Zojirushi Corporation
Supplementary Explanatory Materials on Annual Financial Results for
the Fiscal Year Ended November 20, 2021

December 24, 2021







ZOJIRUSHI

Contents

I. Consolidated Financial Results for the Fiscal Year Ended November 20, 2021 P. 2

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

III. Shareholder Returns P. 21

I. Consolidated Financial Results for the Fiscal Year Ended November 20, 2021

(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

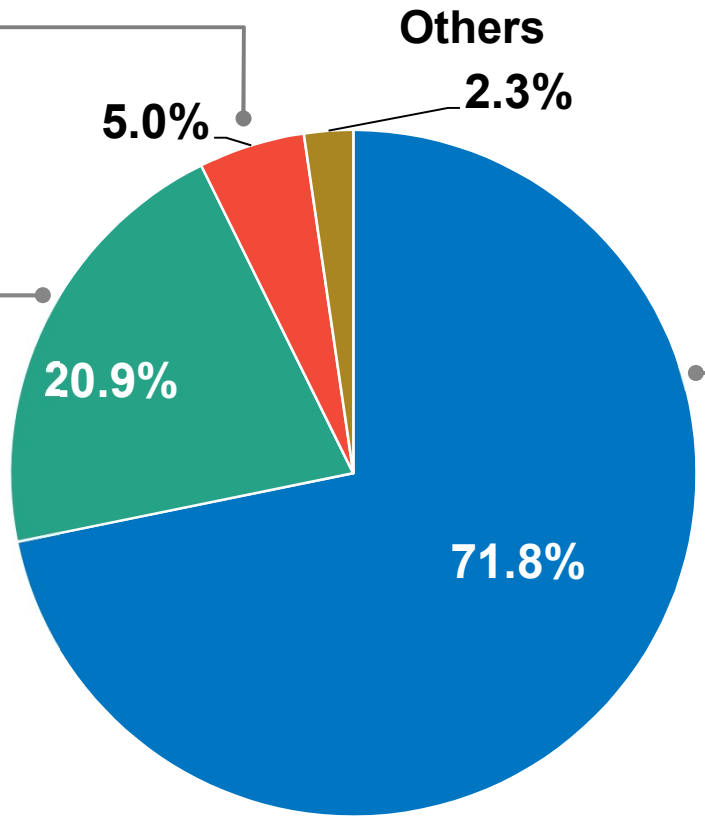
Household and thermal products

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



- Other household and thermal products

Net sales 77,673 million yen
Composition by product category



Cooking appliances

- Rice cooking
  - Rice cookers



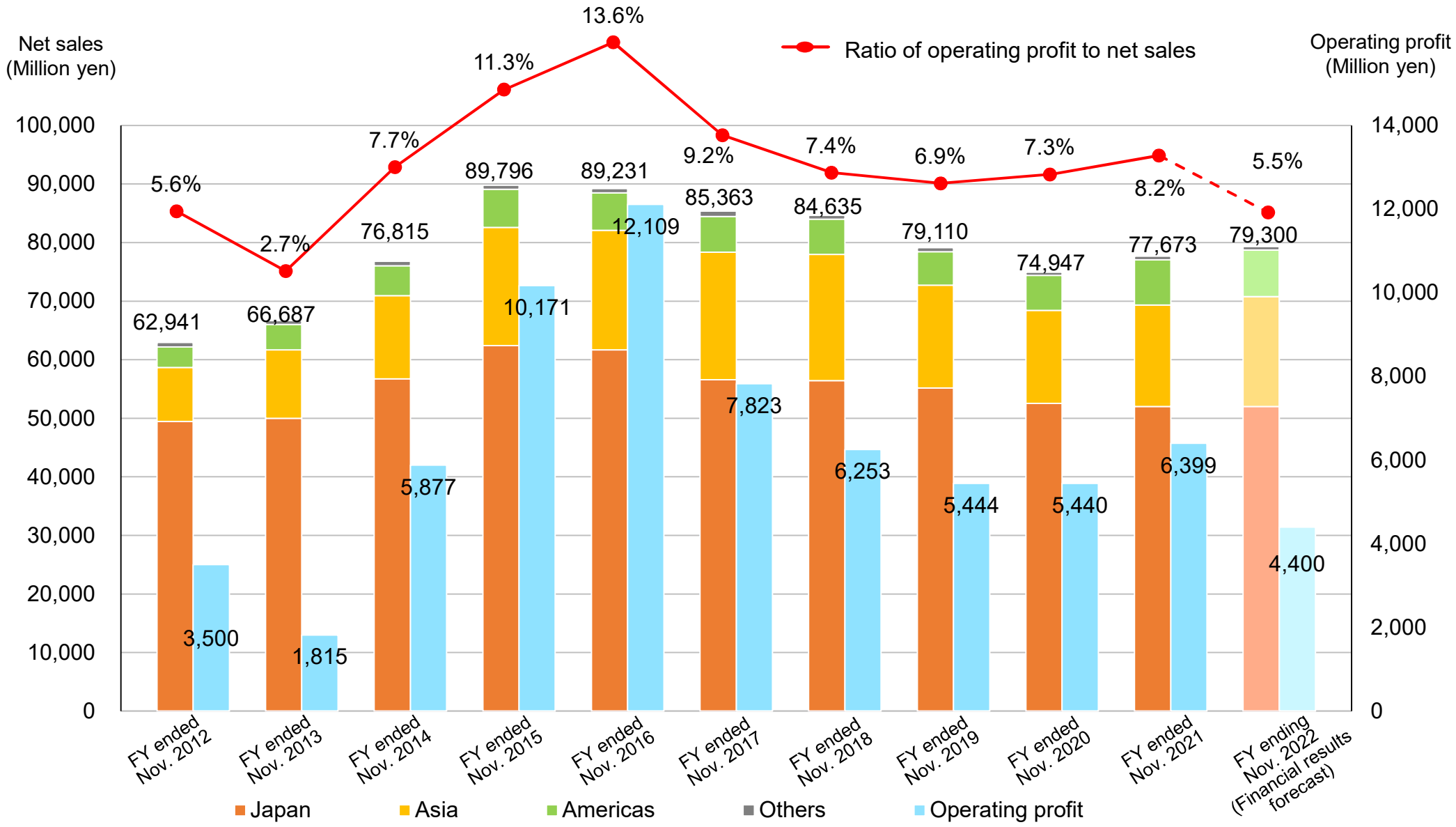
- Water boiling
  - Electric pots



- Electric cooking
  - Toaster ovens
  - Electric griddles



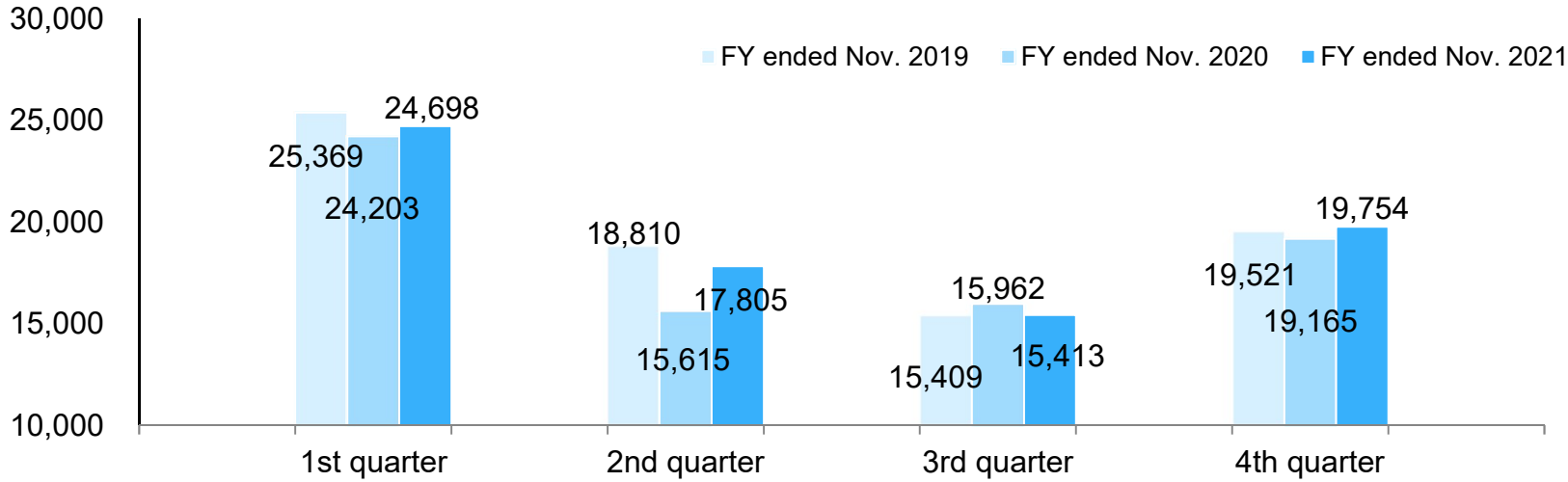
