



Tokyo Stock Exchange Prime Market 6143



3Q FY2023/12
Results Briefing
Sodick Co., Ltd.

November 10, 2023



3Q FY2023/12
Financial Results
Summary

Financial Results Highlights



<h2>3Q FY2023</h2>	<p>Sales declined due to lower sales of electrical discharge machines (EDMs) and injection molding machines. Profitability also declined</p>			
<h2>Machine tool</h2>	<p>Continued demand for CASE-related products, but adjusting demand for semiconductors and electronic components</p>			
<h2>Industrial machinery</h2>	<p>Continued generally sluggish demand for smartphones and electronic components, etc.</p>			
<h2>Food machinery</h2>	<p>Continued solid performance in both noodle making machines and cooked rice equipment</p>			
<h2>Other</h2>	<p>Low sales of precision dies and mold operations, and ceramics</p>			
	Sales:	49.9 billion yen	down	16.4% YoY
	OP:	-1.4 billion yen		-0%
	Sales:	35.2 billion yen	down	17.1%
	Segment profit:	1.4 billion yen	down	74.4%
	Sales:	6.3 billion yen	down	21.5%
	Segment profit:	-0.2 billion yen		-0%
	Sales:	4.5 billion yen	up	9.8%
	Segment profit:	0.2 billion yen	up	192.1%
	Sales:	3.7 billion yen	down	24.5%
	Segment profit:	-0.5 billion yen		-0%

*The adjustment amount for segment profit: -2.2 billion yen

Financial Results Highlights

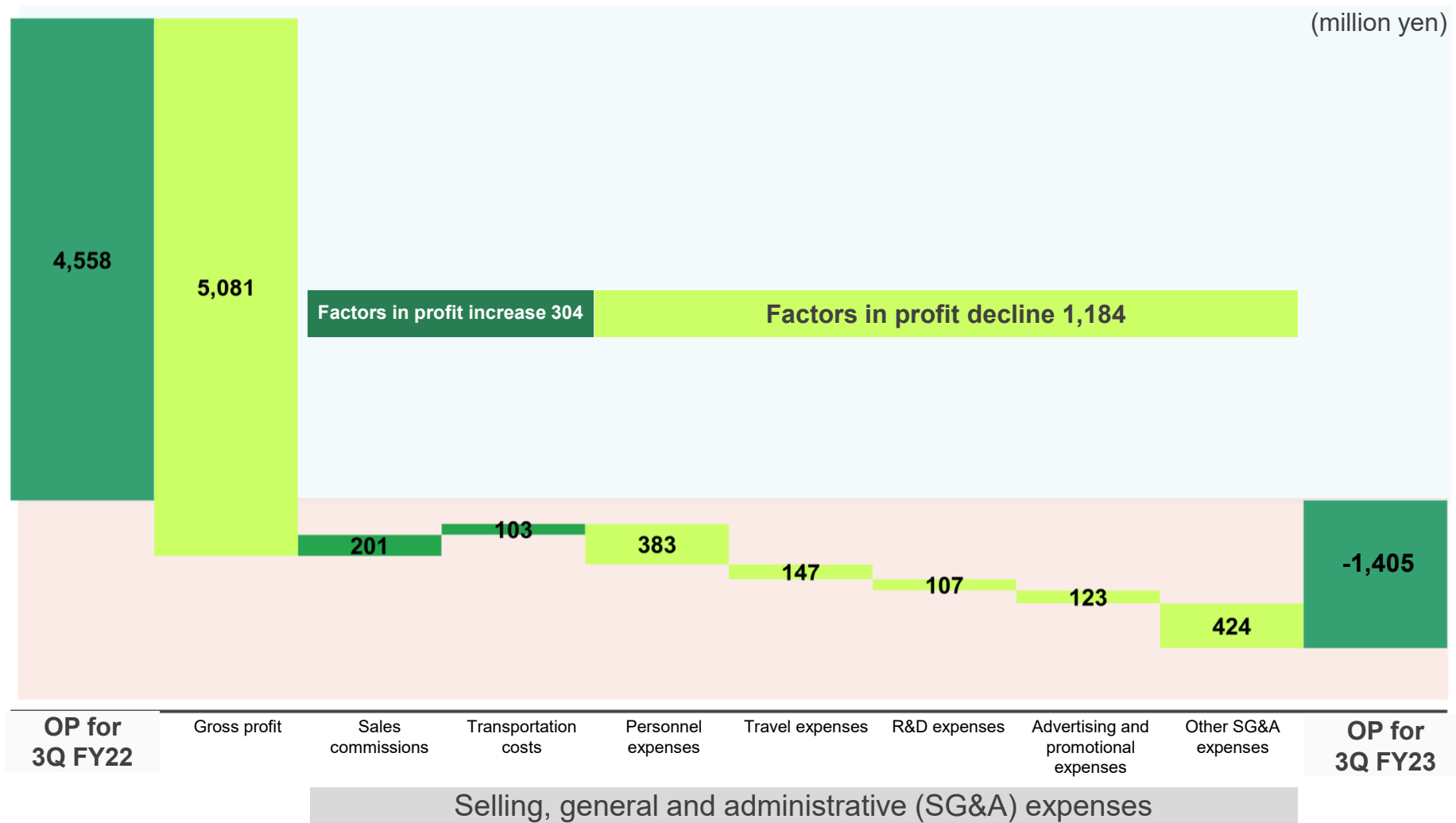


- ✓ Net sales decreased by 16% due to a sharp decline in sales of machine tools and industrial machines.
- ✓ Operating loss of approximately 1.4 billion yen owing to a decline in profitability associated with production adjustments at overseas plants, as well as continued cost increases due to high raw material and energy prices and increased personnel expenses.
- ✓ Foreign exchange gains further swelled due to continued rapid depreciation of the yen, resulting in ordinary profit of 0.35 billion yen (foreign exchange gains: approx. 1.3 billion yen)

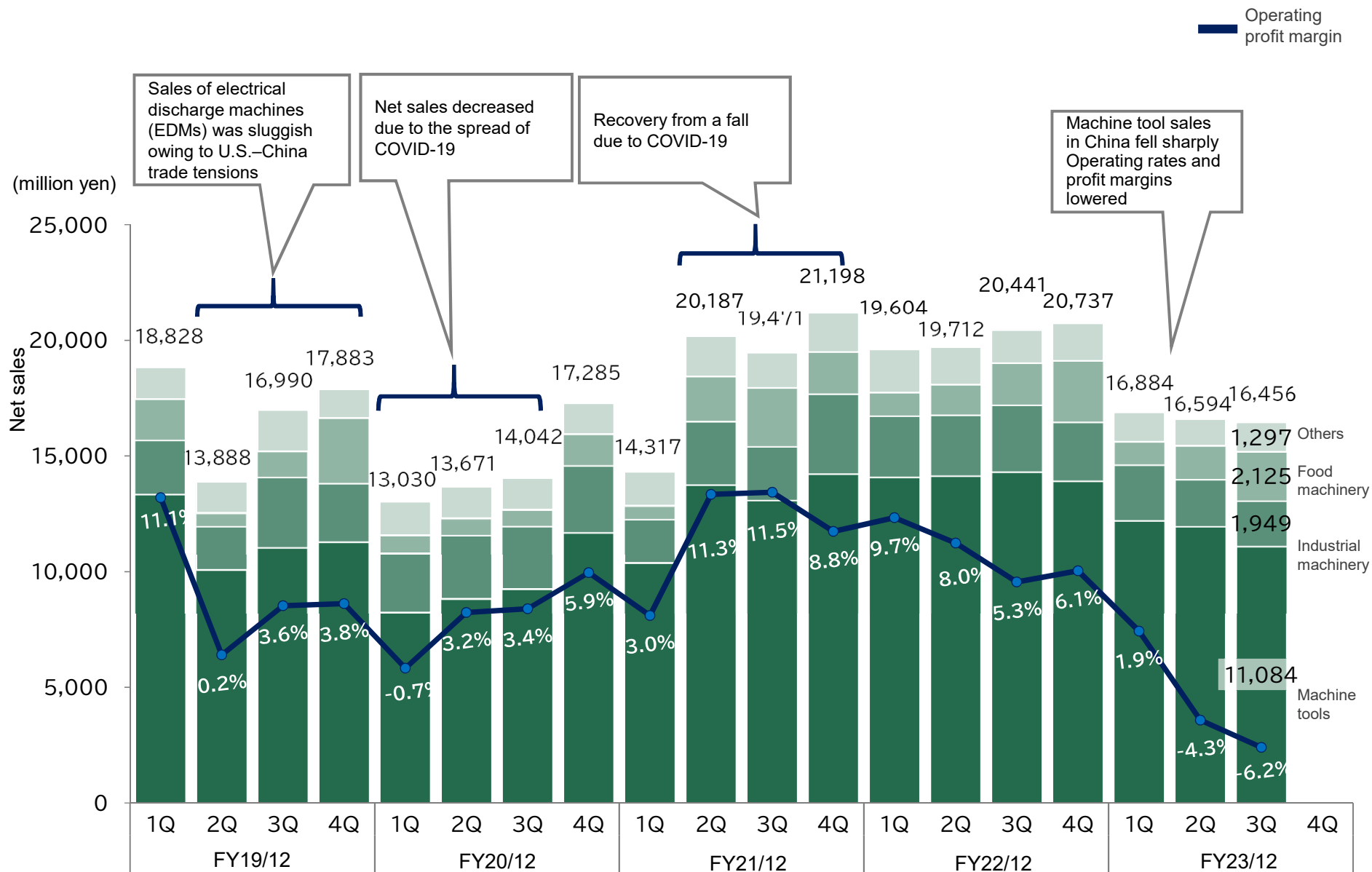
(million yen)	FY2019 3Q	FY2020 3Q	FY2021 3Q	FY2022 3Q	FY2023 3Q	YoY Change
Net sales	49,707	40,744	53,976	59,758	49,936	-16.4%
Operating profit	2,746	827	4,950	4,558	-1,405	—
OPM	5.5%	2.0%	9.2%	7.6%	—	—
Ordinary profit	2,577	893	6,077	7,738	348	-95.5%
Profit	1,177	619	4,377	5,154	-889	—
ROE (annual basis)	2.7%	1.4%	9.1%	8.7%	—	—
Capital investment	3,353	1,566	1,954	2,961	4,230	42.8%
Depreciation	2,542	2,521	2,548	2,640	2,783	5.4%
R&D expenses	2,870	2,364	2,305	2,289	2,562	11.9%
USD/JPY	109.12	107.55	108.58	128.30	138.24	9.94 down
EUR/JPY	122.62	120.93	129.87	136.05	149.77	13.72 down
CNH/JPY	15.88	15.37	16.77	19.32	19.61	0.29 down
THB/JPY	3.49	3.41	3.45	3.70	4.01	0.31 down

