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Securities Code: 6134

June 5, 2024

FUJI CORPORATION

19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan

Joji Isozumi, President & COO

Notice of Convocation of the 78th Ordinary General Meeting of Shareholders

To Our Shareholders

We are pleased to announce that the 78th Ordinary General Meeting of Shareholders of FUJI CORPORATION (the “Company”) will be held as detailed below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of Reference Material for the General Meeting of Shareholders, etc. (excluding the Voting Card), (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following websites. Please access the Company’s website by using the internet address shown below to review the information.

[Company’s website]

<https://www.fuji.co.jp/ir/stockinfo/> (in Japanese)

[General Meeting of Shareholders materials posted website]

<https://d.sokai.jp/6134/teiji/> (in Japanese)

[Tokyo Stock Exchange website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “FUJI” in “Issue name (company name)” or the Company’s securities code “6134” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you will not attend the meeting, you may exercise your voting rights via the internet or in writing (by postal mail). We request that you refer to the “Reference Material for the General Meeting of Shareholders,” and exercise your voting rights by 6:00 p.m. on Wednesday, June 26, 2024. For information on how to exercise your voting rights, please refer to “Information on Exercise of Voting Rights” on page 3.

Meeting Details

- 1. Date and Time:** 10:00 a.m. on Thursday, June 27, 2024 (Reception is scheduled to start at 9:00 a.m.)
- 2. Venue:** Grand Hall, 7th floor of the Corporate Headquarters
19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan

3. Objectives of Meeting:

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the 78th Fiscal Year (from April 1, 2023 to March 31, 2024) and the Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 78th Fiscal Year (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Amendments to the Articles of Incorporation
- Proposal 3:** Election of Seven Board Members
- Proposal 4:** Election of One Substitute Audit & Supervisory Board Member

- When you attend the Meeting in person on the day, we kindly request you to submit the Voting Card to the reception desk at the meeting venue.
- When you exercise your voting rights in writing (by postal mail), if you do not indicate your approval or disapproval of a proposal on the voting form, it will be counted as a vote for approval of the proposal.
- When revisions are made to the provided electronic format measures, they will be posted on the respective websites listed on page 1.
- Please note that the Notice of Resolutions of the General Meeting of Shareholders will be posted on the Company's website (<https://www.fuji.co.jp/>) instead of being sent to you 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.

Attending the General Meeting of Shareholders

Please submit the Voting Card to the reception desk at the meeting venue.

Date and Time

10:00 a.m. on Thursday, June 27, 2024 (Reception is scheduled to start at 9:00 a.m.)

Exercising voting rights in writing (by postal mail)

Please indicate your approval or disapproval of each proposal on the Voting Card and post it without affixing a stamp.

Deadline

Must be received no later than 6:00 p.m. on Wednesday, June 26, 2024

Exercising voting rights via the internet

Please indicate your approval or disapproval of each proposal in accordance with the instructions on the following page.

Deadline

All data entry to be completed no later than 6:00 p.m. on Wednesday, June 26, 2024

How to fill out the Voting Card

Proposals 1, 2, and 4:

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.

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.

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. 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 or smartphone 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.

Reference Material for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

With regard to the Company's basic policy for profit distribution, we strive to maintain a dividend payout ratio of 50% as a basic policy, 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, as well as to improve and strengthen 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 78th 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:
¥40 per share of the Company's common stock
Please note that the total of the dividends will amount to ¥3,704,443,200.
As a result, the annual dividend for the current fiscal year is ¥80 per share, including the interim dividend of ¥40.
- (3) Effective date of distribution from surplus:
Friday, June 28, 2024

Proposal 2: Amendments to the Articles of Incorporation

1. Reasons for proposal

In order to enable the flexible management of Board of Directors’ meetings and to improve the objectivity and transparency of decision-making, the Articles of Incorporation will be changed so that the convener and chairperson of Board of Directors’ meetings, who is stipulated in Article 24 of the current Articles of Incorporation, will be appointed in advance by a resolution of the Board of Directors.

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>Article 24. (Convener and Chairperson of Board of Directors’ Meetings)</p> <p>1. Unless otherwise provided by law or regulation, the Board of Directors’ meetings shall be convened and chaired by <u>the Chairman</u>.</p> <p>2. <u>If the position of Chairman is vacant or the Chairman has suffered an accident, the President shall act as Chairman, and if the President has suffered an accident, the other Board Members shall act in the position in the order that is determined in advance by a resolution of the Board of Directors.</u></p>	<p>Article 24. (Convener and Chairperson of Board of Directors’ Meetings)</p> <p>1. Unless otherwise provided by law or regulation, the Board of Directors’ meetings shall be convened and chaired by <u>a Board Member who is appointed in advance by a resolution of the Board of Directors.</u></p> <p>2. <u>If the Board Member appointed under the preceding Paragraph</u> has suffered an accident, the other Board Members shall act in the position in the order that is determined in advance by a resolution of the Board of Directors.</p>

Proposal 3: Election of Seven Board Members

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

The candidates for Board Members are as follows.

