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Securities Code: 6134

June 11, 2020

FUJI CORPORATION

19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan

Shinsuke Suhara, President & COO

Notice of Convocation of the 74th Ordinary General Meeting of Shareholders

To Our Shareholders:

We are pleased to announce that the 74th Ordinary General Meeting of Shareholders of FUJI CORPORATION (the “Company”) will be held as detailed below.

Instead of attending the Meeting in person, you may exercise your voting rights in writing (by postal mail) or via the internet. Please review the “Reference Material for the General Meeting of Shareholders” described below and exercise your voting rights by 6:00 p.m., Thursday, June 25, 2020.

Meeting Details

- 1. Date & Time:** 10:00 a.m. on Friday, June 26, 2020 (Reception is scheduled to start at 9:30 a.m.)
- 2. Place:** Grand Hall, 7th floor of the Corporate Headquarters
19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan

3. Objectives of Meeting:

Matters to be reported:

1. Presentation of the Business Report, Consolidated Financial Statements and Findings of Audits on Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 74th Business Period (from April 1, 2019 to March 31, 2020)
2. Presentation of the Non-consolidated Financial Statements for the 74th Business Period (from April 1, 2019 to March 31, 2020)

Matters to be resolved:

- | | |
|--------------------|---|
| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Election of Nine Board Members |
| Proposal 3: | 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 enclosed Voting Card to the reception desk at the meeting venue.

Please note that any changes to the Reference Material for the General Meeting of Shareholders as well as the Business Report, Non-consolidated/Consolidated Financial Statements will be posted on the Company’s website at <https://www.fuji.co.jp/>.

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	Exercising voting rights in writing (by postal mail)	Exercising voting rights via the internet
Please submit the enclosed Voting Card to the reception desk at the meeting venue. <u>Date and time</u> 10:00 a.m. on Friday, June 26, 2020 (Reception is scheduled to start at 9:30 a.m.)	Please indicate your approval or disapproval of each proposal on the enclosed Voting Card and return it without affixing a stamp. <u>Deadline</u> Must be received no later than 6:00 p.m. on Thursday, June 25, 2020	Please indicate your approval or disapproval of each proposal in accordance with the instructions on the following page. <u>Deadline</u> All data entry to be completed no later than 6:00 p.m. on Thursday, June 25, 2020

How to fill out the Voting Card

Proposals 1 and 3:

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 2:

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

Scanning the QR Code

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

1. Please scan the QR Code printed on the Voting Card.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

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

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

Entering login ID and temporary password

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

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

If you have questions about the use of a computer, smartphone or mobile phone 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.)

Business Report

(April 1, 2019 to March 31, 2020)

1. Current Condition of the Group

(1) Business condition for the fiscal year ended March 31, 2020

1) Business progress and results

In the fiscal year ended March 31, 2020, the Japanese economy seemed to be at a standstill on the background of weakness in exports. From the beginning of 2020, economic activities have slowed down due to the effect of the worldwide spread of a novel coronavirus (COVID-19) infection. As a result, companies observed a cautious stance on capital investments with concerns over deterioration in corporate performance. In the global economy, factors such as the effect of the spread of COVID-19 infection, in addition to the intensification of the US-China trade conflict, caused further development of a sense of economic slowdown and weak growth of capital investments in the manufacturing industry.

In this environment, under the corporate slogan of “Excite and Inspire,” the Company and its subsidiaries (hereinafter referred to as the “Group”) have taken on the challenge of reforming based on a growth strategy of capturing the times and pioneering the future using robotics technology. The Company is developing even further refined unique products based on the automation technology the Company has cultivated with its leading robotic mounters as well as machine tools, and has announced the high-end model NXTR, a machine equipped with the world’s first automatic component supply system designed to fully automate electronic component mounting processes. In addition, by strengthening the domestic and international sales and technical support systems from expanding the cooperation within the Group and by promoting total solutions and improving customer satisfaction, the Group has continued their efforts to develop their market share. Furthermore, the Company has sought to improve profitability through efforts to streamline the production environments for advanced efficiency by applying IoT methods.

As a result of the above, net sales for the fiscal year ended March 31, 2020 increased by ¥11,863 million (9.2%) from the previous fiscal year, to ¥140,967 million. This is mainly due to sales growth in existing Robotic Solutions businesses, and impact from Fasford Technology Co., Ltd. being included in the scope of consolidation with September 30, 2018 as the deemed acquisition date. Meanwhile, due to a drop in sales price on the ground of intensified pricing competition and other factors, operating profit decreased by ¥3,535 million (15.3%) from the previous fiscal year, to ¥19,571 million, and ordinary profit decreased by ¥3,334 million (14.2%) from the previous fiscal year, to ¥20,119 million. In addition, as a result of recording gain on sales of investment securities for extraordinary income, profit attributable to owners of parent decreased by ¥1,891 million (11.2%) from the previous fiscal year, to ¥14,963 million.

In India, where the market for robotic mounters is expanding year by year, aiming to improve customer satisfaction by strengthening the support for local dealers and to promote further expansion of sales, the Company established FUJI INDIA CORPORATION PRIVATE LIMITED on December 19, 2019. On February 13, 2020, the Company established FUJI LINEAR CORPORATION as a subsidiary that manufactures linear motors whose demand is expected to grow in the future.

Condition of each business is as follows.

The Robotic Solutions business continued to have solid sales of smartphones as well as facilities and equipment for the 5G next-generation communication protocol for China and other regions of Asia. On the other hand, capital investments in the United States and Europe turned to be weak due to concerns about COVID-19 in addition to the ongoing economic uncertainties. As a result, net sales for the business increased by ¥16,226 million (14.5%) from the previous fiscal year, to ¥127,763 million. Meanwhile, reflecting negatives such as intensified pricing competition, operating profit decreased by ¥1,663 million (6.6%) from the previous fiscal year, to ¥23,353 million.

The Machine Tools business experienced a large decrease in sales mainly in the North America and Chinese markets, facing severe situations due to the effect of the spread of COVID-19 infection, in addition to sluggish market conditions due to the intensification of the US-China trade conflict. As a result, net sales for the business decreased by ¥4,820 million (30.8%) from the previous fiscal year, to ¥10,839 million, and operating loss was ¥636 million (operating profit for the previous fiscal year was ¥1,661 million).

Regarding Others, which includes the manufacture of control equipment, electronic equipment and image processing development, net sales increased by ¥457 million (24.0%) from the previous fiscal year, to ¥2,364 million. Operating loss was ¥0 million (operating loss for the previous fiscal year was ¥88 million).

