



Summary of Financial Results for the Fiscal Year Ended December 31, 2024 (J-GAAP) (Consolidated)

February 13, 2025

Company Name: Sodick Co., Ltd. Stock Exchange: Tokyo Stock Exchange, Prime Market
 Code Number: 6143 URL: <https://www.sodick.co.jp/>
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 Scheduled date of the ordinary general shareholders' meeting: March 28, 2025
 Scheduled date of dividend payout: March 31, 2025
 Scheduled submission date of securities report: March 28, 2025
 Explanatory documents supplemental to the financial statements: Yes
 Holding of financial results briefing: Yes

(Amounts of less than one million have been omitted.)

1. Consolidated Results for the Fiscal Year Ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Fiscal year ended December 31, 2024	73,668	9.7	2,231	–	3,627	–	4,115	–
Fiscal year ended December 31, 2023	67,174	(16.5)	(2,819)	–	(1,257)	–	(4,604)	–

Note: Comprehensive income: Fiscal year ended December 31, 2024 ¥8,907 million (–%)
 Fiscal year ended December 31, 2023 –¥1,143 million (–%)

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	¥	¥	%	%	%
Fiscal year ended December 31, 2024	81.06	–	5.1	2.6	3.0
Fiscal year ended December 31, 2023	(90.29)	–	(5.8)	(0.9)	(4.2)

Reference: Equity in earnings of non-consolidated subsidiaries and affiliates Fiscal year ended December 31, 2024 ¥102 million
 Fiscal year ended December 31, 2023 ¥178 million

Note: Diluted earnings per share for the fiscal year ended December 2024 are not shown in the above table because there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	¥
As of December 31, 2024	144,993	84,427	58.2	1,668.55
As of December 31, 2023	134,066	77,129	57.5	1,519.02

Reference: Shareholders' Equity: As of December 31, 2024 ¥84,377 million
 As of December 31, 2023 ¥77,075 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ Million	¥ Million	¥ Million	¥ Million
Fiscal year ended December 31, 2024	9,969	(1,632)	(1,041)	42,569
Fiscal year ended December 31, 2023	(14)	(2,492)	1,421	33,305

2. Cash Dividends

	Annual dividend					Total cash dividend paid (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
	¥	¥	¥	¥	¥	¥ Million	%	%
Fiscal year ended December 31, 2023	–	14.00	–	15.00	29.00	1,471	–	1.8
Fiscal year ended December 31, 2024	–	14.00	–	15.00	29.00	1,472	35.7	1.8
Fiscal year ending December 31, 2025 (Forecast)	–	14.00	–	15.00	29.00		50.6	

3. Forecast for the Fiscal Year Ending December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Full year	77,400	5.1	4,300	92.7	3,800	4.8	2,900	(29.5)	57.35

Notes:

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Change in accounting policies; change and/or restatement of accounting estimates
 - (i) Changes in accounting policies caused by revision of accounting standards: No
 - (ii) Change in accounting policies other than stated in (i): No
 - (iii) Changes in accounting estimates: Yes
 - (iv) Retroactive restatement: No

- (3) Number of shares issued and outstanding (shares of common stock)

(i) Shares issued and outstanding as of the balance sheet date (including treasury shares)	Fiscal year ended December 31, 2024	54,792,239 shares	Fiscal year ended December 31, 2023	54,792,239 shares
(ii) Number of treasury shares as of the balance sheet date	Fiscal year ended December 31, 2024	4,223,169 shares	Fiscal year ended December 31, 2023	4,051,960 shares
(iii) Average number of shares during the period	Fiscal year ended December 31, 2024	50,774,712 shares	Fiscal year ended December 31, 2023	50,998,114 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the Fiscal Year Ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated Financial Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Fiscal year ended December 31, 2024	43,260	12.0	594	–	3,061	77.3	3,207	–
Fiscal year ended December 31, 2023	38,629	(15.2)	(3,033)	–	1,726	(60.6)	(114)	–

	Earnings per share	Diluted earnings per share
	¥	¥
Fiscal year ended December 31, 2024	63.18	–
Fiscal year ended December 31, 2023	(2.24)	–

Note: Diluted earnings per share for the fiscal year ended December 2024 are not shown in the above table because there are no dilutive shares.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	¥
As of December 31, 2024	96,665	47,749	49.4	944.25
As of December 31, 2023	90,848	46,198	50.9	910.50

Reference: Shareholders' Equity: As of December 31, 2024 ¥47,749 million

As of December 31, 2023 ¥46,198 million

* These financial statements are not subject to audit by a certified public accountant or audit firm.

* Cautionary statement regarding forward-looking information

The Company bases the above forecasts on judgments that rely on currently available information and contain numerous uncertainties. Changing conditions and other factors may cause actual results to differ from the above forecasts. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to "1. Overview of Results of Operations, etc. (4) Future Outlook."

1. Qualitative Information regarding the Quarterly Financial Statements under Review

(1) Explanation regarding Results of Operations

Matters concerning the future in the text are based on the judgments of the Company as of the end of the fiscal year under review.

(i) General overview

During the fiscal year under review, the environment surrounding the Sodick Group, geopolitical risks such as the situation in Ukraine and the Middle East remain. However, global inflation in raw materials and energy prices is gradually beginning to subside, and monetary policy in the United States and Europe shifted to mitigation of monetary tightening since September. On the other hand, in Japan, the negative interest rate policy was ended in March and an additional rate hike was implemented in July, and financial markets are getting back to normal condition. In the implementation phase of monetary policy that differs between Japan and the United States/Europe, the yen has generally continued to weaken despite the instances of sharp appreciation of the yen at times during the period.

In this economic environment, the Group formulated the Medium-term Management Plan for the period from 2024 to 2026, and worked on group-wide structural reforms based on the policies of “Reducing dependence on China,” “Selection and concentration,” “Restructuring of production and sales systems globally” and “Balance sheet improvement” set forth in the Management Plan, in order to adapt to changes in the external environment and transform the constitution of enterprise to steadily secure earnings while maintaining mainly overseas production even in the depreciation period of the yen. The Group consolidated production at Suzhou Factory to Amoy Factory in China and workforce optimization in accordance with production adjustments at overseas plants in the machine tool segment, shifting to sales of profitable models in the industrial machinery segment, and worked to reduce company-wide expenses and sell idle assets.

