



Summary of Business Performance
for the 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

February 13, 2024

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I . Financial Results for FY 2023

Foreign Exchange Rates

	Average of Period		End of Period	
	FY2022	FY2023	FY2022 End of December	FY2023 End of December
US dollar	131.6	140.6	132.7	141.8
Pound	161.9	175.0	160.0	180.6
Euro	138.1	152.1	141.4	157.1
Singapore dollar	95.3	104.7	98.7	107.4
Chinese yuan	19.5	19.8	19.0	19.9
Denmark krone	18.5	20.4	19.0	21.0
Taiwan dollar	4.4	4.5	4.3	4.6
Hong Kong dollar	16.8	17.9	17.0	18.1
Indian rupee	1.68	1.71	1.61	1.72
South Korean won	0.1018	0.1078	0.1055	0.1105
Brazillian real	25.5	28.2	25.4	29.3
Indonesian Rupiah	0.0089	0.0093	0.0085	0.0092
Thai Baht	3.7	4.0	3.8	4.1
Malaysia Ringgito	29.8	30.8	30.0	30.8
Viet Nam Dong	0.0056	0.0059	0.0056	0.0059
Philippine Peso	2.43	2.55	2.40	2.58

Summary of Financial Results for FY 2023

■ Responding quickly to robust demand for capital investment in response to the economic recovery. Responding to soaring material and labor costs, we also focused on improving productivity, resulting in both domestic and overseas sales and profit growth year-on-year and relative to plan.

■ Sales : 373.5 billion yen (increased 16.3% year-on-year)

□ Japan : 202.0 billion yen (increased 8.4%)

□ Overseas : 171.5 billion yen (increased 27.2%) Overseas sales ratio : 45.9% (increased 3.9pt)

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

□ Japan: Focus on sales expansion to the food market, sales expansion to non-food markets such as distribution and processing sales, and development of new customers. Despite negative factors such as rising prices and labor shortages, sales increased as the economy recovered and inbound demand increased.

□ Overseas: The company focused on product supply in response to continued solid demand, and sales increased due in part to the contribution of the company acquired in the previous year.

■ Operating Income : 43.5 billion yen (increased 59.0%) Operating income margin : 11.7% (increased 3.1pt)

□ Japan : 23.8 billion yen (increased 23.5%) Operating income margin : 11.8% (increased 1.4pt)

□ Overseas : 21.3 billion yen (increased 108.1%) Operating income margin : 12.5% (increased 4.8pt)

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

□ Despite the rise in material and labor costs, sales increased and production increased, and overseas profit increased as product prices were revised.

■ Ordinary Income : 50.3 billion yen (increased 35.2%)

□ Foreign exchange gains of 3 billion yen from foreign currency deposits, etc. are recorded in non-operating income.

(9 billion yen of foreign exchange gains were recorded in the previous fiscal year.)

■ Profit Attributable to Owners of Parent : 32.8 billion yen (increased 36.9%)

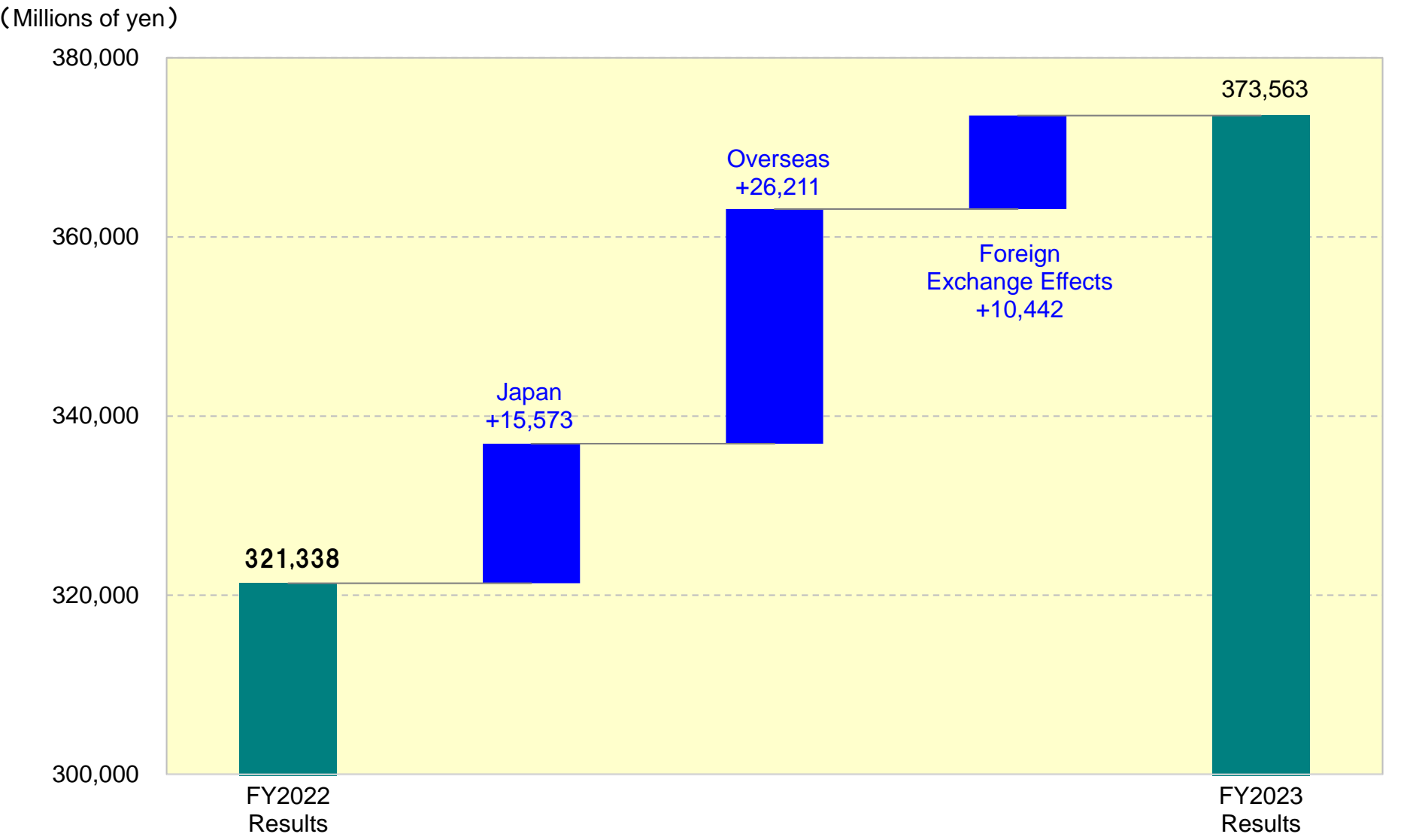
Consolidated Business Performance

	FY 2022 results		FY 2023 forecast Dec 19th,2023		FY 2023 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	321,338	100.0	370,000	100.0	373,563	100.0	+52,225	116.3	3,563	101.0
Cost of sales	209,642	65.2	235,000	63.5	237,501	63.6	+27,858	113.3	2,501	101.1
Gross profit	111,695	34.8	135,000	36.5	136,062	36.4	+24,366	121.8	1,062	100.8
Selling, general and administrative expenses	84,317	26.2	93,000	25.1	92,541	24.8	+8,224	109.8	-458	99.5
Operating income	27,378	8.5	42,000	11.4	43,520	11.7	+16,142	159.0	1,520	103.6
Ordinary income	37,226	11.6	48,000	13.0	50,322	13.5	+13,095	135.2	2,322	104.8
Profit attributable to owners of parent	23,977	7.5	32,500	8.8	32,835	8.8	+8,858	136.9	335	101.0

※ The consolidated statements of income for the fiscal year ended December 31 has been revised due to the confirmation of the initial provisional accounting for the Brema acquisition on July 1, 2022 and the business combination with Royalkitchen acquired on December 22, 2022.

