

Medium-Term Management Plan “Grow Forward 2029”



June 16, 2026

Sodick Co., Ltd.

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SECTION 01

Overview

01

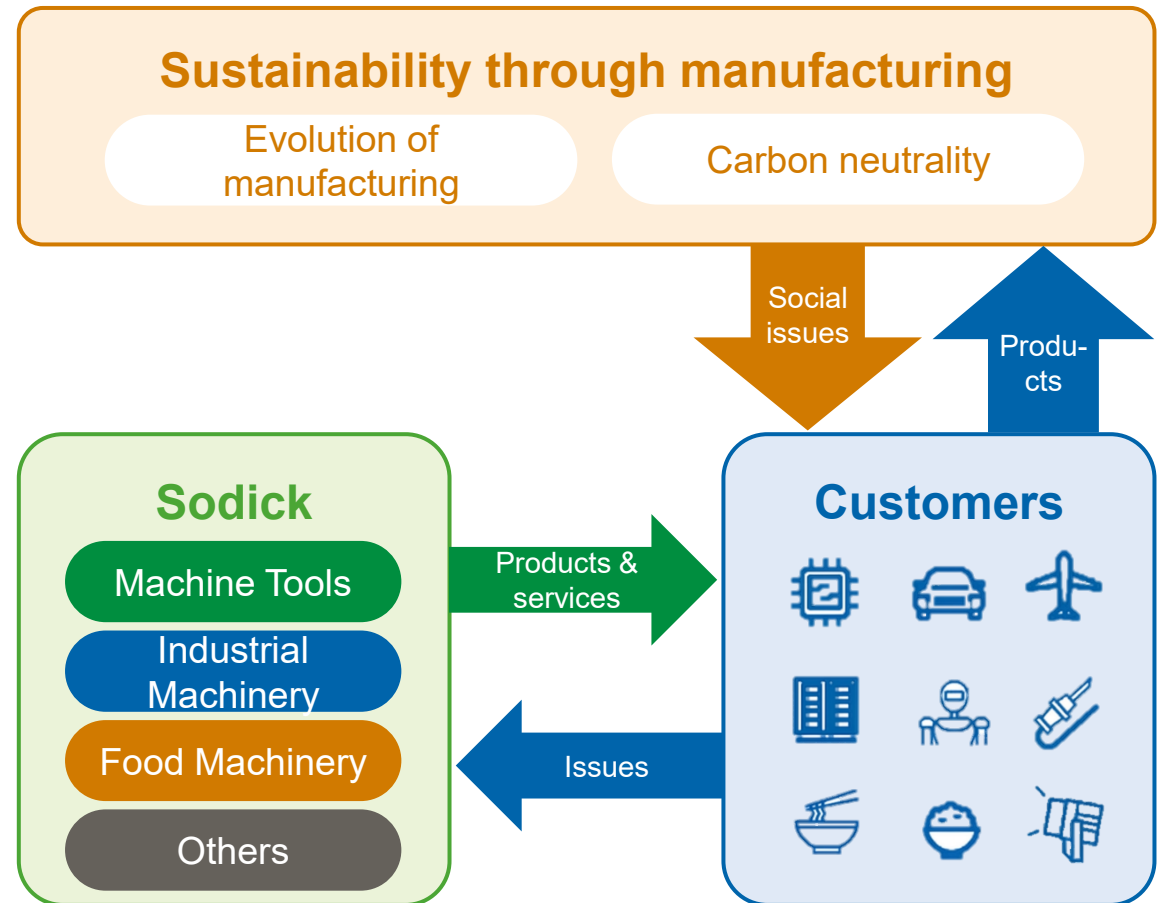
Corporate Philosophy and Value Creation Process of Sodick Group

Corporate Philosophy



Value Creation Process

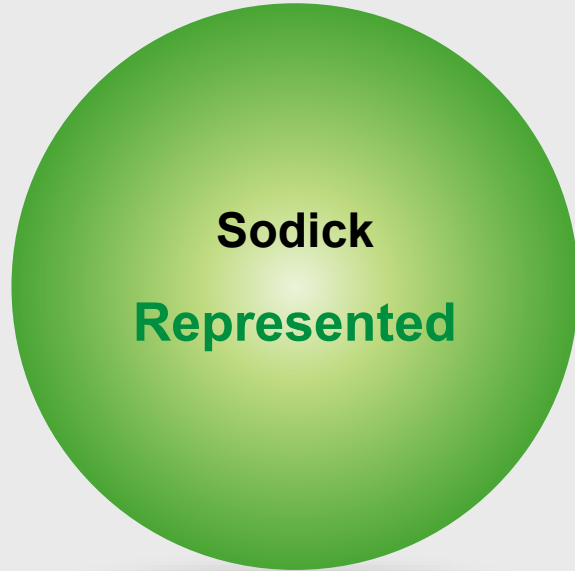
Guided by its unique spirit of development, Sodick has cultivated its strengths by sincerely listening to the voices of its customers. We will continue addressing a wide range of social issues and market needs through new technologies and products that we develop in close partnership with our customers. Our aim is to help build a sustainable society through manufacturing.



Slogan for the Medium-Term Management Plan

Medium-Term Management Plan "Grow Forward 2029"

Represented × **Redesigned** × **Reignited** Sodick to evolve into next 50 years



Sodick always to Represent
our customers in
engineering break-through

- ✓ Engineering Centric
- ✓ Innovation Centric



Sodick to Redesign
its global business platform

- ✓ Global & United
- ✓ Agile & Flexible



Sodick to Reignite
itself for next 50-year journey

- ✓ Inspiring & Passionate
- ✓ Challenger & Fighter

Sodick

SECTION 02

Management Policy

02

Positioning of the Medium-Term Management Plan



	FY2018	FY2023	FY2024	FY2025	FY2026 Forecast	FY2029 Target
Net Sales (¥100 million)	827	671	736	805	885	1,000
Operating Profit (¥100 million)	98	-28	22	42	55	100
OP Margin (%)	12.0	-4.2	3.0	5.2	6.2	10.0
Number of EDM Sales (unit)	4,031	2,259	2,412	2,720	-	-
USD/JPY	110	140	151	149	155	155

Management Policy and Key Objectives

	Management Policy	Key Objectives
1	Business Strategy <ul style="list-style-type: none">• Solving customer challenges in growth markets through ultra-precision and micromachining• Enhancing productivity solutions (labor-saving & automation)• Product portfolio selection and focus• Strengthening global competitiveness	Achieving sustainable growth by building a competitive advantage through solving customer challenges
2	Strengthening the Business Administration <ul style="list-style-type: none">• Improving productivity and profitability• Rebuilding the global structure• Creating innovation and leveraging external expertise• Developing a human capital strategy for the next 50 years• Advancing digital transformation (DX)• Promoting sustainability	Reigniting growth for the next 50 years by redesigning the management platform
3	Financial Strategy <ul style="list-style-type: none">• Managing capital costs and share price awareness• Executing growth investments• Recycling capital and optimizing allocation• Enhancing shareholder returns• Strengthening engagement with capital markets	Maximizing corporate value by reigniting growth through improved capital efficiency and growth investment

