

# Consolidated Financial Results for the Fiscal Year Ended November 20, 2021 [Japanese GAAP]



December 24, 2021

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 Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 7965  
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 Scheduled date of general shareholders' meeting: February 17, 2022  
 Scheduled date of commencing dividend payments: February 18, 2022  
 Scheduled date of filing securities report: February 18, 2022  
 Availability of supplementary explanatory materials on annual financial results: Available  
 Schedule of annual financial results briefing session: Scheduled

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended November 20, 2021 (November 21, 2020 to November 20, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
November 20, 2021	77,673	3.6	6,399	17.6	6,791	18.6	4,509	14.3
November 20, 2020	74,947	(5.3)	5,440	(0.1)	5,725	(2.6)	3,943	(3.4)

(Note) Comprehensive income: Fiscal year ended November 20, 2021: ¥5,848 million [56.2%]

Fiscal year ended November 20, 2020: ¥3,744 million [17.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
November 20, 2021	66.69	–	6.1	6.8	8.2
November 20, 2020	58.34	–	5.5	6.1	7.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended November 20, 2021: ¥(170) million

Fiscal year ended November 20, 2020: ¥256 million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of November 20, 2021	101,913	76,837	74.8	1,127.06
As of November 20, 2020	97,019	72,917	74.5	1,069.58

(Reference) Equity: As of November 20, 2021: ¥76,224 million

As of November 20, 2020: ¥72,317 million

## (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
November 20, 2021	5,150	(799)	(2,365)	35,209
November 20, 2020	7,366	(1,608)	(2,206)	32,582

## 2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended November 20, 2020	–	13.00	–	13.00	26.00	1,757	44.6	2.5
Fiscal year ended November 20, 2021	–	15.00	–	19.00	34.00	2,299	51.0	3.1
Fiscal year ending November 20, 2022 (Forecast)	–	17.00	–	17.00	34.00		67.6	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022 (November 21, 2021 to November 20, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (cumulative)	43,300	–	3,000	–	3,200	–	2,250	–	33.27
Full year	79,300	–	4,400	–	4,700	–	3,400	–	50.27

(Note) The Company is applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related standards from the beginning of the fiscal year ending November 20, 2022, and therefore the financial results forecast above shows the amounts after the adoption of these accounting standards. Accordingly, changes from the previous corresponding period are not shown.

### \* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: – (Name) –

Excluded: – (Name) –

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

November 20, 2021: 72,600,000 shares

November 20, 2020: 72,600,000 shares

2) Total number of treasury shares at the end of the period:

November 20, 2021: 4,968,791 shares

November 20, 2020: 4,987,621 shares

3) Average number of shares during the period:

Fiscal year ended November 20, 2021: 67,623,974 shares

Fiscal year ended November 20, 2020: 67,608,818 shares

**(Reference) Summary of Non-consolidated Financial Results****1. Non-consolidated Financial Results for the Fiscal Year Ended November 20, 2021 (November 21, 2020 to November 20, 2021)****(1) Non-consolidated Operating Results** (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
November 20, 2021	66,784	3.1	4,535	35.4	5,590	37.8	4,031	36.6
November 20, 2020	64,800	(4.6)	3,349	1.3	4,057	(8.0)	2,952	(8.3)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
November 20, 2021	59.62	—
November 20, 2020	43.67	—

**(2) Non-consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of November 20, 2021	80,380	62,917	78.3	930.30
As of November 20, 2020	79,172	60,967	77.0	901.72

(Reference) Equity: As of November 20, 2021: ¥62,917 million

As of November 20, 2020: ¥60,967 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

Forward-looking statements, such as performance forecasts, made in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not in any way guarantee the achievement of the projections. Actual results, etc., may differ significantly due to various factors.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

The global economy during the fiscal year under review continued to head toward recovery thanks to gradual resumptions of economic activities prompted by the progress in vaccinations and the effects of economic stimulus packages, despite resurgence of the COVID-19 pandemic. Following the economic recovery, however, rising inflation is raising concerns worldwide, mainly due to shortages of supply from increased demand, disruptions in supply chains, and increases in raw materials costs. Moreover, the outlook is expected to remain uncertain, with economic activities significantly swayed by how COVID-19 develops, such as the recent emergence of new variants.

