Notes to the Consolidated Financial Statements

Note 1. Basis of Preparing Consolidated Financial Statements

The accompanying consolidated financial statements of Fuji Electric Co., Ltd. (the "Company") and consolidated subsidiaries (together, the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

In preparing these statements, certain reclassifications and rearrangements have been made to the consolidated financial statements prepared domestically in Japan in order to present these statements in a form that is more familiar to readers outside Japan.

In addition, the notes to the consolidated financial statements include additional information which is not required under accounting principles generally accepted in Japan.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

Note 2. Summary of Significant Accounting Policies

a. Principles of Consolidation

The consolidated financial statements for the year ended March 31, 2025 include the accounts of the Company and its 68 significant subsidiaries and its 4 subsidiaries and affiliates are accounted for by the equity method (68 and 4 in 2024).

Under the control or influence concept, the accompanying consolidated financial statements include the accounts of the Company and, with minor exceptions, those of its subsidiaries, whether directly or indirectly controlled, and those companies over which the Companies have the ability to exercise significant influence are accounted for by the equity method. All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits included in assets resulting from transactions within the Companies are eliminated. The Company does not consolidate nor apply the equity method to subsidiaries or affiliates whose gross assets, net sales, profit (loss) and retained earnings are not significant to the consolidated financial statements.

Investments in unconsolidated subsidiaries and affiliates are stated at cost.

The balance sheet date of certain consolidated subsidiaries is December 31 or January 31. In principle, the financial statements of such subsidiaries were tentatively prepared in accordance with the fiscal year of the Company, and those were consolidated.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to non-controlling shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiaries.

Goodwill resulting from the difference between the cost and the underlying net assets at the respective dates of acquisition are being amortized over a period of 5 or 10 years.

b. Cash Equivalents

For the purpose of the consolidated statements of cash flows, the Companies consider all short-term, highly liquid instruments with a maturity of three months or less to be cash equivalents.

c. Inventories

Raw materials are mainly stated at cost, determined by the most recent purchase price method. Finished goods and work in process are mainly stated at actual cost determined by accumulated production cost for contract items or average cost for regular production items, except that finished goods of certain consolidated subsidiaries are priced by the most recent purchase price method. In accordance with accounting practices generally accepted in the heavy electric industry, inventories include items with a manufacturing period exceeding one year.

Inventories with lower profitability were written down and the losses on valuation were included in cost of sales.

d. Securities

Other securities

Securities with quoted market price are stated at fair value. Unrealized gains and losses, net of taxes, are reported in a separate component of net assets.

Securities with no quoted market price are stated at cost determined by the moving-average method.

e. Derivatives and Hedging Activities

The Companies enter into derivative financial instruments ("derivatives"), including foreign currency forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

In addition, the Companies enter into commodity swap agreements to hedge the risk of fluctuation of commodity prices for raw materials.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows:

a) Except as described in the following paragraphs b) and c), all derivatives are recognized as either assets or liabilities and measured at fair value, and forward contracts applied for forecasted transactions are measured at fair value but the unrealized gains/losses are deferred until the underlying transactions are completed if the forward contracts qualify for hedge accounting.

b) Trade receivables and trade payables denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations are accounted for allocation treatment ("Furiate shori") where these receivables and payables are translated at the contracted rate if the forward contracts qualify for hedge accounting.

f. Depreciation

1) Tangible fixed assets (excluding leased assets)

Depreciation is computed by the straight-line method. The range of useful lives is from 15 to 50 years for buildings and from 5 to 12 years for machinery and equipment.

2) Leased assets

Depreciation is computed by the straight-line method over the lease period assuming no residual value.

g. Allowance for Doubtful Accounts

The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Companies' past credit loss experience and an evaluation of potential losses in the receivables outstanding.

h. Provision for Directors' Retirement Benefits

For certain consolidated subsidiaries, provision for directors' retirement benefits were provided mainly at an amount to be required at the year-end according to internal regulations.

i. Provision for product warranties

To prepare for potential warranty costs, provision for product warranties is recorded based on the past occurrence of the defects and expected specific events.

j. Retirement Benefits

(1) Method for period attribution of retirement benefit estimates
The retirement benefit obligation for employees is attributed to each period by the benefit formula method over the estimated years of service of the eligible employees.

(2) Method for amortization of actuarial gains and losses, and past service costs
Prior service costs are amortized by the straight-line method within the average remaining years of service of the employee participants. The actuarial gains and losses are amortized by the straight-line method within the average remaining years of service of the employee participants from the next period in which they arise, respectively.

k. Research and Development Costs

Research and development costs are recognized as expenses when they are incurred.

l. Recognition for Revenue and Costs

In accordance with the following five-step approach, the Companies recognize a transfer of a promised good or service to a customer as revenue in an amount which reflects the consideration expected to be entitled in exchange for the good or service.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the Companies satisfies a performance obligation

The Companies are engaged in a wide range of business activities, such as product development, production, sales, and services. The details of the main performance obligations related to revenues from the contracts with the customers in the main business and the normal time points to satisfy the performance obligations(normal time points to recognize revenues) are as follows.

(1) Sales of standard products
For the performance obligation, control of goods is transferred to a customer at a point in time.

For domestic sales, the Companies recognize revenue upon shipment because the period from shipment to transfer of control of goods to customer is the normal period. (Application of shipping standards) For domestic sales which do not apply shipping standards, the Companies recognize revenue upon delivery of goods to a customer.

For export transactions, the Companies recognize revenue upon delivery of goods to customer specified in trade terms.

(2) Sales of job-order production goods, contract works and rendering of services
For the performance obligation, the Companies apply the method that revenue is recognized over time by measuring progress toward complete satisfaction of performance obligations (the cost-based input method is used in measuring the progress). The progress toward complete satisfaction of performance obligations is determined based on the ratio of costs incurred to the end of the fiscal year to the estimate of the total cost of the contract.
In the case that progress cannot be reasonably estimated, the Companies recognize revenue under the cost recovery method only to the extent of the costs incurred that are expected to be recovered. For maintenance contracts, etc., in which services are rendered to customers evenly over the contract period, the Companies recognize revenue on a straight-line basis over the contract period. When an invoiced amount (right to invoice) directly corresponds to the consideration amount for the satisfied performance obligation, the Companies recognize revenue by the amount in which the invoice is entitled. Regarding estimates of progress toward complete satisfaction of performance obligations, the Companies apply a method that appropriately reflects the transfer of control and consistently apply it to similar performance obligations. In addition, the progress toward complete satisfaction of performance obligations is appropriately reviewed at the end of the fiscal year.

m. Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The Company filed a consolidated tax return, which allows companies to file tax payments on the combined basis of profits or losses of the parent company and its wholly owned domestic subsidiaries. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

n. Foreign Currency Transactions

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged by forward exchange contracts.

o. Foreign Currency Financial Statements

Assets, liabilities, and revenue and expense accounts of the foreign consolidated subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for share-holders' equity, which is translated at the historical rate.

Differences arising from such translation are included in foreign currency translation adjustments and non-controlling interests in consolidated subsidiaries as a separate component of net assets.

p. Amounts Per Share

Basic profit per share is computed based on the profit attributable to common shareholders of the parent and the weighted average number of shares of common stock outstanding during the year, and diluted profit per share is computed based on the profit attributable to owners of parent's common stock and weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the exercise of warrants and stock subscription rights.

Net assets per share are computed based on the net assets excluding share subscription rights and non-controlling interests and the number of shares of common stock outstanding at the year end.

q. Other Significant Accounting Policies for Preparation of Consolidated Financial Statements

The Company and some domestic consolidated subsidiaries applied the Group Tax Sharing System.

r. Accounting Standard for Disclosure of Accounting Estimates

1. Revenues recognized over time by measuring progress toward complete satisfaction of performance obligations

(1) Amounts recorded for the year ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Sales	¥123,472	¥120,042	$828,674
Ending balance of contract assets (construction contract receivable for the previous fiscal year)	74,744	75,387	501,641

Note: The above amounts represent unfinished, undelivered, or incomplete contracts of job-order production goods, construct works and rending of service, which recognize revenues over time by measuring progress toward complete satisfaction of performance obligations, as of the end of the current fiscal year. (Contracts which have satisfied the all performance obligations are not included. In addition, contracts in which revenues are recognized under the cost recovery method, which recognizes revenue only to the extent of the costs incurred expected to be recovered in the case that progress cannot be reasonably estimated, are not included.)

(2) Supplemental information for understanding the consolidated financial statements

a. Calculation method

For construction contracts, the Companies apply the method that revenue is recognized over time by measuring progress toward complete satisfaction of performance obligations(the cost-based input method is used in measuring the progress). The progress toward complete satisfaction of performance obligations is determined based on the ratio of costs incurred to the end of the fiscal year to the estimation of the total cost of the contract.

b. Key assumption

The estimates of total costs are calculated by aggregating objective prices such as third party quotations and internally approved standard unit prices. However, the estimates of total costs are the key assumption because the Companies also rely on their specialized knowledge of and experience in construction contract.

c. Effect on the subsequent fiscal year

Since construction contracts are, in general, long-term contracts, construction contracts may potentially be modified and there may be fluctuations in material, labor, and other such costs while construction contracts are still in progress. Corresponding to changes in the estimates of total costs, progress rates change and the amount of revenue to be recognized in the subsequent fiscal year may be affected.

