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Document title:	Annual Securities Report
Clause of stipulation:	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
Place of filing:	Director-General of the Kanto Local Finance Bureau
Filing date:	June 30, 2025
Fiscal year:	79th Business Period (from April 1, 2024 to March 31, 2025)
Company name:	株式会社 F U J I (Kabushiki-gaisha Fuji)
Company name in English:	FUJI CORPORATION
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Place for public inspection:	FUJI CORPORATION, Tokyo Branch Office (2-5-10, 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, 2024 to March 31, 2025) and financial statements (April 1, 2024 to March 31, 2025) 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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	61,812	57,580
Notes and accounts receivable - trade	* ₁ , * ₂ 32,207	* ₁ 34,798
Securities	2,835	1,600
Merchandise and finished goods	12,779	12,883
Work in process	28,933	28,136
Raw materials and supplies	15,404	12,171
Other	7,601	8,375
Allowance for doubtful accounts	(139)	(118)
Total current assets	161,436	155,427
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,112	45,842
Accumulated depreciation and impairment	(20,905)	(22,128)
Buildings and structures, net	16,207	23,714
Machinery, equipment and vehicles	24,705	25,519
Accumulated depreciation and impairment	(17,970)	(18,758)
Machinery, equipment and vehicles, net	6,735	6,760
Tools, furniture and fixtures	11,714	12,255
Accumulated depreciation and impairment	(10,407)	(10,551)
Tools, furniture and fixtures, net	1,306	1,703
Land	5,763	5,756
Construction in progress	3,685	151
Total property, plant and equipment	33,697	38,086
Intangible assets		
Goodwill	9,417	8,087
Software	10,088	11,686
Other	4,077	2,976
Total intangible assets	23,584	22,749
Investments and other assets		
Investment securities	25,923	20,962
Deferred tax assets	1,029	1,257
Retirement benefit asset	4,504	5,028
Other	761	777
Total investments and other assets	32,219	28,025
Total non-current assets	89,501	88,862
Total assets	250,937	244,289

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,110	7,842
Income taxes payable	589	2,967
Provision for product warranties	632	640
Other	11,074	10,805
Total current liabilities	18,406	22,256
Non-current liabilities		
Deferred tax liabilities	3,623	2,731
Retirement benefit liability	374	422
Other	254	196
Total non-current liabilities	4,252	3,350
Total liabilities	22,659	25,606
Net assets		
Shareholders' equity		
Share capital	5,878	5,878
Capital surplus	7,109	7,114
Retained earnings	201,332	204,870
Treasury shares	(11,029)	(19,738)
Total shareholders' equity	203,291	198,125
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,759	8,370
Deferred gains or losses on hedges	(1)	3
Foreign currency translation adjustment	12,035	11,788
Remeasurements of defined benefit plans	1,079	272
Total accumulated other comprehensive income	24,871	20,435
Non-controlling interests	114	120
Total net assets	228,278	218,682
Total liabilities and net assets	250,937	244,289

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	127,059	127,387
Cost of sales	* ₁ 80,823	* ₁ 80,750
Gross profit	46,236	46,636
Selling, general and administrative expenses	* ₂ , * ₃ 32,814	* ₂ , * ₃ 32,855
Operating profit	13,421	13,781
Non-operating income		
Interest income	431	696
Dividend income	493	535
Rental income	71	29
Foreign exchange gains	460	76
Gain on investments in investment partnerships	—	139
Miscellaneous income	193	143
Total non-operating income	1,650	1,621
Non-operating expenses		
Interest expenses	29	20
Commission expenses	14	10
Donations	15	30
Compensation for damage	1	8
Miscellaneous expenses	1	3
Total non-operating expenses	62	73
Ordinary profit	15,010	15,328
Extraordinary income		
Gain on disposal of non-current assets	* ₄ 14	* ₄ 31
Gain on sales of investment securities	366	2,079
Subsidy income	—	120
Total extraordinary income	380	2,230
Extraordinary losses		
Loss on disposal of non-current assets	* ₅ 335	* ₅ 127
Impairment losses	* ₆ 36	* ₆ 854
Loss on valuation of investment securities	—	304
Other	1	—
Total extraordinary losses	373	1,287
Profit before income taxes	15,018	16,271
Income taxes - current	3,460	4,956
Income taxes - deferred	1,127	394
Total income taxes	4,588	5,351
Profit	10,429	10,920
Profit (loss) attributable to non-controlling interests	(8)	14
Profit attributable to owners of parent	10,438	10,906

