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Securities Code: 6134

June 7, 2022

## FUJI CORPORATION

19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan

Shinsuke Suhara, President & COO

### Notice of Convocation of the 76th Ordinary General Meeting of Shareholders

To Our Shareholders:

We are pleased to announce that the 76th Ordinary General Meeting of Shareholders of FUJI CORPORATION (the “Company”) will be held as detailed below.

**Instead of attending the Meeting in person, you may exercise your voting rights in writing (by postal mail) or via the internet, etc. Please review the “Reference Material for the General Meeting of Shareholders” described below and exercise your voting rights by 6:00 p.m., Tuesday, June 28, 2022.**

#### Meeting Details

- 1. Date & time:** 10:00 a.m. on Wednesday, June 29, 2022 (Reception is scheduled to start at 9:30 a.m.)
- 2. Place:** Grand Hall, 7th floor of the Corporate Headquarters  
19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan

#### 3. Objectives of Meeting:

##### Matters to be reported:

1. Presentation of the Business Report, Consolidated Financial Statements and Findings of Audits on Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 76th Business Period (from April 1, 2021 to March 31, 2022)
2. Presentation of the Non-consolidated Financial Statements for the 76th Business Period (from April 1, 2021 to March 31, 2022)

##### Matters to be resolved:

- |                    |   |
|--------------------|---|
| <b>Proposal 1:</b> | Appropriation of Surplus                                    |
| <b>Proposal 2:</b> | Amendments to the Articles of Incorporation                 |
| <b>Proposal 3:</b> | Election of Eight Board Members                             |
| <b>Proposal 4:</b> | Election of One Audit & Supervisory Board Member            |
| <b>Proposal 5:</b> | Election of One Substitute Audit & Supervisory Board Member |

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- When you attend the Meeting in person on the day, we kindly request you to submit the enclosed Voting Card to the reception desk at the meeting venue.
  - Any changes to the Reference Material for the General Meeting of Shareholders as well as the Business Report, Non-consolidated/Consolidated Financial Statements will be posted on the Company’s website at <https://www.fuji.co.jp/>.
  - Please note that a Notice of Resolutions of the General Meeting of Shareholders will be posted on the Company’s website indicated above instead of being sent in writing.

## Information on Exercise of Voting Rights

Voting rights at the General Meeting of Shareholders are principal rights of shareholders.

Please exercise your voting rights after examining the attached Reference Material for the General Meeting of Shareholders.

You may exercise your voting rights by one of the following three methods.

<b>Attending the General Meeting of Shareholders</b>	<b>Exercising voting rights in writing (by postal mail)</b>	<b>Exercising voting rights via the internet</b>
Please submit the enclosed Voting Card to the reception desk at the meeting venue.	Please indicate your approval or disapproval of each proposal on the enclosed Voting Card and return it without affixing a stamp.	Please indicate your approval or disapproval of each proposal in accordance with the instructions on the following page.
<b><u>Date &amp; Time:</u></b> 10:00 a.m. on Wednesday, June 29, 2022 (Reception is scheduled to start at 9:30 a.m.)	<b><u>Deadline</u></b> Must be received no later than 6:00 p.m. on Tuesday, June 28, 2022	<b><u>Deadline</u></b> All data entry to be completed no later than 6:00 p.m. on Tuesday, June 28, 2022

### How to fill out the Voting Card

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#### Proposals 1, 2, 4, and 5:

If you approve:

Put a circle in the box marked “贊” [Approve].

If you disapprove:

Put a circle in the box marked “否” [Disapprove].

#### Proposal 3:

If you approve all candidates:

Put a circle in the box marked “贊” [Approve].

If you disapprove all candidates:

Put a circle in the box marked “否” [Disapprove].

If you selectively disapprove certain candidates:

Put a circle in the box marked “贊” [Approve], and also write the candidate number for each candidate you disapprove.

Please note that your online vote will prevail should you exercise your voting rights both in writing (by postal mail) and via the internet. If you exercise your voting rights more than once via the internet, only the last vote shall be deemed valid.

## Guidance for Exercising Voting Rights via the Internet, Etc.

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### Scanning the QR Code

You can log in to the website for the exercise of voting rights without entering the login ID or temporary password printed on the Voting Card.

1. Please scan the QR Code printed on the Voting Card.  
\* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

**Note that you can log in to the website only once by using the QR Code.**

If you wish to redo your vote or exercise your voting rights without using the QR Code, please refer to “Entering login ID and temporary password” below.

### Entering login ID and temporary password

Voting website: <https://evote.tr.mufg.jp/>

1. Please access the website for exercise of voting rights.
2. Log in by entering your “login ID” and “temporary password” presented on the Voting Card.
3. Register a new password.
4. Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

If you have questions about the use of a computer, smartphone, etc. for exercising your vote via the internet, please contact:

Stock Transfer Agency (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

0120-173-027 (Japanese-language only)  
(Toll-free only from Japan / Hours: 9:00 a.m. to 9:00 p.m.)

**Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.**

## **Business Report**

(From April 1, 2021 to March 31, 2022)

### 1. Current Condition of the Group

#### (1) Business condition for the fiscal year ended March 31, 2022

##### 1) Business progress and results

During the fiscal year ended March 31, 2022, the Japanese economy continued its trend of business recovery after facing downward pressure due to the impact of the spread of COVID-19 on the background of export increase and the easing of supply restrictions, and the resumption of capital investments was observed in the manufacturing industry. In the global economy, although economic recovery continued due to the support of strong personal consumption in Europe and North America, the economy in China stagnated due to the strengthening of activity restrictions due to the reemergence of COVID-19. Furthermore, the outlook for the impact of Russia's invasion of Ukraine on the global economy remains uncertain.

In this environment, under the corporate slogan of "Excite and Inspire," the Company and its subsidiaries (hereinafter referred to as the "Group") have taken on the challenge of reforming based on a growth strategy of capturing the times and pioneering the future using robotics technology. The Group is developing attractive products that look ahead to the future, promoting the market launch of the high-end model NXTR in the area of its leading SMT pick and place machines. In addition, the Group is proactively working to create new businesses to solve social issues, such as by commencing demonstration experiments in September 2021 for recycling separation robots that automatically eliminate foreign substances mixed in with debris. Moreover, in the Toyota Plant, the Company opened the new showroom that puts together the numerous machines and attractive solutions that offer prospects for solving issues at processing sites in order to strengthen its sales capabilities in the area of machine tools. Besides, the Group aimed to improve profitability by striving to enhance manufacturing efficiency and improve costs, and carrying out initiatives such as further reduction of fixed costs through business reforms in which paperless operations, web conferences, and teleworking were promoted through active implementation of DX responding to the era of the new normal.

As a result of the above, net sales for the fiscal year ended March 31, 2022 increased by ¥11,966 million (8.8%) from the previous fiscal year, to ¥148,128 million. Meanwhile, operating profit increased by ¥6,568 million (30.0%) from the previous fiscal year, to ¥28,472 million, and ordinary profit increased by ¥6,718 million (28.9%) from the previous fiscal year, to ¥29,943 million. In addition, profit attributable to owners of parent increased by ¥4,020 million (23.4%) from the previous fiscal year, to ¥21,188 million.

Condition of each business is as follows.

#### Robotic Solutions

In addition to continued capital investments in products related to communication devices, including smartphones and servers, this segment was steady on the background of growth in European and American markets mainly for automotive-related products, as well as the increase of facilities demand for producing electronic components, which are essential for manufacturing those electronic devices. As a result, net sales for the business increased by ¥11,293 million (9.0%) from the previous fiscal year, to ¥136,863 million. In addition, operating profit increased by ¥6,310 million (24.0%) from the previous fiscal year, to ¥32,617 million.

#### Machine Tools

Sales in North American market were on a recovery trend as sales showed signs of improvement, but a cautious stance continued in Japanese domestic markets with regard to capital investment for the

automotive-related industry, which is a major customer. As a result, net sales for the business increased by ¥239 million (3.0%) from the previous fiscal year, to ¥8,106 million, and operating loss was ¥852 million (operating loss for the previous fiscal year was ¥1,324 million).

#### Others

Regarding Others, which includes the manufacture of control equipment, electronic equipment and image processing development, net sales increased by ¥433 million (15.9%) from the previous fiscal year, to ¥3,159 million. Operating profit was ¥68 million (operating loss for the previous fiscal year was ¥3 million).

#### <Net sales by business>

Business	Fiscal year ended March 31, 2021		Current fiscal year Fiscal year ended March 31, 2022		Year-on-year change	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Robotic Solutions	125,569	92.2	136,863	92.4	11,293	9.0
Machine Tools	7,866	5.8	8,106	5.5	239	3.0
Others	2,725	2.0	3,159	2.1	433	15.9
Total	136,161	100.0	148,128	100.0	11,966	8.8

#### 2) Capital investment

The Group makes continual capital investment in production, development, and sales facilities for such purposes as production capacity enhancement, rationalization of facilities, development of next-generation products that lead digital revolution, and the reinforcement of sales network. The total amount of capital investment during the fiscal year ended March 31, 2022 was ¥11,442 million (including intangible assets). The breakdown of capital investment by business segments was as follows: ¥9,030 million for the Robotic Solutions business and ¥2,113 million for the Machine Tools business. There were insignificant amounts of capital investment in businesses classified into Others and company-wide (common) capital investment not allocated to any particular business segment.

The details of major capital investment are as follows.

Company name Plant name	Location	Name of business	Details of facilities	Amount invested (Millions of yen)
The Company's headquarters and headquarters factory	Chiryu, Aichi	Robotic Solutions	Software for market sale	3,809
The Company's Okazaki Plant	Okazaki, Aichi	Robotic Solutions	Partial factory reconstruction and multistory parking structure reconstruction	930

There were no major disposals or sales of facilities in the fiscal year ended March 31, 2022.

#### 3) Funding procurement

The Company has concluded specified commitment line contracts for a total of ¥12.0 billion with its main financial institutions, in order to ensure agility and security for its funding needs and to reduce financial risk.

