Summary of Financial Results for the Fiscal Year Ended March 31, 2011

May 12, 2011

TSUGAMI CORPORATION
Listings: Tokyo Stock Exchange
Stock code: 6101
URL: http://www.tsugami.co.jp
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Scheduled date of annual shareholders meeting: June 17, 2011
Scheduled date of commencement of dividend payments: May 31, 2011
Scheduled date of submission of securities report: June 20, 2011
Supplementary briefing materials to be created: Yes
Investors meeting to be held: Yes (for institutional investors and analysts)

1. Consolidated business performance for the fiscal year ended March 31, 2011
(From April 1, 2010 to March 31, 2011)
(Figures are rounded down to the nearest one million yen.)

(1) Consolidated operating results
(Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2011	35,932	130.4	3,732	--	3,504	--	2,837	--
Fiscal year ended March 31, 2010	15,598	-31.2	84	-89.5	-117	--	-244	--

(Note): Comprehensive income: Fiscal year ended March 31, 2011: 3,378 million yen (475.9%)
Fiscal year ended March 31, 2010: 586 million yen (-- %)

	Net income per share	Net income per share after residual equity adjustment	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2011	42.72	41.89	13.7	10.5	10.4
Fiscal year ended March 31, 2010	-3.65	--	-1.2	-0.4	0.5

(Reference): Investment gain or loss by equity method: Fiscal year ended March 31, 2011: -- million yen
Fiscal year ended March 31, 2010: -- million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2011	35,860	22,122	60.9	331.39
Fiscal year ended March 31, 2010	31,147	19,882	63.2	294.29

(Reference): Shareholders' equity: Fiscal year ended March 31, 2011: 21,831 million yen
Fiscal year ended March 31, 2010: 19,677 million yen

(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 the term
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2011	2,295	-1,599	-437	4,061
Fiscal year ended March 31, 2010	2,299	-1,358	-268	3,842

2. State of dividends

	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends on equity (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2010	--	0.00	--	5.00	5.00	334	--	1.7
Fiscal year ended March 31, 2011	--	5.00	--	5.00	10.00	661	23.4	3.2
Fiscal year ending March 31, 2012 (forecast)	--	5.00	--	5.00	10.00		--	

3. Consolidated business performance forecasts for the fiscal year ending March 31, 2012
(From April 1, 2011 to March 31, 2012)
(Percentage figures denote increases or decreases compared with the same periods of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	17,000	-16.1	1,800	-27.9	1,800	-23.2	1,100	-46.1	16.69
Full year	--	--	--	--	--	--	--	--	--

(Note) The forecaset for the full year will be disclosed as soon as it becomes available.

4. Others

(1) Important changes in subsidiaries during the fiscal year under review
(changes in specified subsidiaries that caused the scope of consolidation to change): none
Companies added to the scope: -- companies (names)
Companies removed from the scope: -- companies (names)

(2) Changes in principles, procedures, presentation methods and the like for accounting treatment: applied
(i) Changes due to the revision of accounting standards and the like: present
(ii) Changes other than those stated in item (i) above: none
(Note) Please refer to [Chagnes in Important Matters that Become Basis of Presenting Consolidated Financial Statements] on page 14 for details.

(3) Numbers of outstanding shares (common shares)
(i) Numbers of outstanding shares at the end of the terms (including treasury stock):
68,019,379 shares at the end of the fiscal year ended March 31, 2011
68,019,379 shares at the end of the fiscal year ended March 31, 2010
(ii) Numbers of treasury stock at the end of the terms:
2,140,680 shares at the end of the fiscal year ended March 31, 2011
1,154,303 shares at the end of the fiscal year ended March 31, 2010
(iii) Average numbers of shares outstanding during the periods:
66,431,242 shares at the end of the fiscal year ended March 31, 2011
67,020,099 shares at the end of the fiscal year ended March 31, 2010

(Reference) Summary of non-consolidated business performance

1. Non-consolidated business performance for the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

(1) Non-consolidated operating results (Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2011	35,146	137.2	2,732	--	2,867	--	2,426	--
Fiscal year ended March 31, 2010	14,818	-32.8	-365	--	-393	--	-408	--

	Net income per share	Net income per share after residual equity adjustment
	Yen	Yen
Fiscal year ended March 31, 2011	36.53	35.82
Fiscal year ended March 31, 2010	-6.09	--

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2011	34,091	21,241	61.5	318.02
Fiscal year ended March 31, 2010	29,771	19,319	64.2	285.88

(Reference): Shareholders' equity: Fiscal year ended March 31, 2011: 20,950 million yen
Fiscal year ended March 31, 2010: 19,115 million yen

2. Non-consolidated business performance forecasts for the fiscal year ending March 31, 2012
(From April 1, 2011 to March 31, 2012)

(Percentage figures denote increases or decreased compared with the same periods of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	16,500	-18.0	1,400	-21.6	1,400	-24.5	900	-46.4	13.65
Full year	--	--	--	--	--	--	--	--	--

(Note) The forecaset for the full year will be disclosed as soon as it becomes available.

* Statement relating to execution status for audit procedures
This summary of financial results falls outside the scope of audit procedures based on the stipulations of the Financial Instruments and Exchange Act. The audit procedures for financial statements based on the stipulations of the Act were not completed at the time this summary was disclosed.
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* Explanations for the appropriate use of business forecasts and other items warranting special mention
The business forecasts presented above are produced on the basis of information accessible on the date of their announcement. Actual performance may differ materially from these forecasts due to underlying uncertainties.

Accompanying Documents

Contents

1. Consolidated Operating Results

(1) Analysis relating to consolidated operating results

(i) Overview of the fiscal year under review

The Japanese economy recovered moderately during the consolidated fiscal year under review, backed by exports to China and other emerging countries in Asia. Uncertainty over the future of the economy increased, reflecting concern over a slowdown due to a strong yen from the second half and anxiety about the repercussions of the recent Great East Japan Earthquake and electric power shortages associated with the earthquake.

In the machine tool industry, demand from abroad, especially China and other emerging countries in Asia, grew steadily, and there were signs of a recovery in domestic demand. However, concern about the future of the industry is rising because of the recent situation.

In this environment, Tsugami Corporation (the "Company") and its affiliates (the "Group") were proactive in seeking to supply precision machine tools to markets based on the precision processing knowhow they have accumulated over the years to meet demands in emerging countries such as China as well as the advancing needs of customers in IT and related industries.

To deal with the appreciation of the yen and make its products more price competitive, the Group worked to review and streamline its production systems by taking steps such as raising production at Chinese factories.

(ii) Consolidated operating results

Consolidated net sales for the fiscal year under review rose 130.4% year on year, to 35,932 million yen.

Consolidated net sales in Japan increased 119.5% year on year, to 9,540 million yen. Consolidated exports climbed 134.6% year on year, to 26,392 million yen. The export ratio rose from 72.1% for the previous fiscal year, to 73.4%.

Looking at net sales by model, consolidated net sales for flagship automatic lathes rose 155.5% year on year, to 29,925 million yen, as a result of increases in sales to the IT and related industries, including the hard disc drive (HDD) industry. Consolidated net sales for grinding machines climbed 130.1% year on year, to 2,295 million yen, reflecting a recovery in sales to auto parts manufacturers. Consolidated net sales for machining centers increased 165.3% year on year, to 1,431 million yen. Consolidated net sales for rolling machines and specialized machines fell 12.0% year on year, to 1,614 million yen.

As a result of changes described above, consolidated operating income stood at 3,732 million yen (compared with 84 million yen for the previous fiscal year). The Group posted consolidated ordinary income of 3,504 million yen (a consolidated loss of 117 million yen for the previous fiscal year) and consolidated net income of 2,837 million yen (a consolidated net loss of 244 million yen) for the fiscal year under review.

(iii) Forecasts for the next fiscal year

It is difficult to forecast full-year results for the fiscal year ending March 31, 2012 because of currency movements and the effect of the Great East Japan Earthquake. Given this situation, the Group is forecasting only results for the first half of the fiscal year. The Group will announce a results forecast for the full year as soon as the Group gets to be able to disclose it.

Consolidated business performance forecasts for the fiscal year ending March 31, 2012

	First half
Net sales	17,000 million yen
Operating income	1,800 million yen
Ordinary income	1,800 million yen
Net income	1,100 million yen

Non-consolidated business performance forecasts for the fiscal year ending March 31, 2012

	First half
Net sales	16,500 million yen
Operating income	1,400 million yen
Ordinary income	1,400 million yen
Net income	900 million yen

(2) Analysis relating to the consolidated financial position

(i) State of assets, liabilities and net assets

Total assets at the end of the consolidated fiscal year under review stood at 35,860 million yen, up 4,713 million yen from the end of the previous consolidated fiscal year.

Key factors for the result included a 2,514 million yen rise in inventories, a 644 million yen increase in investment securities and a 433 million yen in investments in affiliates.

Liabilities stood at 13,738 million yen at the end of the fiscal year under review, increasing 2,473 million yen from the end of the previous consolidated fiscal year.

The result was mainly attributable to a 1,064 million yen increase in trade notes and accounts payable and a 1,080 million yen rise in borrowings.

Net assets stood at 22,122 million yen at the end of the fiscal year under review, increasing 2,239 million yen from the end of the previous fiscal year.

The growth mainly reflected a 2,171 million yen increase in retained earnings, and a 529 million yen increase in unrealized gains on marketable securities, offsetting a 564 million yen decrease in treasury stock.

