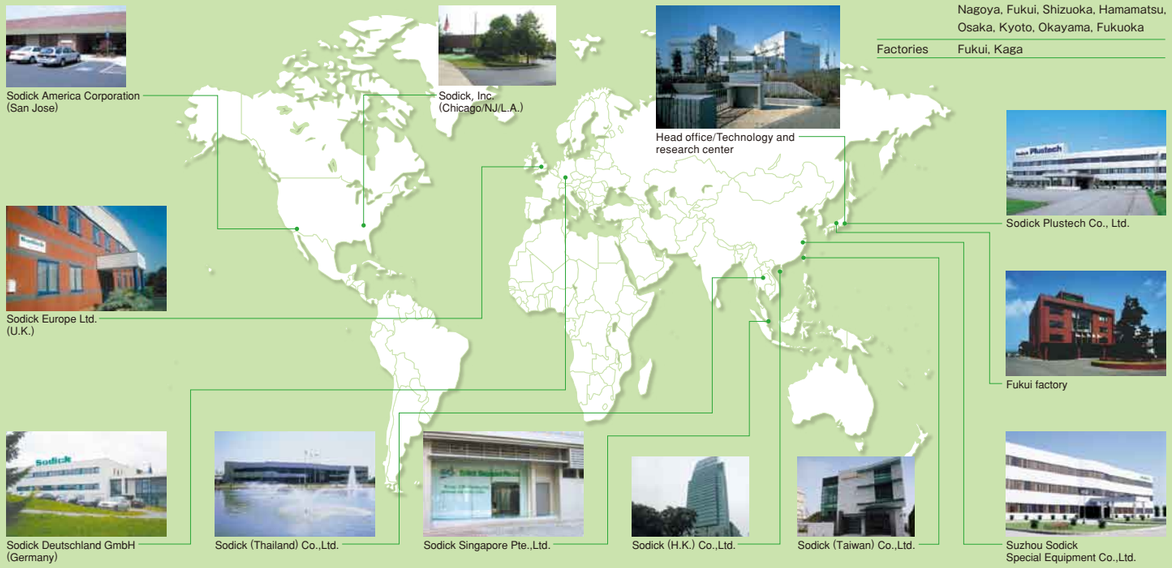
Major locations worldwide (as of March 31, 2007)



■Domestic	
Head office	Yokohama
Branches	Sendai, Koriyama, Morioka, Hachioji, Matsumoto, Kanto (Saitama), Ota, Niigata, East Kanto (Kashiwa), Nagoya, Fukui, Shizuoka, Hamamatsu, Osaka, Kyoto, Okayama, Fukuoka
Factories	Fukui, Kaga

Sodick's website

http://www.sodick.jp/

We looking forward to hearing from our shareholders.

At Sodick, we are receptive to the opinions and questions of all our shareholders.Feel free to contact us at the following.

e-mail: ***ir@sodick.co.jp***

Sodick

Sodick Co., Ltd.

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Business Report

Business Report for Fiscal 2006

(April 1, 2006 to March 31, 2007)

Sodick

Sodick Co., Ltd.

Sodick Corporate Highlights (December 2006 to March 2007)

Exhibition

Demonstration at IMTS and JIMTOF

The International Machin Tool Show (IMTS), held every other September in Chicago, and the Japan International Machine Tool Fair (JIMTOF), held every other November at Tokyo's Big Site, both took place in 2006.

New office

Office opened in former East Germany

An East Germany Office was opened to meet with the current and also the growing demands for EDMs in Europe. The new office supports users in the area of the former East Germany and operates as a sales office to cover the Eastern European region, including Poland and the Czech Republic. We plan to strengthen the Swiss sales office and open a technology center in Slovakia in the near future.

Awards and recognition

Received the49th (in 2006) "Top Ten New Product Prize" from The Nikkan Kogyo Shimbun, Ltd.
Linear motor driven hybrid wire-cut EDM [Hybrid Wire]

Hybrid Wire, an innovative hybrid processing machine that comines the features of a wire-cut EDM's ultra-high precisiogn processing and a water-jet processing machine's ultra-high-speed processing was one of the premier winners of the "49th Best 10 New Products Prize for 2006" awarded by the Nikkan Kogyo Shimbun. (Announced on January 4, 2007)

Main features

- Rough machining (first cut) with astounding processing speed 3 to 100 times faster than conventional machines.
- Achieves fully automated processing without need for rough processing or core disposal.

New plant

Amoy, Fujian Province, P.R. China
Construction work begins on a plant at Sodick Amoy Co., Ltd.

Marking the 30th anniversary of its establishment, Sodick investigated from various angles how to achieve the largest global share of EDMs in the near future. As a result, it was resolved to establish a new base in the internationalized city of Amoy, Fujian Province, China, where many excellent corporate entrants from Europe, the U.S., Taiwan, and other areas are operating, using the advantage of an airport and a harbor in the neighborhood.

Message to Shareholders

Total Manufacturing Solution

The resolve to contribute to manufacturing
through creating technology, implementing, and sourmountng obstacles.

