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Fiscal year:	78th Business Period (from April 1, 2023 to March 31, 2024)
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Company name in English:	FUJI CORPORATION
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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, 2023 to March 31, 2024) and financial statements (April 1, 2023 to March 31, 2024) 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	59,784	61,812
Notes and accounts receivable - trade	* ₁ 42,089	* ₁ , * ₂ 32,207
Securities	4,338	2,835
Merchandise and finished goods	16,084	12,779
Work in process	27,124	28,933
Raw materials and supplies	18,638	15,404
Other	8,797	7,601
Allowance for doubtful accounts	(106)	(139)
Total current assets	176,750	161,436
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,801	37,112
Accumulated depreciation and impairment	(20,286)	(20,905)
Buildings and structures, net	14,515	16,207
Machinery, equipment and vehicles	22,415	24,705
Accumulated depreciation and impairment	(16,805)	(17,970)
Machinery, equipment and vehicles, net	5,609	6,735
Tools, furniture and fixtures	11,089	11,714
Accumulated depreciation and impairment	(9,833)	(10,407)
Tools, furniture and fixtures, net	1,256	1,306
Land	5,692	5,763
Construction in progress	1,197	3,685
Total property, plant and equipment	28,271	33,697
Intangible assets		
Goodwill	10,570	9,417
Software	9,160	10,088
Other	4,539	4,077
Total intangible assets	24,269	23,584
Investments and other assets		
Investment securities	19,848	25,923
Deferred tax assets	1,738	1,029
Retirement benefit asset	2,500	4,504
Other	787	761
Total investments and other assets	24,875	32,219
Total non-current assets	77,416	89,501
Total assets	254,167	250,937

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,084	6,110
Income taxes payable	3,825	589
Provision for product warranties	1,016	632
Other	13,643	11,074
Total current liabilities	27,569	18,406
Non-current liabilities		
Deferred tax liabilities	970	3,623
Retirement benefit liability	348	374
Other	174	254
Total non-current liabilities	1,493	4,252
Total liabilities	29,062	22,659
Net assets		
Shareholders' equity		
Share capital	5,878	5,878
Capital surplus	7,099	7,109
Retained earnings	198,521	201,332
Treasury shares	(1,625)	(11,029)
Total shareholders' equity	209,873	203,291
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,672	11,759
Deferred gains or losses on hedges	1	(1)
Foreign currency translation adjustment	7,585	12,035
Remeasurements of defined benefit plans	(145)	1,079
Total accumulated other comprehensive income	15,114	24,871
Non-controlling interests	116	114
Total net assets	225,104	228,278
Total liabilities and net assets	254,167	250,937

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	153,326	127,059
Cost of sales	* ₁ 92,673	* ₁ 80,823
Gross profit	60,652	46,236
Selling, general and administrative expenses	* ₂ , * ₃ 33,544	* ₂ , * ₃ 32,814
Operating profit	27,108	13,421
Non-operating income		
Interest income	196	431
Dividend income	569	493
Rental income	37	71
Foreign exchange gains	982	460
Miscellaneous income	243	193
Total non-operating income	2,030	1,650
Non-operating expenses		
Interest expenses	6	29
Commission expenses	60	14
Donations	26	15
Miscellaneous expenses	28	2
Total non-operating expenses	122	62
Ordinary profit	29,016	15,010
Extraordinary income		
Gain on disposal of non-current assets	* ₄ 19	* ₄ 14
Gain on sales of investment securities	679	366
Subsidy income	163	—
Total extraordinary income	862	380
Extraordinary losses		
Loss on disposal of non-current assets	* ₅ 262	* ₅ 335
Impairment losses	* ₆ 243	* ₆ 36
Other	50	1
Total extraordinary losses	556	373
Profit before income taxes	29,322	15,018
Income taxes - current	8,740	3,460
Income taxes - deferred	135	1,127
Total income taxes	8,875	4,588
Profit	20,446	10,429
Loss attributable to non-controlling interests	(7)	(8)
Profit attributable to owners of parent	20,454	10,438

