

Zojirushi Corporation Supplementary Explanatory Materials for Financial Results for the Six Months Ended May 20, 2022



July 1, 2022



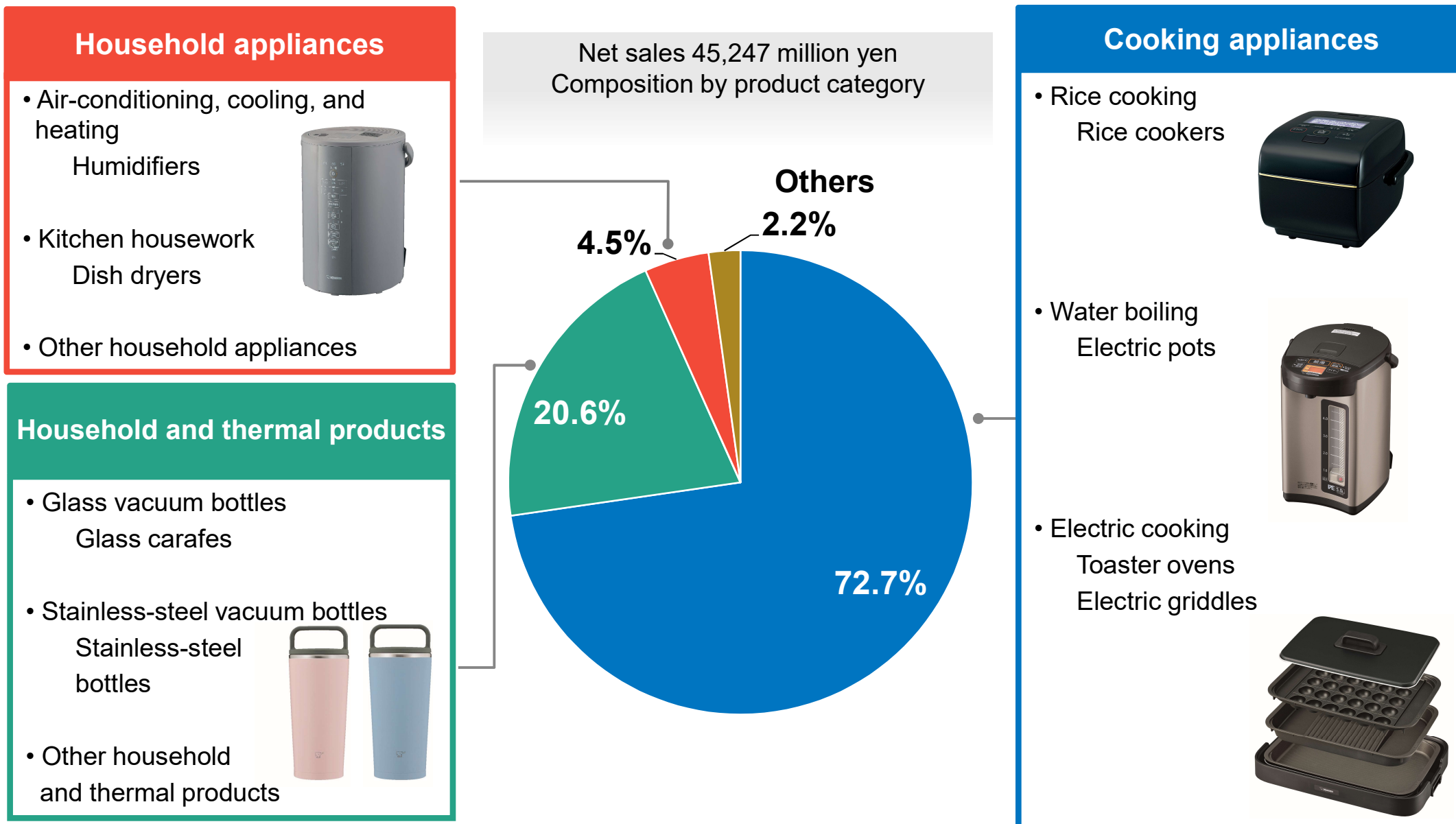
