 5.1%)
- Overseas : 21.6 billion yen (decreased 6.5%) Overseas sales ratio : 31.5% (decreased 0.3%)

*Calculated based on reporting segments: "Americas" and "Europe and Asia"

- Japan : Sales to restaurants, our main customers, decreased significantly due to the continued impact of COVID-19 infections. On the other hand, sales to some types of business, such as Retail stores, Agricultures/Fishing industries, Hospitals/Nursing homes, increased because we promoted sales activities to non-restaurant customers.
- Overseas : Sales in Americas and Europe decreased significantly due to the continued impact of COVID-19 infections. On the other hand, sales in Asia increased due to the recovery of sales in Greater China, which had been stagnant in the same period of the previous year, and strong sales in India.

■ Operating Income : 7.7 billion yen (decreased 19.2%) Operating income margin : 11.3%

- Japan : 6.0 billion yen (decreased 15.8%) Operating income margin : 13.0%
- Overseas : 1.8 billion yen (decreased 23.9%) Operating income margin : 8.6%

*Calculated based on reporting segments: "Americas" and "Europe and Asia"

- Sales in both of Japan and overseas decreased due to impact of COVID-19 infections.

■ Ordinary Income : 11.2 billion yen (increased 35.4%)

- Foreign exchange gains of 3.3 billion yen from deposits in foreign currencies were recorded as non-operating income. (1.5 billion yen of foreign exchange losses were recorded in the previous fiscal year.)

■ Profit Attributable to Owners of Parent : 7.7 billion yen (increased 41.5%)



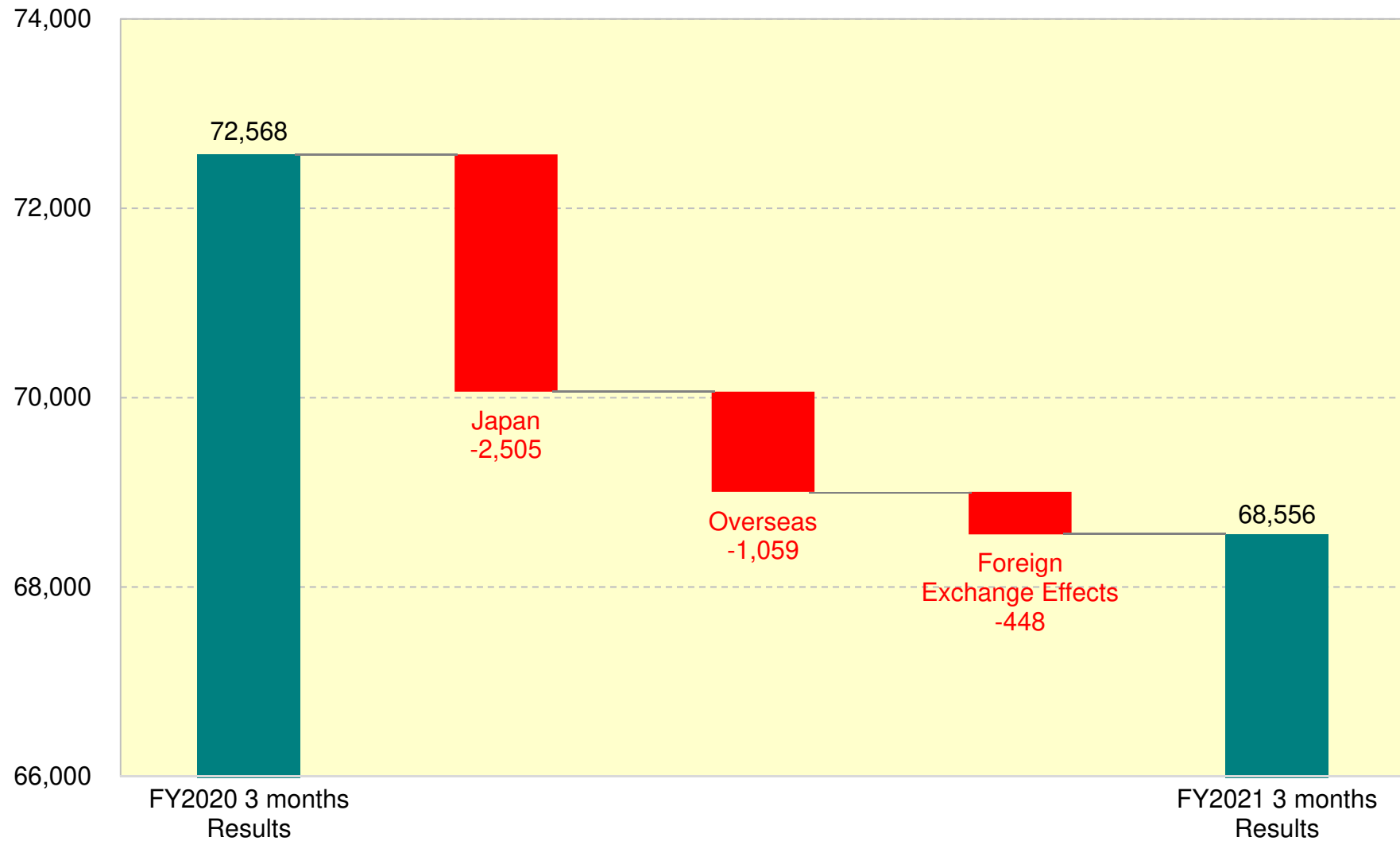
Consolidated Business Performance

	FY 2020 3 months results		FY 2021 3 months results			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
					Change (Millions of yen)	Percentage (%)
Sales	72,568	100.0	68,556	100.0	-4,012	94.5
Cost of sales	44,482	61.3	43,032	62.8	-1,450	96.7
Gross profit	28,086	38.7	25,523	37.2	-2,562	90.9
Selling, general and administrative expenses	18,526	25.5	17,801	26.0	-724	96.1
Operating income	9,559	13.2	7,722	11.3	-1,837	80.8
Ordinary income	8,345	11.5	11,297	16.5	+2,952	135.4
Profit attributable to owners of parent	5,503	7.6	7,790	11.4	+2,286	141.5



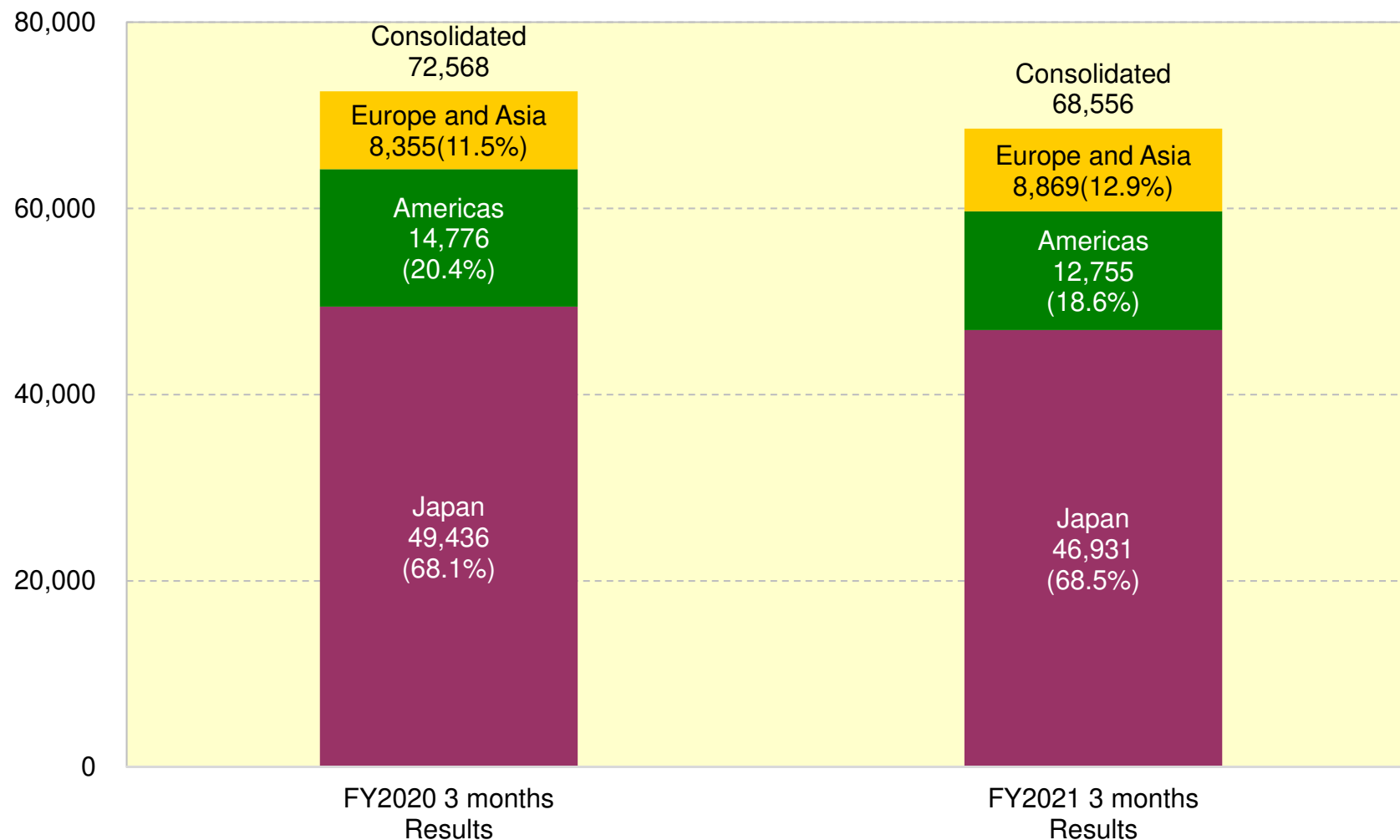
Factors for Change in Consolidated Sales by Japan and Overseas

(millions of yen)



Year-on-year Comparison of Sales by Reporting Segments

(millions of yen)



*Figures in parenthesis indicate component percentages.