2. Calculation of defined benefit obligation

(1) Amounts recorded for the year ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Net defined benefit asset	¥26,052	¥25,401	$174,848
Net defined benefit liability	66,797	63,803	448,303
Remeasurements of defined benefit plans	633	782	4,252

(2) Supplemental information for understanding the consolidated financial statements

a. Calculation method

The Companies primarily apply defined benefit plans. Defined benefit obligation for defined benefit plans is estimated by payment calculation standard, based on discount rates and actuarial assumptions, such as mortality rates, retirement rates, salary inflation etc.

b. Key assumption

Discount rates are calculated by the yield curve equivalent approach primarily based on high quality corporate bonds.

c. Effect on the subsequent fiscal year

In the case that it is necessary to review discount rates, which are used to calculate defined benefit obligation, net defined benefit asset, net defined benefit liability, and remeasurements of defined benefit plans for the subsequent fiscal year may be affected.

s. Changes in Accounting Policies

(Application of "Accounting Standard for Current Income Taxes," etc.)

The Company applies "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc. from the beginning of the current fiscal year.

The amendment of classification of income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of "Accounting Standard for Current Income Taxes" and the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). There is no effect by this change on the consolidated financial statements.

Regarding the amendment related to the revision of the treatment on the consolidated financial statements for profits and losses on the sale of shares of subsidiaries and affiliates between consolidated companies that are deferred for tax purposes, the Company applies "Guidance on Accounting Standard for Tax Effect Accounting" from the beginning of the current fiscal year. This change has been applied retrospectively, and the consolidated financial statements for the previous fiscal year are after the retrospective application. There is no effect by this change on the consolidated financial statements for the previous fiscal year.

t. Unapplied accounting standards

- **"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)**
- **"Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, issued on September 13, 2024), etc.**

(1) Overview

As part of the efforts by the ASBJ to align Japanese accounting standards with international standards, the ASBJ has examined the development of accounting standards for leases, which require lessees to recognize assets and liabilities for all leases, based on international accounting standards. The fundamental policy is to adopt a single accounting model based on IFRS 16 while incorporating only its key provisions rather than all of its requirements. This approach aims to establish a lease accounting standard that is simple, user-friendly, and ensures that applying IFRS 16 provisions to individual financial statements will generally not require modifications.

Under the lessee's accounting treatment, the method of expense allocation for leases follows IFRS 16. Regardless of whether a lease is classified as a finance lease or an operating lease, a single accounting model is applied to all leases, whereby depreciation expense related to right-of-use assets and interest equivalent amounts on lease liabilities are recognized.

(2) Schedule date of adoption

The accounting standard will be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of adoption of accounting standard and implementation guidance

The effect of the application of the "Accounting Standard for Leases" and other related accounting standards on the consolidated financial statements is currently under evaluation.

u. Changes in presentation

(Consolidated Statements of Cash Flows)

Purchase of intangible assets, which was included in "Other, net" under "Cash flows from investing activities" in the previous consolidated fiscal year, has been decided to be disclosed it separately from this consolidated fiscal year due to its increased materiality.

As a result of this change, ¥(6,912) million ($(46,392) thousand), which was disclosed as "Other, net" under "Cash flows from investing activities," has been reclassified to ¥(7,243) million ($(48,614) thousand) of "Purchase of intangible assets" and ¥331 million ($2,222 thousand) of "Other, net" in the Year ended March 31, 2024.

v. Supplemental information

(Performance-related share-based remuneration plan)

Based on the resolution passed at the 148th Ordinary General Meeting of Shareholders held on June 25, 2024, our company has introduced performance-related share-based remuneration plan (Stock Beneficiaries' Trust) for our directors and executive officers (referred to collectively as "directors, etc." hereinafter), excluding outside directors, using our own shares.

(1) Overview of the transaction

This scheme involves a trust (referred to as "the Trust" hereinafter), which is established with the company's funds, obtaining shares of the company. Based on the Officer Share Remuneration Rules, points are allocated to directors, etc. each year, at a designated time, shares of the company and cash equivalent to the market value of the shares are provided through the Trust in accordance with the points granted.

Furthermore, under a contractual agreement with the company, directors, etc. are restricted from disposing of the shares received during their tenure.

(2) Shares of the company remaining in the trust

The shares of the company remaining in the trust are recorded as treasury stock in the Net Assets of the balance sheet, based on the trust's book value (excluding incidental costs).

As of the end of this consolidated fiscal year, the book value of these treasury shares is ¥2,319 million ($15,567 thousand), with a total of 291,000 shares.

Note 3. U.S. Dollar Amounts

The U.S. dollar amounts included in the accompanying consolidated financial statements and notes thereto represent the arithmetic results of translating yen into U.S. dollars at ¥149=U.S.$1, the approximate exchange rate as of March 31, 2025. The U.S. dollar amounts are presented solely for the convenience of the readers outside Japan.

Note 4. Inventories

Inventories as of March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Merchandise and finished goods	¥ 84,472	¥ 77,539	$ 566,931
Work in process	55,156	51,772	370,178
Raw materials	99,022	96,824	664,572
Inventories	¥238,650	¥226,135	$1,601,681

Losses on valuation of inventories with lower profitability were ¥120 million ($811 thousand) and ¥1,878 million for the years ended March 31, 2025 and 2024, respectively. These were included in cost of sales.

Note 5. Pledged Assets and Financial Assets Accepted as Collateral

The amounts of assets pledged as collateral for trade payables and short-term debt as of March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Investment securities	¥ —	¥ 21	$ —
Property, plant and equipment	359	396	2,409
Total	¥ 359	¥ 417	$2,409

Collateralized liabilities as of March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Trade payables	¥ —	¥ 3	$ —
Short-term debt	398	306	2,674
Total	¥ 398	¥ 309	$2,674

Note 6. Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

The Companies limit the scope of their cash and fund management activities to short-term deposits. When raising funds, the Companies have a policy of relying principally on bank borrowings, bonds payable and commercial paper. The Companies mainly raise the operating funds through short-term loans payable and commercial paper, and the funds relating to capital investments through long-term loans payable and bonds payable. The Companies make use of derivatives to reduce risk, as explained below, and have a policy of not engaging in derivative transactions for speculative purposes.

(2) Details of financial instruments and associated risk

In the course of its business activities, trade receivables are exposed to customer credit risk.

In addition, trade receivables denominated in foreign currencies arising from international business are exposed to foreign exchange risk. The Companies hedge the foreign exchange risk, by using foreign exchange forward contracts within the range prescribed relating to the net amount of the trade receivables denominated in foreign currencies, offset by the amount of the trade payables denominated in the same currencies.

Short-term investments and investment securities are comprised primarily of stocks of companies with which the Companies have business relation and are exposed to market price risk.

Trade payables are mostly payable within one year. Some trade payables are denominated in foreign currencies and exposed to foreign exchange risk. The Companies hedge the foreign exchange risk of the trade payables denominated in foreign currencies in principle, except for the amount within that of trade receivables denominated in the same currencies, by using foreign exchange forward contracts.

Short-term loans payable and commercial paper are primarily raised for the purpose of maintaining operating funds. Bonds payable, long-term loans payable and lease obligations on finance lease transactions are primarily raised for the purpose of preparing capital investment. The maturities of these bonds payable, long-term loans payable and lease obligations on finance lease transactions are up to 13 years at the longest after the balance sheet date. Some are exposed to interest rate fluctuation and foreign exchange risk.

Regarding derivatives, the Companies employ foreign exchange forward contracts to reduce foreign exchange risk that arise from the previously mentioned receivables and payables denominated in foreign currencies. In addition, the Companies use commodity swap transactions to reduce the risk of fluctuation of commodity prices for raw materials. As hedging instruments under hedge accounting, the Companies enter into these derivative transactions in accordance with Companies' policies to reduce the corresponding risk to each hedged item. The Companies compare the market change of hedged items and hedging instruments or the cash flow changes. Assessment of effectiveness for hedging activities depends on the ratio of the amount of change.

(3) Systems for management of financial instruments risk

a) Credit risk management (the risk that transaction partners may default on their obligations to the Companies)

The credit risk in relation to trade receivables from customers, pursuant to criteria for managing credit exposure, is managed by controlling due dates and balances of each customer. In addition, the Companies manage to identify doubtful receivables earlier and mitigate their risk caused by aggravation of the financing position, etc.

Because the counterparties to derivative transactions are limited to authentic financial institutions, the Companies do not anticipate any losses arising from credit risk.

b) Market risk management (the risks arising from fluctuations in exchange rates, interest rates and other indicators)

The Companies, in principle, employ foreign exchange forward contracts to reduce foreign exchange risk that arise from the previously mentioned receivables and payables denominated in foreign currencies. In addition, the Companies use commodity swap transactions to reduce the risk of fluctuation of commodity prices for raw materials.

Regarding investment securities, the Companies periodically review the market value of such financial instruments and the financial position of the issuer (the company having business transactions with the Companies). In addition, other than debt securities to be held until maturity, the Companies review the status of these investments on a continuing basis.

