

* Notes

- (1) Changes in important subsidiaries during the consolidated quarter (six months) under review (changes occurred in specified subsidiaries in conjunction with a change in the scope of consolidation): None
Newly added: — (company name:)
Removed: — (company name:)
- (2) Application of accounting procedures specific to creation of quarterly consolidated financial statements:
None
- (3) Change of accounting policies; change and/or restatement of accounting estimates
(i) Change of accounting policies caused by revision of accounting standards: Yes
(ii) Change of accounting policies other than stated in (i): None
(iii) Change of accounting estimates: None
(iv) Retroactive restatement: None

- (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)	2Q FY 2013	53,432,510 shares	FY 2012	53,432,510 shares
(ii) Number of treasury shares as of the balance sheet date	2Q FY 2013	3,112,732 shares	FY 2012	3,112,581 shares
(iii) Average number of shares (consolidated quarter results)	2Q FY 2013	50,319,827 shares	2Q FY 2012	49,511,336 shares

* Implementation of quarterly review procedures

This summary of quarterly financial statements is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this summary of quarterly financial statements, the review procedures of quarterly financial statements pursuant to the FIEA were not completed.

* 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. Information concerning the results forecasts is stated in the Summary of Financial Statements (Attachment), page 2, “Qualitative information concerning financial forecasts.”

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1. Qualitative Information on Quarterly Financial Results

(1) Qualitative information concerning operating results

The Japanese economy in the period under review staged a moderate recovery with a display of rebounding production activity and corporate capital investment. Overseas, however, the business environment remained under pressure and the outlook uncertain due to factors such as economic dislocation in Europe caused by the European debt crisis, slower economic growth in China, which to date has been pulling the global economy, and reverberations on corporate earnings from the protracted strength of the yen.

In this economic environment, the Group worked to acquire new customers and to that end participated in the IMTS 2012 world-class trade fair for machine tools in the U.S. with product introductions that hold a strong appeal to user needs such as electric discharge machines for large-size work pieces. Moreover, in Vietnam, where economic growth has been strong and demand is expected to keep rising, the Group established a local corporation to further expand the Group's sales network. Additionally, dated July 1, 2012, the Group amalgamated Sodick Plustech Co., Ltd., previously a consolidated subsidiary engaged mainly in industrial machinery operations and food processing machinery operations, in a move to enhance management resource efficiency and management speed as well as strengthen earning power.

As a result, consolidated net sales for the period totaled ¥28,170 million, down ¥1,383 million (-4.7%) from the same period the year earlier, with operating income of ¥2,599 million, down ¥1,227 million (-32.1%), ordinary income of ¥1,906 million, down ¥455 million (-19.3%), and net income of ¥1,877 million, up ¥124 million (+7.1%).

(2) Qualitative information concerning financial position

Consolidated assets decreased ¥7,526 million from the end of the previous fiscal year to ¥85,467 million. Main factors include a ¥8,970 million decline in cash and deposits due to efforts to reduce interest-bearing debt.

Consolidated liabilities, compared with the end of the previous fiscal year, decreased ¥8,810 million to ¥54,464 million. This was mainly due to a ¥9,005 million decrease in short-term loans payable.

Net assets increased ¥1,283 million from the end of the previous fiscal year to ¥31,002 million due to the ¥1,553 million increase in retained earnings.

(3) Qualitative information concerning financial forecasts

Concerning the financial results forecasts for fiscal year ending March 31, 2013, please refer to the "Notice of Revision to Consolidated Full-Term Results Forecasts" released today (November 9, 2012).

2. Summary (Notes) Information

(1) Changes in important subsidiaries during the consolidated quarter (six months) under review

No relevant category.

(2) Application of accounting procedures specific to creation of quarterly consolidated financial statements

No relevant category.

(3) Change of accounting policies; change and/or restatement of accounting estimates

(Change of depreciation method)

Due to the revision of the Corporation Tax Act, beginning with the period under review, the Company and its domestic consolidated subsidiaries changed their depreciation method for tangible fixed assets acquired on or after April 1, 2012, consistent with the revised Corporation Tax Act.

This change has negligible effects on consolidated operating income, ordinary income, and net income before income taxes for the period under review.

3. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(In million yen)

	FY 2012 (consolidated) (As of March 31, 2012)	2Q FY 2013 (consolidated) (As of September 30, 2012)
Assets		
Current Assets		
Cash and deposits	28,034	19,064
Notes and accounts receivable – trade	12,745	13,696
Commodity and merchandise	5,325	5,189
Work-in-process	4,905	4,774
Raw materials and inventory	8,706	8,899
Other current assets	4,013	3,296
Allowance for doubtful accounts	(193)	(181)
Total current assets	63,536	54,738
Fixed Assets		
Tangible Fixed Assets		
Buildings and structures	18,804	17,667
Machinery, equipment and vehicles	11,727	11,741
Other fixed assets	11,010	11,676
Accumulated depreciation	(19,134)	(18,806)
Total tangible fixed assets	22,408	22,278
Intangible Fixed Assets		
Goodwill	2,632	2,533
Other intangible fixed assets	894	961
Total intangible fixed assets	3,527	3,494
Investments and other assets		
Other assets	3,879	5,278
Allowance for doubtful accounts	(358)	(322)
Total investments and other assets	3,521	4,955
Total Fixed Assets	29,456	30,728
Total Assets	92,993	85,467

	FY 2012 (consolidated) (As of March 31, 2012)	2Q FY 2013 (consolidated) (As of September 30, 2012)
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	10,888	10,725
Short-term loans payable	16,083	7,077
Long-term borrowings redeemable within one year	6,132	9,107
Income taxes payable	225	273
Allowance	726	707
Other current liabilities	7,842	5,396
Total current liabilities	41,899	33,288
Fixed Liabilities		
Corporate bonds	44	37
Long-term loans payable	19,065	19,027
Provision for retirement benefits	1,047	959
Other provisions	136	138
Asset removal obligations	220	222
Other fixed liabilities	862	791
Total fixed liabilities	21,376	21,176
Total Liabilities	63,275	54,464
Net Assets		
Shareholders' Equity		
Capital stock	20,775	20,775
Capital surplus	5,879	5,879
Retained earnings	6,891	8,444
Treasury stock	(1,694)	(1,694)
Total shareholders' equity	31,851	33,404
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	206	(31)
Foreign currency translation adjustment	(2,405)	(2,406)
Total accumulated other comprehensive income (loss)	(2,198)	(2,438)
Subscription rights to shares	23	—
Minority interests	41	35
Total Net Assets	29,718	31,002
Total Liabilities and Net Assets	92,993	85,467

(2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)
(2nd Quarter)

(In million yen)

	2Q FY 2012 (April 1, 2011 – September 30, 2011)	2Q FY 2013 (April 1, 2012 – September 30, 2012)
Net Sales	29,554	28,170
Cost of Sales	19,613	19,520
Gross Profit	9,940	8,649
Reversal of Unrealized Income on Installment Sales	3	2
Gross Profit after Income Deferrals	9,944	8,652
Selling, General and Administrative Expenses		
Personal expenses	2,492	2,480
Reversal of allowance for loan losses	47	(37)
Other	3,577	3,610
Total selling, general and administrative expenses	6,117	6,053
Operating Income	3,826	2,599
Non-operating Income		
Interest income	19	39
Dividends income	18	18
Gain on sales of scraps	15	42
Other non-operating income	86	71
Total non-operating income	139	170
Non-operating Expenses		
Interest expenses	311	334
Foreign exchange loss	997	476
Other non-operating expenses	295	52
Total non-operating expense	1,604	863
Ordinary Income	2,361	1,906
Extraordinary Income		
Gain on sales of fixed assets	16	18
Proceeds from insurance money received	—	1,285
Other extraordinary income	19	77
Total extraordinary income	36	1,382
Extraordinary Loss		
Loss on disposition of fixed assets	24	27
Impairment losses	11	935
Loss from natural disaster	—	310
Other extraordinary losses	10	18
Total extraordinary loss	46	1,290
Net Income before Income Taxes	2,351	1,997
Current Income Taxes	431	373
Deferred Income Taxes	172	(259)
Total Income Taxes	604	113
Net Income before Minority Interest	1,746	1,884
Minority Interests in Income (Loss)	(5)	6
Net Income	1,752	1,877

**(Consolidated Statements of Comprehensive Income)
(2nd Quarter)**

(In million yen)

