

CONSOLIDATED FINANCIAL RESULTS

FOR THE FIRST QUARTER ENDED JUNE 30, 2017 [J-GAAP]

August 10, 2017

Listed Company Name: Fuji Machine Mfg. Co., Ltd.
 Securities Code: 6134
 Listings: Tokyo Stock Exchange, Nagoya Stock Exchange
 URL: <http://www.fuji.co.jp/>
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Scheduled date to submit quarterly report: August 10, 2017

Scheduled date to start dividend payments: —

Preparation of quarterly financial results briefing materials: None

Holding of quarterly financial results briefing: None

(Amounts less than one million yen have been truncated)

1. Consolidated Financial Results (From April 1, 2017 to June 30, 2017)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	28,356	22.6	5,090	53.5	5,422	77.6	3,883	84.6
Three months ended June 30, 2016	23,130	-8.1	3,316	-30.8	3,052	-41.1	2,104	-37.2

Note: Comprehensive income Three months ended June 30, 2017: ¥5,445 million (—%)
 Three months ended June 30, 2016: -¥1,261 million (—%)

	Profit per share		Diluted profit per share	
	Yen		Yen	
Three months ended June 30, 2017	43.42		40.32	
Three months ended June 30, 2016	22.11		20.61	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2017	166,119		135,050		81.2	
As of March 31, 2017	158,406		130,947		82.5	

Reference: Shareholders' equity As of June 30, 2017 : ¥134,841 million
 As of March 31, 2017 : ¥130,744 million

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2017	—	15.00	—	15.00	30.00
Fiscal year ending March 31, 2018	—				
Fiscal year ending March 31, 2018 (Forecast)		20.00	—	20.00	40.00

Note: Revision of dividend forecast since last announcement: None

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	58,000	36.8	10,300	110.6	10,600	126.5	7,500	129.7	83.85
Full year	104,000	20.4	16,100	64.4	16,600	62.7	11,800	67.3	131.92

Note: Revision of results forecast since last announcement: Yes

*Notes

(1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries involving changes in scope of consolidation): None

New Company: — Exclusion: —

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and retrospective restatements

1) Changes in accounting policies in accordance with revision of accounting standards: Yes

2) Changes in accounting policies other than item 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(4) Number of shares issued (common stock)

1) Number of shares issued as of end of period (including treasury shares)

As of June 30, 2017: 97,823,748 shares

As of March 31, 2017: 97,823,748 shares

2) Number of treasury shares as of end of period

As of June 30, 2017: 8,373,272 shares

As of March 31, 2017: 8,372,922 shares

3) Average number of shares during the period

Three months ended June 30, 2017: 89,450,682 shares

Three months ended June 30, 2016: 95,189,826 shares

These quarterly financial results are not subject to quarterly review procedures

Explanation regarding appropriate use of results forecasts and other special remarks

The forward-looking statements, including results forecasts, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this document and they are not meant to be a commitment by the Company. Also, actual business results may differ substantially due to a number of factors.

(Reference) Overview of Non-consolidated Financial Results**1. Forecast of non-consolidated Financial Results for the Fiscal Year Ending March 31, 2018 (From April 1, 2017 to March 31, 2018)**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	53,000	39.6	9,700	152.6	9,900	181.2	7,100	184.0	79.37
Full year	94,000	19.2	14,900	67.0	15,300	66.0	11,000	71.1	122.97

Note: Revision of results forecast since last announcement: Yes

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2017, the Japanese economy has continued a recovery trend overall, and capital investment has shown steady growth. In terms of the global economy, the European economy continued a moderate recovery and signs of recovery in the manufacturing industry in North America has kept against the backdrop of improved corporate earnings. In china, economic slowdown has been halted, capital investment showed signs of improvement as well.

In this environment, under the slogan of “Excite and Inspire” the Company and its subsidiaries (hereinafter the “Group”) have taken on the challenge of reforming and have made efforts to develop highly original products as one of the world’s leading robot manufacturers, while striving to promote swift management and to provide the market with products that are highly cost competitive in a timely manner. We have also worked to improve customer satisfaction by strengthening the domestic and overseas sales and service system through cooperation among Group companies and expansion of the dealer network, and by promoting solution-based sales approaches. At the same time, we have sought to improve profitability through efforts to pursue exhaustive QCD (quality, cost and delivery) through strengthening supply chains and production reforms.