Derivative transactions have been entered into in accordance with the Companies' policies. The execution of derivatives, which is based on the application of each section, is mainly controlled by the Finance Department of each company, or by the Material Section regarding commodity swap transactions. In addition, the Finance Department periodically reports to the management and each section, and strictly performs risk management relating to derivative transactions.

c) Liquidity risk management (the risk that the Companies may not be able to meet its payment obligations on the scheduled date)

The Companies reduce the liquidity risk by having each company review and revise cash management plans monthly or timely.

(4) Supplementary explanation of the estimated fair value of financial instruments and related matters

Since variable factors are taken into account in computing the fair value of financial instruments, the price is may fluctuate depending on different assumptions adopted. In addition, the contract (notional) amount of derivatives in "Note 8. Derivatives" is not an indicator of the actual market risk involved in derivative transactions.

2. Estimated fair value and other matters related to financial instruments

Carrying amounts on the consolidated balance sheets as of March 31, 2025 and 2024, estimated fair value and the variance between them are shown in the following table.

	Millions of yen		
	2025		
	Carrying amounts	Fair value	Variance
Accounts receivable-trade	¥249,353		
Allowance for doubtful accounts	(5,223)		
	244,130	244,031	(99)
Investment securities	94,196	101,945	7,749
Bonds	(30,000)	(29,357)	(643)
Long-term debt	(30,073)	(29,755)	(318)
Lease obligations	(30,504)	(30,216)	(288)
Derivatives			
Derivative transactions to which hedge accounting is not applied	(193)	(193)	—
Derivative transactions to which hedge accounting is applied	(10)	(10)	—

Note: The following securities with no quoted market price are not included in the "Investment securities."

	Millions of yen
	2025
	Carrying amounts
Unlisted stocks (including stocks of unconsolidated subsidiaries and affiliates)	¥14,352
Investment in Limited Partnership	164

	Millions of yen		
	2024		
	Carrying amounts	Fair value	Variance
Accounts receivable-trade	¥257,372		
Allowance for doubtful accounts	(4,999)		
	252,373	252,295	(78)
Investment securities	102,596	114,297	11,701
Bonds	(20,000)	(19,782)	(218)
Long-term debt	(15,100)	(15,061)	(39)
Lease obligations	(48,995)	(49,062)	67
Derivatives			
Derivative transactions to which hedge accounting is not applied	185	185	—
Derivative transactions to which hedge accounting is applied	(51)	(51)	—

Note: The following securities with no quoted market price are not included in the "Investment securities."

	Millions of yen
	2024
	Carrying amounts
Unlisted stocks (including stocks of unconsolidated subsidiaries and affiliates)	¥15,831

	Thousands of U.S. dollars (Note 3)		
	2025		
	Carrying amounts	Fair value	Variance
Accounts receivable-trade	$1,673,512		
Allowance for doubtful accounts	(35,051)		
	1,638,461	1,637,792	(669)
Investment securities	632,191	684,198	52,007
Bonds	(201,342)	(197,026)	(4,316)
Long-term debt	(201,838)	(199,703)	(2,135)
Lease obligations	(204,728)	(202,796)	(1,932)
Derivatives			
Derivative transactions to which hedge accounting is not applied	(1,298)	(1,298)	—
Derivative transactions to which hedge accounting is applied	(67)	(67)	—

Note: The following securities with no quoted market price are not included in the "Investment securities."

	Thousands of U.S. dollars (Note 3)
	2025
	Carrying amounts
Unlisted stocks (including stocks of unconsolidated subsidiaries and affiliates)	$96,324
Investment in Limited Partnership	1,105

(*1) Figures shown in parentheses are liability items.
(*2) The value of assets and liabilities arising from derivatives is shown at net value, and a net liability position is shown in parentheses.
(*3) Since Cash and cash equivalents, Notes receivable-trade, Trade payables, Short-term debt and Commercial paper are settled in a short period of time, estimated fair values are virtually the same as the carrying amounts.

Note 1: Redemption schedule for monetary assets and securities with maturity dates as of March 31, 2025 and 2024:

	Millions of yen			
	2025			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	¥ 62,675	¥ —	¥ —	¥ —
Notes receivable-trade	74,613	—	—	—
Accounts receivable-trade	242,021	1,805	305	—
Total	¥379,309	¥ 1,805	¥ 305	¥ —

	Millions of yen			
	2024			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	¥ 65,543	¥ —	¥ —	¥ —
Notes receivable-trade	77,134	—	—	—
Accounts receivable-trade	249,157	2,686	529	—
Total	¥391,834	¥ 2,686	¥ 529	¥ —

	Thousands of U.S. dollars (Note 3)			
	2025			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	$ 420,641	$ —	$ —	$ —
Notes receivable-trade	500,762	—	—	—
Accounts receivable-trade	1,624,299	12,114	2,048	—
Total	$ 2,545,702	$ 12,114	$ 2,048	$ —

Note 2: Repayment schedule for long-term debt and lease obligations:
Please refer to "Note 9. Short-term Debt and Long-term Debt" and "Note 10. Lease Obligations."

3. Fair value of financial instruments by levels

Financial instruments measured at fair value are classified into the following three levels based on the observability and significance of inputs used to measure such financial instruments.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value, other than Level 1, that is determined by directly or indirectly using the observable price

Level 3: Fair value determined by using valuation techniques that incorporate unobservable inputs

When several inputs are used for a fair value measurement, the level is determined based on the input that is significant with the lowest level in the fair value measurement.

(1) Financial instruments measured at fair value on the consolidated balance sheets

	Millions of yen			
	2025			
	Fair value			
Class of financial instrument	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	¥83,824	¥ —	¥ —	¥83,824
Total financial assets at fair value	¥83,824	¥ —	¥ —	¥83,824
Derivatives				
Currency derivatives	¥ —	¥ (203)	¥ —	¥ (203)
Total derivatives at fair value	¥ —	¥ (203)	¥ —	¥ (203)

	Millions of yen			
	2024			
	Fair value			
Class of financial instrument	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	¥92,526	¥ —	¥ —	¥92,526
Total financial assets at fair value	¥92,526	¥ —	¥ —	¥92,526
Derivatives				
Currency derivatives	¥ —	¥ 134	¥ —	¥ 134
Total derivatives at fair value	¥ —	¥ 134	¥ —	¥ 134

Class of financial instrument	Thousands of U.S. dollars (Note 3) 2025 Fair value Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	$562,582	$ —	$ —	$562,582
Total financial assets at fair value	$562,582	$ —	$ —	$562,582
Derivatives				
Currency derivatives	$ —	$ (1,365)	$ —	$ (1,365)
Total derivatives at fair value	$ —	$ (1,365)	$ —	$ (1,365)

Note: The value of assets and liabilities arising from derivatives is shown at net value, and a net liability position is shown in parentheses.

(2) Financial instruments other than those measured at fair value on the consolidated balance sheets

Class of financial instrument	Millions of yen 2025 Fair value Level 1	Level 2	Level 3	Total
Accounts receivable-trade	¥ —	¥244,031	¥ —	¥244,031
Investment securities				
Unconsolidated subsidiaries and affiliates				
Shares of Affiliates	18,120	—	—	18,120
Total financial assets at fair value	¥18,120	¥244,031	¥ —	¥262,151
Bonds	¥ —	¥ 29,357	¥ —	¥ 29,357
Long-term debt	—	29,755	—	29,755
Lease obligations	—	30,216	—	30,216
Total financial liabilities at fair value	¥ —	¥ 89,328	¥ —	¥ 89,328

Class of financial instrument	Millions of yen 2024 Fair value Level 1	Level 2	Level 3	Total
Accounts receivable-trade	¥ —	¥252,295	¥ —	¥252,295
Investment securities				
Unconsolidated subsidiaries and affiliates				
Shares of Affiliates	21,771	—	—	21,771
Total financial assets at fair value	¥21,771	¥252,295	¥ —	¥274,066
Bonds	¥ —	¥ 19,782	¥ —	¥ 19,782
Long-term debt	—	15,061	—	15,061
Lease obligations	—	49,062	—	49,062
Total financial liabilities at fair value	¥ —	¥ 83,905	¥ —	¥ 83,905

Class of financial instrument	Thousands of U.S. dollars (Note 3) 2025 Fair value Level 1	Level 2	Level 3	Total
Accounts receivable-trade	$ —	$1,637,792	$ —	$1,637,792
Investment securities				
Unconsolidated subsidiaries and affiliates				
Shares of Affiliates	121,616	—	—	121,616
Total financial assets at fair value	$121,616	$1,637,792	$ —	$1,759,408
Bonds	$ —	$ 197,026	$ —	$ 197,026
Long-term debt	—	199,703	—	199,703
Lease obligations	—	202,796	—	202,796
Total financial liabilities at fair value	$ —	$ 599,525	$ —	$ 599,525

Notes: Measurement method and description of inputs for fair value for financial instruments

(1) Investment securities

The fair value of listed stocks is based on the quoted price. Since listed stocks are traded in active markets, the fair value is classified as Level 1.

(2) Derivatives

The fair values of foreign currency forward contracts and commodity swap contracts are based on the prices provided by financial institutions and the fair value is classified as Level 2. In addition, since foreign currency forward contracts under the allocation method are treated together with accounts receivable-trade, contract assets and accounts payable-trade, the fair value of such contracts is included in the fair value of the accounts.

