



Summary of Business Performance
The First Quarter of Fiscal Year Ending December 31, 2022
~ The World's No. 1 Brand Across the Five Continents ~

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

May 11, 2022

HOSHIZAKI

Table of Contents

I . Financial Results for FY 2022 1Q : P.2-14

II . Key Factors of Financial Results for FY 2022 1Q : P.16-22

III . Business Forecast for FY 2022 : P.23-25

IV . Company Profile and Overview of Business : P.26-31





I . Financial Results for FY 2022 1Q

HOSHIZAKI

Foreign Exchange Rates

	FY 2021 3 months ('21/1-3)		FY 2022 3 months ('22/1-3)		Forecast of FY 2022 Feb. 9th, 2022	
	Average of period	End of period	Average of period	End of period	Average of period	End of period
US dollar	106.0	110.7	116.3	122.3	110.0	110.0
Pound	146.2	152.2	155.9	160.8	155.0	155.0
Euro	127.8	129.8	130.4	136.7	130.0	130.0
Singapore dollar	79.5	82.2	85.9	90.4	83.0	83.0
Chinese yuan	16.3	16.8	18.3	19.2	17.1	17.1
Denmark krone	17.1	17.4	17.5	18.3	17.9	17.9
Taiwan dollar	3.7	3.8	4.1	4.2	3.9	3.9
Hong Kong dollar	13.6	14.2	14.9	15.6	14.1	14.1
Indian rupee	1.46	1.52	1.56	1.63	1.51	1.51
South Korean won	0.0953	0.0978	0.0966	0.1013	0.0976	0.0976
Brazilian real	19.3	19.4	22.3	25.8	20.8	20.8
Indonesian Rupiah	0.0075	0.0077	0.0081	0.0086	0.0077	0.0077
Thai Baht	3.5	3.5	3.5	3.6	3.5	3.5
Malaysia Ringgito	26.0	26.6	27.7	29.1	26.5	26.5
Viet Nam Dong	0.0045	0.0047	0.0050	0.0052	0.0047	0.0047
Philippine Peso	2.22	2.30	2.27	2.37	2.30	2.30



Summary of Financial Results for FY 2022 1Q

■ Sales : 72.5 billion yen (increased 5.8% year-on-year)

- Japan : 44.3 billion yen (decreased 5.6%)
- Overseas : 28.2 billion yen (increased 30.7%) Overseas sales ratio : 38.9% (increased 7.4pt)
*Calculated based on reporting segments: "Americas" and "Europe and Asia"
- Japan: Despite of the sales have increased in restaurant market, the sales have decreased in non-restaurant market because of the difficulty of procuring of electric parts including semiconductors, production delay caused by insulation materials shortage for refrigerators. Also, There was impact of decreasing revenue about 1.4 billion yen by the application of "Accounting Standard for Revenue Recognition"
- Overseas: The sales have increased considerably in all regions due to continuous demand recovery caused by economic conditions improvement.

■ Operating Income : 6.8 billion yen (decreased 11.9%) Operating income margin : 9.4%

- Japan : 4.7 billion yen (decreased 22.5%) Operating income margin : 10.7%
- Overseas : 2.3 billion yen (increased 23.9%) Operating income margin : 8.2%
*Calculated based on reporting segments: "Americas" and "Europe and Asia"
- Profit decreased due to the impact of worsening profitability caused by the global rise in material and logistics costs, etc. As for in Japan, there was impact of decreasing revenue about 330 million yen by the application of "Accounting Standard for Revenue Recognition"

■ Ordinary Income : 11.4 billion yen (increased 1.6%)

- Foreign exchange gains of 4.3 billion yen from deposits in foreign currencies were recorded as non-operating income. (3.3 billion yen of foreign exchange gains were recorded in the previous fiscal year.)

■ Profit Attributable to Owners of Parent : 7.9 billion yen (increased 1.5%)



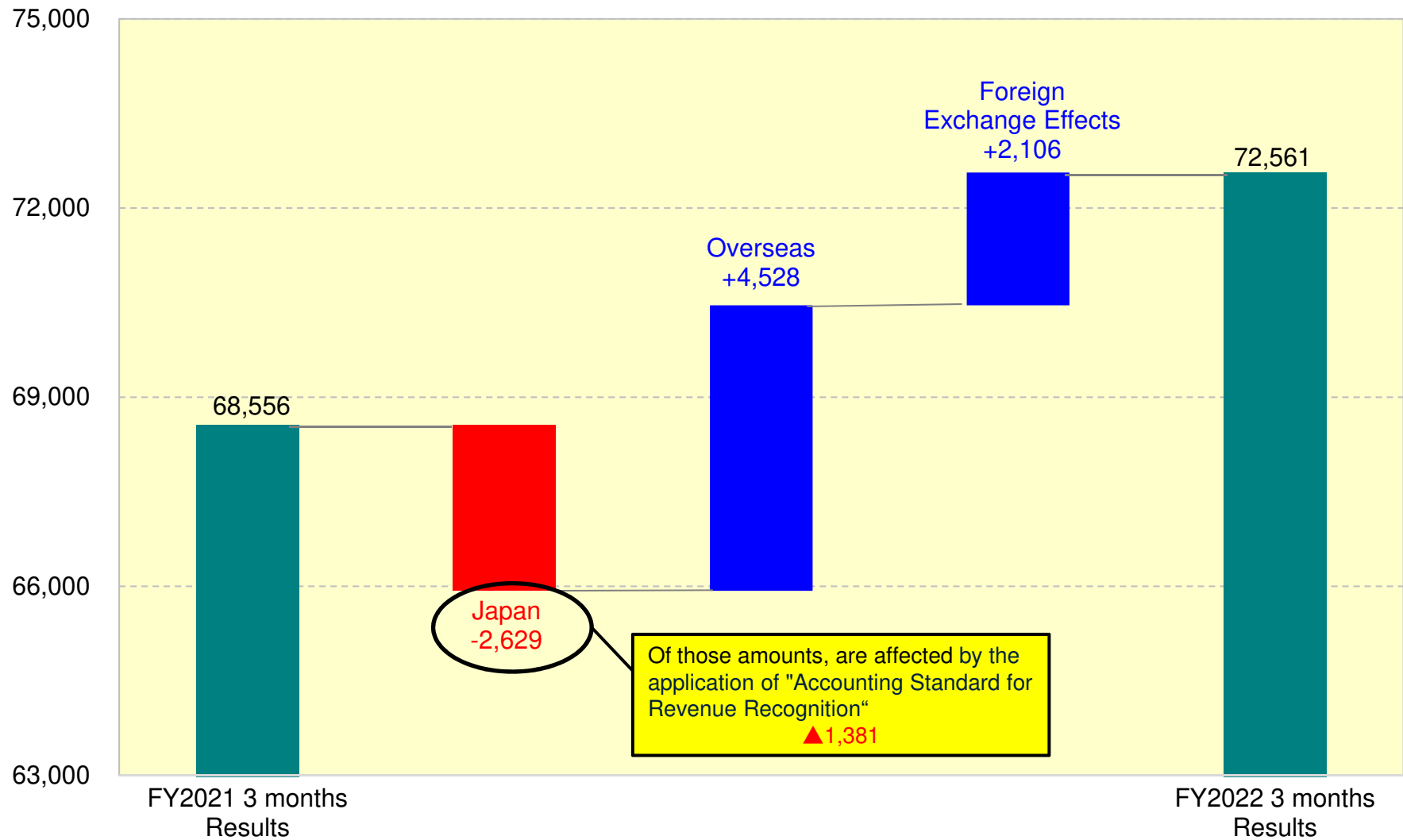
Consolidated Business Performance

	FY 2021 3 months results		FY 2022 3 months results			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
					Change (Millions of yen)	Percentage (%)
Sales	68,556	100.0	72,561	100.0	+4,005	105.8
Cost of sales	43,032	62.8	46,505	64.1	+3,472	108.1
Gross profit	25,523	37.2	26,056	35.9	+532	102.1
Selling, general and administrative expenses	17,801	26.0	19,253	26.5	+1,452	108.2
Operating income	7,722	11.3	6,802	9.4	-919	88.1
Ordinary income	11,297	16.5	11,481	15.8	+183	101.6
Profit attributable to owners of parent	7,790	11.4	7,906	10.9	+116	101.5

