



Tokyo Stock Exchange Prime Market 6143



1Q FY2023/12  
Results Briefing  
Sodick Co., Ltd.

May 11, 2023



**I. 1Q FY23/12 Financial Results Summary**

II. FY23/12 Financial Results Projections

(References)

# Financial Results Highlights



<h2>1Q FY2023</h2>	<p>Sales declined due to lower sales in Greater China. Profitability also declined</p> <p>Sales: <b>16.8 billion yen</b>      down <b>13.9% YoY</b>                      OP: <b>0.3 billion yen</b>      down <b>83.3% YoY</b></p>
<h2>Machine tool</h2>	<p>Strong demand for CASE-related products, but sluggish demand for smartphones and electronic components.</p> <p>Sales: <b>12.2 billion yen</b>      down <b>13.3% YoY</b>                      OP: <b>1 billion yen</b>      down <b>52.3% YoY</b></p>
<h2>Industrial machinery</h2>	<p>Strong demand for CASE-related parts</p> <p>Sales: <b>2.3 billion yen</b>      down <b>8.9% YoY</b>                      OP: <b>0.1 billion yen</b>      down <b>7.9% YoY</b></p>
<h2>Food machinery</h2>	<p>1Q results were weak, but demand was strong and order backlog levels were high</p> <p>Sales: <b>0.9 billion yen</b>      down <b>2.2% YoY</b>                      OP: <b>-0.04 billion yen</b>      down <b>-%</b></p>
<h2>Other</h2>	<p>Low sales of precision dies and mold operations, and ceramics</p> <p>Sales: <b>1.2 billion yen</b>      down <b>32.0% YoY</b>                      OP: <b>-0 billion yen</b>      down <b>-%</b></p>

\*The adjustment amount for segment profit: -0.8 million yen

# Financial Results Highlights

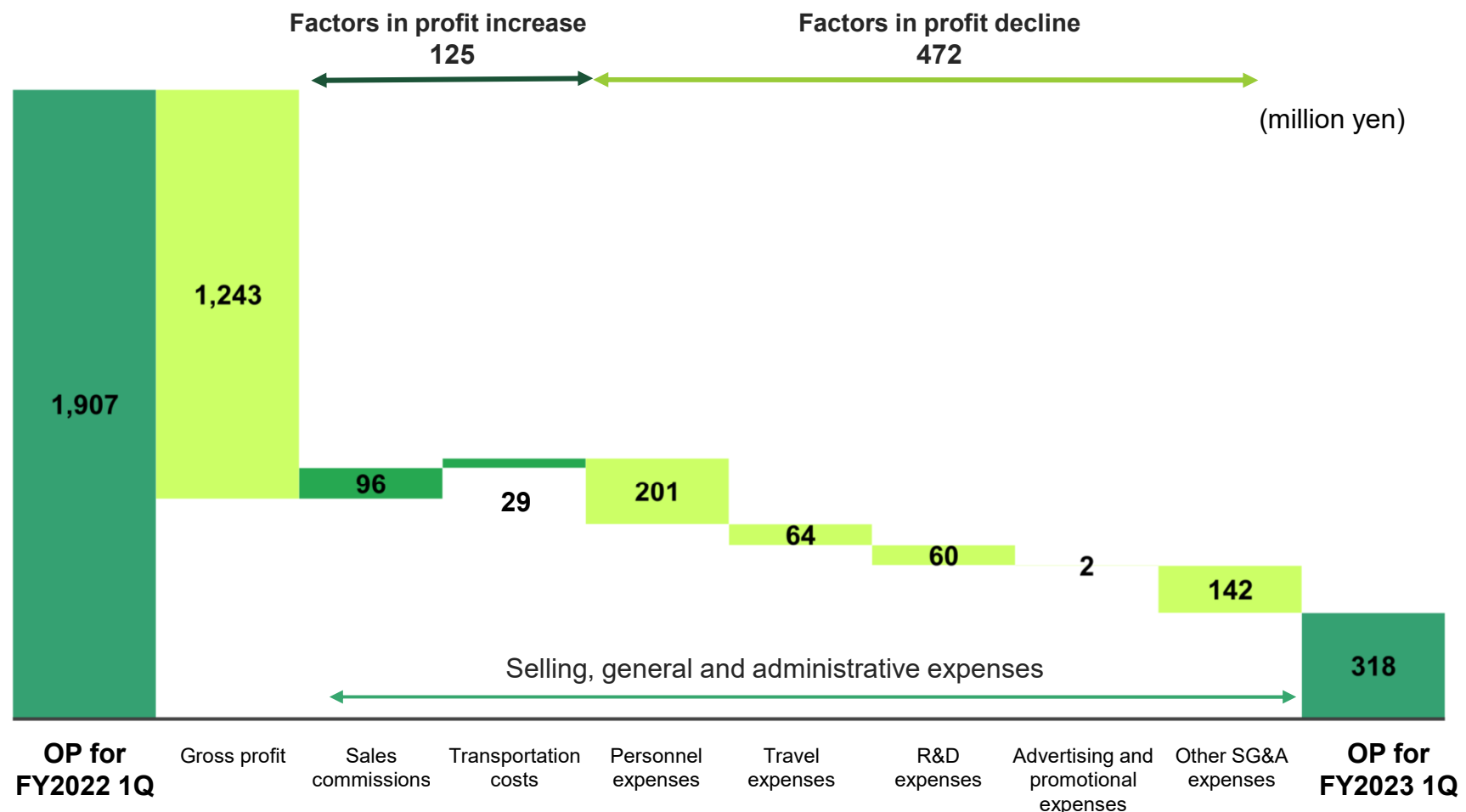


- ✓ Net sales decreased by 14% due to a significant decline in machine tool sales in Greater China.
- ✓ Decreased profits due to lower factory profitability due to production adjustments, soaring of raw material and energy prices, and higher personnel expenses.

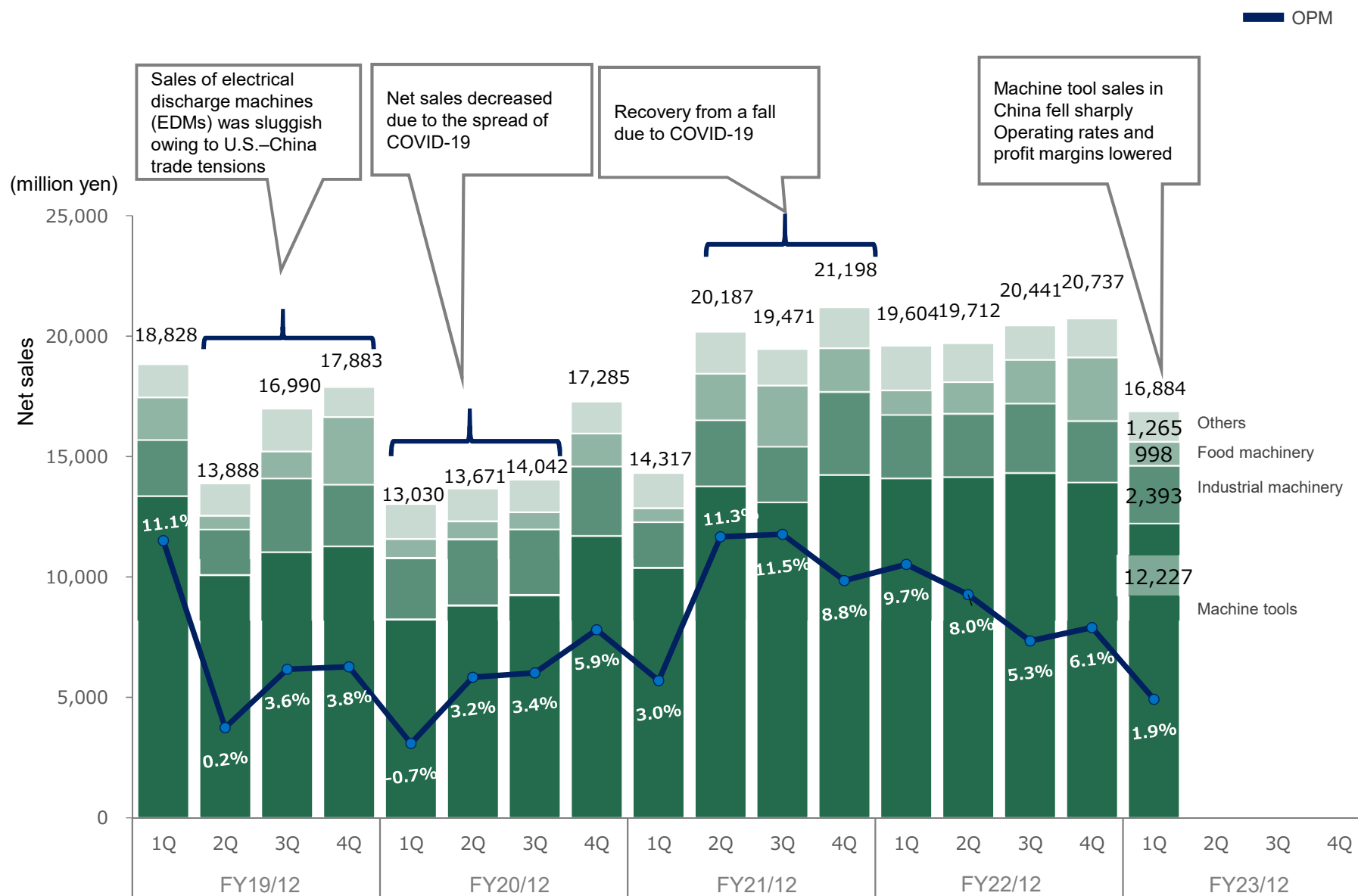
(million yen)	FY2019 1Q	FY2020 1Q	FY2021 1Q	FY2022 1Q	FY2023 1Q	YoY Change
<b>Net sales</b>	18,828	13,030	14,317	19,604	<b>16,884</b>	-13.9%
<b>Operating Profit</b>	2,093	-88	424	1,907	<b>318</b>	-83.3%
OPM	11.1%	-0.7%	3.0%	9.7%	<b>1.9%</b>	-7.8pt
<b>Ordinary Profit</b>	2,168	-67	1,176	2,975	<b>508</b>	-82.9%
<b>Profit</b>	1,460	-18	871	2,113	<b>141</b>	-93.3%
ROE	9.9%	-0.1%	5.9%	11.1%	<b>0.7%</b>	-10.4pt
<b>Capital investment</b>	1,918	386	400	939	<b>1,487</b>	58.3%
<b>Depreciation</b>	831	839	814	851	<b>891</b>	4.6%
<b>R&amp;D expenses</b>	904	807	770	685	<b>819</b>	19.5%
USD/JPY	110.22	108.86	106.09	116.34	<b>132.42</b>	16.08 down
EUR/JPY	125.16	120.08	127.81	130.40	<b>142.16</b>	11.76 down
CNH/JPY	16.32	15.60	16.35	18.29	<b>19.35</b>	1.06 down
THB/JPY	3.49	3.48	3.50	3.52	<b>3.91</b>	0.39 down

## Details of Changes in Operating Profit

- ✓ Gross profit significantly decreased due to lower sales and lower operating rates resulting from production adjustments at plants.
- ✓ In SG&A expenses, personnel expenses increased due to an increased number of recruits and salary revisions in line with the expansion of strategic human capital investments.



