



## **Summary of Business Performance**

**The Second 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)

August 8, 2022

**HOSHIZAKI**

# Table of Contents

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

**II . Key Factors of Financial Results for FY 2022 2Q : P.15-22**

**III . Company Profile and Overview of Business : P.23-27**

**Note : Business Forecast for FY 2022 : P.28-29**





## **I . Financial Results for FY 2022 2Q**

**HOSHIZAKI**

## Foreign Exchange Rates

	FY 2021 6 months ('21/1-6)		FY 2022 6 months ('22/1-6)		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	107.7	110.5	123.1	136.6	110.0	110.0
Pound	149.7	153.1	159.5	165.7	155.0	155.0
Euro	129.8	131.5	134.3	142.6	130.0	130.0
Singapore dollar	80.8	82.1	90.1	98.1	83.0	83.0
Chinese yuan	16.6	17.1	18.9	20.3	17.1	17.1
Denmark krone	17.4	17.7	18.0	19.1	17.9	17.9
Taiwan dollar	3.8	3.9	4.2	4.6	3.9	3.9
Hong Kong dollar	13.8	14.2	15.7	17.4	14.1	14.1
Indian rupee	1.48	1.50	1.62	1.74	1.51	1.51
South Korean won	0.0965	0.0978	0.0998	0.1052	0.0976	0.0976
Brazilian real	20.0	22.1	24.3	26.0	20.8	20.8
Indonesian Rupiah	0.0076	0.0077	0.0086	0.0092	0.0077	0.0077
Thai Baht	3.5	3.4	3.6	3.8	3.5	3.5
Malaysia Ringgito	26.3	26.6	28.7	31.0	26.5	26.5
Viet Nam Dong	0.0046	0.0047	0.0053	0.0059	0.0047	0.0047
Philippine Peso	2.25	2.30	2.38	2.50	2.30	2.30



# Summary of Financial Results for FY 2022 2Q

Both full-year forecasts and foreign exchange assumptions remain unchanged from the plan at the beginning of the fiscal year.

## Sales : 150.2 billion yen (increased 10.0% year-on-year)

- Japan : 88.9 billion yen (decreased 1.4%)
- Overseas : 61.2 billion yen (increased 32.1%) Overseas sales ratio : 40.8% (increased 6.8pt)

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

- Japan: Expanded sales and new customer bases and recovered gradually in the restaurant market and non-restaurant market while working to prevent COVID-19 infection. However, continuing difficulties in procuring parts and materials due to global supply chain disruptions and the lockdown in China have constrained supply to meet customer demand. 1.4 billion yen decreased in revenue by the application of the "Accounting Standard for Revenue Recognition".
- Overseas: Demand continues to recover as the economy picks up, and sales increased significantly in all segments.

## Operating Income : 13.2 billion yen (decreased 6.5%) Operating income margin : 8.8% (decreased 1.6pt)

- Japan : 8.0 billion yen (decreased 19.7%) Operating income margin : 9.0% (decreased 2.1pt)
- Overseas : 5.7 billion yen (increased 26.6%) Operating income margin : 9.4% (increased 6.8pt)

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

- Profitability deteriorated due to the global rise in material and logistics costs, etc. In Japan, the application of the "Accounting Standard for Revenue Recognition" had a negative impact of approximately 330 million yen.

## Ordinary Income : 24.1 billion yen (increased 32.5%)

- Foreign exchange gains of 11.0 billion yen from deposits in foreign currencies were recorded as non-operating income. (3.5 billion yen of foreign exchange gains were recorded in the previous fiscal year.)

## Profit Attributable to Owners of Parent : 16.5 billion yen (increased 30.8%)



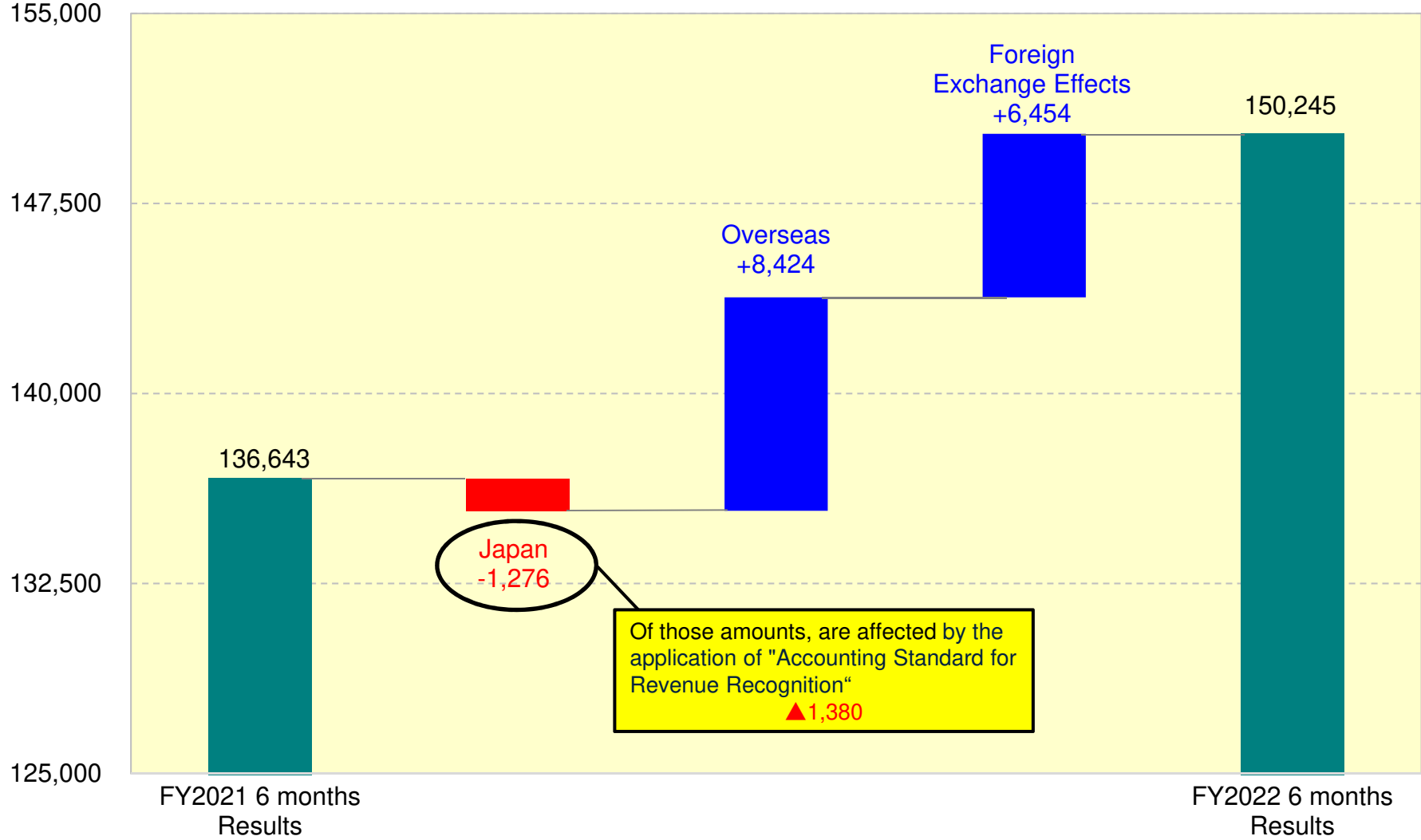
# Consolidated Business Performance

	FY 2021 6 months results		FY 2022 6 months results			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
					Change (Millions of yen)	Percentage (%)
Sales	136,643	100.0	150,245	100.0	+13,601	110.0
Cost of sales	85,607	62.6	96,795	64.4	+11,188	113.1
Gross profit	51,036	37.4	53,449	35.6	+2,412	104.7
Selling, general and administrative expenses	36,846	27.0	40,186	26.7	+3,339	109.1
Operating income	14,189	10.4	13,263	8.8	-926	93.5
Ordinary income	18,229	13.3	24,159	16.1	+5,930	132.5
Profit attributable to owners of parent	12,683	9.3	16,594	11.0	+3,910	130.8



