Zojirushi Corporation
Supplementary Explanatory Materials for Financial Results for
the Nine Months Ended August 20, 2022

October 3, 2022







ZOJIRUSHI

Contents

I. Consolidated Financial Results for the Nine Months Ended August 20, 2022 P. 2

II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022 P. 14

III. Shareholder Returns P. 20

I. Consolidated Financial Results for the Nine Months Ended August 20, 2022

(1) Composition of net sales by product category/principal products

Household appliances

- Air-conditioning, cooling, and heating
  - Humidifiers



- Kitchen housework
  - Dish dryers
- Other household appliances

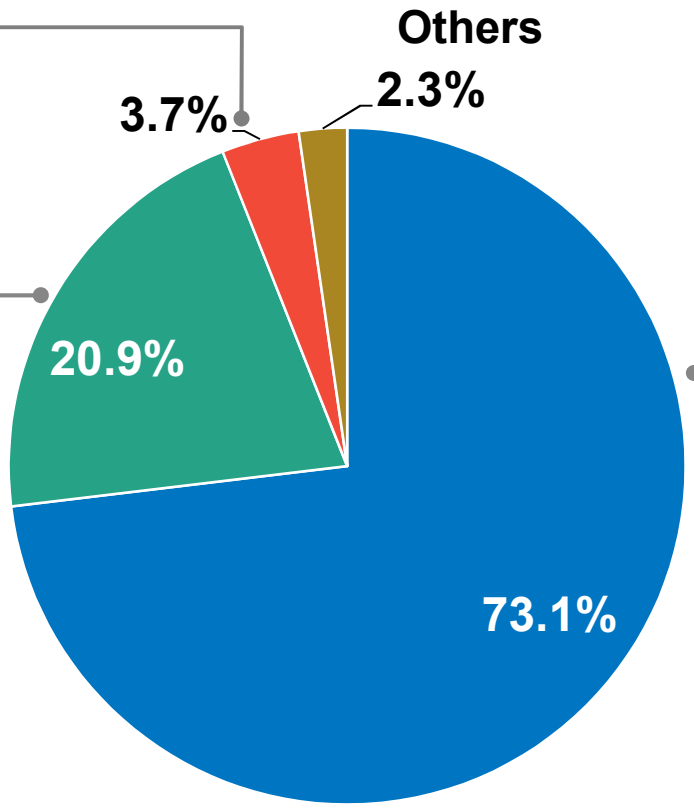
Household and thermal products

- Glass vacuum bottles
  - Glass carafes
- Stainless-steel vacuum bottles
  - Stainless-steel bottles



