



Summary of Business Performance

The Third 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

November 10, 2023

HOSHIZAKI

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I . Financial Results for FY 2023 3Q

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Foreign Exchange Rates

	Average of Period			End of Period	
	FY2022 9 months	FY2023 9 months	Forecast of FY 2023 (Aug. 10th 2023)	FY2022 End of December	FY2023 End of September
US dollar	128.2	138.2	135.0	132.7	149.5
Pound	160.6	172.2	160.0	160.0	182.5
Euro	136.0	149.7	145.0	141.4	158.0
Singapore dollar	93.1	103.1	97.0	98.7	109.4
Chinese yuan	19.3	19.6	20.0	19.0	20.4
Denmark krone	18.2	20.1	19.1	19.0	21.1
Taiwan dollar	4.3	4.4	4.5	4.3	4.6
Hong Kong dollar	16.3	17.6	17.1	17.0	19.1
Indian rupee	1.66	1.69	1.68	1.61	1.81
South Korean won	0.1010	0.1064	0.1050	0.1055	0.1111
Brazilian real	25.0	27.6	26.5	25.4	29.8
Indonesian Rupiah	0.0088	0.0092	0.0092	0.0085	0.0097
Thai Baht	3.7	4.0	3.8	3.8	4.0
Malaysia Ringgito	29.4	30.5	30.5	30.0	31.8
Viet Nam Dong	0.0055	0.0058	0.0058	0.0056	0.0062
Philippine Peso	2.41	2.51	2.51	2.40	2.65



Summary of Financial Results for FY 2023 3Q

■ Although Q3 results were strong, mainly due to expanded performance overseas, the full-year forecast was left unchanged because the macro environment in Japan and overseas is uncertain and it was difficult to foresee the impact of the business performance.

■ Sales : 282.1 billion yen (increased 18.0% year-on-year)

- Japan : 155.6 billion yen (increased 10.0%)
- Overseas : 126.4 billion yen (increased 29.6%) Overseas sales ratio : 44.8% (increased 4.0pt)

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

- Japan: Aggressive sales expansion centered on mainstay products for the restaurant market, which is undergoing deepening and aggressive cultivation, and the non restaurant market, which is undergoing aggressive cultivation. Sales increased on the back of economic recovery and rising inbound demand.
- Overseas: Against a backdrop of solid demand, improving productivity in terms of manufacturing and developing new customers, resulting in an increase in sales.

■ Operating Income : 35.5 billion yen (increased 54.7%) Operating income margin : 12.6% (increased 3.0pt)

- Japan : 20.9 billion yen (increased 32.1%) Operating income margin : 13.5% (increased 2.3pt)
- Overseas : 15.7 billion yen (increased 85.1%) Operating income margin : 12.5% (increased 3.7pt)

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

- Despite rising material and labor costs, increased profits by increasing sales, revising prices, and improving profitability.

■ Ordinary Income : 43.3 billion yen (increased 13.2%)

- Foreign exchange gains of 5.1 billion yen from deposits in foreign currencies were recorded as non-operating income. (15.1 billion yen of foreign exchange gains were recorded in the previous fiscal year.)

■ Profit Attributable to Owners of Parent : 30.0 billion yen (increased 14.3%)



Consolidated Business Performance

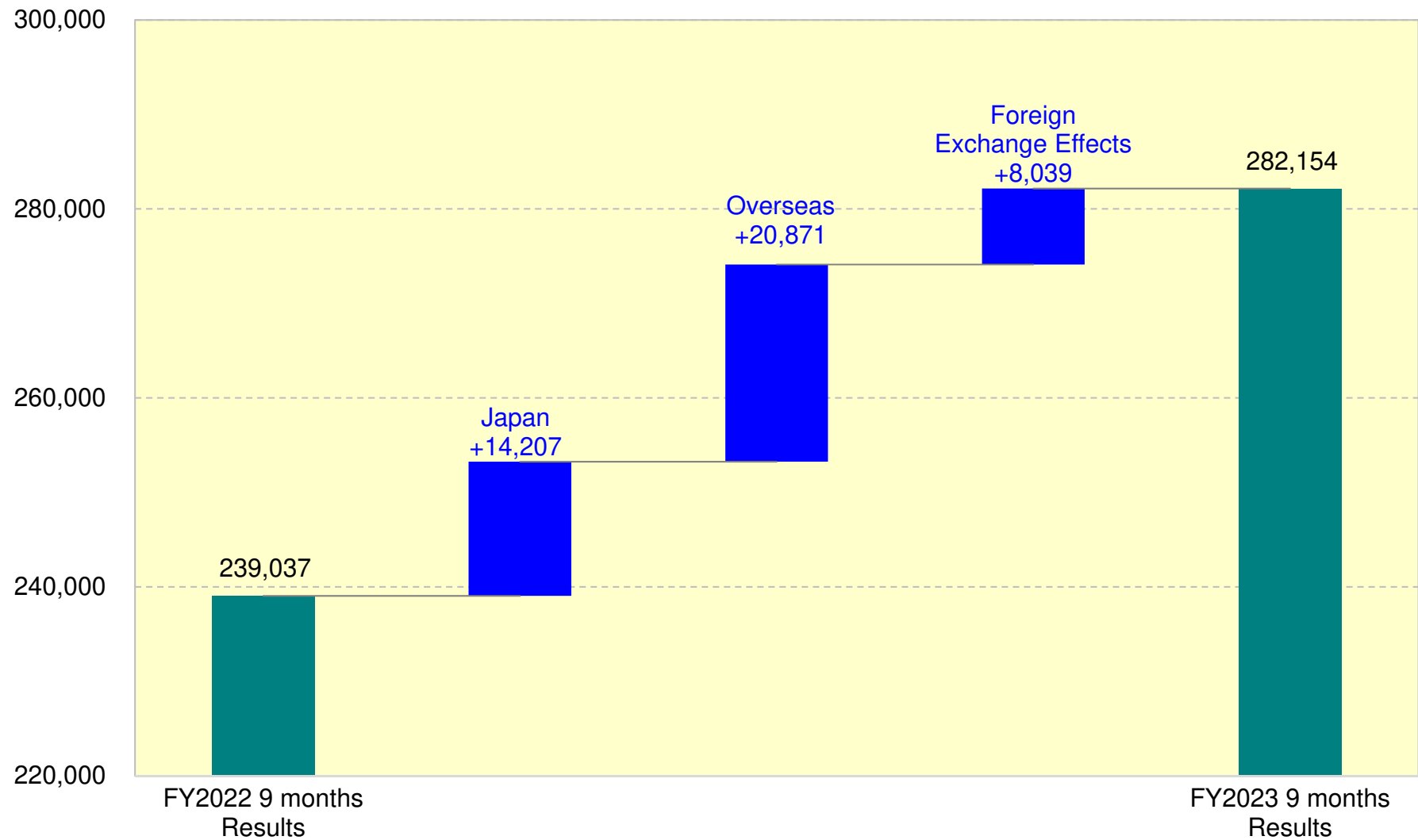
	FY 2022 9 months results		FY 2023 9 months results			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
					Change (Millions of yen)	Percentage
Sales	239,037	100.0	282,154	100.0	+43,116	118.0
Cost of sales	153,608	64.3	178,542	63.3	+24,934	116.2
Gross profit	85,429	35.7	103,611	36.7	+18,182	121.3
Selling, general and administrative expenses	62,424	26.1	68,033	24.1	+5,609	109.0
Operating income	23,005	9.6	35,577	12.6	+12,572	154.7
Ordinary income	38,317	16.0	43,380	15.4	+5,063	113.2
Profit attributable to owners of parent	26,257	11.0	30,016	10.6	+3,758	114.3

*The consolidated statement of income for the first nine months of 2022 has been changed due to the finalization of the provisional accounting treatment originally performed for the business combination with Brema, which was acquired on July 1, 2022.



