



## Summary of Business Performance

**The Second Quarter of Fiscal Year Ending December 31, 2023**

**~ 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

August 10, 2023

**HOSHIZAKI**

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## **I . Financial Results for FY 2023 2Q**

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# Foreign Exchange Rates

	Average of Period			End of Period	
	FY2022 6 months	FY2023 6 months	Forecast of FY 2023 (Aug. 10th 2023)	FY2022 End of December	FY2023 End of June
US dollar	123.1	135.0	135.0	132.7	144.9
Pound	159.5	166.7	160.0	160.0	182.9
Euro	134.3	145.9	145.0	141.4	157.6
Singapore dollar	90.1	101.0	97.0	98.7	106.9
Chinese yuan	18.9	19.4	20.0	19.0	19.9
Denmark krone	18.0	19.6	19.1	19.0	21.1
Taiwan dollar	4.2	4.4	4.5	4.3	4.6
Hong Kong dollar	15.7	17.2	17.1	17.0	18.5
Indian rupee	1.62	1.65	1.68	1.61	1.78
South Korean won	0.0998	0.1044	0.1050	0.1055	0.1100
Brazilian real	24.3	26.6	26.5	25.4	30.0
Indonesian Rupiah	0.0086	0.0090	0.0092	0.0085	0.0097
Thai Baht	3.6	3.9	3.8	3.8	4.0
Malaysia Ringgito	28.7	30.2	30.5	30.0	30.9
Viet Nam Dong	0.0053	0.0057	0.0058	0.0056	0.0060
Philippine Peso	2.38	2.46	2.51	2.40	2.64



# Summary of Financial Results for FY 2023 2Q

In the second quarter, following the first quarter, the economy recovered in Japan. Strong performance due to continued expansion of overseas demand. Full-year forecasts have been revised upward, including first half of the fiscal year results upward and foreign exchange rate forecasts change.

## Sales : 183.7 billion yen (increased 22.3% year-on-year)

- Japan : 101.3 billion yen (increased 13.9%)
- Overseas : 82.4 billion yen (increased 34.6%) Overseas sales ratio : 44.9% (increased 4.1pt)

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

- Japan: Expanded sales of centered on mainstay products for Deepen of the restaurant market and aggressive development of the non-restaurant market.  
Quickly respond to capital investment demand in the food service industry as the economy recovers. Sales increased.
- Overseas: Focused on product supply to continued demand and worked to productivity improvement ,also the business performance of the acquired companies last year contributed to sales.

## Operating Income : 22.9 billion yen (increased 73.4%) Operating income margin : 12.5% (increased 3.7pt)

- Japan : 13.4 billion yen (increased 68.3%) Operating income margin : 13.3% (increased 4.3pt)
- Overseas : 10.0 billion yen (increased 75.8%) Operating income margin : 12.2% (increased 2.9pt)

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

- Despite to effect of soring the materials price and labor cost, we posted an increase in income due to higher sales and the effect of price revisions.

## Ordinary Income : 28.8 billion yen (increased 19.3%)

- Foreign exchange gains of 3.9 billion yen from deposits in foreign currencies were recorded as non-operating income.  
(11.0billion yen of foreign exchange gains were recorded in the previous fiscal year.)

## Profit Attributable to Owners of Parent : 19.9 billion yen (increased 20.1%)



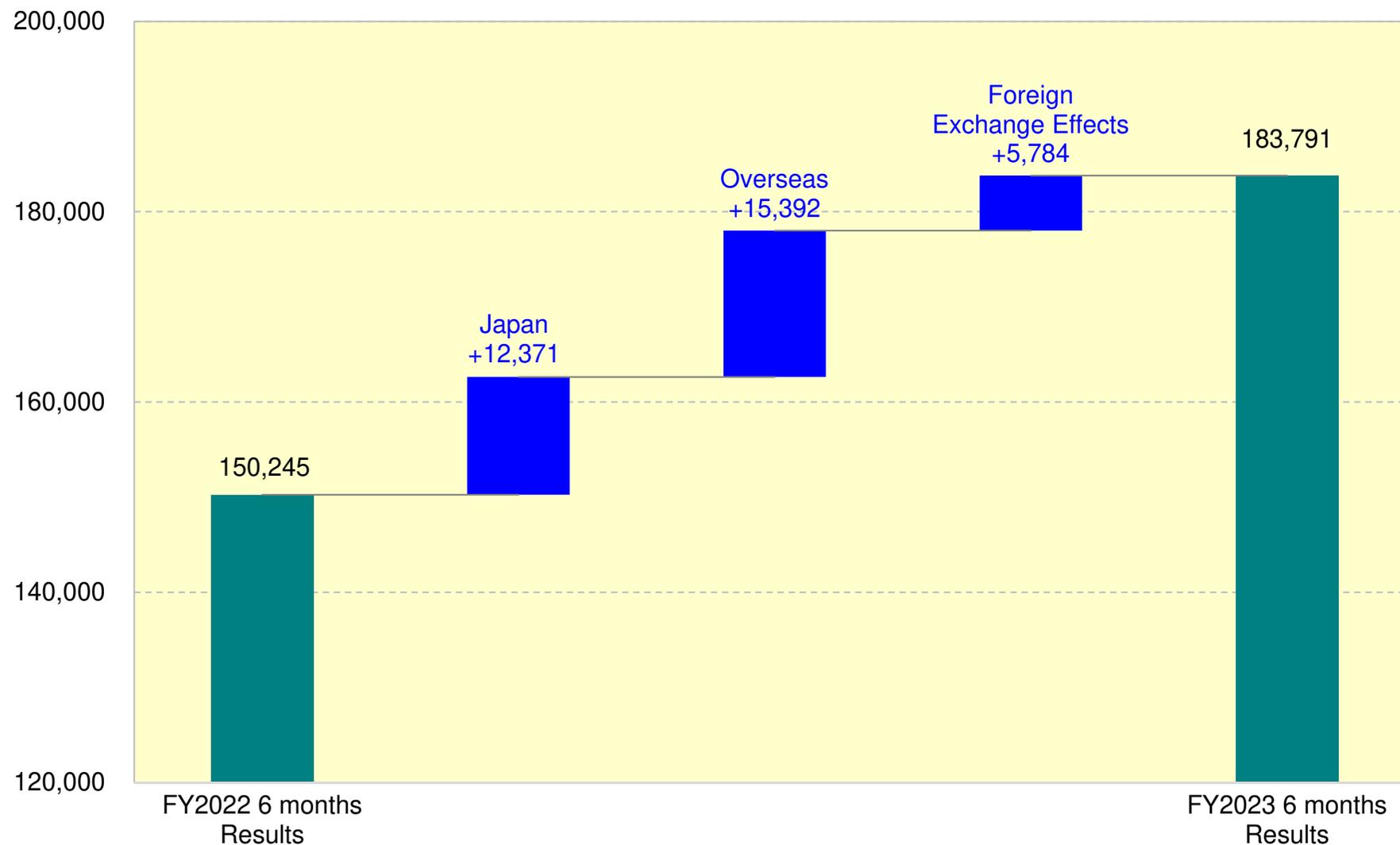
# Consolidated Business Performance

	FY 2022 6 months results		FY 2023 6 months results			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
					Change (Millions of yen)	Percentage (%)
Sales	150,245	100.0	183,791	100.0	+33,546	122.3
Cost of sales	96,795	64.4	115,873	63.0	+19,077	119.7
Gross profit	53,449	35.6	67,918	37.0	+14,468	127.1
Selling, general and administrative expenses	40,186	26.7	44,923	24.4	+4,738	111.8
Operating income	13,263	8.8	22,994	12.5	+9,731	173.4
Ordinary income	24,159	16.1	28,830	15.7	+4,670	119.3
Profit attributable to owners of parent	16,594	11.0	19,930	10.8	+3,336	120.1