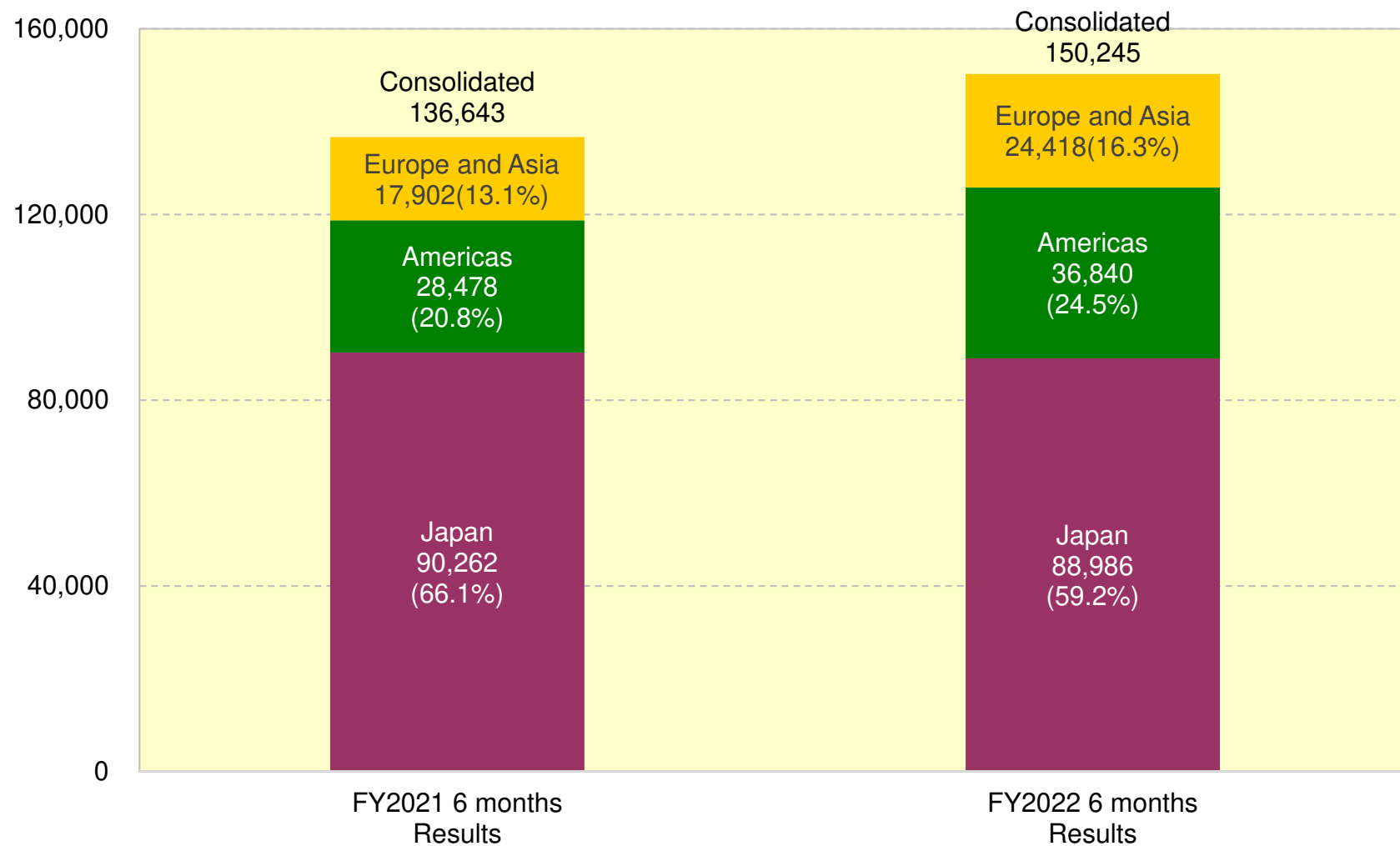
# Factors for Change in Consolidated Sales by Japan and Overseas

(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")

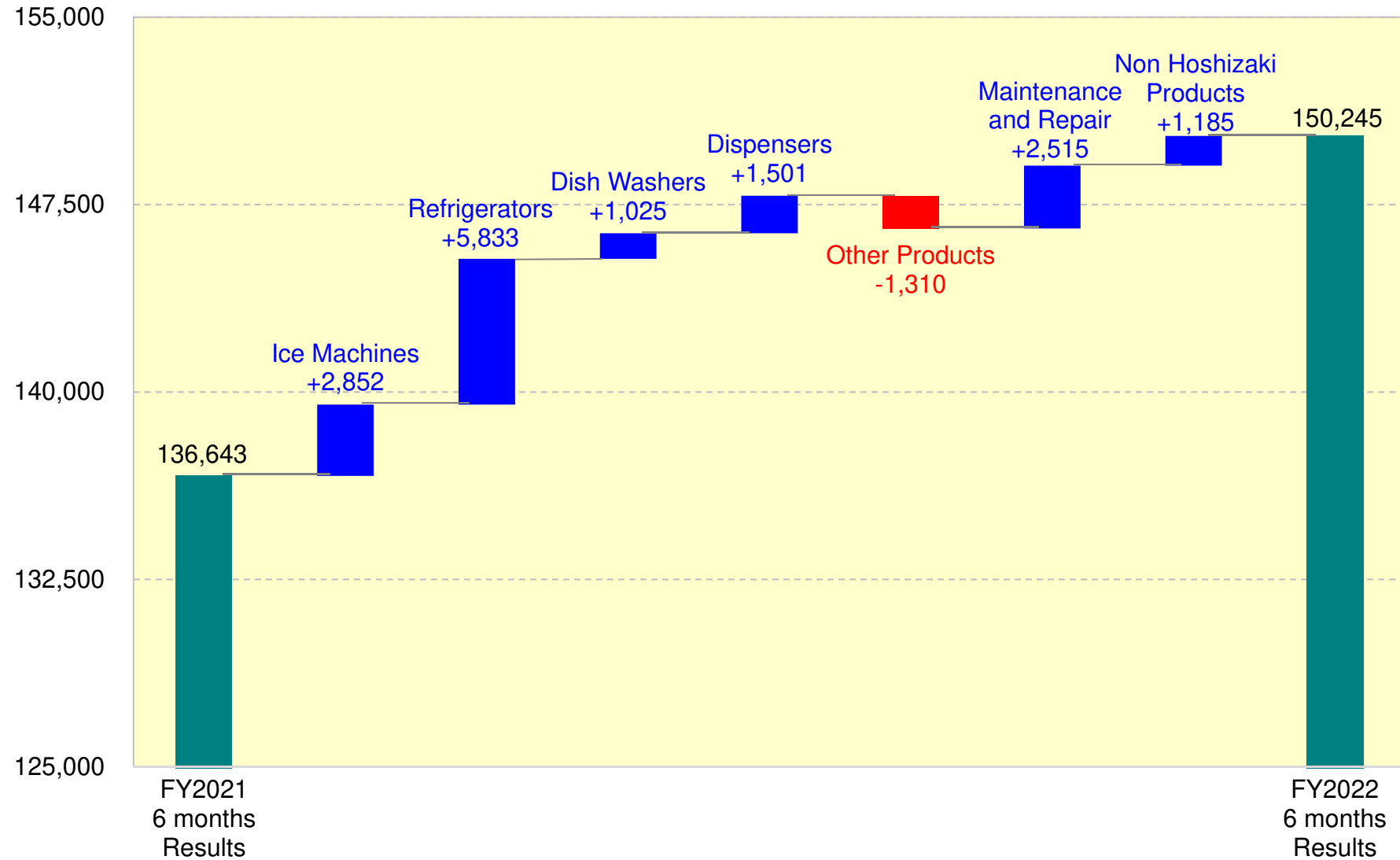
(This is a classification for internal management control, and we use the same classification for reporting segments in the quarterly report.)





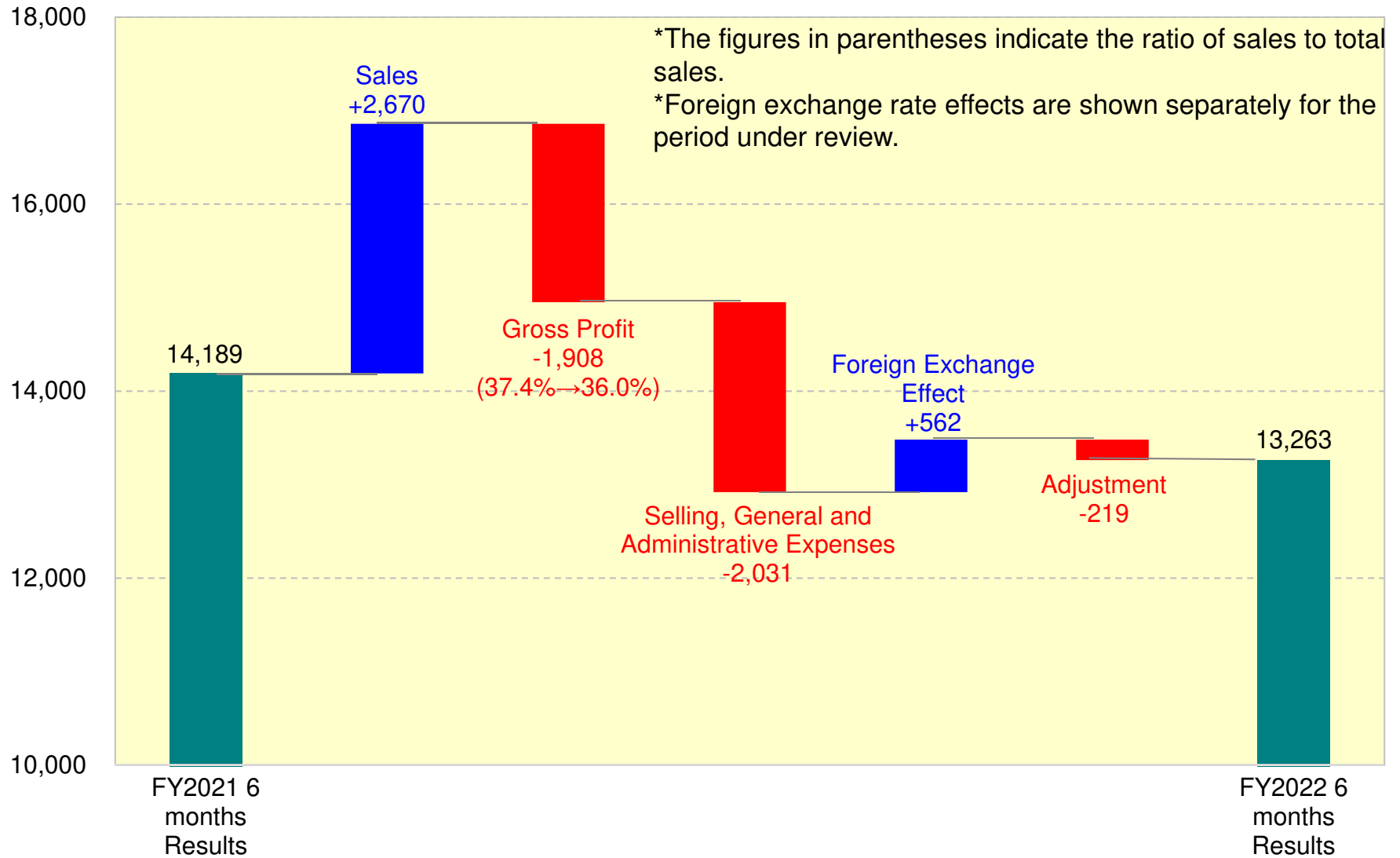
# Factors for Change in Consolidated Sales by Product Groups

(Millions of yen)