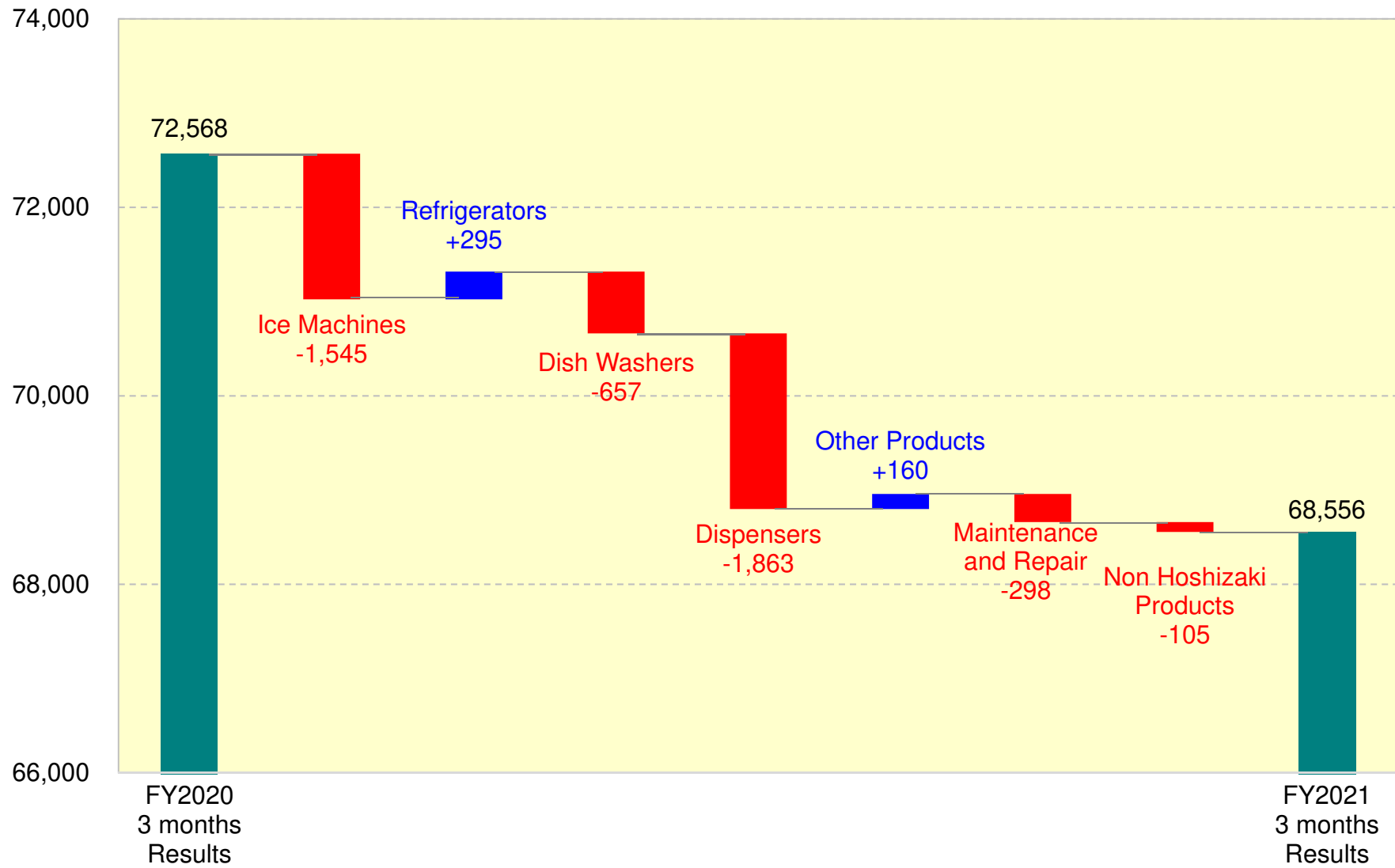
Classified according to the location of the head offices. (e.g. Lancer Europe is included in "Americas")

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



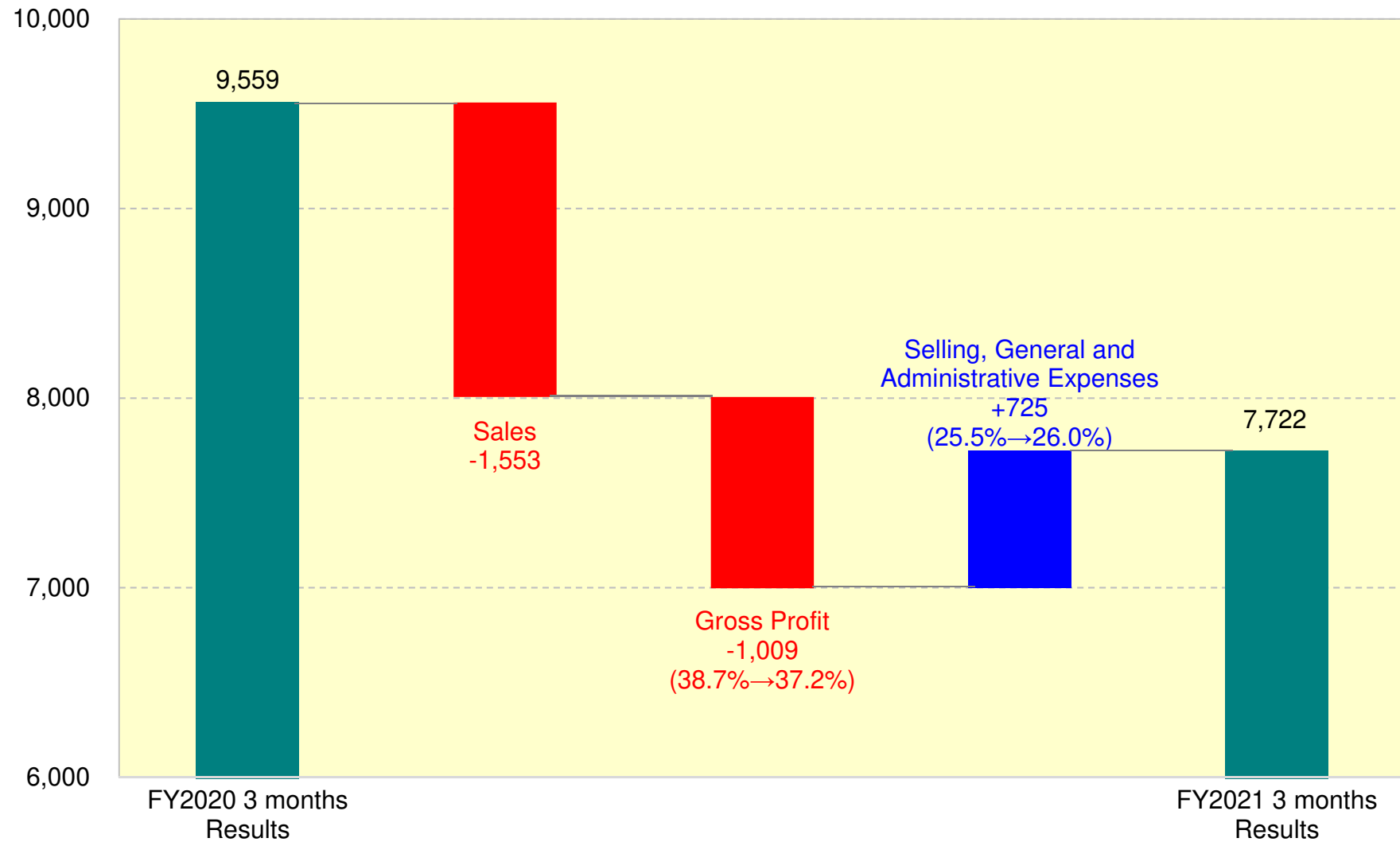
Factors for Change in Consolidated Sales by Product Groups

(millions of yen)



Factors for Change in Consolidated Operating Income

(millions of yen)

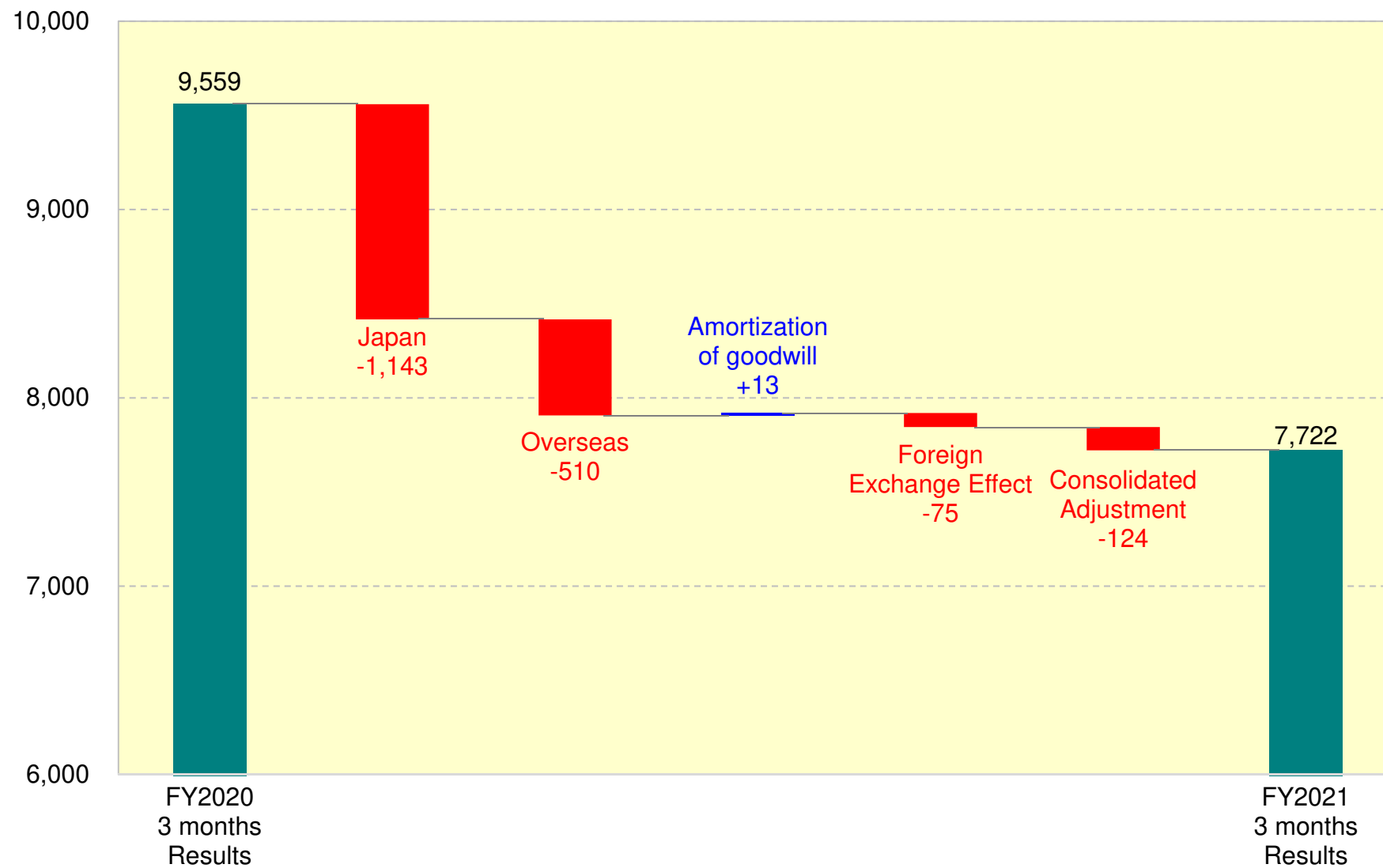


*Percentages in parenthesis indicates changes in the ratio to sales.