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	20,446	10,429
Other comprehensive income		
Valuation difference on available-for-sale securities	510	4,086
Deferred gains or losses on hedges	(54)	(2)
Foreign currency translation adjustment	2,825	4,457
Remeasurements of defined benefit plans, net of tax	(226)	1,224
Total other comprehensive income	*3,055	*9,765
Comprehensive income	23,502	20,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,503	20,195
Comprehensive income attributable to non-controlling interests	(1)	(1)

(iii) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,878	7,077	185,301	(1,657)	196,600
Changes during period					
Dividends of surplus			(7,234)		(7,234)
Profit attributable to owners of parent			20,454		20,454
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		21		32	54
Net changes in items other than shareholders' equity					
Total changes during period	—	21	13,220	31	13,273
Balance at end of period	5,878	7,099	198,521	(1,625)	209,873

	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	7,162	55	4,766	80	12,065	117	208,782
Changes during period							
Dividends of surplus							(7,234)
Profit attributable to owners of parent							20,454
Purchase of treasury shares							(1)
Disposal of treasury shares							54
Net changes in items other than shareholders' equity	510	(54)	2,819	(226)	3,048	(1)	3,047
Total changes during period	510	(54)	2,819	(226)	3,048	(1)	16,321
Balance at end of period	7,672	1	7,585	(145)	15,114	116	225,104

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,878	7,099	198,521	(1,625)	209,873
Changes during period					
Dividends of surplus			(7,627)		(7,627)
Profit attributable to owners of parent			10,438		10,438
Purchase of treasury shares				(9,427)	(9,427)
Disposal of treasury shares		10		24	34
Net changes in items other than shareholders' equity					
Total changes during period	—	10	2,810	(9,403)	(6,582)
Balance at end of period	5,878	7,109	201,332	(11,029)	203,291

	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	7,672	1	7,585	(145)	15,114	116	225,104
Changes during period							
Dividends of surplus							(7,627)
Profit attributable to owners of parent							10,438
Purchase of treasury shares							(9,427)
Disposal of treasury shares							34
Net changes in items other than shareholders' equity	4,086	(2)	4,449	1,224	9,757	(1)	9,756
Total changes during period	4,086	(2)	4,449	1,224	9,757	(1)	3,174
Balance at end of period	11,759	(1)	12,035	1,079	24,871	114	228,278

(iv) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	29,322	15,018
Depreciation	8,605	8,433
Impairment losses	243	36
Amortization of goodwill	1,175	1,197
Increase (decrease) in provision for product warranties	196	(398)
Increase or decrease in retirement benefit asset and liability	(449)	(218)
Interest and dividend income	(765)	(924)
Interest expenses	6	29
Loss (gain) on disposal of non-current assets	242	321
Loss (gain) on sales of investment securities	(679)	(366)
Decrease (increase) in trade receivables	(2,124)	11,765
Decrease (increase) in inventories	(9,034)	6,672
Increase (decrease) in trade payables	(4,381)	(4,429)
Other, net	815	(371)
Subtotal	23,172	36,763
Interest and dividends received	660	926
Interest paid	(6)	(29)
Income taxes paid	(10,831)	(7,472)
Net cash provided by (used in) operating activities	12,994	30,187
Cash flows from investing activities		
Purchase of securities	(3,100)	—
Proceeds from redemption of securities	8,680	4,000
Purchase of property, plant and equipment and intangible assets	(10,792)	(14,642)
Proceeds from sale of property, plant and equipment and intangible assets	28	14
Purchase of investment securities	(2,231)	(2,165)
Proceeds from sale of investment securities	2,079	446
Payments into time deposits	(127)	(132)
Proceeds from withdrawal of time deposits	78	122
Purchase of long-term prepaid expenses	(361)	(73)
Other, net	(32)	63
Net cash provided by (used in) investing activities	(5,779)	(12,366)
Cash flows from financing activities		
Dividends paid	(7,230)	(7,629)
Dividends paid to previous shareholders of new subsidiaries	(658)	—
Purchase of treasury shares	(1)	(9,427)
Proceeds from sale of treasury shares	19	—
Other, net	(80)	(92)
Net cash provided by (used in) financing activities	(7,951)	(17,148)
Effect of exchange rate change on cash and cash equivalents	1,179	1,812
Net increase (decrease) in cash and cash equivalents	444	2,484
Cash and cash equivalents at beginning of period	59,538	59,982
Cash and cash equivalents at end of period	*59,982	*62,466

Notes to the Consolidated Financial Statements

Basis of Preparation of Consolidated Financial Statements

1 Scope of consolidation

Number of consolidated subsidiaries: 17 companies

Names of major consolidated subsidiaries:

The information has been omitted.