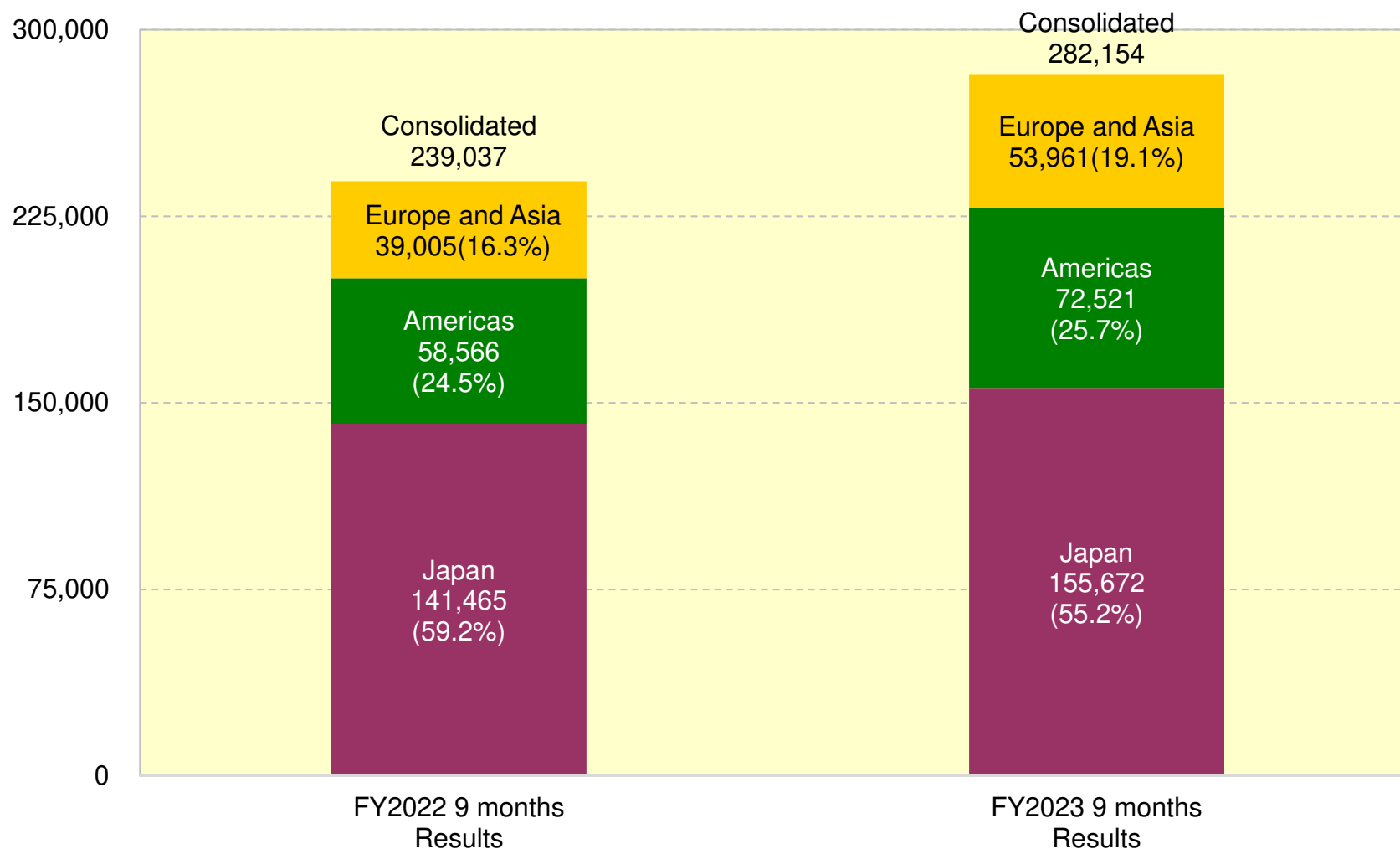
Factors for Change in Consolidated Sales by Japan and Overseas

(Millions of yen)



Year-on-year Comparison of Sales by Reporting Segments

(Millions of yen)



*Figures in parenthesis indicate component percentages.

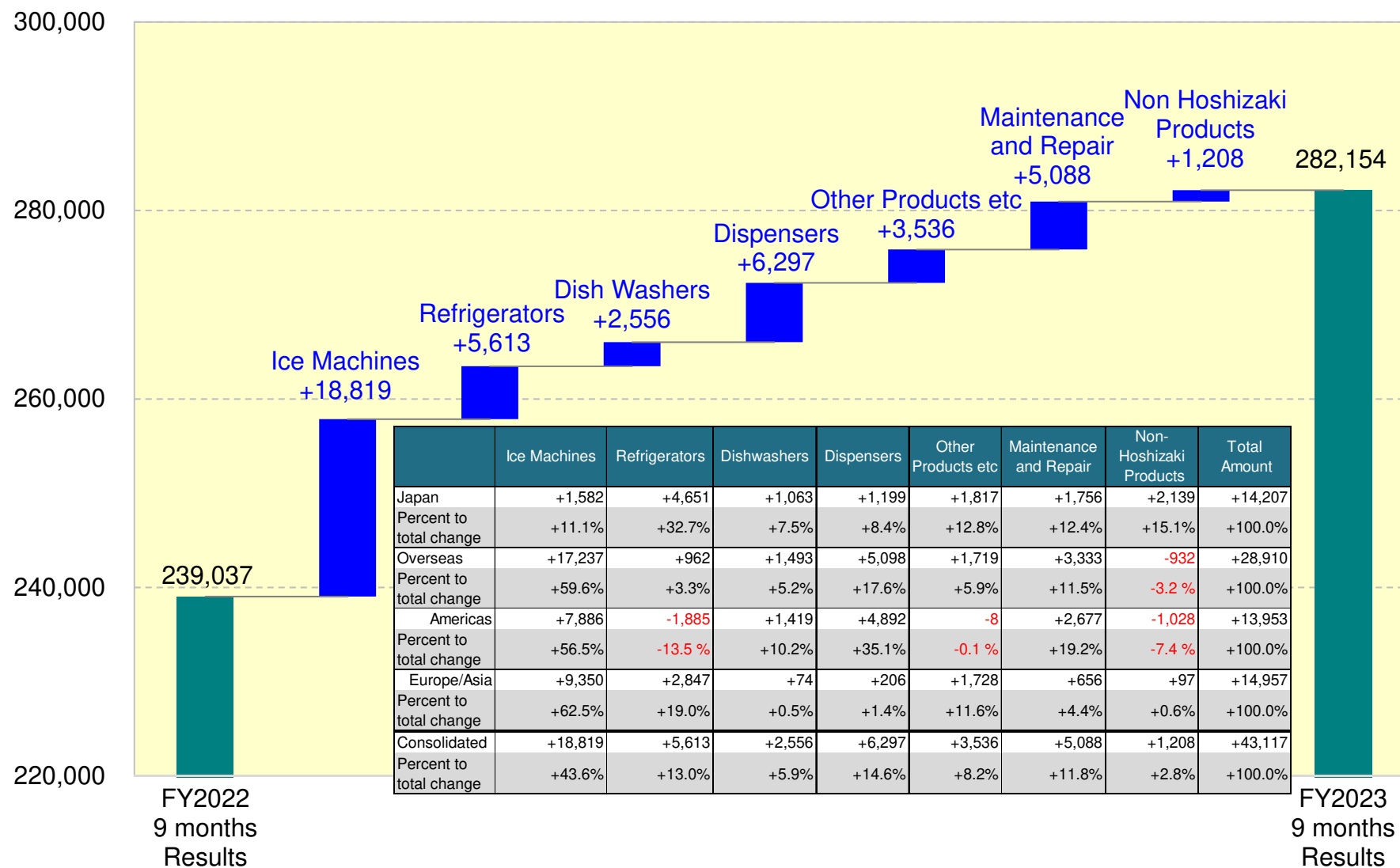
*Classified according to the location of the head offices. (e.g. Lancer Europe is included in "Americas")

(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)

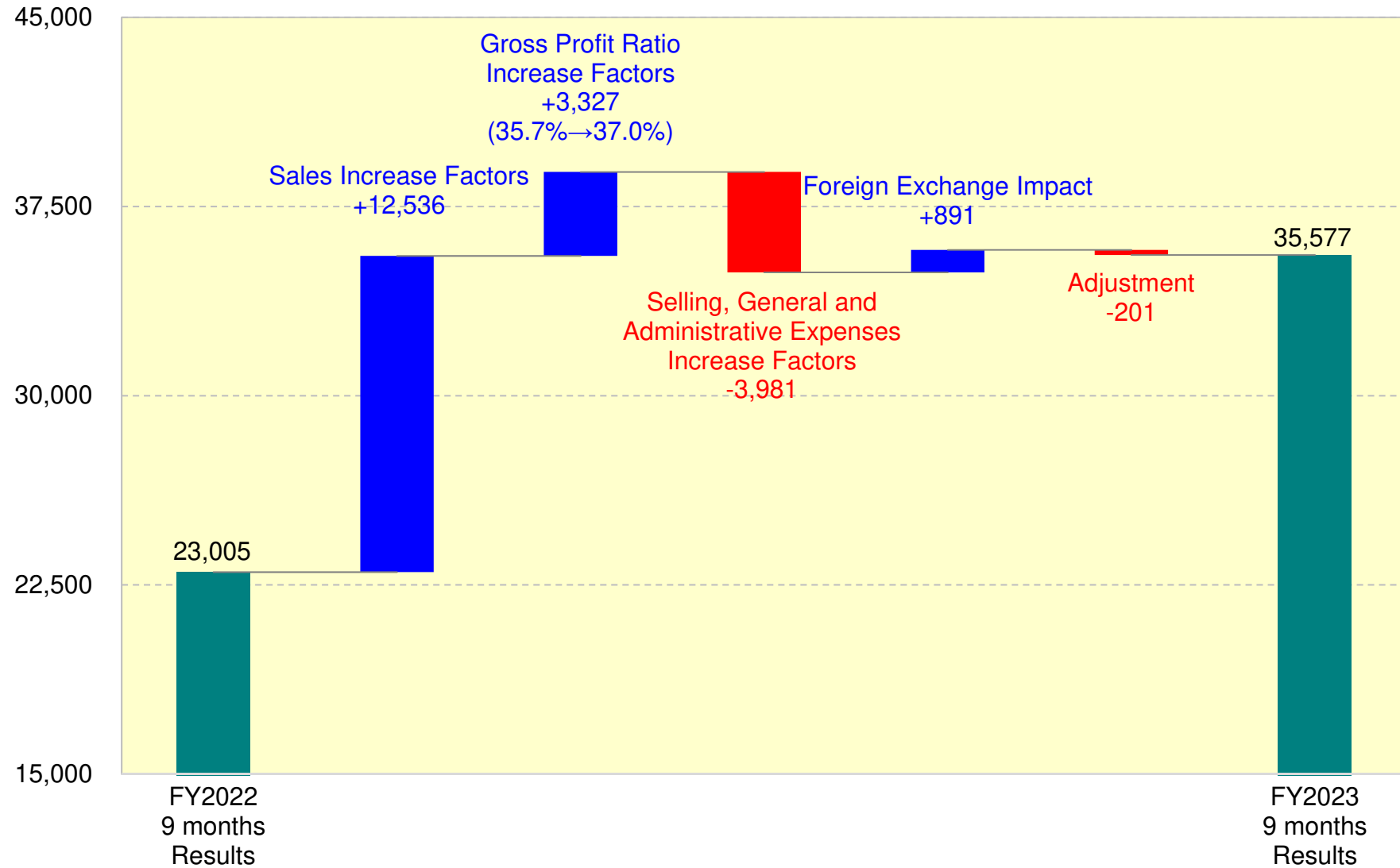


Factors for Change in Consolidated Operating Income

(Millions of yen)

