



FINANCIAL STATEMENTS

From April 1, 2009

To March 31, 2010

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.

FUJI MACHINE MFG. CO., LTD.

19 Chausuyama, Yamamachi, Chiryu, Aichi 472-8686, Japan

Operating Results

(1) Analysis of operating results

① Outline of this fiscal year

In the consolidated fiscal year under review, the Japanese economy remained in a precarious position, although a pickup is taking place thanks to improved corporate profits due to an increase in exports. Looking at the world economy, Asia continued its strong recovery backed by the economic stimulus measures taken by China, India and other countries. Meanwhile, Western economies are recovering more slowly and remain hindered by difficulties such as credit insecurity and high unemployment rates.

Amid this environment, our group renewed its determination to take on new challenges, promoting immediate development of price-competitive, differentiated products, exploration of next-generation technologies, and fostering of new businesses targeted at emerging markets in quest of improved and stable business profitability. Also, we worked to improve customer satisfaction and increase market share by reinforcing our domestic and overseas sales and service networks, developing a production system that can comply with rapid fluctuations in production quantities, and carrying out further cost reductions.

In concrete terms, we tried to raise our product competitiveness by improving our core competences: “High-precision and high-speed mounting technology” and “Precision processing technology”. Advancement in elemental technology development and reinforced development management has led to further improvements in the speed and accuracy of our flagship NXT II (a high-speed and multi-functional modular type mounter), thereby enabling us to differentiate ourselves from competitors through the provision of machines with unbeatable productivity. Meanwhile, we pushed ahead with the development of new businesses targeted at clean energy markets. Additionally, as part of the measures to strengthen the sales and service system, we endeavored to not only improve service solutions to better contribute to improving customer satisfaction, but also expand market share by exploiting a solid customer base in emerging markets. With regard to manufacturing, in order to survive cutthroat product price competition, we focused our efforts on reinforcing product development and parts procurement capabilities, strengthening cost competitiveness by means of logistic improvement and production process reforms, and enhancing quality by improving employee skills and fostering multi-skilled workers. To enhance corporate governance, we worked to improve our corporate value further by operating our internal control system in an effective manner and proactively committing to corporate social responsibility (CSR). Finally, in an effort to reduce costs, our group implemented counter-recession measures such as reducing directors’ remuneration and managerial staff salaries and implementing temporary decreases in working hours for employees.

Sales in the current consolidated fiscal year ended at 41,747 million yen, or a decrease of 27,738 million yen (39.9%) over the previous consolidated fiscal year. Operating income and loss was a loss of 6,212 million yen (operating income in the previous period: 5,229 million yen), with an ordinary loss of 5,842 million yen (ordinary income in the previous period: 6,118 million yen). Overall, there was a current net loss of 4,828 million yen (in the previous period there was a current net income of 1,001 million yen).

Business results by segment

1) Electronics Assembly Equipment

Although a rapid recovery has been taking place in the electronics market for items such as cell phones, laptop PCs and flat-screen TVs since the beginning of the year, the capital investment of major cell phone manufacturers and EMS (Electronic Manufacturing Services) companies (who are our primary customers) remained low until the end of last year. This resulted in sales of 38,687 million yen, or a decrease of 17,709 million yen (31.4%) over the previous consolidated fiscal year, with an operating loss of 444 million yen (operating income in the previous period: 10,201 million yen).

2) Machine Tools

Although the industry as a whole is experiencing a gradual recovery, mainly due to foreign demand, our target customers in the automobile sector are still suffering from the protracted suppression of capital investment. Influenced by this, sales ended at 2,594 million yen, or a decrease of 9,749 million yen (79.0%) over the previous consolidated fiscal year, with an operating loss of 3,298 million yen (operating loss in the previous period: 3,045 million yen).

② Outlook for the next fiscal year

With regard to business environment prospects for the next period, the economy is expected to pick up gradually backed by such factors as improvement of corporate profits and the effects of stimulus measures taken by various countries, although there are still risks such as the lack of the availability of credit.

As for the electronic parts assembly business, it is anticipated that the capital investment demand of major EMSs and other target customers will improve steadily against the backdrop of increased demand for cell phones, laptop PCs and flat-screen TVs. Our group will be working to improve business profitability and increase market share. Efforts to this end will include promoting the immediate development of price-competitive, differentiated products, releasing new products to market, reinforcing our sales network further, and bettering production efficiency.

The machine tools business is expected to remain at low levels due to the perceived excess of equipment in the automobile industry (which includes our main customers). Our group will try to reduce costs and return to operating profitability by releasing new products that are price competitive and with high value-added technology, as well as by carrying out further structural reforms.

The forecasts for consolidated and non-consolidated income in the following period are as follows:

(Millions of yen)

Consolidated	Sales	Operating income	Ordinary income	Net income
Second quarter September 30, 2010	42,000	5,100	5,200	3,100
Year ending March 31, 2011	80,000	9,000	9,100	6,000
Non-consolidated	Sales	Operating income	Ordinary income	Net income
Second quarter September 30, 2010	39,000	4,800	4,900	2,700
Year ending March 31, 2011	75,000	8,500	8,600	5,300

(2) Analysis of financial condition

Total consolidated assets for this period, due to decreases in inventories, were 121,048 million yen, which was 2,609 million yen less than the end of the previous consolidated fiscal year. Additionally, our consolidated liabilities for this period totaled 27,526 million yen, which was 1,030 million yen more than the end of previous consolidated fiscal year, due to accounts payable.

