

FUJI CORPORATION

19 Chausuyama, Yamamachi, Chiryu Aichi, Japan
Nobuyuki Soga, President & CEO

Notice of Convocation of the 73rd Ordinary General Meeting of Shareholders

To Our Shareholders:

You are cordially invited to the 73rd Ordinary General Meeting of Shareholders of the Company to be held as follows.

If you are unable to attend the Meeting, you may exercise your rights to vote in writing. Please review the “Reference Material for the General Meeting of Shareholders” described below, indicate your approval or disapproval of the proposals on the enclosed Voting Card, then sign and return it so it will arrive by 6:00 p.m., Wednesday, June 26, 2019.

Meeting Details

- 1. Date & Time:** 10:00 a.m. on Thursday, June 27, 2019 (Reception is scheduled to start at 9:00 a.m.)
- 2. Place:** Grand Hall, 7th floor of the Corporate Headquarters
19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan

3. Objectives of Meeting:

Reporting:

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 73rd Business Period (from April 1, 2018, to March 31, 2019)
2. Presentation of the Non-consolidated Financial Statements for the 73rd Business Period (from April 1, 2018, to March 31, 2019)

Agenda:

- Proposal 1:** Treatment of Surplus Earnings
- Proposal 2:** Election of Eight Board Members
- Proposal 3:** Election of One Audit & Supervisory Board Member
- Proposal 4:** Election of One Substitute Audit & Supervisory Board Member

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- ⊙ When you attend the Meeting in person on the day, we kindly request you to submit the enclosed Voting Card to the reception desk at the meeting venue.
 - ⊙ 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/>.

Business Report

(April 1, 2018 to March 31, 2019)

1. Current Condition of the Group

(1) Business condition for the fiscal year ended March 31, 2019

1) Business progress and results

In the fiscal year ended March 31, 2019, the Japanese economy experienced a modest recovery in consumer spending and robust capital investment, despite signs of sluggishness in the economy. In terms of the global economy, the Chinese economy continued its slowdown due to such factors as intensifying trade friction with the U.S., while capital investment demand from the European and North American manufacturing industries was strong.

In this environment, the Company and its subsidiaries (hereinafter referred to as the “Group”) pursued the challenge of reform under the slogan of “Excite and Inspire,” based on a growth strategy of blazing a trail to the future through robotics technology. We endeavored to increase profitability with an initiative to bring unique products to the market in a timely fashion, utilizing its mainstay robotic mounters and robotic conveyance systems in the machine tools field, as well as initiatives to strengthen the domestic and overseas sales and technical support systems by enhancing collaboration between Group companies and the dealer network, and continually increase market share by advancing one-stop solutions, while pursuing thorough improvement of QCD (quality, cost, and delivery) through production utilizing IoT.

Furthermore, on August 31, 2018, the Company acquired the shares of Fasford Technology Co., Ltd. (hereinafter referred to as “FFT”), whose main business is the manufacture and sale of semiconductor manufacturing equipment, making it a subsidiary. By integrating FFT’s technologies, the Company will enhance its comprehensive proposal capabilities as a manufacturer of industrial robots and semiconductor manufacturing equipment.

As a result of the above, orders for the fiscal year ended March 31, 2019 were ¥124,254 million (up 0.6% from the previous fiscal year). Net sales increased by ¥9,072 million (7.6%) from the previous fiscal year, to ¥129,104 million. This was primarily due to the addition of new subsidiary FFT to consolidation, although sales also increased in existing businesses. Unit sales increased, but owing to such factors as increasingly fierce price competition, operating profit increased by ¥279 million (1.2%) from the previous fiscal year, to ¥23,106 million, and ordinary profit decreased by ¥83 million (0.4%) from the previous fiscal year, to ¥23,454 million. In addition, profit attributable to owners of parent decreased by ¥668 million (3.8%) from the previous fiscal year, to ¥16,855 million, due mainly to a decrease in gain on sales of investment securities.

Condition of each business is as follows.

Regarding the Robotic Solutions business, investments in capital equipment were robust in telecommunication equipment, which is our major market, as well as fields such as computers and servers, despite a cautious stance toward capital investment by some customers, especially in China, due to the uncertainty over the future of the economy.

As a result, orders were ¥107,632 million (up 1.8% from the previous fiscal year). The performance of our subsidiary FFT also contributed to our business results, and net sales increased by ¥7,533 million (7.2%) from the previous fiscal year, to ¥111,536 million. Meanwhile, operating profit decreased by ¥167 million (0.7%) from the previous fiscal year, to ¥25,017 million, mainly due to increasingly fierce price competition.

Regarding the Machine Tools business, robust demand especially in China and Southeast Asia, resulted in orders of ¥14,865 million (down 3.4% from the previous fiscal year). Net sales increased by ¥1,862 million

(13.5%) from the previous fiscal year, to ¥15,660 million. Operating profit increased by ¥644 million (63.3%) from the previous fiscal year, to ¥1,661 million, due mainly to an increase in the number of units sold and improvements to sales prices.

Regarding Others, which includes the manufacture of control equipment, electronic equipment and image processing development, orders were ¥1,756 million (down 27.4% from the previous fiscal year). Net sales decreased by ¥323 million (down 14.5% from the previous fiscal year), to ¥1,907 million, and operating loss was ¥88 million (operating loss for the previous fiscal year was ¥236 million).

