

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

February 14, 2025

Company name: Suzumo Machinery Co., Ltd.
 Listing: Tokyo Stock Exchange
 Stock code: 6405
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 Scheduled date for dividend payment: —
 Supplementary materials for 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 nine months ended December 31, 2024 (April 1, 2024 to December 31, 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	%
Nine months ended								
December 31, 2024	12,062	14.5	1,727	82.8	1,733	77.5	1,237	89.3
December 31, 2023	10,535	5.0	945	12.2	976	26.1	653	19.1

(Note) Comprehensive income: Nine months ended December 31, 2024: 1,268 million yen (49.9%)

Nine months ended December 31, 2023: 846 million yen (16.8%)

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	95.67	—
December 31, 2023	50.56	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	19,481	15,451	79.1
March 31, 2024	18,201	14,580	79.9

(Reference) Shareholders' equity: As of December 31, 2024: 15,412 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	Yen	Yen	Yen
	—	15.00	—	17.00	32.00
Fiscal year ending March 31, 2025	—	15.00	—	—	—
Fiscal year ending March 31, 2025 (forecast)	—	—	—	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
Full-year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	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 financial statements: Yes

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

December 31, 2024: 12,960,000 shares

March 31, 2024: 12,960,000 shares

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

December 31, 2024: 20,569 shares

March 31, 2024: 30,180 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 12,935,771 shares

Nine months ended December 31, 2023: 12,929,509 shares

* 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 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 attached materials.

Contents of Attached Materials

1. Summary of Business Results.....	2
(1) Summary of Business Results for the First Nine Months of the Fiscal Year Ending March 31, 2025	2
(2) Summary of Financial Condition for the First Nine Months of the Fiscal Year Ending March 31, 2025	3
(3) Explanation of Consolidated Financial Earnings Forecast and Other Forward-Looking Information	3
2. 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 Consolidated Financial Statements.....	8
(Changes in accounting policies)	8
(Changes in accounting estimates)	8
(Application of special accounting treatment in preparing 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)	9

1. Summary of Business Results

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

In the first nine months of the fiscal year ending March 31, 2025 (April 1, 2024–December 31, 2024), the Japanese economy was on a gradual recovery path, supported by an improved employment and income environment and rising inbound demand, despite stagnation in some areas. On the other hand, the outlook remains uncertain due to downside risks in overseas economies, including monetary tightening, particularly in Europe and the U.S., and concerns about the Chinese economic outlook; policies of the new U.S. administration; rising raw material and energy prices; and instability in the Middle East.

In this environment, during the nine months under review, the shift toward mechanization and labor-saving in the restaurant and retail industries continued, and demand for our products 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, demand for our products 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 demand for sushi robots remained strong due to new store openings by supermarket chains, sales declined as replacement demand from major conveyor belt sushi chains subsided. Meanwhile, demand for our Fuwarica rice serving machines grew, backed by replacement demand mainly from major chain operators in the restaurant and cafeteria sector, as well as demand associated with new store openings. The effects of price revisions also contributed to a year-on-year increase in domestic sales.

Overseas, while uncertainties continue against the backdrop of inflation, monetary tightening, and prolonged geopolitical risks in Ukraine and the Middle East, demand for our products has grown owing to overseas expansion by an increasing number of Japanese companies in the restaurant and retail industries, the ongoing shift toward labor-saving due to the worsening labor shortage and rising labor costs, and the growing popularity of Japanese food. By region, sales in East and Southeast Asia remained largely unchanged year on year, as sales of large-scale machines for food factories in Mongolia, driven by rising rice consumption, offset the continued impact of China's economic slowdown, which led businesses to cancel or postpone capital investment plans. In North America, demand for our products continued to expand due to the popularity of Japanese food, the accelerated expansion of Japanese companies into the region, and the strong momentum in mechanization and labor-saving. The adoption of our sushi robots by a major supermarket chain for in-store meal preparation, starting from the third quarter of the fiscal year under review, also contributed to increased demand. In Europe, although soaring energy prices and supply concerns caused by the situation in Ukraine continued to impact businesses, demand for our products has recovered, aided by efforts since the previous fiscal year to tap into demand from local businesses and support sales agencies. As in Japan, the effects of price revisions contributed to year-on-year growth in overseas sales.