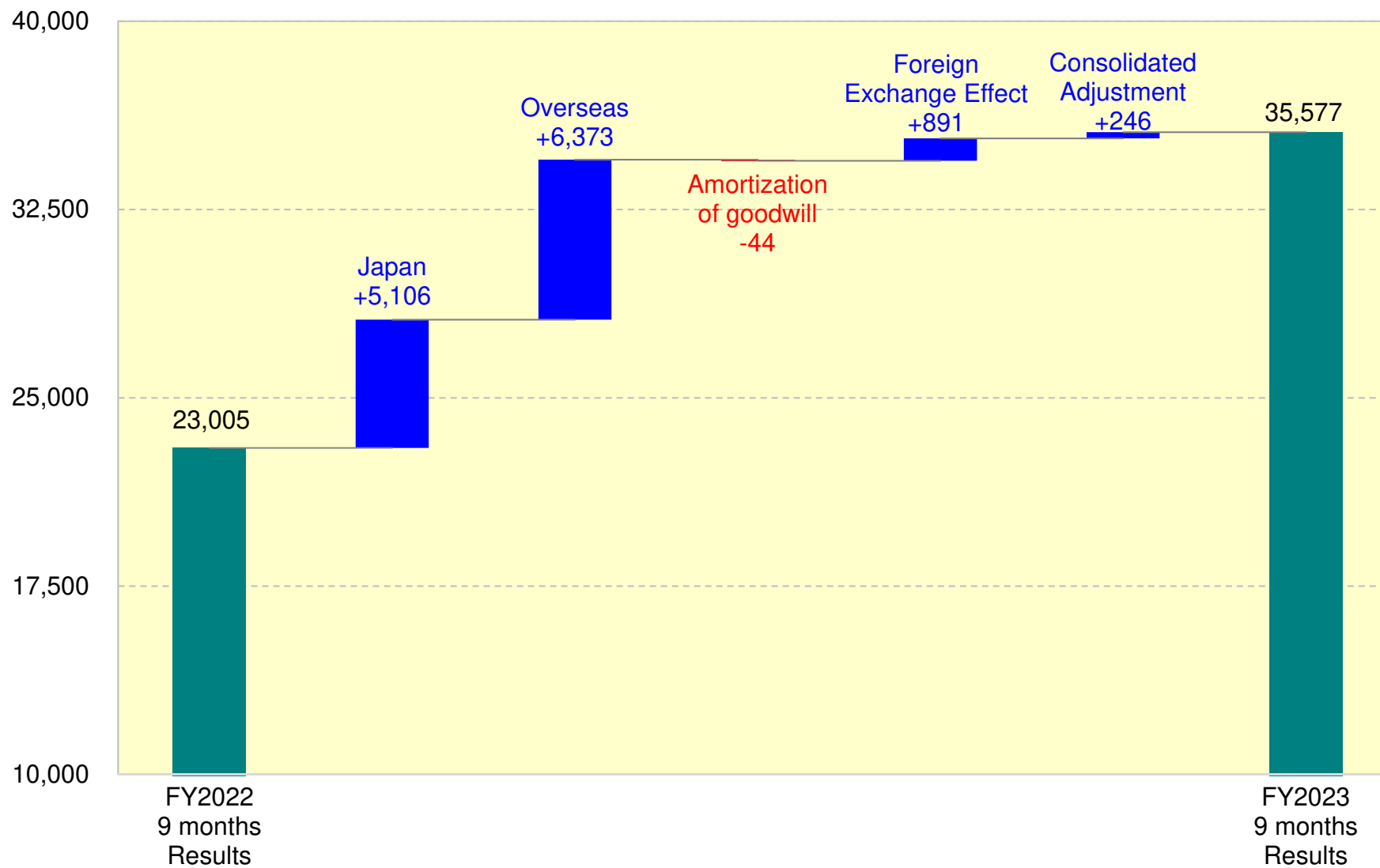
*The figures in parentheses indicate the ratio of sales to total sales.

*Foreign exchange rate effects are shown separately.



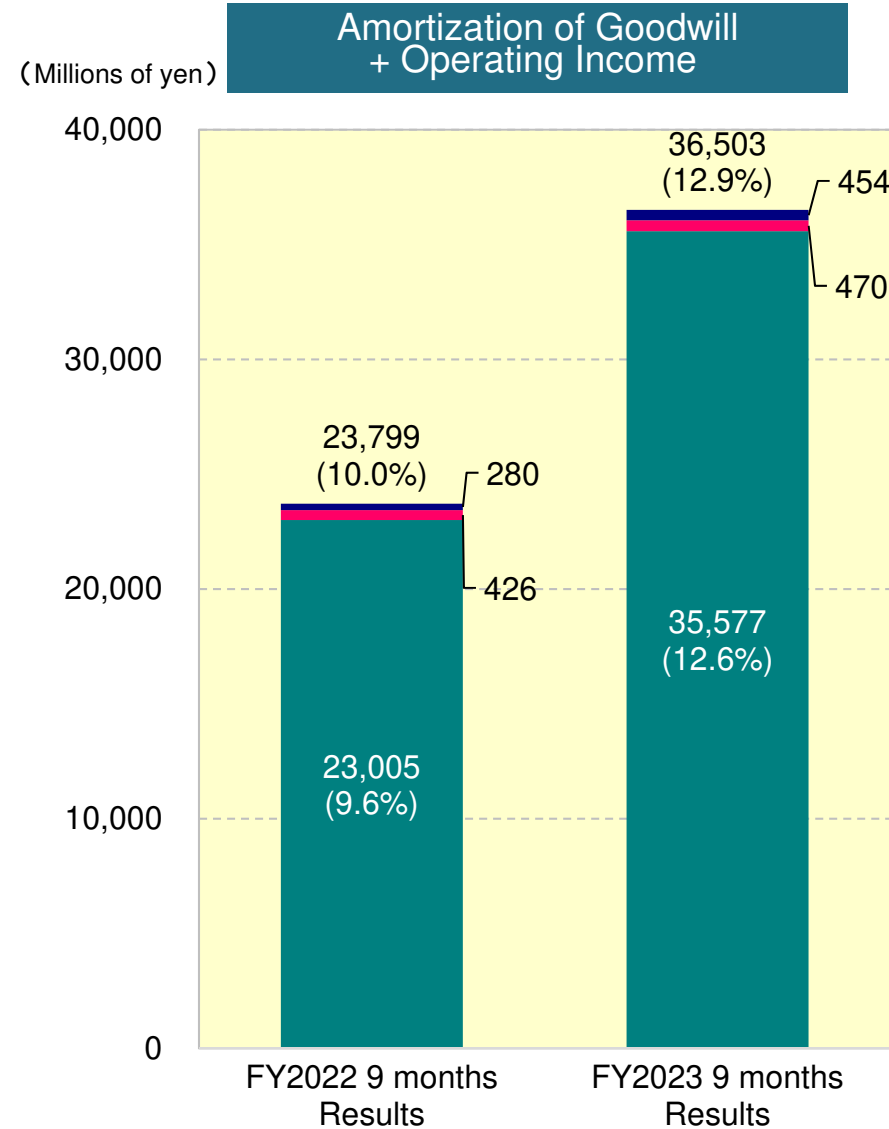
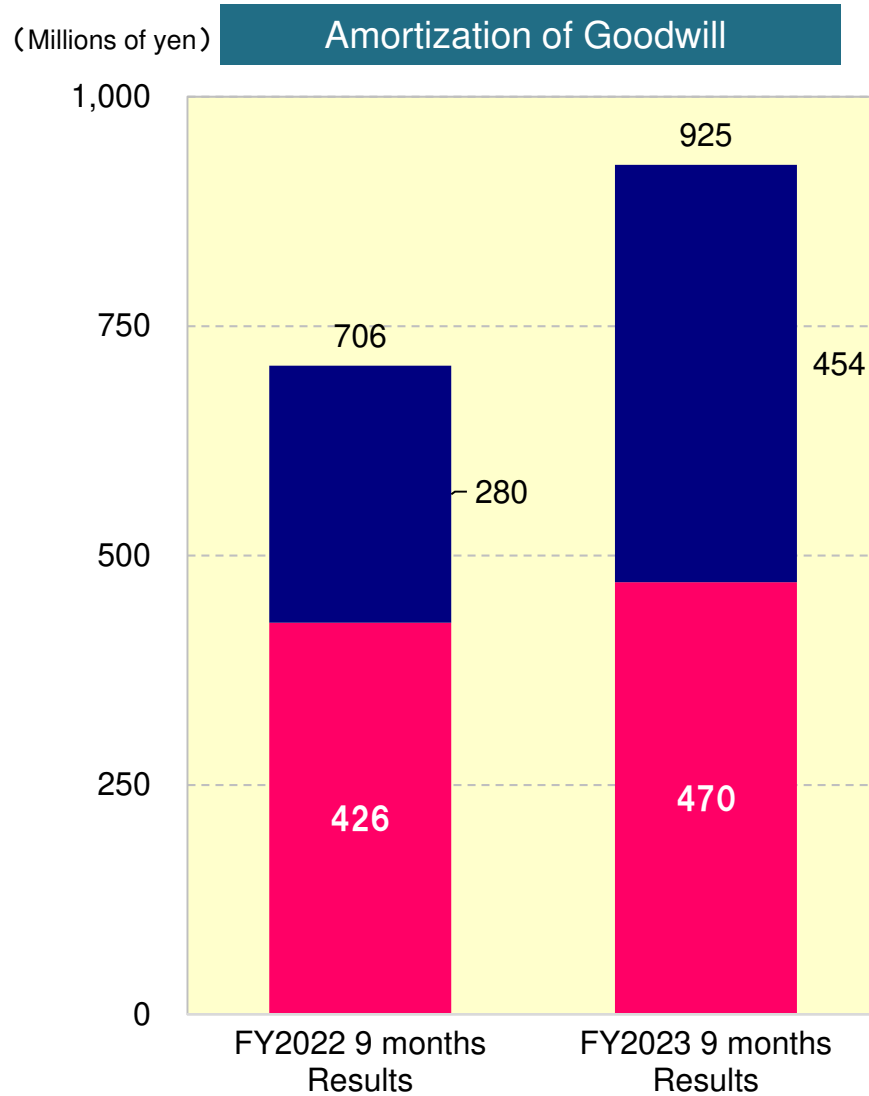
Factors for Change in Consolidated Operating Income by Japan and Overseas

