

FUJI CORPORATION

Renewed FUJI

2018

ANNUAL REPORT

| **Business Summary** |

Fiscal year ended March 31, 2018



Pursuing continuous improvements in corporate value through swifter management

President & CEO
Nobuyuki Soga 



FUJI CORPORATION (hereinafter referred to as the “Company”) would like to present its Annual Report for the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018).

In the fiscal year ended March 31, 2018, the Company revised its planned targets upward each quarter, but even so, ended up exceeding the February 2018 revisions. We believe that our outlook for the fiscal year ending March 31, 2019 is favorable overall, including a continuation of strong capital investment in the global economy from the previous fiscal year, despite some signs for caution, such as trade friction between the U.S. and China and a worsening situation in the Middle East.

In April 2018, as we marked our 60th anniversary, we changed our Company name from FUJI MACHINE MFG. CO., LTD. to FUJI CORPORATION. There were two reasons for this change. First, we wanted to unify our Company name with our brand name. Overseas sales account for about 80% of our total sales, and we want to strengthen our international branding strategy by unifying the FUJI brand with our Company name. Second, we want to broadly promote active and open innovation beyond the boundaries of industry or business type. We feel that removing the words “machine manufacturing” from our Company name will facilitate the development and sale of new products in a wide range of fields not limited to our existing businesses. We want to speed up and shorten the development and innovation processes, constantly offering revolutionary products and services in our main businesses, while increasing awareness of the Company and its products in markets in new businesses.

We have set new medium-term management targets for the period

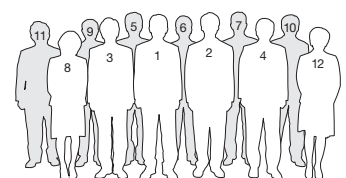
starting from the fiscal year ending March 31, 2019. Our previous medium-term management targets set the goal of “Next Step 30” for the Robotic Solutions Division, targeting a 30% share of the market for robotic mounters, a target we largely achieved. Starting this year, we have set the goal of “FUJI Brand 30,” targeting a continuous market share of 30% or higher. The Machine Tools Division set the goal of “Improvement of Profitability” in the previous medium-term management targets, and strengthened its foundation in order to increase sales through a sales strategy centered on DLFn modular production equipment. This year, we set the goal of “Pursue Profit Thoroughly,” and will aim to further scale up business through strategic collaboration between three fields—sales, engineering, and production—and three sites—the Toyota Plant, Kunshan Fuji Machine Mfg. Co., Ltd (hereinafter referred to as “Kunshan Fuji”) , and Fuji Machine America Corporation (hereinafter referred to as “FMAC”). New Business set the goal of “Create New Businesses” in the previous medium-term management targets, and the contours of the business are starting to emerge as we actively showcase our compact multijoint robot, mobility support robot, and other products at national and international exhibitions, and add a wide variety of options. From this year, we have set “3rd Impact” as our goal, and will work to strengthen the global intellectual property strategy of the Company as a whole, and accelerate the full-scale commercialization of new businesses.

We will continue our efforts to meet increasingly diverse and sophisticated customer demands, as we pursue sustainable development in harmony with society by using our corporate activities to contribute to the environment and society.



Board Members and Audit & Supervisory Board Members

- | | | | |
|-------------------------------|------------------------|--|----------------------------|
| 1 President & CEO | Nobuyuki Soga | 10 Full-time Audit & Supervisory Board Member | Yoshiaki Kuroyanagi |
| 2 Board Member | Shinsuke Suhara | 11 Outside Audit & Supervisory Board Member | Shigeki Matsuda |
| 3 Board Member | Seigo Kodama | 12 Outside Audit & Supervisory Board Member | Kayoko Yamashita |
| 4 Board Member | Takayoshi Kawai | | |
| 5 Board Member | Mitsuji Tatsumi | | |
| 6 Board Member | Hajime Ezaki | | |
| 7 Board Member | Masaaki Sugiura | | |
| 8 Outside Board Member | Nobuko Kawai | | |
| 9 Outside Board Member | Gen Sasaki | | |



FUJI by the Numbers



Net sales*

Fiscal year ended March 31, 2018

120 billion yen



Number of employees*

As of March 31, 2018

2,229 people



Market capitalization

As of March 31, 2018

190 billion yen



Shareholders' equity ratio

As of March 31, 2018

81%



Overseas sales ratio

Fiscal year ended March 31, 2018

84%



Accumulated number of countries shipped to

As of March 31, 2018

More than **60** countries



Overseas service network

As of March 31, 2018

92 bases



Ratio of R&D investment to net sales

Fiscal year ended March 31, 2018

7%



Paid vacation utilization rate

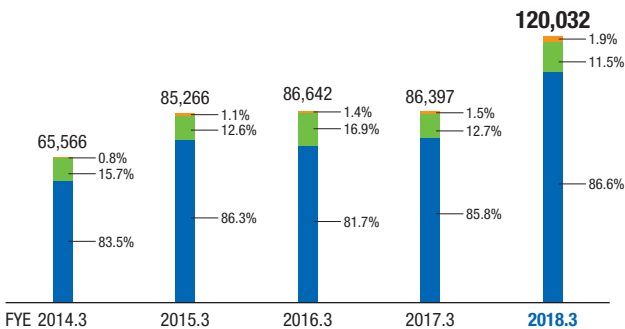
Fiscal year ended March 31, 2018

83%

*Consolidated numbers

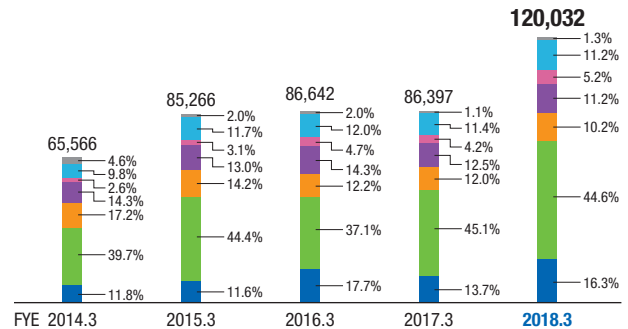
Net sales by segment* (millions of yen)

