

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 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  
 Inquiries: Executive Officer (in charge of Accounting Ryuichiro Seki Department) TEL: +81-562-96-1112

Scheduled date to file Quarterly Securities Report: November 14, 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 nine months ended September 30, 2023 (from January 1, 2023 to September 30, 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	%
Nine months ended September 30, 2023	282,154	18.0	35,577	54.7	43,380	13.2	30,016	14.3
Nine months ended September 30, 2022	239,037	14.9	23,005	9.3	38,317	50.9	26,257	48.4

Note: Comprehensive income  
 Nine months ended September 30, 2023 ¥55,141 million [(2.5)%]  
 Nine months ended September 30, 2022 ¥56,564 million[138.1%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	207.20		–	
Nine months ended September 30, 2022	181.27		–	

- Notes: 1. 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. The Company finalized provisional accounting treatment pertaining to business combination during the second quarter and third quarter of the current fiscal year. Accordingly, each figure for the nine months ended September 30, 2022 reflects the finalization of the provisional accounting treatment.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	480,395	337,505	69.3	2,298.63
As of December 31, 2022	423,898	292,500	68.2	1,994.67

Reference: Equity  
 As of September 30, 2023 ¥333,008 million  
 As of December 31, 2022 ¥288,949 million

- Notes: 1. The Company has split its shares at a ratio of two-for-one common share with July 1, 2022 as the effective date. Net assets per share is calculated assuming that the share split was conducted at the beginning of the previous fiscal year.
2. The Company finalized provisional accounting treatment pertaining to business combination during the second quarter and third quarter of the current fiscal year. Accordingly, each figure as of December 31, 2022 reflects the finalization of the provisional accounting treatment.

## 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	–	30.00	–		
Year ending December 31, 2023 (Forecast)				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	355,000	10.5	37,000	35.1	42,000	12.8	29,000	20.9	200.19

Notes: 1. Revision of consolidated financial results forecast most recently announced: No  
2. The Company finalized provisional accounting treatment pertaining to business combination during the second quarter and third quarter of the current fiscal year. Accordingly, each figure for year-on-year changes reflects the content of the finalized provisional accounting treatment.

### \*Notes

(1) Changes in significant subsidiaries during the nine months ended September 30, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: HOSHIZAKI SOUTHEAST ASIA HOLDINGS PTE. LTD.

(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 September 30, 2023	144,875,900 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 September 30, 2023	3,182 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)

Nine months ended September 30, 2023	144,866,772 shares	Nine months ended September 30, 2022	144,856,867 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 shown 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

The forward-looking matters stated herein are judgments made by HOSHIZAKI CORPORATION (the “Company”) as of September 30, 2023.

### (1) Operating results

During the nine months ended September 30, 2023, the Japanese economy continued to gradually recover based on the rebound from the impact of COVID-19. Despite factors such as inbound demand due to the weak yen providing a boost to the restaurant and service industries, there are concerns over the impact of rising prices, labor shortages and other negative factors.

Overseas, although consumption and employment trends held firm, in the IMF World Economic Outlook released in October, the economic growth rate for 2023 remained at +3.0%, unchanged from the previous forecast, as there were concerns regarding economic slowdown brought about by continuation of rising prices and prolonged monetary tightening, and also the impact of China’s real estate crisis on global economy.

Amid such circumstances, supply constraints due to 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 solid demand and worked to 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 nine months ended September 30, 2023 with net sales of ¥282,154 million (up 18.0% year-on-year). Operating profit was ¥35,577 million (up 54.7% year-on-year). In addition, owing to the recording of foreign exchange gains of ¥5,139 million from translation of foreign-currency-denominated assets to Japanese yen, ordinary profit was ¥43,380 million (up 13.2% year-on-year) and profit attributable to owners of parent was ¥30,016 million (up 14.3% year-on-year).

The operating results by segment are as follows:

#### a. Japan

In Japan, although the rise in material prices had some impact, 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 capital investment demand in the food service industry associated with economic recovery and also placed focus with respect to both products and services on addressing various challenges encountered by its customers and providing added value in a manner that contributes to creating a safe and secure food environment. As a result, the Group generated net sales of ¥160,448 million (up 9.6% year-on-year) and segment profit of ¥20,990 million (up 32.1% year-on-year).

#### b. Americas

In the Americas, we strove to expand sales of ice machines, dispensers, and other products, focusing on initiatives that include productivity enhancement in the manufacturing sector to address solid demand as well as customer development and relationship building. As a result, the Group generated net sales of ¥73,146 million (up 23.9% year-on-year) and segment profit of ¥7,538 million (up 43.5% year-on-year).

#### c. Europe / 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. As for Asia, sales of refrigerators were high in India and other countries. As a result, the Group generated net sales of ¥54,827 million (up 37.6% year-on-year) and segment profit of ¥8,260 million (up 151.7% year-on-year).

