

# SUZUMO REPORT

61st Fiscal Year

April 1, 2020 to March 31, 2021

## Index

Top message ..... P.01  
Overview of the 61st fiscal year  
and future prospects

TOPICS ..... P.05

NEWS ..... P.07

Financial highlights ..... P.08



Top message

# Overview of the 61st fiscal year and future prospects

**President, Representative Director  
Minako Suzuki**



**Looking back on this fiscal year, which began with the spread of the COVID-19 pandemic**

With various restrictions on daily life and the shortage of medical care continuing, and even though vaccinations have begun, with no end in sight to the spread of the COVID-19, we can only hope for a speedy resolution.

The 61st fiscal year began with the spread of the COVID-19.

In particular, from April to June last year, the situation continued to be uncertain, and the impact on the food service industry, which is one of our customers, continued to grow, with the first declaration of a state of emergency being issued. Amidst this, in the first half of the year, new services and businesses were created to match the new lifestyle of social distancing and avoiding contact with other people, and the values of consumers also changed significantly.

In the second half of the year, as economic activity gradually resumed, both in Japan and overseas, the future direction of the economy was explored, and there was a move to resume capital investment, and the business environment for our company began to show signs of improvement.

**Responding to changes in the business environment, achieved record-high consolidated sales**

This fiscal year, we were able to achieve our highest ever consolidated sales in this business environment affected by the COVID-19 pandemic.

Domestic sales increased by 7.7% compared to the previous year, significantly exceeding the previous year's results. Despite the challenging business environment, as supermarket performance grew, demand for machine replacement and expansion increased, contributing to business expansion. Another factor was the rapid recovery of the conveyor belt sushi industry in the food service industry. In addition to infection control measures and menu innovations, there was a particularly significant increase in demand for take-out and delivery, and there was a rise in demand for Sushi Machines and machines that can be used for take-out and delivery.

Overseas sales increased by 1.8% compared to the previous year, and we also achieved a higher level than the previous year. Overseas, there were much stricter restrictions than in Japan, such as lockdowns, and it was not possible to travel overseas on business. In this situation, there was a significant increase in demand for takeout and delivery in place of eat-in demand overseas as well. In particular, sushi is a type of Japanese food that is well known overseas, and we saw a trend where businesses that had not previously handled it added it to their delivery menus. We believe that this led to the introduction of our machines.

Despite the restrictions on our activities, selling, general administrative expenses were on a par with last year, and as a result of reduced promotional expenses due to factors such as a decrease in travel expenses associated with the restrictions on activities and the cancellation or downsizing of exhibitions, the operating profit margin recovered to a level close to 10%, at 9.6%.

## The existence and role of SUZUMO in the wake of the COVID-19 pandemic

What I realized once again in the wake of the COVID-19 pandemic was that our business is an essential one, and that it is a business that is needed by society. Even in the midst of the pandemic, people still want products that are delicious, safe, and convenient.

We believe that our role is to continue to find products and services that provide customers and end consumers with a sense of security and deliciousness. This fiscal year is the first year of the five-year medium-term management plan "Growth 2025" announced in November 2019, and although the COVID-19 pandemic has had a dampening effect, we feel that we have anticipated changes in the business environment and that business opportunities will expand.

Consolidated sales by domestic and overseas  
(Millions of yen, %)

	Fiscal year ending March 2020	Fiscal year ending March 2021	Rate of increase/ decrease
Domestic	6,748	7,264	+7.7%
Overseas	2,182	2,221	+1.8%
Total	8,930	9,486	+6.2%

## Initiatives for the future that incorporate new needs

There are new needs that have emerged in the wake of the COVID-19 pandemic. For example, there has been a rise in the demand for takeout and delivery services in the conveyor belt sushi industry. As customers' business models are changing, the trend towards strengthening takeout and delivery services is only accelerating. Our company is also focusing on the development and sales of machines that respond to this, and we feel that we will receive even more inquiries in the future.

In addition, there is an increasing need for the "Fuwarica" rice serving machine, and the self-service style of having diners serve their own rice is gradually becoming more widespread. In addition, the "Fuwarica" is a product that also contributes to reducing food loss, and we have heard that the actual introduction of self-service rice serving has reduced the amount of leftover food. As economic activity resumes in the future, we think that self-service rice serving will spread to all types of food service, as well as to hotels, family restaurants, company cafeterias, and school cafeterias.

