

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (JGAAP)

May 13, 2022

Company name: Suzumo Machinery Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Stock code: 6405  
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 Scheduled date to hold the ordinary general meeting of shareholders: June 25, 2022  
 Scheduled date for dividend payment: June 27, 2022  
 Scheduled date to file quarterly report: June 27, 2022  
 Supplementary materials for quarterly financial statements: Yes  
 Results briefing to be held: Yes (For analysts and institutional investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(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                         | %     |
| Fiscal year ended |                 |      |                  |      |                 |      |   |       |
| March 31, 2022    | 11,565          | 21.9 | 1,517            | 65.1 | 1,543           | 67.7 | 1,070                                   | 56.6  |
| March 31, 2021    | 9,486           | 6.2  | 919              | 20.1 | 920             | 31.1 | 683                                     | 112.4 |

(Note) Comprehensive income: Fiscal year ended March 31 2022: 1,166 million yen (66.1%)  
 Fiscal year ended March 31 2021: 702 million yen (146.9%)

|                   | Basic earnings per share | Diluted earnings per share | Return on equity | Ordinary profit to total assets | Operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|---------------------------------|-------------------------------|
| Fiscal year ended | Yen                      | Yen                        | %                | %                               | %                             |
| March 31, 2022    | 165.92                   | —                          | 8.4              | 9.9                             | 13.1                          |
| March 31, 2021    | 105.76                   | —                          | 5.7              | 6.5                             | 9.7                           |

(Reference) Equity in earnings of affiliates: Fiscal year ended March 31 2022: -2 million yen  
 Fiscal year ended March 31 2021: -3 million yen

(2) Consolidated Financial Position

|                | Total assets    | Net assets      | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| As of          | Millions of yen | Millions of yen | %            | Yen                  |
| March 31, 2022 | 16,416          | 13,254          | 80.6         | 2,051.63             |
| March 31, 2021 | 14,694          | 12,198          | 82.9         | 1,890.64             |

(Reference) Shareholders' equity: Fiscal year ended March 31 2022: 13,236 million yen  
 Fiscal year ended March 31 2021: 12,184 million yen

(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 | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| March 31, 2022    | 1,340                                | (268)                                | (194)                                | 8,276                                      |
| March 31, 2021    | 1,245                                | (344)                                | (184)                                | 7,342                                      |

## 2. Dividends

|  | Annual dividends |                 |                 |          |       | Total dividend paid | Payout ratio<br>(Consolidated) | Dividends to net assets<br>(Consolidated) |
|--|------------------|-----------------|-----------------|----------|-------|---------------------|--------------------------------|---|
|  | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end | Total |                     |                                |   |
| Fiscal year ended                                  | Yen              | Yen             | Yen             | Yen      | Yen   | Millions of yen     | %                              | %   |
| March 31, 2021                                     | —                | 0.00            | —               | 20.00    | 20.00 | 128                 | 18.9                           | 1.1                                       |
| March 31, 2022                                     | —                | 0.00            | —               | 40.00    | 40.00 | 258                 | 24.1                           | 2.2                                       |
| Fiscal year ending<br>March 31, 2023<br>(forecast) | —                | 30.00           | —               | 32.00    | 62.00 |                     | 30.4                           |   |

## 3. Consolidated earnings forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023) (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                |
| Full-year | 13,000          | 12.4 | 1,800            | 18.6 | 1,800           | 16.6 | 1,315                                   | 22.9 | 203.62             |

### Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

Newly included: —

Excluded: —

(2) 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: None

4) Retrospective restatement: None

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

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

March 31, 2022: 6,480,000 shares

March 31, 2021: 6,480,000 shares

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

March 31, 2022: 28,450 shares

March 31, 2021: 35,598 shares

3) Average number of shares outstanding during the period:

March 31, 2022: 6,449,859 shares

March 31, 2021: 6,461,987 shares

### (Reference) Summary of non-consolidated financial results

#### 1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results (Percentage figures indicate year-on-year changes)

| Fiscal year ended | Net sales       |      | Operating profit |      | Ordinary profit |      | Profit          |      |
|-------------------|-----------------|------|------------------|------|-----------------|------|-----------------|------|
|                   | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen | %    |
| March 31, 2022    | 9,824           | 20.3 | 1,091            | 59.8 | 1,243           | 64.8 | 956             | 61.2 |
| March 31, 2021    | 8,163           | 4.2  | 683              | 19.1 | 754             | 21.3 | 593             | 96.8 |