Amid such management environment, on November 21, 2020, the Group initiated its new two-year medium-term plan, ADAPT Phase II, that accounts for the new normal, and has since worked on horizontal expansion of domains, vertical expansion of domains, and a stronger management platform in order to develop Zojirushi from the current brand of household products into a food and lifestyle solution brand.

For horizontal expansion of domains, we worked on developing new markets and sales channels with existing products and expanding our product lineup to deepen existing markets and sales channels. For vertical expansion of domains, we opened a bento box store, “Zojirushi Ginpaku Bento,” in Osaka following the opening of gohan (rice) restaurant, “Zojirushi Gohan Restaurant” in 2018, as part of our business development centered around delicious rice. In addition, we opened Zojirushi Direct, a direct sales e-commerce website offering Zojirushi products, and began offering Zojirushi Rental Service, comprised of Trial Rentals with which customers can try our products before purchasing and Seasonal Rentals whereby customers can use our products just for the period they need and return them after use. As our efforts to build a stronger management platform, we improved productivity and enhanced price competitiveness through streamlining of operations, established an organizational structure that facilitates the execution of ADAPT Phase II, and advanced our initiatives on ESG issues.

As a result, net sales for the fiscal year under review increased by ¥2,725 million year on year to ¥77,673 million (up 3.6% year on year). Net sales by product category also increased year on year in cooking appliances, household and thermal products, and household appliances. On a consolidated basis, domestic net sales amounted to ¥51,995 million (down 1.1% year on year) and overseas net sales amounted to ¥25,677 million (up 14.6% year on year), resulting in overseas net sales making up 33.1% of net sales. Outside of Japan, net sales increased year on year in regions including North America where e-commerce sales are strong, as well as China and Southeast Asia.

As for profits, the Company recorded operating profit of ¥6,399 million (up 17.6% year on year) due to an increase in net sales mainly of high added-value products. Ordinary profit was ¥6,791 million (up 18.6% year on year), and profit attributable to owners of parent was ¥4,509 million (up 14.3% year on year).

Business results by product category were as follows.

#### 1) Cooking appliances

Net sales of cooking appliances amounted to ¥55,806 million (up 2.7% year on year).

In Japan, overall sales of rice cookers/warmers decreased year on year due to a slump in the sales of products in the affordable price range, despite strong sales of the Embudaki series, the highest grade of induction heating pressure rice cookers which reproduces heat from swaying flame of traditional cooking stoves. Sales of electric pots were weak due in part to the shrinking market. Among electric cooking appliances, steady sales of electric griddles and coffee makers, whose demand was strong due to at-home consumption, resulted in a year-on-year increase.

Overseas, sales of rice cookers/warmers, electric pots, and electric cooking appliances were strong in the North American, Chinese, and Southeast Asian markets. In particular, sales of cooking appliances increased significantly in the North American market due to increased demand from at-home consumption.

## 2) Household and thermal products

Net sales of household and thermal products amounted to ¥16,222 million (up 5.7% year on year).

In Japan, sales increased significantly year on year, bouncing back from a significant decline in the previous fiscal year. Stainless-steel vacuum bottles led the sales, thanks in part to a strong performance of stainless-steel vacuum mugs with a seamless one-piece lid, which is the first in the industry to integrate a stopper and a gasket.

Overseas, overall sales increased year on year due to a strong performance of stainless-steel vacuum bottles in the Chinese market, which is a mainstay for the product.

## 3) Household appliances

Net sales of household appliances amounted to ¥3,871 million (up 5.6% year on year).

In Japan, sales increased year on year due to strong performances of humidifiers, bedding dryers, and air cleaners prompted by higher standards of hygiene.

## 4) Others

Net sales of others amounted to ¥1,772 million (up 9.7% year on year).

