

# Consolidated Financial Results for the Three Months Ended February 20, 2023 [Japanese GAAP]



April 3, 2023

Company name: Zojirushi Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 7965  
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 Scheduled date of filing quarterly report: April 5, 2023  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary explanatory materials on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: None

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

## 1. Consolidated Financial Results for the Three Months Ended February 20, 2023 (November 21, 2022 to February 20, 2023)

(1) Consolidated Operating Results (cumulative) (% 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	%
Three months ended February 20, 2023	27,128	2.4	3,525	(11.4)	4,035	(2.7)	2,852	3.5
February 20, 2022	26,500	—	3,979	—	4,148	—	2,756	—

(Note) Comprehensive income: Three months ended February 20, 2023: ¥1,716 million [(50.7)%]

Three months ended February 20, 2022: ¥3,484 million [22.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended February 20, 2023	42.16	—
February 20, 2022	40.76	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 20, 2023	107,315	81,844	75.5
As of November 20, 2022	111,184	81,278	72.4

(Reference) Equity: As of February 20, 2023: ¥81,046 million

As of November 20, 2022: ¥80,460 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended November 20, 2022	Yen —	Yen 17.00	Yen —	Yen 17.00	Yen 34.00
Fiscal year ending November 20, 2023	—				
Fiscal year ending November 20, 2023 (Forecast)		17.00	—	17.00	34.00

(Note) Revision of the dividend forecast announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2023 (November 21, 2022 to November 20, 2023)

(% indicates changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	83,500	1.2	3,900	(16.4)	4,300	(26.1)	3,000	(18.0)	44.35

(Note) Revision of the financial results forecast announced most recently: None

### \* 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) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

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

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

February 20, 2023: 72,600,000 shares

November 20, 2022: 72,600,000 shares

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

February 20, 2023: 4,944,751 shares

November 20, 2022: 4,944,751 shares

3) Average number of shares during the period (cumulative):

Three months ended February 20, 2023: 67,655,249 shares

Three months ended February 20, 2022: 67,631,209 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review 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.

Table of Contents - Attachments

1. Qualitative Information on Financial Results for the Period under Review .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Statements .....	3
2. Quarterly Consolidated Financial Statements and Principal Notes .....	4
(1) Quarterly Consolidated Balance Sheets .....	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	6
(3) Notes to Quarterly Consolidated Financial Statements .....	8
(Notes on going concern assumption) .....	8
(Notes when there are significant changes in amounts of equity) .....	8
(Changes in accounting policies) .....	8

## 1. Qualitative Information on Financial Results for the Period under Review

### (1) Explanation of Operating Results

The global economy moderately slowed down during the period under review, due to factors including a downturn in consumption spurred by inflation and tighter monetary policy worldwide and a resumption in the spread of COVID-19 in China. At the same time, while factors such as lifting of China's zero-COVID policy and normalization of economic activity in Japan inspired rising expectations of an economic recovery, there were concerns over the possible negative economic effects of geopolitical risks such as the prolonged Ukraine crisis and U.S.-China conflict.

In this business environment, on November 21, 2022 the Group launched its new three-year medium-term plan SHIFT, intended to advance a steady shift toward becoming a brand of solutions that grows sustainably while delivering solutions to lifestyle issues and social challenges, and made efforts toward implementation of specific measures under this new plan.

For the period under review, the Group's net sales increased by ¥628 million (up 2.4% year on year) from the previous year to ¥27,128 million. Net sales by product category remained strong for household and thermal products and for household appliances, although they decreased year on year for cooking appliances. In terms of overall consolidated performance, domestic net sales amounted to ¥14,574 million (down 1.4% year on year) and overseas net sales amounted to ¥12,554 million (up 7.1% year on year). As a result, overseas net sales made up 46.3% of net sales. Outside of Japan, sales trended strong in North America, Southeast Asia, and Korea but slow in China.

As for profits, despite the above growth in net sales, operating profit amounted to ¥3,525 million (down 11.4% year on year) due to increases in costs and in selling, general and administrative expenses. Ordinary profit amounted to ¥4,035 million (down 2.7% year on year), and profit attributable to owners of parent amounted to ¥2,852 million (up 3.5% year on year) as a result of a decrease in tax burden rates due to changes in the profit composition ratio of each company within the Group.

Business results by product category were as follows.

#### 1) Cooking appliances

Net sales of cooking appliances amounted to ¥18,657 million (down 1.4% year on year).

