

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (JGAAP)

May 12, 2023

Company name: Suzumo Machinery Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Stock code: 6405  
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 Scheduled date to hold the ordinary general meeting of shareholders: June 24, 2023  
 Scheduled date for dividend payment: June 26, 2023  
 Scheduled date to file securities report: June 26, 2023  
 Supplementary materials for financial statements: Yes  
 Results briefing to be held: Yes (For analysts and institutional investors)

(Amounts of less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	%
Fiscal year ended								
March 31, 2023	13,456	16.3	1,203	-20.7	1,139	-26.2	825	-22.8
March 31, 2022	11,565	21.9	1,517	65.1	1,543	67.7	1,070	56.6

(Note) Comprehensive income: Fiscal year ended March 31 2023: 885 million yen (-24.1%)  
 Fiscal year ended March 31 2022: 1,166 million yen (66.1%)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	63.93	—	6.1	6.8	8.9
March 31, 2022	82.96	—	8.4	9.9	13.1

(Reference) Equity in earnings of affiliates: Fiscal year ended March 31 2023: -127 million yen  
 Fiscal year ended March 31 2022: -2 million yen

(Note) The Company split shares of common stock at a ratio of 2 for 1 on August 1, 2022. Earnings per share are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	17,033	13,716	80.4	1,059.19
March 31, 2022	16,416	13,254	80.6	1,025.82

(Reference) Shareholders' equity: Fiscal year ended March 31 2023: 13,691 million yen  
 Fiscal year ended March 31 2022: 13,236 million yen

(Note) The Company split shares of common stock at a ratio of 2 for 1 on August 1, 2022. Net assets per share are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	(11)	(3,062)	(463)	4,865
March 31, 2022	1,340	(268)	(194)	8,276

## 2. Dividends

	Annual dividends					Total dividend paid	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	—	0.00	—	40.00	40.00	258	24.1	2.2
March 31, 2023	—	15.00	—	16.00	31.00	400	48.5	3.0
Fiscal year ending March 31, 2024 (forecast)	—	15.00	—	16.00	31.00		39.3	

(Note 1) Changes in dividend forecast from the most recent announcement: None

(Note 2) 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 amount of dividends before the stock split is stated. For the fiscal year ended March 2023 and the fiscal year ending March 2024 (forecast), the amount of dividends after the stock split is stated.

## 3. Consolidated earnings forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages indicate changes from the previous year for full-year figures, and from the same quarter of the previous year for quarterly figures.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	6,960	9.6	330	-24.4	335	-28.6	220	-42.0	17.02
Full-year	15,000	11.5	1,500	24.6	1,505	32.1	1,020	23.5	78.88

### Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

Newly included: —

Excluded: —

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1) Changes in accounting policies due to revision of accounting standards: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2023: 12,960,000 shares

March 31, 2022: 12,960,000 shares

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

March 31, 2023: 34,014 shares

March 31, 2022: 56,900 shares

3) Average number of shares outstanding during the period:

March 31, 2023: 12,919,453 shares

March 31, 2022: 12,899,718 shares

(Note) The Company conducted a 2-for-1 stock split of shares of common stock on August 1, 2022. The number of issued shares (common stock) is calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

## (Reference) Summary of non-consolidated financial results

### 1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

#### (1) Non-consolidated operating results

(Percentage figures indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	10,718	9.1	816	-25.2	979	-21.3	589	-38.3
March 31, 2022	9,824	20.3	1,091	59.8	1,243	64.8	956	61.2

	Earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	45.67	—
March 31, 2022	74.16	—

(Note) The Company split shares of common stock at a ratio of 2 for 1 on August 1, 2022. Earnings per share are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	15,307	12,751	83.3	986.54
March 31, 2022	14,971	12,676	84.7	982.44

(Reference) Shareholders' equity: Fiscal year ended March 31 2023: 12,751 million yen

Fiscal year ended March 31 2022: 12,676 million yen

(Note) The Company split shares of common stock at a ratio of 2 for 1 on August 1, 2022. Net assets per share are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

2. Forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

The Company has omitted the disclosure of non-consolidated earnings forecasts from the fiscal year ended March 31, 2022.