## With "Fuwarica" at the core, promoting business activities to popularize rice meals

On April 20 and 21, we held our own exhibition, the "SUZUMO Fair Tokyo", while taking sufficient infection control measures and avoiding close contact. Despite the

fact that we had limited the number of visitors by advance reservation, we were able to welcome many customers. In particular, the new regular type of the "Fuwarica" product attracted the interest of many customers and received a great deal of attention. This is a large-capacity version of the stylish and compact model that was launched last year, and is designed for customers who expect to serve a certain number of meals. We believe that "Fuwarica" will become a product with a market scale that is equal to or even larger than our Sushi Machine. In the future, we would like to make proposals that will enable it to be used in a variety of situations. At the SUZUMO Fair, we also announced a new product for overseas markets: the sheet-feeding seaweed-roll robot. As a company that delivers delicious food both in Japan and overseas, we want to focus on disseminating information.

## Promoting new initiatives with the theme of "creation"

When considering future business growth, we believe it is important to create new markets and products. Therefore, our theme for the 62nd fiscal year and beyond is "creation". Under this theme, we will be promoting new initiatives from three different perspectives.

The first is "customer creation". As we promote self-service rice serving, we will expand our sales channels from the current focus on rice bowl chains to include family restaurants, hotels, hospitals, nursing care facilities, bento shops, company cafeterias, and school cafeterias. The

second is "market creation". In overseas markets, where open kitchens that can be seen by general customers are standard, we will develop new markets with products that match the needs of the market. The third is "new business creation". As a new initiative, we have collaborated with RT, a company that develops and manufactures humanoid collaborative robots. We have also launched several new product development projects within the company, and are promoting new product development across departments. We will invest in collaboration and growth with these new customers, products, and businesses, not only using internal resources, but also leveraging external resources.

### Strengthening governance to respond to changes in the business environment and achieve business growth

In the midst of major environmental changes, there is a need for quick and strategic decision-making and sound monitoring functions. To this end, we have introduced an executive officer system to clarify the roles of supervision and execution, swiftly execute operations, delegate authority, and strengthen the execution of business operations. We will continue to approach management with a management system that balances accurate and quick decision-making and monitoring. At the same time, we have also introduced a restricted stock grant plan for directors and executive officers to further align our perspectives and values with those of our shareholders.



### SUZUMO's unchanging stance: continuing to deliver the "deliciousness" of food

We recognize that the changes in the environment surrounding food actually began before the COVID-19 pandemic. How can we incorporate the SDGs, food loss issues, and other issues related to a sustainable social environment into our business activities? The world has started to focus on the "food world" as a trend, and we feel that this trend and way of thinking has spread even further due to the COVID-19 pandemic.

This has been a year in which we have realized that we are needed by our customers, but at the same time, we have become even more determined to provide "delicious, safe, and convenient" products to as many customers as possible, and ultimately to all end consumers. From next fiscal year onwards, we will renew our resolve, respond to change, and take action to anticipate change, and we will take on new challenges to achieve our medium-term management plan, "Growth 2025".

## New product information: Rice Sheet Machine for overseas markets

With its stylish body and wide range of functions, it boosts work efficiency dramatically

Among sushi dishes, seaweed rolls and rolls are very popular overseas. This product was developed in response to the needs of overseas customers who wanted to make them easily



and beautifully, as the process of evenly spreading the rice is very difficult. It was released as a compact, simple product based on the concept of "leaving the difficult processes to the machine, while retaining the handmade feel". The length, thickness

and density can be set freely, and it supports three patterns: thick rolls, medium rolls and thin rolls. It can also automatically continuously feed sheets, and it supports not only warm rice but also cold rice, so you can set it freely to suit your preferences. The most important feature is its stylish appearance. The body is navy blue to evoke the sea, and the front features traditional Japanese patterns. Despite its compact size, it can hold about 10kg of rice, which is more than previous models.

In addition, as awareness of hygiene increases, we are developing an application that allows you to operate it with a tablet instead of an LCD touch panel.



## Development: Humanoid collaborative robot



The ingredients are precisely placed on the dried seaweed, and the rolled sushi roll is gently grasped and moved onto the next step.

Collaboration between RT's "humanoid collaborative robot" and our "Roll Sushi Machine"

As one of our new initiatives, we have announced a product developed in collaboration with another company. We have combined our Roll Sushi Machine with "Foodly", a humanoid collaborative robot developed by RT, a company that develops humanoid robots that combine cutting-edge IT and robotics

## New product information: Fuwarica full model change



### The popular Fuwarica series now has a new high-performance regular type

The "Fuwarica" rice serving machine, which is used in a variety of settings including hotel buffets, restaurants, cafes and set meal shops, has been upgraded and is now available.

