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Consolidated Financial Results for the Nine Months Ended August 20, 2024 [Japanese GAAP]



October 1, 2024

Company name: Zojirushi Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 7965
 URL: <http://www.zojirushi.co.jp>
 Representative: Norio Ichikawa, Representative Director, President and Corporate Officer
 Contact: Shigehisa Okamoto, Corporate Officer and General Manager, Accounting Department
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 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: None

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

1. Consolidated Financial Results for the Nine Months Ended August 20, 2024 (November 21, 2023 to August 20, 2024)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended August 20, 2024	65,735	6.1	4,478	6.5	5,317	(2.0)	4,874	31.3
August 20, 2023	61,938	0.0	4,203	(8.1)	5,425	(6.4)	3,711	(0.3)

(Note) Comprehensive income: Nine months ended August 20, 2024: ¥7,144 million [63.4%]

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

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended August 20, 2024	72.47		–	
August 20, 2023	54.86		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of August 20, 2024	113,092	86,816	76.0
As of November 20, 2023	112,418	85,299	75.1

(Reference) Equity: As of August 20, 2024: ¥86,004 million

As of November 20, 2023: ¥84,481 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended November 20, 2023	–	17.00	–	17.00	34.00
Fiscal year ending November 20, 2024	–	17.00	–		
Fiscal year ending November 20, 2024 (Forecast)				17.00	34.00

(Note) Revision of the dividend forecast announced most recently: None

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

(Note) Revision of the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – (Name) –

Excluded: – (Name) –

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

August 20, 2024: 72,600,000 shares

November 20, 2023: 72,600,000 shares

2) Total number of treasury shares at the end of the period:

August 20, 2024: 7,001,517 shares

November 20, 2023: 4,928,881 shares

3) Average number of shares during the period (cumulative):

Nine months ended August 20, 2024: 67,264,370 shares

Nine months ended August 20, 2023: 67,663,184 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Explanation of the proper use of financial results forecast and other notes

Forward-looking statements, such as performance forecasts, made in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not in any way guarantee the achievement of the projections. Actual results, etc. may differ significantly due to various factors.

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1. Qualitative Information on Financial Results for the Period under Review

(1) Explanation of Operating Results

The global economy maintained a steady growth trajectory during the period under review (November 21, 2023 to August 20, 2024) despite ongoing geopolitical risks. In Japan, signs of economic recovery were observed, including the normalization of automobile production, robust demand from travelers to Japan, and improvements in personal consumption. Overseas, there was a gradual recovery trend, supported by steady personal consumption in the U.S. and Europe, despite China experiencing an economic slowdown due to the real estate slump and sluggish personal consumption.

In this business environment, on November 21, 2022, the Group launched its 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, and made efforts toward implementation of specific measures under this plan.

For the period under review, the Group's net sales increased by ¥3,796 million (up 6.1% year on year) from the previous year to ¥65,735 million, due to growth in both domestic and overseas sales. Net sales by product category remained strong for cooking appliances, household and thermal products, and household appliances. Domestic net sales amounted to ¥40,082 million (up 7.7% year on year), and overseas net sales amounted to ¥25,653 million (up 3.8% year on year). As a result, overseas net sales made up 39.0% of net sales.

As for profits, operating profit amounted to ¥4,478 million (up 6.5% year on year) due to an increase in net sales resulting from strong domestic and overseas sales, as well as efforts to pass on the higher import costs due to the depreciation of the yen. Ordinary profit amounted to ¥5,317 million (down 2.0% year on year) due to foreign exchange losses. Profit attributable to owners of parent amounted to ¥4,874 million (up 31.3% year on year) due to the recording of gain on sale of non-current assets as extraordinary income, resulting from the transfer of land and a building associated with the relocation of a warehouse.

Business results by product category were as follows.

1) Cooking appliances

Net sales of cooking appliances amounted to ¥46,878 million (up 6.1% year on year).

In Japan, sales of rice cookers/warmers exceeded the previous year's results due to strong sales of the top-of-the-line induction heating pressure rice cooker "Embudaki." While sales of electric pots were sluggish, partly due to a shrinking market trend, toaster ovens performed well. Additionally, sales of electric kettles and electric griddles increased from the previous year, resulting in an overall sales increase year on year for cooking appliances.