(3) Accounts receivable-trade

The fair values of accounts receivable-trade, classified by each maturity, is based on the present value discounted by the interest rate that takes into account the maturity and the credit risk. The fair value is classified as Level 2.

(4) Bonds

The fair value of listed stocks is based on the quoted price provided by the Japan Securities Dealers Association. Since the quoted price is not in active markets, the fair value is classified as Level 2.

(5) Long-term debt (except bonds) and (6) Lease obligations

Fair values of long-term debt and lease obligations are based on the present value of the total principal and interest discounted by the interest rate that takes into account the maturity and the credit risk. The fair value is classified as Level 2.

Note 7. Securities

1. Other securities as of March 31, 2025 and 2024 were as follows:

	Millions of yen			
	2025			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	¥12,151	¥83,824	¥71,674	¥ (1)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	¥12,151	¥83,824	¥71,674	¥ (1)

Note: Securities with no quoted market price is not included in the preceding tables:
Unlisted stocks (Values in the consolidated balance sheets as of March 31, 2025 was ¥4,339 million.)

	Millions of yen			
	2024			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	¥13,979	¥92,526	¥78,547	¥ (0)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	¥13,979	¥92,526	¥78,547	¥ (0)

Note: Securities with no quoted market price is not included in the preceding tables:
Unlisted stocks (Values in the consolidated balance sheets as of March 31, 2024 was ¥4,213 million.)

	Thousands of U.S. dollars (Note 3)			
	2025			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	$81,552	$562,582	$481,039	$ 9
Debt securities	—	—	—	—
Others	—	—	—	—
Total	$81,552	$562,582	$481,039	$ 9

Note: Securities with no quoted market price is not included in the preceding tables:
Unlisted stocks (Values in the consolidated balance sheets as of March 31, 2025 was $29,124 thousand.)

2. Sales of other securities for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Proceeds from sales	¥18,489	¥11,334	$124,093
Gain on sales	16,644	7,318	111,706
Loss on sales	—	(14)	—

3. Impairment of other securities for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Impairment losses	¥ 107	¥ 171	$ 718

Note 8. Derivatives

1. Derivative transactions to which hedge accounting is not applied

	Millions of yen			
	2025			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. dollar	¥28,528	¥ —	¥ (169)	¥ (169)
Euro	2,637	—	8	8
Won	189	—	5	5
Baht	207	—	(30)	(30)
Yuan Renminbi	30	—	(1)	(1)
Payables:				
U.S. dollar	53	—	(0)	(0)
Yuan Renminbi	1,492	—	(21)	(21)
Yen	689	—	(7)	(7)
Singapore Dollar	623	—	(9)	(9)
Baht	554	—	31	31
Total	¥35,002	¥ —	¥ (193)	¥ (193)

	Millions of yen			
	2024			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. dollar	¥12,136	¥ —	¥ (105)	¥ (105)
Euro	2,467	—	(87)	(87)
Won	206	—	(1)	(1)
Baht	286	—	(13)	(13)
Payables:				
U.S. dollar	112	—	3	3
Yuan Renminbi	10,954	—	411	411
Yen	2,839	—	(23)	(23)
Total	¥29,000	¥ —	¥ 185	¥ 185

	Thousands of U.S. dollars (Note 3)			
	2025			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. dollar	$191,465	$ —	$ (1,140)	$ (1,140)
Euro	17,704	—	55	55
Won	1,273	—	33	33
Baht	1,391	—	(206)	(206)
Yuan Renminbi	202	—	(9)	(9)
Payables:				
U.S. dollar	356	—	(5)	(5)
Yuan Renminbi	9,992	—	(127)	(127)
Yen	4,630	—	(47)	(47)
Singapore Dollar	4,184	—	(63)	(63)
Baht	3,721	—	211	211
Total	$234,918	$ —	$ (1,298)	$ (1,298)

2. Derivative transactions to which hedge accounting is applied

Currency-related contracts

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen 2025 Contract amount	Millions of yen 2025 Contract amount over 1 year	Millions of yen 2025 Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥12,784	¥3,952	¥(214)
	Euro		2,293	—	11
	Baht		106	—	0
	Payables:	Accounts payable-trade			
	U.S. Dollar		8,752	4,191	(5)
	Euro		8,506	7,447	227
	Yuan Renminbi		723	—	(13)
	Singapore Dollar		4,022	—	(42)
	Baht		1,026	—	26
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 2,626	¥ —	
	Baht		887	—	
	Yuan Renminbi		129	—	
	Payables:	Accounts payable-trade			
	U.S. Dollar		99	—	
	Total		¥41,953	¥15,590	¥ (10)

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen 2024 Contract amount	Millions of yen 2024 Contract amount over 1 year	Millions of yen 2024 Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 5,096	¥2,483	¥(298)
	Euro		2,410	—	0
	Yuan Renminbi		30	—	(0)
	Baht		347	215	(19)
	Payables:	Accounts payable-trade			
	U.S. Dollar		740	—	13
	Euro		818	—	249
	Yuan Renminbi		22	—	(0)
	Singapore Dollar		588	—	4
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 1,236	¥ —	
	Baht		855	—	
	Yuan Renminbi		184	—	
	Payables:	Accounts payable-trade			
	U.S. Dollar		112	—	
	Total		¥12,438	¥2,698	¥ (51)

Hedge accounting method	Type of derivative	Principal items hedged	Thousands of U.S. dollars (Note 3) 2025 Contract amount	Contract amount over 1 year	Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		$ 85,764	$ 26,516	$ (1,442)
	Euro		15,390	—	78
	Baht		717	—	4
	Payables:	Accounts payable-trade			
	U.S. Dollar		58,744	28,131	(35)
	Euro		57,088	49,986	1,525
	Yuan Renminbi		4,857	—	(90)
	Singapore Dollar		26,997	—	(283)
	Baht		6,887	—	176
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		$ 17,630	$ —	
	Baht		5,956	—	
	Yuan Renminbi		866	—	
	Payables:	Accounts payable-trade			
	U.S. Dollar		668	—	
	Total		$281,564	$104,633	$ (67)

Note: Since foreign currency forward contracts under the allocation method are treated together with accounts receivable-trade and accounts payable-trade, the fair value of such contracts is included in the fair value of the accounts.

Note 9. Short-term Debt and Long-term Debt

Short-term debt as of March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Loans, principally from banks	¥10,593	¥11,759	$71,096
Commercial paper	—	36,000	—
Short-term debt	¥10,593	¥47,759	$71,096

Note: The weighted average interest rates on short-term debt as of March 31, 2025 and 2024 were 4.69% and 1.03%, respectively.

Long-term debt as of March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Loans, principally from banks and insurance companies	¥30,195	¥43,600	$202,662
Bonds issued by the Company:			
0.40% Yen unsecured straight bonds due May 21, 2027	10,000	10,000	67,114
0.40% Yen unsecured straight bonds due May 25, 2028	10,000	10,000	67,114
0.89% Yen unsecured straight bonds due June 6, 2029	10,000	—	67,114
	60,195	63,600	404,004
Less: Portion due within one year	122	28,500	823
Long-term debt	¥60,073	¥35,100	$403,181

Note: The weighted average interest rates on loans, principally from banks and insurance companies, as of March 31, 2025 and 2024 were 0.66% and 0.29%, respectively.

As of March 31, 2025, the aggregate annual maturities of long-term debt were as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars (Note 3)
2027	¥15,024	$100,826
2028	17,522	117,601
2029	17,522	117,601
2030	10,005	67,153
2031 thereafter	—	—
Total	¥60,073	$403,181

Note 10. Lease Obligations

Lease obligations as of March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Short-term	¥14,292	¥20,283	$ 95,923
Long-term	16,212	28,711	108,805
Total	¥30,504	¥48,994	$204,728

Note: The weighted average interest rates on lease obligations as of March 31, 2025 and 2024 were 1.11% and 2.20%, respectively.

As of March 31, 2025, the aggregate annual maturities of lease obligations were as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars (Note 3)
2027	¥10,175	$ 68,292
2028	4,361	29,270
2029	884	5,938
2030	587	3,946
2031 thereafter	205	1,359
Total	¥16,212	$108,805

Note 11. Retirement Benefits

1. Outline of retirement benefits for employees

The Company and most of its consolidated subsidiaries have either funded or unfunded defined benefit plans and defined contribution pension plans.

Defined benefit corporate pension plans are all funded and cover substantially all employees who are entitled to lump-sum or annuity payments determined by reference to their basic rates of pay and length of service. In addition, retirement benefit trust has been established in certain pension plans.

Lump-sum payment plans are either unfunded or funded as a result of establishing retirement benefit trust. They cover substantially all employees who are entitled to lump-sum payments determined by reference to either points obtained with interest credits or their basic rates of pay and length of service.

Certain domestic consolidated subsidiaries adopted a simplified method in the calculation of net defined benefit liability and retirement benefit expense. Certain domestic consolidated subsidiaries have multi-employer corporate pension plans accounted for by the same methods used for defined contribution pension plans because they cannot reasonably calculate their portion of pension assets corresponding to their contributions.