<Net sales by business>

Business	Fiscal year ended March 31, 2019		Current fiscal year Fiscal year ended March 31, 2020		Year-on-year change	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Robotic Solutions	111,536	86.4	127,763	90.6	16,226	14.5
Machine Tools	15,660	12.1	10,839	7.7	(4,820)	(30.8)
Others	1,907	1.5	2,364	1.7	457	24.0
Total	129,104	100.0	140,967	100.0	11,863	9.2

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 that lead digital revolution, and the reinforcement of sales network. The total amount of capital investments during the fiscal year ended March 31, 2020 was ¥8,641 million (including intangible assets). Capital investments by business were ¥7,441 million for the Robotic Solutions business and ¥843 million for the Machine Tools business. The amount of capital investments in 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	3,332
The Company's Toyota Plant	Toyota, Aichi	Robotic Solutions Machine Tools	Upgrades to machining equipment	902
Fasford Technology Co., Ltd.	Minami Alps, Yamanashi	Robotic Solutions	Construction of new corporate building	901

There were no major disposals or sales of facilities in the fiscal year ended March 31, 2020.

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, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Current fiscal year Fiscal year ended March 31, 2020
Net sales (Millions of yen)	86,397	120,032	129,104	140,967
Ordinary profit (Millions of yen)	10,200	23,538	23,454	20,119
Profit attributable to owners of parent (Millions of yen)	7,054	17,523	16,855	14,963
Profit per share (Yen)	76.19	195.04	184.52	163.81
Total assets (Millions of yen)	158,406	183,037	194,366	198,504
Net assets (Millions of yen)	130,947	151,412	161,624	167,939
Net assets per share (Yen)	1,461.63	1,655.29	1,767.30	1,834.76

(3) Status of parent company and principal subsidiaries

1) Parent company

Not applicable

2) Principal subsidiaries

Company name	Capital stock	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 mounter)
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 mounter)
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 mounter)
Tower-Factory GmbH	32 thousand euros	100	Manufacturing and sales of peripheral devices for robotic mounter
Fuji Machine China Co., Ltd.	12,737 thousand Chinese yuan	100	Maintenance and after-sale service of the Company's products (robotic mounter)
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	60	Sales of the Company's products (robotic mounter)
FUJI INDIA CORPORATION PRIVATE LIMITED	31,000 thousand Indian rupees	100 (1)	After-sale service of the Company's products (robotic mounter) and support to dealers

Notes: 1. The investment ratio of the Company in parentheses indicates the percentage indirectly owned by the Company and is included in the total.
2. On February 13, 2020, the Company established FUJI LINEAR CORPORATION.
3. On December 19, 2019, the Company established FUJI INDIA CORPORATION PRIVATE LIMITED.

(4) Issues to be addressed

The Group's corporate vision is "to establish the No. 1 brand in the industry through the development of next-generation products and innovation of production and sales, proactively adapting to the digital revolution." We have identified the following business issues to be addressed by the Group: bringing highly creative products to market in a timely fashion; speeding up development; and responding to increasingly fierce global competition.

In our main business of Robotic Solutions, the Group will strive to grow its market share by offering one-stop solutions for the entire production line, which include processes before and after the production line, in addition to robotic mounters. The Group will also focus on winning customers in the growth markets such as the 5G next-generation communication protocol-related, automotive-related, and semiconductor-related fields.

In terms of development, the Group will offer solutions that optimize the overall production line of manufacturing electronic components at customers with FUJI Smart Factory, the concept the Company promotes, by strengthening the function of Nexim, the integrated production system, while continuing to bring new models to market and improve the quality of its software and core units. Additionally, we will integrate the semiconductor-related technologies held by Fasford Technology Co., Ltd., which newly joined the Group in August 2018, with the proprietary technologies we have developed in the field of robotic mounters, and through this integration, we will pursue the creation of new values and synergy effects in new business domains spanning the two fields.

In terms of production, the Group will strive to achieve consistent product quality and to increase production efficiency by accelerating the automation and labor saving of production processes through the use of IoT.

In the Machine Tools business, the Group will increase its corporate value by improving the total collaborative strength of its sales, engineering, and production functions, as well as the Company's Toyota Plant and its facilities in China and North America. The Group will also focus on winning new customers in markets other than the Company's focus market of automotive-related products.

In terms of development, the Group will strive to develop new products in line with its sales strategy and to improve the functions of the existing models.

In terms of production, the Group will promote increasing productivity by streamlining operations through the use of IoT, and focus on radical cost reduction.

In the field of basic research, the Group will strive to develop element technologies and assist each business division in developing new products and innovation. The Group will also proactively promote the development of new businesses and aim to capitalize them from a long-term perspective.

In terms of finances, we will strive to increase our corporate value by building the No. 1 brand in the industry through production and sales innovation and maintaining our high level of investment into research and development, while also actively making strategic investments and capital investments in peripheral business and new businesses aiming for future growth. Additionally, from the perspective of increasing shareholder value, the Group will work to improve capital efficiency and continuously return profits to shareholders as the most important measure for management, striving to maintain and continuously pay constant, stable dividends. The Group will also pay attention to holding a large cash position to prepare for unforeseeable situations because there are concerns about risk of credit crunch in the financial market if the spread of COVID-19 infection causes economic activities to stagnate across the world for a protracted time.

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

(5) Main business (as of March 31, 2020)

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

(6) Principal offices and plants (as of March 31, 2020)

The Company	Headquarters: Chiryu, Aichi Tokyo Branch Office: Minato-ku, Tokyo Osaka Branch Office: Suita, Osaka Headquarters Factory: Chiryu, Aichi Okazaki Factory: Okazaki, Aichi Toyota Plant: Toyota, Aichi
ADTEK FUJI Co., Ltd.	Headquarters: Okazaki, Aichi
EDEC LINSEY SYSTEM Co., Ltd.	Headquarters: Toyohashi, Aichi
Fasford Technology Co., Ltd.	Headquarters: Minami Alps, Yamanashi
FUJI LINEAR CORPORATION	Headquarters: Chiryu, Aichi
Fuji America Corporation	Headquarters: Vernon Hills, Illinois, U.S.A.
Fuji Machine America Corporation	Headquarters: Vernon Hills, Illinois, U.S.A.
FUJI EUROPE CORPORATION GmbH	Headquarters: Kelsterbach, Germany
Tower-Factory GmbH	Headquarters: Unterföhring, 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

Notes: 1. On February 13, 2020, the Company established FUJI LINEAR CORPORATION.
2. On December 19, 2019, the Company established FUJI INDIA CORPORATION PRIVATE LIMITED.

