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Company name in English:	FUJI CORPORATION
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Place for public inspection:	FUJI CORPORATION, Tokyo Branch Office (2-4-15, Konan, Minato-ku, Tokyo) FUJI CORPORATION, Osaka Branch Office (1-17-26, Esaka-cho, Suita, Osaka) Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (3-8-20 Sakae, Naka-ku, Nagoya)

Financial Information

1 Preparation of consolidated financial statements and financial statements

(1) The Company's consolidated financial statements are prepared in line with the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976).

(2) The Company's financial statements are prepared in line with "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Order No. 59 of 1963) ("Regulation on Financial Statements, Etc.")

The Company is a company allowed to file specified financial statements and prepares its financial statements as stipulated in Article 127 of Regulation on Financial Statements, Etc.

2 Certification of audit

The Company's consolidated financial statements (April 1, 2021 to March 31, 2022) and financial statements (April 1, 2021 to March 31, 2022) were audited by KPMG AZSA LLC as stipulated in Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

3 Special efforts to ensure fair presentation of consolidated financial statements, etc.

The Company made special efforts to ensure fair presentation of consolidated financial statements, etc. In particular, the Company joined the Financial Accounting Standards Foundation in order to properly ascertain the details of accounting standards and other items and create a system that makes it possible to appropriately respond to developments, including changes in accounting standards and other items. The Company also participates in training conducted by the Financial Accounting Standards Foundation.

Consolidated Financial Statements and Other Information

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	60,278	59,481
Notes and accounts receivable - trade	36,374	*38,972
Securities	1,757	7,579
Merchandise and finished goods	9,996	14,434
Work in process	20,804	24,484
Raw materials and supplies	7,364	12,417
Other	7,369	8,705
Allowance for doubtful accounts	(86)	(96)
Total current assets	143,859	165,978
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,576	33,896
Accumulated depreciation and impairment	(18,193)	(19,712)
Buildings and structures, net	13,383	14,183
Machinery, equipment and vehicles	19,277	21,540
Accumulated depreciation and impairment	(14,705)	(16,339)
Machinery, equipment and vehicles, net	4,571	5,201
Tools, furniture and fixtures	9,284	10,361
Accumulated depreciation and impairment	(8,145)	(9,094)
Tools, furniture and fixtures, net	1,139	1,267
Land	5,193	5,364
Construction in progress	53	320
Total property, plant and equipment	24,342	26,337
Intangible assets		
Goodwill	11,893	11,642
Software	8,130	8,985
Other	4,827	5,181
Total intangible assets	24,851	25,809
Investments and other assets		
Investment securities	28,509	20,433
Deferred tax assets	826	1,966
Retirement benefit asset	1,890	2,362
Other	390	421
Total investments and other assets	31,618	25,184
Total non-current assets	80,811	77,331
Total assets	224,671	243,310

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,025	12,463
Income taxes payable	4,861	5,960
Provision for product warranties	955	812
Other	10,438	13,801
Total current liabilities	27,279	33,037
Non-current liabilities		
Deferred tax liabilities	2,517	1,059
Retirement benefit liability	254	326
Other	62	104
Total non-current liabilities	2,834	1,490
Total liabilities	30,114	34,527
Net assets		
Shareholders' equity		
Share capital	5,878	5,878
Capital surplus	7,034	7,077
Retained earnings	170,381	185,301
Treasury shares	(1,670)	(1,657)
Total shareholders' equity	181,624	196,600
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,779	7,162
Deferred gains or losses on hedges	42	55
Foreign currency translation adjustment	2,066	4,766
Remeasurements of defined benefit plans	742	80
Total accumulated other comprehensive income	12,631	12,065
Non-controlling interests	300	117
Total net assets	194,556	208,782
Total liabilities and net assets	224,671	243,310

(ii) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	136,161	148,128
Cost of sales	* ₁ 85,458	* ₁ 89,637
Gross profit	50,703	58,491
Selling, general and administrative expenses	* ₂ , * ₃ 28,799	* ₂ , * ₃ 30,018
Operating profit	21,904	28,472
Non-operating income		
Interest income	101	104
Dividend income	795	547
Rental income	23	20
Foreign exchange gains	231	826
Miscellaneous income	206	122
Total non-operating income	1,358	1,620
Non-operating expenses		
Interest expenses	(0)	4
Commission expenses	17	51
Donations	4	22
Compensation for damage	14	64
Miscellaneous expenses	2	8
Total non-operating expenses	38	149
Ordinary profit	23,224	29,943
Extraordinary income		
Gain on disposal of non-current assets	* ₄ 42	* ₄ 26
Gain on sale of investment securities	1,773	1,455
Gain on step acquisitions	—	395
Total extraordinary income	1,815	1,877
Extraordinary losses		
Loss on disposal of non-current assets	* ₅ 108	* ₅ 114
Impairment losses	* ₆ 828	* ₆ 1,478
Other	38	126
Total extraordinary losses	975	1,719
Profit before income taxes	24,065	30,101
Income taxes - current	7,170	10,042
Income taxes - deferred	(289)	(1,140)
Total income taxes	6,881	8,901
Profit	17,183	21,200
Profit attributable to non-controlling interests	16	11
Profit attributable to owners of parent	17,167	21,188

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	17,183	21,200
Other comprehensive income		
Valuation difference on available-for-sale securities	4,595	(2,616)
Deferred gains or losses on hedges	27	12
Foreign currency translation adjustment	1,046	2,723
Remeasurements of defined benefit plans, net of tax	1,111	(661)
Total other comprehensive income	*6,780	*(542)
Comprehensive income	23,964	20,657
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,007	20,621
Comprehensive income attributable to non-controlling interests	(43)	35

(iii) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,878	5,924	157,781	(7,781)	161,803
Changes during period					
Dividends of surplus			(4,567)		(4,567)
Profit attributable to owners of parent			17,167		17,167
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		1,109		6,112	7,222
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	—	1,109	12,600	6,110	19,820
Balance at end of period	5,878	7,034	170,381	(1,670)	181,624

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,184	15	961	(369)	5,791	343	167,939
Changes during period							
Dividends of surplus							(4,567)
Profit attributable to owners of parent							17,167
Purchase of treasury shares							(1)
Disposal of treasury shares							7,222
Change in ownership interest of parent due to transactions with non-controlling interests							
Net changes in items other than shareholders' equity	4,595	27	1,105	1,111	6,839	(43)	6,796
Total changes during period	4,595	27	1,105	1,111	6,839	(43)	26,617
Balance at end of period	9,779	42	2,066	742	12,631	300	194,556

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,878	7,034	170,381	(1,670)	181,624
Changes during period					
Dividends of surplus			(6,268)		(6,268)
Profit attributable to owners of parent			21,188		21,188
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		18		16	34
Change in ownership interest of parent due to transactions with non-controlling interests		23			23
Net changes in items other than shareholders' equity					
Total changes during period	—	42	14,919	13	14,975
Balance at end of period	5,878	7,077	185,301	(1,657)	196,600

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,779	42	2,066	742	12,631	300	194,556
Changes during period							
Dividends of surplus							(6,268)
Profit attributable to owners of parent							21,188
Purchase of treasury shares							(2)
Disposal of treasury shares							34
Change in ownership interest of parent due to transactions with non-controlling interests							23
Net changes in items other than shareholders' equity	(2,616)	12	2,699	(661)	(566)	(183)	(749)
Total changes during period	(2,616)	12	2,699	(661)	(566)	(183)	14,226
Balance at end of period	7,162	55	4,766	80	12,065	117	208,782