As for the cash flow, consolidated cash and cash equivalents for this fiscal period were 51,327 million yen, which was 2,766 million yen more than the end of the 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.

Cash flow from business operations was proceeds of 10,171 million yen (the previous period: proceeds of 9,511 million yen). This was mainly attributable to positive factors such as decreases in inventories and increases in notes and accounts payable exceeding negative factors such as loss before income tax.

Cash flow from investing activities was expenditures of 2,915 million yen (the previous period: expenditures of 6,446 million yen). This was attributable mainly to additions of tangible fixed assets.

Cash flow from financing activities was expenditures of 3,980 million yen (the previous period: proceeds of 2,732 million yen). This was principally due to return of long-term borrowings.

Furthermore, trends in the cash flow index were as follows:

	Consolidated Accounting Period (March 31 st 2006)	Consolidated Accounting Period (March 31 st 2007)	Consolidated Accounting Period (March 31 st 2008)	Consolidated Accounting Period (March 31 st 2009)	Consolidated Accounting Period (March 31 st 2010)
Shareholder's Equity Ratio (%)	69.9	73.6	76.0	78.6	77.3
Shareholder's Equity Ratio (based on market price) (%)	85.6	71.7	75.5	31.6	67.9
The number of years of debt redemption (Years)	3.7	0.8	0.6	1.9	1.5
Interest Coverage Ratio	35.7	99.0	125.7	65.3	46.7

Notes:

1. The indexes above are calculated using the following formulas:

Shareholders' Equity Ratio: shareholders' equity/total assets.

Shareholders' Equity Ratio (based on market price): total sum of the market price for stock/total assets.

The number of years of debt redemption: liabilities with interest/cash flow from operating activities.

Interest Coverage Ratio: cash flow from operating activities/interest payments

2. Each index is calculated according to the consolidated financial value.

3. The total sum of the market price for stock is calculated as the closing price of the end of term stocks X the number of stocks issued at the end of term (after deduction of treasury stocks).

4. "Cash flow from operating activities" refers to the cash flow from operating activities in the statement of consolidated cash flow. "Liabilities with interest" refers to all interest paying debts on the consolidated balance sheet. "Interest Payments" refers to the interest payments in the statement of consolidated cash flow.

(3) Basic policy for profit sharing & dividends in the current and next fiscal years

As a basic policy for profit sharing, Fuji Machine Manufacturing Co., Ltd. (hereon referred to as the Company) aims to achieve a good balance between profit distribution to shareholders and reinforcement of our financial position. As we plan ways to improve management with the aim of increasing profitability, the Company hopes to maintain stable dividends and continually return profits to investors.

Internal reserves are planned to be utilized to develop products in line with market needs and invest in the streamlining of facilities so that the foundation of the business will be improved and reinforced.

Taking the business environment and financial results into consideration, and based on the basic policy of the distribution of profits, we would like to make the dividends at the end of this term 10 yen per share, Therefore, annual dividends per share for this term will be 20 yen including interim dividends.

Even though the severe business environment is expected to continue, the following period should see an upturn of the current net income. Hence we plan to raise the interim dividend and final dividend respectively by 2 yen and 50 sen and by 12 yen and 50 sen per share, and annually by 5 yen to 25 yen per share.

(4) Business risks

Since no new risks have been identified since the latest financial statement report (released on May 14, 2009), disclosure of business risk is omitted.

Management Policies

(1) Basic management policy of the Company, (2) Mid-and-long term management strategies of the Company

As there is no material change in the contents from the accounts settlement report of March 2007 (released on May 15, 2007), its disclosure is omitted.

The applicable accounts settlement report may be found from the following URL.

Fuji Machine Mfg.Co.,Ltd
<http://www.fuji.co.jp/e/index.html>

Nagoya Stock Exchange,Inc.
<http://www.nse.or.jp/e/index.html>

(3) Issues we need to solve

Regarding the business environment for our group, capital investment demand is expected to increase steadily backed by the likes of improved corporate profits and stimulus measures taken by different countries, although risks to the world economy remain. Also, there are concerns about over-heated price competition as well as raw materials shortages and price hikes in association with a quick rebound in demand.

Under these circumstances, along with efforts to promote speedy management and the immediate development of price-competitive, differentiated products in line with ever-diversifying customer needs, we will be working to develop new creative elemental technologies in a quest for next-generation technologies. We will push ahead with new product development and target growing markets such as environment and energy. Also, we will be trying to improve customer satisfaction and increase market share by reinforcing sales and service networks both at home and overseas. Additionally, while striving to reduce costs through relentless development of quality products and enhancement of parts procurement capability, we will be focused on improving profitability by constructing a production system that can comply with rapid changes in production quantities and by continuously carrying out a reduction of total costs. Moreover, jointly with efforts to strengthen the entire operation and management systems of the group and promote structural reforms of the business, we will be tackling the challenges of improving and stabilizing our financial situation, and achieving high profitability. This is as well as ensuring sustainable development of corporate value through a proactive commitment to social corporate responsibility.