\* 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 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" on page 2 of the Attachment.

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## 1. Summary of Business Results

### (1) Summary of Business Results for the Fiscal Year

During the consolidated fiscal year ended March 31, 2023 (April 1, 2022–March 31, 2023), the Japanese economy was impacted significantly by the prolonged COVID-19 pandemic, energy prices driven upward by Russia's invasion of Ukraine, climbing raw material costs, global-scale inflation, and a weakened yen. From the second half of the fiscal year, recovery became evident in consumer spending as the with-COVID lifestyle took root. Moreover, consumption-related business sentiment improved significantly due to a rapid recovery in inbound demand.

Under these circumstances, during the fiscal year ended March 31, 2023, product demand remained high as the restaurant and retail industries, our key customers, further accelerated their mechanization and labor-saving initiatives. Meanwhile, although the semiconductor and material supply shortage from the previous fiscal year has continued to affect our manufacturing activities, improvements have been progressing since the third quarter of the fiscal year ended March 31, 2023. In addition, we have continued to expand our supply chain for parts and materials and switch to alternative parts through changes in product designs to meet growing demand.

In Japan, the business environment remained difficult for the restaurant and retail industries due to soaring raw material and energy prices, but product demand remained strong on the easing of restrictions related to COVID-19, recovery of inbound demand, and accelerated labor-saving moves amidst an ongoing labor shortage. By business category, demand for sushi robots from supermarkets ran its course, but demand for the Fuwarica rice serving machine increased from restaurants and cafeterias, and the demand for sushi robots from major conveyor-belt sushi chains remained strong. In addition, domestic sales rose year on year because sales from Japan System Project Co., Ltd., which joined our group in October 2021, contributed to consolidated results from the first quarter of the current fiscal year.

Overseas, product demand remained firm despite the rising risk of recession—primarily in the US and Europe—due to inflation and tightening of financial conditions. This was attributable to the accelerating trend toward mechanization, which replaces human labor with machines, amidst the worsening labor shortage and soaring labor costs in the restaurant and retail industries. By region, in Europe, demand for products declined, owing to factors such as the cancellation or postponement of capital investment plans, as soaring energy prices and worsening supply concerns caused by Russia's invasion of Ukraine had a severe impact on businesses. Overseas sales were up year on year, however, due to expanding product demand in Southeast Asia as food service demand continued to recover, and continuing strong demand for sushi robot products from restaurant operators and supermarkets in North America.

As a result, net sales for the fiscal year ended March 31, 2023 totaled 13,456 million yen (+16.3% YoY). Of the total, domestic sales were 8,927 million yen (+15.5% YoY), and overseas sales came to 4,528 million yen (+18.1% YoY).

#### Summary of results for the fiscal year ended March 31, 2023

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Amount of change	Percentage change
	Millions of yen	% of net sales	Millions of yen	% of net sales	Millions of yen	%
Net sales	11,565	100.0	13,456	100.0	1,890	16.3
Domestic	7,729	66.8	8,927	66.3	1,197	15.5
Overseas	3,836	33.2	4,528	33.7	692	18.1
Gross profit	5,683	49.1	6,368	47.3	685	12.1
Operating profit	1,517	13.1	1,203	8.9	(313)	-20.7
Ordinary profit	1,543	13.3	1,139	8.5	(404)	-26.2
Profit attributable to owners of parent	1,070	9.3	825	6.1	(244)	-22.8

On the profit front, gross profit rose to 6,368 million yen (+12.1% YoY) due to increased product demand and higher sales following a price hike in the fourth quarter of the fiscal year under review in response to soaring product material costs, although the cost of sales ratio rose on an increase in variable costs as a percentage of cost of sales resulting from increased material costs and higher unrealized gains on internal transactions with overseas subsidiaries. Operating profit was 1,203 million yen (-20.7% YoY) due to an increase in SG&A expenses, chiefly due to the addition of JSP to the group; expenses for establishing various systems in anticipation of business growth and aggressive investment in human resources and product development; increases in travel expenses, mainly for overseas business trips and exhibition costs due to the relaxation of COVID-related restrictions; various expenses associated with the relocation of the head office, and an increase in packing and transportation expenses due to soaring logistics costs. Ordinary profit was 1,139 million yen (-26.2% YoY) due to the decrease in operating profit and an equity-method investment loss of 127 million yen, which was recorded as a non-operating expense in consideration of the impact on the company's future results of a decline in operating results at Bluefin Trading LLC, an equity-method affiliate, in the third quarter of the fiscal year ended March 31, 2023 and an expected decrease in sales to major trading partners. Profit attributable to owners of parent was 825 million yen (-22.8% YoY) due to the decline in ordinary profit, despite an extraordinary gain of 128 million yen on the sale of investment securities from the company's policy-shareholdings.