2. Information on defined benefit pension plans

(1) The changes in the retirement benefit obligation except for plans accounted for by a simplified method during the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Retirement benefit obligation at the beginning of the year	¥158,900	¥163,161	$1,066,445
Service cost	2,884	2,983	19,361
Interest cost	2,176	2,225	14,608
Actuarial loss	(55)	862	(369)
Retirement benefits paid	(11,073)	(10,540)	(74,316)
Prior service cost	95	119	637
Others	(20)	90	(140)
Retirement benefit obligation at the end of the year	¥152,907	¥158,900	$1,026,226

(2) The changes in plan assets at fair value except for plans accounted for by a simplified method during the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Plan assets at fair value at the beginning of the year	¥123,076	¥125,289	$826,015
Expected return on plan assets	1,475	1,448	9,904
Actuarial gain	(404)	5,359	(2,714)
Contributions by the Companies	662	679	4,447
Retirement benefits paid	(10,078)	(9,720)	(67,639)
Others	(8)	21	(59)
Plan assets at fair value at the end of the year	¥114,723	¥123,076	$769,954

(3) The changes in defined benefit liability and asset calculated by a simplified method during the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Retirement benefit obligation at the beginning of the year	¥2,695	2,564	$18,087
Defined benefit asset at the beginning of the year	(117)	(9)	(786)
Retirement benefit expenses	187	223	1,260
Retirement benefits paid	(210)	(214)	(1,414)
Contributions	(17)	(17)	(117)
Others	22	31	152
Defined benefit liability at the end of the year	¥2,695	¥2,695	$18,091
Defined benefit asset at the end of the year	¥ (135)	¥ (117)	$ (909)

(4) The reconciliation of retirement benefit obligation and plan assets at fair value with net defined benefit liability and net defined benefit asset recognized in consolidated balance sheet were outlined as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Funded retirement benefit obligation	¥147,295	¥152,709	$ 988,560
Plan assets at fair value	(116,352)	(124,844)	(780,884)
	30,943	27,865	207,676
Unfunded retirement benefit obligation	9,802	10,537	65,779
Net amount of liabilities and assets recognized in the consolidated balance sheet	¥ 40,745	¥ 38,402	$ 273,455
Net defined benefit liability	66,797	63,803	448,303
Net defined benefit asset	(26,052)	(25,401)	(174,848)
Net amount of liabilities and assets recognized in the consolidated balance sheet	¥ 40,745	¥ 38,402	$ 273,455

Note : Pension plans accounted for by a simplified method are included.

(5) The components of retirement benefit expenses for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Service cost	¥2,884	¥2,983	$19,361
Interest cost	2,176	2,225	14,608
Expected return on plan assets	(1,475)	(1,448)	(9,904)
Amortization of actuarial loss	(76)	363	(515)
Amortization of prior service cost	(714)	(699)	(4,795)
Retirement benefit expenses calculated by simplified method	187	223	1,260
Others	98	116	659
Retirement benefit expenses	¥3,080	¥3,763	$20,674

(6) The components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Prior service cost	¥ 809	¥ 819	$5,433
Actuarial gain and loss	415	(4,858)	2,781
Total	¥1,224	¥(4,039)	$8,214

(7) The components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Unrecognized prior service cost	¥(909)	¥(1,719)	$(6,106)
Unrecognized actuarial gain and loss	171	(243)	1,148
Total	¥(738)	¥(1,962)	$(4,958)

(8) The breakdown of plan assets by major category as of March 31, 2025 and 2024 were as follows:

	2025	2024
Debt securities	18%	20%
Deposit	17	19
Equity securities	15	17
General accounts at life insurance companies	39	30
Others	11	14
Total	100%	100%

Note: Retirement benefit trust established for the corporate pension plans is included and equivalent to 8% of total amount of plan assets as of March 31, 2025 and 9% of total amount of plan assets as of March 31, 2024.

The long-term expected rates of return on plan assets has been determined as a result of consideration of both the portfolio allocation at present and in the future, and long-term rates of return from multiple plan assets at present and in the future.

(9) The assumptions used in accounting for the defined benefit plans as of March 31, 2025 and 2024 were as follows:

	2025	2024
Discount rates	0.27% - 2.39%	0.27% - 1.40%
Long-term expected rates of return on plan assets	mainly 1.5%	mainly 1.5%
Expected rates of salary increase	0.0% - 5.1%	0.0% - 5.1%

3. Information on defined contribution pension plans

Contributions of defined contribution pension plans for the years ended March 31, 2025 and 2024 were ¥4,548 million ($30,526 thousand) and ¥4,603 million, respectively.

4. Information on multi-employer pension plans

Contributions to multi-employer welfare pension plans accounted for by the same methods used for defined contributions plans for the years ended March 31, 2025 and 2024 were ¥14 million ($94 thousand) and ¥14 million, respectively.

Note 12. Shareholders' Equity

1. Shares issued and outstanding / Treasury stock

The Companies Act of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.

Movements in shares outstanding and treasury stock during the years ended March 31, 2025 and 2024 were as follows:

	Thousands of shares			
	March 31, 2024	Increase in the year	Decrease in the year	March 31, 2025
Shares outstanding:				
Common stock	149,296	—	—	149,296
Total	149,296	—	—	149,296
Treasury stock:				
Common stock	6,466	293	4,786	1,973
Total	6,466	293	4,786	1,973

	Thousands of shares			
	March 31, 2023	Increase in the year	Decrease in the year	March 31, 2024
Shares outstanding:				
Common stock	149,296	—	—	149,296
Total	149,296	—	—	149,296
Treasury stock:				
Common stock	6,462	3	0	6,466
Total	6,462	3	0	6,466

The increases of treasury stock were due to purchase of shares of less than one voting unit and the decreases of treasury stock were due to sales of shares at the request of shareholders who own less than one voting unit for the years ended March 31, 2025 and 2024.

2. Dividends

(1) Dividends paid

For the year ended March 31, 2025

Resolution	Type of shares	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars (Note 3))	Dividends per share (yen)	Dividends per share (U.S. dollars (Note 3))	Cut-off date	Effective date
Meeting of the Board of Directors on May 23, 2024	Common stock	¥10,712	$71,894	¥75.0	$0.503	March 31, 2024	June 5, 2024
Meeting of the Board of Directors on October 31, 2024	Common stock	10,712	71,894	75.0	0.503	September 30, 2024	December 4, 2024

For the year ended March 31, 2024

Resolution	Type of shares	Total dividends (millions of yen)	Dividends per share (yen)	Cut-off date	Effective date
Meeting of the Board of Directors on May 25, 2023	Common stock	¥8,570	¥60.0	March 31, 2023	June 7, 2023
Meeting of the Board of Directors on October 26, 2023	Common stock	8,570	60.0	September 30, 2023	December 5, 2023

(2) Dividends with the cut-off date in the year ended March 31, 2025 and effective date in the year ending March 31, 2026

Resolution	Type of shares	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars (Note 3))	Source of dividends	Dividends per share (yen)	Dividends per share (U.S. dollars (Note 3))	Cut-off date	Effective date
Meeting of the Board of Directors on May 23, 2025	Common stock	**¥12,547**	**$84,209**	Retained Earnings	**¥85.0**	**$0.570**	March 31, 2025	June 5, 2025

Dividends with the cut-off date in the year ended March 31, 2024 and effective date in the year ended March 31, 2025

Resolution	Type of shares	Total dividends (millions of yen)	Source of dividends	Dividends per share (yen)	Cut-off date	Effective date
Meeting of the Board of Directors on May 23, 2024	Common stock	¥10,712	Retained Earnings	¥75.0	March 31, 2024	June 5, 2024

Note 13. Research and Development Costs

Research and development costs recognized as expenses for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	**2025**
Research and development costs	**¥37,822**	¥36,059	**$253,840**

Note 14. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	**2025**
Salaries and wages	**¥96,117**	¥89,996	**$645,083**
Retirement benefit expenses	**3,700**	3,809	**24,835**
Research and development costs	**32,318**	31,129	**216,905**

Note 15. Extraordinary Income, Net

Extraordinary income, net, for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	**2025**
Extraordinary income			
Gain on sale of noncurrent assets	**¥ 132**	¥ 966	**$ 891**
Gain on sale of investment securities	**16,644**	7,588	**111,706**
Settlement income	**3,000**	—	**20,134**
Extraordinary loss			
Loss on disposal of noncurrent assets	**(987)**	(1,441)	**(6,629)**
Loss on devaluation of investment securities	**(107)**	(171)	**(718)**
Loss on sale of investment securities	**—**	(732)	**0**
Settlement payments	**(3,780)**	—	**(25,369)**
Extraordinary income (loss), net	**¥14,902**	¥6,210	**$100,015**

Note 16. Income Taxes

1. The components of income taxes for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Current	¥41,750	¥32,117	$280,207
Deferred	(4,770)	(156)	(32,014)
Income taxes	¥36,980	¥31,961	$248,193

The Company and its domestic consolidated subsidiaries are subject to corporate income tax, prefectural and municipal inhabitants' taxes and enterprise tax, based on income.