(2) Status of assets and profit and loss for the past three business periods

Category	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Current fiscal year Fiscal year ended March 31, 2022
Net sales (Millions of yen)	129,104	140,967	136,161	148,128
Ordinary profit (Millions of yen)	23,454	20,119	23,224	29,943
Profit attributable to owners of parent (Millions of yen)	16,855	14,963	17,167	21,188
Profit per share (Yen)	184.52	163.81	184.26	219.70
Total assets (Millions of yen)	194,366	198,504	224,671	243,310
Net assets (Millions of yen)	161,624	167,939	194,556	208,782
Net assets per share (Yen)	1,767.30	1,834.76	2,014.41	2,163.55

(3) Status of parent company and principal subsidiaries

1) Parent company

Not applicable

2) Principal subsidiaries

Company name	Share capital	Investment ratio of the Company (%)	Main business
ADTEK FUJI Co., Ltd.	45 million Japanese yen	100	Manufacturing, remodeling and repair of the Company's products
EDEC LINSEY SYSTEM Co., Ltd.	40 million Japanese yen	100	Manufacturing of units related to the Company's products (robotic moulder)
Fasford Technology Co., Ltd.	450 million Japanese yen	100	Manufacturing and sales of semiconductor manufacturing equipment
FUJI LINEAR CORPORATION	200 million Japanese yen	67	Development, manufacturing and sales of linear motors
Fuji America Corporation	1,000 thousand U.S. dollars	100	Sales of the Company's products (robotic moulder)
Fuji Machine America Corporation	1,000 thousand U.S. dollars	100 (100)	Sales of the Company's products (machine tools)
FUJI EUROPE CORPORATION GmbH	1,022 thousand euros	100	Sales of the Company's products (robotic moulder)
Fuji Machine China Co., Ltd.	12,737 thousand Chinese yuan	100	Maintenance and after-sale service of the Company's products (robotic moulder)
Kunshan Fuji Machine Mfg. Co., Ltd.	161,035 thousand Chinese yuan	100	Manufacturing and sales of the Company's products
Fuji Do Brasil Maquinas Industriais Ltda.	6,052 thousand Brazilian reals	95	Sales of the Company's products (robotic moulder)
FUJI INDIA CORPORATION PRIVATE LIMITED	31,000 thousand Indian rupees	100 (1)	After-sale service of the Company's products (robotic moulder) and support to dealers
FUJI MACHINE ASIA PTE. LTD.	2,986 thousand Singapore dollars	100	Sales of the Company's products (robotic moulder)

- Notes: 1. The investment ratio of the Company in parentheses indicates the percentage indirectly owned by the Company and is included in the total.
2. As of July 12, 2021, the Company acquired all issued shares of Sojitz Corporation's subsidiary FUJI MACHINE ASIA PTE. LTD. and made it a wholly owned subsidiary.

(4) Issues to be addressed

With the corporate vision of “To establish the No.1 brand in the industry through the development of next-generation products and innovation of production and sales, proactively adapting to the digital revolution,” the Group is committed to take following initiatives, centered on the new medium-term management plan started in the fiscal year ended March 31, 2022.

- i) Advance business strategies through digital transformation
- ii) Business development firmly rooted in the SDGs
- iii) Develop the market awareness of flagship machines
- iv) Pursue improvements in cost
- v) Promote health and productivity in the workplace

Issues to be addressed in each area of business and finances are as follows.

#### Robotic Solutions

The Group will strive to expand market share through promoting the sales expansion of flagship machines including the high-end model NXTR. In addition, as a part of DX and automation promotion, the Group aims to improve profitability by improving E-commerce sites, adding automated functions to existing models, improving manufacturing efficiency through the introduction of AGVs, robots, etc., and managing production schedules through DX. The Group will also promote the proposals of total solutions and services centering around the “FUJI Smart Factory.” Combining the semiconductor-related technology of Fasford Technology Co., Ltd. with our proprietary technology fostered by the robotic mounters, the Group seeks to create a new value in the new business domain across the two areas and pursues synergetic effects. The Group also aims to expand markets through the sales expansion of other robotic products than electronic component mounters.

#### Machine Tools

The Group will focus on winning new customers as well as expanding the product lineup through promoting the market launch of new products including the multitasking machine with a robot, “GYROFLEX T4000.” The Group will strive to strengthen collaboration among the Company’s Toyota Plant and its facilities in China and North America, and to utilize trading firms in Japan, Asia, and European regions. The Group also aims to expand new sales channels and markets, leveraging digital tools.

#### Finances

The Group will strive to increase corporate value by maintaining high level of investment into research and development, while also actively making strategic investments and capital investments in peripheral businesses and new businesses, aiming for future growth. The Group will also actively promote ESG investments as an activity toward the formation of a sustainable society. Additionally, from the perspective of increasing shareholder value, the Group will work to improve profitability and capital efficiency and continuously return profits to shareholders as the most important measure for management, striving to maintain and continue a stable payout ratio of 30%.

We look forward to the continued support of all our shareholders.



## (5) Main business (as of March 31, 2022)

Business	Main products
Robotic Solutions	Robotic mounter and semiconductor manufacturing equipment
Machine Tools	Machine tools
Others	Control equipment, electronic equipment, and image processing development

## (6) Principal offices and plants (as of March 31, 2022)

The Company	Headquarters: Chiryu, Aichi Tokyo Branch Office: Minato-ku, Tokyo Osaka Branch Office: Suita, Osaka Headquarters Factory: Chiryu, Aichi Okazaki Factory: Okazaki, Aichi Toyota Plant: Toyota, Aichi
ADTEK FUJI Co., Ltd.	Headquarters: Okazaki, Aichi
EDEC LINSEY SYSTEM Co., Ltd.	Headquarters: Toyohashi, Aichi
Fasford Technology Co., Ltd.	Headquarters: Minami Alps, Yamanashi
FUJI LINEAR CORPORATION	Headquarters: Chiryu, Aichi
Fuji America Corporation	Headquarters: Vernon Hills, Illinois, U.S.A.
Fuji Machine America Corporation	Headquarters: Vernon Hills, Illinois, U.S.A.
FUJI EUROPE CORPORATION GmbH	Headquarters: Kelsterbach, Germany
Fuji Machine China Co., Ltd.	Headquarters: Shanghai, China
Kunshan Fuji Machine Mfg. Co., Ltd.	Headquarters: Kunshan, China
Fuji Do Brasil Maquinas Industriais Ltda.	Headquarters: São Paulo, São Paulo, Brazil
FUJI INDIA CORPORATION PRIVATE LIMITED	Headquarters: Gurugram, Haryana, India
FUJI MACHINE ASIA PTE. LTD.	Headquarters: Singapore

Note: As of July 12, 2021, the Company acquired all issued shares of Sojitz Corporation's subsidiary FUJI MACHINE ASIA PTE. LTD. and made it a wholly owned subsidiary.

(7) Status of employees (as of March 31, 2022)

1) Employees of the Group

Business	Number of employees	Change from the end of the previous fiscal year
Robotic Solutions	2,118	+215
Machine Tools	380	+35
Others	101	-8
Company-wide (common)	192	+27
Total	2,791	+269

- Notes: 1. The number of employees is the number of full-time employees.  
2. In comparison with the number at the end of the previous fiscal year, the number of employees increased by 269, 202 of which owes to the fact that FUJI MACHINE ASIA PTE. LTD. was turned into a wholly owned subsidiary on July 12, 2021.

2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average number of years employed
1,710	-2	43.3 years old	18.3 years

Note: The number of employees is the number of full-time employees.

(8) Status of main lenders (as of March 31, 2022)

Not applicable

(9) Other important matters regarding the current condition of the Group

Not applicable

## 2. Current Status of the Company

### (1) Status of shares (as of March 31, 2022)

- 1) Total number of shares authorized to be issued: 390,000,000 shares
- 2) Total number of shares issued: 97,823,748 shares
- 3) Number of shareholders: 7,924
- 4) Major shareholders (top ten shareholders)

Shareholder name	Number of shares held (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	12,966	13.44
Custody Bank of Japan, Ltd. (Trust account)	5,010	5.19
Daido Life Insurance Co.	4,811	4.98
MUFG Bank, Ltd.	3,416	3.54
FUJI customers stock ownership	2,974	3.08
The Bank of Nagoya, Ltd.	1,554	1.61
BNYMAS AGT/CLTS NON TREATY JASDEC	1,502	1.55
Mitsubishi UFJ Trust and Banking Corporation	1,483	1.53
SSBTC CLIENT OMNIBUS ACCOUNT	1,389	1.44
THE BANK OF NEW YORK MELLON 140044	1,366	1.41

- Notes: 1. Shares held by the Company as treasury shares (1,378,045 shares) are excluded from the top ten shareholders listed above.
2. The number of shares held is rounded down to the nearest thousand. The shareholding ratio is calculated after deducting shares held by the Company as treasury shares and is given to two decimal places.

### 5) Status of shares issued to officers of the Company as compensation for execution of duties during the fiscal year ended March 31, 2022

	Number of shares	Number of recipients of shares issued
Board Members (excluding Outside Board Members)	13,629	5

- (Note) The share awards of the Company is described in “2. (3) 4) Remuneration, etc., for Board Members and Audit & Supervisory Board Members.”

(2) Status of share acquisition rights, etc.

Not applicable

(3) Status of Board Members and Audit & Supervisory Board Members

1) Status of Board Members and Audit & Supervisory Board Members (as of March 31, 2022)

Position in the Company	Name	Responsibility and representation of other companies
Chairman & CEO	Nobuyuki Soga	
President & COO	Shinsuke Suhara	
Board Member Managing Executive Officer	Hajime Ezaki	General Manager, Machine Tools Division Manager, Sales Department Chairman, Fuji Machine America Corporation Chairman, Kunshan Fuji Machine Mfg. Co., Ltd.
Board Member Managing Executive Officer	Masaaki Sugiura	General Manager, Robotic Solutions Division Chairman, Fuji Machine China Co., Ltd. Chairman, FUJI INDIA CORPORATION PRIVATE LIMITED
Board Member Executive Officer	Junichi Kano	Manager, Business Administration Department Manager, Accounting Department
Board Member	Nobuko Kawai	Representative, Nobuko Kawai Law Office Outside Director, KIKUSUI Chemical Industries Co., Ltd.
Board Member	Hideaki Tamada	
Board Member	Shoji Mizuno	Outside Director, Mikasa Shoji Co., Ltd.
Full-time Audit & Supervisory Board Member	Yoshiaki Kuroyanagi	
Audit & Supervisory Board Member	Shigeki Matsuda	Representative, Matsuda Certified Public Accountant Office Representative, Aiki Tax Accounting Corporation Outside Audit & Supervisory Board Member, Roland DG Corporation
Audit & Supervisory Board Member	Kayoko Yamashita	Representative, Yamashita Certified Public Accountant Office Outside Audit & Supervisory Board Member, Sotoh Co., Ltd. Outside Director (Audit & Supervisory Committee Member), OSG Corporation

- Notes:
1. Board Members, Nobuko Kawai, Hideaki Tamada and Shoji Mizuno, are Outside Board Members.
  2. Audit & Supervisory Board Members, Shigeki Matsuda and Kayoko Yamashita, are Outside Audit & Supervisory Board Members.
  3. Audit & Supervisory Board Members, Shigeki Matsuda and Kayoko Yamashita, are licensed as a certified public accountant and have extensive knowledge of finance and accounting.
  4. The Company has designated Board Members, Nobuko Kawai, Hideaki Tamada and Shoji Mizuno, as well as Audit & Supervisory Board Members, Shigeki Matsuda and Kayoko Yamashita, as Independent Directors/Auditors according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has notified said Exchanges thereof.