### (2) Financial position

Regarding the business combinations with Brema Group S.p.A. acquired on July 1, 2022, and with Beijing Royalkitchen Science and Technology Co., Ltd. acquired on December 22, 2022, provisional accounting treatments were applied to results as of December 31, 2022, but the provisional accounting treatment for each was finalized during the second quarter and third quarter of the current fiscal year, respectively. As such, post-

revision amounts resulting from finalization of provisional accounting treatment have been applied for comparison and analysis against the fiscal year ended December 31, 2022.

Total assets as of September 30, 2023 increased by ¥56,497 million from December 31, 2022 to ¥480,395 million.

Current assets increased by ¥43,033 million from December 31, 2022 to ¥371,273 million. The main factors were increases in cash and deposits, notes and accounts receivable - trade, and contract assets, and merchandise and finished goods.

Non-current assets increased by ¥13,464 million from December 31, 2022 to ¥109,122 million. The main factor was an increase in investments and other assets.

Total liabilities as of September 30, 2023 increased by ¥11,492 million from December 31, 2022 to ¥142,890 million.

Current liabilities increased by ¥10,837 million from December 31, 2022 to ¥113,824 million. The main factors were increases in provision for bonuses and income taxes payable.

Non-current liabilities increased by ¥654 million from December 31, 2022 to ¥29,066 million.

Total net assets as of September 30, 2023 increased by ¥45,004 million from December 31, 2022 to ¥337,505 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 August 10, 2023.

## 2. Quarterly consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	226,065	255,239
Notes and accounts receivable - trade, and contract assets	45,783	57,481
Merchandise and finished goods	17,806	20,903
Work in process	6,797	7,981
Raw materials and supplies	27,222	25,267
Other	5,055	5,022
Allowance for doubtful accounts	(489)	(623)
Total current assets	328,240	371,273
Non-current assets		
Property, plant and equipment	49,510	53,623
Intangible assets		
Goodwill	9,549	10,081
Other	8,408	9,141
Total intangible assets	17,957	19,223
Investments and other assets	28,190	36,275
Total non-current assets	95,658	109,122
Total assets	423,898	480,395
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	32,714	34,323
Income taxes payable	4,066	8,252
Provision for bonuses	3,486	9,364
Other provisions	2,434	3,203
Other	60,284	58,680
Total current liabilities	102,987	113,824
Non-current liabilities		
Retirement benefit liability	21,560	21,872
Other provisions	2,108	1,923
Other	4,742	5,270
Total non-current liabilities	28,411	29,066
Total liabilities	131,398	142,890
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,070	8,098
Capital surplus	14,593	14,620
Retained earnings	252,140	272,016
Treasury shares	(8)	(8)
Total shareholders' equity	274,795	294,726
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65	207
Foreign currency translation adjustment	15,914	39,715
Remeasurements of defined benefit plans	(1,826)	(1,640)
Total accumulated other comprehensive income	14,153	38,282
Non-controlling interests	3,550	4,496
Total net assets	292,500	337,505
Total liabilities and net assets	423,898	480,395

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	239,037	282,154
Cost of sales	153,608	178,542
Gross profit	85,429	103,611
Selling, general and administrative expenses	62,424	68,033
Operating profit	23,005	35,577
Non-operating income		
Interest income	789	3,403
Foreign exchange gains	15,136	5,139
Other	420	435
Total non-operating income	16,346	8,979
Non-operating expenses		
Interest expenses	34	60
Share of loss of entities accounted for using equity method	804	899
Other	194	217
Total non-operating expenses	1,034	1,177
Ordinary profit	38,317	43,380
Extraordinary income		
Gain on sale of non-current assets	17	19
Gain on sale of investment securities	53	34
Total extraordinary income	70	54
Extraordinary losses		
Loss on abandonment of non-current assets	44	22
Business restructuring expenses	87	-
Other	1	4
Total extraordinary losses	132	27
Profit before income taxes	38,254	43,407
Income taxes - current	14,266	15,817
Income taxes - deferred	(2,662)	(3,023)
Total income taxes	11,603	12,793
Profit	26,651	30,613
Profit attributable to non-controlling interests	393	597
Profit attributable to owners of parent	26,257	30,016

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

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	26,651	30,613
Other comprehensive income		
Valuation difference on available-for-sale securities	23	141
Foreign currency translation adjustment	24,268	21,942
Remeasurements of defined benefit plans, net of tax	215	186
Share of other comprehensive income of entities accounted for using equity method	5,405	2,257
Total other comprehensive income	29,913	24,527
Comprehensive income	56,564	55,141
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	55,868	54,144
Comprehensive income attributable to non-controlling interests	696	996



### **(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.

HOSHIZAKI SOUTHEAST ASIA HOLDINGS PTE. LTD. and HOSHIZAKI DE MEXICO, S. DE R.L. DE C.V. were newly established in the third quarter of the current fiscal year and are included in the scope of consolidation.

