

2021

ANNUAL REPORT

| Business Summary |

Fiscal year ended March 31, 2021

FUJI CORPORATION

Corporate Message

innovative spirit

The words "innovative spirit", signifying the spirit perpetuated by the company since it was established, capture the feelings of FUJI CORPORATION.

It all began with "innovative spirit". The spirit to constantly attempt to create revolutionary technologies that was cultivated from our long history and became our driving force.

Corporate Slogan

お客様に感動を!

Excite and Inspire

With foresight into the future, Fuji Group will work to satisfy the needs of people all over the world by continuing to create new values and providing products and services that will excite and inspire our customers.

Growth Strategy

FUJI robots lead the way

Fuji Group will continue to deliver its unique products to the market on a timely basis, while achieving new manufacturing heights by working to stay ahead of the times and innovate with a focus on robotics technology, to make great strides as a robot manufacturer.

We strive to enhance higher corporate value and achieve sustainable growth

Welcome to the 2021 Annual Report for FUJI CORPORATION ("Fuji"). On behalf of the Board of Directors, I am pleased to present our 2021 Annual Report for the fiscal period from April 1, 2020 to March 31, 2021.

The COVID-19 pandemic has impacted everyone in one way or another. We would like to offer our deepest condolences to those who have lost family and friends due to the global spread of the novel coronavirus. Our heartfelt sympathy also goes out to each of those who have been infected and whose lives have been affected by this. We would also like to express our deepest gratitude and respect to the many people working to protect people's lives and livelihoods, including those in the medical field who are working to prevent the spread of infection.

Since its foundation as a machine tool manufacturer in 1959, Fuji has expanded its business by introducing insertion machines and SMT pick and place machines to the world. In recent years, our cultivated robotics technology has driven Fuji into new fields such as semiconductor manufacturing equipment and articulated robots, medical care, nursing care, and logistics to address the problems faced by our customers and society. We believe that it is our responsibility to all stakeholders and society to share interests from these widely for the development of society as a whole.

While we are currently seeing rapid progress in digital technologies such as ICT and 5G, the spread of novel coronavirus infections has quickly accelerated changes in our lifestyles and business environment. We are confronting many problems worldwide, such as growing global warming issues and the frequent occurrence of disasters. Meanwhile, we are in a time of great change.

We have established our [mid-term business plan \(FY2022 to 2024\)](#), of which this year is addressed as the first

year. Under this plan, our basic policy is set out that we drive ourselves to increase the market share of our products by facilitating digital transformation and developing our business along with our commitment to contribution to the SDGs. Not only addressing social issues but also contributing to a future beyond imagination, we will take initiatives in CSR and ESG activities among others, and strive to enhance the corporate value and achieve sustainable growth.

Finally, I am deeply grateful for your continued support and trust.

Best regards,



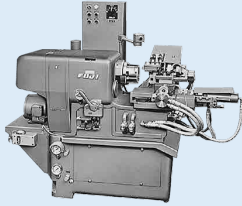
President & COO
Shinsuke Suhara

History Timeline

1959

Business launches with just 170m² of work space

On April 7, 1959, our founder, Mamoru Sakagami, and 13 colleagues established FUJI MACHINE MFG. CO., LTD. in order to deliver to the world machine tools that meet their own ideals. The single-function FS machine tool, introduced as Fuji's first own-brand product, took the industry by storm with its unprecedented productivity.



1950

1971

Enters into a new business field to strengthen the business foundation

Fuji leveraged its expertise gained in machine tools to actively strive to develop various automated assembly machines, in order to build a business base that could withstand economic fluctuations. The technologies honed from this led to the development of electronic component assembly machines.



1978

Full-scale entry into the automatic electronic component assembly machine market

As various components were being used for electronics such as transistor radios, televisions, calculators, etc., Fuji developed the BA board assembly machine. This was the first of its kind in the world, capable of continually inserting a wide variety of electronic components with leads into printed circuit boards.

2000



2003

A new concept in surface mount technology! Debut of the NXT series

The scalable placement platform NXT was designed with a completely modular structure, enabling freedom when considering the machine layout. This was the birth of one of the greatest machines in Fuji's history; a series that has continued to evolve to this day with a total of more than 100,000 units shipped.

2012

Expansion overseas with manufacturing prowess honed in the domestic market



Kunshan Fuji Machine Mfg. Co., Ltd. was established in Kunshan, Jiangsu, China, as the Group's first overseas production base. It engages mainly in the production and sales of solder printing machines and NC automatic lathes to the Chinese market, which is the biggest market of our products.

2016

Establishment of new business models

Fuji has continued development in the quest to build a third business pillar to stand alongside machine tools and SMT pick and place machines. Applying existing technologies, we released the public stocker system Quist and the mobility support robot Hug.



2018

Toward creating new corporate value

Fuji marked its 60th anniversary and changed its name to "FUJI CORPORATION". Fuji acquired Fasford Technology Co., Ltd., a manufacturer of semiconductor-manufacturing equipment, to develop a new business by combining electronic component mount technology with technology for the back-end process of semiconductor manufacturing.

2019

Introduction of FUJI Smart Factory Platform NXTR

Aiming to fully automate SMT production lines, Fuji introduced its high-end model NXTR equipped with the world's first automatic feeder exchange system.

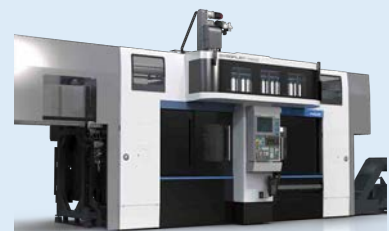


2020

2021

Ultimate Multitasking Machine GYROFLEX T4000 hits the market

Fuji has added a multitasking machine to its product lineup. Founded on the automation technology we have cultivated to date, Fuji is looking to provide new solutions for variable-volume, variable-mix production.



Fuji by the Numbers



Net Sales
(FY2021)

136,162 million yen



Number of Employees
(As of March 31, 2021)

2,522



Market Capitalization
(As of March 31, 2021)

273,388 million yen



Equity Ratio
(As of March 31, 2021)

87%



Overseas Sales Ratio
(FY2021)

90%



ROE
(FY2021)

9.5%



R&D Investment to Net Sales Ratio
(FY2021)

7%



Paid Vacation Utilization Rate
(FY2021)
*Non-consolidated basis

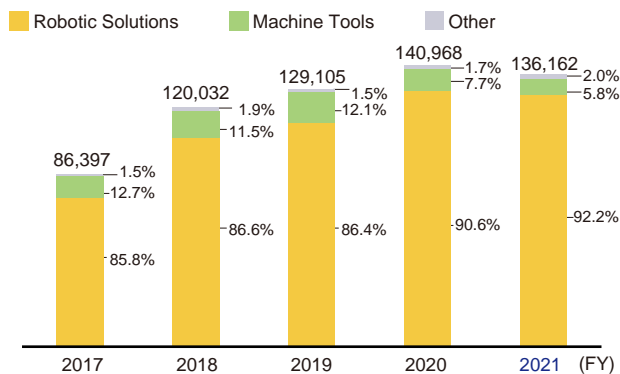
78%



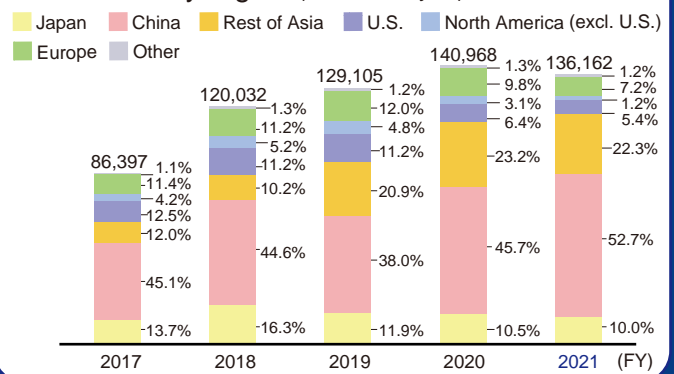
Return to Work after Parental Leave
(FY2021)
*Non-consolidated basis

