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On **May 14, 2020**, Suzumo Machinery Co., Ltd. (Suzumo) announced revisions to its full-year FY03/20 forecasts.

Revised full-year FY03/20 consolidated forecasts

Sales: JPY8.9bn (previous forecast of JPY8.6bn)  
 Operating profit: JPY765mn (JPY600mn)  
 Recurring profit: JPY702mn (JPY600mn)  
 Net income\*: JPY321mn (JPY200mn)  
 EPS: JPY49.74 per share (JPY30.88 per share)

\* Net income attributable to owners of the parent

Reasons for the revision

Sales forecasts were revised upward due to robust performance in terms of replacement and additional installation of compact equipment for existing customers, primarily restaurants and retailers in Japan, and sales of newly developed factory-scale equipment. Other factors contributing to the revision include the fact that there was little impact of pullback from the surge in demand ahead of the consumption tax hike in 2019, even though that surge was greater than expected. The impact of the novel coronavirus in Q4 was also limited.

Operating profit and recurring profit forecasts were revised as a result of the aforementioned increased sales, as the CoGS ratio and SG&A expenses remained largely in line with plan. The company expects net income attributable to owners of the parent to exceed its previous forecasts due to the booking of an extraordinary gain from the refund it received on cancelled insurance policies for retiring directors.

## Full-year company forecasts for FY03/20

(JPYmn)	FY03/17			FY03/18			FY03/19			FY03/20		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
<b>Sales</b>	<b>4,679</b>	<b>4,733</b>	<b>9,412</b>	<b>4,662</b>	<b>4,450</b>	<b>9,112</b>	<b>3,940</b>	<b>4,246</b>	<b>8,187</b>	<b>4,655</b>	<b>4,275</b>	<b>8,930</b>
YoY	12.1%	12.6%	12.4%	-0.4%	-6.0%	-3.2%	-15.5%	-4.6%	-10.2%	18.2%	0.7%	9.1%
Cost of goods sold	2,462	2,502	4,964	2,400	2,359	4,759	2,051	2,216	4,267	2,459		
<b>Gross profit</b>	<b>2,217</b>	<b>2,231</b>	<b>4,448</b>	<b>2,262</b>	<b>2,091</b>	<b>4,353</b>	<b>1,889</b>	<b>2,030</b>	<b>3,919</b>	<b>2,196</b>		
Gross profit margin	47.4%	47.1%	47.3%	48.5%	47.0%	47.8%	48.0%	47.8%	47.9%	47.2%		
<b>SG&amp;A expenses</b>	<b>1,535</b>	<b>1,502</b>	<b>3,037</b>	<b>1,612</b>	<b>1,503</b>	<b>3,115</b>	<b>1,664</b>	<b>1,562</b>	<b>3,226</b>	<b>1,772</b>		
SG&A-to-sales ratio	32.8%	31.7%	32.3%	34.6%	33.8%	34.2%	42.2%	36.8%	39.4%	38.1%		
<b>Operating profit</b>	<b>682</b>	<b>728</b>	<b>1,411</b>	<b>650</b>	<b>588</b>	<b>1,238</b>	<b>225</b>	<b>468</b>	<b>693</b>	<b>424</b>	<b>341</b>	<b>765</b>
YoY	22.2%	2.0%	10.9%	-4.7%	-19.3%	-12.2%	-65.4%	-20.4%	-44.0%	88.5%	-27.1%	10.4%
Operating profit margin	14.6%	15.4%	15.0%	13.9%	13.2%	13.6%	5.7%	11.0%	8.5%	9.1%	8.0%	8.6%
<b>Recurring profit</b>	<b>683</b>	<b>731</b>	<b>1,414</b>	<b>654</b>	<b>583</b>	<b>1,237</b>	<b>227</b>	<b>469</b>	<b>696</b>	<b>425</b>	<b>277</b>	<b>702</b>
YoY	21.0%	1.7%	10.2%	-4.2%	-20.3%	-12.5%	-65.3%	-19.5%	-43.7%	87.1%	-40.9%	0.9%
Recurring profit margin	14.6%	15.4%	15.0%	14.0%	13.1%	13.6%	5.8%	11.0%	8.5%	9.1%	6.5%	7.9%
<b>Net income</b>	<b>312</b>	<b>509</b>	<b>821</b>	<b>436</b>	<b>397</b>	<b>833</b>	<b>155</b>	<b>313</b>	<b>469</b>	<b>162</b>	<b>159</b>	<b>321</b>
YoY	-9.1%	16.6%	5.3%	40.0%	-22.1%	1.5%	-64.4%	-21.0%	-43.8%	4.1%	-49.1%	-31.5%
Net margin	6.7%	10.8%	8.7%	9.4%	8.9%	9.1%	3.9%	7.4%	5.7%	3.5%	3.7%	3.6%

Source: Shared Research, based on company data

Note: Figures above may differ from those shown in company materials due to differences in rounding.

This note is the most recent addition to the [full report](#).

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