(Millions of yen)

Business	Net sales	Orders
Robotic Solutions	111,536	107,632
Machine Tools	15,660	14,865
Others	1,907	1,756
Total	129,104	124,254

2) Capital investment

The total amount of capital investment implemented by the Group during the fiscal year ended March 31, 2019 was ¥11,223 million. The main investments were in the expansion of the Company's Toyota and Okazaki factories, acquisition of software for market sale, and upgrades to machining equipment.

There were no major disposals or sales of equipment in the fiscal year ended March 31, 2019.

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, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Current fiscal year Fiscal year ended March 31, 2019
Net sales (Millions of yen)	86,642	86,397	120,032	129,104
Ordinary profit (Millions of yen)	11,991	10,200	23,538	23,454
Profit attributable to owners of parent (Millions of yen)	7,237	7,054	17,523	16,855
Profit per share (Yen)	74.13	76.19	195.04	184.52
Total assets (Millions of yen)	156,958	158,406	183,037	194,366
Net assets (Millions of yen)	132,069	130,947	151,412	161,624
Net assets per share (Yen)	1,372.18	1,461.63	1,655.29	1,767.30

Note: "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) were applied from the beginning of the fiscal year ended March 31, 2019. The new accounting standard was applied retroactively to total assets for the fiscal year ended March 31, 2018.

(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 moulder)
Fasford Technology Co., Ltd.	450 million Japanese yen	100	Manufacturing and sales of semiconductor manufacturing equipment
Fuji America Corporation	1,000 thousand U.S. dollar	100	Sales of the Company's products (robotic moulder)
Fuji Machine America Corporation	1,000 thousand U.S. dollar	100 (100)*	Sales of the Company's products (machine tools)
FUJI EUROPE CORPORATION GmbH	1,022 thousand euro	100	Sales of the Company's products (robotic moulder)
Tower-Factory GmbH	32 thousand euro	100	Manufacturing and sales of peripheral devices for robotic moulder
Fuji Machine China Co., Ltd.	12,737 thousand Chinese yuan	100	Maintenance and after-sale service of the Company's products (robotic moulder)
Kunshan Fuji Machine Mfg. Co., Ltd.	161,035 thousand Chinese yuan	100	Manufacturing and sales of the Company's products
Fuji Do Brasil Maquinas Industriais Ltda.	6,052 thousand Brazil real	60	Sales of the Company's products (robotic moulder)

Notes: 1. The investment ratio of the Company in parentheses indicates indirect ownership, and an asterisk indicates ownership by Fuji America Corporation.

2. On August 31, 2018, the Company made Fasford Technology Co., Ltd. its subsidiary.

(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 strengthen its market leadership and continuously grow its market share with one-stop solutions that include robotic mounters, as well as processes before and after the production line such as printers and peripheral equipment. The Group will also focus on winning customers in growth markets such as automotive-related and smart devices. In terms of development, the Group will strive to bring new models to market and continuously improve the quality of its software and core units, while accelerating its partnerships with Nexim, the key integrated production system in the Smart-Factory that converts production lines into IoT. 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 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 Factory and its facilities in China and North America. In particular, the Group will strive to strengthen its sales capabilities in the Chinese market by strengthening its technical support system through collaboration with its manufacturing and sales subsidiary Kunshan Fuji Machine Mfg. Co., Ltd. in China. In terms of development, the Group will strive to develop new products with an eye on automotive-related products as well as new-market needs, improve the quality of existing models, and thoroughly reduce costs.

In terms of production, we completed the construction of Okazaki Factory 3 in May 2018, and a new Toyota Factory in April 2019. We will strive to build a new manufacturing system, maintaining and enhancing a more efficient and economical production environment through the use of IoT.

In the field of basic research, the Group will strive to develop next-generation technologies and products from a long-term perspective not tied to existing businesses, through free creation of ideas and active communication among its employees. The Group will also make active use of FUJI Innovation Lab. located in Silicon Valley in the U.S. and other facilities to accelerate the development of its capability to create new-product ideas.

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. At the same time, the Group positions acquisition of treasury shares as an effective measure for improving capital efficiency, and will consider such measures appropriately and flexibly in light of the Company's performance and market trends, etc.

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

(5) Main business (as of March 31, 2019)

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

(6) Principal offices and plants (as of March 31, 2019)

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 factory: 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 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

Note: On August 31, 2018, the Company made Fasford Technology Co., Ltd. its subsidiary.

(7) Status of employees (as of March 31, 2019)

1) Employees of the Group

Business	Number of employees	Change from the end of the previous fiscal year
Robotic Solutions	1,818	+232
Machine Tools	408	+31
Others	86	-8
Company-wide (common)	137	-35
Total	2,449	+220

Notes: 1. The number of employees is the number of full-time employees.

2. Although the number of employees increased by 220 from the end of the previous fiscal year, 166 of them were due to the consolidation of the subsidiary Fasford Technology Co., Ltd. on August 31, 2018.