CONSOLIDATED BALANCE SHEETS

Fuji Machine Mfg. Co., Ltd. and subsidiaries

ASSETS	Millions of yen	
	2009	2010
Current assets		
Cash on hand and in bank	42,171	47,134
Notes and accounts receivable – trade	7,377	14,516
Marketable securities	7,300	5,000
Merchandise	3,706	2,947
Work in process	7,736	2,460
Raw materials and supplies	18,101	12,895
Other inventories	49	40
Deferred taxes	529	3,566
Income taxes receivable	3,731	–
Other current assets	2,207	1,272
Less-Allowance for doubtful receivable	△80	△70
Total current assets	92,831	89,764
Fixed assets		
Property, plant and equipment:		
Building and structures	19,098	19,008
Accumulated depreciation and impairment loss	△10,067	△10,951
Buildings and structures, net	9,030	8,057
Machinery/equipment and vehicles	12,275	12,459
Accumulated depreciation and impairment loss	△8,265	△10,315
Machinery/equipment and vehicles, net	4,010	2,144
Tools, furniture and fixtures	5,806	5,635
Accumulated depreciation and impairment loss	△4,978	△4,997
Tools, furniture and fixtures, net	828	638
Land	4,272	3,501
Construction in progress	40	33
Total property, plant and equipment	18,181	14,376
Intangible assets:		
Software	2,106	2,716
Other intangible assets	21	19
Total intangible assets	2,128	2,735
Investments and other assets:		
Investment securities	8,890	12,242
Deferred taxes	1,195	1,568
Others	430	360
Total investments and other assets	10,516	14,171
Total fixed assets	30,826	31,283
Total assets	123,657	121,048

LIABILITIES AND NET ASSETS	Millions of yen	
	2009	2010
Liabilities		
Current liabilities:		
Notes and accounts payable	592	3,949
Current portion of bonds	-	5,000
Return planned long-term borrowings for less than 1 year	3,000	-
Accrued income tax	58	119
Accrued warranty	1,504	818
Others	4,788	4,463
Total current liabilities	9,943	14,350
Long term liabilities:		
Bonds	15,000	10,000
Accrued retirement benefits	1,552	3,175
Total long term liabilities	16,552	13,175
Total liabilities	26,496	27,526
Net assets		
Shareholders' equity		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Earnings surplus	88,478	82,671
Treasury stock	△41	△43
Total shareholders' equity	99,729	93,920
Valuation and translation adjustments		
Unrealized gain on available for-sale securities, net of taxes	△2,196	694
Translation adjustment	△371	△1,093
Total valuation and translation adjustments	△2,567	△398
Total net assets	97,161	93,521
Total liabilities and net assets	123,657	121,048

CONSOLIDATED INCOME STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	2009	2010
Net sales	69,485	41,747
Cost of sales	48,055	34,188
Gross profit	21,430	7,558
Selling, general and administrative expenses	16,200	13,771
Operating Income or Loss	5,229	△6,212
Non-operating revenue:		
Interest income	391	237
Dividends income	250	206
Rent income	229	-
Foreign exchange gains	409	-
Interest on refund of income taxes and other	-	102
Others	122	185
Non-operating expenses:		
Interest expense	167	212
Bond issuance cost	206	-
Commission fee	131	41
Foreign exchange losses	-	76
Others	6	30
Ordinary Income or Loss	6,118	△5,842
Extraordinary gain		
Gain on disposal of fixed assets	51	72
Gain on sales of investment securities	-	21
Others	-	17
Extraordinary loss		
Loss on disposal of fixed assets	317	139
Impairment loss	-	※ 2,638
Loss on valuation of investments in securities	1,198	-
Loss on revision of retirement benefit plan	203	-
Others	7	-
Income or Loss before income taxes	4,442	△8,508
Income taxes:		
Corporate, inhabitant's and enterprise taxes	805	111
Adjustment for corporate taxes	2,635	△3,791
Net Income or Loss	1,001	△4,828

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Fuji Machine Mfg. Co., Ltd. and subsidiaries

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital Surplus	Earnings surplus	Treasury stock	Total shareholders' equity
Balance at March 31, 2008	5,878	5,413	89,431	△37	100,687
Increase(Decrease)during the term:					
Cash dividends	-	-	△1,955	-	△1,955
Net income	-	-	1,001	-	1,001
Acquisition of treasury stocks	-	-	-	△4	△4
Net increase(Decrease) during the term, except for items under Shareholders' equity	-	-	-	-	-
Total	-	-	△953	△4	△958
Balance at March 31, 2009	5,878	5,413	88,478	△41	99,729

