

* Notes

- (1) Changes in important subsidiaries during the consolidated quarter (three months) under review (changes occurred in specified subsidiaries in conjunction with a change in the scope of consolidation): None
Newly added: — (company name:)
Removed: — (company name:)
- (2) Application of accounting procedures specific to creation of quarterly consolidated financial statements:
None
- (3) Change of accounting policies; change and/or restatement of accounting estimates
(i) Change of accounting policies caused by revision of accounting standards: None
(ii) Change of accounting policies other than stated in (i): None
(iii) Change of accounting estimates: None
(iv) Retroactive restatement: None

- (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)	1Q FY 2014	53,432,510 shares	FY 2013	53,432,510 shares
(ii) Number of treasury shares as of the balance sheet date	1Q FY 2014	3,113,236 shares	FY 2013	3,113,112 shares
(iii) Average number of shares (consolidated quarter results)	1Q FY 2014	50,319,320 shares	1Q FY 2013	50,319,864 shares

* Implementation of quarterly review procedures

This summary of quarterly financial statements is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act. Notably, as of the time of the release of this summary of quarterly financial statements, review procedures of quarterly consolidated financial statements pursuant to the Financial Instruments and Exchange Act have been concluded.

* 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. Information concerning the results forecasts is stated in the Summary of Financial Statements (Attachment), page 2, “Qualitative information concerning financial forecasts.”

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of business results

The global economy in the period under review saw negative growth in Europe as consumption languished amid worsening joblessness while economies elsewhere developed largely along a moderate recovery path. Especially the U.S. economy experienced improving employment with steady personal consumption and residential investment. In Japan, although employment remained under pressure, economic deceleration showed signs of improvement, aided also by the government's economic stimulus measures taking hold. Despite an improving trend in capital investment demand, which sways the Group's performance, business results were affected this quarter by the absence of demand related to the reconstruction of flood damage in Thailand (a contributing factor in the year-earlier period) and the absence of big-ticket items in high-margin injection molding machinery.

In this environment, the Group engaged in proactive marketing measures including participation in trade exhibitions much visited by users such as the Japan International Die & Mold Manufacturing Technology Exhibition "INTERMOLD 2013" and the International Food Machinery & Technology Exhibition "FOOMA JAPAN 2013". The Group also reorganized its sales companies in Europe and took steps to enhance management efficiency.

As a result, consolidated net sales for the period totaled ¥13,357 million, down ¥488 million (-3.5%) from the same period the year earlier, with operating income of ¥660 million, down ¥705 million (-51.6%), ordinary income of ¥1,256 million, up ¥378 million (+43.2%), and net income of ¥1,133 million, up ¥140 million (+14.2%).

(2) Explanation of financial position

Consolidated assets increased ¥6,163 million from the end of the previous fiscal year to ¥101,204 million.

Main factors include a ¥4,965 million increase in cash and deposits.

Consolidated liabilities, compared with the end of the previous fiscal year, increased ¥4,242 million to ¥63,249 million. This was mainly due to a ¥4,805 million increase in long-term loans payable.

Net assets increased ¥1,921 million from the end of the previous fiscal year to ¥37,955 million. Main factors include a ¥605 million increase in retained earnings.

(3) Explanation of consolidated earnings estimates and forward-looking information

The consolidated earnings estimates published on May 15, 2013 remain unchanged.

2. Summary (Notes) Information

(1) Changes in important subsidiaries during the consolidated quarter (three months) under review

No relevant category.

(2) Application of accounting procedures specific to creation of quarterly consolidated financial statements

No relevant category.

(3) Change of accounting policies; change and/or restatement of accounting estimates

No relevant category.

3. Consolidated Financial Statements**(1) Consolidated balance sheets**

(In million yen)

	FY 2013 (consolidated) (As of March 31, 2013)	1Q FY 2014 (consolidated) (As of June 30, 2013)
Assets		
Current Assets		
Cash and deposits	25,533	30,499
Notes and accounts receivable – trade	12,927	12,576
Installment accounts receivable	5	3
Commodity and merchandise	5,554	6,466
Work-in-process	6,097	6,315
Raw materials and inventory	9,724	9,784
Other current assets	3,044	2,823
Allowance for doubtful accounts	(198)	(231)
Total current assets	62,688	68,238
Fixed Assets		
Tangible Fixed Assets		
Buildings and structures	19,114	20,613
Machinery, equipment and vehicles	13,347	13,898
Other fixed assets	11,138	10,428
Accumulated depreciation	(20,142)	(20,677)
Total tangible fixed assets	23,458	24,262
Intangible Fixed Assets		
Goodwill	2,433	2,925
Other intangible fixed assets	1,150	1,290
Total intangible fixed assets	3,583	4,216
Investments and other assets		
Other assets	5,647	4,761
Allowance for doubtful accounts	(337)	(273)
Total investments and other assets	5,310	4,487
Total Fixed Assets	32,352	32,966
Total Assets	95,014	101,204

	FY 2013 (consolidated) (As of March 31, 2013)	1Q FY 2014 (consolidated) (As of June 30, 2013)
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	8,508	9,137
Short-term loans payable	5,604	4,989
Long-term borrowings redeemable within one year	10,017	9,955
Income taxes payable	460	387
Allowance	833	622
Other current liabilities	5,494	5,579
Total current liabilities	30,919	30,671
Fixed Liabilities		
Corporate bonds	30	30
Long-term loans payable	25,840	30,645
Provision for retirement benefits	892	858
Allowance	178	180
Asset removal obligations	224	225
Other fixed liabilities	921	637
Total fixed liabilities	28,088	32,577
Total Liabilities	59,007	63,249
Net Assets		
Shareholders' Equity		
Capital stock	20,775	20,775
Capital surplus	5,879	5,879
Retained earnings	10,435	11,040
Treasury stock	(1,695)	(1,695)
Total shareholders' equity	35,395	36,000
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	400	637
Foreign currency translation adjustment	195	1,277
Total accumulated other comprehensive income	595	1,915
Minority interests	42	39
Total Net Assets	36,033	37,955
Total Liabilities and Net Assets	95,041	101,204