By region, the recovery in demand, particularly for machine tools in Greater China, contributed to significant year-on-year increases in both unit sales and net sales, driving the Company’s overall sales. Sales in Japan were still weak, but sales in North and South America and Asia remained robust.

By industry, in the automobile industry, production adjustments and revisions to investment plans of EV and whole vehicles have dragged on, stagnant investment situation have continued in Japan, the United States and Europe, and a full-scale recovery has been delayed. We will continue to monitor trends in capital investment in the automobile industry.

On the other hand, industries of electronic components, smartphones, aircraft components, semiconductors, and medical devices remained robust, with several large orders. In particular, with the spread of generative AI, capital investment in data centers is increasing, and demand is expected to grow for optical communication devices and ultra-precision optical connectors (MT ferrules), etc. Our machine tools and industrial machinery have strengths in precision molds and parts processing for ultra-precision optical connectors, and we are working to steadily capture this demand in each region. We are continuing to work on expanding our business in these growth areas to meet the needs of advanced manufacturing, high-speed and high-precision processing, and high-precision and ultra-precision manufacturing.

In the food machinery segment we focus on noodle making machines and rice production systems in Japan, Greater China and Asian region. Demand for replacement and addition by Japanese food manufacturers continues to grow, and new demand in Greater China and Asia also continues to grow.

As a results of these factors, the consolidated net sales for the fiscal year under review totaled ¥73,668 million (up 9.7% year on year), with operating profit at ¥2,231 million (operating loss of ¥2,819 million for the same period of the previous year), ordinary profit at ¥3,627 million (ordinary loss of ¥1,257 million for the same period of the previous year), and profit attributable to owners of parent at ¥4,115 million (loss attributable to owners of parent of ¥4,604 million for the same period of the previous year).

(ii) Segment overview

Machine tool segment	Net sales	¥51,355 million	Y/y change (rate)	Up 10.0%
	Operating profit	¥3,447 million	Y/y change (amount)	Up ¥2,648 million
<p>In machinery sales, the recovery in demand for machine tools in Greater China, contributed to significant year-on-year increases in both unit sales and net sales, driving the Company's overall sales. Although the market in Greater China as a whole remained weak, certain industries such as NEV, ultra-precision optical connectors (MT ferrules) for data centers, semiconductors, and electronic components (automotive, medical devices and home appliances) remained robust, and our EDM (electrical discharge machine) are strongly requested particularly for use in manufacturing dies for MT connectors.</p> <p>In Japan, net sales increased year-on-year due to steady sales in optical connectors for data centers, electronic components, aircraft components, and medical devices, and growth in maintenance services and sales of consumables, despite the trend of stagnant investment in automobiles and semiconductors has dragged on.</p> <p>In Asia, sales remained robust as a whole. In particular, sales of aircraft components in South Korea and Singapore, connectors, semiconductor equipment components, and motor core molds in South Korea, two- and four-wheel-related products in India, and automotive parts in Thailand remained robust.</p> <p>In North America, net sales increased substantially from the same period of the previous year due to steady sales in aircraft components processing, power generation, electronic components, and medical devices. As demand for semiconductors related to AI is increasing, we expect an increase in processing demand for the dedicated optical cables and connector components. In Europe, sales of aircraft components and medical devices remained robust, but net sales declined year on year due to the heavy impact of the prolonged downturn in automobile industry.</p> <p>The maintenance services and sales of consumables have been performing steadily, progressing mainly in Japan and North America, and is also growing steadily in other regions. We will further increase those services and consumables business ratio to stabilize machine tool business.</p> <p>Segment profit was ¥3,447 million for the fiscal year under review, due to a reduction in cost of sales, resulting from efforts to consolidate production in China and optimize personnel allocation, which were highlighted as part of production structural reforms, as well as measures to improve profitability and increase production volume.</p>				
Industrial machinery segment	Net sales	¥9,560 million	Y/y change (rate)	Up 10.8%
	Operating profit	¥823 million	Y/y change (amount)	Up ¥1,301 million
<p>In Japan, overall market conditions remained weak, but demands in some industries such as optical connectors for AI data centers, electronic components for smartphones, and medical devices, remained robust. In particular, the demand for capital investment in optical connectors have been strong and as we have specialized in precision molding, we expect to aggressively pursue orders for these opportunities. The demand for injection molding machines equipped with AI-VENT (automatic ventilation control of liquid plastic, dry-less molding) for plastic recycling, was generated with the effect of the subsidy. The capital investment by Japanese automobile makers, remained stagnant and the demand in automobile industry remained sluggish overall.</p> <p>In Greater China, the overall market remained weak, but some industries such as optical connectors and high-precision actuators for smartphones remained robust. In Asia, while domestic automobile sales were sluggish in Thailand, mobile connector sales remained robust in South Korea.</p> <p>Segment profit was ¥823 million, reflecting the effect of a shift to sales of more profitable models through structural reforms and progress in reducing cost of sales due to increase of production volume and other factors.</p>				
Food machinery segment	Net sales	¥7,695 million	Y/y change (rate)	Up 11.5%
	Operating profit	¥969 million	Y/y change (amount)	Up ¥93 million
<p>Demand for noodle making machine-related equipment and aseptically-packaged cooked rice production systems in Japan and overseas, has remained robust, and both net sales and segment profit increased year on year.</p> <p>The Japanese market conditions remained robust, and demand for replacement of rice production systems and noodle making machines has continued. We will maintain stable sales of rice production system by capturing demand for replacement of obsolete equipment and labor-saving production for including other companies products, in addition to demand for new equipment.</p> <p>Overseas market conditions (Greater China and Asia) remained generally robust, with orders for aseptically-packaged cooked rice production systems in China and frozen noodle making machine in China, Taiwan, and South Korea, and we continue to make steady progress in meeting demand for fresh and frozen noodles and cooked rice to cope with improvements in food quality and development of infrastructure, mainly in Greater China and Asia.</p> <p>In addition to our main products (rice and noodle making equipment), we are also expanding into equipment for precooked side dishes and confectionery.</p>				

