



Summary of Business Performance

The Second 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)

August 6, 2021

HOSHIZAKI

Table of contents

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

II . Key Factors of Financial Results for FY 2021 2Q : P.15-22

III . Business Forecast for FY 2021 : P.23-24

IV . Company Profile and Overview of Business : P.25-31





I . Financial Results for FY 2021 2Q

HOSHIZAKI

Foreign Exchange Rates

	FY 2020 6 months ('20/1-6)		FY 2020 ('20/1-12)		FY 2021 6 months ('21/1-6)		Forecast of FY 2021, Aug. 6th, 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	108.2	107.7	106.7	103.5	107.7	110.5	108.0	108.0
Pound	136.5	132.5	137.0	139.8	149.7	153.1	134.0	134.0
Euro	119.3	121.0	121.8	126.9	129.8	131.5	130.0	130.0
Singapore dollar	77.4	77.3	77.4	78.0	80.8	82.1	78.0	78.0
Chinese yuan	15.3	15.2	15.4	15.8	16.6	17.1	15.2	15.2
Denmark krone	15.9	16.2	16.3	17.0	17.4	17.7	16.3	16.3
Taiwan dollar	3.6	3.6	3.6	3.6	3.8	3.9	3.6	3.6
Hong Kong dollar	13.9	13.9	13.7	13.3	13.8	14.2	13.8	13.8
Indian rupee	1.47	1.44	1.45	1.42	1.48	1.50	1.48	1.48
South Korean won	0.0899	0.0900	0.0907	0.0952	0.0965	0.0978	0.0892	0.0892
Brazilian real	22.3	19.6	20.9	19.9	20.0	22.1	20.7	20.7
Indonesian Rupiah	0.0075	0.0076	0.0074	0.0074	0.0076	0.0077	0.0076	0.0076
Thai Baht	3.4	3.4	3.4	3.4	3.5	3.4	3.5	3.5
Malaysia Ringgito	25.4	25.1	25.4	25.6	26.3	26.6	25.1	25.1
Viet Nam Dong	0.0046	0.0046	0.0046	0.0044	0.0046	0.0047	0.0046	0.0046
Philippine Peso	2.16	2.18	2.17	2.18	2.25	2.30	2.17	2.17



Summary of Financial Results for FY 2021 2Q

■ Sales : 136.6 billion yen (increased 12.9% year-on-year)

- Japan : 90.2 billion yen (increased 4.6%)
- Overseas : 46.3 billion yen (increased 33.2%) Overseas sales ratio : 33.9% (increased 5.2%)

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

- In Japan : As for our primary customers in restaurant market, despite the ongoing impact of COVID-19 focused on night-time restaurant, the sales have increased due to reaction from restricted sales activities in the same previous year.
As for non-restaurant market, the sales have increased in various business categories such as hospitals/nursing homes and agricultural/fishery industries.
- In Overseas: The sales have increased all regions due to reaction from restricted sales activities in the same previous year.

■ Operating Income : 14.1 billion yen (increased 34.6%) Operating income margin : 10.4%

- Japan : 9.9 billion yen (increased 8.3%) Operating income margin : 11.1%
- Overseas : 4.5 billion yen (increased 196.0%) Operating income margin : 9.8%

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

- Both of domestic and overseas, although having impact which is escalating the price of raw materials, the sales profit has increased caused by gain of sales.

■ Ordinary Income : 18.2 billion yen (increased 81.7%)

- Foreign exchange gains of 3.5 billion yen from deposits in foreign currencies were recorded as non-operating income. (1.4 billion yen of foreign exchange losses were recorded in the same previous year.)

■ Profit Attributable to Owners of Parent : 12.6 billion yen (increased 95.6%)



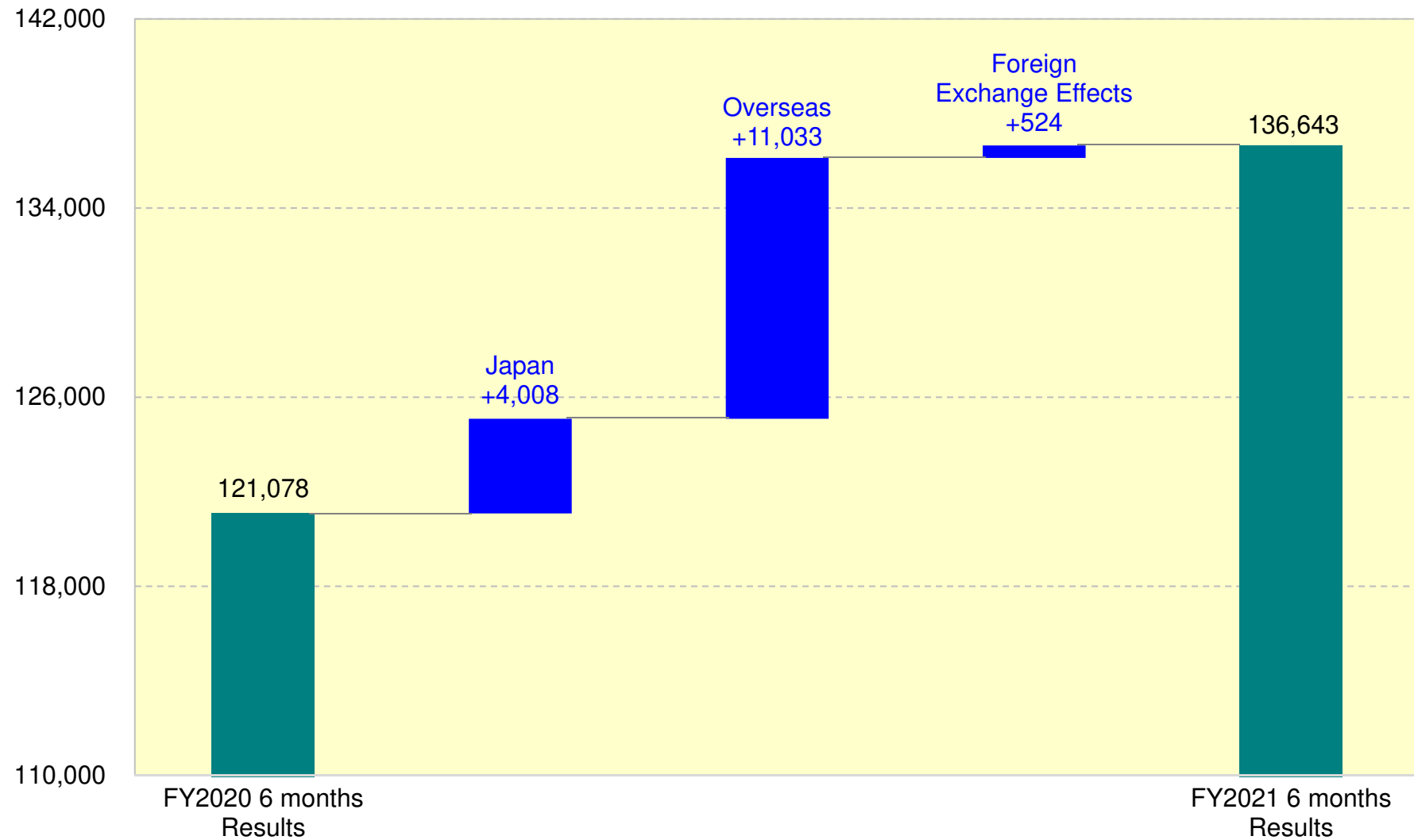
Consolidated business performance

	FY 2020 6 months results		FY 2021 6 months results			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
					Change (Millions of yen)	Percentage (%)
Sales	121,078	100.0	136,643	100.0	+15,565	112.9
Cost of sales	75,472	62.3	85,607	62.6	+10,134	113.4
Gross profit	45,606	37.7	51,036	37.4	+5,430	111.9
Selling, general and administrative expenses	35,062	29.0	36,846	27.0	+1,784	105.1
Operating income	10,543	8.7	14,189	10.4	+3,646	134.6
Ordinary income	10,031	8.3	18,229	13.3	+8,198	181.7
Profit attributable to owners of parent	6,484	5.4	12,683	9.3	+6,198	195.6



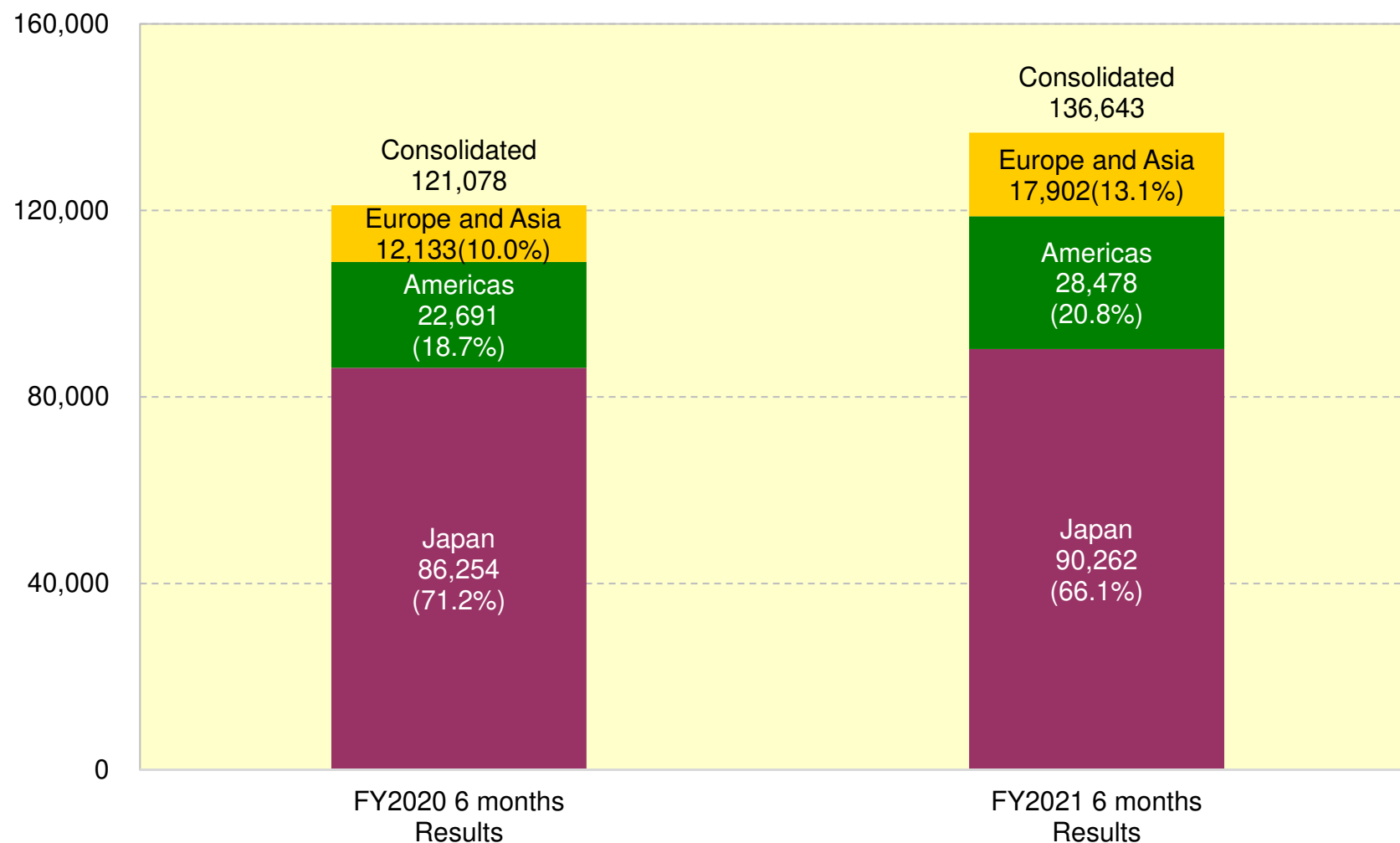
Factors for Change in Consolidated Sales by Japan and Overseas

(millions of yen)



Year-on-year Comparison of Sales by Reporting Segments

(millions of yen)



*Figures in parenthesis indicate component percentages.

