

Tokyo Stock Exchange, Standard Market
Stock code: 6405

Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023

November 15, 2022



鈴茂器工株式会社

1. Overview of Q2 FY03/23 Consolidated Financial Results Pages 3–13
 - ✓ Performance summary
 - ✓ Year-on-year performance
 - ✓ Year-on-year change in SG&A expenses
 - ✓ Net sales and operating profit
 - ✓ Breakdown of domestic and overseas sales
 - ✓ Domestic and overseas sales (quarterly results)
 - ✓ Domestic business: Own-machine sales by customer category
 - ✓ Overseas business: Sales by region
 - ✓ Consolidated balance sheet

2. 2H FY03/23: Business conditions and initiatives Pages 14–16

3. Initiatives for returning profits to shareholders, etc. Pages 17–18

1. Overview of Q2 FY03/23 Consolidated Financial Results

Millions of yen

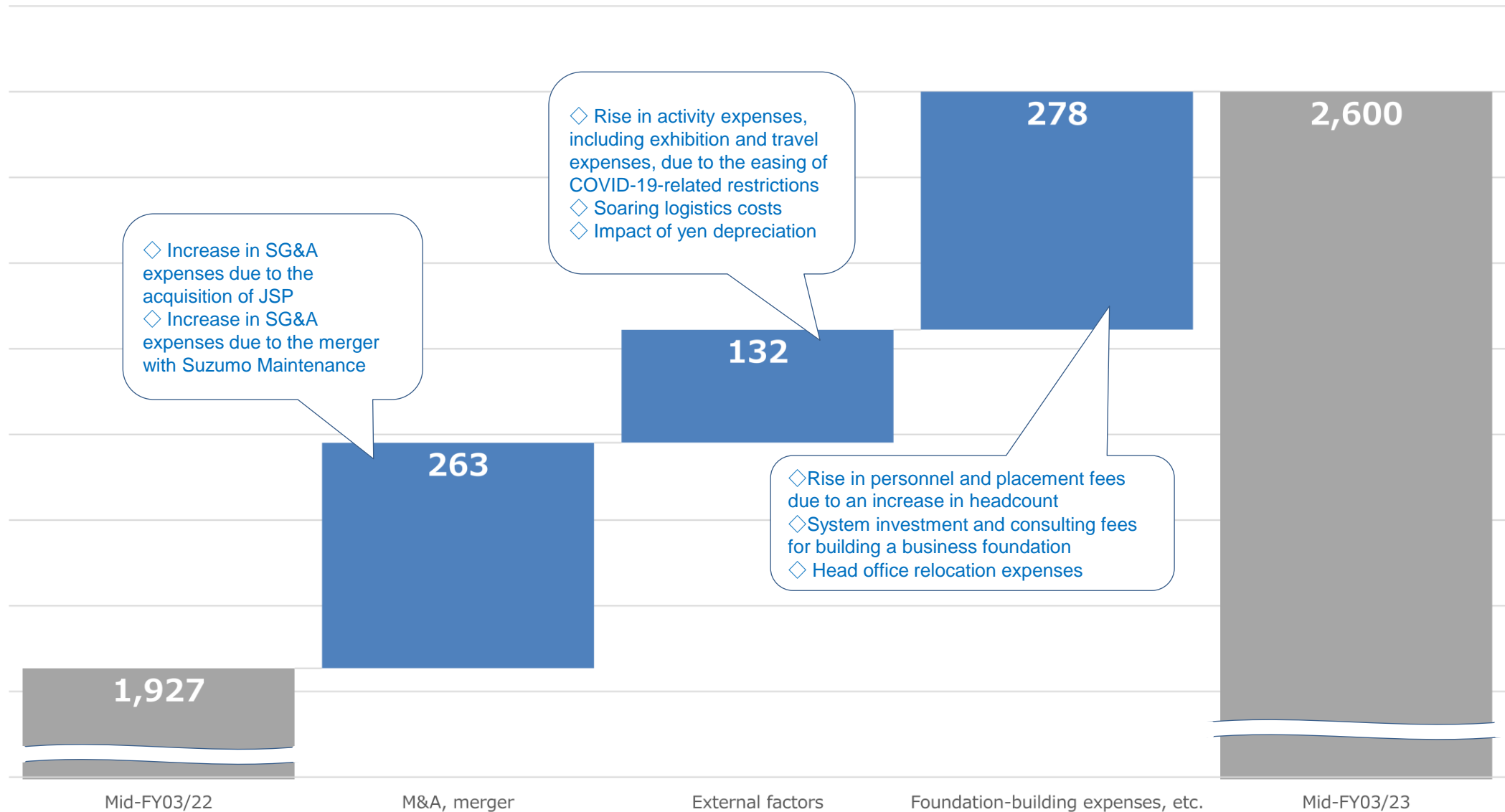
	1H FY03/22 Amount	Initial plan (as of May 13, 2022)	1H FY03/23		
			Amount	YoY change	Progress vs. full-year plan
Net sales	5,201	13,000	6,351	+22.1%	48.9%
Operating profit	634	1,800	436	-31.2%	24.2%
Ordinary profit	650	1,800	468	-27.9%	26.1%
Profit attributable to owners of parent	475	1,315	379	-20.2%	28.9%

