

Summary of Financial Statements

Company name: Sodick Co., Ltd.
Section

Stock exchange: Tokyo Stock Exchange, 2nd

Code number: 6143

URL: <http://www.sodick.co.jp>

Representative: Katsuhide Fujiwara, Representative director; president

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Planned date of release of quarterly financial report

February 12, 2009

1. Consolidated results for the 3rd Quarter 2009 (from April 1, 2008, to December 31, 2008)

(Note: Amounts of less than one million yen have been omitted)

(1) Consolidated financial results (for 9 month)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
3rd Quarter 2009	44,877	-	-738	-	-3,069	-	-5,459	-
3rd Quarter 2008	55,232	6.2	3,836	-16.6	4,769	-12.8	2,404	-31.6

	Net income per share	Net income per share after dilution
	¥	¥
3rd Quarter 2009	-108.52	-
3rd Quarter 2008	45.24	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	¥
3rd Quarter 2009	92,229	32,381	31.9	594.64
Year ended March 31, 2008	103,967	42,748	36.6	733.52

Note: Shareholders' equity:

3rd Quarter 2009: 29,442 million yen

3rd Quarter 2008: 38,001 million yen

2. Cash dividends

Base date	Cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of 4th quarter	Annual
	¥	¥	¥	¥	¥
Year ended March 31, 2008	-	10.00	-	10.00	20.00
Year ending March 31, 2009	-	10.00	-	-	-
Year ending March 31, 2009 (forecast)	-	-	-	-	-

Note: There have been changes in estimate of the dividend.

Forecast for end of term cash dividend for Year 2009 is presently not set.

3. Forecast for the year ending March 31, 2009 (from April 1, 2008, to March 31, 2009)

(Note: Percentages indicate changes compared with the previous 12-month)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Year to March 31, 2009	58,000	-23.3	-1,200	-	-4,600	-	-5,750	-	-114.29

Note: There have been changes in estimates of the consolidated result.

4. Other information

- (1) No changes in important subsidiaries during the term under review (change in the scope of consolidation due to change in specified subsidiaries).

Note: For details see p. 3, "Management Discussion & Analysis, and Financial Statements, Etc." 4. Other information.

- (2) The Company uses simplified accounting methods.

Note: For details see p. 3, "Management Discussion & Analysis, and Financial Statements, Etc." 4. Other information.

- (3) Accounting and disclosure changes (changes referenced in "Important Matters Concerning the Basis of Preparation of Consolidated Financial Statements"):

- (i) Changes due to the revision of Financial Accounting Standards
(ii) Other changes

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

- (i) Shares issued and outstanding as of the balance sheet date (including treasury shares)

3rd Quarter 2009: 53,432,510 shares

3rd Quarter 2008: 53,432,510 shares

- (ii) Number of treasury shares as of the balance sheet date

3rd Quarter 2009: 3,919,460 shares

3rd Quarter 2008: 1,626,188 shares

- (iii) Average number of shares (Consolidated quarter results)

3rd Quarter 2009: 50,312,048 shares

3rd Quarter 2008: 53,155,052 shares

* Disclaimer

The above forecasts are based on judgments made in accordance with information available at the time these materials were prepared, and contain numerous uncertainties. Changing conditions and other factors may cause actual results to differ from the results in these forecasts.

Beginning from this consolidated accounting fiscal year, the Company has adopted the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Implementation Guidance No. 14). In addition, the Company has prepared the quarterly consolidated financial statements in accordance with the Rules for Quarterly Consolidated Financial Statements.

1. Consolidated financial results

Japan's economy in the period under review entered a serious recessionary period as corporate earnings deteriorated and capital investment fell sharply amid further confusion emerging as the financial crisis, which was triggered by subprime mortgage problems in the United States, precipitated the collapse of major US securities firms. The surge in crude oil and raw material prices has halted, but financial market contraction on the rapidly strengthening yen and a weak stock market among other factors see an increase in uncertainty about the outlook for Japan's economy.

Under such circumstances, the Group has sought to cultivate new customers and proposed improvements in productivity by using new products and their superior performance to its existing clients, among such efforts was an exhibition at the international trade show JIMTOF. Also, the Group has worked to revise its organization and personnel assignments with the aim of optimizing management resources within the Group so as to better address the abruptly changing business environment.

As a result, consolidated sales in the period under review were ¥44,877 million. As for earnings, there was an operating loss of ¥738 million, an ordinary loss of ¥3,069 million, and a ¥5,459 million net loss for the period.

