

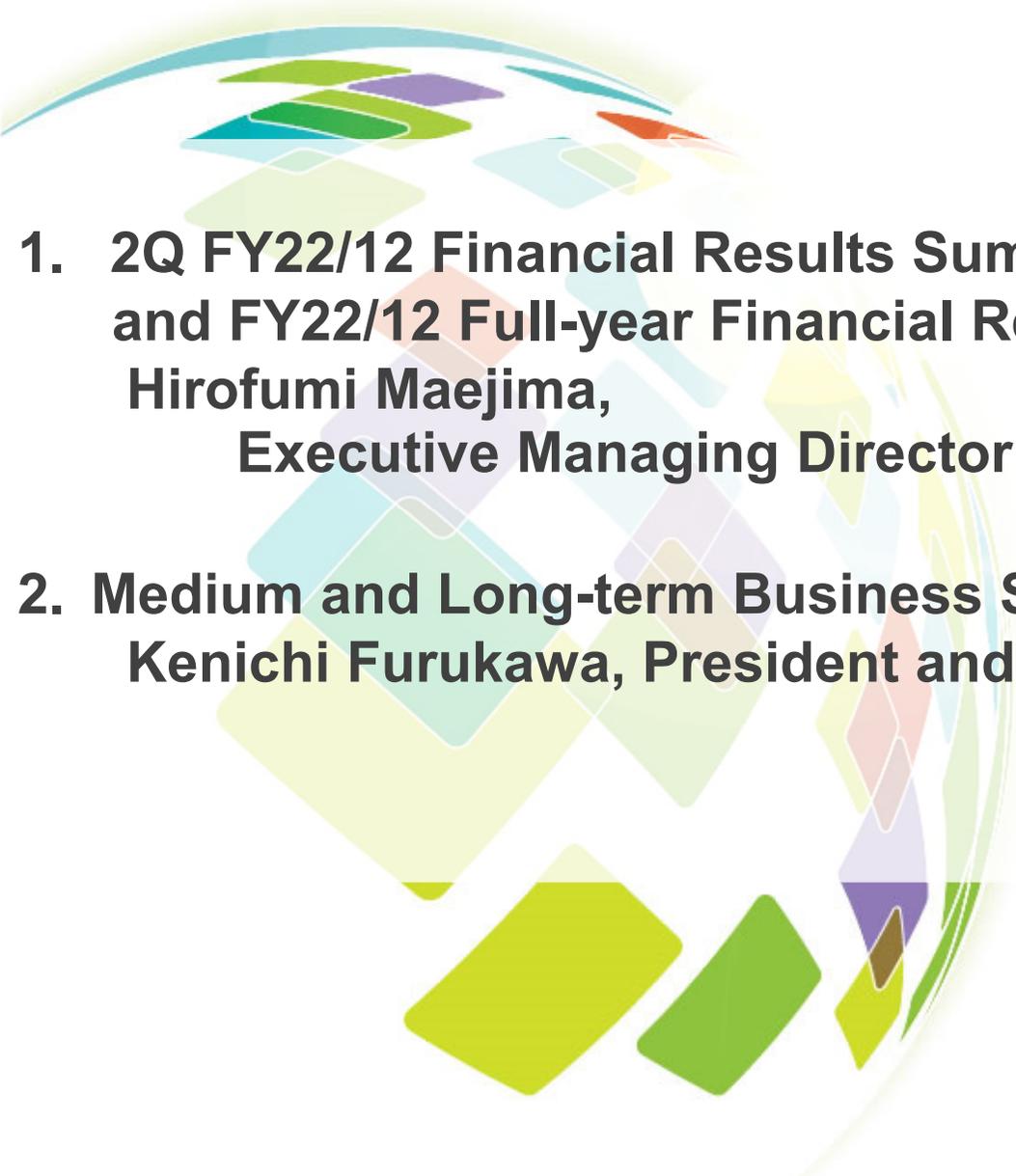


Tokyo Stock Exchange Prime Market 6143



2Q FY22/12
Results Briefing
Sodick Co., Ltd.

August 18, 2022

- 
- 1. 2Q FY22/12 Financial Results Summary
and FY22/12 Full-year Financial Results Projections**
Hirofumi Maejima,
Executive Managing Director (Corporate Division)
 - 2. Medium and Long-term Business Strategy**
Kenichi Furukawa, President and Representative Director



**2Q FY22/12 Financial Results Summary/
FY22/12 Financial Results Projections**

- 1. 2Q FY22/12 Financial Results Summary**
- 2. FY22/12 Financial Results Projections**

Financial Results Highlights



<p>FY2022 Q2</p>	<p>Results significantly improved from FY21 results (influenced by the depreciation of the yen)</p> <p>Sales: 39.3 billion yen up 13.9% YoY</p> <p>OP: 3.4 billion yen up 28.2% YoY</p>
<p>Machine tool</p>	<p>Results continued to increase steadily mainly in products for semiconductors and electronic components</p> <p>Sales: 28.2 billion yen up 17.0% YoY</p> <p>OP: 3.9 billion yen up 24.8% YoY</p>
<p>Industrial machinery</p>	<p>Increase in sales and profit due to sales of high value-added products</p> <p>Sales: 5.2 billion yen up 13.3% YoY</p> <p>OP: 0.5 billion yen up 206.3% YoY</p>
<p>Food machinery</p>	<p>The market was favorable. Several projects were postponed</p> <p>Sales: 2.3 billion yen down 7.0% YoY</p> <p>OP: 3 million yen down 98.4% YoY</p>
<p>Other</p>	<p>There was concern about the influence of a material shortage</p> <p>Sales: 3.4 billion yen up 8.5% YoY</p> <p>OP: 0.2 billion yen down 35.0% YoY</p>

* The adjustment amount for segment profit: -1.2 billion yen

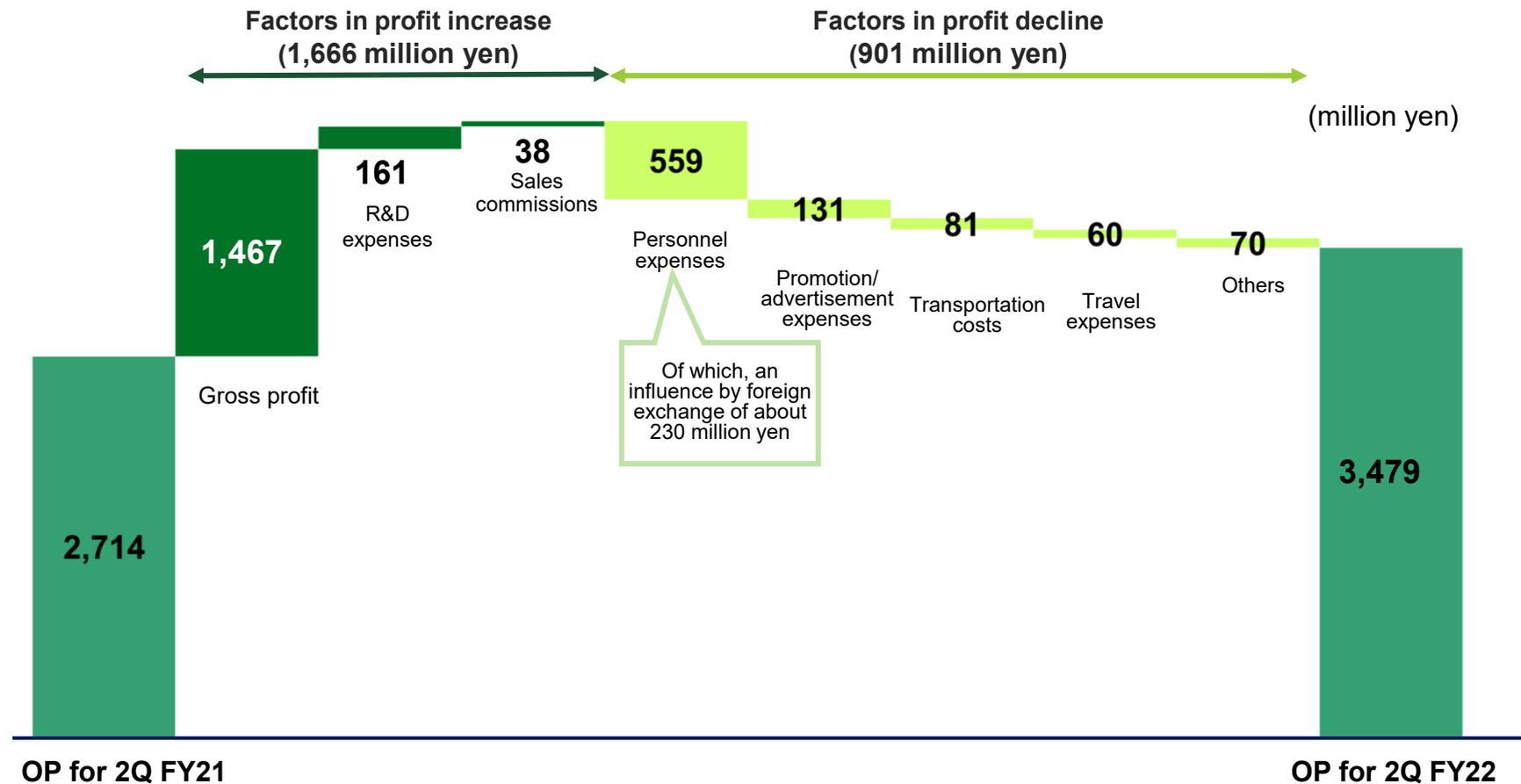
Financial Results Highlights

- ✓ Net sales increased due to an increase in sales of machine tools and injection molding machines. (The amount influenced by the weakening yen was about 2,400 million yen.)
- ✓ The operating profit margin improved due to an increase in sales.
- ✓ Ordinary profit increased owing partly to foreign exchange gains (about 2,000 million yen) because of the steeply weakening yen.
- ✓ ROE improved due to an increase in profit.

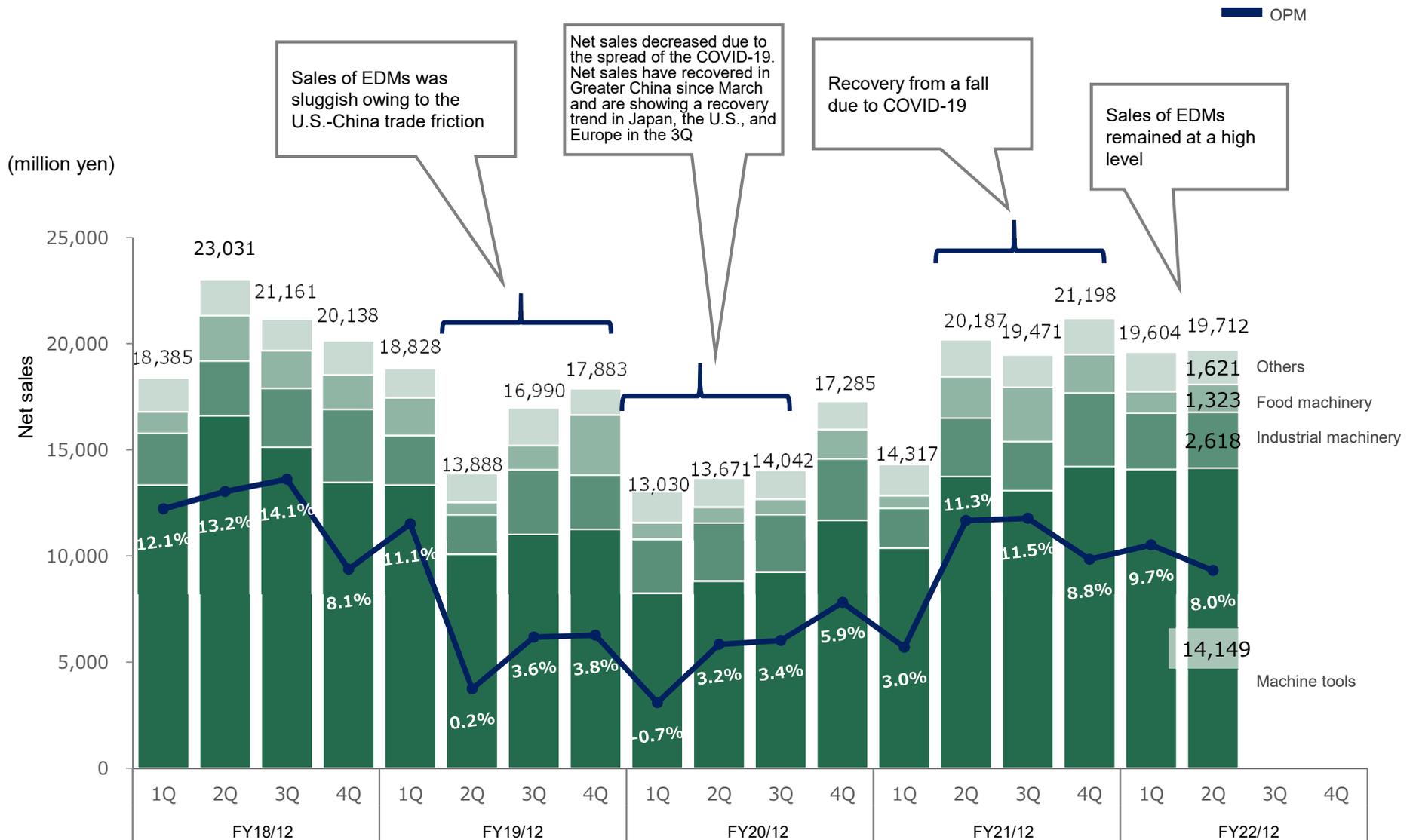
(million yen)	FY18 2Q	FY19 2Q	FY20 2Q	FY21 2Q	FY22 2Q	YoY Change
Net sales	41,416	32,717	26,702	34,504	39,317	13.9%
Operating Profit	5,277	2,127	345	2,714	3,479	28.2%
OPM	12.7%	6.5%	1.3%	7.9%	8.8%	1.0 pt
Ordinary Profit	5,185	2,073	362	3,784	5,958	57.5%
Profit	3,677	892	105	2,648	4,121	55.6%
ROE (annual basis)	13.2%	3.1%	0.4%	8.3%	10.5%	2.2 pt
Capital investment	4,679	2,760	810	1,301	1,577	21.2%
Depreciation	1,508	1,667	1,671	1,669	1,705	2.2%
R&D expenses	2,078	1,911	1,577	1,581	1,459	-7.7%
USD/JPY	108.67	110.06	108.23	107.82	123.14	15.32 down
EUR/JPY	131.55	124.32	119.31	129.89	134.39	4.50 down
CNH/JPY	17.09	16.19	15.38	16.65	18.91	2.26 down
THB/JPY	3.43	3.49	3.43	3.50	3.65	0.15 down

Details of Changes in Operating Profit

- ✓ Gross profit increased significantly, as unit sales increased.
- ✓ Total SG&A expenses up 703 million yen year on year (Increased personnel expenses, increased sales promotion and advertising expenses associated with the holding of in-person exhibitions, etc.).