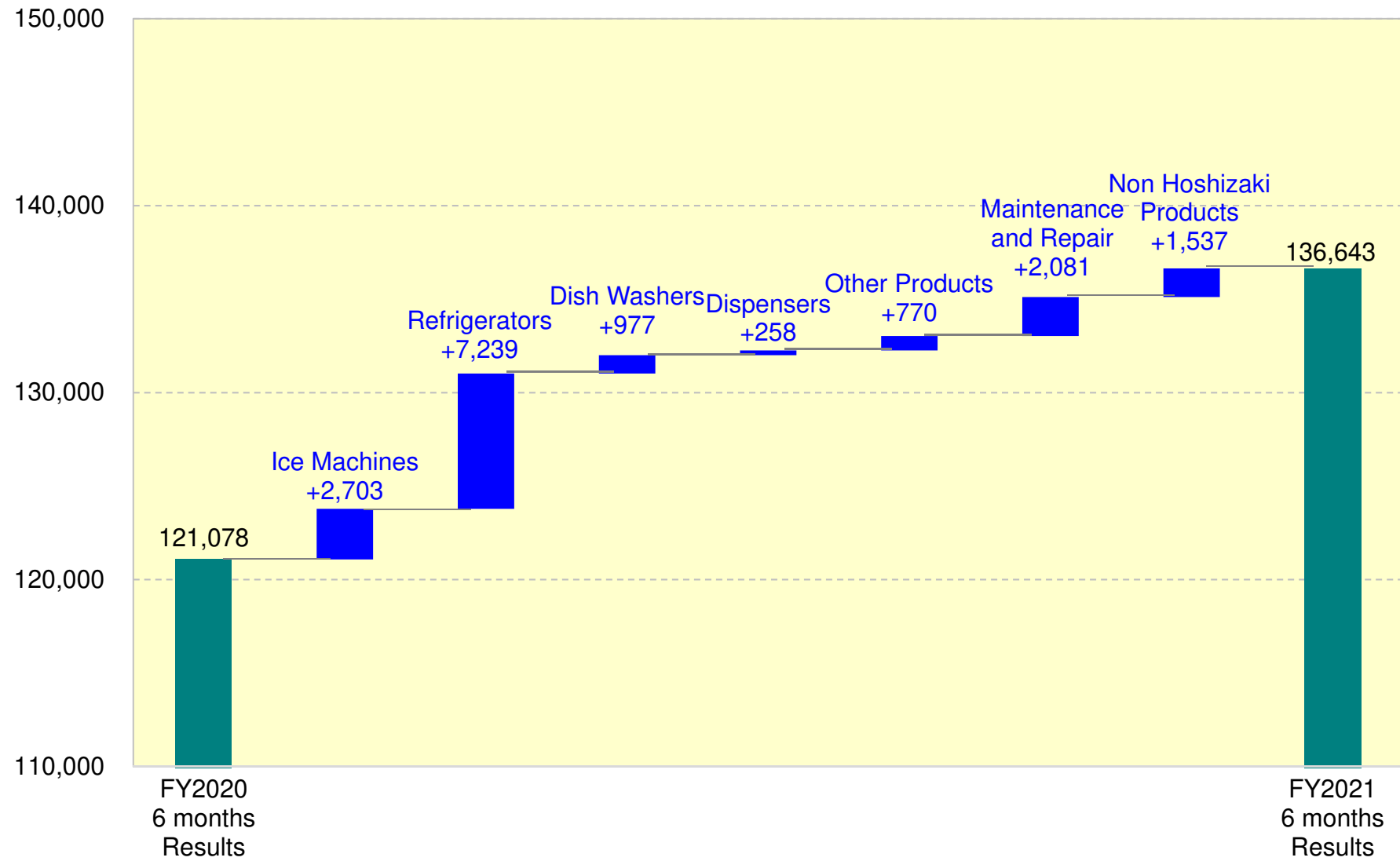
Classified according to the location of the head offices. (e.g. Lancer Europe is included in "Americas")

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



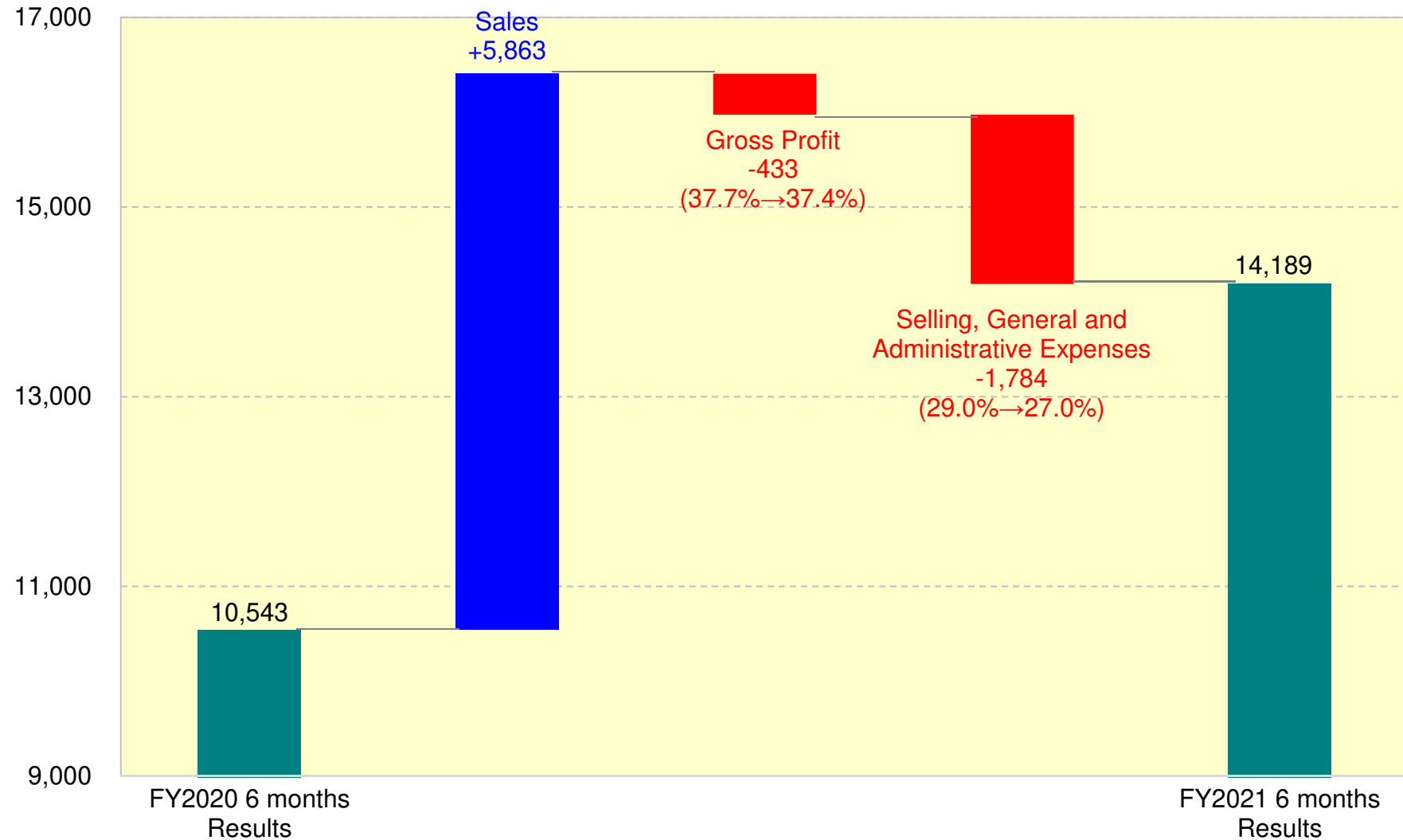
Factors for Change in Consolidated Sales by Product Groups

(millions of yen)



Factors for Change in Consolidated Operating Income

(millions of yen)