■ Robotic Solutions
■ Machine Tools ■ Others



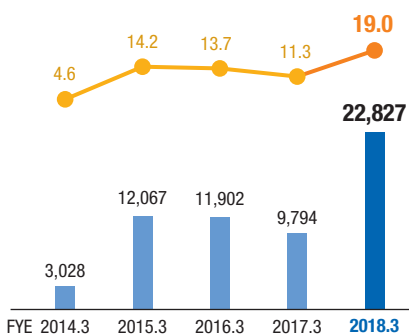
Net sales by region* (millions of yen)

■ Japan ■ China ■ Other Asia ■ United States ■ Other North America ■ Europe ■ Others



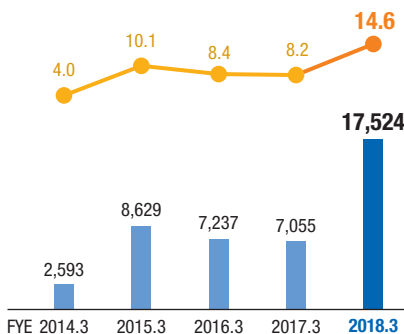
Operating income/Operating income ratio

■ Operating income (millions of yen)
● Operating income ratio (%)



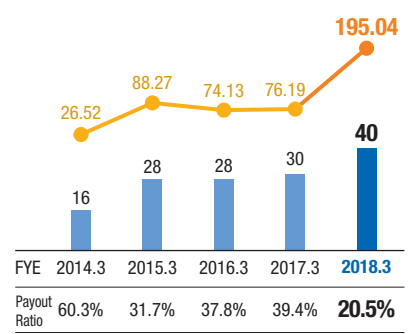
Net income attributable to owners of the parent Net income ratio

■ Net income attributable to owners of the parent (millions of yen)
● Net income ratio (%)



Cash dividends and Net income per share

■ Cash dividends per share (yen)
● Net income per share (yen)



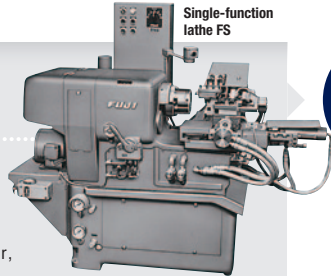
The FUJI Group has celebrated its 60th anniversary.

In April 2018, FUJI marked the 60th anniversary of its founding. Here, we showcase our 60-year history of sincere commitment to making products that delight our customers.

1959

Launches with just 170 m² of work space

On April 7, 1959, our founder, Mamoru Sakagami, and 13 colleagues establish FUJI MACHINE MFG. CO., LTD. The single-function FS machine tool, created shortly after the Company's founding, takes the industry by storm with its unprecedented productivity.



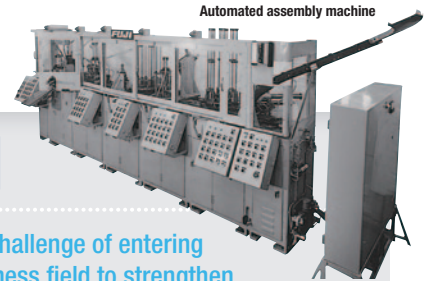
Single-function lathe FS

1959

1971

Takes the challenge of entering a new business field to strengthen the business foundation

The Company leverages its expertise gained in machine tools to complete its automated assembly machine, in order to build a management base that can withstand economic fluctuations. The technologies honed to meet demands for automation by various types of business lead to the development of electronic component assembly machines.



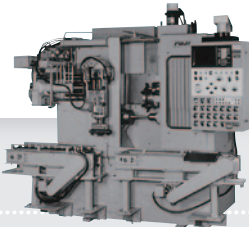
Automated assembly machine

1970

1980

Full-scale entry into NC machine development

The Company develops the automated NC lathe (FAN) to meet the need for NC devices to handle increasingly complex machining work on mass-production machining lines in the automotive industry. With a space-saving design that combines mechanical, electrical, and hydraulic components, this revolutionary automated NC lathe leverages the design concept of our single-function machines.



Automatic lathe FAN

1980

1994

Release of the overwhelmingly popular CP-6 electronic components mounting machine

The CP series is a huge best seller, with more than 7,000 units shipped, and the CP-6 series is the best-selling of all CP series. With a placement cycle time of 0.09 seconds/component, it boasts the world's fastest placing speed and overwhelmingly pleases our customers.



Electronic components mounting machine

1990

2003

A new concept in surface mount technology for electronics components! The NXT series debuted.

The scalable placement platform NXT has a completely modular structure, enabling freedom of machine layout. Marks the birth of one of the greatest machines in FUJI's history, a series that continues to evolve to this day with total shipping of more than 70,000 modules.



