

**Consolidated Financial Results for the First Three Months of
the Fiscal Year Ending March 31, 2025 (JGAAP)**

August 9, 2024

Company name: Suzumo Machinery Co., Ltd.
 Listing: Tokyo Stock Exchange
 Stock code: 6405
 URL: <http://www.suzumokikou.com/>
 Representative: Minako Suzuki, President
 Contact: Junko Koshino, Director and Managing Executive Officer
 Phone: +81-3-3993-1371
 Scheduled date for dividend payment: —
 Supplementary materials for quarterly financial statements: Yes
 Results briefing to be held: None

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

1. Consolidated financial results for the three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	3,715	13.9	428	144.2	450	149.2	348	170.4
June 30, 2023	3,262	3.9	175	-31.9	180	-32.3	128	-16.3

(Note) Comprehensive income: Three months ended June 30, 2024: 468 million yen (226.0%)

Three months ended June 30, 2023: 143 million yen (-37.7%)

	Earnings per share	Diluted earnings per share
Three months ended June 30, 2024	Yen 26.95	Yen —
June 30, 2023	9.97	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of June 30, 2024	Millions of yen 18,680	Millions of yen 14,827	% 79.2
March 31, 2024	18,201	14,580	79.9

(Reference) Shareholders' equity: As of June 30, 2024: 14,792 million yen

As of March 31, 2024: 14,545 million yen

2. Dividends

	Annual dividend per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Fiscal year ended March 31, 2024	Yen —	Yen 15.00	Yen —	Yen 17.00	Yen 32.00
Fiscal year ending March 31, 2025	—	—	—	—	—
Fiscal year ending March 31, 2025 (forecast)	—	15.00	—	18.00	33.00

(Note) Changes in dividend forecast from the most recent announcement: None

3. Consolidated earnings forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)
(Percentages indicate year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	7,595	12.8	690	51.7	695	44.0	495	67.5	38.28
Full-year	15,960	10.0	1,900	28.8	1,915	27.8	1,350	18.3	104.41

(Note) Changes in earnings forecast from the most recent announcement: None

Notes:

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

Newly included: —

Excluded: —

(2) Application of special accounting treatment in preparing the quarterly financial statements: Yes

(Note) For details, please see the attached materials on page 8, “2. Quarterly Consolidated Financial Statements and Primary Notes; (3) Notes to Quarterly Consolidated Financial Statements (Application of special accounting treatment in preparing the quarterly financial statements).”

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

1) Changes in accounting policies due to revision of accounting standards: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: Yes

4) Retrospective restatement: None

(Note) For details, please see the attached materials on page 8, “2. Quarterly Consolidated Financial Statements and Primary Notes; (3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies) and (Changes in accounting estimates).”

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

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

June 30, 2024: 12,960,000 shares

March 31, 2024: 12,960,000 shares

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

June 30, 2024: 31,318 shares

March 31, 2024: 30,180 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 12,929,081 shares

Three months ended June 30, 2023: 12,925,846 shares

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

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

Forward-looking statements in this document, including outlook on future performance, are based on currently available information and certain assumptions that the Company regards as reasonable, and the Company does not in any way guarantee their achievement. Actual results may differ substantially from the projections herein depending on various factors. For the preconditions of and precautions in using the financial results forecast, please refer to “1. Summary of Business Results, (3) Explanation of Consolidated Financial Earnings Forecast and Other Forward-Looking Information” on page 3 of the Attachment.

Contents of Attached Materials

1. Summary of Business Results.....	2
(1) Summary of Business Results for the First Three Months of the Fiscal Year Ending March 31, 2025	2
(2) Financial Condition During the First Three Months of the Fiscal Year Ending March 31, 2025	3
(3) Explanation of Consolidated Financial Earnings Forecast and Other Forward-Looking Information	3
2. Quarterly Consolidated Financial Statements and Primary Notes.....	4
(1) Consolidated Balance Sheet	4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	6
Consolidated Statement of Income	6
Consolidated Statement of Comprehensive Income	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Changes in accounting policies)	8
(Changes in accounting estimates)	8
(Application of special accounting treatment in preparing the quarterly financial statements)	8
(Notes on segment information, etc.)	8
(Notes in the event of significant changes in shareholders' equity).....	8
(Notes on going concern assumption).....	8
(Notes on statement of cash flows)	8

