

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 9, 2021

Company name: HOSHIZAKI CORPORATION  
 Stock exchange listing: First Section of the Tokyo Stock Exchange and Nagoya Stock Exchange  
 Securities code: 6465 URL: <http://www.hoshizaki.co.jp>  
 Representative: Representative Director, President & COO Yasuhiro Kobayashi  
 Inquiries: Executive Officer Tadashi Mizutani TEL: +81-562-96-1320  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2021	208,005	13.4	21,051	25.6	25,388	58.9	17,694	67.7
Nine months ended September 30, 2020	183,499	(19.5)	16,766	(42.9)	15,978	(45.8)	10,553	(48.7)

Note: Comprehensive income  
 Nine months ended September 30, 2021 ¥23,761 million[311.0%]  
 Nine months ended September 30, 2020 ¥5,781 million [(67.8)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2021	244.32	–
Nine months ended September 30, 2020	145.72	–

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	374,384	255,568	67.8	3,502.71
As of December 31, 2020	343,393	239,711	69.3	3,288.35

Reference: Equity  
 As of September 30, 2021 ¥253,688 million  
 As of December 31, 2020 ¥238,143 million

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2020	–	0.00	–	110.00	110.00
Year ending December 31, 2021	–	0.00	–		
Year ending December 31, 2021 (Forecast)				110.00	110.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	265,000	11.2	23,000	24.7	27,000	55.0	18,900	65.2	260.97

Note: Revision of consolidated financial results forecast most recently announced: No

\*Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - b. Changes in accounting policies due to other reasons: No
  - c. Changes in accounting estimates: No
  - d. Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	72,427,650 shares	As of December 31, 2020	72,421,650 shares
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b. Number of treasury shares at the end of the period

As of September 30, 2021	1,279 shares	As of December 31, 2020	1,230 shares
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c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2021	72,423,381 shares	Nine months ended September 30, 2020	72,420,599 shares
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\* **Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

\* **Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

**Attached Materials  
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## 1. Qualitative information on the quarterly financial results

The forward-looking matters stated herein are judgments made by Hoshizaki Corporation (the “Company”) as of September 30, 2021.

### (1) Operating results

The Japanese economy during the nine months ended September 30, 2021 saw adverse conditions due to the impact of measures against the spread of the new coronavirus infections (COVID-19), such as a state of emergency declaration and priority measures to prevent the spread of disease due to intermittent resurgences of COVID-19, primarily in urban areas.

Overseas, although the global economy as a whole saw adverse conditions due to the impact of the COVID-19 pandemic on economic activity, there were signs of a recovery. In particular, the recovery trend is becoming more pronounced in some regions, such as the U.S. and China. Furthermore, against the backdrop of the economic recovery of these regions, the impact of procurement difficulties and rising raw materials expenses continued due to factors such as shortages of raw materials in Japan and overseas.

Amid such circumstances, in Japan, while working to prevent the spread of COVID-19, the Company focused on expanding sales in the restaurant market, and reaching new customers, in addition to striving to obtain customers other than restaurants, such as medical institutions, nursing houses, agricultural and marine food industries.

Overseas, despite the impact of restrictions on sales and production activities in some regions due to the COVID-19 crisis, sales gradually recovered due to the economic recovery mainly in Europe and the U.S. On the other hand, this was impacted by procurement difficulties, rising raw materials expenses, etc. due to factors such as shortages of raw materials.

As a result of the above initiatives, the Company reported operating results for the nine months ended September 30, 2021 with net sales of ¥208,005 million (up 13.4% year-on-year), operating profit of ¥21,051 million (up 25.6% year-on-year), ordinary profit of ¥25,388 million (up 58.9% year-on-year) and profit attributable to owners of parent of ¥17,694 million (up 67.7% year-on-year).

Operating results by segment are as follows.

#### a. Japan

In Japan, the Company continued to promote sales expansion of refrigerators, ice machines, dishwashers, and other products, and cultivate new customers while providing support to customers seeking to expand into other businesses such as the take-out and delivery business in response to the COVID-19 crisis. In addition, the Company proactively worked to obtain customers other than restaurants by taking advantage of support for hygiene management, etc. As a result, the Company generated net sales of ¥140,329 million (up 6.0% year-on-year) and segment profit of ¥14,837 million (up 10.7% year-on-year).

#### b. Americas

In the Americas, despite the impact of rising raw materials expenses and other factors, but as a result of working to expand sales for ice makers, dispensers, etc. due to economic recovery, net sales were ¥44,876 million (up 26.0% year-on-year), and segment profit was ¥4,157 million (up 56.7% year-on-year).

#### c. Europe / Asia

In Europe and Asia, despite the impact of restrictions on sales and production activities due to the lockdowns in some regions, rising raw materials expenses and other factors, the Company generated net sales of ¥27,807 million (up 43.8% year-on-year) and segment profit of ¥2,420 million (up 159.4% year-on-year) as a result of our efforts to expand sales of flagship products.

### (2) Financial position

Total assets as of September 30, 2021 increased ¥30,990 million from December 31, 2020 to ¥374,384 million.

Current assets increased ¥25,609 million from December 31, 2020 to ¥302,850 million. The main factors were increases in cash and deposits and notes and accounts receivable - trade.

Non-current assets increased ¥5,381 million from December 31, 2020 to ¥71,534 million. The main factor was an increase in investments and other assets.

Total liabilities as of September 30, 2021 increased ¥15,133 million from December 31, 2020 to ¥118,815 million.

Current liabilities increased ¥14,667 million from December 31, 2020 to ¥94,932 million. The main factor was an increase in notes and accounts payable - trade.