(2) Financial performance



(3) Comparison of quarterly financial results

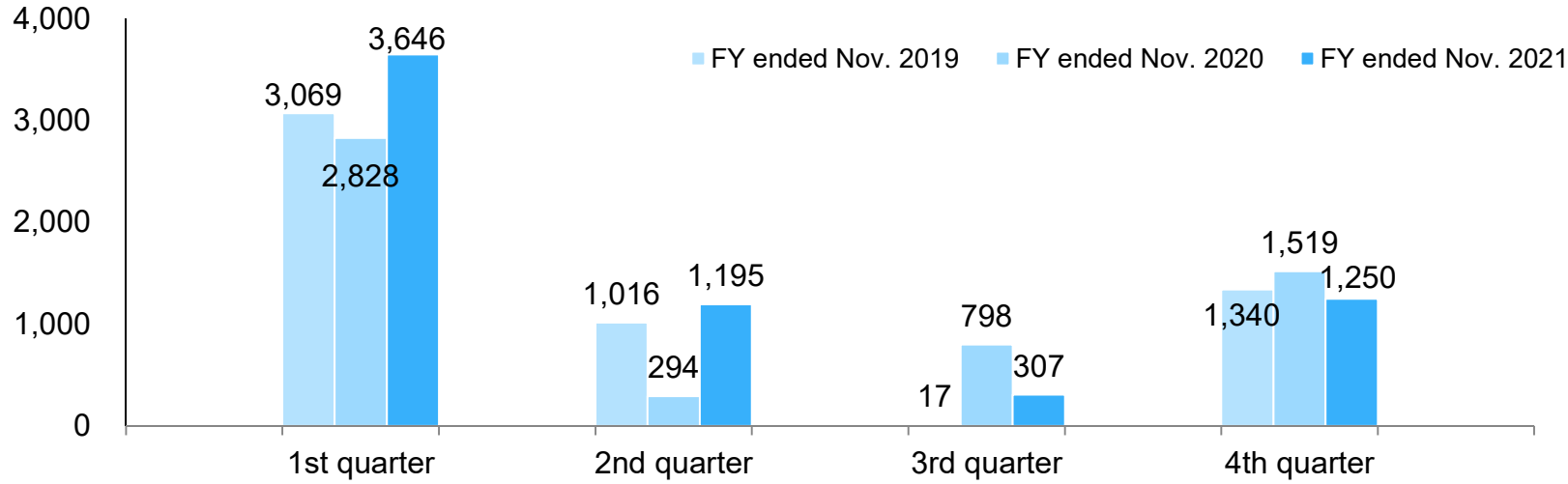
Quarterly net sales

Unit: Million yen



Quarterly operating profit

Unit: Million yen



(4) Overview of financial results

Sales

Net sales
77,673 million yen

Year on year
+2,725 million yen
+3.6%

Domestic net sales −552 million yen (year on year)

- Cooking appliances: Sales of the Embudaki series rice cookers were strong, while sales of products in the affordable price range struggled.
  Sales of electric griddles, coffee makers, etc. increased due to at-home consumption.
- Household and thermal products: Sales of stainless-steel vacuum mugs with a seamless one-piece lid were strong, and stainless-steel vacuum bottles led sales. As a result, sales increased year on year.
- Household appliances: Sales of humidifiers, bedding dryers, and air cleaners were strong, prompted by higher standards of hygiene.