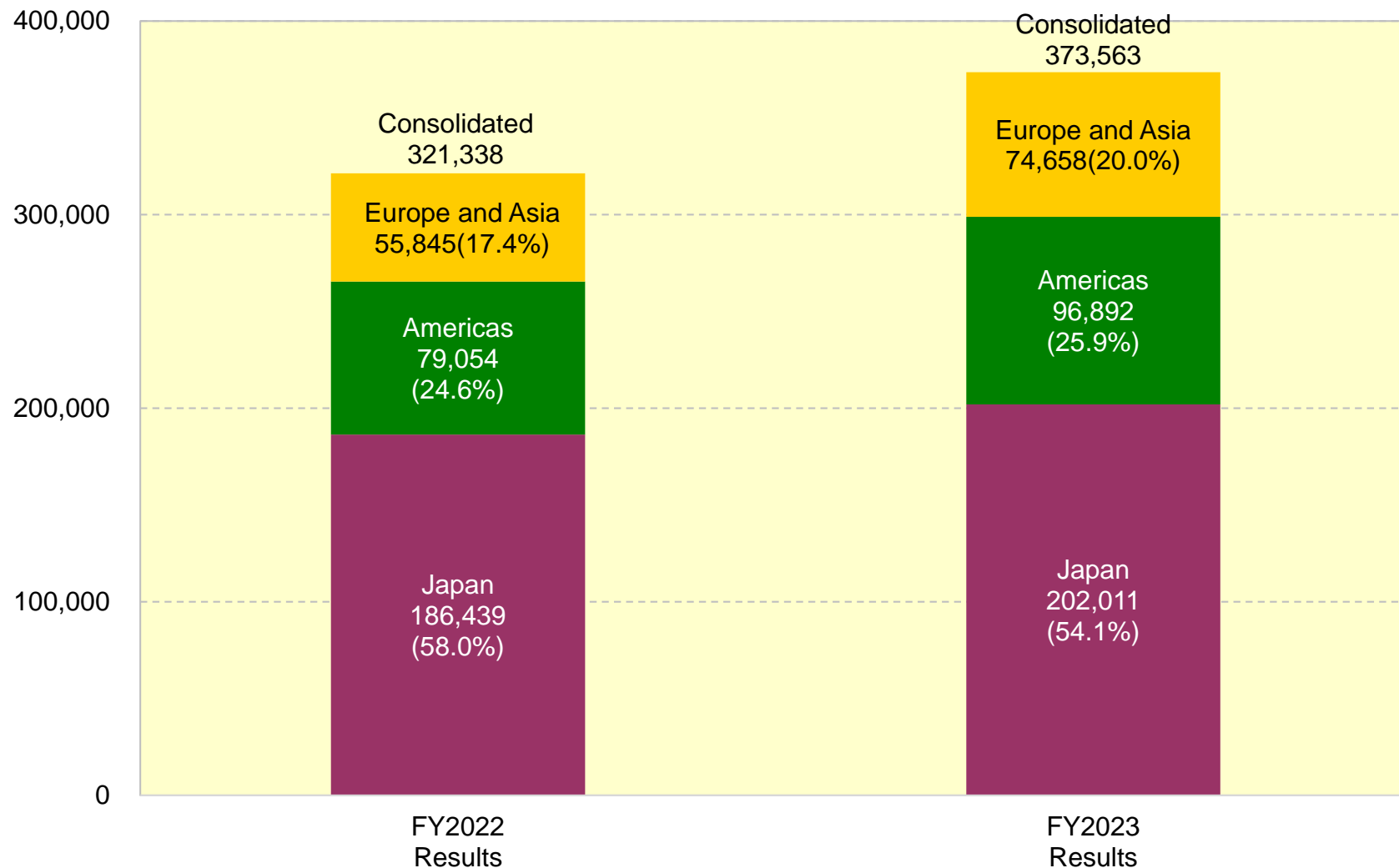


Factors for Change in Consolidated Sales by Japan and Overseas



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.

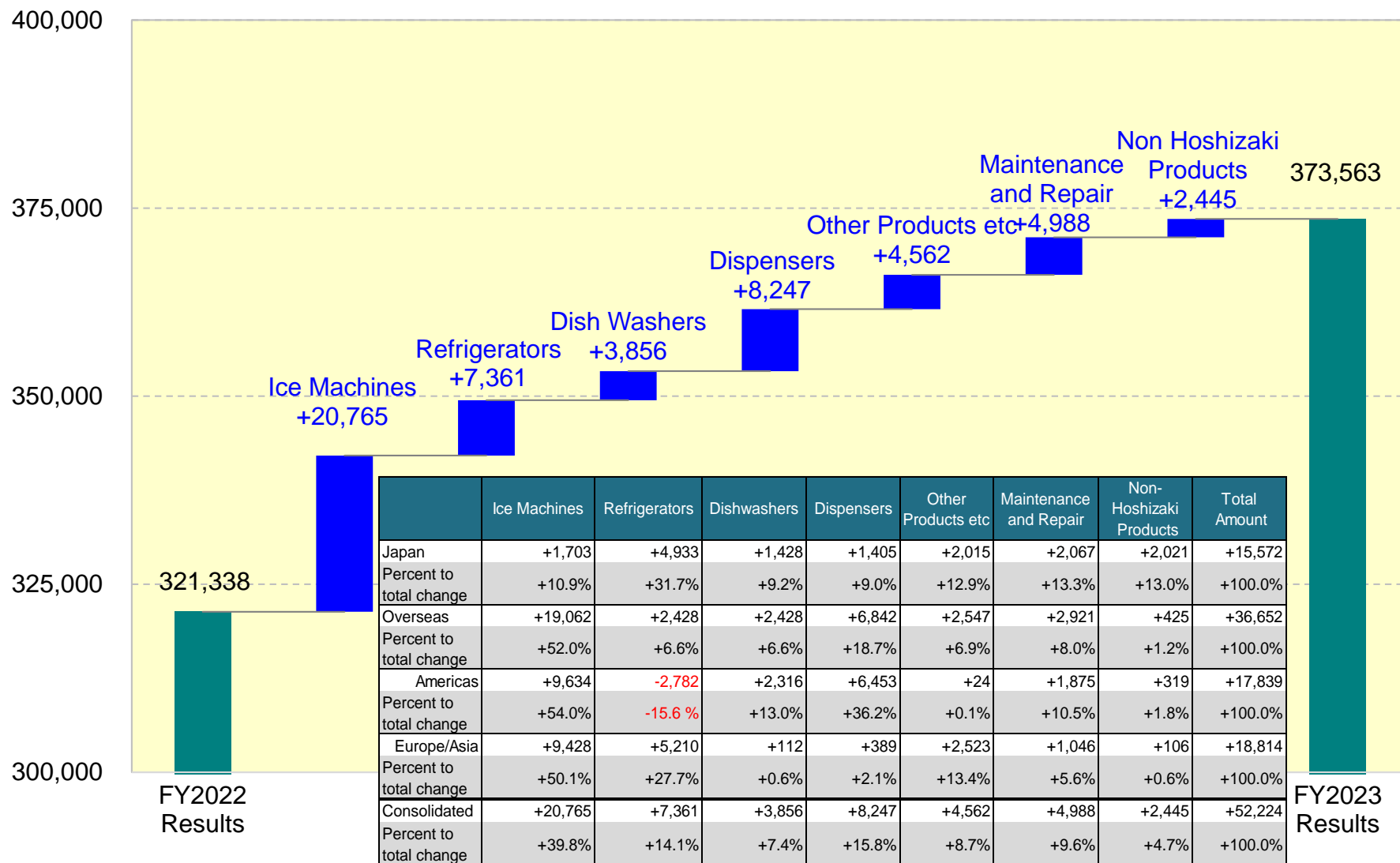
(e.g. Lancer Europe is included in "Americas".

It is an internal business management category, which is the same as the disclosure category of annual securities reports.)



Factors for Change in Consolidated Sales by Product Groups

(Millions of yen)