Candidate number		Name	Gender	Position and primary responsibility in the Company	
1	Reappointment	Joji Isozumi	Male	President & COO	
2	Reappointment	Shinsuke Suhara	Male	Board Member, Vice Chairman & CTO	
3	Reappointment	Junichi Kano	Male	Board Member, Managing Executive Officer & CFO General Manager, Corporate Operations Division	
4	New appointment	Takeshi Sato	Male	Executive Officer General Manager, Robotic Solutions Division	
5	Reappointment	Nobuko Kawai	Female	Outside Board Member	Outside Board Member Independent Director
6	Reappointment	Shoji Mizuno	Male	Outside Board Member	Outside Board Member Independent Director
7	New appointment	Makoto Iwasaki	Male		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	Joji Isozumi	○	○	○		○		○
2	Shinsuke Suhara	○	○			○	○	
3	Junichi Kano	○		○	○		○	○
4	Takeshi Sato		○	○		○		
5	Nobuko Kawai Outside Board Member						○	
6	Shoji Mizuno Outside Board Member	○		○	○		○	○
7	Makoto Iwasaki 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	Joji Isozumi (January 31, 1974)	<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>June 2022 Executive Officer; General Manager, Robotic Solutions Division; Manager, Business Planning Department</p> <p>June 2022 Board Member, Executive Officer</p> <p>June 2023 President & COO; General Manager, Robotic Solutions Division</p> <p>April 2024 President & COO (Present post)</p>	6,777
<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. Further, he has properly supervised management and made decisions on important matters as President & COO and has contributed to the expansion of business since 2023. 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
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 & COO; General Manager, Robotic Solutions Division</p> <p>June 2020 President & COO</p> <p>June 2022 Representative Director, Vice Chairman & CTO</p> <p>June 2023 Board Member, Vice Chairman & CTO (Present post)</p> <p>[Representation of Other Companies] Chairman, ADTEK FUJI Co., Ltd. Chairman, EDEC LINSEY SYSTEM Co., Ltd.</p>	20,861
<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 Board Member, Vice Chairman since 2022. 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	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</p> <p>June 2023 Board Member, Managing Executive Officer & CFO; General Manager, Corporate Operations Division (Present post)</p>	9,187
<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, Manager of Business Administration Department, Manager of Accounting Department, etc. and has extensive job experience in sales, public relations and accounting. 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	<p style="text-align: center;">Takeshi Sato (November 14, 1972)</p> <p style="text-align: center;">New appointment</p>	<p>April 1997 Entered the Company</p> <p>April 2017 Acting Manager, Engineering Development Department 1, Development Center</p> <p>April 2021 Manager, Control Engineering Department, Robotic Solutions Division; Manager, Engineering Development Department, Robotic Solutions Division; Manager, Innovation Promotion Department</p> <p>July 2022 Executive Officer; Manager, Engineering Development Department, Robotic Solutions Division</p> <p>January 2023 Executive Officer; Manager, Engineering Planning Department, Robotic Solutions Division; Manager, Engineering Development Department, Robotic Solutions Division</p> <p>April 2024 Executive Officer; General Manager, Robotic Solutions Division; Manager, Engineering Planning Department, Robotic Solutions Division (Present post)</p>	1,752
<p>(Reason for nomination as a candidate for Board Member)</p> <p>Takeshi Sato has served as Manager of Engineering Development Department, Manager of Innovation Promotion Department, Manager of Control Engineering Department, Manager of Engineering Planning Department, etc., and has executed the Company's business operations as General Manager of the Robotic Solutions Division since April 2024. 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
5	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 (practitioner lecturer)</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. Auditor (part-time) of Central Nippon Expressway Company Limited</p>	2,605
<p>(Reason for nomination as a candidate for Outside Board Member and overview of expected role) The Company believes that Nobuko Kawai 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 continue to 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. Although she does not have experience in corporate management other than as an outside officer, the Company believes that she will be able to appropriately perform the role due to the reasons described above.</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	Shoji Mizuno (February 28, 1955) Outside Board Member Independent Director	April 1977 Joined MARUBUN CORPORATION March 2005 CEO and Representative Director, Marubun Semicon Corporation June 2011 Executive Vice President and Representative Director, MARUBUN CORPORATION January 2012 Senior Executive Vice President, Representative Director, MARUBUN CORPORATION June 2013 Chief Executive Officer, Representative Director, MARUBUN CORPORATION January 2020 Vice President, MARUBUN CORPORATION June 2020 Outside Board Member of the Company (Present post) [Representation of Other Companies] Outside Director, Mikasa Shoji Co., Ltd.	1,928
(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 continue to 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.			

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
7	Makoto Iwasaki (January 15, 1964) New appointment Outside Board Member Independent Director	<p>April 1991 Research Associate, Faculty of Engineering, Nagoya Institute of Technology</p> <p>October 1997 Research Fellow, Ministry of Education, Science, Sports and Culture</p> <p>April 2000 Associate Professor, Faculty of Engineering, Nagoya Institute of Technology</p> <p>September 2002 Research Fellow, Ministry of Education, Culture, Sports, Science and Technology</p> <p>August 2005 Program Officer, Research Promotion Bureau, Ministry of Education, Culture, Sports, Science and Technology</p> <p>April 2009 Professor, Graduate School of Engineering, Nagoya Institute of Technology (Present post)</p> <p>April 2010 Head, Department of Computer Science Engineering, Nagoya Institute of Technology Graduate School</p> <p>April 2014 Head, Department of Electrical and Electronic Engineering, Nagoya Institute of Technology</p> <p>April 2016 Head, Department of Electrical and Mechanical Engineering, Nagoya Institute of Technology Graduate School</p> <p>April 2017 Special Advisor to the President, Nagoya Institute of Technology (Present post)</p> <p>October 2020 Associate Member, Science Council of Japan (Present post)</p> <p>[Representation of Other Companies] Professor, Graduate School of Engineering, Nagoya Institute of Technology Special Advisor to the President, Nagoya Institute of Technology</p>	—
<p>(Reason for nomination as a candidate for Outside Board Member and overview of expected role) Makoto Iwasaki has expert knowledge in the field of engineering as a professor at the Nagoya Institute of Technology Graduate School. 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 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. Although he has no corporate management experience, the Company believes that he will be able to appropriately perform the role due to the reasons described above.</p>			

- Notes: 1. Makoto Iwasaki is currently a professor at the Nagoya Institute of Technology Graduate School. The Company conducts joint research, etc. with the university. However, since the annual transaction amount of the consideration payments, etc. is ¥6 million, which is a negligible amount, the Company's relationship with the university will not affect his independence. The other candidates have no particular interests in the Company.
2. Matters on candidates for Outside Board Members
(1) Nobuko Kawai, Shoji Mizuno, and Makoto Iwasaki are candidates for Outside Board Members.