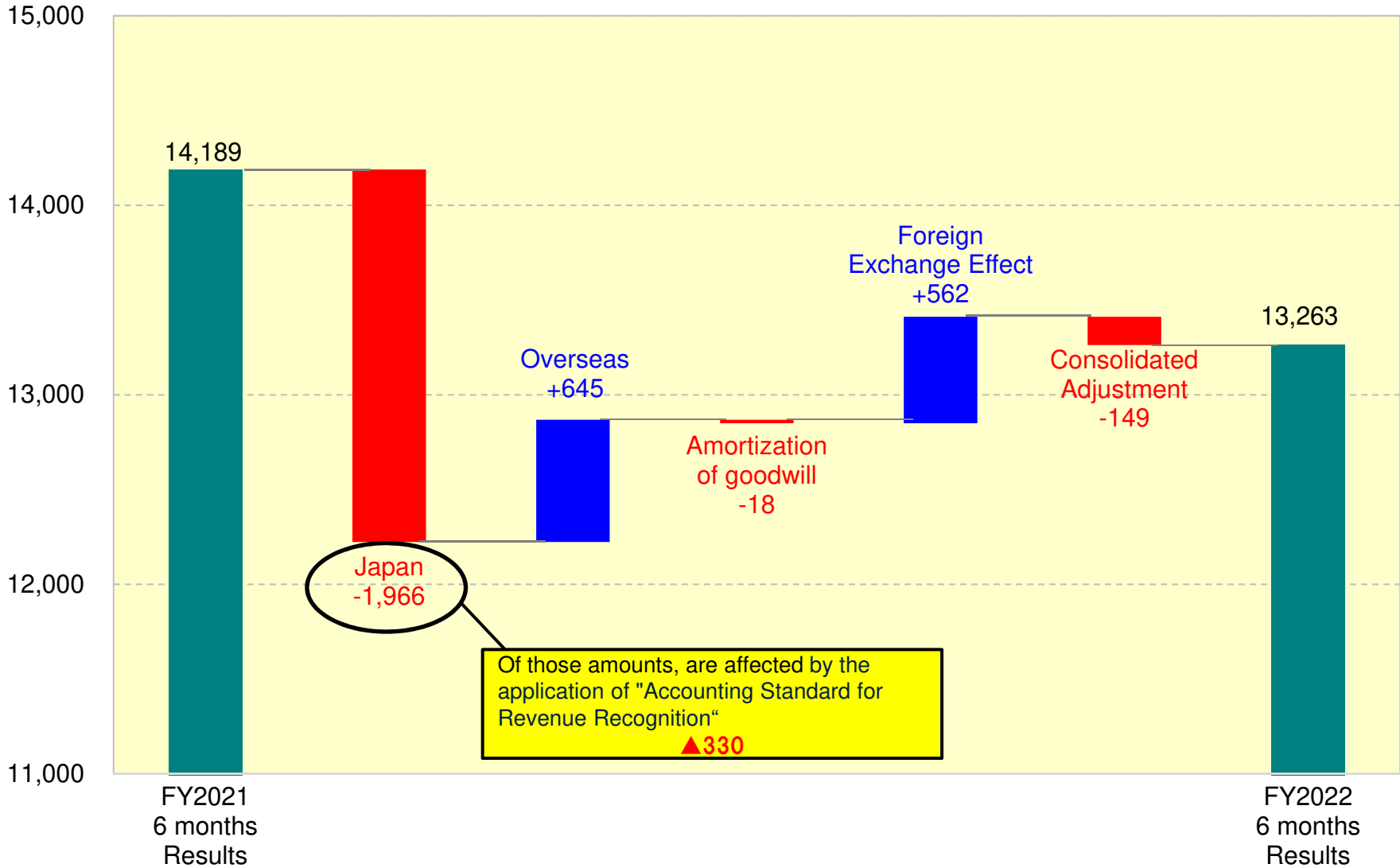
# Factors for Change in Consolidated Operating Income

(Millions of yen)

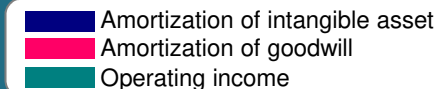


# Factors for Change in Consolidated Operating Income by Japan and Overseas

(Millions of yen)

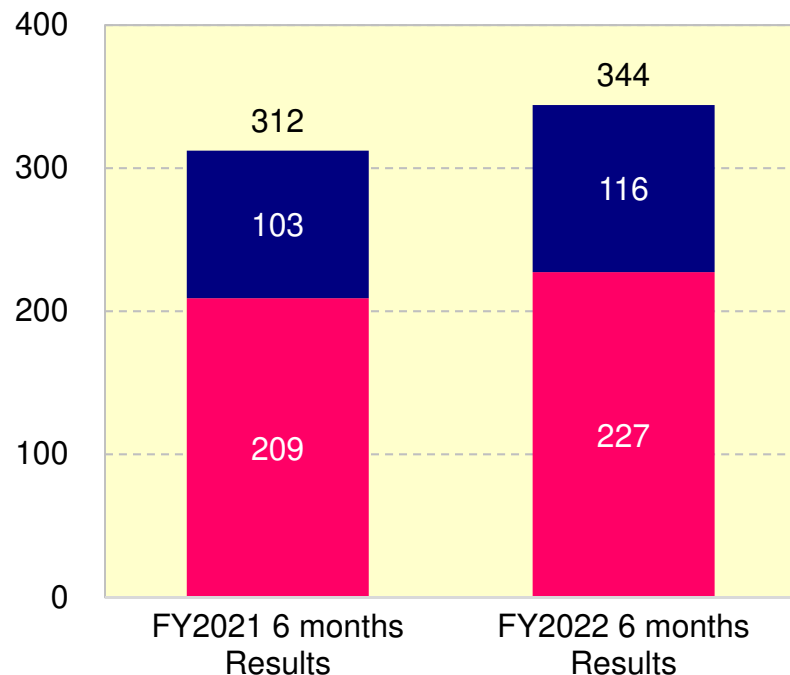


# Impact of Goodwill Amortization



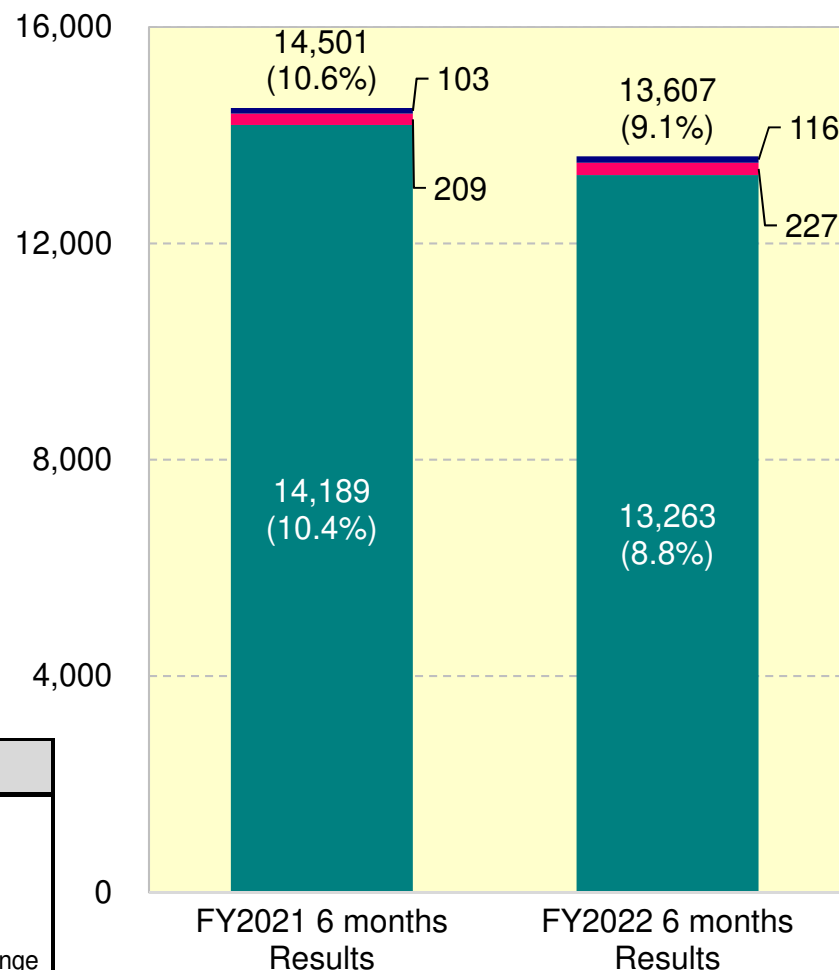
(Millions of yen)

### Amortization of Goodwill



(Millions of yen)

### Amortization of Goodwill + Operating Income



#### The recognition of major goodwill and intangible assets

- Western (Jan. 2013 M&A : 2,198 Amortized over 10-year period)
- " ( " : 2,439 Acquired the additional interest in 2016)
- " ( " : 473 Acquired the additional interest in 2018)

\*1: The amount of goodwill and intangible assets are calculated using the foreign exchange rates at the time of the acquisitions