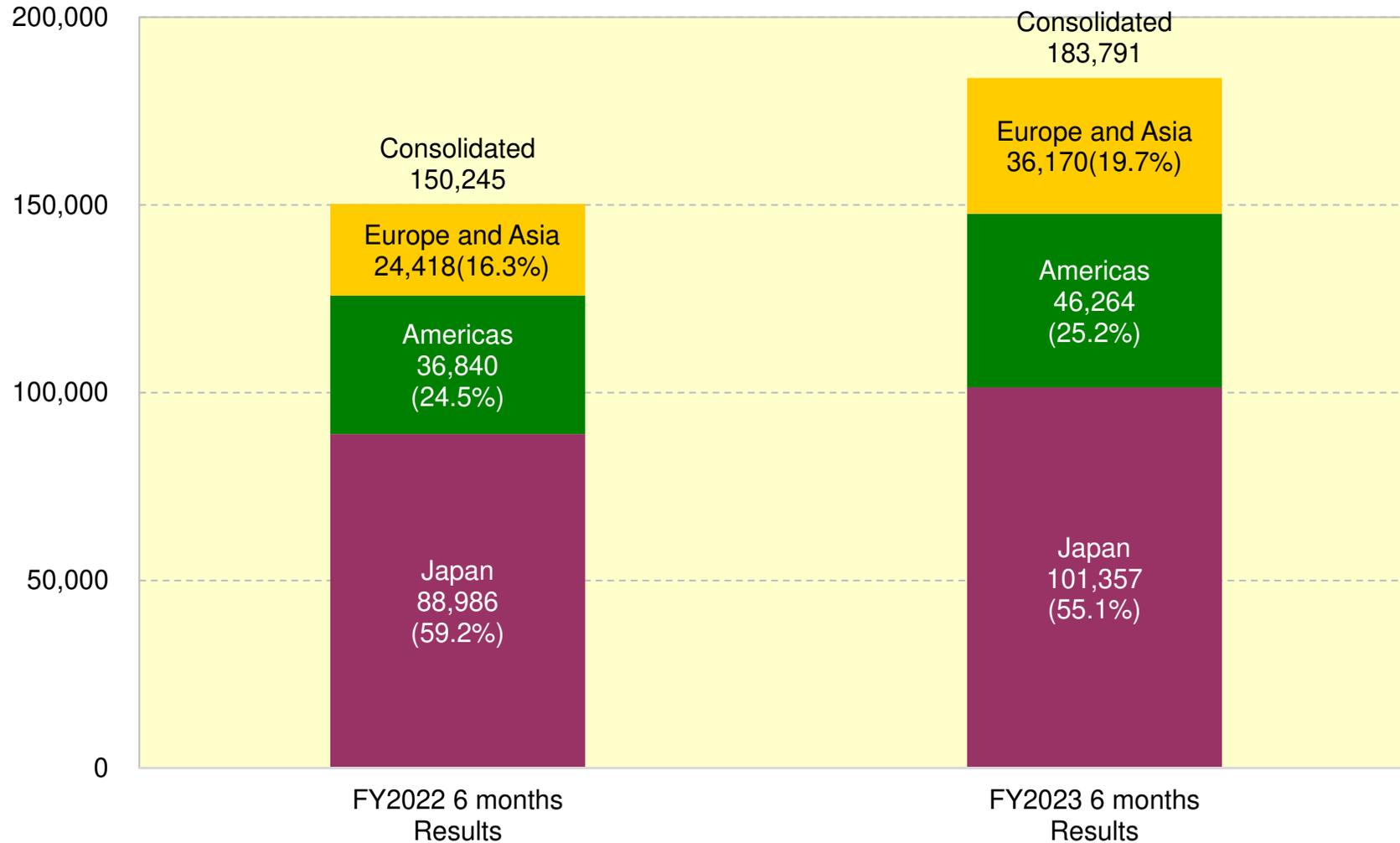
# Factors for Change in Consolidated Sales by Japan and Overseas

(Millions of yen)



# Year-on-year Comparison of Sales by Reporting Segments

(Millions of yen)



\*Figures in parenthesis indicate component percentages.

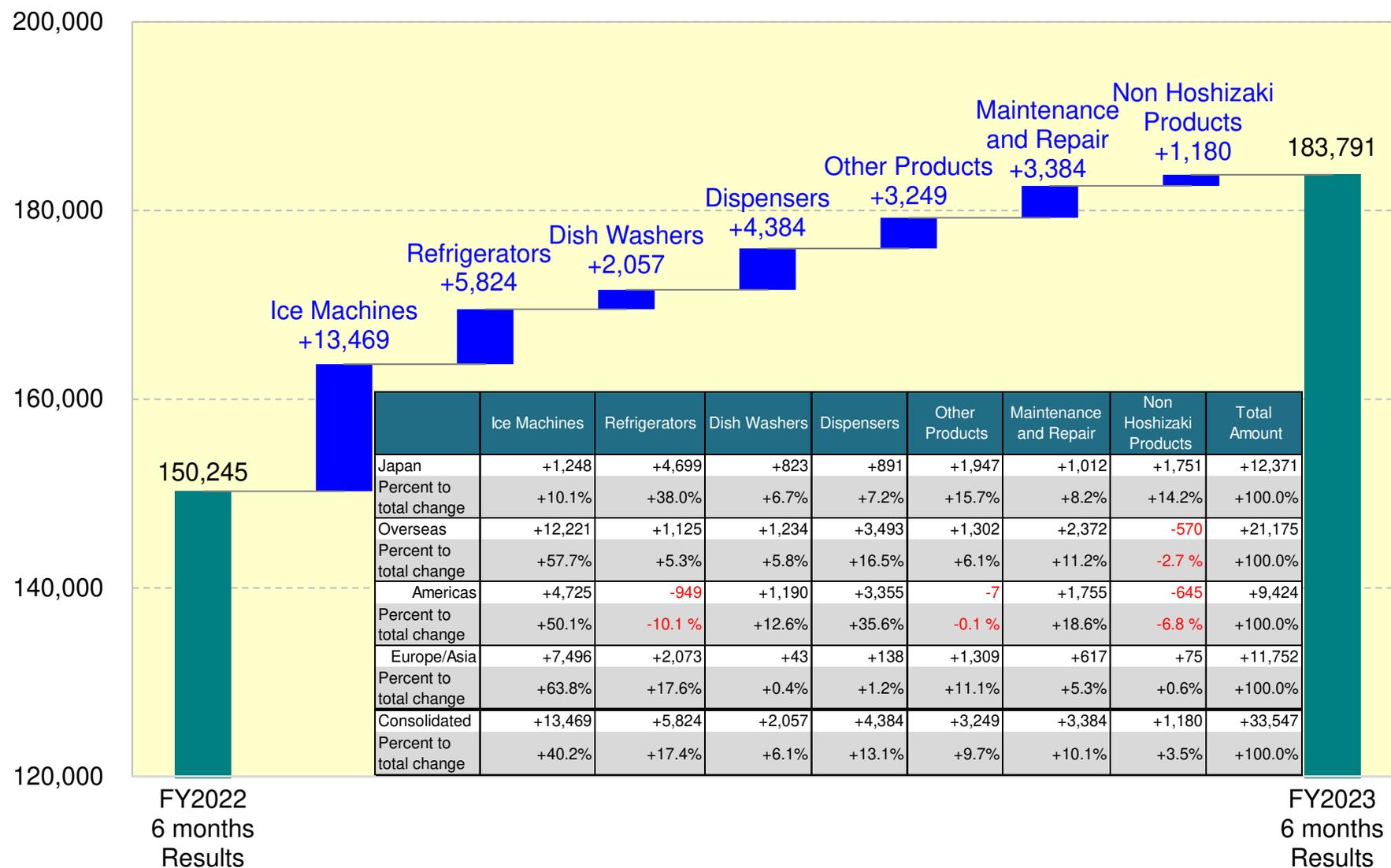
\*Classified according to the location of the head offices. (e.g. Lancer Europe is included in "Americas")

(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)