The group newly established one subsidiary and began to include it in the scope of consolidation in the fiscal year ended March 31, 2024.

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, plus an estimated amount for individual projects where the amount is significant, are 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

1 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, 2023	As of March 31, 2024
Goodwill	9,990	9,038

(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, 2024

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 ¥9,038 million.

The Group uses FFT's profit and loss results and business plans to determine whether there are any indications of impairment. If there is an indication of impairment, a determination is made as to whether an impairment loss should be recognized, however, no indications of impairment were identified for the above goodwill during the fiscal year under review. Therefore, the Company has determined that the value of the goodwill is not impaired.

- Impact on consolidated financial statements for the fiscal year ending March 31, 2025

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, 2024.

2 Inventory valuation

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

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Merchandise and finished goods	16,084	12,779
Work in process	27,124	28,933
Raw materials and supplies	18,638	15,404
Total	61,846	57,118

(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, 2024

We evaluate inventories by devaluing the book value of inventories based on the decline in profitability, and when the net selling value or replacement cost at the end of the consolidated fiscal year is lower than the acquisition cost, the inventories are evaluated at the net selling value or replacement cost. In addition, inventories that have been removed from the operating cycle process are regularly devalued to reflect the fact that their profitability has declined, or to their estimated disposal value.

The calculation of net selling value is estimated based on order value or actual sales of the same model, and identification of whether inventories are in the operating cycle process is also based on the length of retention and anticipated sales or use.

- Impact on consolidated financial statements for the fiscal year ending March 31, 2025

When changes in the external environment, such as sales trends and customers' capital investment trends, cause a significant decline in the profitability of inventory holdings, it may have a significant impact on the consolidated financial statements for the following fiscal year.

Changes in presentation methods

(Consolidated Statements of Cash Flows)

"Purchase of treasury shares" included in "Other, net" under "Cash flows from financing activities" for the previous fiscal year, is presented separately from the fiscal year ended March 31, 2024, since significance of the amount increased. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation method.

As a result, ¥(81) million presented in "Other, net" under "Cash flows from financing activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified into ¥(1) million in "Purchase of treasury shares" and ¥(80) million in "Other, net."

Notes to Consolidated Balance Sheet

*1 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, 2023	As of March 31, 2024
Notes receivable - trade	1,460	1,238
Accounts receivable - trade	40,629	30,968

*2 Notes maturing at end of current fiscal year

Accounting treatment for notes maturing at the end of the period is settled on the date of exchange. Since the last day of the consolidated fiscal year was a holiday for financial institutions, the following notes maturing at the end of the period are included in the balance at the end of the fiscal year.

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Notes receivable - trade	—	61

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, 2023	Fiscal year ended March 31, 2024
	1,014	235

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

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Retirement benefit expenses	230	323
Provision for product warranties	566	466
Provision of allowance for doubtful accounts	57	28
Employees' salaries	8,415	9,049
Depreciation	2,318	1,558
Research and development expenses	8,611	8,228

*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, 2023	Fiscal year ended March 31, 2024
	8,611	8,228

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

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Machinery, equipment and vehicles (sale)	9	4
Land (sale)	10	—
Other (sale)	0	9
Total	19	14

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Buildings and structures (disposal)	71	187
Machinery, equipment and vehicles (disposal)	128	93
Machinery, equipment and vehicles (sale)	0	2
Other (disposal)	61	50
Other (sale)	—	0
Total	262	335

*6 Impairment losses

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

Fiscal year ended March 31, 2023

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

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 (¥243 million) under extraordinary losses.

