



FIRST QUARTER FINANCIAL STATEMENTS

From April 1 to June 30, 2012

Consolidated Subsidiaries

Domestic:

Adtek Fuji Co., Ltd.

Edeclinsey System Co., Ltd.

Overseas:

Fuji America Corporation

Fuji Machine America Corporation

Fuji Machine Mfg. (Europe) GmbH

Fuji Machine China Co., Ltd.

Kunshan Fuji Machine Mfg Co., Ltd.

FUJII MACHINE MFG. CO., LTD.

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1. Qualitative information

1.1. Qualitative information concerning consolidated management results

Due to the prolonged appreciation of the yen and the global economic slowdown, our economic recovery in the first quarter consolidated cumulative period was mild. As a result of prolonged low economic growth in the United States and economic turmoil in some European countries, an economic slow down in emerging economies has also been seen.

With this situation in mind, we have promoted the creation of differentiated products and new product development aimed towards exploration of next-generation technology and new business development, in order to achieve stabilization and improvement of profitability. Through strengthening our national/international sales and service network, we have worked towards increasing market share and improving customer satisfaction in addition to our effort to establish flexible production and to achieve further cost savings. However, due to such factors as the global economic slowdown, our net sales in the first quarter consolidated cumulative period ended at 21,746 million yen, which was lower than the previous period by 4,831 million yen (18.2%). Operating profit was 2,807 million yen (a 56.5% decrease compared to the same quarter last year), ordinary income was 2,814 million yen (a 56.3% decrease compared to the same quarter last year), and net income was 1,862 million yen (a 35.1% decrease compared to the same quarter last year).

Business results by segment

1) Electronics Assembly Equipment

While smartphones and tablet PCs remained solid in growth, leading electronics companies and EMS (electronics manufacturing companies), which consists of our major customers, grew cautious about capital investment due to the slowdown of the sales of personal computers and televisions and the decrease in demand for automotive electronics boards in Europe. This resulted in sales of 19,145 million yen, which was lower than the previous first quarter consolidated cumulative period by 6,054 million yen (24.0%), and operating income of 3,468 million yen (a 53.0% decrease compared to the same quarter last year).

2) Machine Tools

The automotive industry, which is our group's major customer, remained strong in the domestic market and showed mild recovery, particularly in the North America and Chinese markets. Sales were 2,461 million yen, an increase of 1,220 million yen (98.3%), and operating income was 325 million yen (previous year: operating loss of 76 million yen).

1.2. Qualitative information concerning financial condition

Regarding our financial condition, due to a decrease in cash and cash equivalents, total consolidated assets decreased from the end of the previous fiscal year by 2986 million yen, to 130,916 million yen. Due to such factors as a decrease in bond, total combined debts have decreased compared with the end of the previous fiscal year by 2,750 million yen, to 20,568 million yen.

Regarding our cash flow, the balance of cash and cash equivalents at the end of the first quarter of the current fiscal year decreased from the end of the previous fiscal year by 4,624 million yen, to 46,240 million yen. Note that this includes the negatively influenced amount of 392 million yen related to the exchange rate changes on cash and cash equivalents during the first quarter consolidated cumulative period.

Expenditure from operation was 668 million yen (previous year: income of 1,725 million yen). This was mainly due to negative factors such as an increase in accounts receivable having been greater than the positive factors such as net income before income taxes.

Expenditure from investment was 1,892 million yen (previous year: expenditure of 987 million yen). This was mainly due to purchases of tangible fixed assets.

Expenditure from financing was 1,671 million yen (previous year: expenditure of 2,095 million yen). This was mainly due to redemption of bonds.

1.3. Qualitative information concerning consolidated results prediction

Because our main fields of business, electronic equipment manufacturers, EMS (electronics manufacturing companies), and automotive parts manufacturers are cautious about capital investment against the backdrop of the global economic slowdown, the outlook for the sales of electronic components assembly machines is expected to be lower than the initial forecast. Therefore, we have adjusted the first six months and full year consolidated financial results forecasts that we announced on May 10, 2012 as follows.

