

Tokyo Stock Exchange, Standard Market  
Stock code: 6405

# Financial Results for the Fiscal Year Ended March 31, 2023

May 17, 2023



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鈴茂器工株式会社

1. Overview of FY03/23 Consolidated Financial Results      Pages 3–13
  - ✓ Performance summary
  - ✓ External environment
  - ✓ Year-on-year performance
  - ✓ Year-on-year change in SG&A expenses
  - ✓ Net sales and operating profit
  - ✓ Breakdown of domestic and overseas sales
  - ✓ Domestic business: Own-machine sales by customer category
  - ✓ Overseas business: Sales by region
  - ✓ Consolidated balance sheet
  
2. FY03/24 Consolidated Performance Forecast      Pages 14–20
  
3. Update on Construction of New Factory      Pages 21–22

# **1. Overview of FY03/23 Consolidated Financial Results**

Millions of yen

	FY03/22 Amount	Initial plan (as of May 13, 2022)	Revised Plan (as of February 10, 2023)	FY03/23		
				Amount	YoY change	vs. plan
Net sales	11,565	13,000	13,390	13,456	+16.3%	+3.5%
Operating profit	1,517	1,800	1,230	1,203	-20.7%	-33.1%
Ordinary profit	1,543	1,800	1,150	1,139	-26.2%	-36.7%
Profit attributable to owners of parent	1,070	1,315	770	825	-22.8%	-37.2%

## ■ Political and economic conditions

- Increasing instability in political and economic conditions worldwide, exemplified by Russia's invasion of Ukraine
- Rise in commodity prices driven by sharply higher raw material and utility costs; steep increase in personnel and logistics costs as well
- Dramatic yen depreciation
- Financial instability in US and Europe

## ■ Business climate

- Resumption of social and economic activity as COVID-19 infections diminish
- Increase in inbound demand as Japan opens borders to overseas travelers
- Difficulties procuring semiconductors and other parts easing
- Growth in labor-saving and mechanization needs worldwide, amid labor shortages and sharply higher personnel costs
- Japanese companies stepping up overseas expansion

