

February 12, 2015

## CONSOLIDATED FINANCIAL REPORT FOR THE THIRD QUARTER ENDED DECEMBER 31, 2014 [Japanese GAAP]

Fuji Machine Mfg. Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange and Nagoya Stock Exchange with the securities code number 6134.

(URL <http://www.fuji.co.jp/>)

Representative: Nobuyuki Soga, President & CEO

For Inquiries: Mitsuji Tatsumi, Director, Executive Officer and Accounting Department General Manager

Email: [pubrel@fuji.co.jp](mailto:pubrel@fuji.co.jp)

Figures have been rounded down to eliminate amounts less than one million yen, except per share figures.

### 1. Performance for the three quarters ended December 31, 2014 (From April 1 to December 31, 2014)

#### 1.1. Business results

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
9 months ended December 31, 2014	64,702 (32.4%)	8,828 (257.9%)	9,741 (204.5%)	6,875 (206.0%)
9 months ended December 31, 2013	48,856 (△8.8%)	2,466 (△40.2%)	3,198 (△27.6%)	2,246 (△18.4%)

Notes 1: Figures in parentheses are the percentage increase or decrease compared to the previous corresponding period.

2: Comprehensive income (Millions of yen)

9 months ended December 31, 2014	11,043	(30.9%)
9 months ended December 31, 2013	8,434	(117.1%)

(Yen)

	Net income per share	Diluted net income per share
9 months ended December 31, 2014	70.33	-
9 months ended December 31, 2013	22.98	-

#### 1.2. Financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio
December 31, 2014	149,468	131,949	88.1%
March 31, 2014	135,942	120,794	88.9%

Note: Equity (Millions of yen)

As of December 31, 2014:	131,728
As of March 31, 2014:	120,794

### 2. Cash dividends

(Yen)

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
12 months ended March 31, 2014	-	10.00	-	6.00	16.00
12 months ending March 31, 2015	-	8.00	-		
12 months ending March 31, 2015 (Forecast)				16.00	24.00

Notes 1: Revision of cash dividends in the latest quarter under review: Yes

2: Breakdown of second quarter-end dividend for the 12 months ending March 31, 2014 (Yen)

Regular dividend: 6.00 Commemorative dividend: 4.00

Breakdown of year-end dividend forecast for the 12 months ending March 31, 2015 (Yen)

Regular dividend: 12.00 Commemorative dividend: 4.00

### 3. Forecast of business results for fiscal year ending March 31, 2015

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
12 months ending March 31, 2015	85,000 (29.6%)	10,500 (246.8%)	11,300 (198.5%)	8,000 (208.5%)	81.83

Notes 1: Figures in parentheses are the percentage increase or decrease compared to the previous corresponding period.

2: Revision of business forecast in the latest quarter under review: Yes

#### Notes

- 1.1. Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No  
New Company: Not applicable Exclusion: Not applicable
- 1.2. Application of accounting methods specific to the preparation of quarterly consolidated financial statements: No
- 1.3. Changes of accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes of accounting policies accompanied by revision of accounting standard etc.: Yes
  - 2) Changes of accounting policies other than 1: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- 1.4. Number of shares outstanding
  - 1) Number of shares outstanding as of end of period (including treasury stock)  
As of December 31, 2014: 97,823,748 shares As of March 31, 2014: 97,823,748 shares
  - 2) Number of treasury stock as of end of period  
As of December 31, 2014: 66,404 shares As of March 31, 2014: 65,534 shares
  - 3) Average number of shares outstanding  
9 months ended December 31, 2014: 97,757,788 shares  
9 months ended December 31, 2013: 97,759,742 shares

#### Indication of quarterly review procedure implementation status

At the time of disclosure of this report, the procedures for review of quarterly consolidated financial statements, pursuant to the "Financial Instruments and Exchange Act" of Japan, have not been completed.

#### Explanation for appropriate use of forecasts and other notes

(Attention for the forecasts)

Items included in this document which relate to the future such as business results forecasts are based on information available as of the release of this report and Fuji makes no guarantee that these forecasts will be met. Also, actual business results may change greatly based on various factors.

# Contents

1.	Qualitative information .....	2
1.1.	Explanation of Operating Results .....	2
1.2.	Explanation of Financial Position .....	3
1.3.	Explanation of Forecasting Information such as Consolidated Earnings Forecasts etc. ....	3
2.	Quarterly Consolidated Financial Statements.....	4
2.1.	Consolidated balance sheets .....	4
2.2.	Consolidated income statement.....	6
2.3.	Consolidated statement of comprehensive income.....	7
2.4.	Consolidated cash flow statement .....	8
2.5.	Notes to Quarterly Consolidated Financial Statements.....	10
	(Notes to assumption of going concern) .....	10
	(Notes to a significant change in shareholder's capital) .....	10
	(Segment information) .....	10
3.	Supplementary information .....	12
3.1.	Orders and sales.....	12
3.2.	Information on regions.....	13

## **1. Qualitative information**

### **1.1. Explanation of Operating Results**

For the nine months since April 2014, the Japan economy has shown gradual recovery thanks to improved corporate profit margins and increased investment, even though the consumption tax increase has discouraged consumer spending. Outside Japan, an unpredictable business climate has stalled the European economy and has decelerated the economic growth of China, but the economy of North America has shown steady growth supported by expanding consumer spending.