(7) Status of employees (as of March 31, 2020)

1) Employees of the Group

Business	Number of employees	Change from the end of the previous fiscal year
Robotic Solutions	1,871	+53
Machine Tools	363	-45
Others	102	+16
Company-wide (common)	157	+20
Total	2,493	+44

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
1,689	+18	42.4 years old	17.6 years

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

(8) Status of main lenders (as of March 31, 2020)

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, 2020)

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: 9,083

4) Major shareholders (top ten shareholders)

Shareholder name	Number of shares held (Thousand shares)	Shareholding ratio (%)
Daido Life Insurance Co.	6,280	6.87
The Master Trust Bank of Japan, Ltd. (Trust account)	5,781	6.32
MUFG Bank, Ltd.	4,272	4.67
Japan Trustee Services Bank, Ltd. (Trust account)	3,806	4.16
FUJI customers stock ownership	2,982	3.26
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	1,913	2.09
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,731	1.89
The Bank of Nagoya, Ltd.	1,554	1.70
Mitsubishi UFJ Trust and Banking Corporation	1,483	1.62
JP MORGAN CHASE BANK 385151	1,467	1.60

Notes: 1. Shares held by the Company as treasury shares (6,479,108 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.

(2) Status of share acquisition rights, etc.

- 1) Status of share acquisition rights issued as compensation for the execution of duties and held by the Board Members and Audit & Supervisory Board Members of the Company, as of March 31, 2020

Not applicable

- 2) Status of share acquisition rights issued to employees, etc., as compensation for execution of duties during the fiscal year ended March 31, 2020

Not applicable

- 3) Status of other share acquisition rights, etc. (as of March 31, 2020)

Outline of share acquisition rights attached to “zero coupon convertible bonds due 2021,” issued based on the resolution of the Board of Directors’ meeting held on March 9, 2016

Name (Date of issue)	Number of share acquisition rights	Type and number of shares subject to share acquisition rights	Exercise price of share acquisition rights	Exercise period of share acquisition rights
Zero coupon convertible bonds due 2021 (March 25, 2016)	722	5,026,105 common shares of the Company	¥1,436.5	From April 8, 2016 to March 11, 2021 (Local time at the location for acceptance of exercise requests)

- Notes:
1. The number of share acquisition rights per a total face value amount of ¥10 million of the bonds is one.
 2. No partial exercise of each share acquisition rights shall be permitted, and the number of shares of common stock of the Company to be issued by the Company due to the exercise shall equal the number obtained by dividing the aggregated amounts of the face value of the bonds related to the exercise request by a conversion price of ¥1,436.5. However, any fractions less than one share due to the exercise shall be rounded down, and no adjustments by cash shall be made.
 3. Upon exercise of the share acquisition rights, the bonds related to the share acquisition rights shall be contributed, and the price of the bonds shall be equal to the face value.

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

1) Status of Board Members and Audit & Supervisory Board Members (as of March 31, 2020)

Position in the Company	Name	Responsibility and representation of other companies
Chairman & CEO	Nobuyuki Soga	
President & COO	Shinsuke Suhara	General Manager, Robotic Solutions Division
Board Member Senior Managing Executive Officer	Takayoshi Kawai	General Manager, Machine Tools Division
Board Member Managing Executive Officer	Hajime Ezaki	Deputy General Manager, Machine Tools Division Manager, Sales Department Chairman, Fuji Machine America Corporation Chairman, Kunshan Fuji Machine Mfg. Co., Ltd.
Board Member Executive Officer	Mitsuji Tatsumi	Manager, Accounting Department
Board Member Executive Officer	Masaaki Sugiura	Deputy General Manager, Robotic Solutions Division Manager, Sales Department 1 Chairman, Fuji Machine China Co., Ltd. Chairman, FUJI INDIA CORPORATION PRIVATE LIMITED
Board Member	Nobuko Kawai	Representative, Nobuko Kawai Law Office Outside Board Member, IBIDEN Co., Ltd.
Board Member	Hideaki Tamada	
Full-time Audit & Supervisory Board Member	Yoshiaki Kuroyanagi	
Audit & Supervisory Board Member	Shigeki Matsuda	Representative, Matsuda Certified Public Accountant Office Representative, Aiki Tax Accounting Corporation Outside Audit & Supervisory Board Member, Roland DG Corporation
Audit & Supervisory Board Member	Kayoko Yamashita	Representative, Yamashita Certified Public Accountant Office Outside Audit & Supervisory Board Member, Sotoh Co., Ltd.

- Notes:
1. Board Members, Nobuko Kawai and Hideaki Tamada, 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 and Hideaki Tamada, as well as Audit & Supervisory Board Members, Shigeki Matsuda and Kayoko Yamashita, as Independent Directors/Auditors according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has notified said Exchanges thereof.

2) Total amount of remuneration, etc., for Board Members and Audit & Supervisory Board Members

Category	Numbers	Total amount of remuneration, etc. (Millions of yen)
Board Members (including Outside Board Members)	10 (3)	372 (15)
Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members)	3 (2)	34 (16)
Total (including Outside Board Members/Audit & Supervisory Board Members)	13 (5)	406 (31)

Notes: 1. The above includes one Board Member and one Outside Board Member who resigned at the close of the 73rd Ordinary General Meeting of Shareholders held on June 27, 2019.
2. No employee-portion salary was paid to any Board Member who also serves as an employee.
3. The limit of annual remuneration for Board Members is ¥450 million, pursuant to the resolution adopted at the 62nd Ordinary General Meeting of Shareholders held on June 27, 2008.
4. The limit of annual remuneration for Audit & Supervisory Board Members is ¥60 million, pursuant to the resolution adopted at the 60th Ordinary General Meeting of Shareholders held on June 29, 2006.