- Other household and thermal products

Net sales 61,923 million yen
Composition by product category



Cooking appliances

- Rice cooking
  - Rice cookers



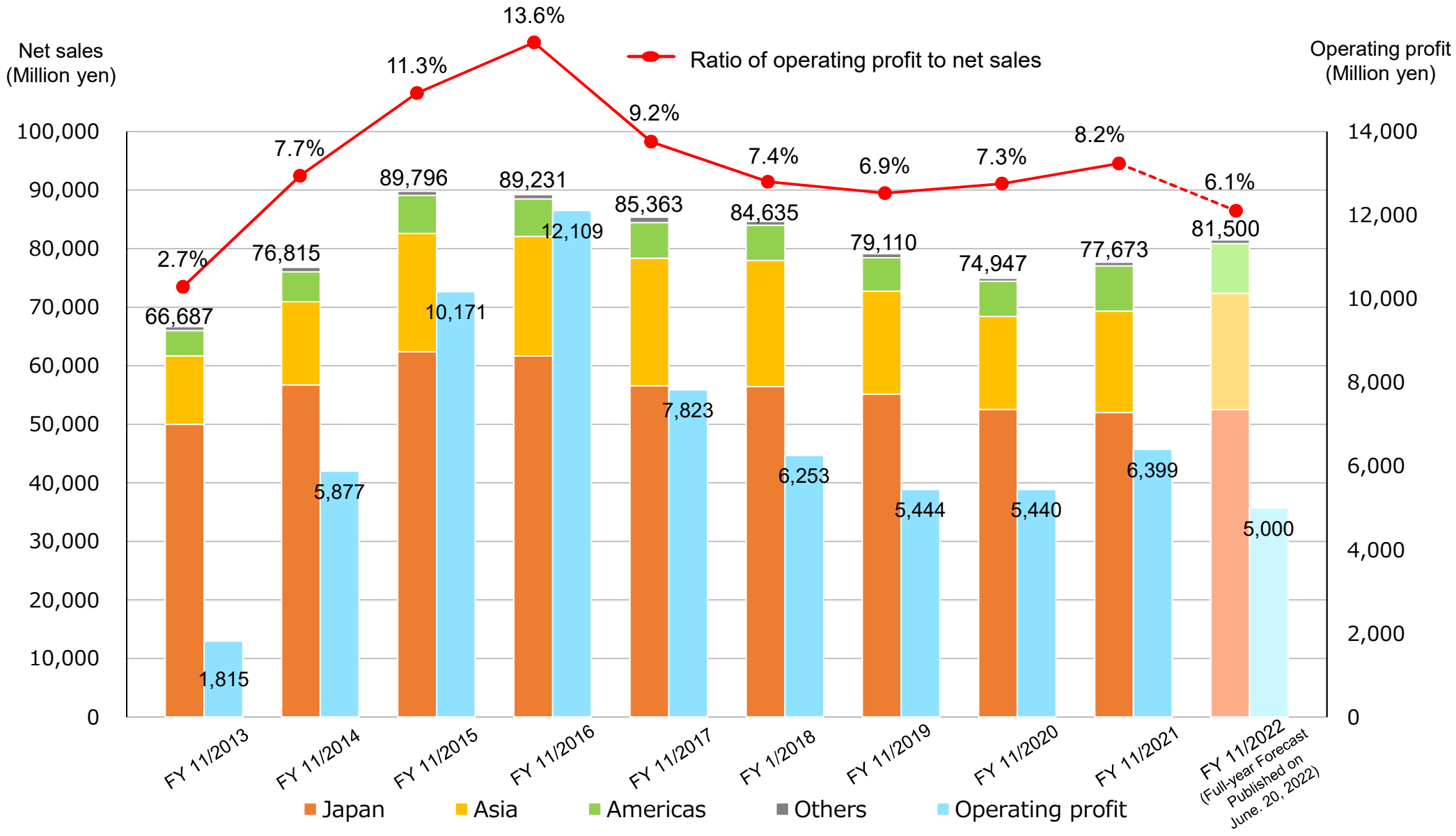
- Water boiling
  - Electric pots



- Electric cooking
  - Toaster ovens
  - Electric griddles



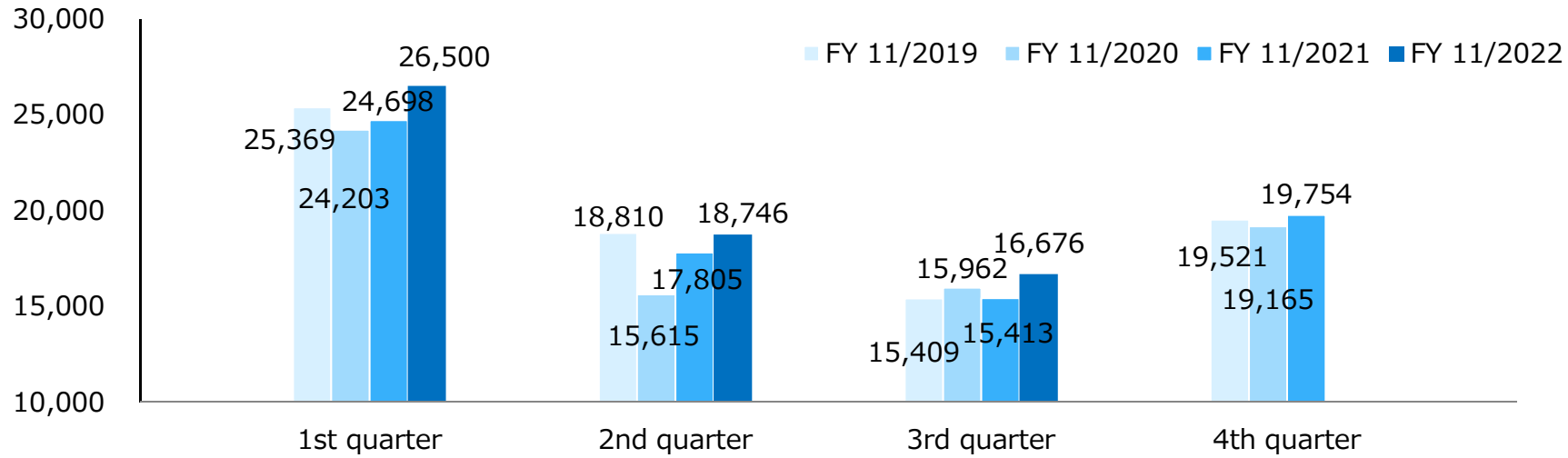
(2) Financial performance



(3) Comparison of quarterly financial results

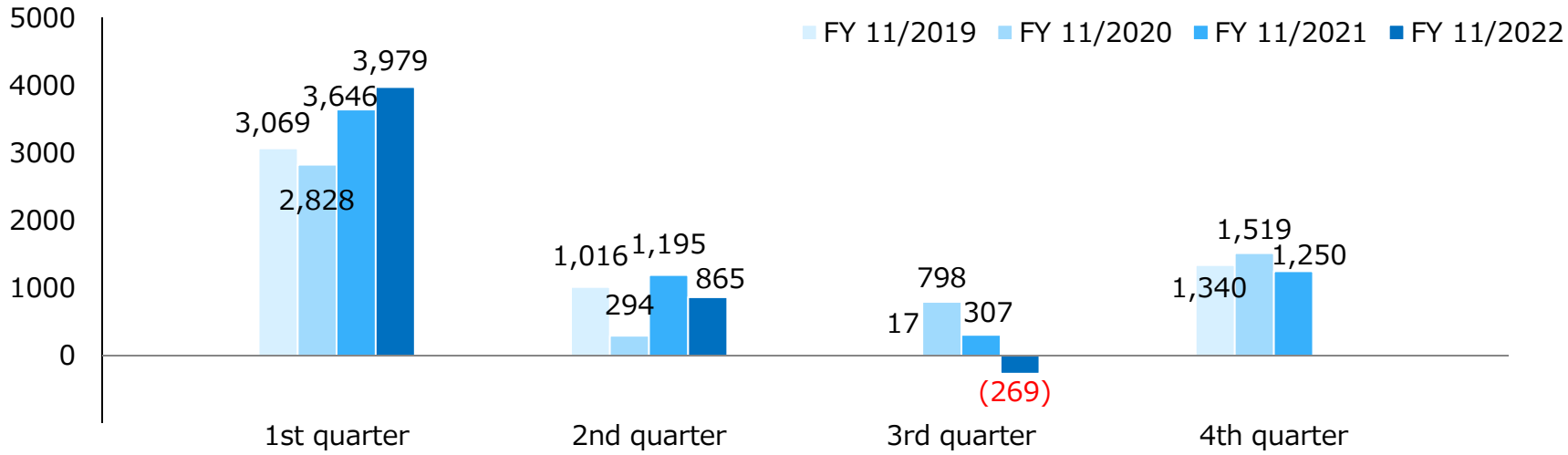
Quarterly net sales

Unit: Million yen



Quarterly operating profit

Unit: Million yen



(4) Overview of financial results

Sales

Net sales
61,923 million yen

Year on year
+4,005 million yen
+6.9%

Domestic net sales +972 million yen (year on year)

