



SECOND QUARTER FINANCIAL STATEMENTS

From April 1, 2009
To September 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 2nd quarter of the current fiscal year still continued in a severe condition due to sluggish consumption and decreased exports and capital investment, even though there was a sign of gradual recovery. Speaking of the world economy, suppression of capital investments still remains although domestic demands continued in steady undertone in China backed up by an increase of civil investments and consumption motivation stimulated by a large-scaled economy-boosting measures as well as steady recovery in Europe and the United States.

Under such an environment mentioned in the above, our group has promoted the speedy development of the differentiated products that have 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 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 2nd quarter of the consolidated accounting term was decline of sales and profits.

The sales amount in the 2nd consolidated cumulative accounting quarter of the current term was 15,266 million yen which was a decrease of 37,478 million yen (71.1%) compared with the same quarter in the preceding year. Speaking of the profit and loss comparing with the 2nd consolidated cumulative accounting quarter of the preceding year, the operating profit and loss was a loss of 4,923 million yen (the same quarter in the preceding year: 9,373 million yen of operating profit), the ordinary profit and loss was a loss of 4,722 million yen (the same quarter in the preceding year: 9,870 million yen of ordinary profit) and the net profit and loss of the quarter was a loss of 5,132 million yen (the same quarter in the preceding year: 5,643 million yen of net profit).

Business results by segment

(Electronics Assembly Equipment)

Nevertheless the environment surrounding the electronics market including the mobile phones, laptop computers and flat-screen TV is in a slow pace of recovery, the sales amount was 13,936 million yen which was a decrease of 30,295 million yen (68.5%) compared with the 2nd consolidated cumulative accounting quarter of the preceding year and the operating profit and loss was a loss of 2,181 million yen (the same quarter in the preceding year: 11,474 million yen of operating profit) as a result of continued suppression of capital investment by the major mobile phone manufacturers and major EMS (Electronics Manufacturing Service) which are our major customers.

(Machine Tools)

As a cold effect of continued suppression of capital investment 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 1,142 million yen which was a decrease of 6,958 million yen (85.9%) compared with the 2nd consolidated cumulative accounting quarter of the preceding year and the operating profit and loss was a loss of 1,444 million yen (the same quarter in the preceding year: 1,111 million yen of operating loss).

2. Qualitative information concerning financial condition

The total consolidated assets for this period, due to decreases in inventories, were 117,173 million yen, which was 6,484 million yen less than the end of previous consolidated fiscal year. Additionally, our consolidated liabilities for this period totaled 24,117 million yen, which was 2,378 million yen less than the end of previous consolidated fiscal year due to return of long-term borrowings.

As for the cash flow, consolidated cash and cash equivalents for this fiscal period were 52,564 million yen, which was 4,002 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 8,861 million yen (the same term in the preceding year: 5,779 million yen). This was mainly attributable to positive factors such as decreases in inventories and income taxes refund 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 2,164 million yen (the same term in the preceding year: △3,047 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 the activities was 1,989 million yen (the same term in the preceding year: △3,539 million yen). This was principally due to return of long-term borrowings.

3. Qualitative information about consolidated result prediction

The management environment surrounding our group still continues in a severe condition due to the stagnated economy and suppression of capital investments in a worldwide scale. Since the demand for the capital investments for the electronics assembly equipment business seems to exceed the prediction made in the beginning of this term under such an environment mentioned in the above, we would like to make a change in the prediction of the consolidated business performance announced as of May 14, 2009 as follows:

	Sales	Operating income	Ordinary income	Net income	Net income per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previous forecast March 31,2010 (A)	29,000	△12,000	△12,000	△12,200	△249.56
Revised forecast March 31,2010 (B)	32,000	△9,500	△9,500	△10,000	△204.56
Difference (B-A)	3,000	2,500	2,500	2,200	—
Change (%)	10.3	—	—	—	—
Year ending March 31,2009	69,485	5,229	6,118	1,001	20.49

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 accounting treatment and the accounting treatment unique to the formation of the quarterly consolidated financial statements

①Simplified accounting treatment

Speaking of judgment about a possibility of deferred tax assets collection, we use the method that was employed in the future prediction in the settlement of accounts in the preceding consolidated accounting term and for the tax planning because no significant changes would be found in the management environment after the preceding consolidated accounting term and occurrence of one-time difference.

