

## Summary of Financial Statements (J-GAAP) (Consolidated)

February 10, 2016

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 filing Quarterly Securities Report : February 10, 2016  
 Scheduled commencement date of dividend payout : —  
 Quarterly earnings supplementary explanatory documents : Yes  
 Quarterly earnings presentation : None

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

### 1. Consolidated Results for the 3rd Quarter 2016 (from April 1, 2015 to December 31, 2015)

(1) Consolidated Financial Results (for 9 months)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
3Q FY 2016	48,811	7.3	4,630	38.0	4,356	7.1	3,420	18.7
3Q FY 2015	45,494	11.3	3,355	111.1	4,066	51.1	2,880	33.3

Note: Comprehensive Income: 3Q FY 2016: ¥2,273 million (-59.7%) 3Q FY 2015: ¥5,640 million (17.1%)

	Net income per share	Diluted earnings per share
	¥	¥
3Q FY 2016	67.97	—
3Q FY 2015	57.24	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net assets per share
	¥ Million	¥ Million	%	¥
3Q FY 2016	107,479	50,702	47.1	1,005.85
FY 2015	104,167	49,453	47.4	981.47

Reference: Shareholders' Equity: 3Q FY 2016: ¥50,611 million FY 2015: ¥49,385 million

### 2. Cash Dividends

	Annual Dividends				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
	¥	¥	¥	¥	¥
FY 2015	—	7.00	—	13.00	20.00
FY 2016	—	9.00	—	—	—
FY 2016 (forecast)	—	—	—	9.00	18.00

Note: Revision of the latest released dividend forecast: None

\*Per-share dividend payments in the fiscal year ended March 31, 2015 comprise a regular interim dividend of ¥7.0, a regular year-end dividend of ¥7.0, and a commemorative year-end dividend of ¥6.0.

### 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		Profit attributable to owners of parent		Earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Year to March 31, 2016	64,500	2.2	5,600	14.5	5,100	(9.7)	4,100	15.5	81.48

Note: Revision of the latest released financial results forecast: Yes

\* Notes

- (1) Changes in important subsidiaries during the consolidated quarter (nine months) under review (changes occurred in specified subsidiaries in conjunction with a change in the scope of consolidation): None
- (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: Yes
  - (ii) Change of accounting policies other than stated in (i): Yes
  - (iii) Change of accounting estimates: None
  - (iv) Retroactive restatement: None
- Note: For details, see page 3 of the attachment and look under “(3) Change of accounting policies; change and/or restatement of accounting estimates” of “2. Summary (Notes) 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)	3Q FY 2016	53,432,510 shares	FY 2015	53,432,510 shares
(ii) Number of treasury shares as of the balance sheet date	3Q FY 2016	3,114,773 shares	FY 2015	3,114,393 shares
(iii) Average number of shares (cumulative quarterly statistics)	3Q FY 2016	50,317,880 shares	3Q FY 2015	50,318,646 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 not 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, “(3) Explanation of consolidated earnings estimates and forward-looking information” of “1. Qualitative Information on Quarterly Financial Results.”

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of business results

The Japanese economy in the period under review continued to recover. Corporate profits improved thanks to the continued yen depreciation and low crude oil prices, while improved employment brought a rebound in personal consumption. However, the base for growth slowed due to factors such as reduced demand related to China. Overseas economies saw private consumption strengthen and economic expansion continue in the U.S. against the backdrop of raised interest rates and robust employment, while generally a moderate recovery continued in Europe. However, over the second half of the quarter the sense of uncertainty over the market grew due to a slowdown in the Chinese and other emerging economies, a decline in resource prices, and increased geopolitical risks in the Middle East and elsewhere.

In the machine tools industry sector where the Sodick Group conducts its business, capital investment demand in Japan remained favorable thanks to government subsidy measures and replacement demand to supplement aged facilities. Overseas, in the U.S. and Europe capital investment demand remained favorable mainly in the robust areas of automotive and aviation related machinery applications, contrasted by China and Southeast Asian countries, where the economic slowdown depressed facility investment demand.