(iv) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	24,065	30,101
Depreciation	7,273	8,045
Impairment losses	828	1,478
Amortization of goodwill	951	1,048
Increase (decrease) in provision for product warranties	(123)	(150)
Increase or decrease in retirement benefit asset and liability	(373)	(1,388)
Interest and dividend income	(897)	(651)
Interest expenses	(0)	4
Loss (gain) on disposal of non-current assets	65	87
Loss (gain) on sale of investment securities	(1,773)	(1,361)
Decrease (increase) in trade receivables	(984)	427
Decrease (increase) in inventories	2,059	(9,886)
Increase (decrease) in trade payables	1,677	(2,825)
Other, net	1,382	(613)
Subtotal	34,150	24,317
Interest and dividends received	898	652
Interest paid	(3)	(4)
Proceeds from insurance income	18	—
Income taxes paid	(4,194)	(9,245)
Net cash provided by (used in) operating activities	30,870	15,720
Cash flows from investing activities		
Purchase of securities	(6,299)	(4,680)
Proceeds from redemption of securities	4,799	1,800
Purchase of property, plant and equipment and intangible assets	(7,929)	(10,191)
Proceeds from sale of property, plant and equipment and intangible assets	51	102
Purchase of investment securities	(3,375)	(525)
Proceeds from sale of investment securities	2,270	3,290
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	* ₂ (1,348)
Payments into time deposits	(67)	(67)
Proceeds from withdrawal of time deposits	108	72
Purchase of long-term prepaid expenses	(20)	(34)
Other, net	(8)	(16)
Net cash provided by (used in) investing activities	(10,471)	(11,598)
Cash flows from financing activities		
Dividends paid	(4,557)	(6,269)
Purchase of investments in capital of subsidiaries without change in scope of consolidation	—	(195)
Other, net	(19)	(49)
Net cash provided by (used in) financing activities	(4,577)	(6,513)
Effect of exchange rate change on cash and cash equivalents	660	1,541
Net increase (decrease) in cash and cash equivalents	16,481	(850)
Cash and cash equivalents at beginning of period	43,907	60,388
Cash and cash equivalents at end of period	* ₁ 60,388	* ₁ 59,538

Notes to the Consolidated Financial Statements

Basis of Preparation of Consolidated Financial Statements

1 Scope of consolidation

Number of consolidated subsidiaries: 16 companies

Names of major consolidated subsidiaries:

The information has been omitted.

As a result of the Company's acquisition of all issued shares of Sojitz Corporation's subsidiary FUJI MACHINE ASIA PTE. LTD., making it a wholly owned subsidiary, FUJI MACHINE ASIA PTE. LTD. and its four subsidiaries began to be included in the scope of consolidation in the fiscal year ended March 31, 2022.

There are no unconsolidated subsidiaries.

2 Application of the equity method

No items to report.

3 Disclosure about fiscal years, etc. of consolidated subsidiaries

Of the Company's consolidated subsidiaries, the closing date of Fuji Machine China Co., Ltd., Kunshan Fuji Machine Mfg. Co., Ltd., Fuji Do Brasil Maquinas Industriais Ltda., and FUJI MACHINE ASIA PTE. LTD., along with its four subsidiaries, is December 31. In preparing consolidated financial statements, as for Fuji Do Brasil Maquinas Industriais Ltda. and FUJI MACHINE ASIA PTE. LTD., along with its four subsidiaries, the Company uses their financial statements as of December 31, and significant transactions arising between the closing date and the consolidated balance sheet date are subject to adjustments necessary for the consolidation. As for Fuji Machine China Co., Ltd., and Kunshan Fuji Machine Mfg. Co., Ltd., the Company uses financial statements based on provisional settlement of accounts carried out as of the consolidated balance sheet date. Other consolidated subsidiaries' fiscal year-end is the same as the consolidated balance sheet date.

4 Accounting policies

(1) Valuation standard and valuation method for significant assets

Securities

Held-to-maturity bonds

Amortized cost method (Straight-line method)

Available-for-sale securities

Securities other than shares without a market price, etc.

Fair value method (valuation differences are directly included in net assets, and costs of securities sold are calculated by the moving-average method)

Shares without a market price, etc.

Measured at cost using the moving-average method

Derivatives

Fair value method

Inventories

Merchandise and finished goods, and work in process

Mainly measured at cost using the specific identification method (calculated by the method to write down book value due to a decline in profitability)

Raw materials and supplies

Mainly measured at cost using the moving-average method (calculated by the method to write down book value due to a decline in profitability)

(2) Method of depreciation of significant depreciable assets

Property, plant and equipment:

Mainly measured using the declining-balance method

However, buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998, and facilities attached to buildings as well as structures acquired on and after April 1, 2016, are measured using the straight-line method.

The useful life and residual value are based on the same standards stipulated in the Corporation Tax Act.

Intangible assets

Software for market sale

Straight-line method over the estimated useful life

Software for internal use

Straight-line method over the estimated usable period

Other intangible assets

Straight-line method

(3) Accounting policy for significant provisions

Allowance for doubtful accounts

To provide for loss associated with default of receivables held as at the end of fiscal year, estimated uncollectible amount is set aside in consideration of historical credit loss ratio for general receivables, while in consideration of individual collectability for doubtful receivables

Provision for product warranties

To provide for expenditure associated with costs arising from defects of products of the Company and its consolidated subsidiaries during the product warranty period, an amount calculated by multiplying net sales by the historical defect rate, which is calculated based on historical amounts, is set aside.

(4) Accounting methods for retirement benefits

(i) Method of attributing expected retirement benefits to periods

In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year on a benefit formula basis.

(ii) Method for amortization of actuarial gains and losses

Actuarial differences are primarily charged to expenses collectively in the fiscal year following the year in which they arise.

(iii) Method of accounting for unrecognized actuarial gains and losses

Unrecognized actuarial differences are recorded as remeasurements of defined benefit plans in accumulated other comprehensive income under net assets after tax effect adjustments.

(iv) Adoption of simplified method at small subsidiaries, etc.

Some Japanese consolidated subsidiaries have adopted the simplified method that assumes the Company's retirement benefit obligations equal the benefits payable if all employees were to voluntarily retire at fiscal year-end when calculating retirement benefit liabilities and retirement benefit expenses.

(5) Standards for recording significant revenues and expenses

The Group mainly manufactures and sells robotic mounters and machine tools.

For the sale of a product, revenue is recognized when the Group completes the installation of a product if the Group has an obligation to install it under the contract with a customer or when the Group delivers a product to a customer if the Group has no obligation to install it under the contract with the customer, at either of which point in time the customer is deemed to acquire the control of the product to cause performance obligations to be satisfied. For export sale, revenue is recognized when risk is transferred to a customer pursuant to the terms and conditions of trade defined by Incoterms, at which point in time the customer is deemed to acquire the control of the product to cause performance obligations to be satisfied.

For the sale of a product in Japan, however, revenue is recognized at shipment since the period from the shipment of a product to the point in time when control of the product is transferred to a customer has normal duration.

Compensation for transactions is received within about one year from when performance obligations are satisfied and does not include significant financial components.

(6) Material hedge accounting methods

(i) Hedge accounting method

Deferral hedge accounting is applied.

For forward exchange contracts, *furiate-shori* (designated exceptional hedge accounting under Japanese GAAP) is used if relevant requirements are met.

(ii) Hedged item and hedging instrument

Hedging instrument Forward exchange contracts

Hedged item Foreign-currency-denominated trade receivables and payables

(iii) Hedging policy

Forward exchange contracts are used to avoid foreign currency risks related to foreign-currency-denominated operating transactions.

