



# Summary of Business Performance The Second Quarter of 2024

~ Aiming to be the world's No.1 brand connecting the five continents ~

**HOSHIZAKI CORPORATION**

Stock code: 6465

Tokyo Stock Exchange : Prime Market

Nagoya Stock Exchange : Premier Market

August 7, 2024

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## I . Financial Results for FY 2024 2Q

# Foreign Exchange Rates

	Average of Period		End of Period	
	FY2024 6 months	FY2024 6 months	FY2023 End of December	FY2024 End of June
US dollar	135.0	152.3	141.8	161.0
Pound	166.7	192.7	180.6	203.4
Euro	145.9	164.6	157.1	172.3
Singapore dollar	101.0	113.0	107.4	118.4
Chinese yuan	19.4	21.0	19.9	22.0
Taiwan dollar	4.4	4.7	4.6	4.9
Hong Kong dollar	17.2	19.4	18.1	20.6
Indian rupee	1.65	1.84	1.72	1.94
South Korean won	0.1044	0.1128	0.1105	0.1164
Brazilian real	26.6	29.9	29.3	28.9
Indonesian Rupiah	0.0090	0.0096	0.0092	0.0099
Thai Baht	3.9	4.2	4.1	4.3
Malaysia Ringgito	30.2	32.2	30.8	34.1
Viet Nam Dong	0.0057	0.0063	0.0059	0.0066
Philippine Peso	2.46	2.70	2.58	2.76
Turkish lira	6.81	4.90	4.82	4.90

# Summary of Financial Results for FY 2024 2Q

- In Japan, we achieved record sales and operating income in response to robust demand for capital investment. Overseas, despite the impact of inflation in Turkey, sales and income increased mainly in Asia, including India.

## ■ Sales : 218.0 billion yen (increased 18.7% year-on-year)

- Japan : 110.6 billion yen (increased 9.1%)
- Overseas : 107.4 billion yen (increased 30.4%) Overseas sales ratio : 49.3% (increased 4.4pt)  
\*Calculated based on reporting segments: "Americas" and "Europe" and "Asia"
- Japan : As inbound tourism recovered, demand for capital investment remained firm, mainly in the food and beverage and service industries, and net sales increased.
- Overseas : Sales increased due to contributions from consolidated Ozti in Turkey, the Americas Dispenser Business, and the India Business, as well as the impact of the weak yen.

## ■ Operating Income : 27.4 billion yen (increased 19.7%) Operating income margin : 12.6% (increased 0.1pt)

- Japan : 17.0 billion yen (increased 26.3%) Operating income margin : 15.4% (increased 2.1pt)
- Overseas : 11.9 billion yen (increased 17.3%) Operating income margin : 11.1% (increased 1.2pt)  
\*Calculated based on reporting segments: "Americas" and "Europe" and "Asia"
- As raw material and labor costs continued to increase, we improved gross margins in each region and thoroughly managed fixed costs, resulting in an increase in profit.  
Introduced inflation accounting in response to Turkey's inflationary environment. 1.7 billion yen negative impact on operating income.

## ■ Ordinary Income : 32.2 billion yen (increased 12.2%)

- Foreign exchange gains of 2.3 billion yen from deposits in foreign currencies were recorded as non-operating income. (3.9 billion yen of foreign exchange gains were recorded in the previous fiscal year.)

## ■ Profit Attributable to Owners of Parent : 19.4 billion yen (increased 2.0%)

- Of the extraordinary loss, we recorded a 2.5 billion yen write-down related to the phased acquisition of Ozti.



# Consolidated Business Performance

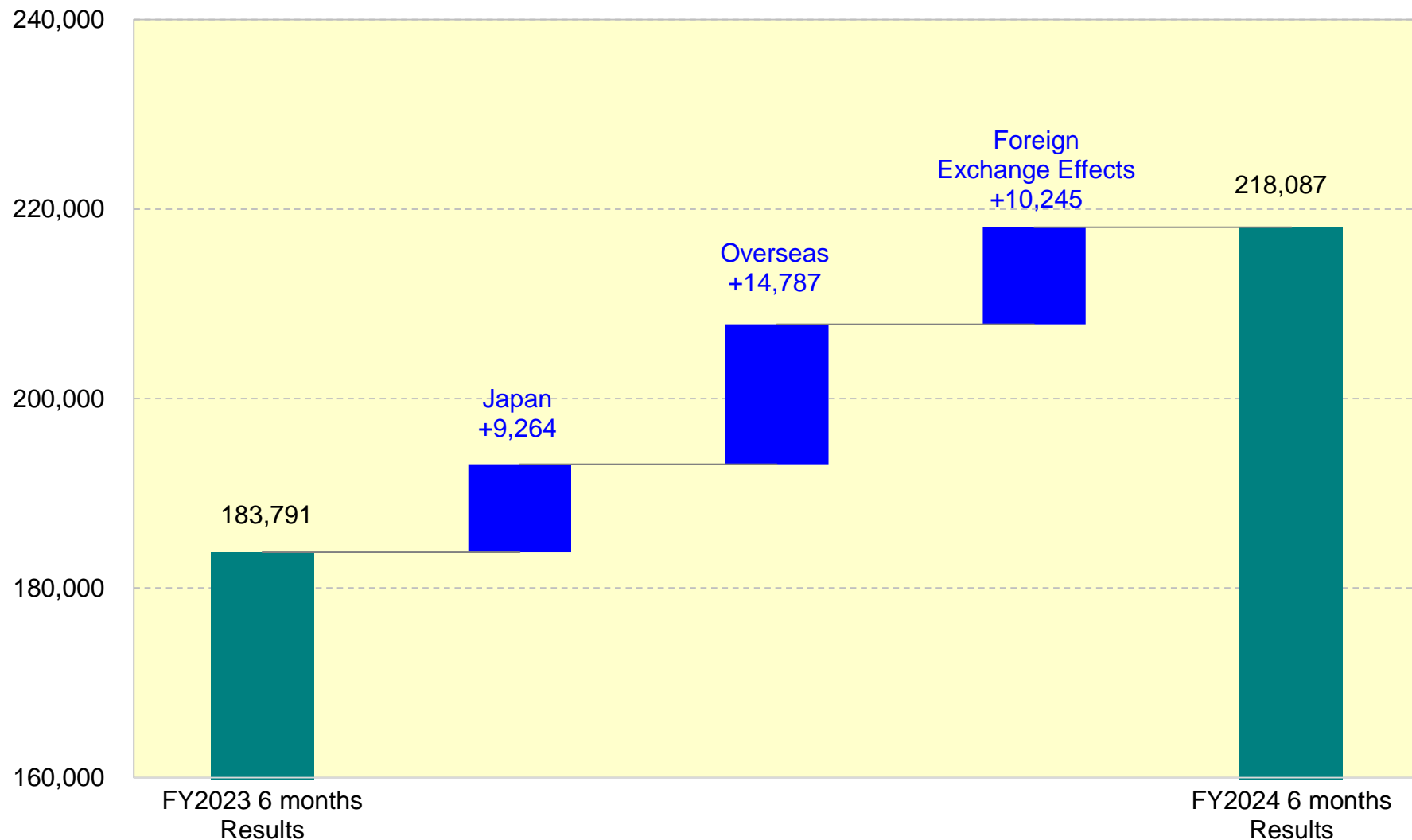
	FY 2023 results		FY 2024 6 months results			
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Year-on-year	
					Change (Millions of yen)	Percentage (%)
Sales	183,791	100.0	218,087	100.0	+34,295	118.7
Cost of sales	115,873	63.0	134,826	61.8	+18,952	116.4
Gross profit	67,918	37.0	83,261	38.2	+15,343	122.6
Selling, general and administrative expenses	45,016	24.5	55,850	25.6	+10,834	124.1
Operating income	22,901	12.5	27,411	12.6	+4,509	119.7
Ordinary income	28,737	15.6	32,248	14.8	+3,510	112.2
Profit attributable to owners of parent	19,896	10.8	19,495	8.9	-401	98.0

※ The consolidated statements of income for the fiscal year ended June 2023 have been revised due to the confirmation of the initial provisional accounting for the business combination with Brema, which was acquired on July 1, 2022, and Royalkitchen, which was acquired on December 22, 2022.