Overseas net sales +3,277 million yen (year on year)

- Cooking appliances: Cooking appliances were strong in the North American, Chinese, and Southeast Asian markets.
  In particular, sales increased significantly in the North American market due to at-home consumption.
- Household and thermal products: Sales increased year on year due to a strong performance in the mainstay Chinese market.

Profit

Operating profit
6,399 million yen

Year on year
+958 million yen
+17.6%

- **Attributable to net sales +920 million yen (year on year)**
  Described in the “Sales” above.
- **Attributable to gross profit margin +401 million yen (year on year)**
  Due to increase in net sales, mainly of high-value-added products.
- **Increase in selling, general and administrative expenses −363 million yen (year on year)**

(5) Statements of income (P/L)

(Unit: Million yen, %)

	Fiscal year ended November 20, 2020		Fiscal year ended November 20, 2021		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	74,947	100.0%	77,673	100.0%	2,725	3.6%
Gross profit	25,327	33.8%	26,649	34.3%	1,322	5.2%
Selling, general and administrative expenses	19,886	26.5%	20,250	26.1%	363	1.8%
Operating profit	5,440	7.3%	6,399	8.2%	958	17.6%
Ordinary profit	5,725	7.6%	6,791	8.7%	1,066	18.6%
Profit attributable to owners of parent	3,943	5.3%	4,509	5.8%	565	14.3%
Depreciation	2,344	—	2,078	—	(265)	(11.3)%
Capital investment	1,404	—	2,265	—	860	61.3%
Research and development expenses	818	—	784	—	(34)	(4.2)%

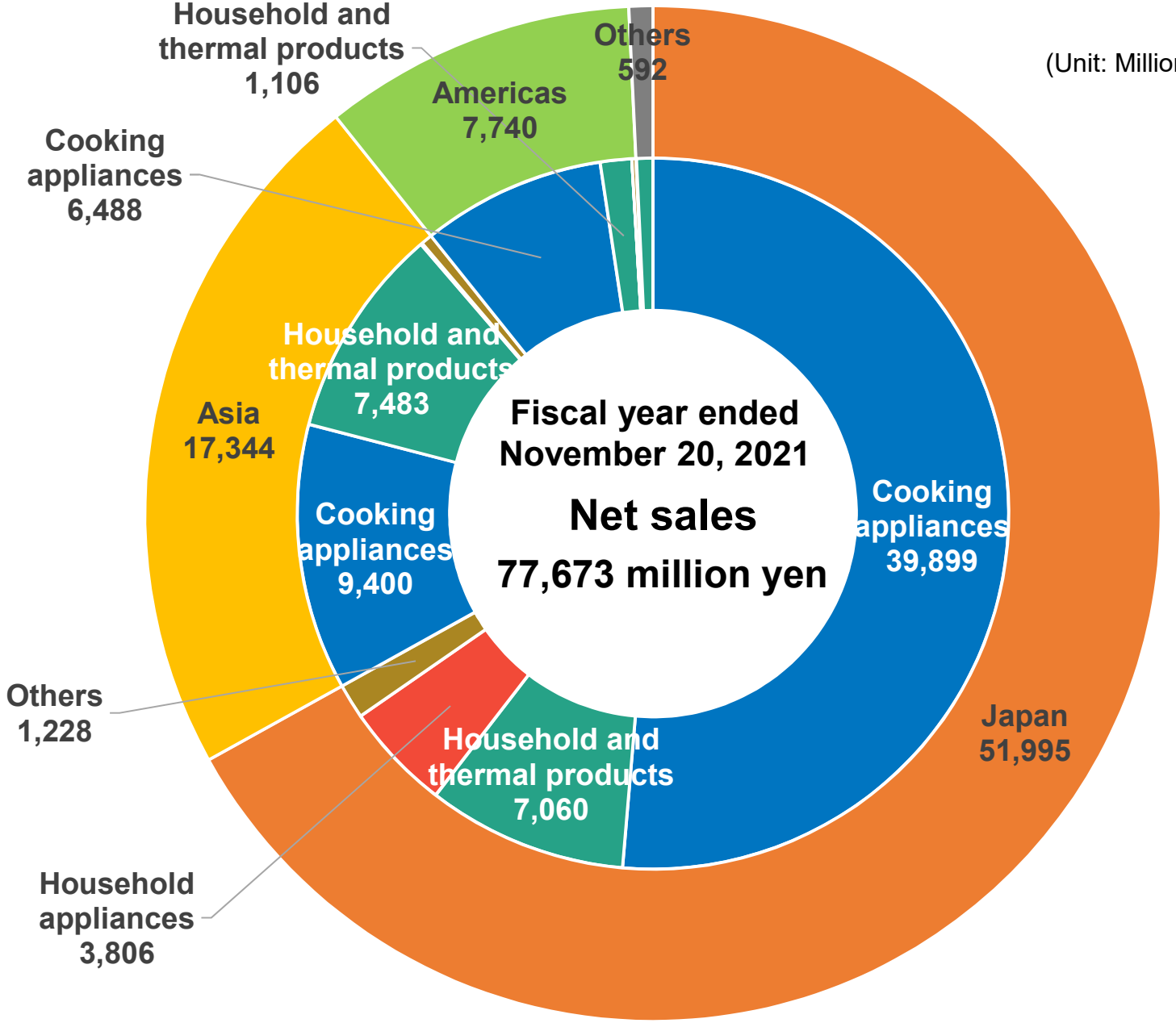
(6) Net sales/operating profit by region and product category