I would like to extend warm greetings to all shareholders.
We celebrated the 30th anniversary of Sodick's founding last year. I would like to warmly thank you all ,once again, for your support.
The global machine tool market continues to expand, driven by robust economic growth in China, India and the Eastern European countries. Under these conditions, we are now working toward our goal of achieving the largest share of EDMs in the global market.
As regards sales operations, the domestic sales division was detached and reorganized as a sales company on April 2. This unit is empowered in a broad range of sales activities, which facilitates identification of a sales strategy that fits best in each region and enables swifter decision making.
On the production side, a new plant was set up in Amoy Fujian Province, China, (start of operations planned September 2007) to increase capacity. We expect to boost capacity to an annual production level of 5,500 numeric control (NC) EDMs three years from the start of operation and be able to meet the rapidly growing demands in the market. We are pursuing further quality improvement and cost reductions by strengthening cooperation with the existing plant in Suzhou, rationalizing product lines, and encouraging exchange among personnel.
We intend to press forward with our aim of becoming the world's number one EDM manufacturer for all aspects of technology, production, and sales support, with our founding philosophy of "creating", "implementing", and "surmounting obstacle" deep in our mind.

I would like to ask all shareholders for their continued exceptional support in the future.

Shigeo Shioda, President

CONTENTS

Results for Fiscal 2006

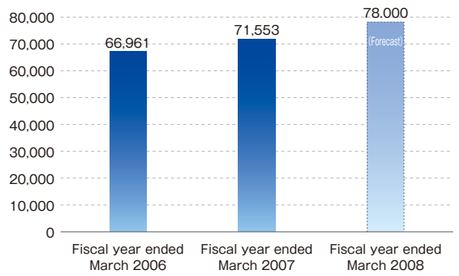
Overview

Although the machine tools and industrial machinery industries where Sodick operates faced higher prices for materials such as crude oil and metals, we achieved strong results supported by economic trends overseas, including steady economic recovery in Europe and sustained rapid growth in China. In such environments, the Sodick Group pressed forward with new product development meeting customer needs, including the Hybrid Wire EDM, the world's first hybrid machining tool to combine the high precision processing of the Wire EDM and the high speed processing of the Water Jet Machine; the SD3LR, High-speed Die-sinker EDM for difficult-to-cut-material ; and the "SGF power supply" which almost completely prevents electrode exhaustion and thereby brings a large cost saving to EDM die-sinking.

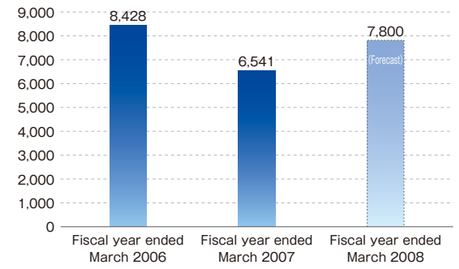
On the sales side, we have implemented the aggressive marketing strategy focused on Chinese and Asian market where the demand is growing in each business sector. As a result, for the fiscal year under review, consolidated net sales rose 4,592 million yen (6.9 percent) from a year earlier to 71,553 million yen; operating income fell 1,778 million yen (25.3 percent) to 5,241 million yen, mainly due to increased research and development costs and selling expenses; ordinary income fell 1,886 million yen (22.4 percent) to 6,541 million; and net income fell 2,362 million yen (38.6 percent) to 3,757 million yen.

Consolidated financial highlights

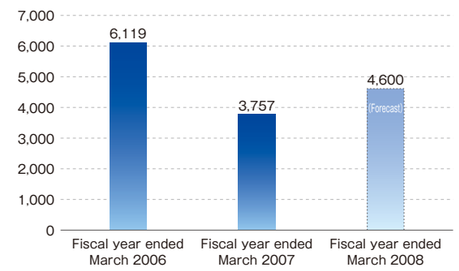
Net sales (million yen)



Ordinary income (million yen)



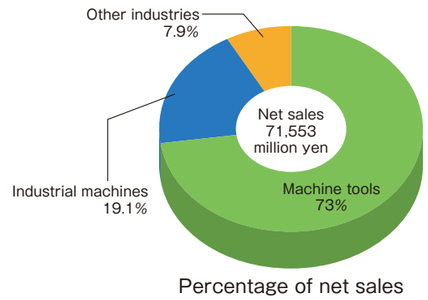
Net income (million yen)



Overview by segment

Machine tools

In Japan, despite robust demand in the IT, high-tech and a wide range of other sectors, capital expenditure on automotive component machining showed signs of slowing. Overseas, strong sales growth for digital consumer electronics and IT related fields was seen in the Asian region, driven by China. As a result, net sales increased by 4,702 million yen (9.9 percent) from a year earlier to 52,240 million yen in this business segment.

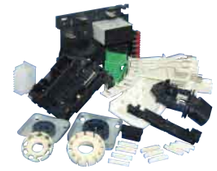


Percentage of net sales

Industrial machines

The series of small precision injection molding machines sold well to the manufacturers of digital consumer electronics and automobiles, not only in Japan but also in the Asian market, especially in South Korea and Taiwan. Sales slowed during the second half, however, with some manufacturers adjusting inventories. Meanwhile, domestic sales of precision XY stages for liquid crystal manufacturing and inspection equipment were generally strong. As a result of the above, net sales in the machine tool business increased by 303 million yen, or 2.3 percent, from a year earlier to 13,736 million yen.

