



FINANCIAL STATEMENTS

From April 1, 2000

to March 31, 2001

Consolidated Subsidiaries

Domestic:

Makoto Industry Co., Ltd.

Linsey System Co., Ltd.

Edec Co., Ltd.

Astro Co., Ltd.

Overseas:

Fuji America Corporation

Fuji Machine America Corporation

Management Policy

In order to maintain our status as a worthy corporation for our customers, shareholders and employees, and to contribute to the growth of the social economy, the FUJI Machine Manufacturing Group will continue to strive to provide our customers throughout the world with the highest technology and service, while making every effort to realize our basic management policy, "Technological Innovation, Market Innovation, Business Innovation to Lead Us Into Tomorrow."

More specifically, we are putting our utmost efforts into strengthening our consolidated management through the optimal utilization of resources owned by our group, through quality improvement within our existing businesses and the development of new businesses, as well as in the realization of cost reduction through management innovation and a highly efficient company structure.

In a bid to further improve our development system for assembly machines, we completed a development center last year in June. Also, in order to accommodate the future expansion of the market, we purchased the neighboring lands and buildings of our Okazaki plant and commenced extension of the existing plant. The extension work is scheduled to complete in June of this year.

In order to receive even stronger trust from our customers, we are striving to firmly integrate the quality assurance system, ISO-9001. We also acquired the environmental management system, ISO-14001 in June last year, in a bid to establish a production system which helps us discharge corporate responsibilities in the aid of global environmental protection.

It is Fuji's policy to set dividend levels based on profitability, and while every attempt is made to maintain dividend levels, in view of the rapidly changing nature of our businesses, the dividend level must be set with an over-riding view to stabilizing the management base and strengthening the company's financial position.

Retained earnings are to be applied to the development of products focused on market needs, technology development, and effective investment in production facilities with a view towards strengthening our business structure instead of a view of expansion of our business will ensure profits in the future for our shareholders.

Business Summary

(1) Outline for the current period

All in all, the global economy maintained an upbeat trend throughout the first half of the current fiscal period, supported by the continuous economic boom in the United States, the steady growth of the European economy and growth in the Asian economy. However, the U.S. economy, which was the long-term driving force of the global economy, since last autumn the U.S. economy suddenly began a rapid deceleration. This slowdown of the U.S. economy had grave impact on the global economy as it spread to Europe and Asia, and in fact, to the entire world. The Japanese economy, which looked as it were on the recovery track, began showing signs of stagnation once again. This is due to the slowdown of exports and flat consumer spending.

During the first half of this period, the electronic assembly machine industry maintained a booming business owing to a global trend of investments in information technology. However, demand for equipment dropped significantly later on, due to the worldwide IT recession. Meanwhile, the machine tool industry showed a steady domestic growth thanks to the recovery of equipment investment led by the automobile industry and the information and communication related industry. The machine tools industry also showed steady growth in its overseas business, especially in Asia. However, demands for this industry decreased at the

beginning of this year due to the stagnation of the world economy.

Against this background, our group has aggressively invested in research and development, endeavored to develop new products such as the high-speed CP-7 series chip placing machines, the modular type multi-function QP-3 series component placing machines, the compact XP series component placing machines and enhancements to our complex machining tool series, and we have expanded sales and production activities which will permit us to rapidly respond to variations in the market.

Results for this consolidated fiscal period were total sales of 101,749 million yen for assembly machines, 11,610 million yen for machine tools, and 1,229 million yen attributable to other business activities, for a combined total of 114,590 million yen.

While the increased earnings were an improvement, increased competition and new product changeovers had their affects. For this consolidated fiscal period, operating profits were 10,066 million yen and ordinary profits were 11,812 million yen. The difference in retirement salary based on transferring to the new standard is a 1,422 million yen depreciation that will be treated as a one-time special loss. As a result, the net profit for this period is 5,656 million yen.

(2) Prospects of the next period

As for the prospects for the period, the global economy is expected to stall due to concerns over the prolonged economic depression in the U.S. and the delayed recovery of the Japanese economy, which is expected to gradually recover in the latter half of the next period. In the electronic assembly machine market, the current market sentiment is that excessive equipment capacity will not disappear for quite some time. However, the mid to long-term view is that of vibrant demand for equipment investment due in part to IT innovations. In the machine tool industry, investments in environmental and cost reduction measures as well as investments in streamlining will progress in a relatively steady manner in the overseas market led by the automobile industry, though a full-scale recovery of the domestic market will take some time.