As a result, net sales for the nine months ended December 31, 2024 totaled 12,062 million yen (+14.5% YoY). Of the total net sales, domestic sales accounted for 8,221 million yen (+9.6% YoY) and overseas sales 3,841 million yen (+26.5% YoY).

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

	Nine months ended December 31, 2023		Nine months ended December 31, 2024		Amount of change	Percentage change
	Millions of yen	% of net sales	Millions of yen	% of net sales	Millions of yen	%
Net sales	10,535	100.0	12,062	100.0	1,527	14.5
Domestic	7,498	71.2	8,221	68.2	723	9.6
Overseas	3,037	28.8	3,841	31.8	803	26.5
Gross profit	4,976	47.2	6,155	51.0	1,179	23.7

Operating profit	945	9.0	1,727	14.3	782	82.8
Ordinary profit	976	9.3	1,733	14.4	756	77.5
Profit attributable to owners of parent	653	6.2	1,237	10.3	583	89.3

Gross profit rose to 6,155 million yen (+23.7% YoY) owing to the increase in net sales and the effects of price revisions. Operating profit climbed to 1,727 million yen (+82.8% YoY), supported by the rise in gross profit despite higher SG&A expenses. The increase in SG&A expenses was due to higher personnel expenses resulting from new hires associated with business expansion and base salary increases; increased R&D expenses for new products and businesses; increased packing and transportation costs driven by higher overseas sales; higher travel and transportation expenses related to market research and enhanced engagement with local businesses to capture overseas market demand; higher amortization expenses following the replacement of the core system in the previous fiscal year; and rising costs at overseas subsidiaries due to the depreciation of the yen. Ordinary profit grew to 1,733 million yen (+77.5% YoY). Profit attributable to owners of parent increased to 1,237 million yen (+89.3% YoY), primarily due to the recording of an extraordinary gain of 25 million yen on the sale of a portion of the business of consolidated subsidiary Japan System Project Co., Ltd. in the three months ended June 30, 2024.

(2) Summary of Financial Condition for the First Nine Months of the Fiscal Year Ending March 31, 2025

(Assets)

Total assets as of December 31, 2024 were up 1,280 million yen from March 31, 2024 to 19,481 million yen. This was mainly due to increases of 1,085 million yen in construction in progress and 205 million yen in accounts receivable–trade.

(Liabilities)

Liabilities as of December 31, 2024 were up 409 million yen from March 31, 2024 to 4,030 million yen. This primarily reflected increases of 182 million yen in accrued expenses included in other current liabilities and 168 million yen in advances received.

(Net assets)

Net assets as of December 31, 2024 were up 870 million yen from March 31, 2024 to 15,451 million yen. This was mainly attributable to a 1,237 million yen increase due to the recording of profit attributable to owners of parent, partially offset by a 413 million yen decrease in retained earnings due to dividend payments.

(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 consolidated forecast figures remain unchanged from those announced on May 13, 2024.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	Fiscal year ended March 31, 2024 (as of March 31, 2024)	Nine months ended December 31, 2024 (as of December 31, 2024)
Assets		
Current assets		
Cash and deposits	6,017,416	5,373,861
Notes and accounts receivable - trade	1,542,113	1,824,057
Electronically recorded monetary claims - operating	311,653	502,556
Inventories	2,562,521	2,750,605
Other	267,105	436,358
Allowance for doubtful accounts	(8,136)	—
Total current assets	10,692,674	10,887,438
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,001,638	1,934,012
Land	3,522,922	3,522,922
Construction in progress	5,590	1,090,943
Other, net	454,814	516,429
Total property, plant and equipment	5,984,965	7,064,308
Intangible assets		
Software	532,713	480,324
Other	6,385	14,930
Total intangible assets	539,098	495,255
Investments and other assets		
Investment securities	47,349	51,239
Deferred tax assets	673,244	724,855
Other	272,153	266,402
Allowance for doubtful accounts	(7,680)	(7,680)
Total investments and other assets	985,067	1,034,817
Total non-current assets	7,509,132	8,594,380
Total assets	18,201,806	19,481,819

