

Summary of Financial Statements

August 12, 2009

Company name: Sodick Co., Ltd.

Stock exchange: Tokyo Stock Exchange, 2nd Section

Code number: 6143 URL: <http://www.sodick.co.jp>

Representative: Katsuhide Fujiwara, Representative director; president

Contact: Kenichi Furukawa, General manager of Corporate Planning Tel (045) 942-3111

Date of filing of quarterly financial state: August 12, 2009

Date of dividend payout: —

1. Consolidated results for the 1st Quarter 2010 (from April 1, 2009 to June 30, 2009)

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

(1) Consolidated financial results (for 3 month)

(Percentages indicate year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|------------------|-----------|--------|------------------|---|-----------------|---|------------|---|
| | ¥ Million | % | ¥ Million | % | ¥ Million | % | ¥ Million | % |
| 1st Quarter 2010 | 6,962 | (48.6) | (1,322) | — | (1,104) | — | (999) | — |
| 1st Quarter 2009 | 13,546 | — | (257) | — | 475 | — | (172) | — |

| | Net income per share | Net income per share after dilution |
|------------------|----------------------|-------------------------------------|
| | ¥ | ¥ |
| 1st Quarter 2010 | (20.19) | — |
| 1st Quarter 2009 | (3.36) | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---------------------------|--------------|------------|--------------|----------------------|
| | ¥ Million | ¥ Million | % | ¥ |
| 1st Quarter 2010 | 79,666 | 27,309 | 32.1 | 516.07 |
| Year ended March 31, 2009 | 84,351 | 27,401 | 30.3 | 516.38 |

Note: Shareholders' equity:

1st Quarter 2010: 25,551 million yen

Year ended March 31, 2009: 25,567 million yen

2. Cash dividends

| Base date | Cash dividends per share | | | | |
|---------------------------------------|--------------------------|--------------------|--------------------|--------------------|--------|
| | End of 1st quarter | End of 2nd quarter | End of 3rd quarter | End of 4th quarter | Annual |
| | ¥ | ¥ | ¥ | ¥ | ¥ |
| Year ended March 31, 2009 | — | 10.00 | — | 0.00 | 10.00 |
| Year ending March 31, 2010 | — | | | | |
| Year ending March 31, 2010 (forecast) | | 0.00 | — | 0.00 | 0.00 |

Note: Changes in estimate of the dividend: None

3. Forecast for the year ending March 31, 2010 (from April 1, 2009, to March 31, 2010)

(Note: Percentages indicate changes compared with the previous 12-month or 6-month period, as applicable)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|----------------------------------|-----------|--------|------------------|---|-----------------|---|------------|---|----------------------|
| | ¥ Million | % | ¥ Million | % | ¥ Million | % | ¥ Million | % | ¥ |
| Six months to September 30, 2009 | 16,800 | (45.7) | (2,750) | — | (2,800) | — | (2,950) | — | (59.58) |
| Year to March 31, 2010 | 39,000 | (28.5) | (3,100) | — | (3,200) | — | (3,500) | — | (70.69) |

Note: Changes in estimates of the consolidated result: None

4. Other information

(1) Changes in important subsidiaries during the term under review (changes in the scope of consolidation due to change in specified subsidiaries): None

(2) The Company applies simplified accounting procedures and special accounting procedures to the preparation of quarterly consolidated financial statements: Yes

Note: For details see p. 4, "Qualitative Information and Financial Statements." 4. Other Information.

(3) Changes in accounting principles, procedures and method of presentation pertaining to preparation of the quarterly consolidated financial statements (changes referenced in "Important Matters Concerning the Basis of Preparation of Consolidated Financial Statements"):

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

(ii) Other changes: None

Note: For details see p.4, "Qualitative Information and Financial Statements." 4. Other Information.