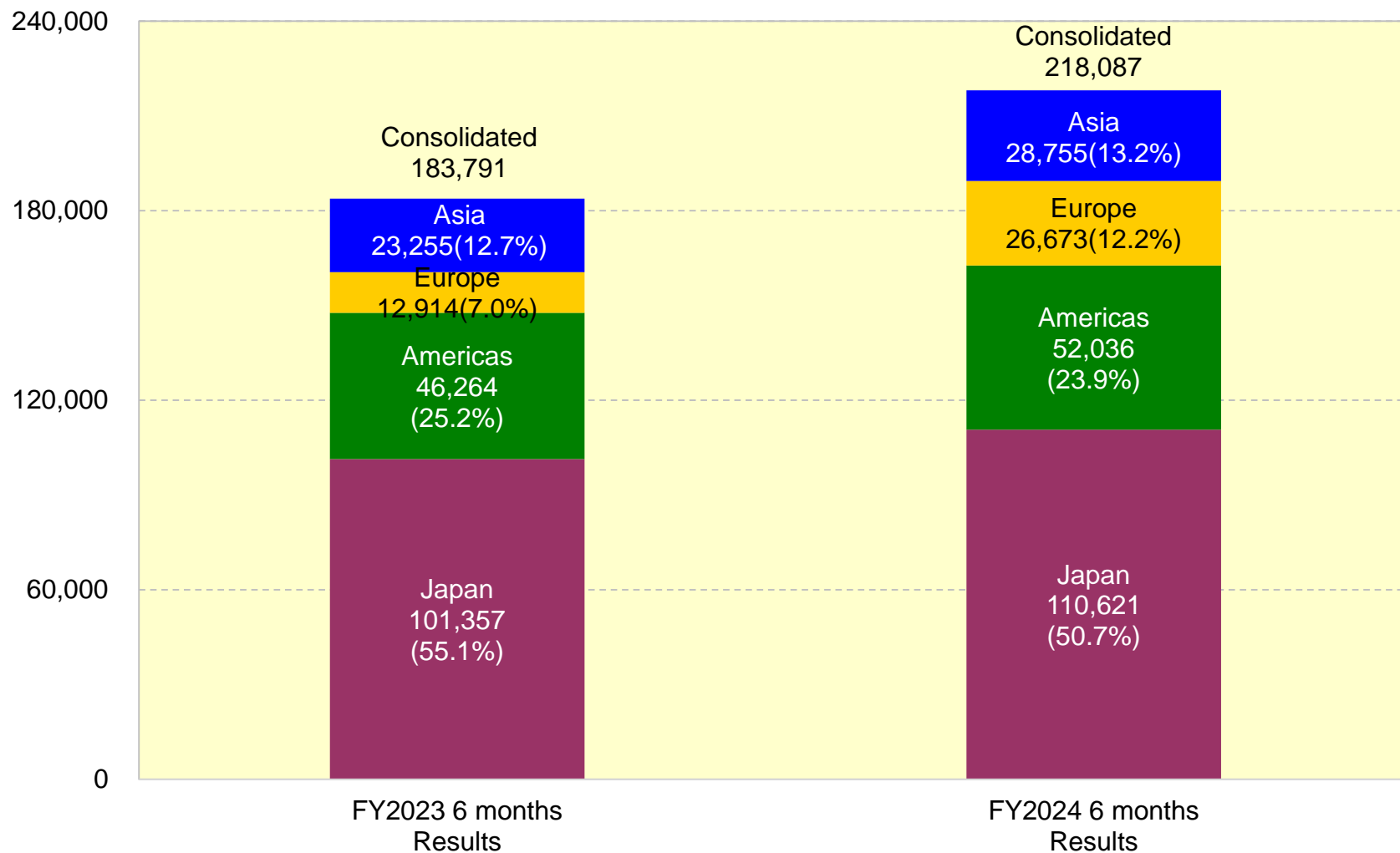
# Factors for Change in Consolidated Sales (Japan and Overseas)

(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")

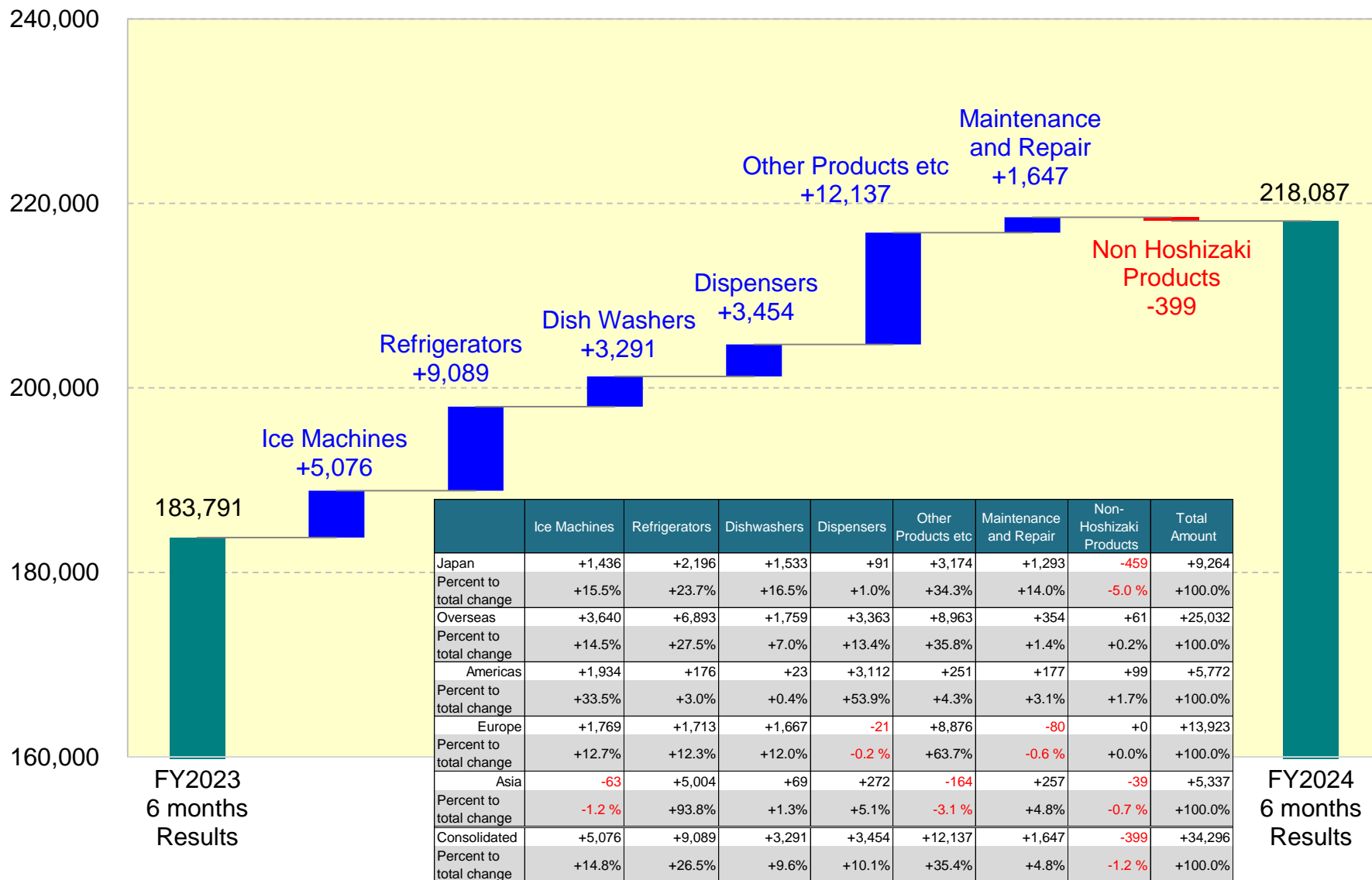
(This is a classification for internal management control, and we use the same classification for reporting segments in the quarterly report.)





# Factors for Change in Consolidated Sales by Product Groups

(Millions of yen)