	(Thousands of yen)	
	Fiscal year ended March 31, 2024 (as of March 31, 2024)	Nine months ended December 31, 2024 (as of December 31, 2024)
Liabilities		
Current liabilities		
Accounts payable – trade	571,231	731,805
Current portion of long-term borrowings	56,109	54,121
Income taxes payable	289,024	308,635
Provision for bonuses	221,888	123,254
Other	868,681	1,150,171
Total current liabilities	2,006,935	2,367,987
Non-current liabilities		
Long-term borrowings	153,860	114,079
Provision for retirement benefits for directors (and other officers)	3,720	4,350
Retirement benefit liability	1,208,389	1,270,699
Asset retirement obligations	150,315	151,313
Other	97,778	121,657
Total non-current liabilities	1,614,063	1,662,099
Total liabilities	3,620,998	4,030,087
Net assets		
Shareholders' equity		
Share capital	1,154,418	1,154,418
Capital surplus	1,001,696	1,013,545
Retained earnings	12,216,103	13,039,770
Treasury shares	(15,975)	(9,498)
Total shareholders' equity	14,356,242	15,198,235
Accumulated other comprehensive income		
Foreign currency translation adjustment	269,954	279,592
Remeasurements of defined benefit plans	(80,204)	(65,004)
Total accumulated other comprehensive income	189,750	214,587
Non-controlling interests	34,814	38,908
Total net assets	14,580,807	15,451,732
Total liabilities and net assets	18,201,806	19,481,819

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

(Thousands of yen)

	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Net sales	10,535,626	12,062,740
Cost of sales	5,559,186	5,906,876
Gross profit	4,976,439	6,155,863
Selling, general and administrative expenses	4,031,404	4,427,911
Operating profit	945,035	1,727,951
Non-operating income		
Interest income	1,693	3,762
Dividend income	35	34
Foreign exchange gains	15,122	—
Share of profit of entities accounted for using equity method	5,613	16,177
Surrender value of insurance policies	8,000	—
Other	5,064	8,338
Total non-operating income	35,529	28,313
Non-operating expenses		
Interest expenses	3,069	4,211
Foreign exchange losses	—	18,450
Restricted stock-related expenses	852	285
Other	277	22
Total non-operating expenses	4,198	22,970
Ordinary profit	976,365	1,733,295
Extraordinary income		
Gain on sale of businesses	—	25,869
Total extraordinary income	—	25,869
Extraordinary losses		
Loss on sale of non-current assets	—	45
Loss on retirement of non-current assets	177	805
Impairment losses	28,644	—
Total extraordinary losses	28,822	850
Profit before income taxes	947,543	1,758,313
Income taxes	288,908	515,423
Profit	658,635	1,242,890
Profit attributable to non-controlling interests	4,943	5,309
Profit attributable to owners of parent	653,691	1,237,580

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Profit	658,635	1,242,890
Other comprehensive income		
Foreign currency translation adjustment	167,350	10,572
Remeasurements of defined benefit plans, net of tax	15,543	15,199
Share of other comprehensive income of entities accounted for using equity method	4,776	275
Total other comprehensive income	187,670	26,048
Comprehensive income	846,305	1,268,938
(Breakdown)		
Comprehensive income attributable to owners of parent	838,370	1,262,417
Comprehensive income attributable to non-controlling interests	7,935	6,520

(3) Notes to 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 fiscal year under review.

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 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 beginning of the first quarter of the fiscal year under review. As a result of this change, gross profit, operating profit, ordinary profit, and profit before income taxes in the nine months ended December 31, 2024 each increased by 43,844 thousand yen, compared with the previous method.

(Application of special accounting treatment in preparing financial statements)

(Calculation of tax expenses)

We have adopted the method of rationally estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year. The estimated effective tax rate is then applied to quarterly profit before income taxes to calculate tax expenses. 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)

We have not prepared a consolidated statement of cash flows for the nine months ended December 31, 2024. Depreciation (including amortization of intangible assets, excluding goodwill) and goodwill amortization for the nine-month period are as follows.

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	338,911,000	328,656,000
Goodwill amortization	4,406,000	—