

Zojirushi Corporation
Supplementary Explanatory Materials for
Financial Results for
the Three Months Ended February 20, 2022



April 1, 2022



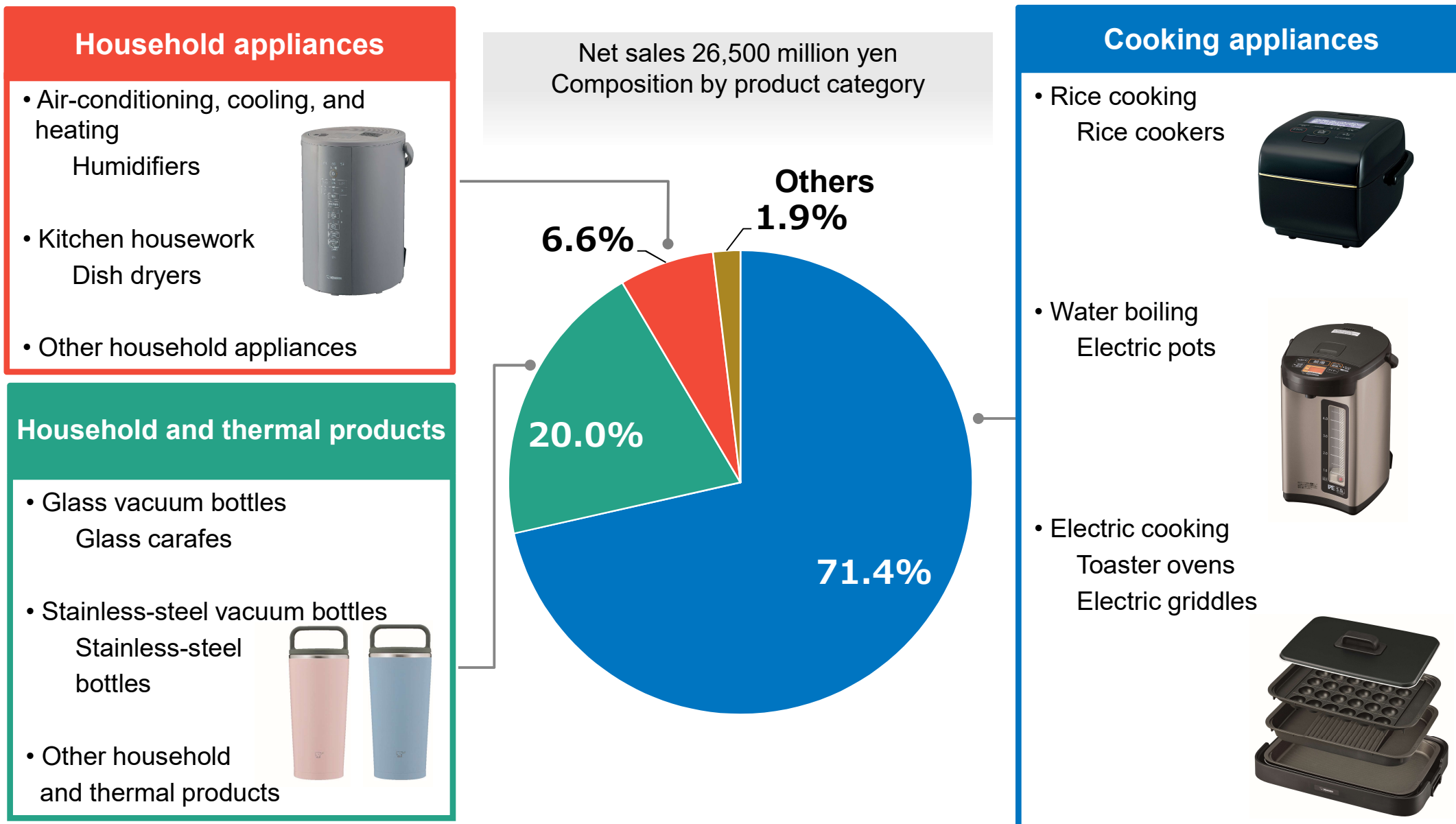
Contents

- I. Consolidated Financial Results for the Three Months Ended February 20, 2022 P. 2**
- II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022 P. 13**
- III. Shareholder Returns P. 20**