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	10,429	10,920
Other comprehensive income		
Valuation difference on available-for-sale securities	4,086	(3,388)
Deferred gains or losses on hedges	(2)	5
Foreign currency translation adjustment	4,457	(254)
Remeasurements of defined benefit plans, net of tax	1,224	(806)
Total other comprehensive income	*9,765	*(4,444)
Comprehensive income	20,194	6,476
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,195	6,470
Comprehensive income attributable to non-controlling interests	(1)	5

(iii) Consolidated Statement of Changes in Equity

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

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,878	7,109	201,332	(11,029)	203,291
Changes during period					
Dividends of surplus			(7,368)		(7,368)
Profit attributable to owners of parent			10,906		10,906
Purchase of treasury shares				(8,736)	(8,736)
Disposal of treasury shares		5		27	32
Net changes in items other than shareholders' equity					
Total changes during period	—	5	3,538	(8,708)	(5,165)
Balance at end of period	5,878	7,114	204,870	(19,738)	198,125

	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	11,759	(1)	12,035	1,079	24,871	114	228,278
Changes during period							
Dividends of surplus							(7,368)
Profit attributable to owners of parent							10,906
Purchase of treasury shares							(8,736)
Disposal of treasury shares							32
Net changes in items other than shareholders' equity	(3,388)	5	(246)	(806)	(4,436)	5	(4,430)
Total changes during period	(3,388)	5	(246)	(806)	(4,436)	5	(9,595)
Balance at end of period	8,370	3	11,788	272	20,435	120	218,682

(iv) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	15,018	16,271
Depreciation	8,433	9,073
Impairment losses	36	854
Amortization of goodwill	1,197	1,218
Increase (decrease) in provision for product warranties	(398)	9
Increase or decrease in retirement benefit asset and liability	(218)	(1,638)
Interest and dividend income	(924)	(1,231)
Interest expenses	29	20
Loss (gain) on disposal of non-current assets	321	96
Loss (gain) on sales of investment securities	(366)	(2,079)
Loss (gain) on valuation of investment securities	—	304
Loss (gain) on investments in investment partnerships	—	(139)
Decrease (increase) in trade receivables	11,765	(2,506)
Decrease (increase) in inventories	6,672	3,905
Increase (decrease) in trade payables	(4,429)	1,688
Other, net	(371)	(2,059)
Subtotal	36,763	23,789
Interest and dividends received	926	1,233
Interest paid	(29)	(20)
Income taxes paid	(7,472)	(1,588)
Net cash provided by (used in) operating activities	30,187	23,413
Cash flows from investing activities		
Proceeds from redemption of securities	4,000	2,100
Purchase of property, plant and equipment and intangible assets	(14,642)	(14,525)
Proceeds from sale of property, plant and equipment and intangible assets	14	40
Purchase of investment securities	(2,165)	(1,953)
Proceeds from sale of investment securities	446	3,210
Payments into time deposits	(132)	(94)
Proceeds from withdrawal of time deposits	122	—
Purchase of long-term prepaid expenses	(73)	(182)
Other, net	63	(13)
Net cash provided by (used in) investing activities	(12,366)	(11,418)
Cash flows from financing activities		
Dividends paid	(7,629)	(7,352)
Purchase of treasury shares	(9,427)	(8,736)
Other, net	(92)	(107)
Net cash provided by (used in) financing activities	(17,148)	(16,195)
Effect of exchange rate change on cash and cash equivalents	1,812	(260)
Net increase (decrease) in cash and cash equivalents	2,484	(4,461)
Cash and cash equivalents at beginning of period	59,982	62,466
Cash and cash equivalents at end of period	*62,466	*58,005

Notes to the Consolidated Financial Statements

Basis of Preparation of Consolidated Financial Statements

1 Scope of consolidation

Number of consolidated subsidiaries: 18 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, 2025.