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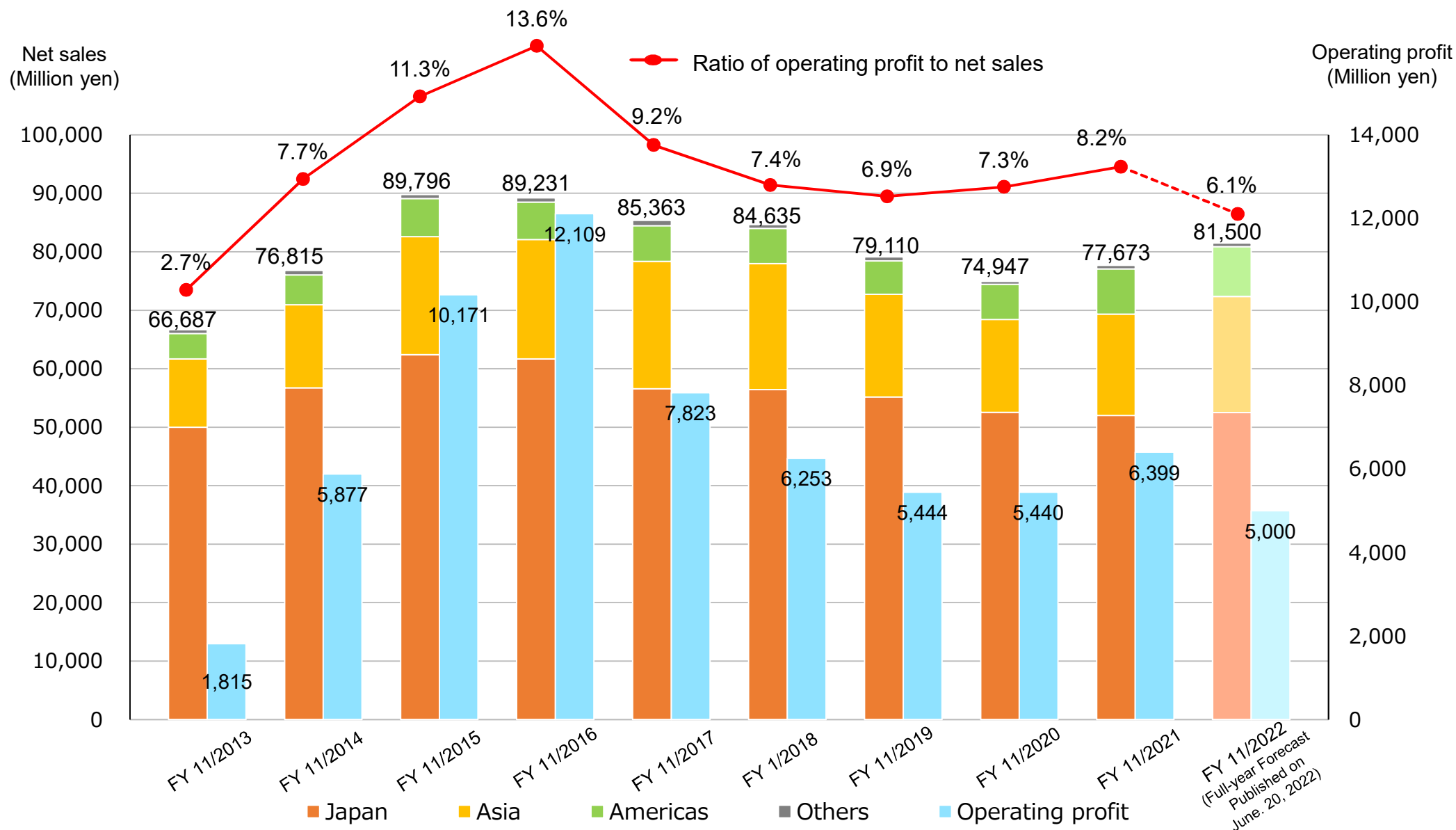
I. Consolidated Financial Results for the Six Months Ended May 20, 2022

