



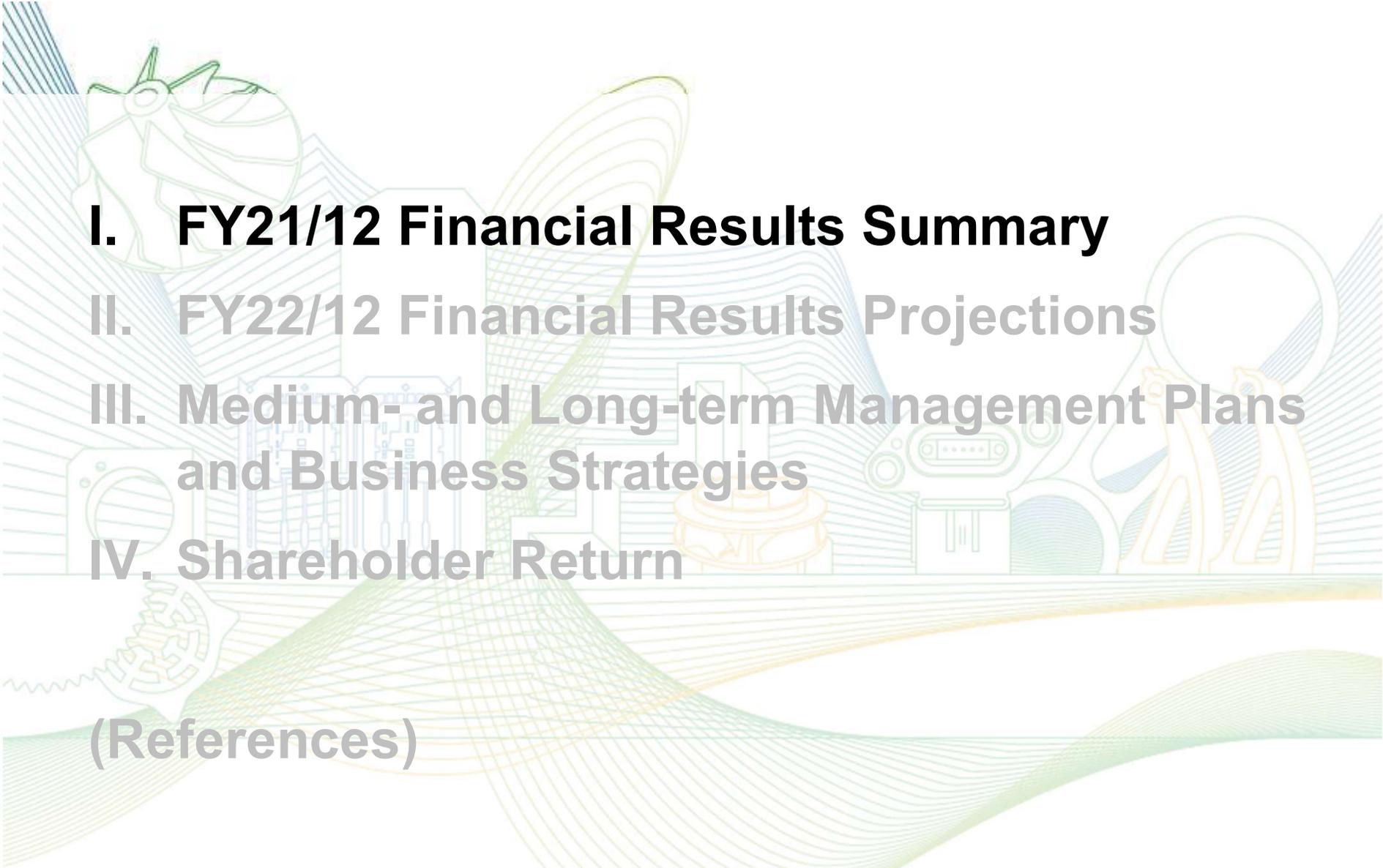
Tokyo Stock Exchange First Section 6143

FY21/12
Results Briefing
Sodick Co., Ltd.



February 18, 2022

- I. FY21/12 Financial Results Summary**
- II. FY22/12 Financial Results Projections**
- III. Medium- and Long-term Management Plans
and Business Strategies**
- IV. Shareholder Return
(References)**

The background features a complex, layered illustration. It includes a green gear-like shape at the top left, a large green and yellow wave-like pattern at the bottom, and various technical and industrial motifs such as a circuit board, a mechanical part, and a hand holding a magnifying glass. The overall color palette is dominated by greens, yellows, and blues.

I. FY21/12 Financial Results Summary

II. FY22/12 Financial Results Projections

III. Medium- and Long-term Management Plans
and Business Strategies

IV. Shareholder Return

(References)

Financial Results Highlights



- ✓ The increase in sales of EDMs in Greater China led the overall increase. Sales in Japan, the West and Asia also recovered, exceeding full-year projections.
- ✓ In terms of profits, profitability at plants improved as production volume increased.
Non-operating income increased owing to foreign exchange gains stemming from the yen's depreciation and subsidies for employment adjustment, pushing up ordinary income.

(million yen)	FY20/12		FY21/12		YoY change	
	Actual	Income margin	Actual	Income margin	Amount	Rate
Net sales	58,030	—	75,174	—	17,144	29.5%
Gross profit	18,250	31.4%	25,713	34.2%	7,463	40.9%
Operating income	1,852	3.2%	6,813	9.1%	4,961	267.8%
Ordinary income	2,046	3.5%	8,588	11.4%	6,541	319.6%
Net income	1,346	2.3%	6,591	8.8%	5,245	389.4%

FY 21/12 Full-year projection (Revised on Aug. 6)	
Amount	Income margin
71,800	—
6,100	8.5%
7,000	9.7%
4,900	6.8%

	Ratio to sales		Ratio to sales	
Capital investment	2,448	4.2%	3,451	4.6%
Depreciation	3,399	5.9%	3,452	4.6%
R&D expenses	3,220	5.5%	3,216	4.3%

3,100	
3,500	
3,600	

Average exchange rate over the period	USD	106.76 yen		109.90 yen		3.14 yen down
	EUR	121.88 yen		129.91 yen		8.03 yen down
	CNY	15.48 yen		17.01 yen		1.53 yen down
	THB	3.42 yen		3.44 yen		0.02 yen down

108.00 yen	
129.00 yen	
16.80 yen	
3.45 yen	

Financial Results Highlights (Quarterly)

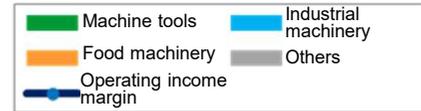


- ✓ Net sales in the 4Q increased from the 3Q due to recovery in Japan, the West and Asia.
- ✓ In terms of profits, operating income margin decreased from the 3Q due to an increase in SG&A expenses such as personnel expenses and sales promotion expenses related to exhibitions.

(million yen)	FY21/12								YoY change	
	1Q	Income	2Q	Income	3Q	Income	4Q	Income	Amount	Rate
	(Jan.–Mar.)	margin	(Apr.–Jun.)	margin	(Jul.–Sep.)	margin	(Oct.–Dec.)	margin		
Net sales	14,317	–	20,187	–	19,471	–	21,198	–	1,727	8.9%
Gross profit	4,652	32.5%	7,019	34.8%	6,899	35.4%	7,141	33.7%	241	3.5%
Operating income	424	3.0%	2,289	11.3%	2,235	11.5%	1,862	8.8%	-372	-16.7%
Ordinary income	1,176	8.2%	2,607	12.9%	2,293	11.8%	2,511	11.8%	218	9.5%
Net income	871	6.1%	1,776	8.8%	1,729	8.9%	2,214	10.4%	484	28.0%

Average exchange rate over the period	USD	106.09 yen		107.82 yen		108.58 yen		109.90 yen	
	EUR	127.81 yen		129.89 yen		129.87 yen		129.91 yen	
	CNY	16.35 yen		16.65 yen		16.77 yen		17.01 yen	
	THB	3.50 yen		3.50 yen		3.45 yen		3.44 yen	

Ratio of Operating Income to Net Sales (Quarterly)



Net sales

- Sluggish sales of EDMs due to trade friction between the U.S. and China.

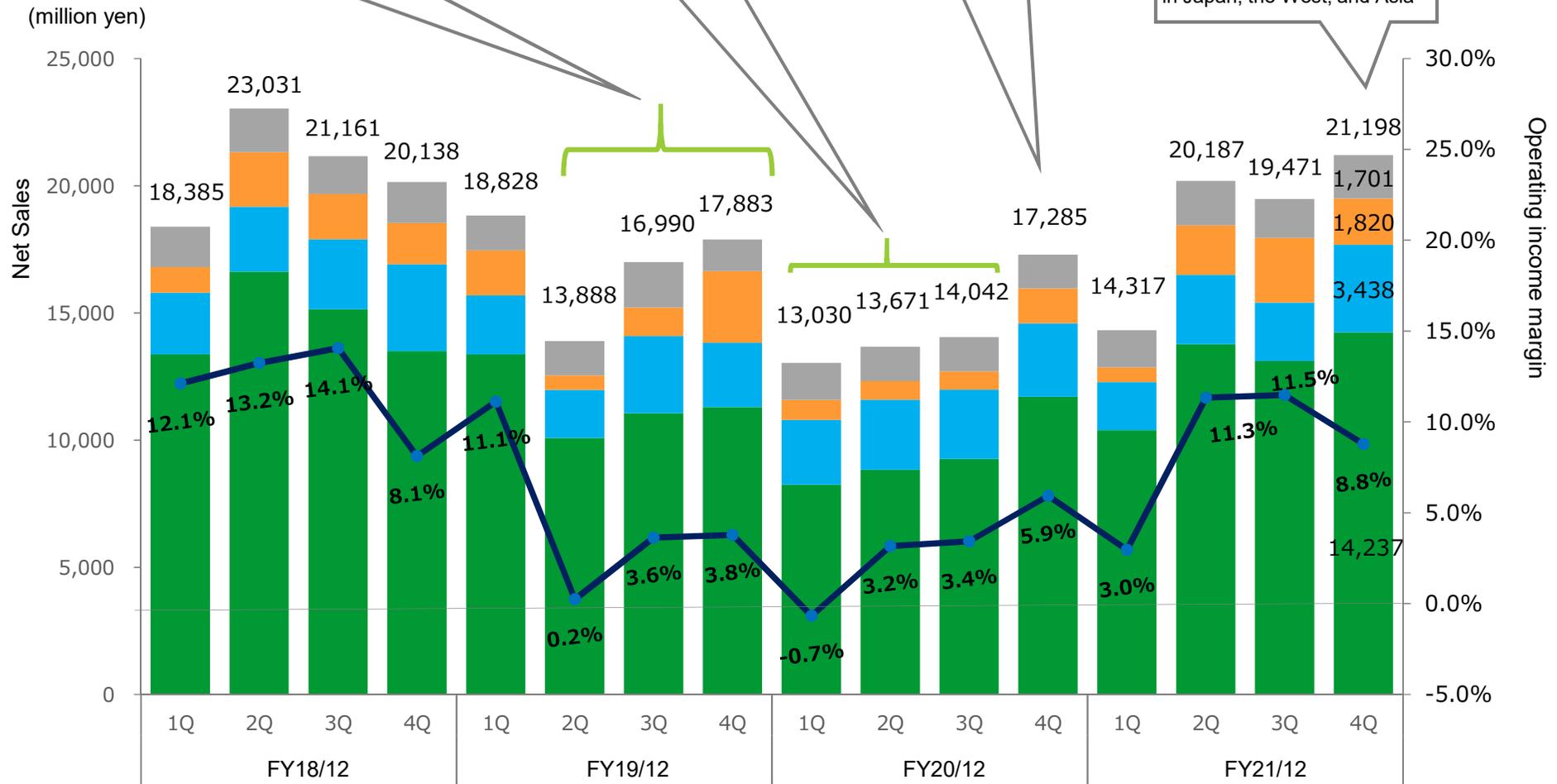
Operating income margin

- Profitability was low due to a decrease in production volume.

Sales decreased due to the spread of COVID-19. Recovery is seen in Greater China from March and in Japan, the U.S., and Europe in the 3Q.

Sales of EDMs and injection molding machines increased, mainly in Greater China.

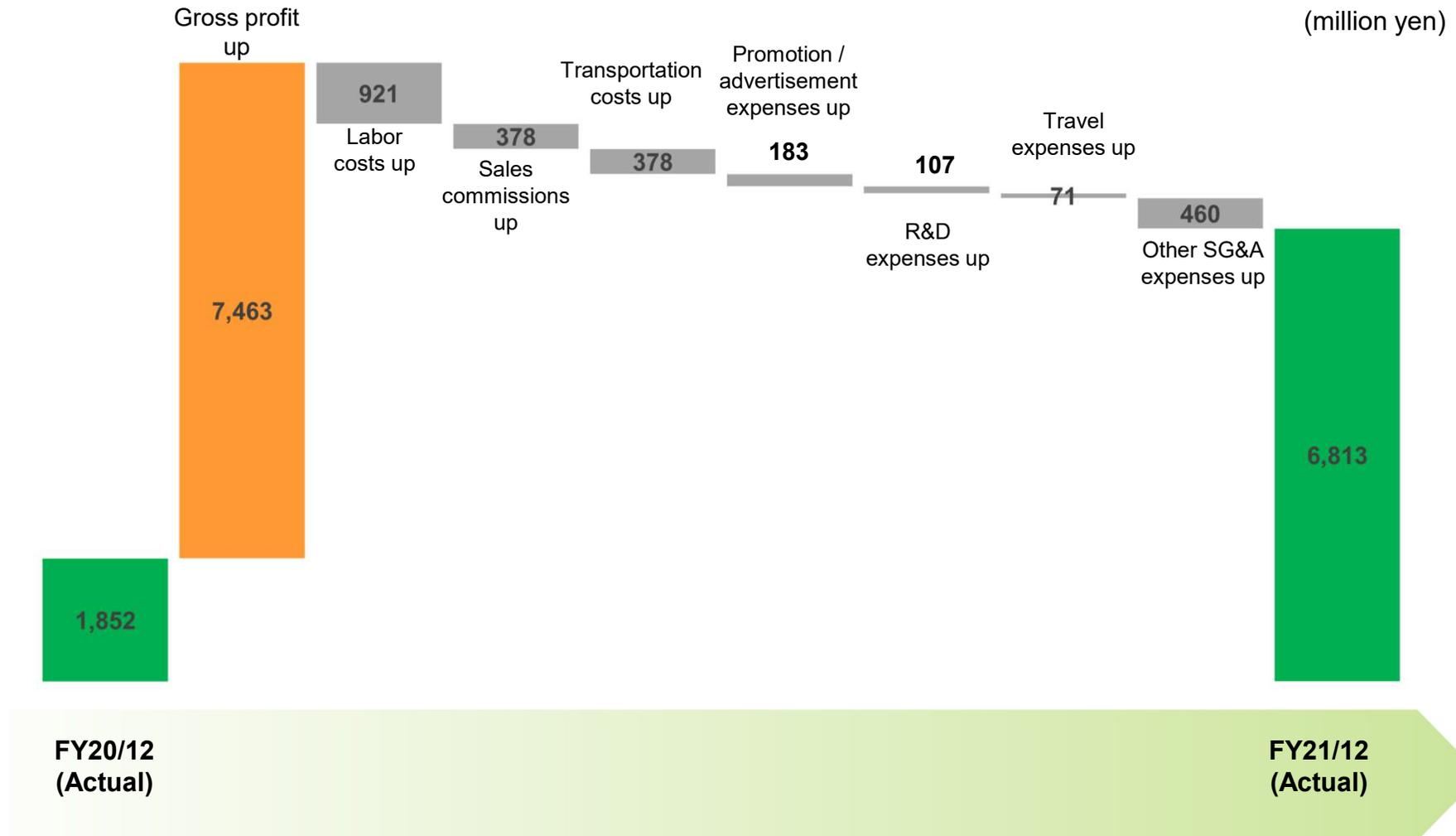
Increased sales of machine tools and industrial machinery in Japan, the West, and Asia



*1Q: Jan-Mar, 2Q: Apr-Jun, 3Q: Jul-Sep, 4Q: Oct-Dec

Details of Changes in Operating Income

- ✓ Gross profit increased significantly, as unit sales increased.
 - ✓ There were also increases in personnel expenses, sales commissions and transportation costs associated with increased sales, and sales promotion and advertising costs associated with exhibitions.
- Overall SG&A expenses increased by 2,500 million yen from the previous year.