Within this operating environment, the Sodick Group continued efforts to grow its metal 3D printer announced last fiscal year into a new business mainstay while working to expand its existing machine tool and industrial machinery businesses. Associated with efforts to strengthen the Sodick brand, the Group took part in the Machine Tool World Exposition (EMO Milano 2015) held October 2015 in Milan, Italy. The linear motor-driven electric discharge machine VL600Q and the metal 3D printer OPM250E were exhibited in Europe for the first time. At the same time, the Group also continues to advance its R&D activities, leading to the development of products intended to address specific market needs, for example, injection molding machines targeting automotive components relevant to vehicle weight reduction efforts.

As a result, consolidated net sales for the period totaled ¥48,811 million, up ¥3,316 million (+7.3%) from the same period the year earlier, with operating income of ¥4,630 million, up ¥1,275 million (+38.0%), ordinary income of ¥4,356 million, up ¥290 million (+7.1%), and profit attributable to owners of parent of ¥3,420 million, up ¥539 million (+18.7%).

### (2) Explanation of financial position

Consolidated assets increased ¥3,312 million from the end of the previous fiscal year to ¥107,479 million. Main factors included an increase of ¥4,636 million in cash and deposits and an increase of ¥1,063 million in commodity and merchandise, offset by a decline of ¥1,208 million in work-in-process and a decline of ¥847 million in notes and accounts receivable.

Consolidated liabilities increased ¥2,063 million from the end of the previous fiscal year to ¥56,776 million. Main factors included an increase of ¥2,949 million in long-term loans payable including long-term borrowings redeemable within one year, offset by a ¥438 million decline in the total amount of notes and accounts payable—trade as well as electronically recorded monetary claims—operating.

Net assets increased ¥1,249 million from the end of the previous fiscal year to ¥50,702 million. Main factors include an increase of ¥2,331 million in retained earnings.

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

The projection for the full-year consolidated earnings estimates fiscal year ending March 31, 2016, has been revised from the release dated August 7, 2015.

Please note that from the fourth quarter of the current consolidated fiscal year, the main exchange rates are assumed to be JPY115/USD1.0 and JPY128/EUR1.0.

## **2. Summary (Notes) Information**

### **(1) Changes in important subsidiaries during the consolidated quarter (nine 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**

(Application of accounting standards, etc., concerning business combinations)

Starting the first quarter of the current fiscal year, we are applying the “Revised Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21 released on September 13, 2013; hereinafter the “Accounting Standard for Business Combinations”), the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 released on September 13, 2013; hereinafter the “Consolidated Accounting Standard”), and the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 released on September 13, 2013; hereinafter the “Accounting Standard for Business Divestitures”). Accordingly, any change resulting from the Company’s ownership interests in a subsidiary in which the Company retains control is accounted for as capital surplus, and acquisition related costs are accounted for as expenses in the year in which the costs are incurred. In addition, with respect to any business combination entered into on or after the beginning of the current third quarter, the accounting method was changed to reflect adjustments to the allocation of acquisition cost under provisional accounting treatment on the consolidated financial statements of the quarterly financial period in which the relevant business combination becomes effective. The presentation method of net income was also amended and the presentation of “minority interests” was changed to “non-controlling interests.” To reflect these changes in presentation, adjustments have been made to the consolidated financial statements for the previous third quarter and the previous fiscal year presented herein.

The aforementioned accounting standards are adopted as of the beginning of the current third quarter and thereafter, in accordance with the transitional treatment provided for in paragraph 58-2(4) of the Accounting Standard for Business Combinations, paragraph 44-5(4) of the Consolidated Accounting Standard, and paragraph 57-4(4) of the Accounting Standard for Business Divestitures.

There is no effect of these changes on the quarterly consolidated financial statements for the current third quarter.

(Changes in revenue recognition standards for installment sales)

Certain consolidated subsidiaries have accounted for installment sales by recognizing the total value at time of transfer in net sales and applying an accounting method that carries forward the gains on the amount in arrears at the due date of payment as unrealized gains. However, starting in the first quarter of the current fiscal year, we have changed to a method in which the applicable gains are not carried forward.

This change takes advantage of a new accounting system introduced at the applicable subsidiaries and is based on a review of administrative work conducted from the perspective of improving speed and efficiency. Because the effects are minor, we have not performed a retrospective application of this accounting change.

