

**Translation**

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 10, 2023

Company name: HOSHIZAKI CORPORATION  
 Stock exchange listing: Tokyo Stock Exchange and Nagoya Stock Exchange  
 Securities code: 6465 URL: <http://www.hoshizaki.co.jp>  
 Representative: Representative Director, President & COO Yasuhiro Kobayashi  
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Scheduled date to file Quarterly Securities Report: May 12, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2023	90,574	24.8	11,824	73.8	12,730	10.9	8,731	10.4
Three months ended March 31, 2022	72,561	5.8	6,802	(11.9)	11,481	1.6	7,906	1.5

Note: Comprehensive income Three months ended March 31, 2023 ¥13,114 million [(12.5)%]  
 Three months ended March 31, 2022 ¥14,990 million [13.8%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	60.28		–	
Three months ended March 31, 2022	54.58		–	

Note: The Company has split its shares at a ratio of two-for-one common share with July 1, 2022 as the effective date. Earnings per share is calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	430,097	299,946	68.9	2,045.92
As of December 31, 2022	422,227	292,627	68.5	1,997.27

Reference: Equity As of March 31, 2023 ¥296,374 million  
 As of December 31, 2022 ¥289,326 million

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2022	–	60.00	–	40.00	–
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		30.00	–	40.00	70.00

Notes: 1. Revision of cash dividend forecast most recently announced: No

2. The Company has split its shares at a ratio of two-for-one common share with July 1, 2022 as the effective date. Second quarter-end of the year ended December 31, 2022 shows the amount before the split and fiscal year-end of the year ended December 31, 2022 shows the amount after the split. Annual dividends per share of the year ended December 31, 2022 are not displayed because they cannot be simply totaled by the implementation of stock split. Based on figures before the stock split, the forecast of total annual dividends per share for the year ending December 31, 2023 are ¥140.00 per share, which is essentially equal to the amount for the year ended December 31, 2022.

## 3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	350,000	8.9	34,000	21.8	35,100	(7.1)	23,300	(4.3)	160.84

Note: Revision of consolidated financial results forecast most recently announced: No

### \*Notes

(1) Changes in significant subsidiaries during the three months ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

b. Changes in accounting policies due to other reasons: No

c. Changes in accounting estimates: No

d. Restatement of prior period financial statements: No

Note: For details, please refer to “(3) Notes to quarterly consolidated financial statements (Changes in accounting policies)” of “2. Quarterly consolidated financial statements” of the attached material.

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	144,864,000 shares	As of December 31, 2022	144,864,000 shares
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b. Number of treasury shares at the end of the period

As of March 31, 2023	3,178 shares	As of December 31, 2022	3,178 shares
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c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	144,860,822 shares	Three months ended March 31, 2022	144,852,720 shares
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Note: The Company has split its shares at a ratio of two-for-one common share with July 1, 2022 as the effective date. The number of shares is calculated on the assumption that the split was conducted at the beginning of the previous fiscal year.

\* **Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

\* **Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

**Attached Materials  
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## 1. Qualitative information on the quarterly financial results

### (1) Operating results

During the three months ended March 31, 2023, along with the gradual easing of measures against the COVID-19 infection, the Japanese economy demonstrated strong signs of recovery from the COVID-19 crisis including upswinging consumers spending on services such as dining out and travelling as well as expanding companies' wage increases. Overseas, although the impact of COVID-19 has declined, there are risks of stagnant consumption due to inflation and economic slowdown caused by future revisions of interest rates in each country. The IMF World Economic Outlook released in April showed decreased economic growth rate from +2.9% to +2.8% for 2023.

Amid such circumstances, difficulties in procuring materials and parts that had occurred last year were overcome, and the Group focused on expanding sales in the restaurant market and on expanding sales and developing new customers in non-restaurant markets such as retail industry and food processing industry in Japan. Overseas, the Group focused on product supply to meet continued demand and improve profitability. In addition, companies acquired by the Group last year contributed to our business performance.

