

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, 2017	—	15.00	—	15.00	30.00
Fiscal year ending March 31, 2018	—	20.00	—		
Fiscal year ending March 31, 2018 (Forecast)				20.00	40.00

Note: Revision of dividend forecast since last announcement: None

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	114,000	31.9	19,300	97.1	20,000	96.1	14,800	109.8	165.46

Note: Revision of results forecast since last announcement: Yes

*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 December 31, 2017: 97,823,748 shares

As of March 31, 2017: 97,823,748 shares

2) Number of treasury shares as of end of period

As of December 31, 2017: 8,374,014 shares

As of March 31, 2017: 8,372,922 shares

3) Average number of shares during the period

Nine months ended December 31, 2017: 89,450,299 shares

Nine months ended December 31, 2016: 93,481,309 shares

These quarterly financial results are not subject to quarterly review procedures

Explanation regarding appropriate use of results forecasts and other special remarks

(Attention for forward-looking statements, etc.)

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. Please refer to page 3 for details regarding assumptions and other matters concerning for the forecast of consolidated results.

(Reference)

Forecast of non-consolidated Results for the Fiscal Year Ending March 31, 2018(From April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	103,000	30.6	17,100	91.6	17,600	91.0	13,600	111.5	152.04

Note: Revision of results forecast since last announcement: Yes

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

The Japanese economy continued to recover during the third quarterly period and capital equipment investment has started to increase. For the world economy, Europe is continuing to experience a gentle recovery, while North America has seen a continuous gentle recovery for investing in capital equipment under the environment of corporate earnings improving. The environment in China is improving and there appeared to be movement towards recovery in capital equipment investment for the manufacturing sector.

In this environment, under the slogan of “Excite and Inspire” the Company and its subsidiaries (hereinafter the “Group”) have taken on the challenge of reforming and have made efforts to develop highly original products as one of the world’s leading robot manufacturers, while striving to promote swift management and to provide the market with products that are highly competitive on cost in a timely manner. We have also worked to improve customer satisfaction by strengthening the domestic and overseas sales and service system through cooperation among Group companies and expansion of the dealer network, and by promoting solution-based sales approaches. At the same time, we have sought to improve profitability through efforts to pursue exhaustive QCD (quality, cost and delivery) through strengthening supply chains and production reforms.

As a result of the above, net sales for the nine months ended December 31, 2017 were ¥87,360 million, an increase of ¥23,899 million (37.7%) compared with the corresponding period of the previous fiscal year. Operating income was ¥16,005 million (up 130.4% from the same period of the previous fiscal year), ordinary income was ¥16,778 million (up 126.8%), and profit attributable to owners of parent was ¥12,643 million (up 138.3%), due mainly to cause gain on sales of investment securities as extraordinary income.

Business results by segment are as follows.

1) Robotic Solutions

With the backdrop of the world economy growing, there has been increased demand for communication devices with smartphones being at the forefront, and we have seen active capital equipment investment in fields such as module parts, automotive, and consumer electronics. As a result, net sales totaled ¥76,492 million, increased by ¥21,696 million (39.6%) from the corresponding period of the previous fiscal year, and operating income was ¥18,260 million (up 72.0% from the same period of the previous fiscal year).

2) Machine Tools

Along with the vigorous global markets, the Chinese market, which a sales system has been established, has expanded greatly. There has been growth in capital investment in automobile related equipment in Japan and North America as well. As a result, net sales were ¥9,324 million, an increase of ¥1,608 million (20.8%) from the corresponding period of the previous fiscal year, and operating income was ¥305 million (operating loss for the same period of the previous fiscal year was ¥682 million).

(2) Explanation of Financial Position

Regarding our financial position, due to an increase in notes and accounts receivable – trade and in a current price evaluation value on sales of investment securities, total assets increased by ¥19,955 million from the end of the previous fiscal year, to ¥178,362 million. In addition, an increase in deferred tax liabilities which is divided into other in non-current liabilities and income taxes payable in total liabilities by ¥5,039 million from the end of the previous fiscal year, to ¥32,498 million.

With regard to cash flows, the balance of cash and cash equivalents at the end of the third quarter of the fiscal year decreased by ¥752 million from the end of the previous fiscal year, to ¥56,111 million.

Net cash provided by operating activities was ¥7,366 million (¥11,469 million in the same period of the previous fiscal year). This was mainly due to profit before income taxes and depreciation.

Net cash used in investing activities was ¥3,965 million (¥10,314 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 ¥3,113 million (¥9,043 million in the same period of the previous fiscal year). This was mainly due to cash dividends paid.

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

Regarding robotic solutions business, the electronic device market as a whole has grown steady, and demand is increasing. Due to this reason the Company has revised its consolidated forecast of business and as a result, the following amendments have been made to the forecast which was announced on November 9, 2017.