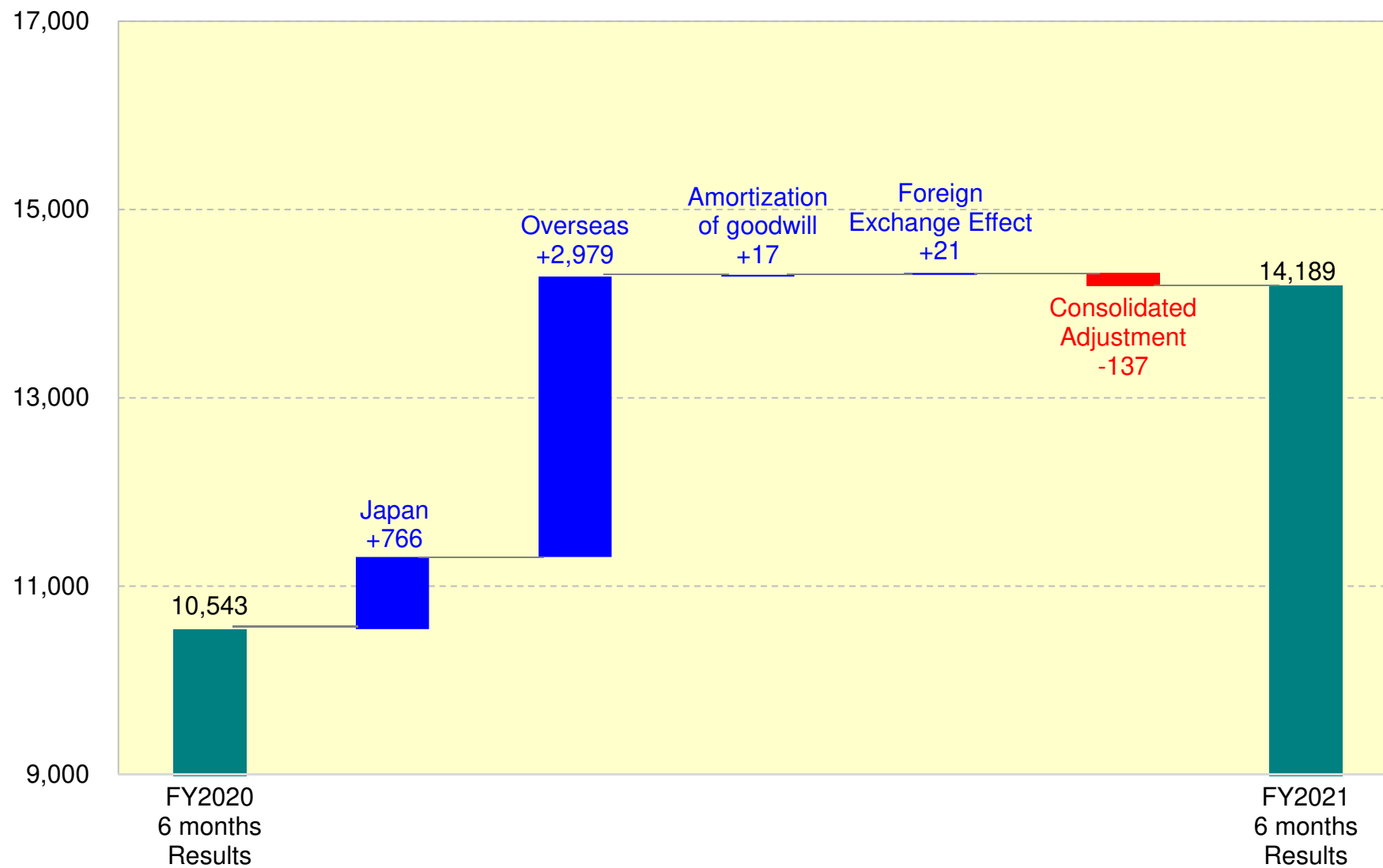


*Percentages in parenthesis indicates changes in the ratio to sales.

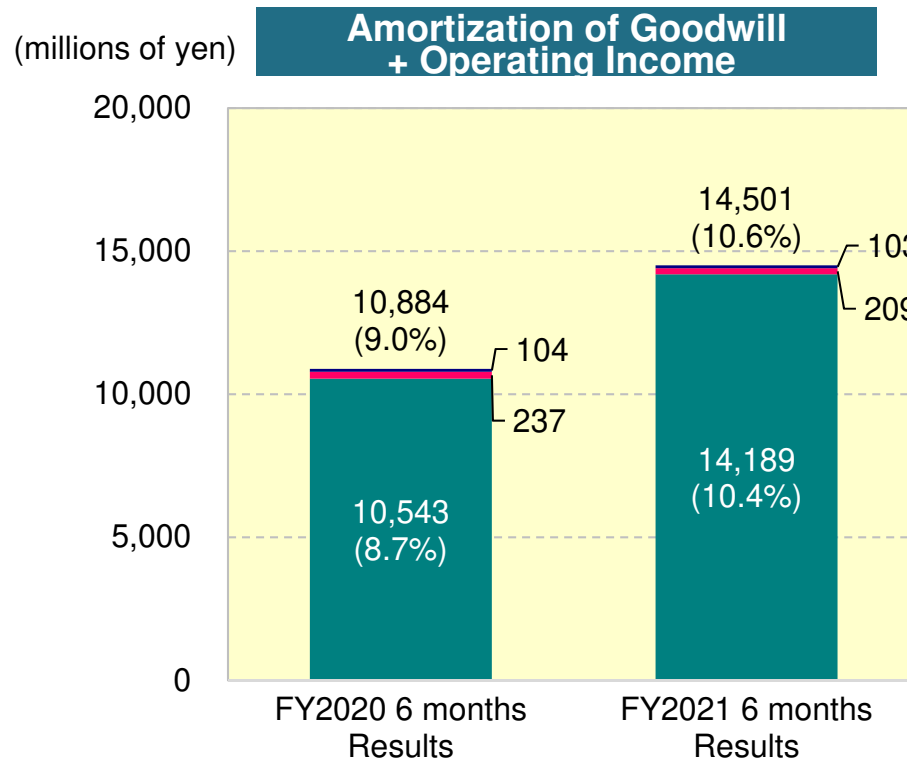
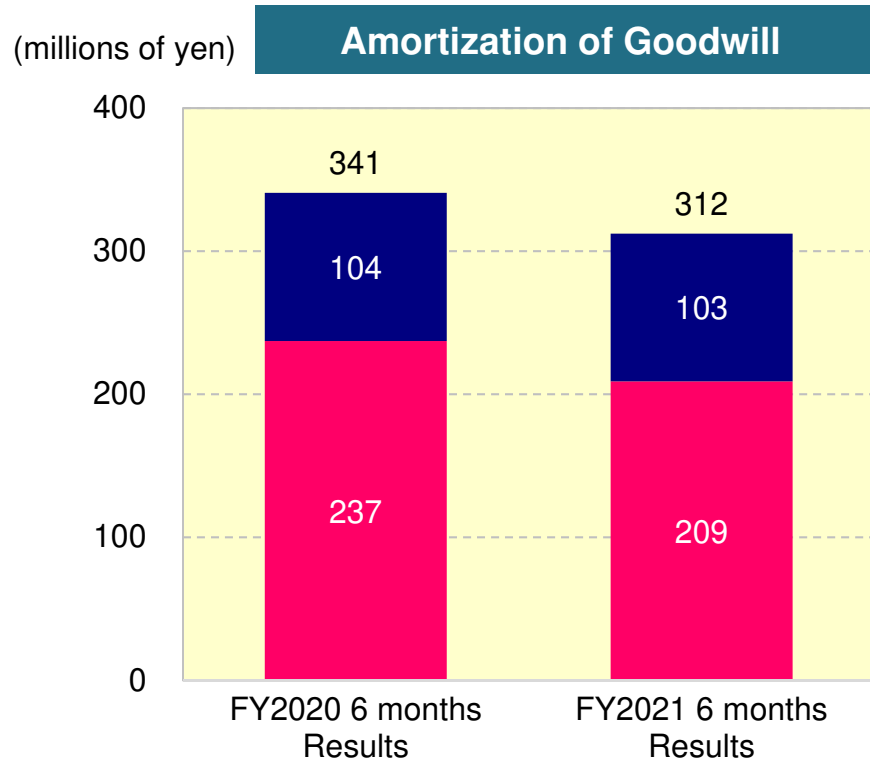
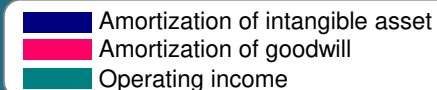


Factors for Change in Consolidated Operating Income by Japan and Overseas

(millions of yen)



Impact of Goodwill Amortization



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

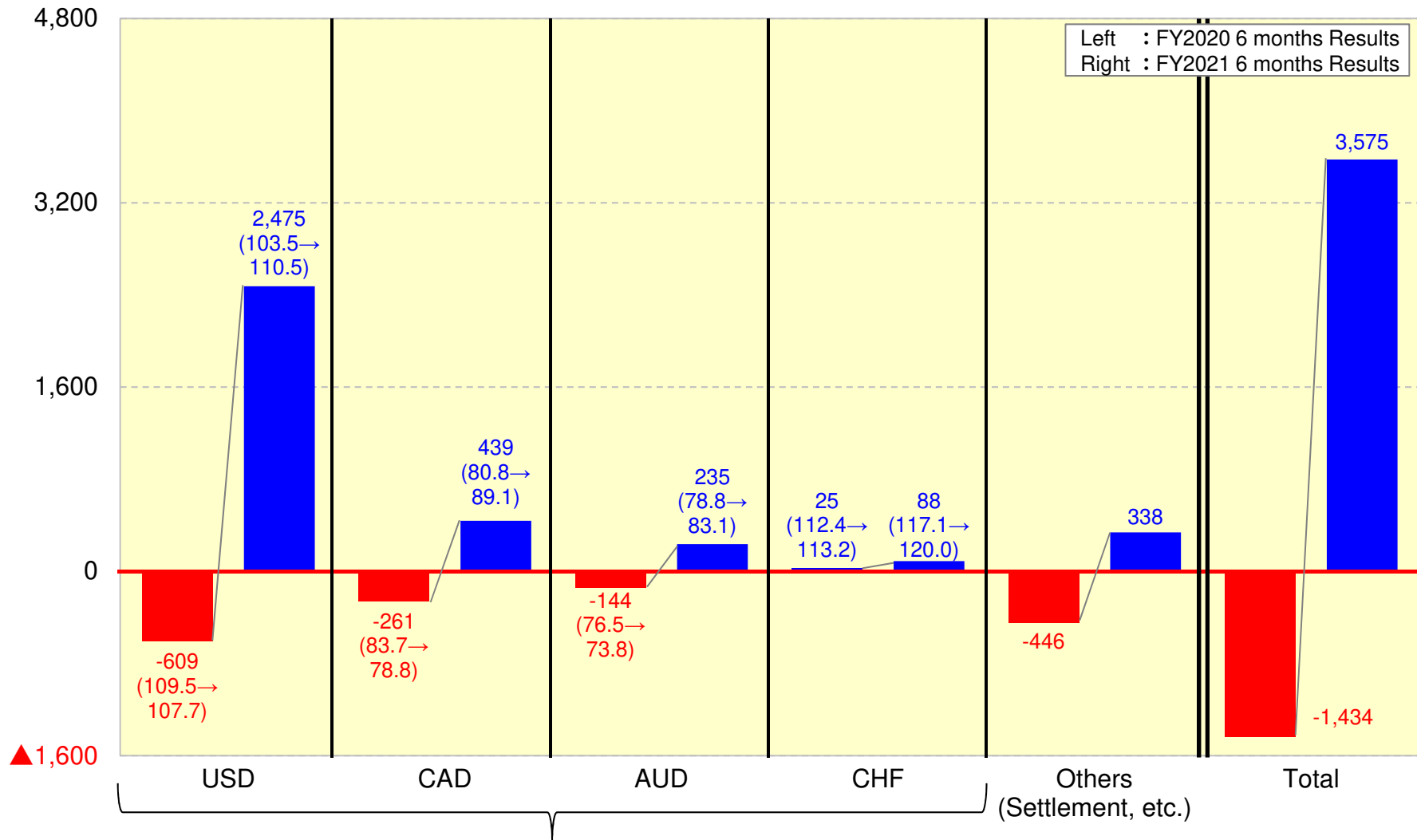
The recognition of goodwill and intangible assets		Amortization of goodwill and intangible assets impairment	
• LANCER	(Feb.2006 M&A : 17,451 Amortized over 10-year period)	• Macom	(in 2014 : 3,186)
• GRAM	(Sep.2008 M&A : 6,759 Amortized over 12-year period)		(in 2015 : 1,791)
• Western	(Jan.2013 M&A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



