

TSE 1st Section, 6143

# Create Your Future

2Q FY17/12

# Results Briefing

November 21, 2017

# Sodick Co.,Ltd.

<b>Consolidated Results for 2Q FY17/12</b>	.....	<b>3</b>
<b>I. 2Q FY17/12 Financial Results Summary</b>	.....	<b>4</b>
<b>II. FY17/12 Financial Results Projections</b>	.....	<b>14</b>
<b>III. Figures for the Purpose of Comparison</b>	.....	<b>19</b>
<b>(Reference Materials)</b>	.....	<b>25</b>

# Consolidated Results for 2Q FY17/12



✓ The Company has changed its fiscal year-end from March 31 to December 31, effective from the current FY2017, thereby eliminating the three-month difference between the parent's year-end and year-ends of its subsidiaries in China. The year ending December 31, 2017 (FY17/12) is an irregular accounting period of transition that covers nine months.

(1) Period included in the consolidated results for 2Q FY17/12 (on a financial report basis)

- Companies closing accounts in March: April-September 2017
- Companies closing accounts in December (7 subsidiaries in China): January-September 2017

	Jan-Mar	FY17/3			FY17/12			
		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
Companies closing accounts in March		6 months				6 months		
Companies closing accounts in December	6 months				9 months			

(2) Period covered by the consolidated figures for the purpose of comparison  
(Figures for the purpose of comparison: **Adjusted**)

- 2016: Group-wide; January-September 2016
- 2017: Group-wide; January-September 2017

	Jan-Mar	FY17/3			FY17/12			
		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
Companies closing accounts in March								
Companies closing accounts in December								

# **I. 2Q FY17/12 Financial Results Summary**



# Financial Results Highlights (on a Financial Report Basis) **Sodick**

- ✓ Thanks to large increase in the number of EDMs sold mainly in Greater China, both net sales and income are growing at a faster pace than projected.
- ✓ Income margins have largely improved thanks to increase in the number of products sold.

	2Q FY17/3		2Q FY17/12		(million yen) FY17/12 (Apr-Dec: Irregular accounts of nine months) Revised projections	
	Actual	Income margin	Actual	Income margin		
<b>Net sales</b>	28,387	-	<b>42,408</b>	-	60,500	
<b>Gross profit</b>	10,323	36.4%	<b>14,574</b>	<b>34.4%</b>	-	
<b>Operating income</b>	1,982	7.0%	<b>4,206</b>	<b>9.9%</b>	6,000	
<b>Ordinary income</b>	1,050	3.7%	<b>4,466</b>	<b>10.5%</b>	6,300	
<b>Net income</b>	1,058	3.7%	<b>3,159</b>	<b>7.4%</b>	4,300	
<b>Comprehensive income</b>	-3,212		4,009			
Average exchange rate over the period	USD EUR CNY THB	105.20 yen 118.04 yen 17.05 yen 3.00 yen		111.04 yen 126.32 yen 16.47 yen 3.28 yen		111.60 yen 128.50 yen 16.59 yen 3.31 yen

\*Reference information Exchange rate at end of September 2017 USD: 112.73 yen EUR: 132.85 yen CNY: 16.96 yen THB: 3.38 yen  
Exchange rate at end of September 2016 USD: 101.12 yen EUR: 113.36 yen CNY: 15.46 yen THB: 2.91 yen

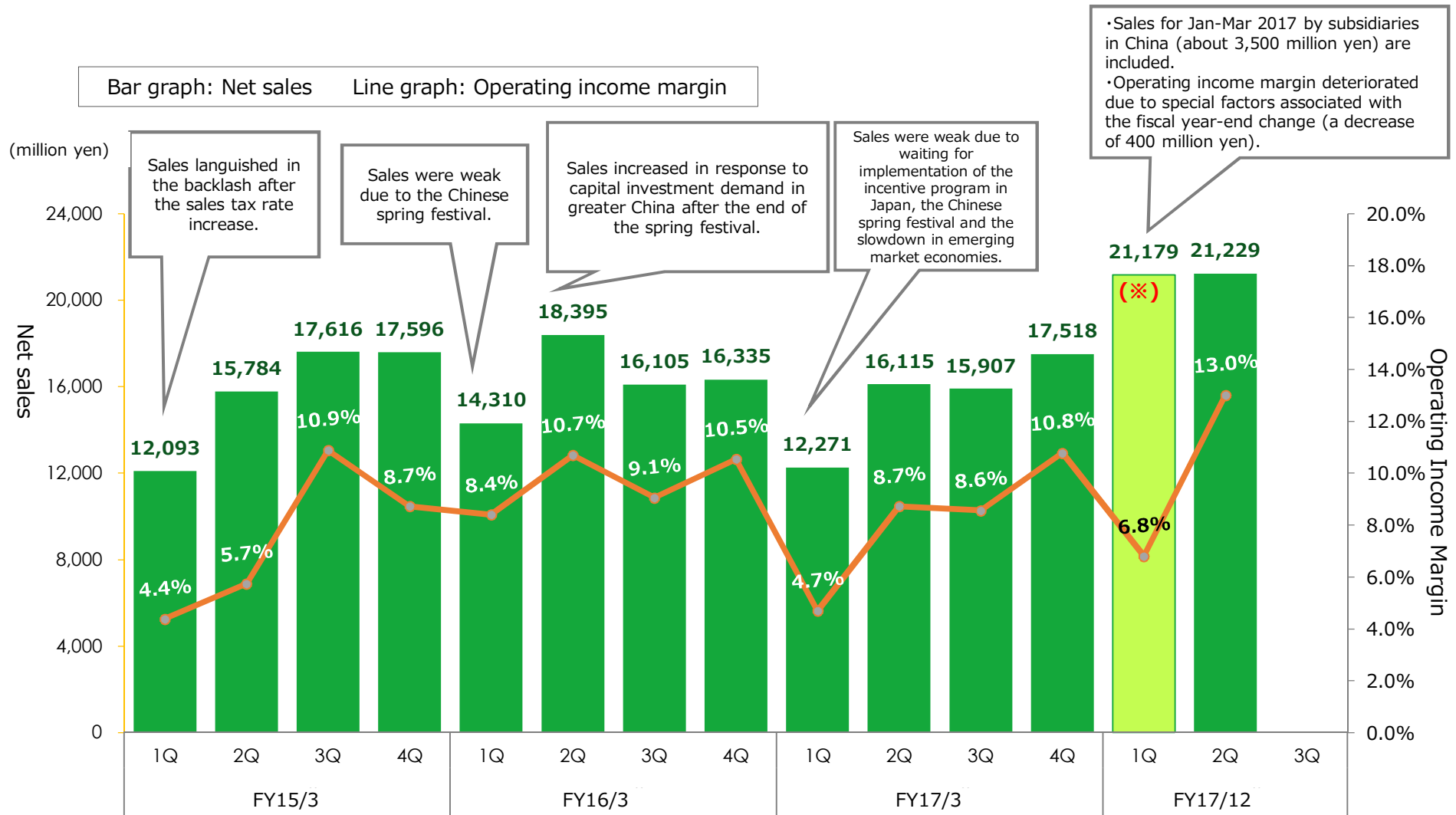
\* Due to the fiscal year-end change, the current quarterly consolidated results accumulating period is 6 months (from April to September 2017) for companies whose fiscal year ends on March 31, and 9 months (from January to September 2017) for those whose fiscal year ends on December 31, resulting in irregular settlement of accounts. Accordingly, changes compared to the same quarter in the preceding fiscal year are not provided.