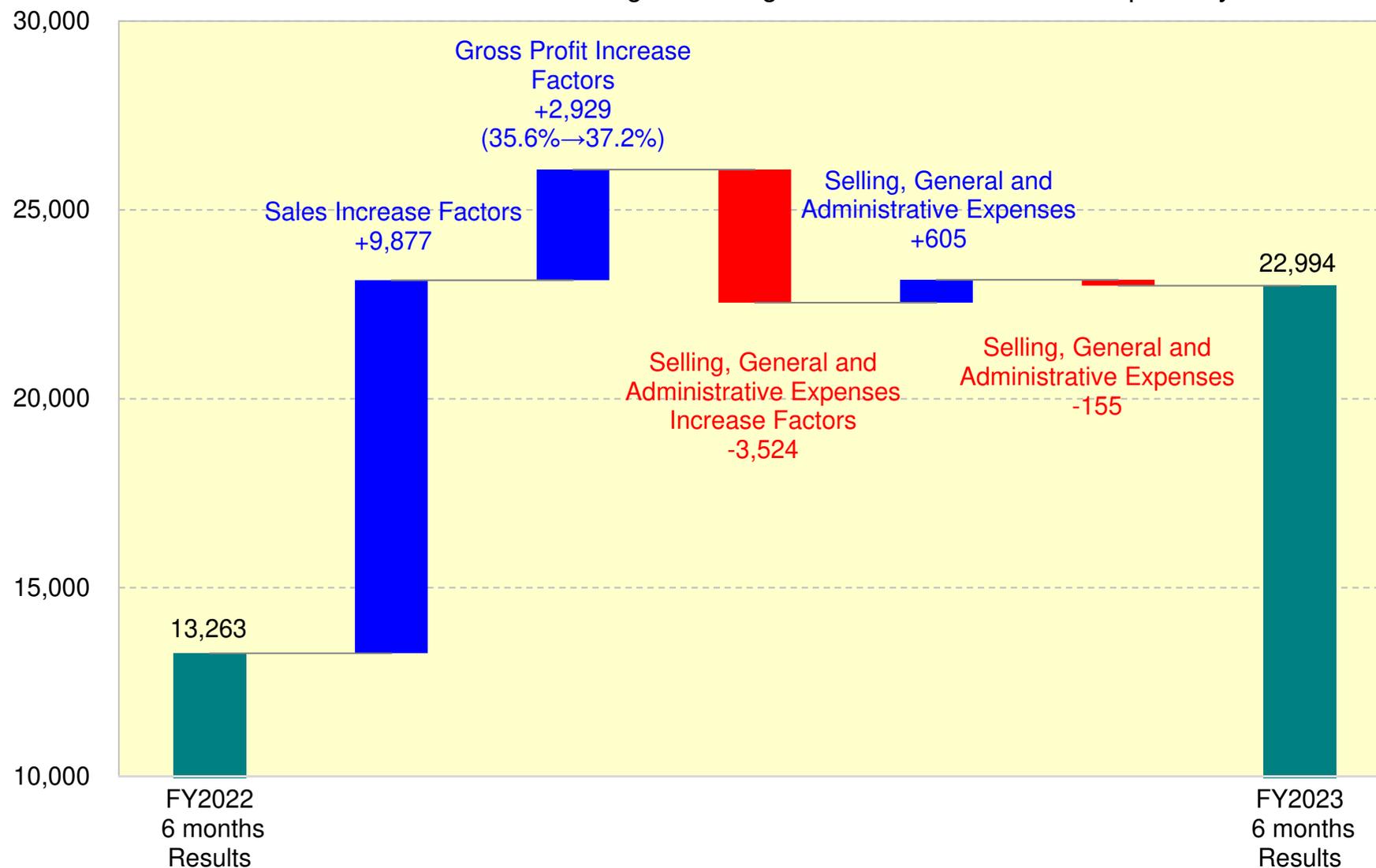


# Factors for Change in Consolidated Operating Income

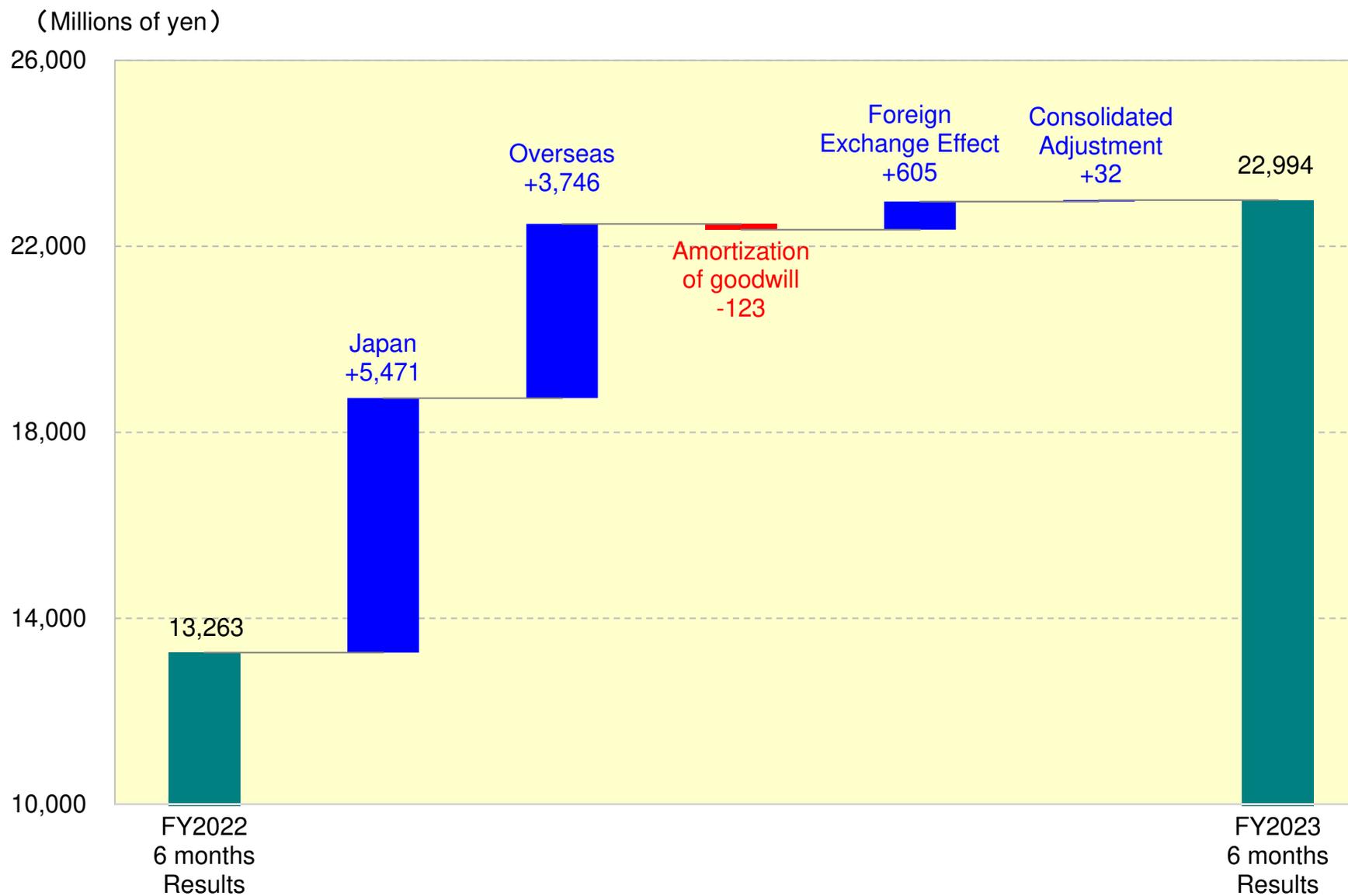
(Millions of yen)

\*The figures in parentheses indicate the ratio of sales to total sales.

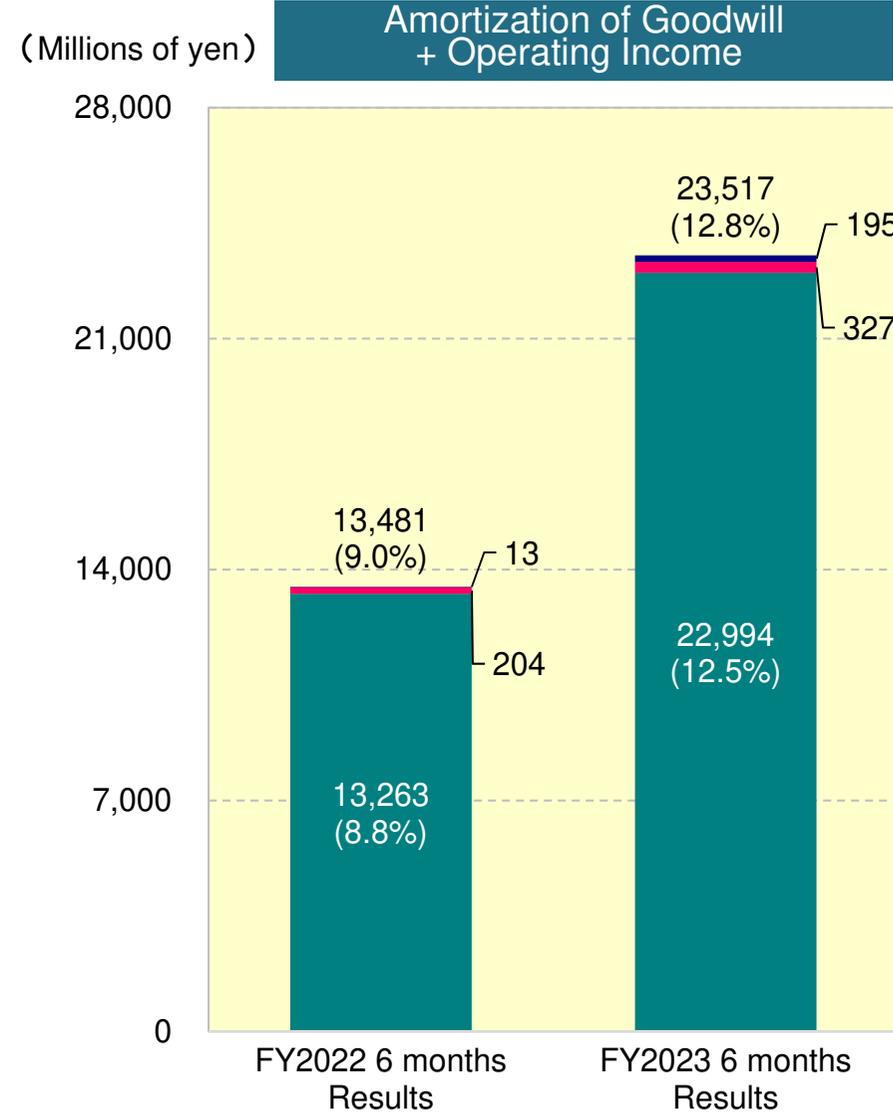
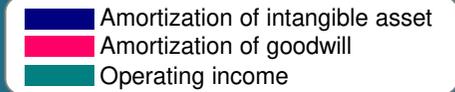
\*Foreign exchange rate effects are shown separately.