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen                      | Yen                        |
| March 31, 2022    | 148.31                   | —                          |
| March 31, 2021    | 91.81                    | —                          |

(2) Non-consolidated financial position

|                | Total assets    | Net assets      | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| As of          | Millions of yen | Millions of yen | %            | Yen                  |
| March 31, 2022 | 14,971          | 12,676          | 84.7         | 1,964.89             |
| March 31, 2021 | 13,936          | 11,839          | 84.9         | 1,837.14             |

(Reference) Shareholders' equity: Fiscal year ended March 31 2022: 12,676 million yen  
Fiscal year ended March 31 2021: 11,839 million yen

2. Forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

The Company has omitted the disclosure of non-consolidated earnings forecasts from the fiscal year ended March 31, 2022.

\* The financial statements are outside the scope of reviews by certified public accountants and auditing firms.

\* 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 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" on page 2 of the Attachment.

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## 1. Summary of Business Results

### (1) Summary of Business Results for the Fiscal Year

Japan spent most of the current fiscal year either under emergency declarations due to the COVID-19 pandemic or priority measures to prevent the spread. Conditions were tough for personal services and accommodation and food services. However, manufacturing sector exports are in an uptrend as overseas demand recovers, primarily in advanced economies, as economic activities return to normal from the pandemic. The economy faces numerous risks going forward, including restricted supply of components such as semiconductors and Russia's invasion of Ukraine and associated increases in prices in general and resources in particular.

Under these conditions, in the current fiscal year, demand for the Company's products was strong as moves by the restaurant and retail industries to mechanize and reduce labor accelerated. However, from the second quarter, our manufacturing operations remained impacted by the shortages of semiconductors and materials, and we worked to secure materials suppliers in order to meet rising demand.

In Japan, while emergency declarations due to the pandemic and priority measures to prevent the spread COVID-19 weighed on eating out demand, takeout and delivery continued to grow and labor-saving moves progressed. By customer category, demand from major conveyor belt sushi chains grew as they installed machines for preparing takeout sushi and opened new restaurants. Mounting concerns about hygiene and food loss among business operators and end consumers saw rising demand for the Fuwarica rice-serving machine from new customer segments, such as hotels, inns, company cafeterias, and hospitals. In addition, sales from Japan System Project Co., Ltd. (JSP), which joined our group in October 2021, contributed from the fourth quarter. Domestic sales increased year on year.

Overseas, demand for our products increased as economies reopened and the labor shortage in the food service and retail industries intensified and mechanization, the trend to replace human labor with machines, accelerated. By region, demand for sushi machines continued to grow among food service operators and supermarkets, especially in North America and Europe. Despite a recent impact on sales to Europe as logistics have been interrupted by Russia's invasion of Ukraine, overseas sales were up significantly year on year.

As a result, sales increased versus the year ended March 31, 2021. Net sales for the fiscal year ended March 31, 2022 came to 11,565 million yen (+21.9% YoY). This broke down to domestic sales of 7,729 million yen (+6.4% YoY) and overseas sales of 3,836 million yen (+72.7% YoY).

#### Summary of results for the fiscal year ended March 31, 2022

|   | Fiscal year ended<br>March 31, 2021 |                | Fiscal year ended<br>March 31, 2022 |                | Amount of<br>change | Percentage<br>change |
|---|-------------------------------------|----------------|-------------------------------------|----------------|---------------------|----------------------|
|   | Millions of yen                     | % of net sales | Millions of yen                     | % of net sales | Millions of yen     | %                    |
| Net sales                                     | 9,486                               | 100.0          | 11,565                              | 100.0          | 2,079               | 21.9                 |
| Domestic                                      | 7,264                               | 76.6           | 7,729                               | 66.8           | 465                 | 6.4                  |
| Overseas                                      | 2,221                               | 23.4           | 3,836                               | 33.2           | 1,614               | 72.7                 |
| Gross profit                                  | 4,394                               | 46.3           | 5,683                               | 49.1           | 1,289               | 29.3                 |
| Operating profit                              | 919                                 | 9.7            | 1,517                               | 13.1           | 597                 | 65.1                 |
| Ordinary profit                               | 920                                 | 9.7            | 1,543                               | 13.3           | 622                 | 67.7                 |
| Profit attributable<br>to owners of<br>parent | 683                                 | 7.2            | 1,070                               | 9.3            | 386                 | 56.6                 |

On the profit front, all profit lines rose sharply year on year, driven by growth in net sales. Gross profit was up 29.3% to 5,683 million yen, operating profit increased by 65.1% to 1,517 million yen, and ordinary profit rose 67.7% to 1,543 million yen. Profit attributable to owners of parent rose 56.6% to 1,070 million yen.