2. The significant components of deferred tax assets and liabilities as of March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Deferred tax assets			
Net defined benefit liability	¥18,556	¥18,562	$124,537
Inventories	9,553	9,512	64,115
Accrued employees' bonuses	8,810	8,414	59,133
Investment securities	7,006	7,036	47,022
Tangible fixed assets	2,034	2,110	13,655
Other	16,838	12,279	113,006
Gross deferred tax assets	62,797	57,913	421,468
Less: Valuation allowance	(12,813)	(12,186)	(85,997)
Total deferred tax assets	49,984	45,727	335,471
Deferred tax liabilities			
Unrealized gain on other securities	(22,983)	(24,469)	(154,254)
Investment securities	(783)	(1,004)	(5,257)
Other	(8,859)	(9,616)	(59,455)
Gross deferred tax liabilities	(32,625)	(35,089)	(218,966)
Net deferred tax assets (liabilities)	¥17,359	¥10,638	$116,505

3. The reconciliation between the statutory income tax rate and the effective income tax rate for the years ended March 31, 2025 and 2024 were as follows:

	2025	2024
Statutory income tax rate	30.6%	30.6%
Tax credits	(3.4)	(3.7)
Tax rate difference of overseas consolidated subsidiaries	(2.1)	(2.6)
Permanent difference resulting from non-taxable income, including dividends received	(0.4)	(0.5)
Valuation allowance	0.1	1.7
Permanent difference resulting from expenses not deductible for income tax purposes	1.1	1.3
Foreign tax credit	1.4	0.1
Other	0.4	1.1
Effective income tax rate	27.7%	28.0%

4. Adjustment of deferred tax assets and liabilities due to changes in income taxes rates

Following the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No.13 of 2025) on March 31, 2025, the "Defence Special Cooperate Tax" will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, the statutory effective tax rate used to calculate deferred tax assets and liabilities for temporary differences expected to be recovered or settled on or after April 1, 2026 was changed from 30.6% to 31.5%.

As a result of this change, the amount of deffered tax assets (net of deffered tax liabilities) for the fiscal year ended March 31, 2025 decreased by ¥28 million ($193 thousand),Income taxes - deferred decreased by ¥624 million ($4,193 thousand), Valuation difference on available-for-sale securities decreased by ¥647 million ($4,348 thousand) and Remeasurements of defined benefit plans decreased by ¥5 million ($38 thousand), respectively.

5. The accounting for income tax, local corporate income tax and its tax effect accounting

The Company and some domestic consolidated subsidiaries apply the Group Tax Sharing System. Also, the Company and some domestic consolidated subsidiaries account and disclose income tax, local corporate income tax and its tax effect in accordance with the "Accounting and Disclosure Under the Group Tax Sharing System" (Practical Solution No.42 issued on August 12, 2021).

Note 17. Consolidated Statements of Comprehensive Income

Amounts reclassified to profit (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and the tax effects for each component of other comprehensive income were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Valuation difference on available-for-sale securities:			
Amount arising during the year	¥ 9,501	¥20,170	$ 63,771
Reclassification adjustments	(16,418)	(7,304)	(110,195)
Income Taxes and Before tax effect	(6,917)	12,866	(46,424)
Income Taxes and Tax effect	1,485	(3,995)	9,967
Valuation difference on available-for-sale securities	(5,432)	8,871	(36,457)
Deferred gains or losses on hedges:			
Amount arising during the year	46	(399)	315
Income Taxes and Before tax effect	46	(399)	315
Income Taxes and Tax effect	(14)	122	(97)
Deferred gains or losses on hedges	32	(277)	218
Foreign currency translation adjustments:			
Amount arising during the year	2,253	16,420	15,122
Reclassification adjustments	—	39	—
Income Taxes and Before tax effect	2,253	16,459	15,122
Income Taxes and Tax effect	—	(1)	—
Foreign currency translation adjustments	2,253	16,458	15,122
Remeasurements of defined benefit plans:			
Amount arising during the year	(295)	4,376	(1,980)
Reclassification adjustments	(928)	(337)	(6,233)
Income Taxes and Before tax effect	(1,223)	4,039	(8,213)
Income Taxes and Tax effect	391	(1,235)	2,628
Remeasurements of defined benefit plans	(832)	2,804	(5,585)
Share of other comprehensive income of associates accounted for using equity method:			
Amount arising during the year	310	377	2,086
Reclassification adjustments	34	55	222
Share of other comprehensive income of associates accounted for using equity method	344	432	2,308
Total other comprehensive income	¥ (3,635)	¥28,288	$ (24,394)

Note 18. Contingent Liabilities

Contingent liabilities as of March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Guarantees	¥1,354	¥2,066	$9,091

Note 19. Leases

1. Finance lease transactions

(1) Leased assets

Leased assets primarily consist of machinery and equipment and software.

(2) Depreciation method for leased assets

Depreciation method for leased assets is as stated in "f. Depreciation, 2) Leased assets" in "Note 2. Summary of Significant Accounting Policies."

2. Operating lease transactions

The minimum rental commitments under noncancellable operating leases as of March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Due within one year	¥2,461	¥2,342	$16,520
Due after one year	1,281	2,819	8,598
Total	¥3,742	¥5,161	$25,118

Note 20. Revenue Recognition

1. Disaggregation of revenue

Disaggregation of revenue by geographical region for the year ended March 31, 2025 and 2024 were as follows:

	Millions of yen							
Year ended March 31, 2025	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Subtotal	Adjustments	Total
Japan	¥237,720	¥333,060	¥109,551	¥109,440	¥49,855	¥ 839,626	¥(41,703)	¥797,923
Asia and other areas	81,650	40,025	17,713	462	3,649	143,499	(2,023)	141,476
China	12,603	18,292	64,418	1,595	2,508	99,416	(518)	98,898
Europe	497	9,740	29,970	0	2	40,209	(0)	40,209
Americas	18,439	11,326	15,136	—	136	45,037	(136)	44,901
Revenue from contracts with customers	¥350,909	¥412,443	¥236,788	¥111,497	¥56,150	¥1,167,787	¥(44,380)	¥1,123,407

	Millions of yen							
Year ended March 31, 2024	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Subtotal	Adjustments	Total
Japan	¥222,929	¥335,555	¥106,501	¥104,260	¥56,754	¥ 825,999	¥(55,209)	¥770,790
Asia and other areas	89,188	39,902	32,203	624	3,379	165,296	(1,856)	163,440
China	13,572	20,538	57,686	2,403	2,910	97,109	(764)	96,345
Europe	1,249	10,355	27,593	—	1	39,198	—	39,198
Americas	15,822	13,561	4,054	(0)	112	33,549	(108)	33,441
Revenue from contracts with customers	¥342,760	¥419,911	¥228,037	¥107,287	¥63,156	¥1,161,151	¥(57,937)	¥1,103,214

	Thousands of U.S. dollars (Note 3)							
Year ended March 31, 2025	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Subtotal	Adjustments	Total
Japan	$1,595,437	$2,235,307	$ 735,244	$734,497	$334,591	$5,635,076	$(279,883)	$5,355,193
Asia and other areas	547,988	268,608	118,868	3,098	24,514	963,076	(13,583)	949,493
China	84,585	122,771	432,340	10,706	16,823	667,225	(3,475)	663,750
Europe	3,336	65,372	201,147	4	1	269,860	(0)	269,860
Americas	123,754	76,019	101,584	—	908	302,265	(916)	301,349
Revenue from contracts with customers	$2,355,100	$2,768,077	$1,589,183	$748,305	$376,837	$7,837,502	$(297,857)	$7,539,645

Note: Others segment consisted of business segments not attributable to reporting segments and included financial services, real estate operations, insurance agency services, travel agency services, printing and information services, etc.

2. Foundational information to understand revenue

The Companies account for revenue in accordance with l. Recognition for Revenue and Costs in "Note 2. Summary of Significant Accounting Policies." The Companies' methods for recognition of revenue for goods and services in each segment are as follows:

The Companies are engaged in a wide range of business activities, such as product development, production, sales, and services.

The Companies combine two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if one or more of the following criteria are met:

a) The contracts are negotiated as a package with a single commercial objective.
b) The amount of consideration to be paid in one contract depends on the price or performance of the other contract.
c) The goods or services promised in the contracts are a single performance obligation.

When a contract is modified in the scope or price (or both) of a contract that is approved by the parties to the contract, the Companies assess whether the contract modification is a separate contract or as if it were a part of the existing contract.

When a contract includes two or more goods or services, the Companies identify whether or not the performance obligation is distinct and determine accounting units.

If the Companies act as an agent to arrange for goods or services to be provided by the other party, the Companies recognize revenue in the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

The Companies assess the transaction price in an amount of consideration to which the Companies expect to be entitled in exchange for transferring the goods or services. If an amount of consideration varies, the Companies estimate the amount as a variable consideration and include it in the transaction price. The Companies include in the transaction price some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Companies deduct rebates to be paid to a customer from revenue.

The Companies allocate the transaction price to each performance obligation on a relative stand-alone selling price basis. If a stand-alone selling price is not directly observable, the Companies estimate the stand-alone selling price by forecasting its expected costs of satisfying a performance obligation and then adding an appropriate margin for that good or service.