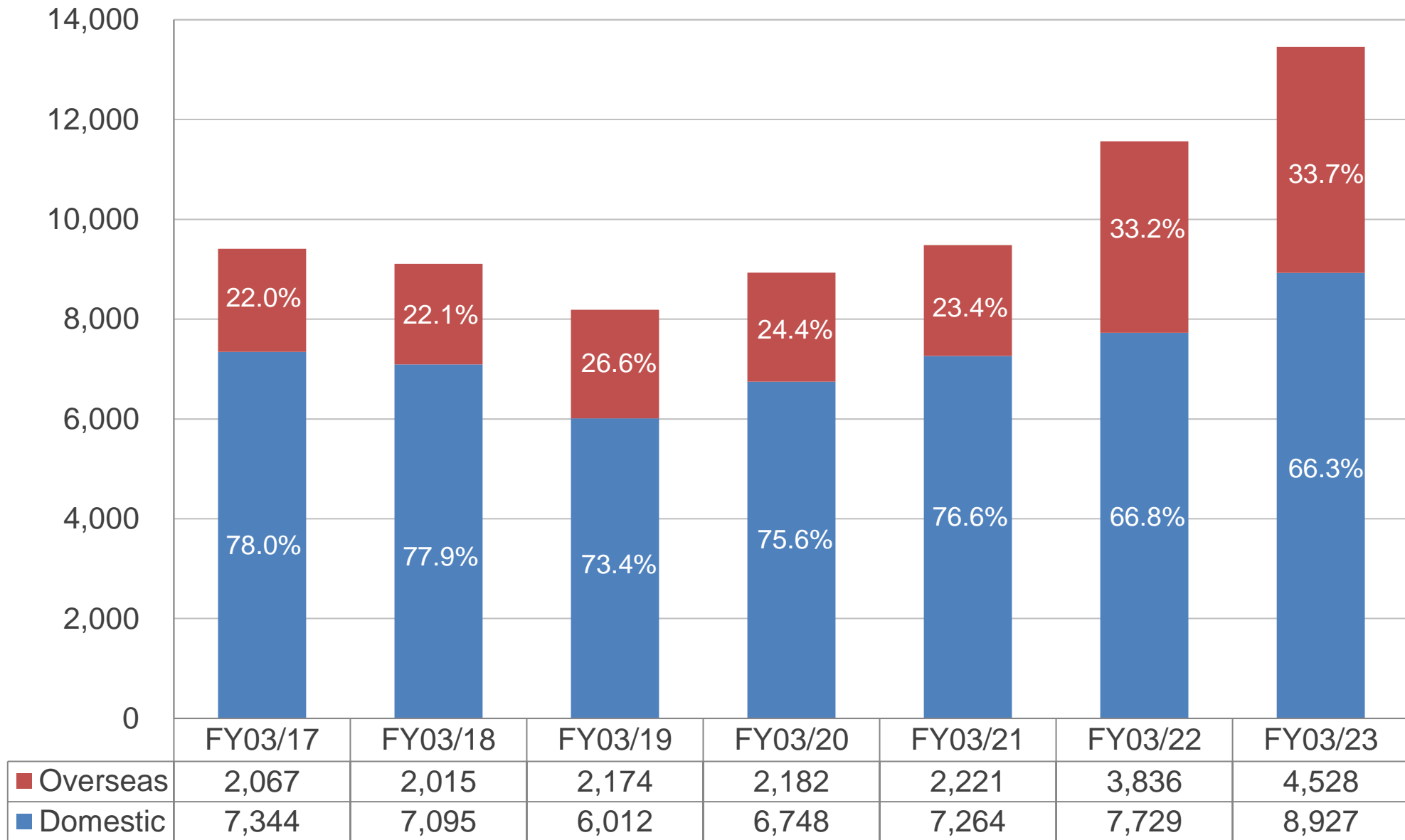
Millions of yen

	FY03/22	FY03/23			YoY	
		1H	2H	Full year	YoY change	YoY change (%)
Net sales	11,565	6,351	7,104	13,456	+ 1,890	+16.3%
Cost of sales	5,882	3,315	3,772	7,087	+ 1,205	+20.5%
Gross profit (Profit margin)	5,683 (49.1%)	3,036 (47.8%)	3,332 (46.9%)	6,368 (47.3%)	+ 685 (- 1.8%)	+12.1%
SG&A expenses	4,166	2,600	2,564	5,165	+ 998	+24.0%
Operating profit (Profit margin)	1,517 (13.1%)	436 (6.9%)	767 (10.8%)	1,203 (8.9%)	- 313 (- 4.2%)	- 20.7%
Ordinary profit (Profit margin)	1,543 (13.3%)	468 (7.4%)	670 (9.4%)	1,139 (8.5%)	- 404 (- 4.9%)	- 26.2%
Profit attributable to owners of parent (Profit margin)	1,070 (9.3%)	379 (6.0%)	446 (6.3%)	825 (6.1%)	- 244 (- 3.1%)	- 22.8%

# FY03/23: Breakdown of domestic and overseas sales



Net sales  
(Millions of yen)

