

SUZUMO REPORT

65th Fiscal Year

April 1, 2024 to September 30, 2024

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Overview of the first half of the 65th fiscal year and future prospects

President, Representative Director
Minako Suzuki

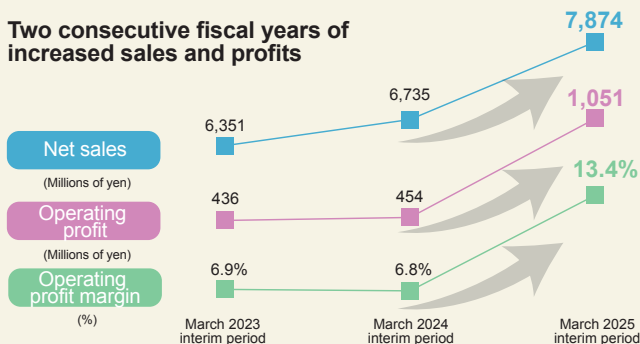


Looking back on the first half of the 65th term

In the first half of the 65th fiscal year, which ended in March 2025, we were able to achieve an increase in both revenue and profit.

Consolidated sales were 7,874 million yen, 16.9% higher than the previous fiscal year, and we have continued to achieve an increase in revenue for four consecutive terms. In terms of profit, operating income was 1,051 million yen, 131.1% higher than the previous fiscal year, and net income attributable to owners of the parent company was 794 million yen, 169.0% higher than the previous fiscal year, and both

Two consecutive fiscal years of increased sales and profits



sales and profits exceeded the initial plan announced on 13 May 2024.

Prospect for the second half of the fiscal year

On 18 September 2024, the consolidated forecast figures for the first half of the year ending 31 March 2025 were revised upwards, but the full-year plan is currently unchanged. This is due to the fact that sales, despite a tailwind in terms of demand, do not have a reliable outlook, and that some of the SG&A costs that were planned to be used in the first half of the year, such as research and development, recruitment and personnel costs, have been deferred to the second half of the year.

The following three points ((1) price revision, (2) expansion of overseas sales and (3) expansion of Fuwarica in Japan) were communicated at the financial results briefing for the year ended 31 March 2024, and the progress of the plan will be explained in line with these points.

(1) Price revision

From April 2024, we have increased product prices by 7-10% and service parts by 7-20%, both in Japan and overseas. With the understanding of our customers, we are generally making progress in line with our initial plan.

(2) Expansion of overseas sales

In the first half of the fiscal year, sales in Asia remained flat, while sales in Europe and the USA increased year-on-year. In Europe, although the impact on operators of energy

price hikes and supply concerns due to the crisis in Ukraine is continuing, the effects of the steady efforts to uncover demand from local operators and dealer support activities that have continued since travel restrictions were lifted the year before last have contributed to a recovery in sales, and we expect to see continued effects in the future. In North America, Japanese businesses continue to accelerate their expansion and Japanese food continues to spread, with the number of Sushi restaurants as well as Onigiri chain restaurants increasing due to the recent Onigiri (rice ball) boom. The increase in the number of such Japanese restaurants and the demand for high-quality Japanese food, combined with the trend towards mechanization in response to rising wages, means that the market is expected to grow further in the future.

(3) Expansion of Rice-Serving Machines (Fuwarica) in Japan

The fiscal year ended 31 March 2024 was a year in which Rice-Serving Machines (Fuwarica) in particular made great strides, and this trend continued in the first half of the current fiscal year, with an increase of 34.8% compared to the previous fiscal year. In addition to the expansion of the base in the restaurant sector, sales to supermarkets are also growing. An increasing number of businesses are offering in-store cooked Onigiri as a differentiation strategy, and this has led to an increase in enquiries for our Rice-Serving Machine (Fuwarica) and the rice ball option. We believe that this diverse range of needs will lead to further expansion in the future.