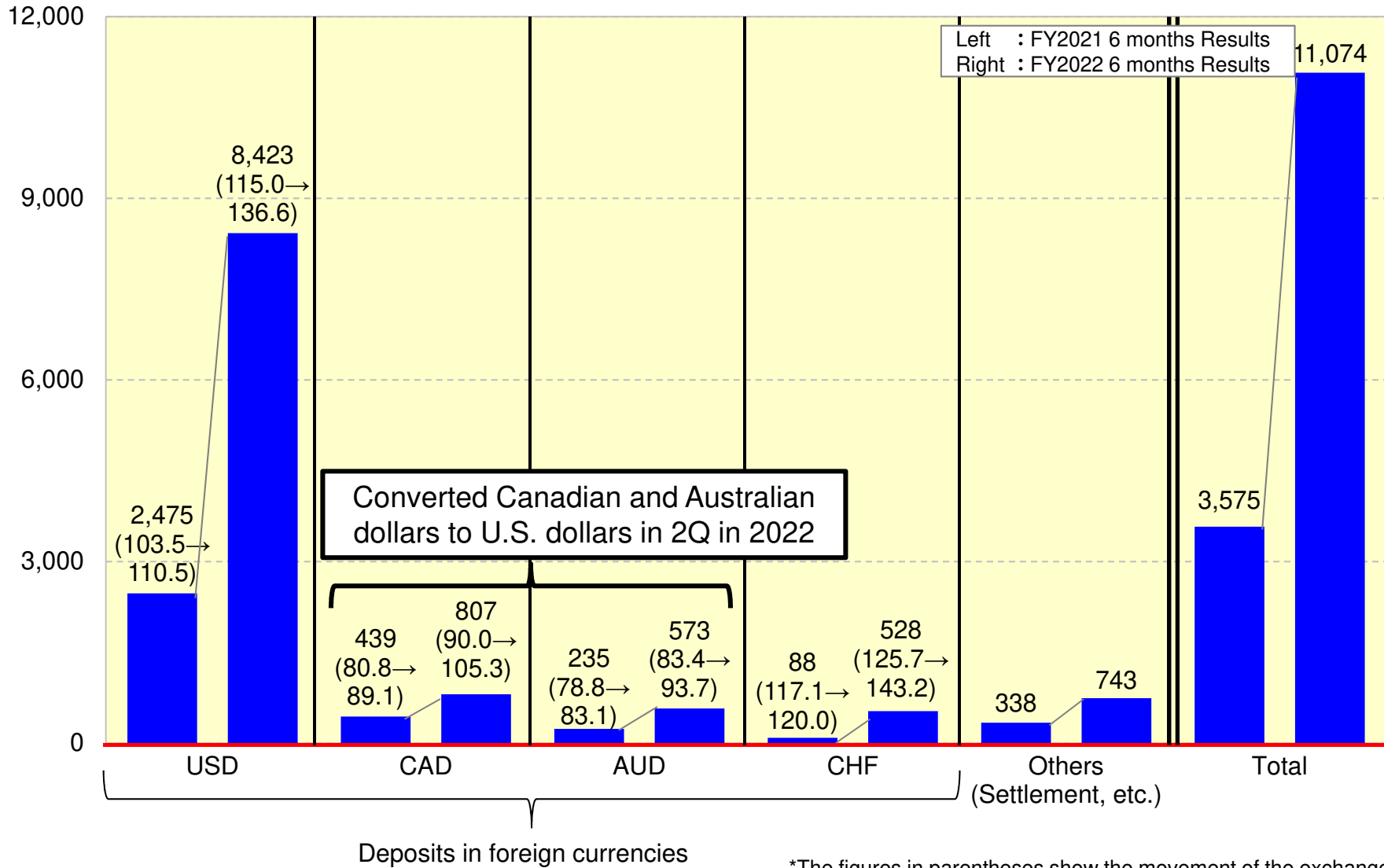
\*2: Excluding amortization of intangible assets and other items related to acquisitions.

\*Percentages in parenthesis indicate operating income margin.



# 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

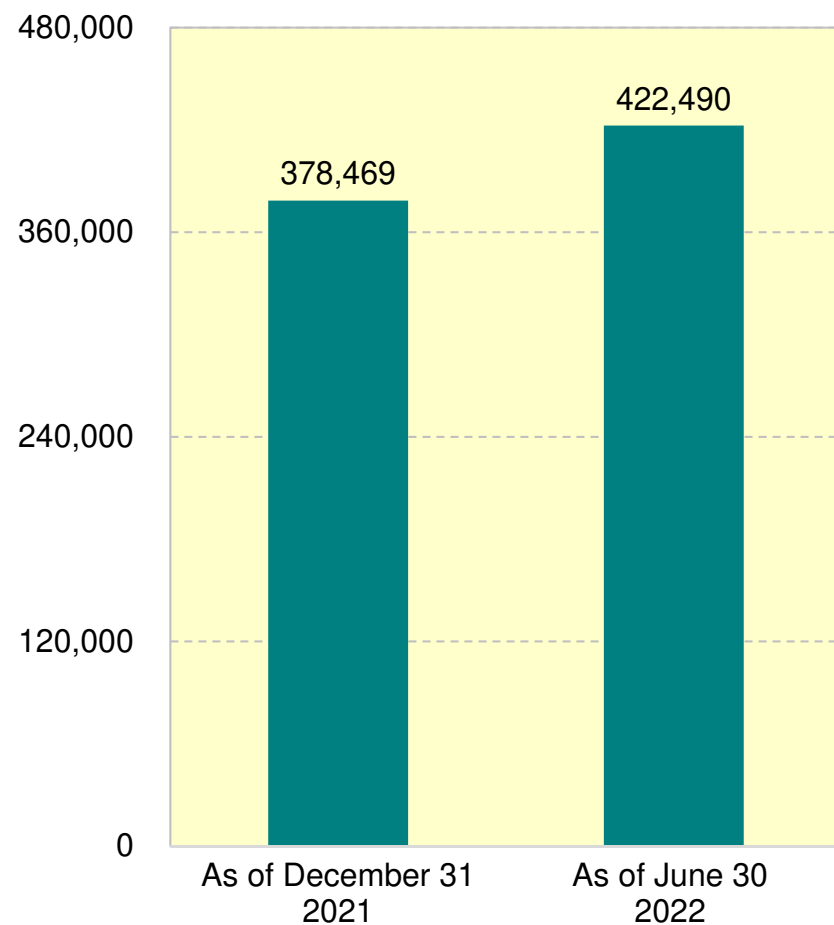
	As of December 31, 2021		As of June 30, 2022		
	Amount (Millions of yen)	Component percentage (%)	Amount (Millions of yen)	Component percentage (%)	Change (Millions of yen)
Current assets	310,645	82.1	344,001	81.4	+33,355
(Cash and cash equivalents)	240,723	63.6	254,485	60.2	+13,761
(Notes and accounts receivable-trade)	31,120	8.2	41,094	9.7	+9,973
(Inventory)	35,556	9.4	44,850	10.6	+9,293
Non-current assets	67,823	17.9	78,488	18.6	+10,664
Total assets	378,469	100.0	422,490	100.0	+44,020
Current liabilities	94,448	25.0	103,457	24.5	+9,008
(Notes and accounts payable-trade)	26,070	6.9	29,241	6.9	+3,171
Non-current liabilities	24,159	6.4	25,309	6.0	+1,150
Total liabilities	118,607	31.3	128,766	30.5	+10,159
Total net assets	259,862	68.7	293,723	69.5	+33,861
Total liabilities and net assets	378,469	100.0	422,490	100.0	+44,020
Cash and deposits (including long-term deposits)	240,723		254,485		+13,761



# Comparison of Consolidated Total Assets and Net Assets

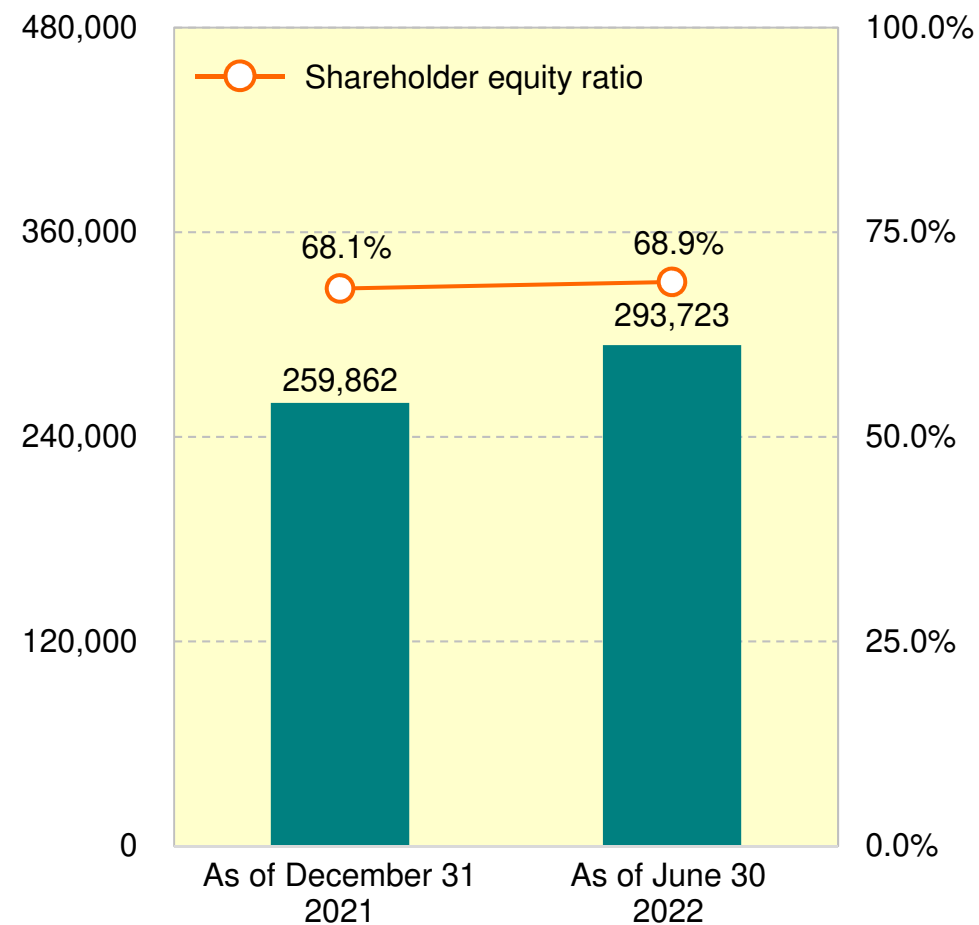
## Total Assets

(Millions of yen)



## Net Assets

(Millions of yen)