- (2) Nobuko Kawai and Shoji Mizuno are incumbent Outside Board Members of the Company. The length of service of Ms. Kawai and Mr. Mizuno as Outside Board Members will be nine years and four 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 and Shoji Mizuno. When they are reappointed, the Company intends to continue the agreements with them. In addition, when Makoto Iwasaki is appointed, the Company intends to conclude the agreement with him. 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 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 that. In addition, when Makoto Iwasaki is appointed, the Company will designate him as an Independent Director according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and will notify said Exchanges of that.
3. The Company has entered into a directors and officers liability insurance policy (D&O insurance policy) with an insurance company based on the provisions of Article 430-3, paragraph (1) of the Companies Act. The policy will cover losses incurred if the insured, including Board Members, are liable for damages caused by their performance of duties (however, compensation for damage, etc. caused by any criminal act by the insured is excluded). 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, 2024). In addition, the number presented includes the equities of the candidate in the Company's officer stock ownership or employee stock ownership.

Proposal 4: 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
<p>Masaaki Abe (October 31, 1960)</p> <p>Substitute Outside Audit & Supervisory Board Member Independent Director</p>	<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>[Representation of Other Companies] Representative, Abe Certified Tax Accounting Corporation Outside Director (Audit & Supervisory Committee Member), Yamaura Corporation (scheduled to be appointed on June 27, 2024)</p>	<p>—</p>
<p>(Reason for nomination as a candidate for Substitute Outside Audit & Supervisory Board Member)</p> <p>The Company believes that Masaaki Abe 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 Outside Audit & Supervisory Board Member. Although he has no corporate management experience, the Company believes that he will be able to appropriately perform the role due to the reasons described above.</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 Director pursuant to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and upon his appointment as an Outside Audit & Supervisory Board Member, the Company intends to designate him as an Independent Director pursuant to the Tokyo Stock Exchange and the Nagoya Stock Exchange, and notify each stock exchange of such designation.
 3. The Company has entered into a directors and officers liability insurance policy (D&O insurance policy) with an insurance company based on the provisions of Article 430-3, paragraph (1) of the Companies Act. The policy will cover losses incurred if the insured, including Audit & Supervisory Board Members, are liable for damages caused by their performance of duties (however, compensation for damage, etc. caused by any criminal act by the insured is excluded). 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.

Business Report

(From April 1, 2023 to March 31, 2024)

1. Current Condition of the Group

(1) Business condition for the fiscal year ended March 31, 2024

1) Business progress and results

In the fiscal year ended March 31, 2024, the Japanese economy was boosted by a recovery in consumer spending and inbound demand, and corporate capital investment increased, mainly in software investment although some weakness was observed against the backdrop of weak global demand for goods. In the global economy, while consumer spending remained firm in North America, weakness was seen in domestic and foreign demand in Europe and China, and capital investment in the manufacturing sector worldwide was sluggish due to weak exports of goods.

In this environment, the Company and its subsidiaries (hereinafter referred to as the “Group”) have set the purpose of “Enriching the lives of those in the world around us,” and aim to create new value for society and realize a sustainable and mindful society full of smiling faces by providing products and services that will excite and inspire our customers in the areas of manufacturing, nursing care, logistics, etc. on the foundation of robotics and automation technology. In our main business of Robotic Solutions, we worked to cement our position as leaders in the SMT pick and place machine market, which is expected to grow as a result of the ongoing digitalization of a variety of products, by using our new “NXTR” and “AIMEXR” series to address the wide-ranging needs of customers for everything from high-mix low-volume to ultra-high-volume production, and responding to the need for automation and autonomy with focus on full automation of the production floor through the evolution of FUJI Smart Factory (FSF) solutions. Furthermore, we utilized digital technology to strengthen the Fuji Group’s global network in terms of both sales and services, and took steps to establish stronger links with customers. In the Machine Tools business, we perceive the rapid progression of the shift to EV to be a business opportunity, working to strengthen our proposal capabilities for turnkey systems that leverage our strengths in robot systems-based automation, and to make suggestions for reducing lead times. Moreover, while seeking to expand sales of the core “CS” and “TN” series, we began selling an upgraded version of the “ANW” series, which is particularly well-suited to the processing of motor components for EV. The Group also aimed to promote an environmentally-conscious energy-saving design toward carbon neutrality and enhance manufacturing efficiency.

As a result of the above, net sales for the fiscal year ended March 31, 2024 decreased by ¥26,266 million (17.1%) from the previous fiscal year, to ¥127,059 million. Operating profit decreased by ¥13,686 million (50.5%) from the previous fiscal year, to ¥13,421 million, and ordinary profit decreased by ¥14,006 million (48.3%) from the previous fiscal year, to ¥15,010 million. In addition, profit attributable to owners of parent decreased by ¥10,016 million (49.0%) from the previous fiscal year, to ¥10,438 million.

Condition of each business is as follows.

Robotic Solutions

Although there was a temporary investment in communication-related equipment in China, overall, the investment in equipment continued to be weak due to the global slump in electronics demand. As a result, net sales for the business decreased by ¥25,282 million (18.1%) from the previous fiscal year, to ¥114,596 million. Operating profit decreased by ¥13,077 million (41.7%) from the previous fiscal year, to ¥18,321 million.

Machine Tools

Due to a partial recovery trend in the automobile market, net sales for the business increased by ¥193 million (1.9%) from the previous fiscal year, to ¥10,455 million, but operating loss was ¥786 million (operating loss for the previous fiscal year was ¥644 million).