\* **Impact of the fiscal year-end change: A decrease of approximately 400 million yen in operating income**

\* **FY17/12 financial results projections have been revised. See page 16 for details.**

# Ratio of operating income to net sales (Quarterly: on a financial report basis)

- ✓ Thanks to sales growth in Greater China, net sales were 21,229 million yen, reached its quarterly maximum.
- ✓ Income margin largely improved to a high level of 13.0% thanks to increase in the number of products sold.



(\*) Due to irregular settlement of accounts resulting from the fiscal year-end change, figures for the April-June period of companies whose fiscal year ends on March 31 as well as those for the January-June period of companies whose fiscal year ends on December 31 are included.

# Financial Results by Segment (on a Financial Report Basis) **Sodick**

(million yen)

		2Q FY17/3	2Q FY17/12
		Actual	Actual
Net sales	● Machine tool segment	19,983	<b>31,494</b>
	● Industrial machinery segment	3,860	<b>6,531</b>
	● Food processing machinery segment	1,772	<b>1,493</b>
	● Other segments	2,770	<b>2,888</b>
		28,387	<b>42,408</b>
Segment income	● Machine tool segment	2,606	<b>4,220</b>
	● Industrial machinery segment	17	<b>714</b>
	● Food processing machinery segment	154	<b>-68</b>
	● Other segments	483	<b>653</b>
		3,262	<b>5,519</b>
Adjustment amounts		-1,279	<b>-1,313</b>
Total operating income		1,982	<b>4,206</b>

\* Due to the fiscal year-end change, the current quarterly consolidated results accumulating period is 6 months (from April to September 2017) for companies whose fiscal year ends on March 31, and 9 months (from January to September 2017) for those whose fiscal year ends on December 31, resulting in irregular settlement of accounts. Accordingly, changes compared to the same quarter in the preceding fiscal year are not provided.

## Machine tool segment

- ✓ In Japan, sales increased thanks to orders resulting from the incentive program adopted in March as well as orders were received steadily from customers in the automotive and smartphone industries.
- ✓ North America saw a lull in demand in the automotive, aerospace and medical equipment industries, demand had been firm in their undertone.
- ✓ In Europe, while business was stagnant in Russia and Turkey, sales in the automotive and aerospace industries were steady, mainly in Germany, the U.K. and Italy.
- ✓ In Greater China, the effects of increasing sophistication of production and automation and incentives by the Chinese government resulted in a continuing high level of orders and sales, mainly in auto-related industries, in which electrical motorization is progressing and in smartphone-related industries, which are undergoing ever-further sophistication.
- ✓ In Asia, demand in auto-related industries is expanding, mainly in Thailand and Malaysia, while demand was seen in semiconductor and smartphone industries in South Korea.

## Industrial machinery segment

- ✓ In Japan, there was a huge demand for high added-value components such as connectors and sensors for automobiles, as well as optical lenses and connectors for smartphones, and additionally, there was a demand for vertical injection molding machines for automotive parts.
- ✓ In Greater China and Asia, there was a good demand for the molding of optical lenses for automobiles and smartphones, as well as waterproof silicon molding.

## Food processing machinery segment

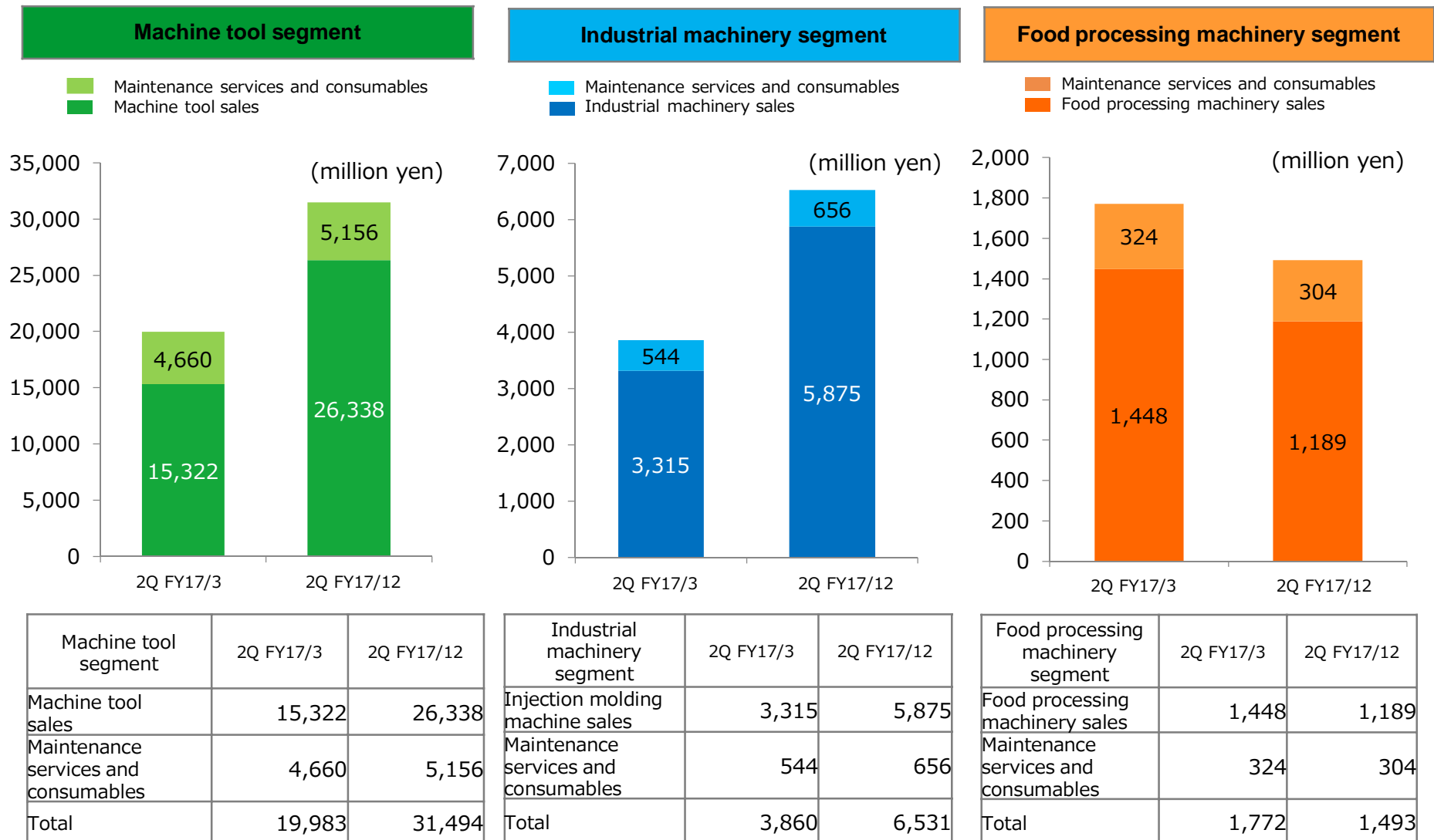
- ✓ Demand came for capital investment for producing higher quality noodles.
- ✓ Demand also grew outside the noodle industry, among confectionery companies and manufacturers of packaging materials for precooked rice, etc.
- ✓ As acceptances in several orders were put off until or after the third quarter, sales were sluggish.
- ✓ Due to the extra cost of launching new products, a loss was recorded in income in this segment.

## Other segments

- ✓ The high-precision mold and die machinery operations, as well as ceramic products, saw strong sales.

# Net Sales by Segment (on a Financial Report Basis) **Sodick**

✓ Maintenance services and consumables, a stable source of cash, account for about 15% of total net sales.