The Companies recognize revenue when (or as) the performance obligation is satisfied by transferring a promised good or service to a customer. The Companies determine at contract inception whether the Companies satisfy the performance obligation over time or satisfy the performance obligation at a point in time. The Companies satisfy a performance obligation and recognize revenue over time, if one of the following criteria are met.

a) The customer simultaneously receives and consumes the benefits provided by the Companies' performance as the Companies perform.
b) The Companies' performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c) The Companies' performance does not create an asset with an alternative use to the Companies and the Companies have an enforceable right to payment for performance completed to date.

If the above criteria are not met, the Companies recognize revenue at a point in time when the goods of services are transferred to a customer and the performance obligation is satisfied.

(1) Sales of standard goods

The Companies are engaged in sales goods and construction contracts such as power distribution and control equipment in Energy segment, inverters, motors, servo systems, power supply (small), measuring instruments, sensors, controllers and HMI in Industry segment, power semiconductors for industrial and vehicles in Semiconductors segment and beverage vending machines, vending machines for food and other goods, store equipment and currency handling equipment in Food and Beverage Distribution segment.

For these transactions, control of goods is transferred to a customers at a point in time.

For domestic sales, the Companies recognize revenue upon shipment because the period between shipment and transfer of control of goods to customer is a normal period. (Application of shipping standards)

For domestic sales for which shipping standards are not applied, the Companies recognize revenue upon delivery of goods to a customer.

For export transactions, the Companies recognize revenue upon delivery of goods to a customer specified in the trade terms.

(2) Sales of job-order production goods and contract works

The Companies are engaged in sales for goods and construction contracts such as geothermal power generation, hydroelectric power generation, thermal power generation, fuel cells, substation systems, electricity storage systems, energy management systems, solar power generation, wind power generation, uninterruptible power systems(UPSs) and switchboards in the Energy segment, FA systems, drive control systems, nuclear power generation equipments, measuring and control systems, transport systems, ship and harbor systems, radiation monitoring systems, electricity construction, air conditioning equipment construction, and ICT equipment and software in Industry segment.

For these transactions, the Companies apply the method that revenue is recognized over time by measuring progress toward complete satisfaction of performance obligations because its performance obligations are satisfied over time (the cost-based input method is used in measuring the progress).

(3) Rendering of services

The companies are engaged in services such as maintenance, inspection, repair, remodeling, and operation maintenance and management, related to (1) and (2).

For these transactions, the Companies apply the method that revenue is recognized over time based on the estimate of progress toward complete satisfaction of performance obligations because its performance obligations are satisfied over time (the cost-based input method is used in measuring the progress).

For maintenance contracts, etc., in which services are rendered to customers evenly over the contract period, the Companies recognize revenue on a straight-line basis over the contract period.

There is no significant financing component because the Companies expect, at contract inception, that the period between when the Companies transfer promised goods or services to a customer and when the customer pays for that goods or services will be one year or less.

3. Information to understand the amount of revenue for the current and subsequent fiscal year

(1) Contract assets and contract liabilities

Contract assets are the Companies' right to consideration in exchange for goods or services that the Companies have transferred to customers. Contract assets are transferred to accounts receivable-trade when the right to consideration becomes unconditional.

Contract liabilities are the Companies' obligation to transfer goods or services to customers for which the Companies have received consideration or the amount is due from the customers.

Notes for the ending balance of the notes receivable-trade, accounts receivable-trade and contract assets are omitted because these balances are separately presented in the consolidated balance sheet.

Revenues recognized in the years ended March 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the fiscal years were ¥33,287 million ($223,408 thousand) and ¥38,629 million, respectively.

In addition, revenue recognized in the current fiscal year from performance obligations satisfied(or partially satisfied) in the previous periods is immaterial.

(2) Transaction price allocated to the remaining performance obligations

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) for the years ended March 31, 2025 and 2024 were ¥509,417 million ($3,418,908 thousand) and ¥436,827 million, respectively. Of this amount, Energy and Industry have contracts that recognize revenue over time.

The unsatisfied performance obligations by segments are expected to be satisfied approximately within the following periods.

Energy: within 6 years (within 7 years in previous fiscal year)
Industry: within 3 years (within 3 years in previous fiscal year)

Regarding the note for the "(2) Transaction price allocated to the remaining performance obligations," the Companies applied the practical expedient and did not include contracts that have an original expected duration of one year or less. In addition, the above amounts do not include the material estimates of variable consideration.

Note 21. Segment Information

1. Segment information

(1) Outline of reporting segments

The Companies' reporting segments are components for which separate financial information is available and whose operating results are reviewed regularly by the Board of Directors of the Company in order to make decisions about resource allocation and to assess performance. The Company has business headquarters by products and services at its head office. The business headquarters prepare comprehensively global strategies related to their products and services and control their business activities.

Accordingly, the Companies have the following four reporting segments, principally based on the business headquarters, that take into account the similarity of category and nature of products and services: Energy, Industry, Semiconductors and Food and Beverage Distribution. These segments consist of 2 or more business segments.

Main products and services of each reporting segment consist of the following:

Reporting segments	Main products and services
Energy	Geothermal power generation, hydroelectric power generation, thermal power generation, fuel cells, substation systems, electricity storage systems, energy management systems, solar power generation, wind power generation, uninterruptible power systems(UPSs), switchboards, power distribution and control equipment
Industry	Inverters, motors, servo systems, power supply (small), measuring instruments, sensors, drive control systems, measuring and control systems, transport systems, ship and harbor systems, nuclear power-related equipment, radiation monitoring systems, ICT equipment and software, controllers, HMI, FA systems, electricity construction, air-conditioning equipment construction
Semiconductors	Power semiconductors for industrial and vehicles
Food and Beverage Distribution	Beverage vending machines, vending machines for food and other goods, store equipment, currency handling equipment

(2) Calculation method of net sales, profit or loss, assets, liabilities and other items on each reporting segment

The accounting policies applied by each reporting segment are consistent with those described in "Note 2. Summary of Significant Accounting Policies." Segment profit or loss presented in segment information is based on operating profit in the consolidated statements of income. Intersegment sales and transfer are determined by market value.

(3) Information on net sales, profit or loss, assets, liabilities and other items by each reporting segment

Reporting segment information for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen							
Year ended March 31, 2025	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Sales, profits or losses and assets by reporting segments								
Net sales								
Sales to third parties	¥347,694	¥396,702	¥233,524	¥109,261	¥36,226	¥1,123,407	¥ —	¥1,123,407
Inter-segment sales and transfers	3,215	15,741	3,264	2,236	19,924	44,380	(44,380)	—
Total sales	¥350,909	¥412,443	¥236,788	¥111,497	¥56,150	¥1,167,787	¥ (44,380)	¥1,123,407
Segment profits (losses)	¥ 32,125	¥ 38,164	¥ 37,081	¥ 13,902	¥ 3,764	¥ 125,036	¥ (7,390)	¥ 117,646
Segment assets	¥350,588	¥356,367	¥416,421	¥ 62,825	¥30,990	¥1,217,191	¥ 94,984	¥1,312,175
Other items								
Depreciation and amortization	¥ 8,094	¥ 8,362	¥ 36,607	¥ 2,181	¥ 500	¥ 55,744	¥ 1,597	¥ 57,341
Investments for companies applied equity method	¥ 12,435	¥ 1,987	¥ —	¥ —	¥ —	¥ 14,422	¥ —	¥ 14,422
Capital expenditures	¥ 10,577	¥ 9,029	¥ 65,247	¥ 2,641	¥ 151	¥ 87,645	¥ 8,292	¥ 95,937

	Millions of yen							
Year ended March 31, 2024	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Sales, profits or losses and assets by reporting segments								
Net sales								
Sales to third parties	¥338,932	¥400,999	¥222,659	¥105,536	¥35,088	¥1,103,214	¥ —	¥1,103,214
Inter-segment sales and transfers	3,828	18,912	5,378	1,751	28,068	57,937	(57,937)	—
Total sales	¥342,760	¥419,911	¥228,037	¥107,287	¥63,156	¥1,161,151	¥ (57,937)	¥1,103,214
Segment profits (losses)	¥ 30,146	¥ 34,264	¥ 36,164	¥ 8,803	¥ 4,313	¥ 113,690	¥ (7,624)	¥ 106,066
Segment assets	¥328,024	¥379,163	¥355,403	¥ 64,494	¥36,425	¥1,163,509	¥107,665	¥1,271,174
Other items								
Depreciation and amortization	¥ 6,799	¥ 8,064	¥ 33,117	¥ 1,915	¥ 833	¥ 50,728	¥ 1,147	¥ 51,875
Investments for companies applied equity method	¥ 11,782	¥ 1,793	¥ —	¥ —	¥ 1	¥ 13,576	¥ —	¥ 13,576
Capital expenditures	¥ 12,451	¥ 8,528	¥ 48,544	¥ 2,198	¥ 934	¥ 72,655	¥ 2,643	¥ 75,298

