

# Consolidated Financial Results for the Nine Months Ended August 20, 2023 [Japanese GAAP]



October 2, 2023

Company name: Zojirushi Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 7965  
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 Scheduled date of filing quarterly report: October 3, 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 Nine Months Ended August 20, 2023 (November 21, 2022 to August 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	%
Nine months ended August 20, 2023	61,938	0.0	4,203	(8.1)	5,425	(6.4)	3,711	(0.3)
August 20, 2022	61,923	6.9	4,575	(11.1)	5,799	9.0	3,724	7.6

(Note) Comprehensive income: Nine months ended August 20, 2023: ¥4,373 million [(37.9)%]

Nine months ended August 20, 2022: ¥7,037 million [55.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended August 20, 2023	54.86	–
August 20, 2022	55.06	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of August 20, 2023	109,695	83,255	75.2
As of November 20, 2022	111,184	81,278	72.4

(Reference) Equity: As of August 20, 2023: ¥82,477 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: 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):

August 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:

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

Nine months ended August 20, 2023:	67,663,184 shares
Nine months ended August 20, 2022:	67,643,238 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 August 20, 2023), due to inflation and tighter monetary policy worldwide. The normalization of economic activity after the COVID-19 pandemic, the easing of supply constraints, and slowing inflation rates 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, continued monetary tightening in the U.S. and Europe, and slowing economic growth in China.

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 ¥15 million (up 0.0% year on year) from the previous year to ¥61,938 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 performance, domestic net sales amounted to ¥37,221 million (down 2.4% year on year) and overseas net sales amounted to ¥24,717 million (up 4.0% year on year). As a result, overseas net sales made up 39.9% 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 ¥4,203 million (down 8.1% year on year) due in part to increases in selling, general and administrative expenses. Ordinary profit amounted to ¥5,425 million (down 6.4% year on year), and profit attributable to owners of parent amounted to ¥3,711 million (down 0.3% 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 ¥44,163 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 shrink.

Overseas, despite weak sales of electric pots in China and Southeast Asia, sales of rice cookers/warmers were strong in North America and Southeast Asia, resulting in an overall sales increase year on year.

#### 2) Household and thermal products

Net sales of household and thermal products amounted to ¥13,587 million (up 5.1% year on year).

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

Overseas, sales were sluggish in North America, 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 ¥2,580 million (up 12.5% year on year).

In Japan, sales of humidifiers were strong, but overall sales decreased year on year due to weak performance of bedding dryers, dish dryers, and other products.

Overseas, humidifiers performed well in Korea.

#### 4) Others

Net sales of others amounted to ¥1,608 million (up 13.2% 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	28,435	8,128	3,036	7,551	47	15,727	44,163
	Household and thermal products	5,506	6,512	3,686	970	598	8,080	13,587
	Household appliances	2,133	446	31	—	—	446	2,580
	Others	1,145	387	132	71	3	462	1,608
		37,221	15,475	6,886	8,592	648	24,717	61,938
Composition (%)		60.1	25.0	11.1	13.9	1.0	39.9	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 ¥1,489 million, liabilities decreased by ¥3,466 million, and net assets increased by ¥1,976 million from the end of the previous fiscal year. As a result, the equity ratio rose by 2.8 percentage points to 75.2%.

The decrease of ¥1,489 million in total assets was attributable to a decrease of ¥2,277 million in current assets and an increase of ¥788 million in non-current assets.

The decrease of ¥2,277 million in current assets was due mainly to decreases of ¥2,137 million in notes and accounts receivable – trade, ¥206 million in electronically recorded monetary claims – operating, ¥1,550 million in merchandise and finished goods, and ¥737 million in other current assets, partially offset by increases of ¥1,411 million in cash and deposits, and ¥1,005 million in raw materials and supplies. The increase of ¥788 million in non-current assets was due mainly to increases of ¥258 million in construction in progress, ¥534 million in investment securities, ¥125 million in a retirement benefit asset, and ¥315 million in other investments, partially offset by a decrease of ¥459 million in leased assets.

The decrease of ¥3,466 million in liabilities was attributable to a decrease of ¥3,943 million in current liabilities, partially offset by an increase of ¥477 million in non-current liabilities.

The decrease of ¥3,943 million in current liabilities was due mainly to decreases of ¥1,844 million in notes and accounts payable – trade, ¥771 million in accrued expenses, ¥753 million in income taxes payable, and ¥670 million in provision for bonuses, partially offset by an increase of ¥178 million in other current liabilities. The increase of ¥477 million in non-current liabilities was due mainly to an increase of ¥989 million in deferred tax liabilities, partially offset by a decrease of ¥453 million in lease liabilities.

The increase of ¥1,976 million in net assets was due mainly to profit attributable to owners of parent of ¥3,711 million recorded, dividends of surplus of ¥2,300 million paid, an increase of ¥440 million in valuation difference on available-for-sale securities, and an increase of ¥112 million in foreign currency translation adjustment.