Details of Changes in Operating Profit

- ✓ The impact of lower sales, lower profitability associated with production adjustments at overseas plants, and higher raw material and energy prices led to a significant decrease in gross profit.
- ✓ Total SG&A expenses increased by about 0.9 billion yen from the same period of the previous year, partly due to an increase in personnel expenses caused by inflation.



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)	FY2019	FY2020	FY2021	FY2022	FY2023	YoY Change
	3Q	3Q	3Q	3Q	3Q	
Machine tool segment	34,498	26,317	37,248	42,564	35,285	-17.1%
Industrial machinery segment	7,242	8,045	6,928	8,115	6,367	-21.5%
Food machinery segment	3,470	2,223	5,063	4,164	4,573	9.8%
Other segments	4,496	4,158	4,735	4,913	3,709	-24.5%
Total net sales	49,707	40,744	53,976	59,758	49,936	-16.4%
Machine tool segment	3,564	1,675	5,260	5,507	1,408	-74.4%
Industrial machinery segment	218	370	274	733	-257	–
Food machinery segment	369	27	566	93	273	192.1%
Other segments	236	312	688	364	-577	–
Total segment profit	4,389	2,385	6,790	6,698	846	-87.4%
Adjustment amounts	-1,643	-1,558	-1,839	-2,140	-2,251	–
Total operating profit	2,746	827	4,950	4,558	-1,405	–

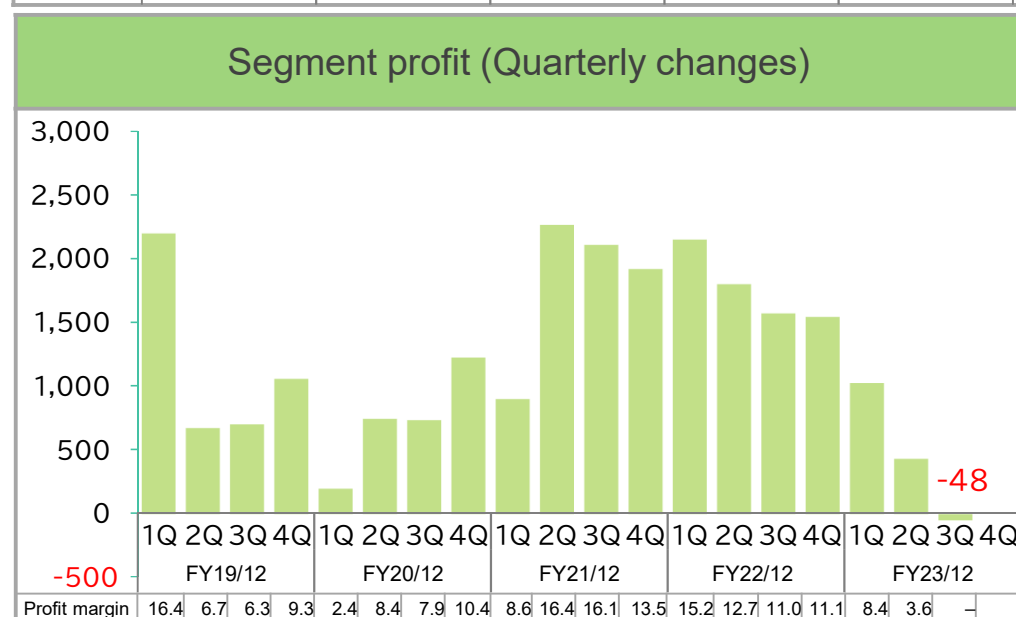
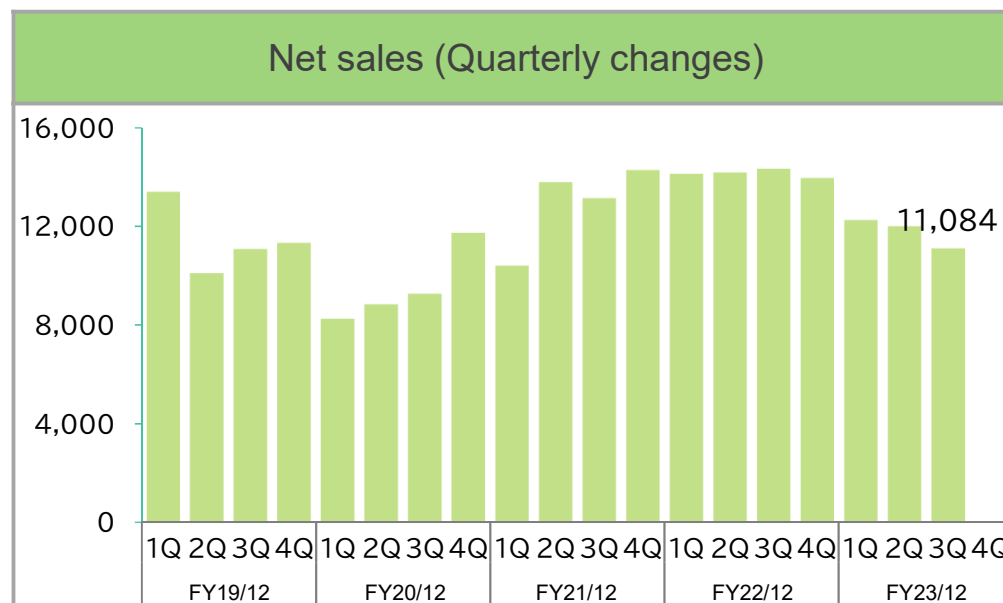
Financial Results by Segment



Machine Tool Segment

Net sales	<ul style="list-style-type: none"> Continued strong sales for CASE-related products Aerospace demand in the West is also recovering. Sales declined in Japan, Greater China and Asia due to weak demand for semiconductors, electronic components, etc.
Profit	Segment profit deteriorated significantly owing to a large decrease in sales volume, as well as lower profitability at overseas plants, persistently high material prices, and other higher costs such as personnel expenses.

(million yen)	3Q FY22	3Q FY23	YoY Change	
Net sales	42,564	35,285	-7,278	-17.1%
Segment profit	5,507	1,408	-4,098	-74.4%
Profit margin	12.9%	4.0%		



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	3.6	-
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Financial Results by Segment



