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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 25, 2026
Fiscal year:	80th Business Period (from April 1, 2025 to March 31, 2026)
Company name:	株式会社 F U J I (Kabushiki-gaisha Fuji)
Company name in English:	FUJI CORPORATION
Title and name of representative	Joji Isozumi, President, and CEO
Location of registered headquarter:	19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan
Telephone number:	0566-81-2111 (switchboard)
Name of contact person:	Junichi Kano, Board Member, Senior Managing Executive Officer, General Manager, Corporate Operations Division
Nearest place of contact:	2-5-10, Konan, Minato-ku, Tokyo
Telephone number:	03-5460-0241 (switchboard)
Name of contact person:	Toru Mori, Tokyo Branch Office Manager
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, 2025 to March 31, 2026) and financial statements (April 1, 2025 to March 31, 2026) 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	57,580	53,741
Notes and accounts receivable - trade	*34,798	*65,341
Securities	1,600	1,181
Merchandise and finished goods	12,883	19,795
Work in process	28,136	30,294
Raw materials and supplies	12,171	14,014
Other	8,375	11,283
Allowance for doubtful accounts	(118)	(147)
Total current assets	155,427	195,507
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,842	45,957
Accumulated depreciation and impairment	(22,128)	(23,916)
Buildings and structures, net	23,714	22,040
Machinery, equipment and vehicles	25,519	25,629
Accumulated depreciation and impairment	(18,758)	(19,166)
Machinery, equipment and vehicles, net	6,760	6,463
Tools, furniture and fixtures	12,255	12,562
Accumulated depreciation and impairment	(10,551)	(10,784)
Tools, furniture and fixtures, net	1,703	1,777
Land	5,756	6,394
Construction in progress	151	1,034
Total property, plant and equipment	38,086	37,711
Intangible assets		
Goodwill	8,087	—
Software	11,686	13,722
Other	2,976	107
Total intangible assets	22,749	13,830
Investments and other assets		
Investment securities	20,962	21,871
Deferred tax assets	1,257	1,645
Retirement benefit asset	5,028	7,077
Other	777	713
Total investments and other assets	28,025	31,308
Total non-current assets	88,862	82,849
Total assets	244,289	278,356

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,842	14,820
Income taxes payable	2,967	10,407
Provision for product warranties	640	855
Other	10,805	17,300
Total current liabilities	22,256	43,382
Non-current liabilities		
Deferred tax liabilities	2,731	1,679
Retirement benefit liability	422	464
Provision for share awards	—	256
Other	196	119
Total non-current liabilities	3,350	2,519
Total liabilities	25,606	45,902
Net assets		
Shareholders' equity		
Share capital	5,878	5,878
Capital surplus	7,114	7,252
Retained earnings	204,870	213,527
Treasury shares	(19,738)	(21,653)
Total shareholders' equity	198,125	205,005
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,370	10,079
Deferred gains or losses on hedges	3	(7)
Foreign currency translation adjustment	11,788	15,976
Remeasurements of defined benefit plans	272	1,263
Total accumulated other comprehensive income	20,435	27,311
Non-controlling interests	120	136
Total net assets	218,682	232,454
Total liabilities and net assets	244,289	278,356

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	127,387	180,642
Cost of sales	* ₁ 80,750	* ₁ 114,367
Gross profit	46,636	66,275
Selling, general and administrative expenses	* ₂ , * ₃ 32,855	* ₂ , * ₃ 36,993
Operating profit	13,781	29,282
Non-operating income		
Interest income	696	719
Dividend income	535	511
Rental income	29	27
Foreign exchange gains	76	427
Gain on investments in investment partnerships	139	217
Miscellaneous income	143	152
Total non-operating income	1,621	2,056
Non-operating expenses		
Interest expenses	20	21
Commission expenses	10	12
Compensation for damage	8	6
Miscellaneous expenses	34	7
Total non-operating expenses	73	47
Ordinary profit	15,328	31,291
Extraordinary income		
Gain on disposal of non-current assets	* ₄ 31	* ₄ 17
Gain on sales of investment securities	2,079	3,227
Subsidy income	120	65
Total extraordinary income	2,230	3,310
Extraordinary losses		
Loss on disposal of non-current assets	* ₅ 127	* ₅ 243
Impairment losses	* ₆ 854	* ₆ 9,717
Other	304	—
Total extraordinary losses	1,287	9,960
Profit before income taxes	16,271	24,641
Income taxes - current	4,956	11,584
Income taxes - deferred	394	(2,699)
Total income taxes	5,351	8,885
Profit	10,920	15,756
Profit attributable to non-controlling interests	14	22
Profit attributable to owners of parent	10,906	15,733