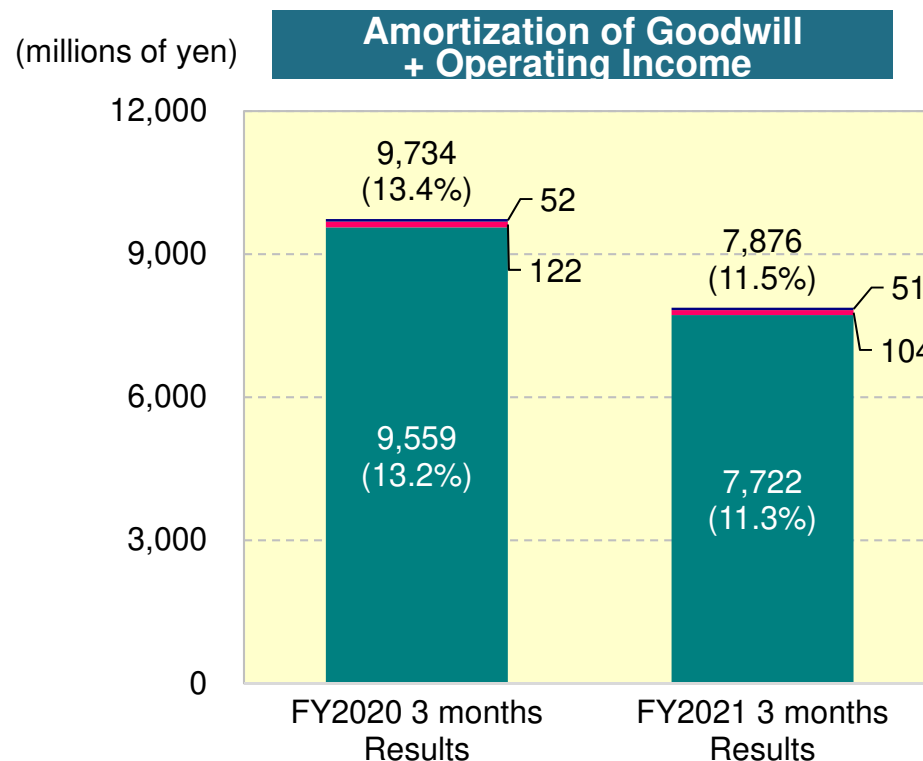
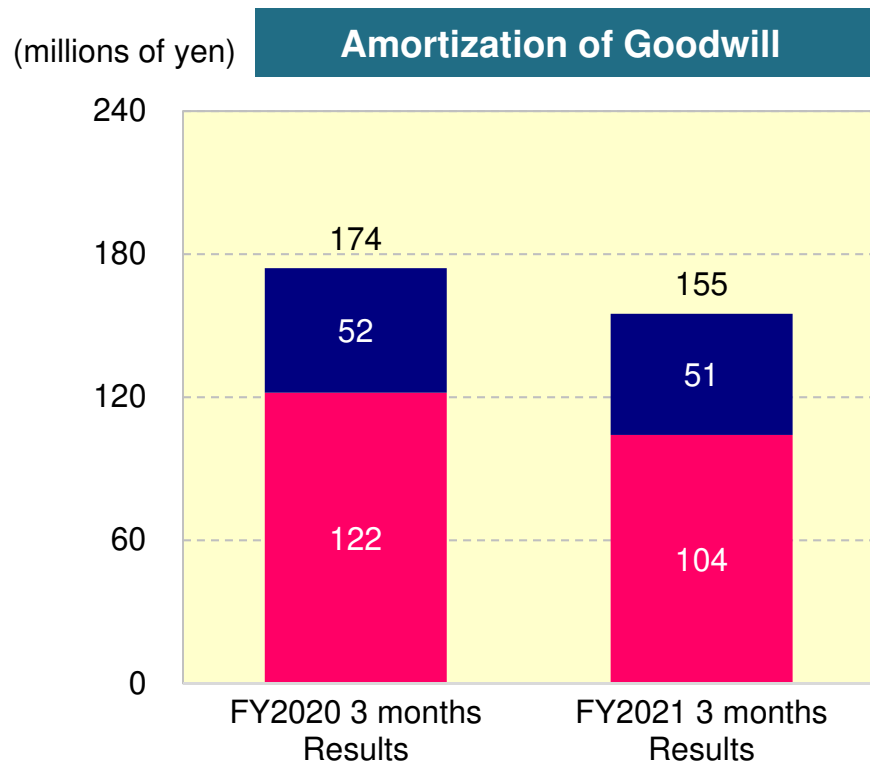
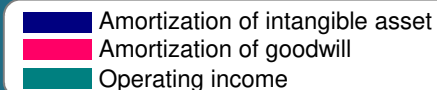


Factors for Change in Consolidated Operating Income by Japan and Overseas

(millions of yen)



Impact of Goodwill Amortization



*Percentages in parenthesis indicate operating income margin.
(Millions of yen)

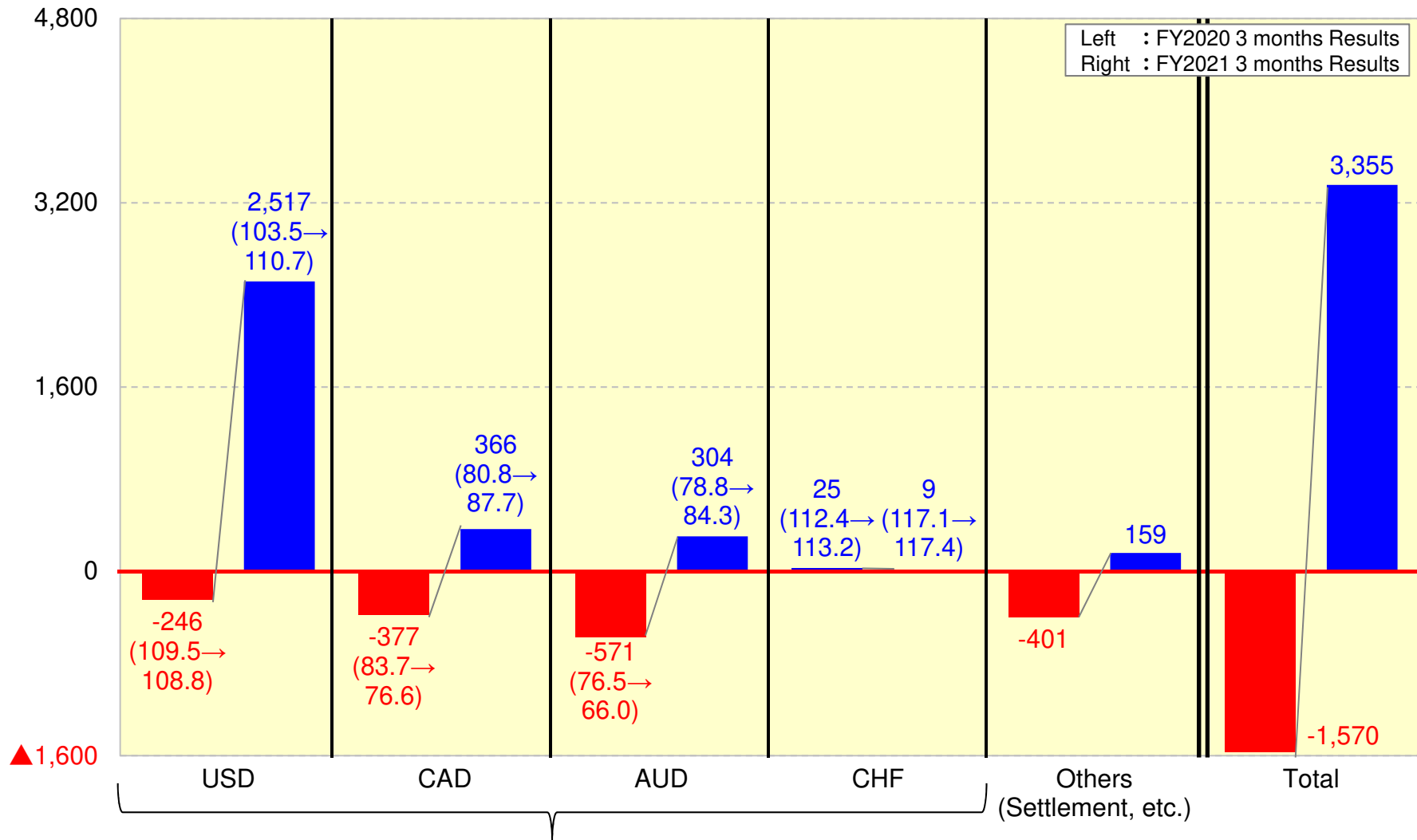
The recognition of goodwill and intangible assets		Amortization of goodwill and intangible assets impairment	
• LANCER	(Feb.2006 M&A : 17,451 Amortized over 10-year period)	• Macom	(in 2014 : 3,186)
• GRAM	(Sep.2008 M&A : 6,759 Amortized over 12-year period)		(in 2015 : 1,791)
• Western	(Jan.2013 M&A : 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)



Deposits in foreign currencies

*The figures in parentheses show the movement of the exchange rate from the end of the previous FY to the end of the current period.



