



August 8, 2013

FIRST QUARTER FINANCIAL STATEMENTS

From April 1 to June 30, 2013

Consolidated Subsidiaries

Domestic:

Adtek Fuji Co., Ltd.

Edeclinsey System Co., Ltd.

Overseas:

Fuji America Corporation

Fuji Machine America Corporation

Fuji Machine Mfg. (Europe) GmbH

Fuji Machine China Co., Ltd.

Kunshan Fuji Machine Mfg Co., Ltd.

FUJI MACHINE MFG. CO., LTD.

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1. Qualitative information

1.1. Explanation of Operating Results

During the first quarter of this fiscal year the effects of monetary and fiscal policy, as well as a gradual recovery in the global economy, saw the Japanese economy continue to recover. Although the US economy remained strong and Europe's economy showed signs of bottoming out, the recovery of the Chinese economy remained weak.

In this environment, our Group has worked to promote speedy management and to develop products which are highly price competitive to meet the needs of the market, while continuing our quest for next generation technologies and expansion into new fields. We have also worked to promote our solutions business, and to continue the ongoing strengthening of domestic and international sales and services networks, with a view to improving customer satisfaction and expanding market share. We have also worked to improve profitability by strengthening cooperation on intra-group manufacturing, seeking to enhance the quality and depth of service, and reducing costs by strengthening global procurement.

As a result of the above, sales for the first quarter of this fiscal year were 19,007 million yen, a reduction of 2,738 million yen (12.6%) over the same quarter last fiscal year. In addition, our operating income was 1,949 million yen (down 30.6% over the same quarter last fiscal year), ordinary income was 2,188 million yen (down 22.3% over the same quarter last fiscal year), and net income was 1,528 million yen (down 17.9% over the same quarter last fiscal year).

Business results by segment

1) Electronics Assembly Equipment

For the electronic component assembly machine business, the market for smart phones and tablets remained strong, but a cautious stance in relation to capital investment continued for leading electronics manufacturers and leading EMS (electronics manufacturing service companies) that are our Group's major customers, due to sluggish growth in PCs and TVs etc. As a result, net sales totaled 17,170 million yen, down 1,974 million yen (10.3%) over the first quarter of the previous fiscal year, and operating income was 2,855 million yen (down 17.7% over the same quarter in the previous fiscal year).

2) Machine Tools

Regarding the Machine Tools business, with the stagnation of the Chinese market and slow movements in the domestic market, sales were 1,743 million yen, a decline of 718 million yen (29.2%) over the consolidated results from the first quarter of the previous fiscal year. In addition, there was a loss of 201 million yen in operating income (Operating loss for the same quarter last fiscal year: 325 million yen).

1.2. Explanation of Financial Position

Regarding our financial position, due to an increase in cash and deposits, consolidated gross assets were up 3,529 million yen over the end of the previous fiscal year, at 134,619 million yen. In addition, an increase in accounts payable and notes payable resulted in an increase in consolidated gross liabilities over the end of the previous fiscal year, up 487 million yen to 15,838 million yen.

With regard to cash flow, the balance of cash and cash equivalents at the end of the first quarter of the current fiscal year was up 4,206 million yen over the end of the previous fiscal year, at 52,083 million yen.

Cash flows from operating activities were 7,247 million yen in revenue (same quarter previous year: 668 million yen in expenditures). This was mainly due to net income for the quarter being pre-adjustment for taxes etc., as well as a decline in inventory etc.

Cash flows from investing activities were 2,012 million yen in expenditures (same quarter previous year: 1,892 million yen). This was mainly due to expenditures for the procurement of tangible fixed assets.

Cash flows from financing activities were 1,631 million yen in expenditures (same quarter previous year: 1,671 million yen). This was mainly due to the redemption of corporate bonds.

1.3. Explanation of Forecasting Information such as Consolidated Earnings Forecasts etc.

No modifications have been made to the forecasts for consolidated business performance that we announced on May 9, 2013.