# 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)	FY2018	FY2019	FY2020	FY2021	FY2022	YoY Change
	1Q	1Q	1Q	1Q	1Q	
Machine tool segment	13,362	8,238	10,382	14,096	<b>12,227</b>	-13.3%
Industrial machinery segment	2,320	2,556	1,893	2,625	<b>2,393</b>	-8.9%
Food machinery segment	1,776	782	580	1,021	<b>998</b>	-2.2%
Other segments	1,369	1,453	1,460	1,861	<b>1,265</b>	-32.0%
<b>Total net sales</b>	<b>18,828</b>	<b>13,030</b>	<b>14,317</b>	<b>19,604</b>	<b>16,884</b>	-13.9%
Machine tool segment	2,191	197	898	2,143	<b>1,023</b>	-52.3%
Industrial machinery segment	80	142	10	152	<b>140</b>	-7.9%
Food machinery segment	336	25	-39	-29	<b>-44</b>	—
Other segments	-7	60	144	188	<b>-0</b>	—
<b>Total segment profit</b>	<b>2,600</b>	<b>425</b>	<b>1,013</b>	<b>2,456</b>	<b>1,119</b>	-54.4%
Adjustment amounts	-507	-513	-588	-548	<b>-800</b>	—
<b>Total operating profit</b>	<b>2,093</b>	<b>-88</b>	<b>424</b>	<b>1,907</b>	<b>318</b>	-83.3%

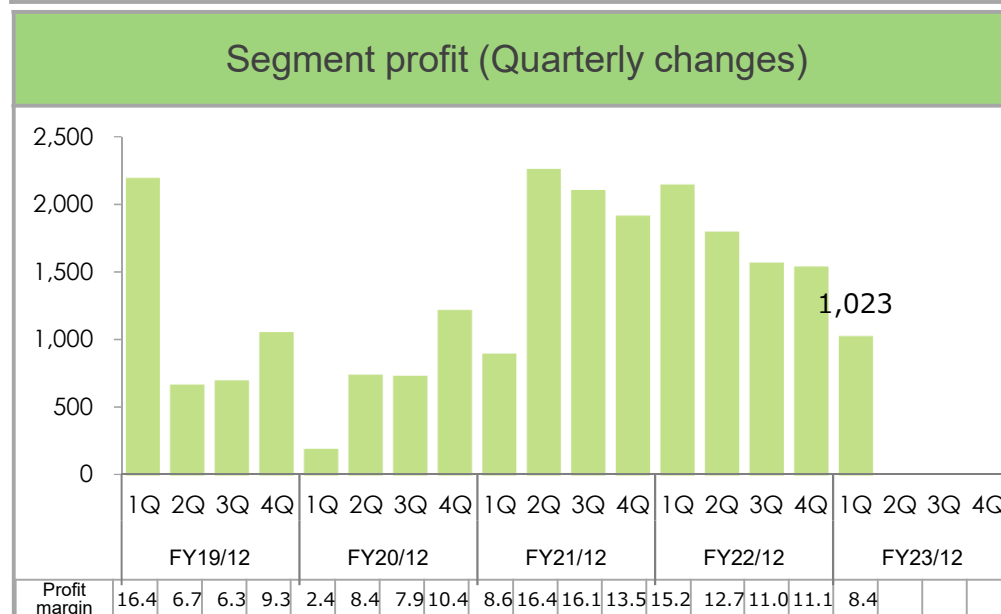
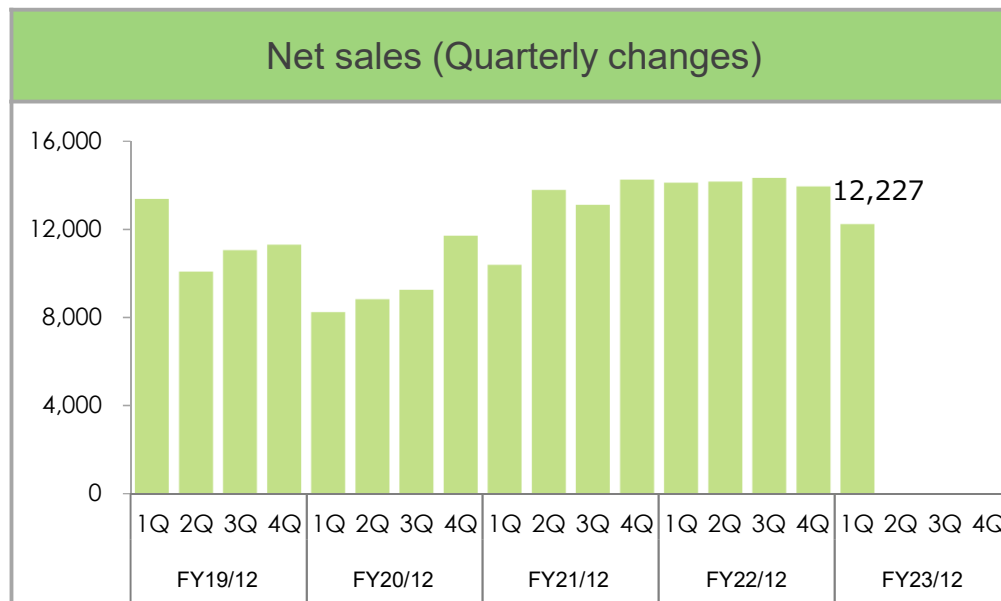
# Financial Results by Segment



## Machine Tool Segment

Net sales	<ul style="list-style-type: none"> <li>In Japan and Europe, demand for CASE-related products remained strong. Aerospace demand in the West is also recovering.</li> <li>Net sales declined due to a decrease in demand for smartphones and electronic components, etc.</li> </ul>
Profit	Profit margins decreased due to lower factory profitability owing to lower production volumes, higher component prices, higher personnel expenses, and other rising costs.

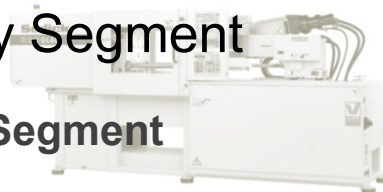
(million yen)	FY2022 1Q	FY2023 1Q	YoY Change	
Net sales	14,096	<b>12,227</b>	-1,868	-13.3%
Segment profit	2,143	<b>1,023</b>	-1,120	-52.3%
Profit margin	15.2%	8.4%		



Profit margin	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	11.0	11.1	8.4		
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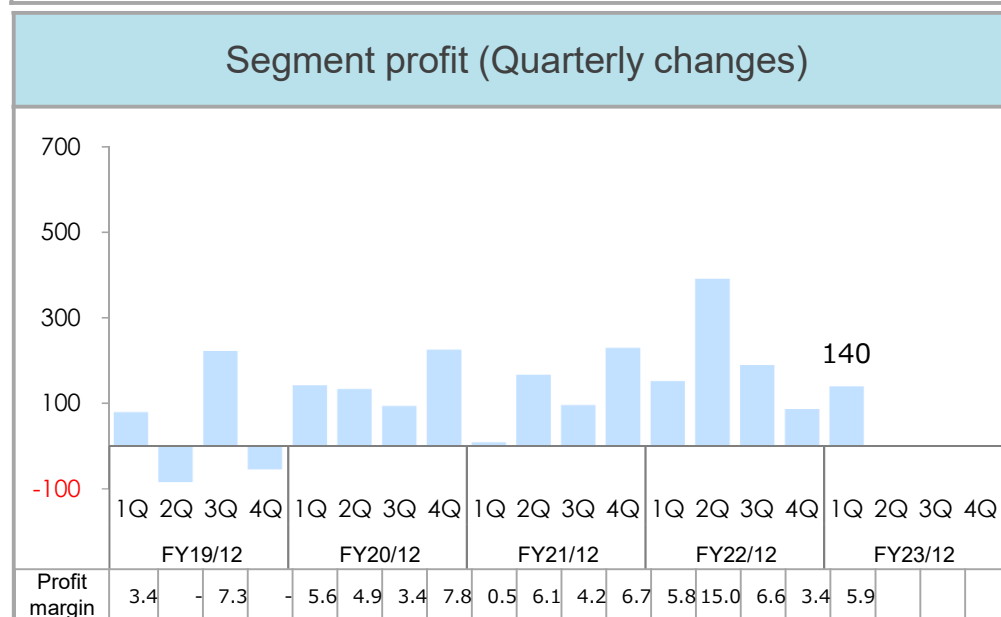
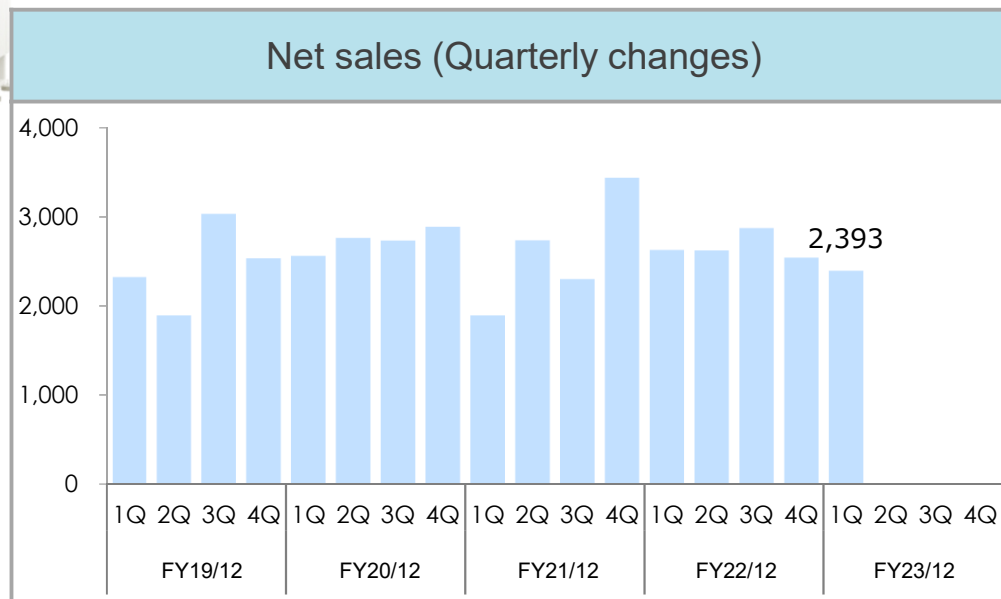
# Financial Results by Segment