## (2) Financial Condition During the Fiscal Year

### Assets, Liabilities, and Net Assets

#### (Assets)

Total assets as of March 31, 2023 were up 616 million yen from March 31, 2022 to 17,033 million yen. This was mainly due to an increase of 3,017 million yen in non-current assets, including 2,539 million yen in land, while cash and deposits decreased by 3,410 million yen.

#### (Liabilities)

Liabilities as of March 31, 2023 were up 154 million yen from March 31, 2022 to 3,316 million yen. This was mainly due to a 230 million yen increase in accounts payable - other.

#### (Net assets)

Net assets as of March 31, 2023 were up 462 million yen from March 31, 2022 to 13,716 million yen. This change was mainly due to 825 million yen in profit attributable to owners of parent and a 451 million yen decrease in retained earnings due to dividend payments.

## (3) Cash Flows for the Fiscal Year

Cash and cash equivalents (referred to as “funds” below) as of March 31, 2023 decreased 3,410 million yen versus March 31, 2022 to 4,865 million yen.

#### (Cash Flows from Operating Activities)

Cash flows from operating activities in the fiscal year ended March 31, 2023 resulted in a decrease of 11 million yen in funds (a decrease of 1,351 million yen versus the previous fiscal year). This was the result of a decrease in funds due to 714 million yen of income taxes paid, an increase of 506 million yen in inventories, and an increase of 257 million yen in trade receivables, despite an increase in funds of 1,236 million yen resulting from profit before income taxes.

#### (Cash Flows from Investing Activities)

Cash flows from investing activities in the fiscal year ended March 31, 2023 resulted in a decrease of 3,062 million yen (down 2,794 million yen from the previous fiscal year) as a result of a decrease in funds due to purchase of property, plant and equipment of 3,123 million yen and other factors.

#### (Cash Flows from Financing Activities)

Cash flows from financing activities in the fiscal year ended March 31, 2023 resulted in a decrease of 463 million yen (a decrease of 268 million yen versus the previous fiscal year). This was the result of a decrease in funds due to 451 million yen in dividend payments and outflows of 48 million yen due to repayments of long-term borrowings.

#### (4) Outlook

Turning to the economic outlook, although the COVID-19 pandemic is expected to come to an end and consumer spending and economic activities are seen improving further, risks to the economy, including global-scale increases in energy prices and price hikes sparked by the prolonged situation in Ukraine, and global monetary tightening causing economic recession and financial instability, warrant continued attention.

On the other hand, in the restaurant and retail industries, our key customers, the global rise in raw material and energy prices are expected to continue to render the business environment challenging, but we see the demand for labor saving and mechanization continuing to rise owing to the ongoing labor shortage.

Amidst this market environment, in Japan, we intend to tap into demand for replacing and adding sushi robots—particularly for major conveyor-belt sushi chains—while continuing to develop customers for our Fuwarica rice-serving machine in new market segments such as restaurants, hotels, inns, employee cafeterias, and hospitals amid recovering inbound demand and mounting awareness of hygiene and concerns about food loss.

Overseas, we expect an increase in the overseas expansion of Japanese companies mainly in Asia and Southeast Asia, a continued trend toward mechanization and labor saving owing to the growing labor shortage and rising labor costs in the restaurant and retail industries—chiefly in Europe and the U.S.—and the penetration of the cooked rice market. In addition, the manufacturing and sales of new sushi robots for the European and U.S. markets will be in full swing, and we intend to further tap into such demand.