2) Outline of the liability limitation agreement

Pursuant to the provisions in Article 427, paragraph (1) of the Companies Act, the Company entered into an agreement with each Outside Board Member and Outside Audit & Supervisory Board Member to

limit the liability for damages set forth in Article 423, paragraph (1), of the said Act. The limit of the liability for damages under the agreement will be the amount stipulated in applicable laws and regulations.

3) Outline of the directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insured under the said insurance policy include all Board members and Audit & Supervisory Board Members of the Company and all subsidiaries of the Company, and they do not bear insurance premiums. Losses incurred by the insured if they are held liable for damages caused by their performance of duties will be covered by the said insurance policy. In order not to impair the appropriateness of their performance of duties, however, damages, etc. caused by any criminal act by the insured will not be subject to such coverage.

4) Remuneration, etc., for Board Members and Audit & Supervisory Board Members

a) Total amount of remuneration, etc., for the fiscal year ended March 31, 2022

Category of officers	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)				Numbers of eligible officers (Person)
		Fixed remuneration	Performance-linked remuneration		Non-monetary remuneration	
			Company-wide	Individual		
Board Members (of which Outside Board Members)	333 (24)	209 (24)	89 (-)	9 (-)	26 (-)	8 (3)
Audit & Supervisory Board Members (of which Outside Audit & Supervisory Board Members)	36 (17)	36 (17)	- (-)	- (-)	- (-)	3 (2)
Total (of which Outside Board Members/Audit & Supervisory Board Members)	369 (41)	245 (41)	89 (-)	9 (-)	26 (-)	11 (5)

- Notes: 1. No employee-portion salary was paid to any Board Member who also serves as an employee.  
2. For non-monetary remuneration, the amount of expenses for the restricted share awards system recorded in the current fiscal year is indicated.

b) Matters pertaining to performance-linked remuneration, etc.

The performance indicators for performance-linked remuneration, etc. are “consolidated operating profit” and “consolidated ROE,” the results of which for the fiscal year ended March 31, 2021 are ¥21,904 million and 9.5%, respectively. The reason why the Company has selected this indicator is that it is valued as an indicator reflecting the results of continuous business activities and that it motivates us to enhance our business performance and corporate value. The Company’s remuneration (monetary remuneration) system for directors (and other officers) is based on “fixed remuneration” for each position, taking into account “performance-linked remuneration” for the entire Company as well as each individual to determine the distinctive remuneration as a regular fixed remuneration.

The remuneration ratio by position is as follows:

Position	Fixed remuneration	Performance-linked remuneration	
		Company-wide	Individual
Chairman & CEO/President & COO	67%	33%	0%
Board Member, Chairman/President	67%	33%	0%
Board Member, Vice President, Executive Officer	59%	31%	10%
Board Member, Senior Managing Executive Officer	61%	28%	11%
Board Member, Managing Executive Officer	63%	26%	11%
Board Member, Executive Officer	65%	24%	11%
Full-time Audit & Supervisory Board Member	100%	0%	0%
Outside Board Member	100%	0%	0%
Part-time Audit & Supervisory Board Member	100%	0%	0%

“Fixed remuneration” may be reduced, regardless of the above table in the case of deterioration in business performance. The performance-linked remuneration consists of the “performance-linked remuneration (company-wide)” and the “performance-linked remuneration (individual).” The “performance-linked remuneration (company-wide)” is remuneration according to the business performance, which is increased or decreased each fiscal year in consideration of the previous year’s results of “consolidated operating profit” and “consolidated ROE” that the Company emphasizes as management indicators. Meanwhile, the “performance-linked remuneration (individual)” is an evaluation of the individual performance of each director. The “performance-linked remuneration (company-wide)” is designed to reward the results and performance produced. By setting it so that the higher position can receive greater allocation, higher positions are required to achieve higher results and responsibility for business performance. On the other hand, the “performance-linked remuneration (individual)” is an evaluation of the results and contributions to individual performance of each director on company-wide and divisional issues. In addition to the degree of achievement of issues set by the directors themselves in consideration of the medium-term management plan, business policies, department policies, etc., the President evaluates their ability to execute business operations from the perspective of strategy, operations, and people/organization. Full-time Audit & Supervisory Board Members, Outside Board Members and Part-time Audit & Supervisory Board Members are not subject to the “performance-linked remuneration (company-wide)” and the “performance-linked remuneration (individual).”

c) Description of non-monetary remuneration, etc.

The Company has introduced the share awards system (restricted share awards system) in order to provide incentives for the sustainable improvement of our corporate value and to promote an enhanced level of value-sharing with our shareholders. The details of the said share awards are as described in “d) Policy for determining remuneration, etc. for directors (and other officers).” The status of share issuance in the current fiscal year is indicated in “2. (1) 5) Status of shares issued to officers of the Company as compensation for execution of duties during the fiscal year ended March 31, 2022.”

d) Policy for determining remuneration, etc. for directors (and other officers)

The Company has adopted a resolution at the Board of Directors meeting on the determination policy concerning the details of remuneration, etc. for each Board Member.

For remuneration, etc., determined for each individual Board Member for the fiscal year ended March 31, 2022, the Board of Directors has confirmed, in light of a report given at the Advisory Committee, that the details of remuneration, etc., and the method of determining them are consistent with the determination policy adopted at the Board of Directors meeting and has judged that they are in line with the said determination policy.

The content of determination policy concerning the details of remuneration, etc. for each Board Member is as follows:

1. Basic policy

Remuneration for Board Members shall be linked to the shareholders' interests so that it can work well as an incentive for the sustainable enhancement of corporate values. For determining the remuneration of individual Board Member, an appropriate level based on the responsibilities of each position shall be applied. They shall be set as the basic policy, and "fixed remuneration" for each position as well as the "performance-linked remuneration" for the entire Company and individuals shall be paid.

In accordance with the proposal "Determination of Remuneration for the Granting of Transfer-Restricted Shares to Board Members (excluding Outside Board Members)" that was approved and passed at the 75th Ordinary General Meeting of Shareholders held on June 29, 2021, a part of "fixed remuneration" shall be paid in the form of the "restricted share awards."

For Outside Board Members, in consideration of their duties, only "fixed remuneration" shall be paid, except for the "performance-linked remuneration" and the "restricted share awards."

2. Policy on determination of the amounts of "fixed remuneration," "performance-linked remuneration" and "restricted share awards" or the number of allotted shares for each Board Member

"Fixed remuneration" for Board Members shall be comprehensively determined, taking into account the position, responsibilities, years of service, the Company's business performance, and the level of employees' salaries.

The "performance-linked remuneration" for Board Members consists of the "performance-linked remuneration (company-wide)" commensurate with corporate business performance in consideration of the previous year's results of "consolidated operating profit" and "consolidated ROE," which the Company emphasizes as management indicators, and the "performance-linked remuneration (individual)," based on the evaluation of the individual performance of each director.

Since the proposal of "Determination of Remuneration for the Granting of Transfer-Restricted Shares to Board Members (excluding Outside Board Members)" was approved and passed at the 75th Ordinary General Meeting of Shareholders held on June 29, 2021, a part of annual remuneration shall be paid in the form of the "restricted share awards" up to ¥90 million, equivalent to 20% of ¥450 million, the annual amount of remuneration for Board Members approved at the 62nd Ordinary General Meeting of Shareholders (held on June 27, 2008). The outline of the "restricted share awards" is as follows:

• Maximum limit of restricted share awards	Total amount ¥90 million (per year)
• Maximum number of shares to be granted	50,000 shares (per year)
• Timing of initiating the grant	July 2021 or after
• Period of restriction on transfer	Until the date of resignation

In and after the fiscal year ended March 31, 2022, the Board of Directors determine the amounts of "fixed remuneration," "performance-linked remuneration," "restricted share awards" and the number of shares to be allotted, within the scope of the total amount of remuneration approved at the General Meeting of Shareholders, based on the details of the reports by the Advisory Committee, a voluntary advisory body for the Board of Directors newly established in April 2021. The "fixed remuneration" and the "performance-linked remuneration" are paid every month, and the "restricted share awards" is paid at a certain time every year.

The Board of Directors will determine the remuneration ratio for Board Members by type, based on the details of the reports by the Advisory Committee.

e) Matters pertaining to the resolution adopted at the General Meeting of Shareholders on the remuneration, etc. for Board Members and Audit & Supervisory Board Members

The annual amount of monetary remuneration for Board Members is within ¥450 million, pursuant to the resolution adopted at the 62nd Ordinary General Meeting of Shareholders held on June 27, 2008. The number of Board Members at the close of this General Meeting of Shareholders is eight.

At the 75th Ordinary General Meeting of Shareholders held on June 29, 2021, it was resolved, within the above range of monetary remuneration, that the amount of restricted share awards should be within ¥90 million per year and that the upper limit of shares granted should be 50,000 shares per year, with Outside Board Members being ineligible for stock grant. The number of Board Members (excluding Outside Board Member) at the close of this General Meeting of Shareholders is five.

The annual amount of monetary remuneration for Audit & Supervisory Board Members is within ¥60 million, pursuant to the resolution adopted at the 60th Ordinary General Meeting of Shareholders held on June 29, 2006. The number of Audit & Supervisory Board Members at the close of this General Meeting of Shareholders is four.