(Millions of yen)



Impact of Goodwill Amortization

■ Amortization of intangible asset
■ Amortization of goodwill
■ Operating income



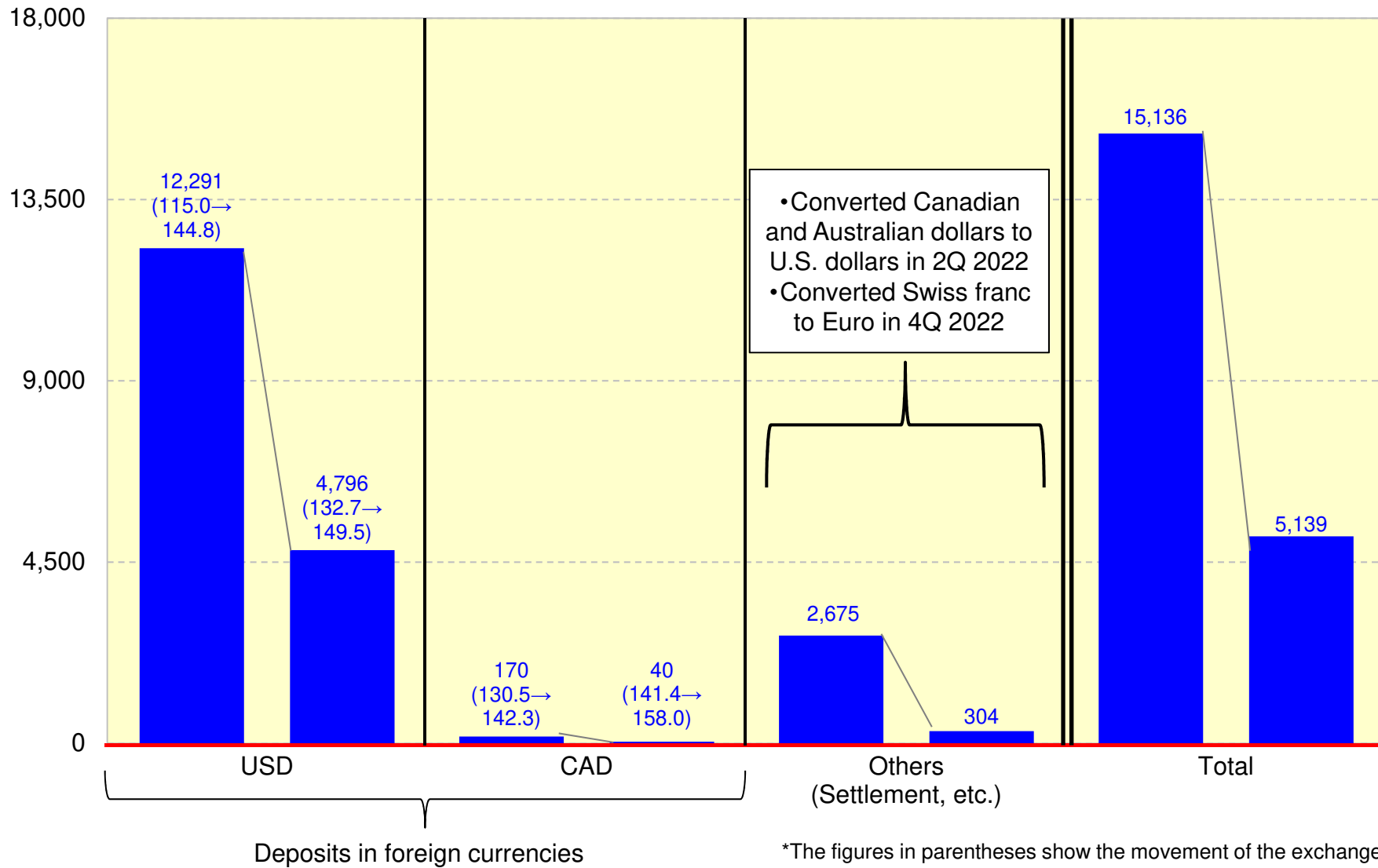
*Percentages in parentheses indicate sales ratio.



Breakdown of Foreign Exchange Gain and Loss

(Millions of yen)

Left : FY2022 9 months Results
Right : FY2023 9 months Results



Consolidated Balance Sheet

	As of December 31, 2022		As of September 30, 2023		
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Change (Millions of yen)
Current assets	328,240	77.4	371,273	77.3	+43,033
(Cash and cash equivalents)	226,066	53.3	255,239	53.1	+29,173
(Notes and accounts receivable-trade)	45,783	10.8	57,481	12.0	+11,698
(Inventory)	51,826	12.2	54,153	11.3	+2,326
Non-current assets	95,658	22.6	109,122	22.7	+13,464
Total assets	423,898	100.0	480,395	100.0	+56,497
Current liabilities	102,987	24.3	113,824	23.7	+10,837
(Notes and accounts payable-trade)	32,714	7.7	34,323	7.1	+1,608
Non-current liabilities	28,411	6.7	29,066	6.1	+654
Total liabilities	131,398	31.0	142,890	29.7	+11,492
Total net assets	292,500	69.0	337,505	70.3	+45,004
Total liabilities and net assets	423,898	100.0	480,395	100.0	+56,497
Cash and deposits (including long-term deposits)	226,065		255,239		+29,174