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	10,920	15,756
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,388)	1,708
Deferred gains or losses on hedges	5	(10)
Foreign currency translation adjustment	(254)	4,195
Remeasurements of defined benefit plans, net of tax	(806)	990
Total other comprehensive income	*(4,444)	*6,883
Comprehensive income	6,476	22,639
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,470	22,609
Comprehensive income attributable to non-controlling interests	5	30

(iii) Consolidated Statement of Changes in Equity

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

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,878	7,114	204,870	(19,738)	198,125
Changes during period					
Dividends of surplus			(7,075)		(7,075)
Profit attributable to owners of parent			15,733		15,733
Purchase of treasury shares				(2,374)	(2,374)
Disposal of treasury shares		137		459	596
Net changes in items other than shareholders' equity					
Total changes during period	—	137	8,657	(1,915)	6,879
Balance at end of period	5,878	7,252	213,527	(21,653)	205,005

	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	8,370	3	11,788	272	20,435	120	218,682
Changes during period							
Dividends of surplus							(7,075)
Profit attributable to owners of parent							15,733
Purchase of treasury shares							(2,374)
Disposal of treasury shares							596
Net changes in items other than shareholders' equity	1,708	(10)	4,187	990	6,876	15	6,892
Total changes during period	1,708	(10)	4,187	990	6,876	15	13,772
Balance at end of period	10,079	(7)	15,976	1,263	27,311	136	232,454

(iv) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	16,271	24,641
Depreciation	9,073	9,508
Impairment losses	854	9,717
Amortization of goodwill	1,218	951
Increase (decrease) in provision for product warranties	9	205
Increase (decrease) in provision for share awards	—	256
Increase or decrease in retirement benefit asset and liability	(1,638)	(565)
Interest and dividend income	(1,231)	(1,230)
Interest expenses	20	21
Loss (gain) on disposal of non-current assets	96	225
Loss (gain) on sales of investment securities	(2,079)	(3,227)
Loss (gain) on investments in investment partnerships	(139)	(217)
Decrease (increase) in trade receivables	(2,506)	(29,127)
Decrease (increase) in inventories	3,905	(9,532)
Increase (decrease) in trade payables	1,688	5,962
Other, net	(1,754)	5,035
Subtotal	23,789	12,624
Interest and dividends received	1,233	1,233
Interest paid	(20)	(21)
Income taxes paid	(1,588)	(4,654)
Net cash provided by (used in) operating activities	23,413	9,181
Cash flows from investing activities		
Proceeds from redemption of securities	2,100	1,000
Purchase of property, plant and equipment and intangible assets	(14,525)	(11,612)
Proceeds from sale of property, plant and equipment and intangible assets	40	39
Purchase of investment securities	(1,953)	(171)
Proceeds from sale of investment securities	3,210	4,937
Payments into time deposits	(94)	(1,088)
Proceeds from withdrawal of time deposits	—	40
Purchase of long-term prepaid expenses	(182)	(106)
Other, net	(13)	(9)
Net cash provided by (used in) investing activities	(11,418)	(6,971)
Cash flows from financing activities		
Dividends paid	(7,352)	(7,085)
Purchase of treasury shares	(8,736)	(2,374)
Proceeds from sale of treasury shares	—	531
Other, net	(107)	(110)
Net cash provided by (used in) financing activities	(16,195)	(9,038)
Effect of exchange rate change on cash and cash equivalents	(260)	1,982
Net increase (decrease) in cash and cash equivalents	(4,461)	(4,846)
Cash and cash equivalents at beginning of period	62,466	58,005
Cash and cash equivalents at end of period	*58,005	*53,159

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.