- f) Total amount of remuneration, etc. for directors (and other officers) paid to Outside Board Members/Audit & Supervisory Board Members from the parent company, etc. or subsidiaries of the parent company, etc. (excluding the Company)  
Not applicable

5) Matters related to Outside Board Members/Audit & Supervisory Board Members

- a) Significant concurrent positions held as an executive in other corporations, etc., and relationship between these corporations, etc., and the Company
- Board Member Nobuko Kawai concurrently serves as a representative of Nobuko Kawai Law Office. There is no special interest between Nobuko Kawai Law Office and the Company.
  - Audit & Supervisory Board Member Shigeki Matsuda concurrently serves as a representative of Matsuda Certified Public Accountant Office and Aiki Tax Accounting Corporation. There is no special interest between Matsuda Certified Public Accountant Office and Aiki Tax Accounting Corporation and the Company.
  - Audit & Supervisory Board Member Kayoko Yamashita concurrently serves as a representative of Yamashita Certified Public Accountant Office. There is no special interest between Yamashita Certified Public Accountant Office and the Company.
- b) Significant concurrent positions held as Outside Board Members/Audit & Supervisory Board Members in other corporations, etc., and relationship between these corporations, etc., and the Company
- Board Member Nobuko Kawai assumed the office of Outside Director of KIKUSUI Chemical Industries Co., Ltd. in June 2021. There is no special interest between KIKUSUI Chemical Industries Co., Ltd. and the Company.
  - Board Member Shoji Mizuno assumed the office of Outside Director, Mikasa Shoji Co., Ltd. in June 2021. There is no special interest between Mikasa Shoji Co., Ltd. and the Company.
  - Audit & Supervisory Board Member Shigeki Matsuda assumed the office of Outside Audit & Supervisory Board Member of Roland DG Corporation in June 2015. There is no special interest between Roland DG Corporation and the Company.
  - Audit & Supervisory Board Member Kayoko Yamashita assumed the office of Outside Audit & Supervisory Board Member of Sotoh Co., Ltd. in June 2015 and that of Outside Director of OSG Corporation in February 2022. There is no special interest between Sotoh Co., Ltd. as well as OSG Corporation and the Company.



c) Main activities during the fiscal year ended March 31, 2022

	Summary of the attendance, statements made and duties performed in the expected role of Outside Board Members
Board Member Nobuko Kawai	Attended all 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2022. Taking advantage of her extensive expertise and experience as a lawyer, she has played an appropriate role in ensuring the reasonability and justness of decision making at meetings of the Board of Directors by proactively providing her opinion on compliance, gender equality, etc. As a member of the Advisory Committee, she has a supervisory role in the selection of candidates for Board Member of the Company and in the process for determining remuneration for Board Members (and other officers) from an objective and neutral standpoint.
Board Member Hideaki Tamada	Attended all 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2022. Based on his extensive experience and wide range of insight in general management and sales/marketing field, he has played an appropriate role in ensuring the reasonability and justness of decision making at meetings of the Board of Directors by proactively providing advice and recommendations for the management of the Company and the Group. As a member of the Advisory Committee, he has a supervisory role in the selection of candidates for Board Member of the Company and in the process for determining remuneration for Board Members (and other officers) from an objective and neutral standpoint.
Board Member Shoji Mizuno	Attended 12 out of 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2022. Based on his extensive experience and wide range of insight in general management and sales/marketing field, he has played an appropriate role in ensuring the reasonability and justness of decision making at meetings of the Board of Directors by proactively providing advice and recommendations for the management of the Company and the Group. As a member of the Advisory Committee, he has a supervisory role in the selection of candidates for Board Member of the Company and in the process for determining remuneration for Board Members (and other officers) from an objective and neutral standpoint.
Audit & Supervisory Board Member Shigeki Matsuda	Attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held in the fiscal year ended March 31, 2022. He mainly provided his opinions as required from his professional viewpoints as a certified public accountant and certified tax accountant as well as visiting subsidiaries in Japan for audit and giving appropriate indications and improvement suggestions.
Audit & Supervisory Board Member Kayoko Yamashita	Attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held in the fiscal year ended March 31, 2022. She mainly provided her opinions as required from her professional viewpoints as a certified public accountant and certified tax accountant as well as visiting subsidiaries in Japan for audit and giving appropriate indications and improvement suggestions.

(4) Status of accounting auditor

1) Name: KPMG AZSA LLC

2) Amount of remuneration, etc.

	Payment amount (Millions of yen)
The amount of remuneration, etc., for the accounting auditor for the fiscal year ended March 31, 2022	63
Total amount of monies and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries	63

- Notes:
1. Among subsidiaries of the Company, FUJI EUROPE CORPORATION GmbH, Fuji Machine China Co., Ltd., Kunshan Fuji Machine Mfg. Co., Ltd., Fuji Do Brasil Maquinas Industriais Ltda., FUJI INDIA CORPORATION PRIVATE LIMITED and FUJI MACHINE ASIA PTE. LTD. are audited by an auditing firm other than the Company's accounting auditor, for statutory audits.
  2. The audit agreement between the Company and the accounting auditor does not and cannot practically distinguish between remuneration, etc., for audits stipulated by the Companies Act and those stipulated by the Financial Instruments and Exchange Act. For this reason, the amount of the remuneration, etc., for the accounting auditor for the fiscal year ended March 31, 2022 represents the total amount for those audits.
  3. The Audit & Supervisory Board gave consent regarding the amount of remuneration, etc., for the accounting auditor after necessary verification, such as whether the details of the audit plan, status of execution of the duties of the accounting audit, the calculation basis for the remuneration estimate undertaken by the accounting auditor were appropriate.

3) Policy for decisions on dismissal or non-reappointment of accounting auditor

If the Audit & Supervisory Board deems necessary, such as in the event that the accounting auditor is unable to appropriately execute its designated duties, the Audit & Supervisory Board shall determine the details of a proposal for the dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders.

In addition, the Audit & Supervisory Board may dismiss an accounting auditor if they unanimously agree that there has been an event that corresponds to the items listed in Article 340, paragraph (1), of the Companies Act. In this case, an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board shall report the dismissal of the accounting auditor and reasons for the dismissal at the General Meeting of Shareholders convened for the first time after such dismissal.

4) Outline of the liability limitation agreement

Not applicable

(5) Systems to ensure appropriate conduct of operations and the status of implementation of such systems

Decisions made on systems to ensure compliance of the execution of duties by Board Members and employees with laws and regulations and the Articles of Incorporation and other systems to ensure appropriate conduct of operations by the Company are described below.

- 1) Systems to ensure compliance of the execution of duties by Board Members and employees with laws and regulations and the Articles of Incorporation
  - a) The Company provides the Corporate Behavior Charter to achieve control objectives, such as effectiveness and efficiency of operations, reliability of financial reporting, assurance of compliance, and preservation of assets, and Board Members shall take initiatives in publicizing the Charter among employees.
  - b) The Company establishes the Risk Compliance Committee as the organization for supervising and promoting compliance across the entire Company, for which the responsible chief officer is the President.
  - c) The Company establishes the Internal Control Council, for which the responsible chief officer is the President, aiming to supervise the relevant operations for the building, improvement, operation and evaluation of internal controls involved in financial reporting.
  - d) The Audit Department conducts audits about whether operational duties in the respective departments are properly and reasonably executed in accordance with laws and regulations, the Articles of Incorporation and internal rules, and reports the results to the President.
  - e) The Company establishes the whistleblower hotline to which compliance violations relating to the execution of duties by Board Members and employees are reported.

2) System for the storage and management of information related to the execution of duties by Board Members

Information related to the execution of duties by Board Members shall be recorded and kept in documents or electromagnetic media pursuant to the Rules on Document Archive Management and managed so that Board Members and Audit & Supervisory Board Members can view such documents or media at all times.

3) Rules and other aspects of the system for managing risks of loss

- a) The Company establishes the Risk Compliance Committee to support the streamlining of cross-departmental risk management systems in the respective departments and to promote their improvement from a company-wide viewpoint.
- b) Each department structurally and systematically organizes risks that obstruct the execution of management activities pursuant to the Basic Rules of Risk Management, and then prevents the occurrence of such risks and minimizes damages upon occurrence of such risks.
- c) The Audit Department conducts audits about the risk management conditions in the respective departments and reports the results to the President.
- d) The Company is committed to various risk management efforts through the Environment Control Committee and the Health and Safety Committee with regard to environment- and health/safety-related risks associated with corporate social responsibility.

- 4) System for ensuring that the duties of Board Members are efficiently performed
  - a) The Company has introduced an executive officer system in order to speed up management and clarify responsibility by separating the decision-making function and business execution function in management. Under the system, executive officers assume the responsibility for the execution of operational duties with the delegation of authority given by the President.
  - b) With respect to the execution of duties of Board Members, the Company provides for the scope of roles and responsibilities and the procedures for execution of duties in accordance with rules on organization, administrative authorities, division of business operations, etc.
  - c) In conducting the execution of business operations, the Company clarifies management objectives by formulating the annual “Management Policies” and “Annual (Medium-term) Profit Plan,” and each department shall manage to achieve their objectives.
- 5) System for ensuring appropriate business operations within the Group
  - a) The regular Operations Executive Board meetings, which include representatives from subsidiaries, confirm that the subsidiaries’ business activities are properly and effectively carried out.
  - b) The Audit Department audits that business duties are properly executed in the subsidiaries and that the compliance and risk management systems are properly operated, including those of the subsidiaries, and reports the results to the President.
- 6) Matters related to an employee to assist the duties of Audit & Supervisory Board Members and the independence of such an employee
  - a) The Company shall not appoint any employee who assists the duties of Audit & Supervisory Board Members. However, upon request of Audit & Supervisory Board Members, the President responds to such request in each case by designating a staff of the Audit Department.
  - b) The employee who assists Audit & Supervisory Board Members shall not be subject to instructions and orders from Board Members, and personnel transfers and personnel evaluations of such an employee shall be approved by Audit & Supervisory Board Members.
- 7) The system for reporting to Audit & Supervisory Board Members by Board Members and employees and other systems concerning reporting to Audit & Supervisory Board Members, and the system for ensuring effective audits by Audit & Supervisory Board Members
  - a) Board Members and employees shall, upon request of Audit & Supervisory Board Members, report the status of the execution of the Company’s business activities to Audit & Supervisory Board Members. Also, if Board Members find any fact likely to cause significant damage to the Company, Board Members shall immediately report the fact to the Audit & Supervisory Board.
  - b) Audit & Supervisory Board Members shall meet regularly with the President and exchange opinions concerning important audit issues, etc.
  - c) Audit & Supervisory Board Members shall endeavor to enhance the quality of audits and make the audits more effective by consistently maintaining close cooperation and collaboration with the accounting auditor, proactively exchanging opinions and information, and sharing the details obtained from their audits, in addition to holding regular briefing meetings, attending audits, and exchanging information verbally or in writing.
  - d) Board Members and employees shall promptly report to Audit & Supervisory Board Members the reports relating to compliance violations.

The following is a summary of the operating status of the system to ensure appropriate conduct of operations.

The Company makes efforts to spread its corporate philosophy and to improve understanding for compliance through meetings, such as the monthly Operations Executive Board meetings and the divisional meeting held by each division, and through in-house training, etc. In addition, the Company endeavors to improve the compliance level by establishing a whistleblower hotline system for the primary purpose of early detection and prevention of violations of laws and regulations, etc., and by audits conducted by the Audit & Supervisory Board Members and the Audit Department.