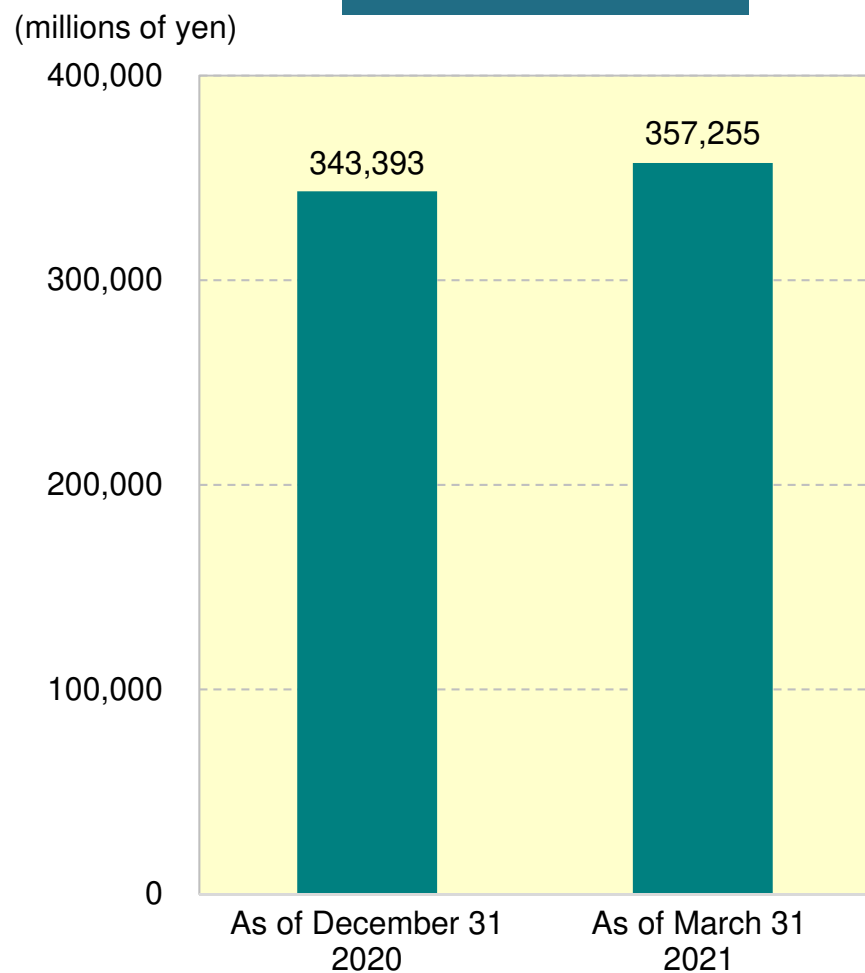
Consolidated Balance Sheet

	As of December 31, 2020		As of March 31, 2021		
	Amount (Millions of yen)	Component percentage (%)	Amount (Millions of yen)	Component percentage (%)	Change (Millions of yen)
Current assets	277,241	80.7	288,826	80.8	+11,585
(Cash and cash equivalents)	217,727	63.4	220,770	61.8	+3,043
(Notes and accounts receivable-trade)	27,122	7.9	35,674	10.0	+8,551
(Inventory)	28,405	8.3	28,756	8.0	+350
Non-current assets	66,152	19.3	68,428	19.2	+2,275
Total assets	343,393	100.0	357,255	100.0	+13,861
Current liabilities	80,265	23.4	88,953	24.9	+8,688
(Notes and accounts payable-trade)	16,052	4.7	22,938	6.4	+6,885
(Advance received)	26,070	7.6	25,397	7.1	-672
Non-current liabilities	23,416	6.8	23,377	6.5	-38
Total liabilities	103,681	30.2	112,331	31.4	+8,649
Total net assets	239,711	69.8	244,923	68.6	+5,211
Total liabilities and net assets	343,393	100.0	357,255	100.0	+13,861
Cash and deposits (including long-term deposits)	217,215		220,222		+3,006

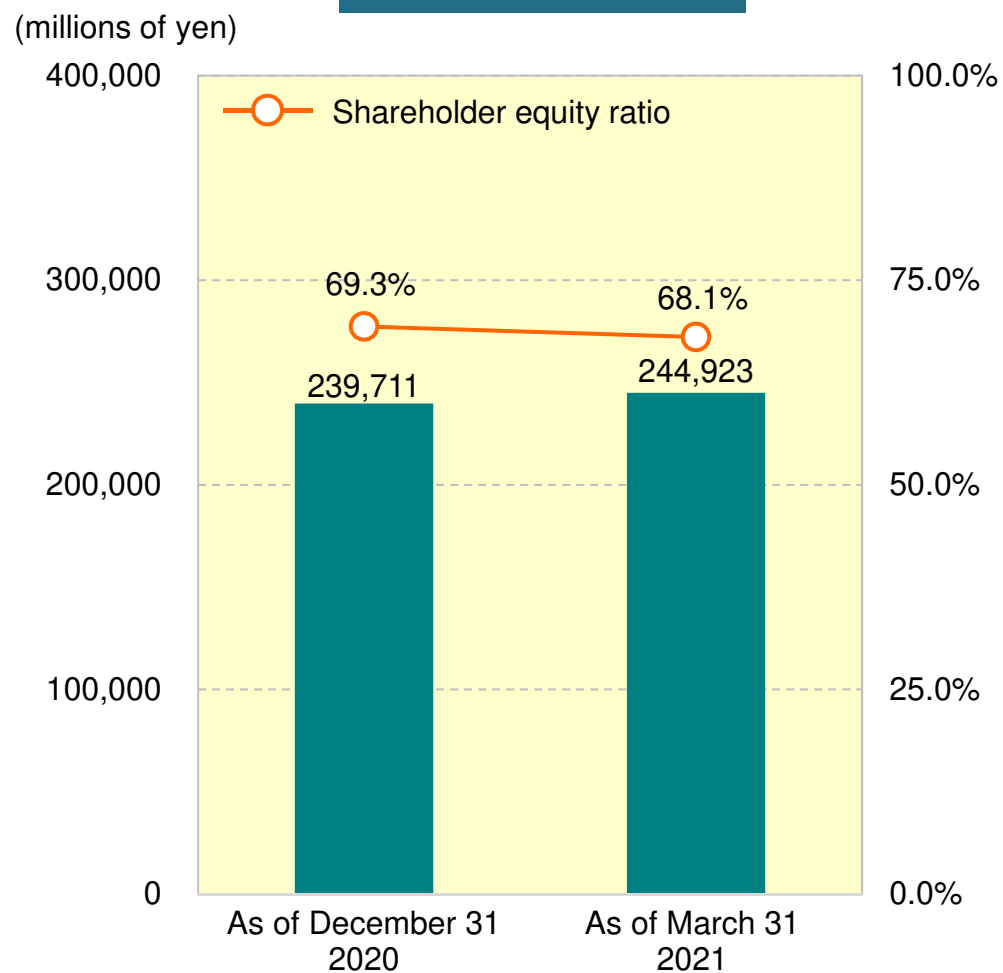


Comparison of Consolidated Total Assets and Net Assets

Total Assets



Net Assets

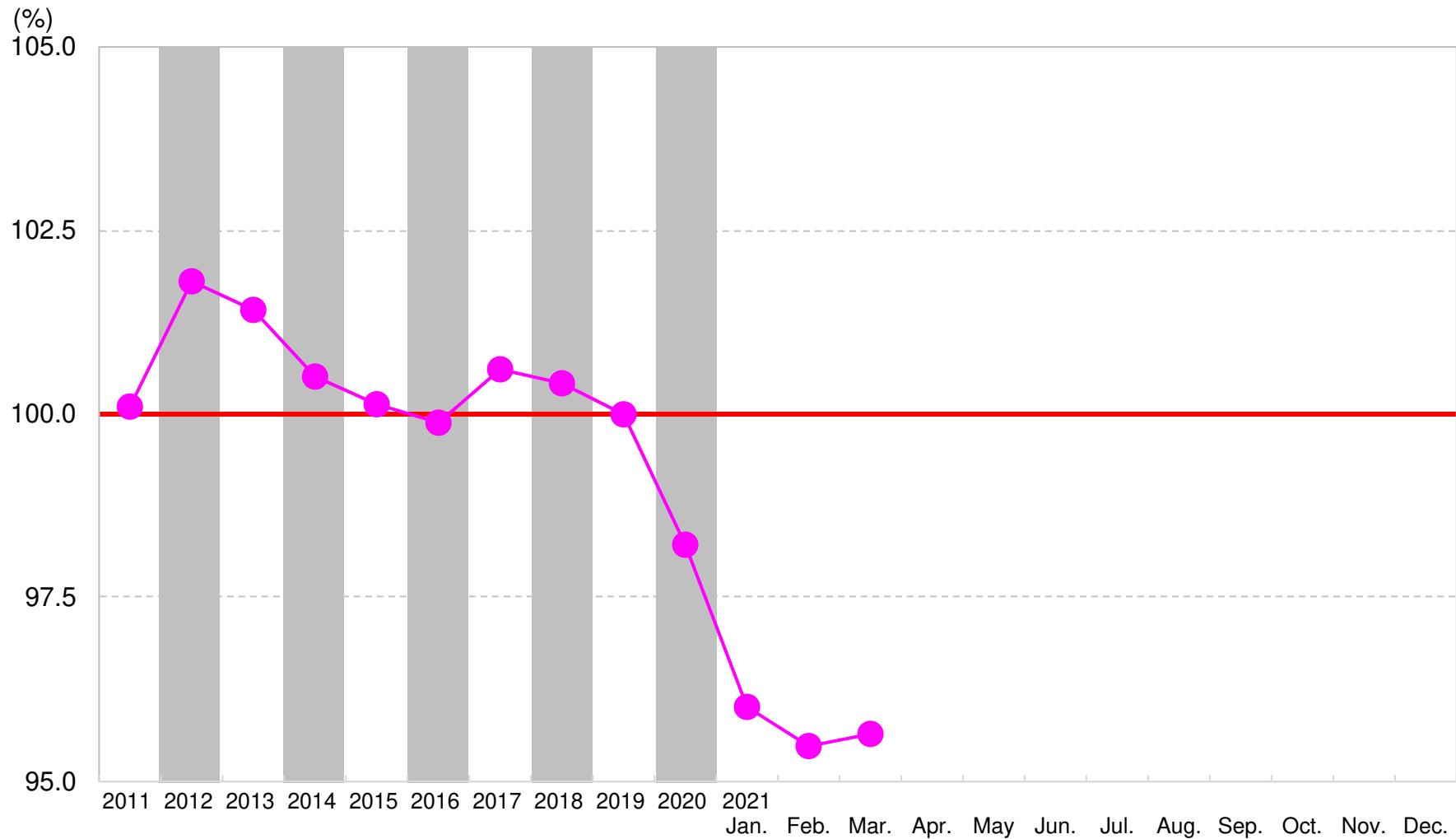




Ⅱ . Key Factors of Financial Results for FY 2021 1Q

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

- The number of major restaurant chains decreased since the beginning of 2020 due to COVID-19.