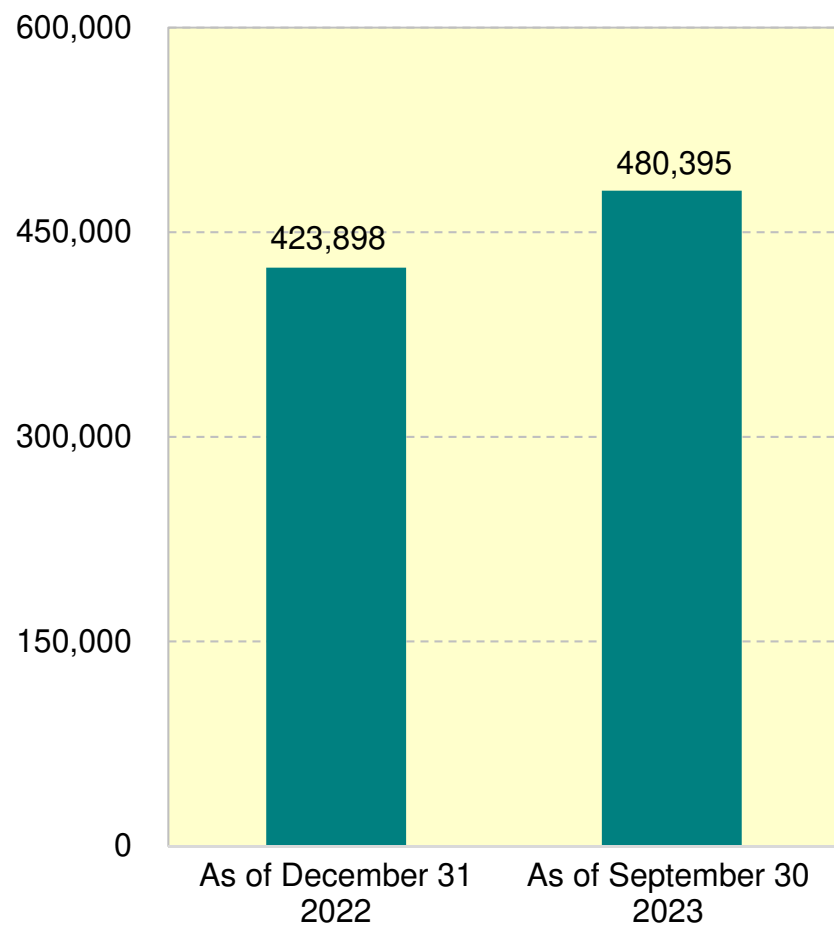
*The consolidated balance sheet for the year ended December 31, 2022 has changed due to the finalization of the tentative accounting treatment originally performed for the business combination with Brema acquired on July 1, 2022 and Royalkitchen acquired on December 22, 2022.



Comparison of Consolidated Total Assets and Net Assets

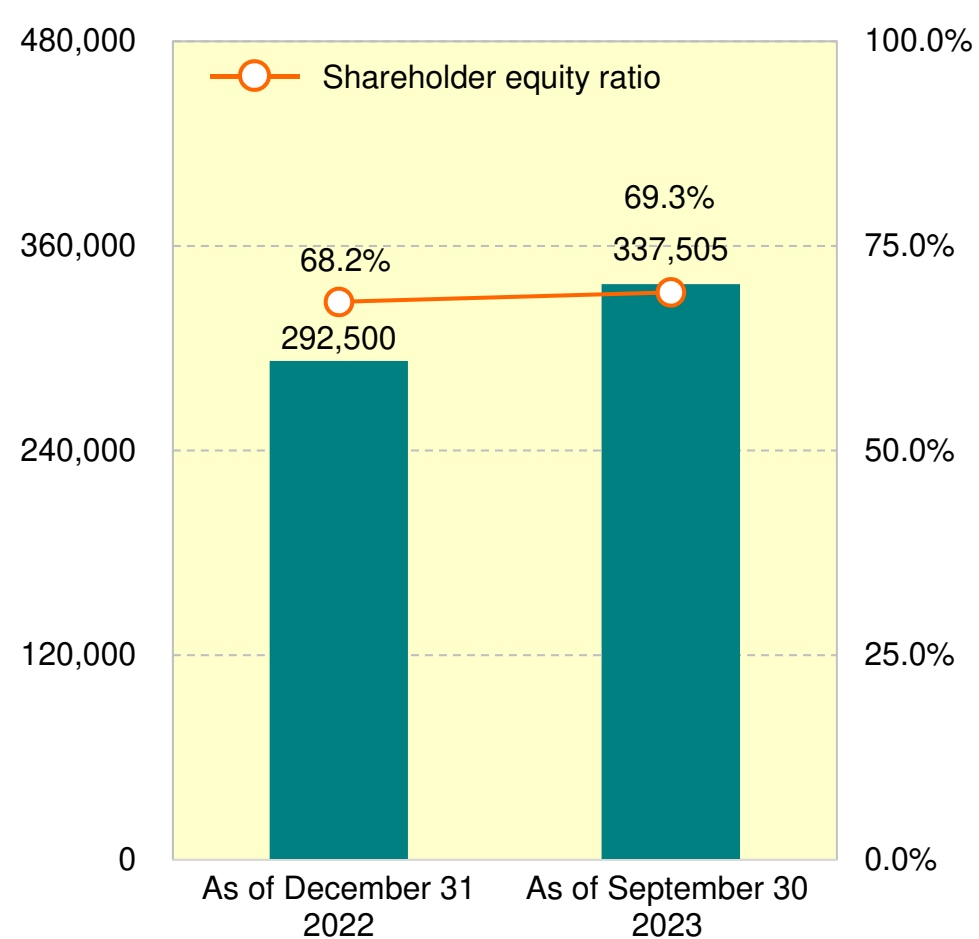
Total Assets

(Millions of yen)



Net Assets

(Millions of yen)

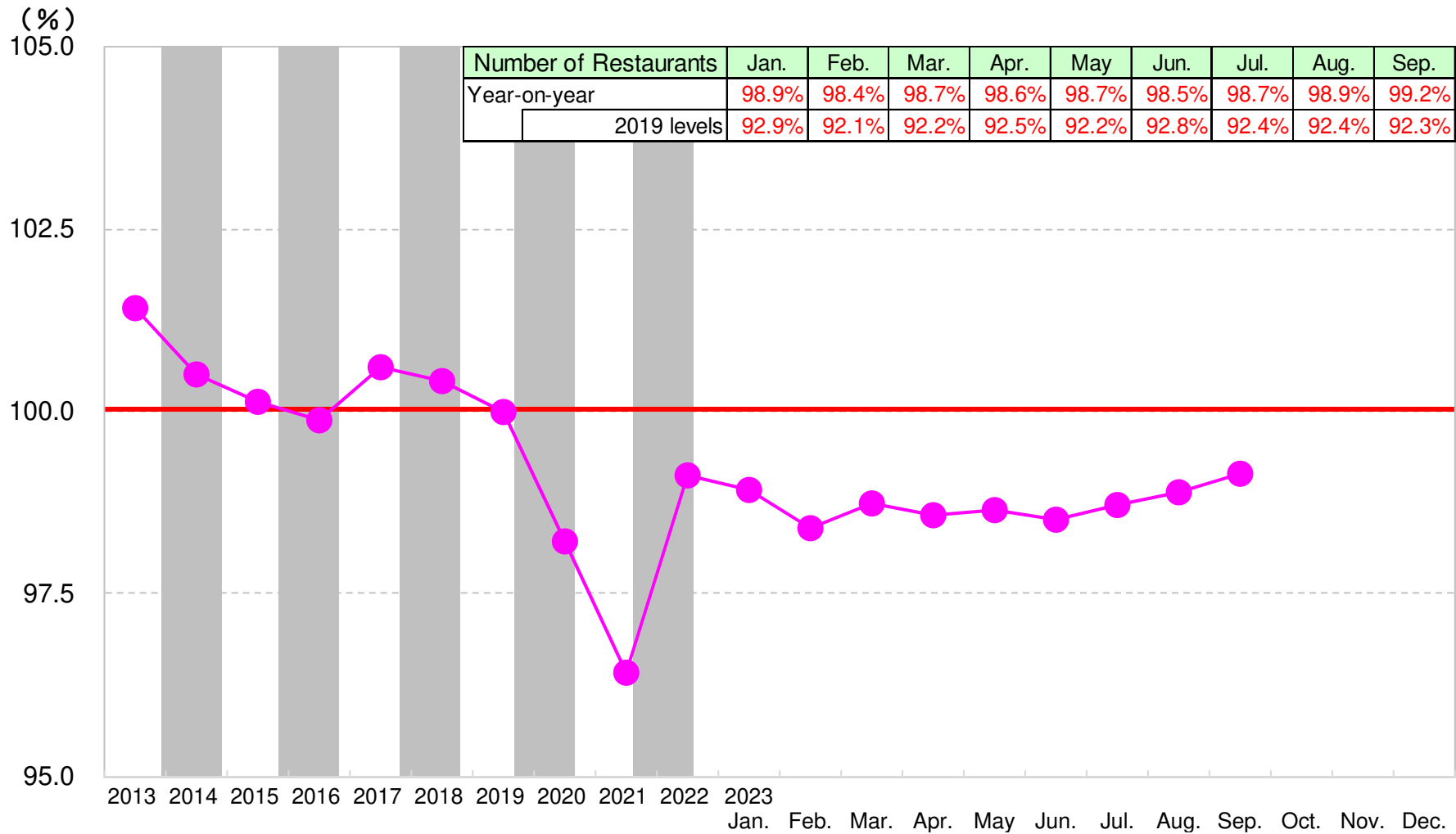




Ⅱ . Key Factors of Financial Results for FY 2023 3Q

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

- The number of all stores has continued to decline since 2020.