Others	Net sales	¥5,057 million	Y/y change (rate)	Up 2.5%
	Operating profit	-¥323 million	Y/y change (amount)	Up ¥631 million

Other segments consist of precision dies and mold operations involving the contract manufacturing of precision connectors and other products, and elemental technology operations involving the sale of linear motors, ceramics products, LED floodlights, etc. In the precision dies and mold operations, demand mainly from the automobile industry has been slow in terms of recovery. In the elemental technologies operations, external sales of ceramics products are expected to recover, as the semiconductor industry, main customer in this section, is gradually recovering through the second half of the fiscal year and increase in capital investment in FPDs are expected. We also aim to expand new sales channels related to semiconductor manufacturing and others. In the LED floodlights of the elemental technology business, demand for LED replacements is increasing due to the rising energy prices and increased awareness of environmental issues. However, we did not achieve sales due to the delay in construction schedule and acceptance inspection, but we expect to receive orders for our new products in several large projects in the future.

As a result of the above, net sales in the precision dies and mold operations increased slightly year on year, while in the elemental technology operations, net sales of linear motors and ceramics products increased year on year and that of LEDs decreased year on year. As for Segment profit, the operating loss decreased year on year due to the effects of structural reforms and reductions in SG&A expenses.

(2) Explanation regarding Financial Position

(i) Assets, Liabilities and Net Assets

Total assets stood at ¥144,993 million as of the end of the fiscal year under review, an increase of ¥10,927 million from the end of the previous fiscal year. The main reasons for the increase were an increase of ¥13,141 million in cash and deposits, an increase of ¥2,276 million in notes and accounts receivable - trade, and contract assets, an increase of ¥1,959 million in buildings and structures, and an increase of ¥1,177 million in investment securities, partially offset by a decrease of ¥4,583 million in long-term time deposits and an increase of ¥3,801 million in accumulated depreciation.

Liabilities at the end of the fiscal year under review totaled ¥60,566 million, an increase of ¥3,629 million from the end of the previous fiscal year. The increase was mainly due to an increase of ¥1,389 million in notes and accounts payable-trade, an increase of ¥1,199 million in short-term borrowings, and an increase of ¥1,076 million in electronically recorded obligations - operating.

Net assets totaled ¥84,427 million at the end of the fiscal year under review, an increase of ¥7,298 million from the end of the previous fiscal year. The increase was mainly due to an increase of ¥4,717 million in foreign currency translation adjustment and an increase of ¥2,630 million in retained earnings. As a result, the equity ratio was 58.2%.

(ii) Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) increased by ¥9,263 million from the end of the previous fiscal year due to the following changes in cash flows, resulting in a balance of ¥42,569 million at the end of the fiscal year under review.

The status of cash flows and their factors for the consolidated fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥9,969 million (¥14 million used in the previous fiscal year). This was mainly due to profit before income taxes of ¥5,024 million, depreciation of ¥3,584 million, and a decrease in inventories of ¥2,648 million, partially offset by an increase in trade receivables of ¥2,587 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥1,632 million (¥2,492 million used in the previous fiscal year). This was mainly due to the purchase of property, plant and equipment of ¥2,763 million, partially offset by proceeds from withdrawal of time deposits of ¥1,388 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥1,041 million (¥1,421 million used in the previous fiscal year). This was mainly due to proceeds from long-term borrowings of ¥9,405 million, partially offset by repayments of long-term borrowings of ¥9,291 million.

Cash flow indicators of Sodick Group trended as follows.

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Equity ratio (%)	55.2	58.5	57.5	58.2
Equity ratio based on market capitalization (%)	32.8	26.8	27.6	25.7
Ratio of cash flow to interest-bearing liabilities (years)	4.4	9.2	–	3.8
Interest coverage ratio (times)	23.4	11.9	–	24.3

Notes: Equity ratio: Shareholders' equity / total assets

Equity ratio (%) based on market value: Market capitalization of stocks / total assets

Ratio of cash flow to interest-bearing liabilities / operating cash flow

Interest coverage ratio: Operating cash flow / interest expenditure

* The basis of calculated for all values is consolidated financial data.

* Market capitalization is calculated by multiplying the closing price of Sodick shares at the end of the fiscal year by the number of shares outstanding (less treasury shares) at the end of the fiscal year.

* Interest-bearing liabilities include all liabilities on the consolidated balance sheets for which interest is paid.

* Operating cash flows and interest expenditure refer to "Net cash provided by (used in) operating activities" and "Interest paid" according to the consolidated statements of cash flows.

* The ratio of interest-bearing debt to cash flows and the interest coverage ratio for the fiscal year ended December 2023 are not shown because operating cash flows were negative.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Following Fiscal Years

Given that Sodick holds custody over shareholders' valuable capital for the corporate activities of the Company, we are committed to ensuring sufficient internal reserves necessary for future business development and for strengthening management resources. Consistent with these principles, our basic policy for dividend payments has been to preserve stability and continuity. Specifically, we aim to maintain a dividend-on-equity ratio (DOE) of 2% or more and a total return ratio of 40% or more, comprehensively taking into account the subject year's business results and cash flows.

[Reference] Calculation of total return ratio

$$\text{Total return ratio for fiscal year n (\%)} = \frac{(\text{Total amount of annual dividends paid in fiscal year n}) + (\text{Total amount of share buybacks in fiscal year n+1})}{\text{Profit attributable to owners of parent in fiscal year n}}$$

We will be using internal reserves in effective ways from a long-term perspective for R&D and capital investment to continuously enhance the Company's operating results. For the period under review, in keeping with the dividend basic policy and consistent with our judgment of business performance, we propose an annual dividend of ¥29 per share, comprised of a second quarter-end dividend of ¥14 and a fiscal year-end dividend of ¥15.

For the next fiscal year, we expect to propose an annual dividend of ¥29 per share, comprised of a second quarter-end dividend of ¥14 and a fiscal year-end dividend of ¥15.