In order to strengthen efforts related to risk management, the Company has established the Risk Compliance Committee as a cross-departmental organization. The responsible chief officer for this committee is the President, and its members are elected from Board Members, etc., in charge of each division and department. In order to ensure risk management related to business operations each of them is in charge of, the committee establishes policies for evaluating and addressing risks, focusing on high risks, and also provides compliance training as required.

In order to ensure effective audits by the Audit & Supervisory Board Members, the Audit & Supervisory Board meeting is held monthly. In addition, the Audit & Supervisory Board exchanges information with the Audit Department and the accounting auditor, and holds a regular meeting with the President.

(6) Policy concerning decision on dividends of surplus

With regard to the Company's basic policy for profit distribution, we strive to maintain and continue a stable payout ratio of 30%, paying attention to capital demands for future business development as well as considering the continuous return of profits to shareholders as one of the most important management measures.

Retained earnings are used for proactive investments for further growth and expansion, such as developing next-generation products and building a production structure anticipating the digital revolution, as well as to improve and strengthen the Company's business structure.

Year-end dividends are proposed at ¥35 per share, based on the basic policy for profit distribution. This results in a total annual dividend of ¥70 per share, including the interim dividend of ¥35.

Remarks

Amounts described in this Business Report are rounded down to the unit used for presentation.

## Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Assets		Liabilities	
Current assets	165,978	Current liabilities	33,037
Cash and deposits	59,481	Notes and accounts payable – trade	12,463
Notes and accounts receivable – trade	38,972	Income taxes payable	5,960
Securities	7,579	Provision for product warranties	812
Merchandise and finished goods	14,434	Other	13,801
Work in process	24,484	Non-current liabilities	1,490
Raw materials and supplies	12,417	Deferred tax liabilities	1,059
Other	8,705	Retirement benefit liability	326
Allowance for doubtful accounts	(96)	Other	104
Non-current assets	77,331	<b>Total liabilities</b>	<b>34,527</b>
Property, plant and equipment	26,337	<b>Net assets</b>	
Buildings and structures	14,183	Shareholders' equity	196,600
Machinery, equipment and vehicles	5,201	Share capital	5,878
Tools, furniture and fixtures	1,267	Capital surplus	7,077
Land	5,364	Retained earnings	185,301
Construction in progress	320	Treasury shares	(1,657)
Intangible assets	25,809	Accumulated other comprehensive income	12,065
Goodwill	11,642	Valuation difference on available-for-sale securities	7,162
Software	8,985	Deferred gains or losses on hedges	55
Other	5,181	Foreign currency translation adjustment	4,766
Investments and other assets	25,184	Remeasurements of defined benefit plans	80
Investment securities	20,433	Non-controlling interests	117
Deferred tax assets	1,966		
Retirement benefit asset	2,362		
Other	421	<b>Total net assets</b>	<b>208,782</b>
<b>Total assets</b>	<b>243,310</b>	<b>Total liabilities and net assets</b>	<b>243,310</b>

## Consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Account	Amount	
Net sales		148,128
Cost of sales		89,637
Gross profit		58,491
Selling, general and administrative expenses		30,018
Operating profit		28,472
Non-operating income		
Interest and dividend income	651	
Miscellaneous income	969	1,620
Non-operating expenses		
Interest expenses	4	
Miscellaneous expenses	145	149
Ordinary profit		29,943
Extraordinary income		
Gain on disposal of non-current assets	26	
Gain on sales of investment securities	1,455	
Gain on step acquisitions	395	1,877
Extraordinary losses		
Loss on disposal of non-current assets	114	
Impairment losses	1,478	
Other	126	1,719
Profit before income taxes		30,101
Income taxes - current		10,042
Income taxes - deferred		(1,140)
Profit		21,200
Profit attributable to non-controlling interests		11
Profit attributable to owners of parent		21,188

## Consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

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

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





buildings and structures acquired on and after April 1, 2016 are measured using the straight-line method.

b. 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) Standards for recording significant allowances

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

4) 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.

Consideration for transactions was received within about one year from the satisfaction of performance obligations and does not include any significant financial component.

5) Other important matters for the preparation of consolidated financial statements

a. Basis for recording retirement benefit asset and liability:

As for retirement benefit asset and liability, retirement benefit obligations less plan assets are recorded, based on the estimated amount as at the end of the fiscal year, in order to provide for retirement benefits for the employees.

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

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

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

- b. Accounting method for consumption tax, etc.: Tax-exclusion method is adopted.

2. Notes on Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, Etc.)

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

Although revenue for export sales was previously recognized at the time of shipping, the major change as a result of this is that the method was changed to recognize revenue at the time that the bearing of risks transfers

to the customer pursuant to the terms and conditions of the trade set forth by the Incoterms.

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

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

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

(Application of Accounting Standard for Fair Value Measurement, Etc.)

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

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

It was also decided to add a note on matters pertaining to the breakdown of fair values of financial instruments by levels, etc. and other matters in “Notes on Financial Instruments.”

### 3. Notes to Accounting Estimates

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

- Amount recorded during the fiscal year under review  
¥10,941 million
- Other information that contributes to understanding the details of accounting estimates

The amount of goodwill of ¥14,271 million represents the excess of the acquisition cost of FFT stocks (¥21,799 million) over a net of assets received (¥13,458 million) and liabilities assumed (¥5,929 million) upon acquisition. The goodwill is amortized on a straight-line basis over 15 years, which is the investment recovery period based on the business plan made upon acquisition. The unamortized amount at the end of the fiscal year under review is ¥10,941 million.

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

### 4. Additional Information

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

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

### 5. Notes to Consolidated Balance Sheet

Accumulated depreciation of property, plant and equipment      ¥40,731 million

6. Notes to Consolidated Statement of Income

Impairment losses

The Group recorded an impairment loss on the following asset group during the fiscal year under review.

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

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

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

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

The recoverable amount of this asset group was measured at value in use, which is equal to the memorandum value because the future cash flows are estimated to be negative.

7. Notes to Consolidated Statement of Changes in Equity

(1) Matter relating to the total number of shares issued

(Thousand shares)

Type of shares	Number of shares at the beginning of the current period	Increased shares during the current period	Decreased shares during the current period	Number of shares at the end of the current period
Common stock	97,823	–	–	97,823

(2) Matter relating to the number of treasury shares

(Thousand shares)

Type of shares	Number of shares at the beginning of the current period	Increased shares during the current period	Decreased shares during the current period	Number of shares at the end of the current period
Common stock	1,390	1	13	1,378

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

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

(3) Matters relating to dividends of surplus

1) Dividends paid and others

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

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

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

## 8. Notes on Financial Instruments

### (1) Matters relating to status of financial instruments

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

The Group is striving to mitigate customers' credit risk associated with notes and accounts receivable – trade in accordance with the Credit Management Rules. Securities and investment securities largely comprise held-to-maturity bonds and shares, which are marked to market on a regular basis.

Loans payable and bonds payable are used for funding based on business plans, and interest rate swap transactions are used to fix interest expenses for the interest rate risks of long-term loans payable.

In addition, derivative transactions used by certain consolidated subsidiaries are forward exchange contracts for avoiding exchange fluctuation risks involving operating transactions denominated in foreign currency.

Derivative transactions are carried out within the scope of actual demand in accordance with the Internal Control Rules.

### (2) Matters relating to the fair values of financial instruments

Amounts recorded on the consolidated balance sheet, fair values and the differences between them as of March 31, 2022 (consolidated closing date of the fiscal year under review) are as follows. Shares without a market price, etc. (amounts recorded on the consolidated balance sheet: ¥1,265 million) are not included in “Available-for-sale securities.” 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.

(Millions of yen)

	Amounts recorded on the consolidated balance sheet	Fair value	Difference
(1) Securities and investment securities			
Held-to-maturity bonds	7,980	7,973	(6)
Available-for-sale securities	18,767	18,767	–
(2) Derivative transactions (*)	69	69	–

(\*) 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 parentheses.

(Notes) Matters relating to the method for calculating fair values of financial instruments, as well as matters relating to securities

#### (1) Securities and investment securities

Fair values of securities and investment securities are based on the prices quoted on stock exchanges. Fair values of debt securities are based on prices quoted by underwriting financial institutions. In addition, fair values of certificates of deposit are measured at book values because their fair values approximate book values as they are settled on a short-term basis.

#### (2) Derivative transactions

The method of calculating fair values is based on the quoted price, etc. obtained by the Company's main financial institutions.

### (3) Matters pertaining to the breakdown of fair values of financial instruments by appropriate categories, etc.

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 assets and liabilities whose fair value is the amount recorded on the consolidated balance sheet  
(Millions of yen)

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

- 2) Financial assets and liabilities whose fair value is not the amount recorded on the consolidated balance sheet  
(Millions of yen)

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

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

#### Securities and investment securities

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

#### Derivative transactions

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

## 9. Notes on Recognition of Revenue

- (1) Information on Disaggregation of Revenue from Contracts with Customers

(Millions of yen)

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

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

- (2) Information that Serves as a Basis for Understanding Revenues Arising from Contracts with Customers

Information that serves as a basis for understanding revenues arising from contracts with customers is as described in "Notes to Consolidated Financial Statements, 1. Significant Accounting Policies for Preparing

Consolidated Financial Statements, (4) Accounting policies, 4) Standards for recording significant revenues and expenses.”

(3) Information for Understanding the Amount of Revenue for the Fiscal Year Under Review and Fiscal Years that Follow

1) Balance of contract assets and contract liabilities, etc.

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

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

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

The balance of contract liabilities at the beginning of the period for the fiscal year under review was mostly recognized as revenue during the fiscal year under review.

2) 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.