Ratio of Operating Profit to Net Sales (Quarterly)



* 1Q: Jan. to Mar.; 2Q: Apr. to Jun.; 3Q: Jul. to Sep.; and 4Q: Oct. to Dec.

Financial Results by Segment



(million yen)	FY18	FY19	FY20	FY21	FY22	YoY
	2Q	2Q	2Q	2Q	2Q	Change
Machine tool segment	29,980	23,444	17,063	24,145	28,245	17.0%
Industrial machinery segment	4,981	4,213	5,316	4,628	5,244	13.3%
Food machinery segment	3,151	2,344	1,515	2,521	2,344	-7.0%
Other segments	3,303	2,715	2,807	3,209	3,482	8.5%
Total net sales	41,416	32,717	26,702	34,504	39,317	13.9%
Machine tool segment	5,179	2,862	941	3,156	3,938	24.8%
Industrial machinery segment	302	-3	276	177	544	206.3%
Food machinery segment	424	293	5	205	3	-98.4%
Other segments	695	64	219	426	277	-35.0%
Total segment profit	6,602	3,216	1,442	3,965	4,763	20.1%
Adjustment amounts	-1,324	-1,089	-1,097	-1,251	-1,284	-
Total operating profit	5,277	2,127	345	2,714	3,479	28.2%

Financial Results by Segment

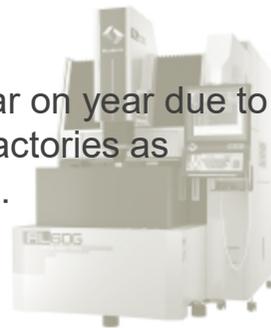
■ Machine Tool Segment

Net Sales

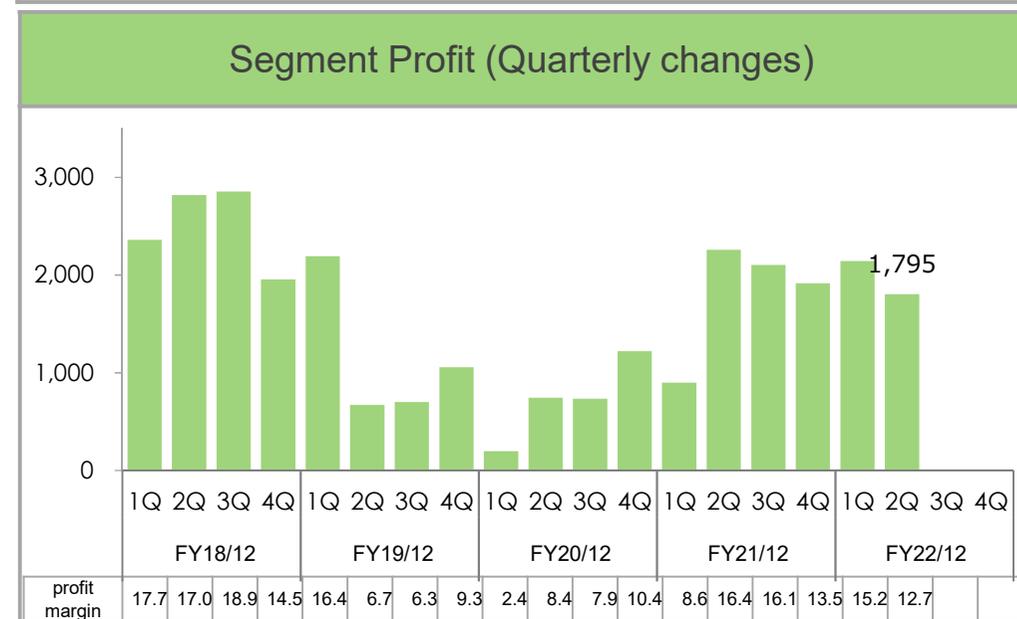
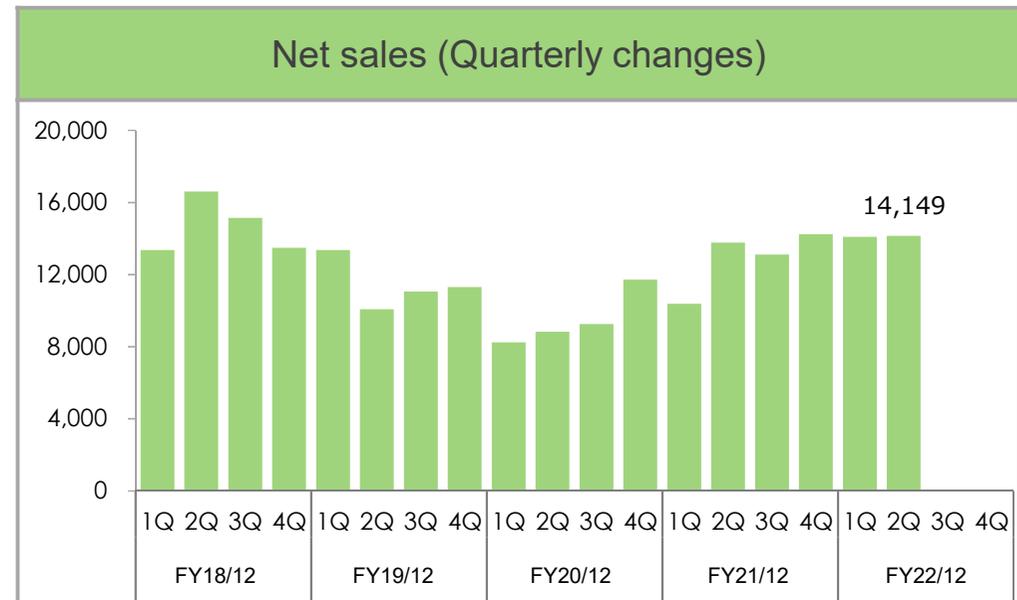
- Net sales were sluggish in auto-related industries due to a semiconductor shortage and other factors
- Net sales increased year on year as there was a growing demand for products for electronic components, semiconductors, and next-generation automobiles.
- Some shipments were delayed owing to a lockdown in China

Segment profit

- Segment profit increased year on year due to the improved profitability at factories as production volume increased.



(million yen)	2Q FY21	2Q FY22	YoY Change	
Net sales	24,145	28,245	4,099	17.0%
Segment profit	3,156	3,938	782	24.8%
Profit margin	13.1%	13.9%		



profit margin	17.7	17.0	18.9	14.5	16.4	6.7	6.3	9.3	2.4	8.4	7.9	10.4	8.6	16.4	16.1	13.5	15.2	12.7
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Financial Results by Segment

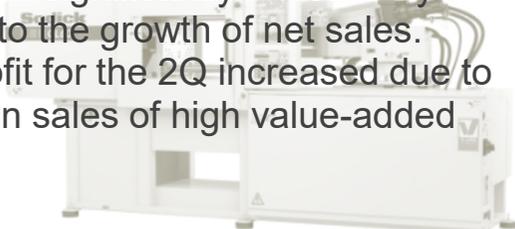
■ Industrial Machinery Segment

Net Sales

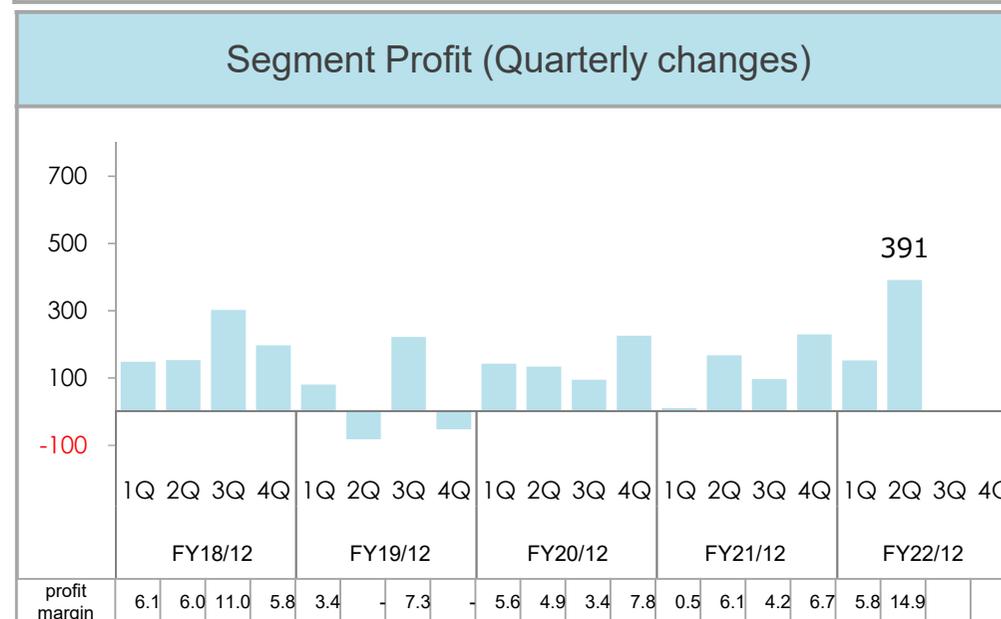
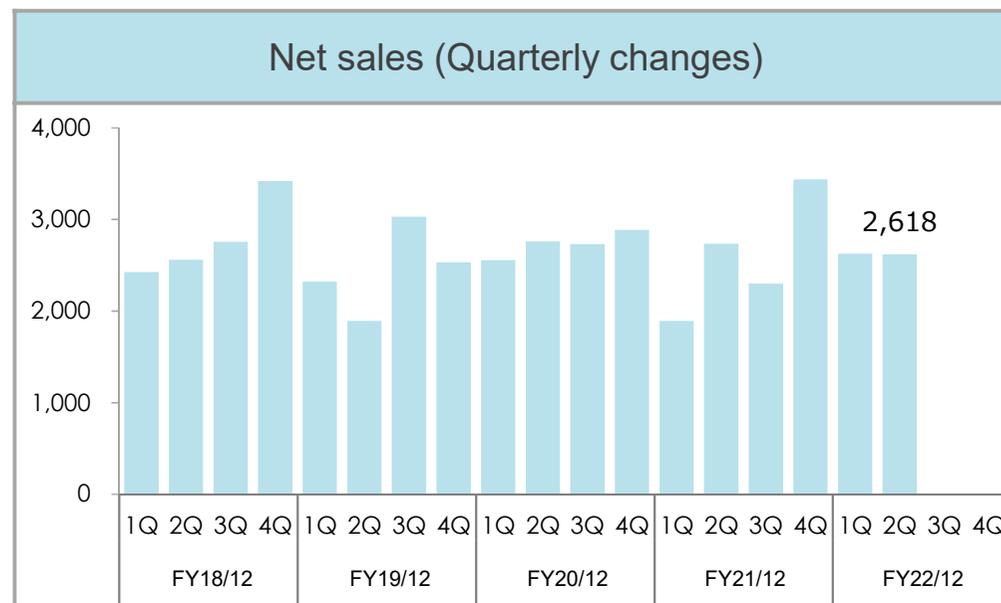
- In Japan, sales of products for auto-related industries, such as car-mounted components related to CASE, and for electronic components and medical industries were strong
- Net sales increased year on year as major connector projects were strong in Asia and medical-related transactions were strong in the U.S.