In a situation such as this, we will try our best to build a corporate system, which can cope with the needs in the twenty-first century while ascertaining the tide of technology and market change as we move toward an advanced information age.

The forecasts for the next fiscal year's sales are expected to be 79,000 million yen, an operating profit of 2,200 million yen, an ordinary profit of 2,600 million yen, and a net profit forecast for the period of 1,600 million yen.

CONSOLIDATED BALANCE SHEETS

Fuji Machine Mfg. Co., Ltd. and subsidiaries
As of March 31, 2001 and 2000

ASSETS	Millions of yen	
	2001	2000
Current assets		
Cash on hand and in bank	9,327	26,014
Notes and accounts receivable – trade	22,058	23,782
Inventories	50,745	36,890
Deferred taxes	2,882	1,934
Other current assets	3,619	2,825
Less-allowance for doubtful receivable	165	177
Total current assets	88,468	91,269
Fixed assets		
Property, plant and equipment:		
Building and structures	10,377	7,196
Machinery/equipment and vehicles	5,216	4,436
Tools, furniture and fixtures	1,629	1,263
Land	3,915	2,303
Construction in progress	620	1,657
Total property, plant and equipment	21,759	16,856
Intangible assets:		
Software	2,433	1,671
Other intangible assets	24	22
Total intangible assets	2,458	1,694
Investments and other assets:		
Investment securities	4,216	2,996
Deferred taxes	521	134
Others	690	792
Total investments and other assets	5,428	3,923
Total fixed assets	29,645	22,474
Total assets	118,114	113,744

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen	
	2001	2000
Liabilities		
Current liabilities:		
Notes and accounts payable	15,991	17,603
Accrued income taxes	2,133	4,281
Accrued expenses	3,878	4,397
Accrued warranty	1,670	648
Others	2,605	2,164
Total current liabilities	26,280	29,094
Long term liabilities:		
Accrued retirement benefit	1,043	-
Consolidation adjustments	222	-
Total long term liabilities	1,266	-
Translation adjustment	-	791
Total liabilities	27,546	29,885
Minority interest	-	700
Shareholders' equity		
Capital stock	5,878	5,878
Capital reserve	5,413	5,413
Retained earnings	76,214	71,867
Unrealized gain on available for-sale securities, net of taxes	158	-
Translation adjustment	2,902	-
Treasury stock	0	1
Total shareholders' equity	90,567	83,158
Total liabilities, minority interest and shareholders' equity	118,114	113,744

CONSOLIDATED INCOME STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries
For the years ended March 31, 2001 and 2000

	Millions of yen	
	2001	2000
Net sales	114,590	107,134
Cost of sales	82,359	74,549
Selling, general and administrative expenses	22,163	20,200
Operating income	10,066	12,384
Non-operating revenue:		
Interest and dividend income	505	462
Exchange gain	774	-
Others	487	658
Non-operating expenses:		
Interest expense	0	3
Exchange loss	-	1,498
Others	22	88
Ordinary income	11,812	11,914
Extraordinary gain	168	90
Extraordinary loss	2,153	379
Income before income taxes and minority interest	9,826	11,625
Income taxes:		
Corporate, inhabitant's and enterprise taxes	5,375	5,682
Adjustment for corporate taxes	1,364	753
Minority interest in consolidated subsidiaries	159	173
Net income	5,656	6,522
Notes:		
Depreciation expense	2,583	2,194
Amortization expense	745	609

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Fuji Machine Mfg. Co., Ltd. and subsidiaries
For the years ended March 31, 2001 and 2000

	Millions of yen	
	2001	2000
Beginning balance of retained earnings		
Beginning balance of retained earnings	71,867	65,311
Prior year deferred tax adjustment	-	719
Increase		
Increase in retained earnings due to increase in consolidated subsidiaries	-	500
Decrease		
Cash dividends	1,222	1,100
Directors' and statutory auditors' bonuses	87	87
Net income	5,656	6,522
Ending balance of retained earnings	76,214	71,867

CONSOLIDATED CASH FLOWS STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries
For the years ended March 31, 2001 and 2000