## (2) Financial Condition for the Fiscal Year

### Assets, Liabilities, and Net Assets

#### (Assets)

Total assets as of March 31, 2022 were up 1,721 million yen from March 31, 2021 to 16,416 million yen. This change was primarily due to increases of 933 million yen in cash and deposits and 397 million yen in inventories.

#### (Liabilities)

Liabilities as of March 31, 2022 were up 665 million yen from March 31, 2021 to 3,161 million yen. This change was chiefly due to increases of 193 million yen in long-term borrowings and 91 million yen in income taxes payable.

#### (Net assets)

Net assets as of March 31, 2022 were up 1,056 million yen from March 31, 2021 to 13,254 million yen. This change was mainly due to 1,070 million yen in profit attributable to owners of parent and a 128 million yen decrease in retained earnings due to dividend payments.

## (3) Cash Flows for the Fiscal Year

Cash and cash equivalents (referred to as “funds” below) as of March 31, 2022 were up 933 million yen versus March 31, 2021 to 8,276 million yen.

#### (Cash Flows from Operating Activities)

Cash flows from operating activities in the current fiscal year resulted in an increase of 1,340 million yen in funds (an increase of 95 million yen versus the previous fiscal year). This was the result of increases in funds of 1,582 million yen in profit before income taxes and 291 million yen in depreciation expenses.

#### (Cash Flows from Investing Activities)

Cash flows from investing activities in the current fiscal year resulted in a decrease of 268 million yen in funds (an increase of 76 million yen versus the previous fiscal year). This was the result of outflows of 146 million yen to acquire intangible assets.

#### (Cash Flows from Financing Activities)

Cash flows from financing activities in the current fiscal year resulted in a decrease of 194 million yen in funds (a decrease of 10 million yen versus the previous fiscal year). This was the result of outflows of 128 million yen in dividend payments and outflows of 55 million yen in lease obligation repayments.

#### (4) Outlook

Turning to the economic outlook, the rollout of COVID-19 vaccines and development of treatments are positive developments for the full-fledged resumption of economic activities, but risks to the economy, including the shortage of parts and materials such as semiconductors and the impact of Russia's invasion of Ukraine on resource and other prices, warrant continued attention.

We think further lifestyle changes and intensifying labor shortages accompanying full-fledged resumption of economic activities will spur demand for labor-saving and mechanization as well as self-service applications from our group's key customers in the food service and retail sectors.

We think demand for our group's products will remain strong in these circumstances. However, we also anticipate that Suzumo Machinery's manufacturing operations will remain impacted by shortages of semiconductors and materials. We are rolling out initiatives to minimize the impact by such means as facilitating a switch to alternative components through changes to product designs.

In Japan, we plan to tap into emerging needs to reduce labor through machines that produce takeout sushi, while continuing to develop customers for our rice-serving Fuwarica machine in new market segments such as hotels, inns, employee cafeterias, and hospitals amid mounting awareness of hygiene and concerns about food loss.

Overseas, we expect the trend toward mechanization to accelerate and the cooked rice market to grow as Japanese companies expand overseas, and intend to tap into such demand.

We also have plans to expand into new business areas. We aim to create a new business offering total solutions for restaurants in collaboration with Japan System Project Co., Ltd., which we made a subsidiary in October 2021. We aim to offer labor-saving and streamlining solutions that go beyond just the kitchen to include dining areas.

Our consolidated earnings forecast for the year ending March 31, 2023 is for sales of 13,000 million yen (+12.4% YoY), operating profit of 1,800 million yen (+18.6%), ordinary profit of 1,800 million yen (+16.6%), and profit attributable to owners of parent of 1,315 million yen (+22.9%).

## 2. Approach to Selection of Accounting Standards

For the time being, our group policy is to prepare its consolidated financial statements according to Japanese generally accepted accounting principles (JGAAP) in order to facilitate comparability of the accounts between financial periods and companies.

