



Summary of Financial Statements for the Second Quarter (Interim Period) of the Year Ending December 31, 2024 (JGAAP) (Consolidated)

August 8, 2024

Company Name: Sodick Co., Ltd.

Stock Exchange: Tokyo Stock Exchange, Prime Market

Code Number: 6143 URL : <https://www.sodick.co.jp>

Representative: Kenichi Furukawa, CEO President and Representative Director

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Scheduled date of filing of semiannual securities report: August 8, 2024

Scheduled date of dividend payout: September 6, 2024

Explanatory documents supplemental to the financial statements: Yes

Results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million have been omitted.)

1. Consolidated Results for the 2Q (Interim Period) of the Fiscal Year Ending December 31, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated Financial Results (Accumulated Total)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Interim of the fiscal year ending December 31, 2024	33,594	0.3	(56)	—	1,502	78.4	800	—
Interim of the fiscal year ended December 31, 2023	33,479	(14.8)	(390)	—	841	(85.9)	(103)	—

Note: Comprehensive income: Interim of the fiscal year ending December 31, 2024 ¥6,238 million (92.5%)

Interim of the fiscal year ended December 31, 2023 ¥3,241 million (-68.8%)

	Earnings per share	Diluted earnings per share
	¥	¥
Interim of the fiscal year ending December 31, 2024	15.77	—
Interim of the fiscal year ended December 31, 2023	(2.01)	—

Note: Diluted earnings per share for the interim period of the fiscal year ending December 2024 are not shown in the above table because there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	¥
As of June 30, 2024	143,385	82,651	57.6	1,625.58
As of December 31, 2023	134,066	77,129	57.5	1,519.02

Reference: Shareholders' Equity: As of June 30, 2024 ¥82,596 million

As of December 31, 2023 ¥77,075 million

2. Cash Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
	¥	¥	¥	¥	¥
Fiscal year ended December 31, 2023	—	14.00	—	15.00	29.00
Fiscal year ending December 31, 2024	—	14.00			
Fiscal year ending December 31, 2024 (Forecast)			—	15.00	29.00

Note: Revisions to the most recently announced dividend forecast: None

3. Forecast for the Fiscal Year Ending December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of parent		Earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Full year	72,500	7.9	1,100	—	1,600	—	900	—	17.71

Note: Revisions to the most recently announced consolidated results forecast: Yes

*Notes

(1) Significant changes in the scope of consolidation during the interim period under review: None

(2) Application of accounting specific to the preparation of interim consolidated financial statements: None

(3) Change in accounting policies; change and/or restatement of accounting estimates

(i) Change of accounting policies caused by revision of accounting standards: None

(ii) Change of accounting policies other than stated in (i): None

(iii) Change of accounting estimates: None

(iv) Retroactive restatement: None

(4) Number of shares issued and outstanding (shares of common stock)

(i) Shares issued and outstanding as of the balance sheet date (including treasury shares)	Interim of the fiscal year ending December 31, 2024	54,792,239 shares	Fiscal year ended December 31, 2023	54,792,239 shares
(ii) Number of treasury shares as of the balance sheet date	Interim of the fiscal year ending December 31, 2024	3,981,730 shares	Fiscal year ended December 31, 2023	4,051,960 shares
(iii) Average number of shares outstanding during period (interim cumulative total)	Interim of the fiscal year ending December 31, 2024	50,757,378 shares	Interim of the fiscal year ended December 31, 2023	51,259,539 shares

* Financial results for the second quarter (interim period) are not subject to review by certified public accountants or an auditing firm.

* Cautionary statement regarding forward-looking information

The Company bases the above forecasts on judgments that rely on currently available information and contain numerous uncertainties. Changing conditions and other factors may cause actual results to differ from the above forecasts. In addition, for matters regarding forecasts, please refer to: "1. Qualitative Information regarding the Interim Financial Statements under Review (3) Explanation regarding Future Forecast Information including Projections of Consolidated Results" on Page 5 of the attachment to this summary of quarterly financial statements.

1. Qualitative Information regarding the Interim Financial Statements under Review

Matters concerning the future in the text are based on the judgments of the Company as of the end of the interim period of the fiscal year under review.

