

Consolidated Financial Results for the Fiscal Year Ended November 20, 2023 [Japanese GAAP]



December 25, 2023

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 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 7965
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 Scheduled date of general shareholders' meeting: February 16, 2024
 Scheduled date of commencing dividend payments: February 19, 2024
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 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled

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

1. Consolidated Financial Results for the Fiscal Year Ended November 20, 2023 (November 21, 2022 to November 20, 2023)

(1) Consolidated Operating Results (% 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	%
Fiscal year ended								
November 20, 2023	83,494	1.2	5,000	7.2	6,496	11.7	4,441	21.4
November 20, 2022	82,534	6.3	4,664	(27.1)	5,815	(14.4)	3,658	(18.9)

(Note) Comprehensive income: Fiscal year ended November 20, 2023: ¥6,417 million [(7.0)%]
 Fiscal year ended November 20, 2022: ¥6,903 million [18.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
November 20, 2023	65.64	–	5.4	5.8	6.0
November 20, 2022	54.09	–	4.7	5.5	5.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended November 20, 2023: ¥465 million
 Fiscal year ended November 20, 2022: ¥59 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of November 20, 2023	112,418	85,299	75.1	1,248.41
As of November 20, 2022	111,184	81,278	72.4	1,189.27

(Reference) Equity: As of November 20, 2023: ¥84,481 million
 As of November 20, 2022: ¥80,460 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
November 20, 2023	4,939	(2,078)	(2,968)	31,211
November 20, 2022	(279)	(2,586)	(2,923)	31,077

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended November 20, 2022	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended November 20, 2022	–	17.00	–	17.00	34.00	2,300	62.9	2.9
Fiscal year ended November 20, 2023	–	17.00	–	17.00	34.00	2,300	51.8	2.8
Fiscal year ending November 20, 2024 (Forecast)	–	17.00	–	17.00	34.00		46.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2024 (November 21, 2023 to November 20, 2024)

(% 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
	87,000	4.2	5,200	4.0	5,700	(12.3)	5,000	12.6	73.89

*** 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) 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
- (3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
November 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:
November 20, 2023: 4,928,881 shares
November 20, 2022: 4,944,751 shares

3) Average number of shares during the period:
Fiscal year ended November 20, 2023: 67,665,015 shares
Fiscal year ended November 20, 2022: 67,646,009 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended November 20, 2023 (November 21, 2022 to November 20, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
November 20, 2023	67,486	(5.1)	1,548	(60.4)	3,812	(35.5)	2,885	(31.5)
November 20, 2022	71,106	6.5	3,910	(13.8)	5,912	5.8	4,210	4.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
November 20, 2023	42.65	–
November 20, 2022	62.25	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of November 20, 2023	82,493	65,843	79.8	972.99
As of November 20, 2022	82,966	64,666	77.9	955.82

(Reference) Equity: As of November 20, 2023: ¥65,843 million
As of November 20, 2022: ¥64,666 million

* These consolidated financial results are outside the scope of audit 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. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The global economy moderately slowed down during the fiscal year under review due to inflation and tighter monetary policy worldwide. The normalization of economic activity after the COVID-19 pandemic, easing supply constraints, and slowing inflation rates have inspired rising expectations of an economic recovery. However, there were concerns over the possible adverse economic effects of geopolitical risks, including the Ukraine crisis, the impact of monetary tightening in the U.S. and Europe, and slowing economic growth in China. Japan's economy is recovering thanks to the normalization of economic activity with lower infection risks and the resurgence of demand from travelers to Japan. However, the pace of recovery remains gradual, hampered by the dampening effect of rising prices on personal consumption and sluggish exports.

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 and social issues.

Under SHIFT, the Group has set out the four key issues of domain shift “expanding new domains and deepening existing domains,” global shift “accelerating growth in global markets,” digital shift “promoting digitalization,” and sustainability shift “transforming into a sustainable company,” and has made efforts toward implementation of concrete measures.