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 five 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 five 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

With regard to investments in investment limited partnerships and similar partnerships (deemed to be securities under Article 2, paragraph (2) of the Financial Instruments and Exchange Act), investments are recorded at the net amount equivalent to holdings, based on the most recent financial statements available in accordance with the financial reporting date specified in the partnership agreement. Investments in partnerships, etc. held by some overseas consolidated subsidiaries are recorded at the net amount equivalent to holdings based on the fair value recognized by each investment entity.

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, 2024	As of March 31, 2025
Goodwill	9,038	8,087

(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, 2025

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 ¥8,087 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, 2026

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, 2025.

2 Impairment loss on goodwill and intangible assets (“goodwill, etc.”) arising from the acquisition of FUJI MACHINE ASIA PTE. LTD. (“FMA”)

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

Impairment losses recorded on goodwill, etc. arising from the acquisition of FMA in the fiscal year ended March 31, 2022 and the book value of non-current assets as of the end of the fiscal year under review for which impairment losses were reviewed are as follows.

(Millions of yen)

Account items	As of March 31, 2024	As of March 31, 2025
Goodwill	378	—
Intangible assets arising from acquisitions	789	—
Impairment losses	—	854
Other property, plant, equipment, and intangible assets	255	325

(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, 2025

For the fiscal year under review, indications of impairment were recognized in the asset group that included FMA’s goodwill, etc. due to deviations from the business plan at the time of acquisition of control and continued operating losses after recording amortization of goodwill, etc., and as a result of the total undiscounted future cash flows being lower than the book value of the asset group, impairment losses have been recorded regarding the goodwill, etc.

In determining whether to recognize impairment losses and in measuring them, future cash flows have been calculated based on the remaining amortization period of the goodwill. Future cash flows have been calculated based on FMA’s business plans, with forecasts of net sales and gross profit margins used as key assumptions.

- Impact on consolidated financial statements for the fiscal year ending March 31, 2026

In the Southeast Asian market in which FMA is located, if a significant deterioration in the business environment is recognized due to changes in the external environment, such as customers’ capital investment trends, impairment losses may occur in the following fiscal year.

3 Inventory valuation

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

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Merchandise and finished goods	12,779	12,883
Work in process	28,933	28,136
Raw materials and supplies	15,404	12,171
Total	57,118	53,190

(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, 2025

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, 2026

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.

New accounting standards not yet applied

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan (ASBJ))
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ), Etc.

(1) Overview

As part of its efforts for ensuring that Japanese GAAP is consistent with international accounting standards, the ASBJ conducted a review, taking into consideration international accounting standards, toward the development of the Accounting Standard for Leases for recognizing assets and liabilities for all leases held by a lessee. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc., which were developed under a basic policy with the aim of being simple and highly convenient by incorporating only the key provisions of IFRS 16 instead of all the provisions, despite being based on the single accounting model of IFRS 16, while also making revisions basically unnecessary even when the provisions of IFRS 16 are applied for non-consolidated financial statements.

Regarding the method for allocating the lessee's lease expenses in the lessee's accounting treatment, a single accounting model is applied for recording the depreciation related to right-of-use assets and the amount equivalent to the interest on lease liabilities for all leases regardless of whether a lease is a finance lease or an operating lease. This is the same as under IFRS 16.

(2) Scheduled date of application

To be applied effective from the beginning of the fiscal year ending March 31, 2028.

(3) Impact from the application of the accounting standards, etc.

The impact from the application of the "Accounting Standard for Leases," etc. on the consolidated financial statements is currently under evaluation.

Changes in presentation methods

(Consolidated Statements of income)

"Compensation for damage," which were included in "Miscellaneous expenses" under "Non-operating expenses" for the previous fiscal year, have been presented separately from the fiscal year ended March 31, 2025 because the amount of those items exceeded ten-hundredth (10/100) of the total amount of non-operating expenses. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation method.

As a result, ¥2 million presented in "Miscellaneous expenses" under "Non-operating expenses" in the consolidated statement of income for the previous fiscal year, has been reclassified into "Compensation for damage" of ¥1 million and "Miscellaneous expenses" of ¥1 million.