(iv) Method for evaluating hedge effectiveness

The determination of hedge effectiveness was omitted because significant terms related to hedging instrument and hedged items are the same and it is assumed that exchange rate and cash flow fluctuations fully offset each other over the life of the hedge.

(7) Accounting method and period for amortization of goodwill

Straight-line amortization over a period of 15 years or four years

(8) Scope of cash and cash equivalents in consolidated statement of cash flows

Funds (cash and cash equivalents) consist of cash on hand, demand deposits, and short-term investments with maturities of three months or less from the acquisition date that are highly liquid, readily convertible into cash, and are exposed to only an insignificant risk of fluctuations in value.

Significant accounting estimates

Goodwill arising from the acquisition of Fasford Technology Co., Ltd. ("FFT")

(1) Amount recorded on consolidated financial statements for the fiscal year under review

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Goodwill	11,893	10,941

(2) Significant accounting estimates related to identified items

- Method of calculation and main assumptions used for the amounts recorded for the fiscal year ended March 31, 2022

The amount of goodwill of ¥14,271 million represents the excess of the acquisition cost of FFT stocks (¥21,799 million) over net of assets received (¥13,458 million) and liabilities assumed (¥5,929 million) upon acquisition.

The goodwill is amortized on a straight-line basis over 15 years, which is the investment recovery period based on the business plan made upon acquisition. The unamortized amount at the end of the fiscal year under review is ¥10,941 million.

There is no indication of impairment as the business performance of FFT outperformed the business plan made upon acquisition through the end of the fiscal year under review. Therefore, the Company has determined that the value of goodwill is not impaired.

- Impact on consolidated financial statements for the fiscal year ending March 31, 2023

Because goodwill will continue to be amortized on a straight-line basis, amortization of goodwill of ¥951 million will be recorded under selling, general and administrative expenses just like for the fiscal year ended March 31, 2022.

Changes in accounting policies

Application of Accounting Standard for Revenue Recognition, Etc.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations since the beginning of the fiscal year ended March 31, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to a customer at the amount expected to be received upon exchange of said goods or services.

Although revenue for export sales was previously recognized at the time of shipping, the major change as a result of this is that the method was changed to recognize revenue at the time that the bearing of risks transfers to the customer pursuant to the terms and conditions of the trade set forth by the Incoterms.

In adopting the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, in accordance with the transitional treatment set forth in the proviso of Article 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of the standards prior to the beginning of the fiscal year ended March 31, 2022 was added to or subtracted from retained earnings at the beginning of the said current fiscal year. The new accounting policy was applied from the beginning balance of the said current fiscal year.

However, the Company has applied the method prescribed in Article 86 of the Accounting Standard for Revenue Recognition and has not retrospectively applied the new accounting policy to contracts in which almost all the revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the said current fiscal year.

The impact of the change in this accounting policy is minor.

In accordance with the transitional treatment set forth in Article 89-3 of Accounting Standard for Revenue Recognition, notes on revenue recognition for the fiscal year ended March 31, 2021, have been omitted.

Application of Accounting Standard for Fair Value Measurement, Etc.

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and it has applied the new accounting policy set forth by the Accounting Standard for Fair Value Measurement and relevant ASBJ regulations prospectively in accordance with the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019).

There is no impact as a result of the change in this accounting policy.

It was also decided to add a note on matters pertaining to the breakdown of fair values of financial instruments by level, etc. and other matters in the note “Financial instruments.” In accordance with the transitional treatment set forth in paragraph 7-4 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, July 4, 2019), related notes for the fiscal year ended March 31, 2021, have been omitted.

Additional information

In response to the spread of the novel coronavirus disease (COVID-19), the Group has continued its business activities while implementing measures to reduce the risk of the spread of infections at each site. The spread of COVID-19 has also brought about an opportunity such as to promote the implementation of teleworking. The Group plans to make capital investments in infrastructures, such as servers and networks, PCs, smartphones, and semiconductor-related fields that support teleworking and the likes. Meanwhile, the spread of COVID-19 has escalated to become a global pandemic, whose impact on the economy remains significant. At this point, the Group forecasts business performance and makes accounting estimates based on the assumption that the impact of COVID-19 on the global economy will continue for some time; however, if uncertainty grows further, the actual result of the future business performance may differ from the estimates and forecasts.

While business activities of two Chinese subsidiaries are significantly restricted due to impacts of lockdown by local authorities, which is expected to impact their financial results, it is difficult to foresee the amount of the impact at this point.

Notes to Consolidated Balance Sheet

- * The amount of notes and accounts receivable - trade that are receivables from contracts with customers are as follows:

	(Millions of yen)
	As of March 31, 2022
Notes receivable - trade	1,734
Accounts receivable - trade	37,238

Notes to Consolidated Statement of Income

- *1 Inventories as of the end of the fiscal year is the amount after writing down the book value due to decline in profitability, and the following losses on valuation of inventories are included in cost of sales. Gain on reversal of loss on valuation of inventories is indicated within brackets.

	(Millions of yen)
Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
(638)	356

- *2 Main selling, general and administrative expense items and their amounts are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Retirement benefit expenses	397	(82)
Provision for product warranties	494	292
Provision of allowance for doubtful accounts	54	3
Employees' salaries	5,982	7,110
Depreciation	3,680	2,887
Research and development expenses	9,009	8,107

- *3 Total research and development expenses are as follows, and all are included in selling, general and administrative expenses:

	(Millions of yen)
Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
9,009	8,107

- *4 Details of gain on disposal of non-current assets are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Buildings and structures (sale)	—	9
Machinery, equipment and vehicles (sale)	42	17
Other (sale)	0	0
計	42	26

*5 Details of loss on disposal of non-current assets are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Buildings and structures (disposal)	10	28
Machinery, equipment and vehicles (disposal)	63	46
Machinery, equipment and vehicles (sale)	15	16
Other (disposal)	18	22
Other (sale)	0	0
Total	108	114

*6 Impairment losses

The Group recorded an impairment loss on the following asset groups.

Fiscal year ended March 31, 2021

Location	Use	Type
Toyota, Aichi	Production facilities for Machine Tools business located at the Company's Toyota Plant	Machinery and equipment

The Group sorts out, in principle, its operating assets based on the business classification used for the management accounting purpose and categorizes its idle assets by the individual asset.

During the fiscal year under review, the Machine Tools business continued to record operating losses due to decreased profitability caused by a significant deterioration in its business environment. Accordingly, the Group wrote down the book value of machinery, equipment, etc., to its recoverable amount and recorded the decrease as impairment losses (¥828 million) under extraordinary losses.

Their major breakdown is as follows: ¥644 million for machinery, equipment, and vehicles, ¥96 million for buildings and structure, and ¥51 million for tools, furniture and fixtures.

The recoverable amount of this asset group, which is measured at value in use, is valued at memorandum value since the future cash flow is estimated to be negative.

Fiscal year ended March 31, 2022

Location	Use	Type
Toyota, Aichi	Production facilities for Machine Tools business located at the Company's Toyota Plant	Machinery and equipment

The Group sorts out, in principle, its operating assets based on the business classification used for the management accounting purpose and categorizes its idle assets by the individual asset.

During the fiscal year under review, the Machine Tools business continued to record operating losses due to decreased profitability caused by a significant deterioration in its business environment. Accordingly, the Group wrote down the book value of machinery, equipment, etc., to its recoverable amount and recorded the decrease as impairment losses (¥1,478 million) under extraordinary losses.