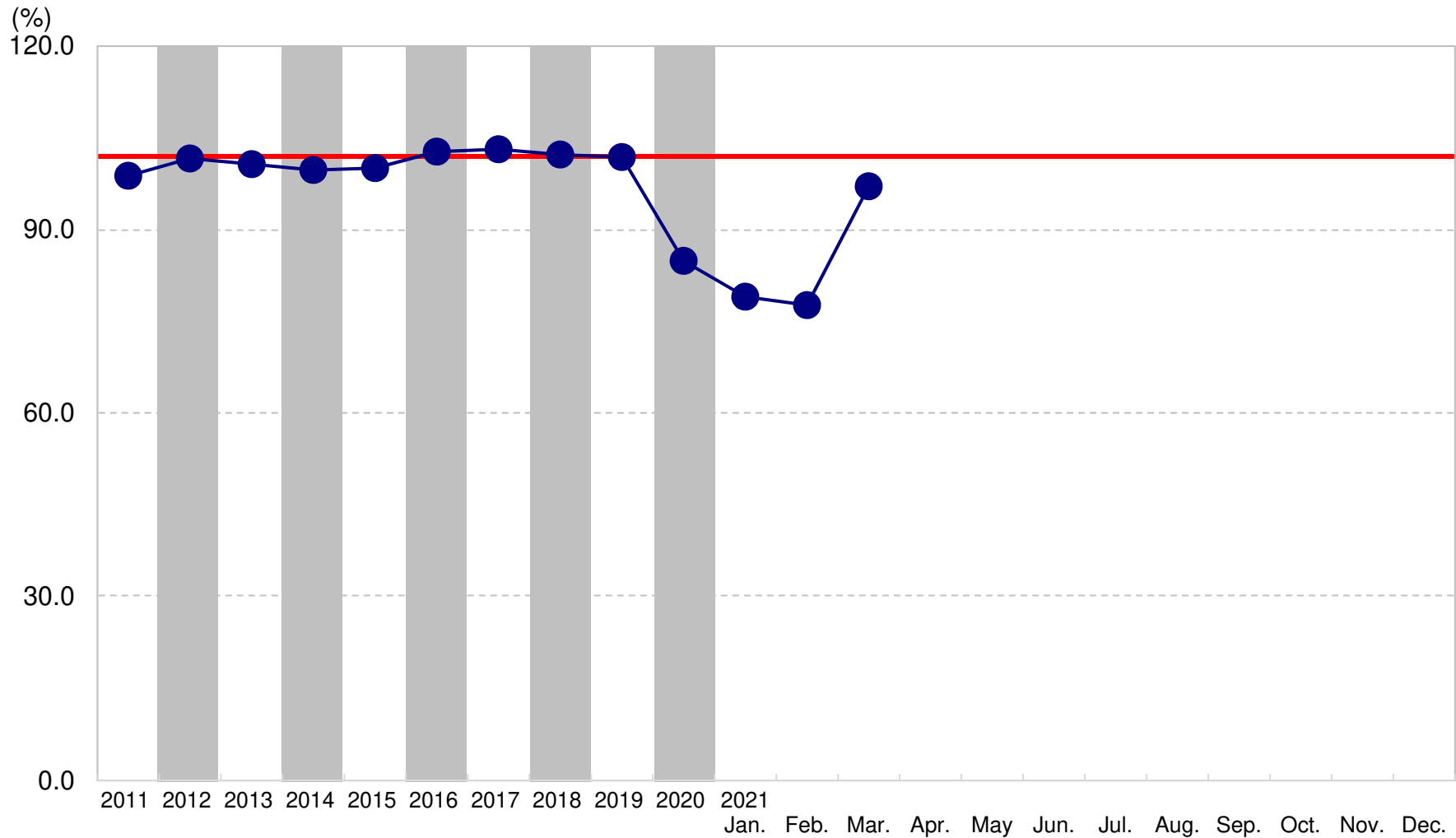


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- The sales of major restaurant chains declined due to issuing and extension term of the state of emergency declaration, also the government(local government) requested reduction of opening time after cancelation the emergency declaration.

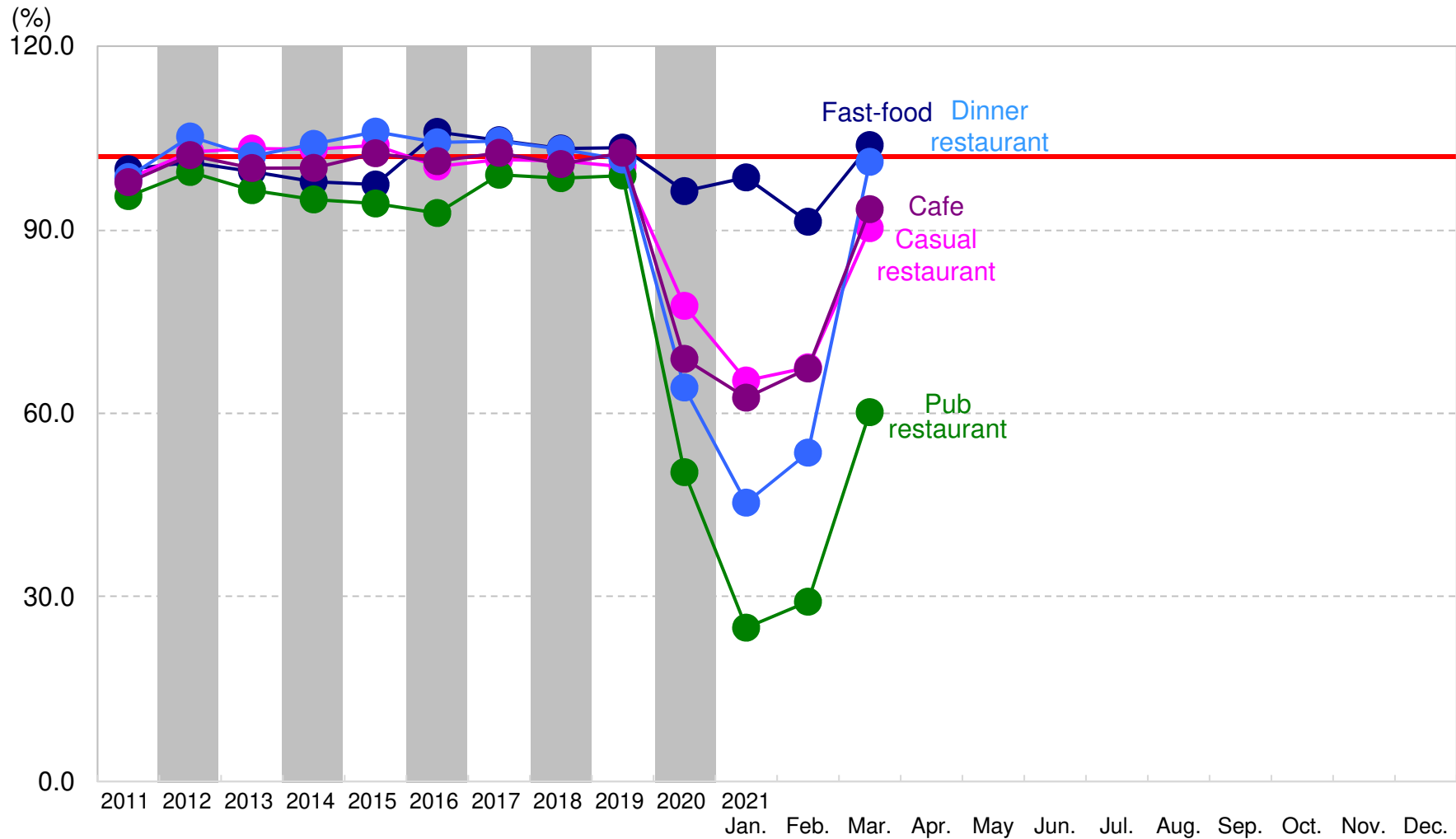


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Fast food sales were sustained by takeout demand. Cafe sales were on a recovery trend in rural areas, but recovery was slow in business district. Casual restaurants and Dinner restaurants saw a recovery in customer traffic due to the easing of requests to shorten business hours. However, sales were still low.
- Pub restaurant sales fell significantly due to requests to shorten business hours.