	2Q FY 2012 (April 1, 2011 – September 30, 2011)	2Q FY 2013 (April 1, 2012 – September 30, 2012)
Net Income before Minority Interest	1,746	1,884
Other Comprehensive Income		
Unrealized gain (loss) on available-for-sale securities	(19)	(238)
Foreign currency translation adjustment	(395)	0
Total other comprehensive income	(415)	(238)
Quarterly Comprehensive Income	1,331	1,645
(Breakdown)		
Comprehensive income attributable to shareholders of the parent	1,334	1,637
Comprehensive income attributable to minority interests	(3)	8

(3) Consolidated Statement of Cash Flows

(In million yen)

	2Q FY 2012 (April 1, 2011 – September 30, 2011)	2Q FY 2013 (April 1, 2012 – September 30, 2012)
Cash Flows from Operating Activities		
Income before income taxes	2,351	1,997
Depreciation	1,056	1,098
Amortization of goodwill	77	99
Change in provisions for doubtful accounts	(24)	(39)
Interest and dividend income	(37)	(57)
Interest expenses	311	334
Foreign exchange loss (gain)	281	70
Impairment losses	11	935
Loss from natural disaster	—	310
Loss (gain) in trade receivables	(45)	(1,328)
Loss (gain) in inventories	(1,060)	(466)
Gain (loss) in trade payables	1,107	221
Gain (loss) in other accounts payable	(81)	(351)
Increase (decrease) in advances received	(46)	(1,510)
Other operating cash flows	303	(1,607)
Subtotal	4,204	(293)
Interest and dividend income received	37	63
Interest expenses paid	(310)	(328)
Income taxes returned (paid)	(25)	(255)
Proceeds from insurance money received	—	1,285
Net cash provided by operating activities	3,906	471
Cash Flows from Investing Activities		
Increase in time deposits	(715)	(69)
Decrease in time deposits	—	708
Expenses for purchases of property, plant, and equipment	(1,016)	(2,328)
Proceeds from sale of property, plant, and equipment	31	37
Expenses for purchase of intangible assets	(124)	(123)
Expenses for purchase of investment securities	(2)	(1,001)
Proceeds from sale of investment securities	7	816
Expenses for purchase of shares in subsidiaries resulting in a change in the scope of consolidation	—	(478)
Expenses for loans provided	—	(49)
Proceeds from loans collected	267	300
Other investing cash flows	(29)	(109)
Net cash used in investing activities	(1,580)	(2,296)

	2Q FY 2012 (April 1, 2011 – September 30, 2011)	2Q FY 2013 (April 1, 2012 – September 30, 2012)
Cash Flows from Financing Activities		
Change in short-term borrowings	5,643	(8,897)
Proceeds from long-term borrowings	3,490	5,500
Expenses for redemption of long-term borrowings	(1,842)	(2,560)
Expenses for redemption of bonds	(677)	(7)
Expenses for purchase of treasury shares	(0)	(0)
Cash dividends paid	(297)	(301)
Cash dividends paid to minority shareholders	(62)	(7)
Expenses for payment of finance lease obligations	(106)	(51)
Other financing cash flows	(247)	(30)
Net cash flows from financing activities	5,900	(6,356)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(357)	(115)
Net Change in Cash and Cash Equivalents	7,868	(8,296)
Cash and Cash Equivalents, Beginning of Year	16,615	27,316
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	—	(29)
Net Cash and Cash Equivalents, End of the 2nd Quarter	24,483	18,989

(4) Notes on premise of going concern

No relevant category.

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

No significant changes.

(6) Segment information, etc.

I. 2Q FY 2012 (from April 1, 2011 to September 30, 2011)

Information by reportable segment on sales and income amounts

(In million yen)

	Reportable Segment								
	Machine Tool Operations								Industrial Machinery Operations
	Japan (Note 1)	North and South America	Europe	Greater China	Other Asia	Total	Adjustment amount (Note 2)	Machine Tool Operations Total	
Net Sales									
Sales to outside customers	6,501	1,843	2,701	8,578	1,605	21,229	—	21,229	4,436
Inter-segment sales or transfers	5,805	138	12	1,032	5,995	12,983	(12,904)	79	6
Total	12,306	1,981	2,713	9,611	7,601	34,213	(12,904)	21,309	4,443
Segment income (loss)	2,285	203	194	1,199	328	4,210	83	4,294	25