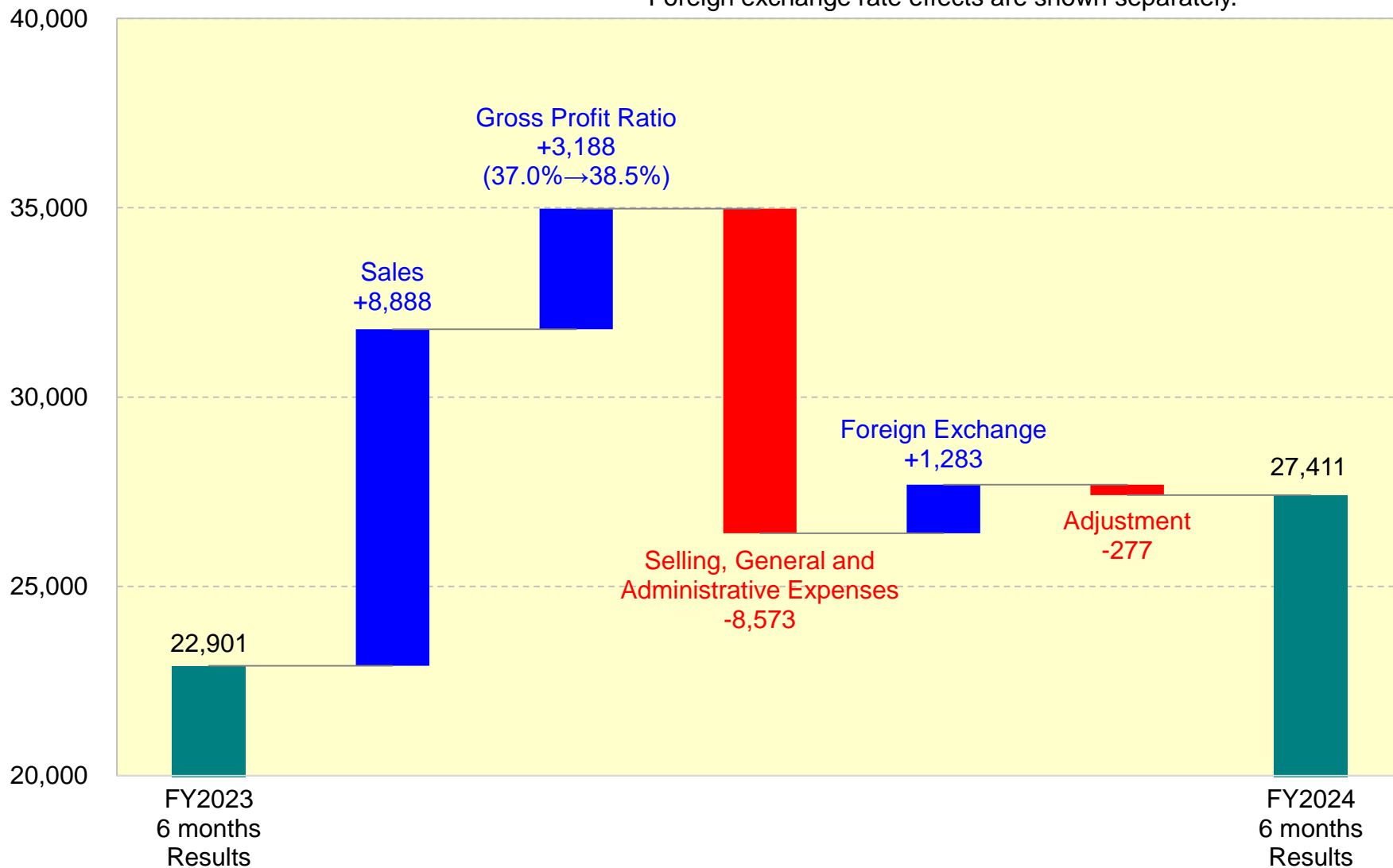


# Factors for Change in Consolidated Operating Income

(Millions of yen)

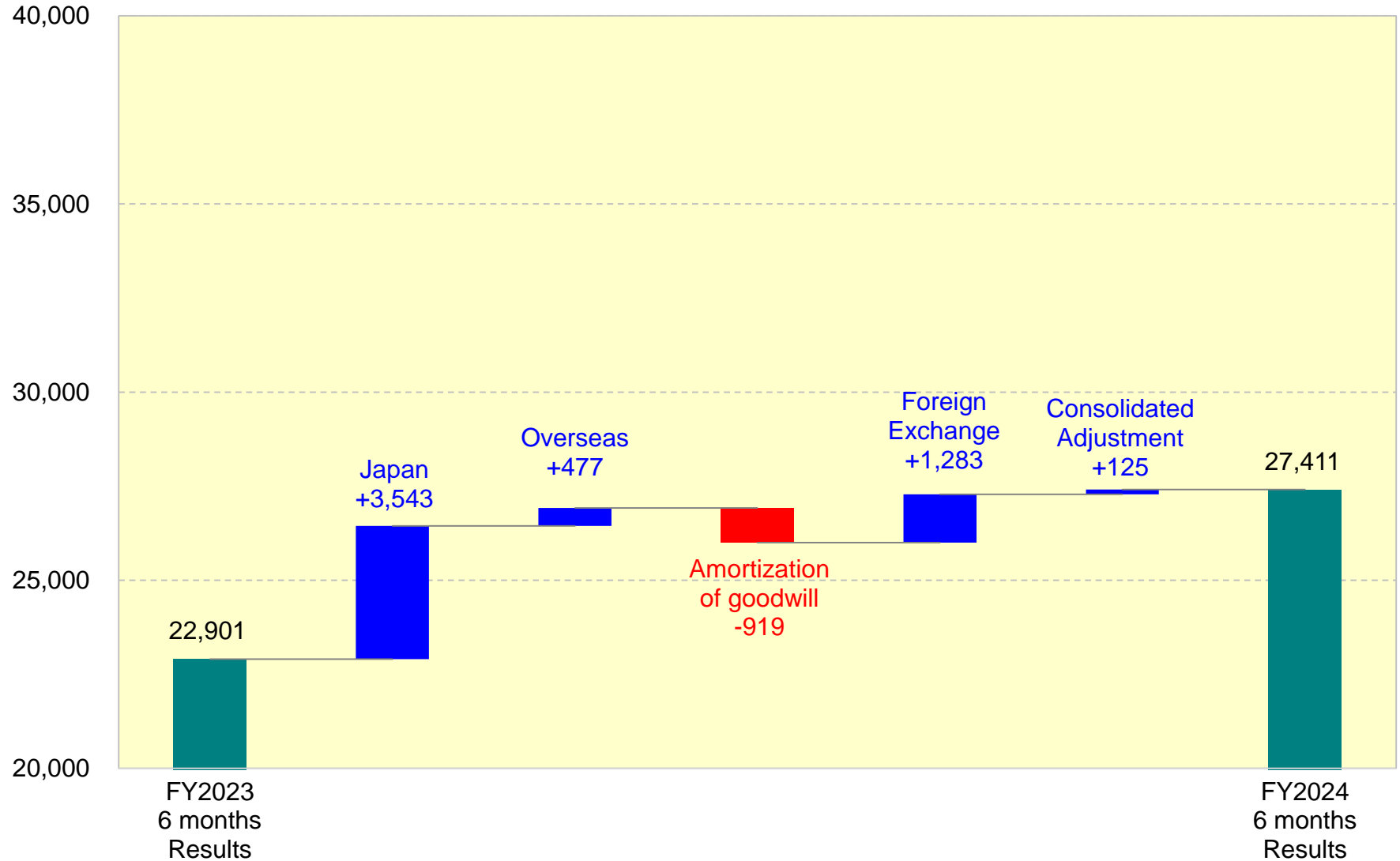
\*The figures in parentheses indicate the ratio of sales to total sales.

\*Foreign exchange rate effects are shown separately.