Financial Results by Segment



(million yen)		FY20/12	FY21/12	YoY change		FY21/12 Full-year projection (Revised on Aug. 6)
		Actual	Actual	(Amount)	(Rate)	
	Machine tool segment	38,024	51,485	13,461	35.4%	48,600
	Industrial machinery segment	10,931	10,367	-563	-5.2%	10,500
	Food machinery segment	3,585	6,884	3,298	92.0%	6,500
	Other segments	5,488	6,437	948	17.3%	6,200
	Total net sales	58,030	75,174	17,144	29.5%	71,800
	Machine tool segment	2,896	7,176	4,279	147.8%	6,800
	Industrial machinery segment	596	503	-92	-15.6%	500
	Food machinery segment	65	830	764	1163.8%	600
	Other segments	319	811	491	153.6%	700
	Total segment income	3,878	9,321	5,443	140.3%	8,600
	Adjustment amounts	-2,025	- 2,507	-481	—	-2,500
	Total operating income	1,852	6,813	4,961	267.8%	6,100

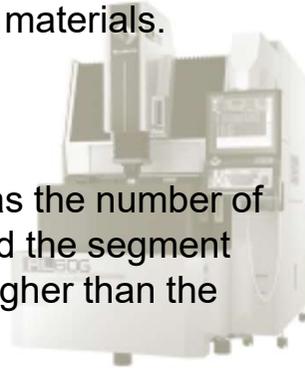
Financial Results by Segment

(million yen)

Machine Tool Segment

Net sales

- In Greater China, sales of automotive, electronic components, 5G, and semiconductor fields remained strong. Sales also have been on a recovery path in Japan, the West, and Asia. Net sales increased from the previous year.
- At present, orders are steady, but there are concerns about a prolonged lead time caused by tight procurement of parts and materials.

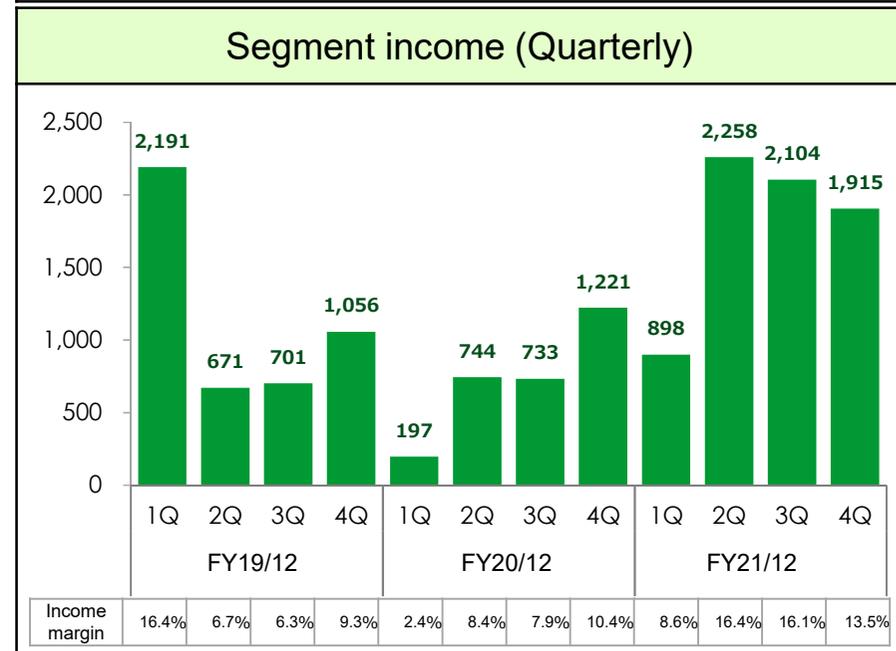


Segment income

- Factory profitability improved as the number of production units increased, and the segment income was about 2.5 times higher than the previous year.

(million yen)

	FY20/12	FY21/12	YoY change	
			Amount	Rate
Net sales	38,024	51,485	13,461	35.4%
Segment income	2,896	7,176	4,279	147.8%



Financial Results by Segment

(million yen)

Industrial Machinery Segment

Net sales

- Medical services in North America continued to perform well. Sales to automotive and electronic components industries increased in Japan.
- Net sales decreased from the previous year due to a decrease in lens-related sales in Greater China.

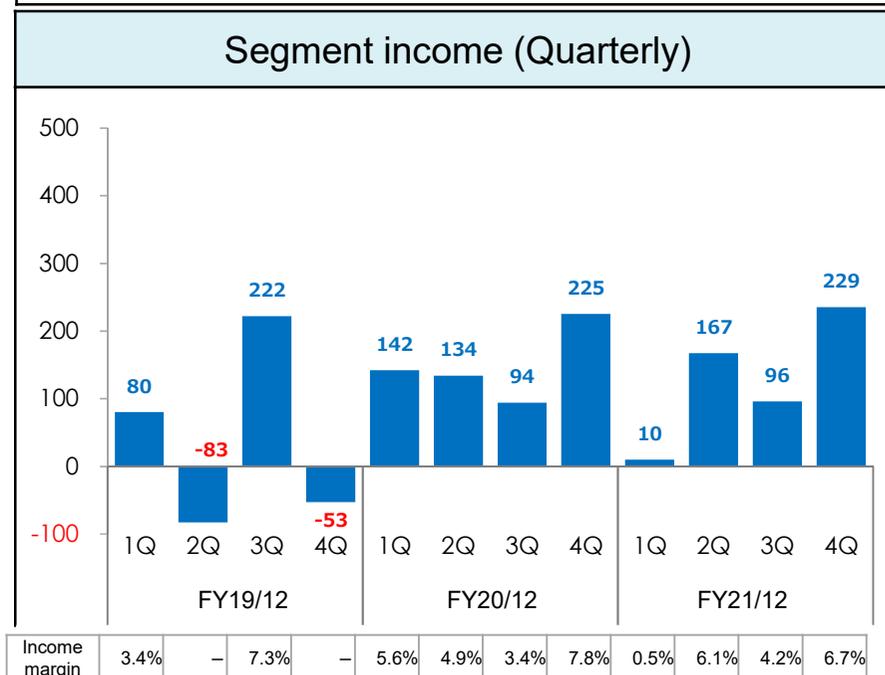
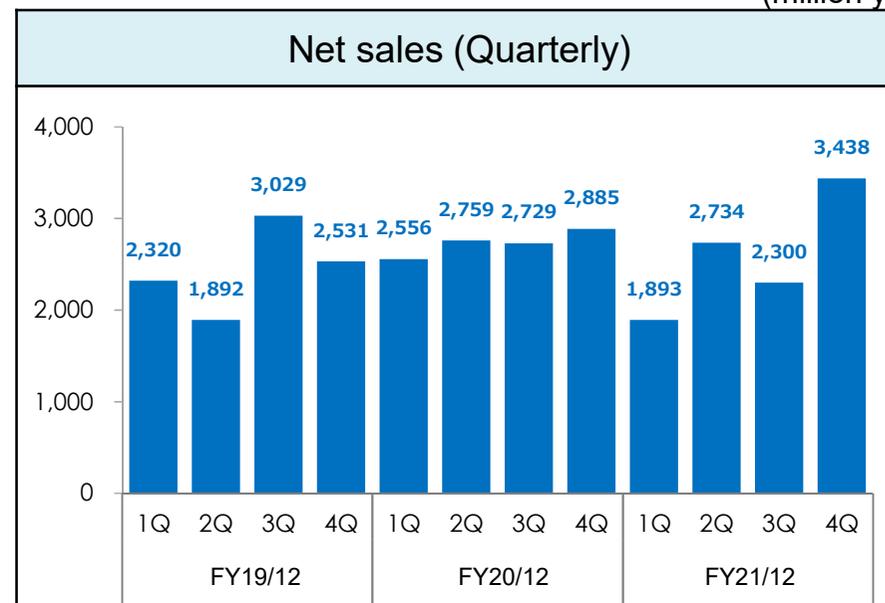
Segment income

- Segment income also recovered in the 4Q as a result of increased sales.



(million yen)

	FY20/12	FY21/12	YoY change	
			Amount	Rate
Net sales	10,931	10,367	-563	-5.2%
Segment income	596	503	-92	-15.6%



Financial Results by Segment

(million yen)

Food Machinery Segment

Net sales

- There are continuing projects related to demand for sanitary equipment and equipment for responding to manpower reduction and for nest-dweller consumption resulting from refraining from going outside.
- Sales of noodle making machines and rice production equipment increased not only in Japan but also in Greater China and Asia.
- In the previous year, sales were sluggish due to travel restrictions due to the spread of COVID-19, but this year, net sales increased significantly due to lifting of restrictions.

Segment income

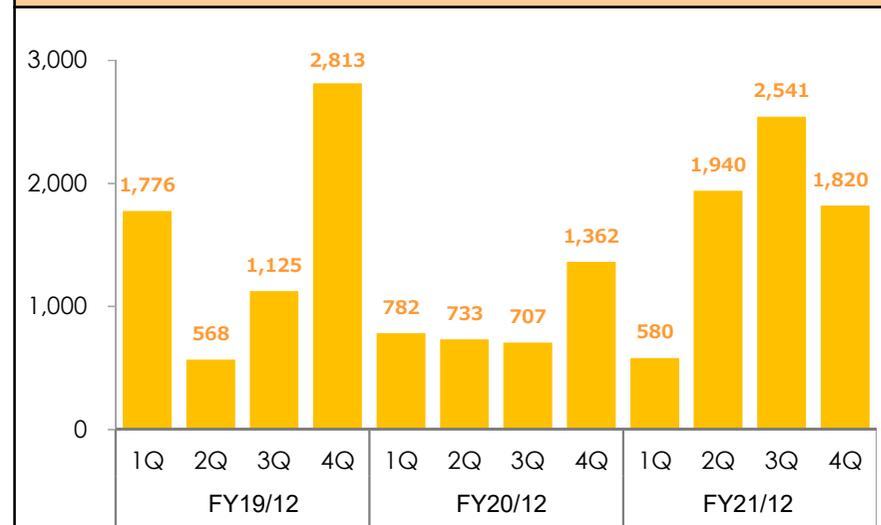
- Segment income increased significantly from the previous year owing to sales of noodle production lines and rice production equipment.

Record highs in both net sales and segment income

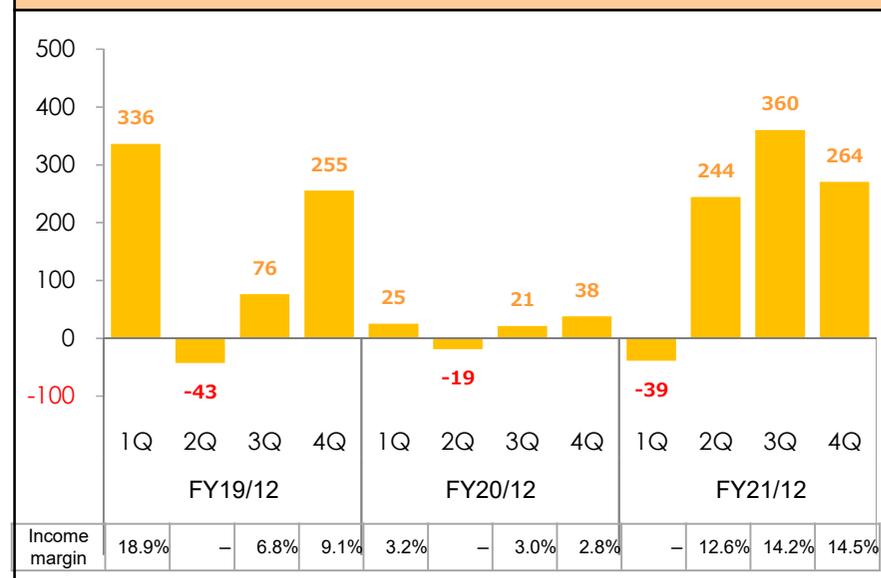
(million yen)

	FY20/12	FY21/12	YoY change	
			Amount	Rate
Net sales	3,585	6,884	3,298	92.0%
Segment income	65	830	764	1163.8%

Net sales (Quarterly)



Segment income (Quarterly)



Income margin	18.9%	-	6.8%	9.1%	3.2%	-	3.0%	2.8%	-	12.6%	14.2%	14.5%
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Financial Results by Segment

(million yen)

■ Other Segments

Net sales

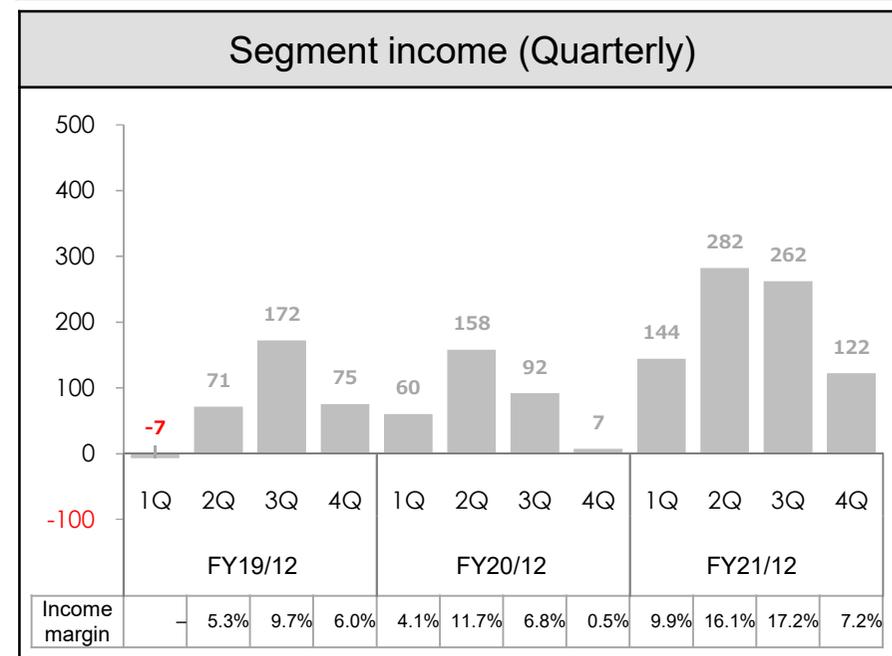
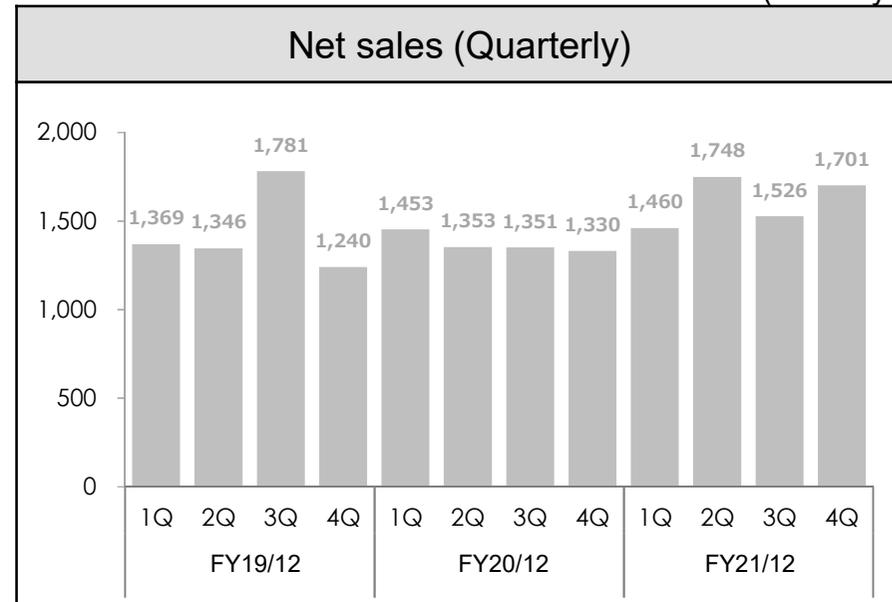
- Demand for ceramics continues owing to increased demand for information and communications equipment, etc.
- In the precision die and molding business, net sales increased from the previous year mainly due to expansion of production items, although demand in the automotive industry slowed due to a global shortage of semiconductors.