	Millions of yen	
	2001	2000
Operating activities		
Income before income taxes and minority interest	9,826	11,625
Depreciation and amortization	3,328	2,804
Increase in accrued warranty	996	90
Increase in accrued retirement benefit	1,043	-
Interest and dividend income	505	462
Interest expense	0	3
Gain on disposition of fixed assets	131	76
Loss on disposition of fixed assets	499	379
Devaluation of investment securities	110	-
Increase or decrease in accounts receivable	2,544	7,513
Increase in inventories	12,538	2,959
Increase or decrease in trade payable	2,667	5,594
Others	1,228	80
Sub total	1,278	9,567
Interest and dividend received	505	462
Interest paid	0	24
Income taxes paid	7,559	-
Income taxes refunded	-	2,587
Net cash from operating activities	5,775	12,592
Investing activities		
Additions of tangible and intangible fixed assets	9,336	4,506
Proceeds from sales of tangible and intangible fixed assets	288	170
Additions of investment securities	992	-
Investment in time deposit	954	2,962
Proceeds on maturity of time deposit	1,433	3,572
Proceeds from cancellation of specified money trust	-	258
Expenditures related to additional acquisitions of consolidated subsidiary company stocks	558	-
Others	99	61
Net cash used for investing activities	10,020	3,406
Financing activities		
Decrease in short term borrowings	24	22
Redemption of corporate bonds	-	1,000
Dividends paid	1,224	1,102
Others	1	13
Net cash used for financing activities	1,247	2,110
Effect of exchange rate changes on cash and cash equivalents	836	759
Increase or decrease in cash and cash equivalents	16,207	6,316
Cash and cash equivalents at beginning of year	24,892	18,178
Increase in cash and cash equivalents due to the extended scope of consolidation	-	397
Cash and cash equivalents at end of the year	8,685	24,892

BASIS FOR PREPARATION OF CONSOLIDATED STATEMENTS

1. Consolidation range

Number of consolidated subsidiary companies: 6 companies

The names of consolidated subsidiary companies:

Makoto Industry Co., Ltd. Linsey System Co., Ltd. Edec Co., Ltd. Astro Co., Ltd.
Fuji America Corporation Fuji Machine America Corporation

2. Applicability under the holdings law

The names of affiliated companies to which the equity method is not applied:

Fuji Machine Mfg. (Europe) GmbH Fuji do Brasil Maquinas Industrials Ltda.
Fuji Machine Philippines, Inc.

Reasons for not applying the equity method

The total amount of net profit/loss and reserves of the affiliated companies to which the equity method is not applied for this consolidated term, and the total amount equivalents for holdings were so insignificant as to have any affect on the net profit/loss and the reserves of the consolidated company during this term, and are therefore deemed not to be of consequence from the view of the entity as a whole. Therefore, the Holdings Law does not apply.

3. Consolidated Subsidiary Company Business Periods

The business period of the consolidated subsidiary companies is consistent with the business period of this consolidated accounting period.

4. Standard Accounting Practices

(1) Evaluation standards and methods for important assets

Inventories

Determined mainly by final purchase cost method and periodic average method.

Securities

Other securities

Securities with market value: The market value method based on the market price as of the date of account settlement (The difference in evaluation is fully treated according to the method to be directly incorporated in the capital and the sale cost is calculated by the moving average method.)

Securities without market value: Determined by the moving average method.

(2) Depreciation methods for important assets

Tangible fixed assets are depreciated mainly using the declining balance method, except for buildings (excluding attached facilities) acquired in Japan subsequent to March 31, 1998 are depreciated according to the straight-line method.

Intangible fixed assets are depreciated using the straight-line method. However, as for software used for sales, the straight-line method is applied based on the estimated term of usefulness. As to software for our company uses, the straight-line method is based on the estimated usable term.

(3) Accounting standard for important allowances

Allowance for doubtful accounts: to prepare for loss on irrecoverable debts, the estimated irrecoverable amount is appropriated by the actual rate of dead loan as for general credit, and by estimation of possibility of recovery for individual cases for specific doubtful credits that have worries of dead loan.

Accrued warranty: to prepare for outlays for defects found in manufactured goods within the warranty period, the experience rate is computed based on past record, which is then multiplied by the sales for the current term.

Accrued retirement benefit: In preparation of payment of employee retirement benefit, we have appropriated the amount that based on the estimated amount of the debt for payment of the retirement benefit liabilities and pension assets at the end of the current consolidated accounting period. The amount of difference due to transition of accounting systems (1,422 million yen) is treated as a lump-sum expense in the current consolidated accounting period.

5. Subsidiary Company Assets and Loan Evaluation

The assets and loans of consolidated subsidiary companies are evaluated according to the market price method in all its aspects.