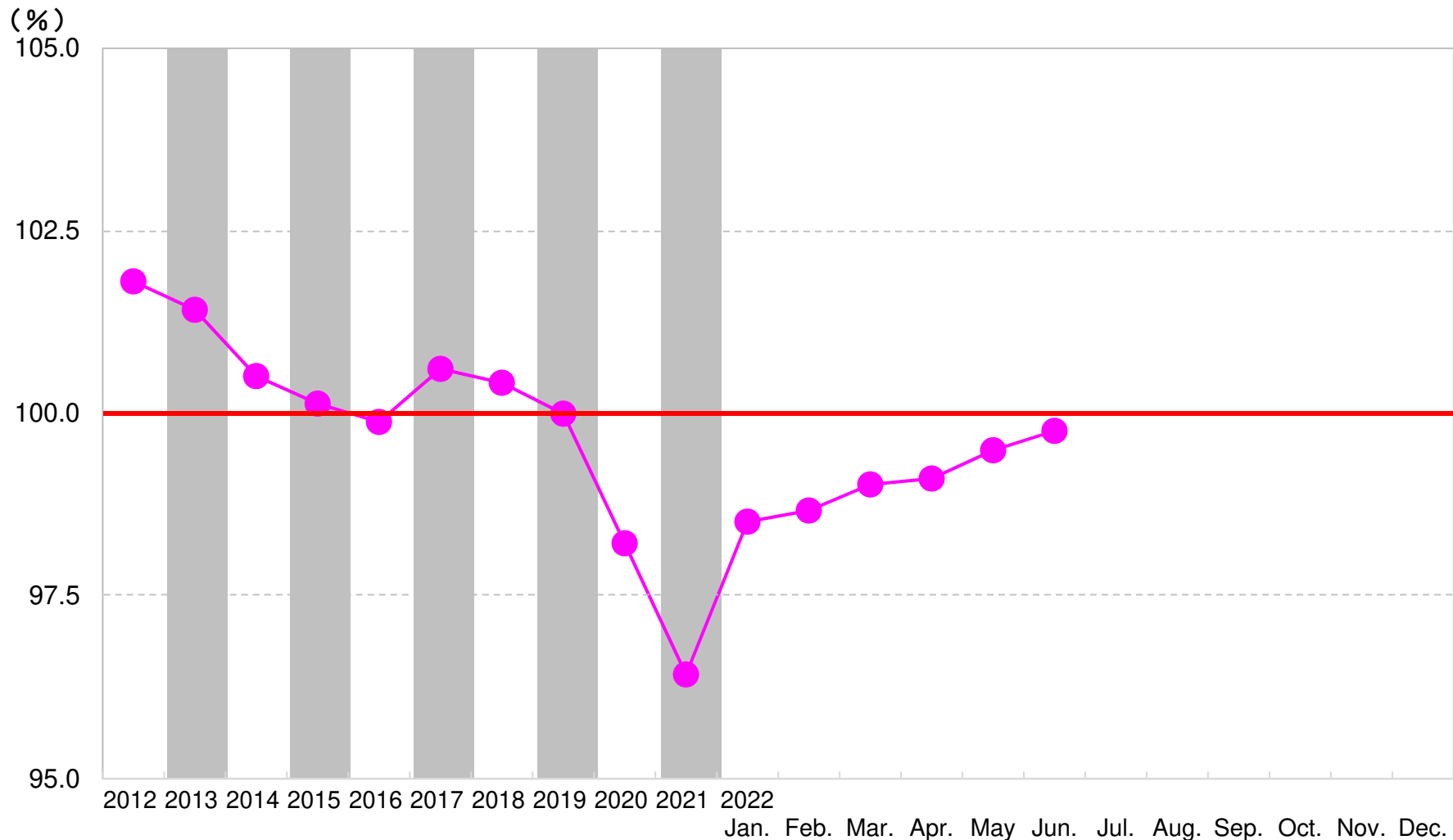


## Ⅱ . Key Factors of Financial Results for FY 2022 2Q



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

- Major restaurant chains' store numbers are on a decline from 2020 continuously, despite picking up slowly in 2022.

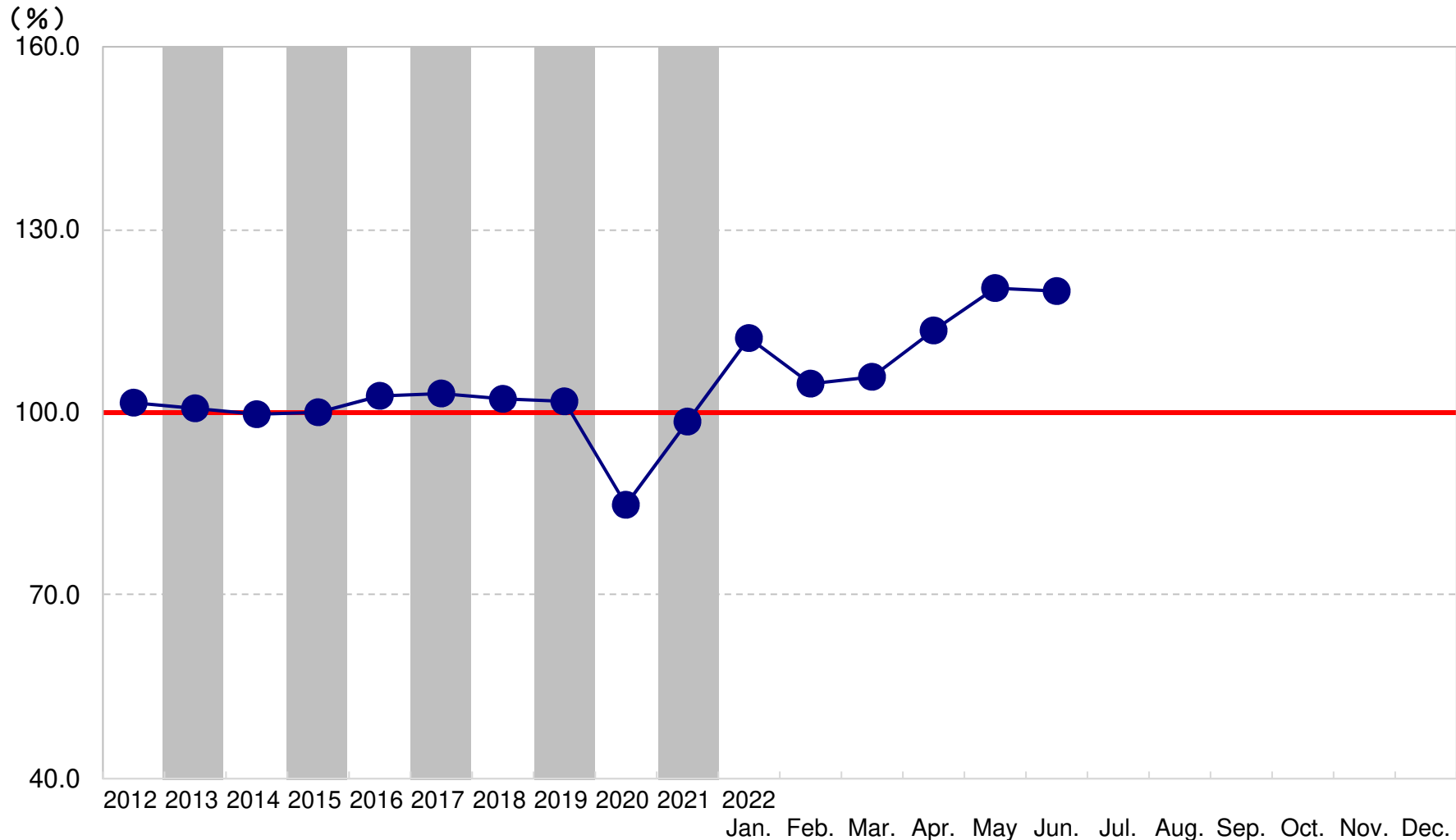


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Despite the impact of the request to shorten business hours and restrictions to serve alcohol while January to March 2022 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. From April to June, revenues exceeded significantly that of the same month last year due to no emergency measures.