Overseas, although electric pots struggled, sales of rice cookers/warmers were strong in China and Southeast Asia. Furthermore, oven ranges, which were newly introduced in Taiwan, contributed to a sales increase, resulting in an overall sales increase year on year.

2) Household and thermal products

Net sales of household and thermal products amounted to ¥14,246 million (up 4.9% year on year).

In Japan, sales increased year on year due to the strong performance of stainless-steel vacuum bottles and stainless-steel soup jars.

Overseas, despite struggles with stainless-steel products in China, strong sales in North America and Taiwan led to an overall sales increase year on year.

3) Household appliances

Net sales of household appliances amounted to ¥2,841 million (up 10.1% year on year).

In Japan, sales of air cleaners, humidifiers, and dish dryers were strong, resulting in a sales increase year on year.

Overseas, humidifiers performed well in South Korea.

4) Others

Net sales of others amounted to ¥1,768 million (up 10.0% year on year).

• Net sales by region and product category

(Million yen)

		Japan	Overseas				Subtotal	Total
			Asia		Americas	Other		
			Of which, China					
Net sales	Cooking appliances	30,494	8,298	3,148	7,979	105	16,383	46,878
	Household and thermal products	5,993	6,549	3,566	1,076	626	8,253	14,246
	Household appliances	2,331	510	28	–	–	510	2,841
	Others	1,263	396	129	105	4	505	1,768
		40,082	15,755	6,874	9,160	736	25,653	65,735
Composition (%)		61.0	24.0	10.5	13.9	1.1	39.0	100.0

(2) Explanation of Financial Position

In regard to financial position as of the end of the period under review, total assets increased by ¥674 million, liabilities decreased by ¥842 million, and net assets increased by ¥1,517 million from the end of the previous fiscal year. As a result, the equity ratio increased by 0.9 percentage point to 76.0%.

The increase of ¥674 million in total assets was attributable to an increase of ¥238 million in current assets and an increase of ¥436 million in non-current assets.

The increase of ¥238 million in current assets was due mainly to increases of ¥3,113 million in cash and deposits and ¥273 million in raw materials and supplies, partially offset by decreases of ¥1,847 million in notes and accounts receivable - trade, ¥1,008 million in merchandise and finished goods, and ¥307 million in other current assets. The increase of ¥436 million in non-current assets was due mainly to increases of ¥361 million in buildings and structures and ¥951 million in investment securities, partially offset by decreases of ¥468 million in land, ¥409 million in leased assets, and ¥187 million in deferred tax assets.

The decrease of ¥842 million in liabilities was attributable to an increase of ¥735 million in current liabilities and a decrease of ¥1,578 million in non-current liabilities.

The increase of ¥735 million in current liabilities was due mainly to increases of ¥291 million in notes and accounts payable - trade, ¥1,500 million in current portion of long-term borrowings, and ¥176 million in income taxes payable, partially offset by decreases of ¥591 million in accrued expenses and ¥512 million in provision for bonuses. The decrease of ¥1,578 million in non-current liabilities was due mainly to decreases of ¥1,500 million in long-term borrowings and ¥404 million in lease liabilities, partially offset by an increase of ¥433 million in deferred tax liabilities.

The increase of ¥1,517 million in net assets was due mainly to profit attributable to owners of parent of ¥4,874 million recorded, increases of ¥572 million in valuation difference on available-for-sale securities and ¥1,603 million in foreign currency translation adjustment, partially offset by dividends of surplus of ¥2,301 million paid and a decrease of ¥3,271 million due to acquisition of treasury shares.

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

Regarding the consolidated financial results forecast for the fiscal year ending November 20, 2024, we have left unchanged the forecast announced on December 25, 2023, in light of the business performance during the nine months ended August 20, 2024.