2. Consolidated financial position

Compared with the end of the previous fiscal year, total consolidated assets at the end of the period under review declined ¥11,738 million to ¥92,229 million. The main reason for the decline was a ¥5,975 million drop in accounts receivable.

Additionally, total consolidated liabilities decreased ¥1,370 million compared with the end of the previous fiscal year to ¥59,848 million. The drop was mainly due to a ¥2,891 decrease in accounts payable.

Consolidated net assets were down ¥10,367 million compared with the end of the previous fiscal year to ¥32,381 million. The main reason for the decline was a net loss through the current quarter of ¥5,459 million, the acquisition of treasury shares at a cost of ¥1,163 million, a decrease of ¥1,832 million in minority equity due to execution of a tender offer for shares of Sodick Hightech Co., Ltd, and a downturn of ¥596 million in the foreign currency translation adjustment.

3. Consolidated financial results forecasts

The business environment surrounding the Group has been sluggish since the US financial crisis, but the deterioration in corporate sentiment since September has been considerable. Output cutbacks among manufacturers, declines in capacity utilization and the accompanying decline in domestic and external demand for machine tools is expected to continue for the time being. For further information, please refer to the "Notification concerning Revision of the Year-End Dividend and Earnings Estimate for the Fiscal Year Ending March 2009" which has been released in a separate announcement today.

The above forecasts were prepared based on information available as of the date of release of this data and documentation, and actual earnings forecasts may differ depending on a variety of future factors.

4. Other information

(1) No Change in important subsidiaries during the period (including change in the scope of consolidation due to change in specified subsidiaries).

(2) Application of simplified accounting procedures and special accounting procedures to the preparation of quarterly consolidated financial statements

(Application of simplified accounting procedures)

(i) Calculation method for general bad debt estimates

In cases where the actual consolidated default ratio at the end of the period under review displayed no significant variation compared with the value calculated for the end of the previous fiscal year, the Company calculates the estimated bad debt amount using the actual consolidated default ratio and other factors as of the end of the previous fiscal year.

(ii) Valuation of inventories

The Company calculates consolidated inventories at the end of the period under review, without physical stock taking, in a rational manner based on the physical stock taking of consolidated inventories at the end of the interim consolidated accounting period.

(iii) Calculation of depreciation charges for property, plant, and equipment

For assets depreciated according to the declining balance method, the Company calculates

Sodick Co., Ltd. (6143) Summary of Financial Statements of Third Quarter for Year ending March 31, 2009
depreciation by proportional periodic allocation of the consolidated depreciation charges for the current fiscal year.

(iv) Calculation method for income taxes and deferred tax assets and liabilities

In the calculation of payable income tax amounts, the Company considers only significant items with regard to adjustments in taxable income and tax credits.

In cases where there has been no significant change in business environment since the end of the previous consolidated fiscal year nor in the emergence of temporary differences, the Company judges the recoverability of deferred income tax assets on the basis of methods utilizing the consolidated financial results forecast employed at the end of the previous fiscal year as well as tax planning methods.

(3) Change in accounting principles, procedures, and presentation, etc., concerning the preparation of quarterly consolidated financial statements

Beginning with the current consolidated fiscal year, the Company applies the Financial Accounting Standard for Quarterly Financial Statements (Financial Accounting Standard No. 12) and the Application Guidelines for the Financial Accounting Standard for Quarterly Financial Statements (Financial Accounting Standard Application Guideline No. 14). The Company prepares consolidated quarterly financial statements in accordance with the Rules Concerning the Preparation of Quarterly Consolidated Financial Statements.

Sodick Co., Ltd. (6143) Summary of Financial Statements of Third Quarter for Year ending March 31, 2009
 [Consolidated financial statements]
 (1) [Consolidated balance sheets]

(In million yen)

	As of 3rd Quarter 2009 (December 31, 2008)	As of end of previous FY (ended March 31, 2008)
Assets		
Current assets		
Cash and deposits	15,925	19,974
Notes and accounts receivable-trade	19,340	26,395
Commodity and merchandise	7,240	6,447
Work-in-process	6,840	7,162
Raw materials and inventory	6,583	6,879
Other current assets	2,676	4,339
Allowance for doubtful accounts	-878	-734
Total current assets	57,728	70,464
Fixed assets		
Tangible fixed assets		
Buildings and structures	18,862	19,084
Machinery, equipment and vehicles	13,614	13,748
Other fixed assets	11,874	11,660
Accumulated depreciation	-17,798	-17,338
Total tangible fixed assets	26,552	27,155
Intangible assets		
Goodwill	2,740	1,356
Other intangible assets	908	898
Total Intangible assets	3,649	2,255
Investments and other assets		
Other assets	4,660	4,577
Allowance for doubtful accounts	-361	-484
Total Investments and other assets	4,298	4,092
Total Fixed assets	34,500	33,502
Total Assets	92,229	103,967