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



# Impact of Goodwill Amortization



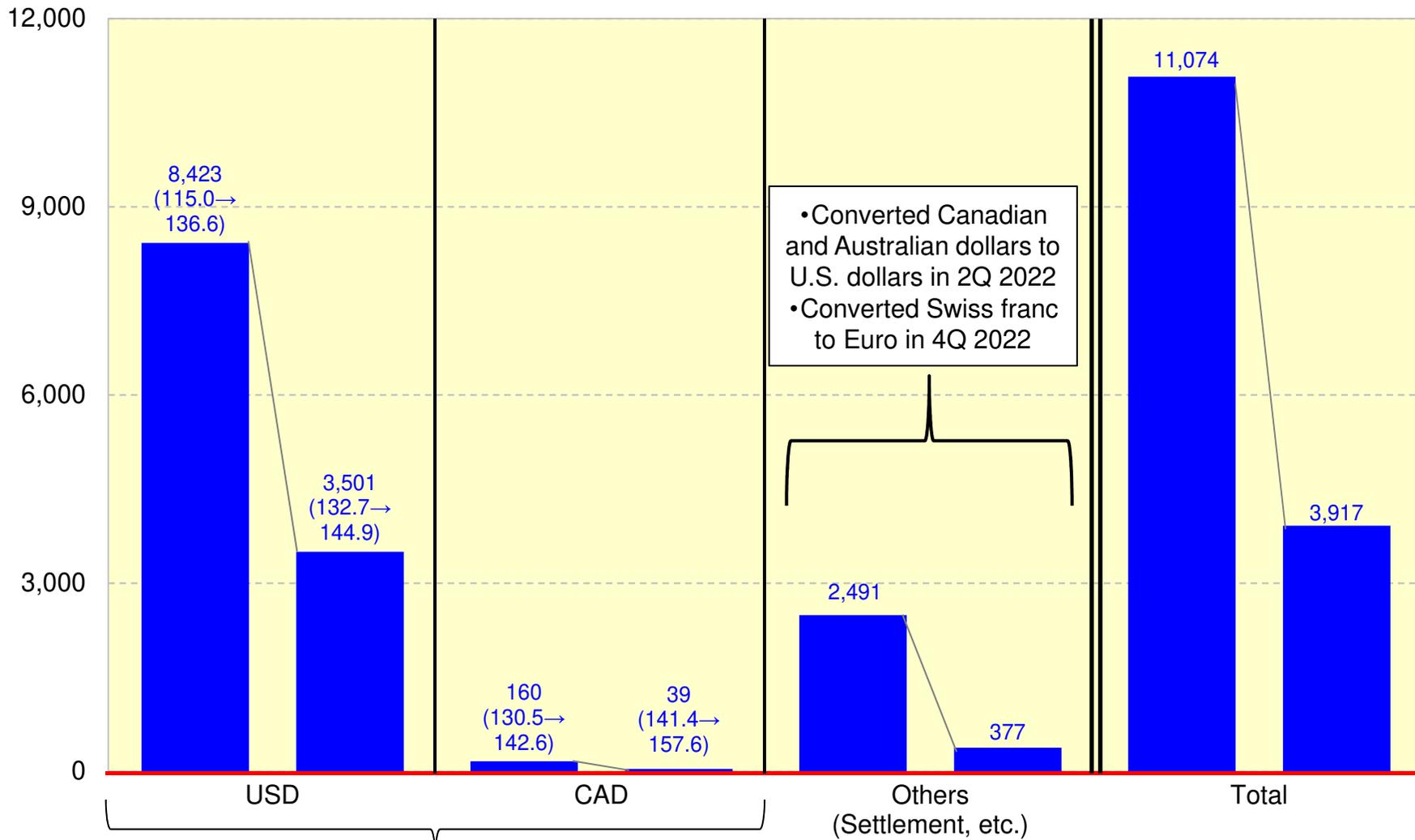
\*Percentages in parentheses indicate sales ratio.



# Breakdown of Foreign Exchange Gain and Loss

(Millions of yen)

Left : FY2022 6 months Results  
Right : FY2023 6 months Results



- Converted Canadian and Australian dollars to U.S. dollars in 2Q 2022
- Converted Swiss franc to Euro in 4Q 2022

\*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.



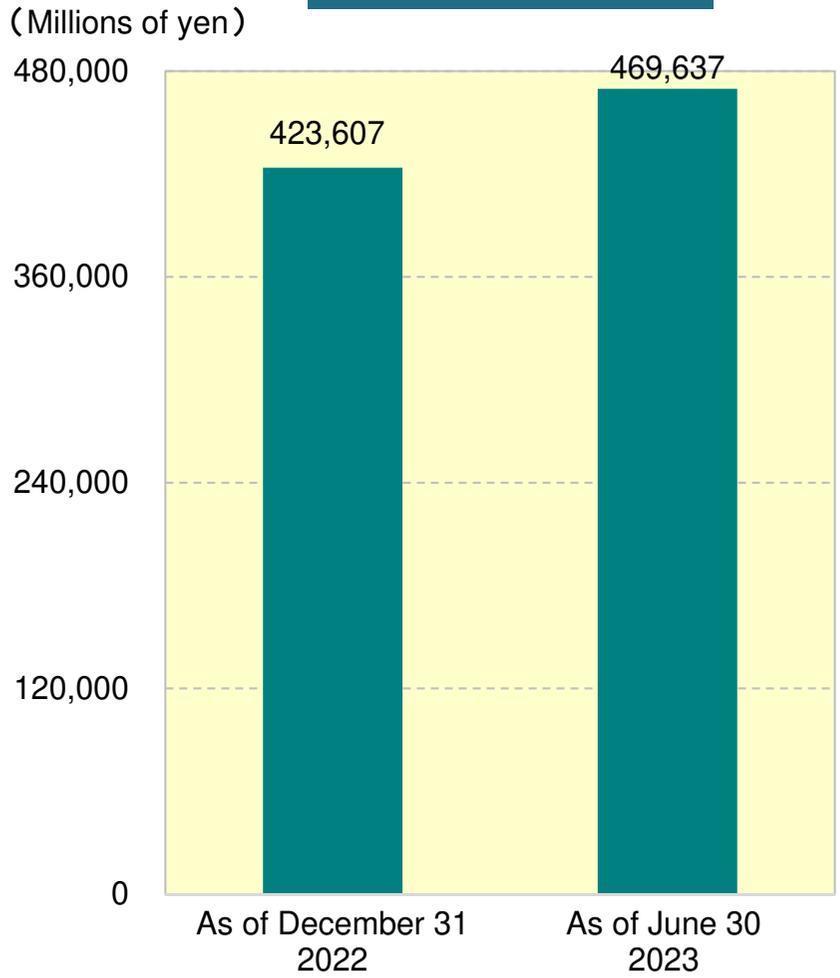
# Consolidated Balance Sheet

		As of December 31, 2022		As of June 30, 2023		
		Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Change (Millions of yen)
	Current assets	328,240	77.5	365,450	77.8	+37,209
	(Cash and cash equivalents)	226,066	53.4	248,666	52.9	+22,599
	(Notes and accounts receivable-trade)	45,783	10.8	54,896	11.7	+9,113
	(Inventory)	51,826	12.2	56,715	12.1	+4,888
	Non-current assets	95,366	22.5	104,186	22.2	+8,820
	Total assets	423,607	100.0	469,637	100.0	+46,030
	Current liabilities	102,987	24.3	115,882	24.7	+12,895
	(Notes and accounts payable-trade)	32,714	7.7	35,613	7.6	+2,898
	Non-current liabilities	28,370	6.7	29,384	6.3	+1,014
	Total liabilities	131,357	31.0	145,266	30.9	+13,909
	Total net assets	292,249	69.0	324,370	69.1	+32,120
	Total liabilities and net assets	423,607	100.0	469,637	100.0	+46,030
	Cash and deposits (including long-term deposits)	226,065		248,666		+22,601