Segment profit

- Segment profit significantly increased year on year due to the growth of net sales.
- Segment profit for the 2Q increased due to an increase in sales of high value-added products



(million yen)	2Q FY21	2Q FY22	YoY Change	
Net sales	4,628	5,244	616	13.3%
Segment profit	177	544	366	206.3%
Profit margin	3.8%	10.4%		



profit margin	6.1	6.0	11.0	5.8	3.4	-	7.3	-	5.6	4.9	3.4	7.8	0.5	6.1	4.2	6.7	5.8	14.9
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Financial Results by Segment

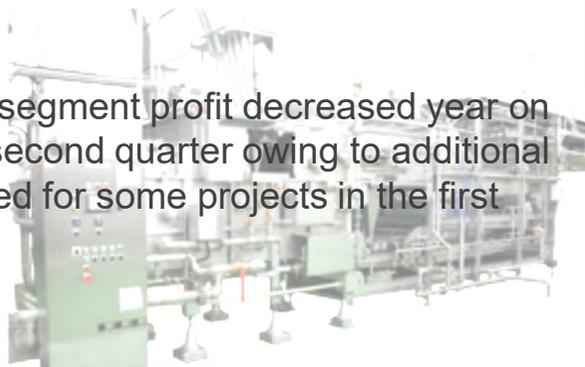
■ Food Machinery Segment

Net Sales

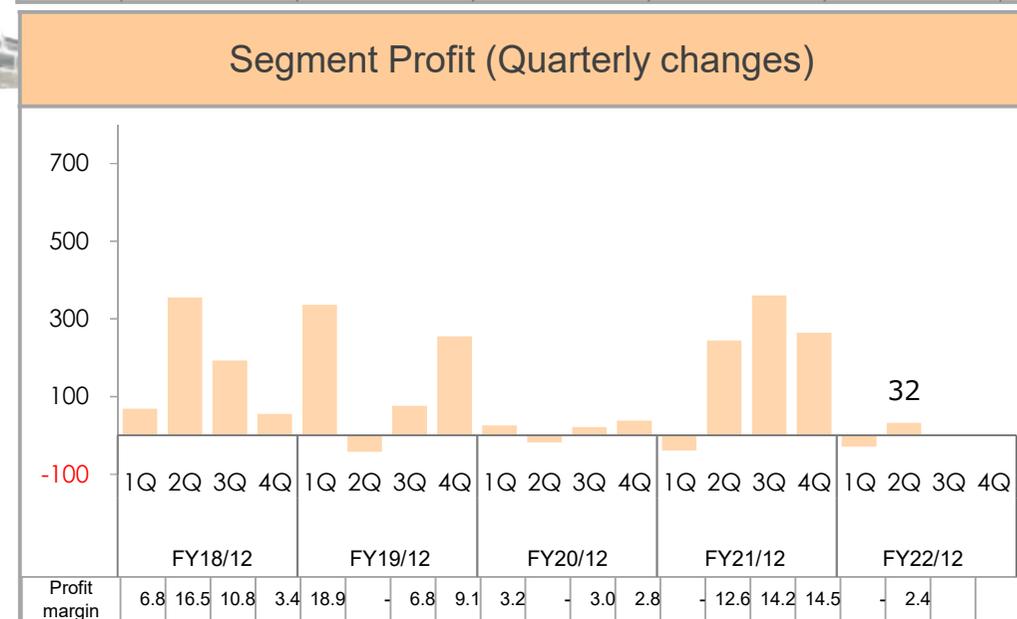
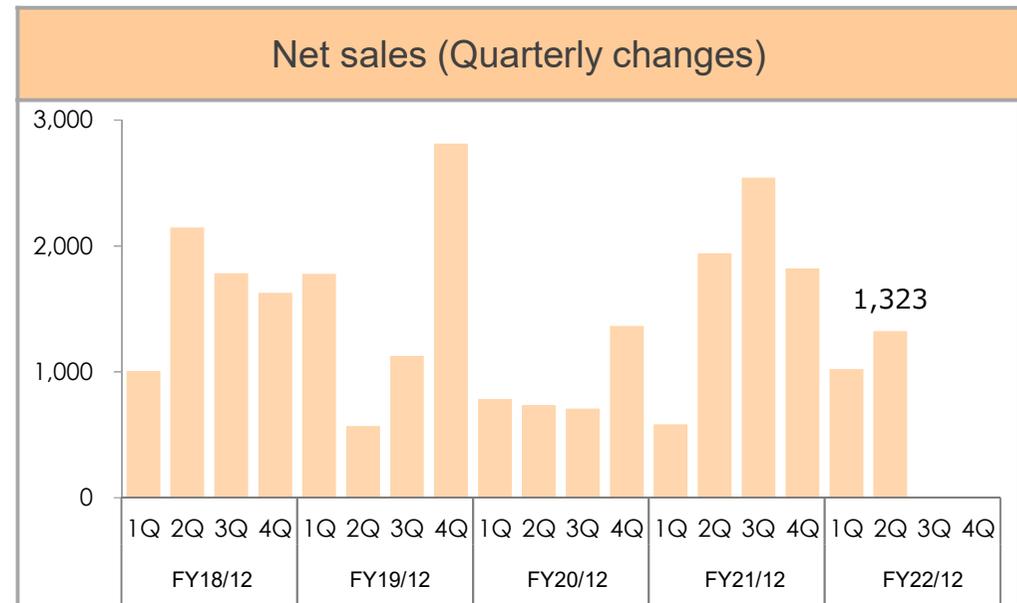
- Net sales decreased year on year as orders for several projects were put off to in the second half owing to a lockdown in China, though demand for noodle-making machine-related equipment was strong in Japan and that for sterile-packed cooked rice production systems for overseas markets was also strong

Segment profit

- Cumulative segment profit decreased year on year in the second quarter owing to additional costs incurred for some projects in the first quarter.



(million yen)	2Q FY21	2Q FY22	YoY Change	
Net sales	2,521	2,344	-177	-7.0%
Segment profit	205	3	-202	-98.4%
Profit margin	8.1%	0.1%		



Profit margin	6.8	16.5	10.8	3.4	18.9	-	6.8	9.1	3.2	-	3.0	2.8	-	12.6	14.2	14.5	-	2.4
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Financial Results by Segment

■ Other Segments

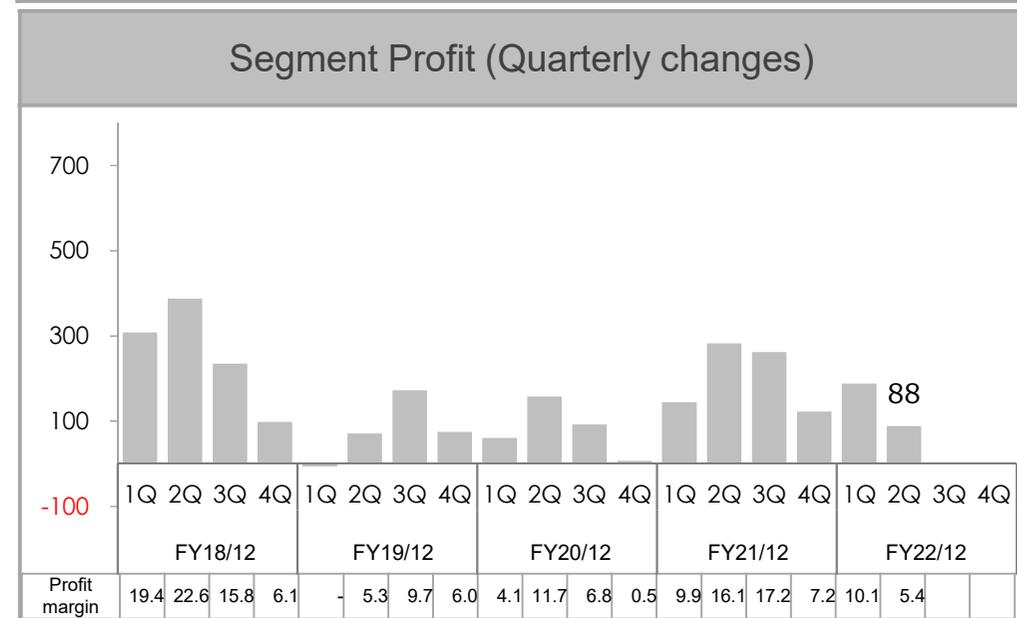
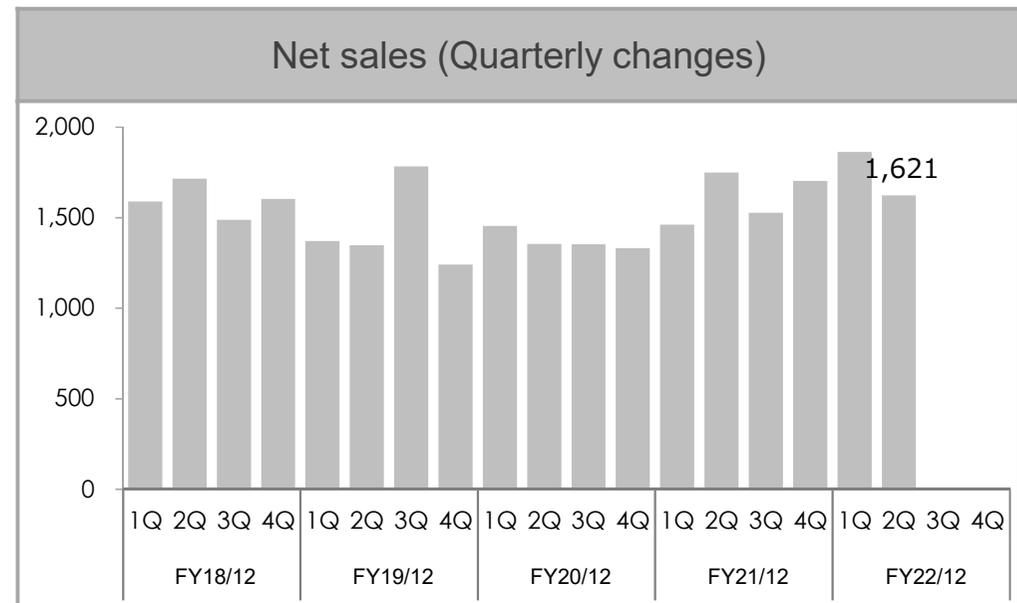
Net Sales

- Demand continued for ceramics for semiconductor manufacturing equipment manufacturers
- In the precision die and molding business, net sales increased year on year due to an increase in the number of items but are expected to be affected by a reduction of automotive production due to a component shortage in the future.

Segment profit

- Segment profit decreased year on year owing to high prices of raw materials

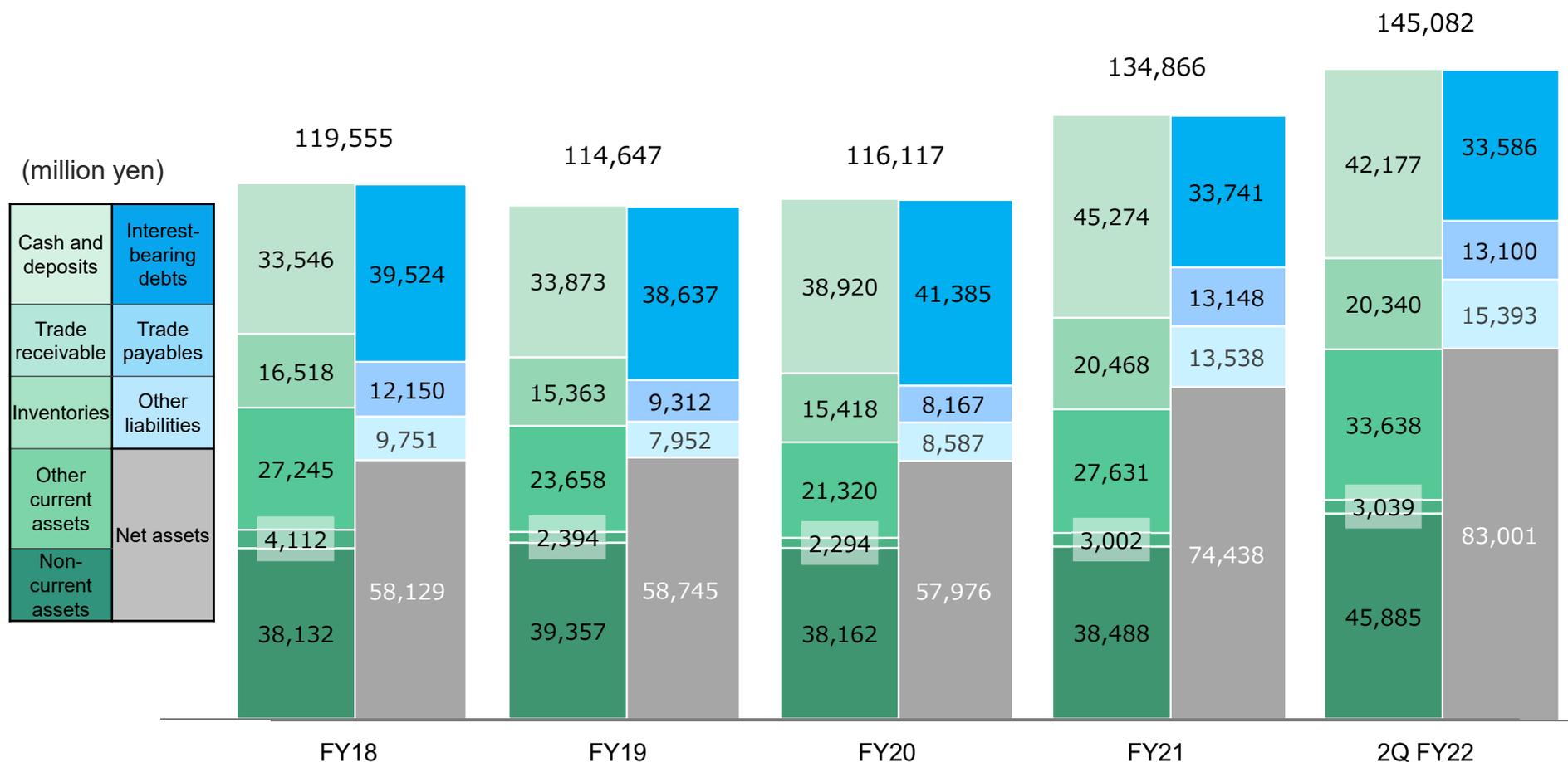
(million yen)	2Q FY21	2Q FY22	YoY Change	
Net sales	3,209	3,482	273	8.5%
Segment profit	426	277	-149	-35.0%
Profit margin	13.3%	8.0%		



Profit margin	19.4	22.6	15.8	6.1	-	5.3	9.7	6.0	4.1	11.7	6.8	0.5	9.9	16.1	17.2	7.2	10.1	5.4	
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Balance Sheet