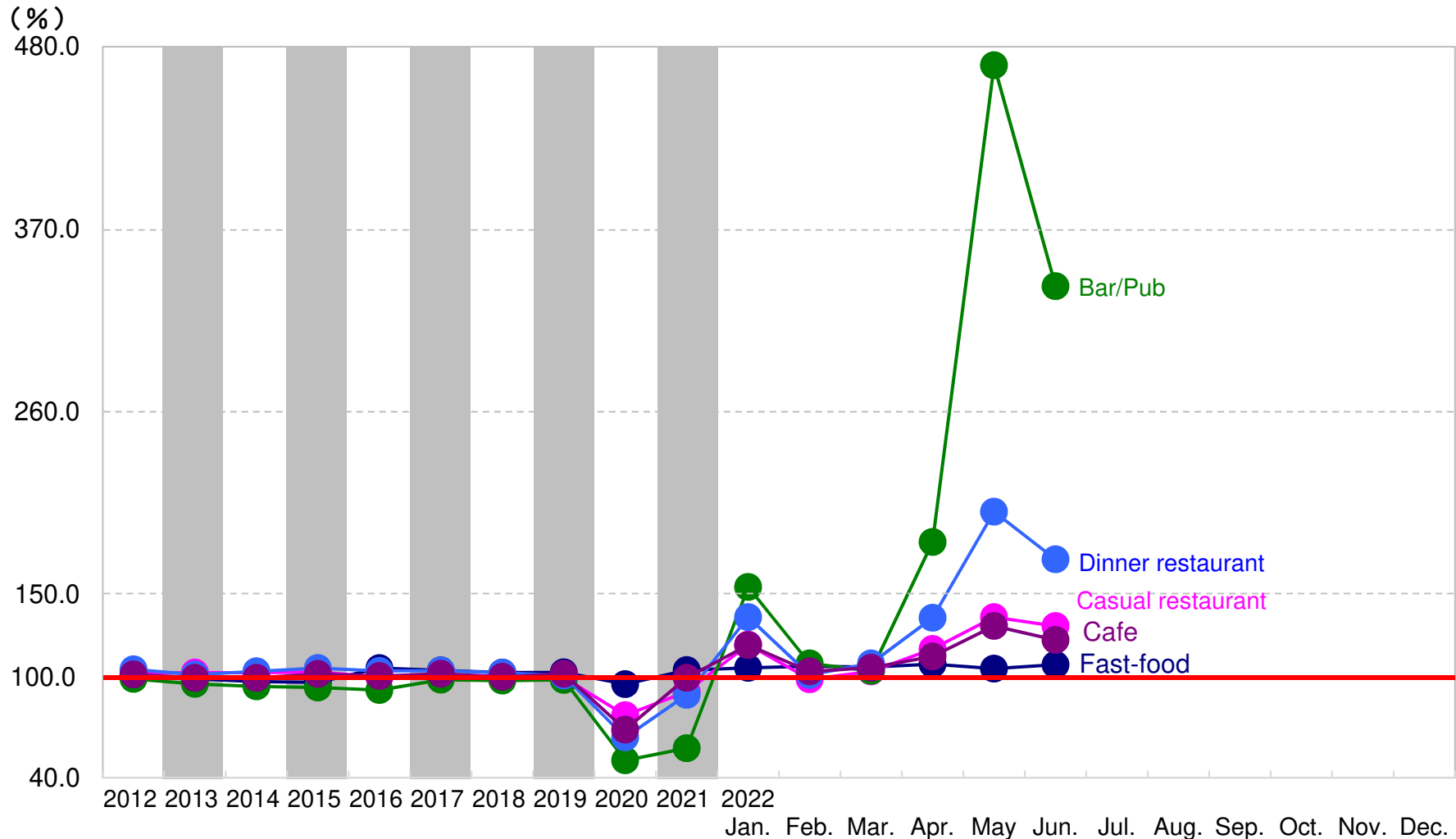


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- The fast food business posted higher sales than in 2019 as take-out has become more established. Other types of businesses continued to have sluggish demand. Sales exceeded those of the same month last year, the gap with before COVID-19 has not been filled. Pubs/bars seem to have recovered significantly, but compared to 2019, the recovery is slow and continues to be difficult.