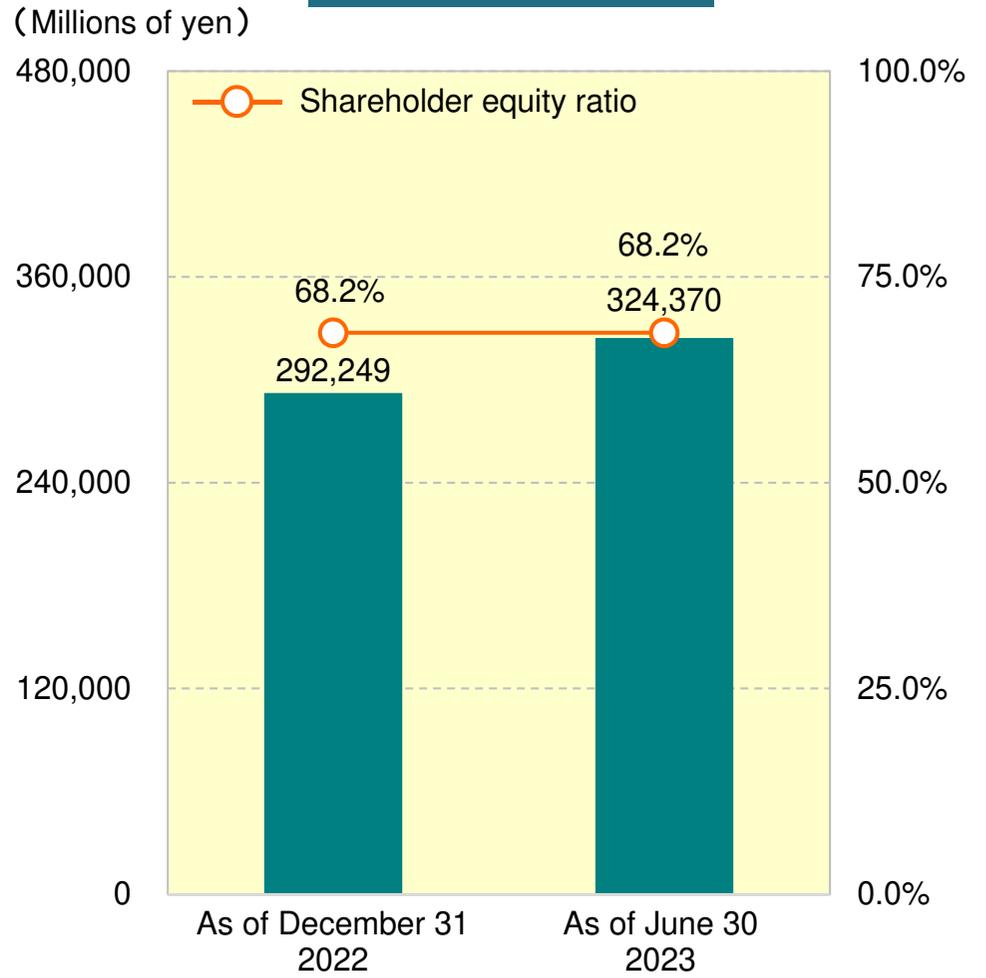


# Comparison of Consolidated Total Assets and Net Assets

## Total Assets



## Net Assets

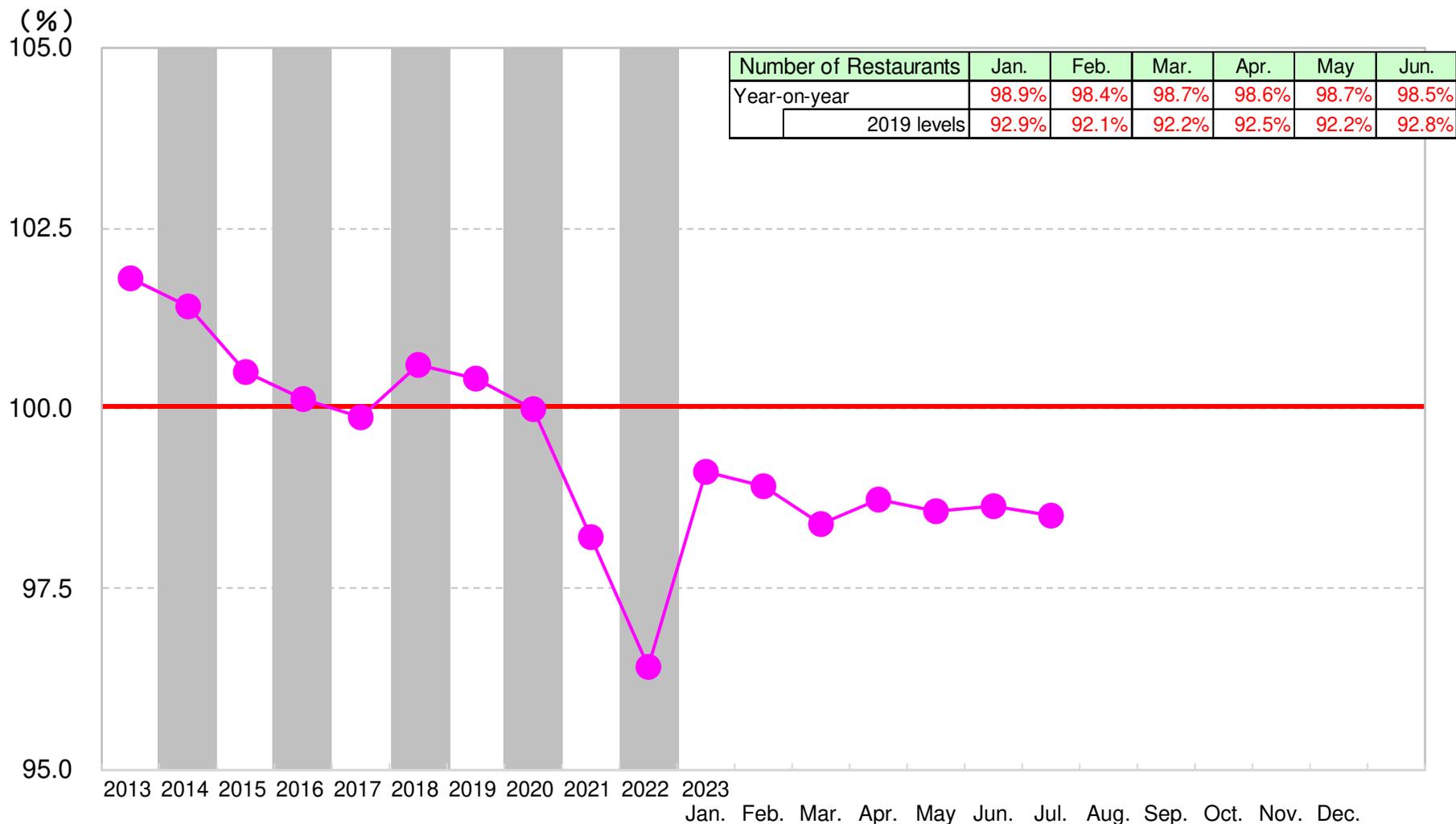




## **Ⅱ . Key Factors of Financial Results for FY 2023 2Q**

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

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

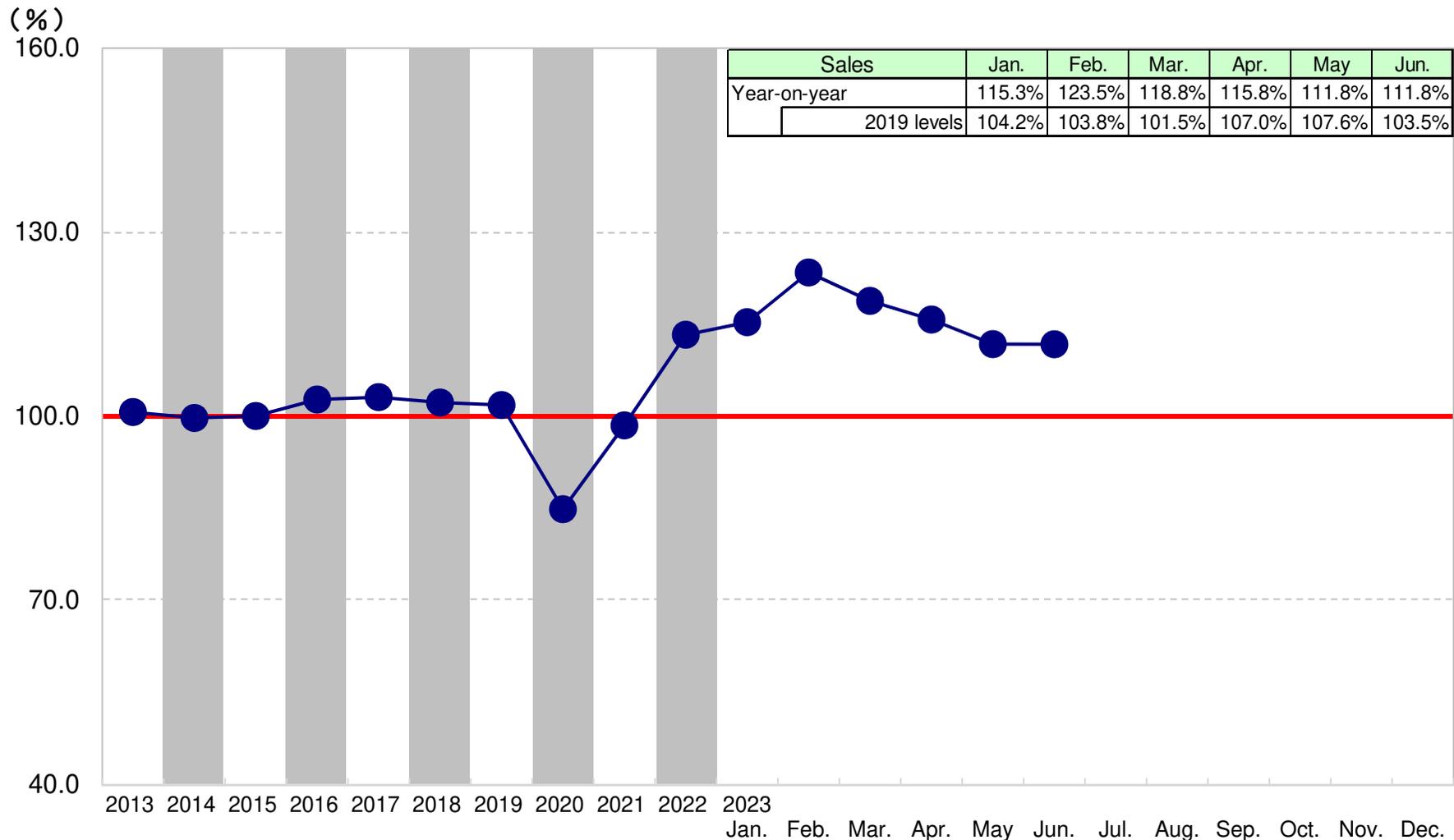


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Food service consumption is recovering following the COVID classified as “Class 5”.
- Due in part to increased inbound demand, overall sales in June were 111.8% year-on-year. 2019-year (Before COVID) comparison was 103.5%.