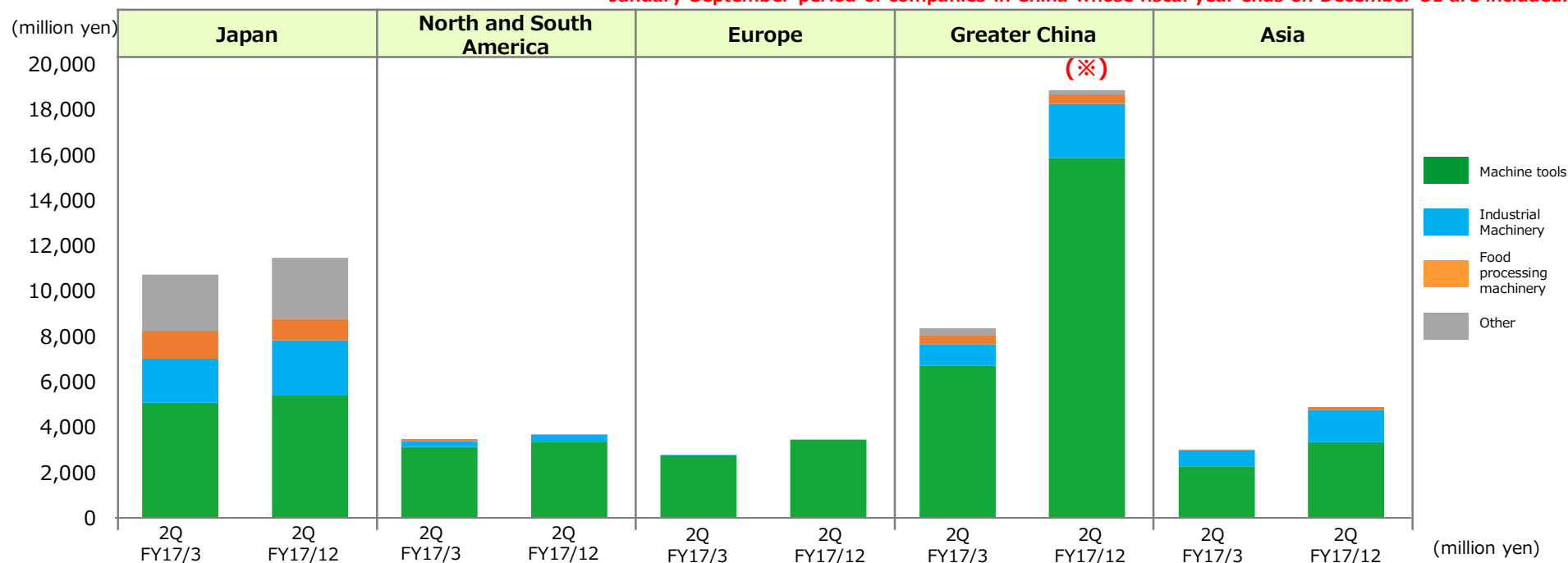
\* Due to the fiscal year-end change, the current quarterly consolidated results accumulating period is 6 months (from April to September 2017) for companies whose fiscal year ends on March 31, and 9 months (from January to September 2017) for those whose fiscal year ends on December 31, resulting in irregular settlement of accounts.



# Overseas Sales Ratio by Segment (on a Financial Report Basis)



\* Due to irregular settlement of accounts resulting from the fiscal year-end change, figures for the January-September period of companies in China whose fiscal year ends on December 31 are included.



2Q FY17/3	Japan		North and South America		Europe		Greater China		Asia		Total	
Machine tools	5,091	25.5%	3,131	15.7%	2,765	13.8%	6,727	33.7%	2,268	11.3%	19,983	70.4%
Industrial machinery	1,941	50.3%	263	6.8%	3	0.1%	927	24.0%	723	18.8%	3,860	13.6%
Food processing machinery	1,235	69.7%	85	4.8%	-	-	420	23.7%	32	1.8%	1,772	6.2%
Other	2,474	89.3%	-	-	-	-	296	10.7%	-	-	2,770	9.8%
By region-Total	10,743	37.8%	3,480	12.3%	2,768	9.8%	8,371	29.5%	3,023	10.6%	28,387	100.0%

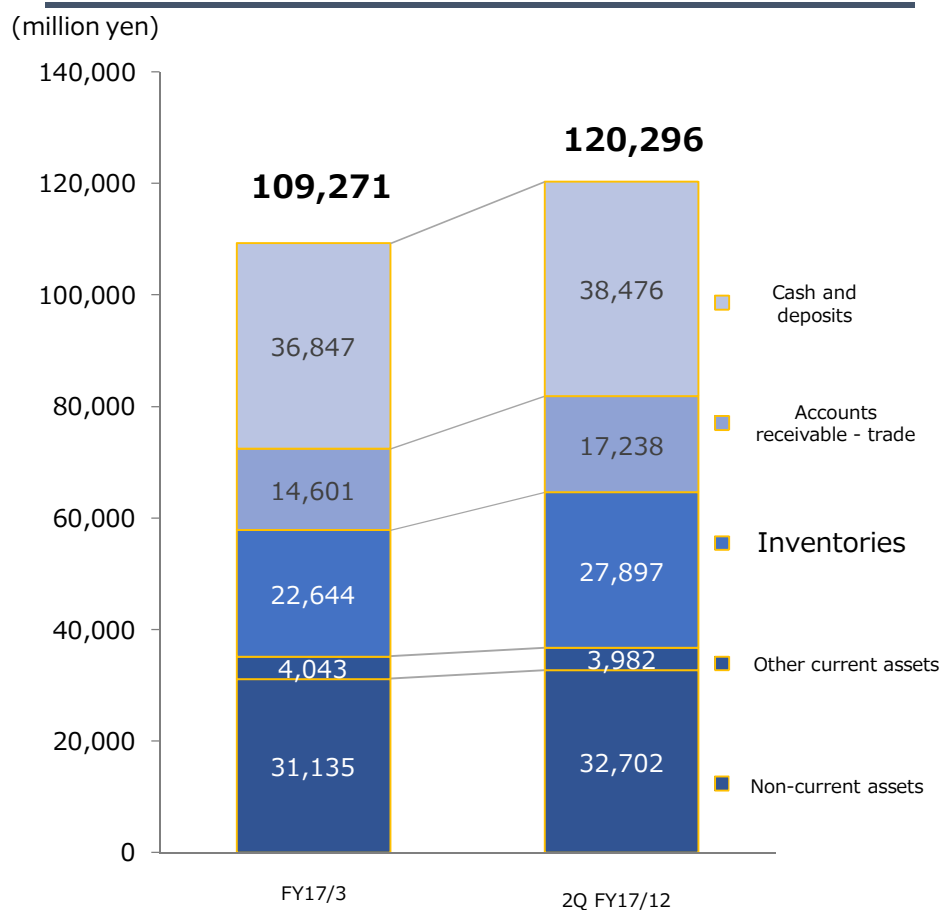
  

2Q FY17/12	Japan		North and South America		Europe		Greater China		Asia		Total	
Machine tools	5,437	17.3%	3,366	10.7%	3,470	11.0%	15,876	50.4%	3,343	10.6%	31,494	74.3%
Industrial machinery	2,400	36.8%	310	4.7%	0	0.0%	2,401	36.8%	1,418	21.7%	6,531	15.4%
Food processing machinery	963	64.5%	1	0.1%	-	-	400	26.8%	127	8.6%	1,493	3.5%
Other	2,686	93.0%	-	-	-	-	202	7.0%	-	-	2,888	6.8%
By region-Total	11,488	27.1%	3,677	8.7%	3,470	8.2%	18,881	44.5%	4,890	11.5%	42,408	100.0%