Year ended March 31, 2025	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
	Thousands of U.S. dollars (Note 3)							
Sales, profits or losses and assets by reporting segments								
Net sales								
Sales to third parties	$2,333,520	$2,662,431	$1,567,280	$733,298	$243,116	$7,539,645	$ —	$7,539,645
Inter-segment sales and transfers	21,580	105,646	21,903	15,007	133,721	297,857	(297,857)	—
Total sales	$2,355,100	$2,768,077	$1,589,183	$748,305	$376,837	$7,837,502	$(297,857)	$7,539,645
Segment profits (losses)	$ 215,606	$ 256,140	$ 248,868	$ 93,303	$ 25,255	$ 839,172	$ (49,595)	$ 789,577
Segment assets	$2,352,939	$2,391,728	$2,794,775	$421,646	$207,985	$8,169,073	$ 637,477	$8,806,550
Other items								
Depreciation and amortization	$ 54,327	$ 56,126	$ 245,686	$ 14,639	$ 3,347	$ 374,125	$ 10,717	$ 384,842
Investments for companies applied equity method	$ 83,459	$ 13,338	$ —	$ —	$ —	$ 96,797	$ —	$ 96,797
Capital expenditures	$ 70,986	$ 60,601	$ 437,902	$ 17,725	$ 1,008	$ 588,222	$ 55,656	$ 643,878

Notes: 1. Others segment consisted of business segments not attributable to reporting segments and included financial services, real estate operations, insurance agency services, travel agency services, printing and information services, etc.
2. The adjustments for segment information above were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Corporate expense*	¥ (7,449)	¥ (7,575)	$ (49,996)
Elimination of intersegment sales	59	(48)	401
Total	¥ (7,390)	¥ (7,623)	$ (49,595)

* Corporate expense mainly consisted of administration cost of the Company.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Corporate assets*	¥ 261,797	¥ 303,703	$ 1,757,028
Elimination of intersegment transactions	(166,813)	(196,039)	(1,119,551)
Total	¥ 94,984	¥ 107,664	$ 637,477

* Corporate assets mainly consisted of invested cash surpluses (cash and cash equivalents), long-term invested assets (investment securities), assets relating to administration department and assets of a financing subsidiary company.

3. Segment profits (losses) were reconciled to operating profit (loss) in the consolidated statements of income.

2. Related Information

Related information for the years ended March 31, 2025 and 2024 were as follows:

Geographic information

(a) Sales

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Japan	¥ 797,923	¥ 770,790	$5,355,193
Asia (except for China), Others	141,476	163,440	949,493
China	98,898	96,345	663,750
Europe	40,209	39,198	269,860
Americas	44,901	33,441	301,349
Consolidated	¥1,123,407	¥1,103,214	$7,539,645

Note: Net sales information above is based on customer location.

(b) Tangible fixed assets

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Japan	¥253,121	¥220,869	$1,698,800
Asia (except for Malaysia and China), Others	19,511	70,475	130,933
Malaysia	53,095	—	356,348
China	19,216	18,195	128,972
Europe	918	778	6,167
Americas	1,213	1,139	8,141
Consolidated	¥347,074	¥311,456	$2,329,361

3. Information on impairment loss of fixed assets by each reporting segment

None

4. Information on amortization of goodwill and unamortized balance by each reporting segment

Information on amortization of goodwill and unamortized balance by each reporting segment for the year ended March 31, 2025 and 2024 were as follows:

	Millions of yen					
Year ended March 31, 2025	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Consolidated
Amortization	¥ —	¥ 884	¥ 13	¥ —	¥ —	¥ 897
Balance as of March 31	¥ —	¥3,763	¥ 5	¥ —	¥ —	¥3,768

	Millions of yen					
Year ended March 31, 2024	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Consolidated
Amortization	¥ —	¥ 919	¥ 13	¥ —	¥ —	¥ 932
Balance as of March 31	¥ —	¥4,831	¥ 19	¥ —	¥ —	¥4,850

	Thousands of U.S. dollars (Note 3)					
Year ended March 31, 2025	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others	Consolidated
Amortization	$ —	$ 5,932	$ 89	$ —	$ —	$ 6,021
Balance as of March 31	$ —	$25,254	$ 37	$ —	$ —	$25,291

5. Information on gain on negative goodwill by each reporting segment

None

Note 22. Information on Transactions with Related Parties

For the year ended March 31, 2025

None

Note 23. Business Combinations

For the year ended March 31, 2025

Simplified Share Exchange resulting in a wholly owned subsidiary

Fuji Electric Co., Ltd. ("Fuji Electric") and Fuji Electric Engineering & Construction Co. Ltd. ("FEEC," and together with Fuji Electric, the "Companies") have resolved at their respective Board of Directors meetings held on October 31,2024 to conduct a share exchange (the "Share Exchange") by which Fuji Electric becomes the wholly owning parent company of FEEC and FEEC becomes the wholly owned subsidiary of Fuji Electric, and have entered into a share exchange agreement (the "Share Exchange Agreement").

In addition, on February 3, 2025, the effective date of the Share Exchange, Fuji Electric became the wholly owning parent company of FEEC and the shares of FEEC's common stock were delisted from the Standard Market of the Tokyo Stock Exchange, Inc. on January 30, 2025.

1. Outline of the Share Exchange

(1) The name and description of business of wholly owned subsidiary in the share exchange

The name of wholly owned subsidiary

Fuji Electric Engineering & Construction Co. Ltd.

Description of business

Installation of electrical equipment, electrical instrumentation, air conditioning, water supply and drainage and sanitation equipment, information and communication equipment, construction work, and any other business incidental to or related to the foregoing.

(2) Purpose of the Share Exchange

This decision was made based on the judgment that the best course of action would be to further strengthen collaboration by leveraging the existing businesses and technologies of our company and Fuji Electric E&C and newly created synergies, and to aim to increase the corporate value of the entire Fuji Electric Group, including Fuji Electric E&C, by strengthening integrated group operations, including the effective use of management resources and optimal allocation of management resources by eliminating overlapping functions.

(3) Effective date of the Share Exchange

February 3, 2025

(4) Method of the Share Exchange

The Share Exchange made Fuji Electric the wholly owning parent company of FEEC and FEEC the wholly owned subsidiary of Fuji Electric.

Fuji Electric conducted the Share Exchange through a simplified share exchange procedure, which does not require approval by a resolution of the general shareholders' meeting pursuant to Article 796, Paragraph 2 of the Companies Act, while FEEC conducted the Share Exchange subject to approval of the Share Exchange Agreement by a resolution at an extraordinary general shareholders' meeting held on December 26, 2024. Upon completion of these procedures, the Share Exchange became effective on February 3, 2025.

(5) Name After the Share Exchange

Fuji Electric Engineering & Construction Co. Ltd.

2. Outline of the accounting treatment

This transaction has been treated as a common control transaction, etc. based on "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

3. Matters concerning calculation of acquisition cost, etc.

(1) Acquisition cost of the acquired company and its breakdown

Acquisition price: Common stock (treasury stock) ¥38,370 million

Acquisition cost: ¥38,370 million ($257,516 thousand)

(2) Allotment of shares in the Share Exchange

	Fuji Electric (wholly owning parent company)	FEEC (wholly owned subsidiary)
Allotment ratio for the Share Exchange	1	0.93
Number of shares delivered in the Share Exchange	Fuji Electric's common stock: 4,495,801 shares	

Notes: 1. Regarding the 4,158,185 shares of Fuji Electric E&C stock held by the Company, no shares were allocated through this share exchange. All issued shares were allocated from treasury stock held by the Company.
2. In order to ensure the fairness of the valuation of the share exchange ratio used in the Share Exchange, the Company requested a third-party organization independent of the Company and Fuji Electric E&C to calculate the share exchange ratio.

4. Matters concerning changes in parent's equity from transactions with non-controlling interests

(1) Main factors for the change in capital surplus

Acquisition for additional shares in consolidated subsidiary

(2) The amount of capital surplus decreased by transactions with non-controlling intersts

¥16,628 million ($111,602 thousand)

Note 24. Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheets

1. Outline of asset retirement obligations

The Companies record asset retirement obligations related to the expenses for removing asbestos from company-owned buildings upon their dismantlement and the obligations to restore head offices, sales offices and other premises to their original condition upon termination of their lease contracts.

Regarding some of the obligations to restore head offices, sales offices and other premises to their original condition, the Companies estimate nonrecoverable amounts of deposits for those premises and record the portion attributable to the current fiscal year as expenses, instead of recording asset retirement obligations.

2. Calculation method of asset retirement obligations

In calculating the amounts of asset retirement obligations, the Companies estimate a period of use between 9 and 49 years and use a discount rate equivalent to the interest rate of government bonds corresponding to the use period (0.03% to 2.3%).

3. Changes in the total amounts of asset retirement obligations

Changes in the total amounts of asset retirement obligations for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Balance at the beginning of the year	¥2,524	¥2,523	$16,939
Adjustment due to passage of time	6	6	41
Decrease due to fulfillment of obligations	(21)	(5)	(137)
Balance at the end of the year	¥2,509	¥2,524	$16,843

Note 25. Amounts Per Share

Information on amounts per share for the years ended March 31, 2025 and 2024 was as follows:

	Yen		U.S. dollars (Note 3)
	2025	2024	2025
Net assets per share	¥4,695.56	¥4,218.41	$31.513
Profit per share	642.69	527.57	4.313

Note: Diluted profit per share in 2025 and 2024 is not disclosed because there is no potential common stock that has a dilutive effect.