In Japan, sales of micom rice cookers/warmers were strong, but induction heating system rice cookers struggled, resulting in a year-on-year decline. Sales of electric pots were weak, partly due to a shrinking market, but sales of electric kettles were strong. The EVERINO series of the oven range, a new product category, contributed to increased sales, but sales of electric cooking appliances declined year on year due to sluggish sales of electric griddles, toaster ovens, and other products as demand in the market continued to decline.

Overseas, sales of rice cookers/warmers and electric pots were weak in China, but overall sales were almost unchanged from the previous year.

#### 2) Household and thermal products

Net sales of household and thermal products amounted to ¥5,960 million (up 12.3% year on year).

In Japan, sales of stainless-steel carafes and stainless-steel soup jars were strong, but sales of stainless-steel vacuum bottles were sluggish, resulting in an overall decline year on year.

Overseas, sales increased year on year thanks to strong performance of stainless-steel products in Taiwan, Southeast Asia, and Korea as well as in the major market of China.

#### 3) Household appliances

Net sales of household appliances amounted to ¥1,921 million (up 10.0% year on year).

In Japan, sales of bedding dryers and dish dryers were weak, but overall sales increased year on year thanks to the strong performance of humidifiers.

Overseas, humidifiers performed well in Korea.

#### 4) Others

Net sales of others amounted to ¥588 million (up 14.2% year on year).

· Net sales by region and product category

(Million yen)

		Japan	Overseas				Subtotal	Total
			Asia		Americas	Other		
			Of which, China					
Net sales	Cooking appliances	10,892	4,011	1,476	3,749	3	7,765	18,657
	Household and thermal products	1,517	3,868	2,567	381	192	4,443	5,960
	Household appliances	1,764	156	20	—	—	156	1,921
	Others	399	168	78	19	0	188	588
		14,574	8,205	4,143	4,150	197	12,554	27,128
Composition (%)		53.7	30.2	15.3	15.3	0.7	46.3	100.0

#### (2) Explanation of Financial Position

In regard to financial position as of the end of the period under review, total assets decreased by ¥3,869 million, liabilities decreased by ¥4,435 million, and net assets increased by ¥566 million from the end of the previous fiscal year. As a result, the equity ratio rose by 3.1 percentage points to 75.5%.

The decrease of ¥3,869 million in total assets was attributable to a decrease of ¥4,053 million in current assets and an increase of ¥183 million in non-current assets.

The decrease of ¥4,053 million in current assets was due mainly to decreases of ¥378 million in cash and deposits, ¥4,409 million in merchandise and finished goods, and ¥1,116 million in other current assets, partially offset by increases of ¥505 million in electronically recorded monetary claims - operating, ¥1,266 million in notes and accounts receivable - trade, and ¥158 million in raw materials and supplies. The increase of ¥183 million in non-current assets was due mainly to increases of ¥113 million in tools, furniture and fixtures and ¥428 million in investment securities, partially offset by a decrease of ¥330 million in leased assets.

The decrease of ¥4,435 million in liabilities was attributable to a decrease of ¥4,693 million in current liabilities, partially offset by an increase of ¥257 million in non-current liabilities.

The decrease of ¥4,693 million in current liabilities was due mainly to decreases of ¥3,166 million in notes and accounts payable - trade, ¥1,073 million in accrued expenses, ¥379 million in income taxes payable, and ¥720 million in provision for bonuses, partially offset by increases of ¥581 million in refund liabilities and ¥231 million in other current liabilities. The increase of ¥257 million in non-current liabilities was due mainly to an increase of ¥630 million in deferred tax liabilities and a decrease of ¥326 million in lease liabilities.

The increase of ¥566 million in net assets was due mainly to profit attributable to owners of parent of ¥2,852 million recorded and an increase of ¥219 million in valuation difference on available-for-sale securities, partially offset by dividends of surplus of ¥1,150 million paid and a decrease of ¥1,344 million in foreign currency translation adjustment.

#### (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Statements

We have kept the consolidated financial results forecasts for the period ending November 2023 announced on December 26, 2022 unchanged, in light of continued uncertainty regarding factors such as exchange-rate trends and the economic situation in China.