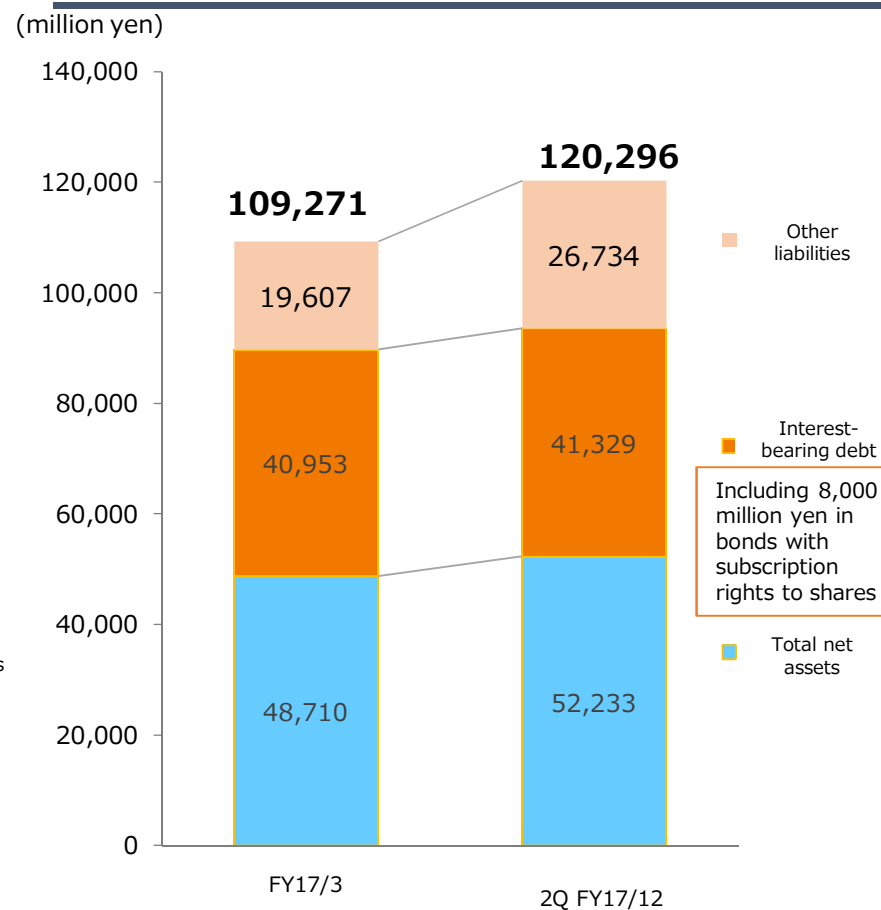
# Balance Sheet

- ✓ Accounts receivable-trade and inventories soared in line with increasing orders.
- ✓ Net interest-bearing debt amounts to 2,853 million yen (a decrease of 1,253 million yen from the end of the previous fiscal year).

## Assets



## Liabilities and net assets



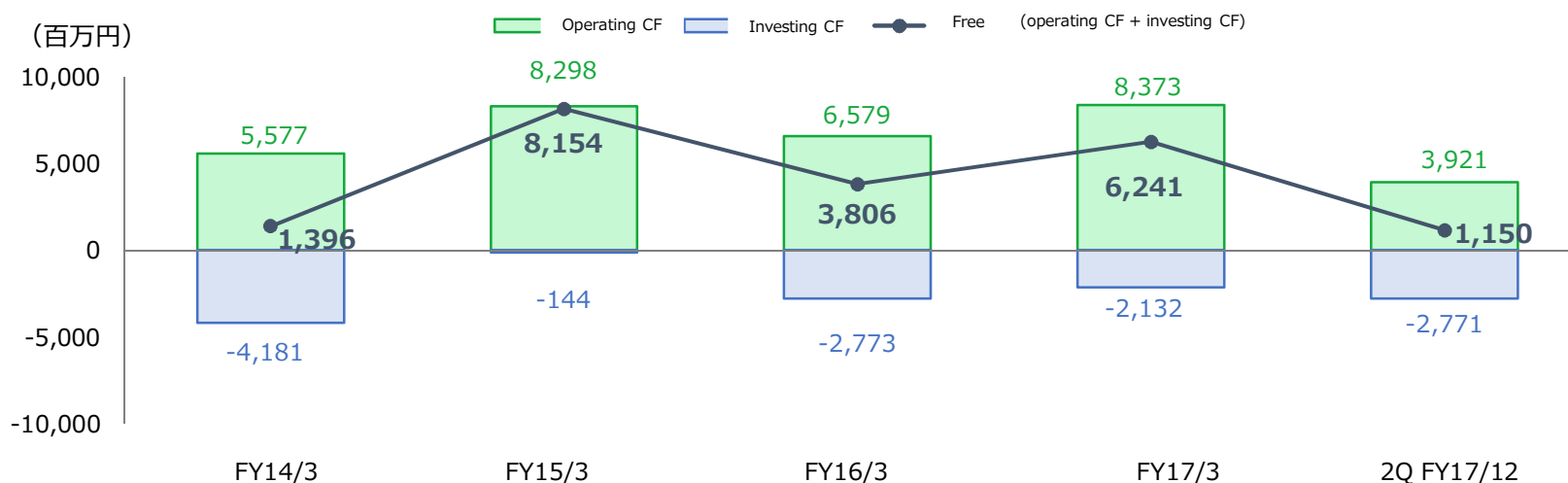
*Reference information	Exchange rate at end of September 2017	USD: 112.73 yen	EUR: 132.85 yen	CNY: 16.96 yen	THB: 3.38 yen
	Exchange rate at end of FY17/3	USD: 112.19 yen	EUR: 119.79 yen	CNY: 16.76 yen	THB: 3.26 yen

# Cash Flow

- ✓ Cash flows from investing activities soared but were within cash flows from operating activities, and free cash flows maintained 1,150 million yen.

(million yen)

	2Q FY17/3	FY17/3	2Q FY17/12	Major factors for increase and decrease (compared to the same quarter in the previous fiscal year)
Cash flows from operating activities	3,960	8,373	<b>3,921</b>	Increase in accounts receivable – trade and inventories
Cash flows from investing activities	-526	-2,132	<b>-2,771</b>	About -2,200 million yen for purchase of property, plant and equipment
Cash flows from financing activities	9,263	3,134	<b>-255</b>	Repayment of long-term loans payable
Cash and cash equivalents at end of the period	38,007	36,037	<b>37,306</b>	



## 1 Launching AL800G and ALN800G of high-speed and high-performance large wire-cut EDMs with a linear motor drive

To the line of the AL series of wire electric discharge machines that get favorable reception in manufacturing precision metal mold and precision parts, AL800G and ALN800G of new models capable of manufacturing a wider range of items have been added.

Those models are suitable for manufacturing large metal molds in auto-related and electric-related industries and large parts in energy, aerospace and auto-related industries. They generally provide the use of the Sodick IoT and assist users in the next generation production utilizing the Internet.

AL800G is equipped with a peculiar full cover as an advanced machine adaptable to environment and conforms to global standards.

\* Please see the press release shown at the following URL for the details of the products.  
URL : [https://www.sodick.co.jp/en/pdf/AL800G\\_ALN800G\\_20170828\\_EN.pdf](https://www.sodick.co.jp/en/pdf/AL800G_ALN800G_20170828_EN.pdf)



▲AL800G

## 2 Launching eV-LINE electric injection molding machines MS50 and MS200

Sodick has developed new models of MS series machines equipped with an eV-LINE, which is an electric model of a V-LINE injection plasticization device with an excellent reputation in molding plastics in a precise and complex way. To MS100 with a 100-ton clamping force that was released in November 2016, MS50 with a 50-ton clamping force for more precise small molds and MS200 with a 200-ton clamping force for larger molds such as automotive parts are added to increase the line of the MS series products. We aim at increasing share in the premium market segment in emerging countries.