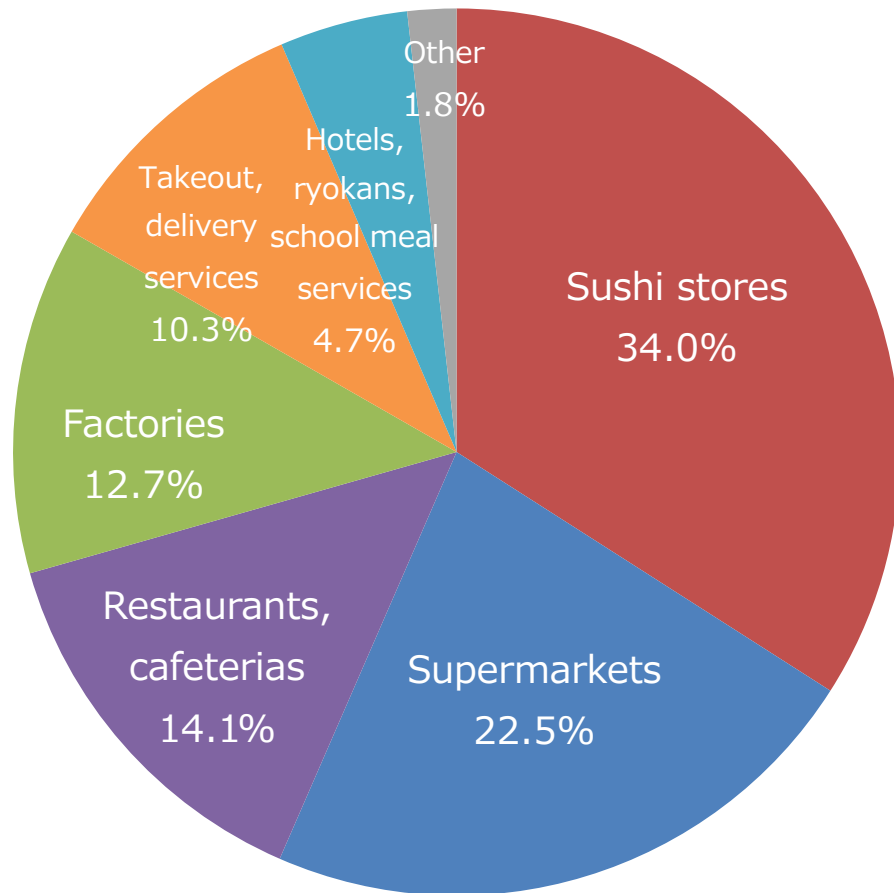


# FY03/23: Domestic business

## Own-machine sales by customer category

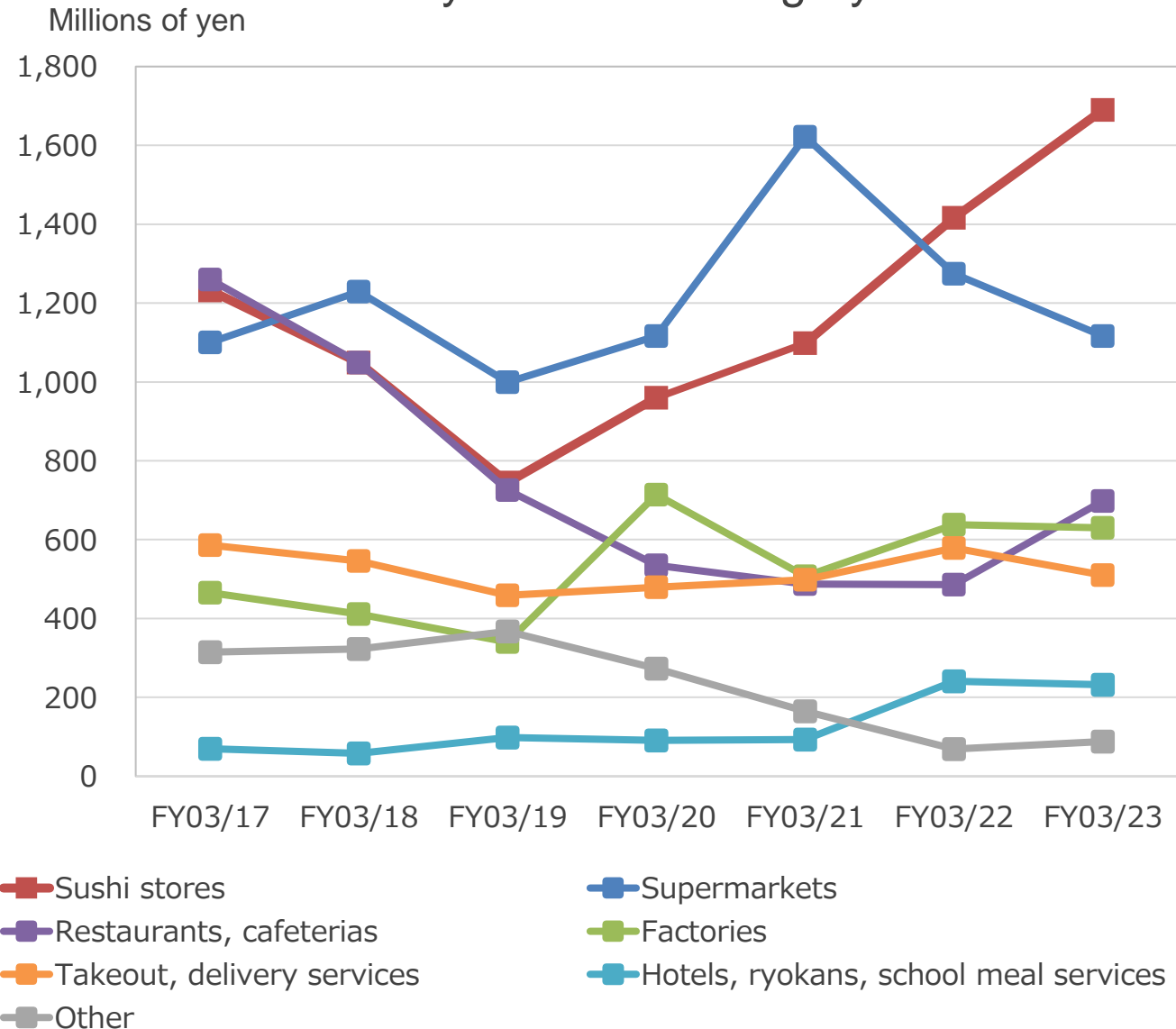


■ Domestic business:  
Sales breakdown by customer category  
(FY03/23)



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

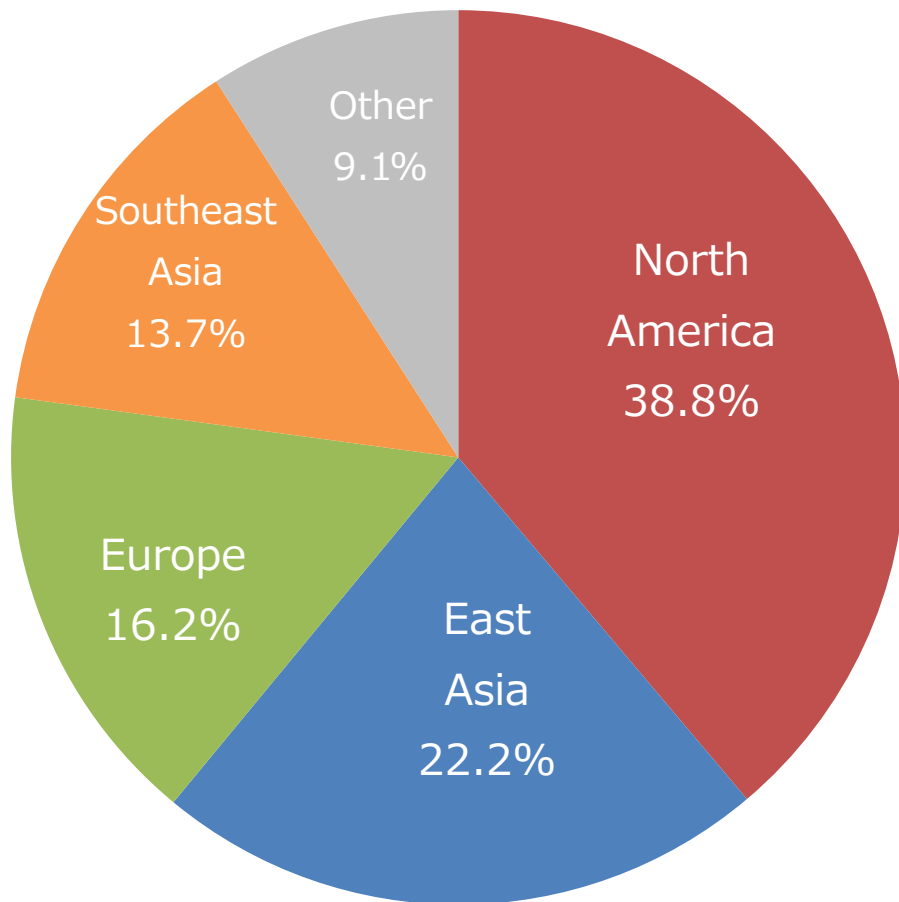
■ Domestic business:  
Sales by customer category



