



Hoshizaki Management Vision

2022-2026

Hoshizaki Corporation

Agenda

- Business Environment Surrounding Hoshizaki
- Long-term Vision
- 5-year Management Vision (2022 – 2026)
- Growth Strategy
(Company-wide/Japan/Overseas)
- Capital Policy
- Hoshizaki's Key Issues (Materiality)

Business Environment Surrounding Hoshizaki Group

With the world at a major crossroads, Hoshizaki Group must make long-term responses to environmental changes.

Global Trends

- Acceleration of responses to climate change and global warming
- Increase in geopolitical risks
- Rise of emerging economies
- Resource and food crises
- Living with COVID-19 and changes in lifestyle
- Rise of various new technologies
- Demand for actions to achieve SDGs

Business Environment Surrounding Hoshizaki

- Maturing of domestic market and changes in business categories of restaurant market
- Changes in and acceleration of customer needs (automation, labor saving, reduction of environmental burden, energy saving, hygiene control, reduction of food waste, etc.)
- Intensifying global competition centering on the United States
- Rise of emerging markets
- Demand for ESG management (response to climate change, etc.)

Long-term responses to environmental change demanded of the Group

- Contribute to solutions to social issues as a global citizen
- Delve deeper into the restaurant market as well as developing food related wider markets
- Strengthen growth in the global market and capture a presence in growing emerging markets

Long-term Vision (1/2)

With our Mission Statement as our overriding principle, Hoshizaki Group aim to realize our vision while following the change of medium-to-long term business environment.

Mission Statement

Hoshizaki group aim to be an “Evolving Company” contributing to society as well as Customers.

Long-term Vision

- We aim to be No.1 in the global market by taking the initiative to increase our presence in the growing new market and untapped market.
- We will contribute to the future of the Earth by solving our customers' and society's food-related issues by our products and services.

Long-term Vision (2/2)

To achieve our Long-term Vision, Hoshizaki Group will promote growth strategy in Japan and overseas.

Future Strategy Directions

- Step up active efforts to find the solutions sought by increasingly diverse customer needs and society
- Build global business foundations and a stable earnings base that will enable sustainable growth

Japan

- Further strengthen the development of non-restaurant markets in search of growth, while delving deeper into the existing restaurant market
- Establish a new marketing model (collaborative model between sales and service) to respond to customers in the fast-changing restaurant market environment and in non-restaurant markets with their diverse customers

Overseas

- Maximize growth in existing markets, enter and expand business in growing emerging markets ahead of competitors

5-year Management Vision

We will establish individual targets for social and environmental value and economic value, and aim to enhance enterprise value to achieve our Long-term Vision.

To enhance social and environmental value

- **Improve employees' job satisfaction** (share diverse values and create a dynamic workplace culture)
- **Respond to climate change** (reduce CO₂ emissions from business activities, products and the value chain)

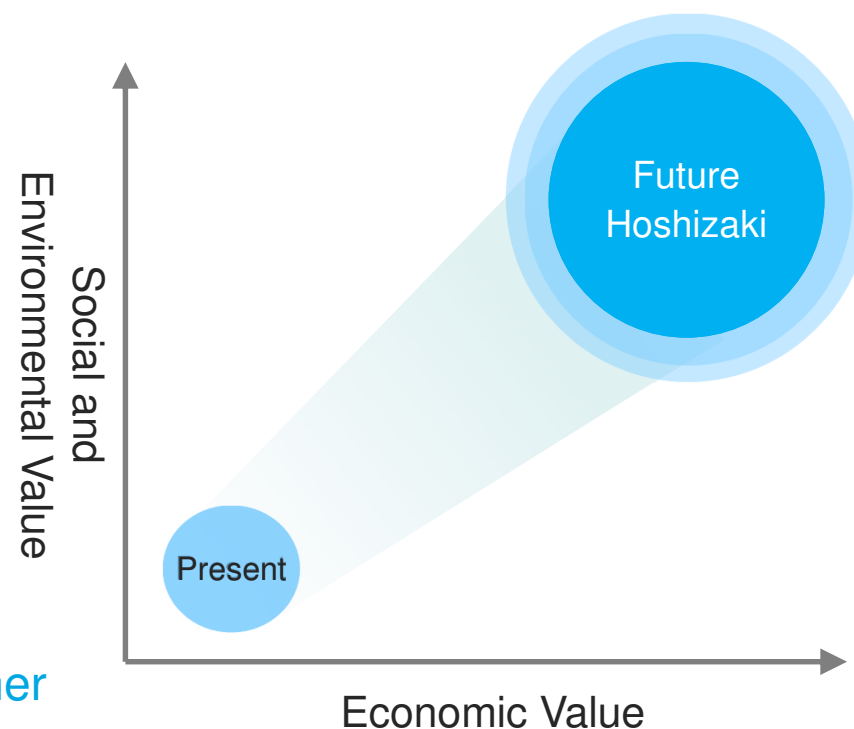
(Details will be explained in the Integrated Report)