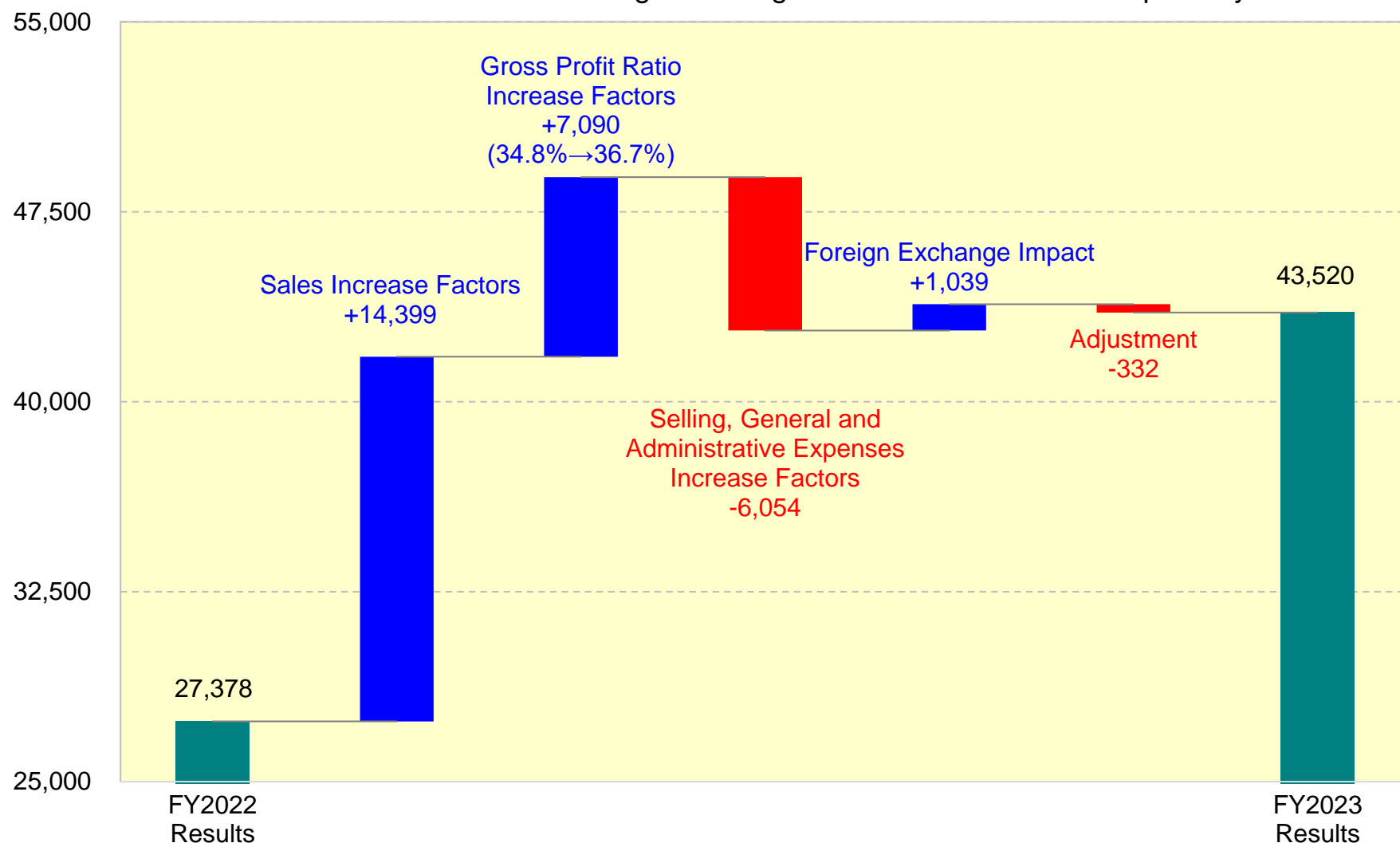


Factors for Change in Consolidated Operating Income

(Millions of yen)

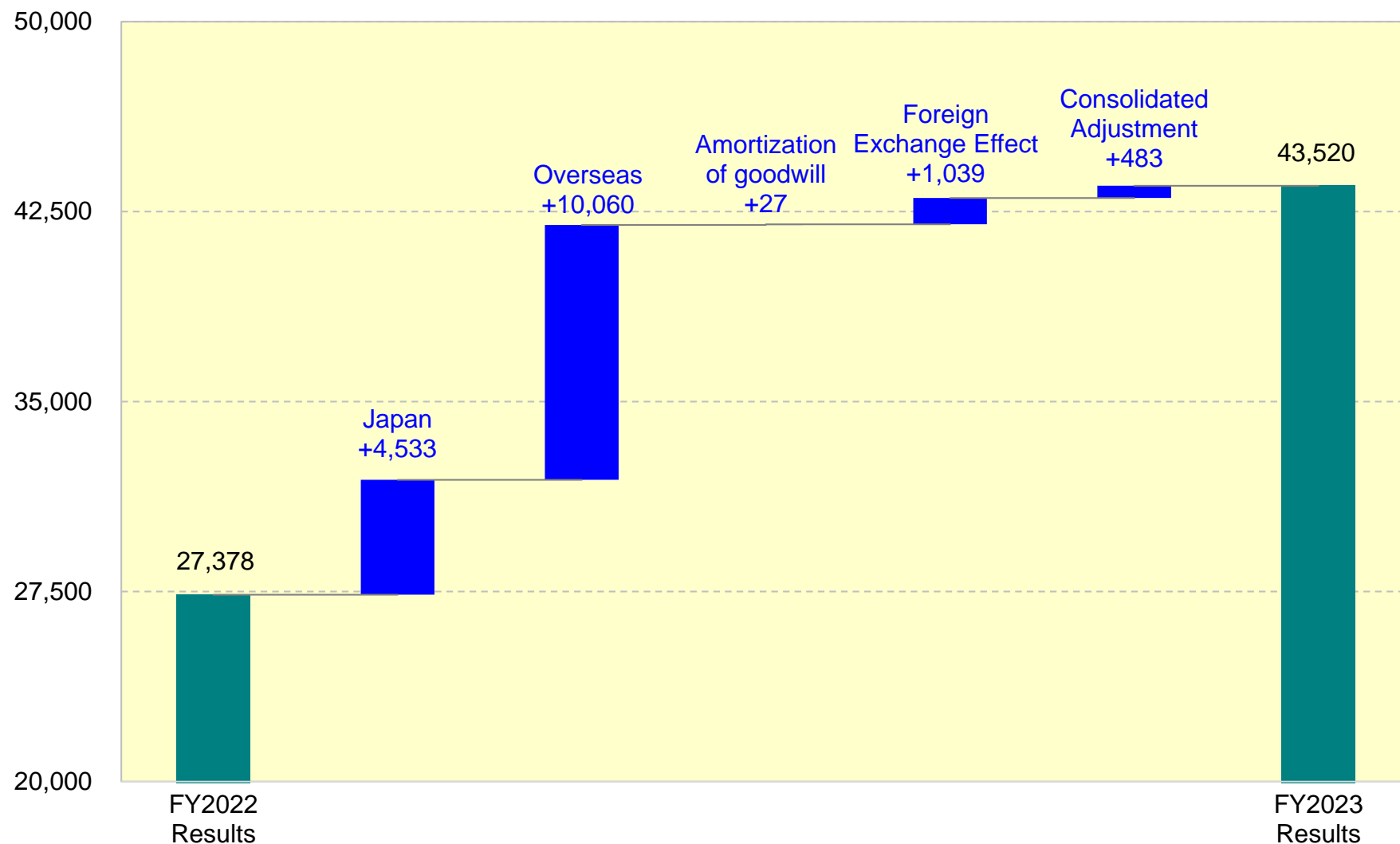
*The figures in parentheses indicate the ratio of sales to total sales.

*Foreign exchange rate effects are shown separately.



Factors for Change in Consolidated Operating Income by Japan and Overseas

(Millions of yen)