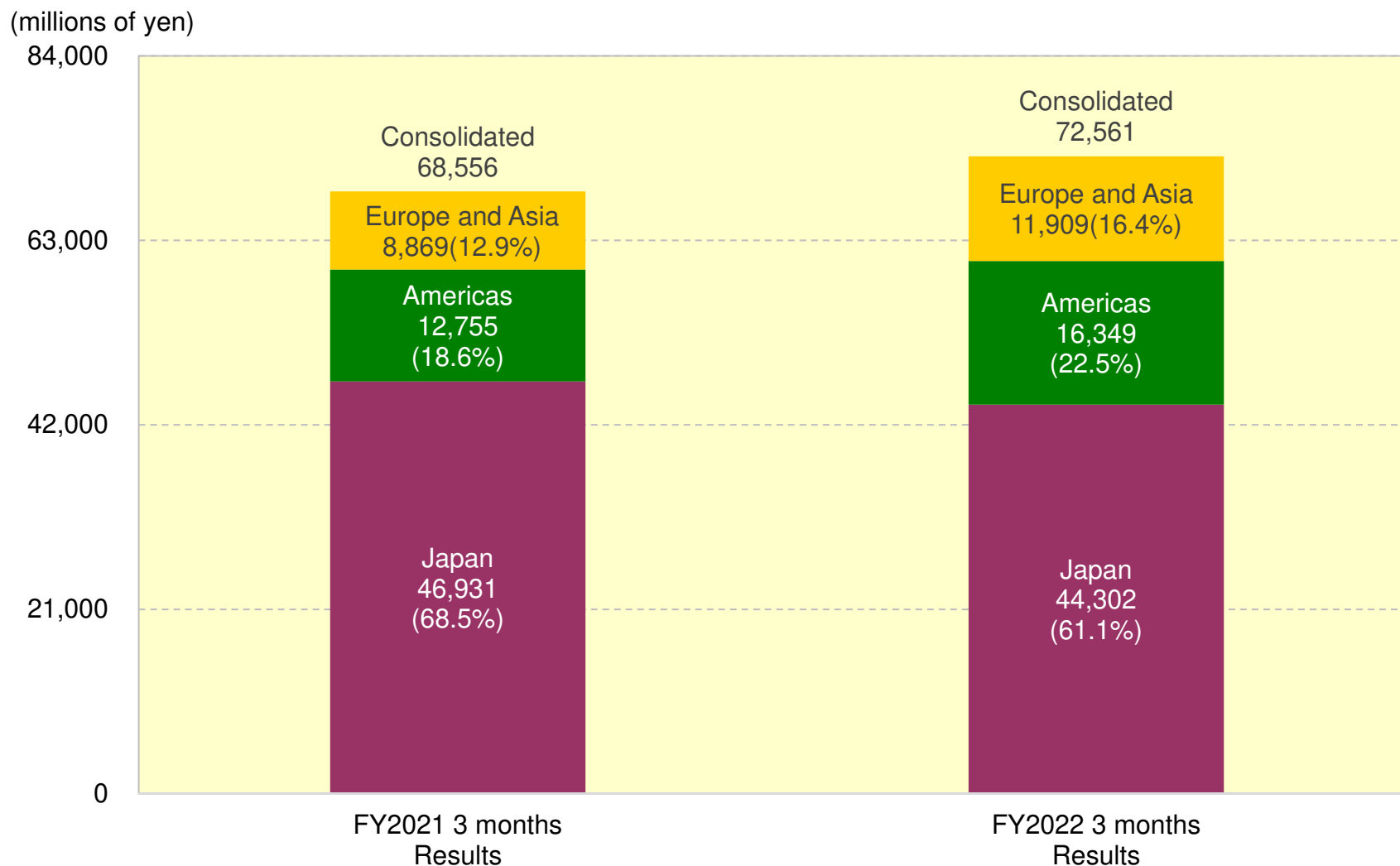


Factors for Change in Consolidated Sales by Japan and Overseas

(millions of yen)



Year-on-year Comparison of Sales by Reporting Segments



*Figures in parenthesis indicate component percentages.

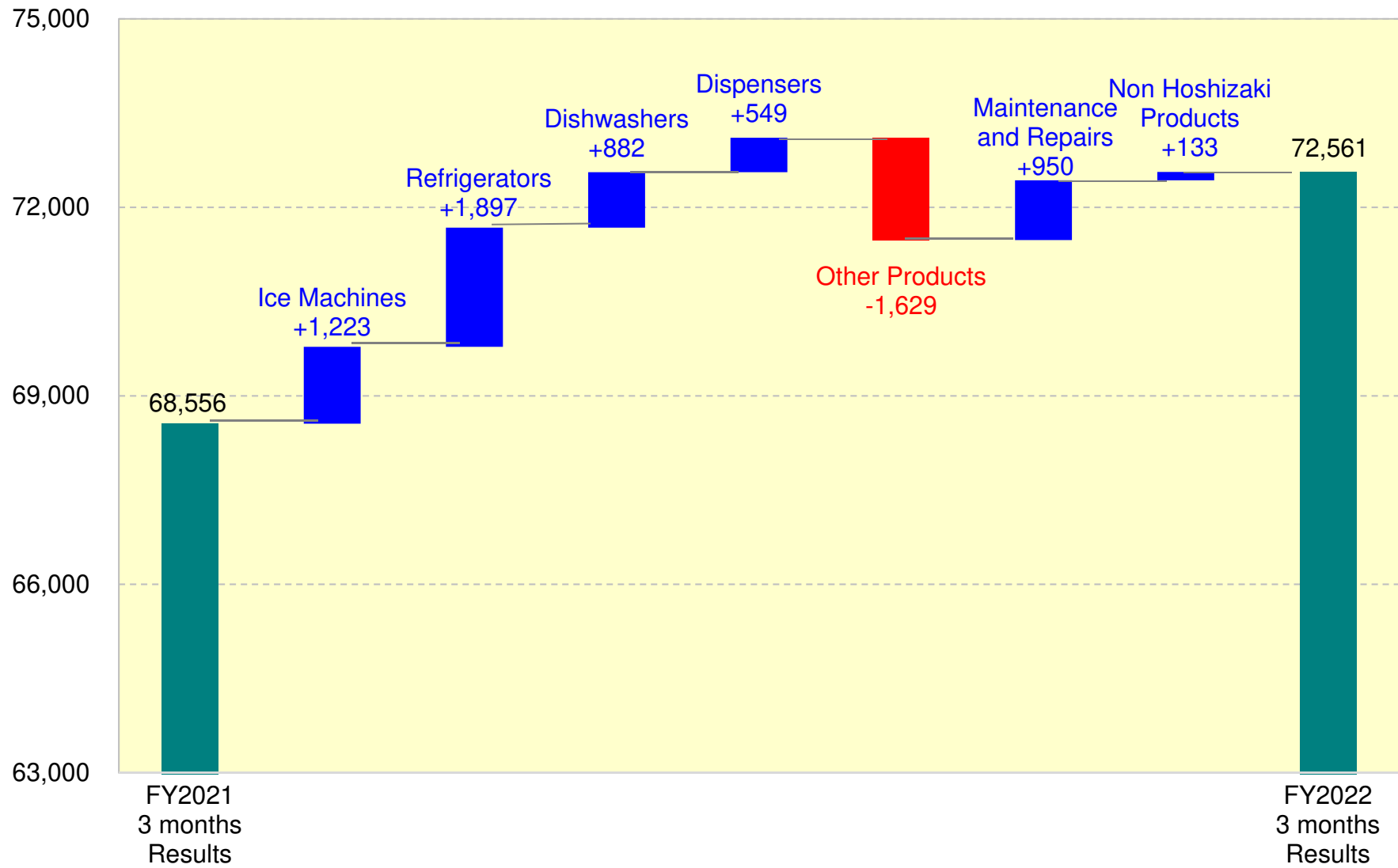
*Classified according to the location of the head offices. (e.g. Lancer Europe is included in "Americas")

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



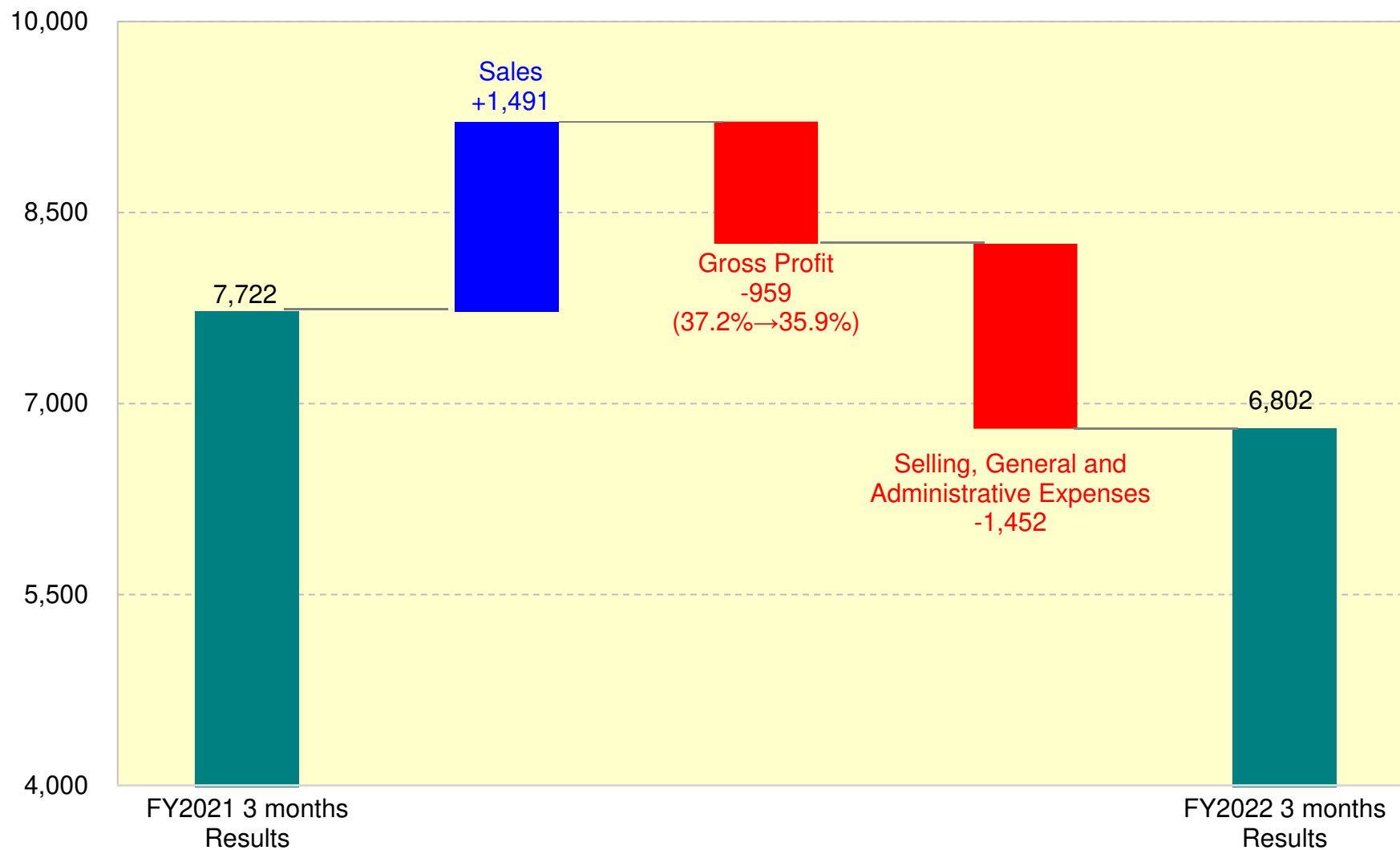
Factors for Change in Consolidated Sales by Product Groups