(Unit: Million yen, %)

	Fiscal year ended November 20, 2021						
	Japan	Overseas				Subtotal	Total
		Asia	[Of which, China]	Americas	Others		
Cooking appliances	39,899	9,400	3,838	6,488	17	15,907	55,806
[YoY change rate]	(3.6)%	16.6%	28.9%	33.0%	144.4%	22.8%	2.7%
Household and thermal products	7,060	7,483	5,053	1,106	571	9,162	16,222
[YoY change rate]	8.8%	1.4%	8.1%	6.8%	29.2%	3.5%	5.7%
Household appliances	3,806	64	0	—	—	64	3,871
[YoY change rate]	6.0%	(11.5)%	—	—	—	(11.5)%	5.6%
Others	1,228	396	108	144	2	543	1,772
[YoY change rate]	12.2%	14.2%	45.2%	(16.0)%	42.7%	4.3%	9.7%
Net sales	51,995	17,344	9,001	7,740	592	25,677	77,673
[Composition]	66.9%	22.3%	11.6%	10.0%	0.8%	33.1%	100.0%
[YoY change rate]	(1.1)%	9.4%	16.5%	27.1%	31.1%	14.6%	3.6%
Operating profit	3,338	2,391	1,329	736	(67)	3,060	6,399
[Profit ratio]	6.4%	13.8%	14.8%	9.5%	(11.4)%	11.9%	8.2%
[Composition]	52.2%	37.4%	20.8%	11.5%	(1.1)%	47.8%	100.0%
[YoY change rate]	2.6%	38.9%	24.9%	34.2%	(17.7)%	39.9%	17.6%

(7) Net sales by region and product category

(Unit: Million yen)



(8) Net sales by product category (details)

(Unit: Million yen, %)

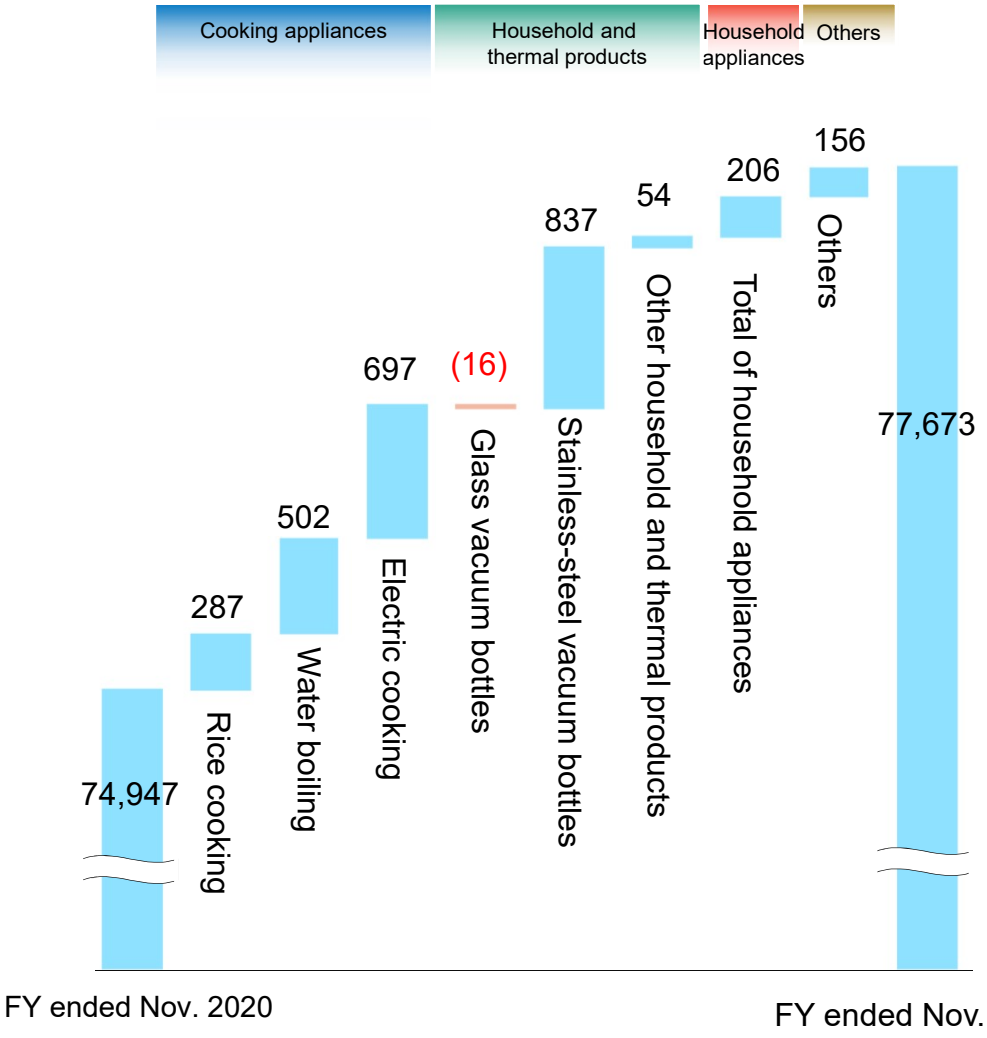
	Fiscal year ended November 20, 2020		Fiscal year ended November 20, 2021		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	74,947	100.0%	77,673	100.0%	2,725	3.6%
Rice cooking	34,811	46.4%	35,098	45.2%	287	0.8%
Water boiling	8,109	10.8%	8,612	11.1%	502	6.2%
Electric cooking	11,398	15.3%	12,095	15.6%	697	6.1%
Total of cooking appliances	54,318	72.5%	55,806	71.8%	1,487	2.7%
Glass vacuum bottles	1,240	1.7%	1,223	1.6%	(16)	(1.4)%
Stainless-steel vacuum bottles	14,063	18.8%	14,900	19.2%	837	6.0%
Other household and thermal products	44	0.1%	98	0.1%	54	122.3%
Total of household and thermal products	15,347	20.5%	16,222	20.9%	874	5.7%
Air-conditioning, cooling, and heating	2,576	3.5%	2,762	3.6%	185	7.2%
Kitchen housework	608	0.8%	545	0.7%	(63)	(10.4)%
Other household appliances	480	0.6%	563	0.7%	83	17.5%
Total of household appliances	3,665	4.9%	3,871	5.0%	206	5.6%
Others	1,615	2.2%	1,772	2.3%	156	9.7%

◇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.