Millions of yen

	1H FY03/22	1H FY03/23		
		Amount	YoY change	YoY change (%)
Net sales	5,201	6,351	+1,150	+22.1%
Cost of sales	2,639	3,315	+675	+25.6%
Gross profit (Profit margin)	2,561 (49.3%)	3,036 (47.8%)	+474 (-1.5%)	+18.5%
SG&A expenses	1,927	2,600	+673	+34.9%
Operating profit (Profit margin)	634 (12.2%)	436 (6.9%)	-198 (-5.3%)	-31.2%
Ordinary profit (Profit margin)	650 (12.5%)	468 (7.4%)	-181 (-5.1%)	-27.9%
Profit attributable to owners of parent (Profit margin)	475 (9.1%)	379 (6.0%)	-95 (-3.1%)	-20.2%

Q2 FY03/23: Year-on-year changes in SG&A expenses

Millions of yen

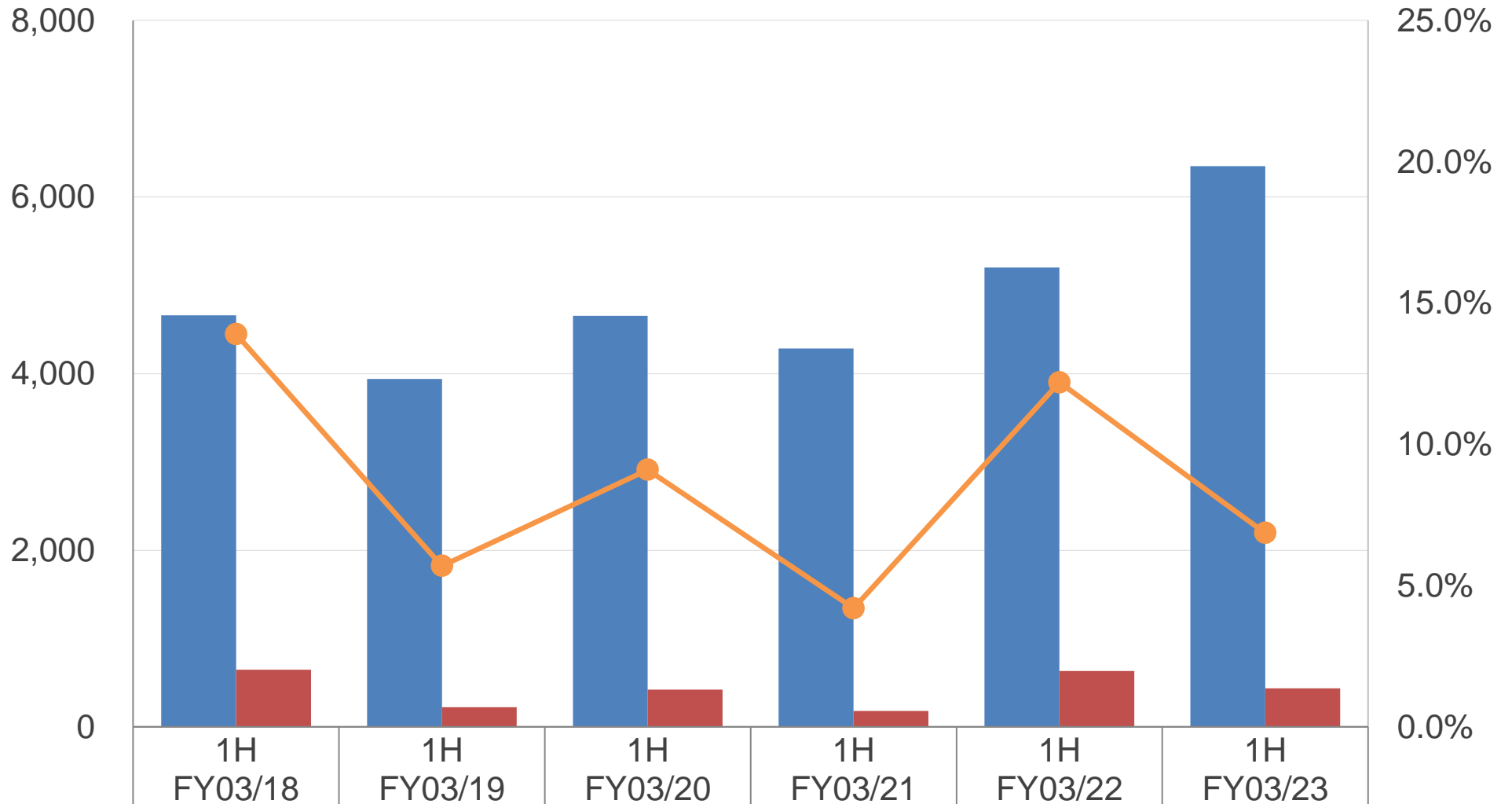


Q2 FY03/23: Net sales and operating profit



Net sales, operating profit
(Millions of yen)

Operating profit
margin (OPM)

