

# Consolidated Financial Results for the Six Months Ended May 20, 2023 [Japanese GAAP]



July 3, 2023

Company name: Zojirushi Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 7965  
 URL: <http://www.zojirushi.co.jp>  
 Representative: Norio Ichikawa, Representative Director, President and Corporate Officer  
 Contact: Shigehisa Okamoto, Corporate Officer and General Manager, Accounting Department  
 Phone: +81-6-6356-2368  
 Scheduled date of filing quarterly report: July 4, 2023  
 Scheduled date of commencing dividend payments: July 28, 2023  
 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 Six Months Ended May 20, 2023 (November 21, 2022 to May 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	%
Six months ended								
May 20, 2023	45,447	0.4	4,476	(7.6)	5,340	(4.5)	3,732	1.6
May 20, 2022	45,247	6.5	4,844	0.1	5,593	16.8	3,673	19.4

(Note) Comprehensive income: Six months ended May 20, 2023: ¥2,999 million [(44.9)%]

Six months ended May 20, 2022: ¥5,445 million [25.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
May 20, 2023	55.17	—
May 20, 2022	54.31	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 20, 2023	108,619	83,031	75.8
As of November 20, 2022	111,184	81,278	72.4

(Reference) Equity: As of May 20, 2023: ¥82,289 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	—	17.00			
Fiscal year ending November 20, 2023 (Forecast)			—	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
	84,000	1.8	5,000	7.2	6,100	4.9	4,250	16.2	62.82

(Note) Revision of the financial results forecast announced most recently: Yes

### \* 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):
 

May 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:
 

May 20, 2023:	4,928,881 shares
November 20, 2022:	4,944,751 shares
  - 3) Average number of shares during the period (cumulative):
 

Six months ended May 20, 2023:	67,659,783 shares
Six months ended May 20, 2022:	67,638,081 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.

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## 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 (November 21, 2022 to May 20, 2023), due to inflation and tighter monetary policy worldwide. The normalization of economic activity in Japan, the lifting of China's zero-COVID policy, and a global trend toward easing inflation have inspired rising expectations of an economic recovery. However, there were concerns over the possible negative economic effects of factors such as the prolonged Ukraine crisis and financial instability due to interest rate hikes in the U.S. and Europe.

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 ¥200 million (up 0.4% year on year) from the previous year to ¥45,447 million, partially due to an increase in the yen-equivalent value of overseas net sales resulting from the depreciation of the yen. 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 ¥27,010 million (down 1.3% year on year) and overseas net sales amounted to ¥18,436 million (up 3.1% year on year). As a result, overseas net sales made up 40.6% of net sales. Outside of Japan, sales trended strong in Southeast Asia and Korea but slow in China.

As for profits, despite efforts to pass on the increase in raw material prices and higher import costs due to the depreciation of the yen, operating profit amounted to ¥4,476 million (down 7.6% year on year) due in part to increases in selling, general and administrative expenses. Ordinary profit amounted to ¥5,340 million (down 4.5% year on year), and profit attributable to owners of parent amounted to ¥3,732 million (up 1.6% 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 ¥32,057 million (down 2.5% year on year).

In Japan, sales of rice cookers/warmers saw a year-on-year decline, as micom and induction heating pressure rice cookers struggled. Sales of electric pots were weak, but sales of electric kettles were strong. The EVERINO series of the oven range, a new category product, 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 the market continued to decline.

Overseas, sales of rice cookers/warmers were strong in North America and Southeast Asia, but due to weak sales of electric pots and electric cooking appliances, overall sales declined year on year.

#### 2) Household and thermal products

Net sales of household and thermal products amounted to ¥9,964 million (up 6.8% year on year).

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

Overseas, sales were sluggish in China, but increased year on year thanks to strong performance of stainless-steel products in Taiwan, Southeast Asia, and Korea.

#### 3) Household appliances

Net sales of household appliances amounted to ¥2,310 million (up 12.9% 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 ¥1,114 million (up 12.3% 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	20,505	5,939	1,967	5,576	36	11,551	32,057
	Household and thermal products	3,753	5,126	2,933	708	376	6,211	9,964
	Household appliances	1,959	351	27	—	—	351	2,310
	Others	792	276	93	43	0	321	1,114
		27,010	11,694	5,022	6,328	413	18,436	45,447
Composition (%)		59.4	25.7	11.1	13.9	0.9	40.6	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 ¥2,564 million, liabilities decreased by ¥4,318 million, and net assets increased by ¥1,753 million from the end of the previous fiscal year. As a result, the equity ratio rose by 3.4 percentage points to 75.8%.