As a result, for the period under review, the Group's net sales increased by ¥960 million (up 1.2% year on year) from the previous year to ¥83,494 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. Regarding performance, domestic net sales amounted to ¥52,347 million (down 2.1% year on year), and overseas net sales amounted to ¥31,147 million (up 7.1% year on year). As a result, overseas net sales made up 37.3% of net sales. Outside of Japan, sales trended strongly in North America and Southeast Asia.

As for profits, despite increases in selling, general and administrative expenses, efforts to strengthen pricing competitiveness and pass on the higher import costs due to the depreciation of the yen resulted in an operating profit of ¥5,000 million (up 7.2% year on year). Ordinary profit amounted to ¥6,496 million (up 11.7% year on year), and profit attributable to owners of parent amounted to ¥4,441 million (up 21.4% 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.

Operating results by product category were as follows.

1) Cooking appliances

Net sales of cooking appliances amounted to ¥58,631 million (down 0.6% 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 ¥17,696 million (up 3.7% year on year).

In Japan, while sales of stainless-steel soup jars and stainless-steel carafes were strong, weak sales of stainless-steel vacuum bottles led net sales to remain largely flat with the previous 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 ¥5,009 million (up 10.5% year on year).

In Japan, sales decreased year on year due to weak performance of humidifiers, dish dryers, and other products.

Overseas, humidifiers performed well in Korea.

4) Others

Net sales of others amounted to ¥2,156 million (up 11.9% year on year).

· Net sales by region and product category

		(Million yen)								
		Japan	Overseas				Subtotal	Total	YoY (%)	
			Asia		Americas	Other				
			Of which, China							
Net sales	Cooking appliances	39,043	9,677	3,503	9,845	64	19,587	58,631	(0.6)	
	Household and thermal products	7,690	7,966	4,389	1,283	756	10,006	17,696	3.7	
	Household appliances	4,042	967	33	–	–	967	5,009	10.5	
	Others	1,570	483	160	98	4	586	2,156	11.9	
		52,347	19,094	8,086	11,227	825	31,147	83,494	1.2	
Composition (%)		62.7	22.9	9.7	13.4	1.0	37.3	100.0		

(2) Overview of Financial Position for the Fiscal Year under Review

In regard to financial position as of the end of the fiscal year under review, total assets increased by ¥1,233 million, liabilities decreased by ¥2,787 million, and net assets increased by ¥4,020 million from the end of the previous fiscal year. As a result, the equity ratio rose by 2.7 percentage points to 75.1%.

The increase of ¥1,233 million in total assets was attributable to a decrease of ¥1,315 million in current assets and an increase of ¥2,548 million in non-current assets.

The decrease of ¥1,315 million in current assets was due mainly to decreases of ¥205 million in electronically recorded monetary claims – operating, ¥1,017 million in merchandise and finished goods, and ¥636 million in other current assets, partially offset by increases of ¥407 million in raw materials and supplies. The increase of ¥2,548 million in non-current assets was due mainly to increases of ¥143 million in buildings and structures, ¥154 million in tools, furniture and fixtures, ¥864 million in investment securities, ¥1,007 million in a retirement benefit asset, and ¥382 million in other investments.

The decrease of ¥2,787 million in liabilities was attributable to a decrease of ¥3,512 million in current liabilities, partially offset by an increase of ¥725 million in non-current liabilities.

The decrease of ¥3,512 million in current liabilities was due mainly to decreases of ¥2,899 million in notes and accounts payable – trade and ¥354 million in accrued expenses. The increase of ¥725 million in non-current liabilities was due mainly to an increase of ¥1,043 million in deferred tax liabilities, partially offset by a decrease of ¥229 million in retirement benefit liability.

The increase of ¥4,020 million in net assets was due mainly to profit attributable to owners of parent of ¥4,441 million recorded, dividends of surplus of ¥2,300 million paid, an increase of ¥572 million in valuation difference on available-for-sale securities, and increases of ¥535 million in foreign currency translation adjustment and ¥744 million in remeasurements of defined benefit plans.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year under review increased by ¥134 million from the end of the previous fiscal year to ¥31,211 million.