Others industries



Sales of tool & mold total manufacturing system declined slightly while the manufacture and sale of precision molds and molding performed well for the automotive industry. As a result, net sales in the industrial machines sector fell 380 million yen (6.3 percent) year-on-year to 5,657 million yen.

Outlook for fiscal 2007

Looking forward, the Japanese economy is likely to see a sustained uptrend in corporate earnings and capital expenditure, while growth in the major overseas economies will slow to a moderate pace. Based on this assumption, we expect consolidated net sales to grow 9.0 percent year-on-year to 78 billion yen, ordinary income to rise 19.2 percent to 7.8 billion yen, and net income to rise 22.4 percent to 4.6 billion yen for the fiscal year ending March 31, 2008.

Sodick's growth strategy

Sodick's global thrust Progress and prospects in the fast-growing European market

On its 30th anniversary, the Sodick group entered into a further stage of globalization, and is taking active steps toward its aim of holding the largest share of EDMs in the global market. Here is a report on its progress in Europe, especially in the east.

Sodick Europe Ltd.
President
Jan van Egmond

Sodick Europe Holding
CEO
Kazuo Asakura

Sodick Deutschland GmbH
President
Norbert Kempf

1 We are aggressively expanding business in Europe with two newly established subsidiaries.

Sodick has established Sodick Europe Ltd. (U.K.) in the U.K. to conduct business across the European region and Sodick Deutschland GmbH (Germany) to cover the German market.

Machine tools are collectively called "mother machines" as they are tools for machinery production, and Germany has long been the world leader in this field. Our global strategy requires that we gain a certain market share in Germany, the motherland of machine tools, where industries competitive in high value added products are concentrated. We stood third with a 13.3 percent market share as of the end of 2006, surging from 5.4 percent in 2000.

Sodick's products are highly rated in the European market, and we have established channels to the automobile, electronics, mechatronics, and aerospace industries. Our clients include major German automakers and world-famous Swiss watch makers.

2 Sodick's competitive edge depends on its unique technology and price competitiveness.

Sodick's competitive edge derives from its advanced technology and strong price competitiveness.

For example, our company's product features of high speed and high precision are inherently incompatible, but they can be combined through the following four core technologies:

①Original linear motors as drive components. These motors minimize loss and backlash, unlike conventional systems that transform motor rotation into linear motion)

②Greater adoption of ceramic materials, which are more durable and less vulnerable to thermal deformation

③Loading with extremely high precision motion control technologies

④Development of original discharge circuit technology

Putting them altogether, the performance of Sodick's EDMs exceeds that of Swiss and other Western European products.

Many of our products sold in the European market are also very price competitive because they are manufactured by Sodick in Bangkok, Thailand.

3 Actively promoting marketing to gain a 30-percent market share

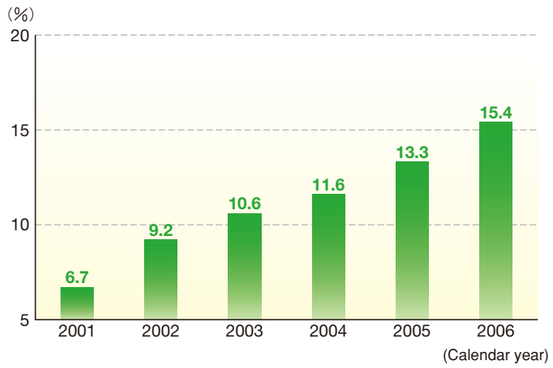
Sodick's marketing focuses on the eastern European countries, which has received large amounts of industrial investment since becoming part of the EU. The dynamic approach taken in Eastern Europe has contributed to increasing Sodick's market share in the EU bloc.

In the Czech Republic, automakers and auto parts manufacturers from neighboring Germany, Japan and other countries have built plants. Japanese and Korean automakers have also invested in Turkey, which is negotiating with the EU for membership. In addition, European home appliance manufacturers have plants there, and the refrigerators, washing machines, and liquid crystal TVs produced in this nation are displayed in store windows in the EU bloc.

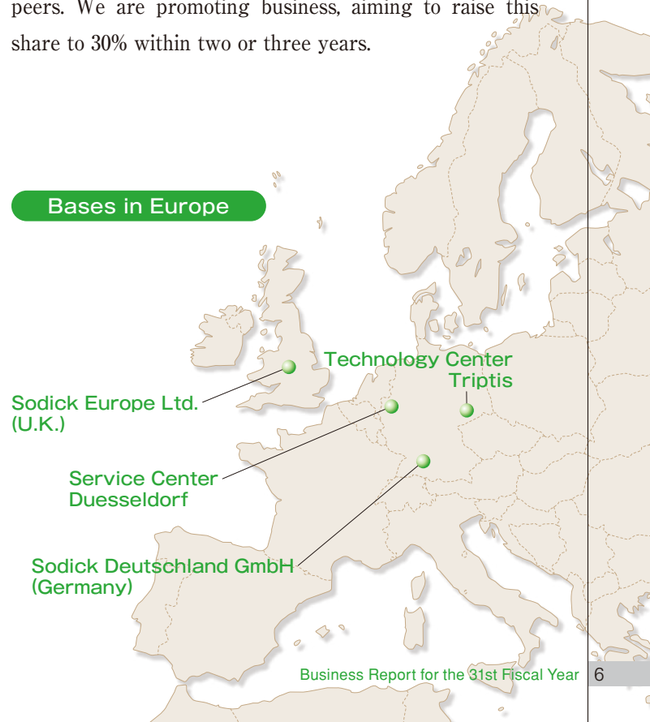
Unlike Germany, where choice of model is conservative, the emerging countries of Eastern Europe compare Sodick's products with others on an equal footing, and our budget pricing is a great attraction there.

The management capability of a local plant is critical to expanding marketing channels. The Sodick group has adopted a policy of locally rooted management since 2002, and basically employs local staff, including the CEO, at plants abroad in order to be certain of grasping business opportunities. In the EU region, Sodick occupies a 15.4-percent market share, the largest among its Japanese peers. We are promoting business, aiming to raise this share to 30% within two or three years.

Sodick's market share in the EU bloc



Bases in Europe



30 Years' History at Sodick

Interim and year-end serial history summaries

Part 2 1991 to 2006 Headlong growth ▪▪▪› Into the future

Part 1: 1976 to 1990
Foundation ▪▪▪› growth trajectory ▪▪▪› development overseas

Outline of previous history——In the summer of 1976, Sodick separated from Japax Co., Ltd., a leading EDM manufacturer of the time, and took its first steps. Thereafter, Sodick rose rapidly to become a major EDM manufacturer, paving the way through a business alliance with Makino Milling Machine Co., Ltd. (later dissolved), plant transfer to the Hokuriku area, listing to the Second Section of the Tokyo Stock Exchange in record time, and construction of a plant in Thailand, which was then unusual in Japan's machine tool industry.

Equity participation in Japax Co., Ltd.

In the second half of the 1980s, Japan enjoyed an unprecedented economic boom after recovering from the downturn caused by the strong yen and "Black Monday." At that time, Sodick also benefited from the so-called "bubble economy," selling large numbers of EDMs to customers.

In contrast, Sodick's former parent company Japax Co., Ltd., exhausted after the two oil crises and the strong-yen depression, was struggling in a tough management environment where it was losing market share in competition with Sodick and others. In spite of assistance extended by its house bank and a major steel maker, Japax's good old days had vanished.

In April 1991, Sodick participated in an equity initiative by purchasing new shares issued by Japax, and in October 1992, Sodick acquired part of the EDM sales business transferred from Japax. The industrial community was surprised at the acquisition of a parent company by its subsidiary, and the mass media vied with each other to put it on the front page of the following morning's edition.

Development in China

Around the time when its equity participation in Japax was proceeding, Sodick was examining several Asian countries, following Thailand, as candidates for production bases to further reduce costs. During this time, Sodick received an order for an EDM from Shanghai Jiao Tong University in Shanghai, China, and this opportunity developed into the establishment of a joint venture, Shanghai Sodick Software Co., Ltd., with the university in May 1991. Sodick contributed 80 percent of the funding for software development related to Sodick's numeric control devices. Sodick's motive was the advantage of software development costs, which were one-tenth what they would have been in Japan. This joint software venture marked Sodick's first but firm step into China. Previously we had had an unsuccessful experience in manufacturing EDMs in China, with local staff managers defecting to competitors. This time, we deliberately built up relationships of trust with the concerned local laboratories and companies, and carried out matters very cautiously. One such relationship was with a local company located in Suzhou in the suburbs of Shanghai, where industrialization was ongoing. In June 1994, three years after the establishment of the software joint venture, Suzhou Sodick Sanguang Machinery Electric Co., Ltd. was established, with a 25 percent contribution from Sodick. In December 1994 Suzhou Sodick Special Equipment Co., Ltd. was established, and it was agreed that the partner should contribute 20 percent of the equity. In the process of establishing these two companies, the local partner not only helped us greatly in acquiring the site, retaining a constructor, hiring staff, and so on but gave us informative advice regarding common knowledge and practices unique to Chinese. These have worked in our favor when developing business in China.

Following this, in September 1995, Suzhou STK Foundry Co., Ltd. was jointly established in Suzhou, China, by Sodick, TOWA Corporation (a semiconductor device manufacturer), Kanematsu KGK Corp. (a machinery trade house), and a local diecast company. This satisfied the need for stable procurement of excellent diecasts at a favorable cost when producing EDMs locally.

In the late 1990s, the potential for China and its neighbors to form a huge market was growing, and sales subsidiaries were set up in Beijing, Shanghai, Hong Kong, Taiwan, and other places. Furthermore, in the first years of the new century, when China was being dubbed "the factory of the world," manufacturers rushed from all over the globe to transfer their plants to China. In fiscal 2003, the number of EDM units sold in China and Taiwan almost equaled those sold in Japan. In response to this rapid growth, Sodick CPC Co., Ltd. was established in April 2004 to act as a regional headquarters for the whole China business, and it enabled swifter decision making in management strategy including sales and production planning and new model development. Partly as a result of this, Sodick CPC has been transformed from a cost center focusing on cutting production costs to a profit center.

Total manufacturing solution

The EDMs are integral products of a wide range of technologies including electronics, magnetics, chemistry, precision measurement and software development. In July 1992, Sodick New Material Co., Ltd. (its name has since changed to Sodick EMG Co., Ltd.), Sodick Plustech Co., Ltd. and Sodick Engineering Co., Ltd. were established to explore new businesses based on these technologies.

Sodick New Material Co., Ltd. has its origin in a study started at a section within the research and development division to apply low thermal expansion and high insulation ceramics to key parts of an EDM. As the business differed from Sodick's established business domains, a new company was set up. Although it manufactured only those parts required by Sodick in the early days after the startup, its original ceramics came to be recognized by customers from other industries. It won first and other prizes for a manufacturing component in the "Large Size Ceramics and Air Bearing Guide" category for fiscal 2005, sponsored by the Nikkan Kogyo Shimbun Ltd. Year after year, it has increased its share of sales to non-group companies. Sodick Plustech Co., Ltd. is engaged mainly in manufacturing and marketing injection molding machines, an activity that originated in a customer saying during a consultation, "It's difficult for conventional injection machines to carry out precision processing—is there anything you can do about it?" Sodick used its expertise in computerized control and software development accumulated in developing NC devices for EDMs, and successfully developed and commercialized products to satisfy customers. In August 2001, just nine years after its foundation, it listed its shares on the JASDAQ market managed by the Japan Securities Dealers Association.

30th Anniversary Commemorative Story

Moreover, Sodick Engineering Co., Ltd. was established for the purpose of developing CAD/CAM software more suitable for mold building. This is also a company that has emerged to meet customers' needs. Thus Sodick succeeded in business diversification under the idea of putting the customer first, and realized the concept of total manufacturing solutions with the mantra "Talk to Sodick to resolve all your machine manufacturing issues").

Linear wave

Since the mid-1990s, manufacturers have demonstrated series of linear motor-driven machines at international machinery fairs and other places. The early machines were expensive, however, and faced heating and other technical problems, so consequently very few were commercialized. Sodick determined that linear motors were the most suitable for driving EDMs and embarked on independent development. After solving technical problems, its in-house expertise on ceramics and numeric control was applied collectively to improve performance. Finally Sodick launched the "AM Series," the first linear motor driven die-sinker EDM, in November 1998, and followed up by bringing a series of new linear motor driven products to market. In April 1999, Sodick launched the "AQ series," a 3-axis linear motor-driven CNC die-sinker EDM; the "AQ325L / AQ550L," a linear motor-driven CNC wire-cut EDM; the "MC150L," a linear servo motor-driven machining center, and so on. Thus we succeeded in equipping almost all our flagship products with linear servo motors within the space of a year. The "AQ series" won several prizes, including the "Best of Nikkei Business Daily" in the Nikkei Best Product and Service Prize for 1999 (sponsored by the Nihon Keizai Shimbun, Inc.). This is a measure of the impact that these machines had on enhancing productivity in manufacturing, especially in the die-cast industry.

AQ537L premium

Toward a new growth strategy

AE05

Since 2000, Sodick has exploited its linear motor, ceramics and numeric control technologies and rolled out products that have never been seen before, including the "NANO-100" nano-level precision machine; the "LQ series" NC device loaded with 3D CAD/CAM functions; the "EBM" electron beam PIKA finish machine; and the "AE 05" "Hybrid Wire-cut EDM."

Regarding production capacity, Sodick has rapidly expanded plants in Thailand and China, and switched production of almost all volume seller EDM models to plants abroad to enhance cost competitiveness. As a result, accumulated total shipment of EDMs, the world's fastest machines of their type, reached 10,000 units in January 2005 and 15,000 units in autumn 2006. To further increase the corporate value of the Sodick group, Sodick Hightech Co., Ltd. , which is engaged in four of the group's business domains, listed its shares on the Nippon New Market Hercules Standard, Osaka Securities Exchange, in December 2005. This was the second IPO among the group companies.

In June 2006, Sodick announced the establishment of the Amoy plant, the third overseas plant following factories in Thailand and Suzhou, China. The new plant is projected to start operating in autumn 2007, and will have the capacity to manufacture around 1,500 units by its third year.

Sodick is now implementing a new growth strategy, aiming to be the world's top EDM manufacturer in all aspects of net sales, earnings, units and quality.

The Sodick group is willing to share our dream with shareholders, customers, employees and all other stakeholders. We are always happy to listen to suggestions and comments.

Company History

1991
- May — Shanghai Sodick Software Co., Ltd. established in Shanghai, China.
- November — New head office building completed at Sodick Inc (United States).

1992
- July — Sodick Engineering Co., Ltd., Sodick Plustech Co., Ltd., Sodick New Material Co., Ltd. (currently Sodick EMG Co., Ltd.) established.

1993
- May — Launch of EXC100, All-ceramic, high-precision wire-cut EDM.

1994
- April — Sodick Singapore Pte., Ltd., established in Singapore.

1995
- September — Suzhou STK Foundry Co., Ltd. established in Suzhou, China.

1996
- May — Launch of "DiPro," a CAD/CAM system with enhanced modeling functions.

1997
- January — Head office moved to the Research & Training Center in Nakamachidai, Tsuzuki-ku, Yokohama City, Japan.
  Sodick Taiwan Co., Ltd. established in Taiwan.
- November — CNC control "Mark 25" and "Mark 30" series were released.

1998
- November — Launch of "AM series," the world's first high-speed CNC die-sinking EDM driven by linear motor.

1999
- April — For EDMs sold in Japan, the warranty was extended to three years.
  3-axis Linear- servo -motor-drive, high-speed CNC die-sinker EDM.

2000
- January — Received the "42nd (in 1999)Top Ten New Product Prize" from The Nikkan Kogyo Shimbun, Ltd., and "the most excellent Prize for excellent product and service from Nihon Keizai Shimbun Inc, in 1999" for the "AQ" series Linear servo motor driven maching center.

2001
- August — Sodick Plustech Co., Ltd. listed its shares on the JASDAQ market.

2002
- October — Sodick Korea Co., Ltd. established in South Korea.

2003
- March — Shanghai Technical Center opened in Shanghai, China.
- September — Started sales of "PF−00A" and "PF−32A", the first generally-available in the world, electron beam machines (EBM) for forming mirror surface.
- October — Received "Grand Prize and Encouragement Prize of 20th Industrial Technology Development in Kanagawa Prefecture" for "NANO-100", a nano-level precision, linear motor driven machine.

2004
- January — Received the 46th (in 2003) "Top Ten New Product Prize" from The Nikkan Kogyo Shimbun, Ltd, for the "PF-00A" and "PF-32A" electron beam machines (EBM) for forming mirror surface.
- May — Sodick Deutschland GmbH and European Technical Center established in Stuttgart, Germany.
  Sodick Europe Ltd. established in Birmingham, UK.
- July — Received the "34th Special Prize of Machine Industry Design" from The Nikkan Kogyo Shimbun, Ltd. for the "AP1L LQ1" linear motor driven, small-sized, high precision NC die-sinker EDM.

2005
- December — Sodick Hightech Co., Ltd. listed its shares on the Hercules market, Osaka Securities Exchange.

2006
- September — Sodick Deutschland GmbH opens East Germany office
  "Hybrid Wire," a linear motor driven hybrid wire-cut EDM, announced.

Consolidated Financial Statements (Summary)

Unit: million yen, figures rounded down

■Consolidated Balance Sheets

Account \ Period	Previous year (30th) As of March 31, 2006	Current half-year (31st) As of March 31, 2007
Assets		
Current assets	57,081	69,889
Cash and deposits	12,228	21,348
Trade notes and accounts receivables	25,586	26,727
Installments receivable	289	276
Inventories	16,626	17,456
Others	3,234	5,065
Allowance for doubtful accounts	△ 884	△ 986
Fixed assets	25,128	30,588
Tangible fixed assets	18,721	23,116
Intangible fixed assets	1,188	1,232
Investments and other assets	5,219	6,239
Investment securities	3,624	3,885
Long-term loans	87	79
Others	1,871	2,548
Allowance for doubtful accounts	△ 364	△ 274
Total assets	82,210	100,477

Account \ Period	Previous half-year (30th) As of Sept. 30, 2005	Current half-year (31st) As of Sept. 30, 2006
Liabilities		
Current liabilities	39,965	40,449
Trade notes and accounts payable	14,077	13,999
Short-term debt	16,368	16,824
Long-term debt due for repaymet within one year	1,946	1,727
Bonds due for redemption within one year	440	300
Other accounts payable	2,946	1,700
Income taxes payable, etc	954	1,609
Others	3,231	4,285
Fixed liabilities	9,823	15,655
Bonds	3,500	8,100
Long-term debt	3,933	4,870
Others	2,387	2,683
Total liabilities	49,789	56,104
Net assets		
Shareholders' equity	29,428	39,620
Common stock	16,848	20,775
Capital surplus	3,032	6,949
Earned surplus	8,997	12,115
Treasury stock	△ 55	△ 221
Valuation and translation adjustments	—	1,422
Minority interests	2,993	3,331
Unrealized gains on other securities	696	485
Total net assets	32,421	44,373
Total liabilities and net assets	82,210	100,477

Due to the introduction of new accounting standards, the previous "Assets" has changed to "Net assets" on the consolidated balance sheet. Incidentally, the figures for the "net assets" in the previous interim have been reorganized and displayed as "shareholders' equity".