Industrial Machinery Segment

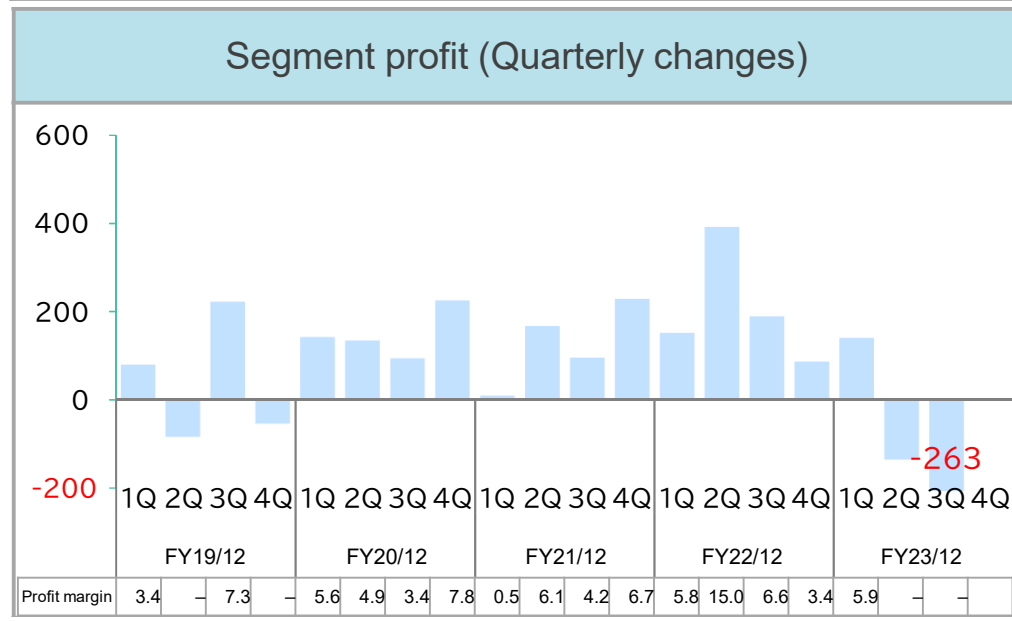
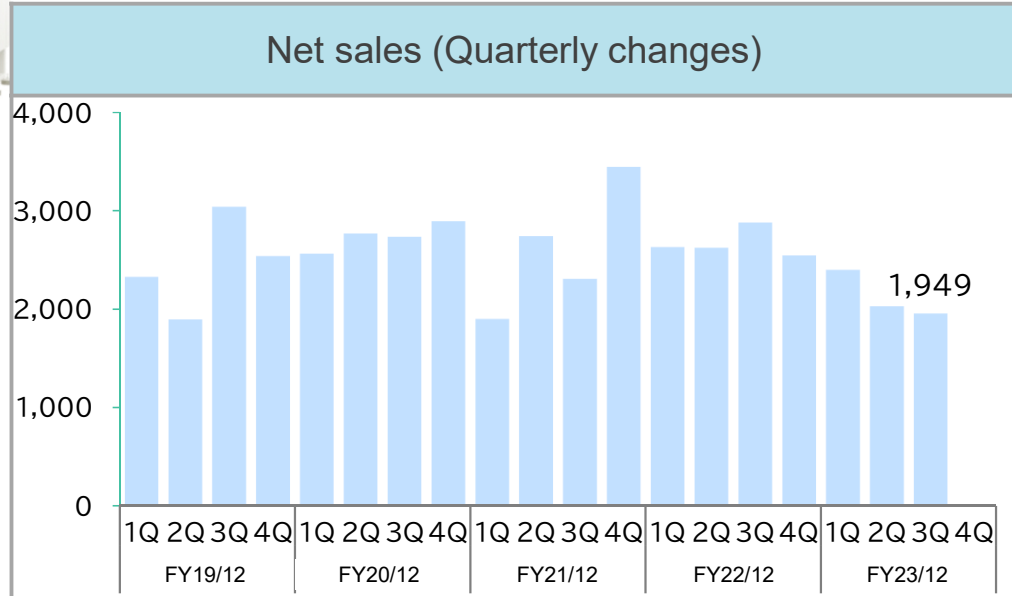
Net sales

- The industrial machinery industry as a whole is facing a difficult situation due to customer inventory adjustments and investment delays due to market softening for semiconductors and electronic components.
- Net sales decreased due to severe conditions in various regions and fields.

Profit

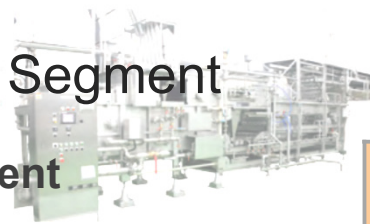
Segment profit decreased significantly due to a decrease in sales, higher costs due to a decrease in plant utilization, and an increase in SG&A expenses such as personnel expenses.

(million yen)	3Q FY22	3Q FY23	YoY Change	
Net sales	8,115	6,367	-1,748	-21.5%
Segment profit	733	-257	-991	-
Profit margin	9.0%	-		



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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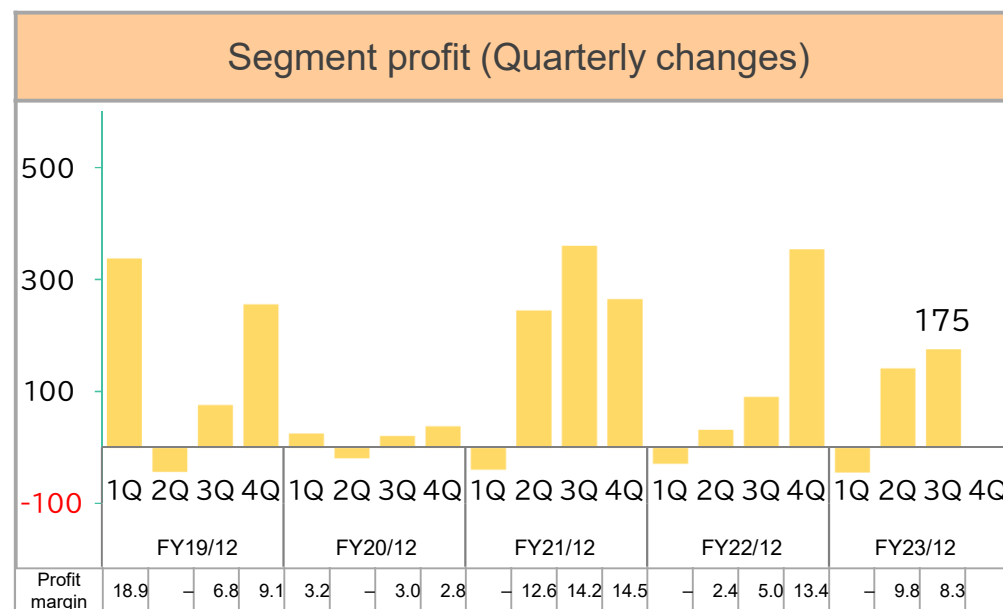
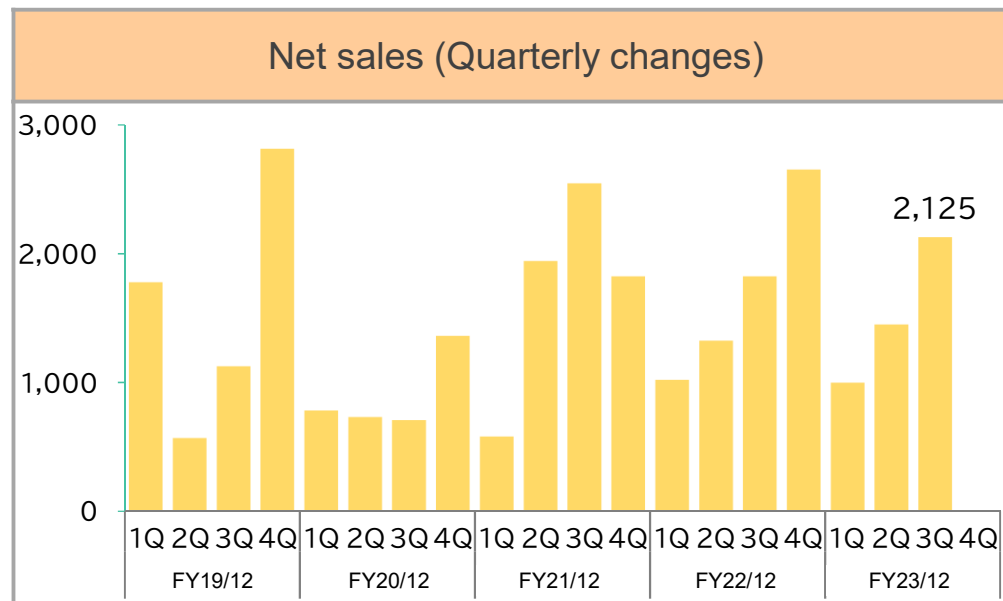
Financial Results by Segment



■ Food Machinery Segment

Net sales	Demand for noodle-making machine-related equipment in Japan and overseas, as well as aseptically-packaged cooked rice production systems for overseas markets, has remained strong.
Profit	Sales increased and segment profit improved despite the impact of surging raw materials prices and other factors.

(million yen)	3Q FY22	3Q FY23	YoY Change	
Net sales	4,164	4,573	408	9.8%
Segment profit	93	273	179	192.1%
Profit margin	2.2%	6.0%		



