



Summary of Business Performance

The Third 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 : Prime Market

Nagoya Stock Exchange : Premier Market

November 9, 2022

HOSHIZAKI

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I . Financial Results for FY 2022 3Q

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Foreign Exchange Rates

	FY 2021 9 months ('21/1-9)		FY 2022 9 months ('22/1-9)		Forecast of FY 2022 Nov. 9th,
	Average of period	End of period	Average of period	End of period	Average of period
US dollar	108.5	111.9	128.2	144.8	130.0
Pound	150.4	150.4	160.6	161.7	161.0
Euro	129.8	129.8	136.0	142.3	135.0
Singapore dollar	81.0	82.2	93.1	101.0	95.1
Chinese yuan	16.7	17.3	19.3	20.3	19.6
Denmark krone	17.4	17.4	18.2	19.1	18.5
Taiwan dollar	3.8	4.0	4.3	4.5	4.4
Hong Kong dollar	13.9	14.3	16.3	18.4	16.8
Indian rupee	1.48	1.51	1.66	1.79	1.70
South Korean won	0.0961	0.0947	0.1010	0.1012	0.1014
Brazilian real	20.4	20.5	25.0	26.7	25.6
Indonesian Rupiah	0.0076	0.0079	0.0088	0.0095	0.0090
Thai Baht	3.4	3.3	3.7	3.8	3.7
Malaysia Ringgito	26.2	26.7	29.4	31.2	30.0
Viet Nam Dong	0.0046	0.0048	0.0055	0.0061	0.0056
Philippine Peso	2.24	2.22	2.41	2.47	2.43



Summary of Financial Results for FY 2022 3Q

Domestic sales and profits turned around in the third quarter. Overseas demand was strong, but Americas was affected by supply constraints and rising labor costs. In the fourth quarter, domestic and overseas demand will remain strong, but the impact of supply constraints in the Americas will continue. Revised financial forecasts, including foreign exchange rates.

Sales : 239.0 billion yen (increased 14.9% year-on-year)

- Japan : 141.4 billion yen (increased 3.7%)
- Overseas : 97.5 billion yen (increased 36.2%) Overseas sales ratio : 40.8% (increased 6.4pt)

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

- Japan: Focused on expanding sales and new customer bases in the restaurant and non-restaurant markets. Had difficulty delivering products due to prolong parts and materials shortages in the first half of this year. However, the issue gradually resolved from July onward, resulting in a significant increase in sales. Affected 1.1 billion yen decrease 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. In addition, the consolidation of Brema Group S.p.A contributed to sales in the Europe and Asia segment.

Operating Income : 23.2 billion yen (increased 10.6%) Operating income margin : 9.7% (decreased 0.4pt)

- Japan : 15.8 billion yen (increased 7.1%) Operating income margin : 11.2% (increased 0.3pt)
- Overseas : 8.5 billion yen (increased 29.7%) Operating income margin : 8.7% (decreased 0.4pt)

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

- Despite the difficulties in procuring parts and materials, soaring prices, costs to secure human resources due to labor shortages and rising labor costs, we posted an increase in income due to higher sales and the effect of price revisions. In Japan, the application of the "Accounting Standard for Revenue Recognition" had a negative impact of approximately 150 million yen.

Ordinary Income : 38.6 billion yen (increased 52.1%)

- Foreign exchange gains of 15.1 billion yen from deposits in foreign currencies were recorded as non-operating income. (3.7 billion yen of foreign exchange gains were recorded in the previous fiscal year.)

Profit Attributable to Owners of Parent : 26.4 billion yen (increased 49.6%)



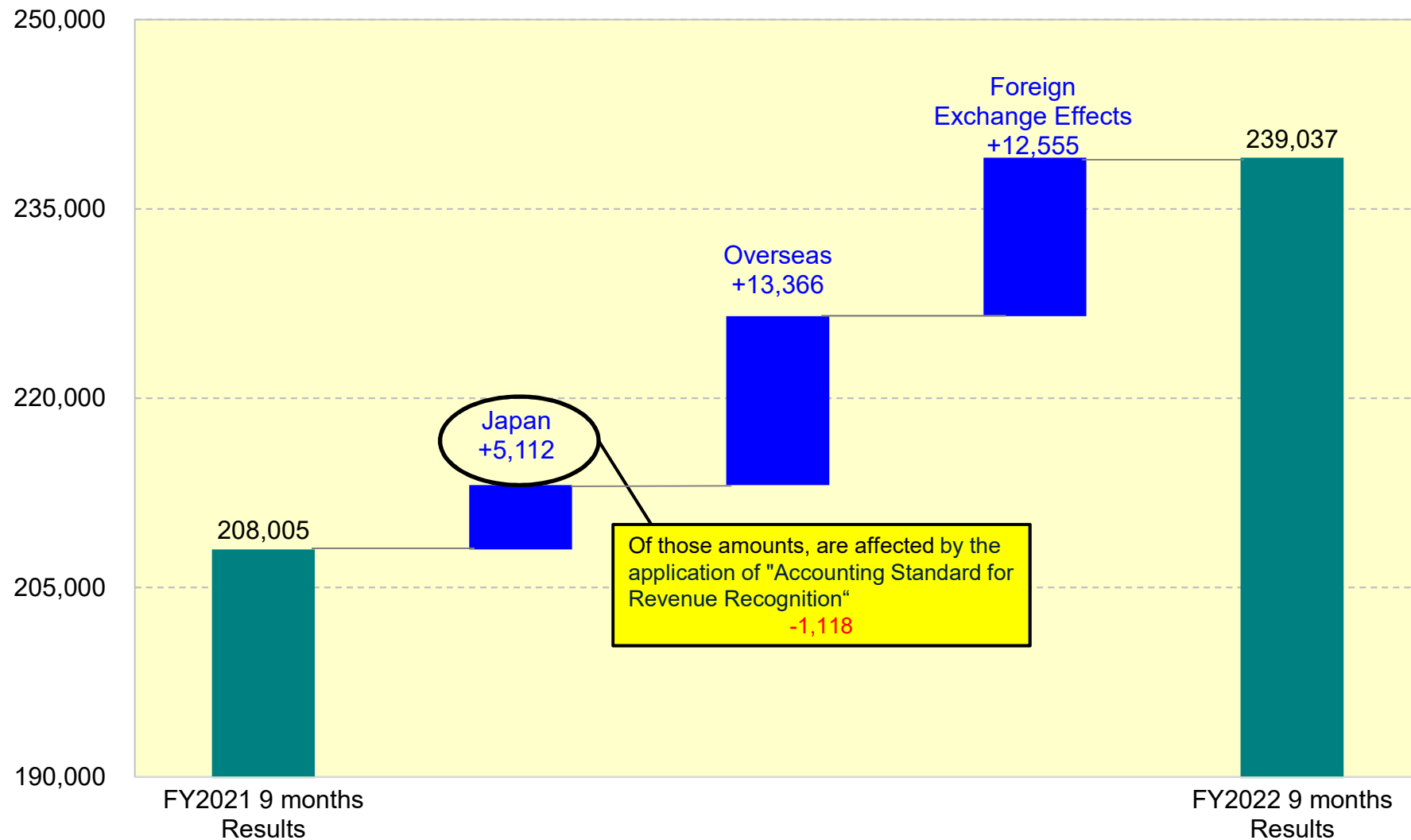
Consolidated Business Performance

	FY 2021 9 months results		FY 2022 9 months results			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
					Change (Millions of yen)	Percentage (%)
Sales	208,005	100.0	239,037	100.0	+31,031	114.9
Cost of sales	130,937	62.9	153,547	64.2	+22,609	117.3
Gross profit	77,068	37.1	85,490	35.8	+8,422	110.9
Selling, general and administrative expenses	56,016	26.9	62,196	26.0	+6,181	111.0
Operating income	21,051	10.1	23,293	9.7	+2,241	110.6
Ordinary income	25,388	12.2	38,605	16.2	+13,217	152.1
Profit attributable to owners of parent	17,694	8.5	26,462	11.1	+8,768	149.6



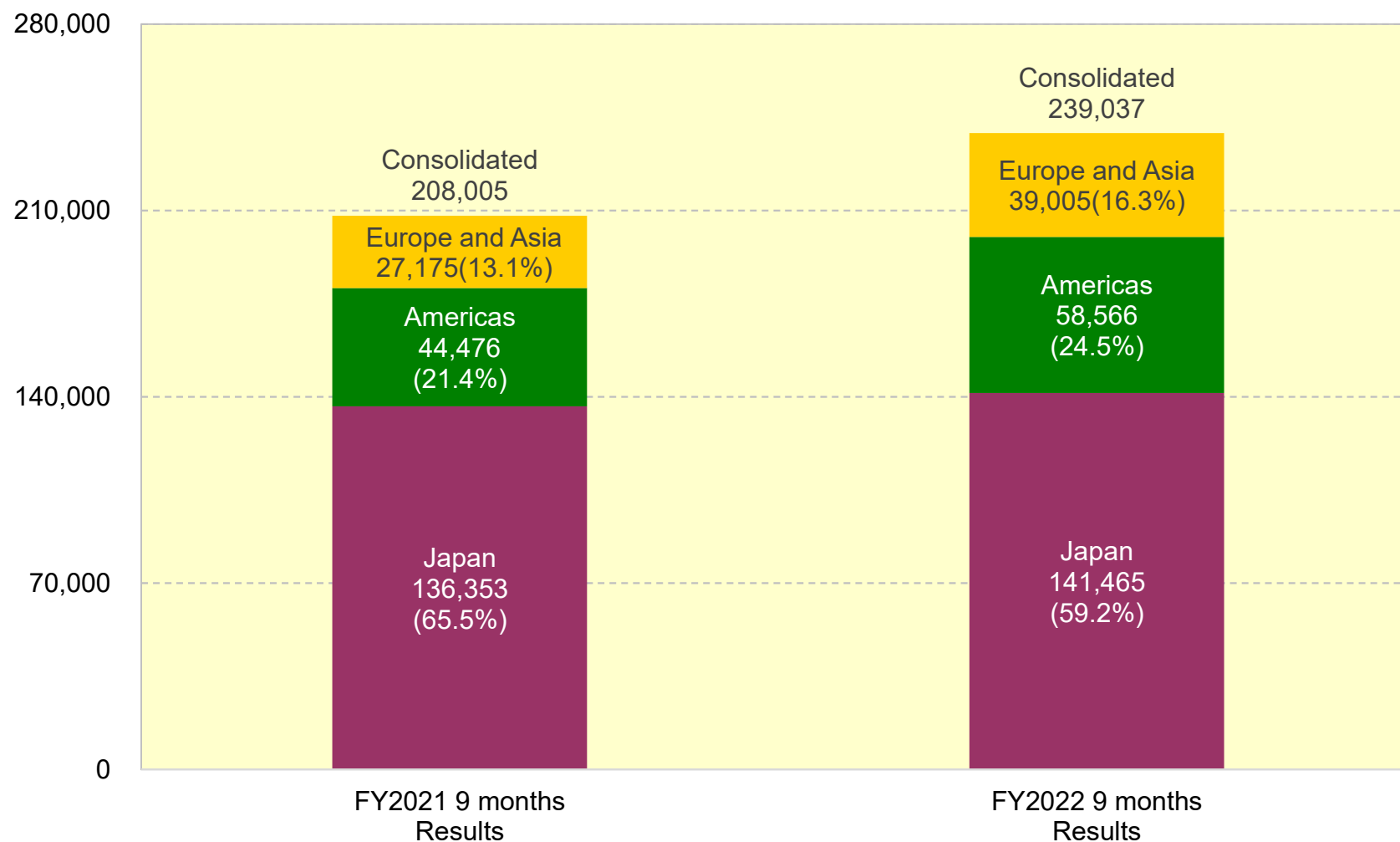
Factors for Change in Consolidated Sales by Japan and Overseas