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





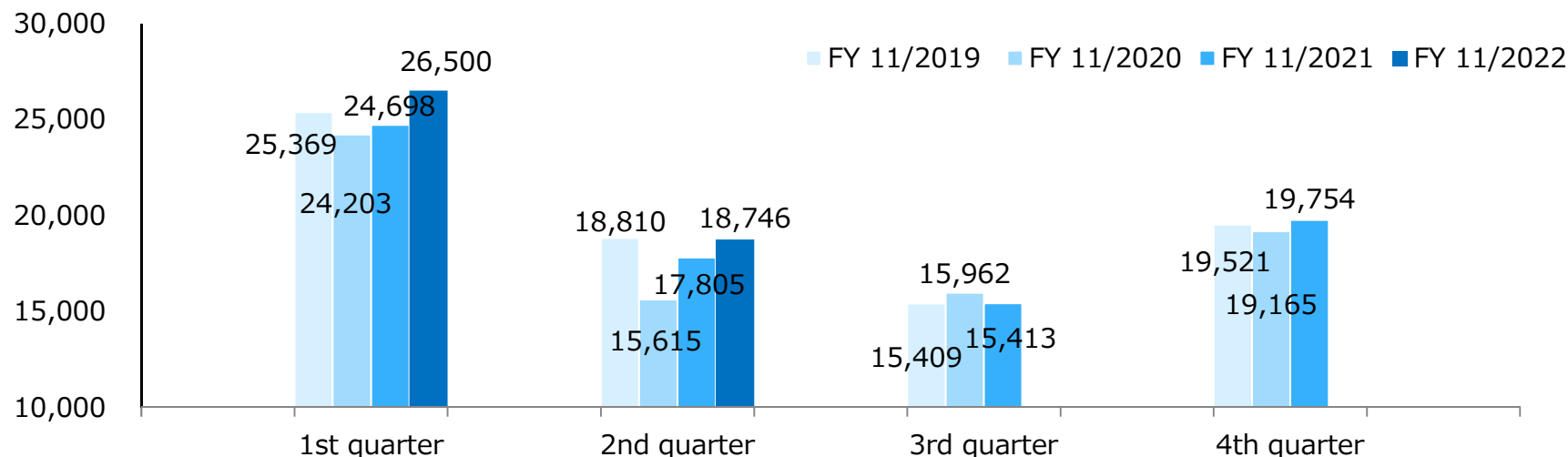
(2) Financial performance



(3) Comparison of quarterly financial results

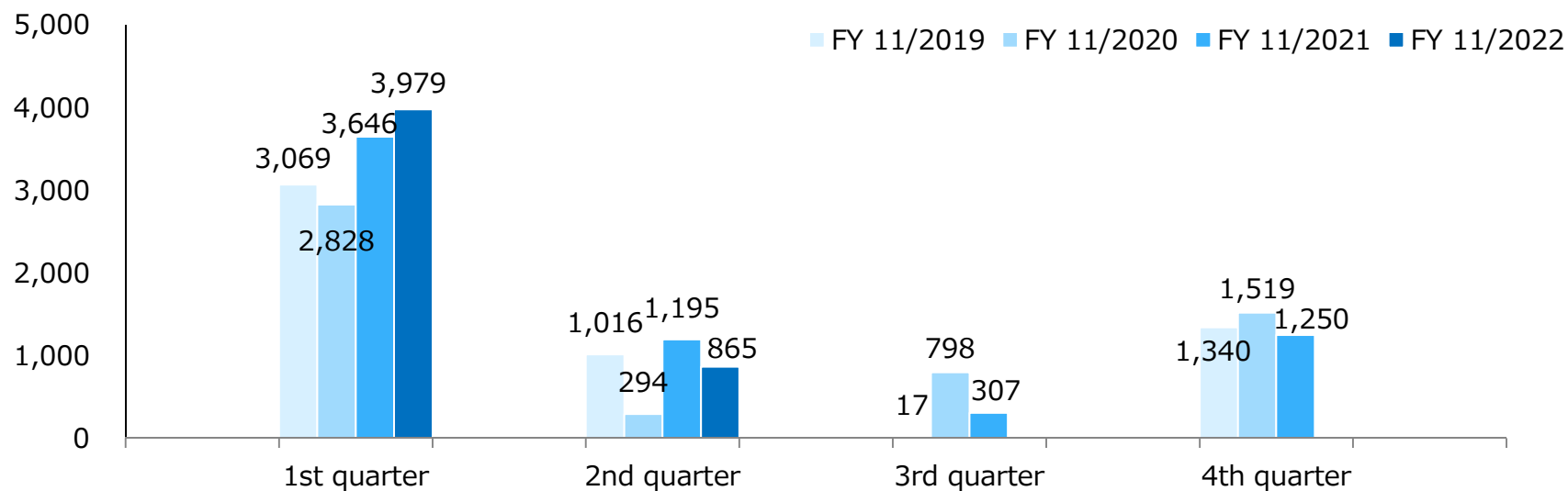
Quarterly net sales

Unit: Million yen



Quarterly operating profit

Unit: Million yen



(4) Overview of financial results

Sales

Net sales

45,247 million yen

Year on year

+2,742 million yen

+6.5%

Domestic net sales +362 million yen (year on year)

- **Cooking appliances:** Sales of rice cookers declined year on year, 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 products 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:** -822 million yen

Overseas net sales +2,379 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 economic recovery and at-home consumption continued.
- **Household and thermal products:** Overall sales increased year on year thanks to the brisk performance of stainless-steel carafes and glass carafes, while stainless-steel bottles were weak.

Profit

Operating profit

4,844 million yen

Year on year

+2 million yen

+0.1%

• Attributable to net sales +955 million yen (year on year)

Described in the “Sales” above.

• Attributable to gross profit margin -1,229 million yen (year on year)

• Decrease in selling, general and administrative expenses +276 million yen (year on year)

Of which impact of the application of the Accounting Standard for Revenue Recognition: 619 million yen

(5)-i Statements of income (P/L)

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related standards from the beginning of the first quarter of the fiscal year ending November 20, 2022

(Unit: Million yen, %)

	Six months ended May 20, 2021		Six months ended May 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	42,504	100.0%	45,247	100.0%	2,742	6.5%
Gross profit	14,803	34.8%	14,529	32.1%	(273)	(1.9)%
Selling, general and administrative expenses	9,961	23.4%	9,684	21.4%	(276)	(2.8)%
Operating profit	4,841	11.4%	4,844	10.7%	2	0.1%
Ordinary profit	4,787	11.3%	5,593	12.4%	805	16.8%
Profit attributable to owners of parent	3,075	7.2%	3,673	8.1%	597	19.4%

I. Consolidated Financial Results for the Six Months Ended May 20, 2022



(5)-ii Statements of income (P/L) based on prior standards

Shows the financial results 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 six months ended May 20, 2021 and the financial results for the six months ended May 20, 2022. (Only for reference. For the actual financial results, see the previous page.)

Reference

(Unit: Million yen, %)

	Six months ended May 20, 2021		Six months ended May 20, 2022 based on prior standards		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	42,504	100.0%	46,069	100.0%	3,564	8.4%
Gross profit	14,803	34.8%	15,351	33.3%	548	3.7%
Selling, general and administrative expenses	9,961	23.4%	10,304	22.4%	343	3.4%
Operating profit	4,841	11.4%	5,047	11.0%	205	4.2%
Ordinary profit	4,787	11.3%	5,542	12.0%	754	15.8%
Profit attributable to owners of parent	3,075	7.2%	3,622	7.9%	546	17.8%

