



THIRD QUARTER FINANCIAL STATEMENTS

From April 1, 2009
To December 31, 2009

Consolidated Subsidiaries

Domestic:

Makoto Industry Co., Ltd.

Edeclinsey System Co., Ltd.

Astro Co., Ltd.

Overseas:

Fuji America Corporation

Fuji Machine America Corporation

Fuji Machine Mfg. (Europe) GmbH

Fuji Machine China Co., Ltd.

FUJI MACHINE MFG. CO., LTD.

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

Qualitative information and financial statements, etc.

1. Qualitative information concerning consolidated management results

As for the Japanese economy during the current 3rd quarter of the consolidated fiscal year, the severe conditions have continued due to a slump in consumer spending and capital investments, although a few favorable signs have been seen in the export segment. Regarding the world economy, pickup trends have been spreading in Asia, especially in China, such as improved willingness of private investment and consumption thanks to large-scaled economy-boosting measures taken, while in Europe and the United States, the situation has remained difficult due partly to downside risks to employment scenes etc., although the sliding fall of economy appears to be ceasing.

Under such an environment mentioned in the above, our group has promoted the speedy development of the differentiated products that have price competitiveness and pursued technology of the next generation under a new challenging spirit. We have tried to increase customer satisfaction and expand the market share through reinforcement of the sales and service network both in Japan and overseas. We have also tried to construct the production system that may cope with drastic fluctuation of the production volume and further reduce various expenses as much as possible. Nevertheless, we regret to say that our performance in the current 3rd quarter of the consolidated accounting term was decline of sales and profits.

The sales amount in the 3rd consolidated cumulative accounting quarter of the current term was 25,847 million yen which was a decrease of 38,607 million yen (59.9%) compared with the same quarter in the preceding year. Speaking of the profit and loss comparing with the 3rd consolidated cumulative accounting quarter of the preceding year, the operating profit and loss was a loss of 6,653 million yen (the same quarter in the preceding year: 9,145 million yen of operating profit), the ordinary profit and loss was a loss of 6,356 million yen (the same quarter in the preceding year: 9,834 million yen of ordinary profit) and the net profit and loss of the quarter was a loss of 6,802 million yen (the same quarter in the preceding year: 2,473 million yen of net profit).

Business results by segment

(Electronics Assembly Equipment)

Nevertheless the environment surrounding the electronics market including the mobile phones, laptop computers and flat-screen TV is in a slow pace of recovery, the sales amount was 23,846 million yen which was a decrease of 29,656 million yen (55.4%) compared with the 3rd consolidated cumulative accounting quarter of the preceding year and the operating profit and loss was a loss of 2,623 million yen (the same quarter in the preceding year: 12,340 million yen of operating profit) as a result of remained poorness of capital investment by the major mobile phone manufacturers and major EMS (Electronics Manufacturing Service) which are our major customers.

(Machine Tools)

As an effect of prolonged suppression of capital investment in the automotive industry which is our major customer under the stagnated demand in both of the domestic and overseas markets in the whole machine tools industry, the sales amount was 1,665 million yen which was a decrease of 8,737 million yen (84.0%) compared with the 3rd consolidated cumulative accounting quarter of the preceding year and the operating profit and loss was a loss of 2,159 million yen (the same quarter in the preceding year: 1,659 million yen of operating loss).

2. Qualitative information concerning financial condition

The total consolidated assets for this period, due to decreases in inventories, were 115,816 million yen, which were 7,841 million yen less than the end of previous consolidated fiscal year. Additionally, our consolidated liabilities for this period totaled 24,845 million yen, which were 1,651 million yen less than the end of previous consolidated fiscal year due to return of long-term borrowings.

As for the cash flow, consolidated cash and cash equivalents for this fiscal period were 54,662 million yen, which were 6,100 million yen more than the end of previous consolidated fiscal year. This was attributable to the total of increased cash flow from business operations exceeding decreased cash flow from investment activities and financing activities.