	Reportable Segment				Others (Note 3)	Total	Adjustment amount (Note 4)	Amount stated on the consolidated statement of income for the quarter (Note 5)
	High-precision Mold and Die Machinery Operations	Food Processing Machinery Operations	Elemental Technology Operations	Reportable Segment Total				
Net Sales								
Sales to outside customers	1,320	1,259	1,256	29,502	51	29,554	—	29,554
Inter-segment sales or transfers	3	—	1,262	1,352	113	1,466	(1,466)	—
Total	1,323	1,259	2,518	30,855	165	31,020	(1,466)	29,554
Segment income (loss)	16	(24)	343	4,655	(26)	4,629	(802)	3,826

- Notes: 1. The category "Machine Tool Operations / Japan" includes overseas sales (Korea, Taiwan, India, etc.) for which orders were received in Japan.
2. The segment income (loss) adjustment amount of ¥83 million includes ¥83 million in eliminations of inter-segment transactions.
3. The "Others" category refers to business segments such as lease operations and printing operations not included in reportable segments.
4. The segment income (loss) adjustment amount of -¥802 million includes -¥61 million in eliminations of inter-segment transactions and -¥741 million in group overhead not attributable to individual reportable segments. Group overhead consists mainly of the cost of head office functions not attributable to reportable segments.
5. The segment income (loss) has been reconciled with the operating income stated on the consolidated statement of income for the period.

II. 2Q FY 2013 (from April 1, 2012 to September 30, 2012)

1. Information by reportable segment on sales and income amounts

(In million yen)

	Reportable Segment								
	Machine Tool Operations								Industrial Machinery Operations
	Japan (Note 1)	North and South America	Europe	Greater China	Other Asia	Total	Adjustment amount (Note 2)	Machine Tool Operations Total	
Net Sales									
Sales to outside customers	6,568	1,696	2,225	4,663	2,094	17,249	—	17,249	8,204
Inter-segment sales or transfers	4,570	1	12	2,270	4,762	11,617	(11,533)	84	49
Total	11,138	1,698	2,238	6,933	6,856	28,866	(11,533)	17,333	8,253
Segment income (loss)	1,264	228	124	228	296	2,142	85	2,228	1,067

	Reportable Segment					Others (Note 3)	Total	Adjustment amount (Note 4)	Amount stated on the consolidated statement of income for the quarter (Note 5)
	High-precision Mold and Die Machinery Operations	Food Processing Machinery Operations	Elemental Technology Operations	Reportable Segment Total					
Net Sales									
Sales to outside customers	1,432	697	560	28,144		26	28,170	—	28,170
Inter-segment sales or transfers	1	—	1,420	1,554		126	1,681	(1,681)	—
Total	1,433	697	1,981	29,699		152	29,852	(1,681)	28,170
Segment income (loss)	94	(157)	360	3,594		1	3,596	(997)	2,599

- Notes:
1. The category “Machine Tool Operations / Japan” includes overseas sales (Korea, Taiwan, India, etc.) for which orders were received in Japan.
 2. The segment income (loss) adjustment amount of ¥85 million includes ¥85 million in eliminations of inter-segment transactions.
 3. The “Others” category refers to business segments such as lease operations and printing operations not included in reportable segments.
 4. The segment income (loss) adjustment amount of -¥997 million includes -¥80 million in eliminations of inter-segment transactions and -¥916 million in group overhead not attributable to individual reportable segments. Group overhead consists mainly of the cost of head office functions not attributable to reportable segments.
 5. The segment income (loss) has been reconciled with the operating income stated on the consolidated statement of income for the period.

2. Information on impairment losses on fixed assets and goodwill by reportable segment

Impairment losses on fixed assets

An impairment loss on fixed assets was recognized at the segment “Machine Tool Operations / Other Asia.”

Sodick (Thailand) Co., Ltd. suffered flood damages on buildings as a result of the flooding last fiscal year, for which the repair work concluded in the period under review. As a result of the flood damage, an appraisal found the value of the buildings below stated value, leading to an assessment as a candidate for impairment loss recognition.

Moreover, in order to diversify and mitigate the risk of flooding, Sodick (Thailand) Co., Ltd. acquired new facilities and built a new factory funded with insurance money received for facilities damaged by the flood that were subsequently scrapped. Additionally, personnel expenses are expected to rise from an increase in labor compensation. Since it is expected that earnings from business activities will decline as a result of such fixed-cost increases, the stated value of fixed assets of Sodick (Thailand) Co., Ltd. has been written down to the recoverable value, and the write-down amount has been recognized as an impairment loss in extraordinary losses. With respect to this impairment loss the amount recognized in the period under review is 931 million yen.