(1) Explanation regarding Results of Operations

During the interim period under review, the environment surrounding the Sodick Group remained uncertain owing to the economic slowdown in China, global inflation, including price hike of raw materials and energy, concerns about economy recession and prolonged depreciation of the Japanese yen due to global monetary policy tightening, increased geopolitical risks such as the Ukraine and Middle East region. In the automotive market, where automation and electrification are advancing, there was a certain level of demand for CASE-related products, the demand for semiconductors and electronic components tends to recover. However, it is necessary to continue to closely monitor market trends. In addition, the fact that the Japanese yen continued to depreciate against the U.S. dollar, as in the previous year made it extremely severe for the Company, which has a large proportion of overseas production, to compete with its Japanese manufacturing competitors on prices.

In this economic environment, the Group is working on group-wide structural reforms based on the judgment that it is essential to change its business model in order to improve its corporate value, under the policies of “Reducing dependence on China,” “Selection and concentration” to improve and enhance profitability, “Restructuring of production and sales systems globally” and “Improvement of balance sheet” set forth in its Medium-term Management Plan from 2024 to 2026. We aim to improve earnings at earliest time as possible by: consolidating production at Suzhou Factory to Amoy Factory in China and workforce optimization in accordance with production adjustments at overseas plants in the machine tool segment; reviewing sales model strategies in the industrial machinery segment; commencing initiatives such as strengthening development of new products for fields other than noodle making machines and rice production systems in the food machinery segment; and thoroughly reducing expenses and liquidating idle assets.

As a future growth strategy, we have signed an agreement for a business alliance with Prima Additive S.r.l, a metal 3D printer business headquartered in Italy. In addition, we further strengthen competitiveness by expanding our product lineup of metal 3D printers with growth potential, mainly in Japan, the United States and Europe, promoting cross-selling, developing new areas and applications, and expanding its sales network as we aim to reduce dependence on China.

As a results of these factors, the consolidated net sales for the interim period under review totaled ¥33,594 million (up 0.3% year on year), with operating loss at ¥56 million (operating loss of ¥390 million for the same period of the previous fiscal year), ordinary profit at ¥1,502 million (up 78.4%), and profit attributable to owners of parent at ¥800 million (loss attributable to owners of parent of ¥103 million for the same period of the previous year).

The results of operations by segment are as follows:

Machine tool segment	Net sales	¥24,876 million	Y/y change (rate)	Up 2.8%
	Operating profit	¥965 million	Y/y change (amount)	Down ¥491 million
<p>Although aerospace demand in Japan, the United States, Europe, and South Korea continued and smartphone-related demand in Greater China also continued after Chinese New Year, combined with the effect of depreciation of the Japanese yen when overseas sales are converted to yen, resulting in a decline in sales volume, net sales increased slightly year on year. Segment profit decreased year on year mainly due to continued high manufacturing costs at overseas plants caused by depreciation of the yen and inflation, despite the effects of optimized personnel allocation, increased production volume, and other cost reductions.</p> <p>On the other hand, as the advancement of manufacturing is expected to continue in the future, the need for high-speed, high precision machining is expected to increase. In addition, improvements in operability, energy-saving measures, stable machining over a long period of time, and larger and more complex work pieces are also recognized as important opportunities. Aiming at regions and customers that require high-precision machining, we will further expand sales of electrical discharge machines (EDMs), which are our strength, and at the same time, we will address high-value-added machining needs for metal 3D printers and precision machining centers, which are expected to grow significantly in the medium to long term, especially in the United States and Europe, by promoting technological development and strengthening our sales organization.</p> <p>As a structural reform, we are promoting consolidation of production at Suzhou Factory to Amoy Factory in China. Suzhou Factory is involved in post-sales maintenance, after-sales service, solution service proposals, etc., mainly serving as a technical center and service base. In addition, we started sales of laser processing machines designed for processing metal separator molds for fuel cells of large fuel cell vehicles.</p>				
Industrial machinery segment	Net sales	¥4,432 million	Y/y change (rate)	Up 0.3%
	Operating profit	¥295 million	Y/y change (amount)	Up ¥290 million
<p>The demand has been decreasing in the industrial machinery industry as a whole mainly due to the impact of inventory adjustments and delay of investment caused by the slack market conditions for semiconductors and electronic components. The Company saw a recovery in demand for some electronic components and IT-related products in Greater China, but the overall situation has been severe in other areas. As a result, net sales were almost unchanged from the same period of the previous fiscal year.</p> <p>Segment profit increased year on year due to price increases to comply with ISO and improvement from other cost reductions. On the other hand, in the long term, in Asia and other regions, demand for ultra-high-precision injection molding machines, which the Company excels at, is expected to increase due to the trend toward higher precision in manufacturing. As part of structural reforms, we make efforts to improve production efficiency through the selection of production models, etc. in addition to production stoppage of injection molding machines at Amoy Factory in China and domestic production enhancement.</p>				
Food machinery segment	Net sales	¥1,548 million	Y/y change (rate)	Down 36.8%
	Operating profit	¥7 million	Y/y change (amount)	Down ¥90 million
<p>Although demand for noodle making machine-related equipment in Japan and overseas and that for aseptically-packaged cooked rice production systems for overseas markets, has remained strong, net sales of the first half of the year resulted in a decrease year on year due to the concentration of sales projects in the second half as initially planned.</p> <p>In terms of market conditions, demand for fresh noodles and cooked rice has been increasing in overseas markets, particularly in Greater China, South Korea and Southeast Asia, as a result of improvements in food quality and infrastructure in those area. As part of our growth strategy, we have developed a new generation meat-like PBF “Flour Carme” made from wheat-derived protein, as an entry into another field of the market, including Japanese-style deli dishes, in addition to the fields of market of rice production machines and noodle making machines, where we have proven track record. In the future, we will promote sales activities to restaurants and food processors, etc.</p>				
Others	Net sales	¥2,737million	Y/y change (rate)	Up 13.5%
	Operating profit	-¥90 million	Y/y change (amount)	Up ¥200 million
<p>Other segments consist of precision dies and mold operations involving the contract manufacturing of precision connectors and other products, and elemental technology operations involving the sale, etc. of linear motors and ceramics components. In the precision dies and mold operations, in addition to sluggish demand for automobile-related industries, external sales of ceramics continued slowdown in the semiconductor market, but net sales slightly increased year on year, mainly due to conclusion of a large sales project for LED floodlights, etc.</p> <p>Segment profit improved due to higher plant utilization rates and cost reductions.</p>				