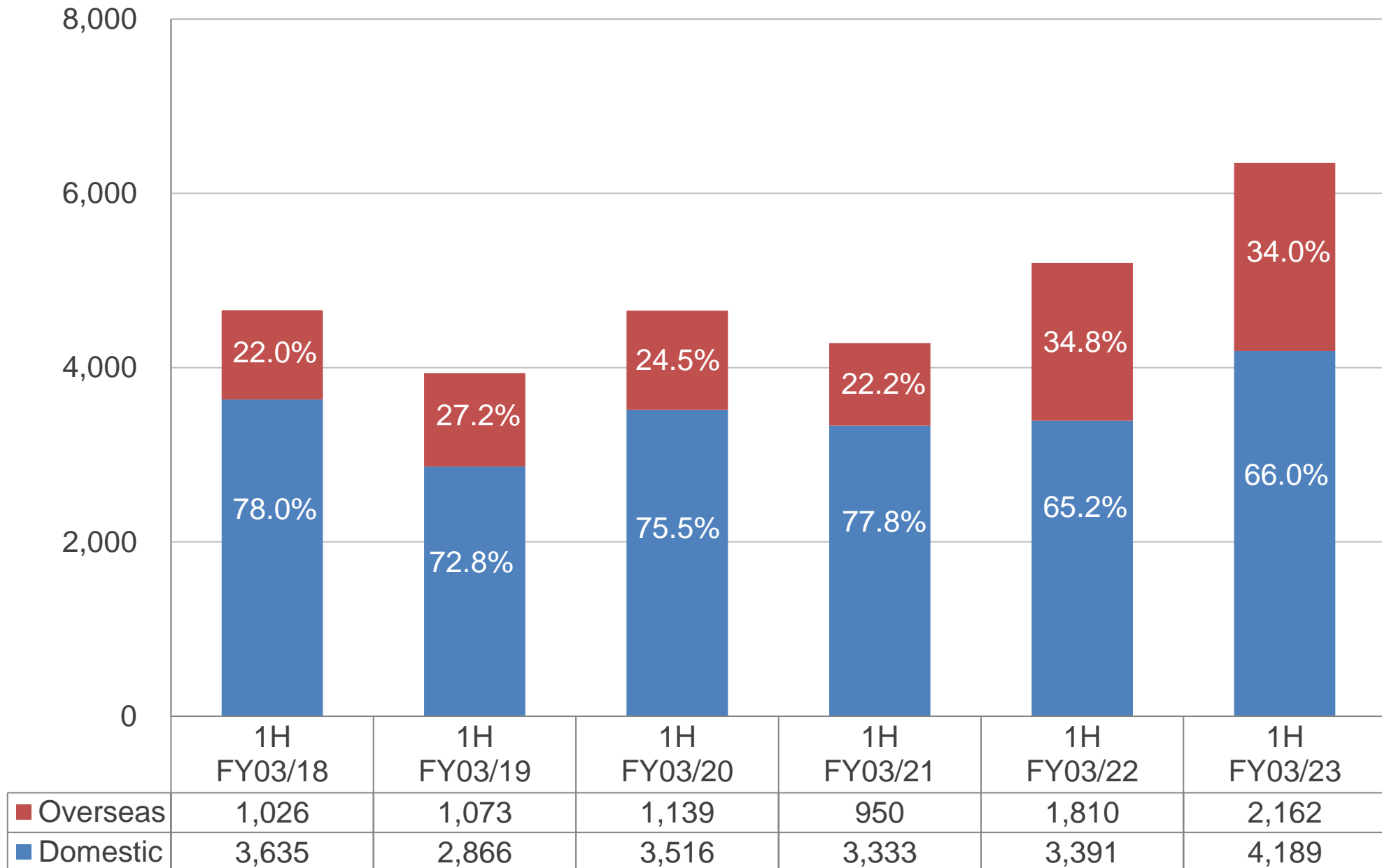


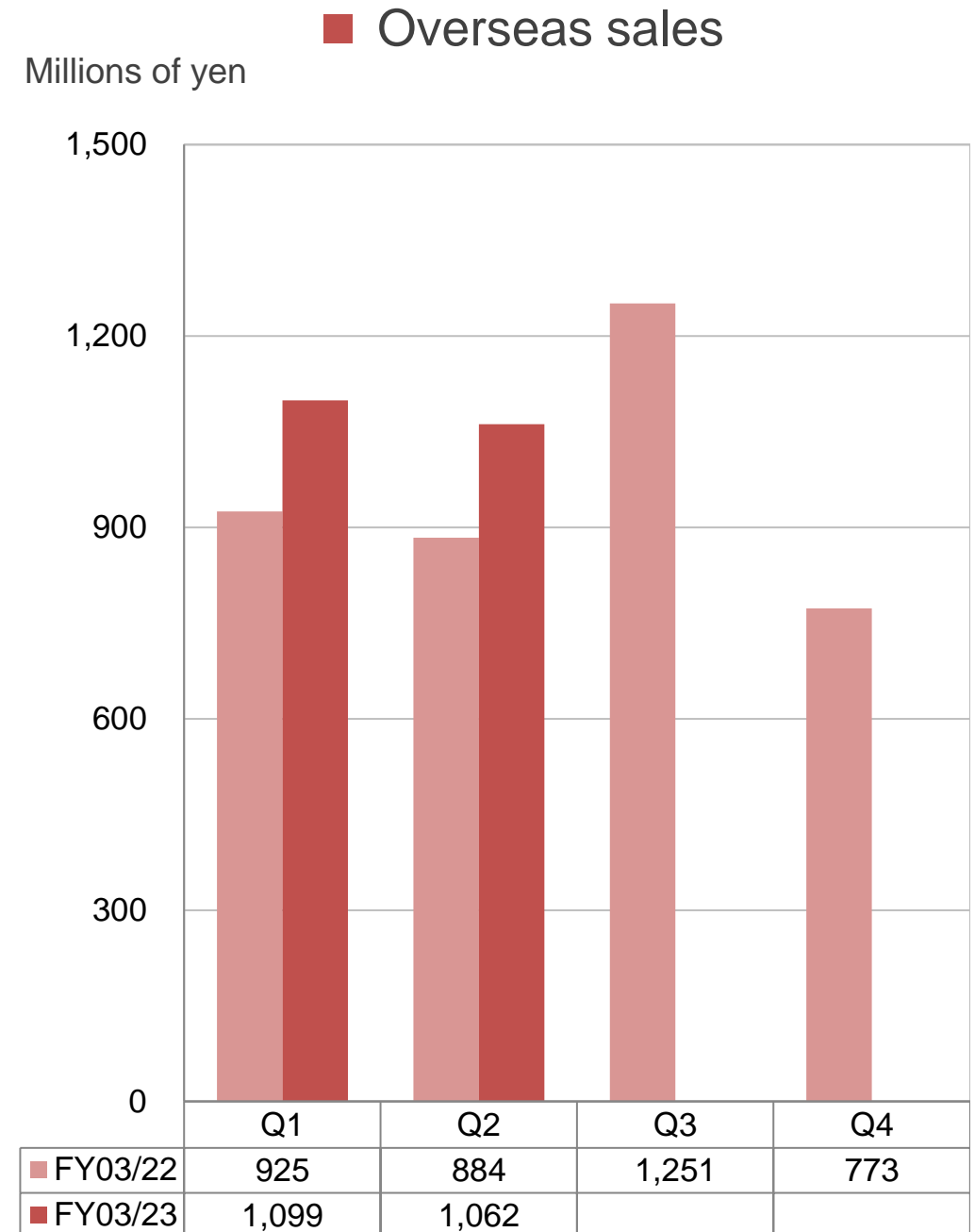
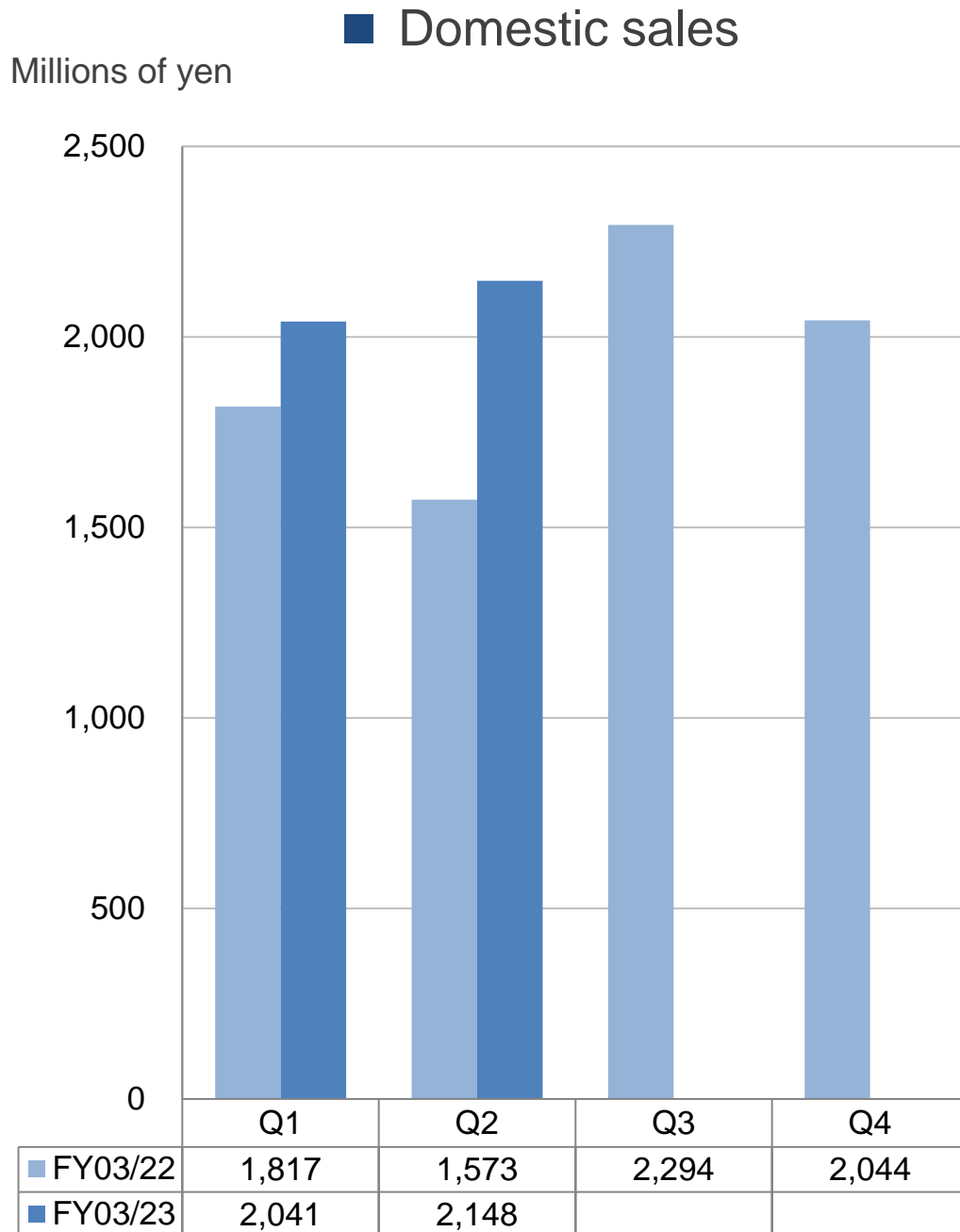
Net sales	4,661	3,940	4,655	4,284	5,201	6,351
Operating profit	649	224	424	180	634	436
OPM	13.9%	5.7%	9.1%	4.2%	12.2%	6.9%