I. Consolidated Financial Results for the Three Months Ended February 20, 2022

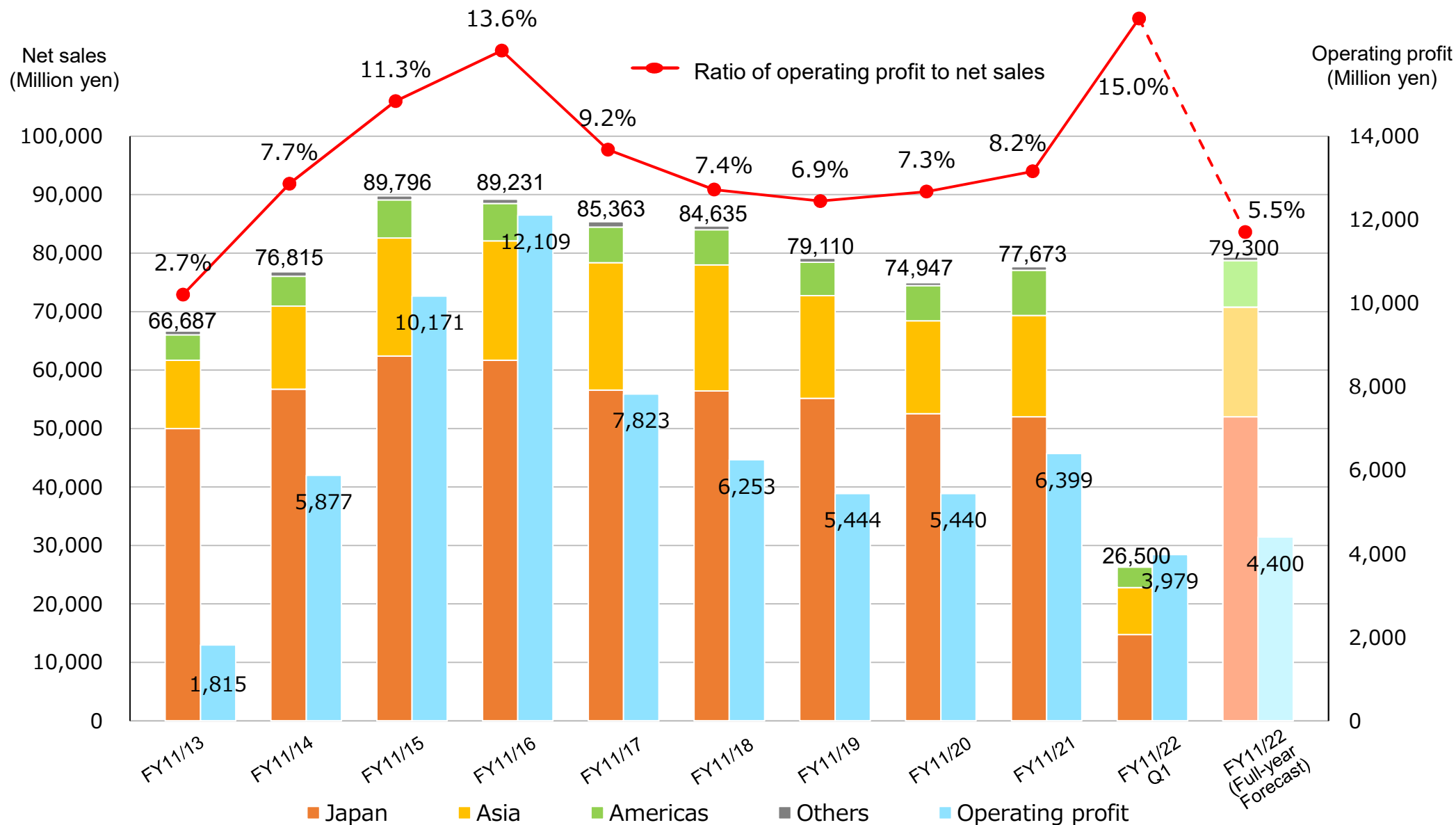
(1) Composition of net sales by product category/principal products