In this environment, our Group has made efforts to promote speedy management and to develop highly competitive products which meet market needs, and continues to promote the rapid development of next-generation and innovative products. We have also worked to continue to strengthen domestic and overseas sales and service networks, and to promote solution-based sales approaches, in an effort to improve customer satisfaction and expand sales. In addition, we have sought to improve profitability by pursuing QCD (quality, cost and delivery) through the promotion of optimal global local procurement as part of the strengthening of supply chains, reducing the lead time with production reforms, and strengthening cooperation between Group companies.

As a result of the above, sales for the period ending with the third quarter of this fiscal year were 64,702 million yen, an increase of 15,845 million yen (32.4%) over the same period last fiscal year. In addition, our operating income was 8,828 million yen (up 257.9% over the same quarter last fiscal year), ordinary income was 9,741 million yen (up 204.5% over the same quarter last fiscal year), and net income was 6,875 million yen (up 206.0% over the same quarter last fiscal year).

#### **Business results by segment**

##### **1) Electronics Assembly Equipment**

Regarding the Electronics Assembly Equipment Division, the growth of new capital investment for PCB production equipment for markets such as smartphone, automotive electronics and industrial equipment has brought a strong business.

As a result, net sales totaled 56,420 million yen, up 15,254 million yen (37.1%) over the period ending with the third quarter of the previous fiscal year, and operating income was 11,313 million yen (up 153.4% over the same quarter last fiscal year).

##### **2) Machine Tools**

Regarding the Machine Tools Division, net sales were 7,656 million yen, an increase of 363 million yen (5.0%) over the period ending with the third quarter of the previous fiscal year. However, there was a loss of 314 million yen in operating income (Operating income for the same quarter last fiscal year: 14 million yen).

## **1.2. Explanation of Financial Position**

Regarding our financial position, due to an increase in notes and accounts receivable - trade, consolidated gross assets were up 13,525 million yen over the end of the previous fiscal year, at 149,468 million yen. In addition, an increase in income taxes payable resulted in an increase in consolidated gross liabilities over the end of the previous fiscal year, up 2,370 million yen to 17,518 million yen.

With regard to cash flow, the balance of cash and cash equivalents at the end of the third quarter of the current fiscal year was up 1,328 million yen over the end of the previous fiscal year, at 51,987 million yen.

Cash flows from operating activities were 7,786 million yen in revenue (same quarter previous year: 12,144 million yen in revenue). This was mainly due to income before income taxes and minority interests and depreciation.

Cash flows from investing activities were 6,631 million yen in expenditures (same quarter previous year: 5,880 million yen in expenditures). This was mainly due to purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities were 1,643 million yen in expenditures (same quarter previous year: 4,045 million yen in expenditures). This was mainly due to the payment of dividends.

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

Modifications have been made to the forecasts of consolidated business results that we announced on November 6, 2014.

## 2. Quarterly Consolidated Financial Statements

### 2.1. Consolidated balance sheets

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Year ended March 31, 2014	Third quarter ended December 31, 2014
<b>ASSETS</b>		
Current assets		
Cash and deposits	46,888	46,915
Notes and accounts receivable – trade	12,823	17,662
Securities	4,000	8,250
Merchandise and finished goods	4,754	5,610
Work in process	13,026	13,641
Raw materials and supplies	6,889	6,503
Other inventories	12	12
Other	4,616	5,669
Allowance for doubtful accounts	△29	△41
Total current assets	92,982	104,223
Non-current assets		
Property, plant and equipment	19,355	19,499
Intangible assets	5,754	5,161
Investments and other assets:		
Investment securities	17,224	19,926
Others	625	657
Total investments and other assets	17,849	20,583
Total non-current assets	42,959	45,244
Total assets	135,942	149,468