(2) Explanation regarding Financial Position

Total assets stood at ¥143,385 million as of the end of the interim period under review, an increase of ¥9,319 million from the end of the previous fiscal year. The main reasons for the increase were an increase of ¥12,517 million in cash and deposits, an increase of ¥1,449 million in work in process, an increase of ¥1,432 million in buildings and structures, and an increase of ¥1,407 million in investments and other assets, partially offset by a decrease of ¥4,363 million in long-term time deposits, an increase of ¥2,371 million in accumulated depreciation, and a decrease of ¥1,317 million in notes and accounts receivable - trade, and contract assets.

Meanwhile, liabilities at the end of the period under review totaled ¥60,733 million, an increase of ¥3,796 million from the end of the previous fiscal year. The main reasons for the increase were an increase of ¥1,551 million in contract liabilities, an increase of ¥1,380 million in short-term borrowings, and an increase of ¥572 million in Notes and accounts payable - trade.

Net assets totaled ¥82,651 million at the end of the period under review, an increase of ¥5,522 million from the end of the previous fiscal year. The main reasons for the increase were an increase of ¥4,936 million in foreign currency translation adjustment and an increase of ¥502 million in valuation difference on available-for-sale securities.

(3) Explanation regarding Future Forecast Information including Projections of Consolidated Results

There have been revisions to the projections of results that were announced on February 13, 2024. For details, please refer to the “Notice of the Recording of Non-Operating Income (Foreign Exchange Gain) and Revisions to Full-Year Financial Forecasts for the fiscal year ending December 31, 2024” announced on August 8, 2024.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheet

(In million yen)

	Fiscal year ended December 31, 2023 (as of December 31, 2023)	Interim period of fiscal year ending December 31, 2024 (as of June 30, 2024)
Assets		
Current assets		
Cash and deposits	34,621	47,138
Notes and accounts receivable - trade, and contract assets	14,692	13,375
Electronically recorded monetary claims - operating	1,312	2,137
Merchandise and finished goods	11,529	11,784
Work in process	9,444	10,893
Raw materials and supplies	11,423	10,955
Other	3,632	2,852
Allowance for doubtful accounts	(485)	(380)
Total current assets	86,170	98,756
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,111	36,543
Machinery, equipment and vehicles	24,840	25,832
Other	16,932	16,720
Accumulated depreciation	(43,939)	(46,310)
Total property, plant and equipment	32,944	32,785
Intangible assets		
Goodwill	799	786
Other	1,855	1,715
Total intangible assets	2,654	2,501
Investments and other assets		
Long-term time deposits	4,583	220
Other	7,756	9,163
Allowance for doubtful accounts	(43)	(42)
Total investments and other assets	12,296	9,341
Total non-current assets	47,895	44,628
Total assets	134,066	143,385