To enhance economic value

2026

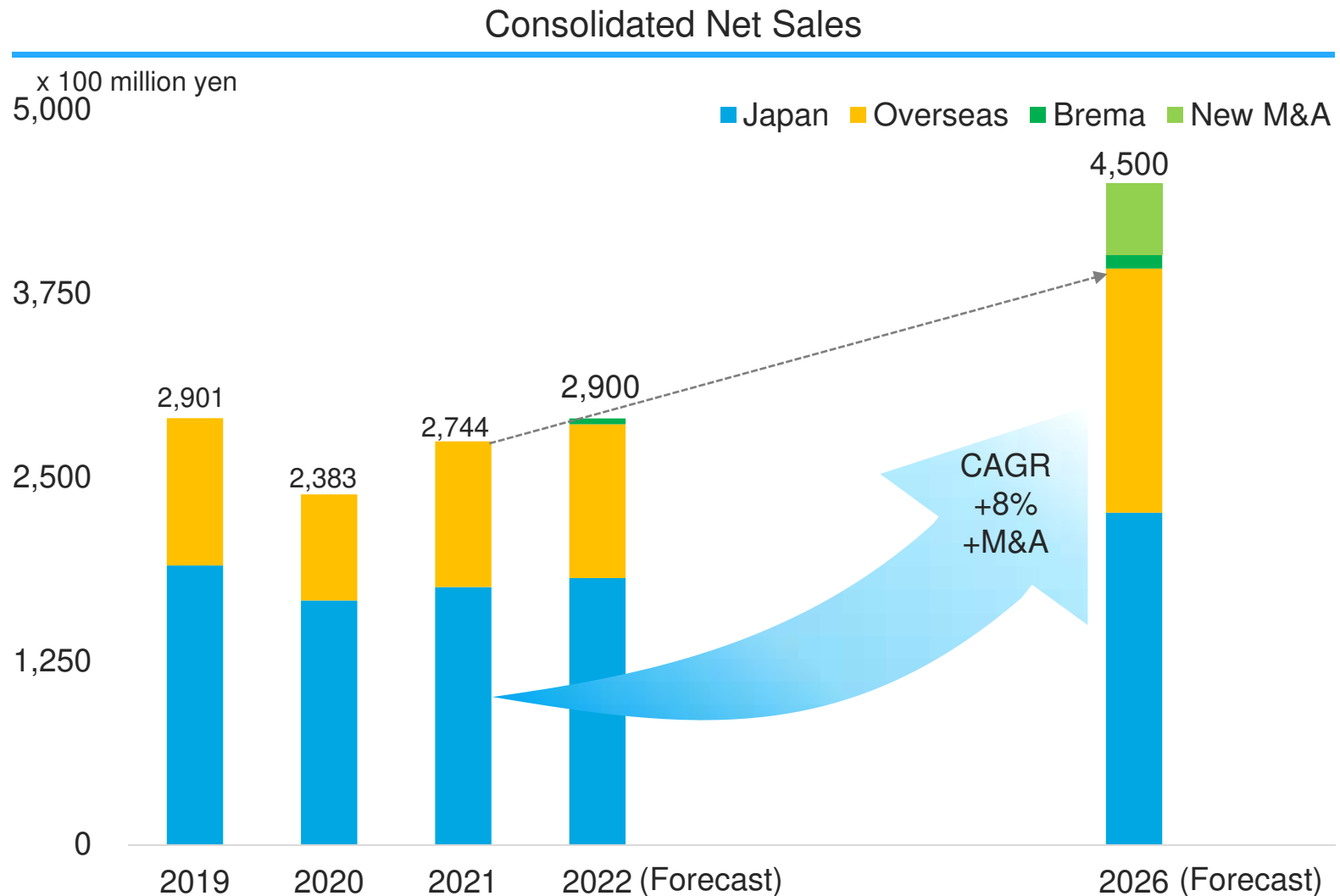
- Consolidated net sales: **450 billion yen**
(Including M&A 50 billion yen)
- Consolidated operating margin: **14% or higher**
(Before M&A goodwill amortization)
- Consolidated ROE **12% or higher**