(Cash Flows from Operating Activities)

Net cash provided by operating activities totaled ¥4,939 million, an increase of ¥5,218 million compared with the previous fiscal year.

This was mainly due to cash inflows from profit before income taxes of ¥6,442 million, depreciation of ¥2,258 million, and a decrease in inventories of ¥936 million, partially offset by cash outflows from a decrease in trade payables of ¥2,982 million and income taxes paid of ¥1,500 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥2,078 million, a decrease of ¥508 million compared with the previous fiscal year.

This was mainly due to cash outflows from payments into time deposits of ¥4,061 million, purchase of property, plant and equipment of ¥1,654 million, and purchase of intangible assets of ¥320 million, partially offset by cash inflows from proceeds from withdrawal of time deposits of ¥4,182 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities totaled ¥2,968 million, an increase of ¥45 million compared with the previous fiscal year.

This was mainly due to cash outflows from dividends paid of ¥2,300 million.

(Sources of capital and liquidity)

The Group’s capital needs primarily include operating expenses such as expenses for manufacturing products and selling, general and administrative expenses, as well as capital investments including molds and other manufacturing facilities and information processing systems.

Funds to meet these capital needs are self-financed in principle with cash flows from operating activities, but the Group may procure funds using borrowings from financial institutions and other means as needed.

(4) Future Outlook

The global economy continues to face significant downside risks. Geopolitical risks could materialize, including concerns over soaring crude oil prices due to the Israel-Hamas conflict as well as disruptions caused by climate change, and heighten uncertainties going forward, depending on the outcome of key elections in major countries and regions in 2024. The prolonged depreciation of the yen in Japan and the continued downturn in China's real estate market suggest that the uncertain management environment will persist.

Amid such management environment, we will uphold the management policy of "Brand Innovation: strengthening Zojirushi as a brand of household products and developing it into a food and lifestyle solution brand" for the period until 2030, and continue to engage in three-dimensional expansion: horizontal expansion of domains, vertical expansion of domains, and a stronger management platform. In the domains of resolving social issues through business activities and a stronger management platform, the Group has identified four key ESG issues. In addition to "Brand Innovation," the Group will endeavor to enhance social value, economic value, and employee value by promoting ESG initiatives aimed at resolving social issues.

The Group has formulated and is continuing efforts under the three-year medium-term plan, SHIFT, designating the three years from the fiscal year ended November 20, 2023, to the fiscal year ending November 20, 2025, as a period of "shift," when it will progressively transition into a solution brand, achieving sustained growth while resolving lifestyle and social issues.

In the second year of SHIFT, the fiscal year ending November 20, 2024, the Group will produce results by steadily implementing measures under four key issues: domain shift "expanding new domains and deepening existing domains," global shift "accelerating growth in global markets," digital shift "promoting digitalization," and sustainability shift "transforming into a sustainable company."

Our current forecast for the fiscal year ending November 20, 2024, is as follows.

The Group predicts net sales of ¥87,000 million (up 4.2% year on year) in the full-year consolidated financial results forecast. Although the uncertain management environment will persist, we will continue to revitalize existing products, launch new products, and actively undertake sales activities in Japan and overseas. In order to enhance earning power, the Group will continue to strengthen price competitiveness and engage in developing high-added-value products. With this in mind, the Group forecasts operating profit of ¥5,200 million (up 4.0% year on year), ordinary profit of ¥5,700 million (down 12.3% year on year), and, incorporating extraordinary income of approximately ¥1,896 million from the transfer of non-current assets, profit attributable to owners of parent of ¥5,000 million (up 12.6% year on year).

Details regarding the recording of extraordinary income from the transfer of non-current assets are provided in "3. Consolidated Financial Statements and Principal Notes, (5) Notes to Consolidated Financial Statements, (Significant subsequent events)."