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.

Provision for share awards

To provide for the issuance and payment to the Company's employees of the Company's shares and cash equivalent to the proceeds from the sale of said shares (hereinafter, "the Company Shares, etc."), the Company records the estimated amount of the Company Shares, etc. to be granted based on the points awarded in accordance with the stock-based compensation plan rules.

(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

(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 Impairment loss on goodwill and intangible assets (“goodwill, etc.”) arising from the acquisition of Fasford Technology Co., Ltd. (“FFT”)

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

Impairment losses recorded on goodwill, etc. arising from the acquisition of FFT in the fiscal year ended March 31, 2019 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, 2025	As of March 31, 2026
Goodwill	8,087	—
Intangible assets arising from acquisitions	2,825	—
Impairment losses	—	9,691
Other property, plant, equipment, and intangible assets	5,182	5,233

(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, 2026

For the fiscal year under review, indications of impairment were recognized in the asset group that included FFT'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 FFT's business plans, with the feasibility of net sales in the business plan and forecasts of the marginal profit ratio used as key assumptions.

- Impact on consolidated financial statements for the fiscal year ending March 31, 2027

In the market for die bonders, FFT's mainstay product, 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.

2 Inventory valuation

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

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Merchandise and finished goods	12,883	19,795
Work in process	28,136	30,294
Raw materials and supplies	12,171	14,014
Total	53,190	64,105

(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, 2026

We evaluate inventories by devaluing the book value of inventories based on the decline in profitability, and when the net selling value at the end of the consolidated fiscal year is lower than the acquisition cost, the inventories are evaluated at the net selling value. 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, 2027

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)

“Donations” presented separately under “Non-operating expenses” for the previous fiscal year, have been included in “Miscellaneous expenses” from the fiscal year ended March 31, 2026 because the amount has become immaterial. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation method.

As a result, ¥30 million presented in “Donations” under “Non-operating expenses” in the consolidated statement of income for the previous fiscal year, has been reclassified into “Miscellaneous expenses.”

“Loss on valuation of investment securities” presented separately under “Extraordinary losses” for the previous fiscal year, has been included in “Other” from the fiscal year ended March 31, 2026 because the amount has become immaterial. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation method.

As a result, ¥304 million presented in “Loss on valuation of investment securities” under “Extraordinary losses” in the consolidated statement of income for the previous fiscal year, has been reclassified into “Other.”

(Consolidated Statements of Cash Flows)

“Loss (gain) on valuation of investment securities” presented separately under “Cash flows from operating activities” for the previous fiscal year, has been included in “Other, net” from the fiscal year ended March 31, 2026 because the amount has become immaterial. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation method.

As a result, ¥304 million presented in “Loss (gain) on valuation of investment securities” under “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year, has been reclassified into “Other, net.”

Additional information

(Transactions in which the Company issues its own shares to employees, etc., through a trust)

Pursuant to the resolution adopted at the Board of Directors meeting held on August 5, 2025, and with the aim of enhancing the Company's corporate value over the medium to long term, the Company has introduced an employee incentive plan entitled "Stock Grant ESOP" (hereinafter, "the Plan") for employees (hereinafter, "Employees").

(1) Overview of the transactions

Under the Plan, points are awarded to Employees in accordance with the Company's stock-based compensation plan rules, and upon meeting certain conditions to acquire beneficial ownership, the Company shall deliver shares equivalent to the awarded points and pay a cash amount equivalent to the proceeds from the sale of such shares.

For the accounting treatment under the Plan, the Company applies the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015).

(2) Company shares remaining in trust

The Company's shares remaining in the trust are recorded as treasury shares in the net assets section at their carrying amount in the trust (excluding incidental expenses). The carrying amount and number of shares of these treasury shares were ¥– million and – shares in the previous fiscal year and ¥530 million and 186,463 shares in the end of the fiscal year under review, respectively.