Summary of Financial Statements for the Interim Period of the Year Ending December 31, 2024

(In million yen)

	Fiscal year ended December 31, 2023 (as of December 31, 2023)	Interim period of fiscal year ending December 31, 2024 (as of June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,185	4,758
Electronically recorded obligations - operating	4,964	4,672
Short-term borrowings	3,045	4,425
Current portion of bonds payable	140	140
Current portion of long-term borrowings	8,649	8,772
Income taxes payable	364	605
Contract liabilities	3,296	4,848
Provisions	1,387	1,319
Other	4,775	4,351
Total current liabilities	30,808	33,893
Non-current liabilities		
Bonds payable	300	230
Long-term borrowings	23,829	24,263
Provisions	85	89
Retirement benefit liability	613	666
Asset retirement obligations	67	68
Other	1,233	1,522
Total non-current liabilities	26,128	26,840
Total liabilities	56,936	60,733
Net assets		
Shareholders' equity		
Share capital	24,618	24,618
Capital surplus	9,717	9,717
Retained earnings	32,257	32,289
Treasury shares	(3,010)	(2,957)
Total shareholders' equity	63,583	63,668
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,397	1,899
Foreign currency translation adjustment	12,125	17,061
Remeasurements of defined benefit plans	(30)	(33)
Total accumulated other comprehensive income	13,491	18,927
Non-controlling interests	53	55
Total net assets	77,129	82,651
Total liabilities and net assets	134,066	143,385

(2) Interim Consolidated Statement of Income and Comprehensive Income

(Interim Consolidated Statement of Income)

(Interim Consolidated Accounting Period)

(In million yen)

	Interim period of FY ended December 31, 2023 (from January 1, 2023 to June 30, 2023)	Interim period of FY ending December 31, 2024 (from January 1, 2024 to June 30, 2024)
Net sales	33,479	33,594
Cost of sales	23,236	22,967
Gross profit	10,242	10,626
Selling, general and administrative expenses		
Personnel expenses	4,868	4,738
Provision of allowance for doubtful accounts	11	(137)
Other	5,752	6,083
Selling, general and administrative expenses	10,632	10,683
Operating profit (loss)	(390)	(56)
Non-operating income		
Interest income	214	255
Dividend income	46	132
Foreign exchange gains	963	1,387
Share of profit of entities accounted for using equity method	92	55
Subsidy income	19	62
Gain on sale of scraps	17	14
Other	93	142
Total non-operating income	1,448	2,050
Non-operating expenses		
Interest expenses	148	189
Commission for syndicated loans	—	190
Other	67	112
Total non-operating expenses	215	491
Ordinary profit	841	1,502
Extraordinary income		
Gain on sale of non-current assets	19	35
Subsidy income	—	28
Compensation for forced relocation	—	903
Total extraordinary income	19	967
Extraordinary losses		
Loss on sale of non-current assets	7	—
Loss on retirement of non-current assets	11	93
Loss on valuation of investment securities	12	7
Business restructuring expenses	—	953
Other	0	56
Extraordinary losses	31	1,109
Profit (loss) before income taxes	829	1,360
Income taxes - current	700	639
Income taxes - deferred	237	(76)
Total income taxes	938	563
Profit (loss)	(108)	796
Profit (loss) attributable to non-controlling interests	(5)	(3)
Profit (loss) attributable to owners of parent	(103)	800

Summary of Financial Statements for the Interim Period of the Year Ending December 31, 2024

(Interim Consolidated Statement of Comprehensive Income)

(Interim Consolidated Accounting Period)

(In million yen)

	Interim period of FY ended December 31, 2023 (from January 1, 2023 to June 30, 2023)	Interim period of FY ending December 31, 2024 (from January 1, 2024 to June 30, 2024)
Profit (loss)	(108)	796
Other comprehensive income		
Valuation difference on available-for-sale securities	270	502
Foreign currency translation adjustment	2,996	4,797
Remeasurements of defined benefit plans, net of tax	2	(2)
Share of other comprehensive income of entities accounted for using equity method	80	143
Total other comprehensive income	3,349	5,441
Comprehensive income	3,241	6,238
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,243	6,236
Comprehensive income attributable to owners of parent	(2)	1

(3) Interim Consolidated Statements of Cash Flows

(In million yen)

