



FIRST QUARTER FINANCIAL STATEMENTS

From April 1 to June 30, 2011

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.

FUJII MACHINE MFG. CO., LTD.

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

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Qualitative information

1.1. Qualitative information concerning consolidated management results

In the Japanese economy during this first quarter of the current total period of consolidation, although uncertainties remain due to the influence of the earthquake disaster, concerns about the supply of components have eased somewhat and production activities in the manufacturing industry are now on the way to recovery. Looking at the world economy, although personal consumption has slumped in the U.S. due to factors such as soaring gasoline prices, and disturbing issues such as the debt problem in the Euro zone have remained a threat to the European economy, high domestic demand has kept up growth in emerging countries including China and India, which has in turn been a driving force for recovery.

Under these circumstances, our group has focused efforts on promoting timely development of competitive, differentiated products, exploration of next generation technologies, and development of new products and businesses targeted at growing markets in quest of improved and stable business profitability. Also, we have worked to expand market share and improve customer satisfaction by reinforcing our domestic and overseas sales and service network, constructed a production system that can comply with rapid fluctuations in production volume, and carried out further cost reductions.

As a result of this, sales in this first quarter of the current total period of consolidation amounted to 26,577 million yen, an increase of 4,266 million yen (19.1% up) compared with the first quarter of the previous total period of consolidation. Operating profit was 6,448 million yen (53.8% up from the same quarter a year earlier), with a recurring profit of 6,445 million yen (59.5% up from the same quarter a year earlier) and a quarterly net profit of 2,870 million yen (13.5% up from the same quarter a year earlier).

Business results by segment

1) Electronics Assembly Equipment

The demand for electronic parts assemblers has remained firm led by the demand for smartphones, tablet PC's, flat-screen TV's, automobile electrical components, and so on. Thanks to continued active capital investment by our leading customers such as major electronics manufacturers and EMS's (Electronic Manufacturing Services), sales amounted to 25,199 million yen, or an increase of 4,207 million yen (20.0% up) compared with the first quarter of the previous total period of consolidation, and operating profit has reached 7,386 million yen (36.4% up from the same quarter a year earlier).

2) Machine Tools

Although a demand upturn has been seen in the whole industry, the demand from the automobile industry, one of our leading customers, has continued to be discouraging. As a result of this, sales ended in 1,241 million yen, or an increase of 51 million yen (4.4% up) over the first quarter of the previous total period of consolidation, which translates to an operating loss of 76 million yen (the same quarter a year earlier: 493 million yen as an operating loss).

1.2. Qualitative information concerning financial condition

As for the financial condition, total consolidated assets have decreased by 1,419 million yen to 134,057 million yen compared with the end of the previous consolidated fiscal year due to a decrease in cash on hand and in banks, etc. Total consolidated liabilities have decreased by 3,501 million yen to 28,259 million yen compared with the end of the previous consolidated fiscal year due to a decrease in income taxes payable, etc.

With regard to cash flow, the balance of cash and cash equivalents at the end of this first quarter of the current total period of consolidation has decreased by 1,577 million yen

compared with the end of the previous consolidated fiscal year to 48,604 million yen. This includes 220 million yen which is the negative effect of exchange differences relating to cash and cash equivalents during this first quarter of the current total period of consolidation.

The cash flow from operating activities has turned out to be 1,725 million yen as received (the same quarter a year earlier: 11 million yen as disbursed). This is largely because the positive factors such as the quarterly net profit before adjustments of tax, etc. outweighed the negative factors such as the payments of corporate tax, etc.

The cash flow from investing activities has ended in 987 million yen as disbursed (the same quarter a year earlier: 352 million yen as disbursed). This is chiefly due to a cash outlay for the acquisition of fixed tangibles.

The cash flow from financing activities has resulted in 2,095 million yen as disbursed (the same quarter a year earlier: 461 million yen as disbursed). This is mainly attributed to the redemption of corporate bonds.

1.3. Qualitative information concerning consolidated results prediction

We have made no change in the prediction of the consolidated business performance announced as of May 12, 2011.

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, 2011	First quarter ended June 30, 2011
Current assets		
Cash on hand and in bank	46,938	45,350
Notes and accounts receivable – trade	19,980	19,630
Marketable securities	4,000	4,000
Merchandise	5,026	5,956
Work in process	13,936	15,313
Raw materials and supplies	8,502	8,982
Other inventories	31	31
Other current assets	6,413	4,436
Less - Allowance for doubtful receivable	△284	△274
Total current assets	104,544	103,425
Fixed assets		
Property, plant and equipment	14,145	14,351
Intangible assets	3,669	3,794
Investments and other assets:		
Investment securities	11,695	11,448
Others	1,422	1,037
Total investments and other assets	13,118	12,485
Total fixed assets	30,932	30,631
Total assets	135,477	134,057

