

Major Locations Worldwide (as of March 31, 2015)

Head office Production sites Research and development sites Sales and service sites



Domestic

Head Office Yokohama
 Branches Sendai, Omiya, Hachioji, Yokohama, Fukui, Matsumoto, Shizuoka, Nagoya, Osaka, Okayama, Fukuoka
 Production Sites Fukui Plant, Kaga Plant, Hakusan Plant, Miyazaki Plant

Sodick Sodick Co., Ltd.

3-12-1, Nakamachidai, Tsuzuki-ku,
 Yokohama, Kanagawa, 224-8522
 Japan
 Phone: +81-(0)45-942-3111
 Facsimile: +81-(0)45-943-5835
 (Stock Code: 6143)

Sodick Website

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

We are looking forward to hearing from our shareholders.

At Sodick, we are receptive to the opinions and questions of all our shareholders. If you have any questions, please feel free to contact us through the following web page:

<http://www.sodick.co.jp/contact/index.html>



Sodick Co., Ltd.

TSE 1st Section, Code No. 6143

Business Report

April 1, 2014 to March 31, 2015



Sodick

Linear motor drive metal 3D printer OPM250L one-process milling center honored at the 57th New Products Best 10 Awards sponsored by Nikkan Kogyo Shimbunsha

The OPM250L metal 3D printer was awarded a Main Award at the 57th (2014) New Products Best 10 Awards sponsored by the Nikkan Kogyo Shimbun. The prize was awarded for the highly regarded potential for spreading the implementation of metal 3D printing to production sites for plastic forming. Through the development of this system, a complete suite of technology is now available for end-to-end manufacturing processes capitalizing on Sodick's metal 3D printer that enables product groups to be built based on a consistent design process.



Opening of the Sodick Tokyo Showroom Offers customers the experience of Sodick's "one-stop solution" based on metal 3D printing

On January 15, 2015, the Group opened its Tokyo showroom with easy access across from the Yaesu exit of the JR Tokyo Station.

On display at the showroom are two installations of the OPM250L metal 3D printer together with the SL400G wire EDM machine and the GL30 V-Line system injection molding machine, allowing customers to have direct experience with our proposed "one-stop solution." The showroom will not only serve as a place to exhibit our products, but will also be a location where we can offer customers sought-after solutions to their needs and hold various events and seminars on our latest technology.



CONTENTS

Sodick Corporate Highlights	1	Results for Fiscal Year 2015	7
Message to Shareholders	2	Consolidated Financial Statements (Summary)	8
Global Network and Overview by Segment	3-4	Share Information / Corporate Profile	9
Special Feature: Listing on Tokyo Stock Exchange, First Section		Shareholder Notes	10
Our path to date and future strategy	5-6		

Create Your Future

Yuji Kaneko
President and Representative Director



Dear Shareholders,

Thanks to you, on March 31, 2015, we were able to move our stock listing on the Tokyo Stock Exchange from the Second Section to the First Section. We would like to express our sincere gratitude to the support from our shareholders and the many other concerned parties for making this change possible. This accomplishment serves as a checkpoint in our quest to maintain and improve the Sodick brand through strengthened corporate governance and by promoting a "diversity business" that will facilitate the generation of a wide variety of innovations that leverage the capability of our diverse talent base. While our business expands globally, we aim to achieve a record high in net sales within three years through the fostering of the Sodick Group's own core competencies, centering on EDM.

One of our growth drivers for further business expansion is our metal 3D printer that has been in the limelight for its next generation production technology—the OPM250L. With this system, metallic powder is melted by laser and laminated,

then undergoes a repeated set of finishing processes at the machining center. In this way, the system can produce tools and dies of complex shapes, such as 3D cooling water pipes, that could not be achieved with existing machinery until today. Another Group strength is its new end-to-end manufacturing process ("monozukuri"), a "one-stop solution" from upstream to downstream that covers the full range of *monozukuri* from CAD/CAM to EDM systems to a machine center and even injection molding equipment. With this solution, the manufacturer can respond promptly and effectively to customer problems. We expect that an aggressive set of business activities will increasingly expand the contribution to metal 3D printing's business performance.