Revision of forecast of consolidated business results (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share (yen)
Previous forecast (A)	110,000	17,500	18,100	12,700	141.98
Revised forecast (B)	114,000	19,300	20,000	14,800	165.46
Change (B-A)	4,000	1,800	1,900	2,100	
Rate of change (%)	3.6	10.3	10.5	16.5	
(Ref.) Results for the fiscal year ended March 31, 2017	86,397	9,794	10,200	7,054	76.19

Note; The above forecast of business results is based on certain information available to Fuji Machine Mfg. Co., Ltd. at the time of this announcement, and actual operating results may differ from the forecast due to various factors.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	53,956	52,923
Notes and accounts receivable - trade	18,004	25,943
Securities	5,570	9,251
Merchandise and finished goods	7,463	8,075
Work in process	14,158	16,189
Raw materials and supplies	5,479	6,289
Other	6,932	6,727
Allowance for doubtful accounts	(20)	(23)
Total current assets	111,544	125,378
Non-current assets		
Property, plant and equipment	17,870	18,060
Intangible assets	6,462	6,485
Investments and other assets		
Investment securities	22,057	27,908
Other	471	528
Total investments and other assets	22,529	28,437
Total non-current assets	46,862	52,983
Total assets	158,406	178,362
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,250	5,667
Current portion of long-term loans payable	31	—
Income taxes payable	1,691	2,927
Provision for product warranties	845	1,060
Other	6,195	7,493
Total current liabilities	14,014	17,149
Non-current liabilities		
Bonds payable	10,039	10,032
Net defined benefit liability	859	749
Other	2,545	4,566
Total non-current liabilities	13,444	15,348
Total liabilities	27,458	32,498

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Retained earnings	119,790	129,303
Treasury shares	(10,054)	(10,056)
Total shareholders' equity	121,028	130,539
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,739	12,468
Foreign currency translation adjustment	1,892	2,613
Remeasurements of defined benefit plans	83	20
Total accumulated other comprehensive income	9,715	15,102
Non-controlling interests	203	221
Total net assets	130,947	145,863
Total liabilities and net assets	158,406	178,362

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(For the Nine months Ended December 31, 2016 and 2017)

	(Millions of yen)	
	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	63,460	87,360
Cost of sales	39,344	51,175
Gross profit	24,116	36,185
Selling, general and administrative expenses	17,170	20,179
Operating profit	6,945	16,005
Non-operating income		
Interest income	117	159
Dividend income	334	359
Foreign exchange gains	—	236
Miscellaneous income	121	79
Total non-operating income	573	835
Non-operating expenses		
Interest expenses	(5)	(4)
Commission fee	22	62
Foreign exchange losses	99	—
Miscellaneous expenses	3	4
Total non-operating expenses	120	62
Ordinary profit	7,398	16,778
Extraordinary income		
Gain on disposal of non-current assets	53	50
Gain on sales of investment securities	0	1,370
Subsidy income	184	—
Total extraordinary income	238	1,421
Extraordinary losses		
Loss on disposal of non-current assets	103	308
Loss on valuation of investment securities	111	—
Litigation settlement	—	398
Total extraordinary losses	214	706
Profit before income taxes	7,422	17,492
Income taxes - current	2,157	4,566
Income taxes - deferred	(47)	263
Total income taxes	2,109	4,830
Profit	5,312	12,662
Profit attributable to non-controlling interests	7	18
Profit attributable to owners of parent	5,304	12,643

(Consolidated Statements of Comprehensive Income)
(For the Nine months Ended December 31, 2016 and 2017)

	(Millions of yen)	
	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	5,312	12,662
Other comprehensive income		
Valuation difference on available-for-sale securities	2,120	4,728
Foreign currency translation adjustment	426	720
Remeasurements of defined benefit plans, net of tax	494	△62
Total other comprehensive income	3,042	5,386
Comprehensive income	8,354	18,049
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,344	18,031
Comprehensive income attributable to non-controlling interests	10	18