### · Net sales by region and product category

(Million yen)

		Japan	Overseas				Subtotal	Total	YoY (%)
			Asia		Americas	Other			
			Of which, China						
Net sales	Cooking appliances	39,899	9,400	3,838	6,488	17	15,907	55,806	2.7
	Household and thermal products	7,060	7,483	5,053	1,106	571	9,162	16,222	5.7
	Household appliances	3,806	64	0	–	–	64	3,871	5.6
	Others	1,228	396	108	144	2	543	1,772	9.7
		51,995	17,344	9,001	7,740	592	25,677	77,673	3.6
Composition (%)		66.9	22.3	11.6	10.0	0.8	33.1	100.0	–

## (2) Overview of Financial Position for the Fiscal Year under Review

As for financial position as of the end of the fiscal year under review, total assets increased by ¥4,894 million from the end of the previous fiscal year, and liabilities increased by ¥974 million. In addition, net assets increased by ¥3,920 million. As a result, equity ratio increased by 0.3 percentage points to 74.8%.

The increase of ¥4,894 million in total assets was attributable to increases of ¥3,795 million in current assets and ¥1,099 million in non-current assets.

The increase of ¥3,795 million in current assets was mainly due to increases of ¥2,882 million in cash and deposits, ¥1,438 million in notes and accounts receivable - trade, and ¥574 million in raw materials and supplies, partially offset by decreases of ¥207 million in electronically recorded monetary claims - operating, ¥400 million in securities, ¥198 million in merchandise and finished goods, and ¥289 million in other current assets. The increase of ¥1,099 million in non-current assets was mainly due to increases of ¥948 million in leased assets and ¥1,255 million in retirement benefit asset, partially offset by decreases of ¥116 million in buildings and structures, ¥263 million in tools, furniture and fixtures, ¥276 million in software, ¥326 million in investment securities, and ¥126 million in deferred tax assets.

The increase of ¥974 million in liabilities was attributable to an increase of ¥1,216 million in current liabilities, partially offset by a decrease of ¥242 million in non-current liabilities.

The increase of ¥1,216 million in current liabilities was mainly due to increases of ¥1,500 million in current portion of long-term borrowings, ¥981 million in accrued expenses, and ¥118 million in income taxes payable, partially offset by decreases of ¥1,021 million in notes and accounts payable - trade and ¥395 million in other current liabilities. The decrease of ¥242 million in non-current liabilities was mainly due to a decrease of ¥1,500 million in long-term borrowings, partially offset by increases of ¥912 million in lease obligations and ¥238 million in deferred tax liabilities.

The increase of ¥3,920 million in net assets was mainly due to profit attributable to owners of parent of ¥4,509 million recorded and increases of ¥1,039 million in foreign currency translation adjustment and ¥441 million in remeasurements of defined benefit plans, partially offset by dividends of surplus of ¥1,893 million and a decrease of ¥222 million in valuation difference on available-for-sale securities.

### (3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year under review increased by ¥2,627 million from the end of the previous fiscal year to ¥35,209 million.

#### (Cash Flows from Operating Activities)

Net cash provided by operating activities totaled ¥5,150 million, a decrease of ¥2,216 million compared with the previous fiscal year.

This was mainly due to cash inflows from profit before income taxes of ¥6,827 million and an increase in accrued expenses of ¥855 million, partially offset by cash outflows from an increase in trade receivables of ¥1,022 million, a decrease in trade payables of ¥1,386 million, and income taxes paid of ¥1,909 million.

#### (Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥799 million, a decrease of ¥808 million compared with the previous fiscal year.

This was mainly due to cash outflows from purchase of property, plant and equipment of ¥812 million and purchase of intangible assets of ¥270 million, partially offset by cash inflows from proceeds from sale and redemption of securities of ¥400 million.

#### (Cash Flows from Financing Activities)

Net cash used in financing activities totaled ¥2,365 million, an increase of ¥159 million compared with the previous fiscal year.

This was mainly due to cash outflows from dividends paid of ¥1,893 million.

#### (Sources of capital and liquidity)

The Group’s capital needs primarily include operating expenses such as expenses for manufacturing products and selling, general and administrative expenses, as well as capital investments including molds and other manufacturing facilities and information processing systems.

Funds to meet these capital needs are self-financed in principle with cash flows from operating activities, but the Group may procure funds using borrowings from financial institutions and other means as needed.