The impairment losses consist mainly of machinery and equipment of ¥143 million, tools, furniture and fixtures of ¥45 million, and software of ¥45 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.

Fiscal year ended March 31, 2024

Location	Use	Type
Toyohashi, Aichi	Production facilities for Others business located at EDEC LINSEY SYSTEM Co., Ltd.	Software Tools, furniture and fixtures
Chiryu, Aichi	Production facilities for FUJI LINEAR CORPORATION	Machinery and equipment, etc.

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 Others business of EDEC LINSEY SYSTEM Co., Ltd. and FUJI LINEAR CORPORATION continued to record operating losses, and as the outlooks for recovery of those businesses were uncertain, the Group wrote down the book values of the non-current assets grouped for the respective businesses to their recoverable amounts and recorded the decreases as impairment losses (¥36 million) under extraordinary losses.

The impairment losses consist mainly of software of ¥17 million, tools, furniture and fixtures of ¥10 million, and machinery, equipment of ¥6 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, 2023	Fiscal year ended March 31, 2024
Valuation difference on available-for-sale securities:		
Amount arising during the period	1,404	6,251
Reclassification adjustments	(679)	(366)
Before tax effect adjustments	725	5,884
Tax effect	(215)	(1,798)
Valuation difference on available-for-sale securities	510	4,086
Deferred gains or losses on hedges:		
Amount arising during the period	(77)	(4)
Tax effect	23	1
Deferred gains or losses on hedges	(54)	(2)
Foreign currency translation adjustment:		
Amount arising during the period	2,825	4,457
Remeasurements of defined benefit plans, net of tax:		
Amount arising during the period	(209)	1,555
Reclassification adjustments	(116)	209
Before tax effect adjustments	(326)	1,764
Tax effect	99	(539)
Remeasurements of defined benefit plans, net of tax	(226)	1,224
Total other comprehensive income	3,055	9,765

Notes to Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2023

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)	1,378	0	27	1,351
Total	1,378	0	27	1,351

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

2. The decrease of 27 thousand shares is due to the decrease of 16 thousand shares from the disposal of treasury shares as restricted stock awards and the decrease of 10 thousand shares from the allocation of treasury shares to a third party.

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, 2022	Common stock	3,375	35.00	March 31, 2022	June 30, 2022
Board of Directors' Meeting on November 7, 2022	Common stock	3,858	40.00	September 30, 2022	December 5, 2022

(2) Of the dividends whose record date falls during the fiscal year ended March 31, 2023, those of which have become effective in the fiscal year ended March 31, 2024

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, 2023	Common stock	3,858	Retained earnings	40.00	March 31, 2023	June 30, 2023

Fiscal year ended March 31, 2024

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)	1,351	3,874	13	5,212
Total	1,351	3,874	13	5,212

Notes: 1. The increase of 3,874 thousand shares is due to the increase of 3,874 thousand shares from the purchase of treasury shares based on a resolution of the Board of Directors and the increase of 0 thousand shares from the purchase of fractional shares.

2. The decrease of 13 thousand shares is due to the 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, 2023	Common stock	3,858	40.00	March 31, 2023	June 30, 2023
Board of Directors' Meeting on November 2, 2023	Common stock	3,769	40.00	September 30, 2023	December 4, 2023

(2) Of the dividends whose record date falls during the fiscal year ended March 31, 2024, those of which will become effective in the fiscal year ending March 31, 2025

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 27, 2024	Common stock	3,704	Retained earnings	40.00	March 31, 2024	June 28, 2024

Notes to Consolidated Statement of Cash Flows

* 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, 2023	Fiscal year ended March 31, 2024
Cash and deposits	59,784	61,812
Securities account (certificates of deposit)	338	735
Time deposits with maturity over 3 months	(141)	(81)
Cash and cash equivalents	59,982	62,466

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, 2023	As of March 31, 2024
Due within one year	8	12
Due after one year	17	34
Total	26	46

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.

Long-term deposits are deposits with early termination clauses (callable deposits), etc.