2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average number of years employed
1,671	+19	41.9 years old	17.1 years

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

(8) Status of main lenders (as of March 31, 2019)

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, 2019)

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 shareholder 10,268

4) Major shareholders (top ten shareholders)

Shareholder name	Number of shares held (Thousand shares)	Shareholding ratio (%)
Daido Life Insurance Co.	6,684	7.31
MUFG Bank, Ltd.	4,272	4.67
The Master Trust Bank of Japan, Ltd. (Trust account)	3,747	4.10
Japan Trustee Services Bank, Ltd. (Trust account)	3,343	3.66
FUJI customers stock ownership	2,933	3.21
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,715	1.87
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	1,638	1.79
The Bank of Nagoya, Ltd.	1,554	1.70
Mitsubishi UFJ Trust and Banking Corporation	1,483	1.62
STATE STREET BANK AND TRUST COMPANY 505001	1,407	1.54

Notes: 1. Shares held by the Company as treasury shares (6,478,764 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, 2019

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, 2019

Not applicable

3) Status of other share acquisition rights, etc. (as of March 31, 2019)

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	4,951,989 common shares of the Company	1,458 yen	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 1,458 yen. 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, 2019)

Position in the Company	Name	Responsibility and representation of other companies
President & CEO	Nobuyuki Soga	
Board Member Vice President, Executive Officer	Shinsuke Suhara	General Manager, Robotic Solutions Division Chairman, Kunshan Fuji Machine Mfg. Co., Ltd.
Board Member Senior Managing Executive Officer	Seigo Kodama	Head, Development Center President & CEO, ADTEK FUJI Co., Ltd.
Board Member Senior Managing Executive Officer	Takayoshi Kawai	General Manager, Machine Tools Division Factory Manager, Toyota Factory
Board Member Executive Officer	Mitsuji Tatsumi	Manager, Accounting Department
Board Member Executive Officer	Hajime Ezaki	Deputy General Manager, Machine Tools Division Manager, Sales Department Chairman, Fuji Machine America Corporation
Board Member Executive Officer	Masaaki Sugiura	Deputy General Manager, Robotic Solutions Division Manager, Sales Department 1 Chairman, Fuji Machine China Co., Ltd.
Board Member	Nobuko Kawai	Representative, Nobuko Kawai Law Office Outside Board Member, IBIDEN Co., Ltd.
Board Member	Gen Sasaki	Representative Director, Japan Processware-based Management Research, Inc.
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 Gen Sasaki, are Outside Board Members.

2. Audit & Supervisory Board Members, Shigeki Matsuda and Kayoko Yamashita, are Outside Audit & Supervisory Board Members.

3. Audit & Supervisory Board Member, Shinsaku Sakagami resigned as of the close of the 72nd Ordinary General Meeting of Shareholders held on June 28, 2018.

4. Audit & Supervisory Board Members, Shigeki Matsuda and Kayoko Yamashita, are licensed as a certified public accountant and have extensive knowledge of finance and accounting.

5. The Company has designated Board Members, Nobuko Kawai and Gen Sasaki, 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)	362 (15)
Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members)	4 (2)	34 (15)
Total (including Outside Board Members/Audit & Supervisory Board Members)	14 (5)	397 (31)

- Notes: 1. The above includes one Outside Board Member and one Audit & Supervisory Board Member who resigned at the close of the 72nd Ordinary General Meeting of Shareholders held on June 28, 2018.
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.
 - Board Member Gen Sasaki concurrently serves as a representative director of Japan Processware-based Management Research, Inc. There is no special interest between Japan Processware-based Management Research, Inc. 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 Sotuh Co., Ltd. in June 2015. There is no special interest between Sotuh Co., Ltd. and the Company.

c) Main activities during the fiscal year ended March 31, 2019

	Activities
Board Member Nobuko Kawai	Attended all 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2019. She mainly provides suggestions and comments from her professional viewpoints as a lawyer.
Board Member Gen Sasaki	Attended all 10 meetings of the Board of Directors held after taking office on June 28, 2018. He mainly provides suggestions and comments from his experiences as a business consultant.
Audit & Supervisory Board Member Shigeki Matsuda	Attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held in the fiscal year ended March 31, 2019. He mainly provides his opinions as necessary from his professional viewpoints as a certified public accountant.
Audit & Supervisory Board Member Kayoko Yamashita	Attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held in the fiscal year ended March 31, 2019. She mainly provides her opinions as necessary from her professional viewpoints as a certified public accountant.

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, 2019	57
Total amount of monies and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries	69

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, 2019 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) Non-audit services

The Company pays the accounting auditor for services, which are services other than those defined in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services), including accounting and tax due diligence services related to the acquisition of shares of Fasford Technology Co., Ltd.

4) 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, a designated Audit & Supervisory Board Member of 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.

5) 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 and CEO.

c) The Company establishes the Internal Control Council, for which the responsible chief officer is the President and CEO, 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 and CEO.

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 companywide 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 and CEO.
 - 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 and CEO.
 - 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 and CEO.

- 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 and CEO 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 CEO 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 CEO, 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 and CEO.

(6) Policy concerning decision on dividends of surplus

With regard to the Company's basic policy for profit sharing, 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.