Status of new plant construction

As announced on 18 September this year, construction of a new plant in Tsurugashima will start in November. The total construction costs will amount to approximately JPY 2.7 billion, which is a very significant investment for the company. The new plant is scheduled to start operations in March 2026, and the effects of increased production capacity (more than double the current capacity) are expected to start contributing from the year ending 31 March 2027. The new plant will be used for the production of mainstay machines, which account for more than 70% of the company's sales, and the production system is planned to be changed from the current cell production system to a line production system with divided processes. We intend not only to increase production capacity, but also to reduce costs by improving productivity.



(Above)
Conceptual drawing of
the completion of the
new plant



(Left)
Ground-breaking
ceremony on
October 29 2024

SUZUMO Fair 2024 Tokyo

The "SUZUMO Fair" was held in Tokyo in October 2024. In this issue, we report on how we promoted the Group's strengths and changes to our customers.

-New products/new businesses-

AI-Powered Seating system ARESEA was launched at the same time as the exhibition. SUZUMO is working on solutions for the entire restaurant industry, and this is the first new

product to be released for halls. The system uses AI to automate the reception response and provide optimum seating allocation guidance, making it possible to guide customers to their tables in a flexible manner, just like experienced staff, according to the number of customers arriving at the restaurant, leading to a reduction in lost opportunities and improved restaurant operations. This year's exhibition was designed to resemble a real restaurant where visitors could experience ARESEA and get a feel for the new initiative.



A prototype of the "Automated Onigiri Production System (tentative name)", which is linked to Rice-Serving Machine (Fuwarica), was developed

and exhibited. Onigiri have become increasingly popular all over the world in recent years. As the desire to deliver delicious Onigiri to people all over the world overlapped with Zojirushi Corporation, we jointly developed this product. This product automates the entire process from ordering to levering, while the placing of ingredients and wrapping of the Onigiri are done by human operators. The system has also attracted the attention of visitors to the Osaka-Kansai Expo in 2025, as it is scheduled to be introduced at an Onigiri specialty restaurant operated by Zojirushi Corporation.

-Solution proposals/support for overseas expansion-

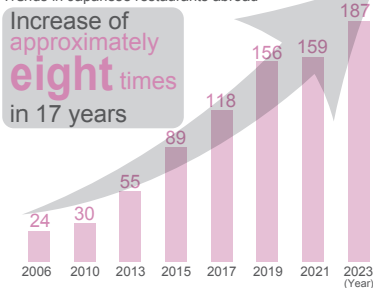


For customers in each business category, we offered "sales floor proposals" and "menu proposals". As an example, we proposed "Choice Sushi" to a customer in the sushi business category. This product, in collaboration with Techno Research, a company that handles top-sealing machinery for food packaging, individually packages

two pieces of one type of sushi, allowing consumers to select and purchase only the necessary amount of the ingredients they want to eat, which is expected to increase sales and reduce food loss. This solution proposal to solve the issues faced by restaurants was highly appreciated by the customers who visited the exhibition.

The number of Japanese restaurants is increasing year by year as Japanese food expands overseas, and Japanese companies are also accelerating their overseas expansion. In addition to Asia, where many Japanese companies have traditionally expanded, the number of Japanese restaurants is also increasing in the West, and we are working to support companies entering these markets by utilizing our global network based on our sales experience in more than 90 countries around the world. This time, through the provision of information on overseas business, SUZUMO has sought to build relationships with customers who have already entered the market, as well as those who are particularly at the stage of consideration.

(Thousands of restaurants)
Trends in Japanese restaurants abroad



(Source) Ministry of Agriculture, Forestry and Fisheries survey of Japanese restaurants overseas

The SUZUMO Group is working to realize solutions not only in the area of existing rice processing machinery, but also in the entire restaurant sector, and is attracting more and more attention from customers every year. In addition, the content of consultations is changing from machines to solutions for issues at restaurants, and the SUZUMO Group will continue to work towards creating new value.