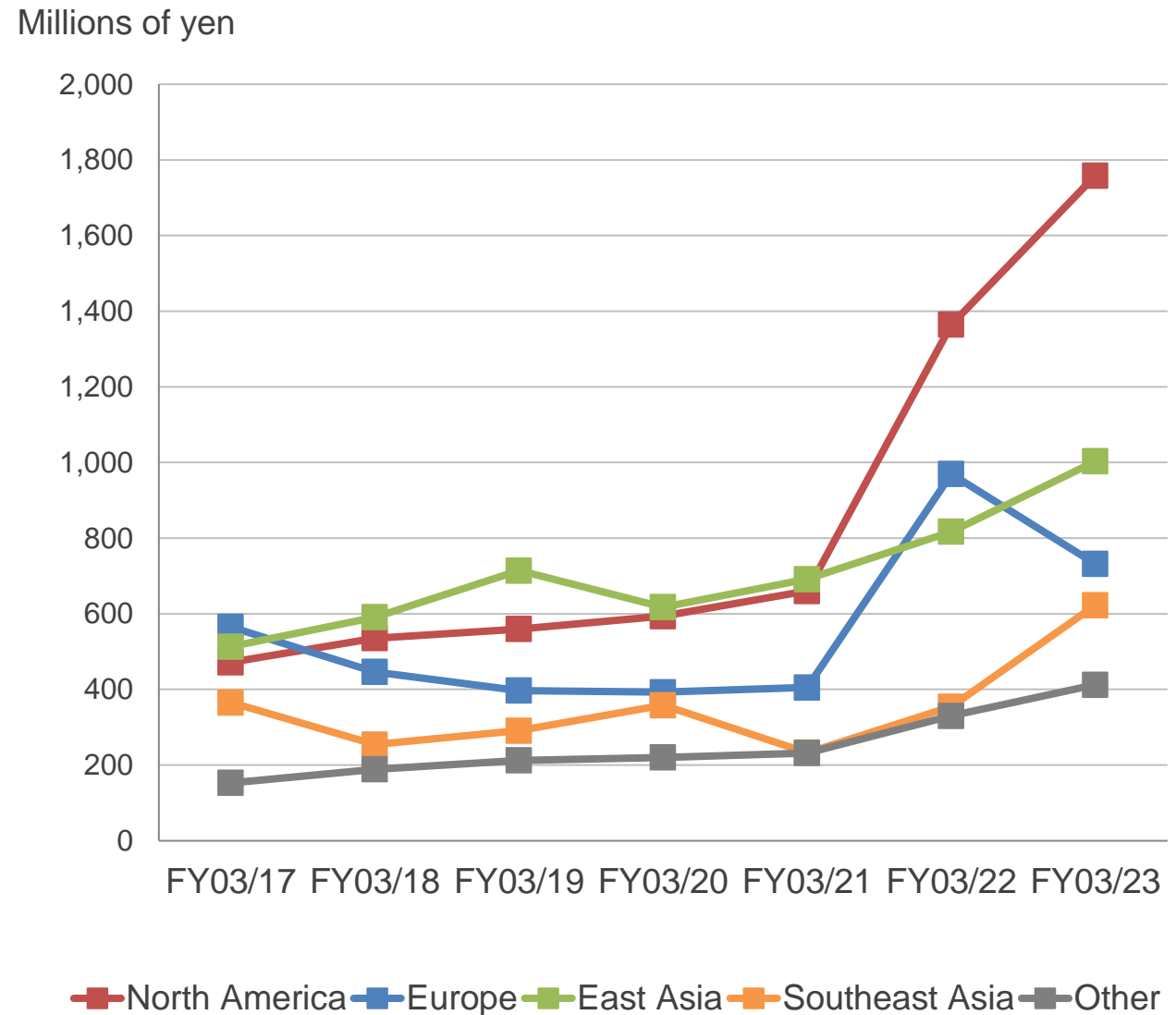


# FY03/23: Overseas business Sales by region

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

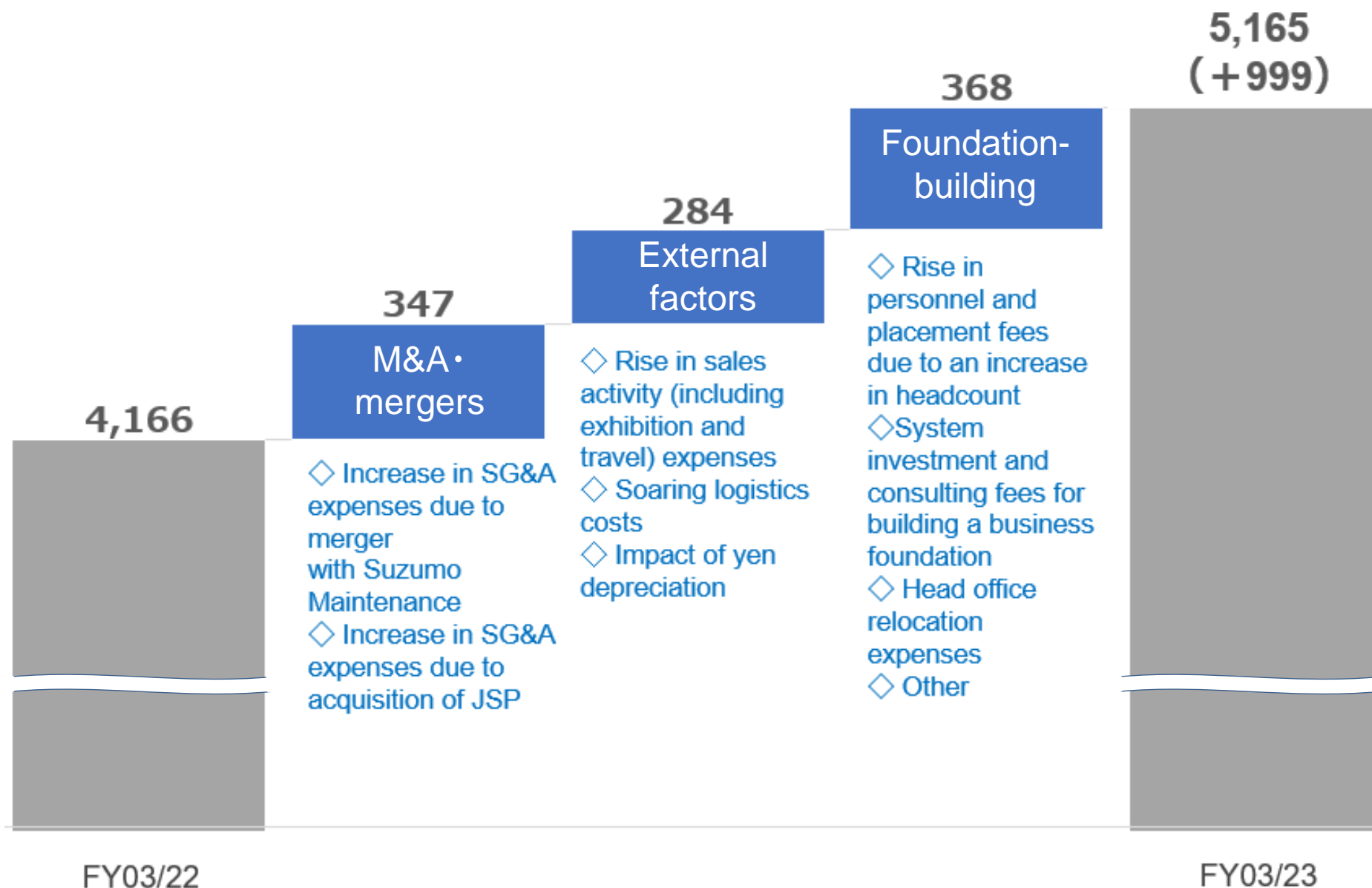


Overseas business:  
Sales by region



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

Millions of yen

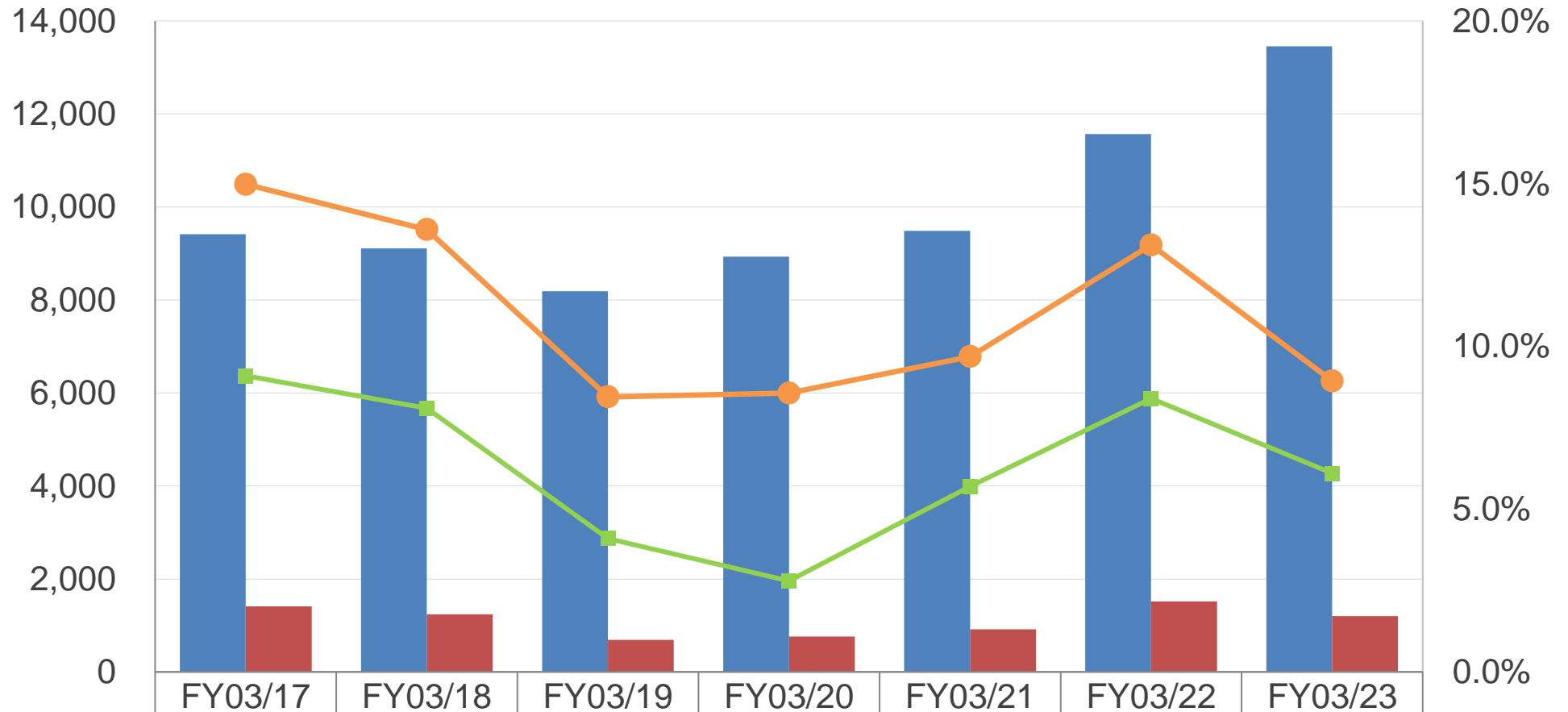


# FY03/23: Net sales and operating profit



Net sales, operating profit  
(Millions of yen)

Operating profit margin (OPM) / ROE



Net sales	9,412	9,111	8,186	8,930	9,486	11,565	13,456
Operating profit	1,410	1,238	692	765	919	1,517	1,203
OPM	15.0%	13.6%	8.5%	8.6%	9.7%	13.1%	8.9%
ROE	9.1%	8.1%	4.1%	2.8%	5.7%	8.4%	6.1%