#### **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.

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

Not applicable

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

**I. Nine months ended September 30, 2022 (from January 1, 2022 to September 30, 2022)**

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

(Millions of yen)

	Reportable segment				Reconciliation (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Japan	Americas	Europe / Asia	Total		
Net sales						
Ice machines	11,943	21,144	9,932	43,020	–	43,020
Refrigerators	35,034	7,741	25,533	68,309	–	68,309
Dishwashers	9,774	6,174	55	16,005	–	16,005
Dispensers	3,311	13,823	250	17,384	–	17,384
Non Hoshizaki products	27,405	1,812	142	29,361	–	29,361
Maintenance and repairs	33,468	6,100	2,273	41,842	–	41,842
Other Products	20,210	1,769	817	22,797	–	22,797
Revenue from contracts with customers	141,148	58,566	39,005	238,720	–	238,720
Other revenue	317	–	–	317	–	317
Sales to external customers	141,465	58,566	39,005	239,037	–	239,037
Intersegment sales or transfers	4,889	453	829	6,172	(6,172)	–
Total	146,354	59,020	39,834	245,209	(6,172)	239,037
Segment profit	15,884	5,252	3,282	24,418	(1,413)	23,005

- Notes
1. The reconciliation amount of negative ¥1,413 million for segment profit includes amortization of goodwill of negative ¥426 million, amortization of intangible assets, etc. of negative ¥367 million, negative ¥624 million from reconciliation of inventories, and ¥5 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.
  3. The Company finalized provisional accounting treatment pertaining to business combination during the second quarter of the current fiscal year. Accordingly, segment profit reflects the content of the finalized provisional accounting treatment.

## II.Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

### 1. 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	13,525	29,030	19,282	61,838	–	61,838
Refrigerators	39,685	5,856	28,380	73,921	–	73,921
Dishwashers	10,838	7,593	129	18,561	–	18,561
Dispensers	4,509	18,715	456	23,681	–	23,681
Non Hoshizaki products	29,545	783	239	30,568	–	30,568
Maintenance and repairs	35,223	8,777	2,928	46,930	–	46,930
Other Products	22,016	1,762	2,543	26,322	–	26,322
Revenue from contracts with customers	155,343	72,521	53,961	281,825	–	281,825
Other revenue	328	–	–	328	–	328
Sales to external customers	155,672	72,521	53,961	282,154	–	282,154
Intersegment sales or transfers	4,776	625	865	6,267	(6,267)	–
Total	160,448	73,146	54,827	288,421	(6,267)	282,154
Segment profit	20,990	7,538	8,260	36,789	(1,211)	35,577

Notes 1. The reconciliation amount of negative ¥1,211 million for segment profit includes amortization of goodwill of negative ¥470 million, amortization of intangible assets, etc. of negative ¥539 million, negative ¥218 million from reconciliation of inventories, and ¥17 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.**

Finalization of provisional accounting treatment pertaining to business combination

Regarding the business combination with Brema Group S.p.A., acquired on July 1, 2022, provisional accounting treatment was applied to results of the fiscal year ended December 31, 2022, but the provisional accounting treatment was finalized during the second quarter of the current fiscal year.

The comparative information presented in the consolidated financial statements as of September 30, 2023, reflect material revisions to amounts initially allocated to acquisition cost accompanying finalization of provisional accounting treatment.

As a result, goodwill previously calculated as ¥14,593 million on a provisional basis has been lowered by ¥6,151 million to ¥8,442 million due to finalization of accounting treatment. The decrease in goodwill is attributable to increases in inventories of ¥127 million, property, plant and equipment of ¥1,673 million, other under intangible assets of ¥6,292 million, and other under non-current liabilities of ¥1,942 million. In addition, as of December 31, 2022, property, plant and equipment increased by ¥1,610 million, other under intangible assets increased by ¥5,712 million, and other under non-current liabilities increased by ¥1,757 million, while goodwill decreased by ¥5,942 million, retained earnings decreased by ¥368 million, and foreign currency translation adjustment decreased by ¥8 million. In the quarterly consolidated statements of income for the nine months ended September 30, 2022, gross profit decreased by ¥60 million, operating profit decreased by ¥288 million, ordinary profit decreased by ¥288 million, and profit attributable to owners of parent decreased by ¥205 million.

Regarding the business combination with Beijing Royalkitchen Science and Technology Co., Ltd., acquired on December 22, 2022, provisional accounting treatment was applied to results of the fiscal year ended December 31, 2022, but the provisional accounting treatment was finalized during the third quarter of the current fiscal year.

The comparative information presented in the consolidated financial statements as of September 30, 2023, reflect material revisions to amounts initially allocated to acquisition cost accompanying finalization of provisional accounting treatment.

As a result, goodwill previously calculated as ¥1,438 million on a provisional basis has been lowered by ¥260 million to ¥1,178 million due to finalization of accounting treatment. The decrease in goodwill is attributable to increases in other under intangible assets of ¥601 million, other under non-current liabilities of ¥90 million, and non-controlling interests of ¥250 million. In addition, as of December 31, 2022, other under intangible assets increased by ¥601 million, other under non-current liabilities increased by ¥90 million, and non-controlling interests increased by ¥250 million, while goodwill decreased by ¥260 million.