(Millions of yen)



Year-on-year Comparison of Sales by Reporting Segments

(Millions of yen)



*Figures in parenthesis indicate component percentages.

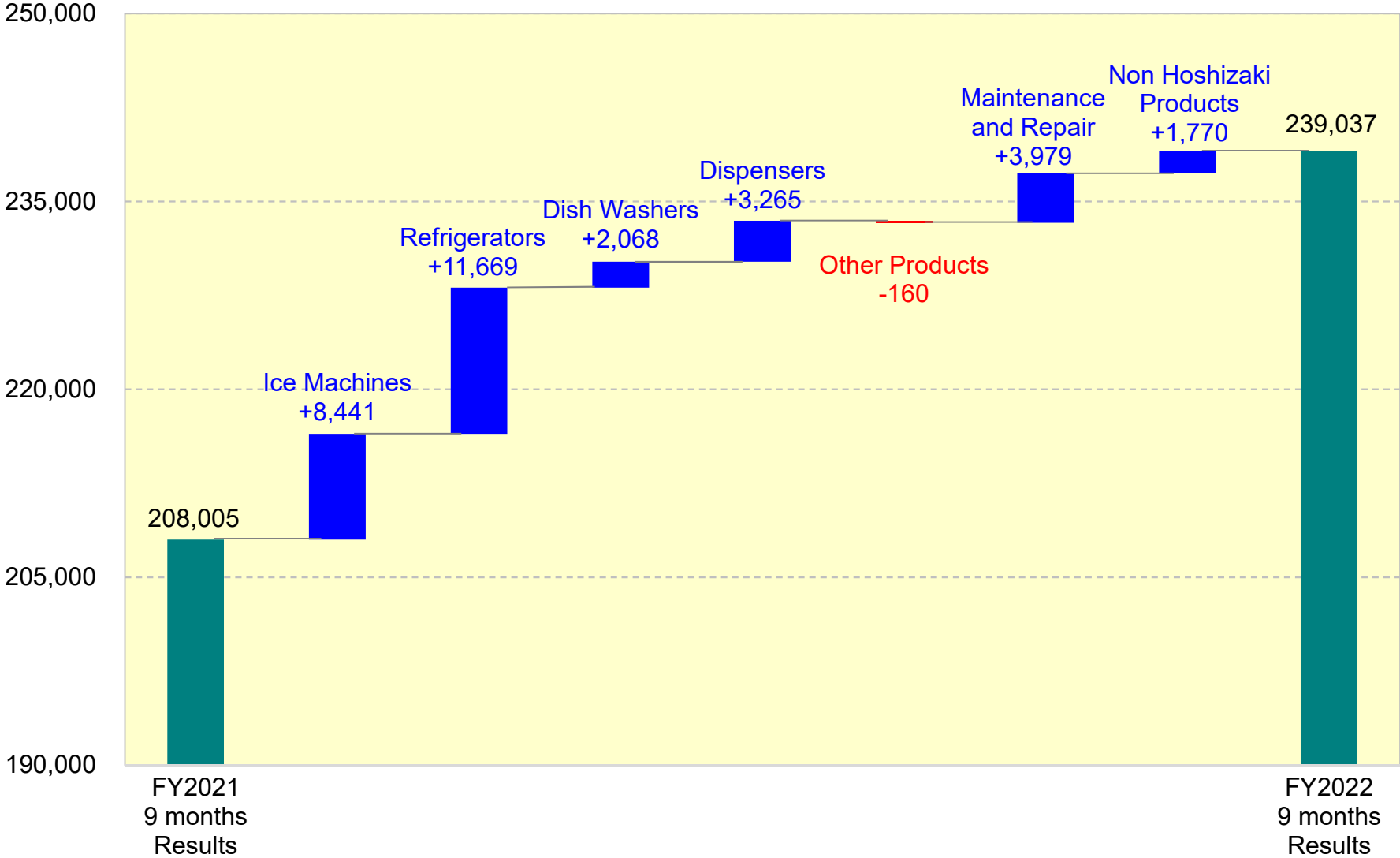
*Classified according to the location of the head offices. (e.g. Lancer Europe is included in "Americas")

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



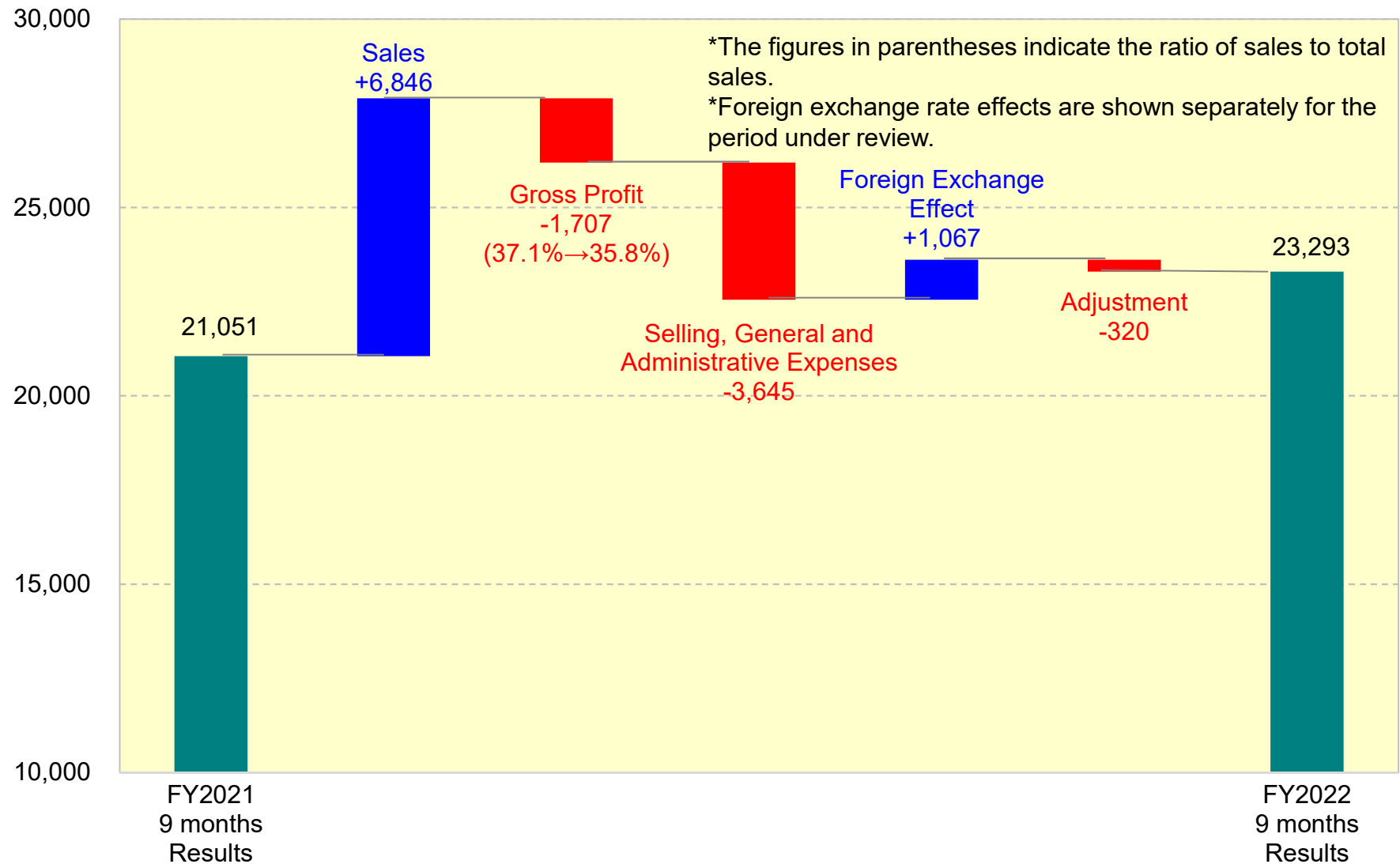
Factors for Change in Consolidated Sales by Product Groups

(Millions of yen)



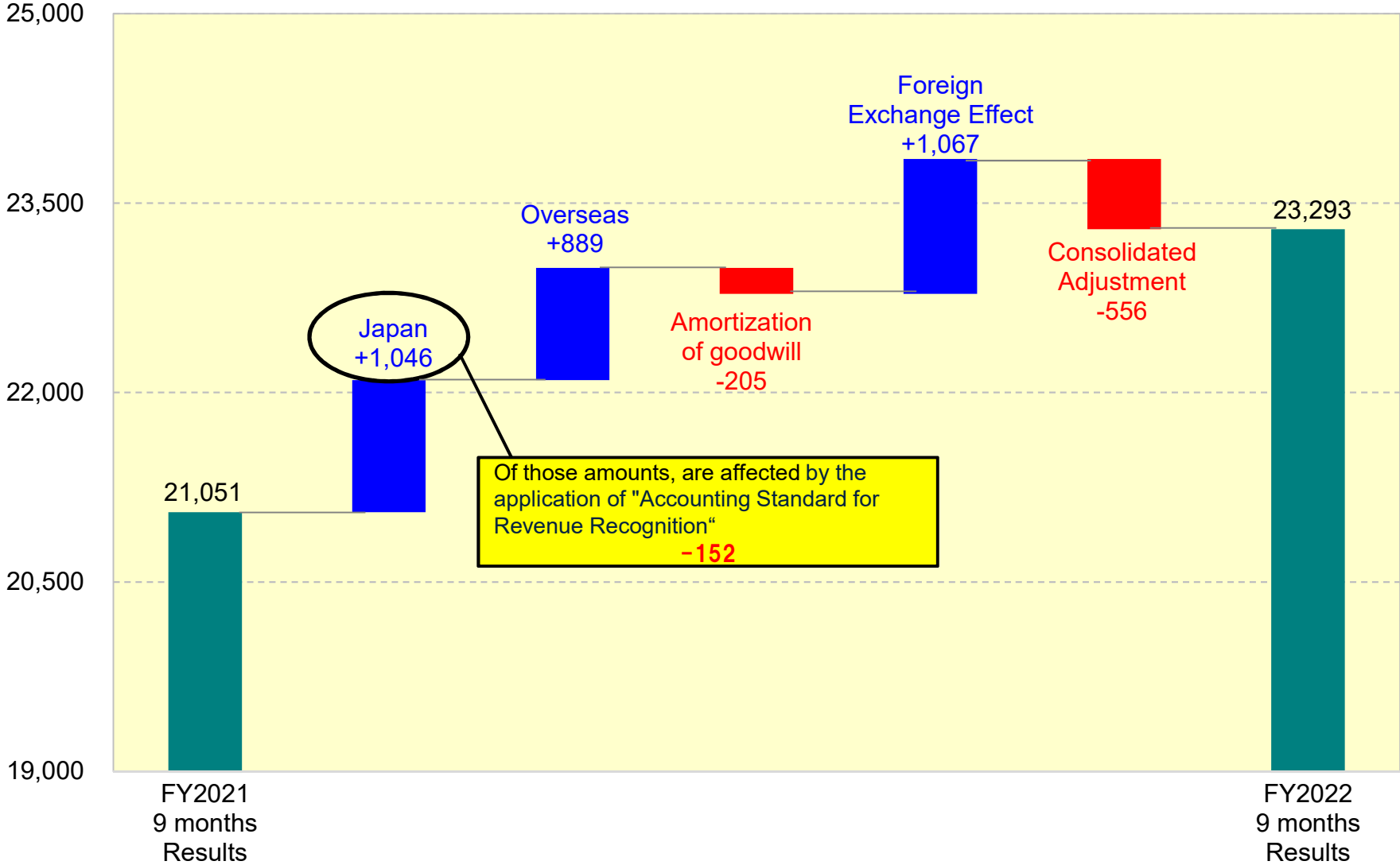
Factors for Change in Consolidated Operating Income

(Millions of yen)

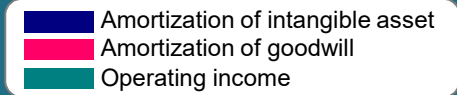


Factors for Change in Consolidated Operating Income by Japan and Overseas

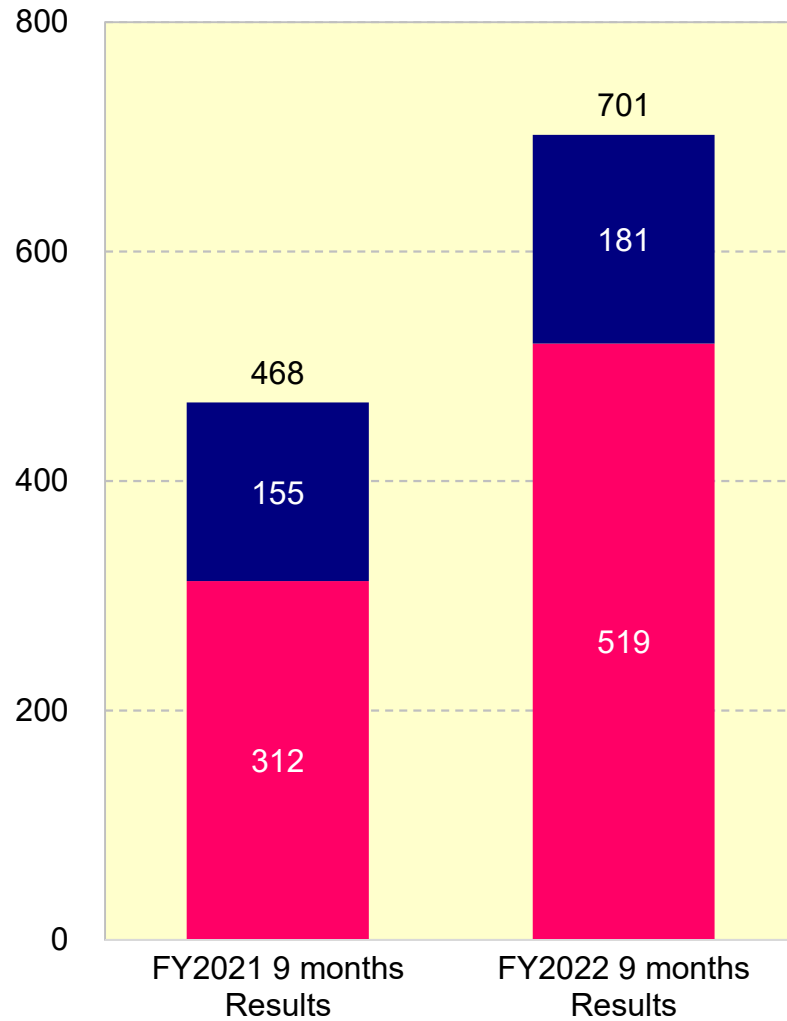
(Millions of yen)



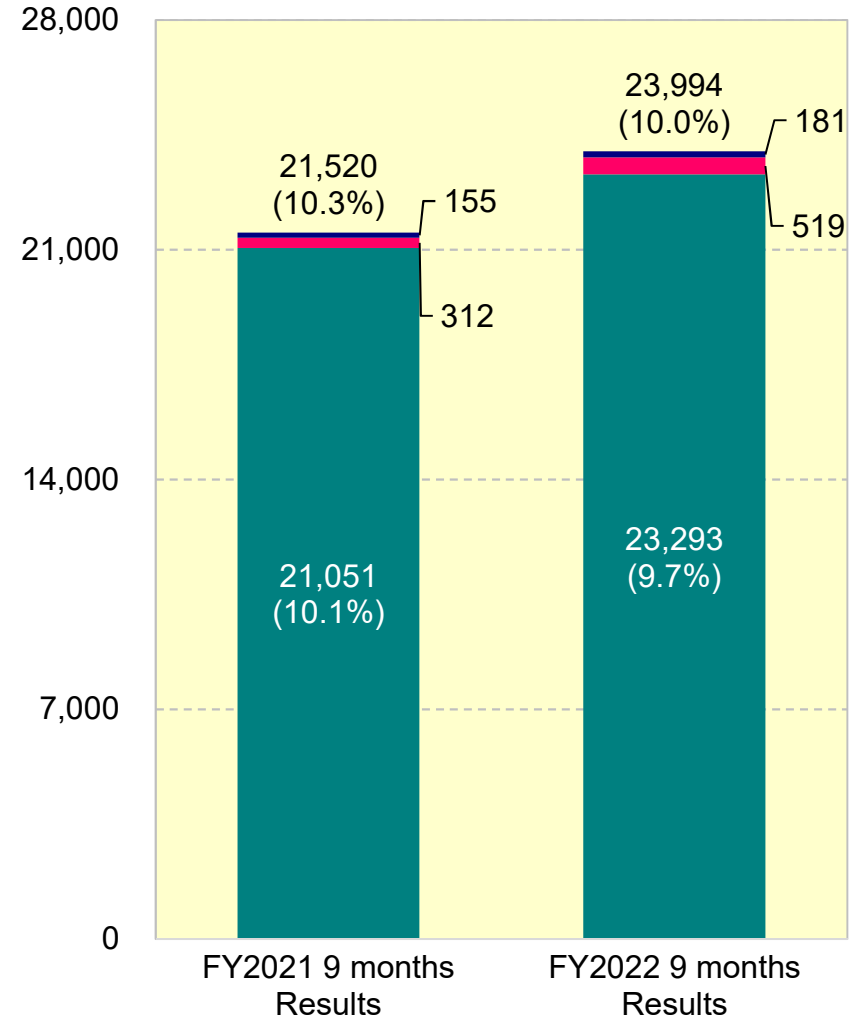
Impact of Goodwill Amortization



(Millions of yen) **Amortization of Goodwill**



(Millions of yen) **Amortization of Goodwill + Operating Income**

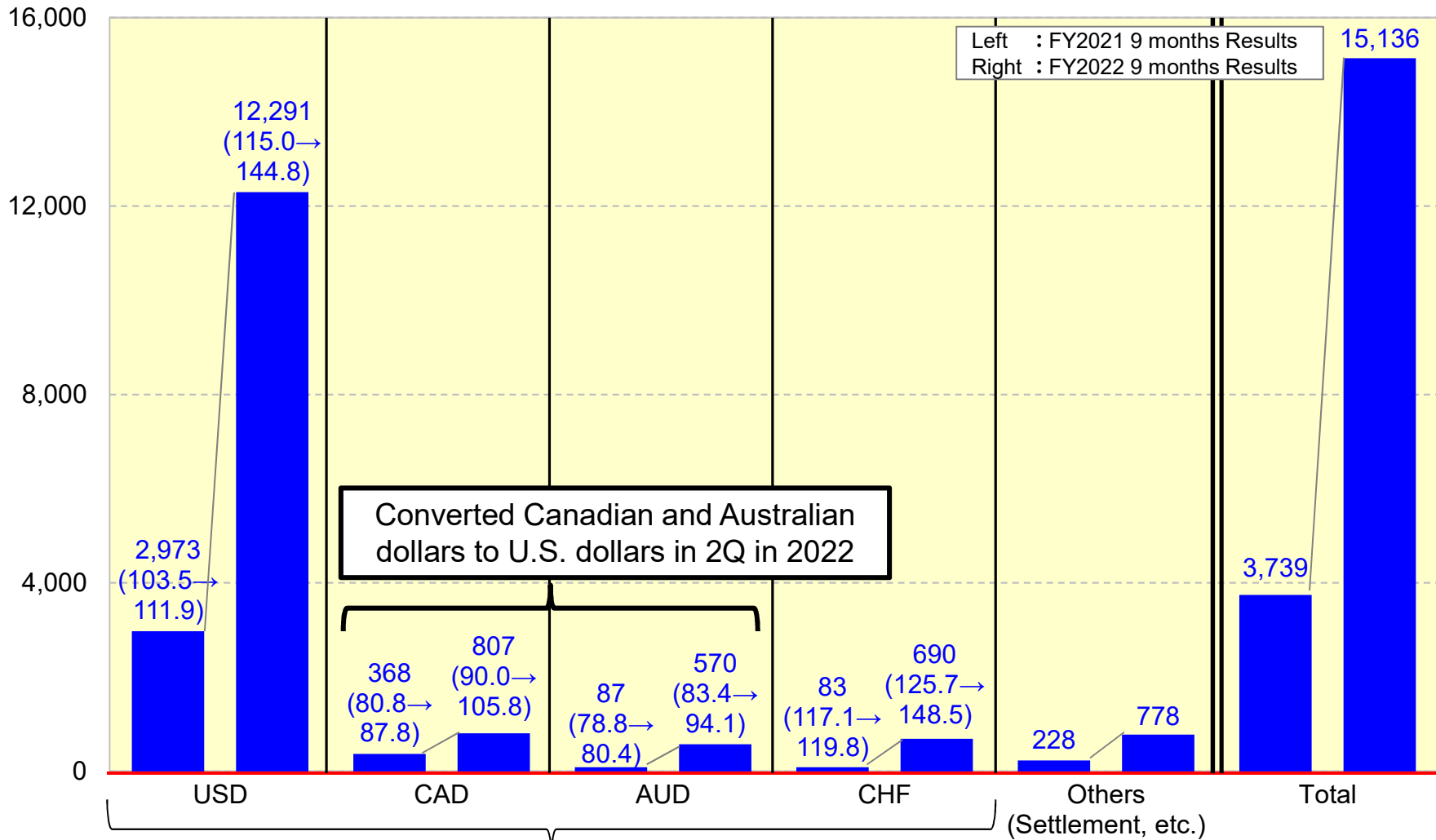


*Percentages in parentheses indicate sales ratio.



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.
The Canadian and Australian dollars for the current period represent the movement in exchange rates from the end of the previous period to the date of sale.



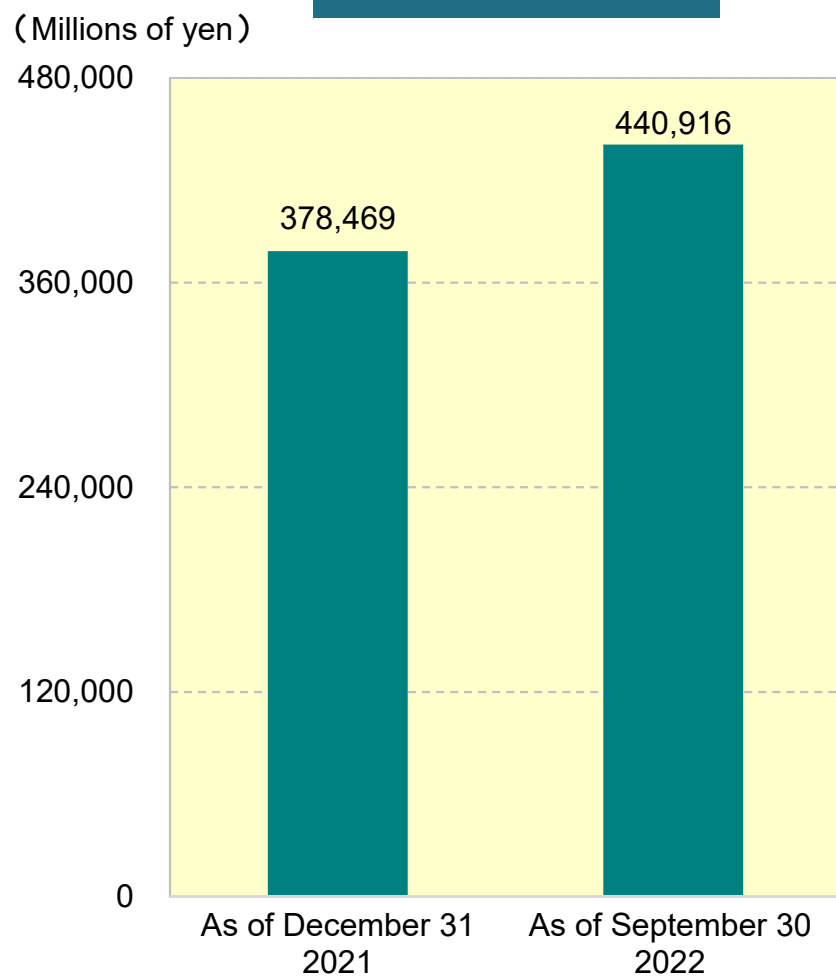
Consolidated Balance Sheet

	As of December 31, 2021		As of September 30, 2022		
	Amount (Millions of yen)	Component percentage (%)	Amount (Millions of yen)	Component percentage (%)	Change (Millions of yen)
Current assets	310,645	82.1	348,018	78.9	+37,372
(Cash and cash equivalents)	240,723	63.6	240,745	54.6	+22
(Notes and accounts receivable-trade)	31,120	8.2	47,212	10.7	+16,091
(Inventory)	35,556	9.4	53,825	12.2	+18,268
Non-current assets	67,823	17.9	92,897	21.1	+25,073
Total assets	378,469	100.0	440,916	100.0	+62,446
Current liabilities	94,448	25.0	109,589	24.9	+15,140
(Notes and accounts payable-trade)	26,070	6.9	34,463	7.8	+8,393
Non-current liabilities	24,159	6.4	26,468	6.0	+2,309
Total liabilities	118,607	31.3	136,058	30.9	+17,450
Total net assets	259,862	68.7	304,858	69.1	+44,996
Total liabilities and net assets	378,469	100.0	440,916	100.0	+62,446
Cash and deposits (including long-term deposits)	240,723		240,745		+21

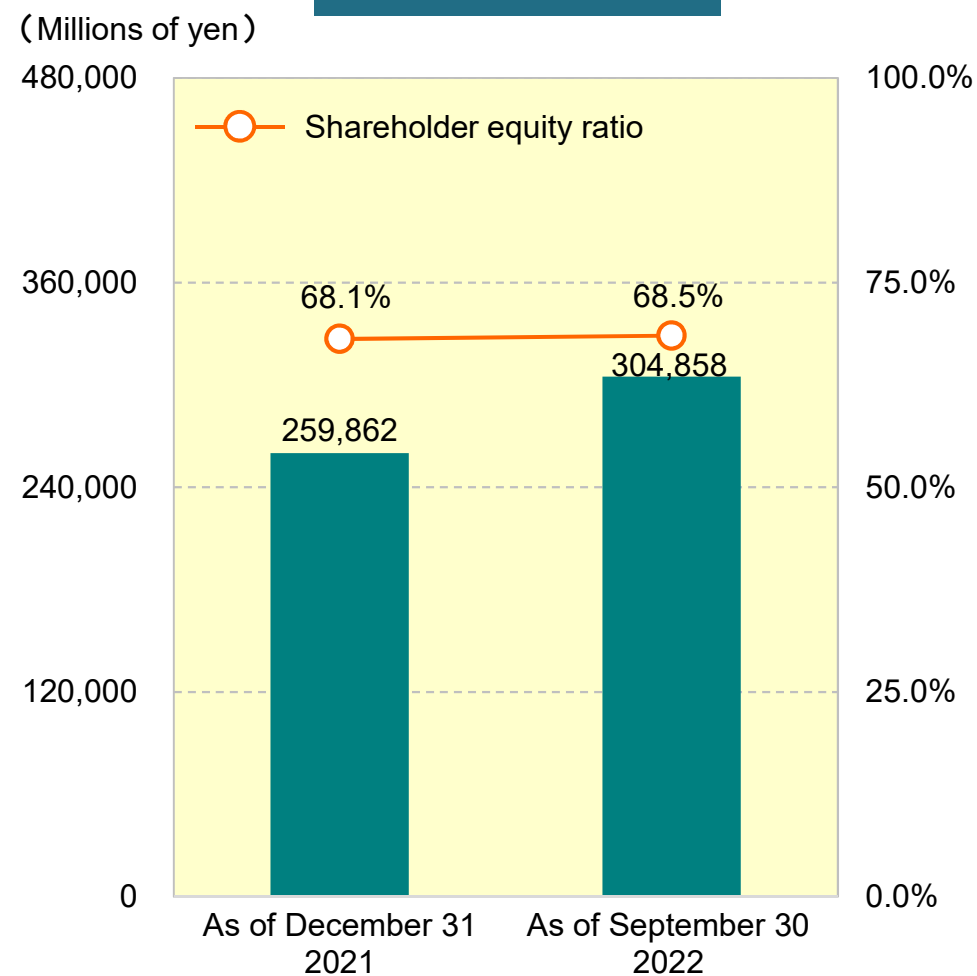


Comparison of Consolidated Total Assets and Net Assets

Total Assets



Net Assets

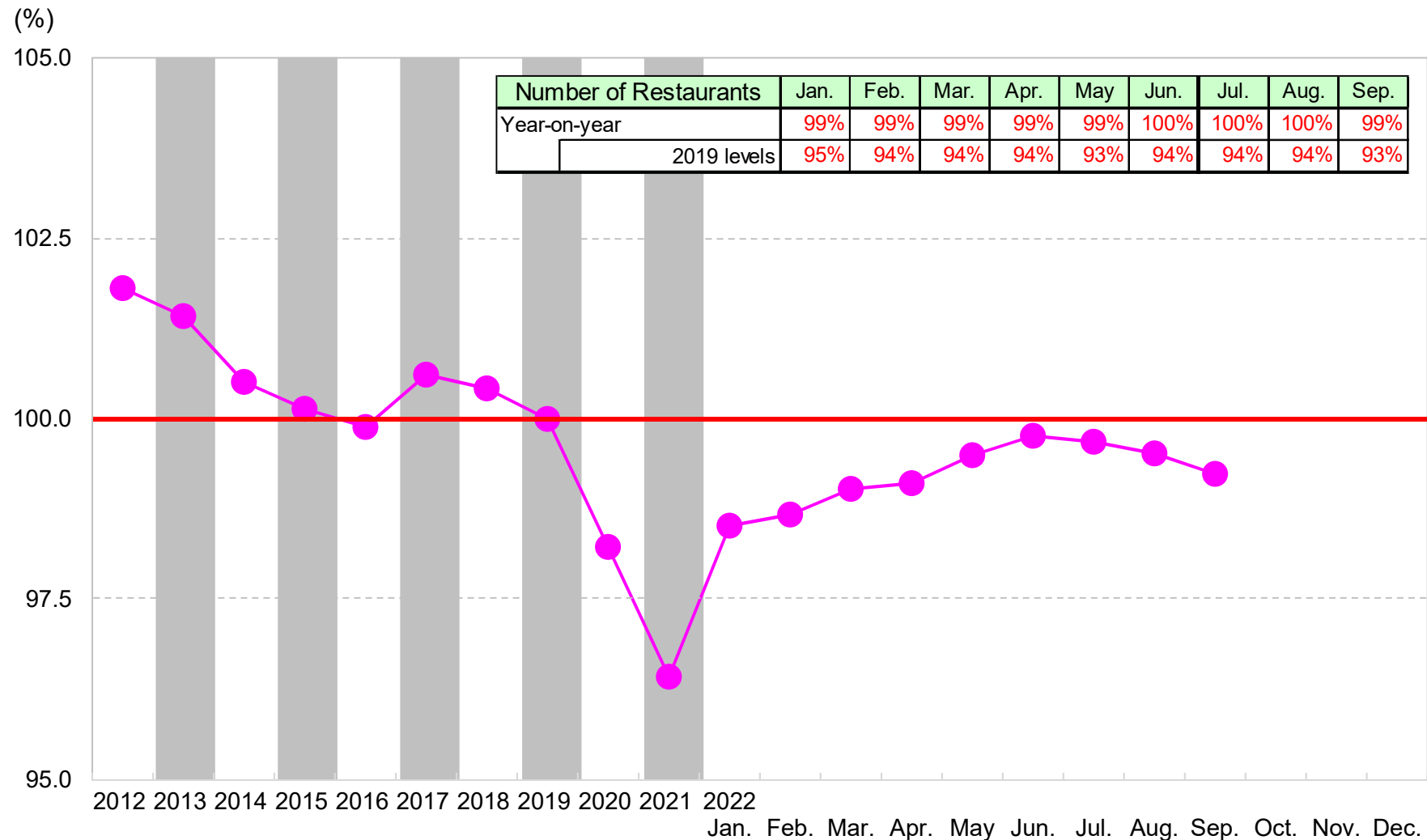




Ⅱ . Key Factors of Financial Results for FY 2022 3Q

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

- Major restaurant chains' store numbers are on a decline from 2020 continuously.

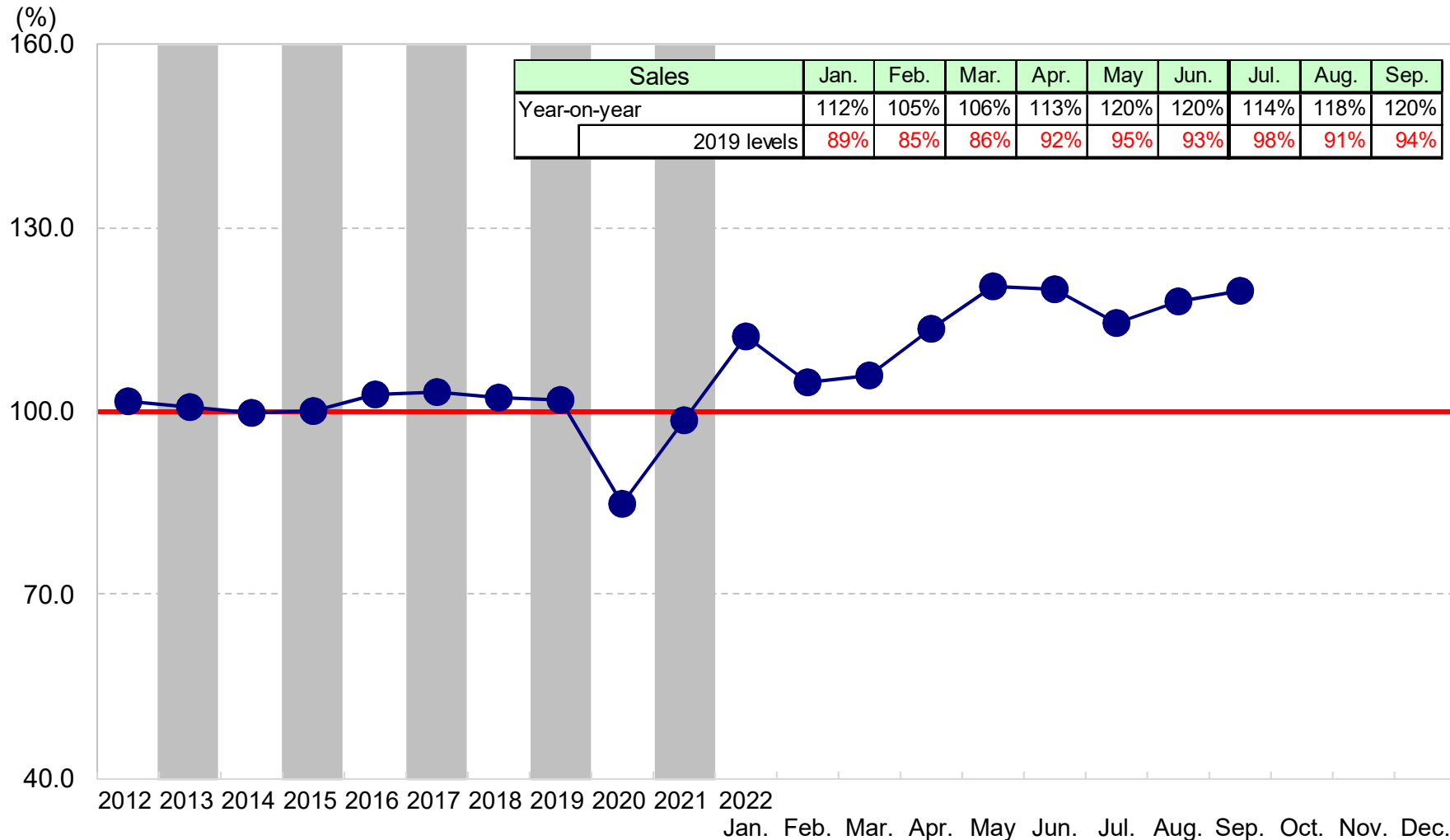


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- The revenues of the major restaurant chains have recovered slowly from the same month last year. Although the revenues are recovering compared to 2019, it remains below 100%.

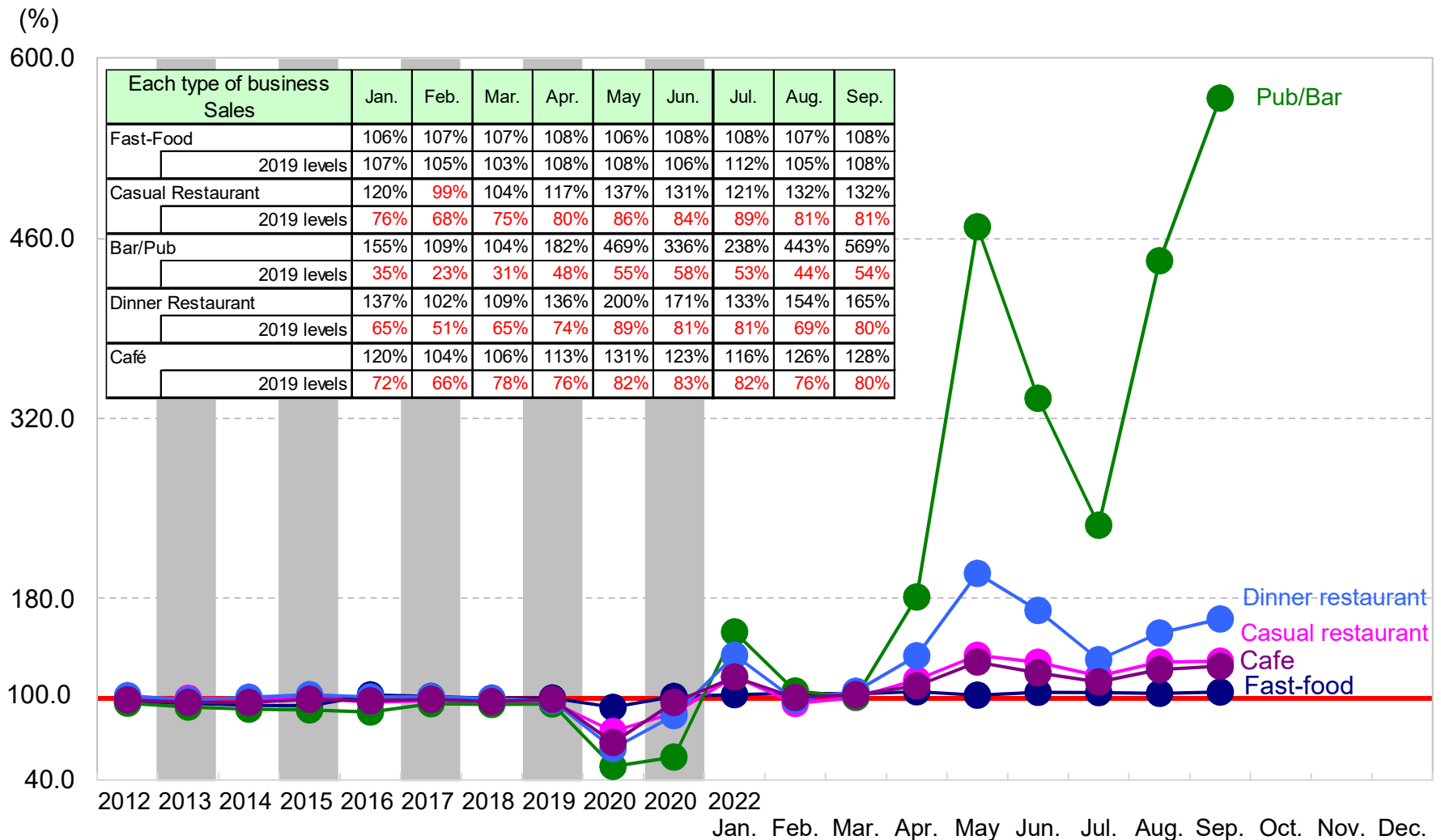


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- All business categories are performing above YoY sales, but less than 100% of the 2019 levels comparison is below 100% for all categories except fast-food. Pubs/ Bars are rebounding strongly against the 2020-2021 downturn, but still struggling compared to 2019 levels.

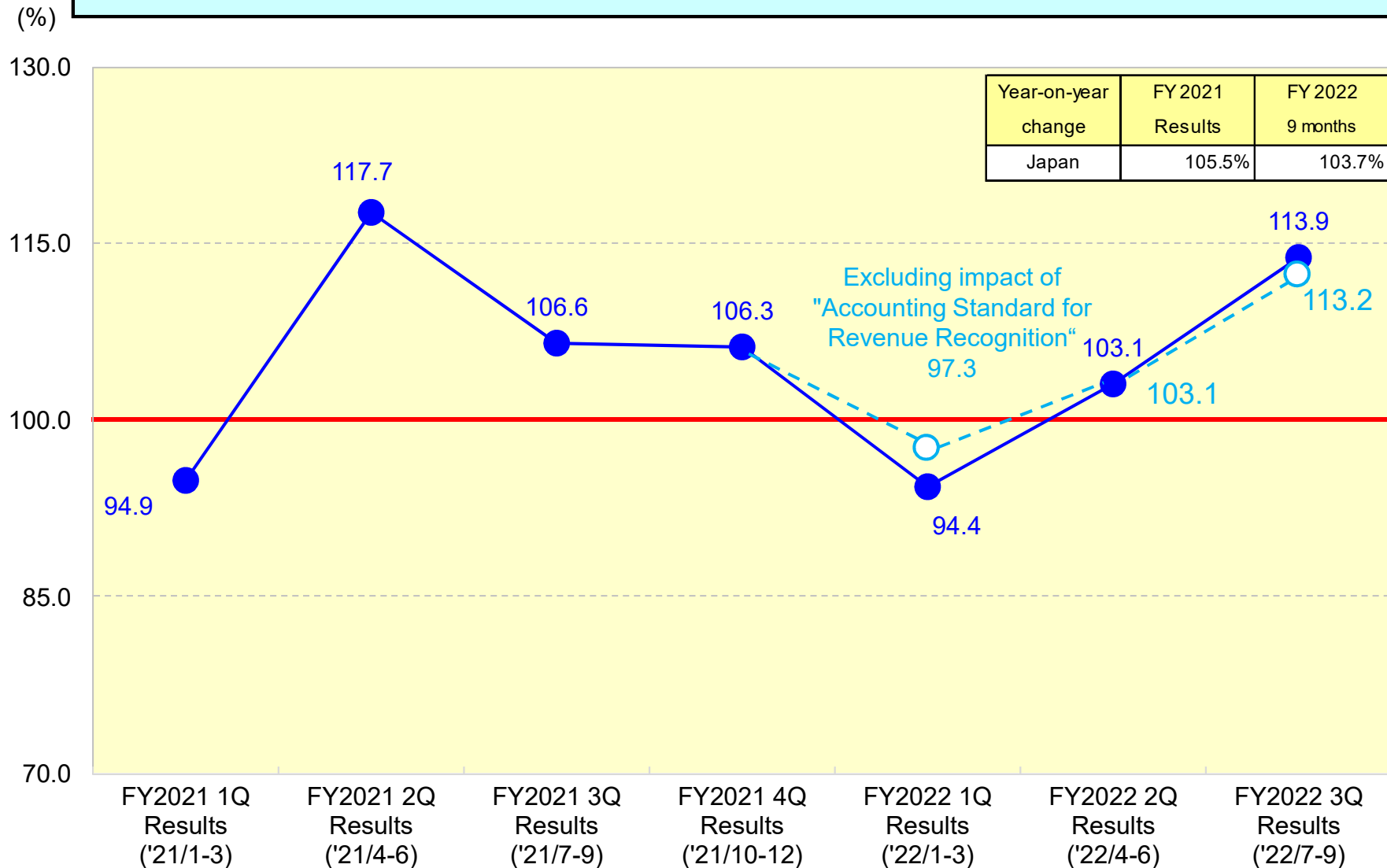


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

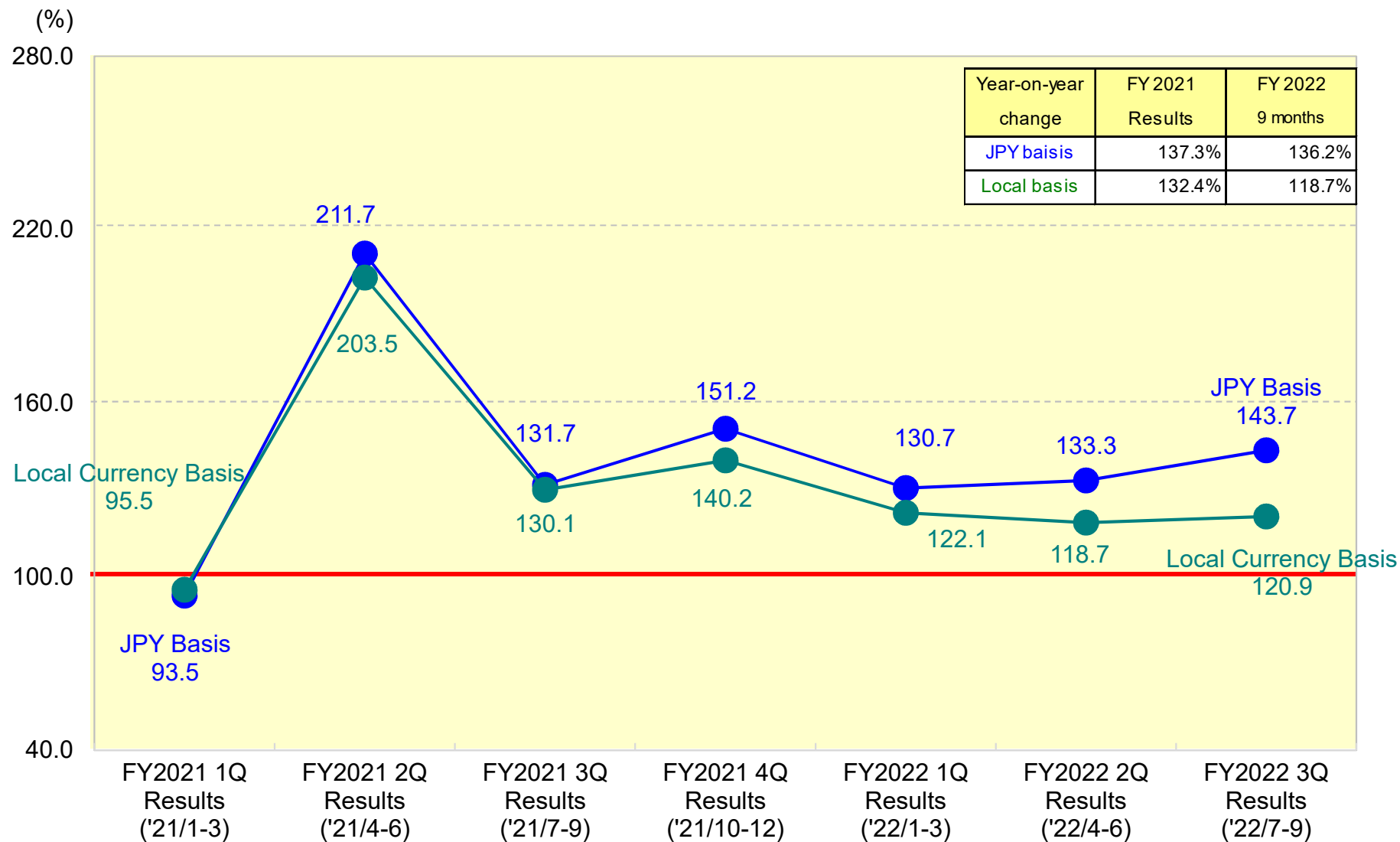


Japan : Year-on-Year Change in Sales

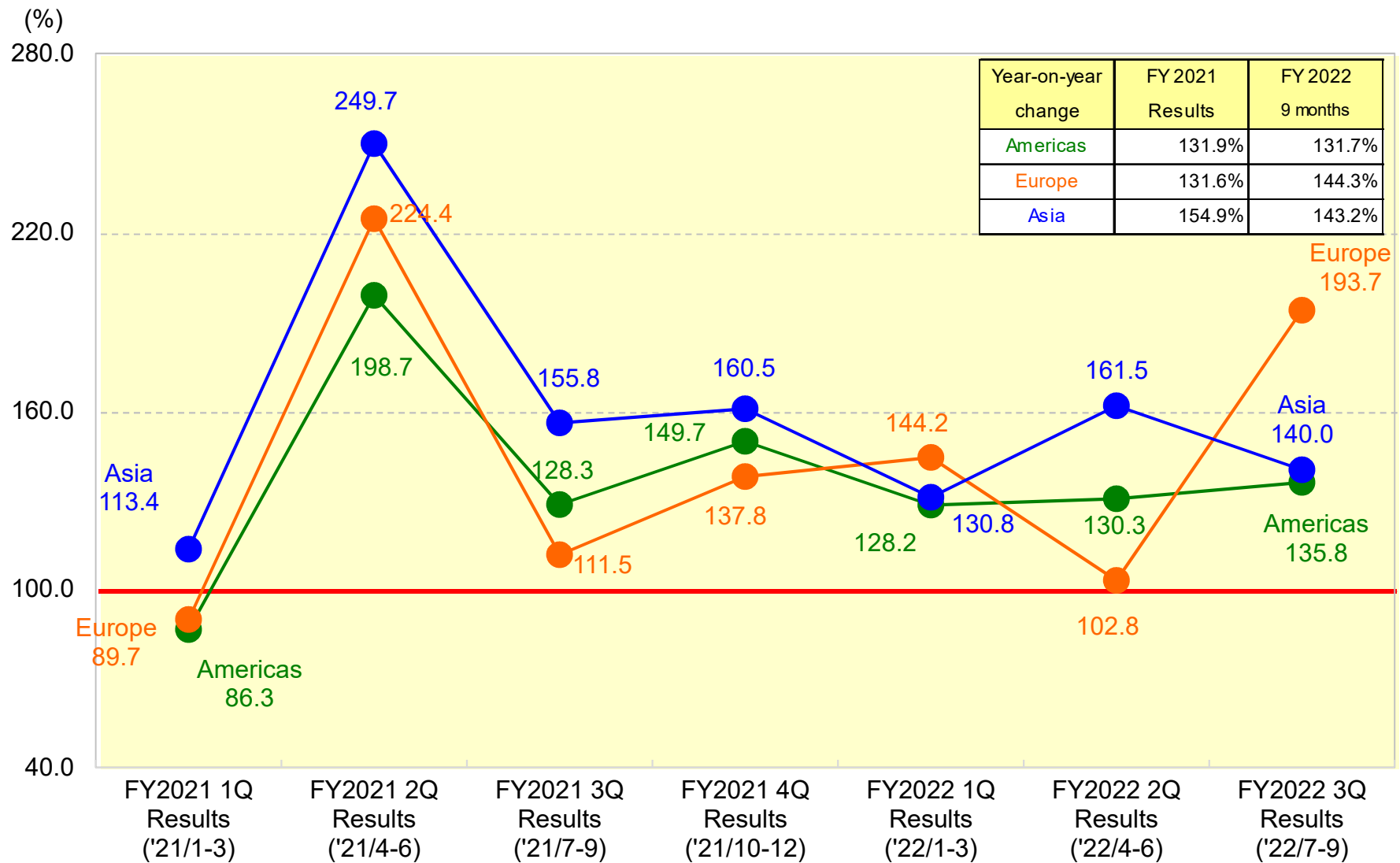
- Had difficulty delivering products due to prolonged parts and materials shortage in the first half this year. However the issue gradually resolved from July onward, resulting in a significant increase in sales.



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



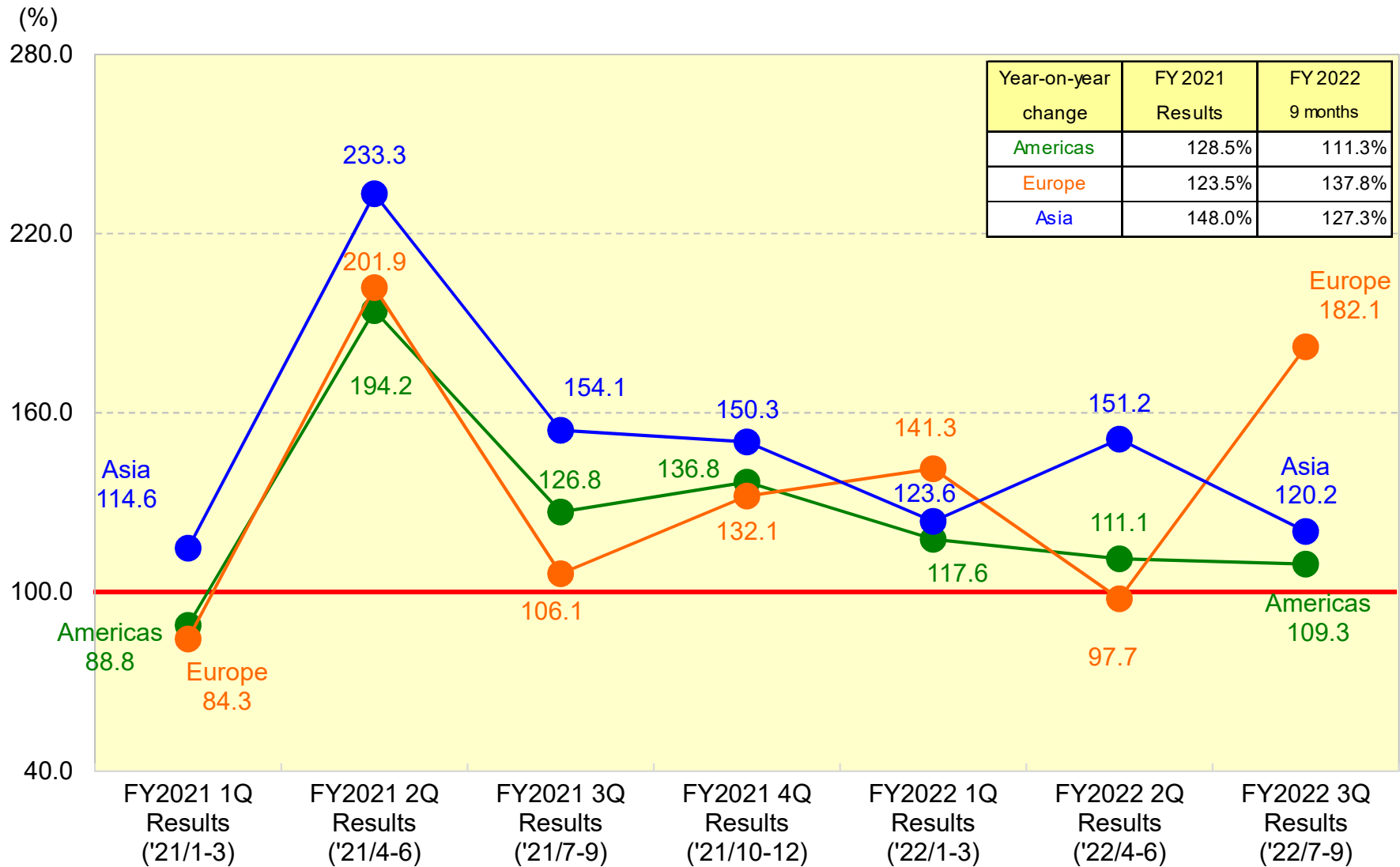
Overseas : *Year-on-Year Change in Sales by Area on JPY Basis



*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. Business Forecast for FY 2022

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Business Forecast for FY 2022

- During the third quarter of the fiscal year, in Japan, restrictions on product supply due to parts procurement difficulties began to ease in stages from July, and we promoted sales expansion. As for overseas, the Americas were affected by supply constraints due to difficulties in procuring parts and materials, soaring parts and materials prices, and rising labor costs, but, sales in Europe and Asia remained firm.
- In the fourth quarter, it is expected to continue to be affected by supply constraints and rising labor costs in the Americas, but demand is expected to remain firm, especially in Japan. In addition to the above, we have revised foreign exchange rates.

	FY 2021 results		FY 2022 forecast Feb. 9th, 2022		FY 2022 forecast Nov. 9th, 2022					
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year		Over forecast	
							Change (Millions of yen)	Percentage (%)	Change (Millions of yen)	Percentage (%)
Sales	274,419	100.0	290,000	100.0	314,000	100.0	39,581	114.4	24,000	108.3
Cost of sales	174,727	63.7	185,500	64.0	203,500	64.8	28,773	116.5	18,000	109.7
Gross profit	99,691	36.3	104,500	36.0	110,500	35.2	10,809	110.8	6,000	105.7
Selling, general and administrative expenses	74,760	27.2	78,000	26.9	84,000	26.8	9,240	112.4	6,000	107.7
Operating income	24,931	9.1	26,500	9.1	26,500	8.4	1,569	106.3	0	100.0
Ordinary income	31,165	11.4	27,200	9.4	38,000	12.1	6,835	121.9	10,800	139.7
Profit attributable to owners of parent	21,679	7.9	18,900	6.5	26,400	8.4	4,721	121.8	7,500	139.7





IV. Company Profile and Overview of Business

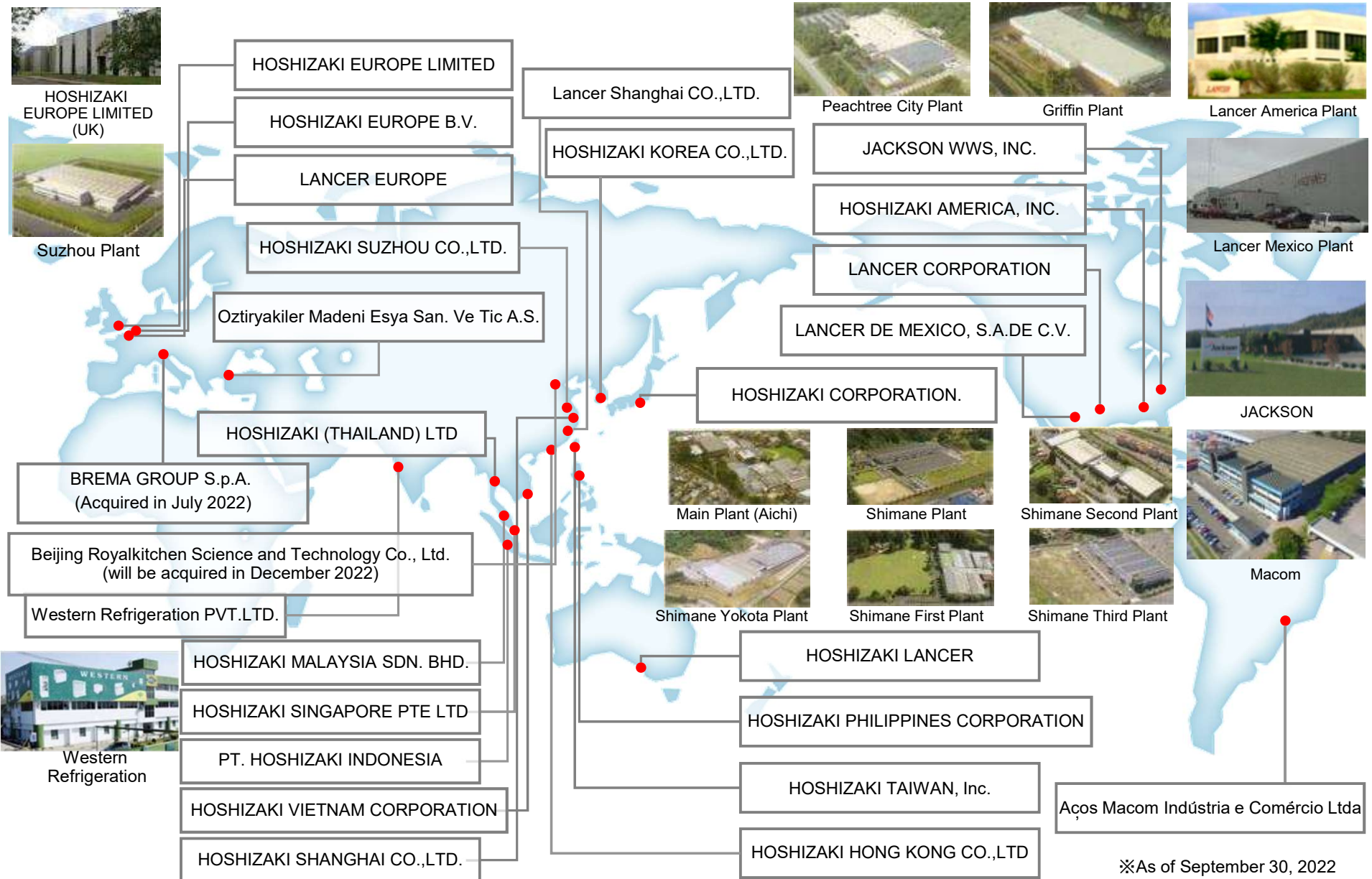
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Company Profile

- 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, 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 : 54 companies
(18 companies in Japan, 17 companies in Americas, 19 companies in Europe and Asia)
(As of September 30, 2022 *Including HOSHIZAKI CORPORATION)
- Number of employees : 1,233 persons (HOSHIZAKI CORPORATION)
13,312 persons (Group total) (As of September 30, 2022)
- Number of sales offices in Japan : 436 places *Including Service Centers (As of September 30, 2022)



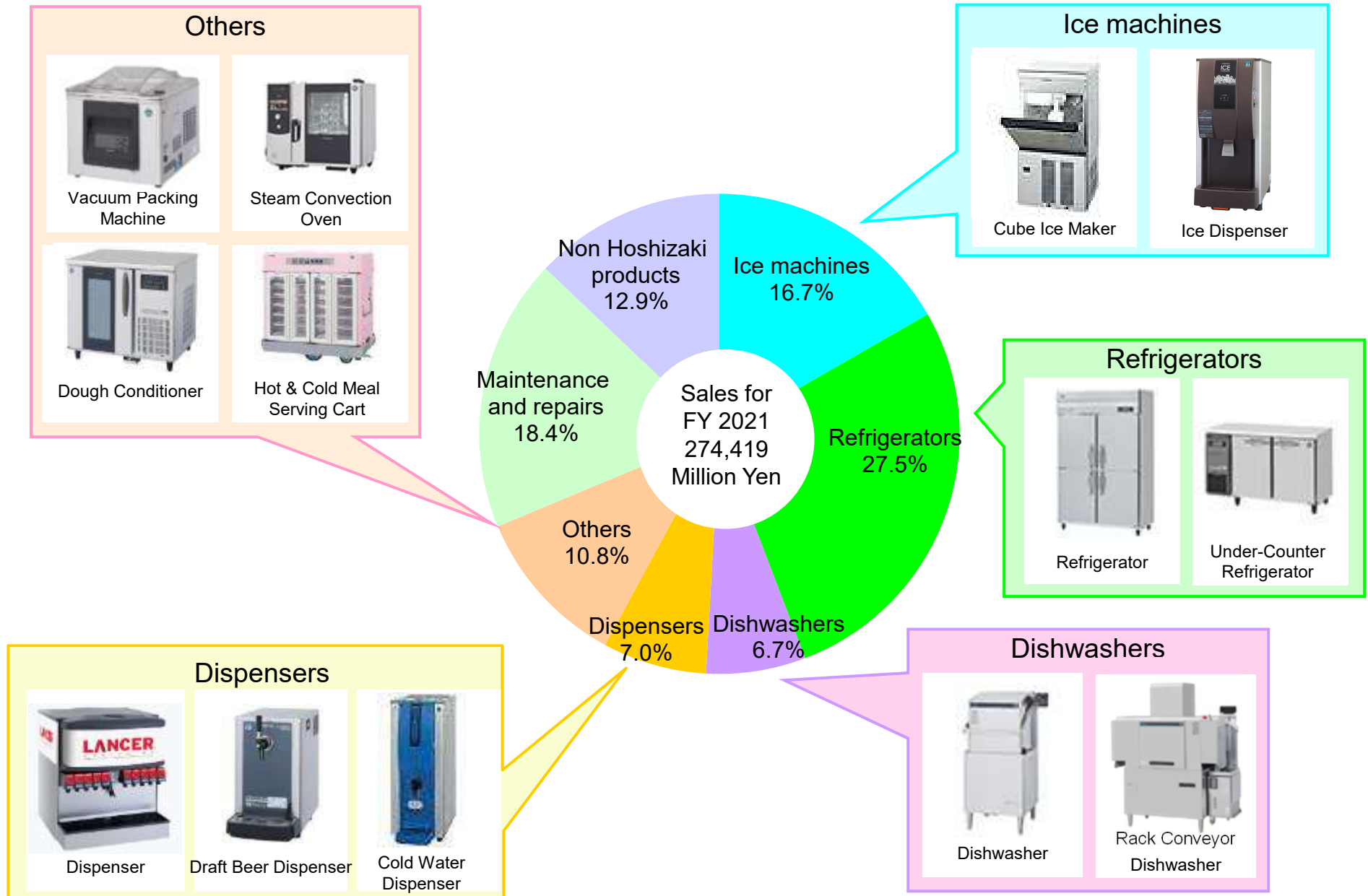
Global Network, Production and Sales Offices



※As of September 30, 2022



Main Product Group and Sales Breakdown



Long-term Business Performance Consolidated Basis

(millions of Yen)

300,000

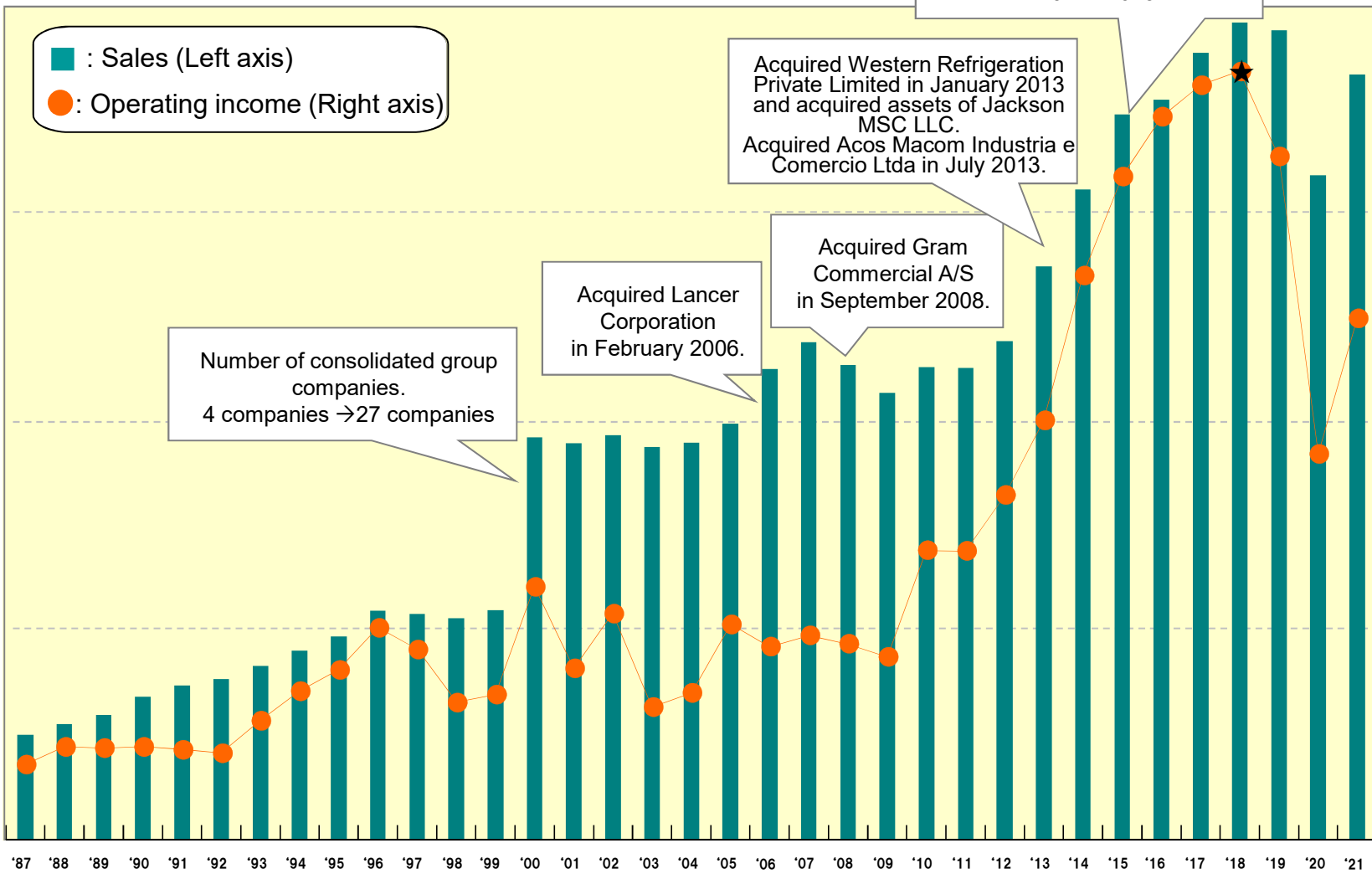
■ : Sales (Left axis)
● : Operating income (Right axis)

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.

(millions of Yen)

40,000

30,000

20,000

10,000

0

★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.

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