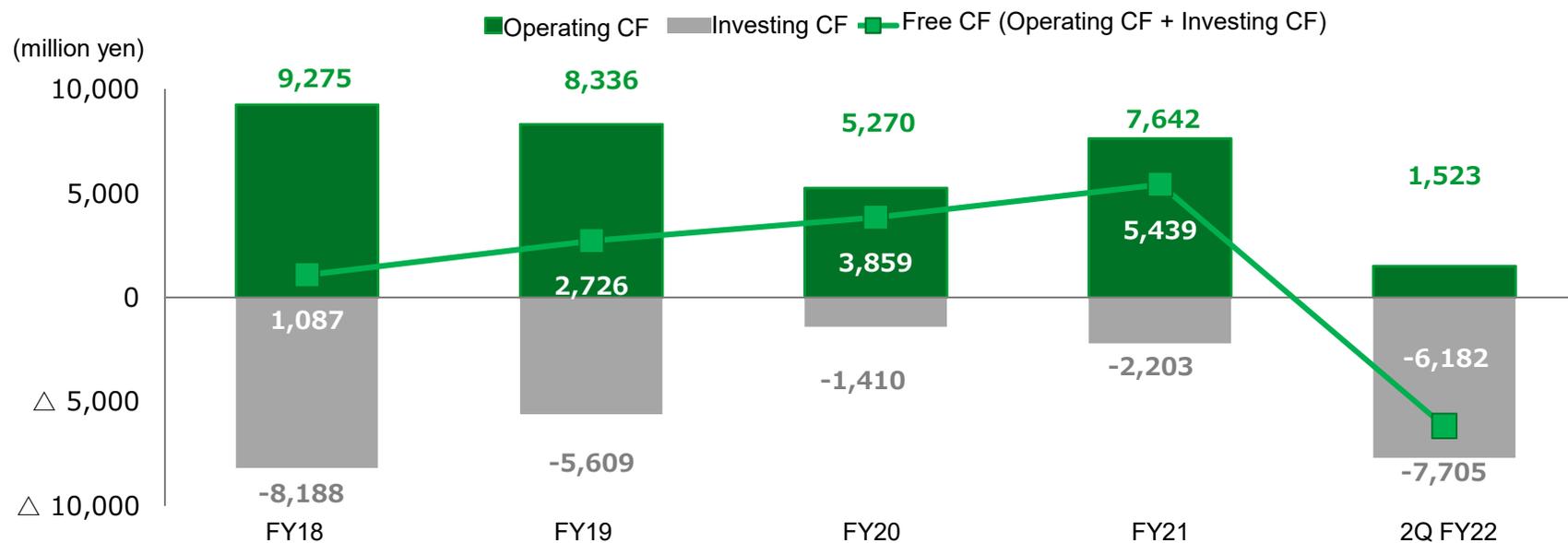
- ✓ Total assets significantly increased due partly to a push by the weak yen
- ✓ Net assets increased due to an increase (about 6,000 million yen) in foreign currency translation adjustments owing to the weakening yen, and equity ratio also improved



USD-JPY exchange rate at last day of the term	111.00	109.56	103.50	115.02	136.68
Equity ratio	48.5%	51.2%	49.9%	55.2%	57.2%
Net cash	-5,978	-4,763	-2,464	11,533	8,591

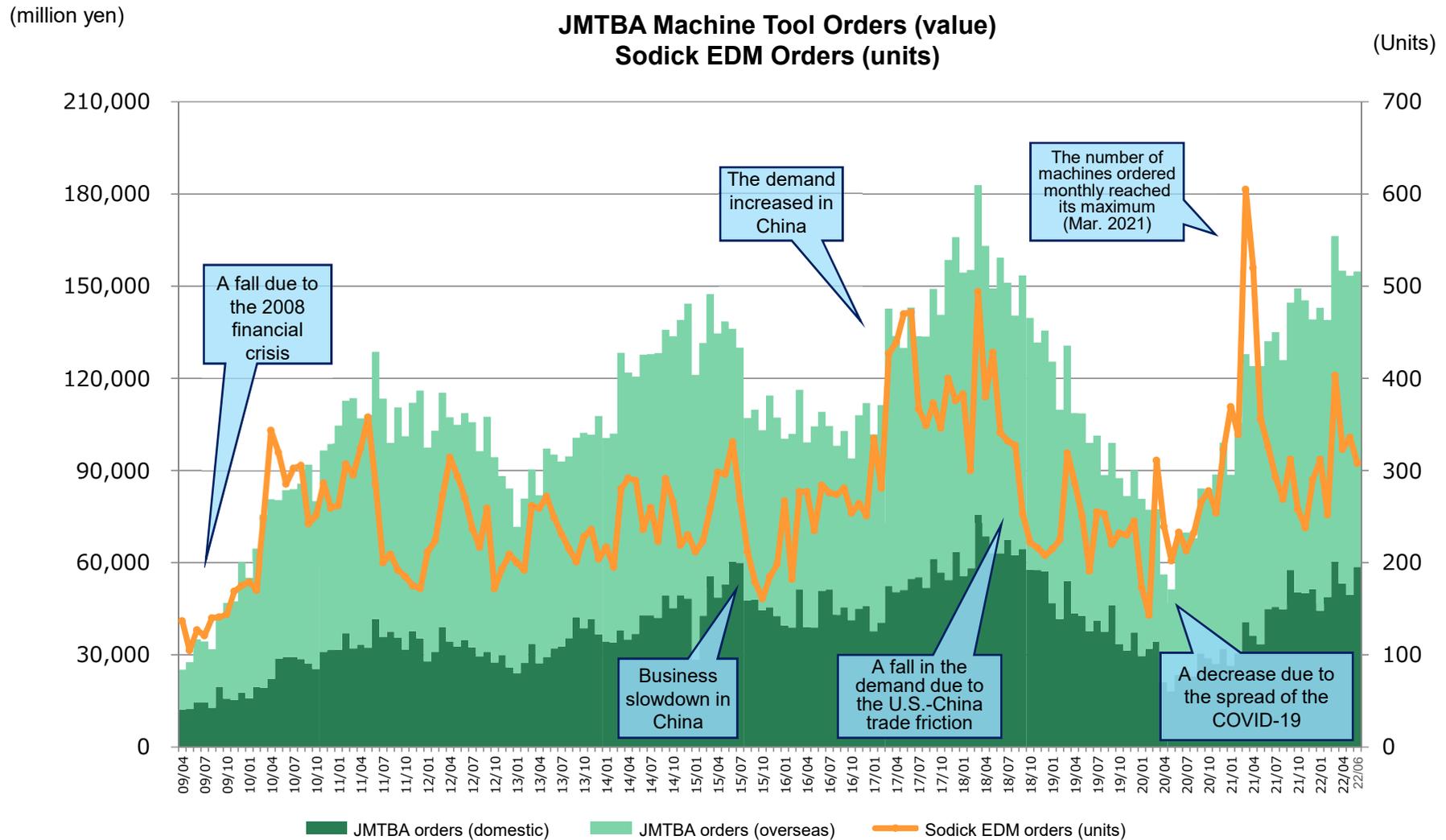
Cash Flow

	FY18	FY19	FY20	FY21	2Q FY22	Major breakdowns
Cash flow from operating activities	9,275	8,336	5,270	7,642	1,523	An increase in contract liabilities of 7,900 million yen A decrease in advances received of -4,800 million yen An increase in inventories of -3,400 million yen
Cash flow from investing activities	-8,188	-5,609	-1,410	-2,203	-7,705	Payments into time deposits of 5,600 million yen The acquisition of property, plant, and equipment of -1,600 million yen
Cash flow from financing activities	-3,485	-2,228	1,665	-1,932	-1,795	
Balance of cash and cash equivalents at term end	32,650	32,890	38,255	44,229	39,655	The balance at the term end increased year on year due to a translation adjustment of cash and cash equivalents of 3,400 million yen



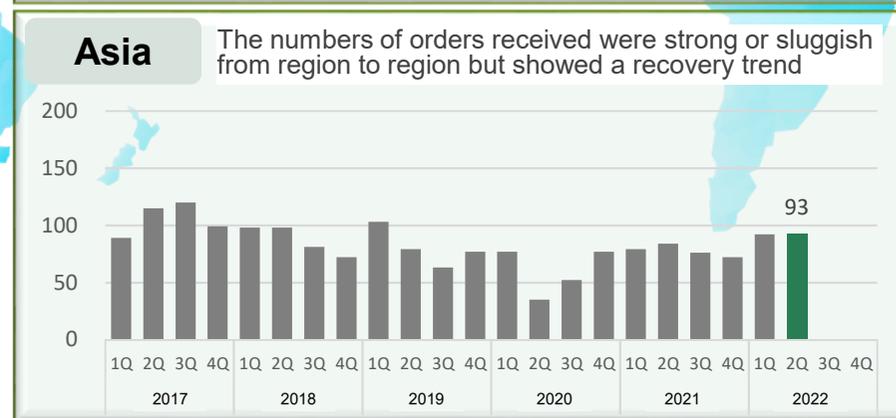
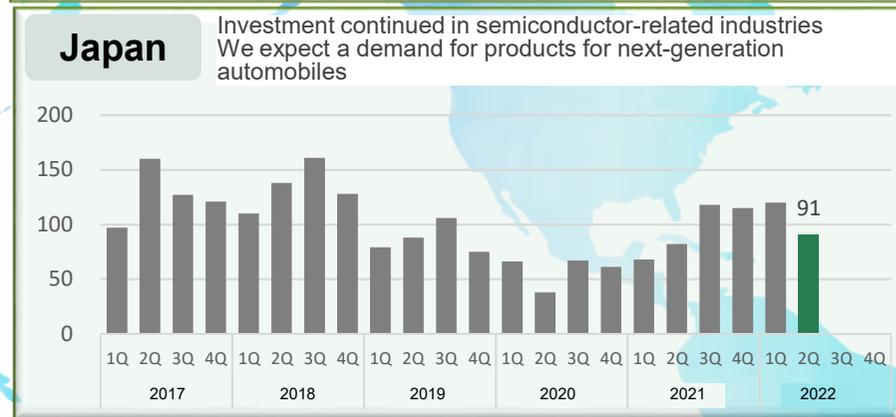
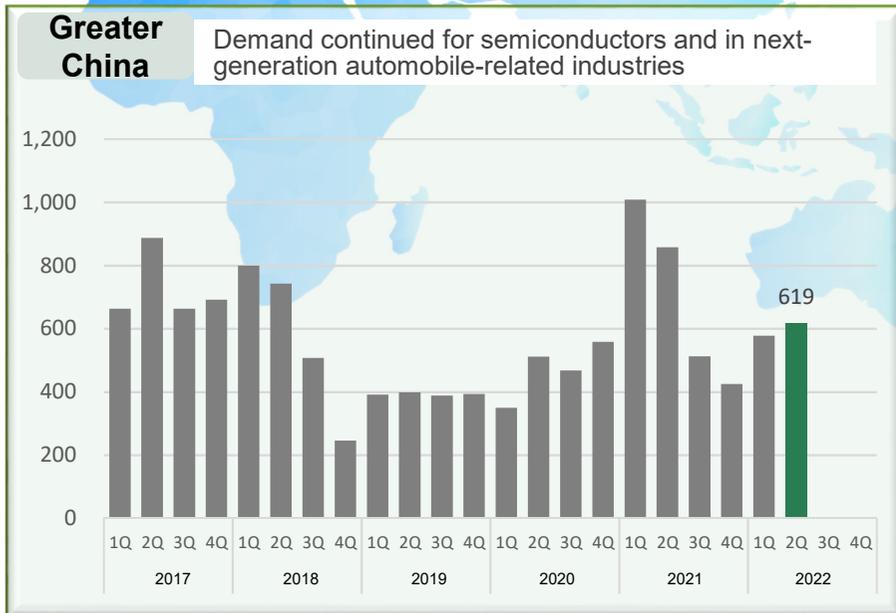
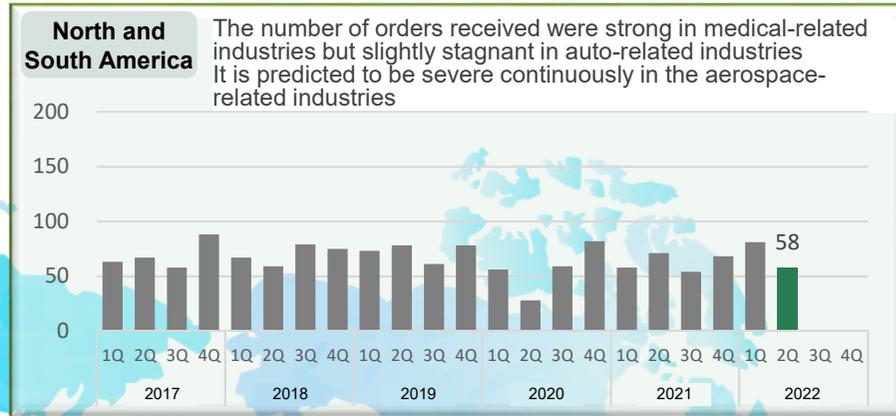
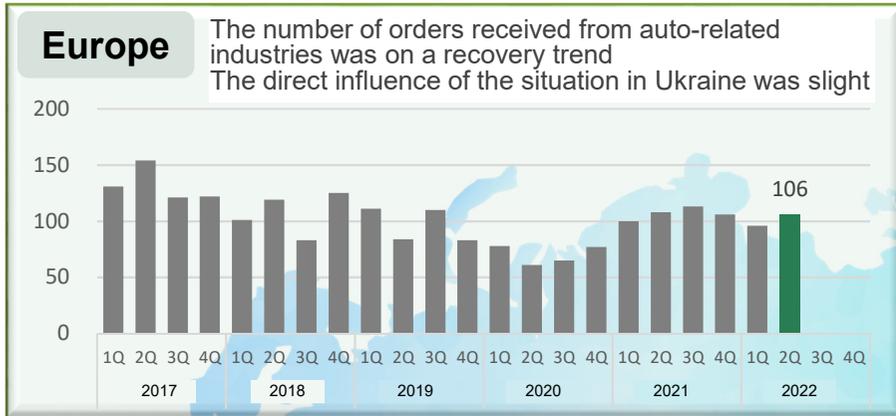
1. 2Q FY22/12 Financial Results Summary
- 2. FY22/12 Financial Results Projections**

Changes in Amount of JMTBA Orders and in Number of EDMs Ordered from the Company



Source: JMTBA

Changes in Numbers of EDMs Ordered in Quarters by Region



FY22/12 Full-year Financial Results Projections (by Segment)