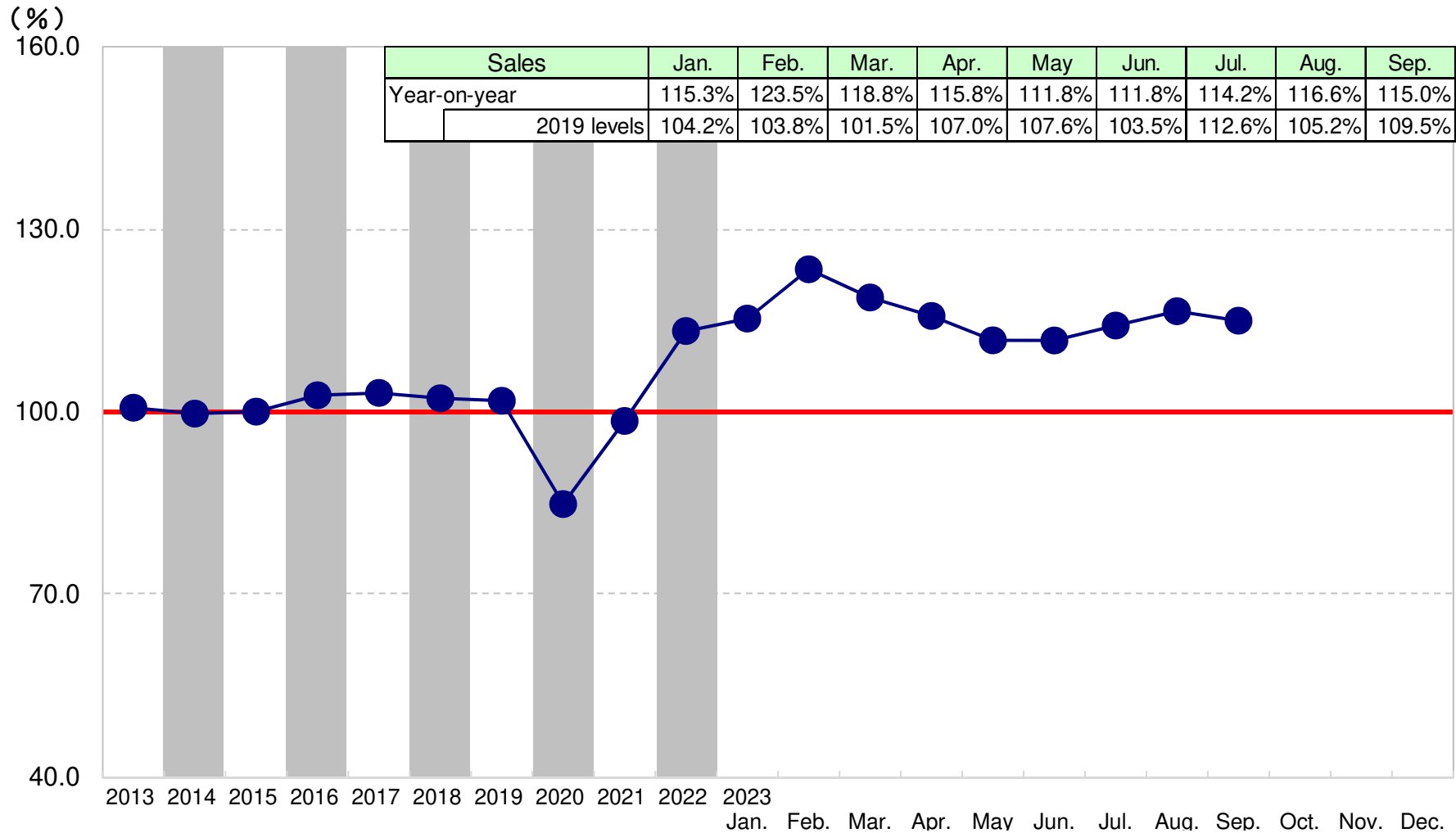


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Sales in the restaurant industry continue to recover, due in part to increased inbound demand, with September all-store sales at 115.0% year-on-year and 109.5% year-on-year over the 19-year period prior to COVID.

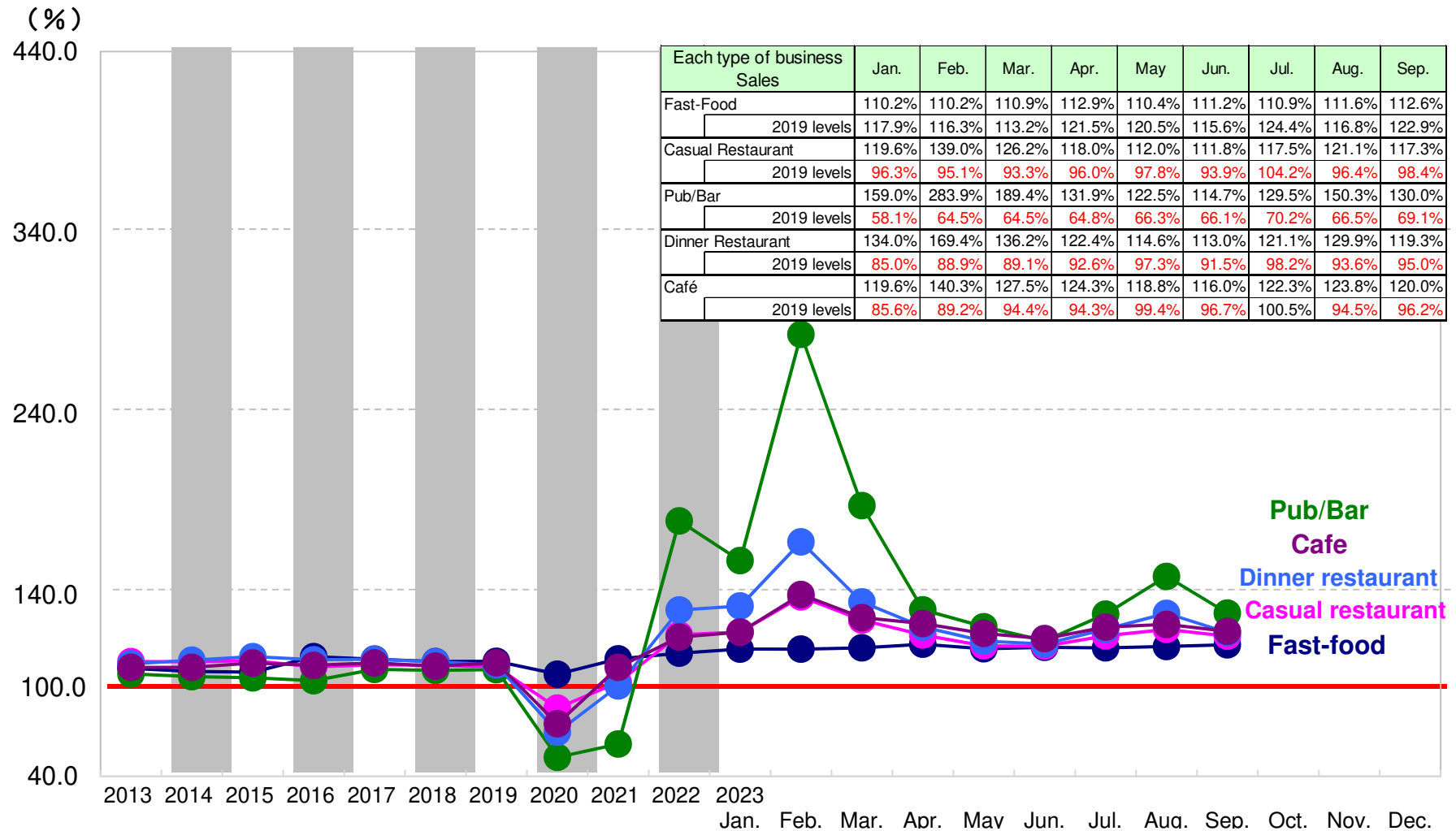


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- All business categories posted sales of 100% or more than in the same month of the previous year. On the other hand, business categories other than Fast-Food took longer to recover, especially Pub/Bar, where sales remained at around 70% of the 19-year level.