The impairment losses consist mainly of machinery and equipment of ¥1,137 million, buildings of ¥284 million, and tools, furniture and fixtures of ¥32 million.

The recoverable amount of this asset group, which is measured at value in use, is valued at memorandum value since the future cash flow is estimated to be negative.

Notes to Consolidated Statement of Comprehensive Income

* Reclassification adjustments and tax effects relating to other comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Valuation difference on available-for-sale securities:		
Amount arising during the period	8,000	(2,367)
Reclassification adjustments	(1,734)	(1,356)
Before tax effect adjustments	6,266	(3,723)
Tax effect	(1,670)	1,106
Valuation difference on available-for-sale securities	4,595	(2,616)
Deferred gains or losses on hedges:		
Amount arising during the period	38	17
Tax effect	(11)	(5)
Deferred gains or losses on hedges	27	12
Foreign currency translation adjustment:		
Amount arising during the period	1,046	2,723
Remeasurements of defined benefit plans, net of tax:		
Amount arising during the period	1,069	116
Reclassification adjustments	531	(1,069)
Before tax effect adjustments	1,601	(952)
Tax effect	(489)	291
Remeasurements of defined benefit plans, net of tax	1,111	(661)
Total other comprehensive income	6,780	(542)

Notes to Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2021

1 Type and total number of issued shares, and type and number of treasury shares

	Number of shares at beginning of current period (thousand)	Increase in number of shares during the current period (thousand)	Decrease in number of shares during the current period (thousand)	Number of shares at end of current period (thousand)
Issued shares				
Common stock	97,823	—	—	97,823
Total	97,823	—	—	97,823
Treasury shares				
Common stock (Notes)	6,479	0	5,089	1,390
Total	6,479	0	5,089	1,390

Notes: 1. The increase of 0 thousand shares is due to the purchase of fractional shares.

2. The decrease of 5,089 thousand shares is due to the exercise of share acquisition rights attached to zero-coupon convertible bonds.

2 Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 26, 2020	Common stock	2,740	30.00	March 31, 2020	June 29, 2020
Board of Directors' Meeting on November 6, 2020	Common stock	1,826	20.00	September 30, 2020	December 7, 2020

(2) Of the dividends whose record date falls during the fiscal year ended March 31, 2021, those of which have become effective in the fiscal year ended March 31, 2022

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 29, 2021	Common stock	2,892	Retained earnings	30.00	March 31, 2021	June 30, 2021

Fiscal year ended March 31, 2022

1 Type and total number of issued shares, and type and number of treasury shares

	Number of shares at beginning of current period (thousand)	Increase in number of shares during the current period (thousand)	Decrease in number of shares during the current period (thousand)	Number of shares at end of current period (thousand)
Issued shares				
Common stock	97,823	—	—	97,823
Total	97,823	—	—	97,823
Treasury shares				
Common stock (Notes)	1,390	1	13	1,378
Total	1,390	1	13	1,378

Notes: 1. The increase of one thousand shares is due to purchase of fractional shares.

2. The decrease of 13 thousand shares is due to disposal of treasury shares as restricted share awards.

2 Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 29, 2021	Common stock	2,892	30.00	March 31, 2021	June 30, 2021
Board of Directors' Meeting on November 8, 2021	Common stock	3,375	35.00	September 30, 2021	December 6, 2021

(2) Of the dividends whose record date falls during the fiscal year ended March 31, 2022, those of which will become effective in the fiscal year ending March 31, 2023

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 29, 2022	Common stock	3,375	Retained earnings	35.00	March 31, 2022	June 30, 2022

Notes to Consolidated Statement of Cash Flows

- *1 Reconciliation of closing balance of cash and cash equivalents and the related account on the consolidated balance sheet

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash and deposits	60,278	59,481
Securities account (certificates of deposit)	257	199
Time deposits with maturity over 3 months	(147)	(142)
Cash and cash equivalents	60,388	59,538

- *2 Breakdown of main assets and liabilities of companies that became consolidated subsidiaries through acquisition of shares during the fiscal year ended March 31, 2022

The following is a breakdown of assets and liabilities at the time FUJI MACHINE ASIA PTE. LTD. ("FMA") was first included in the scope of consolidation following the purchase of its shares, and the relationship between the acquisition price of FMA shares and "purchase of shares of subsidiaries resulting in change in scope of consolidation.

Current assets	5,008 million yen
Non-current assets	1,216
Current liabilities	(3,894)
Non-current liabilities	(81)
Goodwill	772
Subtotal	3,023
Acquisition cost of equity stake prior to obtaining control	(28)
Gain on step acquisitions	(395)
Acquisition cost of additionally acquired shares	2,600
Cash and cash equivalents of newly acquired consolidated subsidiaries	(1,251)
Net: purchase of shares of subsidiaries resulting in change in scope of consolidation	1,348

- 3 Description of significant transactions not requiring use of cash or cash equivalents
Exercise of share acquisition rights attached to zero coupon convertible bonds

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Gain on disposal of treasury shares due to exercise of share acquisition rights	1,109	—
Decline in treasury shares due to exercise of share acquisition rights	6,112	—
Decline in bonds with share acquisition rights due to exercise of share acquisition rights	7,222	—

Lease transactions

Operating lease transactions

Future lease payments to be received under non-cancellable leases of operating lease transactions

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Due within one year	12	10
Due after one year	29	19
Total	42	29

Financial Instruments

1 Matters relating to status of financial instruments

(1) Policy on financial instruments

The Group restricts its investment of funds to deposits and held-to-maturity bonds, etc., and raises funds through borrowings from financial institutions, including banks.

Derivative transactions are only used to manage the risks described below, and not for speculative purposes.

(2) Description of financial instruments and their risks, and risk management system

Notes and accounts receivable, which are trade receivables, are a source of liquidity risk. In response to this risk, the Company manages the due date and outstanding balance for each customer in line with the Group's credit risk rules and has established a system to regularly ascertain credit conditions for main customers.

Securities and investment securities are primarily bonds held to maturity and shares of companies that the Company conducts business with, and thus the Company is exposed to the risk of changes in the instrument's market price. However, the Company regularly ascertains the instruments' fair value, financial condition of issuers, and other factors.

Notes and accounts payable - trade, which are trade payables, are due within one year.

Loans payable and bonds payable are used for funding based on business plans. For long-term borrowings, derivative transactions (interest rate swaps) are used to hedge individual contracts in order to fix interest expenses and mitigate interest rate risks related to long-term borrowings.

Derivative transactions used by certain consolidated subsidiaries are forward exchange contracts for avoiding foreign currency risk related to foreign-currency-denominated operating transactions.

The execution and management of derivative transactions is conducted within the scope of actual demand in accordance with in-house rules that stipulate transaction authority, and when using derivative transactions, transactions are only conducted with financial institutions with a high credit rating in order to reduce credit risk.

In addition, while trade payables are exposed to liquidity risk, the Group manages this risk using various methods including having individual companies make monthly cashflow management plans.

2 Matters relating to the fair value of financial instruments

Amounts recorded on the consolidated balance sheet, fair values and the differences between them were as follows:

As of March 31, 2021

(Millions of yen)

	Amount recorded on the consolidated balance sheet	Fair value	Difference
Securities and investment securities (*2)			
Held-to-maturity bonds	4,600	4,596	(3)
Available-for-sale securities	24,779	24,779	—
Total assets	29,379	29,375	(3)
Derivative transactions (*3)	61	61	—

(*1) Notes on cash are omitted, and those on deposits, notes and accounts receivable – trade, and notes and accounts payable – trade are also omitted since their fair values approximate book values as they are settled in a short period of time.