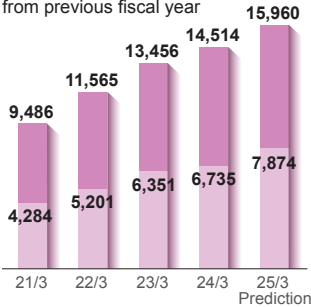
■ End of fiscal year
■ Interim

Financial highlights

Sales (Millions of yen)

7,874 million yen

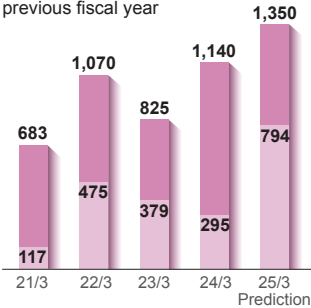
16.9% increase
from previous fiscal year



Profit attributable
to owners of parent (Millions of yen)

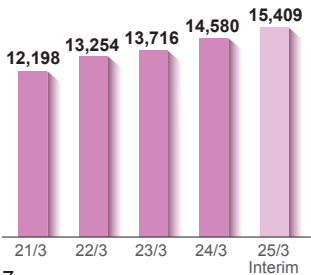
794 million yen

169.0% increase from
previous fiscal year



Net assets (Millions of yen)

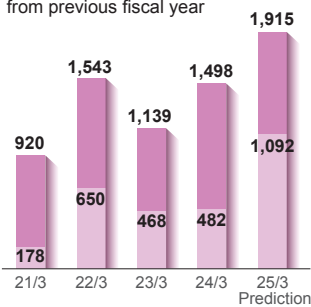
15,409 million yen



Ordinary profit (Millions of yen)

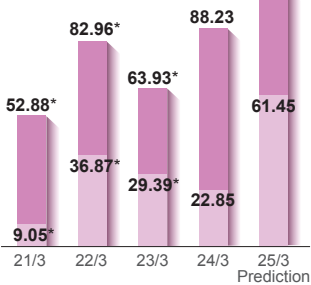
1,092 million yen

126.2% increase
from previous fiscal year



Earnings per share (Yen)

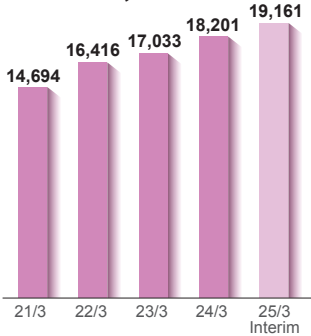
61.45 yen



*On 1 August 2022, the Company carried out a 2-for-1 share split of its ordinary shares. The net profit per share has been adjusted retrospectively to take account of this share split.

Total assets (Millions of yen)

19,161 million yen



Overview of the consolidated financials statements

*Amounts less than one million yen are rounded downs

Consolidated balance sheet

(Millions of yen)

Items	Previous period As of March 31, 2024	Second quarter of the current fiscal year As of September 30, 2024
Assets		
Current assets	10,692	11,643
Cash and deposits	6,017	6,761
Notes and accounts receivable	1,542	1,545
Electronically recorded monetary claims	311	422
Inventories	2,562	2,587
other	258	325
Non-current assets	7,509	7,517
Total assets	18,201	19,161
Liabilities		
Current liabilities	2,006	2,100
Non-current liabilities	1,614	1,651
Total liabilities	3,620	3,751
Net assets		
Shareholders' equity	14,356	14,949
Accumulated other comprehensive income	189	420
Minority interest	34	39
Total net assets	14,580	15,409
Total liabilities and net assets	18,201	19,161

Consolidated statement of income

(Millions of yen)

Items	First half of the previous fiscal year April 1 2023 - September 30 2023	First half of the current fiscal year April 1 2024 - September 30 2024
Net sales	6,735	7,874
Operating profit	454	1,051
Ordinary profit	482	1,092
Profit attributable to owners of parent	295	794

Consolidated statement of cash flows

(Millions of yen)

Items	First half of the previous fiscal year April 1 2023 - September 30 2023	First half of the current fiscal year April 1 2024 - September 30 2024
Cash flows from operating activities	715	954
Cash flows from investing activities	-769	-99
Cash flows from financing activities	-274	-270
Effect of exchange rate changes on cash and cash equivalents	68	159
Net increase (decrease) in cash and cash equivalents	-259	744
Cash and cash equivalents at beginning of period	4,865	6,017
Cash and cash equivalents at the end of the interim period	4,605	6,761