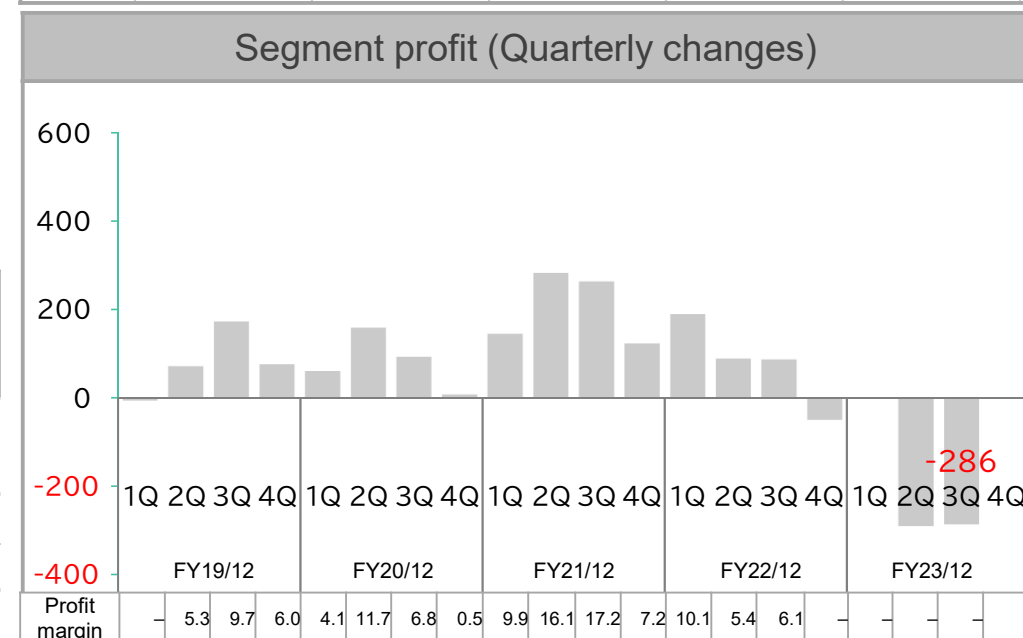
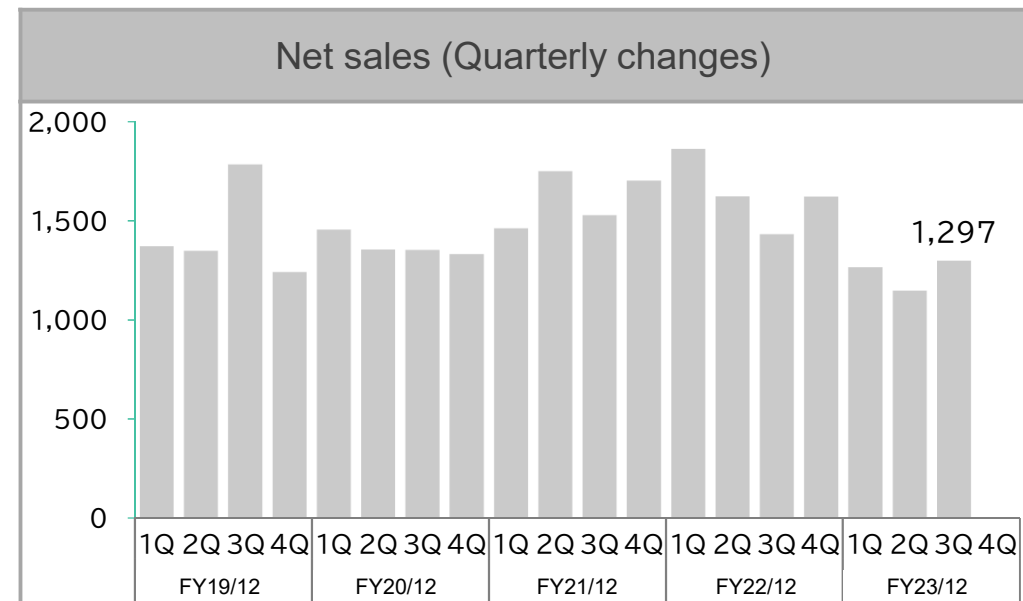
Profit margin	1Q	2Q	3Q	4Q
FY19/12	18.9	-	6.8	9.1
FY20/12	3.2	-	3.0	2.8
FY21/12	-	12.6	14.2	14.5
FY22/12	-	2.4	5.0	13.4
FY23/12	-	9.8	8.3	

Financial Results by Segment

Other Segments

Net sales	<ul style="list-style-type: none"> Net sales from the mold operations decreased partly due to semiconductor shortages and supply chain disruptions. Demand for ceramics for semiconductor manufacturing equipment manufacturers has weakened due to inventory adjustments in the semiconductor market.
Profit	Segment loss of about 0.6 billion yen due to deteriorating cost ratios due to the impact of surging raw materials prices and a decline in plant utilization rates resulting from a decline in orders

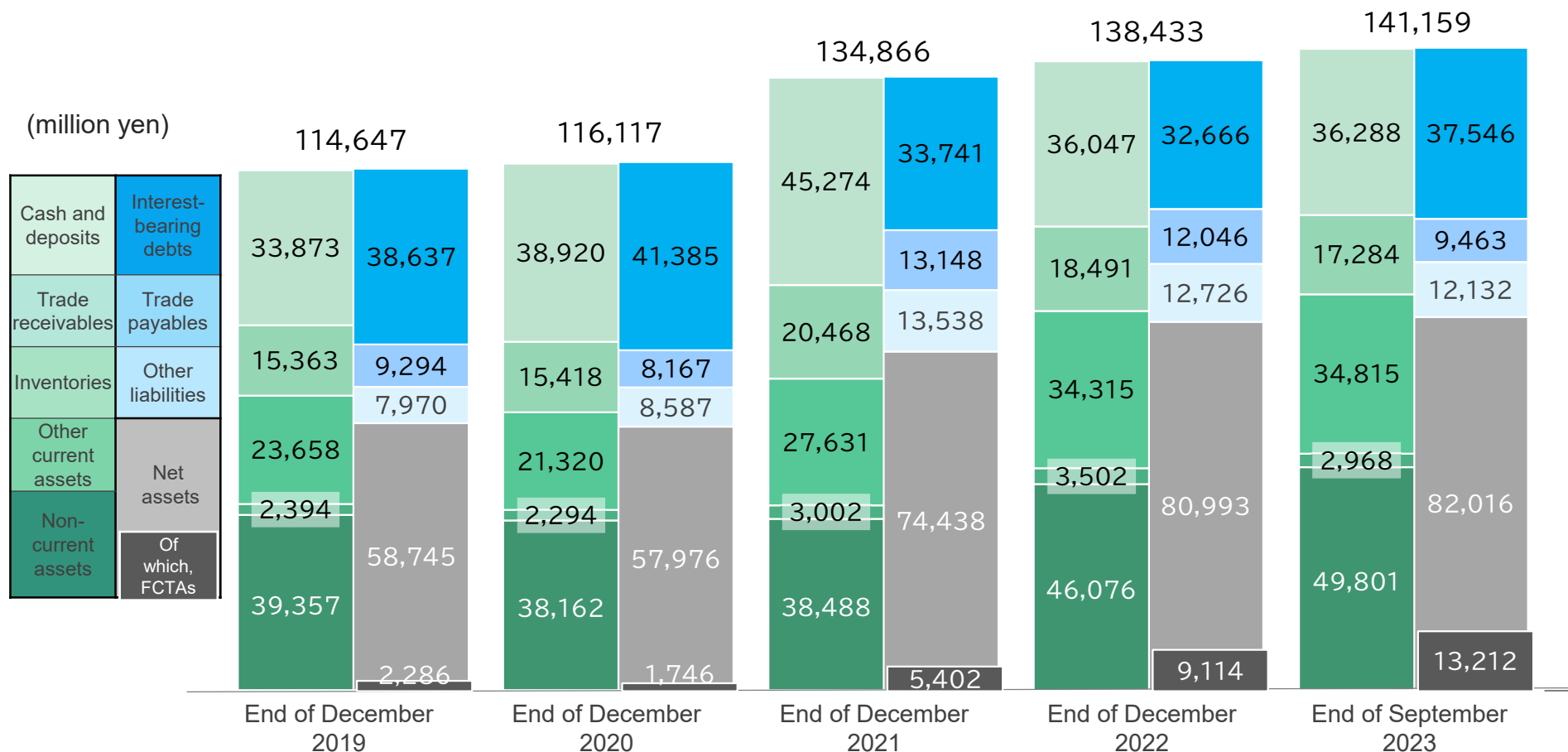
(million yen)	3Q FY22	3Q FY23	YoY Change	
Net sales	4,913	3,709	-1,204	-24.5%
Segment profit	364	-577	-941	-
Profit margin	7.4%	-		



Profit margin	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	-	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	6.1	-

Balance Sheet

- ✓ Although non-current assets increased due to expansion of food factories and construction of new sales offices, total assets increased slightly due to a decrease in trade receivables.
- ✓ Net assets increased due to an increase in foreign currency translation, despite a decrease due to capital policies such as acquisition of treasury shares and dividends.