▲MS200

## 3 Exhibiting at EMO 2017 (an international metalworking trade fair)

Sodick participated in EMO 2017, one of the world's largest machine tool trade fairs that was held in Hanover, Germany. We showcased for the first time in the world new models of ALC800G of a high-speed and high-performance large wire electric discharge machine with a linear motor drive and of VL600QH of a high-speed wire-cut EDM with a linear motor drive and other state-of-the-art products. Our booth attracted the interest of visitors from countries throughout the world, and we could receive many inquiries.

Outline of EMO 2017  
Location: Hanover, Germany  
Dates: September 18-23, 2017 (6 days)  
Products exhibited: Wire-cut EDMs ALC800G, VL600QH and ALC600G,  
Die sinking EDMs AG60L+ Robot system and AD55L,  
and precision metal 3D printer OPM250L  
No. of visitors: About 130,000



▲ Sodick's booth

## 4 Exhibiting at IPF 2017 (International Plastic Fair)

Sodick participated in IPF 2017 held at the Makuhari Messe to showcase a new product of an automatic production system ICF-V using MR30 (for the first time in the world), eV-LINE electric injection molding machines MS50 and MS200 and many other state-of-the-art machines to show new solutions opened up by V-LINE®. Our booth attracted many visitors.

Outline of IPF 2017  
Location: Makuhari Messe, Chiba Japan  
Dates: October 24-28, 2017 (5 days)  
Products exhibited: eV-LINE production cell system ICF-V  
(Injection molding Cell Factory by V-LINE)  
(an automatic production system using MR30) exclusively for OPM metal molds,  
eV-LINE electric injection molding machines MS50 and MS200, etc.  
No. of visitors: About 40,000



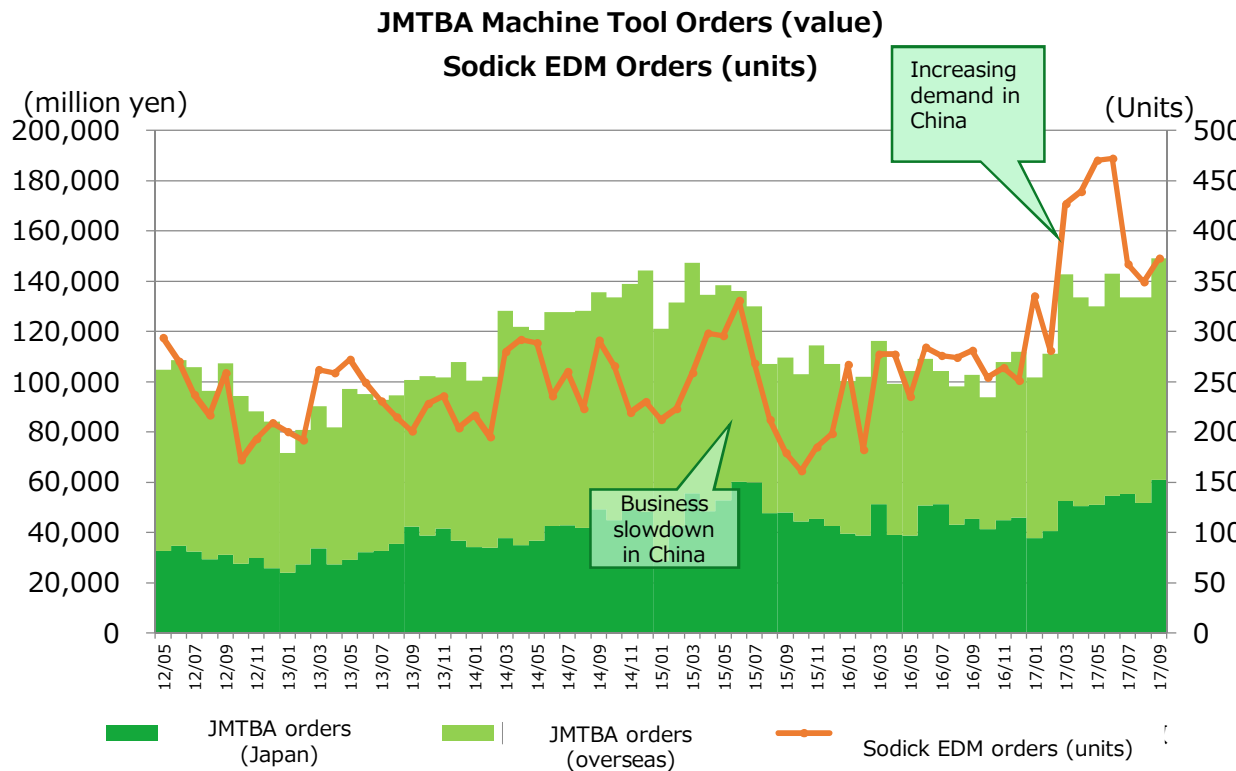
▲ ICF-V of an automatic production system using MR30

## **II. FY17/12 Financial Results Projections**

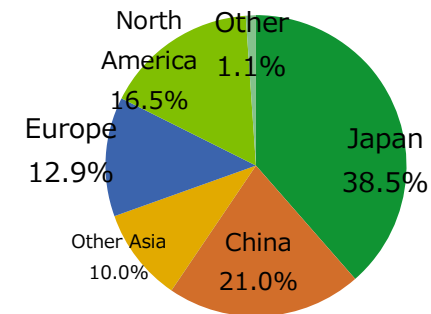


# Market Environment

- ✓ Japan: We expect sustained solid demand due to government subsidy programs and replacement demand due to facility aging.
- ✓ North America: Although demand due to capital investments in the automotive industry appears to have been subsided, demand in the aerospace and medical equipment industries is expected to be firm and strong. The outlook is uncertain on account of many factors, including the impact of the economic policies of the new U.S. administration.
- ✓ Europe: There is uncertainty about the future because of slower growth in demand in countries such as Russia and Turkey and influence of Brexit, but demand in the automotive and aerospace industries is expected to remain firm.
- ✓ China: The pace of growth is gathering momentum, helped by good personal consumption and the government-driven active infrastructure investments. It is expected that companies will introduce automation due to higher labor costs, etc., and that there will be greater demand for high-precision machinery.
- ✓ Asia: Demand mainly from auto-related industries is expected to continue to be picking up in Thailand and Malaysia, etc.



**Japan Machine Tool Builders' Association (JMTBA)**  
**Tool Orders by Region**  
**(cumulative for Jan-Sep 2017)**



Source: JMTBA

# FY17/12 Financial Results Projections

## \*On a Financial Report Basis



- ✓ Results for the 2Q accumulation period was more than projected, and orders are currently growing at a good pace. Then both sales and income were revised upward.

(million yen)

	FY17/12		FY17/12		Increase and decrease		2Q FY17/12 Actual	Progress toward projection
	Initial projections (announced on May 12)	Income margin	Revised projections	Income margin	Amount	Rate		
<b>Net sales</b>	55,800	-	<b>60,500</b>	-	4,700	8.4%	42,408	70.1%
<b>Operating income</b>	5,300	9.5%	<b>6,000</b>	<b>9.9%</b>	700	13.2%	4,206	70.1%
<b>Ordinary income</b>	5,200	9.3%	<b>6,300</b>	<b>10.4%</b>	1,100	21.2%	4,466	70.9%
<b>Net income</b>	3,700	6.6%	<b>4,300</b>	<b>7.1%</b>	600	16.2%	3,159	73.5%
Comprehensive income								
ROE								
Average exchange rate over the period	USD	105.00 yen		111.60 yen			111.04 yen	
	EUR	116.00 yen		128.50 yen			126.32 yen	
	CNY	15.80 yen		16.59 yen			16.47 yen	
	THB	3.16 yen		3.31 yen			3.28 yen	

\* FY17/12 financial results projections have been revised on November 14, 2017.