## ■ Industrial Machinery Segment

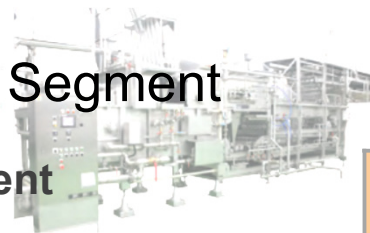
Net sales	<ul style="list-style-type: none"> <li>• CASE-related products remained strong in Japan.</li> <li>• Net sales declined due to a decrease in demand for smartphones and electronic components, etc.</li> </ul>
Profit	Segment profit also slumped amid a decline in sales

(million yen)	FY2022 1Q	FY2023 1Q	YoY Change	
Net sales	2,625	<b>2,393</b>	-232	-8.9%
Segment profit	152	<b>140</b>	-12	-7.9%
Profit margin	5.8%	5.9%		



Profit margin	3.4	-	7.3	-	5.6	4.9	3.4	7.8	0.5	6.1	4.2	6.7	5.8	15.0	6.6	3.4	5.9
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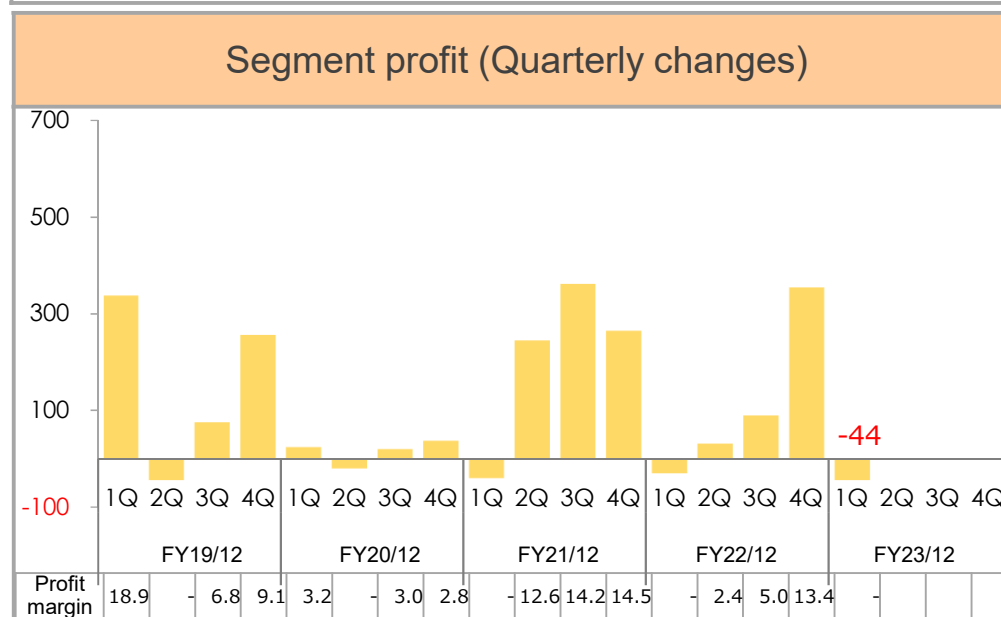
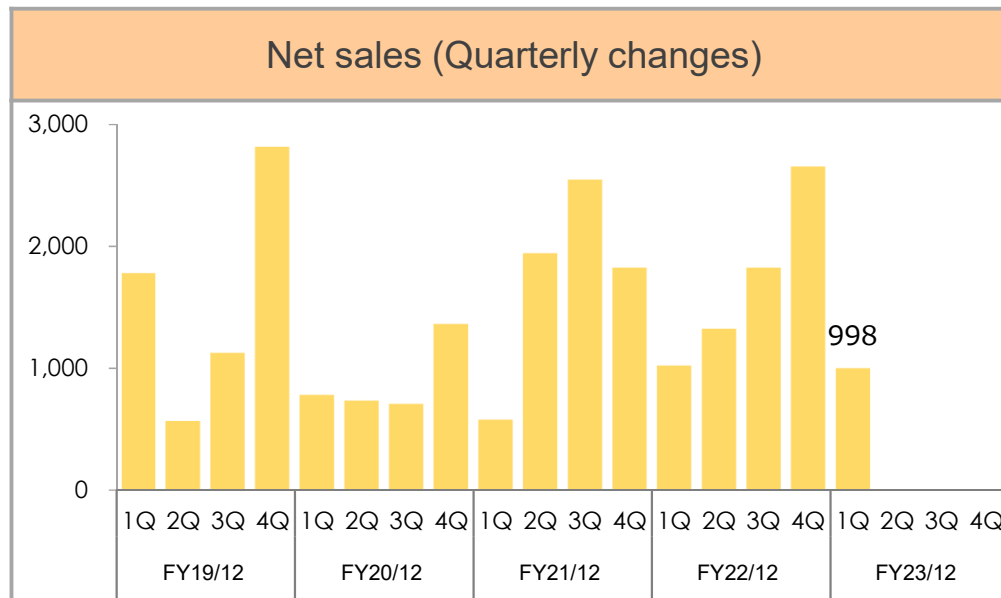
# Financial Results by Segment



## ■ Food Machinery Segment

Net sales	<ul style="list-style-type: none"> <li>Demand for noodle-making machine-related equipment in Japan and overseas, as well as sterile-packed cooked rice production equipment for overseas markets, has remained strong.</li> </ul>
Profit	Segment loss of 44 million yen mainly due to the impact of rising raw materials prices in addition to the decline in sales

(million yen)	FY2022 1Q	FY2023 1Q	YoY Change	
Net sales	1,021	<b>998</b>	-22	-2.2%
Segment profit	-29	<b>-44</b>	-15	—
Profit margin	—	—		



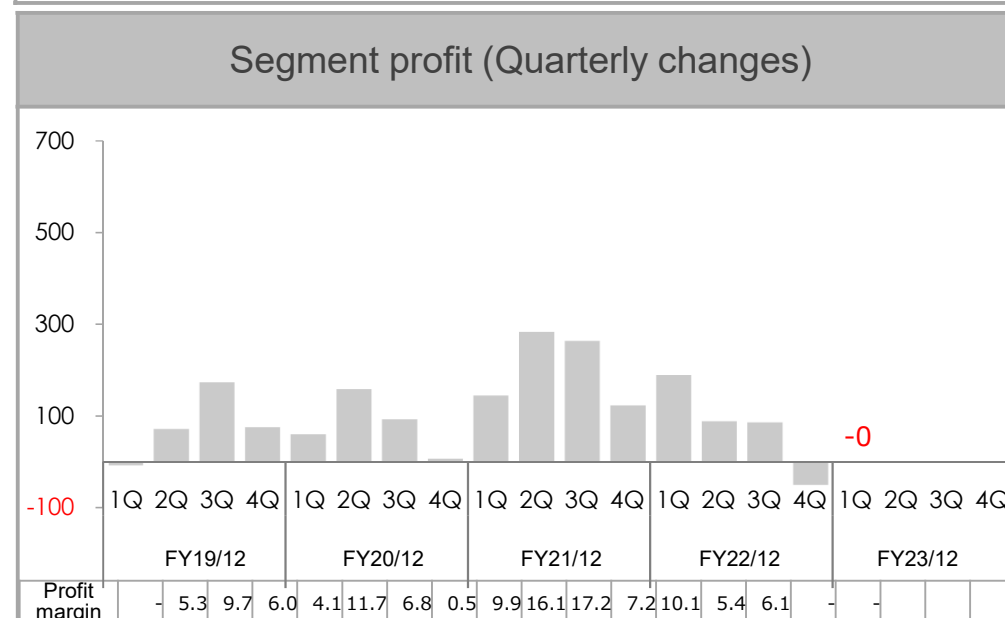
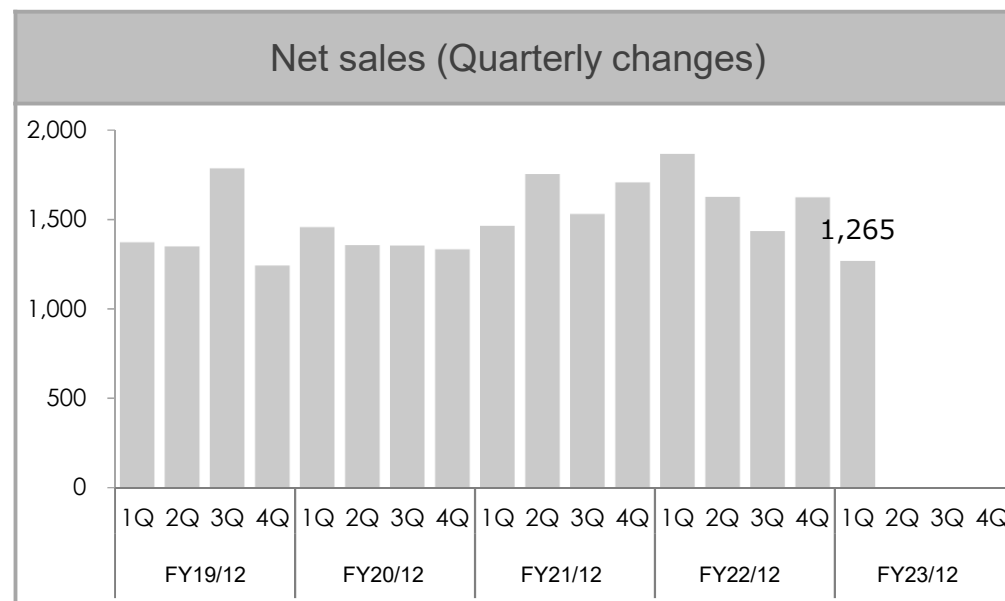
Profit margin	FY19/12	FY20/12	FY21/12	FY22/12	FY23/12
	18.9	-	6.8	9.1	3.2
		-	3.0	2.8	-
		-	12.6	14.2	14.5
			-	2.4	5.0
					13.4