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, 2023

(Millions of yen)

	Amount recorded on the consolidated balance sheet	Fair value	Difference
Securities and investment securities (*2)			
Held-to-maturity bonds	4,400	4,341	(58)
Available-for-sale securities	18,231	18,231	—
Long-term deposits	50	49	(0)
Total assets	22,681	22,622	(58)
Derivative transactions (*3)	2	2	—

As of March 31, 2024

(Millions of yen)

	Amount recorded on the consolidated balance sheet	Fair value	Difference
Securities and investment securities (*2)			
Held-to-maturity bonds	2,500	2,484	(15)
Available-for-sale securities	24,431	24,431	—
Long-term deposits	120	119	(0)
Total assets	27,051	27,035	(16)
Derivative transactions (*3)	[7]	[7]	—

(*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, 2023 (millions of yen)	As of March 31, 2024 (millions of yen)
Unlisted shares	1,555	1,827

(*3) Net debts and credits arising from derivative transactions are presented in net amounts, and a value of a net debt after totaling of credit and debt is presented in brackets.

3 Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheet date

As of March 31, 2023

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Cash and deposits	59,784	—	—	—
Notes and accounts receivable – trade	42,089	—	—	—
Securities and investment securities				
Held-to-maturity bonds				
Corporate bonds	4,000	100	300	—
Available-for-sale securities with a maturity				
(1) Bonds (corporate bonds)	—	100	—	—
(2) Certificates of deposit	338	—	—	—
Long-term deposits	—	—	50	—
Total	106,213	200	350	—

As of March 31, 2024

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Cash and deposits	61,812	—	—	—
Notes and accounts receivable – trade	32,207	—	—	—
Securities and investment securities				
Held-to-maturity bonds				
Corporate bonds	2,100	100	300	—
Available-for-sale securities with a maturity				
(1) Bonds (corporate bonds)	—	100	—	—
(2) Certificates of deposit	735	—	—	—
Long-term deposits	—	20	100	—
Total	96,855	220	400	—

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, 2023

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Stock	17,787	—	—	17,787
Bonds	—	104	—	104
Derivative transactions	—	2	—	2
Total assets	17,787	106	—	17,894

As of March 31, 2024

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Stock	23,592	—	—	23,592
Bonds	—	102	—	102
Derivative transactions	—	[7]	—	[7]
Total assets	23,592	95	—	23,688

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

As of March 31, 2023

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity bonds	—	4,341	—	4,341
Available-for-sale securities				
Certificates of deposit	—	338	—	338
Long-term deposits	—	49	—	49
Total assets	—	4,730	—	4,730

As of March 31, 2024

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity bonds	—	2,484	—	2,484
Available-for-sale securities				
Certificates of deposit	—	735	—	735
Long-term deposits	—	119	—	119
Total assets	—	3,339	—	3,339

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 these are over-the-counter transactions and there exist no published quoted market prices, they are calculated based on current values discounted using observable inputs such as exchange rates, and classified as Level 2 fair values.

Long-term deposits

These fair values are calculated based on the current value of the total principal and interest discounted at the interest rate assumed when a similar new deposit is made as well as the current value of the included derivatives discounted using observable inputs such as interest rates, and are classified as Level 2 fair values.

Securities

1 Held-to-maturity bonds

As of March 31, 2023

(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	4,300	4,241	(58)
	Other	—	—	—
	Subtotal	4,300	4,241	(58)
Total		4,400	4,341	(58)

As of March 31, 2024

(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	—	—	—
	Other	—	—	—
	Subtotal	—	—	—
Items whose fair value does not exceed the amount recorded on consolidated balance sheet	Government bonds, local government bonds, etc.	—	—	—
	Corporate bonds	2,500	2,484	(15)
	Other	—	—	—
	Subtotal	2,500	2,484	(15)
Total		2,500	2,484	(15)

2 Available-for-sale securities
As of March 31, 2023

(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	17,724	7,180	10,543
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	17,724	7,180	10,543
Items whose amount recorded on consolidated balance sheet does not exceed acquisition cost	Stock	63	67	(4)
	Bonds	104	117	(13)
	Other	338	338	—
	Subtotal	506	523	(17)
Total		18,231	7,704	10,526

Note: Unlisted shares (amount recorded on the consolidated balance sheet: ¥1,555 million) fall under shares without a market price, etc., and are thus not included.