1. Summary of Business Results

(1) Summary of Business Results for the First Three Months of the Fiscal Year Ending March 31, 2025

In the first three months of the fiscal year ending March 31, 2025 (April 1, 2024–June 30, 2024), the Japanese economy was on a gradual recovery path due to an improved employment and income environment and rising inbound demand. On the other hand, the outlook remains uncertain due to soaring raw material and energy prices caused by rising geopolitical risks and other factors, the resulting turmoil in the European market, instability in the Middle East, and the economic slowdown in China.

Under these circumstances, during the first three months of the fiscal year ending March 31, 2025, the movements toward mechanization and labor saving continued in the restaurant and retail industries, and product demand remained firm. We have been implementing price revisions for products and parts since April 2024, applying these revisions to delivered items in Japan and to orders received overseas.

In Japan, the business environment remained difficult for the restaurant and retail industries due to soaring raw material and energy prices. However, product demand continued to be steady, supported by the ongoing recovery in food service demand, the expansion of inbound demand, and labor-saving efforts amid a labor shortage. By product and business category, although product demand for sushi robots remained steady due to expansion needs from supermarkets and new store openings, sales declined as replacement demand from major conveyor belt sushi chains ran its course. Meanwhile, replacement demand and new customer count for our Fuwarica rice serving machines grew, mainly from major chain operators in the restaurant and cafeteria sector. In addition, the effect of price revisions contributed to higher domestic sales than in the same period of the previous year.

Overseas, while uncertainties continue against the backdrop of inflation, monetary tightening, the situation in Ukraine, and prolonged geopolitical risks in the Middle East, product demand has grown on increased overseas expansion by Japanese companies in the restaurant and retail industries, continued movements toward labor saving due to the worsening labor shortage and rising labor costs, and the growing popularity of Japanese food. By region, in East Asia and Southeast Asia, businesses have been impacted by the economic slowdown in China, leading to a decline in sales due to the cancellation or postponement of capital investment plans. On the other hand, in North America, the popularity of Japanese food and the expansion of Japanese companies into the region accelerated, and the movements toward mechanization and labor saving remained strong, leading to increased demand for products. In Europe, although soaring energy prices and supply concerns caused by the situation in Ukraine continued to impact businesses, product demand has recovered, aided by efforts since the previous consolidated fiscal year to tap into demand from local businesses. Just as in Japan, the effects of price revisions also contributed, and overseas sales increased year on year.

As a result, net sales in the first three months of the fiscal year ending March 31, 2025 totaled 3,715 million yen (+13.9% YoY). Of the total, domestic sales were 2,424 million yen (+3.1% YoY) and overseas sales came to 1,290 million yen (+41.9% YoY).

Summary of results in the first three months of the fiscal year ending March 31, 2025

	Three months ended June 30, 2023		Three months ended June 30, 2024		Amount of change	Percentage change
	Millions of yen	% of net sales	Millions of yen	% of net sales	Millions of yen	%
Net sales	3,262	100.0	3,715	100.0	453	13.9
Domestic	2,352	72.1	2,424	65.3	72	3.1
Overseas	909	27.9	1,290	34.7	380	41.9
Gross profit	1,527	46.8	1,893	51.0	366	24.0
Operating profit	175	5.4	428	11.5	252	144.2
Ordinary profit	180	5.5	450	12.1	269	149.2

Profit attributable to owners of parent	128	3.9	348	9.4	219	170.4
---	-----	-----	-----	-----	-----	-------

Gross profit rose to 1,893 million yen (+24.0% YoY), thanks to higher sales and the effect of price revisions. Operating profit increased to 428 million yen (+144.2% YoY) due to a rise in gross profit. This increase occurred despite an overall rise in SG&A expenses. On one hand, exhibition expenses and other costs decreased through effective cost controls. On the other hand, SG&A expenses increased due to several factors: higher personnel expenses resulting from both new hires associated with business expansion and base salary increases, increased R&D expenses for future new products and businesses, higher amortization expenses following the replacement of the core system implemented in the previous fiscal year, increased packing and transportation costs driven by higher overseas sales, and rising costs at overseas subsidiaries due to the depreciation of the yen. Ordinary profit rose to 450 million yen (+149.2% YoY). Profit attributable to owners of parent grew to 348 million yen (+170.4% YoY) due to an extraordinary gain of 25 million yen on the sale of a portion of the business of consolidated subsidiary Japan System Project Co., Ltd.