- Cooking appliances: Overall sales of rice cookers/warmers remained almost unchanged year on year, despite strong sales of the Embudaki series. While electric pots and electric kettles recorded strong sales, sales of electric cooking appliances declined year on year owing to declined sales of electric griddles, toaster ovens, and other products.
- Household and thermal products: Sales increased year on year, led by stainless-steel bottles that feature a seamless one-piece lid.
- Household appliances: Sales increased year on year thanks to the strong performance of humidifiers.
- Impact of the application of the Accounting Standard for Revenue Recognition: −1,190 million yen

Overseas net sales +3,032 million yen (year on year)

- Cooking appliances: Sales of rice cookers/warmers were strong in North America, China, Taiwan, and Southeast Asia. Especially in North America, sales of cooking appliances were strong as the economy was recovering and demand for at-home consumption continued.
- Household and thermal products: Sales of glass carafes were robust, while sales of stainless-steel bottles were sluggish.

Profit

Operating profit
4,575 million yen

Year on year
-573 million yen
-11.1%

- **Attributable to net sales +1,371 million yen (year on year)**
  Described in the “Sales” above.
- **Attributable to gross profit margin -1,866 million yen (year on year)**
- **Increase in selling, general and administrative expenses -78 million yen (year on year)**
  Of which impact of the application of the Accounting Standard for Revenue Recognition: 893 million yen

(5)-i Statements of income (P/L)

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related standards from the beginning of the first quarter of the fiscal year ending November 20, 2022

(Unit: Million yen, %)

	Nine months ended August 20, 2021		Nine months ended August 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	57,918	100.0%	61,923	100.0%	4,005	6.9%
Gross profit	19,833	34.2%	19,339	31.2%	(494)	(2.5)%
Selling, general and administrative expenses	14,685	25.4%	14,763	23.8%	78	0.5%
Operating profit	5,148	8.9%	4,575	7.4%	(573)	(11.1)%
Ordinary profit	5,320	9.2%	5,799	9.4%	478	9.0%
Profit attributable to owners of parent	3,461	6.0%	3,724	6.0%	262	7.6%

(5)-ii Statements of income (P/L) based on prior standards

Shows the financial results assuming the Accounting Standard for Revenue Recognition has not been applied to enable a comparison based on the same accounting standard between the financial results for the nine months ended August 20, 2021 and the financial results for the nine months ended August 20, 2022.
(Only for reference. For the actual financial results, see the previous page.)

Reference

(Unit: Million yen, %)

	Nine months ended August 20, 2021		Nine months ended August 20, 2022 based on prior standards		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	57,918	100.0%	63,114	100.0%	5,195	9.0%
Gross profit	19,833	34.2%	20,530	32.5%	696	3.5%
Selling, general and administrative expenses	14,685	25.4%	15,657	24.8%	972	6.6%
Operating profit	5,148	8.9%	4,872	7.7%	(276)	(5.4)%
Ordinary profit	5,320	9.2%	5,756	9.1%	436	8.2%
Profit attributable to owners of parent	3,461	6.0%	3,681	5.8%	220	6.4%

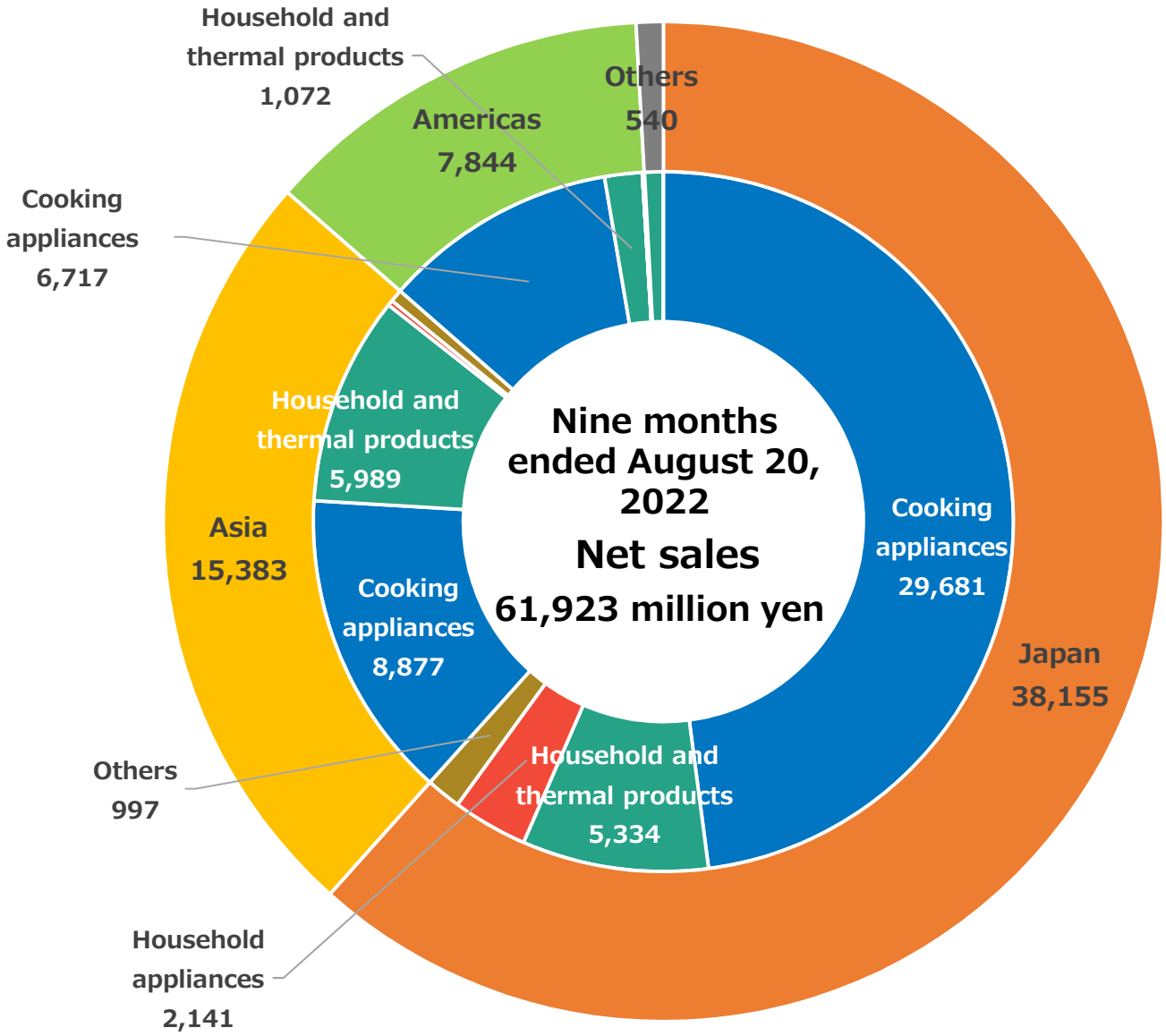
(6) Net sales/operating profit by region and product category