As a result of the above, the Group reported operating results for the three months ended on March 31, 2023 with net sales of ¥90,574 million (up 24.8% year-on-year), operating profit of ¥11,824 million (up 73.8% year-on-year), ordinary profit of ¥12,730 million (up 10.9% year-on-year) and profit attributable to owners of parent of ¥8,731 million (up 10.4% year-on-year).

The operating results by segment are as follows:

#### a. Japan

In Japan, the Group expanded sales focusing on its flagship products such as refrigerators, ice machines, and dishwashers for the restaurant market with which it deepens engagement and the non-restaurant markets in which it proactively aims to enter. The Group quickly responded to demands for capital investment by the food service industry in line with the economic recovery trend and also focused on providing added value that can contribute to solving issues such as serious labor shortage and sharp rise in energy costs that its customers face, in terms of products and services. As a result, the Group generated net sales of ¥53,469 million (up 16.8% year-on-year) and segment profit of ¥7,894 million (up 67.2% year-on-year).

#### b. Americas

In the Americas, it became difficult to procure materials and parts for some products at the beginning of the year; however, the situation gradually recovered, and we strived to expand sales of ice machines, dispensers, and other products in the face of the solid demand. As a result, the Group generated net sales of ¥21,836 million (up 32.3% year-on-year) and segment profit of ¥1,971 million (up 88.8% year-on-year).

#### c. Europe / Asia

As for Europe and Asia, in Europe, we worked to expand sales of our flagship products such as ice machines and refrigerators, and companies we acquired last year contributed to our business performance, whereas in India, sales of refrigerators were high. As a result, the Group generated net sales of ¥17,423 million (up 43.4% year-on-year) and segment profit of ¥2,434 million (up 93.3% year-on-year).

### (2) Financial position

Total assets as of March 31, 2023 increased by ¥7,870 million from December 31, 2022 to ¥430,097 million.

Current assets increased by ¥4,353 million from December 31, 2022 to ¥332,593 million. The main factors were a decrease in cash and deposits due to the payment of dividends and an increase in notes and accounts receivable - trade, and contract assets.

Non-current assets increased by ¥3,517 million from December 31, 2022 to ¥97,503 million. The main factor was an increase in investments and other assets.

Total liabilities as of March 31, 2023 increased by ¥550 million from December 31, 2022 to ¥130,150 million.

Current liabilities increased by ¥343 million from December 31, 2022 to ¥103,330 million.

Non-current liabilities increased by ¥206 million from December 31, 2022 to ¥26,819 million.

Net assets as of March 31, 2023 increased by ¥7,319 million from December 31, 2022 to ¥299,946 million. The main factors were increases in retained earnings and foreign currency translation adjustment.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

There are currently no changes to the earnings forecasts announced on February 10, 2023.

## 2. Quarterly consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	226,065	220,170
Notes and accounts receivable - trade, and contract assets	45,783	53,541
Merchandise and finished goods	17,806	19,794
Work in process	6,797	6,031
Raw materials and supplies	27,222	28,292
Other	5,055	5,281
Allowance for doubtful accounts	(489)	(518)
Total current assets	328,240	332,593
Non-current assets		
Property, plant and equipment	47,900	48,628
Intangible assets		
Goodwill	15,752	15,928
Other	2,094	2,189
Total intangible assets	17,846	18,118
Investments and other assets	28,239	30,756
Total non-current assets	93,986	97,503
Total assets	422,227	430,097
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	32,714	34,926
Income taxes payable	4,066	5,186
Provision for bonuses	3,486	6,721
Other provisions	2,434	2,705
Other	60,284	53,790
Total current liabilities	102,987	103,330
Non-current liabilities		
Retirement benefit liability	21,560	21,647
Other provisions	2,108	2,342
Other	2,943	2,829
Total non-current liabilities	26,612	26,819
Total liabilities	129,600	130,150
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	14,593	14,593
Retained earnings	252,508	255,446
Treasury shares	(8)	(8)
Total shareholders' equity	275,164	278,101
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65	51
Foreign currency translation adjustment	15,923	19,985
Remeasurements of defined benefit plans	(1,826)	(1,764)
Total accumulated other comprehensive income	14,162	18,272
Non-controlling interests	3,300	3,572
Total net assets	292,627	299,946
Total liabilities and net assets	422,227	430,097