We also have plans to expand into new business areas. We aim to create a new business offering total solutions for restaurants in collaboration with Japan System Project Co., Ltd., which we made a subsidiary in October 2021. We aim to offer labor-saving and streamlining solutions that go beyond just the kitchen to include dining areas.

We expect external factors such as rising costs of raw materials, logistics, and utilities to continue driving cost increases. Nevertheless, we have made or are making various efforts to improve profitability. We increased product prices in January 2023, and we have established various systems aimed at business growth. In addition, we are investing aggressively in human resources, and are augmenting cost controls to address the potential of external factors to increase costs.

As a result, our consolidated earnings forecast for the year ending March 31, 2024 calls for net sales of 15,000 million yen (+11.5% YoY), operating profit of 1,500 million yen (+24.6%), ordinary profit of 1,505 million yen (+32.1%), and profit attributable to owners of parent of 1,020 million yen (+23.5%).



## 2. Approach to Selection of Accounting Standards

For the time being, our group policy is to prepare its consolidated financial statements according to Japanese generally accepted accounting principles (JGAAP) in order to facilitate comparability of the accounts between financial periods and companies.

The company's policy is to apply International Financial Reporting Standards (IFRS) when appropriate, taking into consideration conditions in Japan and overseas.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheet

	Fiscal year ended March 31, 2022 (as of March 31, 2022)	(Thousands of yen) Fiscal year ended March 31, 2023 (as of March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	8,276,521	4,865,751
Notes and accounts receivable - trade	1,287,167	1,577,115
Electronically recorded monetary claims - operating	172,495	168,167
Inventories	2,199,405	2,762,466
Other	150,156	312,173
Total current assets	12,085,747	9,685,674
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,386,551	3,613,921
Accumulated depreciation	(1,959,015)	(2,035,511)
Buildings and structures, net	1,427,535	1,578,410
Machinery, equipment and vehicles	106,703	165,773
Accumulated depreciation	(50,782)	(60,475)
Machinery, equipment and vehicles, net	55,921	105,298
Tools, furniture and fixtures	1,726,192	1,986,153
Accumulated depreciation	(1,570,971)	(1,706,997)
Tools, furniture and fixtures, net	155,220	279,155
Land	1,125,607	3,664,888
Construction in progress	—	328,153
Other	33,757	34,535
Accumulated depreciation	(15,825)	(21,473)
Other, net	17,931	13,061
Total property, plant and equipment	2,782,217	5,968,967
Intangible assets		
Goodwill	41,864	33,051
Other	282,871	419,417
Total intangible assets	324,736	452,468
Investments and other assets		
Investment securities	403,207	36,801
Deferred tax assets	509,644	607,053
Other	319,180	289,726
Allowance for doubtful accounts	(8,680)	(7,680)
Total investments and other assets	1,223,352	925,901
Total non-current assets	4,330,306	7,347,338
Total assets	16,416,053	17,033,012

(Thousands of yen)

	Fiscal year ended March 31, 2022 (as of March 31, 2022)	Fiscal year ended March 31, 2023 (as of March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	489,936	504,671
Current portion of long-term borrowings	46,273	60,545
Accounts payable - other	172,673	403,422
Accrued expenses	191,421	219,847
Income taxes payable	323,417	168,848
Accrued consumption taxes	38,453	4,375
Provision for bonuses	182,648	204,918
Other	330,218	236,053
Total current liabilities	1,775,043	1,802,682
Non-current liabilities		
Long-term borrowings	193,180	209,969
Deferred tax liabilities	38	—
Provision for retirement benefits for directors (and other officers)	10,105	2,880
Retirement benefit liability	1,106,754	1,140,102
Asset retirement obligations	—	57,701
Other	76,865	103,497
Total non-current liabilities	1,386,943	1,514,150
Total liabilities	3,161,987	3,316,833
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,154,418	1,154,418
Capital surplus	986,618	998,054
Retained earnings	11,102,138	11,476,082
Treasury shares	(37,774)	(20,707)
Total shareholders' equity	13,205,400	13,607,847
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	91,095	—
Foreign currency translation adjustment	47,881	181,693
Remeasurements of defined benefit plans	(108,177)	(98,495)
Total accumulated other comprehensive income	30,800	83,197
Non-controlling interests	17,864	25,134
Total net assets	13,254,066	13,716,179
Total liabilities and net assets	16,416,053	17,033,012