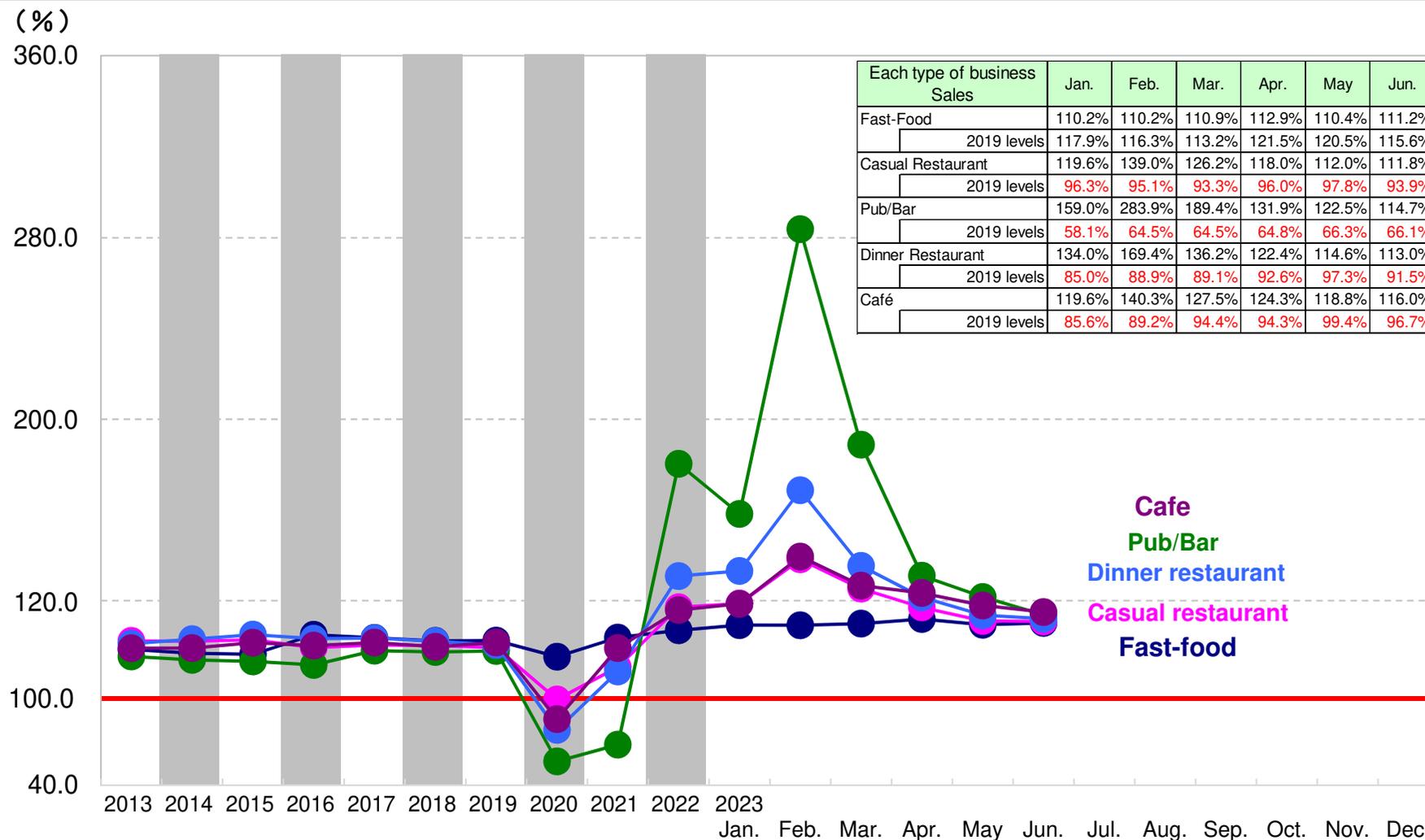


(Source: Japan Food Service Association “Trend Survey on the Food-Service Industry Annual Data”)



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

- Year-on-year recovery sales in all business categories.  
In Pubs/Bars the customers exceeded that of FY19 in the early evening hours.  
However the return of customers in the late evening hours is still low.



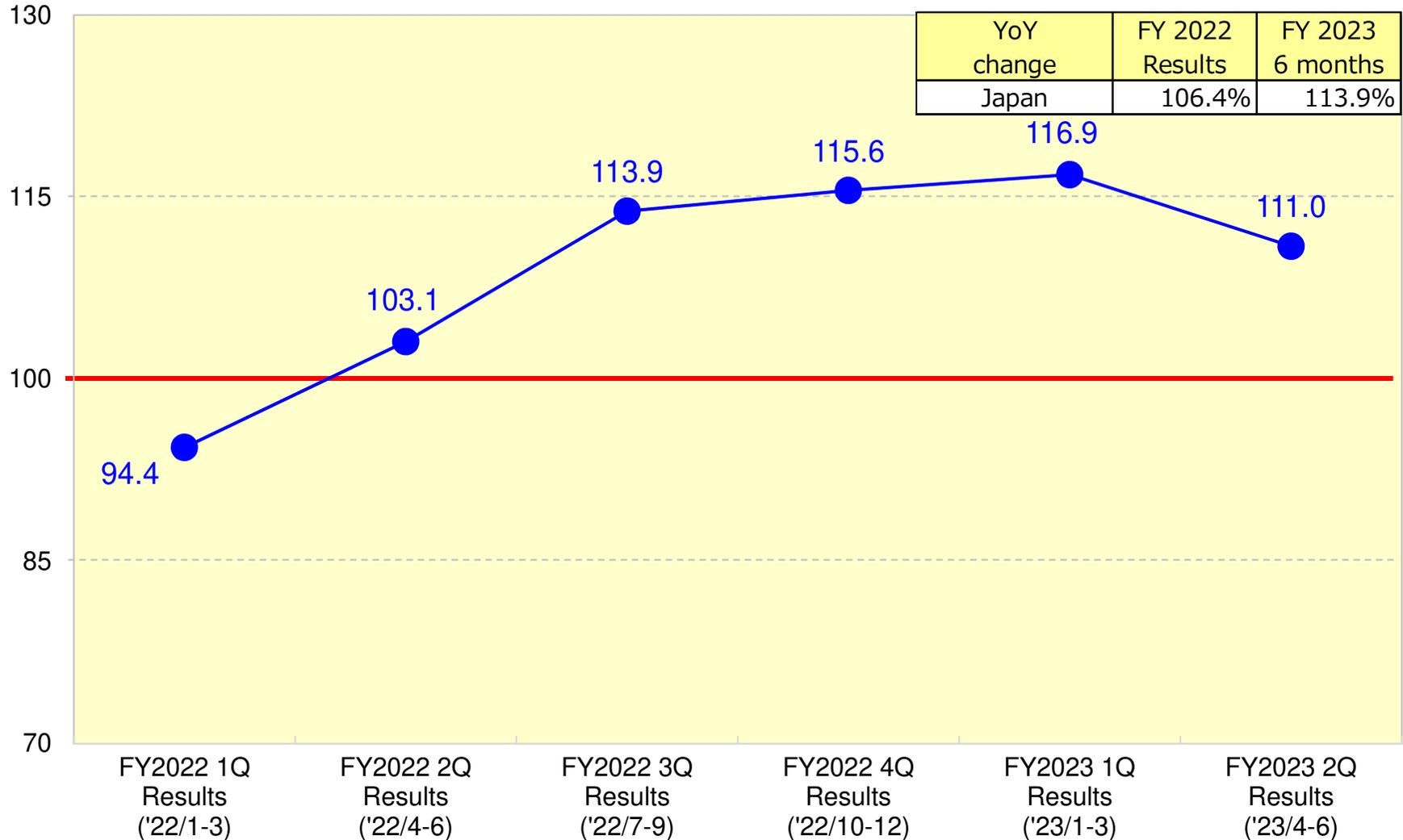
(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