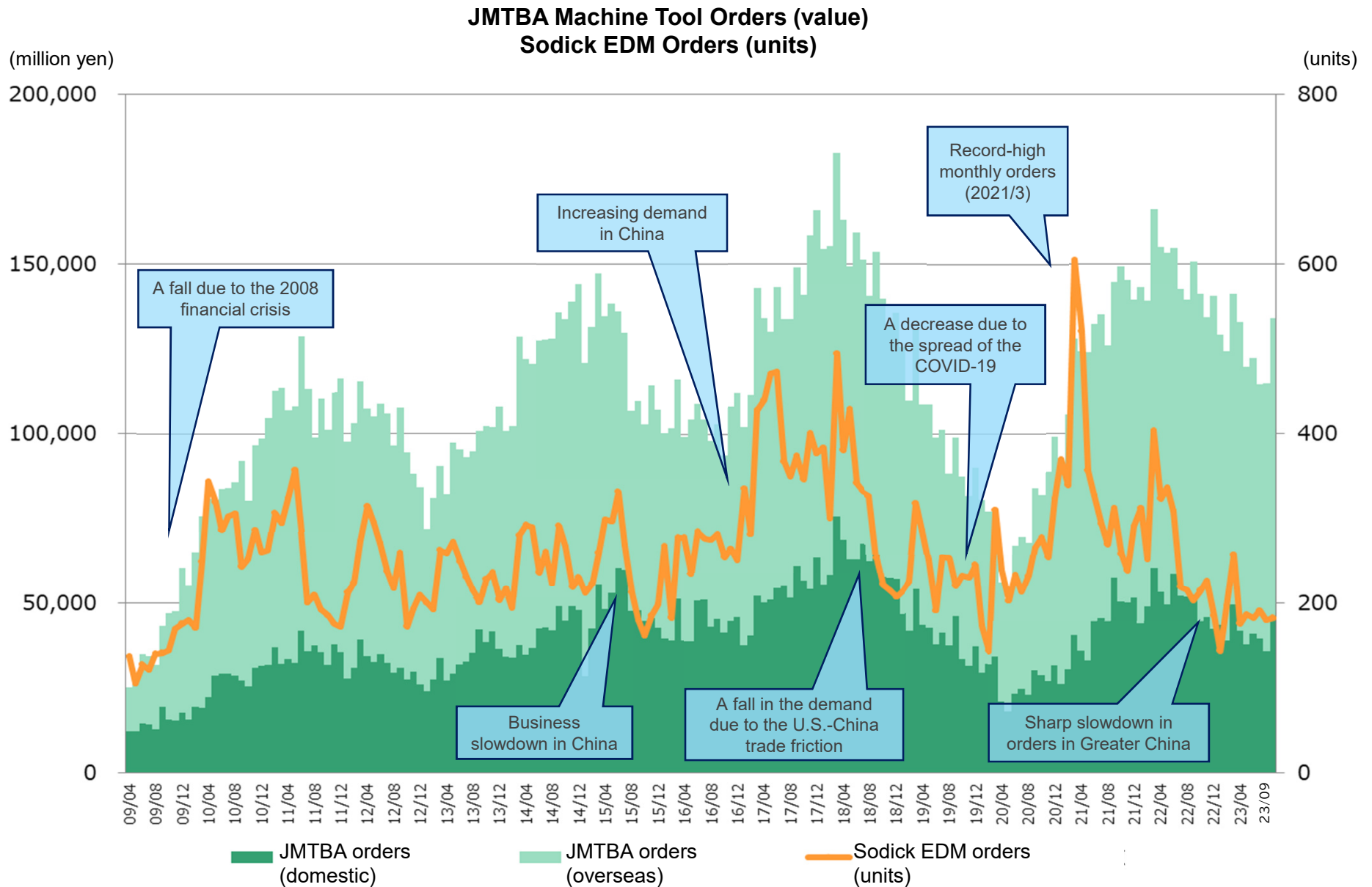


USD-JPY exchange rate at last day of the term	109.56	103.50	115.02	132.70	149.58
Equity ratio	51.2%	49.9%	55.2%	58.5%	58.1%
D/E ratio (times)	0.69	0.74	0.49	0.46	0.56



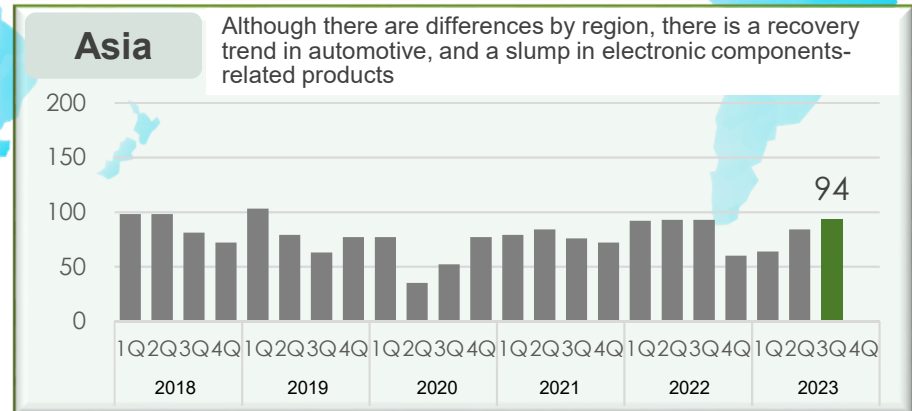
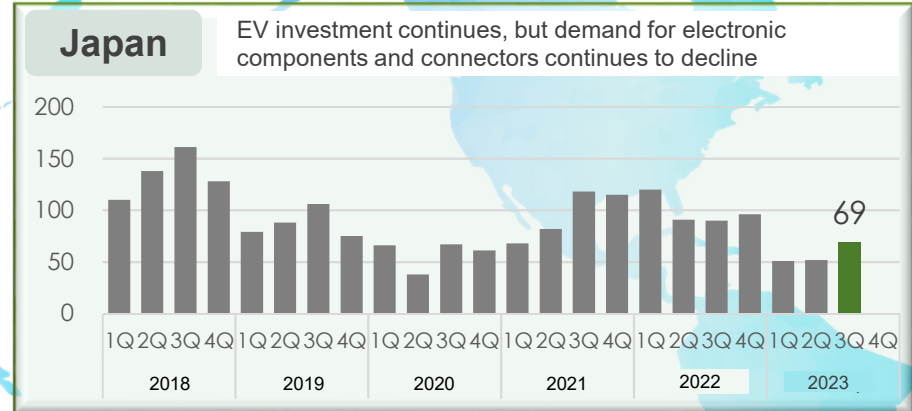
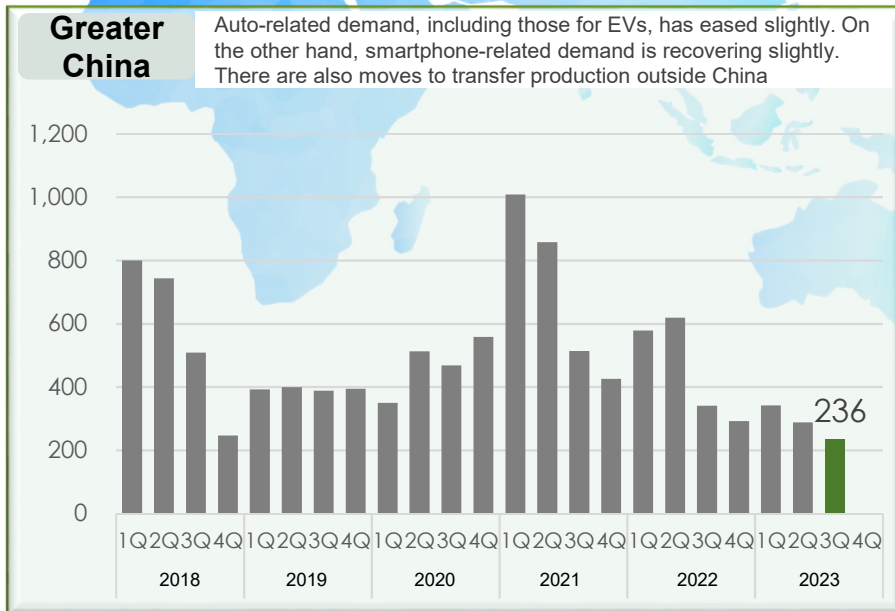
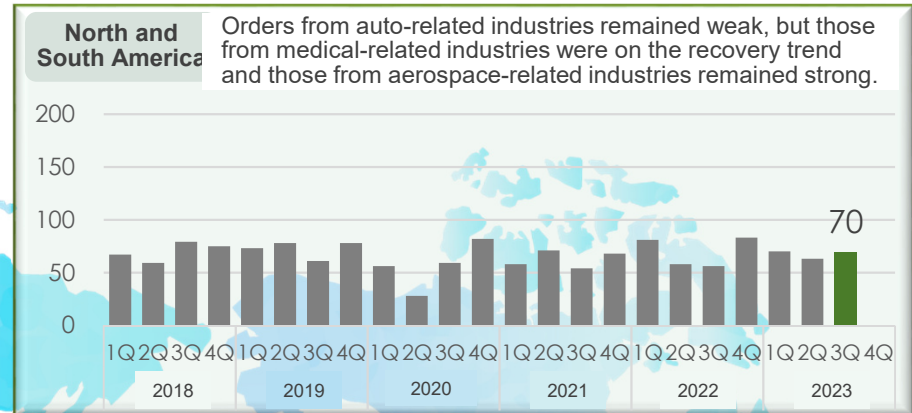
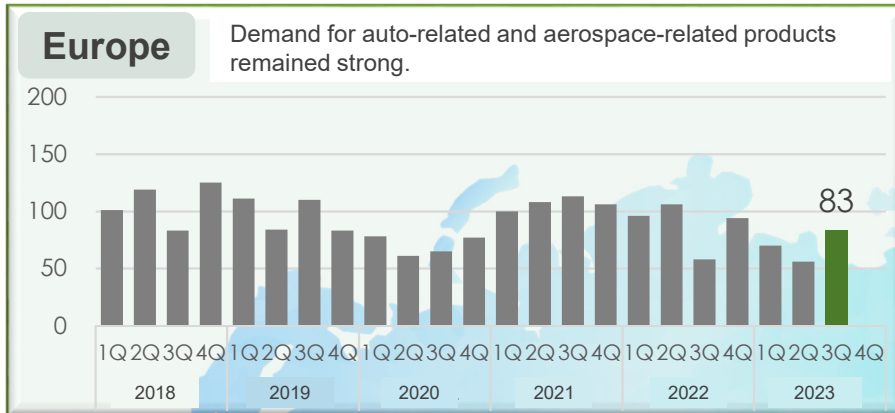
**FY2023/12 Full-year
Financial Results
Projections**

Changes in Amount of JMTBA Orders and in Number of Sodick EDM Orders



Source: JMTBA

Changes in Numbers of EDMs Ordered in Quarters by Region



Revision to FY2023/12 Full-year Earnings Forecasts



- ✓ Lowered full-year earnings forecast revised in August owing to expected further decline in sales of machine tools and industrial machinery due to lower demand for semiconductors and electronic components.
- ✓ Operating loss is expected to be 2.1 billion yen in light of high manufacturing costs and other factors due to soaring raw material prices, etc. despite partial contribution from improved earnings in factories partly owing to production adjustments.
- ✓ Net loss is expected to be 2.1 billion yen at the end of FY2023 with an impairment of non-current assets (approx. 0.35 billion yen) due to structural reforms.