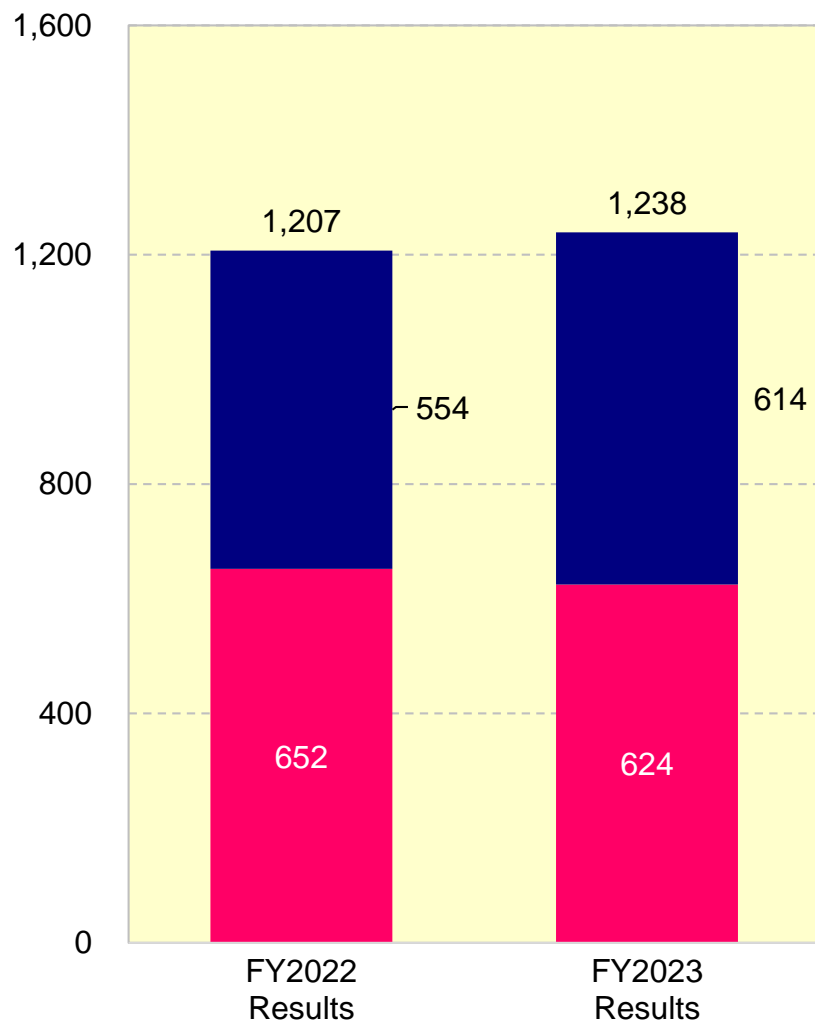


Impact of Goodwill Amortization

Amortization of intangible asset
Amortization of goodwill
Operating income

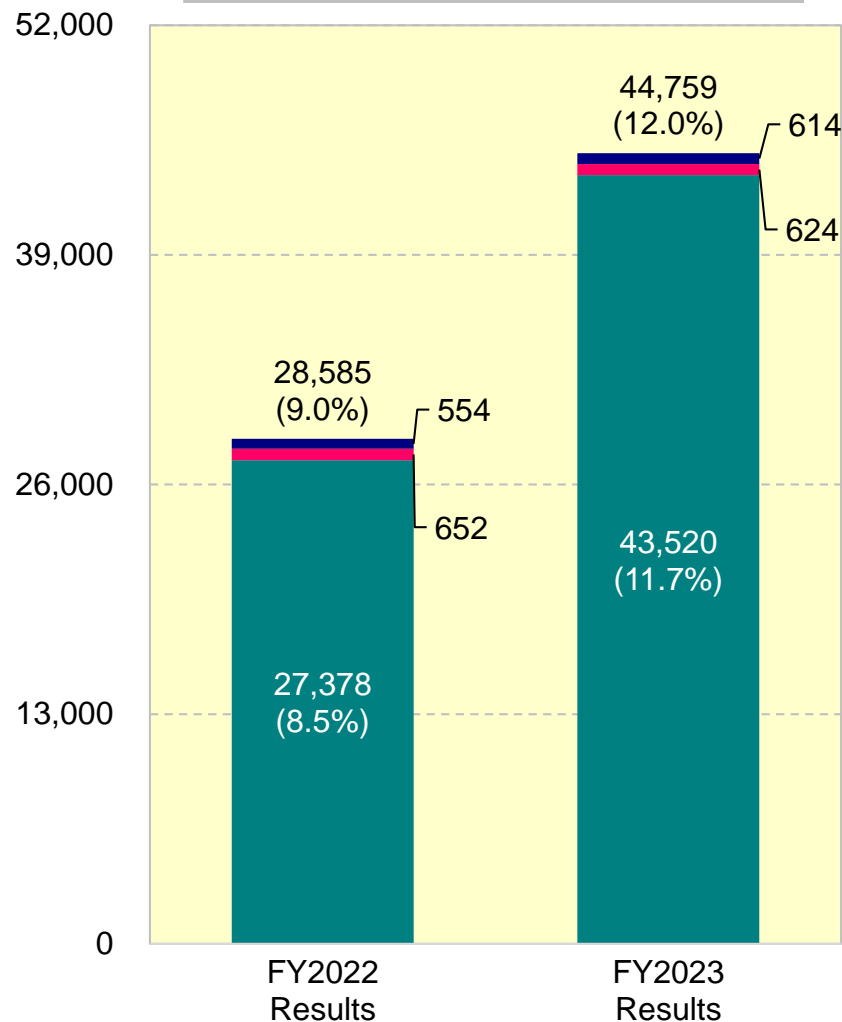
(Millions of yen)

Amortization of Goodwill



(Millions of yen)

Amortization of Goodwill + Operating Income



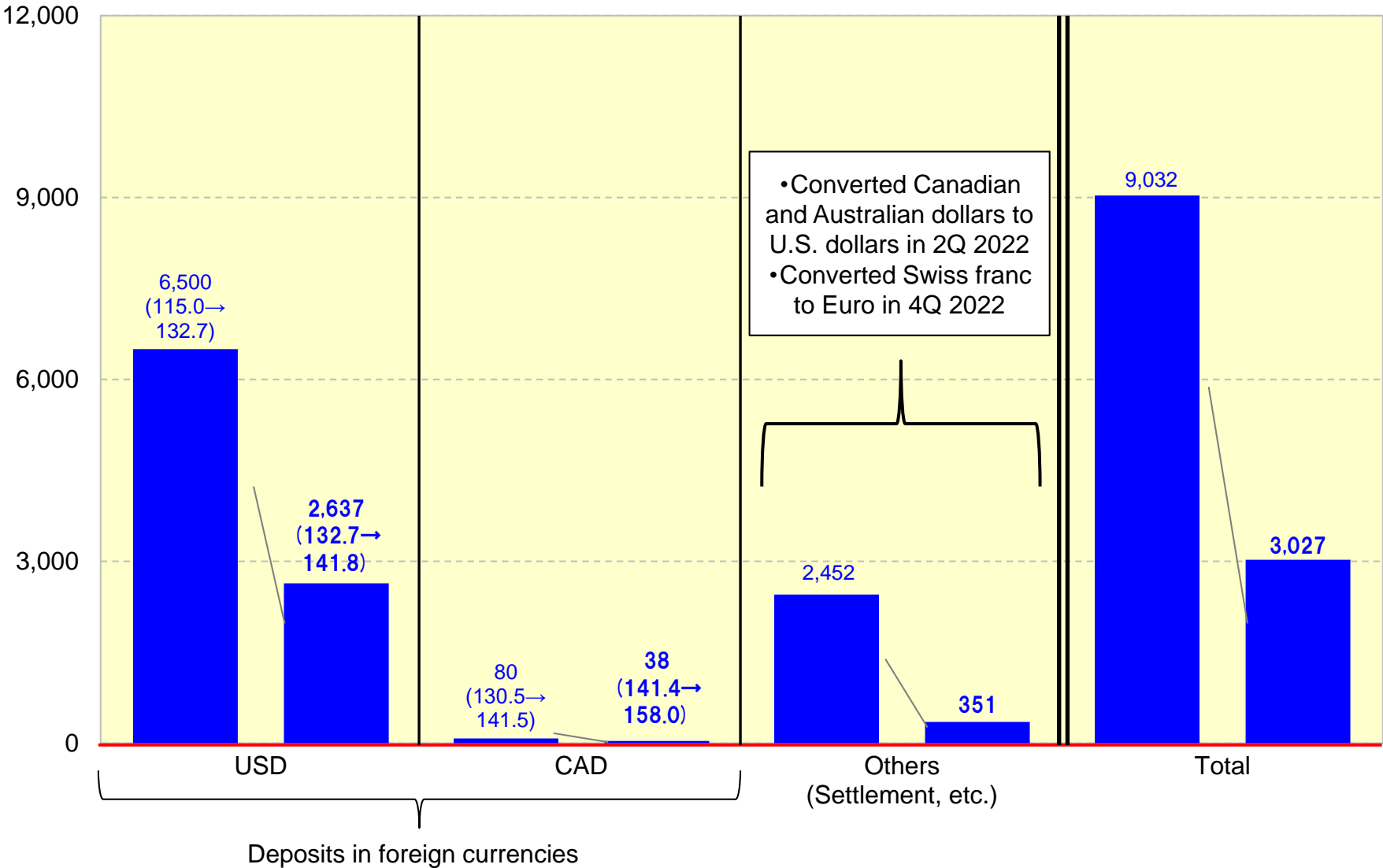
*Percentages in parentheses indicate sales ratio.



Breakdown of Foreign Exchange Gain and Loss

(Millions of yen)

Left : FY2022 Results
Right : FY2023 Results



*() indicates the exchange rate movements from the end of the previous period to the end of the current period.



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	364,145	78.3	+35,904
	(Cash and cash equivalents)	226,066	53.3	254,530	54.7	+28,463
	(Notes and accounts receivable-trade)	45,783	10.8	52,026	11.2	+6,243
	(Inventory)	51,826	12.2	52,264	11.2	+437
	Non-current assets	95,658	22.6	101,215	21.7	+5,557
	Total assets	423,898	100.0	465,361	100.0	+41,462
	Current liabilities	102,987	24.3	104,638	22.5	+1,651
	(Notes and accounts payable-trade)	32,714	7.7	30,308	6.5	-2,406
	Non-current liabilities	28,411	6.7	27,785	6.0	-625
	Total liabilities	131,398	31.0	132,424	28.5	+1,025
Total net assets		292,500	69.0	332,937	71.5	+40,436
Total liabilities and net assets		423,898	100.0	465,361	100.0	+41,462
Cash and deposits (including long-term deposits)		226,065		254,530		+28,464

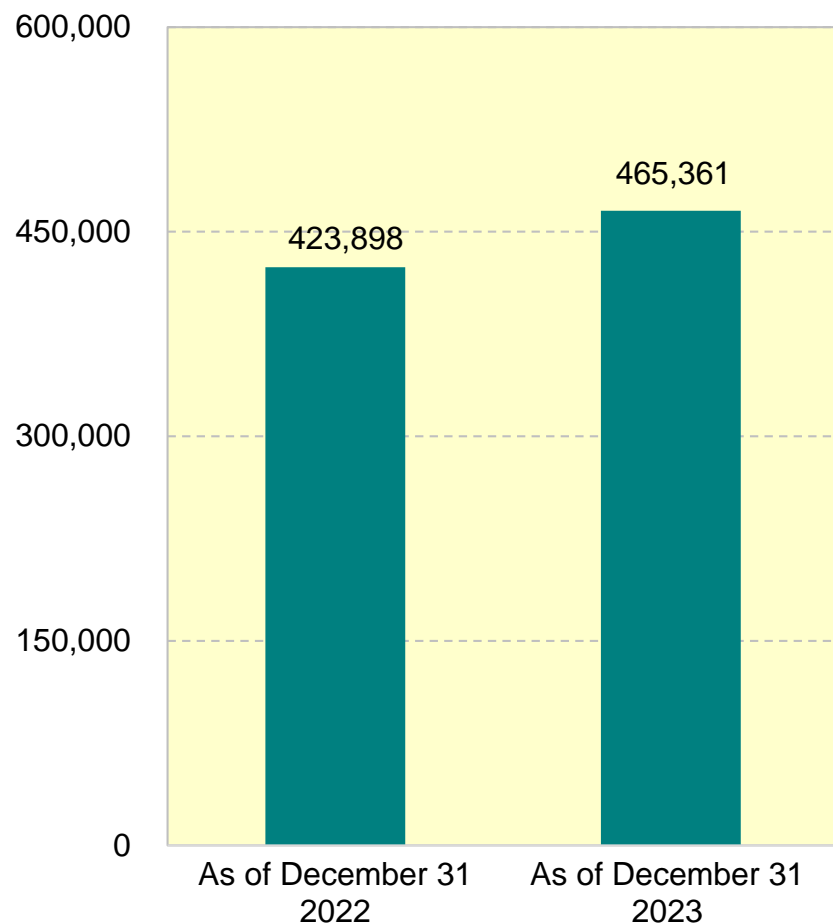
※ The consolidated balance sheet for the fiscal year ended December 31 has been revised due to the confirmation of the initial provisional accounting for the Brema acquisition on July 1, 2022 and the business combination with Royalkitchen acquired on December 22, 2022.



