

CONSOLIDATED FINANCIAL RESULTS

FOR THE FIRST QUARTER ENDED JUNE 30, 2018 [J-GAAP]

August 9, 2018

Listed Company Name: FUJI CORPORATION
 Securities Code: 6134
 Listings: Tokyo Stock Exchange, Nagoya Stock Exchange
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Scheduled date to submit quarterly report: August 10, 2018

Scheduled date to start dividend payments: —

Preparation of quarterly financial results briefing materials: None

Holding of quarterly financial results briefing: None

(Amounts less than one million yen have been truncated)

1. Consolidated Financial Results (From April 1, 2018 to June 30, 2018)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2018	31,115	9.7	5,775	13.5	6,083	12.2	4,330	11.5
Three months ended June 30, 2017	28,356	22.6	5,090	53.5	5,422	77.6	3,883	84.6

Note: Comprehensive income Three months ended June 30, 2018: ¥ 4,070 million (-25.2%)
 Three months ended June 30, 2017: ¥5,445 million (—%)

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended June 30, 2018	47.40	44.95
Three months ended June 30, 2017	43.42	40.32

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	185,701	153,656	82.6
As of March 31, 2018	183,037	151,412	82.6

Reference: Shareholders' equity As of June 30, 2018 : ¥153,450 million
 As of March 31, 2018 : ¥151,203 million

Note: Because "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." was applied from the beginning of the current first quarter consolidated accounting period, the figures after retroactive treatment are recorded to the period for March 31, 2018.

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	20.00	—	20.00	40.00
Fiscal year ending March 31, 2019	—				
Fiscal year ending March 31, 2019 (Forecast)		25.00	—	25.00	50.00

Note: Revision of dividend forecast since last announcement: None

Fiscal year ending March 31, 2019 (Forecast)

Breakdown of dividend money for second quarter end:

Regular dividend: ¥20.00 Commemorative dividend: ¥5.00

Breakdown of dividend money for period end:

Regular dividend: ¥20.00 Commemorative dividend: ¥5.00

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	65,000	9.5	13,200	23.5	13,500	20.6	9,700	23.0	106.19
Full year	122,000	1.6	23,000	0.8	23,600	0.3	16,800	-4.1	183.92

Note: Revision of results forecast since last announcement: None

*Notes

(1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries involving changes in scope of consolidation): None

New Company: — Exclusion: —

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and retrospective restatements

1) Changes in accounting policies in accordance with revision of accounting standards: None

2) Changes in accounting policies other than item 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(4) Number of shares issued (common stock)

1) Number of shares issued as of end of period (including treasury shares)

As of June 30, 2018: 97,823,748 shares

As of March 31, 2018: 97,823,748 shares

2) Number of treasury shares as of end of period

As of June 30, 2018: 6,478,025 shares

As of March 31, 2018: 6,477,857 shares

3) Average number of shares during the period

Three months ended June 30, 2018: 91,345,849 shares

Three months ended June 30, 2017: 89,450,682 shares

These quarterly financial results are not subject to quarterly review procedures

Explanation regarding appropriate use of results forecasts and other special remarks

(Notes on the forward-looking statements)

The forward-looking statements, including results forecasts, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this document and they are not meant to be a commitment by the Company. Also, actual business results may differ substantially due to a number of factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2018, the Japanese economy has continued a recovery trend overall, and capital investment has shown steady growth. In terms of the global economy, the European economy has continued a moderate recovery, while the North American economy has continued expanding capital investments along with favorable corporate earnings supported by strong consumer spending. In China, capital investment for the manufacturing sector has gained traction and business is steady.

In this environment, under the corporate slogan of "Excite and Inspire", the company and its subsidiaries (hereinafter referred to as "group") have taken on the challenge of reforming based on a growth strategy of pioneering using robot technology. A principle focus is on the initiative to introduce innovative products to the machine tools market by freely using electronic component mounting robots and robot transfer systems in a timely manner. In addition, by strengthening the domestic and international sales and technical support systems from expanding the cooperation within the group and the agent network and by promoting total solutions, we have continued our efforts to increase our market share. At the same time, we have sought to improve profitability through efforts to pursue exhaustive QCD (quality, cost, delivery) by applying IoT methods to our production.

As a result of the above, net sales for the three months ended June 30, 2018 were ¥31,115 million, an increase of ¥2,758 million (9.7%) compared with the corresponding period of the previous fiscal year. Operating profit was ¥5,775 million (up 13.5% from the same period of the previous fiscal year) with increases in unit sales, ordinary profit was ¥6,083 million (up 12.2% from the same period of the previous fiscal year), and profit attributable to owners of parent was ¥4,330 million (up 11.5% from the same period of the previous fiscal year).