I. Consolidated Financial Results for the Three Months Ended February 20, 2022



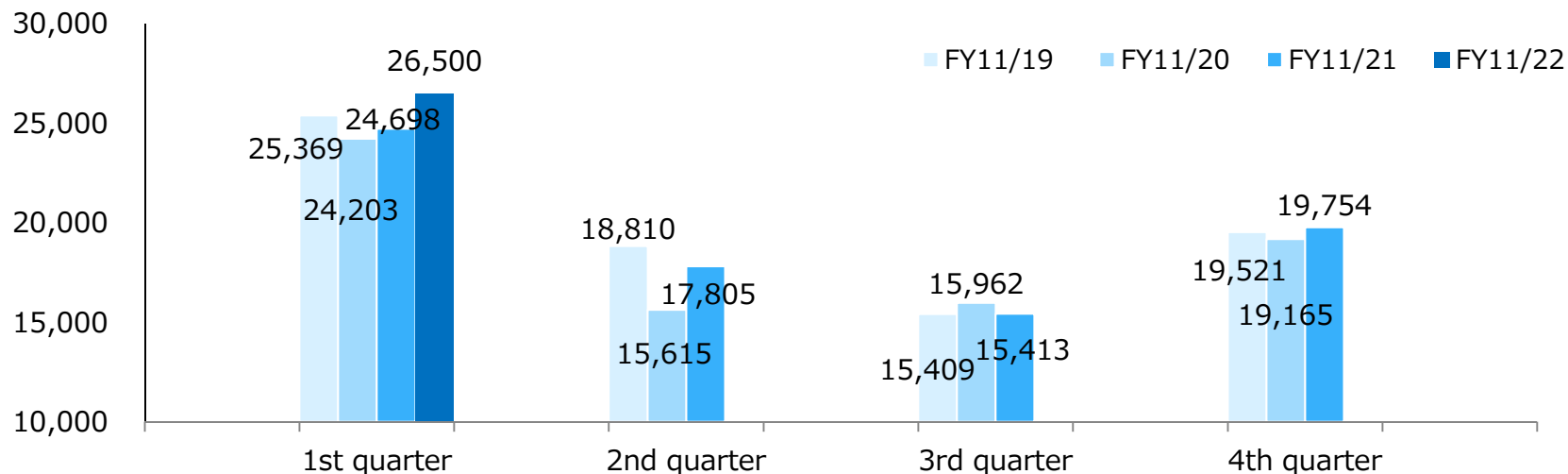
(2) Financial performance



(3) Comparison of quarterly financial results

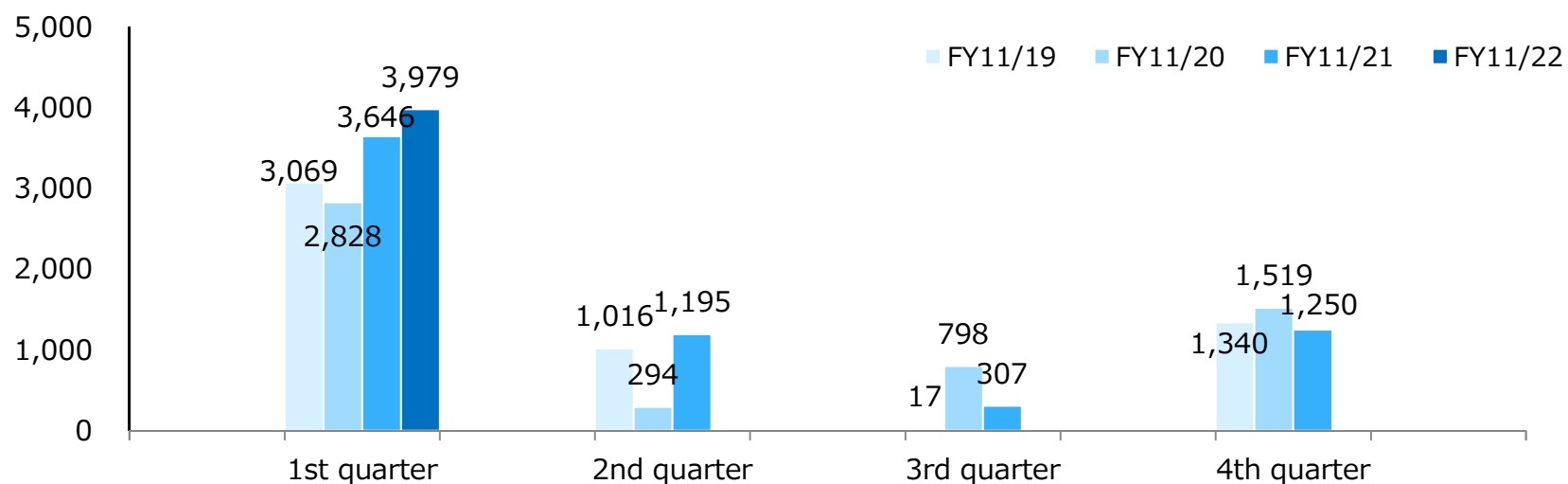
Quarterly net sales

Unit: Million yen



Quarterly operating profit

Unit: Million yen



(4) Overview of financial results

Sales

Net sales

26,500 million yen

Year on year

+1,801 million yen

+7.3%

Domestic net sales **-273 million yen (year on year)**

- **Cooking appliances:** Sales of rice cookers in the affordable price range struggled, while the Embudaki series remained strong.
Sales of electric kettles were strong, while the electric pot market remained weak due to its shrinking trend.
Sales of toaster ovens, electric griddles, etc. declined year on year as a result of the softening of demand for at-home consumption owing to self-restraint on outings due to COVID-19.

- **Household and thermal products:** Stainless-steel carry tumblers were launched as a new category, and stainless-steel vacuum bottles led sales. As a result, sales increased year on year.
- **Household appliances:** Sales increased year on year thanks to the strong performance of humidifiers.
- **Impact of the application of the Accounting Standard for Revenue Recognition:** -435 million yen

Overseas net sales **+2,075 million yen (year on year)**

- **Cooking appliances:** Cooking appliances were strong in the North American, Chinese, and Taiwanese markets. In particular, sales in the North American market were strong as at-home consumption continued.
- **Household and thermal products:** Overall sales increased year on year thanks to the solid performance of stainless-steel products in the mainstay Chinese market.

Profit

Operating profit

3,979 million yen

Year on year

+332 million yen

+9.1%

- **Attributable to net sales **+654 million yen (year on year)****

Described in the “Sales” above.