As of March 31, 2024

(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	23,592	7,168	16,424
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	23,592	7,168	16,424
Items whose amount recorded on consolidated balance sheet does not exceed acquisition cost	Stock	—	—	—
	Bonds	102	117	(14)
	Other	735	735	—
	Subtotal	838	853	(14)
Total		24,431	8,021	16,409

Note: Unlisted shares (amount recorded on the consolidated balance sheet: ¥1,827 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, 2023

(Millions of yen)

Type	Sale proceeds	Total gain on sale	Total loss on sale
Stock	2,037	679	—
Bonds	—	—	—
Other	—	—	—
Total	2,037	679	—

Fiscal year ended March 31, 2024

(Millions of yen)

Type	Sale proceeds	Total gain on sale	Total loss on sale
Stock	446	366	—
Bonds	—	—	—
Other	—	—	—
Total	446	366	—

4 Securities for which impairment losses were recorded

For the fiscal year ended March 31, 2023, impairment losses of ¥49 million were recorded for securities (¥49 million for shares without a market price, etc., that are available-for-sale securities).

For the fiscal year ended March 31, 2024, there are no applicable items.

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, 2023

(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	179	—	6
	Thai baht	Accounts receivable - trade	239	—	(3)
Total			418	—	2

As of March 31, 2024

(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	881	—	(5)
	Thai baht	Accounts receivable - trade	70	—	(1)
Total			952	—	(7)

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.

(1) Changes in retirement benefit obligations

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Balance of retirement benefit obligations at beginning of period	10,415	10,513
Service cost	737	727
Interest cost	22	44
Actuarial gains and losses accrued	(222)	(313)
Retirement benefits paid	(438)	(548)
Balance of retirement benefit obligations at end of period	10,513	10,423

(2) Changes in plan assets

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Balance of plan assets at beginning of period	12,722	12,962
Expected return on plan assets	356	362
Actuarial gains and losses accrued	(433)	1,236
Contribution from employer	754	759
Retirement benefits paid	(437)	(548)
Balance of plan assets at end of period	12,962	14,773

(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, 2023	As of March 31, 2024
Retirement benefit obligations of funded plans	10,462	10,356
Plan assets	(12,962)	(14,773)
	(2,500)	(4,416)
Retirement benefit obligations of unfunded plans	51	67
	(2,448)	(4,349)
Retirement benefit liability	51	67
Retirement benefit asset	(2,500)	(4,416)
Net amount of liabilities and assets recorded in the consolidated balance sheet	(2,448)	(4,349)

(4) Amounts of retirement benefit expenses and their components

(Millions of yen)		
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Service cost	737	727
Interest cost	22	44
Expected return on plan assets	(356)	(362)
Amortization of actuarial gains and losses	(115)	214
Retirement benefit expenses for defined benefit plans	287	623

(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, 2023	Fiscal year ended March 31, 2024
Actuarial gains and losses	326	(1,764)
Total	326	(1,764)

(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, 2023	As of March 31, 2024
Unrecognized actuarial gains and losses	209	(1,555)
Total	209	(1,555)

(7) Plan assets

(i) Major components of plan assets

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Bonds	3,809	4,245
Stock	5,656	6,632
Short-term funds	425	1,564
Insurance assets	1,152	—
Hedge funds	1,918	2,331
Total	12,962	14,773

(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, 2023	As of March 31, 2024
Discount rate	0.4%	0.7%
Long-term expected rate of return	2.8%	2.8%

For salary increase rates, an age-based salary increase index, calculated with March 31, 2023, 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, 2023	Fiscal year ended March 31, 2024
Retirement benefit liability balance at beginning of period	270	296
Retirement benefit expenses	160	35
Retirement benefits paid	(35)	(13)
Contribution to plans	(98)	(100)
Retirement benefit liability balance at end of period	296	218