Business results by segment are as follows.

1) Robotic Solutions

We have seen an increase in communication related devices which is our main market and continued capital investment in markets such as the automotive market. In addition, the market for computer devices including servers in China and other Asian countries is becoming steady. As a result, net sales totaled ¥27,855 million, up ¥2,469 million (9.7%) from the corresponding period of the previous fiscal year. Operating profit was ¥6,847 million (up 14.8% from the same period of the previous fiscal year) with increases in unit sales.

2) Machine Tools

Under favorable domestic and international market conditions, vital capital investment has continued and orders have also become steady, especially at China market. On the other hand, because we have seen a cautious stance in capital investment for a part of the North American automotive market, net sales totaled ¥2,486 million, down ¥79 million (3.1%) from the corresponding period of the previous year. However, by reducing the cost price and such through improving the selling price and making production more efficient, the operating profit was ¥166 million (operating loss for the same period of the previous fiscal year was ¥102 million).

(2) Explanation of Financial Position

(Assets)

The current assets for the end of this first quarter consolidated accounting period was ¥125,996 million, an increase of ¥2,016 million compared to the end of the previous consolidated accounting period. The notes and accounts receivable-trade was ¥4,860 million, merchandise and finished goods increased ¥2,181 million, and cash and deposits decreased ¥3,193 million. Non-current assets became ¥59,704 million, an increase of ¥647 million compared to the end of the previous consolidated accounting period. This is mainly because construction in progress increased ¥1,351 million for the expansion construction at the Toyota Factory.

As a result, total assets became ¥185,701 million, an increase of ¥2,663 million compared to the end of the previous consolidated accounting period.

(Liabilities)

The current liabilities for the end of this first quarter consolidated accounting period was ¥23,225 million, an increase of ¥1,086 million compared to the end of the previous consolidated accounting period. This is mainly because equipment related negotiable instrument payables (including other current liabilities) increased ¥2,077 million. Non-current liabilities became ¥8,819 million, a decrease of ¥666 million compared to the end of the previous consolidated accounting period. This is mainly because deferred tax liability (including other non-current liabilities) decreased ¥530 million.

As a result, total liabilities became ¥32,045 million, an increase of ¥420 million compared to the end of the previous consolidated accounting period.

(Net assets)

The total net assets for the end of this first quarter consolidated accounting period was ¥153,656 million, an increase of ¥2,243 million compared to the end of the previous consolidated accounting period. This is mainly because retained earnings from cash dividends paid decreased ¥1,826 million. While, on the other hand, retained earnings from profit attributable to owners of parent increased ¥4,330 million.

Furthermore, "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28 Partial Amendments to Accounting Standard for Tax Effect Accounting, from February 16, 2018) was applied from the beginning of the current first quarter consolidated accounting period, thus the financial condition comparison is calculated using figures for the previous consolidated accounting period after retroactive treatment.

(3) Explanation of Cash Flows

The balance of cash and cash equivalents at the end of the first quarter of the fiscal year decreased by ¥3,209 million from the end of the previous fiscal year, to ¥55,714 million.

Net cash used in operating activities was ¥631 million (¥4,417 million was provided by the same period of the previous fiscal year). This was mainly due to exceed positive factor of increasing profit before income taxes and minority interests by negative factor of Income taxes paid and increasing notes and accounts receivable-trade.

Net cash used in investing activities was ¥1,149 million (¥2,259 million in the same period of the previous fiscal year). This was mainly due to purchase of property, plant and equipment and intangible assets.

Net cash used in financing activities was ¥1,761 million (¥1,333 million in the same period of the previous fiscal year). This was mainly due to cash dividends paid.

(4) Explanation of Forward-Looking Information including Forecast of Consolidated Results

No modifications have been made to the forecasts for consolidated business performance that we announced on May 10, 2018.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	57,767	54,573
Notes and accounts receivable - trade	28,919	33,780
Securities	4,438	4,416
Merchandise and finished goods	7,063	9,245
Work in process	15,153	14,809
Raw materials and supplies	6,128	7,267
Other	4,540	1,931
Allowance for doubtful accounts	(32)	(27)
Total current assets	123,979	125,996
Non-current assets		
Property, plant and equipment	18,944	20,763
Intangible assets	6,330	6,142
Investments and other assets		
Investment securities	32,572	31,484
Other	1,209	1,314
Total investments and other assets	33,782	32,799
Total non-current assets	59,057	59,704
Total assets	183,037	185,701
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,535	6,758
Income taxes payable	5,188	1,973
Provision for product warranties	1,109	1,054
Other	9,306	13,438
Total current liabilities	22,139	23,225
Non-current liabilities		
Bonds payable	7,241	7,239
Net defined benefit liability	766	632
Other	1,477	947
Total non-current liabilities	9,485	8,819
Total liabilities	31,625	32,045