- **Attributable to gross profit margin **-707 million yen (year on year)****

- **Decrease in selling, general and administrative expenses **+385 million yen (year on year)****

Of which impact of the application of the Accounting Standard for Revenue Recognition: 335 million yen

(5) Statements of income (P/L)

(Unit: Million yen, %)

	Three months ended February 20, 2021		Three months ended February 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	24,698	100.0%	26,500	100.0%	1,801	7.3%
Gross profit	8,980	36.4%	8,927	33.7%	(52)	(0.6)%
Selling, general and administrative expenses	5,333	21.6%	4,948	18.7%	(385)	(7.2)%
Operating profit	3,646	14.8%	3,979	15.0%	332	9.1%
Ordinary profit	3,590	14.5%	4,148	15.7%	557	15.5%
Profit attributable to owners of parent	2,394	9.7%	2,756	10.4%	361	15.1%

I. Consolidated Financial Results for the Three Months Ended February 20, 2022

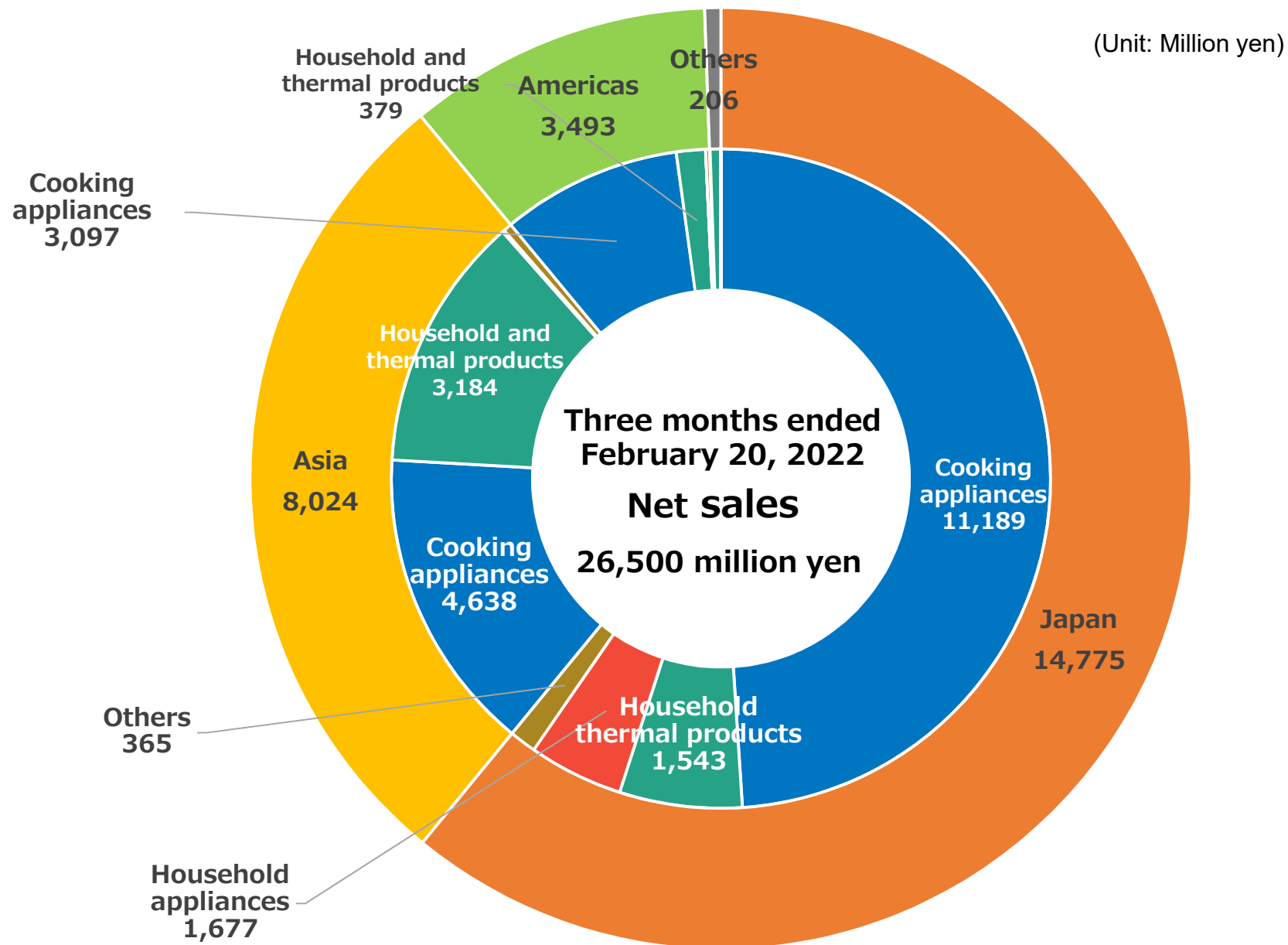


(6) Net sales/operating profit by region and product category

(Unit: Million yen, %)

	Three months ended February 20, 2022						
	Japan	Overseas				Subtotal	Total
		Asia	Americas	Others			
		Of which, China					
Cooking appliances	11,189	4,638	2,105	3,097	3	7,740	18,929
[YoY change rate]	(7.5)%	25.5%	30.3%	41.8%	(23.0)%	31.5%	5.3%
Household and thermal products	1,543	3,184	2,216	379	201	3,765	5,309
[YoY change rate]	4.1%	2.5%	5.3%	3.1%	76.3%	4.9%	4.7%
Household appliances	1,677	69	6	—	—	69	1,746
[YoY change rate]	46.3%	173.0%	—	—	—	173.0%	49.0%
Others	365	131	42	16	0	149	514
[YoY change rate]	12.4%	27.9%	74.5%	(64.6)%	332.2%	(1.3)%	8.0%
Net sales	14,775	8,024	4,371	3,493	206	11,724	26,500
[Composition]	55.8%	30.3%	16.5%	13.2%	0.8%	44.2%	100.0%
[YoY change rate]	(1.8)%	15.8%	16.7%	34.4%	72.2%	21.5%	7.3%
Operating profit	1,498	1,952	1,062	530	(1)	2,480	3,979
[Profit ratio]	10.1%	24.3%	24.3%	15.2%	(0.9)%	21.2%	15.0%
[Composition]	37.7%	49.1%	26.7%	13.3%	(0.0)%	62.3%	100.0%
[YoY change rate]	(18.1)%	38.6%	33.3%	25.2%	(88.1)%	36.5%	9.1%

