

## Summary of Financial Statements for the Year Ended March 31, 2011 (J-GAAP) (Consolidated)

May 19, 2011

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, Managing Director

Tel: +81-45-942-3111

Scheduled date of annual general meeting of shareholders: June 29, 2011

Scheduled date of dividend payout: June 30, 2011

Scheduled date of filing of consolidated financial statements: June 29, 2011

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, 2011 (from April 1, 2010 to March 31, 2011)

#### (1) Consolidated Financial Results

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY 2011	54,213	47.5	5,599	—	3,944	—	5,111	—
FY 2010	36,761	(32.6)	(2,688)	—	(3,073)	—	(3,669)	—

Note: Comprehensive Income: FY 2011 ¥4,336 million (—%) FY 2010 (¥3,406 million) (—%)

	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 2011	103.23	—	21.0	5.2	10.3
FY 2010	(74.11)	—	(15.3)	(3.9)	(7.3)

Reference: Equity in earnings (losses) of non-consolidated subsidiaries and affiliates:

FY 2011: ¥— million FY 2010: (¥60 million)

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	¥ Million	¥ Million	%	¥
FY 2011	79,510	28,158	33.3	534.25
FY 2010	72,767	23,848	30.6	449.54

Reference: Shareholders' Equity: FY 2011: ¥26,451 million FY 2010: ¥22,257 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 2011	3,216	(167)	(1,965)	16,615
FY 2010	7,256	(693)	(9,437)	15,804

### 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 2010	—	0.00	—	0.00	0.00	—	—	—
FY 2011	—	0.00	—	6.00	6.00	297	5.8	1.2
FY 2012 (forecast)	—	5.00	—	5.00	10.00		12.4	

### 3. Forecast for the Year Ending March 31, 2012 (from April 1, 2011, to March 31, 2012)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Six months to September 30, 2011	28,000	10.3	3,100	24.6	2,650	98.5	2,100	53.1	42.41
Year to March 31, 2012	57,000	5.1	6,300	12.5	5,400	36.9	4,300	(15.9)	86.85

**4. Other Information**

(1) Changes in important subsidiaries during the term under review (change in the scope of consolidation due to change in specified subsidiaries): No

Newly added: — (Company name: )  
 Removed: — (Company name: )

(2) Changes in accounting principles, procedures and method of presentation:

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

2) Other changes: None

Note: For details, see p.24, "Important Matters Concerning the Basis of Preparation of Consolidated Financial Statements".

(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 2011	53,432,510 shares	FY 2010	53,432,510 shares
---------	-------------------	---------	-------------------

2) Number of treasury shares as of the balance sheet date

FY 2011	3,921,080 shares	FY 2010	3,920,587 shares
---------	------------------	---------	------------------

3) Average number of shares outstanding during the period

FY 2011	49,511,679 shares	FY 2010	49,512,153 shares
---------	-------------------	---------	-------------------

**(Reference) Summary of Non-Consolidated Results****1. Non-Consolidated Results for the Year Ended March 31, 2011 (from April 1, 2010 to March 31, 2011)**

(1) Consolidated Financial Results

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY 2011	22,012	82.1	2,476	—	3,410	—	4,919	—
FY 2010	12,090	(17.3)	(1,680)	—	(1,678)	—	(2,002)	—

	Net Income Per Share	Net Income Per Share After Dilution
	¥	¥
FY 2011	99.37	—
FY 2010	(40.44)	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	¥ Million	¥ Million	%	¥
FY 2011	60,362	29,539	48.9	596.14
FY 2010	56,025	24,616	43.9	496.70

Reference: Shareholders' Equity: FY 2011: ¥29,515 million FY 2010: ¥24,592 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. Operating Results" on page 4.