The decrease of ¥2,564 million in total assets was attributable to a decrease of ¥2,622 million in current assets and an increase of ¥57 million in non-current assets.

The decrease of ¥2,622 million in current assets was due mainly to decreases of ¥443 million in electronically recorded monetary claims – operating, ¥745 million in notes and accounts receivable – trade, ¥3,952 million in merchandise and finished goods, and ¥1,084 million in other current assets, partially offset by increases of ¥3,264 million in cash and deposits, and ¥485 million in raw materials and supplies. The increase of ¥57 million in non-current assets was due mainly to increases of ¥227 million in tools, furniture and fixtures, and ¥205 million in other investments, partially offset by a decrease of ¥424 million in leased assets.

The decrease of ¥4,318 million in liabilities was attributable to a decrease of ¥4,568 million in current liabilities, partially offset by an increase of ¥250 million in non-current liabilities.

The decrease of ¥4,568 million in current liabilities was due mainly to decreases of ¥2,764 million in notes and accounts payable – trade, ¥910 million in accrued expenses, ¥547 million in income taxes payable, and ¥122 million in refund liabilities. The increase of ¥250 million in non-current liabilities was due mainly to an increase of ¥745 million in deferred tax liabilities, partially offset by a decrease of ¥400 million in lease liabilities.

The increase of ¥1,753 million in net assets was due mainly to profit attributable to owners of parent of ¥3,732 million recorded and an increase of ¥188 million in valuation difference on available-for-sale securities, partially offset by dividends of surplus of ¥1,150 million paid and a decrease of ¥986 million in foreign currency translation adjustment.

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

Regarding the full-year consolidated financial results forecast, we have made changes to the forecast figures announced on December 26, 2022, in light of the solid performance during the first half of the fiscal year compared to the initial forecast. For details, please refer to the “Notice Regarding Revisions to Financial Results Forecast” released today, July 3, 2023.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of November 20, 2022	As of May 20, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	34,119	37,383
Notes and accounts receivable - trade	14,051	13,305
Electronically recorded monetary claims - operating	1,567	1,123
Merchandise and finished goods	25,271	21,319
Work in process	409	266
Raw materials and supplies	6,056	6,542
Other	3,517	2,433
Allowance for doubtful accounts	(37)	(41)
Total current assets	84,955	82,332
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,996	13,085
Accumulated depreciation	(10,528)	(10,639)
Buildings and structures, net	2,467	2,446
Machinery, equipment and vehicles	3,898	3,833
Accumulated depreciation	(3,425)	(3,424)
Machinery, equipment and vehicles, net	472	408
Tools, furniture and fixtures	10,391	10,992
Accumulated depreciation	(8,663)	(9,037)
Tools, furniture and fixtures, net	1,728	1,955
Land	7,444	7,440
Leased assets	2,831	2,626
Accumulated depreciation	(657)	(876)
Leased assets, net	2,173	1,749
Construction in progress	122	110
Total property, plant and equipment	14,409	14,111
Intangible assets		
Software	461	550
Other	167	165
Total intangible assets	629	715
Investments and other assets		
Investment securities	6,942	7,005
Deferred tax assets	602	519
Retirement benefit asset	3,345	3,428
Other	302	508
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	11,189	11,460
Total non-current assets	26,229	26,286
<b>Total assets</b>	<b>111,184</b>	<b>108,619</b>

(Million yen)

	As of November 20, 2022	As of May 20, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,057	7,292
Lease liabilities	517	516
Accrued expenses	5,336	4,425
Income taxes payable	965	417
Contract liabilities	207	100
Refund liabilities	2,046	1,924
Provision for bonuses	1,175	1,109
Provision for product warranties	191	147
Provision for loss on voluntary recall of products	88	18
Other	2,043	2,107
Total current liabilities	22,630	18,061
Non-current liabilities		
Long-term borrowings	1,500	1,500
Lease liabilities	1,689	1,289
Deferred tax liabilities	912	1,658
Retirement benefit liability	2,844	2,791
Other	329	286
Total non-current liabilities	7,276	7,526
<b>Total liabilities</b>	<b>29,906</b>	<b>25,587</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,022	4,022
Capital surplus	4,272	4,295
Retained earnings	67,253	69,835
Treasury shares	(956)	(953)
Total shareholders' equity	74,592	77,200
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,691	1,879
Foreign currency translation adjustment	4,611	3,625
Remeasurements of defined benefit plans	(435)	(416)
Total accumulated other comprehensive income	5,868	5,088
Non-controlling interests	818	742
<b>Total net assets</b>	<b>81,278</b>	<b>83,031</b>
<b>Total liabilities and net assets</b>	<b>111,184</b>	<b>108,619</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Six Months Ended May 20, 2023