	Millions of yen	
	Year ended March 31, 2014	Third quarter ended December 31, 2014
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities:		
Notes and accounts payable - trade	3,434	3,751
Current portion of bonds	600	600
Income taxes payable	949	1,869
Provision for product warranties	681	848
Other	4,707	6,660
<b>Total current liabilities</b>	<b>10,372</b>	<b>13,729</b>
Non-current liabilities:		
Bonds payable	600	300
Net defined benefit liability	2,903	861
Other	1,271	2,627
<b>Total non-current liabilities</b>	<b>4,775</b>	<b>3,788</b>
<b>Total liabilities</b>	<b>15,147</b>	<b>17,518</b>
Net assets		
Shareholders' equity:		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Retained earnings	103,038	109,808
Treasury shares	△50	△51
<b>Total shareholders' equity</b>	<b>114,281</b>	<b>121,049</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,180	6,628
Foreign currency translation adjustment	1,147	4,003
Remeasurements of defined benefit plans	185	46
<b>Total accumulated other comprehensive income</b>	<b>6,513</b>	<b>10,678</b>
Minority interests	-	221
<b>Total net assets</b>	<b>120,794</b>	<b>131,949</b>
<b>Total liabilities and net assets</b>	<b>135,942</b>	<b>149,468</b>

## 2.2. Consolidated income statement

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Three quarters April 1 to December 31, 2013	Three quarters April 1 to December 31, 2014
Net sales	48,856	64,702
Cost of sales	31,472	38,591
Gross profit	17,384	26,110
Selling, general and administrative expenses	14,917	17,281
Operating income	2,466	8,828
Non-operating income:		
Interest income	78	94
Dividend income	211	214
Foreign exchange gains	294	608
Miscellaneous income	227	77
Total non-operating income	813	995
Non-operating expenses:		
Interest expenses	29	11
Commission fee	50	68
Miscellaneous expenses	0	3
Total non-operating expenses	80	82
Ordinary income	3,198	9,741
Extraordinary income:		
Gain on disposal of non-current assets	57	60
Gain on step acquisitions	—	77
Gain on bargain purchase	19	—
Total extraordinary income	76	138
Extraordinary losses:		
Loss on disposal of non-current assets	45	220
Other	0	5
Total extraordinary losses	45	225
Income before income taxes and minority interests	3,230	9,653
Income taxes – current	1,083	2,828
Income taxes – deferred	△91	△59
Total income taxes	992	2,769
Income before minority interests	2,238	6,883
Minority interests in loss	△8	8
Net income	2,246	6,875



### 2.3. Consolidated statement of comprehensive income

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Three quarters April 1 to December 31, 2013	Three quarters April 1 to December 31, 2014
Income before minority interests	2,238	6,883
Other comprehensive income		
Valuation difference on available for sale securities	3,690	1,448
Foreign currency translation adjustment	2,505	2,850
Remeasurements of defined benefit plans, net of tax	—	△139
Total other comprehensive income	6,195	4,159
Comprehensive income	8,434	11,043
(Details)		
Comprehensive income attributable to owners of parent	8,412	11,040
Comprehensive income attributable to minority interests	22	2

## 2.4. Consolidated cash flow statement

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Three quarters April 1 to December 31, 2013	Three quarters April 1 to December 31, 2014
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	3,230	9,653
Depreciation	3,643	3,978
Increase or decrease in provision for retirement	12	—
Increase or decrease in net defined benefit liability	—	△300
Interest and dividend income	△290	△309
Interest expenses	29	11
Loss or gain on disposal of non-current assets	△12	159
Increase or decrease in notes and accounts receivable – trade	2,908	△4,394
Increase or decrease in inventories	1,531	△158
Increase or decrease in notes and accounts payable -	△110	△349
Increase or decrease in consumption taxes refund receivable	517	△727
Others	△364	1,738
<b>Sub total</b>	<b>11,096</b>	<b>9,302</b>
Interest and dividend income received	290	309
Interest expenses paid	△31	△9
Income taxes (paid) refund	789	△1,816
<b>Net cash provided by (used in) operating activities</b>	<b>12,144</b>	<b>7,786</b>
<b>Cash flows from investing activities</b>		
Purchase of securities	—	△3,000
Purchase of property, plant and equipment and intangible assets	△5,268	△3,435
Proceeds from sales of property, plant and equipment and intangible assets and intangible assets	114	197
Purchase of investment securities	△699	△612
Payments into time deposits	△82	△63
Proceeds from withdrawal of time deposits	423	113
Purchase of investments in capital of subsidiaries	△351	—
Proceeds from sales of investment in subsidiaries resulting in change in scope of consolidation	—	169
Others	△17	△2
<b>Net cash provided by (used in ) investing activities</b>	<b>△5,880</b>	<b>△6,631</b>

	Millions of yen	
	Three quarters April 1 to December 31, 2013	Three quarters April 1 to December 31, 2014
Cash flows from financing activities		
Redemption of bonds	△2,624	△300
Cash dividends paid	△1,420	△1,342
Others	△1	△0
Net cash provided by (used in) financing activities	△4,045	△1,643
Effect of exchange rate change on cash and cash equivalents	1,590	1,816
Net increase (decrease) in cash and cash equivalents	3,808	1,328
Cash and cash equivalents at beginning of period	47,877	50,658
Cash and cash equivalents at end of the period	51,685	51,987