(4) Future Outlook

Looking ahead, the global economy is expected to remain uncertain due to U.S.-China trade friction, geopolitical risks in Ukraine, the Middle East, and Asia, and other factors. Although the global trend toward decarbonization is expected to stagnate for the time being in some countries and markets due to policy changes following the change of administration in the United States, we expect the trend toward capital investment in automation, renewable energy, and labor productivity improvement to solve social issues continues to increase over the medium to long term. In the automobile industry, which is the Company's main destination, although the global EV shift trend is expected to stagnate in some regions and countries for the time being, it is expected to regain the trend over the medium to long term. Demand for capital investment in high-precision machines is expected to increase due to the growing need for reducing the weight and increasing the electric components of automobiles, in response to the "CASE (Connected, Autonomous, Shared/Service, Electric)" and MaaS (Mobility as a Service) initiatives, and the progress of AI and IOT.

The Company recognizes that improving profitability is an urgent management issue, and will pursue structural reforms based on the policy of "Reducing dependence on China," "Balance sheet improvement," "Selection and concentration" to improve and enhance profitability and "Restructuring of production and sales systems globally."

Under these circumstances, each segment is forecast to perform in the next fiscal year as follows:

Machine tool segment	Net sales	¥53,000 million	Y/y change (rate)	Up 3.2%
	Operating profit	¥5,000 million	Y/y change (amount)	Up ¥1,552 million
Demand for high-precision machines is expected to increase in the medium to long term as manufacturing becomes more advanced and more labor-saving, particularly in the automotive, semiconductor and electronic components sectors. While we will focus on strengthening sales in regions such as the United States, Europe, India and Mexico, in Japan, capital investment in data centers is increasing along with the spread of generative AI, and demand is expected to grow for optical communication devices and ultra-high precision optical connectors (MT ferrules), etc. In Greater China, we expect net sales to increase year on year as we strengthen maintenance services and sales of consumables in addition to machinery sales.				
Industrial machinery segment	Net sales	¥10,800 million	Y/y change (rate)	Up 13.0%
	Operating profit	¥800 million	Y/y change (amount)	Down ¥23 million
Demand for electronic components is expected to grow along with the spread of generative AI in Japan. In addition, a variety of corporate action corresponding to environmental measures such as the reduction of electricity consumption and waste are highly paid attention. In such an environment, the Company has provided its original technology V-LINE injection molding machines to achieve stable plasticization, measurement, and injection, and also the injection molding machines equipped with automatic ventilation control of liquid plastic for environmental measures. Net sales are expected to increase year on year by taking advantage of its strength in the ultra precision molding parts field and meeting the needs for advanced manufacturing and needs of the electronic components, medical device and other industries,				
Food machinery segment	Net sales	¥7,900 million	Y/y change (rate)	Up 2.7%
	Operating profit	¥900 million	Y/y change (amount)	Down ¥69 million
Net sales are expected to increase year on year due to continued demand for rice production systems and noodle making machines in Asia. We aim to promote development in confectionery, precooked side dishes and others. as a third pillar after noodles and cooked rice, and also aim to expand sales in Vietnam and other Southeast Asian countries.				
Others	Net sales	¥5,700 million	Y/y change (rate)	Up 12.7%
	Operating profit	¥300 million	Y/y change (amount)	Up ¥623 million
Although demand for ceramics will remain sluggish, net sales are expected to increase year on year due to the expansion of molding items in the precision dies and mold operations and the increase of sales of new LED lighting products.				

For the fiscal year ending December 2025, Sodick Group aims to achieve net sales of ¥77.4 billion, operating profit of ¥4.3 billion, ordinary profit of ¥3.8 billion, and profit attributable to owners of parent of ¥2.9 billion.

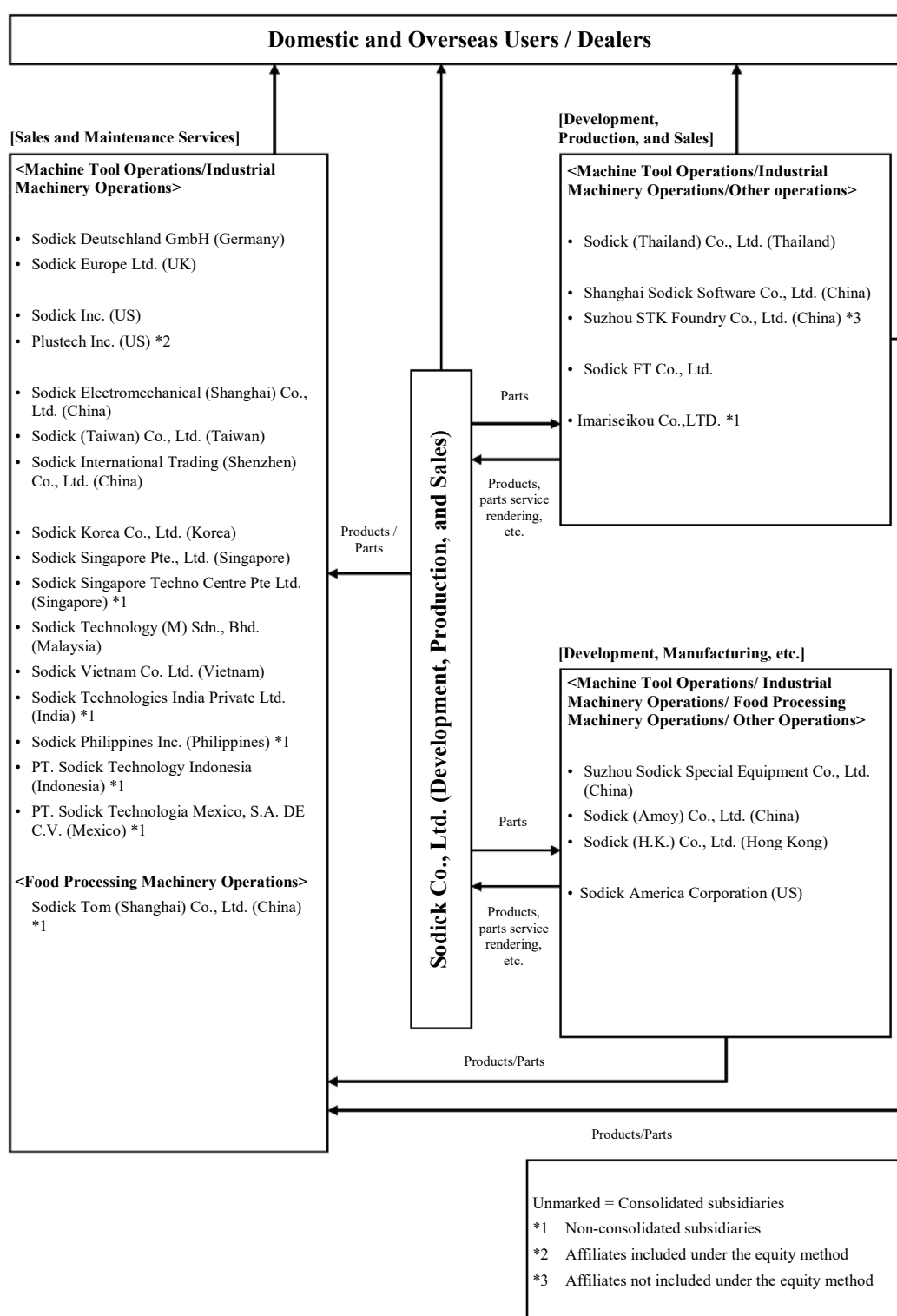
The assumed exchange rate used in making the above forecast is 150 yen against the U.S. dollar and 165 yen against the euro (average during the period).