Notes to Consolidated Balance Sheet

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

	As of March 31, 2025	As of March 31, 2026
Notes receivable - trade	928	1,020
Accounts receivable - trade	33,870	64,321

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, 2025	Fiscal year ended March 31, 2026
371	584

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Retirement benefit expenses	(214)	137
Provision for product warranties	419	678
Provision of allowance for doubtful accounts	(20)	31
Employees' salaries	9,351	10,458
Depreciation	1,565	1,428
Research and development expenses	7,727	8,514

- *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, 2025	Fiscal year ended March 31, 2026
7,727	8,514

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Buildings and structures (sale)	17	—
Machinery, equipment and vehicles (sale)	13	16
Other (sale)	0	0
Total	31	17

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Buildings and structures (disposal)	17	7
Machinery, equipment and vehicles (disposal)	80	116
Machinery, equipment and vehicles (sale)	2	6
Other (disposal)	27	113
Other (sale)	—	0
Total	127	243

*6 Impairment losses

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

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, and since the estimation period is less than one year, no discounting has been applied.

Fiscal year ended March 31, 2026

Place	Use	Type
Fasford Technology Co., Ltd. (Minami Alps, Yamanashi)	—	Goodwill, Intangible assets arising from acquisitions
EDEC LINSEY SYSTEM Co., Ltd. (Toyohashi, Aichi)	Production facilities	Tools, furniture and fixtures Machinery and equipment Software

In principle, the Group groups goodwill and intangible assets arising from acquisitions at the company level, while business assets are grouped based on the business classification used for the management accounting purpose.

In the fiscal year under review, the book value of the goodwill related to Fasford Technology Co., Ltd. and the intangible assets arising from the acquisition was reduced to the recoverable amount since there is uncertainty as to the ability to acquire the revenue originally anticipated at the time of the acquisition due to the business environment characterized by large fluctuations in the semiconductor market and changes in the competition environment, with the amount of the reduction recorded as an impairment loss (¥9,691 million) under extraordinary losses.

This consists of goodwill of ¥7,135 million and intangible assets arising from acquisitions of ¥2,556 million.

The recoverable amount of this asset group was measured at value in use, which is calculated by discounting future cash flows at 18.84%.

In addition, in the fiscal year under review, the loss from operating activities of EDEC LINSEY SYSTEM Co., Ltd.'s "Other Businesses" segment remained negative. As a result of a review of this business, the carrying amount of the non-current assets grouped under this segment was reduced to the recoverable amount, with the amount of the reduction recorded as an impairment loss (¥25 million) under extraordinary losses.

The impairment losses consist mainly of tools, furniture and fixtures of ¥14 million, machinery and equipment of ¥9 million, and software of ¥1 million.

The recoverable amount of this asset group was measured at value in use, which is equal to the memorandum value because the 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, 2025	Fiscal year ended March 31, 2026
Valuation difference on available-for-sale securities:		
Amount arising during the period	(2,882)	5,815
Reclassification adjustments	(1,703)	(3,227)
Before income taxes and tax effect	(4,586)	2,587
Income taxes and tax effect amount	1,197	(879)
Valuation difference on available-for-sale securities	(3,388)	1,708
Deferred gains or losses on hedges:		
Amount arising during the period	7	(15)
Tax effect	(2)	4
Deferred gains or losses on hedges	5	(10)
Foreign currency translation adjustment:		
Amount arising during the period	(254)	4,195
Remeasurements of defined benefit plans, net of tax:		
Amount arising during the period	398	1,844
Reclassification adjustments	(1,555)	(398)
Before income taxes and tax effect	(1,156)	1,446
Income taxes and tax effect amount	350	(455)
Remeasurements of defined benefit plans, net of tax	(806)	990
Total other comprehensive income	(4,444)	6,883

Notes to Consolidated Statement of Changes in Equity

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 have become effective in the fiscal year ended 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

Fiscal year ended March 31, 2026

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)	9,026	1,095	211	9,910
Total	9,026	1,095	211	9,910

Notes: 1. The number of treasury shares includes the Company's shares held by the ESOP Trust Account (– shares at the beginning of the fiscal year under review and 186 thousand shares at the end of the fiscal year under review).