(7) Net sales by region and product category



(8) Net sales by product category (details)

(Unit: Million yen, %)

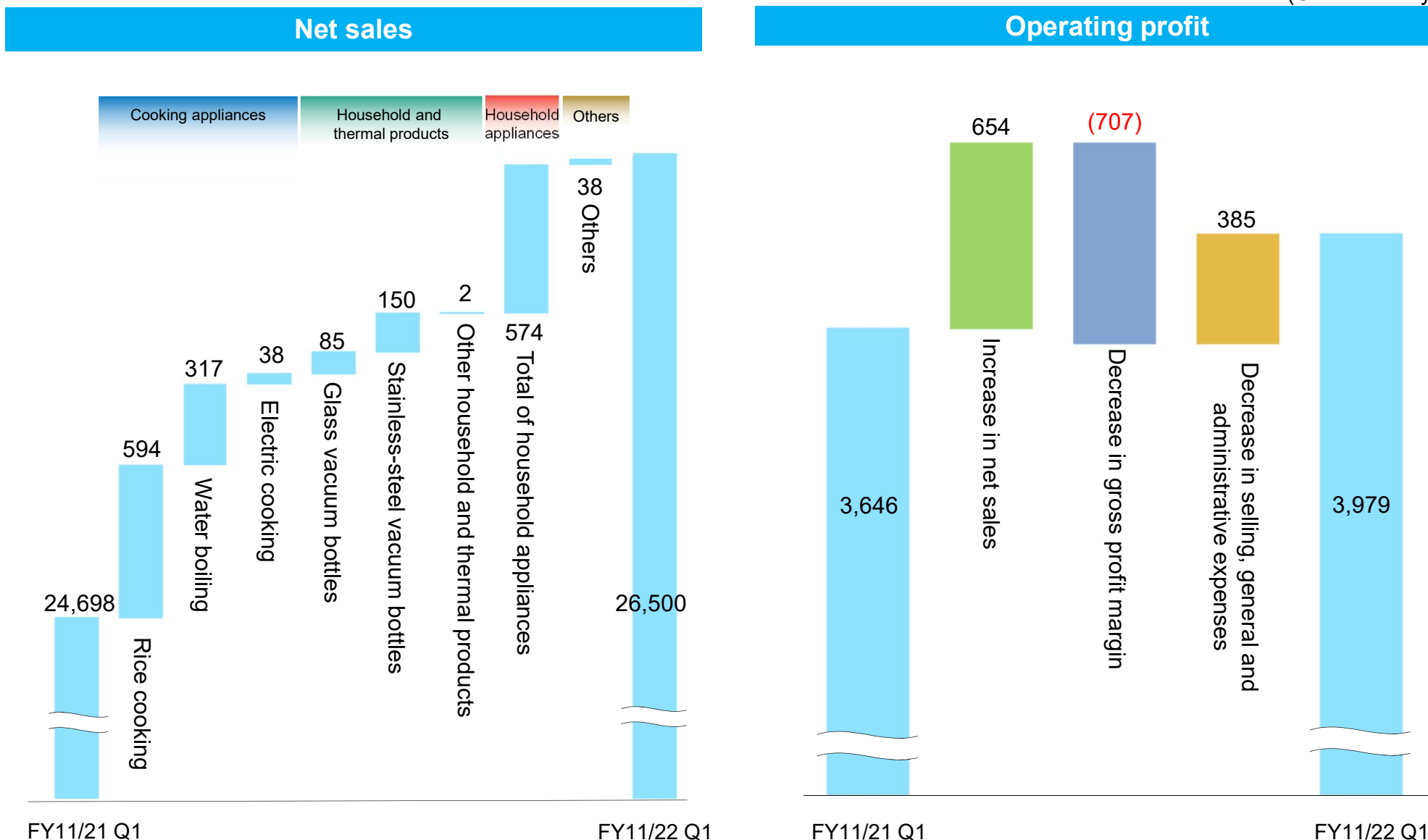
	Three months ended February 20, 2021		Three months ended February 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	24,698	100.0%	26,500	100.0%	1,801	7.3%
Rice cooking	10,830	43.9%	11,424	43.1%	594	5.5%
Water boiling	3,162	12.8%	3,479	13.1%	317	10.0%
Electric cooking	3,986	16.1%	4,024	15.2%	38	1.0%
Total of cooking appliances	17,979	72.8%	18,929	71.4%	950	5.3%
Glass vacuum bottles	363	1.5%	449	1.7%	85	23.4%
Stainless-steel vacuum bottles	4,685	19.0%	4,835	18.2%	150	3.2%
Other household and thermal products	21	0.1%	24	0.1%	2	11.8%
Total of household and thermal products	5,071	20.5%	5,309	20.0%	238	4.7%
Air-conditioning, cooling, and heating	753	3.1%	1,341	5.1%	588	78.1%
Kitchen housework	160	0.6%	150	0.6%	(10)	(6.4)%
Other household appliances	258	1.0%	255	1.0%	(3)	(1.3)%
Total of household appliances	1,172	4.7%	1,746	6.6%	574	49.0%
Others	476	1.9%	514	1.9%	38	8.0%