(Unit: Million yen, %)

	Nine months ended August 20, 2022						
	Japan	Overseas				Subtotal	Total
		Asia		Americas	Others		
			Of which, China				
Cooking appliances	29,681	8,877	3,670	6,717	6	15,600	45,282
[YoY change rate]	0.6%	16.8%	22.3%	31.4%	(47.4)%	22.6%	7.2%
Household and thermal products	5,334	5,989	3,799	1,072	530	7,592	12,927
[YoY change rate]	6.2%	(4.0)%	(9.9)%	18.9%	22.1%	0.2%	2.6%
Household appliances	2,141	152	21	—	—	152	2,293
[YoY change rate]	23.0%	248.9%	—	—	—	248.9%	28.6%
Others	997	363	97	54	4	422	1,420
[YoY change rate]	9.6%	22.6%	16.3%	(43.4)%	296.7%	7.3%	8.9%
Net sales	38,155	15,383	7,588	7,844	540	23,768	61,923
[Composition]	61.6%	24.8%	12.3%	12.7%	0.9%	38.4%	100.0%
[YoY change rate]	2.6%	8.5%	3.9%	28.4%	20.9%	14.6%	6.9%
Operating profit	524	2,869	1,343	1,189	(8)	4,051	4,575
[Profit ratio]	1.4%	18.7%	17.7%	15.2%	(1.5)%	17.0%	7.4%
[Composition]	11.5%	62.7%	29.4%	26.0%	(0.2)%	88.5%	100.0%
[YoY change rate]	(75.0)%	18.3%	(8.0)%	73.6%	(86.0)%	32.7%	(11.1)%

(7) Net sales by region and product category

(Unit: Million yen)



(8) Net sales by product category (details)

(Unit: Million yen, %)

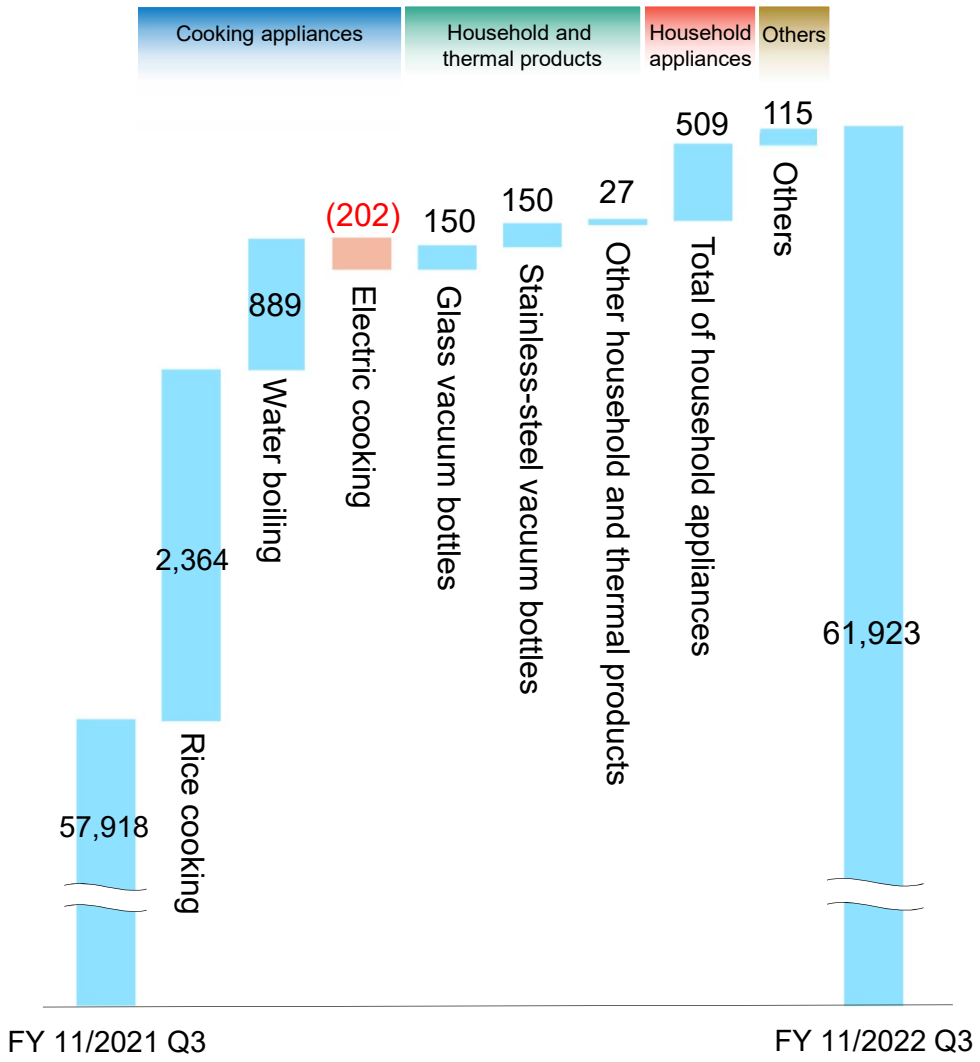
	Nine months ended August 20, 2021		Nine months ended August 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	57,918	100.0%	61,923	100.0%	4,005	6.9%
Rice cooking	26,674	46.1%	29,038	46.9%	2,364	8.9%
Water boiling	6,579	11.4%	7,469	12.1%	889	13.5%
Electric cooking	8,977	15.5%	8,774	14.2%	(202)	(2.3)%
Total of cooking appliances	42,231	72.9%	45,282	73.1%	3,051	7.2%
Glass vacuum bottles	929	1.6%	1,080	1.7%	150	16.2%
Stainless-steel vacuum bottles	11,597	20.0%	11,748	19.0%	150	1.3%
Other household and thermal products	71	0.1%	99	0.2%	27	38.5%
Total of household and thermal products	12,598	21.8%	12,927	20.9%	328	2.6%
Air-conditioning, cooling, and heating	930	1.6%	1,517	2.5%	587	63.1%
Kitchen housework	414	0.7%	372	0.6%	(41)	(10.0)%
Other household appliances	439	0.8%	403	0.7%	(36)	(8.2)%
Total of household appliances	1,784	3.1%	2,293	3.7%	509	28.6%
Others	1,304	2.3%	1,420	2.3%	115	8.9%