(*2) The following financial instruments are not included in “securities and investment securities” because they do not have market prices and their fair values are deemed extremely difficult to determine. The amount of these financial instruments recorded on the consolidated balance sheet is as follows:

Category	As of March 31, 2021 (millions of yen)
Unlisted shares	888

(*3) Receivables and payables arising from derivatives are presented on a net basis, with net payables presented in parenthesis.

As of March 31, 2022

(Millions of yen)

	Amount recorded on the consolidated balance sheet	Fair value	Difference
Securities and investment securities (*2)			
Held-to-maturity bonds	7,980	7,973	(6)
Available-for-sale securities	18,767	18,767	—
Total assets	26,747	26,740	(6)
Derivative transactions (*3)	69	69	—

(*1) Notes on cash are omitted, and those on deposits, notes and accounts receivable – trade, and notes and accounts payable – trade are also omitted since their fair values approximate book values as they are settled in a short period of time.

(*2) Shares without a market price, etc., are not included in “securities and investment securities.” The amount of these financial instruments recorded on the consolidated balance sheet is as follows:

Category	As of March 31, 2022 (millions of yen)
Unlisted shares	1,265

(*3) Receivables and payables arising from derivatives are presented on a net basis, with net payables presented in parenthesis.

3 Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheet date
As of March 31, 2021

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Cash and deposits	60,278	—	—	—
Notes and accounts receivable – trade	36,374	—	—	—
Securities and investment securities				
Held-to-maturity bonds				
Corporate bonds	1,500	2,900	200	—
Available-for-sale securities with a maturity				
(1) Bonds (corporate bonds)	—	—	400	—
(2) Certificates of deposit	257	—	—	—
Total	98,410	2,900	600	—

As of March 31, 2022

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Cash and deposits	59,481	—	—	—
Notes and accounts receivable – trade	38,972	—	—	—
Securities and investment securities				
Held-to-maturity bonds				
Corporate bonds	7,680	—	300	—
Available-for-sale securities with a maturity				
(1) Bonds (corporate bonds)	—	100	—	—
(2) Certificates of deposit	199	—	—	—
Total	106,333	100	300	—

4 Matters pertaining to the breakdown by fair value level of financial instruments

Fair values of financial instruments are categorized into the following three levels in accordance with observability and significance of inputs used to measure fair value.

Level 1 fair value: fair value measured at (unadjusted) quoted prices for identical assets or liabilities in active markets

Level 2 fair value: fair value measured by using directly or indirectly observable inputs other than level 1 inputs

Level 3 fair value: fair value measured by using significant unobservable inputs

If multiple inputs are used that significantly affect fair value measurement, fair value is categorized into the lowest priority level in fair value measurement among levels of those inputs.

(1) Financial instruments carried at fair value on consolidated balance sheet

As of March 31, 2022

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Stock	18,461	—	—	18,461
Bonds	—	106	—	106
Derivative transactions	—	69	—	69
Total assets	18,461	176	—	18,637

(2) Financial instruments other than those carried at fair value on consolidated balance sheet

As of March 31, 2022

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity bonds	—	7,973	—	7,973
Available-for-sale securities				
Certificates of deposit	—	199	—	199
Total assets	—	8,172	—	8,172

Note: Explanation of valuation methods and inputs used to measure fair value

Securities and investment securities

Listed stocks are evaluated by using their quoted price. Since listed stocks are traded in active markets, their fair values are categorized into Level 1. Fair values of bonds, which are measured on the basis of prices obtained from a third party, are categorized into Level 2 since prices obtained used as inputs are observable inputs, and the impact of unobservable inputs is immaterial. Since certificates of deposit are settled in a short period, the fair value approximates the carrying amount, so the carrying amount is treated as the fair value. These are categorized into Level 2.

Derivative transactions

Since no publicly quoted prices exist for derivatives, which are traded over-the-counter, their fair values are measured on the basis of prices, etc. quoted by the Company's main financial institutions and thus categorized into Level 2.

Securities

1 Held-to-maturity bonds

As of March 31, 2021

(Millions of yen)

	Type	Amount recorded on the consolidated balance sheet	Fair value	Difference
Items whose fair value exceeds the amount recorded on consolidated balance sheet	Government bonds, local government bonds, etc.	—	—	—
	Corporate bonds	100	100	0
	Other	—	—	—
	Subtotal	100	100	0
Items whose fair value does not exceed the amount recorded on consolidated balance sheet	Government bonds, local government bonds, etc.	—	—	—
	Corporate bonds	4,500	4,496	(3)
	Other	—	—	—
	Subtotal	4,500	4,496	(3)
Total		4,600	4,596	(3)

As of March 31, 2022

(Millions of yen)

	Type	Amount recorded on the consolidated balance sheet	Fair value	Difference
Items whose fair value exceeds the amount recorded on consolidated balance sheet	Government bonds, local government bonds, etc.	—	—	—
	Corporate bonds	1,000	1,003	3
	Other	—	—	—
	Subtotal	1,000	1,003	3
Items whose fair value does not exceed the amount recorded on consolidated balance sheet	Government bonds, local government bonds, etc.	—	—	—
	Corporate bonds	6,980	6,969	(10)
	Other	—	—	—
	Subtotal	6,980	6,969	(10)
Total		7,980	7,973	(6)

2 Available-for-sale securities
As of March 31, 2021

(Millions of yen)

	Type	Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Items whose amount recorded on consolidated balance sheet exceeds acquisition cost	Stock	22,536	8,917	13,619
	Bonds	100	100	0
	Other	—	—	—
	Subtotal	22,636	9,017	13,619
Items whose amount recorded on consolidated balance sheet does not exceed acquisition cost	Stock	1,575	1,702	(127)
	Bonds	308	317	(9)
	Other	257	257	—
	Subtotal	2,142	2,278	(136)
Total		24,779	11,296	13,482

Note: Since unlisted shares (amount recorded on the consolidated balance sheet: ¥888 million) do not have market prices, and their future cash flows cannot be estimated, the fair value is deemed extremely difficult to determine. Therefore, they are not included.

As of March 31, 2022

(Millions of yen)

	Type	Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Items whose amount recorded on consolidated balance sheet exceeds acquisition cost	Stock	18,213	8,376	9,837
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	18,213	8,376	9,837
Items whose amount recorded on consolidated balance sheet does not exceed acquisition cost	Stock	247	303	(56)
	Bonds	106	117	(11)
	Other	199	199	—
	Subtotal	553	621	(67)
Total		18,767	8,997	9,769

Note: Unlisted shares (amount recorded on the consolidated balance sheet: ¥1,265 million) fall under shares without a market price, etc., and are thus not included.

3 Available-for-sale securities sold
Fiscal year ended March 31, 2021

(Millions of yen)

Type	Sale proceeds	Total gain on sale	Total loss on sale
Stock	2,270	1,773	0
Bonds	—	—	—
Other	—	—	—
Total	2,270	1,773	0

Fiscal year ended March 31, 2022

(Millions of yen)

Type	Sale proceeds	Total gain on sale	Total loss on sale
Stock	3,291	1,455	93
Bonds	—	—	—
Other	—	—	—
Total	3,291	1,455	93

4 Securities for which impairment losses were recorded

For the fiscal year ended March 31, 2021, impairment losses of ¥38 million were recorded for securities (¥38 million for shares with fair values that are available-for-sale securities).