95%

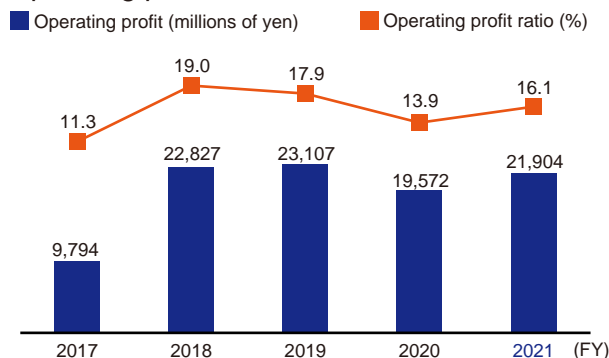
Net sales by segment (millions of yen)



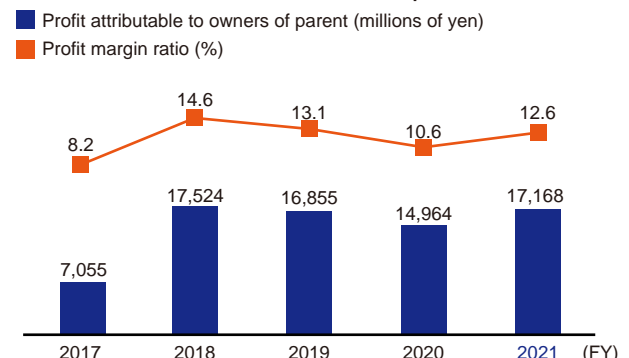
Net sales by region (millions of yen)



Operating profit



Profit attributable to owners of parent



Management Structure

MT: Machine Tools Division
RS: Robotic Solutions Division
HT: Electronics Assembly Equipment Division



1975 Joined Fuji
2007 Board Member, Executive Officer;
General Manager, President's Office;
General Manager, Human Resources Department
2008 Board Member, Managing Executive Officer
2009 President & CEO
2019 Chairman & CEO (To present)

Chairman & CEO

Nobuyuki Soga

Representative



1981 Joined Fuji
2008 Executive Officer; Deputy General Manager, HT Division;
General Manager, General Engineering Department 1 (HT)
2010 Board Member, Executive Officer
2012 Board Member, Managing Executive Officer
2013 Board Member, Managing Executive Officer;
General Manager, HT Division
2015 Board Member, Senior Managing Executive Officer;
General Manager, HT Division
2018 Board Member, Vice President, Executive Officer;
General Manager, RS Division
2019 President & COO; General Manager, RS Division
2020 President & COO (To present)

President & COO

Shinsuke Sahara

Representative



2003 Joined Fuji
2011 Executive Officer; General Manager, Corporate Planning Office
2015 Board Member, Executive Officer; General Manager,
Marketing and Strategic Planning Department
2018 Board Member, Executive Officer;
Deputy General Manager, MT Division; General Manager,
Sales Department (MT)
2019 Board Member, Managing Executive Officer
Deputy General Manager, MT Division; General Manager,
Sales Department (MT)
2020 Board Member, Managing Executive Officer (To present);
General Manager, MT Division (To present);
General Manager, Sales Department (MT) (To present)

Board Member
Managing Executive Officer

Hajime Ezaki

Concurrent Positions:

Chairman, Fuji Machine America Corporation
Chairman, Kunshan Fuji Machine Mfg. Co., Ltd.



1986 Joined Fuji
2015 Executive Officer; General Manager, Sales Department 1 (HT)
2018 Board Member, Executive Officer;
Deputy General Manager, RS Division;
General Manager, Sales Department 1 (RS)
2020 Board Member, Managing Executive Officer (To present);
General Manager, RS Division (To present)

Board Member
Managing Executive Officer

Masaaki Sugiura

Concurrent Positions:

Chairman, Fuji Machine China Co., Ltd.
Chairman, FUJI INDIA CORPORATION PRIVATE LIMITED



1987 Joined Fuji
2017 Executive Officer; General Manager, Secretariat Department
2020 Board Member, Executive Officer (To present);
General Manager, Business Administration Department
(To present);
General Manager, Accounting Department (To present)

Board Member
Executive Officer

Junichi Kano



1992 Registered as a lawyer
Joined Nishimura & Sanada Law Office
1998 Established Nobuko Kawai Law Office (Representative)
(To present)
2002 Contract Lawyer, The Japan Center for Settlement of Traffic
Accident Disputes (To present)
2009 Vice Chairman, Aichi Bar Association
2012 Professor, Nagoya University Graduate School of Law
2015 Outside Board Member of Fuji (To present)
2017 Outside Director, IBIDEN CO., LTD.

Outside Board Member

Nobuko Kawai

Outside
Independent

Concurrent Positions:

Representative, Nobuko Kawai Law Office



1970 Joined SANYO Electric Co., Ltd.
1995 President, SANYO Energy (EUROPE) Corporate GmbH
2006 President, SANYO Europe Ltd.
2011 Advisor, TONG SAN ELECTRIC CO., LTD.
2019 Outside Board Member of Fuji (To present)

Outside Board Member

Hideaki Tamada

Outside
Independent



1977 Joined MARUBUN CORPORATION
2005 CEO and Representative Director, Marubun Semicon
Corporation
2013 CEO, Representative Director, MARUBUN CORPORATION
2020 Vice President Senior Corporate Advisor, MARUBUN
CORPORATION
Outside Board Member of Fuji (To present)
2021 Outside Director, Mikasa Shoji Co., Ltd. (To present)

Outside Board Member

Shoji Mizuno

Outside
Independent

Concurrent Positions:

Outside Director, Mikasa Shoji Co., Ltd.



1989 Joined Fuji
2007 General Manager, Management & Planning Department (HT)
2010 General Manager, Production Management Department (HT)
2011 Director, EDEC LINSEY SYSTEM Co., Ltd.
2013 General Manager, Planning Department (HT)
2015 General Manager, Internal Auditing Department
2018 Full-time Audit & Supervisory Board Member (To present)

Full-time Audit & Supervisory
Board Member

Yoshiaki Kuroyanagi



1986 Joined Marunouchi Audit Corporation
(Currently Deloitte Touche Tohmatsu LLC)
1990 Registered as a Certified Public Accountant
1993 Registered as a Certified Tax Accountant
1994 Established Matsuda Certified Public Accountant Office
(Representative) (To present)
2004 Established Aiki Tax Accounting Corporation
(Representative) (Present post)
2012 Auditor, Nagoya Institute of Technology (National University)
2013 Outside Audit & Supervisory Board Member of Fuji (To present)
2015 Outside Audit & Supervisory Board Member, Roland DG
Corporation (To present)

Outside Audit & Supervisory
Board Member

Shigeki Matsuda

Outside
Independent

Concurrent Positions:

Representative, Matsuda Certified Public Accountant Office
Representative, Aiki Tax Accounting Corporation
Outside Audit & Supervisory Board Member, Roland DG Corporation

Management Structure

MT: Machine Tools Division
RS: Robotic Solutions Division
HT: Electronics Assembly Equipment Division



1992 Joined Chuo Shinko Audit Corporation
1996 Registered as a Certified Public Accountant
1997 Joined Miyake Certified Public Accountant Office
2006 Established Yamashita Certified Public Accountant Office (Representative) (To present)
2008 Registered as a Certified Tax Accountant
2015 Outside Audit & Supervisory Board Member of Fuji (To present)
Outside Audit & Supervisory Board Member, Sotoh Co., Ltd. (To present)

Concurrent Positions:

Representative, Yamashita Certified Public Accountant Office
Outside Audit & Supervisory Board Member, Sotoh Co., Ltd.