	Interim period of FY ended December 31, 2023 (from January 1, 2023 to June 30, 2023)	Interim period of FY ending December 31, 2024 (from January 1, 2024 to June 30, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	829	1,360
Depreciation	1,815	1,786
Amortization of goodwill	75	62
Increase (decrease) in provision for bonuses	110	(293)
Increase (decrease) in allowance for doubtful accounts	11	(137)
Increase (decrease) in retirement benefit liability	0	(25)
Interest and dividend income	(260)	(388)
Interest expenses	148	189
Foreign exchange losses (gains)	(347)	(225)
Business restructuring expenses	—	953
Decrease (increase) in trade receivables	2,402	1,214
Increase (decrease) in inventories	468	643
Increase (decrease) in trade payables	(2,327)	88
Increase (decrease) in accounts payable - other	(209)	(139)
Increase (decrease) in advances received	(136)	(161)
Increase (decrease) in accrued consumption taxes	719	1,025
Increase (decrease) in contract liabilities	(292)	1,291
Decrease (increase) in advance payments to suppliers	(203)	(63)
Compensation for forced relocation	—	(903)
Subsidy income	—	(28)
Other	(1,344)	(943)
Subtotal	1,458	5,305
Interest and dividends received	172	318
Interest paid	(147)	(184)
Proceeds from compensation for forced relocation	—	957
Subsidies received	—	28
Income taxes refund (paid)	(943)	(403)
Net cash provided by (used in) operating activities	539	6,021
Cash flows from investing activities		
Payments into time deposits	(846)	(199)
Proceeds from withdrawal of time deposits	1,537	931
Purchase of property, plant and equipment	(1,406)	(1,587)
Proceeds from sales of property, plant and equipment	85	43
Purchase of intangible assets	(713)	(171)
Purchase of investment securities	—	(483)
Proceeds from sales of other financial assets	—	210
Purchase of shares of subsidiaries and associates	(200)	—
Loan advances	(11)	—
Proceeds from collection of loans receivable	0	105
Other	33	133
Net cash provided by (used in) investing activities	(1,521)	(1,017)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	479	1,336
Proceeds from long-term borrowings	6,501	5,105
Repayments of long-term borrowings	(4,932)	(4,571)
Redemption of bonds	(70)	(70)
Purchase of treasury shares	(1,201)	(1)
Dividends paid	(731)	(761)
Repayments of finance lease liabilities	(263)	(169)
Net cash provided by (used in) financing activities	(217)	869
Effect of exchange rate changes on cash and cash equivalents	1,612	2,433

Summary of Financial Statements for the Interim Period of the Year Ending December 31, 2024

(In million yen)

	Interim period of FY ended December 31, 2023 (from January 1, 2023 to June 30, 2023)	Interim period of FY ending December 31, 2024 (from January 1, 2024 to June 30, 2024)
Net increase (decrease) in cash and cash equivalents	413	8,308
Cash and cash equivalents at beginning of period	33,158	33,305
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(269)	—
Cash and cash equivalents at the end of period	33,302	41,613

(4) Notes to Interim Consolidated Financial Statements

(Notes regarding going concern assumptions)

None

(Notes in case of significant variation in shareholders' equity)

Based on a resolution of the Board of Directors meeting held on April 19, 2024, the Company disposed of 72,600 treasury shares as restricted stock compensation on May 17, 2024.

Decrease in capital surplus: ¥0 million

Decrease in treasury shares: ¥53 million

As a result, capital surplus was ¥32,290 million and treasury shares was ¥2,957 million at the end of the interim period under review.

(Changes in the scope of consolidation or the scope of application of the equity method)

In the interim period under review, the Company resolved to conduct an absorption-type merger with Sodick (Amoy) Co., Ltd. as the surviving company and Sodick Amoy Magnetic Material Co., Ltd. as the absorbed company, effective May 1, 2024.

As a result, Sodick Amoy Magnetic Material Co., Ltd. has been excluded from the scope of consolidation since the interim period under review.

(Changes in accounting policies)

None

(Notes on segment information, etc.)

[Segment information]

I. Previous interim consolidated accounting period (from January 1, 2023 to June 30, 2023)

1. Information on net sales and operating profit (loss) by reportable segment

(In million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment amount (Note 2)	Amount stated on the interim consolidated statement of income (Note 3)
	Machine tool segment	Industrial machinery segment	Food machinery segment	Reportable segment total				
Net sales								
Sales to outside parties	24,201	4,418	2,448	31,067	2,411	33,479	—	33,479
Intersegment sales or transfers	21	109	—	130	706	837	(837)	—
Total	24,222	4,527	2,448	31,198	3,118	34,316	(837)	33,479
Segment profit (loss)	1,457	5	97	1,560	(291)	1,268	(1,659)	(390)

Notes: 1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

2. The adjustment amount of -¥1,659 million to segment income (loss) includes ¥73 million in eliminations of intersegment transactions and -¥1,732 million in group overhead not allocable to individual reportable segments. Group expenses consist mainly of the cost of head office functions not attributable to any particular reportable segment.