Segment income

- Segment income increased significantly from the previous year owing to improved profitability and production efficiency in the precision die and molding business through automation and other measures.

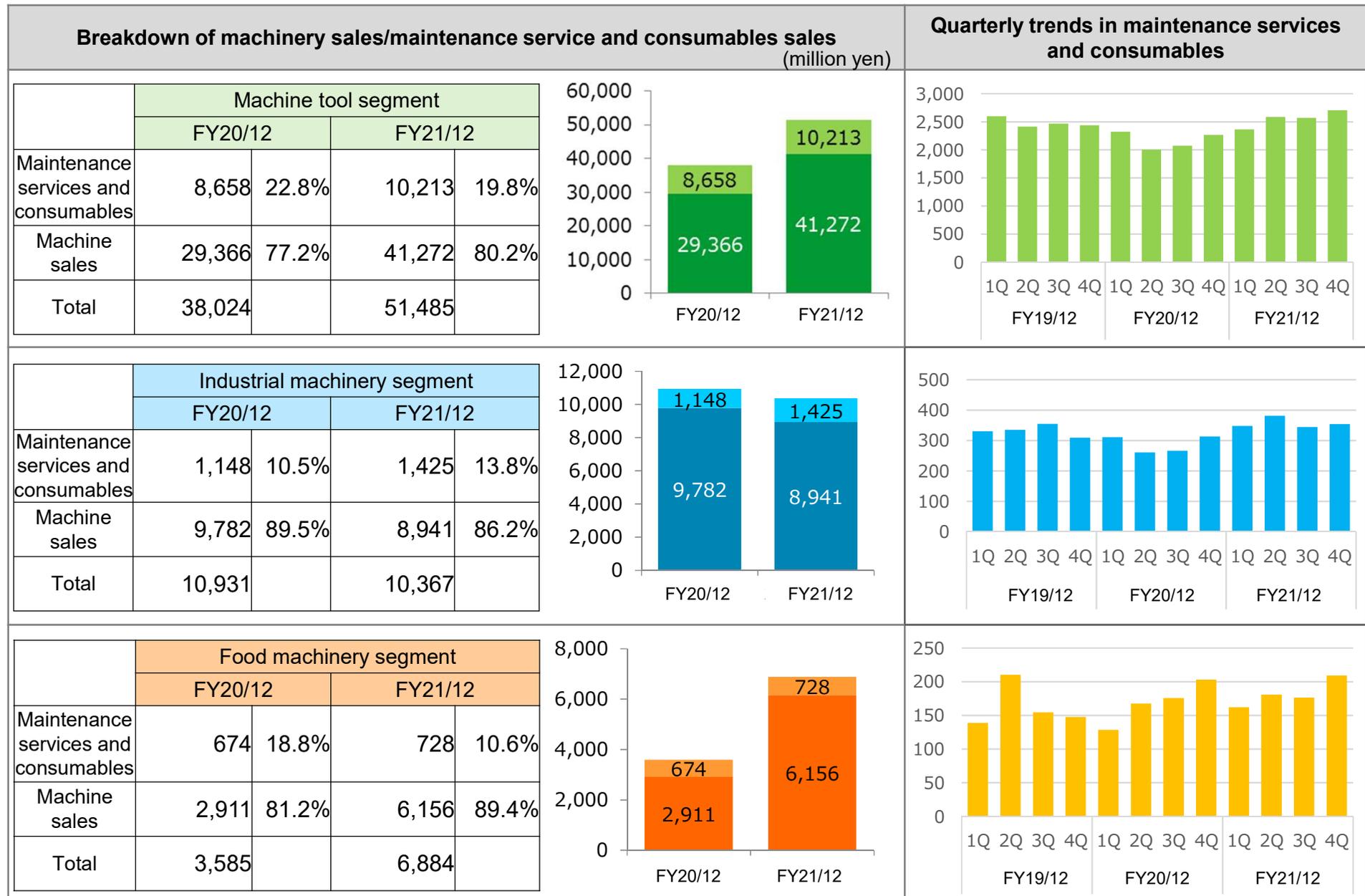
(million yen)

	FY20/12	FY21/12	YoY change	
			Amount	Rate
Net sales	5,488	6,437	948	17.3%
Segment income	319	811	491	153.6%



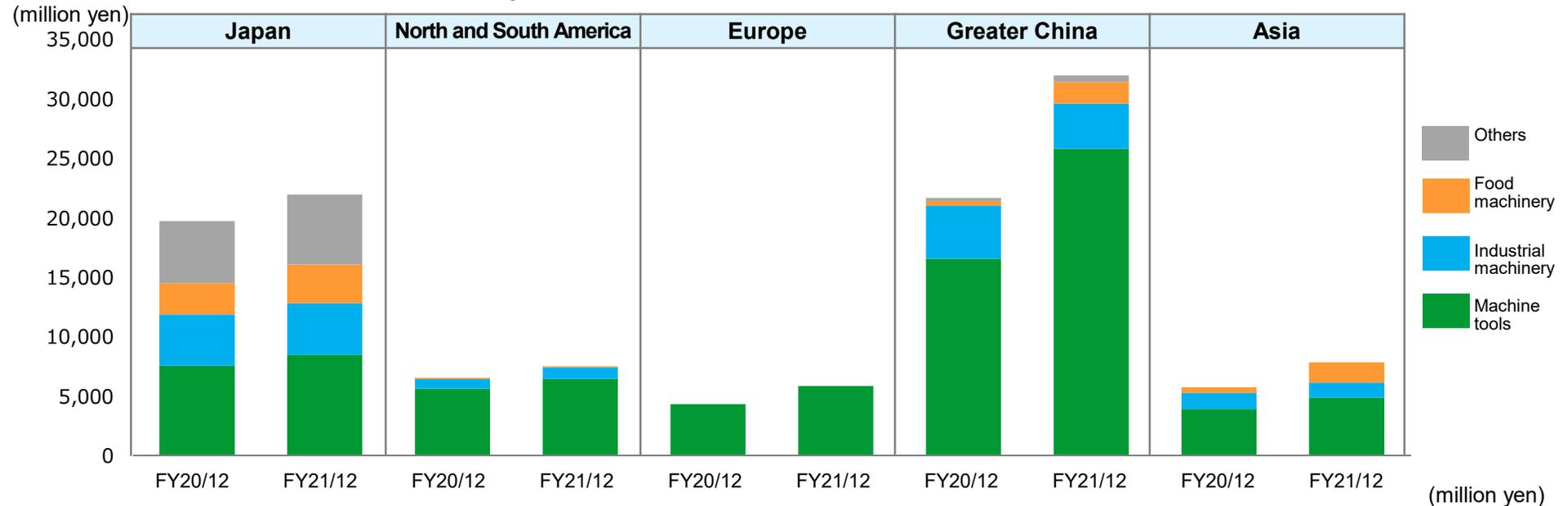
Net Sales by Segment

✓ Sales of maintenance services and consumables increased in all segments owing to an improvement in machine operating rates.



Ratio of Overseas Sales by Segment

- ✓ The ratio of overseas sales exceeded 70% owing to increased sales of EDMs in Greater China as well as increased sales of food machinery in Greater China and Asia.



FY20/12	Japan		North and South America		Europe		Greater China		Asia		Total	
Machine tools	7,551	19.9%	5,626	14.8%	4,336	11.4%	16,570	43.6%	3,939	10.3%	38,024	65.5%
Industrial machinery	4,317	39.5%	804	7.4%	-	-	4,462	40.8%	1,346	12.3%	10,931	18.8%
Food machinery	2,634	73.5%	103	2.9%	-	-	394	11.0%	453	12.6%	3,585	6.2%
Others	5,233	95.3%	-	-	-	-	255	4.7%	0	0%	5,488	9.5%
By region – Total	19,736	34.0%	6,534	11.2%	4,336	7.5%	21,683	37.4%	5,739	9.9%	58,030	100.0%
FY21/12	Japan		North and South America		Europe		Greater China		Asia		Total	
Machine tools	8,480	16.5%	6,442	12.5%	5,854	11.4%	25,823	50.1%	4,886	9.5%	51,485	68.5%
Industrial machinery	4,345	41.9%	982	9.5%	0	0.0%	3,792	36.6%	1,247	12.0%	10,367	13.8%
Food machinery	3,255	47.3%	96	1.4%	0	0.0%	1,814	26.4%	1,717	24.9%	6,884	9.2%
Others	5,879	91.3%	-	-	-	-	558	8.7%	-	-	6,437	8.5%
By region – Total	21,959	29.2%	7,521	10.0%	5,854	7.8%	31,987	42.6%	7,850	10.4%	75,174	100.0%
Effect of exchange rate	-		Around +180 million yen		Around +360 million yen		Around +2,690 million yen		Around +140 million yen		Around +3,370 million yen	

Balance Sheet

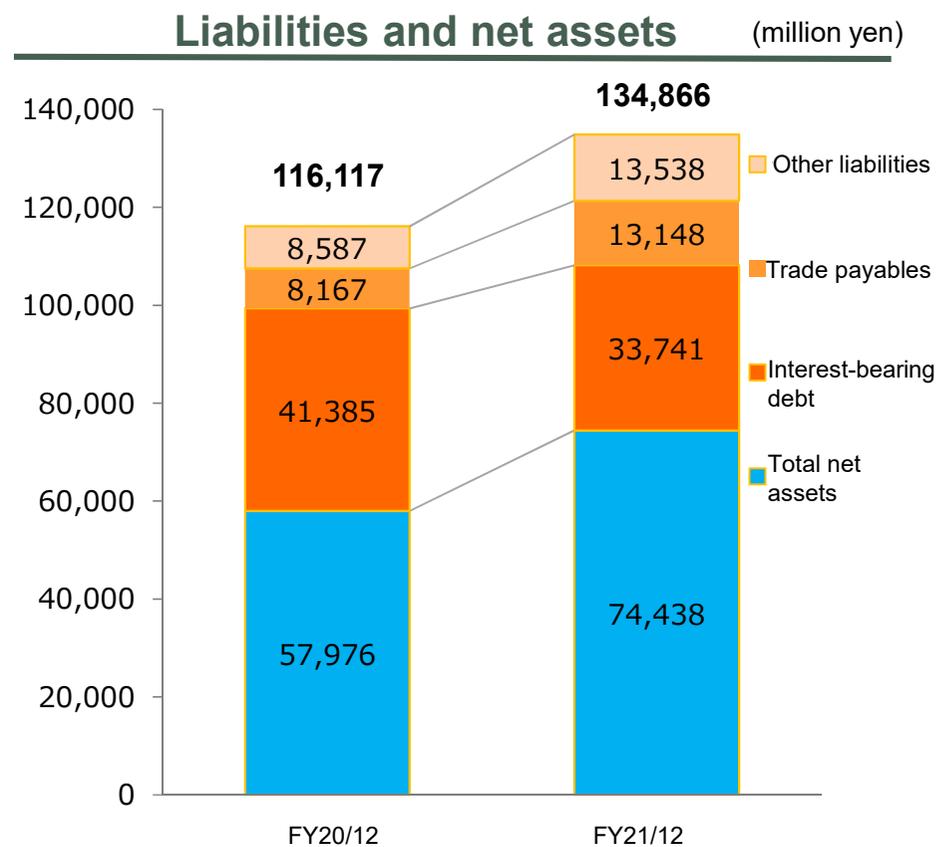
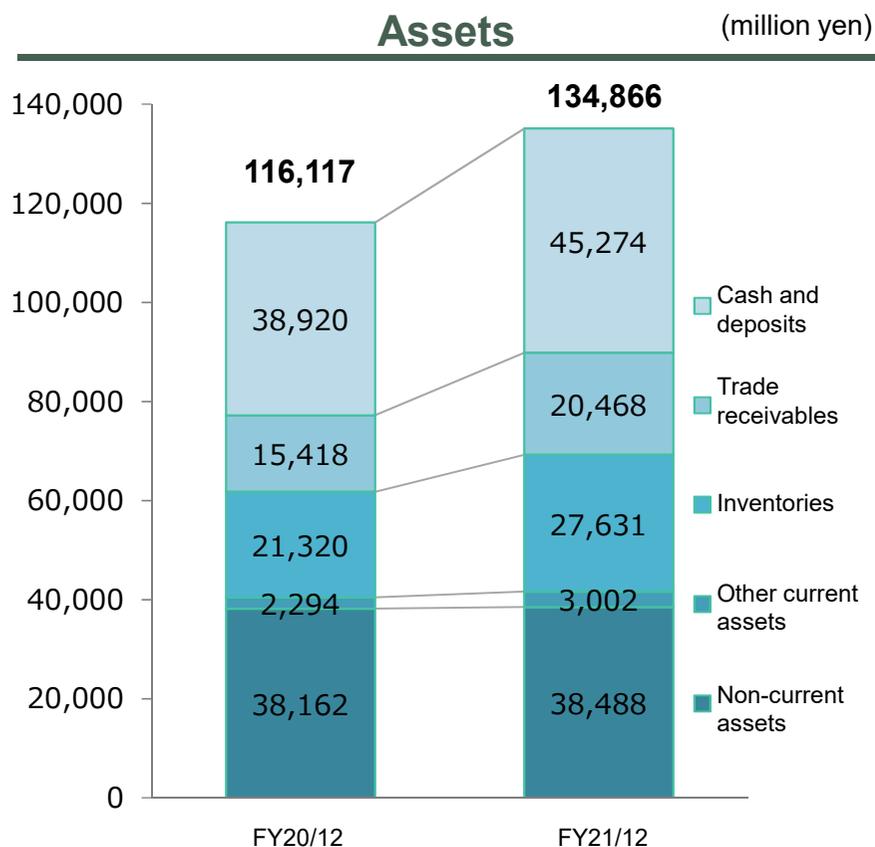


- ✓ Inventories increased significantly due to an increase in work in process and raw materials as a result of advance arrangements in preparation for product inventory and material shortages.
- ✓ Net assets increased by approximately 16,400 million yen mainly due to an increase in capital stock resulting from the CB conversion and an increase in foreign currency translation adjustment resulting from the yen's depreciation.

