Summary of Financial Statements for the Year Ended March 31, 2015 (J-GAAP) (Consolidated)

May 14, 2015

Company Name: Sodick Co., Ltd. Stock Exchange: Tokyo Stock Exchange, 1st Section
Code Number: 6143 URL: http://www.sodick.co.jp
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Scheduled date of annual general meeting of shareholders: June 26, 2015
Scheduled date of dividend payout: June 29, 2015
Scheduled date of filing of consolidated financial statements: June 26, 2015
Explanatory Documents Supplemental to the Abridged Financial Statements: Yes
Result Briefing: Yes (For Institutional Investors and Analysts)

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

1. Consolidated Results for the Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated Financial Results (Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY 2015	63,090	10.9	4,891	84.5	5,647	45.3	3,550	(15.4)
FY 2014	56,899	3.4	2,651	(34.1)	3,886	(27.4)	4,194	0.1

Note: Comprehensive Income: FY 2015: ¥7,763 million / 2.9% FY 2014: ¥7,541 million / 7.7%

	Net Income Per Share	Net Income Per Share After dilution	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	¥	¥	%	%	%
FY 2015	70.55	—	7.7	5.6	7.8
FY 2014	83.36	—	10.7	4.0	4.7

Reference: Equity in earnings (losses) of non-consolidated subsidiaries and affiliates:
FY 2015: ¥— million FY 2014: ¥— million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	¥ Million	¥ Million	%	¥
FY 2015	104,167	49,453	47.4	981.47
FY 2014	98,776	42,451	42.9	842.40

Reference: Shareholders' Equity: FY 2015: ¥49,385 million FY 2014: ¥42,388 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of fiscal year
	¥ Million	¥ Million	¥ Million	¥ Million
FY 2015	8,298	(144)	(5,243)	27,396
FY 2014	5,577	(4,181)	(3,696)	23,647

2. Cash Dividends

	Annual Dividend					Total cash dividend paid (annual)	Payout ratio (consolidated)	Ratio of dividend paid to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
	Yen	Yen	Yen	Yen	Yen	¥ Million	%	%
FY 2014	—	7.00	—	7.00	14.00	704	16.8	1.8
FY 2015	—	7.00	—	13.00	20.00	1,006	28.4	2.2
FY 2016 (forecast)	—	9.00	—	9.00	18.00		28.3	

3. Forecast for the Year Ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Parent Shareholders		Net Income Per Share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Six months to September 30, 2015	34,000	22.0	2,500	74.0	2,300	68.7	1,600	74.8	31.80
Year to March 31, 2016	69,000	9.4	5,100	4.3	4,700	(16.8)	3,200	(9.9)	63.60

* Notes

(1) Changes in important subsidiaries during the term under review (changes occurred in specified subsidiaries in conjunction with a change in the scope of consolidation): None

(2) Change of accounting policies; change and/or restatement of accounting estimates
- (i) Change of accounting policies caused by revision of accounting standards: Yes
- (ii) Change of accounting policies other than stated in (i): None
- (iii) Change of accounting estimates: None
- (iv) Retroactive restatement: None

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

1) Shares issued and outstanding as of the balance sheet date (including treasury shares)	FY 2015	53,432,510 shares	FY 2014	53,432,510 shares
2) Number of treasury shares as of the balance sheet date	FY 2015	3,114,393 shares	FY 2014	3,113,536 shares
3) Average number of shares outstanding during the period	FY 2015	50,318,530 shares	FY 2014	50,319,172 shares

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Results for the Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Non-consolidated Financial Results (Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY 2015	38,509	9.0	1,492	(5.4)	2,408	32.5	1,086	(59.7)
FY 2014	35,328	9.8	1,576	6.5	1,817	(30.6)	2,697	14.5

	Net Income Per Share	Net Income Per Share After Dilution
	¥	¥
FY 2015	21.59	—
FY 2014	53.60	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	¥ Million	¥ Million	%	¥
FY 2015	76,404	35,068	45.9	696.94
FY 2014	76,781	34,338	44.7	682.42