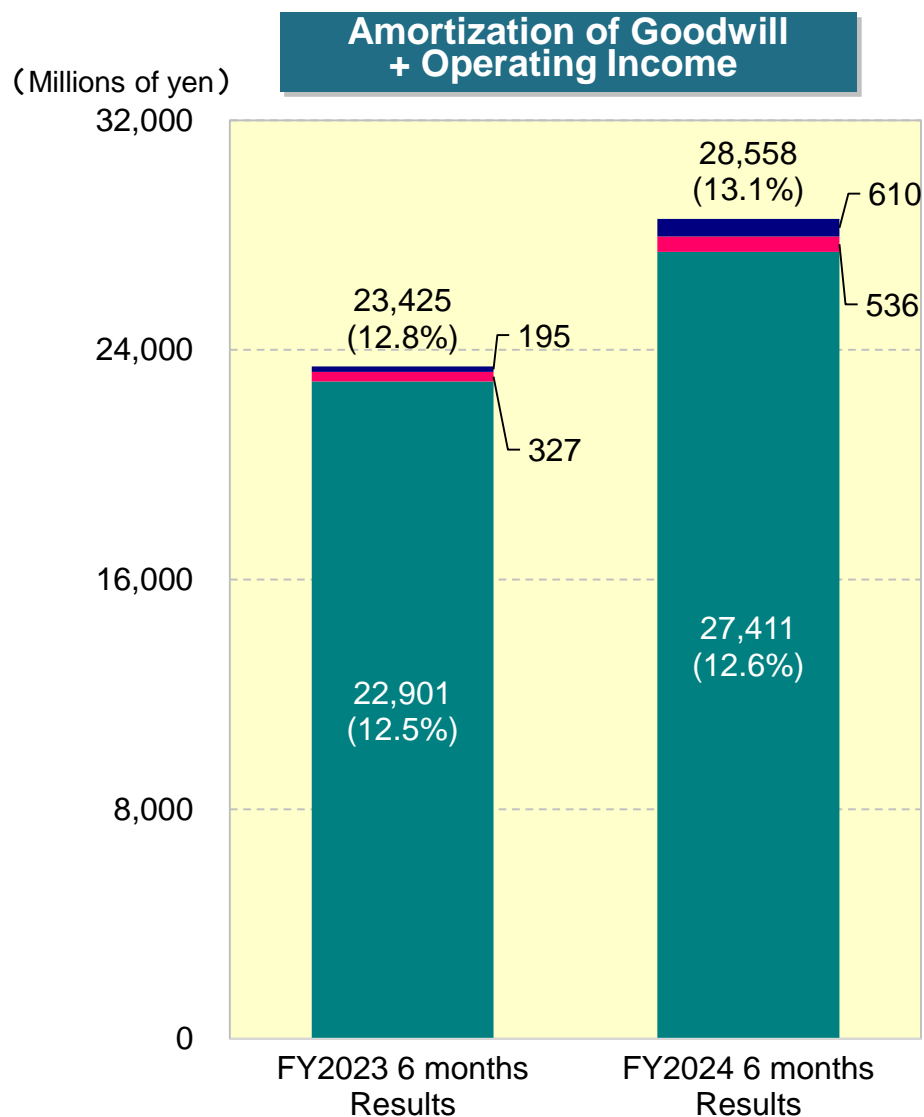
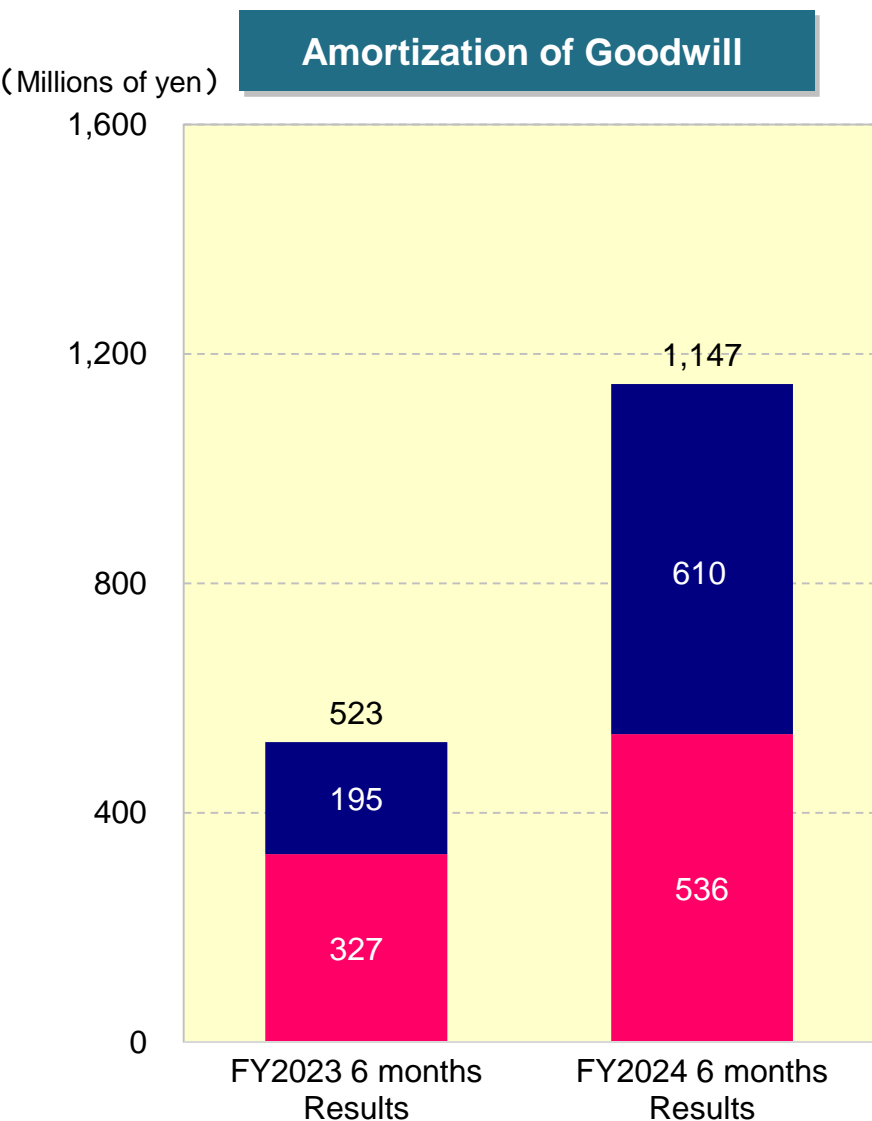
# Factors for Change in Consolidated Operating Income by Japan and Overseas

(Millions of yen)



# Impact of Goodwill Amortization

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



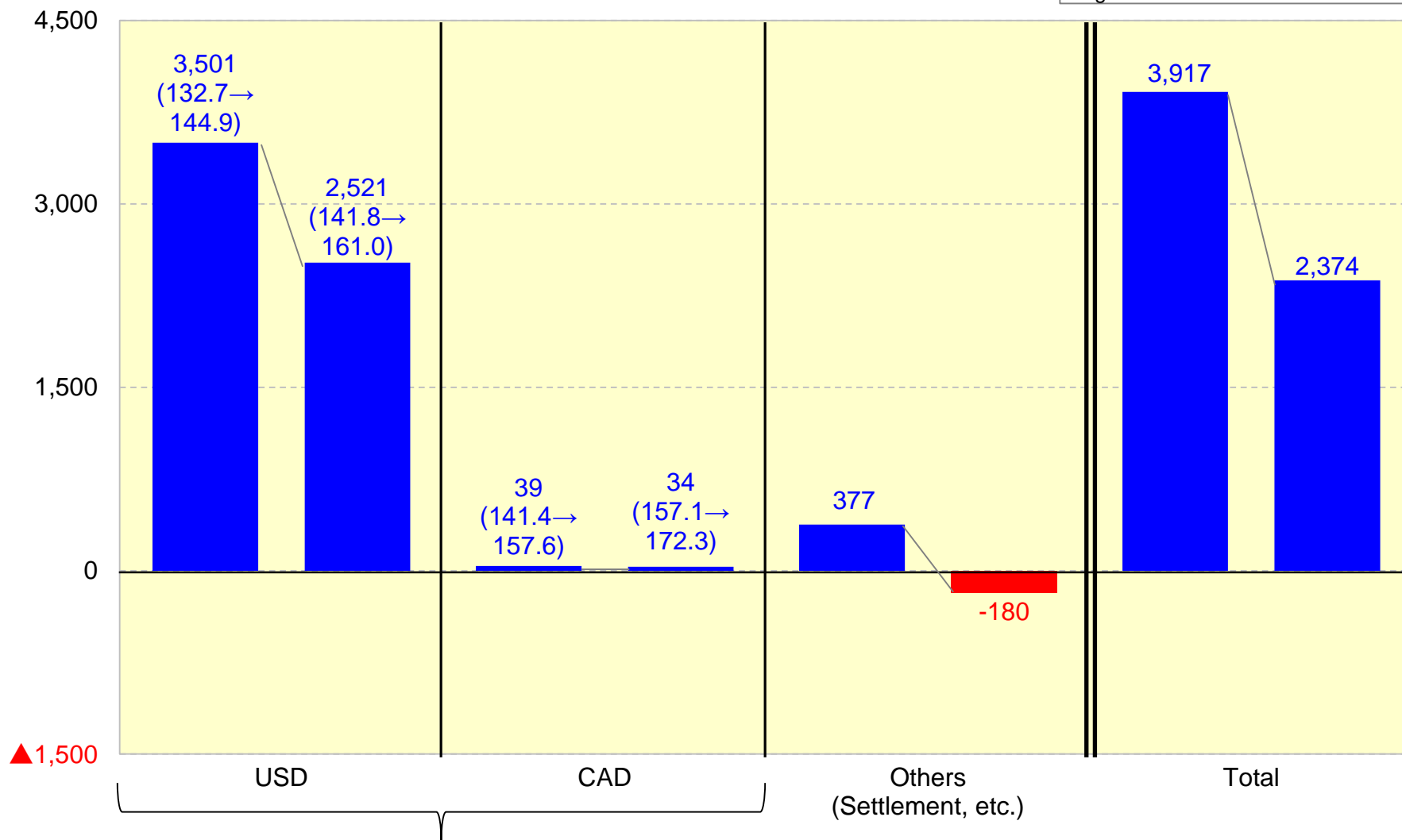
\*Percentages in parentheses indicate sales ratio.



# Breakdown of Foreign Exchange Gain and Loss

(Millions of yen)

Left : FY2023 6 months Results  
Right : FY2024 6 months Results



\*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.