The company's policy is to apply International Financial Reporting Standards (IFRS) when appropriate, taking into consideration conditions in Japan and overseas.



### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheet

(Thousands of yen)

|   | Fiscal year ended<br>March 31, 2021<br>(as of March 31, 2021) | Fiscal year ended<br>March 31, 2022<br>(as of March 31, 2022) |
|---|---|---|
| <b>Assets</b>                                       |   |   |
| Current assets                                      |   |   |
| Cash and deposits                                   | 7,342,853   | 8,276,521   |
| Notes and accounts receivable - trade               | 1,321,992   | 1,287,167   |
| Electronically recorded monetary claims - operating | 16,709  | 172,495   |
| Inventories   | 1,801,579   | 2,199,405   |
| Other   | 85,595  | 150,156   |
| Total current assets                                | 10,568,730  | 12,085,747  |
| Non-current assets                                  |   |   |
| Property, plant and equipment                       |   |   |
| Buildings and structures                            | 3,376,969   | 3,386,551   |
| Accumulated depreciation                            | (1,883,980)   | (1,959,015)   |
| Buildings and structures, net                       | 1,492,988   | 1,427,535   |
| Machinery, equipment and vehicles                   | 82,670  | 106,703   |
| Accumulated depreciation                            | (38,016)  | (50,782)  |
| Machinery, equipment and vehicles, net              | 44,653  | 55,921  |
| Tools, furniture and fixtures                       | 1,800,687   | 1,726,192   |
| Accumulated depreciation                            | (1,561,169)   | (1,570,971)   |
| Tools, furniture and fixtures, net                  | 239,517   | 155,220   |
| Land  | 1,125,607   | 1,125,607   |
| Other   | 12,503  | 33,757  |
| Accumulated depreciation                            | (9,071)   | (15,825)  |
| Other, net  | 3,431   | 17,931  |
| Total property, plant and equipment                 | 2,906,199   | 2,782,217   |
| Intangible assets                                   |   |   |
| Goodwill  | —   | 41,864  |
| Other   | 205,053   | 282,871   |
| Total intangible assets                             | 205,053   | 324,736   |
| Investments and other assets                        |   |   |
| Investment securities                               | 411,383   | 403,207   |
| Deferred tax assets                                 | 439,481   | 509,644   |
| Other   | 172,558   | 319,180   |
| Allowance for doubtful accounts                     | (8,680)   | (8,680)   |
| Total investments and other assets                  | 1,014,743   | 1,223,352   |
| Total non-current assets                            | 4,125,996   | 4,330,306   |
| Total assets  | 14,694,726  | 16,416,053  |

(Thousands of yen)

|   | Fiscal year ended<br>March 31, 2021<br>(as of March 31, 2021) | Fiscal year ended<br>March 31, 2022<br>(as of March 31, 2022) |
|---|---|---|
| <b>Liabilities</b>  |   |   |
| Current liabilities   |   |   |
| Accounts payable – trade  | 468,338   | 489,936   |
| Current portion of long-term borrowings                                 | —   | 46,273  |
| Accounts payable - other  | 128,935   | 172,673   |
| Accrued expenses  | 148,041   | 191,421   |
| Income taxes payable  | 231,658   | 323,417   |
| Accrued consumption taxes   | 68,321  | 38,453  |
| Provision for bonuses   | 175,749   | 182,648   |
| Other   | 161,066   | 330,218   |
| <b>Total current liabilities</b>  | <b>1,382,112</b>  | <b>1,775,043</b>  |
| Non-current liabilities   |   |   |
| Long-term borrowings  | —   | 193,180   |
| Deferred tax liabilities  | 965   | 38  |
| Provision for retirement benefits for directors<br>(and other officers) | 8,765   | 10,105  |
| Retirement benefit liability  | 1,035,616   | 1,106,754   |
| Other   | 69,206  | 76,865  |
| <b>Total non-current liabilities</b>                                    | <b>1,114,552</b>  | <b>1,386,943</b>  |
| <b>Total liabilities</b>  | <b>2,496,665</b>  | <b>3,161,987</b>  |
| <b>Net assets</b>   |   |   |
| Shareholders' equity  |   |   |
| Share capital   | 1,154,418   | 1,154,418   |
| Capital surplus   | 982,960   | 986,618   |
| Retained earnings   | 10,160,882  | 11,102,138  |
| Treasury shares   | (52,202)  | (37,774)  |
| <b>Total shareholders' equity</b>                                       | <b>12,246,058</b>   | <b>13,205,400</b>   |
| Accumulated other comprehensive income                                  |   |   |
| Valuation difference on available-for-sale securities                   | 99,568  | 91,095  |
| Foreign currency translation adjustment                                 | (38,752)  | 47,881  |
| Remeasurements of defined benefit plans                                 | (122,820)   | (108,177)   |
| <b>Total accumulated other comprehensive income</b>                     | <b>(62,004)</b>   | <b>30,800</b>   |
| Non-controlling interests   | 14,006  | 17,864  |
| <b>Total net assets</b>   | <b>12,198,060</b>   | <b>13,254,066</b>   |
| <b>Total liabilities and net assets</b>                                 | <b>14,694,726</b>   | <b>16,416,053</b>   |

## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

## Consolidated Statement of Income

(Thousands of yen)

|   | Fiscal year ended<br>March 31, 2021<br>(from April 1, 2020<br>to March 31, 2021) | Fiscal year ended<br>March 31, 2022<br>(from April 1, 2021<br>to March 31, 2022) |
|---|--|--|
| Net sales   | 9,486,060  | 11,565,869   |
| Cost of sales   | 5,091,604  | 5,882,229  |
| Gross profit  | 4,394,456  | 5,683,640  |
| Selling, general and administrative expenses                | 3,475,279  | 4,166,465  |
| Operating profit  | 919,177  | 1,517,174  |
| Non-operating income  |  |  |
| Interest income   | 941  | 224  |
| Dividend income   | 1,695  | 2,852  |
| Foreign exchange gains                                      | —  | 14,142   |
| Insurance claim income                                      | —  | 12,065   |
| Other   | 14,452   | 8,160  |
| Total non-operating income                                  | 17,089   | 37,445   |
| Non-operating expenses                                      |  |  |
| Interest expenses   | 370  | 736  |
| Loss on sale of notes receivable - trade                    | 192  | 222  |
| Sales discounts   | 2,312  | —  |
| Foreign exchange losses                                     | 4,886  | —  |
| Loss on cancellation of insurance policies                  | —  | 1,371  |
| Loss on cancellation of leases                              | —  | 2,327  |
| Restricted stock-related expenses                           | 3,321  | 4,018  |
| Share of loss of entities accounted for using equity method | 3,843  | 2,162  |
| Other   | 557  | —  |
| Total non-operating expenses                                | 15,484   | 10,838   |
| Ordinary profit   | 920,782  | 1,543,782  |
| Extraordinary income  |  |  |
| Gain on sale of investment securities                       | —  | 39,000   |
| Gain on extinguishment of tie-in shares                     | 41,516   | —  |
| Total extraordinary income                                  | 41,516   | 39,000   |
| Extraordinary losses  |  |  |
| Loss on retirement of non-current assets                    | 174  | 550  |
| Total extraordinary losses                                  | 174  | 550  |
| Profit before income taxes                                  | 962,124  | 1,582,232  |
| Income taxes - current                                      | 345,003  | 578,608  |
| Income taxes - deferred                                     | (67,147)   | (68,894)   |
| Total income taxes  | 277,856  | 509,713  |
| Profit  | 684,268  | 1,072,518  |
| Profit attributable to non-controlling interests            | 868  | 2,374  |
| Profit attributable to owners of parent                     | 683,399  | 1,070,143  |

Consolidated Statement of Comprehensive Income

|   | (Thousands of yen)   |  |
|---|--|--|
|   | Fiscal year ended<br>March 31, 2021<br>(from April 1, 2020<br>to March 31, 2021) | Fiscal year ended<br>March 31, 2022<br>(from April 1, 2021<br>to March 31, 2022) |
| Profit  | 684,268  | 1,072,518  |
| Other comprehensive income  |  |  |
| Valuation difference on available-for-sale securities                             | 27,353   | (8,472)  |
| Foreign currency translation adjustment   | (27,342)   | 70,860   |
| Remeasurements of defined benefit plans, net of tax                               | 27,837   | 14,643   |
| Share of other comprehensive income of entities accounted for using equity method | (9,526)  | 17,256   |
| Total other comprehensive income  | 18,320   | 94,288   |
| Comprehensive income  | 702,588  | 1,166,806  |
| (Breakdown)   |  |  |
| Comprehensive income attributable to owners of parent                             | 702,226  | 1,162,948  |
| Comprehensive income attributable to non-controlling interests                    | 362  | 3,858  |