As a result of the changes stated above, the capital adequacy ratio came to 60.9%.

(ii) State of cash flows during the fiscal year under review

Cash and cash equivalents rose by 218 million yen from the end of the previous consolidated fiscal year, to 4,061 million yen at the end of the consolidated fiscal year under review.

(Cash flows from operating activities)

Cash generated by operating activities was 2,295 million yen.

The result principally reflected increases in cash, mainly attributable to net income before taxes of 3,244 million yen, depreciation and amortization expenses of 738 million yen, and an increase of 1,242 million yen in trade notes and accounts payable, which offset a 383 million rise in trade notes and accounts receivable and a 2,571 million yen increase in inventories.

(Cash flows from investing activities)

Cash used for investing activities was 1,599 million yen.

The cash outflow was primarily attributable to a decrease in cash that resulted from a 1,127 million yen outlay for the acquisition of tangible fixed assets and a 443 million yen investment (in the establishment of Shinagawa Precision Machinery (Zhejiang) Co., Ltd.).

(Cash flows from financing activities)

Cash used for financing activities was 437 million yen.

The cash outflow resulted mainly from decreases in cash, including redemptions of corporate bonds of 300 million yen, 592 million yen spent on the acquisition of treasury stock, and dividends paid of 666 million yen, which offset an increase in short-term borrowings of 1,130 million yen.

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Capital adequacy ratio	65.0	66.3	76.0	63.2	60.9
Capital adequacy ratio on a market value basis (%)	136.5	69.3	38.1	129.9	106.6
Cash flow/interest-bearing debt ratio (annual)	--	--	4.6	1.0	1.3
Interest coverage ratio (times)	--	--	14.1	109.5	29.6

(Notes) Capital adequacy ratio: shareholders' equity/ total assets; capital adequacy ratio on a market value basis: aggregate market value of shares/ total assets; cash flow/interest-bearing debt ratio: interest-bearing debt/ cash flows; interest coverage ratio: cash flows/ interest paid

* Each of these indicators is calculated on the basis of consolidated financial figures.

* Aggregate market value of shares is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares issued at the end of the fiscal year (after treasury stock deduction).

* Cash flows used are cash flows from operating activities stated in the consolidated statements of cash flows. Interest-bearing debt covers all liabilities stated in the consolidated balance sheets for which interest has been paid. Interest paid stated in the consolidated statements of cash flows is used as interest paid.

(3) Basic policy relating to profit distribution, and dividends for the fiscal year under review and the following fiscal year

The Group adopts a basic policy of increasing its collective capabilities and returning profits to shareholders by sustaining aggressive investment in development projects in response to changing social demands and continuing its efforts to enhance competitiveness and streamline management.

Based on this policy, the Group is united in its commitment to strengthening its business structure and achieving stable dividends.

The Group will also deal appropriately with the acquisition of treasury stock for the flexible enforcement of capital policies and other purposes as part of its measures for returning profits to shareholders, based on a comprehensive assessment of factors, including the need, financial conditions and share price trends.

For the consolidated fiscal year ended March 31, 2011, the Company has decided to pay annual dividends of 10 yen per share according to its initial plan, including interim dividends of 5yen per share and year-end dividends of 5 yen per share.

For the consolidated fiscal year ending March 31, 2012, the Company plans to pay annual dividends of 10 yen per share, including interim dividends of 5 yen per share and year-end dividends of 5 yen per share.

(4) Business and other risks

Risks that may adversely affect the operating results, share prices, financial situation and other aspects of the Group include the following:

(i) Effects of business fluctuations

The machine tool industry is an industry that is susceptible to the effects of business fluctuations. The Group is continuing its efforts to minimize the effects that unexpected market downsizing can have on its performance, by reducing fixed costs and taking other steps in an attempt to maximize management efficiency. Sudden and unexpected changes, however, may affect the Group’s production, business performance and financial situation.

(ii) Effects of changes in prices of raw materials

The prices of cast metals and iron and steel products, the main raw materials of products of the Group, are influenced by movements of exchange rates and the international supply-demand situation. Increases in prices of raw materials for those reasons may affect the Group’s production, business performance, and financial situation.

(iii) Effects of fluctuations in exchange rates

Each year, overseas sales are accounting for a greater percentage of total sales of the Group’s products. Exports by the Group are denominated in yen, and they are not directly influenced by exchange rate fluctuations in principle. A sharp appreciation of the yen, however, prompts agents and users overseas to ask the Group to lower its selling prices for its products. In addition, the risk of an exchange loss attributable to fluctuations in the Chinese yuan is rising in proportion to the growing weight of production at manufacturing factories in China.

(iv) Effects of overseas operations

A subsidiary in China manufactures and sells machine tools, and the Group sells products and provides after-the-sale services through subsidiaries in Thailand, Germany, and South Korea. Deterioration in political situations and changes in laws and regulations in those countries may affect the Group’s production, business performance and financial standing.

(v) Effects of matters relating to quality

The Group is united in its commitment to improving quality, in addition to proactively developing new products and introducing them to markets. Nonetheless, unexpected issues, such as accidents and poor service, may affect the Group’s production, business performance and financial conditions should they arise.

(vi) Effects relating to intellectual property rights

To protect its technologies, the Group applies for patents for them and acquires intellectual property rights. However, if other companies infringe on the intellectual property rights of the Group, if the invalidation of intellectual property rights of the Group is sought, or if injunctions against the manufacture and sale of products are filed against the Group in association with infringements of intellectual property rights, then this may affect the Group’s production, business performance and financial conditions.

(vii) Effects of natural disasters

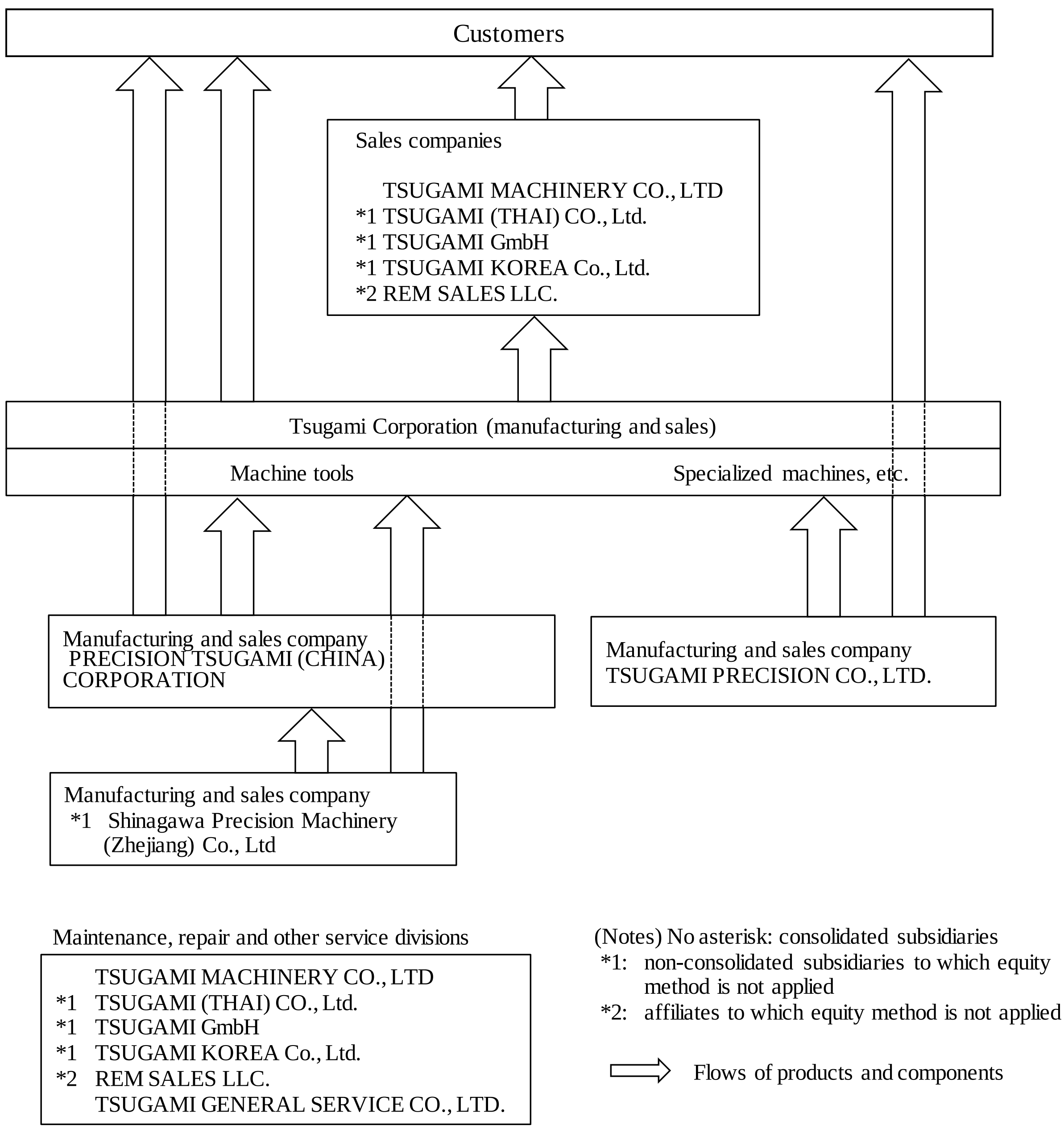
The Group has production, selling, and service bases worldwide, and may therefore be affected by disasters that might be caused by a range of phenomena, including natural disasters, computer viruses, and terrorism.