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

(i) Shares issued and outstanding as of the balance sheet date (including treasury shares)

1st Quarter 2010: 53,432,510 shares

Year ended March 31, 2009: 53,432,510 shares

(ii) Number of treasury shares as of the balance sheet date

1st Quarter 2010: 3,920,251 shares

Year ended March 31, 2009: 3,919,716 shares

(iii) Average number of shares (Consolidated quarter results)

1st Quarter 2010: 49,512,466 shares

1st Quarter 2009: 51,493,673 shares

* Disclaimer

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.

1. Qualitative Information Concerning Consolidated Operating Results

During the first quarter consolidated period under review, the business environment remained in serious straits. With the global economy in a downturn phase since the previous consolidated fiscal year as a result of the financial crisis, firms were affected by the deterioration in corporate earnings, inventory adjustments and a slump in capital investment caused by production cutbacks.

For the Sodick Group as well, unpredictable conditions persisted as capital investment by the die and mold industry, a key customer, remained slack. To respond to this severe business environment, the Group takes steps to thoroughly reduce overhead including fixed costs, and actively pursued development of new sectors such as food processing machinery operations in order to further stabilize its business base. As a result of the foregoing, net sales for the first quarter consolidated period declined ¥6,583 million (-48.6%) from the same quarter of the previous year to ¥6,962 million. As for earnings, with an operating loss of ¥1,322 million (same quarter of the previous year: operating loss of ¥257 million), an ordinary loss of ¥1,104 million (same quarter of the previous year: ordinary income of ¥475 million) and a net loss of ¥999 million (same quarter of the previous year: net loss of ¥172 million).

Performances of operational segments by type are discussed below. Because the Group changed its segments by business operations beginning from the previous consolidated fiscal year, the year-earlier data shown in year-on-year comparisons have been restated based on the new format.

Machine tool operations:

Although capital investment in the domestic market remained weak in the die and mold industry, a key customer, signs of a recovery also began to appear in certain regions in foreign markets such as China. As a result, sales for machine tool operations fell ¥3,963 million (-47.0%) compared with the same quarter of the previous fiscal year to ¥4,473 million.

Industrial machinery operations:

In sales of small-scale precision injection molding machines, demand exhibited a recovery trend centered on machines for LED production. In addition, demand for precision XY stages for LCD panel inspection equipment for liquid crystal manufacturing-related industries remained steady. As a result, compared with the same quarter of the previous fiscal year, sales decreased ¥2,089 million (-58.7%) to ¥1,469 million.

Precision die and mold operations:

Although the Group manufactures precision moldings for products such as precision connectors, these operations were negatively affected by a substantial drop in production resulting from customer inventory adjustments. As a result, sales from these operations declined ¥691 million (-57.7%) year-on-year to ¥506 million.

Food processing machinery operations:

In these operations, the Group is developing its business centered on products such as noodle production equipment and noodle manufacturing plants. Because food safety has been a focus of attention in the food industry in recent years, in these operations the Group is developing and selling products such as traceability systems that can address customers' demands. As a result of the actions described above, sales for these operations jumped ¥253 million (127.9%) compared with the same quarter of the previous fiscal year to ¥452 million.

Other operations:

Manufacturing and sales of large-scale fine ceramics and sales of integrated production systems for dies and molds remained slack along with the drop in the production and sales of machine tools. As a result, sales for the quarter from these operations fell ¥140 million (-63.8%) year-on-year to ¥79 million.

Performances of geographic segments by country and region are described below.

Japan:

Sales in Japan of electric discharge machines, a core product, were weak, especially for the die and mold industry, and signs of a recovery were still not evident. As a result, regional sales decreased ¥7,375 million (-59.9%) compared with the same quarter of the previous fiscal year to ¥4,932 million.

North and South America:

In this region, steady demand was noted in advanced sectors such as medical equipment and the aerospace industry. As a result, regional sales decreased ¥495 million (-44.3%) compared with the same quarter of the previous fiscal year to ¥623 million.

Europe:

The impact of the global economic slowdown since the second half of last year was especially marked in countries such as Russia and Turkey, where the market enjoyed an expansionary trend in recent years as a result of steady economic growth, and demand fell sharply for the region as a whole. As a result, regional sales declined ¥1,036 million (-57.1%) year-on-year to ¥777 million.