(3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from operating activities		
Profit before income taxes	7,422	17,492
Depreciation	3,776	3,817
Increase (decrease) in net defined benefit liability	614	(199)
Interest and dividend income	(451)	(518)
Interest expenses	(5)	(4)
Loss (gain) on disposal of non-current assets	50	257
Loss (gain) on sales of investment securities	(0)	(1,370)
Loss (gain) on valuation of investment securities	111	—
Decrease (increase) in notes and accounts receivable - trade	2,661	(7,847)
Decrease (increase) in inventories	548	(3,076)
Increase (decrease) in notes and accounts payable - trade	(786)	131
Decrease (increase) in consumption taxes refund receivable	515	99
Other, net	(967)	1,356
Subtotal	<u>13,488</u>	<u>10,138</u>
Interest and dividend income received	452	520
Interest expenses paid	(1)	(2)
Income taxes paid	<u>(2,470)</u>	<u>(3,288)</u>
Net cash provided by (used in) operating activities	<u>11,469</u>	<u>7,366</u>
Cash flows from investing activities		
Purchase of securities	(4,199)	(3,600)
Purchase of property, plant and equipment and intangible assets	(5,038)	(4,272)
Proceeds from sales of property, plant and equipment and intangible assets	154	94
Purchase of investment securities	(799)	(199)
Proceeds from sales of investment securities	0	2,371
Payments into time deposits	(1,656)	(48)
Proceeds from withdrawal of time deposits	1,224	1,745
Other, net	0	(56)
Net cash provided by (used in) investing activities	<u>(10,314)</u>	<u>(3,965)</u>
Cash flows from financing activities		
Repayments of long-term loans payable	—	(33)
Cash dividends paid	(2,697)	(3,078)
Purchase of treasury shares	(6,315)	(2)
Other, net	(30)	—
Net cash provided by (used in) financing activities	<u>(9,043)</u>	<u>(3,113)</u>
Effect of exchange rate change on cash and cash equivalents	(41)	464
Net increase (decrease) in cash and cash equivalents	<u>(7,929)</u>	<u>752</u>
Cash and cash equivalents at beginning of period	<u>59,357</u>	<u>55,358</u>
Cash and cash equivalents at end of period	<u>51,427</u>	<u>56,111</u>

(4) Notes to Consolidated Financial Statements**(Notes to assumption of going concern)**

Not applicable

(Notes to a significant change in shareholders' equity)

Not applicable

(Segment information)

I. Nine months ended December 31, 2016

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	54,796	7,716	62,512	948	63,460
Inter-segment sales or transfers	3	0	3	2	6
Total	54,799	7,716	62,515	950	63,466
Segment income (loss)	10,619	(682)	9,937	(343)	9,593

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	9,937
Losses in Others	(343)
Inter-segment transaction eliminations	6
Corporate expenses (Note)	(2,653)
Operating income in the consolidated statements of income	6,945

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

II. Nine months ended December 31, 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	76,492	9,324	85,817	1,542	87,360
Inter-segment sales or transfers	6	1	7	6	14
Total	76,498	9,326	85,824	1,549	87,374
Segment income (loss)	18,260	305	18,565	(207)	18,358

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	18,565
Losses in Others	(207)
Inter-segment transaction eliminations	7
Corporate expenses (Note)	(2,361)
Operating income in the consolidated statements of income	16,005

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

Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	57,140	85.4	54,796	86.3	11,655	58.8
Machine Tools	8,787	13.1	7,716	12.2	7,945	40.1
Others	1,001	1.5	948	1.5	218	1.1
Total	66,928	100.0	63,460	100.0	19,818	100.0

Nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	75,345	86.1	76,492	87.5	15,040	62.4
Machine Tools	10,398	11.9	9,324	10.7	8,727	36.2
Others	1,729	2.0	1,542	1.8	323	1.4
Total	87,473	100.0	87,360	100.0	24,091	100.0

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

Name of segment	Orders (Millions of yen)	Ratio (%)	Net sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Robotic Solutions	80,981	86.1	74,105	85.8	16,187	67.5
Machine Tools	11,776	12.5	10,997	12.7	7,654	31.9
Others	1,265	1.4	1,294	1.5	136	0.6
Total	94,024	100.0	86,397	100.0	23,978	100.0

(2) Information by Region

Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	8,503	29,235	8,099	7,103	2,217	7,761	540	63,460
Ratio (%)	13.4	46.1	12.8	11.2	3.5	12.2	0.8	100.0

Nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	12,919	39,206	9,329	10,152	5,402	9,489	860	87,360
Ratio (%)	14.8	44.9	10.7	11.6	6.2	10.8	1.0	100.0

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

	Japan	China	Other Asia	United States	Other North America	Europe	Others	Total
Net sales (Millions of yen)	11,876	38,947	10,377	10,791	3,605	9,870	927	86,397
Ratio (%)	13.7	45.1	12.0	12.5	4.2	11.4	1.1	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 Third Quarter Ended December 31, 2017

February 8, 2018

Fuji Machine Mfg. Co., Ltd.

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, 2018 (from April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	114,000	31.9	19,300	97.1	20,000	96.1	14,800	109.8

2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	103,000	30.6	17,100	91.6	17,600	91.0	13,600	111.5

3. Forecast of consolidated orders and net sales for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Amounts less than one million yen have been truncated)

Name of segment	Orders	Net sales
	Full year	Full year
Robotic Solutions	100,000	99,000
Machine Tools	14,500	13,000
Others	2,500	2,000
Total	117,000	114,000

4. Forecast of consolidated major items for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Amounts less than one million yen have been truncated)

	Full year
Capital expenditures	6,800
Depreciation	5,100
Research and development expenses	8,600