## 1. Operating Results

### (1) Management Discussion and Analysis

The Japanese economy in the fiscal year under review continued to stage a moderate recovery as industry profits improved thanks to rising exports to emerging economies in Asia as well as economic-stimulus packages including public subsidies for purchases of consumer durables such as environment friendly cars and electric appliances. However, uncertainty over the direction of the economy continues amid developments that include the progressively strengthening yen and surging raw materials prices. Additionally, with the effects yet to be estimated that the Great East Japan Earthquake of March 11 will have on the domestic economy, concerns over the outlook are mounting. In the machine-tools and industrial machinery industry, of which the Group is a part, conditions have been favorable in greater China while demand in Europe and the U.S. has bottomed after prolonged weakness since the global financial crisis. In fact, the environment for capital investment demand for electric discharge machines improved strongly. Moreover, thanks to the growth in the market for LED products, capital investment demand increased also for injection molding machinery for LED product applications. In this operating environment, the Group strengthened its production in order to respond to the rapid demand recovery for electric discharge machines and injection molding machinery. In product development, the Group also worked on machine tools with superior cost performance for markets in the emerging economies. With regard to sales efforts, the products of the Group were on display at many global-scale trade shows for machine tools, specifically the IMTS2010 in the U.S., the DMC2010 in China, and the JIMTOF2010 in Japan, where the Group introduced automation systems, an area of proliferating user needs, and consumable supplies that are recyclable and therefore easy on the environment. Through these and other products the Group has been aiming to acquire new customers. Moreover, as a new business field, the Group entered the market for LED lighting, a market that is seen to keep growing, and in this way worked to maintain stable earnings. Based on these developments, consolidated sales rose ¥17,452 million (+47.5%) compared with previous fiscal year to ¥54,213 million. Earnings experienced an operating income of ¥5,599 million (loss of ¥2,688 million a year ago), ordinary income of ¥3,944 million (loss of ¥3,073 million a year ago), and a net income for the period of ¥5,111 million (loss of ¥3,669 million a year ago).

### (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 ¥6,742 million to ¥79,510 million. This was mainly due to a ¥4,076 million increase in inventories and a ¥2,564 million increase in notes and accounts receivable – trade.

Consolidated liabilities compared with the end of the previous fiscal year increased ¥2,433 million to ¥51,352 million. Main factors was a ¥2,531 million increase in notes and accounts payable, partly offset by a ¥1,704 million drop in interest-bearing debt comprised of short-term and long-term borrowings and bonds.

Net assets rose ¥4,309 million compared with previous fiscal year to ¥28,158 million due to the accounting recognition of a ¥5,111 million net income for the period. As a result of the foregoing, the equity ratio came to 33.3%.

#### 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 ¥16,615 million, which was ¥810 million (+5.1%) higher 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 ¥3,216 million (compared with ¥7,256 million a year ago). This was mainly due to a ¥4,003 increase in net income before income taxes and ¥3,130 increase in trade payables, partly offset by a ¥4,794 increase in inventories and ¥3,157 increase in trade receivables.

##### (Investing cash flows)

Net cash used in investing activities was ¥167 million (compared with ¥693 million used in investing activities a year ago). This was mainly due to ¥966 million in expenses for property, plant, and equipment purchases, partly offset by ¥728 million in income from proceeds from sale of property, plant, and equipment.

##### (Financing cash flows)

Net cash used in financing activities was ¥1,965 million (compared with ¥9,437 million a year ago). This was mainly due to expenses for a ¥9,506 million reduction in short-term loans and ¥3,165 million repayment of long-term loans, partly offset by a ¥11,530 million in income from new long-term bank borrowing.

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

	FY 2008	FY 2009	FY 2010	FY 2011
Equity ratio (%)	36.6	30.3	30.6	33.3
Equity ratio based on market capitalization (%)	21.7	9.6	24.0	28.2
Ratio of cash flow to interest-bearing debt (years)	18.3	22.9	4.9	10.4
Interest coverage ratio (times)	3.9	3.2	12.2	5.9

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

It has been the basic policy of the Company to pay stable and sustained dividends on shareholders valuable share capital while ensuring earnings retention for future business development and strengthening of the Company's capital structure. 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. While an interim dividend could regrettably not be paid taking into account fundamental policies and financial results, the Company will pay a per-share year-end dividend of ¥6.0.

For the next fiscal year, interim and year-end dividends of ¥5.0 each are planned, for total annual dividends of ¥10.0 per share.

(5) Outlook for the next fiscal year

As for the outlook, in the domestic economy, concerns surround further worsening employment conditions and depressed personal consumption under the impact of the Great East Japan Earthquake that struck on March 11 this year. While the domestic outlook is extremely uncertain, overseas the emerging economies in Asia centered on China are seen to remain strong, with high growth rates expected also for other emerging economies such as India and Brazil, raising hopes that external demand will underpin the domestic economy.