The Group has production bases in Niigata and in China. If large natural disasters, such as earthquakes and floods, should occur, and if as a result the supply of products should become impossible or be delayed, then this may affect the Group’s production, business performance and financial situation.

No production or sales bases of the Group were directly damaged by the March 11 earthquake that hit eastern Japan, but the situation at its customers may affect the Group’s production, business performance and financial standing.

2. Status of the Group

The Tsugami Group engages primarily in the manufacture and sales of machine tools and other products, including automatic lathes, grinding machines, machining centers and rolling machines. The Group undertakes additional business activities, including research on individual companies and other services.
Businesses operated by the Group (the key companies in the Group) are as presented in the following figure.



3. Management policy

(1) Basic management policy

The Group believes that the basis for its management is anticipating market needs and contributing to society by generating new value through the precision technologies it has accumulated since its foundation. Guided by this basic policy, the Group is striving to offer high-precision, high-speed and high-rigidity products that satisfy the needs of its customers.

(2) Medium- and long-term management strategies

The Group is addressing the following priority issues proactively as its medium- and long-term strategies.

(i) Introduction of new products targeting growth fields

The Group is focused on developing new products that respond fully to customer demands, targeting markets where future growth is expected, including autoparts, which require that ecological and energy-saving needs are met, and small high-precision parts processing in the fields of IT, including sophisticating HDDs and digital cameras, telecommunications and medical care.

(ii) Business strategies targeting growth regions

The Group will make further efforts to build up production, sales and after-sales service organizations in markets where investor confidence is high, such as China, Southeast Asia and India, over the medium and long terms.

The Group is also steadily generating results from its alliance in the joint manufacture and sale of machine tools with Tornos S.A. of Switzerland.

(iii) Management streamlining and customer satisfaction enhancement

The Group is seeking to unify sales, production and administrative organizations, including those of affiliates, and to streamline management in an attempt to increase its collective capabilities as a corporate group.

The Group will continue to make every effort to offer new products that satisfy customer demands, to expand and upgrade its services, to improve customer satisfaction on a constant basis, and to maintain the trust of its customers.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Million yen)

	Figures at the end of the previous consolidated fiscal year (As of March 31, 2010)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2011)
Assets		
Current assets		
Cash and deposits	3,892	4,111
Trade notes and accounts receivable	7,541	7,729
Products and other commodities	1,088	2,925
Goods in process	4,635	5,181
Raw materials and supplies	2,479	2,611
Deferred tax assets	136	289
Other current assets	459	786
Allowance for doubtful accounts	-43	-56
Total current assets	20,191	23,578
Fixed assets		
Tangible fixed assets		
Buildings and structures	7,570	7,783
Accumulated depreciation	-3,879	-4,102
Buildings and structures (net)	3,691	3,681
Machinery, equipment and vehicles	8,986	8,898
Accumulated depreciation	-7,257	-7,017
Machinery, equipment and vehicles (net)	1,729	1,881
Land	591	591
Leased assets	31	31
Accumulated depreciation	-8	-14
Leased assets (net)	22	17
Construction in progress	--	18
Other tangible fixed assets	794	963
Accumulated depreciation	-621	-719
Other tangible fixed assets (net)	172	243
Total tangible fixed assets	6,208	6,433
Intangible fixed assets	53	139
Investments and other assets		
Investment securities	*1 4,283	*1 4,927
Investments in affiliates	226	670
Long-term loans receivable	2	1
Deferred tax assets	--	1
Other intangible fixed assets	155	88
Total investments and other assets	4,667	5,689
Total fixed assets	10,930	12,263
Deferred assets		
Bond issuance expenses	25	18
Total deferred assets	25	18
Total assets	31,147	35,860

(Million yen)

	Figures at the end of the previous consolidated fiscal year (As of March 31, 2010)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2011)
Liabilities		
Current liabilities		
Trade notes and accounts payable	6,946	8,011
Short-term borrowings	1,008	2,089
Corporate bonds due for redemption within one year	300	300
Accrued income tax	67	374
Reserve for bonus payment	189	248
Reserve for product warranties	53	107
Other current liabilities	730	640
Total current liabilities	9,296	11,771
Long-term liabilities		
Corporate bonds	900	600
Deferred tax liabilities	129	480
Reserve for retirement benefits	837	791
Reserve for directors' retirement benefits	8	12
Other long-term liabilities	92	82
Total long-term liabilities	1,968	1,966
Total liabilities	11,264	13,738
Net assets		
Shareholders' equity		
Common stock	10,599	10,599
Capital surplus	4,151	4,157
Retained earnings	4,791	6,962
Treasury stock	-207	-771
Total shareholders' equity	19,334	20,947
Accumlated other comprehensive income		
Unrealized gains on marketable securities	463	993
Deferred gains (losses) on hedges	-99	5
Translation adjustments	-20	-114
Total accumulated other comprehensive income	343	884
Subscription rights to shares	204	290
Total net assets	19,882	22,122
Total liabilities and net assets	31,147	35,860

(2) Consolidated Statements of Income and Statements of Comprehensive Income
(Consolidated statements of income)

(Million yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (From April 1, 2010 to March 31, 2011)
Net sales	15,598	35,932
Cost of sales	*1 12,538	*1 28,569
Gross profit	3,059	7,363
Selling, general and administrative expenses		
Salaries and allowances	632	804
Provision for reserve for bonus payment	37	56
Retirement benefit expenses	103	73
Provision for reserve for directors' retirement benefits	--	5
Research and development expenses	*2 752	*2 751
Insurance premiums	85	106
Provision for allowance for doubtful accounts	14	61
Provision for reserve for product warranties	53	107
Other selling, general and administrative expenses	1,295	1,664
Total selling, general and administrative expenses	2,974	3,631
Operating income	84	3,732
Non-operating income		
Interest received	0	0
Dividends received	26	83
Rent received	4	--
Insurance benefits received	41	43
Subsidy income	127	--
Other non-operating income	95	44
Total non-operating income	295	172
Non-operating expenses		
Interest paid	21	76
Loss on sales of trade notes	40	45
Dormant expenses	*3 321	--
Foreign exchange losses	68	229
Other non-operating expenses	46	47
Total non-operating expenses	498	399
Ordinary income/loss	-117	3,504
Extraordinary income		
Gain on sales of fixed assets	--	*4 0
Gain on sales of investments securities	--	5
Total extraordinary income	--	6
Extraordinary expenses		
Loss on retirement of fixed assets	0	*5 9
Loss on sales of fixed assets	*6 1	*6 4
Loss on devaluation of investment securities	--	179
Loss on adjustment for changes of accounting standard for asset retirement obligations	--	11
Settlement Package	--	60
Other extrodiary expenses	--	1
Total extraordinary expenses	1	266
Income/loss before taxes and other adjustments	-119	3,244
Corporate, inhabitant and enterprise taxes	72	478
Income taxes for prior periods	17	--
Deferred taxes	35	-72
Total corporate and other taxes	125	406
Income before minority interests	--	2,837
Minority interests in income	--	--
Net income/loss	-244	2,837

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (From April 1, 2010 to March 31, 2011)
Income before minority interests	--	2,837
Other comprehensive income		
Unrealized gains on marketable securities	--	529
Deferred gains (losses) on hedges	--	104
Translation adjustments	--	-93
Total other comprehensive income	--	540
Comprehensive Income	--	3,378
(Breakdown)		
Comprehensive income attributable to the shareholders of the parent company	--	3,378
Comprehensive income attributable to minority shareholders	--	--

(3) Consolidated statements of changes in net assets

(Million yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (From April 1, 20010 to March 31, 2011)
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	10,599	10,599
Change during the fiscal year		
Total change during the fiscal year	--	--
Balance at end of the fiscal year	10,599	10,599
Capital surplus		
Balance at end of previous fiscal year	4,138	4,151
Change during the fiscal year		
Disposal of treasury stock	12	6
Total change during the fiscal year	12	6
Balance at end of the fiscal year	4,151	4,157
Retained earnings		
Balance at end of previous fiscal year	5,373	4,791
Change during the fiscal year		
Cash dividends paid	-337	-666
Net income/loss	-244	2,837
Total change during the fiscal year	-582	2,171
Balance at end of the fiscal year	4,791	6,962
Treasury stock		
Balance at end of previous fiscal year	-92	-207
Change during the fiscal year		
Purchase of treasury stock	-131	-591
Disposal of treasury stock	16	27
Total change during the fiscal year	-115	-564
Balance at end of the fiscal year	-207	-771
Total shareholders' equity		
Balance at end of previous fiscal year	20,019	19,334
Change during the fiscal year		
Cash dividends paid	-337	-666
Net income/loss	-244	2,837
Purchase of treasury stock	-131	-591
Disposal of treasury stock	29	33
Total change during the fiscal year	-685	1,613
Balance at end of the fiscal year	19,334	20,947