Others

Regarding Others, which includes the manufacture of control equipment, electronic equipment and image processing development, net sales decreased by ¥1,178 million (37.0%) from the previous fiscal year, to ¥2,007 million, and operating loss was ¥102 million (operating loss for the previous fiscal year was ¥38 million).

<Net sales by business>

Business	Fiscal year ended March 31, 2023		Current fiscal year Fiscal year ended March 31, 2024		Year-on-year change	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Robotic Solutions	139,879	91.2	114,596	90.2	(25,282)	(18.1)
Machine Tools	10,261	6.7	10,455	8.2	193	1.9
Others	3,185	2.1	2,007	1.6	(1,178)	(37.0)
Total	153,326	100.0	127,059	100.0	(26,266)	(17.1)

2) Capital investment

The Group makes ongoing capital investments in production, development, and sales facilities for such purposes as production capacity enhancement, rationalization of facilities, development of next-generation products, and the reinforcement of sales network. The total amount of capital investments during the fiscal year ended March 31, 2024 was ¥14,291 million (including intangible assets). Of this amount, ¥13,271 million were invested for the Robotic Solutions business. The amount of capital investments in the Machine Tools business, Others and Company-wide (common) not allocated to each business was insignificant.

The details of major capital investments 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	4,232
The Company's Okazaki Plant	Okazaki, Aichi	Robotic Solutions	Partial refurbishment of the Factory	3,034

There were no major disposals or sales of facilities in the fiscal year ended March 31, 2024.

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, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Current fiscal year Fiscal year ended March 31, 2024
Net sales (Millions of yen)	136,161	148,128	153,326	127,059
Ordinary profit (Millions of yen)	23,224	29,943	29,016	15,010
Profit attributable to owners of parent (Millions of yen)	17,167	21,188	20,454	10,438
Profit per share (Yen)	184.26	219.70	212.05	110.59
Total assets (Millions of yen)	224,671	243,310	254,167	250,937
Net assets (Millions of yen)	194,556	208,782	225,104	228,278
Net assets per share (Yen)	2,014.41	2,163.55	2,332.15	2,463.67

(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)

Note: The investment ratio of the Company in parentheses indicates the percentage indirectly owned by the Company and is included in the total.

(4) Issues to be addressed

With the purpose of “Enriching the lives of those in the world around us,” the Group has established “FUJI 2035: Provides innovation to the world as a global company that contributes to manufacturing, lifestyles, and the future” as its vision for 2035 and is working with a focus on the following items in the new medium-term management plan that was commenced in the fiscal year ending March 31, 2025.

Restructure the business portfolio and enhance social corporate value towards realization of FUJI 2035

- i) Expand existing businesses and strengthen profitability
- ii) Create and commercialize next-generation businesses
- iii) Improve business foundations based on ESG

Issues to be addressed by business and for finances are as follows.

Robotic Solutions

With the aim to have the top market share for all products we handle, we will develop new markets and customers by focusing on expanding the sales of new-generation models such as the modular SMT pick and place machine NXTR and the expandable all-in-one pick and place machine AIMEXR, as well as working on the speedy development of original and competitive products. Meanwhile, we will aim to improve operational efficiency in production and sales, and ultimately strengthen profitability, through operational innovation via the use of digital technology. In addition, we will promote the commercialization of robot products other than SMT pick and place machines, such as the delivery locker system Quist and the transfer support robot Hug, and aim to create businesses that will become the pillars of the next generation.

Machine Tools

We have revamped our organizational structure in order to pivot to the establishment of the business foundation and achievement of sustainable profit growth. In addition, we will establish our superiority in the turnkey business and work to acquire new customers by improving production efficiency and proposal-based sales capabilities, while also developing new models of multi-tasking lathes and expanding their sales channels, and establishing environmentally friendly products and providing them to customers.

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. 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 a dividend payout ratio of 50% as a basic policy.

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

(5) Main business (as of March 31, 2024)

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

(6) Principal offices and plants (as of March 31, 2024)

The Company	Headquarters: Chiryu, Aichi Tokyo Branch Office: Minato-ku, Tokyo Osaka Branch Office: Suita, Osaka Headquarters Factory: Chiryu, Aichi Okazaki Plant: 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

(7) Employees (as of March 31, 2024)

1) Employees of the Group

Business	Number of employees	Change from the end of the previous fiscal year
Robotic Solutions	2,219	+65
Machine Tools	372	(12)
Others	114	+9
Company-wide (common)	206	+1
Total	2,911	+63

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

2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average number of years employed
1,750	+12	43.8 years old	18.9 years

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

(8) Status of main lenders (as of March 31, 2024)

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, 2024)

- 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: 11,165
- 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)	13,352	14.41
Custody Bank of Japan, Ltd. (Trust account)	5,903	6.37
Daido Life Insurance Co.	3,342	3.60
STATE STREET BANK AND TRUST COMPANY 505001	3,246	3.50
FUJI customers stock ownership	3,101	3.34
MUFG Bank, Ltd.	2,288	2.47
SSBTC CLIENT OMNIBUS ACCOUNT	2,182	2.35
THE BANK OF NEW YORK MELLON 140044	1,990	2.14
The Bank of Nagoya, Ltd.	1,554	1.67
JP MORGAN CHASE BANK 385781	1,178	1.27

- Notes: 1. Shares held by the Company as treasury shares (5,212,668 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, 2024

	Number of shares	Number of recipients of shares issued
Board Members (excluding Outside Board Members)	13,685	4

Note: Details of the Company's share awards are 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, 2024)