	Valuation and translation adjustments			Total net assets
	Unrealized gain on available for-sale securities, net of taxes	Translation adjustment	Total valuation and translation adjustments	
Balance at March 31, 2008	1,247	171	1,418	102,106
Increase(Decrease)during the term:				
Cash dividends	-	-	-	△1,955
Net income	-	-	-	1,001
Acquisition of treasury stocks	-	-	-	△4
Net increase(Decrease) during the term, except for items under Shareholders' equity	△3,444	△542	△3,986	△3,986
Total	△3,444	△542	△3,986	△4,944
Balance at March 31, 2009	△2,196	△371	△2,567	97,161

This consolidated accounting period (April 1, 2009 to March 31, 2010)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital Surplus	Earnings surplus	Treasury stock	Total shareholders' equity
Balance at March 31,2009	5, 878	5, 413	88, 478	△41	99, 729
Increase(Decrease)during the term:					
Cash dividends	-	-	△977	-	△977
Net loss	-	-	△4, 828	-	△4, 828
Acquisition of treasury stocks	-	-	-	△1	△1
Net increase(Decrease) during the term, except for items under Shareholders' equity	-	-	-	-	-
Total	-	-	△5, 806	△1	△5, 808
Balance at March 31,2010	5, 878	5, 413	82, 671	△43	93, 920

	Valuation and translation adjustments			Total net assets
	Unrealized gain on available for-sale securities, net of taxes	Translation adjustment	Total valuation and translation adjustments	
Balance at March 31,2009	△2, 196	△371	△2, 567	97, 161
Increase(Decrease)during the term:				
Cash dividends	-	-	-	△977
Net loss	-	-	-	△4, 828
Acquisition of treasury stocks	-	-	-	△1
Net increase(Decrease) during the term, except for items under Shareholders' equity	2, 891	△722	2, 169	2, 169
Total	2, 891	△722	2, 169	△3, 639
Balance at March 31,2010	694	△1, 093	△398	93, 521

CONSOLIDATED CASH FLOWS STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	2009	2010
Operating activities		
Income or loss before income taxes	4,442	△8,508
Depreciation and amortization	2,568	2,487
Impairment loss	-	2,638
Decrease in accrued warranty	△446	△676
Increase in accrued retirement benefits	1,630	1,623
Interest and dividend income	△641	△443
Interest expense	167	212
Loss on disposition of fixed assets	266	66
Loss on valuation of investments in securities	1,198	-
Increase or decrease in accounts receivable	17,747	△7,220
Increase or decrease in inventories	△2,146	11,091
Increase or decrease in trade payable	△3,661	3,404
Others	△1,967	1,906
Sub total	19,159	6,580
Interest and dividend received	641	443
Interest paid	△145	△217
Payments or refund of income taxes	△10,144	3,365
Net cash provided by operating activities	9,511	10,171
Investing activities		
Additions of tangible and intangible fixed assets	△4,771	△3,203
Proceeds from sales of tangible and intangible fixed assets	68	287
Additions of investment securities	△1,422	△241
Investment in time deposit	△395	△429
Proceeds on maturity of time deposit	192	532
Expenditures for long-term prepaid expenses	△128	△0
Others	11	141
Net cash used in investing activities	△6,446	△2,915
Financing activities		
Expenditures for return of long-term borrowings	△5,104	△3,000
Proceeds from issuance of bonds	9,795	-
Dividends paid	△1,954	△978
Others	△4	△1
Net cash (used in) provided by financing activities	2,732	△3,980
Effect of exchange rate changes on cash and cash equivalents	△492	△509
Increase in cash and cash equivalents	5,304	2,766
Cash and cash equivalents at beginning of year	43,256	48,561
Cash and cash equivalents at end of the period	※ 48,561	※ 51,327

Notes to assumption of going concern

Not applicable.

Important and fundamental matters for preparation of consolidated financial Statements

We have omitted disclosures, as they are not materially changed from the statements described in the latest financial statements (released on May 14, 2009).

Notes related to consolidated financial statements

(On consolidated income statements)

※ Impairment loss

In the current consolidated fiscal year, our group posted impairment loss for the following asset groups:

Use (Business segment)	Place	Type
Production facilities for the machine tools business (Machine Tools Business)	The Company Fujioka factory (Toyota-shi, Aichi)	Machinery and equipment etc.
Technical Research Institute (All company(common))	The Company Fujioka factory (Toyota-shi, Aichi)	Buildings etc.
Production facilities for the PCB contract manufacturing (Other Business)	The Company Okazaki factory (Okazaki-shi, Aichi)	Land
Production facilities for the machine tools business (Machine Tools Business)	Subsidiary Makoto Industry Co., Ltd. (Okazaki-shi, Aichi)	Land, Buildings, Machinery and equipment etc.

The assets are grouped based on management accounting business classifications.

Regarding the production facilities for the machine tools business, profitability declined due to significant deterioration of the business environment. As for other business (land), the usage of certain assets is expected to change in such a way as to considerably reduce the recoverable values of said assets. And for the technical research institute, no use is forecast hereafter. As a consequence, the book values of these asset groups are reduced to their respective recoverable values, and the concerned declines (2,638 million yen) are posted as extraordinary losses and shown as impairment losses.

They are broken down into 361 million yen for buildings and structures, 1,425 million yen for machinery/equipment and vehicles, 758 million yen for land, and 93 million yen for others.