Year-end dividends are proposed at ¥25 per share (including a commemorative dividend of ¥5 on the 60th anniversary of the Company's founding), based on the basic policy for profit sharing. This results in a total annual dividend of ¥50 per share, including the interim dividend of ¥25 (including a commemorative dividend of ¥5 on the 60th anniversary of the Company's founding).

Remarks

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

Consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Assets		Liabilities	
Current assets	118,528	Current liabilities	23,164
Cash and deposits	30,755	Notes and accounts payable – trade	7,273
Notes and accounts receivable – trade	35,256	Income taxes payable	3,418
Securities	6,711	Provision for product warranties	1,073
Merchandise and finished goods	9,502	Other	11,398
Work in process	21,378	Non-current liabilities	9,578
Raw materials and supplies	8,840	Bonds payable	7,234
Other	6,117	Deferred tax liabilities	1,720
Allowance for doubtful accounts	(34)	Net defined benefit liability	577
Non-current assets	75,837	Other	46
Property, plant and equipment	25,128	Total liabilities	32,742
Building and structures	9,719	Net assets	
Machinery, equipment and vehicles	3,766	Shareholders' equity	150,951
Tools, furniture and fixtures	1,069	Capital stock	5,878
Land	5,107	Capital surplus	5,924
Construction in progress	5,465	Retained earnings	146,928
Intangible assets	25,492	Treasury shares	(7,781)
Goodwill	13,796	Accumulated other comprehensive income	10,482
Software	6,089	Valuation difference on available-for-sale securities	8,867
Other	5,607	Deferred gains or losses on hedges	11
Investments and other assets	25,216	Foreign currency translation adjustment	1,721
Investment securities	24,030	Remeasurements of defined benefit plans	(117)
Deferred tax assets	769	Non-controlling interests	190
Other	416	Total net assets	161,624
Total assets	194,366	Total liabilities and net assets	194,366

Consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount	
Net sales		129,104
Cost of sales		76,468
Gross profit		52,636
Selling, general and administrative expenses		29,530
Operating profit		23,106
Non-operating income		
Interest and dividend income	720	
Miscellaneous income	201	922
Non-operating expenses		
Interest expenses	(0)	
Miscellaneous expenses	574	574
Ordinary profit		23,454
Extraordinary income		
Gain on disposal of non-current assets	33	
Gain on sales of investment securities	232	265
Extraordinary losses		
Loss on disposal of non-current assets	175	
Impairment loss	96	272
Profit before income taxes		23,447
Income taxes – current		6,889
Income taxes – deferred		(313)
Profit		16,871
Profit attributable to non-controlling interests		15
Profit attributable to owners of parent		16,855

Consolidated Statement of Changes in Equity

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,878	5,924	134,183	(7,779)	138,207
Changes of items during period					
Dividends of surplus			(4,110)		(4,110)
Profit attributable to owners of parent			16,855		16,855
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	12,744	(1)	12,743
Balance at end of current period	5,878	5,924	146,928	(7,781)	150,951

	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 current period	11,688	—	1,343	(35)	12,995	208	151,412
Changes of items during period							
Dividends of surplus							(4,110)
Profit attributable to owners of parent							16,855
Purchase of treasury shares							(1)
Net changes of items other than shareholders' equity	(2,820)	11	378	(82)	(2,513)	(18)	(2,531)
Total changes of items during period	(2,820)	11	378	(82)	(2,513)	(18)	10,211
Balance at end of current period	8,867	11	1,721	(117)	10,482	190	161,624

Notes to Consolidated Financial Statements

1. Significant Accounting Policies for Preparing Consolidated Financial Statements

(1) Scope of consolidation

Consolidated subsidiaries

- Number of consolidated subsidiaries: 10 companies
- Names of consolidated subsidiaries: ADTEK FUJI Co., Ltd.
EDEC LINSEY SYSTEM Co., Ltd.
Fasford Technology Co., Ltd.
Fuji America Corporation
Fuji Machine America Corporation
FUJI EUROPE CORPORATION GmbH
Tower-Factory GmbH
Fuji Machine China Co., Ltd.
Kunshan Fuji Machine Mfg. Co., Ltd.
Fuji Do Brasil Maquinas Industriais Ltda.
- Change in scope of consolidation: Fasford Technology Co., Ltd. has been included in the scope of consolidation as a consolidated subsidiary starting from the fiscal year ended March 31, 2019 as the Company acquired the shares of said company as of August 31, 2018.

(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 commercial purpose: 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 the Group'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.

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

a. Basis for recording net defined benefit liability:

As for net defined 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 Changes in Presentation Methods

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting")

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets are presented under investments and other assets, and deferred tax liabilities are presented under non-current liabilities.

(Consolidated Balance Sheet)

"Accrued expenses," which were presented separately until the previous fiscal year, are included in "other" under current liabilities from the consolidated fiscal year ended March 31, 2019, since the amount is immaterial.