For the fiscal year ended March 31, 2022, impairment losses of ¥32 million were recorded for securities (¥32 million for securities other than shares without a market price, etc., that are available-for-sale securities).

For securities other than shares without a market price, etc., that are available-for-sale securities, if the fair value of a particular stock declines 30% or more compared to its acquisition cost, a decision is made whether it is necessary to record impairment losses based on the possibility the price will recover. Furthermore, for shares without a market price, etc., that are available-for-sale securities, in principle, impairment losses are recorded if their actual price declines more than 50% compared to acquisition cost.

Derivatives

Derivative transactions for which hedge accounting is applied

Currency-related

As of March 31, 2021

(Millions of yen)

Hedge accounting method	Type of transaction	Main hedged items	Transaction amount	Portion of transaction amount due after one year	Fair value
Appropriation treatment (<i>furiate-shori</i>) of forward exchange contracts, etc.	Forward exchange contracts				
	Short position				
	U.S. dollars	Accounts receivable - trade	2,644	—	61
Total			2,644	—	61

As of March 31, 2022

(Millions of yen)

Hedge accounting method	Type of transaction	Main hedged items	Transaction amount	Portion of transaction amount due after one year	Fair value
Appropriation treatment (<i>furiate-shori</i>) of forward exchange contracts, etc.	Forward exchange contracts				
	Short position				
	U.S. dollars	Accounts receivable - trade	638	—	76
	Japanese yen	Accounts receivable - trade	147	—	1
	Thai baht	Accounts receivable - trade	289	—	(7)
	Long position				
	Thai baht	Accounts payable - trade	24	—	0
Total			1,099	—	69

Retirement benefits

1 Overview of retirement benefit plans adopted

The Company provides a defined contribution pension plan and a defined benefit corporate pension plan. Additionally, certain Japanese consolidated subsidiaries provide access to the Smaller Enterprise Retirement Allowance Mutual Aid Scheme or provide a lump-sum retirement benefit plan and defined benefit corporate pension plan, while certain consolidated subsidiaries provide a defined contribution pension plan or lump-sum retirement benefit plan.

For access to the Smaller Enterprise Retirement Allowance Mutual Aid Scheme or for lump-sum retirement benefit plans and defined benefit pension plans, retirement benefit liability and retirement benefit expenses are calculated by the simplified method.

Defined benefit pension plans provided by the Company and certain Japanese consolidated subsidiaries and the Smaller Enterprise Retirement Allowance Mutual Aid Scheme are funded plans while lump-sum retirement benefit plans are unfunded plans.

2 Defined benefit plans (excluding plans for which the simplified method has been applied)

(1) Changes in retirement benefit obligations

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Balance of retirement benefit obligations at beginning of period	9,706	10,111
Service cost	728	737
Interest cost	9	10
Actuarial gains and losses accrued	(14)	(118)
Retirement benefits paid	(318)	(360)
Increase in number of consolidated subsidiaries	—	34
Balance of retirement benefit obligations at end of period	10,111	10,415

(2) Changes in plan assets

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Balance of plan assets at beginning of period	9,666	11,999
Expected return on plan assets	270	335
Actuarial gains and losses accrued	1,055	(3)
Contribution from employer	1,325	748
Retirement benefits paid	(318)	(359)
Balance of plan assets at end of period	11,999	12,722

(3) Reconciliation between ending balance of retirement benefit obligations and plan assets, and retirement benefit liability/asset recorded in the consolidated balance sheet

(Millions of yen)		
	As of March 31, 2021	As of March 31, 2022
Retirement benefit obligations of funded plans	10,111	10,373
Plan assets	(11,999)	(12,722)
	(1,888)	(2,348)
Retirement benefit obligations of unfunded plans	—	42
	(1,888)	(2,306)
Retirement benefit liability	—	42
Retirement benefit asset	(1,888)	(2,348)
Net amount of liabilities and assets recorded in the consolidated balance sheet	(1,888)	(2,306)

(4) Amounts of retirement benefit expenses and their components

(Millions of yen)		
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Service cost	728	737
Interest cost	9	10
Expected return on plan assets	(270)	(335)
Amortization of actuarial gains and losses	531	(1,067)
Retirement benefit expenses for defined benefit plans	998	(655)

(5) Remeasurements of defined benefit plans, net of tax

The components of remeasurements of defined benefit plans, net of tax, (before deduction of tax effects) are as follows:

(Millions of yen)		
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Actuarial gains and losses	(1,601)	952
Total	(1,601)	952

(6) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

(Millions of yen)		
	As of March 31, 2021	As of March 31, 2022
Unrecognized actuarial gains and losses	(1,069)	(116)
Total	(1,069)	(116)

(7) Plan assets

(i) Major components of plan assets

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Bonds	5,350	3,613
Stock	4,012	5,791
Short-term funds	168	270
Insurance assets	1,067	1,115
Other	1,401	1,930
Total	11,999	12,722

(ii) Method for setting the long-term expected rate of return on plan assets

To determine the long-term expected rate of return on plan assets, the Company takes into account current and expected allocation of plan assets, and current and long-term expected rate of return on various types of assets constituting plan assets.

(8) Actuarial assumptions

Major actuarial assumptions (shown as weighted averages)

	As of March 31, 2021	As of March 31, 2022
Discount rate	0.1%	0.2%
Long-term expected rate of return	2.8%	2.8%

For salary increase rates, an age-based salary increase index, calculated with March 31, 2018, as the base date, has been used.

3 Defined benefit plans for which the simplified method has been applied

(1) Changes in retirement benefit liability for plans for which the simplified method has been applied.

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Retirement benefit liability balance at beginning of period	298	251
Retirement benefit expenses	56	127
Retirement benefits paid	(17)	(16)
Contribution to plans	(85)	(91)
Retirement benefit liability balance at end of period	251	270

(2) Reconciliation between ending balance of retirement benefit obligations and plan assets, and retirement benefit liability/asset recorded in the consolidated balance sheet

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Retirement benefit obligations of funded plans	1,701	1,712
Plan assets	(1,647)	(1,664)
	53	48
Retirement benefit obligations of unfunded plans	198	222
Net amount of liabilities and assets recorded in the consolidated balance sheet	251	270
Retirement benefit liability	254	284
Retirement benefit asset	(2)	(13)
Net amount of liabilities and assets recorded in the consolidated balance sheet	251	270

(3) Retirement benefit expenses

Retirement benefit expenses calculated using the simplified method	Fiscal year ended March 31, 2021: ¥56 million
	Fiscal year ended March 31, 2022: ¥127 million

4 Defined contribution plans

The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries were ¥223 million as of March 31, 2021 and ¥230 million as of March 31, 2022.