Asia:

While demand from the manufacturing sector for durable goods and components for the United States has still not recovered, signs of a recovery began to emerge centered on domestic demand in China. Although the Group has its production plants in this region, production during the first quarter was limited. As a result, regional sales fell ¥3,889 million (-63.9%) from with the same quarter of the previous fiscal year to ¥2,199 million.

2. Qualitative Information Concerning Consolidated Financial Position

Compared with the end of the previous consolidated fiscal year, total assets at the end of the first quarter under review decreased ¥4,684 million to ¥79,666 million. This was mainly because of a decrease of ¥3,968 million in notes and accounts receivable-trade.

Total liabilities decreased ¥4,592 million compared with the end of previous consolidated fiscal year to ¥52,357 million. The main factors were a decrease of ¥2,217 million in notes and accounts payable-trade and a decrease of ¥1,361 million in short-term loans payable.

Net assets fell ¥92 million compared with the end of previous consolidated fiscal year to ¥27,309 million. The main reason was a net loss for the quarter of ¥999 million.

3. Qualitative Information Concerning Consolidated Business Performance Forecasts

There are no changes in the forecast announced on May 20, 2009 for consolidated performance in the fiscal year ending March 2010.

4. Other Information

(1) Changes in important subsidiaries during the term under review (changes in the scope of consolidation due to change in specified subsidiaries):

No relevant category.

(2) Application of simplified accounting procedures and special accounting procedures to the preparation of quarterly consolidated financial statements:

(Application of simplified accounting procedures)

(i) Calculation method for general bad debt estimates

In cases where the actual consolidated default ratio at the end of the first quarter consolidated accounting period under review displayed no significant variation compared with the value calculated for the end of the previous fiscal year, the Company calculates the estimated bad debt amount using the actual consolidated default ratio and other factors as of the end of the previous fiscal year.

(ii) Valuation of inventories

The Company calculates consolidated inventories at the end of the first quarter consolidated accounting period under review, without physical stock taking, in a rational manner based on the physical stock taking of consolidated inventories at the end of the previous fiscal year.

(iii) Calculation of depreciation charges for property, plant, and equipment

For assets depreciated according to the declining balance method, the Company calculates depreciation by proportional periodic allocation of the consolidated depreciation charges for the current fiscal year.

(iv) Calculation method for income taxes and deferred tax assets and liabilities

In the calculation of payable income tax amounts, the Company considers only significant items with regard to adjustments in taxable income and tax credits.

In cases where there has been no significant change in business environment since the end of the previous consolidated fiscal year nor in the emergence of temporary differences, the Company judges the recoverability of deferred income tax assets on the basis of methods utilizing the consolidated financial results forecast employed at the end of the previous fiscal year as well as tax planning methods.

(3) Changes in accounting principles, procedures and method of presentation pertaining to preparation of the quarterly consolidated financial statements

• Application of the Accounting Standard for Construction Contracts

The Sodick Group traditionally reported revenues and costs pertaining to machinery and equipment at certain consolidated subsidiaries by applying the completed-contract method (inspection basis). Beginning from the first quarter under review, the Company will apply the *Accounting Standard for Construction Contracts* (Accounting Standards Board of Japan Statement No. 15, December 27, 2007) and the *Guidance on Accounting Standard for Construction Contracts* (Accounting Standards Board of Japan Implementation Guidance No. 18, December 27, 2007). For all contracts, including contracts existing at the beginning of the first quarter consolidated period, the Company will apply the percentage of completion method for contracts for which the outcome is deemed certain (with the estimate of the percentage of completion based on the cost incurred as a percentage of estimated total cost), and will apply the completed-contract method (inspection basis) for all other contracts. Because the Group did not have any contracts to which it should apply the percentage-of-completion method and applied the completed-contract method (inspection basis) to all contracts for the first quarter consolidated cumulative period under review, this change had no affect on the Group's profit and loss.