# FY03/23 consolidated balance sheet: Assets



Millions of yen

	As of March 31, 2022		As of March 31, 2023		YoY	
	Amount	% of total	Amount	% of total	YoY change	YoY change (%)
Current assets	12,085	73.6%	9,685	56.9%	-2,400	-19.9%
Cash and deposits	8,276	50.4%	4,865	28.6%	-3,410	-41.2%
Trade receivables	1,459	8.9%	1,745	10.2%	+285	+19.6%
Inventories	2,199	13.4%	2,762	16.2%	+563	+25.6%
Other	150	0.9%	312	1.8%	+162	+107.9%
Non-current assets	4,330	26.4%	7,347	43.1%	+3,017	+69.7%
Property, plant and equipment	2,782	16.9%	5,968	35.0%	+3,186	+114.5%
Land	1,125	6.9%	3,664	21.5%	+2,539	+225.6%
Intangible assets	324	2.0%	452	2.7%	+127	+39.3%
Investments and other assets	1,223	7.5%	925	5.4%	-297	-24.3%
Total assets	16,416	100.0%	17,033	100.0%	+616	+3.8%

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



Millions of yen

	As of March 31, 2022		As of March 31, 2023		YoY	
	Amount	% of total	Amount	% of total	YoY change	YoY change (%)
Total liabilities	3,161	19.3%	3,316	19.5%	+ 154	+4.9%
Current liabilities	1,775	10.8%	1,802	10.6%	+27	+1.6%
Non-current liabilities	1,386	8.4%	1,514	8.9%	+ 127	+9.2%
Total net assets	13,254	80.7%	13,716	80.5%	+ 462	+3.5%
Shareholders' equity	13,205	80.4%	13,607	79.9%	+ 402	+3.0%
Total accumulated other comprehensive income	30	0.2%	83	0.5%	+52	+170.1%
Non-controlling interests	17	0.1%	25	0.1%	+ 7	+40.7%
Total liabilities and net assets	16,416	100.0%	17,033	100.0%	+ 616	+3.8%