The scalable placement platform NXT

2000

2016

Establishment of a new business model

FUJI continues development in the quest to build a third business pillar to stand alongside machine tools and robotic mounters. Steady development efforts bear fruit with the public stocker system Quist and the mobility support robot Hug.



Mobility support robot Hug T1

2010

2013

Development of modular production equipment DLFn, carrying on the DNA of the NXT series

The modular concept cultivated in NXT development is used in machine-tool development to create modular production equipment DLFn. These machines break the paradigm of existing machine tools, offering a new concept of manufacturing to the machine-tool industry.



modular production equipment DLFn

2018

2018 Beginning of a new history under the name "FUJI CORPORATION"

The Company marks its 60th anniversary and changes its name to "FUJI CORPORATION." The Company takes a new first step toward becoming a "100-year-old company" under the global brand "FUJI."

We will strengthen our ability to drive markets by cultivating new market domains and improving our overall product capabilities

Our medium-term management targets starting in the fiscal year ending March 31, 2019 aim to continually increase our market share, not only for robotic mounters, but also by enhancing the functionality of all product lineups, including printers and peripheral devices. In terms of development, we will introduce new models to the market, improve the quality of our software and key units, and accelerate collaboration with other companies with the integrated manufacturing system Nexim, which is the key to the concept called FUJI Smart Factory achieving IoT on the production line. In terms of sales, we will focus on initiatives such as acquiring new customers in growth markets such as automotive-related products and smart devices, approaching markets for front- and back-end processing on production lines, and expanding sales of FUJI Smart Factory. In terms of production, we will conduct thorough standardization to increase operating efficiency by 10% while maintaining high quality, build new production lines for the sale of new models, and commit to logistics reforms using IoT.

We will further focus on creating a system that enables us to swiftly bring unique products to market, in order to respond flexibly to active capital investment by our customers.



Vice President, Executive Officer,
Robotic Solutions Division General Manager

Shinsuke Suhara

Market environment for the fiscal year ended March 31, 2018

- Electronic equipment overall performed strongly thanks to improved global economic conditions
- Investment in consumer electronics and parts grew more active in the Chinese market

Achievements in fiscal year ended March 31, 2018

- Acquired German automatic electronic parts warehouse supplier Tower-Factory GmbH to enhance our product lineup
- Introduced FUJI Mobile App to markets. This app uses Amazon Web Services to check production status from handheld devices
- Joined the "Factory in a Box" concept promoted by Nokia Corporation

Product features/strengths

- 1 Maximized area productivity through original compact modular design
- 2 Exchangeable units allow for flexible response to changes in line composition and maintenance without line stoppage.

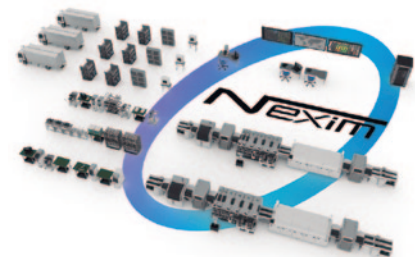
Robotic moulder



Multi-purpose assembly equipment



Integrated manufacturing system

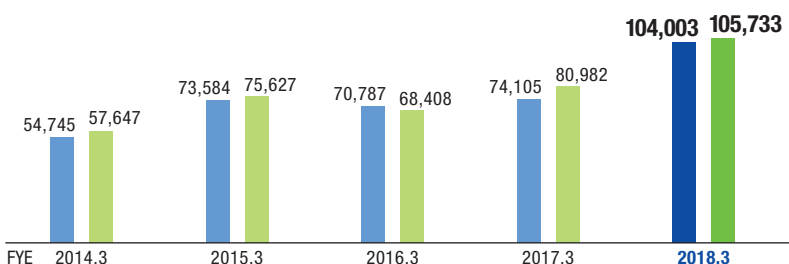


Main customers

- Telecommunications equipment manufacturers
- Consumer electronics manufacturers
- Manufacturers of automotive-related products, etc.

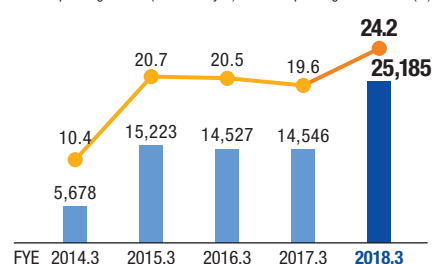
Net sales/Orders (millions of yen)

■ Net sales ■ Orders



Operating income/Operating income ratio

■ Operating income (millions of yen) ● Operating income ratio (%)



We will increase the value of our businesses by strengthening collaboration in the FUJI Group as a whole

Our medium-term management targets starting in the fiscal year ending March 31, 2019 aim to improve business value by strengthening overall collaboration capability between all functions—sales, engineering, and production—and all sites—the Toyota Plant, Kunshan Fuji, and FMAC. In terms of development, we will create new products with an eye toward meeting the needs of automotive-related and new markets, increase the quality of existing models, and thoroughly reduce costs. We will also promote standardization of designs to swiftly and flexibly respond to our customers' needs. In terms of sales, we will work to improve our sales capabilities in China by strengthening collaboration with Kunshan Fuji, and improve our sales engineering capabilities through timely information sharing. In terms of production, we will thoroughly pursue efficient planned production and shorten lead times through centralized management of production information through IoT.