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

(In million yen)

	FY 2015 (consolidated) (As of March 31, 2015)	3Q FY 2016 (consolidated) (As of December 31, 2015)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	27,767	32,404
Notes and accounts receivable – trade	15,092	14,245
Electronically recorded monetary claims – operating	109	425
Installment accounts receivable	44	—
Commodity and merchandise	7,874	8,938
Work-in-process	8,684	7,476
Raw materials and inventory	8,247	7,895
Other current assets	3,689	3,431
Allowance for doubtful accounts	(147)	(166)
<b>Total current assets</b>	<b>71,362</b>	<b>74,651</b>
<b>Fixed Assets</b>		
<b>Tangible Fixed Assets</b>		
Buildings and structures	19,964	19,662
Machinery, equipment and vehicles	16,924	17,262
Other fixed assets	10,636	11,417
Accumulated depreciation	(22,696)	(23,625)
<b>Total tangible fixed assets</b>	<b>24,828</b>	<b>24,716</b>
<b>Intangible Fixed Assets</b>		
Goodwill	2,218	2,109
Other intangible fixed assets	1,488	1,475
<b>Total intangible fixed assets</b>	<b>3,707</b>	<b>3,585</b>
<b>Investments and other assets</b>		
Other assets	4,468	4,723
Allowance for doubtful accounts	(199)	(197)
<b>Total investments and other assets</b>	<b>4,268</b>	<b>4,525</b>
<b>Total Fixed Assets</b>	<b>32,804</b>	<b>32,827</b>
<b>Total Assets</b>	<b>104,167</b>	<b>107,479</b>

	FY 2015 (consolidated) (As of March 31, 2015)	3Q FY 2016 (consolidated) (As of December 31, 2015)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable – trade	4,714	3,986
Electronically recorded monetary claims – operating	5,572	5,861
Short-term loans payable	4,700	4,724
Long-term borrowings redeemable within one year	12,261	13,285
Income taxes payable	423	319
Allowance	877	662
Other current liabilities	5,987	5,760
<b>Total current liabilities</b>	<b>34,537</b>	<b>34,599</b>
<b>Fixed Liabilities</b>		
Long-term loans payable	18,779	20,705
Net defined benefit liability	565	444
Allowance	243	236
Asset removal obligations	98	99
Other fixed liabilities	488	691
<b>Total fixed liabilities</b>	<b>20,176</b>	<b>22,177</b>
<b>Total Liabilities</b>	<b>54,713</b>	<b>56,776</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Capital stock	20,775	20,775
Capital surplus	5,879	5,879
Retained earnings	16,503	18,834
Treasury stock	(1,696)	(1,696)
<b>Total shareholders' equity</b>	<b>41,462</b>	<b>43,793</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gain on available-for-sale securities	1,058	1,163
Foreign currency translation adjustment	6,787	5,585
Remeasurements of defined benefit plans	76	69
<b>Total accumulated other comprehensive income</b>	<b>7,923</b>	<b>6,818</b>
<b>Non-controlling interests</b>	<b>67</b>	<b>90</b>
<b>Total Net Assets</b>	<b>49,453</b>	<b>50,702</b>
<b>Total Liabilities and Net Assets</b>	<b>104,167</b>	<b>107,479</b>

**(2) Consolidated statements of income / Consolidated statements of comprehensive income**  
**(Consolidated statements of income)**  
**(3rd quarter)**

(In million yen)