Company Information (As of September 30, 2024)

Trade name	Suzumo Machinery Co., Ltd.
Established	January 13, 1961
Headquarters	6th Floor, Nakano Central Park East, 4-10-1 Nakano, Nakano-ku, Tokyo 164-0001 +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	490 (as of the end of September 2024)
URL	https://www.suzumo.co.jp/



Directors and Corporate Auditors (As of September 30, 2024)

Status	Name	Responsibilities and important concurrent positions
President, Representative Director and Executive officer	Minako Suzuki	
Executive Vice President, Representative Director and Executive officer	Toru Taniguchi	
Director, Managing executive officer	Junko Koshino	Outside director of Rikei Corporation / Outside director of Kanto Denka Kogyo Co., Ltd.
Outside director	Masami Takahashi	President, Representative Director of Royal Medical Club Co., Ltd.
Outside director	Akio Takahashi	Outside director of Biomass Fuel Co., Ltd.
Outside director	Yasushi Hashimoto	Representative partner of Bridge Partners LLC
Audit & Supervisory Board Member	Jun Kono	
Outside Audit & Supervisory Board Member	Junya Murai	Murai Law and Accounting Office Lawyer and certified public accountant
Outside Audit & Supervisory Board Member	Takamasa Nakashima	Professor of Miss Paris Academy Professional University of Beauty & Wellness

●Notices

1. Notes 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

Stock status (As of September 30, 2024)

Total number of authorized shares **32,000,000**

Total number of issued shares **12,960,000**

Number of shareholders **6,221**

Number of shares per unit **100**

Major shareholders

Name	Number of shares held	Equity ownership
GULF JAPAN 1	1,797,000	13.89%
Minako Suzuki	1,626,000	12.57%
Akiko Suzuki	1,626,000	12.57%
AN Corporation LLC	1,237,480	9.56%
Suzumo Machinery Trading Partners Shareholding Association	635,980	4.91%
The Master Trust Bank of Japan, Ltd. (Trust account)	309,600	2.39%
Tachibana Securities Co., Ltd.	268,500	2.07%
Custody Bank of Japan, Ltd. (Trust account)	266,300	2.06%
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	203,900	1.58%
Shoji Iwamoto	200,000	1.55%

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

(Note 2) Equity ownership is calculated excluding treasury stock (19,598 shares).

Shareholder memo

Fiscal year	From April 1 to March 31 of the following year		
Reference date	Year-end dividend	March 31	
	Interim dividend	September 30	
	Ordinary general meeting of shareholders	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 (Standard market)		
Method of announcement	Electronic announcement (https://www.suzumo.co.jp/ir/) 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.		

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 Interim Dividend

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

Survey report

As a result of our request for your cooperation in the last issue of the SUZUMO

REPORT (end of the 64th term), we received many responses from our shareholders. Thank you very much for your cooperation.

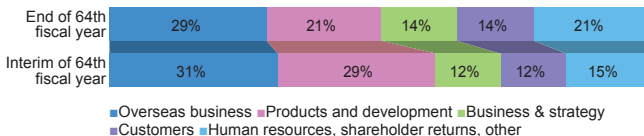
We will use your feedback to improve our future management.

The following are excerpts from the responses.

IR activities based on shareholder surveys

In the previous survey, there were many requests for special features on overseas business, products and development, and business and strategy. We have posted a comprehensive list of special features of SUZUMO Fair 2024 Tokyo.

Featured articles focusing on overseas business such as the previous one will be covered in the next report.



Opinions and requests (selected extracts)

- Would like to see a feature on the activities of our overseas business.
- Would like to see a feature on future business development and product development.
- Would like to know about the development of new businesses.
- I believe that the food service industry will continue to develop and that Onigiri will also increase its reputation around the world. Please develop products that contribute to labor-saving.



Suzumo Machinery Co., Ltd.

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