Position in the Company	Name	Responsibility and representation of other companies
Chairman & CEO	Nobuyuki Soga	
President & COO	Joji Isozumi	General Manager, Robotic Solutions Division
Board Member Vice Chairman & CTO	Shinsuke Suhara	Chairman, ADTEK FUJI Co., Ltd. Chairman, EDEC LINSEY SYSTEM Co., Ltd.
Board Member Managing Executive Officer & CFO	Junichi Kano	General Manager, Corporate Operations Division
Board Member	Nobuko Kawai	Representative, Nobuko Kawai Law Office Outside Director, KIKUSUI Chemical Industries Co., Ltd. Auditor (part-time) of Central Nippon Expressway Company Limited
Board Member	Hideaki Tamada	
Board Member	Shoji Mizuno	Outside Director, Mikasa Shoji Co., Ltd.
Full-time Audit & Supervisory Board Member	Masaaki Sugiura	
Audit & Supervisory Board Member	Shigeki Matsuda	Representative, Matsuda Certified Public Accountant Office Representative, Aiki Tax Accounting 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 according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has notified said Exchanges thereof.
 5. Board Member Hajime Ezaki retired from the position of Board Member due to the expiration of his term of office at the conclusion of the 77th Ordinary General Meeting of Shareholders held on June 29, 2023.

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 includes all Board Members and Audit & Supervisory Board Members of the Company

and all subsidiaries of the Company, and they do not bear insurance premiums. The policy will cover losses incurred if the insured is liable for damages caused by their performance of duties. However, in order not to impair the appropriateness of their performance of duties, 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, 2024

Category of officers	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)				Number of eligible officers (Person)
		Fixed remuneration	Performance-linked remuneration		Non-monetary remuneration	
			Company-wide	Individual		
Board Members (of which Outside Board Members)	334 (27)	204 (27)	76 (-)	19 (-)	34 (-)	8 (3)
Audit & Supervisory Board Members (of which Outside Audit & Supervisory Board Members)	46 (19)	46 (19)	- (-)	- (-)	- (-)	3 (2)
Total (of which Outside Board Members/Audit & Supervisory Board Members)	380 (46)	250 (46)	76 (-)	19 (-)	34 (-)	11 (5)

- Notes: 1. The above includes one Board Member who resigned at the close of the 77th Ordinary General Meeting of Shareholders held on June 29, 2023.
2. No employee-portion salary was paid to any Board Member who also serves as an employee.
3. For non-monetary remuneration, the amount of expenses for the restricted share awards system recorded in the current fiscal year is indicated.

b) Matters concerning performance-linked remuneration

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, 2023 are ¥27,108 million and 9.4%, 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 system for officers (monetary remuneration) 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/Vice Chairman	67%	33%	0%
Board Member, Chairman/President	67%	33%	0%
Board Member, Vice Chairman/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 officer. 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 officer on company-wide and divisional issues. In addition to the degree of achievement of issues set by the officers 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 Member, 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) Details of non-monetary remuneration, etc.

The Company has introduced the share awards system (restricted share awards system) to provide incentives for the sustainable enhancement of corporate value and to promote further value sharing with shareholders. Details of the said share awards are as described in “d) Policy for determining remuneration, etc. for directors (and other officers).” In addition, the status of share issuance in the current fiscal year is as described 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, 2024.”

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

The Company has determined the policy for decisions on individual remuneration etc., for Board Members in the Board of Directors.

The Board of Directors has confirmed that the method of determining the details of remuneration, etc., as well as the details of remuneration, etc., determined for each individual Board Member for the fiscal year ended March 31, 2024 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 based on the report of the Advisory Committee.

The content of the decision-making policy for the individual remuneration, etc., of Board Members is as shown below.

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.

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 "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)" and the "performance-linked remuneration (individual)." The "performance-linked remuneration (company-wide)" is remuneration according to the business performance in consideration of the previous year's results of "consolidated operating profit" and "consolidated ROE" that the Company emphasizes as management indicators, as well as ESG indicators including environmental problems, diversity, health, and work styles. The "performance-linked remuneration (individual)" is an evaluation of the individual performance of each Board Member.

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, an annual amount of remuneration for Board Members approved and passed at the 62nd Ordinary General Meeting of Shareholders (held on June 27, 2008). The outline of the "restricted share awards" is as follows:

• Maximum amount 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

From the fiscal year ended March 31, 2022, the Board of Directors determined the amounts of "fixed remuneration," "performance-linked remuneration" and "restricted share awards," as well as 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 was eight.

Also, within the scope of the above monetary remuneration, a resolution was passed at the 75th Ordinary General Meeting of Shareholders held on June 29, 2021 that the amount of share awards is within ¥90 million per year and the maximum number of shares is within 50,000 shares per year (Outside Board Members are excluded from the grant). The number of Board Members as of the conclusion of said General Meeting of Shareholders was five (excluding Outside Board Members).

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 was 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 officers in other corporations, etc., and relationship between these corporations, etc., and the Company
- Board Member Nobuko Kawai was appointed Outside Director of KIKUSUI Chemical Industries Co., Ltd. in June 2021 and Outside Auditor of Central Nippon Expressway Company Limited in June 2022, respectively. There is no special relationship between KIKUSUI Chemical Industries Co., Ltd. and Central Nippon Expressway Company Limited and the Company.
 - Board Member Shoji Mizuno assumed the office of Outside Director of Mikasa Shoji Co., Ltd. in June 2021. There is no special interest between Mikasa Shoji Co., Ltd. and the Company.
 - Audit & Supervisory Board Member Kayoko Yamashita was appointed Outside Audit & Supervisory Board Member of Sotoh Co., Ltd. in June 2015 and Outside Director (Audit & Supervisory Committee Member) of OSG Corporation in February 2022, respectively. There is no special interest between Sotoh Co., Ltd. and OSG Corporation and the Company.