Sodick Co., Ltd. (6143) Summary of Financial Statements of Third Quarter for Year ending March 31, 2009
(In million yen)

	As of 3rd Quarter 2009 (December 31, 2008)	As of end of previous FY (ended March 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,794	15,068
Short-term loans payable	22,190	19,234
Long-term borrowings redeemable within one year	2,591	3,516
Income taxes payable	29	723
Allowance	548	1,067
Other current liabilities	9,348	8,175
Total Current liabilities	45,503	47,785
Fixed liabilities		
Corporate bonds	1,800	3,560
Long-term loans payable	10,094	7,605
Provision for retirement benefits	946	837
Allowance	285	350
Other fixed liabilities	1,218	1,080
Total Fixed liabilities	14,344	13,433
Total Liabilities	59,848	61,219
Net assets		
Shareholders' equity		
Capital stock	20,775	20,775
Capital surplus	6,949	6,949
Retained earnings	4,726	11,230
Treasury stock	-2,135	-971
Total Shareholders' equity	30,316	37,984
Evaluation and conversion difference		
Unrealized gain (loss) on available-for-sale securities	-43	249
Deferred gains or losses on hedges	-7	-5
Foreign currency translation adjustment	-822	-226
Total evaluation and conversion difference	-873	16
Subscription rights to shares	66	42
Minority interests	2,871	4,704
Total Net assets	32,381	42,748
Total Liabilities and net assets	92,229	103,967

Sodick Co., Ltd. (6143) Summary of Financial Statements of Third Quarter for Year ending March 31, 2009
 (2) Statements of income

(In million yen)

	As of 3rd Quarter 2009 (December 31, 2008)
Net Sales	44,877
Cost of sales	32,168
Gross profit	12,708
Reversal of deferral of income from installment sales	13
Provision of deferral of income from installment sales	3
Gross profit after unrealized income deferrals	12,719
Selling, general and administrative expenses	
Personal expenses	5,396
Provision of allowance for loan losses	498
Amortization of goodwill	266
Other	7,295
Total Selling, general and administrative expenses	13,457
Operating loss	-738
Non-operating income	
Interest income	61
Dividends income	70
Others	370
Total Non-operating income	502
Non-operating expenses	
Interest expenses	433
Foreign exchange loss	1,553
Unrealized loss from swap transactions	453
Syndicate loan expenses	225
Other non-operating expenses	169
Total non-operating expense	2,834
Ordinary income	-3,069
Extraordinary income	
Gain on prior period adjustment	37
Gain on sales of investment securities	84
Reversal of allowance for loan losses	94
Other extraordinary income	39
Total extraordinary income	255
Extraordinary loss	
Loss from prior period adjustment	92
Loss from revaluation of investment securities	413
Prior-year provision for product warranties	81
Other extraordinary losses	244
Total extraordinary loss	833
Income before income taxes	-3,647
Current income taxes	482
Income taxes for prior periods	-104
Deferred income taxes	1,668
Total income taxes	2,046
Minority interests in income	-234
Net loss	-5,459

Sodick Co., Ltd. (6143) Summary of Financial Statements of Third Quarter for Year ending March 31, 2009
(3) Consolidated statement of cash flows

	(In million yen)
	As of 3rd Quarter 2009 (December 31, 2008)
Cash flows from operating activities	
Income before income taxes	-3,647
Depreciation	2,128
Amortization of goodwill	266
Change in provisions for doubtful accounts	87
Interest and dividend income	-132
Interest expenses	433
Foreign exchange gains	1,154
Decrease (Increase) in trade receivables	5,634
Decrease(Increase) in inventories	-1,745
Change in trade payables	-3,424
Change in other accounts payable	-378
Other operating cash flows	1,900
Subtotal	2,276
Interest and dividend income received	124
Interest expenses paid	-424
Income taxes paid	-972
Net cash provided by operating activities	1,004
Cash flows from investing activities	
Payments into time deposits	-434
Expenses for purchases of property, plant, and equipment	-1,953
Proceeds from sale of property, plant, and equipment	507
Expenses for purchase of intangible assets	-625
Proceeds from sale of intangible assets	17
Expenses for purchase of investment securities	-1,181
Gain on sale of investment securities	1,413
Expense for purchase of shares in subsidiaries and affiliates	-3,037
Expense for call for subsidiaries and affiliated	-119
Expenses for loans provided	-3,014
Proceeds from loans collected	1,525
Other investing cash flows	-58
Net cash used in investing activities	-6,958
Cash flows from financing activities	
Change in short-term borrowings	3,407
Proceeds from long-term borrowings	4,616
Expenses for redemption of long-term borrowings	-3,053
Expenses for redemption of bonds	-260
Proceeds from call from minority shareholders	15
Expenses for purchase of treasury shares	-1,163
Cash dividends paid	-1,013
Cash dividends paid to minority shareholders	-169
Expenses for payment of finance lease obligations	-94
Other financing cash flows	-225
Net cash flows from financing activities	2,060
Effect of exchange rate changes on cash and cash equivalents	-589
Net change in cash and cash equivalents	-4,483
Cash and cash equivalents, beginning of year	19,781
Net cash and cash equivalents, end of year	15,298

(4) Notes on premise of going concern.

No relevant category.

(5) Segment Information

a. Operational segment

3rd Quarter 2009 (from April 1, 2008, to December 31, 2008)

	Machine tool operations (¥ Million)	Industrial machinery operations (¥ Million)	Other operations (¥ Million)	Total (¥ Million)	Elimination or corporate overhead (¥ Million)	Consolidated (¥ Million)
Net Sales						
(1) Sales to outside customers	29,351	10,745	4,780	44,877	–	44,877
(2) Inter-segment sales or transfers	18	3	118	141	(141)	–
Total	29,369	10,749	4,899	45,018	(141)	44,877
Operating income or loss	569	320	-426	463	(1,202)	-738

Notes:

1. Criteria for determining business segments

Business segments have been determined based on Japanese Industrial Standards.

2. Main products by business segment

Machine tool operations: NC electric discharge machining tools, machining centers, small-hole drilling machines and peripherals.

Industrial machinery operations: Plastic injection molding machines, linear press machines, and peripherals

Other operations: Integrated mold production systems, processed synthetic resin products, food processing machinery, and related equipment and peripherals.

3. Change in accounting method

(Provisional Guidelines for the Accounting Treatment of Foreign Subsidiaries in the Preparation of Consolidated Financial Statements)

As described above in Item (iii) "Change in accounting principles, procedures, and presentation, etc., concerning the preparation of quarterly consolidated financial statements," beginning with the period under review, the Company applies the Provisional Guidelines for the Accounting Treatment of Foreign Subsidiaries in the Preparation of Consolidated Financial Statements (Practical Solutions Statement No. 18; May 17, 2006). As a result of this change, operating income for the period under review at the Machine Tools Division declined ¥338 million compared with the previous accounting method.

Sodick Co., Ltd. (6143) Summary of Financial Statements of Third Quarter for Year ending March 31, 2009
b. Geographic segments
3rd Quarter 2009 (from April 1, 2008, to December 31, 2008)

	Japan (¥ Million)	North and South America (¥ Million)	Europe (¥ Million)	Asia (¥ Million)	Total (¥ Million)	Elimination or corporate overhead (¥ Million)	Consolidated (¥ Million)
Net Sales							
(1) Sales to outside customers	26,559	2,835	4,719	10,763	44,877	–	44,877
(2) Inter-segment sales	12,067	150	13	12,086	24,317	(24,317)	–
Total	38,626	2,986	4,733	22,849	69,195	(24,317)	44,877
Operating income or loss	695	20	122	-337	501	(1,239)	-738

Notes:

1. Criteria for determining geographic segments by country and region, and constituent principal countries and regions by geographic segment
 - (1) Criteria for determining geographic segments by country and region: Geographic proximity.
 - (2) Constituent principal countries and regions by geographic segment
 - North and South America: The Americas
 - Europe: Germany, England
 - Asia: China, Taiwan, Hong Kong, Thailand, Singapore, Korea
- 2 Change in accounting method
(Provisional Guidelines for the Accounting Treatment of Foreign Subsidiaries in the Preparation of Consolidated Financial Statements)
As described above in Item (iii) "Change in accounting principles, procedures, and presentation, etc., concerning the preparation of quarterly consolidated financial statements," beginning with the period under review, the Company applies the Provisional Guidelines for the Accounting Treatment of Foreign Subsidiaries in the Preparation of Consolidated Financial Statements (Practical Solutions Statement No. 18; May 17, 2006). As a result of this change, the operating loss recognized for the period under review at the "Asia" segment increased ¥338 million compared with the previous accounting method.