2. Consolidated balance sheets and statements

2.1. Consolidated balance sheets

Fuji Machine Mfg. Co., Ltd. and subsidiaries

| ASSETS | Millions of yen | |
|------------------------------------------|------------------------------|--------------------------------------|
| | Year ended March 31, 2013 | First quarter ended June 30, 2013 |
| Current assets | | |
| Cash on hand and in bank | 44,433 | 47,454 |
| Notes and accounts receivable – trade | 14,334 | 14,139 |
| Marketable securities | 4,000 | 5,000 |
| Merchandise | 4,879 | 4,900 |
| Work in process | 13,917 | 13,362 |
| Raw materials and supplies | 7,350 | 6,573 |
| Other inventories | 22 | 22 |
| Other current assets | 5,393 | 3,709 |
| Less - Allowance for doubtful receivable | △239 | △40 |
| Total current assets | 94,091 | 95,121 |
| Fixed assets | | |
| Property, plant and equipment | 17,574 | 17,965 |
| Intangible assets | 5,692 | 5,739 |
| Investments and other assets: | | |
| Investment securities | 13,152 | 15,218 |
| Others | 579 | 575 |
| Total investments and other assets | 13,731 | 15,793 |
| Total fixed assets | 36,998 | 39,498 |
| Total assets | 131,089 | 134,619 |

| LIABILITIES AND NET ASSETS | Millions of yen | |
|-------------------------------------------------------|------------------------------|--------------------------------------|
| | Year ended March 31, 2013 | First quarter ended June 30, 2013 |
| Liabilities | | |
| Current liabilities: | | |
| Notes and accounts payable | 2,554 | 2,751 |
| Current portion of bonds | 2,924 | 1,755 |
| Accrued income tax | 16 | 0 |
| Accrued warranty | 767 | 758 |
| Others | 4,488 | 5,410 |
| Total current liabilities | 10,750 | 10,675 |
| Long term liabilities: | | |
| Bonds | 1,200 | 1,200 |
| Accrued retirement benefits | 3,175 | 3,180 |
| Others | 225 | 783 |
| Total long term liabilities | 4,600 | 5,163 |
| Total liabilities | 15,351 | 15,838 |
| Net assets | | |
| Shareholders' equity: | | |
| Capital stock | 5,878 | 5,878 |
| Capital surplus | 5,413 | 5,413 |
| Earnings surplus | 101,912 | 102,952 |
| Treasury stock | △48 | △48 |
| Total shareholders' equity | 113,156 | 114,195 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,876 | 4,379 |
| Foreign currency translation adjustment | △807 | 205 |
| Total other comprehensive income | 2,069 | 4,585 |
| Minority interests | 513 | - |
| Total net assets | 115,738 | 118,780 |
| Total liabilities and net assets | 131,089 | 134,619 |

2.2. Consolidated income statement

Fuji Machine Mfg. Co., Ltd. and subsidiaries

| | Millions of yen | |
|----------------------------------------------|-------------------------------------------|-------------------------------------------|
| | First quarter April 1 to June 30, 2012 | First quarter April 1 to June 30, 2013 |
| Net sales | 21,746 | 19,007 |
| Cost of sales | 13,710 | 12,018 |
| Gross profit | 8,035 | 6,989 |
| Selling, general and administrative expenses | 5,227 | 5,039 |
| Operating income | 2,807 | 1,949 |
| Non-operating income: | | |
| Interest income | 23 | 28 |
| Dividends income | 98 | 112 |
| Foreign exchange gains | - | 116 |
| Others | 29 | 16 |
| Total non-operating income | 151 | 273 |
| Non-operating expenses: | | |
| Interest expense | 21 | 13 |
| Commission fee | 8 | 20 |
| Foreign exchange losses | 111 | - |
| Others | 2 | 0 |
| Total non-operating expenses | 144 | 34 |
| Ordinary income | 2,814 | 2,188 |
| Extraordinary income: | | |
| Gain on disposal of fixed assets | 2 | 9 |
| Gain on negative goodwill | - | 19 |
| Total extraordinary income | 2 | 29 |
| Extraordinary loss: | | |
| Loss on disposal of fixed assets | 81 | 9 |
| Loss on valuation of investment securities | 75 | - |
| Others | 7 | - |
| Total extraordinary loss | 163 | 9 |
| Income before income taxes | 2,653 | 2,207 |
| Income taxes: | | |
| Corporate, inhabitant's and enterprise taxes | 970 | 1,142 |
| Adjustment for corporate taxes | △177 | △455 |
| Total income taxes | 792 | 687 |
| Income before minority interests | 1,860 | 1,519 |
| Minority interests in loss | △1 | △8 |
| Net income | 1,862 | 1,528 |