◇Rice cooking…Rice cookers ◇Water boiling…Electric pots/kettles ◇Electric cooking…Electric griddles/coffee makers/toaster ovens
◇Glass vacuum bottles…Glass carafes ◇Stainless-steel vacuum bottles…Stainless-steel vacuum bottles/tumblers/food jars
◇Air-conditioning, cooling, and heating…Humidifiers/air cleaners ◇Kitchen housework…Dish driers ◇Others…Restaurant business, etc.

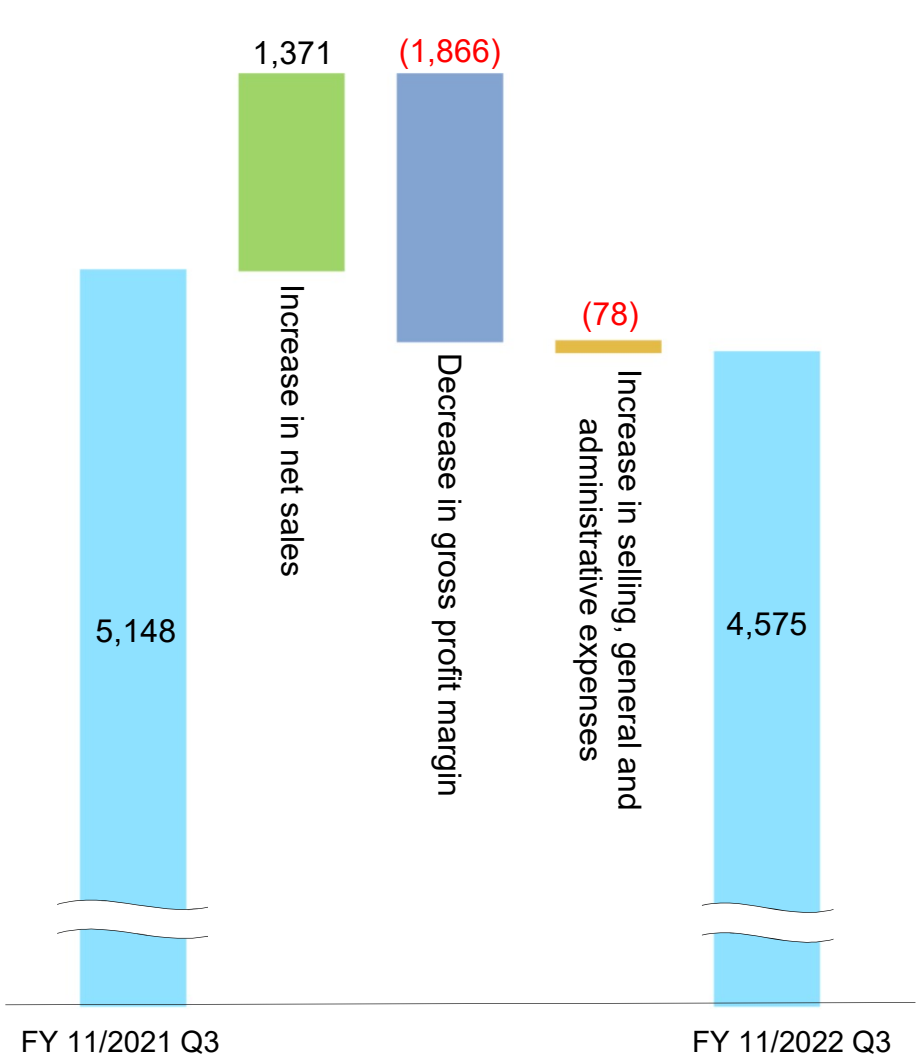
(9) Factors of YoY change in net sales/operating profit

(Unit: Million yen)

Net sales



Operating profit



(10) Balance sheets (B/S)

(Unit: Million yen)