# Financial Results by Segment

## ■ Other Segments

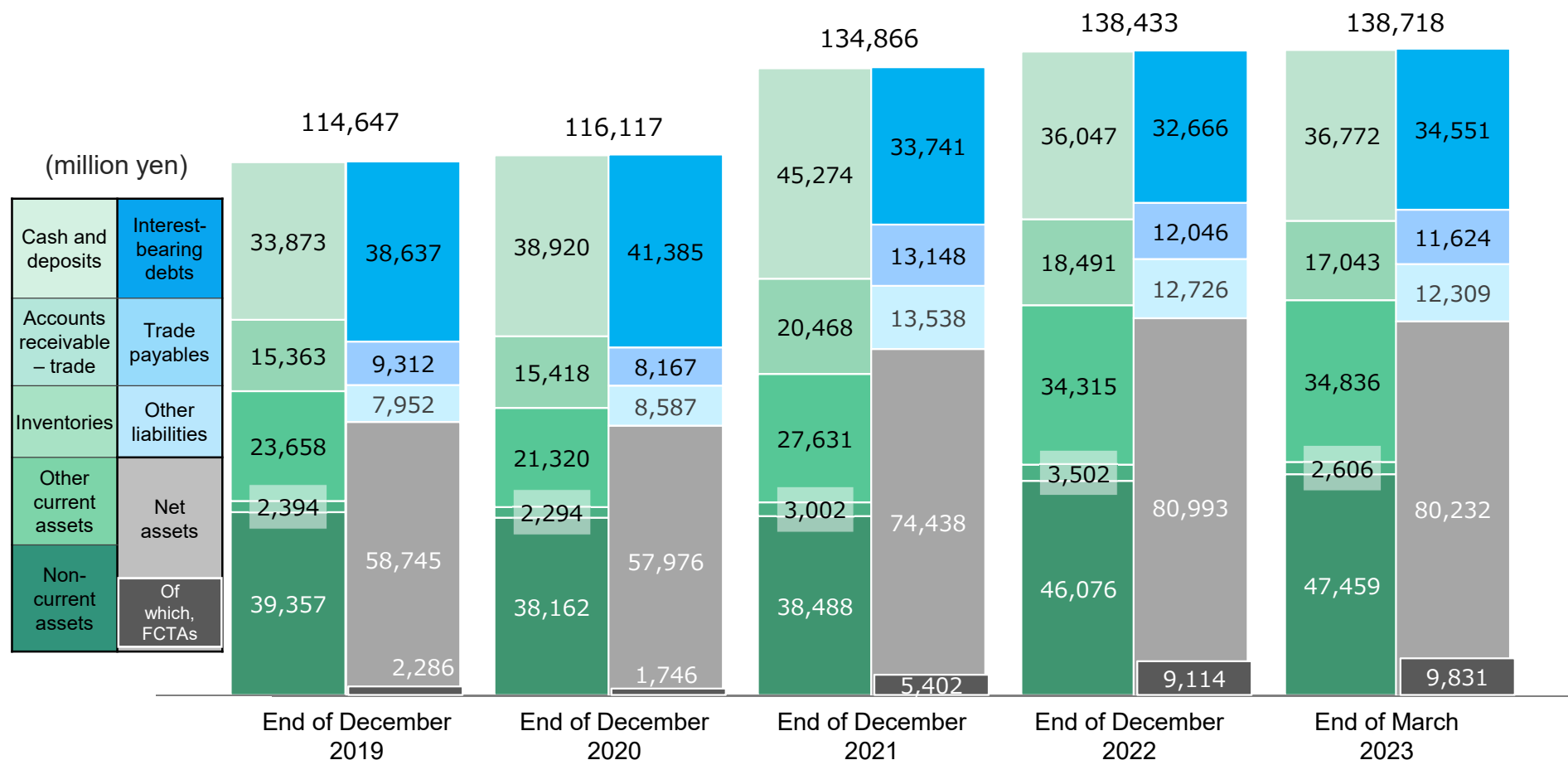
Net sales	Net sales from the precision dies and mold operations decreased partly due to semiconductor shortages and supply chain disruptions. Demand for ceramics for semiconductor manufacturing equipment manufacturers also remains weak
Profit	Profitability continued to decline due to the impact of rising raw material prices.

(million yen)	FY2022 1Q	FY2023 1Q	YoY Change	
Net sales	1,861	<b>1,265</b>	-596	-32.0%
Segment profit	188	<b>-0</b>	-189	—
Profit margin	10.1%	—		



# Balance Sheet

- ✓ Increase in interest-bearing debts by about 2 billion yen due to an increase in borrowings
- ✓ Net assets decreased by about 0.7 billion yen due to capital measures such as the acquisition of treasury shares and dividends, despite an increase in foreign currency translation adjustments (FCTAs).



USD-JPY exchange rate at last day of the term	109.56	103.50	115.02	132.70	133.53
Equity ratio	51.2%	49.9%	55.2%	58.5%	57.8%
D/E ratio (times)	0.69	0.74	0.49	0.46	0.50