Outside Audit & Supervisory Board Member

Kayoko Yamashita

Outside
Independent



Senior Executive Officer

Hiroshi Katsumi

1983 Joined Fuji
2008 General Manager, Machine Engineering Department (HT)
2012 General Manager, Development Evaluation Department (HT)
2015 Executive Officer; General Manager, Okazaki Plant; General Manager, Production Management Department (HT)
2018 Senior Executive Officer; General Manager, Okazaki Plant; General Manager, Manufacturing Department 2 (RS)
2020 Senior Executive Officer; Deputy General Manager, RS Division; General Manager, Okazaki Plant; General Manager, Inspection Department
2021 Senior Executive Officer (To present); Deputy General Manager, RS Division (To present); General Manager, Machine Engineering Department 2 (RS) (To present)

Concurrent Positions:

President & CEO, FUJI LINEAR CORPORATION



Executive Officer

Takatoshi Suzuki

1986 Joined Fuji
2009 General Manager, Human Resources Department; General Manager, President's Office
2010 General Manager, Management & Planning Department (HT)
2013 General Manager, Secretariat Department
2015 General Manager, Secretariat Department; General Manager, Human Resources Department
2017 General Manager, General Affairs Department
2018 Executive Officer (To present); General Manager, General Affairs Department (To present)



Executive Officer

Hiroshi Murakami

2016 Joined Fuji
2017 General Manager, Information System Department
2020 Executive Officer; General Manager, Sales Engineering Department (RS)
2021 Executive Officer (To present); General Manager, Okazaki Plant (To present); General Manager, Production Management Department (RS) (To present)



Executive Officer

Kazutoshi Sakai

1985 Joined Fuji
2009 General Manager, Quality Assurance Department (MT)
2010 General Manager, Management & Planning Department (MT)
2012 General Manager, Production Management Department (MT)
2014 Executive Officer; General Manager, Production Management Department (MT)
2015 Executive Officer; Deputy General Manager, MT Division; General Manager, Production Management Department (MT)
2020 Executive Officer; Deputy General Manager, MT Division; General Manager, Production Management Department (MT); General Manager, Production Department (MT)
2021 Executive Officer (To present); Deputy General Manager, MT Division (To present); General Manager, Production Management Department (MT) (To present)



Executive Officer

Takashi Suzuki

1989 Joined Fuji
2013 General Manager, Purchasing Department 1, Procurement Division
2016 General Manager, Production Management Department (RS)
2021 Executive Officer (To present); General Manager, Procurement Division (To present)



Executive Officer

Takehito Okada

1990 Joined Fuji
2016 General Manager, Machine Engineering Department (RS)
2017 General Manager, Machine Engineering Department 2 (RS)
2021 Executive Officer (To present); General Manager, Engineering Department (MT) (To present)



Executive Officer

Tetsuya Asaoka

1993 Joined Fuji
2017 General Manager, Sales Department 2 (RS)
2020 General Manager, Sales Department 3 (RS)
2021 Executive Officer (To present); General Manager, Sales Department 3 (RS) (To present)

Concurrent Positions:

Chairman, Fuji America Corporation
Chairman, FUJI EUROPE CORPORATION GmbH



Executive Officer

Joji Isozumi

1996 Joined Fuji
2014 General Manager, Business Development Department, Development Center
2017 Seconded to Fuji America Corporation
2021 Executive Officer (To present); General Manager, Technology Development Department (RS) (To present); General Manager, Innovation Promotion Department (To present)



Board Member,
Managing Executive Officer;
General Manager,
Robotic Solutions Division

Masaaki Sugiura

Being an industry front runner in the SMT pick and place machine market, we strive to provide solutions that excite and inspire our customers

In fiscal 2021, the spread of COVID-19, which was cause for much concern, led to the establishment of new lifestyles such as remote working. As such, demand for manufacturing equipment for computers and servers as well as electronic modules essential to the manufacture of these electronic devices, increased significantly. In addition, our sales remained resilient in regard to the telecommunications industry, which includes our strongest source of sales revenue, smartphones manufacturers. Although the divisional sales could not compete with the record highs set in fiscal 2020, they reached 125,570 million yen, higher than the announced forecast (down 1.7% year on year). Divisional operating profit reached a record high of 26,307 million yen, a 12.6% increase from the last year, due to a recovery in selling prices and cost reduction efforts.

Supported by the favorable market environment, in order to further strengthen our business foundation, we will pursue efficiency in sales, development, and production by facilitating digital transformation, penetrate the market with the high-end model NXTR, develop products that achieve synergy with Fasford Technology, and expand sales of products other than SMT pick and place machines. Through taking various initiatives, we will promote development in our business to excite and inspire our customers.

Market conditions and results of operations from fiscal 2021

- Demand for equipment for computers and servers increased in China and other countries in Asia with the wider use of remote work and other digital infrastructures
- In Europe and North America, the automotive industry remained weak in regard to capital investment
- 100,000 units shipped for the NXT series

Product features and strengths

SMT pick and place machine

NXTR



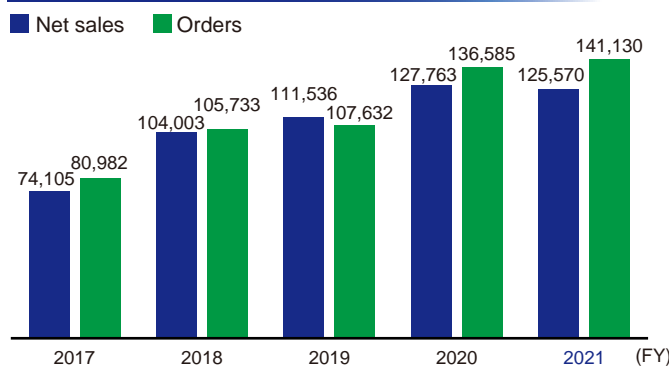
This is a high-end model that realizes the "three zeros concept" of "zero placement defects", "zero machine operators" and "zero machine stops", while continuing the modular concept of the NXT series.

What are SMT pick and place machines?

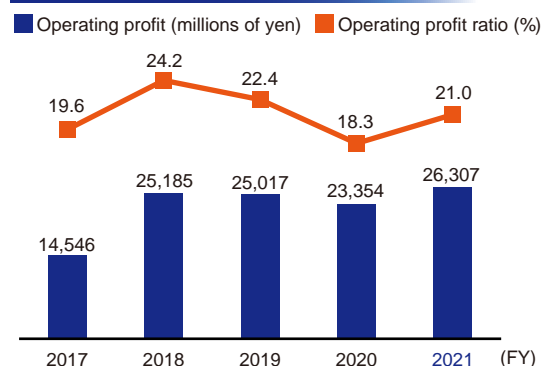
Our day-to-day life is full of various types of electronic products including cars, home electronics, and communication devices. An SMT pick and place machine is a robotic machine that picks and places electronic components, which differ in size and shape, onto the printed circuit boards that are essential for these electronics. Fuji has numerous high-speed, high-accuracy models in its product portfolio, such as the NXT series in particular, which boasts industry-leading area productivity.