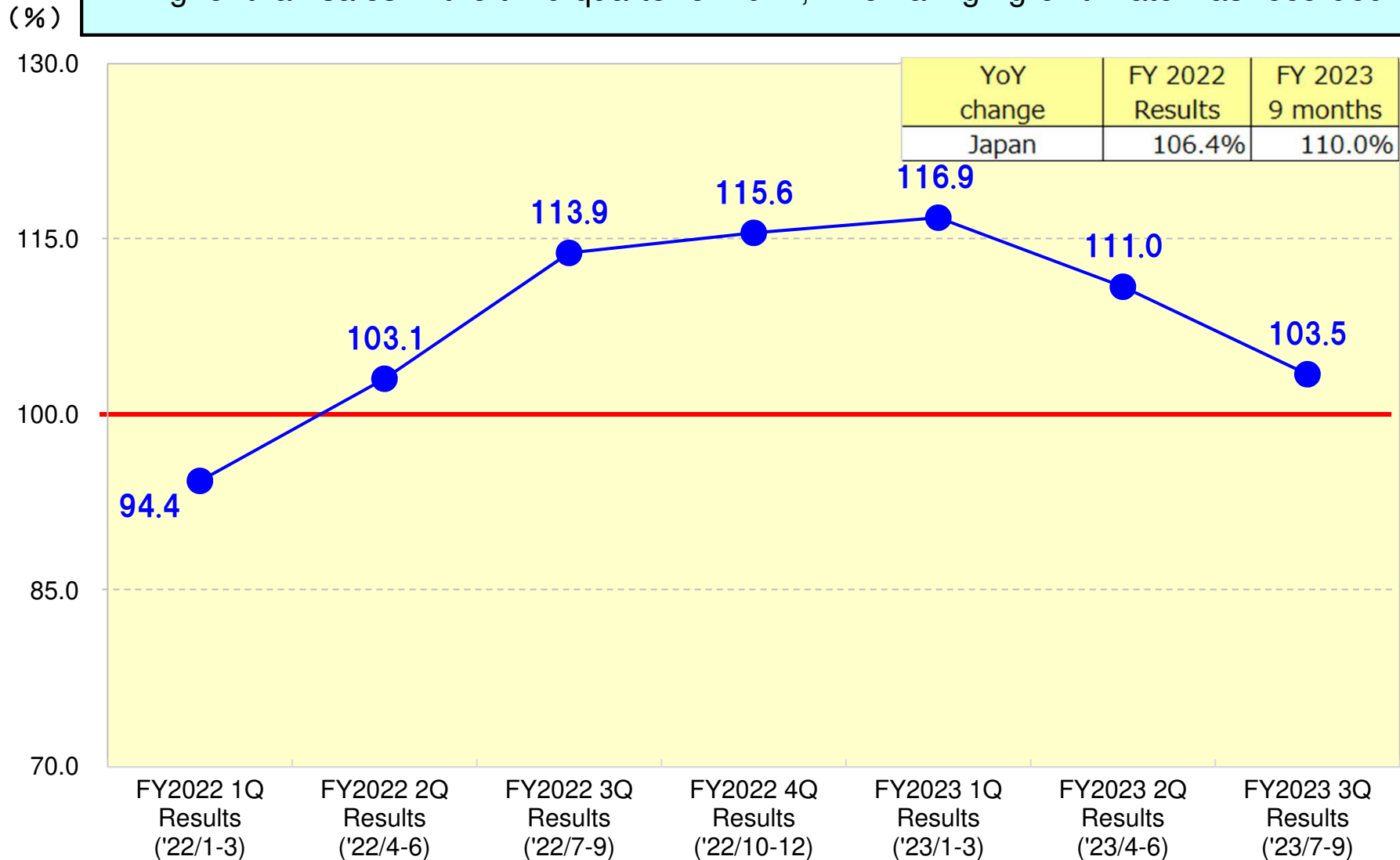


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

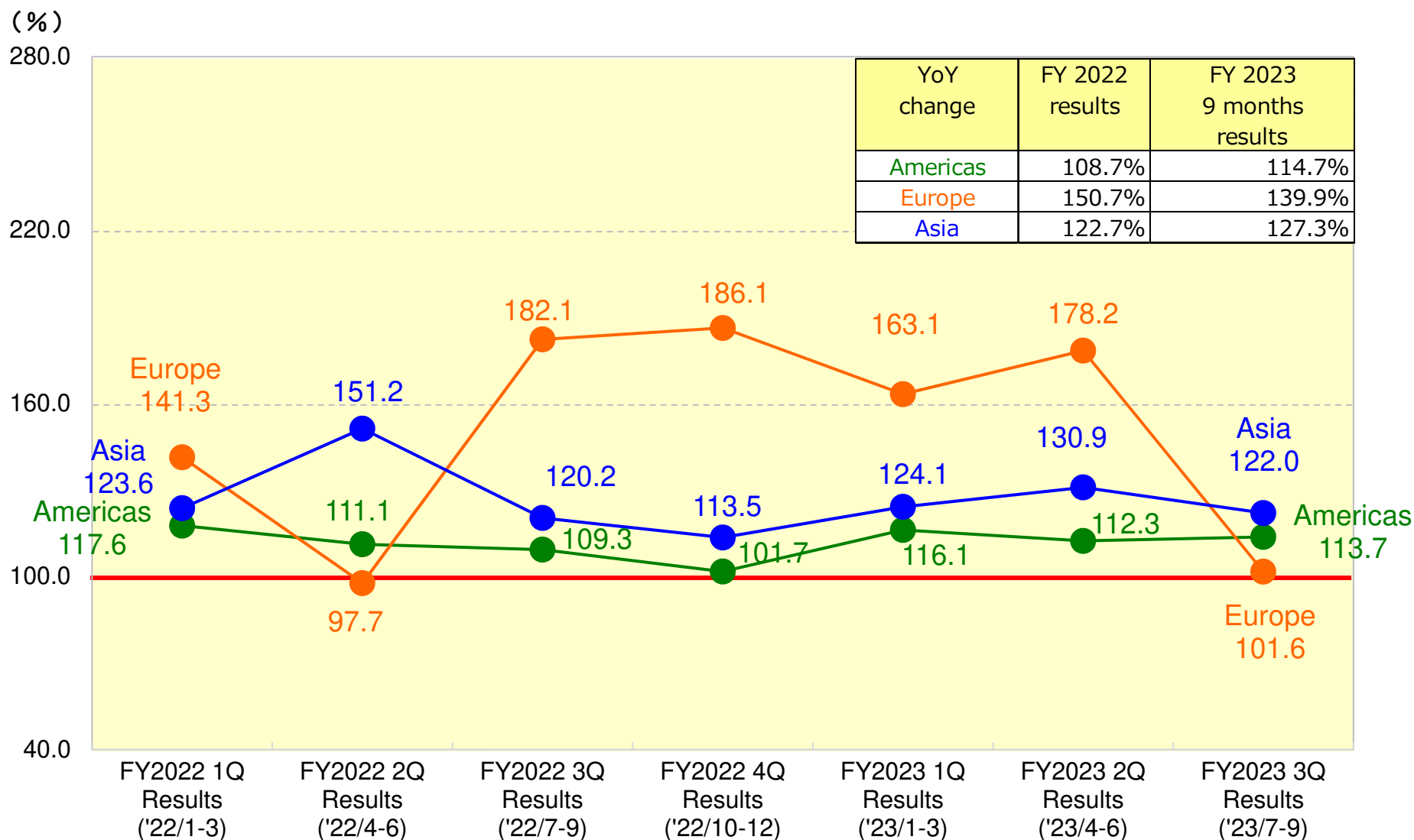


Japan : Year-on-Year Change in Sales

- While this was less than the growth rate through the second quarter of 2023, it was higher than sales in the third quarter of 2022, when a high growth rate was recorded.



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

	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

*Key Exchange rates (average of the period) : 135 yen per US dollar, 145 yen per Euro.





IV. Company Profile and Overview of Business

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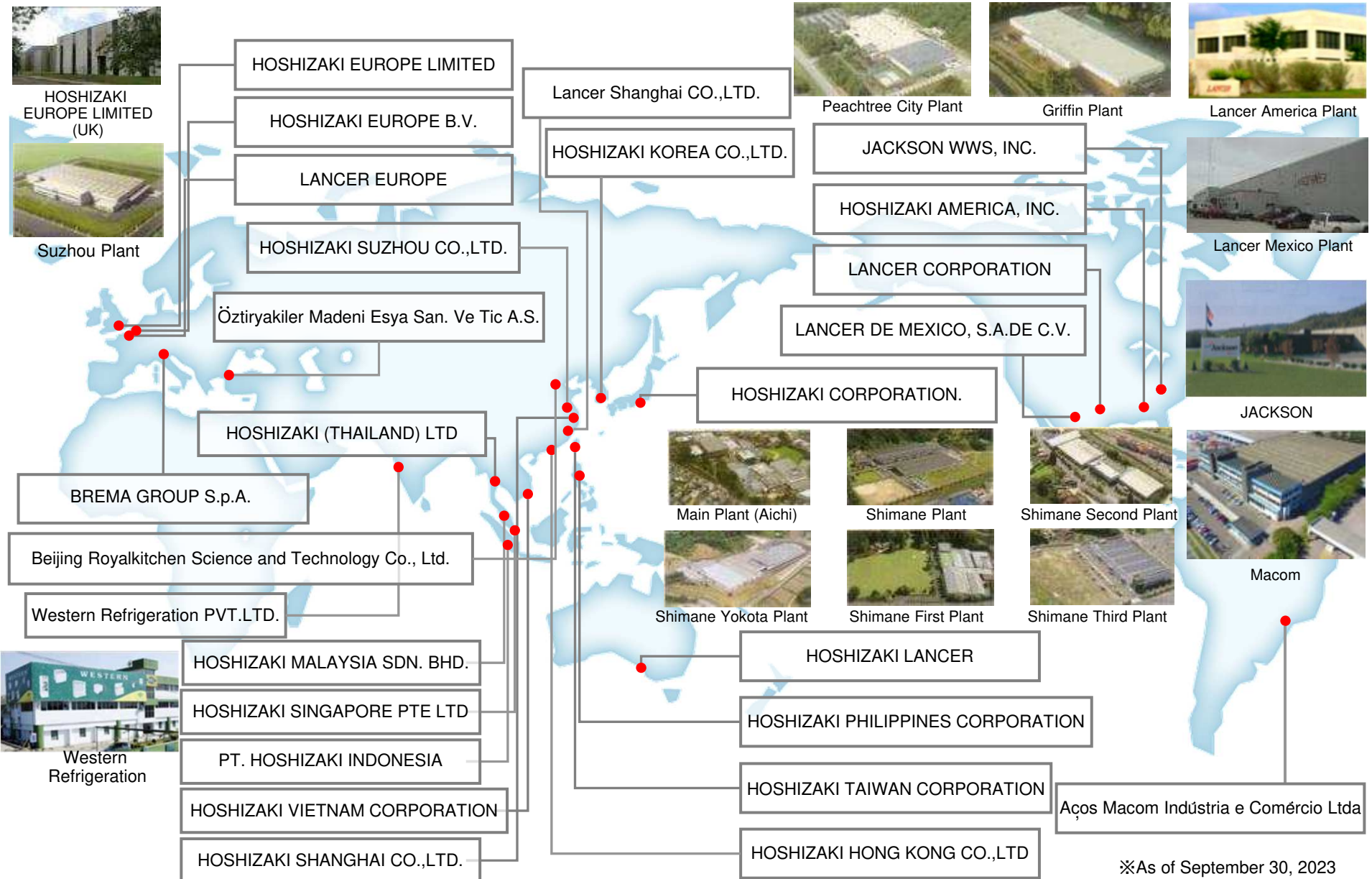
Company Profile