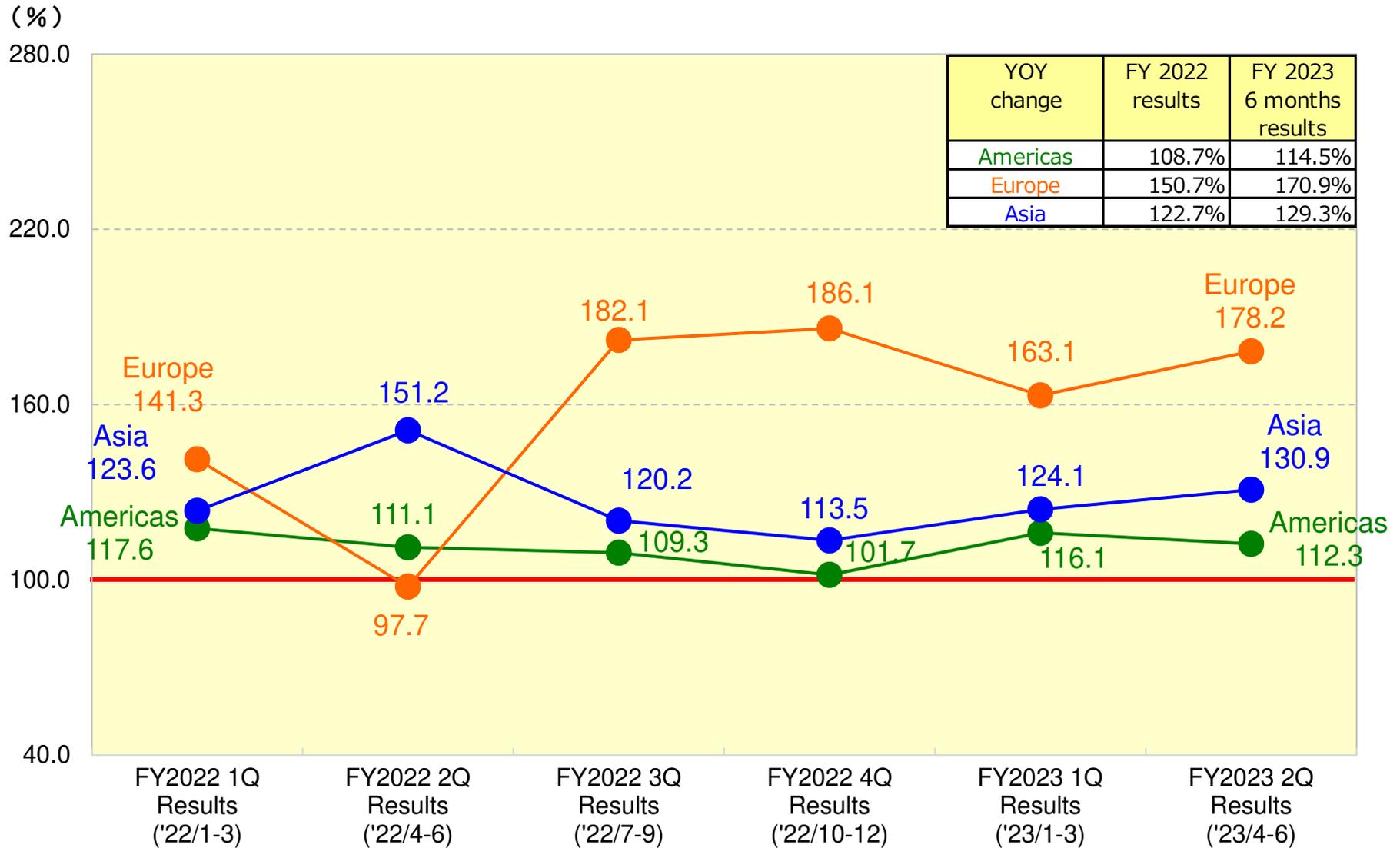
# Japan : Year-on-Year Change in Sales

- Following the COVID classified as Class 5, investment demand in the food service industry recovered along with the trend of the economy. Sales increased by promptly responding to the demand recovery.

(%)



# Overseas : Year-on-Year Change in Sales (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 Annual Securities Report.)





### **Ⅲ. Business Forecast for FY 2023**

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## Business Forecast for FY 2023

- The first half result exceeded initial expectations. Japanese economy recovered. Overseas demand was solid. Acquired companies last year contributed to earnings.
- Revised our earning forecast due to above factors and revision of foreign exchange rates assumption.
- (Key Exchange rates (average of the period) : 125 yen per US dollar, 135 yen per Euro, 145 yen.)

	FY 2022 results		FY 2023 forecast Feb 10th, 2023		FY 2023 forecast Aug 10th, 2023					
	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	321,338	100.0	350,000	100.0	355,000	100.0	33,662	110.5	5,000	101.4
Cost of sales	209,519	65.2	224,000	64.0	227,000	63.9	17,481	108.3	3,000	101.3
Gross profit	111,819	34.8	126,000	36.0	128,000	36.1	16,181	114.5	2,000	101.6
Selling, general and administrative expenses	83,903	26.1	92,000	26.3	91,000	25.6	7,096	108.5	-1,000	98.9
Operating income	27,915	8.7	34,000	9.7	37,000	10.4	9,085	132.5	3,000	108.8
Ordinary income	37,763	11.8	35,100	10.0	42,000	11.8	4,237	111.2	6,900	119.7
Profit attributable to owners of parent	24,345	7.6	23,300	6.7	29,000	8.2	4,655	119.1	5,700	124.5





## **IV. Company Profile and Overview of Business**

**HOSHIZAKI**

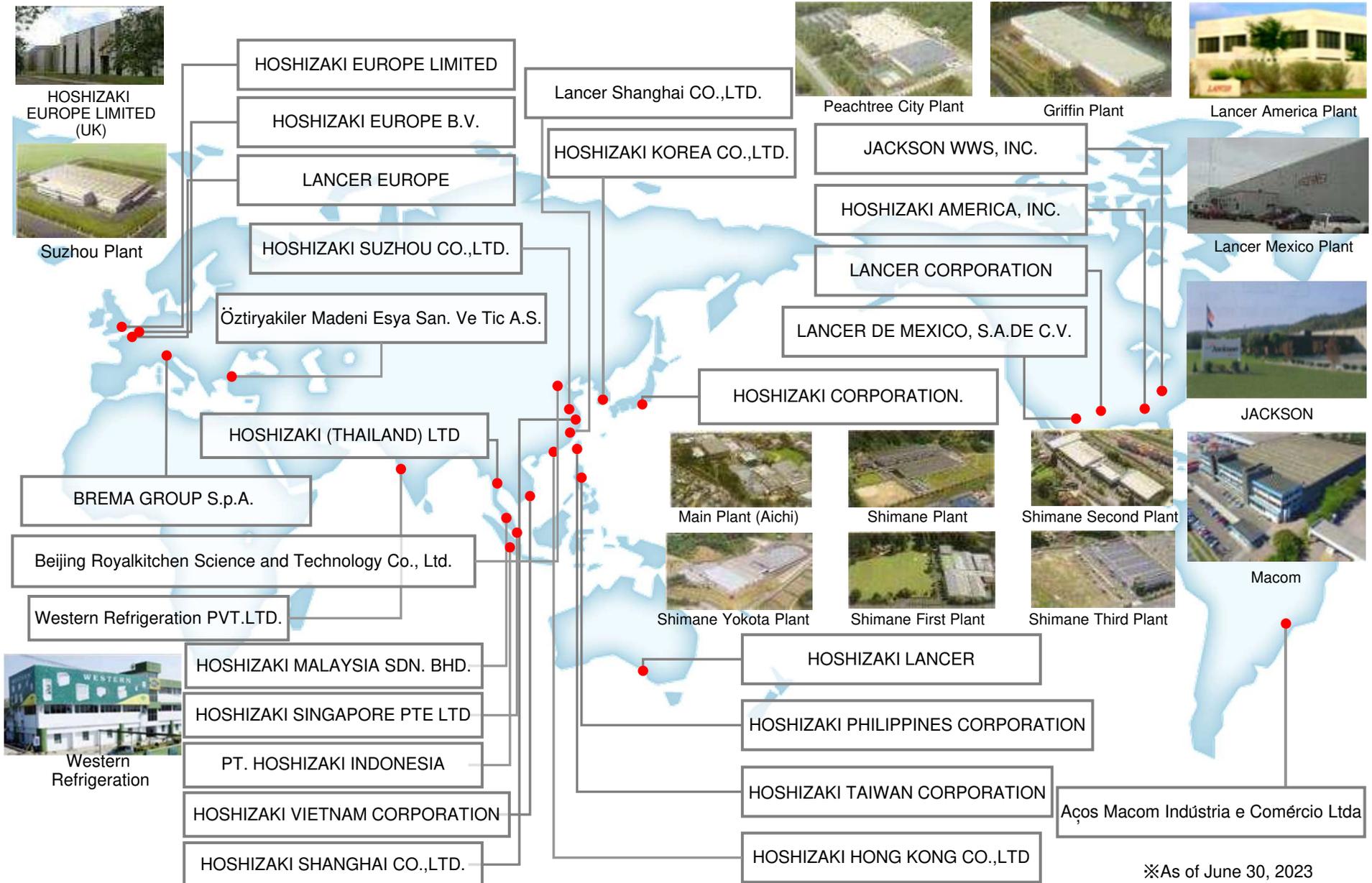
# Company Profile



- 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 : 56 companies  
(19 companies in Japan, 17 companies in Americas, 20 companies in Europe and Asia)  
(As of June 30, 2023 \*Including HOSHIZAKI CORPORATION)
- Number of employees : 1,165 persons (HOSHIZAKI CORPORATION)  
13,360 persons (Group total) (As of June 30, 2023)
- Number of sales offices in Japan : 433 places \*Including Service Centers (As of June 30, 2023)



