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Notice of the Recording of Non-Operating Income (Foreign Exchange Gain) and Revisions to Full-Year Financial Forecasts for the fiscal year ending December 31, 2024

Sodick Co., Ltd. (the “Company”) hereby announces that the Company has recorded non-operating income (foreign exchange gains) for the second quarter of the fiscal year ending December 31, 2024. The Company also has made revision to its full year consolidated financial forecasts for the fiscal year ending December 31, 2024 announced on February 13, 2024.

● Details of Non-Operating Income (foreign exchange gains)

In the second quarter of the fiscal year ending December 31, 2024, the Company recorded foreign exchange gains of 1,387 million yen as non-operating income due to fluctuations in foreign exchange rates.

This mainly resulted from the revaluation of foreign currency-denominated assets and liabilities held by the Company and its consolidated subsidiaries at the exchange rate as of the end of the quarter,

● Revisions to full year consolidated financial forecasts for the current fiscal year (January 1, 2024 through December 31, 2024)

| | 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) | 72,200 | 1,100 | 1,100 | 700 | 13.80 |
| Revised forecasts (B) | 72,500 | 1,100 | 1,600 | 900 | 17.71 |
| Change (B-A) | 300 | — | 500 | 200 | |
| Change (%) | 0.4% | — | 45.5% | 28.6% | |
| (Reference) Consolidated results for the previous fiscal year (FY ended December 31,2023) | 67,174 | -2,819 | -1,257 | -4,604 | -90.29 |

(Reasons for the differences and the revision)

In terms of the full-year financial results projections, net sales are expected to exceed the previous forecast, mainly due to the positive effect of the weaker yen, which is trending weaker than the assumed exchange rate at the beginning of the period.

Operating profit is expected to remain unchanged from the initial forecast, mainly due to a decline in factory profitability caused by lower sales volumes of machine tools, although some effects of reductions in cost of sales and fixed costs will contribute.

Ordinary profit and net profit attributable to owners of the parent company are expected to exceed the plan by a large margin in the second quarter (interim period) due to foreign exchange gains resulting from the progression of the yen's depreciation, but in the second half of the year, foreign exchange losses are expected to occur due to a certain degree of yen appreciation, and the above plan has been adopted.

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 158 yen to the euro.