* Assumes gradual stabilization of COVID-19 impact



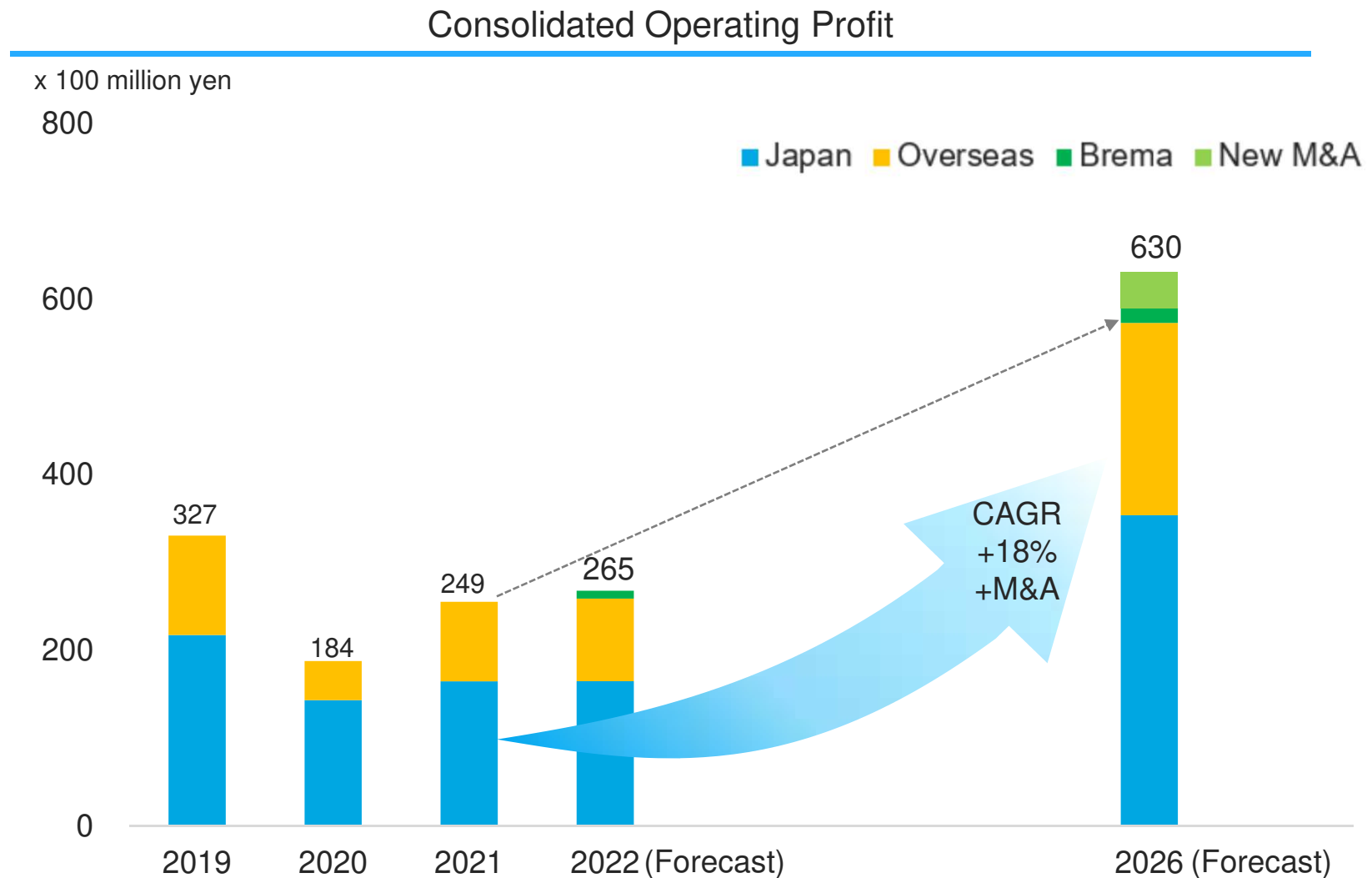
FY2026 Net Sales Targets

By pursuing its future growth strategies, Hoshizaki Group will aim to achieve net sales of 450 billion yen (including 50 billion yen from M&As) in 2026.