The recoverable values are calculated from net realizable values and values in use. The net realizable values are mainly based on the real estate appraisal by a certified real estate appraiser, while the values in use are calculated by discounting the expected future cash flow at a rate of 8%.

(Data relating to the calculation of fluctuations in consolidated stockholders' equity etc.)

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

1. Matters relating to the kinds and total number of issued stocks & kinds and number of treasury stocks

	Stocks at the end of the previous consolidated fiscal year (Unit: 1,000 stocks)	Increased stocks in the current consolidated period (Unit: 1,000 stocks)	Decreased stocks in the current consolidated period (Unit: 1,000 stocks)	Stocks at the end of the current consolidated period (Unit: 1,000 stocks)
Issued stocks				
Common stocks	48,911	-	-	48,911
Total	48,911	-	-	48,911
Treasury stocks				
Common stocks (Note)	23	3	-	26
Total	23	3	-	26

(Note) The increase in the number of common treasury stocks, 3,000 stocks, was attributed to the purchase of odd stocks.

2. Matters related to subscription right for new shares

Not applicable.

3. Matters relating to dividends

(1) Amount of dividends paid

Resolution	Kind of stock	Dividend total (Unit: mil. yen)	Dividend per stock (Unit: yen)	Reference date	Effective date
Jun. 27, 2008 Annual Meeting of Shareholders	Common stock	977	20.00	Mar. 31, 2008	Jun. 30, 2008
Nov. 11, 2008 Board of Directors Meeting	Common stock	977	20.00	Sep. 30, 2008	Dec. 10, 2008

(2) Of the dividends for which the reference dates fall upon this consolidated period, those which will become effective after the end of this period

Resolution	Kind of stock	Dividend total (Unit: mill. yen)	Dividend resource	Dividend per stock (Unit: yen)	Reference date	Effective date
Jun. 26, 2009 Annual Meeting of Shareholders	Common stock	488	Earnings surplus	10.00	Mar. 31, 2009	Jun. 29, 2009

Current consolidated accounting period (April 1, 2009 - March 31, 2010)

1. Matters relating to the kinds and total number of issued stocks & kinds and number of treasury stocks

	Stocks at the end of the previous consolidated fiscal year (Unit: 1,000 stocks)	Increased stocks in the current consolidated period (Unit: 1,000 stocks)	Decreased stocks in the current consolidated period (Unit: 1,000 stocks)	Stocks at the end of the current consolidated period (Unit: 1,000 stocks)
Issued stocks				
Common stocks	48,911	-	-	48,911
Total	48,911	-	-	48,911
Treasury stocks				
Common stocks (Note)	26	1	-	28
Total	26	1	-	28

(Note) The increase in the number of common treasury stocks, 1,000 stocks, was attributed to the purchase of odd stocks.

2. Matters related to subscription right for new shares

Not applicable.

3. Matters relating to dividends

(1) Amount of dividends paid

Resolution	Kind of stock	Dividend total (Unit: mil. yen)	Dividend per stock (Unit: yen)	Reference date	Effective date
Jun. 26, 2009 Annual Meeting of Shareholders	Common stock	488	10.00	Mar. 31, 2009	Jun. 29, 2009
Nov. 10, 2009 Board of Directors Meeting	Common stock	488	10.00	Sep. 30, 2009	Dec. 10, 2009

(2) Of the dividends for which the reference dates fall upon this consolidated period, those which will become effective after the end of this period

Resolution	Kind of stock	Dividend total (Unit: mill. yen)	Dividend resource	Dividend per stock (Unit: yen)	Reference date	Effective date
Jun. 29, 2010 Annual Meeting of Shareholders	Common stock	488	Earnings surplus	10.00	Mar. 31, 2010	Jun. 30, 2010

(On consolidated cash flow statements)

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

	(Millions of yen)	
	March 31, 2009	March 31, 2010
Cash and deposit accounts	42,171	47,134
Marketable securities (Negotiable Certificates of Deposit)	7,300	5,000
Time deposits whose deposit terms exceed three months	△909	△807
Cash and cash equivalents at end of the period	48,561	51,327

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

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

(Millions of yen)

	Electronics Assembly Equipment	Machine Tools	Others	Total	Elimination or all company	Consolidated
I. Sales and operating expenses						
Sales						
1. Sales to third parties	56,397	12,344	744	69,485	-	69,485
2. Interarea sales or transfers	0	-	1,247	1,247	△1,247	-
Total	56,397	12,344	1,991	70,733	△1,247	69,485
Operating expenses	46,195	15,390	1,893	63,480	776	64,256
Operating income or loss	10,201	△3,045	97	7,253	△2,024	5,229
II. Asset, depreciation and capital expenditure						
Asset	60,530	15,567	1,932	78,029	45,628	123,657
Depreciation	1,775	580	90	2,447	121	2,568
Capital expenditure	3,240	1,452	36	4,729	217	4,946

This consolidated accounting period (April 1, 2009 to March 31, 2010)

(Millions of yen)