Results of conversion of "The first series of unsecured convertible bond-type bonds with subscription rights to shares"(*) into new shares (redemption date of April 16, 2021)

- Number of share acquisition rights exercised: 7,686
- Decrease in bonds with subscription rights to shares: 7,686 million yen
- Class and number of shares increased: 7,447,629 shares of common stock

*Issue date: April 2016 Total issue amount: 8,000 million yen



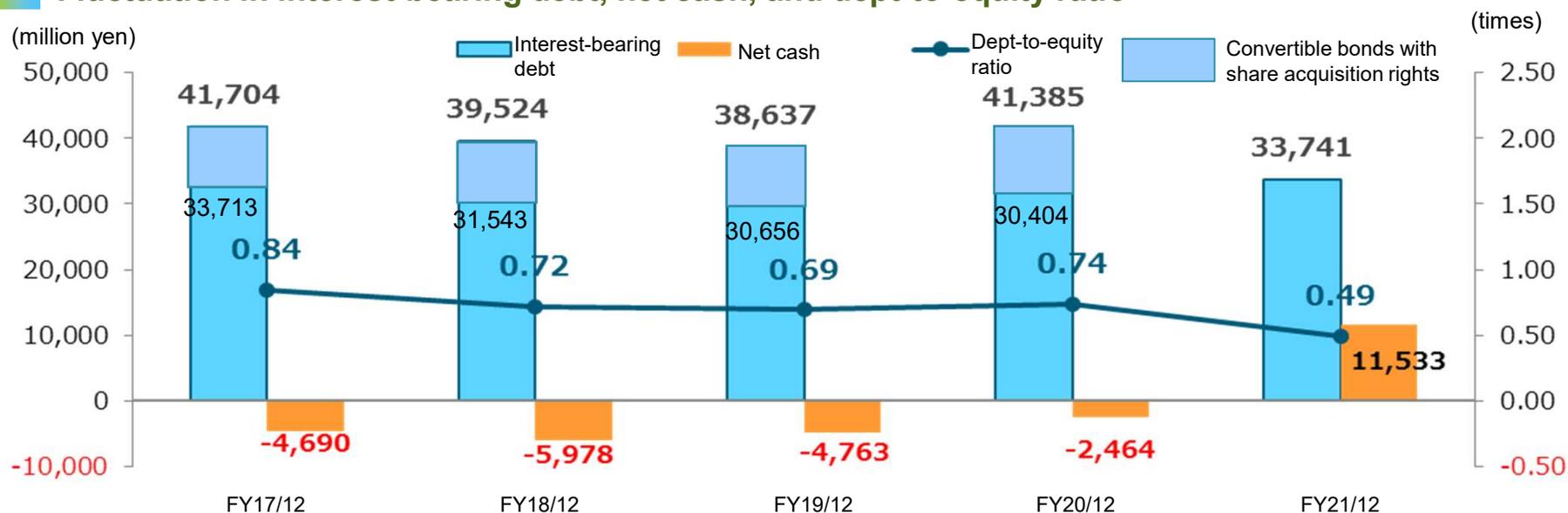
*Reference information Exchange rate at end of Dec. 2021 USD: 115.02 yen EUR: 130.51 yen CNY: 18.06 yen THB: 3.43 yen
Exchange rate at end of Dec. 2020 USD: 103.50 yen EUR: 126.95 yen CNY: 15.88 yen THB: 3.44 yen

Financial Indicators

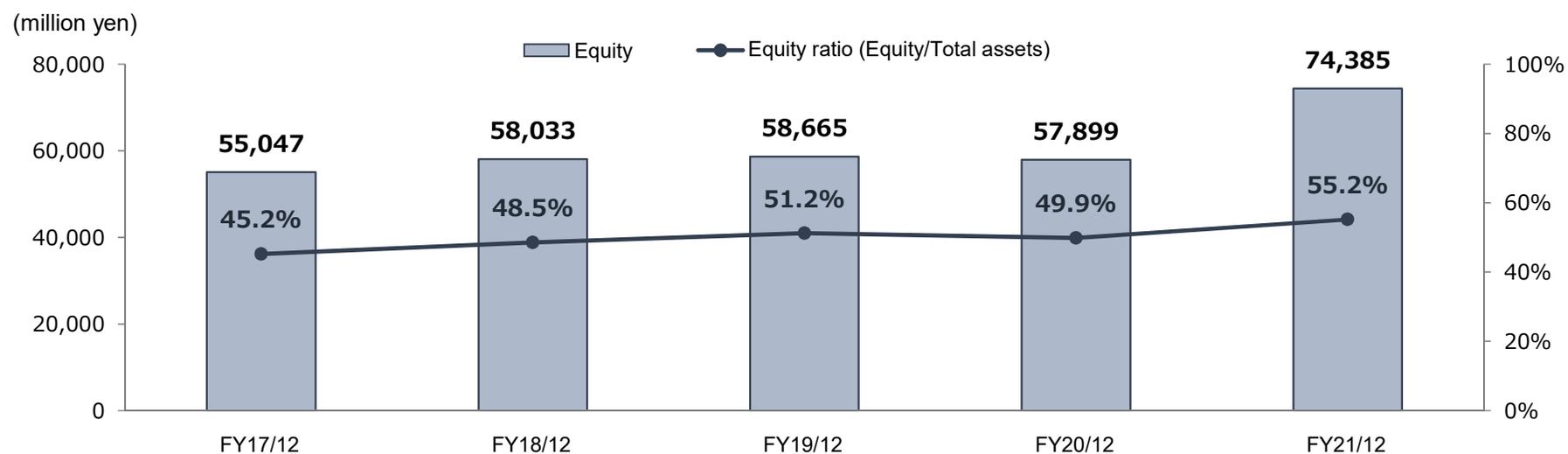


- ✓ The CB conversion in April 2021 resulted in net cash plus and debt-to-equity ratio of 0.5 times and equity ratio of over 55%.

Fluctuation in interest-bearing debt, net cash, and dept-to-equity ratio



Fluctuation in equity capital and equity ratio

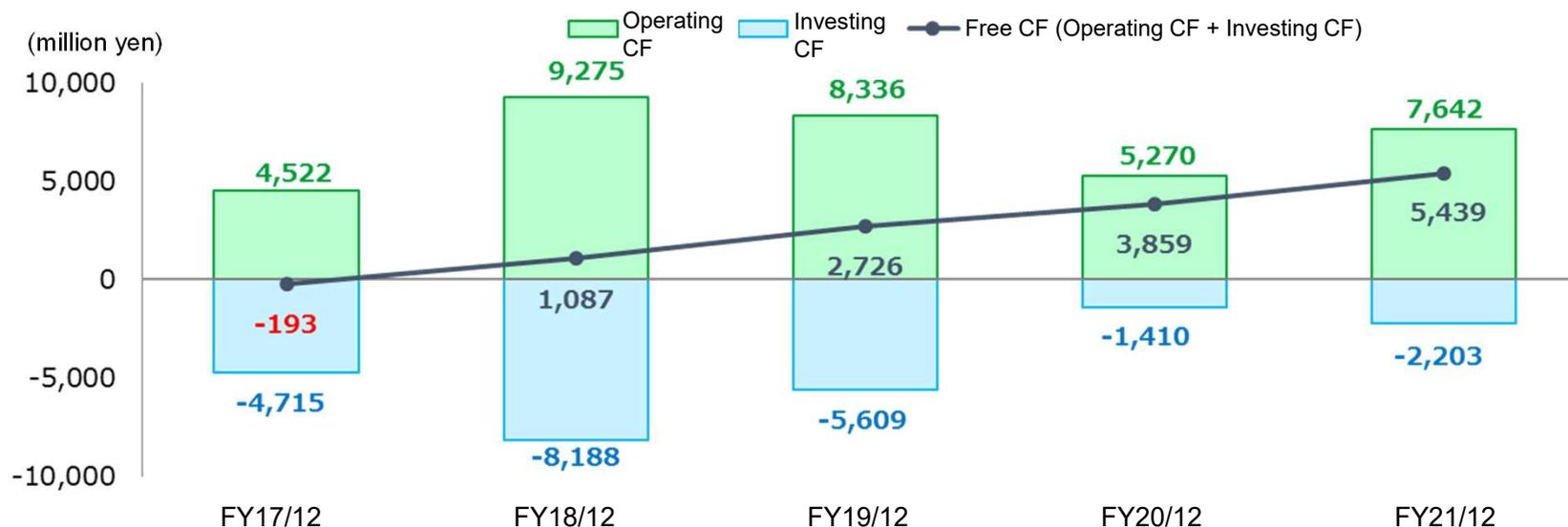


Cash Flow



(million yen)

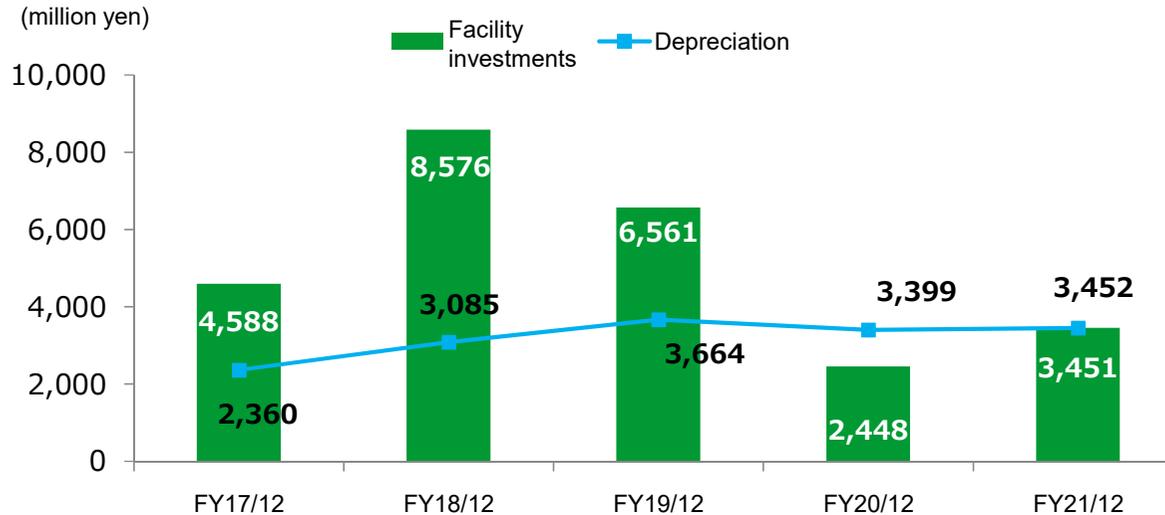
	FY20/12	FY21/12	Major factors for increase and decrease
Cash flows from operating activities	5,270	7,642	Profit before income taxes: + Approx. 8,500 million yen Increase in notes and accounts payable-trade: + Approx. 4,800 million yen Increase in advances received: + Approx. 2,400 million yen
Cash flows from investing activities	-1,410	-2,203	Purchase of property, plant and equipment: - Approx. 2,000 million yen
Cash flows from financing activities	1,665	-1,932	Proceeds from long-term loans payable: + Approx. 8,500 million yen Repayment of long-term loans payable: - Approx. 7,500 million yen Cash dividends paid: - Approx. 1,300 million yen
Cash and cash equivalents at the end of current period	38,255	44,229	



Facility Investments / Depreciation / R&D Expenses



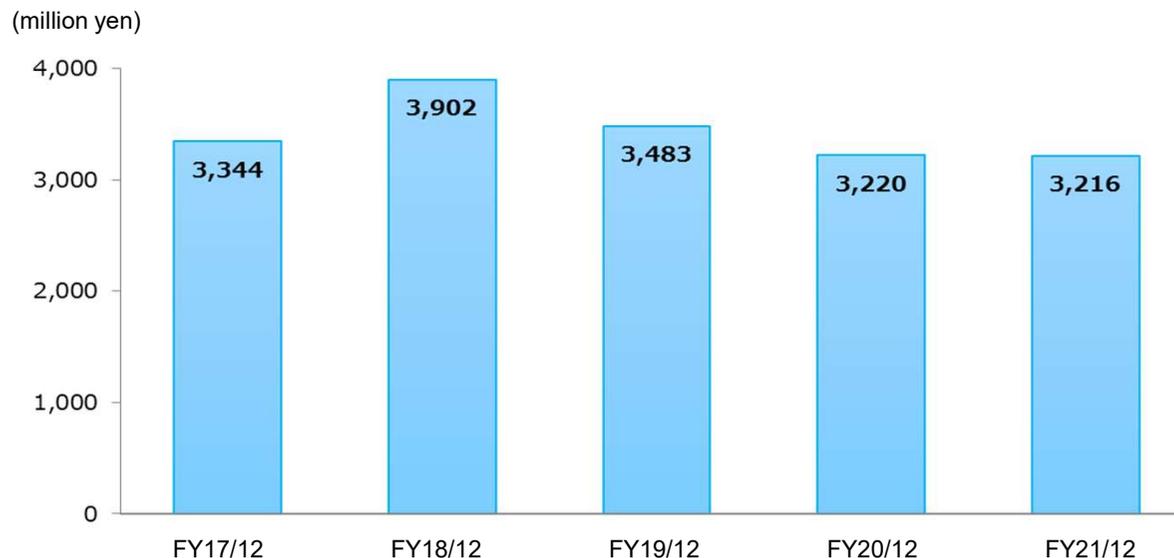
Changes in facility investments / depreciation



Major facility investments (FY21/12)

- ✓ Expansion of the second plant in Thailand
- ✓ Construction of a new factory in Amoy Plant
- ✓ Automation and manpower reduction in precision mold and precision molding business

Changes in R&D expenses



R&D expenses (FY21/12)

- ✓ New product development
- ✓ R&D related to machining centers and metal 3D printers
- ✓ Other basic research, response to automation, etc.