Key Financial Targets

	FY2025 Actual	FY2026 Forecast	FY2029 Target	FY2025 ➔FY2029
Net Sales	¥80.5 billion	¥88.5 billion	¥100 billion	+5.5%/per year
Primary Financial Target Operating Profit	¥4.2 billion	¥5.5 billion	¥10 billion	+24.0%/per year
OP margin	5.2%	6.2%	10.0%	+4.8 _{pp}
Targets for Early Achieve- ment PBR (Price-to-Book Ratio)	0.5 _x	—	1.0 _x	+0.5
ROE (Return on Equity)	5.2%	5.6%	8.0%	+2.8 _{pp}
EPS (Earnings per Share)	¥89	¥100	¥130	+¥41
USD/JPY	¥149.61	¥155.00	¥155.00	

SECTION 03

Business Strategies

03

Key Metrics by Segment

	FY2025				Target for FY2029		
	Net Sales	Segment Profit	Segment Profit Margin		Net Sales	Segment Profit	Segment Profit Margin
Machine Tools	¥59.1 bn	¥5.6 bn	9.6%	<p>Operating Profit CAGR 24%</p> <p>¥4.2 bn → ¥100 bn</p>	¥71.0 bn	¥10.2 bn	14%
Industrial Machinery	¥9.7 bn	¥0.5 bn	5.3%		¥13.0 bn	¥1.3 bn	10%
Food Machinery	¥6.9 bn	¥0.9 bn	14.1%		¥10.0 bn	¥1.3 bn	13%
Others	¥4.7 bn	¥0.1 bn	2.2%		¥6.0 bn	¥0.5 bn	8%
Shared corporate costs		-¥3.1 bn	-			-¥3.3 bn	-

Machine Tools

Shift to a solution model centered on high-precision machining, integrating processes, operations, and the environment



Industrial Machinery

Shift to a high-profit structure through focus on high-precision niches and solution expansion



Food Machinery

Establish a growth foundation through new market development and global expansion



Others

Accelerate growth through the creation of high-value-added products and expansion into new markets

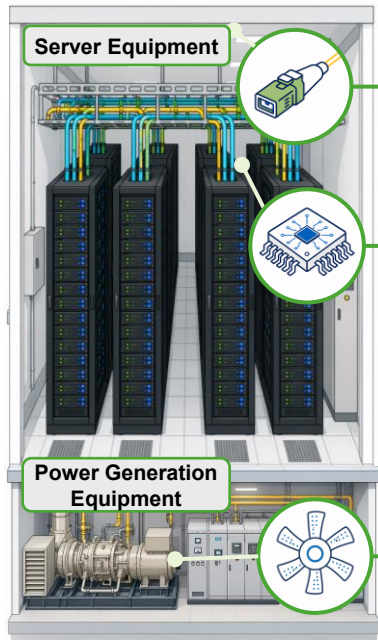


AI & Data Center Markets (Machine Tools / Industrial Machinery)

Market Needs

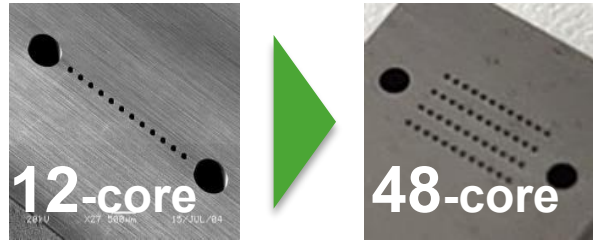
- Explosive growth of AI & generative AI adoption
- Rising data center infrastructure demand
- Need to accommodate rapidly growing data traffic

Data center architecture



Optical Connectors (Server Equipment)

Increasing precision requirements for molds and molding due to multi-core optical connectors



Semiconductors & Semiconductor Manufacturing Equipment

Micro and precision components
(Examples include IC packages, precision pins and terminals)



Power Generation Equipment

Components machining for gas-fired power generation turbines



Power generation turbine blades

Competitive Advantages

- **Industry-leading ultra-precision**
- Strong position in high-end markets
- Nanometer-level pitch accuracy
- Capability in difficult-to-machine materials



Expansion of Business Opportunities

- Data centers consist of not only servers but also diverse peripherals and infrastructure
- Broad application of our products across these areas

Prepared Foods, Confectionery & Bakery (Food Machinery)

Market Needs

- Expansion of the prepared foods and ready-to-eat markets driven by the increase in dual-income and single-person households
- Advancement of food production for frozen, retort, and ready-to-eat products
- Increasing demand for flexible equipment driven by a shift to high-mix, low-volume production

Competitive Advantages

- Leveraging accumulated expertise in noodles and rice-based foods to expand into new markets
- Differentiation through vacuum cooling technology

Expansion of Business Opportunities

- Growing demand from convenience stores, food service operators, and food manufacturers
- Expanding from domestic to overseas markets



Machine Tools

Strategic Theme

Shift to a solution model centered on high-precision machining, integrating processes, operations, and the environment

Basic Policy

Deepening technologies such as high-precision & high-repeatability

- Advancement of high-precision and high-repeatability technologies to reduce dependency on operator skills
- Expansion into high-precision domains