We have announced a large-capacity version of the compact type that was released last year and was very well received. The design has been completely changed to match open kitchens and

technology, and have taken a step towards a future where humans and robots work together.

This product is designed with food safety and human safety in mind, so you can work alongside it with peace of mind. It also has casters, so it's easy to move around. With its charming appearance and movements, it's also a great way to appeal to customers in open kitchens.

In the wake of the COVID-19 pandemic, there has been a significant change in attitudes towards labor saving and hygiene.

stylish interior spaces, eliminating the industrial feel of machines used in the kitchen. While retaining the strengths of the Fuwarica series, such as "speedy and accurate rice measuring and serving with the touch of a button", it also comes with features such as a heat retention function that keeps the rice fresh and fluffy, and an LED lamp that allows you to check the remaining amount of rice even from a distance. In addition, the auxiliary hopper makes it easy to add more rice, and the parts are easy to remove, so cleaning and maintenance are hassle-free.

The stores that have tested the system have received positive feedback from customers, who have praised the convenience of being able to choose the amount of rice they want with the touch of a button, even when they have only one hand free.

There is no need to open and close the lid like a jar, and there is no need for a rice paddle, so it is hygienic.

Fuwarica is a strong partner that supports food safety and security.



The LCD panel on the front allows you to perform operations such as weighing and error handling. It is also useful in case the instruction manual gets lost.

We are pursuing the potential of humanoid collaborative robots to meet a number of needs, including solving labor shortages, reducing workloads, improving hygiene, preventing the spread of infectious diseases, and saving space. We are actively working to solve the various issues faced by the food service and home meal replacement industries.

# Strengthening corporate governance

## Introduction of an executive officer system

The plan was introduced to focus the roles of directors and the board of directors on the decision-making of management policies and the supervision of management, and to respond quickly and flexibly to changes in the business environment. The plan aims to strengthen the governance system by clarifying the responsibilities of executive officers for the execution of their duties and separating supervision from execution.

## Introduction of a restricted stock grant plan for directors

The plan was introduced to provide an incentive for the Company's directors (excluding outside directors) to work toward sustainable improvement in corporate value, and to promote the sharing of value with shareholders.

## Board members after June 29, 2021

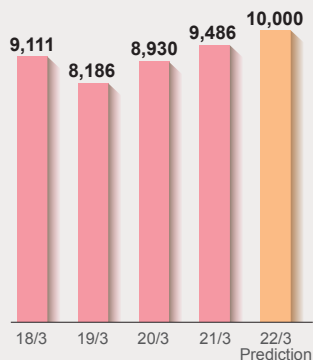
Job title	Name
President, Representative Director	Minako Suzuki
Director, Senior managing executive officer	Toru Taniguchi
Director (Outside)	Masami Takahashi
Director (Outside)	Akio Takahashi
Director (Outside)	Yasushi Hashimoto
Audit & Supervisory Board Member (Outside)	Kazuhiko Segawa
Corporate auditor (Outside)	Kimioki Usa
Corporate auditor (Outside)	Junya Murai
Executive officer, General manager of sales division	Kenji Nakamura
Executive officer, General manager of overseas business division	Yasuhiro Murase
Executive officer, General manager of production division	Toshio Kanai
Executive officer, General manager of administration division	Toru Shiga
Executive officer, General manager of business planning division	Kazunori Akita



## Sales (Millions of yen)

**9,486** million yen

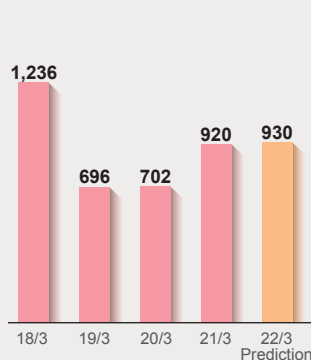
6.2% increase from previous fiscal year



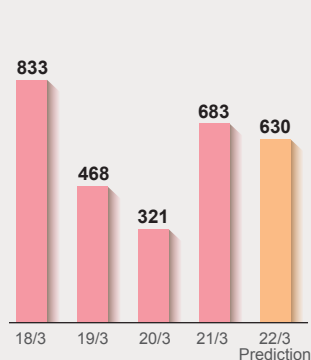
## Ordinary profit (Millions of yen)