	November 20, 2021	August 20, 2022	Change
Current assets	77,450	84,876	7,425
Cash and deposits	37,274	40,427	3,152
Merchandise and finished goods	19,796	22,246	2,450
Other	20,379	22,202	1,822
Non-current assets	24,463	26,205	1,741
Property, plant and equipment	13,418	14,029	610
Intangible assets	616	612	(3)
Investments and other assets	10,428	11,562	1,134
Total assets	101,913	111,081	9,167
Total liabilities	25,076	29,668	4,592
Total net assets	76,837	81,412	4,575
Total liabilities and net assets	101,913	111,081	9,167

II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022

(1)-i Financial results forecast

(Unit: Million yen, %)

	Fiscal year ended November 20, 2021		Financial results forecast for the fiscal year ending November 20, 2022			YoY change	
	Amount	Composition	Initial forecast	Revised forecast (Published on June. 20, 2022)	Composition	Amount	Rate
Net sales	77,673	100.0%	79,300	81,500	100.0%	3,826	4.9%
Gross profit	26,649	34.3%	24,600	25,500	31.3%	(1,149)	(4.3)%
Selling, general and administrative expenses	20,250	26.1%	20,200	20,500	25.2%	249	1.2%
Operating profit	6,399	8.2%	4,400	5,000	6.1%	(1,399)	(21.9)%
Ordinary profit	6,791	8.7%	4,700	6,000	7.4%	(791)	(11.7)%
Profit attributable to owners of parent	4,509	5.8%	3,400	4,000	4.9%	(509)	(11.3)%
Depreciation	2,078	—	1,649	No change	—	(429)	(20.7)%
Capital investment	2,265	—	3,245	No change	—	979	43.3%
Research and development expenses	784	—	810	No change	—	26	3.3%

II. Consolidated Financial Results Forecast for the Fiscal Year Ending November 20, 2022

(1)-ii Financial results forecast against the medium-term financial results targets

Compared to the medium-term results target

Net sales
+1,500 million yen

Factors of change:

- Increases in revenue expected for both domestic and overseas businesses due to launch of new products, enhancement of new businesses, and strengthening of sales activities.
- Decrease due to the adoption of the Accounting Standard for Revenue Recognition, etc.

Compared to the medium-term results target

Operating profit
−1,000 million yen

Factors of change:

- Cost of sales expected to increase due to the impact of foreign exchange rates and a significant surge in prices of raw materials such as aluminum, copper, nickel, and resin.
- Expenses expected to increase due to more active investments in advertising and sales activities associated with the microwave ovens launched in the fall of 2022 and operating profit to decrease due to the adoption of the Standards for Revenue Recognition.

(Unit: Million yen, %)

	Medium-term results target for the fiscal year ending November 20, 2022 (Published on Jan. 20, 2021)		Financial results forecast for the fiscal year ending November 20, 2022 (Published on June. 20, 2022)		Compared to the medium-term performance target	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	80,000	100.0%	81,500	100.0%	1,500	1.9%
Operating profit	6,000	7.5%	5,000	6.1%	(1,000)	(16.7)%

(2) Net sales by region and product category

(Unit: Million yen, %)

	Financial results forecast for the fiscal year ending November 20, 2022 (Published on June. 20, 2022)						
	Japan	Overseas					Total
		Asia		Americas	Others	Subtotal	
			Of which, China				
Cooking appliances	39,750	10,800	4,920	7,230	10	18,040	57,790
[YoY change rate]	(0.4)%	14.9%	28.2%	11.4%	(44.3)%	13.4%	3.6%
Household and thermal products	7,170	8,490	5,720	1,240	610	10,340	17,510
[YoY change rate]	1.5%	13.5%	13.2%	12.0%	6.7%	12.9%	7.9%
Household appliances	4,130	210	30	—	—	210	4,340
[YoY change rate]	8.5%	223.9%	14,175.4%	—	—	223.9%	12.1%
Others	1,450	370	80	40	—	410	1,860
[YoY change rate]	18.0%	(6.6)%	(26.5)%	(72.4)%	(100.0)%	(24.5)%	4.9%
Net sales	52,500	19,870	10,750	8,510	620	29,000	81,500
[Composition]	64.4%	24.4%	13.2%	10.4%	0.8%	35.6%	100.0%
[YoY change rate]	1.0%	14.6%	19.4%	9.9%	4.7%	12.9%	4.9%

(3) Net sales by product category (details)

(Unit: Million yen, %)