Operating Profit Target in FY2026

By pursuing its future growth strategies, Hoshizaki Group will aim to achieve operating profit of 63 billion yen (before amortization of goodwill from M&As) in 2026.



Summary of Company-wide Growth Strategy

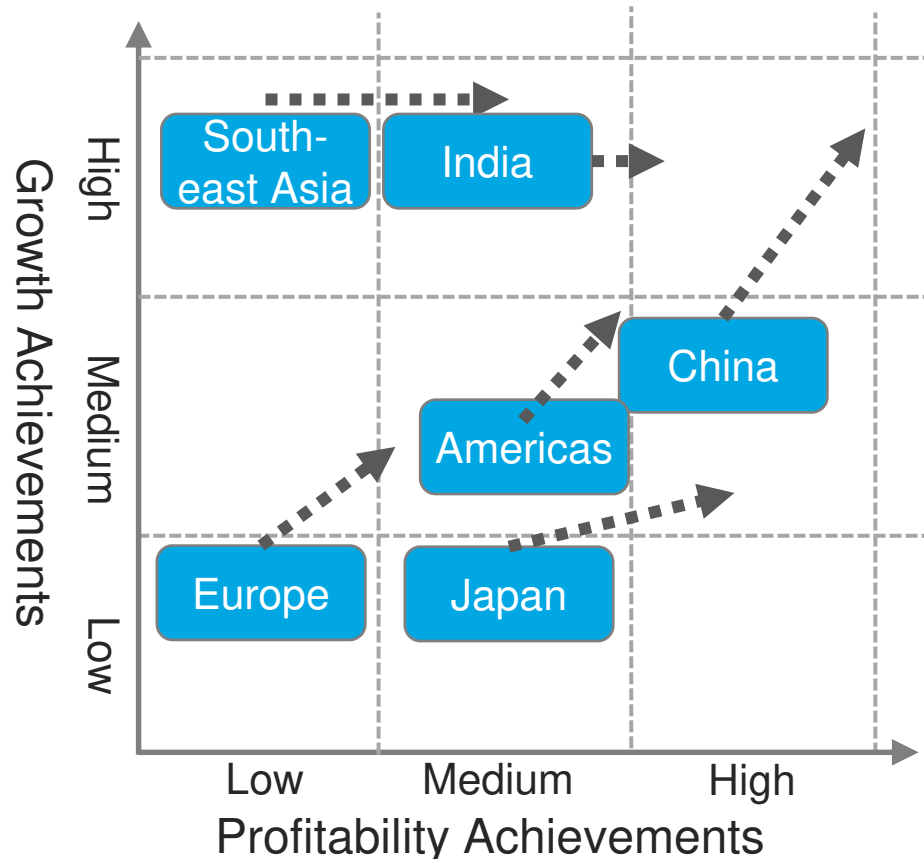
For company-wide profit growth, we will focus on the improvement of profit margin in Japan and on revenue growth in overseas markets.

	Japan	Overseas
Offence	Profit growth by profit margin improve <ul style="list-style-type: none"> Delve deeper into restaurant market and develop non-restaurant markets Thoroughly improve profitability and productivity Create new value through optimization of sales and service collaborations and the use of IoT Strengthen product development capabilities to meet market needs 	Profit growth by sales growth <ul style="list-style-type: none"> Develop new markets (areas, products, channels, customers, etc.) M&As Achieve QCD (Quality, Cost, Delivery) excellence
	Common to Japan and Overseas	
Defense	<ul style="list-style-type: none"> Strengthen response to ESG Strengthen internal control and compliance Strengthen business management (cost management) 	
	Establishment of Foundations for Efficiency <ul style="list-style-type: none"> Improve efficiency of back-office operations (promote shared operations) Enhance collaboration with other companies 	Establishment of Foundations for Growth <ul style="list-style-type: none"> Enhance ability to execute M&As and PMI Strengthen area management

Company-wide Growth Strategy: Area-based Strategy

We will identify potential for growth and profitability improvement of each area and invest management resources appropriately.