Comparison of Consolidated Total Assets and Net Assets

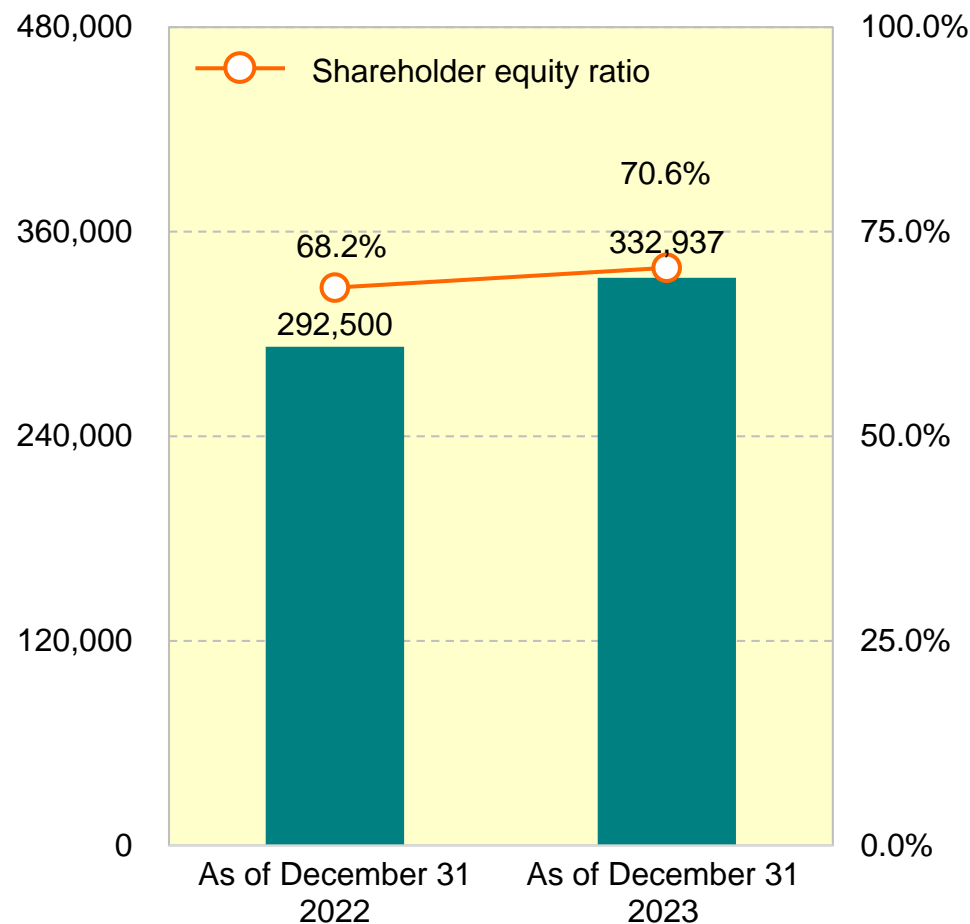
Total Assets

(Millions of yen)



Net Assets

(Millions of yen)