## **2. FY03/24 Consolidated Performance Forecast**

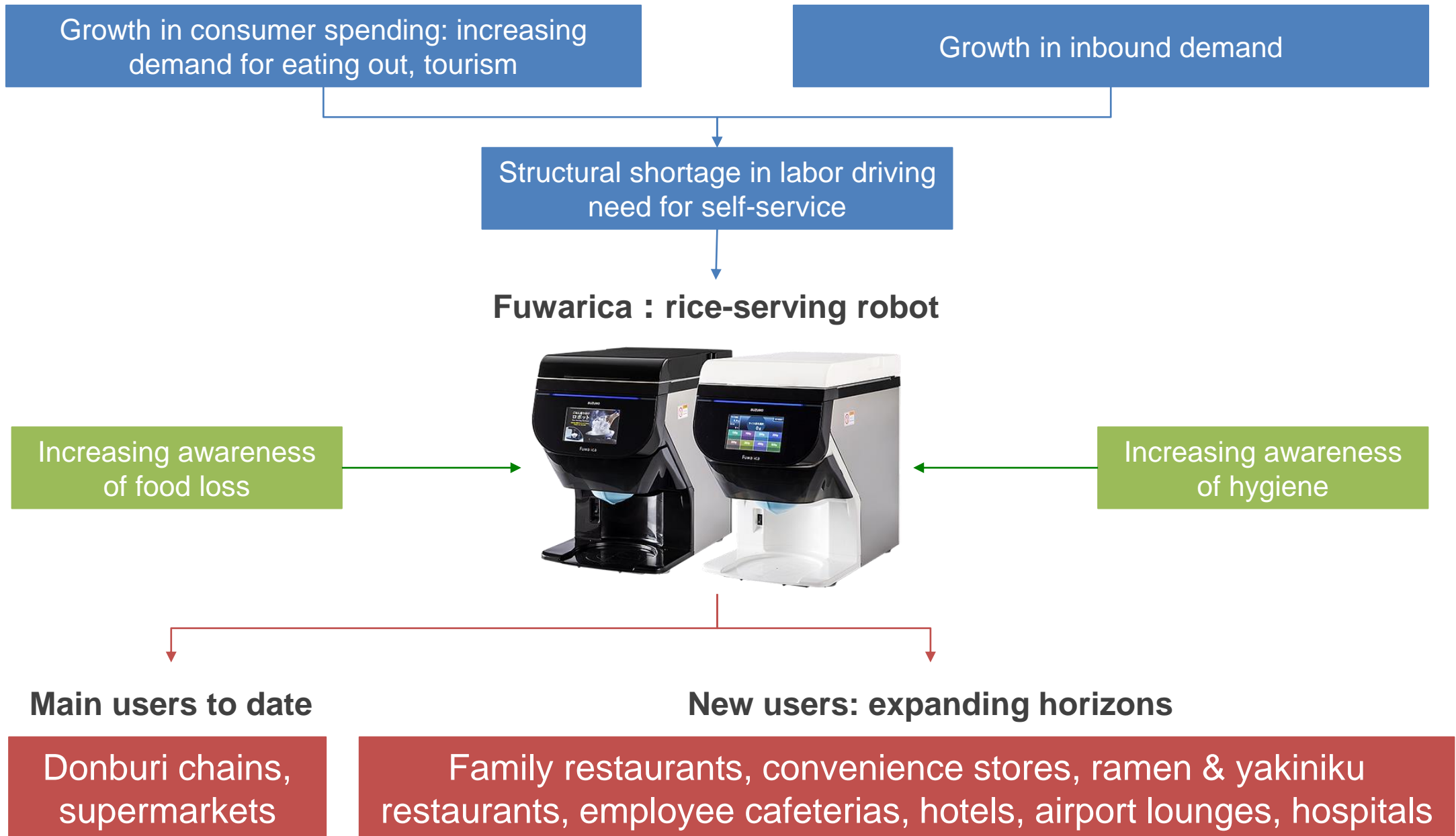
Millions of yen

	FY03/23		1H FY03/24			FY03/24		
	Amount	% of total	Plan	% of total	YoY change (%)	Plan	% of total	YoY change (%)
Net sales	13,456	100.0%	6,960	100.0%	+9.6%	15,000	100.0%	+11.5%
Domestic	8,927	66.3%	4,417	63.5%	+8.4%	9,310	62.1%	+4.3%
Overseas	4,528	33.7%	2,543	36.5%	+11.7%	5,690	37.9%	+25.6%
Operating profit	1,203	8.9%	330	4.7%	-24.4%	1,500	10.0%	+24.6%
Ordinary profit	1,139	8.5%	335	4.8%	-28.6%	1,505	10.0%	+32.1%
Profit attributable to owners of parent	825	6.1%	219	3.1%	-42.0%	1,020	6.8%	+23.5%
Basic earnings per share	¥63.93		¥17.02			¥78.88		

\*Consolidated Performance Forecast out on May 12, 2023

	Risks	Opportunities
Domestic	<ul style="list-style-type: none"> <li>● Surge in raw material and commodity prices</li> <li>● Financial instability in US and Europe</li> <li>● Fluctuating forex</li> <li>● Fears of economic slowdown</li> </ul>	<ul style="list-style-type: none"> <li>● Rise in consumer spending as restrictions on movement eased</li> <li>● Increase in inbound demand</li> <li>● Serious labor shortage</li> </ul>
Overseas		<ul style="list-style-type: none"> <li>● Increasing popularity of Japanese food</li> <li>● Japanese companies' overseas expansion</li> <li>● Sharply higher labor costs</li> </ul>





**Japanese companies stepping up overseas expansion**

Expanding beyond East Asia and Southeast Asia, to North America and Europe as well

**Conveyor belt sushi**



**Gyudon (beef bowl)**



**Convenience stores**



**Supermarkets**



**Ramen**



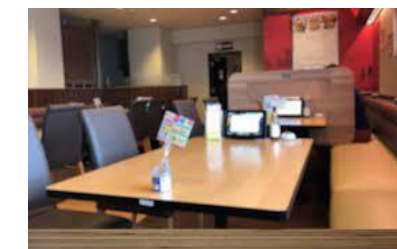
**Yakiniku**



**Izakaya**

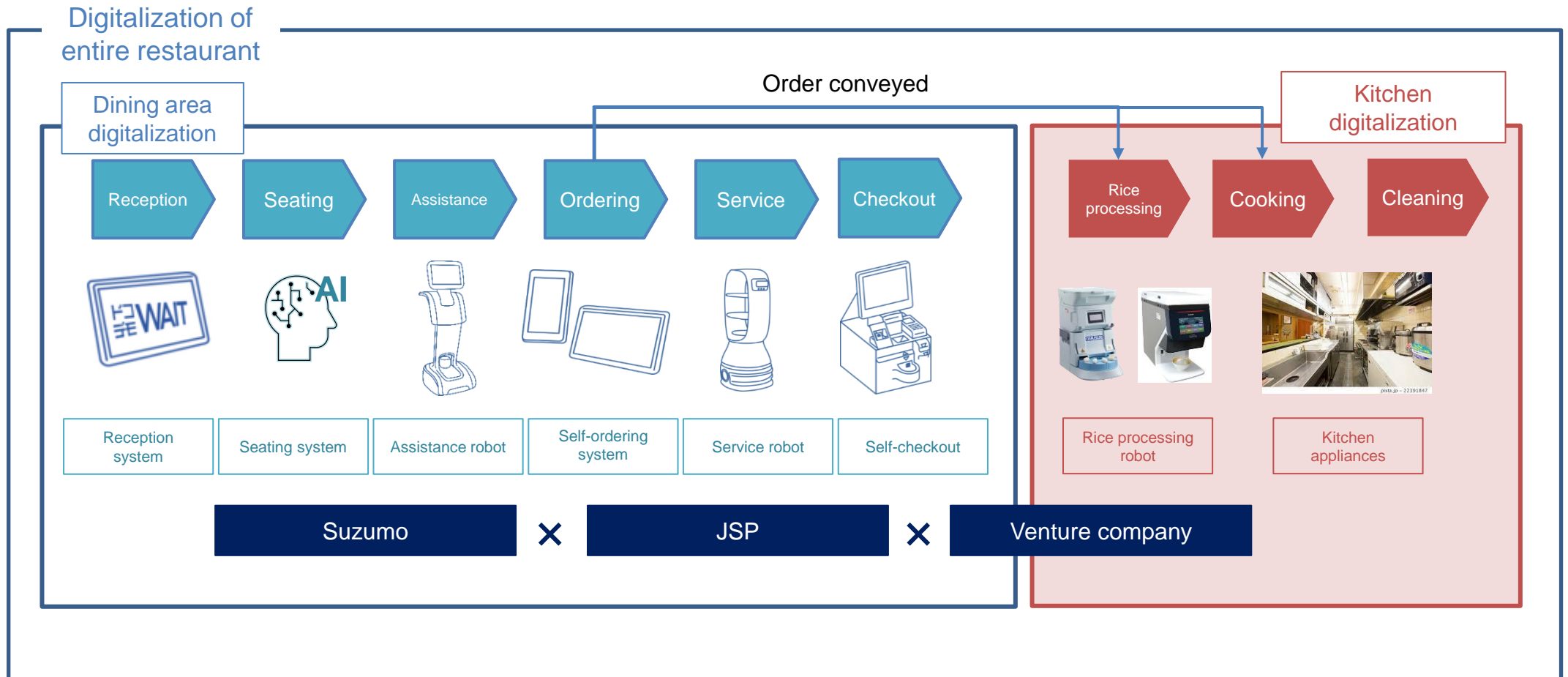


**Family restaurants**



**In search of new growth markets, restaurant and retail customers also are expanding overseas, or considering doing so**