I. Consolidated Financial Results for the Six Months Ended May 20, 2022



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

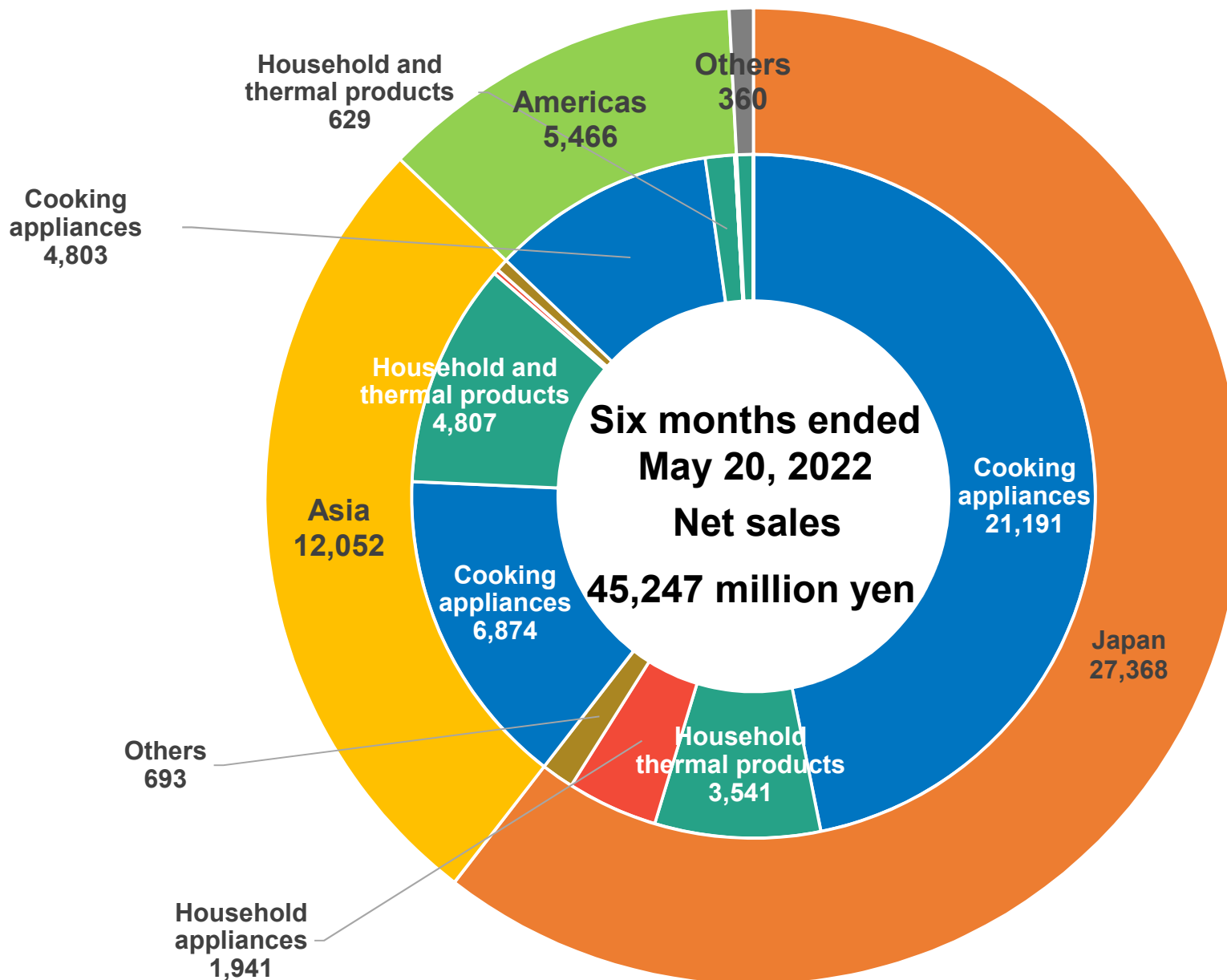
(Unit: Million yen, %)

	Six months ended May 20, 2022						
	Japan	Overseas				Subtotal	Total
		Asia	Americas	Others			
		Of which, China					
Cooking appliances	21,191	6,874	2,878	4,803	6	11,684	32,876
[YoY change rate]	(1.1)%	19.8%	28.8%	28.7%	9.9%	23.3%	6.4%
Household and thermal products	3,541	4,807	3,202	629	351	5,789	9,331
[YoY change rate]	2.2%	(1.5)%	(1.1)%	0.2%	38.0%	0.4%	1.1%
Household appliances	1,941	106	14	—	—	106	2,047
[YoY change rate]	31.3%	189.9%	—	—	—	189.9%	35.1%
Others	693	263	74	33	2	299	992
[YoY change rate]	9.4%	23.3%	17.7%	415.0%	164.1%	35.3%	16.1%
Net sales	27,368	12,052	6,170	5,466	360	17,878	45,247
[Composition]	60.5%	26.6%	13.6%	12.1%	0.8%	39.5%	100.0%
[YoY change rate]	1.3%	10.9%	11.4%	25.2%	37.8%	15.4%	6.5%
Operating profit	1,682	2,445	1,195	732	(15)	3,161	4,844
[Profit ratio]	6.1%	20.3%	19.4%	13.4%	(4.4)%	17.7%	10.7%
[Composition]	34.7%	50.5%	24.7%	15.1%	(0.3)%	65.3%	100.0%
[YoY change rate]	(26.0)%	17.6%	(0.7)%	40.0%	(54.9)%	23.2%	0.1%



(7) Net sales by region and product category

(Unit: Million yen)