c) Main activities during the fiscal year ended March 31, 2024

	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, 2024. 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 directors (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, 2024. 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 directors (and other officers) from an objective and neutral standpoint.
Board Member Shoji Mizuno	Attended all 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2024. 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 directors (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 13 meetings of the Audit & Supervisory Board held in the fiscal year ended March 31, 2024. 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 13 meetings of the Audit & Supervisory Board held in the fiscal year ended March 31, 2024. 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)
Remuneration, etc. paid to the accounting auditor for the fiscal year under review	66
Total in monetary remuneration and other economic benefits to be paid to the accounting auditor by the Company and its subsidiaries	66

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 contract between the Company and the accounting auditor does not clearly specify and cannot materially classify the amounts of remuneration that are paid for audits performed under provisions of the Companies Act or provisions of the Financial Instruments and Exchange Act. Accordingly, the table entries for remuneration, etc. paid to the accounting auditor for the fiscal year under review are totals of these respective amounts.

3. The Audit & Supervisory Board decided to approve the amount of remuneration, etc. for the accounting auditor after verifying the content of the accounting auditor's audit plan, the status of audit accounting services performed, and the basis for the remuneration calculations.

3) Policy for decisions on dismissal or non-reappointment of the 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) System to ensure that the execution of duties by Board Members and employees are in compliance 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 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 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 employee shall be approved by Audit & Supervisory Board Members.
- 7) System for reporting to Audit & Supervisory Board Members by Board Members and employees and other systems concerning reporting to Audit & Supervisory Board Members, and 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 an overview of the operational 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 the 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-risk matters, and also provides compliance training as necessary.

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 a dividend payout ratio of 50% as a basic policy, 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, as well as to improve and strengthen the Company's business structure.

Year-end dividends are proposed at ¥40 per share, based on the basic policy for profit distribution. This results in a total annual dividend of ¥80 per share, including the interim dividend of ¥40.

Remarks

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

Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Assets		Liabilities	
Current assets	161,436	Current liabilities	18,406
Cash and deposits	61,812	Notes and accounts payable – trade	6,110
Notes and accounts receivable – trade	32,207	Income taxes payable	589
Securities	2,835	Provision for product warranties	632
Merchandise and finished goods	12,779	Other	11,074
Work in process	28,933	Non-current liabilities	4,252
Raw materials and supplies	15,404	Deferred tax liabilities	3,623
Other	7,601	Retirement benefit liability	374
Allowance for doubtful accounts	(139)	Other	254
Non-current assets	89,501	Total liabilities	22,659
Property, plant and equipment	33,697	Net assets	
Buildings and structures	16,207	Shareholders' equity	203,291
Machinery, equipment and vehicles	6,735	Share capital	5,878
Tools, furniture and fixtures	1,306	Capital surplus	7,109
Land	5,763	Retained earnings	201,332
Construction in progress	3,685	Treasury shares	(11,029)
Intangible assets	23,584	Accumulated other comprehensive income	24,871
Goodwill	9,417	Valuation difference on available-for-sale securities	11,759
Software	10,088	Deferred gains or losses on hedges	(1)
Other	4,077	Foreign currency translation adjustment	12,035
Investments and other assets	32,219	Remeasurements of defined benefit plans	1,079
Investment securities	25,923	Non-controlling interests	114
Deferred tax assets	1,029		
Retirement benefit asset	4,504		
Other	761	Total net assets	228,278
Total assets	250,937	Total liabilities and net assets	250,937

Consolidated Statements of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account	Amount	
Net sales		127,059
Cost of sales		80,823
Gross profit		46,236
Selling, general and administrative expenses		32,814
Operating profit		13,421
Non-operating income		
Interest and dividend income	924	
Miscellaneous income	725	1,650
Non-operating expenses		
Interest expenses	29	
Miscellaneous expenses	32	62
Ordinary profit		15,010
Extraordinary income		
Gain on disposal of non-current assets	14	
Gain on sales of investment securities	366	380
Extraordinary losses		
Loss on disposal of non-current assets	335	
Impairment losses	36	
Other	1	373
Profit before income taxes		15,018
Income taxes – current		3,460
Income taxes – deferred		1,127
Profit		10,429
Loss attributable to non-controlling interests		8
Profit attributable to owners of parent		10,438

Consolidated Statement of Changes in Equity

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

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

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,672	1	7,585	(145)	15,114	116	225,104
Changes during period							
Dividends of surplus							(7,627)
Profit attributable to owners of parent							10,438
Purchase of treasury shares							(9,427)
Disposal of treasury shares							34
Net changes in items other than shareholders' equity	4,086	(2)	4,449	1,224	9,757	(1)	9,756
Total changes during period	4,086	(2)	4,449	1,224	9,757	(1)	3,174
Balance at end of period	11,759	(1)	12,035	1,079	24,871	114	228,278

Notes to Consolidated Financial Statements

1. Significant Accounting Policies for Preparing Consolidated Financial Statements

(1) Scope of consolidation

Status of consolidated subsidiaries

- Number of consolidated subsidiaries 17
- Names of major consolidated subsidiaries Principal names of consolidated subsidiaries are as specified in “1. Current Condition of the Group, (3) Status of parent company and principal subsidiaries” of the Business Report.

(2) Application of the equity method

Not applicable

(3) Matter relating to fiscal year, etc., at consolidated subsidiaries

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

(4) Accounting policies

1) Valuation standard and valuation method for significant assets

a. Securities

Held-to-maturity bonds Amortized cost method (Straight-line method)

Available-for-sale securities

- Securities other than shares without a market price, etc.

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

- Shares without a market price, etc. Measured at cost using the moving-average method

b. Inventories

- Merchandise and finished goods, and work in process

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

- Raw materials and supplies

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

2) Method of depreciation of significant depreciable assets

a. Property, plant and equipment

Mainly measured at the 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.

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

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

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

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.