(Million yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (From April 1, 2010 to March 31, 2011)
Accumlated other comprehensive income		
Unrealized gains on marketable securities		
Balance at end of previous fiscal year	-508	463
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	971	529
Total change during the fiscal year	971	529
Balance at end of the fiscal year	463	993
Deferred gains (losses) on hedges		
Balance at end of previous fiscal year	--	-99
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	-99	104
Total change during the fiscal year	-99	104
Balance at end of the fiscal year	-99	5
Translation adjustments		
Balance at end of previous fiscal year	20	-20
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	-41	-93
Total change during the fiscal year	-41	-93
Balance at end of the fiscal year	-20	-114
Total accumulated other comprehensive income		
Balance at end of previous fiscal year	-487	343
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	831	540
Total change during the fiscal year	831	540
Balance at end of the fiscal year	343	884
Subscription rights to shares		
Balance at end of previous fiscal year	187	204
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	17	86
Total change during the fiscal year	17	86
Balance at end of the fiscal year	204	290
Total net assets		
Balance at end of previous fiscal year	19,718	19,882
Change during the fiscal year		
Cash dividends paid	-337	-666
Net income/loss	-244	2,837
Purchase of treasury stock	-131	-591
Disposal of treasury stock	29	33
Changes in items other than shareholders' equity during the fiscal year (net)	849	626
Total change during the fiscal year	163	2,239
Balance at end of the fiscal year	19,882	22,122

(4) Consolidated statements of cash flows

(Million yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (From April 1, 2010 to March 31, 2011)
Cash flows from operating activities		
Income (loss) before taxes and other adjustments	-119	3,244
Depreciation and amortization expenses	750	738
Loss (gain) on devaluation of investment securities	--	179
Increase (decrease) in allowance for doubtful accounts	-56	12
Increase (decrease) in reserve for retirement benefits	13	-46
Interest and dividends received	-26	-83
Interest paid	21	76
Loss (gain) on sales of fixed assets	1	4
Loss on adjustment for changes of accounting standard for asset retirement obligations	--	11
Decrease (increase) in trade notes and accounts receivable	-2,880	-383
Decrease (increase) in inventories	-63	-2,571
Increase (decrease) in trade notes and accounts payable	4,878	1,242
Other cash flows	-177	80
Sub total	2,341	2,504
Interest and dividends received	26	29
Interest paid	-21	-77
Corporate and other taxes paid	-47	-161
Cash flows from operating activities	2,299	2,295
Cash flows from investing activities		
Payments into time deposits	-70	-70
Refund of time deposits	70	70
Expenditure for acquisition of tangible fixed assets	-306	-1,127
Income from disposal of tangible fixed assets	10	5
Expenditure for acquisition of investment securities	-1,081	-1
Income from disposal of investments securities	--	33
Payment for investment in affiliates	--	-443
Income from recovery of loans receivable	24	15
Other cash flows	-5	-80
Cash flows from investing activities	-1,358	-1,599
Cash flows from financing activities		
Short-term borrowings	1,808	3,480
Repayment of short-term borrowings	-1,300	-2,350
Income from disposal of treasury stocks	0	0
Redemption of corporate bonds	-300	-300
Expenditure for acquisition of treasury stocks	-131	-592
Dividends paid	-338	-666
Repayments of lease obligations	-6	-9
Cash flows from financing activities	-268	-437
Translation differences for cash and cash equivalents	-17	-40
Net increase (decrease) in cash and cash equivalents	654	218
Cash and cash equivalents at the beginning of the term	3,188	3,842
Cash and cash equivalents at the end of the term	3,842	4,061

(5) Notes relating to the going concern assumption

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)

No corresponding item exists.

Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

No corresponding item exists.

(6) Important Matters that Become Basis of Presenting Consolidated Financial Statements

Item	Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 4 Tsugami Machinery Co., Ltd. Tsugami Precision Co., Ltd. Tsugami General Service Co., Ltd. Precision Tsugami (China) Corporation (2) Names of non-consolidated subsidiaries: Tsugami (Thai) Co., Ltd. Tsugami GmbH. Tsugami Korea Co.,Ltd. (Reason for non-consolidation) The non-consolidated subsidiaries are small in size, and their total assets, sales, net income or loss (amounts to equivalent to the equity holding) and retained earnings (amounts to equivalent to the equity holding) do not have significant material effect on the consolidated financial statements.	(1) Same as at left (2) Names of non-consolidated subsidiaries: Tsugami (Thai) Co., Ltd. Tsugami GmbH. Tsugami Korea Co.,Ltd. Shinagawa Precision Machinery (Zhejiang) Co., Ltd. (Reason for non-consolidation) The non-consolidated subsidiaries are small in size, and their total assets, sales, net income or loss (amounts to equivalent to the equity holding) and retained earnings (amounts to equivalent to the equity holding) do not have significant material effect on the consolidated financial statements.
2. Application of equity method	(1) Companies to which the equity method is applicable: 0 (2) The non-consolidated subsidiaries (Tsugami (Thai) Co., Ltd., Tsugami GmbH and Tsugami Korea Co., Ltd.) as well as the affiliates (Fastener Kohan, K.K. and Rem Sales LLC, have little material effect on the consolidated net income or loss and the consolidated retained earnings, and further, have small significance in the Group as a whole. For the above reason, the equity method is not applied on these companies.	(1) Same as at left (2) The non-consolidated subsidiaries (Tsugami (Thai) Co., Ltd., Tsugami GmbH, Tsugami Korea Co., Ltd. and Shinagawa Precision Machinery (Zhejiang) Co., Ltd.) as well as the affiliates (Fastener Kohan, K.K. and Rem Sales LLC, have little material effect on the consolidated net income or loss and the consolidated retained earnings, and further, have small significance in the Group as a whole. For the above reason, the equity method is not applied on these companies.
3. Matters Concerning Fiscal year of consolidated subsidiaries, etc.	Among the consolidated subsidiaries, the balance sheet date of Precision Tsugami (China) Corporation is December 31. When preparing the consolidated financial statements, the Company uses the financial statements of Precision Tsugami (China) Corporation, as of that date and makes necessary adjustments for important transactions between December 31 and the consolidated book-closing date.	Same as at left

Item	Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
4. Matters concerning significant accounting policies		
(1) Valuation standard and valuation method of major assets	(i) Securities Other securities Securities with fair market value: Market value method based on the quoted market value on the closing date of the fiscal year(Valuation differences are directly charged or credited to shareholders' equity, and the cost of securities sold is calculated using the moving-average method.) Securities without fair market value: Cost accounting method using the moving average method	(i) Securities Other securities Securities with fair market value: Same as at left Securities without fair market value: Same as at left
	(ii) Derivatives Market value method.	(ii) Derivatives Same as at left
	(iii) Inventories: Primarily cost accounting method using the moving average method (The values in the consolidated balance sheet were calculated using the book-value write-down method based on the decline of profitability.).	(iii) Inventories: Same as at left
(2) Depreciation and amortization methods used for material depreciable and amortizable assets	(i) Property, plant and equipment (excluding leased assets) Depreciation is principally computed by the declining-balance method. However, buildings acquired on or after April 1, 1998, excluding fittings, equipment, and foreign subsidiary, are depreciated on a straight-line basis. The significant service lives are summarized as follows: Buildings and structures: 15-38 years Machinery and transportation vehicle: 9 years	(i) Property, plant and equipment (excluding leased assets) Same as at left
	(ii) Intangible fixed assets (excluding leased assets) Intangible fixed assets are amortized using the straight-line method. However, software for in-house use is amortized on a straight-line basis over the expected usable period, up to five years.	(ii) Intangible fixed assets (excluding leased assets) Same as at left
	(iii) Leased assets Depreciation for leased assets is computed using the straight-line method over the lease terms as service life, assuming no residual value. Among finance lease transactions other than those that are deemed to transfer the ownership of leased assets to lessees, the lease transactions whose start dates are prior to March 31, 2008, are accounted for by the method for ordinary lease transactions.	(iii) Leased assets Same as at left
	(iv) Long-term prepaid expenses This is computed using the straight-line method.	(iv) Long-term prepaid expenses Same as at left

Item	Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
(3) Accounting standards for major deferred assets	Corporate bonds issuance expenses This is amortized using the straight-line method during the period required for maturity of corporate bonds (5 years).	Corporate bonds issuance expenses Same as at left
(4) Accounting standards for significant allowances	(i) Allowance for doubtful accounts To provide for a loss on doubtful accounts, general allowances are provided using a rate determined by past experience with bad debts. Specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing the individual collectibility of certain doubtful accounts.	(i) Allowance for doubtful accounts Same as at left
	(ii) Allowance for employees' bonuses To provide for the payment of employees' bonuses, the Company and its domestic subsidiaries provide accrued bonuses for employees based on the projected amount for the current consolidated fiscal year.	(ii) Allowance for employees' bonuses Same as at left
	(iii) Allowance for directors' bonuses To provide for the payment of director's bonuses, the Company and its domestic subsidiaries accrue bonuses for directors based on the projected amount for the current consolidated fiscal year. However, since the Company was unable to reasonably project the amount at the end of the consolidated fiscal year under review, this was not posted.	(iii) Allowance for directors' bonuses Same as at left
	(iv) Allowance for retirement benefits To prepare for the payment of employee retirement benefits, the Company and its domestic consolidated subsidiaries provide accrued retirement benefits based on projected benefits obligations and the fair value of pension assets at the current consolidated fiscal year-end. In addition, any difference arising as a result of the change of accounting standards (2,180 million yen) is expensed equally, mainly over 15 years. Also, any actuarial difference is expensed equally from the fiscal year following its accrual over an average remaining service period (5 years) of employees at the time of the accrual using the straight-line method.	(iv) Allowance for retirement benefits Same as at left
	(Changes in accounting policies) The Company and its domestic consolidated subsidiaries began applying "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19 issued on July 31, 2008) to the accounting of their allowances in the consolidated fiscal year under review. The change produced no effect on consolidated operating income, ordinary loss and net loss before taxes and other adjustments.	----