	Electronics Assembly Equipment	Machine Tools	Others	Total	Elimination or all company	Consolidated
I. Sales and operating expenses						
Sales						
1. Sales to third parties	38,687	2,594	465	41,747	-	41,747
2. Interarea sales or transfers	0	-	492	492	△492	-
Total	38,687	2,594	958	42,240	△492	41,747
Operating expenses	39,132	5,893	1,074	46,099	1,860	47,960
Operating loss	△444	△3,298	△115	△3,859	△2,353	△6,212
II. Asset, depreciation and capital expenditure						
Asset	62,064	10,239	2,028	74,332	46,715	121,048
Depreciation	1,694	583	75	2,354	133	2,487
Impairment loss	-	1,704	664	2,368	269	2,638
Capital expenditure	1,993	317	20	2,331	76	2,408

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) 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, 2008 to March 31, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or all company	Consolidated
I. Sales and operating expenses							
Sales							
1. Sales to third parties	52,387	11,641	5,348	108	69,485	-	69,485
2. Interarea sales or transfers	11,617	24	47	132	11,821	△11,821	-
Total	64,004	11,666	5,396	240	81,307	△11,821	69,485
Operating expenses	57,584	11,715	4,923	243	74,467	△10,211	64,256
Operating income or loss	6,419	△49	472	△2	6,839	△1,610	5,229
II. Asset	62,985	13,622	2,810	202	79,621	44,036	123,657

This consolidated accounting period (April 1, 2009 to March 31, 2010)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or all company	Consolidated
I. Sales and operating expenses							
Sales							
1. Sales to third parties	33,413	6,134	2,066	133	41,747	-	41,747
2. Interarea sales or transfers	5,992	0	58	194	6,245	△6,245	-
Total	39,405	6,134	2,125	327	47,992	△6,245	41,747
Operating expenses	43,311	6,251	2,017	256	51,836	△3,876	47,960
Operating income or loss	△3,906	△116	108	71	△3,843	△2,368	△6,212
II. Asset	60,557	13,875	2,739	240	77,412	43,635	121,048

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 2008 to March 31, 2009)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I . Overseas sales	12,345	9,618	29,426	2,601	53,992
II . Consolidated sales					69,485
III . Ratio of overseas sales to consolidated sales(%)	17.8	13.8	42.4	3.7	77.7

This consolidated accounting period (April 1 2009 to March 31, 2010)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I . Overseas sales	5,865	2,625	27,804	1,662	37,958
II . Consolidated sales					41,747
III . Ratio of overseas sales to consolidated sales(%)	14.0	6.3	66.6	4.0	90.9

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, Romania, etc.
 - (3) Asia: China, Vietnam, etc.
 - (4) Other: Brazil, etc.
3. Overseas sales are the aggregation of sales outside of Japan by the parent company and its consolidated subsidiaries.

(Per share information)

Item		2009	2010
Net assets worth per share	(Unit: yen)	1,987.55	1,913.16
Current net income or loss per share	(Unit: yen)	20.49	△98.78
Diluted current net income per share		The diluted current net income per share is not shown due to absence of residual shares.	The diluted current net income per share is not shown because the current net loss per share is applicable instead and there is an absence of residual shares.

(Note) The bases for calculation of the current net income or loss per share are as follows:

Current net income or loss	(Unit: million yen)	1,001	△4,828
Amounts not attributable to common shares	(Unit: million yen)	-	-
Current net income or loss attributable to common shares	(Unit: million yen)	1,001	△4,828
Average number of common shares during the year	(Unit: stocks)	48,886,530	48,884,247

(Important subsequent events)

Not applicable.

BALANCE SHEETS

Fuji Machine Mfg. Co., Ltd.

ASSETS	Millions of yen	
	2009	2010
Current assets		
Cash on hand and in bank	29,396	34,457
Notes receivable	1,445	196
Accounts receivable	4,891	14,503
Marketable securities	7,300	5,000
Merchandise and finished goods	1,478	663
Work in process	7,681	2,328
Raw materials and supplies	17,904	12,582
Prepaid expenses	73	52
Deferred taxes	-	3,210
Accounts receivable-other	1,474	523
Income taxes receivable	3,440	-
Other current assets	83	270
Allowance for doubtful accounts	△64	△64
Total current assets	75,105	73,722
Fixed assets		
Property, plant and equipment:		
Building	15,378	15,348
Accumulated depreciation and impairment loss	△8,210	△8,909
Buildings, net	7,168	6,438
Structures	1,289	1,267
Accumulated depreciation and impairment loss	△902	△940
Structures, net	387	327
Machinery and equipment	10,991	11,155
Accumulated depreciation and impairment loss	△7,358	△9,292
Machinery and equipment, net	3,632	1,862
Vehicles	451	459
Accumulated depreciation	△370	△383
Vehicles, net	80	75
Tools, furniture and fixtures	5,094	4,975
Accumulated depreciation and impairment loss	△4,357	△4,414
Tools, furniture and fixtures, net	736	560
Land	3,221	2,557
Construction in progress	34	30
Total property, plant and equipment	15,262	11,853

BALANCE SHEETS

Fuji Machine Mfg. Co., Ltd.