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, 2024	As of March 31, 2025
Notes receivable - trade	1,238	928
Accounts receivable - trade	30,968	33,870

*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 previous 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 previous fiscal year.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
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, 2024	Fiscal year ended March 31, 2025
	235	371

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

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Retirement benefit expenses	323	(214)
Provision for product warranties	466	419
Provision of allowance for doubtful accounts	28	(20)
Employees' salaries	9,049	9,351
Depreciation	1,558	1,565
Research and development expenses	8,228	7,727

*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, 2024	Fiscal year ended March 31, 2025
	8,228	7,727

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

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures (sale)	—	17
Machinery, equipment and vehicles (sale)	4	13
Other (sale)	9	0
Total	14	31

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures (disposal)	187	17
Machinery, equipment and vehicles (disposal)	93	80
Machinery, equipment and vehicles (sale)	2	2
Other (disposal)	50	27
Other (sale)	0	—
Total	335	127

*6 Impairment losses

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

Fiscal year ended March 31, 2024

Place	Use	Type
EDEC LINSEY SYSTEM Co., Ltd. (Toyohashi, Aichi)	Production facilities for Others business	Software Tools, furniture and fixtures
FUJI LINEAR CORPORATION (Chiryu, Aichi)	Production facilities	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. 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, 2025

Place	Use	Type
FUJI MACHINE ASIA PTE. LTD. (Singapore)	—	Goodwill, Intangible assets arising from acquisitions

In principle, the Group groups goodwill and intangible assets arising from acquisitions at the company level.

In the fiscal year under review, the book value of the goodwill related to FUJI MACHINE ASIA PTE. LTD. and the intangible assets arising from the acquisition was reduced to the recoverable amount since the revenue originally anticipated is no longer expected, with the amount of the reduction recorded as an impairment loss (¥854 million) under extraordinary losses.

This consists of goodwill of ¥133 million and intangible assets arising from acquisitions of ¥721 million.

The recoverable amount of this asset group was measured at value in use, which is equal to zero because future cash flows are 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, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities:		
Amount arising during the period	6,251	(2,882)
Reclassification adjustments	(366)	(1,703)
Before income taxes and tax effect	5,884	(4,586)
Income taxes and tax effect amount	(1,798)	1,197
Valuation difference on available-for-sale securities	4,086	(3,388)
Deferred gains or losses on hedges:		
Amount arising during the period	(4)	7
Tax effect	1	(2)
Deferred gains or losses on hedges	(2)	5
Foreign currency translation adjustment:		
Amount arising during the period	4,457	(254)
Remeasurements of defined benefit plans, net of tax:		
Amount arising during the period	1,555	398
Reclassification adjustments	209	(1,555)
Before income taxes and tax effect	1,764	(1,156)
Income taxes and tax effect amount	(539)	350
Remeasurements of defined benefit plans, net of tax	1,224	(806)
Total other comprehensive income	9,765	(4,444)

Notes to Consolidated Statement of Changes in Equity

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 have become effective in the fiscal year ended 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

Fiscal year ended March 31, 2025

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)	5,212	3,827	12	9,026
Total	5,212	3,827	12	9,026

Notes: 1. The increase of 3,827 thousand shares is due to the increase of 3,826 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 12 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 27, 2024	Common stock	3,704	40.00	March 31, 2024	June 28, 2024
Board of Directors' Meeting on November 6, 2024	Common stock	3,664	40.00	September 30, 2024	December 9, 2024

(2) Of the dividends whose record date falls during the fiscal year ended March 31, 2025, those of which will become effective in the fiscal year ending March 31, 2026

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, 2025	Common stock	3,551	Retained earnings	40.00	March 31, 2025	June 30, 2025

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, 2024	Fiscal year ended March 31, 2025
Cash and deposits	61,812	57,580
Securities account (certificates of deposit)	735	600
Time deposits with maturity over 3 months	(81)	(175)
Cash and cash equivalents	62,466	58,005

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, 2024	As of March 31, 2025
Due within one year	12	14
Due after one year	34	46
Total	46	60

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, 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]	—

As of March 31, 2025

(Millions of yen)

	Amount recorded on the consolidated balance sheet	Fair value	Difference
Securities and investment securities (*2)			
Held-to-maturity bonds	1,820	1,792	(27)
Available-for-sale securities	18,586	18,586	—
Long-term deposits	120	116	(3)
Total assets	20,526	20,495	(30)
Derivative transactions (*3)	2	2	—

(*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:

(millions of yen)

Category	As of March 31, 2024	As of March 31, 2025
Unlisted shares	148	147
Investments in investment limited partnerships, etc. (*4)	1,678	2,009

(*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.