2. Notes to Accounting Estimates

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

- Amount recorded during the fiscal year under review
¥9,038 million

- Other information relating to accounting estimates

The amount of goodwill of ¥14,271 million represents the excess of the acquisition cost of FFT stocks (¥21,799 million) over net of assets received (¥13,458 million) and liabilities assumed (¥5,929 million) upon acquisition. The goodwill is amortized on a straight-line basis over 15 years, which is the investment recovery period based on the business plan made upon acquisition. The unamortized amount at the end of the fiscal year under review is ¥9,038 million.

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

(2) Inventory valuation

- Amount recorded in the Consolidated Financial Statements of the fiscal year under review

(Millions of yen)

	Fiscal year under review
Merchandise and finished goods	12,779
Work in process	28,933
Raw materials and supplies	15,404
Total	57,118

- Other information relating to accounting estimates

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

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

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

3. Notes to Consolidated Balance Sheet

Accumulated depreciation of property, plant and equipment ¥44,689 million

4. Notes to Consolidated Statement of Changes in Equity

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

(Thousand shares)

Type of share	Number of shares at 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 share	Number of shares at 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	1,351	3,874	13	5,212

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

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

(3) Matters concerning dividends of surplus

1) Dividends paid and others

Resolution	Type of share	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 29, 2023	Common stock	3,858	40.00	March 31, 2023	June 30, 2023
Board of Directors meeting on November 2, 2023	Common stock	3,769	40.00	September 30, 2023	December 4, 2023

2) Dividends with a record date in the fiscal year under review but an effective date in the following fiscal year

Planned resolution	Type of share	Total amount of dividend (Millions of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2024	Common stock	3,704	Retained earnings	40.00	March 31, 2024	June 28, 2024

5. Notes on Financial Instruments

(1) Matters concerning the 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.

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

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 concerning the fair value, etc., of financial instruments

Carrying values stated on the consolidated balance sheet as of March 31, 2024 (consolidated closing date of the fiscal year under review), their fair values, and the valuation differentials are as follows. Note that shares without a market price, etc. (consolidated balance sheet carrying value of ¥1,827 million) are not included in “Available-for-sale securities” above. Also, 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)

	Consolidated balance sheet carrying value	Fair value	Differential
(1) Securities and investment securities			
Held-to-maturity bonds	2,500	2,484	(15)
Available-for-sale securities	24,431	24,431	–
(2) Long-term deposits	120	119	(0)
(3) Derivative transactions (*)	[7]	[7]	–

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

(3) Matters concerning the breakdown of each appropriate category of fair value of financial instruments, etc.

The 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

When multiple inputs are used that significantly impact the calculation of fair value, the fair value is categorized into the level that is lowest in the hierarchy of the calculation of fair value from among the levels to which each of those inputs belongs.

1) Financial assets and liabilities with fair value in the consolidated balance sheet carrying value
(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Equity securities	23,592	–	–	23,592
Bonds	–	102	–	102
Derivative transactions	–	[7]	–	[7]

2) Financial assets and liabilities without fair value in the consolidated balance sheet carrying value
(Millions of yen)

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

Note: Explanation of valuation techniques used in the calculation of fair value and inputs of fair value

Securities and investment securities

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

Derivative transactions

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

Long-term deposits

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

6. Notes on Revenue Recognition

(1) Information from an analysis 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	9,459	35,684	27,808	14,311	4,212	20,671	2,449	114,596
Machine Tools	3,715	1,467	717	2,684	946	717	206	10,455
Reportable segments subtotal	13,174	37,151	28,525	16,996	5,159	21,388	2,655	125,052
Other	1,998	8	0	–	–	–	–	2,007
Total	15,173	37,160	28,526	16,996	5,159	21,388	2,655	127,059
Ratio (%)	11.9	29.2	22.5	13.4	4.1	16.8	2.1	100.0

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

(2) Basic information for understanding revenue from contracts with customers

The information that forms the basis for understanding revenues is 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 amounts of revenue in the fiscal year under review and the following fiscal year onward

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 under review
Balance at beginning of period	5,665
Balance at end of period	4,650

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

2) Transaction prices 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.

7. Notes to Per Share Information

- | | |
|--------------------------|-----------|
| (1) Net assets per share | ¥2,463.67 |
| (2) Profit per share | ¥110.59 |

8. Notes to Significant Subsequent Events

Not applicable

Non-consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Assets		Liabilities	
Current assets	107,739	Current liabilities	9,557
Cash and deposits	34,400	Accounts payable – trade	4,263
Notes receivable – trade	1,109	Accounts payable – other	248
Accounts receivable – trade	23,525	Accrued expenses	3,200
Securities	1,700	Provision for product warranties	457
Merchandise and finished goods	3,477	Other	1,388
Work in process	22,442	Non-current liabilities	3,474
Raw materials and supplies	12,108	Deferred tax liabilities	3,440
Other	8,984	Other	33
Allowance for doubtful accounts	(9)		
Non-current assets	87,626		
Property, plant and equipment	22,488	Total liabilities	13,031
Buildings	7,801		
Structures	1,458		
Machinery and equipment	5,780		
Vehicles	50		
Tools, furniture and fixtures	649		
Land	3,590		
Construction in progress	3,157		
Intangible assets	9,416		
Software	9,224		
Other	191		
Investments and other assets	55,722		
Investment securities	24,023		
Shares of subsidiaries and associates	26,524		
Investments in capital	1		
Investments in capital of subsidiaries and associates	1,951		
Prepaid pension costs	2,861		
Other	359		
		Total net assets	182,334
Total assets	195,366	Total liabilities and net assets	195,366