2.3. Consolidated statement of comprehensive income

Fuji Machine Mfg. Co., Ltd. and subsidiaries

| | Millions of yen | |
|-----------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| | First quarter April 1 to June 30, 2012 | First quarter April 1 to June 30, 2013 |
| Income before minority interests | 1,860 | 1,519 |
| Other comprehensive income | | |
| Valuation difference on available for sale securities | △901 | 1,503 |
| Foreign currency translation adjustment | △653 | 1,043 |
| Total other comprehensive income | △1,554 | 2,546 |
| Comprehensive income | 306 | 4,066 |
| (Details) | | |
| Comprehensive income attributable to owners of the parent | 314 | 4,044 |
| Comprehensive income attributable to minority interests | △8 | 22 |

2.4. Consolidated cash flow statement

Fuji Machine Mfg. Co., Ltd. and subsidiaries

| | Millions of yen | |
|--------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| | First quarter April 1 to June 30, 2012 | First quarter April 1 to June 30, 2013 |
| Operating activities | | |
| Income before income taxes | 2,653 | 2,207 |
| Depreciation and amortization | 815 | 1,133 |
| Increase in accrued retirement benefits | 87 | 4 |
| Interest and dividend income | △122 | △140 |
| Interest expense | 21 | 13 |
| Loss on valuation of investment securities | 75 | - |
| Increase or decrease in accounts receivable | △4,130 | 276 |
| Decrease in inventories | 358 | 1,543 |
| Increase or decrease in trade payable | △418 | 62 |
| Decrease in receivable consumption taxes | 454 | 1,208 |
| Others | 997 | 965 |
| Sub total | 794 | 7,273 |
| Interest and dividend received | 122 | 140 |
| Interest paid | △28 | △14 |
| Payment of income taxes | △1,555 | △152 |
| Net cash provided by (used in) operating activities | △668 | 7,247 |
| Investing activities | | |
| Additions of tangible and intangible fixed assets | △1,863 | △1,874 |
| Proceeds from sales of tangible and intangible fixed assets | 4 | 40 |
| Investment in time deposit | △28 | △24 |
| Proceeds on maturity of time deposit | 24 | 210 |
| Purchase of investments in capital of subsidiaries | - | △351 |
| Others | △29 | △12 |
| Net cash used in investing activities | △1,892 | △2,012 |
| Financing activities | | |
| Redemption of bonds | △1,169 | △1,169 |
| Dividends paid | △694 | △462 |
| Proceeds from stock issuance to minority shareholders | 192 | - |
| Others | △0 | △0 |
| Net cash used in financing activities | △1,671 | △1,631 |
| Effect of exchange rate changes on cash and cash equivalents | △392 | 603 |
| Increase or decrease in cash and cash equivalents | △4,624 | 4,206 |
| Cash and cash equivalents at beginning of year | 50,865 | 47,877 |
| Cash and cash equivalents at end of the period | 46,240 | 52,083 |

2.5. Notes to Quarterly Consolidated Financial Statements

(Notes to assumption of going concern)

Not applicable.

(Notes to a significant change in shareholder's capital)

Not applicable.

(Segment information)

Previous consolidated accounting period (April 1 to June 30, 2012)

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

(Millions of yen)

| | Reportable Segments | | | Others | Total |
|----------------------------------|--------------------------------|---------------|----------|--------|--------|
| | Electronics assembly equipment | Machine Tools | Subtotal | | |
| Sales | | | | | |
| Sales to third parties | 19,145 | 2,461 | 21,606 | 139 | 21,746 |
| Inter-segment sales or transfers | 0 | - | 0 | 345 | 346 |
| Total | 19,145 | 2,461 | 21,607 | 485 | 22,092 |
| Segment income or loss | 3,468 | 325 | 3,793 | △48 | 3,745 |

Note: "Others" include business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, PCB contract manufacturing, and software development.

2) Difference between the aggregate amount of the profit or loss of a reportable segment and the amount posted in the consolidated quarterly profit-and-loss statement and major descriptions of the said difference (difference adjustments and related matters)

(Millions of yen)

| Income | Amount of money |
|------------------------------|-----------------|
| Reportable segments total | 3,793 |
| Other losses | △48 |
| Inter-segment elimination | 6 |
| Overall company expenditures | △944 |
| Quarterly operating income | 2,807 |

Note: Overall company expenditure mainly consists of the administration expenses and engineering research expenses not attributable to the reportable segments.