- ✓ We revised net sales upward owing partly to an increase in sales of machine tools and industrial machines and to a push by the weak yen
- ✓ The operating profit margin fell by 0.4 points from the plan at term beginning of the fiscal year mainly owing to a rise in component prices and transportation expenses

(million yen)	FY18	FY19	FY20	FY21	FY22		
					Plan at term beginning	Revised forecast	Comparison with plan at term beginning
Net sales	82,716	67,591	58,030	75,174	77,900	81,800	5.0%
Operating profit	9,888	3,422	1,852	6,813	7,200	7,200	–
OPM	12.0%	5.1%	3.2%	9.1%	9.2%	8.8%	-0.4 pt
Ordinary profit	9,619	3,558	2,046	8,588	7,200	9,000	25.0%
Profit	6,462	2,002	1,346	6,591	5,700	6,500	14.0%
ROE	11.4%	3.4%	2.3%	10.0%	7.7%	8.5%	0.8 pt
Facility investments	8,576	6,561	2,448	3,451	4,100	4,100	–
Depreciation	3,085	3,664	3,399	3,452	3,500	3,500	–
R&D expenses	3,902	3,483	3,220	3,216	3,600	3,600	–
USD/JPY	110.44	109.03	106.76	109.90	115.00	126.50	11.50 down
EUR/JPY	130.35	122.03	121.88	129.91	130.00	134.50	4.50 down
CNH/JPY	16.71	15.77	15.48	17.01	17.50	19.60	2.10 down
THB/JPY	3.42	3.52	3.42	3.44	3.50	3.70	0.20 down

FY22/12 Full-year Financial Results Projections (by Segment)



- ✓ Machine Tools: We revised net sales upward due partly to sales of machine tools being significantly over the forecast at the beginning of the fiscal year in Japan and to a push by the weak yen
- ✓ Industrial Machinery: We revised both net sales and segment profit upward due to a push by the weak yen and a rise in unit prices owing to a product mix
- ✓ Food Machinery: Net sales and segment profit are expected to be below those for the plan at the beginning of the fiscal year owing partly to the fact that orders were put off to in the second half or later in some projects owing to a lockdown in China

(million yen)	FY18	FY19	FY20	FY21	FY22		
					Plan at term beginning	Revised forecast	Comparison with plan at term beginning
Machine tool segment	58,607	45,797	38,024	51,485	51,200	56,300	10.0%
Industrial machinery segment	11,155	9,773	10,931	10,367	10,800	11,300	4.6%
Food machinery segment	6,560	6,283	3,585	6,884	8,200	7,700	-6.1%
Other segments	6,392	5,737	5,488	6,437	7,700	6,500	-15.6%
Total net sales	82,716	67,591	58,030	75,174	77,900	81,800	5.0%
Machine tool segment	9,988	4,621	2,896	7,176	7,500	7,400	-1.3%
Industrial machinery segment	802	165	596	503	300	1,150	283.3%
Food machinery segment	674	625	65	830	950	700	-26.3%
Other segments	1,030	311	319	811	950	450	-52.6%
Total segment profit	12,496	5,723	3,878	9,321	9,700	9,700	–
Adjustment amounts	-2,607	-2,301	-2,025	-2,507	-2,500	-2,500	–
Total operating profit	9,888	3,422	1,852	6,813	7,200	7,200	–

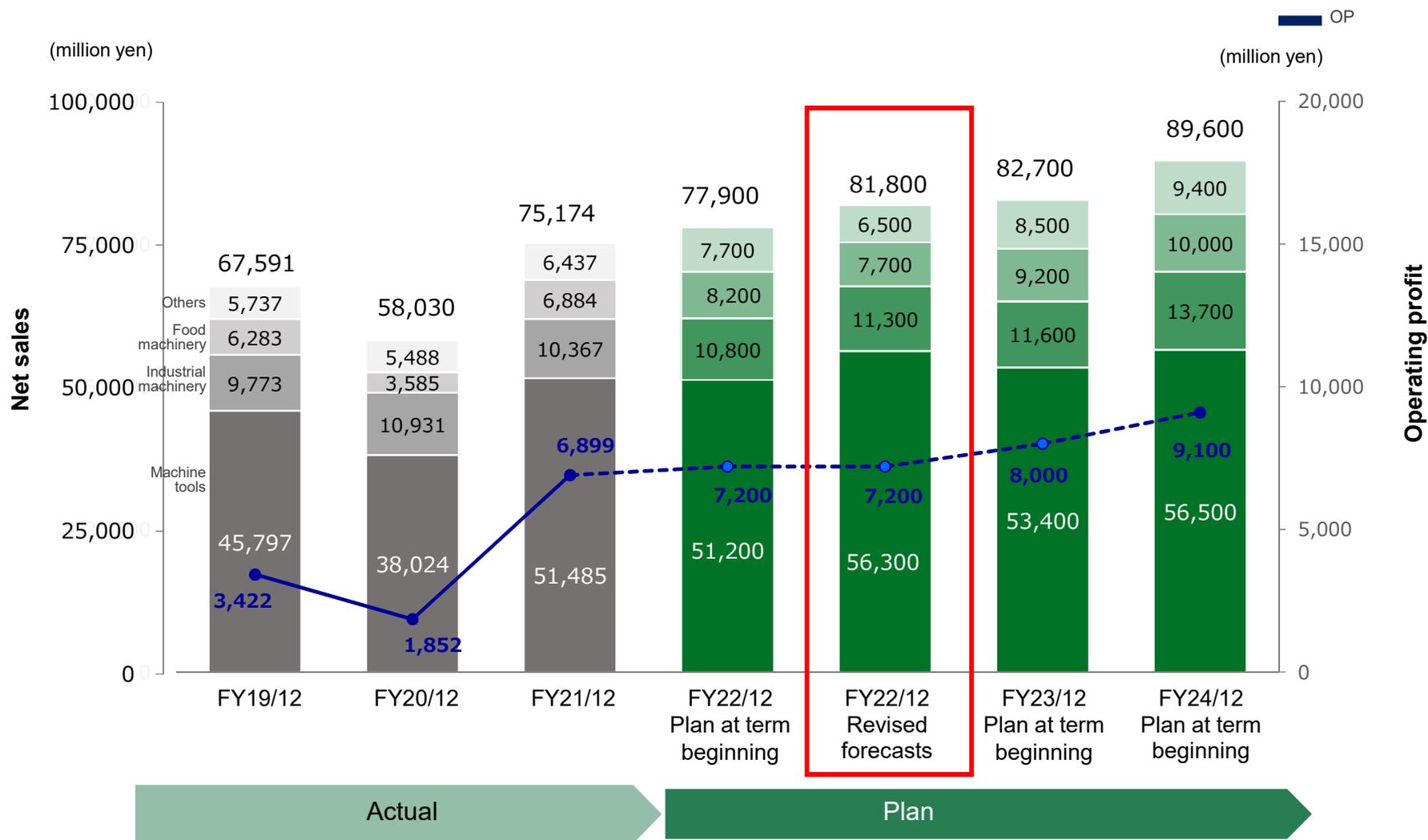


Medium and Long-term Business Strategy

Medium-term Management Plan



We estimate that we will post net sales of 89,600 million yen and operating profit of 9,100 million yen by the fiscal year ending December 2024



Measures by Segment

Machine Tool Segment

■ Promotion of digital marketing

Improving customer services by utilizing web channels

Setting up of Sodick Connect
 We supply customers holding our machine tools with various pieces of information useful at manufacturing sites, such as operation and function descriptions of machines, various brochures, and information about events and schools.



Promotion of solution services

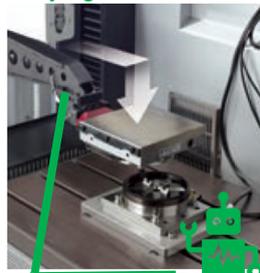
We support customers fully in manufacturing through not only selling a single machine but offering a solution service

Case of an offer of a solution

We offered automation of manual processes in die production to a customer's site

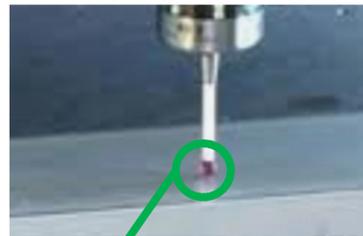
Process automation package

Automatic conveyance / carrying out



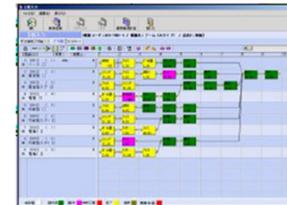
Conveyance and carrying-out device

Measurement on a machine



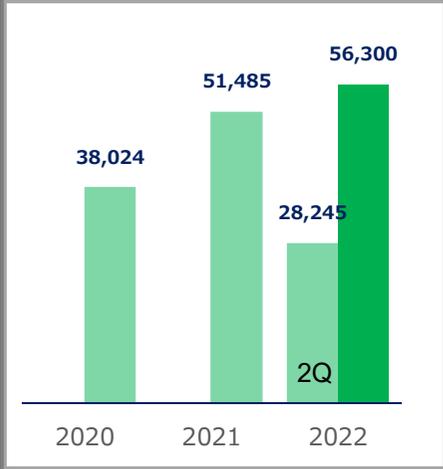
Measurement probe

Scheduler

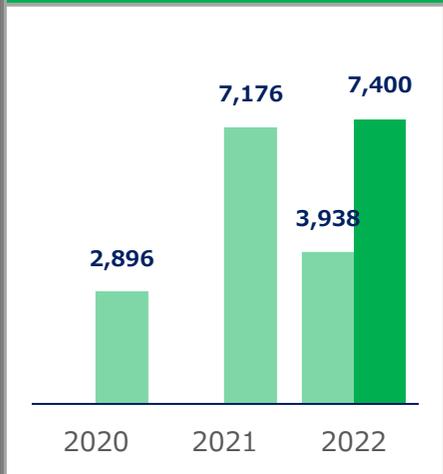


Process control software

Net sales



Segment profit



Measures by Segment

Machine Tool Segment

■ **Expansion of follow-up business and increase of profitability**

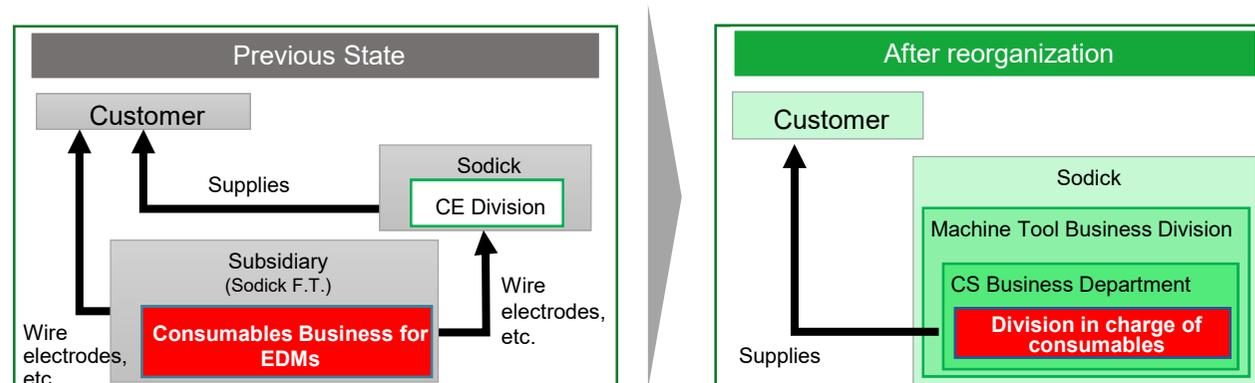
Improving after-sales service

- Increasing the line of regular maintenance products:
We aim at increasing subscription rate by increasing plans by model and use
- Improving remote services:
Shortening machine downtime through remote supervision
- Improving the sale of components:
Reviewing the prices of parts for old products and promoting sales for replacements



Increasing efficiency in the supplies and consumables business

We had a subsidiary's development, manufacturing, and sales businesses for consumables for EDMs succeeded by Sodick (on July 1). We aim at increasing efficiency in the Customer Support Division by integrating manufacturing, selling, and providing services for supplies.