(Million yen)

	Consolidated financial results forecast	
	Amount	YoY
Net sales	87,000	Up 4.2%
Operating profit	5,200	Up 4.0%
Ordinary profit	5,700	Down 12.3%
Profit attributable to owners of parent	5,000	Up 12.6%

(Note) The above consolidated financial results forecast assumes exchange rate of 1 USD = ¥140.

2. Basic Policy on Selection of Accounting Standards

The Group plans to prepare its consolidated financial statements using the Japanese GAAP for the time being, taking into consideration the comparability of consolidated financial statements across periods and among companies.

The Group plans to appropriately address the adoption of IFRS upon considering various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of November 20, 2022	As of November 20, 2023
Assets		
Current assets		
Cash and deposits	34,119	34,198
Notes receivable - trade	209	255
Electronically recorded monetary claims - operating	*2 1,567	1,361
Accounts receivable - trade	13,841	13,921
Merchandise and finished goods	25,271	24,254
Work in process	409	328
Raw materials and supplies	6,056	6,463
Other	3,517	2,881
Allowance for doubtful accounts	(37)	(23)
Total current assets	84,955	83,640
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,996	13,324
Accumulated depreciation	(10,528)	(10,712)
Buildings and structures, net	2,467	2,611
Machinery, equipment and vehicles	3,898	3,946
Accumulated depreciation	(3,425)	(3,549)
Machinery, equipment and vehicles, net	472	397
Tools, furniture and fixtures	10,391	11,022
Accumulated depreciation	(8,663)	(9,139)
Tools, furniture and fixtures, net	1,728	1,883
Land	7,444	7,446
Leased assets	2,831	3,378
Accumulated depreciation	(657)	(1,221)
Leased assets, net	2,173	2,156
Construction in progress	122	81
Total property, plant and equipment	14,409	14,576
Intangible assets		
Software	461	523
Other	167	193
Total intangible assets	629	717
Investments and other assets		
Investment securities	*1 6,942	*1 7,806
Deferred tax assets	602	642
Retirement benefit asset	3,345	4,352
Other	302	684
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	11,189	13,484
Total non-current assets	26,229	28,777
Total assets	111,184	112,418

(Million yen)

	As of November 20, 2022	As of November 20, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	*2 10,057	7,157
Lease liabilities	517	606
Accrued expenses	5,336	4,982
Income taxes payable	965	919
Contract liabilities	207	127
Refund liabilities	2,046	1,973
Provision for bonuses	1,175	1,176
Provision for product warranties	191	150
Provision for loss on voluntary recall of products	88	16
Other	2,043	2,007
Total current liabilities	22,630	19,117
Non-current liabilities		
Long-term borrowings	1,500	1,500
Lease liabilities	1,689	1,646
Deferred tax liabilities	912	1,956
Retirement benefit liability	2,844	2,615
Other	329	283
Total non-current liabilities	7,276	8,001
Total liabilities	29,906	27,118
Net assets		
Shareholders' equity		
Share capital	4,022	4,022
Capital surplus	4,272	4,295
Retained earnings	67,253	69,394
Treasury shares	(956)	(953)
Total shareholders' equity	74,592	76,759
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,691	2,264
Foreign currency translation adjustment	4,611	5,147
Remeasurements of defined benefit plans	(435)	309
Total accumulated other comprehensive income	5,868	7,721
Non-controlling interests	818	818
Total net assets	81,278	85,299
Total liabilities and net assets	111,184	112,418