(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, 2023	As of March 31, 2024
Retirement benefit obligations of funded plans	1,738	1,778
Plan assets	(1,659)	(1,796)
	78	(17)
Retirement benefit obligations of unfunded plans	218	236
Net amount of liabilities and assets recorded in the consolidated balance sheet	296	218
Retirement benefit liability	296	306
Retirement benefit asset	—	(87)
Net amount of liabilities and assets recorded in the consolidated balance sheet	296	218

(3) Retirement benefit expenses

Retirement benefit expenses calculated using the simplified method	Fiscal year ended March 31, 2023: ¥160 million
	Fiscal year ended March 31, 2024: ¥35 million

4 Defined contribution plans

The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries were ¥241 million as of March 31, 2023 and ¥245 million as of March 31, 2024.

Tax effect accounting

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

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Deferred tax assets		
Loss on valuation of inventories	1,323	1,355
Unrealized income on inventories	1,861	1,299
Accrued expenses	1,012	899
Impairment losses	798	683
Loss on valuation of investment securities	439	507
Excess amount of depreciation	266	237
Provision for product warranties	284	166
Foreign exchange gains(losses)	33	103
Retirement benefit liability	103	83
Other	436	317
Deferred tax assets subtotal	6,559	5,653
Valuation reserve	(821)	(871)
Deferred tax assets total	5,738	4,782
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(2,866)	(4,664)
Retirement benefit asset	(765)	(1,351)
Valuation difference on fair value of consolidated subsidiaries	(1,047)	(931)
Gain on investments in investment partnerships	(81)	(167)
Retained earnings of overseas subsidiaries	(92)	(131)
Other	(117)	(129)
Deferred tax liabilities total	(4,970)	(7,376)
Deferred tax assets (liabilities), net	768	(2,594)

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, 2023	As of March 31, 2024
Statutory effective tax rate	The difference	The difference
(Adjustments)	between the statutory	between the statutory
Income not taxable permanently, such as dividend income	effective tax rate and	effective tax rate and
Valuation reserve	the effective rate of	the effective rate of
Tax credits	income taxes after	income taxes after
Amortization of goodwill	application of tax	application of tax
Differences in tax rates of consolidated subsidiaries	effect accounting is	effect accounting is
Other	within 5% of the	within 5% of the
Effective rate of income taxes after application of tax effect accounting	statutory effective tax rate, and thus the note has been omitted.	statutory effective tax rate, and thus the note has been omitted.

Revenue recognition

1 Information on disaggregation of revenue from contracts with customers
Fiscal year ended March 31, 2023

(Millions of yen)

Name of segment	Japan	China	Rest of Asia	U.S.	North America (excl. U.S.)	Europe	Other	Total
Robotic Solutions	8,152	44,658	38,854	18,610	9,529	16,937	3,136	139,879
Machine Tools	4,065	911	631	3,109	1,189	352	2	10,261
Reportable segments total	12,217	45,570	39,485	21,720	10,718	17,289	3,139	150,141
Other	3,167	12	5	—	—	—	—	3,185
Total	15,384	45,583	39,491	21,720	10,718	17,289	3,139	153,326
Ratio (%)	10.0	29.7	25.8	14.2	7.0	11.3	2.0	100.0

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

Fiscal year ended March 31, 2024

(Millions of yen)

Name of segment	Japan	China	Rest of Asia	U.S.	North America (excl. U.S.)	Europe	Other	Total
Robotic Solutions	9,459	35,684	27,808	14,311	4,212	20,671	2,449	114,596
Machine Tools	3,715	1,467	717	2,684	946	717	206	10,455
Reportable segments total	13,174	37,151	28,525	16,996	5,159	21,388	2,655	125,052
Other	1,998	8	0	—	—	—	—	2,007
Total	15,173	37,160	28,526	16,996	5,159	21,388	2,655	127,059
Ratio (%)	11.9	29.2	22.5	13.4	4.1	16.8	2.1	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, 2025 onward arising from contracts with customers that are current as of March 31, 2024

(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, 2023	Fiscal year ended March 31, 2024
Balance at beginning of period	5,002	5,665
Balance at end of period	5,665	4,650

The balance of contract liabilities at the beginning of the fiscal year ended March 31, 2024 was mostly recognized as revenue during the fiscal year ended March 31, 2024.