3. Notes to Consolidated Balance Sheet

Accumulated depreciation of property, plant and equipment ¥33,817 million

4. Notes to Consolidated Statement of Changes in Equity

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

(Thousand shares)

Type of share	Number of shares at beginning of 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 share	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	6,477	0	—	6,478

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 share	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
June 28, 2018 Ordinary General Meeting of Shareholders	Common stock	1,826	20.00	March 31, 2018	June 29, 2018
November 8, 2018 Board of Directors' meeting	Common stock	2,283	25.00	September 30, 2018	December 10, 2018

Note: The dividend per share of ¥25.00 resolved in the Board of Directors' meeting held on November 8, 2018 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, 2019, those of which will become effective in the fiscal year ending March 31, 2020

Planned resolution	Type of shares	Total dividends (Millions of yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
June 27, 2019 Ordinary General Meeting of Shareholders	Common stock	2,283	Retained earnings	25.00	March 31, 2019	June 28, 2019

Note: Dividend per share of ¥25.00 includes a commemorative dividend of ¥5.00 on the 60th anniversary of the Company's founding.

5. 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, 2019 (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	30,755	30,755	—
(2) Notes and accounts receivable – trade	35,256	35,256	—
(3) Securities and investment securities			
Held-to-maturity bonds	6,500	6,495	(4)
Available-for-sale securities	23,994	23,994	—
(4) Notes and accounts payable – trade	7,273	7,273	—
(5) Bonds payable	7,234	8,133	899
(6) Derivative transactions (*)	3	3	—

(*) Net debts and credits arising from derivative transactions are presented in net amounts, and a value of a net debt after totaling of credit and debt is presented in 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 ¥247 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.

6. Notes to Per Share Information

- (1) Net assets per share ¥1,767.30
- (2) Profit per share ¥184.52

7. Notes to Significant Subsequent Events

Not applicable

8. Other

Business combination through acquisition

(1) Outline of business combination

1) Name of the acquired entity and business description:

Name of the acquired entity: Fasford Technology Co., Ltd. (hereinafter referred to as “FFT”)

Business description: Design, manufacture, sales, repair, and maintenance of semiconductor manufacturing equipment

2) Main reason for the business combination:

The Company is one of the world’s leading industrial robot manufacturers, and its main business is manufacturing and sales of robotic mounters and machine tools equipped with a robotic conveyance system.

With the Company’s focus on the semiconductor market for which further growth is anticipated in a wide range of fields such as Artificial Intelligence, self-driving cars, data centers, automobiles, telecommunication devices, and industrial devices, the Company has decided to make FFT a subsidiary, which designs, manufactures and sells die bonding machines in a semiconductor post-process, in order to reinforce solutions for the entire production lines including both the semiconductor back-end process and the electronic component mounting process and reinforce the ability to propose next generation technology.

FFT has the world’s top market share in die bonding machines used to manufacture memory products, such as DRAM and NAND. They reflect the market needs in their timely product development, and possess the development power to quickly release new machines in a timely manner. FFT has abundant experiences in delivering products to OSAT (Outsourced Semiconductor Assembly and Test) and IDM (device makers that provide one-stop services from design, manufacture, and to sales of products under their own brand), and have a strong presence among the major companies in the industry.

By linking the unique technology cultivated from robotic mounters and the technology related to semiconductors from FFT, the Group will take advantage of these two separated fields to establish a new field of business, further striving to create new products with a high value and enhancing integrated proposal capabilities as a manufacturer of industrial robots and semiconductor manufacturing equipment.

3) Date of business combination: August 31, 2018

4) Legal form of business combination: Acquisition of shares

5) Name of the entity after business combination: There are no changes.

6) The ratio of voting right acquired: 100%

7) Grounds for determining the acquired company

The Company acquired the shares for cash as consideration.

(2) Period of financial results of the acquired company included in consolidated financial statements

From October 1, 2018 to March 31, 2019

(3) Acquisition cost and components by type of consideration of the acquired company

Consideration of acquisition: Cash	¥21,799 million
Acquisition cost	¥21,799 million

(4) Details and amount of major acquisition-related cost

Advisory fees: ¥170 million

(5) Amount, source, amortization method and amortization period of goodwill derived

1) Amount of goodwill derived: ¥14,271 million

2) Source

Derived from excess earning power that is expected from future business development of the acquired

company, and excess earning power that is expected from synergy effects generated by utilizing each party's technological capability and brand recognition.

3) Amortization method and amortization period

Amortized in equal amounts over 15 years

Non-consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Assets		Liabilities	
Current assets	86,974	Current liabilities	17,821
Cash and deposits	12,462	Accounts payable – trade	6,076
Notes receivable – trade	2,924	Accounts payable – other	2,143
Accounts receivable – trade	30,511	Income taxes payable	2,688
Securities	6,100	Accrued expenses	3,371
Merchandise and finished goods	2,682	Provision for product warranties	907
Work in process	18,400	Other	2,633
Raw materials and supplies	7,099	Non-current liabilities	8,769
Other	6,793	Bonds payable	7,234
Non-current assets	73,674	Deferred tax liabilities	1,327
Property, plant and equipment	19,704	Provision for retirement benefits	182
Buildings	5,731	Other	24
Structures	1,013	Total liabilities	26,590
Machinery and equipment	3,238	Net assets	
Vehicles	17	Shareholders' equity	125,746
Tools, furniture and fixtures	743	Capital stock	5,878
Land	3,591	Capital surplus	5,924
Construction in progress	5,368	Legal capital surplus	5,413
Intangible assets	5,828	Other capital surplus	511
Software	5,808	Retained earnings	121,723
Other	19	Legal retained earnings	1,450
Investments and other assets	48,142	Other retained earnings	120,273
Investment securities	22,536	General reserve	54,900
Shares of subsidiaries and associates	23,736	Retained earnings brought forward	65,373
Investments in capital	4	Treasury shares	(7,781)
Investments in capital of subsidiaries and associates	1,745	Valuation and translation adjustments	8,311
Other	119	Valuation difference on available-for-sale securities	8,311
		Total net assets	134,058
Total assets	160,648	Total liabilities and net assets	160,648