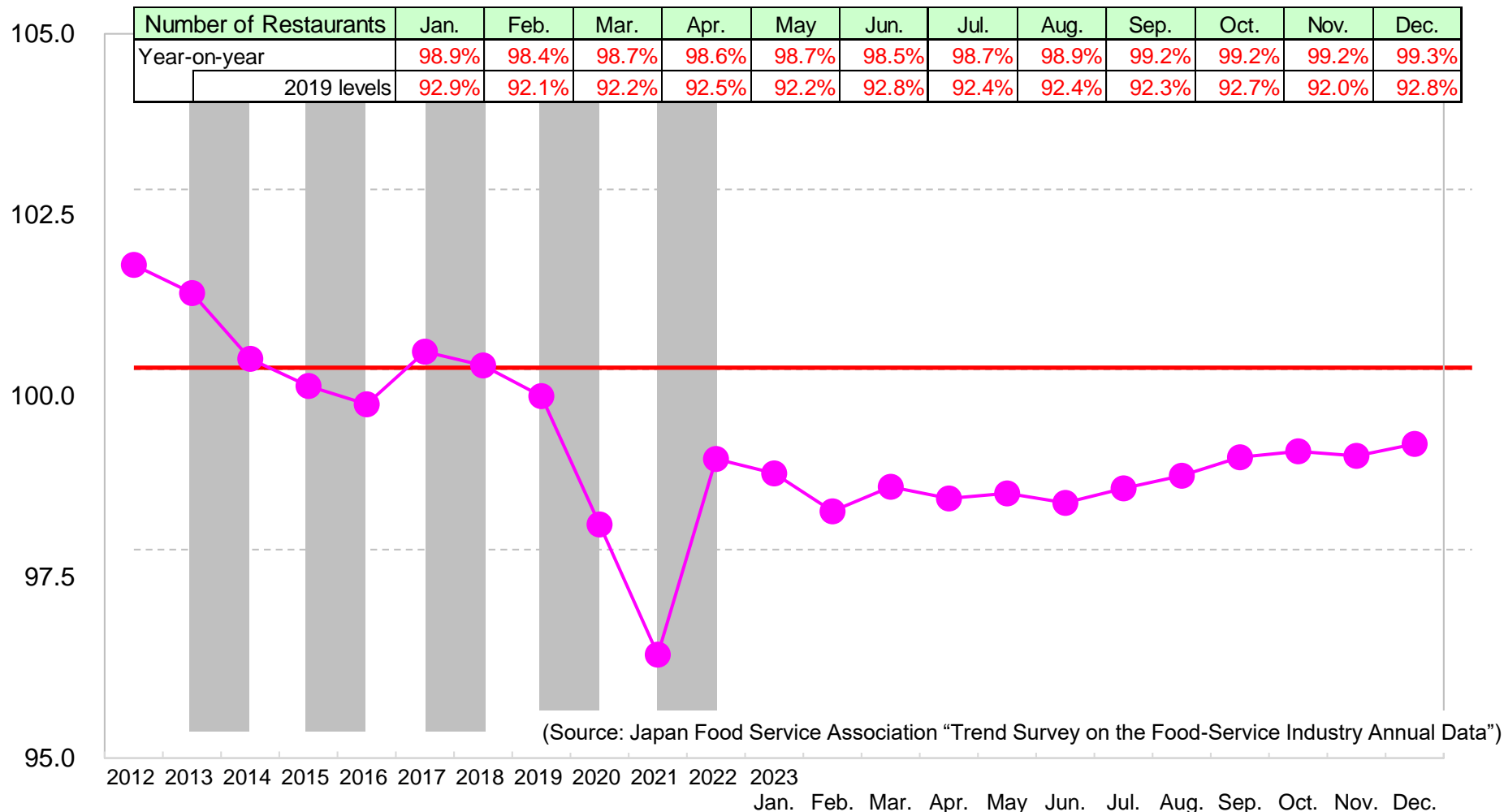


Ⅱ . Key Factors of Financial Results for FY 2023

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

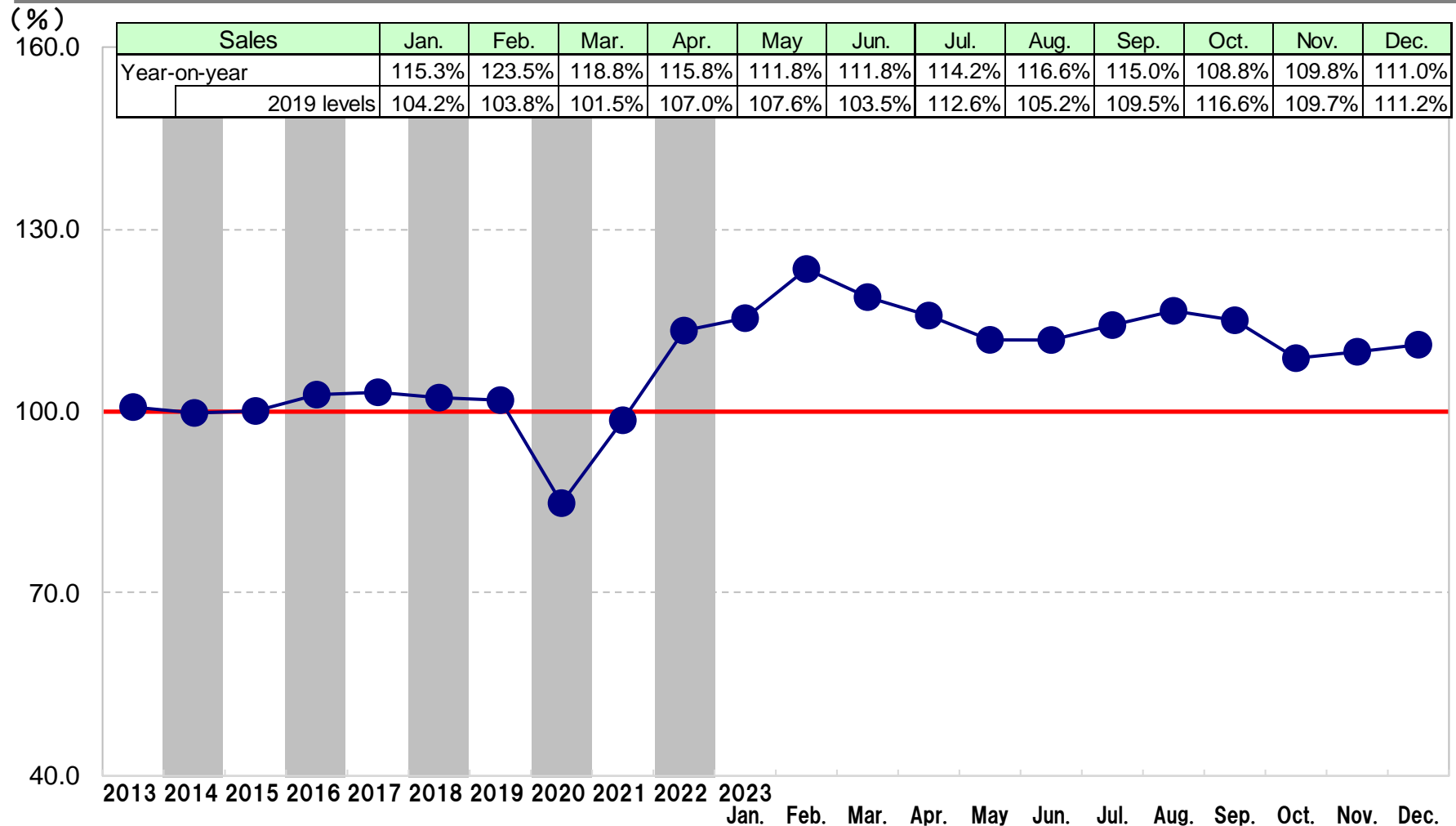
- Although the number of all major chain stores in Japan has been on a negative trend from the same month of previous year since 2020, the decline has started to gradually decrease.

(%)



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

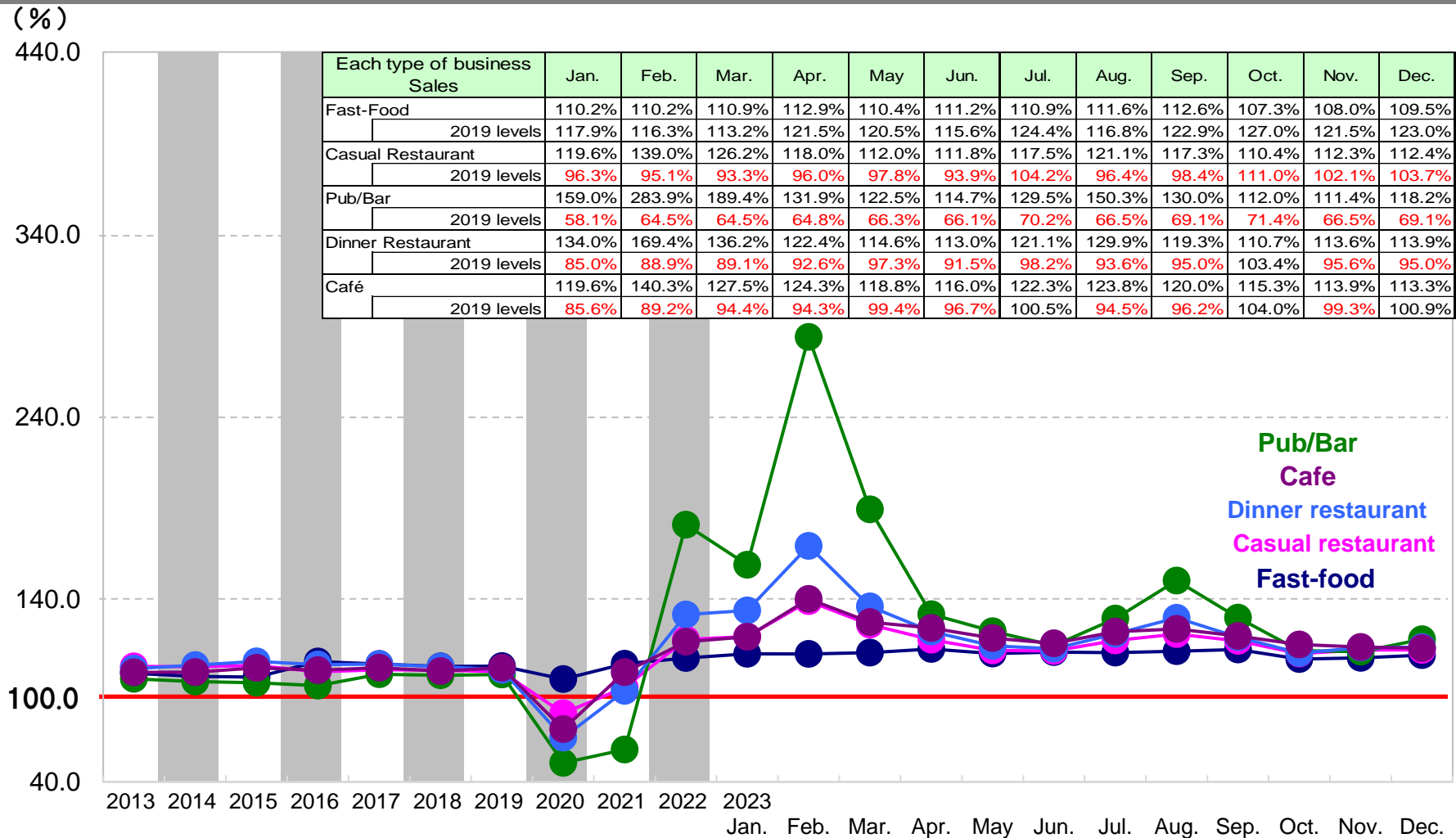
- Sales in the restaurant industry have continued to recover, partly due to an increase in inbound demand. Overall sales in December were 111.0% from a year earlier and 111.2% from 2019 before the pandemic.



(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)