I. Consolidated Financial Results for the Six Months Ended May 20, 2022



(8) Net sales by product category (details)

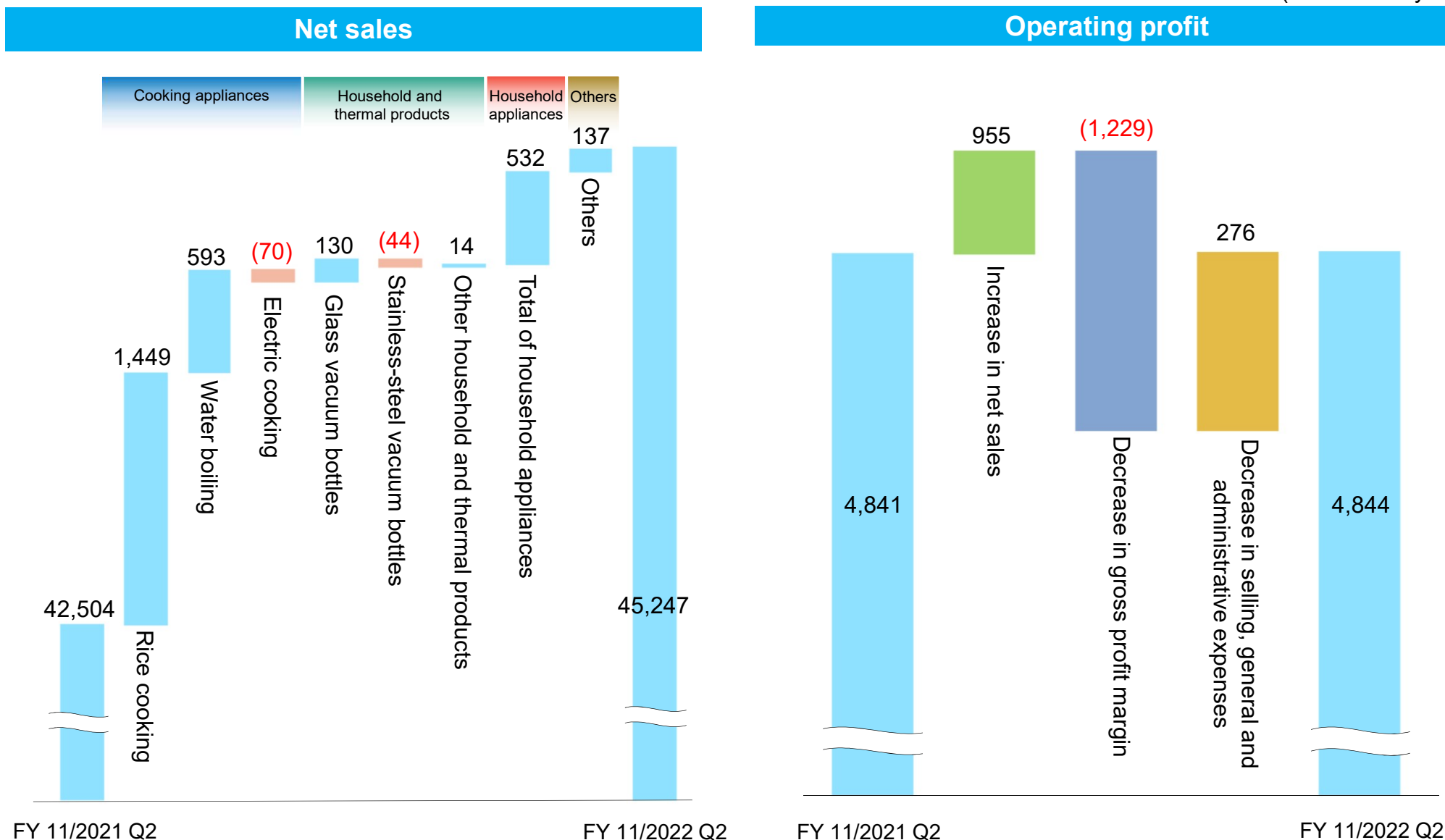
(Unit: Million yen, %)

	Six months ended May 20, 2021		Six months ended May 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	42,504	100.0%	45,247	100.0%	2,742	6.5%
Rice cooking	18,972	44.6%	20,422	45.1%	1,449	7.6%
Water boiling	5,092	12.0%	5,685	12.6%	593	11.7%
Electric cooking	6,838	16.1%	6,768	15.0%	(70)	(1.0)%
Total of cooking appliances	30,903	72.7%	32,876	72.7%	1,972	6.4%
Glass vacuum bottles	650	1.5%	781	1.7%	130	20.0%
Stainless-steel vacuum bottles	8,532	20.1%	8,487	18.8%	(44)	(0.5)%
Other household and thermal products	48	0.1%	62	0.1%	14	29.6%
Total of household and thermal products	9,231	21.7%	9,331	20.6%	99	1.1%
Air-conditioning, cooling, and heating	866	2.0%	1,446	3.2%	579	66.9%
Kitchen housework	289	0.7%	264	0.6%	(24)	(8.6)%
Other household appliances	359	0.8%	336	0.7%	(22)	(6.4)%
Total of household appliances	1,515	3.6%	2,047	4.5%	532	35.1%
Others	854	2.0%	992	2.2%	137	16.1%

◇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)