(millions of yen)



Factors for Change in Consolidated Operating Income

(millions of yen)

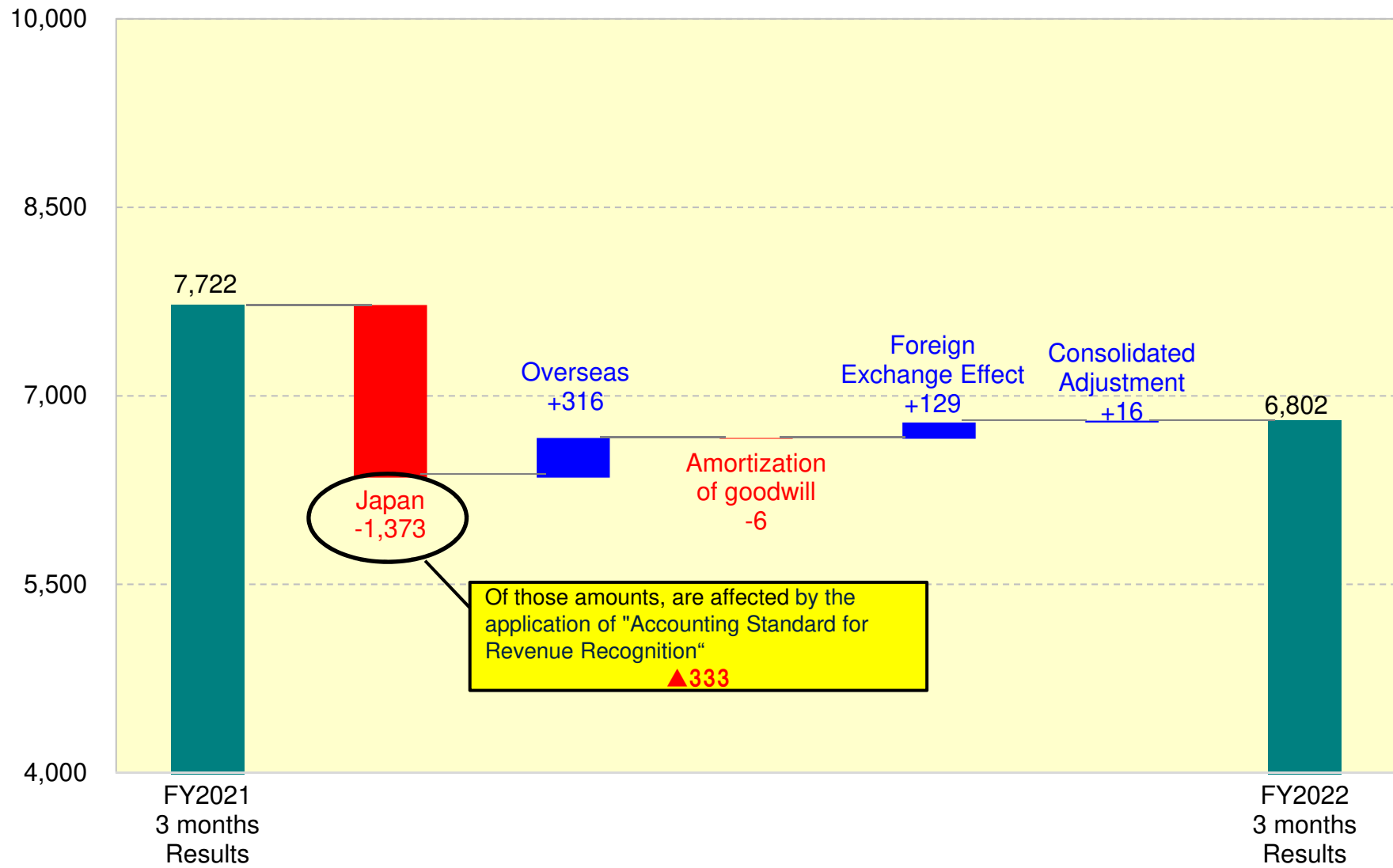


*Percentages in parenthesis indicates changes in the ratio to sales.



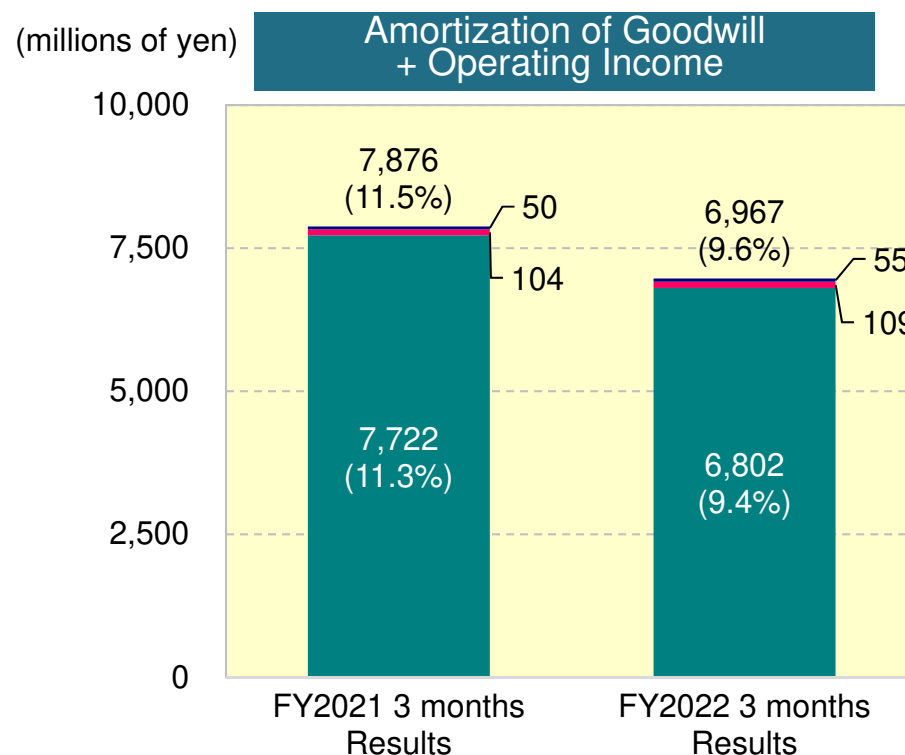
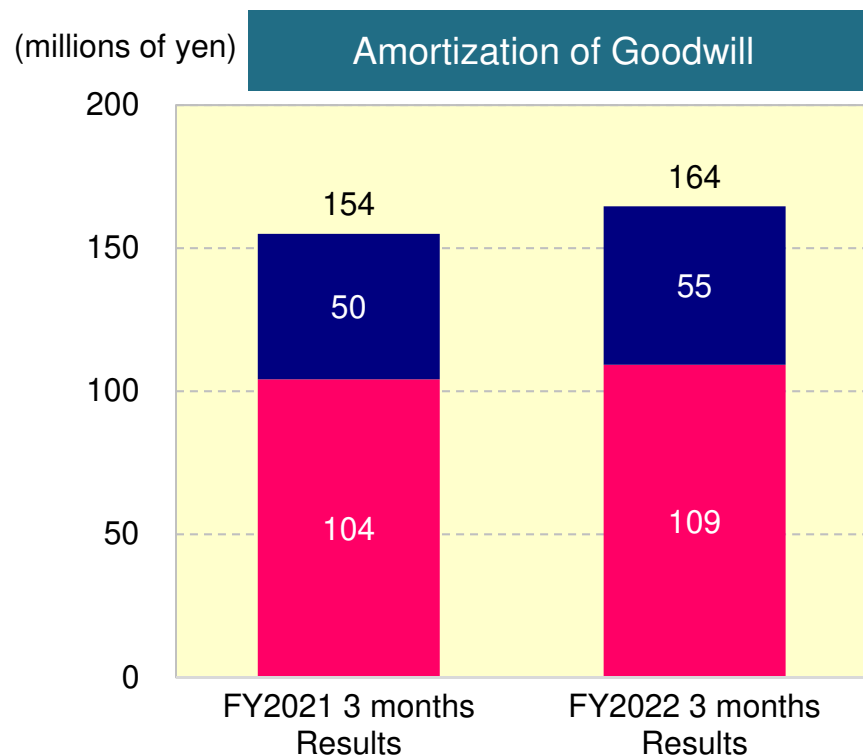
Factors for Change in Consolidated Operating Income by Japan and Overseas

(millions of yen)