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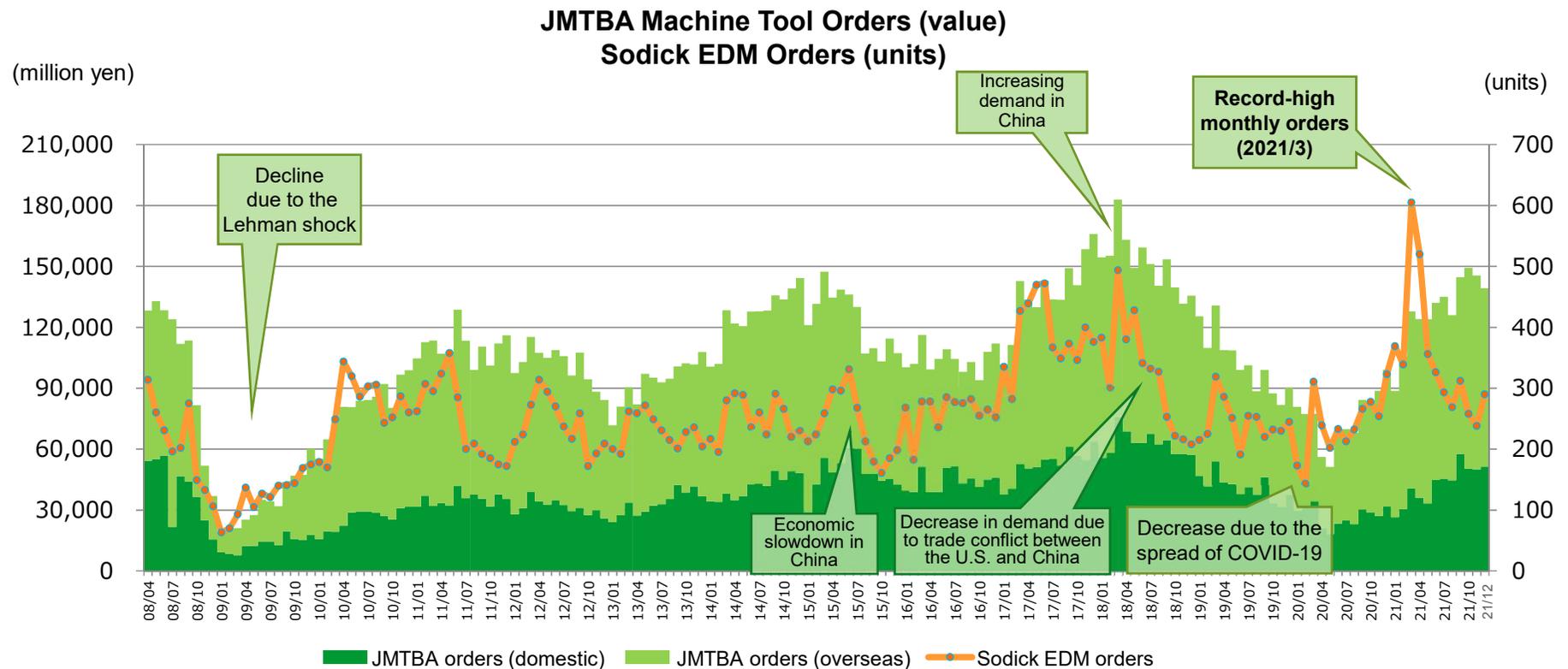
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(References)

Market Environment



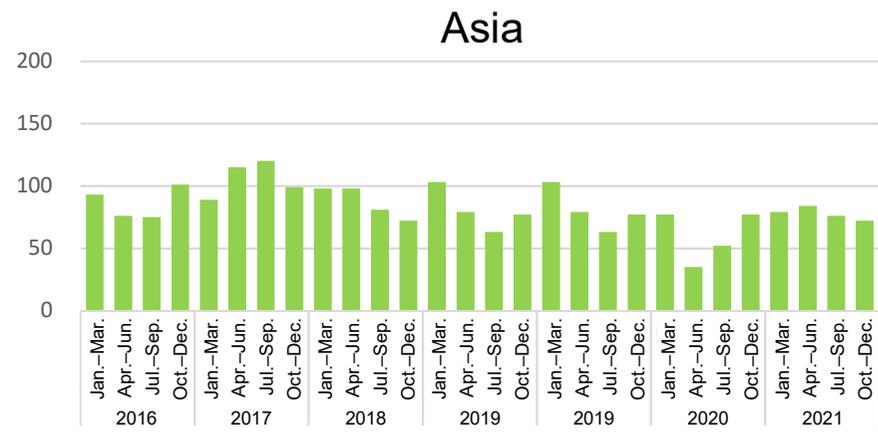
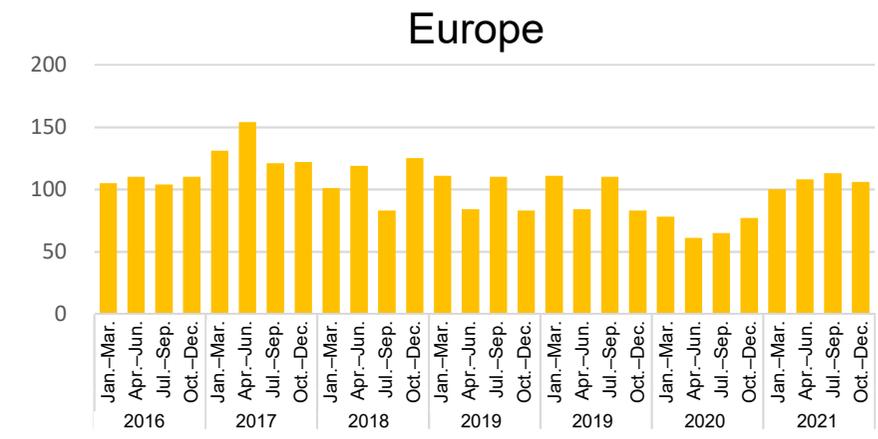
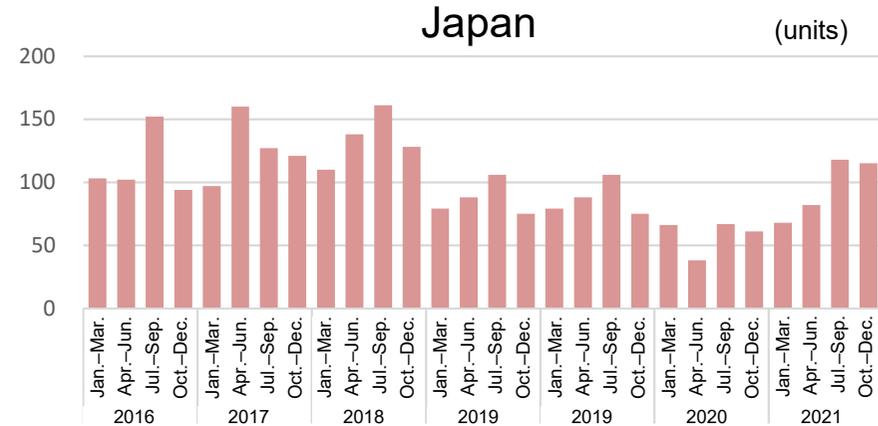
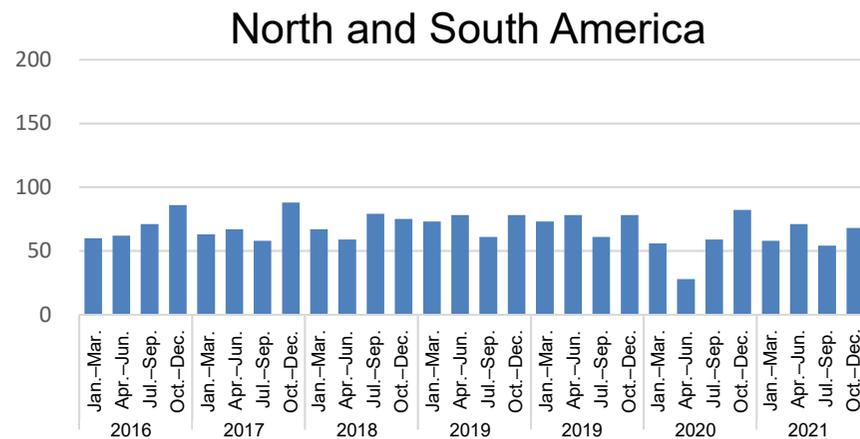
Japan	Despite concerns over the impact of the COVID-19 outbreak, demand is expected for the replacement of aging equipment as well as next-generation automotive and 5G-related industries, in addition to government's subsidy policies.
The West	The aerospace industry is expected to remain in a difficult situation, but the auto-related industries are on the rebound. The impact of the semiconductor shortage on the automotive industry and the disruption of transportation are concerned.
Greater China	Although there are concerns about the U.S.-China conflict, demand for high-precision equipment is expected to continue due to the growing need for advanced manufacturing and automation in 5G, semiconductor, and auto-related industries.
Asia	Although economic conditions differ from region to region, the situation is expected to turn to recovery.



Source: JMTBA.

Orders Received for EDMs by Region

- ✓ Orders have settled in Greater China partly owing to seasonal factors.
- ✓ Other regions continued to be strong



FY22/12 Full-year Financial Results Projections



- ✓ Although the machine tool segment decreased slightly, net sales increased in the segments other than machine tools, and overall net sales are expected to be 77,900 million yen.
- ✓ The operating income margin remained unchanged from the previous fiscal year due to an increase in personnel expenses and expenses related to exhibition.

(million yen)	FY21/12 Full-year		FY22/12 Full-year		Increase or decrease	
	Actual	Income margin	Planned	Income margin	Amount	Rate
Net sales	75,174	—	77,900	—	2,725	3.6%
Operating income	6,813	9.1%	7,200	9.2%	386	5.7%
Ordinary income	8,588	11.4%	7,200	9.2%	-1,388	-16.2%
Net income	6,591	8.8%	5,700	7.3%	-891	-13.5%

Average exchange rate over the period	USD	109.90 yen		115.00 yen	
	EUR	129.91 yen		130.00 yen	
	CNY	17.01 yen		17.50 yen	
	THB	3.44 yen		3.50 yen	

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



Machine tool segment

- ✓ While demand for high-precision equipment is expected to increase in the automotive, semiconductor and 5G-related industries, sales in Greater China declined slightly due to a rebound from the previous year's strong performance.
- ✓ The impact of prolonged lead times caused by tight procurement of materials and shortage of shipping containers are concerned.

Food machinery segment

- ✓ Demand is expected to grow for raw noodles, frozen noodles and packed-rice production equipment overseas (Greater China and Asia).

Industrial machinery segment

- ✓ Strong sales in Japan and Greater China for automotive, electronic components and 5G-related industries
- ✓ Continued demand for medical products is expected in North America and demand is also expected in Greater China
- ✓ Profit decreased due to temporary start-up costs at the new Amoy plant

Other segments

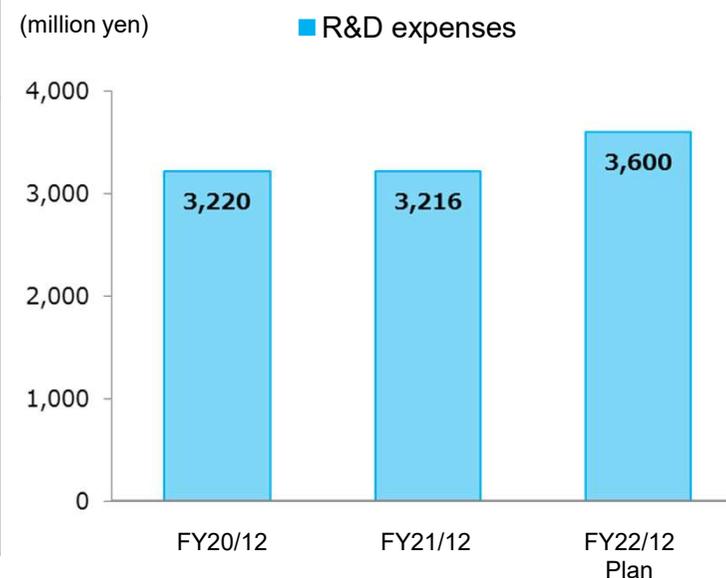
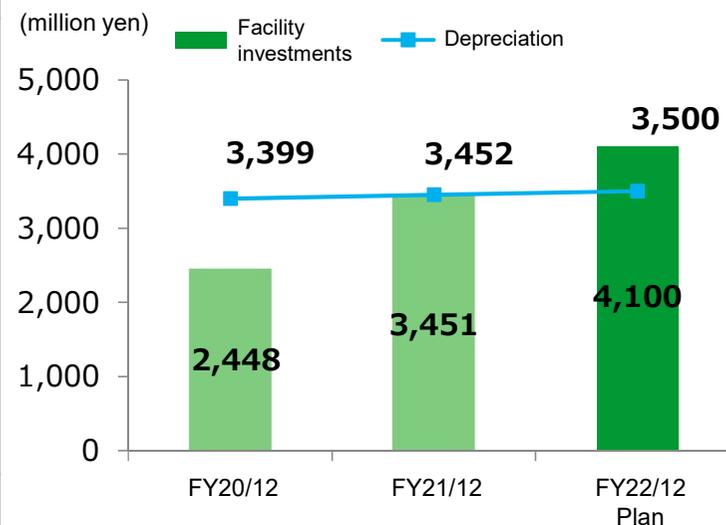
- ✓ Both precision die and molding business and external sales of ceramics are expected to be strong.

(million yen)		FY21/12	FY22/12	YoY change	
		Actual	Projection	(Amount)	(Rate)
	Machine tool segment	51,485	51,200	-285	-0.6%
	Industrial machinery segment	10,367	10,800	432	4.2%
	Food machinery segment	6,884	8,200	1,315	19.1%
	Other segments	6,437	7,700	1,262	19.6%
	Total net sales	75,174	77,900	2,725	3.6%
	Machine tool segment	7,176	7,500	323	4.5%
	Industrial machinery segment	503	300	-203	-40.4%
	Food machinery segment	830	950	119	14.4%
	Other segments	811	950	138	17.1%
	Total segment income	9,321	9,700	378	4.1%
	Adjustment amounts	-2,507	-2,500	7	—
	Total operating income	6,813	7,200	386	5.7%

Projections for Facility Investments / Depreciation /R&D Expenses



FY22/12 plan	
Facility investments	<p>4,100 million yen (up approx. 650 million yen YoY)</p> <ul style="list-style-type: none"> • Construction of a new factory in Amoy Plant • Expansion of Food Machinery Plant in Kaga Office , etc.
Depreciation	<p>3,500 million yen (up slightly from the previous year)</p>
R&D expenses	<p>3,600 million yen (up approx. 400 million yen YoY)</p> <ul style="list-style-type: none"> • Development of new power sources, elemental technologies such as next-generation CNC, and next-generation machine tools • R&D related to machining centers and metal 3D printers etc.



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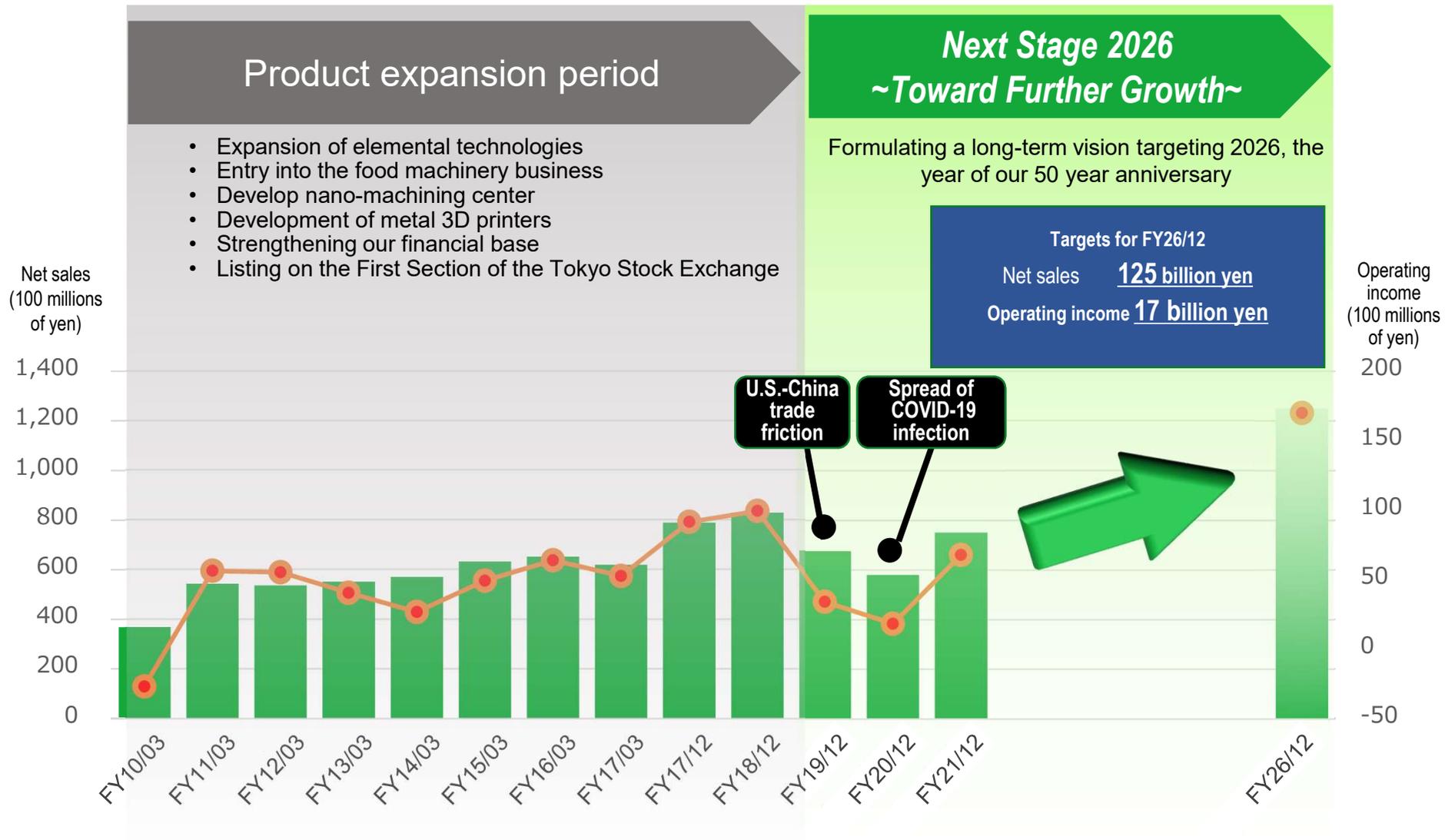
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(References)