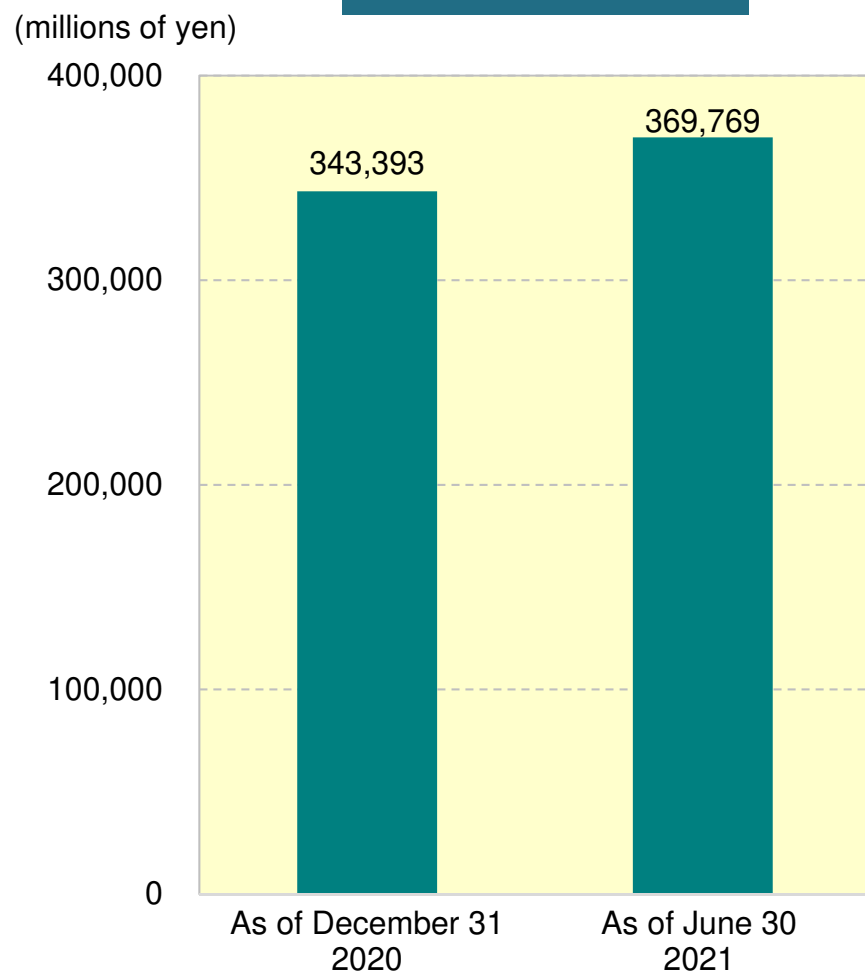
Consolidated Balance Sheet

	As of December 31, 2020		As of June 30, 2021		
	Amount (Millions of yen)	Component percentage (%)	Amount (Millions of yen)	Component percentage (%)	Change (Millions of yen)
Current assets	277,241	80.7	300,602	81.3	+23,361
(Cash and cash equivalents)	217,727	63.4	233,873	63.2	+16,146
(Notes and accounts receivable-trade)	27,122	7.9	34,944	9.5	+7,821
(Inventory)	28,405	8.3	28,818	7.8	+413
Non-current assets	66,152	19.3	69,167	18.7	+3,014
Total assets	343,393	100.0	369,769	100.0	+26,375
Current liabilities	80,265	23.4	96,614	26.1	+16,349
(Notes and accounts payable-trade)	16,052	4.7	24,366	6.6	+8,314
(Advance received)	26,070	7.6	25,146	6.8	-924
Non-current liabilities	23,416	6.8	23,338	6.3	-78
Total liabilities	103,681	30.2	119,952	32.4	+16,270
Total net assets	239,711	69.8	249,816	67.6	+10,104
Total liabilities and net assets	343,393	100.0	369,769	100.0	+26,375
Cash and deposits (including long-term deposits)	217,215		233,324		+16,108