LIABILITIES AND NET ASSETS	Millions of yen	
	Year ended March 31, 2011	First quarter ended June 30, 2011
Liabilities		
Current liabilities:		
Notes and accounts payable	5,665	4,831
Current portion of bonds	2,938	2,938
Accrued income tax	5,685	2,496
Accrued warranty	1,084	1,243
Others	6,512	8,028
Total current liabilities	21,886	19,537
Long term liabilities:		
Bonds	7,062	5,893
Accrued retirement benefits	2,748	2,764
Others	64	64
Total long term liabilities	9,874	8,721
Total liabilities	31,760	28,259
Net assets		
Shareholders' equity:		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Earnings surplus	94,241	96,134
Treasury stock	△46	△46
Total shareholders' equity	105,487	107,379
Other comprehensive income		
Valuation difference on available-for-sale securities	665	1,178
Foreign currency translation adjustment	△2,436	△2,761
Total other comprehensive income	△1,771	△1,582
Total net assets	103,716	105,797
Total liabilities and net assets	135,477	134,057

2.2. Consolidated income statement

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	First quarter April 1 to June 30, 2010	First quarter April 1 to June 30, 2011
Net sales	22,311	26,577
Cost of sales	13,788	14,953
Gross profit	8,522	11,623
Selling, general and administrative expenses	4,330	5,175
Operating income	4,192	6,448
Non-operating income:		
Interest income	41	23
Dividends income	103	122
Others	85	50
Total Non-operating income	230	195
Non-operating expenses:		
Interest expense	48	31
Foreign exchange losses	313	148
Others	19	19
Total Non-operating expenses	381	198
Ordinary income	4,041	6,445
Extraordinary income:		
Gain on disposal of fixed assets	52	2
Total extraordinary income	52	2
Extraordinary loss:		
Loss on disposal of fixed assets	46	42
Loss on valuation of investment securities	332	1,109
Loss on adjustment for changes of accounting standard for asset retirement obligations	58	-
Total extraordinary loss	436	1,152
Income before income taxes	3,657	5,294
Income taxes:		
Corporate, inhabitant's and enterprise taxes	98	2,637
Adjustment for corporate taxes	1,029	△213
Total income taxes	1,127	2,424
Income before minority interests	2,529	2,870
Net income	2,529	2,870

2.3. Consolidated statement of comprehensive income

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	First quarter April 1 to June 30, 2010	First quarter April 1 to June 30, 2011
Income before minority interests	2,529	2,870
Other comprehensive income		
Valuation difference on available for sale securities	△820	513
Foreign currency translation adjustment	△852	△324
Total other comprehensive income	△1,673	189
Comprehensive income	856	3,059
(Details)		
Comprehensive income attributable to owners of the parent	856	3,059

2.4. Consolidated cash flow statement

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	First quarter April 1 to June 30, 2010	First quarter April 1 to June 30, 2011
Operating activities		
Income before income taxes	3,657	5,294
Depreciation and amortization	511	666
Increase or decrease in accrued retirement benefits	△99	15
Interest and dividend income	△144	△145
Interest expense	48	31
Loss on valuation of investment securities	332	1,109
Increase or decrease in accounts receivable	△4,839	290
Increase or decrease in inventories	△2,012	△2,917
Increase or decrease in trade payable	1,558	△737
Increase or decrease in receivable consumption taxes	△45	1,496
Others	1,070	2,221
Sub total	37	7,323
Interest and dividend received	144	145
Interest paid	△78	△42
Payment of income taxes	△114	△5,700
Net cash provided by operating activities	△11	1,725
Investing activities		
Additions of tangible and intangible fixed assets	△539	△946
Proceeds from sales of tangible and intangible fixed assets	100	5
Investment in time deposit	△113	△28
Proceeds on maturity of time deposit	198	38
Others	1	△56
Net cash used in investing activities	△352	△987
Financing activities		
Redemption of bonds	-	△1,169
Dividends paid	△460	△925
Others	△0	△0
Net cash provided by (used in) financing activities	△461	△2,095
Effect of exchange rate changes on cash and cash equivalents	△655	△220
Decrease in cash and cash equivalents	△1,480	△1,577
Cash and cash equivalents at beginning of year	51,327	50,181
Cash and cash equivalents at end of the period	49,847	48,604

2.5. Notes to assumption of going concern

Not applicable.

2.6. Segment information

Previous consolidated accounting period (April 1 to June 30, 2010)

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	20,991	1,189	22,180	130	22,311
Inter-segment sales or transfers	-	-	-	347	347
Total	20,991	1,189	22,180	477	22,658
Segment income or loss	5,416	△493	4,923	△66	4,857

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	4,923
Other losses	△66
Inter-segment elimination	6
Overall company expenditures	△671
Quarterly operating income	4,192

Note:

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

This consolidated accounting period (April 1 to June 30, 2011)

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	25,199	1,241	26,440	136	26,577
Inter-segment sales or transfers	0	-	0	266	266
Total	25,199	1,241	26,440	403	26,844
Segment income or loss	7,386	△76	7,310	△13	7,297

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	7,310
Other losses	△13
Inter-segment elimination	6
Overall company expenditures	△855
Quarterly operating income	6,448

Note:

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

2.7. Notes to a significant change in shareholders' capital

Not applicable.