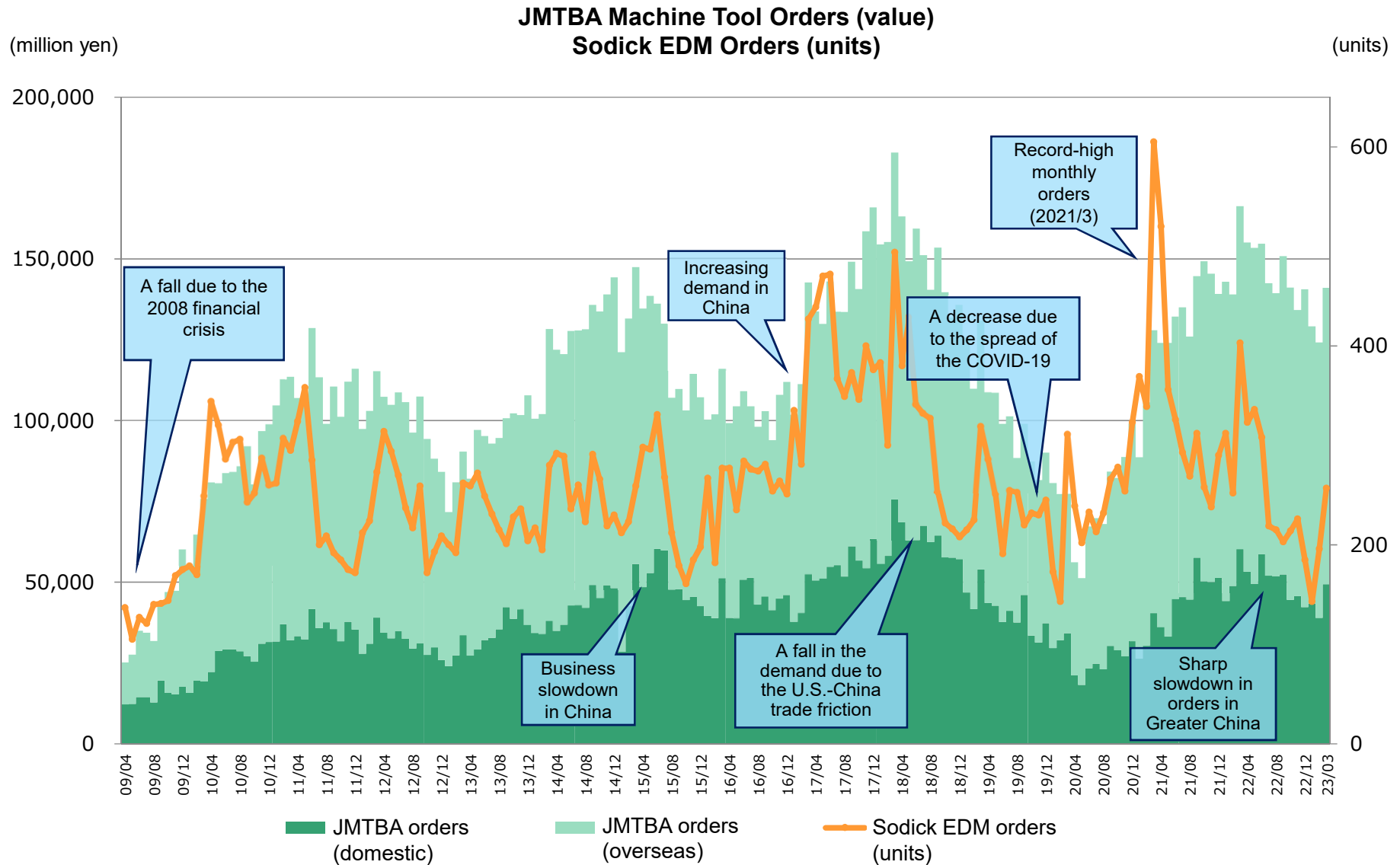


**I. 1Q FY23/12 Financial Results Summary**

**II. FY23/12 Financial Results Projections**

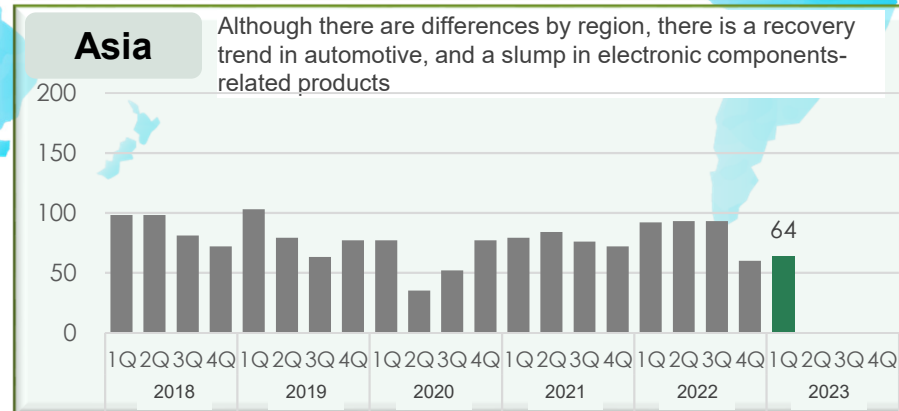
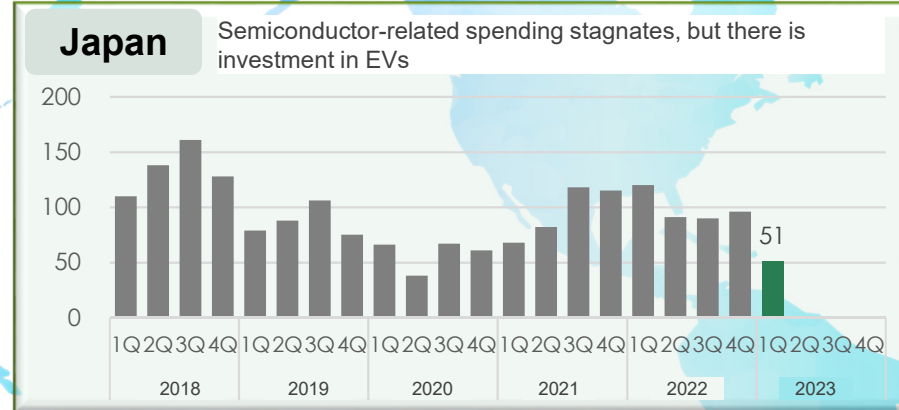
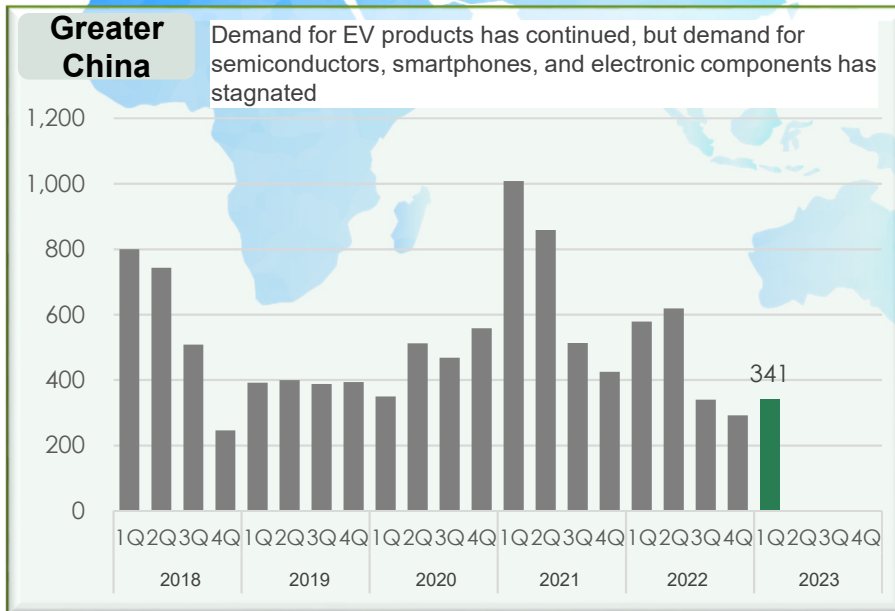
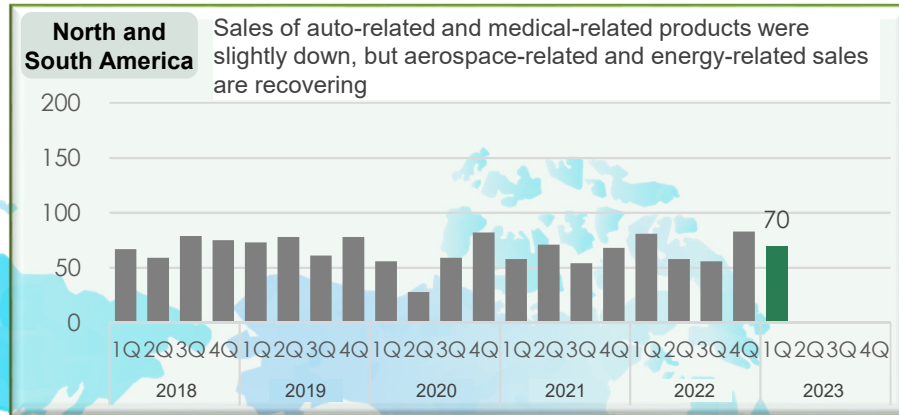
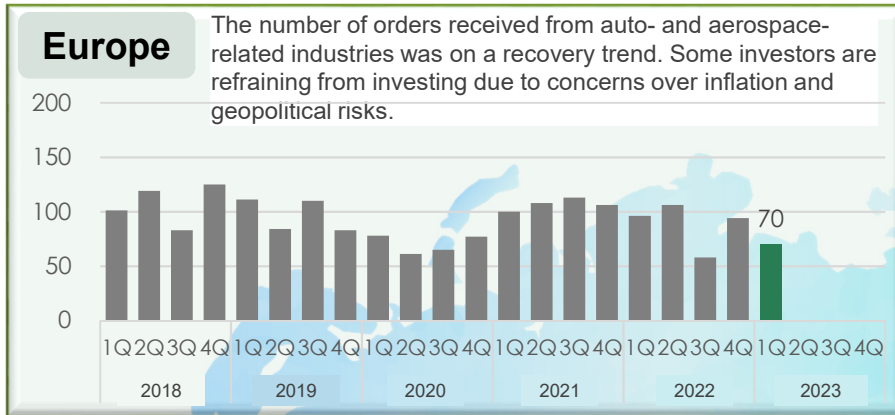
(References)

# 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



# FY2023/12 Full-year Financial Results Projections



✓ Although progress has been slow due to declining sales in Greater China, market conditions are highly uncertain and initial plans remain unchanged

(million yen)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023	
					Planned	1Q Actual	Progress rate
Net sales	67,591	58,030	75,174	80,495	<b>81,700</b>	<b>16,884</b>	20.7%
Operating profit	3,422	1,852	6,813	5,813	<b>4,700</b>	<b>318</b>	6.8%
OPM	5.1%	3.2%	9.1%	7.2%	<b>5.8%</b>	1.9%	
Ordinary profit	3,558	2,046	8,588	8,275	<b>4,700</b>	<b>508</b>	10.8%
Profit	2,002	1,346	6,591	6,021	<b>3,200</b>	<b>141</b>	4.4%
ROE	3.4%	2.3%	10.0%	7.8%	<b>4.0 %</b>		
USD/JPY	109.03	106.76	109.90	131.62	130.00	132.42	
EUR/JPY	122.03	121.88	129.91	138.14	144.00	142.16	
CNH/JPY	15.77	15.48	17.01	19.45	19.00	19.35	
THB/JPY	3.52	3.42	3.44	3.75	3.90	3.91	



# FY2023/12 Full-year Financial Results Projections (by Segment)

- ✓ Machine tools: Sales of EDMs in Greater China fall short of plan
- ✓ Industrial machinery: Slightly lower than planned due to weak sales of semiconductors and electronic components
- ✓ Food machinery: Low progress in 1Q, but sales of both noodle-making and rice machinery are expected to increase after 2Q

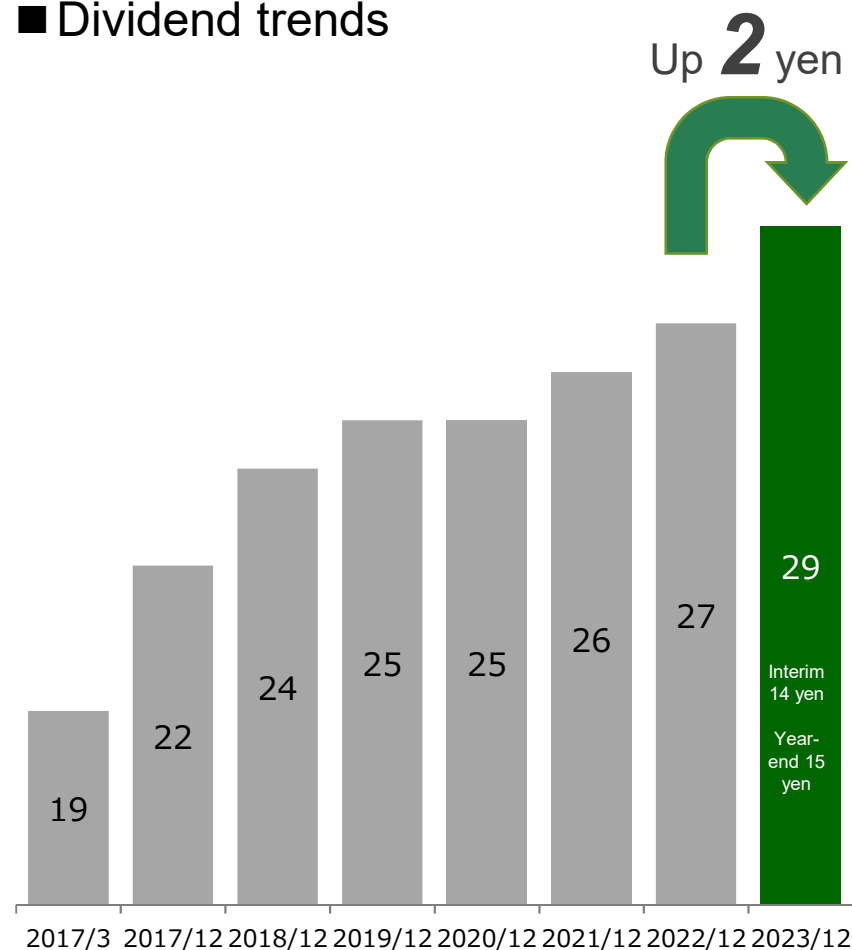
(million yen)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023	
					Planned	1Q Actual	Progress rate
Machine Tool Segment	45,797	38,024	51,485	56,492	<b>54,900</b>	<b>12,227</b>	22.3%
Industrial Machinery Segment	9,773	10,931	10,367	10,656	<b>11,600</b>	<b>2,393</b>	20.6%
Food Machinery Segment	6,283	3,585	6,884	6,813	<b>8,100</b>	<b>998</b>	12.3%
Other segments	5,737	5,488	6,437	6,533	<b>7,100</b>	<b>1,265</b>	17.8%
<b>Total net sales</b>	<b>67,591</b>	<b>58,030</b>	<b>75,174</b>	<b>80,495</b>	<b>81,700</b>	<b>16,884</b>	<b>20.7%</b>
Machine Tool Segment	4,621	2,896	7,176	7,046	<b>5,700</b>	<b>1,023</b>	17.9%
Industrial Machinery Segment	165	596	503	820	<b>800</b>	<b>140</b>	17.6%
Food Machinery Segment	625	65	830	447	<b>500</b>	<b>-44</b>	–
Other segments	311	319	811	313	<b>700</b>	<b>-0</b>	–
<b>Total segment profit</b>	<b>5,723</b>	<b>3,878</b>	<b>9,321</b>	<b>8,628</b>	<b>7,700</b>	<b>1,119</b>	<b>14.5%</b>
Adjustment	-2,301	-2,025	-2,507	-2,814	<b>-3,000</b>	<b>-800</b>	–
<b>Total operating profit</b>	<b>3,422</b>	<b>1,852</b>	<b>6,813</b>	<b>5,813</b>	<b>4,700</b>	<b>318</b>	<b>6.8%</b>