3. Segment income (loss) is adjusted with the operating profit (loss) in the interim consolidated statement of income.

2. Information on impairment losses or goodwill, etc. of non-current assets by reportable segment

None

3. Matters concerning changes in reportable segments

None

II. Current interim consolidated accounting period (from January 1, 2024 to June 30, 2024)

1. Information on net sales and operating profit (loss) by reportable segment

(In million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment amount (Note 2)	Amount stated on the interim consolidated statement of income (Note 3)
	Machine tool segment	Industrial machinery segment	Food machinery segment	Reportable segment total				
Net sales								
Sales to outside parties	24,876	4,432	1,548	30,856	2,737	33,594	—	33,594
Intersegment sales or transfers	25	18	—	43	851	895	(895)	—
Total	24,901	4,450	1,548	30,900	3,589	34,489	(895)	33,594
Segment profit (loss)	965	295	7	1,268	(90)	1,178	(1,234)	(56)

- Notes: 1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.
2. The adjustment amount of -¥1,234 million to segment income (loss) includes ¥96 million in eliminations of intersegment transactions and -¥1,331 million in group overhead not allocable to individual reportable segments. Group expenses consist mainly of the cost of head office functions not attributable to any particular reportable segment.
3. Segment income (loss) is adjusted with the operating profit (loss) in the interim consolidated statement of income.

2. Information on impairment losses or goodwill, etc. of non-current assets by reportable segment

In the machine tool segment, we recorded an impairment loss of ¥366 million of non-current assets as an extraordinary loss (business restructuring expenses) due to business restructuring, etc.

3. Matters concerning changes in reportable segments

None

(Revenue recognition-related matters)

Information about resolved revenue from contracts with customers

Previous interim consolidated accounting period (from January 1, 2023 to June 30, 2023)

1. Breakdown of goods and services by type

(In million yen)

	Reportable segment			Others (Note 1)	Total
	Machine tool segment	Industrial machinery segment	Food machinery segment		
Machine sales	18,091	3,714	2,000	2,411	26,218
Maintenance services and consumables	6,109	703	447	–	7,260
Total	24,201	4,418	2,448	2,411	33,479

Notes: 1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

2. Amounts after deduction of those of intergroup transactions are shown.

2. Breakdown by region

(In million yen)

	Reportable segment			Others (Note 2)	Total
	Machine tool segment	Industrial machinery segment	Food machinery segment		
Japan	5,428	2,062	1,369	2,367	11,228
North and South America	4,182	366	20	–	4,570
Europe	3,224	24	–	–	3,249
Greater China	8,288	1,402	952	43	10,687
Asia	3,077	561	104	–	3,743
Total	24,201	4,418	2,448	2,411	33,479

Notes: 1. Revenue by country or region is analyzed based on customers’ locations.

2. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

3. Amounts after deduction of those of intergroup transactions are shown.

Current interim consolidated accounting period (from January 1, 2024 to June 30, 2024)

1. Breakdown of goods and services by type

(In million yen)

	Reportable segment			Others (Note 1)	Total
	Machine tool segment	Industrial machinery segment	Food machinery segment		
Machine sales	18,322	3,667	1,010	2,737	25,738
Maintenance services and consumables	6,553	764	537	—	7,855
Total	24,876	4,432	1,548	2,737	33,594

Notes: 1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

2. Amounts after deduction of those of intergroup transactions are shown.

2. Breakdown by region

(In million yen)

	Reportable segment			Others (Note 2)	Total
	Machine tool segment	Industrial machinery segment	Food machinery segment		
Japan	4,514	1,641	1,167	2,652	9,976
North and South America	5,259	566	20	—	5,846
Europe	3,395	129	—	—	3,524
Greater China	9,173	1,435	92	85	10,787
Asia	2,532	658	267	—	3,458
Total	24,876	4,432	1,548	2,737	33,594

Notes: 1. Revenue by country or region is analyzed based on customers’ locations.

2. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

3. Amounts after deduction of those of intergroup transactions are shown.

(Material subsequent events)

None