◇Rice cooking...Rice cookers ◇Water boiling...Electric pots/kettles ◇Electric cooking...Electric griddles/coffee makers/toaster ovens
 ◇Glass vacuum bottles...Glass carafes ◇Stainless-steel vacuum bottles...Stainless-steel vacuum bottles/tumblers/food jars
 ◇Air-conditioning, cooling, and heating...Humidifiers/air cleaners ◇Kitchen housework...Dish driers ◇Others...Restaurant business, etc.



(9) Factors of YoY change in net sales/operating profit

(Unit: Million yen)



(10) Balance sheets (B/S)

(Unit: Million yen)

	November 20, 2021	February 20, 2022	Change
Current assets	77,450	80,095	2,644
Cash and deposits	37,274	39,681	2,407
Merchandise and finished goods	19,796	15,674	(4,121)
Other	20,379	24,738	4,359
Non-current assets	24,463	24,835	372
Property, plant and equipment	13,418	13,307	(111)
Intangible assets	616	605	(10)
Investments and other assets	10,428	10,923	494
Total assets	101,913	104,930	3,017
Total liabilities	25,076	25,955	879
Total net assets	76,837	78,975	2,137
Total liabilities and net assets	101,913	104,930	3,017



II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022

II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022



(1)-i Financial results forecast

(Unit: Million yen, %)

	Fiscal year ended November 20, 2021		Financial results forecast for the fiscal year ending November 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	77,673	100.0%	79,300	100.0%	—	—
Gross profit	26,649	34.3%	24,600	31.0%	—	—
Selling, general and administrative expenses	20,250	26.1%	20,200	25.5%	—	—
Operating profit	6,399	8.2%	4,400	5.5%	—	—
Ordinary profit	6,791	8.7%	4,700	5.9%	—	—
Profit attributable to owners of parent	4,509	5.8%	3,400	4.3%	—	—
Depreciation	2,078	—	1,649	—	(429)	(20.7)%
Capital investment	2,265	—	3,245	—	979	43.3%
Research and development expenses	784	—	810	—	26	3.3%

* 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 in amount and rate are not shown. The following page shows the financial results forecast for the fiscal year ending November 20, 2022 based on prior standards before the change for comparison.

II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022



(1)-ii Financial results forecast based on prior standards

Reference

Shows the financial results forecast assuming the Accounting Standard for Revenue Recognition has not been applied to enable a comparison based on the same accounting standard between the financial results for the fiscal year ended November 20, 2021 and the financial results forecast for the fiscal year ending November 20, 2022.

(Only for reference. For the actual financial results forecast, see the previous page.)

(Unit: Million yen, %)

	Fiscal year ended November 20, 2021		Financial results forecast for the fiscal year ending November 20, 2022 based on prior standards		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	77,673	100.0%	81,000	100.0%	3,326	4.3%
Gross profit	26,649	34.3%	26,300	32.5%	(349)	(1.3)%
Selling, general and administrative expenses	20,250	26.1%	21,400	26.4%	1,149	5.7%
Operating profit	6,399	8.2%	4,900	6.0%	(1,499)	(23.4)%
Ordinary profit	6,791	8.7%	4,700	5.8%	(2,091)	(30.8)%
Profit attributable to owners of parent	4,509	5.8%	3,400	4.2%	(1,109)	(24.6)%

II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022



(1)-iii Financial results forecast against the medium-term financial results targets

Compared to the medium-term results target

Net sales
-700 million yen

Factors of change:

- 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. (about +1,000 million yen)
- Decrease due to the adoption of the Accounting Standard for Revenue Recognition, etc. (about -1,700 million yen)

Compared to the medium-term results target

Operating profit
-1,600 million yen

Factors of change:

- Cost of sales expected 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 expected 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.

(Unit: Million yen, %)

	Medium-term results target for the fiscal year ending November 20, 2022 (Published on Jan. 20, 2021)		Financial results forecast for the fiscal year ending November 20, 2022		Compared to the medium-term performance target	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	80,000	100.0%	79,300	100.0%	(700)	(0.9)%
Operating profit	6,000	7.5%	4,400	5.5%	(1,600)	(26.7)%

II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022



(2) Net sales by region and product category

(Unit: Million yen, %)