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

- a) Significant concurrent positions held as an executive in other corporations, etc., and relationship between these corporations, etc., and the Company
- Board Member Nobuko Kawai concurrently serves as a representative of Nobuko Kawai Law Office. There is no special interest between Nobuko Kawai Law Office and the Company.
 - Audit & Supervisory Board Member Shigeki Matsuda concurrently serves as a representative of Matsuda Certified Public Accountant Office and Aiki Tax Accounting Corporation. There is no special interest between Matsuda Certified Public Accountant Office and Aiki Tax Accounting Corporation and the Company.
 - Audit & Supervisory Board Member Kayoko Yamashita concurrently serves as a representative of Yamashita Certified Public Accountant Office. There is no special interest between Yamashita Certified Public Accountant Office and the Company.
- b) Significant concurrent positions held as Outside Board Members/Audit & Supervisory Board Members in other corporations, etc., and relationship between these corporations, etc., and the Company
- Board Member Nobuko Kawai assumed the office of Outside Board Member of IBIDEN Co., Ltd. in June 2017. There is no special interest between IBIDEN Co., Ltd. and the Company.
 - Audit & Supervisory Board Member Shigeki Matsuda assumed the office of Outside Audit & Supervisory Board Member of Roland DG Corporation in June 2015. There is no special interest between Roland DG Corporation and the Company.
 - Audit & Supervisory Board Member Kayoko Yamashita assumed the office of Outside Audit & Supervisory Board Member of Sotoh Co., Ltd. in June 2015. There is no special interest between Sotoh Co., Ltd. and the Company.

c) Main activities during the fiscal year ended March 31, 2020

	Activities
Board Member Nobuko Kawai	Attended all 12 meetings of the Board of Directors held in the fiscal year ended March 31, 2020. She mainly provides suggestions and comments from her professional viewpoints as a lawyer.
Board Member Hideaki Tamada	Attended all 9 meetings of the Board of Directors held after taking office on June 27, 2019. He mainly provides suggestions and comments based on a wealth of his sales experience and knowledge of corporate management.
Audit & Supervisory Board Member Shigeki Matsuda	Attended 11 out of 12 meetings of the Board of Directors and 13 out of 14 meetings of the Audit & Supervisory Board held in the fiscal year ended March 31, 2020. He mainly provides his opinions as necessary from his professional viewpoints as a certified public accountant.
Audit & Supervisory Board Member Kayoko Yamashita	Attended all 12 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held in the fiscal year ended March 31, 2020. She mainly provides her opinions as necessary from her professional viewpoints as a certified public accountant.

Note: In addition to the number of Board of Directors meetings held in the above table, two resolutions were adopted in writing that were deemed to be resolutions of the Board of Directors in accordance with the provisions of Article 370 of the Companies Act and Article 27 of the Articles of Incorporation of the Company.

d) 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 is the amount stipulated in applicable laws and regulations.

(4) Status of accounting auditor

1) Name: KPMG AZSA LLC

2) Amount of compensation, etc.

	Payment amount (Millions of yen)
The amount of compensation, etc., for the accounting auditor for the fiscal year ended March 31, 2020	54
Total amount of monies and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries	54

Notes: 1. Among subsidiaries of the Company, FUJI EUROPE CORPORATION GmbH, Fuji Machine China Co., Ltd., Kunshan Fuji Machine Mfg. Co., Ltd. and Fuji Do Brasil Maquinas Industriais Ltda. are audited by an auditing firm other than the Company's accounting auditor, for statutory audits.

2. The audit agreement between the Company and the accounting auditor does not and cannot practically distinguish between compensation, etc., for audits stipulated by the Companies Act and those stipulated by the Financial Instruments and Exchange Act. For this reason, the amount of the compensation, etc., for the accounting auditor for the fiscal year ended March 31, 2020 represents the total amount for those audits.

3. The Audit & Supervisory Board gave consent regarding the amount of compensation, etc., for the accounting auditor after necessary verification, such as whether the details of the audit plan, status of execution of the duties of the accounting audit, and the calculation basis for the compensation estimate undertaken by the accounting auditor were appropriate.

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

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

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

4) Outline of the liability limitation agreement

Not applicable

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

The Board of Directors resolved to adopt 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 as follows.

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

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

Information related to the execution of duties by Board Members shall be recorded and kept in documents or electromagnetic media pursuant to the Rules on Document 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, which supports the streamlining of cross-departmental risk management systems in the respective departments and promotes 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 separating the decision-making function and business execution function in management in order to speed up the managerial decision-making

process and clarify responsibility. 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 the scope of roles/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 manages to achieve their objectives.
- 5) System for ensuring appropriate business operations within the Group
- a) The regular Operations Executive Board meetings, which are attended by representatives from the Group, including 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) The system for reporting to Audit & Supervisory Board Members by Board Members and employees and other systems concerning reporting to Audit & Supervisory Board Members, and the system for ensuring effective audits by Audit & Supervisory Board Members
- a) Board Members and employees shall, upon request of Audit & Supervisory Board Members, report the status of the execution of the Company’s business activities to Audit & Supervisory Board Members. Also, if Board Members find any fact likely to cause significant damage to the Company, Board Members shall immediately report the fact to the Audit & Supervisory Board.
 - b) Audit & Supervisory Board Members shall meet regularly with the President and exchange opinions concerning important audit issues, etc.
 - c) Audit & Supervisory Board Members shall endeavor to enhance the quality of audits and make the audits more effective by consistently maintaining close cooperation and collaboration with the accounting auditor, proactively exchanging opinions and information, and sharing the details obtained from their audits, in addition to holding regular briefing meetings, attending audits, and exchanging information verbally or in writing.
 - d) Board Members and employees shall promptly report to Audit & Supervisory Board Members the reports relating to compliance violations.

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

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

In order to strengthen efforts related to risk management, the Company has established the Risk Compliance Committee as a cross-departmental organization. The responsible chief officer for this committee is the President, and the members are elected from Board Members, etc., in charge of each division and department. In order to ensure risk management related to responsible business operations, this committee identifies priority risks annually, and evaluates and establishes policies to address these risks, 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 stable dividends, 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.

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

The Company will also pay attention to holding a large cash position to prepare for unforeseeable situations because there are concerns about risk of credit crunch in the financial market if the spread of COVID-19 infection causes economic activities to stagnate across the world for a protracted time.

Year-end dividends are proposed at ¥30 per share, based on the basic policy for profit distribution. This results in a total annual dividend of ¥50 per share, including the interim dividend of ¥20.

