Summary of Financial Statements for the Year Ended March 31, 2012 (J-GAAP) (Consolidated)

May 18, 2012

Company Name: Sodick Co., Ltd. Stock Exchange: Tokyo Stock Exchange, 2nd Section
Code number: 6143 URL: http://www.sodick.co.jp
Representative: Katsuhide Fujiwara, Representative Director; President
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Scheduled date of annual general meeting of shareholders: June 28, 2012
Scheduled date of dividend payout: June 29, 2012
Scheduled date of filing of consolidated financial statements: June 28, 2012
Explanatory Documents Supplemental to the Abridged Financial Statements: Yes
Result Briefing: Yes (For Institutional Investors and Analysts)

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

1. Consolidated Results for the Year Ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(1) Consolidated financial results (Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY 2012	53,528	(1.3)	5,495	(1.8)	4,577	16.1	3,320	(35.0)
FY 2011	54,213	47.5	5,599	—	3,944	—	5,111	—

Note: Comprehensive Income: FY 2012 ¥3,317 million / (23.5)% FY 2011 ¥4,336 million / —%

	Net income per share	Net income per share after dilution	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	¥	¥	%	%	%
FY 2012	67.07	—	11.8	5.3	10.3
FY 2011	103.23	—	21.0	5.2	10.3

Reference: Equity in earnings (losses) of non-consolidated subsidiaries and affiliates:
FY 2012: ¥— million FY 2011: ¥— million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net assets per share
	¥ Million	¥ Million	%	¥
FY 2012	92,993	29,718	31.9	589.28
FY 2011	79,510	28,158	33.3	534.25

Reference: Shareholders' Equity: FY 2012: ¥29,652 million FY 2011: ¥26,451 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 the end of fiscal year
	¥ Million	¥ Million	¥ Million	¥ Million
FY 2012	9,245	(5,295)	6,809	27,316
FY 2011	3,216	(167)	(1,965)	16,615

2. Cash Dividends

	Annual Dividend					Total cash dividend paid (Annual)	Payout Ratio (Consolidated)	Ratio of dividend paid to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
	Yen	Yen	Yen	Yen	Yen	¥ Million	%	%
FY 2011	—	0.00	—	6.00	6.00	297	5.8	1.2
FY 2012	—	5.00	—	6.00	11.00	549	16.4	2.0
FY 2013 (forecast)	—	6.00	—	6.00	12.00		17.3	

3. Forecast for the Year Ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Six months to September 30, 2012	28,000	(5.3)	2,700	(29.4)	2,100	(11.1)	1,570	(10.4)	31.20
Year to March 31, 2013	57,000	6.5	5,500	0.1	4,700	2.7	3,500	5.4	69.55

4. Other Information

(1) Changes in important subsidiaries during the term under review (change in the scope of consolidation due to change in specified subsidiaries): No

Newly added: — (Company name:)

Removed: — (Company name:)

(2) Changes in accounting principles, procedures and method of presentation:

1) Changes due to the revision of Financial Accounting Standards: Yes

2) Other changes: None

Note: For details, see p.17, "Important Matters Concerning the Basis of Preparation of Consolidated Financial Statements".

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

1) Shares issued and outstanding as of the balance sheet date (including treasury shares)	FY 2012	53,432,510 shares	FY 2011	53,432,510 shares
2) Number of treasury shares as of the balance sheet date	FY 2012	3,112,581 shares	FY 2011	3,921,080 shares
3) Average number of shares outstanding during the period	FY 2012	49,513,435 shares	FY 2011	49,511,679 shares

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Results for the Year Ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(1) Consolidated **F**inancial **R**esults (Percentages indicate year-on-year changes)

	Net **S**ales		Operating **I**ncome		Ordinary **I**ncome		Net **I**ncome	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY 2012	20,268	(7.9)	1,910	(22.9)	1,345	(60.5)	769	(84.4)
FY 2011	22,012	82.1	2,476	—	3,410	—	4,919	—

	Net income per share	Net income per share after dilution
	¥	¥
FY 2012	15.54	—
FY 2011	99.37	—

(2) Non-**C**onsolidated **F**inancial **P**osition

	Total **A**ssets	Net **A**ssets	Equity **R**atio	Net assets per share
	¥ Million	¥ Million	%	¥
FY 2012	66,750	30,305	45.4	601.79
FY 2011	60,362	29,539	48.9	596.14

Reference: Shareholders' **E**quity: FY 2012: ¥30,281 million FY 2011: ¥29,515 million

* Implementation of audit procedures

This summary of financial statements is not subject to audit procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this summary of financial statements, the audit procedures of financial statements are in progress.

* Cautionary statement with respect to forward-looking statements

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. For the underlying assumptions and usage of earnings projections, refer to "(5) Outlook for the next fiscal year" in "1. Operating Results" on page 4.

1. Operating Results

(1) Management **D**iscussion and **A**nalysis

In the period under review, the Japanese economy temporarily slowed due to the Great East Japan Earthquake and the floods in Thailand but gradually showed signs of recovery, with manufacturing activity picking up as supply chains were restored and the self-restraint in consumer spending that rose after the earthquake fading. There was still a strong sense of uncertainty in overseas economies as the debt crisis in Europe remained unresolved and China's economic growth slowed due to tighter monetary policy.

As for the Group, its production system was temporarily disrupted as operations at its Thai factories were suspended on account of flooding, but the Group strove to recovery from the damage caused by flooding and to establish a post-recovery production system. These efforts included not only securing production capacity using the Fukui plan in Japan and the Suzhou and Amoy plants in China as alternative production sites for electric discharge machines (EDM) but also beginning to expand plants in Thailand that are near other plants but have little risk of flooding.

Turning to the business environment that the Group operates in, globalization is accelerating even more as emerging market economies grow and domestic customers move overseas, and the Group transformed its consolidated subsidiary, Sodick Plustech Co. Ltd., into a wholly-owned subsidiary in order to respond to these rapid changes in the environment and to enhance, or at least maintain, the Group's competitiveness.

Based on these developments, consolidated sales fell ¥685 million (-1.3%) compared with previous fiscal year to ¥53,528 million. In earnings, operating income fell ¥103 million (-1.8%) compared with previous fiscal year to ¥5,495 million, ordinary income rose ¥633 million (+16.1%) compared with previous fiscal year to ¥4,577 million, and net income fell ¥1,790 million (-35.0%) compared with previous fiscal year to ¥3,320 million.

(2) Analysis of **F**inancial **P**osition

1) Assets, **L**iabilities, and **N**et **A**ssets

Compared with the previous fiscal year, consolidated assets as of the end of the term under review increased ¥13,482 million to ¥92,993 million. This was mainly due to a ¥11,411 million increase in cash and deposits in order to secure cash reserves to respond to the highly-uncertain business environment resulting from various developments including the nuclear power plant accident and European financial instability. Furthermore, inventories rose ¥1,263 million.

Consolidated liabilities compared with the end of the previous fiscal year increased ¥11,922 million to ¥63,275 million. Main factors were a ¥1,319 million increase in notes and accounts payable, and a ¥7,850 million increase in interest-bearing debt comprised of short-term and long-term borrowings and bonds that resulted from the reasons mentioned above.

Net assets rose ¥1,560 million compared with previous fiscal year to ¥29,718 million due to the accounting recognition of a ¥3,320 million net income for the period. As a result of the foregoing, the equity ratio came to 31.9%.

2) Cash **F**lows

Due to the following changes in cash flow, consolidated cash and cash equivalents ("Cash") at the end of the period under review totaled ¥27,316 million, which was ¥10,700 million (+29.4%) higher than at the end of the previous fiscal year.

Consolidated cash flows for the period under review and their respective factors were as follows.

(Operating **C**ash **F**lows)

Net cash provided by operating activities was ¥9,245 million (compared with ¥3,216 million a year ago). The cash flow was boosted by ¥4,473 million in net income before income taxes and other adjustments, ¥2,590 million in insurance from damage caused by the floods in Thailand, a ¥1,288 million decrease in notes and accounts receivable–trade, and ¥1,082 million increase in notes and accounts payable–trade. This was partially offset by a ¥3,189 million increase in inventories.

(Investing **C**ash **F**lows)

Net cash used in investing activities was ¥5,295 million (compared with ¥167 million used in investing activities a year ago). This was mainly due to expenses for property, plant, and equipment increasing to ¥2,498 million on account of capital expenditures and the construction of a plant to manufacture electrode wire for EDMs, and expenses for purchase of shares in subsidiaries and affiliates totaling ¥2,244 million resulting from the purchase of shares in the consolidated subsidiary Sodick Plustech during a take-over bid in order to transform the company into a wholly-owned subsidiary.

(Financing **C**ash **F**lows)

Net cash used in financing activities was ¥6,809 million (compared with ¥1,965 million a year ago). This was mainly due to expenses for a ¥4,084 million increase in short-term loans and ¥8,942 million in income from new long-term bank borrowing, partly offset by ¥4,376 million repayment of long-term loans. .

Trends in cash flow indicators of Sodick Group are shown below.

	FY 2009	FY 2010	FY 2011	FY 2012
Equity **R**atio (%)	30.3	30.6	33.3	31.9
Equity ratio based on market capitalization (%)	9.6	24.0	28.2	24.5
Ratio of cash flow to interest-bearing debt (years)	22.9	4.9	10.4	4.5
Interest **C**overage **R**atio (times)	3.2	12.2	5.9	14.4

Note: Equity **R**atio = Shareholders' **E**quity / **T**otal **A**ssets
Equity **R**atio (%) based on market capitalization = Market **C**apitalization / **T**otal **A**ssets
Ratio of cash flow to interest-bearing debt (years) = Interest-**B**earing **D**ebt / **O**perating **C**ash **F**low
Interest **C**overage **R**atio = Operating **C**ash **F**low / **I**nterest **P**aid
* All values are calculated based on consolidated financial data.
* Market capitalization is calculated by multiplying the fiscal year-end closing price of the Company's shares with the number of shares outstanding (less treasury stock) at fiscal year-end.
* Interest-bearing liabilities mean all liabilities on the consolidated balance sheet on which interest is being paid.
* Operating cash flow and interest paid respectively refer to operating cash flow and interest paid as recorded on the consolidated statement of cash flows.

(3) Basic dividend policy and dividends for the current and following fiscal years

It has been the basic policy of the Company to pay stable and sustained dividends on shareholders valuable share capital while ensuring earnings retention for future business development and strengthening of the Company's capital structure. Based on this policy, the Company aims to pay income returns to shareholders reflecting a dividend-on-equity ratio (DOE) of 2% or higher, based on a comprehensive judgment of financial results and cash flows in the subject fiscal year.
Earnings retentions will be applied effectively from a long-term perspective to R&D activities and capital investments with a view to continuously improve financial results. Taking into account fundamental policies and financial results, a total annual dividend of ¥11.0 per share is planned, with a per-share year-end dividend of ¥6.0 and a per-share interim dividend of ¥5.0.
For the next fiscal year, interim and year-end dividends of ¥6.0 each are planned, for total annual dividends of ¥12.0 per share.

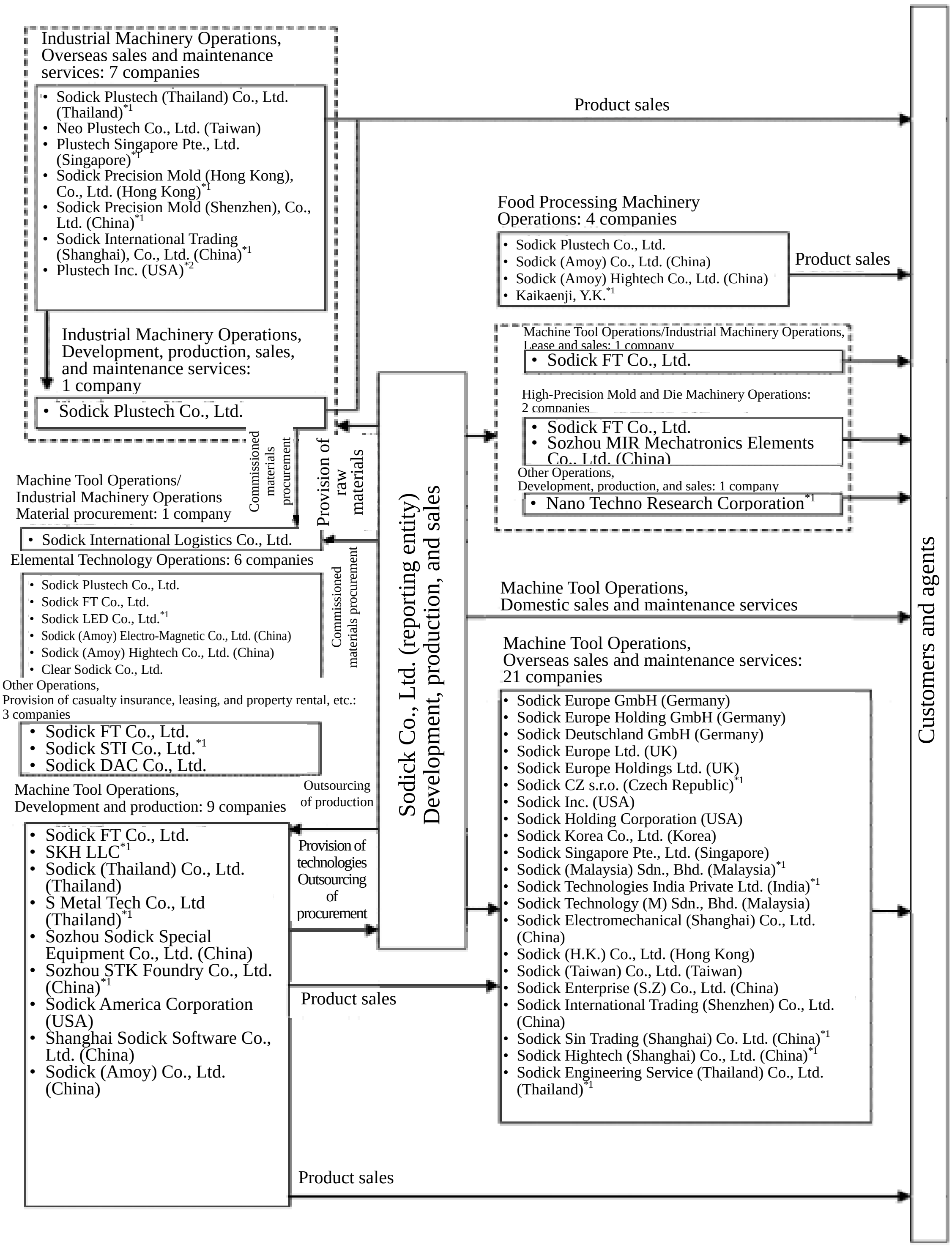
(5) Outlook for the next fiscal year

As for the outlook, the business environment remains harsh and unpredictable. The domestic economy is expected to gradually recover thanks to the projected reconstruction demand following the Great East Japan Earthquake. Overseas, the U.S. economy is expected to experience a firm recovery, but there are concerns about the continuing financial crisis in Europe, slowing growth in China, jumps in the price of crude oil and raw materials, and other issues.
In order to respond to these harsh business conditions, Sodick will merge with its main consolidated subsidiary Sodick Plustech (the merger is expected to occur on July 1, 2012), promptly take various steps such as setting and executing a business strategy for the whole group and concentrating its business resources, and strive to increase the profitability of the Group.
Group results forecasts for the fiscal year to March 2013 are for consolidated sales of ¥57,000 million (+6.5%), consolidated operating income of ¥5,500 million (+0.1%), consolidated ordinary income of ¥4,700 million (+2.7%), and consolidated net income of ¥3,500 million (+5.4%). The above results forecasts are based on assumed average foreign exchange rates during the fiscal year of JPY80/USD1.0 and JPY105/EUR1.0.

Note: The above forecasts are based on currently available information and involve known and unknown uncertainties and risks. Actual results may differ from the forecasts discussed above.

2. Corporate Group

The operations of the Group consists of (i) Machine Tool Operations engaged in the development, production, and sales of NC electric discharge machining tools and machining centers, etc.; (ii) Industrial Machinery Operations engaged in the development, production, and sales of injection molding machinery, etc., (iii) High-Precision Mold and Die Machinery Operations engaged in the development, production, and sales of synthetic resin products, etc.; (iv) Food Processing Machinery Operations engaged in the development, production, and sales of noodle production plants and noodle production equipment, etc., (v) Elemental Technology Operations engaged in the development, production, and sales of linear motor application products, integrated production systems for dies and mold, ceramics products and control equipment for the products, and LED lighting, etc., and (vi) Other operations engaged in the leasing of electric discharge machines and print production, etc., all of which are organically bonded and cooperating to contribute to Group business. The Company and its affiliates relate largely as follows to these individual operations.



Unmarked = Consolidated subsidiaries
*1 = Non-consolidated subsidiaries
*2 = Affiliates not included under the equity method

3. Management Policies

(1) Basic **M**anagement **P**olicies

Helping customers with their production technologies has been a basic policy of Sodick Group, whose corporate name combines the Japanese words for creation, implementation, and overcoming resistance. Under these principles, acquiring customers' confidence by finding together with customers solutions for challenging manufacturing problems is what the Group considers most important for the continuous development of its operations. By concentrating the valuable experience accumulated until today and developing new technologies and products, the Group has been able to identify a wealth of business opportunities. While preserving this corporate philosophy, we will continue at the group-level to develop products that stand out for their technological predominance and contribute to customers' objectives, in the expectation that these efforts will connect to strengthening the earning power of the Group.

(2) Target **M**anagement **I**ndicators

The Company prioritizes medium and long-term income profit returns to shareholders as well as strengthening its capital structure, and has selected the ratio of consolidated ordinary income and the debt-to-equity ratio as management indicators on which these priorities are predicated. In this consolidated fiscal year, the consolidated operating income ratio was 8.6 % and debt-to-equity ratio was 1.4 times, missing the targets for these management metrics. Through measures such as bringing in a new accounting system to increase cash management efficiency at the Group-level, efforts will be made to attain the target values at an early stage.

Category	Numerical **T**arget
Ratio of consolidated ordinary income	10% or higher
Debt to **E**quity **R**atio	1.0 or less

(3) Medium-term and long-term management strategies

The Sodick Group's field of operations comprises a variety of business activities related to manufacturing, such as NC electric discharge machining tools, a field dating back to the founding of the Company, CAD/CAM systems for designing metal dies and molds, machining centers, and injection molding machines; further, for use with this machinery and equipment of the Company, operations for the production of precision mold and dies and molded plastic items; and operations for external sales of machinery and equipment applications that employ technologies developed for the manufacture of the Group's products such as fine-ceramics components and linear motors.

The Group under its concept of "Creating the Future" will further strengthen its earning power by maintaining the capability to consistently provide capital goods needed by customers for their production based on the application of core technologies accumulated by the Group in supporting customers' manufacture, and by optimizing management resources through reorganization measures. Moreover, in order to realize medium-term and long-term growth, we will develop a medium-term and long-term business plan and work to enhance its business basis.

Next to Machine Tool Operations and Industrial Machinery Operations, as a business field the Group has been emphasizing Food Processing Machinery Operations. Demand for food processing machinery in the domestic market is less likely to be swayed by the economic cycle than Machine Tool Operations and Industrial Machinery Operations. In addition, overseas markets offer huge growth potential for Food Processing Machinery Operations given China's enormous population and rich culinary culture, among other factors. As with electric discharge machining tools, going forward, the Group aims to become a leading company also in the industry for food processing machinery and expand its business operations.

The field of environment-friendly products is rapidly growing as people become more environmentally conscious, and in this field, the Group will launch a business related to LED lighting, which places a small burden on the environment. In such ways, the Group will strive to reinforce its profitability by appropriately responding to changes in the market environment.

As for its production system, the Great East Japan Earthquake and the flooding in Thailand caused damage to numerous plants and made it difficult to continue business; therefore, the Group will re-examine and restructure its production system to withstand disasters, such as taking measures to decentralize risks.

(4) Issues to be addressed

Issues to be addressed by Sodick Group are discussed below.

<Dealing with **E**conomic **F**luctuations>

Financial results Business performance in the machine tool industry is said to be easily swayed by the direction of capital investment in the manufacturing sector. To ensure continued future growth, it is necessary for Sodick Group to create a product structure resilient to trends in regional economies by accurately identifying current conditions in individual markets around the globe and by launching product groups consistent with these markets. Moreover, with regard to product structure, by acquiring yet wider customer strata through market launches of new products that are global premieres derived from relentless research and development, the Company aims to create a stable earnings structure that is not easily affected by the ups and downs of individual industry sectors and regional economic trends.

<Addressing **N**ew **M**arkets>

Ahead of competitors, Sodick Group has upgraded and expanded its production and development bases and sales offices in the growing markets of Southeast Asia and China. This has earned the Group high market shares in these regions matching the Group's market shares in Japan. However, emerging economies (i.e., BRICS and VISTA countries) have in recent years come to prominence also in the world of manufacturing, prompting machine tool manufacturers to proactively establish sales subsidiaries in India, Brazil, Russia, and Eastern Europe, and strengthen support for sales agencies. The Group will continue to closely watch market developments and take appropriate action.

<Lowering **I**nput **C**osts>

In manufacturing, the Group has been reviewing its production systems, including staff deployment, and at the same time promoted new product launches to address customer needs in the areas of automation and increased speed. To reduce input costs, we will continue to review planning and increase in-house production additional key components, while inventories will have to be optimized, production processes reviewed, and input cost management tightened.

<Financial **P**osition>

As of March 31, 2012, interest-bearing debt of Sodick Group totaled approximately ¥41,339 million. With the debt-to-equity ratio in the year period failing to fall below the target of 1.0 times, management will remain focused on the financial position. Various measures will be implemented going forward, including reducing interest-bearing debt, in order to expedite a robust financial strength enabling continuing income returns to shareholders.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

	FY 2011 (As of March 31, 2011)		FY 2012 (As of March 31, 2012)	
Assets				
Current Assets				
Cash and deposits	*3	16,622	*3	28,034
Notes and accounts receivable – trade		14,217	*12	12,725
Claims to receivables from installment sales		57		19
Commodity and merchandise		5,547		5,325
Work-in-process		5,054		4,905
Raw materials and inventory		7,070		8,706
Deferred tax assets		1,294		828
Other current assets		2,259		3,185
Allowance for doubtful accounts		(559)		(193)
Total current assets		51,566		63,536
Fixed Assets				
Tangible Fixed Assets				
Buildings and structures	*3	18,333	*3	18,804
Machinery, equipment and vehicles		12,321		11,727
Tools, fixtures and equipment		2,726		2,690
Land	*3	6,763	*3	6,816
Lease assets		1,206		915
Construction in progress		152		589
Accumulated depreciation		(19,674)		(19,134)
Total tangible fixed assets		21,829		22,408
Intangible Fixed Assets				
Goodwill		1,762		2,632
Other intangible fixed assets		805		894
Total intangible fixed assets		2,567		3,527
Investments and other assets				
Investment securities	*4	1,525	*4	2,593
Long-term loans receivable		1,339		303
Other assets	*3, 4	960	*3, 4	983
Allowance for doubtful accounts		(278)		(358)
Total investments and other assets		3,547		3,521
Total Fixed Assets		27,944		29,456
Total Assets		79,510		92,993

(In million yen)

	FY 2011 (As of March 31, 2011)		FY 2012 (As of March 31, 2012)	
Liabilities				
Current Liabilities				
Notes and accounts payable – trade		9,568	*12	10,888
Short-term loans payable	*3, 6	12,065	*3, 9, 11	16,083
Long-term borrowings redeemable within one year	*3, 7, 8	3,665	*3, 7, 8, 10	6,132
Bonds redeemable within one year	*3	734	*3	14
Accounts payable – other		1,478		1,644
Income taxes payable		406		225
Provision for directors' bonuses		20		—
Provision for product warranties		237		247
Provisions for quality warranties		7		7
Provision for bonuses		389		465
Other current liabilities		3,883		6,189
Total current liabilities		32,457		41,899
Fixed Liabilities				
Corporate bonds	*3	58	*3	44
Long-term loans payable	*3, 7, 8	16,965	*3, 7, 8, 10	19,065
Provision for retirement benefits		1,072		1,047
Provision for directors' retirement benefits		13		31
Provision for product warranties		72		89
Provision for loss on guarantees		20		14
Asset retirement obligations		218		220
Other fixed liabilities		473		862
Total fixed liabilities		18,894		21,376
Total Liabilities		51,352		63,275
Net Assets				
Shareholders' Equity				
Capital stock		20,775		20,775
Capital surplus		5,879		5,879
Retained earnings		4,181		6,891
Treasury stock		(2,135)		(1,694)
Total shareholders' equity		28,701		31,851
Accumulated other comprehensive income				
Unrealized gain (loss) on available-for-sale securities		27		206
Foreign currency translation adjustment		(2,277)		(2,405)
Total accumulated other comprehensive income		(2,249)		(2,198)
Subscription rights to shares		23		23
Minority interests		1,682		41
Total Net Assets		28,158		29,718
Total Liabilities and Net Assets		79,510		92,993

(2) Statements of Income and Statement of Comprehensive Income
(Statements of Income)

(In million yen)

		FY 2011 (April 1, 2010 – March 31, 2011)		FY 2012 (April 1, 2011 – March 31, 2012)
Net Sales		54,213		53,528
Cost of Sales	*1, 3	36,592	*1, 3	35,957
Gross Profit		17,621		17,570
Reversal of Unrealized Income on Installment Sales		5		6
Gross Profit after Income Deferrals		17,626		17,576
Selling, General and Administrative Expenses				
Personnel expenses	*2	4,597	*2	5,077
Reversal of allowance for loan losses		153		33
Amortization of goodwill		199		166
Others	*3	7,077	*3	6,802
Total selling, general and administrative expenses		12,027		12,080
Operating Income		5,599		5,495
Non-Operating Income				
Interest income		23		61
Dividends income		40		48
Gain on reversal of allowance for loan losses		—		76
Gain on sales of scraps		38		77
Other non-operating income		275		181
Total non-operating income		377		446
Non-Operating Expenses				
Interest expenses		569		642
Foreign exchange loss		1,182		370
Syndicate loan expenses		98		212
Other non-operating expenses		182		139
Total non-operating expenses		2,032		1,364
Ordinary Income		3,944		4,577
Extraordinary Income				
Gain on sales of fixed assets	*4	338	*4	36
Gain on sales of investment securities		22		—
Reversal of allowance for loan losses		98		—
Proceeds from insurance money received		—	*8	2,590
Other extraordinary income		80		23
Total extraordinary income		539		2,649

(In million yen)

		FY 2011 (April 1, 2010 – March 31, 2011)		FY 2012 (April 1, 2011 – March 31, 2012)
Extraordinary Loss				
Loss on sales of fixed assets	*5	3	*5	20
Loss on retirement of fixed assets	*6	61	*6	60
Loss from revaluation of investment securities		0		38
Impairment loss	*7	99	*7	29
Amortization of goodwill		118		—
Loss related to the application of the Accounting Standard for Asset Retirement Obligations		173		—
Loss from natural disaster		—	*8	2,598
Other extraordinary loss		22		6
Total extraordinary loss		480		2,753
Net Income before Income Taxes		4,003		4,473
Current Income Taxes		580		703
Income Taxes for Prior Periods		(500)		—
Deferred Income Taxes		(1,341)		519
Total Income Taxes		(1,261)		1,223
Net Income before Minority Interest		5,265		3,250
Minority Interests in Income (Loss)		154		(70)
Net Income		5,111		3,320

(Statement of **C**omprehensive **I**ncome)

	FY 2011 (April 1, 2010 – March 31, 2011)	FY 2012 (April 1, 2011 – March 31, 2012)
Net Income before Minority Interest	5,265	3,250
Other Comprehensive Income		
Unrealized gain (loss) on available-for-sale securities	(5)	178
Foreign currency translation adjustment	(924)	(111)
Total other comprehensive income (loss)	(929)	67
Comprehensive Income	4,336	3,317
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,203	3,371
Comprehensive income attributable to minority interest	132	(53)

(3) Consolidated statement of change in shareholders' equity

(In million yen)

	FY 2011 (April 1, 2010 – March 31, 2011)	FY 2012 (April 1, 2011 – March 31, 2012)
Shareholders' Equity		
Capital Stock		
Balance at beginning of current fiscal year	20,775	20,775
Balance at end of current fiscal year	20,775	20,775
Capital Surplus		
Balance at beginning of current fiscal year	6,949	5,879
Changes during the current fiscal year		
Disposition of treasury stock	—	(74)
Transfer to other capital surplus from legal capital surplus	—	74
Deficit disposition	(1,070)	—
Total changes during the current fiscal year	(1,070)	—
Balance at end of current fiscal year	5,879	5,879
Retained Earnings		
Balance at beginning of current fiscal year	(1,990)	4,181
Changes during the current fiscal year		
Transfer to other capital surplus from legal capital surplus	—	(74)
Dividends of surplus	—	(544)
Deficit disposition	1,070	—
Reserve for the awards and welfare fund for employees of foreign subsidiaries	(13)	(41)
Net income	5,111	3,320
Changes in scope of consolidation	4	49
Total changes during the current fiscal year	6,172	2,709
Balance at end of current fiscal year	4,181	6,891
Treasury Stock		
Balance at beginning of current fiscal year	(2,135)	(2,135)
Changes during the current fiscal year		
Purchase of treasury stock	(0)	(0)
Disposition of treasury stock	0	440
Total changes during the current fiscal year	(0)	440
Balance at end of current fiscal year	(2,135)	(1,694)
Total Shareholders' Equity		
Balance at beginning of current fiscal year	23,599	28,701
Changes during the current fiscal year		
Dividends of surplus	—	(544)
Reserve for the awards and welfare fund for employees of foreign subsidiaries	(13)	(41)
Net income	5,111	3,320
Changes in scope of consolidation	4	49
Acquisition of treasury stock	(0)	(0)
Disposition of treasury stock	—	366
Total changes during the current fiscal year	5,101	3,149
Balance at end of current fiscal year	28,701	31,851

(In million yen)

	FY 2011 (April 1, 2010 – March 31, 2011)	FY 2012 (April 1, 2011 – March 31, 2012)
Accumulated Other Comprehensive Income		
Unrealized gain (loss) on available-for-sale securities		
Balance at beginning of current fiscal year	33	27
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	(5)	179
Total changes during the current fiscal year	(5)	179
Balance at end of current fiscal year	27	206
Foreign currency translation adjustment		
Balance at beginning of current fiscal year	(1,375)	(2,277)
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	(901)	(128)
Total changes during the current fiscal year	(901)	(128)
Balance at end of current fiscal year	(2,277)	(2,405)
Total accumulated other comprehensive income		
Balance at beginning of current fiscal year	(1,341)	(2,249)
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	(907)	51
Total changes during the current fiscal year	(907)	51
Balance at end of current fiscal year	(2,249)	(2,198)
Subscription Rights to Shares		
Balance at beginning of current fiscal year	24	23
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	(0)	—
Total changes during the current fiscal year	(0)	—
Balance at end of current fiscal year	23	23
Minority Interests		
Balance at beginning of current fiscal year	1,566	1,682
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	116	(1,640)
Total changes during the current fiscal year	116	(1,640)
Balance at end of current fiscal year	1,682	41
Total Net Assets		
Balance at beginning of current fiscal year	23,848	28,158
Changes during the current fiscal year		
Dividends of surplus	—	(544)
Reserve for the awards and welfare fund for employees of foreign subsidiaries	(13)	(41)
Net gain	5,111	3,320
Change in scope of consolidation	4	49
Acquisition of treasury stock	(0)	(0)
Disposition of treasury stock	—	366
Net change during the current fiscal year in items other than shareholders' equity	(791)	(1,589)
Total changes during the current fiscal year	4,309	1,560
Balance at end of current fiscal year	28,158	29,718

(4) Consolidated Statement of Cash Flows

(In million yen)

	FY 2011 (April 1, 2010 – March 31, 2011)	FY 2012 (April 1, 2011 – March 31, 2012)
Cash Flows from Operating Activities		
Gain (loss) before income taxes	4,003	4,473
Depreciation	2,116	2,121
Amortization of goodwill	318	166
Change in provisions for doubtful accounts	(97)	(271)
Interest and dividend income	(63)	(109)
Interest expenses	569	642
Foreign exchange loss (gain)	495	97
Loss (gain) on sales and valuation of investment securities	(21)	47
Loss (gain) on sale and retirement of fixed assets	(272)	44
Impairment loss	99	29
Loss (gain) in trade receivables	(3,157)	1,288
Loss (gain) in inventories	(4,794)	(3,189)
Gain (loss) in trade payables	3,130	1,082
Gain (loss) in other accounts payable	488	(51)
Increase (decrease) in advances received	913	1,921
Loss from natural disaster	—	2,598
Other operating cash flows	158	(3,177)
Subtotal	3,885	7,713
Interest and dividend income received	63	103
Interest expenses paid	(544)	(641)
Income taxes returned (paid)	(188)	(519)
Proceeds from insurance money received	—	2,590
Net cash provided by operating activities	3,216	9,245
Cash Flows from Investing Activities		
Increase in time deposits	(15)	(711)
Decrease in time deposits	9	—
Expenses for purchases of property, plant, and equipment	(966)	(2,498)
Proceeds from sale of property, plant, and equipment	728	183
Expenses for purchase of intangible assets	(209)	(229)
Expenses for purchase of investment securities	(3)	(804)
Proceeds from sale of investment securities	98	12
Expense for purchase of shares in subsidiaries and affiliates	(35)	(2,244)
Expenses for the acquisition of subsidiary stocks due to a change in the scope of consolidation	(71)	—
Expenses for loans provided	(26)	(42)
Proceeds from loans collected	196	968
Other investing cash flows	127	70
Net cash used in investing activities	(167)	(5,295)

(In million yen)

	FY 2011 (April 1, 2010 – March 31, 2011)	FY 2012 (April 1, 2011 – March 31, 2012)
Cash Flows from Financing Activities		
Change in short-term borrowings	(9,506)	4,084
Proceeds from long-term borrowings	11,530	8,942
Expenses for redemption of long-term borrowings	(3,165)	(4,376)
Expenses for redemption of bonds	(434)	(734)
Proceeds from stock issuance to minority shareholders	0	—
Cash dividends paid	—	(544)
Expenses for payment of finance lease obligations	(290)	(247)
Cash dividends paid to minority shareholders	(0)	(96)
Other financing cash flows	(98)	(218)
Net cash used in financing activities	(1,965)	6,809
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(447)	(95)
Net Change in Cash and Cash Equivalents	636	10,664
Cash and Cash Equivalents, Beginning of Year	15,804	16,615
Increase in Cash and Cash Equivalents from Newly Consolidated or Merger of Subsidiaries	189	36
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	(15)	—
Net Cash and Cash Equivalents, End of Year	*1 16,615	*1 27,316

2. Fiscal Year Ended March 31, 2012 (from April 1, 2011, to March 31, 2012)

1. Summary of **R**eportable **S**egments

Reportable segments of the Company are structural units of the Company for which segregated financial information is available and which are periodically reviewed to enable directors to take decisions on the allocation of management resources and assess operating performance.