Impact of Goodwill Amortization

■ Amortization of intangible asset
■ Amortization of goodwill
■ Operating income



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

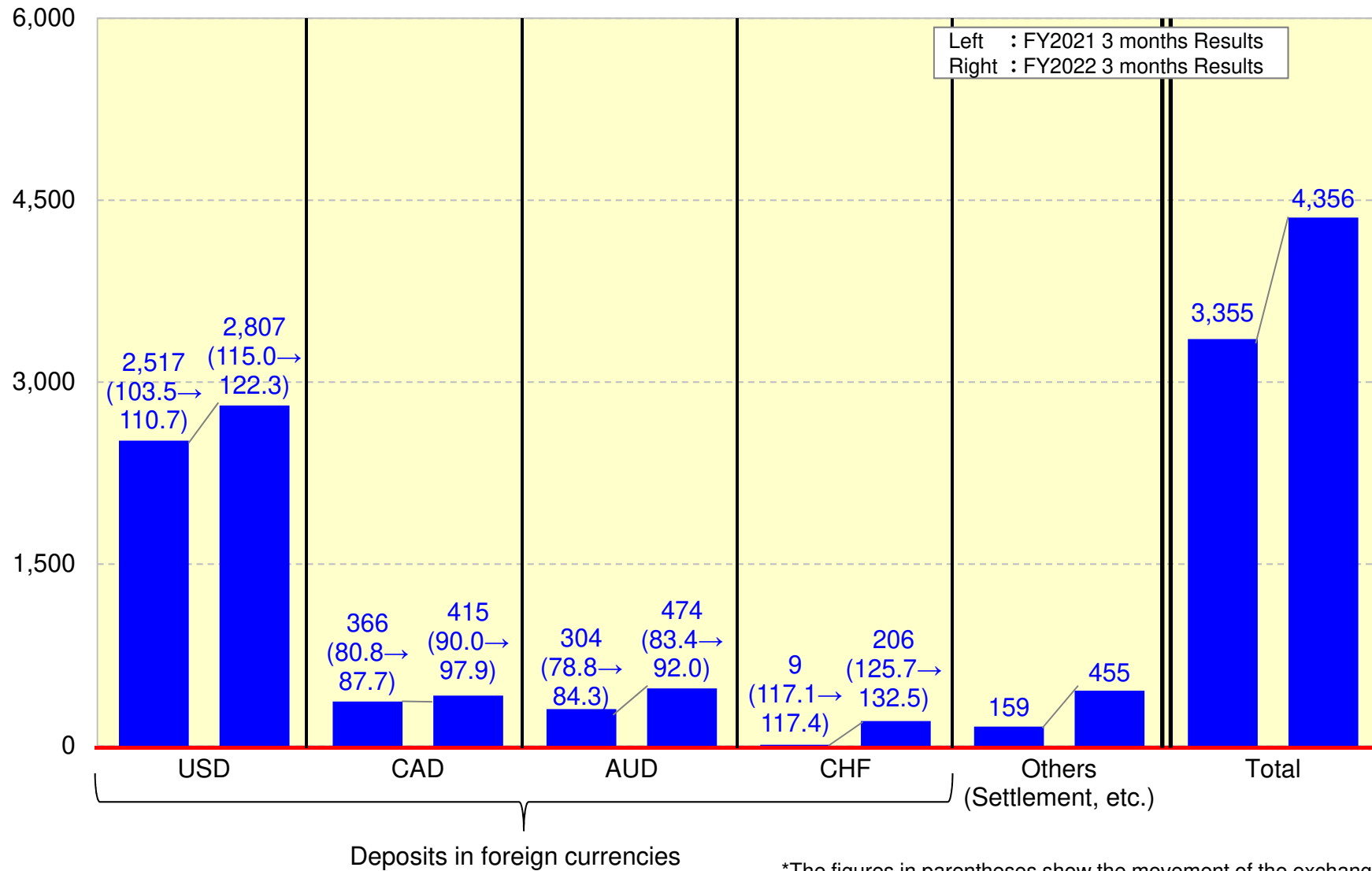
The recognition of goodwill and intangible assets	Amortization of goodwill and intangible assets impairment
•LANCER (Feb.2006 M&A : 17,451 Amortized over 10-year period)	•Macom (in 2014 : 3,186)
•GRAM (Sep.2008 M&A : 6,759 Amortized over 12-year period)	(in 2015 : 1,791)
•Western (Jan.2013 M&A : 2,198 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)



*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.



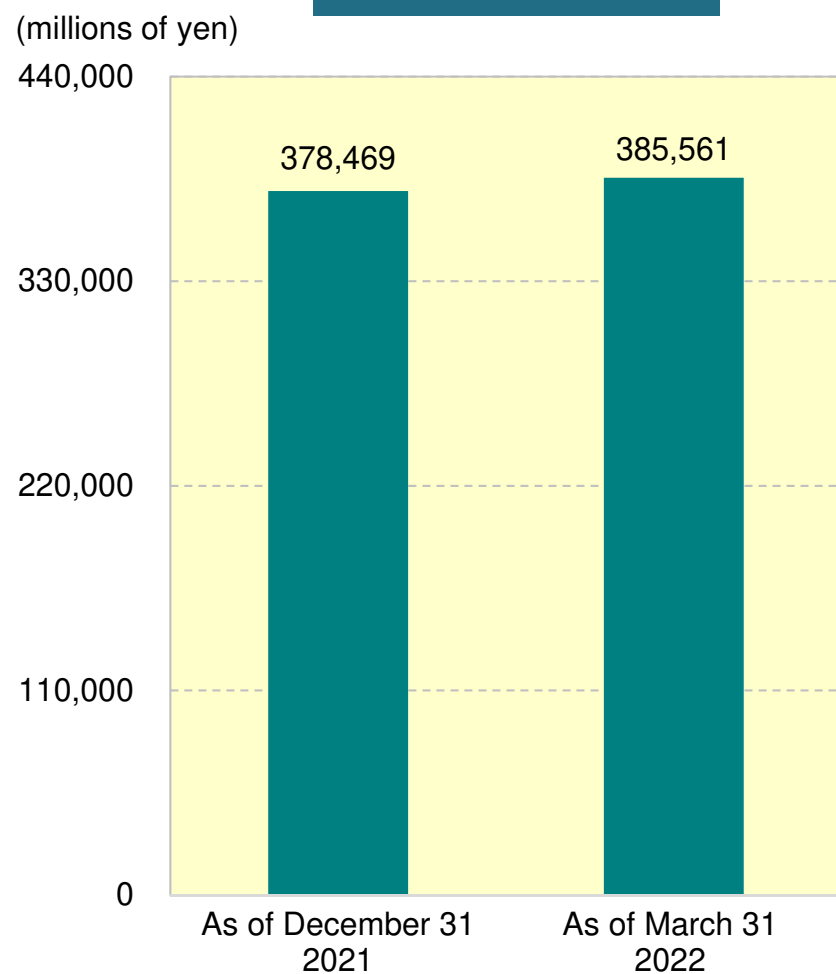
Consolidated Balance Sheet

	As of December 31, 2021		As of March 31, 2022		
	Amount (Millions of yen)	Component percentage (%)	Amount (Millions of yen)	Component percentage (%)	Change (Millions of yen)
Current assets	310,645	82.1	316,911	82.2	+6,266
(Cash and cash equivalents)	240,723	63.6	232,635	60.3	-8,087
(Notes and accounts receivable-trade)	31,120	8.2	41,827	10.8	+10,707
(Inventory)	35,556	9.4	39,038	10.1	+3,481
Non-current assets	67,823	17.9	68,649	17.8	+825
Total assets	378,469	100.0	385,561	100.0	+7,091
Current liabilities	94,448	25.0	93,463	24.2	-985
(Notes and accounts payable-trade)	26,070	6.9	30,016	7.8	+3,946
Non-current liabilities	24,159	6.4	24,694	6.4	+535
Total liabilities	118,607	31.3	118,157	30.6	-450
Total net assets	259,862	68.7	267,403	69.4	+7,541
Total liabilities and net assets	378,469	100.0	385,561	100.0	+7,091
Cash and deposits (including long-term deposits)	240,723		232,635		-8,087