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Net sales	82,534	83,494
Cost of sales	*1, *2 57,548	*1, *2 57,363
Gross profit	24,985	26,130
Selling, general and administrative expenses	*1, *3 20,320	*1, *3 21,130
Operating profit	4,664	5,000
Non-operating income		
Interest income	84	213
Dividend income	133	125
Purchase discounts	43	32
Share of profit of entities accounted for using equity method	59	465
Royalty income	33	52
Rental income	113	118
Foreign exchange gains	680	435
Refund of Chinese value-added-tax	—	*4 98
Other	104	82
Total non-operating income	1,252	1,624
Non-operating expenses		
Interest expenses	67	83
Rental expenses on non-current assets	23	24
Other	9	20
Total non-operating expenses	100	128
Ordinary profit	5,815	6,496
Extraordinary income		
Gain on sale of non-current assets	*5 0	*5 0
Gain on sale of investment securities	2	2
Total extraordinary income	3	3
Extraordinary losses		
Loss on sale of non-current assets	*6 1	—
Loss on retirement of non-current assets	*7 12	*7 33
Loss on sale of investment securities	—	0
Loss on product recalls	*8 4	—
Provision for loss on product recalls	*8 88	*8 23
Total extraordinary losses	107	57
Profit before income taxes	5,711	6,442
Income taxes - current	2,004	1,449
Income taxes - deferred	59	429
Total income taxes	2,063	1,879
Profit	3,647	4,562
Profit (loss) attributable to non-controlling interests	(11)	120
Profit attributable to owners of parent	3,658	4,441

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Profit	3,647	4,562
Other comprehensive income		
Valuation difference on available-for-sale securities	0	572
Foreign currency translation adjustment	3,368	421
Remeasurements of defined benefit plans, net of tax	(404)	744
Share of other comprehensive income of entities accounted for using equity method	291	115
Total other comprehensive income	*1 3,255	*1 1,854
Comprehensive income	6,903	6,417
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,697	6,295
Comprehensive income attributable to non-controlling interests	205	121

(3) Consolidated Statements of Changes in Equity

Fiscal year ended November 20, 2022 (from November 21, 2021 to November 20, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,022	4,243	66,090	(961)	73,395
Cumulative effects of changes in accounting policies			(61)		(61)
Restated balance	4,022	4,243	66,029	(961)	73,333
Changes during period					
Dividends of surplus			(2,435)		(2,435)
Profit attributable to owners of parent			3,658		3,658
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		29		4	34
Net changes in items other than shareholders' equity					
Total changes during period	–	29	1,223	4	1,258
Balance at end of period	4,022	4,272	67,253	(956)	74,592

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,690	1,168	(30)	2,829	612	76,837
Cumulative effects of changes in accounting policies						(61)
Restated balance	1,690	1,168	(30)	2,829	612	76,775
Changes during period						
Dividends of surplus						(2,435)
Profit attributable to owners of parent						3,658
Purchase of treasury shares						(0)
Disposal of treasury shares						34
Net changes in items other than shareholders' equity	0	3,443	(404)	3,038	205	3,244
Total changes during period	0	3,443	(404)	3,038	205	4,502
Balance at end of period	1,691	4,611	(435)	5,868	818	81,278

Fiscal year ended November 20, 2023 (from November 21, 2022 to November 20, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,022	4,272	67,253	(956)	74,592
Cumulative effects of changes in accounting policies					–
Restated balance	4,022	4,272	67,253	(956)	74,592
Changes during period					
Dividends of surplus			(2,300)		(2,300)
Profit attributable to owners of parent			4,441		4,441
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		23		3	26
Net changes in items other than shareholders' equity					
Total changes during period	–	23	2,141	3	2,167
Balance at end of period	4,022	4,295	69,394	(953)	76,759

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,691	4,611	(435)	5,868	818	81,278
Cumulative effects of changes in accounting policies						–
Restated balance	1,691	4,611	(435)	5,868	818	81,278
Changes during period						
Dividends of surplus						(2,300)
Profit attributable to owners of parent						4,441
Purchase of treasury shares						(0)
Disposal of treasury shares						26
Net changes in items other than shareholders' equity	572	535	744	1,853	0	1,853
Total changes during period	572	535	744	1,853	0	4,020
Balance at end of period	2,264	5,147	309	7,721	818	85,299