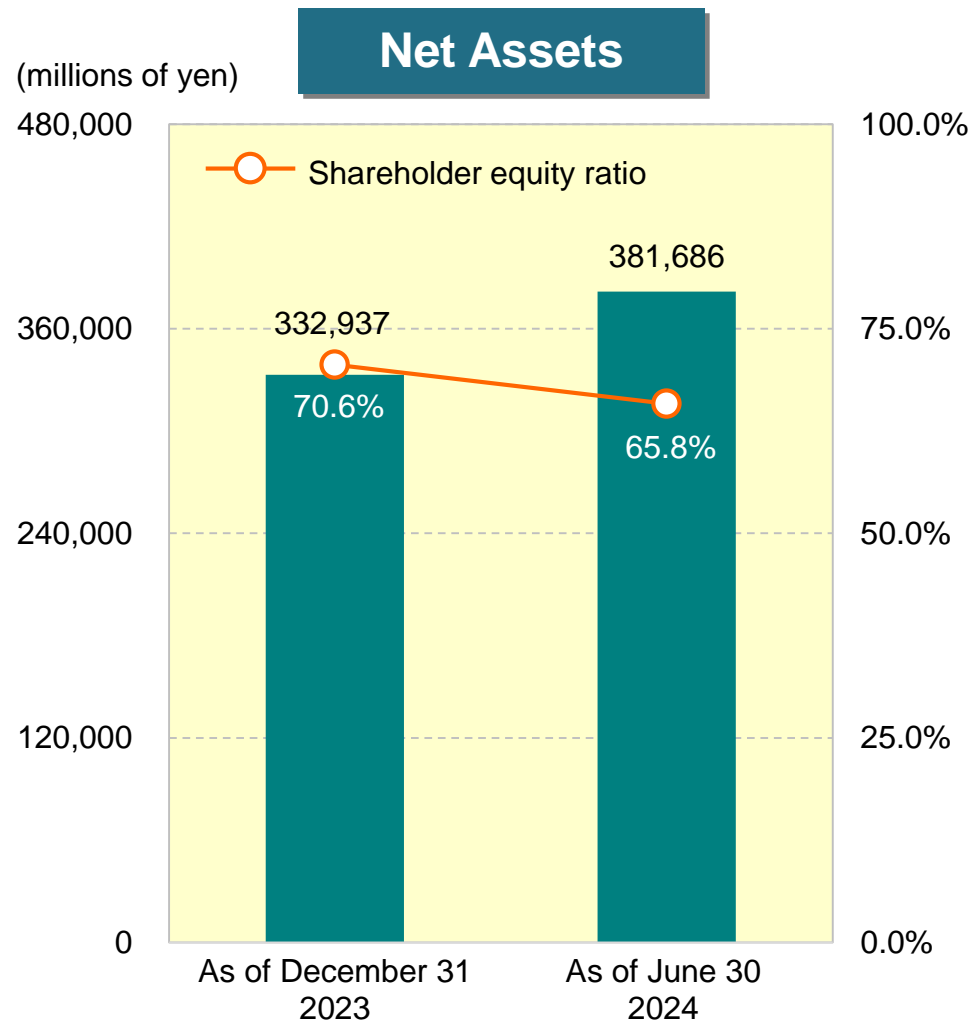
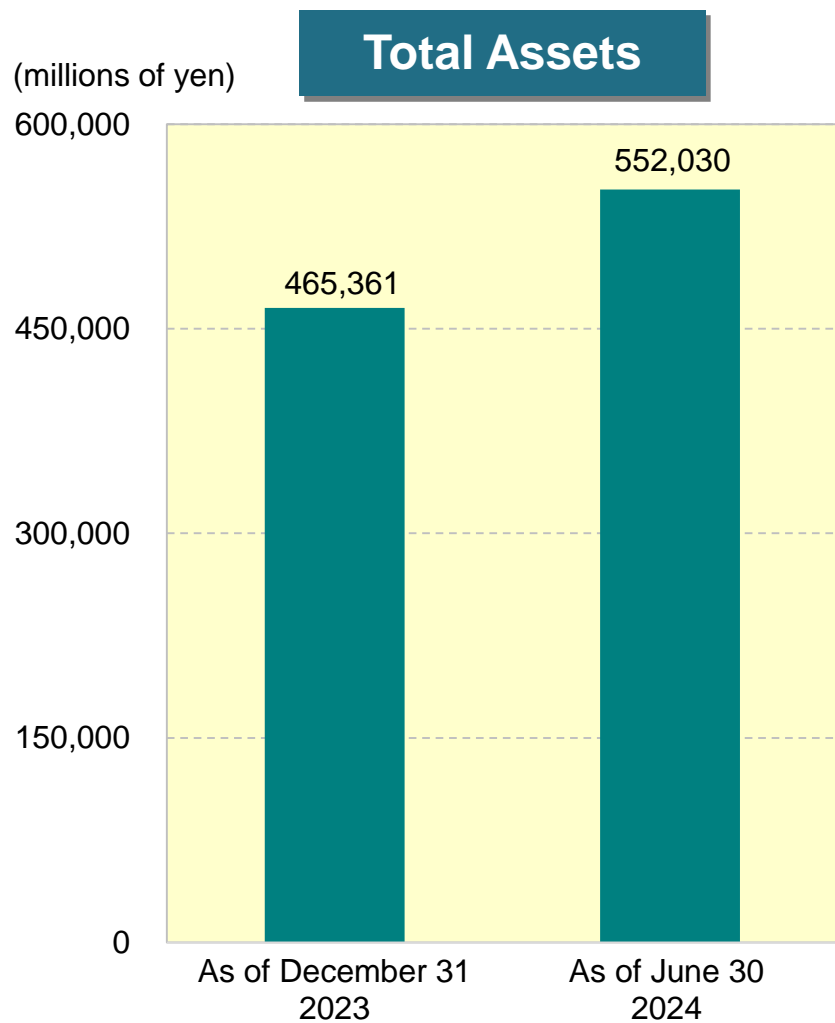


# Consolidated Balance Sheet

		As of December 31, 2023		As of June 30, 2024		
		Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Change (Millions of yen)
	Current assets	364,145	78.3	395,006	71.6	+30,860
	(Cash and cash equivalents)	254,530	54.7	239,652	43.4	-14,877
	(Notes and accounts receivable-trade)	52,026	11.2	76,447	13.8	+24,421
	(Inventory)	52,264	11.2	69,548	12.6	+17,284
	Non-current assets	101,215	21.7	157,024	28.4	+55,808
Total assets		465,361	100.0	552,030	100.0	+86,669
	Current liabilities	104,638	22.5	135,352	24.5	+30,714
	(Notes and accounts payable-trade)	30,308	6.5	35,062	6.4	+4,754
	Non-current liabilities	27,785	6.0	34,990	6.3	+7,204
Total liabilities		132,424	28.5	170,343	30.9	+37,919
Total net assets		332,937	71.5	381,686	69.1	+48,749
Total liabilities and net assets		465,361	100.0	552,030	100.0	+86,669
Cash and deposits (including long-term deposits)		254,530		247,706		-6,823