Advancing solution development for process-wide optimization

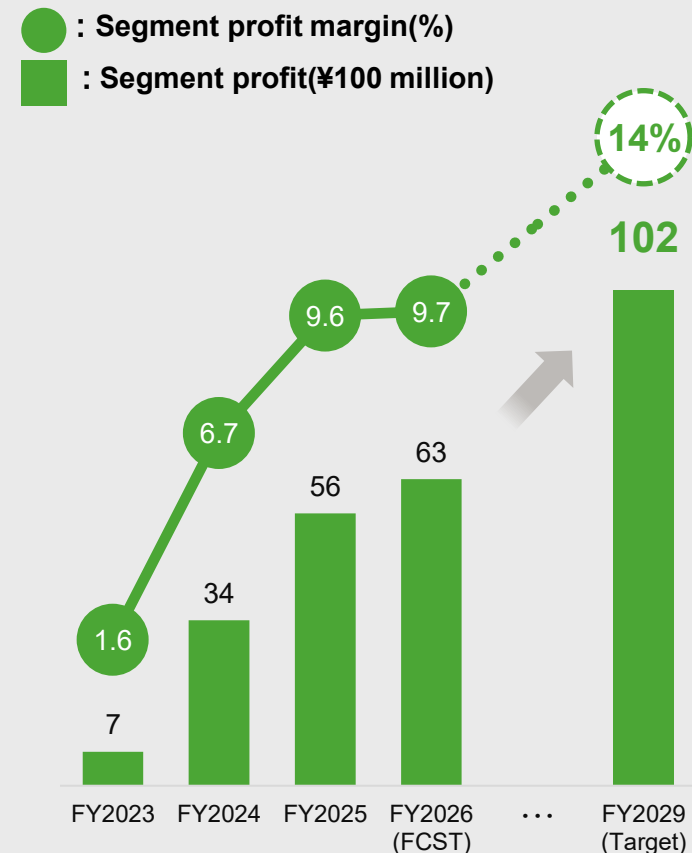
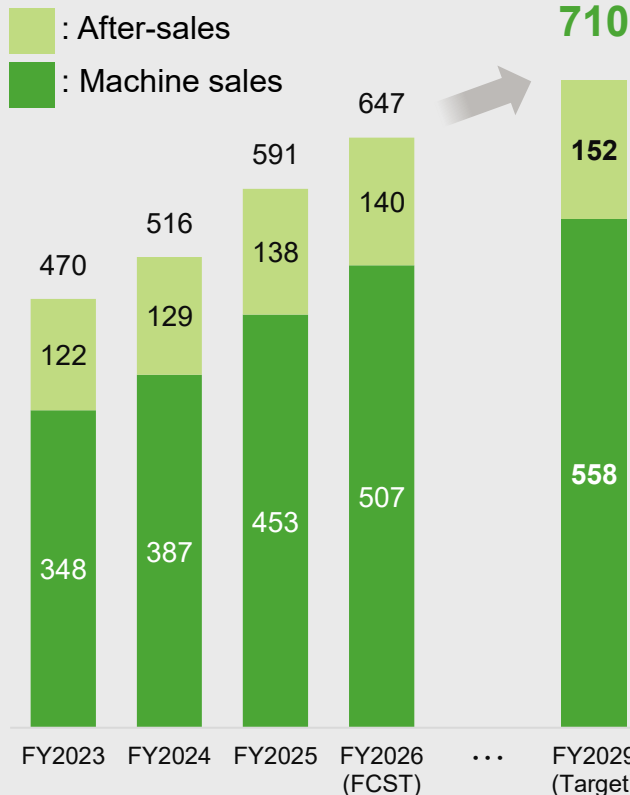
- Enhancement of solution-based machining processes
- Application- and industry-specific solutions

Strengthening after-sales business

- Support centers for remote support and improved customer satisfaction and productivity
- Advancement of sustainability and service capabilities

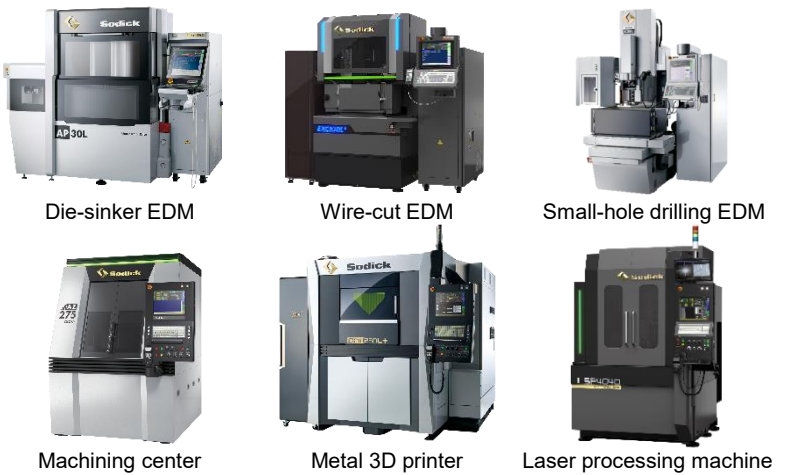
Financial Targets

Net sales(¥100 million)



Deepening technologies such as high-precision and high-repeatability

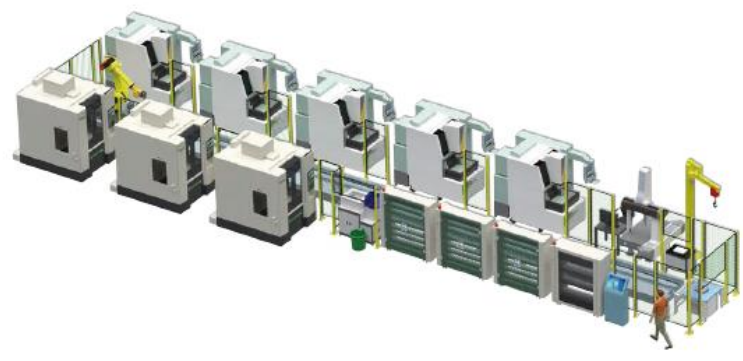
- Advancement of high-precision and high-repeatability technologies to reduce dependency on operator skills
 - Stabilized machining accuracy independent of operator skills and high reproducibility through optimized conditions
- Expansion into high-precision domains
 - Expansion into growth sectors including AI, data centers, semiconductors, aerospace, energy, medical, and robotics



Core products for high precision and high reproducibility

Advancing solution development for process-wide optimization

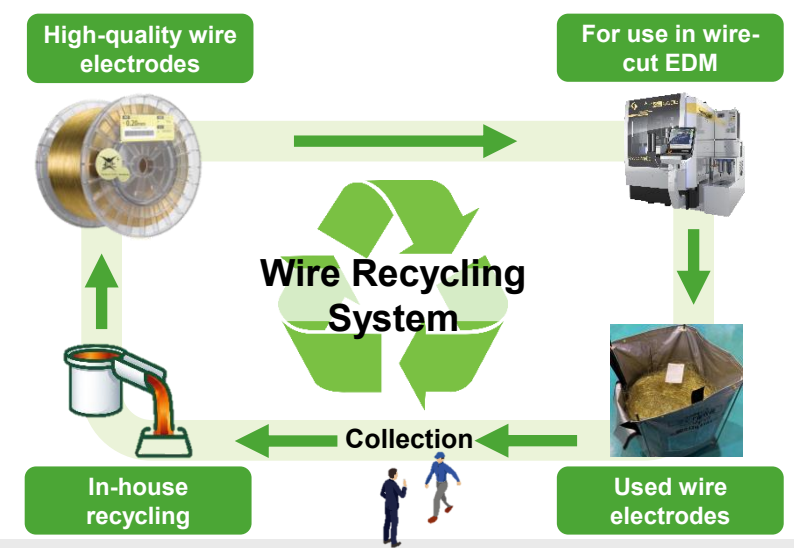
- Enhancement of solution-based machining processes
 - End-to-end process optimization through the integration of machining, handling, and measurement
 - Unmanned production lines through robotic integration
- Application- and industry-specific solutions
 - Productivity improvement solutions through labor-saving, automation, and process optimization by application and industry (including AltForm initiatives)



Flexible Manufacturing System (FMS)

Strengthening after-sales business

- Support centers for remote support and improved customer satisfaction and productivity
 - Stable revenue generation through high-value-added service packages and expanded machining know-how
- Advancement of sustainability and service capabilities
 - Value-added service offerings through environmentally friendly initiatives (recycling)



Industrial Machinery

Strategic Theme

Shift to a high-profitability structure through focus on high-precision niches and solution expansion

Basic Policy

Competitive advantage in high-precision fields

- Competitive advantage in the MT ferrule market
- Capture of high-value-added demand through compact, high-precision machines