(2) Financial Condition During the First Three Months of the Fiscal Year Ending March 31, 2025

(Assets)

Total assets as of June 30, 2024 were up 479 million yen from March 31, 2024 to 18,680 million yen. This change was primarily due to increases of 258 million yen in inventories, 130 million yen in notes receivable included in notes and accounts receivable - trade, and 104 million yen in prepaid expenses included in other current assets.

(Liabilities)

Liabilities as of June 30, 2024 were up 232 million yen from March 31, 2024 to 3,853 million yen. This change was primarily due to an increase of 298 million yen in accrued expenses included in other current liabilities, while income taxes payable decreased by 115 million yen.

(Net assets)

Net assets as of June 30, 2024 were up by 246 million yen from March 31, 2024 to 14,827 million yen. This change was primarily due to increases of 348 million yen from profit attributable to owners of parent and 112 million yen from foreign currency translation adjustment, despite a decrease of 219 million yen in retained earnings due to the payment of dividends.

(3) Explanation of Consolidated Financial Earnings Forecast and Other Forward-Looking Information

Earnings forecast is based on currently available information. Actual results may differ substantially from the projections herein depending on various factors. The forecast figures remain unchanged from those announced on May 13, 2024.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	Fiscal year ended March 31, 2024 (as of March 31, 2024)	Three months ended June 30, 2024 (as of June 30, 2024)
Assets		
Current assets		
Cash and deposits	6,017,416	6,009,949
Notes and accounts receivable - trade	1,542,113	1,594,268
Electronically recorded monetary claims - operating	311,653	402,114
Inventories	2,562,521	2,821,025
Other	267,105	375,737
Allowance for doubtful accounts	(8,136)	—
Total current assets	10,692,674	11,203,095
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,001,638	1,981,927
Land	3,522,922	3,522,922
Other, net	460,404	438,145
Total property, plant and equipment	5,984,965	5,942,995
Intangible assets		
Software	532,713	519,287
Other	6,385	8,824
Total intangible assets	539,098	528,111
Investments and other assets		
Investment securities	47,349	50,308
Deferred tax assets	673,244	693,725
Other	272,153	270,344
Allowance for doubtful accounts	(7,680)	(7,680)
Total investments and other assets	985,067	1,006,698
Total non-current assets	7,509,132	7,477,805
Total assets	18,201,806	18,680,901

	(Thousands of yen)	
	Fiscal year ended March 31, 2024 (as of March 31, 2024)	Three months ended June 30, 2024 (as of June 30, 2024)
Liabilities		
Current liabilities		
Accounts payable – trade	571,231	656,962
Current portion of long-term borrowings	56,109	55,275
Income taxes payable	289,024	173,640
Provision for bonuses	221,888	197,424
Other	868,681	1,158,184
Total current liabilities	2,006,935	2,241,487
Non-current liabilities		
Long-term borrowings	153,860	140,354
Provision for retirement benefits for directors (and other officers)	3,720	3,930
Retirement benefit liability	1,208,389	1,226,371
Asset retirement obligations	150,315	150,647
Other	97,778	90,645
Total non-current liabilities	1,614,063	1,611,948
Total liabilities	3,620,998	3,853,436
Net assets		
Shareholders' equity		
Share capital	1,154,418	1,154,418
Capital surplus	1,001,696	1,001,696
Retained earnings	12,216,103	12,344,680
Treasury shares	(15,975)	(15,975)
Total shareholders' equity	14,356,242	14,484,819
Accumulated other comprehensive income		
Foreign currency translation adjustment	269,954	382,837
Remeasurements of defined benefit plans	(80,204)	(75,137)
Total accumulated other comprehensive income	189,750	307,699
Non-controlling interests	34,814	34,945
Total net assets	14,580,807	14,827,465
Total liabilities and net assets	18,201,806	18,680,901