# Comparison of Consolidated Total Assets and Net Assets



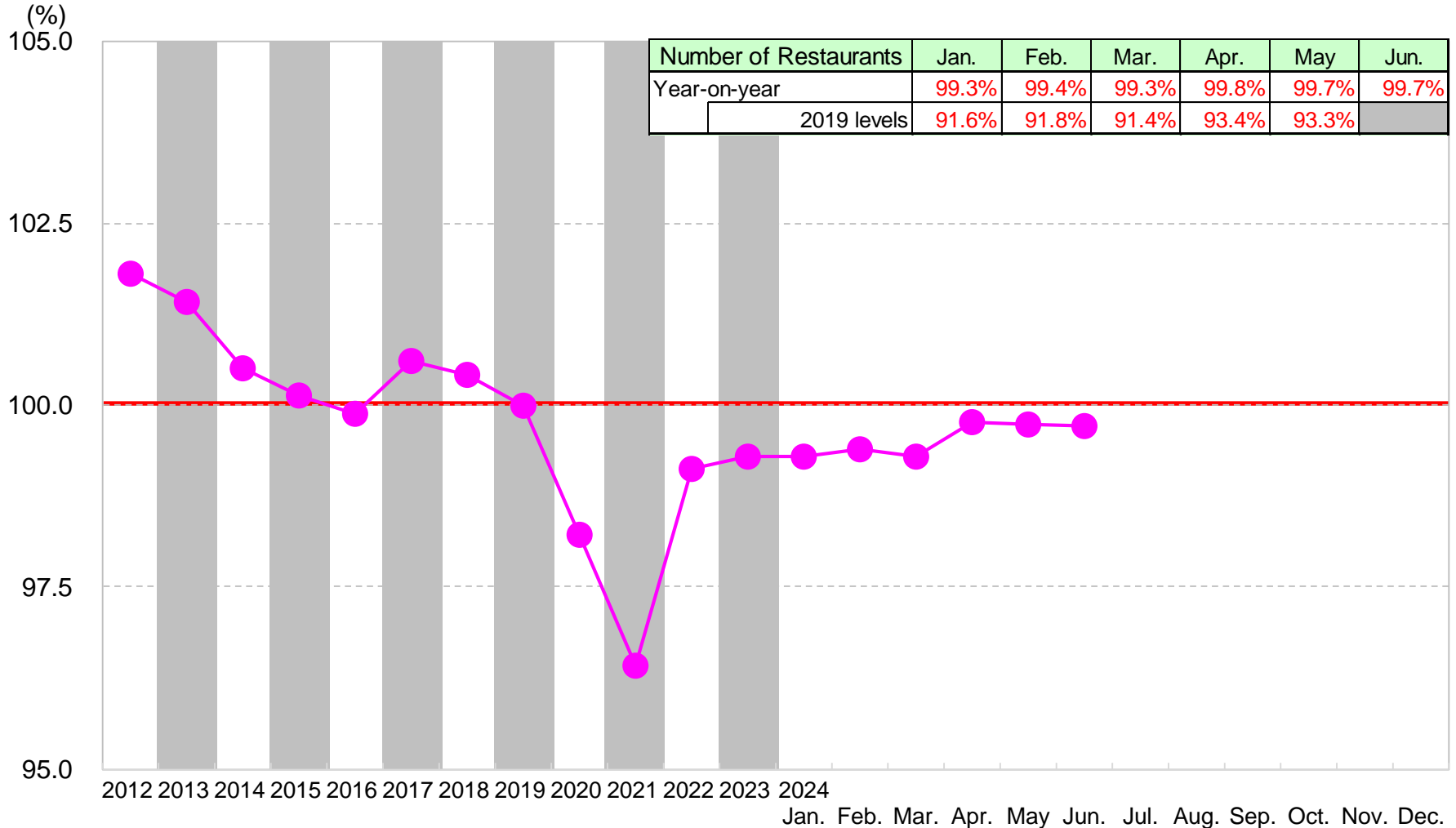


## Ⅱ . Key Factors of Financial Results for FY 2024 2Q



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

- The total number of major chain stores in Japan has been declining year-on-year since 2020, but the rate of decline has been moderate and has been flat since the end of last year.

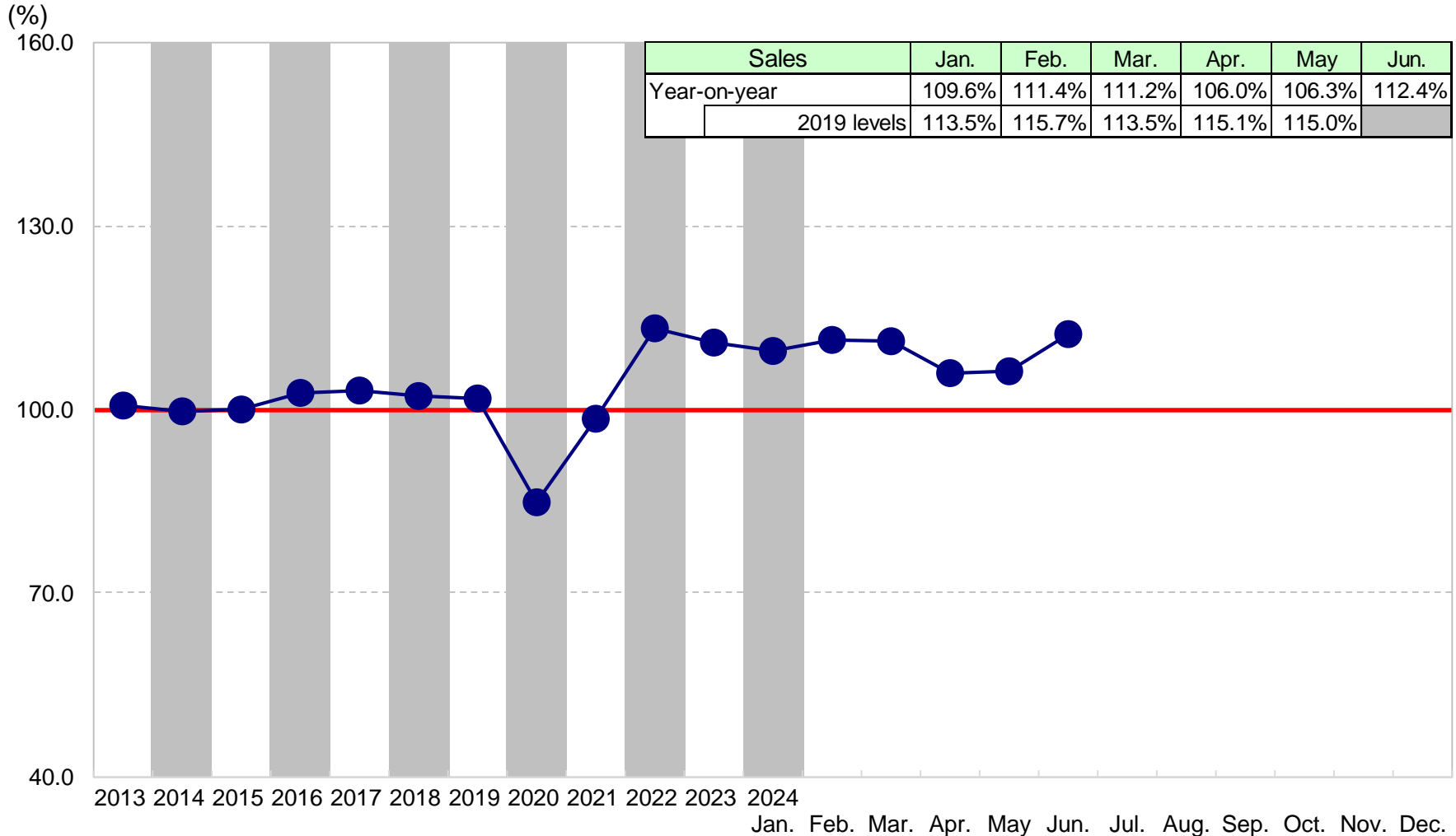


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Sales in the restaurant industry have continued to recover, partly due to rising inbound demand. Sales in the restaurant industry as a whole for June were 112.4% on a year-on-year basis.

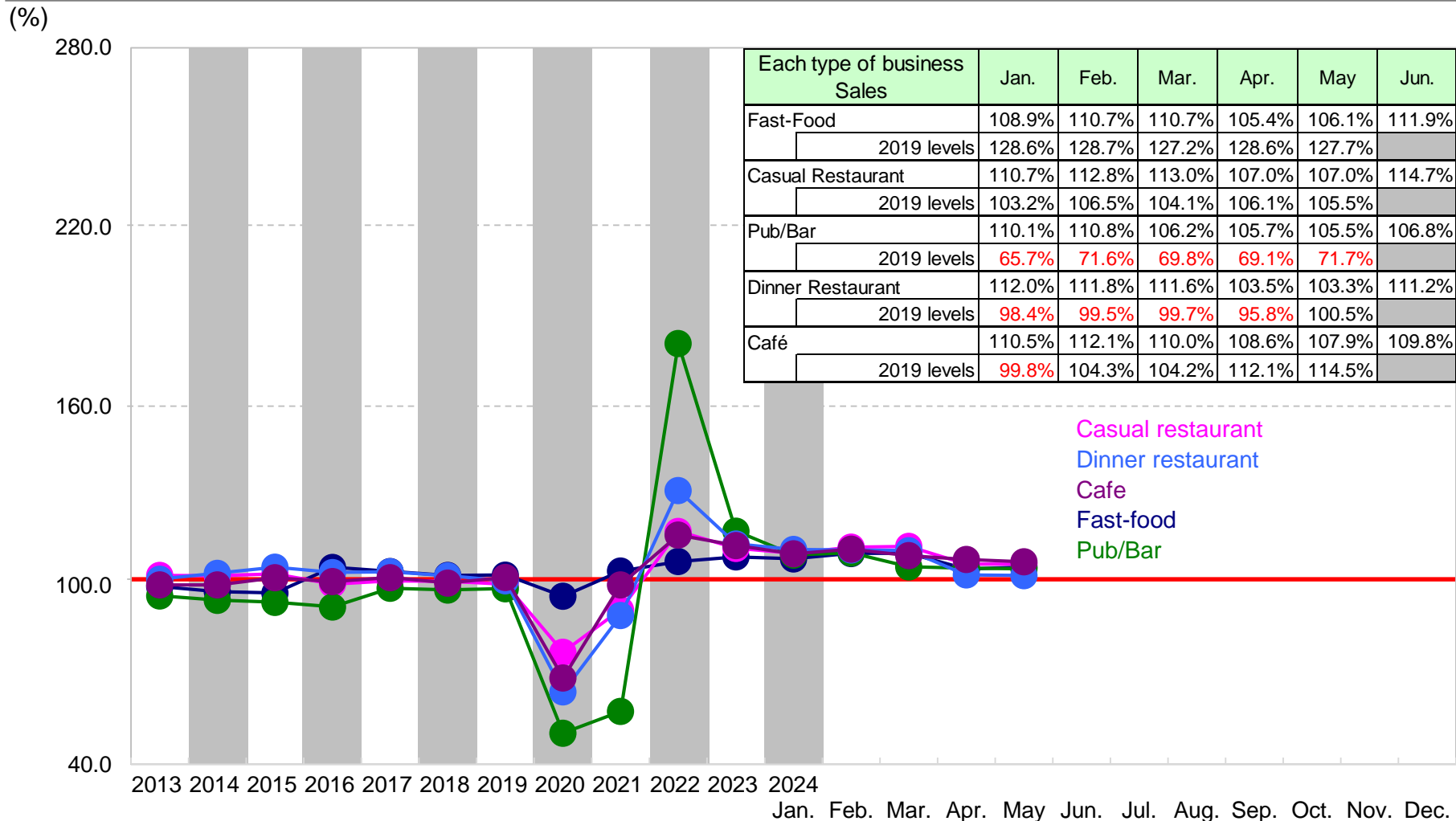


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")



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

- Sales in all categories were 100% or more year on year. Fast food sales have been particularly strong, at more than 120% of pre-pandemic levels.