### (3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                |                            | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|---|---|---|--|---------------------------|------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity | 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                       | 1,154,418            | 982,960         | 9,606,827         | (22,043)       | 11,722,162                 | 72,215  | (2,388)                                 | (150,657)                               | (80,831)                                     | 13,644                    | 11,654,975       |
| Changes during period                                |                      |                 |                   |                |                            |   |   |   |  |                           |                  |
| Dividends of surplus                                 |                      |                 | (129,324)         |                | (129,324)                  |   |   |   |  |                           | (129,324)        |
| Profit attributable to owners of parent              |                      |                 | 683,399           |                | 683,399                    |   |   |   |  |                           | 683,399          |
| Purchase of treasury stock                           |                      |                 |                   | (31,105)       | (31,105)                   |   |   |   |  |                           | (31,105)         |
| Disposal of treasury stock                           |                      |                 | (19)              | 946            | 926                        |   |   |   |  |                           | 926              |
| Net changes of items other than shareholders' equity |                      |                 |                   |                |                            | 27,353  | (36,363)                                | 27,837                                  | 18,827                                       | 362                       | 19,189           |
| Total changes during period                          | —                    | —               | 554,054           | (30,158)       | 523,895                    | 27,353  | (36,363)                                | 27,837                                  | 18,827                                       | 362                       | 543,085          |
| Balance at end of period                             | 1,154,418            | 982,960         | 10,160,882        | (52,202)       | 12,246,058                 | 99,568  | (38,752)                                | (122,820)                               | (62,004)                                     | 14,006                    | 12,198,060       |

For the fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                |                            | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|---|---|---|--|---------------------------|------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity | 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                       | 1,154,418            | 982,960         | 10,160,882        | (52,202)       | 12,246,058                 | 99,568  | (38,752)                                | (122,820)                               | (62,004)                                     | 14,006                    | 12,198,060       |
| Changes during period                                |                      |                 |                   |                |                            |   |   |   |  |                           |                  |
| Dividends of surplus                                 |                      |                 | (128,888)         |                | (128,888)                  |   |   |   |  |                           | (128,888)        |
| Profit attributable to owners of parent              |                      |                 | 1,070,143         |                | 1,070,143                  |   |   |   |  |                           | 1,070,143        |
| Purchase of treasury stock                           |                      |                 |                   | (249)          | (249)                      |   |   |   |  |                           | (249)            |
| Disposal of treasury stock                           |                      | 3,658           |                   | 14,677         | 18,336                     |   |   |   |  |                           | 18,336           |
| Net changes of items other than shareholders' equity |                      |                 |                   |                |                            | (8,472)   | 86,634                                  | 14,643                                  | 92,804                                       | 3,858                     | 96,662           |
| Total changes during period                          | —                    | 3,658           | 941,255           | 14,428         | 959,342                    | (8,472)   | 86,634                                  | 14,643                                  | 92,804                                       | 3,858                     | 1,056,005        |
| Balance at end of period                             | 1,154,418            | 986,618         | 11,102,138        | (37,774)       | 13,205,400                 | 91,095  | 47,881                                  | (108,177)                               | 30,800                                       | 17,864                    | 13,254,066       |

## (4) Consolidated Statements of Cash Flows

(Thousands of yen)