In order to respond to your future expectations, we will devote ourselves to the expansion of the Company's business under the corporate philosophy of "creation," "execution," and "hard work and perseverance." To this end, we ask for your understanding and support.

Dividends

The Company conducts its business with utmost care for the critical capital contributed by its shareholders. Its basic policy is to ensure that the necessary earnings are retained for future business expansion and for reinforcing a solid business structure while continuing to pay a stable dividend. In accordance with 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 applicable fiscal year.

Taking into account fundamental policies and financial results, the Company plans a total annual dividend of ¥20.0 per share, with a per-share year-end dividend of ¥13.0, consisting of an ordinary dividend of ¥7.0 per share and a commemorative dividend of ¥6.0 per share to mark the Company's listing on the First Section of the Tokyo Stock Exchange, together with a per-share interim dividend of ¥7.0. For the next fiscal year, we plan to pay interim and year-end dividends of ¥9.0 each, for total annual dividends of ¥18.0 per share.

Global Network

To support the Group's global manufacturing we will work to promote the globalization of development, production, and sales bases.

Associated with accelerating globalization, overseas sales have been expanding. Specifically, Sodick Group has made advances not only in the industrialized nations such as Japan, U.S., and European countries, but also into emerging economies. In China, a region that typifies the emerging markets and which is becoming a leading industrial country, Sodick Group has been aggressively expanding its business since the start of the 1990s and achieved major results in line with the growth of the Chinese economy. As to the sales and service network in the region, Sodick Group's presence on greater China including Taiwan comprises sales and services bases in 26 locations. On the strength of this highly developed network, the Group is able to provide differentiated service that allows customers to use Sodick-made machinery with confidence. In the future, the Group will focus also on markets such as India, Southeast Asia, and Brazil, and in this way contribute to the "art of manufacture" throughout the world.



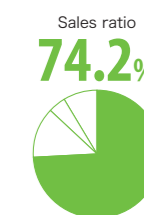
Segments (changes starting in the 38th business term)

Segment	Description
Machine Tool Operations	Development, production, and sales of electric discharge machining tools, machining centers, and metal 3D printers, etc.
Industrial Machinery Operations	Development, production, and sales of injection molding machinery, etc.
Food Processing Machinery Operations	Development, production, and sales of noodle manufacturing plants, noodle manufacturing machinery, and other food processing machinery
Other Operations	Development, production, and sales of plastic molded products (formerly the High-Precision Mold and Die Machinery Operations segment); development, manufacture, and sales of linear motor application products, ceramics products and associated control instruments, and LED lighting, etc. (formerly the Element Technology Operations segment), leasing of electric discharge machining tools, etc.

Overview by Segment

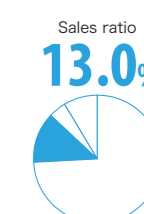
Machine Tool Operations

Machine Tool Operations comprise mainly the manufacture, sales, and maintenance service of electric discharge machining tools and sales of consumables. In Japan, capital spending demand for machine tools has been recovering since the drop-off in spending following the increase in the consumption tax and is now rising due in part to government measures such as financial assistance to promote capital investment. Orders have been particularly strong in automobile- and connector-related business. Overseas, in North America, demand has been brisk in the automotive, aerospace, and medical equipment sectors. In Europe, the worsening of the Russian economy has been a negative factor, but overall the automotive and aerospace sectors have remained healthy. In Asia, concerns have arisen about a slowdown in the growth rate, especially in China; nevertheless, healthy capital spending demand has been evident in the smartphone- and connector-related sectors. As a result of these developments, consolidated sales revenue at Machine Tool Operations increased ¥5,947 million (+14.6%) compared with previous fiscal year to ¥46,783 million.



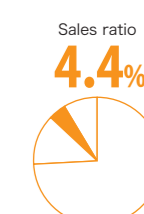
Industrial Machinery Operations

In Industrial Machinery Operations, domestic demand has remained steady for molding equipment used for high value-added components in the automobile- and smartphone-related sectors. However, profit margins have fallen as a result of high initial production costs and increased sales of low-cost equipment in Asia and other regions. As a result of these developments, consolidated sales revenue at Industrial Machinery Operations fell ¥255 million (-3.0%) compared with previous fiscal year to ¥8,189 million.