The Company has the following reportable segments, which formulate comprehensive strategies of products and services and engage in business activities: in Machine Tool Operations, the five reportable segments "Japan," "North and South America" (U.S.A.), "Europe" (Germany, England), "Greater China" (China, Taiwan, Hong Kong), "Other Asia" (Thailand, Singapore, Korea, Malaysia), and further to Machine Tool Operations, the four reportable segments Industrial Machinery Operations, High-precision Mold and Die Machinery Operations, Food Processing Machinery Operations, and Elemental Technology Operations. The Machine Tool Operations segment engages in the development, manufacture, and selling of electric discharge machining tools and machining centers. The Industrial Machinery Operations segment engages in the development, manufacture, and selling of injection molding machines. The High-precision Mold and Die Machinery Operations segment engages in the development, manufacture, and selling of processed synthetic resin products, etc. The Food Processing Machinery Operations segment engages in the development, manufacture, and selling of noodle production plant and machinery. And the Elemental Technology Operations segment engages in the development, manufactures, and selling of products for linear motor application products, comprehensive production systems for dies and molds, ceramics products, and related equipment.

2. Method of computation of net sales, income or loss, assets, liabilities, and other items by reportable segments

Income in the segment information section is based on operating income.

Sales between segments were determined using prices paid by third parties as reference.

3. 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	12,490	3,578	4,811	13,804	3,104	37,788	—	37,788	7,566
Inter-segment sales or transfers	8,738	192	25	3,157	6,853	18,968	(18,819)	148	45
Total	21,228	3,770	4,837	16,962	9,958	56,757	(18,819)	37,937	7,611
Segment Income (loss)	3,660	489	192	1,778	372	6,493	76	6,570	(278)
Segment Assets	39,671	2,079	2,877	14,083	10,650	69,363	(25,280)	44,082	14,890
Other									
Depreciation	579	34	7	372	227	1,220	(6)	1,214	203
Amortization of goodwill	83	1	(7)	(6)	—	—	—	69	3
Impairment loss	19	—	—	—	—	—	—	19	—
Increase in tangible fixed assets and intangible fixed assets	1,022	29	10	90	1,415	2,569	(41)	2,527	41

	Reportable Segment				Others (Note 3)	Total	Adjustment amount (Note 4, 5, 6, 7)	Amount stated on the consolidated statement of income for the quarter (Note 8)
	High-precision Mold and Die Machinery Operations	Food Processing Machinery Operations	Elemental Technology Operations	Reportable Segment Total				
Net Sales								
Sales to outside customers	2,906	3,282	1,877	53,421	106	53,528	—	53,528
Inter-segment sales or transfers	9	0	2,243	2,446	220	2,666	(2,666)	—
Total	2,915	3,283	4,120	55,868	326	56,194	(2,666)	53,528
Segment Income (loss)	218	115	413	7,038	21	7,060	(1,564)	5,495
Segment Assets	5,324	2,832	5,331	72,460	1,486	73,947	19,046	92,993
Other								
Depreciation	251	75	167	1,913	9	1,922	186	2,109
Amortization of goodwill	12	79	1	166	—	166	—	166
Impairment loss	—	—	—	—	—	19	9	29
Increase in tangible fixed assets and intangible fixed assets	297	22	265	3,154	56	3,210	410	3,621

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 adjustment amount of ¥76 million for the category "Machine Tool Operations" includes ¥76 million in eliminations of inter-segment transactions. The segment assets adjustment amount of -¥25,280 million for the category "Machine Tool Operations" consists of 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 adjustment amount of -¥1,564 million includes -¥4 million in eliminations of inter-segment transactions and -¥1,560 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 assets adjustment amount ¥19,046 million includes the group assets ¥19,098 not attributable to each reportable segment and -¥52 million in eliminations of inter-segment transactions. The group assets consist mainly of the assets of head office functions not attributable to reportable segments.
6. Depreciation adjustment amount of ¥186 million for the category "Others" consist mainly of group's depreciation of ¥186 million not attributable to each reportable segment.
7. The increase in tangible fixed assets and intangible fixed assets adjustment amount of ¥410 million for the category "Others" consists mainly of the increase in group's tangible fixed assets and intangible fixed assets not attributable to each reportable segment.
8. The segment income has been reconciled with the operating income stated on the consolidated statement of income for the fiscal year.

Per-share information

Year ended March 31, 2011 (from April 1, 2010, to March 31, 2011)		Year ended March 31, 2012 (from April 1, 2011, to March 31, 2012)	
Net assets per share (yen)	534.25	Net assets per share (yen)	589.28
Net income per share (yen)	103.23	Net income per share (yen)	67.07
Net income per share after dilution has been omitted as the Company has issued no dilutive instruments.		Net income per share after dilution has been omitted as the Company has issued no dilutive instruments.	

Note: The basis of calculation for net income per share and net loss per share, respectively for the period, is as follows.

	Year ended March 31, 2011 (from April 1, 2010, to March 31, 2011)	Year ended March 31, 2012 (from April 1, 2011, to March 31, 2012)
Net **I**ncome (¥ million)	5,111	3,320
Portion not attributable to shares of common stock (¥ million)	—	—
Net income attributable to shares of common stock (¥ million)	5,111	3,320
Average number of shares outstanding during the period (thousand shares)	49,511	49,513
Outline of share equivalents which due to the absence of dilutive effects are not included in the calculation of diluted per-share earnings.	Stock options in the form of share subscription rights issued pursuant to resolution of the ordinary general meeting of shareholders held on June 28, 2007 (Number of shares: 129 thousand).	Stock options in the form of share subscription rights issued pursuant to resolution of the ordinary general meeting of shareholders held on June 28, 2007 (Number of shares: 129 thousand).

(Material subsequent events)
There are no items to report.