# Shareholder Returns

## Basic Policy

Dividend on equity ratio (DOE) 2% or more and total return ratio 40% or more

### ■ Dividend trends



### ■ Purchase / cancellation of treasury shares

	Details of the resolution	Progress (end of April)
Total number of shares to be acquired	Up to <b>2.5 million</b> shares (Ratio to total number of shares issued and outstanding (excluding treasury shares): <b>4.7%</b> )	<b>2.13 million shares</b>
Total acquisition cost	Up to <b>2.5 billion</b> yen	<b>1.58 billion yen</b>
Acquisition period	From November 14, 2022 To August 4, 2023 (Scheduled)	
Cancellation	All of treasury shares purchased (Scheduled for August 31, 2023)	

DOE (%)	2.0	2.1	2.1	2.1	2.1	2.3	2.1	2.1 Projection
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✓ **New Amoy Plant in Xiamen started operations (January 2023)**  
New Amoy Plant in Xiamen completed to start production of injection molding machines and food machinery

◆ Production items

**Industrial Machinery Segment**

Electric horizontal injection molding machine  
High-response molding machines for the ultra-precision market



MS100X



LP20EH3X



**Food Machinery Segment**

Noodle making machines and rice equipment  
(sequentially expanding production lines)



CIP Automatic Noodle Boiling Machine

Optimize the entire production site by using IoT and DX, and promote the realization of “smart factories.” Aim to further reduce costs and shorten delivery times through a streamlined production system that eliminates unreasonableness, waste, and irregularity as much as possible.

## Topics for 1Q FY23/12

### ✓ Kaga Office expands the Food Machinery Plant and renovates its existing plant

In March 2023, the expansion of the Kaga Office Food Machinery Plant, Sodick's main food machinery plant, was started in order to secure a sufficient production system to meet the expected increase in demand in food machinery businesses in Japan and overseas. Renovation work is also planned for the existing plant built in 2016.

Expansion and renovation of the plant to expand the assembly area, showroom, test run space, and material warehouse. In addition to strengthening the production system for its mainstay noodle-making machines and rice production systems, the Company will expand its business into the production and processing machinery fields for chilled rice, Japanese-style deli dishes, confectionery, etc.

#### Kaga Office Food Machinery Plant Overview

Location	Sodick Co. Ltd., Kaga Office *West side of the existing food machine plant
Plant area	Outdoor dimensions/Total floor space: 4147.8 m <sup>2</sup>
Construction costs	Expected to be about 1.17 billion yen *Includes renovation of the existing plant
Construction plan	New plant: Construction started in March 2023 To be completed in November 2023 Renovation of existing plant: Construction started in December 2023 To be completed in May 2024



Image of the plant after completion

## Topics for 1Q FY23/12

### ✓ Opening of Nagoya IMM Center

In May 2023, the Nagoya IMM Center was opened as a dedicated contact point for injection molding machines.

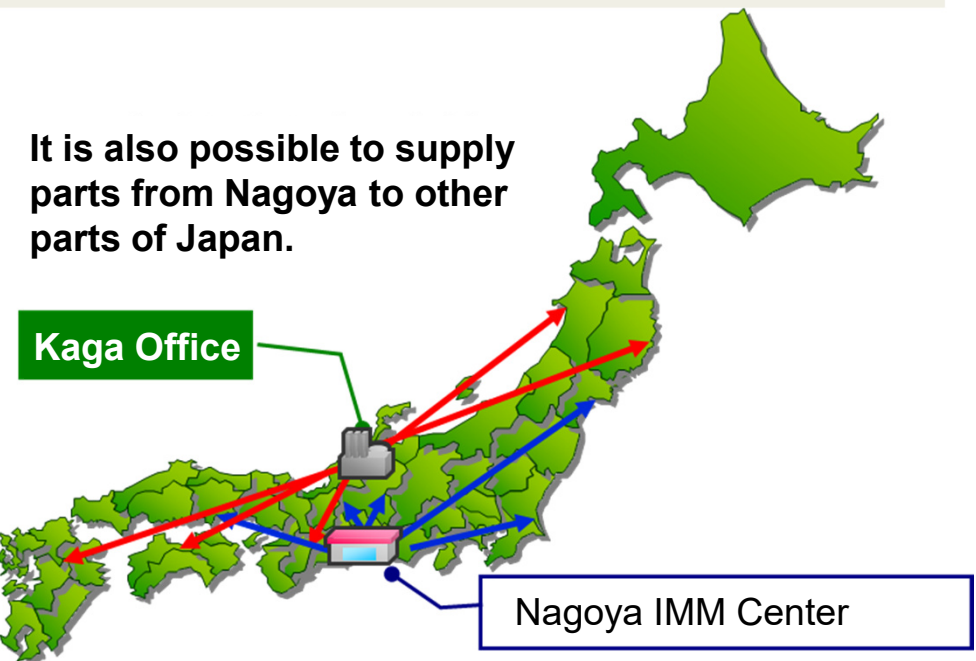
In the Tokai region, which accounts for about 40% of the Company's domestic sales, mainly in the automotive industry, the Center was opened to establish a "just in time" maintenance system in the region.

[Aim of opening a base]

- (1) Consolidating sales, service, and technology in the Tokai region to further strengthen customer support
- (2) Expediting parts supply nationwide with functions as a parts center
- (3) Support for molding machine setup by resident software engineers
- (4) Strengthening the follow-up system by increasing the number of service personnel

### Nagoya IMM Center

Location	Meito ward, Nagoya city, Aichi
Total floor area	Approx. 405 m <sup>2</sup>



## Topics for 1Q FY23/12 (Exhibition Information)

### ✓ Exhibited at TIMTOS (Taipei International Machine Tool Fair) 2023

The Company exhibited at TIMTOS 2023, an international machine tools trade fair in Taiwan, showcasing EDMs as well as electron beam and injection molding machines. The Company touted its solutions, which include not only processing by EDMs but also machines for subsequent processes.

#### TIMTOS 2023 Overview

Period: March 6 - 11, 2023 (6 days)  
Venue: Taipei, Taiwan  
Visitors: About 45,000  
Exhibited machines: Wire-cut EDM AL400G, die-sinker EDM AL40G, electron beam PF300S, injection molding machine GL30LP, etc.



### ✓ Exhibited at the 28th Machinery, Materials, Marketing Of Bakery And Confectionery Show (MOBAC SHOW 2023)

Our Food Machinery Segment made its first appearance at the MOBAC SHOW, a trade fair dedicated to all kinds of machinery related to bread and confectionery, from raw materials and other materials to manufacturing machinery and product shipment. Our booth featured the industry's first rapid cooling system for granules using vacuum technology, as well as the Vacuum Z Blade Kneader for kneading and rolling dough and the Noodle-Sheet Compounding Press Roller. Monitors and panels were installed in various locations, and video screenings provided an easy-to-understand introduction to product functions.

#### MOBAC SHOW 2023 Overview






Period: February 28 – March 3, 2023 (4 days)  
Venue: Makuhari, Japan  
Visitors: 33,855  
Exhibited machines: Rapid cooling equipment for granule powder, Vacuum Z Blade Kneader, DDM noodle-sheet compounding press roller



## Topics for 1Q FY23/12 (Sustainability)

The following certifications related to sustainability were obtained. We continue to promote initiatives.

### ➤ External evaluation

Field	Evaluation	Overview
SDGs	Y-SDGs certification Category: Standard	 <p>Certification of companies with outstanding SDGs initiatives Organized by: Yokohama City</p>
	Kanagawa SDGs Partner	 <p>Register companies working on SDGs Organized by: Kanagawa Prefecture</p>
S (Society)	Ishikawa Health and Productivity Management Declaration Company	 <p>Accreditation of companies engaged in health management Organized by: Ishikawa Prefecture</p>
	Yokohama Health Management Certification Class A	 <p>Certified as a company that considers employee health from a management perspective and practices health management strategically Organized by: Yokohama City</p>
	Sports Yell Company 2023	 <p>Accredited companies that actively engage in sports activities to promote employee health Sponsor: Japan Sports Agency</p>

### ➤ Commendation

Field	Commendation	Overview
S (Society)	Disaster Prevention and Mitigation × Resilience Award Company Division/Global Award	 <p>Evaluating the results and achievements of disaster prevention and mitigation efforts to realize a safe and secure true sustainable society Organized by: Society for Sustainable Mitigation And Related Technologies Against Catastrophic Events</p>



## **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



# Changes in Financial Results

FY2021	1Q		2Q		3Q		4Q	
		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%	
Prorit	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	
	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	1Q		2Q		3Q		4Q	
		YoY		YoY		YoY		YoY
Net sales	19,604	136.9%	19,712	97.6%	20,441	105.0%	20,737	97.8%
Cost of sales	13,050	135.0%	13,126	99.7%	13,865	110.3%	13,629	96.9%
Cost of Sales Margin	66.6%		66.6%		67.8%		65.7%	
Operating profit	1,907	449.0%	1,571	68.6%	1,078	48.3%	1,255	67.4%
Operating Profit Margin	9.7%		8.0%		5.3%		6.1%	
Ordinary Profit	2,975	252.9%	2,982	114.4%	1,779	77.6%	537	21.4%
Ordinary Profit Margin	15.2%		15.1%		8.7%		2.6%	
Prorit	2,113	242.6%	2,007	113.0%	1,033	59.8%	867	39.2%
Net Profit Margin	10.8%		10.2%		5.1%		4.2%	