Machine Tool Segment

■ Awards and New Products

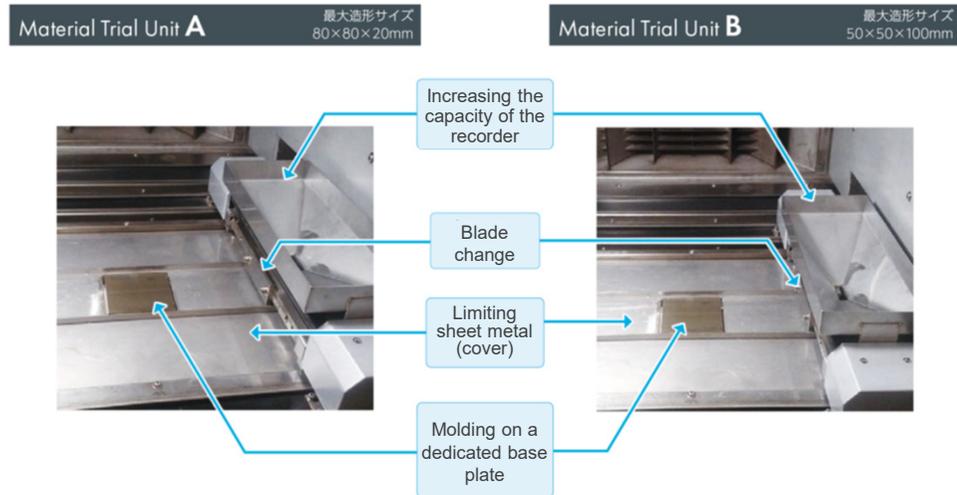
LPM325S won the best award (METI Minister Award) in the 52nd Machinery Industrial Design Awards IDEA

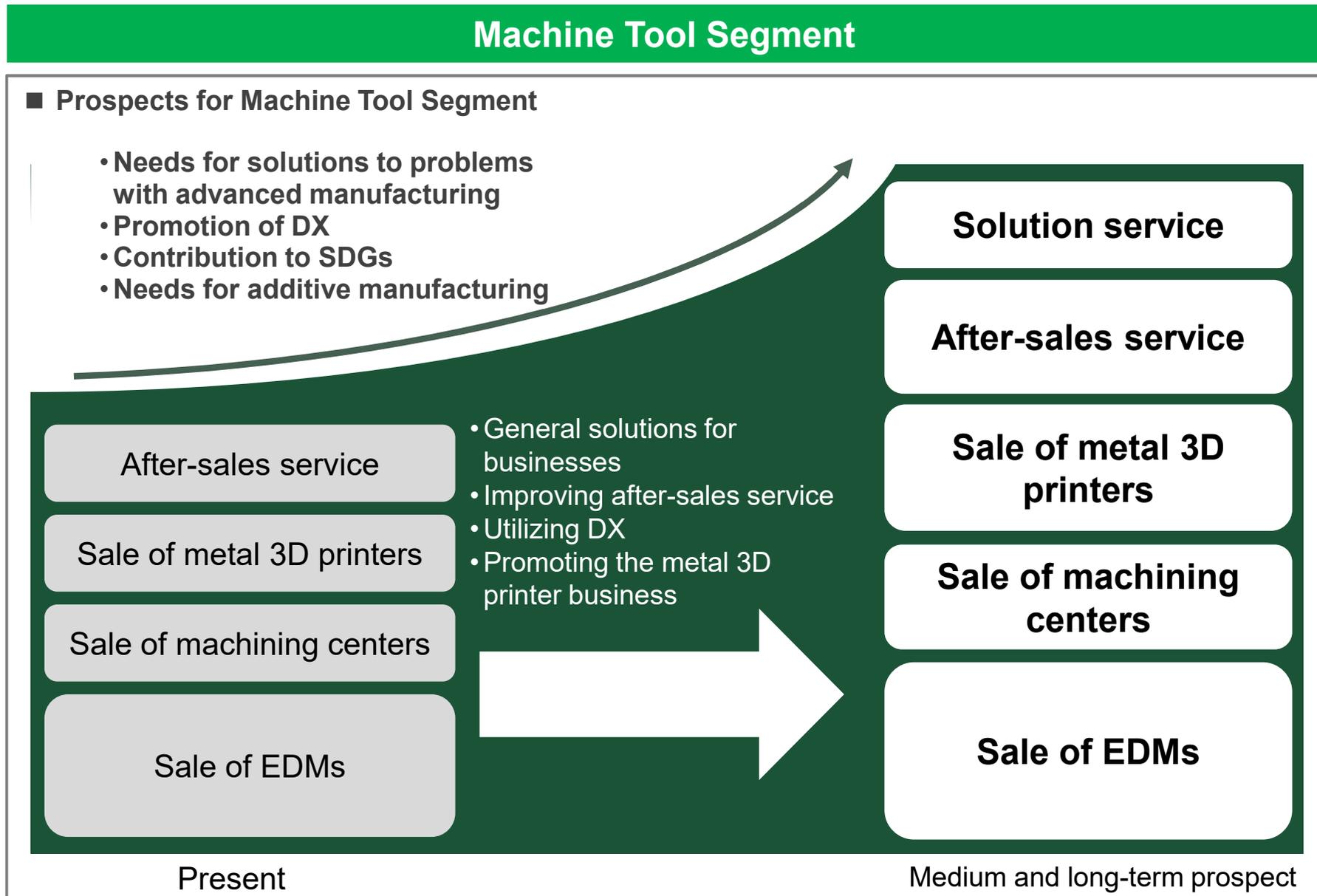
The metal 3D printer LPM325S won the best award of the METI Minister Award. In addition to performance improvements that have been previously required for molding accuracy and speed, the printer realized even longer, faster, and more stable molding by significantly enhancing the functions of improving operability, reducing maintenance frequency, and preventing and reducing problems, which are extremely important at manufacturing sites. It will contribute largely to increasing the operation rate, which is a key to productivity improvement at sites.



Sale of test-molding-capable units for metal 3D printers

We have developed the unit Material Trial Unit A/B, which allows a user to use many types and small amounts of powder. Previously, it took a lot of time and effort to change metal powder. In developing this product, we adopted an attachment method that allows a customer to handle the product easily, and the troublesome operation of changing the powder material has become unnecessary. Thus, the product realizes various type of test molding with metal powder in a simple way at low cost. It will significantly expand the application range of manufacturing with a metal 3D printer.





Measures by Segment

Industrial Machinery Segment

- Increasing sales in the molding field, in which we can use our strengths
- Promoting the sale of electric injection molding machines

We have started the sale of new MS G2 series products

The products are equipped with a new controller to realize improved control performance and are capable of further high-precision machining. They are also adaptable to advanced production systems using big data through compatibility with IoT.

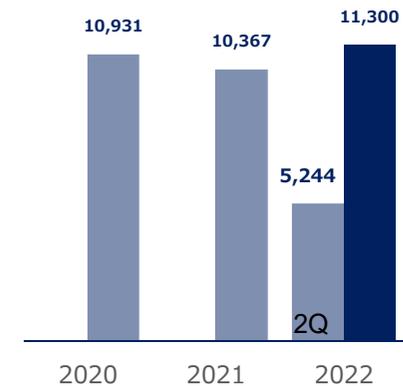


- Expanding the sale of vertical injection molding machines for the automotive field
- Selling environmentally friendly products
 - Expanding the sale of biodegradable plastic molding techniques
 - Reducing electricity consumption by molding machines

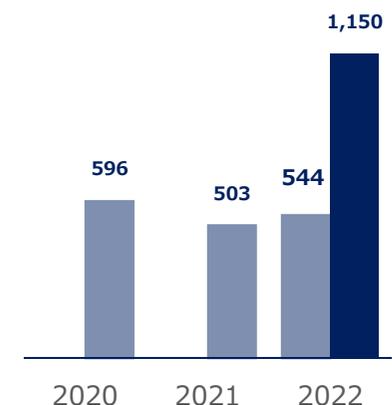
■ **Facility investment**

- We aim at further expanding sales in the Greater China and Asia markets by launching production at the new Amoy factory in Xiamen.

Net sales



Segment profit



Food Machinery Segment

■ **Promotion of development of new techniques to expand business areas**

- New product “Neo Mazaru”

The new product has realized a nonmanual process of adding and mixing seasoning liquid, such as sauce, in the precooked noodle production, which had been handled manually. The reduction of manual processes has enabled the reduction of the risk of contamination with bacteria and foreign matter as well as maintaining the freshness of precooked noodle products. Thus, the product contributes to the reduction of food waste.



- Granule powder cooling system won a judging committee award in the FOOMA Awards

Granule powder cooling system that quickly cools various types of powder used for confectionery as well as bread and noodle making and controls powder temperature won a judging committee award.

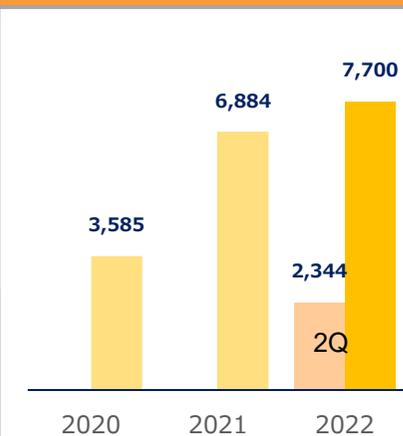
Its function of contributing to the stabilization of dough temperature and quality through quick cooling and temperature control was highly appreciated.



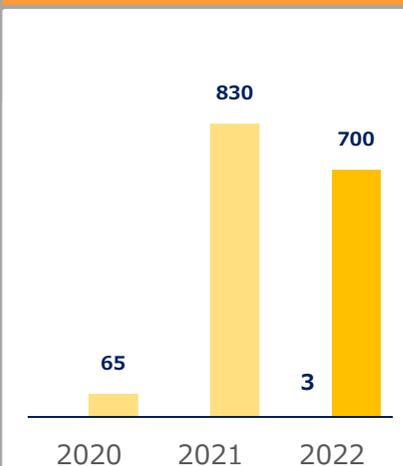
■ **Increasing capacity and expanding sales through extending facility**

We will increase productive capacity through building a new factory in the Amoy Plant in Xiamen and extending the food factory at the Kaga Office. We will increase sales in the Greater China and Asia markets in which there is expected to be a growing demand.

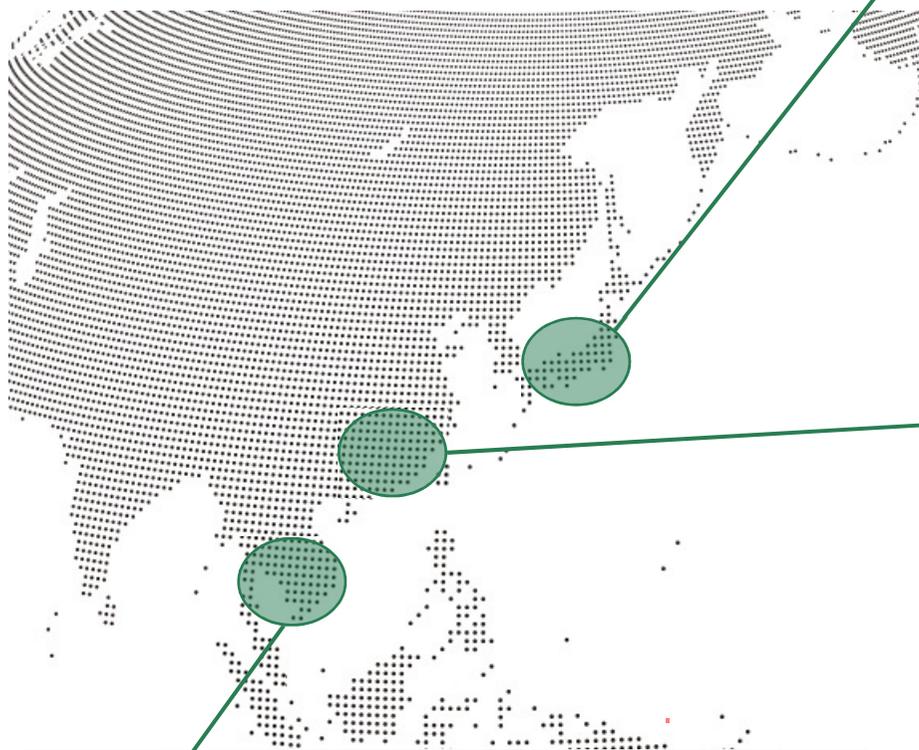
Net sales



Segment profit



Strengthening Management Base



Asia

Sodick (Thailand) Co., Ltd.	
Extension of the 2nd Plant	
Extension area	3,700 m ² (Total floor space of the 2nd Plant: 18,120 m ²)
Amount invested	About 500 million yen
Items	EDMs and consumables and parts cabinets
Completion time	January 2022



Japan

Kaga Business Site, Sodick	
Extension of the food machinery factory and repair of the existing factories	
Extension area	4,200 m ²
Amount invested	About 1,170 million yen
Items	Food machines (e.g., noodle-making machines and rice cookers) Assembly areas, showrooms, trial run spaces, and material warehouse extension
Completion time	Extension: November 2023 (planned) Existing factories repair: May 2024 (planned)



Greater China

Sodick Amoy Co., Ltd.	
Construction of a new factory	
Site area	13,753 m ² (Total floor area: 12,149 m ²)
Amount invested	About 1,400 million yen
Items	Injection molding machines and food machines
Completion time	September 2022 (planned)



Sodick China South China Tech Center

Construction of a tech-center	
Total floor space	4,146 m ²
Amount invested	About 500 million yen
Services	Technical support and after-sales service (e.g., Machining tests, training, and study meetings)
Completion time	July 2022



✓ We will improve business management to achieve financial targets and indexes newly set