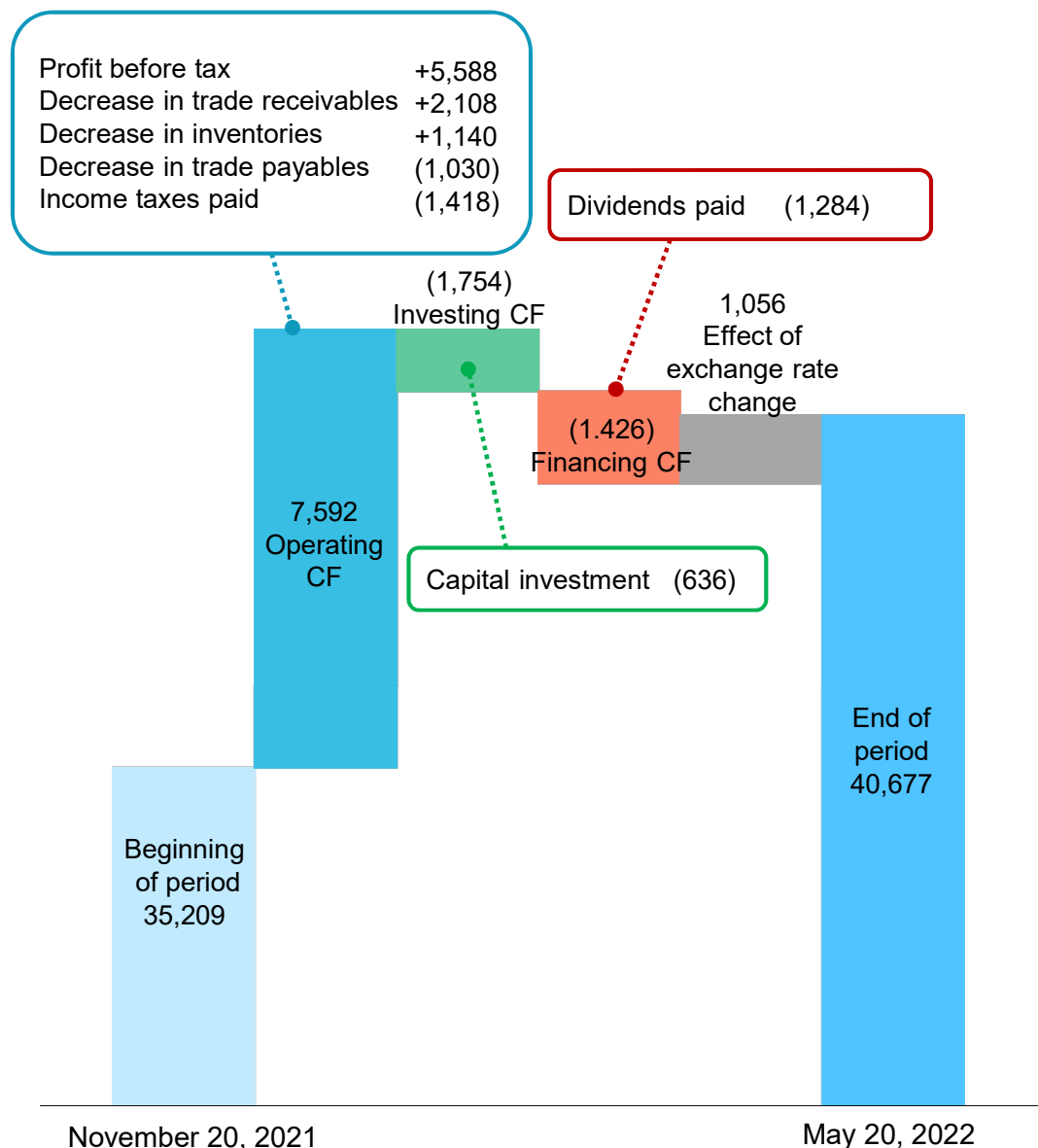
(Unit: Million yen)

	November 20, 2021	May 20, 2022	Change
Current assets	77,450	81,635	4,185
Cash and deposits	37,274	43,955	6,681
Merchandise and finished goods	19,796	16,480	(3,315)
Other	20,379	21,199	819
Non-current assets	24,463	25,301	837
Property, plant and equipment	13,418	13,719	300
Intangible assets	616	594	(21)
Investments and other assets	10,428	10,986	558
Total assets	101,913	106,936	5,022
Total liabilities	25,076	25,965	888
Total net assets	76,837	80,971	4,134
Total liabilities and net assets	101,913	106,936	5,022

(11) Statements of cash flows

(Unit: Million yen)

	Fiscal year ended May. 20, 2021	Fiscal year ended May. 20, 2022	Change
Cash flows from operating activities	5,897	7,592	1,694
Cash flows from investing activities	(253)	(1,754)	(1,501)
Cash flows from financing activities	(1,140)	(1,426)	(285)
Effect of exchange rate change on cash and cash equivalents	542	1,056	513
Net increase (decrease) in cash and cash equivalents	5,045	5,467	421
Cash and cash equivalents at beginning of period	32,582	35,209	2,627
Cash and cash equivalents at end of period	37,628	40,677	3,049