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Cash flows from operating activities		
Profit before income taxes	5,711	6,442
Depreciation	1,963	2,258
Increase (decrease) in allowance for doubtful accounts	17	(14)
Increase (decrease) in provision for bonuses	20	(3)
Decrease (increase) in retirement benefit asset	(646)	(131)
Increase (decrease) in retirement benefit liability	(6)	(27)
Increase (decrease) in provision for product warranties	20	(41)
Increase (decrease) in provision for loss on voluntary recall of products	88	(71)
Interest and dividend income	(217)	(338)
Interest expenses	67	83
Share of loss (profit) of entities accounted for using equity method	(59)	(465)
Loss (gain) on sale of investment securities	(2)	(2)
Loss (gain) on sale of non-current assets	1	(0)
Loss on retirement of non-current assets	12	33
Loss on product recalls	4	–
Decrease (increase) in trade receivables	(192)	205
Decrease (increase) in inventories	(6,934)	936
Increase (decrease) in trade payables	682	(2,982)
Increase (decrease) in accrued expenses	(1,958)	(374)
Increase (decrease) in refund liabilities	1,956	(93)
Other, net	1,084	364
Subtotal	1,611	5,775
Interest and dividends received	380	747
Interest paid	(66)	(83)
Income taxes paid	(2,204)	(1,500)
Net cash provided by (used in) operating activities	(279)	4,939
Cash flows from investing activities		
Payments into time deposits	(4,251)	(4,061)
Proceeds from withdrawal of time deposits	3,500	4,182
Purchase of property, plant and equipment	(1,458)	(1,654)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(254)	(320)
Purchase of investment securities	(113)	(34)
Proceeds from sale and redemption of investment securities	5	11
Other, net	(16)	(199)
Net cash provided by (used in) investing activities	(2,586)	(2,078)
Cash flows from financing activities		
Repayments of lease liabilities	(489)	(545)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,433)	(2,300)
Dividends paid to non-controlling interests	–	(121)
Net cash provided by (used in) financing activities	(2,923)	(2,968)
Effect of exchange rate change on cash and cash equivalents	1,656	241
Net increase (decrease) in cash and cash equivalents	(4,132)	134
Cash and cash equivalents at beginning of period	35,209	31,077
Cash and cash equivalents at end of period	*1 31,077	*1 31,211

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

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 fiscal year ended 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 consolidated financial statements.

(Consolidated balance sheets)

*1 Investments in associates are as follows.

	(Million yen)	
	As of November 20, 2022	As of November 20, 2023
Investment securities (shares)	2,319	2,331

*2 Notes, etc. maturing on the last day of the fiscal year are accounted for as settled on the clearance date.

As the last day of the previous fiscal year was a bank holiday, the following notes that matured on the last day of the previous fiscal year have been included in the closing balance for the previous fiscal year.

	(Million yen)	
	As of November 20, 2022	As of November 20, 2023
Notes receivable - trade	4	-
Electronically recorded monetary claims - operating	8	-
Notes payable - trade	0	-

(Consolidated statements of income)

*1 Research and development expenses included in general and administrative expenses and manufacturing expenses for the fiscal year under review are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
	882	959

*2 Amounts of write-downs based on declined profitability of inventories held for the purpose of ordinary sales are as follows. The amounts below reflect offsetting with reversals.

	(Million yen)	
	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Cost of sales	72	(5)

*3 Major items and amounts included in selling, general and administrative expenses are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Advertising expenses	2,580	2,705
Payroll and allowances	4,508	4,669
Provision for bonuses	733	743
Retirement benefit expenses	44	110
Outsourcing expenses	1,401	1,419
Provision for product warranties	20	(41)
Provision of allowance for doubtful accounts	19	1

*4 Details of refund of Chinese value-added-tax are as follows.

For the fiscal year ended November 20, 2022

Not applicable.

For the fiscal year ended November 20, 2023

Refund of Chinese value-added-tax is refund received by Zojirushi Shanghai Corporation as a tax incentive for foreign companies that have expanded to Shanghai City.