Net sales and orders (millions of yen)



Operating profit





Board Member,
Managing Executive Officer;
General Manager,
Machine Tools Division

Hajime Ezaki

Sales network, digital transformation, and sales of new products are main targets to achieve a business recovery

In fiscal 2021, as a result of weak demand for capital investment both in Japan and overseas due to the prolonged trade friction between the U.S. and China and the spread of COVID-19, sales from our division were 7,866 million yen (down 27.4% year on year) and our operating loss was 1,325 million yen; both of which resulted in sluggish performance.

Looking ahead, we take a positive view that market conditions have begun to recover from the long-term stagnation since the end of the last year. To catch the wave of market recovery, we will take initiatives to reinforce our sales network through strengthening cooperation among Group companies and accelerating the use of trading companies, and to expand our sales channels and markets using digital tools.

The new GYROFLEX, which went on sale this year, is a multitasking machine that can meet the growing demand for consolidating multiple processes and adapting to production fluctuations. Adding new GYROFLEX to our product portfolio enables us to support a wide range of production needs, from high-volume production to flexibility in production mix and volume. By leveraging Fuji's strengths in robotics and in-house engineering and manufacturing of chucks, we will develop a structure for offering optimal solutions to our customers with even higher quality and support.

Market conditions and results of operations from fiscal 2021

- Capital investment remained sluggish in Japan and overseas, mainly in the automotive industry
- Announced Ultimate Multitasking Machine GYROFLEX

Product features and strengths

Ultimate Multitasking Machine

GYROFLEX T4000



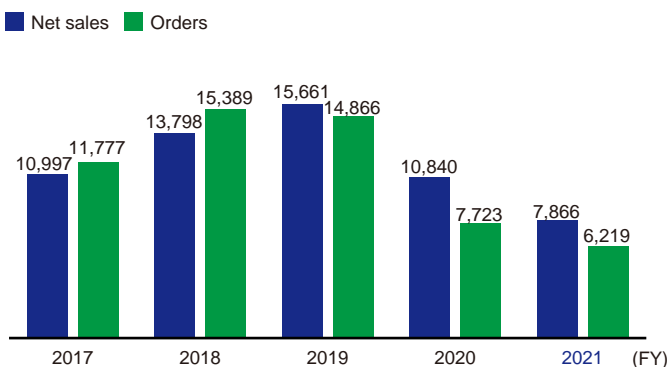
This machine tool combines multiple processes to support variable-mix and variable-volume production with efficient and precise machining on a single machine, requiring less floor space. A transfer robot is equipped as standard, enabling automatic attaching/removing of workpieces and unattended operation.

What are machine tools?

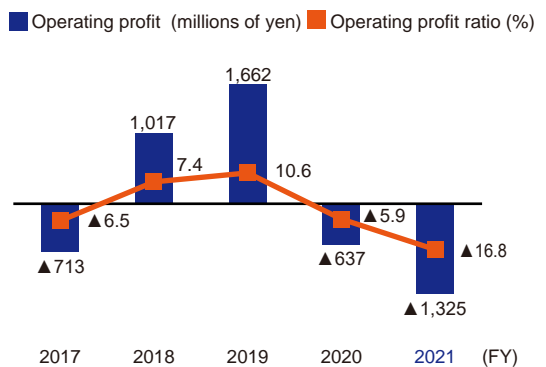
Highly accurate machined parts for use in automobiles and industrial machinery are essential for society. These are manufactured by machine tools often called "mother machines" which are used to cut and process metal materials. Fuji has a lineup of various machine tools, focusing on NC lathes primarily for the automotive industry.



Net sales and orders (millions of yen)



Operating profit





General Manager,
Development Center
Masatoshi Fujita

We strive to pioneer new technologies for the future

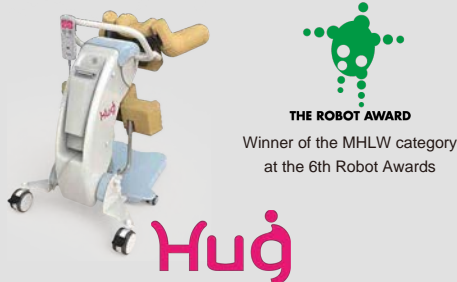
In the midst of rapid changes in business styles, turning the COVID-19 crisis into an opportunity and empowering Fuji's continuous growth as a robot company, our focus is on the development of new technologies to create new business models in addition to reinforcement of our existing business using advanced underlying technologies.

In fiscal year 2021, the mobility support robot, Hug, won the 9th Robot Awards in the category awarded by Japan's Minister of Health, Labour and Welfare (MHLW), and cumulative shipments of the series exceeded 1,300 units. In addition, our public stocker system, Quist, has been adopted by major retailers, and we are steadily beginning to see the results of our efforts.

Looking to the future we will develop an external sales model for the electronics 3D printer FPM-Trinity, reflecting on the needs of the market we discovered through providing a contract manufacturing service using our prototype model. We are planning to take the ultrasound-guided operation system we have developed jointly with ASAHI INTECC CO., LTD. to field testing. We also seek to expand our services by taking the e-Sys platform, which assists robotic system integrators, to a wider membership.

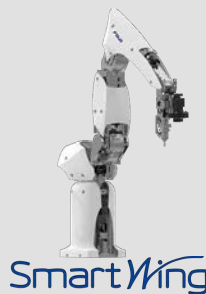
Looking at the upcoming world of digital transformation, we aim to provide value grounded in sustainability and resolve social challenges, leveraging robotics, AI, and IoT technologies to create new business.

Mobility support robots



From bed to wheelchair, or wheelchair to toilet seat; these support robots assist when needing to transfer to a sitting position or in situations where standing for a period of time is required, such as when getting dressed. Fuji's cutting edge technology is applied to a considerate robot design that has the potential to deliver a paradigm shift in the style of nursing care.

Compact multijoint robots



By using coordinate correction technology and vision data, teaching with physical guidance, which is necessary for conventional robots, is no longer necessary. This reduces the time taken for setting up production.

Public stocker system



This next-generation delivery locker system enables users to receive goods ordered at online shopping sites or online supermarkets through making full use of IoT technology. This allows people to receive packages without stress regardless of their day to day schedule.

Intellectual Property Strategy

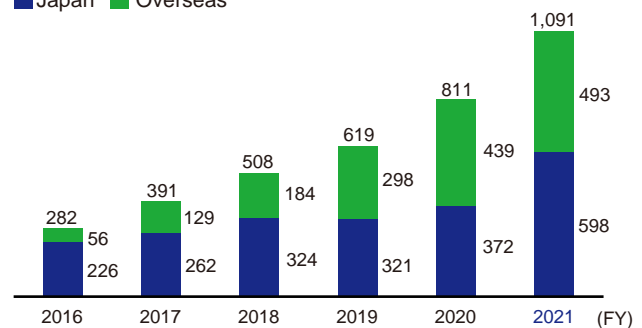
Intellectual property strategy to strengthen the global competitiveness of our businesses

Fuji implements intellectual property activities that stand on three pillars: business strategy, technology strategy, and intellectual property strategy, and actively applies for patents both in Japan and overseas. As a result, our granted patents exceeded 1,000 in fiscal 2020.

Going forward, we will refine our patent portfolio and reduce intellectual property risks associated with counterfeit goods and other matters, and continue to deliver our intellectual property strategy that empowers our competitiveness.