Cash flow from business operations was proceeds of 11,498 million yen (the same term in the preceding year: proceeds of 5,906 million yen). This was mainly attributable to positive factors such as decreases in inventories and income taxes refund exceeding negative factors such as loss before income tax.

Cash flow from investing activities was expenditures of 2,446 million yen (the same term in the preceding year: expenditures of 4,279 million yen). This was attributable mainly from additions of tangible fixed assets.

Cash flow from financing activities was expenditures of 2,447 million yen (the same term in the preceding year: proceeds of 2,378 million yen). This was principally due to return of long-term borrowings.

3. Qualitative information about consolidated result prediction

The management environment surrounding our group still continues in a severe condition due to the stagnated economy and suppression of capital investments in a worldwide scale. Under these circumstances, we have come to estimation that after the turn of the year, the environment for orders in the electronics assembly equipment business will take an upturn and the consolidated business performance will surpass the last estimates we made. We would accordingly revise the prediction of the consolidated business performance for the full period announced on November 10, 2009, as follows:

	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 March 31,2010 (A)	32,000	△9,500	△9,500	△10,000	△204.56
Revised forecast March 31,2010 (B)	40,000	△7,200	△7,000	△7,500	△153.42
Difference (B-A)	8,000	2,300	2,500	2,500	—
Change (%)	25.0	—	—	—	—
Year ending March 31,2009	69,485	5,229	6,118	1,001	20.49

4. Others

(1)Change in the major subsidiaries in this term (change of specific subsidiaries with change of the consolidation scope)

Not applicable.

(2)Application to the simplified accounting treatment and the accounting treatment unique to the formation of the quarterly consolidated financial statements

①Simplified accounting treatment

Speaking of judgment about a possibility of deferred tax assets collection, we use the method that was employed in the future prediction in the settlement of accounts in the preceding consolidated accounting term and for the tax planning because no significant changes would be found in the management environment after the preceding consolidated accounting term and occurrence of one-time difference.

②Accounting treatment unique to the formation of the quarterly consolidated financial statements

Not applicable.

(3)Changes in the account processing principles, procedures and presentation method related to formation of the consolidated quarterly financial statements

Not applicable.

5. (1) CONSOLIDATED BALANCE SHEETS

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Third quarter ended December 31, 2009	Year ended March 31, 2009
ASSETS		
Current assets		
Cash on hand and in bank	50,442	42,171
Notes and accounts receivable – trade	8,291	7,377
Marketable securities	5,000	7,300
Merchandise	3,021	3,706
Work in process	3,708	7,736
Raw materials and supplies	11,546	18,101
Other inventories	40	49
Other current assets	1,306	6,468
Less-Allowance for doubtful receivable	△76	△80
Total current assets	83,272	92,831
Fixed assets		
Property, plant and equipment	16,999	18,181
Intangible assets	2,726	2,128
Investments and other assets:		
Investment securities	11,288	8,890
Others	1,528	1,626
Total investments and other assets	12,817	10,516
Total fixed assets	32,543	30,826
Total assets	115,816	123,657

LIABILITIES AND NET ASSETS	Millions of yen	
	Third quarter ended	Year ended
	December 31, 2009	March 31, 2009
Liabilities		
Current liabilities:		
Notes and accounts payable	1,151	592
Current portion of bonds	5,000	-
Return planned long-term borrowings for less than 1 year	1,500	3,000
Accrued income tax	102	58
Accrued warranty	890	1,504
Others	3,432	4,788
Total current liabilities	12,077	9,943
Long term liabilities:		
Bonds	10,000	15,000
Accrued retirement benefits	2,767	1,552
Total long term liabilities	12,767	16,552
Total liabilities	24,845	26,496
Net assets		
Shareholders' equity:		
Capital stock	5,878	5,878
Capital surplus	5,413	5,413
Earnings surplus	80,698	88,478
Treasury stock	△42	△41
Total shareholders' equity	91,947	99,729
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	134	△2,196
Translation adjustment	△1,111	△371
Total valuation and translation adjustments	△976	△2,567
Total net assets	90,971	97,161
Total liabilities and net assets	115,816	123,657