We will work as one to provide higher quality and support to meet our customers' needs to improve production efficiency throughout factories.



Senior Managing Executive Officer,
Machine Tools Division General Manager
Toyota Factory Manager

Takayoshi Kawai

Market environment for the fiscal year ended March 31, 2018

- Active investments were made both in Japan and overseas, as demand in China pushed up overall demand
- The market as a whole was strong, with latent demand

Achievements in fiscal year ended March 31, 2018

- Made Kunshan Fuji a general distributor in the Chinese market
- Won Outstanding Supplier Award from U.S.-based Nexteer Automotive Corporation

Product features/strengths

- 1 Combined lathes equipped with high-output live tools are optimal for automation of production lines
- 2 Exchangeable units allow for flexible response to changes in line composition and maintenance without line stoppage.

Main customers

- Automotive parts manufacturers
- Bearings manufacturers, etc.

Horizontal CNC lathe

TN SERIES



Front facing twin spindle lathe

CS SERIES

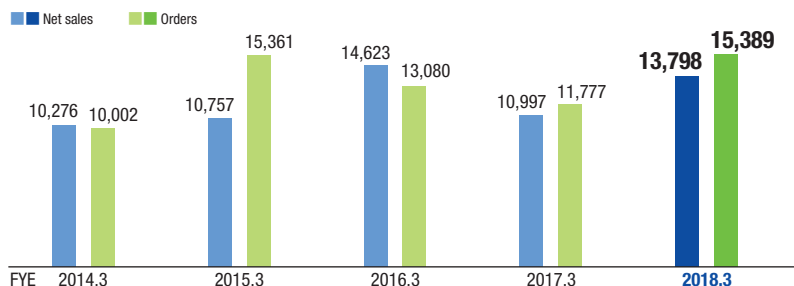


Modular production equipment

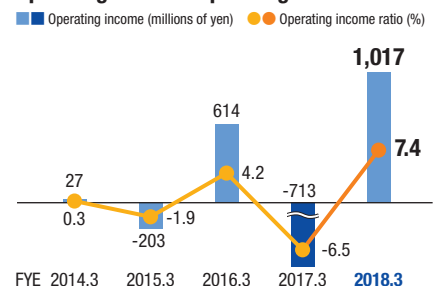
DLF_n



Net sales/Orders (millions of yen)



Operating income/Operating income ratio



We will commercialize newly developed products and foster varied next-generation development

Our results for the fiscal year ended March 31, 2018 include bringing the compact multijoint robot SmartWing to market and launching a new model of the ultra high density atmospheric pressure plasma device Tough Plasma.

Our new medium-term management targets starting in the fiscal year ending March 31, 2019 aim to increase our market presence for the products shown below, and increase customer satisfaction by accurately ascertaining the detailed needs of the market and working to improve products and develop options speedily.

Our stance toward development is to constantly develop next-generation technologies and products that are not limited to existing businesses and looking toward the future, through free ideas and active communication between employees.

We will actively utilize sites including FUJI Innovation Lab., which we opened last year in Silicon Valley in the U.S., to accelerate the development of our capability to create new product ideas and maintain our strong commitment to developing products that delight our customers.



Senior Managing Executive Officer,
Development Center Head

Seigo Kodama

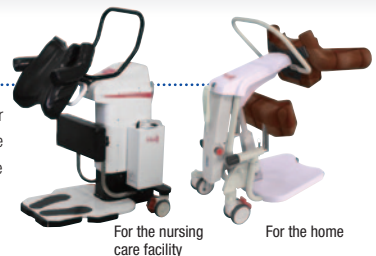


Compact articulated robot "SmartWing"

One of the characteristics of the compact articulated robot is its slim structure, which enables a condensed arrangement that has not been possible up until now. Multiple robots can be linked to automate various processes without having to teach them. Furthermore, we aim to establish innovative systems that achieve vertical startup and mass customization in automated factories.

Mobility support robot "Hug"

It assists movements to and from a sitting position such as from a bed to a wheelchair or from a wheelchair to the toilet, as well as in maintaining a standing position in the changing room. The robot uses the leg strength of the person receiving care while supporting movement by providing minimal assistance.



Public stocker system "Quist"



We are involved in establishing a new shopping system in which groceries or daily necessities ordered through online supermarkets or other shopping sites are received in an exclusive box. We are focusing on developing a system that will reduce the burden of day-to-day shopping and support the daily lives of busy people.

Ultra high density atmospheric pressure plasma device "Tough Plasma"

A device that breaks down and removes contaminants at the molecular level without the use of water or organic solvents, and makes plasma exposure possible even for heat-sensitive materials such as rubber and resin. Realizing a high electron density more than 200 times higher than regular atmospheric pressure plasma (according to FUJI's research data), it is used to improve the adhesive strength of polypropylene and other hard-to-bond materials.

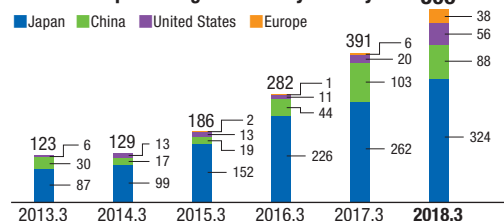


Intellectual Property Strategy

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. We also actively apply for patents not only in Japan but also in China, the U.S., and Europe. As a result, we have roughly quadrupled our patent registrations over a five-year period. We will continue to develop an intellectual property strategy that leads to strengthening the competitiveness of our businesses in order to respond swiftly to technological development supported by a robust commitment to invention in robotic mounters and machine tools, as well as a new business.