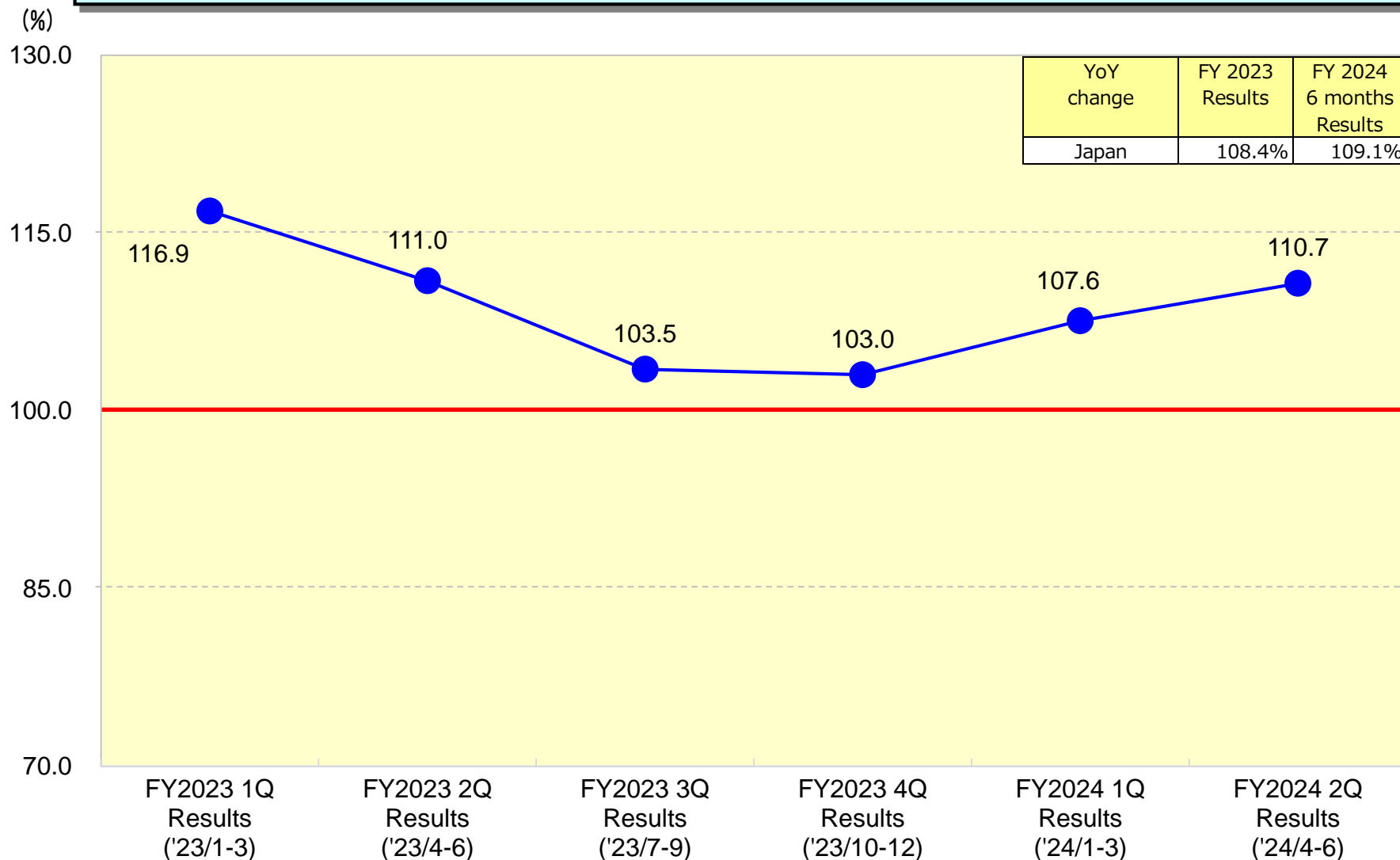


(Source: Japan Food Service Association "Trend Survey on the Food-Service Industry Annual Data")

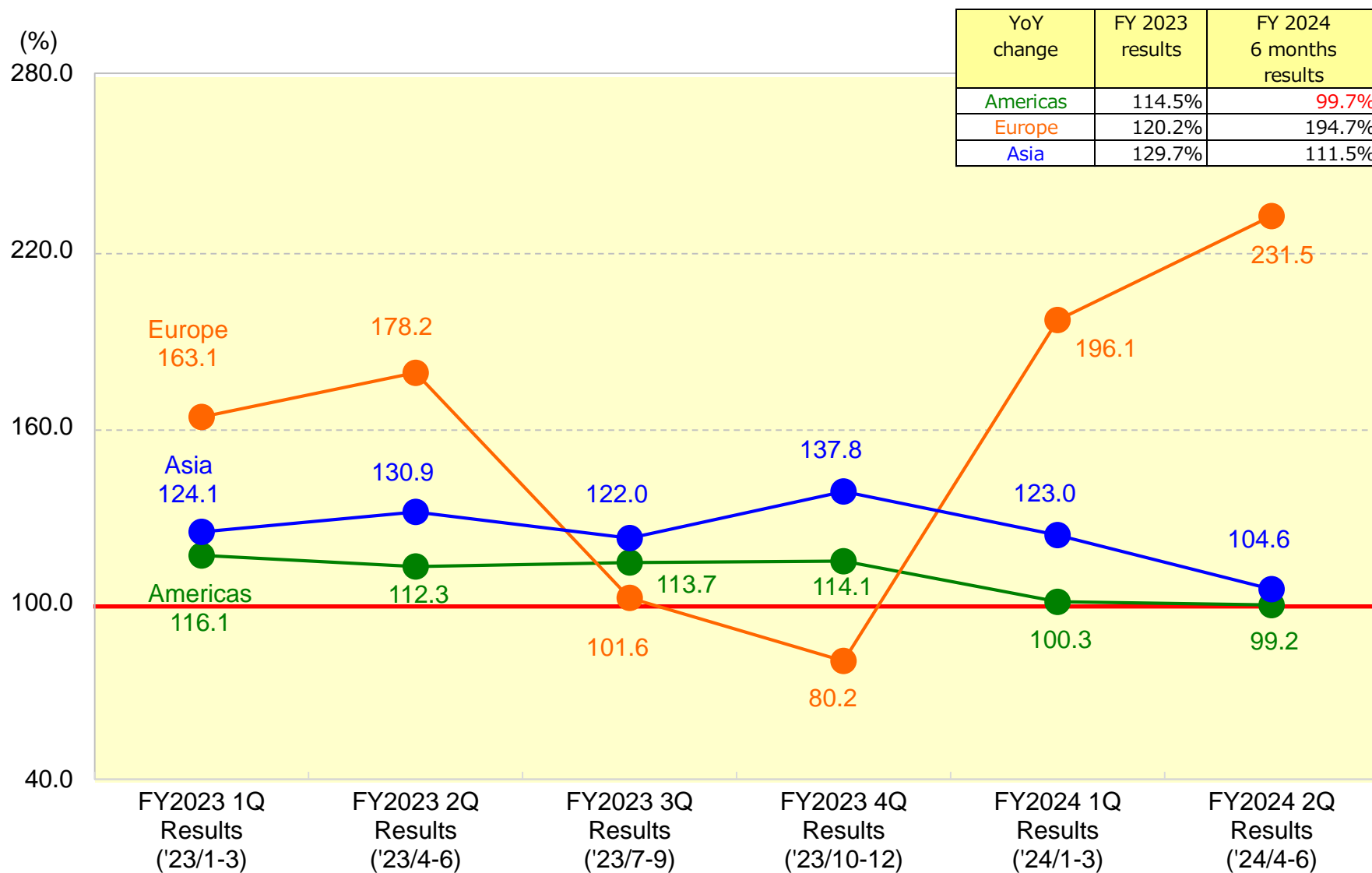


# Japan : Year-on-Year Change in Sales

● Amid strong demand for capital investment, net sales in the second quarter of 2024 exceeded 110% of the previous year.