**920** million yen

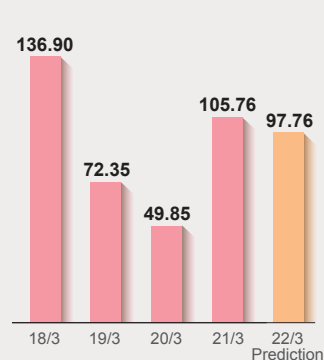
31.1% increase from previous fiscal year

Profit attributable (Millions of yen)  
to owners of paren**683** million yen

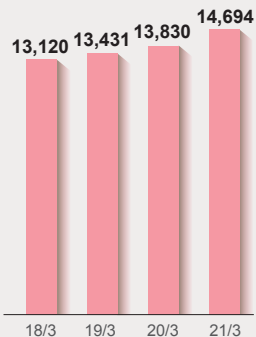
112.4% increase from previous fiscal year



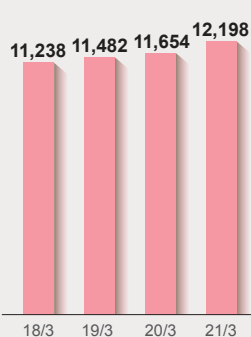
## Earnings per share (Yen)

**105.76** yen

## Total assets (Millions of yen)

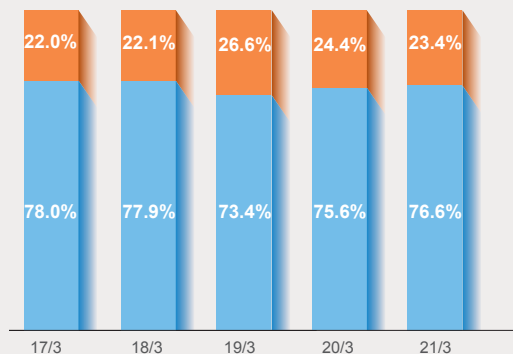
**14,694** million yen

## Net assets (Millions of yen)

**12,198** million yen

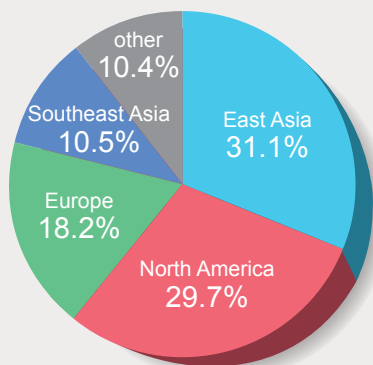
## Domestic and overseas sales ratio

Overseas  
Domestic

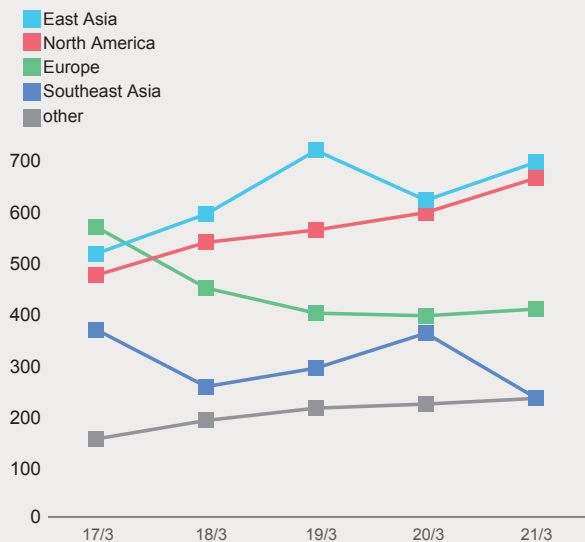


## Financial highlights

### Overseas sales ratio by region



### Overseas sales trends by region (Millions of yen)



Overview of the consolidated  
financials statements

## Overview of the consolidated financials statements

\*Amounts less than one million yen are rounded downs

### Consolidated balance sheet

(Millions of yen)

Subjects	Current period	Previous period
	As of March 31, 2021	As of March 31, 2020
<b>Assets</b>		
Current assets	10,568	9,753
Cash and deposits	7,342	6,603
Notes and accounts receivable	1,321	1,256
Electronically recorded monetary claims	16	0
Inventories	1,801	1,808
other	85	84
Non-current assets	4,125	4,076
<b>Total assets</b>	<b>14,694</b>	<b>13,830</b>
<b>Liabilities</b>		
Current liabilities	1,382	1,110
Non-current liabilities	1,114	1,064
<b>Total liabilities</b>	<b>2,496</b>	<b>2,175</b>
<b>Net assets</b>		
Shareholders' equity	12,246	11,722
Accumulated other comprehensive income	-62	-80
Minority interests	14	13
<b>Total net assets</b>	<b>12,198</b>	<b>11,654</b>
<b>Total liabilities and net assets</b>	<b>14,694</b>	<b>13,830</b>