The exchange rate assumption was changed from 140 yen to the U.S. dollar, as announced on December 25, 2023, to 150 yen to the U.S. dollar on July 1, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of November 20, 2023	As of August 20, 2024
Assets		
Current assets		
Cash and deposits	34,198	37,311
Notes and accounts receivable - trade	14,176	12,328
Electronically recorded monetary claims - operating	1,361	1,357
Merchandise and finished goods	24,254	23,245
Work in process	328	348
Raw materials and supplies	6,463	6,737
Other	2,881	2,573
Allowance for doubtful accounts	(23)	(23)
Total current assets	83,640	83,878
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,324	13,389
Accumulated depreciation	(10,712)	(10,416)
Buildings and structures, net	2,611	2,973
Machinery, equipment and vehicles	3,946	4,010
Accumulated depreciation	(3,549)	(3,615)
Machinery, equipment and vehicles, net	397	394
Tools, furniture and fixtures	11,022	11,744
Accumulated depreciation	(9,139)	(9,700)
Tools, furniture and fixtures, net	1,883	2,044
Land	7,446	6,977
Leased assets	3,378	3,312
Accumulated depreciation	(1,221)	(1,565)
Leased assets, net	2,156	1,746
Construction in progress	81	38
Total property, plant and equipment	14,576	14,174
Intangible assets		
Software	523	543
Other	193	175
Total intangible assets	717	718
Investments and other assets		
Investment securities	7,806	8,757
Deferred tax assets	642	455
Retirement benefit asset	4,352	4,466
Other	684	642
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	13,484	14,320
Total non-current assets	28,777	29,213
Total assets	112,418	113,092

(Million yen)

	As of November 20, 2023	As of August 20, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,157	7,449
Current portion of long-term borrowings	-	1,500
Lease liabilities	606	623
Accrued expenses	4,982	4,390
Income taxes payable	919	1,096
Contract liabilities	127	116
Refund liabilities	1,973	1,888
Provision for bonuses	1,176	664
Provision for product warranties	150	137
Provision for loss on voluntary recall of products	16	14
Other	2,007	1,971
Total current liabilities	19,117	19,852
Non-current liabilities		
Long-term borrowings	1,500	-
Lease liabilities	1,646	1,242
Deferred tax liabilities	1,956	2,389
Retirement benefit liability	2,615	2,547
Other	283	243
Total non-current liabilities	8,001	6,423
Total liabilities	27,118	26,276
Net assets		
Shareholders' equity		
Share capital	4,022	4,022
Capital surplus	4,295	4,327
Retained earnings	69,394	71,967
Treasury shares	(953)	(4,220)
Total shareholders' equity	76,759	76,097
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,264	2,836
Foreign currency translation adjustment	5,147	6,751
Remeasurements of defined benefit plans	309	318
Total accumulated other comprehensive income	7,721	9,906
Non-controlling interests	818	812
Total net assets	85,299	86,816
Total liabilities and net assets	112,418	113,092

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended August 20, 2024

(Million yen)

	For the nine months ended August 20, 2023	For the nine months ended August 20, 2024
Net sales	61,938	65,735
Cost of sales	42,277	44,659
Gross profit	19,661	21,075
Selling, general and administrative expenses	15,458	16,597
Operating profit	4,203	4,478
Non-operating income		
Interest income	107	302
Dividend income	122	139
Purchase discounts	28	18
Share of profit of entities accounted for using equity method	516	342
Royalty income	38	31
Rental income	86	86
Foreign exchange gains	270	-
Refund of Chinese-value-added-tax	90	-
Other	57	66
Total non-operating income	1,319	988
Non-operating expenses		
Interest expenses	62	52
Rental expenses on non-current assets	18	14
Foreign exchange losses	-	61
Other	15	20
Total non-operating expenses	97	148
Ordinary profit	5,425	5,317
Extraordinary income		
Gain on sale of non-current assets	0	1,916
Gain on sale of investment securities	-	41
Total extraordinary income	0	1,958
Extraordinary losses		
Loss on retirement of non-current assets	25	31
Provision for loss on product recalls	14	-
Total extraordinary losses	39	31
Profit before income taxes	5,386	7,244
Income taxes - current	716	1,923
Income taxes - deferred	824	381
Total income taxes	1,540	2,305
Profit	3,845	4,938
Profit attributable to non-controlling interests	133	64
Profit attributable to owners of parent	3,711	4,874

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended August 20, 2024

(Million yen)

	For the nine months ended August 20, 2023	For the nine months ended August 20, 2024
Profit	3,845	4,938
Other comprehensive income		
Valuation difference on available-for-sale securities	440	572
Foreign currency translation adjustment	(41)	1,490
Remeasurements of defined benefit plans, net of tax	27	9
Share of other comprehensive income of entities accounted for using equity method	101	133
Total other comprehensive income	527	2,205
Comprehensive income	4,373	7,144
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,291	7,059
Comprehensive income attributable to non-controlling interests	81	84

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes when there are significant changes in amounts of equity)

Based on the resolution of the Board of Directors meeting held on July 1, 2024, the Company acquired 2,098,600 treasury shares. As a result, treasury shares increased by ¥3,271 million during the period under review, and the balance of treasury shares at the end of the period under review was ¥4,220 million.