Q2 FY03/23: Breakdown of domestic and overseas sales



Net sales
(Millions of yen)



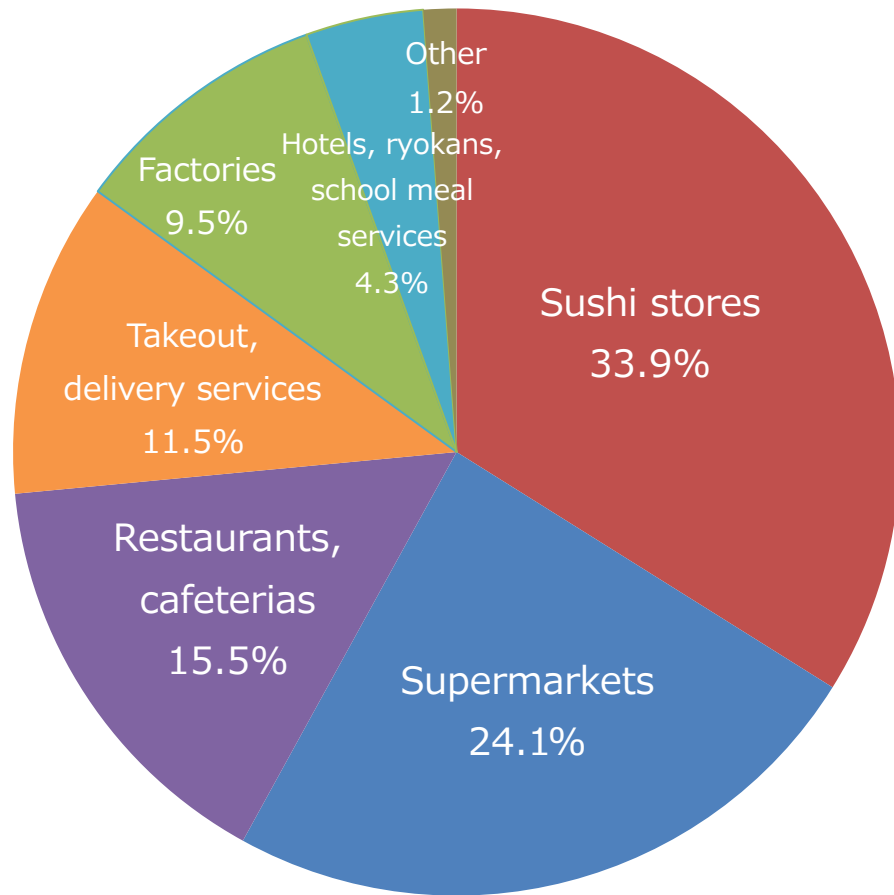


Q2 FY03/23: Domestic business

Own-machine sales by customer category

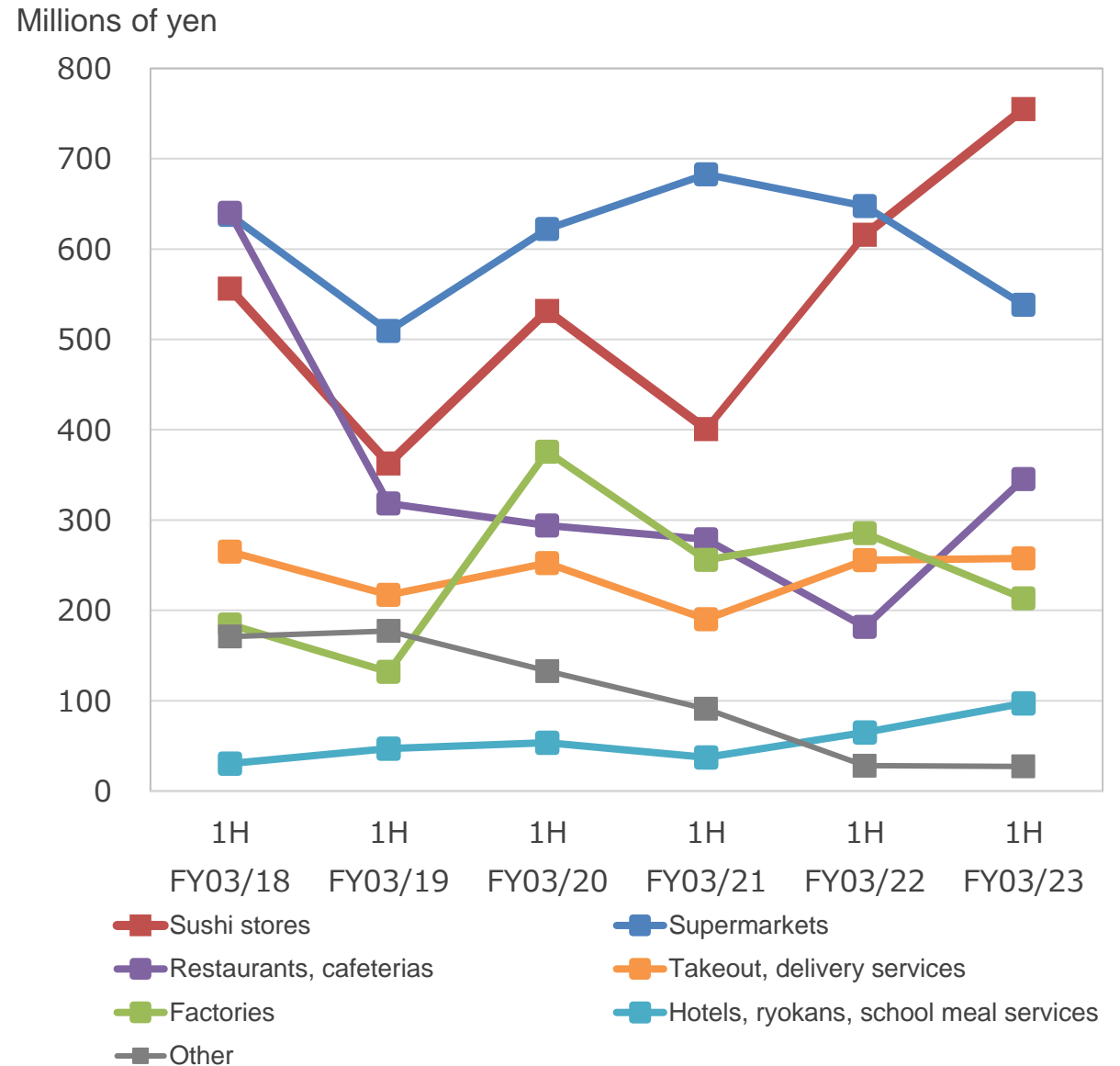