	Fiscal year ending Dec. 31, 2025 Full-year forecast (¥ Million)	Fiscal year ended Dec. 31, 2024 Actual results (¥ Million)	Year-on-year change (%)
Net sales	77,400	73,668	5.1
Operating profit	4,300	2,231	92.7
Ordinary profit	3,800	3,627	4.8
Profit attributable to owners of parent	2,900	4,115	(29.5)

Note: Please be reminded that these projections reflect judgments of the Company using currently available information. Depending on both known and unknown risks and uncertain factors, actual results may differ from these projections.

2. Corporate Group

The operations of Sodick Group consist of the following four divisions: (i) machine tool segment engaged in the development, production, and marketing of electrical discharge machines (EDMs), machining centers, and metal 3D printers; (ii) industrial machinery segment engaged in the development, production, and marketing of injection molding machines; (iii) food machinery segment engaged in the development, production, and marketing of mainly noodle production plants, food machinery, including noodle making machines and packaged cooked rice production systems; and (iv) other segments including precision mold and precision molding operations involving the made-to-order production of precision connectors and other products, and element technology operations involving the sale, etc. of linear motors and ceramics components. These operations work together in organic interconnections to contribute to the business of Sodick Group. The following diagram gives an overview of the main business relationships in the Group.



3. Basic Approach to Selection of Accounting Standards

As a matter of policy, Sodick Group has been preparing its consolidated financial statements in accordance with the Generally Accepted Accounting Principles of Japan, which has the advantage of facilitating comparisons with prior accounting periods and other companies. For the time being, this policy remains in force. A shift to the application of International Financial Reporting Standards (IFRS) would depend on future developments in Japan and overseas.

4. Consolidated Financial Statements and Major Notes**(1) Consolidated Balance Sheets**

(million yen)

	Fiscal year ended December 31, 2023 (as of December 31, 2023)	Fiscal year ended December 31, 2024 (as of December 31, 2024)
Assets		
Current assets		
Cash and deposits	34,621	47,762
Notes and accounts receivable - trade, and contract assets	14,692	16,969
Electronically recorded monetary claims - operating	1,312	2,220
Merchandise and finished goods	11,529	11,102
Work in process	9,444	9,641
Raw materials and supplies	11,423	10,879
Others	3,632	3,328
Allowance for doubtful accounts	(485)	(381)
Total current assets	86,170	101,522
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,111	37,070
Machinery, equipment and vehicles	24,840	25,670
Tools, furniture and fixtures	4,807	5,021
Land	8,622	8,367
Leased assets	3,235	3,187
Construction in progress	266	661
Accumulated depreciation	(43,939)	(47,740)
Total property, plant and equipment	32,944	32,238
Intangible assets		
Goodwill	799	714
Others	1,855	1,505
Total intangible assets	2,654	2,220
Investments and other assets		
Investment securities	5,480	6,657
Long-term loans receivable	28	0
Deferred tax assets	783	858
Long-term time deposits	4,583	-
Others	1,463	1,523
Allowance for doubtful accounts	(43)	(27)
Total investments and other assets	12,296	9,012
Total non-current assets	47,895	43,471
Total assets	134,066	144,993

(million yen)

	Fiscal year ended December 31, 2023 (as of December 31, 2023)	Fiscal year ended December 31, 2024 (as of December 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,185	5,574
Electronically recorded obligations - operating	4,964	6,040
Short-term borrowings	3,045	4,245
Current portion of bonds payable	140	140
Current portion of long-term borrowings	8,649	8,645
Accounts payable-other	1,306	1,498
Income taxes payable	364	475
Contract liabilities	3,296	3,855
Provision for product warranties	331	498
Provisions for quality assurance	3	3
Provision for bonuses	1,051	588
Others	3,469	2,872
Total current liabilities	30,808	34,440
Non-current liabilities		
Bonds payable	300	160
Long-term borrowings	23,829	23,963
Provision for retirement benefits for directors (and other officers)	11	-
Provision for product warranties	73	98
Retirement benefit liability	613	746
Asset retirement obligations	67	69
Others	1,233	1,089
Total non-current liabilities	26,128	26,126
Total liabilities	56,936	60,566
Net assets		
Shareholders' equity		
Share capital	24,618	24,618
Capital surplus	9,717	9,717
Retained earnings	32,257	34,888
Treasury shares	(3,010)	(3,134)
Total shareholders' equity	63,583	66,090
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,397	1,366
Foreign currency translation adjustment	12,125	16,842
Remeasurements of defined benefit plans	(30)	78
Total accumulated other comprehensive income	13,491	18,286
Non-controlling interests	53	50
Total net assets	77,129	84,427
Total liabilities and net assets	134,066	144,993

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(million yen)

	Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)
Net sales	67,174	73,668
Cost of sales	47,892	49,559
Gross profit	19,281	24,068
Selling, general and administrative expenses		
Personnel expenses	9,874	9,576
Provision of allowance for doubtful accounts	118	(131)
Amortization of goodwill	152	125
R&D expenses	2,158	2,275
Others	9,795	9,990
Total Selling, general and administrative expenses	22,100	21,837
Operating profit (loss)	(2,819)	2,231
Non-operating income		
Interest income	479	512
Dividend income	147	263
Foreign exchange gains	729	812
Share of profit of entities accounted for using equity method	178	102
Subsidy income	190	106
Gain on sale of scraps	32	31
Other	248	348
Total non-operating income	2,007	2,178
Non-operating expenses		
Interest expenses	317	416
Provision of allowance for doubtful accounts	1	3
Rental expenses on non-current assets	48	58
Commission for syndicated loans	18	191
Others	61	113
Total non-operating expenses	446	782
Ordinary profit (loss)	(1,257)	3,627
Extraordinary income		
Gain on sale of non-current assets	33	119
Gain on sale of investment securities	-	563
Gain on sale of shares of subsidiaries and associates	-	299
Compensation for forced relocation	7	1,699
Others	-	28
Total extraordinary income	41	2,711
Extraordinary losses		
Loss on sale of non-current assets	45	10
Loss on retirement of non-current assets	99	152
Impairment losses	1,035	88
Business restructuring expenses	-	986
Others	35	75
Total extraordinary losses	1,216	1,314
Profit (loss) before income taxes	(2,433)	5,024
Income taxes - current	1,343	1,110
Income taxes - deferred	836	(194)
Total income taxes	2,179	915
Profit (loss)	(4,613)	4,108
Profit (loss) attributable to non-controlling interests	(8)	(7)
Profit (loss) attributable to owners of parent	(4,604)	4,115

(Consolidated Statement of Comprehensive Income)

(million yen)

	Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)
Profit (loss)	(4,613)	4,108
Other comprehensive income		
Valuation difference on available-for-sale securities	366	(30)
Foreign currency translation adjustment	2,956	4,596
Remeasurements of defined benefit plans, net of tax	89	109
Share of other comprehensive income of entities accounted for using equity method	56	124
Total other comprehensive income	3,469	4,799
Comprehensive income	(1,143)	8,907
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,137)	8,910
Comprehensive income attributable to non-controlling interests	(5)	(3)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,618	9,717	40,312	(3,739)	70,909
Changes during period					
Dividends of surplus			(1,442)		(1,442)
Reserves for employee incentive benefit funds at overseas subsidiaries			(36)		(36)
Profit (loss) attributable to non-controlling interests			(4,604)		(4,604)
Changes in scope of consolidation			(114)		(114)
Purchase of treasury shares				(1,203)	(1,203)
Disposal of treasury shares				75	75
Cancellation of treasury shares		(0)	(1,856)	1,857	–
Restricted share-based remuneration		0			0
Net changes of items other than shareholders' equity during period					
Total changes during period	–	–	(8,055)	729	(7,325)
Balance at end of period	24,618	9,717	32,257	(3,010)	63,583

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,030	9,114	(120)	10,024	59	80,993
Changes during period						
Dividends of surplus						(1,442)
Reserves for employee incentive benefit funds at overseas subsidiaries						(36)
Profit (loss) attributable to non-controlling interests						(4,604)
Changes in scope of consolidation						(114)
Purchase of treasury shares						(1,203)
Disposal of treasury shares						75
Cancellation of treasury shares						–
Restricted share-based remuneration						0
Net changes of items other than shareholders' equity during period	366	3,010	89	3,467	(5)	3,461
Total changes during period	366	3,010	89	3,467	(5)	(3,864)
Balance at end of period	1,397	12,125	(30)	13,491	53	77,129

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,618	9,717	32,257	(3,010)	63,583
Changes during period					
Dividends of surplus			(1,472)		(1,472)
Reserves for employee incentive benefit funds at overseas subsidiaries			(11)		(11)
Profit attributable to owners of parent			4,115		4,115
Purchase of treasury shares				(178)	(178)
Disposal of treasury shares				53	53
Transfer from retained earnings to capital surplus		0	(0)		–
Restricted share-based remuneration		(0)			(0)
Net changes of items other than shareholders' equity during period					
Total changes during period	–	–	2,630	(124)	2,506
Balance at end of period	24,618	9,717	34,888	(3,134)	66,090

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,397	12,125	(30)	13,491	53	77,129
Changes during period						
Dividends of surplus						(1,472)
Reserves for employee incentive benefit funds at overseas subsidiaries						(11)
Profit attributable to owners of parent						4,115
Purchase of treasury shares						(178)
Disposal of treasury shares						53
Transfer from retained earnings to capital surplus						–
Restricted share-based remuneration						(0)
Net changes of items other than shareholders' equity during period	(30)	4,717	109	4,795	(3)	4,791
Total changes during period	(30)	4,717	109	4,795	(3)	7,298
Balance at end of period	1,366	16,842	78	18,286	50	84,427

(4) Consolidated Statements of Cash Flows

(million yen)

	Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	(2,433)	5,024
Depreciation	3,792	3,584
Amortization of goodwill	152	125
Increase (decrease) in retirement benefit liability	(6)	181
Commission for syndicated loans	18	191
Increase (decrease) in provision for bonuses	(165)	(467)
Increase (decrease) in allowance for doubtful accounts	116	(145)
Interest and dividend income	(627)	(776)
Interest expenses	317	416
Share of loss (profit) of entities accounted for using equity method	(178)	(102)
Foreign exchange losses (gains)	(230)	(92)
Loss (gains) on sale and revaluation of investment securities	–	(561)
Loss (gains) on sale and retirement of non-current assets	111	42
Structural Reform Cost	–	986
Impairment losses	1,035	88
Decrease (increase) in trade receivables	2,800	(2,587)
Increase (decrease) in inventories	2,928	2,648
Increase (decrease) in trade payables	(3,020)	2,265
Increase (decrease) in accounts payable - other	(365)	116
Increase (decrease) in advances received	(112)	(108)
Increase (decrease) in accrued consumption taxes	188	557
Increase (decrease) in contract liabilities	(1,268)	412
Decrease (increase) in advance payments to suppliers	(159)	92
Compensation for forced relocation	(7)	(1,699)
Loss (gains) on liquidation of affiliated companies	–	(299)
Others	(1,129)	(793)
Subtotal	1,757	9,097
Interest and dividends received	472	651
Interest paid	(317)	(409)
Proceeds from compensation for forced relocation	7	1,699
Income taxes refund (paid)	(1,934)	(1,069)
Net cash provided by (used in) operating activities	(14)	9,969
Cash flows from investing activities		
Payments into time deposits	(697)	(199)
Proceeds from withdrawal of time deposits	2,705	1,388
Purchase of property, plant and equipment	(4,302)	(2,763)
Proceeds from sales of property, plant and equipment	679	148
Purchase of intangible assets	(1,023)	(363)
Purchase of investment securities	–	(480)
Proceeds from sale of investment securities	–	828
Purchase of shares of subsidiaries and associates	(202)	(599)
Proceeds from liquidation of affiliated companies	–	369
Loan advances	(50)	–
Proceeds from collection of loans receivable	0	105
Other	399	(66)
Net cash provided by (used in) activities	(2,492)	(1,632)

(million yen)

	Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,161	1,144
Proceeds from long-term borrowings	12,500	9,405
Repayments of long-term borrowings	(8,985)	(9,291)
Redemption of bonds	(140)	(140)
Repayments of finance lease liabilities	(469)	(297)
Purchase of treasury shares	(1,201)	(178)
Dividends paid	(1,442)	(1,472)
Payments of commission for syndicated loans	(18)	(191)
Others	17	(20)
Net cash provided by (used in) financing activities	1,421	(1,041)
Effect of exchange rate changes on cash and cash equivalents	1,501	1,968
Net increase (decrease) in cash and cash equivalents	415	9,263
Cash and cash equivalents at beginning of period	33,158	33,305
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(269)	-
Cash and cash equivalents at end of period	33,305	42,569

(5) Notes to Consolidated Financial Statements

(Notes regarding going concern assumptions)

None

(Changes in the scope of consolidation or the scope of application of the equity method)

In the consolidated fiscal year under review, the Company resolved to conduct an absorption-type merger with Sodick (Amoy) Co., Ltd. as the surviving company and Sodick (Amoy) Electro-Magnetic Co., Ltd. as the absorbed company, both of which had been the Company's consolidated subsidiaries, and the merger was effected on May 1, 2024.

As a result, Sodick (Amoy) Electro-Magnetic Co., Ltd. has been excluded from the scope of consolidation since the fiscal year under review.

(Change in accounting policies)

None

(Change in presentation method)

(Consolidated Statements of Consolidated Statements of Income and Comprehensive Income)

"Commission for syndicated loans", which were included in "Others" under "Non-operating expenses" in the previous fiscal year, is listed independently from the current fiscal year due to their increased financial significance. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation method.

As a result, in the consolidated statements of income and comprehensive income for the previous fiscal year, the amount of -¥79 million shown in "Others" under "Non-operating expenses" has been reclassified into ¥18 million for "Commission for syndicated loans" and ¥61 million for "Others".

(Consolidated Statements of Cash Flows)

"Commission for syndicated loans", "Compensation for forced relocation" and "Proceeds from compensation for forced relocation", which were included in "Others" under "Cash flows from operating activities" in the previous fiscal year, is listed independently from the current fiscal year due to their increased financial significance. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation method.

As a result, in the consolidated statements of cash flows for the previous fiscal year, the amount of -¥1,111 million shown in "Others" under "Cash flows from operating activities" has been reclassified into ¥18 million for "Commission for syndicated loans", -¥7 million for "Compensation for forced relocation", ¥7 million for "Proceeds from compensation for forced relocation" and ¥1,129 million for "Others".

"Commission for syndicated loans", which were included in "Others" under "Cash flows from financing activities" in the previous fiscal year, is listed independently from the current fiscal year due to their increased financial significance. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation method.

As a result, in the consolidated statements of cash flows for the previous fiscal year, the amount of -¥0 million shown in "Others" under "Cash flows from financing activities" has been reclassified into -¥18 million for "Commission for syndicated loans" and ¥17 million for "Others".

(Notes on segment information, etc.)

1. Summary of reportable segments

Reportable segments are business units of Sodick for which stand-alone financial information is available and whose allocation of management resources and financial results are, at regular intervals, the subject of decisions and assessments of the board of directors.

Sodick runs its business operations using comprehensive strategic planning that distinguishes between products and services.

The Group's three reportable segments comprise the machine tool segment, the industrial machinery segment and the food machinery segment.

The machine tool segment develops, manufactures and sells electrical discharge machines (EDMs) and machining centers. The industrial machinery segment develops, manufactures and sells plastic injection molding machines. The food machinery segment develops, manufactures and sells noodle manufacturing plants, noodle making machines, and other products.

2. Calculation method of net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting methods used in each reportable segment are the same as described in the "Important Matters Concerning the Basis of Preparation of Consolidated Financial Statements."

Profit information of reportable segments reflects operating profit.

Intersegment sales are determined with reference to third-party transaction prices.

3. Information on sales and profit or loss, assets and other items by reportable segment

Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment amount (Notes 2, 3, 4, 5)	Amount reported in consolidated financial statements (Note 6)
	Machine tools	Industrial machinery	Food machinery	Reportable segment total				
Net sales								
Sales to outside parties	46,706	8,630	6,902	62,239	4,934	67,174	–	67,174
Intersegment sales or transfers	47	56	–	103	1,352	1,456	(1,456)	–
Total	46,754	8,686	6,902	62,343	6,287	68,630	(1,456)	67,174
Segment profit (loss)	798	(478)	876	1,196	(954)	241	(3,060)	(2,819)
Segment assets	81,471	12,338	4,493	98,302	12,968	111,271	22,794	134,066
Other items								
Depreciation	2,299	368	140	2,808	834	3,643	148	3,792
Amortization of goodwill	103	31	–	134	18	152	–	152
Impairment losses	–	1,035	–	1,035	–	1,035	–	1,035
Increase in property, plant and equipment and intangible assets	2,757	562	1,245	4,565	1,239	5,804	204	6,009

Notes: 1. The category headed "Other" covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

2. The adjustment amount of -¥3,060 million to segment income (loss) includes ¥316 million in eliminations of intersegment transactions and -¥3,377 million in group overhead not allocable to individual reportable segments. Group expenses consist mainly of the cost of head office functions not attributable to any particular reportable segment.