#### (4) Future Outlook

The economic climate is expected to continue picking up, because restrictions on economic activities are anticipated to be gradually loosened as vaccinations progress, and the recovering trend of the global economy will be maintained. However, the Group presumes that the management environment will remain uncertain, because various countries are expected to continue the process of trial and error to control the infection while maintaining economic activities, given the as-yet unclear outlook on the end of the pandemic due in part to another surge in COVID-19 cases mainly in Europe and new variants spreading worldwide.

Amid such management environment, the Group will position the fiscal year ending November 20, 2022, which is the final year of ADAPT Phase II, as a year of laying the groundwork for new growth, and work on expanding business domains and developing a stronger management platform, in order to achieve the management policy of “Brand Innovation: strengthening Zojirushi as a brand of household products and developing it into a food and lifestyle solution brand.”

Specifically, in domestic businesses, we will work on strengthening proposal sales and cultivating new sales channels in pursuit of the optimal balance between profit and market share, and aim to launch new products in line with changes in society and lifestyles and develop businesses centered around delicious rice. In overseas businesses, we will launch products that meet the specific needs of overseas customers, cultivate and expand the e-commerce market, and expand sales channels in growing regions, to put the business on a sustainable growth trajectory. At the same time, we will improve efficiency in operations and development, reestablish the supply chain, and enhance human resources and organizational structures, while striving to increase social value by promoting our initiatives on ESG issues.

Our current forecast for the fiscal year ending November 20, 2022 is as follows.

We had set medium-term financial results targets to reach ¥80,000 million in consolidated net sales and ¥6,000 million in consolidated operating profit (operating profit ratio of 7.5%) in the fiscal year ending November 20, 2022. However, the Group forecasts net sales of ¥79,300 million in the full-year consolidated financial results forecast, because the adoption of the Accounting Standard for Revenue Recognition and related standards (hereinafter, the “Standards for Revenue Recognition”) will reduce net sales by roughly ¥1,700 million, despite increases in revenue expected for both domestic and overseas businesses due to launch of new products, enhancement of new businesses, and strengthening of sales activities. Consolidated operating profit for the fiscal year ended November 20, 2021 was ¥6,399 million (operating profit ratio of 8.2%), achieving the target a year ahead of the plan. However, in the fiscal year ending November 20, 2022, the Group expects cost of sales to increase due to the impact of foreign exchange rates and a significant surge in prices of raw materials such as aluminum, copper, nickel, and resin; expenses to increase due to more active investments in advertising and sales activities associated with the launch of jointly developed products scheduled in the fall of 2022; and operating profit to decrease due to the adoption of the Standards for Revenue Recognition. Accordingly, the Group forecasts operating profit of ¥4,400 million, ordinary profit of ¥4,700 million, and profit attributable to owners of parent of ¥3,400 million.

Although future developments of the soaring raw materials prices are uncertain, the Group will move forward with the expansion of business domains and a review of the sales prices of new products, in an effort to put the business back on a sustainable growth trajectory in the fiscal year ending November 20, 2023 onward.



(Million yen)

	Consolidated financial results forecast	
	Amount	YoY
Net sales	79,300	–
Operating profit	4,400	–
Ordinary profit	4,700	–
Profit attributable to owners of parent	3,400	–

- (Notes) 1. The above consolidated financial results forecast assumes exchange rate of 1 USD = ¥110.
2. The Company is applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related standards from the beginning of the fiscal year ending November 20, 2022, and therefore the financial results forecast above shows the amounts after the adoption of these accounting standards. Accordingly, year-on-year changes are not shown.

## 2. Basic Policy on Selection of Accounting Standards

The Group plans to prepare its consolidated financial statements using the Japanese GAAP for the time being, taking into consideration the comparability of consolidated financial statements across periods and among companies.