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	Initial forecast	Revised forecast (Published on June. 20, 2022)	Composition	Amount	Rate
Net sales	77,673	100.0%	79,300	81,500	100.0%	3,826	4.9%
Gross profit	26,649	34.3%	24,600	25,500	31.3%	(1,149)	(4.3)%
Selling, general and administrative expenses	20,250	26.1%	20,200	20,500	25.2%	249	1.2%
Operating profit	6,399	8.2%	4,400	5,000	6.1%	(1,399)	(21.9)%
Ordinary profit	6,791	8.7%	4,700	6,000	7.4%	(791)	(11.7)%
Profit attributable to owners of parent	4,509	5.8%	3,400	4,000	4.9%	(509)	(11.3)%
Depreciation	2,078	—	1,649	No change	—	(429)	(20.7)%
Capital investment	2,265	—	3,245	No change	—	979	43.3%
Research and development expenses	784	—	810	No change	—	26	3.3%

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



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

Compared to the medium-term results target

Net sales

+1,500 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.
- Decrease due to the adoption of the Accounting Standard for Revenue Recognition, etc.

Compared to the medium-term results target

Operating profit

-1,000 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 (Published on June. 20, 2022)		Compared to the medium-term performance target	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	80,000	100.0%	81,500	100.0%	1,500	1.9%
Operating profit	6,000	7.5%	5,000	6.1%	(1,000)	(16.7)%

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 (Published on June. 20, 2022)							
	Japan	Overseas				Subtotal	Total
		Asia		Americas	Others		
			Of which, China				
Cooking appliances	39,750	10,800	4,920	7,230	10	18,040	57,790
[YoY change rate]	(0.4)%	14.9%	28.2%	11.4%	(44.3)%	13.4%	3.6%
Household and thermal products	7,170	8,490	5,720	1,240	610	10,340	17,510
[YoY change rate]	1.5%	13.5%	13.2%	12.0%	6.7%	12.9%	7.9%
Household appliances	4,130	210	30	—	—	210	4,340
[YoY change rate]	8.5%	223.9%	14,175.4%	—	—	223.9%	12.1%
Others	1,450	370	80	40	—	410	1,860
[YoY change rate]	18.0%	(6.6)%	(26.5)%	(72.4)%	(100.0)%	(24.5)%	4.9%
Net sales	52,500	19,870	10,750	8,510	620	29,000	81,500
[Composition]	64.4%	24.4%	13.2%	10.4%	0.8%	35.6%	100.0%
[YoY change rate]	1.0%	14.6%	19.4%	9.9%	4.7%	12.9%	4.9%

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	Initial forecast	Revised forecast (Published on June. 20, 2022)	Composition	Amount	Rate
Net sales	77,673	100.0%	79,300	81,500	100.0%	3,826	4.9%
Rice cooking	35,098	45.2%	34,540	35,870	44.0%	771	2.2%
Water boiling	8,612	11.1%	8,510	9,520	11.7%	907	10.5%
Electric cooking	12,095	15.6%	12,330	12,400	15.2%	304	2.5%
Total of cooking appliances	55,806	71.8%	55,380	57,790	70.9%	1,983	3.6%
Glass vacuum bottles	1,223	1.6%	1,340	1,470	1.8%	246	20.2%
Stainless-steel vacuum bottles	14,900	19.2%	16,460	15,930	19.5%	1,029	6.9%
Other household and thermal products	98	0.1%	110	110	0.1%	11	11.4%
Total of household and thermal products	16,222	20.9%	17,910	17,510	21.5%	1,287	7.9%
Air-conditioning, cooling, and heating	2,762	3.6%	3,280	3,290	4.0%	527	19.1%
Kitchen housework	545	0.7%	480	510	0.6%	(35)	(6.4)%
Other household appliances	563	0.7%	490	540	0.7%	(23)	(4.2)%
Total of household appliances	3,871	5.0%	4,250	4,340	5.3%	468	12.1%
Others	1,772	2.3%	1,760	1,860	2.3%	87	4.9%