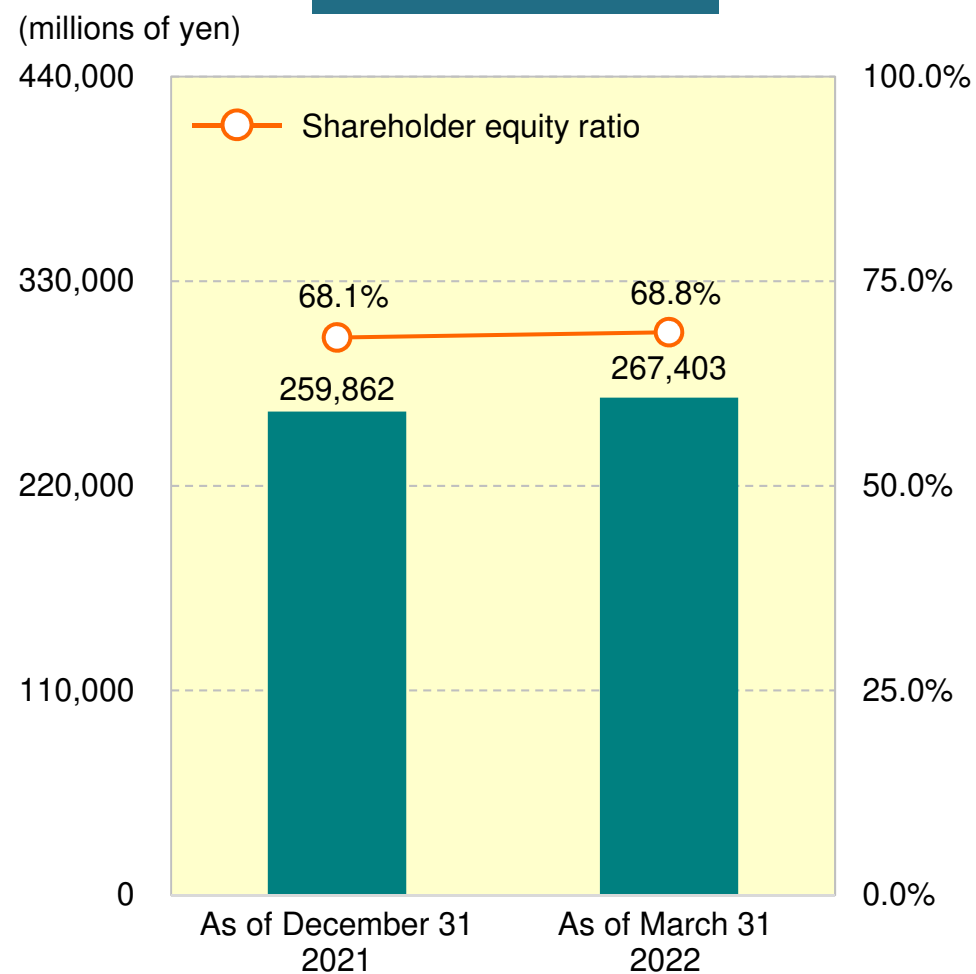


Comparison of Consolidated Total Assets and Net Assets

Total Assets



Net Assets

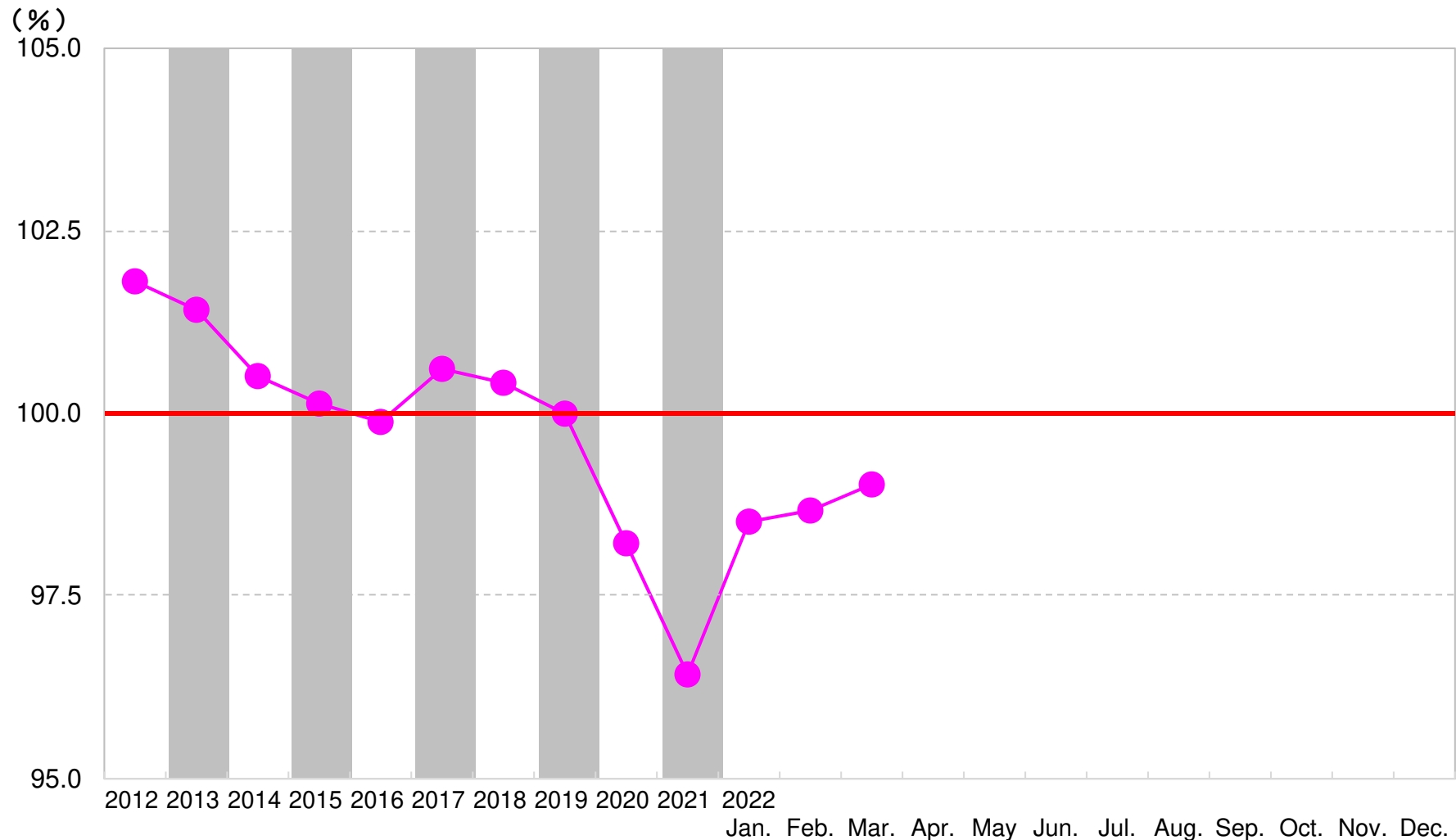




Ⅱ . Key Factors of Financial Results for FY 2022 1Q

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

- Major restaurant chains' store numbers are on a decline trend in 2022 continuously

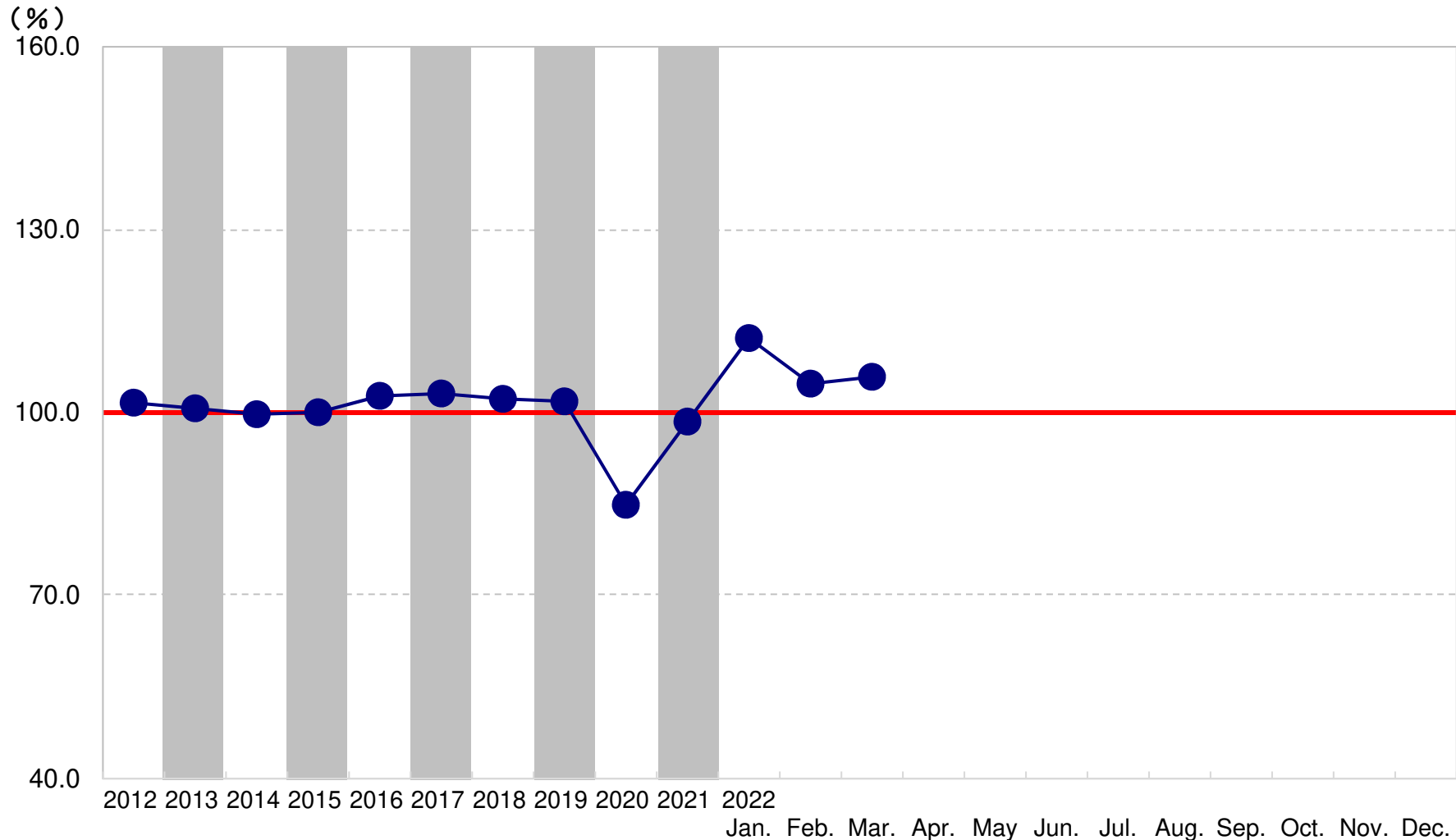


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Despite the impact of request to shorten business hours and restriction to serve alcohol, the revenues of the major restaurant chains exceeded that of the same month last year, when a state of emergency was declared in large urban areas.