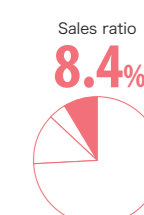
Food Processing Machinery Operations

Food Processing Machinery Operations comprise the development and manufacture of various types of noodle manufacturing machinery and noodle manufacturing plants. In the Operations' major market of Japan, demand from convenience stores and supermarkets for improving the quality of noodles was evident, while overseas regions, especially China, saw demand spread as a result of the Japanese food boom for manufacturing equipment for long-life noodles that can be stored at room temperature. However, due to delivery delays on certain large projects that had been expected to complete within the fiscal year, Food Processing Machinery Operations had consolidated net sales of ¥2,790 million, a drop of 21.1% or ¥747 million.

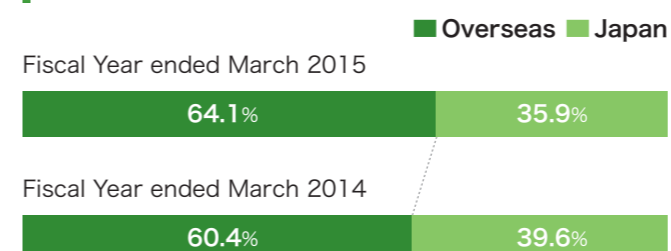


Other Operations

Other Operations consist of High-Precision Mold and Die Machinery Operations (engaged in manufacturing services for precision connectors), Element Technology Operations (engaged in products derived from in-house technologies such as linear motors and ceramics materials, as well as the development, manufacturing, and sales of LED lighting fixtures), and lease operations for electric discharge machining tools, machining centers, and injection molding machinery, among others. During fiscal year ended March 2015, external sales continued to strengthen in linear motors and ceramic materials. Consolidated sales at Other Operations increased ¥1,246 million (+30.5%) compared with previous fiscal year to ¥5,326 million.



Ratios of domestic and overseas sales



Listing on Tokyo Stock Exchange, First Section

Our path to date and future strategy

Since our founding as a company, Sodick has strived to contribute to *monozukuri*, around the world through such means as research in electric discharge control and development of numerical control (NC) equipment. In the future, we will further our contribution to society through *monozukuri*, by enhancing our own technology and proceeding with applied development of new product groups.

Making use of our core advantages
To grow existing and new business

1976

Creation

• Founding



Toshihiko Furukawa, Founder

• EDM development

Leading the world in EDM through development of NC die-sinker EDM with system microcomputer No. 1



MD5B

1980

Leap forward

• Supporting customers' *monozukuri* through a high volume of new technology development

- PIKA-1 mirror surface finishing circuit
- VITOL high performance specialized EDM machining fluid
- NC EDM with 4-axis plus rotating main axis



A3C-R NC die-sinker EDM

February 1986
Listing on Second Section of Tokyo Stock Exchange

1988

Overseas expansion

• Expanding into Industrial Machinery Operations



TR50S2 injection molding machine

1989

• Moving forward on globalizing development, production and sales bases



Sodick builds a development, production and sales system that focuses on area-specific market objectives for the five world market regions of Japan, China, Asia (excluding China), North America, and Europe

2000

Business expansion

• Expanding into Food Processing Machinery Operations

2007



DDM noodle production machine

• Innovation through linear motor technology

- High speed, precision, and responsiveness enabled by linear motor technology
- SMC (Sodick motor controller) controls high-speed, high-precision operations based on directives from an NC system



AG35L die-sinker EDM with linear motor drive

2015

Towards an even brighter future

May 31, 2015
Listing on First Section of Tokyo Stock Exchange



• Metal 3D printer development

Developing the metal 3D printer that creates the hopes and dreams for the *monozukuri* of the future



Metal 3D printer OPM250L

Creating hopes and dreams
for the *monozukuri*
of the future

Overview

During the fiscal year ended March 31, 2015, a drop-off was seen in the Japanese economy following the consumption tax hike, but it has now entered a mild recovery spurred by factors such as government economic policy. In the world economy, the U.S. kept up its steady performance boosted by factors such as an improving employment picture, while Europe's recovery was sluggish with performance varying by individual country as the impact of the situation between Russia and Ukraine persisted. In China, the economic outlook points to a slight slowdown in growth due to a frugality directive leading to a fall in consumer spending and other factors.

In the machine tools industry, there has been a domestic recovery in corporations' capital spending mindset, due in part to government financial assistance and other factors. Overseas, demand has been trending favorably in the automotive sector in North America and towards smartphone-related business in China. For the Sodick Group, this has meant movement towards steady demand in automotive- and connector-related business. In North America and Europe, the Group continues to bring in orders at a healthy pace in the automotive, aerospace, and medical equipment sectors while smartphone-generated orders have been strong in Greater China.

Amidst this environment, the Group exhibited at international machine tools fairs, including the International Manufacturing Technology Show 2014 (IMTS2014) in Chicago in September and the 27th Japan International Machine Tool Fair (JIMTOF2014) in Tokyo in October, where we demonstrated a variety of products including EDM systems and engaged in proactive sales activity. At JIMTOF2014, we unveiled the OPM250L metal 3D printer, a technology that has been garnering attention in recent years. With this system, after metallic powder is melted with a laser and laminated, it undergoes a repeated set of finishing processes at the machining center. In this way, the system can produce molds and dies of complex shapes, such as 3D cooling water pipes, that could not be achieved with existing processing equipment until today. In addition, the Group is paving the way to a new end-to-end manufacturing process ("monozukuri"), in which the manufacturer can respond promptly and effectively to customer problems through a "one-stop solution" that covers the full range of processing from CAD/CAM to EDM systems to a machining center as

well as injection molding equipment. In January 2015, the company opened its Fukui Service Bureau where it performs contracted processing for customers. We have also opened our Tokyo Showroom, where customers can experience the latest monozukuri "in the flesh" made possible by using metal 3D printers.

Based on these developments, consolidated sales rose ¥6,190 million (+10.9%) compared with previous fiscal year to ¥63,090 million. In earnings, operating income rose ¥2,240 million (+84.5%) compared with previous fiscal year to ¥4,891 million, ordinary income rose ¥1,761 million (+45.3%) compared with previous fiscal year to ¥5,647 million, and net income fell ¥644 million (-15.4%) compared with previous fiscal year to ¥3,550 million.

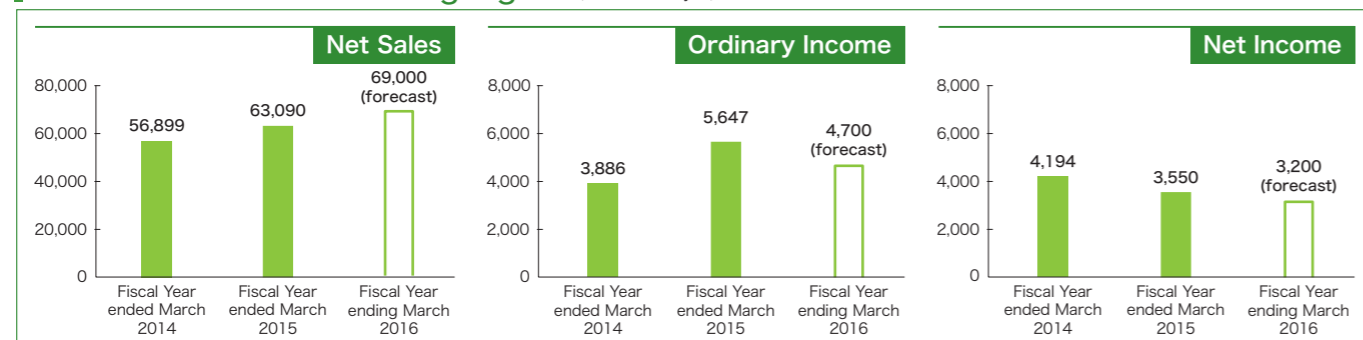
Outlook for the Next Fiscal Year

In the Japanese economy, the Company expects that strength will be lacking in consumer spending but that the mild recovery will continue amidst an improving employment and income environment. In the world economy, we expect the mild recovery to continue. Although the U.S. economy faces challenges from the high dollar and falling oil prices, we also expect its recovery to continue amidst an improving employment and income. In Europe, we believe the recovery will continue at a measured pace, underpinned by export growth while the euro remains low. In China, we believe that fiscal and monetary policy will provide support to forestall an economic slowdown, but expect the economic path to convert from a high growth one to steady growth. In this economic situation, the machine tools market should continue in recovery mode in the major regions of America, Europe, and Asia, and firm up in the near future. In Japan as well, we expect steady capital spending to continue driven by renewed demand.

For the fiscal year ending March 31, 2016, the Group business performance plan includes net sales of ¥69,000 million (+9.4% from the previous fiscal year), operating income of ¥5,100 million (+4.3% from the previous fiscal year), ordinary income of ¥4,700 million (-16.8% from the previous fiscal year), and net income attributable to parent company shareholders of ¥3,200 million (-9.9% from the previous fiscal year).

*The above results forecasts are based on assumed average foreign exchange rates during the fiscal year of JPY119/USD1.0 and JPY134/EUR1.0.

Consolidated Financial Highlights (Units: million yen)



Consolidated Balance Sheet

Item	Period	Fiscal Year ended March 2014	Fiscal Year ended March 2015
Assets			
Current assets		64,557	71,362
Fixed assets		34,218	32,804
Tangible fixed assets		24,450	24,828
Intangible fixed assets		4,346	3,707
Investments and other assets		5,421	4,268
Total assets		98,776	104,167
Liabilities			
Current liabilities		29,779	34,537
Fixed liabilities		26,544	20,176
Total liabilities		56,324	54,713
Net assets			
Shareholders' equity		38,673	41,462
Capital stock		20,775	20,775
Capital surplus		5,879	5,879
Retained earnings		13,714	16,503
Treasury stock		(1,695)	(1,696)
Accumulated other comprehensive income		3,714	7,923
Minority interests		63	67
Total net assets		42,451	49,453
Total liabilities and net assets		98,776	104,167

Consolidated Statement of Income and Comprehensive Income

Item	Period	Fiscal Year ended March 2014	Fiscal Year ended March 2015
Net sales		56,899	63,090
Gross profit		16,667	20,874
Operating income		2,651	4,891
Ordinary income		3,886	5,647
Income before income taxes		3,857	5,129
Net income		4,194	3,550
Comprehensive income		7,541	7,763

Consolidated Statement of Cash Flows

Item	Period	Fiscal Year ended March 2014	Fiscal Year ended March 2015
Cash flow from operating activities		5,577	8,298
Cash flow from investing activities		(4,181)	(144)
Cash flow from financing activities		(3,696)	(5,243)
Effect of exchange rate changes on cash and cash equivalents		8	839
Net increase (decrease) in cash and cash equivalents		(2,293)	3,748
Cash and cash equivalents, beginning of year		25,514	23,647
Increase in cash and cash equivalents from newly consolidated or merger of subsidiaries		425	—
Increase in cash and cash equivalents resulting from merger with non-consolidated subsidiaries		1	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation		(0)	—
Cash and cash equivalents, end of year		23,647	27,396

Share Information

Total number of authorized shares	150,000,000
Total number of shares issued	53,432,510
Total number of shareholders	21,598

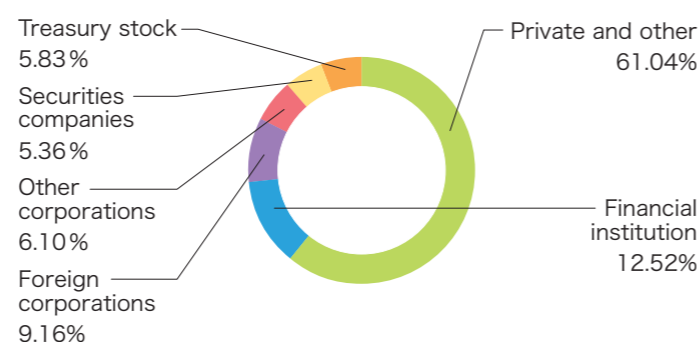
Major Shareholders

Name of shareholders	No. of shares (shares)	Share of ownership (percent)
Sodick Co., Ltd.	3,114,393	5.82
Japan Trustee Services Bank, Ltd. (trust account)	1,271,100	2.37
Toshihiko Furukawa	1,195,975	2.23
TF Co., Ltd.	1,150,000	2.15
The Master Trust Bank of Japan, Ltd. (trust account)	1,122,200	2.10
Japan Securities Finance Co., Ltd.	1,086,000	2.03
Sodick Business Partner Stock Ownership Association	977,500	1.82
SBI Securities Co., Ltd.	904,400	1.69
Sumitomo Mitsui Banking Corporation	850,000	1.59
Masaaki Suzuki	742,260	1.38

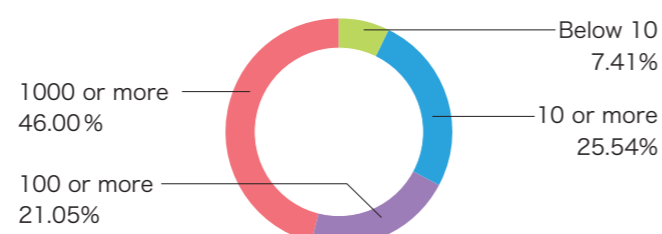
Corporate Profile

Company name:	Sodick Co., Ltd.
Address (Head office):	3-12-1, Nakamachidai, Tsuzuki-ku, Yokohama, Kanagawa, 224-8522 Japan Phone: +81-(0)45-942-3111 (representative)
Established:	August 3, 1976
Capital:	20,775,756,958 yen
Representative:	Yuji Kaneko
Employees:	622 (3,183 consolidated)
Consolidated subsidiaries:	22
Main products:	Die-sinking EDM / Wire-cut EDM / Small hole-drilling EDM / Specialist EDMs and special purpose models (pallet changers, robots, etc.) / Numerical control / Specialist tools for EDMs / Metal 3D printers / High speed milling machining center / Nano processing machine / Integrated production systems / Precision injection molding machines / Industrial ceramics / Linear motor for industrial machinery / Other electronic processing equipment / Electrode wire used for wire-cut electric discharge machining tools / Precision dies and molds / Electronics parts and modules / Various software / Food machinery / LED application products / Commissioned research / Others

Share Distribution by Holder



Distribution by Number of Shares Held



List of Directors (as of June 26, 2015)

Chairman and Representative Director	Toshihiko Furukawa
President and Representative Director	Yuji Kaneko
Vice President and Representative Director	Kenichi Furukawa
Senior Executive Managing Director (Senior Executive Officer)	Keisuke Takagi
Senior Executive Managing Director (Senior Executive Officer)	Takashi Matsui
Senior Executive Managing Director (Senior Executive Officer)	Misao Fujikawa
Senior Executive Managing Director (Senior Executive Officer)	Sadao Sano
Executive Managing Director (Senior Executive Officer)	Kenichi Osako
Executive Managing Director (Senior Executive Officer)	Hirofumi Maejima
Executive Managing Director (Senior Executive Officer)	Hideki Tsukamoto
Outside Director	Kenichi Tsugami*
Outside Director	Toshiaki Kurihara*
Full-time Audit & Supervisory Board Member	Akio Hosaka
Full-time Audit & Supervisory Board Member	Yuichi Watanuki
Outside Audit & Supervisory Board Member	Takashi Nagashima*
Outside Audit & Supervisory Board Member	Kazuto Shimoyama
Outside Audit & Supervisory Board Member	Tomio Okuyama

* Independent officer as determined by the Tokyo Stock Exchange.

Shareholder Notes

Fiscal year	April 1 to March 31 of the following year
Dividend at end of fiscal year	March 31
Dividend at end of 2nd quarter	September 30
Annual shareholder's meeting	June
Administrator of the shareholder register	Mizuho Trust & Banking Co., Ltd.
Administrator's contact	Mizuho Trust & Banking Co., Ltd., Stock Transfer Agency Department 2-8-4 Izumi, Sugunami-ku, Tokyo 168-8507, Japan Phone: 0120-288-324 (Toll free in Japan)
Account management institution for special accounts	Mitsubishi UFJ Trust and Banking Corporation
Stock listing	Tokyo Stock Exchange, First Section
Stock code	6143
Public notice	Notification shall be given electronically. Public notices shall be released on the following URL: http://www.sodick.co.jp/ir-f.html * However, in the event of an accident or other unavoidable circumstances where electronic public notification is not possible, public notices shall be published in the Nihon Keizai Shimbun.

[Notice]

- Accompanying the conversion to an electronic certificate system, change of address, purchase applications and other such procedures requested by a shareholder are now principally handled by the account management institution (securities company, etc.) where the shareholder has opened an account. Please inquire at the securities company or other institution where you have your account. Also, please note that the administrator of the shareholder register (Mizuho Trust & Banking Co., Ltd.) does not offer such services.
- For information on the various procedures concerning shares recorded in a special account, please contact the following office at Mitsubishi UFJ Trust and Banking Corporation, Sodick's administration institution for special accounts.
- Unclaimed dividend distributions are payable at the head offices and branch offices of Mizuho Trust & Banking Co., Ltd., Mizuho Bank, Ltd., and Mizuho Securities Co., Ltd.

[Procedures pertaining to shares of stock]

○ Stock shares registered in accounts at securities companies, etc.

Description of procedure, inquiry, etc.	Where to inquire	
<input type="radio"/> Inquiries related to sending and return of mail <input type="radio"/> Inquiries related to distribution after payment period expiration <input type="radio"/> General inquiries concerning share administration	Administrator of the shareholder register	Mizuho Trust & Banking Co., Ltd., Stock Transfer Agency Department 2-8-4 Izumi, Sugunami-ku, Tokyo 168-8507, Japan Phone: 0120-288-324 (Toll free in Japan)
<input type="radio"/> Address, name and other such changes <input type="radio"/> Designations of method for receipt of dividends <input type="radio"/> Procedures, inquiries, etc. other than those listed above	Please inquire at the securities company or other such institutions where you have opened your account.	

○ Stock shares registered in special accounts

Description of procedure, inquiry, etc.	Where to inquire	
<input type="radio"/> Requests for transfers from special account to ordinary account <input type="radio"/> Purchase requests for odd-lot transactions <input type="radio"/> Address, name and other such changes <input type="radio"/> Special account balance inquiries <input type="radio"/> Designations of method for receipt of dividends*	Account management institution for special accounts	Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department 7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081, Japan Phone: 0120-232-711 (Toll free in Japan) [Methods for requesting procedure forms] ○ Request made through automated telephone service: 0120-244-479 (Toll free in Japan) ○ Online downloads: http://www.tr.mufg.jp/daikou/
<input type="radio"/> Inquiries related to sending and return of mail <input type="radio"/> Inquiries related to distribution after payment period expiration <input type="radio"/> General inquiries concerning share administration	Administrator of the shareholder register	Mizuho Trust & Banking Co., Ltd., Stock Transfer Agency Department 2-8-4 Izumi, Sugunami-ku, Tokyo 168-8507, Japan Phone: 0120-288-324 (Toll free in Japan)

*Shareholders owning shares of stock registered under a special account may not select pro rata distribution according to the number of shares as the method for receiving dividend distributions.

Regulations for the purchase of supplemental shares or sales of shares in case of odd lot shares

Since odd lot shares are not tradable in securities markets (the unit size is 100 shares), shareholders whose holdings include odd lot shares can use either of the following alternative regulations.

1. Regulation for the purchase of supplemental shares

Shareholders are able to acquire from the Company the shares missing from a full unit.

2. Regulation for the sale of odd lot shares

Shareholders are able to sell their odd lot shares to the Company.