1H		2H		Full Year	
	YoY		YoY		YoY
39,317	113.9%	41,178	101.3%	80,495	107.1%
26,176	114.6%	27,493	103.2%	53,670	108.5%
66.6%		66.8%		66.7%	
3,479	128.2%	2,333	56.9%	5,813	85.3%
8.8%		5.7%		7.2%	
5,958	157.5%	2,317	48.2%	8,275	96.4%
15.2%		5.6%		10.3%	
4,121	155.6%	1,900	48.2%	6,021	91.4%
10.5%		4.6%		7.5%	

FY2023	1Q		2Q		3Q		4Q	
		YoY		YoY		YoY		YoY
Net sales	16,884	86.1%						
Cost of sales	11,574	88.7%						
Cost of Sales Margin	68.5%							
Operating profit	318	16.7%						
Operating Profit Margin	1.9%							
Ordinary Profit	508	17.1%						
Ordinary Profit Margin	3.0%							
Prorit	141	6.7%						
Net Profit Margin	0.8%							

1H		2H		Full Year	
	YoY		YoY		YoY

# Changes in Indexes

Number of employees

(Persons)

	17/12	18/06	18/12	19/06	19/12	20/06	20/12	21/06	21/12	22/06	22/12	23/03
separate	701	743	755	801	841	869	886	914	924	987	1,087	1,102
consolidated	3,651	3,714	3,676	3,625	3,579	3,576	3,633	3,670	3,683	3,772	3,746	3,728

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

\* Not including the number of temporary employee

Management index

	19/12	20/12	21/12	22/12	20/03	21/03	22/03	23/03	
Accounts receivable collection period (month)	2.7	3.2	3.3	2.8	3.3	3.4	3.1	3.0	*Accounts receivable collection period: Accounts receivable/Net sales (per month)
Inventories turnover period (month)	4.2	4.4	4.4	5.1	5.5	5.0	4.6	6.2	*Inventories turnover period: Inventories / Net sales (per month)
Accounts payable turnover period (month)	1.7	1.7	2.1	1.8	2.1	2.1	2.0	2.1	*Accounts payable turnover period: accounts payable/Net sales(per month)
Fixed assets turnover ratio	1.7	1.5	2.0	1.7	1.4	1.5	1.8	1.4	*Fixed assets turnover ratio: Net sales / Fixed assets
Interest -bearing debt turnover period (month)	6.9	8.6	5.4	4.9	9.1	9.5	5.2	6.1	*Interest-bearing Debt turnover period: Interest-bearing Debt/Net Sales
Equity ratio (%)	51.2	49.9	55.2	58.5	49.6	47.1	55.9	57.8	*Equity ratio based on market value:
Equity ratio based on market value (%)	40.0	35.7	32.8	26.8	26.8	37.9	30.3	28.1	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) (%)	3.4	2.3	10.0	7.8	-0.1	5.9	11.1	0.7	*ROE: Profit attributable to owners of parent/average shareholders' equity of the beginning and the end of the fiscal year
Return on Assets(ROA) (%)	1.7	1.2	5.3	4.4	-0.1	2.8	6.2	0.4	*ROA: Profit/average total assets of the beginning and the end of the period
Debt-to-equity ratio (multiple)	0.69	0.74	0.49	0.46	0.72	0.80	0.49	0.50	*Debt-to-Equity Ratio: Interest-bearing Debt / shareholders' equity
Debt redemption period (year)	4.6	6.2	4.4	9.2	-	-	-	-	*Debt redemption period: interest-bearing Debt / Operating cash flow
Interest coverage ratio (multiple)	28.5	23.1	23.4	11.9	-	-	-	-	*Interest coverage ratio: Operating cash flow / interest expenditure

# Changes in Financial Results by Segment



FY2021		1Q		2Q		3Q		4Q		1H		2H		Full Year	
			YoY		YoY		YoY		YoY		YoY		YoY		
Machine Tool Segment	Net sales	10,382	126.0%	13,762	156.0%	13,102	141.6%	14,237	121.6%	24,145	141.5%	27,339	130.4%	51,485	135.4%
	Operating profit	898	454.3%	2,258	303.4%	2,104	287.0%	1,915	156.9%	3,156	335.4%	4,019	205.7%	7,176	247.8%
	Operating Profit Margin	8.7%		16.4%		16.1%		13.5%		13.1%	-	14.7%	-	13.9%	-
Industrial Machinery Segment	Net sales	1,893	74.1%	2,734	99.1%	2,300	84.3%	3,438	119.1%	4,628	87.1%	5,739	102.2%	10,367	94.8%
	Operating profit	10	7.2%	167	125.0%	96	102.2%	229	101.5%	177	64.1%	325	101.6%	503	84.4%
	Operating Profit Margin	0.5%		6.1%		4.2%		6.7%		3.8%	-	5.7%	-	4.9%	-
Food Machinery Segment	Net sales	580	74.2%	1,940	264.7%	2,541	359.1%	1,820	133.6%	2,521	166.4%	4,362	210.7%	6,884	192.0%
	Operating profit	-39	-	244	-	360	1647.4%	264	689.6%	205	4100.0%	625	1041.7%	830	1276.9%
	Operating Profit Margin	-		12.6%		14.2%		14.5%		8.1%	-	14.3%	-	12.1%	-
Others	Net sales	1,460	100.5%	1,748	129.2%	1,526	113.0%	1,701	127.9%	3,209	114.3%	3,227	120.4%	6,437	117.3%
	Operating profit	144	239.0%	282	177.7%	262	282.3%	122	1537.7%	426	194.5%	384	384.0%	811	254.2%
	Operating Profit Margin	9.9%		16.1%		17.2%		7.2%		13.3%	-	11.9%	-	12.6%	-
Consolidated	Net sales	14,317	109.9%	20,187	147.7%	19,471	138.7%	21,198	122.6%	34,504	129.2%	40,669	129.8%	75,174	129.5%
	Adjustment	-588	-	-662	-	-588	-	-668	-	-1,251	-	-1,256	-	-2,507	-
	Consolidated Operating Profit	424	-482.9%	2,289	528.3%	2,235	464.2%	1,862	181.7%	2,714	786.7%	4,098	271.9%	6,813	367.9%
	Operating Profit Margin	3.0%		11.3%		11.5%		8.8%		7.9%	-	10.1%	-	9.1%	-

FY2022		1Q		2Q		3Q		4Q		1H		2H		Full Year	
			YoY		YoY		YoY		YoY		YoY		YoY		
Machine Tool Segment	Net sales	14,096	135.8%	14,149	102.8%	14,318	109.3%	13,928	97.8%	28,245	117.0%	28,247	103.3%	56,492	109.7%
	Operating profit	2,143	238.6%	1,795	79.5%	1,568	74.5%	1,539	80.4%	3,938	124.8%	3,108	77.3%	7,046	98.2%
	Operating Profit Margin	15.2%		12.7%		11.0%		11.1%		13.9%	-	11.0%	-	12.5%	-
Industrial Machinery Segment	Net sales	2,625	138.7%	2,618	95.8%	2,871	124.8%	2,540	73.9%	5,244	113.3%	5,411	94.3%	10,656	102.8%
	Operating profit	152	1501.7%	391	233.7%	189	195.6%	87	38.0%	544	306.3%	276	84.8%	820	163.0%
	Operating Profit Margin	5.8%		15.0%		6.6%		3.4%		10.4%	-	5.1%	-	7.7%	-
Food Machinery Segment	Net sales	1,021	175.9%	1,323	68.2%	1,820	71.6%	2,648	145.5%	2,344	93.0%	4,469	102.4%	6,813	99.0%
	Operating profit	-29	-	32	13.2%	90	25.0%	353	133.8%	3	1.6%	443	71.0%	447	53.9%
	Operating Profit Margin	-		2.4%		5.0%		13.4%		0.1%	-	9.9%	-	6.6%	-
Others	Net sales	1,861	127.4%	1,621	92.7%	1,431	93.8%	1,619	95.2%	3,482	108.5%	3,050	94.5%	6,533	101.5%
	Operating profit	188	130.9%	88	31.3%	86	33.1%	-50	-	277	65.0%	35	9.4%	313	38.6%
	Operating Profit Margin	10.1%		5.4%		6.1%		-		8.0%	-	1.1%	-	4.8%	-
Consolidated	Net sales	19,604	136.9%	19,712	97.6%	20,441	105.0%	20,737	97.8%	39,317	113.9%	41,178	101.3%	80,495	107.1%
	Adjustment	-548	-	-736	-	-855	-	-674	-	-1,284	-	-1,530	-	-2,814	-
	Consolidated Operating Profit	1,907	449.0%	1,571	68.6%	1,078	48.3%	1,255	67.4%	3,479	128.2%	2,333	56.9%	5,813	85.3%
	Operating Profit Margin	9.7%		8.0%		5.3%		6.1%		8.8%	-	5.7%	-	7.2%	-

FY2023		1Q		2Q		3Q		4Q		1H		2H		Full Year	
			YoY		YoY		YoY		YoY		YoY		YoY		
Machine Tool Segment	Net sales	12,227	86.7%												
	Operating profit	1,023	47.7%												
	Operating Profit Margin	8.4%													
Industrial Machinery Segment	Net sales	2,393	91.1%												
	Operating profit	140	92.1%												
	Operating Profit Margin	5.9%													
Food Machinery Segment	Net sales	998	97.8%												
	Operating profit	-44	-												
	Operating Profit Margin	-													
Others	Net sales	1,265	68.0%												
	Operating profit	-0	-												
	Operating Profit Margin	-													
Consolidated	Net sales	16,884	86.1%												
	Adjustment	-800	-												
	Consolidated Operating Profit	318	16.7%												
	Operating Profit Margin	1.9%													

# Numbers of EDMs Ordered and Sold



## EDM Orders

(Units)