Correction to forecast of business performance for the first six months of the consolidated accounting period (April 1 to September 30, 2012)

	Sales	Operating income	Ordinary income	Net income	Net income per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previous forecast for six months ending September 30, 2012 (A)	52,000	10,000	10,200	6,400	130.93
Revised forecast for six months ending September 30, 2012 (B)	43,000	5,700	5,800	3,700	75.69
Difference (B-A)	△9,000	△4,300	△4,400	△2,700	-
Change (%)	△17.3	△43.0	△43.1	△42.2	-
Six months ended September 30, 2011	52,871	12,367	12,099	6,073	124.25

Correction to forecast of business performance for the entire year of the consolidated accounting period (April 1, 2012 to March 31, 2013)

	Sales	Operating income	Ordinary income	Net income	Net income per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previous forecast for year ending March 31, 2013 (A)	94,000	16,100	16,400	10,300	210.72
Revised forecast for year ending March 31, 2013 (B)	83,000	10,600	10,800	7,000	143.21
Difference (B-A)	△11,000	△5,500	△5,600	△3,300	-
Change (%)	△11.7	△34.2	△34.1	△32.0	-
Year ended March 31, 2012	86,249	15,672	15,661	8,516	174.22

Note:

The above forecasts have been made based on all the information available at the time this report was created. Depending on business conditions and other factors, actual results may differ from these predictions.

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, 2012	First quarter ended June 30, 2012
Current assets		
Cash on hand and in bank	47,537	41,916
Notes and accounts receivable – trade	18,665	22,656
Marketable securities	4,000	5,000
Merchandise	3,887	4,559
Work in process	15,367	14,255
Raw materials and supplies	7,771	7,641
Other inventories	31	22
Other current assets	4,694	3,653
Less - Allowance for doubtful receivable	△236	△241
Total current assets	101,719	99,464
Fixed assets		
Property, plant and equipment	15,201	15,324
Intangible assets	4,917	5,037
Investments and other assets:		
Investment securities	11,089	9,614
Others	973	1,476
Total investments and other assets	12,063	11,090
Total fixed assets	32,183	31,452
Total assets	133,902	130,916

LIABILITIES AND NET ASSETS	Millions of yen	
	Year ended March 31, 2012	First quarter ended June 30, 2012
Liabilities		
Current liabilities:		
Notes and accounts payable	3,944	3,407
Current portion of bonds	2,938	2,938
Accrued income tax	1,654	1,005
Accrued warranty	1,131	1,108
Others	6,646	6,186
Total current liabilities	16,315	14,646
Long term liabilities:		
Bonds	4,124	2,955
Accrued retirement benefits	2,814	2,902
Others	64	64
Total long term liabilities	7,003	5,922
Total liabilities	23,319	20,568
Net assets		
Shareholder's equity:		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Earnings surplus	100,802	101,931
Treasury stock	△47	△48
Total shareholders' equity	112,047	113,175
Other comprehensive income		
Valuation difference on available-for-sale securities	1,107	206
Foreign currency translation adjustment	△2,669	△3,316
Total other comprehensive income	△1,561	△3,109
Minority interests	98	281
Total net assets	110,583	110,348
Total liabilities and net assets	133,902	130,916

2.2. Consolidated income statement

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	First quarter April 1 to June 30, 2011	First quarter April 1 to June 30, 2012
Net sales	26,577	21,746
Cost of sales	14,953	13,710
Gross profit	11,623	8,035
Selling, general and administrative expenses	5,175	5,227
Operating income	6,448	2,807
Non-operating income:		
Interest income	23	23
Dividends income	122	98
Others	50	29
Total non-operating income	195	151
Non-operating expenses:		
Interest expense	31	21
Foreign exchange losses	148	111
Others	19	11
Total non-operating expenses	198	144
Ordinary income	6,445	2,814
Extraordinary income:		
Gain on disposal of fixed assets	2	2
Total extraordinary income	2	2
Extraordinary loss:		
Loss on disposal of fixed assets	42	81
Loss on valuation of investment securities	1,109	75
Others	-	7
Total extraordinary loss	1,152	163
Income before income taxes	5,294	2,653
Income taxes:		
Corporate, inhabitant's and enterprise taxes	2,637	970
Adjustment for corporate taxes	△213	△177
Total income taxes	2,424	792
Income before minority interests	2,870	1,860
Minority interests in loss	-	△1
Net income	2,870	1,862

2.3. Consolidated statement of comprehensive income

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	First quarter April 1 to June 30, 2011	First quarter April 1 to June 30, 2012
Income before minority interests	2,870	1,860
Other comprehensive income		
Valuation difference on available for sale securities	513	△901
Foreign currency translation adjustment	△324	△653
Total other comprehensive income	189	△1,554
Comprehensive income	3,059	306
(Details)		
Comprehensive income attributable to owners of the parent	3,059	314
Comprehensive income attributable to minority interests	-	△8