2. The increase of 1,095 thousand shares is due to the increase of 907 thousand shares from the purchase of treasury shares based on a resolution of the Board of Directors, the increase of 186 thousand shares from the acquisition of the Company's shares by the Stock Grant ESOP trust, and the increase of 1 thousand shares from the purchase of fractional shares.

3. The decrease of 211 thousand shares is due to the decrease of 186 thousand shares from the disposal of shares through a third-party allotment to the Stock Grant ESOP trust, the decrease of 24 thousand shares from the disposal of treasury shares as restricted stock awards, and the decrease of 0 thousand shares from the transfer of shares from the Stock Grant ESOP trust to employees.

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, 2025	Common stock	3,551	40.00	March 31, 2025	June 30, 2025
Board of Directors' Meeting on November 7, 2025	Common stock	3,524	40.00	September 30, 2025	December 8, 2025

Note: The total amount of dividends approved by the Board of Directors on November 7, 2025, includes ¥7 million in dividends on the Company's shares held by the Stock Grant ESOP trust as of the record date.

(2) Of the dividends whose record date falls during the fiscal year ended March 31, 2026, those of which will become effective in the fiscal year ending March 31, 2027

The following matters concerning the appropriation of retained earnings will be submitted for approval at the Ordinary General Meeting of Shareholders on June 26, 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 26, 2026	Common stock	4,404	Retained earnings	50.00	March 31, 2026	June 29, 2026

Note: The total amount of dividends approved by the Ordinary General Meeting of Shareholders on June 26, 2026, includes ¥9 million in dividends on the Company's shares held by the Stock Grant ESOP trust as of the record date.

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, 2025	Fiscal year ended March 31, 2026
Cash and deposits	57,580	53,741
Securities account (certificates of deposit)	600	661
Time deposits with maturity over 3 months	(175)	(1,244)
Cash and cash equivalents	58,005	53,159

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, 2025	As of March 31, 2026
Due within one year	14	12
Due after one year	46	49
Total	60	61

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, 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	—

As of March 31, 2026

(Millions of yen)

	Amount recorded on the consolidated balance sheet	Fair value	Difference
Securities and investment securities (*2)			
Held-to-maturity bonds	921	890	(30)
Available-for-sale securities	19,523	19,523	—
Long-term deposits	100	90	(9)
Total assets	20,545	20,505	(40)
Derivative transactions (*3)	[10]	[10]	—

(*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, 2025	As of March 31, 2026
Unlisted shares	147	155
Investments in investment limited partnerships, etc. (*4)	2,009	2,452

(*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, 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	—

As of March 31, 2026

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Cash and deposits	53,741	—	—	—
Notes and accounts receivable – trade	65,341	—	—	—
Securities and investment securities				
Held-to-maturity bonds				
Corporate bonds	520	300	100	—
Available-for-sale securities with a maturity				
(1) Bonds (corporate bonds)	404	—	—	—
(2) Certificates of deposit	661	—	—	—
Long-term deposits	—	—	100	—
Total	120,670	300	200	—

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, 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

As of March 31, 2026

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Stock	18,762	—	—	18,762
Bonds	—	100	—	100
Derivative transactions	—	[10]	—	[10]
Total assets	18,762	89	—	18,852

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

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

As of March 31, 2026

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity bonds	—	890	—	890
Available-for-sale securities				
Certificates of deposit	—	661	—	661
Long-term deposits	—	90	—	90
Total assets	—	1,642	—	1,642

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, 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)

As of March 31, 2026

(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	921	890	(30)
	Other	—	—	—
	Subtotal	921	890	(30)
Total		921	890	(30)

2 Available-for-sale securities
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.

As of March 31, 2026

(Millions of yen)