Area Portfolio



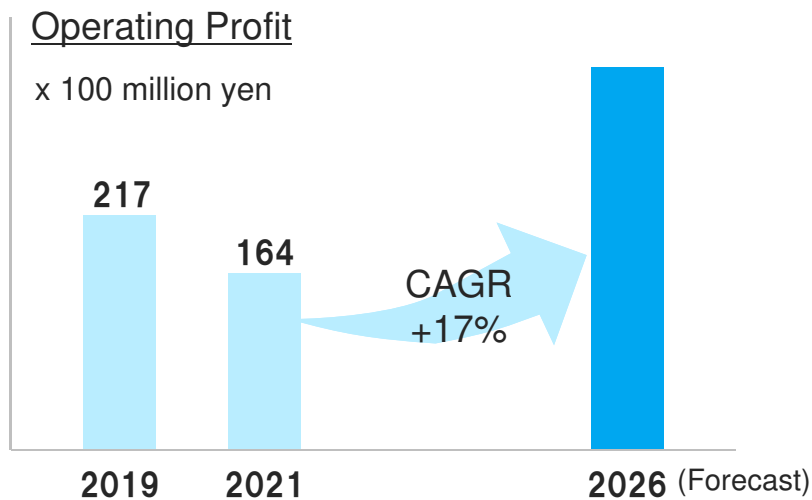
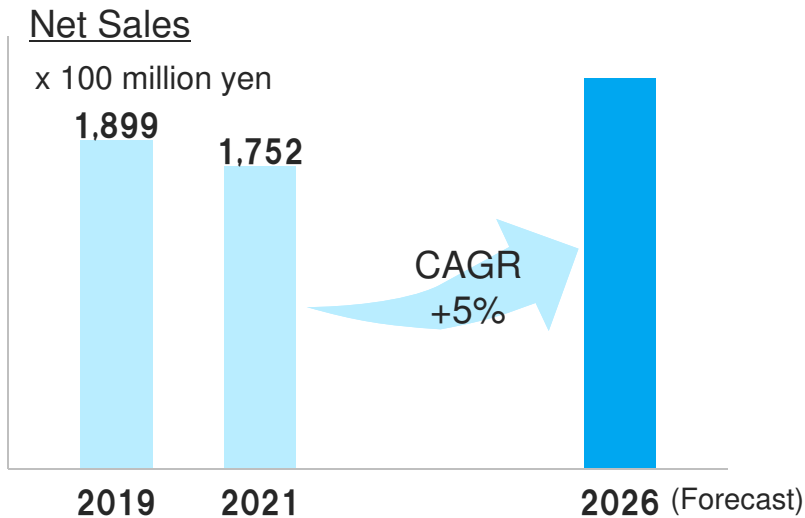
* Growth: Pre-pandemic revenue growth ratio
(Low: less than +5%; High: +20% or higher)
Profitability: Pre-pandemic operating profit margin
(Low: less than 10%; High: 20% or higher)

Area-based Strategy Directions

- **Japan**
Steady growth and improvement of profit margin
- **Americas**
Pursuit of optimal balance between revenue growth and profit margin improvement
- **Europe**
Enhancement of growth and profitability improvement in collaboration with acquired corporations
- **China**
Leveraging of brand power in pursuit of high growth
- **India**
Maintenance of competitive advantage and steady expansion of business scale
- **South-east Asia**
Expansion of scale of sales and optimization of supply chain

Domestic Segment: Basic Policy

Steady growth and improvement of profit margin



Domestic Basic Policy

Delve deeper into restaurant market and develop non-restaurant markets

- Strengthen in 4 domains (retail business, processing and sales business, primary industries, and hospital, aged-care and welfare facilities)

Thoroughly improve profitability and productivity

- Strategic price increases
- Lower cost ratio and raise productivity
- Structural reforms to lower SG&A ratio

Create new value through optimization of sales and service collaborations and the use of IoT

- Direct sales to corporate customers. Service staff allocation and glow capability.
- More sophisticated customer response and service operations with the use of IoT