Non-consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount	
Net sales		112,934
Cost of sales		71,462
Gross profit		41,471
Selling, general and administrative expenses		21,539
Operating profit		19,931
Non-operating income		
Interest and dividend income	572	
Miscellaneous income	207	780
Non-operating expenses		
Interest expenses	(4)	
Miscellaneous expenses	335	330
Ordinary profit		20,381
Extraordinary income		
Gain on disposal of non-current assets	23	
Gain on sales of investment securities	232	255
Extraordinary losses		
Loss on disposal of non-current assets	170	170
Income before income taxes		20,467
Income taxes – current		5,454
Income taxes – deferred		97
Profit		14,915

Non-consolidated Statement of Changes in Equity

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of current period	5,878	5,413	511	5,924	1,450	54,900	54,569	110,919	(7,779)	114,943
Changes of items during period										
Dividends of surplus							(4,110)	(4,110)		(4,110)
Profit							14,915	14,915		14,915
Purchase of treasury shares									(1)	(1)
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	—	—	—	—	10,804	10,804	(1)	10,802
Balance at end of current period	5,878	5,413	511	5,924	1,450	54,900	65,373	121,723	(7,781)	125,746

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	11,436	11,436	126,379
Changes of items during period			
Dividends of surplus			(4,110)
Profit			14,915
Purchase of treasury shares			(1)
Net changes of items other than shareholders' equity	(3,124)	(3,124)	(3,124)
Total changes of items during period	(3,124)	(3,124)	7,678
Balance at end of current period	8,311	8,311	134,058

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 commercial purpose: | 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: | 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 Changes in Presentation Methods

(Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

“Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets are presented under investments and other assets, and deferred tax liabilities are presented under non-current liabilities.

3. Notes to Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment ¥29,061 million

(2) Monetary claims and debts to subsidiaries and associates

Short-term monetary claims: ¥9,283 million

Short-term monetary debts: ¥1,380 million

Long-term monetary debts: ¥9 million

4. Notes to Non-consolidated Statement of Income

Amount of transactions with subsidiaries and associates

Net sales: ¥27,434 million

Purchase of goods: ¥699 million

Other operating expenses: ¥13,831 million

Amount of transactions other than operating transactions: ¥124 million

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

Matter relating to the number of treasury shares

(Thousand shares)

Type of share	Number of shares at beginning of current period	Increased shares during period	Decreased shares during period	Number of shares at the end of current period
Common stock	6,477	0	—	6,478

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

6. 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	693
Accrued expenses	662
Loss on valuation of investments in capital of subsidiaries and associates	507
Loss on valuation of investment securities	473
Provision for product warranties	277
Impairment loss	206
Enterprise tax payable	166
Provision for retirement benefits	55
Other	73
Deferred tax assets subtotal	3,118
Valuation reserve	(1,199)
Deferred tax assets total	1,918
(Deferred tax liabilities)	
Valuation difference on available-for-sale securities	(3,245)
Deferred tax liabilities total	(3,245)
Deferred tax assets (liabilities), net	(1,327)

7. Notes to Transactions with Related Parties

Subsidiaries, etc.

Type	Name of companies, etc.	Owning (owned) ratio of voting rights, etc.	Relationship with related parties	Description of transactions	Amount of transactions (Millions of yen)	Account	Year-end balance (Millions of yen)
Subsidiary	Fuji America Corporation	Owning 100% directly	Sales of the Company's products	Sales of robotic moulder (Note)	14,748	Accounts receivable – trade	4,426
Subsidiary	FUJI EUROPE CORPORATION GmbH	Owning 100% directly	Sales of the Company's products	Sales of robotic moulder (Note)	8,797	Accounts receivable – trade	2,165
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)	9,732	Accounts payable – trade Accrued expenses	982

Terms of transactions and the policy for determining such terms

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

8. Notes to Per Share Information

(1) Net assets per share	¥1,467.61
(2) Profit per share	¥163.28

9. Notes to Significant Subsequent Events

Not applicable

Independent Auditors' Audit Report

May 10, 2019

To the Board of Directors, FUJI CORPORATION

KPMG AZSA LLC
Chika Matsumoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Hideki Saito
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

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, 2019 and for the fiscal year from April 1, 2018 to March 31, 2019.

Management's Responsibility 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 implementation and maintenance 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 consolidated fiscal year ended March 31, 2019, in accordance with accounting principles generally accepted in Japan.

Interest

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

Independent Auditors' Audit Report

May 10, 2019

To the Board of Directors, FUJI CORPORATION

KPMG AZSA LLC
Chika Matsumoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Hideki Saito
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

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 of FUJI CORPORATION, as of March 31, 2019 and for the 73rd business period from April 1, 2018 to March 31, 2019.