This change also did not have any affect on segment information.

5. Consolidated financial statements

(1) Consolidated balance sheets

(In million yen)

| | As of 1st Quarter 2010 (June 30, 2009) | As of end of previous FY (ended March 31, 2009) |
|-------------------------------------|-------------------------------------------|----------------------------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 18,697 | 18,717 |
| Notes and accounts receivable-trade | 9,499 | 13,467 |
| Commodity and merchandise | 5,550 | 5,997 |
| Work-in-process | 5,516 | 5,933 |
| Raw materials and inventory | 5,842 | 5,753 |
| Other current assets | 1,970 | 2,321 |
| Allowance for doubtful accounts | (839) | (892) |
| Total current assets | 46,236 | 51,297 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings and structures | 19,061 | 18,732 |
| Machinery, equipment and vehicles | 13,174 | 12,956 |
| Other fixed assets | 11,798 | 11,725 |
| Accumulated depreciation | (18,280) | (17,765) |
| Total tangible fixed assets | 25,754 | 25,649 |
| Intangible assets | | |
| Goodwill | 2,507 | 2,617 |
| Other intangible assets | 880 | 889 |
| Total Intangible assets | 3,388 | 3,507 |
| Investments and other assets | | |
| Other assets | 4,661 | 4,293 |
| Allowance for doubtful accounts | (374) | (395) |
| Total investments and other assets | 4,286 | 3,897 |
| Total fixed assets | 33,430 | 33,053 |
| Total Assets | 79,666 | 84,351 |

(In million yen)

| | As of 1st Quarter 2010 (June 30, 2009) | As of end of previous FY (ended March 31, 2009) |
|---------------------------------------------------------|-------------------------------------------|----------------------------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 3,507 | 5,724 |
| Short-term loans payable | 26,752 | 28,113 |
| Long-term borrowings redeemable within one year | 2,420 | 2,451 |
| Allowance | 466 | 702 |
| Other current liabilities | 5,958 | 5,818 |
| Total current liabilities | 39,104 | 42,809 |
| Fixed liabilities | | |
| Corporate bonds | 1,176 | 1,226 |
| Long-term loans payable | 9,631 | 10,095 |
| Provision for retirement benefits | 993 | 944 |
| Allowance | 216 | 351 |
| Other fixed liabilities | 1,235 | 1,522 |
| Total fixed liabilities | 13,253 | 14,140 |
| Total liabilities | 52,357 | 56,950 |
| Net Assets | | |
| Shareholders' equity | | |
| Capital stock | 20,775 | 20,775 |
| Capital surplus | 6,949 | 6,949 |
| Retained earnings | 696 | 1,698 |
| Treasury stock | (2,135) | (2,135) |
| Total shareholders' equity | 26,286 | 27,288 |
| Evaluation and conversion difference | | |
| Unrealized gain (loss) on available-for-sale securities | 30 | (135) |
| Deferred gains or losses on hedges | (3) | (6) |
| Foreign currency translation adjustment | (761) | (1,579) |
| Total evaluation and conversion difference | (734) | (1,721) |
| Subscription rights to shares | 63 | 71 |
| Minority interests | 1,693 | 1,762 |
| Total net assets | 27,309 | 27,401 |
| Total Liabilities and Net Assets | 79,666 | 84,351 |

(2) Consolidated statements of income
(Three month ended June 30)

(In million yen)

| | As of 1st Quarter 2009 (from April 1, 2008 to June 30, 2008) | As of 1st Quarter 2010 (from April 1, 2009 to June 30, 2009) |
|--------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
| Net Sales | 13,546 | 6,962 |
| Cost of Sales | 9,661 | 5,415 |
| Gross Profit | 3,884 | 1,547 |
| Reversal of Deferral of Income from Installment Sales | 5 | 1 |
| Provision of Deferral of Income from Installment Sales | 2 | — |
| Gross Profit | 3,888 | 1,549 |
| Selling, General and Administrative Expenses | | |
| Personal expenses | 1,705 | 1,107 |
| Reversal of allowance for loan losses | 28 | 120 |
| Other | 2,411 | 1,644 |
| Total selling, general and administrative expenses | 4,145 | 2,872 |
| Operating Loss | (257) | (1,322) |
| Non-Operating Income | | |
| Interest income | 17 | 4 |
| Dividends income | 37 | 7 |
| Foreign exchange income | 706 | 434 |
| Others | 160 | 177 |
| Total non-operating income | 921 | 624 |
| Non-Operating Expenses | | |
| Interest expenses | 137 | 173 |
| Loss on equity method investments | — | 16 |
| Syndicate loan expenses | — | 150 |
| Other non-operating expenses | 51 | 66 |
| Total non-operating expense | 188 | 406 |
| Ordinary Income or Loss | 475 | (1,104) |
| Extraordinary income | | |
| Gain on prior period adjustment | 37 | — |
| Gain on sales of fixed assets | 1 | 0 |
| Reversal of allowance for loan losses | 16 | 107 |
| Other extraordinary income | 1 | 38 |
| Total extraordinary income | 56 | 146 |
| Extraordinary Loss | | |
| Loss from prior period adjustment | 92 | — |
| Prior-year provision for product warranties | 81 | — |
| Special retirement payments | — | 65 |
| Other extraordinary losses | 0 | 9 |
| Total extraordinary loss | 174 | 74 |
| Income or Loss Before Income Taxes | 356 | (1,032) |
| Current Income Taxes | 457 | 6 |
| Income Taxes for Prior Periods | (104) | (27) |
| Deferred Income Taxes | 33 | 69 |
| Total Income Taxes | 386 | 48 |
| Minority Interests in Income or Loss | 142 | (81) |
| Net Loss | (172) | (999) |

(3) Consolidated statement of cash flows

(In million yen)

| | As of 1st Quarter 2009 (from April 1, 2008 to June 30, 2008) | As of 1st Quarter 2010 (from April 1, 2009 to June 30, 2009) |
|----------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
| Cash Flows from Operating Activities | | |
| Income or loss before income taxes | 356 | (1,032) |
| Depreciation | 692 | 747 |
| Amortization of goodwill | 88 | 109 |
| Change in provisions for doubtful accounts | 11 | (101) |
| Interest and dividend income | (54) | (12) |
| Interest expenses | 137 | 173 |
| Foreign exchange loss (gain) | (380) | (175) |
| Loss (gain) on sale or disposal of fixed assets | (1) | 8 |
| Loss (gain) in trade receivables | 3,635 | 4,248 |
| Loss (gain) in inventories | (3,140) | 1,138 |
| Gain (loss) in trade payables | (608) | (2,516) |
| Gain (loss) in other accounts payable | (330) | (175) |
| Other operating cash flows | 591 | (151) |
| Subtotal | 997 | 2,261 |
| Interest and dividend income received | 61 | 12 |
| Interest expenses paid | (128) | (141) |
| Special retirement payments | — | (65) |
| Income taxes returned (paid) | (564) | 303 |
| Net cash provided by operating activities | 366 | 2,370 |
| Cash Flows from Investing Activities | | |
| Payments into time deposits | (430) | (200) |
| Expenses for purchases of property, plant, and equipment | (510) | (135) |
| Proceeds from sales of property, plant, and equipment | 208 | 57 |
| Expenses for purchases of intangible assets | (86) | (33) |
| Proceeds from sales of intangible assets | 16 | 0 |
| Expenses for purchases of investment securities | (1,180) | (1) |
| Expense for purchases of shares in subsidiaries and affiliates | — | (234) |
| Proceeds for sales of shares in subsidiaries and affiliates | — | 8 |
| Expenses for loans provided | (1,523) | (107) |
| Proceeds from loans collected | 29 | 43 |
| Other investing cash flows | (56) | (26) |
| Net cash used in investing activities | (3,533) | (628) |

(In million yen)

| | As of 1st Quarter 2009 (from April 1, 2008 to June 30, 2008) | As of 1st Quarter 2010 (from April 1, 2009 to June 30, 2009) |
|-----------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
| Cash Flows from Financing Activities | | |
| Gain (loss) in short-term borrowings | 641 | (1,405) |
| Proceeds from long-term borrowings | 2,002 | — |
| Expenses for redemption of long-term borrowings | (530) | (524) |
| Expenses for redemption of bonds | (50) | (50) |
| Expenses for purchase of treasury shares | (653) | (0) |
| Cash dividends paid | (518) | — |
| Expenses for payment of finance lease obligations | (42) | (80) |
| Cash dividends paid to minority shareholders | (147) | — |
| Other financing cash flows | (35) | (150) |
| Net cash flows from financing activities | 667 | (2,210) |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | 89 | 249 |
| Net Change in Cash and Cash Equivalents | (2,409) | (220) |
| Cash and Cash Equivalents, Beginning of Year | 19,781 | 18,693 |
| Net Cash and Cash Equivalents, End of Year | 17,371 | 18,473 |

(4) Notes on premise of going concern.

No relevant category.

(5) Segment Information

[Operational segments by type]

1st Quarter 2009 (from April 1, 2008, to June 30, 2008)

| | Machine tool operations (¥ Million) | Industrial machinery operations (¥ Million) | Other operations (¥ Million) | Total (¥ Million) | Elimination or corporate overhead (¥ Million) | Consolidated (¥ Million) |
|--------------------------------------|----------------------------------------|------------------------------------------------|---------------------------------|----------------------|--------------------------------------------------|-----------------------------|
| Net Sales | | | | | | |
| (1) Sales to outside customers | 8,432 | 3,556 | 1,557 | 13,546 | — | 13,546 |
| (2) Inter-segment sales or transfers | 4 | 2 | 53 | 60 | (60) | — |
| Total | 8,437 | 3,558 | 1,610 | 13,606 | (60) | 13,546 |
| Operating income or loss | 274 | 53 | (172) | 155 | (412) | (257) |

Notes:

1. Criteria for determining business segments

Business segments have been determined based on Japanese Industrial Standards.

2. Main products by business segment

Machine tool operations: NC electric discharge machining tools, machining centers, small-hole drilling machines and peripherals.

Industrial machinery operations: Plastic injection molding machines, linear press machines, and peripherals

Other operations: Integrated die production systems, processed synthetic resin products, food processing machinery, and related equipment and peripherals.

3. Change in accounting procedures

(Provisional Guidelines for the Accounting Treatment of Foreign Subsidiaries in the Preparation of Consolidated Financial Statements)

Beginning with the first quarter consolidated accounting period under review, the Company applies the Provisional Guidelines for the Accounting Treatment of Foreign Subsidiaries in the Preparation of Consolidated Financial Statements (Practical Solutions Statement No. 18; May 17, 2006). As a result of this change, operating income for the first quarter consolidated accounting period under review at the Machine Tools Division declined ¥15 million compared with accounting procedures that use the same standard as a conventional accounting method.

1st Quarter 2010 (from April 1, 2009, to June 30, 2009)

| | Machine tool operations (¥ Million) | Industrial machinery operations (¥ Million) | Precision mold and die machinery operations (¥ Million) | Food processing machinery operations (¥ Million) | Other operations (¥ Million) | Total (¥ Million) | Elimination or corporate overhead (¥ Million) | Consolidated (¥ Million) |
|--------------------------------------|-------------------------------------|---------------------------------------------|---------------------------------------------------------|--------------------------------------------------|------------------------------|-------------------|-----------------------------------------------|--------------------------|
| Net Sales | | | | | | | | |
| (1) Sales to outside customers | 4,472 | 1,469 | 506 | 452 | 62 | 6,962 | — | 6,962 |
| (2) Inter-segment sales or transfers | 0 | — | 0 | — | 17 | 18 | (18) | — |
| Total | 4,473 | 1,469 | 506 | 452 | 79 | 6,981 | (18) | 6,962 |
| Operating loss | (570) | (171) | (105) | (77) | (6) | (930) | (392) | (1,322) |

Notes:

1. Criteria for determining business segments

Business segments have been determined based on Japanese Industrial Standards and segmentation method for internal control.

2. Main products by business segment

Machine tool operations: NC electric discharge machining tools, machining centers, small-hole drilling machines and peripherals.

Industrial machinery operations: Plastic injection molding machines, linear press machines, and peripherals

Precision mold and die machinery operations: Precision dies, precision moldings, processed synthetic resin products and related equipment and peripherals.

Industrial machinery operations: Plastic injection molding machines, linear press machines, and peripherals

Food processing machinery operations: Food processing machinery and related equipment and peripherals.

Other operations: Integrated die production systems, ceramic products, and related equipment and peripherals.

3. Change in segments by type of operations

Because their importance in terms of value has increased, beginning from the previous consolidated fiscal year "precision die and mold operations" and "food processing machinery operations," which previously were included in "other operations," will be listed separately as "precision die and mold operations" and "food processing machinery operations".

The segment information for the first quarter of the previous consolidated fiscal year, classified according to segments by type of operations using the business segment classifications for the first quarter of the current consolidated fiscal year, are shown below.

1st Quarter 2009 (from April 1, 2008, to June 30, 2008)

| | Machine tool operations (¥ Million) | Industrial machinery operations (¥ Million) | Precision mold and die machinery operations (¥ Million) | Food processing machinery operations (¥ Million) | Other operations (¥ Million) | Total (¥ Million) | Elimination or corporate overhead (¥ Million) | Consolidated (¥ Million) |
|--------------------------------------|-------------------------------------|---------------------------------------------|---------------------------------------------------------|--------------------------------------------------|------------------------------|-------------------|-----------------------------------------------|--------------------------|
| Net Sales | | | | | | | | |
| (1) Sales to outside customers | 8,432 | 3,556 | 1,196 | 193 | 168 | 13,546 | — | 13,546 |
| (2) Inter-segment sales or transfers | 4 | 2 | 1 | 5 | 51 | 65 | (65) | — |
| Total | 8,437 | 3,558 | 1,198 | 198 | 219 | 13,611 | (65) | 13,546 |
| Operating income or loss | 274 | 53 | (50) | (98) | (23) | 155 | (412) | (257) |

[Geographic segments by country and region]

1st Quarter 2009 (from April 1, 2008, to June 30, 2008)

| | Japan (¥ Million) | North and South America (¥ Million) | Europe (¥ Million) | Asia (¥ Million) | Total (¥ Million) | Elimination or corporate overhead (¥ Million) | Consolidated (¥ Million) |
|--------------------------------|----------------------|----------------------------------------------|-----------------------|---------------------|----------------------|-----------------------------------------------------------|-----------------------------|
| Net Sales | | | | | | | |
| (1) Sales to outside customers | 8,552 | 1,062 | 1,812 | 2,118 | 13,546 | — | 13,546 |
| (2) Inter-segment sales | 3,755 | 56 | 1 | 3,969 | 7,783 | (7,783) | — |
| Total | 12,308 | 1,118 | 1,814 | 6,088 | 21,329 | (7,783) | 13,546 |
| Operating income or loss | 135 | 17 | 113 | (145) | 122 | (379) | (257) |

Notes:

1. Criteria for determining geographic segments by country and region, and constituent principal countries and regions by geographic segment

- (1) Criteria for determining geographic segments by country and region: Geographic proximity.

- (2) Constituent principal countries and regions by geographic segment

North and South America: United States

Europe: Germany, UK

Asia: China, Taiwan, Hong Kong, Thailand, Singapore, Korea

- 2 Change in accounting procedures

(Provisional Guidelines for the Accounting Treatment of Foreign Subsidiaries in the Preparation of Consolidated Financial Statements)

Beginning with the first quarter consolidated accounting period under review, the Company applies the Provisional Guidelines for the Accounting Treatment of Foreign Subsidiaries in the Preparation of Consolidated Financial Statements (Practical Solutions Statement No. 18; May 17, 2006). As a result of this change, the operating loss recognized for the first quarter consolidated accounting period under review at the "Asia" segment increased ¥15 million compared with accounting procedures that use the same standard as a conventional accounting method.

1st Quarter 2010 (from April 1, 2009, to June 30, 2009)

| | Japan (¥ Million) | North and South America (¥ Million) | Europe (¥ Million) | Asia (¥ Million) | Total (¥ Million) | Elimination or corporate overhead (¥ Million) | Consolidated (¥ Million) |
|--------------------------------|----------------------|----------------------------------------------|-----------------------|---------------------|----------------------|-----------------------------------------------------------|-----------------------------|
| Net Sales | | | | | | | |
| (1) Sales to outside customers | 4,277 | 612 | 702 | 1,370 | 6,962 | — | 6,962 |
| (2) Inter-segment sales | 655 | 10 | 75 | 828 | 1,569 | (1,569) | — |
| Total | 4,932 | 623 | 777 | 2,199 | 8,532 | (1,569) | 6,962 |
| Operating loss | (779) | (22) | (113) | (537) | (1,452) | 130 | (1,322) |

Notes:

1. Criteria for determining geographic segments by country and region, and constituent principal countries and regions by geographic segment

- (1) Criteria for determining geographic segments by country and region: Geographic proximity.

- (2) Constituent principal countries and regions by geographic segment

North and South America: United States

Europe: Germany, UK

Asia: China, Taiwan, Hong Kong, Thailand, Singapore, Korea

[Overseas sales]

1st Quarter 2009 (from April 1, 2008, to June 30, 2008)

| | North and South America | Europe | Asia | Total |
|------------------------------------------------------------|-------------------------|--------|-------|--------|
| I. Overseas sales (¥ Million) | 1,252 | 1,909 | 3,988 | 7,151 |
| II. Consolidated sales (¥ Million) | — | — | — | 13,546 |
| II. Overseas sales as percentage of consolidated sales (%) | 9.2 | 14.1 | 29.4 | 52.8 |

Notes:

1. Overseas sales refer to sales of the Company and its consolidated subsidiaries made in countries and regions other than Japan.
2. Criteria for determining geographic segments by country and region, and constituent principal countries and regions by geographic segment
 - (1) Criteria for determining geographic segments by country and region: Geographic proximity.
 - (2) Constituent principal countries and regions by geographic segment
 - North and South America: United States, Canada, Mexico
 - Europe: Germany, Russia, Italy, Turkey, France, UK
 - Asia: China, Taiwan, Hong Kong, Thailand, Singapore, Korea

1st Quarter 2010 (from April 1, 2009, to June 30, 2009)

| | North and South America | Europe | Asia | Total |
|------------------------------------------------------------|-------------------------|--------|-------|-------|
| I. Overseas sales (¥ Million) | 653 | 778 | 2,315 | 3,747 |
| II. Consolidated sales (¥ Million) | — | — | — | 6,962 |
| II. Overseas sales as percentage of consolidated sales (%) | 9.4 | 11.2 | 33.2 | 53.8 |

Notes:

1. Overseas sales refer to sales of the Company and its consolidated subsidiaries made in countries and regions other than Japan.
2. Criteria for determining geographic segments by country and region, and constituent principal countries and regions by geographic segment
 - (1) Criteria for determining geographic segments by country and region: Geographic proximity.
 - (2) Constituent principal countries and regions by geographic segment
 - North and South America: United States, Canada, Mexico
 - Europe: Germany, Russia, Italy, Turkey, France, UK
 - Asia: China, Taiwan, Hong Kong, Thailand, Singapore, Korea

- (6) Notes in case of significant variation in shareholders' equity
No relevant category.