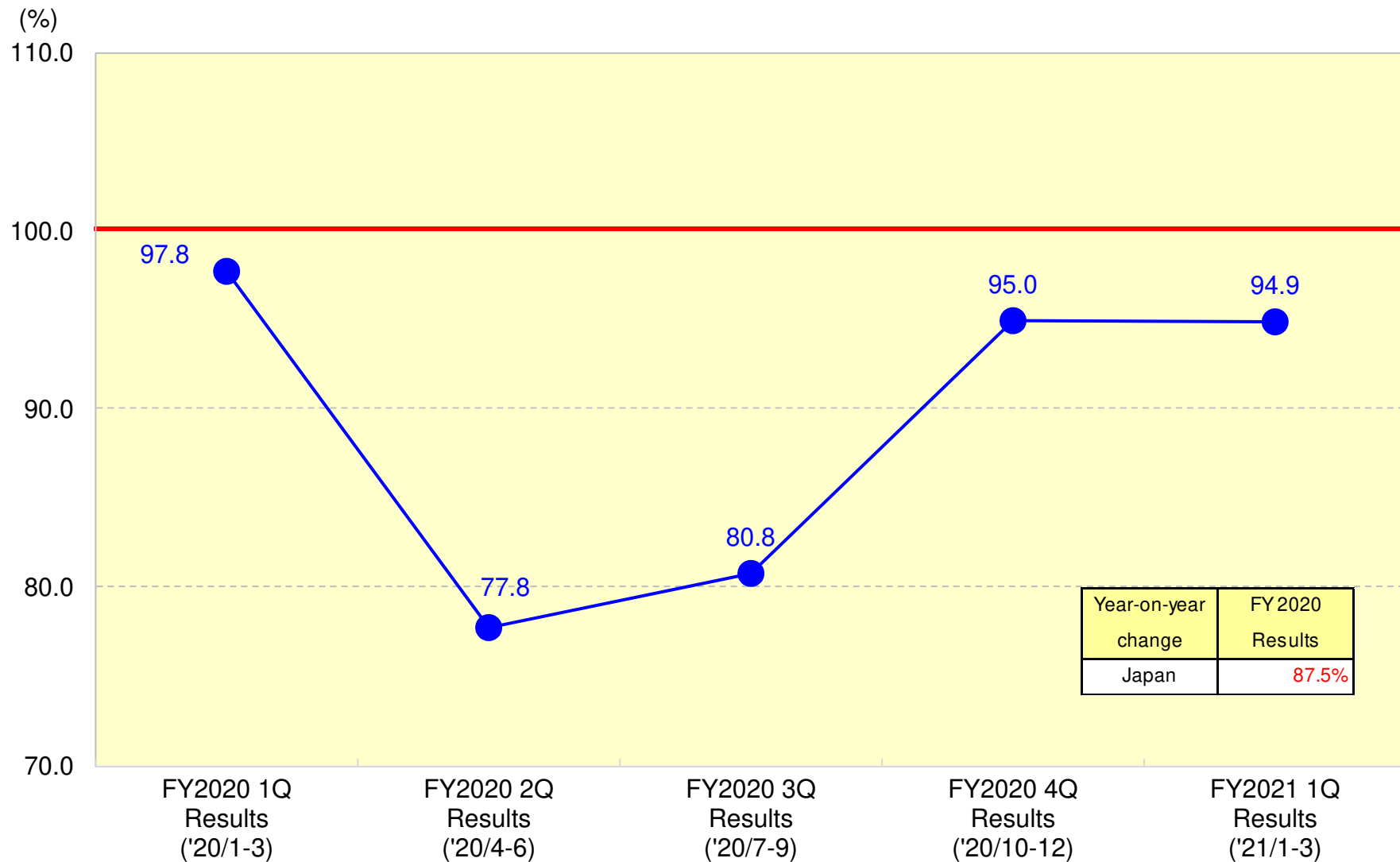


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

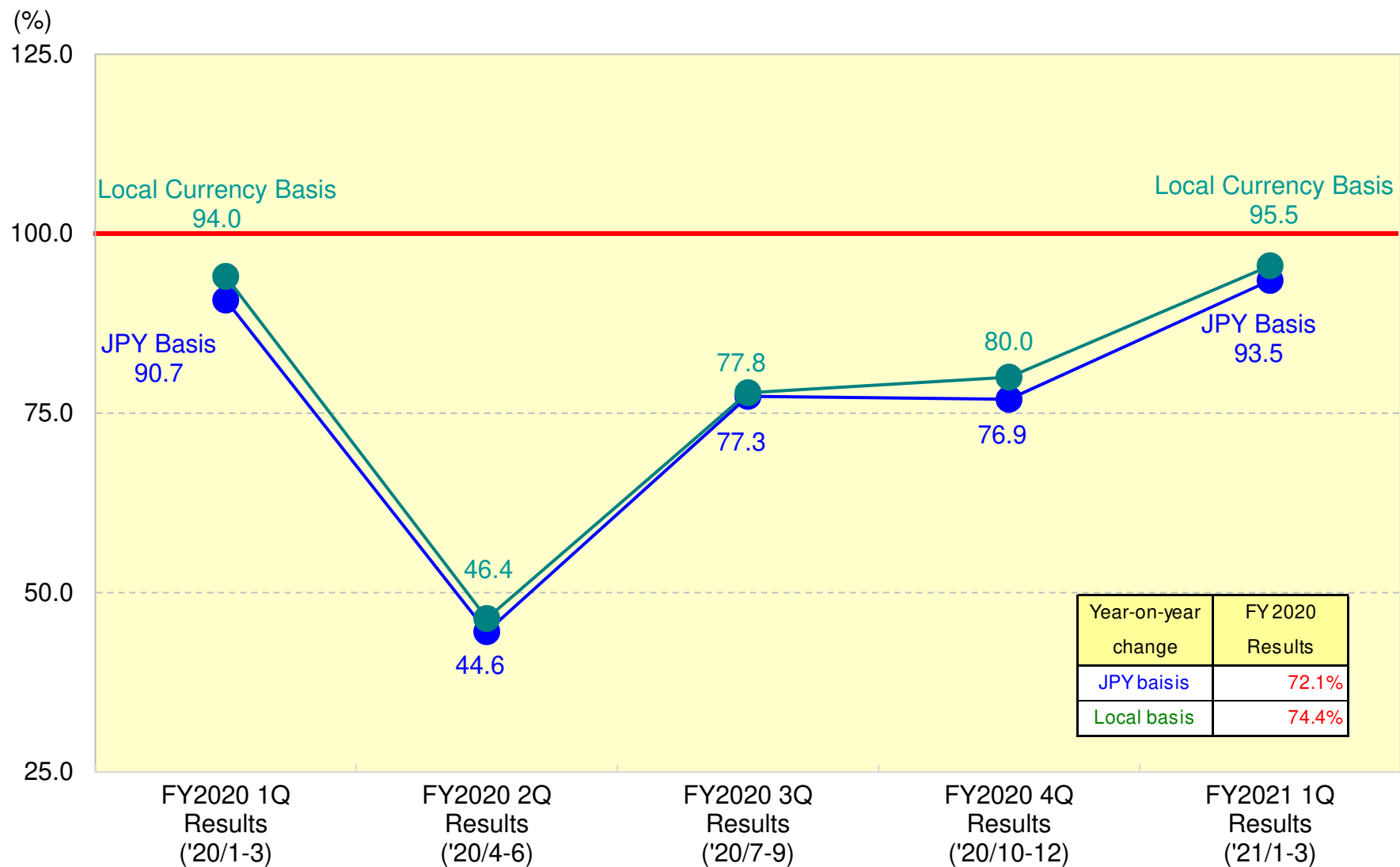


Japan : Year-on-Year Change in Sales

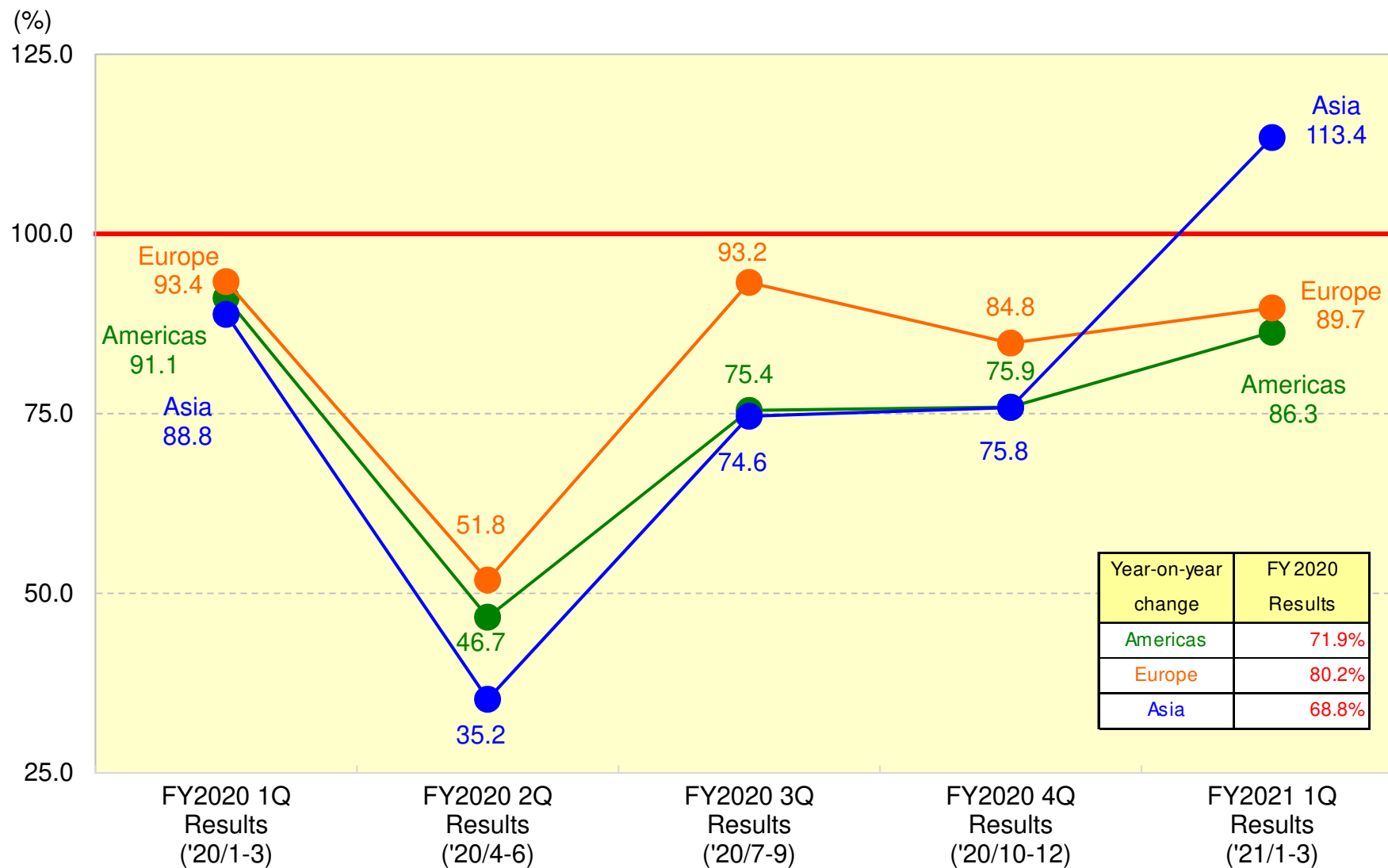
- Sales to restaurants, our main customers, declined significantly due to the ongoing impact of COVID-19 infections. On the other hand, we promoted sales activities to non-restaurant customers and secured sales.