Non-consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account	Amount	
Net sales		91,959
Cost of sales		65,619
Gross profit		26,339
Selling, general and administrative expenses		17,931
Operating profit		8,408
Non-operating income		
Interest and dividend income	641	
Miscellaneous income	1,102	1,743
Non-operating expenses		
Miscellaneous expenses	24	24
Ordinary profit		10,127
Extraordinary income		
Gain on disposal of non-current assets	0	
Gain on sales of investment securities	366	367
Extraordinary losses		
Loss on disposal of non-current assets	317	
Loss on valuation of shares of subsidiaries and associates	152	
Other	1	470
Profit before income taxes		10,024
Income taxes – current		2,140
Income taxes – deferred		633
Profit		7,250

Non-consolidated Statement of Changes in Equity

(From April 1, 2023 to March 31, 2024)

(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	1,661	7,075	1,450	54,900	112,668	169,018	(1,625)	180,347
Changes during period										
Dividends of surplus							(7,627)	(7,627)		(7,627)
Profit							7,250	7,250		7,250
Purchase of treasury shares									(9,427)	(9,427)
Disposal of treasury shares			10	10					24	34
Net changes in items other than shareholders' equity										
Total changes during period	–	–	10	10	–	–	(377)	(377)	(9,403)	(9,770)
Balance at end of period	5,878	5,413	1,672	7,085	1,450	54,900	112,291	168,641	(11,029)	170,576

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	7,672	7,672	188,019
Changes during period			
Dividends of surplus			(7,627)
Profit			7,250
Purchase of treasury shares			(9,427)
Disposal of treasury shares			34
Net changes in items other than shareholders' equity	4,085	4,085	4,085
Total changes during period	4,085	4,085	(5,685)
Balance at end of period	11,757	11,757	182,334

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 defects of products of the Company during the product warranty period, an amount calculated by multiplying net sales by the historical defect rate, which is calculated based on historical amounts, plus an estimated amount for individual projects where the amount is significant, are set aside.
- 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 sales of products, for export sales, the Company deems that the customer has acquired control over the product and performance obligations have been satisfied when the burden of risk has been transferred to the customer based on the terms of trade primarily defined in Incoterms, and recognizes revenue at that point in time.

For sales 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.

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

- (5) Other important matters for the preparation of non-consolidated financial statements
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. Notes to Accounting Estimates

Inventory valuation

- Amount recorded in the Non-consolidated Financial Statements of the fiscal year under review

(Millions of yen)

	Fiscal year under review
Merchandise and finished goods	3,477
Work in process	22,442
Raw materials and supplies	12,108
Total	38,028

- Other information relating to accounting estimates

The same information is described in “Notes to Consolidated Financial Statements, 2. Notes to Accounting Estimates, (2) Inventory valuation.”

3. Notes to Non-consolidated Balance Sheet

- (1) Accumulated depreciation of property, plant and equipment ¥36,097 million
- (2) Monetary claims and debts to subsidiaries and associates
- Short-term monetary claims ¥11,022 million
 - Short-term monetary debts ¥1,288 million
 - Long-term monetary debts ¥6 million

4. Notes to Non-consolidated Statement of Income

Amount of transactions with subsidiaries and associates

- Net sales ¥30,423 million
- Purchase of goods ¥781 million
- Other operating expenses ¥8,924 million
- Amount of transactions other than operating transactions ¥110 million

5. Notes to Non-consolidated Statement of Changes in Equity

Matter relating to the number of treasury shares

(Thousand shares)

Type of share	Number of shares at 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	1,351	3,874	13	5,212

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

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

6. 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	728
Loss on valuation of inventories	655
Impairment losses	631
Loss on valuation of shares and investments in capital of subsidiaries and associates	492
Loss on valuation of investment securities	385
Provision for product warranties	139
Excessive depreciation	128
Other	48
Deferred tax assets subtotal	<u>3,209</u>
Valuation reserve	<u>(1,093)</u>
Total deferred tax assets	2,115
 (Deferred tax liabilities)	
Valuation difference on available-for-sale securities	(4,664)
Prepaid pension costs	(875)
Enterprise tax receivable	(17)
Total deferred tax liabilities	<u>(5,556)</u>
Deferred tax assets (liabilities), net	<u>(3,440)</u>

7. 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 moulder (Note)	11,357	Accounts receivable – trade	3,293
Subsidiary	FUJI EUROPE CORPORATION GmbH	Owning 100% directly	Sales of the Company's products	Sales of robotic moulder (Note)	13,465	Accounts receivable – trade	2,563

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.

8. Notes on Revenue Recognition

The information that forms the basis for understanding revenue from contracts with customers is identical to the information presented in “Notes to Consolidated Financial Statements, 6. Notes on Revenue Recognition,” so these notes have been omitted.

9. Notes to Per Share Information

(1) Net assets per share	¥1,968.82
(2) Profit per share	¥76.81

10. Notes to Significant Subsequent Events
Not applicable

Independent Auditor's Report

May 9, 2024

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, 2024 and for the year from April 1, 2023 to March 31, 2024 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, actions taken to eliminate threats or safeguards applied.

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 9, 2024

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 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, 2024 and for the year from April 1, 2023 to March 31, 2024 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, actions taken to eliminate threats or safeguards applied.

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 78th business period (from April 1, 2023 to March 31, 2024), 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 Audit & Supervisory Board Member received a report from the accounting auditor to the effect that the "system for ensuring that duties are performed properly" (matters stipulated in the items of Article 131 of the Rules of Corporate Accounting) had been developed and maintained in accordance with "Quality Control Standards for Audit" (Business Accounting Council), 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 the 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 9, 2024

Audit & Supervisory Board of FUJI CORPORATION

Full-time Audit & Supervisory Board Member	Masaaki Sugiura
Outside Audit & Supervisory Board Member	Shigeki Matsuda
Outside Audit & Supervisory Board Member	Kayoko Yamashita