*5 Details of gain on sale of non-current assets are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Machinery, equipment and vehicles	0	0
Tools, furniture and fixtures	-	0
Total	0	0

*6 Details of loss on sale of non-current assets are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Tools, furniture and fixtures	1	-
Total	1	-

*7 Details of loss on retirement of non-current assets are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Buildings and structures	3	17
Machinery, equipment and vehicles	2	5
Tools, furniture and fixtures	6	10
Total	12	33

*8 Details of loss on product recalls and provision for loss on product recalls are as follows.

For the fiscal year ended November 20, 2022

The loss on product recalls is a loss incurred as a result of voluntarily recalling products. The provision for loss on product recalls is a reasonable estimate of future losses associated with voluntary product recalls.

For the fiscal year ended November 20, 2023

The provision for loss on product recalls is a reasonable estimate of future losses associated with voluntary product recalls.

(Consolidated statements of cash flows)

*1 Relationships between cash and cash equivalents at end of period and the amounts of accounts presented in the consolidated balance sheets are as follows.

	(Million yen)	
	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Cash and deposits	34,119	34,198
Time deposits with maturities of over three months	(3,042)	(2,986)
Cash and cash equivalents	31,077	31,211

(Segment information, etc.)

[Segment information]

The Group engages in manufacture and sales of household products and other products, as well as incidental operations thereto, and businesses other than household products are immaterial. Accordingly, the segment information is omitted.

(Per share information)

Item	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Net assets per share	¥1,189.27	¥1,248.41
Basic earnings per share	¥54.09	¥65.64

(Notes) 1. Diluted earnings per share are not stated because there were no dilutive shares.

2. The basis of calculation is as follows.

(1) Net assets per share

	As of November 20, 2022	As of November 20, 2023
Total amount of net assets (Million yen)	81,278	85,299
Amount deducted from total amount of net assets (Million yen)	818	818
[Of which, non-controlling interests (Million yen)]	[818]	[818]
Net assets associated with common shares (Million yen)	80,460	84,481
Number of issued common shares (Thousand shares)	72,600	72,600
Number of common shares held as treasury shares (Thousand shares)	4,944	4,928
Number of common shares used in the calculation of net assets per share (Thousand shares)	67,655	67,671

(2) Basic earnings per share

	For the fiscal year ended November 20, 2022	For the fiscal year ended November 20, 2023
Profit attributable to owners of parent (Million yen)	3,658	4,441
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	3,658	4,441
Average number of common shares during the period (Thousand shares)	67,646	67,665

(Significant subsequent events)

(Transfer of non-current assets)

(1) Reasons for transfer

The Company has decided to transfer land and a building owned by the Company that had been used as a warehouse by Zojirushi You Service Co., Ltd., a consolidated subsidiary, due to the relocation of the warehouse. The purpose is to effectively utilize management resources and improve asset efficiency.

(2) Details of transferred assets

(Million yen)				
Name and location of assets	Transfer price*1	Book value*1	Transfer gain	Current status
Koshigaya City, Saitama Prefecture Land area: 6,854.59 m ² , Building area: 9,291.07 m ²	–	–	1,696	Office Warehouse

*1 The transfer price and book value are undisclosed based on an agreement with the transferee.

*2 In conjunction with the transfer of the non-current assets, an unrealized gain of ¥200 million will be realized as a gain in the consolidated financial statements. The transfer gain stated above represents the estimated amount after deducting the book value and estimated expenses related to the transfer from the transfer price.

(3) Outline of transferee

While the transferee is a general business operator, its name is withheld based on an agreement. The Company has no capital, personnel, or business relationships with the transferee that require disclosure. The transferee is also not a related party.

(4) Transfer schedule

December 25, 2023 Resolution by the Board of Directors

December 26, 2023 Conclusion of agreement (planned)

Early May 2024 Transfer of property (planned)

(5) Impact on profit and loss

In conjunction with the transfer of the non-current assets, the Company plans to record an extraordinary income of approximately ¥1,896 million from gain on sale of non-current assets in the following fiscal year.