6. Amortization of Consolidated Adjustment Account

The consolidated adjustment account is depreciated evenly over two years.

7. Disposal of Profits

A consolidated surplus statement is issued based on the profit disposal having been confirmed during consolidated accounting period.

8. Capital Range of Consolidated Cash Flows Accounting Statement

The capital (cash and equivalents) in the Consolidated Cash Flows Statement consists of cash on hand, deposits receivable on demand and short-term investments with 3 month or less until due date after date of acquisition, with very little variance in value and/or can also be easily converted to cash.

ADDITIONAL INFORMATION

1. Retirement benefit payment accounting

We have applied the new accounting standards to all retirement benefit transactions as noted in the "Opinion paper on accounting standards used with regards to retirement benefits" (passed June 16, 1998 by the Business Accounting Council). The result is that in comparison with the previous calculation method, the ordinary profits for this consolidated period is 378 million yen larger and the pre-tax net period profit is 1,043 million yen lower.

2. Financial instrument accounting

We have applied the new accounting standards to all financial instruments as noted in the "Opinion paper on accounting standards used with regards to financial instruments" (passed January 22, 1999 by the Business Accounting Council). The result is that in comparison with the previous calculation method, the ordinary profits for this consolidated period is 125 million yen larger and the pre-tax net consolidated period profit is 78 million yen larger.

3. Treatment of foreign currency transactions

We have applied the new accounting standards to all foreign currency transactions as noted in the "Opinion paper on accounting standards used with regards to foreign currency transactions" (passed October 22, 1999 by the Business Accounting Council). There is no affect on profit/loss. For your information, the "foreign currency translation adjustment" 2,902 million yen at this current consolidated accounting period) which was listed in the "liabilities" in the previous consolidated accounting period is now listed in the "capital" due to revision of rules for financial statements for the consolidated accounting period.

NOTES :

(On consolidated balance sheet)

	March 31, 2001	March 31, 2000
1. Accumulated depreciation of tangible fixed assets	17,011	15,526
2. Balance of endorsed notes receivable	33	60
3. Treatment of matured bills at the final date of the consolidated accounting period : Matured bills are settled as of the date of bill clearing. As the final date for the current consolidated accounting period falls on a holiday of financial institutions, matured bills as of the final date for the said accounting period are included in the following account: Notes receivable 547 million yen		

(On consolidated cash flow statement)

The relation between the term-end balance of cash and cash-equivalents, and the sums of the items listed on the consolidated balance sheet

	March 31, 2001	March 31, 2000
Cash and deposit accounts	9,327	26,014
Time deposits whose deposit terms exceed three months	642	1,121
Cash and cash equivalents at end of the period	8,685	24,892

(On consolidated marketable securities)

(This period)

1. Other negotiable securities which currently have a market value

(Millions of yen)

Category	This consolidated accounting period (March 31, 2001)		
	Acquisition cost	Price on consolidated balance sheet	Net difference
Items whose sums on the consolidated balance sheet exceed their acquisition costs			
Shares	1,657	2,377	720
Bonds	-	-	-
Other	-	-	-
Subtotal	1,657	2,377	720
Items whose sums on the consolidated balance sheet do not exceed their acquisition costs			
Shares	1,424	1,079	345
Bonds	-	-	-
Other	354	252	101
Subtotal	1,778	1,332	446
Total	3,436	3,710	274

2. Contents of principal negotiable securities which lack a market value, and their sums on the consolidated balance sheet

(Millions of yen)

Category	This consolidated accounting period (March 31, 2001)
Other marketable securities	Price on consolidated balance sheet
Non-listed stocks (excluding over-the-counter stocks)	152
Bonds	330
Total	482

(Previous period)

(Millions of yen)

Category	Prior consolidated accounting period (March 31, 2000)		
	Price on consolidated balance sheet	Current price	Estimated gain
Current assets			
Shares	14	30	16
Bonds	-	-	-
Other	152	120	31
Sub total	166	151	15
Fixed assets			
Shares	2,747	4,292	1,545
Bonds	-	-	-
Other	-	-	-
Sub total	2,747	4,292	1,545
Total	2,914	4,443	1,529

Notes:

1. Computation of current price:

Securities listings..... Closing price is for shares, mainly quoted on the Tokyo Stock Exchange

Over-the-counter securities..... Closing price announced by Japan Federation of Securities Dealers' Association

Securities investment trust..... Base price

2. Securities not disclosed in the consolidated balance sheet Prior consolidated accounting period
Fixed assets Unlisted shares 248

(On derivative transactions)

No items fall under this category.

(On retirement benefits)

1. Outline of our retirement benefits systems

We have adopted the tax-qualified pension system and the employees' pension fund system. Some of our domestic consolidated subsidiaries are equipped with the tax-qualified pension system, and some of our overseas consolidated subsidiaries are equipped with the defined contribution pension plan system.

2. Items related to retirement benefits liabilities (March 31, 2001)

	(Millions of yen)
Retirement benefits liabilities	6,256
Pension assets	4,736
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Unreserved retirement benefits liabilities	1,520
Undisposed amount of variances due to the change in the accounting standard	-
Variances due to unrecognized calculative reasons	476
Unrecognized past service costs (reduction of the costs)	-
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Net amount on the consolidated balance sheet	1,043
Prepaid pension	-
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Accrued retirement benefit	1,043

Note: Some of the consolidated subsidiaries adopted a simplified calculation method to calculate retirement benefits liabilities.

3. Items related to retirement benefits expenses (April 1, 2000 to March 31, 2001)

	(Millions of yen)
Service costs	373
Interest costs	179
Expected investment returns	138
Disposed amount of variances due to the change in the accounting standard	1,422
Disposed amount of variances due to calculative reasons	-
Disposed amount of past service costs	-
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Expenses for retirement benefits	1,837

Note: The retirement benefits expenses of the consolidated subsidiaries which adopted a simplified method is added to the 'service costs'.

4. Basic information on the calculation of retirement benefits liabilities, etc.

Allotment method of the estimated sum of retirement benefits for each period	Fixed amount standard
Discount rate	3%
Expected rate for investment profits	3%
Number of years for the disposal of variances due to calculative reasons	A lump-sum expense disposal in the next, consolidated fiscal year.
Number of years for the disposal of variances due to the change in the accounting standard	A lump-sum expense disposal when a variance appears

(On tax effect accounting)

Breakdown of the main causes of deferred income tax on assets and liabilities

(Millions of yen)

	March 31, 2001	March 31, 2000
(Deferred tax assets)		
Accrued warranty	683	265
Unrealized profit from inventories	617	517
Advances attributable to product warranty	582	-
Devaluation of inventories	503	307
Accrued retirement benefit	430	-
Accrued expenses	287	427
Accrued enterprise taxes	129	381
Others	297	190
Total deferred tax assets	<u>3,531</u>	<u>2,089</u>
(Deferred tax liabilities)		
Unrealized gain on available for-sale securities, net of taxes	116	-
Disposition of the allowance for doubtful debts resulting from the elimination of credits and debts	11	20
Total deferred tax liabilities	<u>128</u>	<u>20</u>
Net of deferred tax assets	<u><u>3,403</u></u>	<u><u>2,069</u></u>

(On consolidated segment information)**1. Business segment information**

This consolidated accounting period (April 1, 2000 to March 31, 2001)

(Millions of yen)

	Assembly Machines	Machine Tools	Other	Total	Elimination or all company	Consolidate d
. Sales and operating expenses						
Sales						
1. Sales to third parties	101,749	11,610	1,229	114,590	-	114,590
2. Interarea sales or transfers	9	-	1	10	10	-
Total	101,758	11,610	1,231	114,600	10	114,590
Operating expenses	89,087	12,395	1,050	102,533	1,989	104,523
Operating income (loss)	12,671	784	180	12,067	2,000	10,066
. Asset, depreciation and capital expenditure						
Asset	96,738	14,239	925	111,903	6,210	118,114
Depreciation	2,554	527	5	3,088	240	3,328
Capital expenditure	8,738	357	7	9,103	311	9,414

Prior consolidated accounting period (April 1, 1999 to March 31, 2000)

(Millions of yen)

	Assembly Machines	Machine Tools	Other	Total	Elimination or all company	Consolidate d
. Sales and operating expenses						
Sales						
1. Sales to third parties	88,672	17,484	977	107,134	-	107,134
2. Interarea sales or transfers	5	-	209	215	215	-
Total	88,677	17,484	1,187	107,349	215	107,134
Operating expenses	74,283	17,936	927	93,147	1,601	94,749
Operating income (loss)	14,394	452	260	14,202	1,817	12,384
. Asset, depreciation and capital expenditure						
Asset	76,431	15,395	934	92,761	20,982	113,744
Depreciation	2,011	621	12	2,645	159	2,804
Capital expenditure	3,403	601	94	4,098	873	4,972

Notes:**1. Method of segmentation by type of business**

Segmentation has been performed by the type and nature of the products.

2. Main products of each business unit.

(1) Assembly machine business: SMT assembly machines

(2) Machine tools business: Automatic lathe, Special-purpose machines

(3) Other businesses: Control hardware, Software development, Insurance brokerage

3. Unallocable operating expenses included in elimination or all companies items amounted to 2,000 million yen for this consolidated accounting period and 1,817 million yen for the prior year, with the majority being expenses related to administrative divisions and technical research.**4. Company assets included in elimination or all companies items amounted to 6,211 million yen for this consolidated accounting period and 21,005 million yen for the prior year, with the majority being expenses related to surplus operating capital of the parent company (cash), long-term investments (investment securities), assets related to administrative division and technical research.**

2. Geographical segment information

This consolidated accounting period (April 1, 2000 to March 31, 2001) (Millions of yen)

	Japan	North America	Total	Elimination or all company	Consolidated
. Sales and operating expenses					
Sales					
1. Sales to third parties	74,993	39,596	114,590	-	114,590
2. Interarea sales or transfers	32,468	882	33,351	33,351	-
Total	107,461	40,479	147,941	33,351	114,590
Operating expenses	96,925	38,961	135,887	31,363	104,523
Operating income	10,536	1,518	12,054	1,987	10,066
. Asset	96,071	23,433	119,505	1,390	118,114

Prior consolidated accounting period (April 1, 1999 to March 31, 2000) (Millions of yen)

	Japan	North America	Total	Elimination or all company	Consolidated
. Sales and operating expenses					
Sales					
1. Sales to third parties	64,707	42,426	107,134	-	107,134
2. Interarea sales or transfers	32,084	990	33,075	33,075	-
Total	96,792	43,417	140,210	33,075	107,134
Operating expenses	84,407	42,186	126,594	31,844	94,749
Operating income	12,385	1,230	13,615	1,231	12,384
. Asset	80,127	22,616	102,744	10,999	113,744

Notes:

1. Division by country or region based on geographical proximity.
2. Major countries or regions in each division
North America: The United States of America
3. Unallocable operating expenses included in elimination or all companies items amounted to 2,000 million yen for this consolidated accounting period and 1,817 million yen for the prior year, with the majority being expenses related to administrative divisions and technical research.
4. Company assets included in elimination or all companies items amounted to 6,211 million yen for this consolidated accounting period and 21,005 million yen for the prior year, with the majority being expenses related to surplus operating capital of the parent company (cash), long-term investments (investment securities), assets related to administrative division and technical research.

3. Overseas sales

This consolidated accounting period (April 1 2000 to March 31, 2001)

(Millions of yen)

	North America	Europe	Asia	Other	Total
. Overseas sales	39,984	14,399	41,439	2,891	98,714
. Consolidated sales					114,590
. Ratio of overseas sales to consolidated sales(%)	34.9	12.6	36.1	2.5	86.1

Prior consolidated accounting period (April 1 1999 to March 31, 2000)

(Millions of yen)

	North America	Europe	Asia	Other	Total
. Overseas sales	42,679	15,524	33,736	2,358	94,298
. Consolidated sales					107,134
. Ratio of overseas sales to consolidated sales(%)	39.8	14.5	31.5	2.2	88.0

Notes:

1. Division by country or region based on geographical proximity.
2. Major countries or regions in each division
 - (1) North America: The United States of America, Canada, Mexico etc
 - (2) Europe: France, The United Kingdom, Germany etc
 - (3) Asia: Taiwan, China, Korea etc
 - (4) Other: Brazil etc
3. Overseas sales is the aggregation of sales outside of Japan by the parent company and its consolidated subsidiaries.

(Negotiation with the relevant parties)

No items fall under this category.

CONSOLIDATED ORDER RECEPTION AND SALES SITUATION

Fuji Machine Mfg. Co., Ltd. and subsidiaries

(This period)

(Millions of yen)

Business divided into Market segment type	This consolidated accounting period (April 1, 2000 to March 31, 2001)		
	Sales orders (%)	Sales (%)	Back orders (%)
Assembly machine business	99,605 (89.6)	101,749 (88.8)	14,016 (80.8)
Machine tools business	10,372 (9.3)	11,610 (10.1)	3,199 (18.5)
Other businesses	1,255 (1.1)	1,229 (1.1)	125 (0.7)
Total	111,233 (100.0)	114,590 (100.0)	17,340 (100.0)

(Previous period)

(Millions of yen)

Business divided into Market segment type	Prior consolidated accounting period (April 1, 1999 to March 31, 2000)		
	Sales orders (%)	Sales (%)	Back orders (%)
Assembly machine business	93,655 (87.5)	88,672 (82.8)	16,160 (78.1)
Machine tools business	12,889 (12.0)	17,484 (16.3)	4,437 (21.4)
Other businesses	538 (0.5)	977 (0.9)	100 (0.5)
Total	107,082 (100.0)	107,134 (100.0)	20,697 (100.0)

BALANCE SHEETS

Fuji Machine Mfg. Co., Ltd.
As of March 31, 2001 and 2000

ASSETS	Millions of yen	
	2001	2000
Current assets		
Cash on hand and in bank	2,100	17,381
Notes receivable	3,397	2,648
Accounts receivable	20,039	22,919
Marketable securities	0	153
Finished goods and work in process	19,613	14,344
Raw material and supplies	22,054	16,310
Deferred taxes	1,611	1,079
Other current assets	3,633	2,666
Allowance for doubtful receivable	99	132
Total current assets	72,353	77,372
Fixed assets		
Property, plant and equipment:		
Building and structures	7,907	6,073
Machinery and equipment	4,292	4,106
Vehicles	103	112
Tools, furniture and fixtures	1,495	1,156
Land	3,186	1,798
Construction in progress	620	1,337
Total property, plant and equipment	17,607	14,584
Intangible assets:		
Software	2,335	1,569
Other intangible assets	19	19
Total intangible assets	2,354	1,589
Investments, etc.:		
Investment securities	4,081	2,967
Investment in related parties	1,140	581
Sundry investments	413	512
Deferred taxes	453	134
Other investments	187	190
Total investments	6,276	4,386
Total fixed assets	26,238	20,560
Total assets	98,591	97,933

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen	
	2001	2000
Liabilities		
Current liabilities:		
Notes payable	11,959	11,312
Accounts payable-trade	4,031	6,322
Accounts payable-other	383	394
Accrued income taxes	1,402	3,834
Accrued expenses	2,917	3,258
Accrued warranty	1,486	499
Equipment notes payable	653	740
Other current liabilities	1,023	647
Total current liabilities	23,858	27,009
Long term liabilities:		
Accrued retirement benefit	1,017	-
Total long term liabilities	1,017	-
Total liabilities	24,876	27,009
Shareholders' equity		
Capital stock	5,878	5,878
Capital reserve	5,413	5,413
Legal reserve	1,371	1,231
Earned surplus:		
Revenue reserves	400	400
General reserves	51,000	46,600
Unappropriated retained earnings	9,485	11,400
(Net income)	3,932	5,583)
Unrealized gain on available for-sale securities, net of taxes	166	-
Total shareholders' equity	73,715	70,923
Total liabilities and shareholders' equity	98,591	97,933

INCOME STATEMENT

Fuji Machine Mfg. Co., Ltd.

For the years ended March 31, 2001 and 2000

	Millions of yen	
	2001	2000
Net sales	106,516	95,694
Cost of sales	83,192	71,891
Selling, general and administrative expenses	16,275	14,429
Operating income	7,048	9,373
Non-operating revenue:		
Interest and dividend income	69	677
Exchange gain	1,241	-
Others	264	563
Non-operating expenses:		
Interest expense	0	3
Exchange loss	-	1,052
Others	21	87
Ordinary income	8,602	9,471
Extraordinary gain	66	61
Extraordinary loss	2,103	373
Income before income taxes	6,565	9,159
Income taxes:		
Corporate, inhabitant's and enterprise taxes	3,600	4,440
Adjustment for corporate taxes	967	864
Net income	3,932	5,583
Retained earnings brought forward	6,224	6,138
Prior year deferred tax adjustment	-	350
Interim dividend	611	611
Reserve for revenue	61	61
Unappropriated retained earnings	9,485	11,400
Notes:		
Depreciation expense	2,231	1,970
Amortization expense	721	580

STATEMENT OF PROPOSED APPROPRIATION OF RETAINED EARNINGS

Fuji Machine Mfg. Co., Ltd.
For the year ended March 31, 2001 and 2000

	Millions of yen	
	2001	2000
Unappropriated retained earnings	9,485	11,400
Proposed to be appropriated as follows:		
Legal reserves	78	78
Cash dividends	611	611
Directors' and statutory auditors' bonuses	85	85
General reserves	2,400	4,400
Accumulated profits	6,310	6,224

ACCOUNTING POLICY

1. Evaluation standards and methods for assets

(1) Appraisal method of inventories

Finished goods and work in process valued by average cost method.

Raw material and stores valued by last-in cost method.

(2) Appraisal method of negotiable securities

Shares of subsidiaries and affiliated companies

Determined by the moving average method.

Other securities

Securities with market value: The market value method based on the market price as of the date of account settlement (The difference in evaluation is fully treated according to the method to be directly incorporated in the capital and the sale cost is calculated by the moving average method.)

Securities without market value: Determined by the moving average method.

2. Depreciation methods for assets

(1) Tangible fixed assets are depreciated using the declining balance method, except for buildings (excluding attached facilities) acquired in Japan subsequent to March 31, 1998 are depreciated according to the straight-line method.

(2) Intangible fixed assets are depreciated using the straight-line method. However, as for software used for sales, the straight-line method is applied based on the estimated term of usefulness. As to software for our company uses, the straight-line method is based on the estimated usable term.

3. Accounting standard for allowances

(1) Allowance for doubtful accounts: to prepare for loss on irrecoverable debts, the estimated irrecoverable amount is appropriated by the actual rate of dead loan as for general credit, and by estimation of possibility of recovery for individual cases for specific doubtful credits that have worries of dead loan.

(2) Accrued warranty: to prepare for outlays for defects found in manufactured goods within the warranty period, the experience rate is computed based on past record, which is then multiplied by the sales for the current term.

(3) Accrued retirement benefit: In order to prepare for payment of employee retirement benefit, we have appropriated the amount that based on the estimated amount of the debt for payment of the retirement benefit liabilities and pension assets at the end of the current accounting period. The amount of difference due to transition of the accounting system (1,396 million yen) is treated as a lump-sum expense in the current accounting period.

4. Computation of consumption tax and other tax

Tax computed separately.

ADDITIONAL INFORMATION

1. Retirement benefit payment accounting

We have applied the new accounting standards to all retirement benefit transactions as noted in the "Opinion paper on accounting standards used with regards to retirement benefits" (passed June 16, 1998 by the Business Accounting Council). The result is that in comparison with the previous calculation method, the ordinary profits for this period is 378 million yen larger and the pre-tax net period profit is 1,017 million yen lower.

2. Financial instrument accounting

We have applied the new accounting standards to all financial instruments as noted in the "Opinion paper on accounting standards used with regards to financial instruments" (passed January 22, 1999 by the Business Accounting Council). The result is that in comparison with the previous calculation method, the ordinary profits for this period is 125 million yen larger and the pre-tax net period profit is 92 million yen larger.

3. Treatment of foreign currency transactions

We have applied the new accounting standards to all foreign currency transactions as noted in the "Opinion paper on accounting standards used with regards to foreign currency transactions" (passed October 22, 1999 by the Business Accounting Council). There is no affect on profit/loss.

NOTES:

(Millions of yen)

(On balance sheet)	March 31, 2001	March 31, 2000
1. Accumulated depreciation of tangible fixed assets	15,695	14,590
2. Securities		
Treasury stock holding	10 shares	206 shares
Value of treasury stock	0	1
3. Treatment of matured bills at the final date of the accounting period : Matured bills are settled as of the date of bill clearing. As the final date for the current accounting period falls on a holiday of financial institutions, matured bills as of the final date for the said accounting period are included in the following account: Notes receivable 489 million yen		

(On tax effect accounting)

Breakdown of the main causes of deferred income tax on assets and liabilities

(Millions of yen)

(Deferred tax assets)	March 31, 2001	March 31, 2000
Accrued warranty	612	205
Advances attributable to product warranty	582	-
Accrued retirement benefit	419	-
Accrued expenses	214	414
Accrued enterprise taxes	94	346
Others	257	247
Total deferred tax assets	<u>2,182</u>	<u>1,214</u>
(Deferred tax liabilities)		
Unrealized gain on available for-sale securities, net of taxes	116	-
Total deferred tax liabilities	<u>116</u>	<u>-</u>
Net of deferred tax assets	<u><u>2,065</u></u>	<u><u>1,214</u></u>