|  | Fiscal year ended<br>March 31, 2021<br>(from April 1, 2020<br>to March 31, 2021) | Fiscal year ended<br>March 31, 2022<br>(from April 1, 2021<br>to March 31, 2022) |
|--|--|--|
| <b>Cash flows from operating activities</b>  |  |  |
| Profit before income taxes   | 962,124  | 1,582,232  |
| Depreciation   | 325,716  | 291,392  |
| Amortization of goodwill   | —  | 2,203  |
| Increase (decrease) in allowance for doubtful accounts   | —  | 1,399  |
| Increase (decrease) in provision for bonuses   | 6,842  | 6,899  |
| Increase (decrease) in retirement benefit liabilities  | 80,081   | 92,244   |
| Increase (decrease) in provision for retirement benefits for directors                         | 1,340  | 1,340  |
| Interest and dividend income   | (2,637)  | (3,076)  |
| Interest expenses and loss on sale of notes receivable - trade                                 | 562  | 958  |
| Share of loss (profit) of entities accounted for using equity method                           | 3,843  | 2,162  |
| Loss (gain) on sale of investment securities   | —  | (39,000)   |
| Loss (gain) on extinguishment of tie-in shares   | (41,516)   | —  |
| Decrease (increase) in trade receivables   | (34,486)   | (21,789)   |
| Decrease (increase) in inventories   | 2,708  | (293,756)  |
| Increase (decrease) in trade payables  | 184,065  | (5,998)  |
| Increase (decrease) in accrued expenses  | 1,618  | 16,492   |
| Increase (decrease) in consumption tax payable   | (3,093)  | (48,426)   |
| Decrease (increase) in consumption tax receivable  | 1,541  | (18,233)   |
| Other  | 3,626  | 263,613  |
| <b>Subtotal</b>  | <b>1,492,337</b>   | <b>1,830,655</b>   |
| Interest and dividends received  | 2,795  | 3,076  |
| Interest paid  | (370)  | (324)  |
| Payments for sale of notes receivable - trade  | (192)  | (222)  |
| Income taxes refund  | 1,808  | 354  |
| Income taxes paid  | (257,857)  | (503,646)  |
| Dividends received from entities accounted for using equity method                             | 7,101  | 10,788   |
| <b>Net cash provided by (used in) operating activities</b>                                     | <b>1,245,622</b>   | <b>1,340,683</b>   |
| <b>Cash flows from investing activities</b>  |  |  |
| Purchase of investment securities  | (5,864)  | (6,079)  |
| Proceeds from sale of investment securities  | —  | 45,500   |
| Proceeds from redemption of investment securities  | 100,000  | —  |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | —  | 30,313   |
| Purchase of investment securities  | (380,711)  | (45,753)   |
| Purchase of intangible assets  | (54,655)   | (146,086)  |
| Proceeds from collection of loans receivable   | 1,662  | 1,662  |
| Payments of guarantee deposits   | (3,443)  | (140,899)  |
| Proceeds from refund of guarantee deposits   | 4,084  | 2,517  |
| Purchase of insurance funds  | (4,839)  | (3,553)  |
| Proceeds from maturity of insurance funds  | 0  | 5,333  |
| Other  | (512)  | (11,004)   |
| <b>Net cash provided by (used in) investing activities</b>                                     | <b>(344,280)</b>   | <b>(268,051)</b>   |

|  | (Thousands of yen)  |  |
|--|---|--|
|  | Fiscal year ended<br>March 31, 2021<br>(from April 1, 2020<br>to of March 31, 2021) | Fiscal year ended<br>March 31, 2022<br>(from April 1, 2021<br>to March 31, 2022) |
| <b>Cash flows from financing activities</b>  |   |  |
| Repayments of long-term borrowings   | —   | (9,672)  |
| Repayments of lease liabilities  | (23,672)  | (55,967)   |
| Dividends paid   | (129,324)   | (128,888)  |
| Purchase of treasury shares  | (31,105)  | (249)  |
| Net cash provided by (used in) financing activities  | (184,102)   | (194,777)  |
| Effect of exchange rate change on cash and cash equivalents                                  | (21,611)  | 55,813   |
| Net increase (decrease) in cash and cash equivalents   | 695,627   | 933,667  |
| Cash and cash equivalents at beginning of period   | 6,603,707   | 7,342,853  |
| Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries | 43,517  | —  |
| Cash and cash equivalents at end of period   | 7,342,853   | 8,276,521  |



## (5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

We have applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020) since the beginning of the current consolidated fiscal year. Based on this standard, revenue is recognized at the time the control of promised goods or services is transferred to the customer, and at the amount expected to be received in exchange for such goods or services.

The application of the Accounting Standard for Revenue Recognition, etc. does not affect our earnings results or segment information.

The application of the standard is in line with the transitional treatment stipulated in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. It has no impact on the balance of retained earnings at the beginning of the consolidated fiscal year.

Furthermore, as allowed by the transitional treatment stipulated in Article 89-3 of the Accounting Standard for Revenue Recognition, notes to revenue recognition for the previous fiscal year have not been described.