Tax effect accounting

1 Breakdown of deferred tax assets and deferred tax liabilities by main cause

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Deferred tax assets		
Unrealized income on inventories	979	1,746
Loss on valuation of inventories	1,115	1,303
Accrued expenses	1,052	1,097
Impairment losses	509	867
Loss on valuation of investment securities	425	407
Enterprise tax payable	313	316
Excess amount of depreciation	107	256
Provision for product warranties	276	229
Retirement benefit liability	81	97
Other	151	214
Deferred tax assets subtotal	5,010	6,537
Valuation reserve	(767)	(807)
Deferred tax assets total	4,242	5,729
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(3,758)	(2,651)
Valuation difference on fair value of consolidated subsidiaries	(1,349)	(1,198)
Retirement benefit asset	(578)	(722)
Retained earnings of overseas subsidiaries	(128)	(98)
Other	(118)	(151)
Deferred tax liabilities total	(5,933)	(4,822)
Deferred tax assets (liabilities), net	(1,690)	907

2 Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

	As of March 31, 2021	As of March 31, 2022
Statutory effective tax rate	30.6%	The difference between the statutory effective tax rate and the effective rate of income taxes after application of tax effect accounting is within 5% of the statutory effective tax rate, and thus the note has been omitted.
(Adjustments)		
Income not taxable permanently, such as dividend income	(0.2)	
Valuation reserve	(0.2)	
Tax credits	(2.9)	
Amortization of goodwill	1.2	
Differences in tax rates of consolidated subsidiaries	0.4	
Other	(0.3)	
Effective rate of income taxes after application of tax effect accounting	28.6	

Business combinations

Business combinations through acquisition

1 Summary of the business combination

(1) Name of the acquired company and description of business

Name of the acquired company FUJI MACHINE ASIA PTE. LTD.

Description of business Sales of robotic mounters

(2) Main reason for the business combination

The market for surface mount technology (SMT) in Southeast Asia is the third largest in the world after Greater China and Europe and it is expected to continue growing in the future. FUJI MACHINE ASIA PTE. LTD. ("FMA") has been selling the Company's products and providing services in the region for many years.

The Company believes that making FMA a subsidiary under the direct management of the Company will enhance its sales and service provision capabilities leading to the further growth of its market share in Southeast Asia, so it has concluded a share transfer agreement.

(3) Date of the business combination

July 12, 2021 (share acquisition date)

July 1, 2021 (deemed acquisition date)

(4) Legal form of the business combination

Acquisition of shares with cash as the consideration

(5) Name of the company following the business combination

No change.

(6) Percentage of voting rights acquired

Voting rights before the acquisition 14.0%

Additional voting rights acquired on the date of the business combination 86.0%

Percentage of voting rights after the acquisition 100.0%

(7) Main grounds for determining the acquiring company

The Company has acquired shares of FMA with cash as the consideration to make it a fully consolidated subsidiary.

2 Financial results period of the acquired company included in consolidated financial statements

July 1, 2021 to December 31, 2021

3 Acquisition costs of the acquired company and breakdown by type of consideration

Consideration for the acquisition	Fair value of shares held directly prior to the business combination on the date of the business combination	¥423 million
	Fair value of additional shares acquired on the date of the business combination	2,600
Acquisition cost		3,023

4 Description and amount of major costs related to the acquisition

Advisory fee, etc. ¥44 million

5 Difference between the acquisition cost of the acquired company and the total amount of the acquisition costs of each transaction incurred in order to implement the acquisition

Gain on step acquisitions ¥395 million

6 Amount of goodwill generated, cause of generation, and method and period of amortization

(1) Amount of goodwill generated

¥772 million

(2) Cause of generation

Primarily excess earning capabilities based on financial results forecasts.

(3) Method and period of amortization

The straight-line method over a period of four years

7 Amount of assets acquired and liabilities assumed on the date of the business combination and breakdown by main items

Current assets	¥5,008 million
Non-current assets	1,216
Total assets	6,225
Current liabilities	3,894
Non-current liabilities	81
Total liabilities	3,975

8 Estimated amount and calculation method of impact on the consolidated statement of income for the fiscal year ended March 31, 2022, assuming that the business combination was completed on the first day of the fiscal year of the Group

Net sales	¥5,206 million
Operating profit	106
Ordinary profit	160
Profit before income taxes	162
Profit attributable to owners of parent	76
Profit per share	¥0.80

Method for calculating the estimated amount

The estimated amount of impact is the difference between the net sales and profit and loss information for FMA from January 1, 2021 to December 31, 2021, calculated based on the assumption that the business combination was completed on the first day of the fiscal year of the Group, and the net sales and profit and loss information in the consolidated statement of income of the acquiring company.

A certification of audit has not been received for this note.

Common control transactions

Acquisition of additional stakes in subsidiaries

1 Summary of the transaction

(1) Name of the company subject to business combination and description of business

Name of the company subject to business combination Fuji Do Brasil Maquinas Industriais Ltda.

Description of business Sales of robotic mounters

(2) Date of the business combination

July 12, 2021 (stake acquisition date)

July 1, 2021 (deemed acquisition date)

(3) Legal form of the business combination

Acquisition of stake from a non-controlling interest

(4) Name of the company following the business combination

No change.

(5) Percentage of voting rights acquired

Voting rights before the acquisition 60.0%

Additional voting rights acquired on the date of the business combination 35.0%

Percentage of voting rights after the acquisition 95.0%

(6) Other items relevant to the summary of the transaction

This acquisition of additional stake was implemented for the purpose of strengthening the Group's management structure.

2 Summary of the applied accounting treatment

This has been treated as a transaction with a non-controlling interest within common control transactions, etc., based on the Accounting Standard for Business Combinations and Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.

3 Matters relating to the acquisition of additional stake in subsidiary

Acquisition costs and breakdown by type of consideration

Consideration for the acquisition	Cash	¥195 million
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4 Matters concerning change in the Company's ownership interest due to transactions with non-controlling interests

(1) Main causes of change in capital surplus

Acquisition of additional stakes in subsidiaries

(2) Amount of increase in capital surplus due to transactions with non-controlling interests

¥23 million

Revenue recognition

1 Information on disaggregation of revenue from contracts with customers

Fiscal year ended March 31, 2022

(Millions of yen)

Name of segment	Japan	China	Rest of Asia	U.S.	North America (excl. U.S.)	Europe	Other	Total
Robotic Solutions	9,751	69,272	25,531	11,932	3,818	14,473	2,083	136,863
Machine Tools	3,343	1,419	502	1,381	1,210	199	48	8,106
Reportable segments total	13,095	70,691	26,034	13,314	5,028	14,672	2,131	144,969
Other	3,148	2	7	—	—	—	—	3,159
Total	16,244	70,694	26,041	13,314	5,028	14,672	2,131	148,128
Ratio (%)	11.0	47.7	17.6	9.0	3.4	9.9	1.4	100.0

Note: Net sales are based on the locations of customers and classified by country or region.

2 Information that serves as a basis for understanding revenues arising from contracts with customers

Information that serves as a basis for understanding revenues arising from contracts with customers is as described in “Financial Information, Consolidated Financial Statements and Other Information, (1) Consolidated Financial Statements, Notes to the Consolidated Financial Statements, Basis of Preparation of Consolidated Financial Statements, (5) Standards for recording significant revenues and expenses.”

3 Information regarding the relationship between the fulfillment of performance obligations based on contracts with customers and the cash flow generated by these contracts and the amount and timing of revenues expected to be recognized in the fiscal year ending March 31, 2023 onward arising from contracts with customers that are current as of March 31, 2022

(i) Balance of contract assets and contract liabilities, etc.

Contract liabilities mainly represent consideration received from customers in advance of delivery of products and included in Other under Current liabilities in the Consolidated Balance Sheet. Receivables from contracts with customers are represented as notes and accounts receivable – trade in the Consolidated Balance Sheet.

Balances of contract liabilities from contract with customers at the beginning and the end of the period are as follows:

(Millions of yen)

Contract liabilities	Fiscal year ended March 31, 2022
Balance at beginning of period	3,372
Balance at end of period	5,002

The balance of contract liabilities at the beginning of the fiscal year ended March 31, 2022 was mostly recognized as revenue during the fiscal year ended March 31, 2022.