Financial results forecast for the fiscal year ending November 20, 2022

	Japan	Overseas				Subtotal	Total
		Asia		Americas	Others		
			Of which, China				
Cooking appliances	38,780	9,850	4,340	6,730	20	16,600	55,380
[YoY change rate]	(2.8)%	4.8%	13.1%	3.7%	11.5%	4.4%	(0.8)%
Household and thermal products	7,620	8,530	5,980	1,210	550	10,290	17,910
[YoY change rate]	7.9%	14.0%	18.3%	9.3%	(3.8)%	12.3%	10.4%
Household appliances	4,060	190	40	—	—	190	4,250
[YoY change rate]	6.6%	193.0%	18933.9%	—	—	193.0%	(9.8)%
Others	1,540	200	10	20	—	220	1,760
[YoY change rate]	25.3%	(49.5)%	(90.8)%	(86.2)%	(100.0)%	(59.5)%	(0.7)%
Net sales	52,000	18,770	10,370	7,960	570	27,300	79,300
[Composition]	65.6%	23.7%	13.1%	10.0%	0.7%	34.4%	100.0%
[YoY change rate]	0.0%	8.2%	15.2%	2.8%	(3.7)%	6.3%	2.1%

II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022



(3) Net sales by product category (details)

(Unit: Million yen, %)

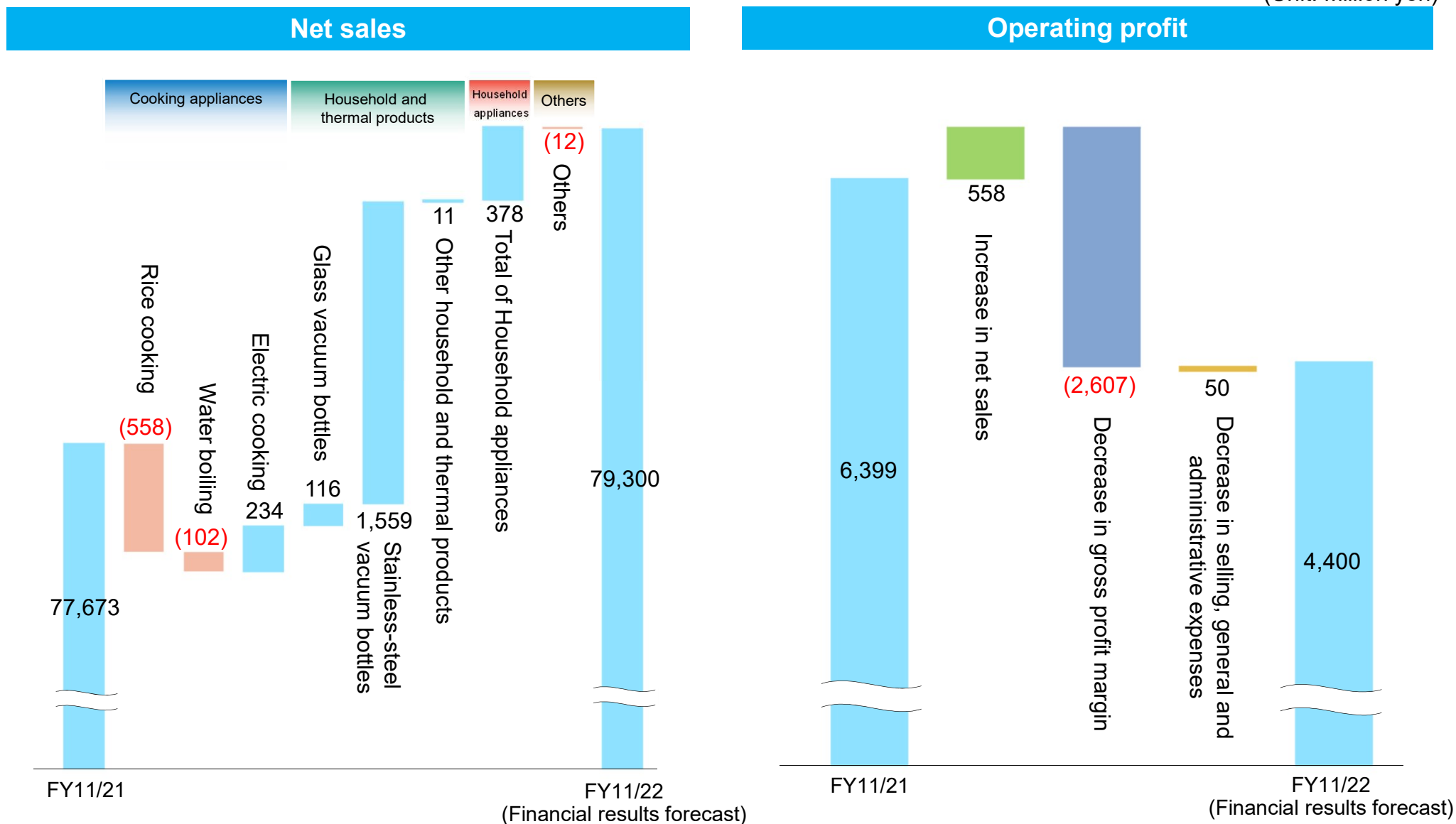
	Fiscal year ended November 20, 2021		Financial results forecast for the fiscal year ending November 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	77,673	100.0%	79,300	100.0%	1,626	2.1%
Rice cooking	35,098	45.2%	34,540	43.6%	(558)	(1.6)%
Water boiling	8,612	11.1%	8,510	10.7%	(102)	(1.2)%
Electric cooking	12,095	15.6%	12,330	15.5%	234	1.9%
Total of cooking appliances	55,806	71.8%	55,380	69.8%	(426)	(0.8)%
Glass vacuum bottles	1,223	1.6%	1,340	1.7%	116	9.5%
Stainless-steel vacuum bottles	14,900	19.2%	16,460	20.8%	1,559	10.5%
Other household and thermal products	98	0.1%	110	0.1%	11	11.4%
Total of household and thermal products	16,222	20.9%	17,910	22.6%	1,687	10.4%
Air-conditioning, cooling, and heating	2,762	3.6%	3,280	4.1%	517	18.7%
Kitchen housework	545	0.7%	480	0.6%	(65)	(11.9)%
Other household appliances	563	0.7%	490	0.6%	(73)	(13.1)%
Total of household appliances	3,871	5.0%	4,250	5.4%	378	9.8%
Others	1,772	2.3%	1,760	2.2%	(12)	(0.7)%