Item	Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
	(Additional information) The Company and some of its domestic consolidated subsidiaries made a switch from a qualified pension system to a defined benefit corporate pension system with the introduction of the Defined-Benefit Corporate Pension Act in January 2010. The change had a minor effect on consolidated operating income, ordinary loss and net loss before taxes and other adjustments. (v) Allowance for directors' retirement benefits Certain of the Company's consolidated subsidiaries recorded an allowance for retirement benefits for directors equivalent to the amount payable in accordance with their rules for directors' retirement benefits. (vi) Allowance for product warranties To provide for expenses for repair cost that arise in the after-sales free-repair warranty period, the Company accrues repair expenses using an amount projected based on the past ratio of repairs.	---- (v) Allowance for directors' retirement benefits Same as at left (vi) Allowance for product warranties Same as at left
(5) Accounting standards for translating significant assets or liabilities in foreign currencies into yen	-----	Monetary assets and liabilities denominated in foreign currencies are translated into yen at spot exchange rates at the consolidated closing date. Translation adjustments are accounted for as gains or losses. Assets, liabilities, revenues, and expenses at overseas subsidiaries are translated into yen at spot exchange rates at the consolidated closing date. Translation adjustments are included in "Translation adjustments" in net assets.
(6) Significant hedge accounting method	(i) Hedge accounting method Deferred hedge accounting was adopted. In addition, a method for translating foreign currency receivables and payables based on yen-value cash flows fixed by forward contracts was adopted for hedging the risk of exchange rate fluctuations in cases where requirements for using the method were fulfilled. (ii) Hedging instrument and hedged item Hedge accounting was applied to the following hedging instrument and hedged item during the consolidated fiscal year under review. Hedging instrument: exchange contracts Hedged item: foreign currency receivables (iii) Hedging policy Hedging was performed within the scope of subject receivables for avoiding the risk of exchange rate fluctuations and establishing profit/loss.	(i) Hedge accounting method Same as at left (ii) Hedging instrument and hedged item Same as at left (iii) Hedging policy Same as at left

Item	Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
	(iv)Method for assessing hedging effectiveness An assessment of hedging effectiveness is omitted because the hedging instrument and an important requirement for the hedged item are the same and hedging is assumed to completely offset market fluctuations at the point of its launch and in the subsequent period.	(iv)Method for assessing hedging effectiveness Same as at left
(7) Scope of Funds in Consolidated Cash Flow Statements	-----	Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with a maturity of three months or less at the date of acquisition that can easily be converted into cash and that have only minor risks of changes in value.
(8)Other important matters for the preparation of consolidated financial statements	Accounting method for consumption taxes The tax-exclusion method is used for the calculation of consumption tax and local consumption tax.	Accounting method for consumption taxes Same as at left
5. Matters Relating to Valuation Method for Assets and Liabilities of Consolidated Subsidiaries	All assets and liabilities of consolidated subsidiaries are valued using the full fair value method.	-----
6. Scope of Funds in Consolidated Cash Flow Statements	Funds in consolidated cash flow statements consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments with maturity within three months that have high fluidity, easy cash convertibility, and little risk of a fluctuation in value.	-----

(7). Changes in Important Matters That Become the Basis of Presenting Consolidated Financial Statements

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
-----	(Application of the Accounting Standard for Asset Retirement Obligations) The Group began applying the “Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18 issued on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21 issued on March 31, 2008) in the consolidated fiscal year under review. The effect of the application on operating income, ordinary income, and income before taxes and other adjustments was minor.

(8). Changes in Method of Presentation

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
-----	(Consolidated statements of income) The Group began applying the “Cabinet Office Ordinance Revising the Regulations on Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5 issued on March 24, 2009) under the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 issued on December 26, 2008) in the consolidated fiscal year under review and included the accounting item “Income before minority interests.” “Rent received” that had been posted as a separate item until the previous consolidated fiscal year (5 million yen for the fiscal year under review) accounted for 10% or less of the non-operating income in the consolidated fiscal year under review and was included in “Other non-operating income.”

(9). Others

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
-----	The Group began applying the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25 issued on June 30, 2010) in the consolidated fiscal year under review. “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” for the previous consolidated fiscal year are “Valuation and translation adjustments” and “Total valuation and translation adjustments” respectively.

(10). Notes concerning the Consolidated Financial Statements

(Consolidated Balance Sheet) (Million yen)

Previous consolidated fiscal year (As of March 31, 2010)	Consolidated fiscal year under review (As of March 31, 2011)
*1. Shares of non-consolidated subsidiaries and affiliates Investment securities (stocks): 16 2. Amount of discount for bills receivable: 476 Amount of discount for export bills receivable: 831 3. Amount of allowance for doubtful accounts directly subtracted from assets Investments and other assets 189	*1. Shares of non-consolidated subsidiaries and affiliates Investment securities (stocks): 16 2. Amount of discount for bills receivable: 526 Amount of discount for export bills receivable: 2,584 3. Amount of allowance for doubtful accounts directly subtracted from assets Investments and other assets 147

(Consolidated Income Statement) (Million yen)

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
*1. Inventories at the end of the year are an amount following the write-down of their book value based on a decline in profitability. The cost of sales includes the following loss on devaluation of inventories. 68	*1. Inventories at the end of the year are an amount following the write-down of their book value based on profitability decline. The cost of sales includes the following loss on devaluation of inventories. 45
*2. Total R&D expenses R&D expenses included in selling, general and administrative expenses, and manufacturing cost for the term 752	*2. Total R&D expenses R&D expenses included in selling, general and administrative expenses, and manufacturing cost for the term 751
*3. Dormant expenses are expenses required for suspending the operations of the Company and its consolidated subsidiaries. Their breakdown is as follows: Labor expenses 244 Depreciation and amortization expenses 70 Others 6 Total 321	3. -----
4. -----	*4. Breakdown of gain on sales of fixed assets: Machinery and Equipments 0
5. -----	*5. Breakdown of loss on retirement of fixed assets: Buildings 7 Machinery and Equipments 1 Others 0 Total 9
*6. Breakdown of the loss on sales of fixed assets: Machinery and equipment 1	*6. Breakdown of the loss on sales of fixed assets: Machinery and equipment 4

(Consolidated Statements of Comprehensive Income)

Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

*1 Comprehensive income in the fiscal year immediately preceding the consolidated fiscal year under review

Comprehensive income attributable to the shareholders of the parent company	586 million yen
Comprehensive income attributable to minority shareholders	--
Total	586

*2 Other comprehensive income in the fiscal year immediately preceding the consolidated fiscal year under review

Unrealized gains on marketable securities	971 million yen
Deferred gains (losses) on hedges	-99
Translation adjustments	-41
Total	831

(Consolidated Statements of Changes in Net Assets)
Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)

1. Matters relating to type and number of outstanding shares and treasury stock (Thousand shares)

	Number of shares at the end of the previous consolidated fiscal year	Increase in shares in the current consolidated fiscal year	Decrease in shares in the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year
Outstanding shares				
Common shares	68,019	--	--	68,019
Total	68,019	--	--	68,019
Treasury stock				
Common shares	453	786	85	1,154
Total	453	786	85	1,154

(Notes) 1. The increase in common shares of treasury stock by 786 thousand shares reflected an increase of 7 thousand shares due to the purchase of odd-lot shares, and the purchase of 779 thousand shares of treasury stock.
2. The decrease in treasury stock of 85 thousand shares was due to the exercise of stock options.

2. Matters concerning subscription rights to shares and subscription right to shares for treasury stock

Category	Description of subscription rights to shares	Type of shares to be issued under subscription rights to shares	Number of shares to be issued under subscription rights to shares				Outstanding balance at the end of the current consolidated fiscal year (million yen)
			Number of shares at the end of the previous consolidated fiscal year	Increase in shares in the current consolidated fiscal year	Decrease in shares in the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year	
Submitting company (parent company)	Subscription rights to shares as stock options	--	--	--	--	--	204
Total		--	--	--	--	--	204

3. Matters relating to dividends
(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Board of directors meeting held on May 14, 2009	Common shares	337	5.00	March 31, 2009	June 2, 2009

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

(Resolution)	Type of shares	Total amount of dividend (million yen)	Funds for dividends	Dividend per share (yen)	Record date	Effective date
Board of directors meeting held on May 13, 2010	Common shares	334	Retained earnings	5.00	March 31, 2010	June 1, 2010

Consolidated fiscal year under review (From April 1, 2010 to March 31, 2011)

1. Matters relating to type and number of outstanding shares and treasury stock (Thousand shares)

	Number of shares at the end of the previous consolidated fiscal year	Increase in shares in the current consolidated fiscal year	Decrease in shares in the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year
Outstanding shares				
Common shares	68,019			68,019
Total	68,019			68,019
Treasury stock				
Common shares	1,154	1,103	117	2,140
Total	1,154	1,103	117	2,140

(Notes) 1. The increase in common shares of treasury stock of 1,103 thousand shares reflected an increase of 7 thousand shares due to the purchase of odd-lot shares, and the purchase of 1,096 thousand shares of treasury stock.
2. The decrease in treasury stock of 117 thousand shares was due to the exercise of stock options.