3) Information on Loss on Fixed Assets or Goodwill etc. for each Reportable Segment

Not applicable.

This consolidated accounting period (April 1 to June 30, 2013)

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

(Millions of yen)

| | Reportable Segments | | | Others | Total |
|----------------------------------|--------------------------------|---------------|----------|--------|--------|
| | Electronics assembly equipment | Machine Tools | Subtotal | | |
| Sales | | | | | |
| Sales to third parties | 17,170 | 1,743 | 18,913 | 93 | 19,007 |
| Inter-segment sales or transfers | 0 | - | 0 | 1 | 1 |
| Total | 17,170 | 1,743 | 18,913 | 94 | 19,008 |
| Segment income or loss | 2,855 | △201 | 2,653 | △25 | 2,628 |

Note: "Others" include business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, PCB contract manufacturing, and software development.

2) Difference between the aggregate amount of the profit or loss of a reportable segment and the amount posted in the consolidated quarterly profit-and-loss statement and major descriptions of the said difference (difference adjustments and related matters)

(Millions of yen)

| Income | Amount of money |
|------------------------------|-----------------|
| Reportable segments total | 2,653 |
| Other losses | △25 |
| Inter-segment elimination | - |
| Overall company expenditures | △679 |
| Quarterly operating income | 1,949 |

Note: Overall company expenditure mainly consists of the administration expenses and engineering research expenses not attributable to the reportable segments.

3) Information on Loss on Fixed Assets or Goodwill etc. for each Reportable Segment
(Significant Gain on Negative Goodwill)

In spite of an extraordinary profit of 19 million yen on a gain on negative goodwill associated with converting Kunshan Fuji Machine Mfg Co., Ltd into a wholly owned subsidiary, given that the Group's reporting segment profits are on an operating income basis, this was not allocated to the various reporting segments.

3. Supplementary information

3.1. Orders and sales

Previous consolidated accounting period (April 1 to June 30, 2012)

| Name of segment | Orders (millions of yen) | Ratio (%) | Sales (millions of yen) | Ratio (%) | Order backlogs (millions of yen) | Ratio (%) |
|--------------------------------|-----------------------------|--------------|----------------------------|--------------|-------------------------------------|--------------|
| Electronics Assembly Equipment | 21,316 | 90.0 | 19,145 | 88.0 | 9,072 | 63.0 |
| Machine Tools | 2,230 | 9.4 | 2,461 | 11.3 | 5,235 | 36.4 |
| Others | 142 | 0.6 | 139 | 0.7 | 85 | 0.6 |
| Total | 23,689 | 100.0 | 21,746 | 100.0 | 14,394 | 100.0 |

This consolidated accounting period (April 1 to June 30, 2013)

| Name of segment | Orders (millions of yen) | Ratio (%) | Sales (millions of yen) | Ratio (%) | Order backlogs (millions of yen) | Ratio (%) |
|--------------------------------|-----------------------------|--------------|----------------------------|--------------|-------------------------------------|--------------|
| Electronics Assembly Equipment | 18,146 | 88.7 | 17,170 | 90.3 | 7,719 | 62.6 |
| Machine Tools | 2,210 | 10.8 | 1,743 | 9.2 | 4,552 | 36.9 |
| Others | 105 | 0.5 | 93 | 0.5 | 66 | 0.5 |
| Total | 20,461 | 100.0 | 19,007 | 100.0 | 12,338 | 100.0 |

Previous consolidated accounting period (April 1, 2012 to March 31, 2013)

| Name of segment | Orders (millions of yen) | Ratio (%) | Sales (millions of yen) | Ratio (%) | Order backlogs (millions of yen) | Ratio (%) |
|--------------------------------|-----------------------------|--------------|----------------------------|--------------|-------------------------------------|--------------|
| Electronics Assembly Equipment | 52,816 | 84.1 | 52,973 | 82.3 | 6,743 | 62.0 |
| Machine Tools | 9,283 | 14.8 | 10,664 | 16.6 | 4,085 | 37.5 |
| Others | 683 | 1.1 | 710 | 1.1 | 54 | 0.5 |
| Total | 62,783 | 100.0 | 64,349 | 100.0 | 10,884 | 100.0 |