(*4) Investments in investment limited partnerships, etc. are recorded as the net amount equivalent to equity in the consolidated balance sheet and are therefore not subject to fair value disclosure, based on the treatment provided by Article 24-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

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

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	—

As of March 31, 2025

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Cash and deposits	57,580	—	—	—
Notes and accounts receivable – trade	34,798	—	—	—
Securities and investment securities				
Held-to-maturity bonds				
Corporate bonds	1,000	520	300	—
Available-for-sale securities with a maturity				
(1) Bonds (corporate bonds)	—	404	—	—
(2) Certificates of deposit	600	—	—	—
Long-term deposits	—	20	100	—
Total	93,979	944	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, 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

As of March 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Stock	17,884	—	—	17,884
Bonds	—	101	—	101
Derivative transactions	—	2	—	2
Total assets	17,884	103	—	17,988

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

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

As of March 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity bonds	—	1,792	—	1,792
Available-for-sale securities				
Certificates of deposit	—	600	—	600
Long-term deposits	—	116	—	116
Total assets	—	2,509	—	2,509

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, 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)

As of March 31, 2025

(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	1,820	1,792	(27)
	Other	—	—	—
	Subtotal	1,820	1,792	(27)
Total		1,820	1,792	(27)

2 Available-for-sale securities
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: ¥148 million) and Investments in investment limited partnerships, etc. (amount recorded on the consolidated balance sheet: ¥1,678 million) fall under shares without a market price, etc., and are thus not included.

As of March 31, 2025

(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	17,884	6,046	11,838
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	17,884	6,046	11,838
Items whose amount recorded on consolidated balance sheet does not exceed acquisition cost	Stock	—	—	—
	Bonds	101	117	(16)
	Other	600	600	—
	Subtotal	701	718	(16)
Total		18,586	6,764	11,821

Note: Unlisted shares (amount recorded on the consolidated balance sheet: ¥147 million) and Investments in investment limited partnerships, etc. (amount recorded on the consolidated balance sheet: ¥2,009 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, 2024

(Millions of yen)

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

Fiscal year ended March 31, 2025

(Millions of yen)

Type	Sale proceeds	Total gain on sale	Total loss on sale
Stock	3,210	2,079	—
Bonds	—	—	—
Other	—	—	—
Total	3,210	2,079	—

4 Securities for which impairment losses were recorded

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

For the fiscal year ended March 31, 2025, impairment losses of ¥304 million were recorded for securities (¥304 million for 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, 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)

As of March 31, 2025

(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	426	—	5
	Thai baht	Accounts receivable - trade	271	—	(2)
Total			697	—	2

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, 2024	Fiscal year ended March 31, 2025
Balance of retirement benefit obligations at beginning of period	10,513	10,423
Service cost	727	707
Interest cost	44	75
Actuarial gains and losses accrued	(313)	(632)
Retirement benefits paid	(548)	(790)
Balance of retirement benefit obligations at end of period	10,423	9,783

(2) Changes in plan assets

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance of plan assets at beginning of period	12,962	14,773
Expected return on plan assets	362	413
Actuarial gains and losses accrued	1,236	(252)
Contribution from employer	759	494
Retirement benefits paid	(548)	(779)
Balance of plan assets at end of period	14,773	14,648

(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, 2024	As of March 31, 2025
Retirement benefit obligations of funded plans	10,356	9,694
Plan assets	(14,773)	(14,648)
	(4,416)	(4,953)
Retirement benefit obligations of unfunded plans	67	88
Net amount of liabilities and assets recorded in the consolidated balance sheet	(4,349)	(4,865)
Retirement benefit liability	67	88
Retirement benefit asset	(4,416)	(4,953)
Net amount of liabilities and assets recorded in the consolidated balance sheet	(4,349)	(4,865)