Focus on niche-top areas

- Concentration of management resources on ICT, automotive, medical, light metals, and recycling
- Acceleration of expansion into high-value-added areas

Expansion of solutions and services

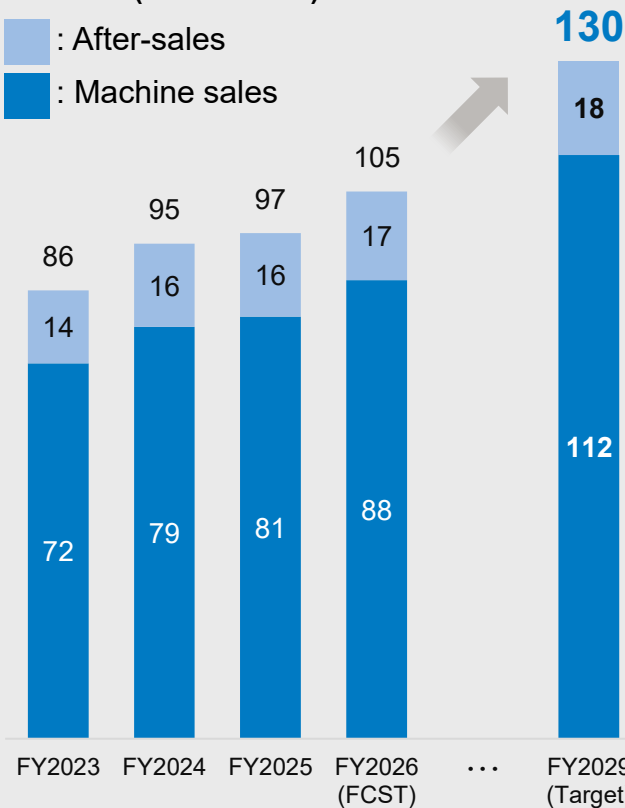
- Enhanced customer support
- Value-added offerings through turnkey solutions

Financial Targets

Net sales(¥100 million)

■ : After-sales

■ : Machine sales



● : Segment profit margin(%)

■ : Segment profit(¥100 million)



Competitive advantage in high-precision fields

- Competitive advantage in the MT ferrule market
- Capture of high-value-added demand through compact, high-precision machines

Capture of high-precision molding demand driven by the expansion of AI and data centers

Deployment of compact, high-precision machines addressing multi-core and higher precision requirements



AI/cloud-driven optical interconnect densification, multi-core, and miniaturization

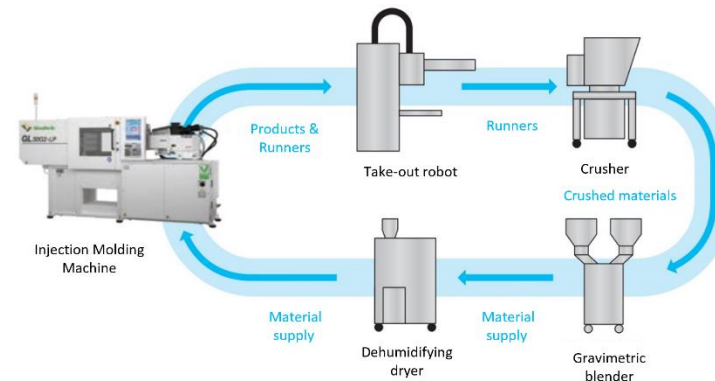


Injection molding machine LP20EH4 for high-precision optical connector molding

Focus on niche-top areas

- Concentration of management resources on ICT, automotive, Advanced molding needs driven by increasing complexity and quality requirements in growth sectors
- Acceleration of expansion into high-value-added areas

Advancing industry requirements and shift toward higher-margin segments



Expansion of solutions and services

- Enhanced customer support
- Value-added offerings through turnkey solutions

Enhanced customer support for molding and maintenance
Supporting labor and skilled worker shortages

Expanded revenue opportunities through end-to-end process optimization and after-sales services



Food Machinery

Strategic Theme

Establish a growth foundation through new market development and global expansion

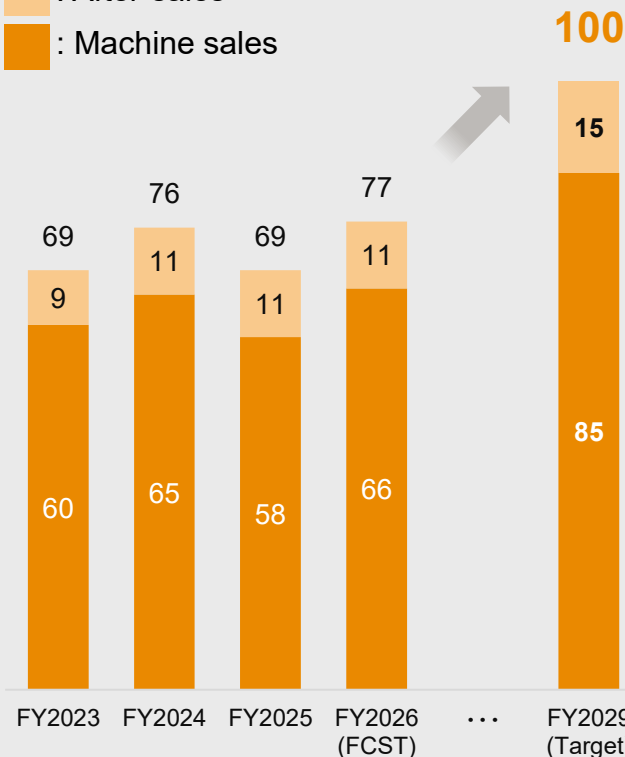
Basic Policy

Strengthening competitiveness in existing markets	<ul style="list-style-type: none"> Competitiveness enhancement through product renewal Profitability improvement through cost reduction
Expansion into new markets and high-value-added areas	<ul style="list-style-type: none"> Expansion into confectionery, bakery, and prepared foods markets Enhanced solution capabilities through collaboration
Global expansion and strengthening of the business foundation	<ul style="list-style-type: none"> Expansion and sales growth in overseas markets Rebuilding the sales structure

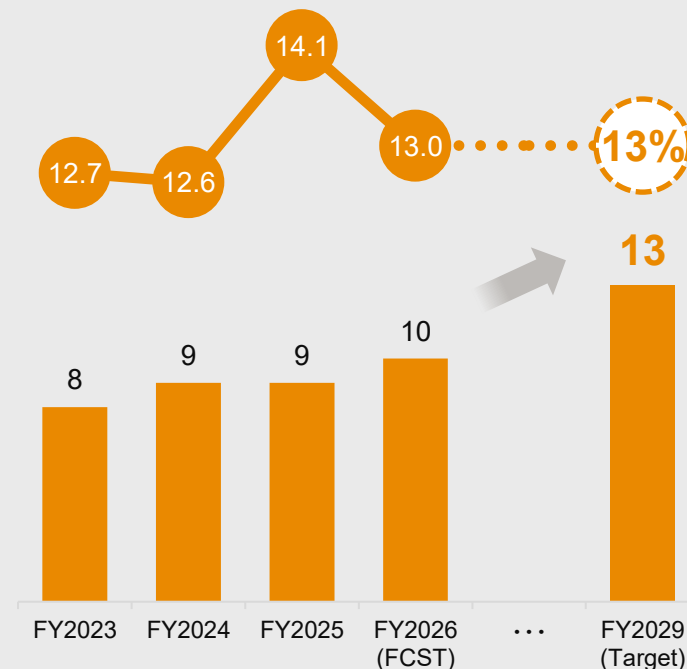
Financial Targets

Net sales(¥100 million)