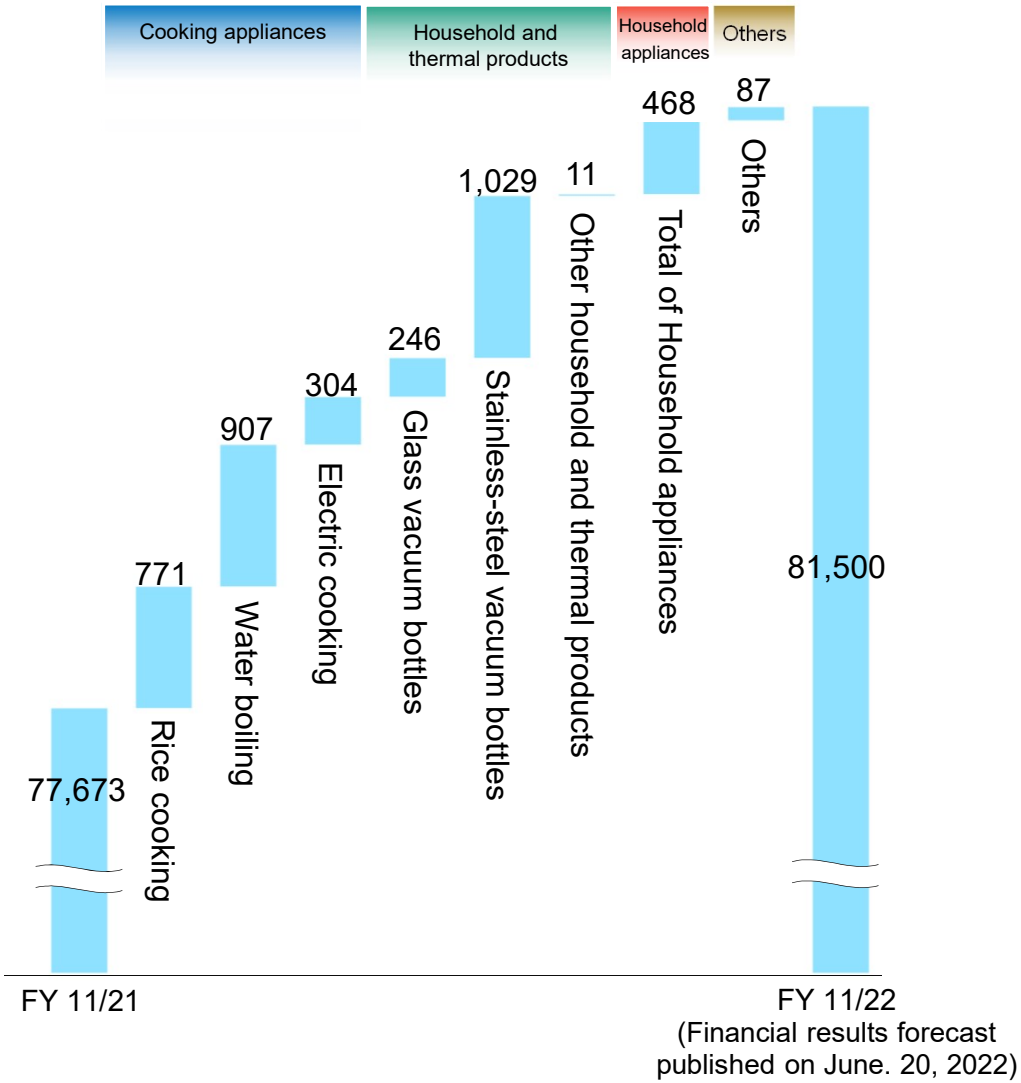
	Fiscal year ended November 20, 2021		Financial results forecast for the fiscal year ending November 20, 2022			YoY change	
	Amount	Composition	Initial forecast	Revised forecast (Published on June. 20, 2022)	Composition	Amount	Rate
Net sales	77,673	100.0%	79,300	81,500	100.0%	3,826	4.9%
Rice cooking	35,098	45.2%	34,540	35,870	44.0%	771	2.2%
Water boiling	8,612	11.1%	8,510	9,520	11.7%	907	10.5%
Electric cooking	12,095	15.6%	12,330	12,400	15.2%	304	2.5%
Total of cooking appliances	55,806	71.8%	55,380	57,790	70.9%	1,983	3.6%
Glass vacuum bottles	1,223	1.6%	1,340	1,470	1.8%	246	20.2%
Stainless-steel vacuum bottles	14,900	19.2%	16,460	15,930	19.5%	1,029	6.9%
Other household and thermal products	98	0.1%	110	110	0.1%	11	11.4%
Total of household and thermal products	16,222	20.9%	17,910	17,510	21.5%	1,287	7.9%
Air-conditioning, cooling, and heating	2,762	3.6%	3,280	3,290	4.0%	527	19.1%
Kitchen housework	545	0.7%	480	510	0.6%	(35)	(6.4)%
Other household appliances	563	0.7%	490	540	0.7%	(23)	(4.2)%
Total of household appliances	3,871	5.0%	4,250	4,340	5.3%	468	12.1%
Others	1,772	2.3%	1,760	1,860	2.3%	87	4.9%

◇Rice cooking…Rice cookers ◇Water boiling…Electric pots/kettles ◇Electric cooking…Electric griddles/coffee makers/toaster ovens
◇Glass vacuum bottles…Glass carafes ◇Stainless-steel vacuum bottles…Stainless-steel vacuum bottles/tumblers/food jars
◇Air-conditioning, cooling, and heating…Humidifiers/air cleaners ◇Kitchen housework…Dish driers ◇Others…Restaurant business, etc.