### Consolidated statement of income

(Millions of yen)

Subjects	Current period	Previous period
	April 1 2020 - March 31 2021	April 1 2019 - March 31 2020
Net sales	9,486	8,930
Operating profit	919	765
Ordinary profit	920	702
Profit attributable to owners of parent	683	321

### Consolidated statement of cash flows

(Millions of yen)

Subjects	Current period	Previous period
	April 1 2020 - March 31 2021	April 1 2019 - March 31 2020
Cash flows from operating activities	1,245	660
Cash flows from investing activities	-344	-356
Cash flows from financing activities	-184	-275
Effect of exchange rate changes on cash and cash equivalents	-21	-3
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>695</b>	<b>25</b>
Cash and cash equivalents at beginning of period	6,603	6,503
Increase in cash and cash equivalents resulting from new consolidation		75
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	43	
<b>Cash and cash equivalents at end of period</b>	<b>7,342</b>	<b>6,603</b>

## Company Information (As of March 31, 2021)

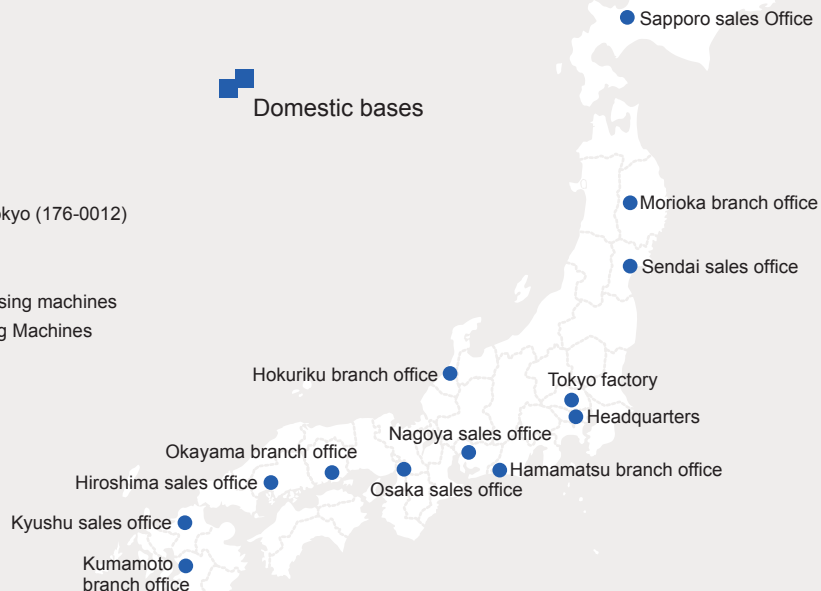
Trade name	Suzumo Machinery Co., Ltd.
Established	January 13, 1961
Headquarters	2-23-2, Toyotamakita, Nerima-ku, Tokyo (176-0012) +81-3-3993-1371 (main number)
Capital	1,154,418 thousand yen
Business Contents	Manufacture and sale of rice processing machines such as Sushi Machines and Serving Machines
Number of Employees	401 (as of the end of March 2021)
URL	<a href="https://www.suzumo.co.jp/">https://www.suzumo.co.jp/</a>

## Directors and Corporate Auditors

(As of June 29, 2021)

Status	Name	Responsibilities and important concurrent positions
President, Representative Director	Minako Suzuki	
Director, Senior managing executive officer	Toru Taniguchi	
Outside director	Masami Takahashi	President, Representative Director of Royal Medical Club Co., Ltd. / Director of Eco's Co., Ltd.
Outside director	Akio Takahashi	Outside director of Biomass Fuel Co., Ltd. / Outside director of MTG Co., Ltd.
Outside director	Yasushi Hashimoto	Outside director of Kyoto Kimono Yuzen Co., Ltd. / Representative partner of Bridge Partners LLC
Audit & Supervisory Board Member	Kazuhiko Segawa	
Outside Audit & Supervisory Board Member	Kimioki Usa	
Outside Audit & Supervisory Board Member	Junya Murai	Murai Law and Accounting Office Lawyer