## 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 three quarters (April 1 to December 31, 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	41,165	7,292	48,457	398	48,856
Inter-segment sales or transfers	0	-	0	2	2
Total	41,165	7,292	48,457	401	48,858
Segment income or loss	4,465	14	4,479	△115	4,363

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	4,479
Other losses	△115
Inter-segment elimination	0
Overall company expenditures	△1,897
Quarterly operating income	2,466

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

**This three quarters (April 1 to December 31, 2014)**

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	56,420	7,656	64,076	625	64,702
Inter-segment sales or transfers	-	-	-	2	2
Total	56,420	7,656	64,076	628	64,704
Segment income or loss	11,313	△314	10,999	△55	10,943

Note: "Others" include business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, PCB design and 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	10,999
Other losses	△55
Inter-segment elimination	0
Overall company expenditures	△2,115
Quarterly operating income	8,828

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

### 3. Supplementary information

#### 3.1. Orders and sales (consolidated)

##### Previous three quarters (April 1 to December 31, 2013)

Name of segment	Orders (millions of yen)	Ratio (%)	Sales (millions of yen)	Ratio (%)	Order backlogs (millions of yen)	Ratio (%)
Electronics Assembly Equipment	42,175	83.1	41,165	84.3	7,754	60.7
Machine Tools	8,111	16.0	7,292	14.9	4,904	38.4
Others	460	0.9	398	0.8	116	0.9
Total	50,747	100.0	48,856	100.0	12,775	100.0

##### This three quarters (April 1 to December 31, 2014)

Name of segment	Orders (millions of yen)	Ratio (%)	Sales (millions of yen)	Ratio (%)	Order backlogs (millions of yen)	Ratio (%)
Electronics Assembly Equipment	55,522	81.0	56,420	87.2	8,748	50.2
Machine Tools	12,313	18.0	7,656	11.8	8,470	48.6
Others	706	1.0	625	1.0	209	1.2
Total	68,542	100.0	64,702	100.0	17,428	100.0

##### Previous fiscal year (April 1, 2013 to March 31, 2014)

Name of segment	Orders (millions of yen)	Ratio (%)	Sales (millions of yen)	Ratio (%)	Order backlogs (millions of yen)	Ratio (%)
Electronics Assembly Equipment	57,646	84.4	54,744	83.5	9,645	71.0
Machine Tools	10,002	14.7	10,275	15.7	3,812	28.1
Others	619	0.9	545	0.8	129	0.9
Total	68,269	100.0	65,565	100.0	13,587	100.0

### 3.2. Information on regions (consolidated)

#### Previous three quarters (April 1 to December 31, 2013)

	Japan	China	Other Asia	USA	Other North America	Europe	Other	Total
Sales (Millions of yen)	5,710	21,014	7,295	6,430	1,533	4,584	2,286	48,856
Ratio (%)	11.7	43.0	14.9	13.2	3.1	9.4	4.7	100.0

#### This three quarters (April 1 to December 31, 2014)

	Japan	China	Other Asia	USA	Other North America	Europe	Other	Total
Sales (Millions of yen)	6,676	30,847	8,930	8,186	1,833	6,906	1,321	64,702
Ratio (%)	10.3	47.7	13.8	12.7	2.8	10.7	2.0	100.0

#### Previous fiscal year (April 1, 2013 to March 31, 2014)

	Japan	China	Other Asia	USA	Other North America	Europe	Other	Total
Sales (Millions of yen)	7,769	26,010	11,271	9,368	1,730	6,428	2,988	65,565
Ratio (%)	11.8	39.7	17.2	14.3	2.6	9.8	4.6	100.0

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

Reference Doc

1. Forecast of consolidated business results (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
12 months ending March 31,2015	85,000 (29.6%)	10,500 (246.8%)	11,300 (198.5%)	8,000 (208.5%)

Note : Figures in parentheses are the percentage increase or decrease compared to the previous corresponding period.

2. Forecast of non-consolidated business results (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
12 months ending March 31,2015	78,000 (29.5%)	9,700 (254.8%)	10,600 (202.7%)	7,500 (201.8%)

Note : Figures in parentheses are the percentage increase or decrease compared to the previous corresponding period.

3. Forecast of consolidated order and sales (April 1, 2014 – March 31, 2015)

(Millions of yen)

Name of segment	Orders	Sales
	12 months ending March 31,2015	12 months ending March 31,2015
Electronics Assembly Equipment	73,000	73,000
Machine Tools	15,000	11,000
Others	1,000	1,000
Total	89,000	85,000

4. Forecast of consolidated major items (April 1, 2014 – March 31, 2015)

(Millions of yen)

Item	12 months ending March 31,2015
Capital expenditures	4,600
Depreciation	5,400
Research and development expenses	7,900