## Propose and develop labor-saving and cost-saving solutions for entire restaurant



	Annual dividends			Payout ratio
	2nd quarter-end	Year-end	Total	
FY03/22*	¥0	¥40	¥40	24.1%
FY03/23	¥15	¥16	¥31	48.5%
FY03/24 (forecast)	¥15	¥16	¥31	39.3%

\* The Company split shares of common stock at a ratio of 2 for 1 on August 1, 2022. For the fiscal year ended March 2022, the actual dividend amount before the stock split is stated. For the fiscal year ended March 2023 and beyond, the dividend amount after the stock split is stated.

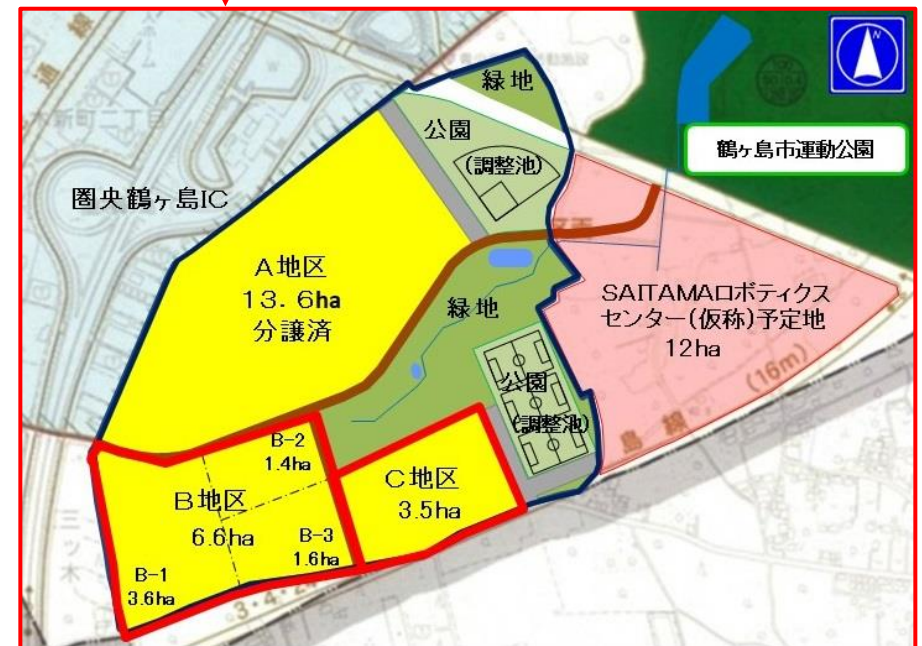
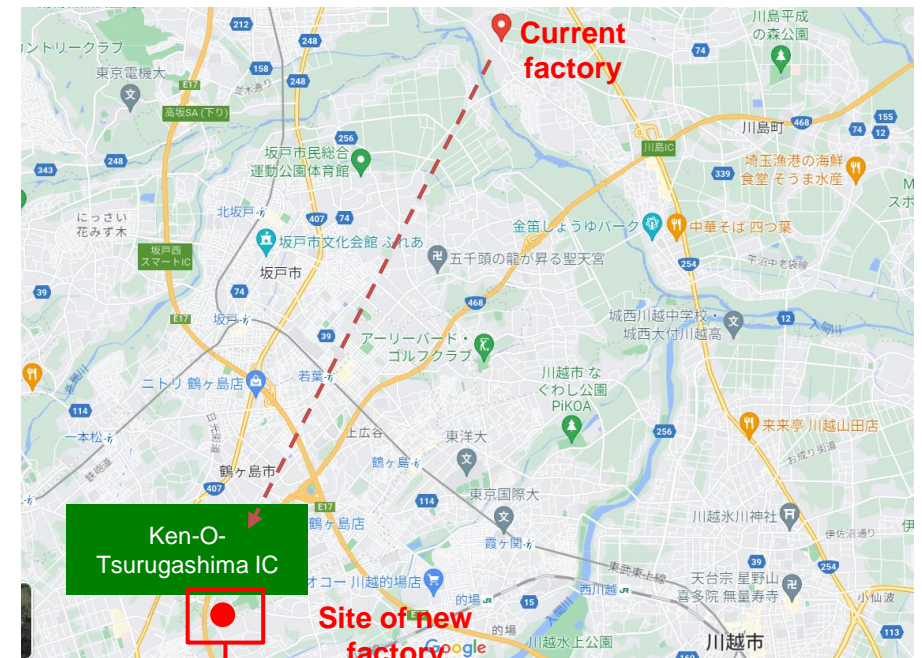
	Total payout ratio (Dividends and buy-backs)	No. of dividends
Shareholder return policies	30% or more	Two per year; with interim dividends

# 3.Update on Construction of New Factory

# Update on Construction of New Factory

Acquisition date	March 30, 2023
Location	Adjacent to Ken-O-Tsurugashima Interchange, Otagaya, Tsurugashima, Saitama Prefecture (B-1 area in map at right)
Site area	36,137.78 m <sup>2</sup>
Acquisition price	JPY2,497mn
Financing	Using company's own funds
Scheduled startup	By end-FY03/26

\* On March 23, 2023, the company issued a "Notice Concerning the Acquisition of a Fixed Asset (Factory Site)".





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

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