Numbers of patent registrations by country



Capital Strategy

We are committed to continuing strategic investment directed toward growth and stable return of profits to our shareholders

The Company will work to maintain the competitiveness of its leading products by sustaining a high level of investment in R&D, and aim to increase its corporate value through active capital investment directed at future growth and strategic investment in new businesses.

In addition, from the perspective of increasing shareholder value, we are working on increasing capital efficiency and the continuous return of profits to our shareholders as our most important management policies.

While our main business is susceptible to economic fluctuations worldwide and major shifts in our performance are unavoidable, we will endeavor to maintain stable dividends in such an environment.

We also consider the acquisition of treasury stock an effective measure for improving capital efficiency and hence acquired treasury stock with a total value of ¥10,000 million in the fiscal year ended March 31, 2017. We continue to view the acquisition of treasury stock as a major capital policy option and will consider appropriate and flexible implementation, taking into account factors such as our performance and stock market trends.



Executive Officer,
Accounting Department General Manager

Mitsuji Tatsumi

Sales Strategy

We will advance solutions, globalization, and marketing with the aim of further growth

To accelerate our business expansion and growth, rather than carry out all three objectives in parallel, we will prioritize them for each business and invest resources effectively. Placing sales strategy as a pillar, we will also strategically incorporate M&As and technological partnerships as effective methods and endeavor to more rapidly strengthen the competitiveness of our businesses.

Regarding the fiscal year ended March 31, 2018, the Robotic Solutions business expanded the lineup of front- and back-end process products for robotic mounters with the development of the Auto Inserter sFAB-α and the automated parts warehouse sTower II. The Machine Tools business strengthened its sales capabilities by making Kunshan Fuji its general distributor in the Chinese market. New Business built a nationwide distributor network to strengthen sales of the compact multijoint robot SmartWing and the mobility support robot Hug.

Going forward, we will deploy an effective sales strategy by accurately ascertaining market needs and more quickly offering new value.



Executive Officer,
Machine Tools Division Deputy General Manager

Hajime Ezaki

Solution

- Robotic Solutions business: enhancement of proposal capabilities for front- and back-end processes for robotic mounters
- Machine Tools business: collaboration among the Toyota Plant, Kunshan Fuji, and FMAC; strengthen sales engineering capabilities
- New Business (SmartWing): leverage power of entire FUJI Group to strengthen system integration capabilities

Globalization

- Machine Tools business: enhancement of sales and production in China (Kunshan Fuji); cultivate new markets in Europe and elsewhere

The input of effective resource

Marketing

- Machine Tools business: construction for the DLFn market
- New Business (Hug): creation of a road map to develop from nursing care robots to medical robots

We will continue to contribute to the creation of a prosperous society by promoting manufacturing that recognizes ESG.

As a manufacturing company, the Group has established a corporate philosophy based on the Company motto, "We will endeavor to work hard in research and development to provide excellent techniques to respond to customer confidence."

The Group approaches its day-to-day corporate activities based on strong bonds with shareholders, customers, business partners, employees, and local communities. As one of the world's leading robot manufacturers, the Group will constantly create new value and markets including robotic mounters as industrial robots and machine tools equipped with robotic transfer systems. Through these corporate activities, the Group will fulfill its corporate social responsibility with an eye toward sustainable development together with society.



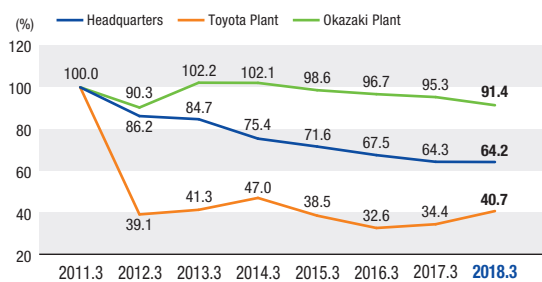
Basic Environmental Plan

Positioning environmental preservation activities as an important management issue, we pursue such activities Company-wide in order to leave a rich and beautiful natural environment for the next generation. We consider the environment in carrying out our business activities, recognizing that preservation of the global environment is one of the most important issues shared by humanity.

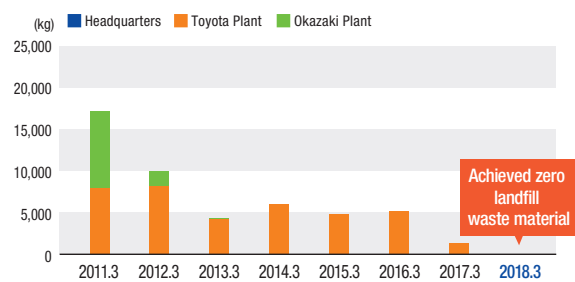
Five-Year Environmental Control Plan (fiscal year ended March 31, 2017 to fiscal year ending March 31, 2021)

Activities	Targets for the financial year ending March 31, 2019
Measures to prevent global warming	Awareness-raising and promotion related to improving production efficiency and energy-saving activities
	Reduction of energy consumption rate by 1% (compared to fiscal year ended March 31, 2018)
Promotion of resource recycling	Awareness-raising and promotion related to resource-saving activities
Measures for products	Develop environmentally friendly (energy-saving, space-saving) products

Trend of energy consumption rate (In the case, the rate of FYE 2011 is for 100%)



Amount of landfill waste material

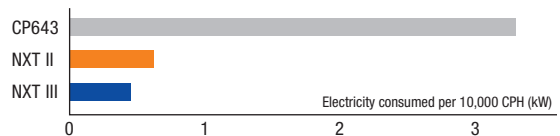


Energy efficient factories

Air conditioning powered by geothermal energy (earth tubes) was introduced, resulting in significant energy savings. Earth tubes is a technique for supplying heating and cooling to the air in a building from tubes buried in the ground. This reduces the load on air conditioning and energy consumption. In addition to reducing air conditioning costs, CO₂ emissions are reduced, which contributes to preserving the environment. (Toyota factory).