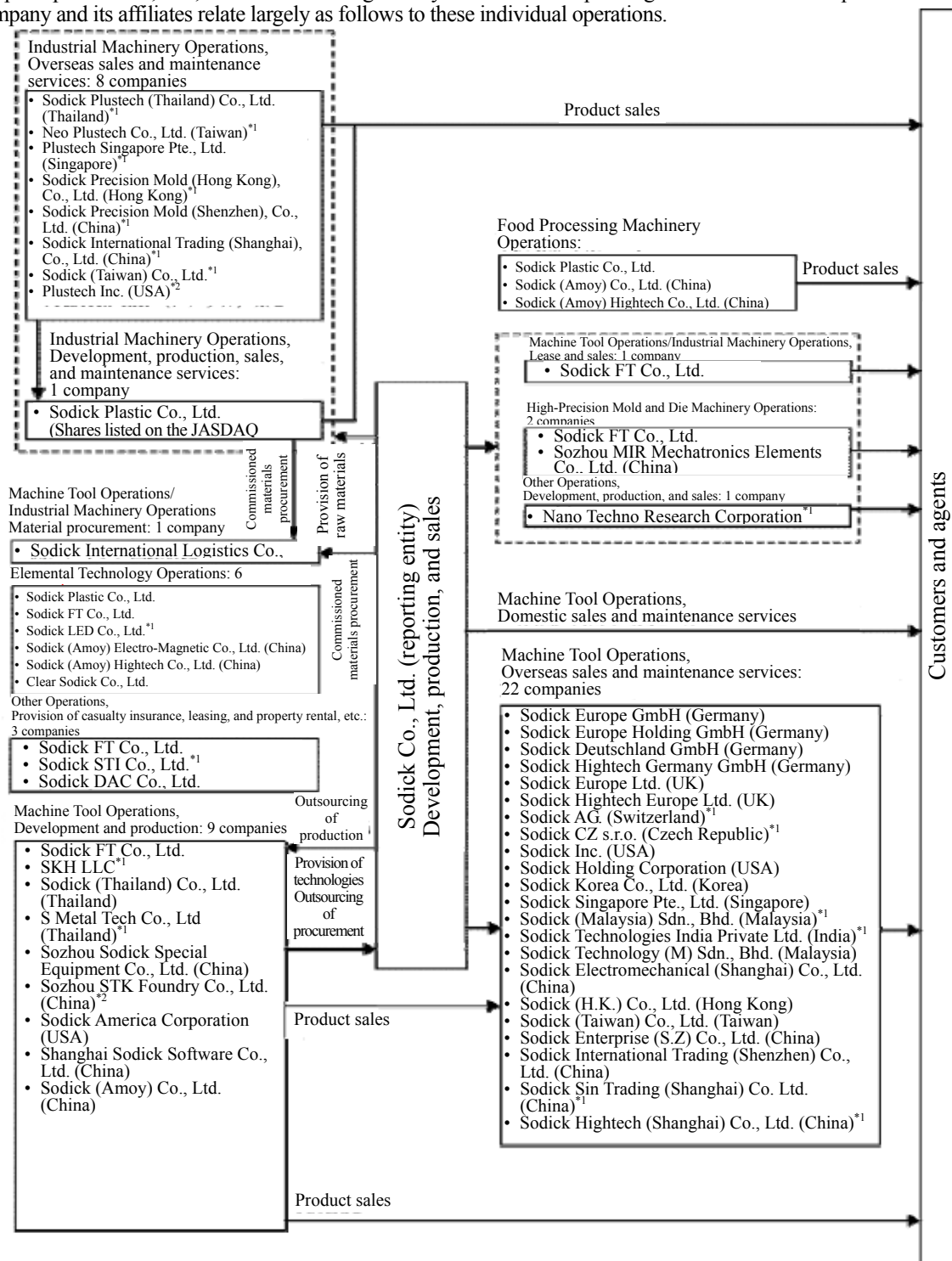
In this environment, the Group will continue to pursue cost reductions through production system reviews and thorough cost management, and proactively launch new initiatives such as in the promising future growth-markets of emerging economies as well as in high-growth areas such as machinery applications for LED products, which have been at center stage for their superior energy efficiency.