**(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	72,561	90,574
Cost of sales	46,505	57,168
Gross profit	26,056	33,405
Selling, general and administrative expenses	19,253	21,581
Operating profit	6,802	11,824
Non-operating income		
Interest income	111	926
Foreign exchange gains	4,356	252
Other	273	173
Total non-operating income	4,741	1,353
Non-operating expenses		
Interest expenses	17	22
Share of loss of entities accounted for using equity method	-	358
Other	44	66
Total non-operating expenses	62	447
Ordinary profit	11,481	12,730
Extraordinary income		
Gain on sale of non-current assets	4	11
Gain on sale of investment securities	19	6
Total extraordinary income	23	18
Extraordinary losses		
Loss on abandonment of non-current assets	36	7
Other	-	1
Total extraordinary losses	36	9
Profit before income taxes	11,468	12,739
Income taxes - current	4,688	5,543
Income taxes - deferred	(1,266)	(1,754)
Total income taxes	3,422	3,789
Profit	8,046	8,950
Profit attributable to non-controlling interests	140	218
Profit attributable to owners of parent	7,906	8,731

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	8,046	8,950
Other comprehensive income		
Valuation difference on available-for-sale securities	6	(13)
Deferred gains or losses on hedges	1,189	–
Foreign currency translation adjustment	6,187	2,791
Remeasurements of defined benefit plans, net of tax	71	62
Share of other comprehensive income of entities accounted for using equity method	(512)	1,323
Total other comprehensive income	6,944	4,163
Comprehensive income	14,990	13,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,745	12,841
Comprehensive income attributable to non-controlling interests	245	272



### **(3)Notes to quarterly consolidated financial statements**

#### **Notes on premise of going concern**

Not applicable

#### **Notes on significant changes in the amount of shareholders' equity**

Not applicable

#### **Application of special accounting for preparing quarterly consolidated financial statements**

Omitted due to immateriality.

#### **Changes in the scope of consolidation or scope of equity method to be applied**

The Group has included HOSHIZAKI SALES CO., LTD., which was established through a company split (simplified incorporation-type company split), from the first quarter of the current fiscal year.

#### **Changes in accounting policies**

Accounting Standard for Fair Value Measurement, Etc.

The Company applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Implementation Guidance on Accounting Standard for Fair Value Measurement") effective from the beginning of the first quarter of the current fiscal year and will apply the new accounting policy established by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no effect on the quarterly consolidated financial statements.

#### **Additional information**

Accounting practices under hyperinflationary economies

Effective from the second quarter of the previous fiscal year due to the three-year cumulative inflation rate in Turkey exceeding 100%, the quarterly financial statements of the Company's affiliated company in Turkey have been adjusted in accordance with IAS 29, "Financial Reporting in a Hyperinflationary Economies," and the Company has applied the equity method of accounting for the affiliated company.

In addition, the quarterly financial statements of the said affiliate were converted using the foreign exchange rate of the quarterly accounts closing date, and the consolidated quarterly financial statements of the Group reflect those figures.

Furthermore, no revisions have been made to the comparative information regarding the consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative) for the first quarter of the current fiscal year.

#### **Changes in accounting estimates**

Not applicable

**Segment information, etc.**  
**Segment information**

**I. Three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022)**

Information related to net sales and profit or loss and revenue breakdown for each reportable segment

(Millions of yen)

	Reportable segment				Reconcili- ation (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Japan	Americas	Europe / Asia	Total		
Net sales						
Ice machines	3,476	5,765	2,172	11,414	–	11,414
Refrigerators	9,665	2,144	8,689	20,499	–	20,499
Dishwashers	3,785	1,954	15	5,755	–	5,755
Dispensers	834	3,774	62	4,671	–	4,671
Non Hoshizaki products	9,436	508	33	9,978	–	9,978
Maintenance and repairs	10,433	1,673	676	12,783	–	12,783
Other Products	6,566	529	259	7,354	–	7,354
Revenue from contracts with customers	44,198	16,349	11,909	72,457	–	72,457
Other revenue	104	–	–	104	–	104
Sales to external customers	44,302	16,349	11,909	72,561	–	72,561
Intersegment sales or transfers	1,492	160	237	1,891	(1,891)	–
Total	45,795	16,510	12,146	74,452	(1,891)	72,561
Segment profit	4,722	1,044	1,259	7,025	(223)	6,802