Developing low energy products



The graph to the left shows the amount of consumed electricity required to achieve 10,000 CPH (placement count for electronic parts per hour). In comparison with the NXT II, an older machine, the NXT III can produce the same volume using 74% of the electricity. Compare to the CP643, a machine of previous series, the NXT III can produce the same volume using 12% of the electricity.

Society

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

Community

As a member of the local community, we will engage in various activities with the aim of being the “FUJI that is known and loved by everyone in the community.”

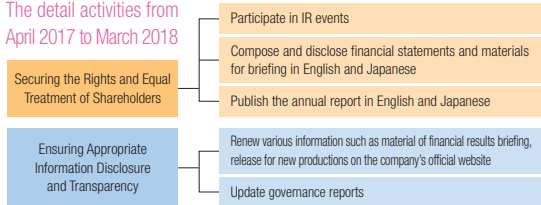
Opening of “THANK” complex facility

We launched a programming course at “teracoya THANK,” which teaches real-life English to elementary school students through science experiments, etc. We will endeavor to develop engineers who can compete internationally. “thirty nine café” also opened with the complex, and we are working to further revitalize local communities.

IR

We make efforts 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.

The detail activities from April 2017 to March 2018



Work environment

At FUJI, we maintain and enhance the working environment in an effort to create a vibrant workplace where employees can work with energy and enthusiasm.

Initiatives related to diversity

We have enhanced our system to support various working styles and to enable employees to do their job as well as handle childcare and nursing care, through initiatives including childcare leave, reduced work hours for childcare, nursing care leave, a reduced work hour system, and a system of days off for nursing care. In addition, we have put in place a system of volunteer vacation days for employees who engage in social contribution activities. We are also striving actively to help employees maintain a work-life balance by setting each Friday as a Company-wide no-overtime day.

Initiatives related to occupational health and safety

We have established a health and safety committee that regularly patrols our workplaces and actively promotes improvement measures for offices as well as for manufacturing sites in an effort to prevent workplace accidents. We have also set up a system for interviews with an industrial physician and a consultation helpline related to mental health and harassment in order to support the physical and mental health of employees.

Initiatives for human resources development

We are committed to junior and mid-career employee education. We hold the Sokai Juku training course for technical employees in their first year with the Company. Employees take the course before they are assigned to a division and, by acquiring knowledge outside their area of specialization and developing a robot in a practical way, they experience the difficulty that goes into creation as well as the sense of achievement of developing something, as part of their experience before starting work. Leadership training where 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 educational opportunities within the Company.

Governance

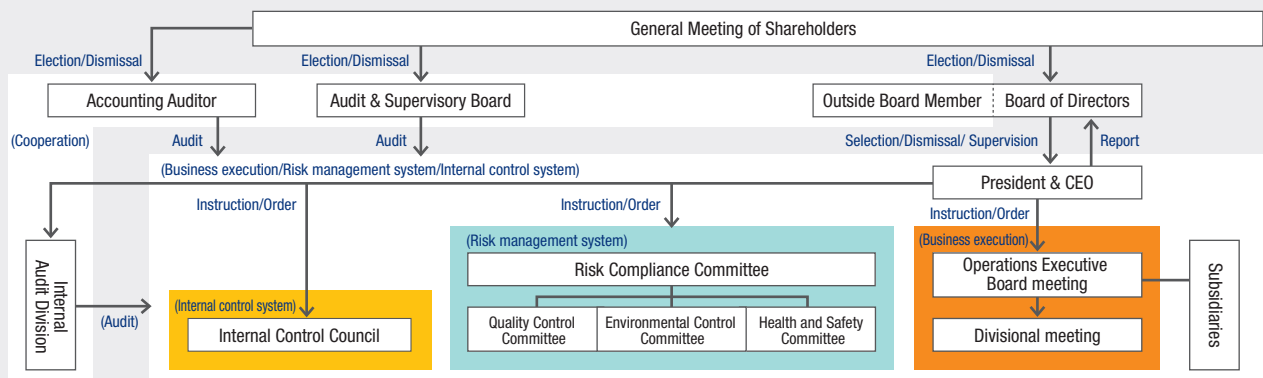
Basic Concept

The Group views working to create higher corporate value for shareholders, customers, business partners, and employees to be the most important issue. Accordingly, the Group is working to establish and enhance fair and transparent management systems and its organizational structure that can respond to changes in the management environment promptly and accurately, and to strengthen its risk and compliance system.