②Accounting treatment unique to the formation of the quarterly consolidated 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

ASSETS	Millions of yen	
	Second quarter ended	Year ended
	September 30, 2009	March 31, 2009
Current assets		
Cash on hand and in bank	48,442	42,171
Notes and accounts receivable – trade	7,507	7,377
Marketable securities	5,000	7,300
Merchandise	3,480	3,706
Work in process	5,254	7,736
Raw materials and supplies	13,316	18,101
Other inventories	40	49
Other current assets	942	6,468
Less-Allowance for doubtful receivable	△82	△80
Total current assets	83,902	92,831
Fixed assets		
Property, plant and equipment	17,408	18,181
Intangible assets	2,803	2,128
Investments and other assets:		
Investment securities	11,595	8,890
Others	1,464	1,626
Total investments and other assets	13,059	10,516
Total fixed assets	33,271	30,826
Total assets	117,173	123,657

LIABILITIES AND NET ASSETS	Millions of yen	
	Second quarter ended	Year ended
	September 30, 2009	March 31, 2009
Liabilities		
Current liabilities:		
Notes and accounts payable	538	592
Return planned long-term borrowings for less than 1 year	1,500	3,000
Accrued income tax	77	58
Accrued warranty	1,025	1,504
Others	3,614	4,788
Total current liabilities	6,755	9,943
Long term liabilities:		
Bonds	15,000	15,000
Accrued retirement benefits	2,361	1,552
Total long term liabilities	17,361	16,552
Total liabilities	24,117	26,496
Net assets		
Shareholders' equity:		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Earnings surplus	82,856	88,478
Treasury stock	△42	△41
Total shareholders' equity	94,107	99,729
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	298	△2,196
Translation adjustment	△1,350	△371
Total valuation and translation adjustments	△1,051	△2,567
Total net assets	93,055	97,161
Total liabilities and net assets	117,173	123,657

(2) CONSOLIDATED INCOME STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Second quarter April 1~ September 30, 2008	Second quarter April 1~ September 30, 2009
Net sales	52,744	15,266
Cost of sales	34,285	13,738
Gross Profit	18,459	1,527
Selling, general and administrative expenses	9,085	6,451
Operating Income or Loss	9,373	△4,923
Non-operating income:		
Interest income	193	136
Dividends income	154	134
Rent income	144	-
Foreign exchange gains	56	-
Interest on refund of income taxes and other	-	102
Others	71	94
Non-operating expenses:		
Interest expense	78	110
Commission fee	41	22
Foreign exchange losses	-	122
Others	3	10
Ordinary Income or Loss	9,870	△4,722
Extraordinary income:		
Gain on disposal of fixed assets	36	26
Gain on sales of investment securities	-	21
Extraordinary loss:		
Loss on disposal of fixed assets	236	21
Impairment loss	-	269
Loss on valuation of investment securities	310	46
Others	4	-
Income or Loss before income taxes	9,355	△5,013
Income taxes:		
Corporate, inhabitant's and enterprise taxes	4,106	25
Adjustment for corporate taxes	△394	93
Net Income or Loss	5,643	△5,132