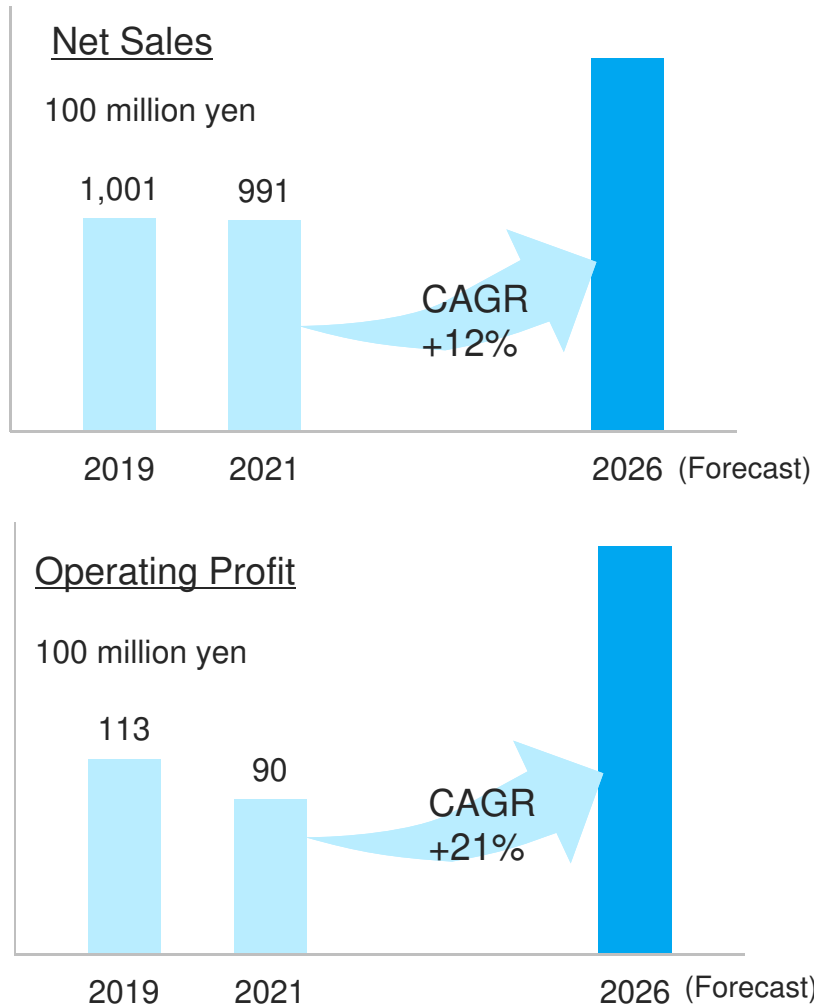
Strengthen product development capabilities to meet changes in market needs

- Shorter lead times for development of in-house products and enhancement of collaborations with other companies

Overseas Segment: Basic Policy

Pursue sales growth opportunities for profit growth

5-year Management Vision (Overseas Segment)



Overseas Basic Policy

Development of new markets	Develop area-based growth opportunities (area, product, channel, customer segment, etc.)
Clarification of area-based strategy	Make significant changes to business models in Europe and China
Strengthening of QCD capabilities	Strengthen QCD, the foundation of Hoshizaki brand, with certainty through collaboration between Japan and individual areas.
Strengthening of area management	Hoshizaki (Japan) to provide efficient operation support through transfer of authority to area heads, swifter decision-making, and strengthening of functional axes (horizontal linking of overseas areas)
Strengthening of M&A organizational capabilities	Plans to invest approx. ¥125 billion in the next five years to enhance organizational capabilities from case development to PMI

Capital Policy: Cash Allocation

We will aim to achieve our target ROE by maintaining funds for the retention of our staff, who are the drivers of our business, and the minimum level of cash needed not to miss out on growth investment opportunities, such as M&As, while also executing aggressive growth investment.