■ Domestic business:
Sales breakdown by customer category
(1H FY03/23)



* Calculation of sales breakdown (%) by customer category is based on domestic own-machine sales.

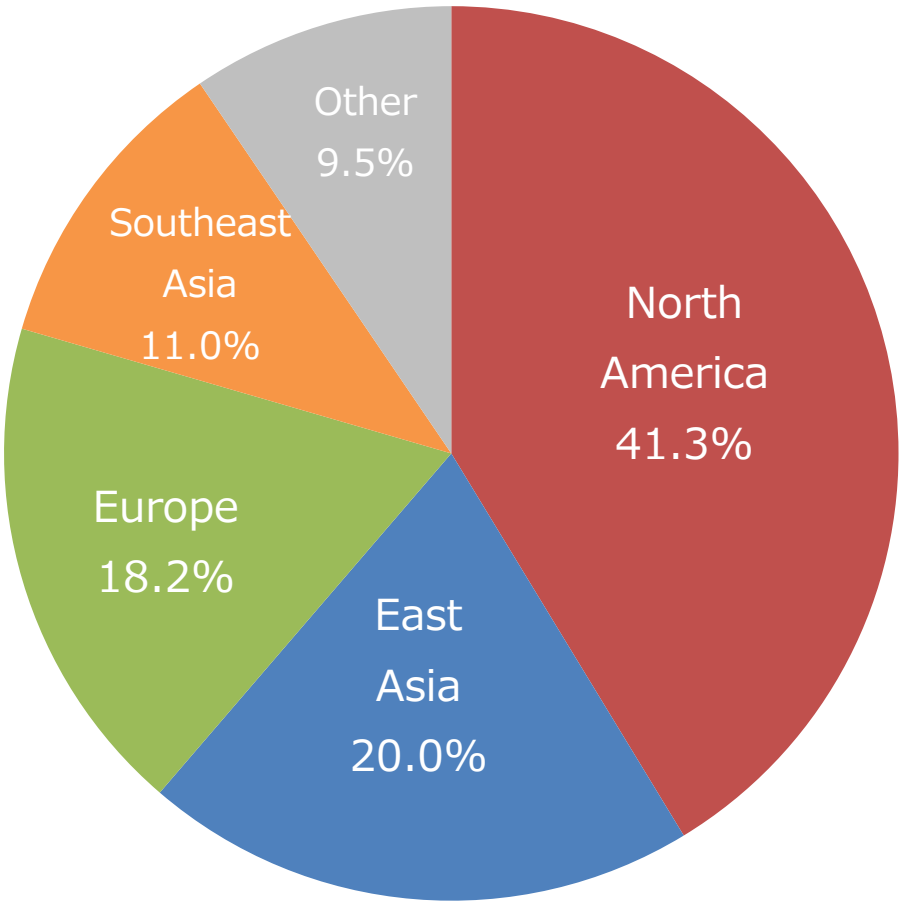
■ Domestic business:
Sales by customer category