- Notes 1. The reconciliation amount of negative ¥223 million for segment profit includes amortization of goodwill of negative ¥98 million, amortization of intangible assets, etc., of negative ¥6 million, negative ¥118 million from reconciliation of inventories, and ¥1 million from reconciliation of transactions with other segments and miscellaneous items.
2. Segment profit has been reconciled with operating profit in the quarterly consolidated statements of income.

## II.Three months ended March 31, 2023 (from January 1, 2023, to March 31, 2023)

Information related to net sales and profit or loss and revenue breakdown for each reportable segment

(Millions of yen)

	Reportable segment				Reconcili- ation (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Japan	Americas	Europe / Asia	Total		
Net sales						
Ice machines	3,950	8,124	5,797	17,873	–	17,873
Refrigerators	12,651	2,075	9,585	24,312	–	24,312
Dishwashers	3,816	2,540	29	6,386	–	6,386
Dispensers	1,432	5,613	141	7,187	–	7,187
Non Hoshizaki products	10,589	180	52	10,821	–	10,821
Maintenance and repairs	11,025	2,620	934	14,579	–	14,579
Other Products	8,197	494	612	9,305	–	9,305
Revenue from contracts with customers	51,663	21,648	17,153	90,465	–	90,465
Other revenue	108	–	–	108	–	108
Sales to external customers	51,772	21,648	17,153	90,574	–	90,574
Intersegment sales or transfers	1,696	187	270	2,154	(2,154)	–
Total	53,469	21,836	17,423	92,728	(2,154)	90,574
Segment profit	7,894	1,971	2,434	12,300	(476)	11,824

Notes 1. The reconciliation amount of negative ¥476 million for segment profit includes amortization of goodwill of negative ¥262 million, amortization of intangible assets, etc., of negative ¥1 million, negative ¥220 million from reconciliation of inventories, and ¥8 million from reconciliation of transactions with other segments and miscellaneous items.

2. Segment profit has been reconciled with operating profit in the quarterly consolidated statements of income.

## **Business combination, etc.**

(Transactions, etc., under common control)

Based on the resolution at the Board of Directors' meeting held on October 14, 2022, the Company established an interim holding company, HOSHIZAKI SALES CO., LTD., in a company split on January 5, 2023.

### 1. Summary of transaction

- (1) Name and business description of the company subject to the split

Name of the splitting company	HOSHIZAKI CORPORATION
Business description:	Management of domestic sales companies of the Group
- (2) Date of the business combination  
January 5, 2023
- (3) Legal form of the business combination  
An incorporation-type company split (simplified incorporation-type company split) where HOSHIZAKI CORPORATION is the splitting company and HOSHIZAKI SALES CO., LTD., is the succeeding company.
- (4) Name of company after the business combination  
HOSHIZAKI SALES CO., LTD.
- (5) Summary of other transactions  
Since 1988, when the Company's sales force came to have the current structure of 15 domestic sales companies, such 15 domestic sales companies have independently operated their sales businesses under the umbrella of HOSHIZAKI CORPORATION, a manufacturer responsible for product development and production. To achieve management targets set forth in the five-year management vision (FY2022 to FY2026), the Group believes that, while respecting each company's individuality and the characteristics of their markets, rapid horizontal dissemination of important policies and best practices, strengthening of business management (PDCA management), and strengthening of various functions that can contribute to profitability through integrating individual functions of the companies are essential. Therefore, the Company has established an interim holding company, HOSHIZAKI SALES CO., LTD., which will play an important cross-functional role and serve as a command post for the 15 domestic sales companies, also providing centralized functions for operations common to all 15 domestic sales companies.

### 2. Outline of the applied accounting treatment

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), the Company accounted for the transactions as transactions, etc., under common control.