Remarks

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

Consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Assets		Liabilities	
Current assets	126,770	Current liabilities	28,839
Cash and deposits	43,831	Notes and accounts payable - trade	9,050
Notes and accounts receivable - trade	35,174	Current portion of bonds payable	7,227
Securities	263	Income taxes payable	1,980
Merchandise and finished goods	8,399	Provision for product warranties	1,073
Work in process	22,795	Other	9,508
Raw materials and supplies	8,640	Non-current liabilities	1,725
Other	7,690	Deferred tax liabilities	1,330
Allowance for doubtful accounts	(27)	Retirement benefit liability	338
Non-current assets	71,733	Other	55
Property, plant and equipment	25,421	Total liabilities	30,564
Buildings and structures	13,981	Net assets	
Machinery, equipment and vehicles	5,057	Shareholders' equity	161,803
Tools, furniture and fixtures	1,120	Share capital	5,878
Land	5,171	Capital surplus	5,924
Construction in progress	90	Retained earnings	157,781
Intangible assets	24,990	Treasury shares	(7,781)
Goodwill	12,844	Accumulated other comprehensive income	5,791
Software	7,090	Valuation difference on available-for-sale securities	5,184
Other	5,054	Deferred gains or losses on hedges	15
Investments and other assets	21,322	Foreign currency translation adjustment	961
Investment securities	19,384	Remeasurements of defined benefit plans	(369)
Deferred tax assets	1,551	Non-controlling interests	343
Other	386	Total net assets	167,939
Total assets	198,504	Total liabilities and net assets	198,504

Consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount	
Net sales		140,967
Cost of sales		89,605
Gross profit		51,361
Selling, general and administrative expenses		31,790
Operating profit		19,571
Non-operating income		
Interest and dividend income	722	
Miscellaneous income	148	870
Non-operating expenses		
Interest expenses	(4)	
Miscellaneous expenses	326	322
Ordinary profit		20,119
Extraordinary income		
Gain on disposal of non-current assets	16	
Gain on sales of investment securities	728	745
Extraordinary losses		
Loss on disposal of non-current assets	152	152
Profit before income taxes		20,712
Income taxes - current		5,445
Income taxes - deferred		272
Profit		14,994
Profit attributable to non-controlling interests		31
Profit attributable to owners of parent		14,963

Consolidated Statement of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,878	5,924	146,928	(7,781)	150,951
Changes during period					
Dividends of surplus			(4,110)		(4,110)
Profit attributable to owners of parent			14,963		14,963
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	10,853	(0)	10,852
Balance at end of period	5,878	5,924	157,781	(7,781)	161,803

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,867	11	1,721	(117)	10,482	190	161,624
Changes during period							
Dividends of surplus							(4,110)
Profit attributable to owners of parent							14,963
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	(3,683)	4	(760)	(251)	(4,691)	153	(4,537)
Total changes during period	(3,683)	4	(760)	(251)	(4,691)	153	6,315
Balance at end of period	5,184	15	961	(369)	5,791	343	167,939

Notes to Consolidated Financial Statements

1. Significant Accounting Policies for Preparing Consolidated Financial Statements

(1) Scope of consolidation

Consolidated subsidiaries

- Number of consolidated subsidiaries: 12 companies
- Names of consolidated subsidiaries: 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.
- Change in scope of consolidation: Newly established companies, FUJI LINEAR CORPORATION and FUJI INDIA CORPORATION PRIVATE LIMITED, both have been included in the scope of consolidation from the fiscal year ended March 31, 2020.

(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., and Fuji Do Brasil Maquinas Industriais Ltda. is on December 31. In preparing consolidated financial statements, as for Fuji Do Brasil Maquinas Industriais Ltda., the Company uses the subsidiary's financial statements as of December 31, and significant transactions arising between the closing date and the consolidation closing 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

- With fair market values:

Fair value method based on market prices at the end of the fiscal year (valuation differences are directly included in net assets, and costs of securities sold are calculated by the moving-average method)

- Without fair market values:

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, is set aside.

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

- a. Basis for recording retirement benefit liability:

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

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

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

In the calculation of retirement benefit obligations, estimated retirement benefits are attributed to the period up to the end of the fiscal year by using a benefit formula basis.
- b. Accounting method for consumption tax and others: Tax-exclusion method is adopted.

2. Notes to Consolidated Balance Sheet

Accumulated depreciation of property, plant and equipment ¥35,834 million

3. Notes to Consolidated Statement of Changes in Equity

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

(Thousand shares)

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

(2) Matter relating to the number of treasury shares

(Thousand shares)

Type of shares	Number of shares at beginning of current period	Increased shares during period	Decreased shares during period	Number of shares at the end of current period
Common stock	6,478	0	—	6,479

Note: The increase of zero thousand shares is due to purchase of fractional shares.

(3) Matters relating to dividends of surplus

1) Dividends paid and others

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
June 27, 2019 Ordinary General Meeting of Shareholders	Common stock	2,283	25.00	March 31, 2019	June 28, 2019
November 8, 2019 Board of Directors' Meeting	Common stock	1,826	20.00	September 30, 2019	December 9, 2019

Note: The dividend per share of ¥25.00 resolved in the Ordinary General Meeting of Shareholders held on June 27, 2019 includes a commemorative dividend of ¥5.00 on the 60th anniversary of the Company's founding.

2) Of the dividends whose record date falls during the fiscal year ended March 31, 2020, those of which will become effective in the fiscal year ending March 31, 2021

Planned resolution	Type of shares	Total dividends (Millions of yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
June 26, 2020 Ordinary General Meeting of Shareholders	Common stock	2,740	Retained earnings	30.00	March 31, 2020	June 29, 2020

4. Notes on Financial Instruments

(1) Matters relating to status of financial instruments

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

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

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

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

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

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

Amounts recorded on the consolidated balance sheet, fair values and the differences between them as of March 31, 2020 (consolidated closing date of the fiscal year under review) are as follows.

(Millions of yen)

	Amounts recorded on the consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	43,831	43,831	–
(2) Notes and accounts receivable - trade	35,174	35,174	–
(3) Securities and investment securities			
Available-for-sale securities	19,058	19,058	–
(4) Notes and accounts payable - trade	9,050	9,050	–
(5) Bonds payable	7,227	8,313	1,086
(6) Derivative transactions (*)	9	9	–

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

(Note 1) Matters relating to the method for calculating fair values of financial instruments, as well as matters relating to securities

(1) Cash and deposits and (2) Notes and accounts receivable – trade

They are measured at book values, because their fair values approximate book values as they are settled on a short-term basis.

(3) Securities and investment securities

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

(4) Notes and accounts payable – trade

They are measured at book values, because their fair values approximate book values as they are settled on a short-term basis.

(5) Bonds payable

Fair values of the bonds payable are measured via a calculation method based on market prices.

(6) Derivative transactions

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

(Note 2) Unlisted shares (amount recorded on the consolidated balance sheet of ¥589 million) are not included in “(3) Securities and investment securities, Available-for-sale securities,” since there are no market prices and future cash flows cannot be estimated, and it is extremely difficult to determine their fair values.