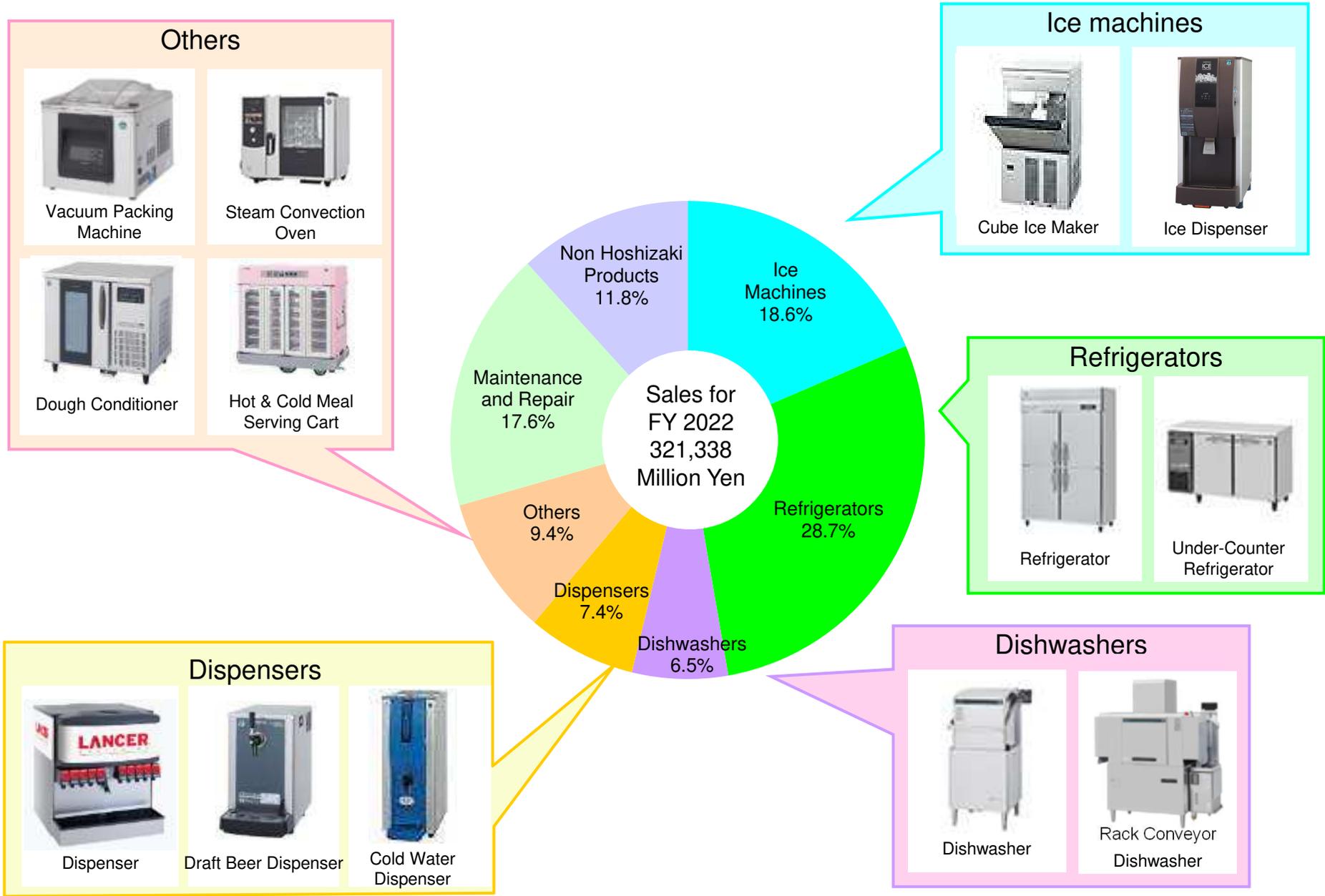
# Global Network, Production and Sales Offices



※As of June 30, 2023



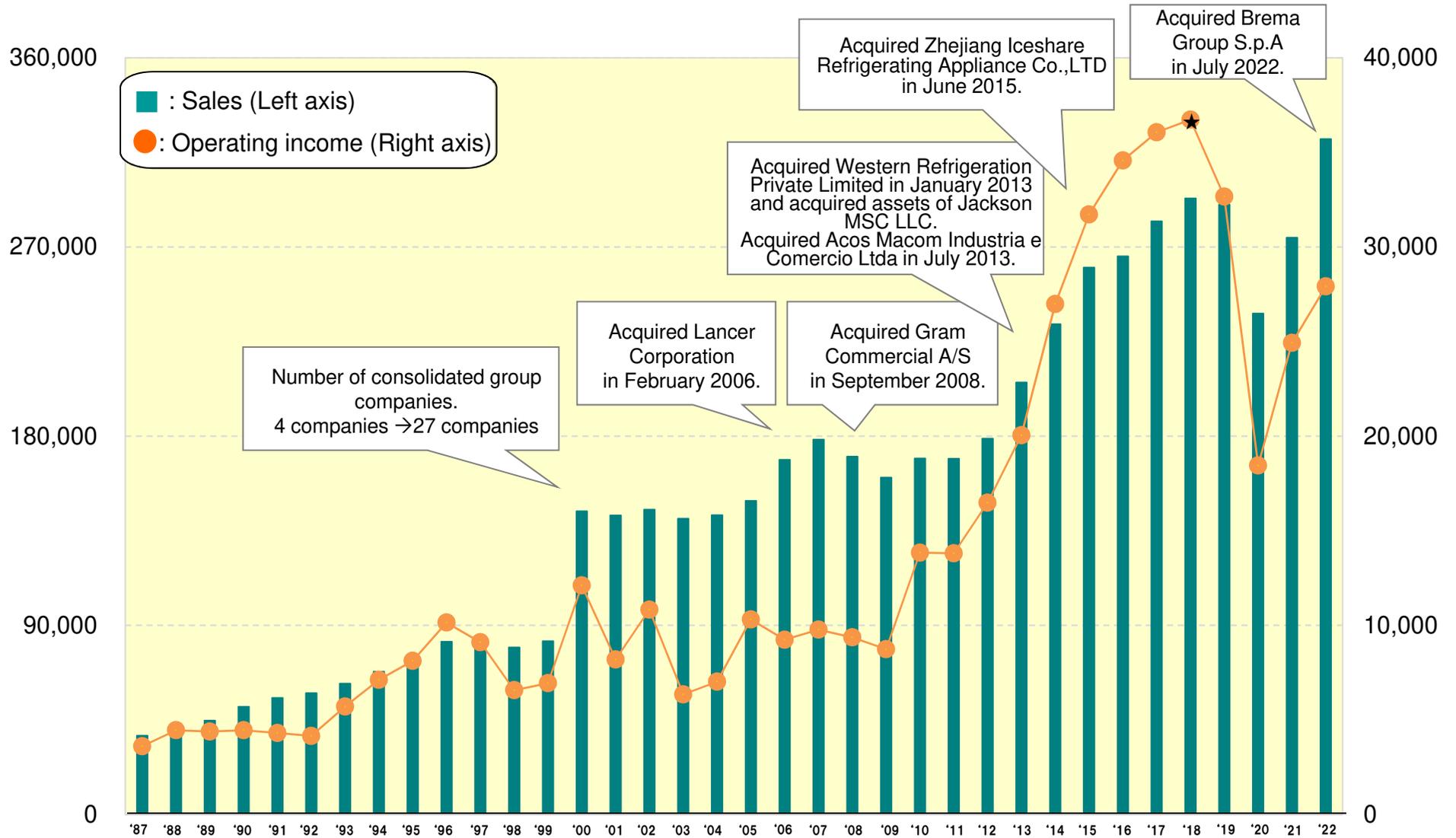
# Main Product Group and Sales Breakdown



# Long-term Business Performance Consolidated Basis

(Millions of Yen)

(Millions of Yen)



★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.

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HOSHIZAKI CORPORATION  
Corporate Planning & Strategy Dept.  
TEL (0562) 96-1320  
URL <http://www.hoshizaki.co.jp/>