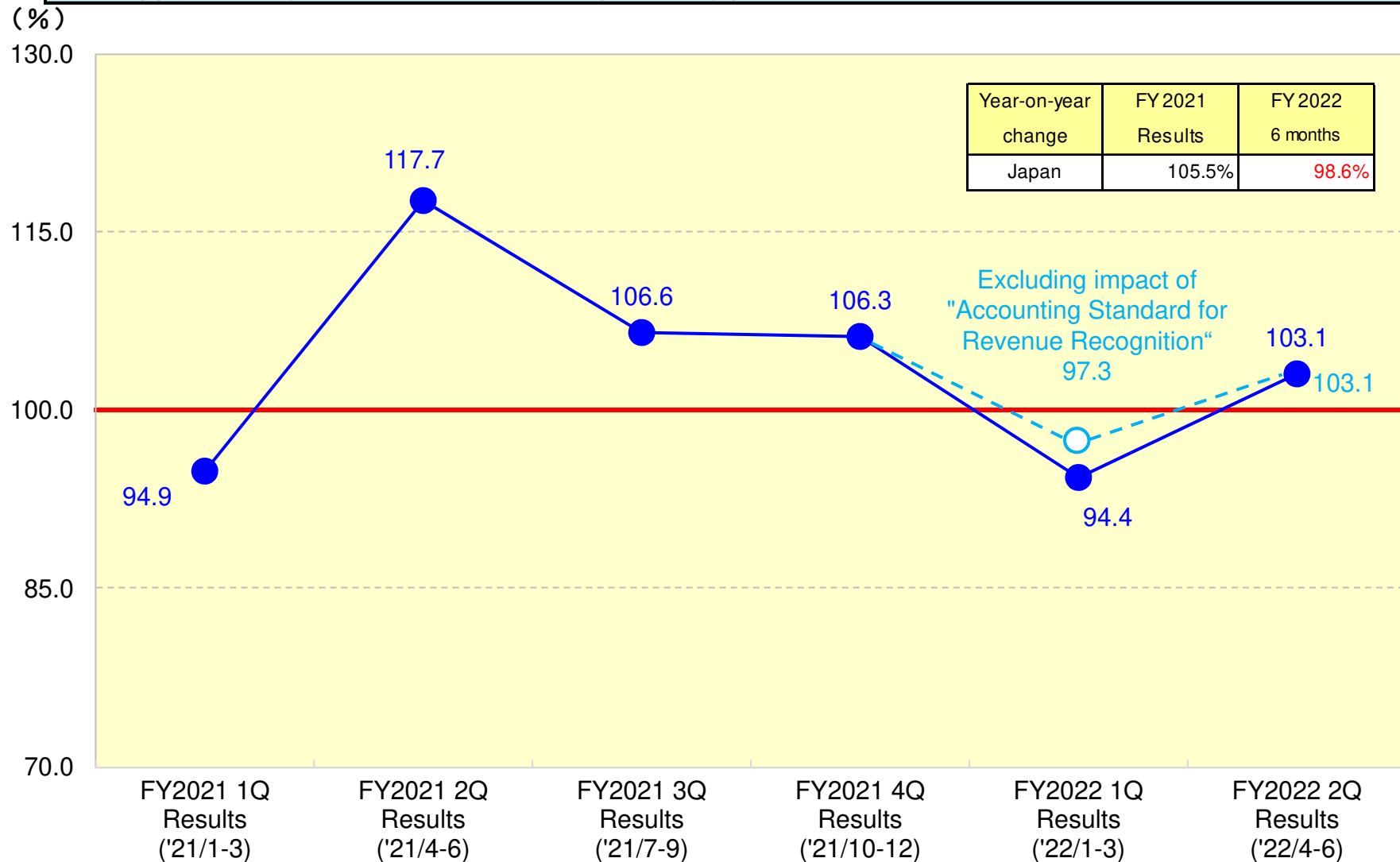


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

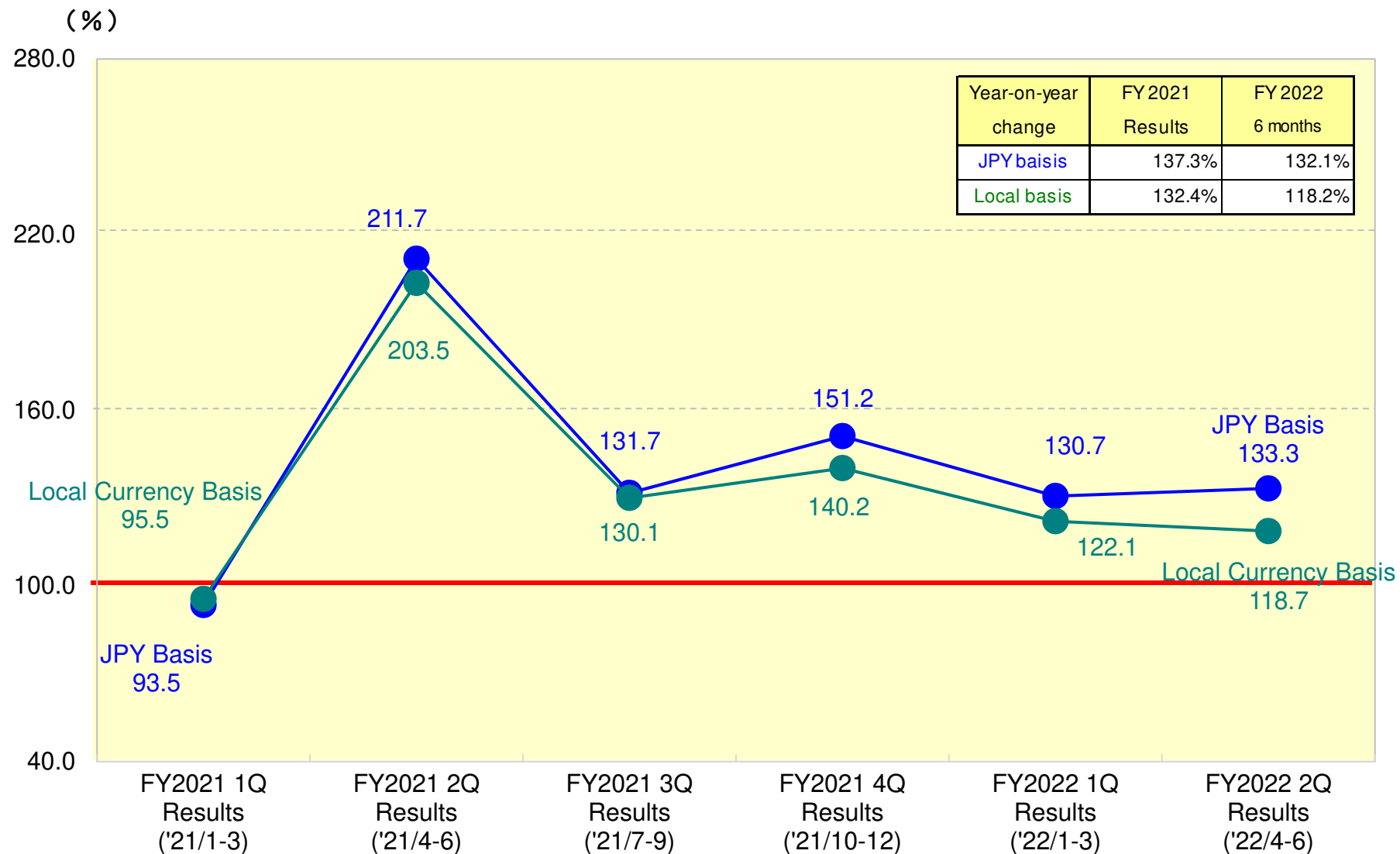


# Japan : Year-on-Year Change in Sales

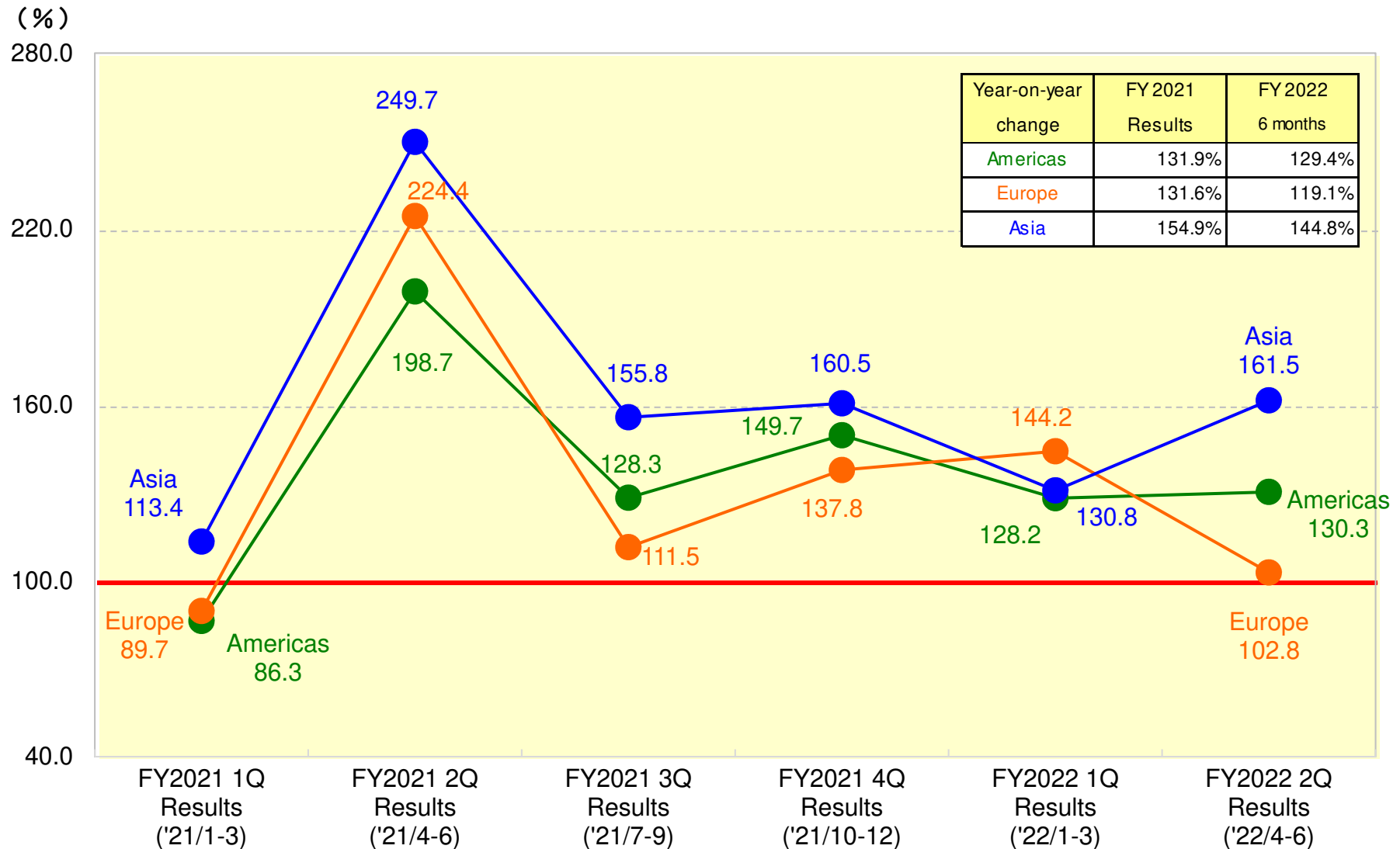
- Compared to the same period last year, when the company was under a declared state of emergency, sales increased due to a recovery in the demands, but continued to be affected by supply shortages due to difficulties in procuring parts and materials.



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



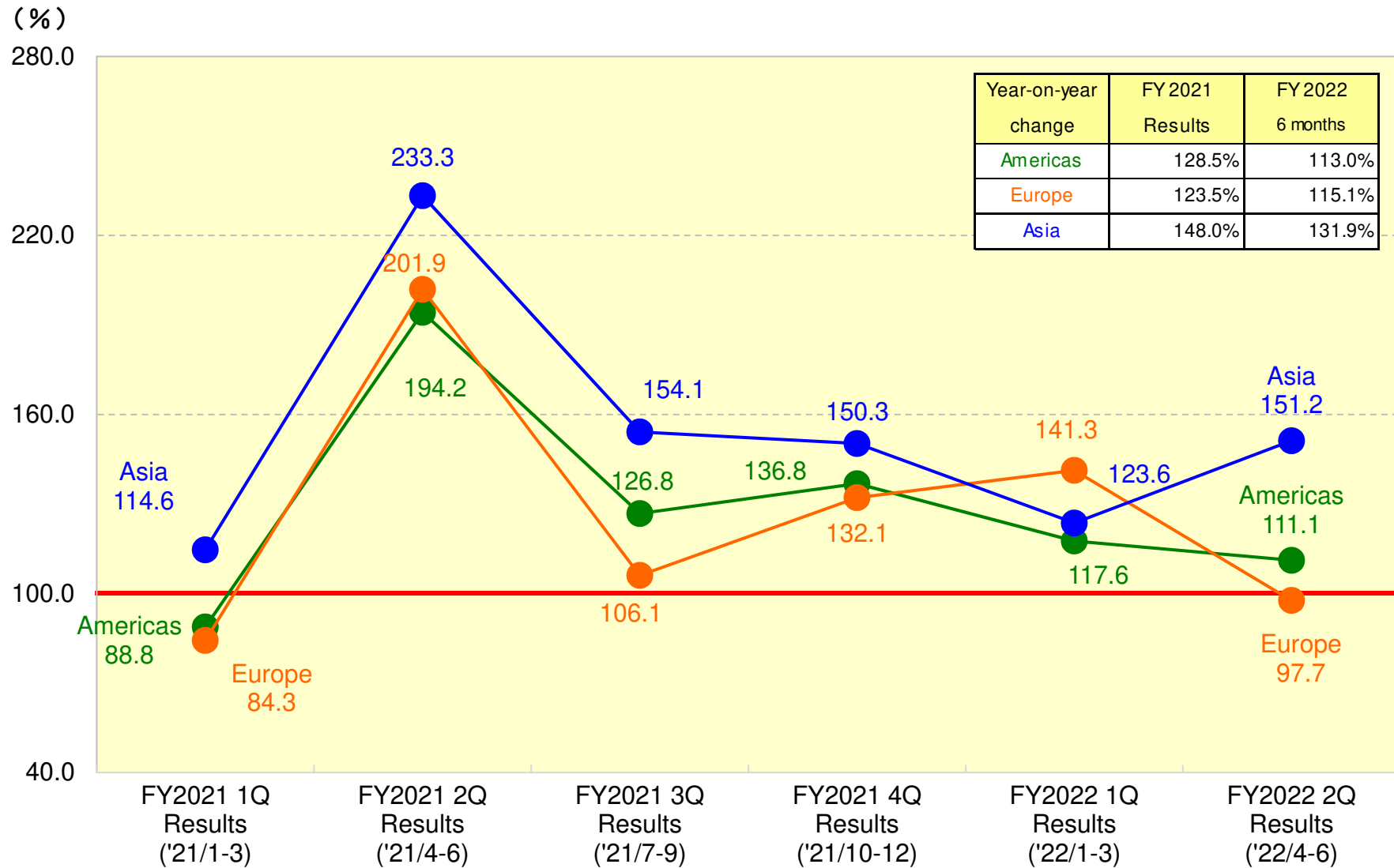
# Overseas : \*Year-on-Year Change in Sales by Area on JPY Basis



\*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. Company Profile and Overview of Business**