10. Notes to Per Share Information

(1) Net assets per share	¥2,163.55
(2) Profit per share	¥219.70

11. Notes to Significant Subsequent Events

Not applicable



## Non-consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Assets		Liabilities	
Current assets	117,287	Current liabilities	19,560
Cash and deposits	36,436	Accounts payable - trade	7,592
Notes receivable - trade	1,524	Accounts payable - other	338
Accounts receivable - trade	30,973	Income taxes payable	4,508
Securities	5,880	Accrued expenses	3,502
Merchandise and finished goods	4,869	Provision for product warranties	671
Work in process	18,736	Other	2,947
Raw materials and supplies	9,858	Non-current liabilities	556
Other	9,015	Deferred tax liabilities	507
Allowance for doubtful accounts	(6)	Other	48
Non-current assets	77,377		
Property, plant and equipment	19,060	Total liabilities	20,116
Buildings	8,317		
Structures	1,715	Net assets	
Machinery and equipment	4,433	Shareholders' equity	167,385
Vehicles	33	Share capital	5,878
Tools, furniture and fixtures	779	Capital surplus	7,053
Land	3,590	Legal capital surplus	5,413
Construction in progress	190	Other capital surplus	1,639
Intangible assets	8,560	Retained earnings	156,110
Software	8,283	Legal retained earnings	1,450
Other	276	Other retained earnings	154,660
Investments and other assets	49,756	General reserve	54,900
Investment securities	18,793	Retained earnings brought forward	99,760
Shares of subsidiaries and associates	26,676	Treasury shares	(1,657)
Investments in capital	3	Valuation and translation adjustments	7,162
Investments in capital of subsidiaries and associates	1,951	Valuation difference on available-for-sale securities	7,162
Prepaid pension costs	2,232		
Other	99	Total net assets	174,547
Total assets	194,664	Total liabilities and net assets	194,664

**Non-consolidated Statement of Income**

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Account	Amount	
Net sales		115,595
Cost of sales		73,250
Gross profit		42,344
Selling, general and administrative expenses		18,537
Operating profit		23,806
Non-operating income		
Interest and dividend income	6,045	
Miscellaneous income	964	7,010
Non-operating expenses		
Miscellaneous expenses	68	68
Ordinary profit		30,748
Extraordinary income		
Gain on disposal of non-current assets	2	
Gain on sales of investment securities	1,455	1,457
Extraordinary losses		
Loss on disposal of non-current assets	101	
Impairment losses	1,478	
Other	98	1,678
Profit before income taxes		30,527
Income taxes - current		7,470
Income taxes - deferred		(25)
Profit		23,082

## Non-consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	5,878	5,413	1,621	7,034	1,450	54,900	82,946	139,296	(1,670)	150,539
Changes during period										
Dividends of surplus							(6,268)	(6,268)		(6,268)
Profit							23,082	23,082		23,082
Purchase of treasury shares									(2)	(2)
Disposal of treasury shares			18	18					16	34
Net changes in items other than shareholders' equity										
Total changes during period	–	–	18	18	–	–	16,813	16,813	13	16,845
Balance at end of period	5,878	5,413	1,639	7,053	1,450	54,900	99,760	156,110	(1,657)	167,385

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	9,779	9,779	160,318
Changes during period			
Dividends of surplus			(6,268)
Profit			23,082
Purchase of treasury shares			(2)
Disposal of treasury shares			34
Net changes in items other than shareholders' equity	(2,616)	(2,616)	(2,616)
Total changes during period	(2,616)	(2,616)	14,228
Balance at end of period	7,162	7,162	174,547

## Notes to Non-consolidated Financial Statements

### 1. Matters Relating to Significant Accounting Policies

#### (1) Valuation standard and valuation method for assets

- 1) Shares of subsidiaries and associates Measured at cost using the moving-average method
- 2) Held-to-maturity bonds Amortized cost method (Straight-line method)
- 3) 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
- 4) Inventories
  - Merchandise and finished goods, and work in process:  
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: 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 non-current assets

- 1) Property, plant and equipment: Declining-balance method  
However, buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998, and facilities attached to buildings and structures acquired on and after April 1, 2016 are measured using the straight-line method.
- 2) 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) Standards for recording allowances

- 1) 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.
- 2) Provision for product warranties To provide for expenditure associated with costs arising from the Company's product defects during the product warranty period, an amount calculated by multiplying net sales by the historical defect rate, which is calculated based on historical amounts, is set aside.
- 3) Provision for retirement benefits (prepaid pension costs): To provide for retirement benefits for the employees, provision for retirement benefits is recorded based on the estimated amounts of retirement benefit obligations and plan assets at the end of fiscal year. Actuarial differences are charged to expenses collectively in the fiscal year following the year in which they arise.

#### (4) Standards for recording revenues and expenses

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

For the sale of a product, in export sale, revenue is mainly 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, 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.

Consideration for transactions was received within about one year from the satisfaction of performance obligations and does not include any significant financial component.

(5) Other important matters for the preparation of non-consolidated financial statements

1) Accounting method for retirement benefits:

Accounting method for unrecognized actuarial differences related to retirement benefits is different from the accounting method for those in the consolidated financial statements.

2) Accounting method for consumption tax, etc.:

Tax-exclusion method is adopted.

2. Notes on Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, Etc.)

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

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

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

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

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

(Application of Accounting Standard for Fair Value Measurement, Etc.)

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

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

3. Additional Information

The disclosure on the impact of COVID-19 is omitted here as the same information is provided in “Notes to Consolidated Financial Statements, 4. Additional Information.”

4. Notes to Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment ¥34,160 million

(2) Monetary claims and debts to subsidiaries and associates

Short-term monetary claims:	¥10,169 million
Short-term monetary debts:	¥1,792 million
Long-term monetary debts:	¥9 million

5. Notes to Non-consolidated Statement of Income

(1) Amount of transactions with subsidiaries and associates

Net sales	¥28,595 million
Purchase of goods:	¥2,455 million
Other operating expenses:	¥14,333 million
Amount of transactions other than operating transactions:	¥5,526 million

(2) Impairment losses

The Company recorded impairment losses on the following asset group during the fiscal year under review.

Place	Use	Type
Toyota, Aichi	Production facilities for the Machine Tools business located at Toyota Plant	Machinery, equipment, etc.

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

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

Their major breakdown is as follows: ¥1,137 million for machinery, equipment, ¥284 million for buildings, and ¥32 million for tools, furniture and fixtures.

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

#### 6. Notes to Non-consolidated Statement of Changes in Equity Matter relating to the number of treasury shares

Type of shares	(Thousand shares)			
	Number of shares at beginning of current period	Increased shares during the current period	Decreased shares during the current period	Number of shares at the end of current period
Common stock	1,390	1	13	1,378

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

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

#### 7. Notes to Tax Effect Accounting

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

(Deferred tax assets)	(Millions of yen)
Accrued expenses	899
Impairment losses	821
Loss on valuation of inventories	687
Loss on valuation of investments in capital of subsidiaries and associates	446
Loss on valuation of investment securities	376
Enterprise tax payable	248
Provision for product warranties	205
Other	242
Deferred tax assets subtotal	3,928
Valuation reserve	(1,101)
Deferred tax assets total	2,826
(Deferred tax liabilities)	
Valuation difference on available-for-sale securities	(2,650)
Prepaid pension costs	(683)
Deferred tax liabilities total	(3,334)
Deferred tax assets (liabilities), net	(507)

8. Notes to Transactions with Related Parties  
Subsidiaries, etc.

Type	Name of companies, etc.	Owning (owned) ratio of voting rights, etc.	Relationship with related parties	Description of transactions	Amount of transactions (Millions of yen)	Account	Year-end balance (Millions of yen)
Subsidiary	Fuji America Corporation	Owning 100% directly	Sales of the Company's products	Sales of robotic mounters (Note)	14,261	Accounts receivable - trade	4,305
Subsidiary	FUJI EUROPE CORPORATION GmbH	Owning 100% directly	Sales of the Company's products	Sales of robotic mounters (Note)	8,402	Accounts receivable - trade	2,430
Subsidiary	EDEC LINSEY SYSTEM Co., Ltd.	Owning 100% directly	Manufacturing of units related to the Company's products	Contracting of the manufacture of units related to the robotic mounter (Note)	9,835	Accounts payable - trade Accrued expenses	786

Terms of transactions and the policy for determining such terms

(Note) Terms of transactions including prices are determined based on market prices, the same way as general terms of transactions.

9. Notes on Recognition of Revenue

These are omitted as the same content is indicated "Notes to Consolidated Financial Statements, 9. Notes on Recognition of Revenue" with regard to information that serves as a basis for understanding revenues arising from contracts with customers.

10. Notes to Per Share Information

- |                          |           |
|--------------------------|-----------|
| (1) Net assets per share | ¥1,809.80 |
| (2) Profit per share     | ¥239.34   |

11. Notes to Significant Subsequent Events

Not applicable

**Independent Auditor's Report**

May 14, 2022

To the Board of Directors of FUJI CORPORATION:

KPMG AZSA LLC  
Nagoya Office, Japan

Noriko Shinke  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masahide Kinbara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of FUJI CORPORATION ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other



information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other

matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

**Independent Auditor's Report**

May 14, 2022

To the Board of Directors of FUJI CORPORATION:

KPMG AZSA LLC  
Nagoya Office, Japan

Partner  
Noriko Shinke  
Designated Limited Liability  
Engagement Partner  
Certified Public Accountant

Partner  
Masahide Kinbara  
Designated Limited Liability  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules ("the financial statements and the supplementary schedules") of FUJI CORPORATION ("the Company") as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the supplementary schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements and the supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

### Audit Report

With respect to Board Members' performance of their duties during the 76th business period (from April 1, 2021 to March 31, 2022), the Audit & Supervisory Board has prepared this audit report after deliberations, as unanimous opinion of all Audit & Supervisory Board Members based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board has established the audit policies and the division of duties of each Audit & Supervisory Board Member, etc., and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from Board Members, etc., and accounting auditors regarding the status of performance of their duties, and requested explanations as necessary.
- (2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and division of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate mutual understanding with Board Members, the internal audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and conducted audits in the following manner.
  - 1) Each Audit & Supervisory Board Member attended Board of Directors' meetings, Operations Executive Board meetings and other important meetings, received reports on the status of performance of duties from Board Members and other employees and requested explanations as necessary, examined requests for approval and other important documents, and inspected the status of corporate affairs and assets at head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Board Members and Audit & Supervisory Board Members, etc., of each subsidiary and received from subsidiaries reports on their respective business as necessary.
  - 2) Each Audit & Supervisory Board Member regularly received reports on the status of the system and performance from Board Members and other employees and, as necessary, requested explanations for and expressed opinions on the status of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that Board Members' performance of their duties described in the business report complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs (1) and (3), of the Ordinance for Enforcement of the Companies Act as being necessary for ensuring the appropriateness of the corporate affairs of the corporate group comprising the Company and its subsidiaries, and the systems (internal control systems) based on such resolutions.
  - 3) Each Audit & Supervisory Board Member monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. In addition, each Supervisory & Audit Board Member received a report from the accounting auditor to the effect that the "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (matters stipulated in the items of Article 131 of the Ordinance on Company Accounting) had been developed and maintained in accordance with "Quality Control Standards for audit" (Business Accounting Council, October 28, 2005), etc., and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and the supplementary schedules thereto, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements), for the business period under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- 1) We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- 2) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Board Members' performance of their duties.
- 3) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents of the business report concerning the internal control systems and the Board Members' performance of their duties.