Corporate Governance System (as of June 28, 2018)

- Number of Board Members: 9 (including 2 Outside Board Members)
- Number of Audit & Supervisory Board Members: 3 (including 2 Outside Audit & Supervisory Board Members)
- Number of Independent Directors/Auditors: 4
- Number of Board of Directors' meetings held in a year: 13 (planning)
- Term of office of Board Members: 1 year
- Adoption of an executive officer system: Yes
- Number of Executive Officers: 13

Composition of Corporate Governance System





Fuji America Corporation

President

Hiroshi Furukawa

Working to strengthen sales capabilities in North America and further expand market share in North America

As a general distributor of robotic mounters in North America, we will endeavor to further expand our market share by strengthening our sales capabilities and improving after-sales services by building our sales network. Over the short term, we will build a support system through appropriate personnel assignment and, over the medium to long term, we will make efforts to offer high-quality customer support by focusing on developing human resources that swiftly and flexibly respond to our customers' diverse demands.

For our product sales lineup, we will endeavor to expand sales centered on our leading products—the scalable placement platform NXT III and the flexible placement platform AIMEX III—as well as the integrated manufacturing system Nexim, focused on building FUJI Smart Factory.

Furthermore, to maintain the dominance of the FUJI brand, we will strengthen our collaboration with FUJI headquarters to further enhance the speed of product development.

We will focus on improving operational efficiency, developing professional human resources, and improving customer satisfaction with our minds on our corporate slogan, "Excite and Inspire."



Fuji Machine America Corporation

President

Eiji Ochi

Supporting optimum production efficiency with FUJI machine tools

In North America as well as Central and South America, automation of production lines linked by robots that attach, detach, and convey work pieces is progressing.

FUJI leverages its strengths as a manufacturer of industrial robots and machine tools to maintain stable precision by incorporating its proprietary robotics technologies into product development and proposes highly efficient, constructive production lines to its customers.

In the fiscal year ended March 31, 2018, we rebuilt our service division to support full-scale automation in Central and South America, strengthening parts support and customer service in Mexico and South America, and launching 24-hour call-center service in the Americas.

In the fiscal year ending March 31, 2019, we will enhance our marketing capabilities and turnkey solutions, and build a local supply chain, while improving our sales and engineering divisions, in order to offer FUJI's machine tools with optimum efficiency and productivity to our existing customers as well as customers in new markets.



FUJI EUROPE CORPORATION GmbH

Managing Director

Klaus Gross

Strengthening our commitment to improving customer satisfaction

We have continued to grow steadily on the three pillars of winning new customers, total customer satisfaction, and smoother internal communication.

As a further growth strategy, we will enter new growth markets such as smart homes, LED applications, self-driving systems, and medical electronics.

In April 2018, we changed our company name to FUJI EUROPE CORPORATION GmbH and relocated from the city of Mainz to a new corporate building in the city of Kelsterbach. This new building, a symbol of modernity and innovation, helps us provide better services, including demonstrations for customers, training, system repairs, and videoconferences.

We have been a member of the SEF-Smart Electronic Factory Committee, which originated in Germany, since its inception. We conduct marketing and PR activities, and continue to actively pursue sustainable growth and expansion of market share by achieving Industry 4.0 and IoT.



Tower-Factory GmbH

President

Pierre De Menech

From a start-up to a company of excellence

"The right component at the right time at the right place!" This is the message we released when we introduced our revolutionary automatic electronic parts warehouse to the SMT industry. Since our founding in 2013, we have sold nearly 100 units of our main product, the sltwer Various 773/930.

Automation, also known as Industry 4.0, is a major driver of market demand, and production sites are required to reduce parts shortages and downtime. Our products achieve efficient parts delivery by being connected to upstream MES systems.

As our next target, we will endeavor to become the market leader in the automatic electronic parts warehouse industry, focusing on strengthening our sales capabilities and continuously developing products to offer better proposals to the entire market, while aiming to establish an international sales and service system.



Fuji Machine China Co., Ltd.

Deputy General Manager
Jianwei Huang

Strengthening the FUJI brand and developing software locally

Demand in the Chinese robotic mounter market is expected to remain strong, due to factors such as the commercial availability of fifth-generation mobile networks (5G) in 2020 and the increasing number of automotive PCBs. To increase our market share for robotic mounters, we have to respond to customers even more quickly than before and provide enhanced service.

First, for our conventional repair service operations, we will further develop and enhance our training programs to strengthen our local service capabilities.

In terms of sales, in the fiscal year ending March 31, 2019, showrooms with FUJI Smart Factory as its concept will be completed at both our Kunshan and Dongguan branches. By letting customers experience the concept firsthand, we will excite and inspire them and communicate the attraction of the FUJI brand ever more strongly.

In terms of technological development, to promptly provide IoT and big-data technologies supporting Smart Factory in accordance with the needs of customers in China, we will set up a system software development team centered on local software engineers in China in the fiscal year ending March 31, 2019, and complete the transition of software customization to China by the fiscal year ending March 31, 2021.



Kunshan Fuji Machine Mfg. Co., Ltd.

General Manager
Sei Mori

Enhancing our combined strength on the three pillars of development, production, and sales

In the fiscal year ended March 31, 2018, sales of our main products—the solder printing machine GPX-C series and the front facing twin spindle lathe CSD series—grew, supported by strong capital investment in China, resulting in increases in sales and profit. We also expect to increase our performance in the fiscal year ending March 31, 2019 through the commercial launch of fifth-generation mobile networks (5G) in China and a further increase in automobile production (over 30 million units in 2018).