The Group plans to appropriately address the adoption of IFRS upon considering various circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of November 20, 2020	As of November 20, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	34,391	37,274
Notes and accounts receivable - trade	11,720	13,159
Electronically recorded monetary claims - operating	1,575	1,368
Securities	400	-
Merchandise and finished goods	19,994	19,796
Work in process	268	265
Raw materials and supplies	2,053	2,627
Other	3,258	2,968
Allowance for doubtful accounts	(7)	(9)
Total current assets	73,654	77,450
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,774	12,880
Accumulated depreciation	(10,133)	(10,356)
Buildings and structures, net	2,640	2,524
Machinery, equipment and vehicles	3,662	3,663
Accumulated depreciation	(3,257)	(3,295)
Machinery, equipment and vehicles, net	404	368
Tools, furniture and fixtures	9,441	9,465
Accumulated depreciation	(7,687)	(7,974)
Tools, furniture and fixtures, net	1,753	1,490
Land	7,429	7,431
Leased assets	949	2,039
Accumulated depreciation	(334)	(475)
Leased assets, net	615	1,564
Construction in progress	3	39
Total property, plant and equipment	12,848	13,418
Intangible assets		
Software	774	498
Other	121	117
Total intangible assets	896	616
Investments and other assets		
Investment securities	*1 6,565	*1 6,239
Deferred tax assets	617	491
Retirement benefit asset	2,150	3,406
Other	294	300
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	9,620	10,428
Total non-current assets	23,364	24,463
Total assets	97,019	101,913

(Million yen)

	As of November 20, 2020	As of November 20, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,967	7,945
Current portion of long-term borrowings	–	1,500
Lease obligations	335	366
Accrued expenses	5,832	6,813
Income taxes payable	1,039	1,158
Provision for bonuses	1,129	1,139
Provision for product warranties	179	171
Other	897	502
Total current liabilities	18,381	19,598
Non-current liabilities		
Long-term borrowings	1,500	–
Lease obligations	271	1,184
Deferred tax liabilities	770	1,008
Retirement benefit liability	2,853	2,933
Other	324	351
Total non-current liabilities	5,720	5,478
<b>Total liabilities</b>	<b>24,102</b>	<b>25,076</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,022	4,022
Capital surplus	4,214	4,243
Retained earnings	63,474	66,090
Treasury shares	(965)	(961)
Total shareholders' equity	70,746	73,395
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,913	1,690
Foreign currency translation adjustment	129	1,168
Remeasurements of defined benefit plans	(471)	(30)
Total accumulated other comprehensive income	1,570	2,829
Non-controlling interests	599	612
<b>Total net assets</b>	<b>72,917</b>	<b>76,837</b>
<b>Total liabilities and net assets</b>	<b>97,019</b>	<b>101,913</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Net sales	74,947	77,673
Cost of sales	*1, *2 49,620	*1, *2 51,023
Gross profit	25,327	26,649
Selling, general and administrative expenses	*1, *3 19,886	*1, *3 20,250
Operating profit	5,440	6,399
Non-operating income		
Interest income	68	56
Dividend income	122	134
Purchase discounts	33	35
Share of profit of entities accounted for using equity method	256	–
Royalty income	33	18
Rental income	112	108
Foreign exchange gains	34	496
Refund of Chinese value-added-tax	*4 42	*4 56
Other	77	109
Total non-operating income	781	1,016
Non-operating expenses		
Interest expenses	34	27
Sales discounts	428	387
Share of loss of entities accounted for using equity method	–	170
Other	34	37
Total non-operating expenses	497	623
Ordinary profit	5,725	6,791
Extraordinary income		
Gain on sale of non-current assets	–	*5 2
Gain on sale of investment securities	4	56
Total extraordinary income	4	59
Extraordinary losses		
Loss on sale of non-current assets	*6 0	*6 0
Loss on retirement of non-current assets	*7 19	*7 21
Loss on sale of investment securities	0	1
Loss on valuation of investment securities	2	–
Information security expenses	*8 41	–
Loss on COVID-19	*9 35	–
Total extraordinary losses	100	23
Profit before income taxes	5,629	6,827
Income taxes - current	1,544	2,013
Income taxes - deferred	88	278
Total income taxes	1,632	2,291
Profit	3,997	4,536
Profit attributable to non-controlling interests	53	26
Profit attributable to owners of parent	3,943	4,509

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Profit	3,997	4,536
Other comprehensive income		
Valuation difference on available-for-sale securities	(92)	(222)
Foreign currency translation adjustment	32	1,113
Remeasurements of defined benefit plans, net of tax	(90)	441
Share of other comprehensive income of entities accounted for using equity method	(101)	(20)
Total other comprehensive income	*1 (252)	*1 1,312
Comprehensive income	3,744	5,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,709	5,768
Comprehensive income attributable to non-controlling interests	34	80