Sodick Co., Ltd. (6143) Summary of Financial Statements of Third Quarter for Year ending March 31, 2009
c. Overseas sales
3rd Quarter 2009 (from April 1, 2008, to December 31, 2008)

	North and South America	Europe	Asia	Total
I. Overseas sales (¥ Million)	3,143	5,144	15,255	23,544
II. Consolidated sales (¥ Million)	–	–	–	44,877
II. Overseas sales as percentage of consolidated sales	7.0	11.5	34.0	52.5

Notes:

1. Overseas sales refer to sales of the Company and its consolidated subsidiaries made in countries and regions other than Japan.
2. Criteria for determining geographic segments by country and region, and constituent principal countries and regions by geographic segment
 - North and South America: United States, Canada, Mexico
 - Europe: Germany, Russia, Italy, Turkey, France, England
 - Asia: China, Taiwan, Hong Kong, Thailand, Singapore, Korea

(6) Notes in case of significant variation in shareholders' equity

Due to the acquisition of own stock in accordance with such resolution by the board of directors' meeting held on May 20, 2008, treasury stock in the period under review increased by ¥1,163 million.

Previous Financial Statements

1. Summary of Consolidated balance sheet

Category	As of 3rd Quarter 2008 (December 31, 2007)	
	3rd Quarter year ended March31, 2008	
	Amount (¥Million)	Percentage (%)
Net Sales	55,232	100.0
Cost of sales	37,813	68.5
Gross profit	17,418	31.5
Reversal of deferral of unrealized income from installment sales	17	0.0
Provision of deferral of unrealized income from installment sales	4	0.0
Gross profit after income deferrals	17,431	31.5
Selling, general and administrative expenses	13,594	24.6
Operating profit	3,836	6.9
Non-operating income	1,515	2.7
Interest income	119	
Foreign exchange gains	940	
Others	455	
Non-operating expenses	583	1.0
Interest expenses	383	
Other non-operating expenses	199	
Ordinary income	4,769	8.6
Extraordinary income	169	0.3
Gain on sales of investment securities	3	
Reversal of allowance for loan losses	85	
Gain on prior period adjustment	60	
Other extraordinary income	20	
Extraordinary loss	184	0.3
Loss on retirement of fixed assets	27	
Impairment loss	0	
Loss from prior period adjustment	15	
Prior-year provision for product warranties	26	
Loss on change in equity in affiliates	96	
Other extraordinary loss	17	
Income before income taxes and minority interests	4,754	8.6
Total income taxes	1,890	3.4
Minority interests in income	-459	-0.8
Net Income after income taxes	2,404	4.4

2. Segment Information

a. Operational Segment

3rd Quarter 2008 (from April 1, 2007 to December 31, 2007)

	Machine tool operations (¥ Million)	Industrial machinery operations (¥ Million)	Other operations (¥ Million)	Total (¥ Million)	Elimination or corporate overhead (¥ Million)	Consolidated (¥ Million)
I. Net Sales						
(1) Sales to outside customers	39,794	9,160	6,278	55,232	–	55,232
(2) Inter-segment sales or transfers	107	7	267	381	(381)	–
Total	39,901	9,167	6,545	55,614	(381)	55,232
Operating expenses	34,898	9,091	6,760	50,750	644	51,395
Operating income (loss)	5,002	75	-214	4,863	(1,026)	3,836

b. Geographic segments

3rd Quarter 2008 (from April 1, 2007 to December 31, 2007)

	Japan (¥ Million)	North and South America (¥ Million)	Europe (¥ Million)	Asia (¥ Million)	Total (¥ Million)	Elimination or corporate overhead (¥ Million)	Consolidated (¥ Million)
I. Net Sales							
(1) Sales to outside customers	29,136	3,121	6,127	16,846	55,232	–	55,232
(2) Inter-segment sales	17,848	245	2	19,311	37,408	(37,408)	–
Total	46,985	3,367	6,129	36,158	92,640	(37,408)	55,232
Operating expenses	44,128	3,223	5,868	33,929	87,150	(35,755)	51,395
Operating income (loss)	2,856	143	261	2,228	5,489	(1,652)	3,836

c. Overseas sales

3rd Quarter 2008 (from April 1, 2007 to December 31, 2007)

	North and South America	Europe	Asia	Total
I. Overseas sales (¥ Million)	3,229	6,812	20,749	30,791
II. Consolidated sales (¥ Million)	–	–	–	55,232
II. Overseas sales as percentage of consolidated sales	5.8	12.3	37.6	55.7