Long-term Management Plan

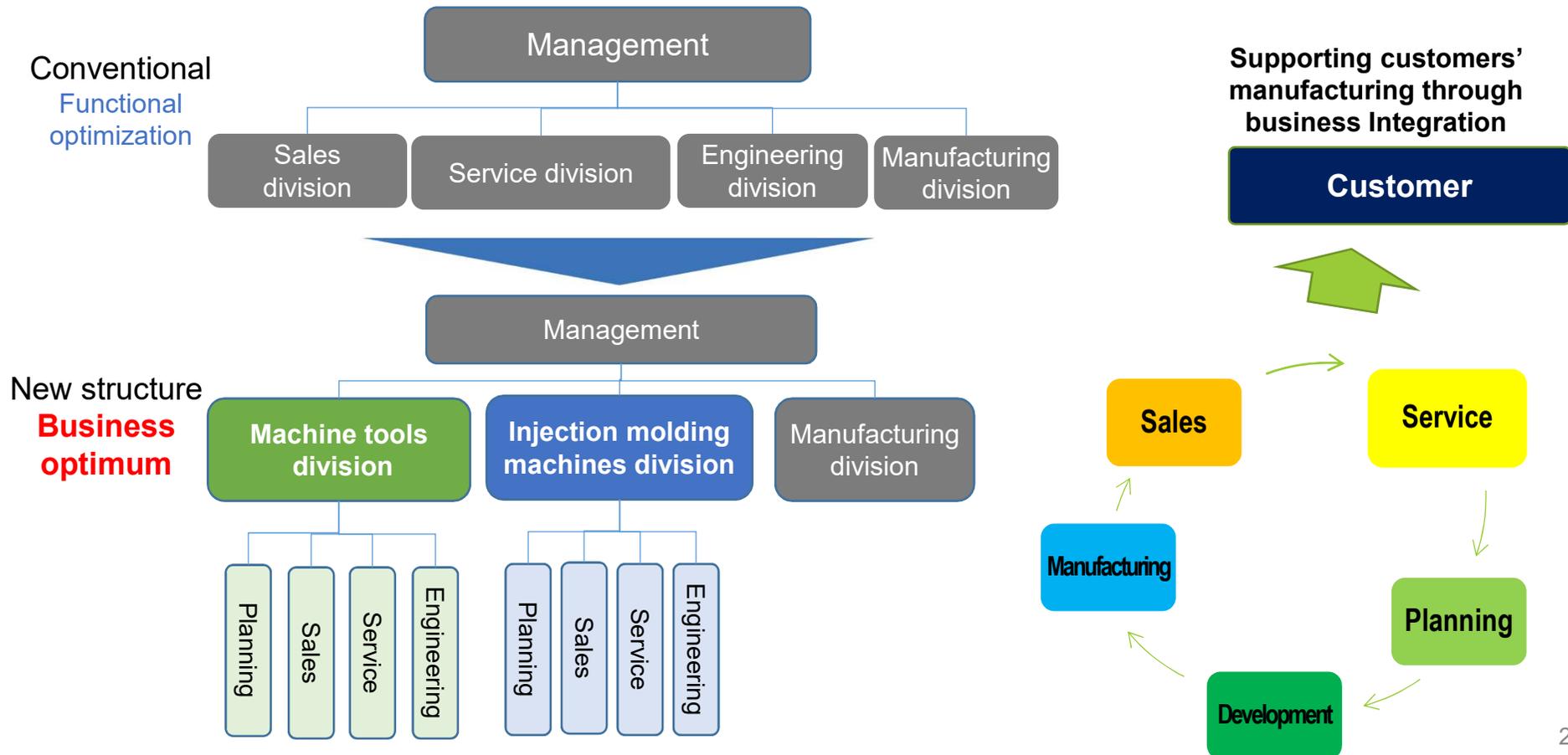
In February 2019, we announced our long-term management plan *Next Stage 2026* covering the period from 2019 to 2026. Each division will take measures to achieve the plan.



Corporate Transformation to Achieve Long-Term Plan (CX)

- ✓ Changed to a new organizational structure in January 2022. Shifting from a **functional organization** to a **business-based organization** in order to achieve optimal and prompt business execution by having each division have authority and responsibility over the entire business
- ✓ Each division is responsible for planning, technology development, manufacturing, sales, and after-sales service, and aims to provide total solutions while utilizing DX such as business service / digitization.

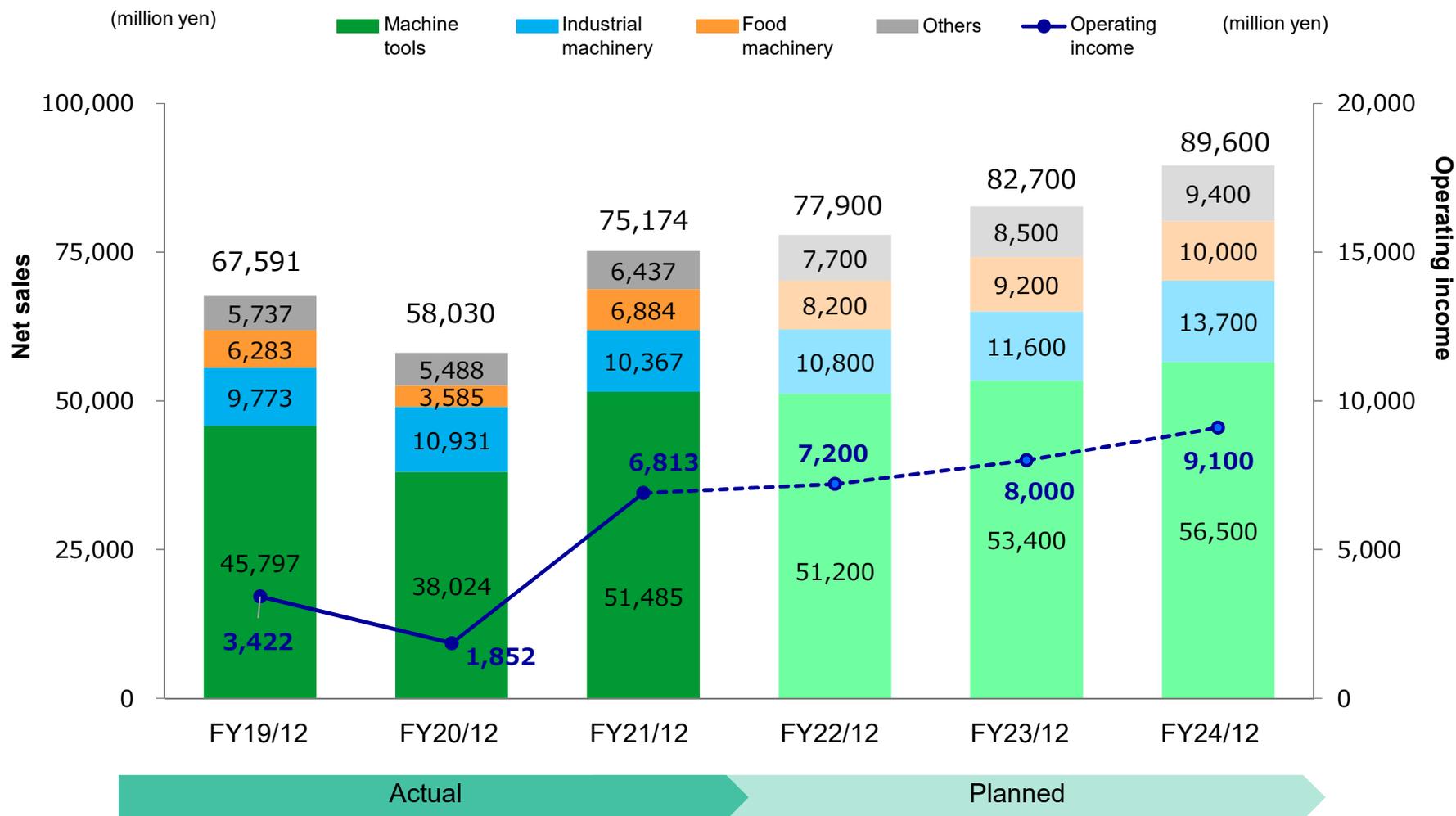
Organizations associated with **machine tools** and **injection molding machines**



Medium-term Management Plan



Targeting net sales of 89,600 million yen with operating income of 9,100 million yen by FY24/12



Management Strategies by Business Segment (Machine Tool Segment)



Objectives of Machine Tool Segment

Sales strategies

- Offer comprehensive business services/digitization/solution
- Strengthen sales of machining centers and metal 3D printers
- Strengthen after-sales service business
- Promote digital marketing (DX)

Technology strategies

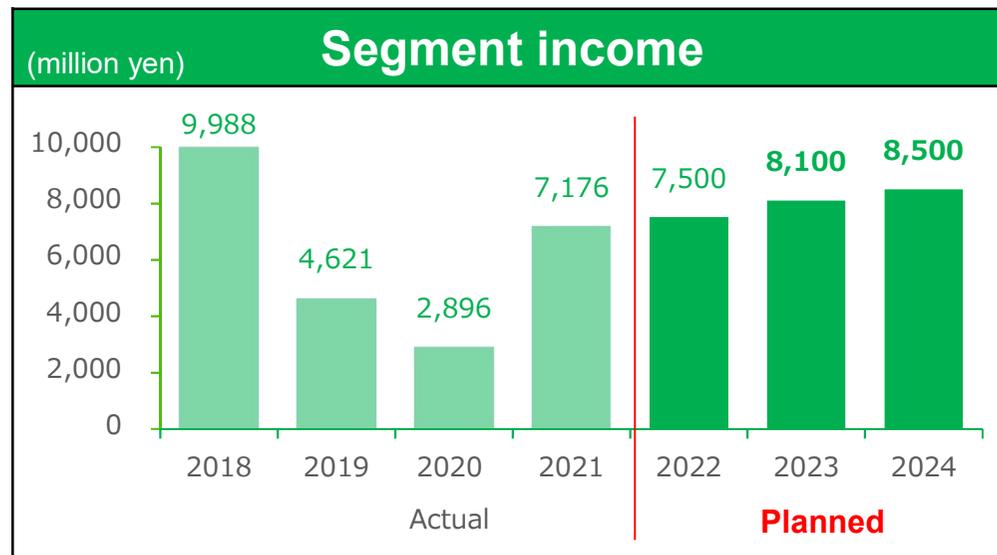
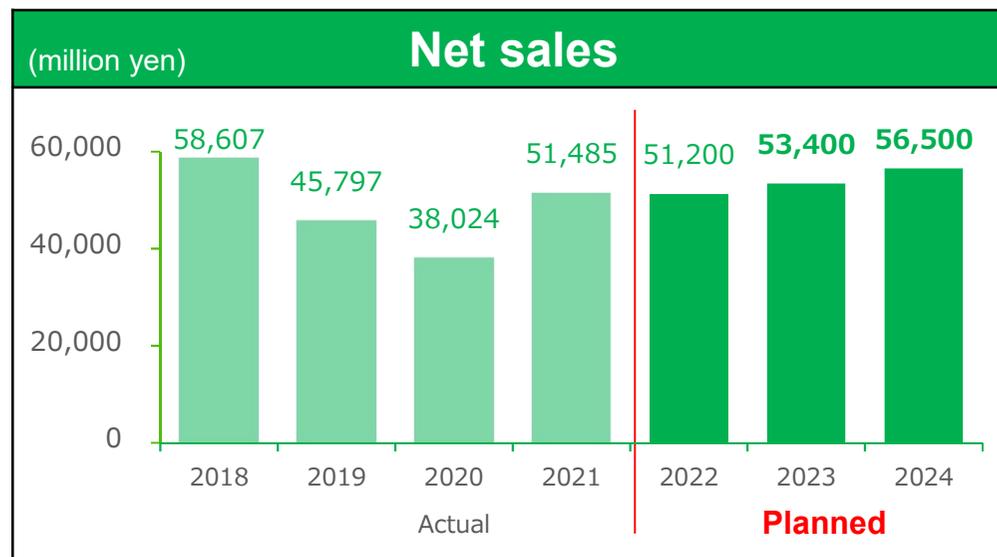
- Improvement of performance and operability of EDMs and metal 3D printers
- Mass production of high-precision machining centers
- Development of environmentally friendly products

Production strategies

- Strengthen quality management system by deepening global cooperation and promote DX at each plant

Organizational and HR strategies

- Operation of new organization in line with the transition in the division structure
- Human resource development for sales, service, R&D, product design, production technology, processing technology, etc.