Management's Responsibility for the Non-consolidated Financial Statements and Others

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

Auditor's Responsibility

Our responsibility is to express an opinion on the non-consolidated financial statements and supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and supplementary schedules. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the non-consolidated financial statements and supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these non-consolidated financial statements and supplementary schedules 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, 2019, in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and 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 73rd business period (from April 1, 2018 to March 31, 2019), the Audit & Supervisory Board has prepared this audit report after deliberations, as an unanimous opinion of all Audit & Supervisory Board Members based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby report as follows:

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

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

had been developed and maintained in accordance with “Quality Control Standards for audit” (Business Accounting Council, October 28, 2005), etc., and requested explanations as necessary.

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

2. Results of Audit

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

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

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

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

(3) Results of Audit of the Consolidated Financial Statements

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

May 13, 2019

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: Treatment of Surplus Earnings

With regard to the Company's basic policy for profit sharing, 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.

Based on the basic policy for profit sharing, we would like to announce the proposed treatment of surplus earnings for the 73rd 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: ¥25 per share of the Company's common stock (including a commemorative dividend of ¥5 on the 60th anniversary of the Company's founding).
Please note that the total of the dividends will amount to ¥2,283,624,600.
As a result, the annual dividend for the current fiscal year is ¥50 per share, including the interim dividend of ¥25 (including a commemorative dividend of ¥5 on the 60th anniversary of the Company's founding).
- (3) Effective date of dividend distribution from surplus earnings: Friday, June 28, 2019

Proposal 2: Election of Eight Board Members

The term of office of all nine Board Members expires at the close of this ordinary general meeting of shareholders. Accordingly, the Company proposes the election of eight Board Members including two Outside Board Members, by decreasing the number of Board Members by one.

Candidates for Board Members are as follows.

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
1	Nobuyuki Soga (February 26, 1952)	April 1975 Entered the Company	24,565
		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 (Present post)	
(Reason for nomination as a candidate for Board Member)			
Nobuyuki Soga has properly supervised management and made decisions on important matters as President & CEO and has contributed to the expansion of business since 2009. 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	5,054
		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; General Manager, Robotic Solutions Division (Present post)	
[Representation of Other Companies]			
Chairman, Kunshan Fuji Machine Mfg. Co., Ltd.			
(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 extensive job experience in design and development. 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.			

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
3	Takayoshi Kawai (July 14, 1954)	April 1978 Entered the Company April 2004 Manager, Control Technology Development Department, Electronics Assembly Equipment Division June 2008 Executive Officer; Deputy General Manager, Electronics Assembly Equipment Division; Manager, General Engineering Department 2 May 2010 President & CEO, EDEC LINSEY SYSTEM Co., Ltd. June 2013 Manager, Production Management Unit, Production Management Department, Electronics Assembly Equipment Division June 2013 Board Member, Executive Officer June 2015 Board Member, Managing Executive Officer; General Manager, Machine Tools Division; Factory Manager, Fujioka Factory (Currently Toyota Factory) June 2018 Board Member, Senior Managing Executive Officer; General Manager, Machine Tools Division; Factory Manager, Toyota Factory (Present post)	10,254
		<p>(Reason for nomination as a candidate for Board Member)</p> <p>Takayoshi Kawai has served as Manager of Control Technology Development Department, President & CEO of a subsidiary, General Manager of Machine Tools Division, etc., and has extensive job experience in design and development. 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.</p>	
4	Hajime Ezaki (October 5, 1957)	April 1980 Joined Nichimen Co., Ltd (Currently Sojitz Corporation) November 2003 Entered the Company April 2007 Manager, International Sales Department 2, 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 (Present post) [Representation of Other Companies] Chairman, Fuji Machine America Corporation	2,309
		<p>(Reason for nomination as a candidate for Board Member)</p> <p>Hajime Ezaki has served as Manager of Sales Department, Manager of Planning and Management Office, Manager of Marketing and Strategic Planning Department, etc., and has extensive job experience in sales and public relations. The Company believes that he will be able to utilize his experience and knowledge cultivated through his career in management of the Company; thereby he is re-nominated as a candidate for Board Member.</p>	

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned	
5	Mitsuji Tatsumi (April 12, 1958)	April 1982	Joined Dainippon Screen Mfg. Co., Ltd. (Currently SCREEN Holdings Co., Ltd.)	10,081
		December 2009	Entered the Company	
		April 2010	Manager, Accounting Department, Management Division	
		July 2012	Executive Officer; Manager, Accounting Department	
		June 2014	Board Member, Executive Officer; Manager, Accounting Department (Present post)	
<p>(Reason for nomination as a candidate for Board Member)</p> <p>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.</p>				
6	Masaaki Sugiura (August 10, 1961)	April 1986	Entered the Company	2,056
		April 1993	Manager, European Representative Office	
		April 2004	President, Fuji Machine Manufacturing (Europe) GmbH	
		April 2011	Manager, Sales Department 3, 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.	
<p>(Reason for nomination as a candidate for Board Member)</p> <p>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.</p>				