Reference: Shareholders' Equity: FY 2015: ¥35,068 million FY 2014: ¥34,338 million

* Implementation of audit procedures

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

* Cautionary statement with respect to forward-looking statements

The above forecasts are based on judgments made in accordance with information available at the time these materials were prepared, and contain numerous uncertainties. Changing conditions and other factors may cause actual results to differ from the results in these forecasts. For the underlying assumptions and usage of earnings projections, refer to "(5) Outlook for the next fiscal year" in "1. Management's discussion and analysis of financial condition and results of operations" on page 4.

1. Management's discussion and analysis of financial condition and results of operations

(1) Management Discussion and Analysis

In the period under review, 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.

(2) Analysis of Financial Position

1) Assets, Liabilities, and Net Assets

Compared with the previous fiscal year, consolidated assets as of the end of the term under review increased ¥5,390 million to ¥104,167 million. Main factors included a ¥3,718 increase in cash and cash equivalents, and a ¥2,101 increase in commodities and merchandise as well as an increase in yen equivalent of foreign denominated assets due to the depreciation of the yen primarily against the major currencies, specifically the U.S. dollar and the euro, towards the end of the previous fiscal year.

Consolidated liabilities compared with the end of the previous fiscal year decreased ¥1,610 million to ¥54,713 million. Main factors included a ¥3,228 million decrease in long-term loans and a ¥1,756 increase in notes and accounts payable – trade and electronically recorded obligations – operating.

Net assets rose ¥7,001 million compared with previous fiscal year to ¥49,453 million due to the accounting recognition of a ¥3,550 million net income for the period. As a result of the foregoing, the equity ratio came to 47.4%.

2) Cash Flows

Due to the following changes in cash flow, consolidated cash and cash equivalents (“Cash”) at the end of the period under review totaled ¥27,396 million, which was ¥3,748 million (+15.9%) more than at the end of the previous fiscal year.

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

(Operating cash flows)

Net cash provided by operating activities was ¥8,298 million (compared with ¥5,577 million provided by operating activities a year ago). The cash flow was boosted by ¥5,129 million in net income before income taxes and other adjustments, a ¥1,481 million increase in trade payables. This was partially offset by a ¥1,236 million increase in inventories.

(Investing cash flows)

Net cash used in investing activities was ¥144 million (compared with ¥4,181 million used in investing activities a year ago). This was mainly due to ¥1,659 million expenses for property, plant, and equipment. This was partially offset by ¥1,021 million proceeds from sale of investment securities.

(Financing cash flows)

Net cash used in financing activities was ¥5,243 million (compared with ¥3,696 million used in financing activities a year ago). This was mainly due to ¥10,542 million expenses as a repayment of long-term loans, and ¥704 million expenses in the payment of dividends. This was partially offset by ¥7,000 million in proceeds from long-term loans payable.

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

	FY 2012	FY 2013	FY 2014	FY 2015
Equity ratio (%)	31.9	37.9	42.9	47.4
Equity ratio based on market capitalization (%)	24.5	29.9	19.8	63.5
Ratio of cash flow to interest-bearing debt (years)	4.5	15.0	7.1	4.3
Interest coverage ratio (times)	14.4	4.3	8.7	14.9

Note: Equity ratio = Shareholders' equity / total assets
Equity ratio (%) based on market capitalization = Market capitalization / total assets
Ratio of cash flow to interest-bearing debt (years) = Interest-bearing debt / operating cash flow
Interest coverage ratio = Operating cash flow / interest paid
* All values are calculated based on consolidated financial data.
* Market capitalization is calculated by multiplying the fiscal year-end closing price of the Company's shares with the number of shares outstanding (less treasury stock) at fiscal year-end.
* Interest-bearing liabilities mean all liabilities on the consolidated balance sheet on which interest is being paid.
* Operating cash flow and interest paid respectively refer to operating cash flow and interest paid as recorded on the consolidated statement of cash flows.

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

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. Based on this policy, the Company aims to pay income returns to shareholders reflecting a dividend-on-equity ratio (DOE) of 2% or higher, based on a comprehensive judgment of financial results and cash flows in the subject fiscal year. Earnings retentions will be applied effectively from a long-term perspective to R&D activities and capital investments with a view to continuously improve financial results. Taking into account fundamental policies and financial results, the Company plans a total annual dividend of ¥20.0 per share, with a per-share year-end dividend of ¥13.0, consisting of a regular 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, interim and year-end dividends of ¥9.0 each are planned, for total annual dividends of ¥18.0 per share.

(5) Outlook for the next fiscal year

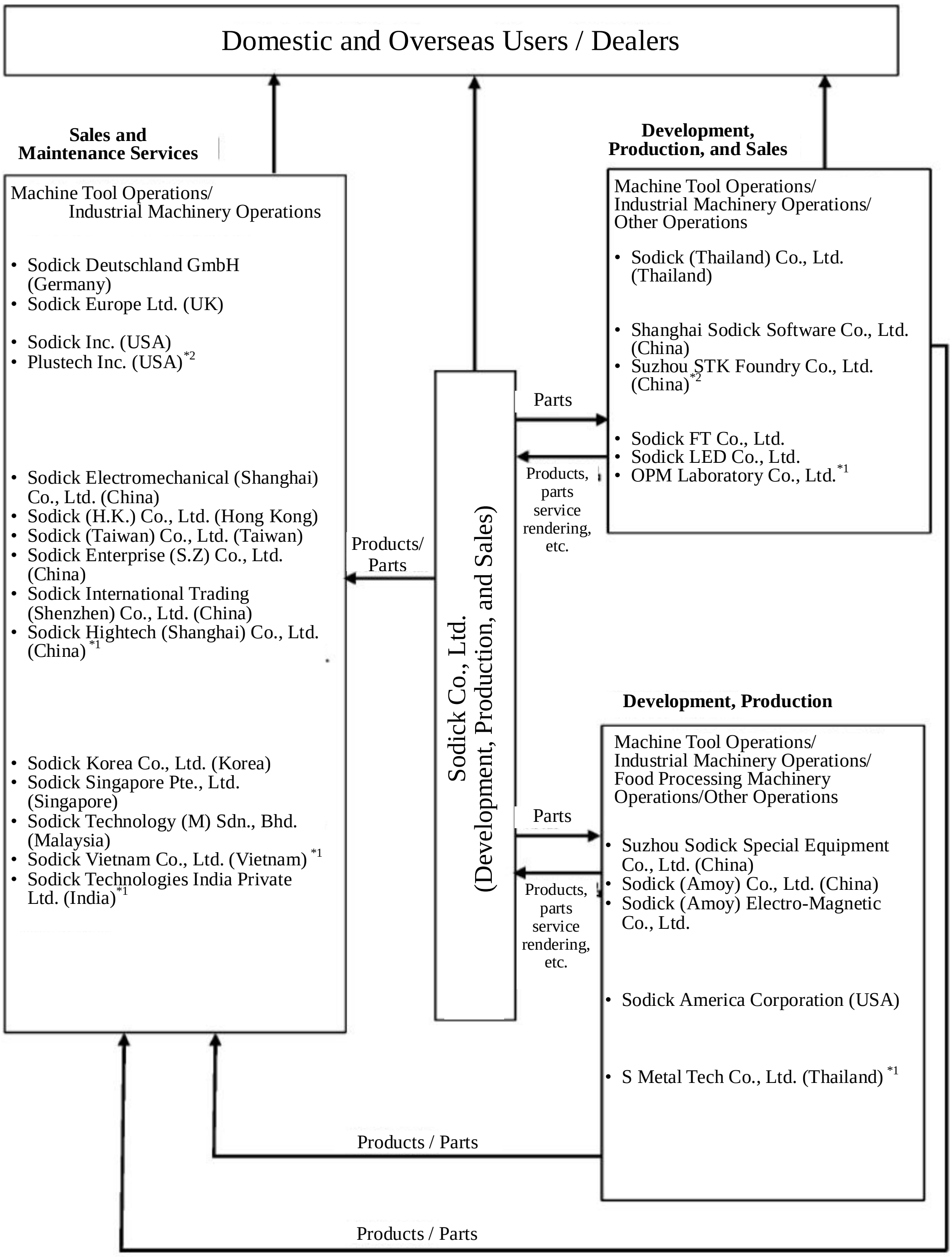
In the Japanese economy, the Company expects that strength will be lacking in consumer spending but that the mild recovery will continue amidst an improving employment and income environment. In the world economy, we expect the mild recovery to continue. Although the U.S. economy faces challenges from 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), operation 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). These projections are based on assumed average foreign exchange rates during the fiscal year of JPY119/USD1.0 and JPY134/EUR1.0.

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

2. Corporate Group

The operations of the Group consists of (i) Machine Tool Operations engaged in the development, production, and sales of electric discharge machining tools and machining centers, etc.; (ii) Industrial Machinery Operations engaged in the development, production, and sales of injection molding machinery, etc., (iii) Food Processing Machinery Operations engaged in the development, production, and sales of noodle production plants and noodle production equipment, etc., and (iv) Other operations engaged in the development, production, and sales of synthetic resin products, the development, production, and sales of linear motor application products, ceramics products and control equipment for the products, and LED lighting, as well as the leasing of electric discharge machines, etc., all of which are organically bonded and cooperating to contribute to Group business. An overview of the Group's main business relationships is shown in the following diagram.



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

3. Management Policies

(1) Basic Management Policies

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

(2) Target Management Indicators

The Company prioritizes medium and long-term income profit returns to shareholders as well as strengthening its capital structure, and has selected the ratio of consolidated ordinary income and the debt-to-equity ratio as management indicators on which these priorities are predicated. In the term under review, the ratio of consolidated ordinary income was 9.0% and the debt-to-equity ratio was 0.86. The Company has achieved its previous debt-to-equity ratio target of 1.0 or less and now aims for a target of 0.5 or less. It strives to promptly achieve the following numerical targets for the ratio of consolidated ordinary income and debt-to-equity ratio.

Category	Numerical target
Ratio of consolidated ordinary income	10% or higher
Debt to equity ratio	0.5 or less

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

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

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

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

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

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

(4) Issues to be addressed

Issues to be addressed by Sodick Group are discussed below.

<Dealing with Economic Fluctuations>

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

<Addressing New Markets>

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

<Lowering Input Costs>

In manufacturing, the Group has been reviewing its production systems, including staff deployment, and at the same time promoted new product launches to address customer needs in the areas of automation and increased speed. To reduce input costs, we will continue to review planning and promote in-house production and standardization for key components, while input cost management to be tightened such as by optimizing the inventories, reviewing the production process, and establishing the international procurement routes which enables flexible responses to change in market environments.

<Financial Position>

As of March 31, 2015, interest-bearing debt of Sodick Group totaled approximately ¥35,758 million. For target management indicators, the Group met its target of 1.0 or less for the debt-to-equity ratio and now plans to meet a target of 0.5 or less. However, it failed to meet its target of 10% for the ratio of consolidated ordinary income. To achieve targets, we continue to exercise management diligence towards maintaining financial balance. Looking forward, we will put in force a variety of policies including the reduction of interest-bearing debt and will promptly establish a robust financial position that enables the constant return of profits to our shareholders.

4. Basic Approach to the Selection of Accounting Standards

To facilitate ease of comparison of conslidated financial statements among financial periods and corporations, the Sodick Group prepares its consolidated financial reports in accordance with generally accepted accounting procedures in Japan. With respect to the application of International Financial Reporting Standards (IFRS) and in consideration of various domestic and foreign circumstances, the Group intends to provide appropriate support for these standards.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

	FY 2014 (As of March 31, 2014)	FY 2015 (As of March 31, 2015)
Assets		
Current Assets		
Cash and deposits	24,049	27,767
Notes and accounts receivable – trade	14,968	15,092
Electronically recorded monetary claims – operating	—	109
Claims to receivables from installment sales	50	44
Commodity and merchandise	5,772	7,874
Work-in-process	7,285	8,684
Raw materials and inventory	8,905	8,247
Deferred tax assets	1,191	1,081
Other current assets	2,453	2,607
Allowance for doubtful accounts	(120)	(147)
Total Current Assets	64,557	71,362
Fixed Assets		
Tangible Fixed Assets		
Buildings and structures	20,813	19,964
Machinery, equipment and vehicles	15,134	16,924
Tools, fixtures and equipment	2,459	2,648
Land	6,949	7,068
Lease assets	525	728
Construction in progress	414	189
Accumulated depreciation	(21,846)	(22,696)
Total tangible fixed assets	24,450	24,828
Intangible Fixed Assets		
Goodwill	2,830	2,218
Other intangible fixed assets	1,516	1,488
Total intangible fixed assets	4,346	3,707
Investments and other assets		
Investment securities	3,677	3,174
Long-term loans receivable	241	163
Deferred tax assets	698	114
Other assets	1,010	1,015
Allowance for doubtful accounts	(207)	(199)
Total investments and other assets	5,421	4,268
Total Fixed Assets	34,218	32,804
Total Assets	98,776	104,167

(In million yen)

	FY 2014 (As of March 31, 2014)	FY 2015 (As of March 31, 2015)
Liabilities		
Current Liabilities		
Notes and accounts payable – trade	8,530	4,714
Electronically recorded obligations – operating	—	5,572
Short-term loans payable	5,181	4,700
Long-term borrowings redeemable within one year	9,613	12,261
Bonds redeemable within one year	14	16
Accounts payable – other	1,247	1,101
Income taxes payable	162	423
Provision for product warranties	317	302
Provisions for quality warranties	5	5
Provision for bonuses	460	568
Provision for point card certificates	16	1
Other current liabilities	4,230	4,869
Total current liabilities	29,779	34,537
Fixed Liabilities		
Corporate bonds	16	—
Long-term loans payable	24,656	18,779
Provision for directors’ retirement benefits	21	16
Provision for product warranties	194	226
Net defined benefit liability	1,003	565
Asset retirement obligations	229	98
Other fixed liabilities	423	488
Total fixed liabilities	26,544	20,176
Total Liabilities	56,324	54,713
Net Assets		
Shareholders’ Equity		
Capital stock	20,775	20,775
Capital surplus	5,879	5,879
Retained earnings	13,714	16,503
Treasury stock	(1,695)	(1,696)
Total shareholders’ equity	38,673	41,462
Accumulated Other Comprehensive Income		
Unrealized gain (loss) on available-for-sale securities	658	1,058
Foreign currency translation adjustment	3,262	6,787
Remeasurements of defined benefit plans	(207)	76
Total 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

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

(In million yen)

	FY 2014 (April 1, 2013 – March 31, 2014)	FY 2015 (April 1, 2014 – March 31, 2015)
Net Sales	56,899	63,090
Cost of Sales	40,232	42,215
Gross Profit	16,667	20,874
Reversal of Unrealized Income on Installment Sales	2	1
Provision of Unrealized Income on Installment Sales	3	0
Gross Profit after Income Deferrals	16,666	20,876
Selling, General and Administrative Expenses		
Personnel expenses	5,734	6,376
Reversal of allowance for loan losses	(126)	28
Amortization of goodwill	201	225
Provision for point card certificates	0	(15)
Others	8,205	9,370
Total selling, general and administrative expenses	14,014	15,984
Operating Income	2,651	4,891
Non-Operating Income		
Interest income	79	143
Dividends income	53	126
Exchange gain	1,349	963
Subsidy income	247	46
Gain on sales of scraps	44	44
Other non-operating income	279	186
Total non-operating income	2,055	1,511
Non-Operating Expenses		
Interest expenses	626	554
Commissions for syndicate loans	77	84
Other non-operating expenses	116	117
Total non-operating expenses	820	756
Ordinary Income	3,886	5,647
Extraordinary Income		
Gain on sales of fixed assets	61	72
Gain on sales of investment securities	—	9
Other extraordinary income	2	—
Total Extraordinary Income	63	82
Extraordinary Loss		
Loss on sales of fixed assets	0	—
Loss on retirement of fixed assets	29	45
Impairment loss	56	524
Other extraordinary loss	5	30
Total extraordinary loss	91	600
Net Income before Income Taxes	3,857	5,129
Current Income Taxes	728	1,073
Deferred Income Taxes	(1,066)	511
Total Income Taxes	(338)	1,584
Net Income before Minority Interest	4,196	3,544
Minority Interest in Income (Loss)	1	(5)
Net Income	4,194	3,550

(Statement of Comprehensive Income)

(In million yen)

	FY 2014 (April 1, 2013 – March 31, 2014)	FY 2015 (April 1, 2014 – March 31, 2015)
Net Income before Minority Interest	4,196	3,544
Other Comprehensive Income		
Unrealized gain (loss) on available-for-sale securities	258	400
Foreign currency translation adjustment	3,086	3,534
Remeasurements of defined benefit plans	—	284
Total other comprehensive income (loss)	3,344	4,218
Comprehensive Income	7,541	7,763
(Breakdown)		
Comprehensive income attributable to owners of the parent	7,520	7,758
Comprehensive income attributable to minority interest	20	4

(3) Consolidated Statement of Change in Shareholders' Equity
Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(In million yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	20,775	5,879	10,435	(1,695)	35,395
Cumulative effect of changes in accounting policies					
Opening balance after changes in accounting policies	20,775	5,879	10,435	(1,695)	35,395
Changes during the current fiscal year					
Dividends of surplus			(754)		(754)
Reserve for the awards and welfare fund for employees of foreign subsidiaries			(58)		(58)
Net income			4,194		4,194
Changes in scope of consolidation			(96)		(96)
Changes due to the merger of non-consolidated subsidiaries			(5)		(5)
Purchase of treasury stock				(0)	(0)
Net change during the current fiscal year in items other than shareholders' equity					
Total changes during the current fiscal year	—	—	3,278	(0)	3,278
Total changes during the current fiscal year	20,775	5,879	13,714	(1,695)	38,673

	Accumulated Other Comprehensive Income				Minority Interests	Total Net Assets
	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current fiscal year	400	195	—	595	42	36,033
Cumulative effect of changes in accounting policies						
Opening balance after changes in accounting policies	400	195	—	595	42	36,033
Changes during the current fiscal year						
Dividends of surplus						(754)
Reserve for the awards and welfare fund for employees of foreign subsidiaries						(58)
Net income						4,194
Changes in scope of consolidation						(96)
Changes due to the merger of non-consolidated subsidiaries						(5)
Purchase of treasury stock						(0)
Net change during the current fiscal year in items other than shareholders' equity	258	3,067	(207)	3,118	20	3,139
Total changes during the current fiscal year	258	3,067	(207)	3,118	20	6,417
Total changes during the current fiscal year	658	3,262	(207)	3,714	63	42,451

Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(In million yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	20,775	5,879	13,714	(1,695)	38,673
Cumulative effect of changes in accounting policies			(27)		(27)
Opening balance after changes in accounting policies	20,775	5,879	13,686	(1,695)	38,646
Changes during the current fiscal year					
Dividends of surplus			(704)		(704)
Reserve for the awards and welfare fund for employees of foreign subsidiaries			(28)		(28)
Net income			3,550		3,550
Purchase of treasury stock				(0)	(0)
Net change during the current fiscal year in items other than shareholders' equity					
Total changes during the current fiscal year	—	—	2,816	(0)	2,815
Total changes during the current fiscal year	20,775	5,879	16,503	(1,696)	41,462

	Accumulated Other Comprehensive Income				Minority Interests	Total Net Assets
	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current fiscal year	658	3,262	(207)	3,714	63	42,451
Cumulative effect of changes in accounting policies						(27)
Opening balance after changes in accounting policies	658	3,262	(207)	3,714	63	42,424
Changes during the current fiscal year						
Dividends of surplus						(704)
Reserve for the awards and welfare fund for employees of foreign subsidiaries						(28)
Net income						3,550
Purchase of treasury stock						(0)
Net change during the current fiscal year in items other than shareholders' equity	400	3,524	284	4,208	4	4,213
Total changes during the current fiscal year	400	3,524	284	4,208	4	7,029
Total changes during the current fiscal year	1,058	6,787	76	7,923	67	49,453

(4) Consolidated Statement of Cash Flows

(In million yen)

	FY 2014 (April 1, 2013 – March 31, 2014)	FY 2015 (April 1, 2014 – March 31, 2015)
Cash Flows from Operating Activities		
Gain (loss) before income taxes	3,857	5,129
Depreciation	2,559	2,659
Amortization of goodwill	201	225
Increase (decrease) in provision for retirement benefits	(915)	—
Increase (decrease) in net defined benefit liability	722	(75)
Change in provisions for doubtful accounts	(310)	6
Interest and dividend income	(133)	(270)
Interest expenses	626	554
Foreign exchange loss (gain)	156	(11)
Loss (gain) on sales and valuation of investment securities	6	(7)
Loss (gain) on sale and retirement of fixed assets	(31)	(26)
Impairment loss	56	524
Loss (gain) in trade receivables	(1,247)	269
Loss (gain) in inventories	1,875	(1,236)
Gain (loss) in trade payables	(188)	1,481
Gain (loss) in other accounts payable	(108)	(77)
Increase (decrease) in advances received	473	(304)
Other operating cash flows	(531)	615
Subtotal	7,068	9,454
Interest and dividend income received	130	184
Interest expenses paid	(641)	(557)
Income taxes returned (paid)	(980)	(783)
Net cash provided by operating activities	5,577	8,298
Cash Flows from Investing Activities		
Increase in time deposits	(368)	(293)
Decrease in time deposits	—	379
Expenses for purchases of property, plant, and equipment	(2,607)	(1,659)
Proceeds from sale of property, plant, and equipment	192	560
Expenses for purchase of intangible assets	(723)	(425)
Expenses for purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	9	1,021
Expense for purchase of shares in subsidiaries and affiliates	(1,069)	—
Proceeds from the sale of subsidiary stocks due to a change in the scope of consolidation	173	—
Expenses for loans provided	(13)	(23)
Proceeds from loans collected	177	90
Proceeds from the return of shareholdings in non-consolidated subsidiaries	—	122
Other investing cash flows	47	82
Net cash used in investing activities	(4,181)	(144)

(In million yen)

	FY 2014 (April 1, 2013 – March 31, 2014)	FY 2015 (April 1, 2014 – March 31, 2015)
Cash Flows from Financing Activities		
Change in short-term borrowings	(1,032)	(810)
Proceeds from long-term borrowings	9,718	7,000
Expenses for redemption of long-term borrowings	(11,427)	(10,542)
Expenses for redemption of bonds	(14)	(14)
Expenses for payment of finance lease obligations	(135)	(127)
Cash dividends paid	(754)	(704)
Other financing cash flows	(51)	(44)
Net cash used in financing activities	(3,696)	(5,243)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	8	839
Net Change 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)	—
Net Cash and Cash Equivalents, End of Year	23,647	27,396

(Segment Information)

1. Summary of reportable segments

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

The Company plans comprehensive strategy and develops business activities by product and service, and has set up three reportable segments to this end.

The Machine Tool Operations segment engages in the development, manufacture, and selling of electric discharge machining tools and machining centers. The Industrial Machinery Operations segment engages in the development, manufacture, and selling of injection molding machines. The Food Processing Machinery Operations segment engages in the development, manufacture, and selling of noodle production plant and machinery.

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

The accounting methods of each reportable segment conform with the accounting principles and procedures employed in the preparation of the consolidated financial statements.

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

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

3. Information on sales, operating income (loss), assets, and other items by reportable segment

Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(In million yen)

	Reportable Segment				Others (Note 1)	Total	Adjustment amount (Note 2, 3, 4, 5)	Amount stated on the consolidated statement of income for the quarter (Note 6)
	Machine Tool Operations	Industrial Machinery Operations	Food Processing Machinery Operations	Reportable Segment Total				
Net Sales								
Sales to outside customers	46,783	8,189	2,790	57,763	5,326	63,090	—	63,090
Inter-segment sales or transfers	111	12	—	124	2,557	2,681	(2,681)	—
Total	46,895	8,201	2,790	57,887	7,884	65,772	(2,681)	63,090
Segment income	6,795	20	121	6,937	455	7,393	(2,501)	4,891
Segment assets	62,113	11,488	2,087	75,689	9,907	85,596	18,570	104,167
Other								
Depreciation	1,733	270	46	2,050	375	2,425	233	2,659
Amortization of goodwill	91	31	79	202	23	225	—	225
Impairment loss	41	—	387	428	95	524	—	524
Increase in tangible fixed assets and intangible fixed assets	1,239	185	9	1,433	363	1,796	436	2,232

Notes:
1. The “Others” category refers to business segments such as high-precision mold and die machinery operations, elemental technology operations, and lease operations not included in reportable segments.
2. The segment income adjustment amount of -¥2,501 million includes -¥164 million in eliminations of inter-segment transactions and -¥2,336 million in group overhead not attributable to individual reportable segments. Group overhead consists mainly of the cost of head office functions not attributable to reportable segments.
3. The segment assets adjustment amount ¥18,570 million includes the group assets ¥20,469 not attributable to each reportable segment and -¥1,898 million in eliminations of inter-segment transactions. The group assets consist mainly of the assets of head office functions not attributable to reportable segments.
4. Depreciation adjustment amount of ¥233 million for the category “Others” consist mainly of group’s depreciation of ¥233 million not attributable to each reportable segment.
5. The increase in tangible fixed assets and intangible fixed assets adjustment amount of ¥436 million for the category “Others” consists mainly of ¥436 in group’s tangible fixed assets and intangible fixed assets not attributable to each reportable segment.
6. The segment income has been reconciled with the operating income stated on the consolidated statement of income for the fiscal year.

Per-Share Information

Year Ended March 31, 2014 (from April 1, 2013 to March 31, 2014)		Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	
Net assets per share (yen)	842.40	Net assets per share (yen)	981.47
Net income per share (yen)	83.36	Net income per share (yen)	70.55

Note: 1. Net income per diluted share for the fiscal year ended March 31, 2015, is not presented due to the absence of shares having a dilutive effect.

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

	Year Ended March 31, 2014 (from April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)
Net Income (¥ million)	4,194	3,550
Portion not attributable to shares of common stock (¥ million)	—	—
Net income attributable to shares of common stock (¥ million)	4,194	3,550
Average number of shares of common stock outstanding (thousand shares)	50,319	50,318

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

6. Other

(1) Change in company officers

See the separate “Announcement of Election of Candidates for Outside Directors, Corporate Auditors, and Outside Corporate Auditors and Change in Executive Officers.”