The exchange rate assumed in calculating financial results forecasts is 1 USD = ¥130.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of November 20, 2022	As of February 20, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	34,119	33,741
Notes and accounts receivable - trade	14,051	15,317
Electronically recorded monetary claims - operating	1,567	2,072
Merchandise and finished goods	25,271	20,862
Work in process	409	350
Raw materials and supplies	6,056	6,214
Other	3,517	2,401
Allowance for doubtful accounts	(37)	(57)
Total current assets	84,955	80,902
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,996	13,068
Accumulated depreciation	(10,528)	(10,573)
Buildings and structures, net	2,467	2,494
Machinery, equipment and vehicles	3,898	3,802
Accumulated depreciation	(3,425)	(3,381)
Machinery, equipment and vehicles, net	472	421
Tools, furniture and fixtures	10,391	10,657
Accumulated depreciation	(8,663)	(8,815)
Tools, furniture and fixtures, net	1,728	1,841
Land	7,444	7,440
Leased assets	2,831	2,565
Accumulated depreciation	(657)	(722)
Leased assets, net	2,173	1,843
Construction in progress	122	117
Total property, plant and equipment	14,409	14,158
Intangible assets		
Software	461	438
Other	167	211
Total intangible assets	629	649
Investments and other assets		
Investment securities	6,942	7,370
Deferred tax assets	602	556
Retirement benefit asset	3,345	3,387
Other	302	292
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	11,189	11,604
Total non-current assets	26,229	26,412
Total assets	111,184	107,315

(Million yen)

	As of November 20, 2022	As of February 20, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,057	6,890
Lease liabilities	517	522
Accrued expenses	5,336	4,263
Income taxes payable	965	586
Contract liabilities	207	100
Refund liabilities	2,046	2,628
Provision for bonuses	1,175	455
Provision for product warranties	191	155
Provision for loss on voluntary recall of products	88	58
Other	2,043	2,275
Total current liabilities	22,630	17,936
Non-current liabilities		
Long-term borrowings	1,500	1,500
Lease liabilities	1,689	1,363
Deferred tax liabilities	912	1,543
Retirement benefit liability	2,844	2,821
Other	329	305
Total non-current liabilities	7,276	7,533
Total liabilities	29,906	25,470
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,022	4,022
Capital surplus	4,272	4,272
Retained earnings	67,253	68,955
Treasury shares	(956)	(956)
Total shareholders' equity	74,592	76,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,691	1,910
Foreign currency translation adjustment	4,611	3,267
Remeasurements of defined benefit plans	(435)	(425)
Total accumulated other comprehensive income	5,868	4,752
Non-controlling interests	818	798
Total net assets	81,278	81,844
Total liabilities and net assets	111,184	107,315



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three Months Ended February 20, 2023

(Million yen)

	For the three months ended February 20, 2022	For the three months ended February 20, 2023
Net sales	26,500	27,128
Cost of sales	17,572	18,027
Gross profit	8,927	9,101
Selling, general and administrative expenses	4,948	5,576
Operating profit	3,979	3,525
Non-operating income		
Interest income	19	41
Dividend income	37	38
Purchase discounts	9	11
Share of profit of entities accounted for using equity method	34	292
Royalty income	5	12
Rental income	31	32
Foreign exchange gains	20	2
Refund of Chinese value-added-tax	-	90
Other	33	22
Total non-operating income	192	544
Non-operating expenses		
Interest expenses	14	21
Rental expenses on non-current assets	5	6
Other	2	6
Total non-operating expenses	23	33
Ordinary profit	4,148	4,035
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	0	-
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Provision for loss on product recalls	-	12
Total extraordinary losses	1	13
Profit before income taxes	4,146	4,022
Income taxes - current	718	512
Income taxes - deferred	654	556
Total income taxes	1,372	1,068
Profit	2,773	2,953
Profit attributable to non-controlling interests	16	101
Profit attributable to owners of parent	2,756	2,852

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended February 20, 2023

(Million yen)

	For the three months ended February 20, 2022	For the three months ended February 20, 2023
Profit	2,773	2,953
Other comprehensive income		
Valuation difference on available-for-sale securities	70	219
Foreign currency translation adjustment	575	(1,435)
Remeasurements of defined benefit plans, net of tax	(2)	9
Share of other comprehensive income of entities accounted for using equity method	66	(30)
Total other comprehensive income	710	(1,237)
Comprehensive income	3,484	1,716
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,458	1,736
Comprehensive income attributable to non-controlling interests	25	(20)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes when there are significant changes in amounts of equity)

Not applicable.

(Changes in accounting policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Measurement Guidance”) from the start of the period under review and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in Paragraph 27-2 of the Fair Value Measurement Guidance. There is no impact on the quarterly consolidated financial statements.