5.	Notes to Per Share Information	
(1)	Net assets per share	¥1,834.76
(2)	Profit per share	¥163.81
6.	Notes to Significant Subsequent Events	
	Not applicable	

Non-consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Assets		Liabilities	
Current assets	89,324	Current liabilities	21,383
Cash and deposits	23,267	Accounts payable - trade	6,766
Notes receivable - trade	909	Current portion of bonds payable	7,227
Accounts receivable - trade	28,747	Accounts payable - other	421
Merchandise and finished goods	2,987	Income taxes payable	1,385
Work in process	18,408	Accrued expenses	3,279
Raw materials and supplies	7,138	Provision for product warranties	875
Other	7,866	Other	1,428
Non-current assets	70,531	Non-current liabilities	292
Property, plant and equipment	19,146	Deferred tax liabilities	266
Buildings	8,382	Other	25
Structures	1,869	Total liabilities	21,675
Machinery and equipment	4,531	Net assets	
Vehicles	64	Shareholders' equity	132,994
Tools, furniture and fixtures	705	Share capital	5,878
Land	3,590	Capital surplus	5,924
Construction in progress	2	Legal capital surplus	5,413
Intangible assets	6,567	Other capital surplus	511
Software	6,547	Retained earnings	128,972
Other	20	Legal retained earnings	1,450
Investments and other assets	44,817	Other retained earnings	127,522
Investment securities	18,451	General reserve	54,900
Shares of subsidiaries and associates	24,004	Retained earnings brought forward	72,622
Investments in capital	4	Treasury shares	(7,781)
Investments in capital of subsidiaries and associates	1,756	Valuation and translation adjustments	5,185
Prepaid pension costs	491	Valuation difference on available-for-sale securities	5,185
Other	109	Total net assets	138,179
Total assets	159,855	Total liabilities and net assets	159,855

Non-consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount	
Net sales		115,738
Cost of sales		78,742
Gross profit		36,996
Selling, general and administrative expenses		21,944
Operating profit		15,052
Non-operating income		
Interest and dividend income	643	
Miscellaneous income	119	763
Non-operating expenses		
Interest expenses	(7)	
Miscellaneous expenses	270	263
Ordinary profit		15,552
Extraordinary income		
Gain on disposal of non-current assets	9	9
Extraordinary losses		
Loss on disposal of non-current assets	117	
Loss on valuation of investments in capital of subsidiaries and associates	38	156
Profit before income taxes		15,405
Income taxes - current		3,950
Income taxes - deferred		96
Profit		11,359

Non-consolidated Statement of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

(millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total share-holders' 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	511	5,924	1,450	54,900	65,373	121,723	(7,781)	125,746
Changes during period										
Dividends of surplus							(4,110)	(4,110)		(4,110)
Profit							11,359	11,359		11,359
Purchase of treasury shares									(0)	(0)
Net changes in items other than shareholders' equity										
Total changes during period	—	—	—	—	—	—	7,248	7,248	(0)	7,248
Balance at end of period	5,878	5,413	511	5,924	1,450	54,900	72,622	128,972	(7,781)	132,994

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	8,311	8,311	134,058
Changes during period			
Dividends of surplus			(4,110)
Profit			11,359
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	(3,126)	(3,126)	(3,126)
Total changes during period	(3,126)	(3,126)	4,121
Balance at end of period	5,185	5,185	138,179

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 affiliates Measured at cost using the moving-average method
- 2) Held-to-maturity bonds Amortized cost method (Straight-line method)
- 3) Available-for-sale securities
 - With fair market values: Fair value method based on market prices at the end of the fiscal year (valuation differences are directly included in net assets, and costs of securities sold are calculated by the moving-average method)
 - Without fair market values: Measured at cost using the moving-average method
- 4) Inventories
 - Merchandise and finished goods, and work in process: Measured at cost using the specific identification method (calculated by the method to write down book value due to a decline in profitability)
 - Raw materials and supplies: Measured at cost using the moving-average method (calculated by the method to write down book value due to a decline in profitability)

(2) Method of depreciation of non-current assets

- 1) Property, plant and equipment: Declining-balance method
However, buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998, and facilities attached to buildings and structures acquired on and after April 1, 2016 are measured using the straight-line method.
- 2) Intangible assets
 - Software for market sale: Straight-line method over the estimated useful life
 - Software for internal use: Straight-line method over the estimated usable period
 - Other intangible assets: Straight-line method

(3) Standards for recording allowances

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

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

- 1) Accounting method for retirement benefits: Accounting method for unrecognized actuarial differences related to retirement benefits is different from the accounting method for those in the consolidated financial statements.
- 2) Accounting method for consumption tax and others: Tax-exclusion method is adopted.

2. Notes to Non-consolidated Balance Sheet

- (1) Accumulated depreciation of property, plant and equipment ¥30,818 million

- (2) Monetary claims and debts to subsidiaries and associates
- | | |
|-----------------------------|----------------|
| Short-term monetary claims: | ¥4,607 million |
| Short-term monetary debts: | ¥1,528 million |
| Long-term monetary debts: | ¥10 million |

3. Notes to Non-consolidated Statement of Income

Amount of transactions with subsidiaries and associates

Net sales:	¥15,990 million
Purchase of goods:	¥662 million
Other operating expenses:	¥15,656 million
Amount of transactions other than operating transactions:	¥191 million

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

Matter relating to the number of treasury shares

(Thousand shares)

Type of shares	Number of shares at beginning of current period	Increased shares during period	Decreased shares during period	Number of shares at the end of current period
Common stock	6,478	0	—	6,479

Note: The increase of zero thousand shares is due to purchase of fractional shares.

5. Notes to Tax Effect Accounting

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

(Deferred tax assets)	(Millions of yen)
Loss on valuation of inventories	826
Accrued expenses	679
Loss on valuation of investments in capital of subsidiaries and associates	518
Loss on valuation of investment securities	413
Provision for product warranties	267
Impairment loss	205
Enterprise tax payable	104
Other	106
Deferred tax assets subtotal	3,123
Valuation reserve	(1,151)
Deferred tax assets total	1,972
(Deferred tax liabilities)	
Valuation difference on available-for-sale securities	(2,087)
Prepaid pension costs	(150)
Deferred tax liabilities total	(2,238)
Deferred tax assets (liabilities), net	(266)

6. 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	EDEC LINSEY SYSTEM Co., Ltd.	Owning 100% directly	Manufacturing of units related to the Company's products	Delegation of manufacturing units related to the robotic moulder (Note)	11,448	Accounts payable - trade Accrued expenses	1,048

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.