As a result of the above, net sales for the three months ended June 30, 2017 were ¥28,356 million, an increase of ¥5,226 million (22.6%) compared with the corresponding period of the previous fiscal year. Operating income was ¥5,090 million, (up 53.5% from the same period of the previous fiscal year), ordinary income was ¥5,422 million (up 77.6%), profit attributable to owners of parent was ¥3,883 million (up 84.6%).

Business results by segment are as follows.

1) Robotic Solutions

Capital investment related to mounting electronics components has shown positive action in various industries and business types including telecommunication, automotive and other industry machines. As a result, net sales totaled ¥25,385 million, up ¥5,543 million (27.9%) from the corresponding period of the previous fiscal year, and operating income was ¥5,962 million (up 34.6% from the same period of the previous fiscal year).

2) Machine Tools

Our machine tool’s sales field have been limited. As a result of such factors, net sales were ¥2,565 million, a decrease of ¥430 million (14.4%) from the same period of the previous fiscal year, and operating loss was ¥102 million (operating loss for the same period of the previous fiscal year was ¥146 million).

(2) Explanation of Financial Position

Regarding our financial position, due to an increase in notes and accounts receivable–trade, total assets increased by ¥7,713 million from the end of the previous fiscal year, to ¥166,119 million. In addition, an increase in notes and accounts payable–trade resulted in an increase in total liabilities by ¥3,610 million from the end of the previous fiscal year, to ¥31,069 million.

With regard to cash flows, the balance of cash and cash equivalents at the end of the first quarter of the fiscal year increased by ¥981 million from the end of the previous fiscal year, to ¥56,339 million.

Net cash provided by operating activities was ¥4,417 million (¥6,268 million in the same period of the previous fiscal year). This was mainly due to exceed negative factor of increasing notes and accounts receivable–trade by positive factor of increasing income before income taxes and minority interests.

Net cash used in investing activities was ¥2,259 million (¥5,447 million in the same period of the previous fiscal year). This was mainly due to purchase of securities.

Net cash used in financing activities was ¥1,333 million (¥2,961 million in the same period of the previous fiscal year). This was mainly due to cash dividends paid.

(3) Explanation of Forward-Looking Information including Forecast of Consolidated Results

Modifications have been made to the forecasts for consolidated business performance that we announced on May 11, 2017.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	53,956	53,291
Notes and accounts receivable - trade	18,004	22,437
Securities	5,570	7,952
Merchandise and finished goods	7,463	7,986
Work in process	14,158	14,356
Raw materials and supplies	5,479	5,596
Other	6,932	5,253
Allowance for doubtful accounts	(20)	(28)
Total current assets	111,544	116,844
Non-current assets		
Property, plant and equipment	17,870	18,238
Intangible assets	6,462	6,573
Investments and other assets		
Investment securities	22,057	23,992
Other	471	470
Total investments and other assets	22,529	24,463
Total non-current assets	46,862	49,274
Total assets	158,406	166,119
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,250	5,826
Current portion of long-term loans payable	31	—
Income taxes payable	1,691	1,886
Provision for product warranties	845	919
Other	6,195	8,487
Total current liabilities	14,014	17,120
Non-current liabilities		
Bonds payable	10,039	10,037
Net defined benefit liability	859	824
Other	2,545	3,087
Total non-current liabilities	13,444	13,948
Total liabilities	27,458	31,069

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Net assets		
Shareholders' equity		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Retained earnings	119,790	122,332
Treasury shares	(10,054)	(10,055)
Total shareholders' equity	121,028	123,569
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,739	9,087
Foreign currency translation adjustment	1,892	2,120
Remeasurements of defined benefit plans	83	62
Total accumulated other comprehensive income	9,715	11,271
Non-controlling interests	203	209
Total net assets	130,947	135,050
Total liabilities and net assets	158,406	166,119