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Net assets		
Shareholders' equity		
Capital stock	5,878	5,878
Capital surplus	5,924	5,924
Retained earnings	134,183	136,686
Treasury shares	(7,779)	(7,780)
Total shareholders' equity	138,207	140,710
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,688	10,923
Foreign currency translation adjustment	1,343	1,842
Remeasurements of defined benefit plans	(35)	(26)
Total accumulated other comprehensive income	12,995	12,739
Non-controlling interests	208	206
Total net assets	151,412	153,656
Total liabilities and net assets	183,037	185,701

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(For the Three Months Ended June 30, 2017 and 2018)

	(Millions of yen)	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	28,356	31,115
Cost of sales	16,689	18,245
Gross profit	11,667	12,869
Selling, general and administrative expenses	6,577	7,093
Operating profit	5,090	5,775
Non-operating income		
Interest income	47	60
Dividend income	155	192
Foreign exchange gains	99	38
Miscellaneous income	31	21
Total non-operating income	333	313
Non-operating expenses		
Interest expenses	(1)	(1)
Commission fee	2	1
Contribution	0	4
Miscellaneous expenses	0	0
Total non-operating expenses	1	5
Ordinary profit	5,422	6,083
Extraordinary income		
Gain on disposal of non-current assets	1	7
Total extraordinary income	1	7
Extraordinary losses		
Loss on disposal of non-current assets	101	32
Total extraordinary losses	101	32
Profit before income taxes	5,322	6,058
Income taxes - current	1,846	2,023
Income taxes - deferred	(413)	(304)
Total income taxes	1,433	1,719
Profit	3,888	4,339
Profit attributable to non-controlling interests	4	9
Profit attributable to owners of parent	3,883	4,330

(Consolidated Statements of Comprehensive Income)
(For the Three Months Ended June 30, 2017 and 2018)

	(Millions of yen)	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	3,888	4,339
Other comprehensive income		
Valuation difference on available-for-sale securities	1,348	(764)
Foreign currency translation adjustment	229	487
Remeasurements of defined benefit plans, net of tax	(20)	8
Total other comprehensive income	1,556	(268)
Comprehensive income	5,445	4,070
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,439	4,073
Comprehensive income attributable to non-controlling interests	5	(2)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Cash flows from operating activities		
Profit before income taxes	5,322	6,058
Depreciation	1,228	1,356
Increase (decrease) in net defined benefit liability	(65)	(121)
Interest and dividend income	(202)	(253)
Interest expenses	(1)	(1)
Decrease (increase) in notes and accounts receivable - trade	(4,389)	(4,781)
Decrease (increase) in inventories	(690)	(2,861)
Increase (decrease) in notes and accounts payable - trade	454	147
Decrease (increase) in consumption taxes refund receivable	2,117	2,670
Other, net	2,012	2,060
Subtotal	5,787	4,273
Interest and dividend income received	203	254
Interest expenses paid	(0)	(0)
Income taxes paid	(1,572)	(5,159)
Net cash provided by (used in) operating activities	4,417	(631)
Cash flows from investing activities		
Purchase of securities	(2,400)	—
Purchase of property, plant and equipment and intangible assets	(1,509)	(1,146)
Proceeds from sales of property, plant and equipment and intangible assets	3	9
Purchase of investment securities	—	(11)
Payments into time deposits	(18)	(18)
Proceeds from withdrawal of time deposits	1,666	24
Other, net	(2)	(7)
Net cash provided by (used in) investing activities	(2,259)	(1,149)
Cash flows from financing activities		
Repayments of long-term loans payable	(31)	—
Cash dividends paid	(1,301)	(1,761)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(1,333)	(1,761)
Effect of exchange rate change on cash and cash equivalents	156	333
Net increase (decrease) in cash and cash equivalents	981	(3,209)
Cash and cash equivalents at beginning of period	55,358	58,923
Cash and cash equivalents at end of period	56,339	55,714

(4) Notes to Consolidated Financial Statements

(Notes to assumption of going concern)

Not applicable

(Notes to a significant change in shareholders' equity)

Not applicable

(Additional information)

(Applying "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.")

"Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28 Partial Amendments to Accounting Standard for Tax Effect Accounting, from February 16, 2018) was applied from the beginning of the current first quarter consolidated accounting period, thus the deferred tax asset is displayed in the "Investments and other assets" category and the deferred tax liability is displayed in the "Non-current liabilities".