7. Notes to Per Share Information

(1) Net assets per share	¥1,512.73
(2) Profit per share	¥124.35

8. Notes to Significant Subsequent Events
Not applicable

Independent Auditors' Audit Report

June 1, 2020

To the Board of Directors, FUJI CORPORATION

KPMG AZSA LLC

Nagoya Office

Noriko Shinke

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Hideki Saito

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Audit Opinion

In accordance with Article 444, paragraph (4), of the Companies Act, we have audited the consolidated financial statements, comprising the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements of FUJI CORPORATION, and its subsidiaries as of March 31, 2020 and for the fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, these consolidated financial statements referred to above present fairly, in all material aspects, the financial position and results of operations of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2020, in accordance with accounting principles generally accepted in Japan.

Basis for Audit 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 Company and its consolidated subsidiaries 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 audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board 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; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the 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 whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Board Members' performance of duties within the maintenance and operation of the financial reporting process.

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

Our responsibilities 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 expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. 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 decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, 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 notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. 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 of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Independent Auditors' Audit Report

June 1, 2020

To the Board of Directors, FUJI CORPORATION

KPMG AZSA LLC

Nagoya Office

Noriko Shinke

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Hideki Saito

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Audit Opinion

In accordance with Article 436, paragraph (2), Item 1, of the Companies Act, we have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements and supplementary schedules (hereinafter referred to as the "non-consolidated financial statements, etc.") of FUJI CORPORATION, as of March 31, 2020 and for the 74th business period from April 1, 2019 to March 31, 2020.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material aspects, the financial position and results of operation of the Company, applicable to the business period ended March 31, 2020, in accordance with accounting principles generally accepted in Japan.

Basis for Audit 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 Non-consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. 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 audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Board Members' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. 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 decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, 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 notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. 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 of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

We or engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Audit Report

With respect to Board Members' performance of their duties during the 74th business period (from April 1, 2019 to March 31, 2020), the Audit & Supervisory Board has prepared this audit report after deliberations, as unanimous opinion of all Audit & Supervisory Board Members based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

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

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

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

2. Results of Audit

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

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

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

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

(3) Results of Audit of the Consolidated Financial Statements

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

June 1, 2020

Audit & Supervisory Board of FUJI CORPORATION

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

Reference Material for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

With regard to the Company's basic policy for profit distribution, we strive to maintain stable dividends, paying attention to capital demands for future business development as well as considering the continuous return of profits to shareholders as one of the most important management measures. Retained earnings are used for proactive investments for further growth and expansion, such as developing next-generation products and building a production structure anticipating the digital revolution, as well as to improve and strengthen the Company's business structure. In addition, we will keep in mind that we ensure sufficient liquidity on hand in preparation for contingencies because we are concerned about the risk of credit contraction among other risks in the financial market if the stagnation of worldwide economic activities becomes prolonged as a result of the spread of infection of the novel coronavirus (COVID-19).

Based on the basic policy for profit distribution, we would like to propose to pay year-end dividends for the 74th 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: ¥30 per share of the Company's common stock
Please note that the total of the dividends will amount to ¥2,740,339,200.
As a result, the annual dividend for the current fiscal year is ¥50 per share, including the interim dividend of ¥20.
- (3) Effective date of dividend distribution from surplus: Monday, June 29, 2020

Proposal 2: Election of Nine Board Members

The term of office of all eight Board Members expires at the close of this ordinary general meeting of shareholders. Accordingly, the Company proposes the election of nine Board Members including three Outside Board Members, by increasing the number of Outside Board Members by one in order to strengthen the management structure.

Candidates for Board Members are as follows.

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

Candi- date number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)		Number of the Company’s shares owned
1	Nobuyuki Soga (February 26, 1952)	April 1975	Entered the Company	25,310
		April 1997	Manager, Planning and Management Office	
		April 2006	Manager, Business Planning Office, Electronics Assembly Equipment Division	
		June 2007	Board Member, Executive Officer	
		June 2008	Board Member, Managing Executive Officer	
		June 2009	President & CEO	
		June 2019	Chairman & CEO (Present post)	
	(Reason for nomination as a candidate for Board Member) Nobuyuki Soga has properly supervised management and made decisions on important matters as Chairman & CEO and has contributed to the expansion of business since 2019. In addition, he is currently working on enhancing corporate value by formulating and promoting the medium-term management plan; thereby he is re-nominated as a candidate for Board Member.			
2	Shinsuke Suhara (October 3, 1957)	April 1981	Entered the Company	5,779
		April 2004	Manager, Development Department 1, Electronics Assembly Equipment Division	
		June 2008	Executive Officer; Deputy General Manager, Electronics Assembly Equipment Division; Manager, General Engineering Department 1	
		June 2010	Board Member, Executive Officer	
		June 2012	Board Member, Managing Executive Officer	
		June 2013	Board Member, Managing Executive Officer; General Manager, Electronics Assembly Equipment Division (Currently Robotic Solutions Division)	
		June 2015	Board Member, Senior Managing Executive Officer	
		June 2018	Board Member, Vice President, Executive Officer	
	June 2019	President & COO; General Manager, Robotic Solutions Division (Present post)		
	(Reason for nomination as a candidate for Board Member) Shinsuke Suhara has served as Manager of Development Department, Manager of General Engineering Department, General Manager of Robotic Solutions Division, etc., and has executed the Company’s business operations as President & COO since 2019. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; thereby he is re-nominated as a candidate for Board Member.			

Candi- date number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)		Number of the Company’s shares owned
3	Hajime Ezaki (October 5, 1957)	April 1980	Joined Nichimen Co., Ltd (Currently Sojitz Corporation)	3,250
		November 2003	Entered the Company	
		April 2007	Manager, International Sales Department 2, International Management Department, Electronics Assembly Equipment Division	
		June 2011	Executive Officer; Manager, Planning and Management Office	
		March 2014	Executive Officer; Manager, Marketing and Strategic Planning Department	
		June 2015	Board Member, Executive Officer	
		January 2018	Board Member, Executive Officer; Deputy General Manager, Machine Tools Division; Manager, Sales Department	
		June 2019	Board member, Managing Executive Officer; Deputy General Manager, Machine Tools Division; Manager, Sales Department (Present post)	
		[Representation of Other Companies] Chairman, Fuji Machine America Corporation Chairman, Kunshan Fuji Machine Mfg. Co., Ltd.		
(Reason for nomination as a candidate for Board Member) Hajime Ezaki has served as Manager of Sales Department, Manager of Planning and Management Office, Manager of Marketing and Strategic Planning Department, etc., and has extensive job experience in sales and public relations. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; thereby he is re-nominated as a candidate for Board Member.				
4	Masaaki Sugiura (August 10, 1961)	April 1986	Entered the Company	2,125
		April 1993	Manager, European Representative Office	
		April 2004	President, Fuji Machine Manufacturing (Europe) GmbH	
		April 2011	Manager, Sales Department 3, General Sales Department, Electronics Assembly Equipment Division	
		April 2015	Executive Officer; Manager, Sales Department 1, Electronics Assembly Equipment Division (Currently Robotic Solutions Division)	
		June 2018	Board Member, Executive Officer; Deputy General Manager, Robotic Solutions Division; Manager, Sales Department 1 (Present post)	
		[Representation of Other Companies] Chairman, Fuji Machine China Co., Ltd. Chairman, FUJI INDIA CORPORATION PRIVATE LIMITED		
(Reason for nomination as a candidate for Board Member) Masaaki Sugiura has served as President of a subsidiary, Manager of Sales Department, etc. and has extensive job experience in sales. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; thereby he is re-nominated as a candidate for Board Member.				