(Notes on segment information, etc.)

[Segment information]

For the nine months ended August 20, 2023

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.

For the nine months ended August 20, 2024

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.

(Notes on statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the nine months of the fiscal year ending November 20, 2024. However, depreciations (including amortization of intangible assets) for the first nine-month periods are as follows:

	(Million yen)	
	For the nine months ended August 20, 2023	For the nine months ended August 20, 2024
Depreciation	1,616	1,695

Independent Auditor’s Interim Review Report on the Quarterly Consolidated Financial Statements

October 1, 2024

To the Board of Directors of
Zojirushi Corporation

KPMG AZSA LLC

Osaka Office

Designated Limited Liability and Kazushi Chiba
Engagement Partner Certified Public Accountant

Designated Limited Liability and Natsuko Tamagaki
Engagement Partner Certified Public Accountant

Auditor’s Conclusion

We have conducted an interim review of the quarterly consolidated financial statements of Zojirushi Corporation for the third quarter of the fiscal year from November 21, 2023 to November 20, 2024 (May 21, 2024 to August 20, 2024) and the nine months ended August 20, 2024 (November 21, 2023 to August 20, 2024), as presented in the Attachments to the Consolidated Financial Results. These statements comprise the quarterly consolidated balance sheets, the quarterly consolidated statements of income, the quarterly consolidated statements of comprehensive income, and the notes to the financial statements.

Based on our interim review, nothing has come to our attention that causes us to believe that the above-mentioned quarterly consolidated financial statements have not been prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.’s Standards for the Preparation of Quarterly Financial Statements and accounting principles for quarterly financial statements generally accepted as fair and appropriate in Japan (with the omissions of disclosure allowed under Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements applied).

Basis for Auditor’s Conclusion

We conducted our interim review in accordance with interim review standards generally accepted as fair and appropriate in Japan. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Interim Review of the Quarterly Consolidated Financial Statements” section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that the evidence we have obtained provides a basis for our conclusion.

Responsibilities of Management and the Audit and Supervisory Committee for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.’s Standards for the Preparation of Quarterly Financial Statements and accounting principles for quarterly financial statements generally accepted as fair and appropriate in Japan (with the omissions of disclosure allowed under Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements applied), and for developing and implementing such internal control as management determines is necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements with the assumption of a going concern and for disclosing, as applicable, matters related to going concern in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.’s Standards for the Preparation of Quarterly Financial Statements and accounting principles for quarterly financial statements generally accepted as fair and appropriate in Japan (with the omissions of

disclosure allowed under Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements applied).

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the development and implementation of the financial reporting process.

Auditor's Responsibilities for the Interim Review of the Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on these quarterly consolidated financial statements based on our interim review from an independent standpoint in the interim review report.

In accordance with interim review standards generally accepted as fair and appropriate in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review process to perform the following:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. An interim review is substantially less in scope than an annual audit of financial statements conducted in accordance with auditing standards generally accepted as fair and appropriate in Japan.
- Conclude, based on the evidence obtained, whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements and accounting principles for quarterly financial statements generally accepted as fair and appropriate in Japan (with the omissions of disclosure allowed under Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements applied), if we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the going concern assumption. Additionally, if we conclude that a material uncertainty exists as to the going concern assumption, we are required to draw attention in our interim review report to the notes to the quarterly consolidated financial statements or, if such notes are inadequate, to express a qualified or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the presentation in and notes to the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements and accounting principles for quarterly financial statements generally accepted as fair and appropriate in Japan (with the omissions of disclosure allowed under Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements applied).
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to express a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision, and performance of the interim review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the interim review and significant review findings.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the provisions related to professional ethics in Japan regarding independence, and communicate with them matters that may reasonably be thought to bear on our independence, and where applicable, any measures that are taken to eliminate obstacles or any safeguards taken to reduce them to an acceptable level.

Interest

Our firm and the engagement partners have no interest in the Company or its consolidated subsidiaries which should be disclosed under the Certified Public Accountants Act.

Notes: 1. The original copy of the above interim review report is kept separately by the Company (the discloser of the Consolidated Financial Results).

2. XBRL data and HTML data are not included in the scope of the interim review.