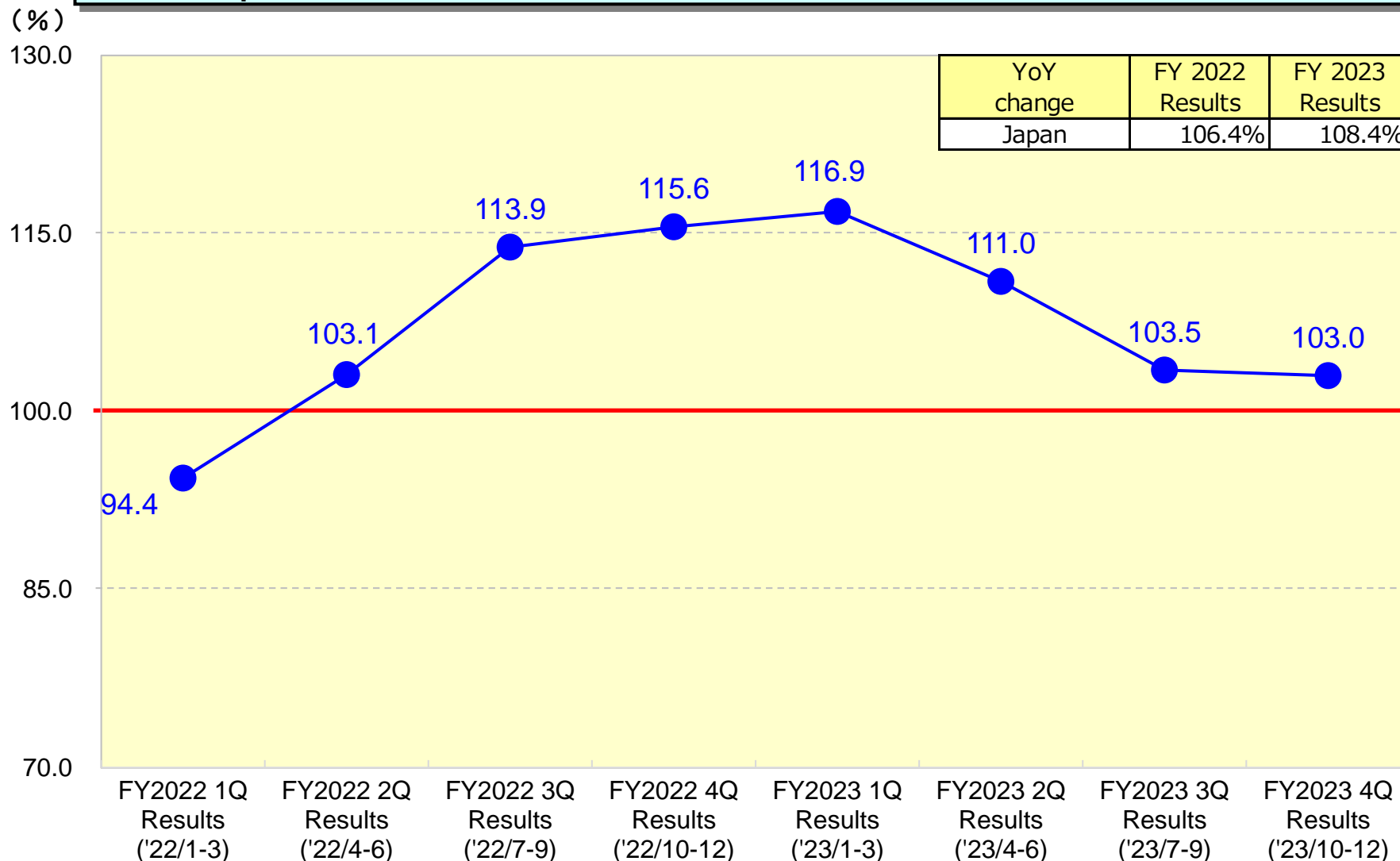
- Sales in all categories of business continued to grow at a rate of more than 100% year on year. On the other hand, Fast-Food took a long time to recover, and sales to pubs and taverns in particular remained at around 70% year on year from 2019.



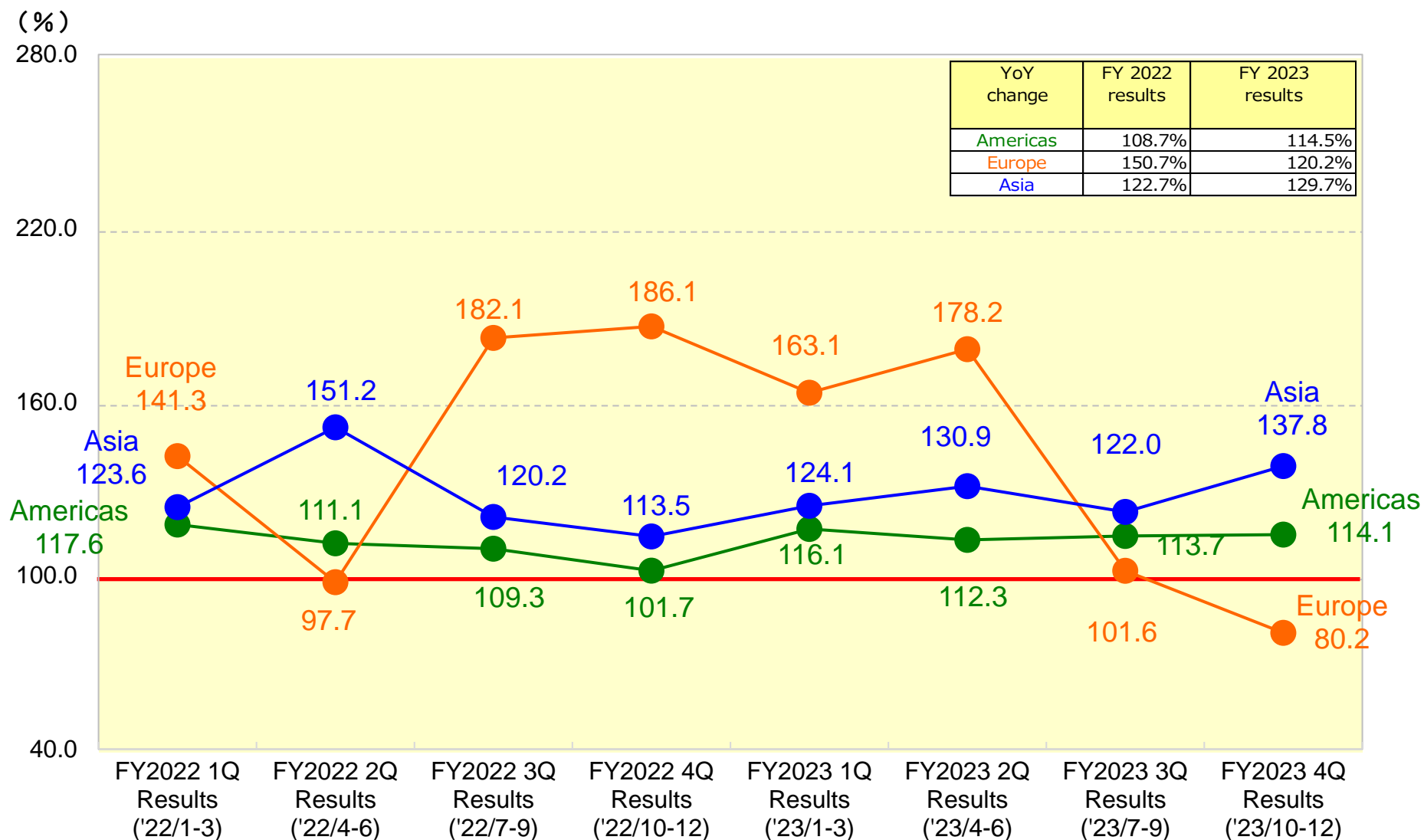
(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

Japan : Year-on-Year Change in Sales

- Year-over-year revenue growth in the fourth quarter of 2023 remained strong following the third quarter, although growth slowed compared to 2022, when demand recovered from the COVID pandemic.



Overseas : Year-on-Year Change in Sales (Local Currency Basis)



*Head Office Area Category (Example: Lancer Europe is included in the Americas. It is an internal business management category, which is the same as the disclosure category of annual securities reports.)



III. Business Forecast for FY 2024

Summary of Business Forecast in FY 2024

■ Sales: 410 billion yen (increase by 9.8% year-on-year)

- Japan: Sales 210 billion yen (increase by 4.0%)
- Overseas: Sales 200 billion yen (increase by 16.6%)
- Overseas sales ratio: 48.8% (increase by 2.9pt)
- In Japan, although restrictions on opening new restaurants in the food market continue due to labor shortages, Japan will continue to strategically expand into non-food market in the stable economy after the COVID pandemic. Taking into account the effect of product price hikes, we expect full-year sales to be 104.0% year-on-year.
- In Overseas, inflation is expected to decline and economic growth to stabilize in many countries. In our business, pent-up demand up to the previous fiscal year is expected to settle down. On the other hand, in view of the contribution of Ozti Co., Ltd., which is scheduled to be newly consolidated, full-year sales are expected to be 116.6% year-on-year.
- Exchange rates (average of the period) assumption: 140 yen per US dollar, 151 yen per Euro, 1.70 yen per Indian Rupee

■ Operating Income: 44 billion yen (increase by 1.1%)

- Although labor costs are expected to increase due to the continuation of the wage increase trend and profit margins are expected to decrease due to the intensification of product mix and price competition, we plan to increase profits by implementing cost-cutting activities. The contribution by Ozti is expected to be minor considering the uncertainty of inflation accounting.

■ Ordinary income: 46 billion yen (decrease by 8.6%)

- Not included foreign exchange gains or losses on deposits in foreign currencies. (Foreign exchange gains of 3 billion yen were recorded in the previous fiscal year.)