(3) CONSOLIDATED CASH FLOWS STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Second quarter April 1~ September 30, 2008	Second quarter April 1~ September 30, 2009
Operating activities		
Income or loss before income taxes	9,355	△5,013
Depreciation and amortization	1,248	1,120
Increase in accrued retirement benefits	726	809
Interest and dividend income	△348	△270
Interest expense	78	110
Gain or loss on disposal of fixed assets	199	△4
Loss on valuation of investment securities	310	46
Increase or decrease in accounts receivable	905	△233
Increase or decrease in inventories	△1,161	7,306
Increase or decrease in trade payable	△589	58
Decrease in receivable consumption taxes	610	1,301
Others	89	△156
Sub total	11,425	5,075
Interest and dividend received	348	270
Interest paid	△80	△114
Payments or refund of income taxes	△5,912	3,629
Net cash provided by operating activities	5,779	8,861
Investing activities		
Additions of tangible and intangible fixed assets	△2,194	△2,153
Proceeds from sales of tangible and intangible fixed assets	72	135
Additions of investment securities	△772	△241
Investment in time deposit	△254	△186
Proceeds on maturity of time deposit	97	218
Others	3	62
Net cash used in investing activities	△3,047	△2,164
Financing activities		
Expenditures for return of long-term borrowings	△2,558	△1,500
Dividends paid	△976	△489
Others	△3	△0
Net cash used in financing activities	△3,539	△1,989
Effect of exchange rate changes on cash and cash equivalents	216	△704
Increase or decrease in cash and cash equivalents	△590	4,002
Cash and cash equivalents at beginning of year	43,256	48,561
Cash and cash equivalents at end of the period	42,666	52,564

(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 September 30, 2008)

(Millions of yen)

	Electronics Assembly Equipment	Machine Tools	Others	Total	Elimination or all company	Consolidated
Sales						
1. Sales to third parties	44,231	8,101	412	52,744	-	52,744
2. Interarea sales or transfers	0	-	930	930	△930	-
Total	44,231	8,101	1,342	53,675	△930	52,744
Operating income or loss	11,474	△1,111	92	10,455	△1,081	9,373

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

(Millions of yen)

	Electronics Assembly Equipment	Machine Tools	Others	Total	Elimination or all company	Consolidated
Sales						
1. Sales to third parties	13,936	1,142	187	15,266	-	15,266
2. Interarea sales or transfers	0	-	91	91	△91	-
Total	13,936	1,142	278	15,357	△91	15,266
Operating loss	△2,181	△1,444	△167	△3,793	△1,130	△4,923

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 September 30, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or all company	Consolidated
Sales							
1. Sales to third parties	41,204	7,559	3,932	48	52,744	-	52,744
2. Interarea sales or transfers	8,711	14	19	70	8,814	△8,814	-
Total	49,915	7,573	3,952	118	61,559	△8,814	52,744
Operating income	10,095	53	231	2	10,382	△1,008	9,373

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

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or all company	Consolidated
Sales							
1. Sales to third parties	11,714	2,591	901	58	15,266	-	15,266
2. Interarea sales or transfers	2,562	0	31	99	2,693	△2,693	-
Total	14,277	2,591	932	157	17,959	△2,693	15,266
Operating income or loss	△3,895	△208	36	37	△4,030	△893	△4,923

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 September 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	8,583	7,418	24,872	2,171	43,045
II. Consolidated sales					52,744
III. Ratio of overseas sales to consolidated sales(%)	16.3	14.1	47.1	4.1	81.6

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

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	2,568	1,075	9,677	534	13,855
II. Consolidated sales					15,266
III. Ratio of overseas sales to consolidated sales(%)	16.8	7.1	63.4	3.5	90.8

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, Poland, 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 September 30, 2008)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	39,666	86.7	44,231	83.8	6,644	55.3
Machine Tools	5,566	12.2	8,101	15.4	5,207	43.4
Others	487	1.1	412	0.8	154	1.3
Total	45,720	100.0	52,744	100.0	12,007	100.0

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

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	15,830	94.7	13,936	91.3	2,992	71.4
Machine Tools	636	3.8	1,142	7.5	1,072	25.6
Others	249	1.5	187	1.2	124	3.0
Total	16,716	100.0	15,266	100.0	4,189	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