3. Supplementary information

3.1. Orders and sales

Previous consolidated accounting period (April 1 to June 30, 2010)

Name of segment	Orders (millions of yen)	Ratio (%)	Sales (millions of yen)	Ratio (%)	Order backlogs (millions of yen)	Ratio (%)
Electronics Assembly Equipment	26,103	93.3	20,991	94.1	15,655	86.2
Machine Tools	1,733	6.2	1,189	5.3	2,413	13.3
Others	140	0.5	130	0.6	99	0.5
Total	27,977	100.0	22,311	100.0	18,167	100.0

This consolidated accounting period (April 1 to June 30, 2011)

Name of segment	Orders (millions of yen)	Ratio (%)	Sales (millions of yen)	Ratio (%)	Order backlogs (millions of yen)	Ratio (%)
Electronics Assembly Equipment	28,007	92.2	25,199	94.8	14,776	76.0
Machine Tools	2,321	7.7	1,241	4.7	4,500	23.1
Others	41	0.1	136	0.5	167	0.9
Total	30,370	100.0	26,577	100.0	19,444	100.0

Previous consolidated accounting period (April 1, 2010 to March 31, 2011)

Name of segment	Orders (millions of yen)	Ratio (%)	Sales (millions of yen)	Ratio (%)	Order backlogs (millions of yen)	Ratio (%)
Electronics Assembly Equipment	87,578	91.2	86,153	92.7	11,968	76.5
Machine Tools	7,502	7.8	5,951	6.4	3,420	21.8
Others	962	1.0	788	0.9	262	1.7
Total	96,043	100.0	92,893	100.0	15,651	100.0

3.2. Information on regions

Previous consolidated accounting period (April 1 to June 30, 2010)

	Japan	China	Other Asia	North America	Europe	Other	Total
Sales (Millions of yen)	1,464	11,489	3,395	2,594	2,601	765	22,311
Ratio(%)	6.6	51.5	15.2	11.6	11.7	3.4	100.0

This consolidated accounting period (April 1 to June 30, 2011)

	Japan	China	Other Asia	North America	Europe	Other	Total
Sales (Millions of yen)	1,623	11,029	7,086	2,751	2,229	1,857	26,577
Ratio(%)	6.1	41.5	26.7	10.3	8.4	7.0	100.0

Previous consolidated accounting period (April 1, 2010 to March 31, 2011)

	Japan	China	Other Asia	North America	Europe	Other	Total
Sales (Millions of yen)	6,594	45,828	14,256	11,894	9,934	4,384	92,893
Ratio(%)	7.1	49.3	15.4	12.8	10.7	4.7	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, 2011 – Mar 31, 2012)

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
First two quarters	53,000 (9.7%)	12,100 (11.5%)	12,200 (16.7%)	7,300 (25.5%)
Total period	94,000 (1.2%)	19,000 (△8.2%)	19,100 (△5.9%)	11,500 (△11.0%)

Note 1: A figure in parentheses indicates a change from the same quarter a year earlier.

2: No modifications have been made to the forecasts that we announced as of May 12, 2011.

2. Individual forecasts for the current period (Apr 1, 2011 – Mar 31, 2012)

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
First two quarters	50,000 (8.5%)	11,700 (14.5%)	11,800 (19.1%)	6,900 (35.3%)
Total period	90,000 (1.3%)	18,300 (△8.3%)	18,400 (△6.5%)	10,800 (△10.5%)

Note 1: A figure in parentheses indicates a change from the same quarter a year earlier.

2: No modifications have been made to the forecasts that we announced as of May 12, 2011.

3. Consolidated order and sales forecasts for the current period (Apr 1, 2011 – Mar 31, 2012)

(Millions of yen)

Name of segment	Orders		Sales	
	First two quarters	Total period	First two quarters	Total period
Electronics Assembly Equipment	48,500	87,500	49,000	85,000
Machine Tools	4,200	9,000	3,700	8,500
Others	300	500	300	500
Total	53,000	97,000	53,000	94,000

4. Consolidated forecasts of major items for the current period (Apr 1, 2011 – Mar 31, 2012)

(Millions of yen)

Item	First two quarters	Total period
Capital expenditures	2,800	4,400
Depreciation expenses	1,400	3,000
Research and development expenses	2,800	5,600

Note: No modifications have been made to the forecasts that we announced as of May 12, 2011.