Number of patents granted

■ Japan ■ Overseas



Capital Strategy



Board Member, Executive Officer;
General Manager,
Business Administration Department;
General Manager,
Accounting Department

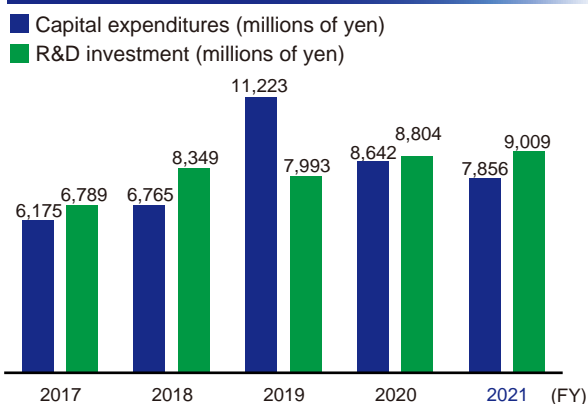
Junichi Kano

Keeping with sound financial standing, we seek a balance between strategic growth investment and shareholder returns

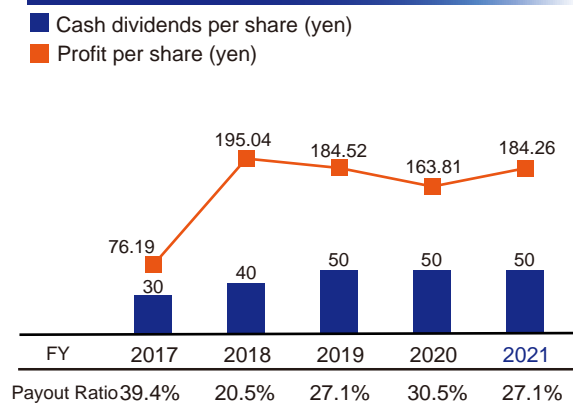
We aim to increase our corporate value by strengthening the competitiveness of our leading products, proactively investing in new business, and proceeding with mergers and acquisitions, to continuously excite and inspire our customers. Meanwhile, our policies position constant shareholder returns as most important for management. We will pursue capital efficiency and strive to maintain steady dividend payment with a target payout ratio of 30%.

Fuji's main business is susceptible to global economic fluctuations and we therefore have secured adequate short-term liquidity in preparation for the global economic impact of the existing COVID-19 pandemic and other unforeseen events such as natural disasters. However, we consider adequate and flexible implementation of share repurchases in consideration of our performance and trends in the stock market and the economy as an effective measure for improving capital efficiency.

Capital expenditures and R&D investment



Cash dividends and profit per share



Digital Transformation Strategy

We promote business strategies that engage digital transformation initiatives

In recent years, digital transformation initiatives in companies have become increasingly important. For a long time, our products have made full use of advanced digital technology in measurement, communication, control, and other aspects, and digitization has become a part of our corporate culture. In order to accelerate the digitization of not only products but also the entire business process, we have positioned digital transformation as one of the most important themes in our med-term business plan.

In particular, we have adopted systems to manage customer data in one central location along with completion of moving IT infrastructure associated to the systems into the cloud. We have launched reformation of our company-wide systems and will address the 2025 Digital Cliff warned by Japan's Ministry of Economy, Trade and Industry. Among our digital initiatives, we are developing AI-driven predictive maintenance on Fuji products operating around the world, remote diagnosis services via the Internet, machine operation simulation technology using digital twin, and more.

Through our digital initiatives, we will promote business strategies leveraging digital transformation across all the areas of development, production, and sales, with the aim of delighting our customers.

We will continue to contribute to prosperity in societies by promoting manufacturing with ESG in mind



Since its establishment in 1959, Fuji Group has delivered products that support manufacturing sites around the world, such as machine tools and SMT pick and place machines, based on the guiding precept, "We will endeavor to work hard in research and development to provide excellent techniques to respond to customer confidence".

Each and every one of us approaches day-to-day corporate activities while valuing the strong bonds with shareholders, customers, business partners, local communities, etc. The spirit of "SDGs", initiatives for which have accelerated around the world recently, resonates with the creation of new value and markets that contribute to building of a prosperous society, which is what Fuji has pursued persistently since its establishment. We will fulfill our corporate social responsibility with an eye toward sustainable development together with society.

Contributions to SDGs

Environmental activities

- Developing energy-efficient and space-saving products with the environment in mind
- Energy efficient factories that contribute to the reduction of CO₂ emissions
- Promoting green procurement



Work-style reform and health promotion for employees

- Recognized as a Certified Health & Productivity Management Organization
- Personnel system and training that allows employees to exhibit their abilities



For an equal society (gender and diversity)

- Gender and nationality do not factor into employment selection
- Acquired certification as an "Aichi Company for the Promotion of Women"



Contributing to social development through technological innovation

- Contributing to automation through the development of SMT pick and place machines and machine tools
- Pioneering new business with products that utilize the strengths of Fuji's existing technology



Governance initiatives

- Establishing the group code of conduct and spreading to all staff within group companies
- Forming healthy partnerships with trade partners



Working with the community and education

- Running the English after school program, teracoya THANK, where children learn science through English
- Actively participating in local public events



We launched the sustainability initiatives website in July 2021. For more information on this topic, please visit our website.

<https://www.fuji.co.jp/en/sustainability/>

Environment



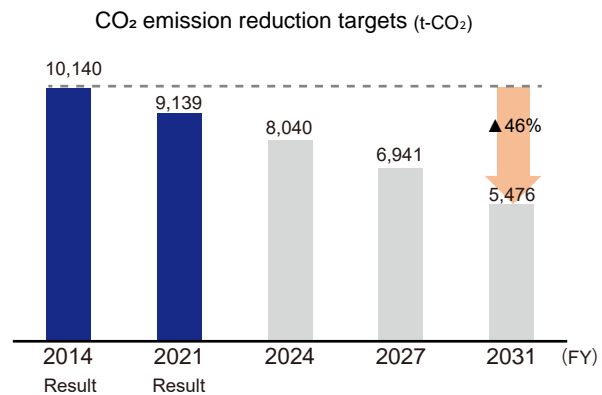
Environmental initiatives

Basic environmental policy

Fuji Group recognizes that conservation of the earth's environment and high-priority issues are shared by mankind, and endorses global goals such as Sustainable Development Goals (SDGs) and the Paris Agreement. In order to conserve beautiful, rich nature for future generations, we are making company-wide efforts to reduce environmental impacts in our business activities and contribute to development of a sustainable society and environmental conservation.

Mid-term environmental targets

We have set a mid-term target to achieve a 46% reduction of Fuji's CO₂ emissions from its business activities by the end of fiscal 2031, compared to fiscal 2014. In addition to energy-saving activities by employees, we aim to achieve our target through introduction of energy efficient equipment, purchasing carbon-free electricity, and using renewable energy certificates.