## (3) Consolidated Statements of Changes in Equity

Fiscal year ended November 20, 2020 (from November 21, 2019 to November 20, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,022	4,200	61,288	(966)	68,545
Changes during period					
Dividends of surplus			(1,757)		(1,757)
Profit attributable to owners of parent			3,943		3,943
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		13		1	15
Net changes in items other than shareholders' equity					
Total changes during period	-	13	2,186	1	2,201
Balance at end of period	4,022	4,214	63,474	(965)	70,746

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,005	180	(381)	1,804	668	71,018
Changes during period						
Dividends of surplus						(1,757)
Profit attributable to owners of parent						3,943
Purchase of treasury shares						(0)
Disposal of treasury shares						15
Net changes in items other than shareholders' equity	(92)	(50)	(90)	(234)	(68)	(303)
Total changes during period	(92)	(50)	(90)	(234)	(68)	1,898
Balance at end of period	1,913	129	(471)	1,570	599	72,917

Fiscal year ended November 20, 2021 (from November 21, 2020 to November 20, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,022	4,214	63,474	(965)	70,746
Changes during period					
Dividends of surplus			(1,893)		(1,893)
Profit attributable to owners of parent			4,509		4,509
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		28		3	32
Net changes in items other than shareholders' equity					
Total changes during period	-	28	2,616	3	2,648
Balance at end of period	4,022	4,243	66,090	(961)	73,395

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,913	129	(471)	1,570	599	72,917
Changes during period						
Dividends of surplus						(1,893)
Profit attributable to owners of parent						4,509
Purchase of treasury shares						(0)
Disposal of treasury shares						32
Net changes in items other than shareholders' equity	(222)	1,039	441	1,258	12	1,271
Total changes during period	(222)	1,039	441	1,258	12	3,920
Balance at end of period	1,690	1,168	(30)	2,829	612	76,837

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,629	6,827
Depreciation	2,344	2,078
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	89	4
Decrease (increase) in retirement benefit asset	(617)	(644)
Increase (decrease) in retirement benefit liability	159	97
Increase (decrease) in provision for product warranties	(9)	(8)
Interest and dividend income	(190)	(190)
Interest expenses	34	27
Share of loss (profit) of entities accounted for using equity method	(256)	170
Loss (gain) on valuation of investment securities	2	–
Loss (gain) on sale of investment securities	(4)	(55)
Loss (gain) on sale of non-current assets	0	(2)
Loss on retirement of non-current assets	19	21
Information security expenses	41	–
Loss on COVID-19	35	–
Decrease (increase) in trade receivables	56	(1,022)
Decrease (increase) in inventories	(995)	171
Increase (decrease) in trade payables	1,583	(1,386)
Increase (decrease) in accrued expenses	470	855
Other, net	(91)	(27)
<b>Subtotal</b>	<b>8,300</b>	<b>6,918</b>
Interest and dividends received	314	169
Interest paid	(34)	(27)
Payments information security control expense	(41)	–
Payments for loss on COVID-19	(35)	–
Income taxes paid	(1,136)	(1,909)
<b>Net cash provided by (used in) operating activities</b>	<b>7,366</b>	<b>5,150</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(636)	(974)
Proceeds from withdrawal of time deposits	300	791
Proceeds from sale and redemption of securities	–	400
Purchase of property, plant and equipment	(1,084)	(812)
Proceeds from sale of property, plant and equipment	0	2
Purchase of intangible assets	(169)	(270)
Purchase of investment securities	(32)	(33)
Proceeds from sale and redemption of investment securities	10	97
Other, net	4	0
<b>Net cash provided by (used in) investing activities</b>	<b>(1,608)</b>	<b>(799)</b>
<b>Cash flows from financing activities</b>		
Repayments of lease obligations	(344)	(404)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,758)	(1,893)
Dividends paid to non-controlling interests	(103)	(67)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,206)</b>	<b>(2,365)</b>
Effect of exchange rate change on cash and cash equivalents	25	642
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,577</b>	<b>2,627</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>29,005</b>	<b>32,582</b>
<b>Cash and cash equivalents at end of period</b>	<b>*1 32,582</b>	<b>*1 35,209</b>



(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Consolidated balance sheets)

\*1 Investments in associates are as follows.