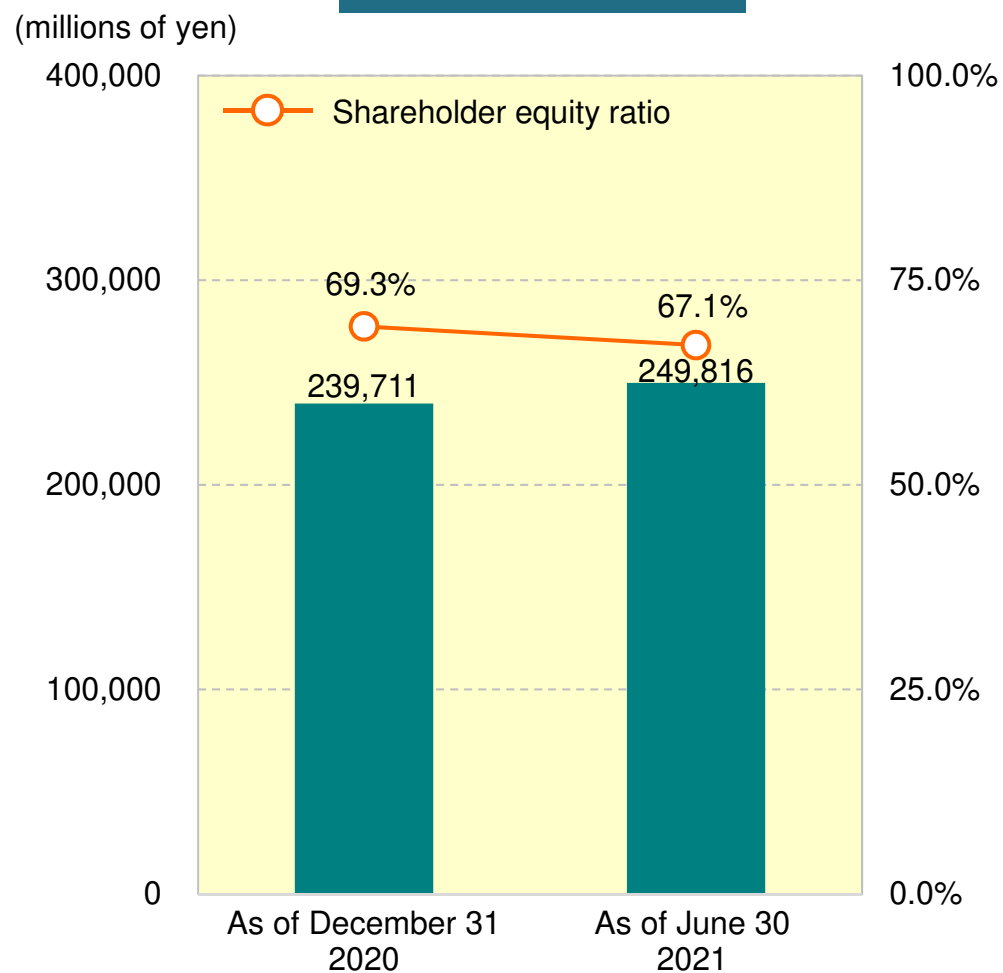


Comparison of Consolidated Total Assets and Net Assets

Total Assets



Net Assets

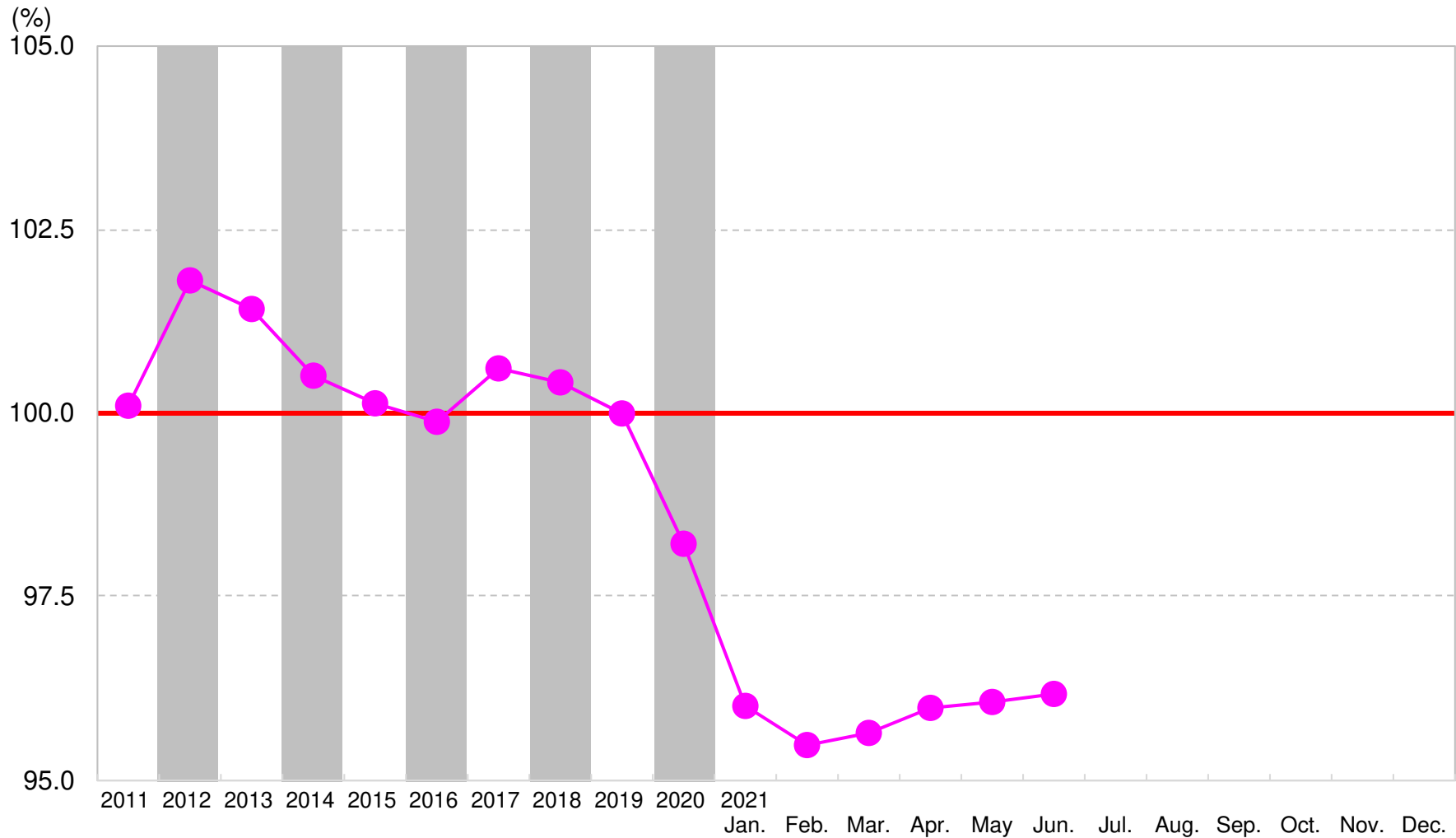




Ⅱ . Key Factors of Financial Results for FY 2021 2Q

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

- Major restaurant chains' store numbers continued to decrease since 2020

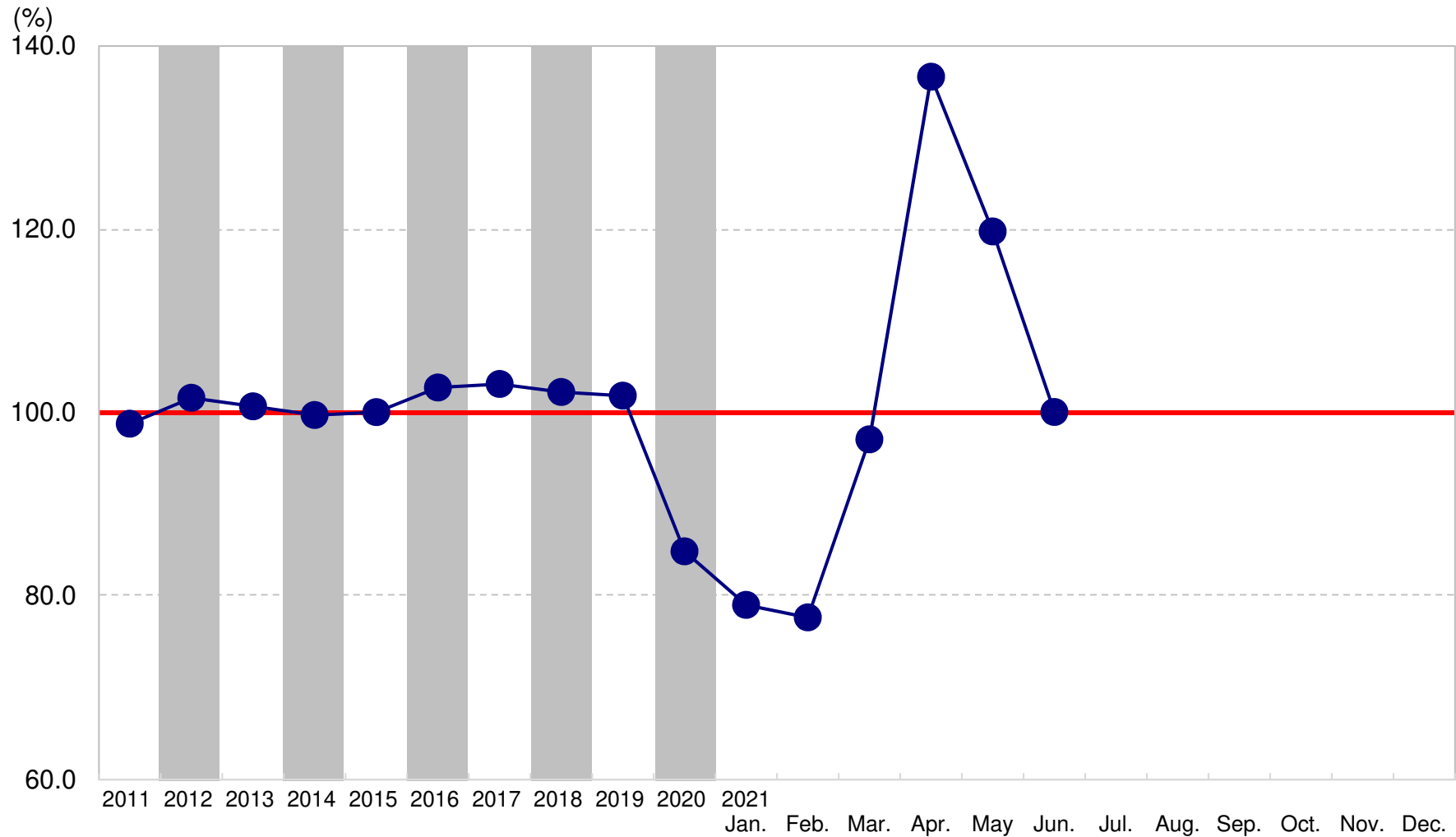


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Sales of major restaurant chains remain tough status, although having reaction from previous year. Government made emergency declaration and priority preventative measures, and requested for shorten business hours and restriction of serving alcohol.

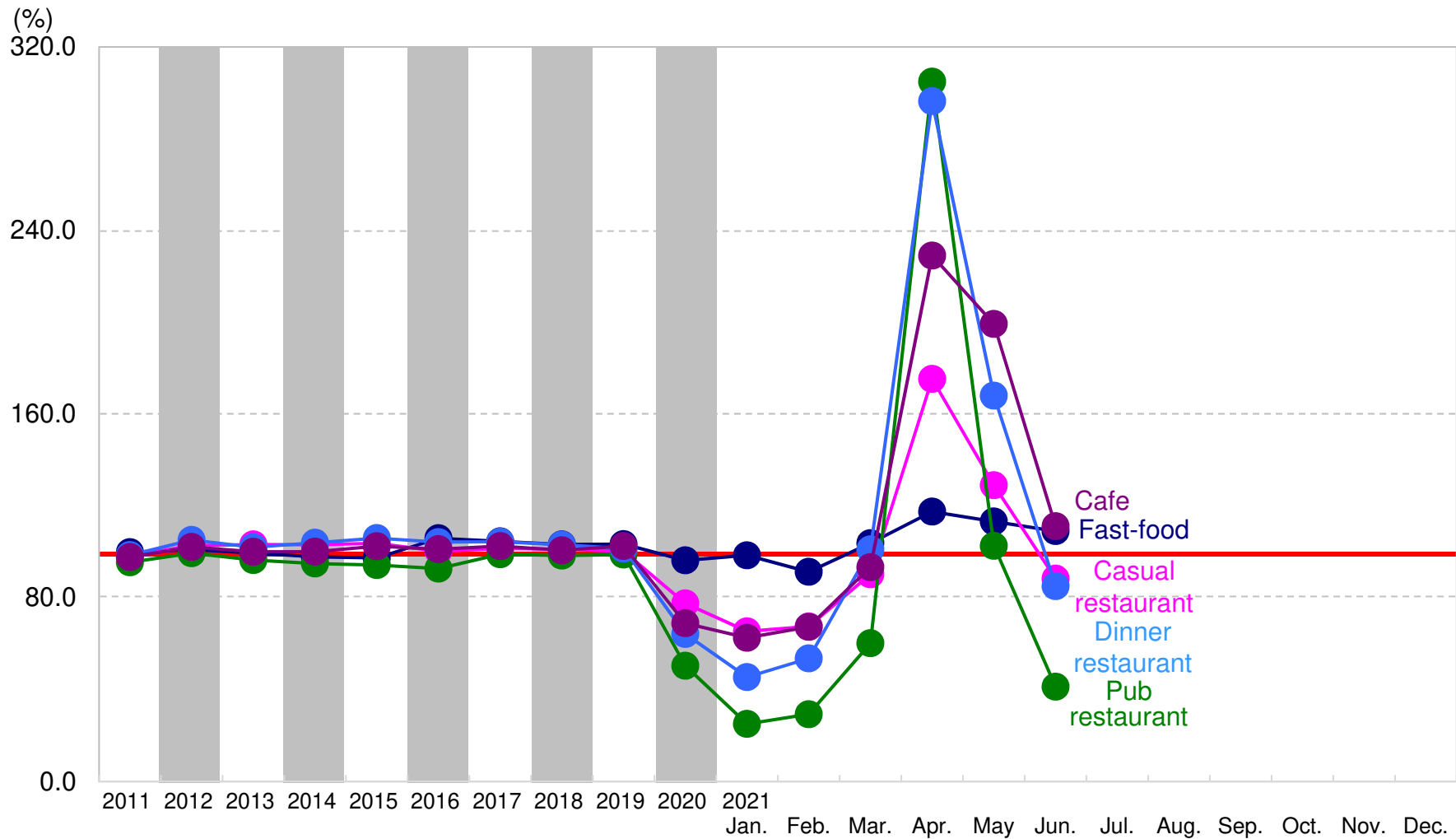


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Fast food sales remain strong by takeout demand. Café sales are on a recovery trend in residential area. Casual/Dinner restaurants and Pubs/Bars are remain tough situation due to requests to shorten business hours and restriction to serve alcohol.