■ Profit attributable to owners of parent: 33 billion yen (decrease by 0.5%)



Business Forecast for FY 2024

	FY 2022 Results		FY2023 Results		FY 2024 Forecasts Feb. 13th, 2024			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
							Change (Millions of yen)	Percentage (%)
Sales	321,338	100.0	373,563	100.0	410,000	100.0	36,436	109.8
Cost of sales	209,642	65.2	237,501	63.6	263,300	64.2	25,798	110.9
Gross profit	111,695	34.8	136,062	36.4	146,700	35.8	10,638	107.8
Selling, general and administrative expenses	84,317	26.2	92,541	24.8	102,700	25.0	10,159	111.0
Operating income	27,378	8.5	43,520	11.7	44,000	10.7	479	101.1
Ordinary income	37,226	11.6	50,322	13.5	46,000	11.2	-4,322	91.4
Profit attributable to owners of parent	23,977	7.5	32,835	8.8	33,000	8.0	164	100.5



IV. Company Profile and Overview of Business

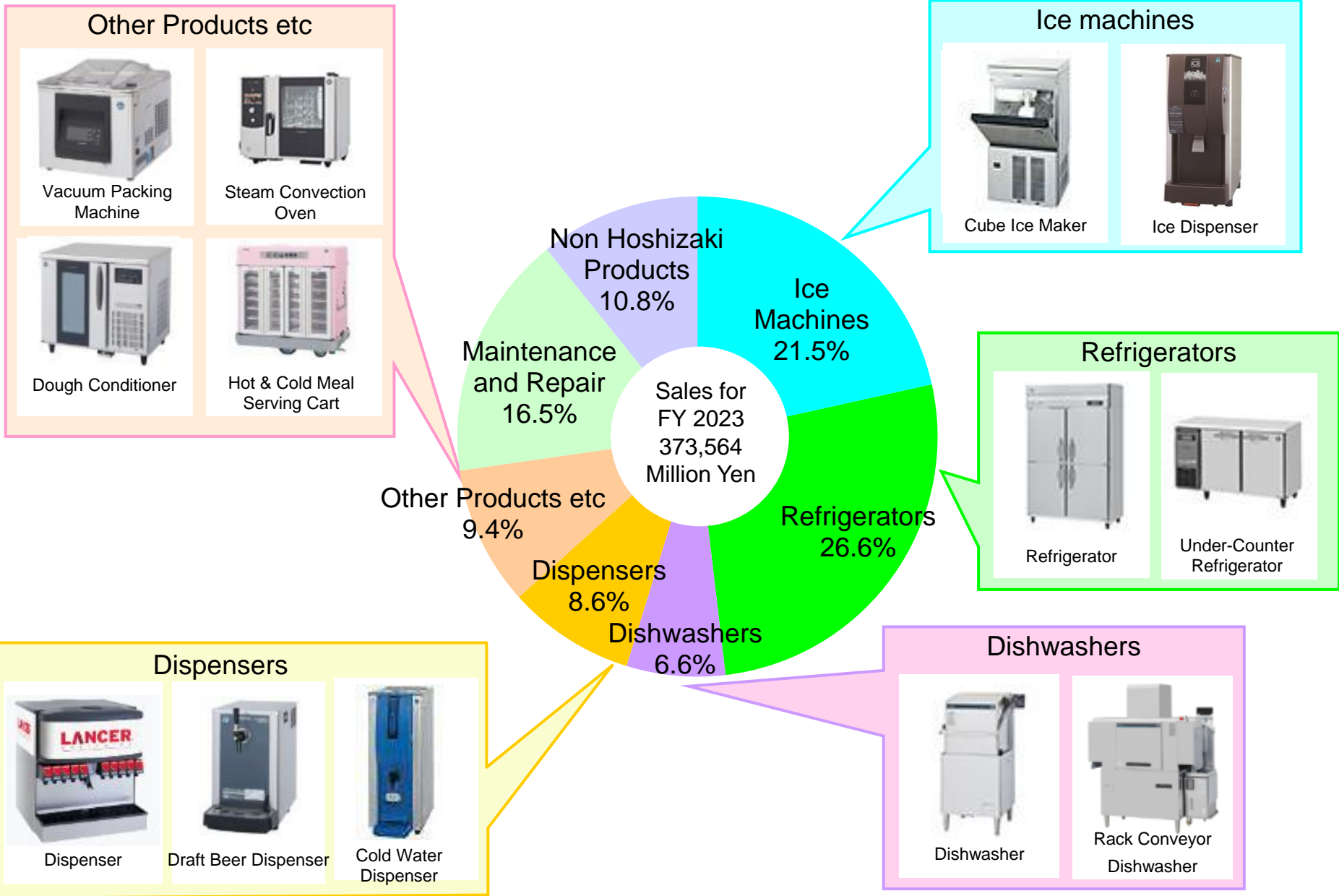
Company Profile



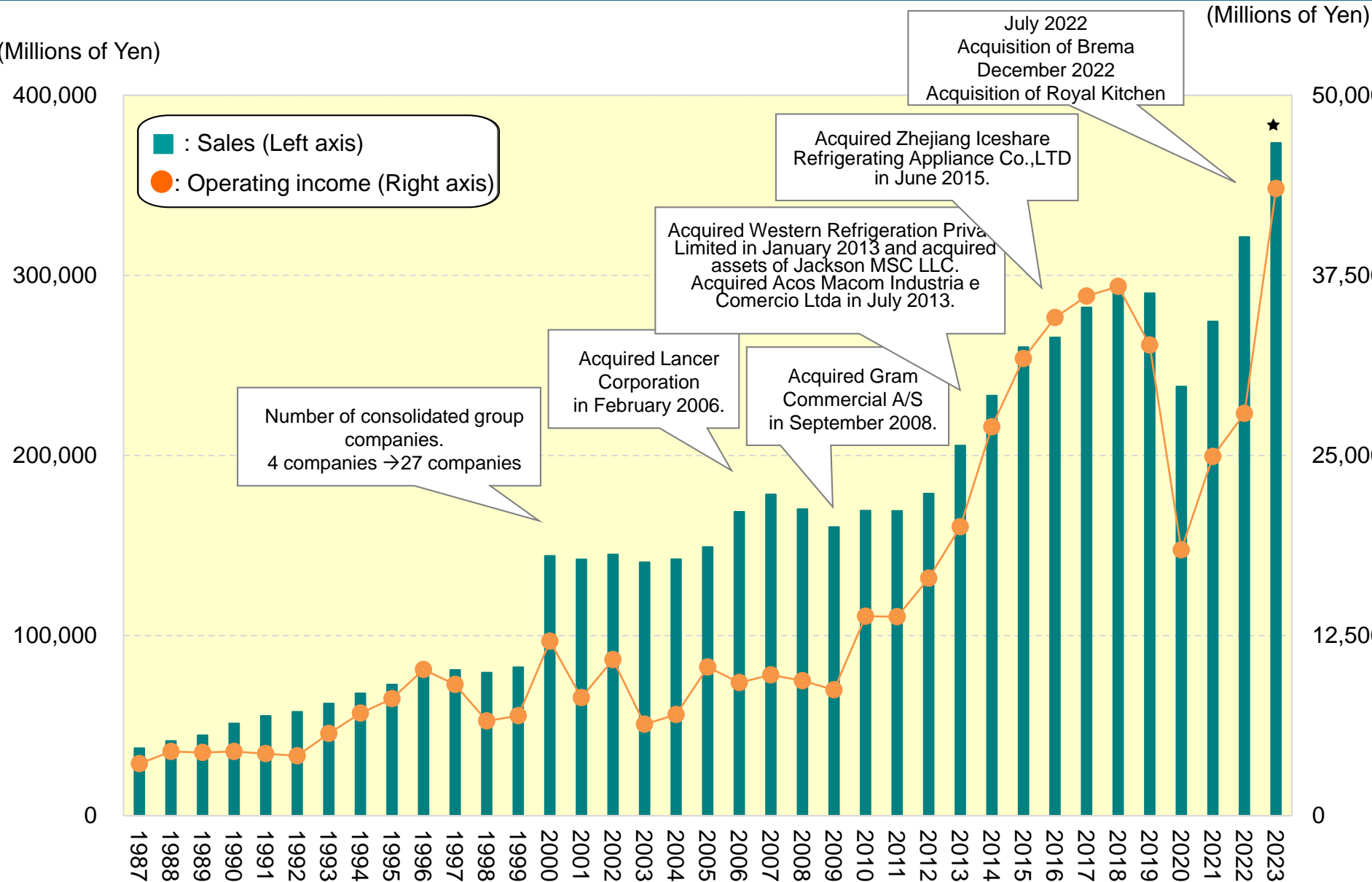
- Company name : HOSHIZAKI CORPORATION
- Head Office : 3-16 Minamiyakata, Sakae-cho, Toyoake-shi, Aichi
- Representative : Yasuhiro Kobayashi,
Representative Director, President & COO
- Establishment : February 1947
- Business : Research and development, manufacturing, sales, maintenances and service of commercial kitchen appliances & equipment.
- Capital stock : 8,098 million yen (As of December 31, 2023)
- Consolidated business performance :

Sales	: 373,563 million yen
(Fiscal Year ended December 31, 2023)	Operating income : 43,520 million yen
	Profit attributable to owners of parent : 32,835 million yen
	(*Net income is attributable to shareholders of the parent company.)
- Number of consolidated group companies : 57 companies
(20 companies in Japan, 18 companies in Americas, 19 companies in Europe and Asia)
(As of December 31, 2023 *Including HOSHIZAKI CORPORATION)
- Number of employees : 1,156 persons (HOSHIZAKI CORPORATION)
13,361 persons (Group total) (As of December 31, 2023)
- Number of sales offices in Japan : 431 places *Including Service Centers (As of December 31, 2023)

Main Product Group and Sales Breakdown



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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