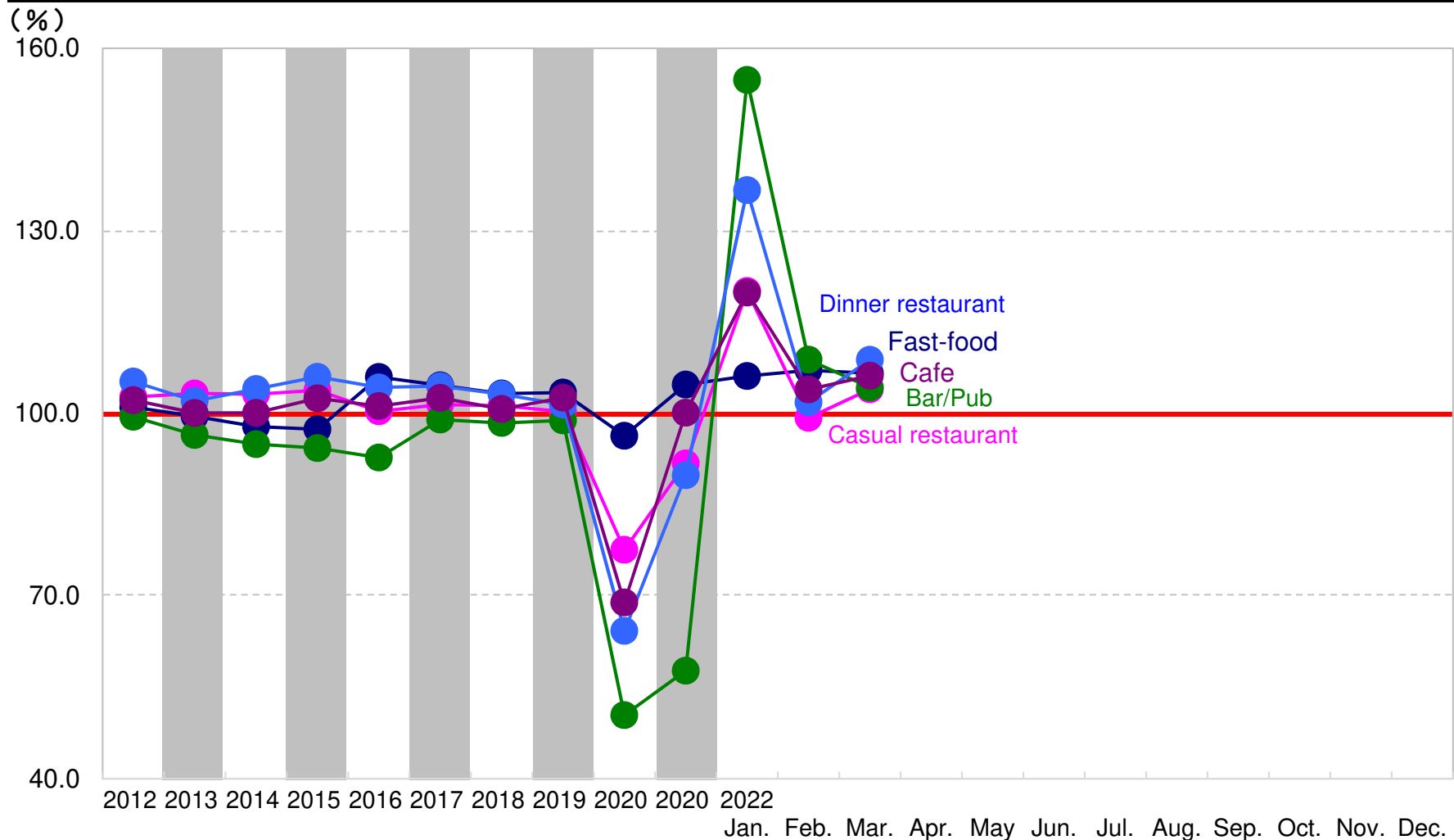


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Take-out is becoming popular in the fast food business. The revenues exceeded 2019 level. But demand for other business categories have continued to be sluggish. It has been above the same month last year, but is still below before COVID-19 level.