3. Reconciliation of segment assets of ¥22,794 million includes corporate assets of ¥23,344 million not allocated to any reportable segment and elimination of intersegment transactions of -¥549 million. Corporate assets are primarily those related to headquarters functions not belonging to the reportable segment.

4. The adjustment amount of ¥148 million to depreciation of the category headed "Other" consists of ¥148 million in Group-based depreciation not attributable to reportable segments.

5. The adjustment amount of ¥204 million to increases in property, plant and equipment and intangible assets in category headed "Other" represents ¥204 million in company-wide property, plant and equipment and intangible assets not allocated to each reportable segment.

6. Segment income is adjusted for operating profit in the consolidated statement of income.

Summary of Financial Statements for the Year Ended December 31, 2024

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment amount (Notes 2, 3, 4, 5)	Amount reported in consolidated financial statements (Note 6)
	Machine tools	Industrial machinery	Food machinery	Reportable segment total				
Net sales								
Sales to outside parties	51,355	9,560	7,695	68,611	5,057	73,668	–	73,668
Intersegment sales or transfers	102	46	0	148	1,640	1,788	(1,788)	–
Total	51,457	9,606	7,695	68,759	6,697	75,457	(1,788)	73,668
Segment profit (loss)	3,447	823	969	5,240	(323)	4,916	(2,685)	2,231
Segment assets	86,249	12,817	6,769	105,836	10,358	116,195	28,798	144,993
Other items								
Depreciation	1,960	169	191	2,322	772	3,094	178	3,272
Amortization of goodwill	106	–	–	106	18	125	–	125
Impairment losses	–	–	–	–	–	–	88	88
Increase in property, plant and equipment and intangible assets	2,049	449	89	2,587	125	2,712	46	2,759

- Notes: 1. The category headed “Other” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.
2. The adjustment amount of -¥2,685 million to segment income (loss) includes ¥23 million in eliminations of intersegment transactions and -¥2,709 million in group overhead not allocable to individual reportable segments. Group expenses consist mainly of the cost of head office functions not attributable to any particular reportable segment.
3. Reconciliation of segment assets of ¥28,798 million includes corporate assets of ¥29,437 million not allocated to any reportable segment and elimination of intersegment transactions of -¥638 million. Corporate assets are primarily those related to headquarters functions not belonging to the reportable segment.
4. The adjustment amount of ¥178 million to depreciation of the category headed “Other” consists of ¥178 million in Group-based depreciation not attributable to reportable segments.
5. The adjustment amount of ¥46 million to increases in property, plant and equipment and intangible assets in category headed “Other” represents ¥46 million in company-wide property, plant and equipment and intangible assets not allocated to each reportable segment.
6. Segment income is adjusted for operating profit in the consolidated statement of income.

4. Matters concerning changes in reportable segments

None

(Revenue recognition-related matters)

Information about resolved revenue from contracts with customers

Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

1. Breakdown of goods and services by type

(million yen)

	Reportable segment			Others (Note 1)	Total
	Machine tools	Industrial machinery	Food machinery		
Machine sales	34,407	7,152	5,924	4,934	52,419
Maintenance services and consumables	12,299	1,477	977	–	14,754
Total	46,706	8,630	6,902	4,934	67,174

Notes: 1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

2. Amounts after deduction of those of intergroup transactions are shown.

2. Breakdown by region

(million yen)

	Reportable segment			Others (Note 2)	Total
	Machine tools	Industrial machinery	Food machinery		
Japan	9,991	4,154	3,119	4,806	22,072
North and South America	8,777	722	37	–	9,538
Europe	6,617	24	–	–	6,642
Greater China	14,887	2,618	2,850	128	20,484
Asia	6,432	1,111	893	0	8,437
Total	46,706	8,630	6,902	4,934	67,174

Notes: 1. Revenue by country or region is analyzed based on customers’ locations.

2. The category headed “Other” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

3. Amounts after deduction of those of intergroup transactions are shown.

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

1. Breakdown of goods and services by type

(million yen)

	Reportable segment			Others (Note 1)	Total
	Machine tools	Industrial machinery	Food machinery		
Machine sales	38,377	7,956	6,579	5,057	57,972
Maintenance services and consumables	12,977	1,603	1,115	–	15,696
Total	51,355	9,560	7,695	5,057	73,668

Notes: 1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

2. Amounts after deduction of those of intergroup transactions are shown.

2. Breakdown by region

(million yen)

	Reportable segment			Others (Note 2)	Total
	Machine tools	Industrial machinery	Food machinery		
Japan	10,018	3,792	4,706	4,865	23,383
North and South America	10,333	1,403	33	0	11,771
Europe	6,321	176	–	–	6,498
Greater China	17,918	2,534	888	188	21,529
Asia	6,763	1,652	2,067	2	10,486
Total	51,355	9,560	7,695	5,057	73,668

Notes: 1. Revenue by country or region is analyzed based on customers’ locations.

2. The category headed “Other” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

3. Amounts after deduction of those of intergroup transactions are shown.

(Per-share information)

	Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)
Net assets per share	¥1,519.02	¥1,668.55
Earnings (loss) per share	(¥90.29)	¥81.06

Notes: 1. Diluted earnings per share for the fiscal year ended December 2024 are not shown in the above table because there are no dilutive shares.

2. The amount of earnings per share or loss per share and the basis for calculation are as follows:

	Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)
Earnings (loss) per share		
(Basis for calculation)		
Profit (loss) attributable to owners of parent (¥ million)	(4,604)	4,115
Portion not attributable to shares of common stock (¥ million)	—	—
Profit (loss) attributable to owners of parent related to common shares (¥million)	(4,604)	4,115
Average number of common shares during the period (1000 shares)	50,998	50,774

(Material subsequent events)

None