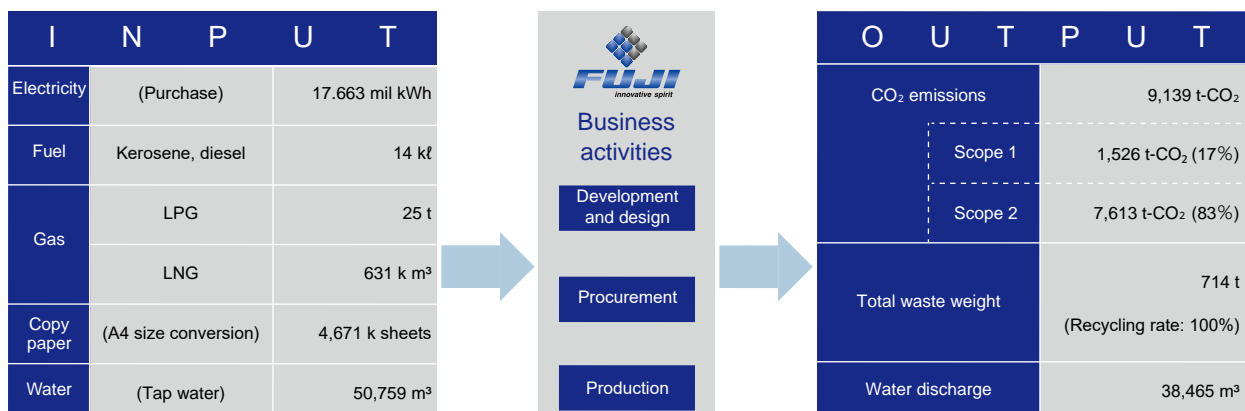
Environmental action plans

We update our environmental action plans every three years, and validate the target values with our performance for the key categories every year to implement the PDCA cycle for environmental management practices.

	Category	Action plan
Technology for social good	Development (products)	Develop eco-friendly products →Life cycle reduction of environmental impact (in all processes)
	Equipment	Renewable energy equipment (installation of solar panels, etc.) Use renewable energy
Low carbon society	Operations	Improve work efficiency (all operations; development, production, sales, office work) Energy saving activities
	Procurement	Minimize packaging for goods (packing) in inbound logistics and adopt returnable packages
Sound material-cycle society	Operations	Encourage resource saving and recycling Actively use information technology (teleworking, remote meetings, etc.) Digitize processes (promote paperless offices)

Environmental impact framework (fiscal 2021)

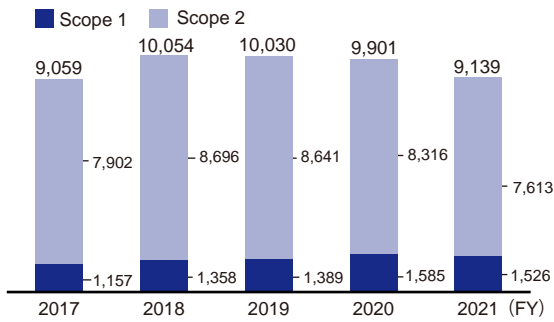
We strive for reduction of environmental impact through understanding inputs and outputs Fuji headquarters, Toyota Plant, and Okazaki Plant.



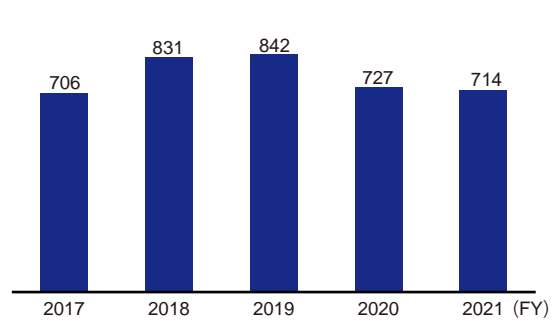
Ecological footprint

Taking the following as key indexes for reducing environmental impacts, Fuji commits to reduce their footprints.

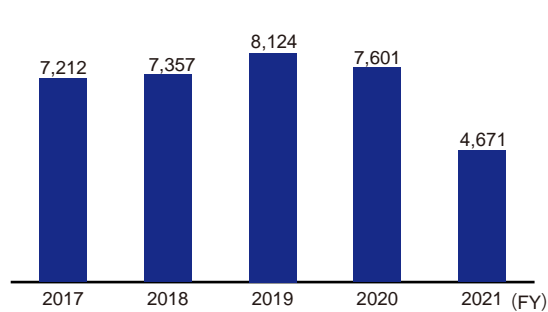
CO₂ emissions (t-CO₂)



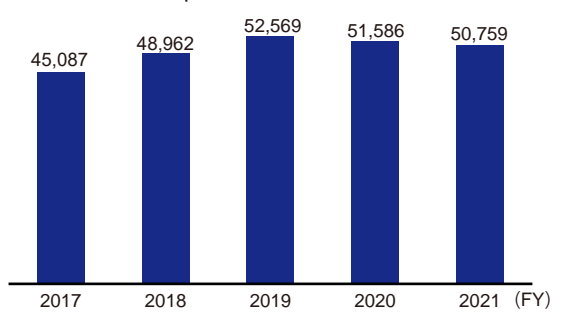
Total waste volume (t)



Amount of copy paper purchased (A4 size conversion) (k sheets)



Volume of water purchased (m³)



Water quality indicators and performance (FY2021)

Parameter	Unit	Japanese national standard	Fuji designated limit	Headquarters	Toyota Plant	Okazaki Plant
Potential of hydrogen (pH)	-	5.8 to 8.6	6.1 to 8.3	6.9	7.0	7.2
Biochemical oxygen demand (BOD)	mg/L	Less than 160	Less than 23	1.3	1.1	1.7
Chemical oxygen demand (COD)	mg/L	Less than 160	Less than 23	6.5	2.7	5.6
Suspended solid (SS)	mg/L	Less than 200	Less than 27	2.5	2.1	Less than 1.0
n-hexane extracts (mineral oil)	mg/L	Less than 5	Less than 1.8	1.8	Less than 0.5	Less than 0.5
Total nitrogen	mg/L	Less than 120	Less than 40	4.2	5.5	8.1
Total phosphorus	mg/L	Less than 16	Less than 4	1.0	0.9	1.4
Coliform group	cfu/cm ³	Less than 3,000	Less than 900	Less than 30	Less than 30	ND

ND: Less than the limit of quantification (Not Detected)

The performance value uses the average value of the measured data.

Amount of chemical substances (Kg)

Substance	FY2017	FY2018	FY2019	FY2020	FY2021
Toluene	44.20	4.01	1.01	3.81	38.12
Antimony and its compounds	0.00	0.00	1.18	0.00	0.00
Xylene	10.60	6.50	8.30	0.64	4.38
Ethylbenzene	4.70	3.60	5.50	34.35	2.22
2-Ethoxyethyl acetate	0.00	1.70	0.00	0.00	0.00
Butyl benzyl phthalate	0.00	0.91	0.00	0.00	0.10
Hexamethylene diisocyanate	0.00	0.37	0.58	0.29	0.10
Tolylene diisocyanate	0.00	0.06	0.00	0.00	0.00
1,2,4-Trimethylbenzene	0.00	3.12	5.20	2.08	1.23
Dichloromethane	0.00	0.00	4.20	0.00	4.18
Styrene	0.00	0.00	1.20	0.05	0.00
Other	8.80	0.01	19.80	14.00	0.06

The figures shown on this page cover Fuji headquarters, Toyota Plant, and Okazaki Plant.



In continuing our corporate activities, we will aim for development in harmony with our stakeholders as a member of society.

Customer relations

We deliver our products to more than 60 countries around the world in alignment with our basic quality policy "Quality comes first. We should always be ready to provide the best technology and services to our customers to gain their satisfaction and trust." Holding a series of meetings with our group companies in the North America, Europe, and Asia, as well as our regional agents, we conduct sales activities that meet the needs of our customers. Our global support framework consists of more than 100 bases in Japan and overseas, enabling us to feed customer requests back to relevant departments within Fuji for development of next-generation products.