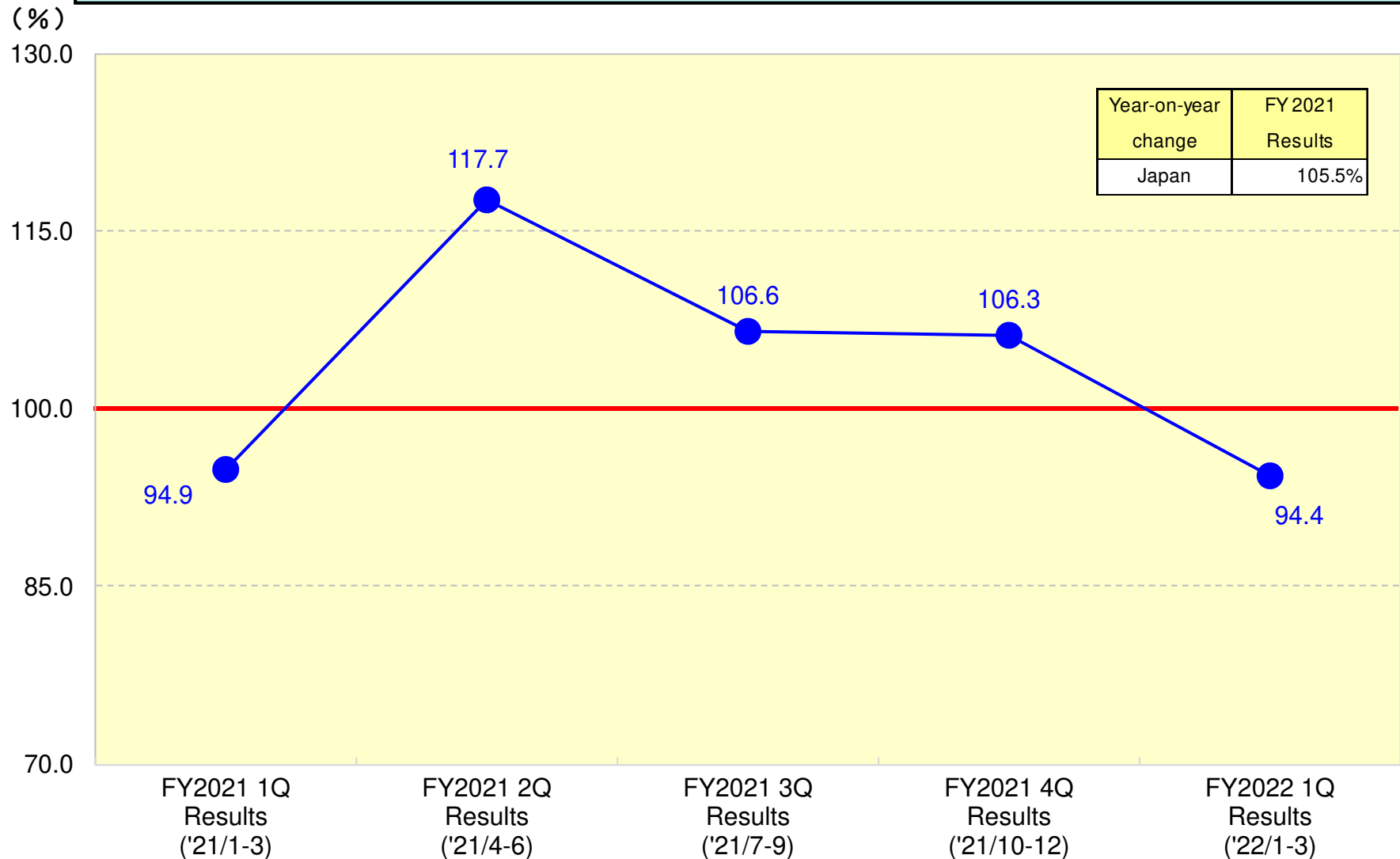


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

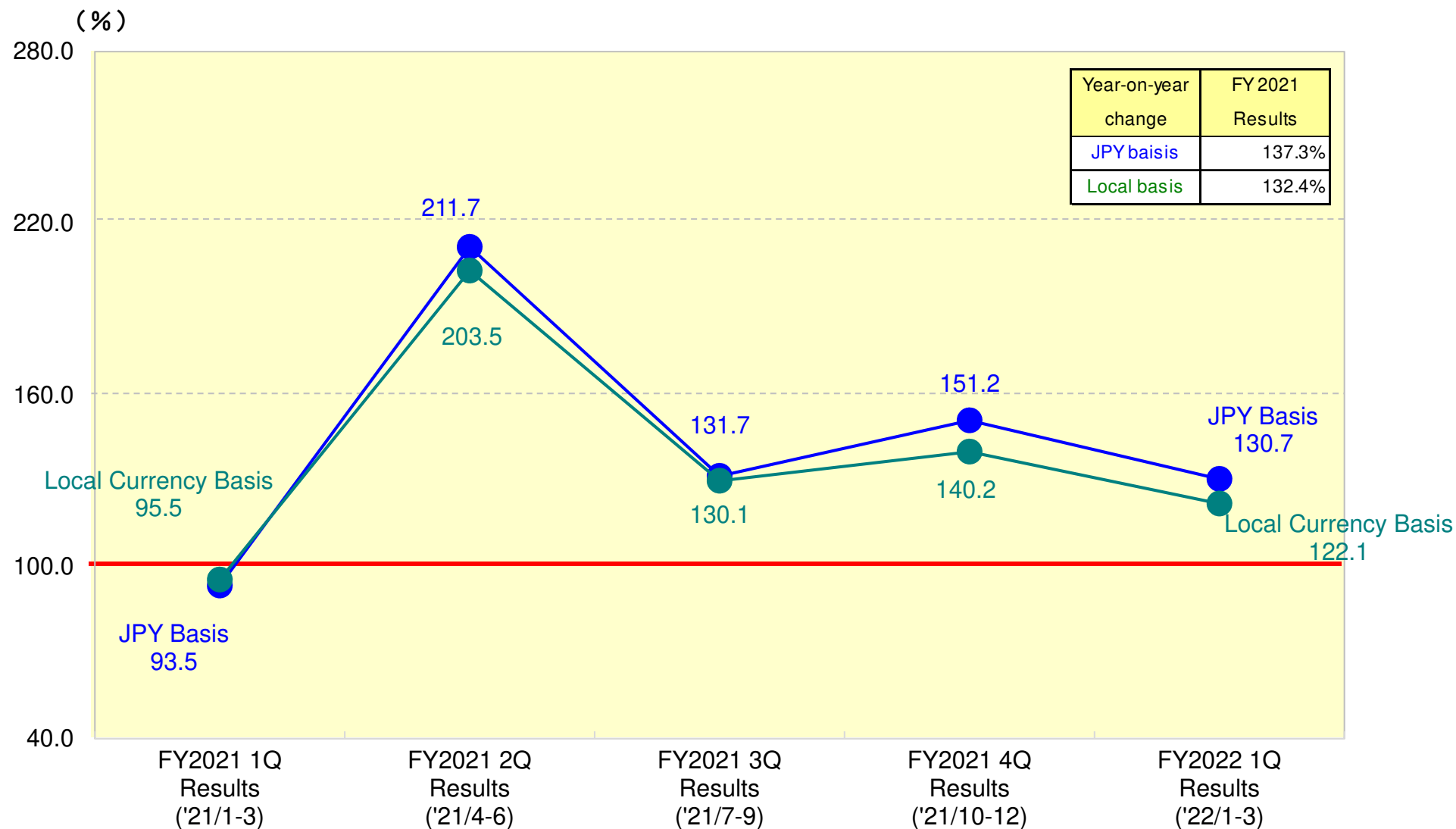


Japan : Year-on-Year Change in Sales

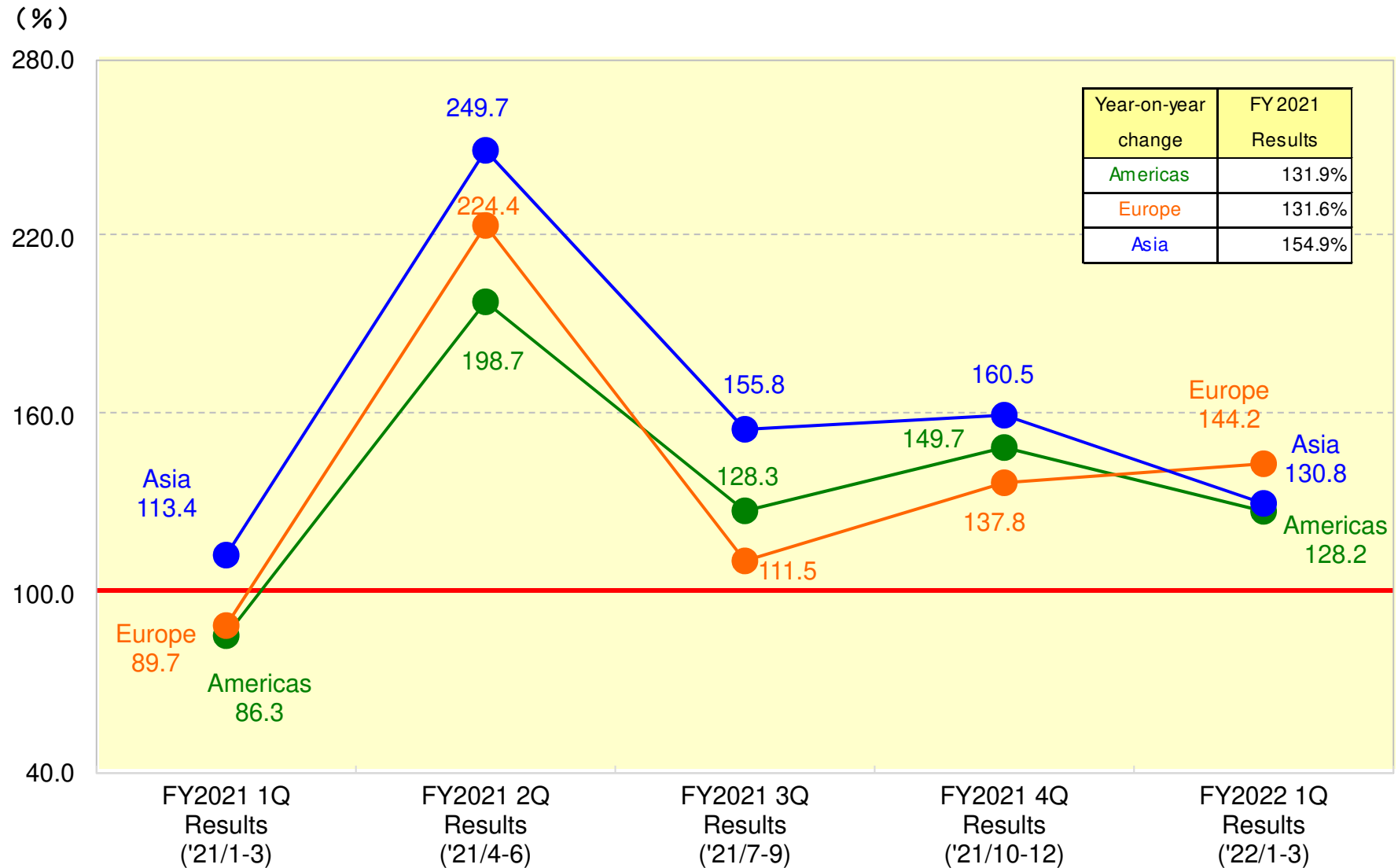
- The revenue decreased due to difficulty in production caused by parts shortage, also by effect of the application of "Accounting Standard for Revenue Recognition"



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



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

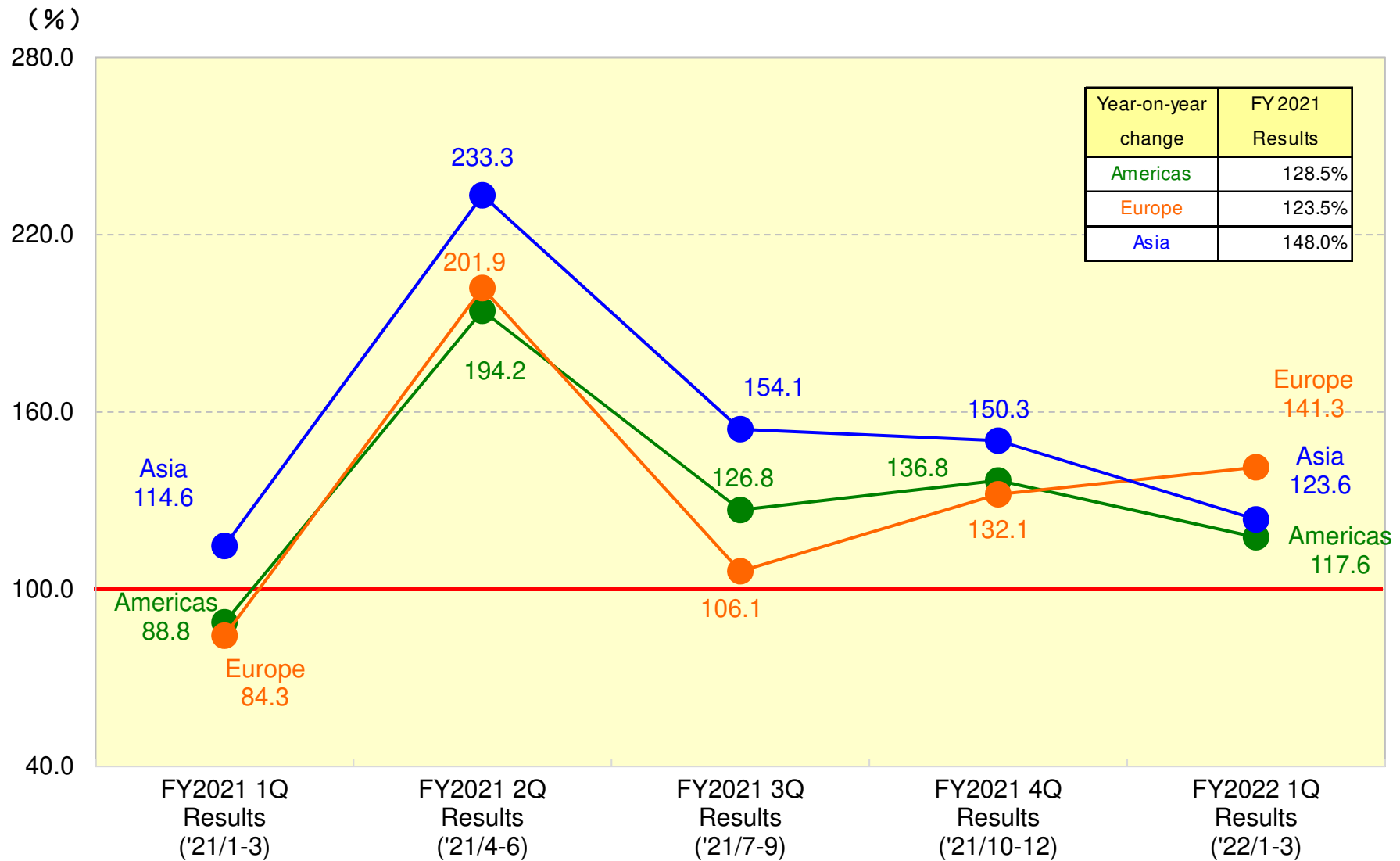


Year-on-year change	FY 2021 Results
Americas	131.9%
Europe	131.6%
Asia	154.9%

*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 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 2022

HOSHIZAKI

Summary of Business Forecast in FY 2022

- **Sales: 290.0 billion yen (increase by 5.7% year-on-year)**
 - Japan: Sales 180.2 billion yen (increase by 2.8%)
 - Overseas: Sales 109.8 billion yen (increase by 10.7%)
 - Overseas sales ratio: 37.9% (increase by 1.8pt)
 - In Japan, unlike in Europe and the Americas, there is no clear sign that infection of Omicron mutant virus will stop. However Year-on-year sales forecast will be 102.8% due to sales efforts in restaurant market and developing in non-restaurant market, despite a risk of worsening business performances by government's requesting of shorten business hours and restriction of serving alcohol.
 - In Overseas, Year-on-year sales will be 110.7% (including the sales of BREMA which is planned to be acquired) due to market recovery in various countries, despite risks of parts and materials supply.
 - Exchange rates (average of the period) assumption: 110 yen per US dollar, 130 yen per Euro, 1.51 yen per Indian Rupee

- **Operating Income: 26.5 billion yen (increase by 6.3%)**
 - Despite continuous price increase of raw materials, will pursue work effectiveness and production improvement activities to realize cost-down in both Japan and overseas

- **Ordinary income: 27.2 billion yen (decrease by 12.7%)**
 - Not included foreign exchange gains or losses on deposits in foreign currencies (Posted foreign exchange gains of 5.3 billion yen in fiscal 2021).