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

## Consolidated Statement of Income

	(Thousands of yen)	
	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net sales	11,565,869	13,456,190
Cost of sales	5,882,229	7,087,274
Gross profit	5,683,640	6,368,916
Selling, general and administrative expenses	4,166,465	5,165,045
Operating profit	1,517,174	1,203,871
Non-operating income		
Interest income	224	626
Dividend income	2,852	864
Foreign exchange gains	14,142	39,875
Insurance claim income	12,065	13,296
Other	8,160	13,587
Total non-operating income	37,445	68,250
Non-operating expenses		
Interest expenses	736	2,191
Loss on cancellation of insurance policies	1,371	—
Loss on cancellation of leases	2,327	—
Restricted stock-related expenses	4,018	1,747
Share of loss of entities accounted for using equity method	2,162	127,492
Other	222	1,078
Total non-operating expenses	10,838	132,509
Ordinary profit	1,543,782	1,139,611
Extraordinary income		
Gain on sale of investment securities	39,000	128,234
Total extraordinary income	39,000	128,234
Extraordinary losses		
Loss on retirement of non-current assets	550	825
Retirement benefits for directors (and other officers)	—	5,400
Loss on extinguishment of tie-in shares	—	25,441
Total extraordinary losses	550	31,667
Profit before income taxes	1,582,232	1,236,178
Income taxes - current	578,608	461,772
Income taxes - deferred	(68,894)	(55,825)
Total income taxes	509,713	405,947
Profit	1,072,518	830,231
Profit attributable to non-controlling interests	2,374	4,313
Profit attributable to owners of parent	1,070,143	825,917

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Profit	1,072,518	830,231
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,472)	(91,095)
Foreign currency translation adjustment	70,860	130,715
Remeasurements of defined benefit plans, net of tax	14,643	9,681
Share of other comprehensive income of entities accounted for using equity method	17,256	6,051
Total other comprehensive income	94,288	55,353
Comprehensive income	1,166,806	885,584
(Breakdown)		
Comprehensive income attributable to owners of parent	1,162,948	878,314
Comprehensive income attributable to non-controlling interests	3,858	7,269

### (3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,154,418	982,960	10,160,882	(52,202)	12,246,058	99,568	(38,752)	(122,820)	(62,004)	14,006	12,198,060
Changes during period											
Dividends of surplus			(128,888)		(128,888)				—		(128,888)
Profit attributable to owners of parent			1,070,143		1,070,143				—		1,070,143
Purchase of treasury stock				(249)	(249)				—		(249)
Disposal of treasury stock		3,658		14,677	18,336				—		18,336
Net changes of items other than shareholders' equity					—	(8,472)	86,634	14,643	92,804	3,858	96,662
Total changes during period	—	3,658	941,255	14,428	959,342	(8,472)	86,634	14,643	92,804	3,858	1,056,005
Balance at end of period	1,154,418	986,618	11,102,138	(37,774)	13,205,400	91,095	47,881	(108,177)	30,800	17,864	13,254,066

For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,154,418	986,618	11,102,138	(37,774)	13,205,400	91,095	47,881	(108,177)	30,800	17,864	13,254,066
Changes during period											
Dividends of surplus			(451,973)		(451,973)				—		(451,973)
Profit attributable to owners of parent			825,917		825,917				—		825,917
Purchase of treasury stock				(263)	(263)				—		(263)
Disposal of treasury stock		11,436		17,329	28,765				—		28,765
Net changes of items other than shareholders' equity					—	(91,095)	133,811	9,681	52,397	7,269	59,666
Total changes during period	—	11,436	373,943	17,066	402,446	(91,095)	133,811	9,681	52,397	7,269	462,113
Balance at end of period	1,154,418	998,054	11,476,082	(20,707)	13,607,847	—	181,693	(98,495)	83,197	25,134	13,716,179

## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,582,232	1,236,178
Depreciation	291,392	347,620
Amortization of goodwill	2,203	8,813
Increase (decrease) in allowance for doubtful accounts	1,399	(1,573)
Increase (decrease) in provision for bonuses	6,899	22,269
Increase (decrease) in retirement benefit liabilities	92,244	47,302
Increase (decrease) in provision for retirement benefits for directors	1,340	965
Interest and dividend income	(3,076)	(1,491)
Interest expenses and loss on sale of notes receivable - trade	958	2,263
Share of loss (profit) of entities accounted for using equity method	2,162	127,492
Loss (gain) on sale of property, plant and equipment	—	(1,246)
Loss on disposal of property, plant and equipment	—	825
Loss (gain) on sale of investment securities	(39,000)	(128,234)
Loss on cancellation of insurance policies	—	(13,296)
Retirement benefits for directors (and other officers)	—	5,400
Loss (gain) on extinguishment of tie-in shares	—	25,441
Decrease (increase) in trade receivables	(21,789)	(257,169)
Decrease (increase) in inventories	(293,756)	(506,211)
Increase (decrease) in trade payables	(5,998)	(26,006)
Increase (decrease) in accrued expenses	16,492	26,745
Increase (decrease) in consumption tax payable	(48,426)	(34,670)
Decrease (increase) in consumption tax receivable	(18,233)	(40,113)
Other, net	263,613	(128,090)
<b>Subtotal</b>	<b>1,830,655</b>	<b>713,215</b>
Interest and dividends received	3,076	1,491
Interest paid	(324)	(2,167)
Payments for sale of notes receivable - trade	(222)	(72)
Retirement benefits paid to directors (and other officers)	—	(16,206)
Income taxes refund	354	—
Income taxes paid	(503,646)	(714,870)
Dividends received from entities accounted for using equity method	10,788	7,394
<b>Net cash provided by (used in) operating activities</b>	<b>1,340,683</b>	<b>(11,215)</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(6,079)	(789)
Proceeds from sale of investment securities	45,500	243,745
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	30,313	(63,000)
Purchase of property, plant and equipment	(45,753)	(3,123,835)
Proceeds from sale of property, plant and equipment	—	5,581
Purchase of intangible assets	(146,086)	(108,380)
Loan advances	—	(32,925)



(Thousands of yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Proceeds from collection of loans receivable	1,662	1,662
Payments of guarantee deposits	(140,899)	(15,529)
Proceeds from refund of guarantee deposits	2,517	11,460
Purchase of insurance funds	(3,553)	(5,566)
Proceeds from maturity of insurance funds	5,333	31,226
Other, net	(11,004)	(6,230)
Net cash provided by (used in) investing activities	(268,051)	(3,062,581)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	—	80,000
Repayments of long-term borrowings	(9,672)	(48,939)
Payments for redemption of bonds	—	(6,000)
Repayments of lease liabilities	(55,967)	(36,391)
Dividends paid	(128,888)	(451,973)
Purchase of treasury shares	(249)	(263)
Net cash provided by (used in) financing activities	(194,777)	(463,567)
Effect of exchange rate change on cash and cash equivalents	55,813	105,494
Net increase (decrease) in cash and cash equivalents	933,667	(3,431,870)
Cash and cash equivalents at beginning of period	7,342,853	8,276,521
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	—
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	21,100
Cash and cash equivalents at end of period	8,276,521	4,865,751

## (5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Segment Information, etc.)

(Segment Information)

Our group operates in a single segment, the cooked-rice processing equipment business, so segment data are omitted.

(Per-Share Information)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Shareholders' equity per share (yen)	1,025.82	1,059.19
Earnings per share (yen)	82.96	63.93

Notes: 1. Diluted earnings per share is omitted because there are no dilutive shares outstanding.

2. The Company conducted a 2-for-1 stock split of shares of common stock on August 1, 2022. Earnings per share are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

3. The basis for calculating earnings per share is as follows.

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Earnings per share (yen)		
Profit attributable to owners of parent (thousands of yen)	1,070,143	825,917
Profit not attributable to shareholders of common stock (thousands of yen)	—	—
Profit attributable to shareholders of common stock of parent (thousands of yen)	1,070,143	825,917
Average number of shares of common stock during period	12,899,718	12,919,453

(Subsequent Material Events)

There is no relevant information.