2.4. Consolidated cash flow statement

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	First quarter April 1 to June 30, 2011	First quarter April 1 to June 30, 2012
Operating activities		
Income before income taxes	5,294	2,653
Depreciation and amortization	666	815
Increase or decrease in accrued retirement benefits	15	87
Interest and dividend income	△145	△122
Interest expense	31	21
Loss on valuation of investment securities	1,109	75
Increase or decrease in accounts receivable	290	△4,130
Increase or decrease in inventories	△2,917	358
Increase or decrease in trade payable	△737	△418
Increase or decrease in receivable consumption taxes	1,496	454
Others	2,221	997
Sub total	7,323	794
Interest and dividend received	145	122
Interest paid	△42	△28
Payment of income taxes	△5,700	△1,555
Net cash provided by (used in) operating activities	1,725	△668
Investing activities		
Additions of tangible and intangible fixed assets	△946	△1,863
Proceeds from sales of tangible and intangible fixed assets	5	4
Investment in time deposit	△28	△28
Proceeds on maturity of time deposit	38	24
Others	△56	△29
Net cash provided by (used in) investing activities	△987	△1,892
Financing activities		
Redemption of bonds	△1,169	△1,169
Dividends paid	△925	△694
Proceeds from stock issuance to minority shareholders	-	192
Others	△0	△0
Net cash provided by (used in) financing activities	△2,095	△1,671
Effect of exchange rate changes on cash and cash equivalents	△220	△392
Decrease in cash and cash equivalents	△1,577	△4,624
Cash and cash equivalents at beginning of year	50,181	50,865
Cash and cash equivalents at end of the period	48,604	46,240

2.5. Notes to assumption of going concern

Not applicable.

2.6. Notes to a significant change in shareholder's capital

Not applicable.

2.7. Segment information

Previous 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.

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

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

(Millions of yen)

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

Note:

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

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

(Millions of yen)

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

Note:

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

3. Supplementary information

3.1. Orders and sales

Previous 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

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

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

Previous consolidated accounting period (April 1, 2011 to March 31, 2012)

Name of segment	Orders (millions of yen)	Ratio (%)	Sales (millions of yen)	Ratio (%)	Order backlogs (millions of yen)	Ratio (%)
Electronics Assembly Equipment	71,745	86.4	76,813	89.1	6,901	55.4
Machine Tools	10,937	13.2	8,890	10.3	5,467	43.9
Others	365	0.4	546	0.6	81	0.7
Total	83,048	100.0	86,249	100.0	12,450	100.0

3.2. Information on regions

Previous 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

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

	Japan	China	Other Asia	North America	Europe	Other	Total
Sales (Millions of yen)	2,322	11,871	4,605	987	1,346	612	21,746
Ratio (%)	10.7	54.6	21.2	4.5	6.2	2.8	100.0

Previous consolidated accounting period (April 1, 2011 to March 31, 2012)

	Japan	China	Other Asia	North America	Europe	Other	Total
Sales (Millions of yen)	9,833	32,639	20,641	11,219	6,897	5,017	86,249
Ratio (%)	11.4	37.9	23.9	13.0	8.0	5.8	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, 2012 – Mar 31, 2013)

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
First two quarters	43,000 (△18.7%)	5,700 (△53.9%)	5,800 (△52.1%)	3,700 (△39.1%)
Total period	83,000 (△3.8%)	10,600 (△32.4%)	10,800 (△31.0%)	7,000 (△17.8%)

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

2. Individual forecasts for the current period (Apr 1, 2012 – Mar 31, 2013)

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
First two quarters	42,000 (△16.7%)	5,500 (△51.4%)	5,500 (△50.1%)	3,600 (△32.6%)
Total period	80,000 (△0.2%)	10,200 (△28.6%)	10,200 (△28.3%)	6,800 (△9.4%)

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

3. Consolidated order and sales forecasts for the current period (Apr 1, 2012 – Mar 31, 2013)

(Millions of yen)

Name of segment	Orders		Sales	
	First two quarters	Total period	First two quarters	Total period
Electronics Assembly Equipment	37,200	73,000	37,700	72,000
Machine Tools	5,600	12,600	5,100	10,600
Others	200	400	200	400
Total	43,000	86,000	43,000	83,000

4. Consolidated forecasts of major items for the current period (Apr 1, 2012 – Mar 31, 2013)

(Millions of yen)

Item	First two quarters	Total period
Capital expenditures	3,100	5,800
Depreciation expenses	1,700	3,800
Research and development expenses	4,100	7,900