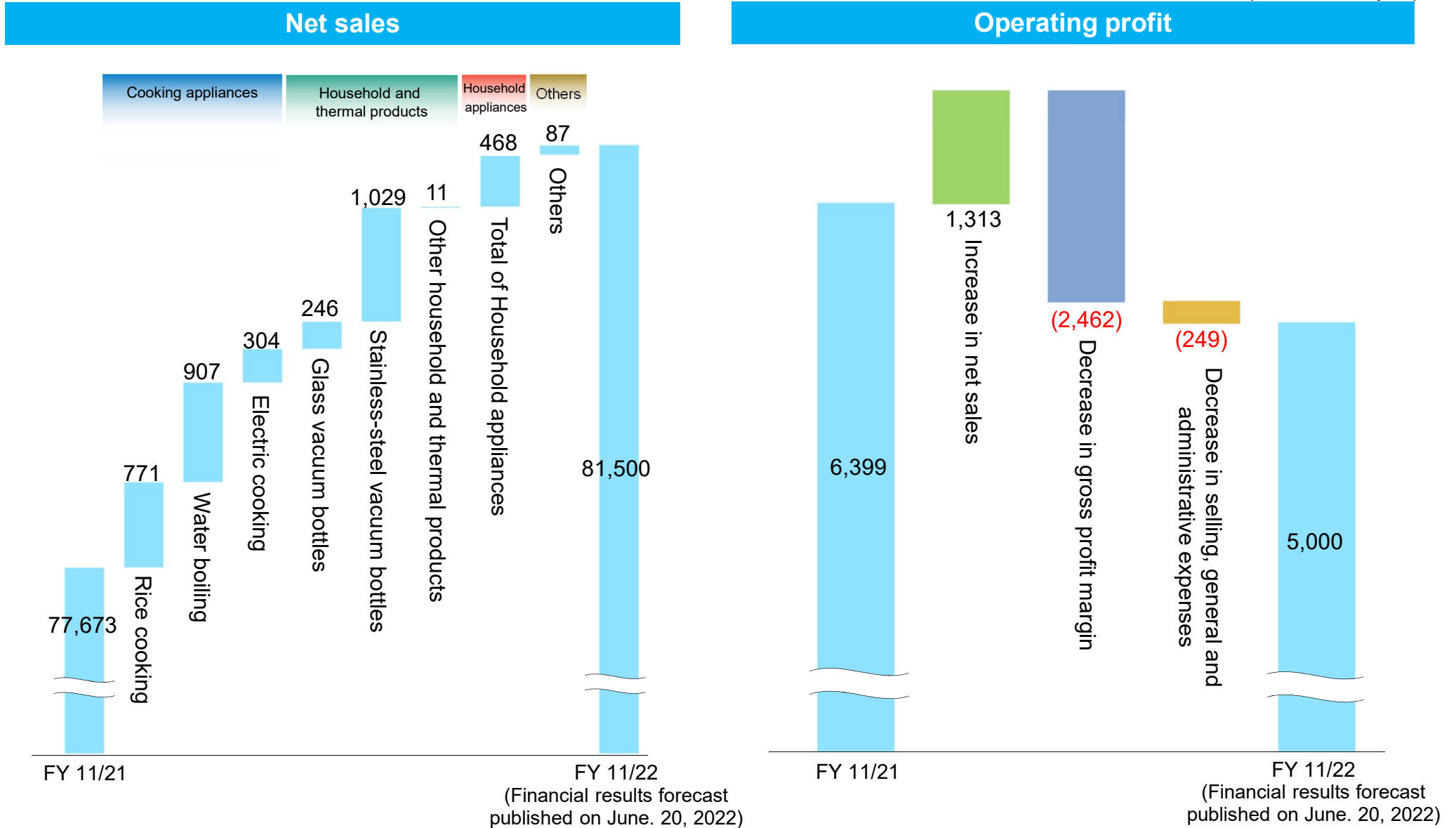
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II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022



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

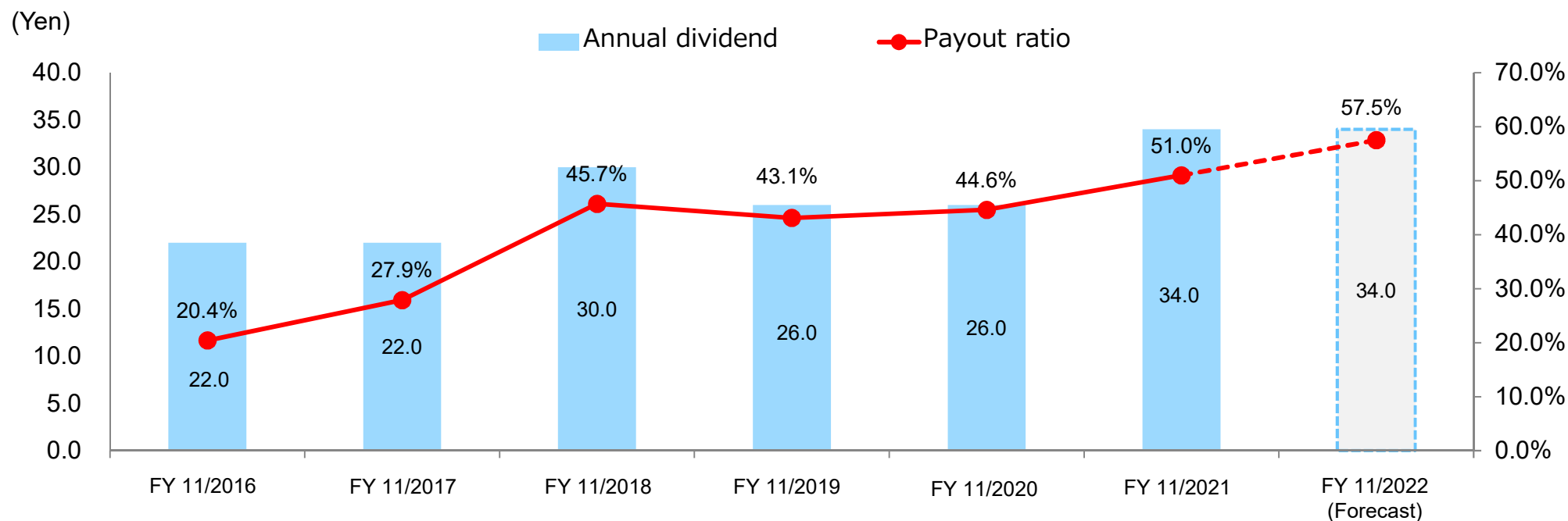
(Unit: Million yen)



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 11/2018 includes a dividend of 8.0 yen commemorating our 100th anniversary.

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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

Tokyo Stock Exchange, Prime