(2) CONSOLIDATED INCOME STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Third quarter April 1~ December 31, 2008	Third quarter April 1~ December 31, 2009
Net sales	64,455	25,847
Cost of sales	42,247	22,497
Gross Profit	22,208	3,349
Selling, general and administrative expenses	13,062	10,003
Operating Income or Loss	9,145	△6,653
Non-operating income:		
Interest income	299	193
Dividends income	231	198
Rent income	229	-
Foreign exchange gains	164	-
Interest on refund of income taxes and other	-	102
Others	86	115
Non-operating expenses:		
Interest expense	113	162
Bond issuance cost	143	-
Commission fee	59	33
Foreign exchange losses	-	99
Others	6	16
Ordinary Income or Loss	9,834	△6,356
Extraordinary income:		
Gain on disposal of fixed assets	43	54
Gain on sales of investment securities	-	21
Gain on redemption of investment securities	-	8
Others	-	4
Extraordinary loss:		
Loss on disposal of fixed assets	277	60
Impairment loss	-	269
Loss on valuation of investment securities	1,856	47
Others	4	-
Income or Loss before income taxes	7,739	△6,645
Income taxes:		
Corporate, inhabitant's and enterprise taxes	2,881	57
Adjustment for corporate taxes	2,385	99
Net Income or Loss	2,473	△6,802

(3) CONSOLIDATED CASH FLOWS STATEMENT

Fuji Machine Mfg. Co., Ltd. and subsidiaries

	Millions of yen	
	Third quarter April 1~ December 31, 2008	Third quarter April 1~ December 31, 2009
Operating activities		
Income or loss before income taxes	7,739	△6,645
Depreciation and amortization	1,909	1,801
Increase in accrued retirement benefits	1,092	1,215
Interest and dividend income	△530	△391
Interest expense	113	162
Loss on disposal of fixed assets	233	5
Loss on valuation of investment securities	1,856	47
Increase or decrease in accounts receivable	10,749	△990
Increase or decrease in inventories	△3,449	11,145
Increase or decrease in trade payable	△2,537	606
Decrease in receivable consumption taxes	256	1,210
Others	△1,896	△259
Sub total	15,537	7,908
Interest and dividend received	530	391
Interest paid	△116	△192
Payments or refund of income taxes	△10,045	3,390
Net cash provided by operating activities	5,906	11,498
Investing activities		
Additions of tangible and intangible fixed assets	△3,370	△2,666
Proceeds from sales of tangible and intangible fixed assets	77	230
Additions of investment securities	△772	△241
Investment in time deposit	△317	△332
Proceeds on maturity of time deposit	146	461
Others	△42	101
Net cash used in investing activities	△4,279	△2,446
Financing activities		
Expenditures for return of long-term borrowings	△2,581	△1,500
Proceeds from issuance of bonds	6,855	-
Dividends paid	△1,891	△946
Others	△4	△1
Net cash provided by (used in) financing activities	2,378	△2,447
Effect of exchange rate changes on cash and cash equivalents	△1,136	△503
Increase in cash and cash equivalents	2,869	6,100
Cash and cash equivalents at beginning of year	43,256	48,561
Cash and cash equivalents at end of the period	46,126	54,662

(4) Notes to assumption of going concern

Not applicable.

(5) On consolidated segment information

a. Business segment information

Previous consolidated accounting period (April 1 to December 31, 2008)

(Millions of yen)

	Electronics Assembly Equipment	Machine Tools	Others	Total	Elimination or all company	Consolidated
Sales						
1. Sales to third parties	53,502	10,402	549	64,455	-	64,455
2. Interarea sales or transfers	0	-	1,154	1,154	△1,154	-
Total	53,503	10,402	1,704	65,610	△1,154	64,455
Operating income or loss	12,340	△1,659	121	10,802	△1,656	9,145

This consolidated accounting period (April 1 to December 31, 2009)

(Millions of yen)

	Electronics Assembly Equipment	Machine Tools	Others	Total	Elimination or all company	Consolidated
Sales						
1. Sales to third parties	23,846	1,665	336	25,847	-	25,847
2. Interarea sales or transfers	0	-	171	171	△171	-
Total	23,846	1,665	507	26,018	△171	25,847
Operating loss	△2,623	△2,159	△158	△4,941	△1,712	△6,653

Notes: 1. Segmentation has been performed by the type and nature of the products.