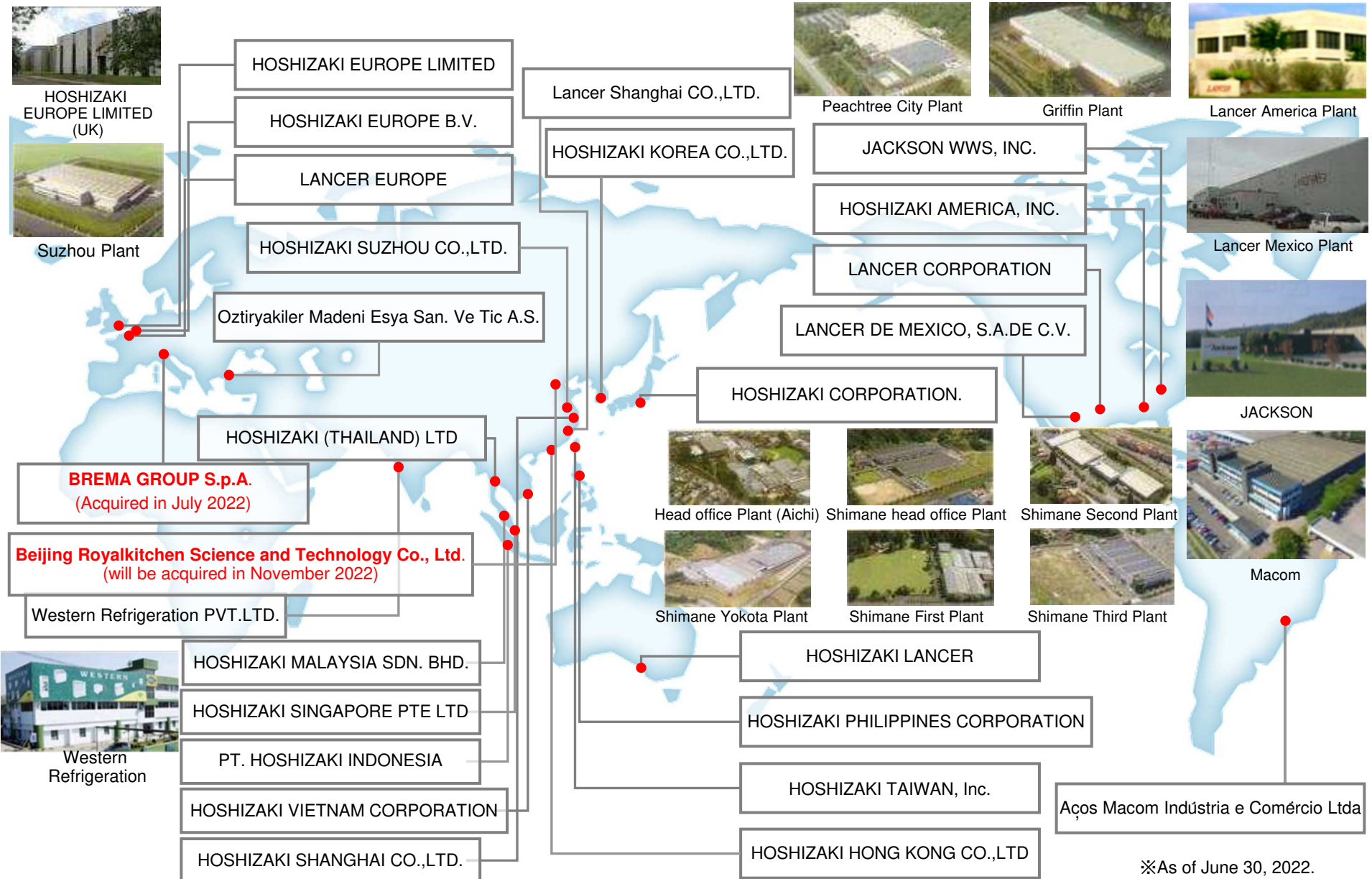
# Company Profile



- 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, sales, maintenances and service 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 June 30, 2022 \*Including HOSHIZAKI CORPORATION)
- Number of employees : 1,234 persons (HOSHIZAKI CORPORATION)  
13,219 persons (Group total) (As of June 30, 2022)
- Number of sales offices in Japan : 437 places \*Including Service Centers (As of June 30, 2022)



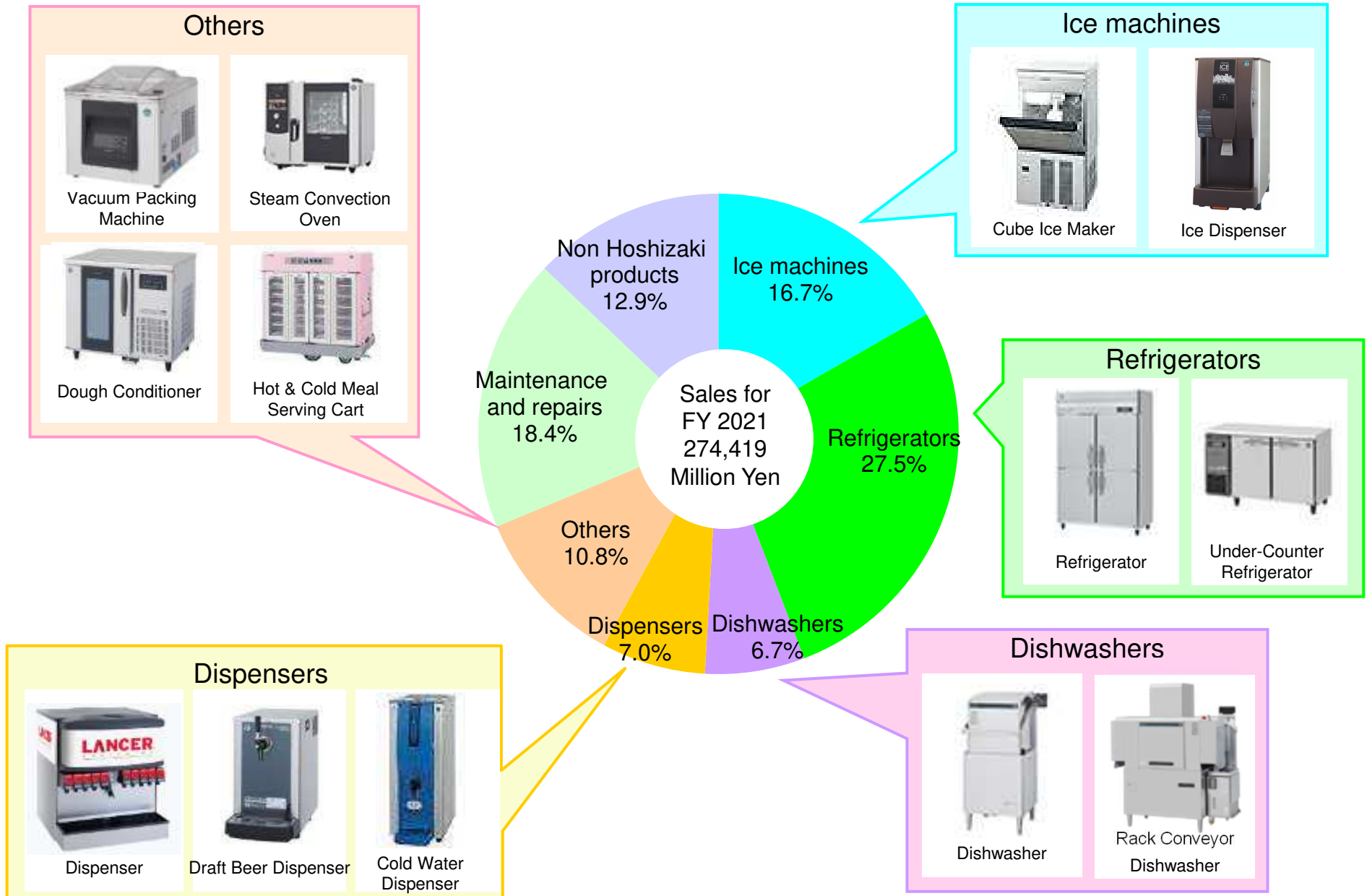
# Global Network, Production and Sales Offices



※As of June 30, 2022.



# Main Product Group and Sales Breakdown



# Long-term Business Performance Consolidated Basis

(millions of Yen)

300,000

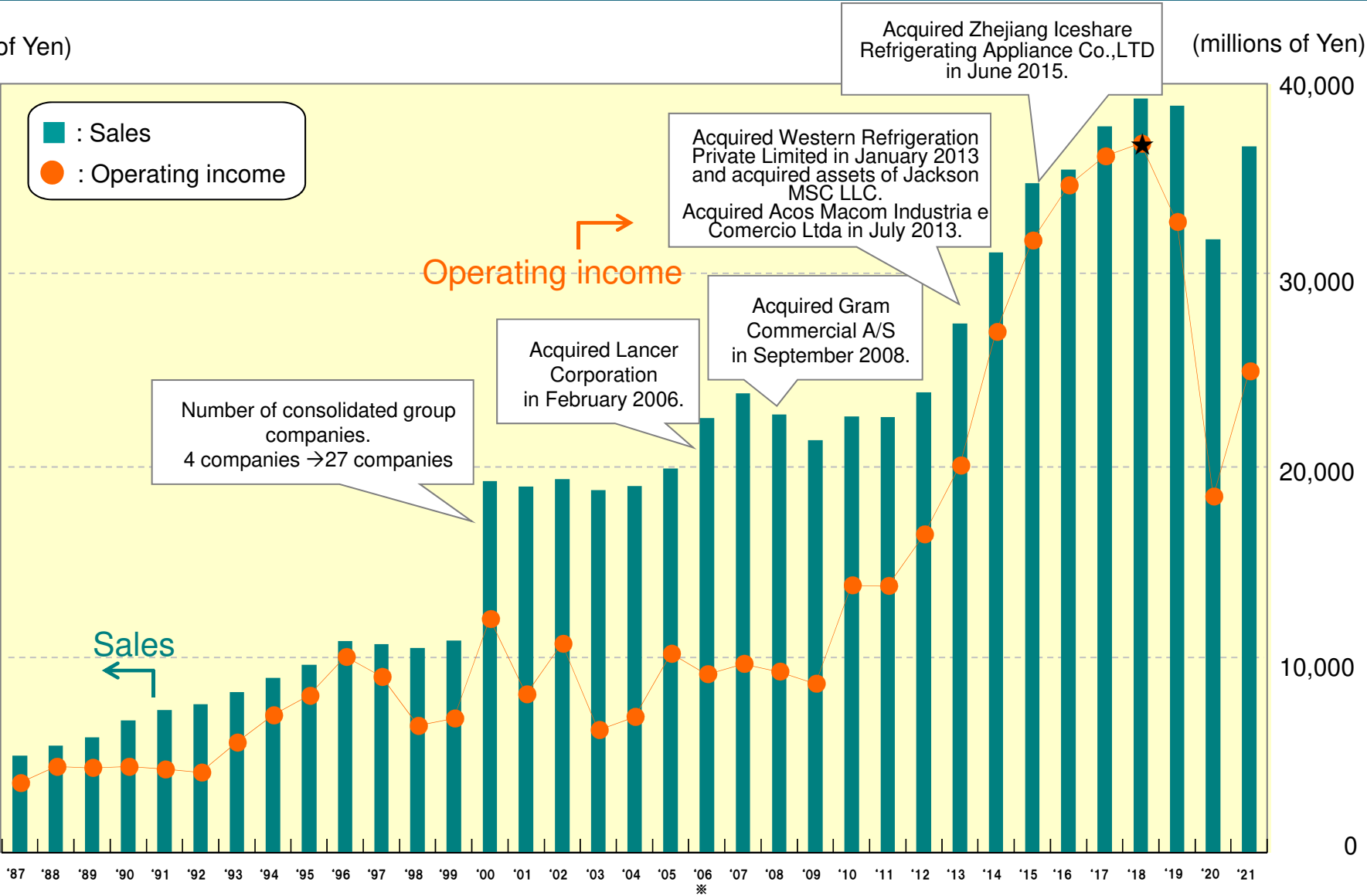
■ : Sales  
● : Operating income

225,000

150,000

75,000

0



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.  
Acquired 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.

\*12 months conversion





## **Note : Business Forecast for FY 2022**

**HOSHIZAKI**

# 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



## 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/>