Management Strategies by Business Segment (Industrial Machinery Segment)



Objectives of Industrial Machinery Segment

Sales strategies

- Sales promotion of electric injection molding machines
- Expanding sales of vertical injection molding machines for the automotive field
- Expanding sales of environmentally friendly products
- Launch of sales in the European market

Technology strategies

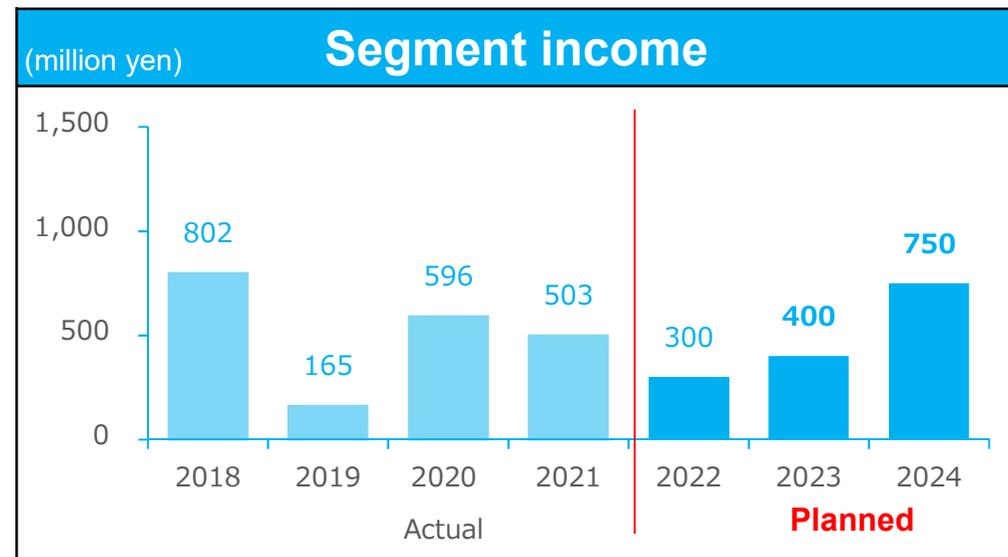
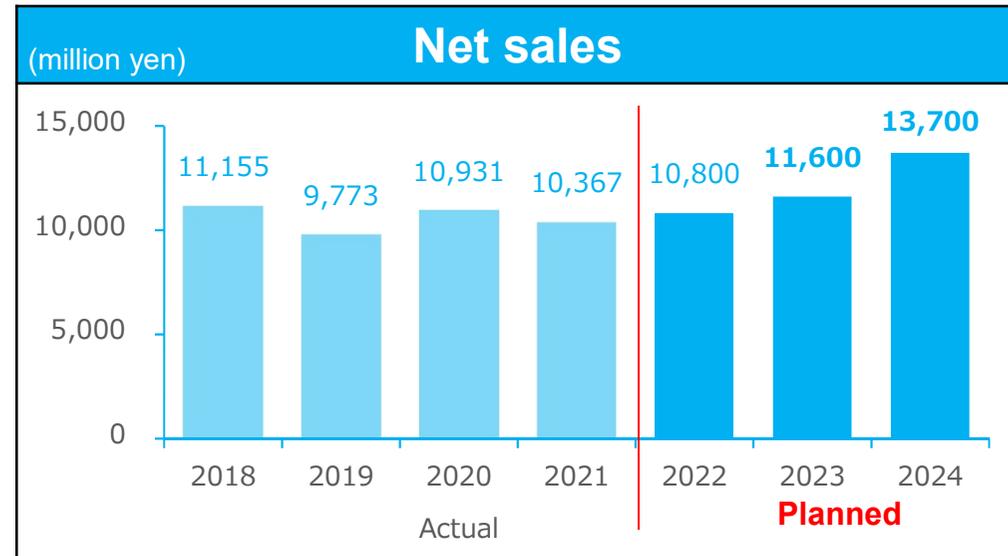
- Improve performance and operability
- Respond to new materials
- Respond to automation using IoT

Production strategies

- Starting production at the new Amoy plant
- Reducing cost of electric injection molding machines

Organizational and HR strategies

- Review business management system
- Human resource development for R&D, product design, production technology, processing technology, etc.



Objectives of Food Machinery Segment

Sales strategies

- Establishment of three pillars of noodle making machines, rice production equipment, and equipment for preparing Japanese-style deli dishes
- Expansion into other business areas
- Strengthen overseas sales through Shanghai sales companies

Technology strategies

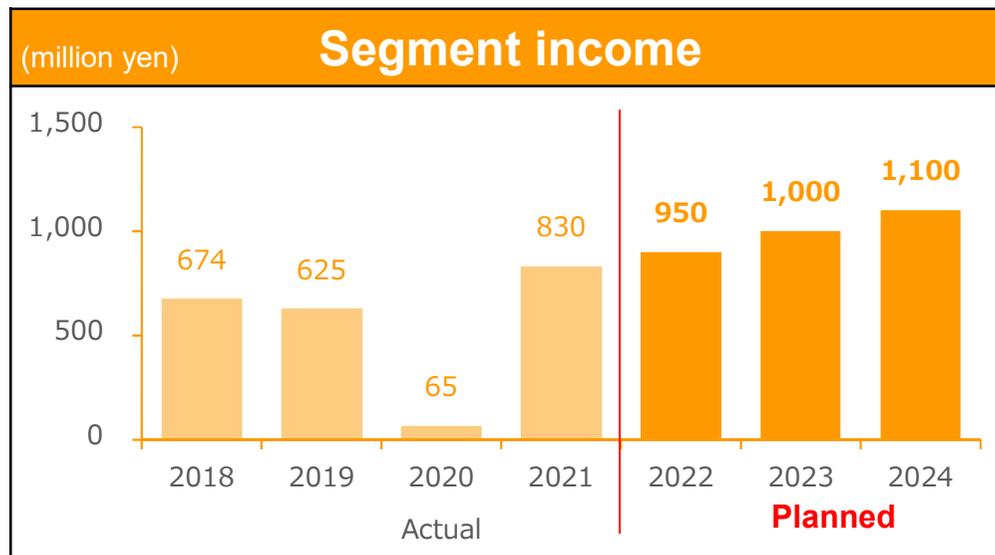
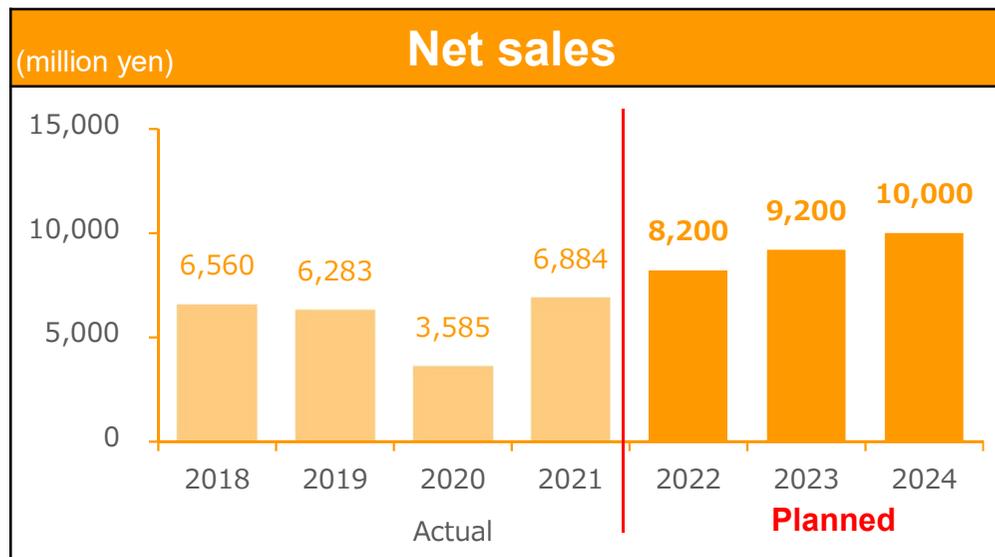
- Promote R&D to expand business areas

Production strategies

- Expansion of production capacity through the establishment of a new Amoy plant
- Improving productivity by dividing production between Kaga Office and Amoy Plant

Organizational and HR strategies

- Expansion of Shanghai sales personnel due to expansion of overseas sales
- Expand after-sales service personnel
- Further skill improvement and human resource development of engineers



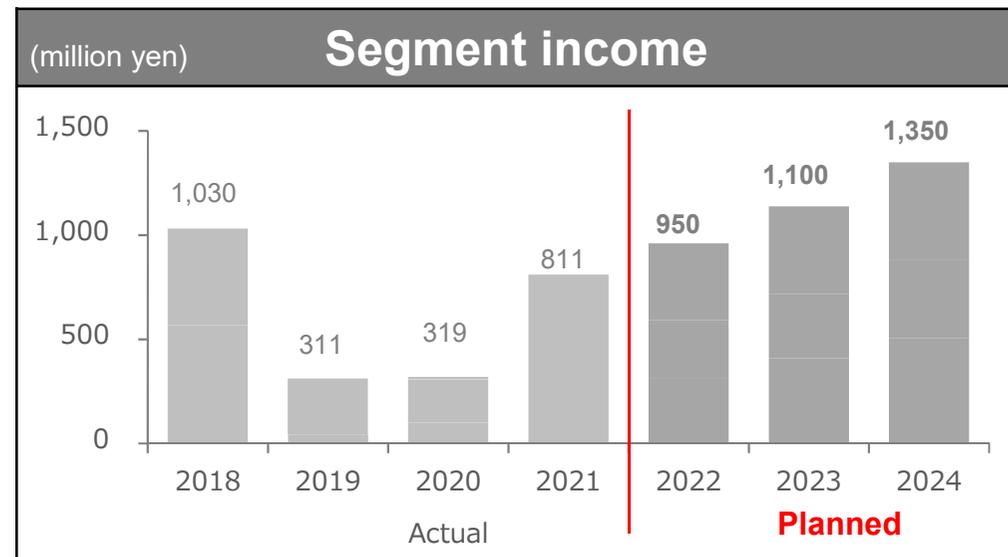
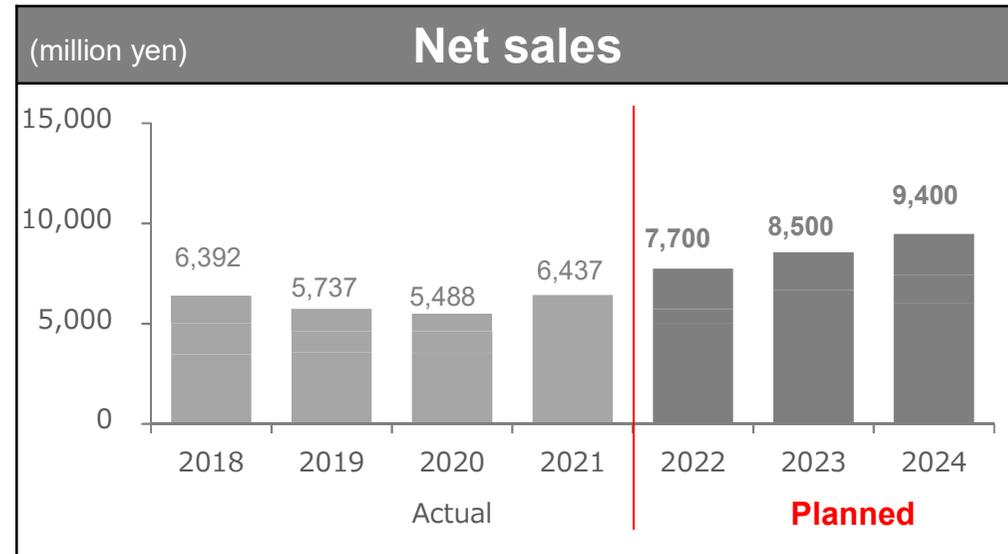
Objectives of Other Segments

Expanding sales channels and improving profitability in the precision die and molding business

- Expanding sales channels other than for automotive products
- Achieving stable production, labor saving and cost reduction by cell production system
- Expanding sales of precision processing and metal 3D printer processing technologies

Expanding sales of ceramics

- Expanding sales of ceramic components for semiconductor manufacturing equipment and expanding sales of high-value-added products
- Strengthen development of new materials and new manufacturing methods



Management Bases

E_{nvironment}

Promotion of environmentally friendly products

- Development of products that reduce greenhouse gas emissions and waste

Reduction of environmental impact caused by business activities

- Reduction of environmental pollutants
- Visualization of efforts to reduce environmental impact and save energy, and dissemination of information
- Strengthening measures for carbon neutrality
- Response to TCFD

G_{overnance}

Corporate reform

- Transition from functional organization to business-base organization
- Establish bases for making business solutions

Strengthening supervisory functions of the Board of Directors

- Strengthening the supervisory function of the Board of Directors through reorganization of the meeting body

S_{ocial}

Health management

- Establishment of a health management promotion system
- Strengthen initiatives to maintain and promote employee health

Promoting diversity

- Recruiting and maintaining diverse human resources
- Create comfortable working environment with diverse working styles

Development of core human resources

- Human resource development system, reinforcement of training, development of next-generation leaders

DX

Expansion of services

- Enhancement of communication with customers and expansion of services using CRM systems

Operational efficiency

- Faster and more advanced core and business systems
- Enhancement of production efficiency, sophistication, and data visualization through use of production management systems
- Expanding use of RPA

Sodick Health Management Declaration

Sodick believes that the health of its employees is the company's most important asset and a source of new value for the future.

In order to ensure that each and every employee is physically and mentally healthy and continues to take on the challenge of further growth, we will actively promote improvements in the workplace environment and health promotion, and aim for health management that balances employee health with the sustainable growth of the company.

Health management policy

1. With the President and Representative Director serving as the Chief Executive Officer for Health Management Promotion, we have established a PDCA (Plan-Do-Check-Act) system within the company to promote health management.
2. We will promote regular health checkups and stress checks and propose health measures using health data.
3. In addition to improving the working environment, we will promote mental health care, measures against lifestyle-related diseases, and work-life balance.
4. We will work to improve the health literacy of our employees to maintain and promote their health.

Health management promotion system

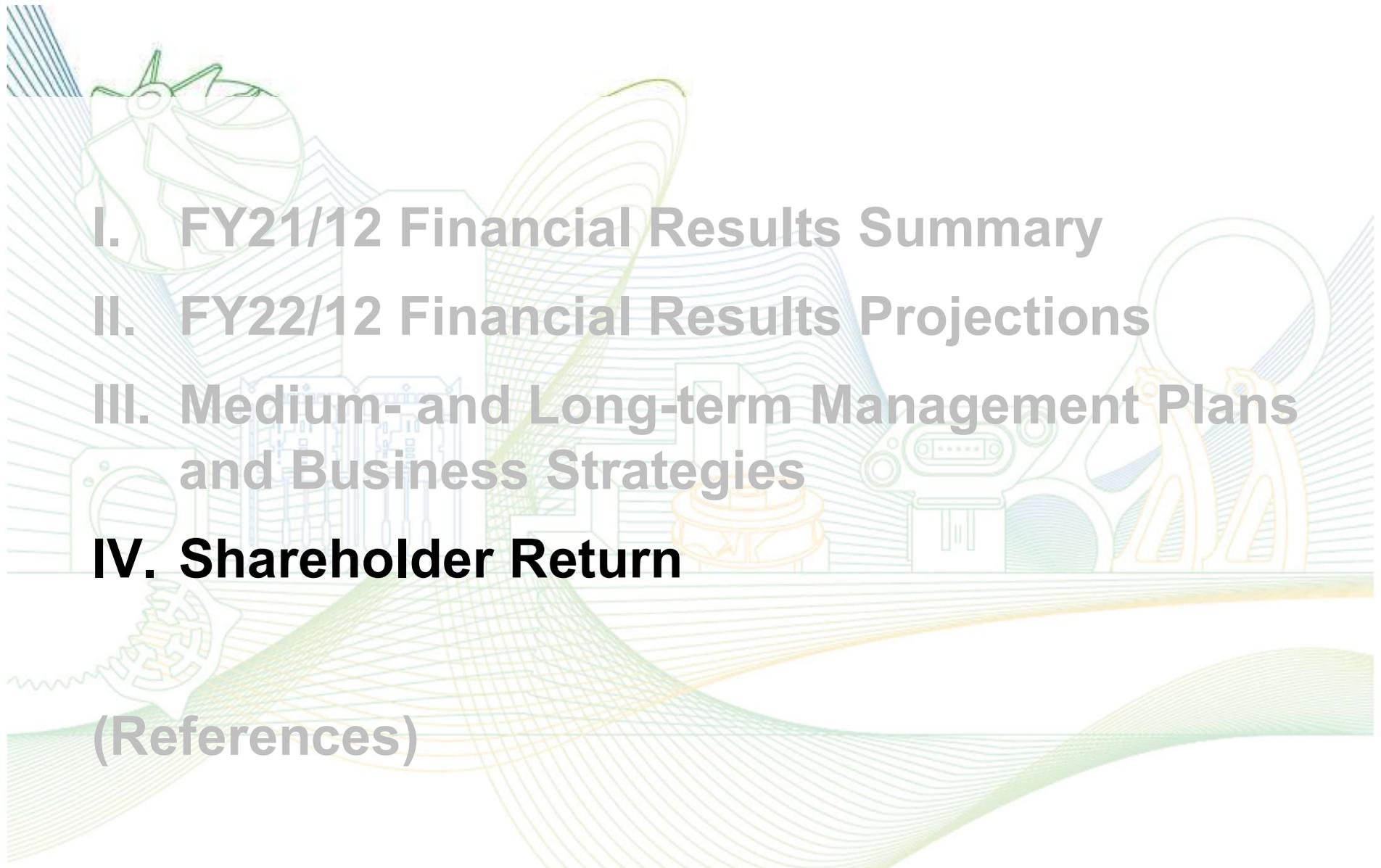


Review of Long-term Management Plan and Financial Policy



- ✓ We will work on business management and business growth with an awareness of capital efficiency, and actively invest for sustainable growth.
- ✓ Maintain financial soundness
- ✓ We will implement shareholder returns that take into account performance linkage in a flexible manner, in addition to stable and continuous implementation.