- After-sales
- Machine sales



- Segment profit margin(%)
- Segment profit(¥100 million)

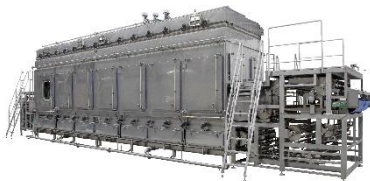


Strengthening competitiveness in existing markets

- Competitiveness enhancement through product renewal
Enhancing differentiation of highly regarded noodle making machines and aseptically-packaged cooked rice production systems
- Profitability improvement through cost reduction
Improving productivity through increased in-house production and optimization of the production system



Noodle making machine



Aseptically-packaged cooked rice production system

Expansion into new markets and high-value-added areas

- Expansion into confectionery, bakery, and prepared foods markets
Full-scale entry into confectionery, bakery, and prepared foods markets as the next growth pillar after noodles and packaged rice
- Enhanced solution capabilities through collaboration
Promotion of solution-based sales across the entire process through collaboration with partner manufacturers



Continuous Vacuum Cooling System

Global expansion and strengthening of the business foundation

- Expansion and sales growth in overseas markets
Strengthening new customer acquisition through exhibitions and enhancing customer satisfaction through improved maintenance and service capabilities
- Rebuilding the sales structure
Rebuilding sales structures tailored to regional market characteristics and strengthening global sales capabilities



International Food Machinery & Technology Exhibition FOOMA JAPAN

Others

Strategic Theme

Accelerate growth through the creation of high-value-added products and expansion into new markets

Basic Policy

High-value-added product creation

- Development and deployment of components using metal 3D printers

Solution business strengthening

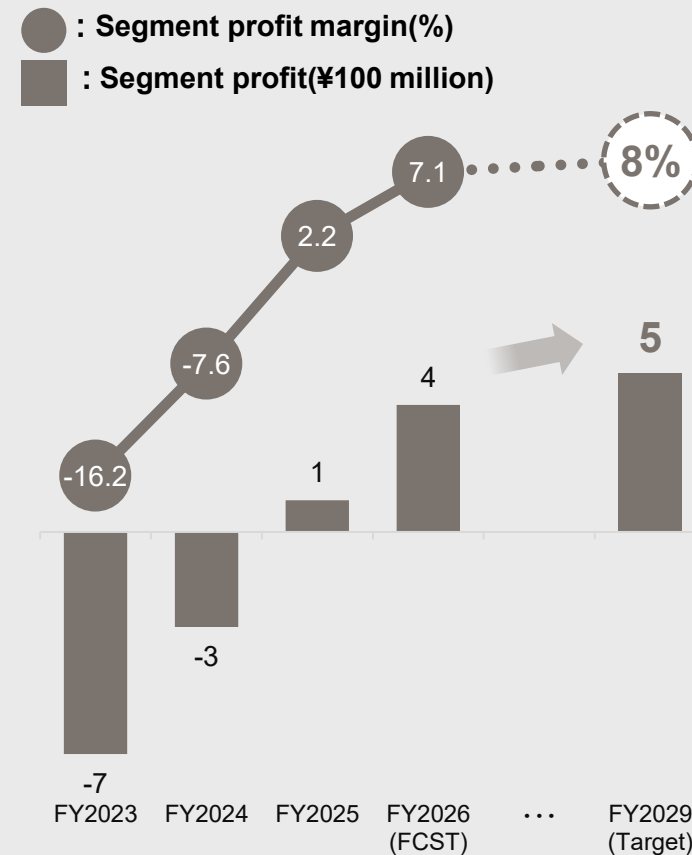
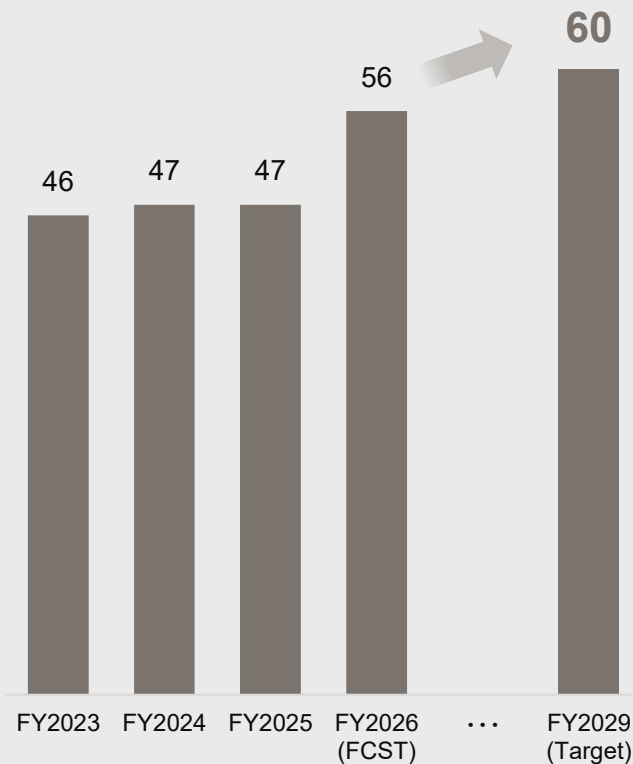
- Expansion of automated equipment and system sales
- Transition to a solution-oriented business model

New revenue streams and business area expansion

- Creation of new revenue streams
- Strengthening external sales and expansion of the customer base

Financial Targets

Net sales(¥100 million)



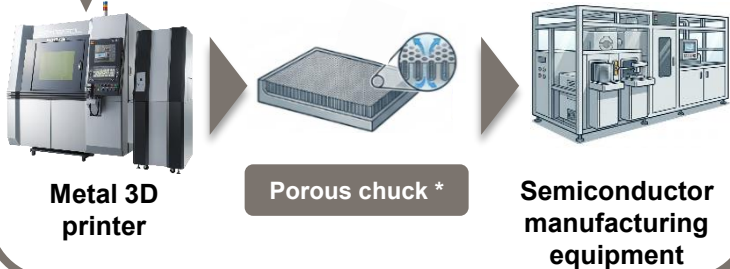
High-value-added product creation

- Development and deployment of components using metal 3D printers

Production of metal porous chucks for semiconductor manufacturing equipment using additive manufacturing technology

Utilization of metal 3D printers

High-precision metal additive manufacturing for complex internal structures



* Porous chuck:
A micro-porous structure that evenly distributes vacuum pressure, enabling stable handling of thin and brittle materials (applied in semiconductor and electronic component processes)

Solution business strengthening

- Expansion of automated equipment and system sales

Value enhancement through integrated offerings from molding to post-processing

- Transition to a solution-oriented business model

Strengthening solution-based proposals for labor-saving and productivity improvements



Automation System

New revenue streams and business area expansion

- Creation of new revenue streams

Expansion into sports and environmental fields centered on turf growth LED systems

- Strengthening external sales and expansion of the customer base

Sales channel expansion through external partnerships and global business foundation strengthening



Turf growth LED systems

SECTION 04

Strengthening the Business Administration

04

Business Model Transformation through “Global Expansion,” “Solution-Based Offerings,” and “High Value-Added Enhancement”

Key Initiatives with AP* and Their Progress

*note: AP refers to Advantage Partners, Inc.