## Domestic bases



## Overseas network



## Stock status

(As of March 31, 2021)

**Total number of authorized shares**..... **16,000,000**

**Total number of issued shares** ..... **6,480,000**

**Number of shareholders** ..... **2,298**

**Number of shares per unit** ..... **100**

### Major shareholders

Name	Number of shares held	Equity ownership
Setsuko Suzuki	1,300,240	20.18%
GULF JAPAN 1	867,300	13.46%
Minako Suzuki	813,000	12.62%
Akiko Suzuki	813,000	12.62%
NORTHERN TRUST CO.(AVFC) RE-HCR00	423,600	6.57%
Suzumo Machinery Trading Partners Shareholding Association	297,040	4.61%
The Master Trust Bank of Japan, Ltd.	145,800	2.26%
Tachibana Securities Co., Ltd.	120,100	1.86%
BNYM RE BNYMLB RE GPP CLIENT MONEY AND ASSETS AC	98,500	1.53%
Custody Bank of Japan, Ltd.	95,800	1.49%

(Note 1) Equity ownership is rounded to two decimal places.

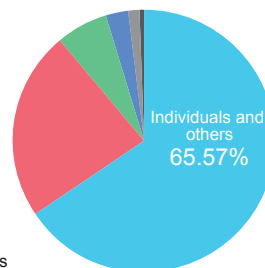
(Note 2) Equity ownership is calculated excluding treasury stock (35,598 shares).

## Shareholder memo

Fiscal year	From April 1 to March 31 of the following year
Reference date	March 31
Ordinary general meeting of shareholders	Every June
Account management institution of shareholder registry administrator special account	Mitsubishi UFJ Trust and Banking Corporation
Contact details	Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department 1-1, Nikko-cho, Fuchu-shi, Tokyo +81-120-232-711 Mailing address 137-8081 Shin-Tokyo Post Office P.O. Box No. 29 Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department
Listed market	Tokyo Stock Exchange (JASDAQ market) Electronic announcement ( <a href="https://www.suzumo.co.jp/ir/">https://www.suzumo.co.jp/ir/</a> )
Method of announcement	However, if an electronic announcement is not possible due to an accident or other unavoidable reason, the announcement will be published in the Nihon Keizai Shimbun.

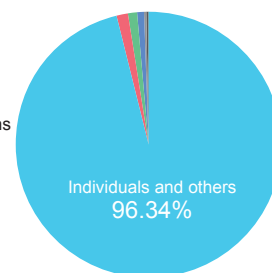
## Number of shares by owner

Treasury stock	0.55%
Foreign corporations, etc.	23.52%
Financial institutions	6.38%
Financial instruments business operator	2.67%
Other domestic corporations	1.31%



## Shareholder distribution status by owner

Treasury stock	0.04%
Foreign corporations, etc.	1.22%
Other domestic corporations	1.31%
Financial instruments business operator	0.83%
Financial institutions	0.26%



### ● Notices

#### 1. Notices on various procedures

(1) In principle, any changes to shareholders' addresses, requests for purchase, or other various procedures are to be handled by the account management institution (brokerage firm, etc.) where the account was opened. Please contact the brokerage firm, etc. where the account was opened. Please note that the shareholder register administrator (Mitsubishi UFJ Trust and Banking Corporation) cannot handle these matters.

(2) To designate a bank account for dividend payments, please submit the "Dividend Payment Transfer Designation Form" via your account management institution. For more information on the procedure for designating a bank account for dividend payments, please contact your account management institution.

(3) For various procedures related to shares recorded in special accounts, please contact Mitsubishi UFJ Trust and Banking Corporation, the account management institution for special accounts, as it is the account management institution for special accounts. In addition, each branch of Mitsubishi UFJ Trust and Banking Corporation nationwide will also handle your inquiries.

(4) For dividends that have not been received, payment will be made at the head office and branches of Mitsubishi UFJ Trust and Banking Corporation.

#### 2. Statement of Year-End Dividend

As with shareholders who have designated a bank account for dividend payments, a "Statement of Year-End Dividend" is also enclosed for shareholders who receive dividends by "Year-End Dividend Receipt". This can be used as a reference document after you have received your dividend.



## Suzumo Machinery Co., Ltd.

2-23-2, Toyotamakita, Nerima-ku, Tokyo (176-0012)

+81-3-3993-1371 (main number)

URL: <https://www.suzumo.co.jp/>