(2) Results of Audit of the Non-consolidated Financial Statements and their Supplementary Schedules

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

May 16, 2022

Audit & Supervisory Board of FUJI CORPORATION

Full-time Audit & Supervisory Board Member	Yoshiaki Kuroyanagi
Outside Audit & Supervisory Board Member	Shigeki Matsuda
Outside Audit & Supervisory Board Member	Kayoko Yamashita

## Reference Material for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

With regard to the Company's basic policy for profit distribution, while paying attention to capital demands for future business development, we strive to maintain and continue a stable payout ratio of 30%, considering the continuous return of profits to shareholders as one of the most important management measures. Retained earnings are used for proactive investments for further growth and expansion, such as developing next-generation products and building a production structure anticipating the digital revolution, and also for improving and strengthening the Company's business structure.

Based on the basic policy for profit distribution, we would like to propose to pay year-end dividends for the 76th business period as follows.

Details of the year-end dividends

- (1) Type of assets distributed as dividends: Cash
- (2) Allocation of assets distributed as dividends and the total amount thereof:  
¥35 per share of the Company's common stock  
Please note that the total of the dividends will amount to ¥3,375,599,605.  
As a result, the annual dividend for the current fiscal year is ¥70 per share, including the interim dividend of ¥35.
- (3) Effective date of distribution from surplus:  
Thursday, June 30, 2022



## Proposal 2: Amendments to the Articles of Incorporation

### 1. Reasons for proposal

As a system for providing informational materials for the general meeting of shareholders in electronic format is to be introduced in the wake of the enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation.

- (1) Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph 1 shall be established as a part of proposed amendments because companies will be obligated to stipulate in their articles of incorporation that they will take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph 2 shall be established as a part of proposed amendments in order to allow the Company to limit the scope of items in information that constitutes the content of reference documents for the general meeting of shareholders, etc. subject to taking measures to provide in electronic format that is to be stated in the paper-based documents to be delivered to shareholders who requested the delivery thereof to items designated by the Ministry of Justice Order.
- (3) Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation shall be deleted as its provisions will no longer be required if a system for providing informational materials for the general meeting of shareholders in electronic format is introduced.
- (4) Supplementary provisions shall be established which pertain to the effect of the above provisions to be established or deleted. These supplementary provisions shall be deleted after the specified date.

### 2. Details of the amendments

Details of the proposed amendments are as shown below.

(The proposed amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="151 1171 782 1254"><u>Article 15. (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u></p> <p data-bbox="165 1254 782 1444"><u>In convening a general meeting of shareholders, the Company may be deemed that it has provided information that is to be stated or presented in the reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements to shareholders, by disclosing the said information via the internet in accordance with the provisions prescribed by the Ministry of Justice Order.</u></p> <p data-bbox="375 1500 574 1534">(Newly established)</p>	<p data-bbox="1069 1254 1165 1288">(Deleted)</p> <p data-bbox="798 1444 1437 1500"><u>Article 15. (Measures etc. for Providing Information in Electronic Format)</u></p> <ol style="list-style-type: none"> <li data-bbox="813 1500 1437 1612">1. <u>In convening a general meeting of shareholders, the Company will take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></li> <li data-bbox="813 1612 1437 1787">2. <u>The Company is not required to state all or some of items subject to taking measures to provide in electronic format that are designated by the Ministry of Justice Order in the paper-based documents to be delivered to shareholders who requested the delivery thereof by the record date of voting rights.</u></li> </ol>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	Supplementary provision <u>Article 1. (Transitional Measures for Providing Information Materials for the General Meeting of Shareholders in Electronic Format)</u>
(Newly established)	<ol style="list-style-type: none"> <li data-bbox="799 306 1445 465">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meetings of Shareholders, etc.) and the establishment of Article 15 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall take effect on September 1, 2022.</u></li> <li data-bbox="799 470 1445 629">2. <u>Notwithstanding the provision of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) shall remain in force for a general meeting of shareholders held on a date within six months from September 1, 2022.</u></li> <li data-bbox="799 633 1445 777">3. <u>The provision of this article shall be deleted on the date when six months have elapsed from September 1, 2022 or the date when three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever comes later.</u></li> </ol>

### Proposal 3: Election of Eight Board Members

The term of office of all eight Board Members expires at the close of this ordinary general meeting of shareholders. Accordingly, the Company proposes the election of eight Board Members including three Outside Board Members.

The candidates for Board Members are as follows.

Candidate number		Name	Position and primary responsibility in the Company	
1	Reappointment	Nobuyuki Soga	Chairman & CEO	
2	Reappointment	Shinsuke Suhara	President & COO	
3	Reappointment	Hajime Ezaki	Board Member, Managing Executive Officer General Manager, Machine Tools Division	
4	Reappointment	Junichi Kano	Board Member, Executive Officer General Manager, Corporate Operations Division	
5	New appointment	Joji Isozumi	Executive Officer Manager, Marketing Department, Robotic Solutions Division	
6	Reappointment	Nobuko Kawai	Outside Board Member	Outside Board Member Independent Director
7	Reappointment	Hideaki Tamada	Outside Board Member	Outside Board Member Independent Director
8	Reappointment	Shoji Mizuno	Outside Board Member	Outside Board Member Independent Director

[Reference]

The skills matrix of the candidates for Board Members are given below on the basis of their experience so far.

Candidate number	Name	Corporate management	Manufacture, technology, and R&D	Sales and marketing	Finance and accounting	IT and digital transformation (DX)	Legal affairs and governance	Global experience
1	Nobuyuki Soga	○	○				○	
2	Shinsuke Suhara	○	○			○	○	
3	Hajime Ezaki	○		○				○
4	Junichi Kano	○		○	○		○	○
5	Joji Isozumi		○	○				○
6	Nobuko Kawai Outside Board Member						○	
7	Hideaki Tamada Outside Board Member	○	○	○				○
8	Shoji Mizuno Outside Board Member	○		○			○	○

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
1	Nobuyuki Soga (February 26, 1952)	<p>April 1975 Entered the Company</p> <p>April 1997 Manager, Planning and Management Office</p> <p>April 2006 Manager, Business Planning Office, Electronics Assembly Equipment Division</p> <p>June 2007 Board Member, Executive Officer</p> <p>June 2008 Board Member, Managing Executive Officer</p> <p>June 2009 President &amp; CEO</p> <p>June 2019 Chairman &amp; CEO (Present post)</p>	30,409
<p>(Reason for nomination as a candidate for Board Member)</p> <p>Nobuyuki Soga has properly supervised management and made decisions on important matters as Chairman &amp; CEO and has contributed to the expansion of business since 2019. In addition, he is working on enhancing corporate value by formulating and promoting the medium-term management plan; therefore, he is re-nominated as a candidate for Board Member.</p>			
2	Shinsuke Suhara (October 3, 1957)	<p>April 1981 Entered the Company</p> <p>April 2004 Manager, Development Department 1, Electronics Assembly Equipment Division</p> <p>June 2008 Executive Officer; Deputy General Manager, Electronics Assembly Equipment Division; Manager, General Engineering Department 1</p> <p>June 2010 Board Member, Executive Officer</p> <p>June 2012 Board Member, Managing Executive Officer</p> <p>June 2013 Board Member, Managing Executive Officer; General Manager, Electronics Assembly Equipment Division (Currently Robotic Solutions Division)</p> <p>June 2015 Board Member, Senior Managing Executive Officer</p> <p>June 2018 Board Member, Vice President, Executive Officer</p> <p>June 2019 President &amp; COO; General Manager, Robotic Solutions Division</p> <p>June 2020 President &amp; COO (Present post)</p>	10,843
<p>(Reason for nomination as a candidate for Board Member)</p> <p>Shinsuke Suhara has served as Manager of Development Department, Manager of General Engineering Department, General Manager of Robotic Solutions Division, etc., and has executed the Company's business operations as President &amp; COO since 2019. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; therefore, he is re-nominated as a candidate for Board Member.</p>			

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
3	Hajime Ezaki (October 5, 1957)	<p>April 1980      Joined Nichimen Co., Ltd. (Currently Sojitz Corporation)</p> <p>November 2003      Entered the Company</p> <p>April 2007      Manager, International Sales Department 2, International Management Department, Electronics Assembly Equipment Division</p> <p>June 2011      Executive Officer; Manager, Planning and Management Office</p> <p>March 2014      Executive Officer; Manager, Marketing and Strategic Planning Department</p> <p>June 2015      Board Member, Executive Officer</p> <p>January 2018      Board Member, Executive Officer; Deputy General Manager, Machine Tools Division; Manager, Sales Department</p> <p>June 2019      Board Member, Managing Executive Officer</p> <p>June 2020      Board member, Managing Executive Officer; General Manager, Machine Tools Division; Manager, Sales Department (Present post)</p> <p>[Representation of Other Companies] Chairman, Fuji Machine America Corporation Chairman, Kunshan Fuji Machine Mfg. Co., Ltd.</p>	7,718
<p>(Reason for nomination as a candidate for Board Member)</p> <p>Hajime Ezaki has served as Manager of Sales Department, Manager of Planning and Management Office, Manager of Marketing and Strategic Planning Department, etc., and has extensive job experience in sales and public relations. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; therefore, he is re-nominated as a candidate for Board Member.</p>			

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
4	Junichi Kano (April 17, 1963)	<p>April 1986      Joined OSG Corporation</p> <p>February 1987      Entered the Company</p> <p>April 2012      Manager, Sales Department 2, General Sales Department, Electronics Assembly Equipment Division; Chairman, Fuji America Corporation</p> <p>April 2015      Manager, Sales Department 2, Electronics Assembly Equipment Division; Chairman, Fuji America Corporation; Chairman, Fuji Machine Manufacturing (Europe) GmbH</p> <p>April 2017      Manager, President's Office</p> <p>July 2017      Executive Officer; Manager, President's Office (Currently Business Administration Department, Corporate Operations Division)</p> <p>June 2020      Board Member, Executive Officer</p> <p>September 2020      Board Member, Executive Officer; Manager, Business Administration Department; Manager, Accounting Department</p> <p>April 2022      Board Member, Executive Officer; General Manager, Corporate Operations Division; Manager, Business Administration Department; Manager, Accounting Department (Present post)</p>	4,266
<p>(Reason for nomination as a candidate for Board Member)</p> <p>Junichi Kano has served as Manager of Sales Department, Chairman of a subsidiary, etc. and has extensive job experience in sales and public relations. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; therefore, he is re-nominated as a candidate for Board Member.</p>			
5	Joji Isozumi (January 31, 1974)  New appointment	<p>April 1996      Entered the Company</p> <p>March 2014      Acting Manager, Business Planning Department</p> <p>April 2017      Seconded to Fuji America Corporation in a position equivalent to a department acting manager</p> <p>June 2021      Executive Officer; Manager, Technology Development Department, Robotic Solutions Division; Manager, Innovation Promotion Department</p> <p>April 2022      Executive Officer; Manager, Marketing Department, Robotic Solutions Division (Present post)</p>	—
<p>(Reason for nomination as a candidate for Board Member)</p> <p>Joji Isozumi has diverse development experience at Machine Tools Division, Development Center, FUJI Innovation Lab. (U.S.), Robotic Solutions Division, etc. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; therefore, he is nominated as a candidate for Board Member.</p>			