Employee relations

● Human resources development

We offer a wide range of human resource development programs, including engineer development, rank-based training, global training, and support for self-development. At the Sokaijyuku training course that engineering employees take in their first year with Fuji before they are assigned to a division, by acquiring knowledge outside their area of specialization and developing a robot in a practical way, they feel the difficulties that go into creation as well as the sense of achievement of developing something, as part of their experience before starting work. Leadership training in which employees acquire skills such as how to lead an organization and how to communicate smoothly, and global training to nurture employees who can work successfully overseas, are also part of our efforts to enhance training opportunities within Fuji.

● Gender and diversity

Fuji is working on work-style reforms for greater inclusiveness, of which we started company-wide no overtime workdays for every Friday and launched telecommuting and flextime. Also, we have expanded our systems to support various work-styles and balancing between work and child/elder care through initiatives including work leave, time off, or days off for childcare/nursing care and family medical care, and also focus on employees' work-life balance to facilitate a workplace where everyone is comfortable bringing their best.

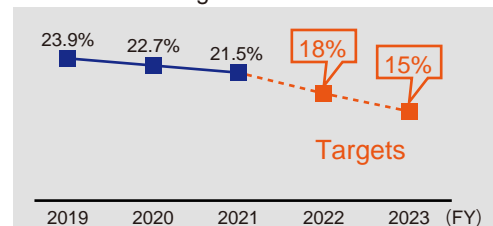
● Occupational health and safety

Fuji has embraced a basic health and safety policy in which each and every employee recognizes that 'safety and health forms the foundation of our operations', aligning with proactive promotion of safety and health activities with full participation, and conducting initiatives fostered by its safety and health committee to create a safe and comfortable workplace. In fiscal 2021, there were three lost worktime accidents and nine non-lost worktime accidents, and there were no fatal workplace accidents that resulted in death or permanent disabilities.

● Workplace health promotion

Fuji has addressed challenges in employees' health-conscious management, and has been recognized under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (the large enterprise category) following last year. We also focus our efforts on addressing smoking, and have launched no-smoking day from fiscal 2021. We plan to prohibit smoking entirely on our premises from fiscal 2023.

Trends in smoking rates



Relationship with shareholders and investors

We strive to distribute profits appropriately and to disclose information in an appropriate, fair, and timely manner in order to build long-term, stable relationships with our shareholders and investors. Focusing on fairness, accuracy, and continuity, the representative director, executive officers in charge, and other representatives strive for constructive dialogue through IR activities ensuring good two-way communication on business strategies, divisional strategies, financial information, and other matters.

Results of dialogue with stockholders and investors (FY2021)

Activities	Number of times	Number of participants
Upload semi-annual earnings briefing videos on the website	2	5,485 views*
Hold meetings with individual analysts and institutional investors on as needed	171	270
Participate in virtual conferences for overseas institutional investors, hold meetings	5	47

*As of May 13, 2021

Relationship with suppliers

We have set up the basic CSR procurement policy and Fuji supplier CSR guidelines, and share with our suppliers our vision and policy for contributing to a thriving society through sustained efforts in creating new value. We commit to fair, transparent, and equitable procurement activities with due consideration of the impact on the earth's environment, and work throughout our supply chain toward realizing a sustainable society.

Relationship with local communities

As members of the local community, we engage in various activities with the aim of being the "Fuji that is known and loved by everyone in the community". We are operating our after school English program "teracoya THANK" for local elementary school children where they use English to learn science, fostering future global talents. Furthermore, we support local festivals, cultural activities, etc.



Governance initiatives

Basic views

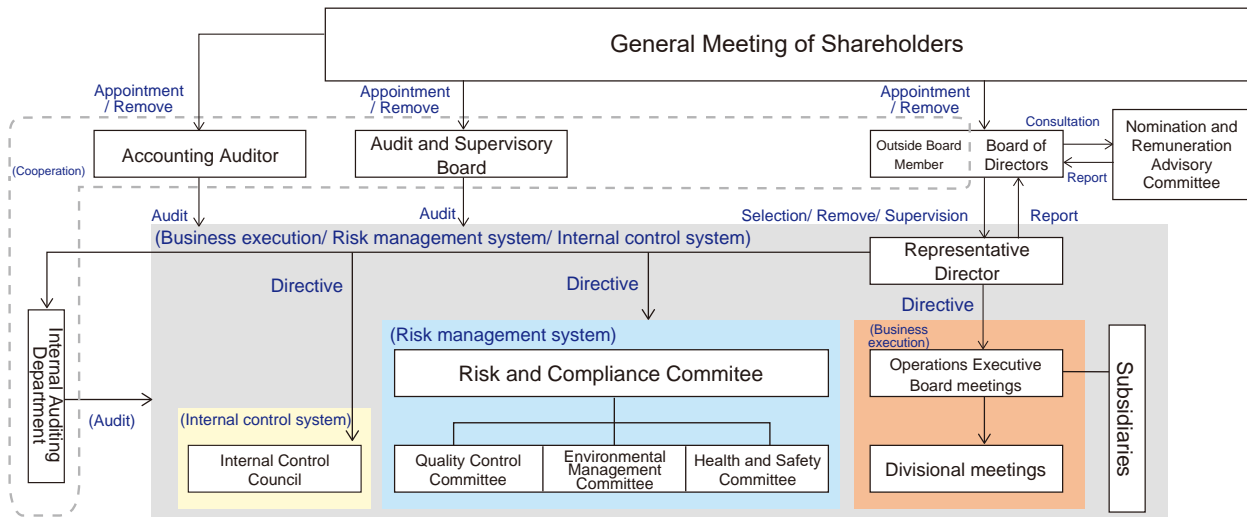
Fuji Group views working to create higher corporate value for its stakeholders to be most important. Accordingly, Fuji Group is working to establish and enhance fair and transparent management systems, an organizational structure that can respond to changes in the management environment promptly and accurately, and to strengthen its risk management and compliance system.

Corporate governance structure

Directors (of which three are outside directors)	8
Auditors (of which two are outside auditors)	3
Independent directors/auditors	5
Board meetings held in a year (planned)	13
A term of directors	1
Executive officer system	Yes
Total executive officers	11

As of June 29, 2021

Corporate governance framework



Skills Matrix

Name	Title at Fuji	Nomination and remuneration advisory committee	Presidential leadership	Manufacturing, technology, R&D	Sales and marketing	Finance and accounting	IT and DX	Legal and governance	International expertise
Nobuyuki Soga	Chairman & CEO	◎	○	○				○	
Shinsuke Suhara	President & COO	○	○	○			○	○	
Hajime Ezaki	Board Member		○		○				○
Masaaki Sugiura	Board Member		○		○				○
Junichi Kano	Board Member				○	○		○	○
Nobuko Kawai	Board Member	Independent Outside	○					○	
Hideaki Tamada	Board Member	Independent Outside	○	○	○				○
Shoji Mizuno	Board Member	Independent Outside	○	○	○			○	○

*The "◎" symbol for the nomination and remuneration advisory committee means the chairman.

Remuneration for Directors

Our basic policy of determining the remuneration for Fuji's directors is that, the position, responsibilities, years of service, Fuji's business performance, and the level of employees' salaries are comprehensively taken into account. Furthermore, the limit to remuneration for restricted share awards was resolved at the 75th Ordinary General Meeting of Shareholders held on June 29, 2021. Paying a part of remuneration for directors in the form of company stocks enables them to share viewpoints with that of general shareholders, promoting business management to pursue sustainable improvements in corporate value.

In April 2021, a nomination and remuneration advisory committee was established, of which independent outside directors account for the majority. Enhancing the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors and auditors, we will further develop our corporate governance.

ESG Data

Environment	Unit	FY2017	FY2018	FY2019	FY2020	FY2021	
CO ₂ emissions	t-CO ₂	9,059	10,054	10,030	9,901	9,139	
Scope 1	t-CO ₂	1,157	1,358	1,389	1,585	1,526	
Scope 2	t-CO ₂	7,902	8,696	8,641	8,316	7,613	
Total waste volume	t	706	831	842	727	714	
Copy paper purchased (A4 size conversion)	k sheets	7,212	7,357	8,124	7,601	4,671	
Volume of water purchased	m ³	45,087	48,962	52,569	51,586	50,759	
Chemicals used	Toluene	Kg	44.20	4.01	1.01	3.81	38.12
	Antimony and its compounds	Kg	0.00	0.00	1.18	0.00	0.00
	Xylene	Kg	10.60	6.50	8.30	0.64	4.38
	Ethylbenzene	Kg	4.70	3.60	5.50	34.35	2.22
	2-Ethoxyethyl acetate	Kg	0.00	1.70	0.00	0.00	0.00
	Butyl benzyl phthalate	Kg	0.00	0.91	0.00	0.00	0.10
	Hexamethylene diisocyanate	Kg	0.00	0.37	0.58	0.29	0.10
	Tolylene diisocyanate	Kg	0.00	0.06	0.00	0.00	0.00
	1,2,4-Trimethylbenzene	Kg	0.00	3.12	5.20	2.08	1.23
	Dichloromethane	Kg	0.00	0.00	4.20	0.00	4.18
	Styrene	Kg	0.00	0.00	1.20	0.05	0.00
Other	Kg	8.80	0.01	19.80	14.00	0.06	

Scope: Headquarters, Toyota Plant, Okazaki Plant

Society	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees	-	1,607	1,652	1,671	1,689	1,712
Men	-	1,391	1,432	1,446	1,458	1,476
Women	-	216	220	225	231	236
Women in management (section manager or higher)	%	2.2	2.3	2.2	2.0	2.3
Inclusive employment	%	2.0	1.9	2.3	2.4	2.4
Average employee tenure	Years	16.4	16.8	17.1	17.6	17.9
Men	Years	17.0	17.3	17.6	18.1	18.4
Women	Years	12.7	13.4	13.9	14.3	14.8
Paid vacation utilization rate	%	80.2	83.3	87.9	86.1	77.7
Usage of parental leave	Individuals	13	17	11	22	22
Men	-	1	4	3	4	10
Women	-	12	13	8	18	12
Usage of care-giving leave	Individuals	1	1	1	1	1
Employment (new graduates and mid-career)	Individuals	57	55	58	51	49
Men	-	47	48	48	40	40
Women	-	10	7	10	11	9
Turnover rate	%	1.1	0.9	1.3	1.2	1.1
Average monthly overtime	Hours	21.7	25.7	25.2	21.8	11.1
Foreign-born employees	%	1.8	1.9	1.8	1.7	1.7
Post retirement reemployment	%	88.2	85.7	84.2	92.9	95.7
Workplace accident frequency rate*	%	0.27	0.25	0.49	0.49	0.77

Scope: Non-consolidated

*Workplace accident frequency rate = Lost-worktime injuries / employee total hours worked x 1,000,000

Governance	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Directors	Individuals	8	8	9	8	8
Outside directors (independent directors)	Individuals	2	2	2	2	3
Female directors	Individuals	1	1	1	1	1
Female director board membership	%	12.5	12.5	11.1	12.5	12.5
Auditors	Individuals	3	3	3	3	3
Outside auditors (independent directors)	Individuals	2	2	2	2	2
Female auditors	Individuals	1	1	1	1	1
Female auditor board membership	%	33.3	33.3	33.3	33.3	33.3
Major violations of laws and ordinances	Cases	0	0	0	0	0
Political contributions	Yen	0	0	0	0	0

Scope: Non-consolidated

Corporate profile

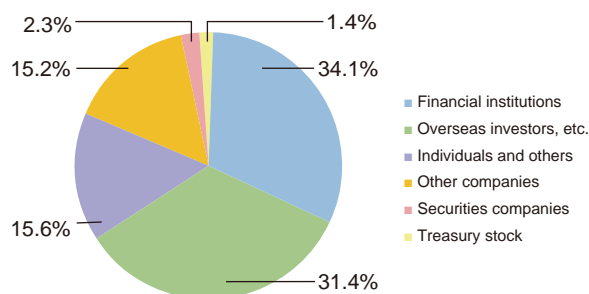
Overview

Name	FUJI CORPORATION	Listed Markets	First Section of the Tokyo Stock Exchange, First Section of the Nagoya Stock Exchange
Headquarters	Chausuyama 19, Yamamachi, Chiryu, Aichi, Japan	Main Business	Manufacturing and sales of SMT pick and place machines and machine tools
Established	April 1959	Number of Employees	Consolidated 2,522 Non-consolidated 1,712 (as of March 31, 2021)
Capital Stock	5,879 million yen		

Shareholders (as of March 31, 2021)

Authorized shares	390,000,000
Issued shares	97,823,748
Number of shareholders	6,983

Shareholder structure



Top 10 shareholders

Shareholder	Shares owned (in thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	6,289	6.52
Daido Life Insurance Company	4,811	4.98
MUFG Bank, Ltd.	4,272	4.43
Custody Bank of Japan, Ltd. (Trust account)	4,130	4.28
FUJI customers stock ownership	3,089	3.20
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	2,364	2.45
The Bank of Nagoya, Ltd.	1,554	1.61
Mitsubishi UFJ Trust and Banking Corporation	1,483	1.53
BBH BOSTON CUSTODIAN FOR NEXT GENERATION CONNECTIVITY ASIA FUND A SERIES T 621052	1,395	1.44
STATE STREET BANK AND TRUST COMPANY 505001	1,219	1.26

Notes: 1. Shares held by Fuji as treasury shares (1,390,652 shares) are excluded from the top ten shareholders listed above.
2. The number of shares held is rounded down to the nearest thousand, and the shareholding ratio is calculated by deducting treasury shares held by Fuji and rounded down to two decimal places.

Consolidated Subsidiaries

Company	Location	Established
ADTEK FUJI Co., Ltd.	Aichi, Japan	April 1977
EDEC LINSEY SYSTEM Co., Ltd.	Aichi, Japan	November 1992
Fasford Technology Co., Ltd.	Yamanashi, Japan	March 2015
FUJI LINEAR CORPORATION	Aichi, Japan	February 2020
Fuji America Corporation	U.S.	April 1970
Fuji Machine America Corporation	U.S.	November 1994
FUJI EUROPE CORPORATION GmbH	Germany	November 1991
Fuji Machine China Co., Ltd.	China	November 2007
Kunshan Fuji Machine Mfg. Co., Ltd.	China	January 2012
Fuji Do Brasil Maquinas Industriais Ltda.	Brazil	November 1995
FUJI INDIA CORPORATION PRIVATE LIMITED	India	December 2019
FUJI MACHINE ASIA PTE. LTD.	Singapore	January 2001



Mascot Character

FUJILALA is the Fuji's mascot character, created as part of its aim to be a company that is well received by everyone. Nice to meet you!



Editorial Policy

The purpose of this report is to make the Fuji's business strategies and financial information easy to understand for stakeholders (including shareholders, customers, business partners, employees, and local communities that have a diversity of interests in Fuji).

Period Covered

Fiscal 2021
(April 1, 2020 to March 31, 2021)