(Application of Accounting Standard for Fair Value Measurement)

We have applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30; July 4, 2019) since the beginning of the current consolidated fiscal year. In accordance with the transitional treatment outlined in Paragraph 19 of the said standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019), we have decided to continue to apply the new accounting policies set forth by the Accounting Standard for Fair Value Measurement in the future.

The change has no impact on our consolidated financial statements.

(Segment information, etc.)

(Segment information)

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

(Per-share data)

|                                      | Fiscal year ended<br>March 31, 2021<br>(from April 1, 2020 to March 31,<br>2021) | Fiscal year ended<br>March 31, 2022<br>(from April 1, 2021 to March 31,<br>2022) |
|--------------------------------------|--|--|
| Shareholders' equity per share (yen) | 1,890.64   | 2,051.63   |
| Earnings per share (yen)             | 105.76   | 165.92   |

Notes: 1. Diluted EPS is omitted because there are no dilutive shares outstanding.

2. The basis for calculating earnings per share is as follows.

|  | Fiscal year ended<br>March 31, 2021<br>(from April 1, 2020 to<br>March 31, 2021) | Fiscal year ended<br>March 31, 2022<br>(from April 1, 2021 to<br>March 31, 2022) |
|--|--|--|
| Earnings per share (yen)   |  |  |
| Profit attributable to owners of parent (thousands of yen)                       | 683,399  | 1,070,143  |
| Profit not attributable to shareholders of common stock (thousands of yen)       | —  | —  |
| Profit attributable to shareholders of common stock of parent (thousands of yen) | 683,399  | 1,070,143  |
| Average number of shares of common stock during period                           | 6,461,987  | 6,449,859  |

(Subsequent Material Events)

There is no relevant information.

#### 4. Other

##### (1) Changes in directors and corporate auditors

At its meeting held on April 14, 2022, the Board of Directors of Suzumo Machinery unofficially decided to make the following changes to our directors and corporate auditors. The changes will be officially decided after approval at the Annual General Meeting of Shareholders scheduled for June 25, 2022.

##### 1. Candidates for director (effective June 25, 2022)

| Name              | Current position                               | New position    |
|-------------------|--|-----------------|
| Minako Suzuki     | Representative director,<br>President          | (Reappointment) |
| Toru Taniguchi    | Director, Senior Managing<br>Executive Officer | (Reappointment) |
| Masami Takahashi  | Outside director                               | (Reappointment) |
| Akio Takahashi    | Outside director                               | (Reappointment) |
| Yasushi Hashimoto | Outside director                               | (Reappointment) |

The changes in the five candidates for director are due to the expiry of their terms of office (the Company plans to reappoint them).

##### 2. Changes to corporate auditors (effective June 25, 2022)

##### (1) Names and positions of candidates for auditor

| Name               | Current position     | New position                                     |
|--------------------|----------------------|--|
| Jun Kono           | Head of audit office | Full-time corporate auditor<br>(new appointment) |
| Takamasa Nakashima | —                    | Outside corporate auditor<br>(new appointment)   |

##### (2) Names and positions of retiring corporate auditors

| Name           | Current position                         |
|----------------|--|
| Kazhiko Segawa | Outside corporate auditor<br>(full-time) |
| Kimioki Usa    | Outside corporate auditor                |

3. Brief personal histories of candidates for corporate auditor

| Name<br>(date of birth)                | CV, position, and important concurrent positions  | Number of<br>company<br>shares owned |
|--|---|--------------------------------------|
| Jun Kono<br>(July 20, 1962)            | March 2010    Joined Suzumo, general manager, Tokyo plant<br>July 2010      Technical director, Tokyo plant<br>April 2012     General manager of technical management,<br>Tokyo plant<br>October 2015   General manager of product department<br>July 2019      Head of audit office (current position)   | 400                                  |
| Takamasa Nakashima<br>(March 31, 1956) | April 1978     Joined Mitsubishi Motors Corporation<br>May 1993      JTUC Research Institute for Advancement of<br>Living Standards, senior researcher<br>(secondment)<br>July 2001      ITOCHU Human Resources Services Inc.<br>(currently ITOCHU Human Resources &<br>General Affairs Services Inc.), general<br>manager of HR Department and Consulting<br>Business Department<br>February 2004   Nihon Aim Co. (currently UT Group Co.)<br>Executive officer, head of HR Department<br>April 2007     Kindai University, Professor, Faculty of<br>Business Administration and Professor,<br>Graduate School of Commerce | 0                                    |