Candi- date 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	Mitsuji Tatsumi (April 12, 1958)	April 1982	Joined Dainippon Screen Mfg. Co., Ltd. (Currently SCREEN Holdings Co., Ltd.)	11,170
		December 2009 April 2010 July 2012 June 2014	Entered the Company Manager, Accounting Department, Management Division Executive Officer; Manager, Accounting Department Board Member, Executive Officer; Manager, Accounting Department (Present post)	
(Reason for nomination as a candidate for Board Member) Mitsuji Tatsumi has served as Manager of Accounting Department, etc., and based on his extensive job experience, he is engaged in management as a supervisor of finance and accounting departments. The Company believes that he will be able to utilize his experience and knowledge, especially accounting expertise cultivated through his career in management of the Company; thereby he is re-nominated as a candidate for Board Member.				
6	Junichi Kano (April 17, 1963) New appointment	April 1986 February 1987 April 2012	Joined OSG Corporation Entered the Company Manager, Sales Department 2, General Sales Department, Electronics Assembly Equipment Division; Chairman, Fuji America Corporation	1,920
		April 2015 April 2017 July 2017	Manager, Sales Department 2, Electronics Assembly Equipment Division; Chairman, Fuji America Corporation; Chairman, Fuji Machine Manufacturing (Europe) GmbH Manager, President’s Office Executive Officer; Manager, President’s Office (Currently Business Administration Department) (Present post)	
(Reason for nomination as a candidate for Board Member) Junichi Kano has served as Manager of Sales Department, Chairman of a subsidiary, Manager of Business Administration Department, etc. and has extensive job experience in sales and public relations. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; thereby he is nominated as a candidate for Board Member.				

Candi- date 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	Nobuko Kawai (December 5, 1961) Outside Board Member Independent Director	April 1992	Registered as a lawyer Joined Nishimura & Sanada Law Office	1,389
		April 1998	Established Nobuko Kawai Law Office (Representative) (Present post)	
		April 2002	Contract Lawyer, The Japan Center for Settlement of Traffic Accident Disputes (Present post)	
		April 2009	Vice Chairman, Aichi Bar Association	
		April 2012	Professor, Nagoya University Graduate School of Law	
		June 2015	Outside Board Member of the Company (Present post)	
		[Representation of Other Companies] Representative, Nobuko Kawai Law Office Outside Board Member, IBIDEN Co., Ltd.		
		(Reason for nomination as a candidate for Outside Board Member) Although Nobuko Kawai does not have experience in corporate management other than as an Outside Board Member, the Company believes that she would 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. Thereby, she is re-nominated as a candidate for Outside Board Member.		
8	Hideaki Tamada (January 2, 1947) Outside Board Member Independent Director	April 1970	Joined SANYO Electric Co., Ltd.	1,463
		May 1995	President, SANYO Energy (EUROPE) Corporate GmbH	
		October 2006	President, SANYO Europe Ltd.	
		November 2011	Advisor, TONG SAN ELECTRIC CO., LTD.	
		June 2019	Outside Board Member of the Company (Present post)	
		(Reason for nomination as a candidate for Outside Board Member) Hideaki Tamada has a wealth of sales experience in Japan and overseas, as well as extensive knowledge as a 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. Thereby, he is re-nominated as a candidate for 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
9	Shoji Mizuno (February 28, 1955) New appointment Outside Board Member Independent Director	<p>April 1977 Joined MARUBUN CORPORATION</p> <p>March 2005 CEO and Representative Director, Marubun Semicon Corporation</p> <p>June 2011 Executive Vice President and Representative Director, MARUBUN CORPORATION</p> <p>January 2012 Senior Executive Vice President, Representative Director, MARUBUN CORPORATION</p> <p>June 2013 Chief Executive Officer, Representative Director, MARUBUN CORPORATION</p> <p>January 2020 Vice President, MARUBUN CORPORATION (Present post) (Scheduled to retire on June 25, 2020)</p>	—
(Reason for nomination as a candidate for Outside Board Member) Shoji Mizuno has a wealth of sales experience and extensive knowledge as a 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. Thereby, he is nominated as a candidate for Outside Board Member.			

- Notes:
- These candidates have no particular interests in the Company.
 - Matters on candidates for Outside Board Members
 - Nobuko Kawai, Hideaki Tamada, and Shoji Mizuno are candidates for Outside Board Members.
 - Nobuko Kawai and Hideaki Tamada are incumbent Outside Board Members of the Company. The length of service of Ms. Kawai and Mr. Tamada as Outside Board Members will be five years and one year, respectively, at the close of this ordinary general meeting of shareholders.
 - 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 both of the candidates, Nobuko Kawai and Hideaki Tamada. When they are reappointed, the Company intends to continue the agreements with them. In addition, when Shoji Mizuno 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.
 - The Company has designated Nobuko Kawai and Hideaki Tamada 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 Shoji Mizuno 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.
 - 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, 2020). In addition, the number presented includes the equities of the candidate in the Company's officer stock ownership or employee stock ownership.

Proposal 3: Election of One Substitute Audit & Supervisory Board Member

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

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

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

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

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

- Notes:
1. This candidate has no particular interests in the Company.
 2. Matters on the candidate for Substitute Outside Audit & Supervisory Board Member
 - (1) Masaaki Abe is a candidate for Substitute Outside Audit & Supervisory Board Member.
 - (2) Pursuant to Article 427, paragraph (1) of the Companies Act, the Company will conclude an agreement to limit the liability for damages set forth in Article 423, paragraph (1) of the said act with Masaaki Abe if he assumes the office of Audit & Supervisory Board Member. The limit of the liability for damages under the agreement will be the amount stipulated in applicable laws and regulations.
 - (3) Masaaki Abe satisfies the qualifications for Independent Auditor according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange.