innovative spirit

2022 CORPORATE REPORT

Fiscal year ended March 31, 2022

FUJI CORPORATION

Taking on the challenge of creating new value for contributing to the creation of a prosperous and sustainable society

Representative Director,
Chairman, and CEO

Nobuyuki Soga

Corporate ideologies

Enriching the lives of those in the world around us

Fuji's history began in 1959 when the company's founder, Mamoru Sakagami, invented a revolutionary hydraulic lathe for mass production called a single function machine. Since then, we have continued to provide customers around the world with innovative and creative products that are in tune with the times, such as the BA automatic electronic component insertion machine, the CP series that has become the global standard for SMT pick and place machines, and the NXT series that has sold over 100,000 units in total.

The founding precept of "innovative spirit" is at the core of the company's ability to continuously develop these products. It is our strong desire to create new value that does not exist in the world and to deliver products and services that excite and inspire our customers. We will contribute to the realization of a mindful society where each and every employee can work with peace of mind and in a rewarding corporate culture.

In today's age of digital transformation, demand for semiconductors and electronic components continues to increase dramatically. Under such circumstances, we believe that the role played by our core product, the SMT pick and place machine, will further expand in the future.

Looking at society in general, there are a number of pressing issues such as decarbonization, climate change, declining birthrates, and aging populations. The Fuji Group will face these social issues head-on and work earnestly to provide solutions.

And we will never allow or engage in any kind of discrimination, harassment, or hold any relations with anti-social forces, and we will work to realize a bright and equal society by fighting against those outside individuals and groups that disagree with us on these issues. We will continue to be a company of high moral standards, both collectively and as individuals, that not only complies with laws and regulations, but also goes beyond the set requirements.

Changes in the business environment

Since the first case of infection was reported in late 2019, COVID-19 has quickly spread worldwide. The movement of people was restricted, and many industries, including food service, tourism, and transportation, were brought to a standstill. However, the wave of digitalization, including advances in cloud computing, IoT, ADAS, and AI, as well as the development of the 5G communication infrastructure, has not stagnated, and demand has increased rapidly, causing shortages of semiconductors and a number of other materials. Meanwhile, a series of lockdowns in China and other parts of the world have severely hampered distribution, resulting in a negative impact on the global economy.

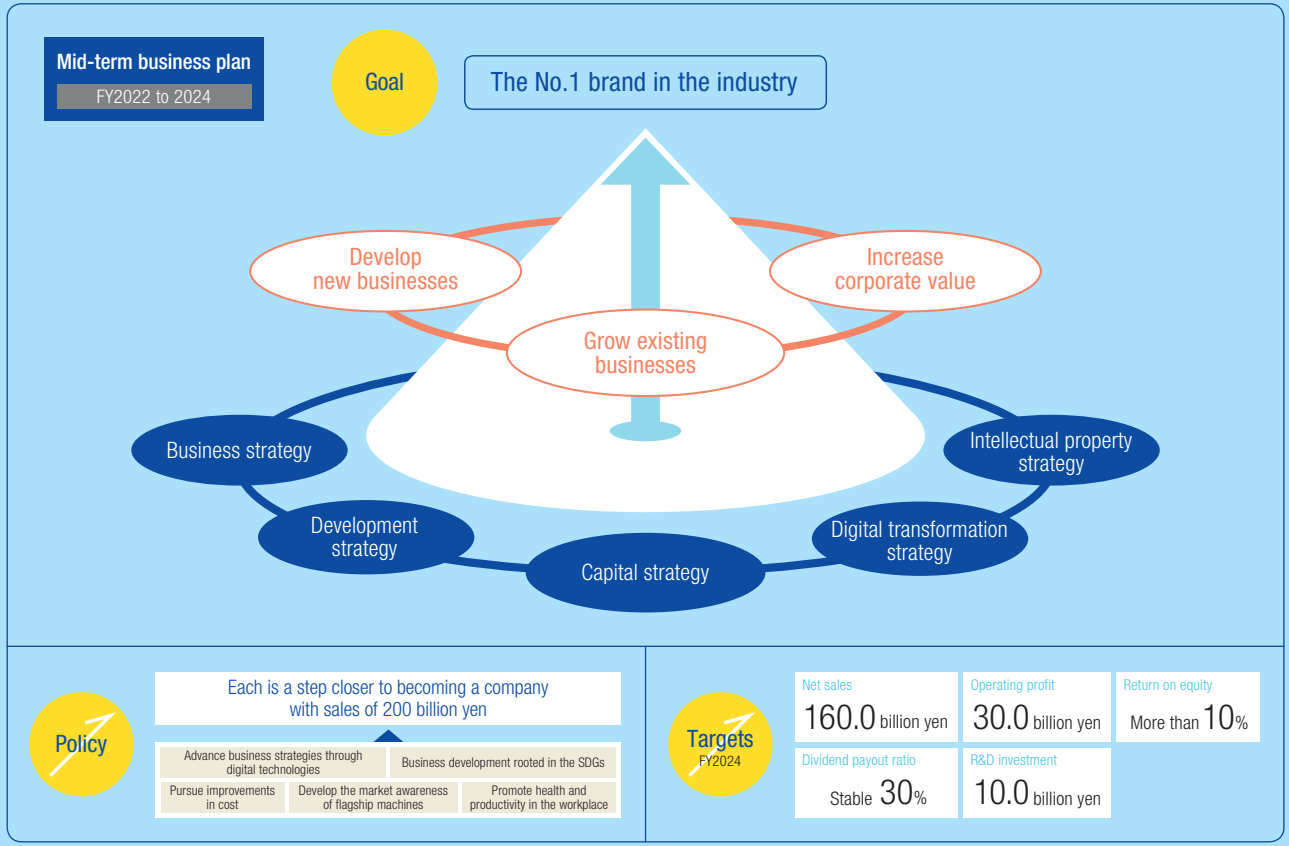
Furthermore, geopolitical risks with neighboring countries have been further heightened by major changes in trends, such as Russia's military invasion of Ukraine and the struggle for hegemony between the U.S. and China, which could be described as a shift from a "global cooperation path" to a "home country first" policy.

In this environment in which unexpected events occur one after another, we want to have the capability to be ready to respond to all kinds of changes at any time.

Progress of mid-term business plan

In May 2021, we announced our three-year mid-term business plan. We have positioned the three-year period as a stepping stone toward becoming a company with sales of 200 billion yen, with the goal of achieving net sales of 160.0 billion yen and operating profit of 30.0 billion yen in fiscal 2024, the final year of our business plan.

In fiscal 2022, the first year of the business plan, there were initial concerns about the impact of the global shortage of semiconductors on both demand and supply, as well as soaring logistics costs, but we were able to achieve record results, supported by demand exceeding initial expectations in telecommunications equipment, servers, and automotive-related products. However, many issues remained, including inadequate measures to deal with the ongoing shortage of materials, inability to fully meet customer demands in terms of delivery time, and insufficient market awareness of flagship machines, which was raised in the basic policies of our mid-term business plan.



Fiscal 2023, which is the second year of the plan, will be an important year for us to achieve the goals set forth in the mid-term business plan. The shortage of materials, including semiconductors, is still not expected to be resolved for the time being. Under such circumstances, we believe that the most important issue to be addressed this fiscal year is wide-ranging supply chain reform, from order receipt to procurement, production, shipment, and after-sales service.

This time, we are facing an unprecedented level of difficulty in procuring materials, and we are determined to visualize every process in the supply chain, identify waste, and eliminate it by understanding the supply chain beyond our suppliers, learning about customer needs quickly and taking prompt action, and further reducing production lead time. At the new Okazaki Plant building, scheduled for completion in September 2024, we will further implement production innovations as part of our supply chain reform.

Business issues

Our main products are capital goods. In the past, our sales have fluctuated widely with the economic conditions. The challenge for the future is to generate stable earnings that are not impacted by rises and falls in the economy. Our goal is to increase sales of products that are relatively unaffected by economic fluctuations, such as maintenance parts, repairs, service, and rentals/leases, which currently account for about 20% of total sales, to 40% in ten years. To this end, we are considering centralizing our maintenance and service operations, building a system that enables us to provide services without keeping customers waiting, and expanding our subscription business.

We are currently developing a variety of new businesses by applying the robot technologies we have developed, and one of the issues we need to address is how to penetrate the market with these businesses. For example, we are currently conducting joint development of a catheter medical assistance robot with ASAHI INTECC CO., LTD. Our revolutionary electronics 3D printer named “FPM-Trinity” combines the three functions of resin 3D molding, electric circuit printing, and electronic component placement. “Hug” is a mobility support robot for people requiring nursing care. “SmartWing” is a multijoint robot that meets the ever-increasing demand for automation in manufacturing.

We hope to introduce to the market many such products that will help many people realize their dreams and enrich their lives.

Human resource development

Everyone agrees that the most important management resource is people. Companies have a responsibility to nurture and promote the growth of their people. Focusing on the health, happiness, satisfaction, and fulfillment of our workers, we value their autonomy, accept diverse values, and create a safe and secure work environment. This enables all workers to fully exercise their capabilities and take pride in their work.

Growth through work leads to growth of the company, and growth of the company leads to enriched lives. We are convinced that the creation of such a virtuous cycle will also benefit our shareholders and all other stakeholders.

Marketing and innovation

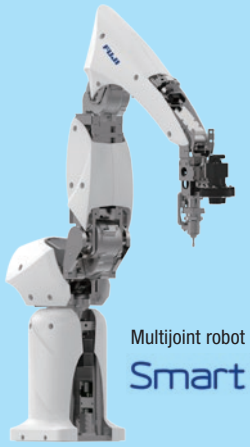
For a company to grow, it must continue to create new value. Marketing and innovation are essential for this. The marketing process can be divided into two parts: “what to create” and “how to sell what you have created,” with the first part naturally being the most important. Listening to our customers, understanding the essence of their problems, and developing and delivering products and services that exceed their imagination—we believe this is true marketing and innovation.

Innovation includes everything that creates new value through changes in goods, services, and production and distribution systems. Typically, people used to go out and buy what they want, but now, they buy something on a website and have it delivered to their home as quickly as possible, and this new business model is a true innovation that eliminates the need to leave the home when buying things.

In order to continue to innovate, it is important to have a corporate culture of thinking independently, acting on one’s own initiative, and reform. A good corporate culture is the driving force behind the creation of new value and wins out over all strategies. To this end, we will put in place a system that enables people with diverse values within the company to fully demonstrate their knowledge and abilities, including system reforms for flexible work styles.

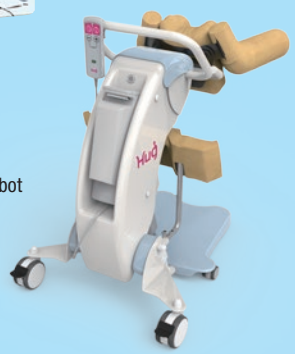
Developing new businesses by applying robot technology

Catheter medical assistance robot



Multijoint robot SmartWing

Electronics 3D printer FPM-Trinity



Mobility support robot Hug

Sustainability management

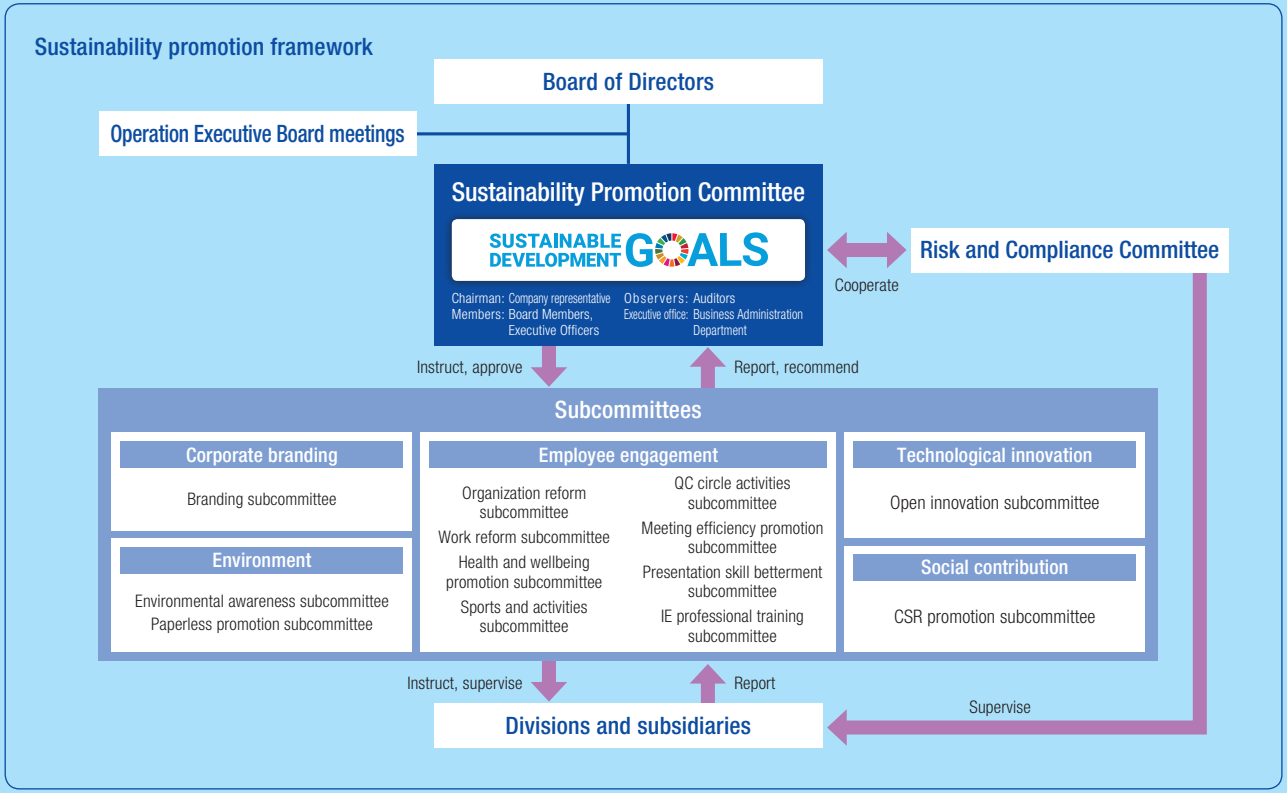
One of the basic policies of our mid-term business plan is “Business development rooted in the SDGs,” and we are working to place sustainability at the center of our management. Our nursing care robots, medical assistance robots, next-generation delivery locker systems, robotic recycling systems, and other products are the embodiment of our desire to solve diverse social issues with our expertise.

In the Corporate Value Enhancement Committee, established in 2018, more than ten subcommittees across the organization have been working to improve corporate value over the medium to long term, leading to reforms in work styles, strengthening of brand power, and coexistence with local communities. In April 2022, the Corporate Value Enhancement Committee was reorganized into the Sustainability Promotion Committee, chaired by the company representative, with all directors and executive officers sharing roles as members. By recognizing that management is not only responding to risks in ESG, but also to important management issues that lead to profit opportunities, we will monitor more actively and develop speedily our sustainability initiatives, such as environmental initiatives, employee engagement, and technological innovation.

The movement toward realization of a decarbonized society is accelerating worldwide. Recognizing that conservation of the earth’s environment is one of the most important issues for us, Fuji also endorses global goals such as Sustainable Development Goals (SDGs) and the Paris Agreement, and is committed to environmental efforts.

In June 2022, Fuji expressed its support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). Even before the announcement, we have been strengthening our efforts against climate change, and in our mid-term environmental targets renewed in 2021, we aim to reduce CO_2 emissions from our business activities (scopes 1 and 2) by 46% from the fiscal 2014 level by fiscal 2031. As one specific example of our efforts, we started using CO_2-free electricity at our headquarters in December 2021. We also plan to install solar power generation systems at the Toyota Plant and Okazaki Plant starting from FY2023.

Sustainability promotion framework



In FY2022, we began calculating emissions in our supply chain (scope 3). In FY2022, we found that scope 3 accounted for 98% of our total CO_2 emissions, with category 1 (Purchased goods and services) and category 11 (Use of sold products) accounting for the majority of emissions within scope 3. In addition to steady initiatives for decarbonization at each site, we will promote environmentally conscious design of our products and services to further reduce CO_2 emissions.

Final words

The society around us continues to change daily at an astonishing pace. Fuji will continue to strive for the realization of a sustainable society by anticipating future changes in the world, promoting the growth of staff who can create new value, and possess high moral standards, while striving to enhance corporate value in every aspect including the environment, society, and governance, and to grow as a global robot manufacturer.

We will continue to innovate ceaselessly and provide products and services that excite and inspire our customers.

We would like to thank all of you for your continued support.

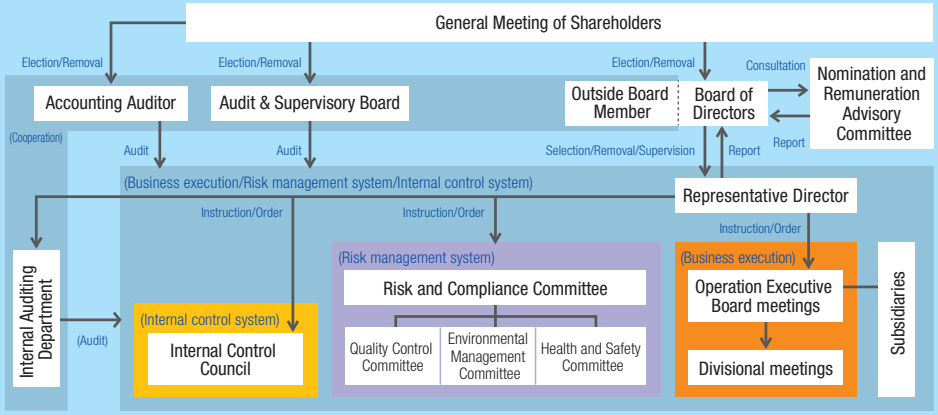
Fuji's value creation

By shifting the core of our business from machine tools to robots, we will create a future in which everyone can live prosperous lives while creating a wide range of innovations. To this end, Fuji's Value Creation Process represents a roadmap to success by connecting social issues, prospective new businesses, SDGs, and Fuji's vision. As the future becomes increasingly uncertain, we will use this value creation process as a pathway to continue to enhance corporate value and achieve sustainable growth, and build a better relationship between business, society, the environment, and the economy while responding to new social needs that emerge with each new era.

Basic approach

Fuji views the creation of higher corporate value for all of our stakeholders to be an important issue. Accordingly, Fuji 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 framework



Activities of the Board of Directors, Audit & Supervisory Board, committees, etc. (FY2022)

Type	Number of meetings	Average attendance	Main topics
Board of Directors	13	99 %	◎ Discussion and approval of mid-term business plan and budget policy ◎ Discussion and approval of important investment projects ◎ Discussion and approval of important development projects
Audit & Supervisory Board	14	100 %	◎ Audits of the execution of duties by directors ◎ Audits of operations and assets ◎ Review of Board of Directors' agendas
Nomination and Remuneration Advisory Committee	2	100 %	◎ Policy on appointment of directors and auditors ◎ Remuneration system and policy for determining remuneration for directors and auditors ◎ Matters related to the development and operation of succession plans
Internal Control Council	3	100 %	◎ Discussion and approval of internal control assessment plan ◎ Determination of the effectiveness of internal controls based on the results of internal control assessment
Risk and Compliance Committee	4	100 %	◎ Key risks and progress in countermeasures by each section ◎ Initiatives to eliminate fraud ◎ Initiatives for carbon neutrality

Corporate governance structure

Number of directors	8 (including 3 outside directors)
Number of auditors	3 (including 2 outside auditors)
Number of independent directors/auditors	5
Number of board meetings held in a year	13 (planned)

A term of directors	1 year
Adoption of executive officer system	Yes
Number of executive officers	14

(As of June 29, 2022)

Improving the effectiveness of the board

In order for the Board of Directors to effectively fulfill its roles and responsibilities, the structure and operation of the Board of Directors is regularly reviewed as a whole to ensure that it is functioning properly, and to identify issues in order to improve problem areas and reinforce its strengths.

Regarding the evaluation of the effectiveness of the Board of Directors, a survey to assess the effectiveness of the Board of Directors was administered to all Board Members and Audit & Supervisory Board Members in April 2022. The questions in the survey are reviewed annually. This year's questions covered matters related to sustainability, including addressing environmental problems caused by climate change and respect for human rights. The analysis and evaluation from the surveys revealed that the composition and functions of the Board, and governance aspects such as monitoring of business performance, and risk management are effective. On the other hand, the results indicate that the human resource strategy, including ensuring diversity, needs to be deeply cultivated. Based on these results, we will strive to further enhance the effectiveness of the Board of Directors by having deeper discussions on human resources strategies, including at each of our group companies.

Whistleblower systems

In order to prevent violations of laws and regulations and misconduct, as well as to detect and correct such violations at an early stage, internal reporting regulations have been established, and a reporting and consultation service applicable to all directors and employees working for Group companies has been put in place. These regulations prevent whistleblowers from being disadvantaged in accordance with the Whistleblower Protection Act, and allow for anonymous reporting.

In addition, a dedicated consultation service has been established to appropriately respond to consultations and complaints of power harassment and sexual harassment in the workplace, ensuring that human rights are appropriately addressed.

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of whistleblowing and consultations	0	0	6	3	4

Executive team

(As of June 29, 2022)

Board Members

Representative Director, Chairman & CEO
Nobuyuki Soga

◎ Career summary
1975 Joined Fuji
2007 Board Member, Executive Officer
2008 Board Member, Managing Executive Officer
2009 President & CEO
2019 Chairman & CEO
2022 Representative Director, Chairman & CEO (To present)

Representative Director, Vice Chairman & CTO
Shinsuke Suhara

◎ Career summary
1981 Joined Fuji
2008 Executive Officer
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
2022 Representative Director, Vice Chairman & CTO (To present)

Board Member, Managing Executive Officer
Hajime Ezaki

◎ Career summary
2003 Joined Fuji
2011 Executive Officer
2015 Board Member, Executive Officer
2019 Board Member, Managing Executive Officer
2020 Board Member, Managing Executive Officer (To present); General Manager, MT Division (To present)

Board Member, Executive Officer
Junichi Kano

◎ Career summary
1987 Joined Fuji
2017 Executive Officer
2020 Board Member, Executive Officer
2022 Board Member, Executive Officer (To present); General Manager, Corporate Operations Division (To present)

Board Member, Executive Officer
Joji Isozumi

◎ Career summary
1996 Joined Fuji
2021 Executive Officer
2022 Board Member, Executive Officer (To present); General Manager, RS Division (To present)

Outside Board Member
Nobuko Kawai

◎ Career summary
1992 Registered as a lawyer
Joined Nishimura & Sanada Law Office
1998 Established Nobuko Kawai Law Office (Representative) (To present)
2009 Vice Chairman, Aichi Bar Association
2015 Outside Board Member of Fuji (To present)
2017 Outside Director, IBIDEN CO., LTD.
2021 Outside Director, KIKUSUI Chemical Industries Co., Ltd. (To present)
2022 Member of Review Committee, The Japan Center for Settlement of Traffic Accident Disputes (To present); Auditor (part-time) of Central Nippon Expressway Company Limited (To present)

Outside Board Member
Hideaki Tamada

◎ Career summary
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
Shoji Mizuno

◎ Career summary
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)

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Member
Masaaki Sugiura

◎ Career summary
1986 Joined Fuji
2015 Executive Officer
2018 Board Member, Executive Officer
2020 Board Member, Managing Executive Officer; General Manager, RS Division
2022 Full-time Audit & Supervisory Board Member (To present)

Outside Audit & Supervisory Board Member
Shigeki Matsuda

◎ Career summary
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) (To present)
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
Kayoko Yamashita

◎ Career summary
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)
2022 Outside Director (Audit & Supervisory Committee Member), OSG Corporation (To present)

Executive Officers

Senior Executive Officer	Hiroshi Murakami	Executive Officer	Tetsuya Asaoka
Executive Officer	Takatoshi Suzuki	Executive Officer	Hiroyuki Ao
Executive Officer	Kazutoshi Sakai	Executive Officer	Takehiro Ido
Executive Officer	Takashi Suzuki	Executive Officer	Masatoshi Fujita
Executive Officer	Takehito Okada	Executive Officer	Takeshi Sato

(Note) HT Division: Electronics Assembly Equipment Division, RS Division: Robotic Solutions Division, MT Division: Machine Tools Division

Policy for determining executive remuneration

The Nomination and Remuneration Advisory Committee was established as an advisory body for the board in order to enhance the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors, executive officers, and auditors, and to enhance Fuji's corporate governance.

The committee deliberates and reports on the nomination and remuneration of directors, executive officers, and auditors. In determining the remuneration of individual directors, the company provides "fixed remuneration" for each position and "performance-linked remuneration" based on the individual performance for the entire company and individuals so that it serves as an incentive for the sustainable enhancement of corporate values. Also, Fuji has adopted a restricted share awards system, under which a portion of fixed remuneration for directors is paid in company-owned shares. For outside directors and auditors, in consideration of their duties, only fixed remuneration shall be paid, and the performance-linked remuneration and restricted share awards shall not be granted. The fixed remuneration shall be comprehensively determined, taking into account the position, responsibilities, years of service, Fuji's business performance, and the level of employees' salaries. The performance-linked remuneration consists of "performance-linked remuneration (company-wide)" and "performance-linked remuneration (individual)." The performance-linked remuneration (company-wide) is remuneration according to the business performance in consideration of the previous year's results of "consolidated operating profit" and "consolidated ROE" that Fuji emphasizes as management indicators. The performance-linked remuneration (individual) is based on an evaluation of the individual performance of each director.

Skills matrix

(Note) The ◎ symbol for the Nomination and Remuneration Advisory Committee indicates the Chairman.

	Nomination and Remuneration Advisory Committee	Corporate management	Manufacture, technology, and R&D	Sales and marketing	Finance and accounting	IT and digital transformation (DX)	Legal affairs and governance	Global experience
Nobuyuki Soga	◎	○	○				○	
Shinsuke Suhara	○	○	○			○	○	
Hajime Ezaki		○		○				○
Junichi Kano		○		○	○		○	○
Joji Isozumi			○	○				○
Nobuko Kawai	○						○	
Hideaki Tamada	○	○	○	○				○
Shoji Mizuno	○	○		○			○	○

Customer relations

Basic approach

Our basic quality policy is “Quality comes first. We should always be ready to provide the best technology and services to our customers to gain their satisfaction and trust.” We have established a quality management system based on ISO 9001 to improve customer satisfaction in all processes of development, production, sales, and service.

Global support system

Domestic and foreign stationed staff and agents’ service engineers are engaged in daily customer support. Customer inquiries are registered in our customer management database and handled by our call center on a 24-hour schedule in cooperation with service engineers.

We are implementing a cycle in which customer requests obtained through after-sales service, maintenance, and CS surveys are fed back to the company, leading to the research and development of advanced technologies and the development of products and services that contribute to solving social issues, thereby offering new value to our customers.

Disseminating information through exhibitions and website

We use exhibitions held in Japan and overseas as a place to deliver our messages and product information and to propose solutions to issues faced by our customers, as well as to communicate directly with our customers. We also have been actively using online seminars, online demonstrations, and e-learning as a means of delivering information throughout the time of COVID-19.

Online seminar

Relationship with suppliers

Basic approach

We have established our basic CSR procurement policy and the Fuji supplier CSR guidelines to share with our suppliers our policy and vision for conducting procurement in fair, transparent, and equitable manner and in consideration of the global environment. We are working throughout our supply chain to achieve a sustainable and prosperous society.

Basic CSR procurement policy

1. Build relationships with our suppliers as good partners based on mutual trust underlining fair, transparent, and equitable business practices.
2. Comply with laws, regulations, rules and social norms, and actively work to achieve the SDGs.
3. Commit to our trading basics that meet the Q (quality), C (cost), D (delivery time), S (service), and S (speed) requirements of Fuji.

Declaration of partnership building

パートナーシップ構築宣言

Endorsing the intent of the Council on Promoting Partnership Building for Cultivating the Future promoted by the Cabinet Office and the Small and Medium Enterprise Agency among others, we have declared that we aim to build new partnerships through developing cooperation with business partners along supply chains and business operators with value creation mindsets, and establishing mutually-beneficial frameworks with them.

Conducting surveys on CSR activities

To further promote CSR activities among suppliers, we have conducted surveys on CSR activities among suppliers accounting for the top 80% of transaction volume in FY2022. In addition to confirming the current status of suppliers, we are working to further improve and strengthen our activities based on the results of the surveys.

Issuing SDGs newsletter

To promote contribution to the SDGs through our procurement activities, we publish a newsletter for suppliers detailing the initiatives being implemented around us. This newsletter was published four times in FY2022. We are working with our suppliers toward social contribution.

Employee relations

Basic approach

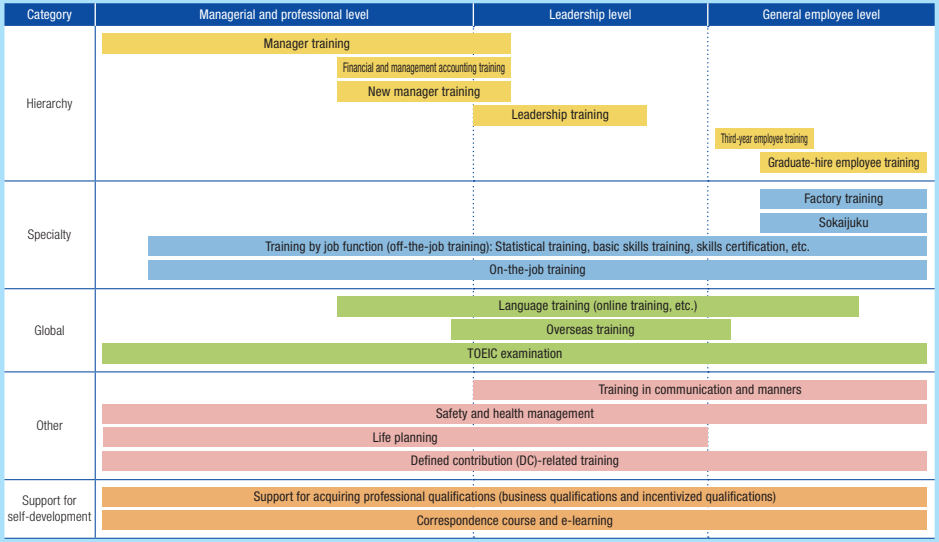
Based on the belief that human resources are the driving force behind a company's growth, we strive toward fulfilling human resource development, creating a workplace environment where employees can work in good health and full of energy, and creating an environment and workplace climate where diverse human resources can play an active role regardless of gender, age, nationality, or other differences.

Human resource development

Starting with training for new employees when they join the company, we offer a variety of training programs to help them advance to the next level, including training for third-year employees, leadership training, and training for newly appointed managers.

Fuji also offers a wide variety of training programs to hone specialized skills. The "Sokaijuku" program for new hires in the engineering field offers a curriculum to acquire basic knowledge in various fields essential for engineers at Fuji, without being restricted by the specialty that they majored in during their school days. In FY2022, 900 hours per person were devoted to Sokaijuku activities for 30 graduate-hire engineering employees. Once they graduate from the Sokaijuku, they will be involved in teaching the next generation as instructors and organizers. In turn, this fosters the upskilling of mid-career engineers, establishing a positive engineer development cycle.

● **Training program structure**



Health and productivity

Based on the understanding that improving health leads to the happiness of our employees and their families and supports corporate development and value enhancement, we established the Fuji Health and Productivity Declaration in 2018 to clarify our commitment to actively support health management that is proactively undertaken by employees. In addition to setting specific targets for the rate of health checkups and stress checkups, we are accelerating efforts to promote employee health by holding health promotion events and establishing consultation services.

Main initiatives for FY2022

- Launched a health information web service
- Provided videos and conducted in-house surveys on health management
- Implemented mental health care services for employees
- Conducted online anti-smoking campaign
- Started offering healthy menu items made with soy meat at the company cafeteria

Overall picture of health and productivity management

Gender and diversity

We aim to become an organization where diverse talents with various perspectives and ideas can fully show their individuality and abilities and play an active role. We are convinced that valuing the new ideas generated by employees with diverse values and respecting the individuality of each employee will lead to further innovation. That's why we are working to create a corporate culture where a diverse range of talents can play an active role independent of gender, age, nationality, disability, background, and perspectives.

Also, we are striving to develop a comfortable work environment for employees by encouraging the active use of teleworking and flextime systems and expanding the scope of the shortened hours for childcare system to the end of the sixth year of elementary school in fiscal 2022.

Relationship with shareholders and investors

Basic approach

Fuji has established a point of contact for dialogue with shareholders and investors, where the representative director, executive officers in charge, and other representatives are actively engaged in dialogue. Fuji strives to achieve constructive dialogue by developing IR activities that emphasize fairness, accuracy, and continuity, and serve good two-way communication regarding business strategies, divisional strategies, financial information, and other matters.

1. Explanations of the annual results and the second quarter results are provided by the representative director and executive officers in charge, while explanations of the financial results for the first quarter and the third quarter are given by executive officers in charge. In addition, Fuji communicates with shareholders and investors through various means, such as attending different types of conferences by the representative director and executive officers in charge, and engaging in IR activities for overseas investors.
2. Information disclosure is made in a timely, fair, and appropriate manner by the department responsible for overseeing the information gathering, management, and disclosure in cooperation with related departments.
3. In order to relay shareholder views to management, Fuji ensures that important feedback matters are reported to the board when they arise.
4. In order to prevent leaking of financial results and ensure fairness, a quiet period will be arranged by Fuji to refrain from providing answers to or comments on inquiries related to financial results during this period. In addition, Fuji implements comprehensive information management in accordance with its internal information management regulations and strives to control insider information.
5. Fuji's website is maintained with the intention that information such as business overview and financial information is disclosed in a timely and easy-to-understand manner.

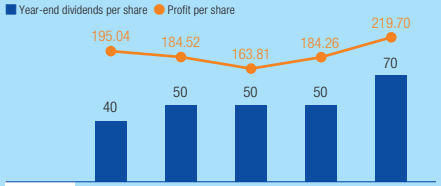
Results of dialogue with shareholders and investors (FY2022)

Activities	Number of times	Number of participants
Upload semi-annual earnings briefing videos on the website	2	4,203 views (As of May 24, 2022)
Hold meetings with individual analysts and institutional investors (virtually or by phone) as needed	163	260
Participate in virtual conferences for overseas institutional investors, and hold meetings	1	9

Basic policy on profit distribution

We took due consideration to capital needs in association with future business development. At the same time, we place the return of profits to our shareholders as one of our important management policies and strive to maintain and continue a steady dividend payout ratio of 30%.

Dividends per share / Profit per share (Yen)



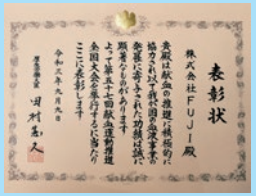
FY	2018	2019	2020	2021	2022
Dividend payout ratio	20.5%	27.1%	30.5%	27.1%	31.9%

Relationship with local communities

Basic approach

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."

Blood donation campaigns



Since 1972, in cooperation with the Japanese Red Cross Aichi Blood branch, we have conducted annual blood donation drives at our three main locations: the headquarters, Toyota Plant, and Okazaki Plant. For our cooperation in blood donation drives over the past 50 years, Fuji received an award from the Minister of Health, Labour and Welfare at the 57th National Blood Donation Promotion Campaign.

Donation of masks to local communities

As the spread of COVID-19 continued, we donated 60,000 masks to Chiryu city in Aichi prefecture, where our headquarters is located, in January 2022. They have been distributed to childcare and welfare facilities in the city and used to prevent the spread of the COVID-19.

Beautification activities in local communities

We regularly conduct cleanup activities in the areas around our business sites. In fiscal 2022, a total of eight cleanups were held at the headquarters, Toyota Plant, and Okazaki Plant, with a total of 121 employees voluntarily participating in cleanup activities.

Striving to develop human resources to support the future

We run the English after school program "teracoya THANK" in Chiryu city, where Fuji is headquartered. The concept of the school is to learn English while doing science, and by conducting a science-based curriculum in English, the school provides a place where children can develop the ability to think and find answers on their own, as well as the ability to communicate in English through exposure to the English language.

As of March 31, 2022, 205 children were enrolled.

Basic approach

Fuji 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.

Disclosure based on TCFD recommendations

We consider that one of the most important issues in building a sustainable society is to respond to climate change by reducing CO_2 emissions. We are investigating and analyzing the risks and opportunities posed by climate change in relation to our business activities, and reflecting the results of our analysis in our management strategies while calculating the financial impact. In June 2022, we endorsed the TCFD (Task Force on Climate-related Financial Disclosures) and disclosed information.

Governance

Since climate change issues can pose both risks and opportunities for our "corporate value" and "business activities," we will report our progress in addressing climate change to our directors and executive officers twice a year at the "Sustainability Promotion Committee." This committee will serve the function of decision-making and supervision, effectively implementing the PDCA cycle. Issues that have a significant impact on the business are treated as a matter for report and placed on the agenda for the Board of Directors.

Strategy

We conducted a scenario analysis of the impact of climate change on our business activities. We identified current and future potential risks and opportunities, and based on the information released by the Intergovernmental Panel on Climate Change (IPCC), we have set out a 2 degrees Celsius scenario*1 and a 4 degrees Celsius scenario*2 using the year 2030 as a marker. In terms of physical risks, we obtained data relating to future forecasts based on observed and projected climate change data from the climate change adaptation information platform (A-PLAT). As for business, we expect to see an increase in the various IoT devices needed to realize Society 5.0 and a shift toward automated solutions in factories and other facilities. From this information, we have organized the viewpoints for the 2 degrees Celsius and 4 degrees Celsius scenarios. The identified risks and opportunities are classified as "major," "medium," or "minor" in terms of their impact on business, and countermeasures are determined for each, incorporated into business activities, and progress is reported to the Sustainability Promotion Committee, thereby repeating the PDCA cycle.

The results of the scenario analysis showed that the 2 degrees Celsius scenario provides an opportunity with solution business focused on increasing factory productivity and energy-saving capabilities, as well as the shift in the automotive field to EV, resulting in greater demand for SMT pick and place machines and machine tools. However, the risks include increased procurement costs for materials and increased costs for products with low-carbon technologies. Under the 4 degrees Celsius scenario, low-carbon transition does not progress and weather-related disasters are expected to become more severe, making it important to address physical risks.

In the future, we will identify financial items on the issues that will be highly impacted and continue to gain understanding of the true financial impact of them.

*1: Scenario in which the global average temperature rises approximately 2 degrees Celsius above pre-industrial levels (IPCC RCP2.6)
*2: Scenario in which the global average temperature rises approximately 4 degrees Celsius above pre-industrial levels (IPCC RCP8.5)

● 2 degrees Celsius scenario

Risk or opportunity	Transition or physical	Category	Issue	Responses to risks and opportunities	Impact level
Risk	Transition	Policies and regulations	◎ Increases in fuel costs and material and procurement costs due to the introduction of a carbon tax. ◎ Increases in costs due to the purchase of green power and other costs due to stricter emission regulations.	◎ Investigate using new materials and construction methods through partnerships and cooperation with suppliers. ◎ Purchase CO_2-free electricity. ◎ Introduce renewable energy equipment and batteries for storage.	Medium
Risk	Transition	Technology and markets	◎ Increases in cost due to the use of low-carbon technologies in products (such as lightweight and high-strength materials, environmentally friendly motors, semiconductors, and other advanced equipment), resulting in higher product prices and reduced competitiveness.	◎ Promote the development of energy-saving technologies. ◎ Research software technology that is not affected by material procurement costs, based on the latest technical information. ◎ Begin research and development efforts, including joint research, to secure low-cost, high-quality materials.	Medium
Risk	Physical	Acute	◎ Fuji Group: Increases in instances of damage due to frequent weather disasters, resulting in plant shutdowns and increased repair costs. ◎ Suppliers: Stagnation of production activities due to disruptions in the supply chain, including disruptions to the procurement of materials and product shipments, caused by frequent weather disasters.	◎ Strengthen business continuity planning (BCP) measures including for the supply chain.	Minor
Risk	Physical	Chronic	◎ Increases in costs due to increased energy consumption for air conditioning at Fuji-owned plants. ◎ Increases in costs for countermeasures to prevent infectious diseases.	◎ Reduce CO_2 emissions by introducing renewable energy equipment and promoting the use of CO_2-free electricity. ◎ Promote the use of automation and labor-saving tools in factories.	Minor
Opportunity	Transition	Product and service markets	◎ Expansion of market size due to an increase in energy-saving electrical products in the market. ◎ Wider scope of business opportunities in solutions for greater energy-saving performance and improvements in the productivity of factories and equipment. ◎ Wider scope of business opportunities in machine tools and SMT pick and place machines for EV manufacturing, as the automotive industry shifts toward EV.	◎ Increase opportunity for orders by developing and promoting energy-saving products and services.	Major
Opportunity	Transition	Market	◎ Market expansion of automation solutions including robotics because of a greater interest in automation, due to labor-saving efforts being pursued in many fields; driven by the need to address increases in abnormal weather conditions and infectious diseases.	◎ Create product and service configurations that meet requirements for factory automation and optimization efforts.	Medium
Opportunity	Transition	Resilience	◎ Increased quantity of machines purchased as users establish factories in multiple countries in order to mitigate the risk of disasters caused by climate change.	◎ Establish a flexible production system that can respond to sudden demand.	Medium

● 4 degrees Celsius scenario

Risk or opportunity	Transition or physical	Category	Issue	Responses to risks and opportunities	Impact level
Risk	Physical	Acute	◎ Fuji Group: Increases in instances of damage due to frequent weather disasters, resulting in plant shutdowns and increased repair costs. ◎ Suppliers: Stagnation of production activities due to disruptions in the supply chain, including disruptions to the procurement of materials and product shipments, caused by frequent weather disasters.	◎ Strengthen business continuity planning (BCP) measures including for the supply chain.	Medium
Risk	Physical	Chronic	◎ Increases in costs due to increased energy consumption for air conditioning at Fuji-owned plants. ◎ Increases in costs for countermeasures to prevent infectious diseases.	◎ Reduce CO_2 emissions by introducing renewable energy equipment and promoting the use of CO_2-free electricity. ◎ Promote the use of automation and labor-saving tools in factories.	Medium
Opportunity	Transition	Market	◎ Market expansion of automation solutions including robotics because of a greater interest in automation, due to labor-saving efforts being pursued in many fields; driven by the need to address increases in abnormal weather conditions and infectious diseases.	◎ Create product and service configurations that meet requirements for factory automation and optimization efforts.	Medium
Opportunity	Transition	Resilience	◎ Increased quantity of machines purchased as users establish factories in multiple countries in order to mitigate the risk of disasters caused by climate change.	◎ Establish a flexible production system that can respond to sudden demand.	Medium

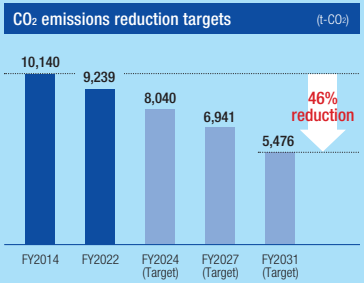
Risk management

A Risk and Compliance Committee presided over by the Representative Director is in place to adequately manage the risks which surround our business to support the setup of risk management systems for each department, and to analyze each type of risk surrounding our business and promote measures for responding to events that may have significant impact.

Risks and opportunities related to climate change are reviewed annually for each business division. The Environmental Management Committee monitors the status of reviewed updates and activities to progress up the spiral of the PDCA cycle on a company-wide level. Information is regularly shared with the Sustainability Promotion Committee and the Board of Directors to prevent risks from occurring and minimize their impact through appropriate management and response.

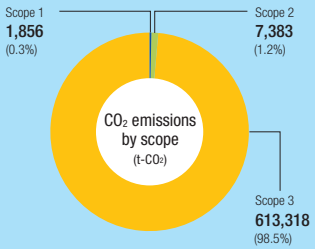
Indicators and targets

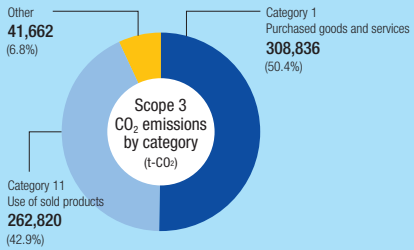
In recognition of CO_2 emissions as an indicator of climate change, we have set a mid-term target to reduce CO_2 emissions from Fuji business activities by 46% by the end of fiscal 2031, compared to fiscal 2014, for scope 1 (direct emissions from owned or controlled sources) and scope 2 (indirect emissions from the generation of purchased energy consumed by the company). In addition to energy-saving activities by employees, we aim to achieve our target through introduction of energy efficient equipment, purchasing CO_2-free electricity, and using renewable energy certificates.



CO_2 emissions across the entire supply chain

In FY2022, we began calculating for scope 3 (upstream and downstream emissions in the supply chain). Excluding category 4 (Upstream transportation and distribution) and category 9 (Downstream transportation and distribution), which are still under investigation, scope 3 accounted for 98% of the total supply chain in FY2022. Among them, since the impact of category 1 (Purchased goods and services) and category 11 (Use of sold products) is very large, we will promote environmentally conscious design of products and strive to reduce emissions under scope 3.





Detailed breakdown of scope 3 (FY2022)

	Category	CO_2 emissions (t-CO_2)	Calculation method
1	Purchased goods and services	308,836	Calculated by applying emissions intensity metrics to the amount and value of goods purchased from suppliers.
2	Capital goods	30,976	Calculated by applying per capital good intensity metrics to the fixed asset acquisition value.
3	Fuel and energy related activities not included in scope 1 or scope 2	8,288	Calculated by applying emissions intensity metrics to energy consumption (such as electricity and fuel).
4	Upstream transportation and distribution	—	Under investigation
5	Waste generated in operations	96	Calculated by applying emissions intensity metrics to the emissions for each waste type.
6	Business travel	450	Calculated by applying emissions intensity metrics based on the days traveled.
7	Employee commuting	1,003	Calculated by applying emissions intensity metrics based on the normal number of employees.
8	Upstream leased assets	818	Calculated by applying emissions intensity metrics to the floor area of the leased property.
9	Downstream transportation and distribution	—	Under investigation
10	Processing of sold products	—	Not applicable
11	Use of sold products	262,820	Calculated by applying emissions intensity metrics to the lifetime energy consumption (assuming 10 years of use) for the annual sales volume of the NXT III SMT pick and place machine and the CSD II front-facing twin spindle lathe, which are the main products of each business division.
12	End-of-life treatment of sold products	31	Calculated by classifying the materials that configure packing materials for the NXT III SMT pick and place machine and the CSD II front-facing twin spindle lathe, which are the main products of each business division, and by applying emissions intensity metrics to the annual sales volume of these.
13	Downstream leased assets	—	Not applicable
14	Franchises	—	Not applicable
15	Investments	—	Not applicable
	Total	613,318	

Development of energy-saving products


"NXTR" SMT pick and place machine

We will promote reduced power consumption by improving the placement speed of the "NXTR" SMT pick and place machine. We are also working to reduce the weight of materials used, recycle materials, reduce wastes from electronic component placement, and curb air consumption to reduce environmental impact over the product life cycle.


"CSD300 II" front-facing twin-spindle lathe

We will reduce the power consumption of our machine tools, including the CSD300 II front-facing twin-spindle lathe, by at least 30% by fiscal 2031 based on fiscal 2014 levels. Having optimized setups, optimized machining, and lighter machines will increase productivity and improve power consumption.

Environmental action plans

We update the environmental action plans every three years, and validate the target values with our performance for the key categories every year.

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

FY2022 results

Approximately 20% of the electricity used at our head office (based on FY2021 usage) has been switched to CO_2-free electricity. We will continue to implement this switchover in stages and are in the process of installing solar panels when a building is expanded and renovated.

In cooperation with suppliers, we also actively adopting the use of returnable containers to cut waste from inbound logistics. Furthermore, we have minimized the size of the packaging and reduced the use of cushioning materials when shipping products.

Environmental impact framework (fiscal 2022)

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

INPUT		
Electricity	(Purchase)	18.957 mil kWh
Fuel	Kerosene, diesel	14 kl
Gas	LPG	71 t
	LNG	717 km³
Copy paper	(A4 size conversion)	4,574 k sheets
Water	(Tap water)	51,964 m³

FUJI innovative spirit

Business activities

Development and design

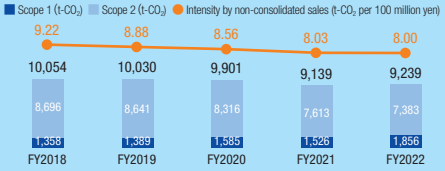
Procurement

Production

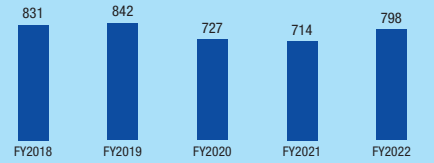
OUTPUT	
CO_2 emissions	9,239 t-CO_2
Scope 1	1,856 t-CO_2 (20%)
Scope 2	7,383 t-CO_2 (80%)
Total waste weight	798 t
	(Recycling rate: 100%)
Water discharge	38,315 m³

Ecological footprint

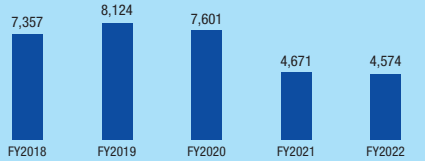
CO_2 emissions and intensity by non-consolidated sales



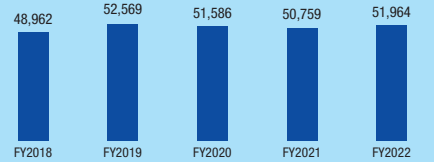
Total waste volume (t)



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



Volume of water purchased (tap water) (m³)



Water quality indicators and performance (FY2022)

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	6.8	6.7	7.3
Biochemical oxygen demand (BOD)	mg/L	Less than 160	Less than 23	2.2	0.9	1.4
Chemical oxygen demand (COD)	mg/L	Less than 160	Less than 23	5.5	2.7	5.2
Suspended solids (SS)	mg/L	Less than 200	Less than 27	2.8	1.1	Less than 1.0
n-hexane extracts (mineral oil)	mg/L	Less than 5.0	Less than 1.8	1.0	Less than 0.5	Less than 0.5
Total nitrogen	mg/L	Less than 120	Less than 40	2.8	7.6	9.1
Total phosphorus	mg/L	Less than 16	Less than 4	0.9	1.5	1.4
Coliform group	cfu/cm³	Less than 3,000	Less than 900	Less than 30	Less than 30	ND

(Note) 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	FY2018	FY2019	FY2020	FY2021	FY2022
Toluene	4.01	1.01	3.81	38.12	0.21
Antimony and its compounds	0.00	1.18	0.00	0.00	0.00
Xylene	6.50	8.30	0.64	4.38	0.00
Ethylbenzene	3.60	5.50	34.35	2.22	24.10
2-Ethoxyethyl acetate	1.70	0.00	0.00	0.00	0.00
Butyl benzyl phthalate	0.91	0.00	0.00	0.10	0.00
Hexamethylene diisocyanate	0.37	0.58	0.29	0.10	0.10
Tolylene diisocyanate	0.06	0.00	0.00	0.00	0.10
1,2,4-Trimethylbenzene	3.12	5.20	2.08	1.23	1.90
Dichloromethane	0.00	4.20	0.00	4.18	0.70
Styrene	0.00	1.20	0.05	0.00	1.10
Other	0.01	19.80	14.00	0.06	1.20

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

Contributing to the evolution of electronic products by constantly pursuing the finest global technologies

In FY2022, the economy continued to recover from the downward pressure caused by the spread of COVID-19, and this segment was steady on the back of continued capital investments in products related to smartphones and other communication devices and servers, as well as growth in European and Americas markets, which mainly sell automotive-related products, and the increase of capital investment demand for producing electronic components essential for manufacturing those electronic devices. As a result, segment sales reached a record high of 136.8 billion yen (up 9.0% from the previous fiscal year). Segment operating profit also reached a record high of 32.6 billion yen (up 24.0% from the previous fiscal year) due to a recovery in selling prices and cost reduction efforts.

Looking ahead, in order to meet customers' needs for production automation and labor reduction, we will implement the smart factory for SMT lines in tandem with the integrated production system "Nexim" based on the high-end model "NXTR."

Nexim uses digital twin-based production simulation for optimum planning and machine-to-machine (M2M) technology that exchanges data between equipment to visualize the manufacturing process, supply electronic components according to progress, and provide instructions to change setup for the next production run. By analyzing differences between production schedules and actual data and providing feedback, the ideal SMT line can be built to be flexible and lean.

For our production system, a new factory building will be constructed at the Okazaki Plant, which is responsible for the main production, and production capacity will be increased by introducing the latest robotics and IoT technologies. As a leader in the SMT pick and place machine industry, we will continue to contribute to the evolution of electronics products and provide solutions that excite and inspire our customers.

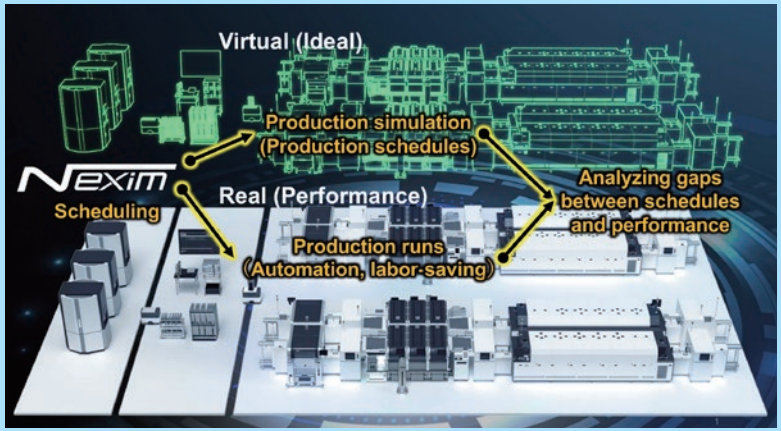
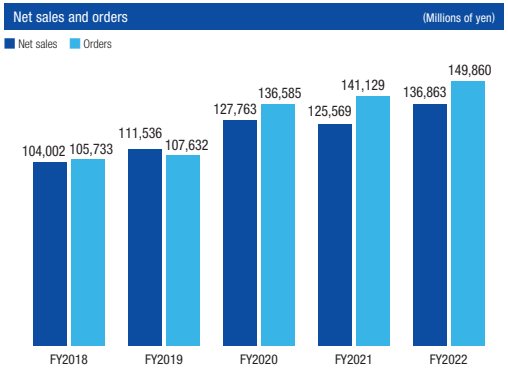
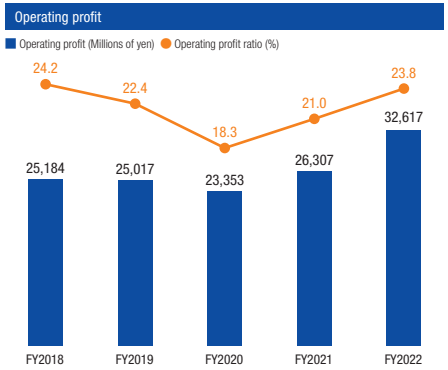


Image of automation and optimization of SMT lines using digital twin system

Market environment and results for FY2022

- Strong demand for equipment for 5G communications and EVs
- Expanded sales of semiconductor manufacturing equipment (die bonders)





What is an SMT line?

Surface Mount Technology (SMT) is a manufacturing technology and method in which electronic components and semiconductors are mounted (surface mounted) on a printed circuit board with a wiring pattern. The SMT line manufacturing process consists of a "solder printer" that applies solder to the wiring pattern drawn on the printed circuit board, "SMT pick and place machines (mounters)" that mount electronic components onto the printed circuit board, a "reflow oven" that melts the solder to electrically connect electronic components and the printed circuit board, and an "automated optical inspection (AOI) machine" that inspects whether the components are correctly mounted according to the wiring pattern.

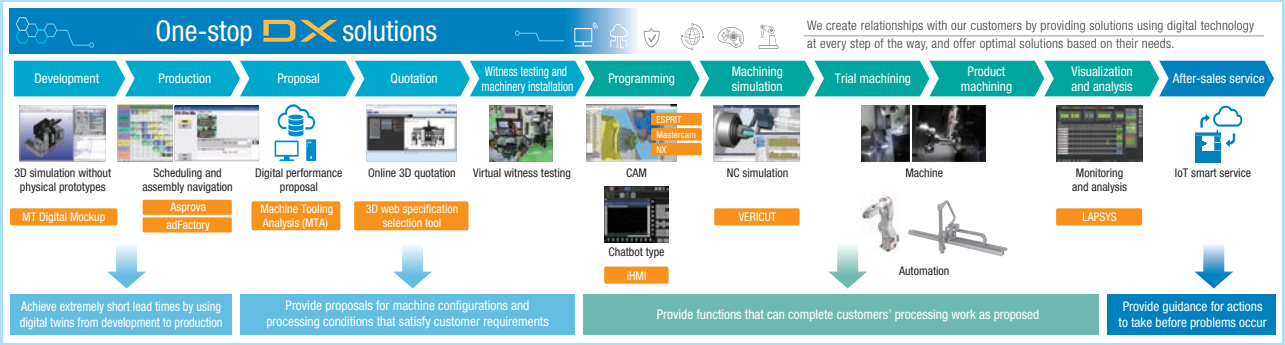
Meeting customer needs by introducing new products, bolstering our sales network, and implementing digital technology

In FY2022, the North American markets showed signs of improved sales with a stronger recovery trend, but a cautious stance continued in Japanese domestic markets with regard to capital investment for automotive-related industries, which are a major customer base. As a result, segment sales reached 8.1 billion yen (up 3.0% from the previous fiscal year). Segment operating loss was 0.9 billion yen, with both results showing sluggish performance.

As measures going forward, we will enhance the versatility of our mainstay CS and TN series through version upgrades and expand sales channels by strengthening our domestic and overseas sales networks. The newly installed operation panel “Feons” replaces a conventional button type panel with a touch panel for enabling more user-friendly operation. The GYROFLEX ultimate multitasking machine launched in 2021 combines turning and milling operations, which were previously performed in separate processes, into a single machine to achieve both high-precision machining and shorter start-up times. Also, a gantry robot, which is provided as standard, performs workpiece loading and unloading to enable unmanned operation. With this ability to support high-mix, and variable-mix variable volume production, we are conducting solution-based sales activities toward expanding sales in new markets.

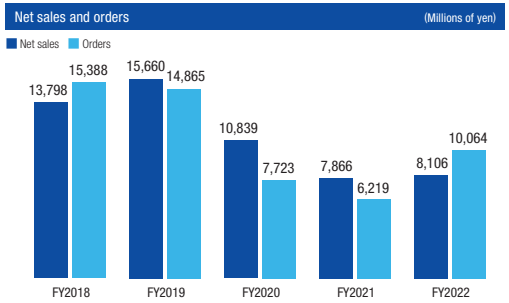
The newly opened showroom at the Toyota Plant in February 2022 exhibits the GYROFLEX ultimate multitasking machine and many other actual working machines. This will also enable customers to see the DX solutions that Fuji offers to meet their needs, from development and production of own products to equipment installation and after-sales support.

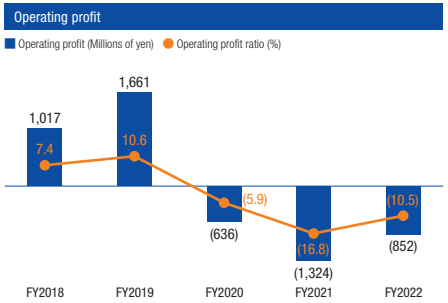
Fuji will respond to customer needs and support the evolution of manufacturing around the world by offering a diverse lineup of machine tools that can accommodate any production system at machining sites, where production is becoming increasingly diversified.



Market environment and results for FY2022

- Cautious stance toward capital investment in the automotive sector has continued
- New showroom opened at Toyota Plant in February 2022





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.

Toward creating new corporate value

It has been more than 60 years since Fuji was established. Over this time, we have delivered approximately 140,000 SMT pick and place machines and 60,000 machine tools to our customers, and we believe that it is our duty to provide society with new solutions that contribute to the environment, safety, and health through our business by applying the robot technologies we have developed over the years, precisely because we are now called upon to address various social issues.

"Hug" mobility support robot

This robot supports transfers between sitting positions, such as from bed to wheelchair and from wheelchair to toilet seat, and also supports standing when getting dressed. Since its market launch in 2016, the total quantity of delivered units has exceeded 2,000, and Fuji was honored with the 9th Robot Awards in the category awarded by Japan's Ministry of Health, Labour and Welfare Minister Prize in 2021. So far, sales have been mainly in Japan, but in the future we will expand our sales channels to the Asian and North American markets, while at the same time making improvements in response to further needs.

Catheter medical assistance robot

Fuji's ensuing desire to enter the medical field matched ASAHI INTECC CO., LTD.'s passionate desire to enter the new field of robotic medicine, and so we started this project as a joint development project. This is an "Echo-guide Robot" that holds ultrasound probes, which are the tip of the ultrasound examination device that is in direct contact with the patient. This robot is currently undergoing evaluation testing by physicians.

Robotic recycling system

Although most of the debris from roads and buildings that are indispensable to people's lives as social infrastructure is recycled after demolition, the removal of foreign materials that are not recycled, such as metals and wood, is done by hand, for which the issues of labor shortages and making improvements in the work environment need to be addressed. Fuji has developed a robotic recycling system that automatically removes foreign objects by using AI-powered image recognition, and pilot testing is currently underway.

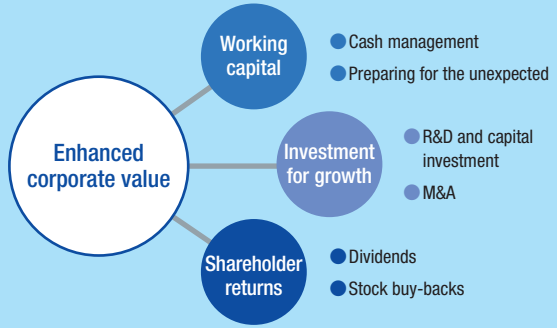
"Quist" public stocker system

This next-generation delivery locker system makes full use of IoT to link the locker itself, the cloud, and user mobile devices. In addition to the new needs for "non-face-to-face/ non-contact" services that have rapidly increased as a result of COVID-19, the system will also accommodate BOPIS (Buy Online Pick-up In Store), which is rapidly expanding in the retail industry, and will improve customer convenience and store operation efficiency by automating and reducing the labor required to receive and deliver goods and packages. Recently, the drug store and convenience store industries, which have been expanding on a large scale, have also been looking closely at this system.

Capital policy

In the machinery industry, which is greatly impacted by the economy, we will work to increase shareholder returns by maintaining a stable financial base, investing in growth through capital expenditures and mergers and acquisitions (M&A), and continuing to pay stable dividends, in order to achieve sustainable growth and increase corporate value over the medium to long term.

We will implement our capital policy by balancing these three pillars of financial soundness, strategic growth investment, and shareholder returns.



Cross-shareholdings

Fuji holds shares of other companies for seeking to establish and strengthen business relationships that contribute towards the expansion and development of business as well as stability and efficiency. Every year, the Board of Directors examines and determines the appropriateness of holding shares from companies while reviewing Fuji's cost of equity level and the ROE levels of these companies as well as their relationship with Fuji's business and their contribution to the direction of Fuji's business in future.

In FY2022, Fuji sold all or part of seven of its cross-shareholdings, resulting in a reduction of 8,076 million yen. We will continue to review the situation in the current fiscal year.

Financial highlights

		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Orders	Millions of yen	83,048	62,783	68,269	92,019	82,651	94,024	123,539	124,254	146,815	150,021	163,473
Net sales	Millions of yen	86,249	64,349	65,565	85,265	86,642	86,397	120,032	129,104	140,967	136,161	148,128
Domestic	Millions of yen	9,833	8,466	7,769	9,903	15,336	11,876	19,515	15,359	14,779	13,654	16,244
Overseas	Millions of yen	76,415	55,882	57,796	75,362	71,305	74,520	100,516	113,744	126,188	122,506	131,884
Operating profit	Millions of yen	15,672	3,913	3,028	12,066	11,901	9,794	22,827	23,106	19,571	21,904	28,472
Ordinary profit	Millions of yen	15,661	4,406	3,786	13,026	11,991	10,200	23,538	23,454	20,119	23,224	29,943
Profit attributable to owners of parent	Millions of yen	8,516	2,698	2,592	8,629	7,237	7,054	17,523	16,855	14,963	17,167	21,188
Capital expenditures	Millions of yen	5,692	7,253	6,937	4,916	5,640	6,175	6,765	11,223	8,641	7,856	11,442
Depreciation	Millions of yen	3,035	3,921	5,002	5,351	4,934	5,157	5,282	6,066	6,825	7,273	8,045
Research and development expenses	Millions of yen	6,712	7,884	6,334	7,491	6,612	6,788	8,349	7,993	8,803	9,009	8,107
Cash flows from operating activities	Millions of yen	10,421	7,330	13,769	9,476	8,086	17,380	16,220	4,186	22,560	30,870	15,720
Cash flows from investing activities	Millions of yen	(4,758)	(7,371)	(7,885)	(5,463)	(6,307)	(10,160)	(9,169)	(28,458)	(5,100)	(10,471)	(11,598)
Cash flows from financing activities	Millions of yen	(4,801)	(4,116)	(4,392)	(2,004)	4,273	(10,916)	(3,165)	(4,111)	(3,993)	(4,577)	(6,513)
Cash and cash equivalents at end of period	Millions of yen	50,865	47,877	50,658	54,207	59,357	55,358	58,923	30,852	43,907	60,388	59,538
Total assets	Millions of yen	133,902	131,089	135,942	153,890	156,958	158,406	183,037	194,366	198,504	224,671	243,310
Net assets	Millions of yen	110,583	115,738	120,794	135,044	132,069	130,947	151,412	161,624	167,939	194,556	208,782
Overseas sales ratio	%	88.6	86.8	88.2	88.4	82.3	86.3	83.7	88.1	89.5	90.0	89.0
Operating profit to net sales	%	18.2	6.1	4.6	14.2	13.7	11.3	19.0	17.9	13.9	16.1	19.2
Profit to net sales	%	9.9	4.2	4.0	10.1	8.4	8.2	14.6	13.1	10.6	12.6	14.3
Ordinary profit to total assets (ROA)	%	11.6	3.3	2.8	9.0	7.7	6.5	13.8	12.4	10.2	11.0	12.8
Return on equity (ROE)	%	8.0	2.4	2.2	6.8	5.4	5.4	12.4	10.8	9.1	9.5	10.5
Equity ratio	%	82.5	87.9	88.9	87.6	84.0	82.5	82.6	83.1	84.4	86.5	85.8
Net assets per share (BPS)	Yen	1,131.15	1,183.90	1,235.64	1,379.19	1,372.18	1,461.63	1,655.29	1,767.30	1,834.76	2,014.41	2,163.55
Profit per share (EPS)	Yen	87.11	27.60	26.52	88.27	74.13	76.19	195.04	184.52	163.81	184.26	219.70
Dividend payout ratio	%	20.1	49.8	60.3	31.7	37.8	39.4	20.5	27.1	30.5	27.1	31.9
Dividends per share	Yen	35.00	22.50	16.00	28.00	28.00	30.00	40.00	50.00	50.00	50.00	70.00

Non-financial highlights

		FY2018	FY2019	FY2020	FY2021	FY2022
Environment (Scope: Headquarters, Toyota Plant, Okazaki Plant)						
CO_2 emissions	t-CO_2	10,054	10,030	9,901	9,139	9,239
Scope 1	t-CO_2	1,358	1,389	1,585	1,526	1,856
Scope 2	t-CO_2	8,696	8,641	8,316	7,613	7,383
Scope 3	t-CO_2	—	—	—	—	613,318
Category 1	t-CO_2	—	—	—	—	308,836
Category 11	t-CO_2	—	—	—	—	262,820
Others	t-CO_2	—	—	—	—	41,662
Total waste volume	t	831	842	727	714	798
Copy paper purchased (A4 size conversion)	k sheets	7,357	8,124	7,601	4,671	4,574
Volume of water purchased	m^3	48,962	52,569	51,586	50,759	51,964
Society (Scope: Non-consolidated)						
Number of employees	Individuals	1,652	1,671	1,689	1,712	1,710
Men	Individuals	1,432	1,446	1,458	1,476	1,474
Women	Individuals	220	225	231	236	236
Number of employees by age 19 and younger	Individuals	8	9	9	13	9
20 to 29	Individuals	217	195	196	203	218
30 to 39	Individuals	467	478	457	436	415
40 to 49	Individuals	633	620	604	572	537
50 to 59	Individuals	295	330	382	433	472
60 and older	Individuals	32	39	41	55	59
Number of managers (section manager or higher)	Individuals	181	182	186	183	185
Female managers	%	1.7	1.6	1.6	2.2	2.7
Number of employees with disabilities	Individuals	23	28	31	31	31
Employment of persons with disabilities*1	%	1.9	2.3	2.4	2.4	2.4
Average number of years employed	Years	16.8	17.1	17.6	17.9	18.3
Men	Years	17.3	17.6	18.1	18.4	18.9
Women	Years	13.4	13.9	14.3	14.8	15.2
Average age	Age	41.5	41.9	42.4	42.8	43.2
Men	Age	42.2	42.5	43.0	43.5	43.9
Women	Age	37.3	37.6	38.1	38.7	39.4
Paid vacation utilization rate	%	83.3	87.9	86.1	77.7	85.9
Usage of parental leave	Individuals	17	11	22	22	17
Men	Individuals	4	3	4	10	8
Women	Individuals	13	8	18	12	9
Usage of shortened working hours for childcare	Individuals	78	83	80	66	62
Usage of care-giving leave	Individuals	1	1	1	1	0
Men	Individuals	1	1	1	1	0
Women	Individuals	0	0	0	0	0
Usage of shortened working hours for nursing care	Individuals	1	0	2	1	4

*1 The employment rate of persons with disabilities is calculated based on the Act on Employment Promotion etc. of Persons with Disabilities.

		FY2018	FY2019	FY2020	FY2021	FY2022
Society (Scope: Non-consolidated)						
Employment (new graduates)	Individuals	36	32	40	41	39
Men	Individuals	31	26	32	36	33
Women	Individuals	5	6	8	5	6
Employment (mid-career)	Individuals	20	26	11	8	12
Men	Individuals	17	22	8	4	10
Women	Individuals	3	4	3	4	2
Turnover rate	%	1.6	2.7	1.9	2.5	3.0
Men	%	1.5	2.8	1.9	2.5	2.9
Women	%	1.8	2.2	2.2	2.5	3.4
Turnover rate due to personal reasons	%	0.9	1.3	1.2	1.1	1.3
Men	%	0.8	1.2	1.1	1.0	1.0
Women	%	1.4	1.3	2.2	1.7	3.0
Foreign-born employees	Individuals	29	26	25	24	23
Foreign-born employee rate	%	1.8	1.6	1.5	1.4	1.4
Post retirement reemployment	Individuals	6	16	13	22	20
Post retirement reemployment rate	%	85.7	84.2	92.9	95.7	83.3
Annual total hours worked per employee	Hours	1,977	1,973	1,934	1,831	1,887
Monthly average hours of overtime	Hours	25.7	25.2	21.8	11.1	17.3
Employee average salary	Yen	7,108,695	7,516,783	7,287,577	7,018,312	7,239,958
Men	Yen	7,501,721	7,913,644	7,701,063	7,394,026	7,611,709
Women	Yen	4,550,455	4,966,288	4,677,782	4,668,508	4,918,087
Labor union membership	%	79.8	82.8	83.5	84.2	83.7
Participation rate in regular health examinations	%	100	100	100	100	100
Anomaly observation rate after regular health examinations	%	64.8	65.8	68.5	68.4	70.8
Stress check completion rate	%	87.6	97.5	94.1	94.6	87.5
Individuals with high stress	%	12.9	11.4	11.3	10.4	15.9
Smoking rate	%	25.1	23.9	22.7	21.5	19.9
Usage of main training programs	Individuals	821	829	1,159	1,008	2,270
Workplace accident frequency rate*2	%	0.25	0.49	0.49	0.77	1.22
Workplace accident severity rate*3	%	0.001	0.006	0.003	0.006	0.025

*2 Lost-worktime injuries / employee total hours worked × 1,000,000 *3 Total number of working days lost / employee total hours worked × 1,000

Governance (Scope: Non-consolidated)						
Directors	Individuals	8	9	8	8	8
Outside directors (independent directors)	Individuals	2	2	2	3	3
Female directors	Individuals	1	1	1	1	1
Female director board membership	%	12.5	11.1	12.5	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
Number of whistleblowering and consultations	Cases	0	0	6	3	4
Major violations of laws and ordinances	Cases	0	0	0	0	0
Political contributions	Yen	0	0	0	0	0

Overview

Name	FUJI CORPORATION
Location of registered headquarters	19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan
Established	April 1959
Capital	5,878 million yen
Listed markets	Prime Market of the Tokyo Stock Exchange Premier Market of the Nagoya Stock Exchange
Main busines	Manufacturing and sales of SMT pick and place machines and machine tools
Number of employees	Consolidated: 2,791 Non-consolidated: 1,710 (as of March 31, 2022)

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

Company	Location	Established
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

Shareholders (as of March 31, 2022)

Authorized shares	390,000,000 shares
Issued shares	97,823,748 shares
Number of shareholders	7,924

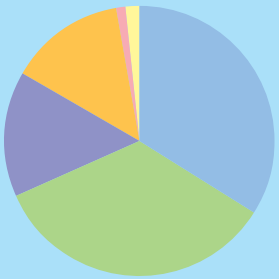
Major shareholders (top 10)

Shareholder name	Number of shares held (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	12,966	13.44
Custody Bank of Japan, Ltd. (Trust account)	5,010	5.19
Daido Life Insurance Company	4,811	4.98
MUFG Bank, Ltd.	3,416	3.54
FUJI customers stock ownership	2,974	3.08
The Bank of Nagoya, Ltd.	1,554	1.61
BNYM AS AGT/CLTS NON TREATY JASDEC	1,502	1.55
Mitsubishi UFJ Trust and Banking Corporation	1,483	1.53
SSBTC CLIENT OMNIBUS ACCOUNT	1,389	1.44
THE BANK OF NEW YORK MELLON 140044	1,366	1.41

Notes: 1. Shares held by Fuji as treasury shares (1,378,045 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.

Shareholder structure

	Ratio (%)
Financial institutions	34.0
Overseas investors, etc.	34.6
Individuals and others	14.9
Other companies	13.8
Securities companies	1.3
Treasury stock	1.4



Editorial Policy

The purpose of this report is to make 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 2022
(April 1, 2021 to March 31, 2022)