	3Q FY 2015 (April 1, 2014 – December 31, 2014)	3Q FY 2016 (April 1, 2015 – December 31, 2015)
Net Sales	45,494	48,811
Cost of Sales	30,393	31,278
Gross Profit	15,100	17,532
Reversal of Unrealized Income on Installment Sales	1	—
Unrealized Income from Installment Sales	0	—
Gross Profit after Income Deferrals	15,101	17,532
Selling, General and Administrative Expenses		
Personnel expenses	4,606	5,073
Reversal of allowance for loan losses	37	23
Other	7,103	7,805
Total selling, general and administrative expenses	11,746	12,902
Operating Income	3,355	4,630
Non-operating Income		
Interest income	97	124
Dividends income	40	47
Foreign exchange gain	998	—
Tariff refund	—	102
Other non-operating income	166	221
Total non-operating income	1,302	496
Non-operating Expenses		
Interest expenses	412	364
Foreign exchange loss	—	314
Other non-operating expenses	178	90
Total non-operating expense	591	769
Ordinary Income	4,066	4,356
Extraordinary Income		
Gain on sales of fixed assets	76	61
Gain on sale of investment securities	9	—
Total extraordinary income	86	61
Extraordinary Loss		
Loss on disposition of fixed assets	—	0
Loss on retirement of fixed assets	25	25
Loss from bad debts	35	—
Other extraordinary losses	17	—
Total extraordinary loss	78	26
Net Income before Income Taxes	4,074	4,392
Current Income Taxes	740	1,078
Deferred Income Taxes	471	(131)
Total Income Taxes	1,212	947
Profit	2,862	3,445
Profit (Loss) Attributable to Non-controlling Interests	(17)	25
Profit Attributable to Owners of the Parent	2,880	3,420



Sodick Co., Ltd. (6143) / Summary of Financial Statements for the 3rd Quarter for Fiscal Year Ending March 31, 2016  
**(Consolidated statements of comprehensive income)**  
**(3rd quarter)**

(In million yen)

	3Q FY 2015 (April 1, 2014 – December 31, 2014)	3Q FY 2016 (April 1, 2015 – December 31, 2015)
Profit	2,862	3,445
Other Comprehensive Income		
Unrealized gain (loss) on available-for-sale securities	300	104
Foreign currency translation adjustment	2,463	(1,204)
Remeasurements of defined benefit plans	13	(6)
Total other comprehensive income	2,778	(1,107)
Quarterly Comprehensive Income	5,640	2,338
(Breakdown)		
Comprehensive income attributable to shareholders of the parent	5,656	2,315
Comprehensive income attributable to non-controlling interests	(15)	22

**(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.)

## Segment Information

## I. 3Q FY 2015 (from April 1, 2014 to December 31, 2014)

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

(In million yen)

	Reportable Segment				Others (Note 1)	Total	Adjustment amount (Note 2)	Amount stated on the consolidated statement of income for the quarter (Note 3)
	Machine Tool Operations	Industrial Machinery Operations	Food Processing Machinery Operations	Reportable Segment Total				
Net Sales								
Sales to outside customers	34,287	5,884	1,539	41,710	3,783	45,494	—	45,494
Inter-segment sales or transfers	20	10	—	31	2,104	2,135	(2,135)	—
Total	34,307	5,895	1,539	41,741	5,888	47,630	(2,135)	45,494
Segment income (loss)	4,990	91	(154)	4,927	503	5,430	(2,075)	3,355

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 (loss) adjustment amount of -¥2,075 million includes -¥315 million in eliminations of inter-segment transactions and -¥1,760 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 income (loss) has been reconciled with the operating income stated on the consolidated statement of income for the period.

## 2. Information concerning impairment losses on fixed assets, goodwill, etc., by reportable segment

No applicable information.

## II. 3Q FY 2016 (from April 1, 2015 to December 31, 2015)

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

(In million yen)

	Reportable Segment				Others (Note 1)	Total	Adjustment amount (Note 2)	Amount stated on the consolidated statement of income for the quarter (Note 3)
	Machine Tool Operations	Industrial Machinery Operations	Food Processing Machinery Operations	Reportable Segment Total				
Net Sales								
Sales to outside customers	36,588	6,289	2,033	44,911	3,900	48,811	—	48,811
Inter-segment sales or transfers	51	4	—	55	1,878	1,934	(1,934)	—
Total	36,639	6,294	2,033	44,966	5,778	50,745	(1,934)	48,811
Segment income	5,366	103	292	5,762	691	6,454	(1,823)	4,630

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 -¥1,823 million includes ¥16 million in eliminations of inter-segment transactions and -¥1,840 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 income has been reconciled with the operating income stated on the consolidated statement of income for the period.

Sodick Co., Ltd. (6143) / Summary of Financial Statements for the 3rd Quarter for Fiscal Year Ending March 31, 2016  
2. Information concerning impairment losses on fixed assets, goodwill, etc., by reportable segment  
No applicable information.