# Overseas : \*Year-on-Year Change in Sales by Areas on 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 ( Officially announce 2024.02.13 )

## ■ 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

No revisions to full-year earnings forecast for Q2

## ■ 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 (Officially announce 2024.02.13)

No revisions to full-year earnings forecast for Q2

	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







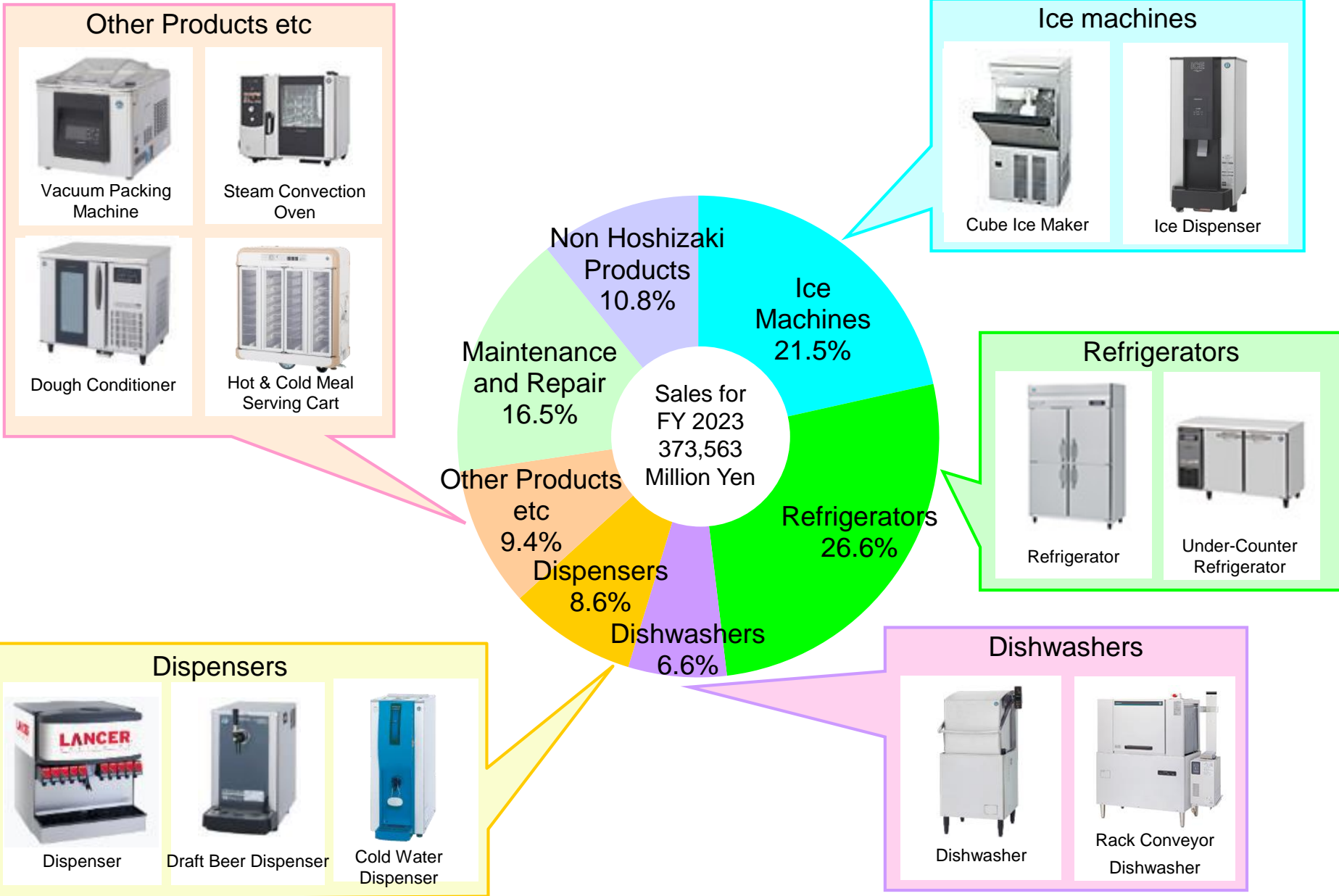
## **IV. Company Profile and Overview of Business**

# Company Profile

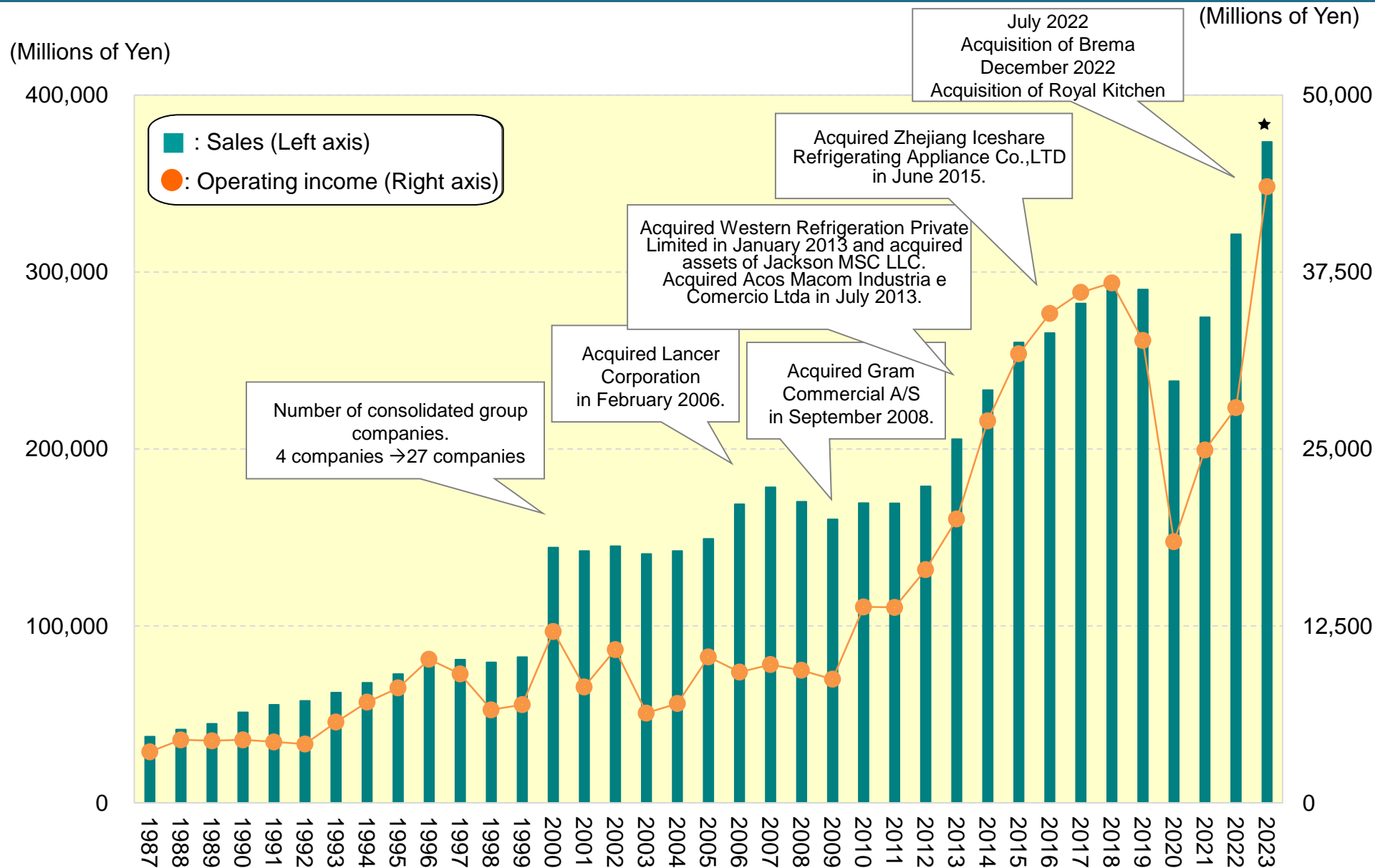


- Company name : HOSHIZAKI CORPORATION
- Head Office : 3-16 Minamiyakata, Sakae-cho, Toyoake-shi, Aichi
- Representative : Yasuhiro Kobayashi,  
Representative Director, President & CEO
- Establishment : February 1947
- Business : Research and development, manufacturing, sales, maintenances and service 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 : 60 companies  
(20 companies in Japan, 18 companies in Americas, 22 companies in Europe and Asia)  
(As of June 30, 2024 \*Including HOSHIZAKI CORPORATION)
- Number of employees : 1,166 persons (HOSHIZAKI CORPORATION)  
15,921 persons (Group total) (As of June 30, 2024)
- Number of sales offices in Japan : 427 places \*Including Service Centers (As of June 30, 2024)

# 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.

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