(million yen)	FY2019	FY2020	FY2021	FY2022	FY2023		
					Previous revised forecast (August 9)	Revised forecast (November 10)	Compared to previous forecast
Net sales	67,591	58,030	75,174	80,495	70,000	66,800	-4.6%
Operating profit	3,422	1,852	6,813	5,813	150	-2,100	—
OPM	5.1%	3.2%	9.1%	7.2%	0.2%	—	—
Ordinary profit	3,558	2,046	8,588	8,275	1,400	-300	—
Profit	2,002	1,346	6,591	6,021	0	-2,100	—
ROE	3.4%	2.3%	10.0%	7.8%	—	—	—
USD/JPY	109.03	106.76	109.90	131.62	140.00	141.00	
EUR/JPY	122.03	121.88	129.91	138.14	151.00	152.00	
CNH/JPY	15.77	15.48	17.01	19.45	19.70	19.80	
THB/JPY	3.52	3.42	3.44	3.75	4.00	4.00	

Revision to FY2023/12 Full-year Earnings Forecasts by Segment

- ✓ Machine tools: Sales of EDMs in Greater China fall sharply. The severe situation is expected to continue in the fourth quarter.
- ✓ Industry machinery: Decreased net sales and profits due to weak sales for smartphones and electronic components
- ✓ Food machinery: Progress was steady in each project, and both sales and profit were unchanged from the previous revised forecast.

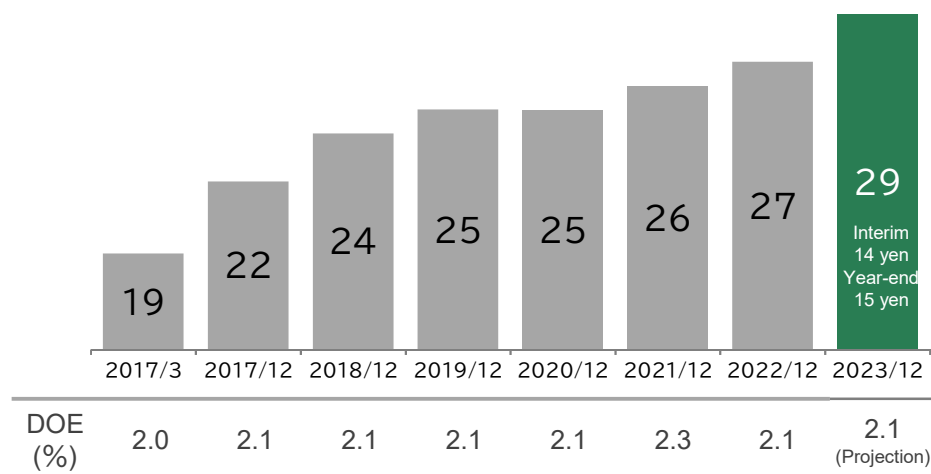
(million yen)	FY2019	FY2020	FY2021	FY2022	FY2023		
					Previous revised forecast (August 9)	Revised forecast (November 10)	Compared to previous forecast
Machine tool segment	45,797	38,024	51,485	56,492	48,200	46,500	-3.5%
Industrial machinery segment	9,773	10,931	10,367	10,656	9,300	8,600	-7.5%
Food machinery segment	6,283	3,585	6,884	6,813	6,800	6,800	–
Other segments	5,737	5,488	6,437	6,533	5,700	4,900	-14.0%
Total net sales	67,591	58,030	75,174	80,495	70,000	66,800	-4.6%
Machine tool segment	4,621	2,896	7,176	7,046	3,300	1,600	-51.5%
Industrial machinery segment	165	596	503	820	150	-400	–
Food machinery segment	625	65	830	447	500	500	–
Other segments	311	319	811	313	-400	-800	–
Total segment profit	5,723	3,878	9,321	8,628	3,550	900	-74.6%
Adjustment amounts	-2,301	-2,025	-2,507	-2,814	-3,400	-3,000	–
Total operating profit	3,422	1,852	6,813	5,813	150	-2,100	–

Financial Policy and Shareholder Returns

■ Financial Policy

	Index	Target	2022 Actual
Capital efficiency	ROE (5-year average)	8% or more	7.0%
Financial soundness	Net cash	Net cash plus	3,381 million yen
	Equity ratio	50% or more	58.5%
Shareholder returns	DOE *1	2% or more	2.1%
	Total return ratio *2	40% or more	43% *3

■ Dividend trends



■ Purchase / cancellation of treasury shares

	Acquisition result
Total number of shares acquired	2.5 million shares
Total acquisition cost	1.84 billion yen
Acquisition period	From November 14, 2022 through May 22, 2023
Cancellation date	May 31, 2023
Number of shares outstanding after cancellation	54,792,239 shares

*1 DOE (Dividend on Equity Ratio) = Total dividends / Shareholders' equity (average at the beginning and end of the period)

*2 The company's total return ratio formula: Total return ratio = $\frac{\text{Dividends for FY}(n) + (\text{Stock buybacks for FY}(n+1))}{\text{Profit for FY}(n)}$

*3 In 2022, the amount of dividends in fiscal 2022 + the current amount of stock buybacks in fiscal 2023



Implementation of Structural Reforms

Awareness of the Current Situation and Need for Structural Reforms

Situation of the Company

- Amid rapid and drastic changes in the external environment, such as the U.S.-China trade friction, the COVID-19 pandemic, global inflation, supply chain restructuring, and the rapid depreciation of yen, the Chinese market has shaken in the past year, significantly reducing the profitability of our businesses. Major deviation from the targets of the mid-to-long term management plan.
- Through corporate transformation, we reviewed our business structure and focus on the development of total solutions that support customer manufacturing in total, the enhancement of after-sales services, and the provision of added value through DX, but we has yet to resolve issues.



Withdrew the current mid-to-long term management plan due to difficulty in achieving the plan

Radical reform of the current business model is needed

Implement Group-wide structural reforms to enhance future corporate value

Overview of Structural Reform

Basic policies:

- Break away from dependence on the Chinese market
- Implement “selection and concentration” to improve and enhance profitability across the Group
- Rebuild production and sales systems globally in response to foreign exchange fluctuations and changes in demand

Business structure reform	Machine tool segment	<ul style="list-style-type: none"> ● Selection and concentration in product development Reduce some of the existing product development and strengthen the development of laser processing machines that are expected to grow ● Optimization of production system In terms of our two factories in China, we will consolidate production at Amoy Factory with the eviction and relocation of Suzhou Factory. The Suzhou site will be used as a center for service solutions, etc. In addition, we will drastically strengthen the domestic production system by reorganizing our domestic manufacturing sectors and expanding the number of production lineup, aiming for strengthening our ability to respond to foreign exchange fluctuations.
	Industrial machinery segment	<ul style="list-style-type: none"> ● Reinforce profitability by reviewing sales model strategies ● Strengthen sales structure in Southeast Asia ● Suspend production models at new Amoy Factory in China and increase production models in Japan ● Improve operational efficiency by reorganizing our domestic manufacturing sectors
	Food machinery segment	<ul style="list-style-type: none"> ● Strengthen the development of new products for fields other than noodle making machines and cooked rice equipment ● Expand sales channels in overseas markets and strengthen sales systems ● Upgrade existing products to improve product precision ● Cost reduction through in-house manufacturing process and optimization of production systems
	Company-wide basis	<ul style="list-style-type: none"> ● Improve balance sheet by enhancing the cash conversion cycle and reducing long-held inventory, etc. ● Improve cash flows by reducing inefficient non-current assets, etc. ● Personnel optimization by reviewing the operation of the Senior Program, etc.



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. New products
9. Exhibition Information

Changes in Financial Results

FY2021/12	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%
OPM	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	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%	

FY2022/12	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%
OPM	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%	
Profit	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%	

FY2022/12	1Q		2Q		3Q		4Q	
		YoY		YoY		YoY		YoY
Net sales	16,884	86.1%	16,594	84.2%	16,456	80.5%		
Cost of sales	11,574	88.7%	11,662	88.9%	12,064	87.0%		
Cost of sales margin	68.5%		70.3%		73.3%			
Operating profit	318	16.7%	-708	-	-1,014	-		
OPM	1.9%		-		-			
Ordinary profit	508	17.1%	333	11.2%	-492	-		
Ordinary profit margin	3.0%		2.0%		-			
Profit	141	6.7%	-244	-	-786	-		
Net profit margin	0.8%		-		-			

	1H		2H		Full Year	
		YoY		YoY		YoY
	33,479	85.2%				
	23,236	88.8%				
	69.4%					
	-390	-				
	-					
	841	14.1%				
	2.5%					
	-103	-				
	-					

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	23/09
separate	701	743	755	801	841	869	886	914	924	987	1,087	1,181
consolidated	3,651	3,714	3,676	3,625	3,579	3,576	3,633	3,670	3,683	3,772	3,746	3,610