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



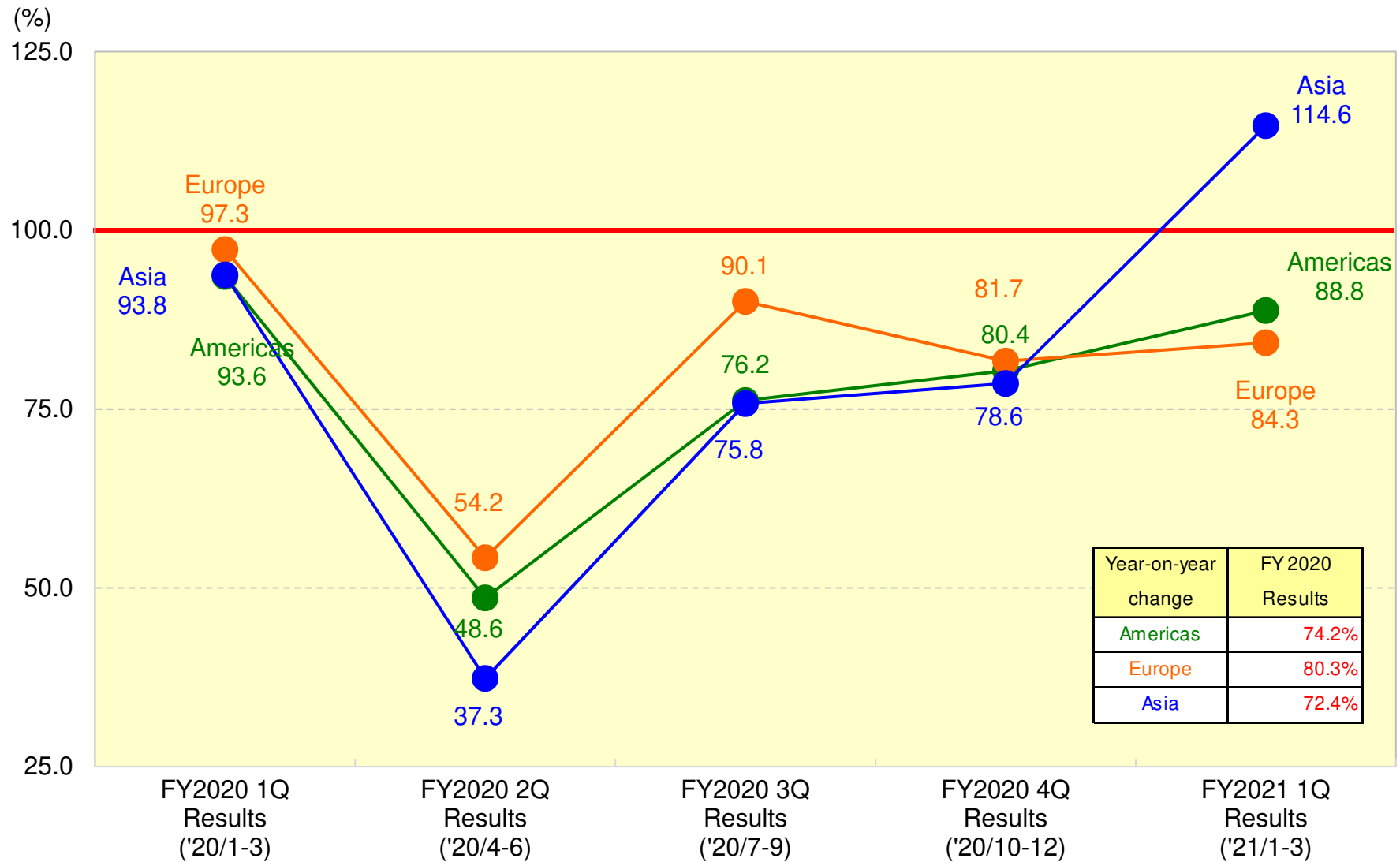
Overseas : *Year-on-Year Change in Sales by Area on Japanese Yen Basis



*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 on JPY Basis and Local 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

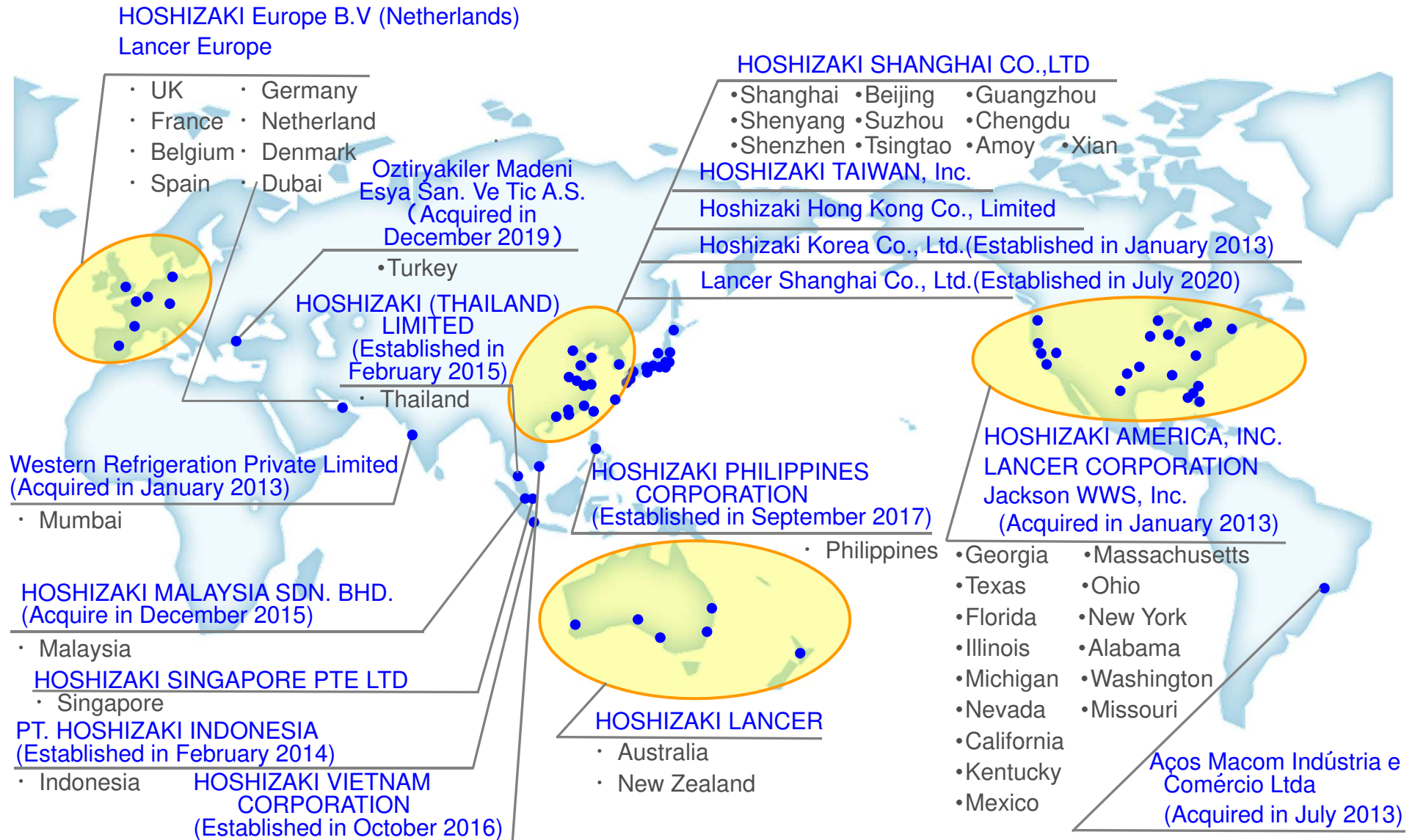
Company Profile



- 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 (March 31, 2021)
- 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)
(March 31, 2021 *Including HOSHIZAKI CORPORATION)
- Number of employees : 1,192 persons (HOSHIZAKI CORPORATION)
12,524 persons (Group total) (March 31, 2021)
- Number of sales offices in Japan : 435 places (March 31, 2021)



