



## FIRST QUARTER FINANCIAL STATEMENTS

From April 1, 2009

To June 30, 2009

### Consolidated Subsidiaries

*Domestic:*

*Makoto Industry Co., Ltd.*

*Edeclinsey System Co., Ltd.*

*Astro Co., Ltd.*

*Overseas:*

*Fuji America Corporation*

*Fuji Machine America Corporation*

*Fuji Machine Mfg. (Europe) GmbH*

*Fuji Machine China Co., Ltd.*

## **Qualitative information and financial statements, etc.**

### **1. Qualitative information concerning consolidated management results**

The economy of Japan in the 1st quarter of the current fiscal year was still in a severe condition due to sluggish consumption continued from the latter half of the preceding year and decreased exports and capital investment. Although there is some indication of economic recovery in the Asian region like China, etc., suppression of capital investments still remains in the countries in Europe and U.S.A. due to economic stagnation.

Under such an environment mentioned in the above, our group has promoted the speedy development of the differentiated products that has price competitiveness and pursued technology of the next generation under a new challenging spirit. We have tried to increase customer satisfaction and expand the market share through reinforcement of the sales network and service network both in Japan and overseas. We have also tried to construct the production system that may cope with drastic fluctuation of the production volume and further reduce various expenses as much as possible. Nevertheless, we regret to say that our performance in the current 1st quarter of the consolidated accounting term was decline of sales and profits.

The sales amount in the 1st consolidated cumulative accounting quarter of the current term was 5,111 million yen which was a decrease of 23,711 million yen (82.3%) compared with the same quarter in the preceding year. Speaking of the income and loss comparing with the 1st consolidated cumulative accounting quarter of the preceding year, the operating income and loss was a loss of 4,033 million yen (the same quarter in the preceding year: 5,573 million yen of operating income), the ordinary income and loss was a loss of 3,839 million yen (the same quarter in the preceding year: 5,895 million yen of ordinary income) and the net income and loss of the quarter was a loss of 4,199 million yen (the same quarter in the preceding year: 3,371 million yen of net income).

#### Business results by segment

##### (Electronics Assembly Equipment)

The environment surrounding the electronics market including the mobile phones, laptop computers and flat-screen TV still remains in a severe condition, and as a result of decreased customer orders by an effect of frozen or deferred capital investment plans by the major mobile phone manufacturers and major EMS (Electronics Manufacturing Service) which are our major customers, the sales amount was 4,385 million yen which was a decrease of 20,276 million yen (82.2%) compared with the 1st consolidated cumulative accounting quarter of the preceding year and the operating income and loss was a loss of 2,507 million yen (the same quarter in the preceding year: 6,822 million yen of operating income).

##### (Machine Tools)

As a result of continued suppression of capital investment mainly in the automotive industry which is our major customer under the stagnated demand in both of the domestic and overseas markets in the whole machine tools industry, the sales amount was 653 million yen which was a decrease of 3,281 million yen (83.4%) compared with the 1st consolidated cumulative accounting quarter of the preceding year and the operating income and loss was a loss of 822 million yen (the same quarter in the preceding year: 669 million yen of operating loss).

## **2. Qualitative information concerning financial condition**

The total consolidated assets for this period, due to decreases in inventories, were 120,801 million yen, which was 2,856 million yen less than the end of previous consolidated fiscal year. Additionally, our consolidated liabilities for this period totaled 25,851 million yen, which was 645 million yen less than the end of previous consolidated fiscal year due to decreases in accrued warranty.

As for the cash flow, consolidated cash and cash equivalents for this fiscal period were 50,484 million yen, which was 1,922 million yen more than the end of previous consolidated fiscal year. This was attributable to the total of increased cash flow from business operations exceeding decreased cash flow from investment activities and financing activities.

As for cash flow from business operations, cash which was obtained as a result of operations was 3,203 million yen (the same term in the preceding year: 705 million yen). This was mainly attributable to positive factors such as decreases in accounts receivable and decreases in inventories exceeding negative factors such as loss before income tax.

As for cash flow from investing activities, cash which was used as a result of the activities was 696 million yen (the same term in the preceding year:  $\triangle 474$  million yen). This was attributable mainly from additions of tangible fixed assets.

As for cash flow from financing activities, cash which was used as a result of these activities was 456 million yen (the same term in the preceding year:  $\triangle 923$  million yen). This was principally due to dividends paid.

## **3. Qualitative information about consolidated result prediction**

We have made no change in the prediction of the consolidated business performance announced as of May 14, 2009.

## **4. Others**

(1) Change in the major subsidiaries in this term (change of specific subsidiaries with change of the consolidation scope).

Not applicable.