Group results forecasts for the fiscal year to March 2012 are for consolidated sales of ¥57,000 million (+5.1%), consolidated operating income of ¥6,300 million (+12.5%), consolidated ordinary income of ¥5,400 million (+36.9%), and consolidated net income of ¥4,300 million (-15.9%). The above results forecasts are based on assumed average foreign exchange rates during the fiscal year of JPY80/USD1.0 and JPY117/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 NC electric discharge machining tools and machining centers, etc.; (ii) Industrial Machinery Operations engaged in the development, production, and sales of synthetic resin injection molding machinery, etc., (iii) High-Precision Mold and Die Machinery Operations engaged in the development, production, and sales of synthetic resin products, etc.; (iv) Food Processing Machinery Operations engaged in the development, production, and sales of noodle production plants and noodle production equipment, etc., (v) Elemental Technology Operations engaged in the development, production, and sales of linear motor application products, integrated production systems for dies and mold, and ceramics products and control equipment for the products, etc., and (vi) Other operations engaged in the leasing of electric discharge machines and print production, etc., all of which are organically bonded and cooperating to contribute to Group business. The Company and its affiliates relate largely as follows to these individual operations.



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 this consolidated fiscal year, the consolidated operating income ratio was 7.3 % and debt-to-equity ratio was 1.3 times, missing the targets for these management metrics. Through measures such as bringing in a new accounting system to increase cash management efficiency at the Group-level, efforts will be made to attain the target values at an early stage.

Category	Numerical Target
Ratio of consolidated ordinary income	10% or higher
Debt to equity ratio	1.0 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 NC 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.

Moreover, 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 expand its business operations.

#### (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 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 are global premieres 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 increase in-house production additional key components, while inventories will have to be optimized, production processes reviewed, and input cost management tightened.

<Financial Position>

As of March 31, 2011, interest-bearing debt of Sodick Group totaled approximately ¥33,488 million. With the debt-to-equity ratio in the year period failing to fall below the target of 1.0 times, management will remain focused on the financial position. Various measures will be implemented going forward, including reducing interest-bearing debt, in order to expedite a robust financial strength enabling continuing income returns to shareholders.

**4. Consolidated Financial Statements****(1) Consolidated Balance Sheets**

(In million yen)

	FY 2010 (As of March 31, 2010)		FY 2011 (As of March 31, 2011)	
<b>Assets</b>				
Current Assets				
Cash and deposits	*3	15,817	*3	16,622
Notes and accounts receivable – trade		11,653		14,217
Claims to receivables from installment sales		147		57
Commodity and merchandise		4,690		5,547
Work-in-process		4,160		5,054
Raw materials and inventory		4,745		7,070
Deferred tax assets		73		1,294
Other current assets	*3	1,584		2,259
Allowance for doubtful accounts		(717)		(559)
Total Current Assets		42,156		51,566
Fixed Assets				
Tangible Fixed Assets				
Buildings and structures	*3	18,880	*3	18,333
Machinery, equipment and vehicles		12,362		12,321
Tools, fixtures and equipment		2,714		2,726
Land	*3	7,041	*3	6,763
Lease assets		1,607		1,206
Construction in progress		1		152
Accumulated depreciation		(18,821)		(19,674)
Total Tangible Fixed Assets		23,786		21,829
Intangible Fixed Assets				
Goodwill		1,946		1,762
Other intangible fixed assets		797		805
Total intangible fixed assets		2,743		2,567
Investments and other assets				
Investment securities	*4	1,685	*4	1,525
Long-term loans receivable	*3	1,513		1,339
Other assets	*3, 4	1,151	*3, 4	960
Allowance for doubtful accounts		(269)		(278)
Total investments and other assets		4,081		3,547
Total Fixed Assets		30,611		27,944
Total assets		72,767		79,510



(In million yen)

	FY 2010 (As of March 31, 2010)		FY 2011 (As of March 31, 2011)	
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Notes and accounts payable – trade		7,037		9,568
Short-term loans payable	*3, 6	21,687	*3, 6, 7	12,065
Long-term borrowings redeemable within one year	*3, 7	2,976	*3	3,665
Bonds redeemable within one year	*3	434	*3	734
Accounts payable – other		1,117		1,478
Income taxes payable		188		406
Provision for directors' bonuses		—		20
Provision for product warranties		204		237
Provisions for quality warranties		6		7
Provision for bonuses		349		389
Other current liabilities		2,779		3,883
Total current liabilities		36,781		32,457
<b>Fixed Liabilities</b>				
Corporate bonds	*3	792	*3	58
Long-term loans payable	*3, 7	9,303	*3, 7, 8	16,965
Provision for retirement benefits		1,005		1,072
Provision for directors' retirement benefits		—		13
Provision for product warranties		84		72
Provision for loss on guarantees		48		20
Asset retirement obligations		—		218
Other fixed liabilities		903		473
Total fixed liabilities		12,137		18,894
Total Liabilities		48,919		51,352
<b>Net Assets</b>				
<b>Shareholders' Equity</b>				
Capital stock		20,775		20,775
Capital surplus		6,949		5,879
Retained earnings		(1,990)		4,181
Treasury stock		(2,135)		(2,135)
Total shareholders' equity		23,599		28,701
<b>Accumulated Other Comprehensive Income</b>				
Unrealized gain (loss) on available-for-sale securities		33		27
Deferred gains or losses on hedges		—		—
Foreign currency translation adjustment		(1,375)		(2,277)
Total accumulated other comprehensive income		(1,341)		(2,249)
Subscription rights to shares		24		23
Minority interests		1,566		1,682
Total Net Assets		23,848		28,158
Total Liabilities and Net Assets		72,767		79,510

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

(In million yen)

	FY 2010 (April 1, 2009 – March 31, 2010)		FY 2011 (April 1, 2010 – March 31, 2011)	
Net Sales		36,761		54,213
Cost of Sales	*2	27,877	*2	36,592
Gross Profit		8,883		17,621
Reversal of Unrealized Income on Installment Sales		4		5
Unrealized Income on Installment Sales		0		—
Gross Profit after Income Deferrals		8,887		17,626
Selling, General and Administrative Expenses				
Personal expenses	*1	4,443	*1	4,597
Reversal of allowance for loan losses		147		153
Amortization of goodwill		354		199
Others	*2	6,630	*2	7,077
Total selling, general and administrative expenses		11,575		12,027
Operating Income (Loss)		(2,688)		5,599
Non-Operating Income				
Interest income		23		23
Dividends income		73		40
Foreign exchange gains		69		—
Received commission		—		54
Lease income		39		33
Gain on revaluation of derivatives		238		—
Gain on sales of scraps		—		38
Subsidy income		108		27
Other non-operating income		207		160
Total non-operating income		759		377
Non-Operating Expenses				
Interest expenses		640		569
Foreign exchange loss		—		1,182
Equity in losses of affiliates		60		—
Syndicate loan expenses		189		98
Other non-operating expenses		254		182
Total non-operating expenses		1,145		2,032
Ordinary Income (Loss)		(3,073)		3,944

(In million yen)

	FY 2010 (April 1, 2009 – March 31, 2010)		FY 2011 (April 1, 2010 – March 31, 2011)	
<b>Extraordinary Income</b>				
Gain on sales of fixed assets	*3	59	*3	338
Gain on sales of investment securities		2		22
Gain on sales of shares in subsidiaries and affiliates		32		—
Reversal of allowance for loan losses		277		98
Reversal of allowance for retirement benefits		67		—
Gain from changes in equity method		37		—
Other extraordinary income		134		80
<b>Total Extraordinary Income</b>		<b>611</b>		<b>539</b>
<b>Extraordinary Loss</b>				
Loss on sales of fixed assets	*4	54	*4	3
Loss on retirement of fixed assets	*5	75	*5	61
Loss from revaluation of investment securities		4		0
Impairment loss	*6	65	*6	99
Loss on change in equity		2		—
Business structure improvement expenses	*7	622		—
Amortization of goodwill		—		118
Loss related to the application of the Accounting Standard for Asset Retirement Obligations		—		173
Other extraordinary loss		134		22
<b>Total Extraordinary Loss</b>		<b>959</b>		<b>480</b>
<b>Net Income (Loss) before Income Taxes</b>		<b>(3,422)</b>		<b>4,003</b>
Current Income Taxes		278		580
Income Taxes for Prior Periods		(127)		(500)
Deferred Income Taxes		229		(1,341)
<b>Total Income Taxes</b>		<b>380</b>		<b>(1,261)</b>
<b>Net Income before Minority Interest</b>		<b>—</b>		<b>5,265</b>
<b>Minority Interests in Income (Loss)</b>		<b>(133)</b>		<b>154</b>
<b>Net Income (Loss)</b>		<b>(3,669)</b>		<b>5,111</b>

## (Statement of Comprehensive Income)

	FY 2010 (April 1, 2009 – March 31, 2010)	FY 2011 (April 1, 2010 – March 31, 2011)
Net Income before Minority Interest	—	5,265
Other Comprehensive Income		
Unrealized gain (loss) on available-for-sale securities	—	(5)
Foreign currency translation adjustment	—	(924)
Total other comprehensive income (loss)	—	*2 (929)
Comprehensive Income	—	*1 4,336
(Breakdown)		
Comprehensive income attributable to owners of the parent	—	4,203
Comprehensive income attributable to minority interest	—	132

## (3) Consolidated Statement of Change in Shareholders' Equity

(In million yen)

	FY 2010 (April 1, 2009 – March 31, 2010)	FY 2011 (April 1, 2010 – March 31, 2011)
<b>Shareholders' Equity</b>		
Capital stock		
Balance at end of previous fiscal year	20,775	20,775
Balance at end of current fiscal year	20,775	20,775
Capital surplus		
Balance at end of previous fiscal year	6,949	6,949
Changes during the current fiscal year		
Deficit disposition	—	(1,070)
Total changes during the current fiscal year	—	(1,070)
Balance at end of current fiscal year	6,949	5,879
Retained earnings		
Balance at end of previous fiscal year	1,698	(1,990)
Changes during the current fiscal year		
Deficit disposition	—	1,070
Reserve for the awards and welfare fund for employees of foreign subsidiaries	(19)	(13)
Net income (loss)	(3,669)	5,111
Changes in scope of consolidation	—	4
Total changes during the current fiscal year	(3,688)	6,172
Balance at end of current fiscal year	(1,990)	4,181
Treasury stock		
Balance at end of previous fiscal year	(2,135)	(2,135)
Changes during the current fiscal year		
Purchase of treasury stock	(0)	(0)
Total changes during the current fiscal year	(0)	(0)
Balance at end of current fiscal year	(2,135)	(2,135)
Total shareholders' equity		
Balance at end of previous fiscal year	27,288	23,599
Changes during the current fiscal year		
Reserve for the awards and welfare fund for employees of foreign subsidiaries	(19)	(13)
Net income (loss)	(3,669)	5,111
Changes in scope of consolidation	—	4
Acquisition of treasury stock	(0)	(0)
Total changes during the current fiscal year	(3,689)	5,101
Balance at end of current fiscal year	23,599	28,701

(In million yen)

	FY 2010 (April 1, 2009 – March 31, 2010)	FY 2011 (April 1, 2010 – March 31, 2011)
<b>Accumulated Other Comprehensive Income</b>		
Unrealized gain (loss) on available-for-sale securities		
Balance at end of previous fiscal year	(135)	33
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	168	(5)
Total changes during the current fiscal year	168	(5)
Balance at end of current fiscal year	33	27
Deferred gains or losses on hedges		
Balance at end of previous fiscal year	(6)	—
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	6	—
Total changes during the current fiscal year	6	—
Balance at end of current fiscal year	—	—
Foreign currency translation adjustment		
Balance at end of previous fiscal year	(1,579)	(1,375)
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	203	(901)
Total changes during the current fiscal year	203	(901)
Balance at end of current fiscal year	(1,375)	(2,277)
Total accumulated other comprehensive income		
Balance at end of previous fiscal year	(1,721)	(1,341)
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	379	(907)
Total changes during the current fiscal year	379	(907)
Balance at end of current fiscal year	(1,341)	(2,249)
Subscription Rights to Shares		
Balance at end of previous fiscal year	71	24
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	(47)	(0)
Total changes during the current fiscal year	(47)	(0)
Balance at end of current fiscal year	24	23
Minority Interests		
Balance at end of previous fiscal year	1,762	1,566
Changes during the current fiscal year		
Net change during the current fiscal year in items other than shareholders' equity	(196)	116
Total changes during the current fiscal year	(196)	116
Balance at end of current fiscal year	1,566	1,682

(In million yen)

	FY 2010 (April 1, 2009 – March 31, 2010)	FY 2011 (April 1, 2010 – March 31, 2011)
<b>Total Net Assets</b>		
Balance at end of previous fiscal year	27,401	23,848
<b>Changes during the current fiscal year</b>		
Reserve for the awards and welfare fund for employees of foreign subsidiaries	(19)	(13)
Net gain (loss)	(3,669)	5,111
Change in scope of consolidation	—	4
Acquisition of treasury stock	(0)	(0)
Net change during the current fiscal year in items other than shareholders' equity	135	(791)
<b>Total changes during the current fiscal year</b>	<b>(3,553)</b>	<b>4,309</b>
Balance at end of current fiscal year	23,848	28,158

## (4) Consolidated Statement of Cash Flows

(In million yen)

	FY 2010 (April 1, 2009 – March 31, 2010)	FY 2011 (April 1, 2010 – March 31, 2011)
<b>Cash Flows from Operating Activities</b>		
Gain (loss) before income taxes	(3,422)	4,003
Depreciation	2,640	2,116
Amortization of goodwill	354	318
Change in provisions for doubtful accounts	(342)	(97)
Interest and dividend income	(97)	(63)
Interest expenses	640	569
Foreign exchange loss (gain)	(63)	495
Gain or loss on sales and valuation of investment securities	1	(21)
Loss (gain) on change in equity in affiliates	(35)	—
Loss (gain) on sale and retirement of fixed assets	71	(272)
Impairment loss	65	99
Business structure improvement expenses	622	—
Loss (gain) in trade receivables	1,613	(3,157)
Loss (gain) in inventories	3,672	(4,794)
Gain (loss) in trade payables	1,394	3,130
Gain (loss) in bills discounted	116	—
Gain (loss) in other accounts payable	24	488
Increase (decrease) in advances received	—	913
Other operating cash flows	204	158
<b>Subtotal</b>	<b>7,463</b>	<b>3,885</b>
Interest and dividend income received	97	63
Interest expenses paid	(596)	(544)
Special severance payments for early retired employees paid	(217)	—
Income taxes returned (paid)	508	(188)
<b>Net cash provided by operating activities</b>	<b>7,256</b>	<b>3,216</b>
<b>Cash Flows from Investing Activities</b>		
Increase time deposits	(20)	(15)
Decrease in time deposits	12	9
Expenses for purchases of property, plant, and equipment	(521)	(966)
Proceeds from sale of property, plant, and equipment	251	728
Expenses for purchase of intangible assets	(176)	(209)
Expenses for purchase of investment securities	(3)	(3)
Proceeds from sale of investment securities	59	98
Expense for purchase of shares in subsidiaries and affiliates	(274)	(35)
Proceeds from sale of shares in subsidiaries and affiliates	32	—
Expenditure for payment of capital in affiliates	(230)	—
Expenses for the acquisition of subsidiary stocks due to a change in the scope of consolidation	—	(71)
Expenses for loans provided	(340)	(26)
Proceeds from loans collected	261	196
Other investing cash flows	255	127
<b>Net cash used in investing activities</b>	<b>(693)</b>	<b>(167)</b>



(In million yen)

	FY 2010 (April 1, 2009 – March 31, 2010)	FY 2011 (April 1, 2010 – March 31, 2011)
<b>Cash Flows from Financing Activities</b>		
Change in short-term borrowings	(6,462)	(9,506)
Proceeds from long-term borrowings	2,200	11,530
Expenses for redemption of long-term borrowings	(2,466)	(3,165)
Expenses for redemption of bonds	(2,434)	(434)
Proceeds from stock issuance to minority shareholders	253	0
Expenses for purchase of treasury shares	—	(0)
Expenses for payment of finance lease obligations	(337)	(290)
Cash dividends paid to minority shareholders	(1)	(0)
Other financing cash flows	(189)	(98)
Net cash used in financing activities	(9,437)	(1,965)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(15)	(447)
Net Change in Cash and Cash Equivalents	(2,891)	636
Cash and Cash Equivalents, Beginning of Year	18,693	15,804
Increase in Cash and Cash Equivalents from Newly Consolidated or Merger of Subsidiaries	2	189
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	—	(15)
Net Cash and Cash Equivalents, End of Year	*1 15,804	*1 16,615

## 2. Information by reportable segment on sales and income amounts

Year Ended March 31, 2011 (from April 1, 2010, to March 31, 2011)

(In million yen)

	Reportable Segment								
	Machine Tool Operations								Industrial Machinery Operations
	Japan (Note 1)	North and South America	Europe	Greater China	Other Asia	Total	Adjustment amount (Note 2)	Machine Tool Operations Total	
Net Sales									
Sales to outside customers	13,307	3,172	3,875	12,422	2,954	35,732	—	35,732	9,957
Inter-segment sales or transfers	9,838	199	27	3,091	11,253	24,410	(24,104)	306	18
Total	23,146	3,371	3,903	15,513	14,208	60,143	(24,104)	36,039	9,976
Segment Income (loss)	3,845	360	(6)	1,404	424	6,027	13	6,040	396
Segment Assets	41,899	1,870	1,813	14,982	9,192	69,759	(26,750)	43,008	9,883
Other									
Depreciation	571	20	23	399	245	1,260	—	1,260	324
Impairment loss	53	—	—	37	—	90	—	90	—
Increase in tangible fixed assets and intangible fixed assets	385	19	5	80	285	776	—	776	94

	Reportable Segment					Others (Note 3)	Total	Adjustment amount (Note 4)	Amount stated on the consolidated statement of income for the quarter (Note 5)
	High-precision Mold and Die Machinery Operations	Food Processing Machinery Operations	Elemental Technology Operations	Reportable Segment Total					
Net Sales									
Sales to outside customers	3,448	2,817	2,109	54,066	147	54,213	—	54,213	
Inter-segment sales or transfers	31	—	1,803	2,160	247	2,408	(2,408)	—	
Total	3,480	2,817	3,913	56,227	394	56,622	(2,408)	54,213	
Segment Income (loss)	419	112	62	7,032	45	7,078	(1,479)	5,599	
Segment Assets	5,289	2,485	3,841	64,507	2,268	66,775	12,734	79,510	
Other									
Depreciation	241	51	108	1,986	18	2,005	111	2,116	
Impairment loss	—	1	7	99	—	99	—	99	
Increase in tangible fixed assets and intangible fixed assets	45	51	285	1,252	5	1,258	207	1,465	

- Notes: 1. The category “Machine Tool Operations / Japan” includes overseas sales (Korea, Taiwan, India, etc.) for which orders were received in Japan.
2. The segment income adjustment amount of ¥13 million includes ¥13 million in eliminations of inter-segment transactions.
3. The “Others” category refers to business segments such as lease operations and printing operations not included in reportable segments.
4. The segment income adjustment amount of -¥1,479 million includes -¥21 million in eliminations of inter-segment transactions and -¥1,457 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.
5. 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, 2010 (from April 1, 2009, to March 31, 2010)		Year Ended March 31, 2011 (from April 1, 2010, to March 31, 2011)	
Net assets per share (yen)	449.54	Net assets per share (yen)	534.25
Net loss per share (loss) (yen)	(74.11)	Net loss per share (yen)	103.23
Net income per share after dilution has been omitted given that a per-share loss for the period was reported.		Net income per share after dilution has been omitted as the Company has issued no dilutive instruments.	

Note: 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, 2010 (from April 1, 2009, to March 31, 2010)	Year Ended March 31, 2011 (from April 1, 2010, to March 31, 2011)
Net Income (loss) (¥ million)	(3,669)	5,111
Portion not attributable to shares of common stock (¥ million)	—	—
Net income or net loss attributable to shares of common stock (¥ million)	(3,669)	5,111
Average number of shares outstanding during the period (thousand shares)	49,512	49,511
Outline of share equivalents which due to the absence of dilutive effects are not included in the calculation of diluted per-share earnings.	Stock options in the form of share subscription rights issued pursuant to resolution of the ordinary general meeting of shareholders held on June 28, 2007 (Number of shares: 129 thousand).	Same as the previous fiscal year