* 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	20/09	21/09	22/09	23/09	
Accounts receivable collection period (month)	2.7	3.2	3.3	2.8	2.8	3.0	2.9	3.1	* Accounts receivable collection period: Accounts receivable/Net sales (per month)
Inventories turnover period (month)	4.2	4.4	4.4	5.1	5.3	4.5	5.3	6.3	* Inventories turnover period: Inventories / Net sales (per month)
Accounts payable turnover period (month)	1.7	1.7	2.1	1.8	1.8	2.3	2.0	1.7	* Accounts payable turnover period: accounts payable/Net sales(per month)
Fixed assets turnover ratio	1.7	1.5	2.0	1.7	1.4	1.9	1.7	1.3	* Fixed assets turnover ratio: Net sales / Fixed assets
Interest -bearing debt turnover period (month)	6.9	8.6	5.4	4.9	9.5	5.8	5.0	6.8	* Interest-bearing Debt turnover period: Interest-bearing Debt/Net Sales
Equity ratio (%)	51.2	49.9	55.2	58.5	48.5	52.8	57.3	58.1	* Equity ratio based on market value:
Equity ratio based on market value (%)	40.0	35.7	32.8	26.8	29.7	37.1	27.7	26.3	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	1.4	9.1	8.7	-	* 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	0.7	4.7	4.9	-	* 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	0.78	0.52	0.47	0.56	* 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



FY2021/12		1Q		2Q		3Q		4Q	
			YoY		YoY		YoY		YoY
Machine tools	Net sales	10,382	126.0%	13,762	156.0%	13,102	141.6%	14,237	121.6%
	Operating profit	898	454.3%	2,258	303.4%	2,104	287.0%	1,915	156.9%
	OPM	8.7%		16.4%		16.1%		13.5%	
Industrial machinery	Net sales	1,893	74.1%	2,734	99.1%	2,300	84.3%	3,438	119.1%
	Operating profit	10	7.2%	167	125.0%	96	102.2%	229	101.5%
	OPM	0.5%		6.1%		4.2%		6.7%	
Food machinery	Net sales	580	74.2%	1,940	264.7%	2,541	359.1%	1,820	133.6%
	Operating profit	-39	-	244	-	360	1,647.4%	264	689.6%
	OPM	-		12.6%		14.2%		14.5%	
Others	Net sales	1,460	100.5%	1,748	129.2%	1,526	113.0%	1,701	127.9%
	Operating profit	144	239.0%	282	177.7%	262	282.3%	122	1,537.7%
	OPM	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%
	Adjustment	-588	-	-662	-	-588	-	-668	-
	Consolidated Operating Profit	424	-482.9%	2,289	528.3%	2,235	464.2%	1,862	181.7%
	OPM	3.0%		11.3%		11.5%		8.8%	

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

FY2022/12		1Q		2Q		3Q		4Q	
			YoY		YoY		YoY		YoY
Machine tool	Net sales	14,096	135.8%	14,149	102.8%	14,318	109.3%	13,928	97.8%
	Operating profit	2,143	238.6%	1,795	79.5%	1,568	74.5%	1,539	80.4%
	OPM	15.2%		12.7%		11.0%		11.1%	
Industrial machinery	Net sales	2,625	138.7%	2,618	95.8%	2,871	124.8%	2,540	73.9%
	Operating profit	152	1501.7%	391	233.7%	189	195.6%	87	38.0%
	OPM	5.8%		15.0%		6.6%		3.4%	
Food machinery	Net sales	1,021	175.9%	1,323	68.2%	1,820	71.6%	2,648	145.5%
	Operating profit	-29	-	32	13.2%	90	25.0%	353	133.8%
	OPM	-		2.4%		5.0%		13.4%	
Others	Net sales	1,861	127.4%	1,621	92.7%	1,431	93.8%	1,619	95.2%
	Operating profit	188	130.9%	88	31.3%	86	33.1%	-50	-
	OPM	10.1%		5.4%		6.1%		-	
Consolidated	Net sales	19,604	136.9%	19,712	97.6%	20,441	105.0%	20,737	97.8%
	Adjustment	-548	-	-736	-	-855	-	-674	-
	Consolidated Operating Profit	1,907	449.0%	1,571	68.6%	1,078	48.3%	1,255	67.4%
	OPM	9.7%		8.0%		5.3%		6.1%	

		1H		2H		Full year	
			YoY		YoY		YoY
	Net sales	28,245	117.0%	28,247	103.3%	56,492	109.7%
	Operating profit	3,938	124.8%	3,108	77.3%	7,046	98.2%
	OPM	13.9%	-	11.0%	-	12.5%	-
	Net sales	5,244	113.3%	5,411	94.3%	10,656	102.8%
	Operating profit	544	306.3%	276	84.8%	820	163.0%
	OPM	10.4%	-	5.1%	-	7.7%	-
	Net sales	2,344	93.0%	4,469	102.4%	6,813	99.0%
	Operating profit	3	1.6%	443	71.0%	447	53.9%
	OPM	0.1%	-	9.9%	-	6.6%	-
	Net sales	3,482	108.5%	3,050	94.5%	6,533	101.5%
	Operating profit	277	65.0%	35	9.4%	313	38.6%
	OPM	8.0%	-	1.1%	-	4.8%	-
	Net sales	39,317	113.9%	41,178	101.3%	80,495	107.1%
	Adjustment	-1,284	-	-1,530	-	-2,814	-
	Consolidated Operating Profit	3,479	128.2%	2,333	56.9%	5,813	85.3%
	OPM	8.8%	-	5.7%	-	7.2%	-

FY2023/12		1Q		2Q		3Q		4Q	
			YoY		YoY		YoY		YoY
Machine tools	Net sales	12,227	86.7%	11,973	84.6%	11,084	77.4%		
	Operating profit	1,023	47.7%	433	24.2%	-48	-		
	OPM	8.4%		3.6%		-			
Industrial machinery	Net sales	2,393	91.1%	2,024	77.3%	1,949	67.9%		
	Operating profit	140	92.1%	-134	-	-263	-		
	OPM	5.9%		-		-			
Food machinery	Net sales	998	97.8%	1,449	109.6%	2,125	116.8%		
	Operating profit	-44	-	141	-	175	194.7%		
	OPM	-		9.8%		8.3%			
Others	Net sales	1,265	68.0%	1,146	70.7%	1,297	90.7%		
	Operating profit	-0	-	-291	-	-286	-		
	OPM	-		-		-			
Consolidated	Net sales	16,884	86.1%	16,594	84.2%	16,456	80.5%		
	Adjustment amount	-800	-	-858	-	-591	-		
	Consolidated Operating Profit	318	16.7%	-708	-	-1,014	-		
	OPM	1.9%		-		-			

		1H		2H		Full year	
			YoY		YoY		YoY
	Net sales	24,201	85.7%				
	Operating profit	1,457	37.0%				
	OPM	6.0%	-				
	Net sales	4,418	84.2%				
	Operating profit	5	1.1%				
	OPM	0.1%	-				
	Net sales	2,448	104.4%				
	Operating profit	97	-				
	OPM	4.0%	-				
	Net sales	2,411	69.2%				
	Operating profit	-291	-				
	OPM	-	-				
	Net sales	33,479	85.2%				
	Adjustment	-1,659	-				
	Consolidated Operating Profit	-390	-				
	OPM	-	-				

Numbers of EDMs Ordered and Sold



EDM Orders

(Units)

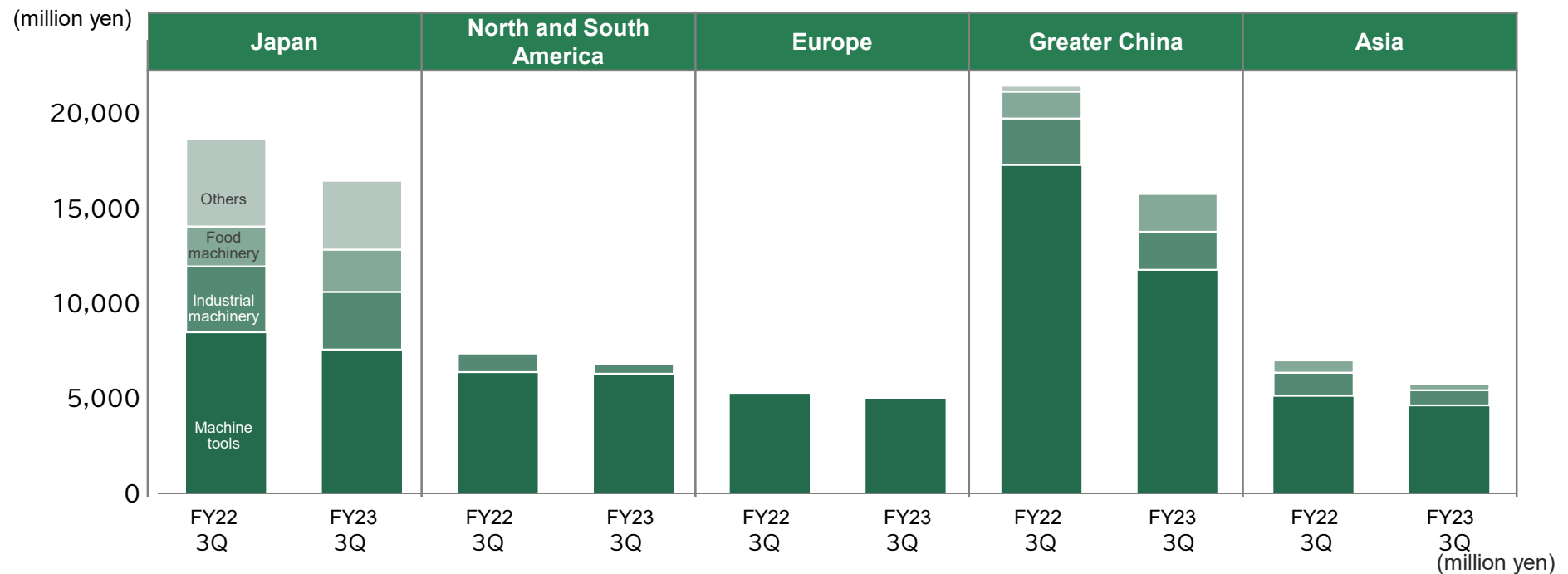
	FY2021					FY2022					FY2023				
	1-3	4-6	7-9	10-12	Total	1-3	4-6	7-9	10-12	Total	1-3	4-6	7-9	10-12	Total
North&South America	58	70	54	68	250	81	58	56	83	278	70	63	70		203
Europe	100	108	113	106	427	96	106	58	94	354	70	56	83		209
China	1,007	858	513	425	2,803	578	619	340	292	1,829	341	288	236		865
Asia	78	84	76	72	310	92	93	93	60	338	64	84	94		242
Japan	68	82	118	115	383	120	91	90	96	397	51	52	69		172
Total	1,311	1,202	874	786	4,173	967	967	637	625	3,196	596	543	552		1,691