- **Profit attributable to owners of parent: 18.9 billion yen (decrease by 12.8%)**



Business Forecast for FY 2022

	FY 2020 results		FY2021 results		FY 2022 forecast forecast (February 9, 2022)			
	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	274,419	100.0	290,000	100.0	15,580	105.7
Cost of sales	149,261	62.6	174,727	63.7	185,500	64.0	10,772	106.2
Gross profit	89,053	37.4	99,691	36.3	104,500	36.0	4,808	104.8
Selling, general and administrative expenses	70,605	29.6	74,760	27.2	78,000	26.9	3,239	104.3
Operating income	18,447	7.7	24,931	9.1	26,500	9.1	1,568	106.3
Ordinary income	17,420	7.3	31,165	11.4	27,200	9.4	-3,965	87.3
Profit attributable to owners of parent	11,442	4.8	21,679	7.9	18,900	6.5	-2,779	87.2





V. Company Profile and Overview Business

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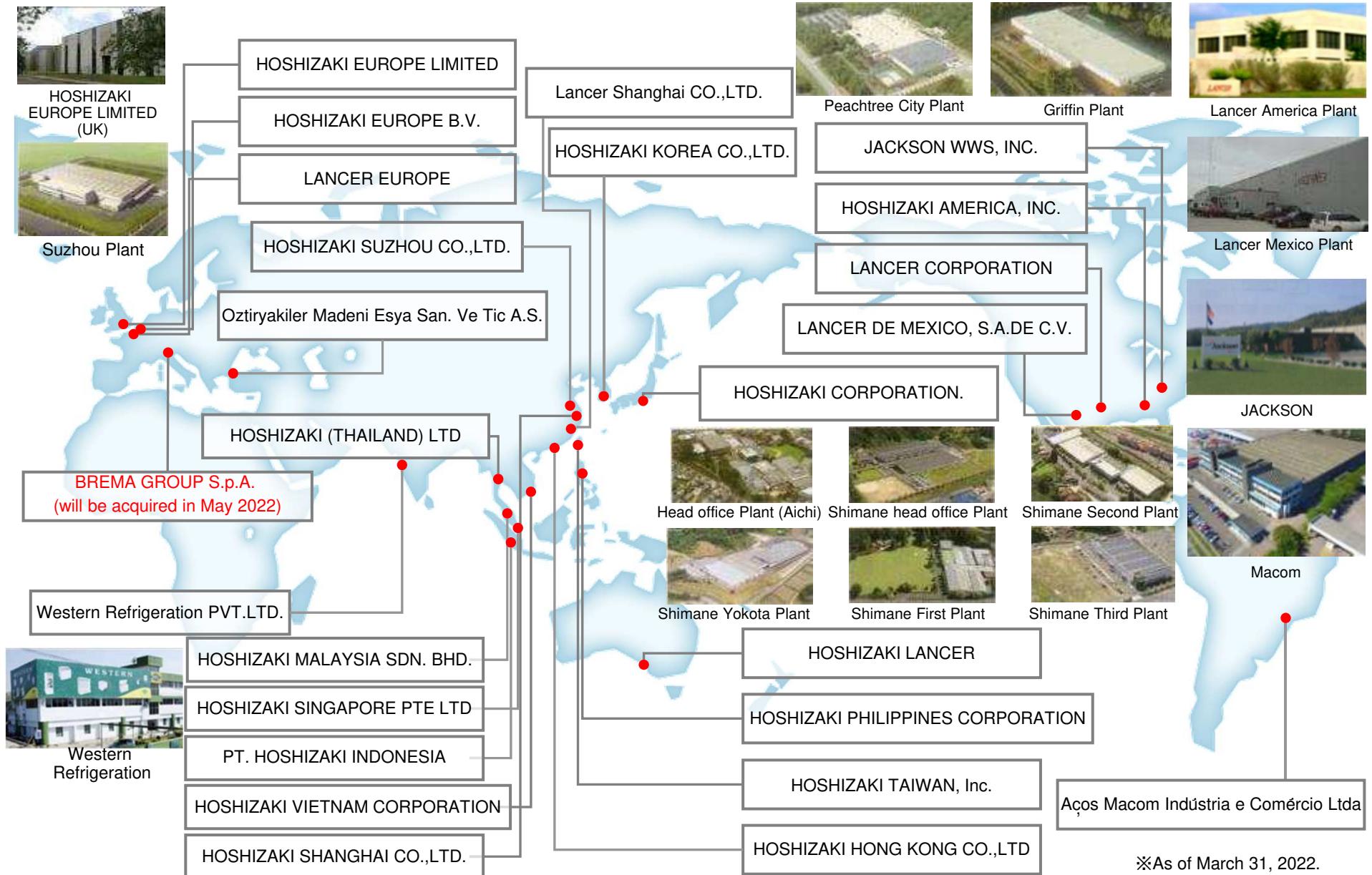
Company Profile



- 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 (As of December 31, 2021)
- Consolidated business performance : Sales : 274,419 million yen
(Fiscal Year ended December 31, 2021) Operating profit : 24,931 million yen
Profit attributable to owners of parent : 21,679 million yen
(*Net income is attributable to shareholders of the parent company.)
- Number of consolidated group companies : 51 companies
(18 companies in Japan, 15 companies in Americas, 18 companies in Europe and Asia)
(As of March 31, 2022 *Including HOSHIZAKI CORPORATION)
- Number of employees : 1,206 persons (HOSHIZAKI CORPORATION)
12,992 persons (Group total) (As of March 31, 2022)
- Number of sales offices in Japan : 434 places (As of December 31, 2021)



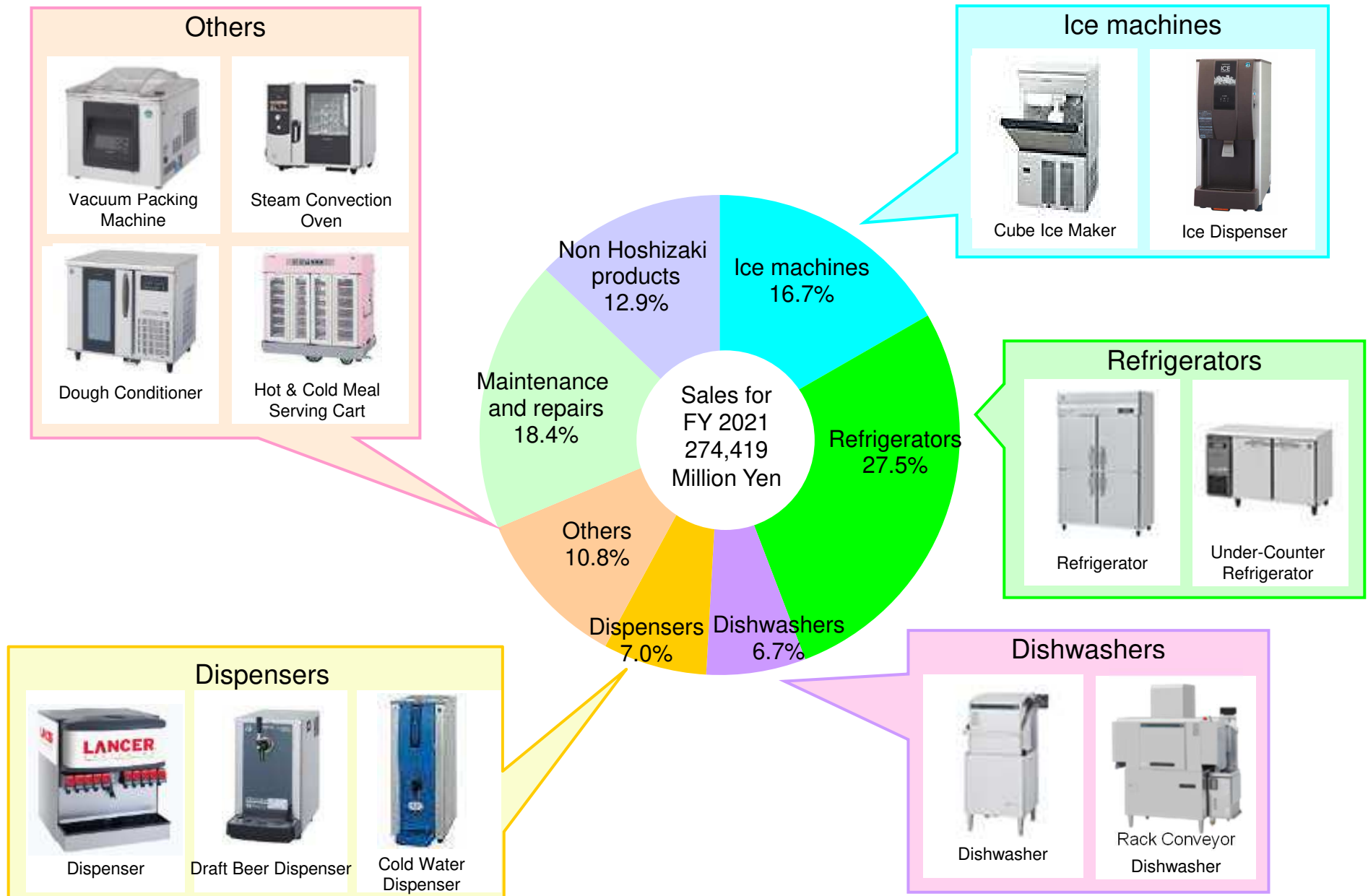
Global Network, Production and Sales Offices



※As of March 31, 2022.



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

'87 '88 '89 '90 '91 '92 '93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21

(millions of Yen)

40,000

30,000

10,000

0

Number of consolidated group companies.
4 companies → 27 companies

Acquired Lancer Corporation
in February 2006.

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 Gram Commercial A/S in September 2008.

Acquired Zhejiang Iceshare Refrigerating Appliance Co.,LTD in June 2015.

★ Recorded a record sales and operating income.

※12 months conversion



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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