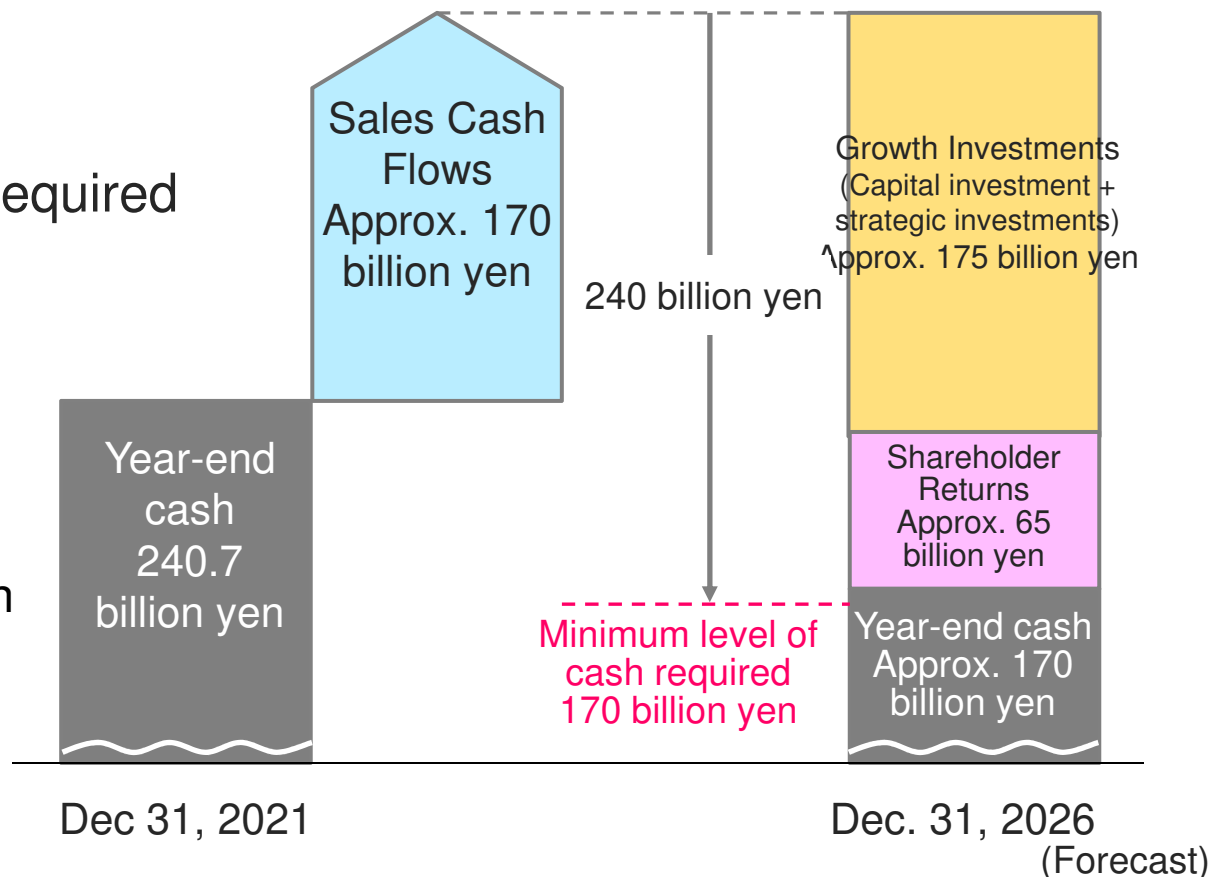
Sales Cashflow

- Approx. 170 billion yen in total over the next 5 years projected

Minimum level of cash required
















- Maintain necessary cash position for Working capital, securing human resources in an emergency, growth investment
- Consider increasing the dividend, if cash position exceeds the planned level, and no additional growth investment necessary.

Cash Allocation Over Next 5 Years



Hoshizaki's Materialities

Our key issues (Materiality) for the realization of our Long-term Vision.

Key Issues (Materiality)		
Action to Climate Change	Contribute to solutions to environmental issues through the provision of a comfortable food environment in response to global climate change	 
Sustainable Supply Chain Management	Promote safe and healthy working conditions by minimizing waste through supply chains that are conscious of the environment and human rights	   
Creation of New Customer Value	Identify changes in the environment surrounding customers and create manufacturing and service business that respond flexibly to those changes	  
New Proposals for Creation of Safe and Secure Food Environment	Contribute to the enrichment of people's lives by providing safe and reliable products and services in response to changes in a diversifying food environment	 
Improvement of Employees' Job Satisfaction	Evolve into an energetic workplace culture in which all employees share diverse values, respect each other, and work with pride	 
Strengthening of Management Foundations	With strengthened corporate governance and thorough compliance, put into practice management that has society's trust	 



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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