	Type	Amount recorded on the consolidated balance sheet	Acquisition cost	Difference
Items whose amount recorded on consolidated balance sheet exceeds acquisition cost	Stock	18,762	4,336	14,425
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	18,762	4,336	14,425
Items whose amount recorded on consolidated balance sheet does not exceed acquisition cost	Stock	—	—	—
	Bonds	100	117	(17)
	Other	661	661	—
	Subtotal	761	779	(17)
Total		19,523	5,115	14,408

Note: Unlisted shares (amount recorded on the consolidated balance sheet: ¥155 million) and Investments in investment limited partnerships, etc. (amount recorded on the consolidated balance sheet: ¥2,452 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, 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	—

Fiscal year ended March 31, 2026

(Millions of yen)

Type	Sale proceeds	Total gain on sale	Total loss on sale
Stock	4,937	3,227	—
Bonds	—	—	—
Other	—	—	—
Total	4,937	3,227	—

4 Securities for which impairment losses were recorded

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.

For the fiscal year ended March 31, 2026, there are no applicable items.

Derivatives

Derivative transactions for which hedge accounting is applied

Currency-related

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

As of March 31, 2026

(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	320	—	(10)
Total			320	—	(10)

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, 2025	Fiscal year ended March 31, 2026
Balance of retirement benefit obligations at beginning of period	10,423	9,783
Service cost	707	650
Interest cost	75	138
Actuarial gains and losses accrued	(632)	(656)
Retirement benefits paid	(790)	(583)
Balance of retirement benefit obligations at end of period	9,783	9,332

(2) Changes in plan assets

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance of plan assets at beginning of period	14,773	14,648
Expected return on plan assets	413	410
Actuarial gains and losses accrued	(252)	1,184
Contribution from employer	494	496
Retirement benefits paid	(779)	(580)
Balance of plan assets at end of period	14,648	16,159

(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, 2025	As of March 31, 2026
Retirement benefit obligations of funded plans	9,694	9,230
Plan assets	(14,648)	(16,159)
	(4,953)	(6,929)
Retirement benefit obligations of unfunded plans	88	102
Net amount of liabilities and assets recorded in the consolidated balance sheet	(4,865)	(6,827)
Retirement benefit liability	88	102
Retirement benefit asset	(4,953)	(6,929)
Net amount of liabilities and assets recorded in the consolidated balance sheet	(4,865)	(6,827)

(4) Amounts of retirement benefit expenses and their components

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Service cost	707	650
Interest cost	75	138
Expected return on plan assets	(413)	(410)
Amortization of actuarial gains and losses	(1,536)	(395)
Retirement benefit expenses for defined benefit plans	(1,167)	(16)

(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, 2025	Fiscal year ended March 31, 2026
Actuarial gains and losses	1,156	(1,446)
Total	1,156	(1,446)

(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, 2025	As of March 31, 2026
Unrecognized actuarial gains and losses	(398)	(1,844)
Total	(398)	(1,844)

(7) Plan assets

(i) Major components of plan assets

	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
Bonds	4,520	4,985
Stock	5,534	6,094
Infrastructure funds	1,285	1,317
Real estate funds	605	624
Short-term funds	379	581
Hedge funds	2,323	2,555
Total	14,648	16,159

(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, 2025	As of March 31, 2026
Discount rate	1.4%	2.2%
Long-term expected rate of return	2.8%	2.8%

For salary increase rates, an age-based salary increase index, calculated with March 31, 2025, 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, 2025	Fiscal year ended March 31, 2026
Retirement benefit liability balance at beginning of period	218	259
Retirement benefit expenses	170	91
Retirement benefits paid	(25)	(30)
Contribution to plans	(104)	(106)
Retirement benefit liability balance at end of period	259	213

(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, 2025	As of March 31, 2026
Retirement benefit obligations of funded plans	1,767	1,819
Plan assets	(1,763)	(1,877)
	3	(57)
Retirement benefit obligations of unfunded plans	256	271
Net amount of liabilities and assets recorded in the consolidated balance sheet	259	213
Retirement benefit liability	334	361
Retirement benefit asset	(74)	(148)
Net amount of liabilities and assets recorded in the consolidated balance sheet	259	213

(3) Retirement benefit expenses

Retirement benefit expenses calculated using the simplified method	Fiscal year ended March 31, 2025: ¥170 million
	Fiscal year ended March 31, 2026: ¥91 million

4 Defined contribution plans

The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries were ¥254 million as of March 31, 2025 and ¥265 million as of March 31, 2026.