- 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 : 8,070 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 : 58 companies
(19 companies in Japan, 18 companies in Americas, 21 companies in Europe and Asia)
(As of September 30, 2023 *Including HOSHIZAKI CORPORATION)
- Number of employees : 1,158 persons (HOSHIZAKI CORPORATION)
13,325 persons (Group total) (As of September 30, 2023)
- Number of sales offices in Japan : 433 places *Including Service Centers (As of September 30, 2023)



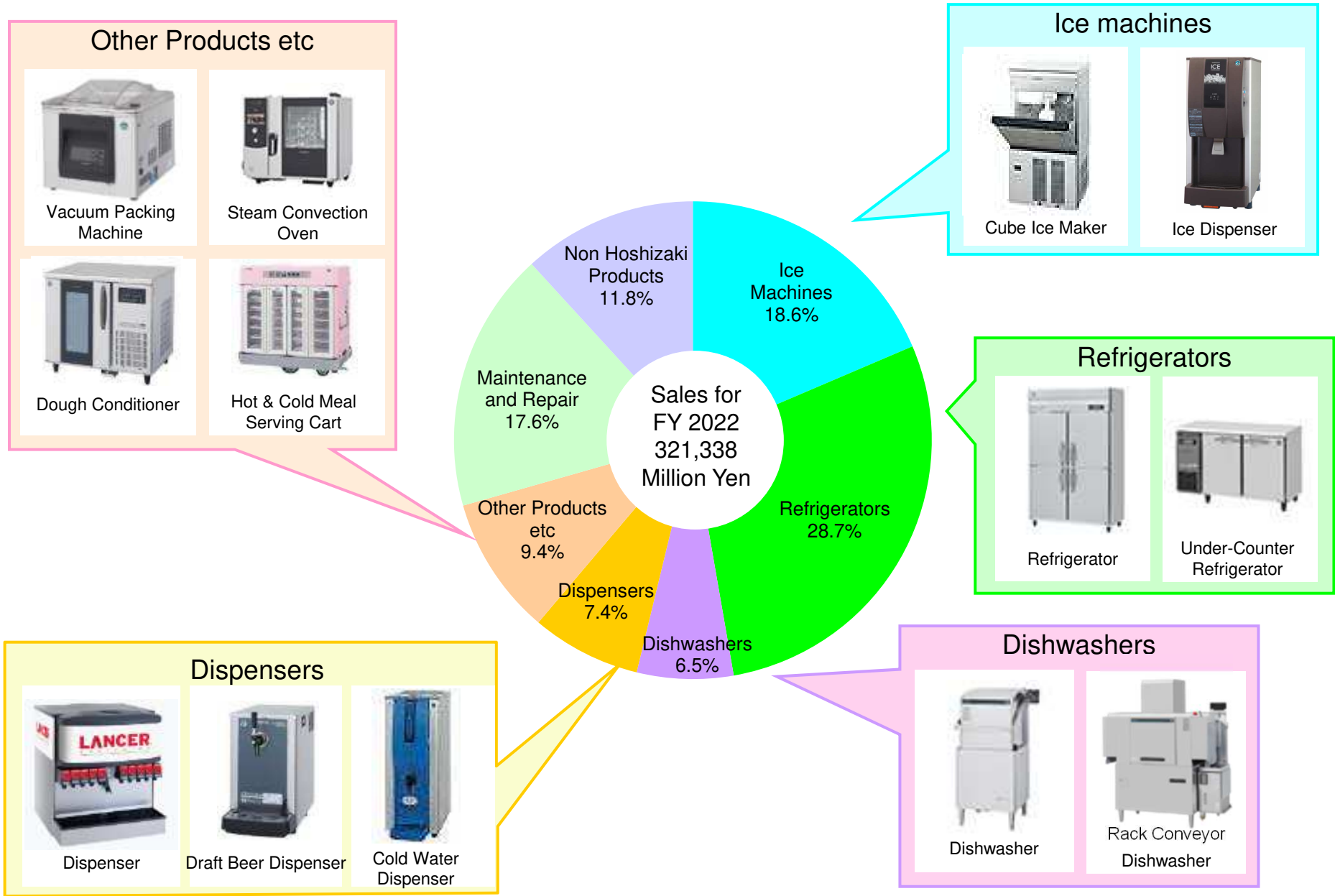
Global Network, Production and Sales Offices



※As of September 30, 2023



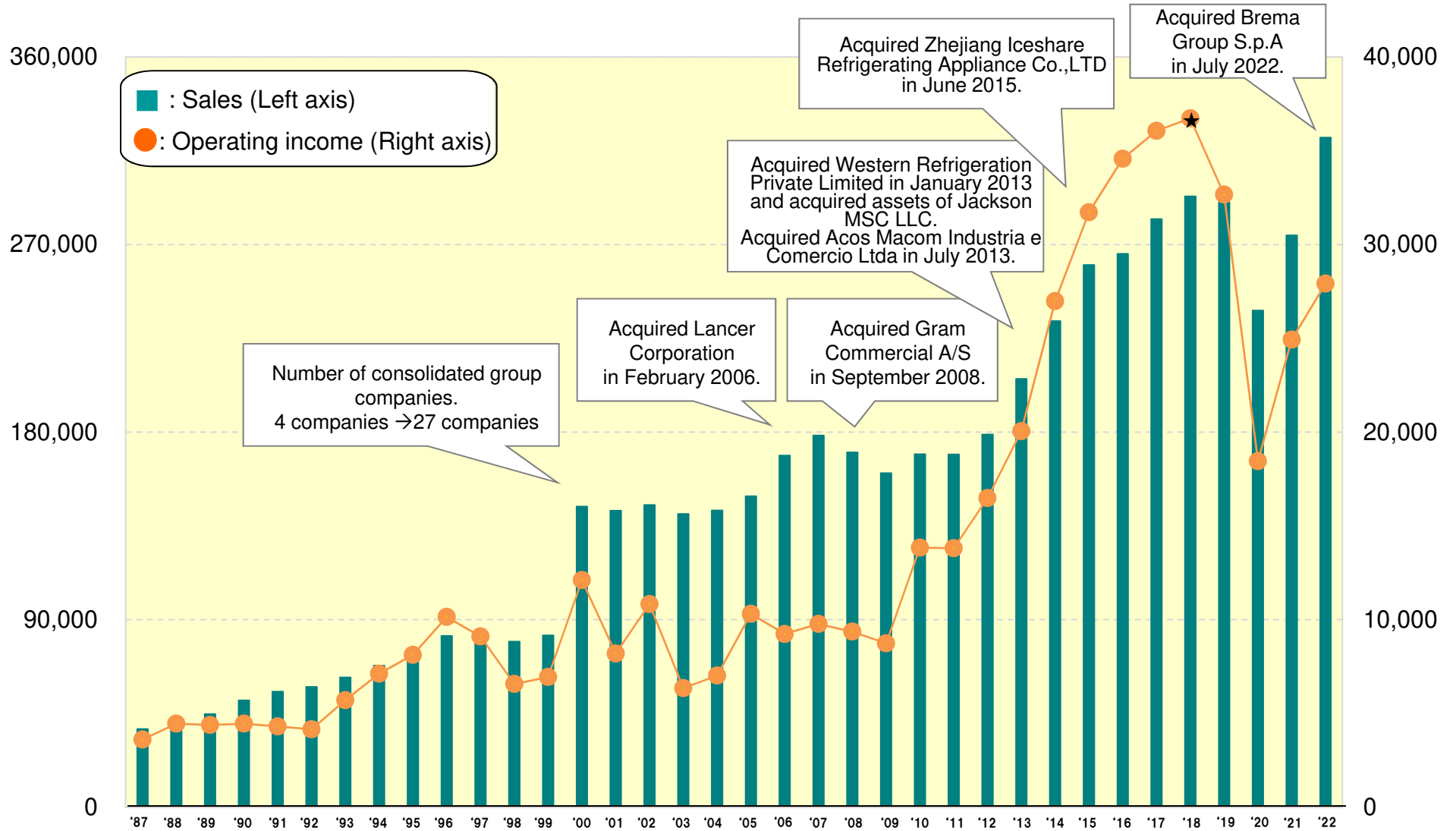
Main Product Group and Sales Breakdown



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.

If you have any inquiries concerning this document and our IR activities, please contact as below:

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