2. Matters concerning subscription rights to shares and subscription rights to shares for treasury stock

Category	Description of subscription rights to shares	Type of shares to be issued under subscription rights to shares	Number of shares to be issued under subscription rights to shares				Outstanding balance at the end of the current consolidated fiscal year (million yen)
			Number of shares at the end of the previous consolidated fiscal year	Increase in shares in the current consolidated fiscal year	Decrease in shares in the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year	
Submitting company (parent company)	Subscription rights to shares as stock options	--	--	--	--	--	290
Total		--	--	--	--	--	290

3. Matters relating to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Board of directors meeting held on May 13, 2010	Common shares	334	5.00	March 31, 2010	June 1, 2010
Board of directors meeting held on November 12, 2010	Common shares	332	5.00	September 30, 2010	November 29, 2010

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

(Resolution)	Type of shares	Total amount of dividend (million yen)	Funds for dividends	Dividend per share (yen)	Record date	Effective date
Board of directors meeting held on May 12, 2011	Common shares	329	Retained earnings	5.00	March 31, 2011	May 31, 2011

(Consolidated Statements of Cash Flows) (Million yen)

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)		Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)	
1. Relationship between the ending balance of cash and cash equivalents and the accounts and their amounts on the Consolidated Balance Sheet		1. Relationship between the ending balance of cash and cash equivalents and the accounts and their amounts on the Consolidated Balance Sheet	
Cash and cash accounts	3,892	Cash and cash accounts	4,111
Time deposits with maturity of more than 3 months	-50	Time deposits with maturity of more than 3 months	-50
Cash and cash equivalents	3,842	Cash and cash equivalents	4,061

(Segment information)

a. Information by business segment

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010) (Million yen)

	Machine tool business	Specialized machines and other businesses	Total	Elimination or corporate	Consolidated
I. Net sales and Operating income/loss					
Net sales					
(1) Net sales to external customers	15,084	514	15,598	--	15,598
(2) Intersegment net sales or transfer to other accounts	--	--	--	--	--
Total	15,084	514	15,598	--	15,598
Operating expenses	15,082	430	15,513	--	15,513
Operating income	1	83	84	--	84
II. Assets, depreciation and capital expenditures					
Assets	22,643	1,112	23,756	7,391	31,147
Depreciation	633	116	750	--	750
Capital expenditures	381	--	381	--	381

(Notes) 1. Business segments are based on product classifications.

2. Major products in each segment

(1) Machine tool business: CNC high-precision automatic lathes, CNC high-precision cylindrical grinding machines, machining centers, rolling machines

(2) Specialized machines and other segments: specialized machines, gauge blocks, roll dies and screw inserts

3. Change in the method of allocating operating expenses

Of operating expenses by segment in the fiscal year under review, unallocated operating expenses included in eliminations or corporate were zero.

Until the previous fiscal year, expenses relating to the General Affairs Division and other administrative divisions at the Company’s head office were classified as unallocated corporate expenses and were included in the classification of eliminations or corporate. However, since the importance of management by business segment increased, the Company began to allocate operating expenses to business segments, based on the features of each expense under reasonable allocation standards in the first quarter to present earnings by business segment more clearly.

With the change, operating expenses for the “Machine tool business” and “Specialized machines and other businesses” to rise by 598 million and 21 million yen, respectively, and operating income for the operations to fall by the same amounts, respectively, compared with those calculated by the method before the change.

4. Group assets included in elimination or corporate amounted to 7,391 million yen. Funds for managing surplus funds (cash and marketable securities) and assets in connection with administrative divisions at the Company’s head office accounted for a large portion of such assets.

5. Depreciation and amortization expenses and capital expenditures include depreciation for and an increase in long-term prepaid expenses.

b. Information by geographic segment

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)

(Million yen)

	Japan	China	Total	Elimination or corporate	Consolidated
I. Net sales and Operating income/loss					
Net sales					
(1) Net sales to external customers	12,062	3,536	15,598	--	15,598
(2) Intersegment net sales or transfer to other accounts	2,969	1,140	4,109	(4,109)	--
Total	15,031	4,676	19,708	(4,109)	15,598
Operating expenses	15,317	4,319	19,637	(4,123)	15,513
Operating income (loss)	-286	357	71	13	84
II.Assets	22,527	5,413	27,941	3,205	31,147

(Notes) 1. National classifications are based on the regional independence of business activities.

2. Change in the method of allocating operating expenses

Of operating expenses by segment in the fiscal year under review, unallocated operating expenses included in eliminations or corporate were zero.

Until the previous fiscal year, expenses relating to the General Affairs Division and other administrative divisions at the Company's head office were classified as unallocated corporate expenses and were included in the classification of eliminations or corporate. However, since the importance of management by geographic segment increased, the Company began to allocate operating expenses to geographic segments, based on the features of each expense under reasonable allocation standards in the first quarter to present earnings by geographic segment more clearly.

With the change, operating expenses and the operating loss for Japan each increased by 620 million yen compared with those calculated by the method before the change.

3. Group assets included in elimination or corporate amounted to 7,391 million yen. Funds for managing surplus funds (cash, deposits and marketable securities) and assets in connection with administrative divisions at the Company's head office accounted for a large portion of such assets.

c. Overseas net sales

Previous consolidated fiscal year (from April 1, 2009 to December 31, 2010) (Million yen)

		Asia	America	Europe	Total
I	Overseas net sales	10,234	638	378	11,251
II	Consolidated net sales				15,598
III	Ratio of overseas net sales to consolidated net sales	65.6	4.1	2.4	72.1

(Notes) 1. National or regional classifications are based on geographic proximity.

2. Major countries or regions in each classification

(1) Asia Taiwan, Thailand, Hong Kong, Singapore, China, South Korea, India and the Philippines

(2) America the United States

(3) Europe Germany, Switzerland, Italy and France

3. Overseas net sales refer to net sales achieved by the Company and its consolidated subsidiaries in countries or regions other than Japan.

d. Segment Information
Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

1. Summary of reportable segments
The Company's reportable segments are its constituent units that disclose financial information separately. They fall under the scope of periodic reviews the Company's Board of Directors performs to determine the distribution of its management resources and to assess its operating results.
The Group manufactures and sells machine tools in Japan and abroad. The Group consists of geographic segments based on its manufacturing and sales organizations. The Company's reportable segments are Japan and China, which are the areas where Group companies are located.

2. Basis of calculating net sales, income or loss, assets, and other items by reportable segment
The accounting methods for the reportable segments are the same as those described in "Important Matters that Become Basis of Presenting Consolidated Financial Statements."
Segment income is based on operating income for each reportable segment.
Intersegment revenue and transfers are based on market prices.

3. Information relating to net sales, income and assets by reportable segment
Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

(Million yen)

	Reportable segment			Adjustment (Note) 1 (Note) 2 (Note) 3	Consolidated financial statement amount (Note) 4
	Japan	China	Total		
Net sales					
Net sales to external customers	28,438	7,494	35,932	--	35,932
Intersegment net sales or transfers to other accounts	6,927	2,438	9,365	-9,365	--
Total	35,366	9,932	45,298	-9,365	35,932
Segment income	2,882	902	3,784	-52	3,732
Segment assets	24,175	6,918	31,093	4,766	35,860
Other items					
Depreciation and amortization	643	95	738	0	738
Increases in tangible fixed assets and intangible fixed assets	425	742	1,167	-43	1,124

(Note) 1. "Adjustment" of segment income of minus 52 million yen is the elimination of unrealized income.
2. "Adjustment" of segment assets of 4,766 million yen includes Company-wide assets of 8,592 million yen and an effect of intersegment adjustments of minus 3,826 million yen.
Company-wide assets are primarily assets that do not belong to any reportable segment (cash and deposits and investment securities).
3. "Adjustment" of increases in tangible fixed assets and intangible fixed assets is the effect of intersegment adjustments.
4. Segment income is adjusted in accordance with operating income on the consolidated financial statements.

4. Information relating to impairment loss on fixed assets or goodwill, etc.
No corresponding item existed

(Additional information)
The Group began applying the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 on March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 on March 21, 2008) to its accounting treatment in the fiscal year under review.

(Related party information)

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)

Transaction with directors and major shareholders

Class	Name	Capital or investments	Business or job	Ownership of voting rights in percentage	Relationship with the party	Transactions	Transaction amount (million yen)	Account	Balance at end of year (million yen
Director	Kunimasa Ohta	---	Statutory auditor of the Company Representative Director of Tokyo Seimitsu Co., Ltd.	(Owning) Direct: 2.50% (Owned) Direct: 6.75%	Sales of the Company's products and purchase of Tokyo Seimitsu's products	Sales of the Company's products	3	Trade notes and accounts receivable	0
						Purchase of Tokyo Seimitsu's products	29	Trade notes and accounts payable	17
						Underwriting of newly issued shares	999	---	---

(Notes) 1. The transaction values stated above do not include consumption taxes. Meanwhile, year-end balances presented above include such taxes.

2. Transaction terms and the policy for their decision, etc.

Terms for the sales of the Company's products, purchases of Tokyo Seimitsu Co., Ltd.'s products and the like are decided on the basis of market value.

Underwriting the newly issued shares refers to the underwriting of all 968,000 shares Tokyo Seimitsu issued through private placement on December 3, 2009 by the Company for the price of 1,033 yen per share. The issue price was decided on the basis of 1,135 yen, the average closing share price for Tokyo Seimitsu in the most recent one-month period up to the day before the date on which a Board of Directors meeting adopted a resolution in connection with the capital increase.

Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

Transaction with directors and major shareholders

Class	Name	Capital or investments	Business or job	Ownership of voting rights in percentage	Relationship with the party	Transactions	Transaction amount (million yen)	Account	Balance at end of year (million yen
Director	Nakagawa Takeo	---	Director of Company, CEO of Fine Tech Corporation	---	Sales of the Company's product and purchase of Fine Tech's products	Sales of the Company's products	43	Trade notes and accounts receivable	43
Director	Kunimasa Ohta	---	Statutory auditor of the Company Representative Director of Tokyo Seimitsu Co., Ltd.	(Owning) Direct: 2.50% (Owned) Direct: 7.01%	Sales of the Company's products and purchase of Tokyo Seimitsu's products	Sales of the Company's products	5	Trade notes and accounts receivable	0
						Purchase of Tokyo Seimitsu's products	75	Trade notes and accounts payable	38
						Purchase of Tokyo Seimitsu's fixed assets	9	Accounts payable	5

(Notes)1. The transaction values stated above do not include consumption taxes. Meanwhile, year-end balances presented above include such taxes.

2. Transaction terms and the policy for their decision, etc.

Terms for the sales of the Company's products, purchases of Tokyo Seimitsu Co., Ltd.'s products, Fine Tech Corporation's product and the like are decided on the basis of market value.

(Securities)

Previous consolidated fiscal year (As of March 31, 2010)

1. Other securities (Million yen)

	Classification	Carrying amount on the consolidated balance sheet	Acquisition cost	Difference
Carrying amounts on the consolidated balance sheet exceeding the acquisition cost	(1) Shares	3,783	2,721	1,061
	(2) Corporate bond	--	--	--
	(3) Others	--	--	--
	Subtotal	3,783	2,721	1,061
Carrying amounts on the consolidated balance sheet not exceeding the acquisition cost	(1) Shares	481	665	-183
	(2) Corporate bond	--	--	--
	(3) Others	--	--	--
	Subtotal	481	665	-183
Total		4,264	3,387	877

(Note) Since unlisted stocks (whose consolidated balance sheet amount is 2 million yen) have no market prices, and their fair valuesare very difficult to estimate, they are not included in other securities with market value.
If the fair value at the end of thefiscal year declines 50% or more from the acquisition cost, impairment accounting is applied.
If, among other securities, the fair value of stocks having fair value declines 30% to around 50%, the Company estimates the recoverability of each stock and determines whether impairment accounting is needed or not. Impairment accounting was not applied to any stocks with or without market value of other securities.

2. Other securities sold during the consolidated fiscal year
Not applicable.

Consolidated fiscal year under review (As of March 31, 2011)

1. Other securities (Million yen)

	Classification	Carrying amount on the consolidated balance sheet	Acquisition cost	Difference
Carrying amounts on the consolidated balance sheet exceeding the acquisition cost	(1) Shares	4,589	2,863	1,725
	(2) Corporate bond	--	--	--
	(3)Others	--	--	--
	Subtotal	4,589	2,863	1,725
Carrying amounts on the consolidated balance sheet not exceeding the acquisition cost	(1) Shares	319	372	-52
	(2) Corporate bond	--	--	--
	(3)Others	--	--	--
	Subtotal	319	372	-52
Total		4,909	3,235	1,673

(Note) Since unlisted stocks (whose consolidated balance sheet amount is 2 million yen) have no market prices, and their fair values are very difficult to estimate, they are not included in other securities with market value.
Impairment losses of 179 million yen are recorded for other securities with market value.
If the fair value at the end of the fiscal year declines 50% or more from the acquisition cost, impairment accounting is applied. If the fair value at the end of the fiscal year declines 30% to around 50%, the Company estimates the recoverability of each stock and determines whether impairment accounting is needed or not.

2. Other securities sold during the Consolidated fiscal year under review

Amount of sale (million yen)	Total profit on sale (million yen)	Total loss on sale (million yen)
27	5	--

(Pension and Severance Cost)

1.Outline of retirement and severance benefits plans adopted by the companies

The retirement benefits systems of the Group consist of a retirement lump-sum grant system and a defined benefit corporate pension system. The Company and some of its domestic consolidated subsidiaries made a switch from a qualified pension system to a defined benefit corporate pension system with the enforcement of the Defined-Benefit Corporate Pension Act in January 2010.

2. Projected benefit obligations and their breakdowns (Million yen)

	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
(1) Projected benefit obligations	-2,304	-2,217
(2) Pension assets	778	837
(3) Unfunded obligations for retirement and severance benefits (1)＋(2)	-1,525	-1,380
(4) Unsettled difference at change of accounting principle	696	557
(5) Unrecognized actuarial gain or loss	-7	32
(6) Unrecognized prior service cost	--	--
(7) Net accrued retirement benefits reflected in consolidated balance sheets (3)＋(4)＋(5)＋(6)	-837	-791
(8) Prepaid pension cost	--	--
(9) Allowance for retirement benefits (7)－(8)	-837	-791

(Note) The consolidated subsidiaries with retirement benefits systems use the simplified method to calculate projected benefit obligations.

3. Breakdown of retirement benefit expenses (Million yen)

	Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
Retirement benefit expenses	356	278
(1) Serveice cost	125	110
(2) Interest cost	34	33
(3) Expected return on pension assets	-12	-15
(4) Unsettled difference at change of accounting principle	139	139
(5) Recognized actuarial gain or loss	69	10
(6) Others (Note 2)	--	--

(Notes) 1. Net retirement benefit costs of consolidated subsidiaries using the simplified method are accounted for as (1) “Service costs.”

4. Matters relating to the basis of calculation for projected benefit obligations

	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
(1) Periodic allocation method for projected benefits	Periodic straight-line base	Same as at left
(2) Discount rates (%)	1.5	1.5
(3) Expected return on assets (%)	2.0	2.0
(4) Years during which the prior service cost is amortized	--	--
(5) Method and years during which an actuarial gain or loss is amortized	Five years from the consolidated fiscal year following the consolidated fiscal year in which the gain or loss occurred	Five years from the consolidated fiscal year following the consolidated fiscal year in which the gain or loss occurred
(6) Years during which unsettled differences at change of accounting principles were accounted for	15	15

(Per share information)

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)		Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)	
Net assets per share	294.29 yen	Net assets per share	331.39 yen
Net loss per share	-3.65 yen	Net income per share	42.72 yen
Net income per share after residual equity adjustment is not stated in spite of the presence of residual equity, because of the net loss per share posted.		Net income per share after residual equity adjustment	41.89 yen

(Note) The bases for the calculation of net income per share and net income per share after residual equity adjustment are as follows.

	Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)
Net income per share		
Net income/loss (million yen)	-244	2,837
Net income/loss that does not belong to common share holders (million yen)	--	--
Net income/loss on common shares (million yen)	-244	2,837
Average number of shares during the period (thousand shares)	67,020	66,431
Summary of residual shares not included in the calculation of net income per share after residual equity adjustment because of no dilutive effect	-----	Stock options granted on the basis of a resolution at the annual shareholders meeting held on June 18, 2010 (Number of shares: 350,000)

(Important post-balance sheet events)

Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)

No corresponding event occurred.

Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

No corresponding event occurred.

Notes relating to lease transactions, financial instruments, tax effect accounting, derivatives trading, stock options, business combination, rental properties and asset retirement obligations- are omitted because the need to disclose such information with this summary of financial results is deemed to be small.

5. Non-consolidated financial statements

(1) Balance sheets

(Million yen)

	Figures at the end of the previous fiscal year (As of March 31, 2010)	Figures at the end of the fiscal year under review (As of March 31, 2011)
Assets		
Current assets		
Cash and deposits	3,145	3,491
Trade notes receivable	166	235
Accounts receivable	7,066	8,172
Products and other commodities	984	1,926
Goods in process	4,563	4,796
Raw materials and supplies	1,658	1,790
Prepaid expenses	61	36
Short-term loans to affiliates	573	952
Deferred tax assets	135	262
Advance paid	14	13
Accounts due	269	611
Other current assets	115	16
Allowance for doubtful accounts	-61	-82
Total current assets	18,691	22,224
Fixed assets		
Tangible fixed assets		
Buildings	6,652	6,662
Accumulated depreciation	-3,455	-3,638
Buildings (net)	3,197	3,023
Structures	477	479
Accumulated depreciation	-348	-370
Structures (net)	128	109
Machinery and equipment	8,235	7,693
Accumulated depreciation	-7,084	-6,772
Machinery, equipment (net)	1,151	921
Vehicles	51	53
Accumulated depreciation	-42	-46
Vehicles (net)	8	6
Tools, furniture and fixtures	749	914
Accumulated depreciation	-589	-688
Tools, furniture and fixtures (net)	159	225
Land	591	591
Leased assets	31	31
Accumulated depreciation	-8	-14
Leased assets (net)	22	17
Total tangible fixed assets	5,260	4,895
Intangible fixed assets		
Software	11	87
Telephone subscription rights	10	10
Leased assets	16	13
Total intangible fixed assets	38	110
Investments and other assets		
Investment securities	4,267	4,911
Shares in affiliates	136	136
Investments in affiliates	1,209	1,722
Long-term loans to employees	2	1
Long-term prepaid expenses	2	2
Other intangible fixed assets	137	67
Total investments and other assets	5,755	6,842
Total fixed assets	11,054	11,848
Deferred assets		
Bond issuance expenses	25	18
Total deferred assets	25	18
Total assets	29,771	34,091

(Million yen)