- ◇Rice cooking...Rice cookers ◇Water boiling...Electric pots/kettles ◇Electric cooking...Electric griddles/coffee makers/toaster ovens
 ◇Glass vacuum bottles...Glass carafes ◇Stainless-steel vacuum bottles...Stainless-steel vacuum bottles/tumblers/food jars
 ◇Air-conditioning, cooling, and heating...Humidifiers/air cleaners ◇Kitchen housework...Dish driers ◇Others...Restaurant business, etc.



(4) Factors of YoY change in net sales/operating profit

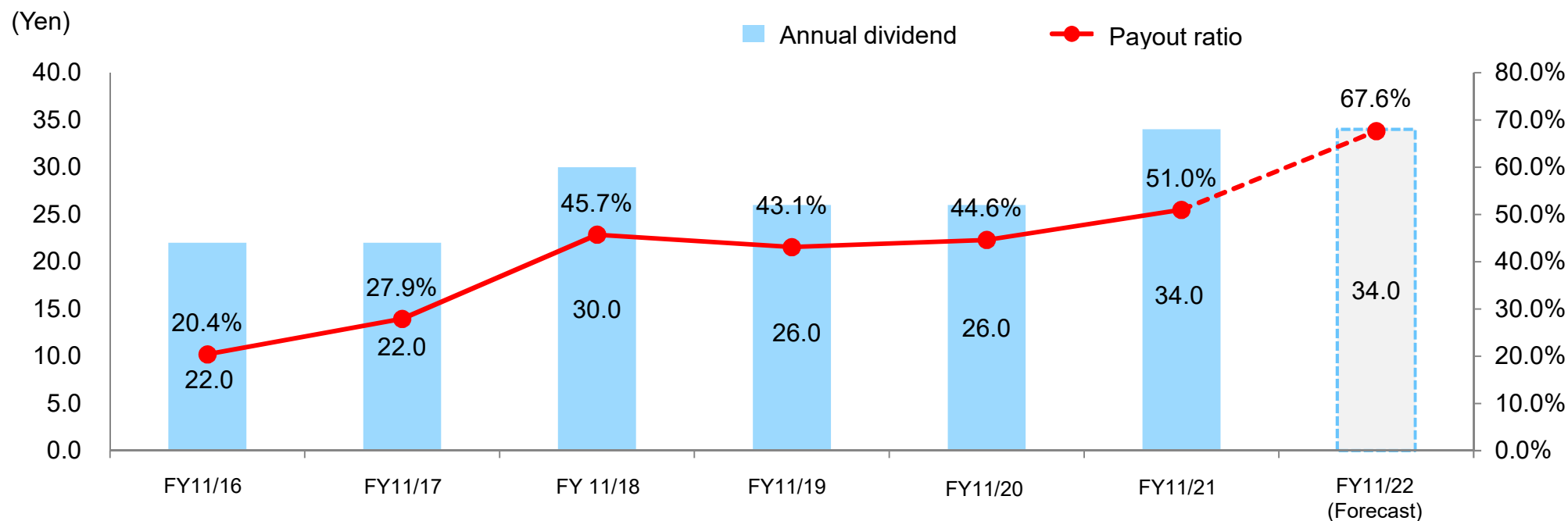
(Unit: Million yen)



III. Shareholder Returns

Dividend policy

The Company considers the return of profits to shareholders to be an important policy and will aim to maintain a stable dividend targeting a consolidated payout ratio of 50% or higher while comprehensively taking into account internal reserves, earnings forecast, etc. to strengthen its corporate platform and develop its business in the future.



* The amount for the FY ended Nov. 2018 includes a dividend of 8.0 yen commemorating our 100th anniversary.

Inquiries on Investor Relations

Zojirushi Corporation

Phone: +81-6-6356-2368

Notes on forward-looking statements

This material is provided to investors purely for informational purposes and is not intended to solicit stock trading.

Forward-looking statements in this material are based on targets or forecasts and are not a commitment or guarantee. Please note that the Company's financial results in the future may differ from the current forecast.

While statements on the industry, etc., are based on a range of data that are considered reliable, the Company does not guarantee their accuracy or integrity.

Investors are warned that the use of this material shall be based on their own judgement and responsibility, and that the Company assumes no responsibility for any consequences whatsoever.

Securities code: 7965 (First Section, Tokyo Stock Exchange)