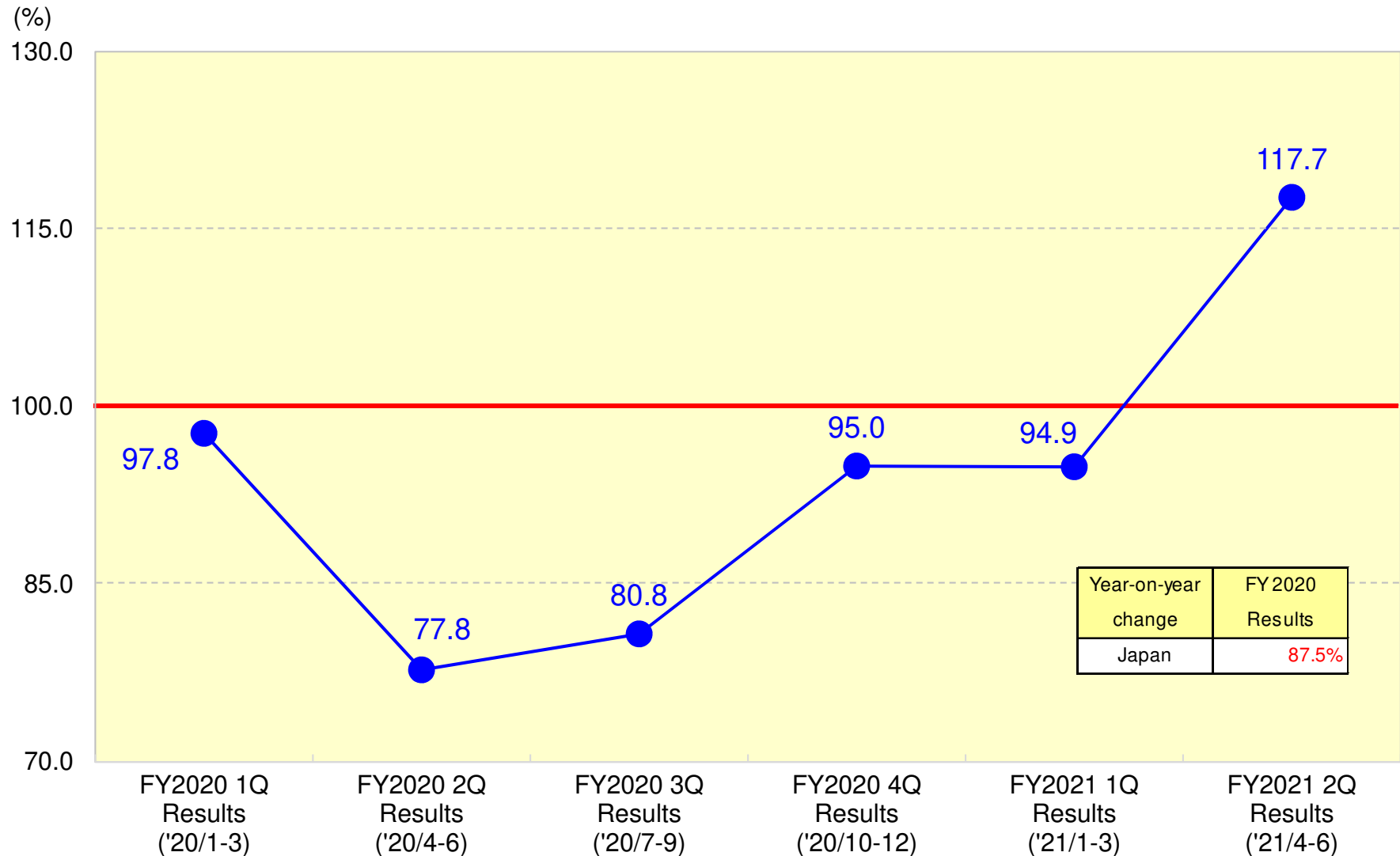


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

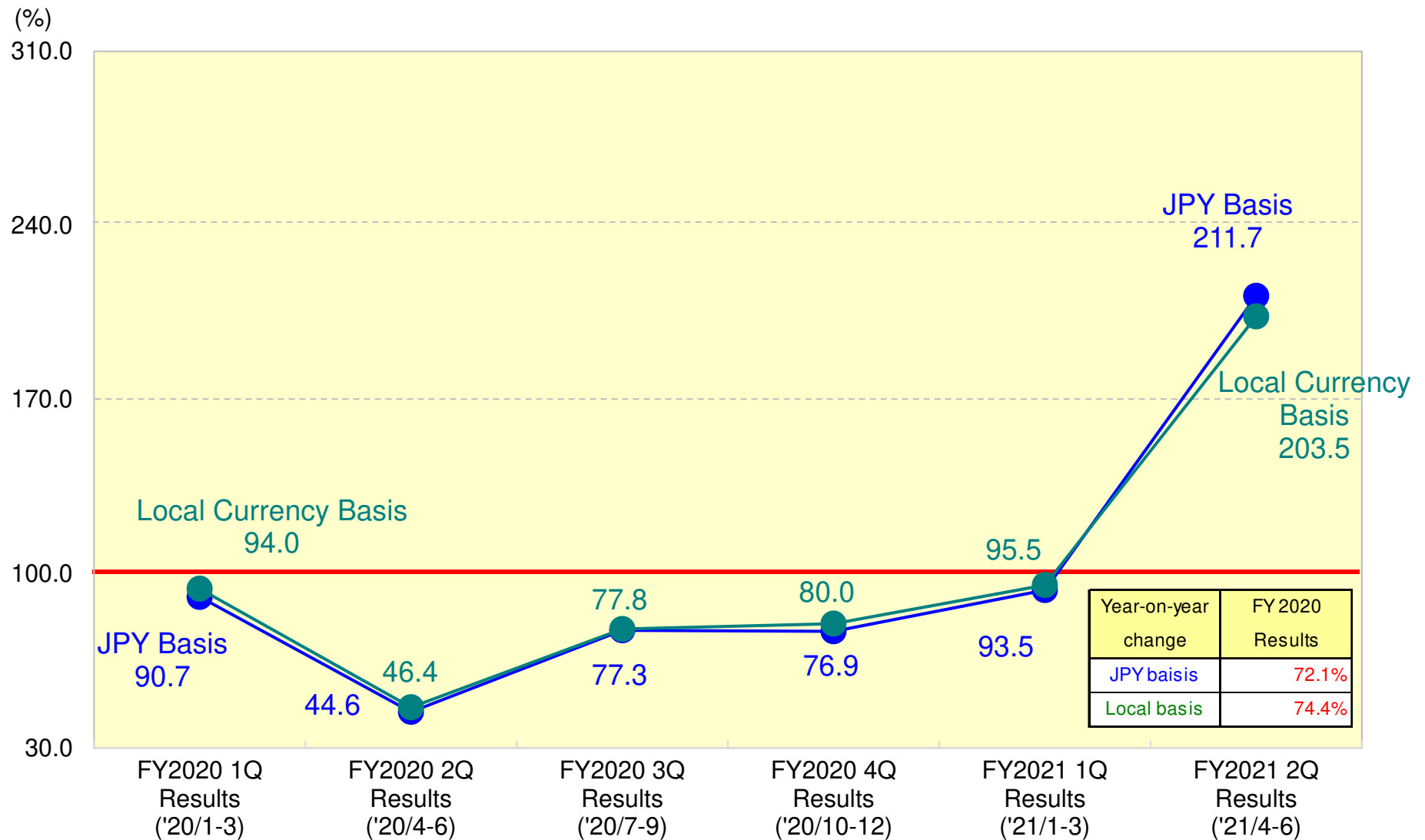


Japan : Year-on-Year Change in Sales

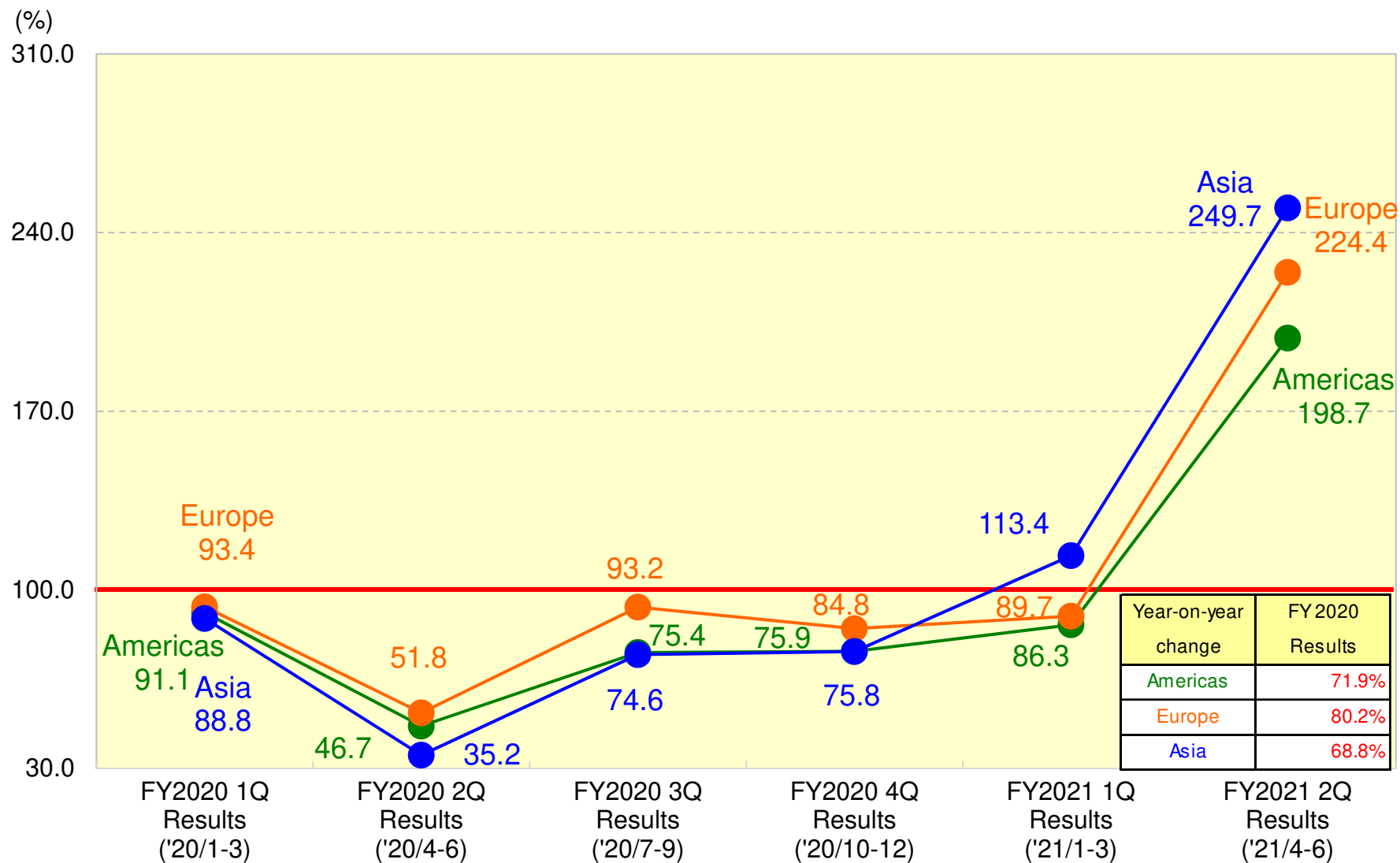
- Despite the ongoing impact of COVID-19, the sales turned to an increase due to reaction from restricted sales activities in the same previous year.