The wave of equipment automation in China is arriving sooner than expected, spurred by Made in China 2025 (the Chinese version of Industry 4.0), espoused by the Chinese government, and soaring labor costs in China. Kunshan Fuji must ride this wave.

We are aiming to double our sales of solder printing machines in the fiscal year ending March 31, 2019 compared to the fiscal year ended March 31, 2018, and by the fiscal year ending March 31, 2021, we aim to have 30% of the Chinese market share. With machine tools too, we are aiming to improve our turnkey solutions as well as service and sales capabilities, and double our sales volume in the fiscal year ending March 31, 2019, compared to the fiscal year ended March 31, 2018, with the aim of launching sales of new models made at Kunshan Fuji by the fiscal year ending March 31, 2021.

We will endeavor to further improve our design and production capabilities, and continually grow as a base that completes in-house development, production, and sales of peripheral devices for automation lines.



Fuji Do Brasil Maquinas Industriais Ltda.

President
Domingos Tomyama

Strengthening our business structure in South America

Most industries in South America are facing economic crises and political difficulties, and we too have faced dire circumstances for several years.

Even in this environment, we will continue to focus our combined strength on our operations under the following strategies:

1. Invest in industry-leading, after-sales services and in improving the skills of our personnel, and provide the latest training to experienced engineers.
2. Provide comprehensive technical support, including full-turnkey electronic mounting line solutions by utilizing FUJI Smart Factory and support for all processes.
3. Create more business by meeting customer demand and by enhancing our lineup of peripheral devices and other products, and offering device trade-ins.

We believe that these strategies are supported by the principles of our corporate governance and risk management, and that they can be executed in accordance with our corporate social responsibility.

We will seize opportunities in South America by strengthening rather than shrinking our business structure, in preparation for an upturn in markets.

Company Profile

Overview

Name	FUJI CORPORATION	Listing Market	First Section of the Tokyo Stock Exchange, First Section of the Nagoya Stock Exchange
Headquarters	19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan	Main Business	Manufacturing and sales of robotic moulder and machine tools
Established	April 1959	Number of Employees	Consolidated 2,229 Nonconsolidated 1,652 (as of March 31, 2018)
Common Stock	5,879 million yen		

Status of Shares

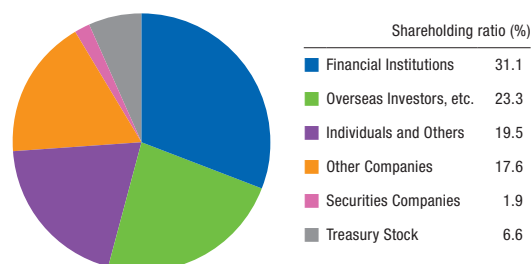
(as of March 31, 2018)

Total number of shares authorized to be issued	390,000,000
Total number of shares issued	97,823,748
Number of shareholders	11,366

Major shareholders (Top10)

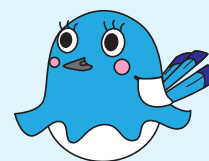
Name	Number of shares held (thousands of shares)	Shareholding ratio (%)
Daido Life Insurance Co.	6,684	7.3
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,341	4.7
The Master Trust Bank of Japan, Ltd. (Trust account)	3,668	4.0
Japan Trustee Services Bank, Ltd. (Trust account)	3,235	3.5
Fuji customers stock ownership	2,900	3.1
SAKAGAMI Co., Ltd.	2,400	2.6
Japan Trustee Services Bank, Ltd. (Trust account 9)	2,305	2.5
The Bank of Nagoya, Ltd.	1,554	1.7
Mitsubishi UFJ Trust and Banking Corporation	1,483	1.6
STATE STREET BANK AND TRUST COMPANY 505001	1,226	1.3

Classification of shareholders



Mascot Character

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



Notes: 1. Shares held by the Company as treasury shares (6,477,857 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 after deducting shares held by the Company as treasury shares.
3. The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its name to MUFG Bank, Ltd. on April 1, 2018.

Consolidated Subsidiaries

Company name	Location	Established	Main business
Fuji America Corporation	Vernon Hills, Illinois, U.S.	April 1970	Sales of the Company's products (robotic moulder)
Fuji Machine America Corporation	Vernon Hills, Illinois, U.S.	November 1994	Sales of the Company's products (machine tools)
FUJI EUROPE CORPORATION GmbH	Kelsterbach, Germany	November 1991	Sales of the Company's products (robotic moulder)
Tower-Factory GmbH	Friedberg, Germany	February 2013	Manufacturing and sales of peripheral devices for robotic moulder
Fuji Do Brasil Maquinas Industriais Ltda.	São Paulo, São Paulo, Brazil	November 1995	Sales of the Company's products (robotic moulder)
Fuji Machine China Co., Ltd.	Shanghai, China	November 2007	Maintenance and after-sale service of the Company's products (robotic moulder)
Kunshan Fuji Machine Mfg. Co., Ltd.	Kunshan, China	January 2012	Manufacturing and sales of the Company's products
ADTEK FUJI Co., Ltd.	Aichi, Japan	April 1977	Manufacturing of robotic moulder, remodeling and repair of machine tools
EDEC LINSEY SYSTEM Co., Ltd.	Aichi, Japan	November 1992	Manufacturing of units related to robotic moulder

Editorial
Policy

The aim of this report is to make the Group's management 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 the Company).

Period
Covered

Fiscal year ended March 31, 2018
(from April 1, 2017 to March 31, 2018)