Tax effect accounting

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

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets		
Loss on valuation of inventories	1,557	1,883
Unrealized income on inventories	1,120	1,857
Accrued expenses	986	1,531
Enterprise tax payable	141	525
Impairment losses	604	500
Loss on valuation of investment securities	490	490
Provision for product warranties	175	254
Excess amount of depreciation	212	226
Foreign exchange gains(losses)	100	185
Retirement benefit liability	102	93
Provision for share awards	—	80
Other	334	274
Deferred tax assets subtotal	<u>5,825</u>	<u>7,904</u>
Valuation reserve	<u>(856)</u>	<u>(842)</u>
Deferred tax assets total	4,969	7,061
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(3,467)	(4,346)
Retirement benefit asset	(1,560)	(2,182)
Gain on investments in investment partnerships	(243)	(360)
Retained earnings of overseas subsidiaries	(179)	(72)
Valuation difference on fair value of consolidated subsidiaries	(850)	—
Other	(143)	(132)
Deferred tax liabilities total	<u>(6,443)</u>	<u>(7,095)</u>
Deferred tax assets (liabilities), net	<u>(1,474)</u>	<u>(33)</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, 2025	As of March 31, 2026
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Expenses not deductible permanently, such as entertainment expenses	2.2	0.4
Income not taxable permanently, such as dividend income	(0.2)	0.2
Valuation reserve	(0.5)	(0.1)
Tax credits	(1.8)	(2.1)
Amortization of goodwill	2.3	1.2
Impairment losses on goodwill	0.3	8.9
Differences in tax rates of consolidated subsidiaries	(1.1)	(0.8)
Other	1.1	(2.2)
Effective rate of income taxes after application of tax effect accounting	<u>32.9</u>	<u>36.1</u>

(Changes in presentation methods)

“Impairment losses on goodwill,” included in “Other” for the previous fiscal year, has been presented separately from the fiscal year ended March 31, 2026 due to its increased materiality. The notes for the previous fiscal year have been reclassified in order to reflect these changes in presentation methods.

As a result, 1.4% presented in “Other” for the previous fiscal year, has been reclassified into “Other” of 1.1% and “Impairment losses on goodwill” of 0.3%.

Revenue recognition

1 Information on disaggregation of revenue from contracts with customers

Fiscal year ended March 31, 2025

(Millions of yen)

Name of segment	Japan	China	Thailand	Rest of Asia	North America	Europe	Other	Total
Robotic Solutions	8,168	38,366	2,428	30,637	16,679	14,718	3,158	114,157
Machine Tools	3,170	610	140	411	5,958	785	16	11,093
Reportable segments total	11,338	38,976	2,569	31,049	22,637	15,504	3,174	125,251
Other	2,127	2	—	6	—	—	—	2,136
Total	13,465	38,979	2,569	31,055	22,637	15,504	3,174	127,387
Ratio (%)	10.6	30.6	2.0	24.4	17.7	12.2	2.5	100.0

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

Fiscal year ended March 31, 2026

(Millions of yen)

Name of segment	Japan	China	Thailand	Rest of Asia	North America	Europe	Other	Total
Robotic Solutions	10,619	48,263	24,164	52,632	17,569	11,622	3,864	168,737
Machine Tools	3,869	1,183	114	269	3,972	270	24	9,705
Reportable segments total	14,489	49,447	24,279	52,902	21,542	11,893	3,889	178,442
Other	2,181	9	—	8	—	—	—	2,199
Total	16,671	49,456	24,279	52,910	21,542	11,893	3,889	180,642
Ratio (%)	9.2	27.4	13.4	29.3	11.9	6.6	2.2	100.0

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

(Changes in presentation methods)

“Thailand,” included in “Rest of Asia” for the previous fiscal year, has been presented separately from the fiscal year ended March 31, 2026 due to its increased materiality. In addition, “U.S.,” presented separately for the previous fiscal year, has been included in “North America” from the fiscal year ended March 31, 2026 due to its decreased materiality.