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



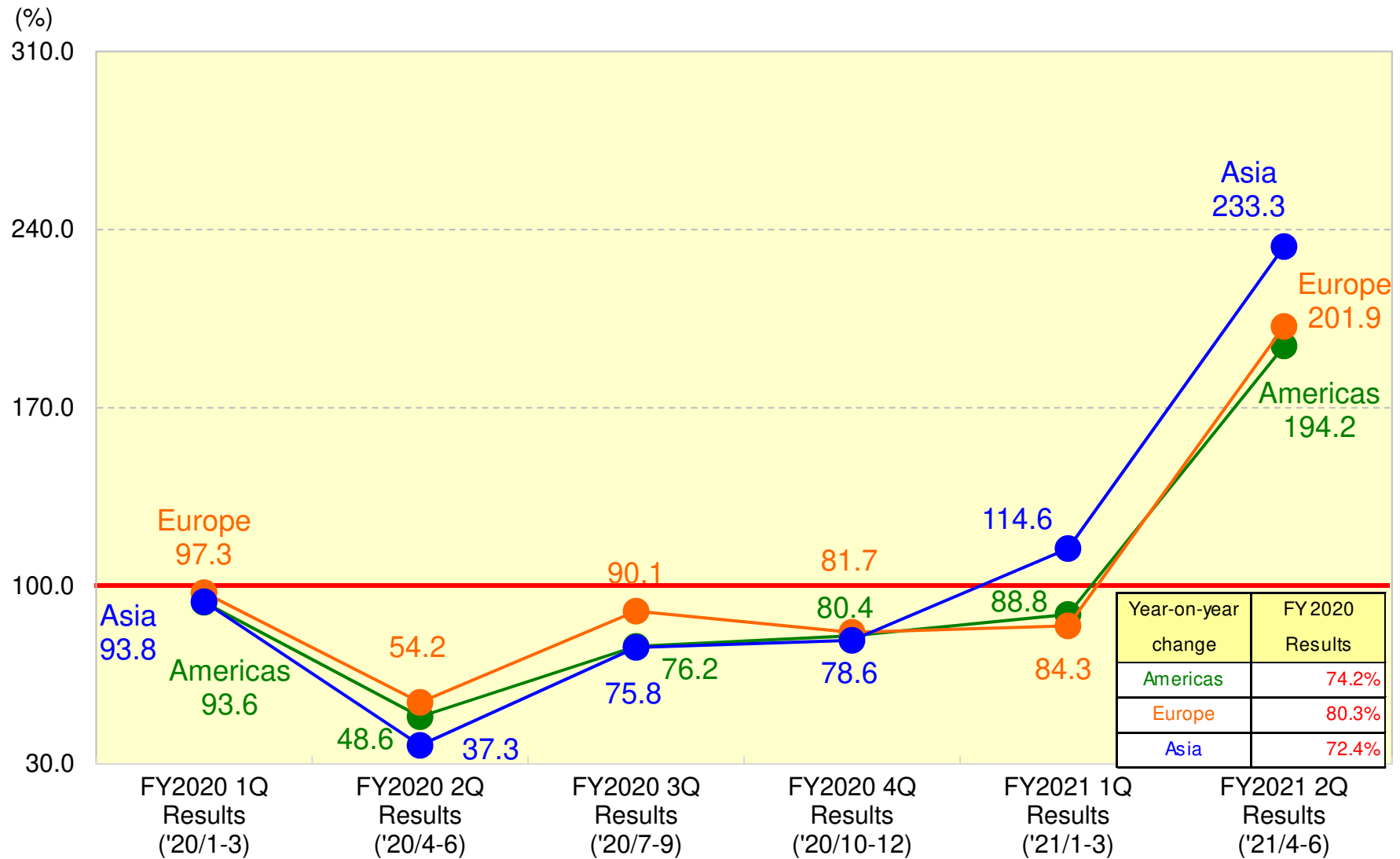
Overseas : *Year-on-Year Change in Sales by Area on Japanese Yen Basis



*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 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

- In cumulative 1st and 2nd quarter, despite continuing tough environment due to COVID-19, financial performance exceeded our expectation. We revise our financial forecast by considering recovery in worldwide economy except for some regions, and our current sales performance, although, we have concerned not only stagnation of economy caused by the emergency declaration, but price increase of materials and risk in parts procurement.

	FY 2020 results		FY 2021 forecast Feb 8th, 2021		FY 2021 forecast Aug 6th, 2021			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
							Change (Millions of yen)	Percentage (%)
Sales	238,314	100.0	250,000	100.0	265,000	100.0	+26,685	111.2
Gross profit	89,053	37.4	94,400	37.8	98,000	37.0	+8,946	110.0
Selling, general and administrative expenses	70,605	29.6	74,400	29.8	75,000	28.3	+4,394	106.2
Operating income	18,447	7.7	20,000	8.0	23,000	8.7	+4,552	124.7
Ordinary income	17,420	7.3	20,500	8.2	27,000	10.2	+9,579	155.0
Profit attributable to owners of parent	11,442	4.8	14,300	5.7	18,900	7.1	+7,457	165.2





IV. Company Profile and Overview Business

HOSHIZAKI

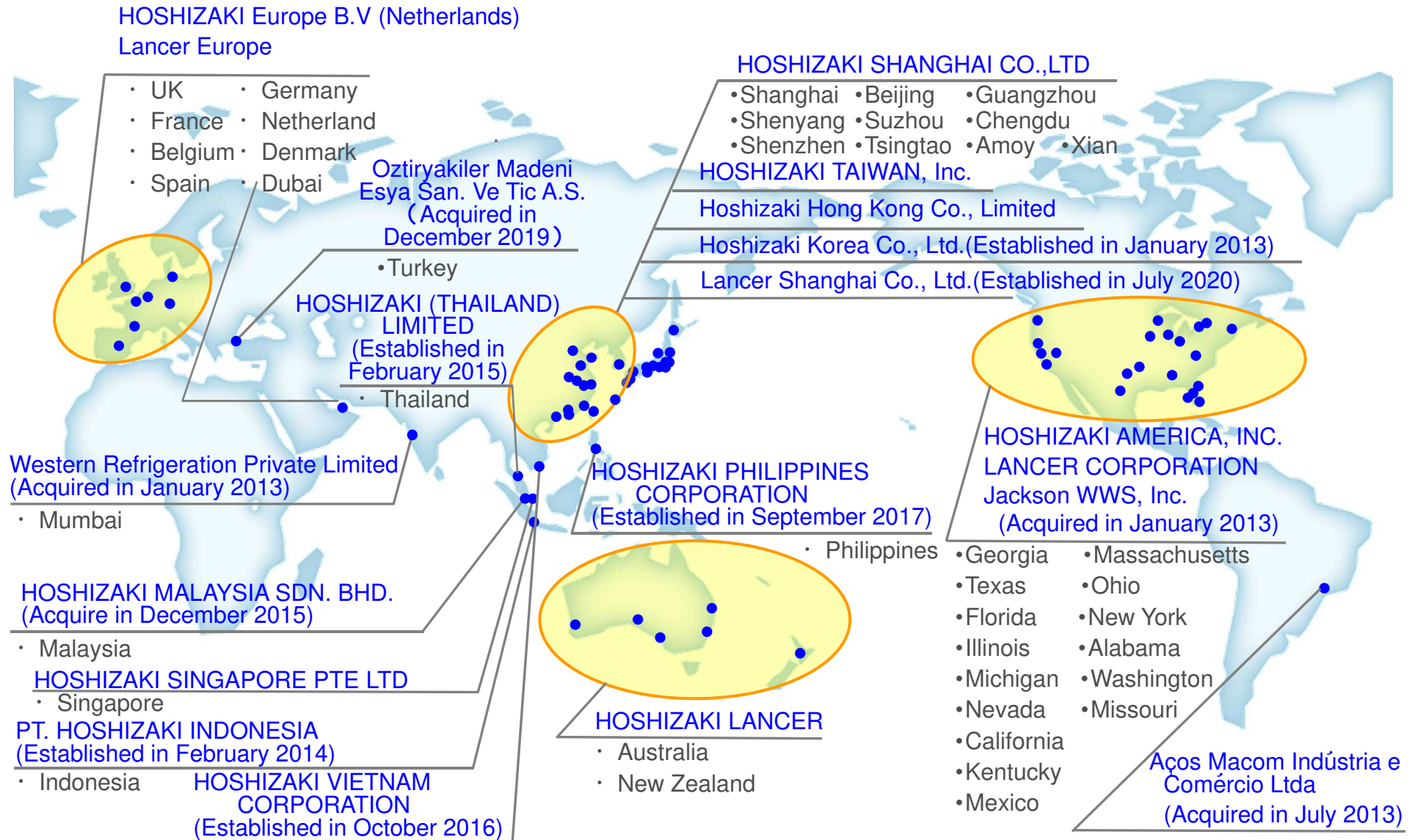
Company Profile



- 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 : 8,052 million yen (June 30, 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)
(June 30, 2021 *Including HOSHIZAKI CORPORATION)
- Number of employees : 1,210 persons (HOSHIZAKI CORPORATION)
12,734 persons (Group total) (June 30, 2021)
- Number of sales offices in Japan : 435 places (June 30, 2021)