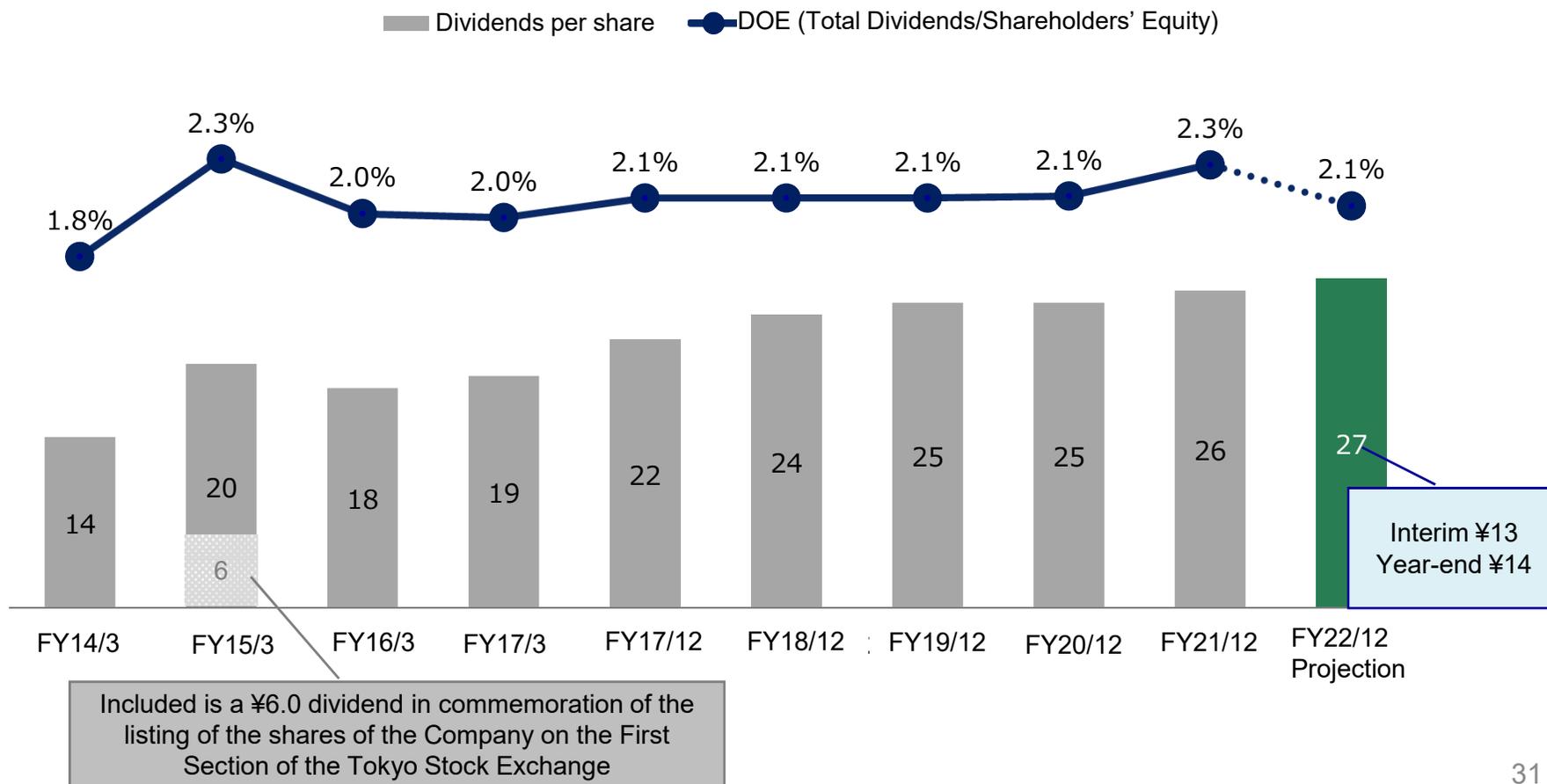
Management indexes		
Capital efficiency	ROE of 8% or more (on 5-year average)	<ul style="list-style-type: none"> • Introducing the index of capital efficiency • We have adopted not a single-year average but a five-year average because of high volatility
Financial soundness	Net cash plus Equity ratio of 50% or more	<ul style="list-style-type: none"> • We have relaxed our policy since the financial base became stable through CB redemption
Shareholder returns	DOE of 2% or more and total return ratio of 30% or more <small>* Total return ratio = (dividends + stock buybacks) / Profit</small>	<ul style="list-style-type: none"> • We maintain the policy of stable dividends • Improving return to shareholders through the dividend policy and the quick capital policy by stock buyback

Shareholder Returns Policy and Dividend Projection



Shareholder returns policy

Aim for DOE of 2% or more and total return ratio of 30% or more



Purchase of Own Shares and Cancellation of Treasury Shares

- ✓ We have decided to purchase own shares and cancel treasury shares in order to enhance stock value through improving return to shareholders and the quick capital policy in response to the change of business environment

Outline of own share purchase

Class of shares	Common shares of the Company
Total number of shares to be purchased	500,000 shares (upper limit) (Proportion of them to the total number of issued shares (except for treasury shares): 0.93%)
Total purchase cost	500 million yen (upper limit)
Purchase period	From August 10, 2022 to September 9, 2022
Purchase method	Purchase from the market at the Tokyo Stock Exchange

Outline of treasury share cancellation

Class of shares	Common shares of the Company
Total number of shares	All of own shares purchased
Expected date of cancellation	September 30, 2022

Total payout ratio

Before purchase of own shares

28.1%

After purchase of own shares

34.3%

* On revised forecast basis

Initiatives for Sustainability

Picking out materiality (important issues)

- We recognize the four items at right as our important issues in addressing sustainability issues
- We will consider whether to set KPIs for important issues in the future

Sodick's materiality (important issues)	
Contribute to evolving manufacturing	Promote diversification of human resources
Address environmental management	Strengthen governance

Efforts in the environmental aspect

- Installing solar panels at the Kaga Office
- Improving crosscutting efforts throughout the company by establishing a specialized department
- Promoting the development of environmentally friendly products



Setting priority issues in healthy management

- Prevention and early detection of stress-related diseases
Carrying out stress checks, having persons under high stress consult an industrial physician, and providing mental health education
- **Realizing proper working hours and securing a work-life balance and living hours**
Having long-hour workers talk over with a person in charge of personnel, introducing working at home and staggered working hours, and providing time management education



Appendix

1. Changes in Financial Results
2. Changes in Indexes
3. Changes in Financial Results by Segment
4. Numbers of EDMs Ordered and Sold
5. Ratio of Overseas Sales by Segment
6. Maintenance Service Ratio
7. Outline of Business
8. Exhibition Information

Changes in Financial Results



FY2020/12	1Q		2Q		3Q		4Q	
	20/03		20/06		20/09		20/12	
		YoY		YoY		YoY		YoY
Net Sales	13,030	69.2%	13,671	98.4%	14,042	82.6%	17,285	96.7%
Cost of Sales	8,957	73.5%	9,313	101.2%	9,615	81.2%	11,894	97.5%
Cost of Sales Margin	68.7%		68.1%		68.5%		68.8%	
Operating Profit	-88	-	433	1312.1%	481	77.8%	1,025	151.6%
Operating Profit Margin	-0.7%		3.2%		3.4%		5.9%	
Ordinary Profit	-67	-	430	-	530	105.4%	1,153	117.5%
Ordinary Profit Margin	-0.5%		3.1%		3.8%		6.7%	
Profit Attributable to Owners of Parent	-18	-	124	-	513	180.0%	728	88.3%
Net Profit Margin	-0.1%		0.9%		3.7%		4.2%	

1H		2H		Full Year	
20/01-20/06		20/07-20/12		20/12	
	YoY		YoY		YoY
26,702	81.6%	31,327	89.8%	58,030	85.9%
18,270	85.4%	21,509	89.5%	39,779	87.6%
68.4%		68.7%		68.6%	
345	16.2%	1,507	116.4%	1,852	54.1%
1.3%		4.8%		3.2%	
362	17.5%	1,684	113.4%	2,046	57.5%
1.4%		5.4%		3.5%	
105	11.8%	1,241	111.8%	1,346	67.2%
0.4%		4.0%		2.3%	

FY2021/12	1Q		2Q		3Q		4Q	
	21/03		21/06		21/09		21/12	
		YoY		YoY		YoY		YoY
Net Sales	14,317	109.9%	20,187	147.7%	19,471	138.7%	21,199	122.6%
Cost of Sales	9,665	107.9%	13,167	141.4%	12,571	130.7%	14,058	118.2%
Cost of Sales Margin	67.5%		65.2%		64.6%		66.3%	
Operating Profit	424	-	2,289	528.6%	2,235	464.7%	1,863	181.7%
Operating Profit Margin	3.0%		11.3%		11.5%		8.8%	
Ordinary Profit	1,176	-	2,607	606.3%	2,293	432.6%	2,511	217.8%
Ordinary Profit Margin	8.2%		12.9%		11.8%		11.8%	
Profit Attributable to Owners of Parent	871	-	1,776	1432.3%	1,729	337.0%	2,214	304.2%
Net Profit Margin	6.1%		8.8%		8.9%		10.4%	

1H		2H		Full Year	
21/01-21/06		21/07-21/12		21/12	
	YoY		YoY		YoY
34,504	129.2%	40,669	129.8%	75,174	129.5%
22,832	125.0%	26,629	123.8%	49,461	124.3%
66.2%		65.5%		65.8%	
2,714	786.7%	4,098	271.9%	6,813	367.8%
7.9%		10.1%		9.1%	
3,784	1045.3%	4,804	285.3%	8,588	419.6%
11.0%		11.8%		11.4%	
2,648	2521.9%	3,943	317.7%	6,591	489.4%
7.7%		9.7%		8.8%	

FY2022/12	1Q		2Q		3Q		4Q	
	22/03		22/06		22/09		22/12	
		YoY		YoY		YoY		YoY
Net Sales	19,604	136.9%	19,712	97.6%				
Cost of Sales	13,050	135.0%	13,126	99.7%				
Cost of Sales Margin	66.6%		66.6%					
Operating Profit	1,907	449.0%	1,571	68.6%				
Operating Profit Margin	9.7%		8.0%					
Ordinary Profit	2,975	252.9%	2,982	114.4%				
Ordinary Profit Margin	15.2%		15.1%					
Profit Attributable to Owners of Parent	2,113	242.6%	2,007	113.0%				
Net Profit Margin	10.8%		10.2%					

1H		2H		Full Year	
22/01-22/06		22/07-22/12		22/12	
	YoY		YoY		YoY
39,317	113.9%				
26,176	114.6%				
66.6%					
3,479	128.2%				
8.8%					
5,958	157.5%				
15.2%					
4,121	155.6%				
10.5%					

Changes in Indexes

Number of employees

	17/03	17/09	17/12	18/06	18/12	19/06	19/12	20/06	20/12	21/06	21/12	22/06
separate	661	690	701	743	755	801	841	869	886	914	924	987
consolidated	3,415	3,616	3,651	3,714	3,676	3,625	3,579	3,576	3,633	3,670	3,683	3,772

* Not including employee on loan to subsidiary companies in separate number

* Not including the number of temporary employee

Management index

	18/12	19/12	20/12	21/12	19/06	20/06	21/06	22/06	
Accounts receivable collection period (month)	2.4	2.7	3.2	3.3	2.5	3.0	3.1	3.1	* Accounts receivable collection period: Accounts receivable/Net sales(per month)
Inventories turnover period (month)	4.0	4.2	4.4	4.4	4.9	5.6	4.3	5.1	* Inventories turnover period: Inventories/Net sales(per month)
Accounts payable turnover period (month)	1.8	1.7	1.7	2.1	1.8	2.2	2.2	2.0	* Accounts payable turnover period: accounts payable/Net sales(per month)
Fixed assets turnover ratio	2.2	1.7	1.5	2.0	1.7	1.4	1.8	1.7	* Fixed assets turnover ratio: Net sales / Fixed assets
Interest -bearing debt turnover period (month)	5.7	6.9	8.6	5.4	7.1	9.4	6.3	5.1	* Interest-bearing Debt turnover period : Interest-bearing Debt/Net Sales
Equity ratio (%)	48.5	51.2	49.9	55.2	49.7	48.5	52.9	57.2	* Equity ratio based on market value:
Equity ratio based on market value (%)	27.1	40.0	35.7	32.8	37.8	32.0	42.2	30.1	closing stock price at fiscal year end X shares issued outstanding as of the balance sheet date(not including treasury shares)
Return on Equity(ROE) (%)	11.4	3.4	2.3	10.0	3.1	0.4	8.3	10.5	* ROE: Profit attributable to owners of parent/average shareholders' equity of the beginning and the end of the fiscal year
Return on Assets(ROA) (%)	5.4	1.7	1.2	5.3	1.5	0.2	4.3	5.9	* ROA: Profit/average total assets of the beginning and the end of the period
Debt-to-equity ratio (multiple)	0.72	0.69	0.74	0.49	0.70	0.76	0.55	0.47	* Debt-to-Equity Ratio: Interest-bearing Debt/shareholders' equity
Debt redemption period (year)	4.3	4.6	6.2	4.4	3.3	5.4	2.9	11.0	* Debt redemption period: interest-bearing Debt/ Operating cash flow
Interest coverage ratio (multiple)	29.3	28.5	23.1	23.4	39.3	27.5	39.7	10.1	* Interest coverage ratio: Operating cash flow / interest expenditure

Changes in Financial Results by Segment



FY2020/12		1Q		2Q		3Q		4Q	
		20/03		20/06		20/09		20/12	
			YoY		YoY		YoY		YoY
Machine Tool Operations	Net Sales	8,238	61.7%	8,825	87.5%	9,254	83.7%	11,706	103.6%
	Segment profit	197	9.0%	744	110.9%	733	104.6%	1,221	115.6%
	Segment profit margin	2.4%		8.4%		7.9%		10.4%	
Industrial Machinery Operations	Net Sales	2,556	110.2%	2,759	145.8%	2,729	90.1%	2,885	114.0%
	Segment profit	142	177.5%	134	-	94	42.3%	225	-424.5%
	Segment profit margin	5.6%		4.9%		3.4%		7.8%	
Food Machinery Operations	Net Sales	782	44.0%	733	129.0%	707	62.8%	1,362	48.4%
	Segment profit	25	7.4%	-19	-	21	27.6%	38	14.9%
	Segment profit margin	3.2%		-2.6%		3.0%		2.8%	
Other Operations	Net Sales	1,453	106.1%	1,353	100.5%	1,351	75.9%	1,330	107.3%
	Segment profit	60	-	158	222.5%	92	53.5%	7	9.3%
	Segment profit margin	4.1%		11.7%		6.8%		0.5%	
Consolidated	Net Sales	13,030	69.2%	13,671	98.4%	14,042	82.6%	17,285	96.7%
	Adjustments	-513	-	-583	-	-460	-	-467	-
	Operating profit	-88	-	433	1312.1%	481	77.8%	1,025	151.6%
	Operating profit margin	-0.7%		3.2%		3.4%		5.9%	

1H		2H		Full Year					
				20/01-20/06		20/07-20/12		20/12	
					YoY		YoY		YoY
17,063	72.8%	20,961	93.8%	38,024	83.0%				
941	32.9%	1,954	111.1%	2,896	62.7%				
5.5%	-	9.3%	-	7.6%	-				
5,316	126.2%	5,615	101.0%	10,931	111.8%				
276	-	320	190.5%	596	361.2%				
5.2%	-	5.7%	-	5.5%	-				
1,515	64.6%	2,070	52.6%	3,585	57.1%				
5	1.7%	60	18.1%	65	10.4%				
0.3%	-	2.9%	-	1.8%	-				
2,807	103.4%	2,681	88.7%	5,488	95.7%				
219	342.2%	100	40.5%	319	102.6%				
7.8%	-	3.7%	-	5.8%	-				
26,702	81.6%	31,327	89.8%	58,030	85.9%				
-1,097	-	-928	-	-2,025	-				
345	16.2%	1,507	116.5%	1,852	54.1%				
1.3%	-	4.8%	-	3.2%	-				