(Million yen)

	For the six months ended May 20, 2022	For the six months ended May 20, 2023
Net sales	45,247	45,447
Cost of sales	30,717	30,359
Gross profit	14,529	15,088
Selling, general and administrative expenses	9,684	10,611
Operating profit	4,844	4,476
Non-operating income		
Interest income	42	71
Dividend income	38	39
Purchase discounts	18	18
Share of profit of entities accounted for using equity method	91	481
Royalty income	14	23
Rental income	59	57
Foreign exchange gains	471	103
Refund of Chinese value-added-tax	-	90
Other	59	45
Total non-operating income	796	931
Non-operating expenses		
Interest expenses	30	42
Rental expenses on non-current assets	11	12
Other	5	11
Total non-operating expenses	47	67
Ordinary profit	5,593	5,340
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 sale of non-current assets	1	-
Loss on retirement of non-current assets	3	6
Provision for loss on product recalls	-	13
Total extraordinary losses	5	19
Profit before income taxes	5,588	5,321
Income taxes - current	1,344	722
Income taxes - deferred	559	721
Total income taxes	1,903	1,444
Profit	3,684	3,877
Profit attributable to non-controlling interests	11	145
Profit attributable to owners of parent	3,673	3,732



Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended May 20, 2023

(Million yen)

	For the six months ended May 20, 2022	For the six months ended May 20, 2023
Profit	3,684	3,877
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	188
Foreign currency translation adjustment	1,625	(1,108)
Remeasurements of defined benefit plans, net of tax	(4)	18
Share of other comprehensive income of entities accounted for using equity method	193	23
Total other comprehensive income	1,761	(878)
Comprehensive income	5,445	2,999
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,355	2,953
Comprehensive income attributable to non-controlling interests	90	46

## (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended May 20, 2022	For the six months ended May 20, 2023
Cash flows from operating activities		
Profit before income taxes	5,588	5,321
Depreciation	911	1,038
Increase (decrease) in allowance for doubtful accounts	2	6
Increase (decrease) in provision for bonuses	(66)	(62)
Decrease (increase) in retirement benefit asset	(362)	(65)
Increase (decrease) in retirement benefit liability	(22)	(43)
Increase (decrease) in provision for product warranties	(16)	(43)
Increase (decrease) in provision for loss on voluntary recall of products	-	(69)
Interest and dividend income	(80)	(111)
Interest expenses	30	42
Share of loss (profit) of entities accounted for using equity method	(91)	(481)
Loss (gain) on sale of investment securities	(0)	-
Loss (gain) on sale of non-current assets	1	(0)
Loss on retirement of non-current assets	3	6
Decrease (increase) in trade receivables	2,108	811
Decrease (increase) in inventories	1,140	3,003
Increase (decrease) in trade payables	(1,030)	(2,266)
Increase (decrease) in accrued expenses	(2,499)	(746)
Increase (decrease) in refund liability	1,580	(103)
Other, net	1,609	1,033
Subtotal	8,806	7,269
Interest and dividends received	234	536
Interest paid	(29)	(42)
Income taxes paid	(1,418)	(1,235)
Net cash provided by (used in) operating activities	7,592	6,527
Cash flows from investing activities		
Payments into time deposits	(2,060)	(1,776)
Proceeds from withdrawal of time deposits	986	1,971
Purchase of property, plant and equipment	(534)	(795)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(102)	(205)
Purchase of investment securities	(45)	(15)
Proceeds from sale and redemption of investment securities	0	-
Other, net	0	(221)
Net cash provided by (used in) investing activities	(1,754)	(1,041)
Cash flows from financing activities		
Proceeds from short-term borrowings	94	-
Repayments of lease liabilities	(236)	(260)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,284)	(1,151)
Dividends paid to non-controlling interests	-	(121)
Net cash provided by (used in) financing activities	(1,426)	(1,533)
Effect of exchange rate change on cash and cash equivalents	1,056	(420)
Net increase (decrease) in cash and cash equivalents	5,467	3,531
Cash and cash equivalents at beginning of period	35,209	31,077
Cash and cash equivalents at end of period	40,677	34,609

(4) 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 beginning of the first quarter of the fiscal year ending November 20, 2023 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.