(4) Amounts of retirement benefit expenses and their components

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Service cost	727	707
Interest cost	44	75
Expected return on plan assets	(362)	(413)
Amortization of actuarial gains and losses	214	(1,536)
Retirement benefit expenses for defined benefit plans	623	(1,167)

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

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

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Actuarial gains and losses	(1,764)	1,156
Total	(1,764)	1,156

(6) Remeasurements of defined benefit plans

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

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Unrecognized actuarial gains and losses	(1,555)	(398)
Total	(1,555)	(398)

(7) Plan assets

(i) Major components of plan assets

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Bonds	4,245	4,520
Stock	6,632	5,534
Infrastructure funds	—	1,285
Real estate funds	—	605
Short-term funds	1,564	379
Hedge funds	2,331	2,323
Total	14,773	14,648

(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, 2024	As of March 31, 2025
Discount rate	0.7%	1.4%
Long-term expected rate of return	2.8%	2.8%

For salary increase rates, an age-based salary increase index, calculated with March 31, 2024, 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, 2024	Fiscal year ended March 31, 2025
Retirement benefit liability balance at beginning of period	296	218
Retirement benefit expenses	35	170
Retirement benefits paid	(13)	(25)
Contribution to plans	(100)	(104)
Retirement benefit liability balance at end of period	218	259

(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, 2024	As of March 31, 2025
Retirement benefit obligations of funded plans	1,778	1,767
Plan assets	(1,796)	(1,763)
	(17)	3
Retirement benefit obligations of unfunded plans	236	256
Net amount of liabilities and assets recorded in the consolidated balance sheet	218	259
Retirement benefit liability	306	334
Retirement benefit asset	(87)	(74)
Net amount of liabilities and assets recorded in the consolidated balance sheet	218	259

(3) Retirement benefit expenses

Retirement benefit expenses calculated using the simplified method	Fiscal year ended March 31, 2024: ¥35 million
	Fiscal year ended March 31, 2025: ¥170 million

4 Defined contribution plans

The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries were ¥245 million as of March 31, 2024 and ¥254 million as of March 31, 2025.

Tax effect accounting

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

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Loss on valuation of inventories	1,355	1,557
Unrealized income on inventories	1,299	1,120
Accrued expenses	899	986
Impairment losses	683	604
Loss on valuation of investment securities	507	490
Excess amount of depreciation	237	212
Provision for product warranties	166	175
Enterprise tax payable	—	141
Retirement benefit liability	83	102
Foreign exchange gains(losses)	103	100
Other	317	334
Deferred tax assets subtotal	<u>5,653</u>	<u>5,825</u>
Valuation reserve	<u>(871)</u>	<u>(856)</u>
Deferred tax assets total	<u>4,782</u>	<u>4,969</u>
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(4,664)	(3,467)
Retirement benefit asset	(1,351)	(1,560)
Valuation difference on fair value of consolidated subsidiaries	(931)	(850)
Gain on investments in investment partnerships	(167)	(243)
Retained earnings of overseas subsidiaries	(131)	(179)
Other	<u>(129)</u>	<u>(143)</u>
Deferred tax liabilities total	<u>(7,376)</u>	<u>(6,443)</u>
Deferred tax assets (liabilities), net	<u>(2,594)</u>	<u>(1,474)</u>

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, 2024	As of March 31, 2025
Statutory effective tax rate		30.6%
(Adjustments)	The difference	
Expenses not deductible permanently, such as entertainment expenses	between the statutory effective tax rate and	2.2
Income not taxable permanently, such as dividend income	the effective rate of income taxes after	(0.2)
Valuation reserve	application of tax	(0.5)
Tax credits	effect accounting is	(1.8)
Amortization of goodwill	within 5% of the	2.3
Differences in tax rates of consolidated subsidiaries	statutory effective tax rate, and thus the	(1.1)
Other	note has been	1.4
Effective rate of income taxes after application of tax effect accounting	omitted.	<u>32.9</u>

3 Revision of deferred tax assets and deferred tax liabilities amounts due to changes in income tax rate

Due to the enactment of the “Act for Partial Revision of the Income Tax Act, etc. ” (Act No. 13 of 2025) in the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on April 1, 2026 are calculated by changing the statutory effective tax rate from 30.6% to 31.5%.