The notes for the previous fiscal year have been reclassified in order to reflect these changes in presentation methods.

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, 2027 onward arising from contracts with customers that are current as of March 31, 2026

(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, 2025	Fiscal year ended March 31, 2026
Balance at beginning of period	4,650	2,987
Balance at end of period	2,987	6,222

The balance of contract liabilities at the beginning of the fiscal year ended March 31, 2026 was mostly recognized as revenue during the fiscal year ended March 31, 2026.

(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, 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.

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segments			Other (Note)	Total
	Robotic Solutions	Machine Tools	Subtotal		
Net sales					
Sales to external customers	168,737	9,705	178,442	2,199	180,642
Inter-segment sales or transfers	80	—	80	313	394
Total	168,818	9,705	178,523	2,513	181,037
Segment profit (loss)	33,623	(107)	33,515	85	33,601
Segment assets	200,872	15,721	216,594	2,481	219,075
Other items					
Depreciation	8,825	463	9,289	74	9,364
Increase in property, plant and equipment and intangible assets	9,940	299	10,240	72	10,312

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, 2025	Fiscal year ended March 31, 2026
Reportable segments total	17,089	33,515
Profit (loss) in Other	(109)	85
Inter-segment transaction eliminations	9	9
Corporate expenses (Note)	(3,208)	(4,328)
Operating profit in the consolidated financial statements	13,781	29,282

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, 2025	As of March 31, 2026
Reportable segments total	186,699	216,594
Assets in Other	2,414	2,481
Inter-segment transaction eliminations	(30)	(84)
Corporate assets (Note)	55,205	59,365
Total assets in the consolidated financial statements	244,289	278,356

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, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Depreciation	8,872	9,289	87	74	113	144	9,073	9,508
Increase in property, plant and equipment and intangible assets	14,250	10,240	65	72	485	1,265	14,801	11,577

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

Related information

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

Fiscal year ended March 31, 2026

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)	31,936	2,078	1,085	2,229	381	37,711
Ratio (%)	84.7	5.5	2.9	5.9	1.0	100.0

3 Information about main customers

Name of customer	Net sales (Millions of yen)	Applicable segment
American Tec. Co., Ltd. (China)	21,716	Robotic Solutions

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

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.

Fiscal year ended March 31, 2026

Although impairment losses of ¥9,717 million in Fasford Technology Co., Ltd. and EDEC LINSEY SYSTEM Co., 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, 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

Fiscal year ended March 31, 2026

(Millions of yen)

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

Information about gain on bargain purchase by reportable segment

Fiscal year ended March 31, 2025

Not applicable

Fiscal year ended March 31, 2026

Not applicable

Related party information

Fiscal year ended March 31, 2025

Not applicable

Fiscal year ended March 31, 2026

Not applicable

Per share information

(Yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	2,461.37	2,642.59
Profit per share	119.64	178.79

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, 2025	Fiscal year ended March 31, 2026
Profit per share		
Profit attributable to owners of parent (millions of yen)	10,906	15,733
Profit not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent attributable to common stock (millions of yen)	10,906	15,733
Average number of shares during the period (shares)	91,158,931	87,997,810

3. The Company's shares held by the Stock Grant ESOP trust are included in treasury shares deducted from the total number of shares outstanding at the end of the fiscal year for the purpose of calculating net assets per share (– shares in the previous fiscal year and 186,463 shares in the fiscal year under review). In addition, these shares are included in the treasury shares deducted when calculating the average number of shares outstanding during the fiscal year for the purpose of determining net income per share (– shares in the previous fiscal year and 100,457 shares in the fiscal year under review).

Important subsequent events

Not applicable