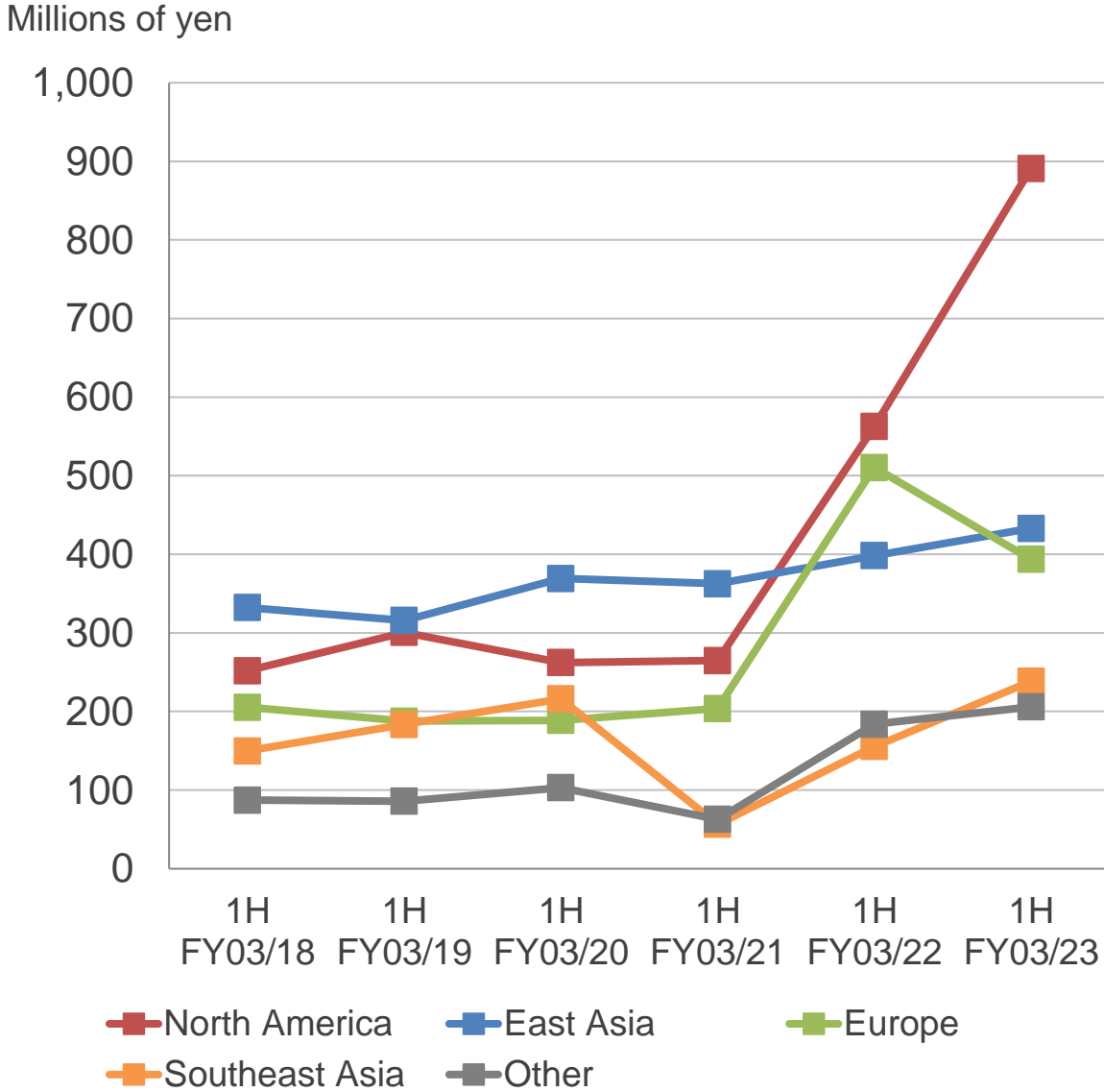
Q2 FY03/23: Overseas business Sales by region



Overseas business:
Sales breakdown by region
(1H FY03/23)



Overseas business:
Sales by region



Q2 FY03/23 consolidated balance sheet: Assets



Millions of yen

	As of March 31, 2022		As of September 30, 2022		YoY change (%)	YoY change
	Amount	% of total	Amount	% of total		
Current assets	12,085	73.6%	12,219	72.6%	1.1%	133
Cash and deposits	8,276	50.4%	8,033	47.7%	-2.9%	-243
Trade receivables	1,459	8.9%	1,445	8.6%	-1.0%	-14
Inventories	2,199	13.4%	2,503	14.9%	13.8%	303
Other	150	0.9%	237	1.4%	58.1%	87
Non-current assets	4,330	26.4%	4,611	27.4%	6.5%	280
Property, plant and equipment	2,782	16.9%	3,173	18.9%	14.1%	391
Intangible assets	324	2.0%	361	2.1%	11.4%	36
Investments and other assets	1,223	7.5%	1,076	6.4%	-12.0%	-147
Total assets	16,416	100.0%	16,830	100.0%	2.5%	414