Due to these changes, during the fiscal year under review, the amount of deferred tax assets (amount deducting the amount of deferred tax liabilities) decreased ¥112 million, income taxes – deferred increased ¥35 million, valuation difference on available-for-sale securities decreased ¥73 million, and remeasurements of defined benefit plans decreased ¥3 million.

Revenue recognition

1 Information on disaggregation of revenue from contracts with customers
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.

Fiscal year ended March 31, 2025

(Millions of yen)

Name of segment	Japan	China	Rest of Asia	U.S.	North America (excl. U.S.)	Europe	Other	Total
Robotic Solutions	8,168	38,366	33,066	13,450	3,228	14,718	3,158	114,157
Machine Tools	3,170	610	552	5,298	660	785	16	11,093
Reportable segments total	11,338	38,976	33,618	18,748	3,889	15,504	3,174	125,251
Other	2,127	2	6	—	—	—	—	2,136
Total	13,465	38,979	33,625	18,748	3,889	15,504	3,174	127,387
Ratio (%)	10.6	30.6	26.4	14.7	3.0	12.2	2.5	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, 2026 onward arising from contracts with customers that are current as of March 31, 2025

(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, 2024	Fiscal year ended March 31, 2025
Balance at beginning of period	5,665	4,650
Balance at end of period	4,650	2,987

The balance of contract liabilities at the beginning of the fiscal year ended March 31, 2025 was mostly recognized as revenue during the fiscal year ended March 31, 2025.

(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, 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.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments			Other (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	114,157	11,093	125,251	2,136	127,387
Inter-segment sales or transfers	57	—	57	156	213
Total	114,214	11,093	125,308	2,293	127,601
Segment profit (loss)	16,349	740	17,089	(109)	16,979
Segment assets	168,006	18,693	186,699	2,414	189,113
Other items					
Depreciation	8,337	535	8,872	87	8,960
Increase in property, plant and equipment and intangible assets	13,839	411	14,250	65	14,316

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, 2024	Fiscal year ended March 31, 2025
Reportable segments total	17,535	17,089
Profit (loss) in Other	(102)	(109)
Inter-segment transaction eliminations	9	9
Corporate expenses (Note)	(4,020)	(3,208)
Operating profit in the consolidated financial statements	13,421	13,781

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, 2024	As of March 31, 2025
Reportable segments total	179,155	186,699
Assets in Other	2,945	2,414
Inter-segment transaction eliminations	(16)	(30)
Corporate assets (Note)	68,853	55,205
Total assets in the consolidated financial statements	250,937	244,289

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, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Depreciation	8,165	8,872	117	87	150	113	8,433	9,073
Increase in property, plant and equipment and intangible assets	13,929	14,250	82	65	280	485	14,291	14,801

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

Related information

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

Fiscal year ended March 31, 2025

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)	33,312	1,986	990	1,361	434	38,086
Ratio (%)	87.5	5.2	2.6	3.6	1.1	100.0

3 Information about main customers

Name of customer	Net sales (Millions of yen)	Applicable segment
American Tec. Co., Ltd. (China)	17,333	Robotic Solutions

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

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.

Fiscal year ended March 31, 2025

Although impairment losses of ¥854 million in FUJI MACHINE ASIA PTE. LTD. 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, 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

Fiscal year ended March 31, 2025

(Millions of yen)

	Robotic Solutions	Machine Tools	Other	Unallocated amounts and elimination	Total
Amortization in the period	1,218	—	—	—	1,218
Balance at end of period	8,087	—	—	—	8,087

Information about gain on bargain purchase by reportable segment

Fiscal year ended March 31, 2024

Not applicable

Fiscal year ended March 31, 2025

Not applicable

Related party information

Fiscal year ended March 31, 2024

Not applicable

Fiscal year ended March 31, 2025

Not applicable

Per share information

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	2,463.67	2,461.37
Profit per share	110.59	119.64

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, 2024	Fiscal year ended March 31, 2025
Profit per share		
Profit attributable to owners of parent (millions of yen)	10,438	10,906
Profit not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent attributable to common stock (millions of yen)	10,438	10,906
Average number of shares during the period (shares)	94,387,039	91,158,931

Important subsequent events

Not applicable