# FY17/12 Financial Results Projections by Segment

## \*On a Financial Report Basis



(million yen)

	FY17/12		Increase and decrease		2Q FY17/12 Actual	Progress toward projection	
	Initial projections (announced on May 12)	Revised projections	Amount of money	Rate			
Net sales	Machine tool segment	38,400	<b>43,000</b>	4,600	12.0%	31,494	73.2%
	Industrial machinery segment	9,060	<b>9,700</b>	640	7.1%	6,531	67.3%
	Food processing machinery segment	3,800	<b>3,600</b>	-200	-5.3%	1,493	41.5%
	Other segments	4,540	<b>4,200</b>	-340	-7.5%	2,888	68.8%
		55,800	<b>60,500</b>	4,700	8.4%	42,408	70.1%
Segment income	Machine tool segment	5,380	<b>5,950</b>	570	10.6%	4,220	70.9%
	Industrial machinery segment	850	<b>1,000</b>	150	17.6%	714	71.5%
	Food processing machinery segment	370	<b>50</b>	-320	-86.5%	-68	-
	Other segments	600	<b>900</b>	300	50.0%	653	72.7%
		7,200	<b>7,900</b>	700	9.7%	5,519	69.9%
Adjustment amounts	-1,900	<b>-1,900</b>	0	-	-1,313	-	
Total operating income	5,300	<b>6,000</b>	700	13.2%	4,206	70.1%	

### Machine tool segment

- ✓ In Japan, steady earnings are expected as there is a demand in replacing aging equipment.
- ✓ Although demand growth appears to be decelerating in North America, demand due to capital investments is expected to remain strong in Europe.
- ✓ For Greater China, demand for high-precision tools used in the smartphone and automotive industries is projected to continue to be firm.
- ✓ Steady earnings are expected thanks to demand in auto-related industries in Thailand and Malaysia, etc.

### Industrial machinery segment

- ✓ In Japan, demand is expected to remain firm, mainly in the automotive, electronic component and semiconductor industries.
- ✓ In both Greater China and Asia, there is a growing demand for high-precision machinery used for smartphone parts and connectors, and the number of orders received is expected to stay at a high level.

### Food processing machinery segment

- ✓ Demand for high quality noodles is expected to remain strong, and more inquiries are anticipated from other sectors, such as confectionery companies and manufacturers of packaging materials for precooked rice and delicatessens, etc.
- ✓ Income is expected to reach a plateau due mainly to the cost of launching new products.

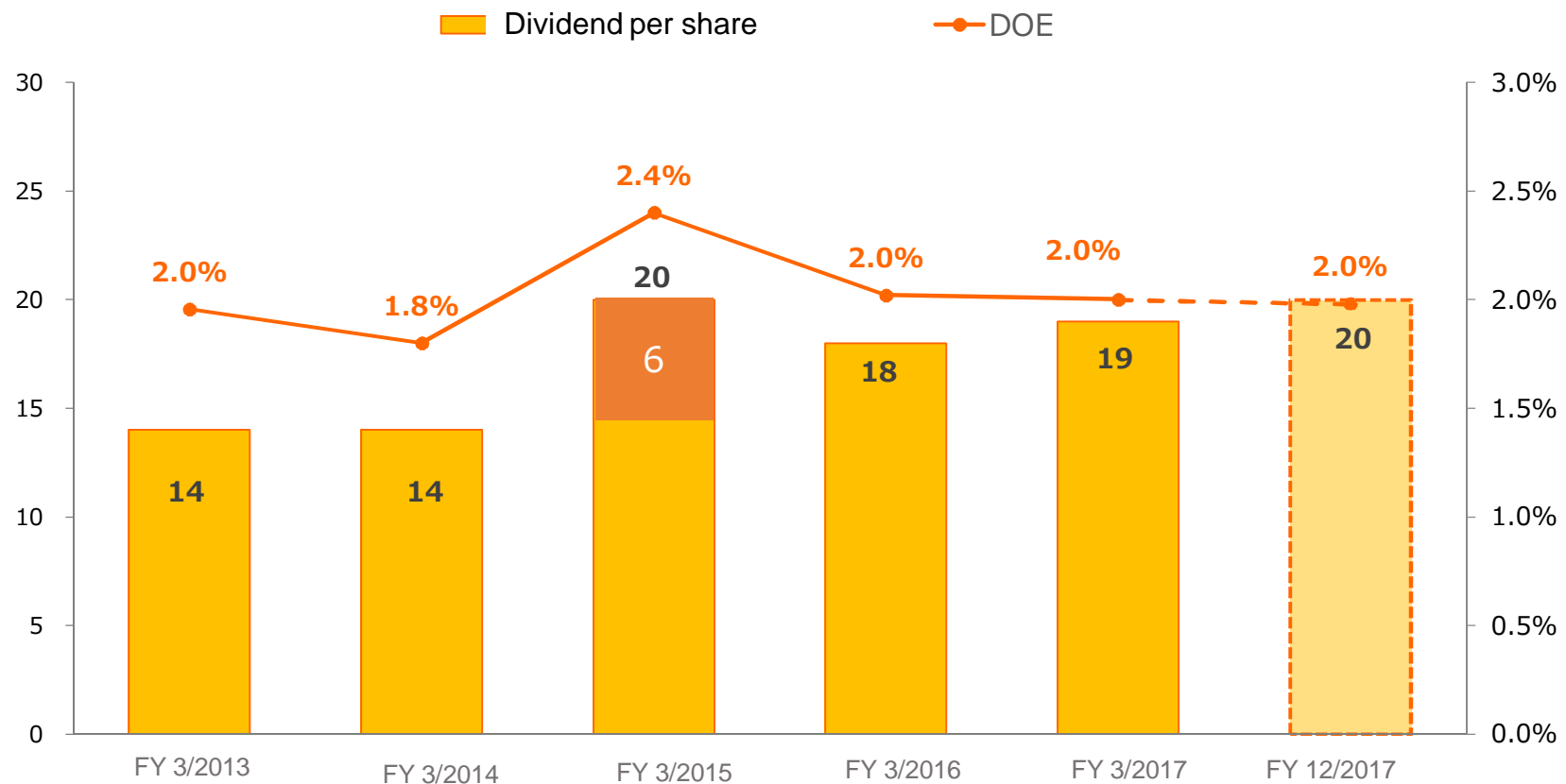
### Other segments

- ✓ Both the high-precision dies and mold business and external sales of ceramics are expected to remain strong.

\* The financial results projections by segment are partially revised because of revised financial results projections.

# Policies for Shareholder Returns and Dividend Projections **Sodick**

- ✓ As a dividend policy, we aim at a dividend yield on shareholders' equity of at least 2%.
- ✓ For FY2017 ending December 31,2017, we are planning for an annual dividend of ¥20 per share (interim dividend ¥10.0, fiscal year-end dividend ¥10.0).



Included is a ¥6.0 dividend in commemoration of the listing of the shares of the Company on the First Section of the Tokyo Stock Exchange

## Ⅲ. Figures for the Purpose of Comparison

---

- \* These figures, which have not been audited, are provided only for the purpose of comparison.
- \* Figures for the purpose of comparison are the figures adjusted after we eliminated the three-month difference between the parent's year-end and the year-ends of its subsidiaries in China so that all companies within the Group would use the same financial year.

# Financial Results Highlights

**\* Figures for the purpose of comparison (Adjusted)**



- ✓ Thanks to large increase in the number of EDMs sold mainly in Greater China, both net sales and income are growing at a faster pace than projected.
- ✓ Income margins have largely improved thanks to increase in the number of products sold.

(million yen)

	Jan-Sep 2016		Jan-Sep 2017		Increase and decrease		Jan-Dec 2017 Revised projections
	Actual	Income margin	Actual	Income margin	Amount	Rate	
<b>Net sales</b>	46,065	-	<b>55,543</b>	-	9,477	20.6%	73,800
<b>Gross profit</b>	16,400	35.6%	<b>19,767</b>	<b>35.6%</b>	3,367	20.5%	-
<b>Operating income</b>	3,633	7.9%	<b>5,738</b>	<b>10.3%</b>	2,104	57.9%	7,500
<b>Ordinary income</b>	2,608	5.7%	<b>5,785</b>	<b>10.4%</b>	3,176	121.8%	7,600
<b>Net income</b>	1,914	4.2%	<b>3,941</b>	<b>7.1%</b>	2,027	105.9%	5,100
Average exchange rate over the period	USD EUR CNY THB	108.57 yen 121.06 yen 16.44 yen 3.08 yen		111.89 yen 124.58 yen 16.47 yen 3.27 yen			111.60 yen 128.50 yen 16.59 yen 3.31 yen

**\* These figures, which have not been audited, are provided only for the purpose of comparison.**

**\* The financial results projections (figures for the purpose of comparison) are partially revised too because of revised financial results projections (on a financial report basis).**

# Financial Results by Segment

\* Figures for the purpose of comparison (Adjusted)



(million yen)

		Jan-Sep 2016	Jan-Sep 2017	Increase and decrease	
		Actual	Actual	Amount	Rate
Net sales	● Machine tool segment	32,405	39,751	7,346	22.7%
	● Industrial machinery segment	6,259	9,269	3,009	48.1%
	● Food processing machinery segment	3,323	2,461	-862	-25.9%
	● Other segments	4,077	4,061	-16	-0.4%
		46,065	55,543	9,477	20.6%
Segment income	● Machine tool segment	4,335	5,912	1,577	36.4%
	● Industrial machinery segment	219	1,199	980	447.7%
	● Food processing machinery segment	363	-115	-478	-131.7%
	● Other segments	585	685	100	17.1%
		5,502	7,681	2,179	39.6%
Adjustment amounts		-1,868	-1,943	-75	-
Total operating income		3,633	5,738	2,104	57.9%

## Machine tool segment

- ✓ In Japan, sales increased thanks to orders resulting from the incentive program adopted in March as well as orders were received steadily from customers in the automotive and smartphone industries.
- ✓ In North America, demand from the automotive, aerospace, and medical equipment industries that had been thus far solid declined slightly.
- ✓ In Europe, demand was steady in the automotive and aerospace industries though a plunge was seen in Russia, Turkey, etc.
- ✓ In Greater China, the effects of increasing sophistication of production and automation and incentives by the Chinese government resulted in a continuing high level of orders and sales, mainly in auto-related industries, in which electrical motorization is progressing and in smartphone-related industries, which are undergoing ever-further sophistication.
- ✓ In Asia, demand in auto-related industries is expanding, mainly in Thailand and Malaysia, while demand was seen in semiconductor and smartphone industries in South Korea.

## Industrial machinery segment

- ✓ In Japan, there was a huge demand for high added-value components such as connectors and sensors for automobiles, as well as optical lenses and connectors for smartphones, and additionally, there was a demand for vertical injection molding machines for automotive parts.
- ✓ In Greater China and Asia, there was a good demand for the molding of optical lenses for automobiles and smartphones, as well as waterproof silicon molding.

## Food processing machinery segment

- ✓ Demand came for capital investment for producing higher quality noodles.
- ✓ Demand also grew outside the noodle industry, among confectionery companies and manufacturers of packaging materials for precooked rice, etc.
- ✓ As acceptances in several orders were put off until or after the third quarter, sales were sluggish.
- ✓ Due to the extra cost of launching new products, a loss was recorded in income in this segment.

## Other segments

- ✓ The high-precision mold and die machinery operations, as well as ceramic products, saw strong sales.

\* These figures, which have not been audited, are provided only for the purpose of comparison.

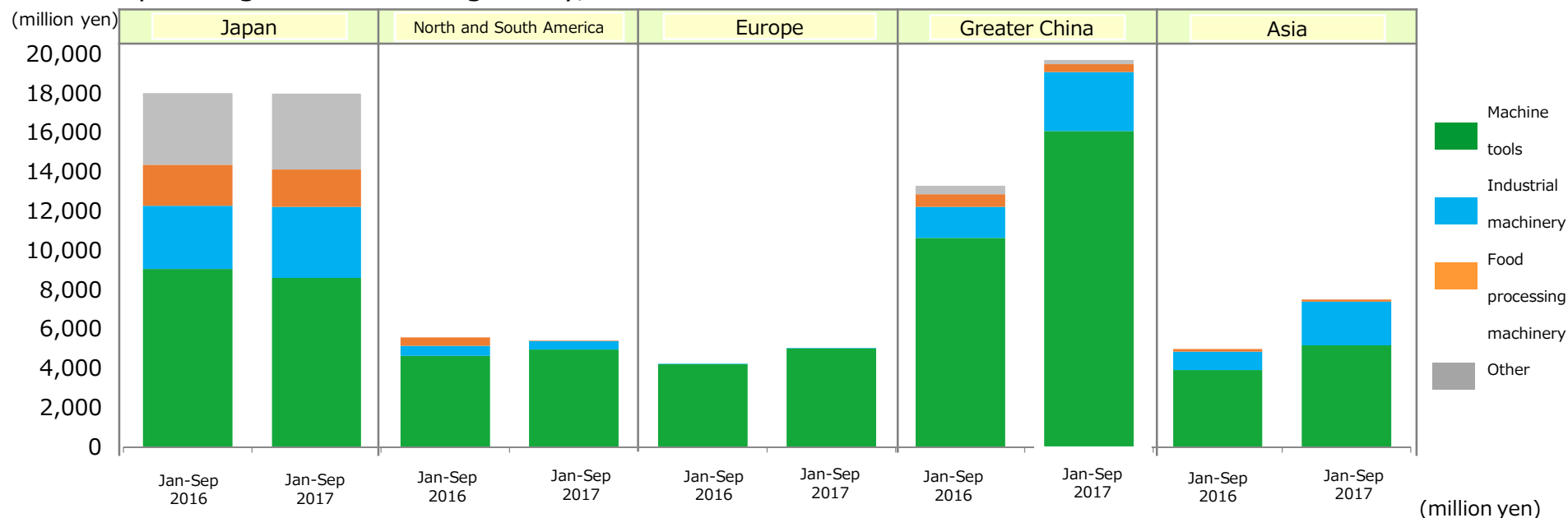
\* The financial results projections by segment are partially revised too because of revision of financial results projections.

# Overseas Sales Ratio by Segment

**\* Figures for the purpose of comparison (Adjusted)**



✓ Expanding our business globally, overseas sales ratio is 67.6%



Jan-Sep 2016	Japan		North and South America		Europe		Greater China		Asia		Total	
Machine tools	9,052	27.9%	4,614	14.2%	4,203	13.0%	10,622	32.8%	3,912	12.1%	32,405	70.3%
Industrial machinery	3,202	51.2%	527	8.4%	27	0.4%	1,585	25.3%	916	14.7%	6,259	13.6%
Food processing machinery	2,099	63.2%	431	13.0%	-	-	635	19.1%	157	4.7%	3,323	7.2%
Other	3,645	89.4%	-	-	-	-	432	10.6%	-	-	4,077	8.9%
By region-Total	18,000	39.1%	5,572	12.1%	4,230	9.2%	13,275	28.8%	4,986	10.8%	46,065	
Jan-Sep 2017	Japan		North and South America		Europe		Greater China		Asia		Total	
Machine tools	8,583	21.6%	4,939	12.4%	4,998	12.6%	16,078	40.4%	5,151	13.0%	39,751	71.6%
Industrial machinery	3,616	39.0%	431	4.7%	0	0.0%	2,997	32.3%	2,222	24.0%	9,269	16.7%
Food processing machinery	1,909	77.6%	20	0.8%	-	-	401	16.3%	129	5.3%	2,461	4.4%
Other	3,858	95.0%	-	-	-	-	203	5.0%	-	-	4,061	7.3%
By region-Total	17,968	32.4%	5,391	9.7%	4,998	9.0%	19,681	35.4%	7,503	13.5%	55,543	

**\* These figures, which have not been audited, are provided only for the purpose of comparison.**

# FY17/12 Financial Results Projections

**\* Figures for the purpose of comparison (Adjusted)**



- ✓ As financial results for Jan-Sep 2017 was more than projected and orders are currently growing at a good pace, both sales and income are revised upward.

(million yen)

	FY17/3		FY17/12 projection (January-December 2017)		Increase and decrease		FY17/12 Jan-Sep 2017 Actual	Jan-Sep 2017 Progress toward revised projections
	Actual	Income margin	Revised projections	Income margin	Amount	Rate		
<b>Net sales</b>	61,812	-	<b>73,800</b>	-	11,987	19.4%	55,543	75.3%
<b>Operating income</b>	5,236	8.5%	<b>7,500</b>	<b>10.2%</b>	2,263	43.2%	5,738	76.5%
<b>Ordinary income</b>	4,620	7.5%	<b>7,600</b>	<b>10.3%</b>	2,979	64.5%	5,785	76.1%
<b>Net income</b>	3,644	5.9%	<b>5,100</b>	<b>6.9%</b>	1,455	39.9%	3,941	77.3%
Comprehensive income	2,728							
ROE	7.4%							
Average exchange rate over the period	USD	108.34 yen		111.60 yen			111.89 yen	
	EUR	118.74 yen		128.50 yen			124.58 yen	
	CNY	16.32 yen		16.59 yen			16.47 yen	
	THB	3.08 yen		3.31 yen			3.27 yen	

\* These figures, which have not been audited, are provided only for the purpose of comparison.

# FY17/12 Financial Results Projections by Segment

**\* Figures for the purpose of comparison (Adjusted)**



(million yen)

		FY17/3 Actual	FY17/12 (Jan-Dec 2017) Revised projections	Increase and decrease		FY17/12 Jan-Sep 2017 Actual	Jan-Sep progress toward revised progress
				Amount of money	Rate		
Net sales	● Machine tool segment	43,355	51,300	7,944	18.3%	39,751	77.5%
	● Industrial machinery segment	9,366	12,400	3,033	32.4%	9,269	74.8%
	● Food processing machinery segment	3,429	4,650	1,220	35.6%	2,461	52.9%
	● Other segments	5,661	5,450	-211	-3.7%	4,061	74.5%
		61,812	73,800	11,987	19.4%	55,543	75.3%
Segment income	● Machine tool segment	6,213	7,600	1,386	22.3%	5,912	77.8%
	● Industrial machinery segment	617	1,500	882	142.7%	1,199	80.0%
	● Food processing machinery segment	159	-10	-169	-106.3%	-115	1150.5%
	● Other segments	859	1,000	140	16.3%	685	68.5%
		7,851	10,090	2,238	28.5%	7,681	76.1%
Adjustment amounts		-2,614	-2,590	24	-	-1,943	-
Total operating income		5,236	7,500	2,263	43.2%	5,738	76.5%

\* These figures, which have not been audited, are provided only for the purpose of comparison.



**(Reference Materials)**



# Domestic and Overseas Sites



Head Office
Production Site
R&D Site
Sales and Service Site

# Participation in Major Exhibitions

✓ The Company will participate in domestic and overseas exhibitions, thereby engaging in proactive marketing.

Dates	Location		Exhibition	Notes
2017				
Oct. 11-13	Vietnam	Hanoi	MTA Vietnam	
Oct. 12-14	Vietnam	Ho Chi Minh	METALEX VIETNAM (Vietnam's International Machine Tool and Metalworking Solutions Expo)	
Oct. 18-21	Japan	Nagoya	MECT2017 (Mechatronics Technology Japan 2017)	2017: the largest-scale machine tool exhibition in Japan
Oct. 24-28	Japan	Makuhari	IPF2017 (International Plastic Fair)	
Nov. 22-25	Thailand	Bangkok	MetalexThai (Thailand's International Machine Tool and Metalworking Solutions Expo)	
Nov. 28-Dec. 1	China	Dongguan	Dongguan DMP2017 (Dongguan International Mold and Metalworking Exhibition)	
Dec. 6-9	Indonesia	Jakarta	Machine Tools Indonesia	
2018				
Feb. 20-24	Germany	Dusseldorf	METAV (International Exhibition for Metalworking Technologie)	
Apr. 3-7	South Korea	Seoul	SIMTOS 2018	
Apr. 9-13	U.K.	Birmingham	MACH 2018	
Apr. 11-14	India	Mumbai	11th Die&Mold India International Exhibition	
Apr. 18-21	Japan	Osaka	Intermold Osaka	
Apr. 24-26	U.S.	Texas	Rapid	3D printer exhibition
Apr. 24-27	China	Shanghai	ChinaPlas 2018 (International Exhibition on Plastics and Rubber Industries)	
End of Apr.	Vietnam	Hanoi	MTA Hanoi	
May 14-18	Russia	Moscow	Metalloobrabotka (international show for the machine tool and metalworking industry)	
May 16-19	Thailand	Bangkok	INTERMACH	
May 23-26	Malaysia	Kuala Lumpur	MetalTech	
Jun.	China	Shanghai	DMC2018 (International Exhibition on Die & Mould Technology and Equipment)	
Jun. 20-23	Thailand	Bangkok	Intermold/Interplus	
Jun. 26-30	China	Beijing	CIMES (China International Machine Tools & Tools Exhibition)	
Jul. 3-6	Vietnam	Ho Chi Minh	MTA Vietnam HoChiMinh (International Precision Engineering, Machine Tools and Metalworking Exhibition & Conference)	
Sep. 10-15	U.S.	Chicago	IMTS2018	The world's largest machine tools trade show
Nov. 1-6	Japan	Tokyo	JIMTOF2018	The world's largest machine tools trade show

This material has been prepared solely for the purpose of providing information and not for the purpose of inviting or soliciting purchases of specific goods, including the Company's shares, or such other marketing objectives.

The information provided in this material is neither required by, nor does it constitute disclosure documents under the Financial Instruments and Exchange Act, Cabinet Office ordinances and regulations, the listing rules of the Tokyo Stock Exchange, etc.

This material contains certain future forecasts concerning the Company's financial position, business results, and operations as well as statements concerning its plans and objectives. Readers should be aware that such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or performance of the Company to differ materially from future forecasts, whether expressly stated or implied. Such future forecasts are made based on the Company's present and future management strategies and a variety of premises concerning the future political and economic environment surrounding the Company's business.

While all due care has been taken with regard to the information contained in this material, no warranty is provided concerning the accuracy, reliability, appropriateness, and fairness of the information. Please also be advised that the content of this material is subject to change or rescission without prior notice.

Contact for inquiries concerning this material:

Management Administration Division, Sodick Co. Ltd.

3-12-1, Nakamachidai, Tsuzuki-ku, Yokohama, Kanagawa, 224-8522, Japan

TEL: +81-45-942-3111 FAX: +81-45-943-5835