Sales Capability Enhancement

- Strengthen sales in priority regions and industries
- Enhance individual sales capabilities
- Leverage DX and data utilization

Solution Enhancement

- Expansion of solution sales
- Customer Lifetime Value (LTV) improvement & high value-added services

Strengthening the Management Framework

- Strengthening the cross-department collaboration framework
- Shortening inventory turnover period
- Dashboarding of Key Management Indicators

Promotion M&A

- Business growth through M&A strategy
- Creation of new businesses and high value-added services

Internalization of AP’s Know-how and Network

Management Control Functions

- Data Analytics Capability
- Portfolio Management Know-how
- Investment in Human Capital

Business Development and Planning Capability

- Business Model Development for New Businesses
- Planning Capability for Each Initiative

External Network

- External Collaboration through Extensive Business Networks, Including Asian Bases, and M&A

Basic Policy

Under the new Corporate Philosophy, we will reignite the founding spirit of “Create,” “Implement,” and “Overcome Difficulties” to build a human capital foundation that supports the creation of customer value.

Recruitment & Allocation

- Strategic hiring of talent to support growth areas
- Strategic personnel deployment and stretch assignments
- Enhancement and diversification of mid-career hiring

Human Capital Development

- Establishment of an environment for highly skilled talent development
- Development of core talent to drive business transformation
- Embedding co-creation-driven management

Enabling Talent Performance

- Expansion of opportunities for growth and challenge
- Development of systems and a culture where diverse talent can thrive

Work Environment & Infrastructure

- Reform of business processes and productivity improvement through AI/DX
- Maximization of organizational performance through optimal talent allocation
- Strengthening organizational vitality through enhancing employee engagement

An organization and workforce that support sustainable growth through productivity enhancement and innovation creation

Target Organization State

- An organization of diverse talent who share our Corporate Philosophy and can solve social and customer challenges
- An organization with next-generation leaders who drive growth at both the organizational and individual levels
- An organization capable of continuously creating value through autonomy and co-creation

Required Talent










Foundational Capabilities

- Talent who act based on a deep understanding of the business and customers
- Talent who can accumulate, connect, and apply knowledge
- Talent who can continuously drive improvement
- Talent who enhance the organization through co-creation and dialogue

Talent Capable of Creating New Value

- Global talent
- AI/DX talent
- Management talent
- Entrepreneurial talent capable of creating new businesses

Achieving the targets of the Medium-Term Management Plan and realizing sustainable growth over the next 50 years

Materiality	KPIs	Target	Result
<p>Contributing to evolving manufacturing</p> <p>Contribute to building of a foundation for economic development through more sophisticated manufacturing</p> 	<ul style="list-style-type: none"> Percentage of environmentally friendly products in total machine tool sales 	<ul style="list-style-type: none"> 75% by 2026 	<ul style="list-style-type: none"> 68.5% in 2025
<p>Addressing environmental management</p> <p>Use renewable energy and reduce CO2 emissions to achieve carbon neutrality</p>    	<ul style="list-style-type: none"> Greenhouse gas emissions Improving energy consumption rate index 	<ul style="list-style-type: none"> 46% reduction by 2030 Carbon neutrality by 2050 	<ul style="list-style-type: none"> Down 23% in 2025
<p>Promoting diversification of human resources</p> <p>Further promote a corporate culture in which diverse employees can work comfortably with a sense of satisfaction</p>   	<ul style="list-style-type: none"> Increasing percentage of women in management positions Increasing percentage of male employees taking parental leave 	<ul style="list-style-type: none"> 5% by 2026 100% by 2027 	<ul style="list-style-type: none"> 5% in 2025 68.2% in 2025
<p>Strengthening governance</p> <p>Strengthen both offensive and defensive governance to support management as the Company grows</p> 	<ul style="list-style-type: none"> No numerical targets set. Aim to resolve issues from perspectives including evaluation of the Board of Directors' effectiveness, internal controls, risk management, and compliance. 		