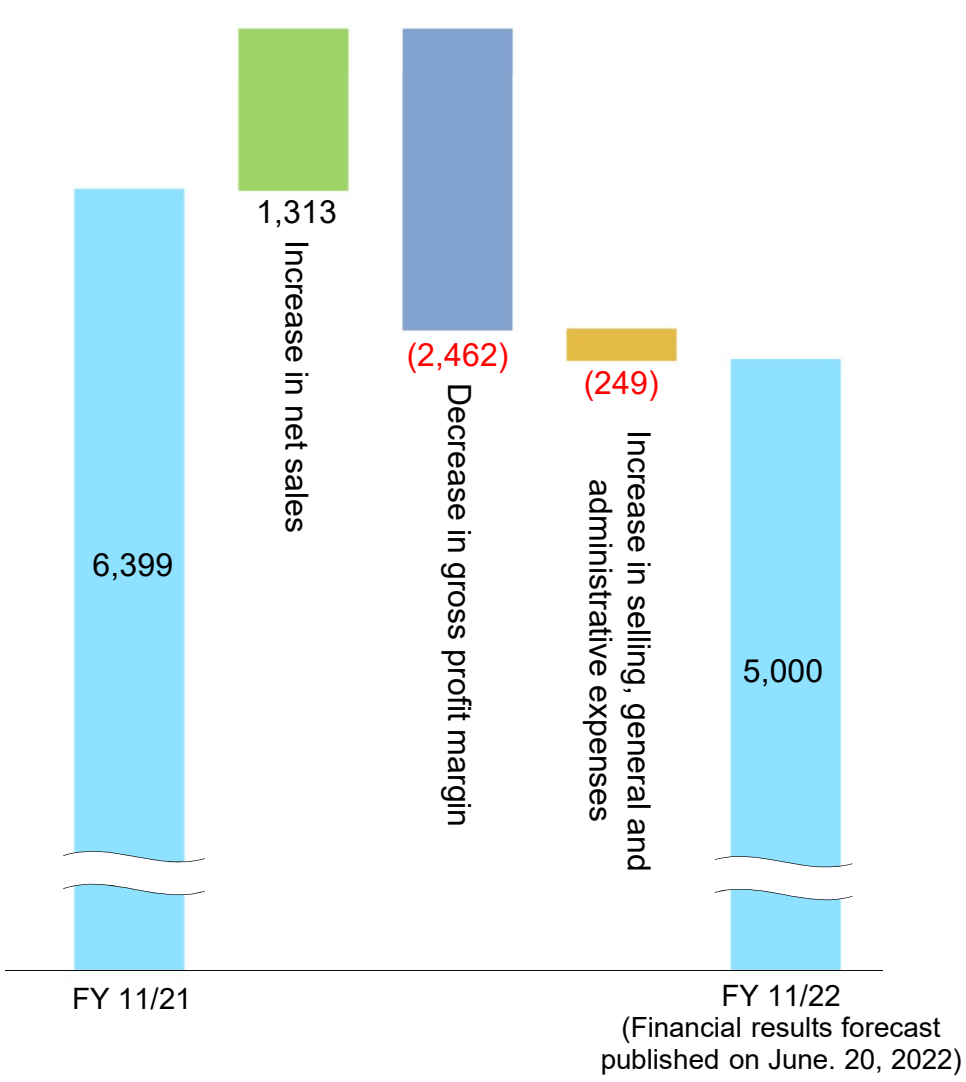
(4) Factors of YoY change in net sales/operating profit

(Unit: Million yen)

Net sales



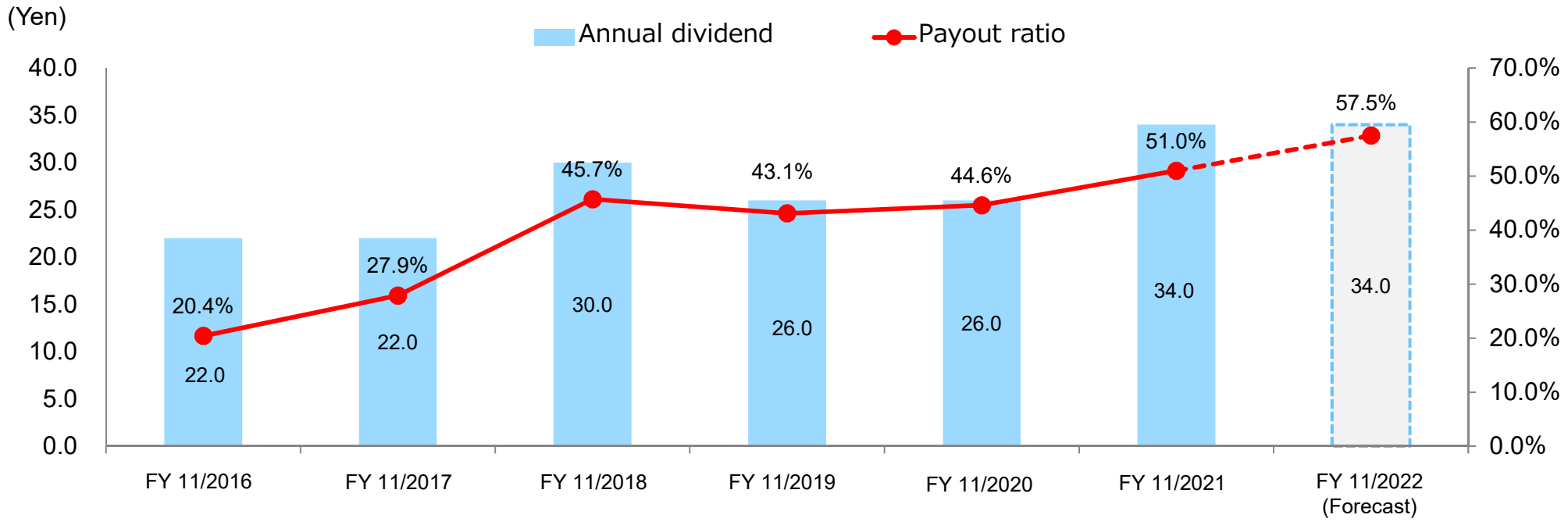
Operating profit



III. Shareholder Returns

Dividend policy

The Company considers the return of profits to shareholders to be an important policy and will aim to maintain a stable dividend targeting a consolidated payout ratio of 50% or higher while comprehensively taking into account internal reserves, earnings forecast, etc. to strengthen its corporate platform and develop its business in the future.



* The amount for the FY 11/2018 includes a dividend of 8.0 yen commemorating our 100th anniversary.

Inquiries on Investor Relations

Zojirushi Corporation

Phone: +81-6-6356-2368

Notes on forward-looking statements

This material is provided to investors purely for informational purposes and is not intended to solicit stock trading.

Forward-looking statements in this material are based on targets or forecasts and are not a commitment or guarantee. Please note that the Company's financial results in the future may differ from the current forecast.

While statements on the industry, etc., are based on a range of data that are considered reliable, the Company does not guarantee their accuracy or integrity.

Investors are warned that the use of this material shall be based on their own judgement and responsibility, and that the Company assumes no responsibility for any consequences whatsoever.

Securities code: 7965

Tokyo Stock Exchange, Prime