ASSETS	Millions of yen	
	2009	2010
Intangible assets:		
Leasehold right	5	5
Software	2,087	2,706
Telephone subscription right	10	10
Other intangible assets	3	1
Total intangible assets	2,106	2,723
Investments, etc.:		
Investment securities	8,838	12,176
Investment in related parties	1,115	1,115
Sundry investments	39	39
Sundry investments in related parties	469	469
Long-term prepaid expenses	128	83
Deferred taxes	1,175	1,535
Other investments	66	53
Total investments	11,833	15,473
Total fixed assets	29,202	30,051
Total assets	104,307	103,774

LIABILITIES AND NET ASSETS	Millions of yen	
	2009	2010
Liabilities		
Current liabilities:		
Accounts payable-trade	426	3,908
Current portion of bonds	–	5,000
Return planned long-term borrowings for less than 1 year	3,000	–
Accounts payable-other	949	327
Accrued expenses	1,790	2,272
Advances received	7	8
Deposits received	191	581
Accrued warranty	1,320	722
Equipment notes payable	327	21
Total current liabilities	8,012	12,843
Long term liabilities:		
Bonds	15,000	10,000
Accrued retirement benefits	1,521	3,142
Others	16	23
Total long term liabilities	16,538	13,165
Total liabilities	24,551	26,008
Net assets		
Shareholders' equity		
Capital stock	5,878	5,878
Capital surplus:		
Capital reserves	5,413	5,413
Total capital surplus	5,413	5,413
Earnings surplus:		
Earnings reserve	1,450	1,450
Other earnings surplus:		
General reserve	64,900	54,900
Carry over	4,351	9,481
Total earnings surplus	70,701	65,831
Treasury stock	△41	△43
Total shareholders' equity	81,952	77,080
Valuation and translation adjustments		
Unrealized gain on available for sale securities, net of taxes	△2,196	685
Total valuation and translation adjustments	△2,196	685
Total net assets	79,756	77,765
Total liabilities and net assets	104,307	103,774

INCOME STATEMENT

Fuji Machine Mfg. Co., Ltd.

	Millions of yen	
	2009	2010
Net sales	63,134	38,891
Cost of sales		
Beginning finished goods	2,197	1,478
Cost of products manufactured	45,414	32,226
Total	47,612	33,704
Ending finished goods	1,478	663
Cost of finished goods sold	46,133	33,041
Gross profit	17,000	5,849
Selling, general and administrative expenses		
Sales commission	14	219
Packing and transportation expenses	1,003	644
Advertising expenses	261	146
Provision of allowance for doubtful accounts	61	-
Other selling expenses	89	-
Provision for product warranties	336	256
Directors' compensations	344	300
Employees' salaries and allowances	2,190	2,109
Retirement benefit expenses	-	645
Traveling and transportation expenses	288	188
Depreciation	667	367
Research and development expenses	5,171	5,299
Other	2,061	1,438
Total selling, general and administrative expenses	12,490	11,615
Operating Income or Loss	4,510	△5,766
Non-operating revenue:		
Interest income	125	132
Interest on securities	87	35
Dividends income	407	205
Rent income	266	129
Interest on refund of income taxes and other	-	98
Miscellaneous income	88	105
Non-operating expenses:		
Interest expenses	66	20
Interest on bonds	97	191
Bond issuance cost	206	-
Commission fee	131	41
Foreign exchange losses	308	23
Miscellaneous expenses	3	21
Ordinary Income or Loss	4,671	△5,358

INCOME STATEMENT

Fuji Machine Mfg. Co., Ltd.

	Millions of yen	
	2009	2010
Extraordinary gain		
Gain on disposal of fixed assets	43	72
Gain on sales of investment securities	-	21
Others	-	8
Extraordinary loss		
Loss on disposal of fixed assets	316	126
Impairment loss	-	2,395
Loss on valuation of investments in securities	1,148	-
Loss on revision of retirement benefit plan	203	-
Others	7	-
Income or Loss before income taxes	3,039	△7,778
Income taxes:		
Corporate, inhabitant's and enterprise taxes	497	15
Adjustment for corporate taxes	2,268	△3,902
Net Income or Loss	273	△3,892

STATEMENT OF SHAREHOLDERS' EQUITY

Fuji Machine Mfg. Co., Ltd

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

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus	Earnings surplus				Treasury stock	Total shareholders' equity
		Capital reserves	Earnings reserve	Other earnings surplus		Total earnings surplus		
				General reserve	Carry over			
Balance at March 31,2008	5, 878	5, 413	1, 450	55, 600	15, 333	72, 383	△37	83, 638
Increase(Decrease)during the term:								
Cash dividends	-	-	-	-	△1, 955	△1, 955	-	△1, 955
General reserve	-	-	-	9, 300	△9, 300	-	-	-
Net income	-	-	-	-	273	273	-	273
Acquisition of treasury stocks	-	-	-	-	-	-	△4	△4
Net increase(Decrease) during the term, except for items under Shareholders' equity	-	-	-	-	-	-	-	-
Total	-	-	-	9, 300	△10, 981	△1, 681	△4	△1, 686
Balance at March 31,2009	5, 878	5, 413	1, 450	64, 900	4, 351	70, 701	△41	81, 952