3.2. Information on regions

Previous consolidated accounting period (April 1 to June 30, 2012)

| | Japan | China | Other Asia | North America | Other North America | Europe | Other | Total |
|-------------------------|-------|--------|------------|---------------|---------------------|--------|-------|--------|
| Sales (Millions of yen) | 2,322 | 11,871 | 4,605 | 854 | 133 | 1,346 | 612 | 21,746 |
| Ratio (%) | 10.7 | 54.6 | 21.2 | 3.9 | 0.6 | 6.2 | 2.8 | 100.0 |

This consolidated accounting period (April 1 to June 30, 2013)

| | Japan | China | Other Asia | North America | Other North America | Europe | Other | Total |
|-------------------------|-------|-------|------------|---------------|---------------------|--------|-------|--------|
| Sales (Millions of yen) | 2,088 | 9,267 | 2,833 | 2,093 | 709 | 1,314 | 701 | 19,007 |
| Ratio (%) | 11.0 | 48.8 | 14.9 | 11.0 | 3.7 | 6.9 | 3.7 | 100.0 |

Previous consolidated accounting period (April 1, 2012 to March 31, 2013)

| | Japan | China | Other Asia | North America | Other North America | Europe | Other | Total |
|-------------------------|-------|--------|------------|---------------|---------------------|--------|-------|--------|
| Sales (Millions of yen) | 8,466 | 25,710 | 12,904 | 7,059 | 2,451 | 5,134 | 2,622 | 64,349 |
| Ratio (%) | 13.2 | 39.9 | 20.0 | 11.0 | 3.8 | 8.0 | 4.1 | 100.0 |

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

Reference Doc

1. Consolidated forecasts for the current period (Apr 1, 2013 – Mar 31, 2014)

(Millions of yen)

| | Sales | Operating income | Ordinary income | Net income |
|--------------------------------------|-------------------|-------------------|------------------|------------------|
| 6 months ending September 30,2013 | 40,000 (△1.4%) | 3,800 (△14.9%) | 4,000 (△9.9%) | 2,700 (△7.6%) |
| 12 months ending March 31,2014 | 73,000 (13.4%) | 6,200 (58.4%) | 6,500 (47.5%) | 4,300 (59.3%) |

Note 1: Figures given in brackets indicate the percentage change from the respective period last year (first two quarters and total period).

2 : No modifications have been made to the forecasts that we announced on May 9, 2013.

2. Individual forecasts for the current period (Apr 1, 2013 – Mar 31, 2014)

(Millions of yen)

| | Sales | Operating income | Ordinary income | Net income |
|--------------------------------------|-------------------|------------------|------------------|------------------|
| 6 months ending September 30,2013 | 37,000 (△2.9%) | 3,500 (△8.5%) | 3,700 (△2.5%) | 2,500 (△2.6%) |
| 12 months ending March 31,2014 | 67,000 (12.1%) | 5,700 (63.7%) | 6,000 (48.8%) | 4,000 (53.4%) |

Note 1: Figures given in brackets indicate the percentage change from the respective period last year (first two quarters and total period).

2 : No modifications have been made to the forecasts that we announced on May 9, 2013.

3. Consolidated order and sales forecasts for the current period (Apr 1, 2013 – Mar 31, 2014)

(Millions of yen)

| Name of segment | Orders | | Sales | |
|-----------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| | 6 months ending September 30,2013 | 12 months ending March 31,2014 | 6 months ending September 30,2013 | 12 months ending March 31,2014 |
| Electronics Assembly Equipment | 34,300 | 59,200 | 34,100 | 59,200 |
| Machine Tools | 6,300 | 14,500 | 5,500 | 13,000 |
| Others | 400 | 800 | 400 | 800 |
| Total | 41,000 | 74,500 | 40,000 | 73,000 |

Note: No modifications have been made to the forecasts that we announced on May 9, 2013.

4. Consolidated forecasts of major items for the current period (Apr 1, 2013 – Mar 31, 2014)

(Millions of yen)

| Item | 6 months ending September 30,2013 | 12 months ending March 31,2014 |
|--------------------------------------|-----------------------------------|--------------------------------|
| Capital expenditures | 2,900 | 5,700 |
| Depreciation expenses | 2,300 | 4,800 |
| Research and development expenses | 4,000 | 7,000 |

Note: No modifications have been made to the forecasts that we announced on May 9, 2013.