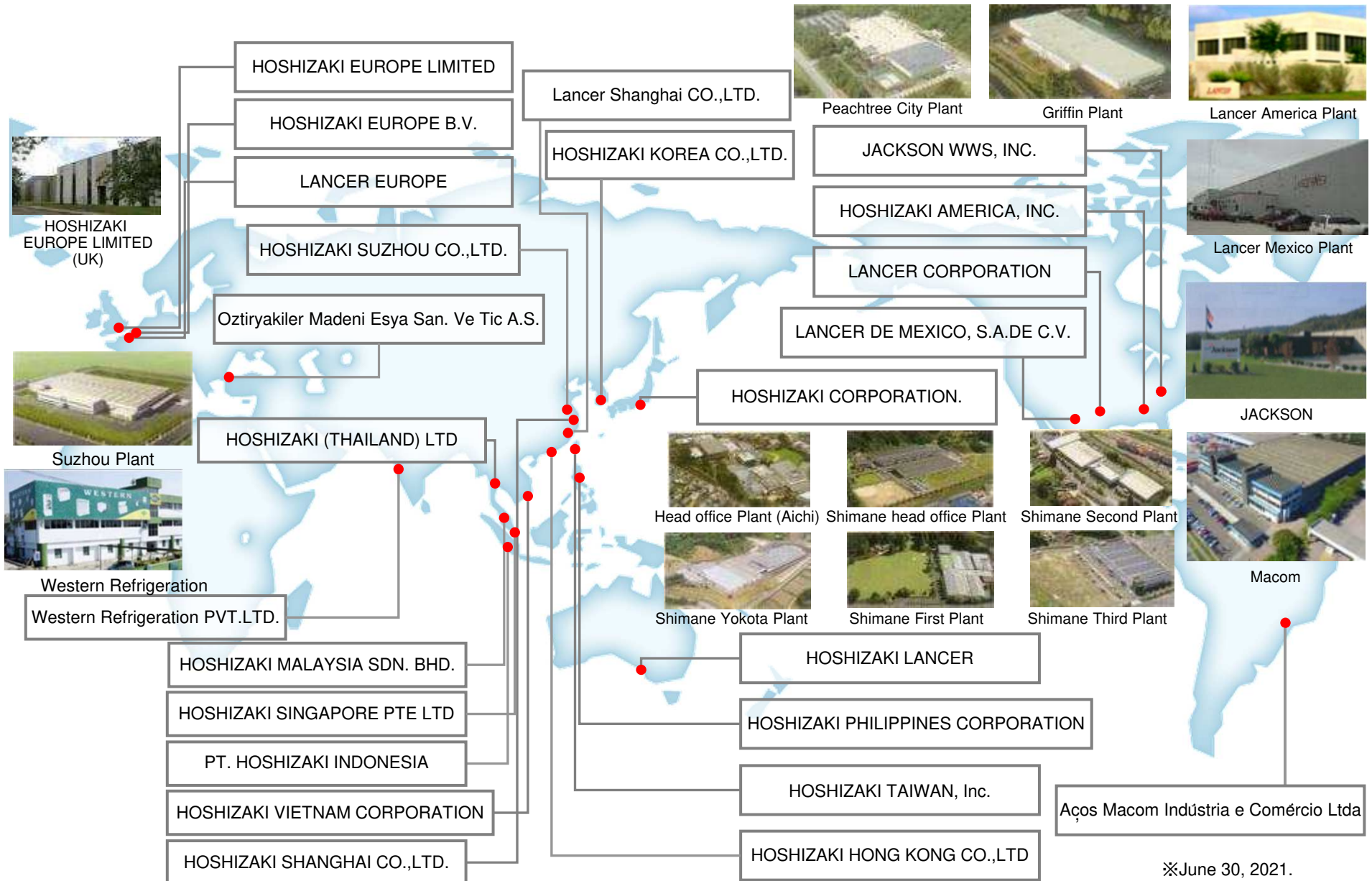
Overseas : Expanding the Sales Networks



※June 30, 2021.



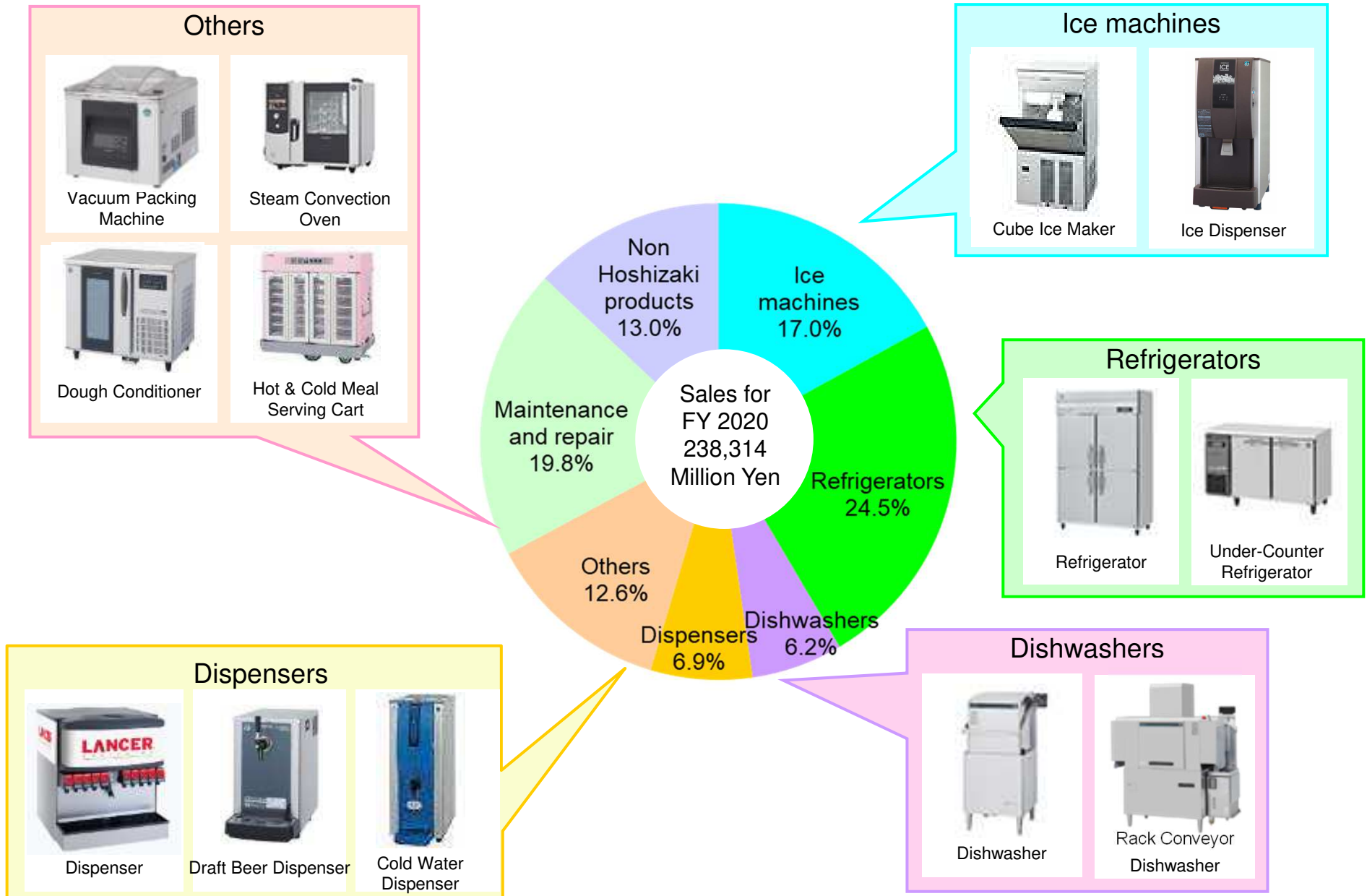
Global Network, Production and Sales Offices



※June 30, 2021.



Main Product Group and Sales Breakdown



Long-term Business Performance Consolidated Basis

(Millions of Yen)

300,000

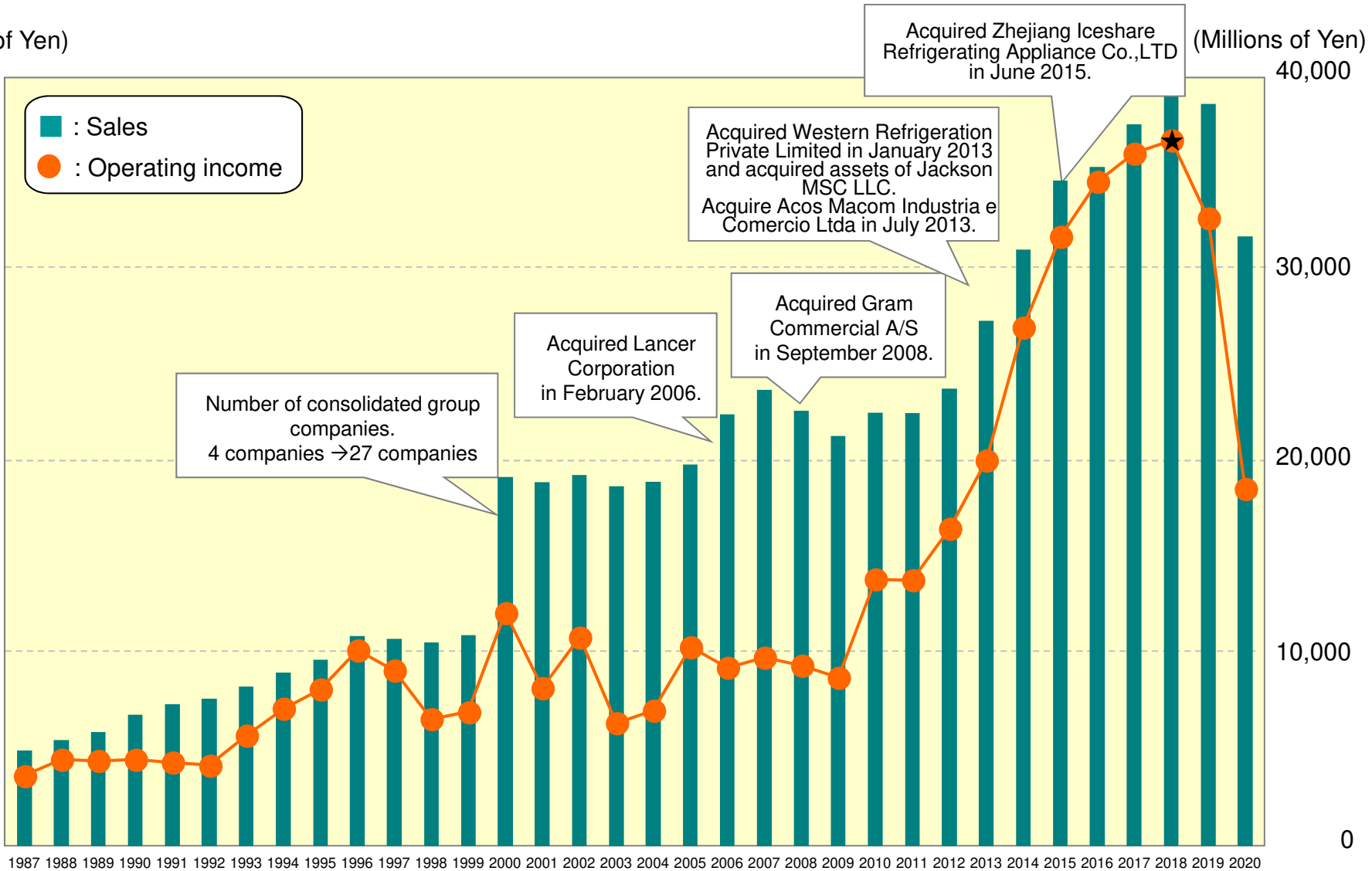
■ : Sales
● : Operating income

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/>