Q2 FY03/23 consolidated balance sheet: Liabilities and net assets

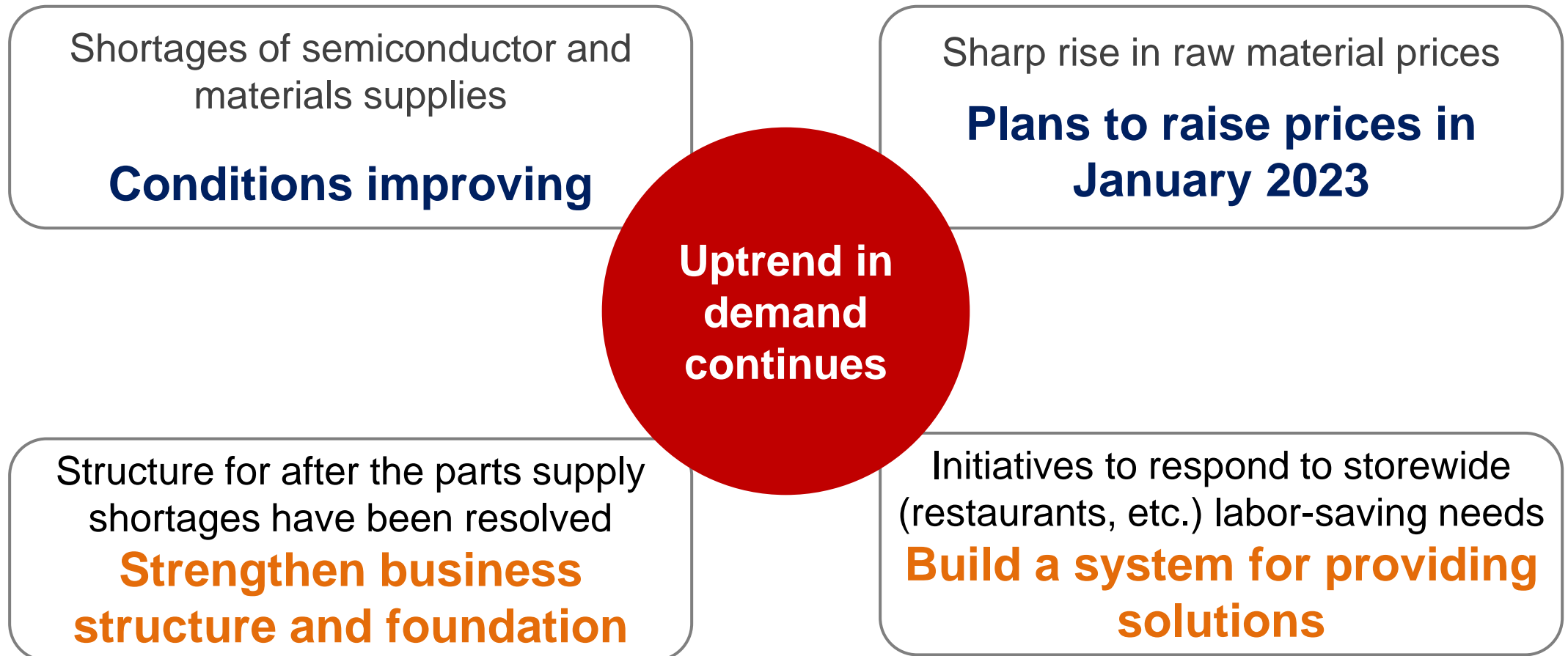


Millions of yen

	As of March 31, 2022		As of September 30, 2022		YoY change (%)	YoY change
	Amount	% of total	Amount	% of total		
Total liabilities	3,161	19.3%	3,306	19.6%	4.6%	144
Current liabilities	1,775	10.8%	1,904	11.3%	7.3%	129
Non-current liabilities	1,386	8.4%	1,401	8.3%	1.0%	14
Total net assets	13,254	80.7%	13,524	80.4%	2.0%	270
Shareholders' equity	13,205	80.4%	13,355	79.4%	1.1%	150
Total accumulated other comprehensive income	30	0.2%	147	0.9%	378.5%	116
Non-controlling interests	17	0.1%	21	0.1%	21.0%	3
Total liabilities and net assets	16,416	100.0%	16,830	100.0%	2.5%	414

2. 2H FY03/23: Business conditions and initiatives

	Business environment	Outlook
Temporary business risks	<ul style="list-style-type: none"> ➤ Shortages of semiconductor and materials supplies ➤ Sharp rise in raw material prices 	<ul style="list-style-type: none"> ➤ Procurement conditions are improving owed to an easing of tight supplies, product design changes, and procurement of replacement parts ➤ Price increase scheduled to be implemented in January 2023
Business opportunities	<ul style="list-style-type: none"> ➤ Full-scale resumption of economic activities ➤ Constant manpower shortages ➤ Lifestyle changes 	<ul style="list-style-type: none"> ➤ Demand continues on an uptrend in Japan and overseas ➤ Japan: Conveyor belt sushi and restaurant operators accelerate investment in labor-saving and self-service technologies ➤ Overseas: In North America, demand expands; in Southeast Asia, demand recovers and a greater number of Japanese companies enter the market



3. Initiatives for returning profits to shareholders, etc.

■ Initiatives for returning profits to shareholders, etc.

Date	Purpose	Details	Before change	After change
May 13, 2022	To enhance shareholder returns	Criteria for total payout ratio	None	30% or more
		No. of dividends	One per year; no interim dividends	Two per year; with interim dividends

Date	Purpose	Details	
June 2022	To increase individual investors	Secondary offering of shares	First secondary offering since listing
		Stock split	Two-for-one stock split
		Introduced shareholder incentive system	JF Gourmet Card, a restaurant voucher that can be used nationwide

■ Change in the number of shareholders

March 31, 2022	2,422 persons	Increase of 2,190 persons
September 30, 2022	4,612 persons	

■ Average monthly trading volume (adjusted for stock split)

FY03/20	FY03/21	FY03/22	August–October 2022*
136,883 shares	73,817 shares	151,900 shares	340,167 shares

*Excludes the period affected by secondary offering of shares



For inquiries regarding investor relations, media appointments, etc., please contact:

Business Planning Department, Suzumo Machinery Co., Ltd.

Email : ir-info@suzumo.co.jp

Forward-looking statements in this document, including outlook on future performance and other projections, reflect the Company's assessment based on currently available information, and may be affected by latent risks and uncertainties. Therefore, actual results may differ significantly due to changes in various factors.