	Capital efficiency	Financial soundness	Shareholder Return
After revision	<p>ROE of 8% or more (5-year average)</p>	<p>Net cash plus Equity ratio of 50% or more</p>	<p>DOE of 2% or more total return ratio of 30% or more</p> <p><small>*Total return ratio = (dividend + share buyback) / net income</small></p>
	<p>• Introduction of capital efficiency indicators</p>	<p>• Relaxing policy in line with stabilization of financial base through CB redemption, etc.</p>	<p>• Maintain stable dividend policy</p> <p>• Strengthening shareholder returns through dividend policy and flexible capital policy through share buybacks</p>
Before revision	<p>Consolidated ordinary income ratio of 10% or more</p>	<p>Debt-to-equity ratio 0.5 times or less Net cash plus Equity ratio of approximately 55%</p>	<p>Keep at least DOE 2% Increasing dividend payout ratio gradually to 30%</p> <p><small>*Payout ratio = Dividend / Net income</small></p>

- 
- I. FY21/12 Financial Results Summary
 - II. FY22/12 Financial Results Projections
 - III. Medium- and Long-term Management Plans and Business Strategies
 - IV. Shareholder Return**

(References)

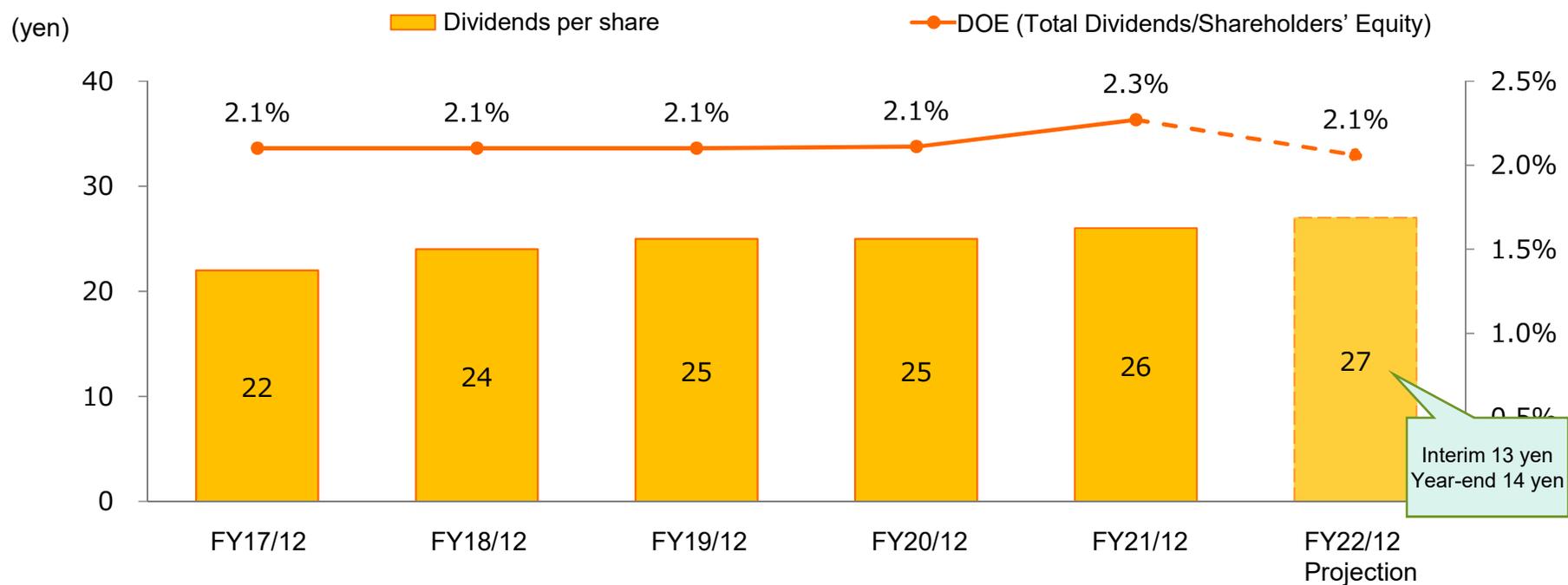
Shareholder Return Policy and Dividend Projection



- ✓ A new indicator of total return ratio was adopted.
- ✓ Strengthening shareholder returns through stable dividends and flexible capital policies through share buybacks

Shareholder return policy

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



Acquisition and Retirement of Treasury Shares



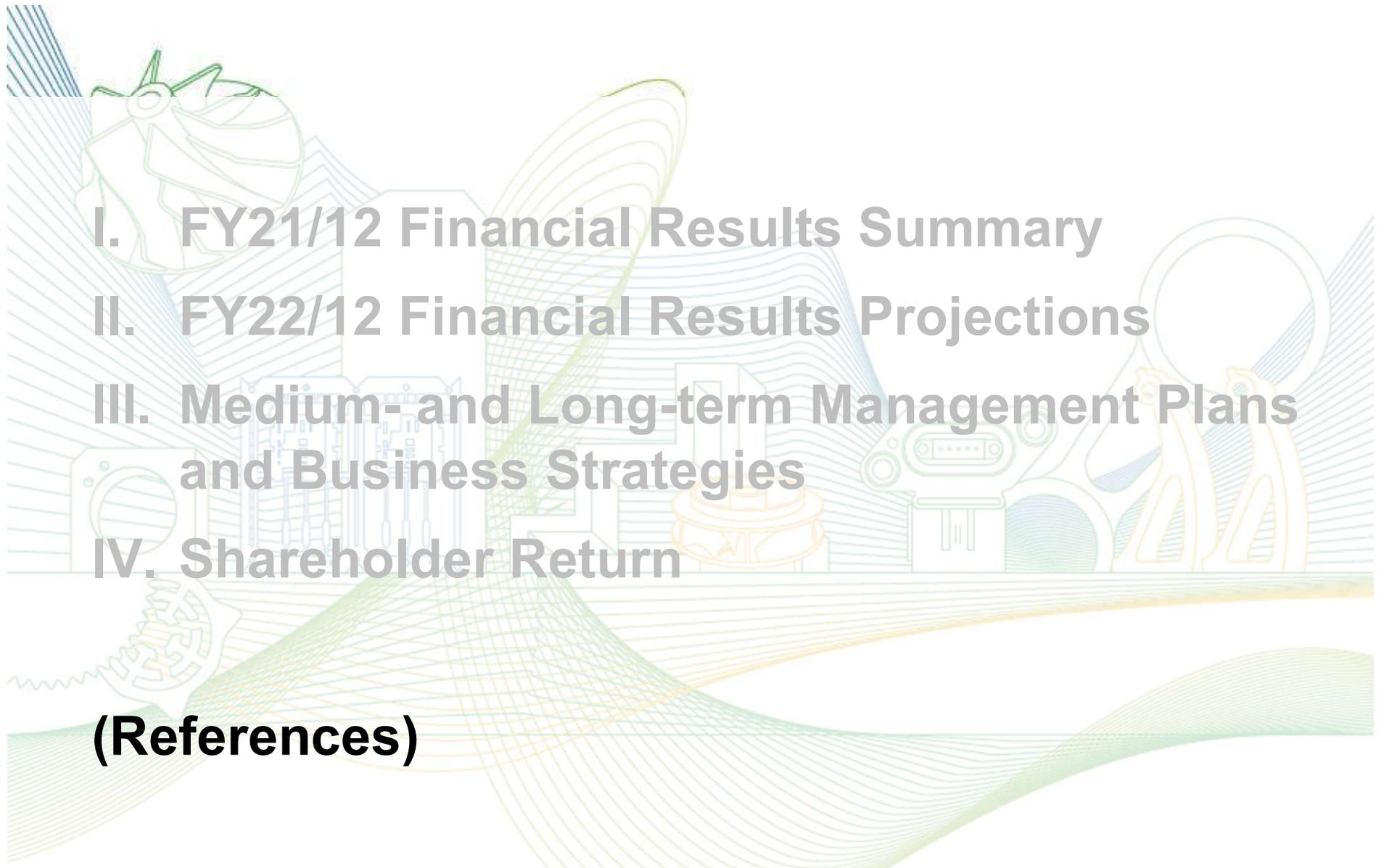
- ✓ Decided to purchase and retire treasury shares in order to enhance the value of shares through the enhancement of shareholder returns and the flexible capital policy in response to changes in the business environment

Overview of acquisition of treasury shares

Class of shares	Common stock of our company
Total number of shares to be acquired	Up to 500,000 shares (0.92% of total shares outstanding (excluding treasury shares))
Total cost of acquisition	500 million yen (maximum)
Acquisition period	February 15, 2022 - March 9, 2022
Acquisition Method	Purchased on the Tokyo Stock Exchange.

Overview of retirement of treasury shares

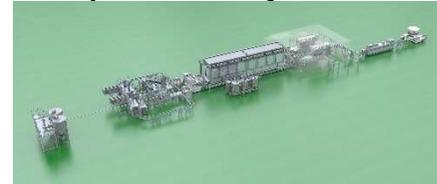
Class of shares	Common stock of our company
Total number of shares	Total number of treasury shares to be acquired
Scheduled date of retirement	March 31, 2022

- 
- I. FY21/12 Financial Results Summary
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 - IV. Shareholder Return

(References)

References: Business Segment Composition and Major Products



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>

References: Domestic and Overseas Sites



- 5 Sodick America Corporation (San Jose)
- 6 Shanghai Sodick Software
- 7 Sodick Suzhou Sodick Special Equipment Co., Ltd.
- 8 Amoy Co., Ltd. Co., Ltd.
- 9 Sodick (Thailand) Co., Ltd.

- 10 Sodick, Inc. (Chicago)
- 11 Sodick Europe Ltd. (U.K.)
- 12 Sodick Deutschland GmbH (Germany)
- 13 Sodick Electromechanical (Shanghai) Co., Ltd.
- 14 Sodick Tom (Shanghai) Co., Ltd.
- 15 Sodick (Taiwan) Co., Ltd.
- 16 Sodick International Trading (Shenzhen) Co., Ltd.
- 17 Sodick (H.K.) Co., Ltd.

- 18 Sodick Enterprise (S.Z.) Co., Ltd.
- 19 Sodick Korea Co., Ltd.
- 20 Sodick Vietnam Co., Ltd.
- 21 Sodick Philippines Inc.
- 22 PT Sodick Technology Indonesia
- 23 Sodick Singapore Pte., Ltd.
- 24 Sodick Technology (M) Sdn Bhd.
- 25 Sodick Technologies India Pte., Ltd.



1 Head Office and Research and Technology Center



2 Sodick F·T Miyazaki Plant



3 Fukui Plant



4 Kaga Plant

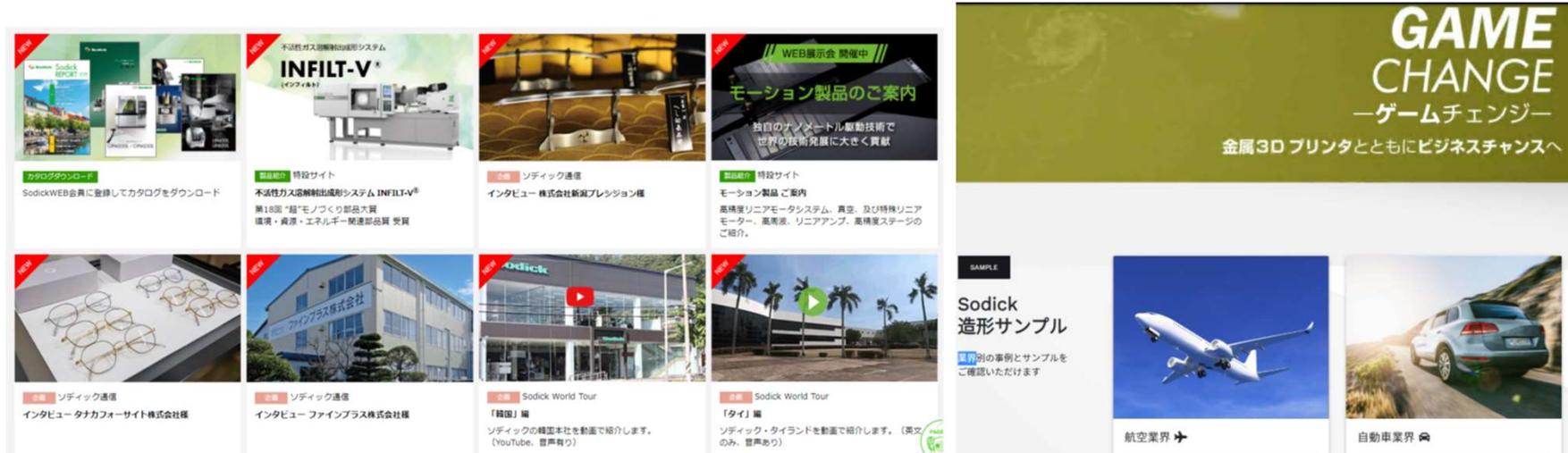
References: Participation in Major Exhibits

Period	Location		Exhibition	Summary and Remarks
2022				
Apr. 25 - 28	China	Shanghai	Chinaplas	
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.	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.

Our website URL: <https://www.sodick.co.jp/>

- Introducing our latest machines and technologies with a video at Sodick Web Exhibition



- A wide range of contents including our group's overseas sites is also available.

- YouTube channel is also open!



References: New products and awards in 2021



Segment	Machine tools	Industrial machinery	
Product name	<p>Metal 3D Printer LPM325S</p>  <p>The 64th Ten Great New Product Awards Main Award</p>	<p>Thermosetting rubber injection molding machines with degassing function GL-LSR Series</p> 	<p>Injection molding system INFILT-V®</p>  <p>The 18th Super Monozukuri Parts Award Environment, resource- and energy-related parts awards</p>
Sales market	<p>Automotive, aerospace, medical, and other elemental technologies</p>	<p>For automotive, electronic, aerospace-related sealants, medical equipment, etc.</p>	<p>Biodegradable plastic Non-plastic and/or environmentally friendly products</p>
Product feature	<p>Suitable for multiple metal powders Dramatic reduction in maintenance frequency Predictive maintenance high speed molding by dual laser</p>	<p>Resin material can be supplied directly to the mold while removing air contained in the solid rubber thermosetting rubber material Reduced molding time, improved molding quality, and reduced mold costs</p>	<p>Improved productivity of biodegradable plastics Inert gas is injected directly into the injection plunger. →Using the phenomenon that gas is dissolved in a resin material and its viscosity decreases, thin-walled molding, which is difficult with conventional methods, is now possible.</p>

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