

August 9, 2023

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 (Securities code: 6143; TSE Prime Market)
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**Notice Concerning Differences between Financial Forecasts and Actual Results
for Six Months Ended June 30, 2023, Revisions to Full-Year Financial Forecasts,
and Reduction in Executive Remuneration**

Sodick Co., Ltd. (the “Company”) hereby announces the differences arising between its consolidated financial forecasts for the six months ended June 30, 2023 announced on February 14, 2023, and its actual results for the same period announced today. In addition, in light of the most recent operating trends, a decision was passed at the meeting of the Board of Directors held on August 9, 2023 to revise the financial results forecasts for the fiscal year ending December 31, 2023 (January 1, 2023 through December 31, 2023), as described below.

The Company also announced a reduction in executive remuneration.

1. Difference between consolidated financial forecasts and actual results for the six months ended June 30, 2023 (January 1, 2023 through June 30, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previously announced forecasts (A)	40,000	2,100	2,100	1,400	26.78
Actual Results (B)	33,479	-390	841	-103	-2.01
Change (B-A)	-6,521	-2,490	-1,258	-1,503	
Change (%)	-16.3%	—	-59.9%	—	
(Reference) Consolidated results for six months ended June 30, 2022	39,317	3,479	5,958	4,121	76.70

**2. Revisions to full year consolidated financial forecasts for the current fiscal year
(January 1, 2023 through December 31, 2023)**

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previously announced forecasts (A)	81,700	4,700	4,700	3,200	61.22
Revised forecasts (B)	70,000	150	1,400	0	0.00
Change (B-A)	-11,700	-4,550	-3,300	-3,200	
Change (%)	-14.3%	-96.8%	-70.2%	—	
(Reference) Consolidated results for the previous fiscal year (FY ended December 31,2022)	80,495	5,813	8,275	6,021	112.67

(Reasons for the differences and the revision)

For the second quarter of the fiscal year ending December 31, 2023, net sales fell short of the initial plan mainly due to decreased demand for smartphones and electronic components in Japan, Greater China, and Asia. In terms of profits, we posted an operating loss due to lower profitability of factories due to lower sales and production adjustments, and the impact of soaring war material prices since the previous fiscal year, as well as higher personnel costs due to base salary increases and bonus adjustments.

In terms of the full-year financial results projections, net sales are expected to fall short of the initial forecast, as conditions in the machine tool and industrial machinery businesses are expected to remain difficult, although the food machinery business is expected to make progress in projects for both noodle-making machines and aseptically-packed cooked rice production systems through the second half of the fiscal year. As for profits, we expect the production adjustment to run its course and factory utilization rates to recover, but profits have been revised downward as shown above in light of soaring raw material prices and other factors, as well as continued high labor costs.

The main exchange rates assumed in the second half of the fiscal year, which form the premise for the above revised forecast, are 145 yen to the dollar and 157 yen to the euro.

There is no revision to the dividend forecast accompanying the revision of the financial results forecast.

3. Reduction in Executive Remuneration

The Company takes the revised forecast seriously, and in order to clarify management responsibility, the Company hereby announce that it has resolved to reduce the remuneration for Executive Directors as described below.

This decision was made after consultation with the Committee on Compensation, more than half of whose members are independent External Directors.

(1) Scope of reduction

President and Representative Director	: 25% of monthly remuneration
Senior Executive Managing Director and Executive Managing Director	: 15% of monthly remuneration
Other Directors (excluding External Directors)	: 10% of monthly remuneration

(2) Period of reduction

From August 2023 to March 2024