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
7	Nobuko Kawai (December 5, 1961) Outside Board Member Independent Director	<p>April 1992 Registered as a lawyer Joined Nishimura & Sanada Law Office</p> <p>April 1998 Established Nobuko Kawai Law Office (Representative) (Present post)</p> <p>April 2002 Contract lawyer, The Japan Center for Settlement of Traffic Accident Disputes (Present post)</p> <p>April 2009 Vice Chairman, Aichi Bar Association</p> <p>October 2009 Chairman, Kasugai City Equity Commission (Present post)</p> <p>April 2012 Professor, Nagoya University Graduate School of Law</p> <p>June 2015 Outside Board Member of the Company (Present post)</p> <p>[Representation of Other Companies] Representative, Nobuko Kawai Law Office Outside Board Member, IBIDEN Co., Ltd.</p>	1,026
(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 adequately serve as a decision maker for management issues and as a supervisor for the performance of the Company's operations. Thereby, she is re-nominated as a candidate for Outside Board Member.			
8	Hideaki Tamada (January 2, 1947) New candidate Outside Board Member Independent Director	<p>April 1970 Joined SANYO Electric Co., Ltd.</p> <p>May 1995 President, SANYO Energy (EUROPE) Corporate GmbH</p> <p>October 2006 President, SANYO Europe Ltd.</p> <p>November 2011 Advisor, TONG SAN ELECTRIC CO., LTD. (Present Post)</p>	1,000
(Reason for nomination as a candidate for Outside Board Member) Hideaki Tamada has a wealth of management 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 adequately serve as a decision maker for management issues and as a supervisor for the performance of the Company's operations. Thereby, he is nominated as a candidate for Outside Board Member.			

Notes:

1. These candidates have no particular interests in the Company.
2. Matters on candidates for Outside Board Members
 - (1) Nobuko Kawai and Hideaki Tamada are candidates for Outside Board Members.
 - (2) Nobuko Kawai is an incumbent Outside Board Member of the Company. The length of service of Ms. Kawai as an Outside Board Member will be four years at the close of this ordinary general meeting of shareholders.
 - (3) Pursuant to Article 427, Paragraph 1, of the Companies Act, an agreement to limit the liability for damages set forth in, Article 423, Paragraph 1, of the said act is entered into between the Company and Nobuko Kawai. When Ms. Kawai is reappointed, the Company intends to continue the agreement with her. In addition, when Hideaki Tamada 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.
 - (4) The Company has designated Nobuko Kawai as an Independent Director according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has notified said Exchanges of that. In addition, when Hideaki Tamada is appointed, the Company will designate him as an Independent Director according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and will notify said Exchanges of that.

3. The 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, 2019). In addition, the number presented includes the equities of the candidate in the Company's officer stock ownership.

Proposal 3: Election of One Audit & Supervisory Board Member

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

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

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

Name (Date of birth)	Career summary, position in the Company (Position and representation of other companies)	Number of the Company's shares owned
Kayoko Yamashita (July 1, 1965) Outside Audit & Supervisory Board Member Independent Auditor	October 1992 Joined Chuo Shinko Audit Corporation April 1996 Registered as a Certified Public Accountant April 1997 Joined Miyake Certified Public Accountant Office June 2006 Established Yamashita Certified Public Accountant Office (Representative) (Present post) April 2008 Registered as a Certified Tax Accountant June 2015 Outside Audit & Supervisory Board Member of the Company (Present post) [Representation of Other Companies] Representative, Yamashita Certified Public Accountant Office Outside Audit & Supervisory Board Member, Sotoh Co., Ltd.	1,026
(Reason for nomination as a candidate for Outside Audit & Supervisory Board Member) Although Kayoko Yamashita does not have experience in corporate management other than as an Outside Audit & Supervisory Board Member, the Company believes that she would be able to utilize her expertise and experience as a Certified Public Accountant and Certified Tax Accountant to reinforce the auditing system of the Company. Thereby, she is re-nominated as a candidate for Outside Audit & Supervisory Board Member.		

Notes:

1. This candidate has no particular interests in the Company.
2. Matters on the candidate for Outside Audit & Supervisory Board Member
 - (1) Kayoko Yamashita is a candidate for Outside Audit & Supervisory Board Member.
 - (2) Kayoko Yamashita is an incumbent Outside Audit & Supervisory Member of the Company. The length of service of Ms. Yamashita as an Outside Audit & Supervisory Board Member will be four years at the closing of this ordinary general meeting of shareholders.
 - (3) Pursuant to Article 427, Paragraph 1, of the Companies Act, an agreement to limit the liability for damages set forth in, Article 423, Paragraph 1, of the said act is entered into between the Company and Kayoko Yamashita. When Ms. Yamashita is reappointed, the Company intends to continue the agreement with her. The limit of the liability for damages under the agreement will be the amount stipulated in applicable laws.
 - (4) The Company has designated Kayoko Yamashita as an Independent Auditor according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has notified said Exchanges of that.
3. The number of the Company's shares owned by this candidate indicates the number of shares as of the end of the current fiscal year (March 31, 2019). In addition, the number presented includes the equities of the candidate in the Company's officer stock ownership.

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

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

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

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

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

Name (Date of birth)	Career summary, 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.
 - (3) Masaaki Abe satisfies the qualifications for Independent Auditor according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange.