



Summary of Business Performance for the Fiscal Year Ended 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

February 10, 2023

HOSHIZAKI

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I . Financial Results for FY 2022

HOSHIZAKI

Foreign Exchange Rates

	FY 2021 ('21/1-12)		FY 2022 ('22/1-12)		Forecast of FY 2022 Nov 9th, 2022
	Results		Results		
	Average of period	End of period	Average of period	End of period	Average of period
US dollar	109.8	115.0	131.6	132.7	130.0
Pound	151.1	155.2	161.9	160.0	161.0
Euro	129.9	130.5	138.1	141.4	135.0
Singapore dollar	81.7	85.1	95.3	98.7	95.1
Chinese yuan	17.0	18.0	19.5	19.0	19.6
Denmark krone	17.4	17.5	18.5	19.0	18.5
Taiwan dollar	3.9	4.1	4.4	4.3	4.4
Hong Kong dollar	14.1	14.7	16.8	17.0	16.8
Indian rupee	1.50	1.55	1.68	1.61	1.70
South Korean won	0.0961	0.0973	0.1018	0.1055	0.1014
Brazilian real	20.4	20.6	25.5	25.4	25.6
Indonesian Rupiah	0.0077	0.0081	0.0089	0.0085	0.0090
Thai Baht	3.4	3.4	3.7	3.8	3.7
Malaysia Ringgito	26.5	27.5	29.8	30.0	30.0
Viet Nam Dong	0.0047	0.0049	0.0056	0.0056	0.0056
Philippine Peso	2.25	2.26	2.43	2.40	2.43



Summary of Financial Results for FY 2022

Sales have increased in both Japan and Overseas in response to the movement for getting back to normal for economic and social activities. Operating income was affected by difficulties in procuring parts and materials, soaring prices of materials and labor costs. However, we posted an increase in income due to higher sales and the effect of price revisions.

Sales : 321.3 billion yen (increased 17.1% year-on-year)

- Japan : 186.4 billion yen (increased 6.4%)
- Overseas : 134.8 billion yen (increased 36.1%) Overseas sales ratio : 42.0% (increased 5.8pt)

*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.
- Overseas: Despite constraints on product supply arose due to difficulties in procuring parts around the US, 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 : 27.9 billion yen (increased 12.0%) Operating income margin : 8.7% (decreased 0.4pt)

- Japan : 19.2 billion yen (increased 17.1%) Operating income margin : 10.4% (increased 0.9pt)
- Overseas : 10.2 billion yen (increased 13.3%) Operating income margin : 7.6% (decreased 1.5pt)

*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.

Ordinary Income : 37.7 billion yen (increased 21.2%)

- Foreign exchange gains of 9.0 billion yen from deposits in foreign currencies were recorded as non-operating income. (5.3 billion yen of foreign exchange gains were recorded in the previous fiscal year.)

Profit Attributable to Owners of Parent : 24.3 billion yen (increased 12.3%)

- Posted 3.1 billion yen in extraordinary losses in Japan and overseas as business restructuring expenses, aimed at optimizing production bases.



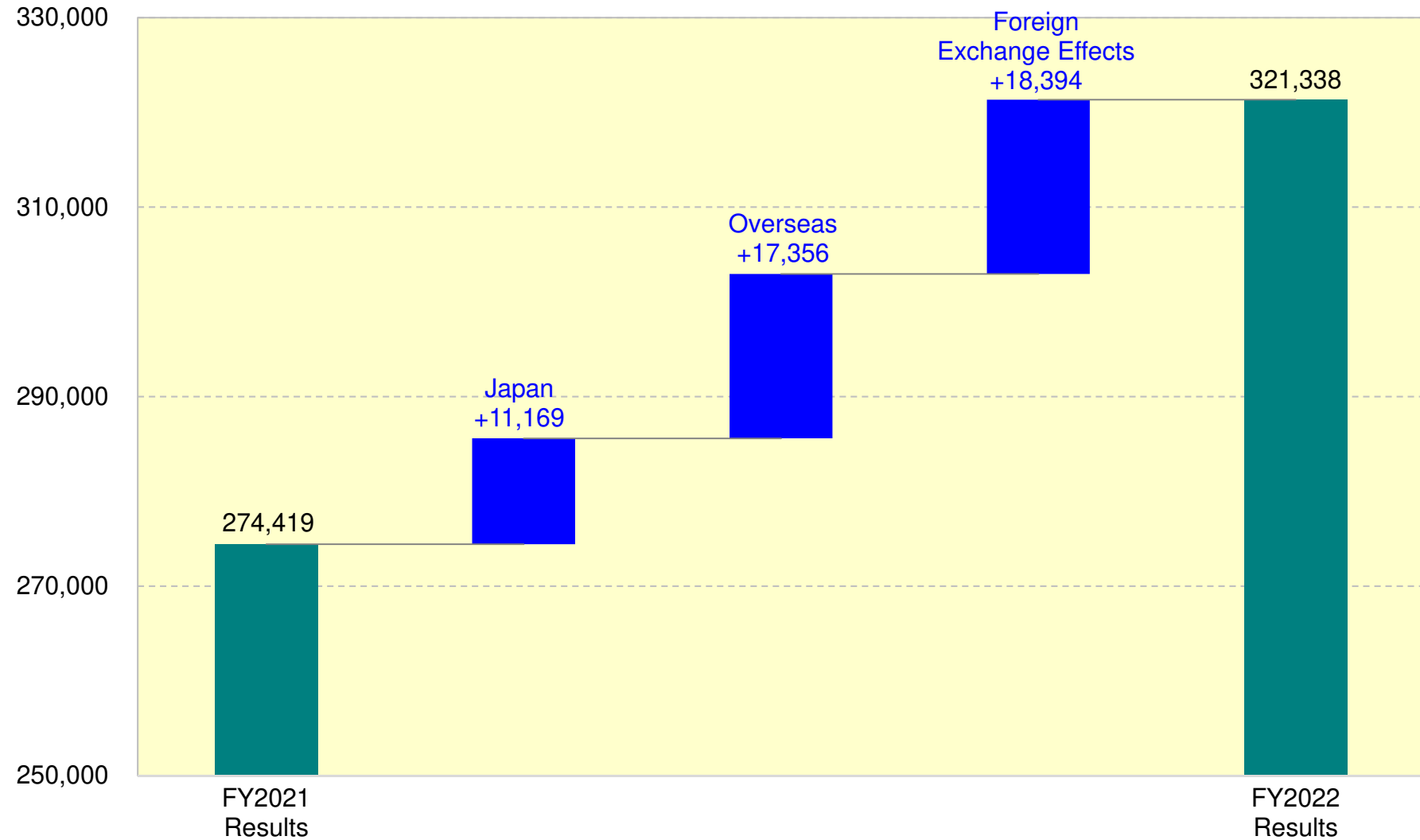
Consolidated Business Performance

	FY 2021 Results		FY 2022 Forecast Nov. 9th, 2022		FY 2022 Results					
	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	314,000	100.0	321,338	100.0	+46,918	117.1	+7,338	102.3
Cost of sales	174,727	63.7	203,500	64.8	209,519	65.2	+34,791	119.9	+6,019	103.0
Gross profit	99,691	36.3	110,500	35.2	111,819	34.8	+12,127	112.2	+1,319	101.2
Selling, general and administrative expenses	74,760	27.2	84,000	26.8	83,903	26.1	+9,144	112.2	-96	99.9
Operating income	24,931	9.1	26,500	8.4	27,915	8.7	+2,983	112.0	+1,415	105.3
Ordinary income	31,165	11.4	38,000	12.1	37,763	11.8	+6,597	121.2	-236	99.4
Profit attributable to owners of parent	21,679	7.9	26,400	8.4	24,345	7.6	+2,665	112.3	-2,054	92.2



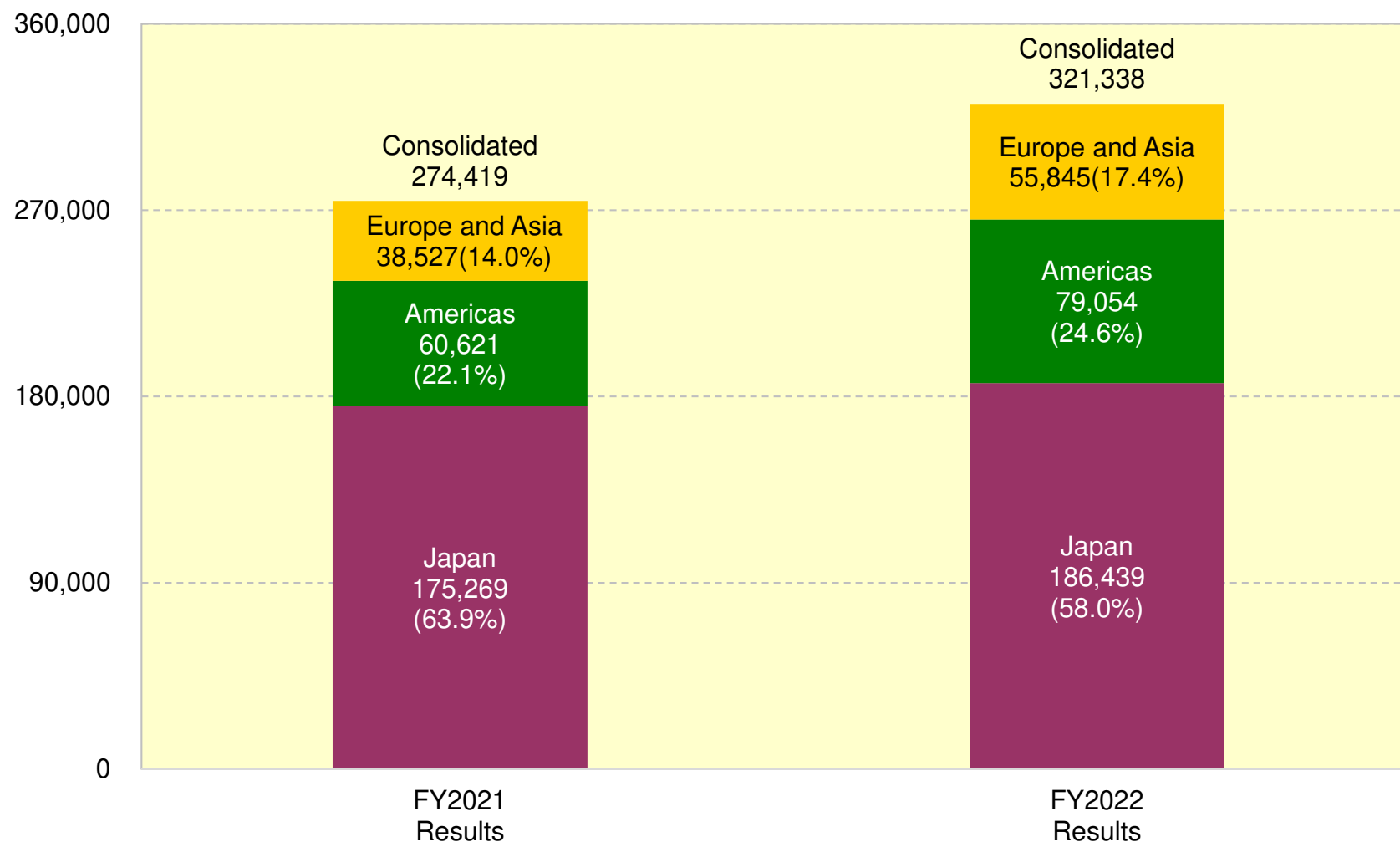
Factors for Change in Consolidated Sales by Japan and Overseas

(Millions of yen)



Year-on-year Comparison of Sales by Reporting Segments

(Millions of yen)



*Figures in parenthesis indicate component percentages.

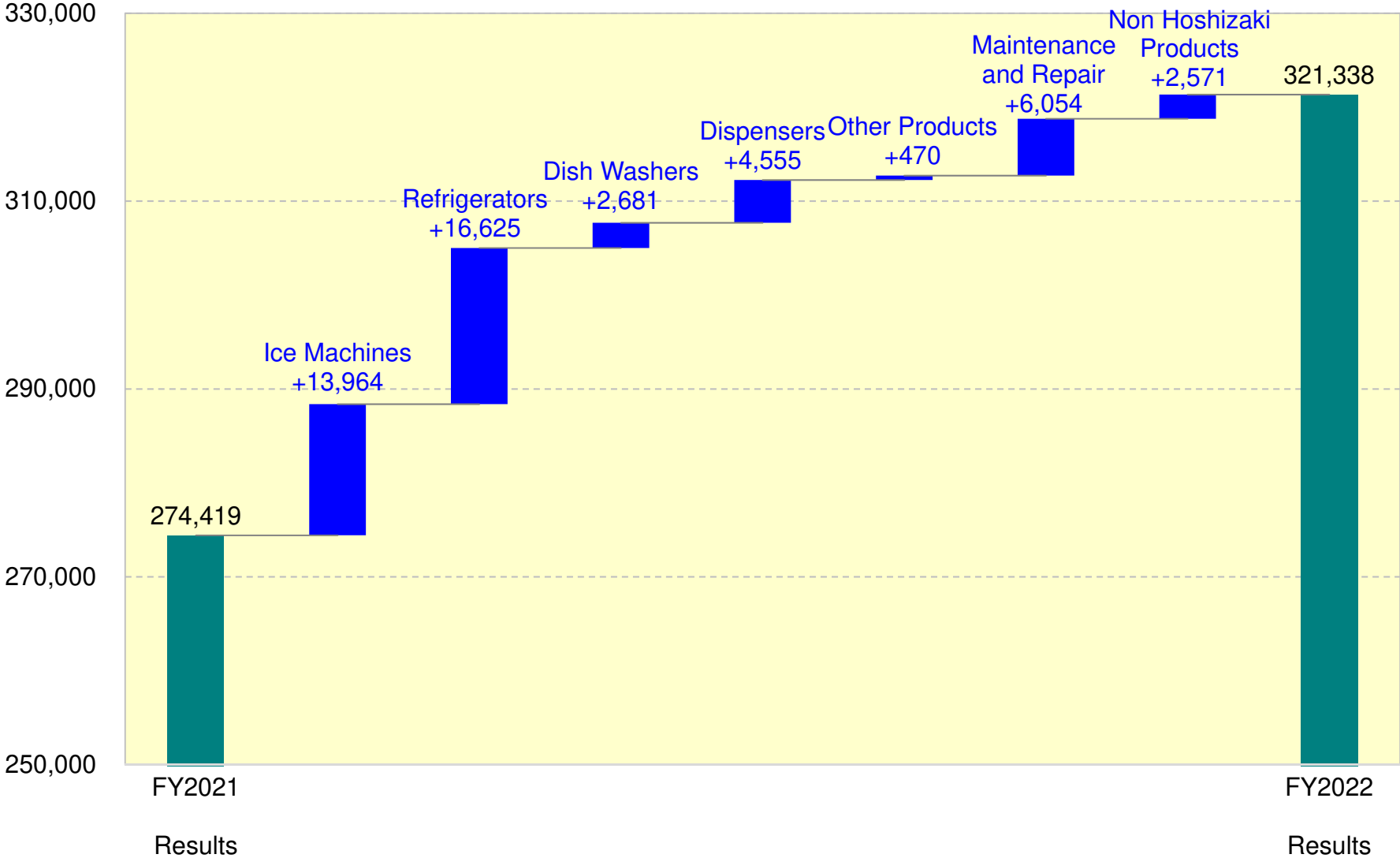
*Classified according to the location of the head offices. (e.g. Lancer Europe is included in "Americas")

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



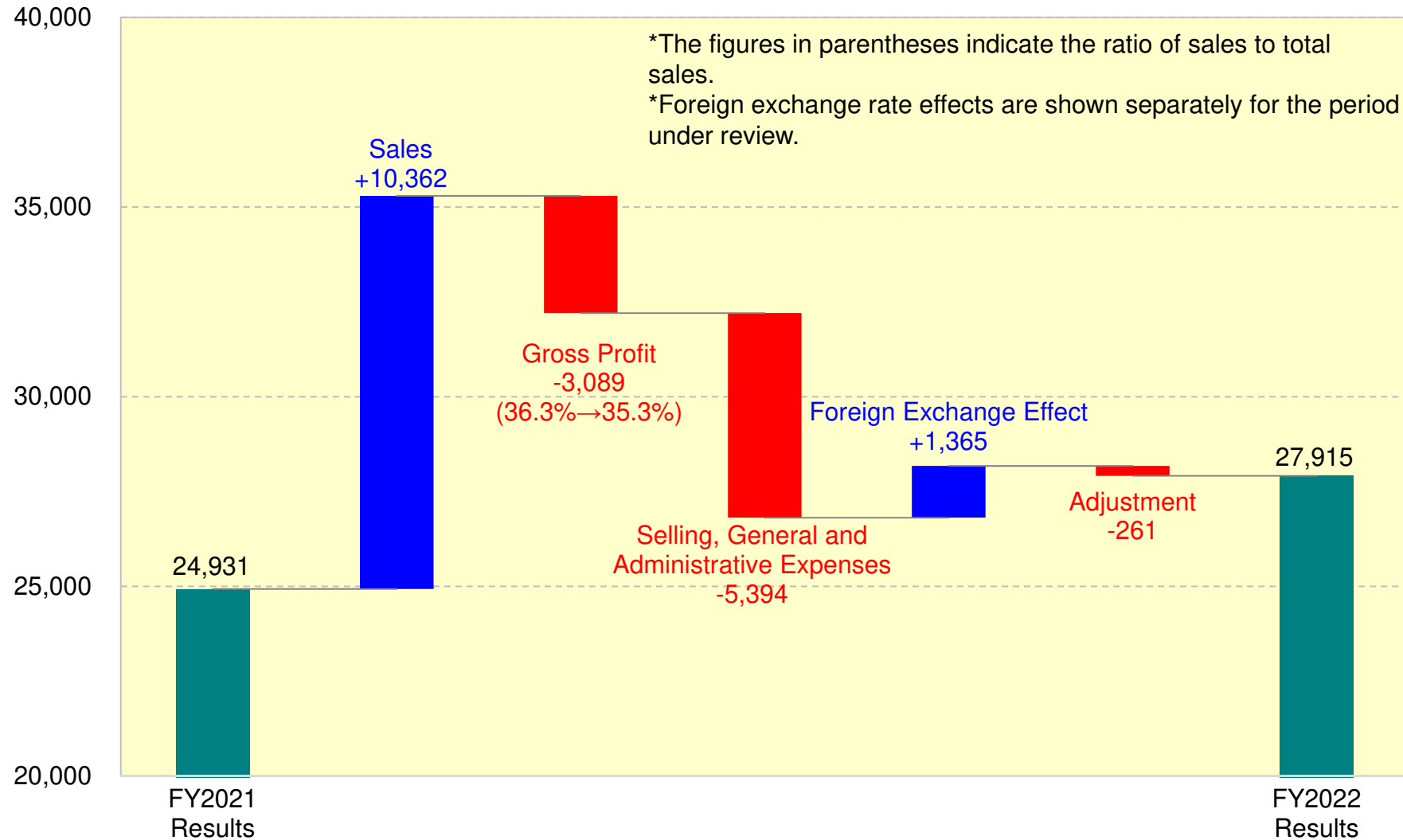
Factors for Change in Consolidated Sales by Product Groups

(Millions of yen)

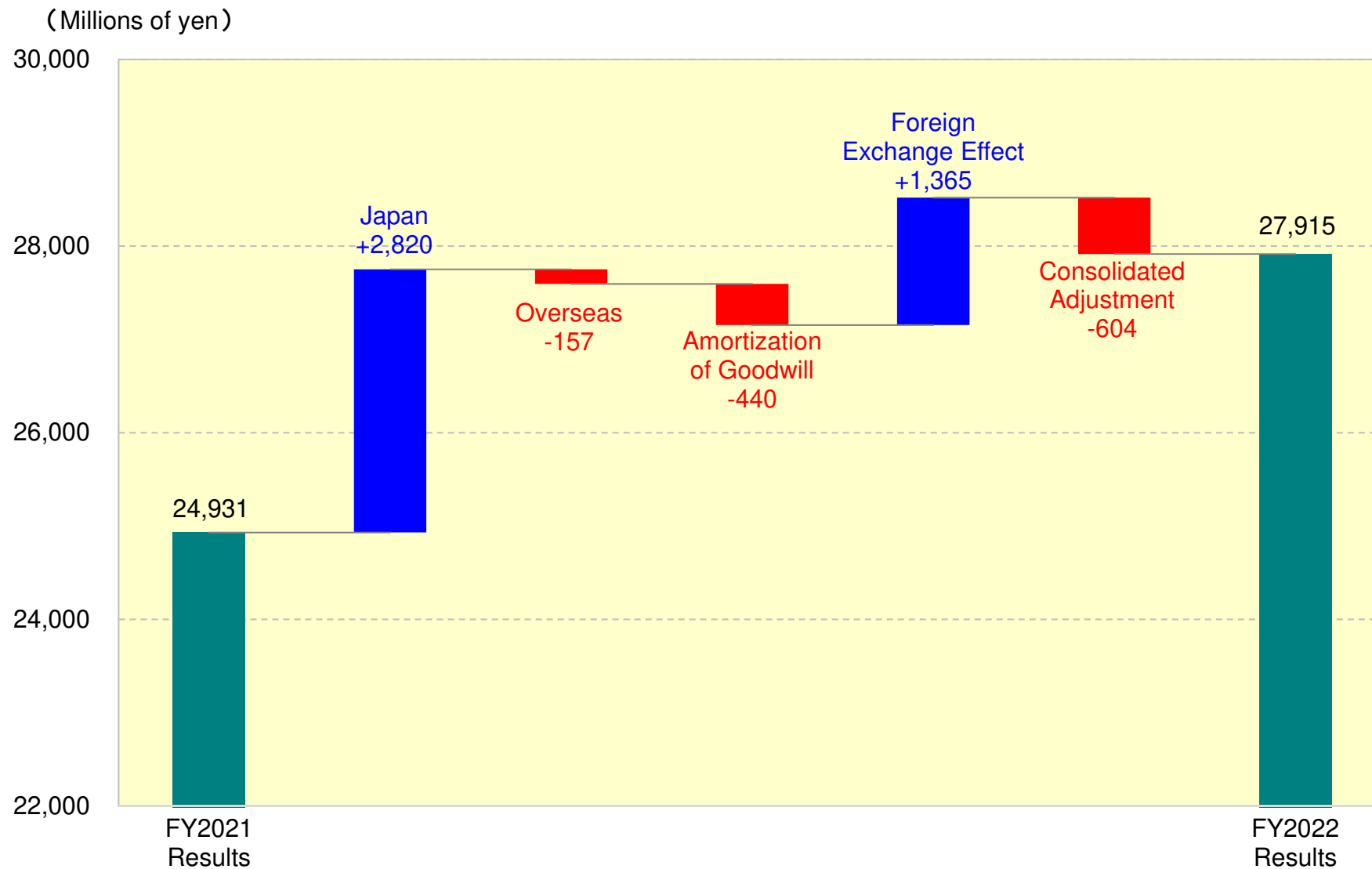


Factors for Change in Consolidated Operating Income

(Millions of yen)

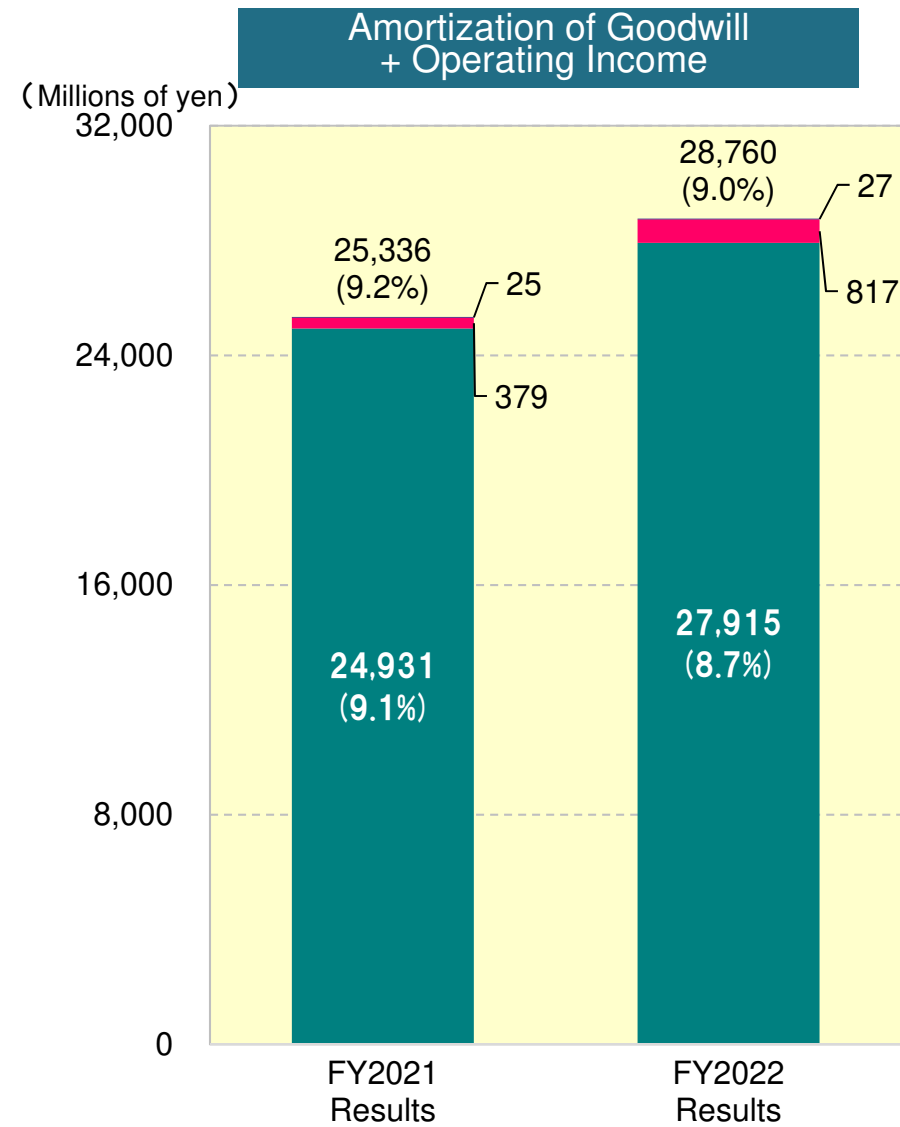
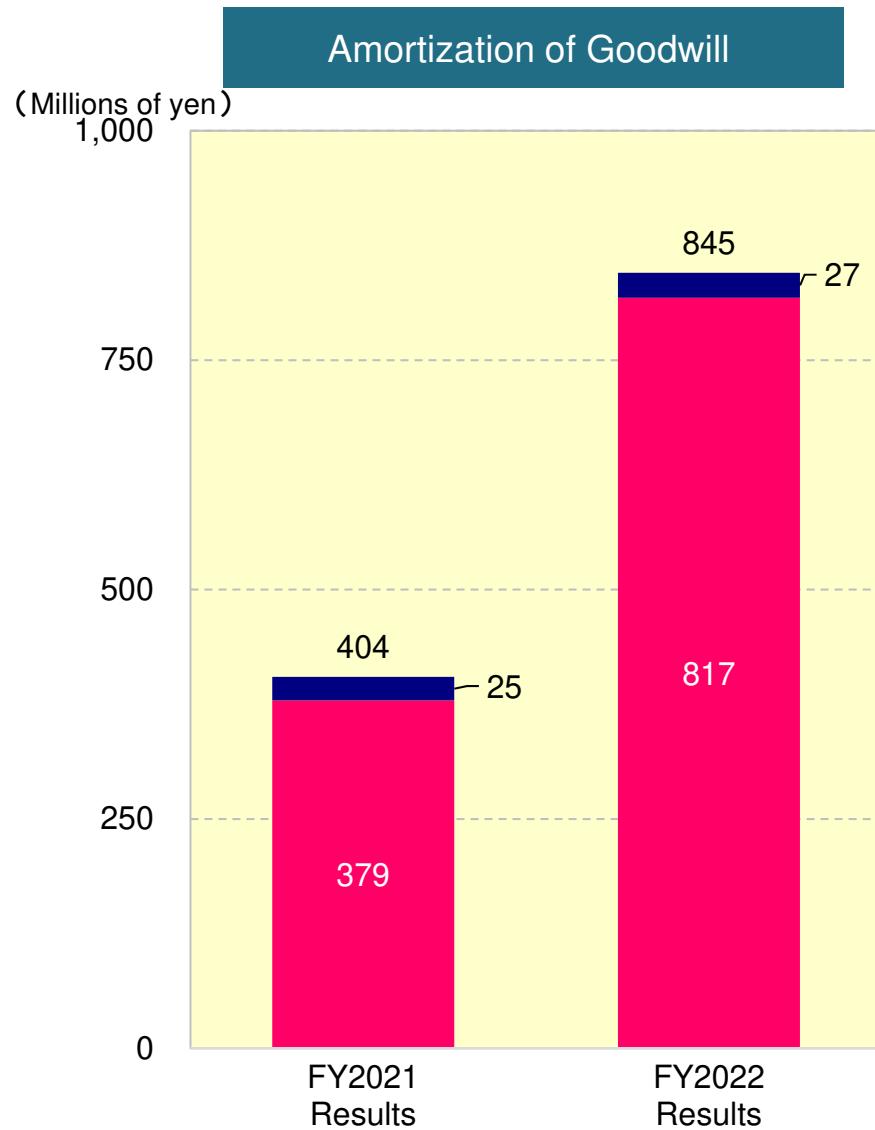


Factors for Change in Consolidated Operating Income by Japan and Overseas



Impact of Goodwill Amortization

- Amortization of intangible asset
- Amortization of goodwill
- Operating income

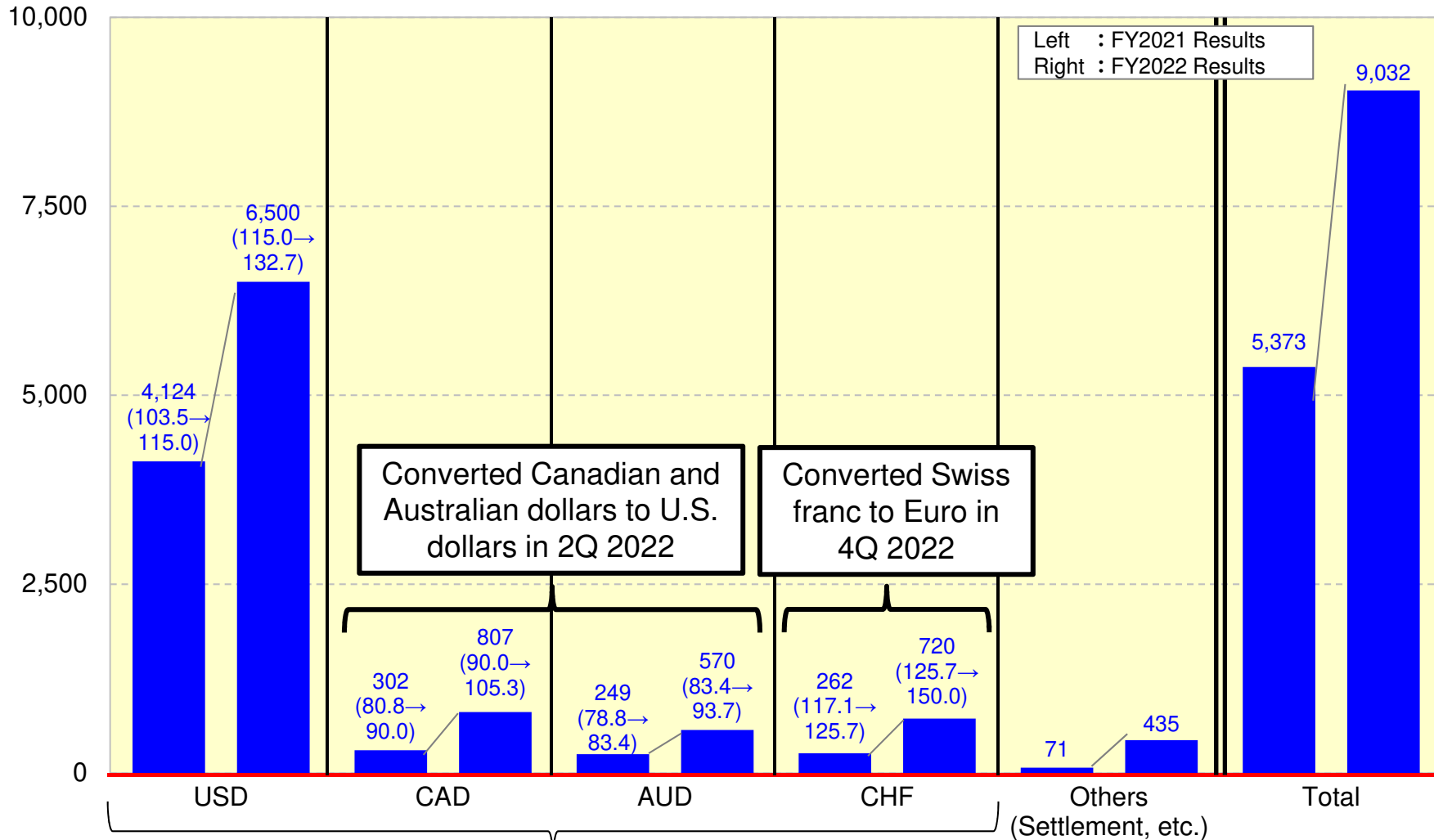


*Percentages in parentheses indicate sales ratio.



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



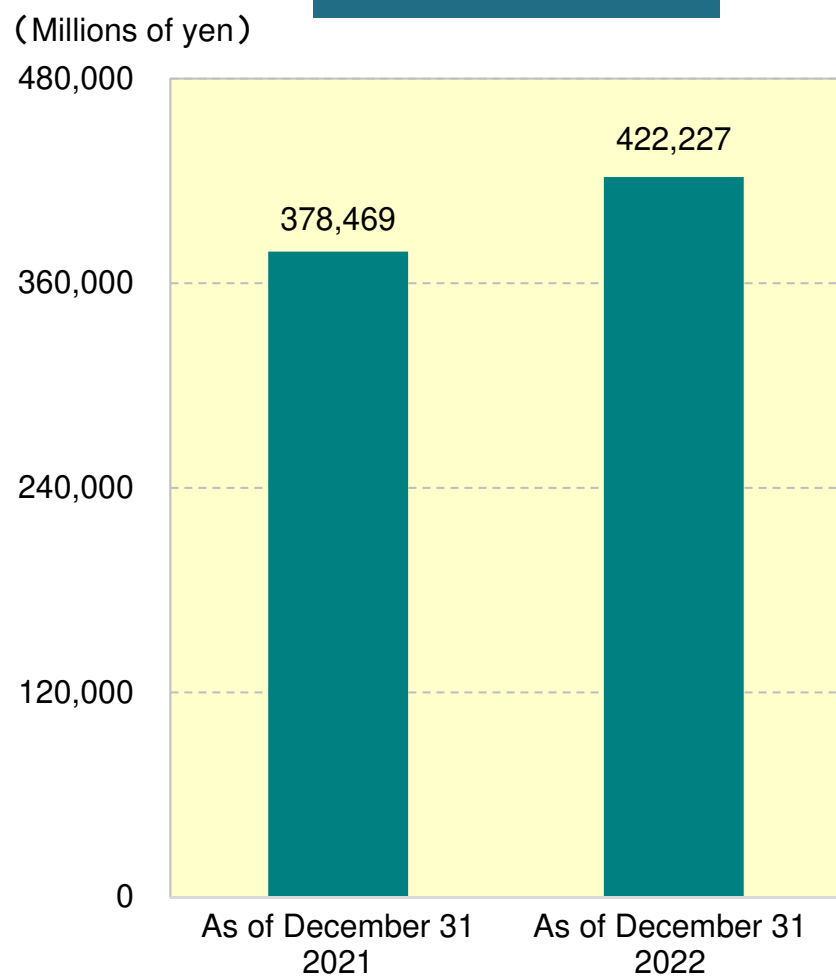
Consolidated Balance Sheet

	FY 2021		FY 2022		
	Amount (Millions of yen)	Component percentage (%)	Amount (Millions of yen)	Component percentage (%)	Change (Millions of yen)
Current assets	310,645	82.1	328,240	77.7	+17,594
(Cash and cash equivalents)	240,723	63.6	226,066	53.5	-14,657
(Notes and accounts receivable-trade)	31,120	8.2	45,783	10.8	+14,662
(Inventory)	35,556	9.4	51,826	12.3	+16,270
Non-current assets	67,823	17.9	93,986	22.3	+26,162
Total assets	378,469	100.0	422,227	100.0	+43,757
Current liabilities	94,448	25.0	102,987	24.4	+8,538
(Notes and accounts payable-trade)	26,070	6.9	32,714	7.7	+6,643
Non-current liabilities	24,159	6.4	26,612	6.3	+2,453
Total liabilities	118,607	31.3	129,600	30.7	+10,992
Total net assets	259,862	68.7	292,627	69.3	+32,765
Total liabilities and net assets	378,469	100.0	422,227	100.0	+43,757
Cash and deposits (including long-term deposits)	240,723		226,065		-14,658

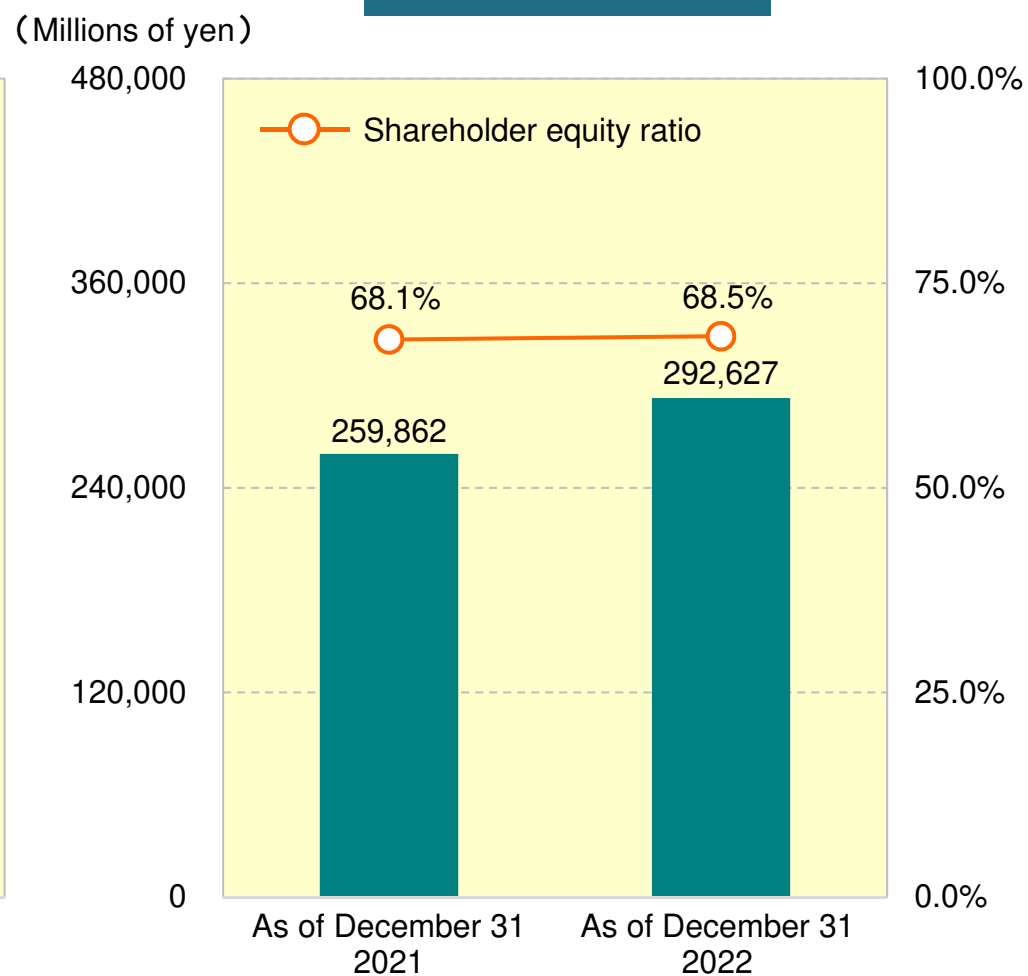


Comparison of Consolidated Total Assets and Net Assets

Total Assets



Net Assets

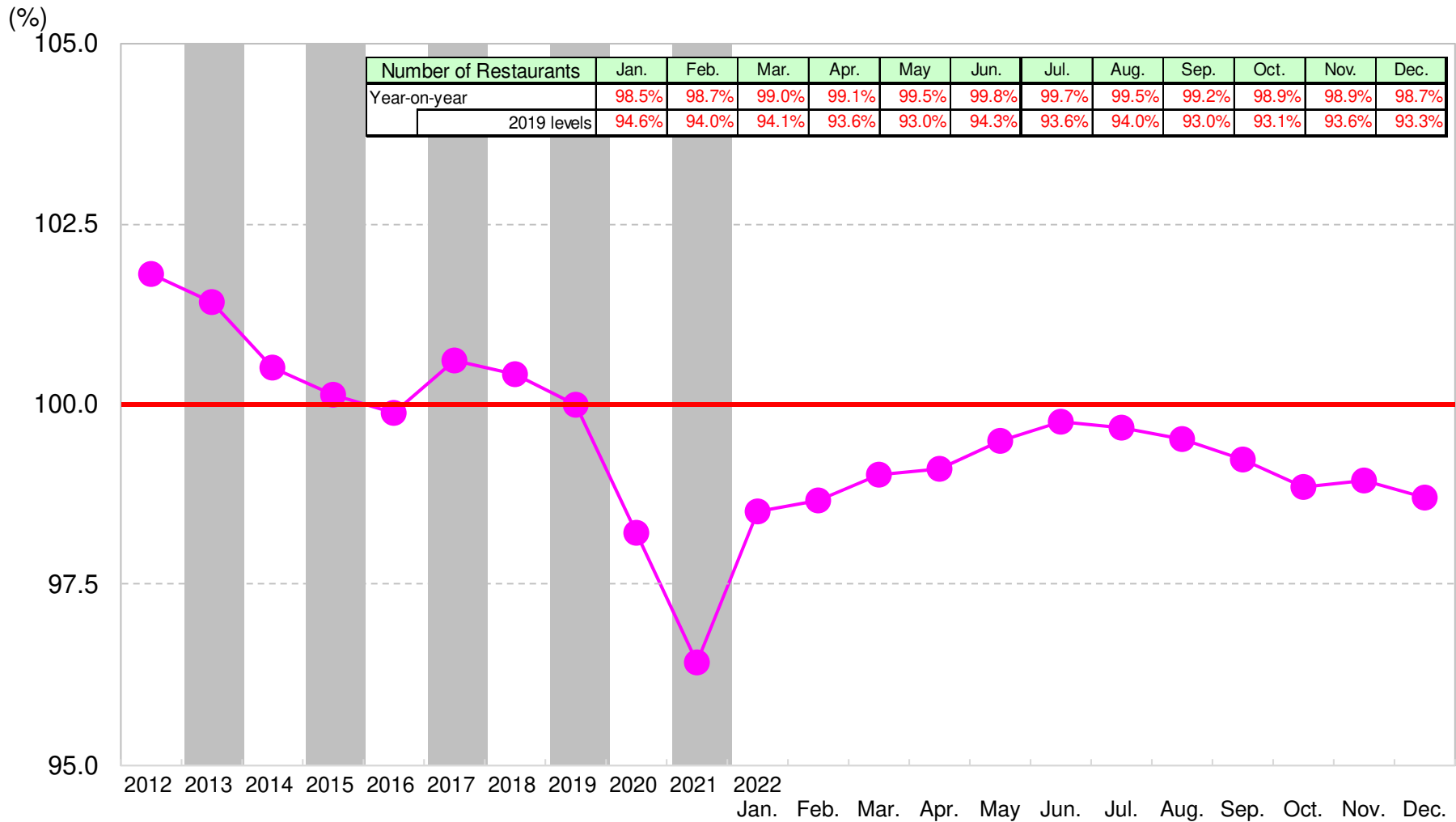




II . Key Factors of Financial Results for FY 2022

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

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

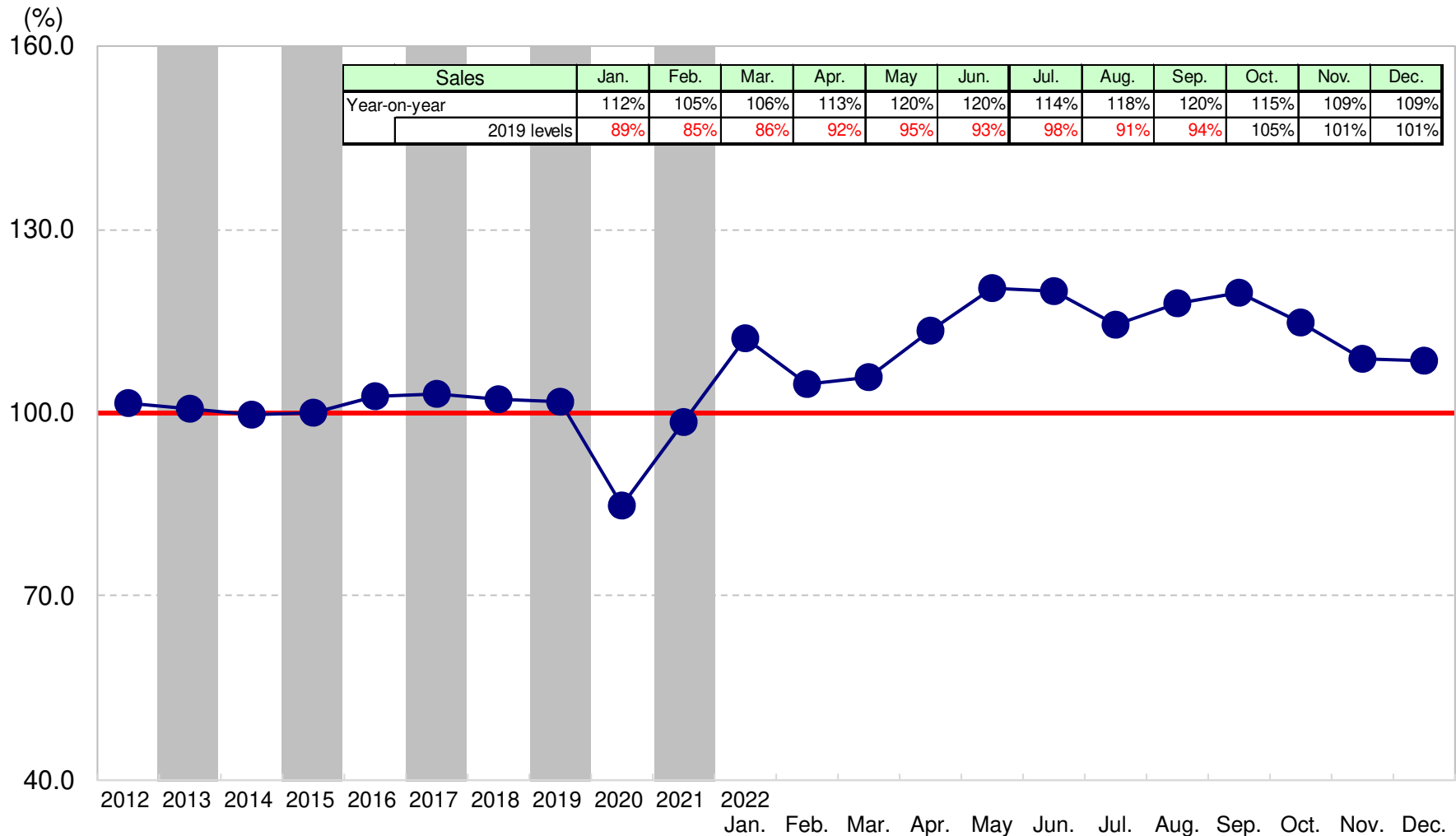


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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 and have exceeded more than 100% of the 2019 level since October 2022.

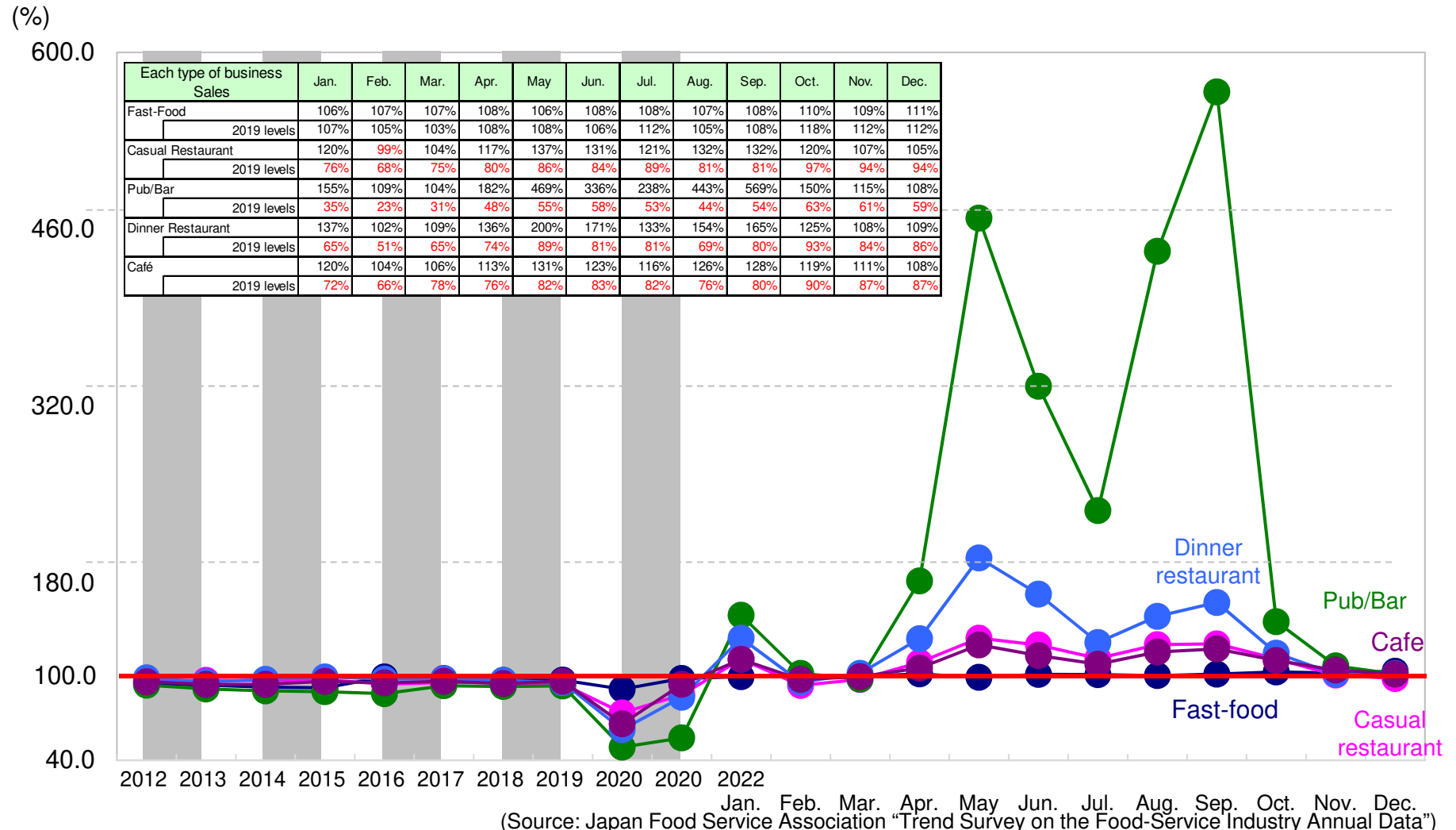


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



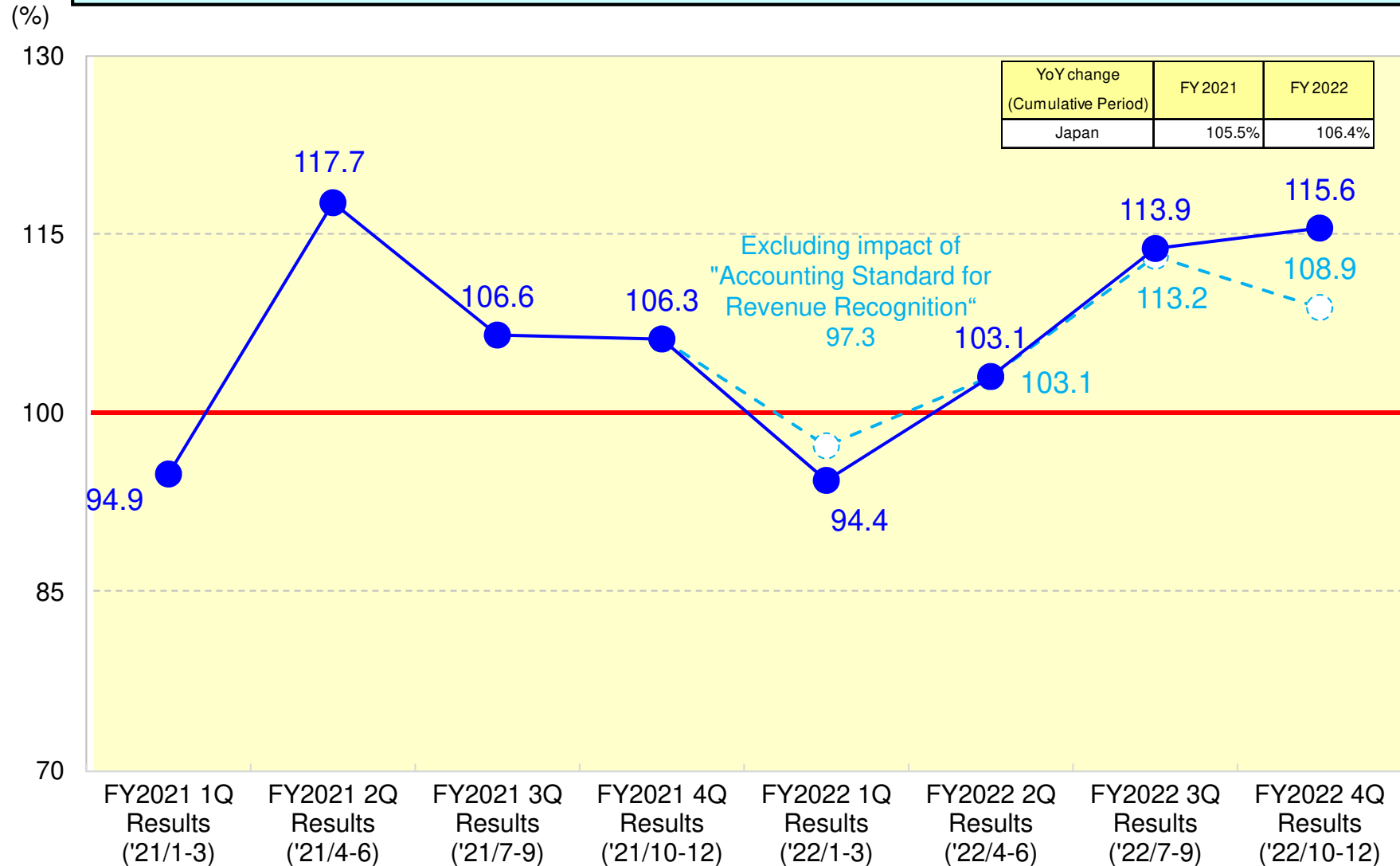
Japan : Sales by Type of Business in Major Restaurant Chains (Year-on-year Change)

- Although sales in all business categories were almost higher in each month YoY, sales in all categories except fast-food have yet reached the 2019 level. In particular, Pubs/Bars slumped by 50-60% to the 2019 level.

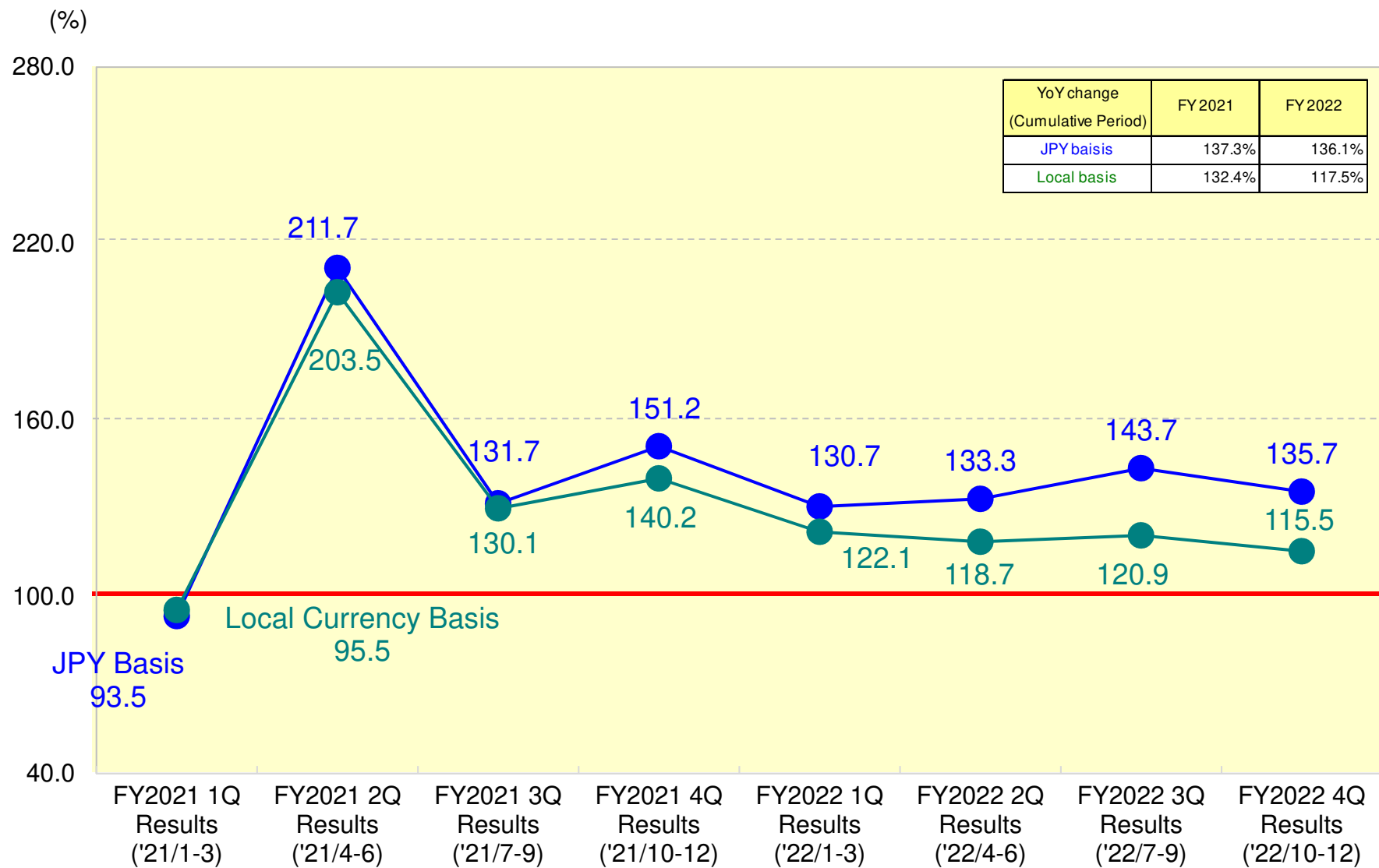


Japan : Year-on-Year Change in Sales

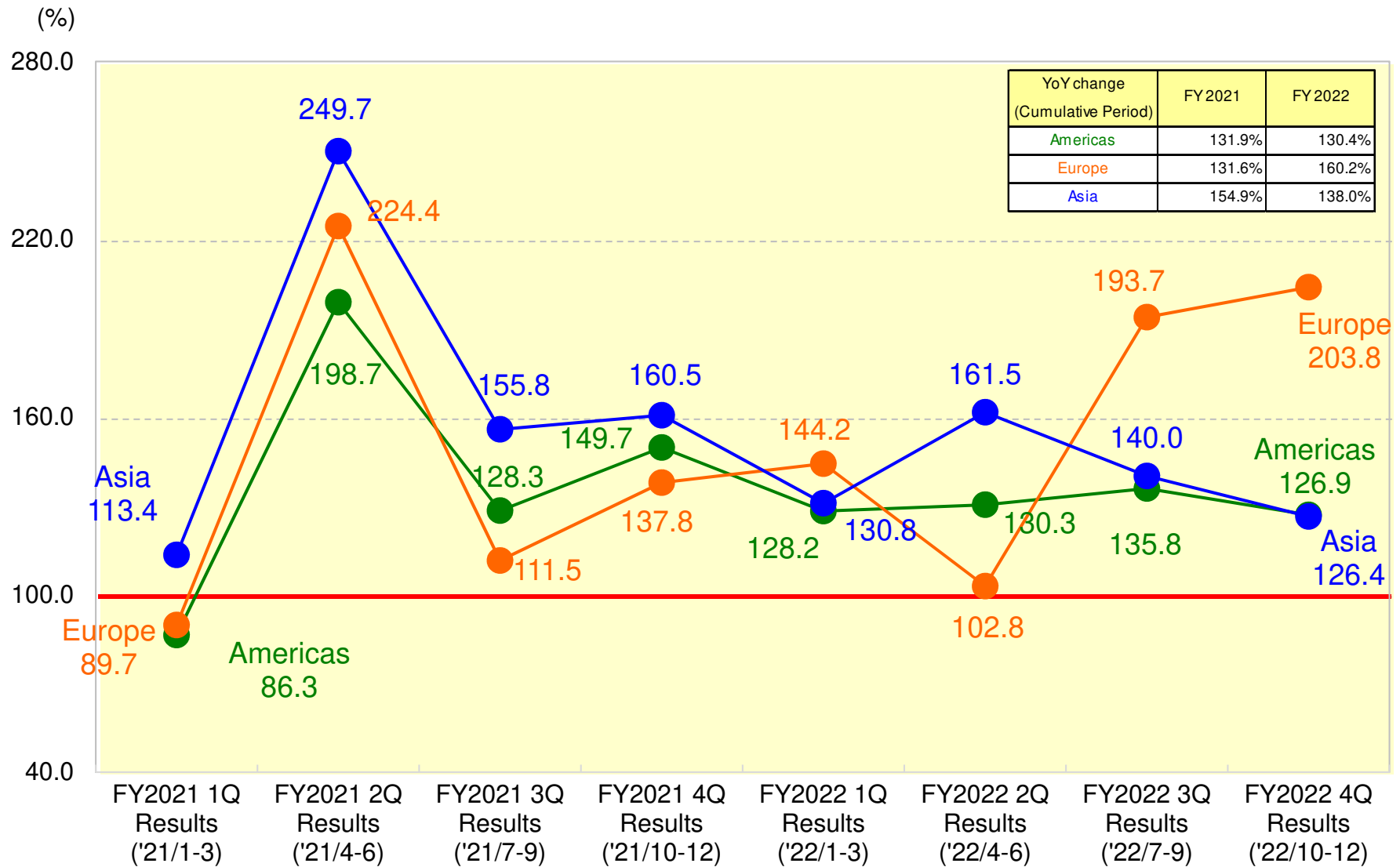
- Had difficulty delivering products due to prolonged parts and materials shortage in the first half this year. However the issue gradually resolved from July onward, resulting in a significant increase in sales.



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



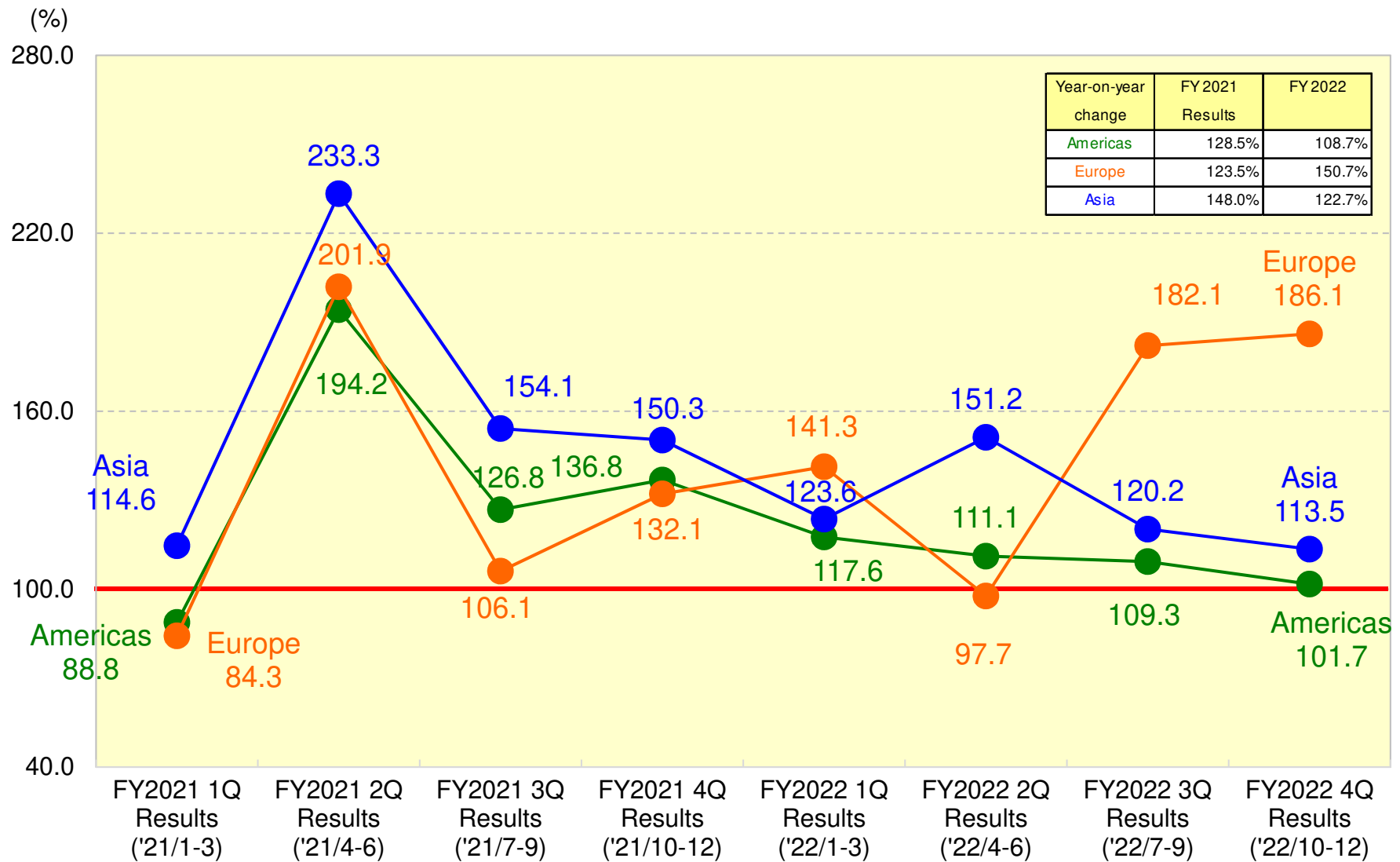
Overseas : *Year-on-Year Change in Sales by Area on JPY Basis



*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 by Areas 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 2023

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Summary of Business Forecast in FY 2023

- **Sales: 350 billion yen (increase by 8.9% year-on-year)**
 - Japan: Sales 195.2 billion yen (increase by 4.7%)
 - Overseas: Sales 154.8 billion yen (increase by 14.8%)
 - Overseas sales ratio: 44.2% (increase by 2.2pt)
 - In Japan, despite continuous COVID-19 infection, there is no release for control action from the government, so a gradual recovery among inbound travelers is also expected. Year-on-Year, sales are forecast to be 104.7% due to a recovery from last year's material shortage and sales efforts in the restaurant market and development in the non-restaurant market.
 - In Overseas, despite ongoing risks such as sluggish economic growth due to each country's anti-inflation measures and difficulties in procuring parts around the US, sales are expected to be 114.8% of the previous year's level, owing to continued demand and the contribution of newly consolidated companies.
 - Exchange rates (average of the period) assumption: 125 yen per US dollar, 135 yen per Euro, 1.60 yen per Indian Rupee

- **Operating Income: 34 billion yen (increase by 21.8%)**
 - Despite continuous price higher increases of raw materials rising human resources because of inflation, will pursue work effectiveness and productivity improvement activities to realize cost-down in both Japan and overseas.

- **Ordinary income: 35.1 billion yen (decrease by 7.1%)**
 - Not included foreign exchange gains or losses on deposits in foreign currencies (Posted foreign exchange gains of 9.0 billion yen in fiscal 2022).

- **Profit attributable to owners of parent: 23.3 billion yen (decrease by 4.3%)**



Business Forecast for FY 2023

	FY 2021 Results		FY 2022 Results		FY 2023 Forecast (Feb. 10th 2023)			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
							Change (Millions of yen)	Percentage (%)
Sales	274,419	100.0	321,338	100.0	350,000	100.0	28,662	108.9
Cost of sales	174,727	63.7	209,519	65.2	224,000	64.0	14,481	106.9
Gross profit	99,691	36.3	111,819	34.8	126,000	36.0	14,181	112.7
Selling, general and administrative expenses	74,760	27.2	83,903	26.1	92,000	26.3	8,096	109.6
Operating income	24,931	9.1	27,915	8.7	34,000	9.7	6,085	121.8
Ordinary income	31,165	11.4	37,763	11.8	35,100	10.0	-2,663	92.9
Profit attributable to owners of parent	21,679	7.9	24,345	7.6	23,300	6.7	-1,045	95.7





IV. Company Profile and Overview of Business

HOSHIZAKI

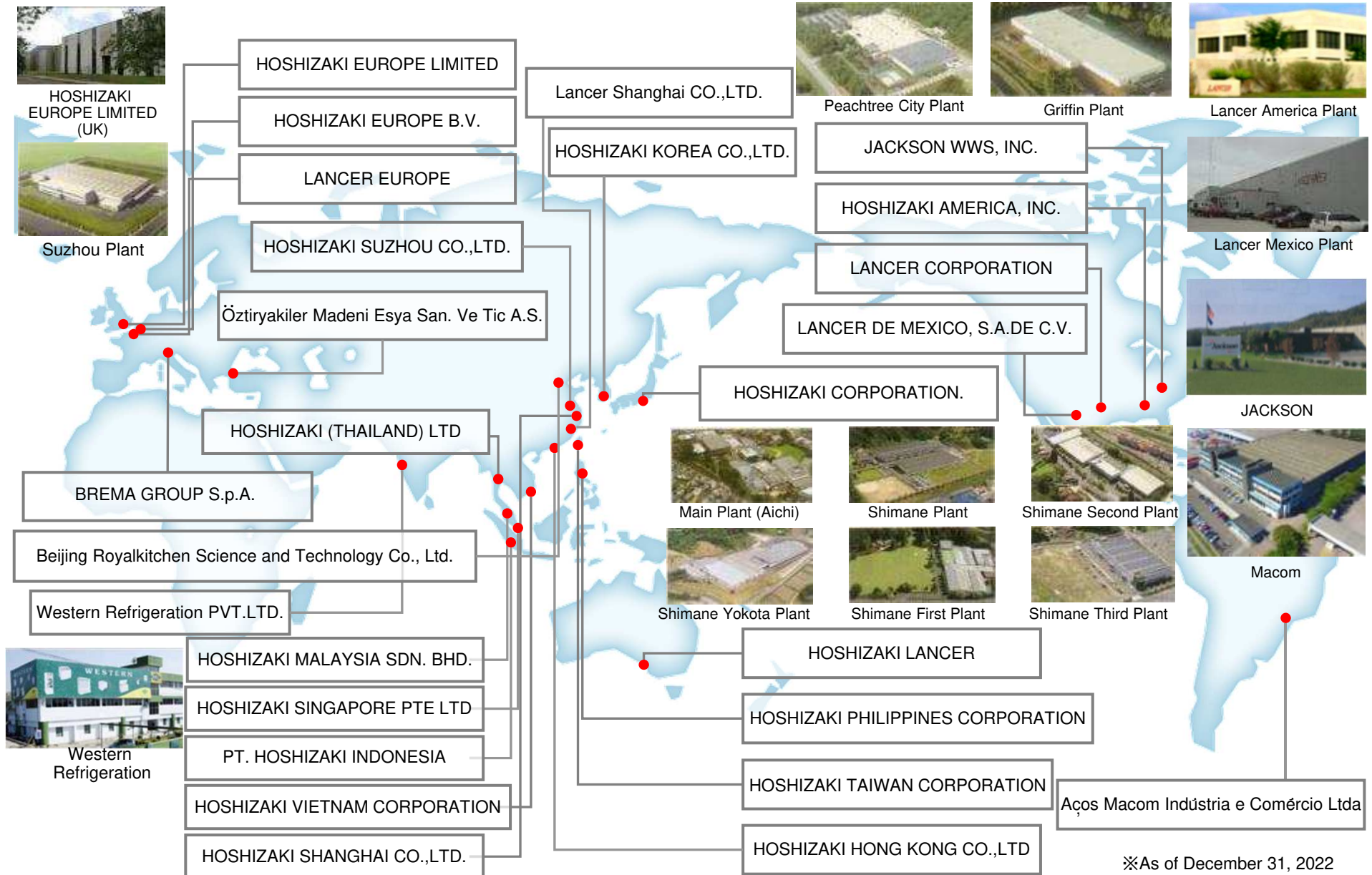
Company Profile



- 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 : 8,070 million yen (As of December 31, 2022)
- Consolidated business performance : Sales : 321,338 million yen
(Fiscal Year ended December 31, 2022) Operating income : 27,915 million yen
Profit attributable to owners of parent : 24,345 million yen
(*Net income is attributable to shareholders of the parent company.)
- Number of consolidated group companies : 55 companies
(18 companies in Japan, 17 companies in Americas, 20 companies in Europe and Asia)
(As of December 31, 2022 *Including HOSHIZAKI CORPORATION)
- Number of employees : 1,236 persons (HOSHIZAKI CORPORATION)
13,271 persons (Group total) (As of December 31, 2022)
- Number of sales offices in Japan : 436 places *Including Service Centers (As of December 31, 2022)



Global Network, Production and Sales Offices



※As of December 31, 2022



Main Product Group and Sales Breakdown

Others



Vacuum Packing Machine



Steam Convection Oven



Dough Conditioner



Hot & Cold Meal Serving Cart

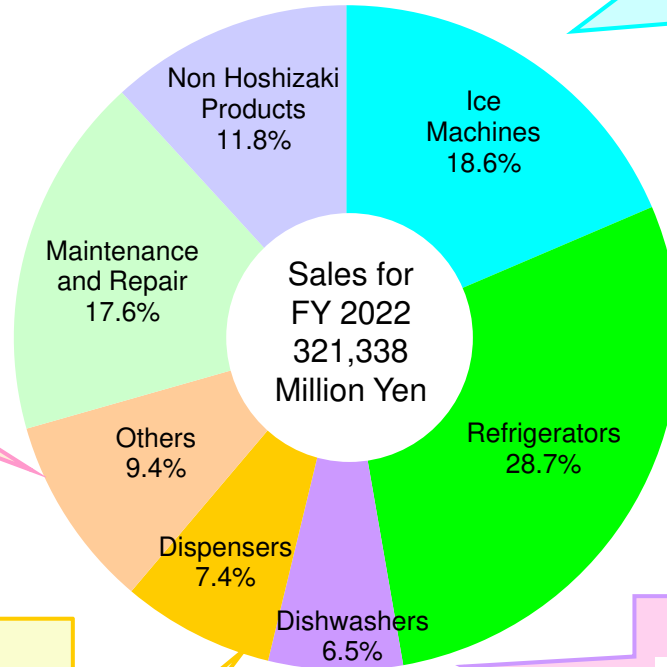
Ice machines




Cube Ice Maker




Ice Dispenser



Refrigerators



Refrigerator



Under-Counter Refrigerator

Dispensers



Dispenser



Draft Beer Dispenser



Cold Water Dispenser

Dishwashers



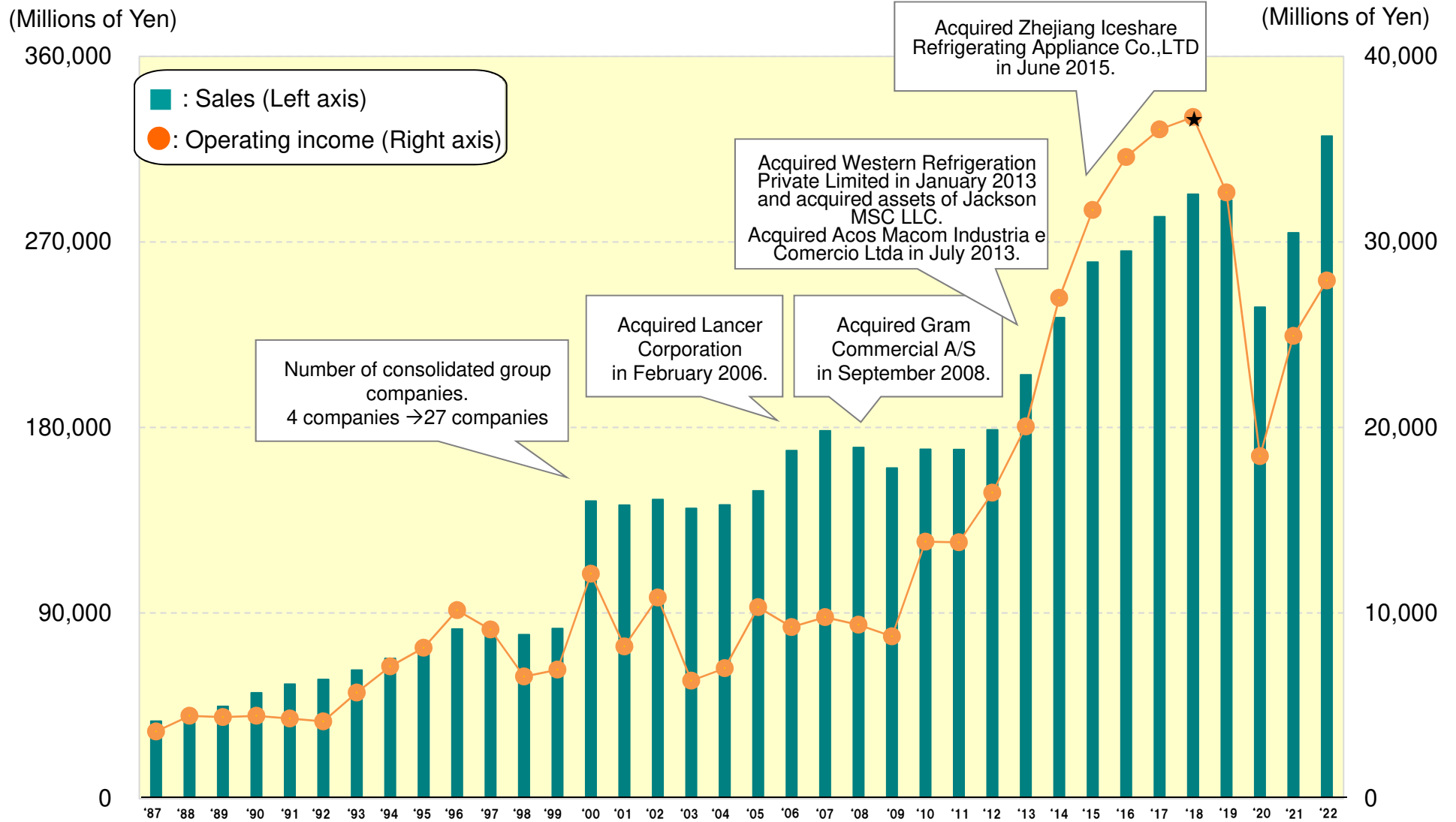
Dishwasher



Rack Conveyor Dishwasher



Long-term Business Performance Consolidated Basis



★Recorded a record sales and operating income.



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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