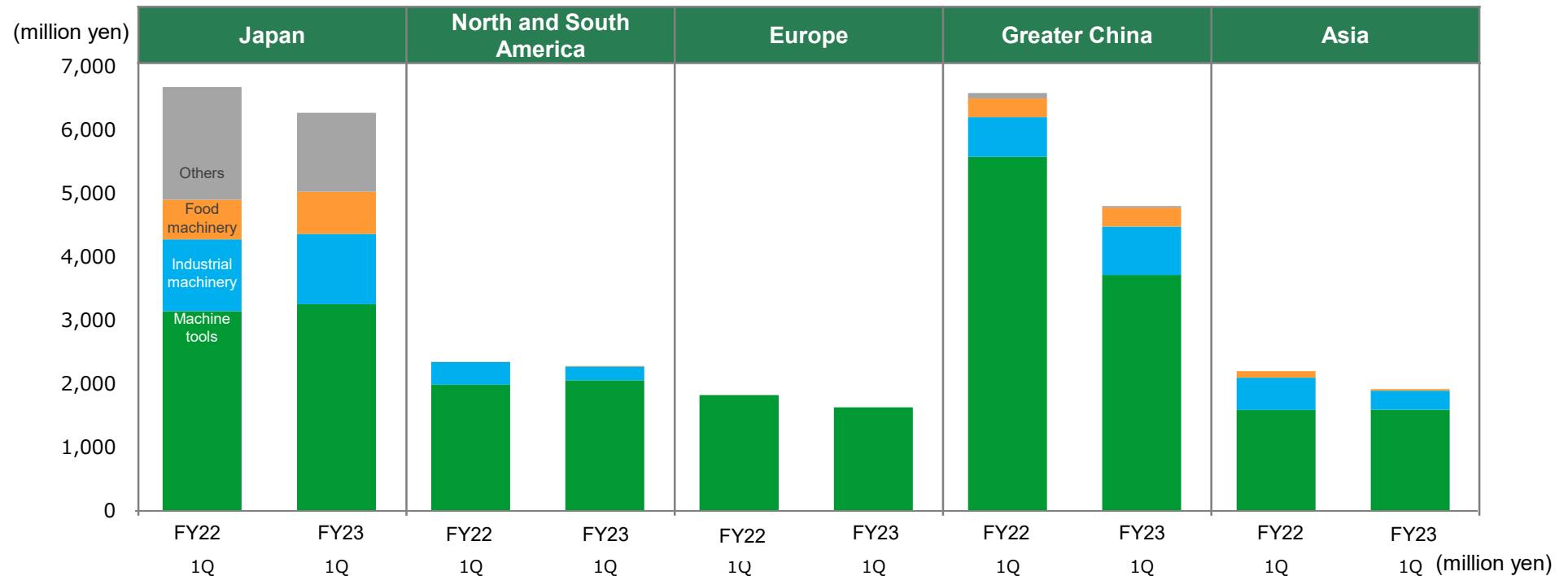
	FY2021					FY2022					FY2023				
	1-3	4-6	7-9	10-12	Total	1-3	4-6	7-9	10-12	Total	1-3	4-6	7-9	10-12	Total
North&South America	58	70	54	68	250	81	58	56	83	278	70				70
Europe	100	108	113	106	427	96	106	58	94	354	70				70
China	1,007	858	513	425	2,803	578	619	340	292	1,829	341				341
Asia	78	84	76	72	310	92	93	93	60	338	64				64
Japan	68	82	118	115	383	120	91	90	96	397	51				51
Total	1,311	1,202	874	786	4,173	967	967	637	625	3,196	596				596

## EDM Shipments

(Units)

	FY2021					FY2022					FY2023				
	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	52	73	51	81	257	68	58	73	86	285	66				66
Europe	68	82	92	111	353	108	97	80	88	373	84				84
China	467	705	711	582	2,465	514	522	418	352	1,806	284				284
Asia	67	71	48	75	261	89	66	110	95	360	59				59
Japan	61	48	61	100	270	125	105	79	86	395	108				108
Total	715	979	963	949	3,606	904	848	760	707	3,219	601				601

# Ratio of Overseas Sales by Segment



FY2022 1Q	Japan	North and South America	Europe	Greater China	Asia	Total						
Machine tools	3,140	22.3%	1,982	14.1%	1,817	12.9%	5,570	39.5%	1,584	11.2%	14,096	71.9%
Industrial machinery	1,133	43.1%	356	13.6%	—	—	624	23.8%	511	19.5%	2,625	13.4%
Food machinery	621	60.8%	3	0.4%	—	—	296	29.0%	99	9.8%	1,021	5.2%
Others	1,776	95.5%	—	—	—	—	84	4.5%	—	—	1,861	9.5%
By region – Total	6,671	34.0%	2,343	12.0%	1,817	9.3%	6,575	33.5%	2,196	11.2%	19,604	100.0%

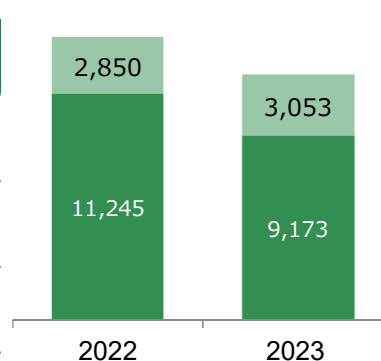
FY2023 1Q	Japan	North and South America	Europe	Greater China	Asia	Total						
Machine tools	3,249	26.6%	2,051	16.8%	1,627	13.3%	3,709	30.3%	1,589	13.0%	12,227	72.4%
Industrial machinery	1,110	46.4%	218	9.1%	—	—	765	32.0%	298	12.5%	2,393	14.2%
Food machinery	663	66.5%	10	1.0%	—	—	297	29.8%	27	2.7%	998	5.9%
Others	1,241	98.1%	—	—	—	—	24	1.9%	—	—	1,265	7.5%
By region – Total	6,265	37.1%	2,280	13.5%	1,627	9.6%	4,796	28.4%	1,914	11.4%	16,884	100.0%

Effect of exchange rate      —      Around 250 million yen      Around 130 million yen      Around 240 million yen      Around 120 million yen      Around 750 million yen

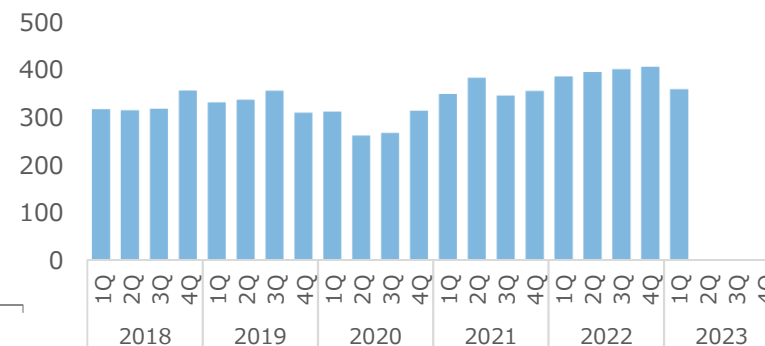
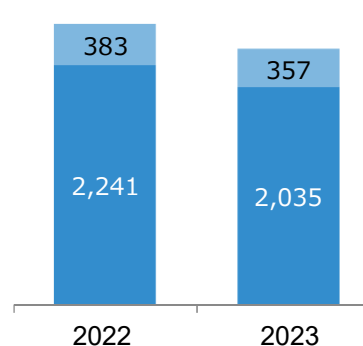
# Maintenance Service Ratio

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

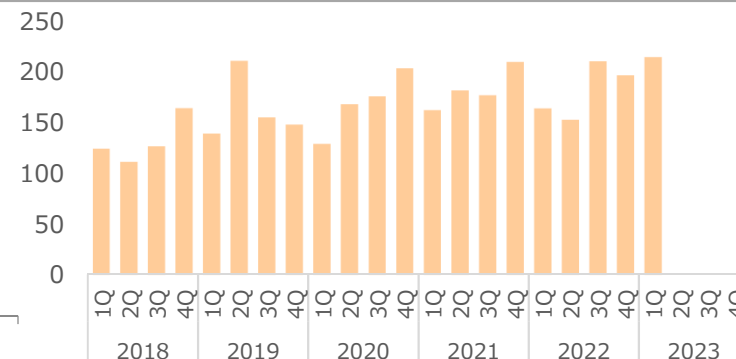
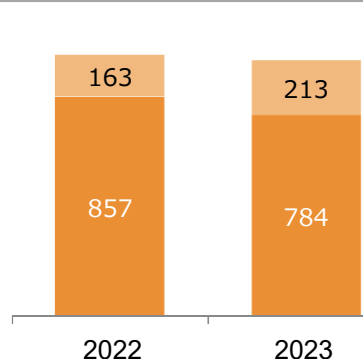
Machine Tool	FY2022/12 1Q		FY2023/12 1Q	
Maintenance services and consumables	2,850	20.2%	3,053	25.0%
Machine sales	11,245	79.8%	9,173	75.0%
<b>Total</b>	<b>14,096</b>		<b>12,227</b>	











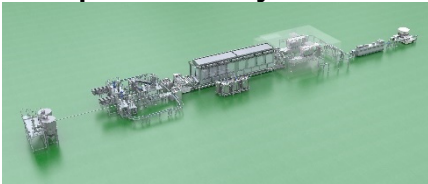












Industrial Machinery	FY2022/12 1Q		FY2023/12 1Q	
Maintenance services and consumables	383	14.6%	357	14.9%
Machine sales	2,241	85.4%	2,035	85.1%
<b>Total</b>	<b>2,625</b>		<b>2,393</b>	



Food Machinery	FY2022/12 1Q		FY2023/12 1Q	
Maintenance services and consumables	163	16.0%	213	21.4%
Machine sales	857	84.0%	784	78.6%
<b>Total</b>	<b>1,021</b>		<b>998</b>	



Segment	Machine tools	Industrial machinery	Food machinery
<p><b>Key products</b></p>	<p><b>Die-sinker EDM</b>    <b>Wire-cut EDM</b></p>   <p><b>Small Hole EDM</b>    <b>Metal 3D Printer</b></p>   <p><b>Machining center</b></p> 	<p><b>Horizontal injection molding machine</b></p>  <p><b>Vertical injection molding machine</b></p>  <p><b>Light metal injection molding machine</b></p> 	<p><b>Noodle-making equipment (Noodle production line)</b></p>   <p><b>Sterile-packed cooked rice production system</b></p>  <p><b>Other food processing machines</b></p>  
<p><b>Sales market</b></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><b>Production site</b></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>

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