(2) Application to the simplified account processing and formation of the consolidated quarterly financial statements

Not applicable.

(3) Changes in the account processing principles, procedures and presentation method related to formation of the consolidated quarterly financial statements

Not applicable.

## 5. (1) CONSOLIDATED BALANCE SHEETS

Fuji Machine Mfg. Co., Ltd. and subsidiaries

<b>ASSETS</b>	Millions of yen	
	First quarter ended June 30, 2009	Year ended March 31, 2009
<b>Current assets</b>		
Cash on hand and in bank	37,605	42,171
Notes and accounts receivable – trade	5,158	7,377
Marketable securities	13,800	7,300
Merchandise	3,313	3,706
Work in process	7,682	7,736
Raw materials and supplies	15,779	18,101
Other inventories	40	49
Other current assets	4,412	6,468
Less-Allowance for doubtful receivable	△71	△80
Total current assets	87,720	92,831
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>	17,651	18,181
<b>Intangible assets</b>	2,243	2,128
<b>Investments and other assets:</b>		
Investment securities	11,847	8,890
Others	1,339	1,626
Total investments and other assets	13,186	10,516
Total fixed assets	33,081	30,826
Total assets	120,801	123,657

<b>LIABILITIES AND NET ASSETS</b>	Millions of yen	
	First quarter ended June 30, 2009	Year ended March 31, 2009
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes and accounts payable	392	592
Return planned long-term borrowings for less than 1 year	3,000	3,000
Accrued income tax	15	58
Accrued warranty	1,228	1,504
Others	4,257	4,788
Total current liabilities	8,893	9,943
<b>Long term liabilities:</b>		
Bonds	15,000	15,000
Accrued retirement benefits	1,957	1,552
Total long term liabilities	16,957	16,552
Total liabilities	25,851	26,496
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Earnings surplus	83,790	88,478
Treasury stock	△41	△41
Total shareholders' equity	95,040	99,729
<b>Valuation and translation adjustments:</b>		
Unrealized gain on available for-sale securities, net of taxes	482	△2,196
Translation adjustment	△573	△371
Total valuation and translation adjustments	△90	△2,567
Total net assets	94,950	97,161
Total liabilities and net assets	120,801	123,657

## (2) CONSOLIDATED INCOME STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	First quarter April 1~June 30, 2008	First quarter April 1~June 30, 2009
Net sales	28,822	5,111
Cost of sales	18,783	5,878
<b>Gross Profit or Loss</b>	10,039	△767
Selling, general and administrative expenses	4,466	3,266
<b>Operating Income or Loss</b>	5,573	△4,033
<b>Non-operating income:</b>		
Interest income	98	79
Dividends income	120	125
Foreign exchange gains	118	-
Others	50	70
<b>Non-operating expenses:</b>		
Interest expense	40	56
Commission fee	23	11
Others	2	14
<b>Ordinary Income or Loss</b>	5,895	△3,839
<b>Extraordinary income:</b>		
Reversal of allowance for doubtful accounts	-	9
Gain on disposal of fixed assets	23	10
<b>Extraordinary loss:</b>		
Loss on disposal of fixed assets	39	8
Impairment loss	-	269
Loss on valuation of investments in securities	223	-
Others	4	-
<b>Income or Loss before income taxes</b>	5,650	△4,097
<b>Income taxes:</b>		
Corporate, inhabitant's and enterprise taxes	2,925	7
Adjustment for corporate taxes	△646	93
<b>Net Income or Loss</b>	3,371	△4,199

### (3) CONSOLIDATED CASH FLOWS STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	First quarter April 1~June 30, 2008	First quarter April 1~June 30, 2009
<b>Operating activities</b>		
Income or loss before income taxes	5,650	△4,097
Depreciation and amortization	626	555
Increase in accrued retirement benefits	367	405
Interest and dividend income	△219	△205
Interest expense	40	56
Loss on valuation of investments in securities	223	-
Increase or decrease in accounts receivable	△3,203	2,216
Increase or decrease in inventories	△220	2,742
Increase or decrease in trade payable	645	△200
Decrease in receivable consumption taxes	1,079	1,328
Others	1,282	207
<b>Sub total</b>	<b>6,271</b>	<b>3,008</b>
Interest and dividend received	219	205
Interest paid	△36	△78
Payments or refund of income taxes	△5,748	68
<b>Net cash provided by operating activities</b>	<b>705</b>	<b>3,203</b>
<b>Investing activities</b>		
Additions of tangible and intangible fixed assets	△492	△651
Proceeds from sales of tangible and intangible fixed assets	59	64
Additions of investment securities	-	△98
Investment in time deposit	△107	△111
Proceeds on maturity of time deposit	69	100
Others	△2	0
<b>Net cash used in investing activities</b>	<b>△474</b>	<b>△696</b>
<b>Financing activities</b>		
Expenditures for return of long-term borrowings	△29	-
Dividends paid	△892	△455
Others	△1	△0
<b>Net cash used in financing activities</b>	<b>△923</b>	<b>△456</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>630</b>	<b>△128</b>
<b>Increase or decrease in cash and cash equivalents</b>	<b>△61</b>	<b>1,922</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>43,256</b>	<b>48,561</b>
<b>Cash and cash equivalents at end of the period</b>	<b>43,195</b>	<b>50,484</b>

**(4) Notes to assumption of going concern**

Not applicable.

**(5) On consolidated segment information****a. Business segment information**

Previous consolidated accounting period (April 1 to June 30, 2008)

(Millions of yen)

	Electronics Assembly Equipment	Machine Tools	Others	Total	Elimination or all company	Consolidated
Sales						
1. Sales to third parties	24,662	3,934	225	28,822	-	28,822
2. Interarea sales or transfers	0	-	436	436	△436	-
Total	24,662	3,934	662	29,259	△436	28,822
Operating income or loss	6,822	△669	42	6,194	△621	5,573

This consolidated accounting period (April 1 to June 30, 2009)

(Millions of yen)

	Electronics Assembly Equipment	Machine Tools	Others	Total	Elimination or all company	Consolidated
Sales						
1. Sales to third parties	4,385	653	72	5,111	-	5,111
2. Interarea sales or transfers	-	-	39	39	△39	-
Total	4,385	653	111	5,150	△39	5,111
Operating loss	△2,507	△822	△87	△3,416	△616	△4,033

Notes: 1. Segmentation has been performed by the type and nature of the products.

2. Main products of each business unit.

(1) Electronics Assembly Equipment: SMT assembly machines

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

(3) Others : Control hardware, PCB Contract Manufacturing, Software development

**b. Geographical segment information**

Previous consolidated accounting period (April 1 to June 30, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or all company	Consolidated
Sales							
1. Sales to third parties	23,618	3,501	1,678	23	28,822	-	28,822
2. Interarea sales or transfers	4,290	0	9	34	4,335	△4,335	-
Total	27,908	3,502	1,688	58	33,158	△4,335	28,822
Operating income	6,165	71	227	3	6,469	△896	5,573

This consolidated accounting period (April 1 to June 30, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or all company	Consolidated
Sales							
1. Sales to third parties	3,926	848	310	26	5,111	-	5,111
2. Interarea sales or transfers	434	0	13	50	498	△498	-
Total	4,360	848	323	77	5,609	△498	5,111
Operating income or loss	△3,443	△169	△19	22	△3,609	△423	△4,033

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

(2)Europe: Germany

(3)Asia: China

**c. Overseas sales**

Previous consolidated accounting period (April 1 to June 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	3,867	3,835	14,573	973	23,249
II. Consolidated sales					28,822
III. Ratio of overseas sales to consolidated sales(%)	13.4	13.3	50.6	3.4	80.7

This consolidated accounting period (April 1 to June 30, 2009)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	839	377	3,005	306	4,528
II. Consolidated sales					5,111
III. Ratio of overseas sales to consolidated sales(%)	16.4	7.4	58.8	6.0	88.6

## 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, Mexico, etc.
  - (2) Europe: Germany, France, etc.
  - (3) Asia: China, Viet Nam, etc.
  - (4) Other: Brazil, etc.
3. Overseas sales are the aggregation of sales outside of Japan by the parent company and its consolidated subsidiaries.

**(6) Notes to a significant change in shareholders' capital**

Not applicable.

## 6. Other information

### Situation of orders and sales

#### Previous consolidated accounting period (April 1 to June 30, 2008)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	24,957	88.9	24,662	85.6	11,505	62.9
Machine Tools	2,748	9.8	3,934	13.6	6,556	35.9
Others	361	1.3	225	0.8	215	1.2
Total	28,067	100.0	28,822	100.0	18,277	100.0

#### This consolidated accounting period (April 1 to June 30, 2009)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	5,759	93.7	4,385	85.8	2,471	65.4
Machine Tools	254	4.1	653	12.8	1,180	31.3
Others	134	2.2	72	1.4	124	3.3
Total	6,148	100.0	5,111	100.0	3,776	100.0

#### Previous consolidated accounting period (April 1, 2008 to March 31, 2009)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	46,284	87.0	56,397	81.1	1,097	40.1
Machine Tools	6,181	11.6	12,344	17.8	1,579	57.6
Others	726	1.4	744	1.1	61	2.3
Total	53,192	100.0	69,485	100.0	2,738	100.0