Non-current liabilities increased ¥466 million from December 31, 2020 to ¥23,883 million. The main factor was an increase in retirement benefit liability.

Net assets as of September 30, 2021 increased ¥15,856 million from December 31, 2020 to ¥255,568 million.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

There are currently no changes to the earnings forecasts announced on August 6, 2021.

## 2. Quarterly consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	217,212	233,985
Notes and accounts receivable - trade	27,122	34,635
Merchandise and finished goods	14,549	13,218
Work in process	3,642	4,423
Raw materials and supplies	10,214	13,285
Other	4,707	3,569
Allowance for doubtful accounts	(207)	(267)
Total current assets	277,241	302,850
Non-current assets		
Property, plant and equipment	42,345	42,501
Intangible assets	3,510	2,977
Investments and other assets	20,296	26,055
Total non-current assets	66,152	71,534
Total assets	343,393	374,384
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,052	26,027
Income taxes payable	1,632	7,062
Provision for bonuses	2,837	7,919
Other provisions	1,835	2,077
Other	57,906	51,844
Total current liabilities	80,265	94,932
Non-current liabilities		
Retirement benefit liability	19,835	20,036
Other provisions	1,232	1,502
Other	2,348	2,345
Total non-current liabilities	23,416	23,883
Total liabilities	103,681	118,815
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,021	8,052
Capital surplus	14,543	14,574
Retained earnings	226,244	235,972
Treasury shares	(5)	(6)
Total shareholders' equity	248,803	258,594
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11	53
Foreign currency translation adjustment	(8,829)	(3,372)
Remeasurements of defined benefit plans	(1,841)	(1,586)
Total accumulated other comprehensive income	(10,659)	(4,905)
Non-controlling interests	1,568	1,879
Total net assets	239,711	255,568
Total liabilities and net assets	343,393	374,384

**(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	183,499	208,005
Cost of sales	113,622	130,937
Gross profit	69,877	77,068
Selling, general and administrative expenses	53,110	56,016
Operating profit	16,766	21,051
Non-operating income		
Interest income	596	286
Foreign exchange gains	–	3,739
Other	1,513	492
Total non-operating income	2,109	4,518
Non-operating expenses		
Interest expenses	26	25
Donations	67	67
Foreign exchange losses	2,040	–
Temporary layoff expenses	671	–
Other	91	89
Total non-operating expenses	2,897	182
Ordinary profit	15,978	25,388
Extraordinary income		
Gain on sales of investment securities	58	77
Other	2	2
Total extraordinary income	61	80
Extraordinary losses		
Loss on abandonment of non-current assets	37	31
Loss on valuation of investment securities	84	–
Other	5	1
Total extraordinary losses	128	33
Profit before income taxes	15,911	25,435
Income taxes - current	6,860	10,194
Income taxes - deferred	(1,656)	(2,673)
Total income taxes	5,203	7,521
Profit	10,707	17,913
Profit attributable to non-controlling interests	154	219
Profit attributable to owners of parent	10,553	17,694

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	10,707	17,913
Other comprehensive income		
Valuation difference on available-for-sale securities	(79)	42
Foreign currency translation adjustment	(2,833)	6,276
Remeasurements of defined benefit plans, net of tax	227	254
Share of other comprehensive income of entities accounted for using equity method	(2,241)	(725)
Total other comprehensive income	(4,926)	5,847
Comprehensive income	5,781	23,761
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,703	23,449
Comprehensive income attributable to non-controlling interests	77	312



### (3)Notes to quarterly consolidated financial statements

#### Notes on premise of going concern

Not applicable

#### Notes on significant changes in the amount of shareholders' equity

Not applicable

#### Application of special accounting for preparing quarterly consolidated financial statements

Omitted due to immateriality.

#### Changes in accounting policies

Not applicable

#### Changes in accounting estimates

Not applicable

#### Segment information, etc.

Segment information

#### I. Nine months ended September 30, 2020 (from January 1, 2020 to September 30, 2020)

Information related to net sales, and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment				Reconciliation (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Japan	Americas	Europe / Asia	Total		
Net sales						
Sales to external customers	129,493	35,157	18,848	183,499	–	183,499
Intersegment sales or transfers	2,859	456	495	3,811	(3,811)	–
Total	132,353	35,613	19,343	187,310	(3,811)	183,499
Segment profit	13,404	2,652	933	16,990	(223)	16,766

Notes 1. The reconciliation amount of negative ¥223 million for segment profit includes amortization of goodwill of negative ¥304 million, amortization of intangible assets, etc. of negative ¥20 million, ¥87 million from reconciliation of inventories, and ¥13 million from reconciliation of transactions with other segments and miscellaneous items.

2. Segment profit has been reconciled with operating profit in the quarterly consolidated statements of income.

#### II. Nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

Information related to net sales, and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment				Reconciliation (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Japan	Americas	Europe / Asia	Total		
Net sales						
Sales to external customers	136,353	44,476	27,175	208,005	–	208,005
Intersegment sales or transfers	3,976	399	631	5,007	(5,007)	–
Total	140,329	44,876	27,807	213,012	(5,007)	208,005
Segment profit	14,837	4,157	2,420	21,415	(364)	21,051

Notes 1. The reconciliation amount of negative ¥364 million for segment profit includes amortization of goodwill of negative ¥280 million, amortization of intangible assets, etc. of negative ¥20 million, negative ¥72 million from reconciliation of inventories, and ¥9 million from reconciliation of transactions with other segments.

2. Segment profit has been reconciled with operating profit in the quarterly consolidated statements of income.