(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, 2023

(Millions of yen)

	Reportable segments			Other (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	139,879	10,261	150,141	3,185	153,326
Inter-segment sales or transfers	26	—	26	155	182
Total	139,905	10,261	150,167	3,341	153,509
Segment profit (loss)	31,399	(644)	30,754	(38)	30,715
Segment assets	162,853	19,409	182,262	2,888	185,150
Other items					
Depreciation	7,852	494	8,346	117	8,463
Increase in property, plant and equipment and intangible assets	9,228	623	9,851	236	10,088

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, 2024

(Millions of yen)

	Reportable segments			Other (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	114,596	10,455	125,052	2,007	127,059
Inter-segment sales or transfers	23	—	23	143	166
Total	114,620	10,455	125,076	2,150	127,226
Segment profit (loss)	18,321	(786)	17,535	(102)	17,432
Segment assets	159,900	19,254	179,155	2,945	182,101
Other items					
Depreciation	7,639	525	8,165	117	8,282
Increase in property, plant and equipment and intangible assets	13,271	658	13,929	82	14,011

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, 2023	Fiscal year ended March 31, 2024
Reportable segments total	30,754	17,535
Profit (loss) in Other	(38)	(102)
Inter-segment transaction eliminations	9	9
Corporate expenses (Note)	(3,617)	(4,020)
Operating profit in the consolidated financial statements	27,108	13,421

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, 2023	As of March 31, 2024
Reportable segments total	182,262	179,155
Assets in Other	2,888	2,945
Inter-segment transaction eliminations	(18)	(16)
Corporate assets (Note)	69,034	68,853
Total assets in the consolidated financial statements	254,167	250,937

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, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Depreciation	8,346	8,165	117	117	142	150	8,605	8,433
Increase in property, plant and equipment and intangible assets	9,851	13,929	236	82	153	280	10,242	14,291

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

Related information

Fiscal year ended March 31, 2023

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)	24,972	711	1,001	1,218	367	28,271
Ratio (%)	88.3	2.5	3.6	4.3	1.3	100.0

3 Information about main customers

The information is omitted because there are no customers accounting for 10% or more of sales on the consolidated statement of income in sales to external customers.

Fiscal year ended March 31, 2024

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)	29,504	1,390	1,074	1,366	361	33,697
Ratio (%)	87.6	4.1	3.2	4.0	1.1	100.0

3 Information about main customers

Name of customer	Net sales (Millions of yen)	Applicable segment
American Tec. Co., Ltd. (China)	16,238	Robotic Solutions

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

Fiscal year ended March 31, 2023

Although impairment losses of ¥243 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, 2024

Although impairment losses of ¥36 million in EDEC LINSEY SYSTEM Co., Ltd. and FUJI LINEAR CORPORATION 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, 2023

(Millions of yen)

	Robotic Solutions	Machine Tools	Other	Unallocated amounts and elimination	Total
Amortization in the period	1,175	—	—	—	1,175
Balance at end of period	10,570	—	—	—	10,570

Fiscal year ended March 31, 2024

(Millions of yen)

	Robotic Solutions	Machine Tools	Other	Unallocated amounts and elimination	Total
Amortization in the period	1,197	—	—	—	1,197
Balance at end of period	9,417	—	—	—	9,417

Information about gain on bargain purchase by reportable segment

Fiscal year ended March 31, 2023

Not applicable

Fiscal year ended March 31, 2024

Not applicable

Related party information

Fiscal year ended March 31, 2023

Not applicable

Fiscal year ended March 31, 2024

Not applicable

Per share information

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	2,332.15	2,463.67
Profit per share	212.05	110.59

Notes: 1. Diluted profit per share is not stated since the Company does not have residual securities.

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit per share		
Profit attributable to owners of parent (millions of yen)	20,454	10,438
Profit not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent attributable to common stock (millions of yen)	20,454	10,438
Average number of shares during the period (shares)	96,459,567	94,387,039

Important subsequent events

Not applicable