(2) Consolidated statements of income / Consolidated statements of comprehensive income
(Consolidated statements of income)
(1st quarter)

(In million yen)

	1Q FY 2013 (April 1, 2012 – June 30, 2012)	1Q FY 2014 (April 1, 2013 – June 30, 2013)
Net Sales	13,845	13,357
Cost of Sales	9,493	9,427
Gross Profit	4,352	3,930
Reversal of Unrealized Income on Installment Sales	1	0
Unrealized Income from Installment Sales	—	0
Gross Profit after Income Deferrals	4,353	3,930
Selling, General and Administrative Expenses		
Personal expenses	1,218	1,329
Reversal of allowance for loan losses	21	24
Other	1,748	1,917
Total selling, general and administrative expenses	2,988	3,270
Operating Income	1,365	660
Non-operating Income		
Interest income	25	20
Dividends income	15	31
Foreign exchange gain	—	620
Other non-operating income	74	131
Total non-operating income	116	804
Non-operating Expenses		
Interest expenses	171	157
Foreign exchange loss	352	—
Other non-operating expenses	79	50
Total non-operating expense	604	208
Ordinary Income	877	1,256
Extraordinary Income		
Gain on sales of fixed assets	7	25
Proceeds from insurance money received	512	—
Other extraordinary income	44	—
Total extraordinary income	563	25
Extraordinary Loss		
Loss on disposition of fixed assets	—	0
Loss on retirement of fixed assets	0	6
Loss from bad debts	—	2
Loss from natural disaster	101	—
Other extraordinary losses	14	0
Total extraordinary loss	116	9
Net Income before Income Taxes	1,325	1,272
Current Income Taxes	195	248
Deferred Income Taxes	134	(100)
Total Income Taxes	330	147
Net Income before Minority Interest	995	1,124
Minority Interests (Losses) in Income	2	(8)
Net Income	992	1,133

(Consolidated statements of comprehensive income)
(1st quarter)

(In million yen)

	1Q FY 2013 (April 1, 2012 – June 30, 2012)	1Q FY 2014 (April 1, 2013 – June 30, 2013)
Net Income before Minority Interest	995	1,124
Other Comprehensive Income		
Unrealized gain (loss) on available-for-sale securities	(167)	237
Foreign currency translation adjustment	306	1,090
Total other comprehensive income	138	1,327
Quarterly Comprehensive Income	1,133	2,451
(Breakdown)		
Comprehensive income attributable to shareholders of the parent	1,128	2,452
Comprehensive income attributable to minority interests	5	(0)

(3) Notes concerning quarterly consolidated financial statements

(Notes on premise of going concern)

No relevant category.

(Notes in case of significant variation in shareholders' equity)

No significant changes.

(Segment information, etc.)

I. 1Q FY 2013 (from April 1, 2012 to June 30, 2012)

Information on sales and income (loss) amounts by reportable segment

(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	3,007	715	1,129	1,934	1,297	8,085	—	8,085	4,425
Inter-segment sales or transfers	2,239	1	3	1,209	2,123	5,577	(5,518)	58	14
Total	5,247	717	1,133	3,143	3,421	13,662	(5,518)	8,143	4,440
Segment income (loss)	603	85	72	67	236	1,064	182	1,247	379

	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	783	358	174	13,827	18	13,845	—	13,845	
Inter-segment sales or transfers	1	—	773	847	56	904	(904)	—	
Total	784	358	948	14,674	75	14,750	(904)	13,845	
Segment income (loss)	64	(84)	143	1,749	0	1,750	(384)	1,365	

- 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 (loss) adjustment amount of ¥182 million includes ¥182 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 (loss) adjustment amount of -¥384 million includes -¥50 million in eliminations of inter-segment transactions and -¥334 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 (loss) has been reconciled with the operating income stated on the consolidated statement of income for the period.

II. 1Q FY 2014 (from April 1, 2013 to June 30, 2013)

1. Information on sales and income (loss) amounts by reportable segment

(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	3,393	1,162	1,539	2,985	862	9,942	—	9,942	1,859
Inter-segment sales or transfers	2,425	0	10	1,104	2,842	6,384	(6,304)	80	36
Total	5,818	1,163	1,549	4,089	3,704	16,326	(6,304)	10,022	1,895
Segment income (loss)	723	156	84	258	(190)	1,032	(145)	887	214

	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	592	572	354	13,321	36	13,357	—	13,357	
Inter-segment sales or transfers	0	—	430	548	24	572	(572)	—	
Total	592	572	785	13,869	60	13,930	(572)	13,357	
Segment income (loss)	(41)	(37)	18	1,040	(9)	1,030	(370)	660	

- 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 (loss) adjustment amount of -¥145 million includes -¥145 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 (loss) adjustment amount of -¥370 million includes ¥90 million in eliminations of inter-segment transactions and -¥460 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 (loss) has been reconciled with the operating income stated on the consolidated statement of income for the period.

2. Information on impairment loss of non-current assets and information on goodwill by reportable segment

(Material Changes in Goodwill Amount)

Related to the Machine Tool Business (North and South America) segment, dated June 25, 2013, the Company raised its equity interest in its consolidated subsidiary Sodick Holding Corporation to 100% through the acquisition of additional share capital.

As a result, consolidated goodwill in the period under review increased by ¥538 million.