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	77	59		202
Europe	68	82	92	111	353	108	97	80	88	373	84	65	79		228
China	467	705	711	582	2,465	514	522	418	352	1,806	284	338	262		884
Asia	67	71	48	75	261	89	66	110	95	360	59	59	87		205
Japan	61	48	61	100	270	125	105	79	86	395	108	64	65		237
Total	715	979	963	949	3,606	904	848	760	707	3,219	601	603	552		1,756

Ratio of Overseas Sales by Segment

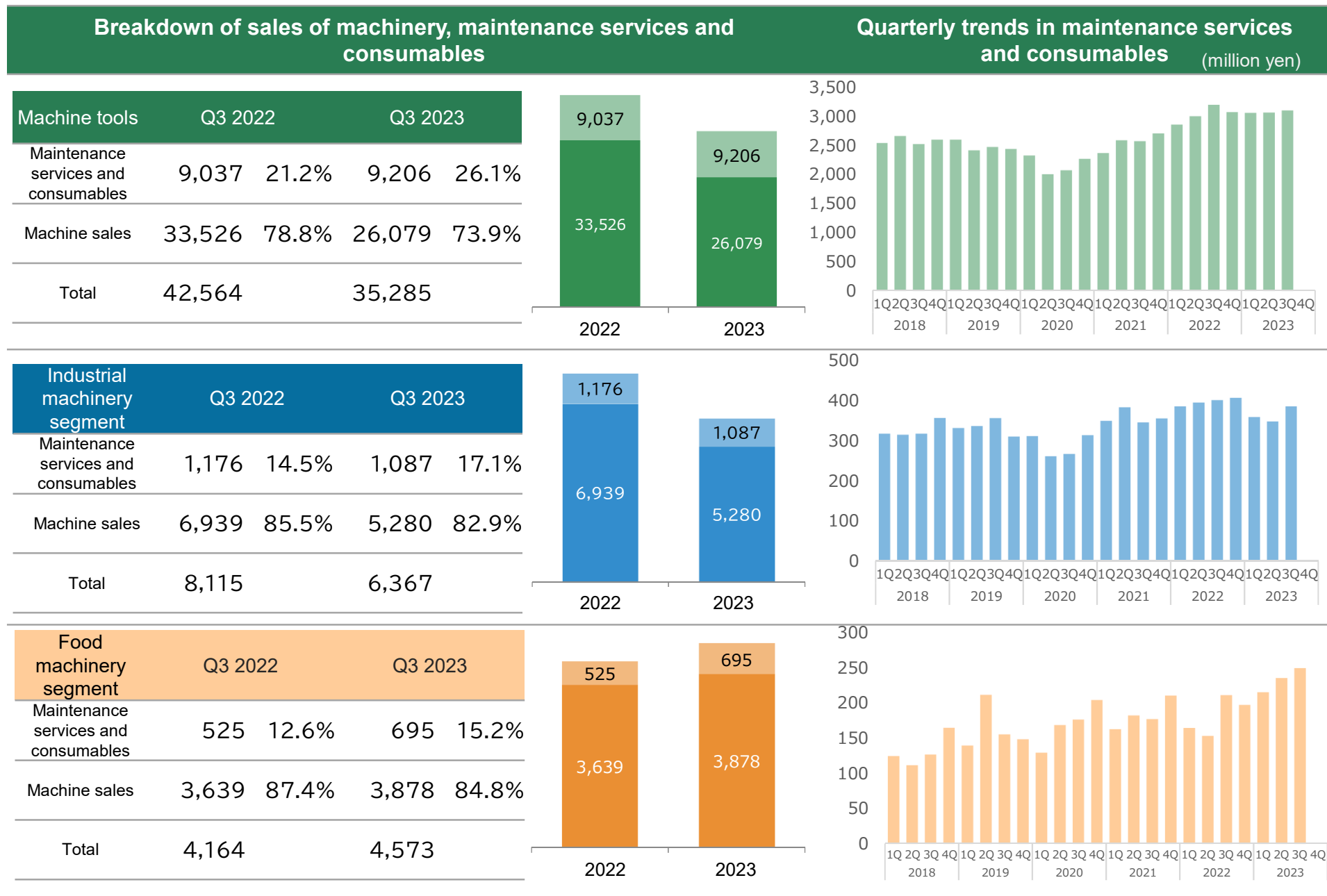














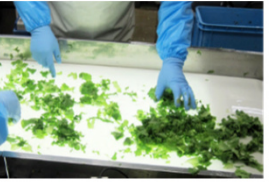








FY2022 3Q	Japan		North and South America		Europe		Greater China		Asia		Total	
Machine tools	8,481	19.9%	6,383	15.0%	5,283	12.4%	17,278	40.6%	5,136	12.1%	42,564	71.2%
Industrial machinery	3,460	42.7%	989	12.2%	2	0.0%	2,444	30.1%	1,218	15.0%	8,115	13.6%
Food machinery	2,099	50.4%	14	0.4%	-	-	1,415	34.0%	635	15.2%	4,164	7.0%
Others	4,606	93.7%	-	-	-	-	307	6.3%	-	-	4,913	8.2%
By region – Total	18,648	31.2%	7,386	12.4%	5,286	8.8%	21,445	35.9%	6,990	11.7%	59,758	100.0%

FY2023 3Q	Japan		North and South America		Europe		Greater China		Asia		Total	
Machine tools	7,561	21.4%	6,299	17.9%	5,033	14.3%	11,763	33.3%	4,626	13.1%	35,285	70.6%
Industrial machinery	3,039	47.7%	502	7.9%	24	0.4%	1,998	31.4%	803	12.6%	6,367	12.8%
Food machinery	2,228	48.7%	33	0.7%	-	-	1,999	43.8%	312	6.8%	4,573	9.2%
Others	3,620	97.6%	-	-	-	-	88	2.4%	-	-	3,709	7.4%
By region – Total	16,449	32.9%	6,835	13.7%	5,058	10.1%	15,850	31.8%	5,742	11.5%	49,936	100.0%

Effect of exchange rate - Around 0.45 billion yen Around 0.46 billion yen Around 0.23 billion yen Around 0.2 billion yen Around 1.34 billion yen

Maintenance Service Ratio



Segment	Machine tools	Industrial machinery	Food machinery
<p>Key products</p>	<p>Die-sinker EDM Wire-cut EDM</p>   <p>Small Hole EDM 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 *a part of whole production line</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>

New Products



Machine tool

AL100G
Large Die-sinker EDM



Renovation of discharge control technology

Use artificial intelligence

45% reduction in processing time and 30% reduction in power consumption

Industrial machinery

VR G series



Hydraulic and electric hybrid drive system

New controller

Up to 50% increase in mounted mold dimensions

Food machinery

CIP* Automatic Noodle Boiling Machine



High efficiency, cleanliness, and simple maintenance

Mobile CIP* nozzle

Enhanced automatic cleaning performance

* Cleaning In Place:
A system for automatic internal cleaning without disassembling equipment

Exhibition Information



MTA Vietnam 2023

Exhibited at MTA Vietnam 2023, a machine tool exhibition held in Ho Chi Minh City, Vietnam. We exhibited AL40G Die-sinker EDM and VN600Q Wire-cut EDM at our booth to appeal high-precision machining with our products.



Overview

Period: July 4–7, 2023 (4 days)
Venue: Ho Chi Minh City, Vietnam
Visitors: About 14,000
Exhibited machines: Wire-cut EDM “VN600Q”
Die-sinker EDM “AL40G”

EMO Hannover 2023

Exhibited at EMO Hannover 2023, a machine tool exhibition held in Hannover, Germany. We exhibited the latest EDM machines and machining centers to appeal solutions for the entire manufacturing process, including needed automation.



Overview

Period: September 18–23, 2023 (6 days)
Venue: Hannover, Germany
Visitors: About 92,000
Exhibited machines: Wire-cut EDMs “ALC600P iG+E”
“ALC600GH iG+E” “ALC800GH iG+E” “AP250L”
Die-sinker EDMs “AL80G” “AD35L” “AL60G”
Fine-hole machining machine “K4HL”
Machining center “UX450L”

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