	Figures at the end of the previous fiscal year (As of March 31, 2010)	Figures at the end of the fiscal year under review (As of March 31, 2011)
Liabilities		
Current liabilities		
Trade notes payable	5,004	6,214
Accounts payable	1,849	1,657
Short-term borrowings	300	1,500
Corporate bonds due for redemption within one year	300	300
Lease obligations	9	9
Accounts payable	351	375
Accrued expenses payable	187	210
Accrued income tax	44	324
Advance received	32	49
Deposits received	71	38
Reserve for bonus payment	171	215
Trade notes payable related to facilities	67	6
Reserve for product warranties	53	93
Other current liabilities	110	23
Total current liabilities	8,552	11,019
Long-term liabilities		
Corporate bonds	900	600
Lease obligations	31	22
Deferred tax liabilities	77	361
Reserve for retirement benefits	829	785
Deposits received for guarantee	14	14
Other long-term liabilities	46	46
Total long-term liabilities	1,899	1,829
Total liabilities	10,451	12,849
Net assets		
Shareholders' equity		
Common stock	10,599	10,599
Capital surplus		
Capital legal reserve	4,138	4,138
Other capital surplus	12	18
Total capital surplus	4,151	4,157
Retained earnings		
Other retained earnings		
Deferred retained earnings	4,207	5,967
Total retained earnings	4,207	5,967
Treasury stock	-207	-771
Total shareholders' equity	18,750	19,952
Valuation and translation adjustments		
Unrealized gains on marketable securities	463	993
Deferred gains (losses) on hedges	-99	5
Total valuation and translation adjustments	364	998
Subscription rights to shares	204	290
Total net assets	19,319	21,241
Total liabilities and net assets	29,771	34,091

(2) Statements of income

(Million yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Fiscal year under review (From April 1, 2010 to March 31, 2011)
Net sales	14,818	35,146
Cost of sales	12,519	29,221
Gross profit	2,299	5,925
Selling, general and administrative expenses		
Packing and transportation expenses	49	96
Advertising expenses	146	192
Salaries for directors	137	203
Salaries and allowances	493	636
Provision for reserve for bonus payment	26	38
Retirement benefit expenses	100	68
Rent paid	76	70
Traveling expenses	115	139
Insurance premiums	79	96
Research and development expenses	754	752
Depreciation and amortization expenses	17	17
Provision for allowance for doubtful accounts	28	68
Provision for reserve for product warranties	53	93
Other selling, general and administrative expenses	585	718
Total selling, general and administrative expenses	2,664	3,193
Operating income	-365	2,732
Non-operating income		
Interest received	0	11
Dividends received	106	213
Rent received	11	12
Insurance benefits received	41	43
Subsidy income	119	--
Other non-operating income	119	41
Total non-operating income	399	322
Non-operating expenses		
Interest paid	8	7
Interest on bonds	13	10
Leased asset expenses	9	10
Foreign exchange losses	--	73
Amortization of bond issuance cost	6	6
Sales discount	10	2
Loss on sales of trade notes	40	45
Dormant expenses	310	--
Other non-operating expenses	28	29
Total non-operating expenses	426	187
Ordinary income	-393	2,867
Extraordinary income		
Gain on sales of fixed assets	1	46
Gain on sales of investment securities	--	5
Total extraordinary income	1	52
Extraordinary expenses		
Loss on retirement of fixed assets	0	1
Loss on sales of fixed assets	--	4
Loss on devaluation of investment securities	--	179
Loss on adjustment for changes of accounting standard for asset retirement obligations	--	11
Settlement Package	--	60
Other extraordinary expenses	--	1
Total extraordinary expenses	0	258
Income/loss before taxes and other adjustments	-392	2,661
Corporate, inhabitant and enterprise taxes	19	347
Income taxes for prior periods	17	--
Deferred taxes	-21	-113
Total corporate and other taxes	16	234
Net income/loss	-408	2,426

(3) Statements of changes in net assets

(Million yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Fiscal year under review (From April 1, 2010 to March 31, 2011)
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	10,599	10,599
Change during the fiscal year		
Total change during the fiscal year	--	--
Balance at end of the fiscal year	10,599	10,599
Capital surplus		
Capital legal reserve		
Balance at end of previous fiscal year	4,138	4,138
Change during the fiscal year		
Total change during the fiscal year	--	--
Balance at end of the fiscal year	4,138	4,138
Other capital surplus		
Balance at end of previous fiscal year	--	12
Change during the fiscal year		
Disposal of treasury stock	12	6
Total change during the fiscal year	12	6
Balance at end of the fiscal year	12	18
Total capital surplus		
Balance at end of previous fiscal year	4,138	4,151
Change during the fiscal year		
Disposal of treasury stock	12	6
Total change during the fiscal year	12	6
Balance at end of the fiscal year	4,151	4,157
Retained earnings		
Other retained earnings		
Deferred retained earnings		
Balance at end of previous fiscal year	4,954	4,207
Change during the fiscal year		
Cash dividends paid	-337	-666
Net income/loss	-408	2,426
Total change during the fiscal year	-746	1,759
Balance at end of the fiscal year	4,207	5,967
Treasury stock		
Balance at end of previous fiscal year	-92	-207
Change during the fiscal year		
Purchase of treasury stock	-131	-591
Disposal of treasury stock	16	27
Total change during the fiscal year	-115	-564
Balance at end of the fiscal year	-207	-771

(Million yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Fiscal year under review (From April 1, 2010 to March 31, 2011)
Total shareholders' equity		
Balance at end of previous fiscal year	19,599	18,750
Change during the fiscal year		
Cash dividends paid	-337	-666
Net income/loss	-408	2,426
Purchase of treasury stock	-131	-591
Disposal of treasury stock	29	33
Total change during the fiscal year	-848	1,201
Balance at end of the fiscal year	18,750	19,952
Valuation and translation adjustments		
Unrealized gains on marketable securities		
Balance at end of previous fiscal year	-508	463
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	971	529
Total change during the fiscal year	971	529
Balance at end of the fiscal year	463	993
Deferred gains (losses) on hedges		
Balance at end of previous fiscal year	--	-99
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	-99	104
Total change during the fiscal year	-99	104
Balance at end of the fiscal year	-99	5
Total valuation and translation adjustments		
Balance at end of previous fiscal year	-508	364
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	872	634
Total change during the fiscal year	872	634
Balance at end of the fiscal year	364	998
Subscription rights to shares		
Balance at end of previous fiscal year	187	204
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year (net)	17	86
Total change during the fiscal year	17	86
Balance at end of the fiscal year	204	290
Total net assets		
Balance at end of previous fiscal year	19,277	19,319
Change during the fiscal year		
Cash dividends paid	-337	-666
Net income/loss	-408	2,426
Purchase of treasury stock	-131	-591
Disposal of treasury stock	29	33
Changes in items other than shareholders' equity during the fiscal year (net)	890	720
Total change during the fiscal year	41	1,922
Balance at end of the fiscal year	19,319	21,241

Notes relating to the going concern assumption
No corresponding item exists.

6. Other

(1) Supplementary Information

(i) Overseas net sales

Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011) (Million yen)

	Asia	America	Europe	Total
I Overseas net sales	21,121	2,625	2,646	26,392
II Consolidated net sales				35,932
III Ratio of overseas net sales to consolidated net sales (%)	58.8	7.3	7.4	73.4

(Notes) 1. National or regional classifications are based on geographic proximity.

2. Major countries or regions in each classification
   - (1) Asia China, Thailand, the Philippines, South Korea, Singapore, Vietnam, Taiwan and India
   - (2) America the United States
   - (3) Europe Switzerland, Germany, Italy and France

3. Overseas net sales refer to net sales achieved by the Company and its consolidated subsidiaries in countries or regions other than Japan.

(ii) Net sales by machinery category

Comparison of consolidated sales performance (Million yen)

	Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)		Previous consolidated fiscal year (from April 1, 2009 to March 31, 2010)		Year-on-year change	
Automatic lathes	29,925	% 83.3	11,712	% 75.1	18,213	% 155.5
Grinding machines	2,295	6.4	997	6.4	1,297	130.1
Machining centers	1,431	4.0	539	3.4	891	165.3
Rolling machines, etc.	1,614	4.5	1,834	11.8	-220	-12.0
Other	666	1.9	514	3.3	151	29.5
Total	35,932	100.0	15,598	100.0	20,334	130.4
(Overseas net sales)	(26,392)	(73.4)	(11,251)	(72.1)	(15,141)	(134.6)

(2) Changes in directors (scheduled to take effect on June 17, 2011)

- New director candidate

Director: Kiyoshi Tauchi (currently Senior Executive Officer, General Manager of the Production Division)
Makoto Kuniyoshi (currently Senior Executive Officer, General Manager of the Sales Planning Division)
Yoshihiro Miura, (currently Senior Executive Officer, General Manager of the Administration Division)
Kunio Shimada (currently Attorney, Representative Partner of Shimada Hamba&Osajima)

- New statutory auditor candidates

Statutory auditor: Toshio Honma (currently Director, Senior Advisor)
Ryuichi Kimura (currently Director of Tokyo Seimitsu Co., Ltd. President of Semiconductor Company)
(Note) Mr. Ryuichi Kimura is candidate for an outside auditor.

- Reserve statutory auditor candidate

Reserve statutory auditor:
Toshikazu Oyanagi (currently Senior Advisor, Manager, Administration Division)

- Director scheduled to retire from the post

Director:
Yoshiharu Kikuchi (currently Director, Executive Advisor)
Toshio Honma (currently Director, Senior Adivsor)
Mitsuhiro Masumi (currently Director)
(Note) Mr. Mitsuhiro Masumi is an outside director.

- Auditors scheduled to retire from the post

Auditor: Ikuo Oomiya (currently Standing Auditor)
Kunimasa Ohta (currently Audtior)
(Note) Mr. Kunimasa Ohta is an outside auditor.