(ii) Transaction price allocated to remaining performance obligations

Since the Group does not have any important transactions with an initial forecast contract period exceeding one year, information related to remaining performance obligations has been omitted as a practical expedient.

Consideration arising from contracts with customers does not include any amount not included in the transaction price.

Segment information, etc.

Segment information

1 Summary of reportable segments

Of the units that comprise the Group, financial information is available for each segment and is subject to periodic reviews by the Company's Board of Directors for determination of the allocation of management resources and for evaluation of operating performance.

The Group operates separate divisions based on the type of product and service provided, and each of the divisions plans comprehensive domestic and international strategies for its products and services and is engaged in developing its respective business activities.

Thus, the Group has two reportable segments based on the two main types of products and services offered: Robotic Solutions and Machine Tools business.

In the Robotic Solutions business, we mainly produce robotic mounters. In the Machine Tools business, we mainly produce machine tools.

2 Methods for calculating the amount of net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting method for the reported business segments is the same as those for the preparation of consolidated financial statements.

Profit of reportable segments is based on operating profit.

Inter-segment sales or transfers are based on current market prices.

3 Information on the amount of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments			Other (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	125,569	7,866	133,436	2,725	136,161
Inter-segment sales or transfers	10	—	10	170	181
Total	125,580	7,866	133,446	2,896	136,343
Segment profit (loss)	26,307	(1,324)	24,982	(3)	24,978
Segment assets	139,491	12,979	152,470	3,141	155,611
Other items					
Depreciation	6,348	681	7,029	110	7,140
Increase in property, plant and equipment and intangible assets	7,301	397	7,699	95	7,795

Note: "Other" includes business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, electronic equipment, and image processing development.

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments			Other (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	136,863	8,106	144,969	3,159	148,128
Inter-segment sales or transfers	12	—	12	184	197
Total	136,875	8,106	144,982	3,343	148,325
Segment profit (loss)	32,617	(852)	31,765	68	31,833
Segment assets	154,521	16,465	170,986	3,131	174,118
Other items					
Depreciation	7,279	529	7,809	102	7,911
Increase in property, plant and equipment and intangible assets	9,030	2,113	11,143	161	11,305

Note: "Other" includes business activities that do not fit into the main two reportable segments. This includes the manufacture of control equipment, electronic equipment, and image processing development.

- 4 Difference between the aggregate amount of a reportable segment and the amount posted in the consolidated financial statements and major descriptions of such difference (difference adjustments and related matters)

(Millions of yen)

Profit	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Reportable segments total	24,982	31,765
Profit (loss) in Other	(3)	68
Inter-segment transaction eliminations	9	9
Corporate expenses (Note)	(3,083)	(3,370)
Operating profit in the consolidated financial statements	21,904	28,472

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

(Millions of yen)

Assets	As of March 31, 2021	As of March 31, 2022
Reportable segments total	152,470	170,986
Assets in Other	3,141	3,131
Inter-segment transaction eliminations	(24)	(17)
Corporate assets (Note)	69,083	69,209
Total assets in the consolidated financial statements	224,671	243,310

Note: Corporate assets mainly consist of surplus funds (cash and deposits), long-term investments (investment securities), assets related to Technological Research and Administration Divisions and other assets, which are not attributable to the reportable segments.

(Millions of yen)

Other items	Reportable segments total		Other		Adjustments (Note)		Consolidated financial statement amounts	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Depreciation	7,029	7,809	110	102	133	133	7,273	8,045
Increase in property, plant and equipment and intangible assets	7,699	11,143	95	161	61	137	7,856	11,442

Note: Adjustments are attributable to items related to Technological Research and Administration Divisions.

Related information

Fiscal year ended March 31, 2021

1 Information about products and services

The information is omitted because the same information is disclosed in "Segment Information."

2 Information about geographical areas

(1) Net sales

	Japan	China	Rest of Asia	U.S.	North America (excl. U.S.)	Europe	Other	Total
Net sales (millions of yen)	13,654	71,754	30,276	7,390	1,653	9,840	1,591	136,161
Ratio (%)	10.0	52.7	22.3	5.4	1.2	7.2	1.2	100.0

Note: Net sales are based on the locations of customers and classified by country or region.

(2) Property, plant and equipment

	Japan	China	U.S.	Europe	Other	Total
Property, plant and equipment (millions of yen)	21,389	729	955	1,153	113	24,342
Ratio (%)	87.9	3.0	3.9	4.7	0.5	100.0

3 Information about main customers

(Millions of yen)

Name of customer	Net sales	Applicable segment
American Tec. Co., Ltd. (China)	25,718	Robotic Solutions

Fiscal year ended March 31, 2022

1 Information about products and services

The information is omitted because the same information is disclosed in "Segment Information."

2 Information about geographical areas

(1) Net sales

The same information is described in “Financial Information, Consolidated Financial Statements and Other Information, (1) Consolidated Financial Statements, Notes to the Consolidated Financial Statements, Revenue recognition, 1. Information on disaggregation of revenue from contracts with customers” and so has been omitted here.

(2) Property, plant and equipment

	Japan	China	U.S.	Europe	Other	Total
Property, plant and equipment (millions of yen)	23,101	773	965	1,176	320	26,337
Ratio (%)	87.7	2.9	3.7	4.5	1.2	100.0

3 Information about main customers

Name of customer	Net sales	Applicable segment
American Tec. Co., Ltd. (China)	24,447	Robotic Solutions

Information about impairment loss of non-current assets by reportable segment

Fiscal year ended March 31, 2021

Although impairment losses of ¥828 million in the Machine Tools business were recorded as extraordinary losses, the Group's segment profit results are based on operating profit so they were not allocated to reportable segments.

Fiscal year ended March 31, 2022

Although impairment losses of ¥1,478 million in the Machine Tools business were recorded as extraordinary losses, the Group's segment profit results are based on operating profit so they were not allocated to reportable segments.

Information about amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2021

(Millions of yen)

	Robotic Solutions	Machine Tools	Other	Unallocated amounts and elimination	Total
Amortization in the period	951	—	—	—	951
Balance at end of period	11,893	—	—	—	11,893

Fiscal year ended March 31, 2022

(Millions of yen)

	Robotic Solutions	Machine Tools	Other	Unallocated amounts and elimination	Total
Amortization in the period	1,048	—	—	—	1,048
Balance at end of period	11,642	—	—	—	11,642

Information about gain on bargain purchase by reportable segment

Fiscal year ended March 31, 2021

Not applicable

Fiscal year ended March 31, 2022

Not applicable

Related party information

Fiscal year ended March 31, 2021

Not applicable

Fiscal year ended March 31, 2022

Not applicable

Per share information

(Yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	2,014.41	2,163.55
Profit per share	184.26	219.70
Diluted profit per share	177.80	—

Notes: 1. The amount of diluted profit per share in the fiscal year ended March 31, 2022 is not provided because there are no potential shares.

2. The basis for calculation of the profit per share and diluted profit per share is as follows:

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit per share		
Profit attributable to owners of parent (millions of yen)	17,167	21,188
Profit not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent attributable to common stock (millions of yen)	17,167	21,188
Average number of shares during the period (shares)	93,171,667	96,442,075
Diluted profit per share		
Adjustment to profit attributable to owners of parent (millions of yen)	(3)	—
[Of which, the amount of interest expenses (after deduction of an amount equivalent to tax) (millions of yen)]	[(3)]	[—]
Increase in the number of common shares (shares)	3,363,441	—
[Of which, the number of zero coupon convertible bonds (shares)]	[3,363,441]	[—]

Important subsequent events

Not applicable