(Million yen)		
	As of November 20, 2020	As of November 20, 2021
Investment securities (shares)	1,724	1,728

(Consolidated statements of income)

\*1 Research and development expenses included in general and administrative expenses and manufacturing expenses for the fiscal year under review are as follows.

(Million yen)	
For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
818	784

\*2 Amounts of write-downs based on declined profitability of inventories held for the purpose of ordinary sales are as follows. The amounts below reflect offsetting with reversals.

(Million yen)		
	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Cost of sales	33	77

\*3 Major items and amounts included in selling, general and administrative expenses are as follows.

(Million yen)		
	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Freight costs	1,845	1,819
Advertising expenses	2,410	2,408
Promotion expenses	1,626	1,660
Payroll and allowances	4,136	4,256
Provision for bonuses	666	767
Retirement benefit expenses	122	105
Depreciation	990	886
Outsourcing expenses	1,938	2,171
Provision for product warranties	(9)	(8)

\*4 Details of refund of Chinese value-added-tax are as follows.

For the fiscal year ended November 20, 2020

Refund of Chinese value-added-tax is refund received by Zojirushi Shanghai Corporation as a tax incentive for foreign companies that have expanded to Shanghai City.

For the fiscal year ended November 20, 2021

Refund of Chinese value-added-tax is refund received by Zojirushi Shanghai Corporation as a tax incentive for foreign companies that have expanded to Shanghai City.

\*5 Details of gain on sale of non-current assets are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Machinery, equipment and vehicles	–	2
Total	–	2

\*6 Details of loss on sale of non-current assets are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Tools, furniture and fixtures	0	0
Total	0	0

\*7 Details of loss on retirement of non-current assets are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Buildings and structures	2	4
Machinery, equipment and vehicles	2	1
Tools, furniture and fixtures	14	15
Total	19	21

\*8 Details of information security expenses are as follows.

For the fiscal year ended November 20, 2020

The expenses are related to investigations conducted, security measures put in place, and contact points established in response to unauthorized access from a third party to Shopping at Zojirushi, a website for sales of parts and consumables operated by a consolidated subsidiary of the Company.

For the fiscal year ended November 20, 2021

Not applicable.

\*9 Details of loss on COVID-19 are as follows.

For the fiscal year ended November 20, 2020

The loss mainly comprises cancellation fees for cancelling sales promotion events in response to requests to refrain from going out issued by the government and local municipalities due to the impact of the spread of COVID-19.

For the fiscal year ended November 20, 2021

Not applicable.

(Consolidated statements of cash flows)

\*1 Relationships between cash and cash equivalents at end of period and the amounts of accounts presented in the consolidated balance sheets are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Cash and deposits	34,391	37,274
Time deposits with maturities of over three months	(1,809)	(2,064)
Cash and cash equivalents	32,582	35,209

(Segment information, etc.)

[Segment information]

The Group engages in manufacture and sales of household products and other products, as well as incidental operations thereto, and businesses other than household products are immaterial. Accordingly, the segment information is omitted.

(Per share information)

Item	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Net assets per share	¥1,069.58	¥1,127.06
Basic earnings per share	¥58.34	¥66.69

(Notes) 1. Diluted earnings per share are not stated because there were no dilutive shares.

2. The basis of calculation is as follows.

(1) Net assets per share

	As of November 20, 2020	As of November 20, 2021
Total amount of net assets (Million yen)	72,917	76,837
Amount deducted from total amount of net assets (Million yen)	599	612
[Of which, non-controlling interests (Million yen)]	[599]	[612]
Net assets associated with common shares (Million yen)	72,317	76,224
Number of issued common shares (Thousand shares)	72,600	72,600
Number of common shares held as treasury shares (Thousand shares)	4,987	4,968
Number of common shares used in the calculation of net assets per share (Thousand shares)	67,612	67,631

(2) Basic earnings per share

	For the fiscal year ended November 20, 2020	For the fiscal year ended November 20, 2021
Profit attributable to owners of parent (Million yen)	3,943	4,509
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	3,943	4,509
Average number of common shares during the period (Thousand shares)	67,608	67,623

(Significant subsequent events)

Not applicable.