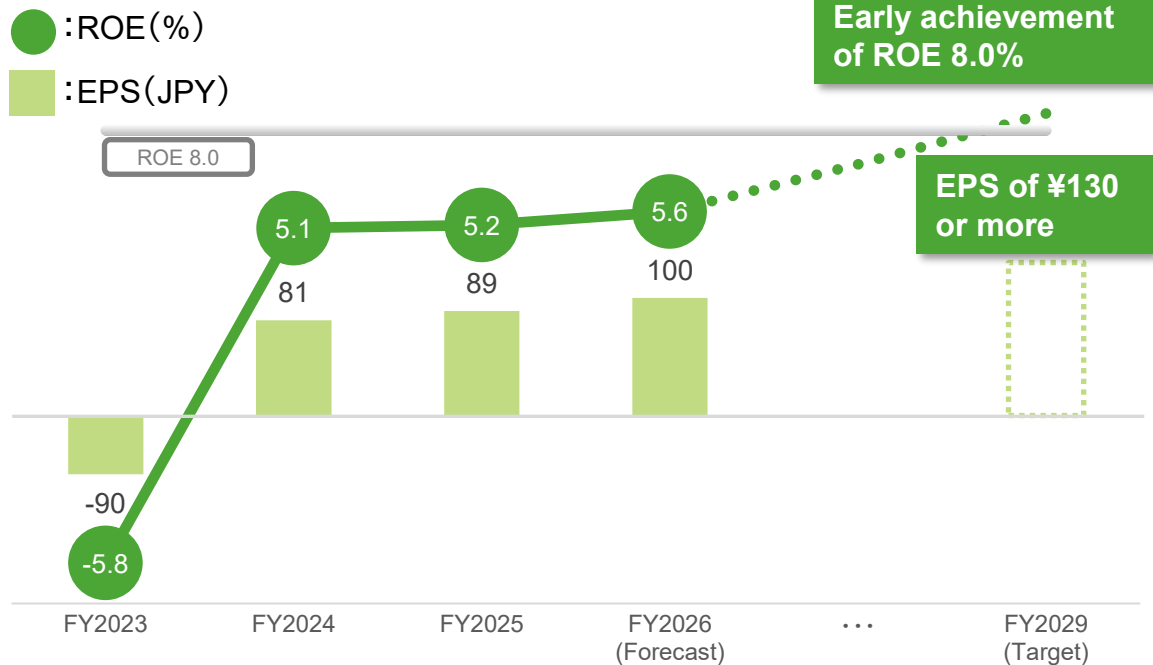
SECTION 05

Financial Strategies

05

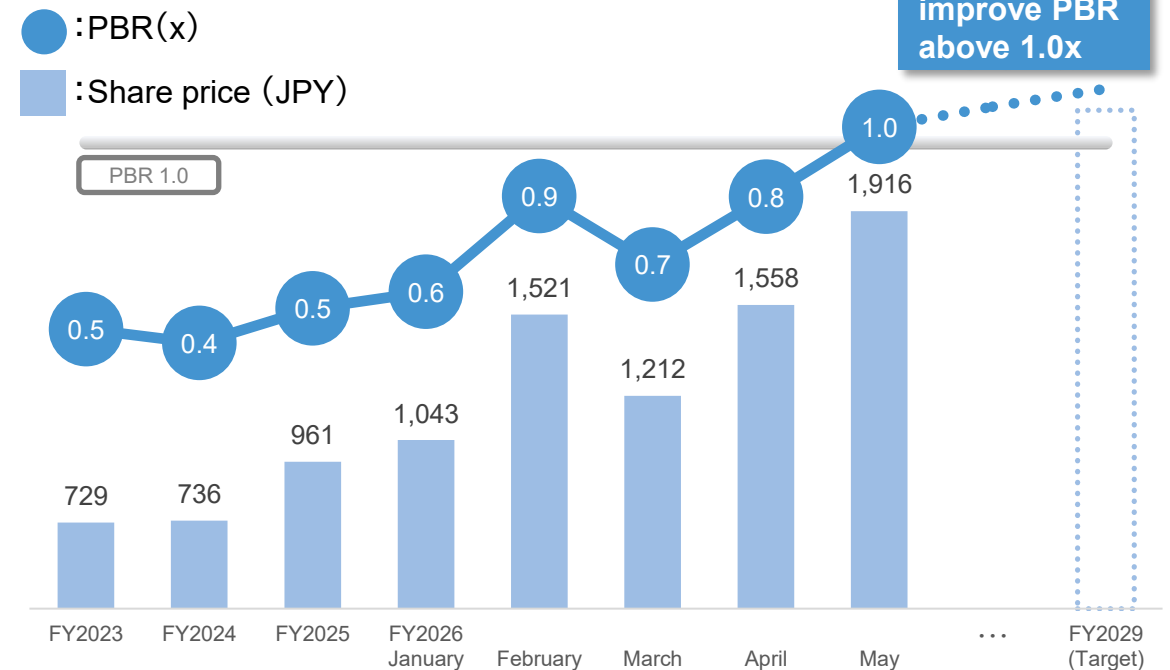
Action to Implement Management that is Conscious of Cost of Capital and Share Price

Trends in ROE and EPS



ROE: Net income / Average equity (beginning and end of period)

Trends in PBR and Share Price



PBR (up to FY2025): Share price at fiscal year-end / Book value per share at fiscal year-end
 (from FY2026): Month-end share price / Book value per share at end of previous fiscal year

Improvement of profitability

Improvement of capital efficiency

Optimization of financial base

Strengthen shareholder returns

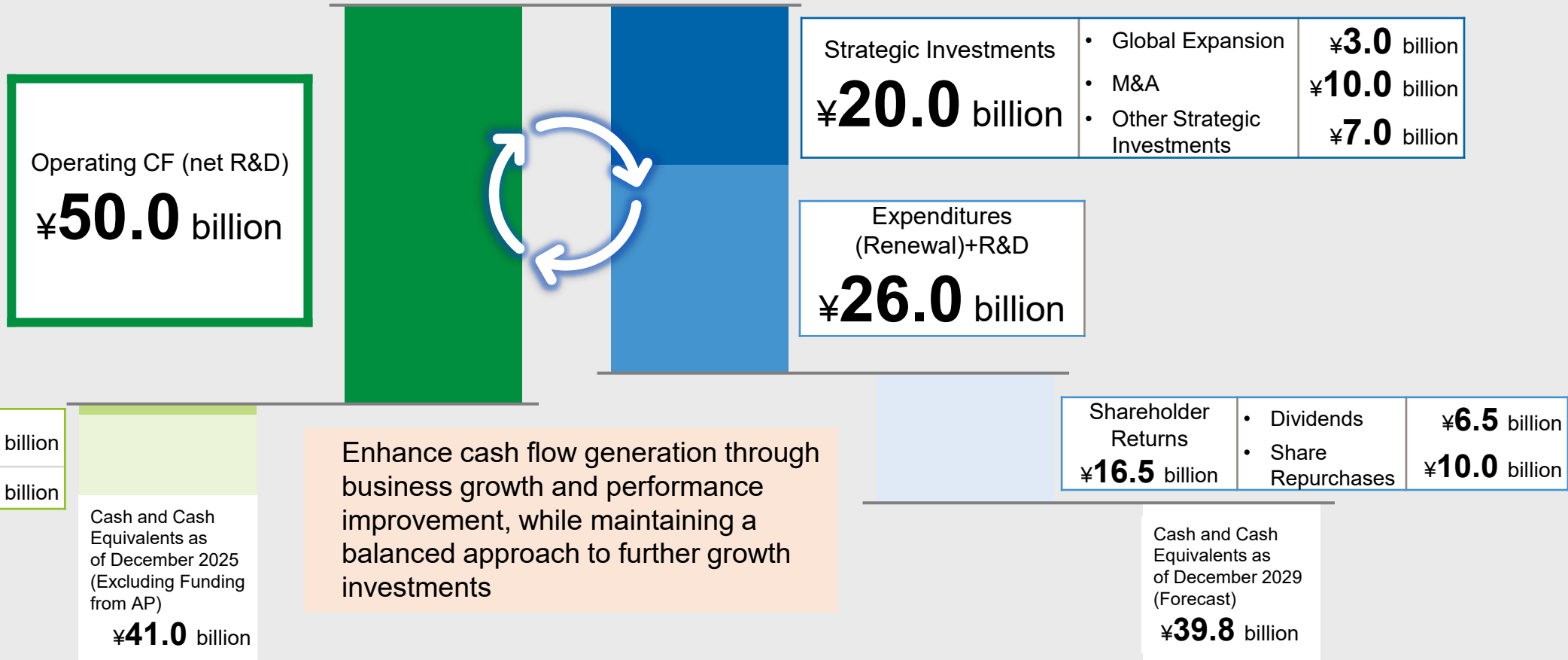
Promotion of IR/SR activities

Promotion of sustainability

Strengthening corporate governance

Capital Allocation

- ✓ Generate **¥50.0 billion in operating cash flow** through improved business performance
- ✓ Allocate **¥20.0 billion to strategic investments** (including ¥10.0 billion funded by AP) to drive business growth
- ✓ Allocate **¥16.5 billion to shareholder returns**
- ✓ While achieving business growth and maintaining an appropriate cash balance, **interest-bearing debt will be utilized as needed**



Note: The figures shown are estimates as of today and are not finalized.