(Segment information)

I. Three months ended June 30, 2017

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

(Millions of yen)

	Reportable segments			Others (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	25,385	2,565	27,951	405	28,356
Inter-segment sales or transfers	0	—	0	4	5
Total	25,385	2,565	27,951	410	28,362
Segment income (loss)	5,962	(102)	5,860	(62)	5,797

Note: "Others" include business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, electronic equipment, and image processing development.

2) Difference between the aggregate amount of the profit or loss of a reportable segment and the amount posted in the consolidated statements of income and major descriptions of such difference (difference adjustments and related matters)

(Millions of yen)

Income	Amount
Reportable segments total	5,860
Losses in Others	(62)
Inter-segment transaction eliminations	2
Corporate expenses (Note)	(709)
Operating profit in the consolidated statements of income	5,090

Note: Corporate expenses mainly consist of general and administrative expenses and technical research expenses not attributable to the reportable segments.

II. Three months ended June 30, 2018

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

(Millions of yen)

	Reportable segments			Others (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	27,855	2,486	30,341	774	31,115
Inter-segment sales or transfers	0	0	1	0	2
Total	27,855	2,486	30,342	775	31,118
Segment income (loss)	6,847	166	7,013	24	7,038

Note: "Others" include business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, electronic equipment, and image processing development.

2) Difference between the aggregate amount of the profit or loss of a reportable segment and the amount posted in the consolidated statements of income and major descriptions of such difference (difference adjustments and related matters)

(Millions of yen)

Income	Amount
Reportable segments total	7,013
Gains in Others	24
Inter-segment transaction eliminations	1
Corporate expenses (Note)	(1,263)
Operating profit in the consolidated statements of income	5,775

Note: Corporate expenses mainly consist of general and administrative expenses and technical research expenses not attributable to the reportable segments.

3. Others

(1) Orders and Sales

Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	28,219	90.0	25,385	89.5	19,021	70.5
Machine Tools	2,545	8.1	2,565	9.1	7,633	28.3
Others	583	1.9	405	1.4	314	1.2
Total	31,347	100.0	28,356	100.0	26,968	100.0

Three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	31,482	80.5	27,855	89.5	21,545	60.7
Machine Tools	6,882	17.6	2,486	8.0	13,641	38.5
Others	744	1.9	774	2.5	292	0.8
Total	39,109	100.0	31,115	100.0	35,479	100.0

Fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	105,733	85.6	104,002	86.6	17,918	65.2
Machine Tools	15,388	12.4	13,798	11.5	9,244	33.6
Others	2,417	2.0	2,231	1.9	322	1.2
Total	123,539	100.0	120,032	100.0	27,485	100.0

(2) Information by Region

Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	3,131	14,049	3,556	2,569	2,442	2,331	276	28,356
Ratio (%)	11.0	49.6	12.5	9.1	8.6	8.2	1.0	100.0

Three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	3,941	13,909	6,043	2,458	1,137	3,283	341	31,115
Ratio (%)	12.7	44.7	19.4	7.9	3.7	10.5	1.1	100.0

Fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	19,515	53,482	12,272	13,487	6,290	13,462	1,520	120,032
Ratio (%)	16.3	44.6	10.2	11.2	5.2	11.2	1.3	100.0

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

Reference Document

Announcement of Financial Results for the First Quarter Ended June 30, 2018

August 9, 2018

FUJI CORPORATION

Securities Code: 6134

Listings: First section of the Tokyo Stock Exchange
and Nagoya Stock Exchange

1. Forecast of consolidated financial results for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	65,000	9.5	13,200	23.5	13,500	20.6	9,700	23.0
Full year	122,000	1.6	23,000	0.8	23,600	0.3	16,800	-4.1

Note: No modifications have been made to the forecasts that we announced on May 10, 2018.

2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	59,000	6.6	11,500	13.8	11,700	11.3	8,400	9.8
Full year	110,000	0.8	19,500	-3.4	20,000	-2.9	14,200	-9.6

Note: No modifications have been made to the forecasts that we announced on May 10, 2018.

3. Forecast of consolidated orders and net sales for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Amounts less than one million yen have been truncated)

Name of segment	Orders		Net sales	
	First half	Full year	First half	Full year
Robotic Solutions	56,500	106,000	56,500	105,000
Machine Tools	8,000	15,000	7,000	14,000
Others	1,500	3,000	1,500	3,000
Total	66,000	124,000	65,000	122,000

Note: No modifications have been made to the forecasts that we announced on May 10, 2018.

4. Forecast of consolidated major items for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Amounts less than one million yen have been truncated)

Item	First half	Full year
Capital expenditures	6,100	12,200
Depreciation	2,800	5,900
Research and development expenses	3,800	7,500

Note: No modifications have been made to the forecasts that we announced on May 10, 2018.