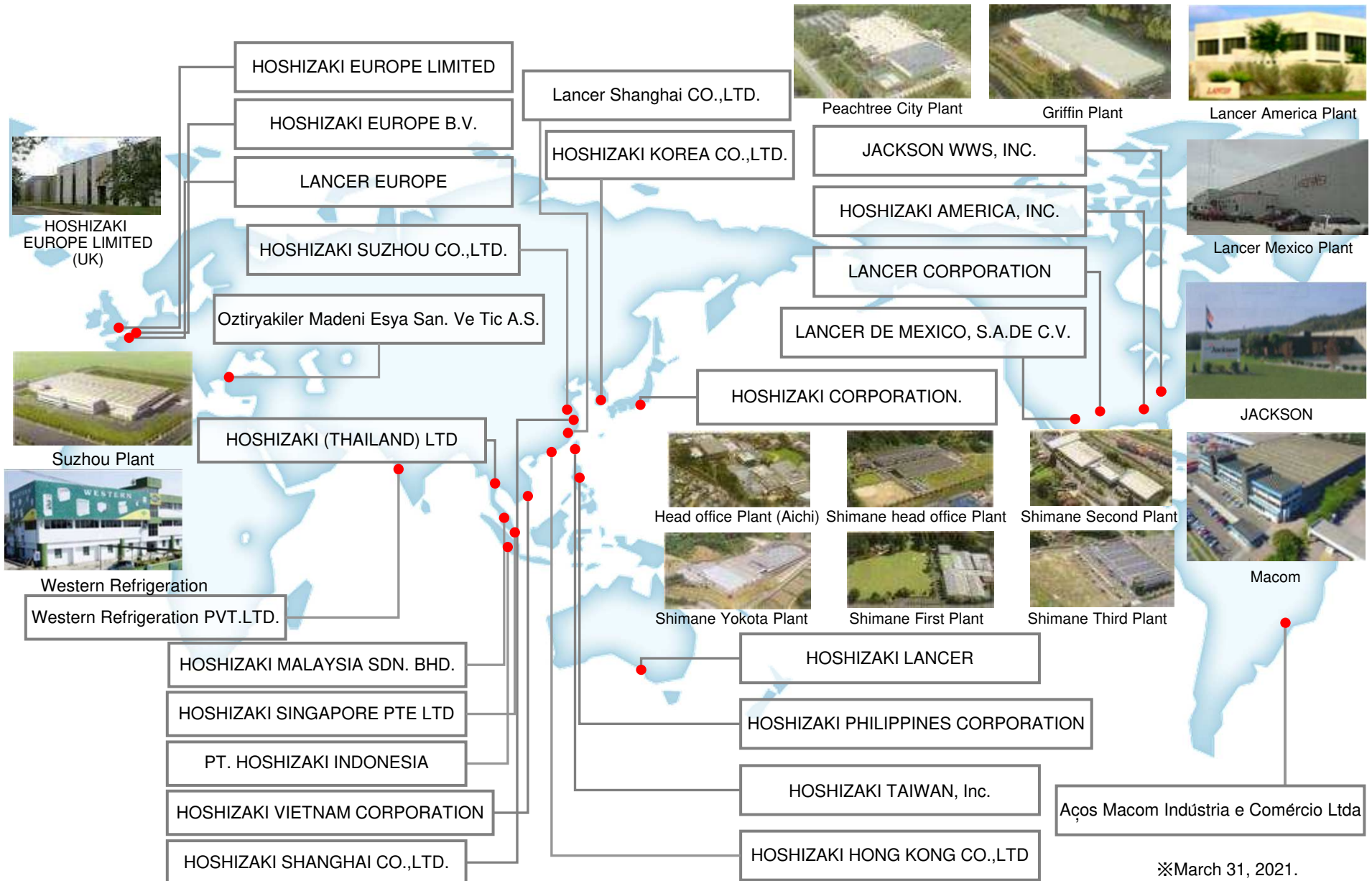
Overseas : Expanding the Sales Networks



※March 31, 2021.



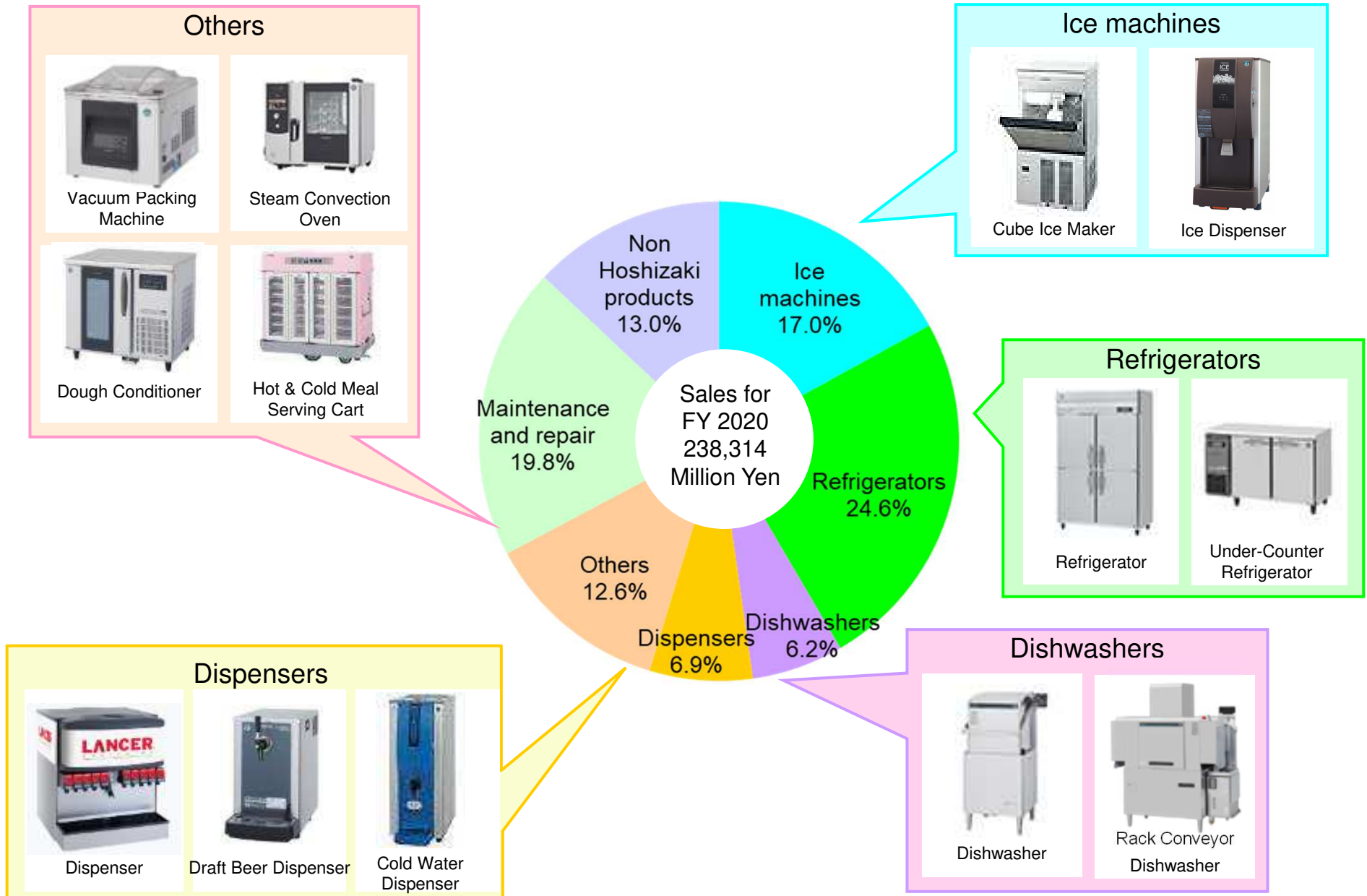
Global Network, Production and Sales Offices



※March 31, 2021.



Main Product Group and Sales Breakdown



Long-term Business Performance Consolidated Basis

(Millions of Yen)

300,000

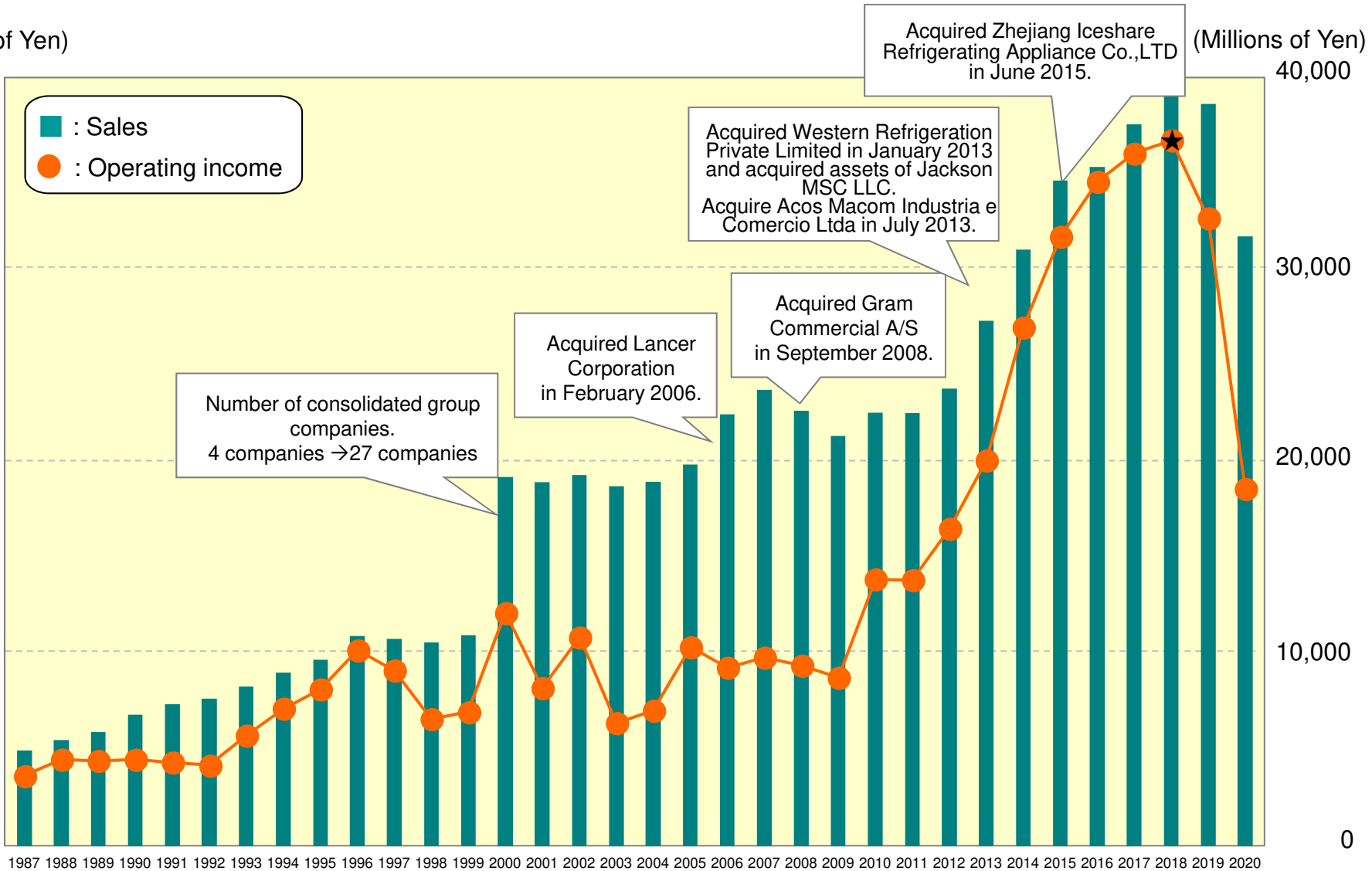
■ : Sales
● : Operating income

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 Iceshare 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:

HOSHIZAKI CORPORATION
Corporate Planning & Strategy Dept.
TEL (0562) 96-1320
URL <http://www.hoshizaki.co.jp/>