■Consolidated Statement of Income

Account \ Period	Previous year (30th) April 1, 2005 to March 31, 2006	Current year (31st) April 1, 2006 to March 31, 2007
Net sales	66,961	71,553
Cost of sales	45,596	49,651
Gross profit	21,364	21,902
Selling, general, and administrative expenses	14,385	16,676
Operating income	7,020	5,241
Non-operating income	2,092	2,267
Non-operating expenses	684	967
Ordinary income	8,428	6,541
Extraordinary income	661	267
Extraordinary loss	675	238
Income before income taxes and minority interests	8,414	6,570
Income, inhabitant, and enterprise taxes	1,855	2,140
Net income	6,119	3,757

■Consolidated Statement of Cash Flows

Account \ Period	Previous year (30th) April 1, 2005 to March 31, 2006	Current year (31st) April 1, 2006 to March 31, 2007
Cash flow from operating activities	4,909	5,680
Cash flow from investing activities	△ 4,973	△ 9,059
Cash flow from financing activities	3,848	11,642
Effect of exchange rate on cash and cash equivalents	275	357
Net increase in cash and cash equivalents	4,059	8,620
Cash and cash equivalents at beginning of term	8,146	12,228
Cash and cash equivalents at newly consolidated subsidiaries at beginning of term	41	370
Decrease in cash and cash equivalents due to exclusion of subsidiaries from consolidation	△ 18	△ 54
Cash and cash equivalents at end of term	12,228	21,164

■Consolidated Statements of Changed in Shareholders' Equity (April 1, 2006 to March 31, 2007)

	Shareholders' equity						Minority interests	Total net assets
	Common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity	Total valuation and translation adjustments		
Balance as of March 31, 2006	16,848	3,032	8,997	△ 55	28,823	604	2,993	32,421
Amount of change								
New stock issues	3,927	3,917	—	—	7,844	—	—	7,844
Dividend earnings	—	—	△ 870	—	△ 870	—	—	△ 870
Bonuses to directors and corporate auditors	—	—	△ 31	—	△ 31	—	—	△ 31
Net income	—	—	3,757	—	3,757	—	—	3,757
Acquired treasury stocks	—	—	—	△ 165	△ 165	—	—	△ 165
Other changes	—	0	262	—	262	—	—	262
Total amount of change	3,927	3,917	3,118	△ 165	10,796	817	338	1,155
Net change in items other than shareholders' equity net change during term								
Balance as of March 31, 2007	20,775	6,949	12,115	△ 221	39,620	1,422	3,331	44,373

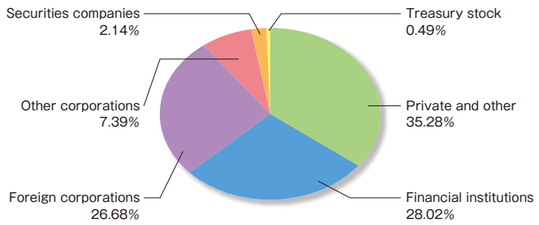
Share Information (as of March 31, 2007)

Total no. of authorized shares	150,000,000
Total number of shares issued	53,432,510
Total no. of shareholders	15,083

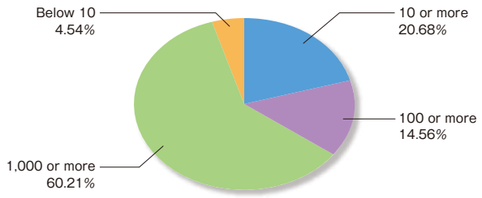
Major shareholders

Name of shareholders	No. of shares (Shares)	Share of ownership (percent)
The Master Trust Bank of Japan, Ltd. (trust account)	5,236,700	9.80
Japan Trustee Services Bank, Ltd. (trust account)	2,425,500	4.53
TOM Co., Ltd	2,024,246	3.78
The Bank of New York Europe Ltd., Luxemburg 131800	1,777,800	3.32
Nikko Cititrust and Banking Co., Ltd. (investment trust account)	1,636,100	3.06
Credit Suisse Luxembourg S.A. Depositary Bank	1,565,700	2.93
UBS AG London Account IPB Segregated Client Account	1,302,400	2.43
Japan Securities Finance, Co., Ltd.	1,201,700	2.24
The Chase Manhattan Bank N.A. London SL Omnibus Account	1,013,800	1.89
Sumitomo Mitsui Banking Corporation	850,000	1.59

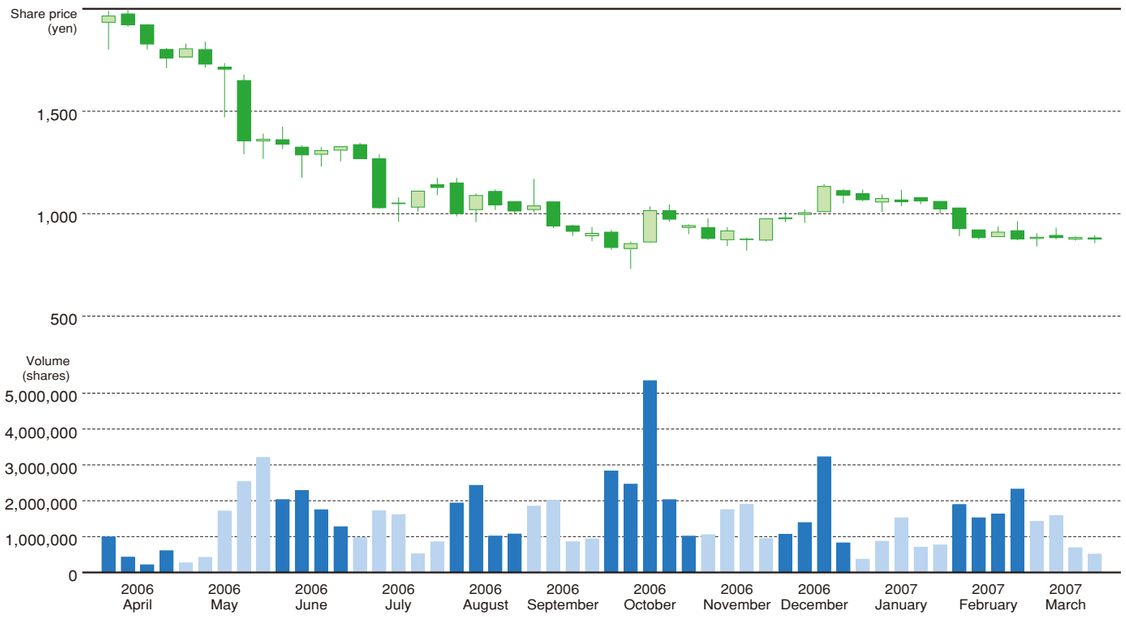
Share Distribution by Holder
(as of March 31, 2007)



Share Distribution by Holder
(as of March 31, 2007)



Share Price and Volume Trends (April 1, 2006 to March 31, 2007)



Corporate Profile (as of March 31, 2007)

Corporate name	Sodick Co., Ltd.
Head office	3-12-1 Nakamichidai, Tsuzuki-ku, Yokohama 224-8522, Japan
Phone	+81-(0)45-942-3111 (general)
Established	August 3, 1976
Capital	20,775,756,958 yen
Representative	Shigeo Shioda
Employees	225(3,239 consolidated) (as of March 31, 2007)
Consolidated subsidiaries	36(as of March 31, 2007)
Main products	NC die-sinking EDM / CNC wire-cut EDM) / NC small hole-drilling EDM developed / Specialist EDMs and special purpose models (pallet changers, robots, etc.) / Numerical Control / Specialist tools for EDMs / NC electrode machines / High speed milling machining center / Nano Processing Machine / CAD/CAM system for mold design / Precision injection molding machines / Industrial ceramics / Precision linear press / linear motor for industrial machinery / Other electronic processing equipment / Electronics parts and modules / various software / commissioned research and product developments / others

List of Directors (as of March 31, 2007)

President	Shigeo Shioda
Senior Managing Director (Industrial distribution division)	Takashi Yamamoto
Senior Managing Director (Corporate Planning)	Kazuo Katoh
Managing Director (General sales)	Koji Taki
Managing Director (Management head office and intellectual property)	Katsuhide Fujiwara
Director (General Manager, Research and Development)	Sadao Sano
Director (Japanese Corporates, Sodick [Amoy])	Takeshi Ichikawa

Director (General Manager, Advanced research division)	Yuji Kaneko
Director (Manager, Finance department)	Tomohide Kawamoto
Standing Statutory Auditor	Saeji Kusunoki
Standing Statutory Auditor	Sakuo Ueno
Statutory Auditor	Sadao Shimoyama
Statutory Auditor	Akiyoshi Koyama
Statutory Auditor	Masao Aihara

Among the auditors, Sadao Shimoyama and Akiyoshi Koyama Of the auditors, Sadao Shimoyama, Akiyoshi Koyama and Masao Aihara are outside auditors stipulated for in the Corporate Law, Article 2, Term 16.

Shareholder Notes

Fiscal year	April 1 to March 31 of the following year
Annual shareholder's meeting	June
Fixed dates	Annual shareholders' meeting/March 31 Dividend at end of period /March 31 Other dates are announced in advance as necessary
No. of shares per unit	100
Shareholder register manager	Mitsubishi UFJ Trust and Banking Corporation
Transfer handling office	Securities Agency Department, Mitsubishi UFJ Trust and Banking Corporation
Address	1-4-5 Marunouchi, Chiyoda-ku, Tokyo
Inquiries	Securities Agency Department, Mitsubishi UFJ Trust and Banking Corporation 7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081
Agents	All Japanese branches of Mitsubishi UFJ Trust and Banking Corporation All Japanese branches of Nomura Securities Co., Ltd.
Public notice	Online at Sodick's corporate website

For share-related matters, please call Mitsubishi UFJ Trust and Banking Corporation at the following numbers (lines open 24 hours a day), or visit our website.
Phone (free calls within Japan): 0120-244-479 (Head Office Securities Agency Dept.), 0120-684-479 (Osaka Securities Agency Dept.) Website http://www.tr.mufg.jp/daikou/