FY2021/12		1Q		2Q		3Q		4Q	
		21/03		21/06		21/09		21/12	
			YoY		YoY		YoY		YoY
Machine Tool Operations	Net Sales	10,382	126.0%	13,762	155.9%	13,102	141.6%	14,237	121.6%
	Segment profit	898	454.3%	2,258	303.5%	2,104	287.0%	1,915	156.8%
	Segment profit margin	8.6%		16.4%		16.1%		13.5%	
Industrial Machinery Operations	Net Sales	1,893	74.1%	2,734	99.1%	2,300	84.3%	3,438	119.2%
	Segment profit	10	7.2%	167	124.6%	96	102.1%	229	101.8%
	Segment profit margin	0.5%		6.1%		4.2%		6.7%	
Food Machinery Operations	Net Sales	580	74.2%	1,940	264.7%	2,541	359.4%	1,820	133.6%
	Segment profit	-39	-	244	-	360	1714.3%	264	694.7%
	Segment profit margin	-		12.6%		14.2%		14.5%	
Other Operations	Net Sales	1,460	100.5%	1,748	129.2%	1,526	113.0%	1,701	127.9%
	Segment profit	144	239.0%	282	178.5%	262	284.8%	122	1742.9%
	Segment profit margin	9.9%		16.1%		17.2%		7.2%	
Consolidated	Net Sales	14,317	109.9%	20,187	147.7%	19,471	138.7%	21,198	122.6%
	Adjustments	-588	-	-662	-	-588	-	-668	-
	Operating profit	424	-	2,289	528.6%	2,235	464.7%	1,862	181.7%
	Operating profit margin	3.0%		11.3%		11.5%		8.8%	

1H		2H		Full Year					
				21/01-21/06		21/07-21/12		21/12	
					YoY		YoY		YoY
24,145	141.5%	27,339	130.4%	51,485	135.4%				
3,156	335.4%	4,019	205.7%	7,176	247.8%				
13.1%	-	14.7%	-	13.9%	-				
4,628	87.1%	5,739	102.2%	10,367	94.8%				
177	64.1%	325	101.6%	503	84.4%				
3.8%	-	5.7%	-	4.9%	-				
2,521	166.4%	4,362	210.7%	6,884	192.0%				
205	4100.0%	625	1041.7%	830	1276.9%				
8.1%	-	14.3%	-	12.1%	-				
3,209	114.3%	3,227	120.4%	6,437	117.3%				
426	194.5%	384	384.0%	811	254.2%				
13.3%	-	11.9%	-	12.6%	-				
34,504	129.2%	40,669	129.8%	75,174	129.5%				
-1,251	-	-1,256	-	-2,507	-				
2,714	786.7%	4,098	271.9%	6,813	367.9%				
7.9%	-	10.1%	-	9.1%	-				

FY2022/12		1Q		2Q		3Q		4Q	
		22/03		22/06		22/09		22/12	
			YoY		YoY		YoY		YoY
Machine Tool Operations	Net Sales	14,096	135.8%	14,149	102.8%				
	Segment profit	2,143	238.6%	1,795	79.5%				
	Segment profit margin	15.2%		12.7%					
Industrial Machinery Operations	Net Sales	2,625	138.7%	2,618	95.8%				
	Segment profit	152	1501.7%	391	233.7%				
	Segment profit margin	5.8%		14.9%					
Food Machinery Operations	Net Sales	1,021	175.9%	1,323	68.2%				
	Segment profit	-29	-	32	13.2%				
	Segment profit margin	-		2.4%					
Other Operations	Net Sales	1,861	127.4%	1,621	92.7%				
	Segment profit	188	130.9%	88	31.3%				
	Segment profit margin	10.1%		5.4%					
Consolidated	Net Sales	19,604	136.9%	19,712	97.6%				
	Adjustments	-548	-	-736	-				
	Operating profit	1,907	449.0%	1,571	68.6%				
	Operating profit margin	9.7%		8.0%					

1H		2H		Full Year					
				22/01-22/06		22/07-22/12		22/12	
					YoY		YoY		YoY
28,245	117.0%								
3,938	124.8%								
13.9%	-								
5,244	113.3%								
544	306.3%								
10.4%	-								
2,344	93.0%								
3	1.6%								
0.1%	-								
3,482	108.5%								
277	65.0%								
8.0%	-								
39,317	113.9%								
-1,284	-								
3,479	128.2%								
8.8%	-								

Numbers of EDMs Ordered and Sold



EDM Orders

(Units)

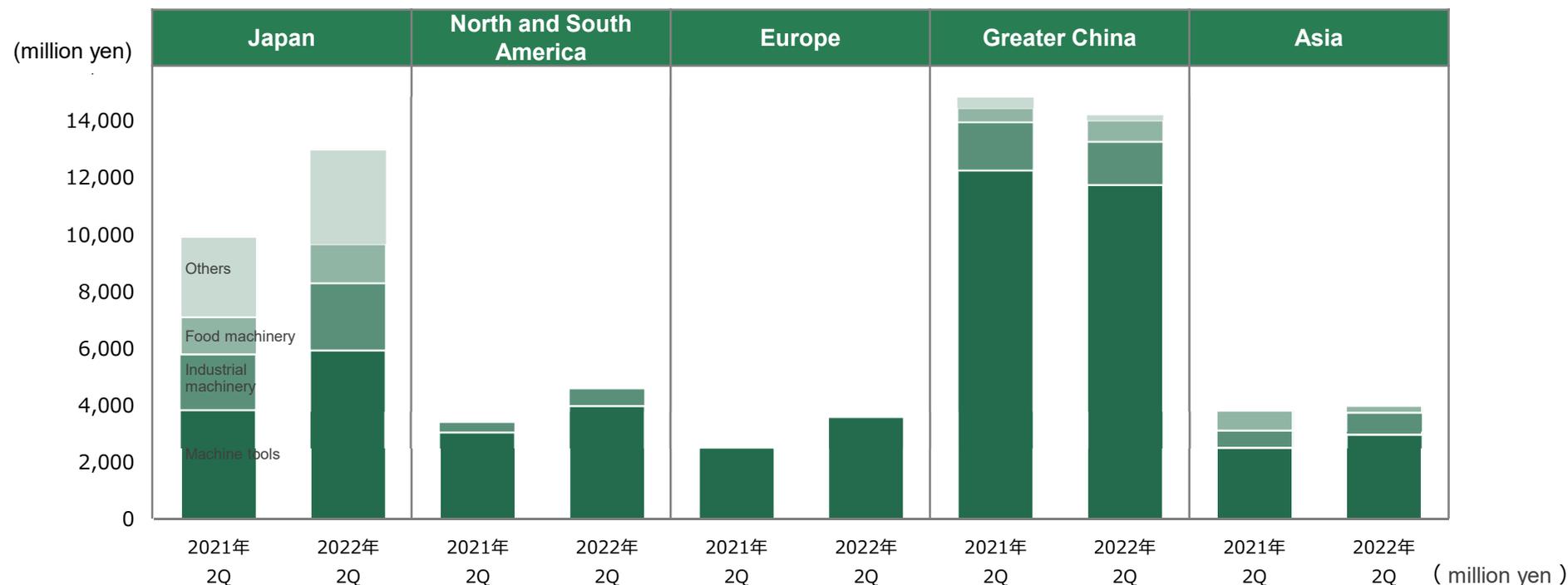
	FY2020					FY2021					FY2022				
	1-3	4-6	7-9	10-12	Total	1-3	4-6	7-9	10-12	Total	1-3	4-6	7-9	10-12	Total
North&South America	56	28	59	82	225	58	70	54	68	250	81	58			139
Europe	78	61	65	77	281	100	108	113	106	427	96	106			202
China	350	512	468	558	1,888	1,007	858	513	425	2,803	578	619			1,197
Asia	77	35	52	77	241	78	84	76	72	310	92	93			185
Japan	66	38	67	61	232	68	82	118	115	383	120	91			211
Total	627	674	711	855	2,867	1,311	1,202	874	786	4,173	967	967			1,934

EDM Shipments

(Units)

	FY2020					FY2021					FY2022				
	1-3	4-6	7-9	10-12	Total	1-3	4-6	7-9	10-12	Total	1-3	4-6	7-9	10-12	Total
North&South America	60	38	54	86	238	52	73	51	81	257	68	58			126
Europe	67	53	77	82	279	68	82	92	111	353	108	97			205
China	248	493	447	524	1,712	467	705	711	582	2,465	514	522			1,036
Asia	60	57	43	66	226	67	71	48	75	261	89	66			155
Japan	82	32	47	90	251	61	48	61	100	270	125	105			230
Total	517	673	668	848	2,706	715	979	963	949	3,606	904	848			1,752

Ratio of Overseas Sales by Segment



2Q FY21/12	Japan	North and South America	Europe	Greater China	Asia	Total						
Machine tools	3,833	15.9%	3,052	12.6%	2,517	10.4%	12,231	50.7%	2,510	10.4%	24,145	70.0%
Industrial machinery	1,959	42.4%	372	8.0%	0	0.0%	1,690	36.5%	604	13.1%	4,628	13.4%
Food machinery	1,303	51.7%	24	1.0%	0	0.0%	498	19.8%	694	27.5%	2,521	7.3%
Others	2,829	88.2%	-	-	-	-	377	11.7%	2	0.1%	3,209	9.3%
By region – Total	9,927	28.8%	3,449	10.0%	2,517	7.3%	14,797	42.9%	3,812	11.0%	34,504	100.0%

2Q FY22/12	Japan	North and South America	Europe	Greater China	Asia	Total						
Machine tools	5,940	21.0%	3,997	14.2%	3,602	12.8%	11,732	41.5%	2,972	10.5%	28,245	71.8%
Industrial machinery	2,351	44.8%	614	11.7%	-	-	1,507	28.8%	771	14.7%	5,244	13.3%
Food machinery	1,358	58.0%	8	0.3%	-	-	743	31.7%	233	10.0%	2,344	6.0%
Others	3,296	94.7%	-	-	-	-	185	5.3%	-	-	3,482	8.9%
By region – Total	12,946	32.9%	4,619	11.8%	3,602	9.2%	14,170	36.0%	3,978	10.1%	39,317	100.0%

Effect of exchange rate	-	Around 500 million yen	Around 120 million yen	Around 1,580 million yen	Around 200 million yen	Around 2,400 million yen
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Maintenance Service Ratio

Breakdown of machinery sales/maintenance service and consumables sales Quarterly trends in maintenance services and consumables (million yen)

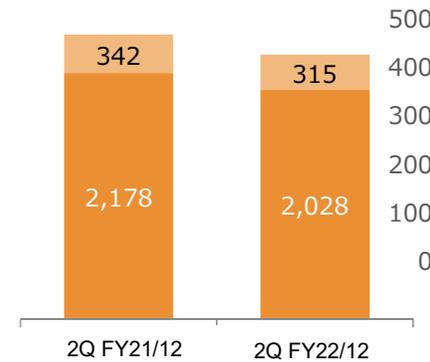
Machine Tool	2Q FY21/12		2Q FY22/12	
Maintenance services and consumables	4,945	20.5%	5,847	20.7%
Machine sales	19,200	79.5%	22,397	79.3%
Total	24,145		28,245	



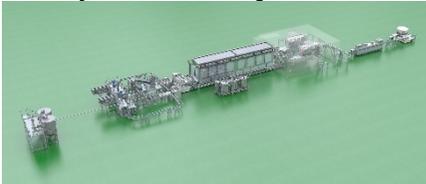
Industrial Machinery	2Q FY21/12		2Q FY22/12	
Maintenance services and consumables	728	15.8%	776	14.8%
Machine sales	3,899	84.2%	4,467	85.2%
Total	4,628		5,244	



Food Machinery	2Q FY21/12		2Q FY22/12	
Maintenance services and consumables	342	13.6%	315	13.5%
Machine sales	2,178	86.4%	2,028	86.5%
Total	2,521		2,344	



Outline of Business

Segment	Machine tools	Industrial machinery	Food machinery
<p>Key products</p>	<p>Die-sinker EDM</p>  <p>Wire-cut EDM</p>  <p>Small Hole EDM</p>  <p>Metal 3D Printer</p>  <p>Machining center</p> 	<p>Horizontal injection molding machine</p>  <p>Vertical injection molding machine</p>  <p>Light metal injection molding machine</p> 	<p>Noodle-making equipment (Noodle production line)</p>  <p>Sterile-packed cooked rice production system</p>  <p>Other food processing machines</p> 
<p>Sales market</p>	<p>Automotive, home appliances, electrical and electronic equipment, aerospace, medical equipment, energy, etc.</p>	<p>Automotive, electrical and electronic equipment, medical equipment, etc.</p>	<p>Noodle production (chilled noodles, LL noodles, frozen noodles, etc.) Packaged rice, Confectionery, bread, prepared food, vegetable processing, etc.</p>
<p>Production site</p>	 <p>Kaga</p>  <p>Thailand</p>  <p>Xiamen</p>  <p>Suzhou</p>	 <p>Kaga</p>  <p>Thailand</p>	 <p>Kaga</p>  <p>Xiamen</p>

Exhibition Information

Period	Location		Exhibition	Summary and Remarks
2022				
May 19 - 21	Japan	Kanazawa	MEX Kanazawa (The 58th Machinery & Electronics Exhibition in Kanazawa)	
Jun. 7 - 10	Japan	Tokyo	FOOMA JAPAN	Food machinery exhibition
Sep. 12 - 17	U.S.A	Chicago	IMTS	International machine tool exhibition
Nov. 8 - 13	Japan	Tokyo	JIMTOF2022 (the 31st Japan International Machine Tool Fair)	International machine tool exhibition

*Due to the spread of COVID-19, the exhibition schedule may change.

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