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

Regarding the consolidated financial results forecast for the fiscal year ending November 20, 2023, we have left unchanged the forecast announced on July 3, 2023, in light of the business performance during the nine months ended August 20, 2023.

The exchange rate assumption used for the financial forecast is 140 yen to the U.S. dollar.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of November 20, 2022	As of August 20, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	34,119	35,530
Notes and accounts receivable - trade	14,051	11,913
Electronically recorded monetary claims - operating	1,567	1,360
Merchandise and finished goods	25,271	23,720
Work in process	409	328
Raw materials and supplies	6,056	7,061
Other	3,517	2,780
Allowance for doubtful accounts	(37)	(18)
Total current assets	84,955	82,677
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,996	13,057
Accumulated depreciation	(10,528)	(10,644)
Buildings and structures, net	2,467	2,412
Machinery, equipment and vehicles	3,898	3,900
Accumulated depreciation	(3,425)	(3,492)
Machinery, equipment and vehicles, net	472	407
Tools, furniture and fixtures	10,391	11,064
Accumulated depreciation	(8,663)	(9,239)
Tools, furniture and fixtures, net	1,728	1,824
Land	7,444	7,444
Leased assets	2,831	2,775
Accumulated depreciation	(657)	(1,061)
Leased assets, net	2,173	1,714
Construction in progress	122	381
Total property, plant and equipment	14,409	14,186
Intangible assets		
Software	461	540
Other	167	164
Total intangible assets	629	705
Investments and other assets		
Investment securities	6,942	7,476
Deferred tax assets	602	563
Retirement benefit asset	3,345	3,471
Other	302	617
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	11,189	12,126
Total non-current assets	26,229	27,017
<b>Total assets</b>	<b>111,184</b>	<b>109,695</b>

(Million yen)

	As of November 20, 2022	As of August 20, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,057	8,213
Lease liabilities	517	549
Accrued expenses	5,336	4,565
Income taxes payable	965	211
Contract liabilities	207	120
Refund liabilities	2,046	2,154
Provision for bonuses	1,175	505
Provision for product warranties	191	135
Provision for loss on voluntary recall of products	88	9
Other	2,043	2,222
Total current liabilities	22,630	18,686
Non-current liabilities		
Long-term borrowings	1,500	1,500
Lease liabilities	1,689	1,236
Deferred tax liabilities	912	1,901
Retirement benefit liability	2,844	2,826
Other	329	288
Total non-current liabilities	7,276	7,753
Total liabilities	29,906	26,439
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,022	4,022
Capital surplus	4,272	4,295
Retained earnings	67,253	68,664
Treasury shares	(956)	(953)
Total shareholders' equity	74,592	76,029
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,691	2,131
Foreign currency translation adjustment	4,611	4,723
Remeasurements of defined benefit plans	(435)	(407)
Total accumulated other comprehensive income	5,868	6,447
Non-controlling interests	818	778
Total net assets	81,278	83,255
Total liabilities and net assets	111,184	109,695

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Nine Months Ended August 20, 2023

(Million yen)

	For the nine months ended August 20, 2022	For the nine months ended August 20, 2023
Net sales	61,923	61,938
Cost of sales	42,584	42,277
Gross profit	19,339	19,661
Selling, general and administrative expenses	14,763	15,458
Operating profit	4,575	4,203
Non-operating income		
Interest income	64	107
Dividend income	131	122
Purchase discounts	29	28
Share of profit of entities accounted for using equity method	135	516
Royalty income	22	38
Rental income	84	86
Foreign exchange gains	745	270
Refund of Chinese value-added-tax	-	90
Other	83	57
Total non-operating income	1,296	1,319
Non-operating expenses		
Interest expenses	47	62
Rental expenses on non-current assets	17	18
Other	7	15
Total non-operating expenses	73	97
Ordinary profit	5,799	5,425
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	7	25
Provision for loss on product recalls	-	14
Total extraordinary losses	9	39
Profit before income taxes	5,790	5,386
Income taxes - current	1,552	716
Income taxes - deferred	524	824
Total income taxes	2,076	1,540
Profit	3,713	3,845
Profit (loss) attributable to non-controlling interests	(10)	133
Profit attributable to owners of parent	3,724	3,711



Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended August 20, 2023

(Million yen)

	For the nine months ended August 20, 2022	For the nine months ended August 20, 2023
Profit	3,713	3,845
Other comprehensive income		
Valuation difference on available-for-sale securities	82	440
Foreign currency translation adjustment	2,962	(41)
Remeasurements of defined benefit plans, net of tax	(7)	27
Share of other comprehensive income of entities accounted for using equity method	286	101
Total other comprehensive income	3,324	527
Comprehensive income	7,037	4,373
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,930	4,291
Comprehensive income attributable to non-controlling interests	106	81

(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 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.