Investment Budget

Strategic investment for M&A

¥10 billion

We will allocate ¥10 billion to M&A initiatives aimed at realizing our growth strategy, leveraging cash flows from operations, asset sales, and internal funds.

Key Investment Areas

Investment opportunities to strengthen product lineup in high-value-added markets(aerospace, electronic parts, medical sectors)

Investment opportunities to enhance solutions capabilities in high-growth markets(advanced processing, food machinery, etc.)

Investment opportunities to strengthen and complement the global platform

Shareholder Returns

Through FY2025

DOE 2.0% or more

Total shareholder return ratio 40% or more

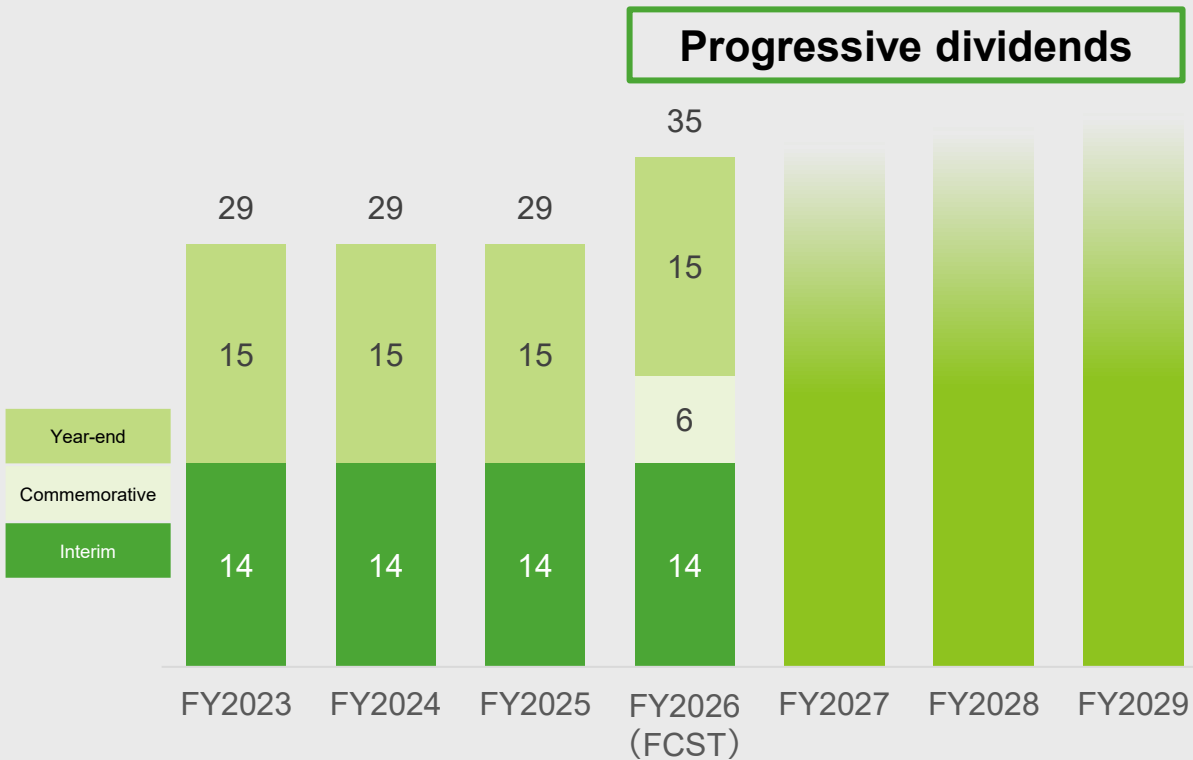
From FY2026 onward

Progressive dividends (including commemorative dividends)

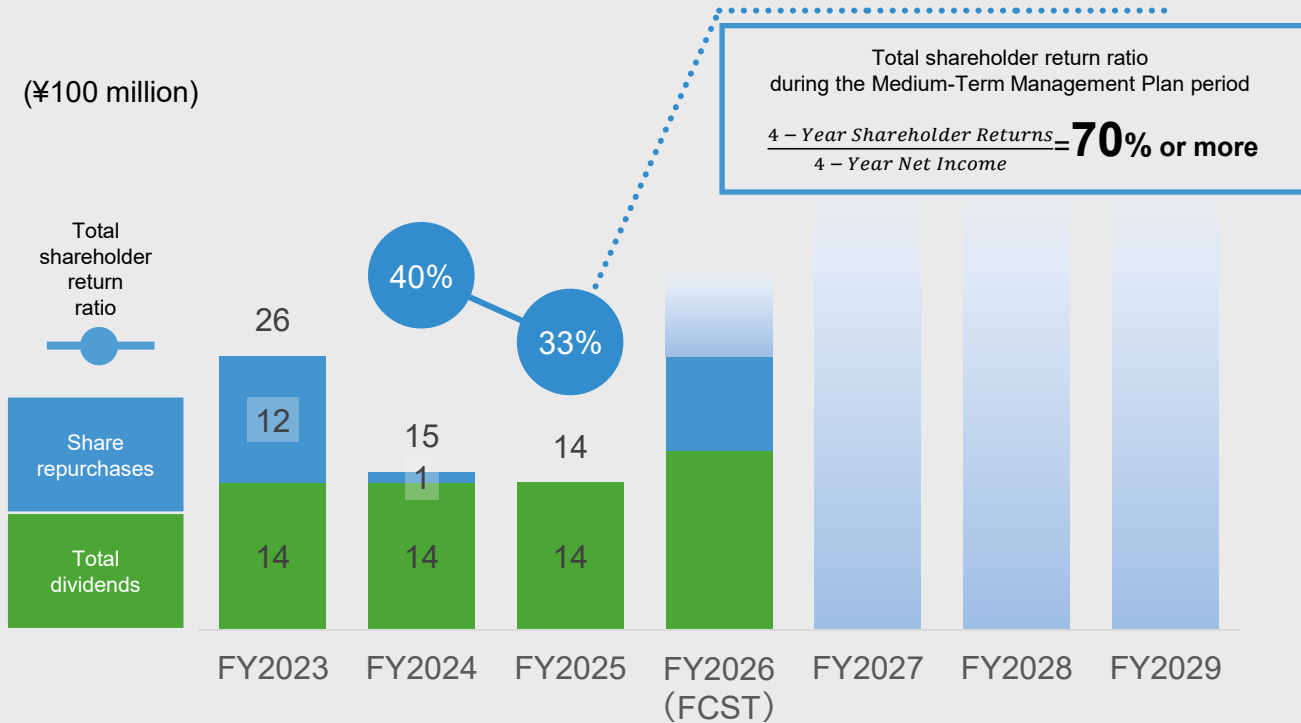
Total shareholder return ratio 70% or more
in the Medium-Term Management Plan period (FY2026-FY2029)

Basic Policy 40% or more

Dividends per share (¥)



Shareholder returns trend



*Note: FY2026 commemorative dividend to be incorporated into the base dividend from FY2027.

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