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income
First Three Months of the Fiscal Year Ending March 31, 2025

	(Thousands of yen)	
	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Net sales	3,262,082	3,715,627
Cost of sales	1,734,884	1,822,171
Gross profit	1,527,197	1,893,456
Selling, general and administrative expenses	1,351,844	1,465,323
Operating profit	175,352	428,132
Non-operating income		
Interest income	326	372
Share of profit of entities accounted for using equity method	2,939	7,740
Foreign exchange gains	1,611	13,612
Other	1,354	1,572
Total non-operating income	6,231	23,298
Non-operating expenses		
Interest expenses	670	1,024
Restricted stock-related expenses	140	162
Other	138	20
Total non-operating expenses	948	1,207
Ordinary profit	180,635	450,224
Extraordinary income		
Gain on sale of businesses	—	25,869
Total extraordinary income	—	25,869
Extraordinary losses		
Loss on retirement of non-current assets	6	596
Total extraordinary losses	6	596
Profit before income taxes	180,629	475,496
Income taxes	51,384	126,055
Profit	129,244	349,441
Profit attributable to non-controlling interests	418	1,057
Profit attributable to owners of parent	128,825	348,383

Consolidated Statement of Comprehensive Income
 First Three Months of the Fiscal Year Ending March 31, 2025

(Thousands of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Profit	129,244	349,441
Other comprehensive income		
Foreign currency translation adjustment	9,199	106,601
Remeasurements of defined benefit plans, net of tax	5,181	5,066
Share of other comprehensive income of entities accounted for using equity method	226	7,781
Total other comprehensive income	14,607	119,449
Comprehensive income	143,851	468,890
(Breakdown)		
Comprehensive income attributable to owners of parent	142,963	466,333
Comprehensive income attributable to non-controlling interests	888	2,557

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes," etc.)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, "2022 Revised Accounting Standard") has been applied from the beginning of the first quarter of the current fiscal year.

With regard to the revision of the classification of corporate income taxes (taxation on other comprehensive income), the Company adheres to the transitional treatment stipulated in the provisory clause of Paragraph 20-3 of the 2022 Revised Accounting Standard, as well as that in the provisory clause of Paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policy has no impact on the quarterly consolidated financial statements.

(Changes in accounting estimates)

(Change in the useful life of property, plant and equipment)

In the "Other" category under property, plant and equipment owned by the Company, molds were previously depreciated over a useful life of two years. However, in response to expanding overseas sales and the diversification of customer preferences, the Company has changed its management policy to more actively invest in new products. As continuous investment is expected in the future, it is anticipated that mold investments will significantly increase, leading to a rise in the significance of molds and their depreciation expenses. Given this situation, the Company has determined that it is appropriate to review the useful life of molds to better reflect the actual conditions. Based on a reasonable estimate of the useful life based on actual use to date, the Company has changed the useful life to eight years effective from the first quarter of the current consolidated fiscal year. The impact of this change on the quarterly consolidated financial statements is immaterial.

(Application of special accounting treatment in preparing the quarterly financial statements)

(Calculation of tax expenses)

In regard to tax expenses, we have adopted the calculation method of rationally estimating the effective tax rate on profit before income taxes for the consolidated fiscal year, after application of tax effect accounting; then multiplying the profit before income taxes for the period under review by the said tax rate. However, in the event the estimated effective tax rate cannot be applied, statutory effective tax rate is used.

(Notes on segment information, etc.)

[Segment information]

Our group operates in a single segment, the cooked-rice processing equipment business, so segment data are omitted.

(Notes in the event of significant changes in shareholders' equity)

There is no relevant information.

(Notes on going concern assumption)

There is no relevant information.

(Notes on statement of cash flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the first three months of the fiscal year ending March 31, 2025. Depreciation expenses (including amortization of intangible assets excluding

goodwill) and amortization of goodwill for the three months ended June 30, 2024 are as follows.

(Thousands of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation	86,662	105,055
Amortization of goodwill	2,203	—