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(For the Three Months Ended June 30, 2016 and 2017)

	(Millions of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	23,130	28,356
Cost of sales	14,015	16,689
Gross profit	9,115	11,667
Selling, general and administrative expenses	5,799	6,577
Operating profit	3,316	5,090
Non-operating income		
Interest income	35	47
Dividend income	163	155
Foreign exchange gains	—	99
Miscellaneous income	45	31
Total non-operating income	244	333
Non-operating expenses		
Interest expenses	(2)	(1)
Commission fee	8	2
Foreign exchange losses	499	—
Miscellaneous expenses	1	0
Total non-operating expenses	508	1
Ordinary profit	3,052	5,422
Extraordinary income		
Gain on disposal of non-current assets	4	1
Subsidy income	165	—
Total extraordinary income	169	1
Extraordinary losses		
Loss on disposal of non-current assets	17	101
Loss on valuation of investment securities	170	—
Total extraordinary losses	188	101
Profit before income taxes	3,033	5,322
Income taxes - current	1,093	1,846
Income taxes - deferred	(172)	(413)
Total income taxes	920	1,433
Profit	2,112	3,888
Profit attributable to non-controlling interests	8	4
Profit attributable to owners of parent	2,104	3,883

(Consolidated Statements of Comprehensive Income)
(For the Three Months Ended June 30, 2016 and 2017)

	(Millions of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	2,112	3,888
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,625)	1,348
Foreign currency translation adjustment	(1,913)	229
Remeasurements of defined benefit plans, net of tax	164	(20)
Total other comprehensive income	(3,374)	1,556
Comprehensive income	(1,261)	5,445
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,275)	5,439
Comprehensive income attributable to non-controlling interests	14	5

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Cash flows from operating activities		
Profit before income taxes	3,033	5,322
Depreciation	1,201	1,228
Increase (decrease) in net defined benefit liability	203	(65)
Interest and dividend income	(199)	(202)
Interest expenses	(2)	(1)
Loss (gain) on valuation of investment securities	170	—
Decrease (increase) in notes and accounts receivable - trade	(409)	(4,389)
Decrease (increase) in inventories	(434)	(690)
Increase (decrease) in notes and accounts payable - trade	464	454
Decrease (increase) in consumption taxes refund receivable	1,982	2,117
Other, net	794	2,012
Subtotal	6,805	5,787
Interest and dividend income received	199	203
Interest expenses paid	(0)	(0)
Income taxes paid	(736)	(1,572)
Net cash provided by (used in) operating activities	6,268	4,417
Cash flows from investing activities		
Purchase of securities	(3,200)	(2,400)
Purchase of property, plant and equipment and intangible assets	(1,653)	(1,509)
Proceeds from sales of property, plant and equipment and intangible assets	28	3
Purchase of investment securities	(71)	—
Payments into time deposits	(1,646)	(18)
Proceeds from withdrawal of time deposits	1,096	1,666
Other, net	(0)	(2)
Net cash provided by (used in) investing activities	(5,447)	(2,259)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	150	—
Repayments of long-term loans payable	—	(31)
Cash dividends paid	(1,304)	(1,301)
Purchase of treasury shares	(1,776)	(0)
Other, net	(30)	—
Net cash provided by (used in) financing activities	(2,961)	(1,333)
Effect of exchange rate change on cash and cash equivalents	(1,279)	156
Net increase (decrease) in cash and cash equivalents	(3,419)	981
Cash and cash equivalents at beginning of period	59,357	55,358
Cash and cash equivalents at end of period	55,937	56,339

(4) Notes to Consolidated Financial Statements**(Notes to assumption of going concern)**

Not applicable

(Notes to a significant change in shareholders' equity)

Not applicable

(Segment information)

I. Three months ended June 30, 2016

1) Information on the amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments			Others (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	19,842	2,995	22,837	292	23,130
Inter-segment sales or transfers	0	—	0	0	1
Total	19,842	2,995	22,838	293	23,131
Segment income (loss)	4,428	(146)	4,281	(112)	4,168

Note: "Others" include business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, electronic equipment, and image processing development.

2) Difference between the aggregate amount of the profit or loss of a reportable segment and the amount posted in the consolidated statements of income and major descriptions of such difference (difference adjustments and related matters)

(Millions of yen)

Income	Amount
Reportable segments total	4,281
Losses in Others	(112)
Inter-segment transaction eliminations	0
Corporate expenses (Note)	(853)
Operating income in the consolidated statements of income	3,316

Note: Corporate expenses mainly consist of general and administrative expenses and technical research expenses not attributable to the reportable segments.

II. Three months ended June 30, 2017

1) Information on the amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments			Others (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	25,385	2,565	27,951	405	28,356
Inter-segment sales or transfers	0	—	0	4	5
Total	25,385	2,565	27,951	410	28,362
Segment income (loss)	5,962	(102)	5,860	(62)	5,797

Note: "Others" include business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, electronic equipment, and image processing development

2) Difference between the aggregate amount of the profit or loss of a reportable segment and the amount posted in the consolidated statements of income and major descriptions of such difference (difference adjustments and related matters)

(Millions of yen)

Income	Amount
Reportable segments total	5,860
Losses in Others	(62)
Inter-segment transaction eliminations	2
Corporate expenses (Note)	(709)
Operating income in the consolidated statements of income	5,090

Note: Corporate expenses mainly consist of general and administrative expenses and technical research expenses not attributable to the reportable segments.

3. Others

(1) Orders and Sales

Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	20,805	88.9	19,842	85.8	10,274	61.8
Machine Tools	2,289	9.8	2,995	12.9	6,168	37.1
Others	305	1.3	292	1.3	178	1.1
Total	23,400	100.0	23,130	100.0	16,620	100.0

Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	28,219	90.0	25,385	89.5	19,021	70.5
Machine Tools	2,545	8.1	2,565	9.1	7,633	28.3
Others	583	1.9	405	1.4	314	1.2
Total	31,347	100.0	28,356	100.0	26,968	100.0

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	80,981	86.1	74,105	85.8	16,187	67.5
Machine Tools	11,776	12.5	10,997	12.7	7,654	31.9
Others	1,265	1.4	1,294	1.5	136	0.6
Total	94,024	100.0	86,397	100.0	23,978	100.0

(2) Information by Region

Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	2,714	10,244	3,139	2,923	774	3,195	139	23,130
Ratio (%)	11.7	44.3	13.6	12.6	3.4	13.8	0.6	100.0

Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	3,131	14,049	3,556	2,569	2,442	2,331	276	28,356
Ratio (%)	11.0	49.6	12.5	9.1	8.6	8.2	1.0	100.0

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	11,876	38,947	10,377	10,791	3,605	9,870	927	86,397
Ratio (%)	13.7	45.1	12.0	12.5	4.2	11.4	1.1	100.0

Note: Net sales are based on the locations of customers and classified by country or region.

Reference Document

Announcement of Financial Results for the First Quarter Ended June 30, 2017

August 10, 2017

Fuji Machine Mfg. Co., Ltd.

Securities Code: 6134

Listings: First section of the Tokyo Stock Exchange
and Nagoya Stock Exchange

1. Forecast of consolidated financial results for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	5,800	36.8	10,300	110.6	10,600	126.5	7,500	129.7
Full year	104,000	20.4	16,100	64.4	16,600	62.7	11,800	67.3

2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	53,000	39.6	9,700	152.6	9,900	181.2	7,100	184.0
Full year	94,000	19.2	14,900	67.0	15,300	66.0	11,000	71.1

3. Forecast of consolidated orders and net sales for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Amounts less than one million yen have been truncated)

Name of segment	Orders		Net sales	
	First half	Full year	First half	Full year
Robotic Solutions	49,000	88,500	51,000	90,000
Machine Tools	6,000	12,000	6,000	12,000
Others	1,000	2,500	1,000	2,000
Total	56,000	103,000	58,000	104,000

4. Forecast of consolidated major items for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Amounts less than one million yen have been truncated)

Item	First half	Full year
Capital expenditures	3,800	8,800
Depreciation	2,500	5,200
Research and development expenses	3,300	6,800