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
6	Nobuko Kawai (December 5, 1961)  Outside Board Member Independent Director	<p>April 1992 Registered as a lawyer</p> <p>April 1998 Established Nobuko Kawai Law Office (Representative) (Present post)</p> <p>April 2002 Contract Lawyer, The Japan Center for Settlement of Traffic Accident Disputes</p> <p>April 2009 Vice Chairman, Aichi Bar Association</p> <p>April 2012 Professor, Nagoya University Graduate School of Law</p> <p>June 2015 Outside Board Member of the Company (Present post)</p> <p>April 2022 Member of Review Committee, The Japan Center for Settlement of Traffic Accident Disputes (Present post)</p> <p>[Representation of Other Companies] Representative, Nobuko Kawai Law Office Outside Director, KIKUSUI Chemical Industries Co., Ltd.</p>	1,973
<p>(Reason for nomination as a candidate for Outside Board Member and overview of expected role) Although Nobuko Kawai does not have experience in corporate management other than as an Outside Board Member, the Company believes that she will be able to utilize her expertise and experience as a lawyer to be adequately involved in decision making on its management issues and supervision over the execution of its operations. Therefore, she is re-nominated as a candidate for Outside Board Member. If she is elected, she will be involved as a member of the Advisory Committee from an objective and neutral standpoint in the selection of the Company's candidates for directors (and other officers), the determination of remuneration for directors (and other officers), and other matters.</p>			
7	Hideaki Tamada (January 2, 1947)  Outside Board Member Independent Director	<p>April 1970 Joined SANYO Electric Co., Ltd.</p> <p>May 1995 President, SANYO Energy (EUROPE) Corporate GmbH</p> <p>October 2006 President, SANYO Europe Ltd.</p> <p>November 2011 Advisor, TONG SAN ELECTRIC CO., LTD.</p> <p>June 2019 Outside Board Member of the Company (Present post)</p>	2,544
<p>(Reason for nomination as a candidate for Outside Board Member and overview of expected role) Hideaki Tamada has a wealth of sales experience in Japan and overseas, as well as extensive knowledge as a corporate manager. The Company believes that he will be able to take advantage of this experience to be adequately involved in decision making on its management issues and supervision over the execution of its operations. Therefore, he is re-nominated as a candidate for Outside Board Member. If he is elected, he will be involved as a member of the Advisory Committee from an objective and neutral standpoint in the selection of the Company's candidates for directors (and other officers), the determination of remuneration for directors (and other officers), and other matters.</p>			



Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
8	Shoji Mizuno (February 28, 1955)  Outside Board Member Independent Director	<p>April 1977      Joined MARUBUN CORPORATION</p> <p>March 2005    CEO and Representative Director, Marubun Semicon Corporation</p> <p>June 2011      Executive Vice President and Representative Director, MARUBUN CORPORATION</p> <p>January 2012   Senior Executive Vice President, Representative Director, MARUBUN CORPORATION</p> <p>June 2013      Chief Executive Officer, Representative Director, MARUBUN CORPORATION</p> <p>January 2020   Vice President, MARUBUN CORPORATION</p> <p>June 2020      Outside Board Member of the Company (Present post)</p> <p>[Representation of Other Companies] Outside Director, Mikasa Shoji Co., Ltd.</p>	839
<p>(Reason for nomination as a candidate for Outside Board Member and overview of expected role) Shoji Mizuno has a wealth of sales experience and extensive knowledge as a corporate manager. The Company believes that he will be able to take advantage of this experience to be adequately involved in decision making on its management issues and supervision over the execution of its operations. Therefore, he is re-nominated as a candidate for Outside Board Member. If he is elected, he will be involved as a member of the Advisory Committee from an objective and neutral standpoint in the selection of the Company's candidates for directors (and other officers), the determination of remuneration for directors (and other officers), and other matters.</p>			

- Notes:
1. These candidates have no particular interests in the Company.
  2. Matters on candidates for Outside Board Members
    - (1) Nobuko Kawai, Hideaki Tamada, and Shoji Mizuno are candidates for Outside Board Members.
    - (2) Nobuko Kawai, Hideaki Tamada, and Shoji Mizuno are incumbent Outside Board Members of the Company. The length of service of Ms. Kawai, Mr. Tamada, and Mr. Mizuno as Outside Board Members will be seven years, three years, and two years, respectively, at the close of this ordinary general meeting of shareholders.
    - (3) Pursuant to Article 427, paragraph (1) of the Companies Act, agreements to limit the liability for damages set forth in Article 423, paragraph (1) of the said act are entered into between the Company and Nobuko Kawai, Hideaki Tamada, and Shoji Mizuno. When they are reappointed, the Company intends to continue the agreements with them. The limit of the liability for damages under the agreement will be the amount stipulated in applicable laws and regulations.
    - (4) The Company has designated Nobuko Kawai, Hideaki Tamada, and Shoji Mizuno as Independent Directors according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has notified said Exchanges of it.
  3. The Company has entered into a directors and officers liability insurance policy (D&O insurance policy) with an insurance company, and the outline of the said policy is as described on page 13 of the Business Report. If each candidate is elected and assumes office as Board Member, they will be included as an insured in the D&O insurance policy. In addition, when the policy is renewed, the Company plans to renew it with the same terms.
  4. The number of the Company's shares owned by each candidate indicates the number of shares as of the end of the current fiscal year (March 31, 2022). In addition, the number presented includes the equities of the candidate in the Company's officer stock ownership.

#### Proposal 4: Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member, Yoshiaki Kuroyanagi expires at the close of this ordinary general meeting of shareholders. Accordingly, the Company proposes the election of one Audit & Supervisory Board Member.

This proposal has been approved by the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary and position in the Company (Position and representation of other companies)	Number of the Company's shares owned
<p>Masaaki Sugiura (August 10, 1961)</p> <p>New appointment</p>	<p>April 1986 Entered the Company</p> <p>April 1993 Manager, European Representative Office</p> <p>April 2004 President, Fuji Machine Manufacturing (Europe) GmbH</p> <p>April 2011 Manager, Sales Department 3, General Sales Department, Electronics Assembly Equipment Division</p> <p>April 2015 Executive Officer; Manager, Sales Department 1, Electronics Assembly Equipment Division (Currently Robotic Solutions Division)</p> <p>June 2018 Board Member, Executive Officer; Deputy General Manager, Robotic Solutions Division; Manager, Sales Department 1</p> <p>June 2020 Board Member, Managing Executive Officer; General Manager, Robotic Solutions Division (Present post)</p> <p>[Representation of Other Companies] Chairman, Fuji Machine China Co., Ltd. Chairman, FUJI INDIA CORPORATION PRIVATE LIMITED</p>	<p>5,767</p>
<p>(Reason for nomination as a candidate for Audit &amp; Supervisory Board Member)</p> <p>Masaaki Sugiura has served as President of a subsidiary, Manager of Sales Department, General Manager of Robotic Solutions Division, etc. and has extensive job experience. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career and sufficiently play a role in the effective audit of the Group; therefore, he is nominated as a candidate for Audit &amp; Supervisory Board Member.</p>		

- Notes:
1. This candidate has no particular interests in the Company.
  2. The Company has entered into a directors and officers liability insurance policy (D&O insurance policy) with an insurance company, and the outline of the said policy is as described on page 13 of the Business Report. If the candidate is elected and assumes office as Audit & Supervisory Board Member, he will be included as an insured in the D&O insurance policy. In addition, when the policy is renewed, the Company plans to renew it with the same terms.
  3. The number of the Company's shares owned by the candidate indicates the number of shares as of the end of the current fiscal year (March 31, 2022).  
In addition, the number presented includes the equities of the candidate in the Company's officer stock ownership.

### Proposal 5: Election of One Substitute Audit & Supervisory Board Member

The Company proposes that one Substitute Audit & Supervisory Board Member be elected in case of a vacancy in the statutory number of Audit & Supervisory Board Members.

As long as it occurs before he assumes office, the election of this Substitute Audit & Supervisory Board Member can be nullified by a resolution of the Board of Directors, with the consent of the Audit & Supervisory Board.

This proposal has been approved by the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary and position in the Company (Position and representation of other companies)	Number of the Company's shares owned
Masaaki Abe (October 31, 1960)  Substitute Outside Audit & Supervisory Board Member Independent Director	<p>April 1990 Registered as a Certified Public Accountant</p> <p>April 1992 Established Masaaki Abe Certified Public Accountant Office (Representative)</p> <p>November 1992 Registered as a Certified Tax Accountant Established Masaaki Abe Certified Tax Accountant Office (Representative)</p> <p>December 2011 Established Abe Certified Tax Accounting Corporation (Representative) (Present post)</p>	—
<p>(Reason for nomination as a candidate for Substitute Outside Audit &amp; Supervisory Board Member)</p> <p>Although Masaaki Abe has no corporate management experience, the Company believes that he will be able to utilize his expertise and experience as a Certified Public Accountant and Certified Tax Accountant to reinforce the auditing system of the Company; therefore, he is re-nominated as Substitute Audit &amp; Supervisory Board Member.</p>		

- Notes:
1. This candidate has no particular interests in the Company.
  2. Matters on the candidate for Substitute Outside Audit & Supervisory Board Member
    - (1) Masaaki Abe is a candidate for Substitute Outside Audit & Supervisory Board Member.
    - (2) Pursuant to Article 427, paragraph (1) of the Companies Act, the Company will conclude an agreement to limit the liability for damages set forth in Article 423, paragraph (1) of the said act with Masaaki Abe if he assumes the office of Audit & Supervisory Board Member. The limit of the liability for damages under the agreement will be the amount stipulated in applicable laws and regulations.
    - (3) Masaaki Abe satisfies the qualifications for Independent Auditor according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
  3. The Company has entered into a directors and officers liability insurance policy (D&O insurance policy) with an insurance company, and the outline of the said policy is as described on page 13 of the Business Report. If the candidate assumes office as Audit & Supervisory Board Member, he will be included as an insured in the D&O insurance policy. In addition, when the policy is renewed, the Company plans to renew it with the same terms.