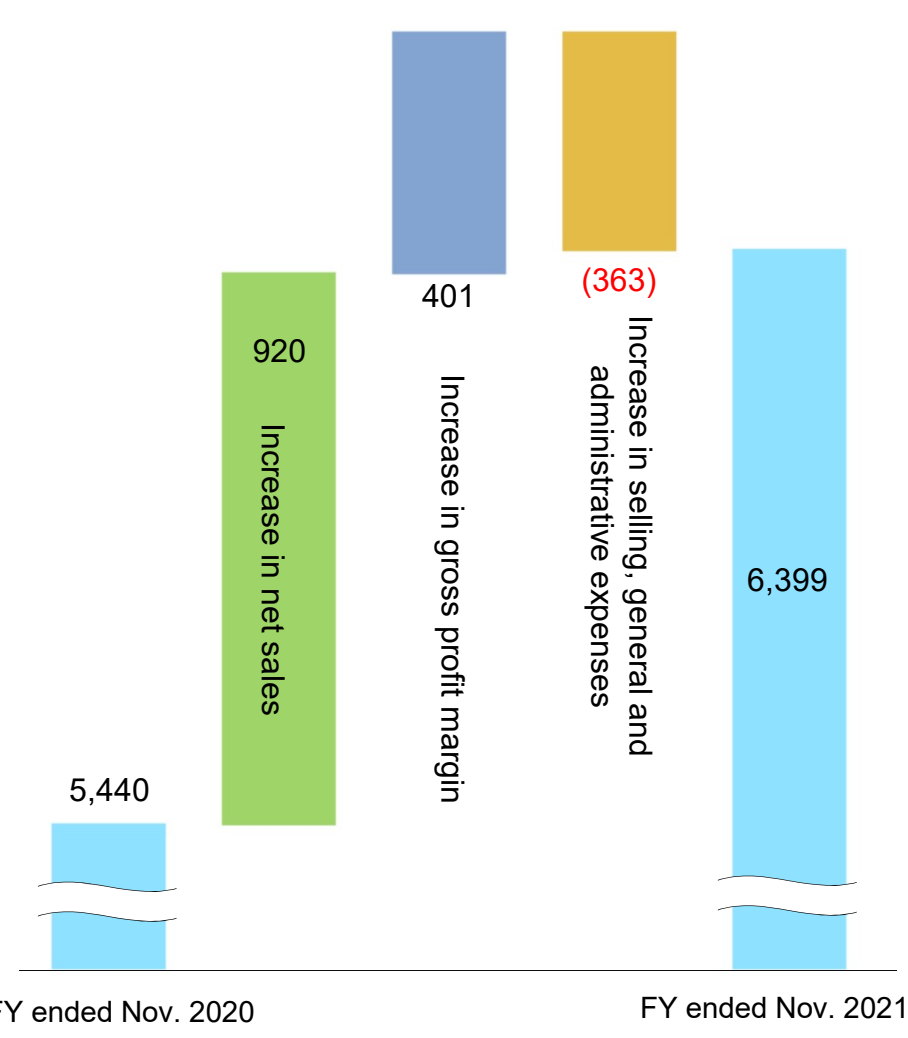
(9) Factors of YoY change in net sales/operating profit

(Unit: Million yen)

Net sales



Operating profit



(10) Balance sheets (B/S)