2. Main products of each business unit.

(1) Electronics Assembly Equipment: SMT assembly machines

(2) Machine tools: Automatic lathe, Special-purpose machines

(3) Others : Control hardware, PCB Contract Manufacturing, Software development

b. Geographical segment information

Previous consolidated accounting period (April 1 to December 31, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or all company	Consolidated
Sales							
1. Sales to third parties	48,911	10,367	5,099	76	64,455	-	64,455
2. Interarea sales or transfers	10,691	19	35	101	10,848	△10,848	-
Total	59,602	10,386	5,135	178	75,303	△10,848	64,455
Operating income	9,572	97	627	3	10,300	△1,154	9,145

This consolidated accounting period (April 1 to December 31, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination or all company	Consolidated
Sales							
1. Sales to third parties	19,846	4,455	1,443	101	25,847	-	25,847
2. Interarea sales or transfers	3,995	0	46	146	4,189	△4,189	-
Total	23,841	4,455	1,489	248	30,036	△4,189	25,847
Operating income or loss	△4,981	△197	76	51	△5,051	△1,602	△6,653

Notes: 1. Division by country or region based on geographical proximity.

2. Major countries or regions in each division

(1)North America: The United States of America

(2)Europe: Germany

(3)Asia: China

c. Overseas sales

Previous consolidated accounting period (April 1 to December 31, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	11,251	9,085	28,058	2,436	50,832
II. Consolidated sales					64,455
III. Ratio of overseas sales to consolidated sales(%)	17.5	14.1	43.5	3.8	78.9

This consolidated accounting period (April 1 to December 31, 2009)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	4,312	1,800	16,368	1,168	23,649
II. Consolidated sales					25,847
III. Ratio of overseas sales to consolidated sales(%)	16.7	7.0	63.3	4.5	91.5

Notes:

1. Division by country or region based on geographical proximity.
2. Major countries or regions in each division
 - (1) North America: The United States of America, Mexico, etc.
 - (2) Europe: Germany, Poland, etc.
 - (3) Asia: China, Viet Nam, etc.
 - (4) Other: Brazil, etc.
3. Overseas sales are the aggregation of sales outside of Japan by the parent company and its consolidated subsidiaries.

(6) Notes to a significant change in shareholders' capital

Not applicable.

6. Other information

Situation of orders and sales

Previous consolidated accounting period (April 1 to December 31, 2008)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	44,364	87.1	53,502	83.0	2,071	37.7
Machine Tools	5,914	11.6	10,402	16.1	3,254	59.2
Others	638	1.3	549	0.9	168	3.1
Total	50,917	100.0	64,455	100.0	5,494	100.0

This consolidated accounting period (April 1 to December 31, 2009)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	26,767	92.7	23,846	92.3	4,019	69.8
Machine Tools	1,717	6.0	1,665	6.4	1,631	28.3
Others	385	1.3	336	1.3	111	1.9
Total	28,870	100.0	25,847	100.0	5,762	100.0

Previous consolidated accounting period (April 1, 2008 to March 31, 2009)

Division	Orders (Millions of yen)	Ratio (%)	Sales (Millions of yen)	Ratio (%)	Order backlogs (Millions of yen)	Ratio (%)
Electronics Assembly Equipment	46,284	87.0	56,397	81.1	1,097	40.1
Machine Tools	6,181	11.6	12,344	17.8	1,579	57.6
Others	726	1.4	744	1.1	61	2.3
Total	53,192	100.0	69,485	100.0	2,738	100.0