	Valuation and translation adjustments	Total net assets
	Unrealized gain on available for-sale securities, net of taxes	
Balance at March 31,2008	1, 258	84, 896
Increase(Decrease)during the term:		
Cash dividends	-	△1, 955
General reserve	-	-
Net income	-	273
Acquisition of treasury stocks	-	△4
Net increase(Decrease) during the term, except for items under Shareholders' equity	△3, 454	△3, 454
Total	△3, 454	△5, 140
Balance at March 31,2009	△2, 196	79, 756

This accounting period (April 1, 2009 to March 31, 2010)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus	Earnings surplus				Treasury stock	Total shareholders' equity
		Capital reserves	Earnings reserve	Other earnings surplus		Total earnings surplus		
				General reserve	Carry over			
Balance at March 31,2009	5, 878	5, 413	1, 450	64, 900	4, 351	70, 701	△41	81, 952
Increase(Decrease)during the term:								
Cash dividends	-	-	-	-	△977	△977	-	△977
General reserve	-	-	-	△10, 000	10, 000	-	-	-
Net loss	-	-	-	-	△3, 892	△3, 892	-	△3, 892
Acquisition of treasury stocks	-	-	-	-	-	-	△1	△1
Net increase(Decrease) during the term, except for items under Shareholders' equity	-	-	-	-	-	-	-	-
Total	-	-	-	△10, 000	5, 129	△4, 870	△1	△4, 872
Balance at March 31,2010	5, 878	5, 413	1, 450	54, 900	9, 481	65, 831	△43	77, 080

	Valuation and translation adjustments	Total net assets
	Unrealized gain on available for-sale securities, net of taxes	
Balance at March 31,2009	△2, 196	79, 756
Increase(Decrease)during the term:		
Cash dividends	-	△977
General reserve	-	-
Net loss	-	△3, 892
Acquisition of treasury stocks	-	△1
Net increase(Decrease) during the term, except for items under Shareholders' equity	2, 881	2, 881
Total	2, 881	△1, 990
Balance at March 31,2010	685	77, 765

Notes to assumption of going concern

Not applicable.

Other information

(1) Executive changes

It was resolved at the meeting of the board of directors held today, May 13, 2010 concerning the change of the board members as follows:

The change of the applicable board members will be officially decided at the general shareholders meeting to be held on June 29, 2010 and the meeting of the board of directors to be held following the shareholders meeting.

We would like to inform you that the change of the officers was also resolved at the meeting of the board of directors today. The change of the applicable officers will be officially decided at the meeting of the board of directors to be held on June 29, 2010.

1. Directors

① Board Members Nomination

Shinsuke Suhara: Director

(Currently: Executive Officer, C.O.O., Electronics Assembly Equipment Division)

Nobuyuki Matsui: Outside Director

(Before: President, Nagoya Institute of Technology)

② Board Members Scheduled for Retirement

Masayoshi Ohara: Chairman

(Title after Retirement: Expected to assume the position of Senior Advisor)

Seizaburo Mishina: Outside Director

2. Officers

① New Executives Nomination

Mikio Furuuchi: Executive Officer

(Currently: Manager of Secretaries office and Personnel Department)

② Executives Scheduled for Promotion

Masanori Aoki: Director, Executive Vice President

(Currently: Director, Senior Managing Executive Officer)

③ Executives Scheduled for Retirement

Takayoshi Kawai: Executive Officer

(Currently: C.O.O., Electronics Assembly Equipment Division

Title after Retirement: Expected to assume the position of President of Edeclinsey
System Co., Ltd. (on May 31, 2010)

(2) Situation of orders and sales

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

This consolidated accounting period (April 1, 2009 to March 31, 2010)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	48,132	93.4	38,687	92.7	10,543	84.3
Machine Tools	2,884	5.6	2,594	6.2	1,868	15.0
Others	492	1.0	465	1.1	88	0.7
Total	51,509	100.0	41,747	100.0	12,501	100.0

Previous 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 (Including export)	42,172 (37,508)	87.6 (77.9)	51,586 (45,465)	81.7 (72.0)	625 (522)	47.5 (39.7)
Machine Tools (Including export)	5,963 (1,843)	12.4 (3.9)	11,548 (3,420)	18.3 (5.4)	691 (457)	52.5 (34.7)
Total (Including export)	48,135 (39,352)	100.0 (81.8)	63,134 (48,885)	100.0 (77.4)	1,317 (980)	100.0 (74.4)

This accounting period (April 1, 2009 to March 31, 2010)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment (Including export)	46,592 (44,000)	95.1 (89.8)	36,933 (34,797)	95.0 (89.5)	10,284 (9,725)	90.0 (85.1)
Machine Tools (Including export)	2,413 (1,257)	4.9 (2.6)	1,957 (880)	5.0 (2.2)	1,147 (834)	10.0 (7.3)
Total (Including export)	49,005 (45,257)	100.0 (92.4)	38,891 (35,678)	100.0 (91.7)	11,432 (10,560)	100.0 (92.4)