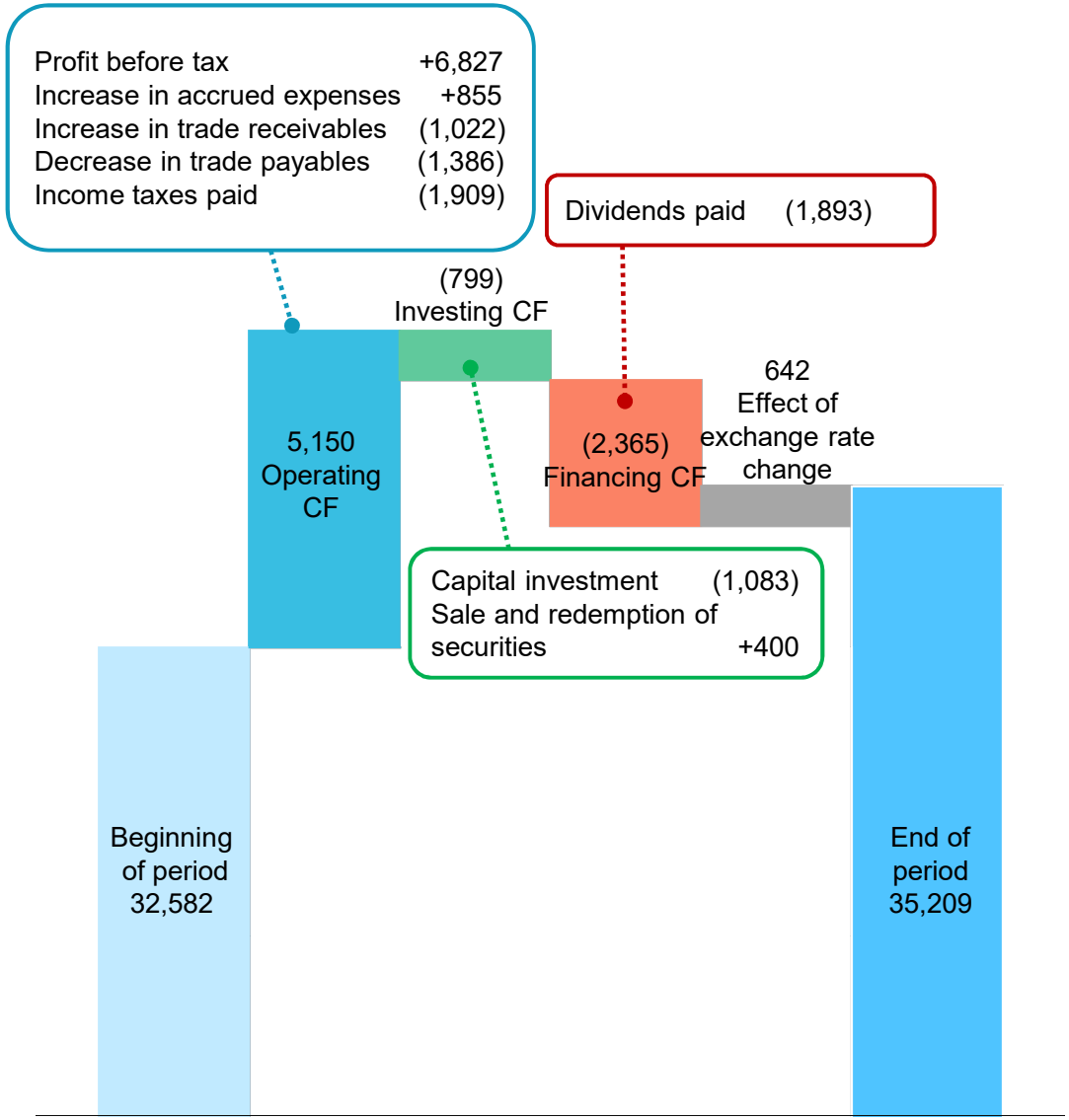
(Unit: Million yen)

	November 20, 2020	November 20, 2021	Change
Current assets	73,654	77,450	3,795
Cash and deposits	34,391	37,274	2,882
Merchandise and finished goods	19,994	19,796	(198)
Other	19,268	20,379	1,111
Non-current assets	23,364	24,463	1,099
Property, plant and equipment	12,848	13,418	570
Intangible assets	896	616	(280)
Investments and other assets	9,620	10,428	808
Total assets	97,019	101,913	4,894
Total liabilities	24,102	25,076	974
Total net assets	72,917	76,837	3,920
Total liabilities and net assets	97,019	101,913	4,894

(11) Statements of cash flows

(Unit: Million yen)

	Fiscal year ended November 20, 2020	Fiscal year ended November 20, 2021	Change
Cash flows from operating activities	7,366	5,150	(2,216)
Cash flows from investing activities	(1,608)	(799)	808
Cash flows from financing activities	(2,206)	(2,365)	(159)
Effect of exchange rate change on cash and cash equivalents	25	642	616
Net increase (decrease) in cash and cash equivalents	3,577	2,627	(949)
Cash and cash equivalents at beginning of period	29,005	32,582	3,577
Cash and cash equivalents at end of period	32,582	35,209	2,627



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	Amount	Composition	Amount	Rate
Net sales	77,673	100.0%	79,300	100.0%	—	—
Gross profit	26,649	34.3%	24,600	31.0%	—	—
Selling, general and administrative expenses	20,250	26.1%	20,200	25.5%	—	—
Operating profit	6,399	8.2%	4,400	5.5%	—	—
Ordinary profit	6,791	8.7%	4,700	5.9%	—	—
Profit attributable to owners of parent	4,509	5.8%	3,400	4.3%	—	—
Depreciation	2,078	—	1,649	—	(429)	(20.7)%
Capital investment	2,265	—	3,245	—	979	43.3%
Research and development expenses	784	—	810	—	26	3.3%

* The Company is applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related standards from the beginning of the fiscal year ending November 20, 2022, and therefore the financial results forecast above shows the amounts after the adoption of these accounting standards. Accordingly, year-on-year changes in amount and rate are not shown.
The following page shows the financial results forecast for the fiscal year ending November 20, 2022 based on prior standards before the change for comparison.

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

(1)-ii Financial results forecast based on prior standards

Reference

Shows the financial results forecast 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 fiscal year ended November 20, 2021 and the financial results forecast for the fiscal year ending November 20, 2022.
(Only for reference. For the actual financial results forecast, see the previous page.)

(Unit: Million yen, %)

	Fiscal year ended November 20, 2021		Financial results forecast for the fiscal year ending November 20, 2022 based on prior standards		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	77,673	100.0%	81,000	100.0%	3,326	4.3%
Gross profit	26,649	34.3%	26,300	32.5%	(349)	(1.3)%
Selling, general and administrative expenses	20,250	26.1%	21,400	26.4%	1,149	5.7%
Operating profit	6,399	8.2%	4,900	6.0%	(1,499)	(23.4)%
Ordinary profit	6,791	8.7%	4,700	5.8%	(2,091)	(30.8)%
Profit attributable to owners of parent	4,509	5.8%	3,400	4.2%	(1,109)	(24.6)%

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

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

Compared to the medium-term results target

Net sales
−700 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. (about +1,000 million yen)
- Decrease due to the adoption of the Accounting Standard for Revenue Recognition, etc. (about −1,700 million yen)

Compared to the medium-term results target

Operating profit
−1,600 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 launch of jointly developed products scheduled 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		Compared to the medium-term performance target	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	80,000	100.0%	79,300	100.0%	(700)	(0.9)%
Operating profit	6,000	7.5%	4,400	5.5%	(1,600)	(26.7)%

(2) Net sales by region and product category

(Unit: Million yen, %)

	Financial results forecast for the fiscal year ending November 20, 2022						
	Japan	Overseas					Total
		Asia		Americas	Others	Subtotal	
			[Of which, China]				
Cooking appliances	38,780	9,850	4,340	6,730	20	16,600	55,380
[YoY change rate]	(2.8)%	4.8%	13.1%	3.7%	11.5%	4.4%	(0.8)%
Household and thermal products	7,620	8,530	5,980	1,210	550	10,290	17,910
[YoY change rate]	7.9%	14.0%	18.3%	9.3%	(3.8)%	12.3%	10.4%
Household appliances	4,060	190	40	—	—	190	4,250
[YoY change rate]	6.6%	193.0%	18933.9%	—	—	193.0%	(9.8)%
Others	1,540	200	10	20	—	220	1,760
[YoY change rate]	25.3%	(49.5)%	(90.8)%	(86.2)%	(100.0)%	(59.5)%	(0.7)%
Net sales	52,000	18,770	10,370	7,960	570	27,300	79,300
[Composition]	65.6%	23.7%	13.1%	10.0%	0.7%	34.4%	100.0%
[YoY change rate]	0.0%	8.2%	15.2%	2.8%	(3.7)%	6.3%	2.1%

(3) Net sales by product category (details)

(Unit: Million yen, %)

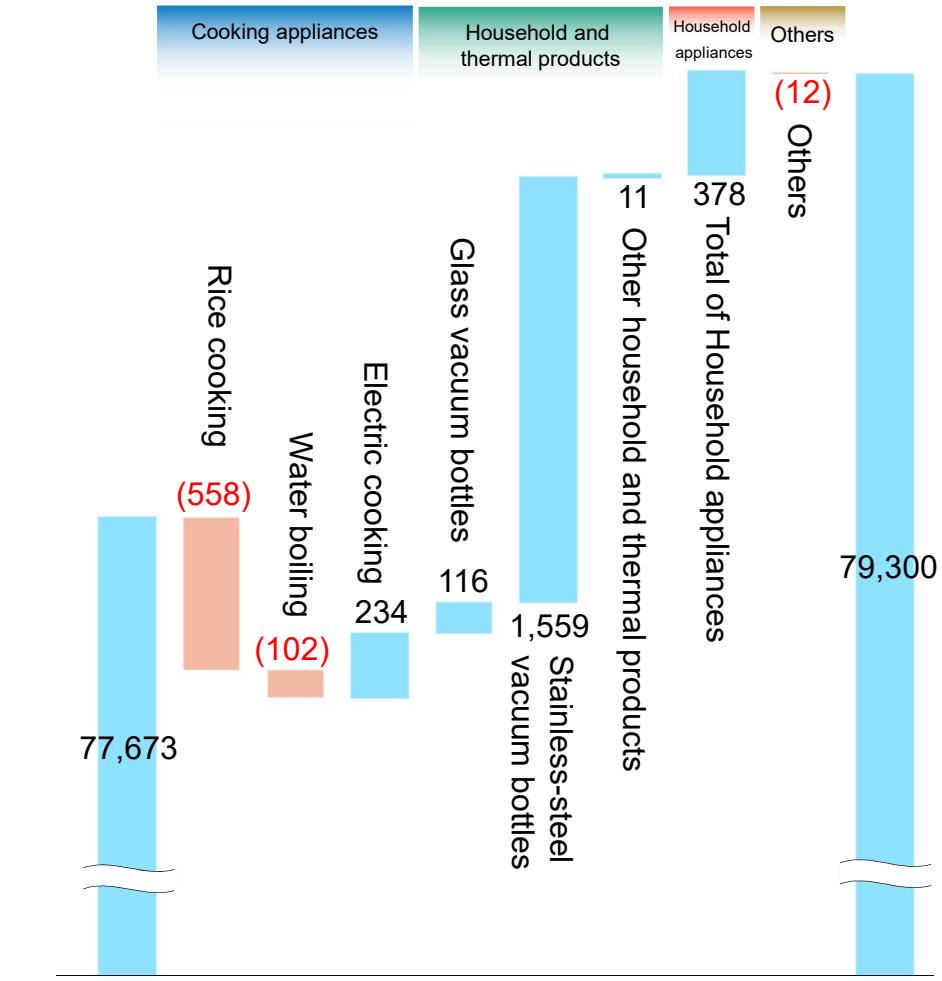
	Fiscal year ended November 20, 2021		Financial results forecast for the fiscal year ending November 20, 2022		YoY change	
	Amount	Composition	Amount	Composition	Amount	Rate
Net sales	77,673	100.0%	79,300	100.0%	1,626	2.1%
Rice cooking	35,098	45.2%	34,540	43.6%	(558)	(1.6)%
Water boiling	8,612	11.1%	8,510	10.7%	(102)	(1.2)%
Electric cooking	12,095	15.6%	12,330	15.5%	234	1.9%
Total of cooking appliances	55,806	71.8%	55,380	69.8%	(426)	(0.8)%
Glass vacuum bottles	1,223	1.6%	1,340	1.7%	116	9.5%
Stainless-steel vacuum bottles	14,900	19.2%	16,460	20.8%	1,559	10.5%
Other household and thermal products	98	0.1%	110	0.1%	11	11.4%
Total of household and thermal products	16,222	20.9%	17,910	22.6%	1,687	10.4%
Air-conditioning, cooling, and heating	2,762	3.6%	3,280	4.1%	517	18.7%
Kitchen housework	545	0.7%	480	0.6%	(65)	(11.9)%
Other household appliances	563	0.7%	490	0.6%	(73)	(13.1)%
Total of household appliances	3,871	5.0%	4,250	5.4%	378	9.8%
Others	1,772	2.3%	1,760	2.2%	(12)	(0.7)%

◇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.

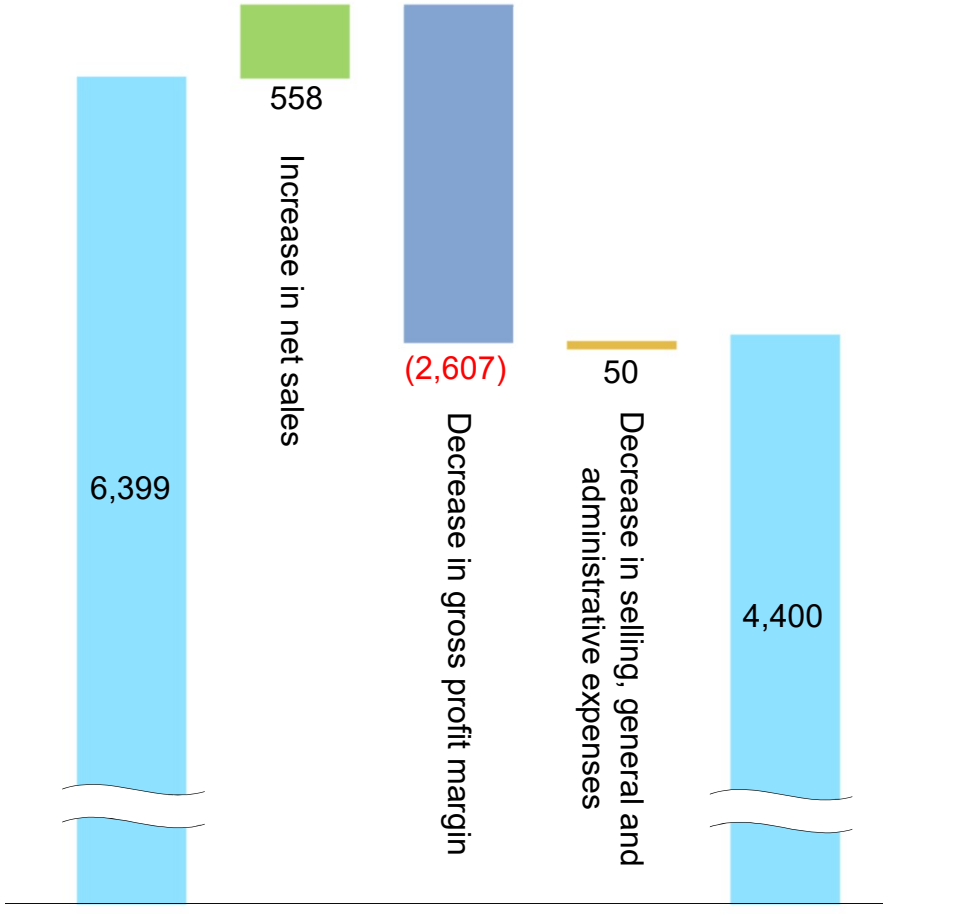
(4) Factors of YoY change in net sales/operating profit

(Unit: Million yen)

Net sales



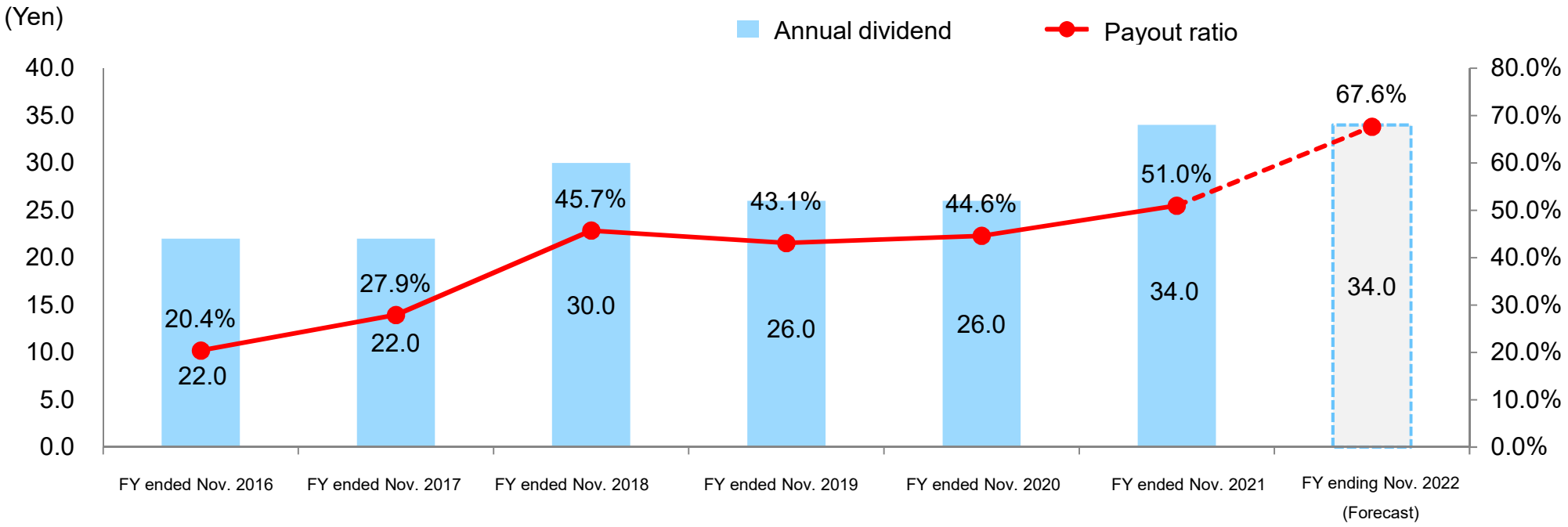
Operating profit



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 ended Nov. 2018 includes a dividend of 8.0 yen commemorating our 100th anniversary.

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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 (First Section, Tokyo Stock Exchange)